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NEW ORLEANS

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Say, "New Orleans" and the personality of the city pops immediately to mind. If you want clothes, go to Paris. For high finance, go to New York or London. But if you want to party, go to New Orleans! Considered the birthplace of jazz, New Orleans beckons with music, dancing, parades, food and fun.

Founded in 1718, the city also boasts the distinction of being older than the United States. In 2000, The Greater New Orleans area had a population of 1.3 million, making it the 35th largest metropolitan area in the country. That is before we consider the additional annual tourist population of 10 million people.

About half of the city is at or below sea level yet it is also a major port system. In fact, measured by gross tonnage, it is the busiest port system in the world. The United States is heavily dependent on the area for the production and refining of petroleum. The tourist industry contributes about \$5.5 billion a year to their economy. There are about a dozen major colleges and universities, and a presence in the movie industry is being established.

When Hurricane Katrina broke the levees, we witnessed the catastrophic devastation of this major American city. Two years later, people continue to come in from all over the world to offer help with the recovery effort and to discover what they can learn about improving their own preparedness.

At the time of the hurricane, nearly 1.5 million residents lived in the Greater New Orleans area. When the hurricane was upgraded to a category 5, the mayor ordered a mandatory evacuation. Nearly everyone safely left the city. Less than 100,000 people remained. When the levees broke, 80% of city flooded. 1750 people drowned. 500,000 were left homeless. Along with the rescuers came the looters, rapists, murderers, and the drug dealers who shot at helicopters to keep them away from their stashes.

Once the city was drained, residents began trying to return and rebuild. Today, the population in New Orleans is about half what it was and visitor traffic is at 23% of previous levels. The federal government will spend about \$200 billion and insurance companies another \$44 billion in the recovery effort. This makes this one of the costliest natural disasters ever to occur in the United States.

Along with so many others, I went to New Orleans to see what I could learn. It was an eye-opening experience. Emotions are still close to the surface. Pain was still apparent in the eyes of many, but there was anger, too. The overwhelming emotion, though, was gratitude. Everywhere we went, we heard, "Thank you for coming. We need our visitors. Please tell everyone to come." We stopped and talked to people on the street, and everyone had stories. They need to talk. They need to tell their stories and we need to hear them.

For example, if you were the person in charge and you knew that a disaster was about to strike your area, what population group would you think it was most important to keep around for your rebuilding efforts? Police/fire people? Maybe the rebuilders/construction people? How about doctors/nurses? Think about it for a moment.

New Orleans shows that it isn't as simple as you might think. The teachers left. Rival schools were combined into one building operating three shifts a day. The students from one school would come in the morning, another in the afternoon and the other in the evening. They didn't have enough teachers to do it any other way. At the moment they are trying to hire 200 certified teachers.

What happened? The doctors said, "My children have no school and no teacher", so they moved someplace with schools for their children. So did the nurses, carpenters, electricians, accountants, dentists, police and so on. The University of New Orleans dropped from 19,000 students to 9000 because the professors left. A significant number of families have moved somewhere with teachers for their children. The point is not that teachers are the most important group. The point is that *everyone* is needed in a thriving community.

There is a black mold that is growing in the porous surfaces that were underwater. Houses have to be completely gutted and then mold remediated (sort of like being soaked in bleach) before anyone can rebuild. This is nasty, dangerous work. They brought in 70,000 Hispanics for this labor. They had to sleep in tents in the parks and were paid a tax free \$17.50 minimum wage for the clean up. Many have stayed and they send their checks home to their families every week. \$14 an hour is about the minimum wage anywhere in the city. There are many more jobs than people to do them. We heard rumors that *McDonald's* was offering \$2500 signing bonuses to new employees!

Entire neighborhoods are abandoned. You drive up and down street after street and no one is there. Through the windows of many homes you see furniture, pictures on the walls, draperies, appliances, even toys, but no one can go in because of the black mold. EVERYTHING has to come out. You can't keep anything. You strip your house and all of its contents down to the studs and exterior walls and the rest gets hauled off and buried in the swamps. Many people have not received the funds to do this work and rebuild, but there wouldn't necessarily be anyone to hire even if they did have the money. Finding qualified workers is not easy.

Many had transferred home ownership through their wills for generations. Those records at the courthouse were lost in the storm. There are hundreds (thousands?) of lawsuits from people trying to establish the fact that they own their property. Prisoners had to be released because the records or evidence of their crimes had been destroyed in the flood water.

Many people will never return. Their jobs are gone, and their neighborhood may be gone as well. Real estate prices are down about a third and 30,000 houses are on the market. People who do rebuild in an abandoned neighborhood find themselves in an area with no garbage collection or other public services. The infrastructure has been reduced and confined to those areas with the concentrations of existing residents. There has been no change in the voting precincts, or "wards", so these abandoned areas have few residents but retain a full complement of political representatives.

I could go on for hours. If you want to hear more of what I saw and learned, I'd be happy to discuss it with you or put more in a future letter. Just let me know. Right now, I want to pass along some thoughts about what this means to us. First, if you can go visit, do so. You will have a good time and you will learn a lot. Second, right now New Orleans is the land of opportunity. Anyone who wants a chance and can't find it there is just not looking. This may offer the greatest abundance of opportunity many will ever see in their lifetime. College grads? New career path? Promotion possibilities? Certified teacher? Go to New Orleans!

Meanwhile, here are some practical lessons in disaster preparedness for all of us:

1. If you ever have to evacuate, don't leave with the thought that it is a trip for the weekend. Be sure you take what records you will need if yours are destroyed. This includes your car title, your birth certificate, your deeds, driver's license, passport, insurance policies, tax returns and medical records such as prescriptions. Don't assume copies will be available. (Why not gather them now? Then keep them together, ready to go if the need ever arises.)
2. Make copies of the title to your car, the deed to your house, your birth certificate, your medical records, your insurance policies, your bank and brokerage statements, your tax returns and other important papers, and put them in a safety deposit bank far away, preferably in another state. If you know where you might go if evacuated, store your copies there. Your ability to duplicate these is severely compromised if the local records are destroyed when yours are.
3. Back up your electronic records and store the hard copies this same way.
4. Use an internet storage site for additional electronic backups.
5. Use at least one bank that will have a branch available for you if you can't go home. You will need access to your money.

Pray it never happens to you, be grateful when it doesn't, but be prepared in case it does.

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