In the last month, Louisiana’s voters participated in a dramatic election, which resulted in the retention of many incumbent members of Congress from southern Louisiana and the transfer of power to Democrats in the U.S. House and Senate. The buzz now is whether a Democratically-controlled Congress will serve as a better ally to the people of New Orleans and southern Louisiana in addressing the continued short- and long-term recovery needs of the region.

Closer to home, policy decisions about recovery are ongoing. Governor Blanco, under increasing public pressure, has turned up the heat on the Road Home program to ensure that thousands of checks are cut for families by the end of the month. In his state of the city speech, Mayor Nagin announced plans for a home renovation loan program (to mixed reception) to help provide gap financing for families as they await results from the state’s Road Home program. Local and state officials continue to work with Entergy to find a resolution to get the utility company out of bankruptcy without passing undue costs to customers. Meanwhile, plans for a new health care system for the city and expanded transit service for the region continue to be rolled out.

As these political and policy changes indicate hopes of problem solving and progress on recovery, key housing and economic indicators for the city of New Orleans and the region remain stagnant at best. This month’s Katrina Index finds that:

**Housing**

The pace of new home renovations has slowed in the past month in the city of New Orleans, while demolitions continue unabated. Between September and October 2006, the city issued approximately 1,500 new residential building permits, far fewer than the 7,800 new permits issued in the previous month. This also represents the smallest one-month absolute increase in approvals for home renovations since February 2006. The pace of new city permits issued may increase as applicants to the state’s Road Home program hear about the status of their loan request and move forward on additional home improvements or remodeling. Meanwhile, Orleans Parish saw nearly 500 additional homes demolished between September and October, the second highest absolute increase since demolition activities began in earnest last March.

The housing market in the New Orleans region has cooled: the number of homes put up for sale has remained essentially unchanged while the number of homes sold has dropped in the past month. Between October and November, the number of homes on the market has stayed virtually the same in the city of New Orleans and her surrounding parishes. In one respect, this reflects that few new homeowners have formally decided to sell their homes in the past month. On the other hand, this also reflects that few homes have been purchased and taken off the market. For instance, the number of homes sold to interested buyers has dropped in nearly every parish in the region over the past month.

**Economy**

Overall, the level of new businesses and public services remain stagnant. A survey of major hotels in the city found that two hotels have re-opened, in time to contribute to the fall convention season, while just a handful of food establishments have also re-opened their doors for business in the past
month. No additional public schools in the region have reported opening since the August semester began, except for several new school openings in St. Bernard Parish. Since October, just 3 new child care centers and one more hospital have opened their doors for service in Orleans Parish. In short, despite a few signs of progress, the level of new public and private service activity remains the same.

The overall employment picture for the New Orleans region and the state of Louisiana has remained the same over the past month, while the general employment trends in Orleans Parish have slightly worsened. Between September and October, the unemployment rate for the state and the New Orleans metro area have stayed about the same, with the region’s unemployment rate—now at 4.6 percent—mirroring that of the nation as a whole. While the number of jobs has remained the same in the region, there are some noteworthy employment trends by sector. Between August and September, greater New Orleans lost about 2,000 leisure and hospitality jobs but gained approximately 2,500 education and health jobs, likely reflecting the surge in hiring to support the opening of new k-12 schools and the start of the fall semester for area colleges and universities. Meanwhile, the figures for Orleans Parish are more troubling. Although estimates, the latest state and federal labor statistics show the city simultaneously gained 1,000 additional workers and 1,000 additional unemployed. By September, the city’s unemployment reached 5.2 percent, up a whole percentage point since July and higher than state and the U.S. average for the month.