



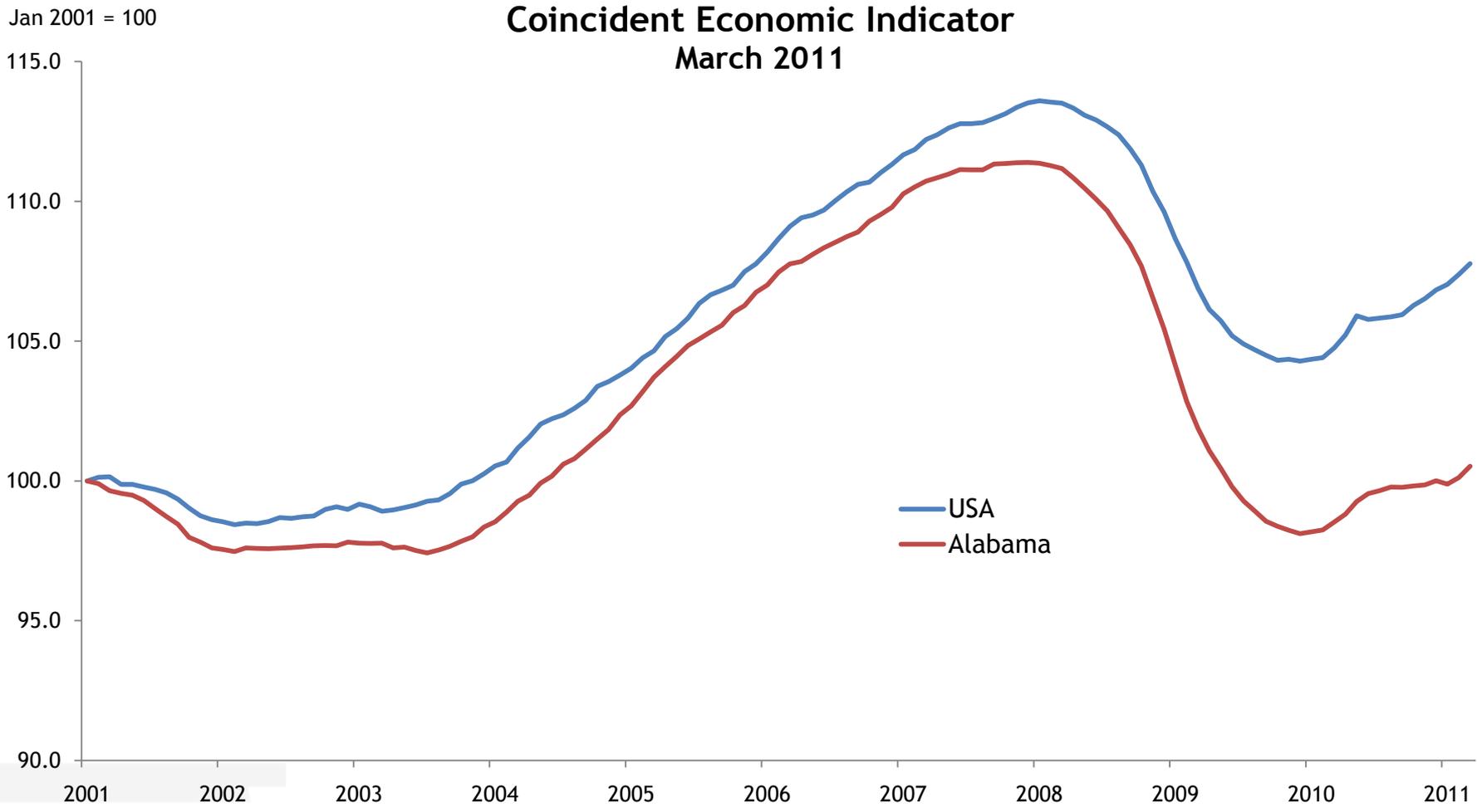
Data Digest: Alabama

June 2011



Alabama's economic performance is lagging a bit compared to the nation as a whole. Broad indicators of economic activity in Alabama have improved, but not at the pace of comparable U.S. data.

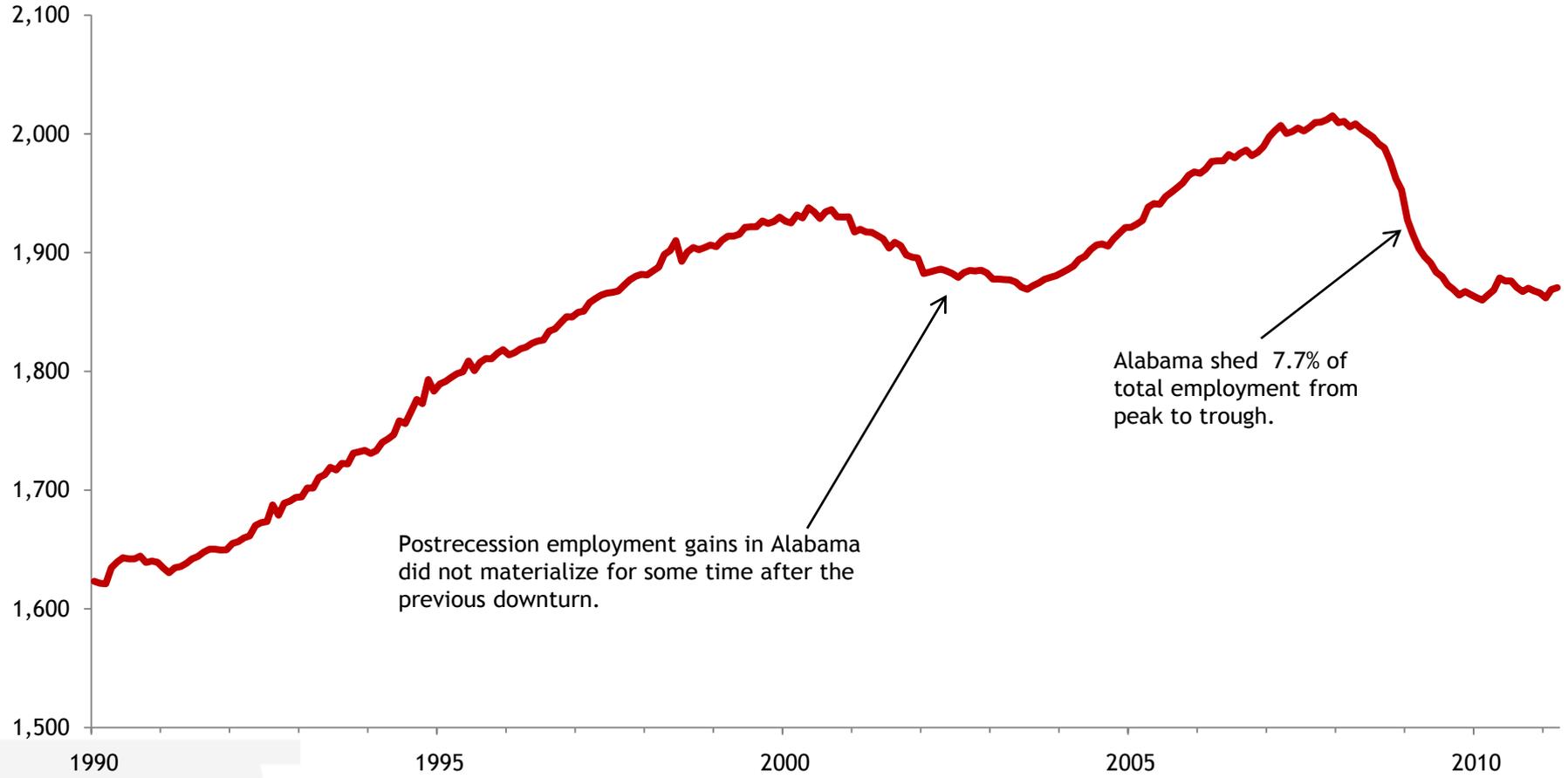
[About the Coincident Economic Indicator](#)



Source: Federal Reserve Bank of Philadelphia

Total employment in Alabama has stabilized near recession lows, but job gains remain elusive. The current level of employment is near 2002 levels.

Alabama Payroll Employment March 2011



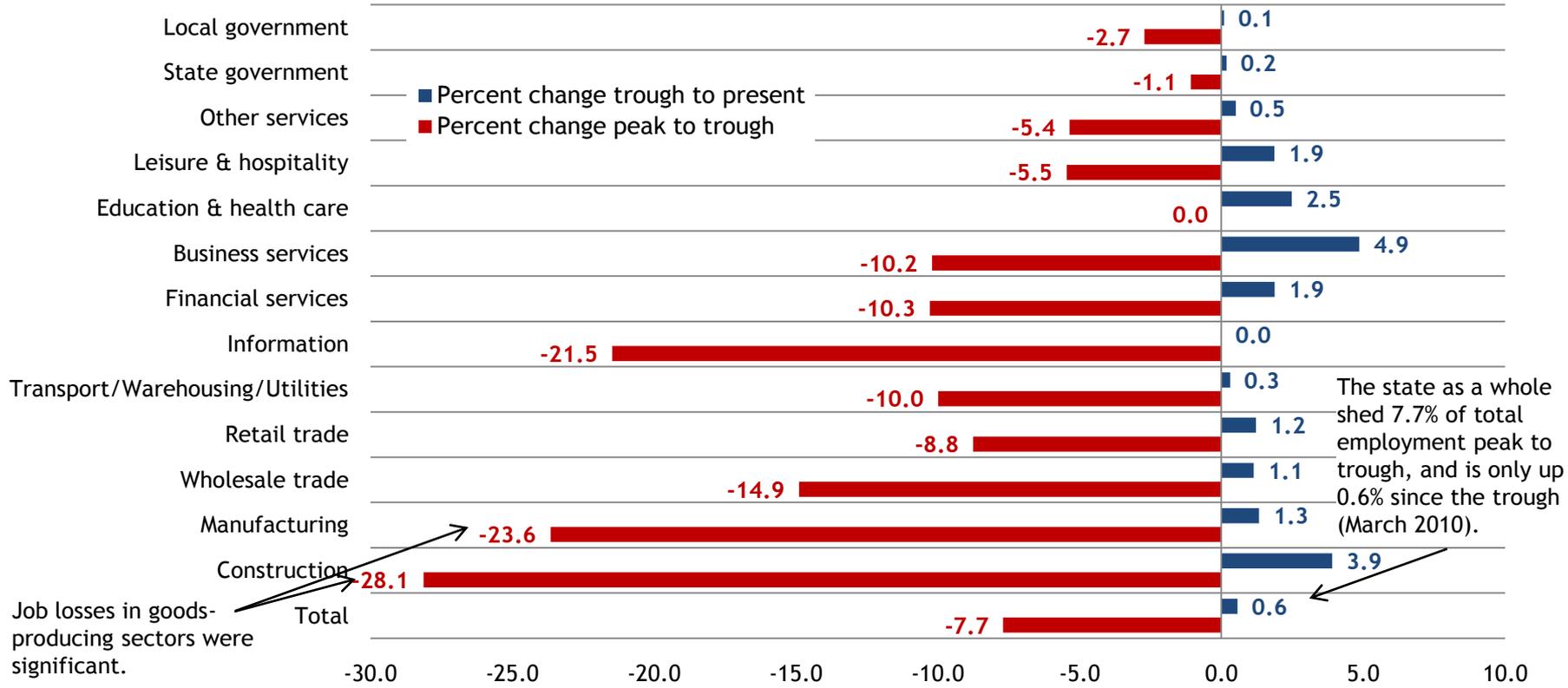
Postrecession employment gains in Alabama did not materialize for some time after the previous downturn.

Alabama shed 7.7% of total employment from peak to trough.

Source: U.S. Bureau of Labor Statistics, Haver Analytics

Goods-producing sectors were especially hard hit, but all industries lost jobs during the recession except health care. Job gains have been modest in most sectors, with health care growth in Alabama being somewhat slower than in other states.

Employment Loss and Gain by Industry: Alabama March 2011



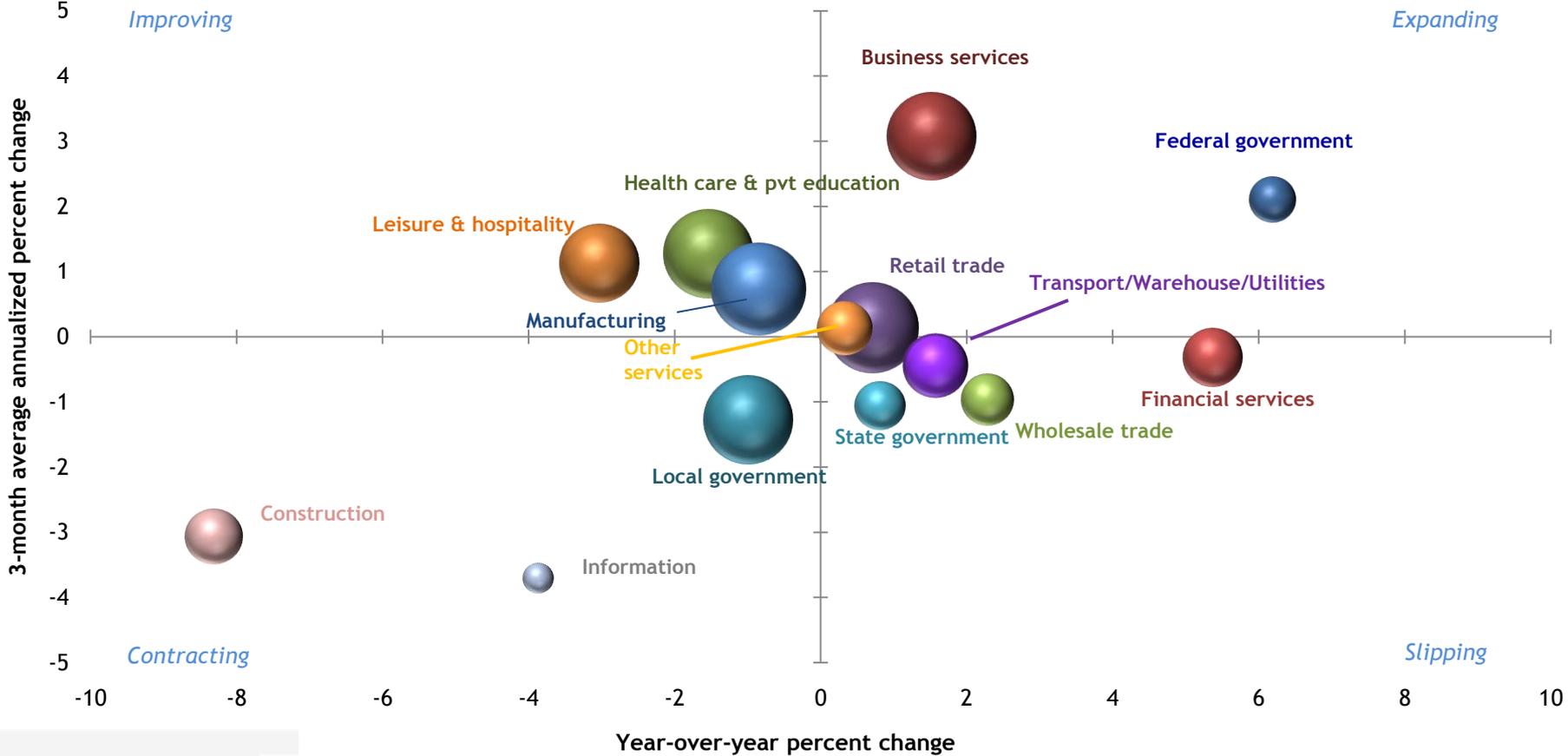
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Business services and federal government employment show positive employment momentum, while construction, information, and local government remain weak. Manufacturing is improving.

[About Employment Momentum](#)

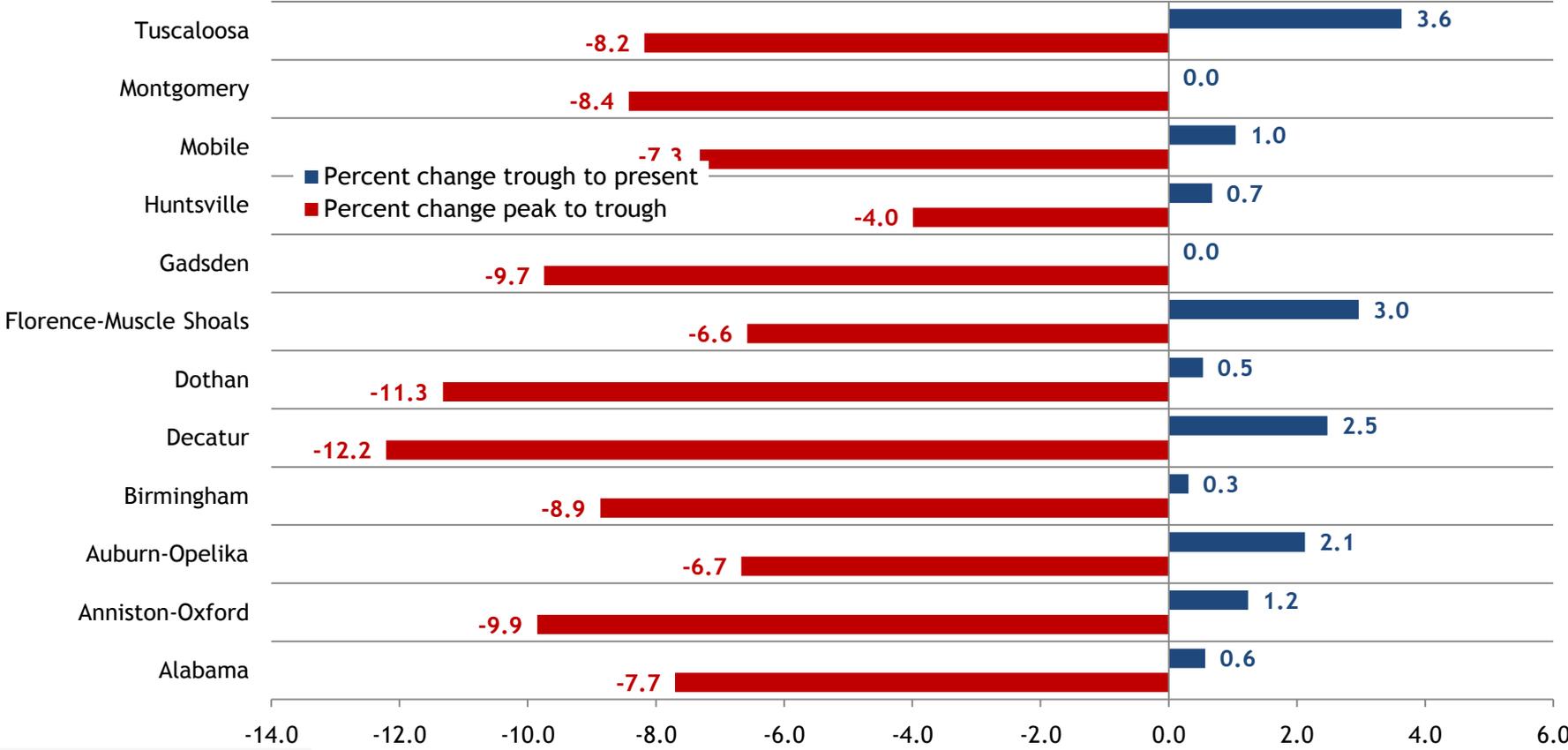
Employment Momentum by Industry: Alabama March 2011



Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Job losses occurred throughout the state. Most metro areas have seen some increase since their trough—only Gadsden and Montgomery are still declining. Tuscaloosa leads other areas in job recovery.

Employment Loss and Gain by Metro Area: Alabama March 2011

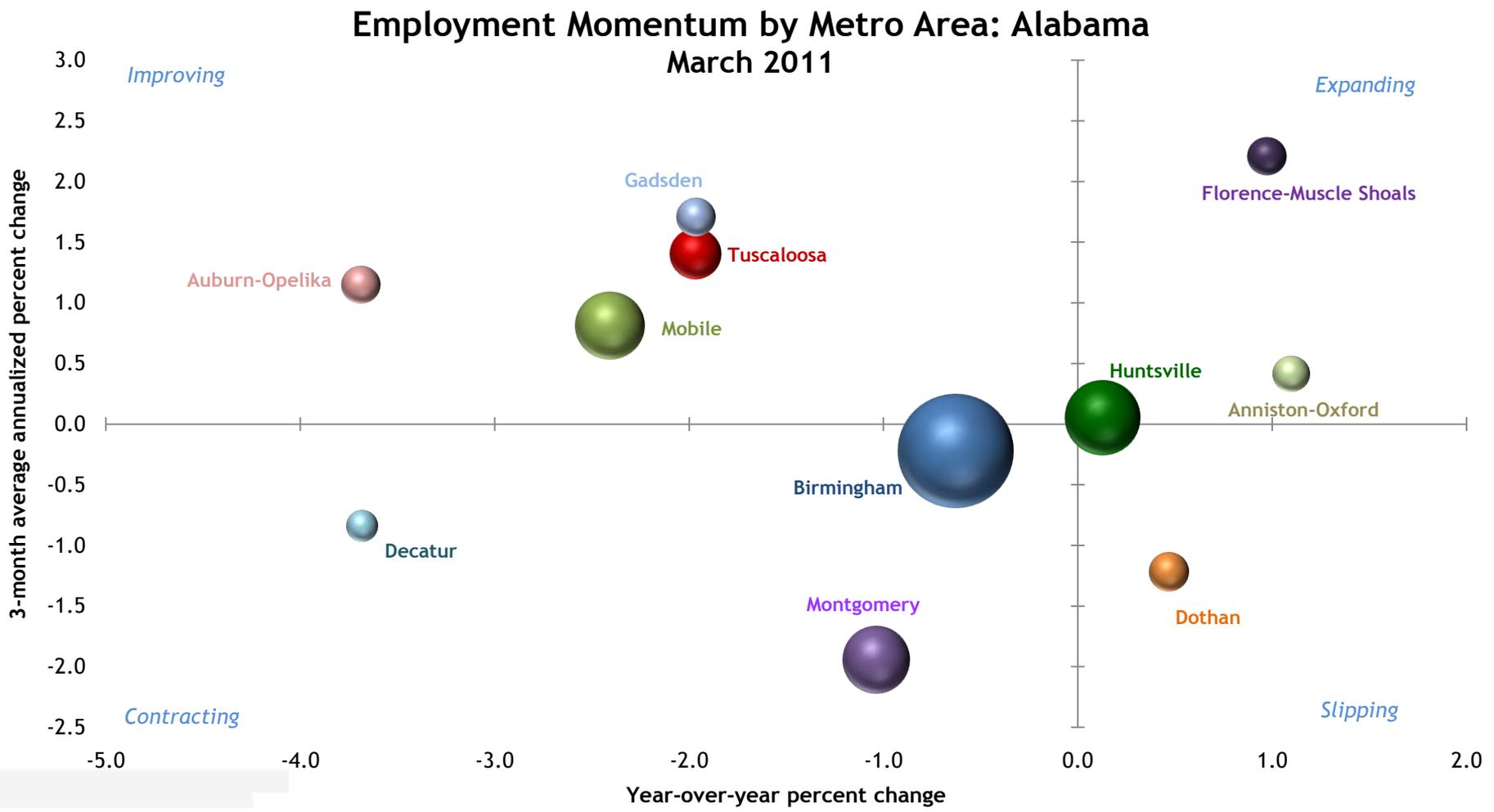


Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Florence-Muscle Shoals shows the strongest employment momentum, while Montgomery and Decatur are the weakest. Several metro areas have moved into the “improving” quadrant, while Huntsville is largely flat.

[About Employment Momentum](#)

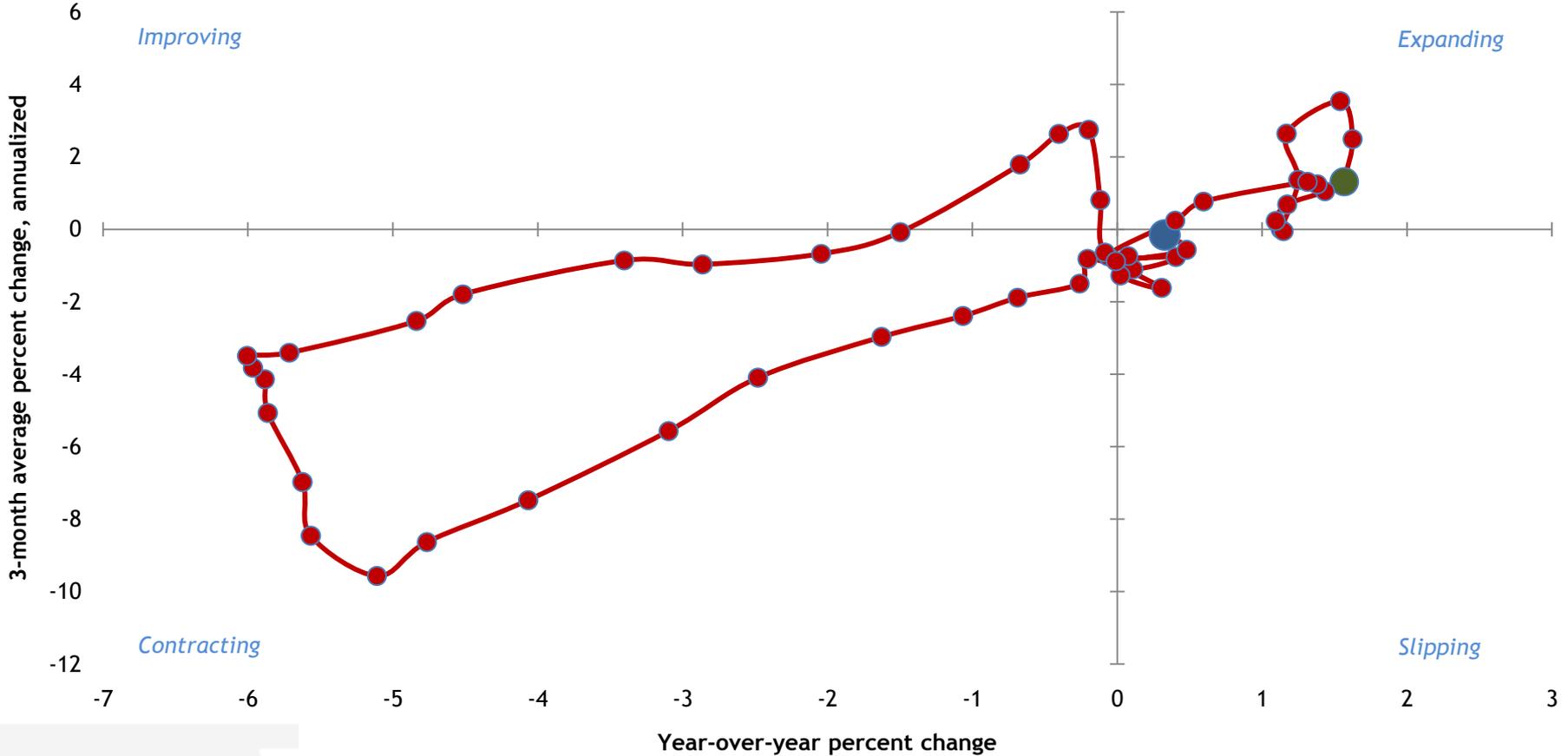


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

The state's employment momentum track is currently in the "slipping" quadrant. Alabama employment momentum spent nearly two years in the "contracting" quadrant.

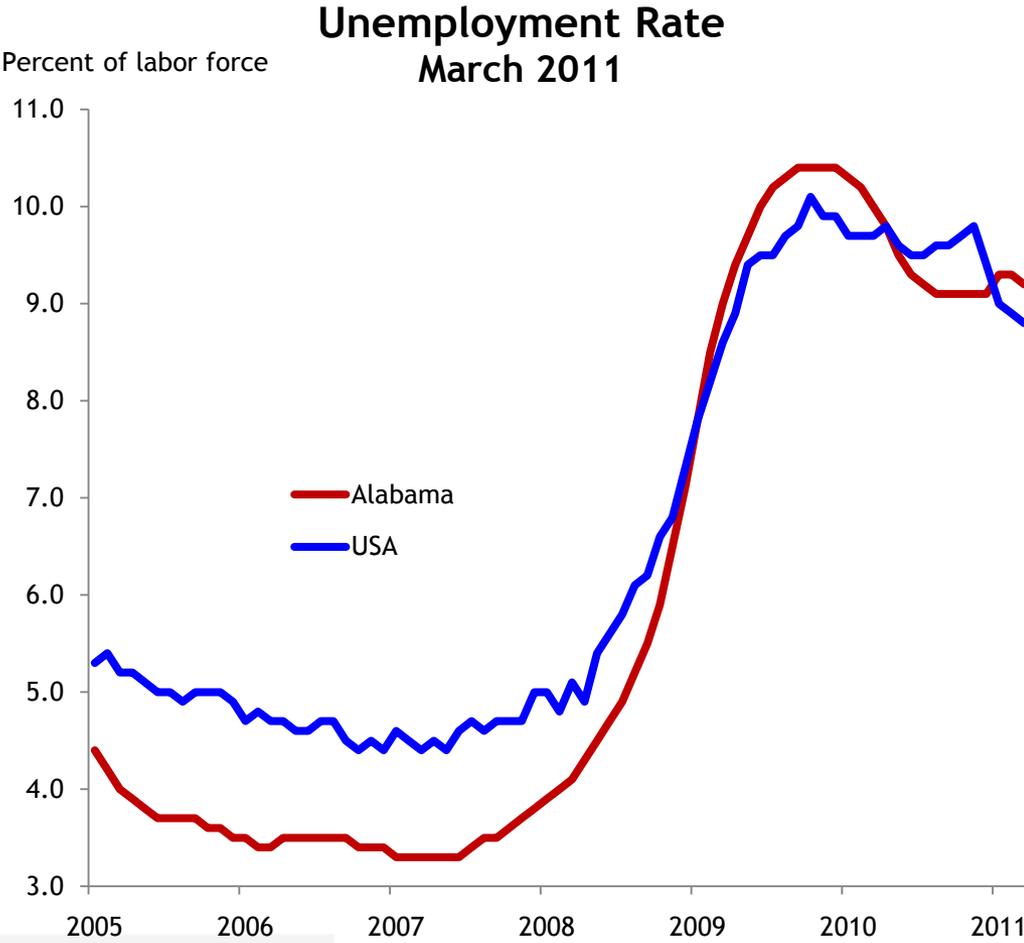
[About Employment Momentum Track](#)

Employment Momentum Track January 2007–March 2011



Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Until the recession, Alabama's unemployment rate was for many years well below the overall U.S. rate. Since peaking at over 10 percent, the state's unemployment rate declined into 2010 but has since stabilized at just over 9 percent.



Unemployment Rates			
	<u>Current</u>	<u>Year Ago</u>	<u>Jan 2007</u>
USA	8.8	9.7	4.6
Alabama	9.2	10.0	3.3
Anniston	8.9	10.3	3.5
Auburn-Opelika	7.6	8.8	3.5
Birmingham	8.4	9.5	3.3
Decatur	9.1	10.8	3.6
Dothan	8.3	9.2	3.3
Florence	8.2	9.7	4.2
Gadsden	9.1	10.3	4.1
Huntsville	7.5	7.9	3.0
Mobile	10.0	10.8	3.6
Montgomery	8.9	9.5	3.7
Tuscaloosa	8.3	9.1	3.2

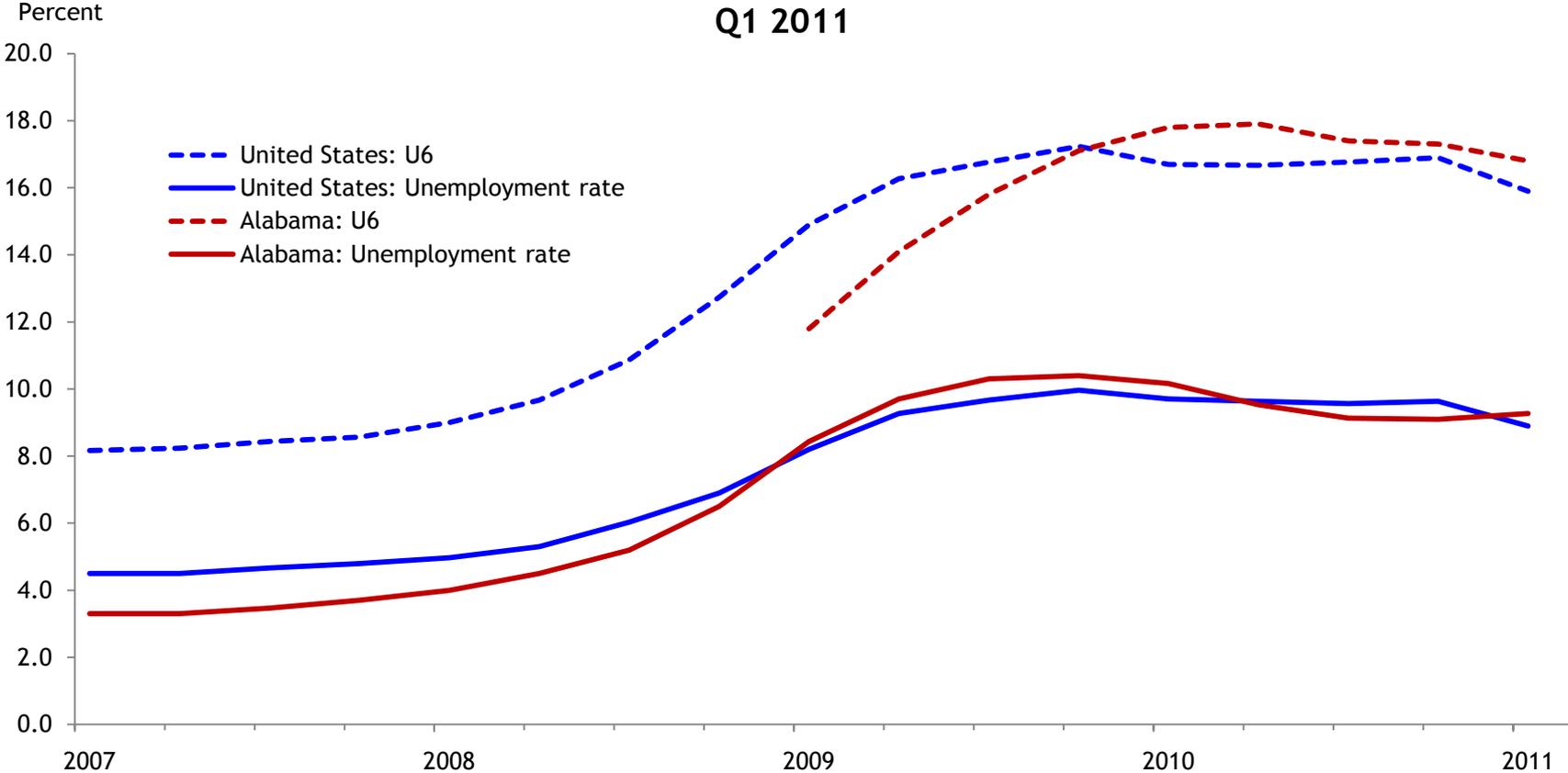
The table shows unemployment rates for metro areas. Current = March 2011. Year ago and January 2007 are included for comparison.

Source: U.S. Bureau of Labor Statistics, Haver Analytics

Alternative measures of labor underutilization for Alabama—namely, the U6 figure—show that nearly 17 percent of the state’s labor force is unemployed or underemployed—higher than the comparable U.S. measures.

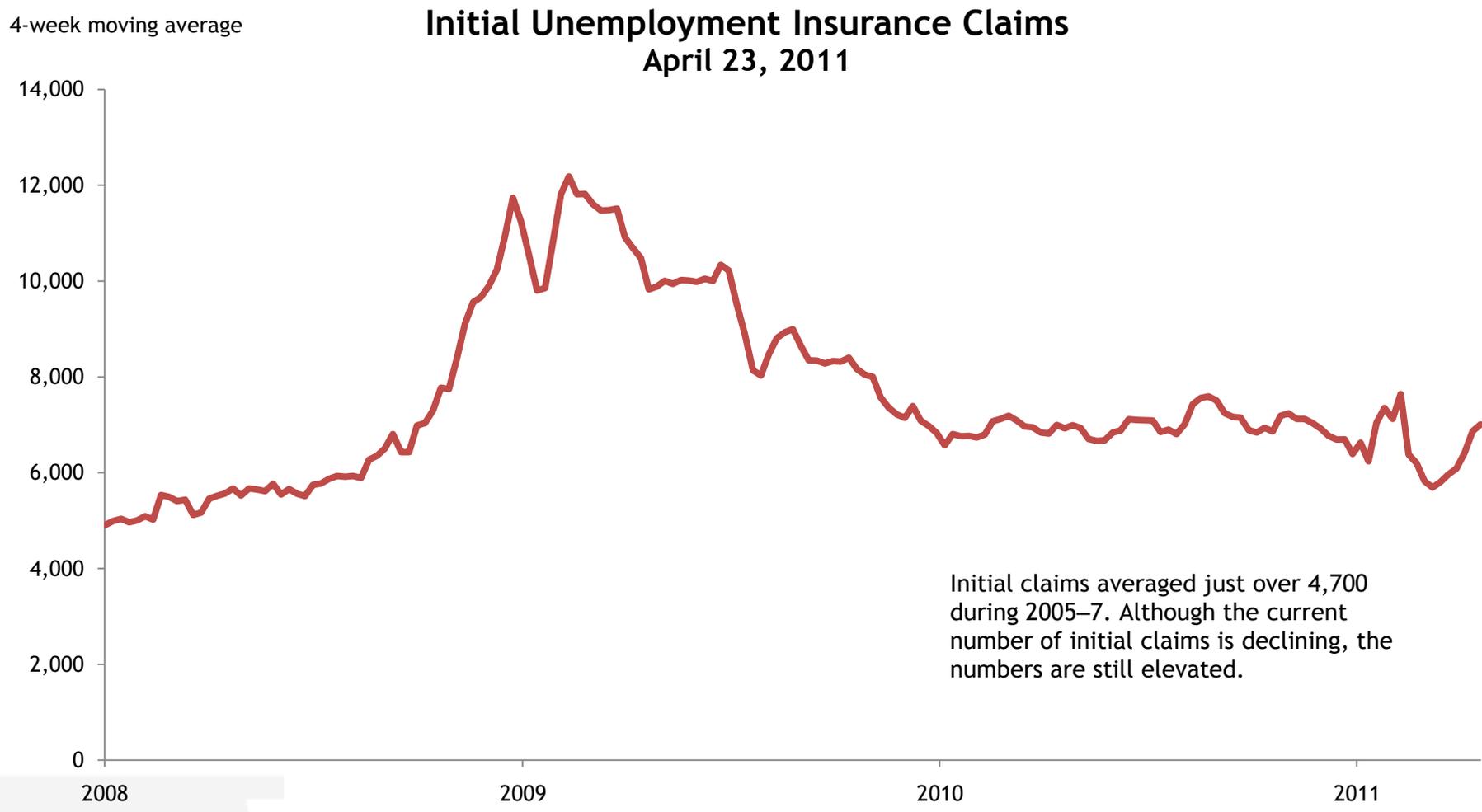
[About Unemployment Rates](#)

Measures of Labor Utilization: Unemployment Rate and U6
Q1 2011



Note: U6 = Unemployed + Marginally Attached + Part Time Economic Reasons/Civilian Labor Force + Marginally Attached (SA,%)
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial claims for unemployment insurance ticked up in March and April after declining earlier in the year. (The data, which are through April 23, do not reflect storm-related layoffs.)

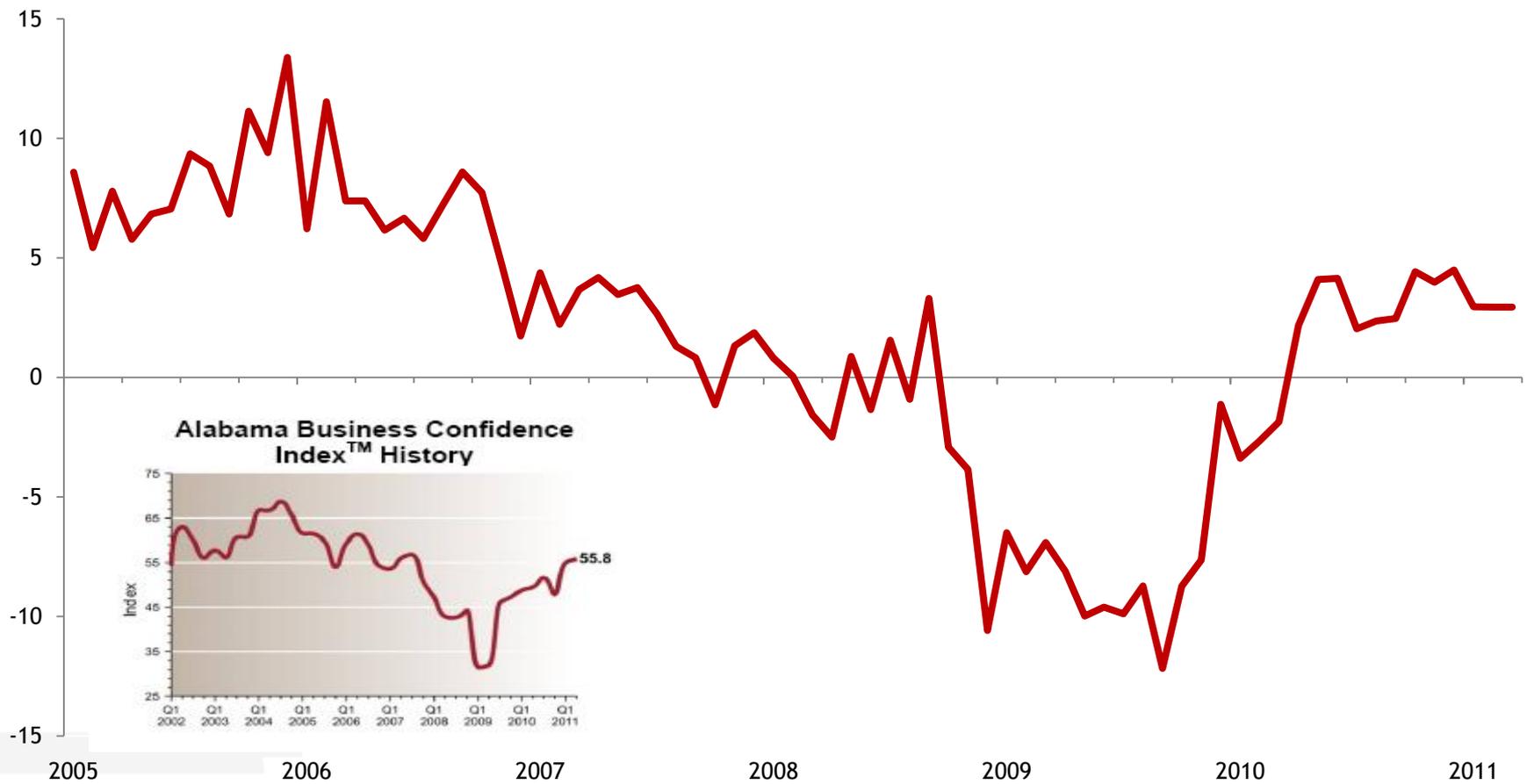


Source: U.S Department of Labor–Employment and Training Administration, Haver Analytics

Measures of consumer activity have recovered from recession lows. Business confidence has bounced back from 2009 lows, and sales tax revenues are posting steady year-over-year increases.

Alabama Sales Tax Revenue and Business Confidence

Year-to-year change,
3-month moving average



Source: Alabama Department of Revenue, University of Alabama Center for Business and Economic Research, Federal Reserve Bank of Atlanta

Regional manufacturing activity continued to accelerate into 2011, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. Although Alabama's component is a bit lower than the regional index, a reading of 59.2 is very good.

Southeast Purchasing Managers Index April 2011



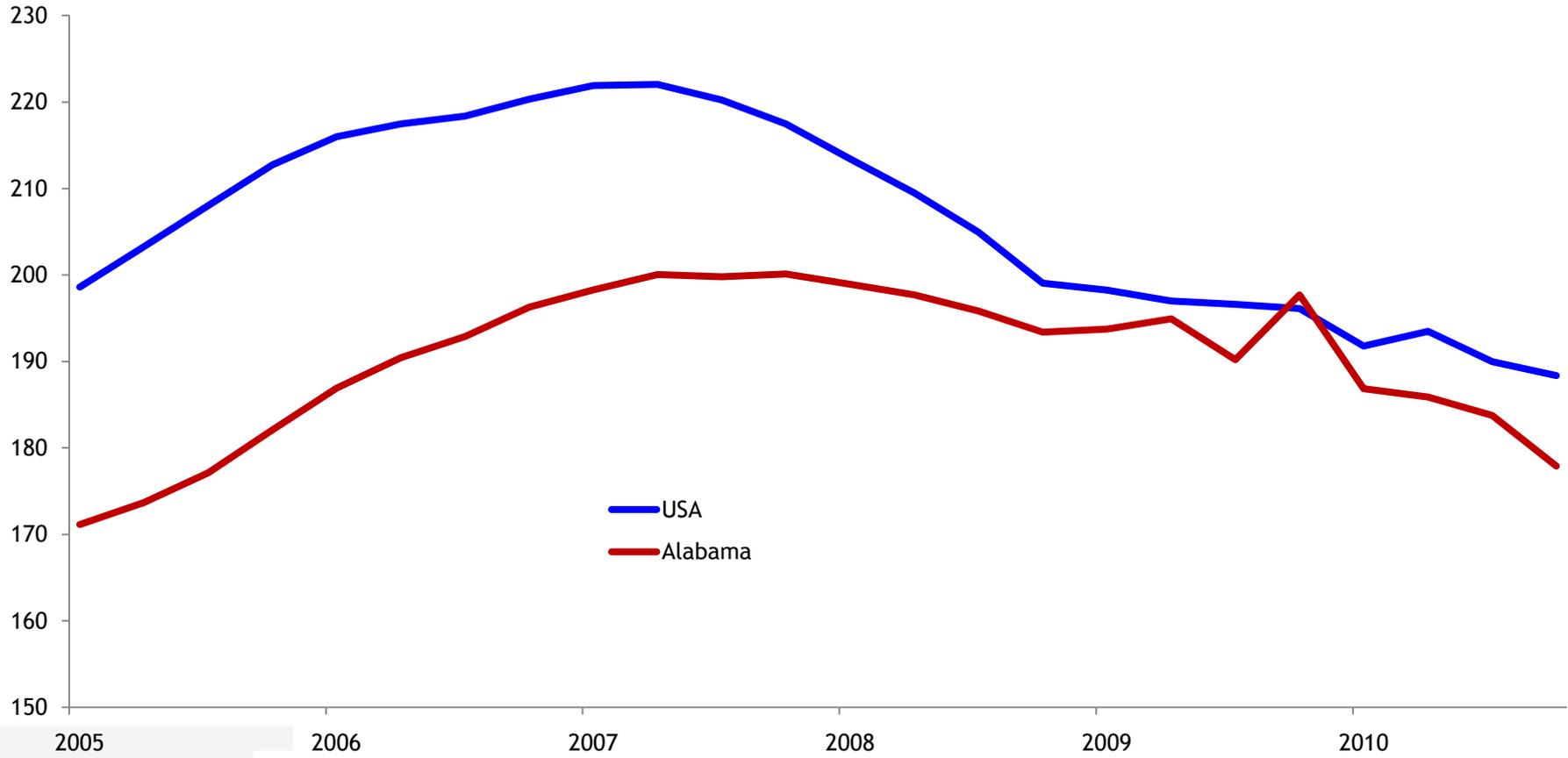
Note: 50+ = Expansion

Source: Kennesaw State University, Coles College of Business Econometric Center

Home prices remain under pressure. High inventories and distressed sales are expected to continue for some time.

Federal Housing Finance Agency Home Price Index through Q4 2010

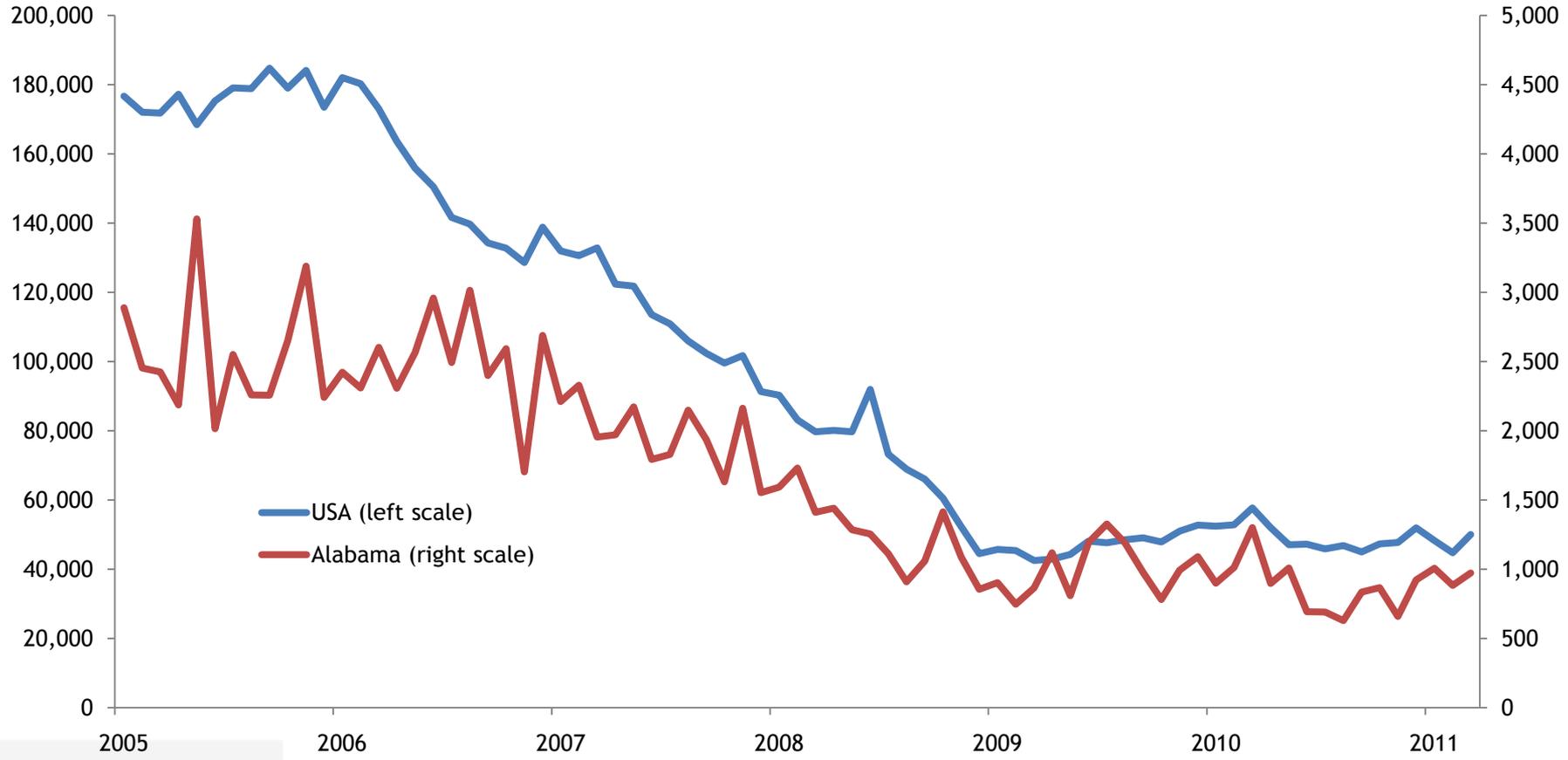
Q1 1991 = 100



Source: Federal Housing Finance Agency

New home construction has stabilized at very low levels. There is little sign that construction activity will increase anytime soon.

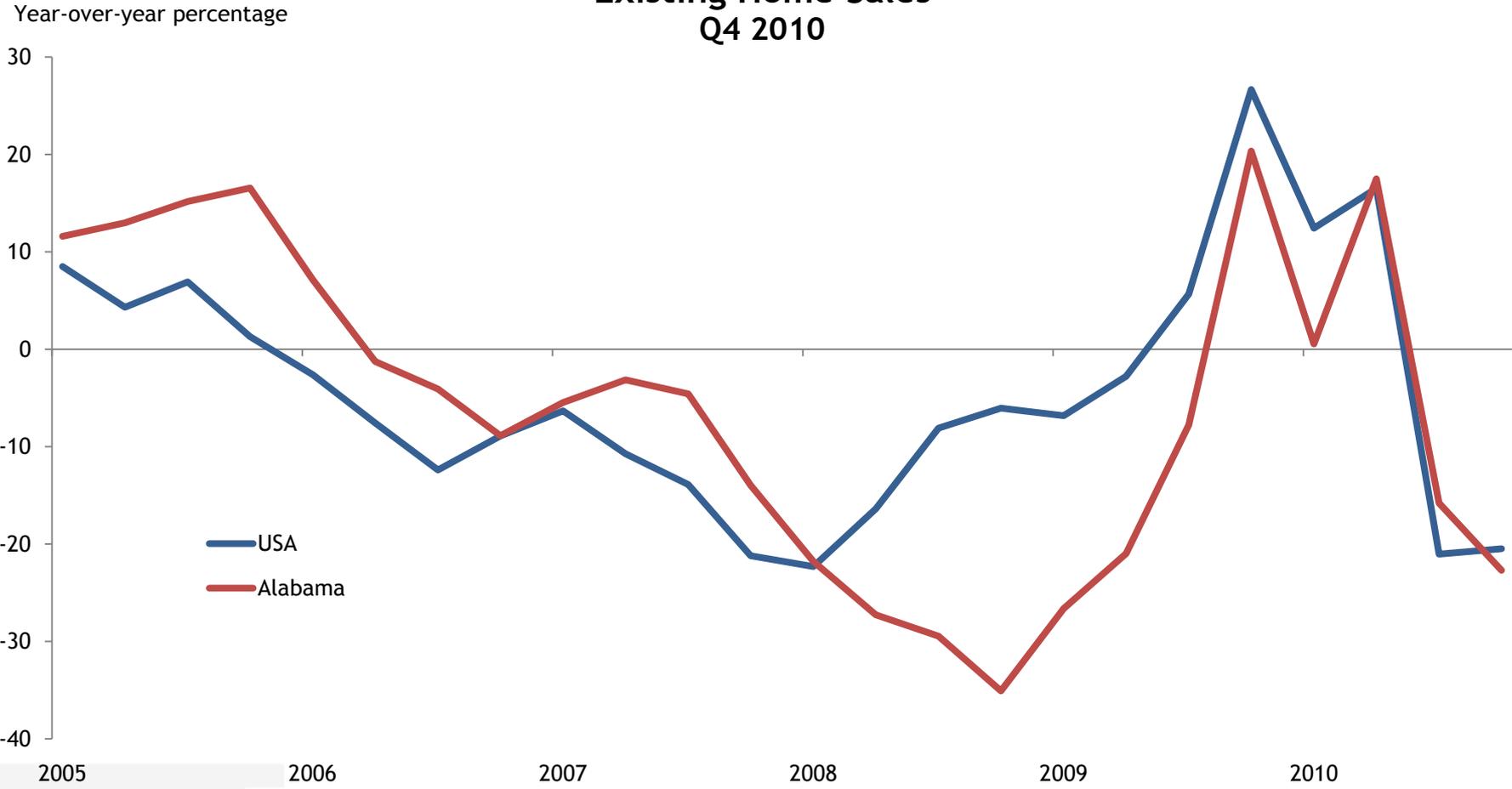
New Residential Home Construction Permits March 2011



Source: U.S. Bureau of the Census, Haver Analytics

Existing home sales have declined after showing improvement in late 2009 and early 2010.

Existing Home Sales Q4 2010



Source: National Association of Realtors

For additional sources of information, see our Local Economic Analysis Research Network membership at www.frbatlanta.org/rein/learn/map/learn_members.cfm.