



Data Digest: Alabama

December 2011

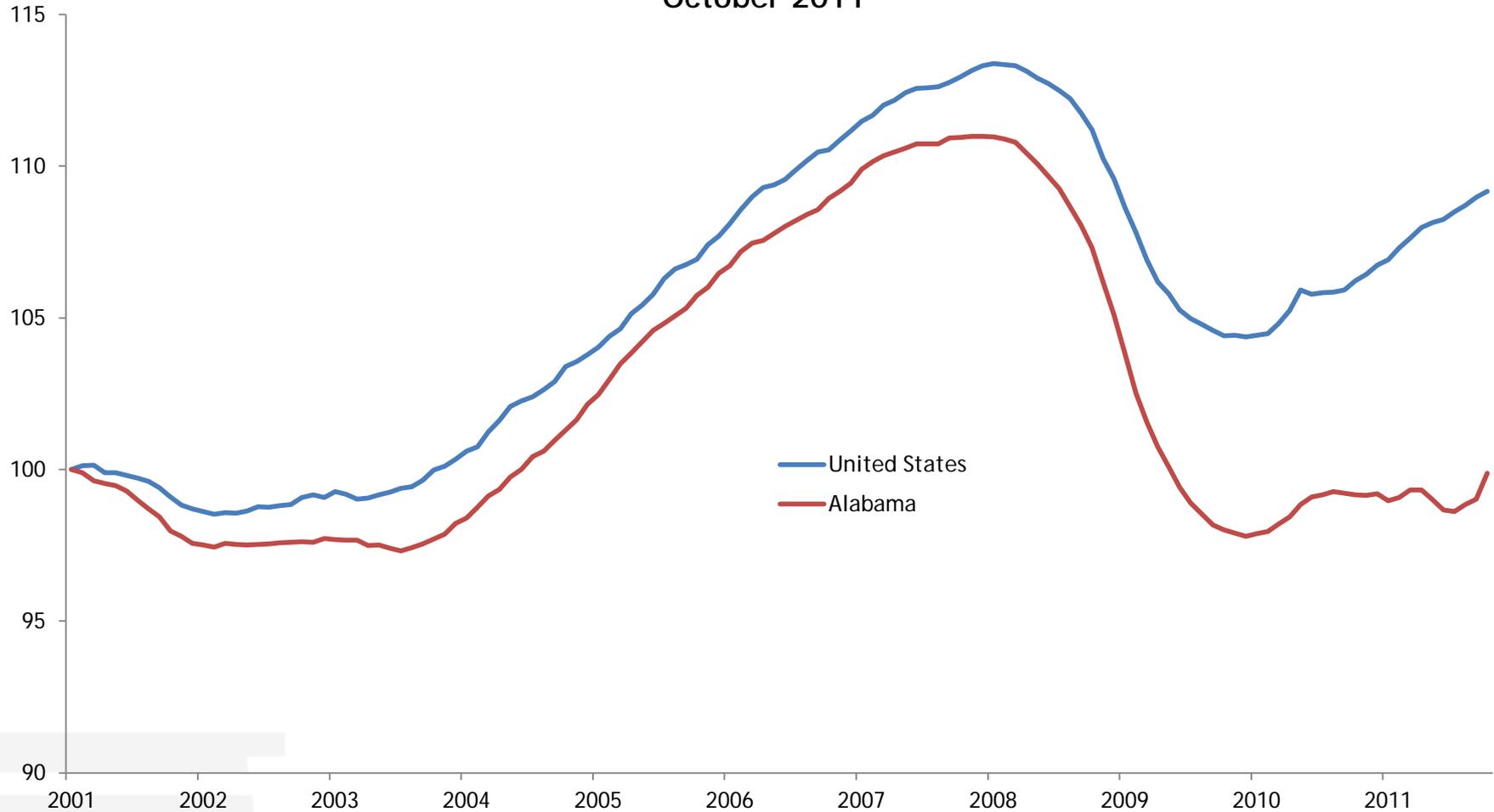


A broad indicator of U.S. economic activity continued to steadily improve in October. Although the indicator for Alabama remains below the national level, it has seen improvements in recent months.

[About the Coincident Economic Indicator](#)

Coincident Economic Indicator October 2011

Jan 2001 = 100

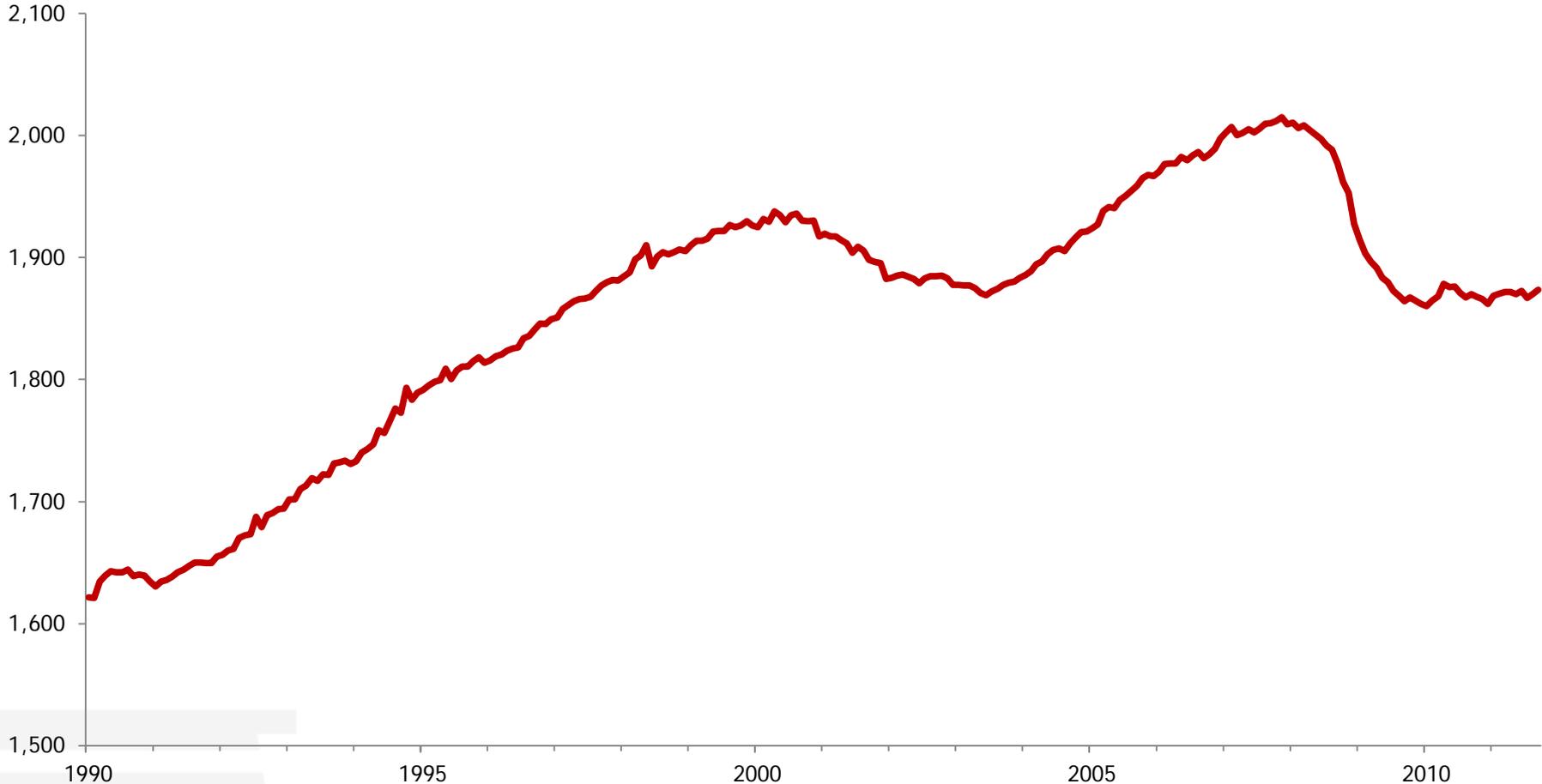


Source: Federal Reserve Bank of Philadelphia

Total employment in Alabama has stabilized, but job gains remain elusive. The current level of employment is near 2003 levels.

Alabama Payroll Employment October 2011

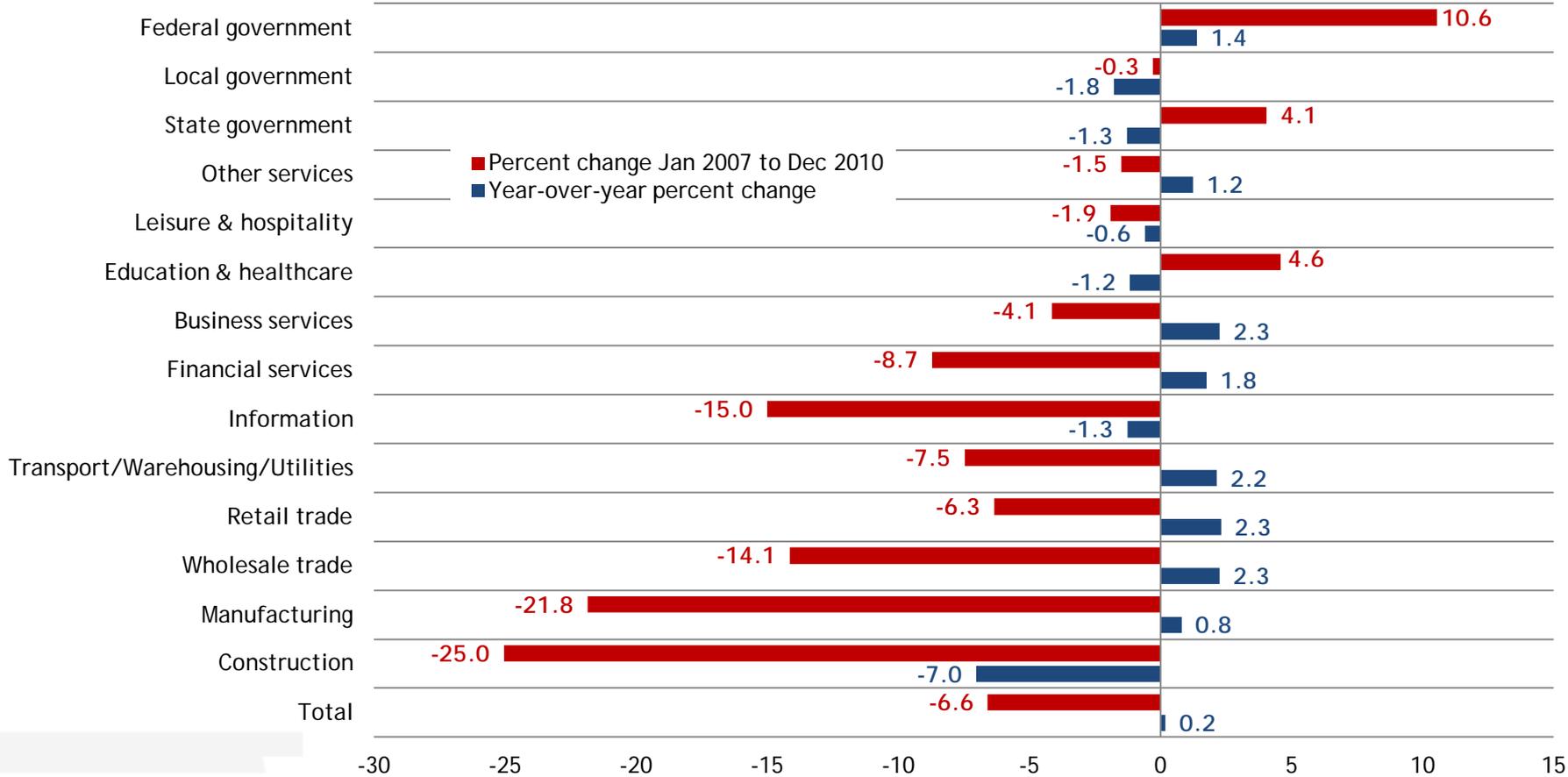
Thousands,
seasonally adjusted



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

Goods-producing sectors were especially hard hit, but all industries lost jobs during the downturn. Recent job gains have been modest in most sectors.

Employment Loss and Gain by Industry: Alabama October 2011

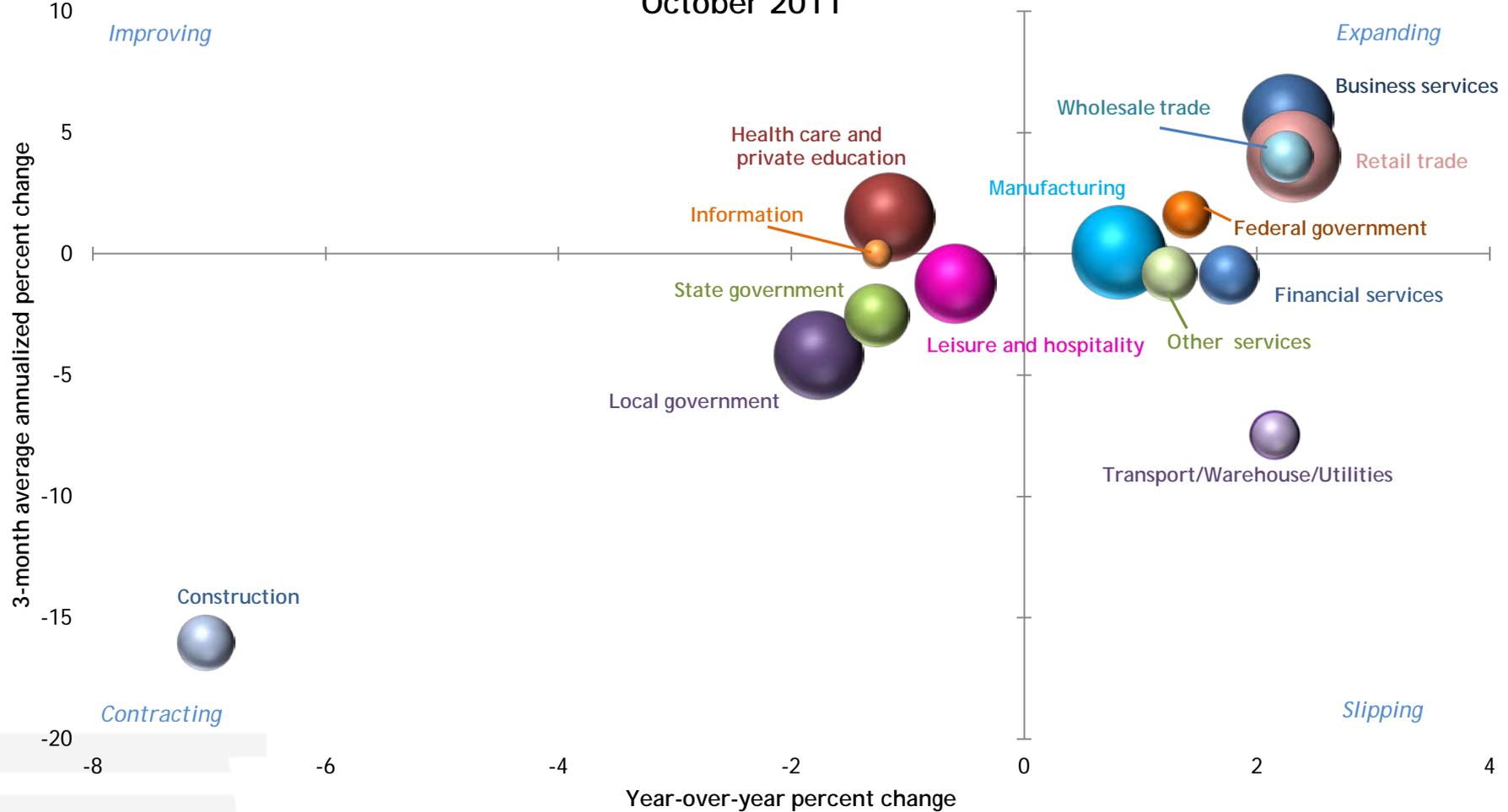


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Retail trade, business services, federal government, and wholesale trade showed strong employment momentum in October. Health care and private education are improving, while construction remains especially weak.

[About Employment Momentum](#)

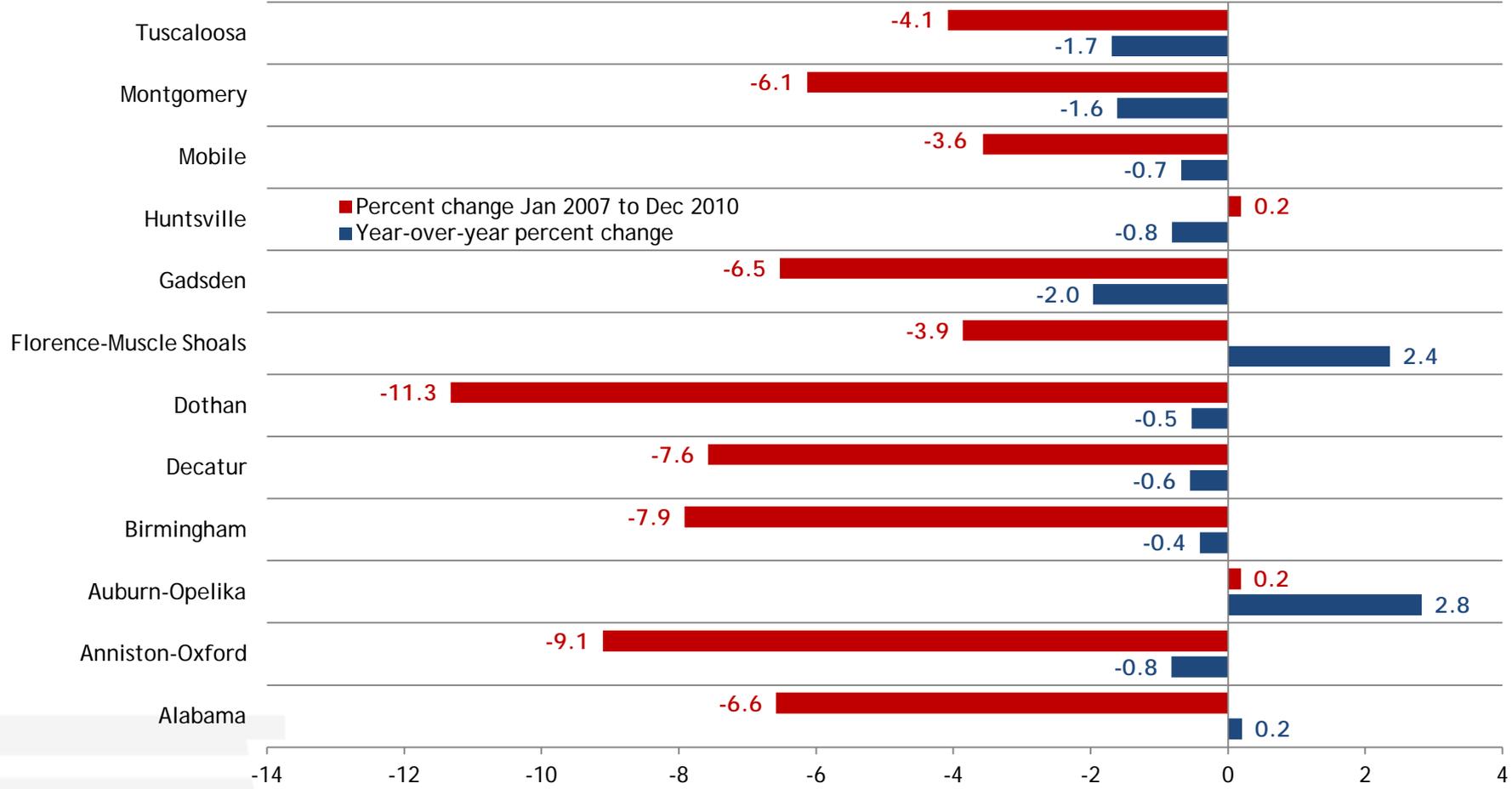
Employment Momentum by Industry: Alabama October 2011



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

Job losses occurred throughout the state during the downturn. Smaller metro areas like Auburn-Opelika and Florence-Muscle Shoals have begun to see some recovery in employment.

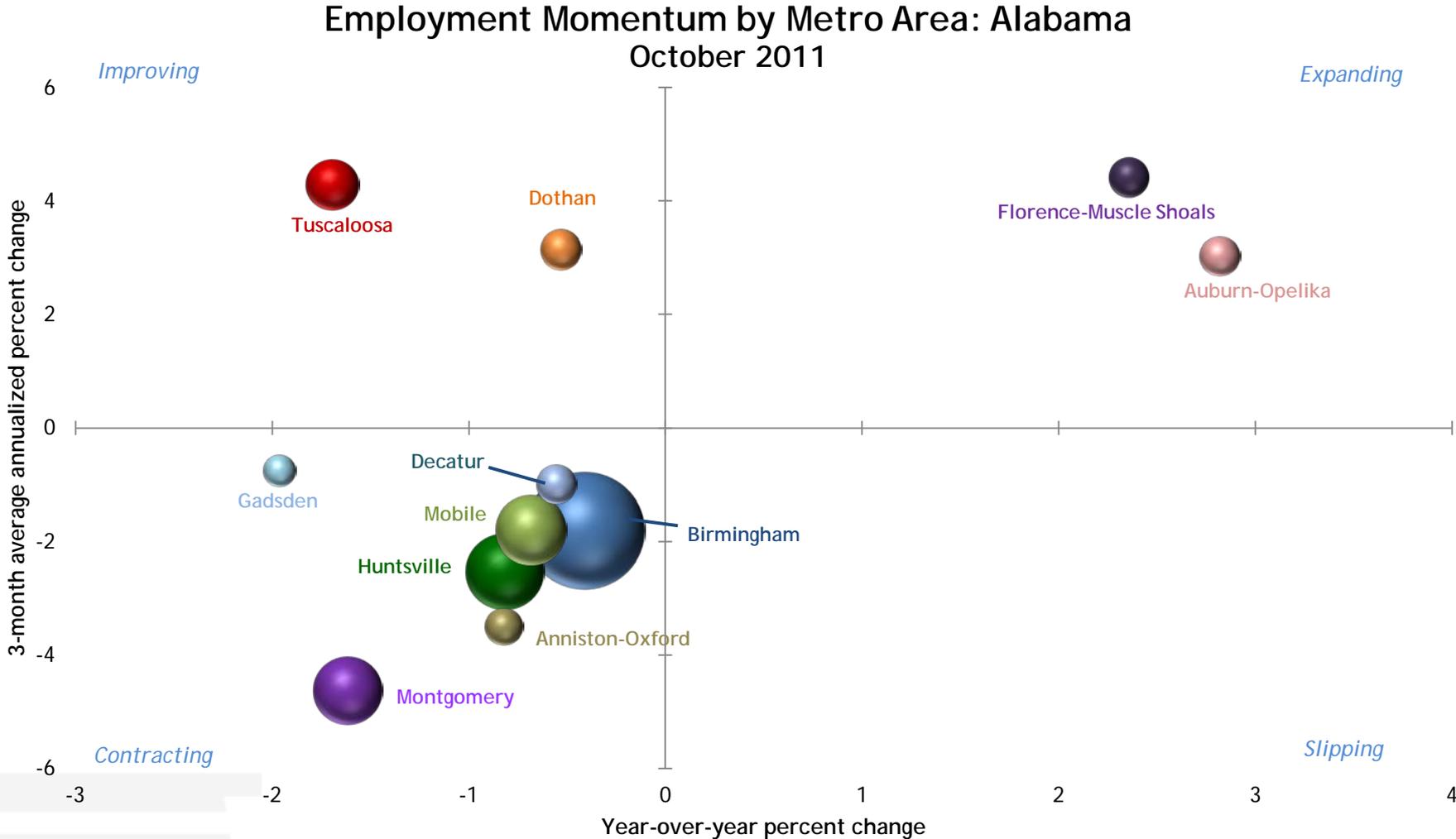
Employment Loss and Gain by Metro Area: Alabama October 2011



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

Employment momentum in Auburn-Opelika and Florence-Muscle Shoals is expanding; Dothan and Tuscaloosa momentum is improving. Momentum in other metropolitan areas contracted during October.

[About Employment Momentum](#)

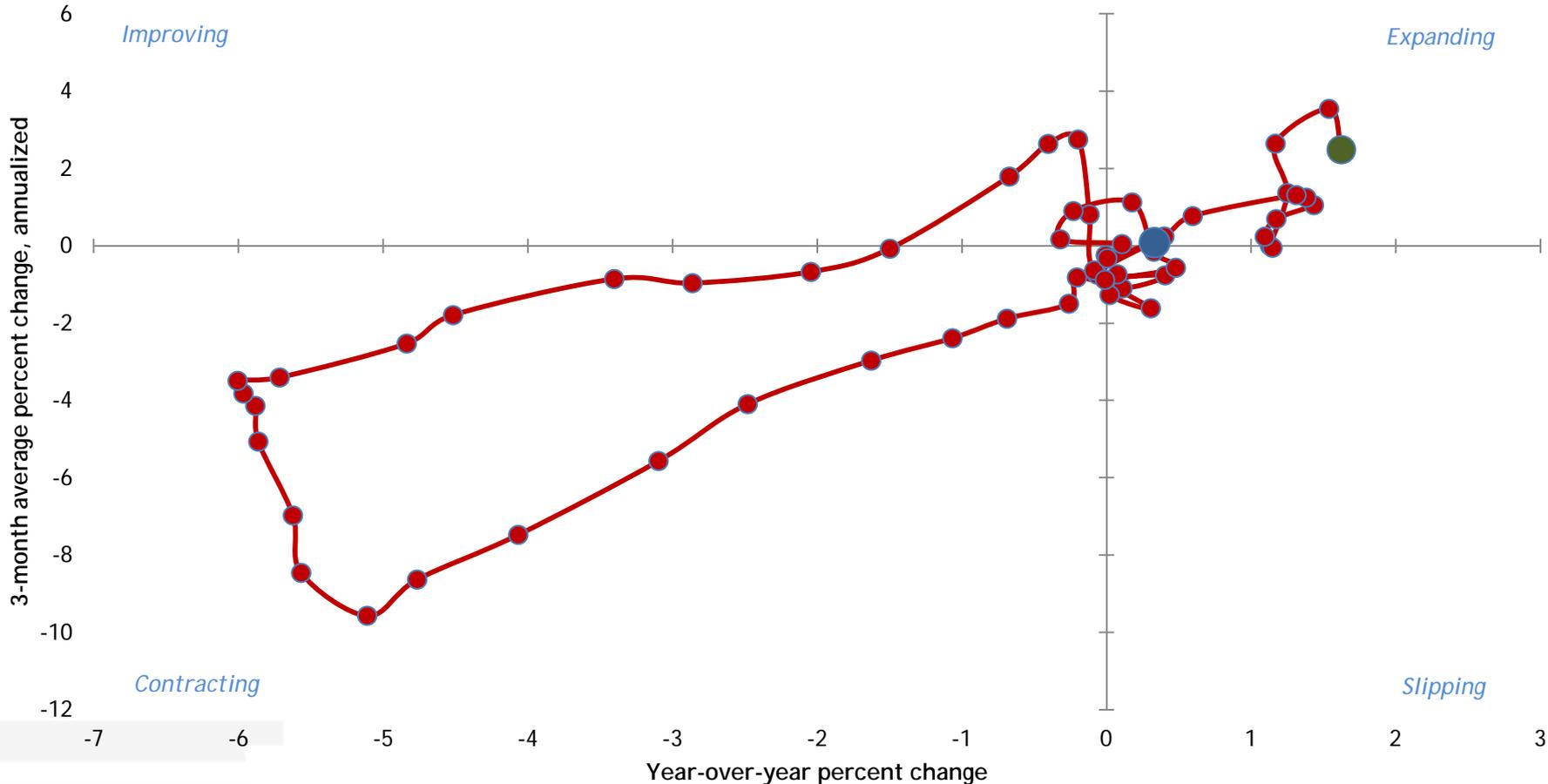


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

The state's employment momentum track has not changed much in recent months. Alabama's employment momentum spent nearly two years in the "contracting" quadrant before stabilizing.

[About Employment Momentum Track](#)

Employment Momentum Track: Alabama January 2007-October 2011

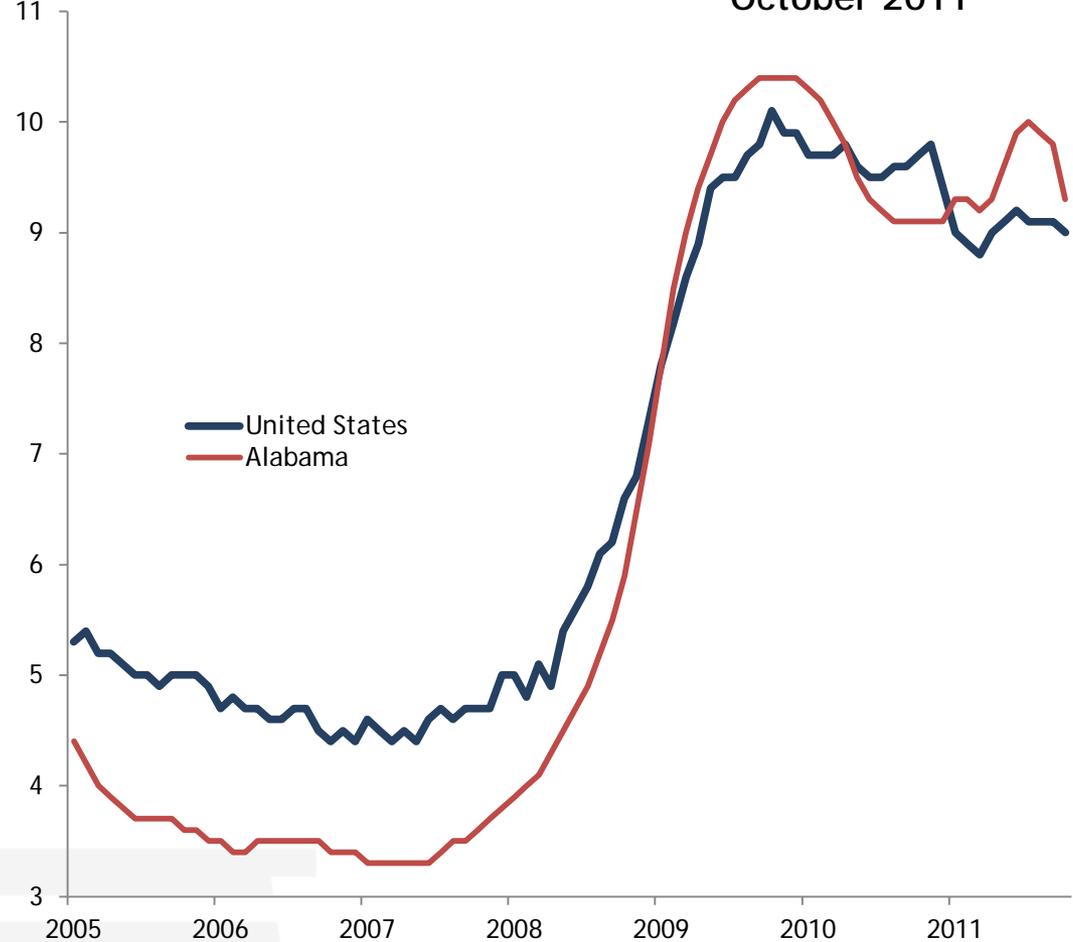


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Until the recession, Alabama's unemployment rate was well below the overall U.S. rate. Since peaking at over 10 percent at the end of 2009, the state's unemployment rate declined but began to increase again through mid-2011. During the last half of 2011, Alabama's rate fell, but it remains slightly higher than the U.S. rate.

Unemployment Rate October 2011

Percent of labor force



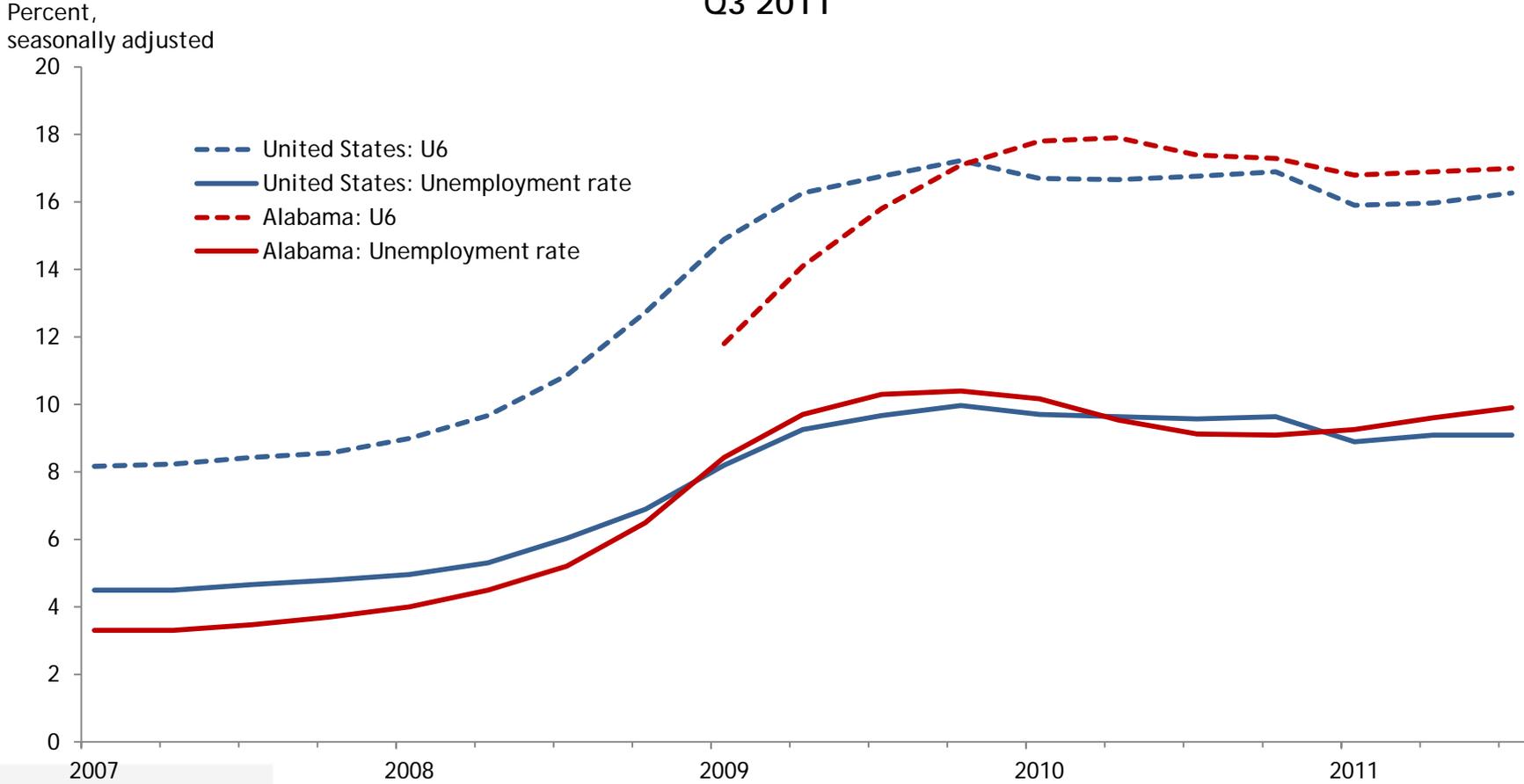
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	9.0	9.7	4.6
Alabama	9.3	9.1	3.3
Anniston	8.7	8.9	3.5
Auburn-Opelika	7.1	7.5	3.5
Birmingham	8.0	8.5	3.3
Decatur	8.6	9.1	3.6
Dothan	8.1	8.0	3.3
Florence	8.0	8.1	4.2
Gadsden	9.0	8.7	4.1
Huntsville	7.4	7.1	3.0
Mobile	10.0	9.6	3.6
Montgomery	8.9	8.8	3.7
Tuscaloosa	8.0	8.1	3.2

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

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

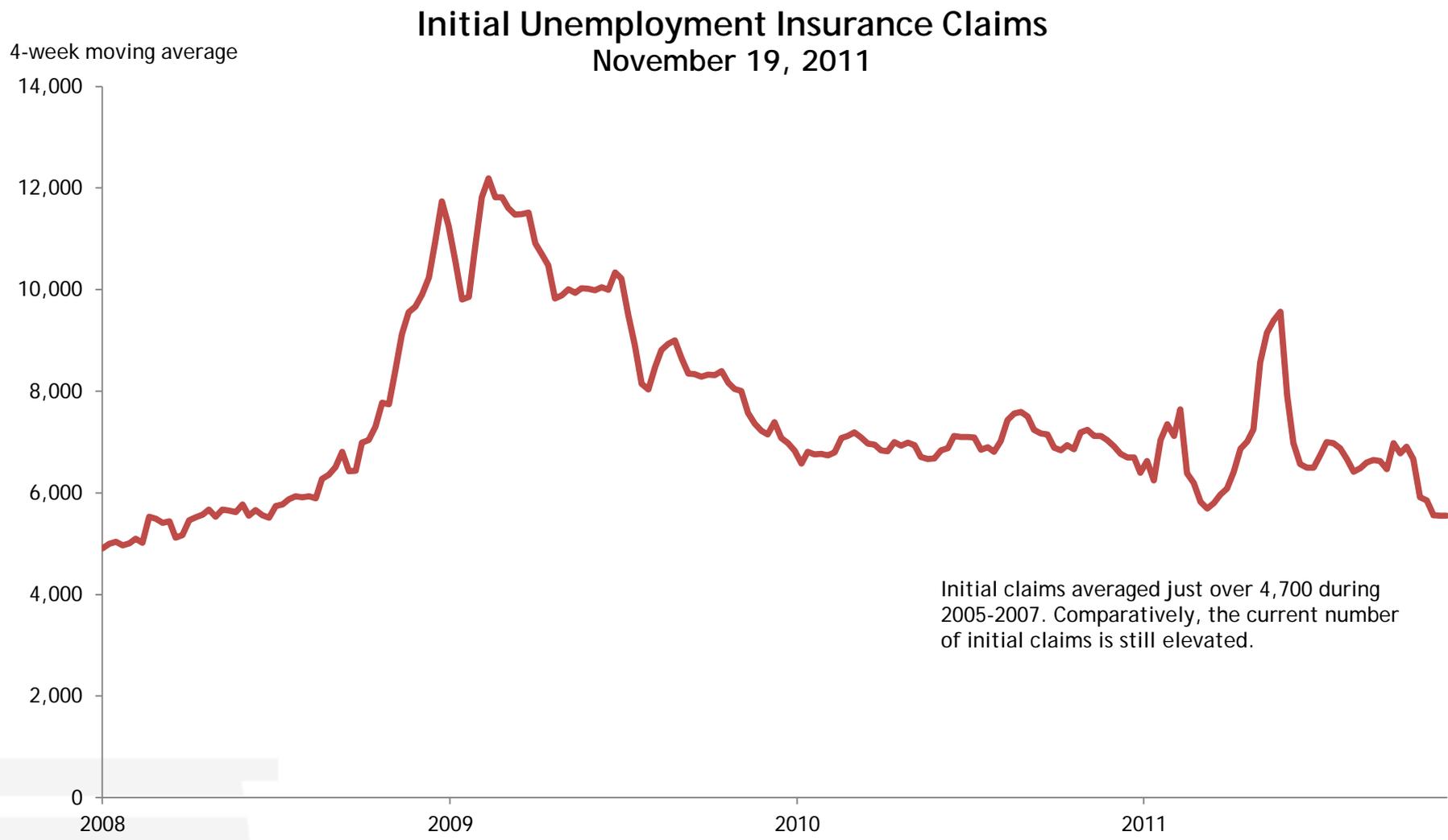
[About Unemployment Rates](#)

Measures of Labor Utilization: Unemployment Rate and U6 Q3 2011



Notes: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached.
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial claims for unemployment insurance have drifted downward following the spike after the late April tornadoes occurred.



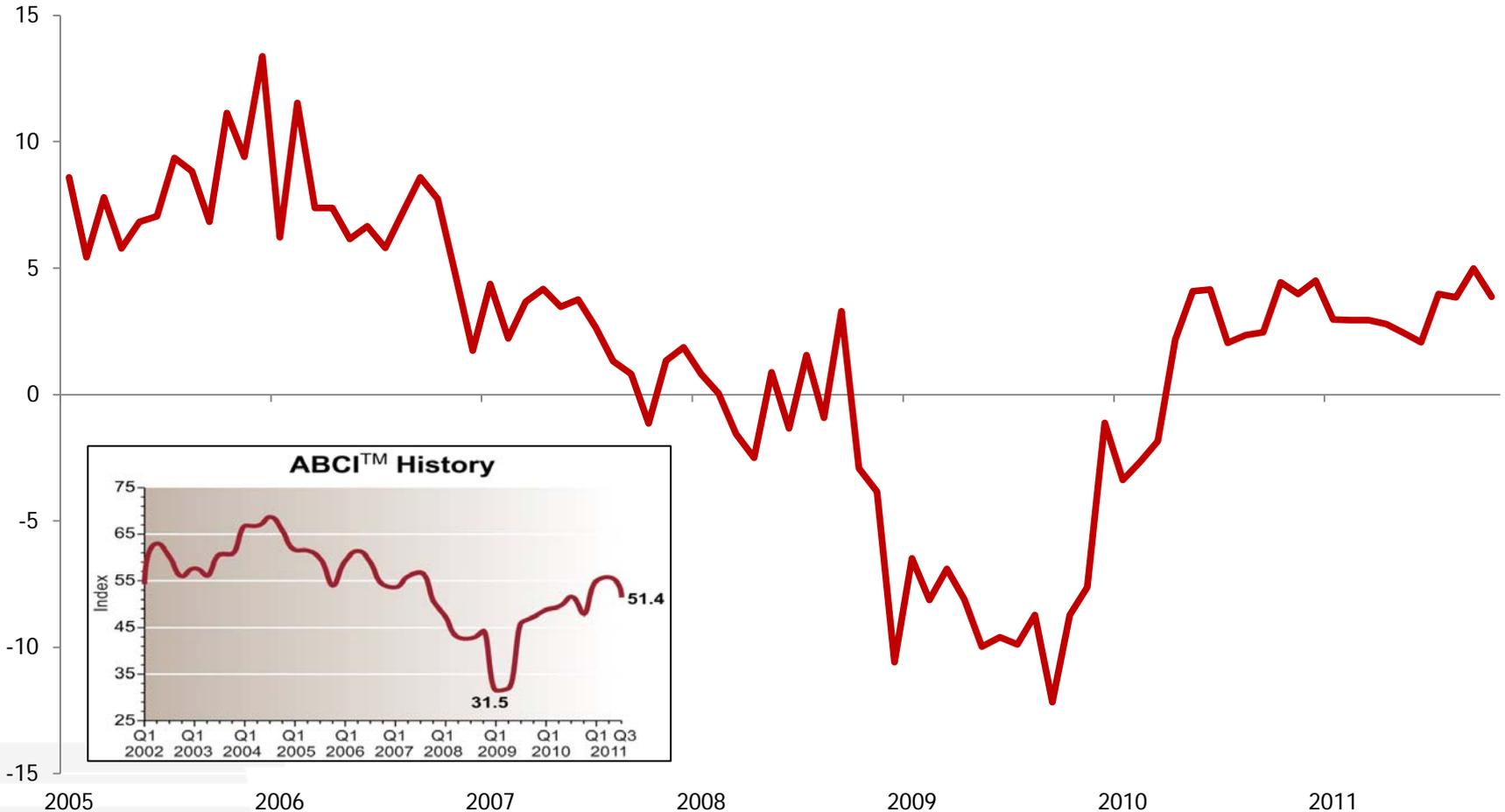
Initial claims averaged just over 4,700 during 2005-2007. Comparatively, the current number of initial claims is still elevated.

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

Measures of consumer activity have recovered from recession lows. The University of Alabama's third-quarter business confidence survey indicated that confidence fell in most industries and in all four of the state's largest metro areas. Sales tax revenues are increasing.

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

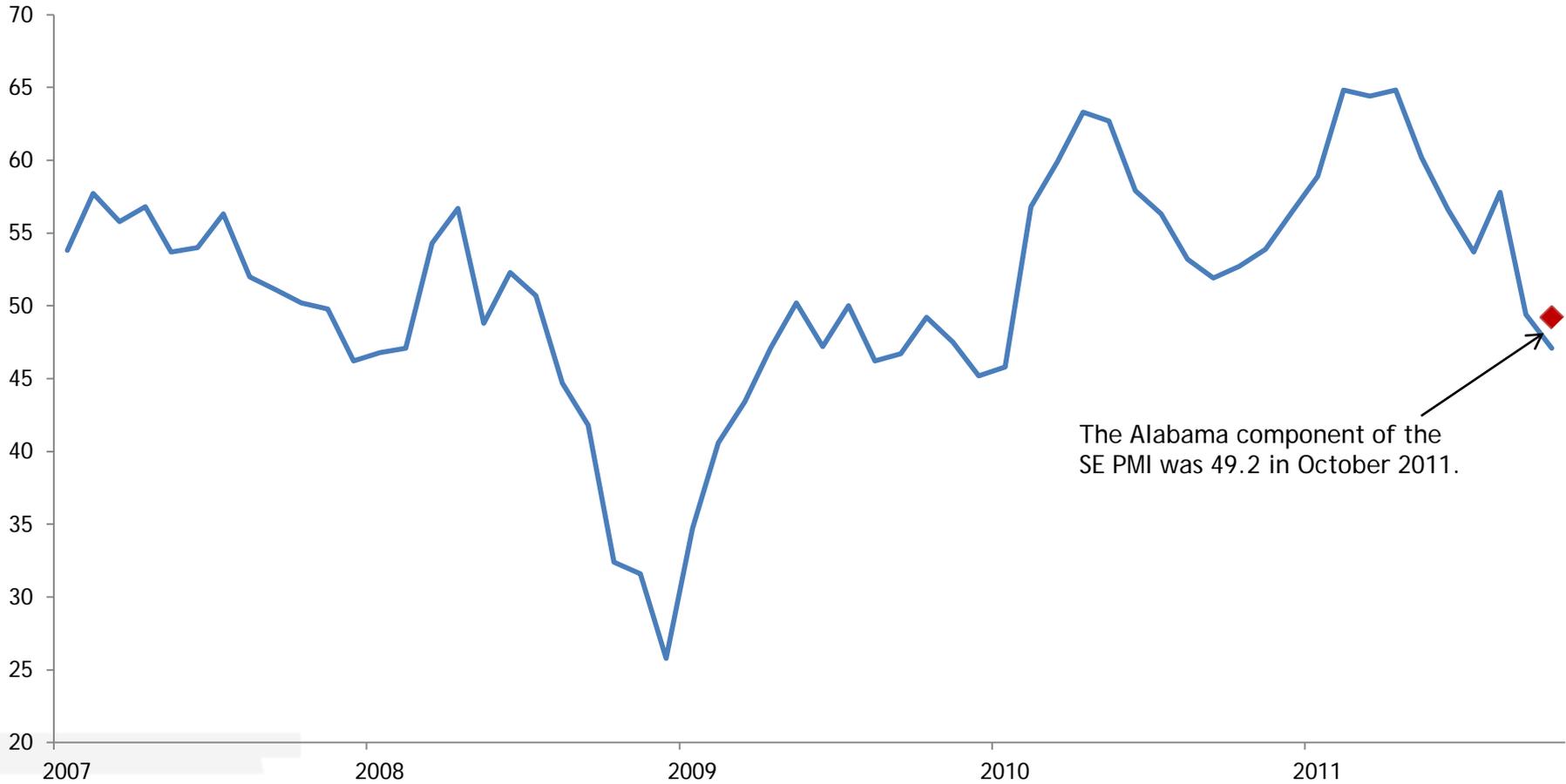
Alabama Sales Tax Revenue and Business Confidence October 2011



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

Regional manufacturing activity decelerated in October, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University, experiencing its fifth decrease in the last six months. Alabama's component measure remains above the overall regional reading.

Southeast Purchasing Managers Index October 2011



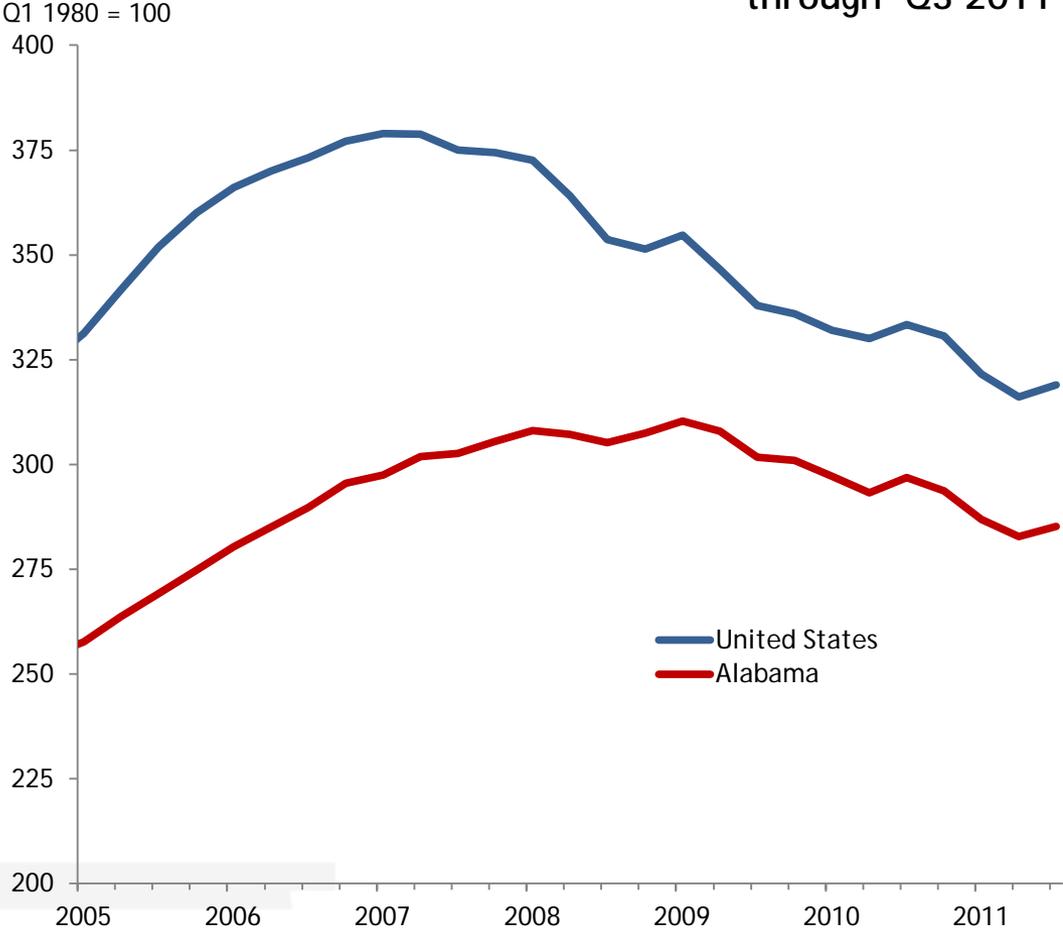
The Alabama component of the SE PMI was 49.2 in October 2011.

Note: 50+ = Expansion

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

Home prices improved somewhat during the third quarter.

Federal Housing Finance Agency Home Price Index through Q3 2011



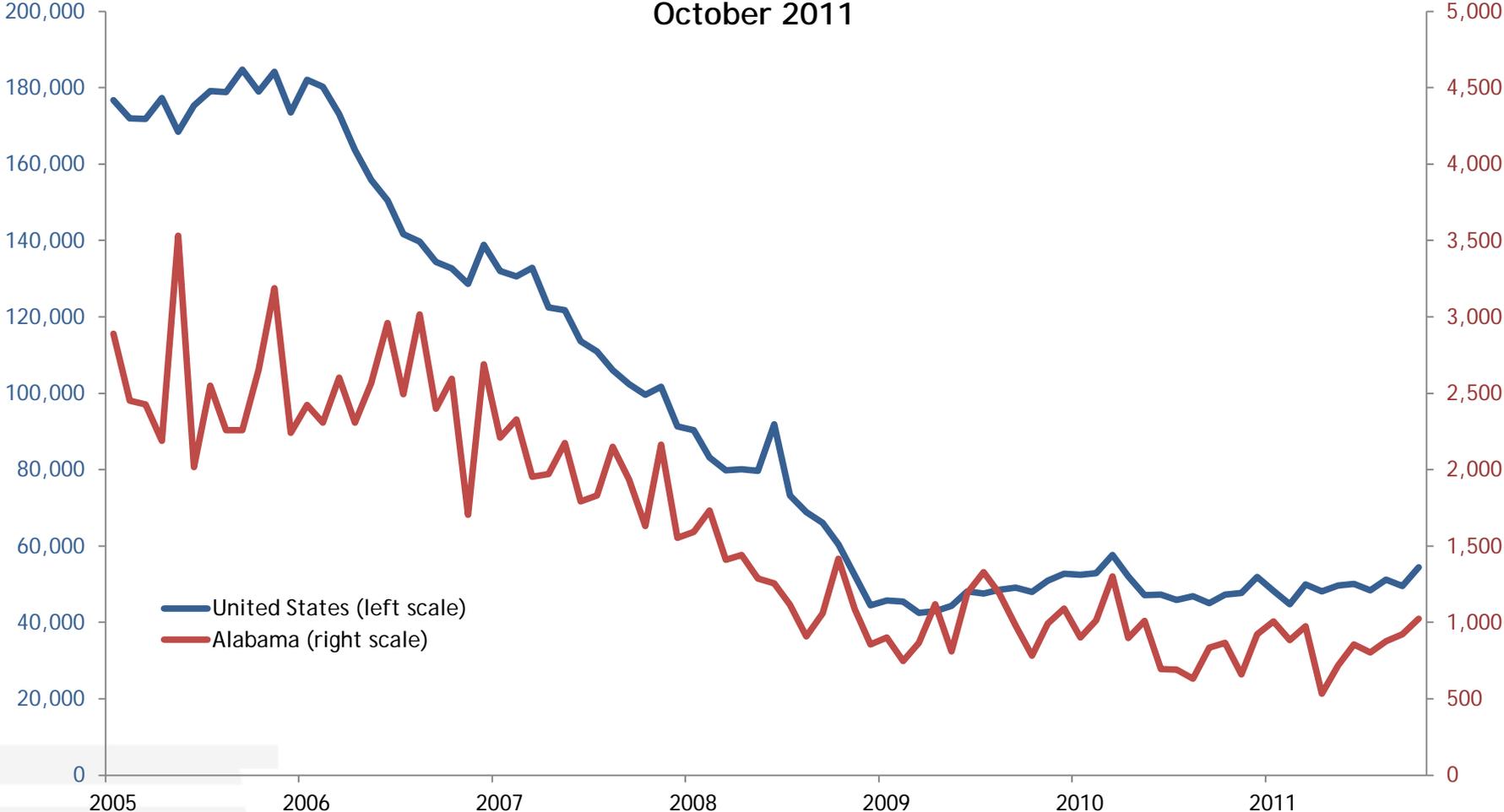
FHFA House Price Index: Q3 2011	1-yr % change	5-yr % change	10-yr % change
USA	-4.3	-14.5	25.5
Alabama	-3.9	-1.5	27.2
Anniston-Oxford	-5.2	-2.3	27.1
Auburn-Opelika	-5.0	-4.3	30.3
Birmingham	-4.4	-5.9	22.0
Decatur	-4.4	5.3	23.4
Dothan	-5.1	-0.7	25.7
Florence-Muscle Shoals	-1.3	8.6	30.0
Gadsden	-1.1	7.8	34.7
Huntsville	-2.9	6.0	32.8
Mobile	-6.0	-6.2	26.6
Montgomery	-5.5	-4.0	19.6
Tuscaloosa	-1.2	2.7	31.4

Source: Federal Housing Finance Agency, Haver Analytics

Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

New home construction has stabilized at very low levels. Alabama has seen small increases in new residential construction permits over the last three months.

New Residential Home Construction Permits October 2011

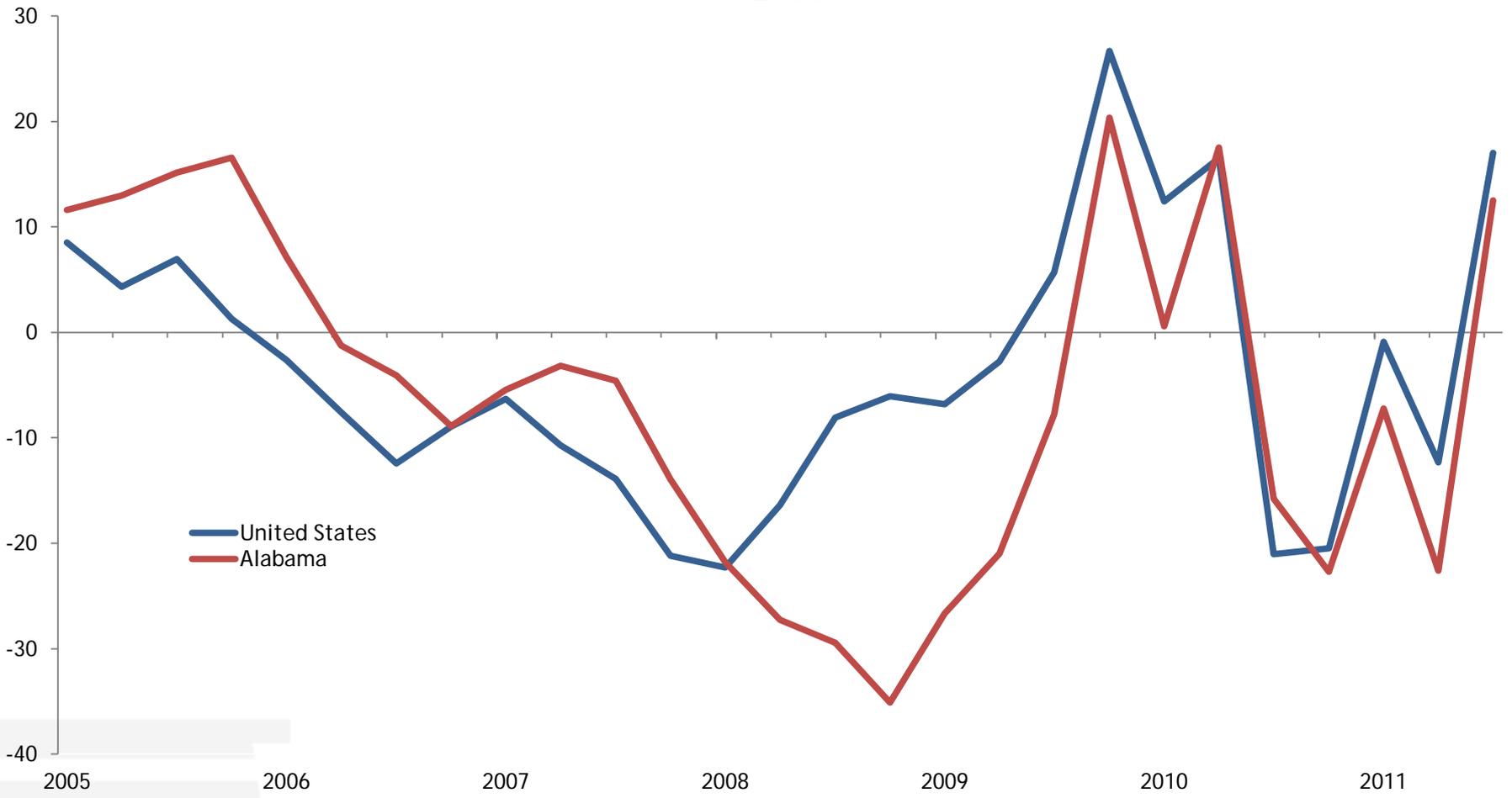


Source: U.S. Bureau of the Census, Haver Analytics

Existing home sales increased in the third quarter after declining during late 2010 and early 2011.

Existing Home Sales Q3 2011

Year-over-year percent change



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.