



# Data Digest: Alabama

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May 2012

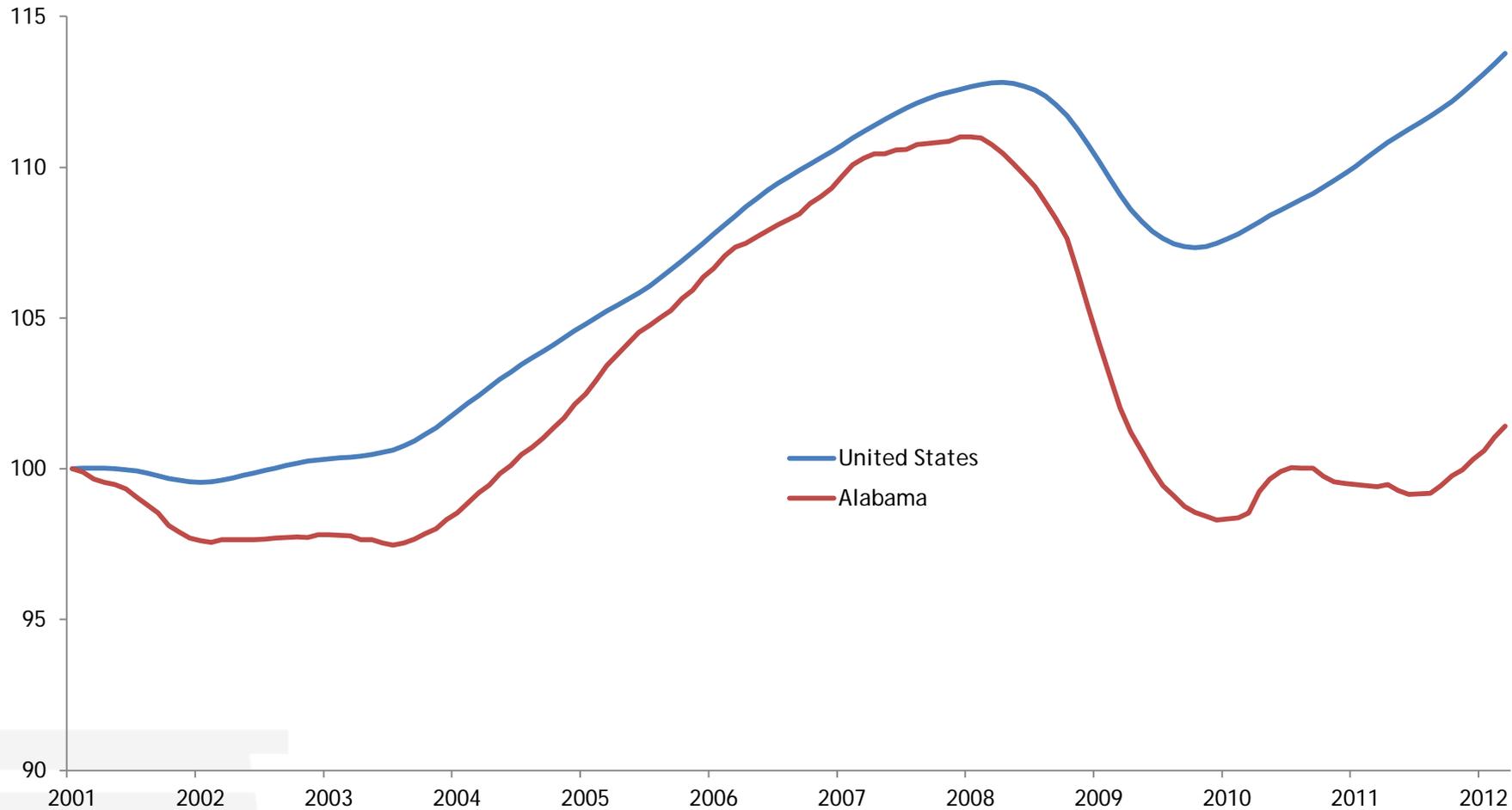


A broad indicator of U.S. economic activity continued to improve steadily in March. Although the indicator for Alabama remains below the national level, it has been improving over the past several months and is at its highest level since April 2009.

[About the Coincident Economic Indicator](#)

### Coincident Economic Indicator March 2012

Jan 2001 = 100

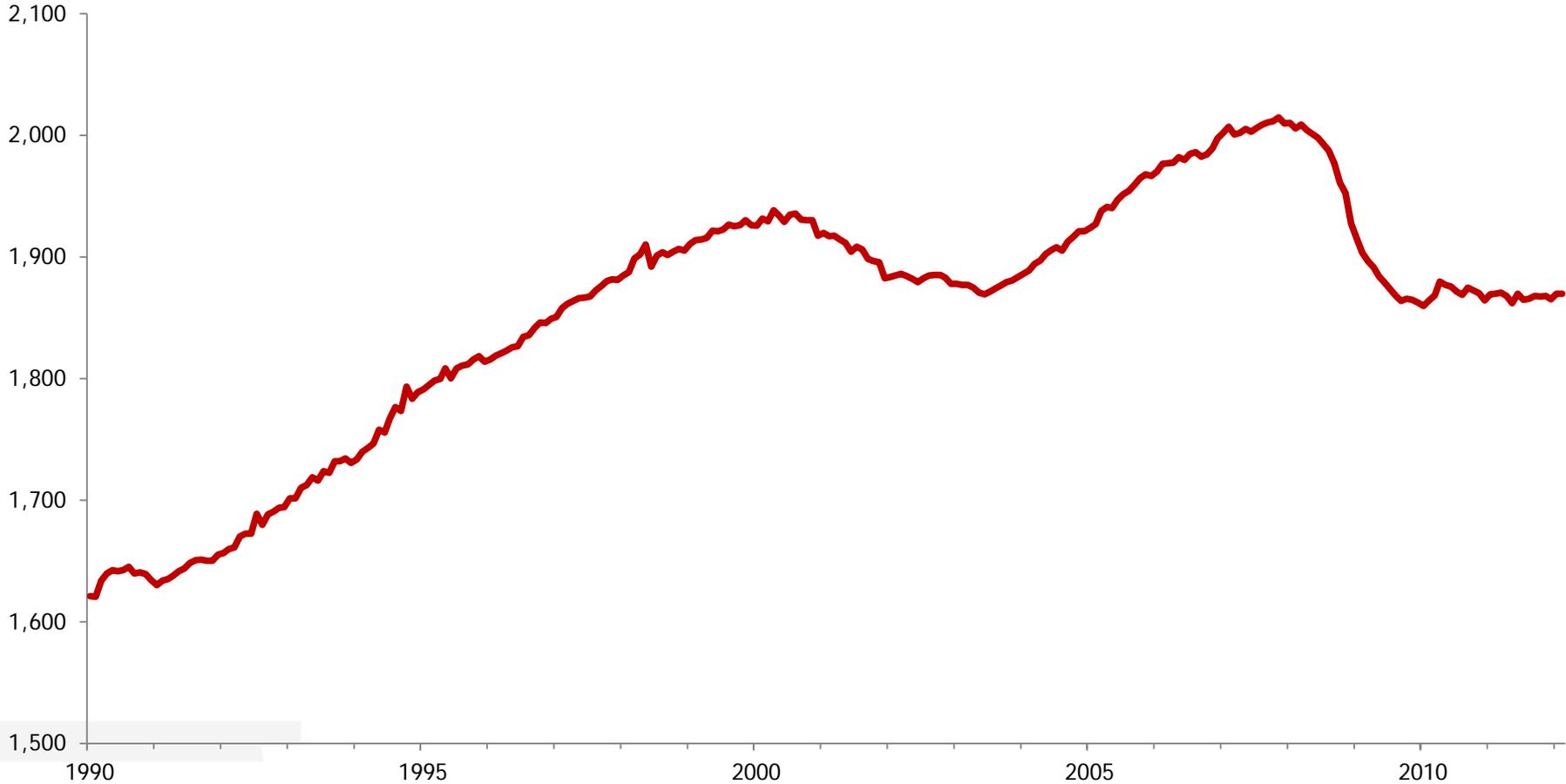


Source: Federal Reserve Bank of Philadelphia

Total employment in Alabama has stabilized near recession lows and job gains remain modest.

### Alabama Payroll Employment March 2012

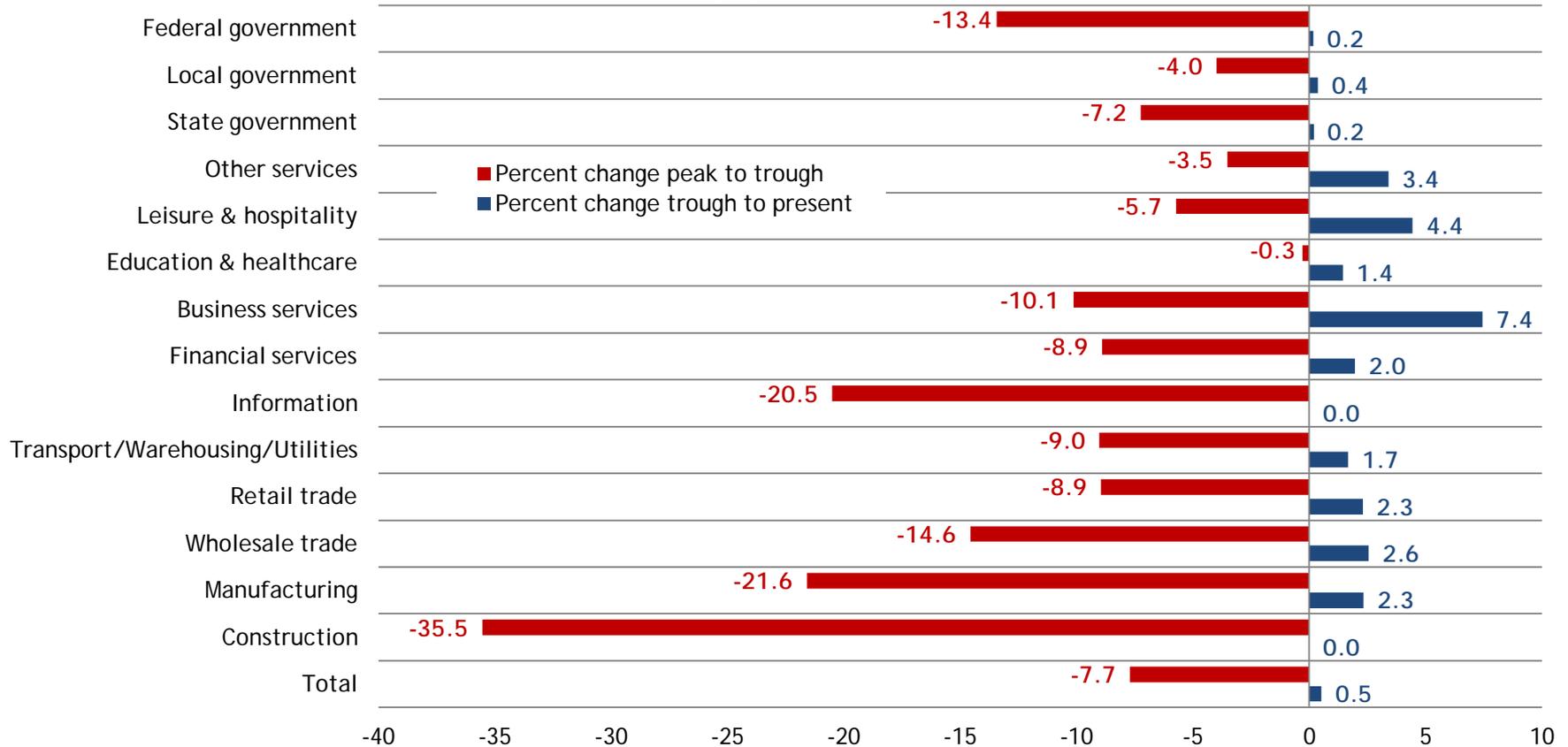
Thousands,  
seasonally adjusted



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

All industries lost jobs during the downturn. The construction industry was the hardest hit, losing more than 35 percent of its jobs. Most sectors have seen job gains since their troughs, with business services experiencing the largest increase. Construction and information continue to lose jobs.

## Employment Loss and Gain by Industry: Alabama March 2012

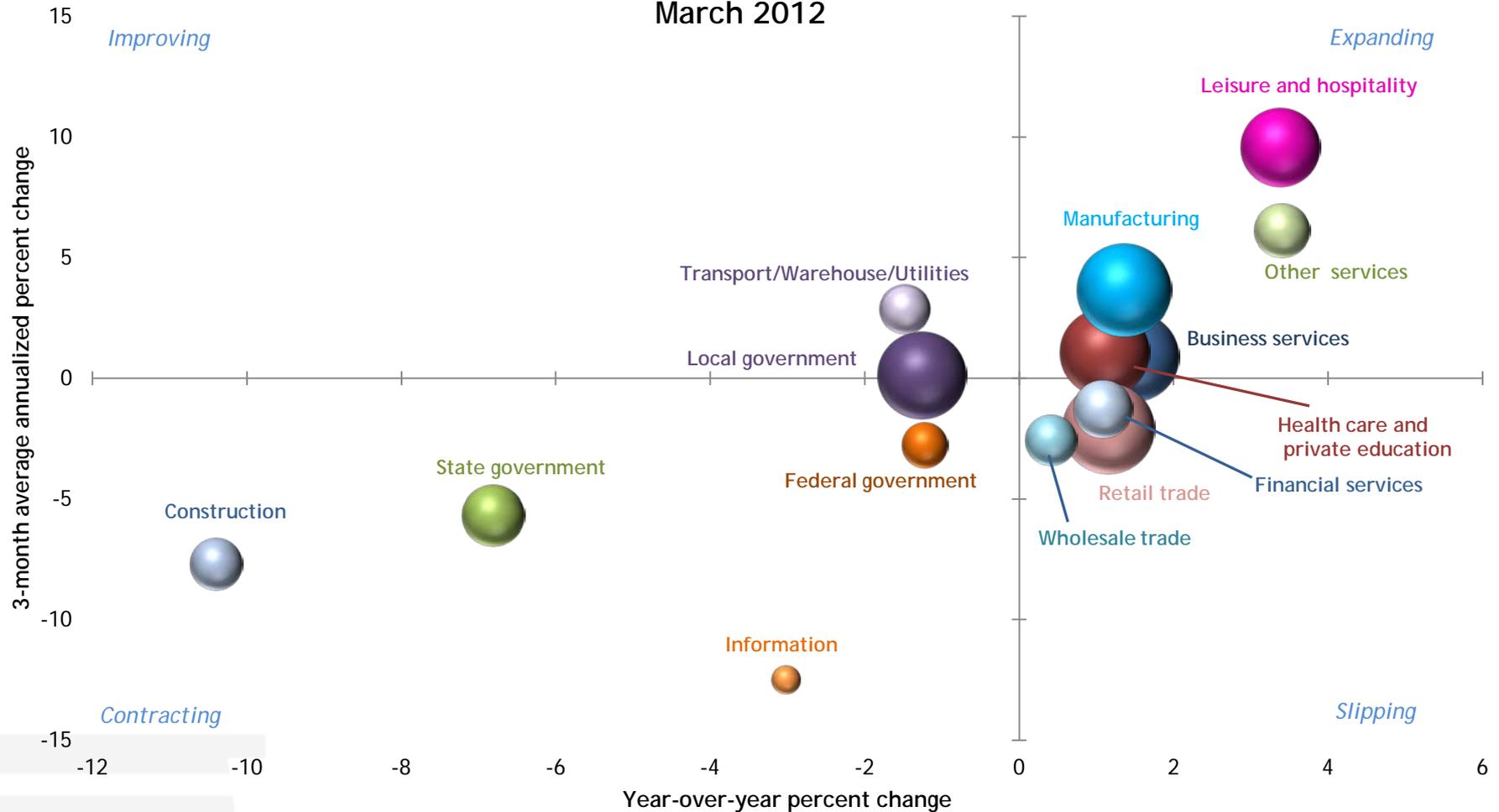


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent change from January 2007 to present.

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

Employment momentum in leisure and hospitality, business services, manufacturing, other services, and health care and private education expanded in March. Retail trade, financial services, and wholesale trade slipped, while transportation/warehouse/utilities and local government momentum improved. The remaining industries contracted. [About Employment Momentum](#)

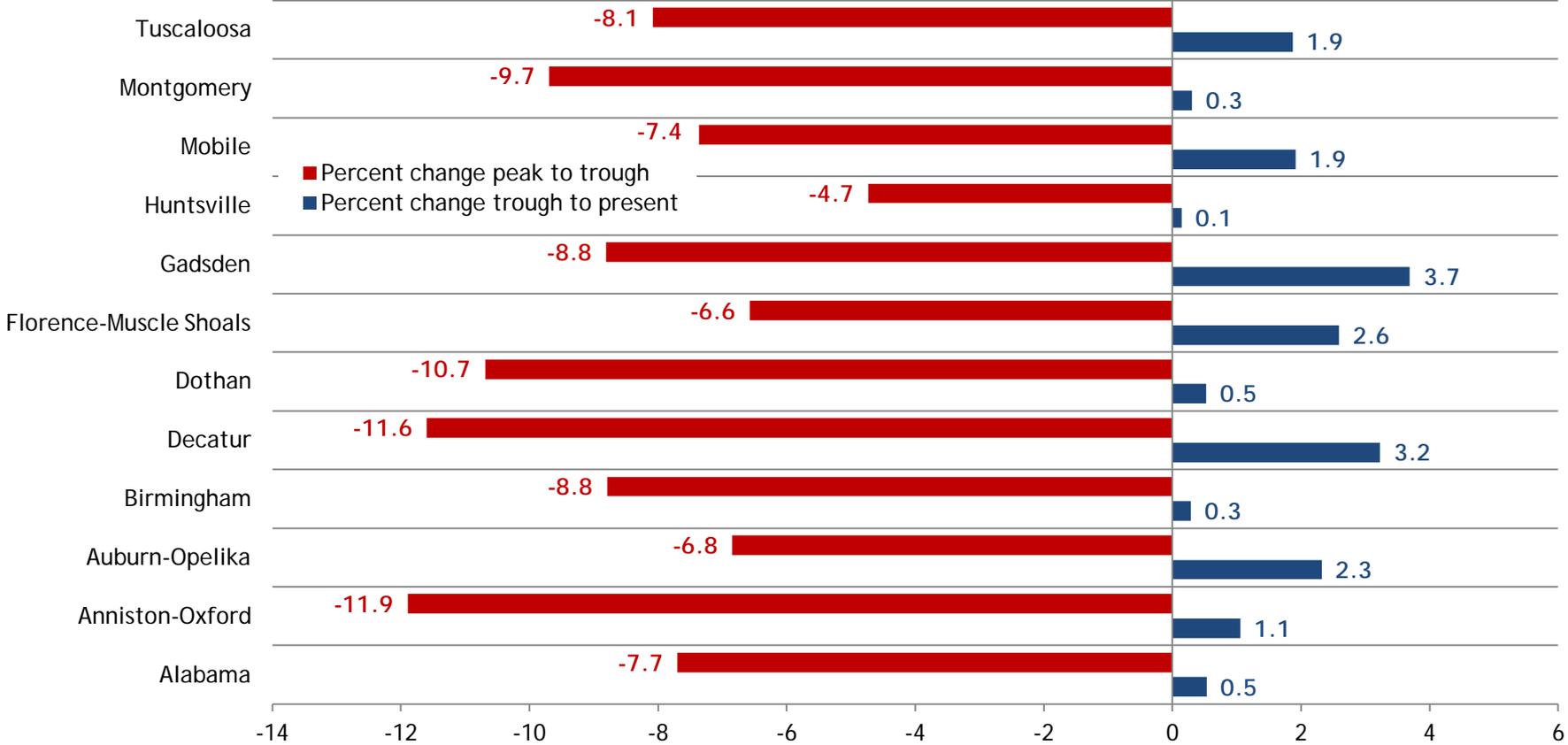
## Employment Momentum by Industry: Alabama March 2012



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

Job losses occurred throughout the state during the downturn; the Dothan, Decatur, and Anniston-Oxford metro areas lost more than 10 percent of their jobs. All metro areas have regained jobs since their trough.

### Employment Loss and Gain by Metro Area: Alabama March 2012



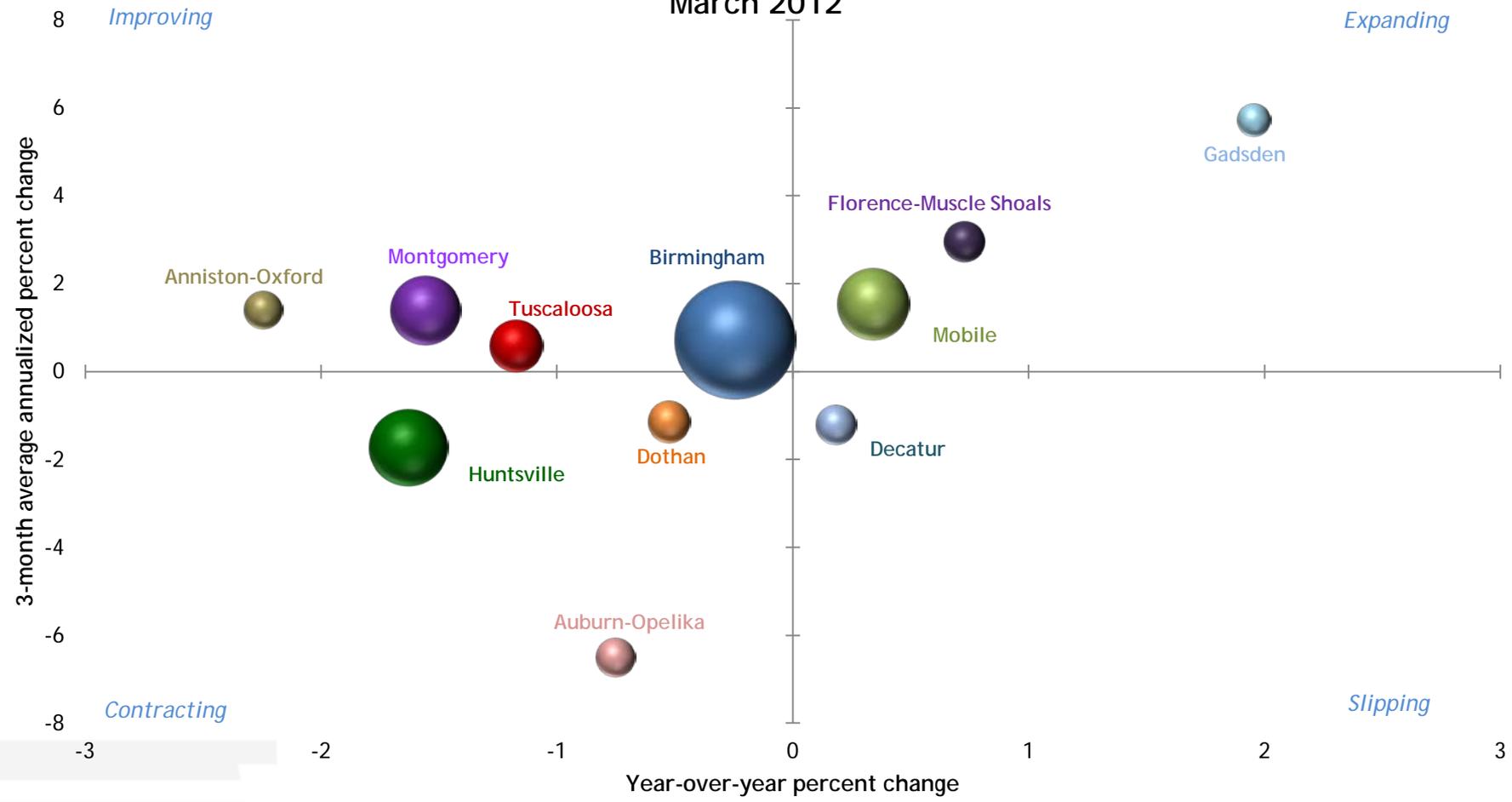
Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these metro areas. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these metro areas; in this instance "trough to present" is the percent change from January 2007 to present.

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

Employment momentum in Mobile, Gadsden, and Florence-Muscle Shoals continued to expand in March. Anniston-Oxford, Montgomery, Birmingham, and Tuscaloosa experienced improving momentum; Decatur remained in the “slipping” quadrant. Momentum in Huntsville, Dothan, and Auburn-Opelika continued to contract.

[About Employment Momentum](#)

### Employment Momentum by Metro Area: Alabama March 2012

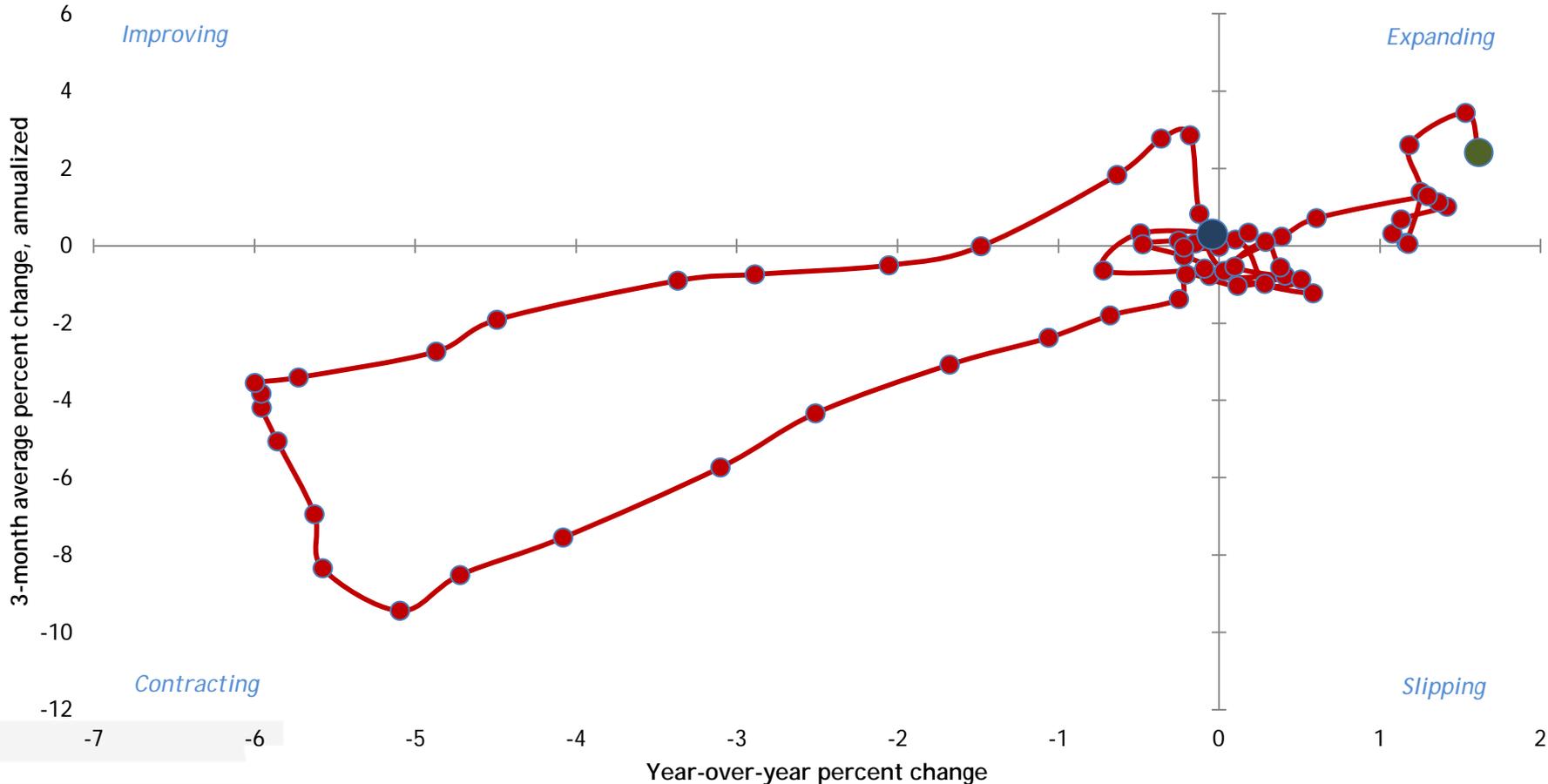


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

The state's employment momentum track has varied extensively during the past year. Alabama's employment momentum moved from the "improving" quadrant into the "expanding" quadrant in December 2011, contracted in January, expanded in February, then moved back into the "improving" quadrant in March.

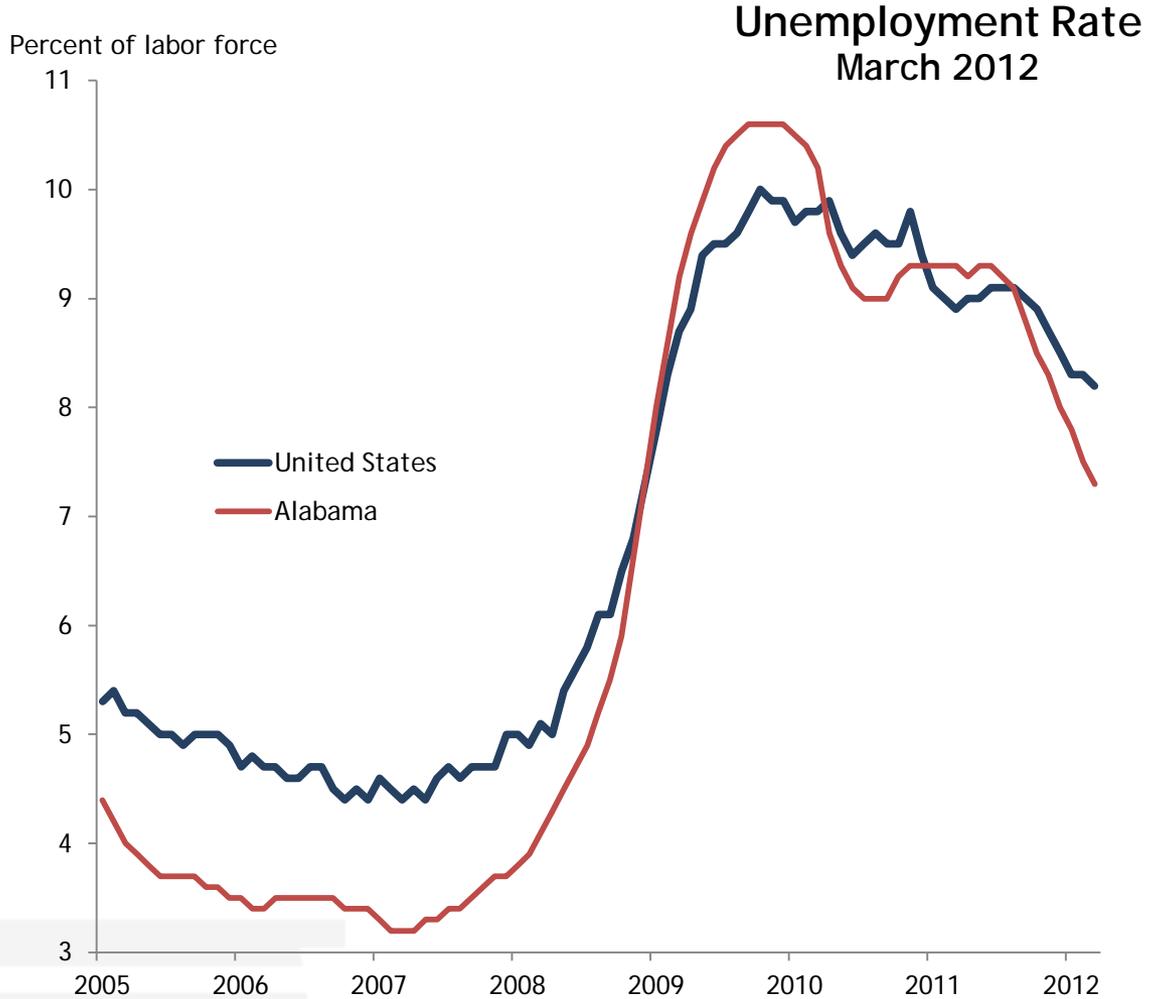
[About Employment Momentum Track](#)

### Employment Momentum Track January 2007–March 2012



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. Alabama's rate fell during the last half of 2011 and is now below the U.S. rate again. Unemployment rates for the state and all metro areas are lower than year-ago rates.



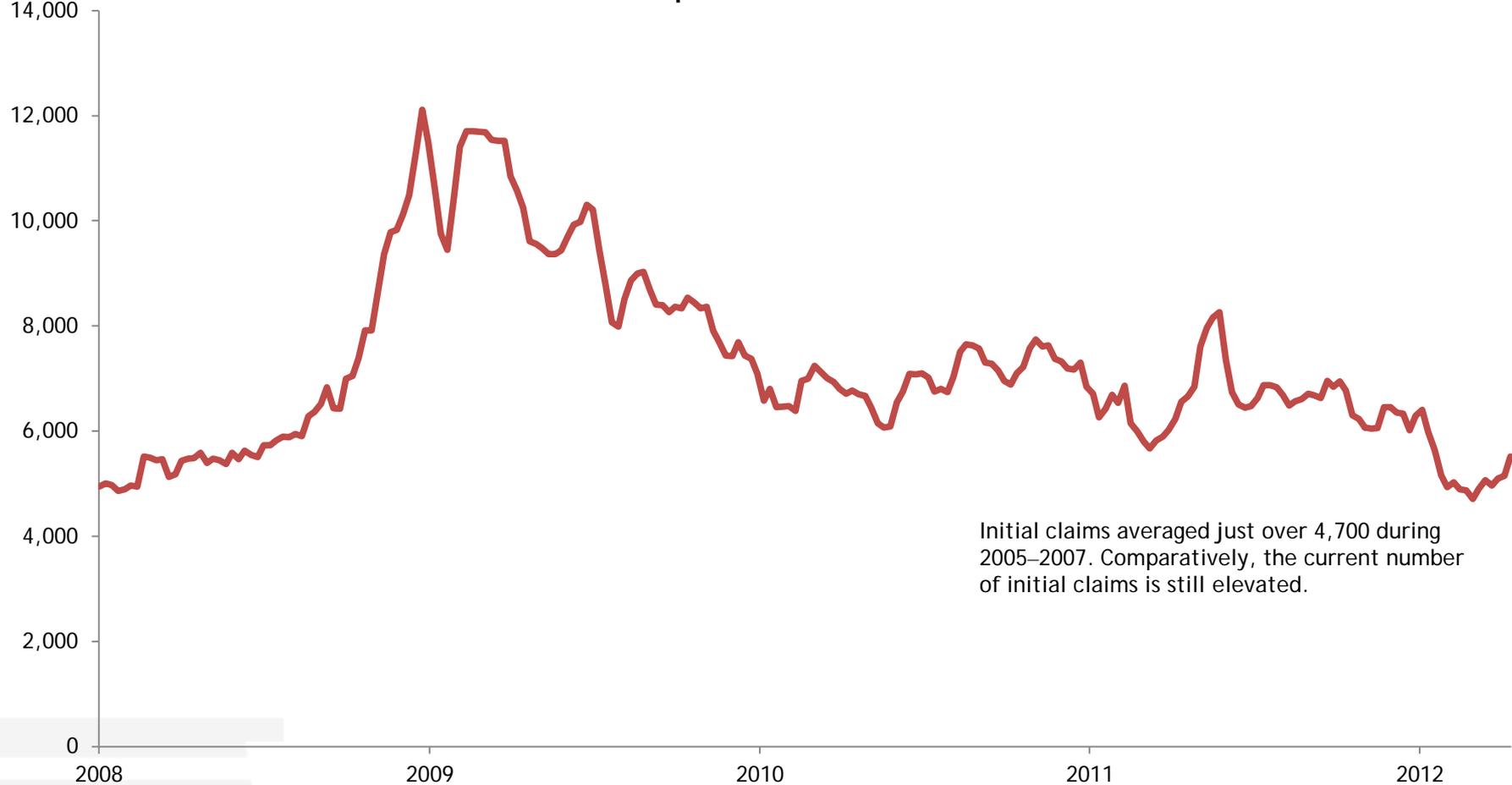
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	8.2	8.9	4.6
Alabama	7.3	9.3	3.3
Anniston	7.6	9.2	3.4
Auburn-Opelika	6.2	7.5	3.4
Birmingham	6.5	8.4	3.2
Decatur	7.5	9.2	3.5
Dothan	6.8	8.3	3.2
Florence	6.9	8.4	4.1
Gadsden	7.1	9.2	4.0
Huntsville	6.3	7.6	2.9
Mobile	8.4	10.1	3.5
Montgomery	7.4	9.0	3.6
Tuscaloosa	6.9	8.5	3.2

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

Initial claims for unemployment insurance have increased since early March after trending downward following the spike after tornadoes hit several parts of the state in April 2011.

### Initial Unemployment Insurance Claims April 14, 2012

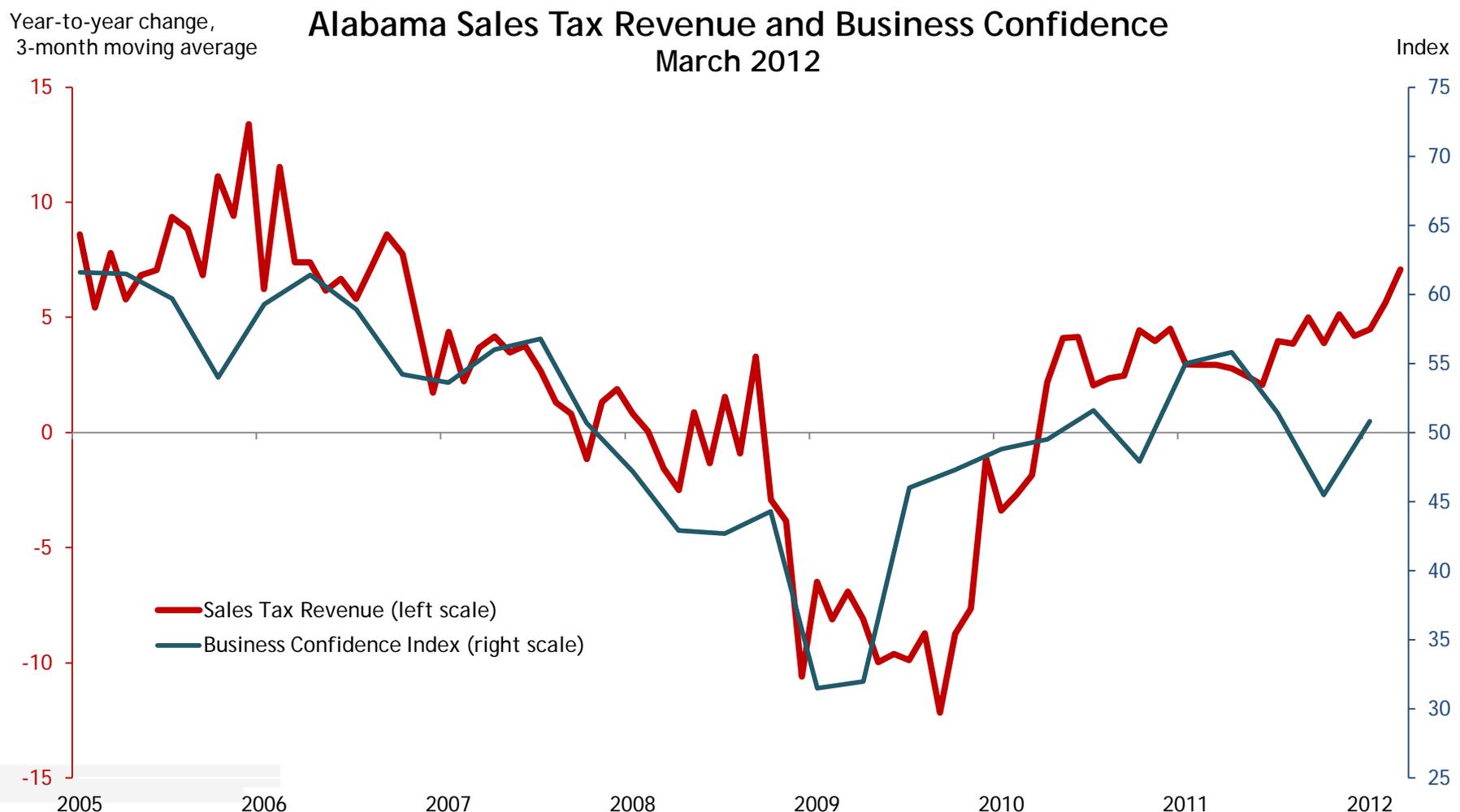
4-week moving average



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

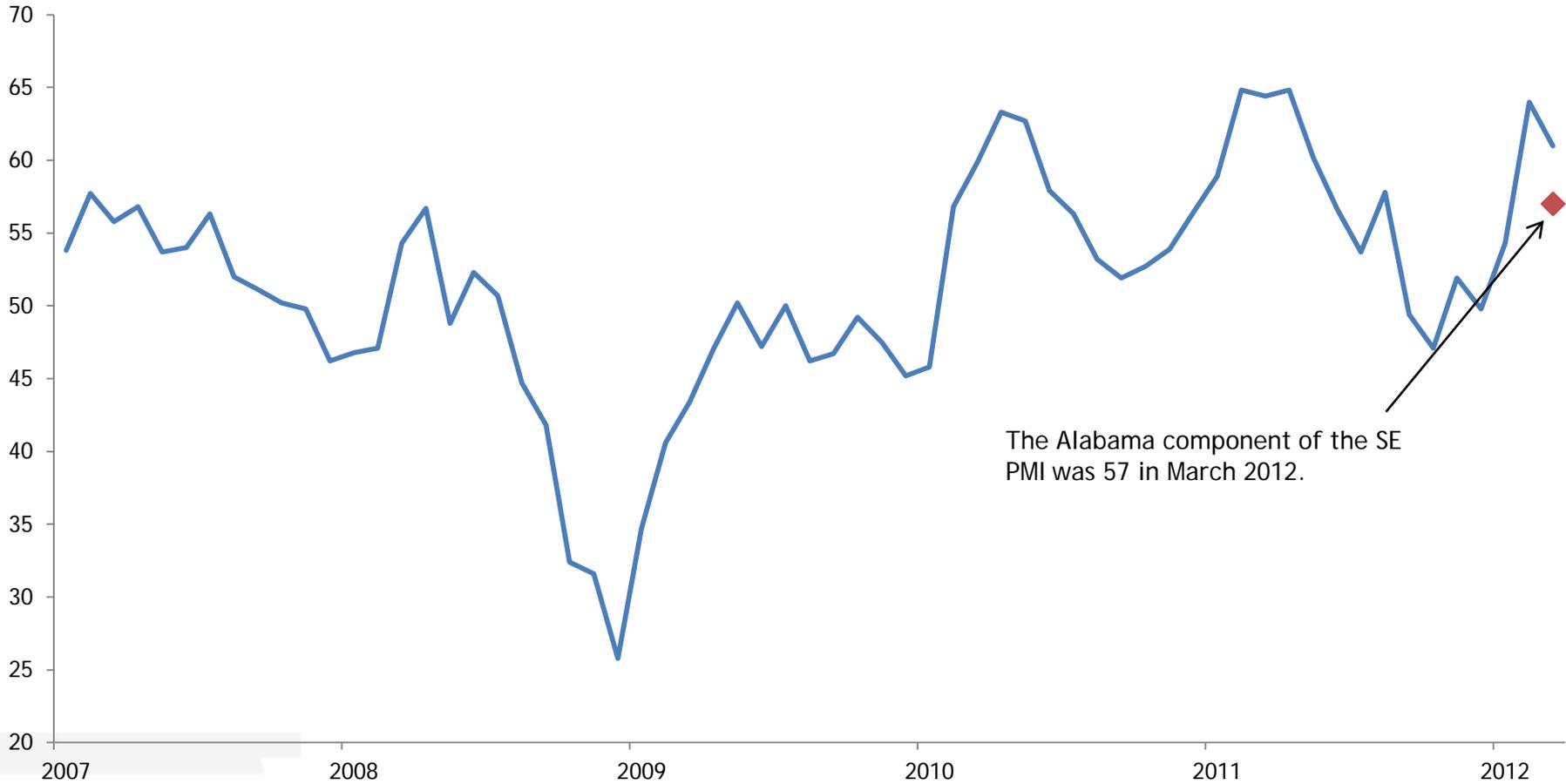
Business confidence, as measured by the University of Alabama's survey, moved back into positive territory for the first quarter of 2012. Business confidence improved in the manufacturing, transportation, information, and utilities sectors. Sales tax revenue continues to experience positive year-over-year growth.



Note: Sales tax data are through March 2012; Business Confidence Index as of first quarter 2012.  
 Source: Alabama Department of Revenue, University of Alabama Center for Business and Economic Research, Federal Reserve Bank of Atlanta

Regional manufacturing activity decelerated in March, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. Alabama's component measure of 57 is below the overall regional reading of 61, but it remains in expansionary territory.

### Southeast Purchasing Managers Index March 2012

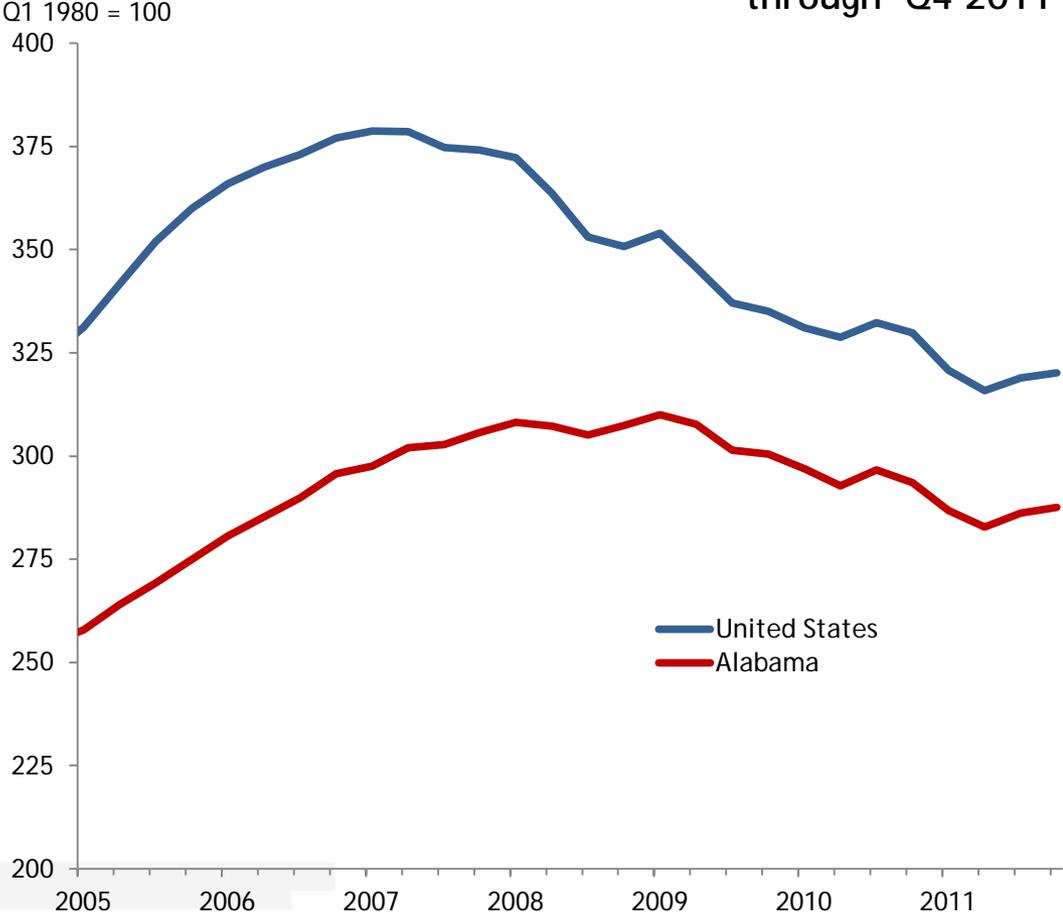


Note: 50+ = Expansion

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

Fourth quarter data indicated that home prices improved for both Alabama and the United States, marking the second consecutive quarter improvement.

### Federal Housing Finance Agency Home Price Index through Q4 2011



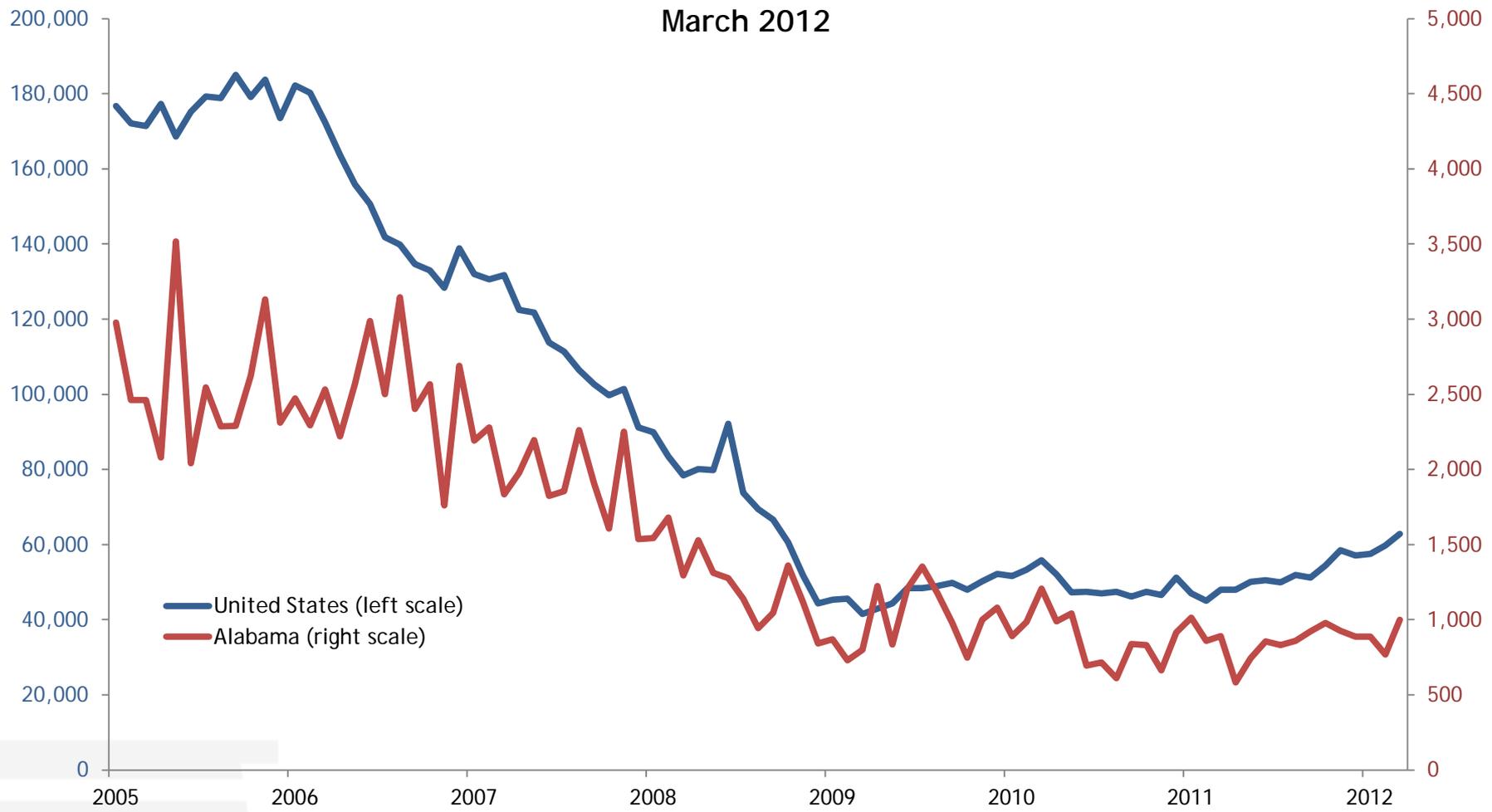
FHFA House Price Index: Q4 2011	1-yr % change	5-yr % change	10-yr % change
USA	-3.0	-15.1	24.3
Alabama	-2.0	-2.7	26.6
Anniston-Oxford	-2.4	-3.1	22.9
Auburn-Opelika	-3.0	-7.7	28.7
Birmingham	-2.0	-5.4	22.6
Decatur	-3.6	4.1	22.6
Dothan	-5.8	-4.5	24.3
Florence-Muscle Shoals	-1.1	5.9	28.1
Gadsden	0.6	1.3	29.0
Huntsville	-1.5	5.0	33.3
Mobile	-4.8	-7.9	25.5
Montgomery	-2.4	-5.3	19.3
Tuscaloosa	-2.0	0.5	27.6

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. The number of new home permits issued in Alabama increased in March after declining during the previous four months.

### New Residential Home Construction Permits March 2012



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

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For additional sources of information, see our Local Economic Analysis Research Network membership at [www.frbatlanta.org/rein/learn/map/learn\\_members.cfm](http://www.frbatlanta.org/rein/learn/map/learn_members.cfm).