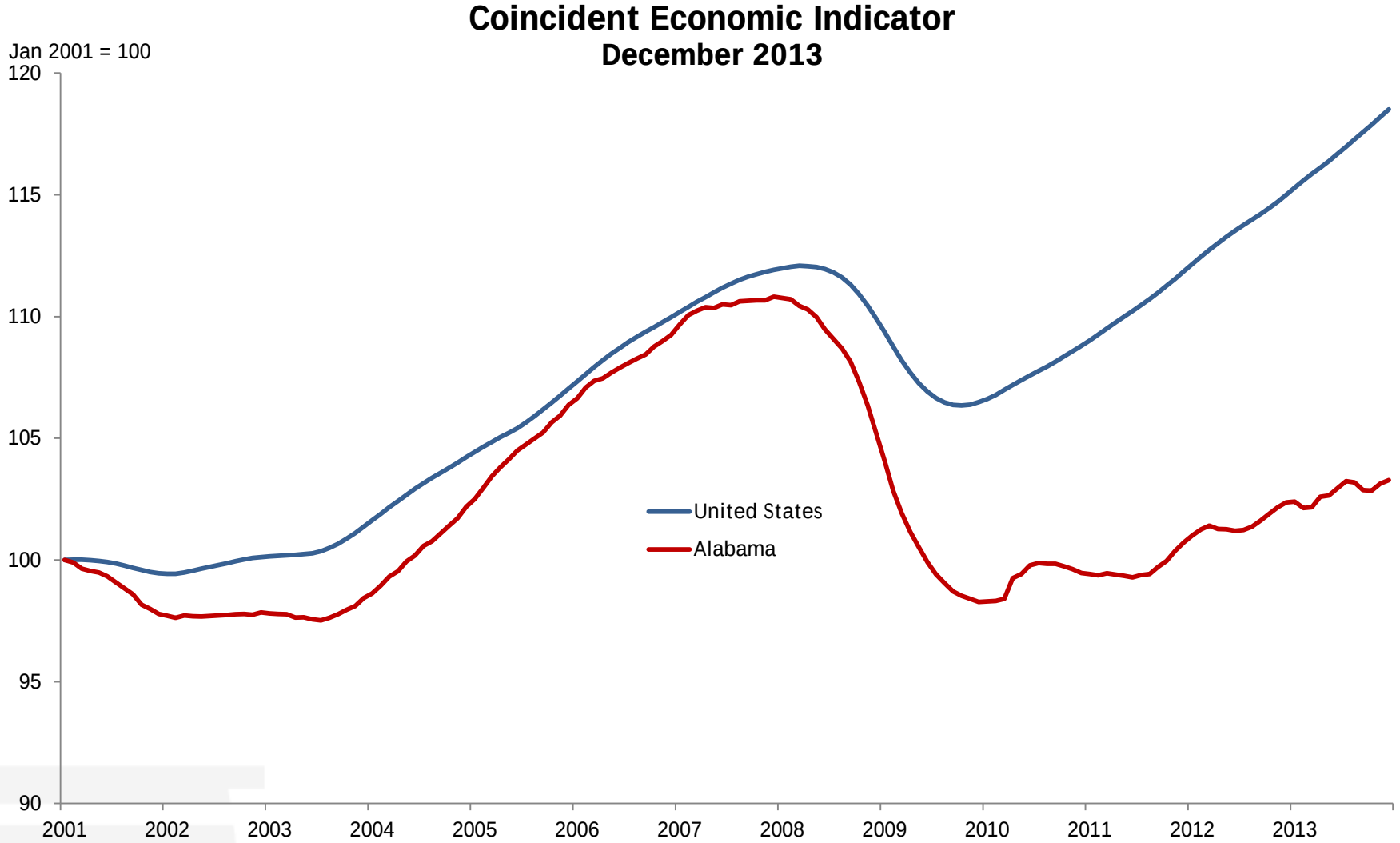
Data Digest: Alabama

February 2014

FEDERAL RESERVE BANK of ATLANTA

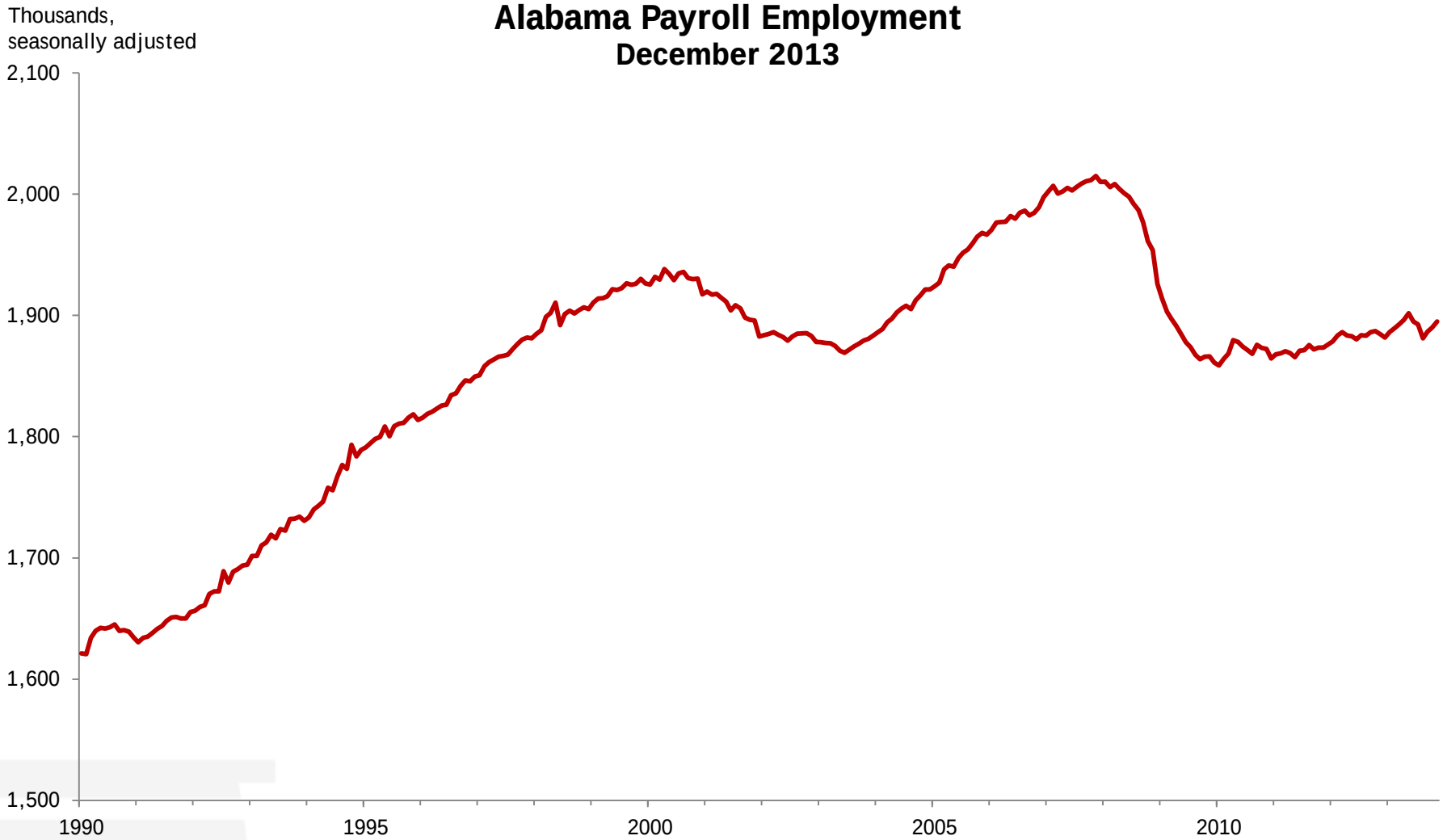
Broad indicators of economic activity for Alabama remain well below the indicators for the United States.

About the Coincident Economic Indicator



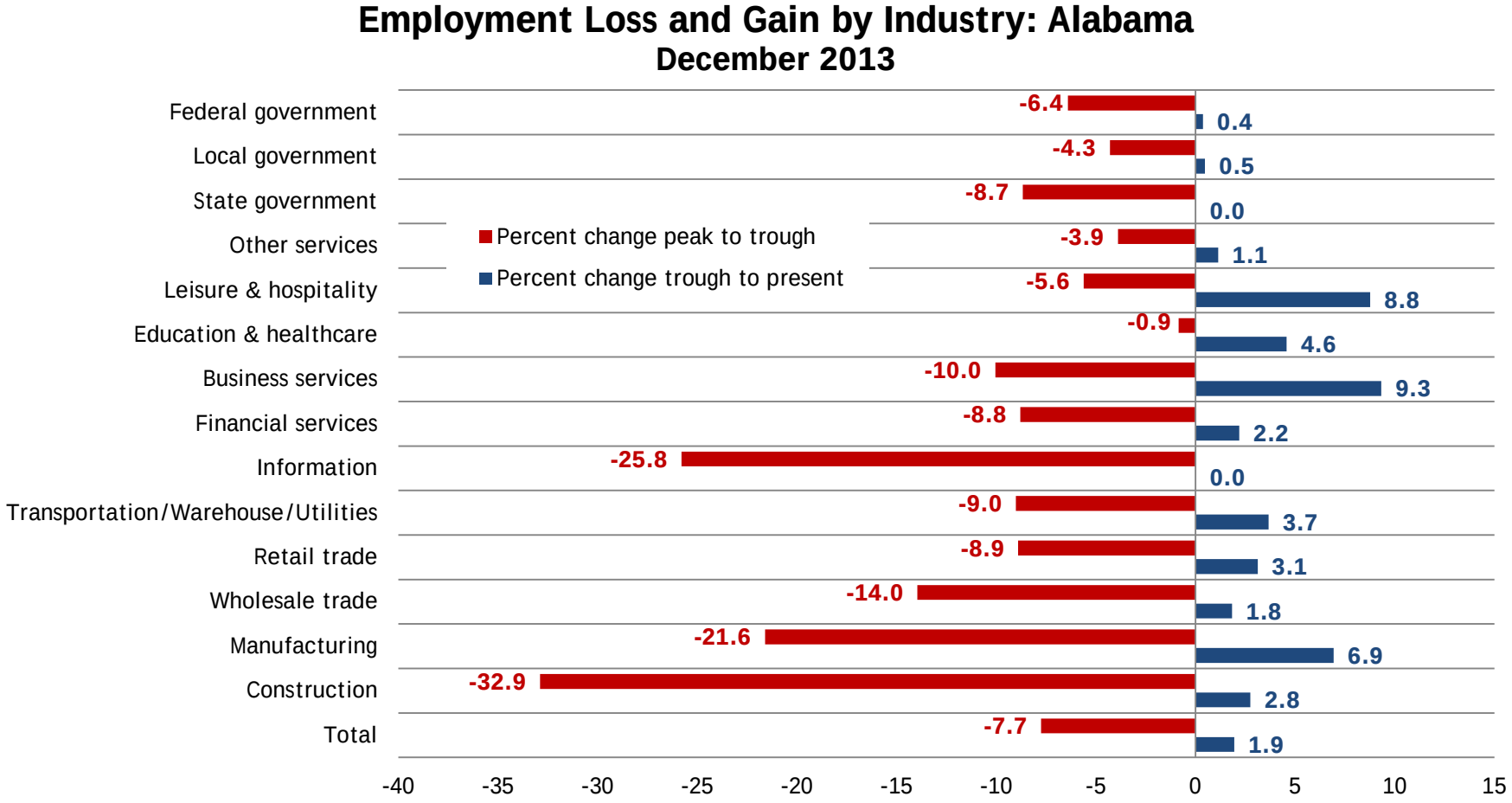
Source: Federal Reserve Bank of Philadelphia

Total employment in Alabama increased further in December, but it continues to be well below prerecession levels.



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

State government and information continued to shed jobs in December. All other industries have regained some of the jobs lost.

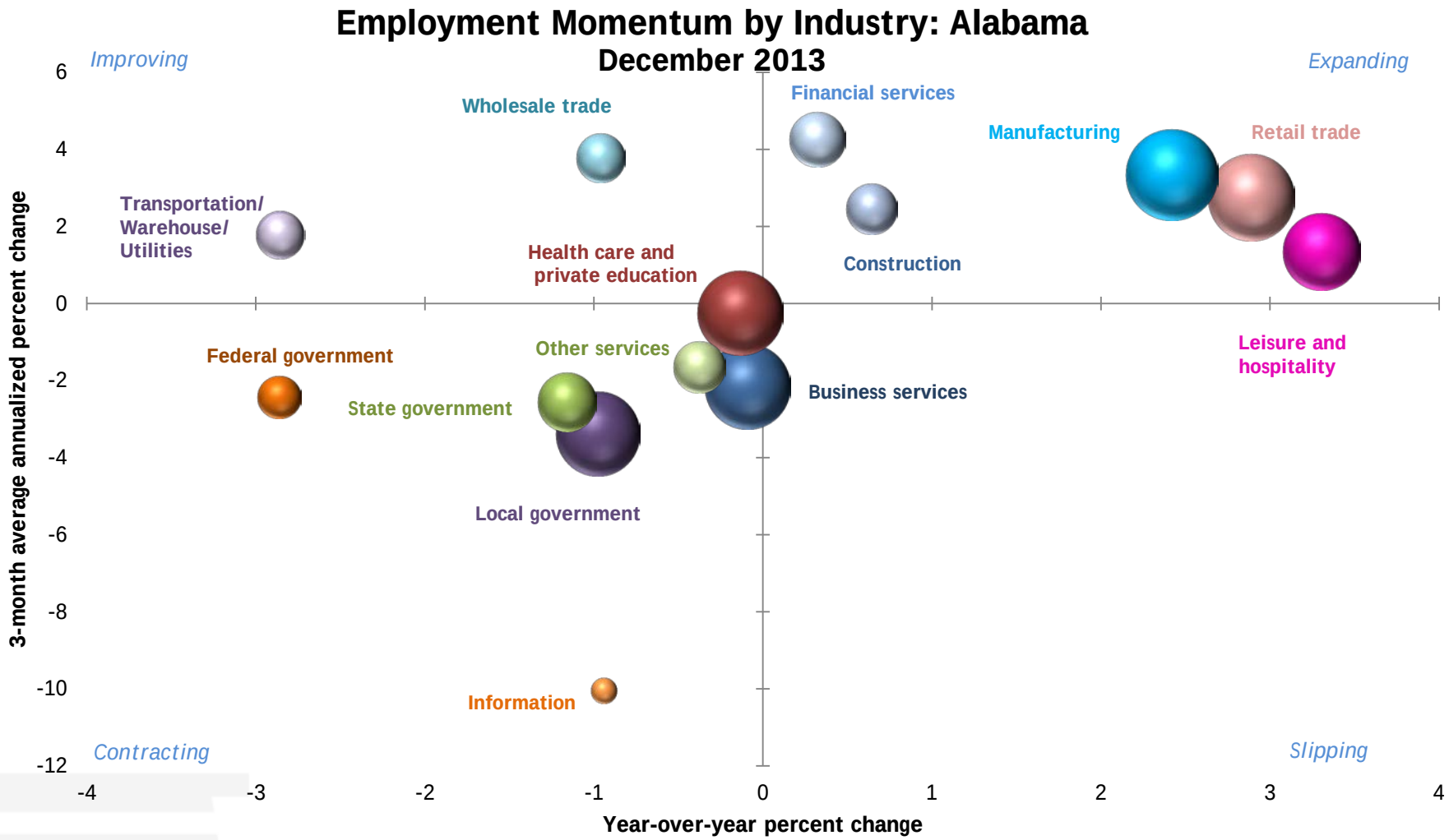


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent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

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

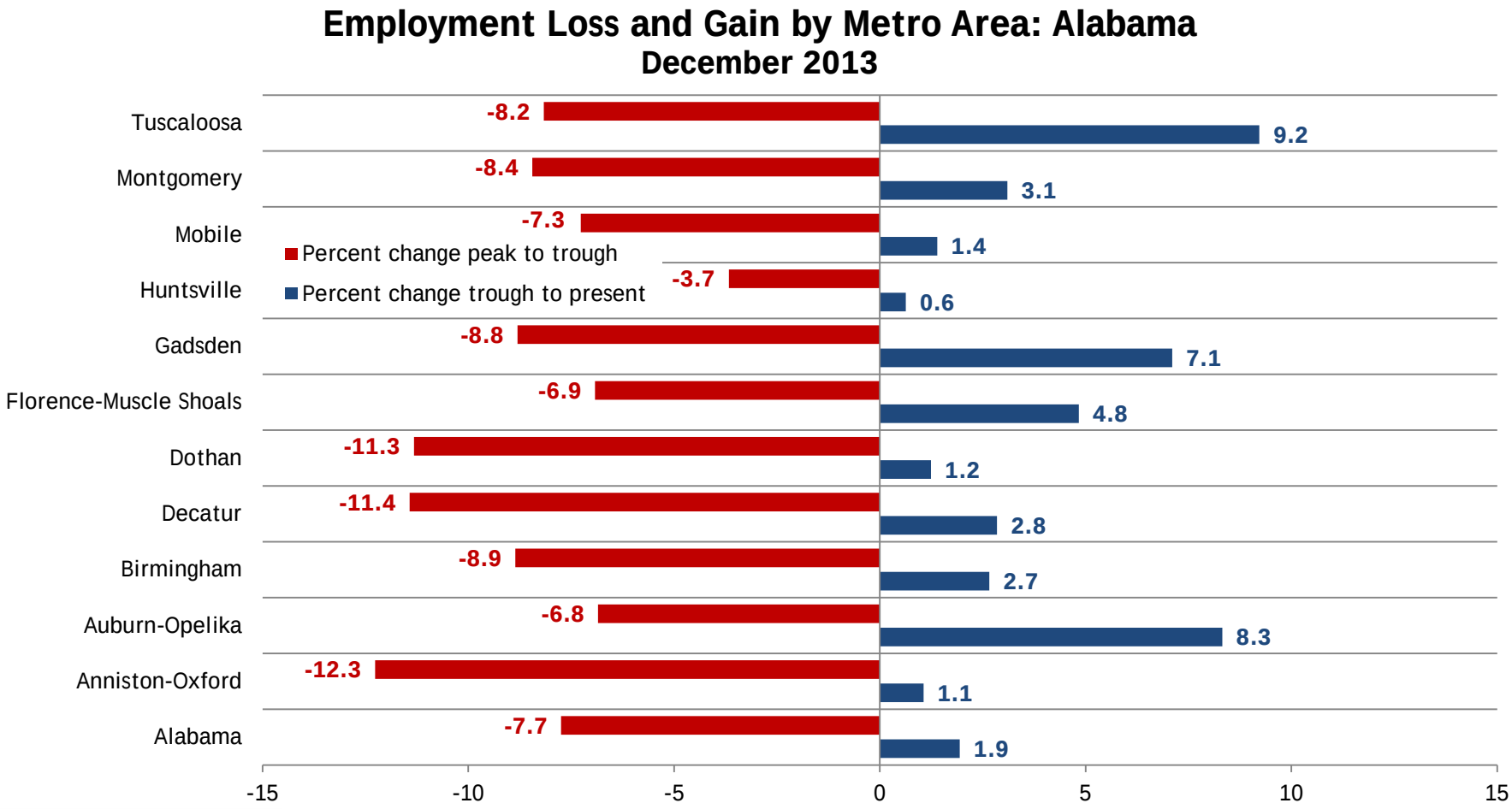
Manufacturing, retail trade, leisure and hospitality, construction, and financial services experienced expanding momentum in December. The remaining sectors either contracted or improved.

About Employment Momentum



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

Job losses occurred throughout the state during the downturn, but all of Alabama's metro areas have slowly begun to rebound. Auburn-Opelika and Tuscaloosa have regained all of the jobs they lost.

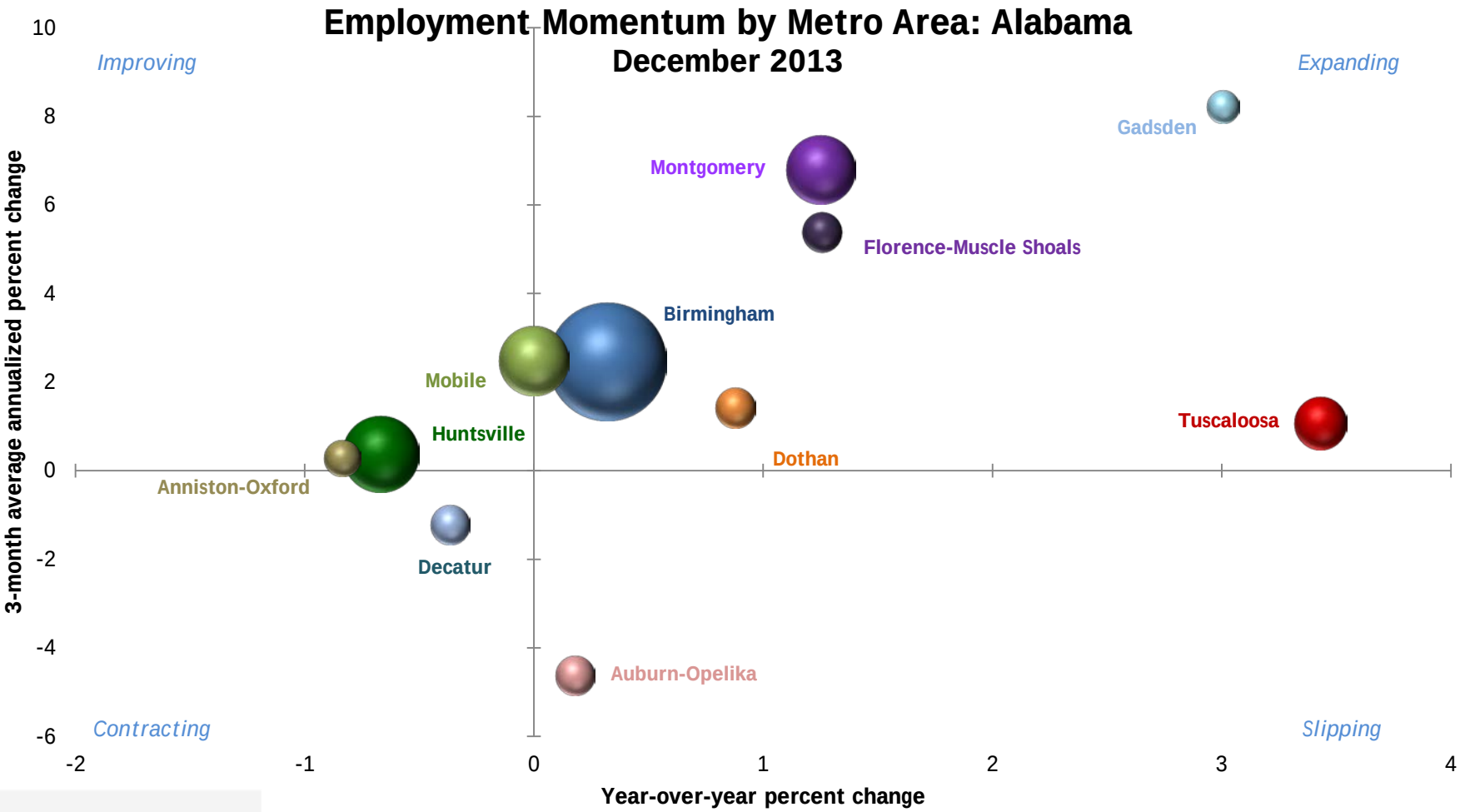


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these metro areas. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these metro areas; in this instance "trough to present" is the percent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

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

Tuscaloosa and Gadsden continued to exhibit strong employment momentum in December. Florence-Muscle Shoals, Montgomery, Dothan, and Birmingham were in the "expanding" quadrant as well.

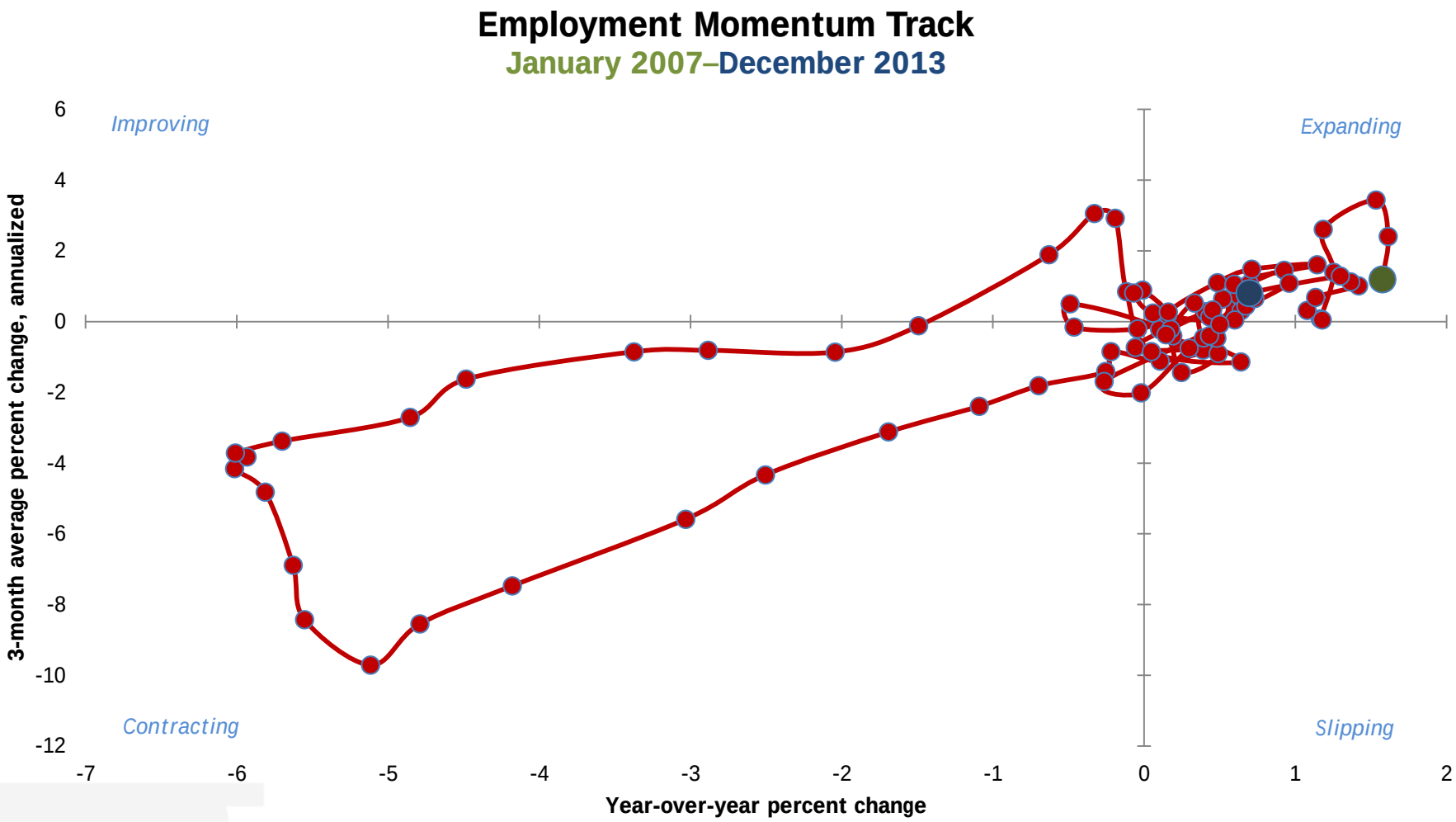
About Employment Momentum



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

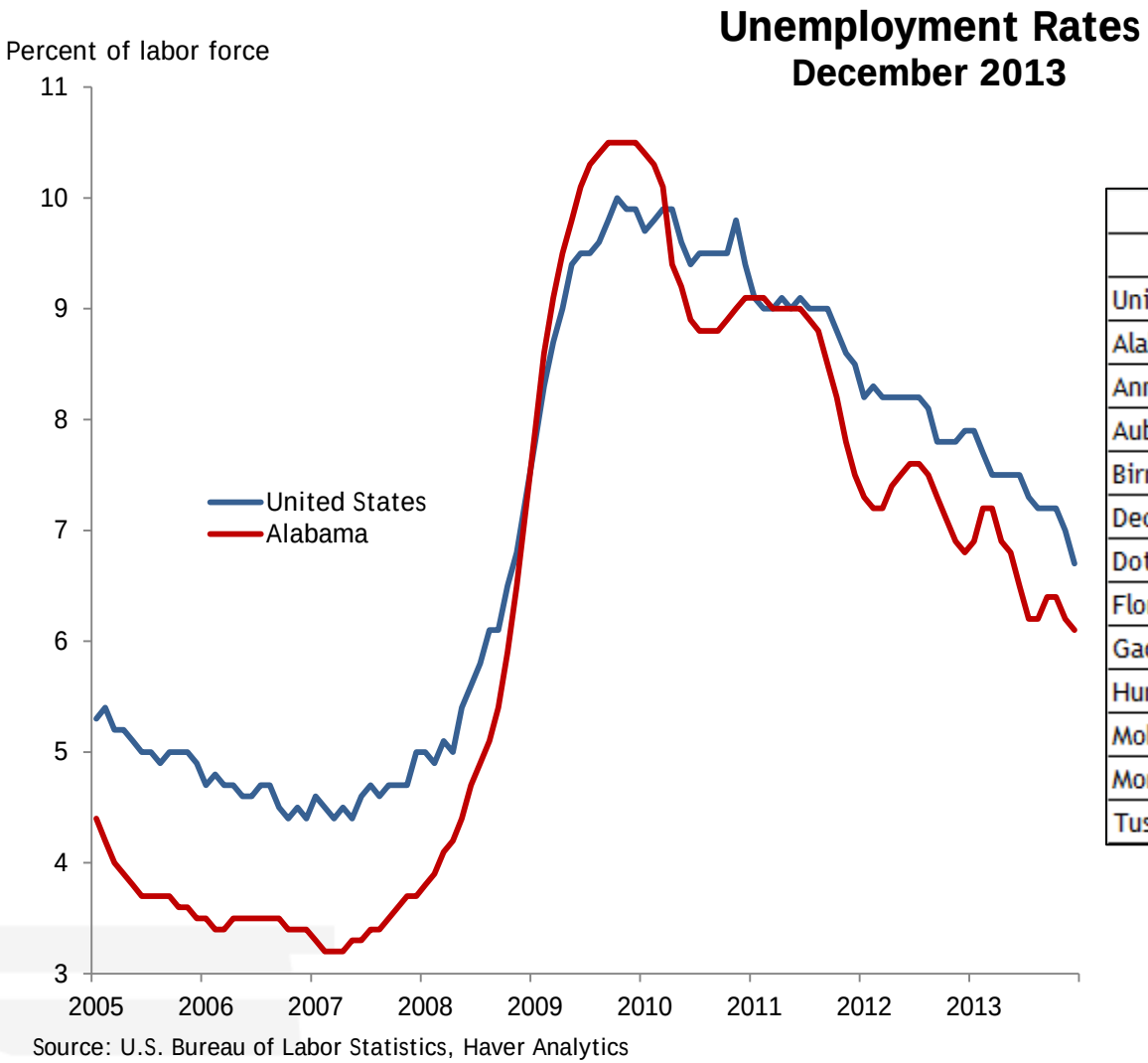
The state's employment momentum track varied extensively during the past year.

About Employment Momentum Track



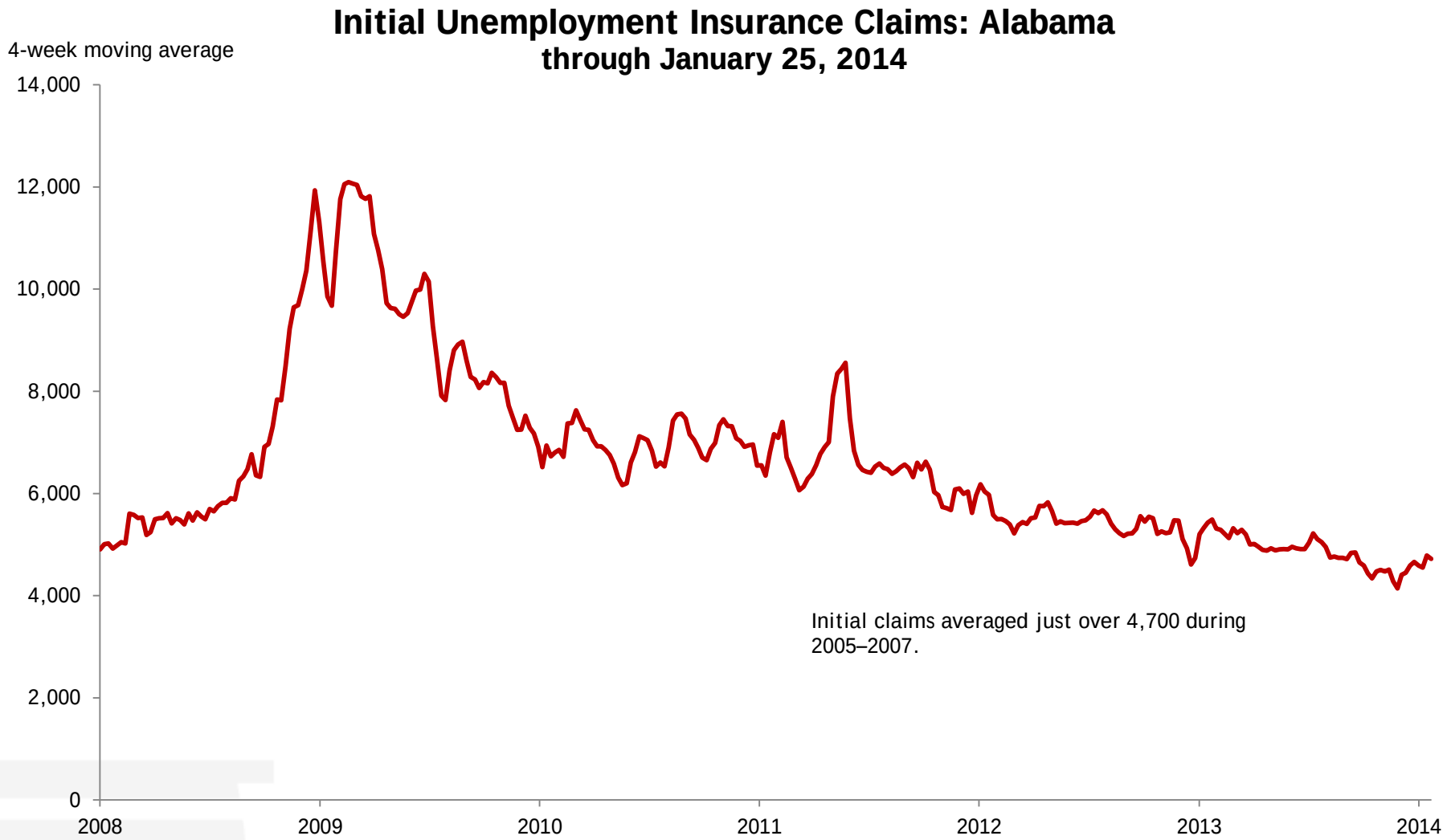
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Alabama's unemployment rate ticked down in December and remains lower than the national rate.



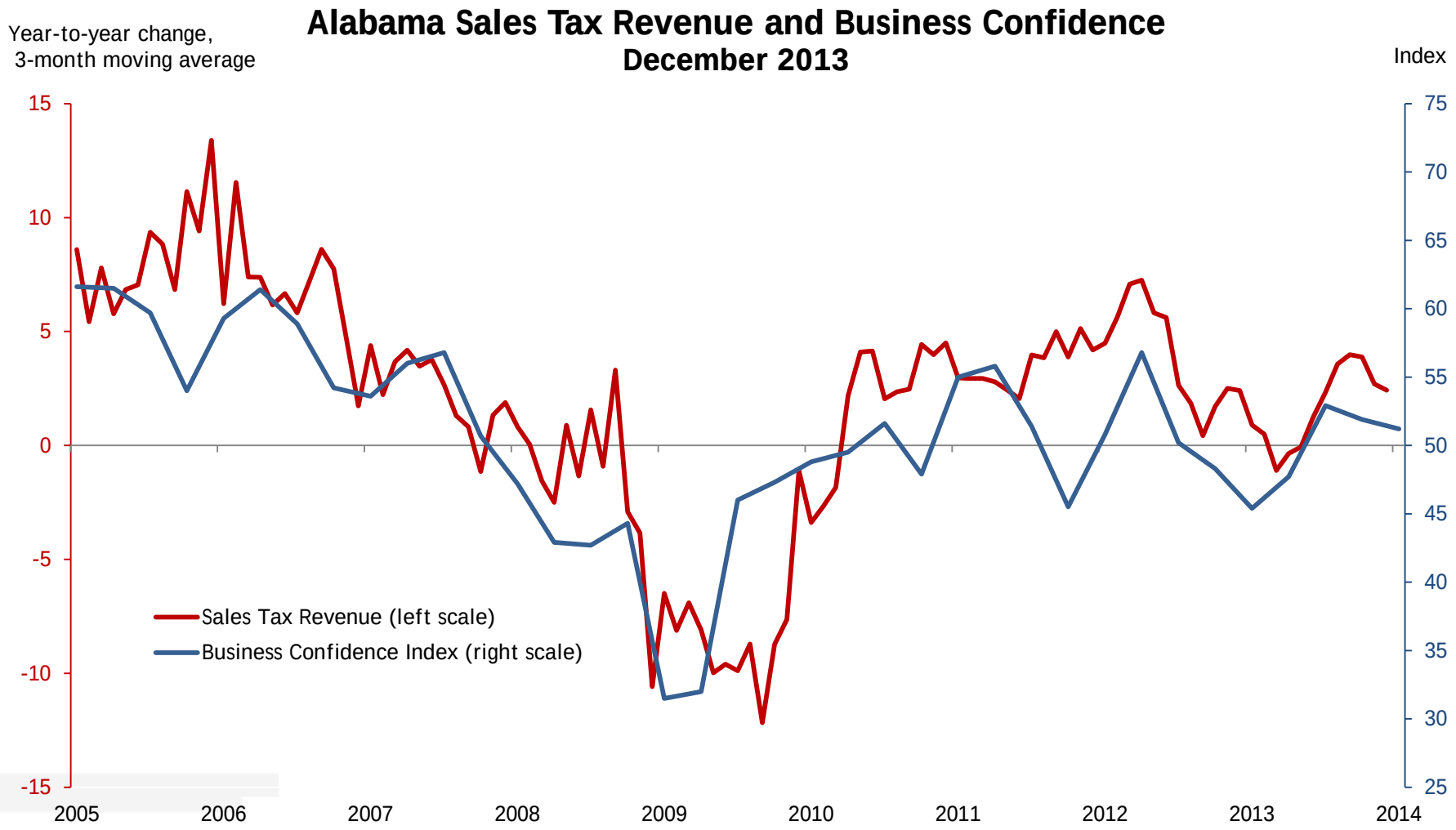
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	6.7	7.9	4.6
Alabama	6.1	6.8	3.3
Anniston-Oxford	6.1	6.8	3.4
Auburn-Opelika	4.7	5.7	3.4
Birmingham	5.0	5.7	3.2
Decatur	5.6	6.3	3.5
Dothan	5.5	6.5	3.2
Florence-Muscle Shoals	5.6	6.3	4.1
Gadsden	5.6	6.5	4.0
Huntsville	4.9	5.6	2.9
Mobile	6.5	7.3	3.5
Montgomery	5.9	6.7	3.6
Tuscaloosa	5.3	6.2	3.2

The number of individuals filing initial claims for unemployment insurance has increased since the end of November.



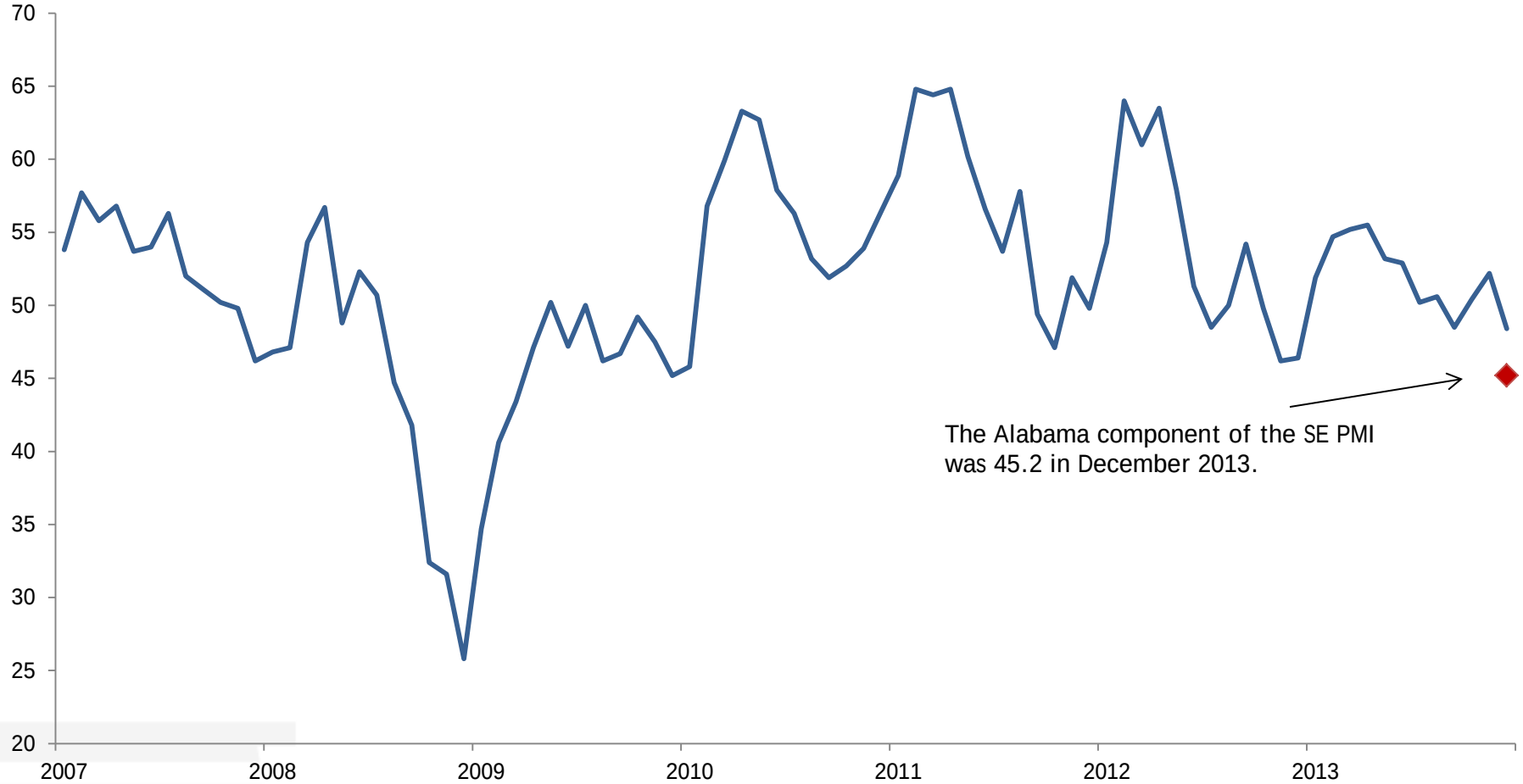
Source: U.S Department of Labor–Employment and Training Administration, Haver Analytics

Business sentiment, as measured by the University of Alabama's first quarter 2014 survey, pulled back somewhat, but it remained in positive territory. For the seventh consecutive month, sales tax revenue experienced positive year-over-year growth in December.



Note: Sales tax data are through December 2013; Business Confidence Index as of first quarter 2014.
Source: Alabama Department of Revenue, University of Alabama Center for Business and Economic Research, Federal Reserve Bank of Atlanta

Regional manufacturing activity moved into contractionary territory in December, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. The overall regional reading was 48.4. Alabama's component of the PMI decreased to 45.2.

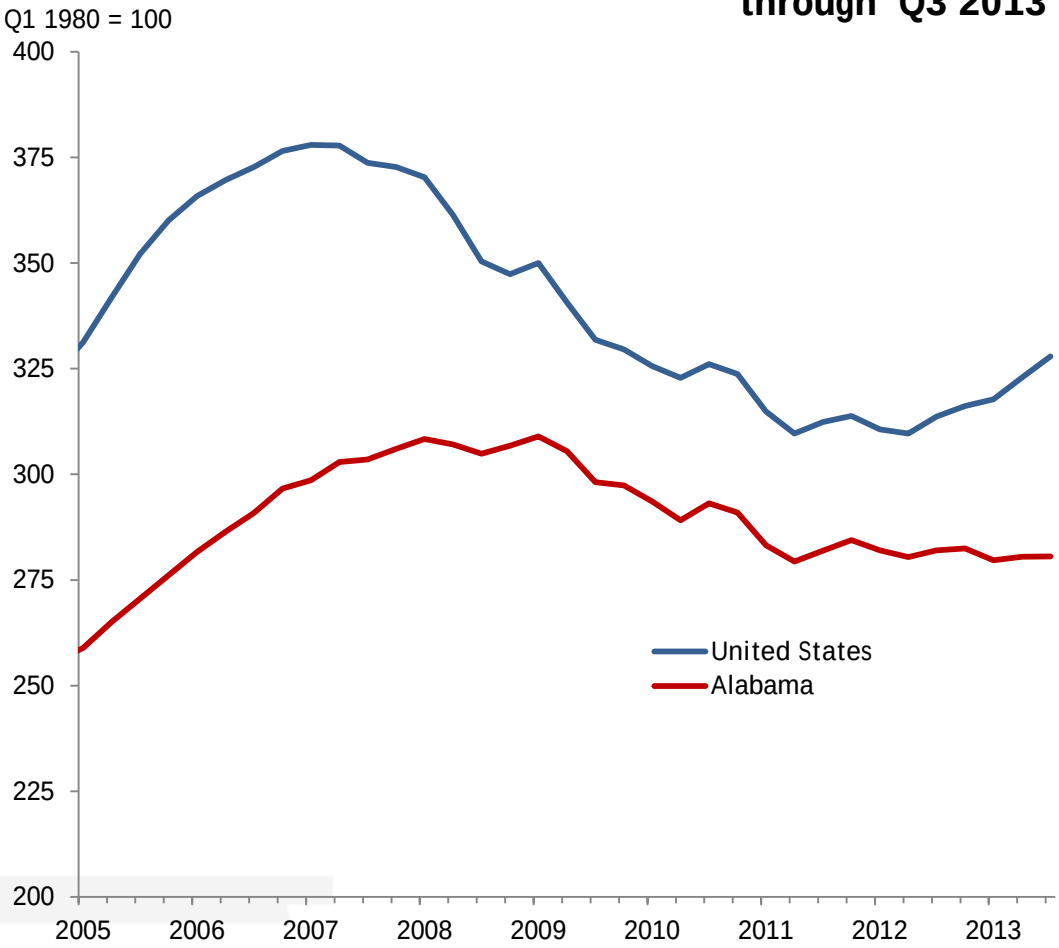


Note: 50+ = Expansion

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

Home prices for Alabama were relatively flat during 2013 even as U.S. housing prices increased for the fifth consecutive quarter.

Federal Housing Finance Agency Home Price Index
through Q3 2013

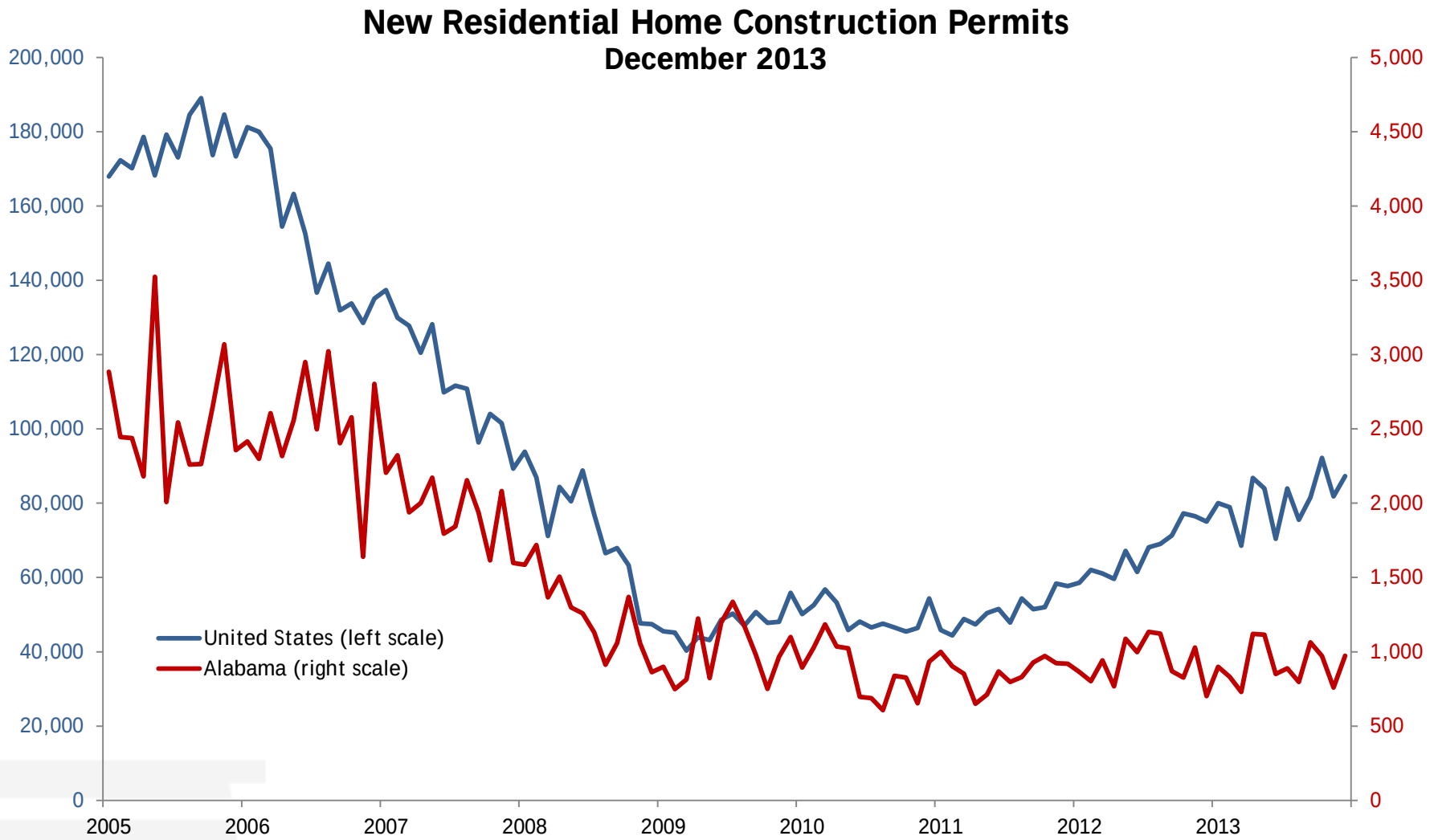


Source: Federal Housing Finance Agency, Haver Analytics

FHFA House Price Index: Q3 2013	1-yr % change	5-yr % change	10-yr % change
USA	4.5	-6.4	14.8
Alabama	-0.5	-8.0	16.0
Anniston-Oxford	-2.6	-9.7	10.7
Auburn-Opelika	-1.8	-12.0	16.2
Birmingham	-0.1	-8.1	11.6
Decatur	1.6	-2.6	16.7
Dothan	0.2	-8.3	14.9
Florence-Muscle Shoals	0.4	0.4	23.8
Gadsden	-1.6	-3.8	17.4
Huntsville	-0.7	-3.2	22.8
Mobile	-1.4	-17.0	11.9
Montgomery	1.3	-9.0	11.6
Tuscaloosa	-0.1	-2.7	21.9

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

The number of new home construction permits issued in Alabama has been basically flat and remains near historically low levels of activity.



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

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