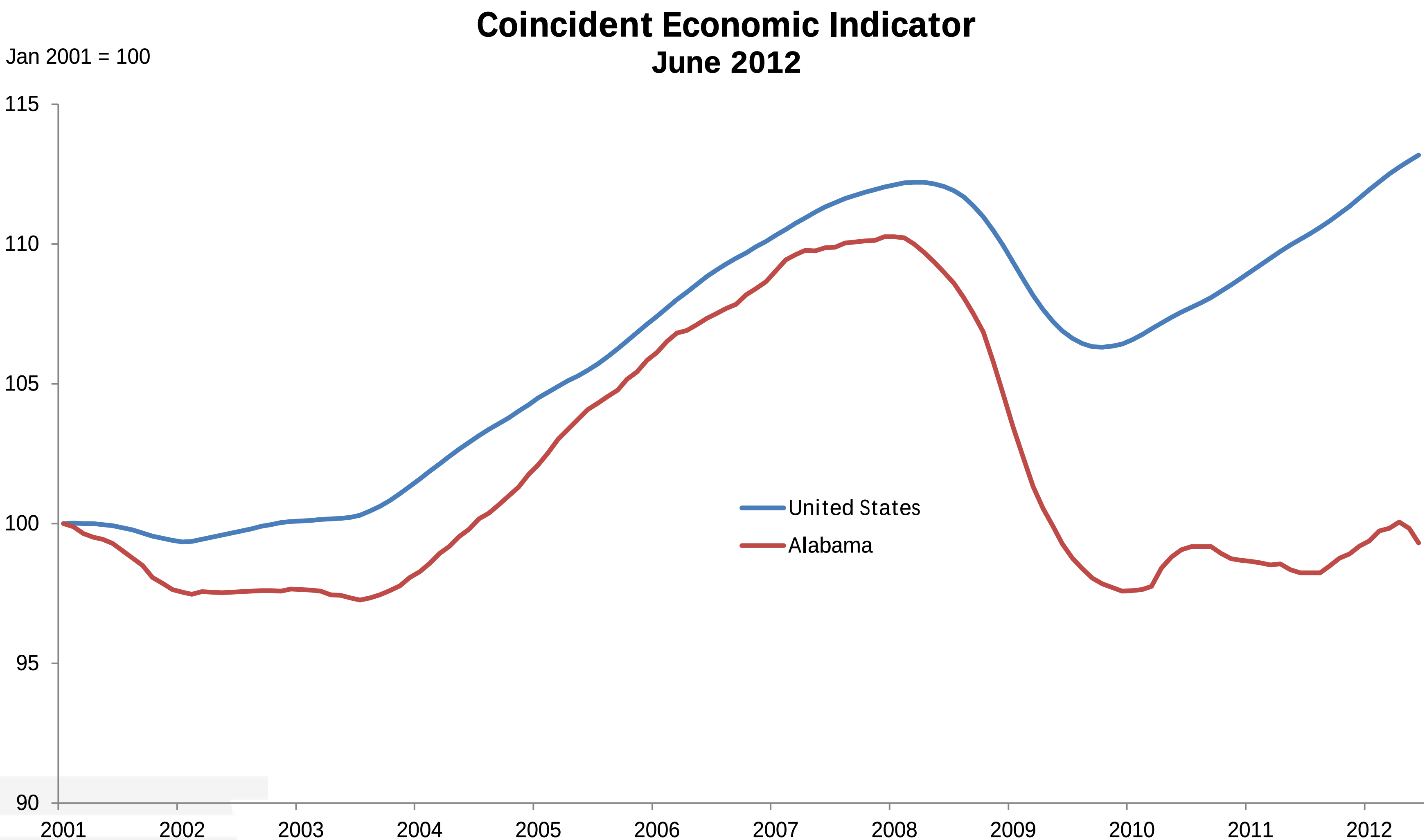
# Data Digest: Alabama

August 2012

FEDERAL RESERVE BANK of ATLANTA

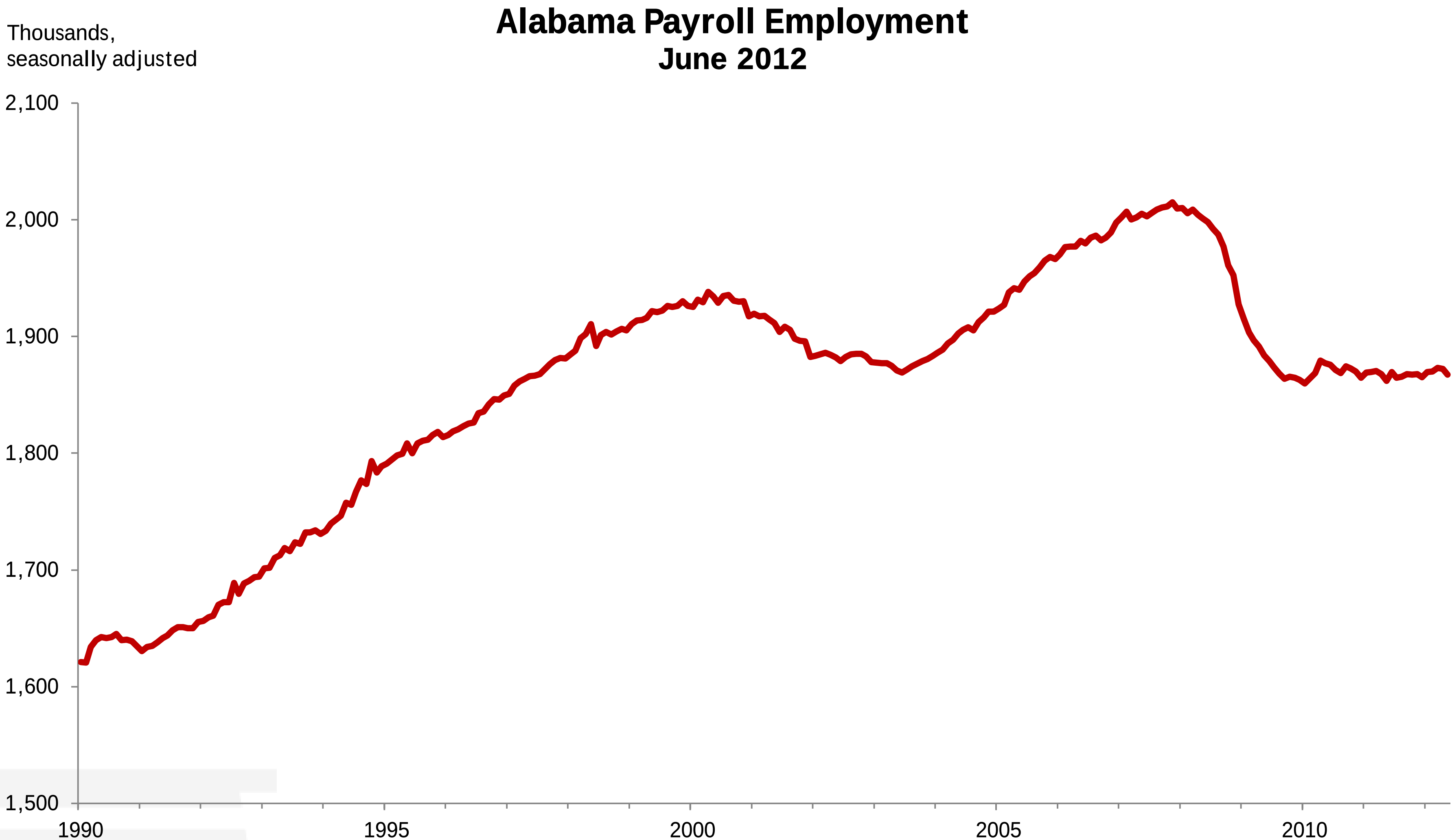
**Broad indicators of economic activity for Alabama declined further in June, even as they continued to show steady improvement for the United States.**

About the Coincident Economic Indicator



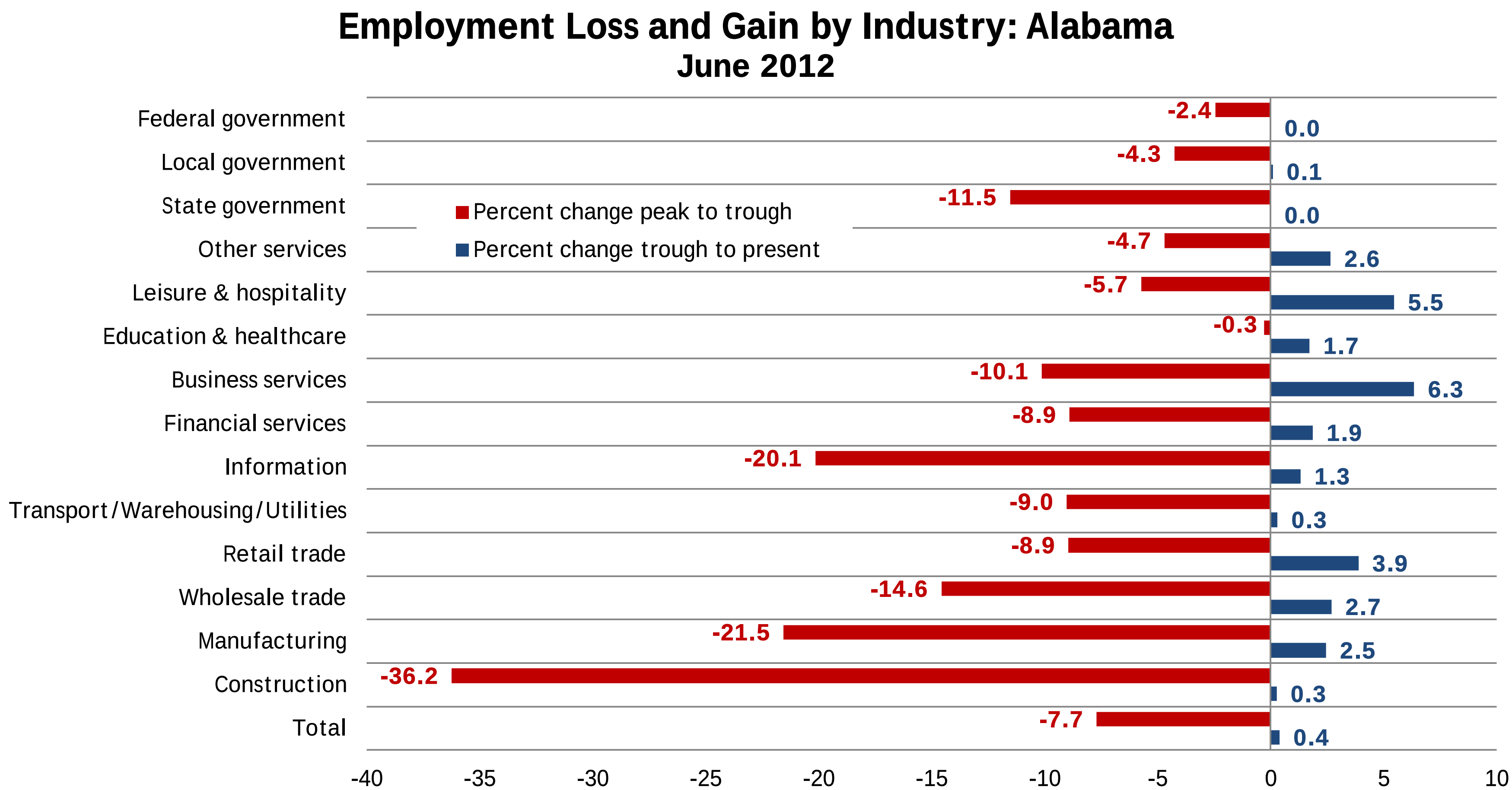

Source: Federal Reserve Bank of Philadelphia

# Total employment in Alabama has stabilized near recession lows.




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 36 percent of its jobs. Many sectors have seen job gains since their troughs, with business services experiencing the largest increase. The federal government and state government sectors continue to lose jobs.**

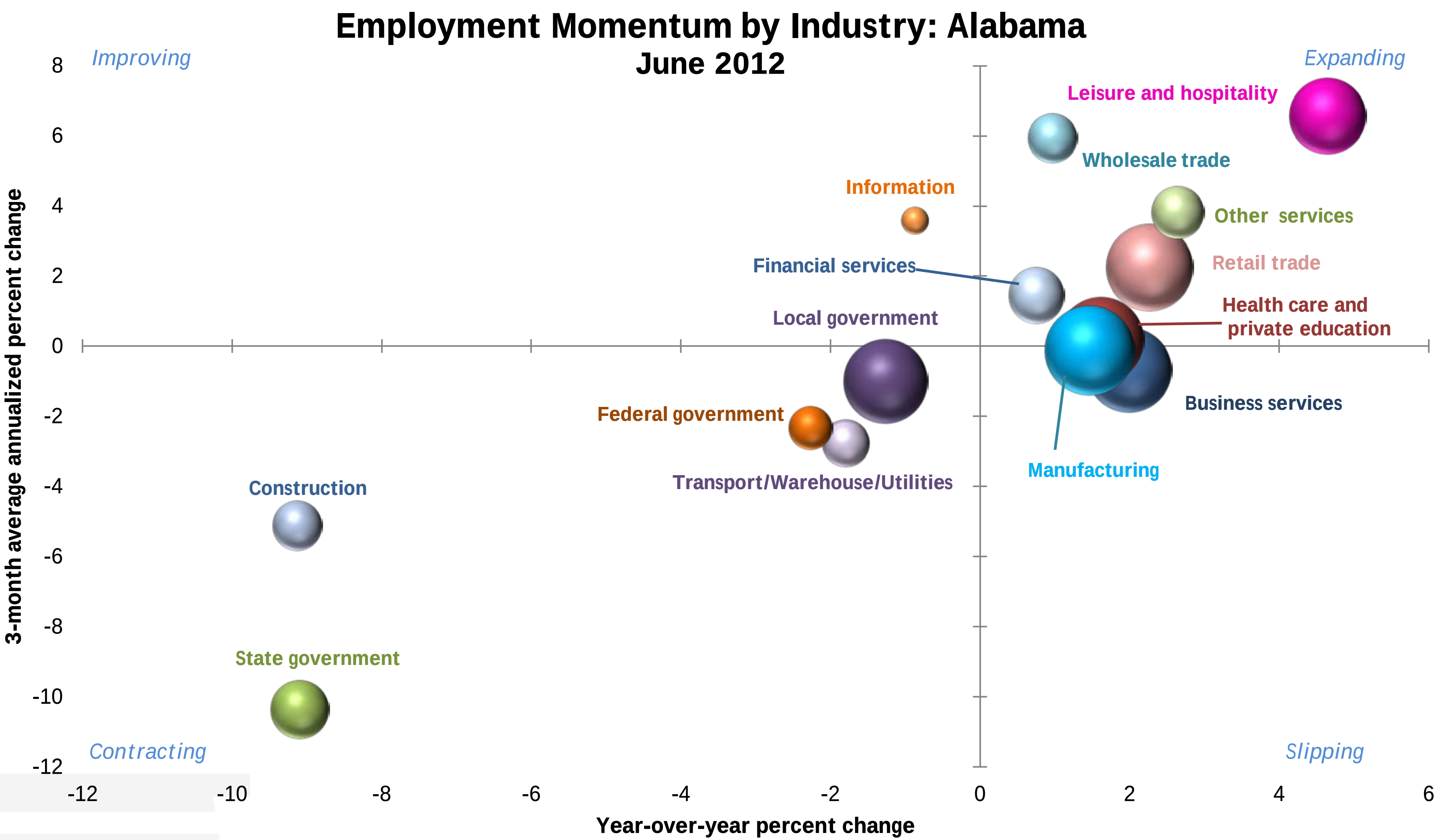



Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent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

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

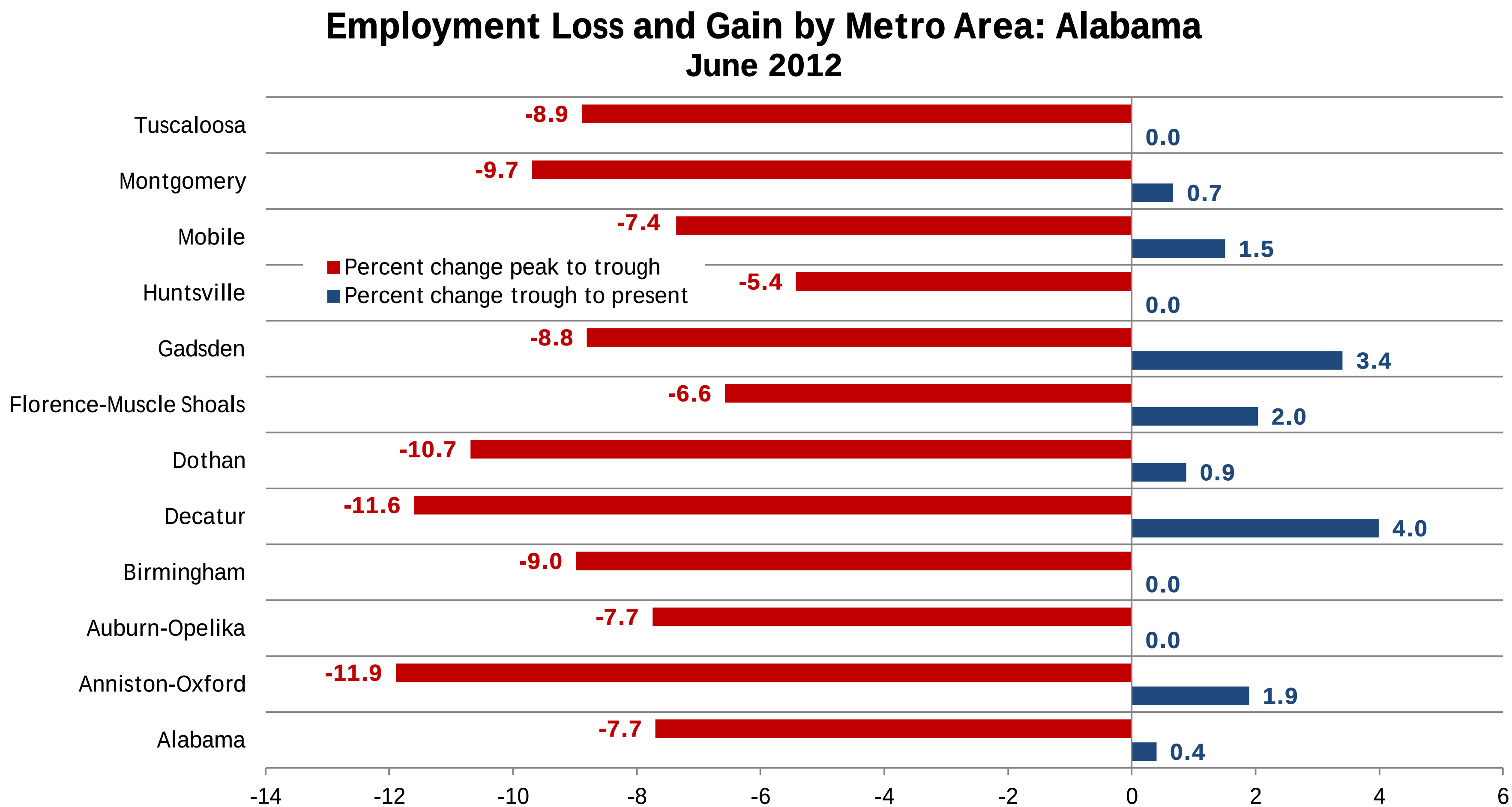
**Employment momentum in leisure and hospitality, financial services, retail trade, wholesale trade, health care and private education, and other services expanded in June. Manufacturing and business services slipped, while information momentum improved.**

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; Tuscaloosa, Huntsville, Birmingham, and Auburn-Opelika continued to shed jobs during June. Tuscaloosa's data may be skewed by a decline in government employment due to seasonal layoffs.**

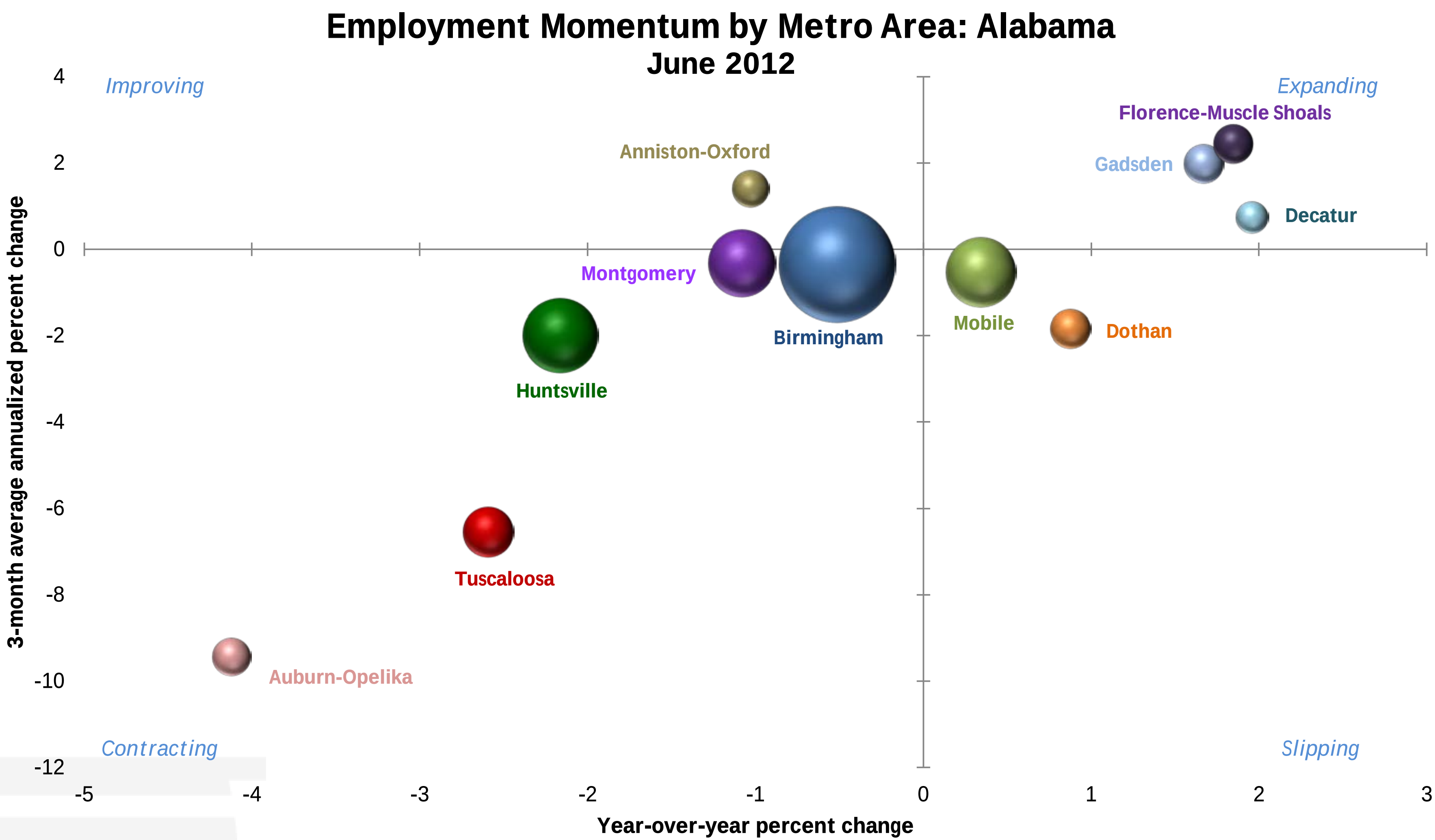



Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these metro areas. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these metro areas; in this instance "trough to present" is the percent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

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

**Employment momentum in Florence-Muscle Shoals, Gadsden, and Decatur expanded in June; Anniston-Oxford experienced improving momentum. Momentum in Birmingham, Tuscaloosa, Huntsville, Montgomery, and Auburn-Opelika contracted.**

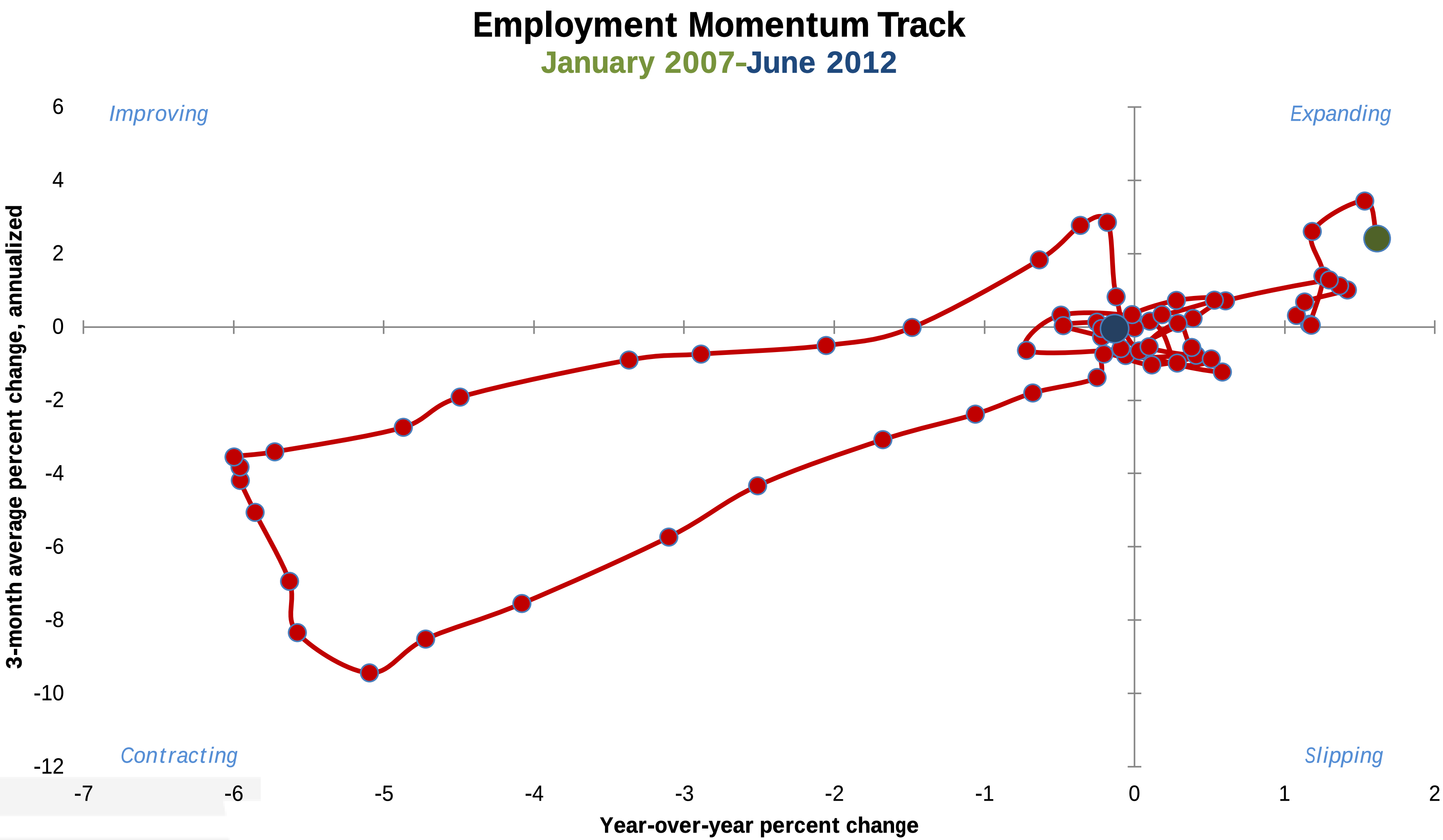
About Employment Momentum




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

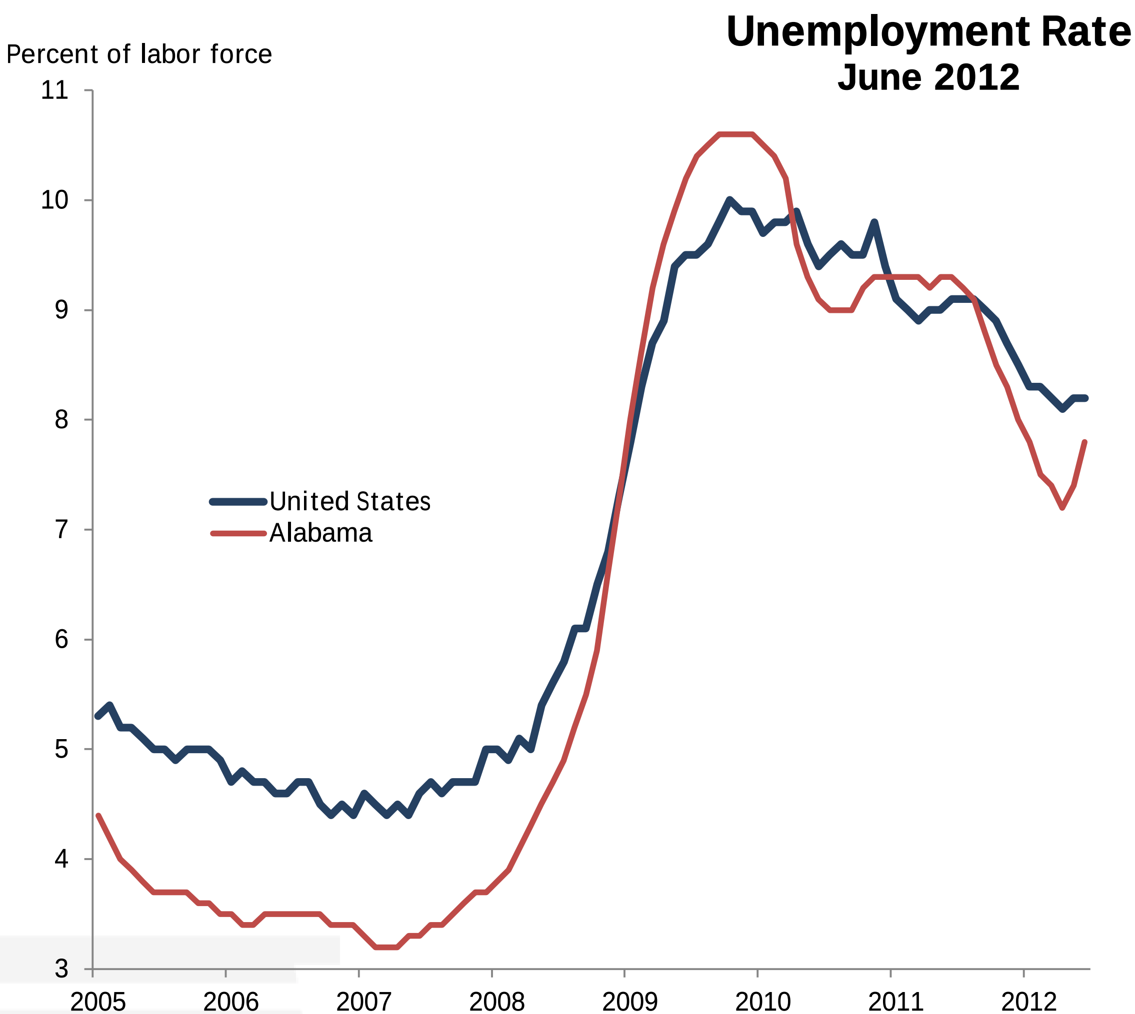
**The state's employment momentum track has varied extensively during the past year. Alabama's employment momentum contracted in January, expanded in February, improved in March, and had been in the "expanding" quadrant since April. Momentum fell into the "contracting" quadrant in June.**

About Employment Momentum Track




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

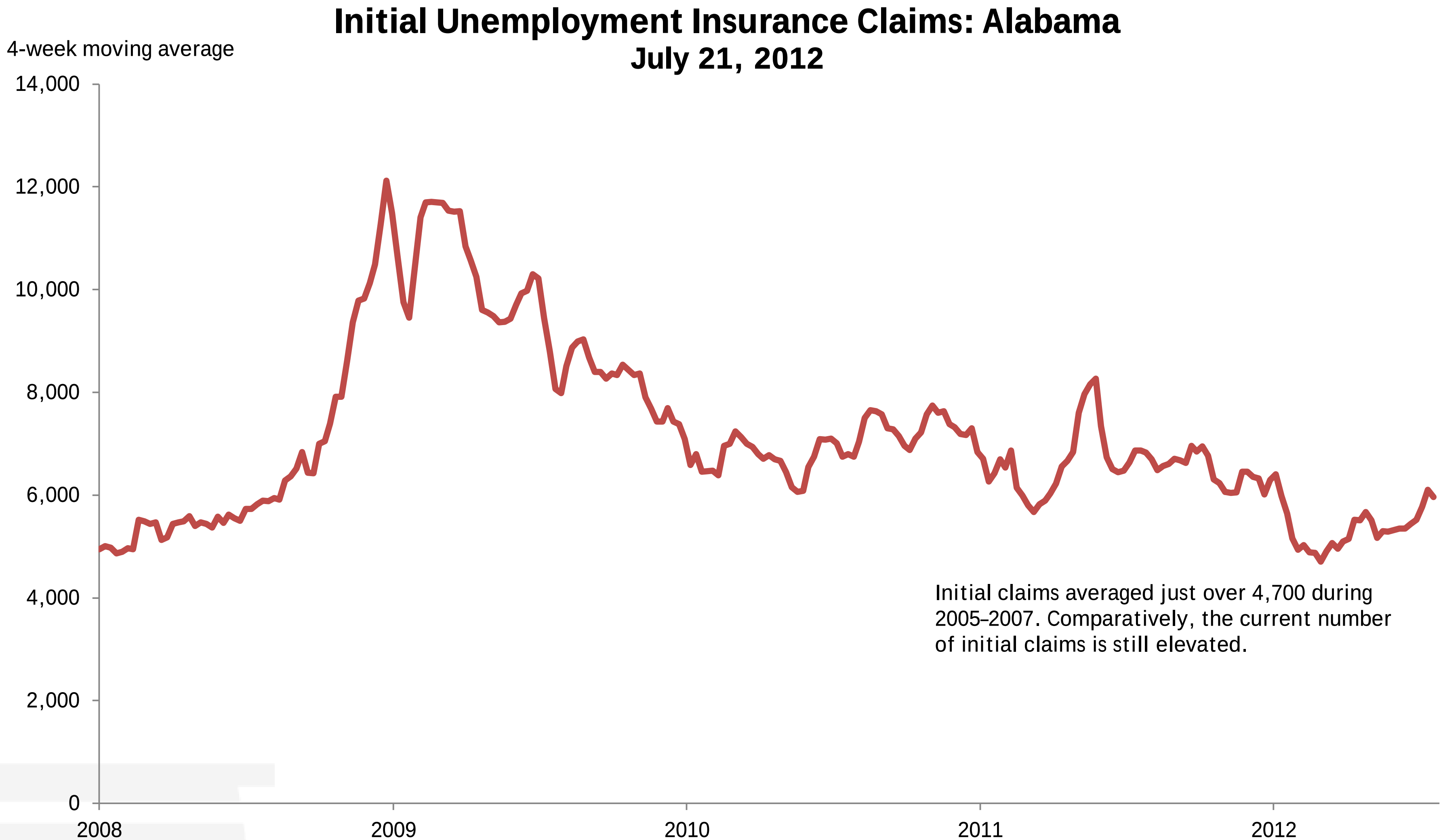
**Until the recession, Alabama’s unemployment rate was well below the overall U.S. rate. Alabama’s rate fell during the last half of 2011 and is now below the U.S. rate again. Unemployment rates for the state and each metro area increased from May to June.**




| Unemployment Rates | | | |
|---|---|---|---|
| | Current | Year Ago | Jan 2007 |
| United States | 8.2 | 9.1 | 4.6 |
| Alabama | 7.8 | 9.3 | 3.3 |
| Anniston | 9.2 | 10.0 | 3.4 |
| Auburn-Opelika | 8.2 | 8.4 | 3.4 |
| Birmingham | 7.9 | 9.1 | 3.2 |
| Decatur | 8.6 | 9.4 | 3.5 |
| Dothan | 8.3 | 9.2 | 3.2 |
| Florence | 8.6 | 9.4 | 4.1 |
| Gadsden | 8.7 | 10.0 | 4.0 |
| Huntsville | 7.6 | 8.3 | 2.9 |
| Mobile | 10.0 | 11.0 | 3.5 |
| Montgomery | 8.9 | 9.8 | 3.6 |
| Tuscaloosa | 9.1 | 9.8 | 3.2 |

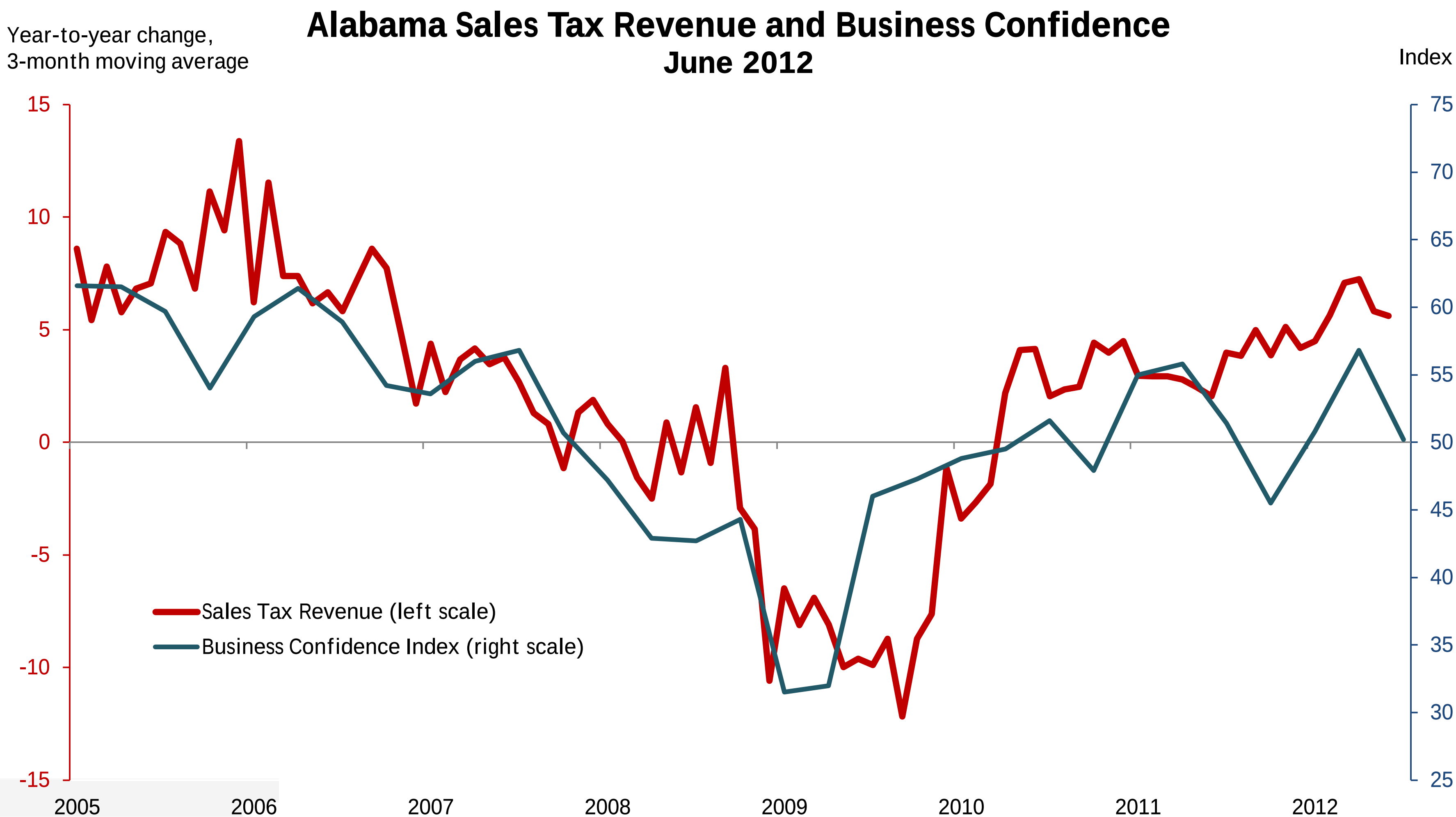
Source: U.S. Bureau of Labor Statistics, Haver Analytics

# Initial claims for unemployment insurance have increased since mid-June.



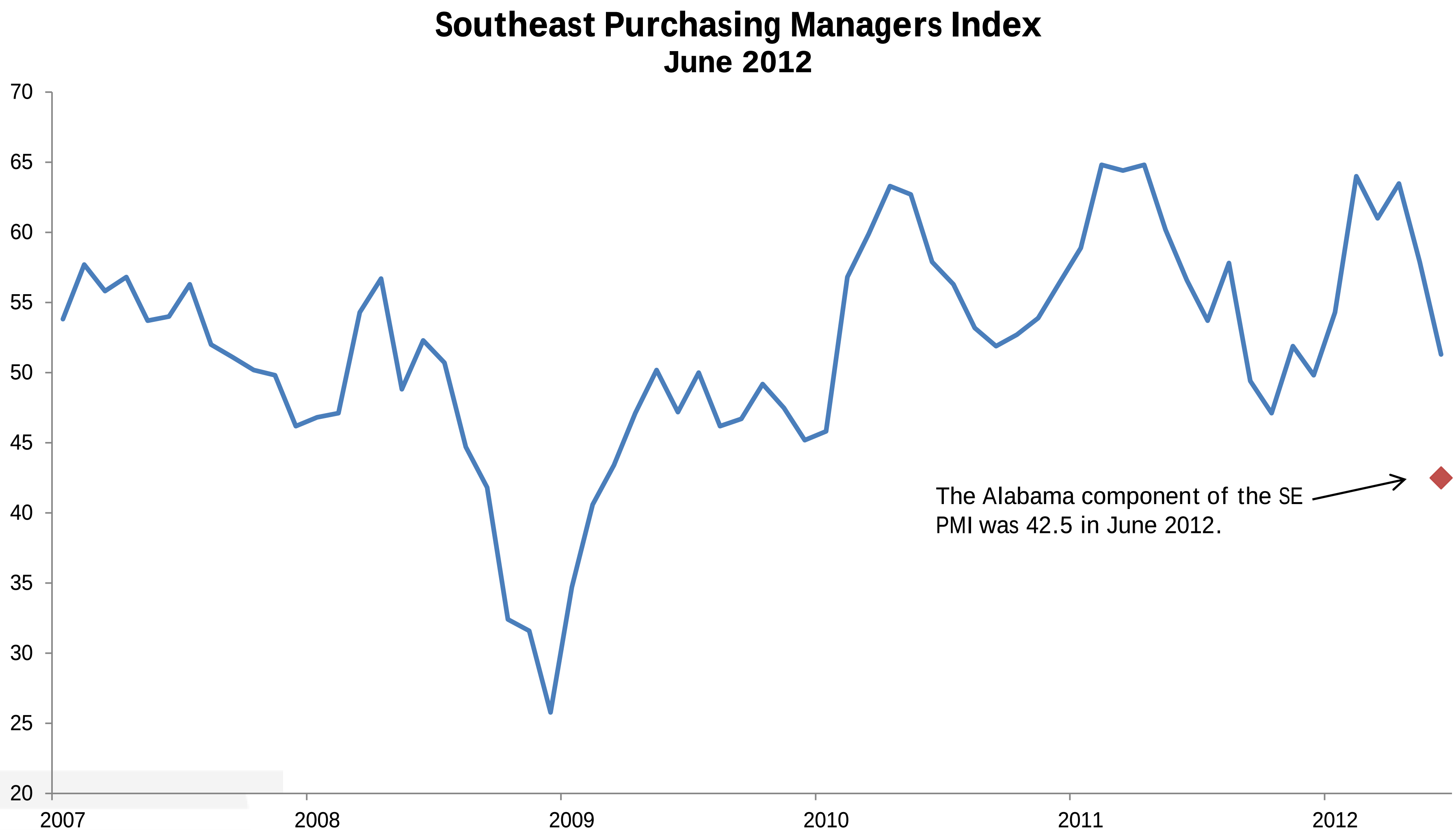

Source: U.S Department of Labor–Employment and Training Administration, Haver Analytics

**Business sentiment, as measured by the University of Alabama's third quarter 2012 survey, was barely in positive territory. Business confidence declined across all industries looking ahead to the third quarter. Sales tax revenue continues to experience positive year-over-year growth.**




Note: Sales tax data are through June 2012; Business Confidence Index as of third 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 June, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. With a reading of 42.5 for June, Alabama's component fell into contracting territory and was well below the overall regional reading of 51.3.**

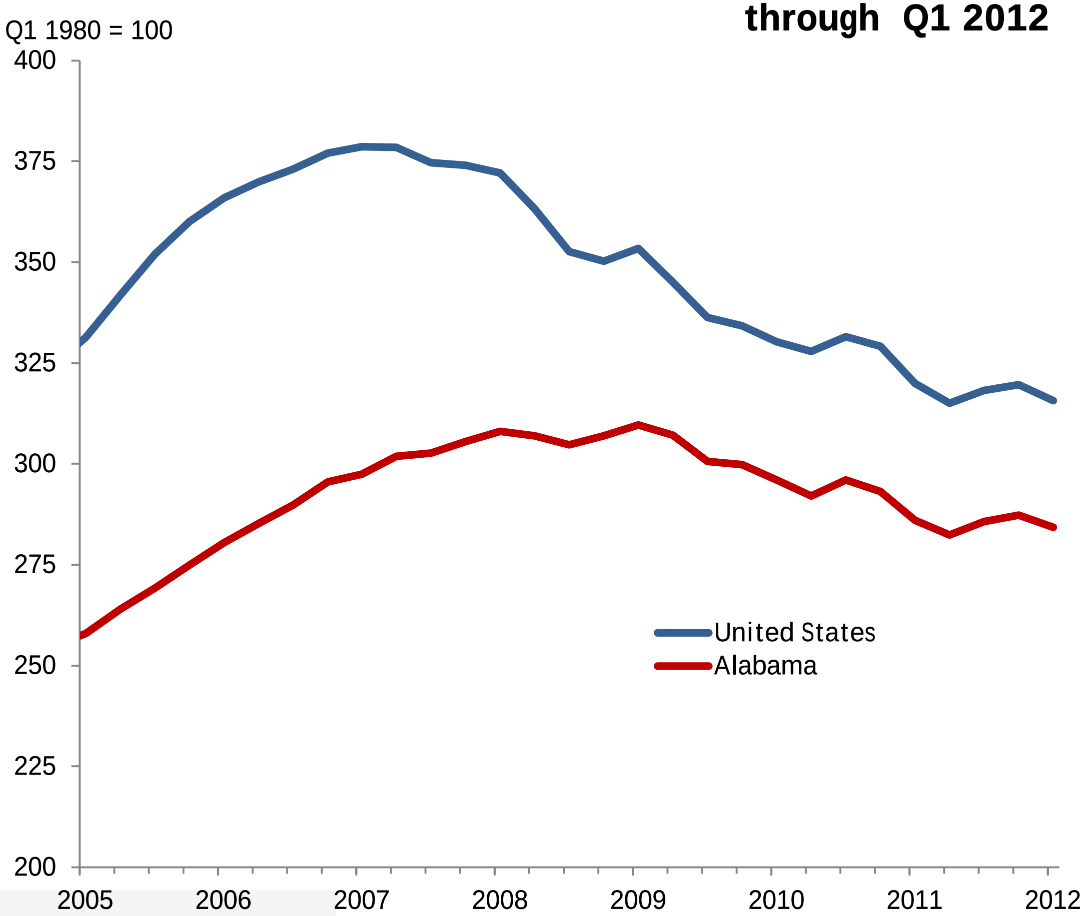



Note: 50+ = Expansion

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

**First quarter data indicated that home prices declined for both Alabama and the United States after improving the last two quarters of 2011.**

## Federal Housing Finance Agency Home Price Index
### through Q1 2012

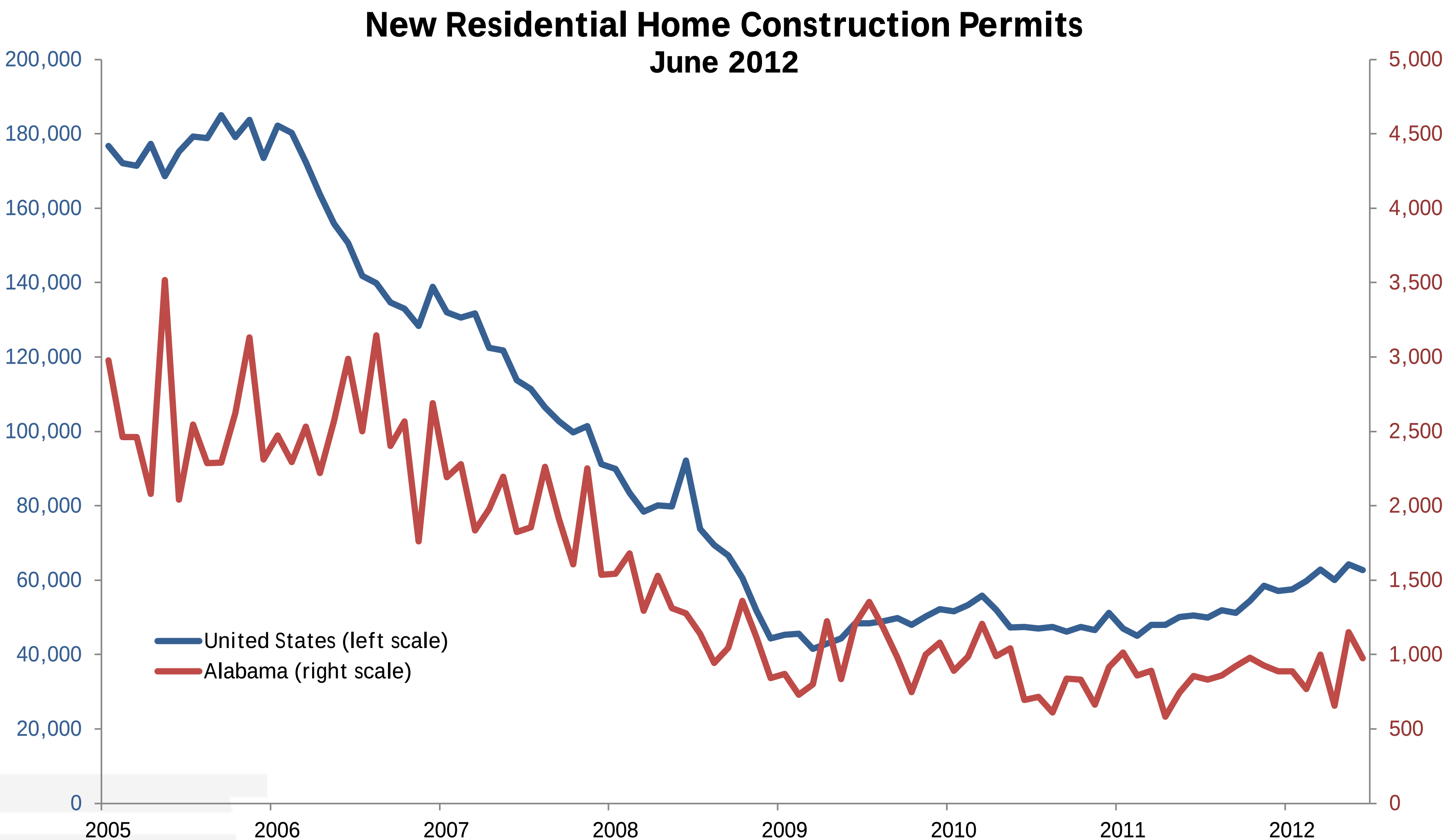



Source: Federal Housing Finance Agency, Haver Analytics

| FHFA House Price Index: Q1 2012 | 1-yr % change | 5-yr % change | 10-yr % change |
|---|---|---|---|
| USA | -1.4 | -16.7 | 20.8 |
| Alabama | -0.6 | -4.4 | 24.9 |
| Anniston-Oxford | 0.5 | -2.0 | 23.9 |
| Auburn-Opelika | -4.3 | -10.3 | 25.1 |
| Birmingham | -1.5 | -8.2 | 19.2 |
| Decatur | -1.6 | 2.6 | 21.5 |
| Dothan | -1.7 | -3.8 | 27.6 |
| Florence-Muscle Shoals | 0.5 | 3.9 | 26.6 |
| Gadsden | 4.0 | 2.6 | 31.1 |
| Huntsville | 0.5 | 4.1 | 32.5 |
| Mobile | -2.6 | -10.6 | 23.7 |
| Montgomery | -4.9 | -7.3 | 17.1 |
| Tuscaloosa | 2.2 | -0.4 | 28.2 |

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

**New home construction has stabilized at very low levels. Both the United States and Alabama recorded declines in the number of new home permits issued in June.**




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.