



Data Digest: Alabama

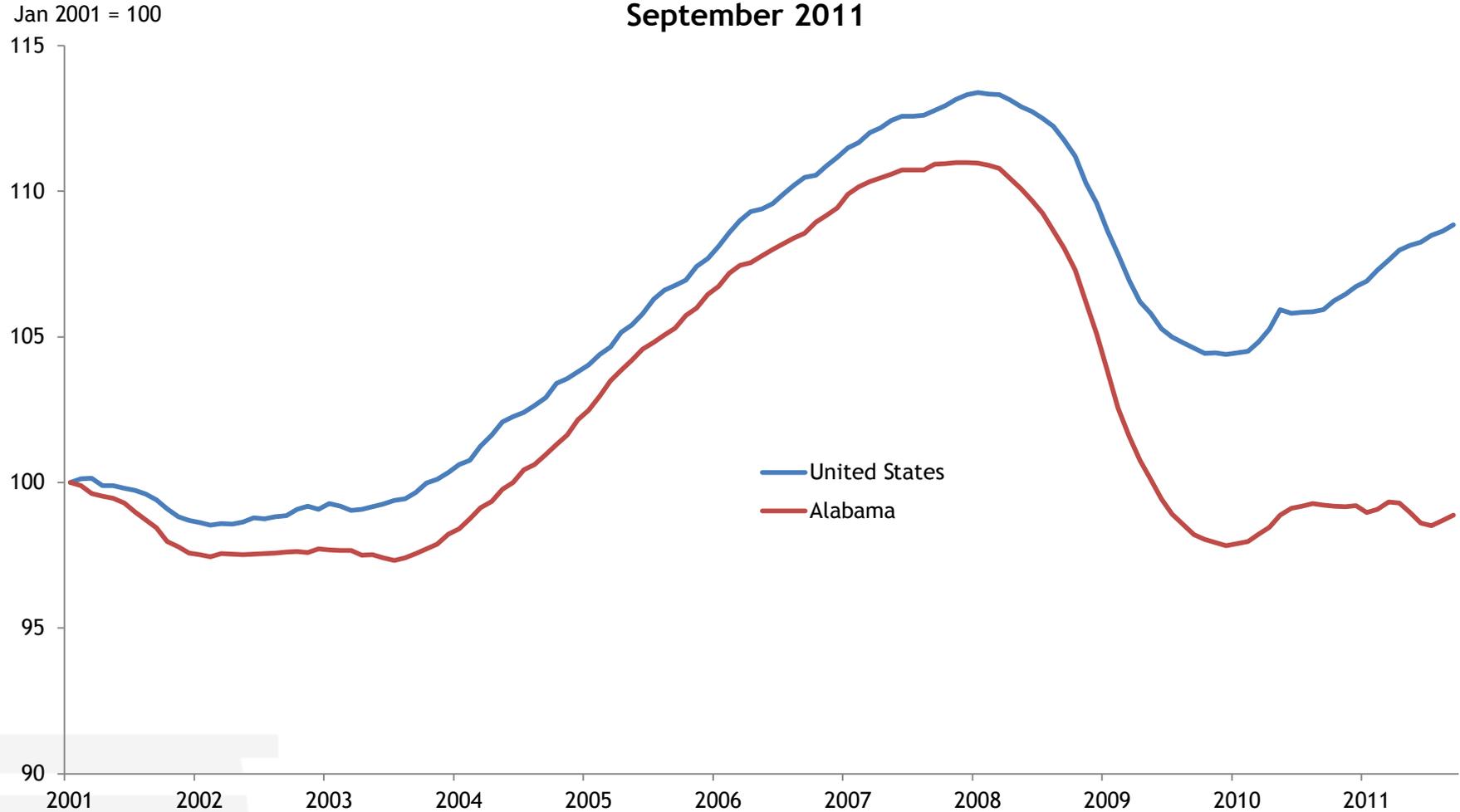
November 2011



A broad indicator of U.S. economic activity steadily improved in September, while the pace of improvement in Alabama remains much slower.

[About the Coincident Economic Indicator](#)

Coincident Economic Indicator September 2011

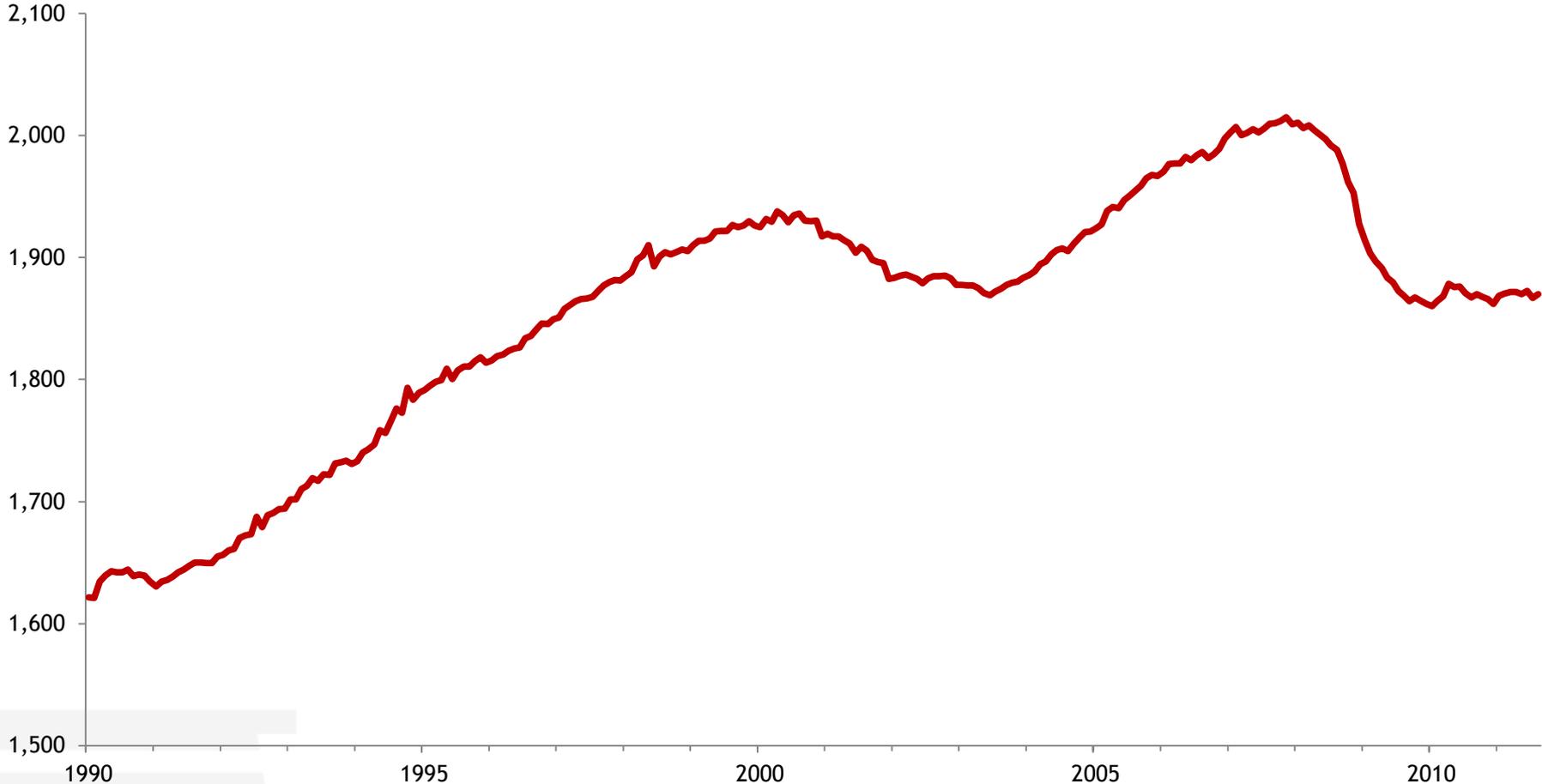


Source: Federal Reserve Bank of Philadelphia

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

Alabama Payroll Employment September 2011

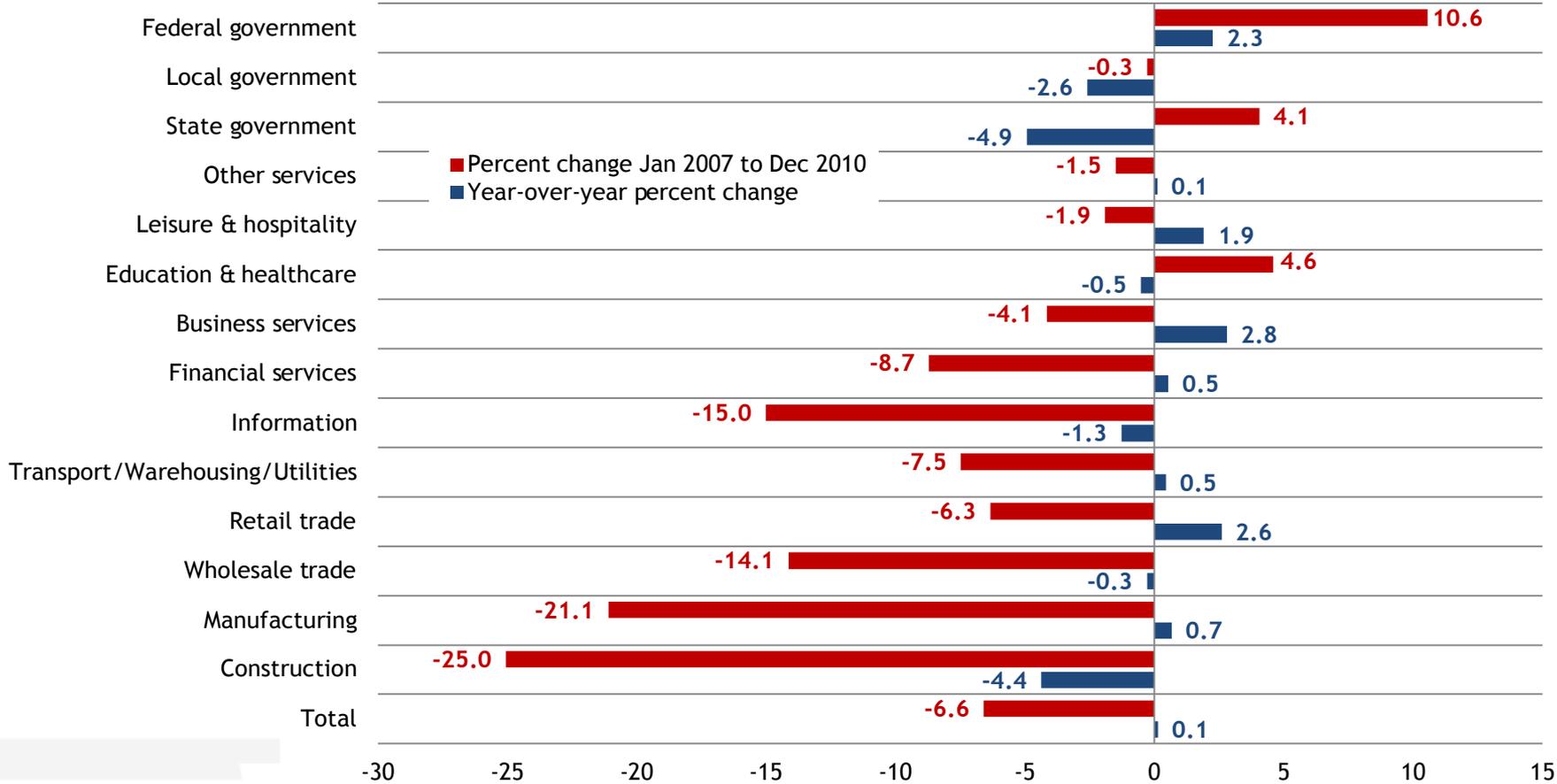
Thousands,
seasonally adjusted



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 September 2011

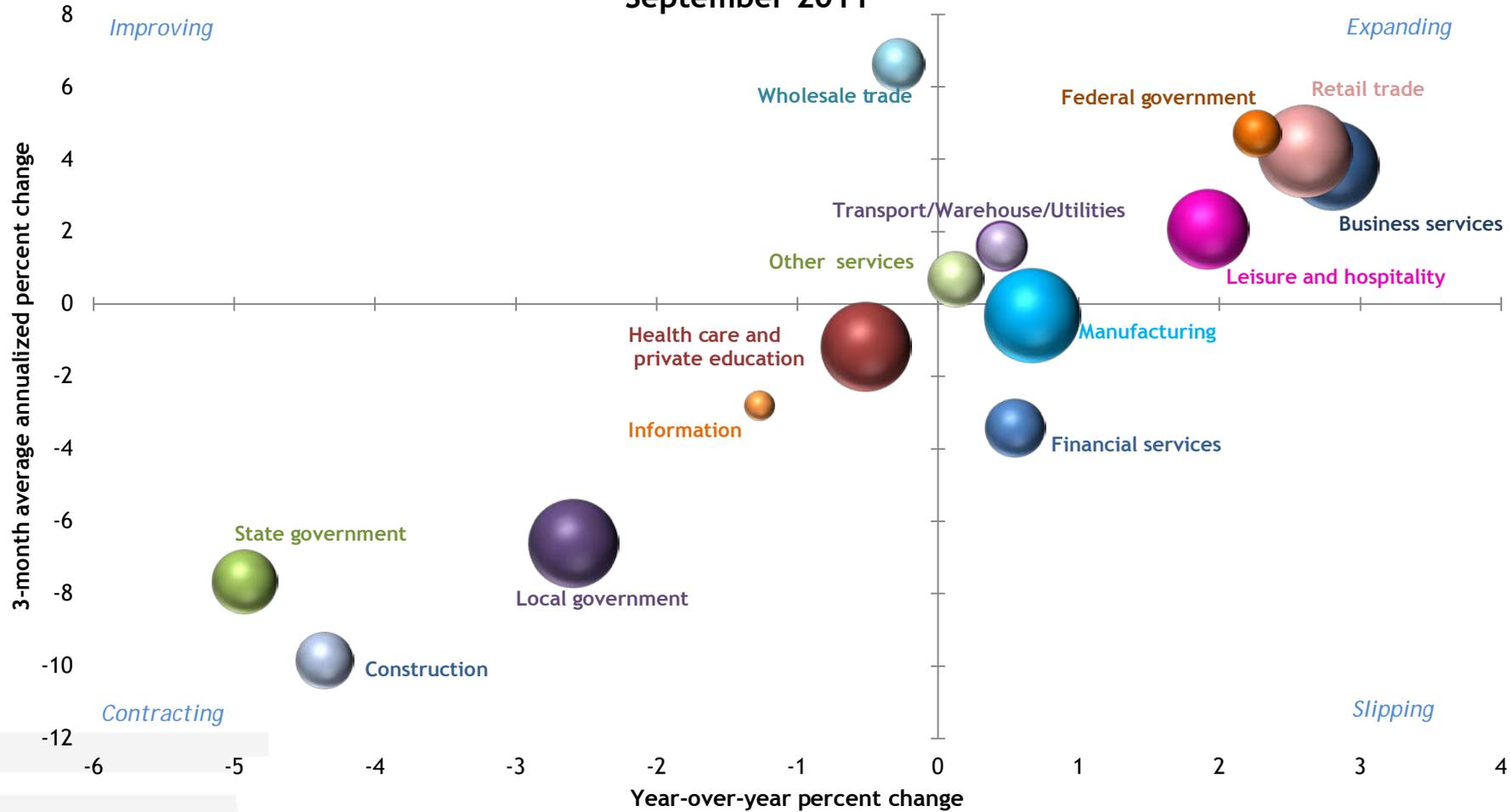


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Retail trade, business services, federal government, and leisure and hospitality showed strong employment momentum in September. Construction, state government, and local government remain weak.

[About Employment Momentum](#)

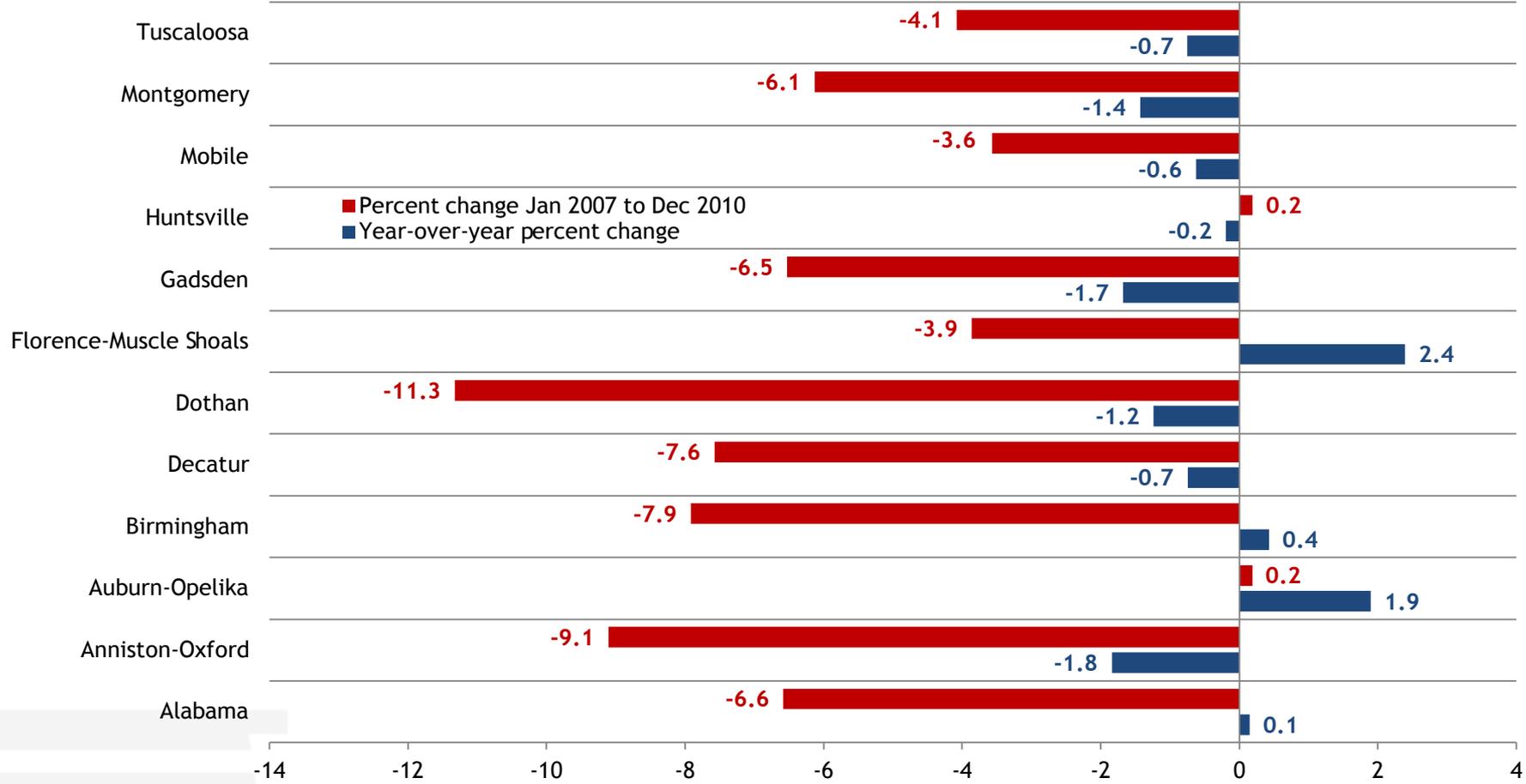
Employment Momentum by Industry: Alabama September 2011



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, but Montgomery is still declining. Auburn-Opelika and Florence-Muscle Shoals lead other areas in job recovery.

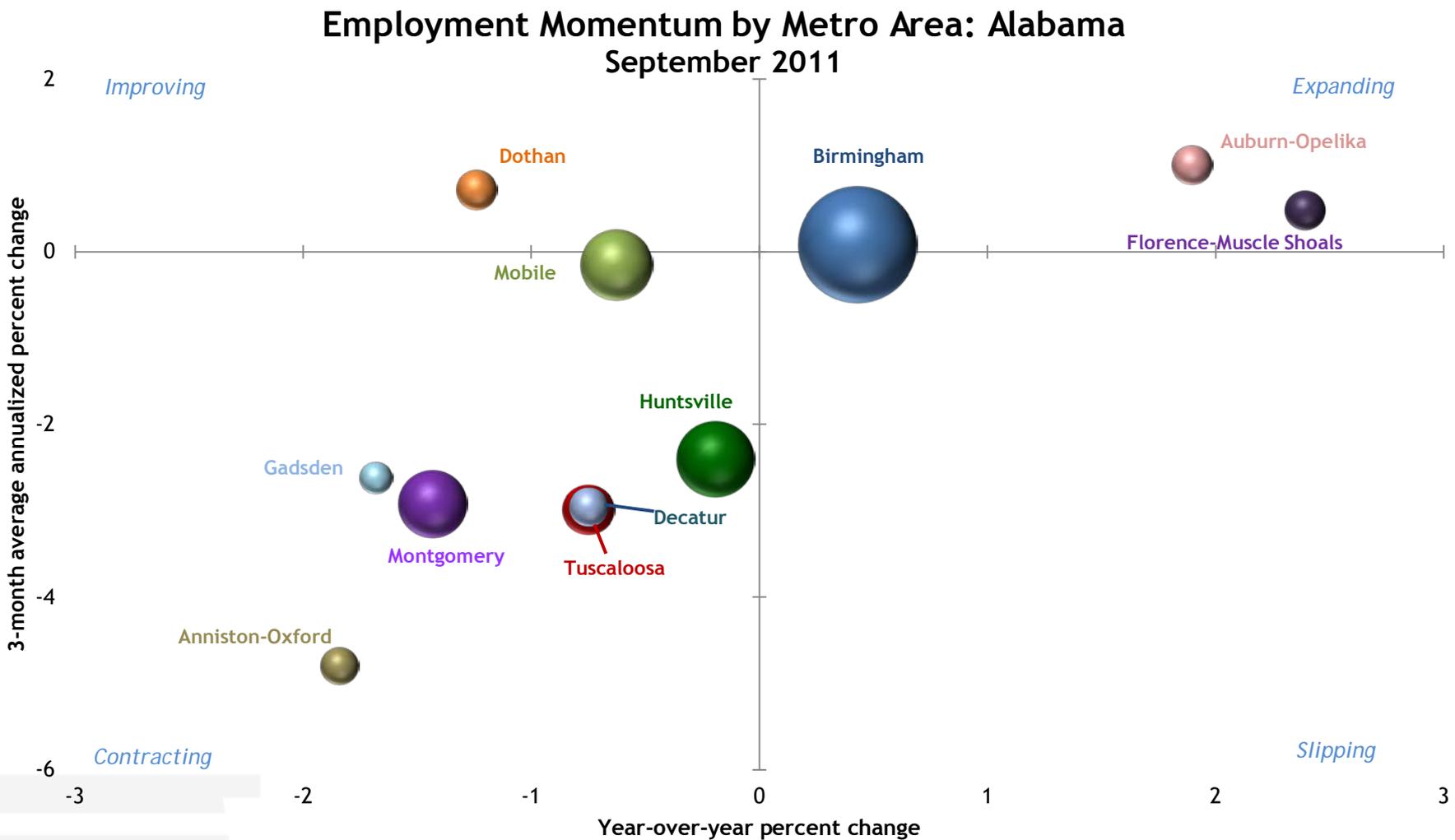
Employment Loss and Gain by Metro Area: Alabama September 2011



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 momentum is improving. Most metropolitan areas contracted during September. Anniston-Oxford momentum continued to be the weakest of these metro areas.

[About Employment Momentum](#)

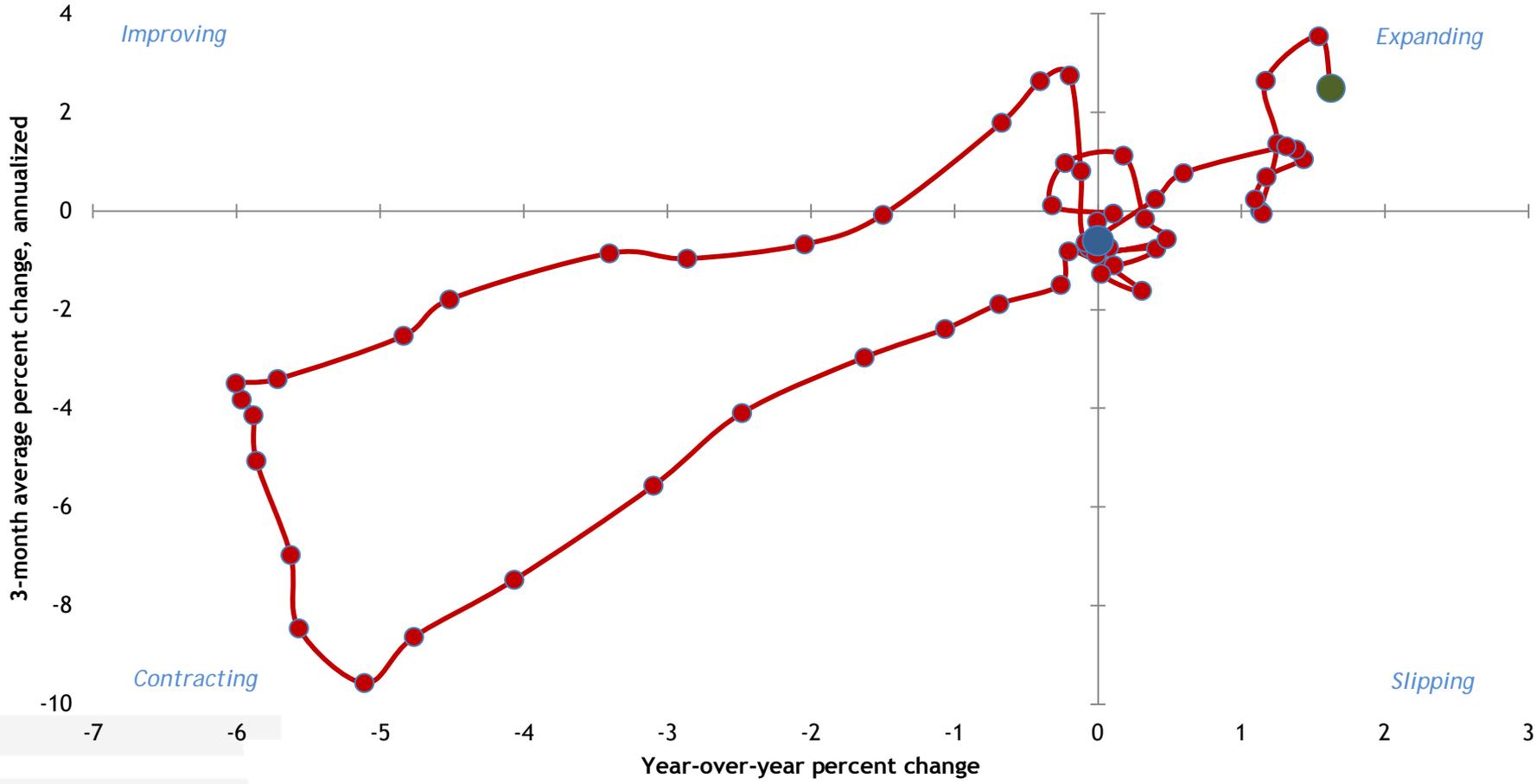


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

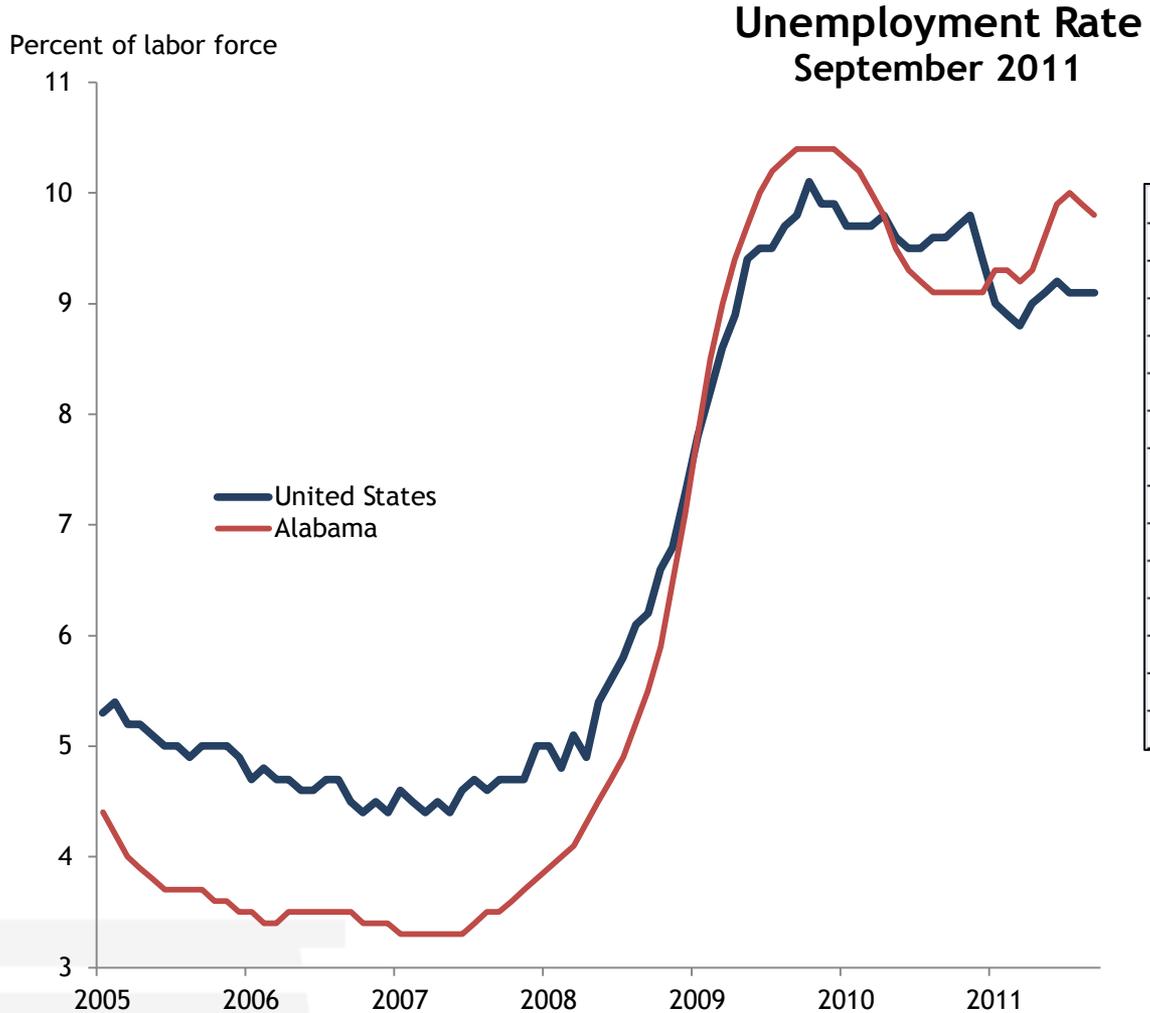
[About Employment Momentum Track](#)

Employment Momentum Track January 2007-September 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, the state's unemployment rate declined into 2010, then increased again through mid 2011. The current rate remains higher than the U.S. rate.



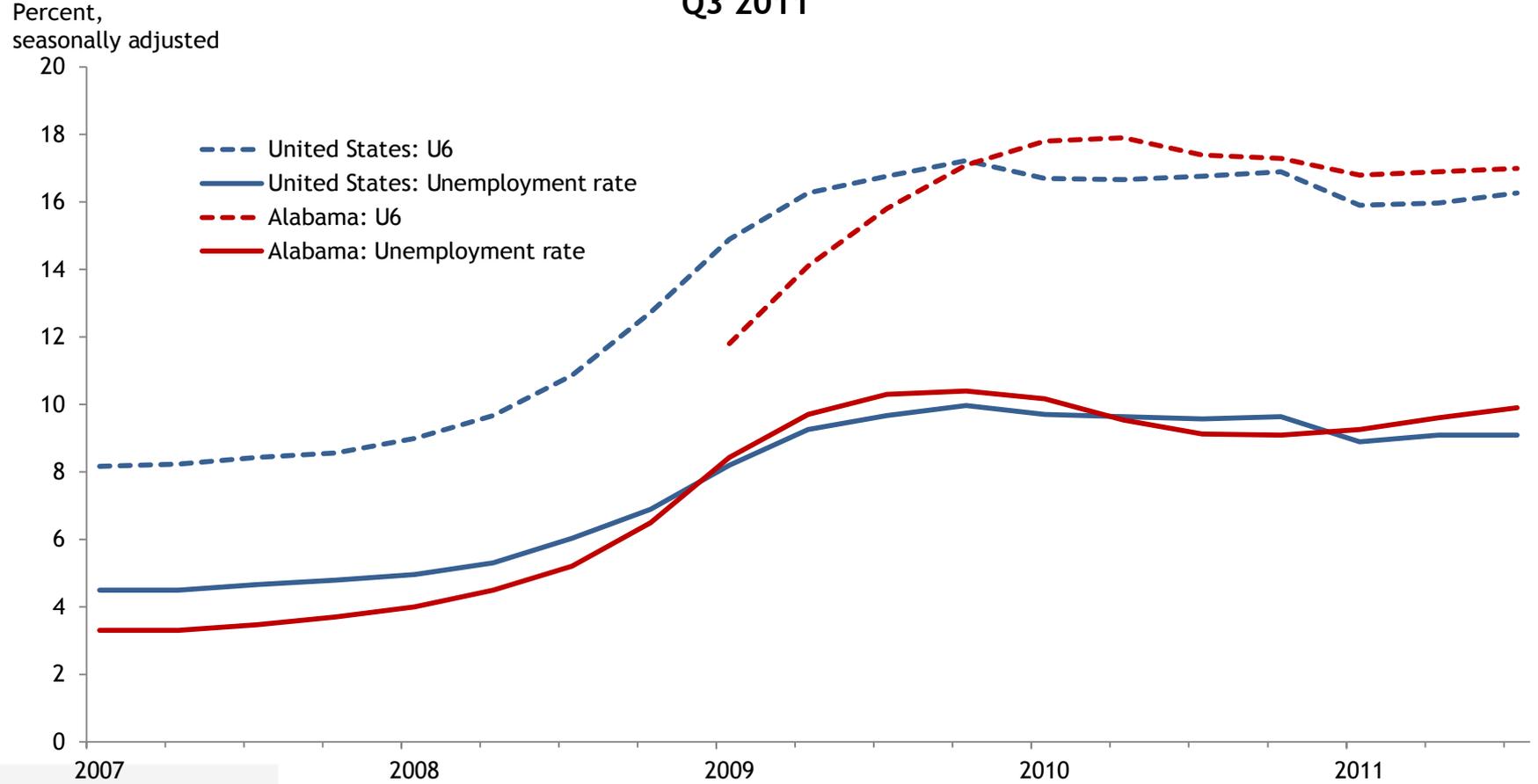
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	9.1	9.6	4.6
Alabama	9.8	9.1	3.3
Anniston	9.6	9.0	3.5
Auburn-Opelika	7.9	7.6	3.5
Birmingham	8.9	8.7	3.3
Decatur	9.7	9.2	3.6
Dothan	9.0	8.1	3.3
Florence	9.2	8.6	4.2
Gadsden	9.9	9.0	4.1
Huntsville	8.2	7.3	3.0
Mobile	10.8	9.7	3.6
Montgomery	9.8	8.9	3.7
Tuscaloosa	8.9	8.3	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



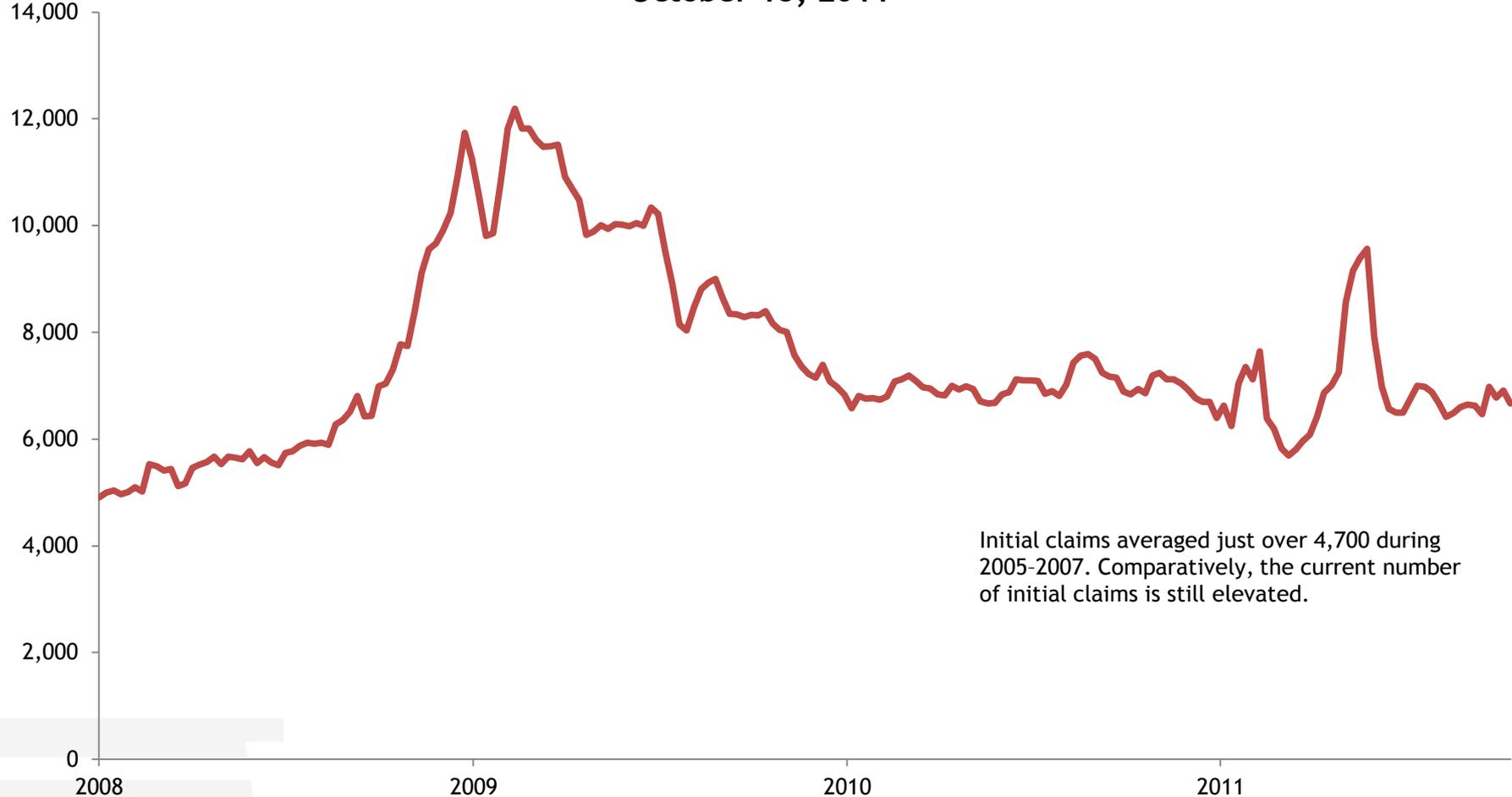
Notes: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached.

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

Initial claims for unemployment insurance have stabilized after increasing following the late April tornadoes throughout the state.

Initial Unemployment Insurance Claims October 15, 2011

4-week moving average



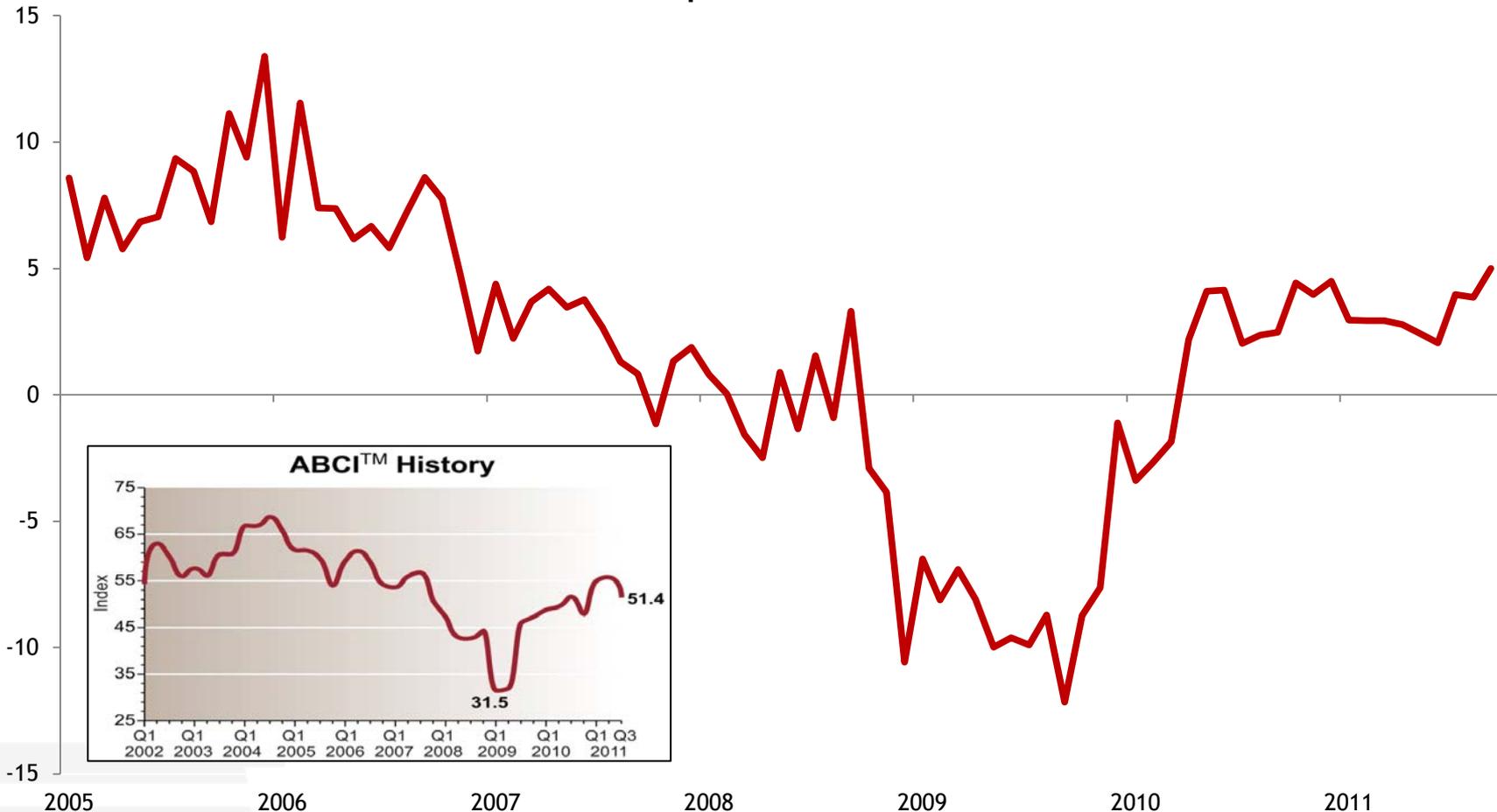
Initial claims averaged just over 4,700 during 2005-2007. Comparatively, the current number of initial claims is still elevated.

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

Measures of consumer activity have recovered from recession lows. The University of Alabama Q3 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

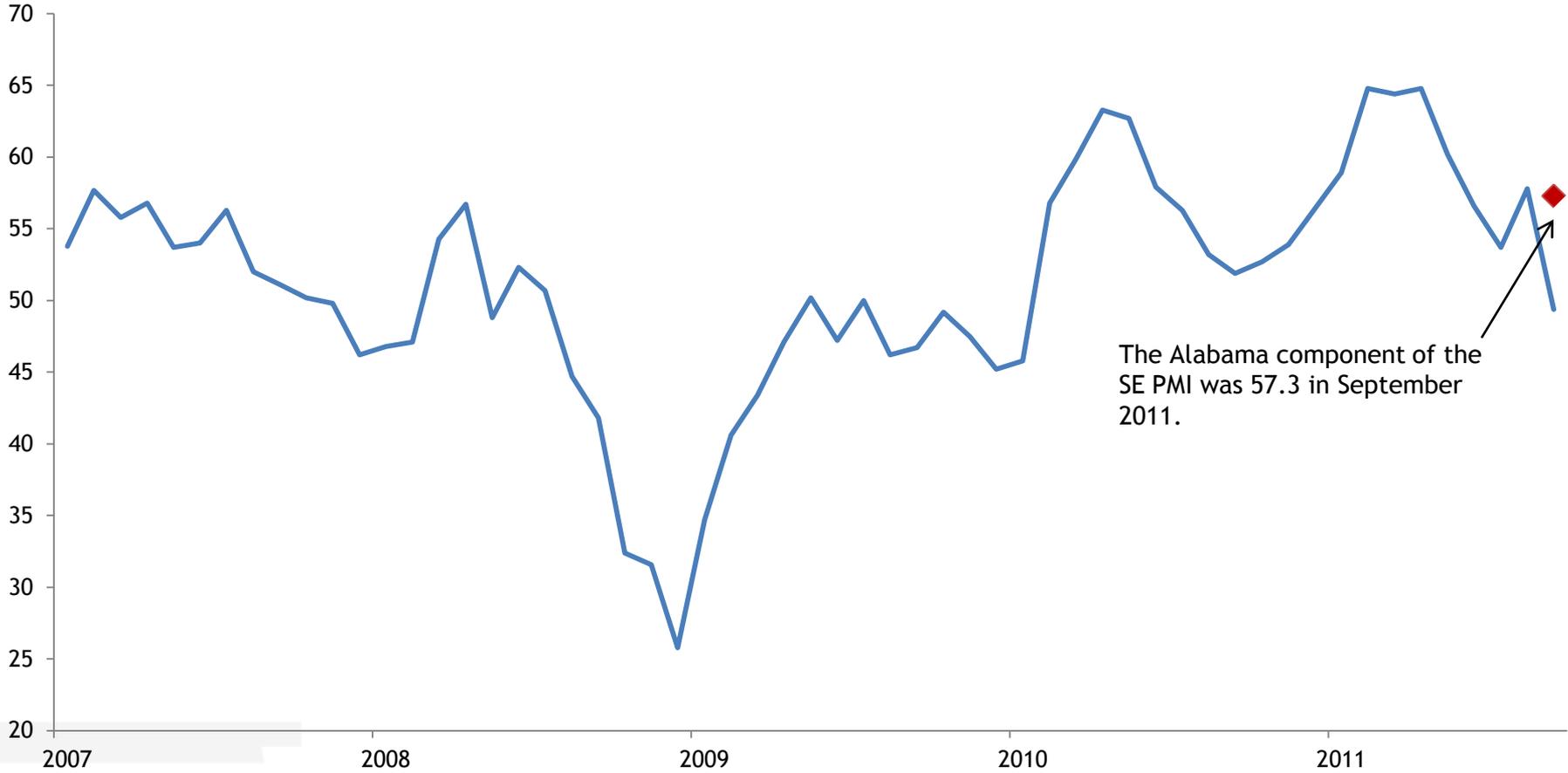
Alabama Sales Tax Revenue and Business Confidence September 2011



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

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

Southeast Purchasing Managers Index September 2011



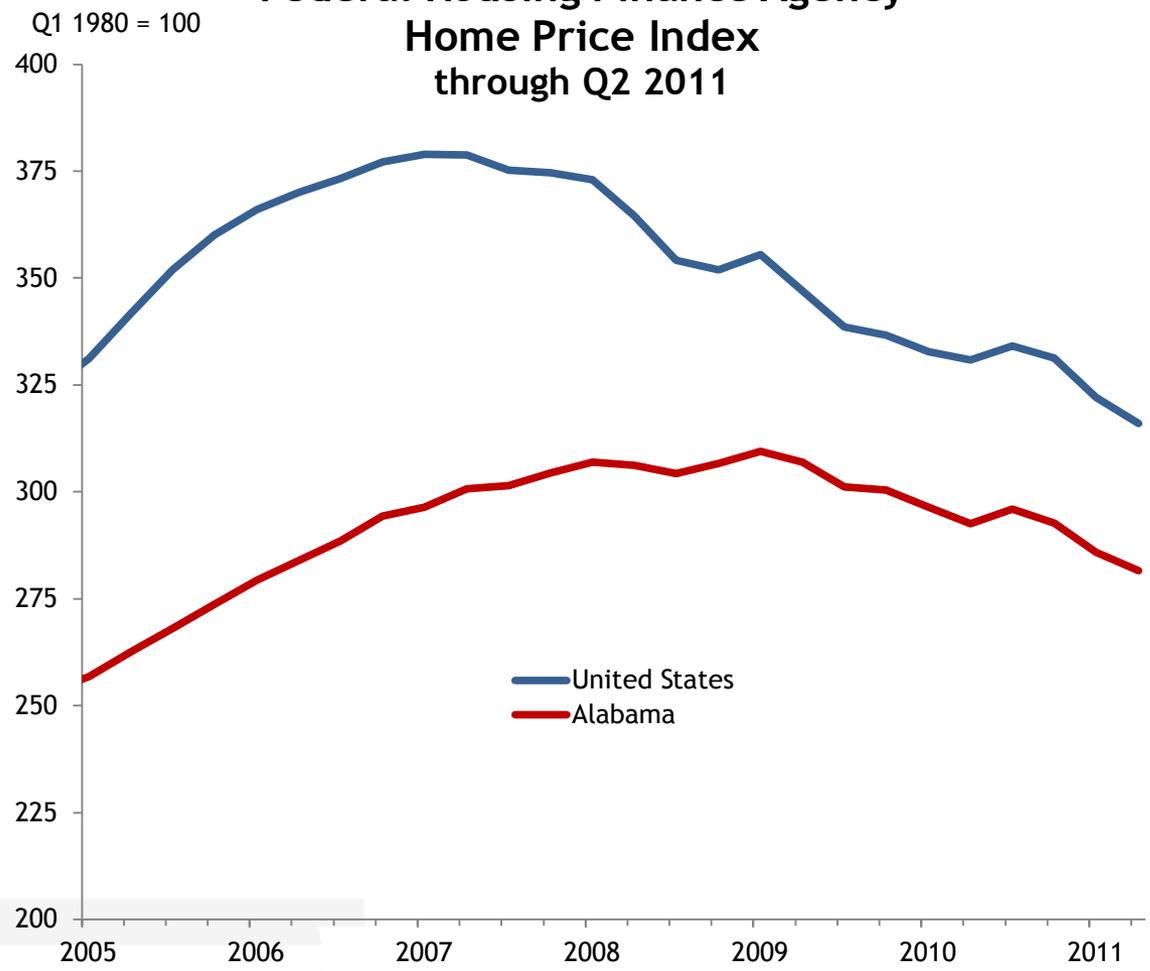
The Alabama component of the SE PMI was 57.3 in September 2011.

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 Q2 2011



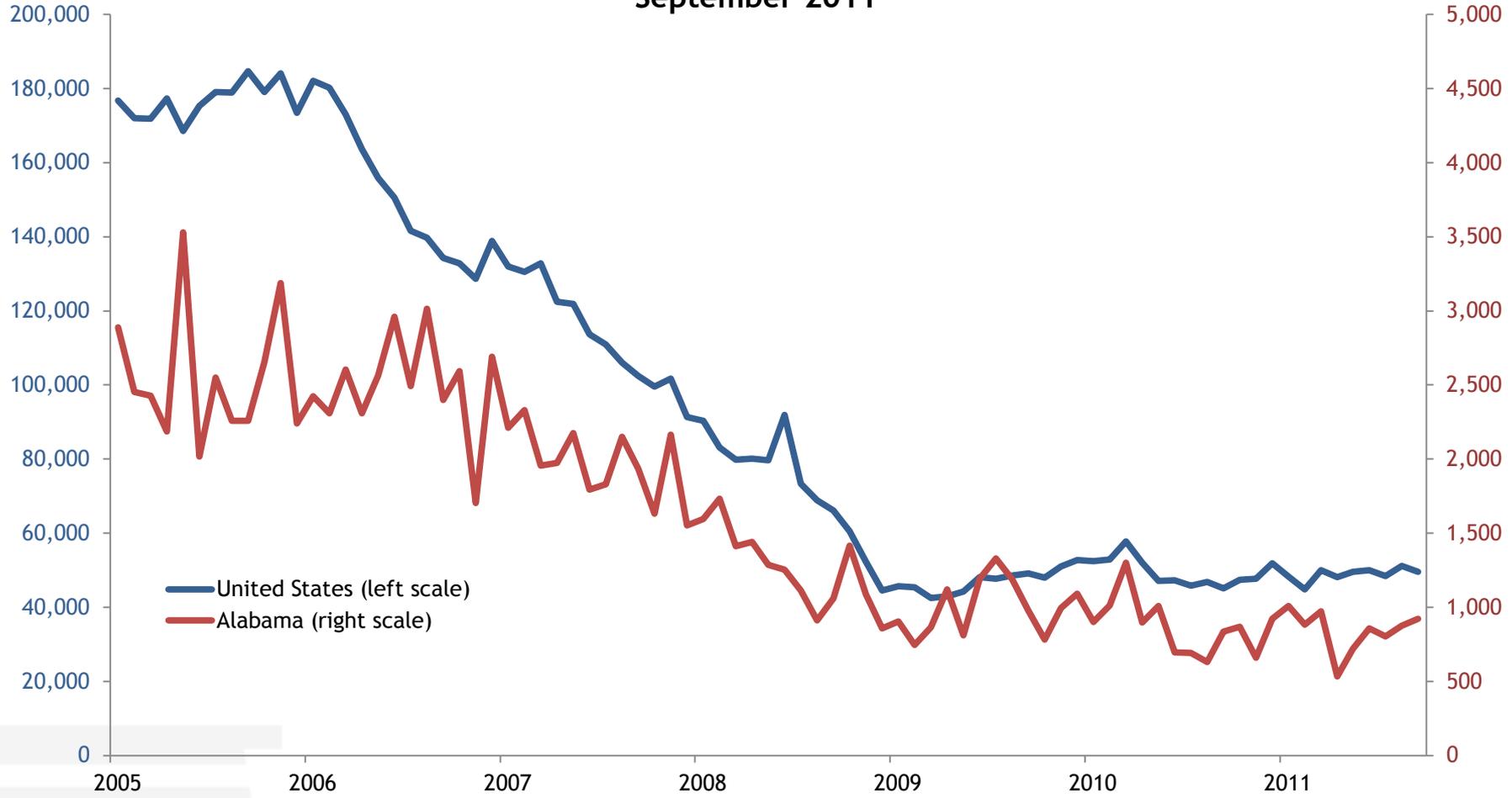
FHFA House Price Index: Q2 2011	1-yr % change	5-yr % change	10-yr % change
USA	-4.5	-14.6	26.3
Alabama	-3.7	-0.8	26.9
Anniston-Oxford	-3.8	-0.2	27.7
Auburn-Opelika	-6.4	-4.1	28.2
Birmingham	-4.7	-5.5	21.8
Decatur	-4.0	5.1	21.5
Dothan	-2.3	-2.4	27.0
Florence-Muscle Shoals	1.7	12.7	34.3
Gadsden	0.3	4.3	29.4
Huntsville	-2.4	8.2	35.2
Mobile	-5.2	-1.7	28.5
Montgomery	-3.7	-1.4	20.7
Tuscaloosa	-4.9	-0.3	27.5

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. There is little sign that construction activity will increase any time soon.

New Residential Home Construction Permits September 2011

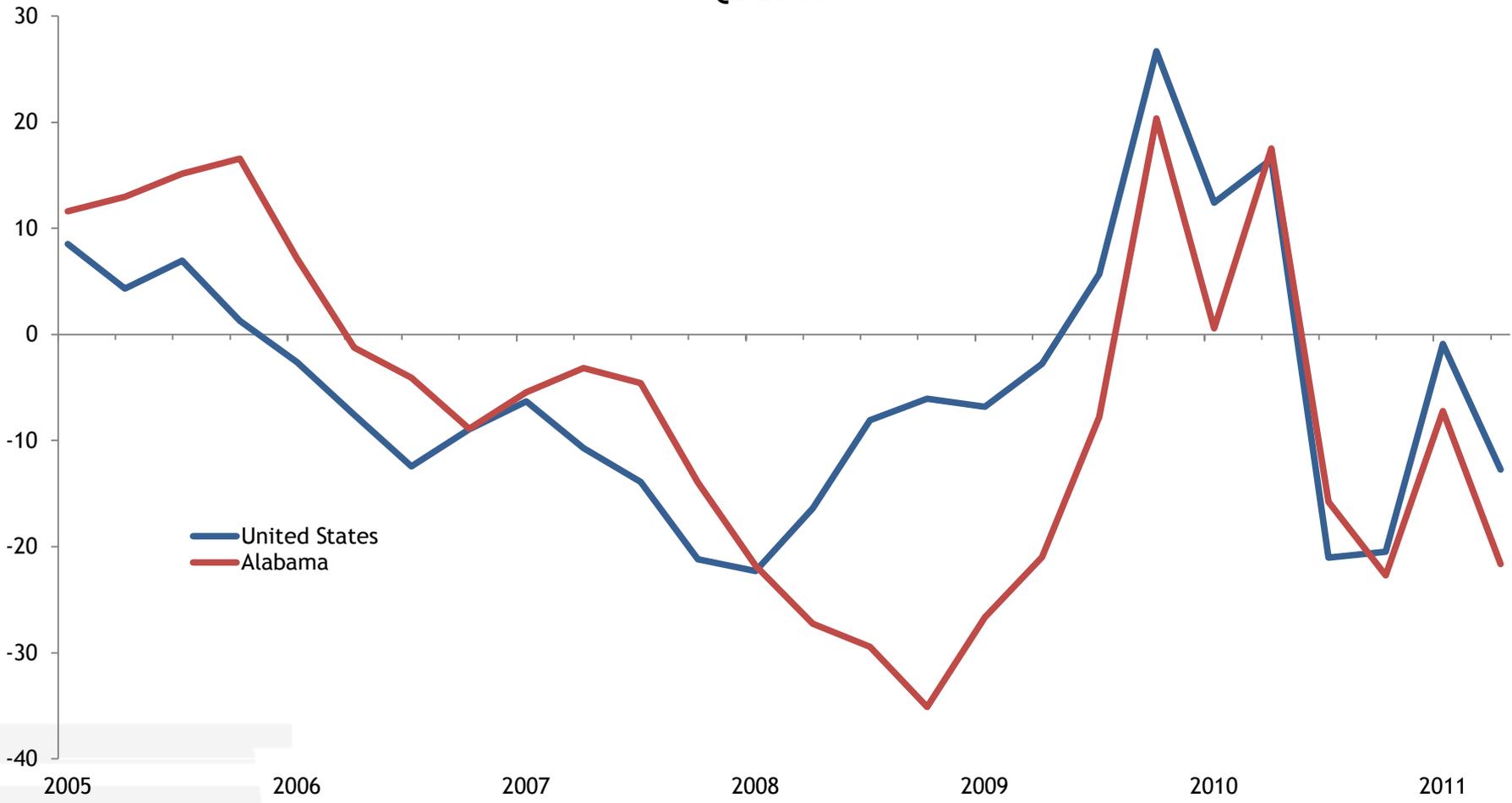


Source: U.S. Bureau of the Census, Haver Analytics

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

Existing Home Sales Q2 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.