



# Data Digest: Alabama

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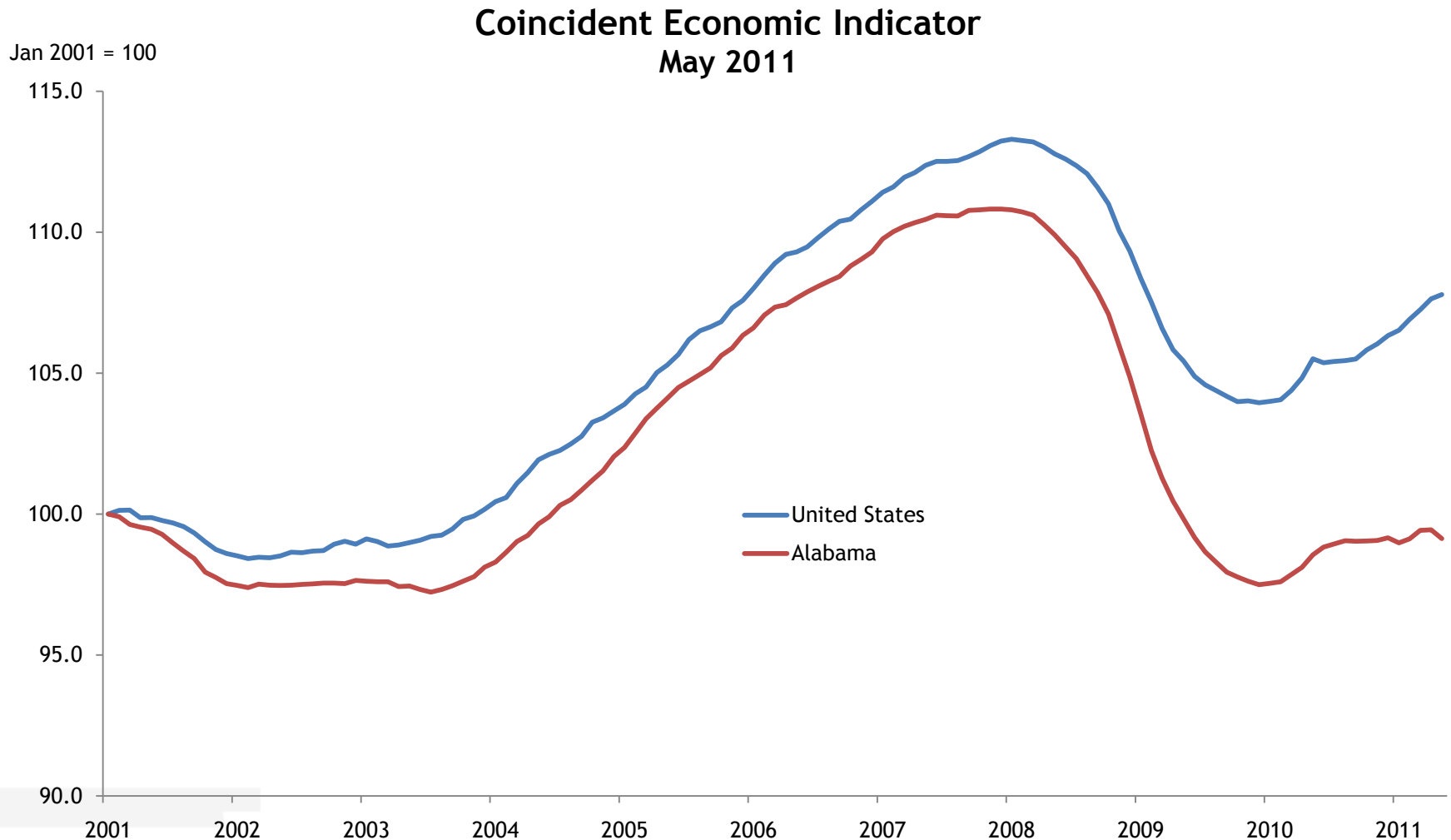
July 2011



**FEDERAL  
RESERVE  
BANK**  
*of* ATLANTA

Alabama's economic performance is lagging a bit compared to the nation as a whole. Broad indicators of economic activity in Alabama have improved, but not at the pace of comparable U.S. data.

[About the Coincident Economic Indicator](#)

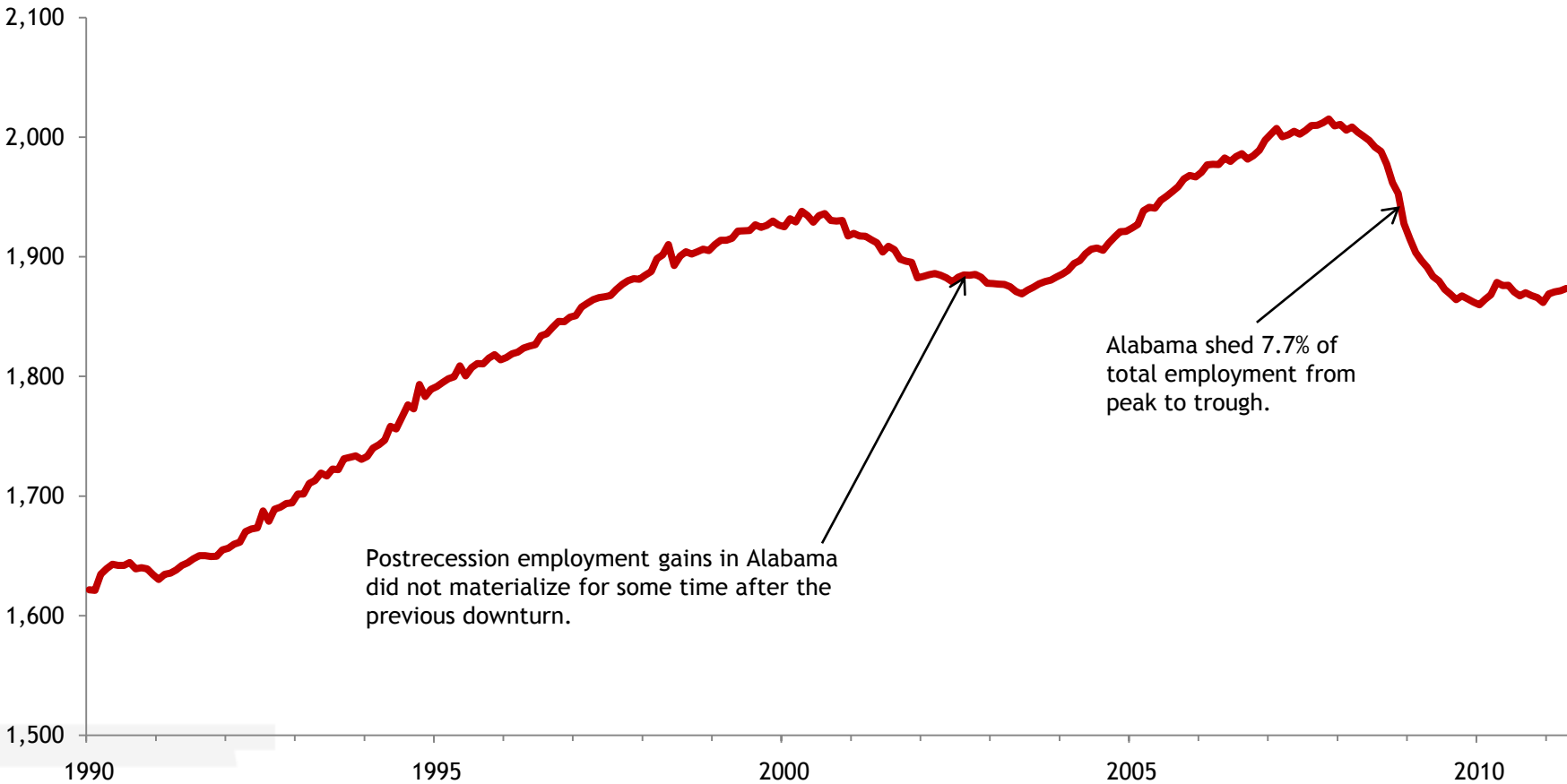


Source: Federal Reserve Bank of Philadelphia

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

### Alabama Payroll Employment May 2011

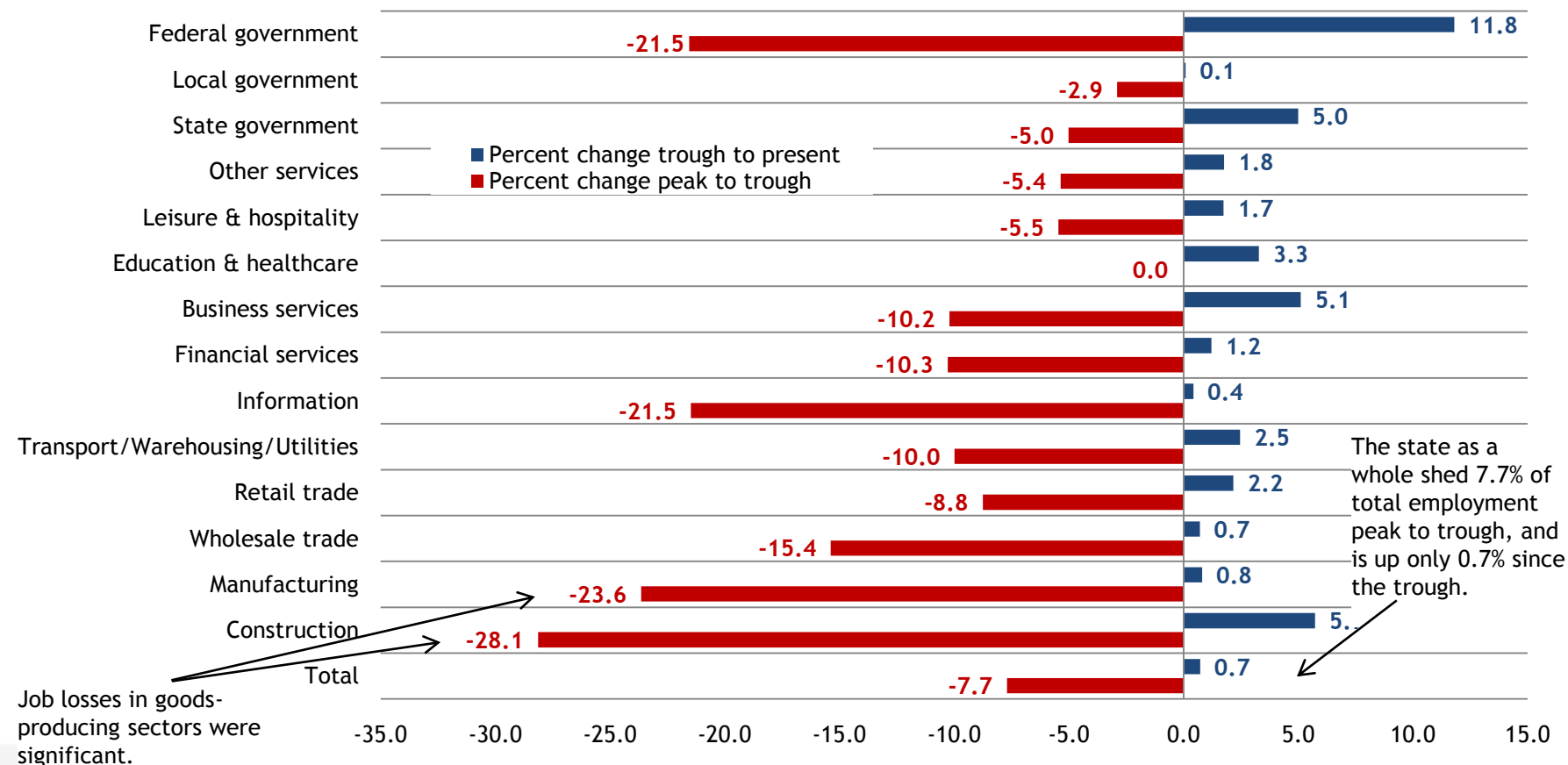
Thousands,  
seasonally adjusted



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

Goods-producing sectors were especially hard hit, but all industries lost jobs during the recession except health care. Job gains have been modest in most sectors, with health care growth in Alabama being somewhat slower than in other states.

Employment Loss and Gain by Industry: Alabama  
May 2011



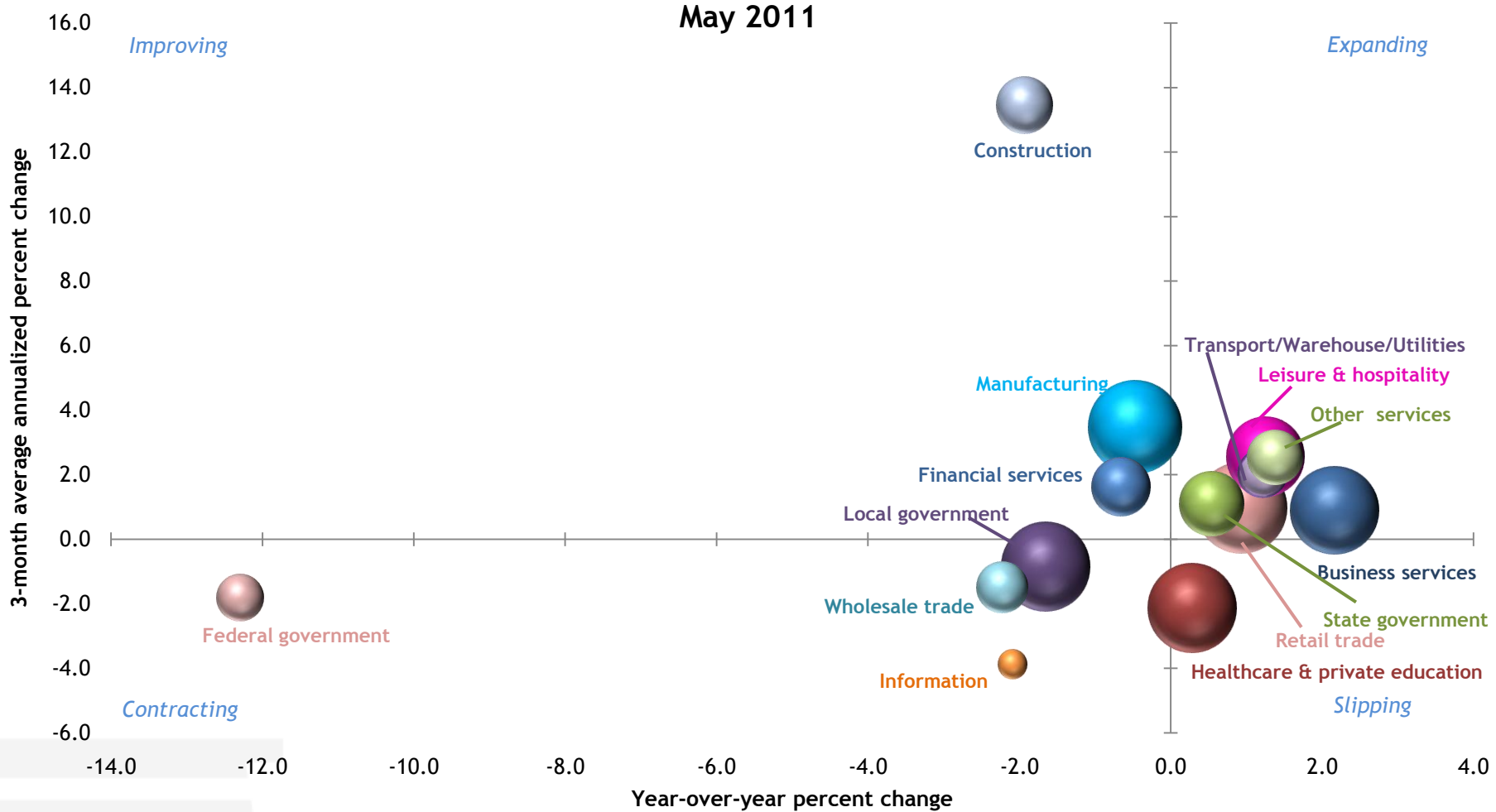
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

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

Manufacturing and construction show positive employment momentum, while federal government, information, and wholesale trade remain weak. Healthcare and private education is slipping.

[About Employment Momentum](#)

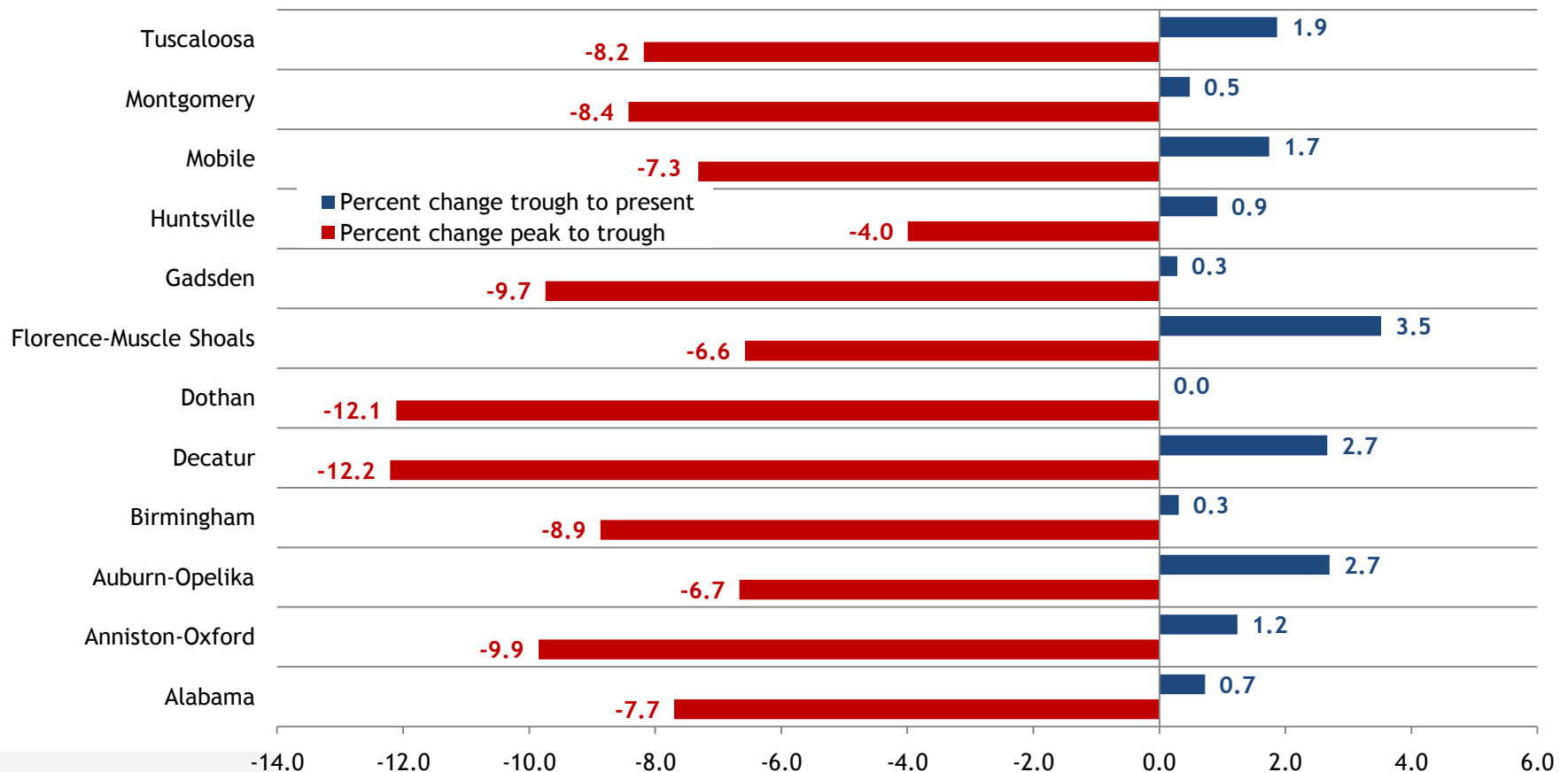
Employment Momentum by Industry: Alabama  
May 2011



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; only Dothan is still declining. Florence-Muscle Shoals leads other areas in job recovery.**

### Employment Loss and Gain by Metro Area: Alabama May 2011

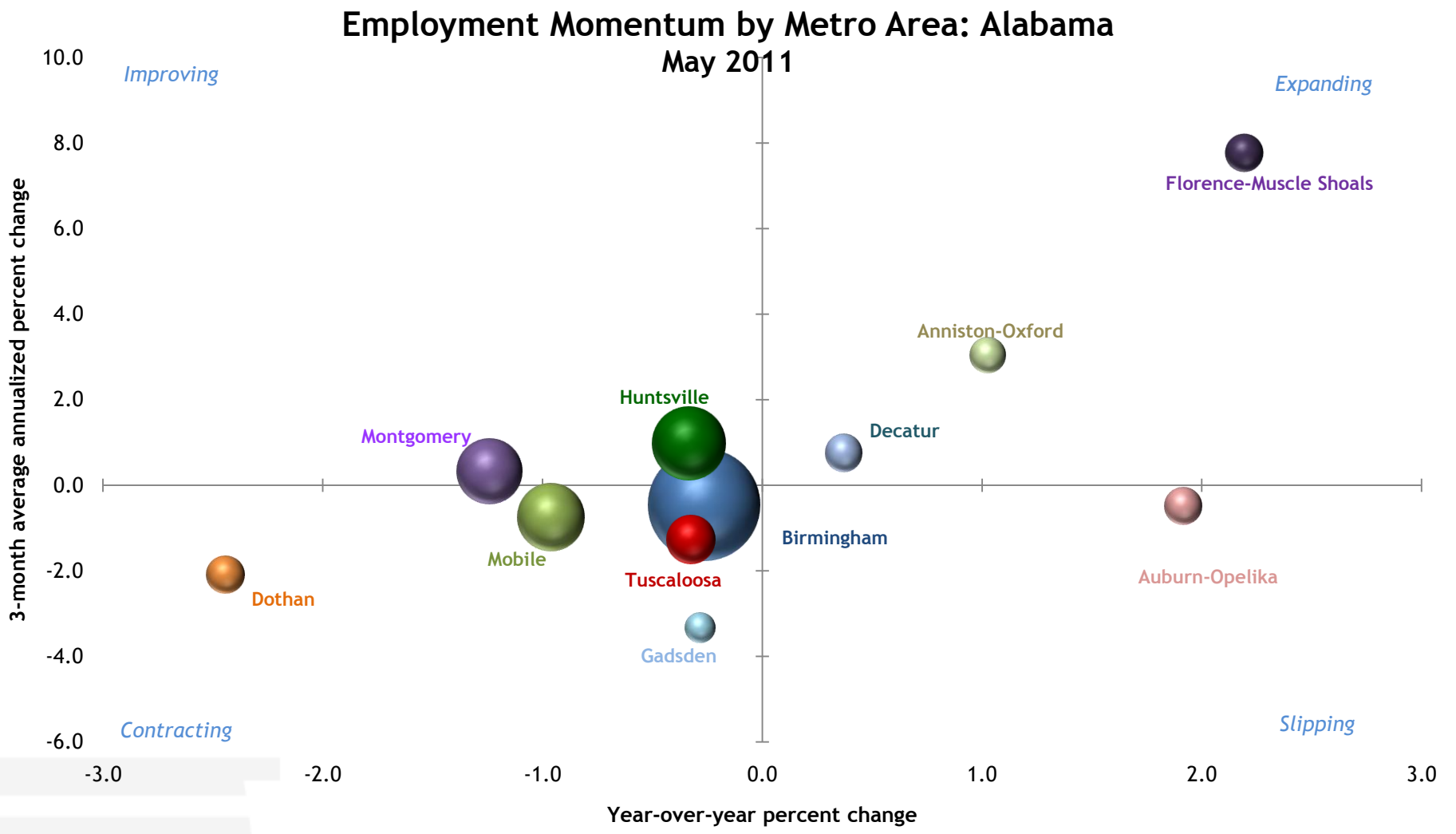


Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

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

Florence-Muscle Shoals shows the strongest employment momentum, while Dothan is the weakest. Birmingham, Mobile, and Tuscaloosa are contracting, while Montgomery and Huntsville momentum is improving.

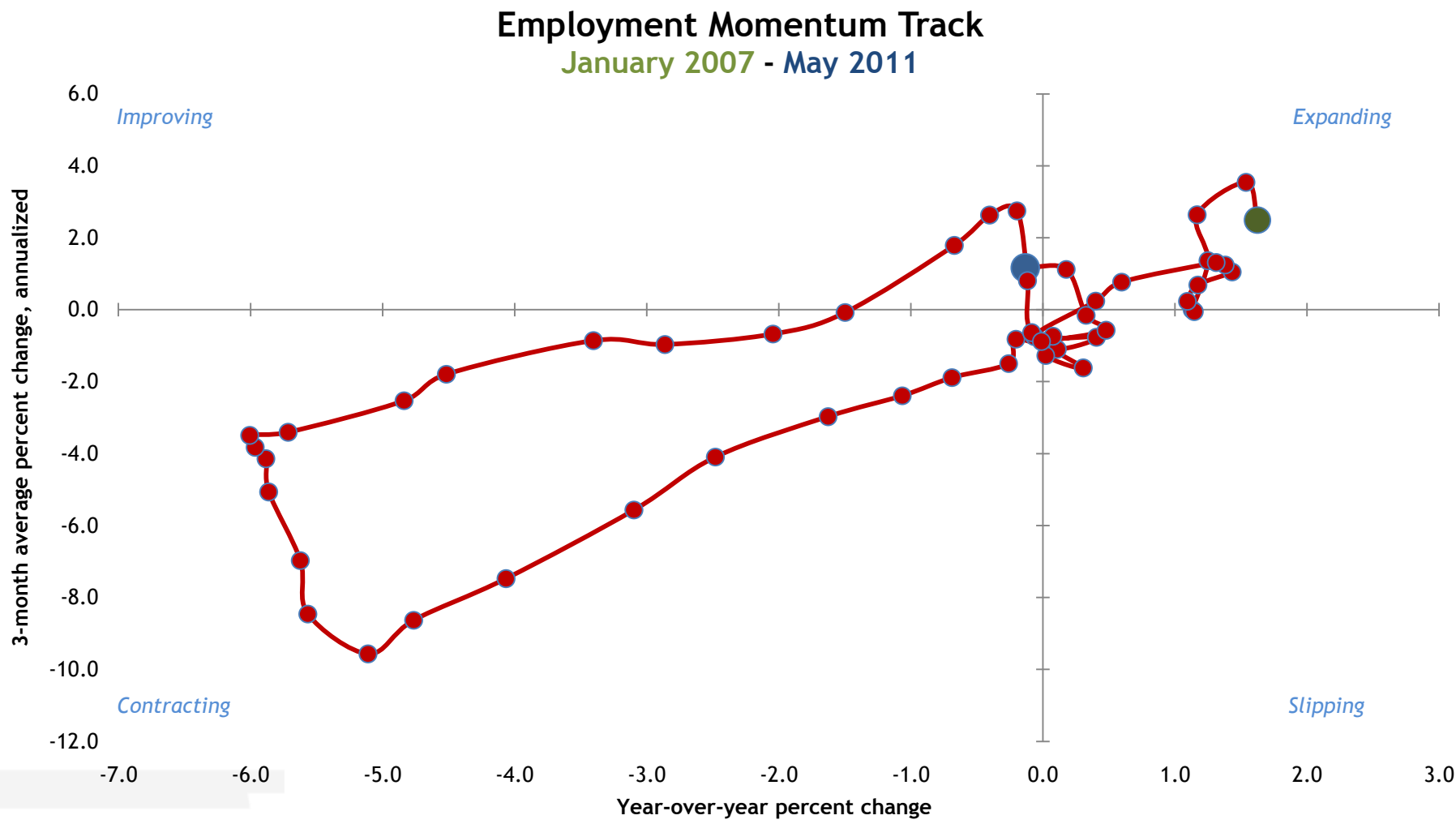
[About Employment Momentum](#)



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

The state's employment momentum track is currently in the "improving" quadrant. Alabama employment momentum spent nearly two years in the "contracting" quadrant.

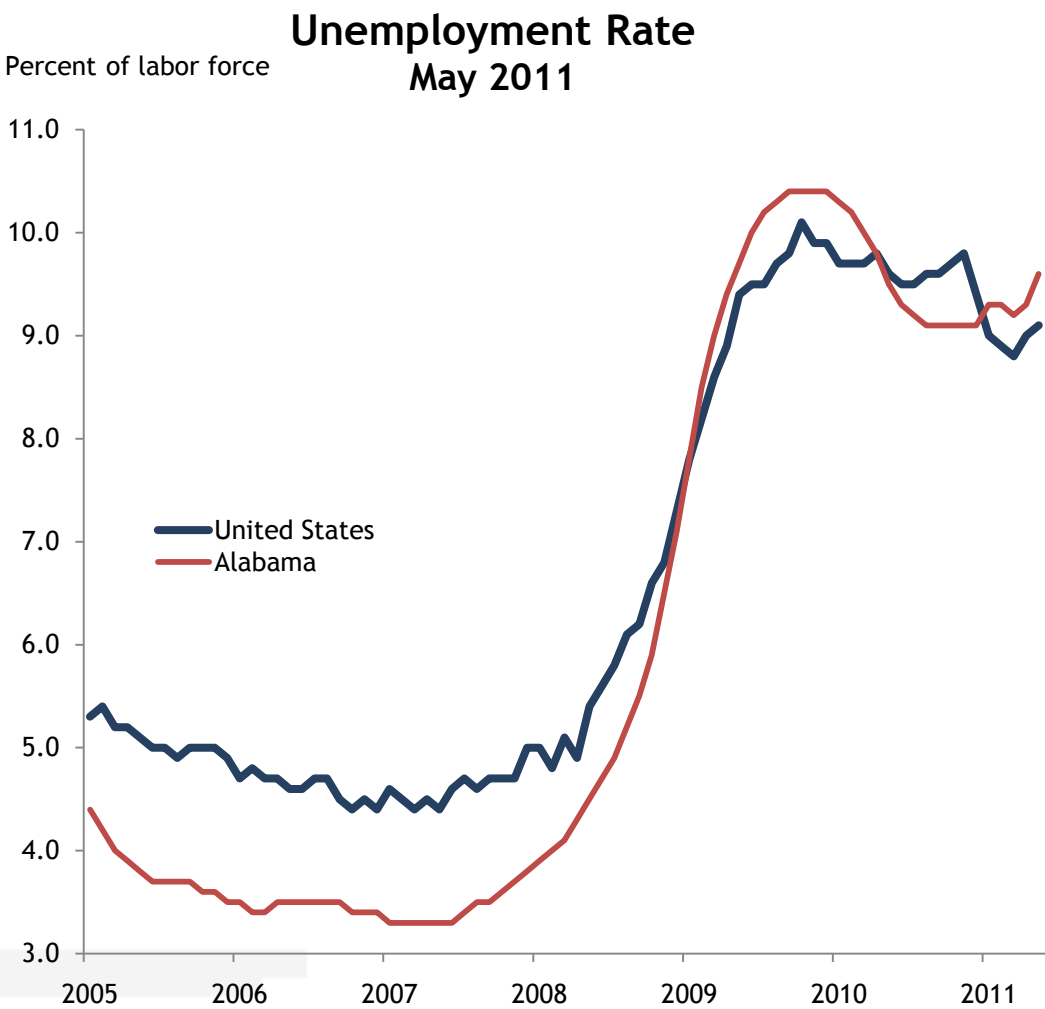
[About Employment Momentum Track](#)



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



Until the recession, Alabama's unemployment rate was for many years well below the overall U.S. rate. Since peaking at over 10 percent, the state's unemployment rate declined into 2010 but has increased in 2011.



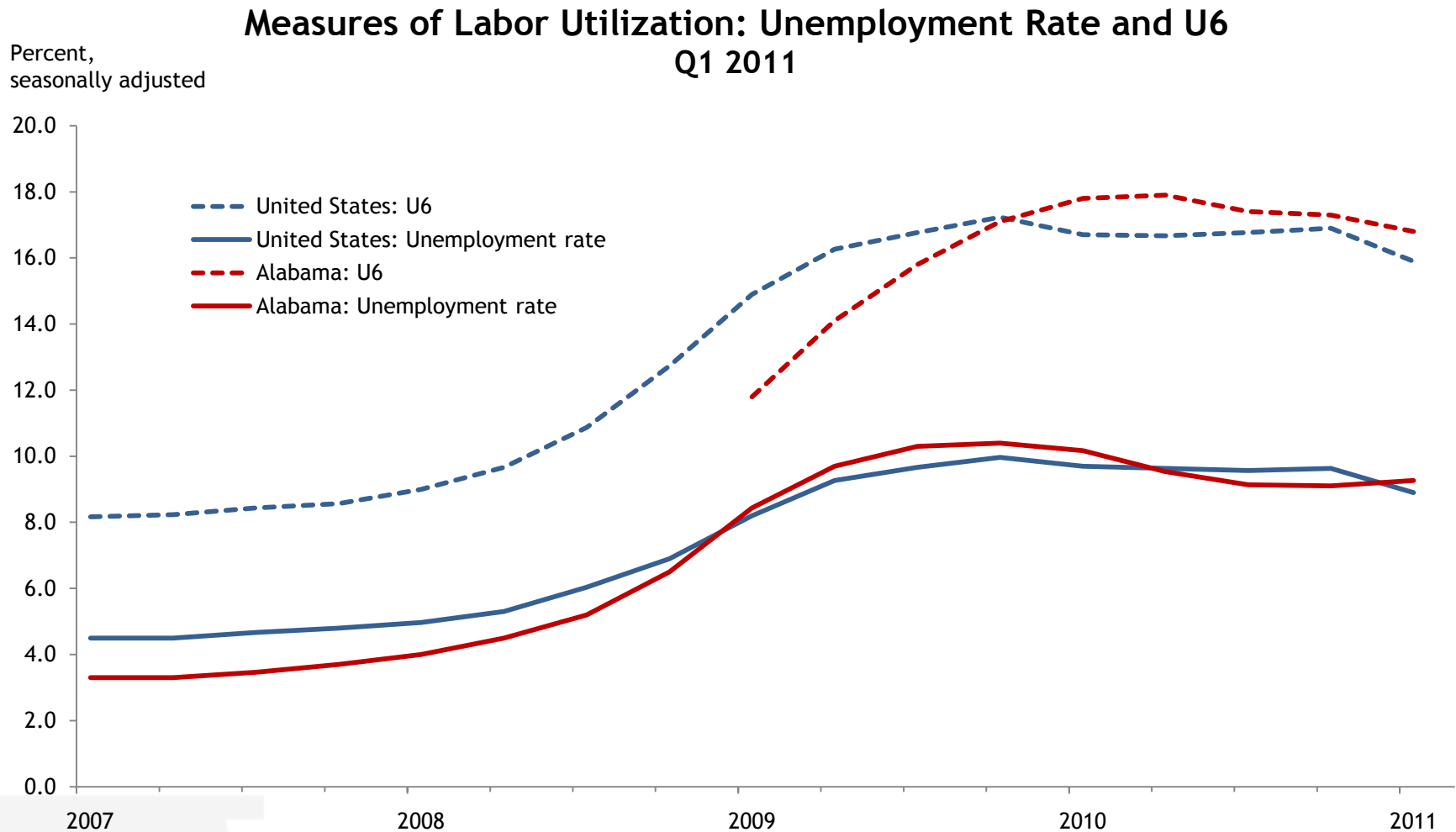
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	9.0	9.8	4.6
Alabama	9.3	9.8	3.3
Anniston	9.1	9.5	3.5
Auburn-Opelika	7.5	8.0	3.5
Birmingham	8.4	8.7	3.3
Decatur	9.1	9.9	3.6
Dothan	8.2	8.5	3.3
Florence	8.3	9.4	4.2
Gadsden	9.0	9.2	4.1
Huntsville	7.5	7.2	3.0
Mobile	10.2	10.2	3.6
Montgomery	8.9	8.7	3.7
Tuscaloosa	8.1	8.2	3.2

The table shows unemployment rates for metro areas. Current = April 2011. Year ago and January 2007 are included for comparison.

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

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

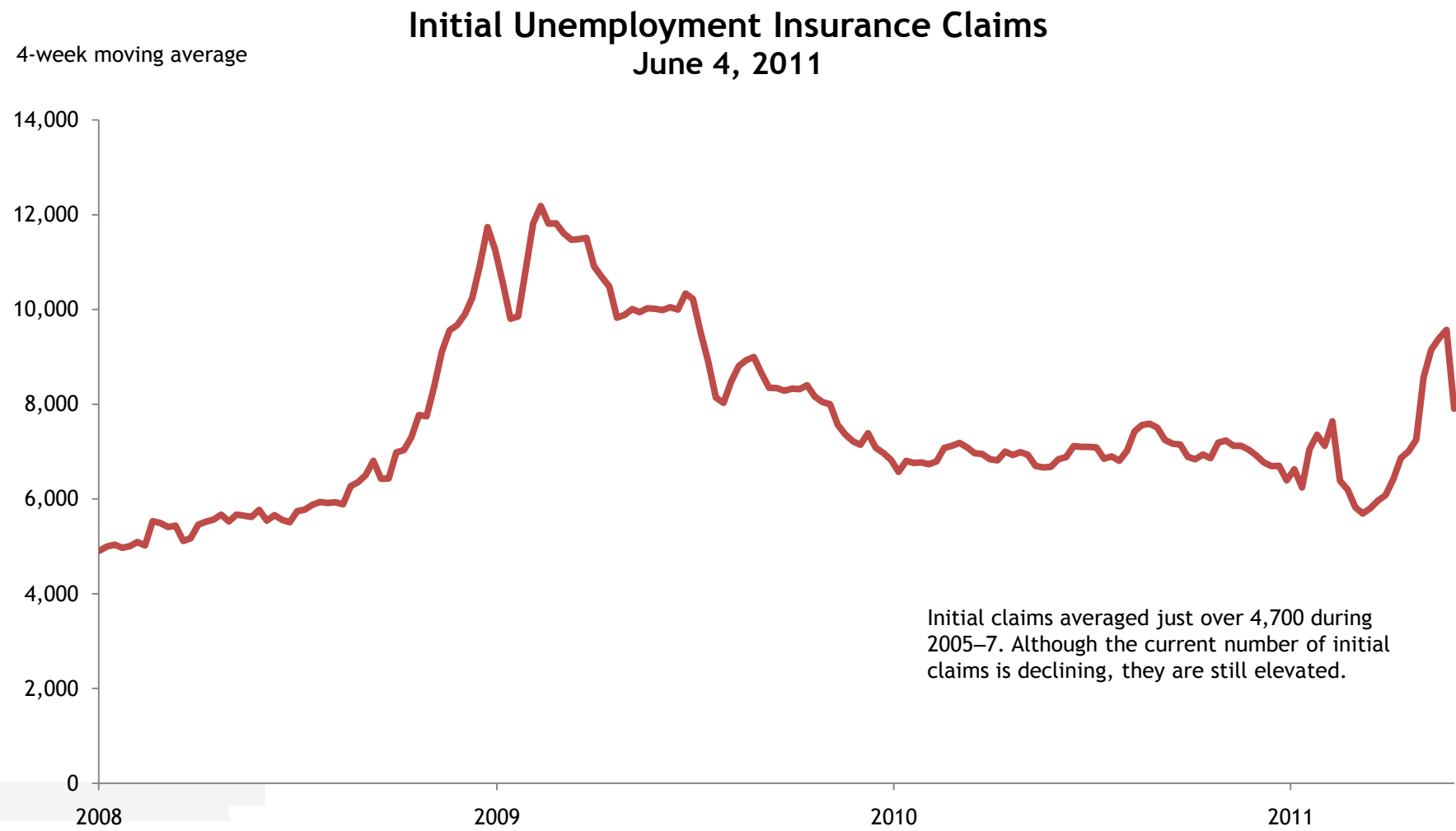
[About Unemployment Rates](#)



Note: 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 fallen after increasing in March, April, and May.

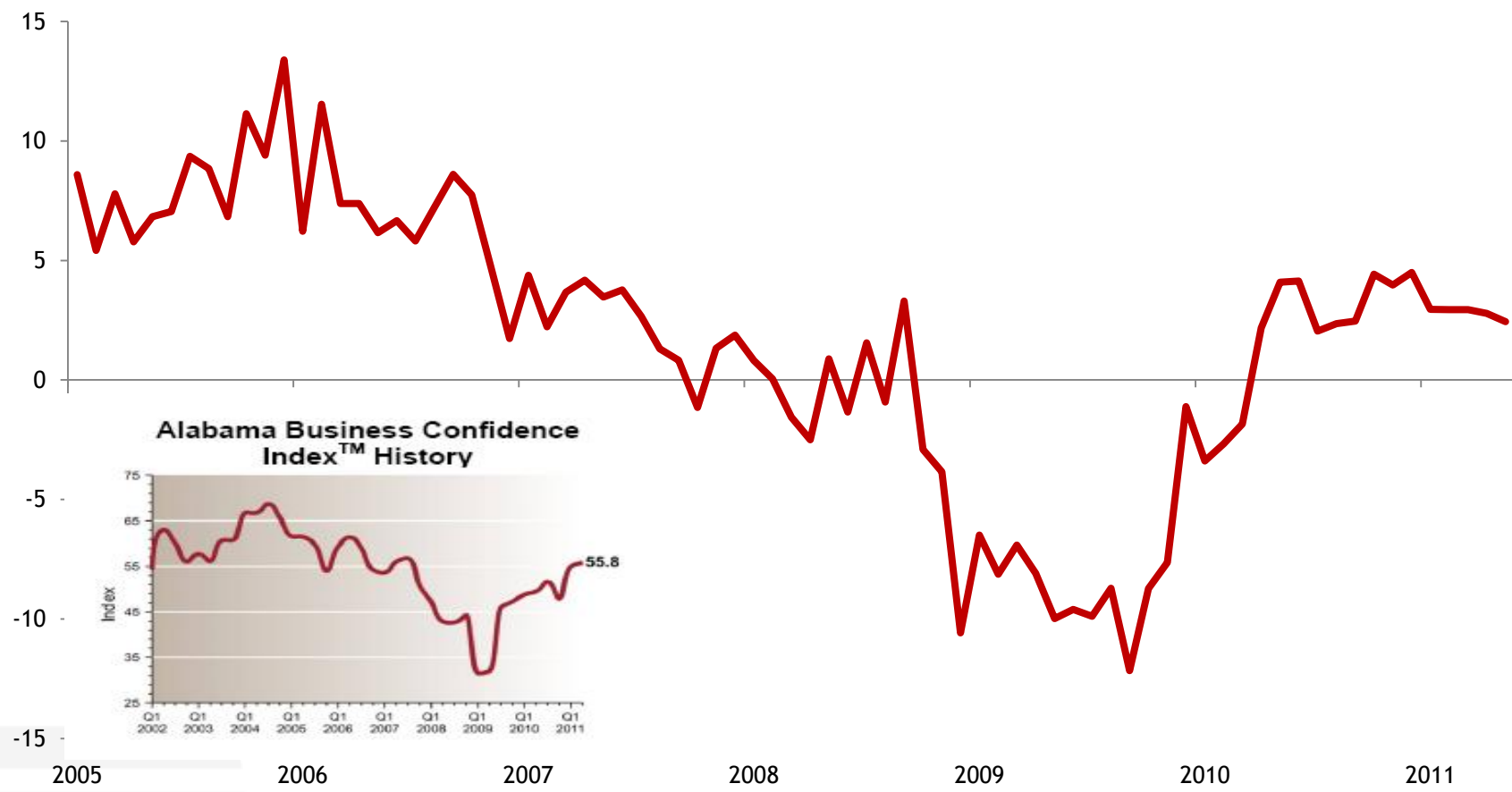


Source: U.S Department of Labor–Employment and Training Administration, Haver Analytics

Measures of consumer activity have recovered from recession lows. Business confidence has bounced back from 2009 lows, and sales tax revenues are posting steady year-over-year increases.

# Alabama Sales Tax Revenue and Business Confidence May 2011

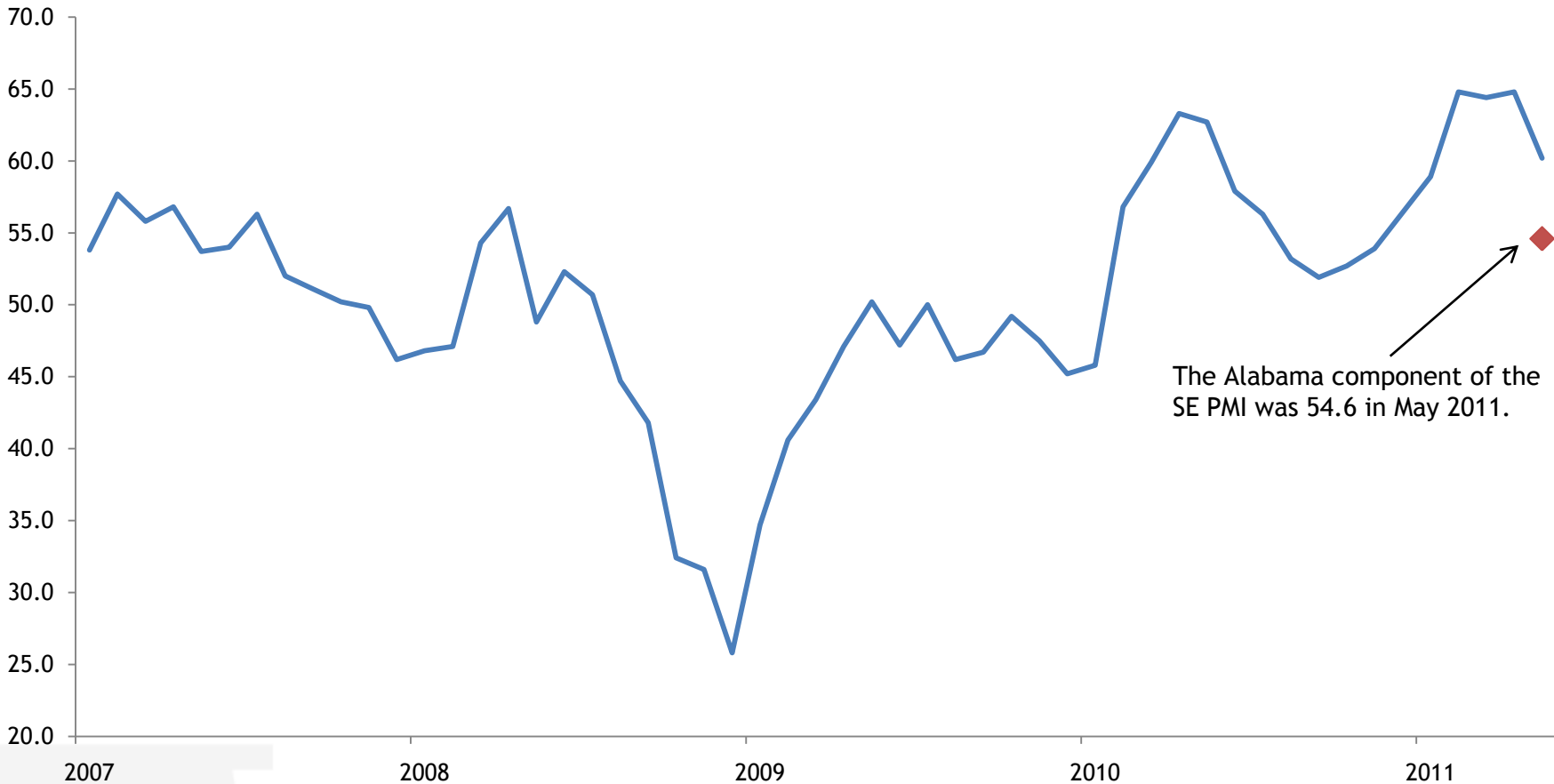
Year-to-year change,  
3-month moving average



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

Regional manufacturing activity declined in May, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. Although Alabama's component is a bit lower than the regional index, a reading of 54.6 still indicates expansion.

Southeast Purchasing Managers Index  
May 2011

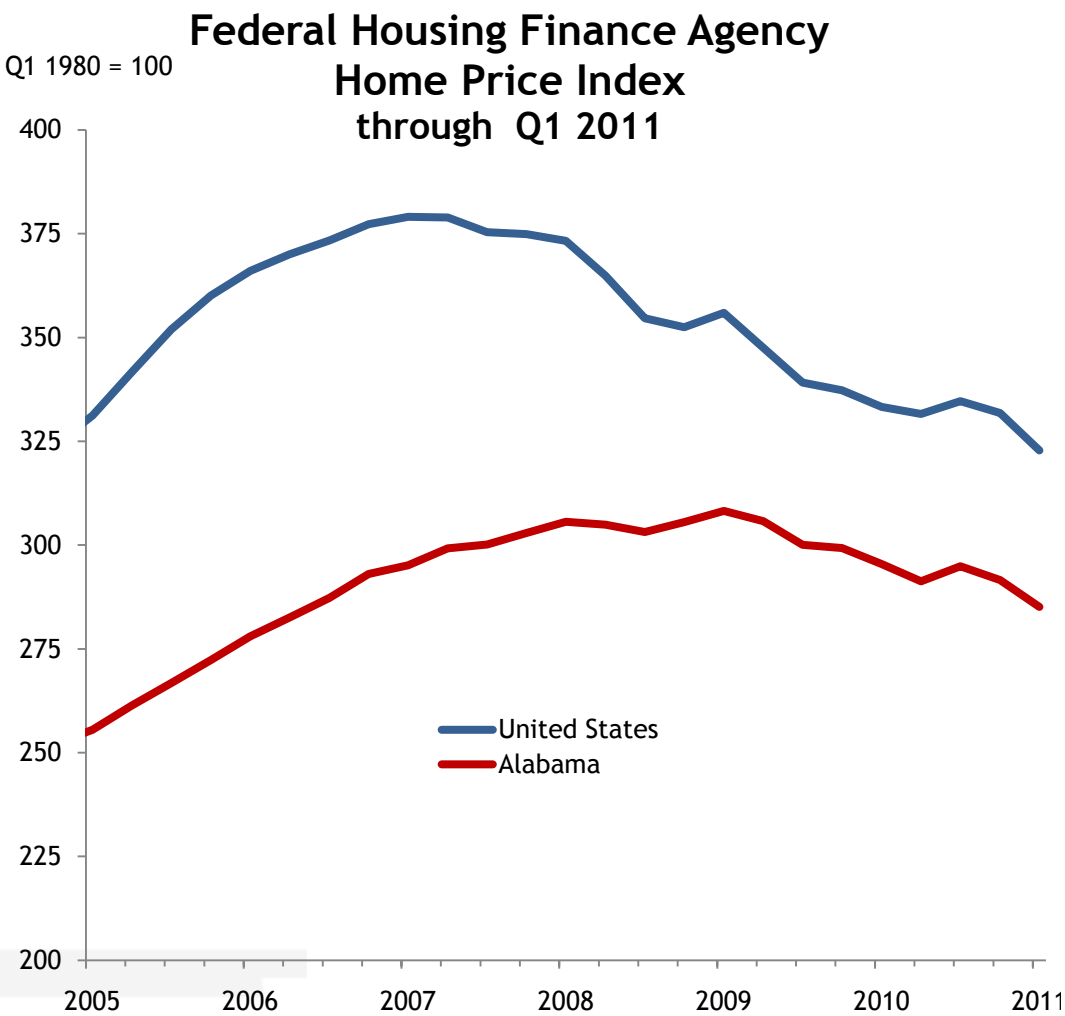


The Alabama component of the SE PMI was 54.6 in May 2011.

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.

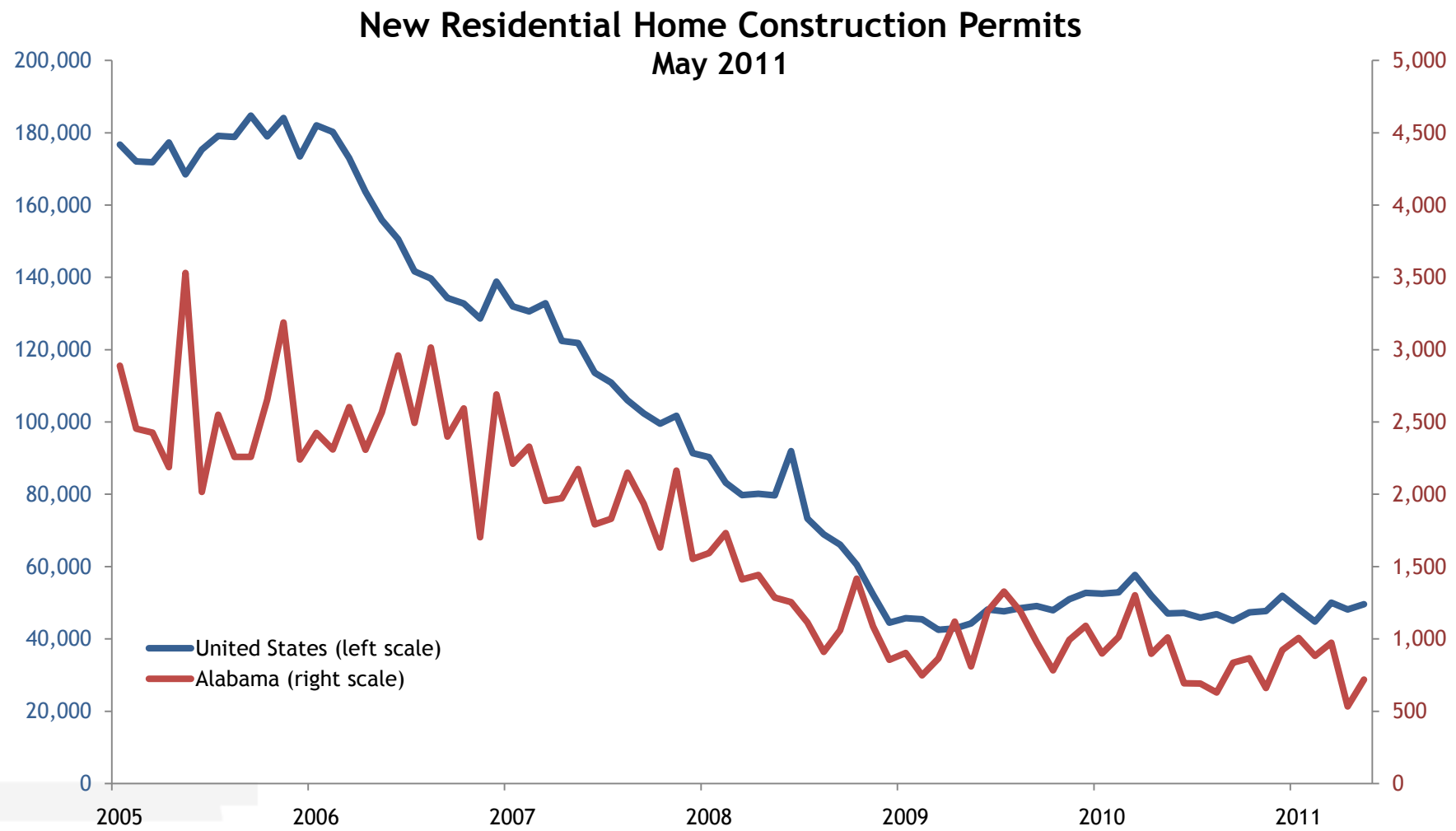


FHFA House Price Index: Q1 2011	1-yr % change	5-yr % change	10-yr % change
USA	-3.1	-11.8	31.1
Alabama	-3.5	2.5	29.7
Anniston-Oxford	-4.1	4.1	28.6
Auburn-Opelika	-1.9	-0.5	35.9
Birmingham	-3.0	-1.8	26.3
Decatur	0.6	11.5	26.5
Dothan	-3.1	2.5	29.6
Florence-Muscle Shoals	-0.3	11.7	31.4
Gadsden	-1.6	3.0	30.4
Huntsville	-2.2	11.6	36.6
Mobile	-7.1	3.3	30.9
Montgomery	1.8	2.8	25.4
Tuscaloosa	-4.9	3.6	29.4

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. There is little sign that construction activity will increase anytime soon.

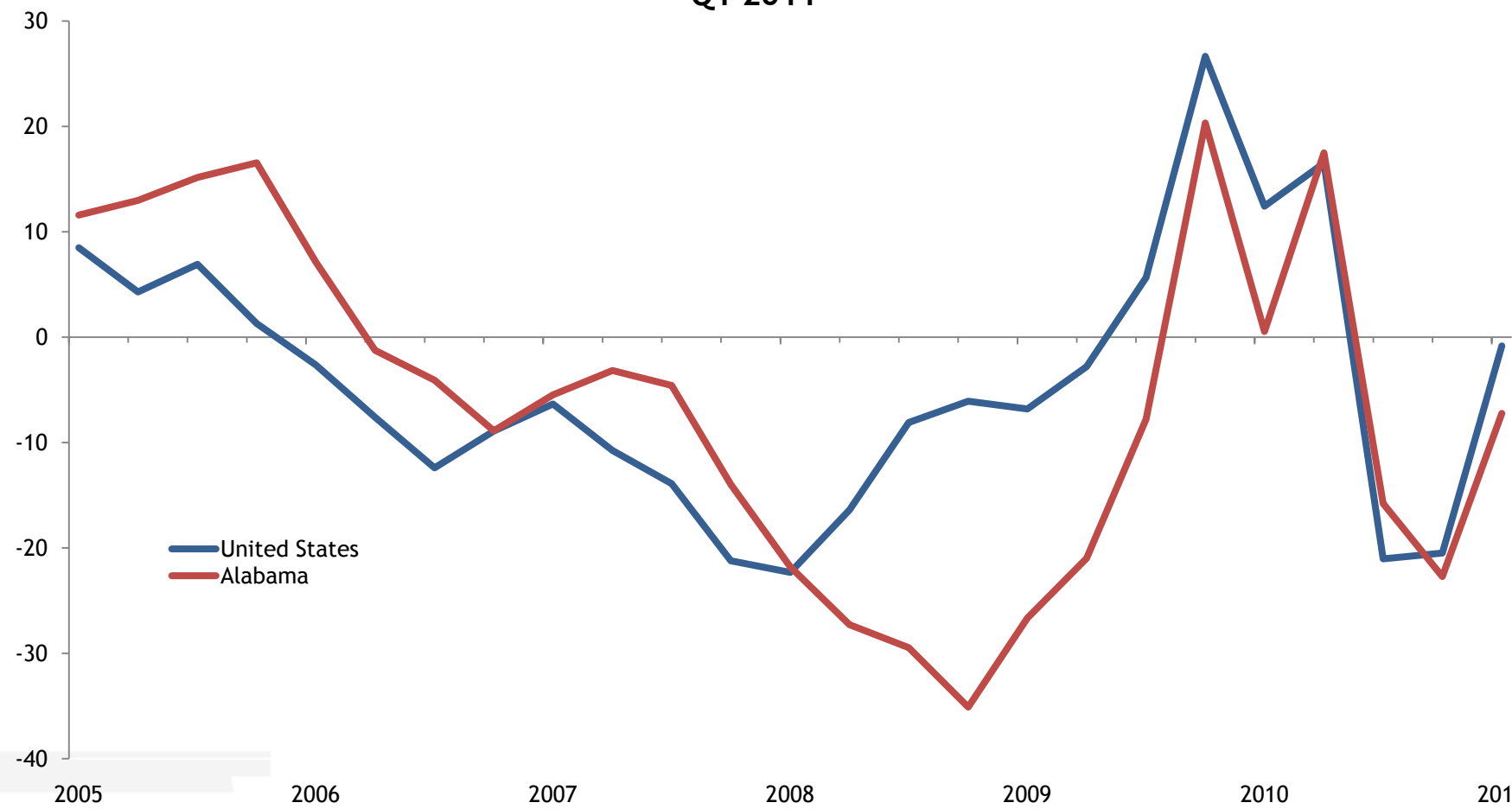


Source: U.S. Bureau of the Census, Haver Analytics

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

Existing Home Sales  
Q1 2011

Year-over-year percent change



Source: National Association of Realtors



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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).