



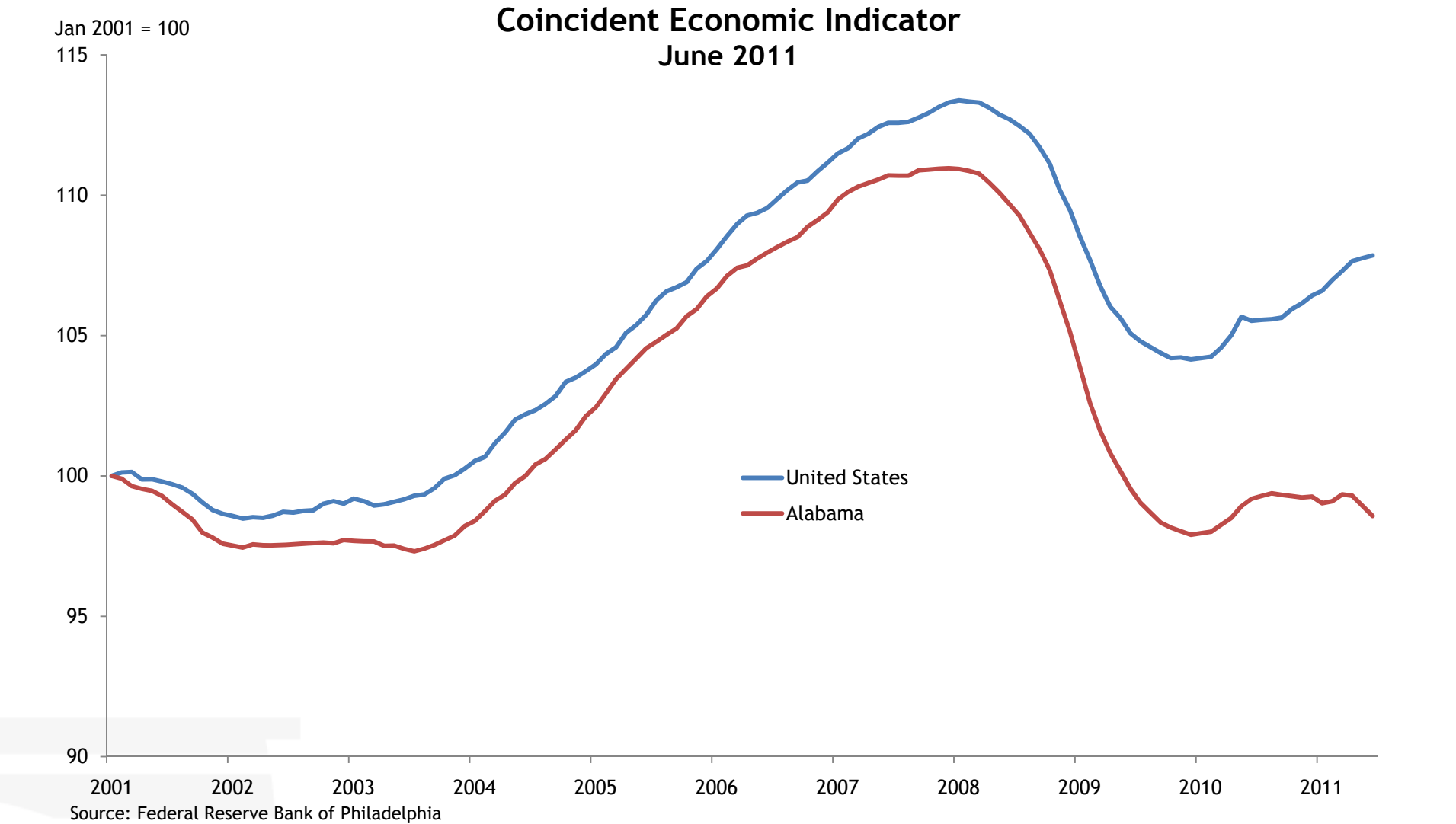
Data Digest: Alabama

August 2011



A broad indicator of U.S. economic activity steadily improved in June, while the pace slowed in recent months in Alabama.

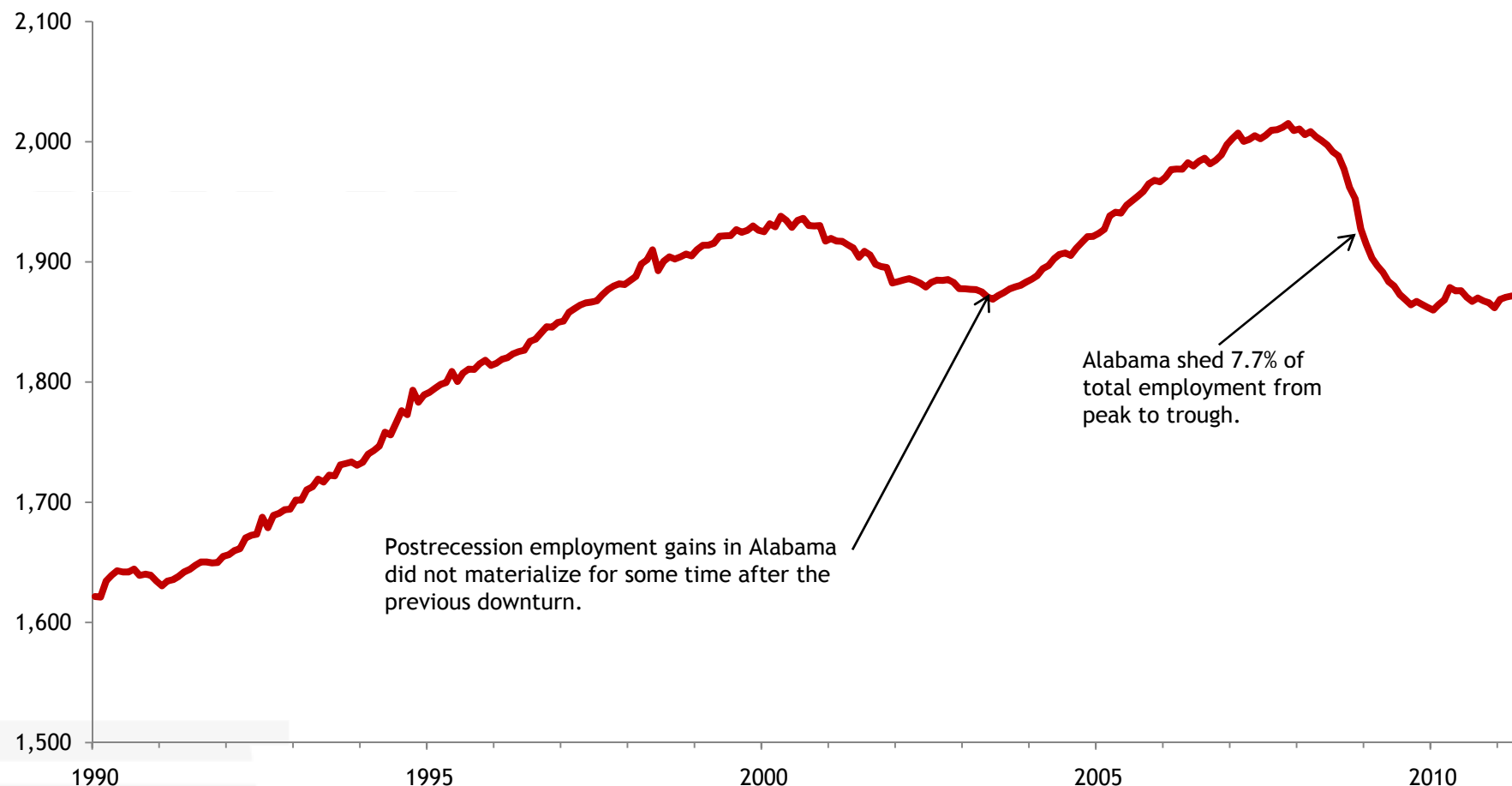
[About the Coincident Economic Indicator](#)



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 June 2011

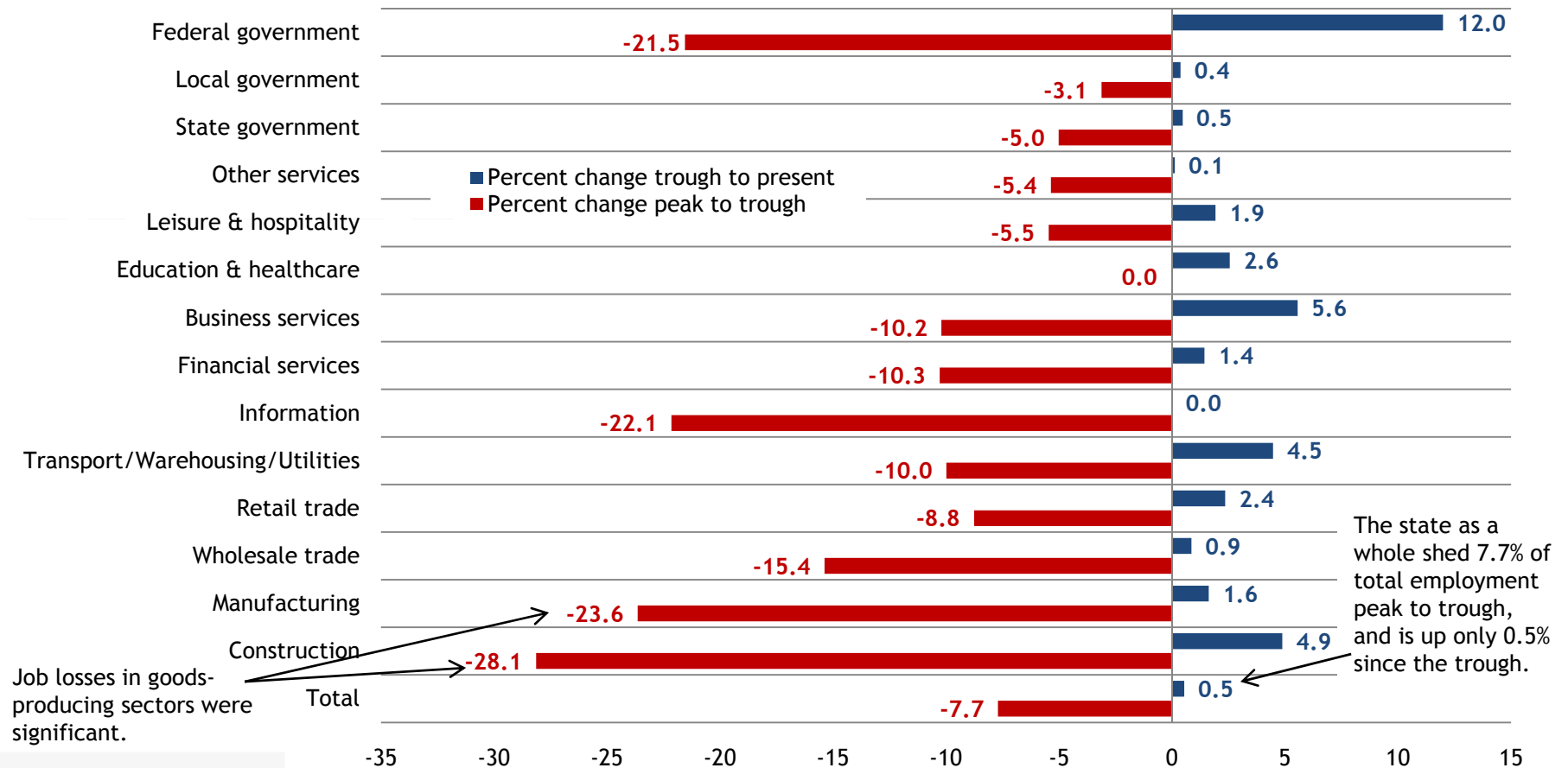
Thousands,
seasonally adjusted



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.

Employment Loss and Gain by Industry: Alabama June 2011



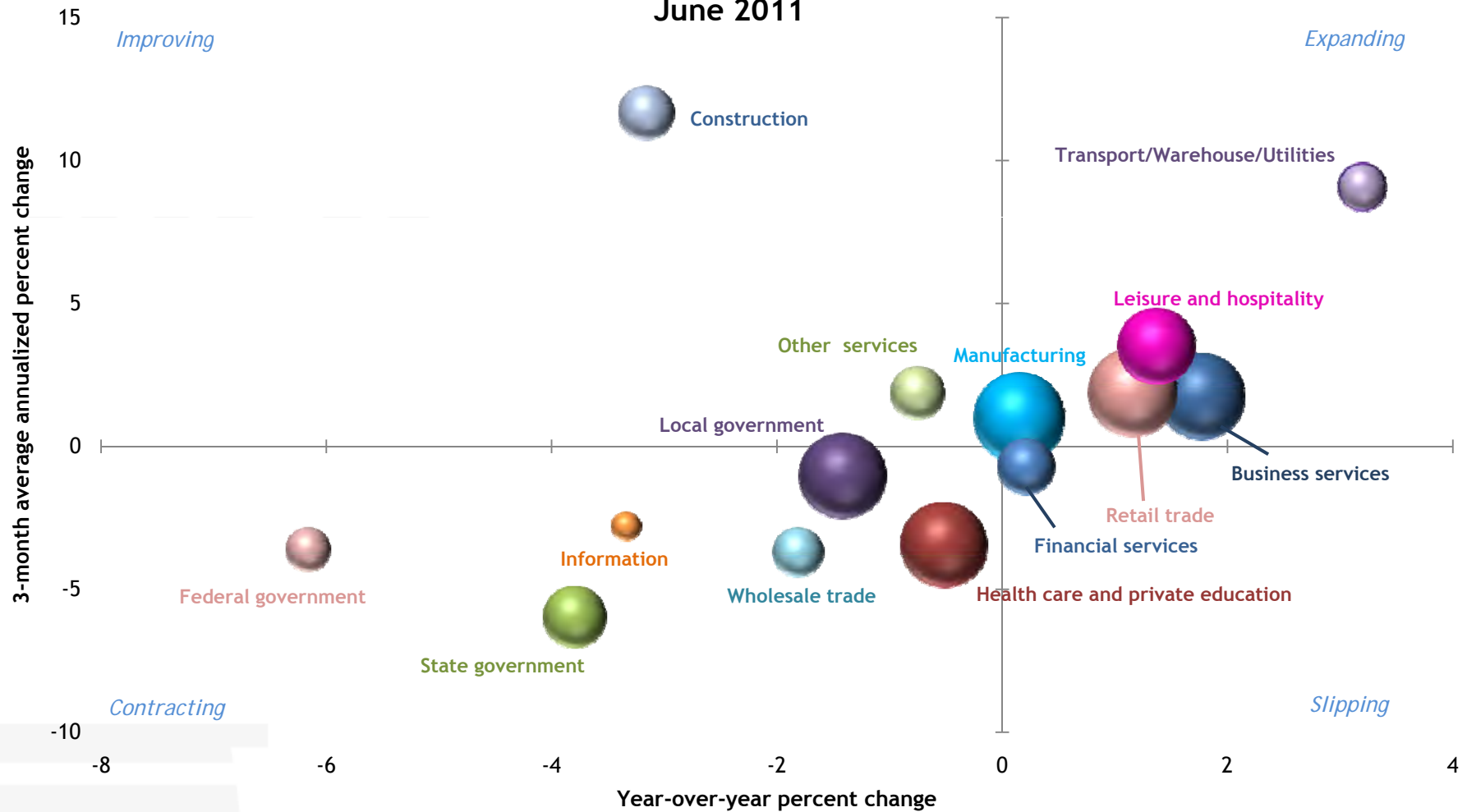
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

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

Manufacturing, retail trade, business services, leisure and hospitality, and utilities showed positive employment momentum, while federal, state, and local government; information; wholesale trade; health care; and financial services remain weak.

[About Employment Momentum](#)

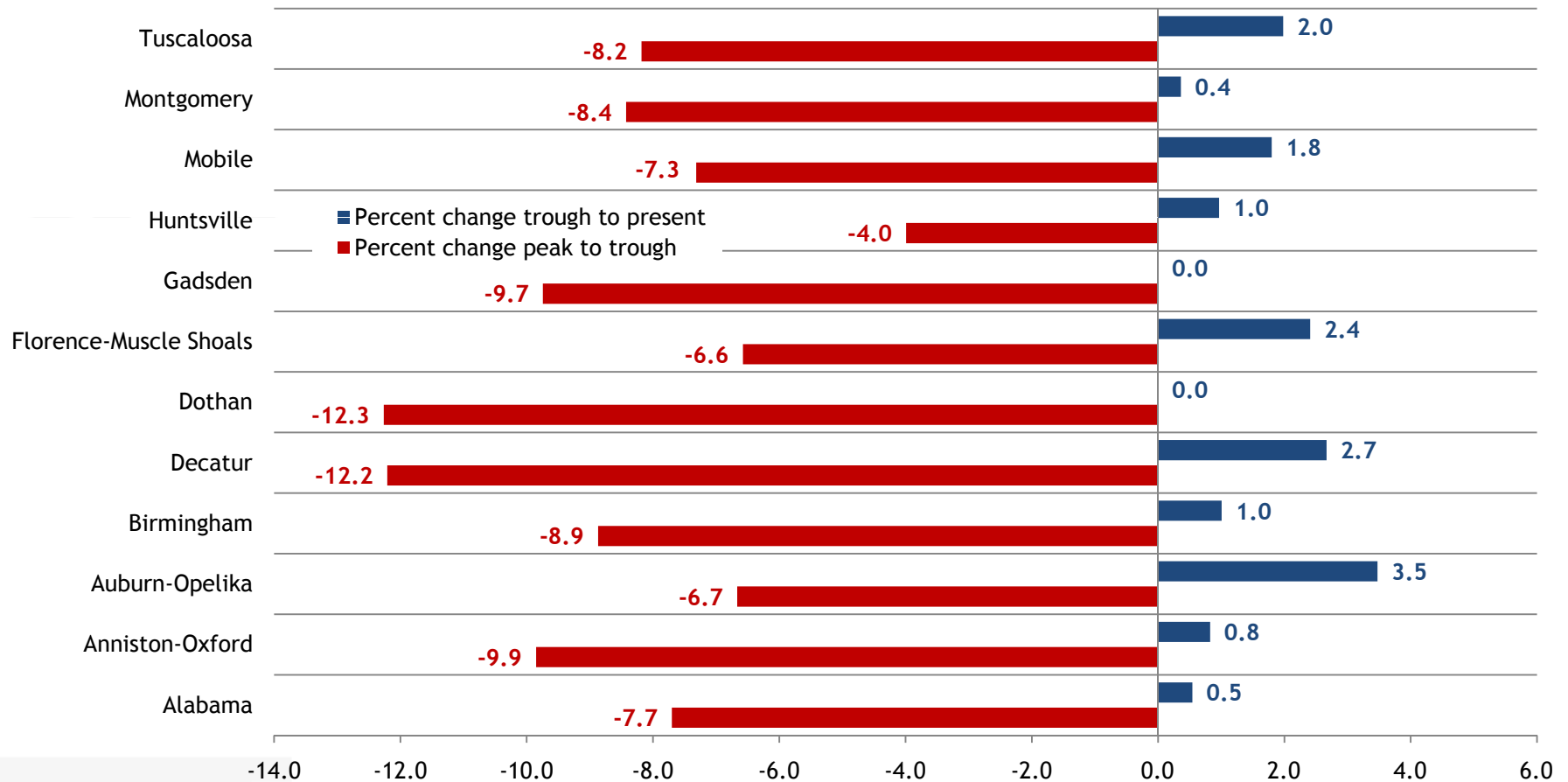
Employment Momentum by Industry: Alabama June 2011



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. Dothan and Gadsden are still declining. Auburn-Opelika leads other areas in job recovery.

Employment Loss and Gain by Metro Area: Alabama June 2011



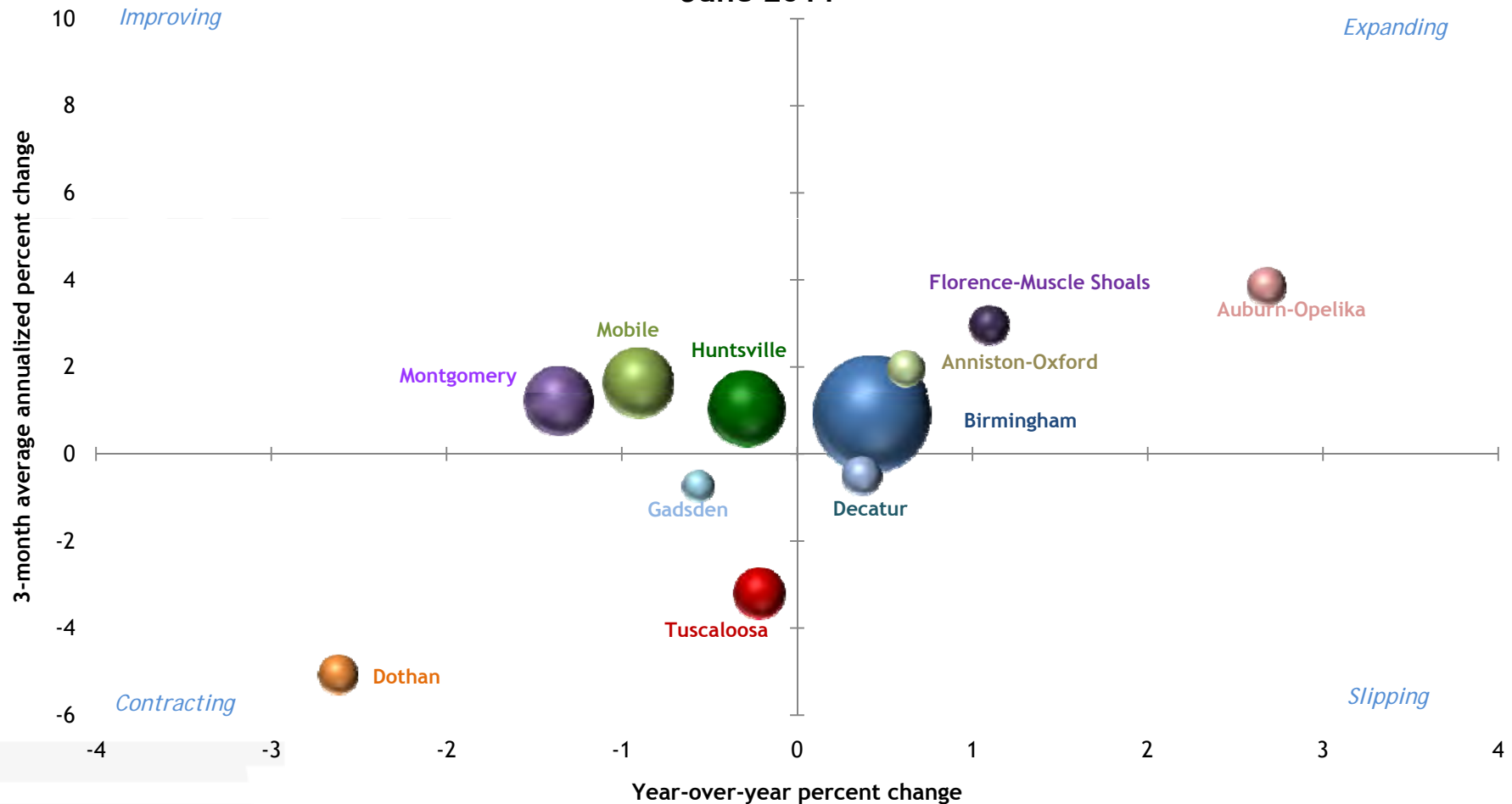
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these metro areas. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these metro areas.

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

Birmingham showed positive employment momentum, while Dothan was the weakest. Gadsden and Tuscaloosa are contracting, while Montgomery, Mobile, and Huntsville momentum is improving. Decatur showed signs of slipping.

[About Employment Momentum](#)

Employment Momentum by Metro Area: Alabama June 2011



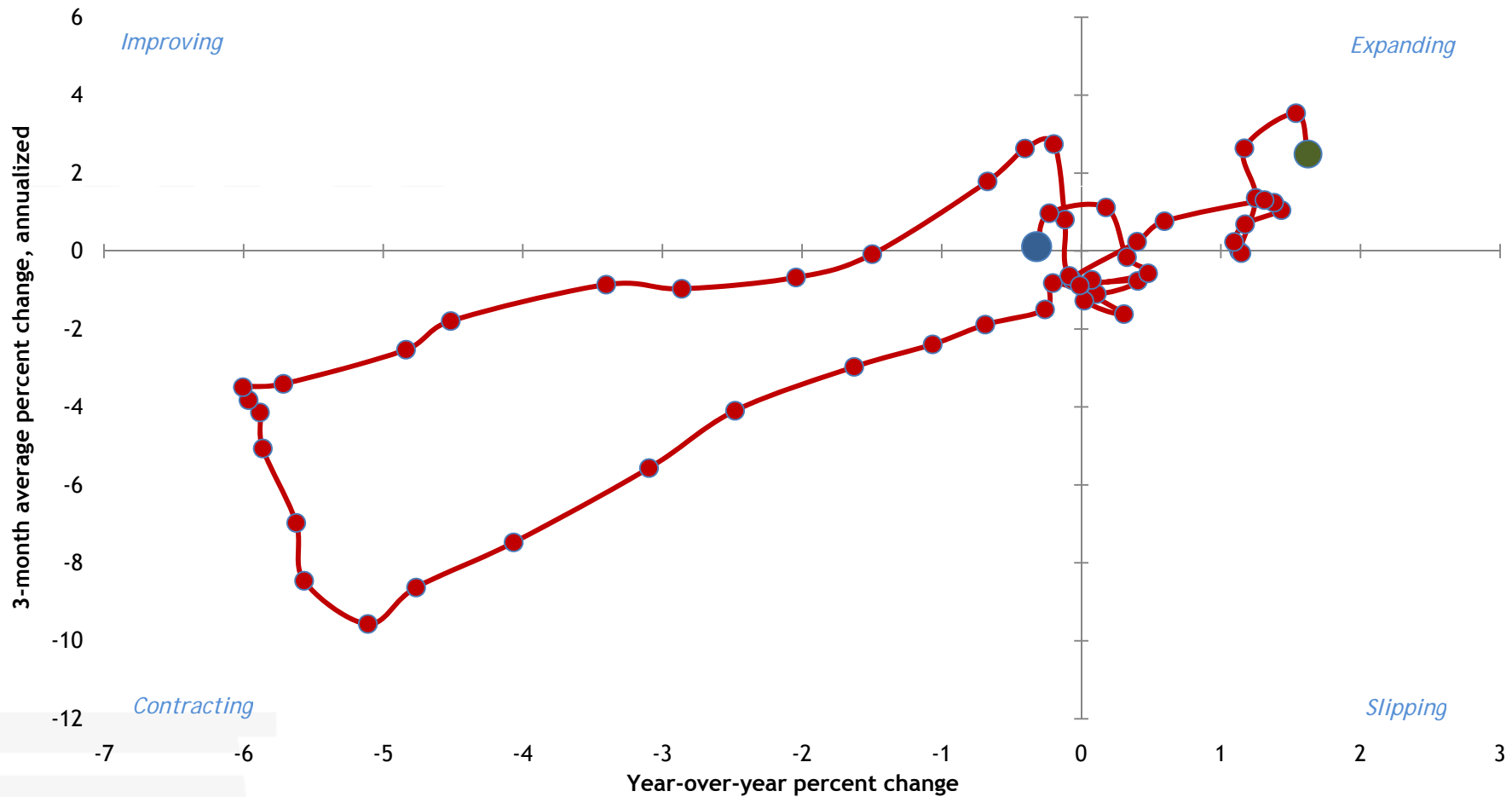
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

The state's employment momentum track has not changed much in the short term and slightly contracted in the long term. Alabama employment momentum spent nearly two years in the “contracting” quadrant.

[About Employment Momentum Track](#)

Employment Momentum Track

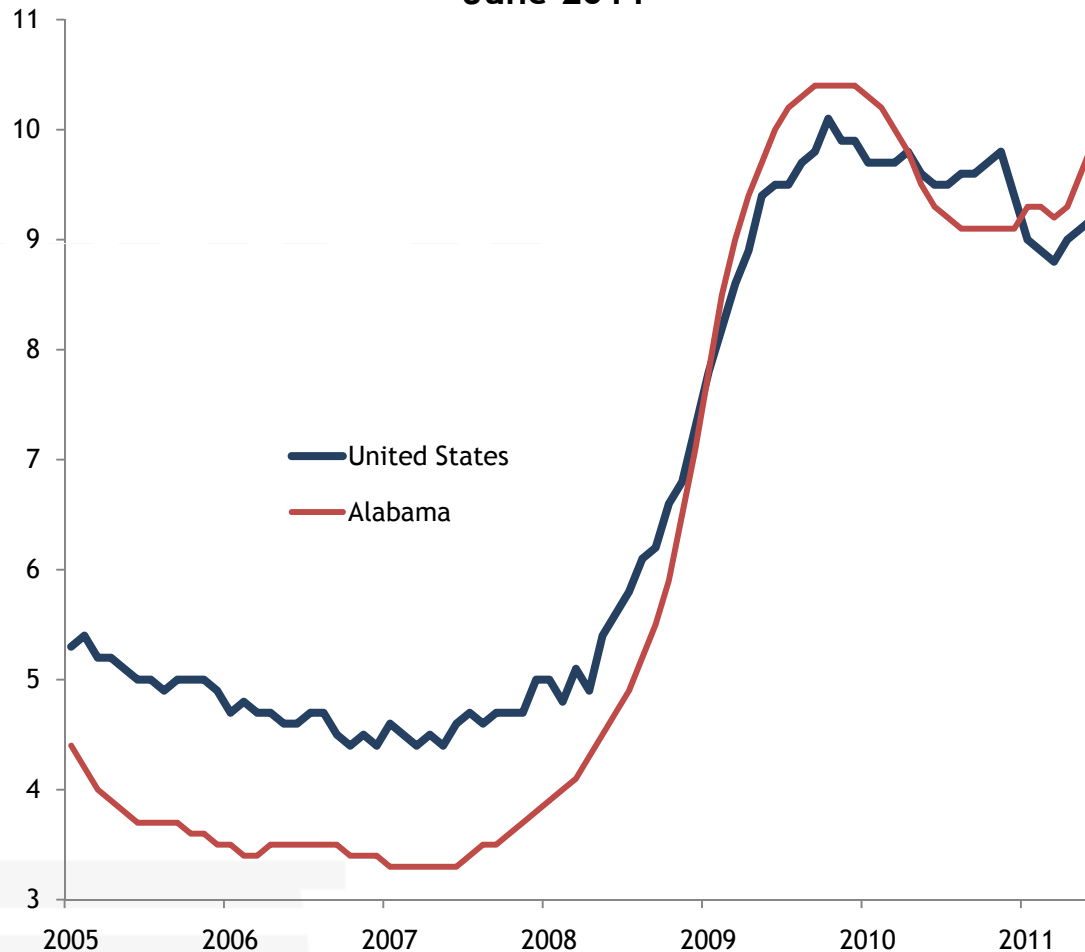
January 2007-June 2011



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.

Percent of labor force
Unemployment Rate
June 2011



Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	9.1	9.6	4.6
Alabama	9.6	9.5	3.3
Anniston	9.6	9.2	3.5
Auburn-Opelika	8.1	7.9	3.5
Birmingham	8.8	8.6	3.3
Decatur	9.3	9.5	3.6
Dothan	8.7	8.3	3.3
Florence	8.5	8.8	4.2
Gadsden	9.6	9.0	4.1
Huntsville	7.9	7.1	3.0
Mobile	10.6	9.9	3.6
Montgomery	9.4	8.5	3.7
Tuscaloosa	9.3	8.4	3.2

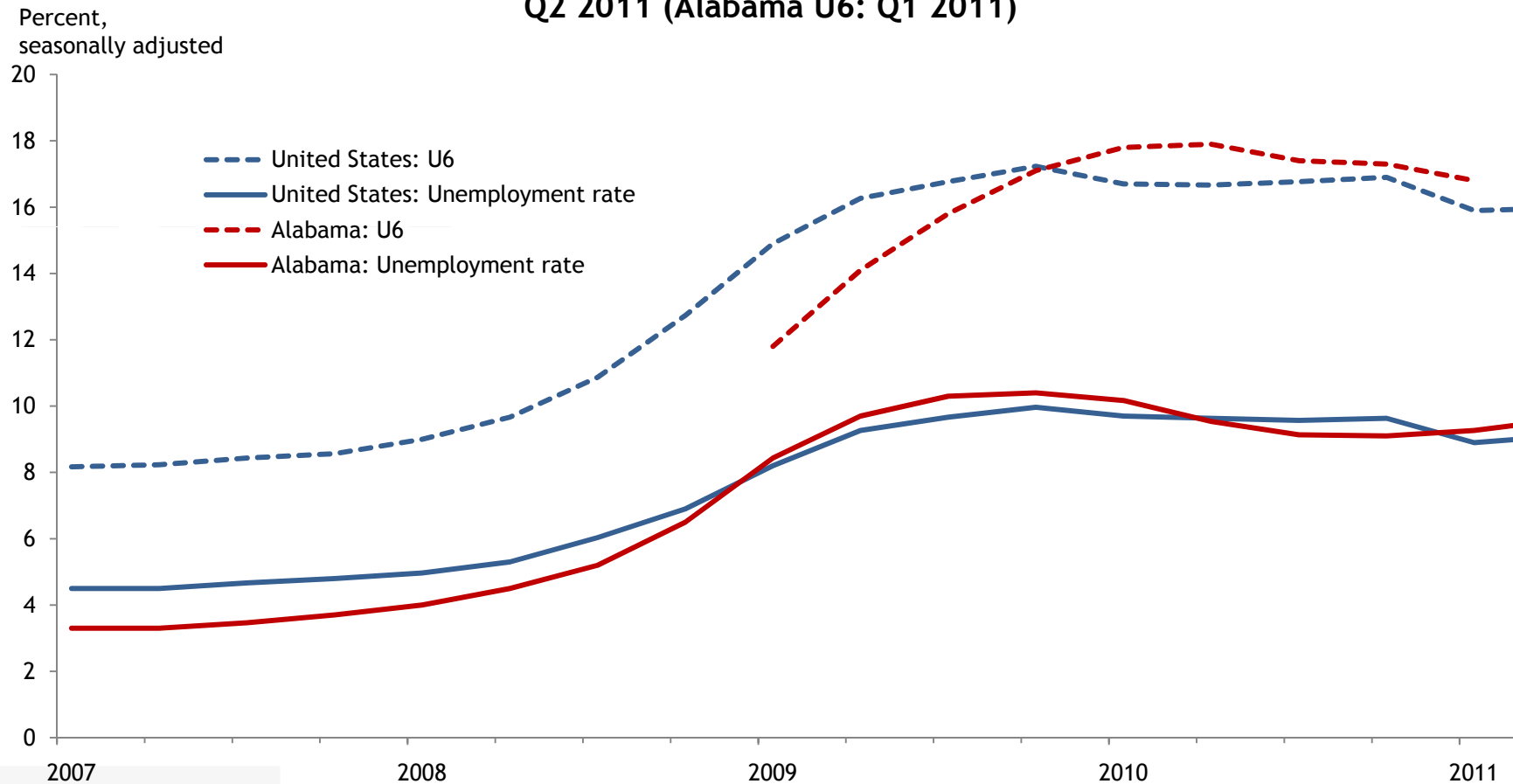
The table shows unemployment rates for metro areas. Current = May 2011. Year ago and January 2007 are included for comparison.

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, which is higher than comparable U.S. measures.

[About Unemployment Rates](#)

Measures of Labor Utilization: Unemployment Rate and U6 Q2 2011 (Alabama U6: Q1 2011)



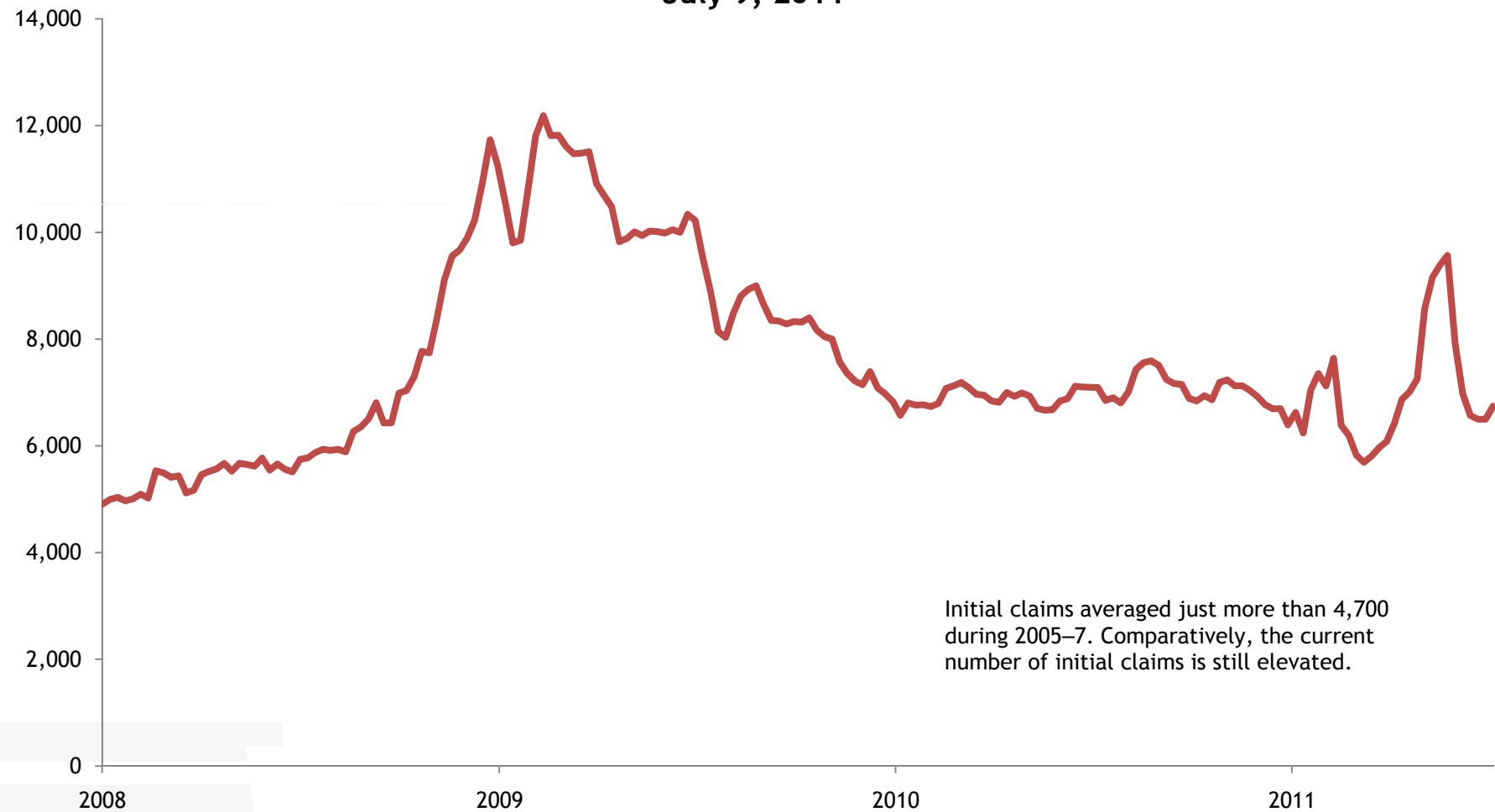
Notes: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached. Alabama U6 data are through first-quarter 2011.

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

Initial claims for unemployment insurance have increased slightly since June.

Initial Unemployment Insurance Claims: Alabama July 9, 2011

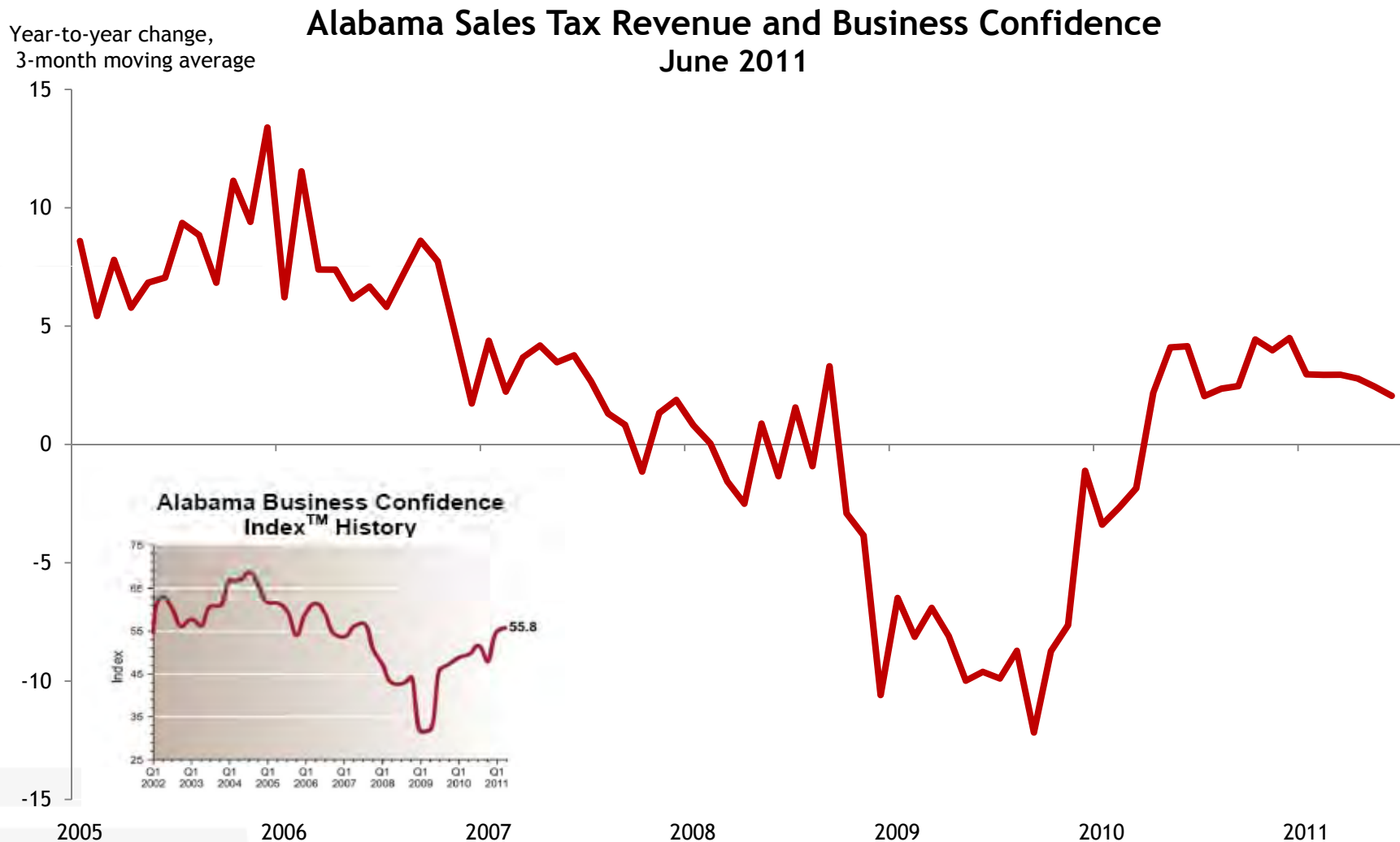
4-week moving average



Initial claims averaged just more than 4,700 during 2005–7. Comparatively, the current number of initial claims is still elevated.

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

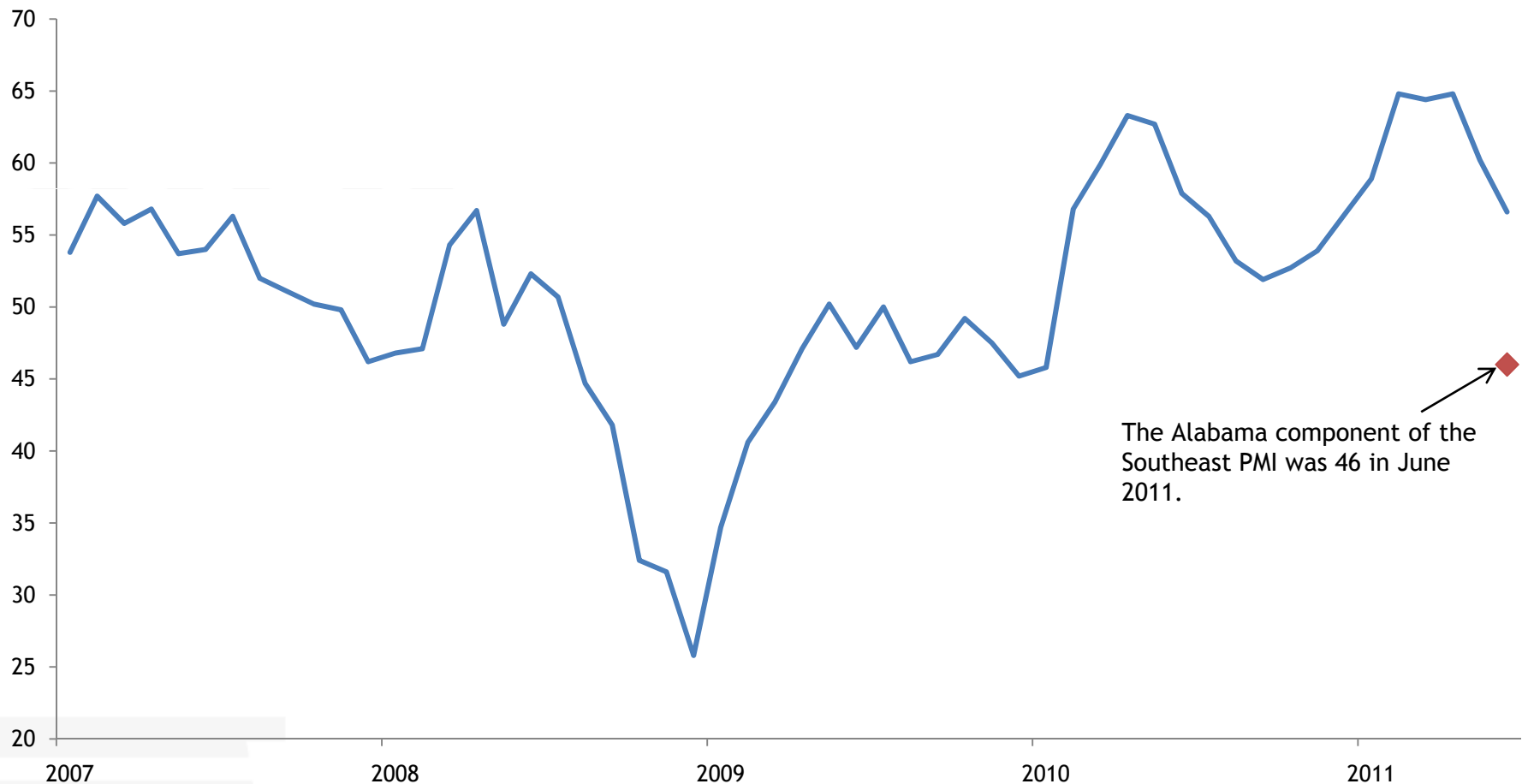
Measures of consumer activity have recovered from recession lows. Business confidence has bounced back from 2009 lows, and sales tax revenues remain steady.



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

Regional manufacturing activity declined in June, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. Alabama's component is lower than the regional index with a reading of 46, indicating a slight contraction in activity.

Southeast Purchasing Managers Index June 2011



2007

Note: 50+ = Expansion

2008

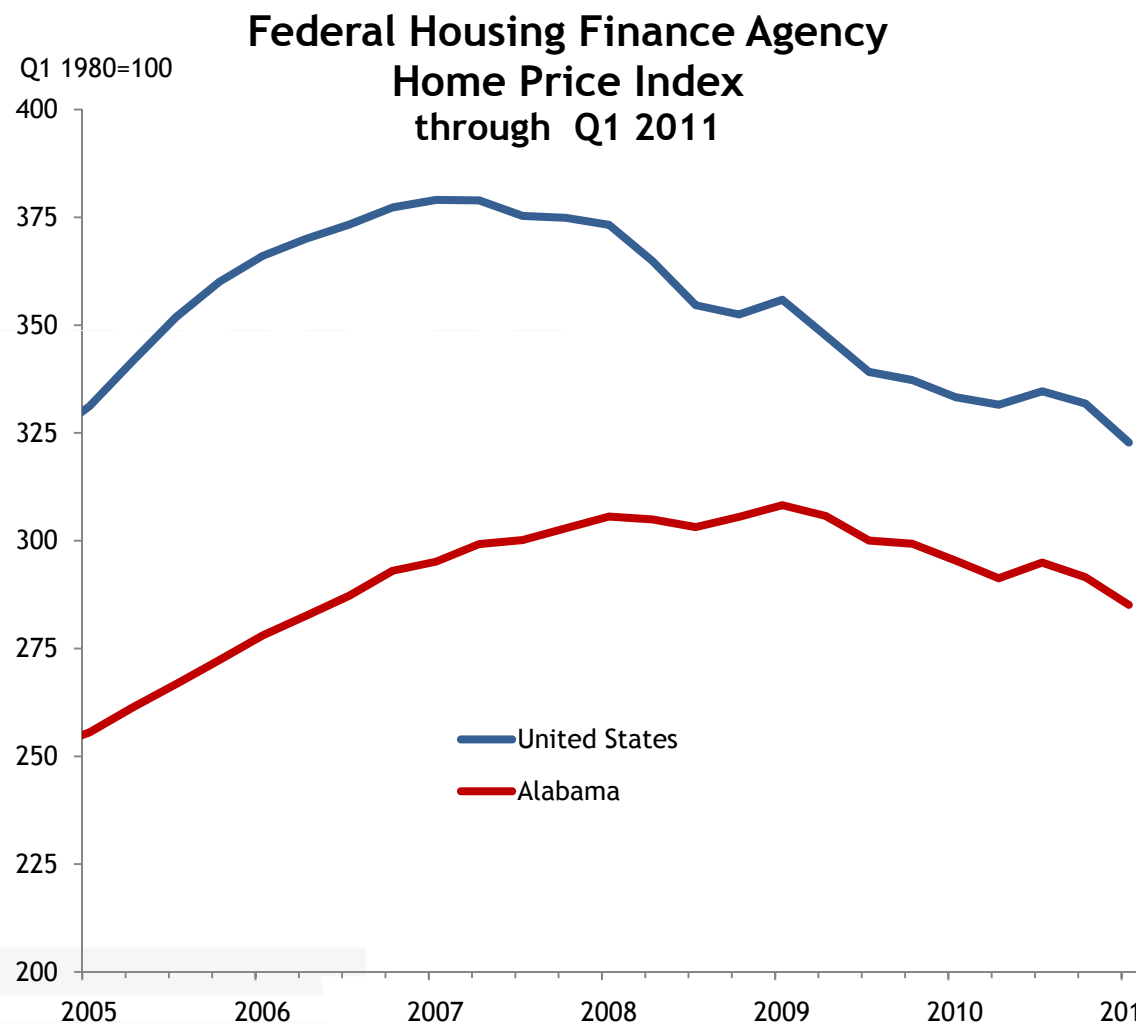
2009

2010

2011

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.



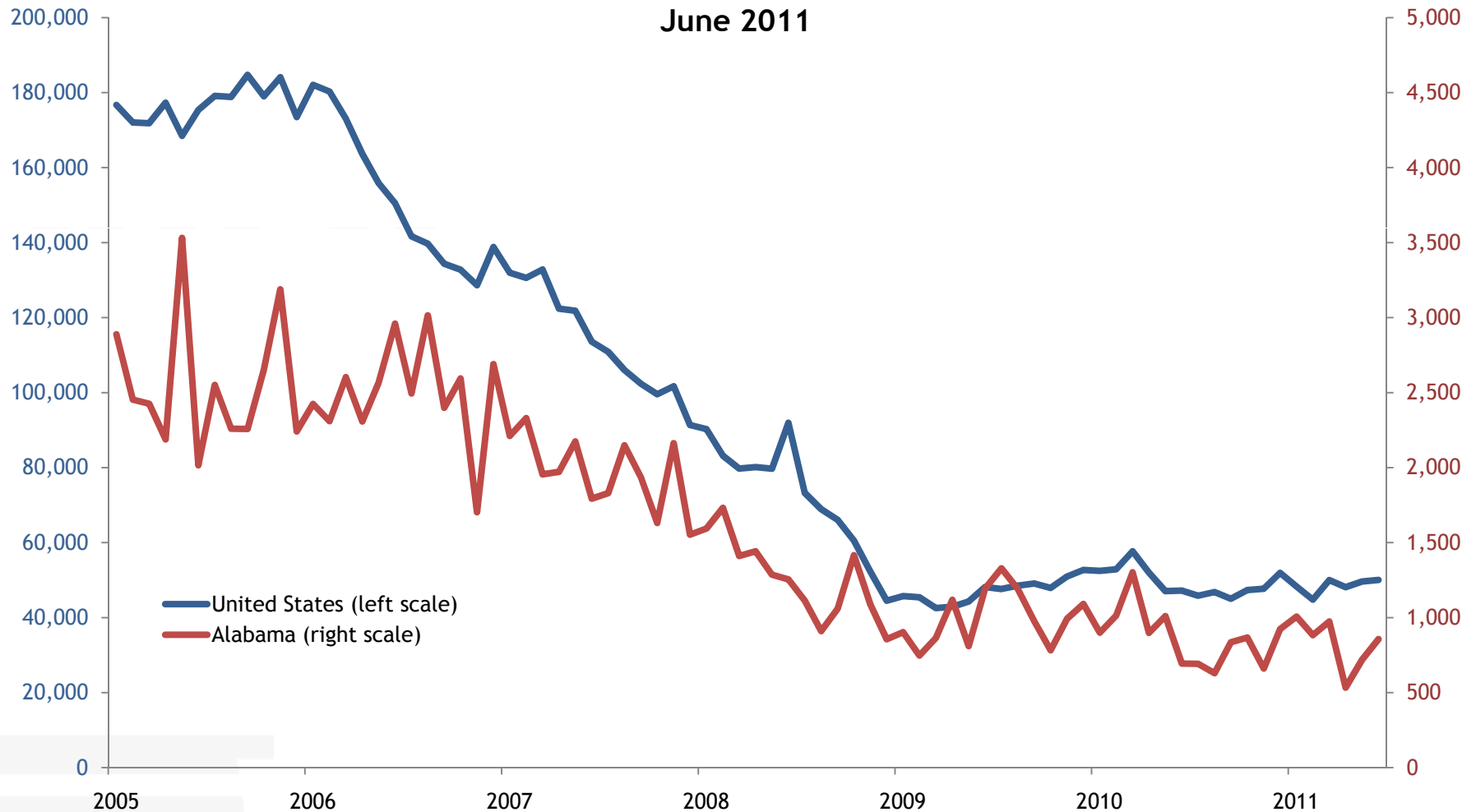
Source: Federal Housing Finance Agency, Haver Analytics

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, 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.

New Residential Home Construction Permits
June 2011

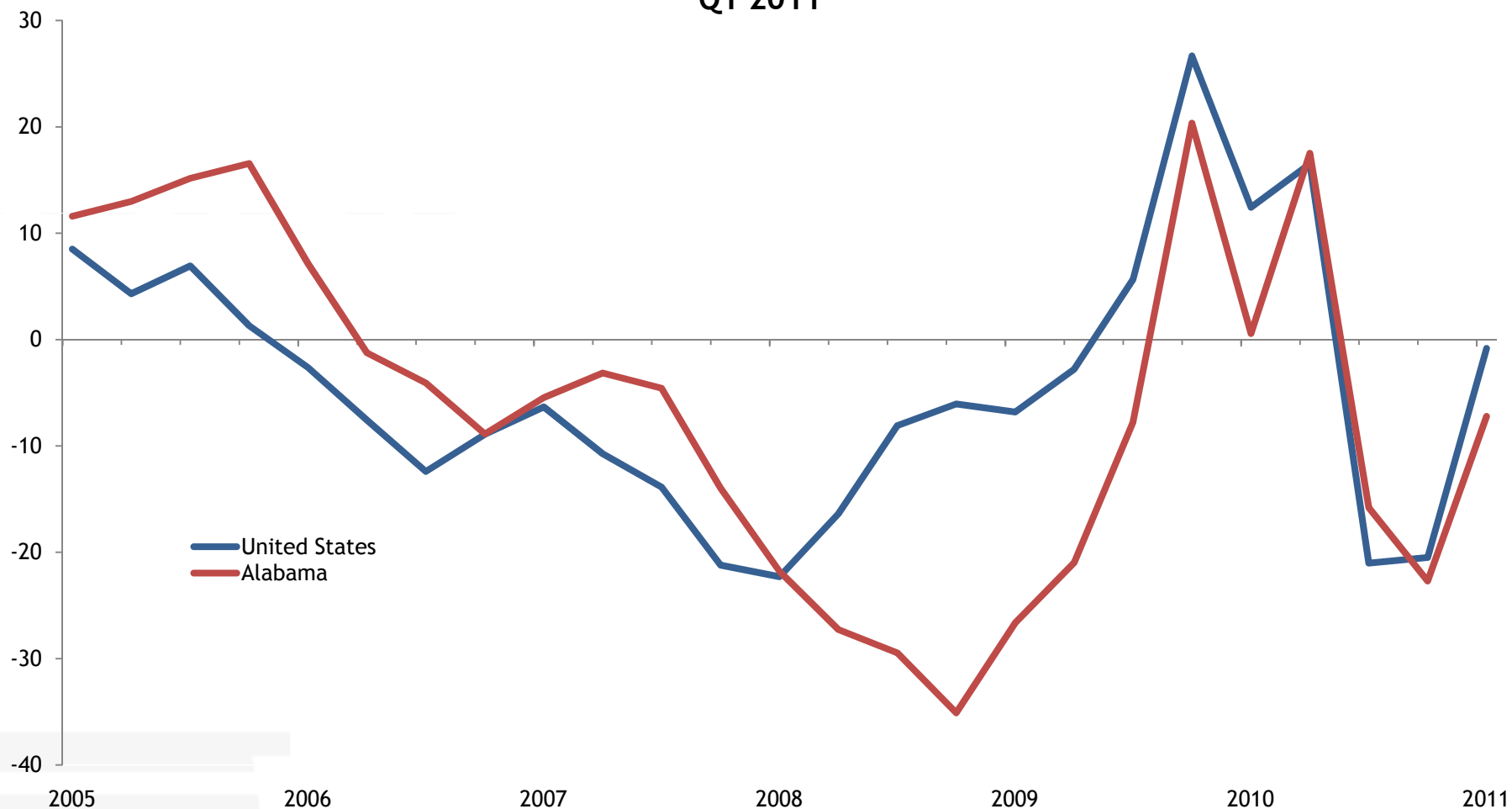


Source: U.S. Bureau of the Census, Haver Analytics

Existing home sales have declined after showing improvement in late 2009 and early 2010; however, activity has been picking up recently.

Existing Home Sales Q1 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.