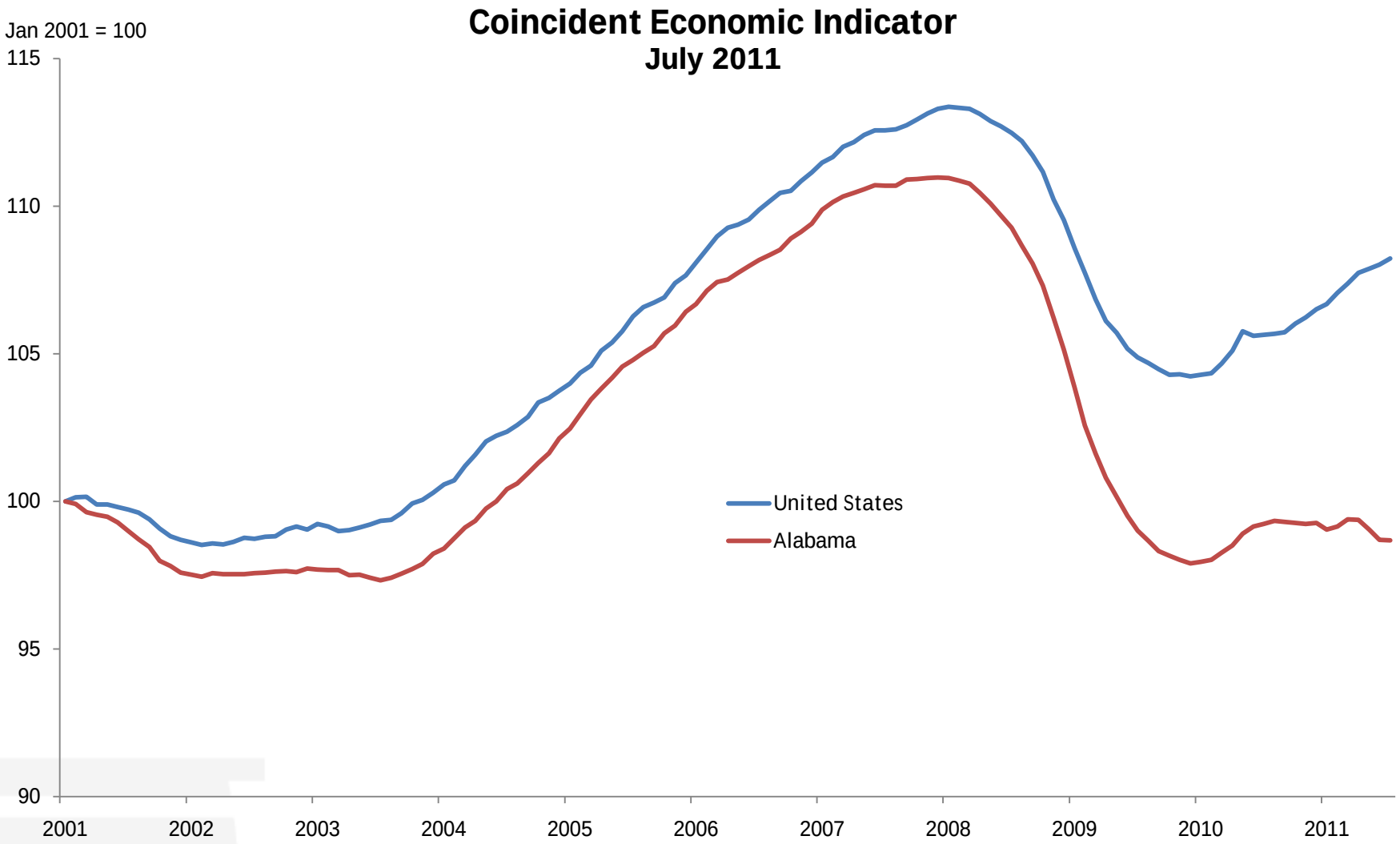
Data Digest: Alabama

September 2011

FEDERAL RESERVE BANK of ATLANTA

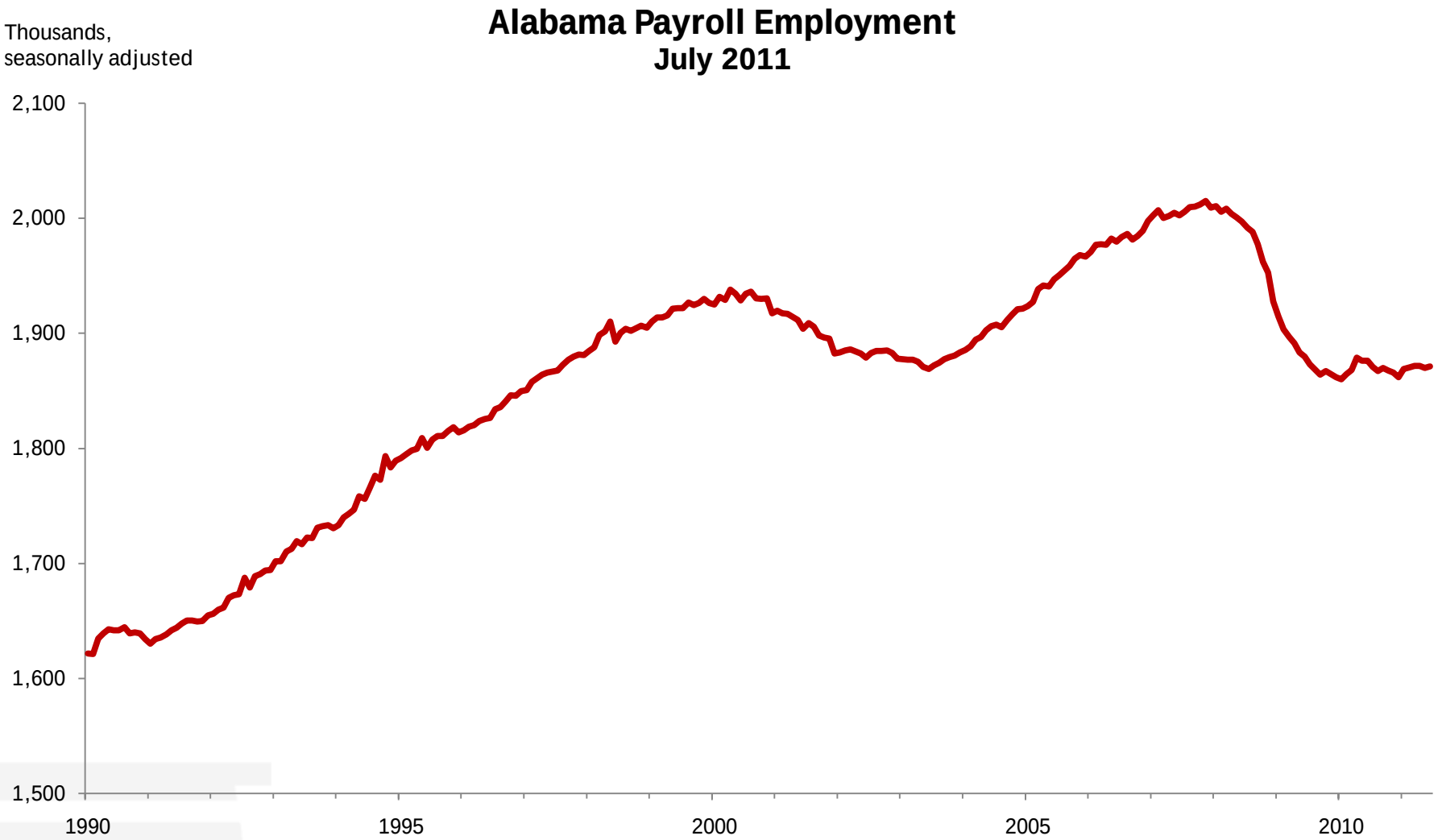
A broad indicator of U.S. economic activity steadily improved in July, while the pace slowed in recent months in Alabama.

About the Coincident Economic Indicator



Source: Federal Reserve Bank of Philadelphia

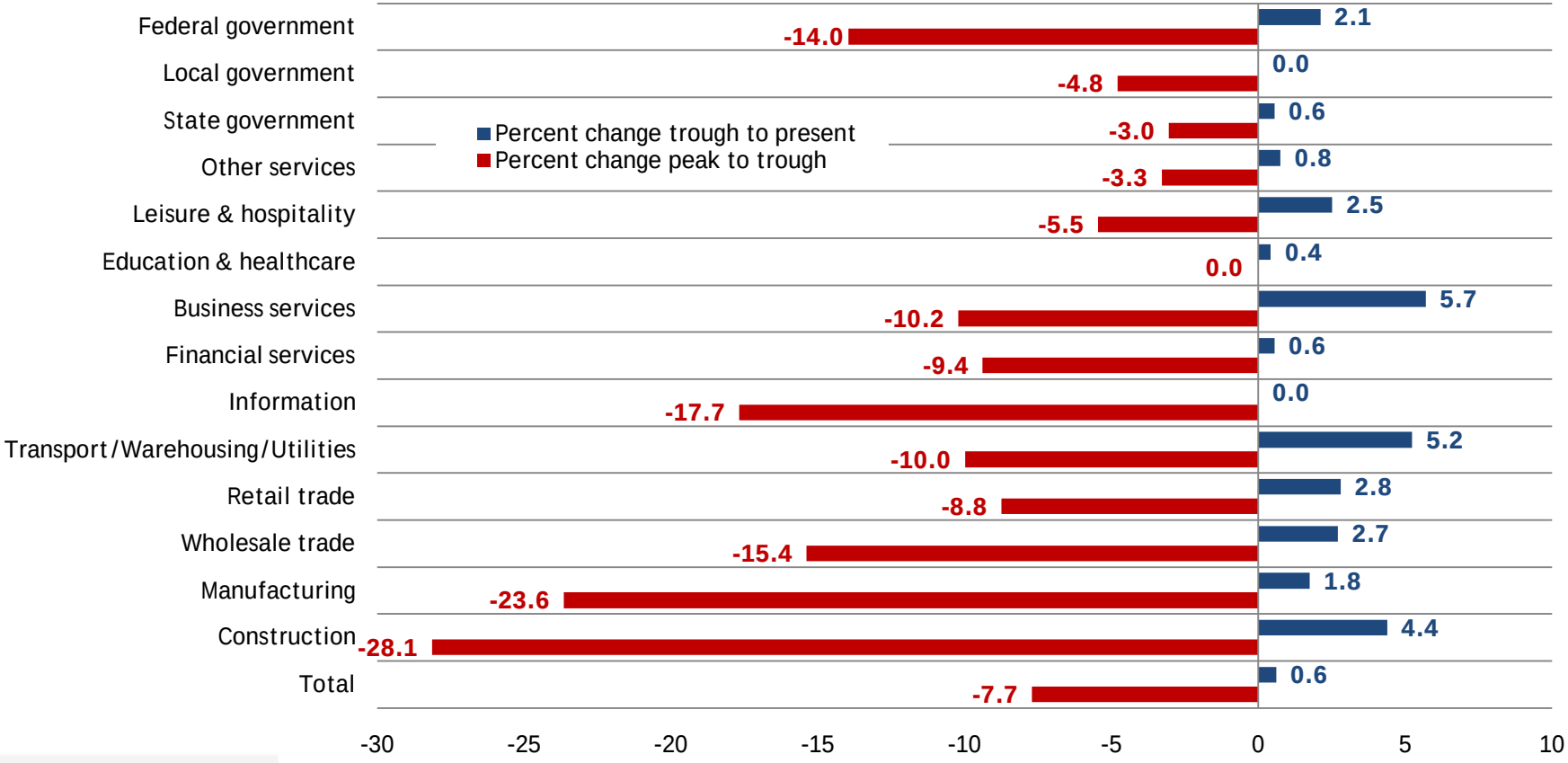
Total employment in Alabama has stabilized, but job gains remain elusive. The current level of employment is near 2003 levels.



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

Goods-producing sectors were especially hard hit, but all industries lost jobs during the downturn except health care. Job gains have been modest in most sectors.

Employment Loss and Gain by Industry: Alabama
July 2011

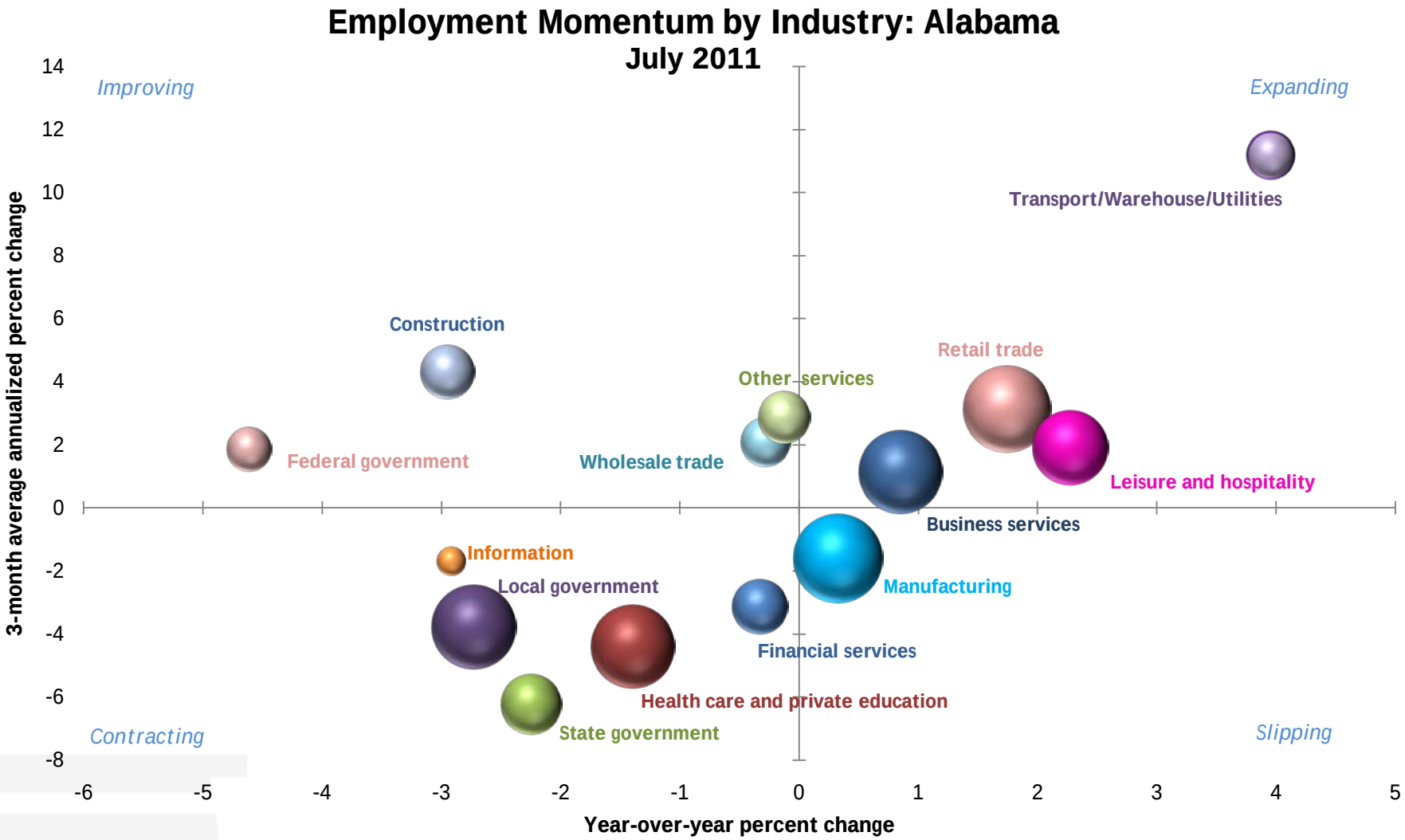


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries.

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

Retail trade, business services, and transportation/warehousing/utilities showed positive employment momentum. Manufacturing, health care, financial services, state government, and local government remain weak.

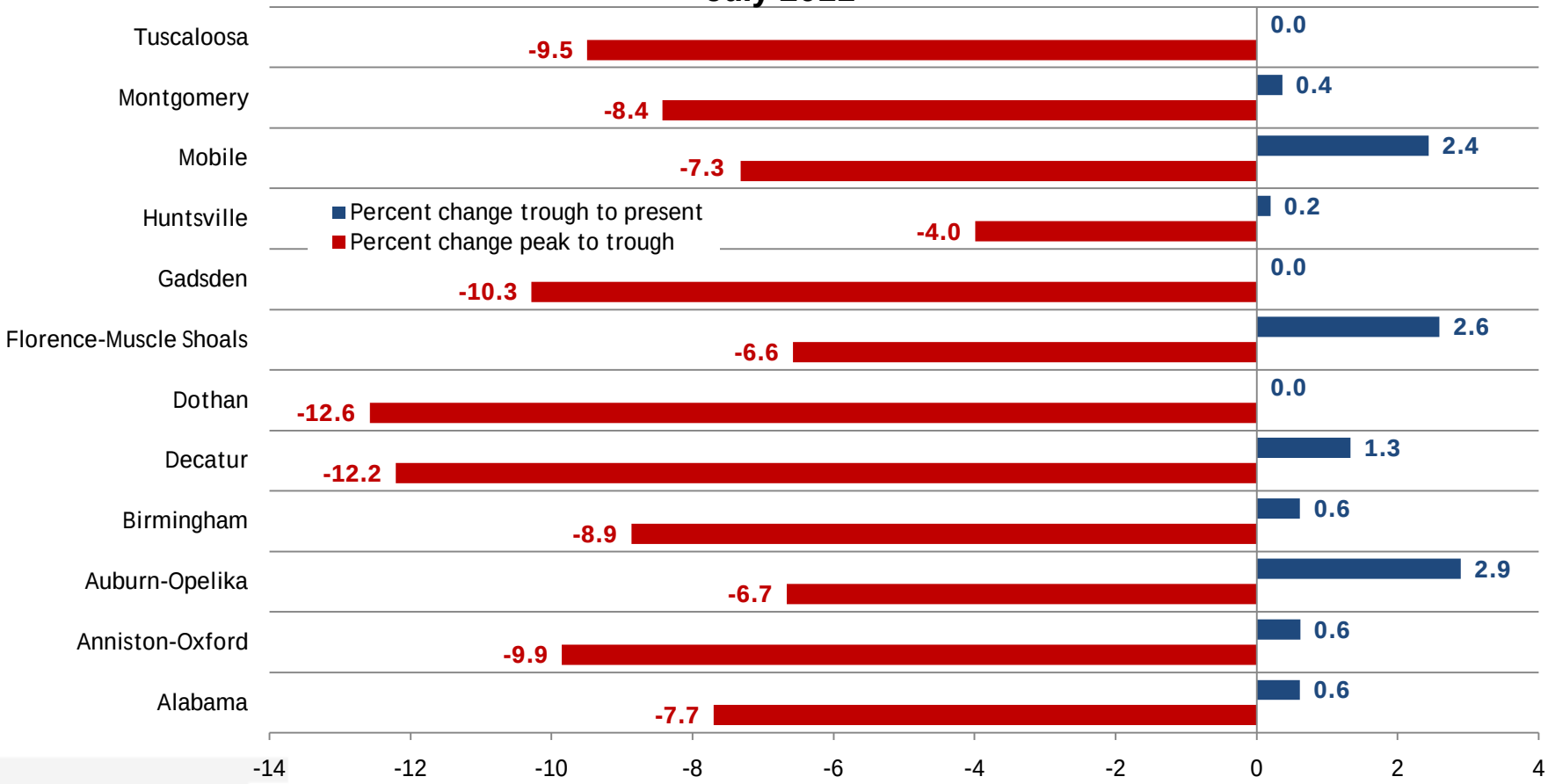
About Employment Momentum



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

Employment Loss and Gain by Metro Area: Alabama
July 2011

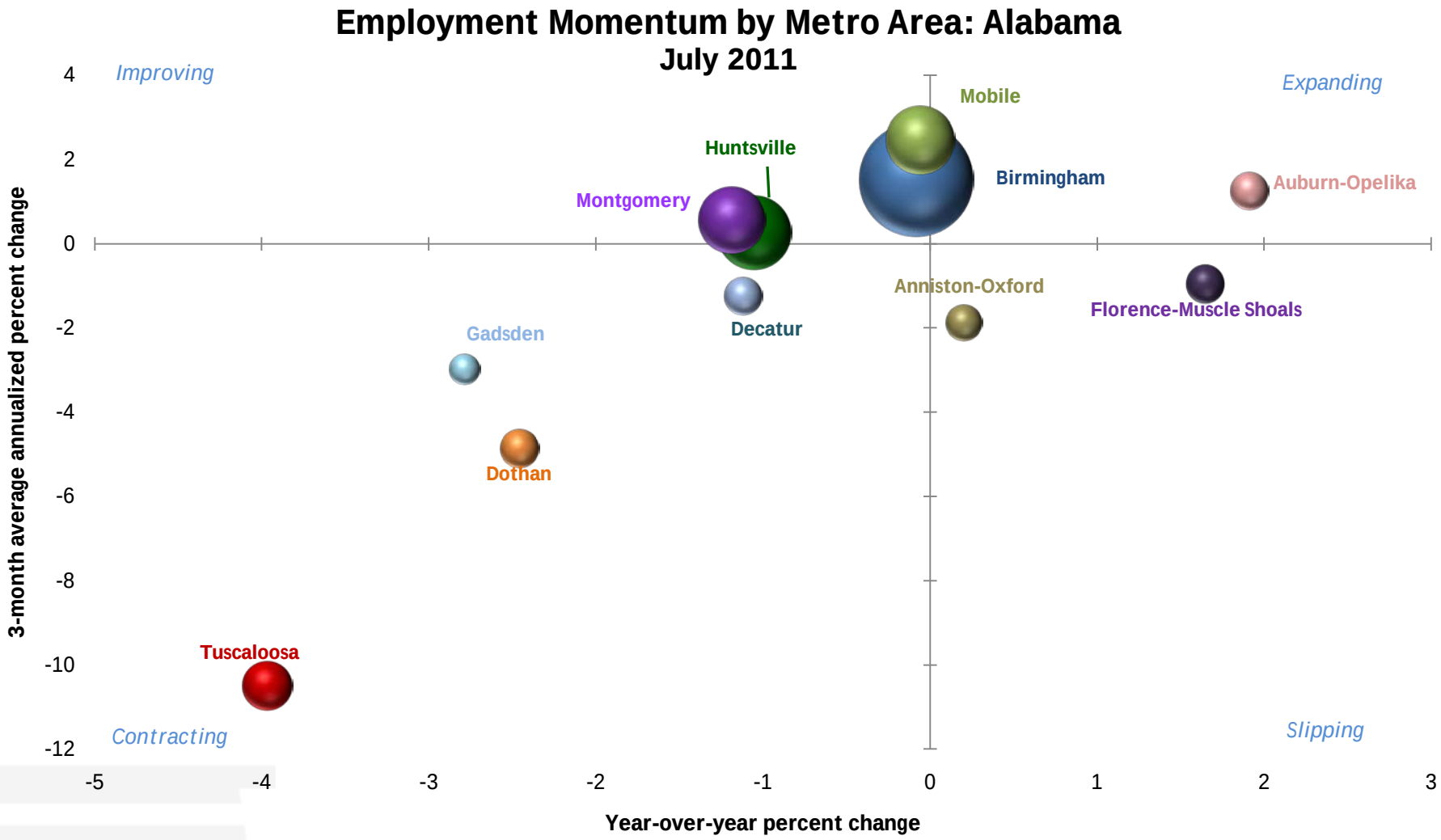


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these metro areas. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these metro areas.

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

Auburn-Opelika experienced expanding momentum, while Tuscaloosa momentum was the weakest. Gadsden, Decatur, and Dothan are contracting, while Birmingham, Montgomery, Mobile, and Huntsville momentum is improving. Anniston-Oxford and Florence-Muscle Shoals showed signs of slipping.

About Employment Momentum



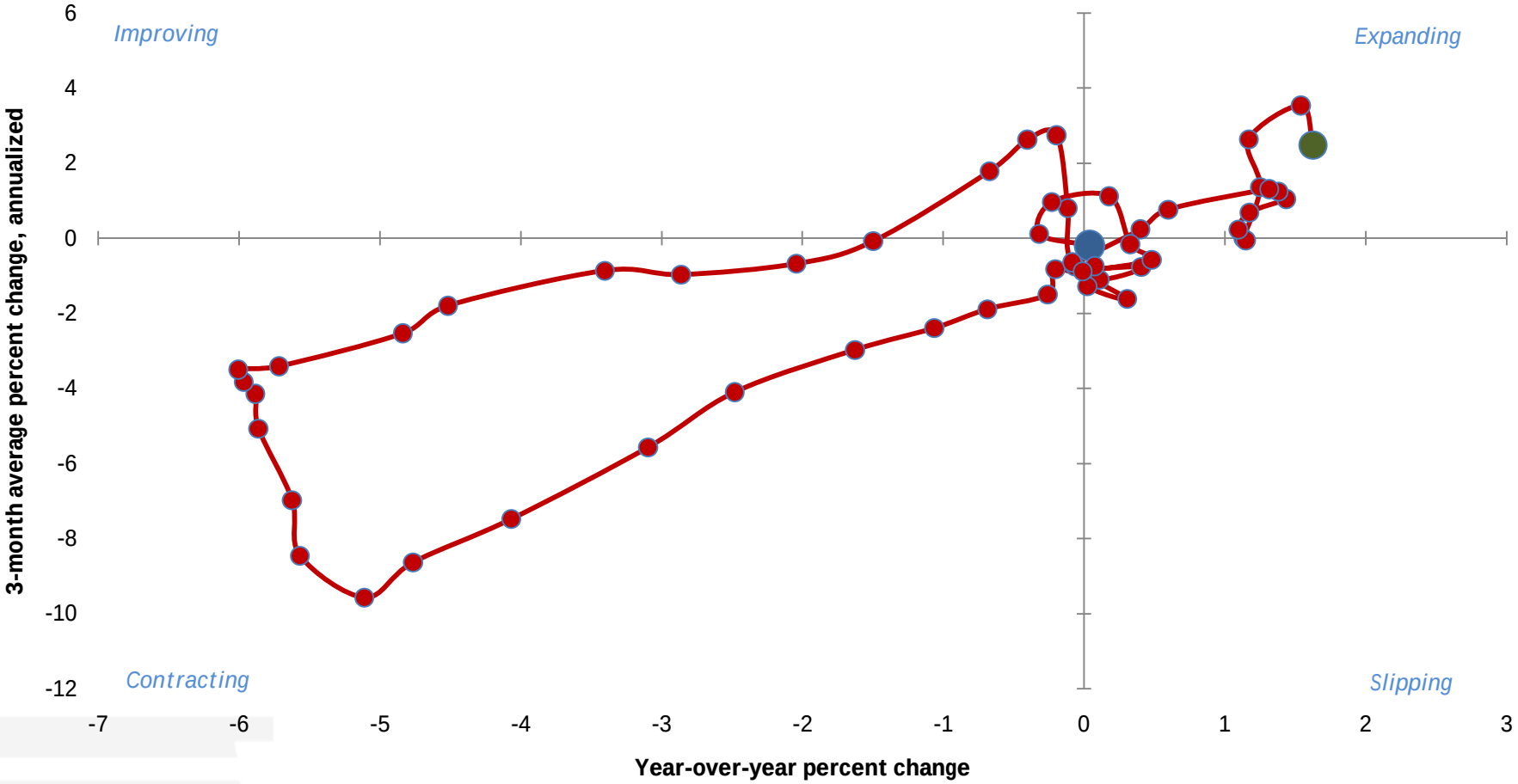
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

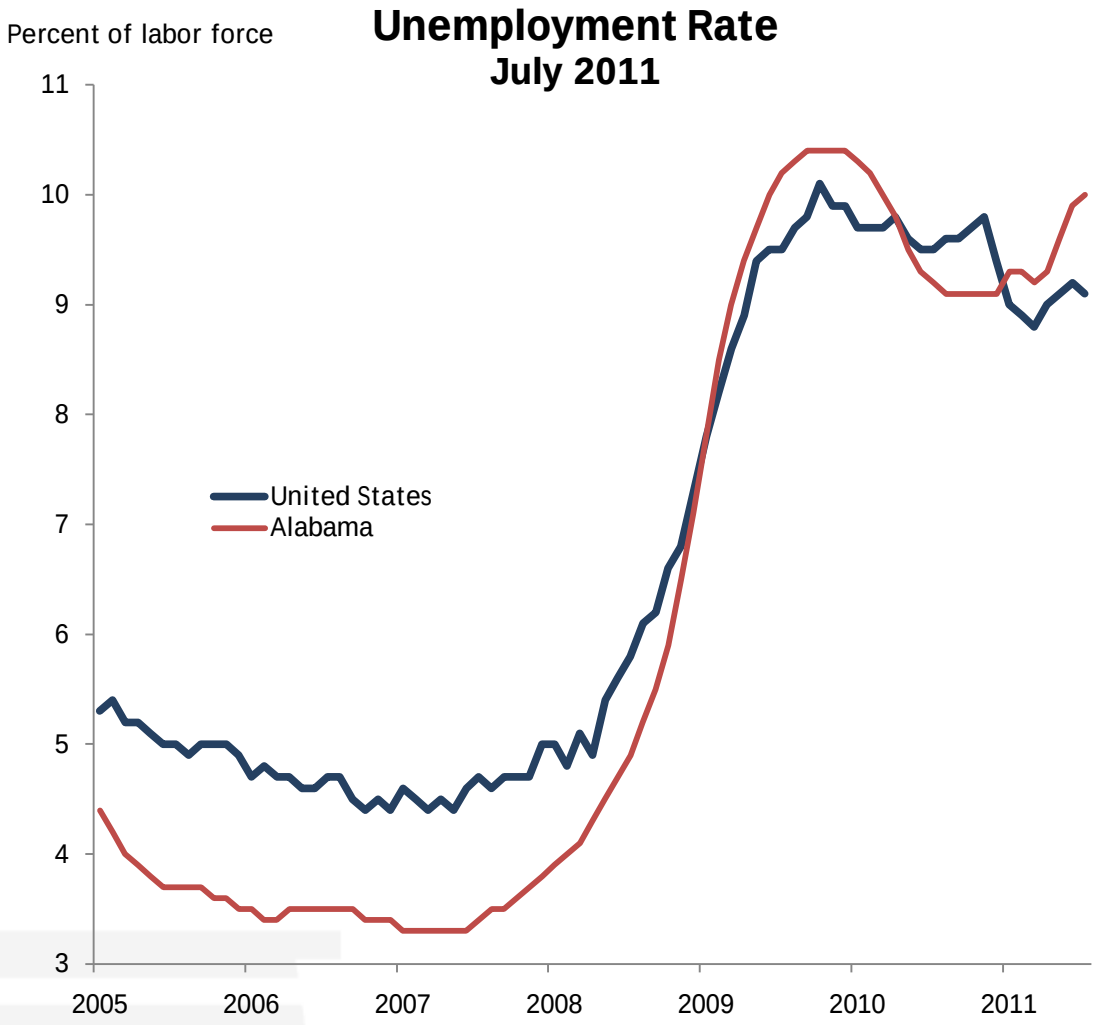
Employment Momentum Track

January 2007-July 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.



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

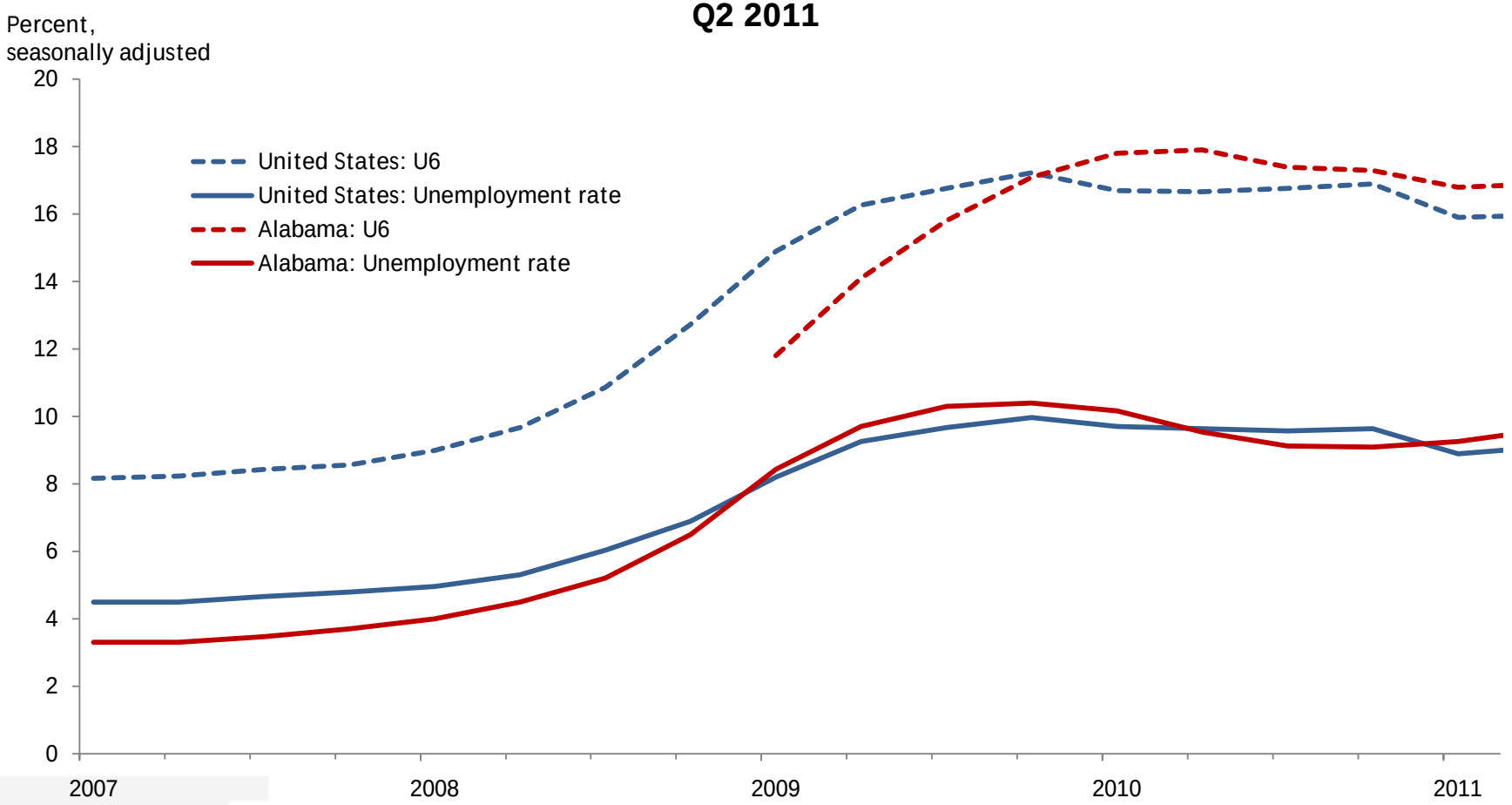
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	9.2	9.5	4.6
Alabama	9.9	9.3	3.3
Anniston	10.4	9.6	3.5
Auburn-Opelika	9.2	8.5	3.5
Birmingham	9.8	9.3	3.3
Decatur	10.2	9.8	3.6
Dothan	10.0	8.5	3.3
Florence	9.8	9.2	4.2
Gadsden	10.7	9.5	4.1
Huntsville	8.9	7.5	3.0
Mobile	11.8	10.0	3.6
Montgomery	10.5	9.0	3.7
Tuscaloosa	10.2	11.0	3.2

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

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

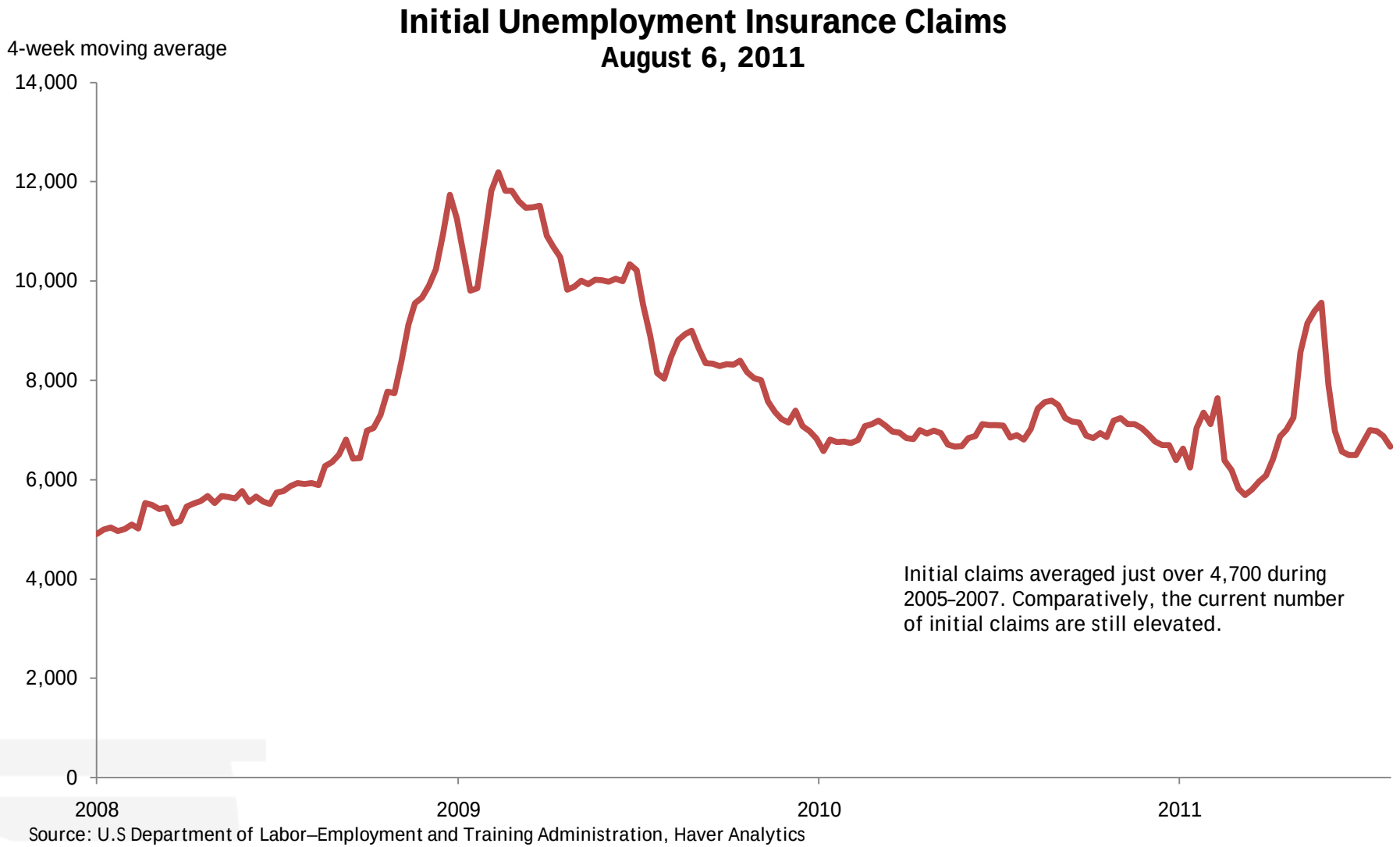
Measures of Labor Utilization: Unemployment Rate and U6
Q2 2011



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

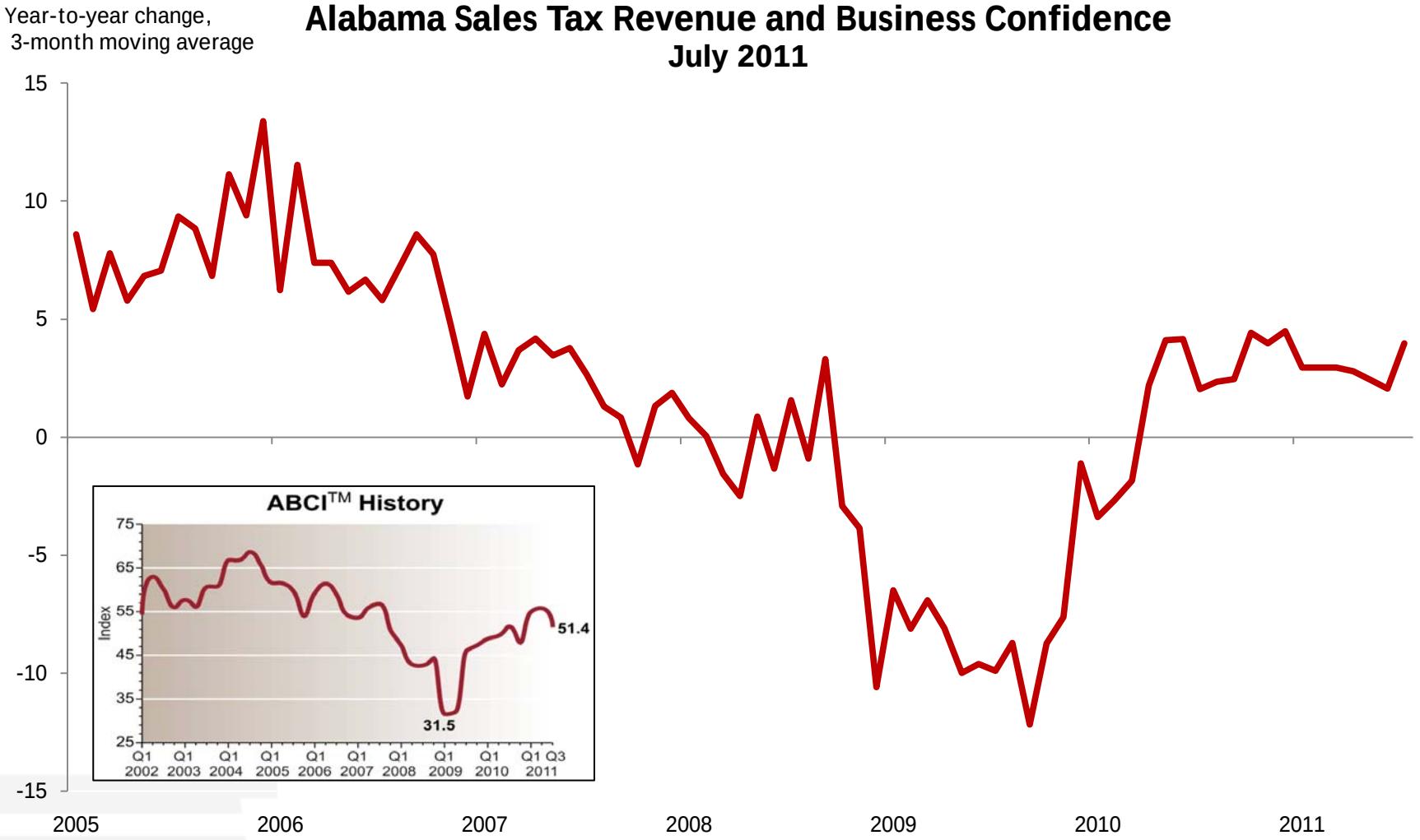
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial claims for unemployment insurance have stabilized after jumping following the late April tornado in the state.



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 remain steady.



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

Regional manufacturing activity decelerated in July, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. Alabama's component increased over the previous month even as most other states' PMI declined.

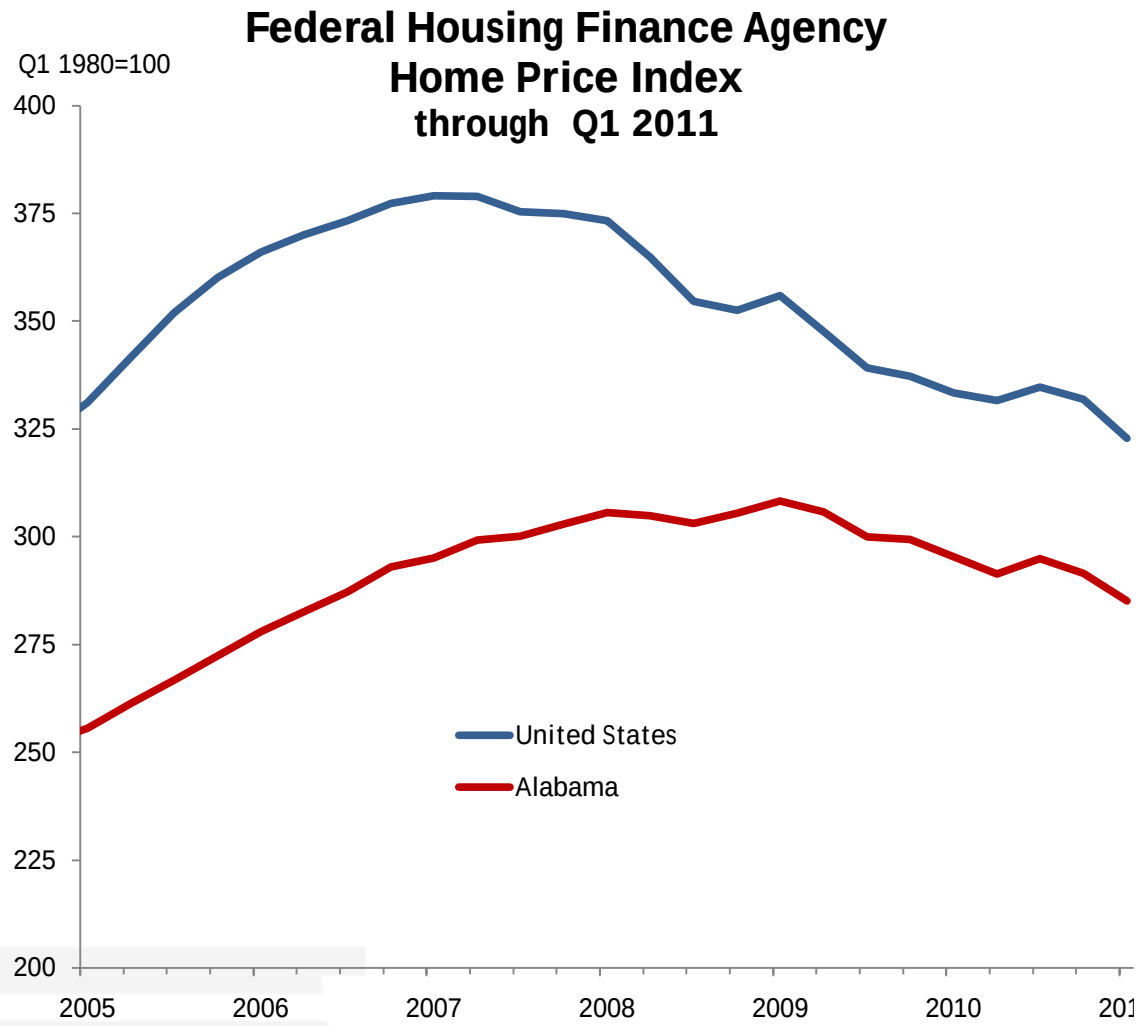
Southeast Purchasing Managers Index
July 2011



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.

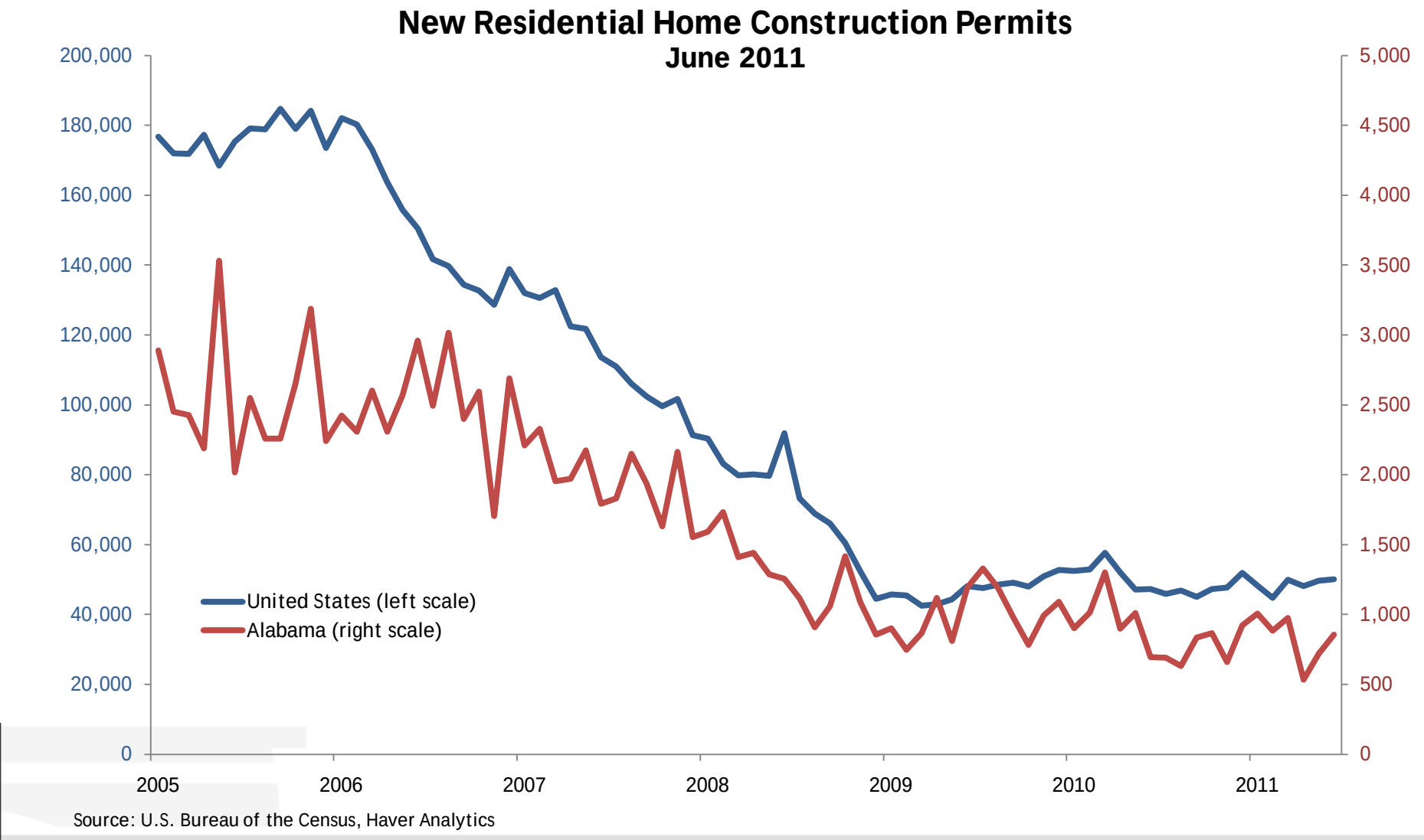


Source: Federal Housing Finance Agency, Haver Analytics

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

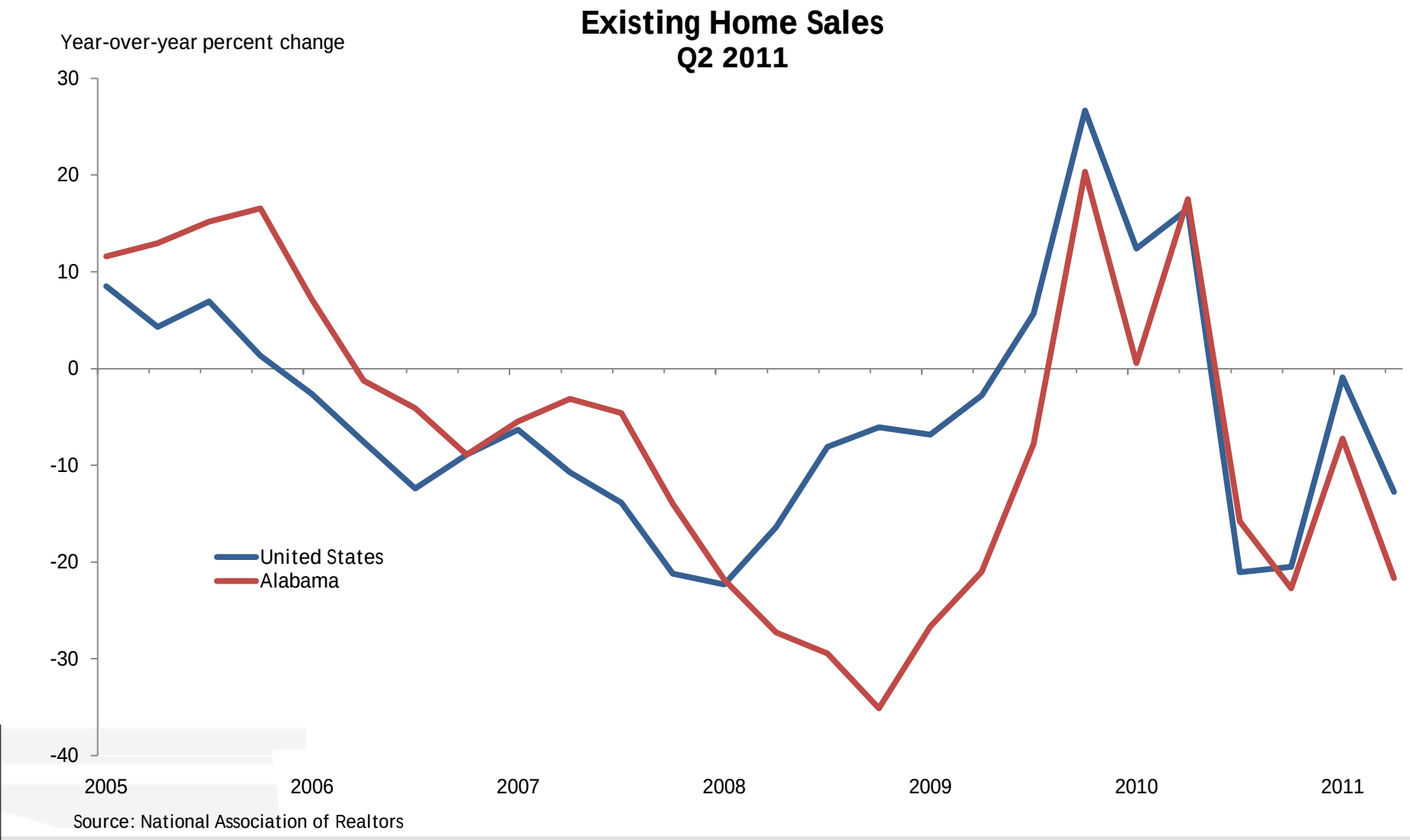
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

New home construction has stabilized at very low levels. There is little sign that construction activity will increase any time soon.



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

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



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