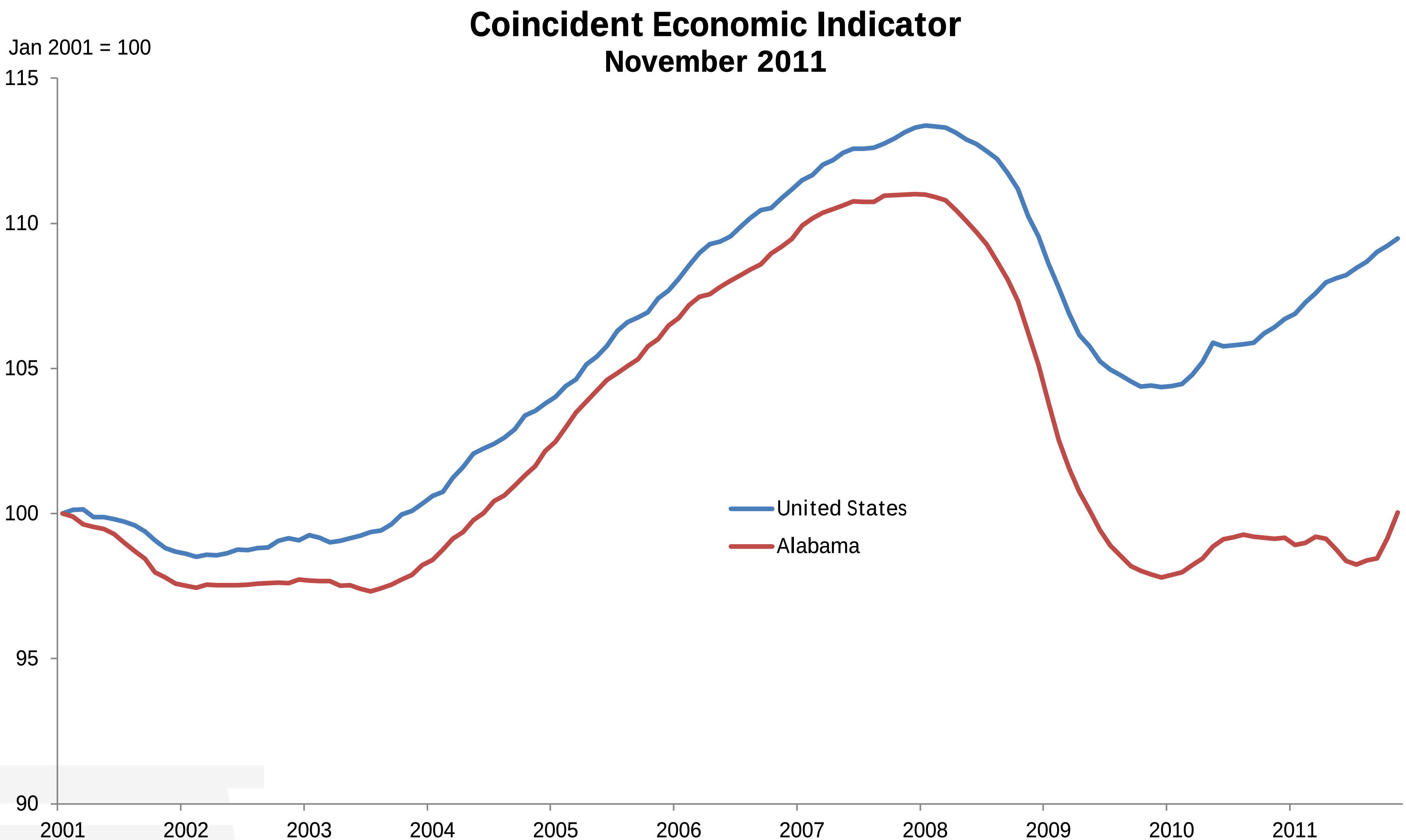
Data Digest: Alabama

January 2012

FEDERAL RESERVE BANK of ATLANTA

A broad indicator of U.S. economic activity continued to steadily improve in November. Although the indicator for Alabama remains below the national level, it has improved recently and is at its highest level since May 2009.

About the Coincident Economic Indicator



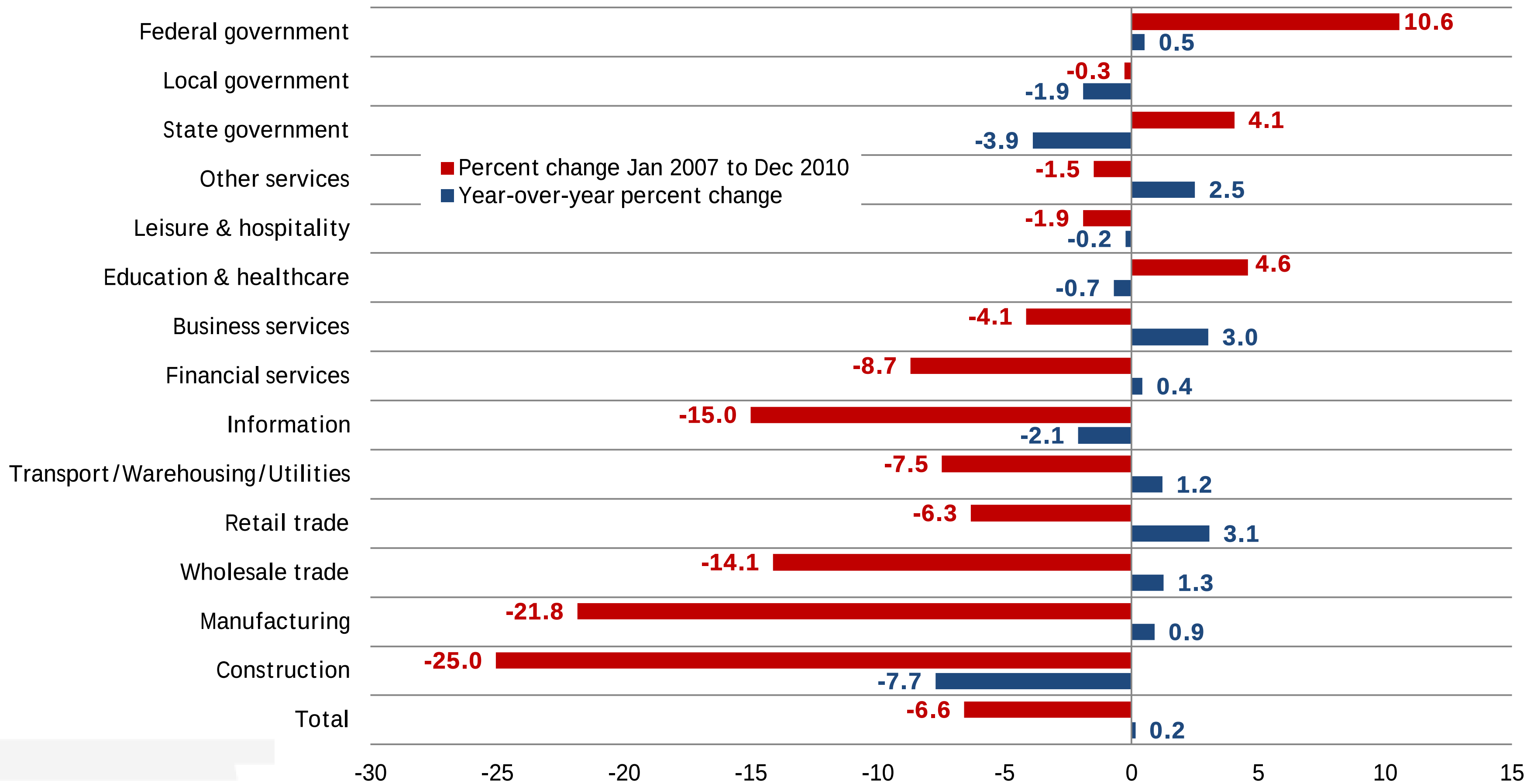
Source: Federal Reserve Bank of Philadelphia

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. Some sectors have seen modest job gains recently, while other industries have continued to shed jobs.

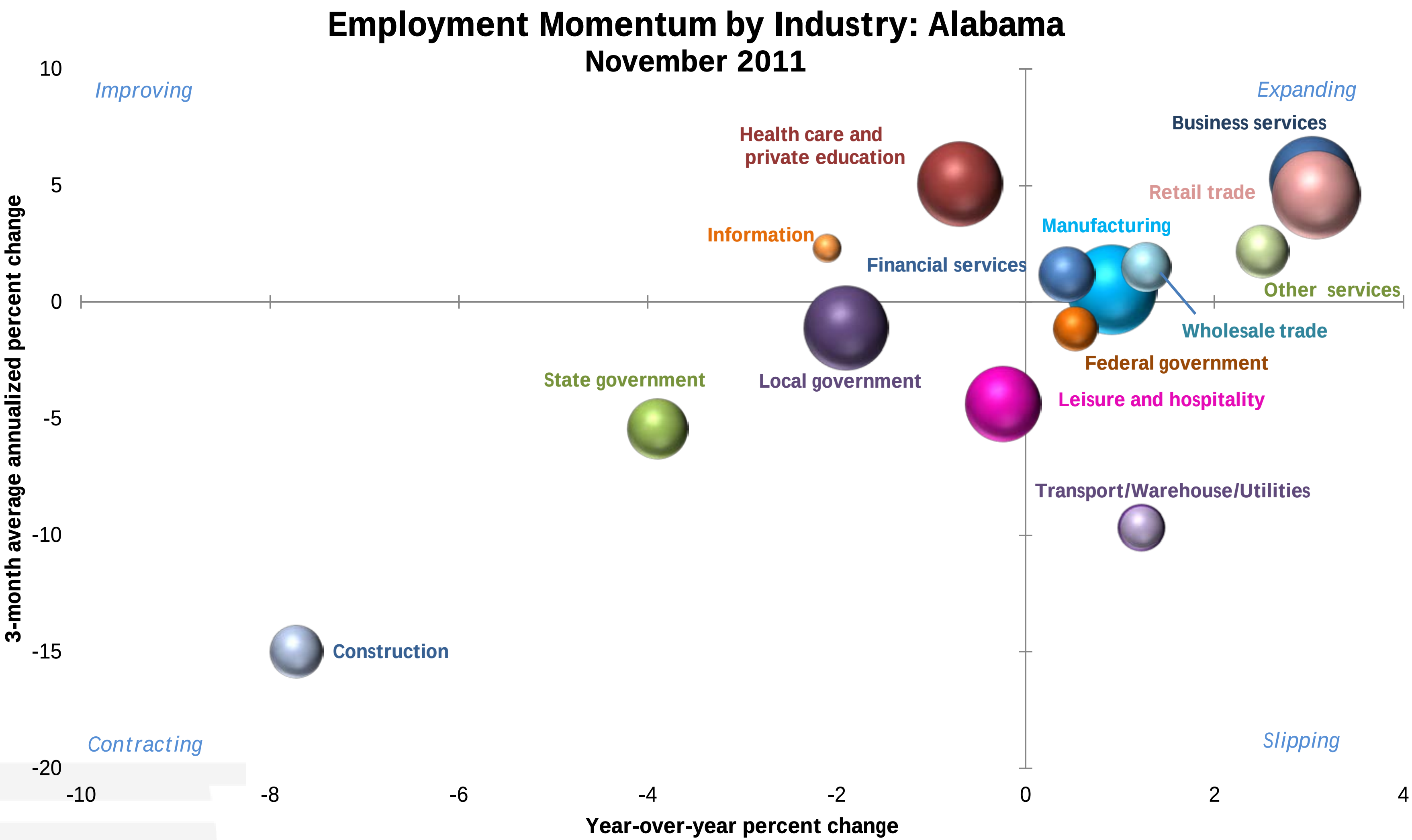
Employment Loss and Gain by Industry: Alabama
November 2011



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

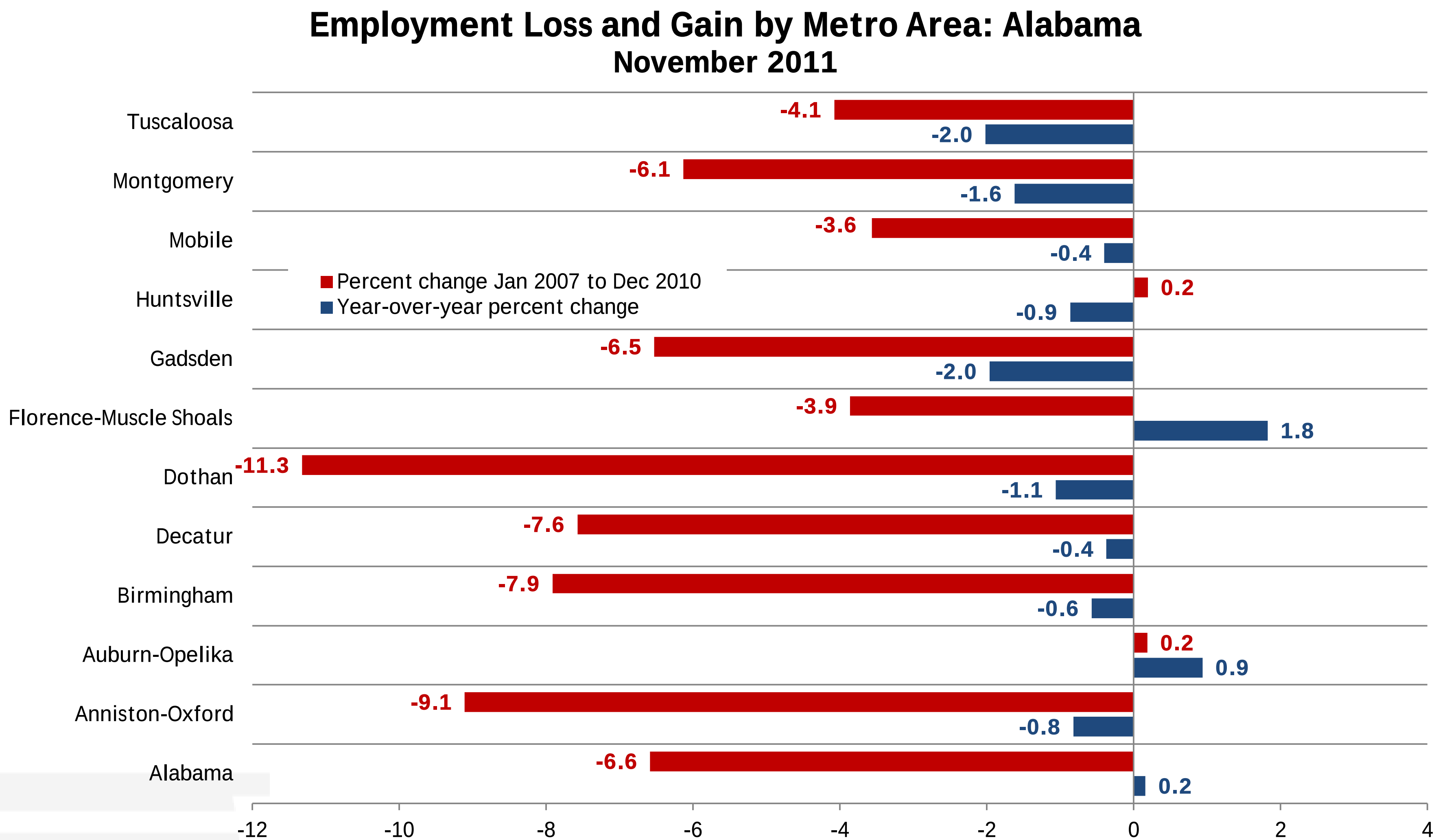
Employment momentum in retail trade, business services, manufacturing, financial services, other services, and wholesale trade expanded in November. Health care and private education and information continued improving, while construction contracted further.

About Employment Momentum



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

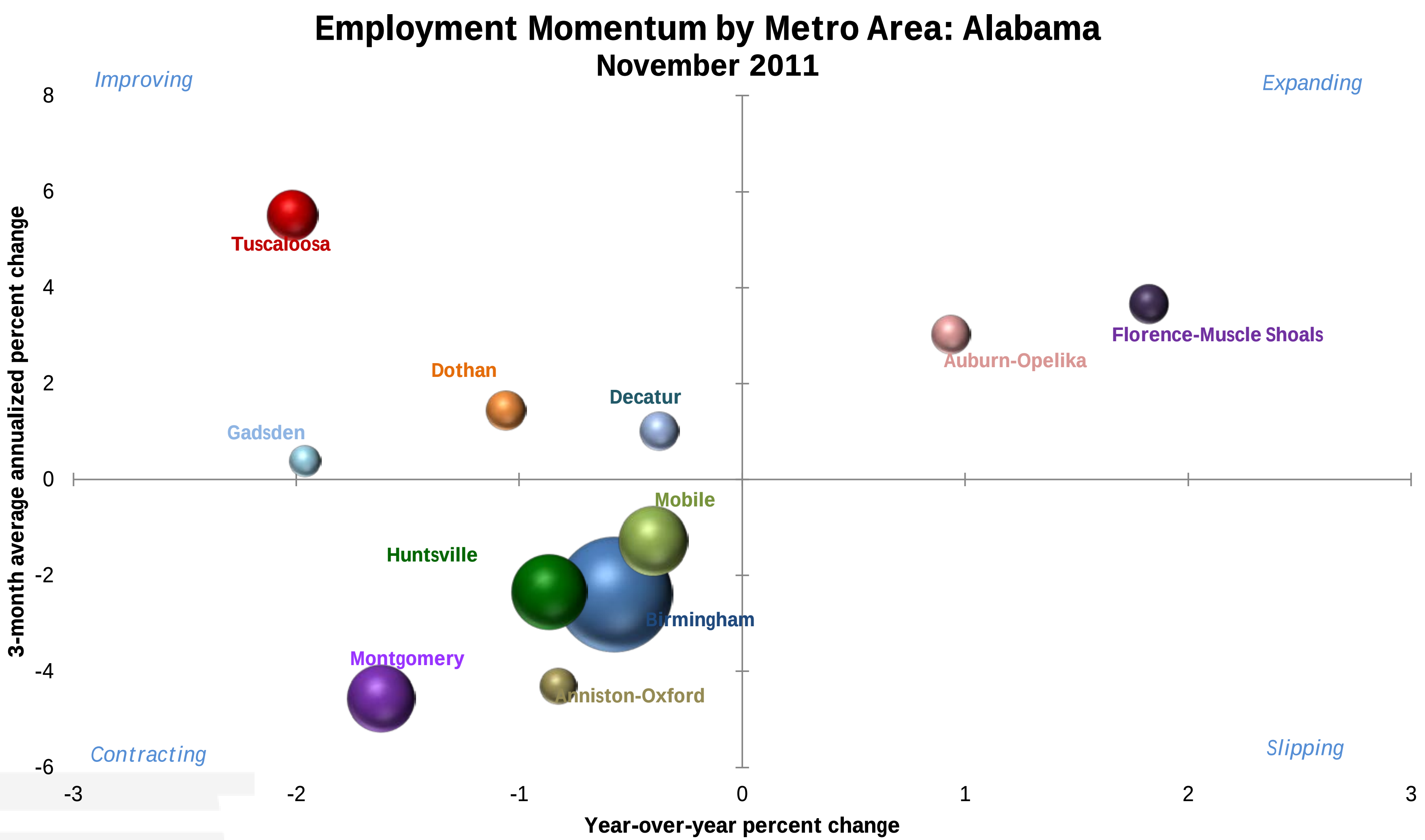
Job losses occurred throughout the state during the downturn. Auburn-Opelika and Florence-Muscle Shoals have added jobs during the last year while other metro areas have continued to lose jobs.



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, Decatur, Gadsden, and Tuscaloosa momentum is improving. Momentum in other metropolitan areas was in the contracting quadrant in November.

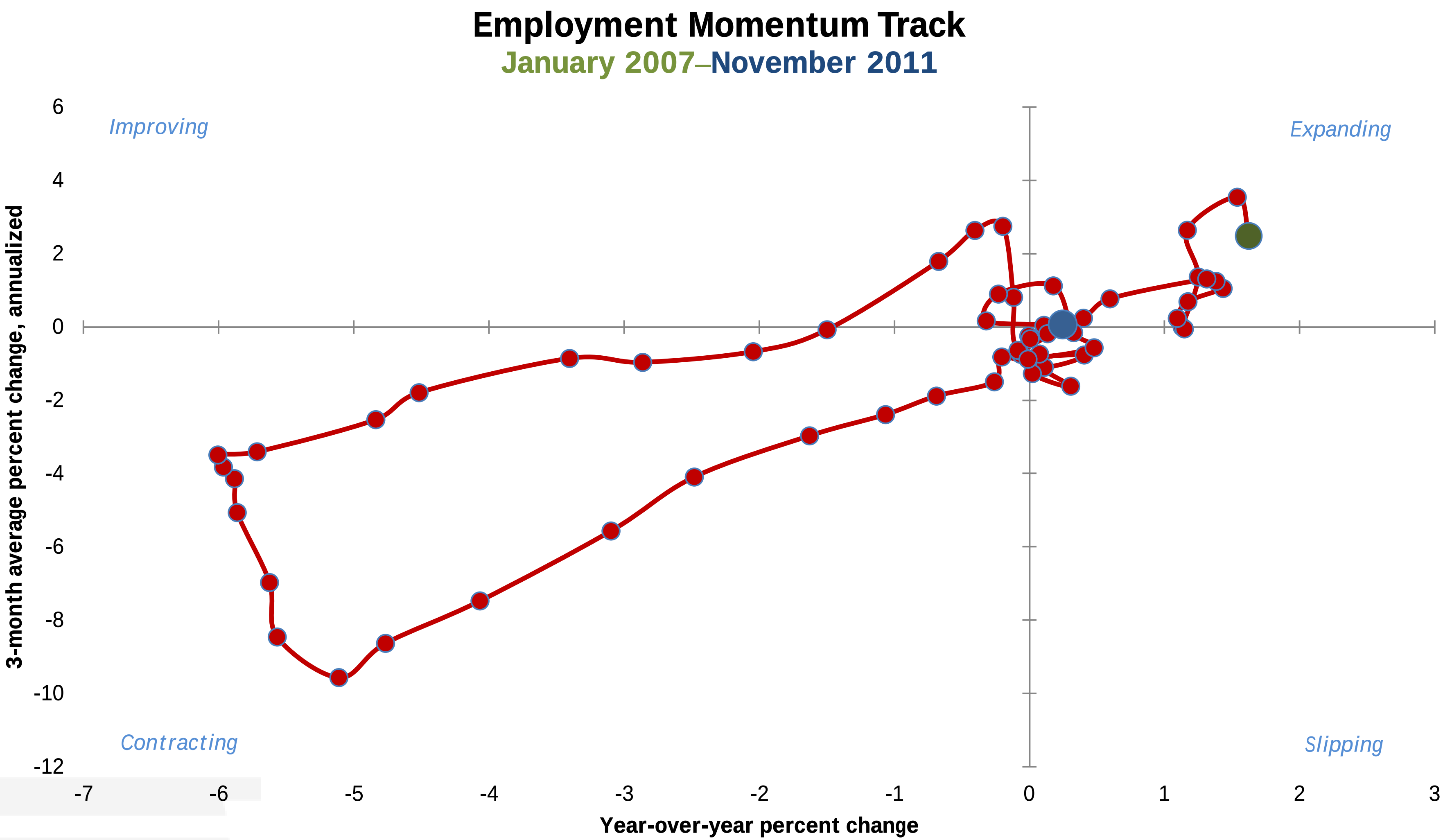
About Employment Momentum



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's employment momentum moved back into the expanding quadrant in November after contracting or slipping during the previous three months.

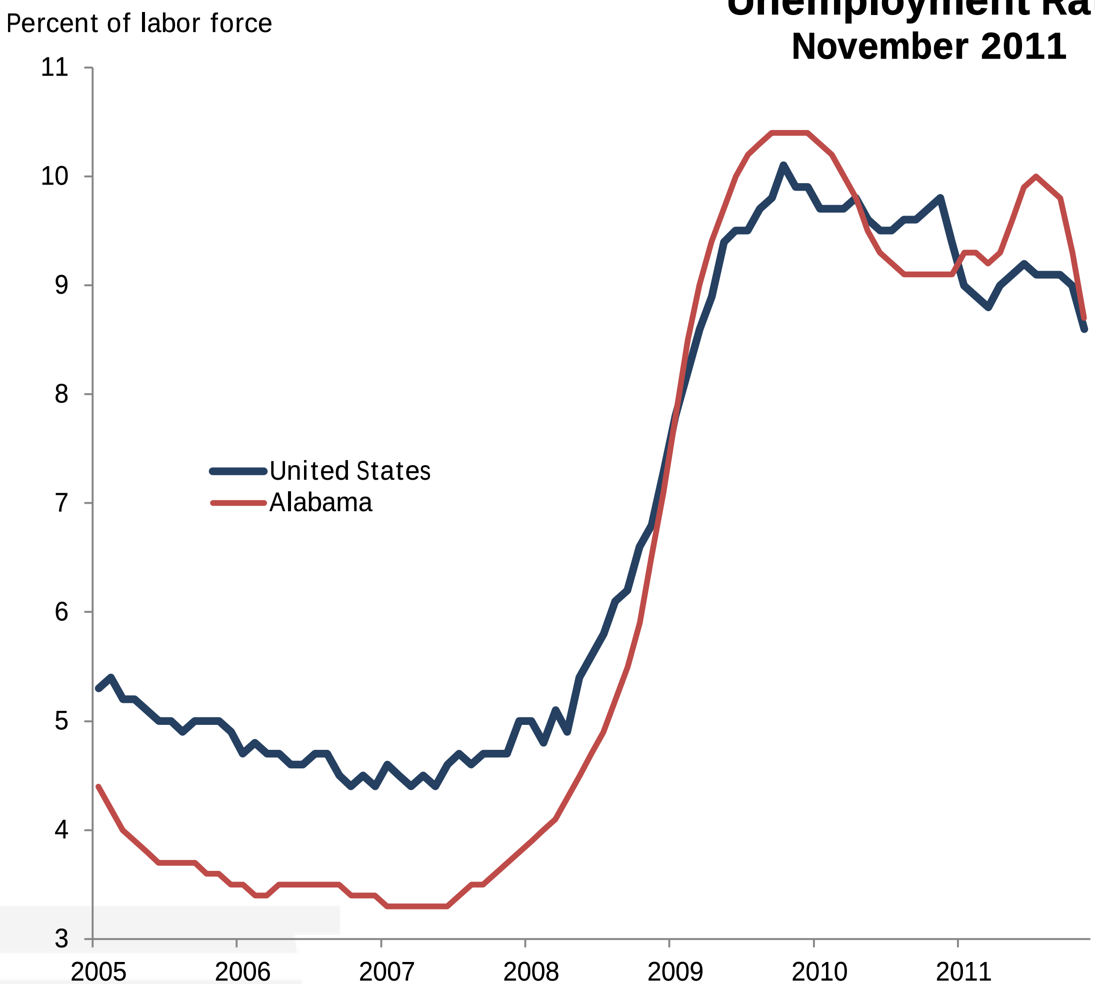
About Employment Momentum Track



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, but it remains slightly higher than the U.S. rate. Unemployment rates for the state and all metro areas are lower than year-ago rates.

Unemployment Rate
November 2011

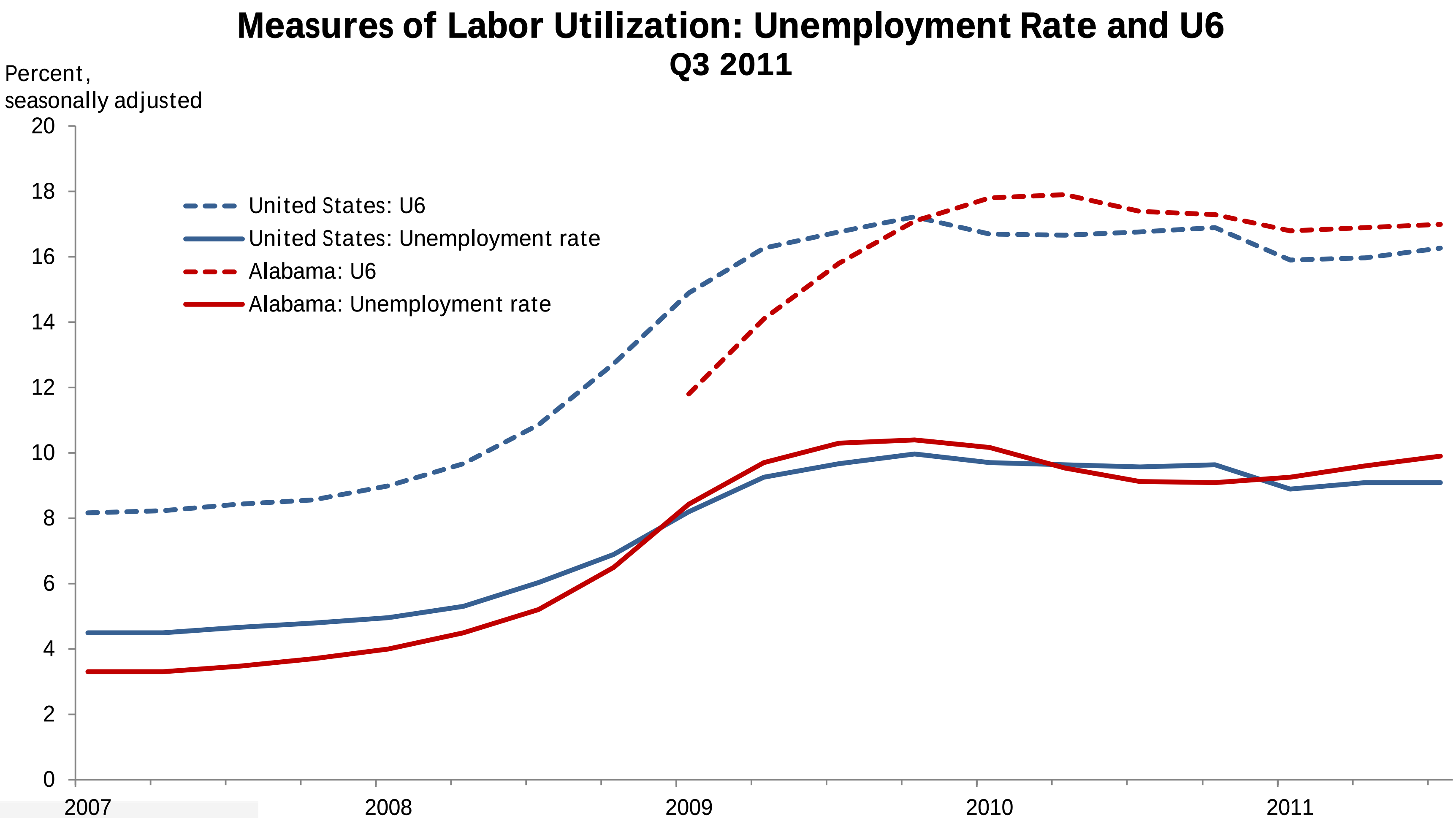


Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	8.6	9.8	4.6
Alabama	8.7	9.1	3.3
Anniston	8.0	8.9	3.5
Auburn-Opelika	6.8	7.6	3.5
Birmingham	7.3	8.5	3.3
Decatur	7.9	9.1	3.6
Dothan	7.4	8.3	3.3
Florence	7.4	8.2	4.2
Gadsden	8.1	8.7	4.1
Huntsville	6.8	7.2	3.0
Mobile	9.1	9.9	3.6
Montgomery	8.2	8.9	3.7
Tuscaloosa	7.5	8.2	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.

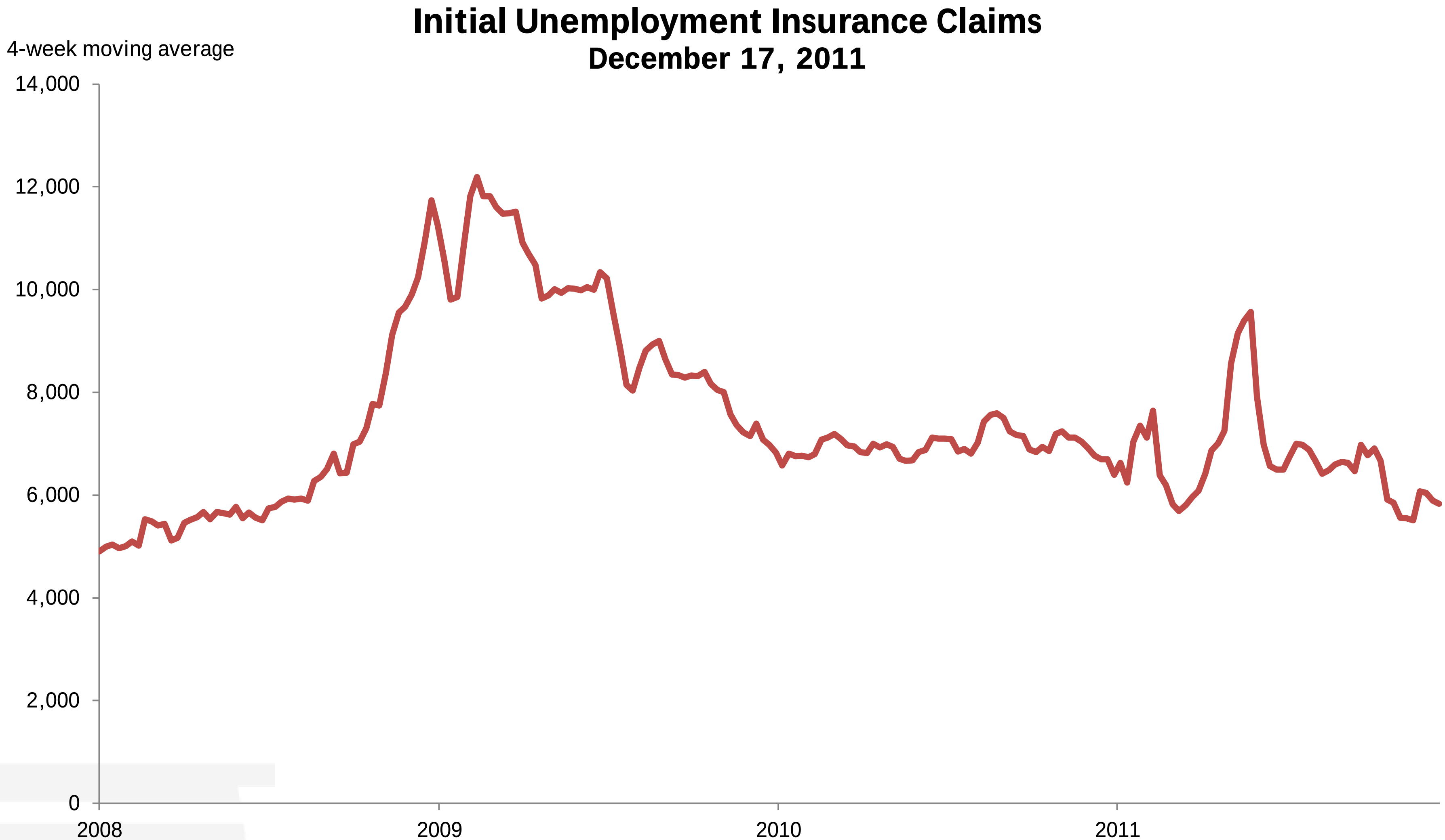
About Unemployment Rates



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

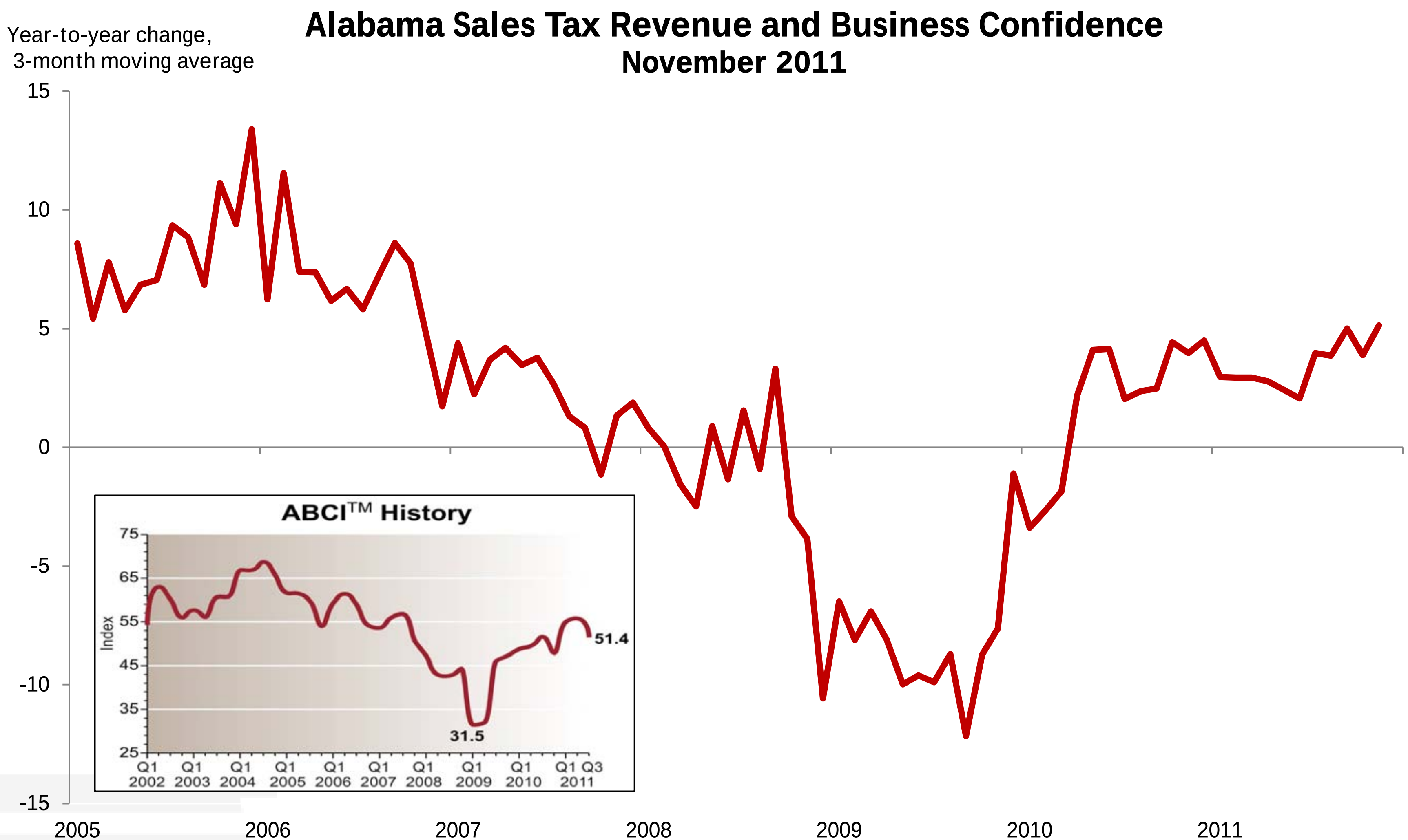
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial claims for unemployment insurance have drifted downward following the spike after tornadoes hit several parts of the state last April.



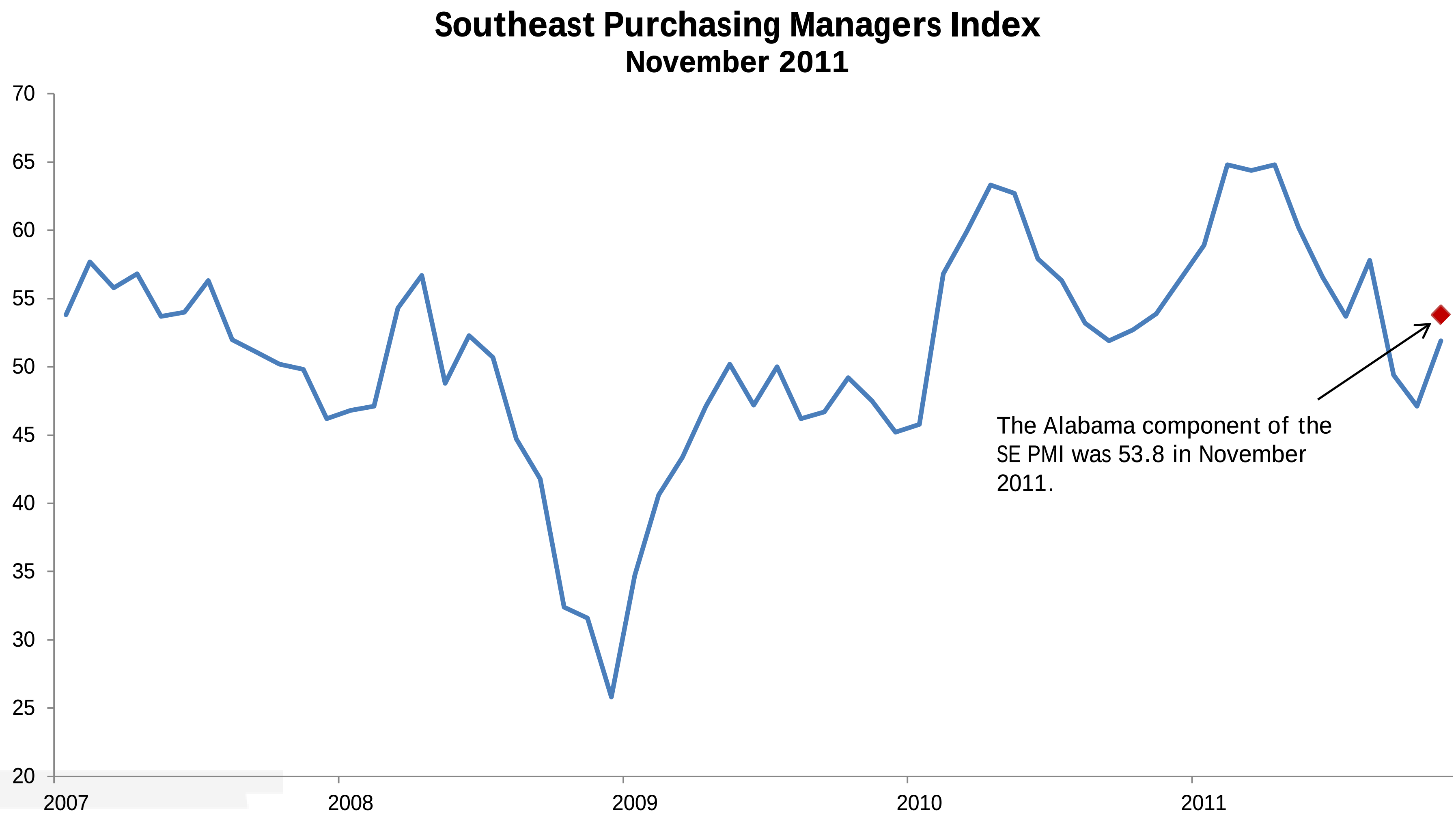
Source: U.S Department of Labor–Employment and Training Administration, Haver Analytics

Measures of consumer activity have recovered from recession lows. Sales tax revenues have continued to increase even as the University of Alabama's third-quarter business confidence survey indicated that confidence fell in most industries and in all four of the state's largest metro areas.



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

Regional manufacturing activity accelerated in November, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University, experiencing its first increase since August 2011. Alabama's component measure remains above the overall regional reading.

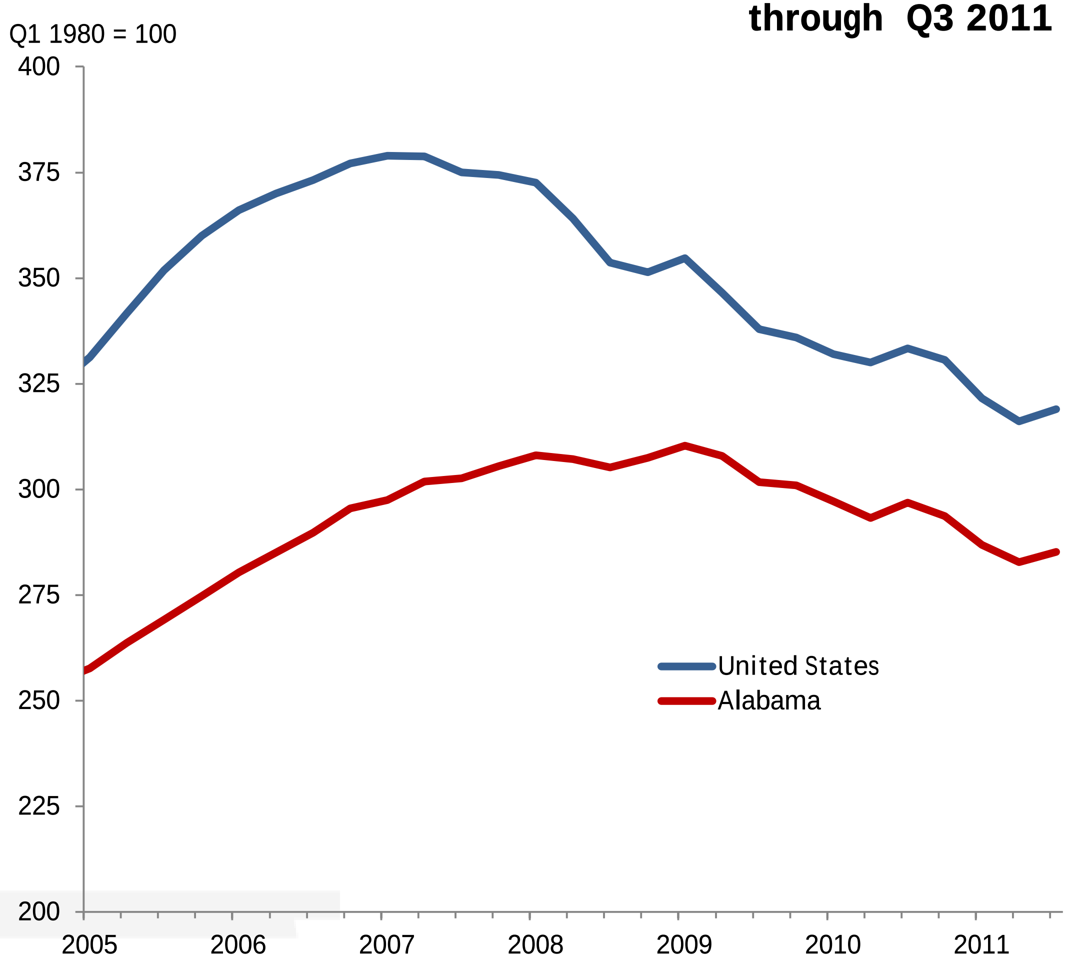


Note: 50+ = Expansion

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

Home prices improved somewhat during the third quarter.

Federal Housing Finance Agency Home Price Index
through Q3 2011

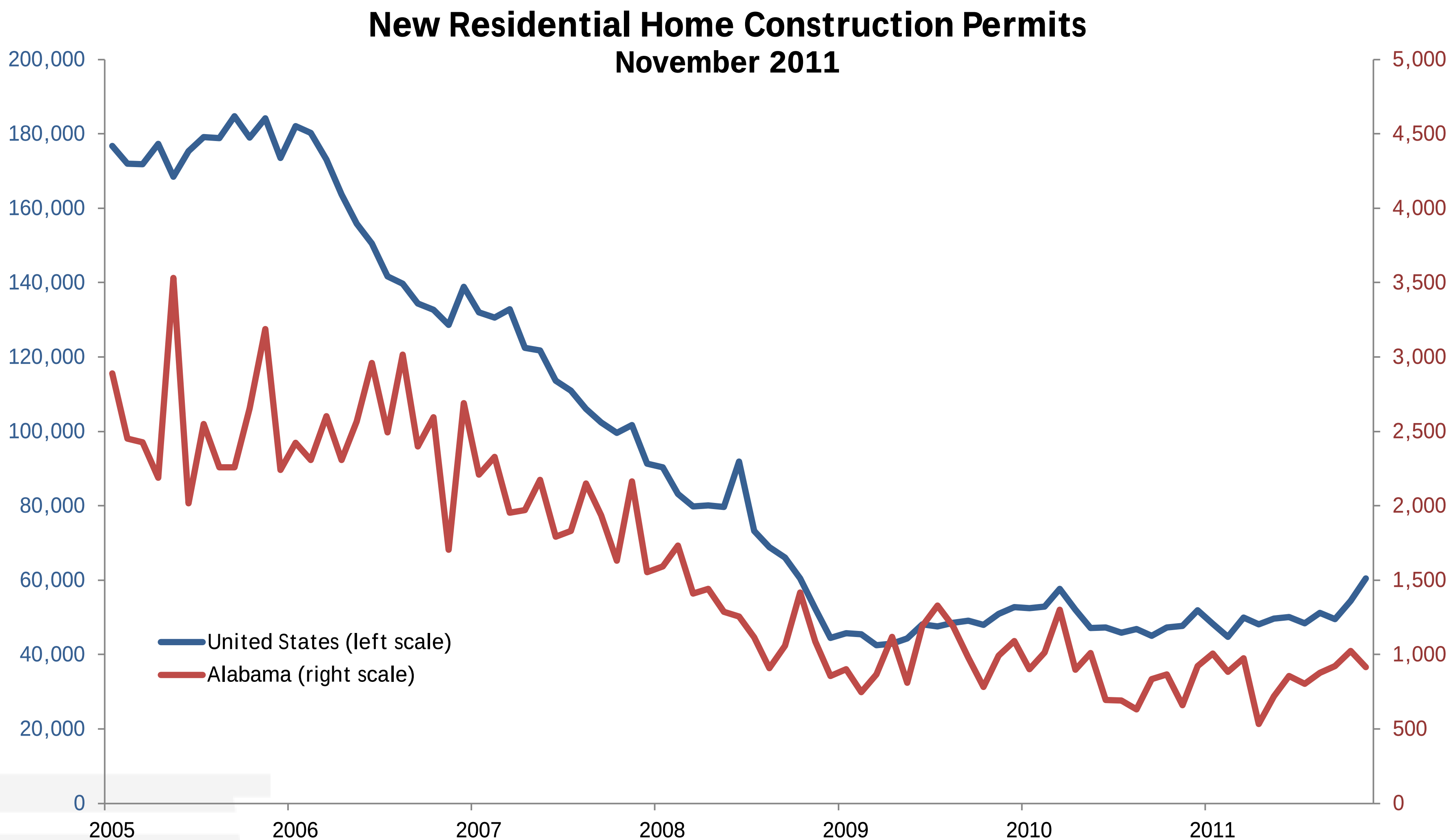


Source: Federal Housing Finance Agency, Haver Analytics

FHFA House Price Index: Q3 2011	1-yr % change	5-yr % change	10-yr % change
USA	-4.3	-14.5	25.5
Alabama	-3.9	-1.5	27.2
Anniston-Oxford	-5.2	-2.3	27.1
Auburn-Opelika	-5.0	-4.3	30.3
Birmingham	-4.4	-5.9	22.0
Decatur	-4.4	5.3	23.4
Dothan	-5.1	-0.7	25.7
Florence-Muscle Shoals	-1.3	8.6	30.0
Gadsden	-1.1	7.8	34.7
Huntsville	-2.9	6.0	32.8
Mobile	-6.0	-6.2	26.6
Montgomery	-5.5	-4.0	19.6
Tuscaloosa	-1.2	2.7	31.4

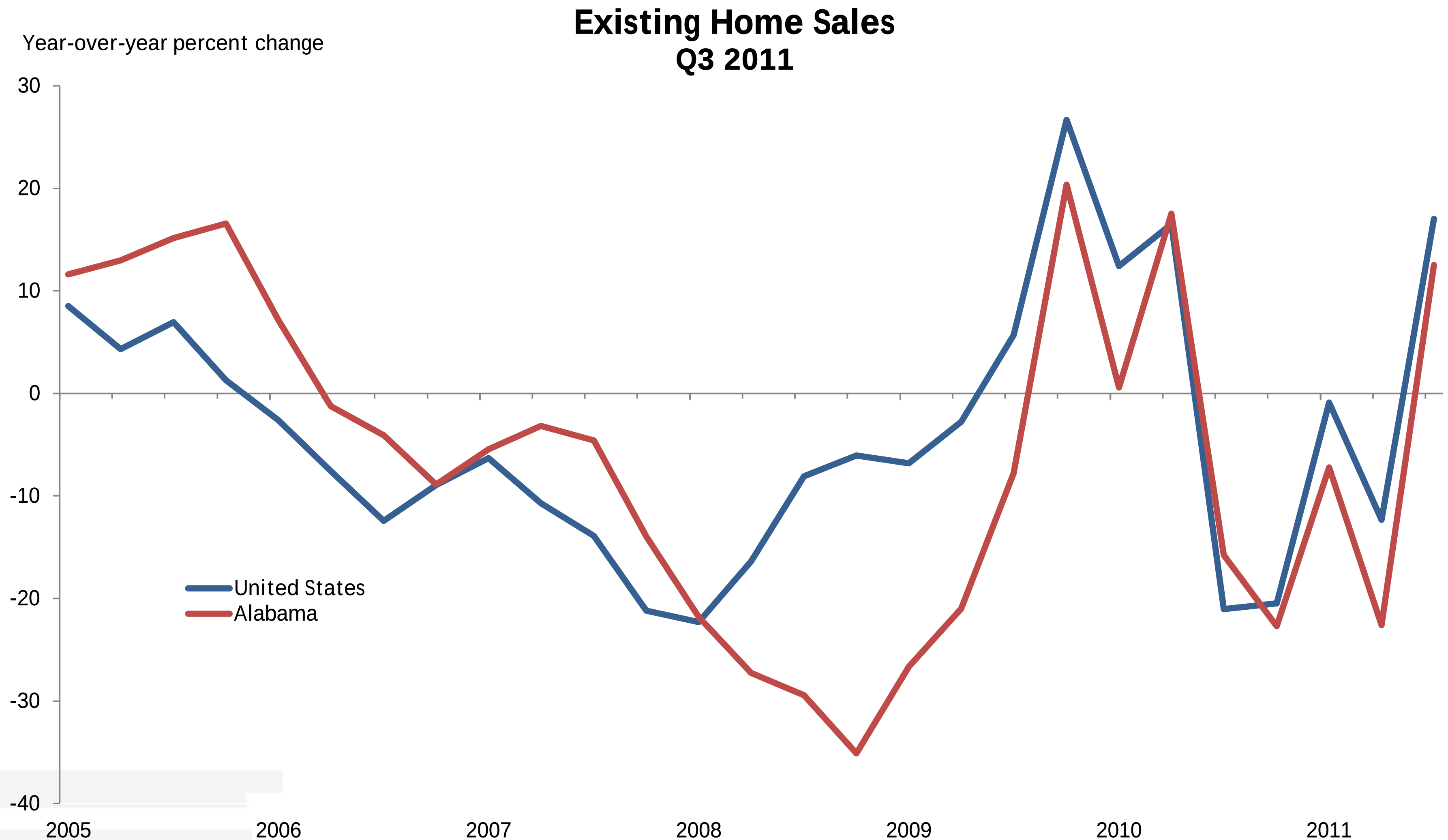
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

New home construction has stabilized at very low levels. In Alabama, the number of new residential construction permits dropped slightly in November after posting increases for the previous three months.



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

Existing home sales increased in the third quarter after declining during late 2010 and early 2011.



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.