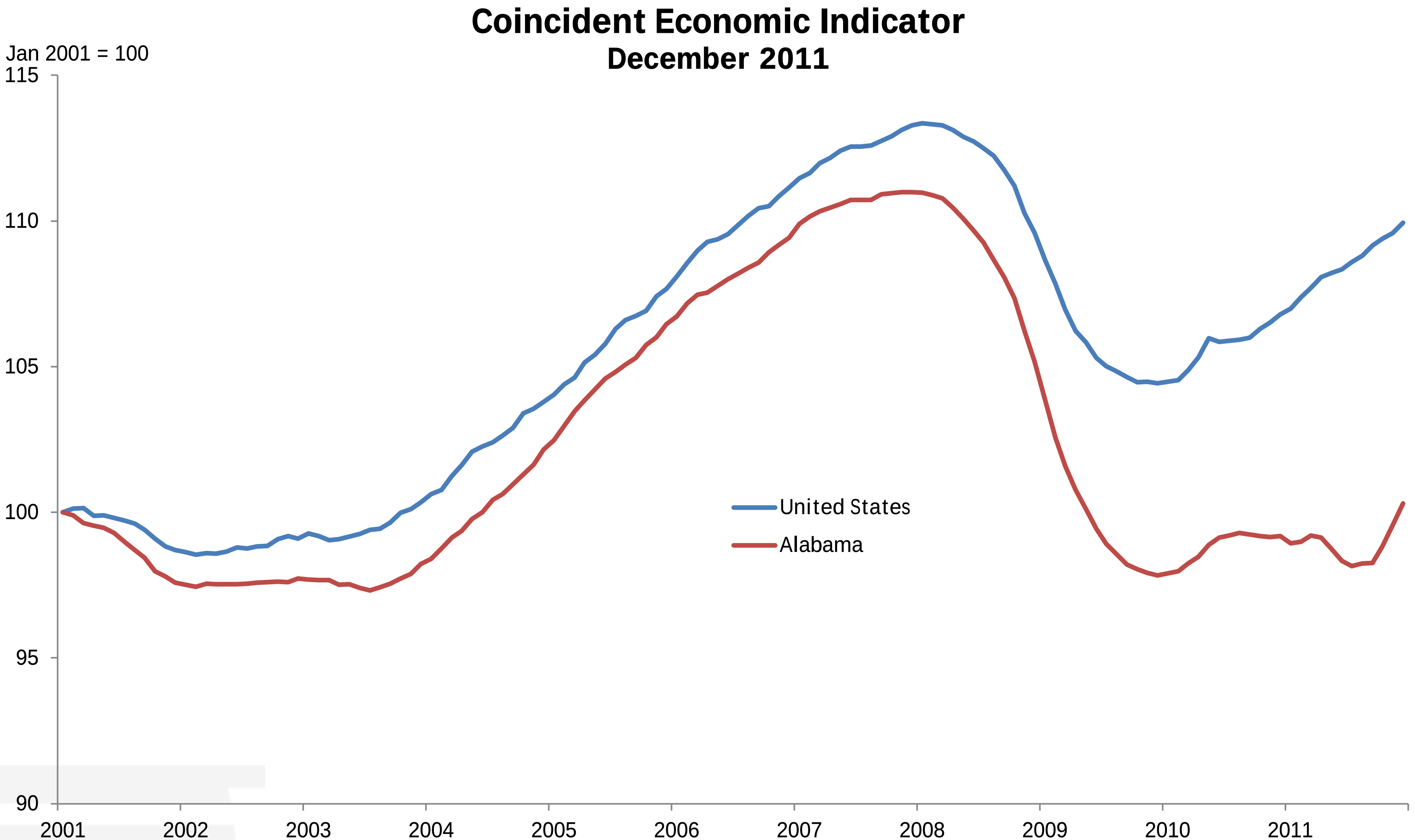
Data Digest: Alabama

February 2012

FEDERAL RESERVE BANK *of* ATLANTA

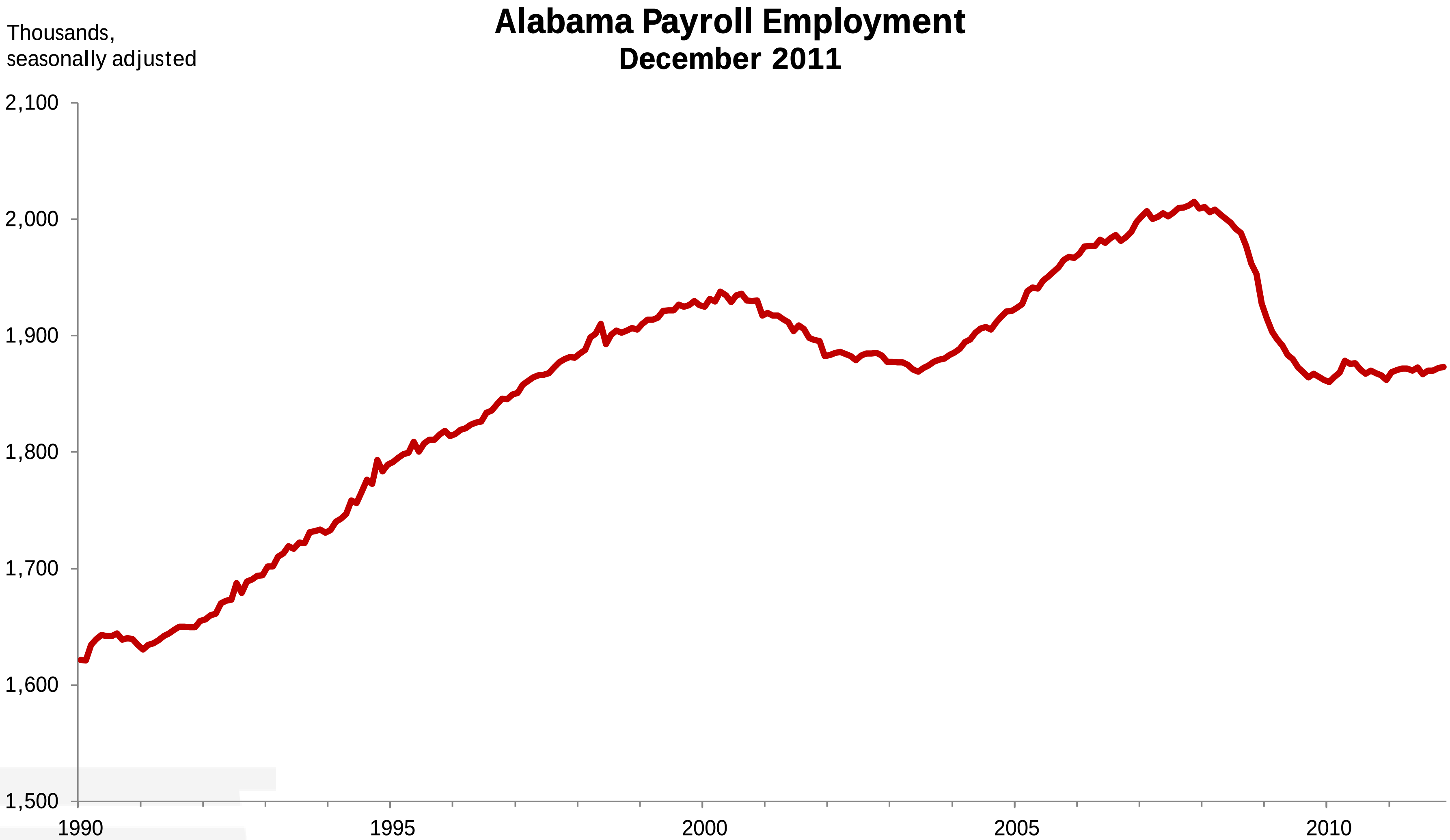
A broad indicator of U.S. economic activity continued to improve steadily in December. Although the indicator for Alabama remains below the national level, it has improved recently and is at its highest level since May 2009.

[About the Coincident Economic Indicator]



Source: Federal Reserve Bank of Philadelphia

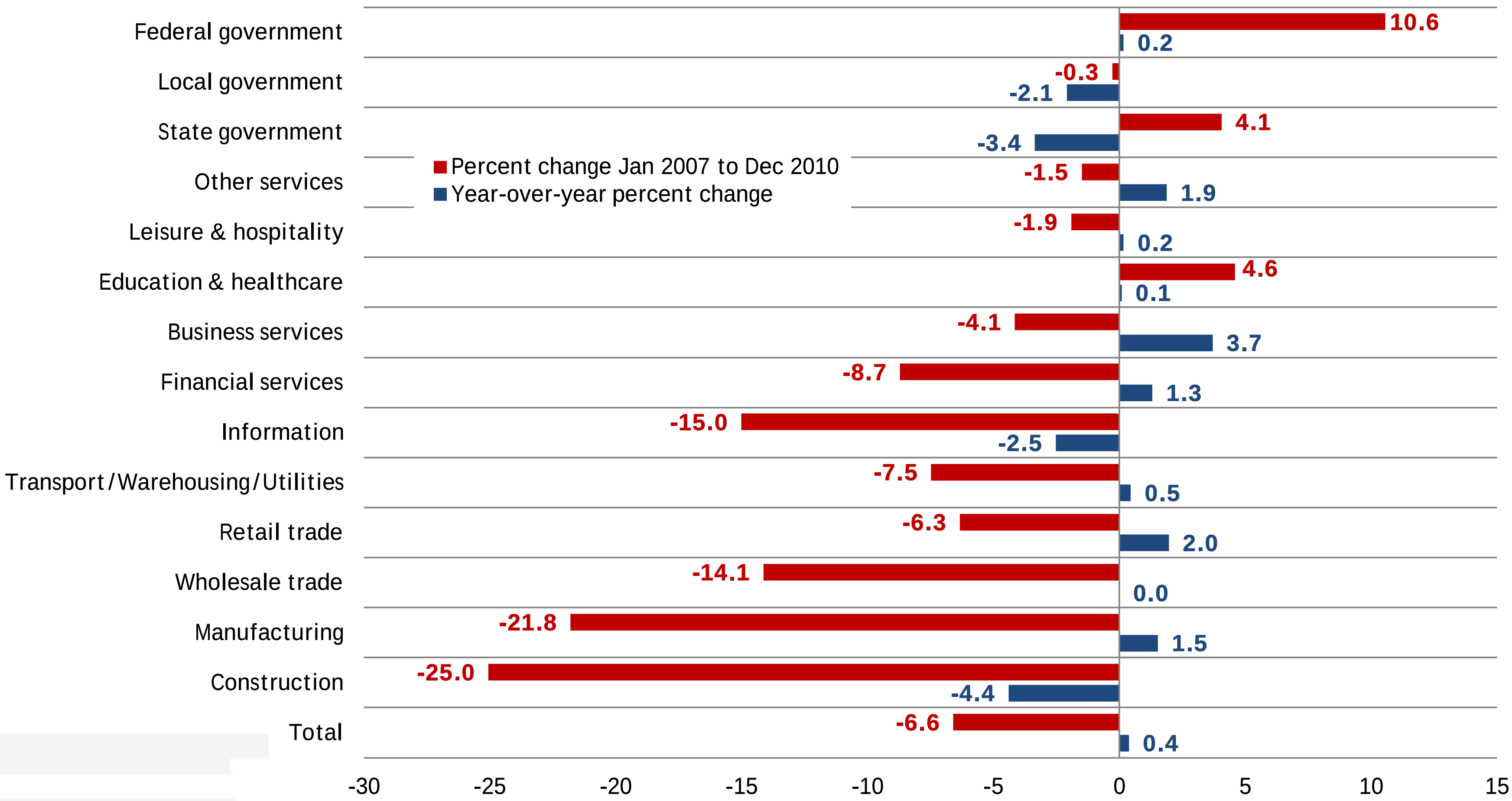
Total employment in Alabama has stabilized near recession lows and job gains remain modest.



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 continue to shed jobs.

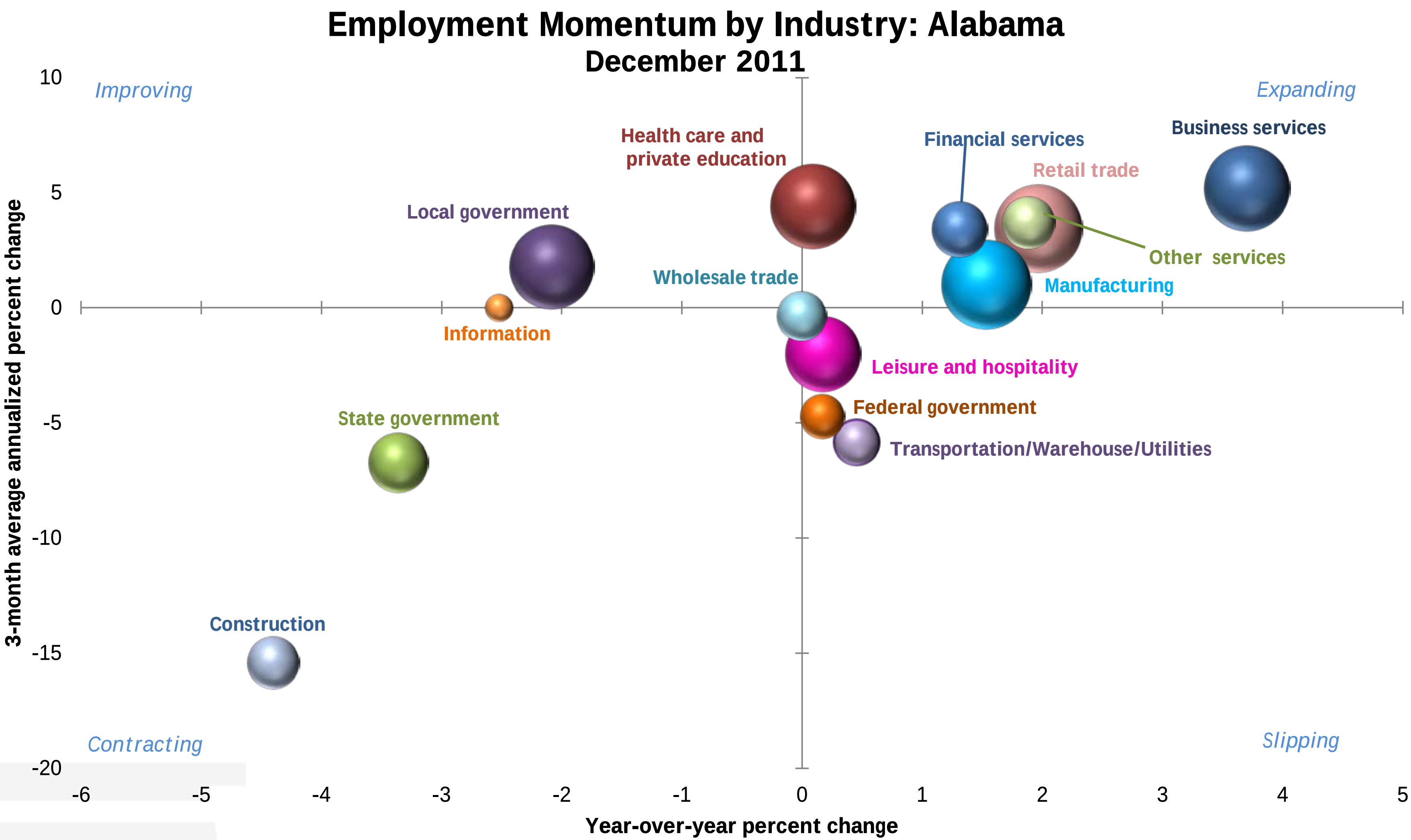
Employment Loss and Gain by Industry: Alabama
December 2011



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

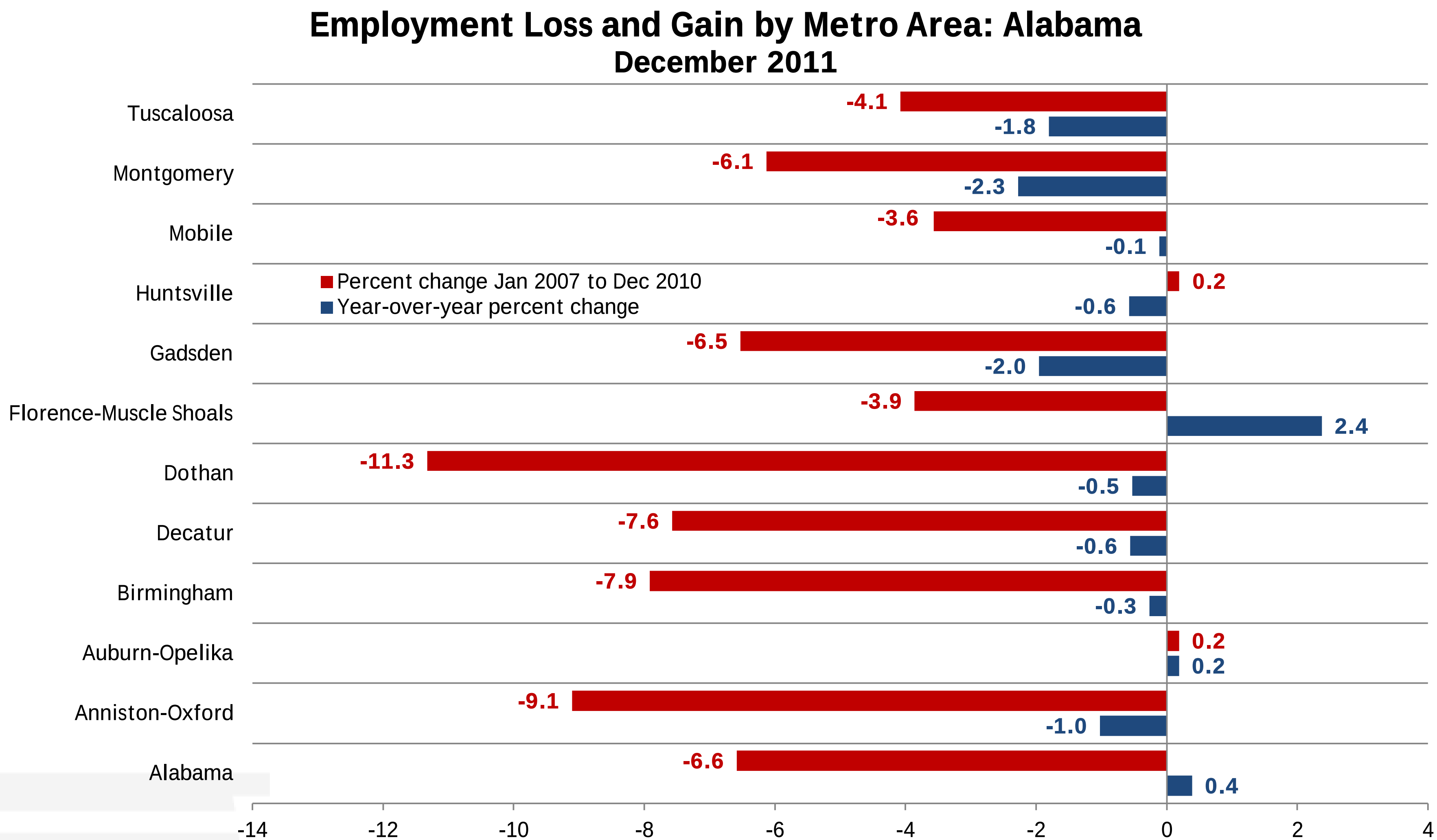
Employment momentum in retail trade, business services, manufacturing, financial services, other services, and health care and private education expanded in December. Local government momentum improved, while construction and state government contracted.

About Employment Momentum



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

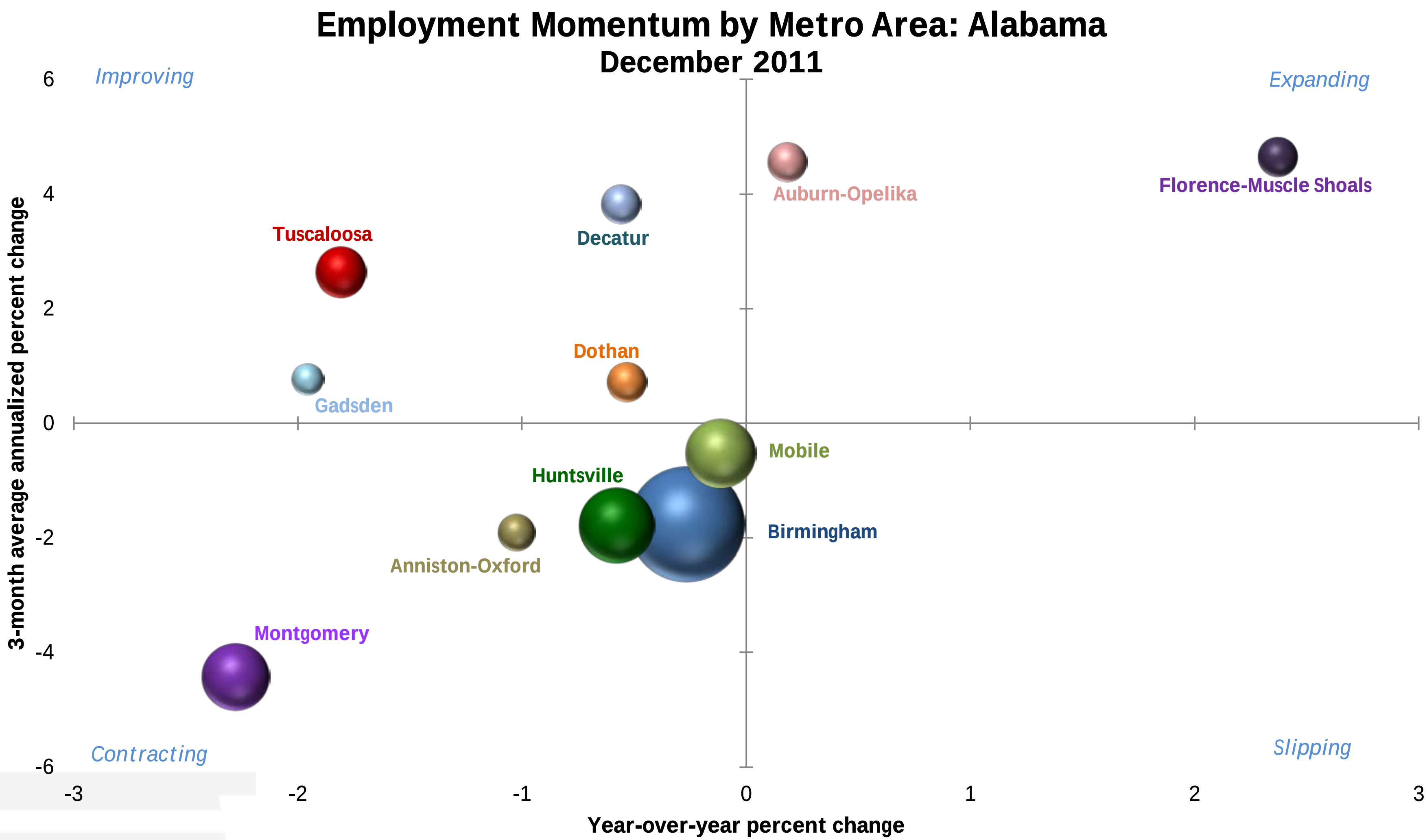
Job losses occurred throughout the state during the downturn. Auburn-Opelika and Florence-Muscle Shoals have added jobs during the last year while employment in other metro areas remains lower than year-ago numbers.



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 remained in the contracting quadrant in December.

[About Employment Momentum]



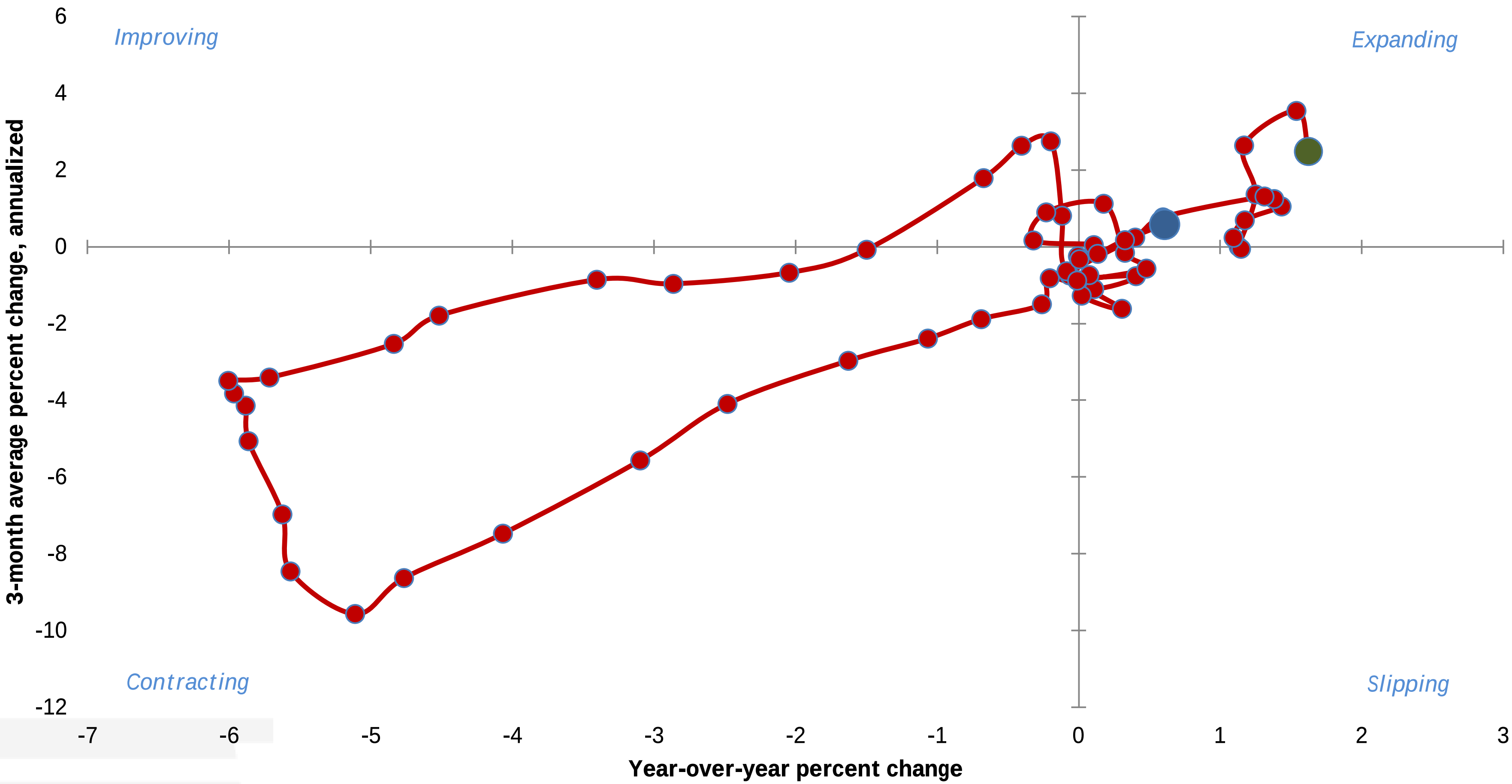
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

The state's employment momentum track has not changed much in recent months. Alabama's employment momentum moved further into the expanding quadrant in December after contracting or slipping from August through October.

About Employment Momentum Track

Employment Momentum Track

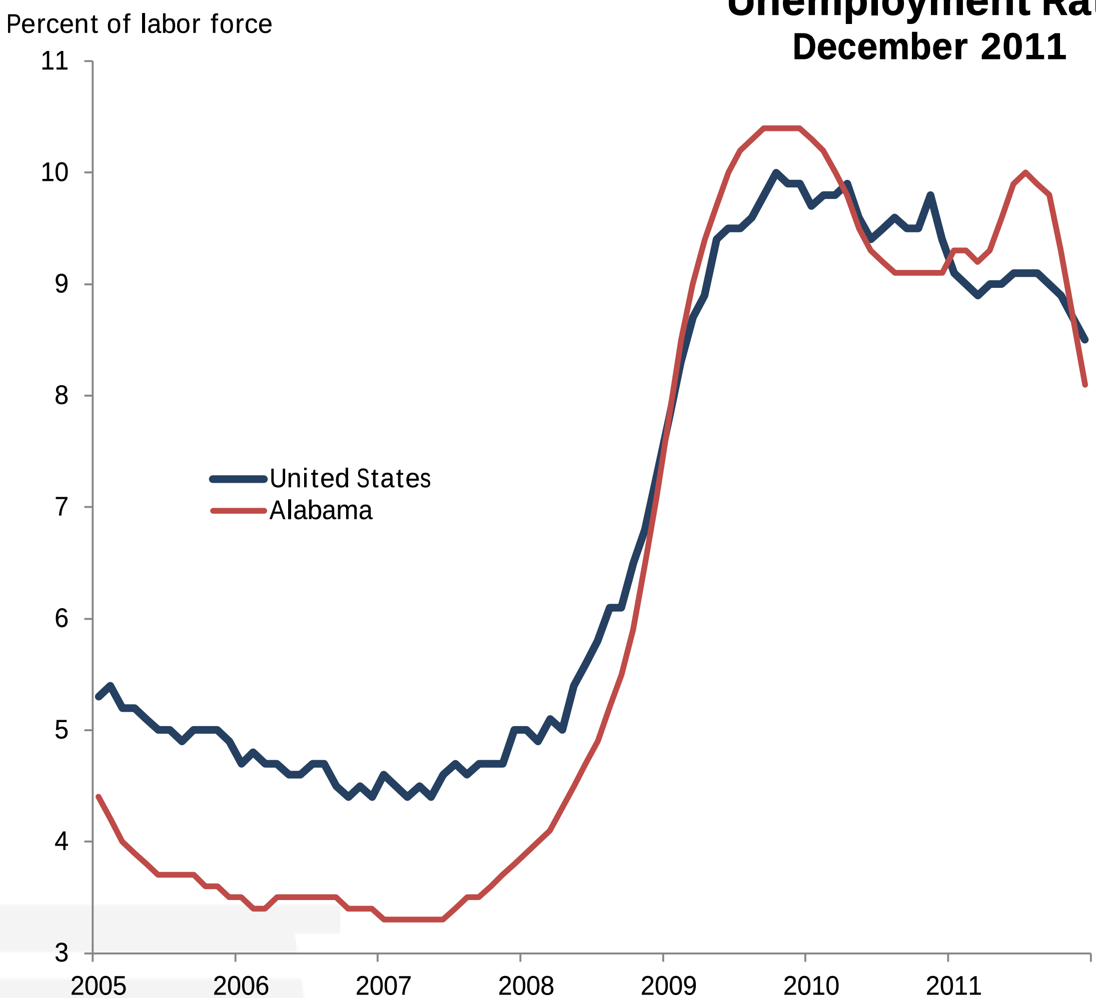
January 2007–December 2011



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. Alabama's rate fell during the last half of 2011 and is now below the U.S. rate again. Unemployment rates for the state and all metro areas are lower than year-ago rates.

Unemployment Rate
December 2011



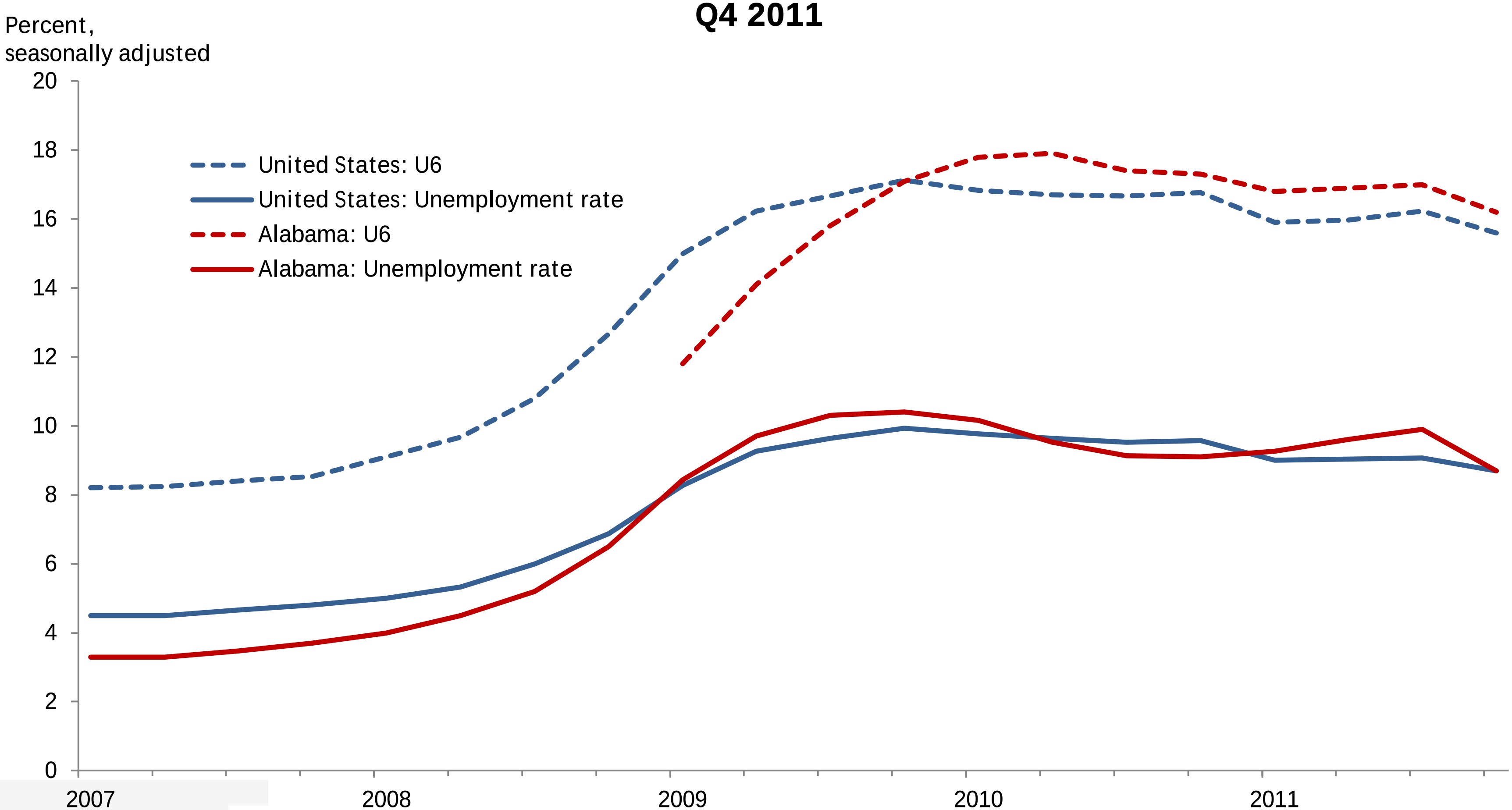
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	8.5	9.4	4.6
Alabama	8.1	9.1	3.3
Anniston	7.5	8.7	3.5
Auburn-Opelika	6.4	7.5	3.5
Birmingham	6.8	8.3	3.3
Decatur	7.4	8.9	3.6
Dothan	7.1	8.1	3.3
Florence	7.0	8.4	4.2
Gadsden	7.6	8.6	4.1
Huntsville	6.4	7.2	3.0
Mobile	8.4	9.7	3.6
Montgomery	7.7	8.7	3.7
Tuscaloosa	7.0	8.0	3.2

Alternative measures of labor underutilization for Alabama—namely, the U6 figure—show that about 16 percent of the state's labor force is unemployed or underemployed, which is slightly higher than comparable U.S. measures.

About Unemployment Rates

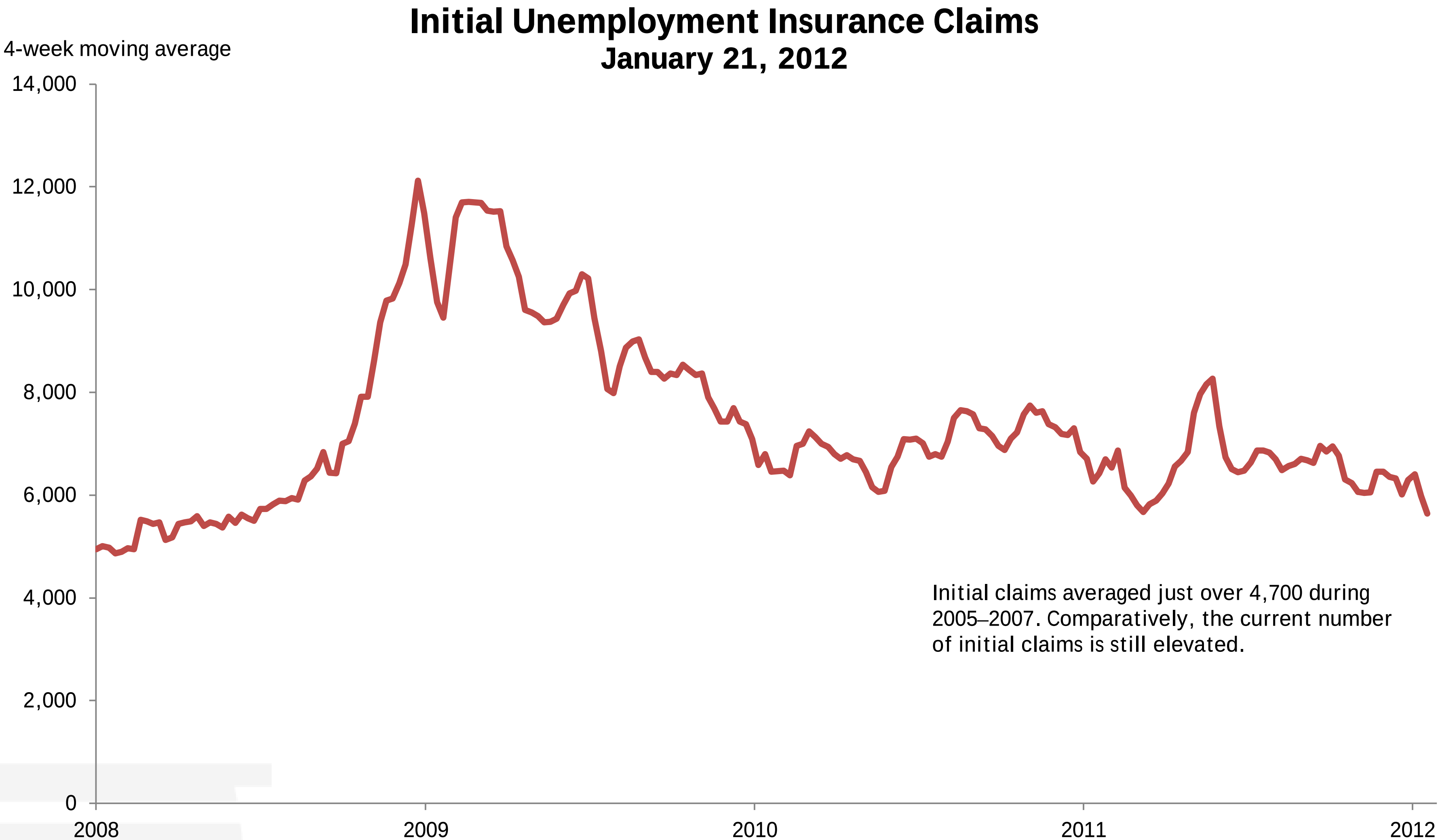
Measures of Labor Utilization: Unemployment Rate and U6
Q4 2011



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

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

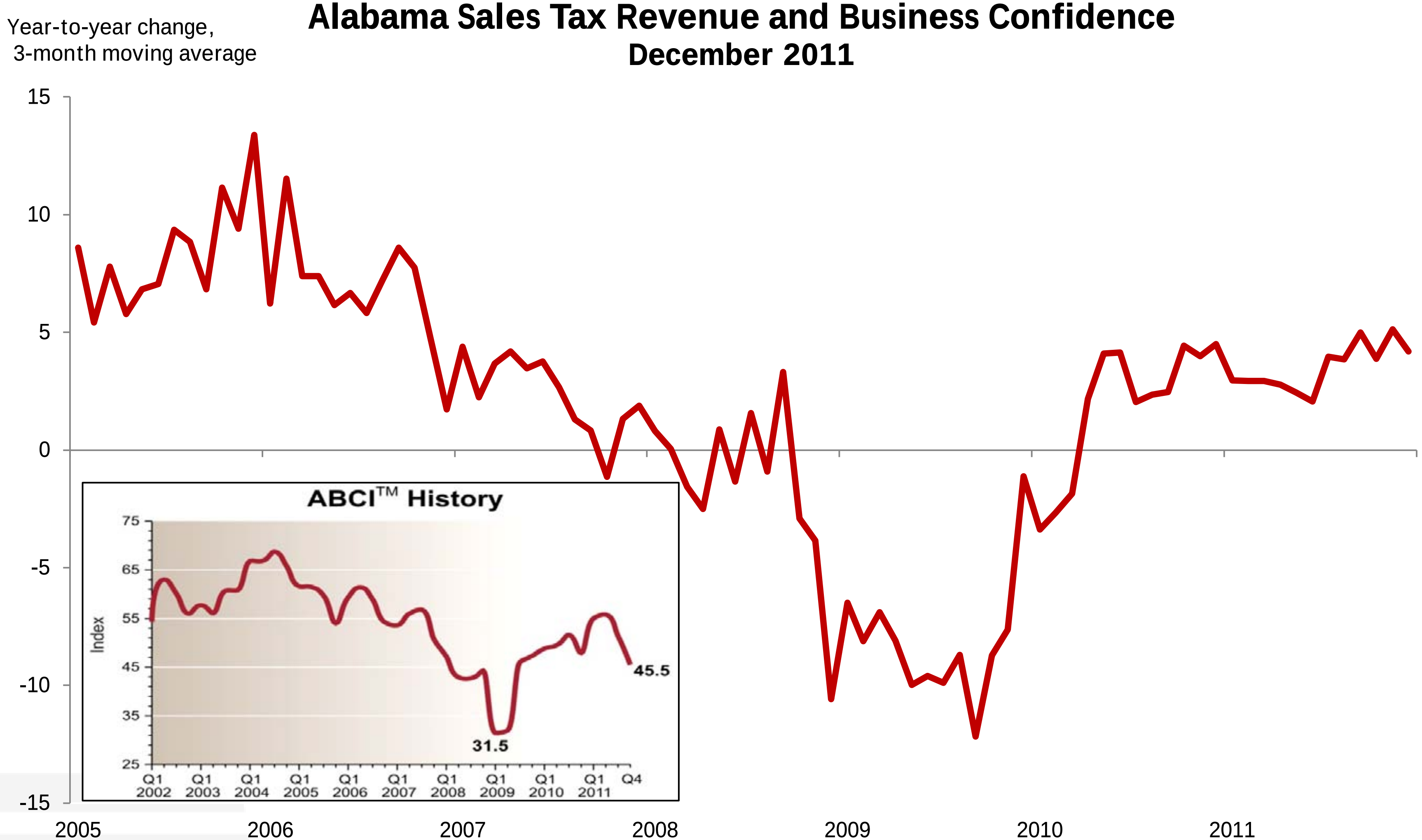
Initial claims for unemployment insurance have drifted downward following the spike after tornadoes hit several parts of the state last April.



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

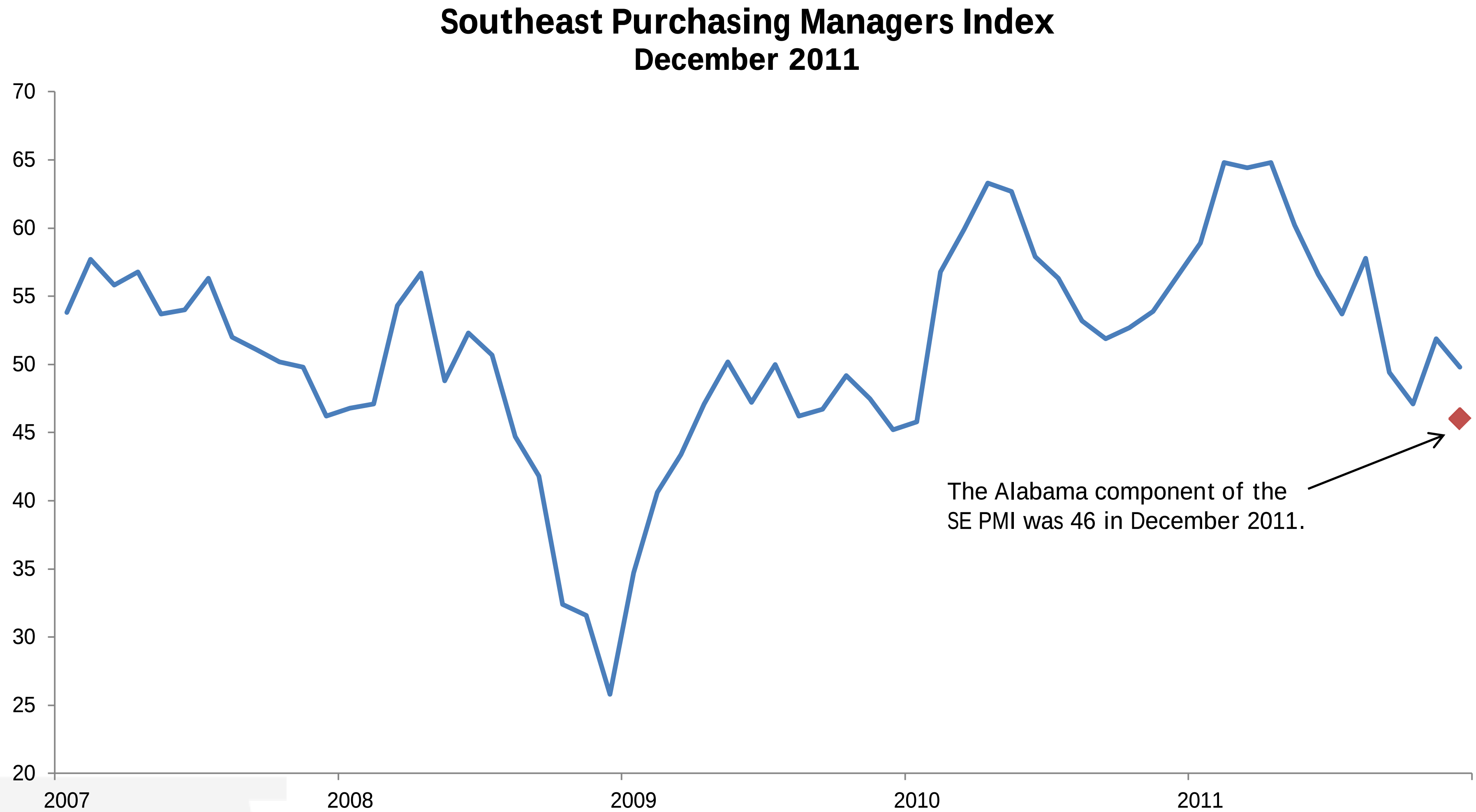
Business confidence, as measured by the University of Alabama's survey, fell further during the fourth quarter. Business confidence was below 50 for every industry group and in all four of the state's largest metro areas. The pace of growth in sales tax revenues slowed from November, but has increased over last year.

Alabama Sales Tax Revenue and Business Confidence
December 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 December, according to the Southeast Purchasing Managers Index (PMI) produced by Kennesaw State University. Alabama's component measure fell below the overall regional reading for the first time in five months.

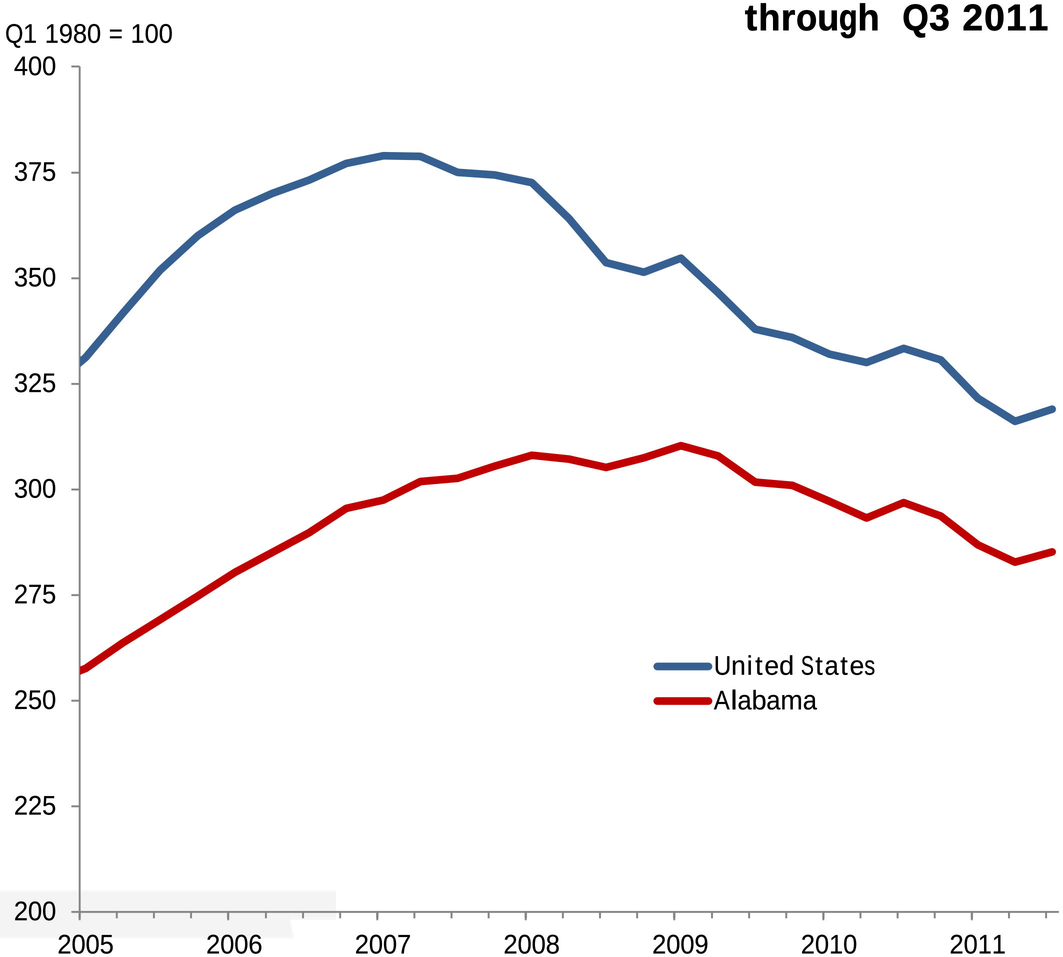


Note: 50+ = Expansion

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

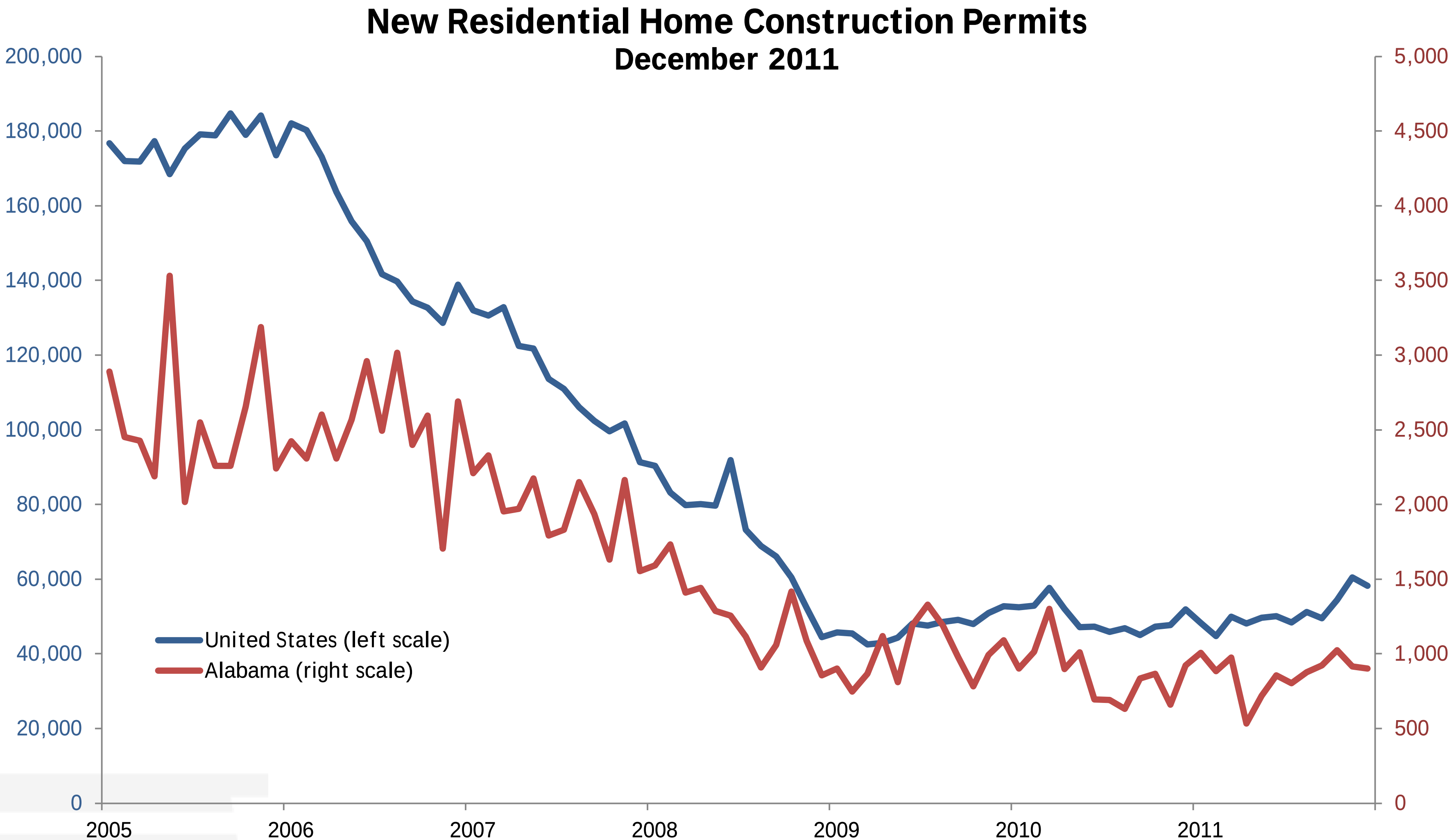


FHFA House Price Index: Q3 2011	1-yr % change	5-yr % change	10-yr % change
USA	-4.3	-14.5	25.5
Alabama	-3.9	-1.5	27.2
Anniston-Oxford	-5.2	-2.3	27.1
Auburn-Opelika	-5.0	-4.3	30.3
Birmingham	-4.4	-5.9	22.0
Decatur	-4.4	5.3	23.4
Dothan	-5.1	-0.7	25.7
Florence-Muscle Shoals	-1.3	8.6	30.0
Gadsden	-1.1	7.8	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

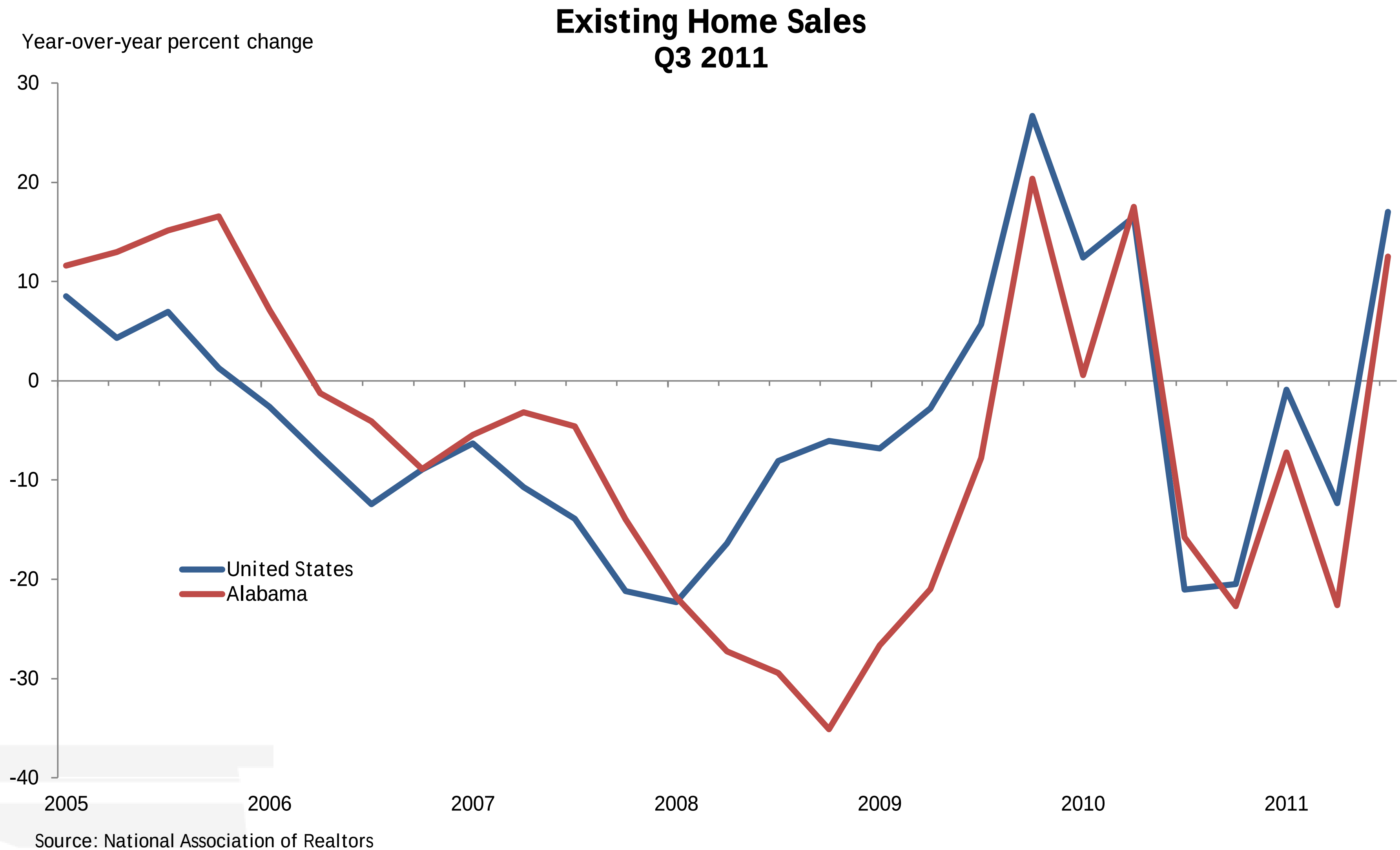
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

New home construction has stabilized at very low levels. In Alabama, the number of new residential construction permits dropped slightly in November and December 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.



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