

ALABAMA ECONOMIC OUTLOOK

2021

THE UNIVERSITY OF
ALABAMA

Culverhouse
College of Business
Center for Business and Economic Research

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UNITED STATES ECONOMIC OUTLOOK

2021 FORECAST SUMMARY

The coronavirus disease of 2019 (COVID-19) terminated the longest U.S. economic recovery on record. Economic growth declined during the first two quarters of 2020, averaging -5.0 and -31.4 percent respectively, but grew by 33.4 percent in the third quarter. In the fourth quarter, the growth rate was 4.0 percent. The economy made significant improvements in the second half of 2020, overall GDP was still 3.6 percent below its 2019 level.

For the year, the GDP is expected to fall by 3.6 percent in 2020 and grow by 4.0 percent in 2021, followed by 3.9 percent growth in 2022.

Payroll employment dropped by 40.0 percent in the second quarter, increased by 23.0 percent in the third quarter, and will grow by approximately 5.0 percent in the fourth quarter. For the year, payrolls dropped by around 6.0 percent in 2020, but will increase by 3.0 percent in 2021 and 3.3 percent in 2022.

Residential investment declined for two consecutive years in 2018-2019, and then rose by 5.7 percent in 2020, and is expected to increase by 8.6 percent in 2021, and the rate is projected to decline by approximately 5.5 percent 2022.

Nonresidential related business spending declined by 4.3 percent in 2020 but will increase by about 6.4 percent in 2021, followed by a 5.4 percent increase in 2022.

U.S. Forecast – Summary Table
(Percent)

Annual Percent Change	2020	2021	2022
GDP	-3.6	4.0	3.9
Consumer Spending	-3.9	4.4	4.0
Residential Investment	5.7	8.6	-5.8
Nonresidential Fixed Investment	-4.3	6.4	5.4
Exports	-13.1	9.3	9.5
Imports	-9.6	15.0	3.3
Nonfarm Payroll Employment	-5.8	3.0	3.3
Unemployment Rate	8.1	5.2	3.9
Industrial Production	-6.9	4.5	3.2
Inflation Rate (CPI)	1.3	2.1	2.5
30-year Fixed Mortgage Rate	3.1	2.9	3.1
10-year Treasury Note Yield	0.9	1.1	1.3

** Estimates based on inflation adjusted, or real, 2012 chained dollars.
Source: IHS Markit, January 2021.*

2020 REVIEW & OUTLOOK 2021

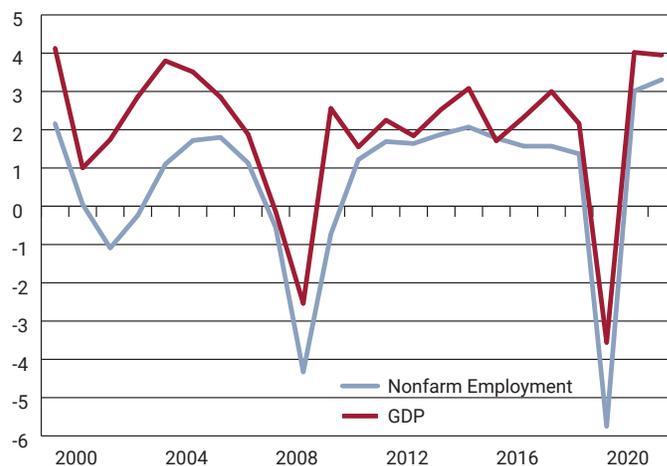
GROSS DOMESTIC PRODUCT (GDP)

On an annualized inflation adjusted, or real basis, the U.S. GDP dropped by 3.6 percent in 2020, following 3.0 and 2.2 percent increases in 2018 and 2019, respectively. The longest running economic expansion on record came to an abrupt end in March 2020. Closure of businesses in some major sectors of the economy caused by the COVID-19 pandemic resulted in sudden drops in employment and economic output. On a quarterly basis, GDP, fell by 5.0 percent in the first quarter and by 31.4 percent in the second quarter. Economic growth in the third quarter was 33.4 percent followed by 4.0 percent in the fourth quarter. Even before the onslaught of the pandemic, the U.S. economy was primarily being driven by consumer spending, as business spending was languishing in months prior to the beginning of the pandemic. Therefore, the fall in consumer spending towards the end of the first quarter 2020 dealt a major blow to the U.S. economy. Consumer spending dropped by 6.9 percent in first quarter of 2020, followed by another 33.2 percent drop in the second quarter, but recovered in the third quarter with a 41 percent increase and grew by 2.5 percent in the fourth quarter. It is expected to grow by 3.0 percent in the fourth quarter. Nonresidential business spending fell by 6.7 percent in the first quarter and 27.2 percent in the second quarter, but rose by 22.9 percent in the third quarter and grew by 2.5 percent in the fourth quarter. Surprisingly, residential investments, which includes both home construction and sales, rose by 19.0 percent in the first quarter, but fell by 35.6 percent in the second quarter. Investments in housing recovered quickly in the third quarter, rising by 63 percent, and again by 33.5 percent in the fourth quarter, driven by an increasing demand and favorable interest rates. A worldwide recession, together with disruptions in supply chains also caused U.S. exports to drop by 64.4 percent in the second quarter, following a 9.5 percent drop in the first quarter of 2020, recovered quickly in the third and fourth quarters, increasing by 59.6 percent and 22.0 percent respectively. Imports also fell in the first two quarters of 2020, 15.0 percent and 54.1 percent, however; imports recovered fairly quickly in the third quarter, increasing by 93.1 percent followed by 29.5 percent in the fourth quarter.

U.S. economic growth, as measured by GDP, is expected to increase by over 4.0 percent in 2021, followed by approximately another 4.0 percent increase in 2022. Consumer spending will rise by slightly over 4.4 percent in 2021 and by 4.0 percent in 2022, and will remain a major source of growth going forward. Overall activity in residential investments picked up during the pandemic due to favorable interest rates and domestic demand conditions and will continue to grow, at least through 2021. Residential investments, which includes both home construction and sales, will most likely increase by 8.6 percent in 2021 and then most likely decline by 5.8 percent in 2022. Nonresidential business spending will rise by slightly over 6.4 percent in 2021 and by 5.4 percent in 2022. Major risks to the economic forecast include: a stumbling recovery as new COVID-19 cases continue to rise; a weaker recovery in consumer and business spending if renewed containment measures are again introduced; lack of support for the economic recovery through both fiscal and monetary policies; and if the

economic growth in the rest of the world does not recover at the projected pace.

U.S. Real GDP and Nonfarm Employment (Annual Percent Change)



Source: U.S. Department of Commerce, U.S. Bureau of Labor Statistics, and IHS Markit.

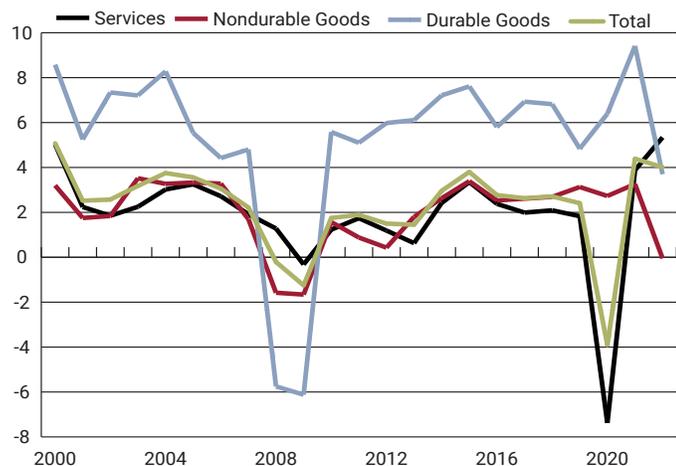
Consumer Spending

Overall, real consumer spending declined by 3.9 percent in 2020, following a 2.4 percent increase in 2019. Prior to the onset of the COVID-19 pandemic, consumer spending was being supported by rising employment and income levels, rising asset prices and improving personal balance sheets. Consumer spending declined by 6.9 percent in the first quarter of 2020, and 33.2 percent in the second quarter. Personal consumption expenditures grew by 41.0 percent in the third quarter and 2.5 percent in the fourth quarter. Spending on durable goods grew 6.4 percent in 2020 while purchases of nondurable goods increased by 2.7 percent, however, expenditures on services declined by 7.4 percent. Sales of new automobiles declined by 27.5 percent in 2020 while sales of new light trucks dropped by 10.4 percent. Sales of used automobiles declined by 11.6 percent, however sales of used trucks rose by 4.0 percent in 2020. There was a significant deceleration in consumer spending towards the end of 2020, particularly in the virus-sensitive sectors of the economy such as restaurants, hotels and lodging, transportation, and entertainment.

Sales of durable goods totaled \$1.9 trillion in 2020. Spending on furnishings and durable household equipment increased by 5.8 percent in 2020 to \$410 billion. Expenditures made on recreational goods and vehicles were up by 18.5 percent, totaling over \$700 billion. As many businesses moved to remote work, consumer purchases of computers and peripheral equipment shot up by 18.6 percent in 2020 and spending on computer software and accessories increased by over 28.0 percent. Consumer expenditures on nondurable goods grew by 2.7 percent, totaling about \$3.1 trillion in 2020. Spending on off premises food and beverages increased by 7.2 percent while spending on clothing and footwear dropped 7.6 percent. Consumer spending on gasoline

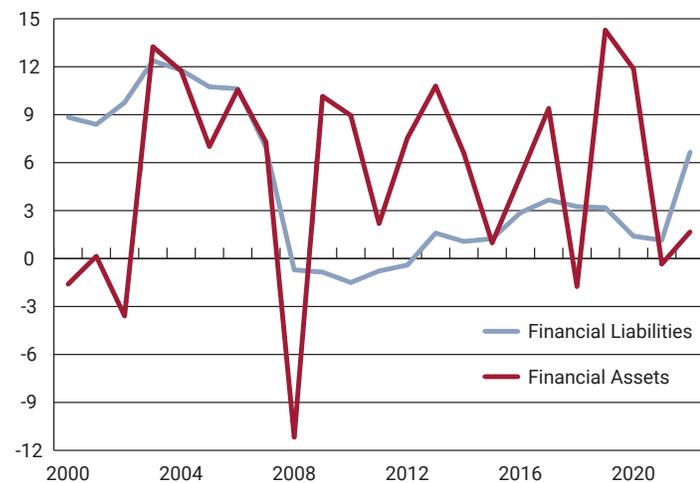
and other energy related goods was down 12.5 percent, primarily due to more people working from home. Pharmaceutical and other medical products sales were also up by 5.3 percent in 2020. Overall spending on services dropped by 7.4 percent in 2020 with expenditures on healthcare related services declining by 8.4 percent. Consumer spending on services totaled about \$7.9 trillion in 2020.

U.S. Consumer Spending (Annual Percent Change)



Source: U.S. Department of Commerce and IHS Markit.

U.S. Household Balance Sheet (Annual Percent Change)



Source: Federal Reserve Board and IHS Markit.

Total real consumer spending is expected to rise by 4.4 percent to around \$13.3 trillion in 2021, followed by another 4.0 percent gain in 2022. Despite a significant number of jobs lost in the economy, consumers continue to allocate a higher portion of their disposable incomes towards automobiles (particularly light trucks), electronics, home improvement products, sporting goods, and recreational vehicles and related products. Personal income in 2021 should increase about 1.6 percent to \$20.4 trillion, with inflation adjusted disposable income rising from \$17.5 trillion in 2020 to \$17.8 trillion in 2021 fueled by steady, albeit, relatively slow gains in employment, together with an increase in earnings

in specific sectors of the economy. Nonmortgage consumer debt is expected to increase from almost \$4.4 trillion to \$4.7 trillion in 2021. Mortgage related consumer debt as a percent of disposable income will increase in 2021, from 66.6 percent to 69.4 percent. Overall consumer spending depends on several factors, one of them being household balance sheets. Household liabilities are forecasted to rise from \$16.6 trillion in 2020 to \$16.8 trillion in 2021. The overall value of household financial assets, also measured in current dollars, will drop from \$92.2 trillion to \$91.9 trillion in 2021, a 0.3 percent drop, following a significant gain in 2020 when the value of household financial assets totaled \$92.2 trillion, up from \$82.5 trillion in 2019. Overall consumer net worth will rise from \$131.5 trillion in 2020 to about \$136 trillion in 2021. However, spending on services like healthcare, travel, and entertainment will most likely not return to a new normal until about the middle of 2021 when at least a significant portion of the population has been vaccinated.

Durable Goods

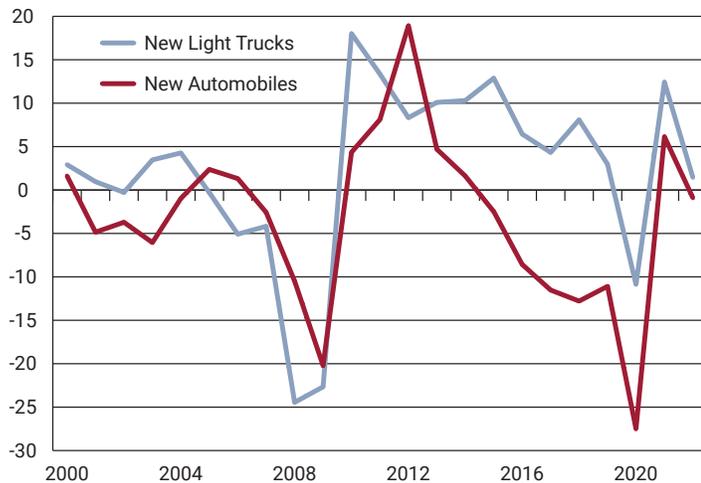
Roughly \$1.9 trillion in consumer purchases of durable goods (products that last more than three years) accounted for about 14.8 percent of total consumer spending in 2020 and about 10.2 percent of inflation adjusted GDP. A 9.4 percent increase in consumer expenditures for durable goods is expected in 2021, significantly higher than the 6.4 percent increase seen in 2020. Spending on motor vehicles and parts, which accounts for approximately 28 percent of all consumer durables expenditures, is set to rise 10.7 percent. New vehicle purchases (including both cars and light trucks) are expected to rise 20.9 percent in 2021 (after a 0.5 percent increase in 2020). Sales of new automobiles will rise 8.0 percent while sales of used auto purchases will rise to around 2.0 percent. Sales of new light trucks will increase 23.4 percent, while sales of used trucks will most likely drop by about 4.0 percent in 2021. Sales of information processing equipment are likely to jump by approximately 12.0 percent in 2021, including a 7.0 percent increase for computers and peripherals and an approximately 15.0 percent increase for computer software and accessories. Consumer spending will rise by 7.2 percent for household furnishings and equipment, 7.7 percent for recreational goods and vehicles, and by about 5.4 percent for other durable goods.

Nondurable Goods

Spending on nondurable goods (e.g., clothing, food, gasoline, and other daily essentials) grew 2.7 percent to \$3.1 trillion in 2020; these expenditures accounted for approximately 24.0 percent of total consumer spending and 16.7 percent of real GDP. Total spending on nondurables is expected to grow by 3.3 percent in 2021, with a 1.3 percent rise for food and beverages and about a 11.0 percent increase for clothing and footwear. Consumer expenditures on gasoline and other energy products will most likely remain flat or rise very slightly (0.9 percent) in 2021. Spending on other nondurable goods should increase by about 3.5 percent, while purchases of pharmaceutical and other medical products will rise 4.3 percent.

U.S. Vehicle Sales

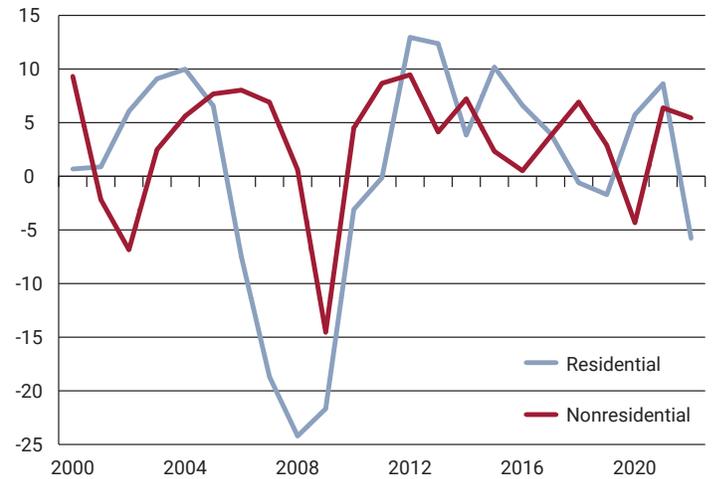
(Annual Percent Change)



Source: U.S. Department of Commerce and IHS Markit.

U.S. Investment Spending

(Annual Percent Change)



Source: U.S. Census Bureau and IHS Markit.

Services

Consumer expenditures on services declined 7.4 percent to \$7.9 trillion in 2020, accounting for about 62.0 percent of total consumer spending and about 43.0 percent of real GDP. The largest components of this spending were for healthcare (almost \$2.0 trillion, down 8.4 percent) and housing and utilities (about \$2.2 trillion, up 1.0 percent), with housing alone at \$1.9 trillion (up 1.2 percent). Total consumer spending on services should rise by about 4.0 percent in 2021. Spending increases are expected to vary by category: recreation services (24.8 percent), healthcare (7.7 percent), telecommunication related services (5.8 percent), accommodations (4.8 percent, following a 47 percent drop in 2020), food services (4.3 percent), and housing (1.3 percent). Spending on financial services and insurance will most likely drop by around 3.0 percent in 2021.

Investment Spending

Investment spending, comprised of both nonresidential and residential components and inventories declined from \$3.4 trillion in 2019 to \$3.3 trillion in 2020 and accounted for 17.7 percent of real GDP. Inventory investment, an important indicator of future economic activity fell by \$77 billion in 2020. Nonresidential fixed investment dropped by 4.3 percent to roughly \$2.7 trillion while residential fixed investment, including home sales and construction, rose 5.8 percent to approximately \$636 billion. For 2021, nonresidential investment spending is expected to increase 6.4 percent, while residential investment will increase by 8.6 percent. Overall business investment spending will rise by 11.8 percent in 2021 totaling \$3.6 trillion.

Nonresidential Fixed Investment

Often referred to as business investment spending, nonresidential fixed investment is expected to rise 6.4 percent in 2021, following a 4.3 percent decline seen in 2020. Expenditures for information processing equipment should increase 12.7 percent, up from 8.3 percent in 2020. Spending on structures is likely to drop 5.6 percent in 2021, following an 11.3 percent decline in 2020. Investment in commercial and healthcare structures will most likely drop again by almost 8.0 percent in 2020, compared to the 1.7 percent decline seen in 2020. Meanwhile, spending on manufacturing facilities and related structures will also drop by approximately 8.0 percent; business spending on manufacturing related structures dropped by about 14.0 percent in 2020, mostly affected by disruption in supply chains and fall in both domestic and international demand. With a sharp drop in energy prices due to slowing demand conditions, investments in the mining and petroleum sector dropped by nearly 40.0 percent in 2020, the drop in second and third quarters alone was 82.1 percent and 67 percent, respectively, and will likely drop by approximately 10.0 percent in 2021. Business spending on industrial equipment is forecasted to increase by 17.0 percent in 2021, after a 4.4 percent drop the previous year, while spending on transportation related equipment will increase by 2.0 percent, after a decline of 23.4 percent in 2020. Investment spending on power and communication related structures is expected to increase by about 2.0 percent in 2021, following a 3.8 percent growth in 2020. Investments in aircrafts will likely rise by 82 percent in 2021, following an almost 50.0 percent drop in 2020. Despite low interest rates, tightening bank lending has made it difficult for most businesses to expand.

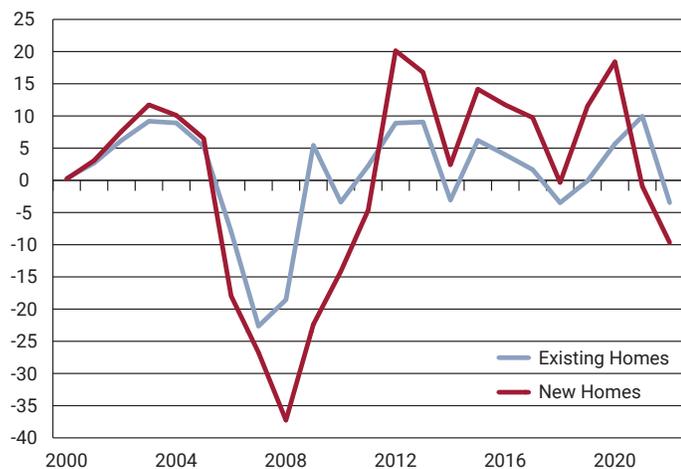
Residential Fixed Investment

Including both home construction and sales, residential investment rose 5.7 percent in 2020, following a 3.4 percent drop in 2019, but is expected to increase by 8.6 percent in 2021 to \$691 billion. Residential investments grew 63.0 percent in the third quarter of 2020, after declining by 35.6 percent in the second quarter. Outlook for 2021 calls for construction spending on single-family homes to increase by almost 16.0 percent to around \$247 billion, following a

3.0 percent growth in 2020, while construction on multi-family units will decline by 2.0 percent to almost \$48 billion, after increasing by 3.8 percent in 2020.

For 2021, new single family home sales are expected to total around 988,000 units while existing home sales will total 5.6 million units. Average new home prices in the U.S. are expected to fall from \$382,100 in 2020 to \$379,200 in 2021 while existing home prices will rise from an average of \$298,800 in 2020 to \$325,600 in 2021. Favorable interest rates, continued growth in labor markets and new household formation will continue to drive the housing markets in 2021, however, a strong showing in home sales in 2020 could dampen the demand in 2021. This would exert downward pressure on mortgage interest rates, perhaps dropping them from 3.1 percent in 2020 to 2.9 percent in 2021. Rental vacancy rates will most likely increase from 6.5 percent in 2020 to 9.1 percent in 2021, with household formation rates increasing by 1.5 percent to 129 million.

U.S. Home Sales
(Annual Percent Change)



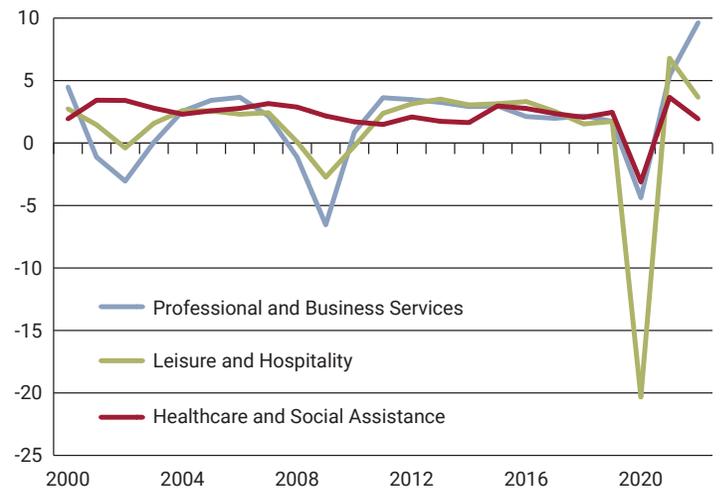
Source: U.S. Bureau of Census, National Association of Realtors and IHS Markit

EMPLOYMENT

The U.S. economy shed 140,000 jobs in December with this being the first monthly job loss since April, when the virus was in early stages. It could be an indication that the new surge in COVID-19 cases may be stalling the economic recovery or it may also be signaling a start of another jobless recovery where the GDP rises without a corresponding growth in payrolls, particularly within the services providing sectors of the economy. The unemployment rate in December was 6.7 percent. According to the Bureau of Labor Statistics, the hardest hit sector was leisure and hospitality with a loss of 498,000 jobs, followed by private education with a loss of 63,000 workers, and government with a loss of 45,000 jobs. However, some sectors added jobs in December: retail gained 121,000 jobs, construction added 51,000, and employment in manufacturing grew by 38,000 workers. Other sectors that added jobs in December were: transportation and warehousing (47,000), primarily in messenger and courier jobs; professional and business

services (161,000), mostly in temporary help services; and healthcare (39,000), which were primarily added by the hospitals. Employment in mining, information and financial activities sectors changed very little. However, the overall employment level in December was still below its February level by 9.8 million or 6.5 percent, but a relief could be in sight with the new \$900 billion relief package and the possibility of another one in 2021.

U.S. Employment
(Annual Percent Change)



Source: U.S. Department of Labor and IHS Markit

The economy is expected to add about 4.3 million jobs in 2021 after a loss of almost 8.7 million jobs in 2020. In 2021, in terms of payroll employment, the fastest growing segments of the economy are expected to be in the following sectors: employment services (10.5 percent); administrative support, waste management, etc. (8.1 percent); residential building construction (7.0 percent); leisure and hospitality (6.8 percent); accommodation and food services (5.6 percent); professional and business services and retail trade (5.4 percent each); healthcare and social assistance (3.7 percent); and real estate, rental and leasing (3.6 percent).

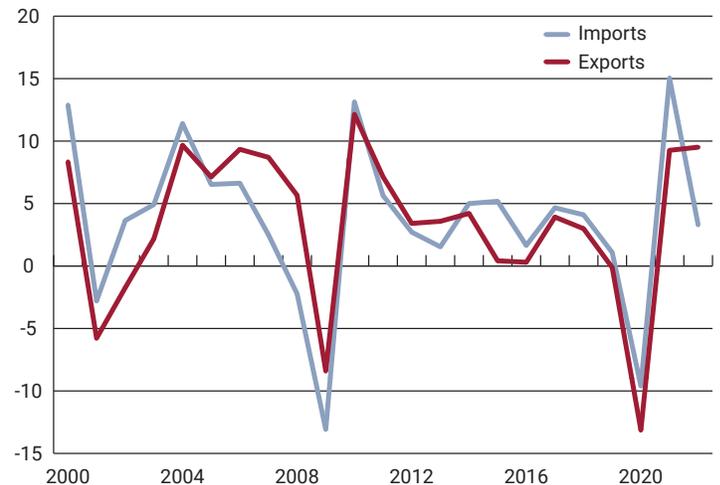
INTERNATIONAL TRADE

U.S. exports dropped 13.1 percent to \$2.2 trillion in 2020, while imports declined 9.6 percent to \$3.3 trillion, with a trade deficit totaling \$919 billion in 2020. Both exports and imports dropped because of weak international demand combined with the supply chain disruptions caused by COVID-19 that caused major interruptions in international trade in 2020. Just in the second quarter of 2020 alone, exports and imports fell by 64.4 percent and 54.1 percent, respectively. However, disruption proved to be short lived as both exports and imports rebounded by 59.6 percent and 93.1 percent, respectively, in the third quarter. Despite an improving trade picture, U.S. trade deficit is expected to reach \$1.2 trillion in 2021.

The largest U.S. export markets in 2019 were Canada (\$293 billion), Mexico (\$257 billion), China (\$106 billion), Japan (\$74 billion), and the United Kingdom (\$69 billion). Also in 2019, the largest imports to the U.S. were from China (\$452 billion), Mexico (\$358 billion), Canada (\$319 billion), Japan (\$144 billion), and Germany (\$128 billion).

Export categories forecasted to have the fastest growth in 2021 will include aircraft (39.5 percent); vehicles and parts (25.8 percent); computers, peripherals and parts (22.6 percent); consumer goods (12.7 percent); and industrial materials and supplies (9.8 percent). The fastest growing imports are expected to include: vehicles and parts (40.8 percent); consumer goods (21.5 percent); and other capital goods (15.4 percent).

U.S. International Trade
(Annual Percent Change)



Source: U.S. Department of Commerce and IHS Markit.

2021 KEY FORECAST ASSUMPTIONS

FISCAL POLICY

Includes \$900 billion stimulus passed on December 27th with extended/enhanced unemployment benefits, \$600 stimulus checks, new Paycheck Protection Program funding and grants to states and certain industries.

MONETARY POLICY

The Federal Reserve Bank keeps the federal funds rate at zero bound through 2026 with more quantitative easing and liquidity enhancement measures.

GLOBAL GROWTH

Eurozone GDP rises by 3.6 percent in 2021 while China's grows by 7.1 percent.

OIL PRICES

Brent crude oil averages \$48 in 2021 and \$56 in 2022. U.S. Dollar. The real dollar depreciates from Q3 2020 through 2023.

INFLATION

Core CPI will be 1.6 percent in 2021 and 1.9 percent in 2022.

CONSUMER CONFIDENCE

Falls in the first quarter of 2021 before rising in the second quarter.

ALABAMA ECONOMIC OUTLOOK

2021 FORECAST SUMMARY

In 2020, Alabama's economic output contracted by more than \$5.2 billion, or 2.7 percent, due to the economic shock of COVID-19 pandemic.

The state's economy is expected to rebound by 2.6 percent to \$200 billion in 2021, as the economic impact of the pandemic recedes.

Nonfarm employment is projected to rise by 1.5 percent in 2021, reversing the 3.4 percent decline seen from September 2019 to September 2020. Manufacturing employment is expected to rise 1.9 percent, after a 1.2 percent decrease that was observed during the twelve months ending in September 2020.

For the fiscal year ending in September 2020 (FY2020), state tax receipts rose by 5.0 percent (approximately \$584 million) to \$12.2 billion. With the expected recovery of the state economy, CBER projects tax revenues to grow by 3.8 percent in FY2021.

2020 REVIEW & OUTLOOK 2021

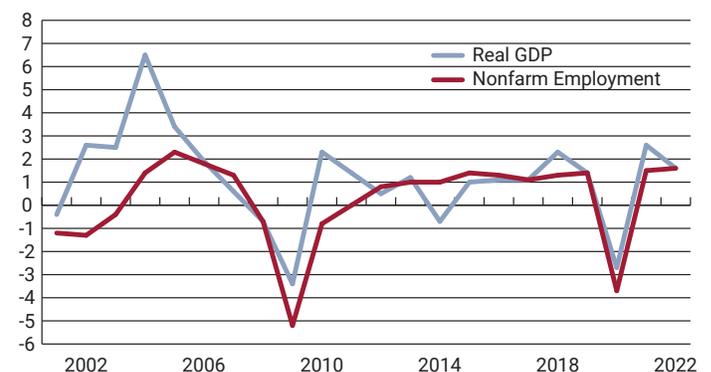
GROSS DOMESTIC PRODUCT

Alabama Gross Domestic Product (ALGDP), or output, is the total value of goods and services produced in the state, analogous to U.S. GDP. ALGDP plunged by about 2.7 percent in 2020 to \$195 billion in inflation adjusted 2012 chained dollars, or real dollars, as the economy experienced the worst contraction in decades due to disruptions related to the COVID-19 pandemic and the economic recession that ensued. The first COVID-19 cases in Alabama were reported in mid-March 2020, which compelled state public health officials to issue swift and strict stay at home orders and social distancing except for essential services indefinitely. The economic fallout of the pandemic and these disease control measures were also immediate. Quarterly ALGDP dropped by 3.2 percent in first quarter and 29.6 percent in the second quarter 2020. However, as more personal protective equipment became available and more businesses reopened quarterly real GDP grew by 34.6 percent during the third quarter. (Note: The Center for Business and Economic Research GDP estimates are not easily comparable to BEA GDP estimates that are found elsewhere in this document). The economy is expected to rebound significantly in 2021 with Alabama's real GDP growing 2.6 percent to reach about \$200 billion. However, the total GDP is projected to remain below the 2019 level of about \$201 billion until 2022. Economic recovery would be faster if it were not for the prevailing severity of COVID-19 along with the extensive containment efforts, which will continue to influence both consumer and business spending.

Real output growth is forecasted to exceed 3.0 percent in several sectors with large manufacturing and services providing firms

leading the economic recovery. The fastest growing segments of the state's economy in 2021 will include accommodation and food services (12.0 percent); motor vehicle and parts manufacturing (9.9 percent); petroleum and coal products manufacturing (7.6 percent); other transportation equipment manufacturing (6.6 percent); primary metal manufacturing (6.2 percent); machinery manufacturing (4.7 percent); professional, scientific, and technical services (4.6 percent); and administrative and waste services (4.5 percent).

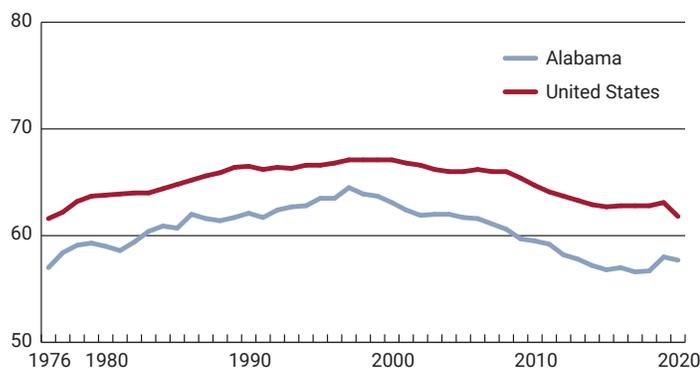
Alabama Real GDP and Nonfarm Employment (Annual Percent Change)



Source: U.S. Bureau of Economic Analysis, U.S. Department of Labor and Center for Business and Economic Research, The University of Alabama.

Labor Force Participation Rate

(Percent)



Source: Bureau of Labor Statistics and Center for Business and Economic Research, The University of Alabama.

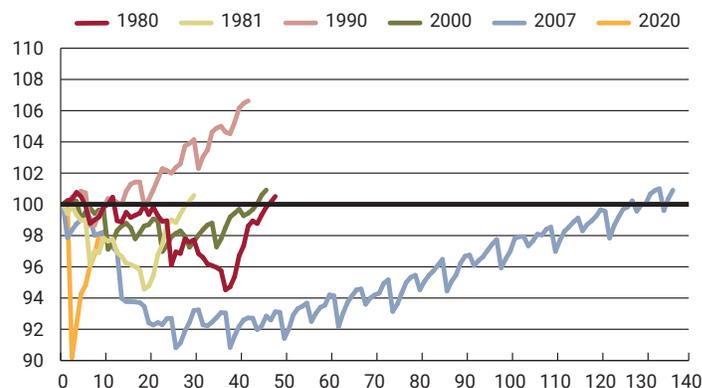
The spread of COVID-19 worsened in the last quarter of 2020, and a new peak of infections during the winter of 2021 is likely. This will offset economic recovery in 2021 and shift GDP growth downwards. The pandemic will continue to constrain global growth, foreign trade, and travel, but the spread of COVID-19 is expected to recede after the first half of 2021 as more people are vaccinated. The surging virus, containment efforts, and unresolved trade disputes could exert downward pressures on the state's economy and constrain economic recovery moving forward.

EMPLOYMENT

For the 12-month period ending in September 2020, Alabama nonfarm employment declined by 3.4 percent (70,800), with 94 percent of the net job losses occurring in the service providing sector, led by leisure and hospitality businesses. Overall, payrolls for goods producing businesses declined over the year with a net loss of 4,300 jobs, with manufacturing accounting for 3,200 of those job losses. The durable goods sectors lost 2,200 jobs, while the nondurable goods sectors lost 1,000 jobs. The largest payroll employment loss among manufacturing firms was in transportation equipment (3,600) as COVID-19 lockdowns and infections disrupted motor vehicle manufacturers and their supply chains across both North America and the rest of the world. Manufacturing firms that gained jobs over the 12-month period are wood products (700), paper (200), and fabricated metal products (100). The mining and logging sector lost 400 jobs over the 12-month period. Employment in the construction sector shrank by 700 jobs as net job gains in specialty trade contractors (300) and heavy and civil engineering construction (200) partially offset the 1,200 job losses in the building construction segment. The overall state's service sector lost 66,500 jobs over the 12-month period ending in September 2020, with private service businesses losing 58,700 jobs. As COVID-19 wreaked havoc across the state, the virus containment efforts fueled demand for general merchandise and household goods resulting in net job gains of 3,600 jobs in the retail trade and 2,200 jobs in the transportation, warehousing, and utility businesses. The federal government gained 3,900 jobs mainly due to the enumerators needed for the 2020 Census. The service providing sectors that lost most jobs were leisure and

Change in Employment From the Beginning of the Recession

(Number of Months)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

hospitality (29,400), education and health services (19,300), and government (7,800).

All of the state's 12 metropolitan areas experienced job losses in the 12-month period ending in September 2020. Net job losses in the state's metro areas (28 counties) totaled 74,300, implying that non-metro areas (39 counties) had a net gain of 3,500 jobs. Payroll declined most in the Birmingham-Hoover metro by 23,700 jobs, followed by Mobile (10,600), Montgomery (9,300), Huntsville (7,800), Tuscaloosa (5,300), Anniston-Oxford-Jackson (3,500), Auburn-Opelika and Gadsden (2,900 each), Decatur (2,400), Florence-Muscle Shoals (2,300), Dothan (2,200), and Daphne-Fairhope-Foley (1,400). COVID-19 pandemic and control measures impacted the economy in unprecedented magnitudes, which abruptly raised unemployment rates to double-digits in April 2020. The unemployment rates have declined as stay at home orders have relaxed and many businesses have reopened. By September 2020 unemployment rates in the metro areas had significantly dropped and ranged from a high of 9.3 percent in Mobile to a low of 4.8 percent in Decatur. Eight of the state's 67 counties had a double-digit unemployment rate. Unemployment rates were below 5.0 percent in just 10 counties. Wilcox County had the highest unemployment rate at 17.0 percent compared to 7.1 percent a year ago, while Cullman County had the lowest at 3.8 percent compared to its year ago level of 2.6 percent. Among the major cities in the state, Homewood had the lowest unemployment rate at 3.5 percent compared to 1.7 percent in September 2019, while Prichard had the highest at 17.2 percent compared to 5.1 percent a year ago.

Nonfarm employment is forecasted to rise 1.5 percent during 2021, which will add over 30,000 jobs across the state. Industries that are projected to have the strongest growth in employment include: electrical equipment and appliance manufacturing; transportation, warehousing, and utilities; professional and business services; wood products manufacturing; and educational and health services. The majority of new jobs will be in service providing businesses, specifically in leisure and hospitality (food services and drinking places); professional, scientific and technical services; and educational and health services (healthcare and social assistance); retail trade; and transportation, warehousing, and utilities

(transportation and warehousing). Job growth in retailing and wholesale trade will most likely remain moderate in 2020. Federal civilian employment is expected to decrease in 2021, but local and state governments are projected to have modest job growth in the coming year.

Under normal circumstances, the current private sector weekly earnings would reflect a strong labor market in the state, but that is not the case under the context of the current economic environment. There have been huge job losses in lower paying jobs, in both food services and accommodations industry, which gives the illusion of raised average weekly earnings. Weekly earnings in private enterprises increased by 6.4 percent in September 2020, from \$867.30 to \$922.59 over the 12-month period. This increase is due to large job losses in low wage sectors such as food services and drinking establishments, in addition to arts, entertainment, and recreation establishments. Average weekly earnings in manufacturing rose from \$1,079.90 to \$1,112.56 while earnings in the service sector experienced an increase from \$812.45 to \$875.69. The pandemic has created a large pool of unemployed workers. As vaccines become more accessible and the pandemic recedes, more businesses are likely to return to normal operations and will pull those unemployed workers back to work. The seasonally adjusted unemployment rate will likely fall below 5.0 percent by September 2021, from its current level of 6.6 percent. Wages are likely to stay the same or drop as lower wage jobs that were lost due to the pandemic recover.

EXPORTS

Alabama exports have been on the decline since 2017 due to tariffs and trade disputes with China and North American trade partners. Data from the U.S. Department of Commerce's International Trade Administration shows that Alabama's exports dropped by about \$1.0 billion (4.6 percent) between 2017 and 2019. Alabama's exports declined by \$687 million (2.9 percent) to \$20.8 billion in 2019 from 2018. This accounted for 10.4 percent of the state's GDP. During the first three quarters of 2020, exports totaled \$12.3 billion, about 17.8 percent below the same period in the previous year as disruptions related to COVID-19 resulted in sharp declines in exports and transportation services. In 2019, exports decreased across most of the major trading partners except to Germany. Exports to Canada, the state's largest trading partner, declined by 4.6 percent to \$3.9 billion. Other major Alabama export destinations in 2019 included Germany (\$3.1 billion, up 23.3 percent), China (\$2.3 billion, down 23.0 percent), Mexico (\$2.2 billion, down 14.2 percent), and Japan (\$773 million, down 7.1 percent). During the first nine months of 2020, both the rhetoric about tariffs and a slowing demand in international trade had a significant impact on state exports. Exports to Canada during the first three quarters of 2020 dropped by 29.5 percent to \$2.1 billion from the same period in 2019. For those same periods, exports to Germany fell by 23.3 percent from \$2.2 billion to \$1.7 billion; exports to Mexico fell 28.1 percent from \$1.7 billion to \$1.2 billion; and exports to Japan fell by 14.3 percent from \$555 million to \$475 million. During the same period, exports to China rose by 50 percent from \$1.4 billion to \$2.1 billion.

Top 5 Export Industries of Alabama, 2019

(Billions of Dollars)

Transportation Equipment	\$10.3
Chemicals	\$2.3
Minerals and Ores	\$1.4
Primary Metal Manufacturing	\$1.2
Paper	\$1.0

Source: International Trade Administration, U.S. Department of Commerce.

Top 5 Export Destinations of Alabama, 2019

(Billions of Dollars)

Canada	\$3.9
Germany	\$3.1
China	\$2.3
Mexico	\$2.2
Japan	\$0.8

Source: International Trade Administration, U.S. Department of Commerce.

The top export from Alabama in 2019 was transportation equipment with shipments of about \$10.3 billion, up 2.8 percent (\$282 million) from 2018. Other major exports in 2019 were chemicals (\$2.3 billion, down 11.4 percent); minerals and ores (\$1.4 billion, down 13.3 percent); primary metals (\$1.2 billion, down 24.2 percent); paper (\$1.0 billion, down 9.7 percent); machinery (\$788 million, up 1.2 percent); computer and electronic products (\$662 million, up 21.6 percent); and fabricated metal products (\$456 million, up 19.4 percent). During the first three quarters of 2020, transportation equipment exports totaled \$5.9 billion, down from \$6.9 billion during the same period in 2019.

As the COVID-19 pandemic continues rampaging across the world and Alabama's major trading partners and trade disputes persist, state exports will likely remain below the levels observed in 2017. Manufacturers of both transportation equipment and chemicals will remain the state's major exporters.

TAX RECEIPTS

Despite the unprecedented economic disruptions caused by COVID-19, which plunged the country into a recession in March 2020, Alabama's total tax revenues rose by 5.0 percent in fiscal year 2020. This amounted to an increase of about \$584 million from the previous fiscal year and totaled \$12.2 billion. Individual income tax revenue rose by over \$94 million (1.9 percent) to \$4.9 billion from fiscal year 2019 to fiscal year 2020. During the same period, state corporate income taxes increased 3.6 percent (\$21 million) to reach \$604 million, while sales tax receipts increased by about \$53 million (2.1 percent) to over \$2.5 billion. State appropriations to Alabama Education Trust Fund increased 7.3 percent (\$526 million) from the previous fiscal year to reach \$7.7 billion while General Fund appropriations increased \$147 million (6.8 percent) to \$2.3 billion.

With the state's economic growth gradually improving in 2021, total tax receipts are expected to increase by 3.8 percent, or \$460 million to total \$12.7 billion. Individual income tax receipts could increase 2.0 percent (\$98 million), totaling \$5.0 billion, with sales tax collections rising 2.2 percent (\$55 million) to approximately \$2.6 billion. Given the current economic scenario, appropriations to the Education Trust Fund are expected to rise 3.2 percent, while those to the General Fund could see an increase of 3.5 percent in FY2021.

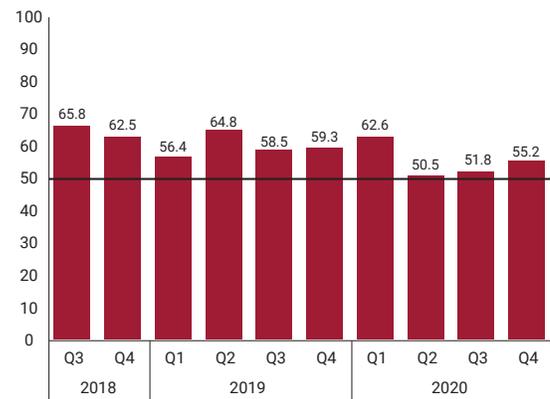
BUSINESS CONFIDENCE

A moderate confidence in economic growth was reflected in the business sentiment and expectation index for the fourth quarter of 2020, which is measured by the Center for Business and Economic Research's [Alabama Business Confidence Index™ \(ABCI\)](#). In the second quarter 2020, the overall index declined by 12.1 points to 50.5, the lowest since the second quarter 2013, due to heightened economic uncertainties stemming from COVID-19. Since then the index consistently rose, concluding with a rise of 3.4 points in the fourth quarter to reach 55.2. Any index over 50 indicates expectations of an expanding economy. Alabama business leaders' confidence in the statewide economy increased 3.6 points to a moderately confident 59.8 in the fourth quarter 2020 survey. National economic outlook expectations were lower than those for the state, and declined by 0.4 points in the fourth quarter to reach 57.5. In Q4 2020, confidence in industry growth increased but remained mild with all ABCI industry component indexes

registering at or above 50.4. The highest industry index was sales with an index of 57.5, followed by hiring at 53.8 and profits at 52.0. The lowest index, capital expenditures, registered at 50.4 signaling a neutral confidence in increased capital expenditures compared to negative confidence the previous quarter. When broken up into specific industries, two of the nine indexes decreased compared to Q3 2020. However, three of the nine industry categories still registered above 60, signaling strong confidence in growth. Wholesale trade had the highest ABCI at 65.1, followed by retail trade with an index of 62.5, and health care and social assistance at 60.8. All other services had the lowest industry ABCI at 49.7, which indicates mildly negative expectations for a continuation of the third quarter's levels of growth.

ABCI

(Expectations from Previous Quarters)



Note: Index above 50 indicates a positive outlook.

Source: Center for Business and Economic Research, The University of Alabama.

Alabama Revenue Forecasts

(Millions of Current Dollars)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total Tax Revenues	\$10,979.0	\$11,626.7	\$12,210.6	\$12,671.1	\$13,165.1
Percent Change	6.5	5.9	5.0	3.8	3.9
Sales Tax Revenues	\$2,378.3	\$2,478.0	\$2,530.8	\$2,585.6	\$2,628.9
Percent Change	4.5	4.2	2.1	2.2	1.7
Individual Income Tax Revenues	\$4,567.1	\$4,842.6	\$4,936.6	\$5,034.7	\$5,185.0
Percent Change	8.6	6.0	1.9	2.0	3.0
Corporate Income Tax Revenues	\$504.9	\$582.9	\$604.0	\$622.1	\$640.1
Percent Change	9.8	15.4	3.6	3.0	2.9
All Other Tax Revenues	\$3,528.7	\$3,723.2	\$4,139.2	\$4,428.7	\$4,711.1
Percent Change	4.8	5.5	11.2	7.0	6.4
Alabama Education Trust Fund	\$6,753.3	\$7,215.3	\$7,741.2	\$7,992.3	\$8,255.7
Percent Change	6.7	6.8	7.3	3.2	3.3
Alabama General Fund	\$1,996.1	\$2,151.9	\$2,299.2	\$2,379.4	\$2,457.5
Percent Change	4.0	7.8	6.8	3.5	3.3

Source: Alabama Department of Revenue and Center for Business and Economic Research, The University of Alabama, January 2021.

OUTLOOK FOR MAJOR SECTORS

This section presents reviews and forecasts of the major sectors of the Alabama economy. Output activities and employment are covered for each sector. Output is the value of goods produced and services provided, which is the contribution of each sector to Alabama Gross Domestic Product (ALGDP). Output is expressed in inflation adjusted, or real, 2012 chained dollars. As a point of reference, total ALGDP is forecasted to be \$200.4 billion in 2021 and total nonfarm employment payrolls will register at 2,026,308.

MANUFACTURING

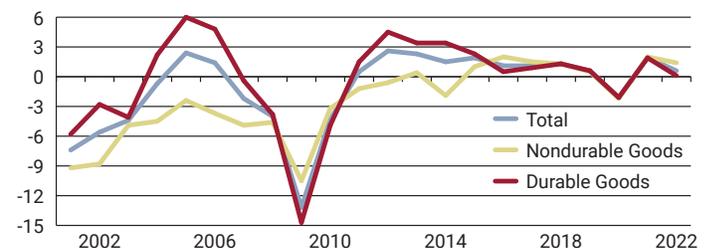
Alabama's manufacturing sector declined in 2020 due to the impacts of COVID-19, with employment growth occurring in just two industries: wood products, and paper manufacturing. Textile product mills manufacturing led the sector in overall payroll losses. Real output for this sector totaled \$35.4 billion in 2020, a decrease from \$36.2 billion in 2019.

Alabama's manufacturing sector had 264,800 workers in September 2020, down by 3,200 (1.2 percent) from September 2019. Job losses in the durable goods producing industries amounted to 2,200 jobs during the same 12-month period while nondurable goods manufacturers lost 1,000 jobs. The industries that experienced job gains were wood products (700), paper (200), and fabricated metal products (100). The largest year-over-year job losses were in transportation equipment (3,600); primary metal (1,500); food manufacturing (600); electrical equipment and appliance (400); and machinery manufacturing (200).

Structural changes resulting from productivity enhancements, plant relocations, and successful economic development, as well as the impact of recessions, have resulted in generally declining shares of manufacturing employment over the last three decades for Alabama and the United States. The risk of COVID-19 infections and social distancing measures to combat the spread will further intensify the need to automate more manufacturing processes. Productivity dropped significantly in April and May 2020 as firms were limited to essential and partial operations by the pandemic. Productivity has been improving but many manufacturers still have excess capacity above the pre-COVID-19 level. The manufacturing sector in both Alabama and the United States was poised to lose employment in the more labor-intensive nondurable goods industry in the long run. The current economic recession and virus containment efforts will exacerbate this decline.

Manufacturing's share of Alabama nonfarm jobs has fallen from over 22 percent at its peak in 1990 when employment stood at 363,750, to 13.2 percent totaling 264,800 in September 2020. Since the beginning of the 2020 recession, manufacturing has lost 26,100 jobs. Because the sector pays higher wages than many other sectors, these job losses have a significantly large impact on communities. In the past, durable goods manufacturing played a key role in leading the state out of recessions and into continued growth due to both increased exports and domestic demand. This trend is expected to continue with the automotive industry leading the post-recession rebound.

Alabama Manufacturing Employment (Annual Percent Change)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

The manufacturing sector's real GDP is forecasted to grow 4.0 percent in 2021, mainly due to expected output growth in motor vehicle and parts (9.9 percent), petroleum and coal products (7.6 percent), transportation equipment (6.6 percent), and machinery (4.7 percent). Employment in the manufacturing sector is forecasted to increase by 1.9 percent during 2021. The state's manufacturing jobs are increasingly found in capital-intensive industries, such as transportation equipment, aerospace, motor vehicle and parts; fabricated metal product; and machinery manufacturing. While capital-intensive production results in lower prices for consumers, primarily due to intense competition, it generates fewer jobs. These jobs tend to require higher skills, though they are also higher-paying. Workforce development is crucial to the continued growth of the state's existing manufacturing firms and for attracting new industries.

Durable Goods Manufacturing

This subsector includes products that have a lifespan of more than three years (e.g., automobiles, metals, machinery, and furniture). Manufacturing processes in these industries are typically capital intensive, involve significant technology and automation, and require highly skilled workers. Many of the firms are large and multinational, making them vulnerable to both national and global economic cycles and disasters, as well as fluctuations in consumer and business spending. As of September 2020, Alabama's durable goods industries employed 172,700 workers, down 1.3 percent (2,200 jobs) from September 2019. Durable goods industries accounted for 8.6 percent of the state's total nonfarm employment and 65.2 percent of Alabama's manufacturing employment. Real output of durable goods manufacturing totaled \$21.8 billion in 2020 following a 4.1 percent drop from 2019. In 2021, the subsector's real GDP is forecasted to grow by 4.7 percent to \$22.8 billion, with employment increasing by 1.9 percent (3,210 jobs). This will be primarily driven by anticipated growth in business and consumer spending on durable goods. The fastest growing industries will be motor vehicle and parts, other transportation equipment, primary metal, and machinery manufacturing. The durable goods manufacturing industry in the U.S. is operating at 70.8 percent of its total capacity, significantly below the average

Capacity Utilization Rate

(Percent of capacity, seasonally adjusted)

Item	1972 - 2019 Avg.	2009 Low	Oct. 2020
Total industry	79.8	66.7	72.8
Manufacturing (NAICS)	78.1	63.5	72.3
Durable manufacturing	76.8	58.4	70.8
Wood products	76.7	47.8	74.1
Nonmetallic mineral products	73.8	46.5	63.9
Primary metals	77.9	48.7	64.0
Fabricated metal products	77.7	62.0	75.3
Machinery	77.5	59.8	73.1
Computer and electronic products	77.2	70.1	70.8
Electrical equip., appliances, and components	81.7	67.0	70.2
Motor vehicles and parts	75.2	33.7	74.1
Aerospace and miscellaneous transportation equipment	74.3	72.7	66.1
Furniture and related products	77.0	56.4	68.9
Miscellaneous	76.7	67.9	71.4
Nondurable manufacturing	80.0	68.8	73.9
Food, beverage, and tobacco products	80.3	75.6	74.5
Textile and product mills	78.6	53.9	65.0t
Apparel and leather	75.8	56.6	57.9
Paper	86.6	72.9	83.5
Printing and support	79.5	58.8	65.3
Petroleum and coal products	84.9	76.1	67.4
Chemicals	76.7	64.7	74.8
Plastics and rubber products	81.9	57.6	75.3
Other manufacturing (non-NAICS)	79.4	68.0	50.7
Mining	87.2	78.3	77.9
Utilities	85.2	78.2	72.7
Selected high-technology industries	77.2	71.1	73.3
Computers and peripheral equipment	77.7	82.9	82.2
Communications equipment	75.8	77.1	55.3
Semiconductors and related electronic components	78.6	62.9	81.1

Note: October 2020 is preliminary, not revised data.

Source: Board of Governors of the Federal Reserve System and Center Business and Economic Research, The University of Alabama.

capacity of 76.8 percent observed from 1972-2019. However, this is a significant improvement from the 54.0 percent capacity utilization registered at the onset of the current recession.

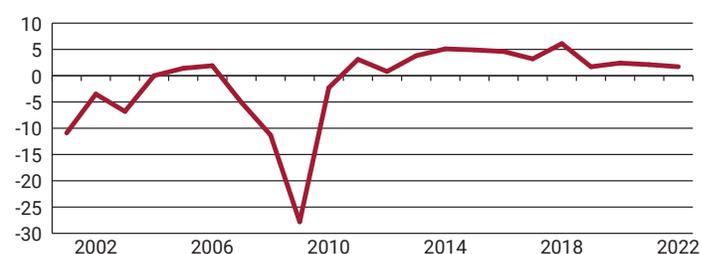
Wood Products

Growth in heavy and civil engineering construction and specialty trade contracts led to significant growth in wood products

manufacturing in 2020. During the 12-month period ending in September 2020, wood products manufacturing employment rose 3.9 percent (700 jobs) to 18,700. This was matched by a 3.7 percent growth in real output in 2020. However, from 2018 to 2019, the sector's exports decreased by \$10.4 million (3.3 percent) to total \$307.9 million. In the first nine months of 2020, Alabama wood products exports totaled \$174.2 million, which is a 27.3 percent increase over the \$239.5 million from the same period in 2019. Real output is forecasted to fall by 1.5 percent in 2021 due to weakening exports. Because of increased demand in some of the construction sector segments and export growth, prices for wood products rose by 6.6 percent in 2020 and are expected to rise by 5.5 percent in 2021. Employment in Alabama's wood is forecasted to decrease by 0.2 percent in the coming year.

Alabama Wood Product Employment

(Annual Percent Change)

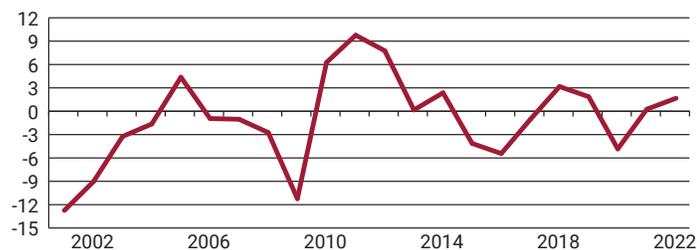


Source: U.S. Department of Labor and Center for Business and Economic Research, The University of Alabama.

Primary Metals

Primary metals manufacturers are the fourth largest exporters for Alabama. However, trade uncertainty has slowed exports for a few years, and the current global recession due to COVID-19 has further hindered shipments. Primary metals exports decreased from \$1.6 billion in 2018 to \$1.2 billion in 2019, a decrease of about \$388.9 million (24.2 percent). The trend continued, with the total exports for the first three quarters of 2020 (\$643.9 million) falling below the total exports for the same period of 2019 (\$950.0 million). In 2020, the industry's real GDP shrank by 7.2 percent to \$4.3 billion. The sector's payroll lost 1,500 jobs (8.5 percent) in the 12-month period ending in September 2020 to total 16,100. Alabama's real GDP for the industry is forecasted to rebound in 2021 and grow at 6.2 percent to reach \$4.5 billion, while employment will increase by 2.5 percent. Due to reduced exports, producer-level metal and metal product prices declined by 0.6 percent in 2020 but are expected to increase by 6.5 percent in 2021. The current pandemic and recession, high capital intensity, commodity price swings, international competition (especially with India and China), trade uncertainties, and domestic regulation compliance costs continue to challenge the industry.

Alabama Primary Metals Employment (Annual Percent Change)



Source: U.S. Department of Labor and Center for Business and Economic Research, The University of Alabama.

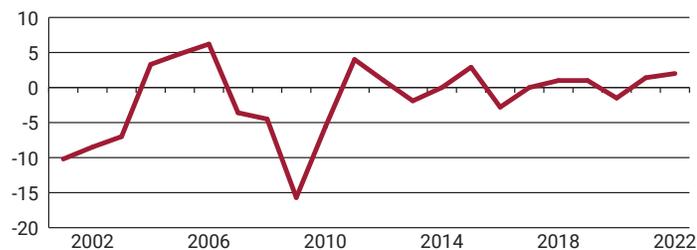
Fabricated Metals

Real output of Alabama's fabricated metals industry totaled \$2.5 billion in 2020. Payroll reached 27,000 in September 2020, down 0.4 percent (100 jobs) from September 2019. Exports increased from \$381.7 million in 2018 to over \$455.7 million in 2019, an increase of \$74.0 million (19.4 percent). However, the industry exports during the first three quarters of 2020 dropped to \$245.8 million from \$275.5 million for the same period in 2019. The industry's real GDP is forecasted to decrease 1.0 percent in 2021 while employment will drop by 0.2 percent, partially due to weak exports.

Machinery

Machinery manufacturers are among the state's largest exporters. Shipments of nonelectrical machinery grew by 1.2 percent (\$9.4 million) to \$787.6 million in 2019. However, exports of nonelectrical machinery declined by 14.6 percent (\$89.2 million) to reach \$523.4 million during the first three quarters of 2020 from the same period in 2019. The real GDP of Alabama's machinery producers dropped 2.4 percent in 2020 to \$937.3 million. During the 12-month period ending in September 2020, employment in the industry declined 1.9 percent (200 jobs) to 10,400. Producer prices for machinery equipment are expected to rise 2.2 percent in 2021. Total payroll employment is expected to increase by 2.8 percent in 2021 while real output will rebound at 4.7 percent.

Alabama Machinery Employment (Annual Percent Change)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

Electrical Equipment and Appliances

Alabama's electrical equipment and appliance industry real output contracted by 4.0 percent to \$660.3 million in 2020. The industry

employed 5,200 workers in September 2020, down 7.1 percent (400 jobs) from September 2019. Industry exports increased to \$291.6 million in 2019 from \$228.1 million in industry exports in 2018, gaining \$63.5 million (27.9 percent). However, exports were down in the first three quarters of 2020, reaching only \$191.7 million compared to \$223.1 million shipped during the same period in 2019. Overseas industry relocation in this industry continues, mainly to China, Vietnam, and other lower-labor-cost countries. The real output for the state's electrical equipment and appliances and component manufacturing is forecasted to decrease 0.2 percent in 2021 and employment is expected to decrease by 1.8 percent.

Computer and Electronic Products

Shipments of Alabama's computer and electronic products industry grew \$117.8 million (21.6 percent) in 2019 to total \$662.4 million. However, that strong growth did not carry through to 2020. Comparing the first three quarters of 2019 and 2020, the industry's exports decreased 34.0 percent (\$171.8 million) from \$505.3 million in 2019 to \$333.5 million in 2020. The industry's real output decreased 2.2 percent to \$1.3 billion during 2020. In September 2020, the industry employment totaled 8,500 after losing 100 jobs (1.1 percent) from September the previous year. Real output of the industry is expected to grow 1.0 percent in 2021, with employment rising 2.5 percent despite productivity improvements, technological advancement, automation, and excess capacity.

Motor Vehicles and Other Transportation Equipment

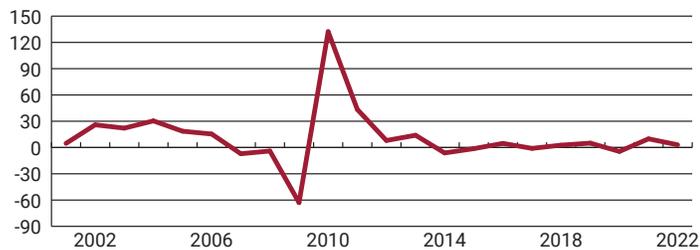
This section refers to Alabama's transportation equipment manufacturing industry. It includes firms that manufacture motor vehicles; motor vehicle parts; aircraft engines and parts; guided missiles; space and defense-related equipment; ships and boats; railroad equipment; and other miscellaneous transportation equipment. The motor vehicles and transportation equipment industry pays some of the highest manufacturing sector wages in the state, with annual salaries averaging \$50,000 to \$80,000. The entire industry is sensitive to economic and business cycles, federal government spending, business spending on transportation, and consumer spending on motor vehicles and parts. Nonetheless, the state's automobile manufacturers produced over 1.3 million cars and light trucks in 2020, making Alabama one of the largest vehicle producers in the nation. Transportation equipment manufacturers are Alabama's largest exporters. They accounted for half (49.5 percent) of the state's total exports in 2019, with \$10.3 billion in shipments. This was an increase of \$281.9 million from 2018. However, the industry's exports totaled \$5.9 billion for the first three quarters of 2020, a decrease of 14.8 percent (\$1.0 billion) from \$6.9 billion in the same period of 2019.

The industry experienced a tough year due to a slowing demand for passenger cars, reduced travel due to the pandemic, and declining export shipments. Employment across the state's transportation equipment manufacturing industry decreased by 5.6 percent (3,600 jobs) for the 12-month period ending in September 2020 to total 60,400. Motor vehicle parts manufacturing lost 1,700 jobs and motor vehicle manufacturing lost 1,300, while the payroll for aerospace products and parts manufacturing remained the same. The combined real GDP for the states' transportation equipment manufacturing was \$8.6 billion in 2020. Real output for motor

vehicle and parts manufacturers totaled \$5.3 billion, down 4.5 percent from 2019, while output for other transportation equipment manufacturers contracted 3.3 percent to \$3.3 billion in 2020.

Alabama Motor Vehicle & Parts Real GDP

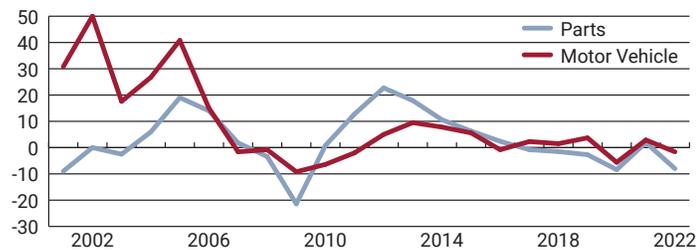
(Annual Percent Change)



Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama.

Alabama Motor Vehicle & Parts Manufacturing Employment

(Annual Percent Change)



Source: U.S. Department of Labor and Center for Business and Economic Research, The University of Alabama.

The industry is likely to experience strong growth in 2021 as the pandemic eases and travel resumes. Real output of motor vehicles, body, trailer, and parts manufacturing is forecasted to rebound 9.9 percent to reach \$5.8 billion. Employment is forecasted to increase by 2.9 percent among motor vehicle manufacturers and 1.9 percent for motor vehicle parts manufacturers. Other transportation equipment manufacturers are expected to see 6.6 percent growth in real output and employment gains of 2.4 percent. Nationwide, motor vehicle and parts sales are expected to rise 2.8 percent in 2021. Sales for new motor vehicles will rise by 6.4 percent fueled by a 6.7 percent growth in sales of new light trucks. New car sales will also grow by 4.8 percent reversing the huge 18.2 percent sales drop in 2020.

Nondurable Goods Manufacturing

Nondurable goods, such as food, paper, plastics and rubber, textiles and apparel, and chemicals, have an expected lifespan of three years or less. The state's nondurables manufacturers generated real output of \$13.6 billion in 2020, up 1.3 percent from the previous year. Payrolls totaled 92,100 in September 2020, just under half the peak of over 190,000 in 1990. Jobs in these

industries account for 4.6 percent of total Alabama nonfarm employment and 34.8 percent of manufacturing employment.

Real GDP of the state's nondurable goods manufacturers is expected to grow 2.6 percent to \$14.0 billion in 2021 while employment will rise 2.0 percent to 93,389 workers. However, over the long run many of these industries will continue losing jobs. Strong international competition influenced by trade agreements, off-shoring, outsourcing, plant relocations to lower-wage countries, and shifts to more capital-intensive technologies are among the challenges faced by nondurables producers, particularly in textiles and apparel-related industries.

Textile and Apparel Products

Most of the state's basic textile and apparel operations have relocated overseas. As of September 2020, Alabama textile and Apparel firms employed just 8,600 workers. Textile mills accounted for 4,800 of those workers after losing 100 jobs, while textile product mills payrolls stood at 3,800 after also decreasing its workforce by 100 jobs. The broad industry category has shed over 90,000 jobs in the state since its peak in 1992. Employment has been falling steadily since the passage of NAFTA (the free trade agreement with Mexico and Canada), CAFTA (the free trade agreement with Central American countries), China's admittance to the World Trade Organization, and the free trade agreements with individual countries that have relatively lower costs of labor and production. As of 2019, China remained the largest exporter of textiles and apparel in the world, followed by the European Union and India; while the United States was the largest importer of these products.

The real GDP of textile and textile product mills decreased by 2.2 percent in 2020, while output among apparel manufacturers dropped a significant 9.2 percent. However, exports of textiles and fabrics grew 8.6 percent to \$199.2 million in 2019 compared to \$183.4 million in 2018, while apparel exports decreased by 33.5 percent to \$7.0 million. The first three quarters of 2020, portray declining exports of textiles and fabrics. In general, textile and textile product mills, as well as apparel manufacturers, have experienced drops in production capacity primarily due to technological advances.

Real output for Alabama's textile and textile product mills is forecasted to increase 0.4 percent in 2021, while output for apparel industry is forecasted to decrease 1.4 percent. Employment is forecasted to grow at 2.2 percent in textile mills and shrink 9.2 percent in textile product mills. Textiles and apparel manufacturers will continue to deal with intense pressure to reduce prices from large sellers, who themselves face intense competition. Producer prices of textile products and apparel will increase 1.2 percent in 2021.

Paper and Related Products

One of Alabama's largest exporting sectors, paper manufacturing, has remained one of the highest-paying industries. In 2019, the sector's exports totaled \$1.0 billion, down 9.7 percent from \$1.1 billion in 2018. However, exports for the first nine months of 2020 increased to \$800.0 million, up 2.4 percent from \$781.1 million for

the same period in 2019. The paper industry's real output grew 1.2 percent to reach \$2.6 billion in 2020. Employment in paper and related products manufacturing totaled 11,600 in September 2020, up 200 jobs (1.8 percent) from its September 2019 level, despite the loss of 200 jobs in pulp, paper, and paperboard mills. However, the state's paper manufacturing jobs are expected to decline 0.3 percent in 2021 while the real output contracts 0.4 percent. Pulp and paper prices at the producer level are forecasted to rise 5.5 percent in 2021 compared to 0.1 percent increase in 2020.

Chemicals and Allied Products

The chemicals and allied products industry is Alabama's second largest exporter, accounting for 10.9 percent of the state's total exports in 2019. Total exports for this industry amounted to \$2.3 billion in 2019, which was an 11.4 percent decrease from 2018. Shipments were valued at \$1.5 billion for the first nine months of 2020, down from \$1.7 billion (10.1 percent) during the same period in 2019. The real output for Alabama's chemicals industry was down 6.5 percent in 2020 but is forecasted to rebound 3.1 percent in 2021 to reach \$3.2 billion. After declining 3.1 percent in 2020, producer prices for chemicals and allied products are forecasted to rise by 5.9 percent in 2021.

Plastics and Rubber Products

Alabama's real output of plastics and rubber products manufacturing totaled \$1.8 billion in 2020 having declined by 1.8 percent from 2019. Exports of plastics and rubber products decreased by \$64.0 million (16.6 percent) from 2018 to reach \$321.4 million in 2019. The drop in exports was due to ongoing trade uncertainties and the current pandemic. For the first three quarters of 2020, exports totaled \$195.9 million, down 21.1 percent from \$248.4 million during the first three quarters of 2019. Industry employment in September 2020 totaled 17,500, a decrease of 1.7 percent (300 jobs) from September 2019. In 2021, the industry's real GDP is expected to grow 1.4 percent with employment rising 4.4 percent. Producer prices for plastics and rubber products are expected to increase by 3.1 percent in 2021, compared to a 0.8 percent drop in 2020.

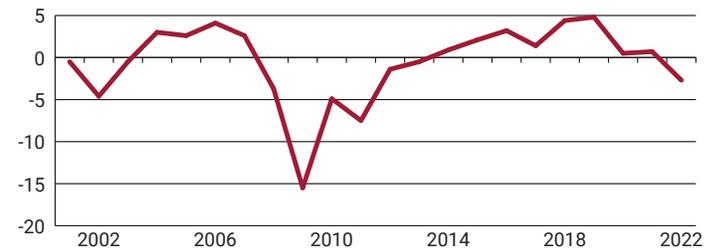
CONSTRUCTION

This sector includes businesses engaged in residential, nonresidential, and industrial construction, as well as those in heavy construction such as highways, bridges, and roads. Some specialty trade contractors (plumbing, insulation, roofing workers, electricians, etc.) are also included in this sector. According to the Alabama Center for Real Estate, residential home sales for January through November of 2020 totaled 66,172, up 11.8 percent from the same period the previous year. New construction sales accounted for 14.5 percent of those sales (9,624 units). The average home price in Alabama was \$219,496 (up 12.1 percent from a year ago) while the median home price was \$187,838 (up 11.8 percent).

Real output rose to \$6.6 billion in 2020, a 2.2 percent increase from the \$6.4 billion output of the previous year. During the 12-months ending in September 2020, specialty trade contractors gained 300 jobs while heavy and civil engineering construction added 200 workers. These gains were offset by the loss of 1,200 jobs in the

buildings construction segment. Overall, the construction industry lost 700 jobs (0.7 percent) from the previous year and employment totaled 94,400 workers. Real output of the state's construction sector is expected to grow at 1.7 percent in 2021, with employment rising by 0.7 percent.

Alabama Construction Employment (Annual Percent Change)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

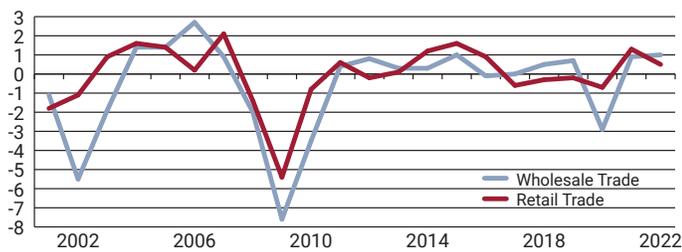
WHOLESALE AND RETAIL TRADE

Alabama's wholesale trade sector had a tough year in 2020. Real output dropped 5.1 percent to \$11.0 billion and the sector's payrolls lost 4,500 jobs (6.0 percent) from September 2019 to September 2020. As of September 2020, the sector employed 70,000 workers statewide. Wholesale electronic markets and agents and brokers segment had the largest job losses at 13.3 percent (2,200 jobs) followed by nondurable goods merchant wholesalers with 5.8 percent (1,300 jobs). Durable goods merchant wholesalers lost 1,000 jobs (2.8 percent). Wholesale prices are expected to rise 3.2 percent in 2021 after declining by 0.6 percent in 2020. Despite the pandemic and recessions, retail trade employment increased by 1.6 percent (3,600 jobs) to total 232,200 during the 12-month period ending in September 2020. Retail trade payrolls accounted for 11.6 percent of total nonfarm payrolls. Stay at home orders due to COVID-19 led to increased demand for building materials, garden equipment, and supplies; food and beverages; and general merchandise as many consumers sheltered-in-place for prolonged periods. General merchandise stores added 2,500 jobs while food and beverages and building materials and garden equipment dealers added 2,000 jobs each. Motor vehicle and parts dealers were the only retailers who lost jobs (1,700 jobs or 5.2 percent). Real GDP for the state's retail trade sector rose 0.6 percent to \$14.6 billion in 2020.

In 2021, expenditures on durable goods are expected to increase 5.2 percent. Sales of other durable goods will increase by 14.8 percent; furnishing and household equipment sales will rise by 4.6 percent; and recreational goods and vehicles sales will grow by 4.2 percent. Nondurable goods sales will increase by 1.0 percent, and much of the growth will occur among clothing and footwear and gasoline and other energy goods. This will contribute to a 3.3 percent growth in real output of Alabama's wholesale trade sector and a 2.4 percent increase in real output for retail trade in 2021. Payrolls are expected to rise by 1.3 percent among the retail trade sector and 0.9 percent for wholesale trade.

Alabama Wholesale and Retail Employment

(Annual Percent Change)



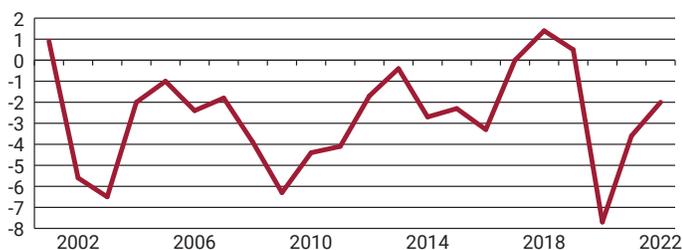
Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama.

INFORMATION

The information sector is largely composed of communications-related entities such as publishers, broadcasters, and telecommunications and internet service providers. As of September 2020, these industries employed 19,000 workers across the state, a decrease of 1,600 workers (7.8 percent) from September 2019. The sector's real GDP declined 3.7 percent to about \$5.1 billion in 2020. Information consumers and businesses continue to receive better services and lower prices because of competition among internet service providers, but the industry will continue to lose jobs because of competition-induced innovation and higher productivity. Real output of the state's information-related businesses are forecasted to grow 3.9 percent to \$5.3 billion in 2021, while payrolls will decrease by 3.6 percent.

Alabama Information Sector Employment

(Annual Percent Change)



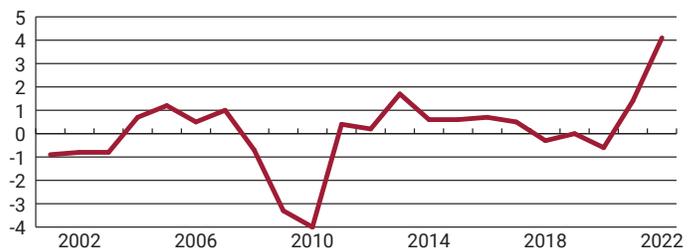
Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama.

FINANCIAL ACTIVITIES

The financial services sector includes finance and insurance as well as real estate, rental and leasing firms. The sector's real GDP totaled \$29.9 billion in 2020, down 1.1 percent from the previous year. Real output for the finance and insurance industry grew 0.9 percent to reach \$9.5 billion in 2020, while real output for real estate, rental and leasing decreased 1.9 percent to \$20.3 billion. Between September 2019 and September 2020, employment in the state's financial activities decreased 1.0 percent (1,000 jobs) to 96,600, which accounts for about 4.8 percent of total state nonfarm employment.

Alabama Financial Sector Employment

(Annual Percent Change)



Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama.

Payroll in the finance and insurance industry decreased 0.6 percent (100 jobs) to 73,000 workers, as job losses in the other industry segments dissipated job gains (500 jobs or 1.8 percent) in the insurance carriers and related activities segment. The real estate and rental and leasing industry lost 900 jobs (3.7 percent) during the same period. In 2021, real GDP of the state's real estate and rental and leasing industry is expected to rebound 2.0 percent to \$20.8 billion boosted by low interest rates. Real output for the finance and insurance industry is forecasted to decline by 0.7 percent to \$9.5 billion. Real GDP for the financial activities sector as a whole will grow at 1.2 percent to \$30.2 billion during 2021, and employment is forecasted to rise 1.4 percent.

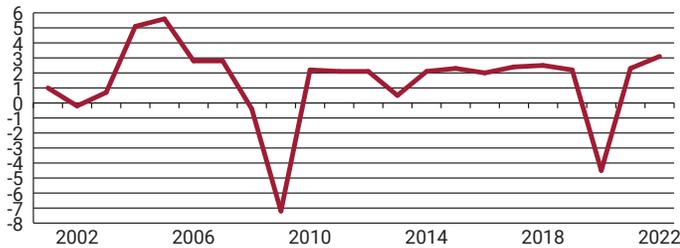
PROFESSIONAL AND BUSINESS SERVICES

This sector includes: professional, scientific, and technical services; management of companies and enterprises; administrative, support and waste management and remediation services; and other professional and support services. During 2020, real output from the combined professional and business services totaled \$20.5 billion, down 3.3 percent from its 2019 level of \$21.2 billion. The sector had 243,700 employees in September 2020, having lost 5,100 jobs (2.1 percent) since September 2019. Job losses were concentrated in management of companies and enterprises (2,300 jobs) and administrative, support and waste management and remediation services (2,200 jobs). Businesses in professional, scientific, and technical services were able to avoid major job losses because of their ability to telecommute compared to the other segments. Firms in this subsector lost 600 jobs during the 12-month period ending in September 2020. In 2020, the real output for management of companies and enterprises in the state contracted 7.0 percent to \$2.2 billion, while administrative, support and waste management and remediation services decreased 4.4 percent to total \$5.3 billion. Professional, scientific, and technical services output contracted 2.2 percent to \$13.1 billion.

CBER projects a real GDP rebound of 4.6 percent in professional, scientific, and technical services; 4.5 percent for administrative, support and waste management and remediation services; and 2.3 percent for management of companies and enterprises in 2021. The combined real output from the state's professional and business services will grow at 4.3 percent to \$21.4 billion.

The combined sector payroll will increase by 2.3 percent in 2021, with most of the job gains in professional, technical, and scientific services.

Alabama Professional Business Services Employment (Annual Percent Change)

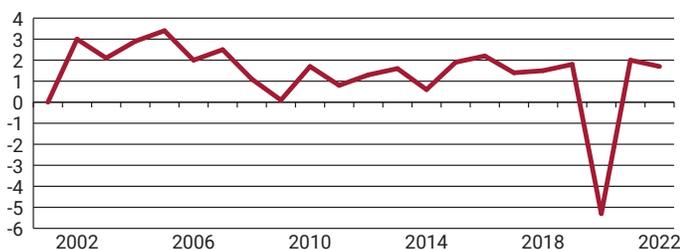


Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama.

EDUCATION AND HEALTH SERVICES

This sector includes educational services and health care and social services. The combined real GDP of both educational and health services sectors contracted to \$15.7 billion in 2020. Real output for educational services declined 12.0 percent to \$1.0 billion, while output for businesses in healthcare and social assistance services contracted 7.0 percent to register at \$14.7 billion in 2020. Employment in educational and health services totaled 233,000 in September 2020, down 7.7 percent (19,300 jobs) since September 2019. Healthcare and social assistance businesses lost most jobs (15,600 or 7.1 percent) due to suspension of non-emergency hospital and physician visits, medical procedures, and social services in response to COVID-19. Employment for social assistance lost most jobs at 5,800, followed by nursing and residential care facilities, which lost 5,400 jobs. Ambulatory health care services lost 4,000 jobs, with physicians' offices losing 1,600.

Alabama Educational and Health Services Employment (Annual Percent Change)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

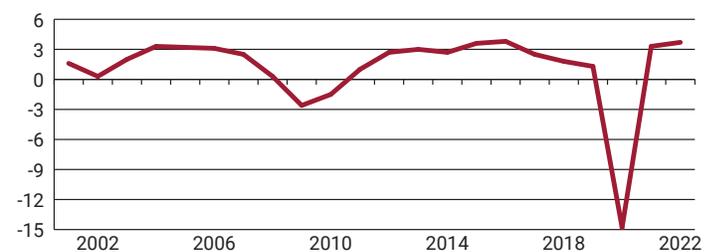
Hospitals lost 400 workers throughout the period. Educational services lost 3,700 workers to total 28,200 employees. In 2021, real output among healthcare and social assistance services is forecasted to experience a robust 5.9 percent increase, owing to the introduction of COVID-19 vaccine and more access to personal protective equipment. Real GDP for educational services is

expected to continue declining at 0.1 percent. Overall, employment in the combined sector is expected to increase by 2.0 percent.

LEISURE AND HOSPITALITY

This sector includes arts, entertainment, and recreation services as well as accommodation and food services. The leisure and hospitality industry employed 8.9 percent of Alabama nonfarm workers and 2020 was one of the toughest years for the industry due to the human and economic impacts of COVID-19. During the 12-month period ending in September 2020, the sector lost 29,400 jobs (14.1 percent), with payroll totaling 178,700 workers. The arts, entertainment, and recreation subsector payroll lost 6,000 jobs (28.2 percent) as the pandemic disrupted most activities in amusement, gambling and recreation. Employment in the accommodation and food services decreased by 12.5 percent (23,400 jobs) to 163,400 workers in the same 12-month period, with food services and drinking places losing 16,000 jobs (9.5 percent). During 2020, real output contracted by 30.1 percent to \$3.4 billion for accommodation and food service businesses, down from \$4.9 billion the previous year. Real output of the arts, entertainment, and recreation subsector dropped by 30.0 percent to \$515.5 million in the same period. Real output in accommodation and food services is forecasted to rebound and grow at 12.0 percent to reach \$3.8 billion in 2021, while arts, entertainment, and recreation services' output will grow 0.3 percent to \$517.2 million. The sector's employment is forecasted to rise 3.3 percent in 2021 as vaccines become more readily available, with most job gains occurring in accommodation and food services.

Alabama Leisure and Hospitality Employment (Annual Percent Change)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

MINING AND LOGGING

This sector includes coal mining; oil and gas extraction; logging; and mining of metals and nonmetallic minerals such as stone, sand, and gravel. Real output in this sector decreased 3.0 percent in 2020 to \$2.8 billion primarily due to reduction in coal mining activity in the state and COVID-19 interruptions. Mineral and ore businesses were the state's third largest exporters, having shipped \$1.4 billion in 2019, down 13.3 percent (221.7 million) from the previous year. Shipments plummeted to \$674.4 million, down 45.7 percent (\$567.9 million) during the first nine months of 2020, compared to \$1.2 billion observed in the same period in 2019. The

sector employed 9,800 workers in September 2020, with 5,000 jobs in mining. Employment was down 3.9 percent (400 jobs) in September 2020 from September 2019. The sector is expected to significantly contract in 2021 with real output of the state's natural resources and mining decreasing 8.1 percent in 2021 to \$2.5 billion, while employment will decline 1.6 percent. Crude oil prices (West Texas Intermediate Spot) are expected to average \$45.78 per barrel in 2021, up from \$38.96 in 2020. The nationwide demand for coal in 2021 is expected to slightly increase 9.3 quadrillion Btu from 9.1 quadrillion Btu in 2020 while coal producer prices will increase by 1.9 percent.

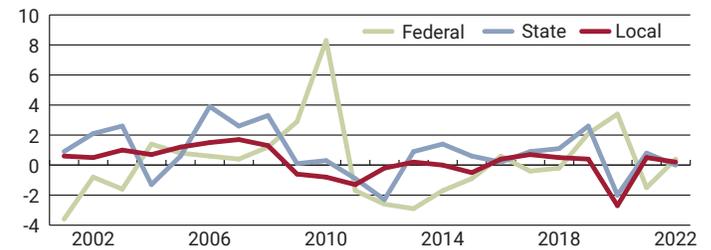
TRANSPORTATION, WAREHOUSING, AND PUBLIC UTILITIES

This sector includes public utilities; warehousing; and rail, water, and truck transportation. The broad sector employed 80,000 workers in September 2020, up 2.8 percent (2,200 jobs) from September 2019. Transportation and warehousing employment increased 3.7 percent (2,400 jobs) to reach 67,200 fueled by household demand for general merchandise because of COVID-19 restrictions. This offset the 200 job losses (1.5 percent) in public utilities during that same period. The real GDP of the state's utilities industry contracted 2.0 percent to \$5.2 billion in 2020, but it is expected to rebound 2.1 percent in 2021. Among transportation and warehousing establishments, real output grew 3.0 percent to \$5.6 billion in 2020 but will decline 1.7 percent in 2021. Total employment among transportation, warehousing, and public utilities firms is forecasted to increase at 2.6 percent in 2021.

GOVERNMENT

Real output of all the government entities in Alabama contracted 1.5 percent to \$31.9 billion in 2020 and accounted for 16.3 percent of the state's GDP. Real output from the federal civilian sector increased 0.7 percent to about \$8.0 billion in 2020, and output from federal military entities rose 1.0 percent to \$4.5 billion. However, state and local government output declined by 2.9 percent to reach \$19.4 billion due the economic impacts of COVID-19 especially on local governments. The overall government sector lost 7,800 jobs (2.0 percent) over the 12-months ending in September 2020 bringing total government employment down to 385,100, which accounted for 19.3 percent of total nonfarm payrolls. This total is comprised of: 209,700 workers in local governments; 116,600 in state government; and 58,800 in federal government. From September 2019 to September 2020, federal government entities gained 3,900 jobs due to the recent 2020 Census exercise and the relocation of FBI jobs to the Huntsville MSA, but local and state governments lost 7,700 and 4,000 jobs respectively. Real output is forecasted to increase 0.6 percent for the government sector in 2021, while military real GDP is expected to grow 1.0 percent and federal civilian output will grow at 0.8 percent. Output for both state and local governments will increase by 0.5 percent. Employment in the government sector overall is expected to grow 0.3 percent in 2021. Federal government employment is expected to decrease by 1.5 percent in 2021, due to the conclusion of the 2020 Census. State government employment is forecasted to increase 0.8 percent, and state government payrolls will rise by 0.5 percent.

Alabama Government Employment (Annual Percent Change)



Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

AGRICULTURAL SERVICES, FORESTRY, AND FISHERIES AND FARMING

Included in this sector are agricultural services such as farm labor and management services; landscaping; soil preparation; forestry services; and fishing, hunting, and trapping services. Alabama is among the largest poultry exporters in the nation. Exports of Alabama's agricultural products dropped 26.1 percent (\$85.7 million) from \$328.4 million in 2018 to \$242.8 million in 2019 both due to tariffs and trade disputes. However, during the first nine months of 2020, exports totaled \$237.5 million, an increase of 27.5 percent from \$186.3 million for the same period in 2019. Due to this increase in exports, total real output in the sector remained unchanged in 2020. Crop and animal production accounted for most of the real output in 2019. Real output of the state's agricultural services, forestry, and fisheries and farming sector is expected to grow by around 3.0 percent in 2021.

Alabama Agricultural Sector Employment, 2019

Farm proprietors employment	34,596
Farm employment	41,785
Forestry, fishing, and related activities	16,515
Forestry and logging	6,886
Fishing, hunting, and trapping	1,581
Agriculture and forestry support activities	8,048

Source: U.S. Bureau of Economic Analysis.

Alabama Gross Domestic Product

(Millions of Chained 2012 Dollars)

	2018	2019	2020	2021	2022
Total Real Alabama Gross Domestic Product	\$198,054	\$200,829	\$195,400	\$200,434	\$203,562
Agriculture, Forestry, Fishing, and Hunting	\$3,281	\$2,618	\$2,617	\$2,697	\$2,680
Mining	\$2,747	\$2,844	\$2,760	\$2,536	\$2,508
Utilities	\$5,403	\$5,351	\$5,247	\$5,357	\$5,445
Construction	\$6,314	\$6,417	\$6,560	\$6,672	\$6,675
Manufacturing	\$34,985	\$36,189	\$35,393	\$36,803	\$37,769
Durable Goods	\$21,824	\$22,703	\$21,772	\$22,788	\$23,344
Wood Products	\$1,241	\$1,349	\$1,398	\$1,377	\$1,329
Nonmetallic Mineral Products	\$795	\$833	\$789	\$776	\$781
Primary Metals	\$4,002	\$4,609	\$4,275	\$4,541	\$4,770
Fabricated Metals	\$2,545	\$2,528	\$2,538	\$2,513	\$2,496
Machinery	\$968	\$960	\$937	\$981	\$1,021
Computer and Electronic Products	\$1,315	\$1,317	\$1,287	\$1,301	\$1,320
Electrical Equipment and Appliances	\$684	\$688	\$660	\$659	\$653
Motor Vehicle Body, Trailers and Parts	\$5,252	\$5,515	\$5,266	\$5,786	\$5,965
Other Transportation Equipment	\$3,372	\$3,410	\$3,296	\$3,515	\$3,693
Furniture and Related Products	\$873	\$798	\$787	\$763	\$758
Miscellaneous	\$573	\$559	\$548	\$550	\$553
Nondurable Goods	\$13,138	\$13,462	\$13,636	\$13,991	\$14,430
Food Products	\$2,226	\$2,284	\$2,284	\$2,337	\$2,360
Textiles and Textile Product Mills	\$440	\$429	\$420	\$422	\$411
Apparel	\$92	\$89	\$81	\$80	\$81
Paper	\$2,564	\$2,548	\$2,579	\$2,568	\$2,591
Printing and Related Support Activities	\$192	\$197	\$193	\$186	\$176
Petroleum and Coal Products	\$2,979	\$3,177	\$3,214	\$3,457	\$3,732
Chemicals	\$3,178	\$3,321	\$3,104	\$3,201	\$3,317
Plastics and Rubber Products	\$1,789	\$1,783	\$1,750	\$1,774	\$1,775
Wholesale Trade	\$11,996	\$11,632	\$11,037	\$11,399	\$11,623
Retail Trade	\$14,340	\$14,561	\$14,647	\$14,994	\$15,217
Transportation and Warehousing, excluding Postal Service	\$5,325	\$5,442	\$5,603	\$5,507	\$5,427
Information	\$5,050	\$5,300	\$5,106	\$5,307	\$5,445
Finance and Insurance	\$9,793	\$9,433	\$9,516	\$9,453	\$9,235
Real Estate, Rental, and Leasing	\$20,102	\$20,748	\$20,347	\$20,759	\$21,102
Professional and Technical Services	\$12,914	\$13,372	\$13,072	\$13,672	\$14,076
Management of Companies and Enterprises	\$2,195	\$2,356	\$2,192	\$2,241	\$2,300
Administration and Waste Services	\$5,286	\$5,503	\$5,259	\$5,497	\$5,697
Educational Services	\$1,134	\$1,165	\$1,025	\$1,024	\$1,073
Healthcare and Social Assistance	\$15,314	\$15,774	\$14,672	\$15,542	\$15,885
Arts, Entertainment, and Recreation	\$712	\$736	\$516	\$517	\$521
Accommodation and Food Services	\$5,126	\$4,894	\$3,421	\$3,832	\$4,203
Other Services, except Government	\$4,776	\$4,688	\$4,545	\$4,526	\$4,507
Government	\$31,773	\$32,355	\$31,882	\$32,074	\$32,180
Federal Civilian	\$7,834	\$7,929	\$7,982	\$8,042	\$8,022
Federal Military	\$4,119	\$4,449	\$4,491	\$4,534	\$4,522
State and Local	\$19,823	\$19,990	\$19,408	\$19,497	\$19,636

Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama. November 2020.

Alabama Gross Domestic Product
(Annual Percent Change)

	2018	2019	2020	2021	2022
Total Real Alabama Gross Domestic Product	2.3	1.4	-2.7	2.6	1.6
Agriculture, Forestry, Fishing, and Hunting	5.5	-20.2	0.0	3.0	-0.6
Mining	8.8	3.5	-3.0	-8.1	-1.1
Utilities	-1.6	-1.0	-2.0	2.1	1.7
Construction	4.3	1.6	2.2	1.7	0.0
Manufacturing	4.6	3.4	-2.2	4.0	2.6
Durable Goods	4.0	4.0	-4.1	4.7	2.4
Wood Products	5.1	8.7	3.7	-1.5	-3.5
Nonmetallic Mineral Products	1.2	4.8	-5.2	-1.7	0.6
Primary Metals	1.5	15.2	-7.2	6.2	5.1
Fabricated Metals	4.9	-0.7	0.4	-1.0	-0.7
Machinery	6.0	-0.8	-2.4	4.7	4.0
Computer and Electronic Products	6.9	0.1	-2.2	1.0	1.5
Electrical Equipment and Appliances	4.3	0.6	-4.0	-0.2	-0.9
Motor Vehicle Body, Trailers and Parts	2.7	5.0	-4.5	9.9	3.1
Other Transportation Equipment	6.5	1.1	-3.3	6.6	5.1
Furniture and Related Products	5.8	-8.7	-1.4	-3.0	-0.6
Miscellaneous	4.3	-2.4	-2.0	0.4	0.5
Nondurable Goods	5.6	2.5	1.3	2.6	3.1
Food Products	4.3	2.6	0.0	2.3	1.0
Textiles and Textile Product Mills	-5.2	-2.4	-2.2	0.4	-2.6
Apparel	-4.3	-2.6	-9.2	-1.4	1.1
Paper	12.5	-0.6	1.2	-0.4	0.9
Printing and Related Support Activities	-2.0	2.6	-2.1	-3.5	-5.4
Petroleum and Coal Products	9.9	6.6	1.2	7.6	8.0
Chemicals	1.0	4.5	-6.5	3.1	3.6
Plastics and Rubber Products	6.8	-0.4	-1.8	1.4	0.1
Wholesale Trade	1.0	-3.0	-5.1	3.3	2.0
Retail Trade	3.2	1.5	0.6	2.4	1.5
Transportation and Warehousing, excluding Postal Service	5.3	2.2	3.0	-1.7	-1.5
Information	5.2	5.0	-3.7	3.9	2.6
Finance and Insurance	0.7	-3.7	0.9	-0.7	-2.3
Real Estate, Rental, and Leasing	-0.8	3.2	-1.9	2.0	1.7
Professional and Technical Services	4.6	3.5	-2.2	4.6	3.0
Management of Companies and Enterprises	-0.3	7.4	-7.0	2.3	2.6
Administration and Waste Services	3.5	4.1	-4.4	4.5	3.6
Educational Services	-2.5	2.7	-12.0	-0.1	4.8
Healthcare and Social Assistance	3.6	3.0	-7.0	5.9	2.2
Arts, Entertainment, and Recreation	2.5	3.5	-30.0	0.3	0.7
Accommodation and Food Services	0.4	-4.5	-30.1	12.0	9.7
Other Services, except Government	3.6	-1.8	-3.0	-0.4	-0.4
Government	0.1	1.8	-1.5	0.6	0.3
Federal Civilian	-1.0	1.2	0.7	0.8	-0.2
Federal Military	4.9	8.0	1.0	1.0	-0.3
State and Local	-0.5	0.8	-2.9	0.5	0.7

Source: U.S. Department of Commerce and Center for Business and Economic Research, The University of Alabama. November 2020.

Alabama Employment

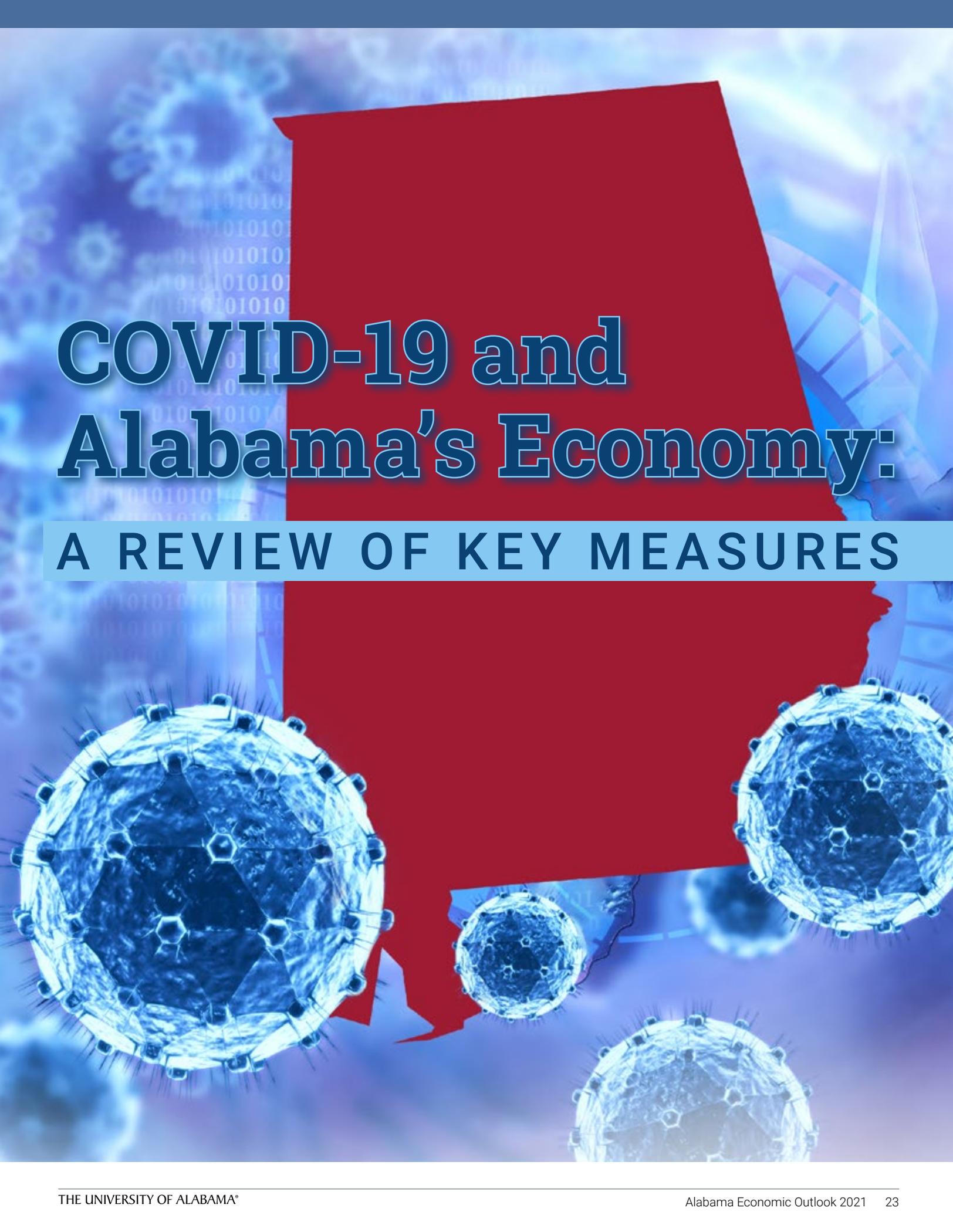
	2015	2016	2017	2018	2019	2020	2021	2022
Total Nonfarm Employment	1,971,200	1,997,000	2,018,700	2,044,500	2,072,600	1,995,910	2,026,308	2,058,235
Manufacturing	257,900	260,700	263,500	267,000	268,600	262,840	267,839	269,383
Durable	169,100	170,000	171,500	173,800	174,900	171,240	174,450	174,681
Wood Products Mfg	15,100	15,800	16,300	17,300	17,600	18,030	17,985	18,710
Primary Metals	18,000	17,000	16,800	17,300	17,600	16,720	17,130	16,989
Fabricated Metals	26,100	25,800	26,100	26,800	27,300	27,000	26,956	27,143
Machinery Mfg.	10,700	10,400	10,400	10,500	10,600	10,440	10,731	10,798
Computer and Electronic Products	9,000	9,000	8,900	8,800	8,700	8,570	8,782	8,847
Electrical Equipment, Appliances and Components	4,900	5,000	5,000	5,300	5,400	5,300	5,204	5,588
Transportation Equipment	62,900	63,700	64,100	63,800	64,000	60,170	61,592	59,913
Motor Vehicle Manufacturing	13,100	13,000	13,300	13,500	14,000	13,220	13,609	13,391
Motor Vehicle Parts Manufacturing	25,500	26,100	25,900	25,500	24,800	22,710	23,152	21,308
Other Transportation	24,300	24,600	24,900	24,800	25,200	24,240	24,830	25,214
Furniture and Related Products	8,800	9,400	9,700	9,700	9,300	9,170	9,188	9,325
Other Durable	13,600	13,900	14,200	14,300	14,400	15,840	16,882	17,368
Nondurable	88,800	90,600	92,000	93,200	93,700	91,600	93,389	94,704
Food	30,800	31,700	32,600	32,800	33,100	32,200	32,328	32,378
Textiles	5,700	5,400	5,000	5,100	4,900	4,830	4,937	4,957
Textile Product Mills	3,800	4,000	3,900	4,100	4,100	3,730	3,388	3,328
Paper	10,600	10,700	11,000	11,300	11,400	11,490	11,453	11,379
Rubber, Plastic	16,200	17,000	17,500	18,200	18,100	17,360	18,127	18,117
Other Nondurable	21,700	21,800	22,000	21,700	22,100	21,990	23,156	24,544
Natural Resources	11,000	9,400	9,800	10,000	10,100	9,800	9,641	9,779
Construction	81,600	84,200	85,400	89,200	93,500	93,980	94,596	92,078
Wholesale Trade	73,600	73,500	73,500	73,900	74,400	72,260	72,878	73,632
Retail Trade	230,800	232,900	231,600	231,000	230,600	228,950	231,961	233,190
Transportation, Warehousing, Utilities	73,400	73,700	73,900	76,100	78,200	79,100	81,125	82,970
Information	21,500	20,800	20,800	21,100	21,200	19,570	18,859	18,484
Financial Activities	95,400	96,100	96,600	96,300	96,300	95,770	97,121	101,059
Professional and Business Services	229,100	233,600	239,100	245,100	250,500	239,290	244,682	252,276
Educational and Health Services	233,200	238,300	241,600	245,200	249,600	236,270	241,105	245,109
Leisure and Hospitality	190,300	197,500	202,400	206,000	208,600	177,660	183,548	190,272
Other Services	92,700	94,200	96,000	97,100	99,300	95,040	96,443	102,792
Government	380,800	382,200	384,600	386,800	391,700	385,380	386,513	387,205
State	114,500	114,700	115,700	117,000	120,000	117,620	118,512	118,570
Federal Civilian	53,000	53,300	53,100	53,000	54,100	55,940	55,086	55,301
Local	213,300	214,200	215,800	216,800	217,600	211,820	212,915	213,335

Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama. November 2020.

Alabama Employment
(Annual Percent Change)

	2015	2016	2017	2018	2019	2020	2021	2022
Total Nonfarm Employment	1.4	1.3	1.1	1.3	1.4	-3.7	1.5	1.6
Manufacturing	1.9	1.1	1.1	1.3	0.6	-2.1	1.9	0.6
Durable	2.3	0.5	0.9	1.3	0.6	-2.1	1.9	0.1
Wood Products Mfg	4.9	4.6	3.2	6.1	1.7	2.4	-0.2	4.0
Primary Metals	-4.3	-5.6	-1.2	3.0	1.7	-5.0	2.5	-0.8
Fabricated Metals	2.0	-1.1	1.2	2.7	1.9	-1.1	-0.2	0.7
Machinery Mfg.	2.9	-2.8	0.0	1.0	1.0	-1.5	2.8	0.6
Computer and Electronic Products	-1.1	0.0	-1.1	-1.1	-1.1	-1.5	2.5	0.7
Electrical Equipment, Appliances and Components	-3.9	2.0	0.0	6.0	1.9	-1.9	-1.8	7.4
Transportation Equipment	4.7	1.3	0.6	-0.5	0.3	-6.0	2.4	-2.7
Motor Vehicle Manufacturing	5.6	-0.8	2.3	1.5	3.7	-5.6	2.9	-1.6
Motor Vehicle Parts Manufacturing	6.3	2.4	-0.8	-1.5	-2.7	-8.4	1.9	-8.0
Other Transportation	2.5	1.2	1.2	-0.4	1.6	-3.8	2.4	1.5
Furniture and Related Products	0.0	6.8	3.2	0.0	-4.1	-1.4	0.2	1.5
Other Durable	4.6	2.2	2.2	0.7	0.7	10.0	6.6	2.9
Nondurable	1.0	2.0	1.5	1.3	0.5	-2.2	2.0	1.4
Food	0.7	2.9	2.8	0.6	0.9	-2.7	0.4	0.2
Textiles	-6.6	-5.3	-7.4	2.0	-3.9	-1.4	2.2	0.4
Textile Product Mills	0.0	5.3	-2.5	5.1	0.0	-9.0	-9.2	-1.8
Paper	-3.6	0.9	2.8	2.7	0.9	0.8	-0.3	-0.6
Rubber, Plastic	8.7	4.9	2.9	4.0	-0.5	-4.1	4.4	-0.1
Other Nondurable	0.9	0.5	0.9	-1.4	1.8	-0.5	5.3	6.0
Natural Resources	-6.0	-14.5	4.3	2.0	1.0	-3.0	-1.6	1.4
Construction	2.1	3.2	1.4	4.4	4.8	0.5	0.7	-2.7
Wholesale Trade	1.0	-0.1	0.0	0.5	0.7	-2.9	0.9	1.0
Retail Trade	1.6	0.9	-0.6	-0.3	-0.2	-0.7	1.3	0.5
Transportation, Warehousing, Utilities	1.4	0.4	0.3	3.0	2.8	1.2	2.6	2.3
Information	-2.3	-3.3	0.0	1.4	0.5	-7.7	-3.6	-2.0
Financial Activities	0.6	0.7	0.5	-0.3	0.0	-0.6	1.4	4.1
Professional and Business Services	2.3	2.0	2.4	2.5	2.2	-4.5	2.3	3.1
Educational and Health Services	1.9	2.2	1.4	1.5	1.8	-5.3	2.0	1.7
Leisure and Hospitality	3.6	3.8	2.5	1.8	1.3	-14.8	3.3	3.7
Other Services	0.8	1.6	1.9	1.1	2.3	-4.3	1.5	6.6
Government	-0.2	0.4	0.6	0.6	1.3	-1.6	0.3	0.2
State	0.6	0.2	0.9	1.1	2.6	-2.0	0.8	0.0
Federal Civilian	-0.9	0.6	-0.4	-0.2	2.1	3.4	-1.5	0.4
Local	-0.5	0.4	0.7	0.5	0.4	-2.7	0.5	0.2

Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama. November 2020.



COVID-19 and Alabama's Economy:

A REVIEW OF KEY MEASURES

Introduction

The coronavirus (COVID-19) has created both a public health crisis and an economic crisis of unprecedented scale in the United States.¹ The pandemic prompted a trifecta of concomitant economic shocks throughout the country: a demand shock, a supply shock, and a financial shock.² Alabama has not been immune to these economic shocks. This feature article reviews the impact of the pandemic in Alabama, with a particular focus on the economic trends of employment, bankruptcy filings, emergency loans to small businesses, and interest rates.

COVID-19: A Public Health Crisis

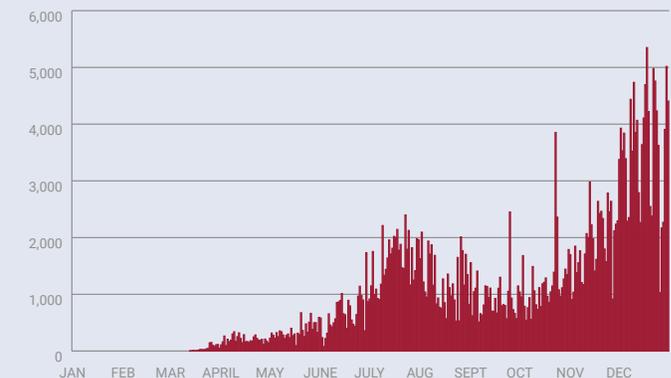
In 2020, there were nearly 20 million confirmed COVID-19 cases and 336,811 deaths in the United States. Figure 1 shows that the first COVID-19 cases recorded in Alabama were on March 13th, 2020; and by the end of 2020, there were 361,226 confirmed cases (Figure 2), 34,184 hospitalizations, and 4,406 deaths (Figure 3). Alabama's positivity rate on December 15, 2020 was 35.6 percent, which is the highest rate in the Southeast³ and more than three times the national average (11.4 percent).⁴

According to the Kaiser Family Foundation, there are 1,870 ICU beds in Alabama; which after accounting for population size means the state has 3.7 ICU beds per 10,000 people. Alabama's access to intensive care units has been critical to treating COVID-19 cases, since, according to public health officials, 10 percent of all new cases of COVID-19 require hospitalization. Alabama has the highest per capita number of ICU beds, in the Southeast, and the second highest ICU beds per capita of all 50 states and the District of Columbia.⁵ This higher access to health care has prevented Alabama from running out of ICU beds as early as other states, such as Mississippi, which has 15 percent less ICU beds per capita than Alabama. Nevertheless, challenges abound, and the December spike in COVID-19 cases has placed dire pressures on health care facilities across the state. For example, on December 11th, the Alabama Hospital Association reported that the state's ICU beds were near capacity, with only 7 percent remaining. By county, Jefferson, the state's major healthcare hub, was down to 13 beds; while smaller hubs such as Montgomery had no ICU beds, Mobile County had 11 beds, and Tuscaloosa County only had eight ICU beds available.⁶

(Un)Employment and Labor Market Participation

The economic shocks of COVID-19 are clearly visible in the changes in unemployment and labor force participation that occurred in 2020. Across the country, unemployment was at a historic low in the beginning of the calendar year with an unemployment rate of less than 4 percent. Figure 4 illustrates that by April, the number of unemployed people increased by more than 223 percent in the U.S. and by more than 178 percent in the South. However, Alabama's percentage change in unemployment was higher than the regional and the national average, increasing 360 percent from March (3.0 percent) to April (13.8 percent). In real numbers, nearly 256,000 people in the state lost employment

Figure 1: Daily New COVID-19 Cases in Alabama, 2020



Source: The John Hopkins Coronavirus Center

Figure 2: Cumulative COVID-19 Cases in Alabama, 2020



Source: The John Hopkins Coronavirus Center

Figure 3: Cumulative COVID-19 Deaths in Alabama, 2020



Source: The John Hopkins Coronavirus Center

in that period, such that more than 302,000 Alabamians were unemployed in April. The decline in employment was particularly acute in Black Belt counties, where unemployment in April was as high as 26.0 percent (Lowndes County)

compared to the state average of 13.8 percent. In the months following, the state unemployment rate declined by 68.0 percent from April (13.8 percent) to November (4.4 percent). According to the Bureau of Labor Statistics, 270,358 more Alabamians were employed in November 2020 compared to April 2020, and more than 68,000 people have returned to the labor force since April.

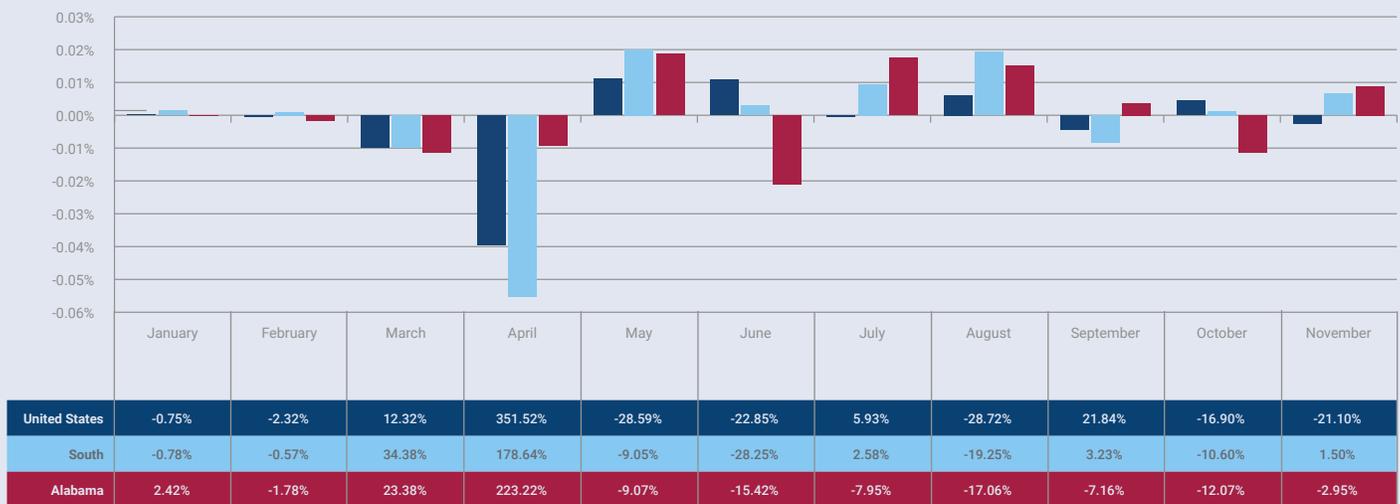
In April, the percentage change in unemployment increased at a higher rate in Alabama than the national and regional average (Figure 4). Also, the number of people in the labor force declined by less than 1.0 percent in Alabama while dropping nearly 4.0 percent and 5.5 percent in the United States and the South, respectively (Figure 5). Though percent changes in labor force participation appear to be relatively small, Figure 5 shows that in absolute numbers, more than 6.4 million people left the labor force in the U.S. from March to April; and that by November, more than 2.4 million people

still had not returned to the labor force. In Alabama, more than 20,000 people left the labor force between March and April. Alabama's labor force numbers have begun to recover, however the unemployment rate was still 47 percent higher in November compared to March. Despite November's unemployment rate remaining high, it was much lower than the peak rate observed in April.

Bankruptcy Filings

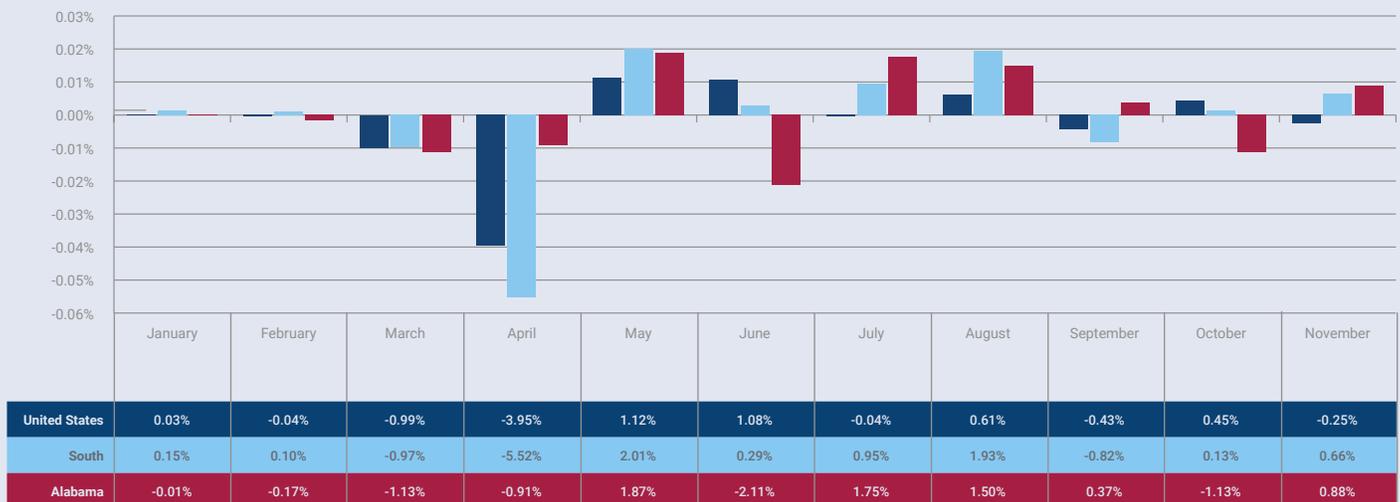
The financial implications of COVID-19 are still unfolding, but there are some metrics that reveal clues about the status of the economy and future economic conditions. For example, commercial bankruptcy filings in Alabama increased by 32 percent in the first quarter of 2020 compared to the first quarter of 2019. However, that trend was shaping up even before the state was facing COVID-19.

Figure 4: Month-over-Month Change in Unemployment, 2020



Source: U.S. Bureau of Labor Statistics

Figure 5: Month-over-Month Change in Labor Force Participation, 2020



Source: U.S. Bureau of Labor Statistics

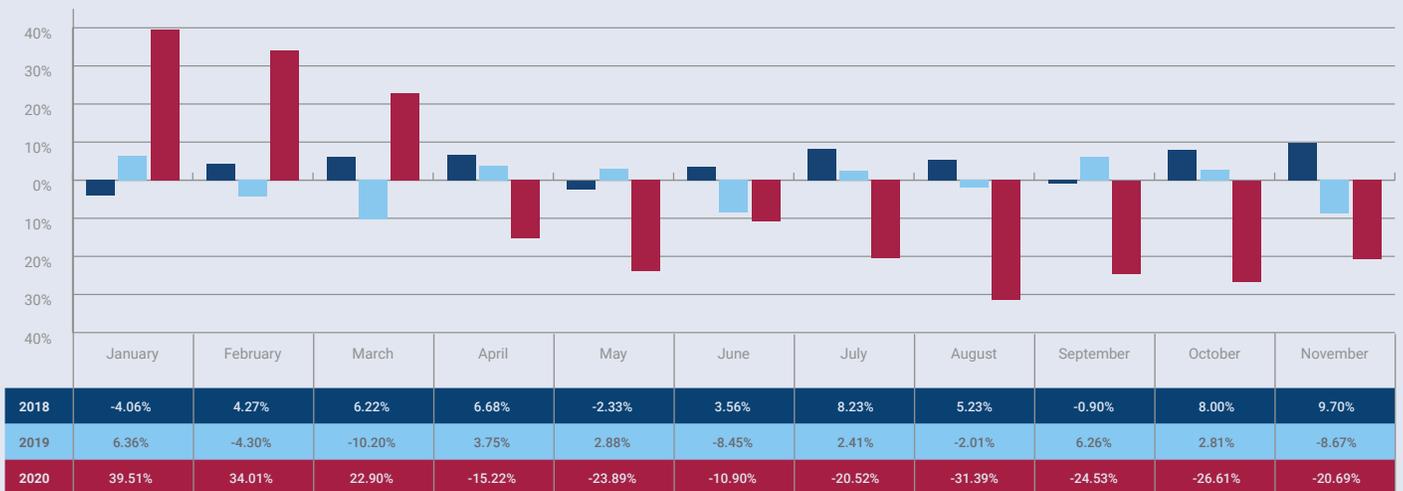
Though one would expect an increase in commercial bankruptcy filings due to financial hardships related to the pandemic, Figure 6 shows that starting in April, bankruptcy filings actually declined precipitously. This is due to shutdowns from COVID-19 halting legal and court proceedings. Year-to-year commercial bankruptcies continued to decline in the second (17 percent), third (26 percent), and fourth (21 percent) quarters. Personal bankruptcies filings were also highly impacted by disruptions from COVID-19. In contrast to commercial bankruptcies, personal bankruptcies decreased by 3 percent from the first quarter of 2019 to the first quarter of 2020. However, Figure 7 illustrates that they exhibited the same pattern as the commercial filings once the pandemic struck: in the second, third, and fourth quarters, year-to-year personal bankruptcies also declined, dropping by 39 percent, 43 percent, and 41 percent, respectively. These declines represent the slowdown in the bankruptcy process due to

social distancing and other public health protocols. Thus, it is reasonable to expect a spike in the number of bankruptcy filings once the courts fully reopen and begin to process the backlog of legal cases. The spike will be magnified by the increased number of business failures due to the economic shock of COVID-19.

Paycheck Protection Plan

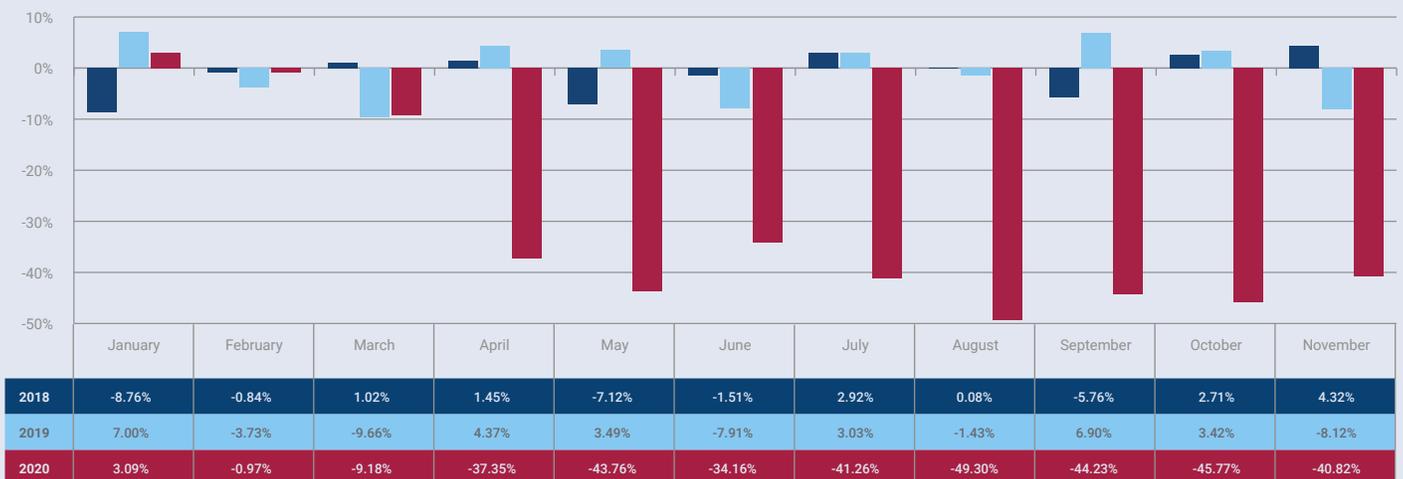
Many businesses in Alabama and across the country are continuing to grapple with the economic impact of COVID-19. In March, the federal government passed a \$2 trillion stimulus package called the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) that earmarked more than \$670 billion in relief loans for small businesses.⁷ Businesses across the United States could apply for the program, which was administered by the Small Business Administration,

Figure 6: Year-over-Year Percent Change in Commercial Bankruptcy Filings in Alabama between 2018 and 2020, by month



Source: American Bankruptcy Institute

Figure 7: Year-over-Year Percent Change in Non-commercial Bankruptcy Filings in Alabama between 2018 and 2020, by month



Source: American Bankruptcy Institute

until August 8th, 2020. About 80 percent of earmarked funds were allocated to more than 5.2 million small businesses across the United States.⁸ On average, each state received more than \$9.2 billion in Paycheck Protection Program (PPP) funding, and the average loan amount across 91,000 loans was approximately \$95,000 per business. However, Alabama received less aid compared to other states. The Small Business Administration (SBA) allocated more than \$6.2 billion to 70,331 businesses in Alabama.⁹ The average loan amount was approximately \$89,000 per business, and the median loan was about \$21,000. In all, more than 70,000 businesses reported that the loans would be used to retain 681,657 jobs. The jobs reportedly retained by PPP funding accounted for more than 30 percent of all Alabamians employed in the month preceding the first iteration of ‘stay at home orders’ that were issued by the governor’s office.

Table 1 shows that about 89 percent of all loans allocated to businesses in Alabama were less than \$150,000. Payroll costs were primarily used to calculate the eligibility amount of each loan. Hence, businesses that had fewer employees and/or lower payroll costs were eligible for a smaller loan, and businesses with more employees and/or higher payroll costs were eligible for a larger loan. The SBA could loan up to \$10 million to a single business, but only 53 businesses in Alabama received more than \$5 million in PPP funding. About 1.3 percent of businesses in Alabama that applied for the loans received more than \$1 million. Although these

businesses represented about 1.0 percent of the total loans allocated to small businesses in Alabama, they represented about a quarter of all jobs reported among businesses that received a loan. In contrast, a majority (56.7 percent) of all jobs reported were among businesses that borrowed less than \$350,000.

Table 2 shows the industrial sectors that received the most loans and the lenders that allocated the most loans to businesses in Alabama. Among businesses that received less than \$150,000, almost a quarter (23.9 percent) were allocated to 10 specific industrial sectors -- the top three

Table 1: Total SBA PPP Loans Allocated to Alabama’s Businesses, April 3rd-August 8th, 2020

Size of Loan	Net Loans	% of Total Allocation	Jobs Reported	% of Total Jobs Reported
Under \$150,000	62,462	88.81%	272,899	40.03%
\$150,000-350,000	4,625	6.58%	113,315	16.62%
\$350,000-\$1,000,000	2,323	3.30%	129,889	19.05%
\$1,000,000-\$2,000,000	613	0.87%	82,564	12.11%
\$2,000,000-\$5,000,000	253	0.36%	61,986	9.09%
\$5,000,000-\$10,000,000	53	0.08%	21,004	3.08%
Total	70,329	100.00%	681,657	100.00%

Source: Small Business Administration

Table 2: Top 10 SBA PPP Loans Allocated to Alabama’s Businesses by NAICS Sector and Lender, April 3rd- August 8th, 2020

Rank	NAICS Sector/Description	Net Loans by NAICS	Rank	Lender Name	Loan Count by Lender
Loans for more than \$150,000					
1	Limited-Service Restaurants	1896	1	Regions Bank	6072
2	Full-Service Restaurants	1847	2	Kabbage, Inc.	3403
3	Offices of Real Estate Agents and Brokers	1824	3	ServisFirst Bank	2243
4	Religious Organizations	1712	4	River Bank & Trust	2076
5	Beauty Salons	1662	5	BBVA USA	2040
6	Offices of Physicians (except Mental Health Specialists)	1499	6	Trustmark National Bank	2027
7	Insurance Agencies and Brokerages	1344	7	Synovus Bank	1856
8	Offices of Dentists	1105	8	Bancorp South Bank	1600
9	All Other Personal Services	1067	9	Cross River Bank	1599
10	Gasoline Stations with Convenience Stores	947	10	Wells Fargo Bank	1579
Loans for more than \$150,000					
1	Offices of Physicians (except Mental Health Specialists)	491	1	ServisFirst Bank	1011
2	Full-Service Restaurants	354	2	Regions Bank	749
3	Religious Organizations	209	3	Synovus Bank	546
4	New Car Dealer	205	4	BBVA USA	308
5	Plumbing, Heating, and Air-Conditioning Contractors	196	5	Renasant Bank	275
6	Offices of Lawyers	166	6	Hancock Whitney Bank	245
7	Commercial and Institutional Building Construction	164	7	Trustmark National Bank	244
8	Engineering Services	154	8	First Horizon Bank	216
9	Electrical Contractors and Other Wiring Installation Contractors	141	9	Progress Bank and Trust	209
10	Limited-Service Restaurants & Offices of Dentists (tie)	107	10	River Bank & Trust	208

Source: Small Business Administration

businesses were (1) limited-service restaurants, (2) full-service restaurants, and (3) real estate agents and brokers. In contrast, 27.8 percent of all businesses that received more than \$150,000 were in 10 industrial sectors – the top three were (1) office of physicians, (2) full-service restaurants, and (3) religious organizations. Slightly less than 40 percent of all loans smaller than \$150,000 were from 10 lenders. Regions Bank serviced 10 percent of all PPP loans in Alabama, ranking first in the number of loans among businesses that had a payroll of less than \$150,000 and second in loan allocation among businesses that borrowed more than \$150,000. In contrast, Kabbage, Inc. serviced the second highest number of loans to businesses that borrowed less than \$150,000, while only serving a total of six loans to businesses that borrowed more than \$150,000.

Interest Rates and Home Sales

In an effort to buffer against the sharp downturn in the economy, the Federal Reserve Bank lowered interest rates in March 2020 as a policy lever to cushion against the harm of COVID-19 on the U.S. economy. Interest rate manipulation is used to stimulate the economy by making it cheaper for individuals and businesses to borrow money and to make investments. This is very timely, given the dramatic increase in unemployment and other economic shocks that have occurred since April 2020.

Figure 8 shows the effective fund rate set by the Federal Reserve since 2015. In 2015, the rate was 0.11 percent and peaked at 2.42 percent in the second quarter of 2019. Then the rates gradually declined until the first two months of 2020, and were dramatically cut by 50 basis points in March to respond to the economic implications of COVID-19. By the end of December, rates remained at 0.09 percent, and the Federal Reserve’s fund rate projections show that rates will likely remain unchanged and near zero until 2023, which

is when the Federal Reserve projects that the economy will recover.¹⁰

As aforementioned, the lower interest rate environment makes it cheaper for consumers to borrow money. Consequently, home sales have increased across the nation as mortgage rates reached historic lows. The University of Alabama’s Alabama Center for Real Estate (ACRE), reports that “new home sales have seen significant gains in the pandemic months” and that new homes with personal office space are particularly appealing to home buyers as more people are working remotely during the pandemic.¹¹

According to ACRE, year-to-year home sales in Alabama increased by 7.37 percent and 6.33 percent in the first two months of 2020, respectively. However, sales declined by 8.93 percent in March and by 14.99 percent in April, which was the largest decline in year-to-year monthly sales in more than 12 years. However, in May, homes sales increased by 18.72 percent, and sales continued to increase dramatically throughout the third and fourth quarter of 2020. This increase in demand has also increased the average and median home price in the state. In January, the average home sold for \$193,717 and the median price was \$166,998; by October the average sale price increased to \$235,274 and the median home sale price increased to \$199,433. The average sales price for homes grew by 21 percent from January to October of 2020, and the median price grew by 19 percent. By comparison, in 2019 (from January to December), the average sales price increased by 9 percent and median homes sales increased by 10 percent. Therefore, the rate of increase in homes sales has nearly doubled since 2019. Furthermore, while home sales have increased by volume, in both units and in dollar amount, the year-to-year supply of homes has decreased by as much as 32.3 percent in October, and the average days on the market declined from 92 days, in January 2020, to 71 days, by October of 2020.

Figure 8: Effective Federal Funds Rate, January 2015–November 2020



Source: Board of Governors of the Federal Reserve System (US)

Conclusion

In summary, the implications of COVID-19 are vast and severe. More than 330,000 Americans lost their lives in 2020, and many more are projected to perish as this pandemic continues. On December 11th, 2020, the Food and Drug Administration granted emergency approval for a vaccine developed by Pfizer, and other drug companies are expected to gain approval in the following weeks, which will increase the supply of vaccines on the market. Despite approval, the vaccine is being administered in phases, with high-risk groups, such as health care workers, getting inoculated first. Therefore, the general public is not expected to start receiving vaccines until April 2021. In the meantime, public health officials project that we will continue to see a large number of new cases and more deaths. The vibrations of the economic shocks will be felt beyond the pandemic, and it will take years, even with economic interventions from Congress and the Federal Reserve, for many economic measures to fully rebound to pre-pandemic levels.

¹Bauer, Lauren, Kristen E. Broady, Wendy Edelberg, and Jimmy O'Donnell. 2020. "Ten Facts about COVID-19 and the U.S. Economy." Washington DC: The Brookings Institute. Retrieved December 15, 2020 (<https://www.brookings.edu/research/ten-facts-about-COVID-19-and-the-u-s-economy/>).

²Triggs, Adam, Homi Kharas. 2020. "The Triple Economic Shock of COVID-19 and priorities for an emergency G-20 leader meeting." Washington DC: The Brookings Institute. Retrieved December 15, 2020 (<https://www.brookings.edu/blog/future-development/2020/03/17/the-triple-economic-shock-of-COVID-19-and-priorities-for-an-emergency-g-20-leaders-meeting/>).

³The Southeast is categorized by John Hopkins University School of Medicine and includes the following states: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

⁴The COVID-19 statistics reported in this article were recorded on Tuesday, December 15, 2020.

⁵Ibid.

⁶Yurkanin, Amy. 2020. "Only 7 percent of Alabama's intensive care beds available as COVID cases surge." AL.com, December 11, 2020 Retrieved on December 15, 2020 (<https://www.al.com/news/2020/12/alabama-hospitals-filling-up-fast-montgomery-fills-every-icu-bed.html>).

⁷The CARES Act was signed into legislation on March 20, 2020. The stimulus initially included \$350 billion to the Paycheck Protection Program (PPP), which was specifically earmarked to incentivize small businesses to keep employees on their payroll. An additional \$320 billion was allocated in late April to supplement the funds, which brought the total funding of the PPP to \$670 billion.

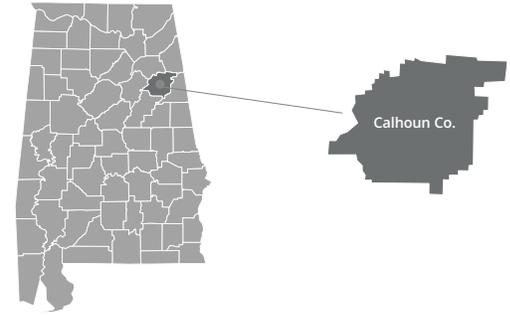
⁸According to the Small Business Administration (SBA) Paycheck Protection Program Report, the SBA disbursed \$525,012,201,124 to small firms, through 5,460 lenders, across all 50 states, D.C., Guam, The U.S. Virgin Islands, American Samoa, Northern Marianas and Puerto Rico.

⁹The SBA allocated \$6,245,496,446 to small businesses in Alabama.

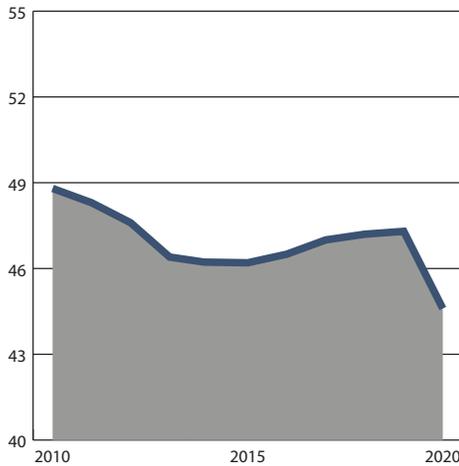
¹⁰U.S. Federal Open Market Committee and Federal Reserve Bank of St. Louis, FOMC Summary of Economic Projections for the Fed Funds Rate, Median [FEDTARMD], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/FEDTARMD>, December 15, 2020.

¹¹Norton, Stuart. 2020. "The pandemic's impact to Alabama's residential markets." AL.com, November 18, 2020 Retrieved on December 16, 2020 (<https://www.al.com/news/2020/12/alabama-hospitals-filling-up-fast-montgomery-fills-every-icu-bed.html>).

ANNISTON-OXFORD- JACKSONVILLE



**ANNISTON-OXFORD-JACKSONVILLE
NONFARM EMPLOYMENT** (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

The Anniston-Oxford-Jacksonville metro area has at least two new investments and planned expansions in 2021. The International Automotive Components Group North America Inc., an auto supplier, is planning a \$22 million expansion, in Anniston, that will add 63 new jobs to produce door panels, trim, and instrument panels. Bridgewater Interiors, an auto supplier in Oxford, has launched a \$10 million expansion that is expected to create 35 jobs in the area, which will increase their workforce by 10 percent. Bridgewater Interiors produces door panels and instrument panels for the Honda Passport. Two manufacturers have also announced closures. Honeywell Aerospace announced that it would discontinue operations at its plant in Anniston, where the company manufactures aircraft engines and avionics. The closure of Honeywell Aerospace will impact 200 jobs at the facility in Anniston, and the closure is expected to be completed

by March 2021, as the company consolidates operations at its facility in Tempe, AZ. Also, Monarch Windows and Doors closed its facility in Anniston. The closure impacted 64 jobs, which were lost in the second quarter of 2020.

GDP AND EMPLOYMENT FORECAST

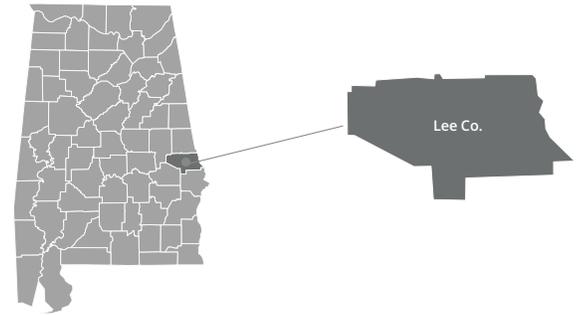
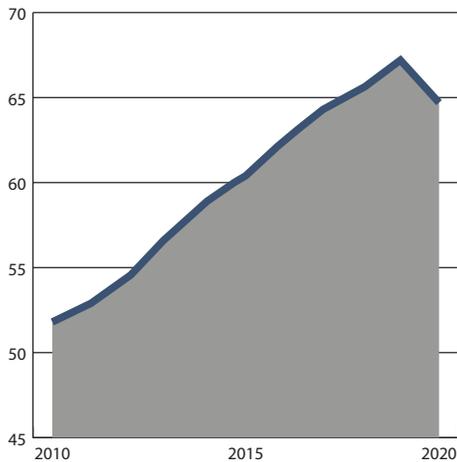
Anniston-Oxford-Jacksonville metro GDP increased 2.4 percent from 2018 to about \$4 billion in 2019. The metro area had a 7.3 percent decline in nonfarm employment in the 12 months prior to October 2020. CBER projects employment growth of 0.4 percent and a GDP gain of 2.0 percent in 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$4,050	2.4%	11
GDP Forecast 2021 (percent increase)	2.0		6
Exports 2019 (millions)	\$410	24.8%	6
Civilian Labor Force, October 2020	44,790	-3.7%	11
Nonfarm Employment, October 2020	41,847	-7.3%	11
Nonfarm Employment Forecast 2021 (percent increase)	0.4		9-12
Available Labor Pool (Unemployed + Underemployed), October 2020	13,221	26.1%	11
Unemployment Rate, October 2020	6.6%	3.6	3
Underemployment Rate 2020	24.6%	2.0	3
Employment - Manufacturing, October 2020	6,100	13.6%	9
Employment - Service Providing Industries, October 2020	37,400	-6.0%	11
Per Capita Income 2019	\$38,394	3.8%	11
Average Annual Wage 2019	\$40,330	3.3%	9
Median Family Income FY2020	\$61,500	9.4%	10
Residential Building Permits, Single Family, Jan. - Sep. 2020	54	-10.0%	11
Total Homes Sold, Jan. - Sep. 2020	1,577	6.7%	9
Population Estimate 2019	113,605	-0.6%	11
Population Projection 2030	109,964		11

Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

AUBURN-OPELIKA


**AUBURN-OPELIKA
NONFARM EMPLOYMENT** (Thousands)


Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

SiO2 Material Science, a medical container manufacturer that is producing packaging for the COVID-19 vaccine, is in the midst of a \$163 million expansion that will bring its Auburn workforce to over 500 people when completed in 2021. The Tony and Libba Rane Culinary Science Center at Auburn University is slated to open in 2021. The \$95.4 million complex will train students in hospitality and culinary sciences in the variety of settings including a luxury hotel and spa; a restaurant featuring a "Chef in Residence"; a food hall; a wine tasting room; a distilled spirits center; a micro-brewery science laboratory; and a food and beverage media studio. Briggs & Stratton, a manufacturer of gasoline engines, announced an \$8.4 million expansion of its Auburn facility which will create 35 new jobs in 2021. German aerospace and defense supplier, Winkelmann Flowform, is expanding its Auburn operations with a \$2.2 million investment that will add 12 new jobs by the end of 2021. Revere Plastics Systems,

a manufacturer of engineered plastic injection molded parts and assemblies, is opening its first Southeast plant in Auburn, creating 120 jobs by 2023. Wheel Pros, an aftermarket wheel supplier, has acquired the Borbet Manufacturing facility in Auburn that was closed in April 2020 due to COVID-19. Borbet laid off about 250 people when it closed, but Wheel Pros plans to employ 300 full time workers by 2023. Bonnie Plants Inc. is opening its new \$7.9 million corporate headquarters in Opelika in late 2021, bringing 60 jobs to the area and offering university students and faculty the opportunity to partner with the company through Auburn University's Center for Supply Chain Innovation.

GDP AND EMPLOYMENT FORECAST

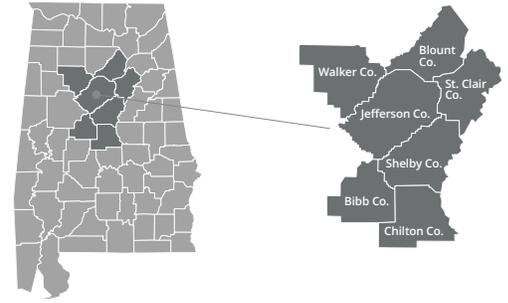
The metro's GDP rose to \$5.3 billion in 2019, an increase of 0.9 percent from 2018, but down 7.6 percent from 2010. CBER anticipates strong growth in 2021; 2.5 percent growth for GDP and 2.0 percent for nonfarm employment.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$5,266	0.9%	9
GDP Forecast 2021 (percent increase)	2.5		3-4
Exports 2019 (millions)	\$159	-7.5%	9
Civilian Labor Force, October 2020	76,179	-2.1%	7
Nonfarm Employment, October 2020	72,691	-4.5%	7
Nonfarm Employment Forecast 2021 (percent increase)	2.0		3-4
Available Labor Pool (Unemployed + Underemployed), October 2020	20,701	-10.6%	7
Unemployment Rate, October 2020	4.6%	2.4	10
Underemployment Rate 2020	23.7%	3.4	5
Employment - Manufacturing, October 2020	6,500	9.8%	8
Employment - Service Providing Industries, October 2020	57,100	-4.2%	7
Per Capita Income 2019	\$39,781	3.7%	8
Average Annual Wage 2019	\$41,030	2.9%	7
Median Family Income FY2020	\$76,500	7.6%	3
Residential Building Permits, Single Family, Jan. - Sep. 2020	998	17.0%	4
Total Homes Sold, Jan. - Sep. 2020	1,836	-3.5%	8
Population Estimate 2019	164,542	0.5%	7
Population Projection 2030	190,980		7

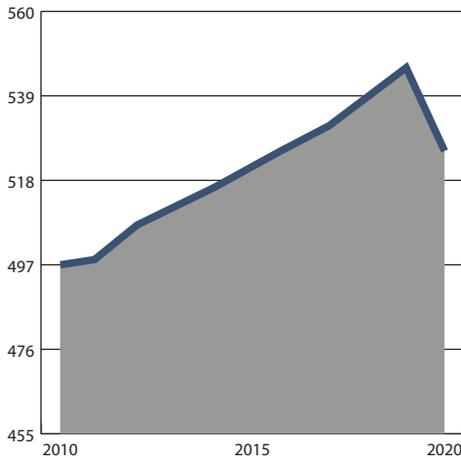
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

BIRMINGHAM- HOOVER



BIRMINGHAM-HOOVER NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Amazon Logistics will open two delivery stations in Birmingham. Hundreds of jobs are expected, and additional jobs will be created

for drivers who will service the stations. FedEx is expanding its logistics capacity, by constructing a \$40.6 million FedEx Ground distribution center on Lakeshore Parkway. The investment is expected to create 285 jobs. Buffalo Rock will also expand in a new 77-acre facility off of Lakeshore Parkway. The \$75 million expansion is expected to be completed by November 2021 and will create 25 to 50 new jobs. Construction of the new facility is expected to last until November 2021. Carvana, an online auto retailer, will add over 450 jobs in Bessemer. The new construction is slated to be completed by December 2021, and will cost \$45 million. Lowe's has also announced that it will be expanding its distribution network, and the \$40 million facility will be located next to the Carvana site, and it will add 150 to 200 jobs. U.S. Steel plans a \$412 million upgrade of its Fairfield Works plant; the company expects demand for steel to increase in 2021. Motion Industries Inc. is expanding its facilities in Irondale. The company is investing \$11.2 million to create

space for the engineering department and industrial products; the investment will retain 13 jobs and create 15 additional jobs. Mobis Alabama LLC, an auto supplier for Hyundai and Kia, is expanding into McCalla at the Jefferson County Metropolitan Industrial Park. The company is investing \$15.8 million in a new facility at the site, and it is projected to support 120 jobs. Ragland's city council and the St. Clair County Commission approved \$250 million in tax abatements for the National Cement of Alabama that will save 132 jobs. In Walker County, Jasper Lumber Co. has partnered with Canada's Industries Ltd. to expand manufacturing production. The \$45 million expansion will add 60 jobs.

GDP AND EMPLOYMENT FORECAST

Birmingham-Hoover's real GDP increased 0.8 percent in 2019 to reach \$55.4 billion. CBER projects continued GDP and employment growth in 2021, with estimated gains of 1.9 percent and 1.2 percent, respectively.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$55,428	0.8%	1
GDP Forecast 2021 (percent increase)	1.9		7
Exports 2019 (millions)	\$1,590	-29.3%	3
Civilian Labor Force, October 2020	549,137	-1.4%	1
Nonfarm Employment, October 2020	520,152	-4.5%	1
Nonfarm Employment Forecast 2021 (percent increase)	1.2		6-7
Available Labor Pool (Unemployed + Underemployed), October 2020	149,600	-2.4%	1
Unemployment Rate, October 2020	5.3%	3.0	6
Underemployment Rate 2020	23.2%	2.0	6
Employment - Manufacturing, October 2020	37,200	7.0%	1
Employment - Service Providing Industries, October 2020	460,100	-3.5%	1
Per Capita Income 2019	\$53,374	3.2%	1
Average Annual Wage 2019	\$48,680	2.5%	2
Median Family Income FY2020	\$73,100	-1.7%	4
Residential Building Permits, Single Family, Jan. - Sep. 2020	2,566	18.2%	2
Total Homes Sold, Jan. - Sep. 2020	13,284	-1.0%	1
Population Estimate 2019	1,090,435	0.2%	1
Population Projection 2030	1,228,674		1

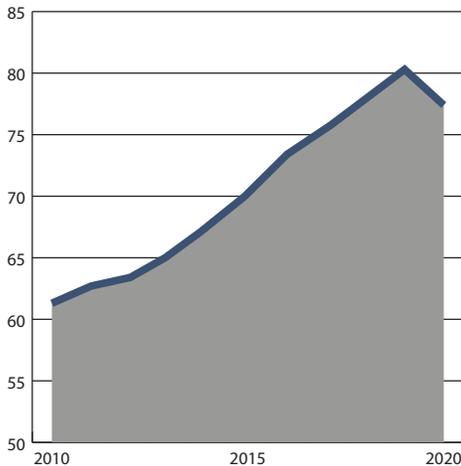
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

DAPHNE-FAIRHOPE-FOLEY



DAPHNE-FAIRHOPE-FOLEY NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Construction will begin on ALDI U.S.'s new Gulf Coast regional headquarter and distribution center in early 2021 with operations projected

to begin in 2022. The 564,000-sq-ft facility in Loxley will create 200 jobs and is expected to bring \$100 million in capital investment to the area. The 3,000-acre South Alabama Mega Site in Bay Minette is receiving \$7 million in upgrades, thanks to investment from Alabama Power and CSX Transportation, and will be "shovel ready" for large scale manufacturing operations in 2021. The Airport Authority of Gulf Shores is using \$6 million in grants from the Federal Aviation Administration and CARES ACT to build a new air traffic control tower facility at Jack Edwards National Airport that will be complete in September 2021. C Spire has purchased Mobile-based Harbor Communications and is expanding its service location and upgrading existing infrastructure to provide ultra-fast, all-fiber internet services throughout Mobile and Baldwin Counties. The Baldwin County Commission is partnering with Flight Works Alabama, a cooperative education effort between the Airbus Foundation and the state of Alabama, to offer tech opportunities to local middle

and high school students. Students will be invited to visit the 15,000-sq-ft facility at the Mobile Aeroplex at Brookley for interactive high-tech aviation and aerospace exhibits and tour the Airbus A320 Final Assembly Line, and interested high school students will be able to apply for FlightPath9, a training program to help students gain skills related to aircraft assembly. In the spring of 2021, the "We Build It Better" program will allow middle school students to explore inventive technologies (product design, tools, electrical wiring, fiber optics, and coding) through innovative kits that will be distributed at schools throughout the area.

GDP AND EMPLOYMENT FORECAST

Metro output rose 2.2 percent to \$6.1 billion in 2019 from the previous year. The area's economy is expected to expand in 2021 as GDP growth is projected to be 2.8 percent, accompanied by a 2.5 percent increase in nonfarm employment.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$6,141	2.2%	6
GDP Forecast 2021 (percent increase)	2.8		2
Exports 2019 (millions)	2,867	4.2%	1
Civilian Labor Force, October 2020	\$95,660	-1.6%	6
Nonfarm Employment, October 2020	90,920	-4.3%	6
Nonfarm Employment Forecast 2021 (percent increase)	2.5		1
Available Labor Pool (Unemployed + Underemployed), October 2020	23,169	56.1%	6
Unemployment Rate, October 2020	5.0%	2.7	7-8
Underemployment Rate 2020	20.3%	-2.1	7
Employment - Manufacturing, October 2020	N/A	N/A	0
Employment - Service Providing Industries, October 2020	67,900	-4.1%	6
Per Capita Income 2019	47,485	2.8%	3
Average Annual Wage 2019	\$38,150	3.0%	11
Median Family Income FY2020	\$81,000	0.6%	2
Residential Building Permits, Single Family, Jan. - Sep. 2020	\$1,841	11.7%	3
Total Homes Sold, Jan. - Sep. 2020	5,981	2.1%	3
Population Estimate 2019	223,234	2.5%	6
Population Projection 2030	257,232		6

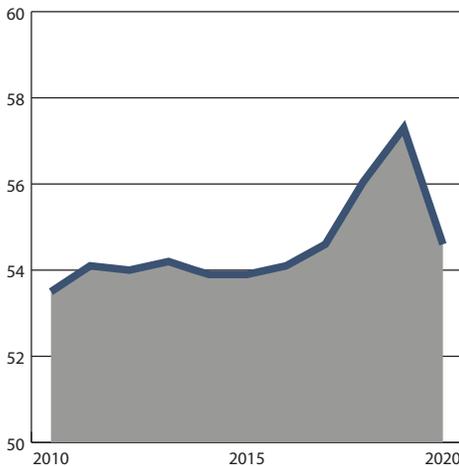
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

DECATUR



DECATUR NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Ascend Performance Materials will invest \$175 million to expand production of less carbon emitting energy cogeneration units.

The company currently employs 400 people at its facility in Decatur, and the project will add 10 manufacturing jobs and 150 construction jobs. The facility in Decatur is one of only four facilities in the world that produces adiponitrile, which is a chemical used to build high-performing plastics. The expansion is expected to be completed in late 2021. Lockheed Martin is adding two new buildings at its existing facility in Courtland. The facilities will be used to assemble, integrate, and test hypersonic programs. The expansion will add 72 new jobs in Cortland by 2022. Whataburger announced that it will continue to expand its footprint in Alabama by opening a restaurant in Decatur. The burger chain is scheduled to open in spring 2021, and it will add 140 new jobs, including team members and managers. Hexcel Corporation is investing in a \$200 million expansion, in Decatur, that will create 90 jobs; production is expected to begin in 2021. The plant produces polyacrylonitrile, which is used to make carbon fiber. The project is one of the largest

capital investments in Morgan County's history. Another large multi-million-dollar investment is underway at Daikin America Inc. to add polymer production. The expansion will cost \$195 million and Daikin will add 50 new jobs. In Lawrence and Morgan counties, Joe Wheeler EMC, an energy cooperative, will invest in a \$95 million expansion of rural internet and broadband infrastructure in the area. The project is expected to take five years to complete, and will include 3,000 miles of fiber-optic cable. The Decatur City Schools Foundation was awarded a \$50,000 grant, from Boeing, for a lab, a 3D printer, and an enrichment program to build electric vehicles and to expand the current GreenPower USA electric race car program.

GDP AND EMPLOYMENT FORECAST

Decatur metro GDP reached \$5.8 billion in 2019 after a 3.0 percent increase from 2018. CBER forecasts a 1.9 percent increase in employment and a 2.1 percent increase in GDP in 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$5,825	3.0%	8
GDP Forecast 2021 (percent increase)	2.1		5
Exports 2019 (millions)	\$335	-0.7%	7
Civilian Labor Force, October 2020	71,437	-2.1%	8
Nonfarm Employment, October 2020	68,521	-3.9%	8
Nonfarm Employment Forecast 2021 (percent increase)	1.9		5
Available Labor Pool (Unemployed + Underemployed), October 2020	13,949	9.5%	10
Unemployment Rate, October 2020	4.1%	1.8	12
Underemployment Rate 2020	16.1%	-11.8	12
Employment - Manufacturing, October 2020	12,800	22.9%	6
Employment - Service Providing Industries, October 2020	38,400	-3.8%	10
Per Capita Income 2019	\$40,295	3.6%	6
Average Annual Wage 2019	\$42,910	5.8%	6
Median Family Income FY2020	\$63,600	1.3%	9
Residential Building Permits, Single Family, Jan. - Sep. 2020	147	9.7%	10
Total Homes Sold, Jan. - Sep. 2020	1,319	0.1%	11
Population Estimate 2019	152,603	0.3%	8
Population Projection 2030	150,432		9

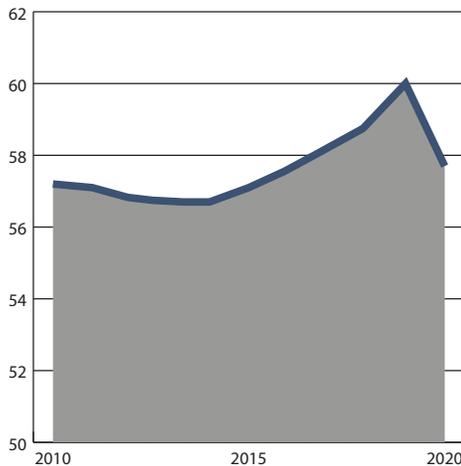
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

DOTHAN



DOTHAN NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Global Resource International, Inc. will invest \$9.5 million to open a medical manufacturing company in Dothan. The company manufactures engineered fabrics, personal protective equipment, and injection molded medical products. The expansion will add 70 jobs. MRS BPO, an accounts receivable firm for debt collections and bill payments, will add 60 new jobs to its call center in Taylor. Dothan Solar LLC is investing \$105 million to build a solar farm in Houston County. The project is expected to create 200 to 300 construction jobs during its building phase and a few jobs for electrical engineers for managing the solar farm. The project received \$1.2 million in tax abatements, and the county will receive \$2.7 million in construction sale taxes and other revenue during the construction phase. In Geneva County, the Geneva County Commission, Wiregrass Electric Cooperative, and the PowerSouth Energy Cooperative have partnered to construct a 45,000 square foot speculative building for manufacturing

operations. The partnership will provide high-quality buildings in the Wiregrass region and to attract economic development to the Geneva County Industrial Park.

GDP AND EMPLOYMENT FORECAST

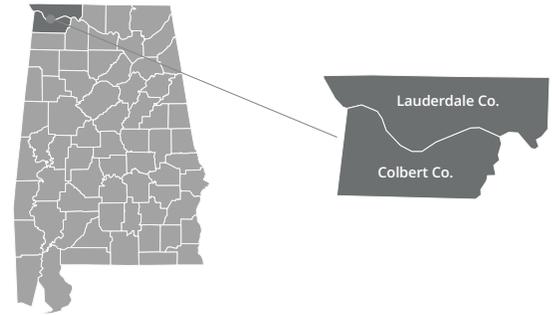
The metro area's GDP increased 0.9 percent from 2018 to about \$5.9 billion in 2019. According to CBER projections, nonfarm employment growth of 1.2 percent and a 1.8 percent continued GDP expansion is expected for the area in 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$5,853	0.9%	7
GDP Forecast 2021 (percent increase)	1.8		8
Exports 2019 (millions)	\$78	-59.7%	10
Civilian Labor Force, October 2020	63,866	-0.8%	10
Nonfarm Employment, October 2020	60,647	-3.4%	10
Nonfarm Employment Forecast 2021 (percent increase)	1.2		6-7
Available Labor Pool (Unemployed + Underemployed), October 2020	15,103	8.9%	9
Unemployment Rate, October 2020	5.0%	2.5	7-8
Underemployment Rate 2020	19.6%	-6.1	10
Employment - Manufacturing, October 2020	5,300	9.0%	10
Employment - Service Providing Industries, October 2020	50,600	-2.9%	8
Per Capita Income 2019	\$43,143	3.3%	5
Average Annual Wage 2019	\$40,690	3.9%	8
Median Family Income FY2020	\$61,300	6.6%	12
Residential Building Permits, Single Family, Jan. - Sep. 2020	238	33.0%	8
Total Homes Sold, Jan. - Sep. 2020	1,421	12.2%	10
Population Estimate 2019	149,358	0.7%	9
Population Projection 2030	151,588		8

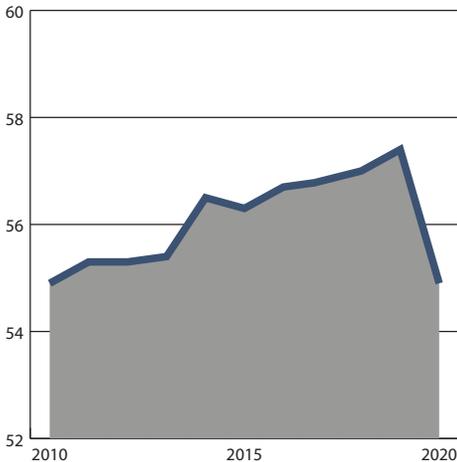
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

FLORENCE- MUSCLE SHOALS



FLORENCE-MUSCLE SHOALS NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

DURA Automotive Systems will invest \$59 million manufacturing equipment and will lease an existing building at the Shoals Research Airpark in Muscle Shoals. The company will produce battery trays for electric vehicles and the investment will generate 279 jobs. In Moulton, CCI Manufacturing USA Corp, a Tier 1 auto supplier, will invest \$21.5 million to construct an advanced production facility to produce automotive fluids, such as brake fluid and engine coolant. The investment is expected to yield 28 new employees. The two projects will strengthen Alabama's growing niche in the automobile manufacturing and supplier industries. FreightCar America Inc. announced that it will close its manufacturing facility in Cherokee, AL, and will consolidate manufacturing operations in Mexico. The company started laying off employees in November 2020 and will continue to lay off workers until February 2021. The company reported that the company is closing its operation in Colbert

County because the economic impacts of COVID-19 led to a decline in freight volumes. In Florence, Tarkett, a manufacturer of flooring and sports-surface solutions, continues its \$60 million expansion to increase production capacity. The investment is expected to create 50 new jobs and will begin operations in 2021. In addition, Kith Kitchens has purchased a 150,000 square-foot speculative building at Florence-Lauderdale Industrial Park. The company will invest \$11 million in the new facility and will create 131 full-time employees. The company plans to begin operations in the summer of 2021.

GDP AND EMPLOYMENT FORECAST

The Florence-Muscle Shoals MSA output accounted for 2.4 percent of the state's real GDP in 2019 after growing 1.8 percent to reach \$4.8 billion for the year. CBER expects a 1.0 percent growth in real GDP in 2021. Nonfarm employment is projected to grow 0.4 percent in 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$4,819	1.8%	10
GDP Forecast 2021 (percent increase)	1.0		12
Exports 2019 (millions)	\$212	-23.3%	8
Civilian Labor Force, October 2020	65,345	-1.8%	9
Nonfarm Employment, October 2020	62,221	-3.8%	9
Nonfarm Employment Forecast 2021 (percent increase)	0.4		9-12
Available Labor Pool (Unemployed + Underemployed), October 2020	15,688	-7.1%	8
Unemployment Rate, October 2020	4.8%	2.0	9
Underemployment Rate 2020	20.2%	1.5	8
Employment - Manufacturing, October 2020	8,700	15.5%	7
Employment - Service Providing Industries, October 2020	43,600	-3.5%	9
Per Capita Income 2019	\$39,102	3.5%	10
Average Annual Wage 2019	\$39,350	2.1%	10
Median Family Income FY2020	\$64,200	-3.0%	8
Residential Building Permits, Single Family, Jan. - Sep. 2020	174	6.1%	9
Total Homes Sold, Jan. - Sep. 2020	1,859	3.4%	7
Population Estimate 2019	147,970	0.2%	10
Population Projection 2030	147,563		10

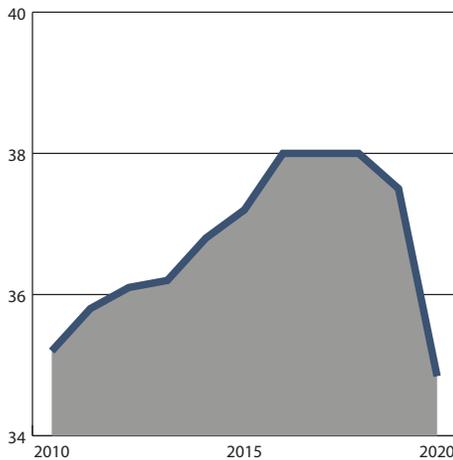
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

GADSDEN



GADSDEN NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Koch Foods' \$55 million expansion of a chicken feed mill is expected to hire production workers in early 2021. This expansion is expected to create 28 new jobs with an annual payroll of \$1 million. The Attalla facility will support the company's recently expanded poultry processing plant in surrounding counties. Mega Sports Complex Authority continues to work on the construction of a 139-acre sports complex that will cost up to \$28 million in Gadsden. The City of Albertville has also committed \$40 million to a complex that will include a lazy river, which will add to the metro area's recreational assets. Goodyear announced that it will permanently close its tire plant in Gadsden. The plant has been in the community for 90 years, and about 400 union members will lose their jobs when the plant closes.

GDP AND EMPLOYMENT FORECAST

Metro GDP grew 0.2 percent to \$2.9 billion in 2019. According to CBER, employment and GDP in Gadsden are expected to increase by 0.4 percent and 1.2 percent, respectively, in 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$2,916	0.2%	12
GDP Forecast 2021 (percent increase)	1.2		9-10
Exports 2019 (millions)	\$30	2.7%	11
Civilian Labor Force, October 2020	41,152	-3.8%	12
Nonfarm Employment, October 2020	38,457	-7.3%	12
Nonfarm Employment Forecast 2021 (percent increase)	0.4		9-12
Available Labor Pool (Unemployed + Underemployed), October 2020	12,309	28.9%	12
Unemployment Rate, October 2020	6.5%	3.5	4
Underemployment Rate 2020	25.0%	-7.8	2
Employment - Manufacturing, October 2020	5,000	14.4%	11
Employment - Service Providing Industries, October 2020	28,800	-7.4%	12
Per Capita Income 2019	\$38,326	2.9%	12
Average Annual Wage 2019	\$37,890	3.1%	12
Median Family Income FY2020	\$65,000	13.8%	7
Residential Building Permits, Single Family, Jan. - Sep. 2020	30	-33.3%	12
Total Homes Sold, Jan. - Sep. 2020	788	5.1%	12
Population Estimate 2019	102,268	-0.3%	12
Population Projection 2030	100,729		12

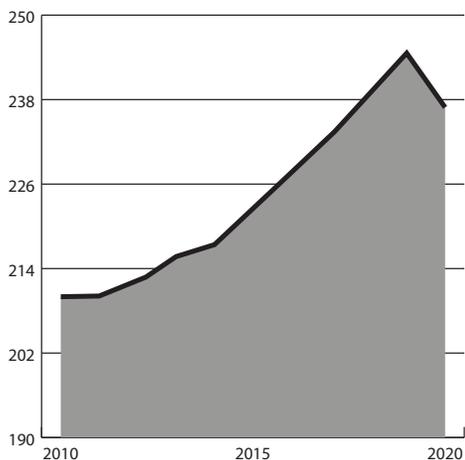
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

HUNTSVILLE



HUNTSVILLE NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Mazda Toyota Manufacturing (MTM) will open its new \$2.3 billion automotive production plant and hire about 3,000 additional workers

in 2021. Nippon Express USA, a Japanese freight and logistics provider, is investing \$19.1 million in its MTM location and adding 100 employees by 2022. Adjacent to the MTM campus, Intersect Development Group's \$35 million Huntsville 565 Logistics Park will open in 2021, and is designed to house 300 workers in e-commerce or local logistics and services. Buc-ee's has announced plans for a \$35 million travel center in Athens near the MTM campus. Construction will begin in 2021, and the project will create 170 jobs when it opens in 2022. Indorama Plastic Recycling Facility is continuing to expand its Athens facility adding 100,000 sq. ft. of space and 27 new jobs by summer of 2021 as part of its most recent \$11 million investment. Construction of the \$1 billion FBI campus on the Redstone Arsenal is well underway, and the agency is projected to transfer an additional 1,400 employees to Huntsville in 2021. Toyota Motor Manufacturing Alabama is filling 150 new positions in 2021 as part of the \$830 million expansion it announced in 2019. Buffalo

Rock Company is building a new \$20 million distribution facility in Limestone County that will be operational by the end of 2021 and create at least 130 full-time jobs by the end of 2022. Booz Allen Hamilton, a management and technology consulting firm, is opening its high-tech Innovation Center in Huntsville's Stovehouse complex in early 2021. Torch Technologies and Invariant have both announced expansions as the first tenants in Freedom Real Estate & Capital's new mixed-use office complex. The complex in south Huntsville will open in the spring of 2021 and include offices, research and development labs, and manufacturing spaces.

GDP AND EMPLOYMENT FORECAST

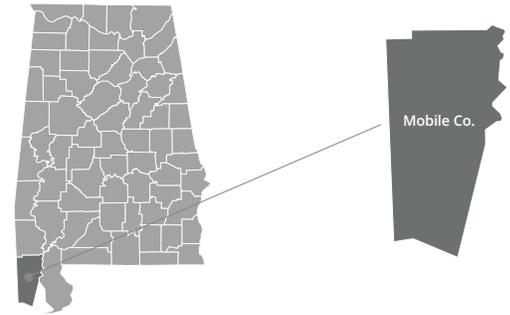
Metro GDP as a share of the state's GDP was at 13.1 percent in 2019 while totaling about \$26 billion. CBER forecasts a 2.9 percent increase in GDP and a 2.4 percent increase in nonfarm employment for 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$26,244	3.3%	2
GDP Forecast 2021 (percent increase)	2.9		1
Exports 2019 (millions)	\$1,534	-4.6%	4
Civilian Labor Force, October 2020	227,553	-1.5%	2
Nonfarm Employment, October 2020	217,869	-3.6%	2
Nonfarm Employment Forecast 2021 (percent increase)	2.4		2
Available Labor Pool (Unemployed + Underemployed), October 2020	53,461	-12.9%	2
Unemployment Rate, October 2020	4.3%	2.1	11
Underemployment Rate 2020	20.1%	1.8	9
Employment - Manufacturing, October 2020	24,500	10.2%	2
Employment - Service Providing Industries, October 2020	205,100	-2.8%	2
Per Capita Income 2019	\$52,110	3.8%	2
Average Annual Wage 2019	\$55,980	2.5%	1
Median Family Income FY2020	\$85,300	0.5%	1
Residential Building Permits, Single Family, Jan. - Sep. 2020	3,187	24.3%	1
Total Homes Sold, Jan. - Sep. 2020	8,348	5.5%	2
Population Estimate 2019	471,824	1.9%	2
Population Projection 2030	510,614		2

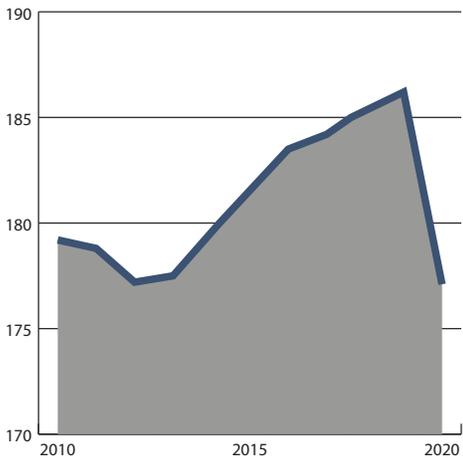
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

MOBILE



MOBILE NONFARM EMPLOYMENT *(Thousands)*



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Incoa Performance Minerals will locate its new \$110 million processing facility and storage space on the Theodore Industrial

Canal in Mobile. Operations will begin in early 2021 and create 74 jobs by 2025. CN, a Canadian transportation company, is partnering with Alabama Export Railway and Ray-Mont Logistics to create a \$16 million high-tech logistics park in Mobile. The first phase of the facility will open in late 2021 and create up to 50 jobs. ArcelorMittal is building a \$500 million electric arc furnace at its AM/NS Calvert mill, which will create 200 jobs when it is completed in 2022. Berg Steel Pipe Corp is investing \$15 million to expand its Mobile manufacturing facility to produce pipe for the Keystone XL pipeline, allowing it to preserve its current jobs. BendPak is expanding its plant presence in Theodore, building a new warehouse adjacent to its existing Mobile operations that will be completed in fall 2021. C Spire is expanding its service location and upgrading existing infrastructure to provide ultra-fast, all-fiber internet services throughout Mobile and Baldwin Counties. The U.S. Army Corps of Engineers has begun work to widen and deepen the channel for the Port of Mobile,

a \$365 million project that will be paid for by a combination of federal and state funding. The \$61 million MTC Logistics refrigerated cargo facility at the Port of Mobile will open in early 2021 and create 60 jobs. Flight Works Alabama, a cooperative effort between the Airbus Foundation and the State of Alabama, is offering a range of training and educational opportunities to local middle and high school students. Bishop State Community College is building a \$17 million Advanced Manufacturing Center that will be completed in 2022 and a new \$4 million health sciences facility that will provide state-of-the-art simulation teaching labs beginning in 2021.

GDP AND EMPLOYMENT FORECAST

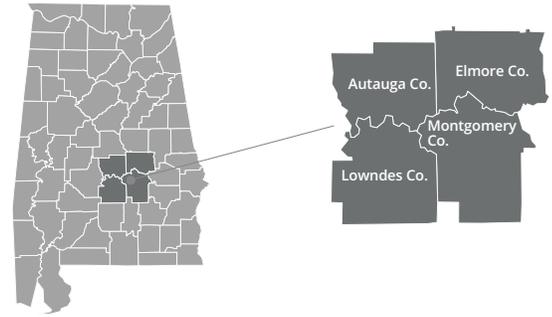
Mobile's real GDP rose to \$19.3 billion in 2019, an increase of 1.6 percent from 2018 and a 5.7 percent increase from 2010. In 2021, the metro is expected to have 0.6 percent employment growth and an estimated increase of 1.2 percent in output.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$19,274	1.6%	3
GDP Forecast 2021 (percent increase)	1.2		9-10
Exports 2019 (millions)	\$2,484	-10.7%	2
Civilian Labor Force, October 2020	189,342	-0.4%	3
Nonfarm Employment, October 2020	174,249	-5.4%	3
Nonfarm Employment Forecast 2021 (percent increase)	0.6		8
Available Labor Pool (Unemployed + Underemployed), October 2020	48,601	-34.2%	4
Unemployment Rate, October 2020	8.0%	4.9	1
Underemployment Rate 2020	19.2%	-1.6	11
Employment - Manufacturing, October 2020	17,200	9.6%	4
Employment - Service Providing Industries, October 2020	149,700	-4.3%	3
Per Capita Income 2019	\$40,025	3.4%	7
Average Annual Wage 2019	\$45,080	1.1%	3
Median Family Income FY2020	\$61,400	1.3%	11
Residential Building Permits, Single Family, Jan. - Sep. 2020	613	8.9%	6
Total Homes Sold, Jan. - Sep. 2020	4,095	0.8%	5
Population Estimate 2019	429,536	-0.2%	3
Population Projection 2030	415,489		3

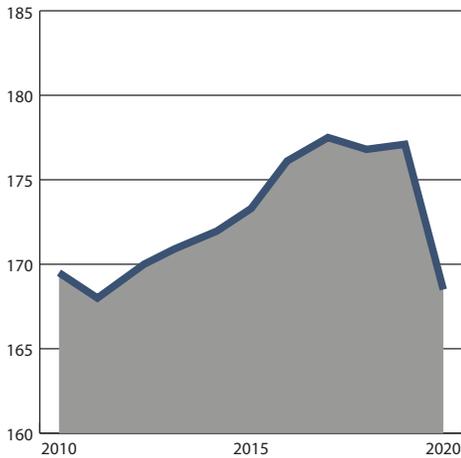
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

MONTGOMERY



MONTGOMERY NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Hyundai Motor Manufacturing Alabama is expanding its production lineup to include the next-generation Tucson SUV as well

as the all-new Santa Cruz crossover. The company is investing \$410 million to expand the plant and increase its workforce by 200 jobs. Mountain Top Industries, a Danish auto parts manufacturer, has announced plans to open a \$13.3 million facility in Montgomery Industrial Park that will create 90 full-time jobs. Dollar General is filling the 65 positions created at its \$26 million cold storage facility in Montgomery that opened in August 2020. Design and development for Project Catalyst, an outdoor recreation complex on the Alabama River, is expected to be complete by spring of 2021, with construction beginning shortly after. The grand opening will be summer 2023. Autumn Tree LLC is building a \$2 million company in Prattville that will employ 10 people and supply chemicals to the International Paper mill. Prattville Airport-Grouby Field has received AEROready certification, signaling its qualifications for economic development and hopes to attract aerospace companies

to locate in the community. Construction on the new Alabama Department of Corrections Elmore County \$600-million mega-prison near Tallassee will begin in early 2021 and create 3,900 construction jobs. Elmore County Technical Center in Wetumpka is constructing a new \$7.5 million building that will open in 2021 and include space for an aviation program in conjunction with Auburn University. The Field at Seventeen Springs is a \$35 million, 120-acre sports complex that will be built in Millbrook as part of a public-private partnership between Grandview Family YMCA and city and county organizations. The site for the complex has been cleared, and design work will begin in 2021.

GDP AND EMPLOYMENT FORECAST

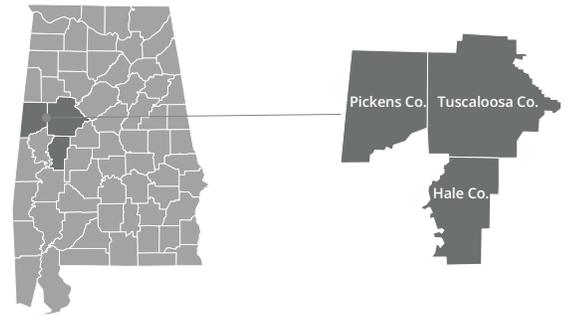
In 2019, Montgomery's GDP measured \$16.2 billion after a 0.9 percent increase from 2018. CBER forecasts growth in 2021, with GDP gains of 1.3 percent and employment gains of 0.4 percent.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$16,178	0.9%	4
GDP Forecast 2021 (percent increase)	1.3		9
Exports 2019 (millions)	\$1,189	-6.7%	5
Civilian Labor Force, October 2020	171,119	-1.0%	4
Nonfarm Employment, October 2020	158,703	-5.8%	4
Nonfarm Employment Forecast 2021 (percent increase)	0.4		9-12
Available Labor Pool (Unemployed + Underemployed), October 2020	50,465	17.5%	3
Unemployment Rate, October 2020	7.3%	4.7	2
Underemployment Rate 2020	24.0%	1.2	4
Employment - Manufacturing, October 2020	17,400	10.3%	3
Employment - Service Providing Industries, October 2020	144,600	-4.9%	4
Per Capita Income 2019	\$44,870	3.5%	4
Average Annual Wage 2019	\$43,510	2.4%	4
Median Family Income FY2020	\$65,700	-0.3%	6
Residential Building Permits, Single Family, Jan. - Sep. 2020	733	27.7%	5
Total Homes Sold, Jan. - Sep. 2020	4,201	6.9%	4
Population Estimate 2019	373,290	0.1%	4
Population Projection 2030	372,618		4

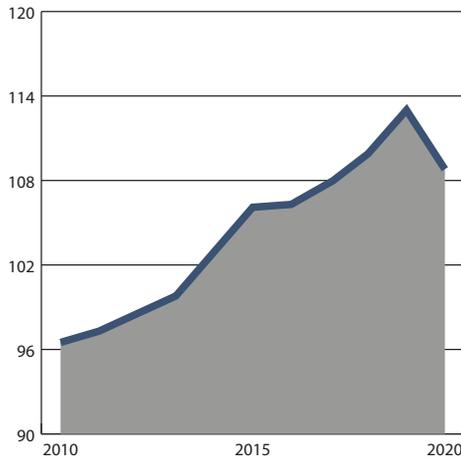
Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

TUSCALOOSA



TUSCALOOSA NONFARM EMPLOYMENT (Thousands)



Source: U.S. Bureau of Labor Statistics.

OUTLOOK HIGHLIGHTS

Mercedes-Benz U.S. International is building a \$54 million storage and sequence facility in Vance that will be used in its electric

vehicle production. The facility will be completed by mid-2021 and create 373 jobs. International Automotive Components Group North America Inc, an automotive interior components supplier, has announced a \$34 million expansion of their Cottondale manufacturing facility that will add 119 jobs when it is complete. Warrior Met Coal is developing a \$500 million underground coal mining facility in Tuscaloosa that will create 350 jobs. Construction began in 2020, and operations are projected to begin in 2025. Tuscaloosa's Druid City Brewing Co. has merged with Huntsville's Straight to Ale and is expanding to a much larger space in Tuscaloosa that will include dedicated rooms for concerts, open mics, and other community events. The City of Tuscaloosa has received a \$15 million grant from the Department of Transportation and \$5 million in funding from Elevate Tuscaloosa that will be used to improve access to the Riverwalk, which is expected to stimulate private investment in the area. The University of Alabama will

finish construction on the \$21 million 2nd Ave Overpass in 2021, creating a new corridor into campus that is uninterrupted by trains to help traffic flow from south Tuscaloosa. The university will break ground on a \$60 million Performing Arts Academic Center on the Bryce Hospital property in 2021 that will house four performance venues along with production studios and rehearsal space. Other university-led construction includes: the new \$145 million Tutwiler Residence Hall that will open by the fall of 2022; the \$54 million Hewson Hall that will provide classrooms and office space for the Culverhouse College of Business by fall of 2021; and many other expansions and renovations around campus.

GDP AND EMPLOYMENT FORECAST

Tuscaloosa area output accounted for 5.5 percent of the state's real GDP in 2019, growing 3.6 percent from 2018 to just a little above \$11 billion. CBER expects a 2.5 percent output expansion and 2.0 percent employment growth in 2021.

ECONOMIC INDICATORS	MOST RECENT DATA	CHANGE FROM PREVIOUS YEAR*	METRO RANK
Real GDP 2019 (millions of 2012 \$)	\$11,046	3.6%	5
GDP Forecast 2021 (percent increase)	2.5		3-4
Exports 2019 (millions)	N/A	NA	N/A
Civilian Labor Force, October 2020	119,005	-1.7%	5
Nonfarm Employment, October 2020	111,770	-5.5%	5
Nonfarm Employment Forecast 2021 (percent increase)	2.0		3-4
Available Labor Pool (Unemployed + Underemployed), October 2020	42,975	-5.0%	5
Unemployment Rate, October 2020	6.1%	3.8	5
Underemployment Rate 2020	32.0%	5.8	1
Employment - Manufacturing, October 2020	15,600	14.2%	5
Employment - Service Providing Industries, October 2020	87,600	-3.2%	5
Per Capita Income 2019	\$39,738	3.4%	9
Average Annual Wage 2019	\$43,310	3.6%	5
Median Family Income FY2020	\$67,800	1.3%	5
Residential Building Permits, Single Family, Jan. - Sep. 2020	429	12.0%	7
Total Homes Sold, Jan. - Sep. 2020	2,435	2.1%	6
Population Estimate 2019	252,047	0.3%	5
Population Projection 2030	258,478		5

Additional details and data available on pp. 43-51

* Changes in unemployment rate and underemployment rate are presented in percentage points.

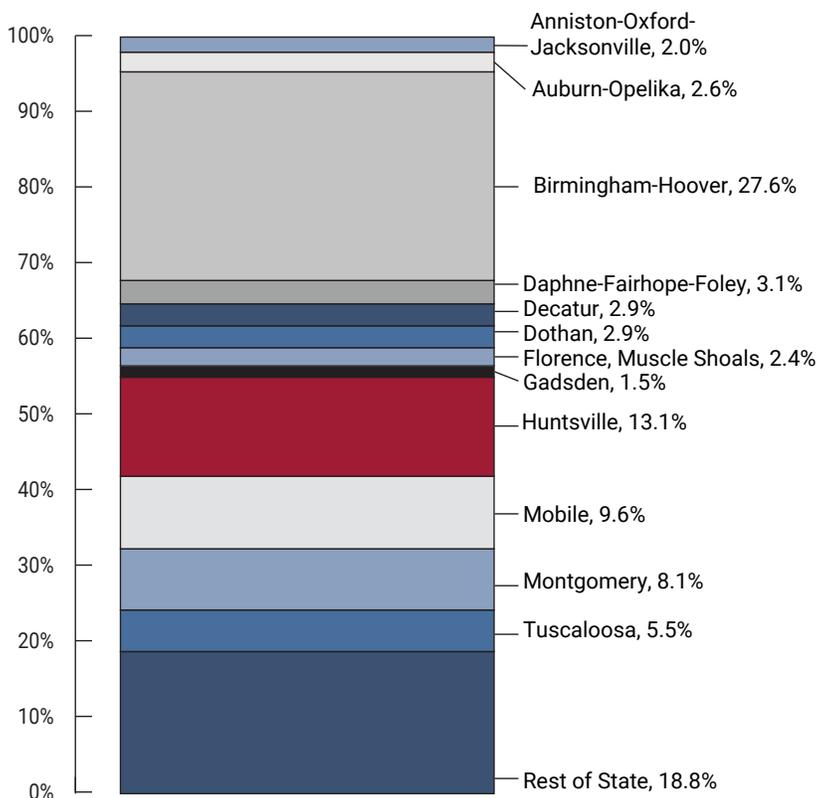
METROPOLITAN AREA TABLES AND GRAPHS

REAL GROSS DOMESTIC PRODUCT ALL INDUSTRY TOTAL (MILLIONS OF CHAINED 2012 DOLLARS)

	2019	Rank	Percent Change	
			2010 to 2019	2018 to 2019
Alabama	200,829	--	9.7%	1.4%
Anniston-Oxford-Jacksonville	4,050	11	-7.6%	2.4%
Auburn-Opelika	5,266	9	28.3%	0.9%
Birmingham-Hoover	55,428	1	10.6%	0.8%
Daphne-Fairhope-Foley	6,141	6	25.4%	2.2%
Decatur	5,825	8	4.5%	3.0%
Dothan	5,853	7	18.2%	0.9%
Florence-Muscle Shoals	4,819	10	2.5%	1.8%
Gadsden	2,916	12	3.8%	0.2%
Huntsville	26,244	2	18.9%	3.3%
Mobile	19,274	3	5.7%	1.6%
Montgomery	16,178	4	5.3%	0.9%
Tuscaloosa	11,046	5	12.4%	3.6%

Source: U.S. Bureau of Economic Analysis, and Center for Business and Economic Research, The University of Alabama.

METRO SHARE OF STATE GDP, 2019



Source: U.S. Bureau of Economic Analysis and Center for Business and Economic Research, The University of Alabama.

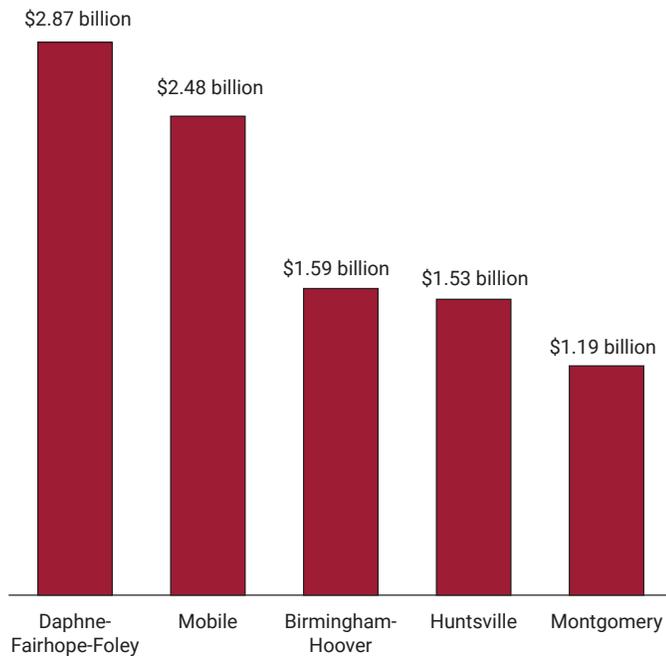
TOTAL MERCHANDISE EXPORTS

	2019	Percent Change from 2018
Anniston-Oxford-Jacksonville	\$410 million	24.8
Auburn-Opelika	\$158.6 million	-7.5
Birmingham-Hoover	\$1.6 billion	-29.3
Daphne-Fairhope-Foley	\$2.9 billion	4.2
Decatur	\$335.5 million	-0.7
Dothan	\$78.2 million	-59.7
Florence-Muscle Shoals	\$211.8 million	-23.3
Gadsden	\$29.9 million	2.7
Huntsville	\$1.5 billion	-4.6
Mobile	\$2.5 billion	-10.7
Montgomery	\$1.2 billion	-6.7
Tuscaloosa	N/A	N/A

Source: U.S. Department of Commerce, International Trade Administration.

METROPOLITAN AREA TABLES AND GRAPHS

TOTAL EXPORTS, TOP FIVE METRO AREAS, 2019



Source: U.S. Department of Commerce, International Trade Administration.

METRO SHARE OF STATE EXPORTS (PERCENT)

	2019	2018
Alabama	100.0	100.0
Anniston-Oxford-Jacksonville	2.0	1.5
Auburn-Opelika	0.8	0.8
Birmingham-Hoover	7.6	10.5
Daphne-Fairhope-Foley	13.8	12.8
Decatur	1.6	1.6
Dothan	0.4	0.9
Florence-Muscle Shoals	1.0	1.3
Gadsden	0.1	0.1
Huntsville	7.4	7.5
Mobile	11.9	13.0
Montgomery	5.7	6.0
Tuscaloosa	N/A	N/A

Source: U.S. Department of Commerce, International Trade Administration.

GDP AND NONFARM EMPLOYMENT FORECASTS, 2021

	Real GDP, Percent	Nonfarm Empl., Percent	Rank, Empl.	Rank, GDP
Anniston-Oxford-Jacksonville	2.0	0.4	9-12	6
Auburn-Opelika	2.5	2.0	3-4	3-4
Birmingham-Hoover	1.9	1.2	6-7	7
Daphne-Fairhope-Foley, AL	2.8	2.5	1	2
Decatur	2.1	1.9	5	5
Dothan	1.8	1.2	6-7	8
Florence-Muscle Shoals	1.0	0.4	9-12	12
Gadsden	1.2	0.4	9-12	10-11
Huntsville	2.9	2.4	2	1
Mobile	1.2	0.6	8	10-11
Montgomery	1.3	0.4	9-12	9
Tuscaloosa	2.5	2.0	3-4	3-4

Source: U.S. Department of Commerce, Alabama Department of Labor, and Center for Business and Economic Research, The University of Alabama.

METROPOLITAN AREA TABLES AND GRAPHS

CIVILIAN LABOR FORCE

	October 2020	Change from October 2019	
		Number	Percent
Alabama	2,256,997	4,208	0.2
Anniston-Oxford-Jacksonville	44,790	-1,718	-3.7
Auburn-Opelika	76,179	-1,671	-2.1
Birmingham-Hoover	549,137	-8,079	-1.4
Daphne-Fairhope-Foley	95,660	-1,553	-1.6
Decatur	71,437	-1,536	-2.1
Dothan	63,866	-507	-0.8
Florence-Muscle Shoals	65,345	-1,230	-1.8
Gadsden	41,152	-1,614	-3.8
Huntsville	227,553	-3,481	-1.5
Mobile	189,342	-748	-0.4
Montgomery	171,119	-1,760	-1.0
Tuscaloosa	119,005	-2,008	-1.7

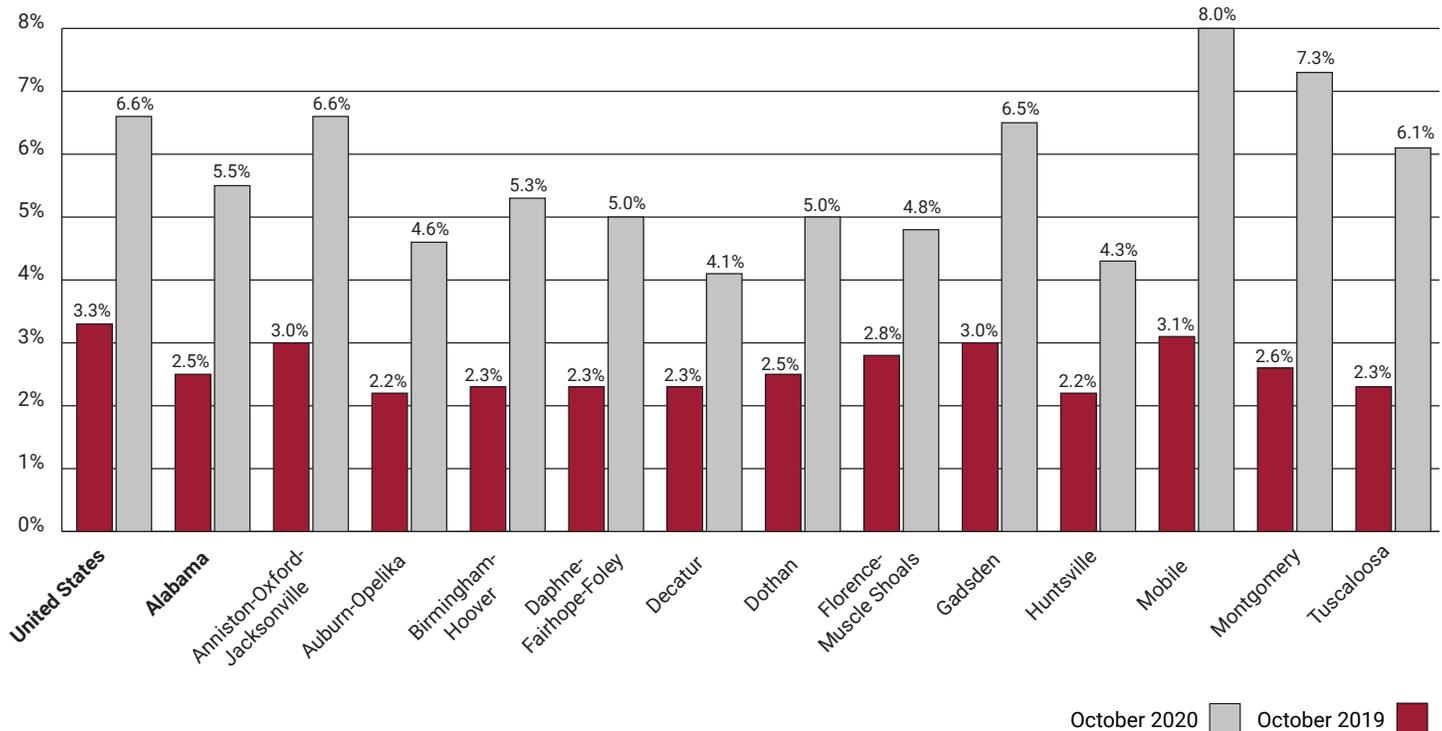
Note: October 2020 is preliminary, not seasonally adjusted data.
Source: Alabama Department of Labor and U.S. Bureau of Labor Statistics.

TOTAL EMPLOYMENT

	October 2020	Change from October 2019	
		Number	Percent
Alabama	2,133,413	-62,263	-2.8
Anniston-Oxford-Jacksonville	41,847	-3,280	-7.3
Auburn-Opelika	72,691	-3,412	-4.5
Birmingham-Hoover	520,152	-24,279	-4.5
Daphne-Fairhope-Foley	90,920	-4,047	-4.3
Decatur	68,521	-2,782	-3.9
Dothan	60,647	-2,114	-3.4
Florence-Muscle Shoals	62,221	-2,468	-3.8
Gadsden	38,457	-3,024	-7.3
Huntsville	217,869	-8,176	-3.6
Mobile	174,249	-9,898	-5.4
Montgomery	158,703	-9,717	-5.8
Tuscaloosa	111,770	-6,443	-5.5

Note: Total employment is by place of residence. October 2020 preliminary, not seasonally adjusted data.
Source: Alabama Department of Labor and Bureau of Labor Statistics.

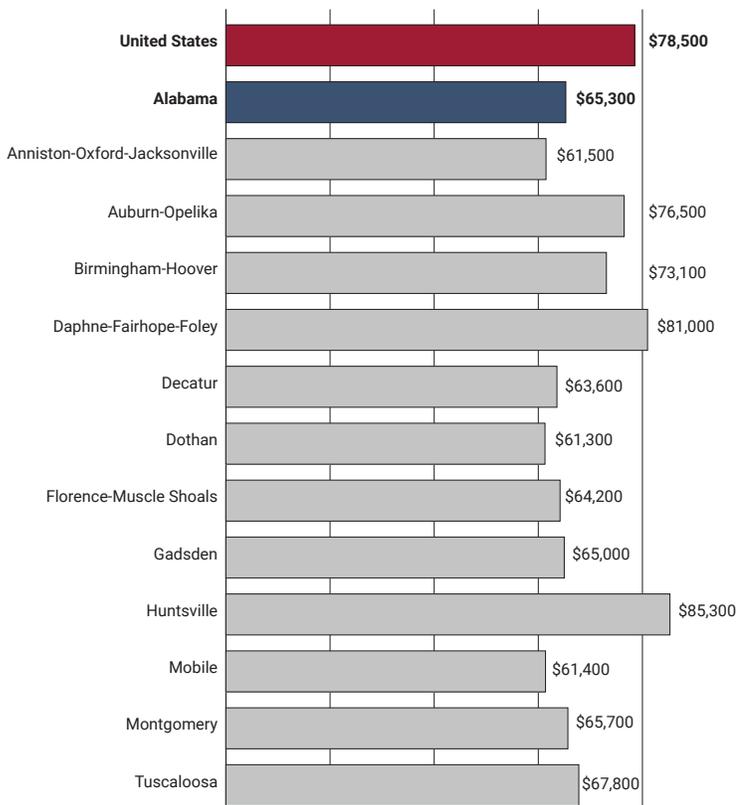
UNEMPLOYMENT RATE (PERCENT)



Note: October 2020 is preliminary, not seasonally adjusted data.
Source: Alabama Department of Labor and Bureau of Labor Statistics.

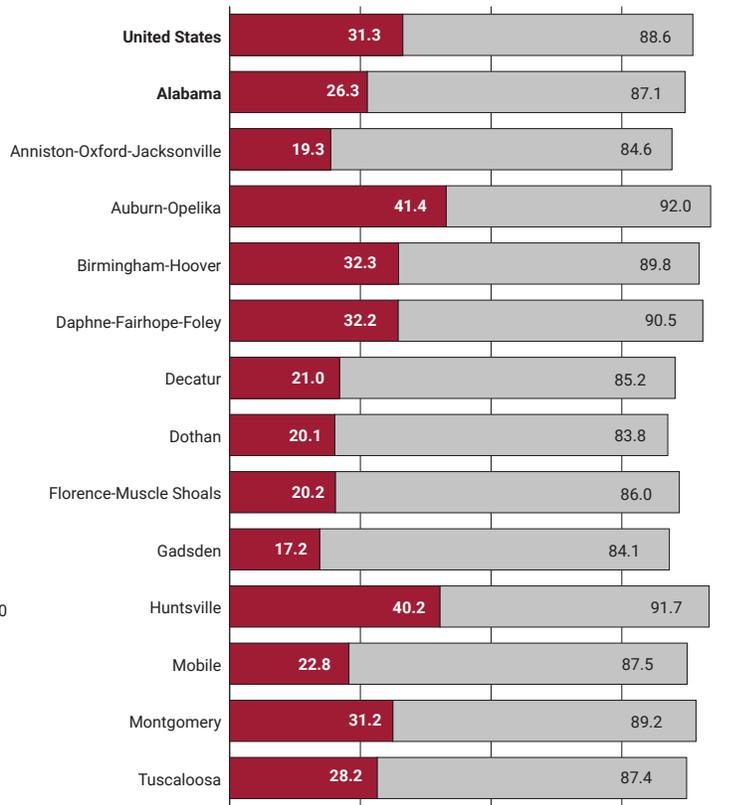
METROPOLITAN AREA TABLES AND GRAPHS

MEDIAN FAMILY INCOME, FY2020



Source: U.S. Department of Housing and Urban Development, Office of Economic Affairs, Economic and Market Analysis Division.

EDUCATIONAL ATTAINMENT, 2019



Note: Percent of population 25 years and over.

Source: U.S. Census Bureau, 2019 American Community Survey 1-year estimates.

AVERAGE ANNUAL WAGE, 2019 (ALL OCCUPATIONS)

	Average Wage	Percent of State
United States	\$53,490	119.1
Alabama	\$44,930	100.0
Anniston-Oxford-Jacksonville	\$40,330	89.8
Auburn-Opelika	\$41,030	91.3
Birmingham-Hoover	\$48,680	108.3
Daphne-Fairhope-Foley, AL	\$38,150	84.9
Decatur	\$42,910	95.5
Dothan	\$40,690	90.6
Florence-Muscle Shoals	\$39,350	87.6
Gadsden	\$37,890	84.3
Huntsville	\$55,980	124.6
Mobile	\$45,080	100.3
Montgomery	\$43,510	96.8
Tuscaloosa	\$43,310	96.4

Source: U.S. Bureau of Labor Statistics, Division of Occupational Employment Statistics.

METROPOLITAN AREA TABLES AND GRAPHS

DEPOSITS IN ALL FDIC-INSURED INSTITUTIONS (MILLIONS OF DOLLARS)

	6/30/2020	Share of State (Percent)	6/30/2019	Percent Change from 6/30/2019
Alabama	\$129,470	100.0	\$107,614	20.3
Anniston-Oxford-Jacksonville	\$2,223	1.8	\$1,976	12.5
Auburn-Opelika	\$3,729	2.9	\$3,081	21.0
Birmingham-Hoover	\$52,064	38.5	\$41,431	25.7
Daphne-Fairhope-Foley	\$5,415	4.2	\$4,554	18.9
Decatur	\$2,649	2.0	\$2,155	22.9
Dothan	\$3,989	3.2	\$3,414	16.9
Florence-Muscle Shoals	\$3,241	2.6	\$2,840	14.1
Gadsden	\$1,301	1.1	\$1,138	14.4
Huntsville	\$10,458	7.6	\$8,226	27.1
Mobile	\$8,758	6.8	\$7,325	19.6
Montgomery	\$9,321	7.9	\$8,476	10.0
Tuscaloosa	\$4,823	3.9	\$4,179	15.4

Source: Federal Deposit Insurance Corporation and Center for Business and Economic Research, The University of Alabama.

RESIDENTIAL BUILDING PERMITS

	Single-Family		Multi-Family	
	2020	Change from 2019	2020	Change from 2019
Alabama	12,504	1,779	2,037	211
Anniston-Oxford-Jacksonville	54	-6	0	0
Auburn-Opelika	998	145	864	258
Birmingham-Hoover	2,566	396	287	220
Daphne-Fairhope-Foley	1,841	193	348	-6
Decatur	147	13	8	8
Dothan	238	59	0	-48
Florence-Muscle Shoals	174	10	0	-20
Gadsden	30	-15	0	0
Huntsville	3,187	624	30	-55
Mobile	613	50	0	0
Montgomery	733	159	5	5
Tuscaloosa	429	46	321	-93

Note: Data are for permit-issuing places only. Data for 2020 and 2019 cover the period January through September. Multi-family building permits are permits with 5 units or more.

Source: U.S. Census Bureau, Building Permits Survey.

TOTAL HOMES SOLD

	2020	Percent Change from 2019
Alabama	53,570	8.6%
Anniston-Oxford-Jacksonville	1,577	14.6%
Auburn-Opelika	1,836	11.8%
Birmingham-Hoover	13,284	-0.2%
Daphne-Fairhope-Foley	5,981	9.2%
Decatur	1,319	1.8%
Dothan	1,421	9.6%
Florence-Muscle Shoals	1,859	17.7%
Gadsden	788	8.7%
Huntsville	8,348	8.3%
Mobile	4,095	10.1%
Montgomery	4,201	9.4%
Tuscaloosa	2,435	13.4%

Note: Data for both 2020 and 2019 cover the period January through September.

Source: Alabama Center for Real Estate, The University of Alabama.

METROPOLITAN AREA TABLES AND GRAPHS

PERCENT CHANGE IN FHFA HOUSE PRICE INDEX

	Q3 2019- Q3 2020	Q3 2007- Q3 2020
United States	4.7%	23.9%
Alabama	5.8%	18.5%
Anniston-Oxford-Jacksonville	4.4%	9.2%
Auburn-Opelika	4.7%	16.3%
Birmingham-Hoover	5.6%	24.5%
Daphne-Fairhope-Foley	5.5%	14.9%
Decatur	6.7%	22.0%
Dothan	4.1%	23.5%
Florence-Muscle Shoals	4.1%	27.4%
Gadsden	4.4%	14.8%
Huntsville	8.3%	26.2%
Mobile	6.8%	9.2%
Montgomery	4.7%	1.4%
Tuscaloosa	5.2%	22.4%

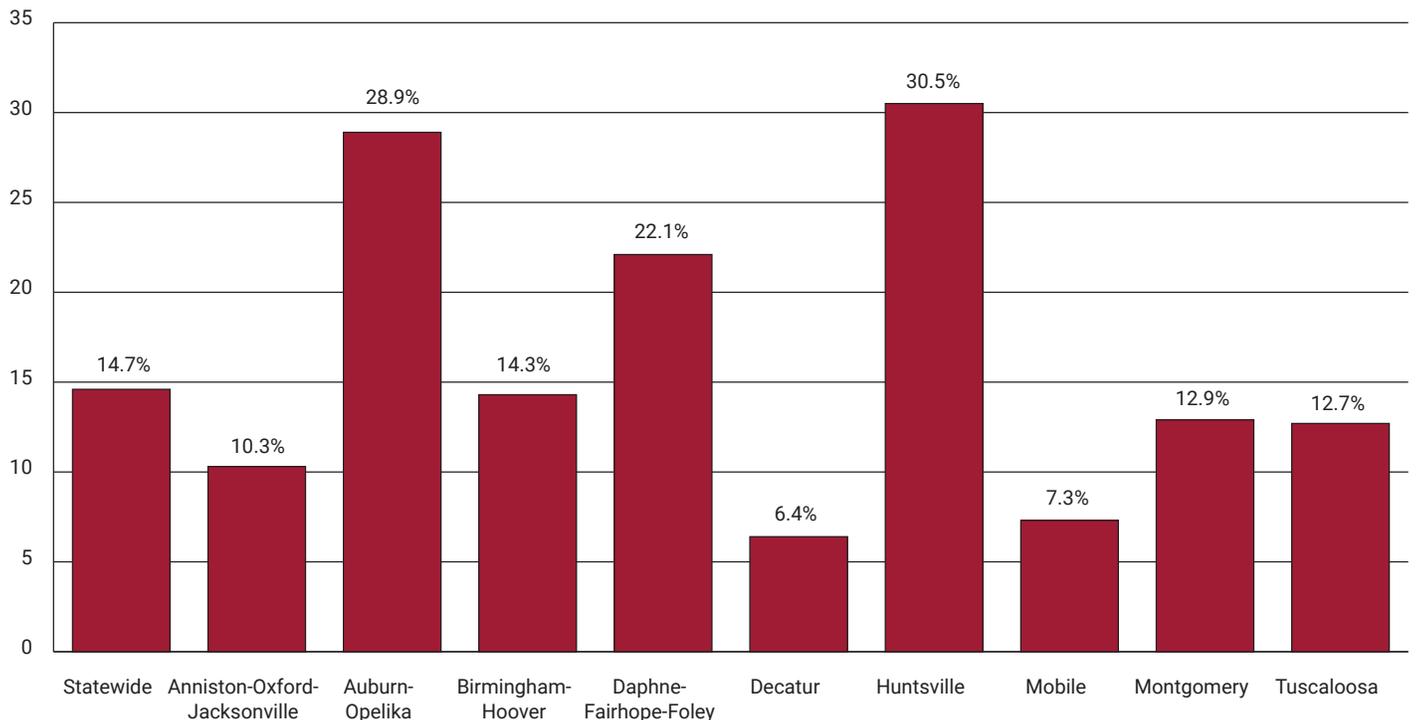
Source: Federal Housing Finance Agency, All Transactions (Sales and Appraisals Data).

PER CAPITA INCOME

	2019	Rank	Percent Change from 2018
United States	\$56,490	--	3.5
Alabama	\$44,145	--	3.4
Anniston-Oxford-Jacksonville	\$38,394	11	3.8
Auburn-Opelika	\$39,781	8	3.7
Birmingham-Hoover	\$53,374	1	3.2
Daphne-Fairhope-Foley	\$47,485	3	2.8
Decatur	\$40,295	6	3.6
Dothan	\$43,143	5	3.3
Florence-Muscle Shoals	\$39,102	10	3.5
Gadsden	\$38,326	12	2.9
Huntsville	\$52,110	2	3.8
Mobile	\$40,025	7	3.4
Montgomery	\$44,870	4	3.5
Tuscaloosa	\$39,738	9	3.4

Source: U.S. Bureau of Economic Analysis and Center for Business and Economic Research.

NEW HOMES AS PERCENT OF TOTAL HOMES SOLD, 2020



Note: Walker County Data is not available for the Birmingham-Hoover metro. Data covers the period January through September.
Source: Alabama Center for Real Estate and Center for Business and Economic Research, The University of Alabama.

METROPOLITAN AREA TABLES AND GRAPHS

AVAILABLE LABOR POOL, OCTOBER 2020

	Employed	Underemployed	Unemployed	Available Labor Pool	Percent Underemployed
Alabama	2,133,413	477,885	123,584	601,469	22.4
Anniston-Oxford	41,847	10,278	2,943	13,221	24.6
Auburn-Opelika-Jacksonville	72,691	17,213	3,488	20,701	23.7
Birmingham-Hoover	520,152	120,615	28,985	149,600	23.2
Daphne-Fairhope-Foley	90,920	18,429	4,740	23,169	20.3
Decatur	68,521	11,033	2,916	13,949	16.1
Dothan	60,647	11,884	3,219	15,103	19.6
Florence-Muscle Shoals	62,221	12,564	3,124	15,688	20.2
Gadsden	38,457	9,614	2,695	12,309	25.0
Huntsville	217,869	43,777	9,684	53,461	20.1
Mobile	174,249	33,508	15,093	48,601	19.2
Montgomery	158,703	38,049	12,416	50,465	24.0
Tuscaloosa	111,770	35,740	7,235	42,975	32.0

Note: Based on October 2020 not seasonally adjusted labor force data and 2019 underemployment rates collected by the Center for Business and Economic Research. Applying these rates to October 2020 employment data results in the estimated number of employed residents who were underemployed. Totalling unemployed and underemployed residents gives a more realistic measurement of the available labor pool in a metro area. Prospective employers must be able to offer the underemployed higher wages or better benefits, terms of employment, or other incentives to induce them to change jobs. Source: Alabama Department of Labor and Center for Business and Economic Research, The University of Alabama.

NONFARM EMPLOYMENT

	October 2020	Change from October 2019	
		Number	Percent
Alabama	2,034,200	-51,500	-2.5
Anniston-Oxford-Jacksonville	44,700	-2,900	-6.1
Auburn-Opelika	66,500	-2,100	-3.1
Birmingham-Hoover	530,500	-17,900	-3.3
Daphne-Fairhope-Foley	77,500	-2,400	-3.0
Decatur	55,900	-1,600	-2.8
Dothan	58,600	-1,600	-2.7
Florence-Muscle Shoals	56,200	-1,700	-2.9
Gadsden	34,800	-2,600	-7.0
Huntsville	240,500	-5,900	-2.4
Mobile	179,200	-8,000	-4.3
Montgomery	168,400	-8,300	-4.7
Tuscaloosa	109,900	-5,000	-4.4
Net Jobs in Metropolitan Areas	1,622,700	-60,000	-3.6
Net Jobs in Nonmetro Counties	411,500	8,500	2.1

Note: Nonfarm employment (jobs) is by place of work. October 2020 preliminary not seasonally adjusted data. Source: Alabama Department of Labor and U.S. Bureau of Labor Statistics.

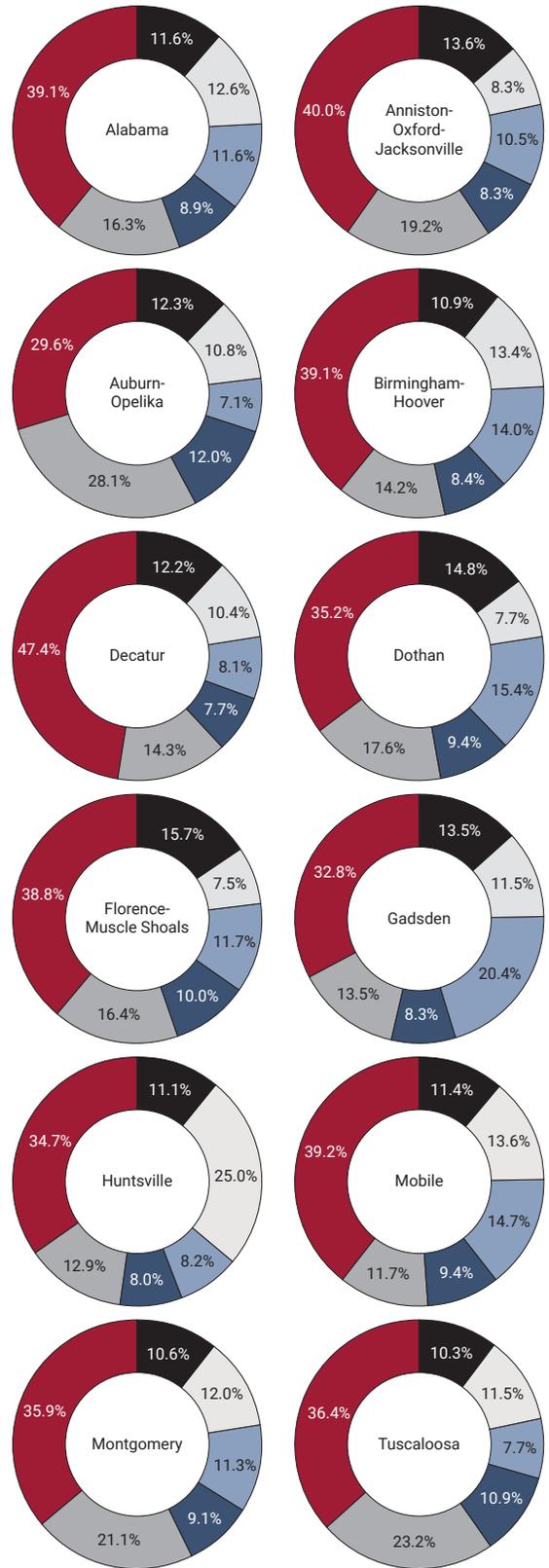
METROPOLITAN AREA TABLES AND GRAPHS

MANUFACTURING EMPLOYMENT

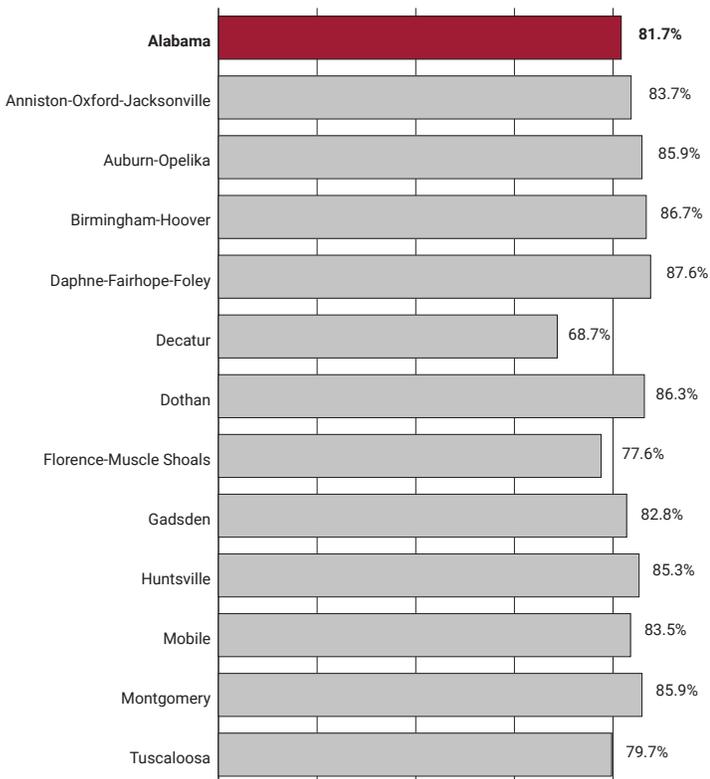
	October 2020	Percent of Area Jobs	Change from October 2019
Alabama	263,600	13.0	-5,500
Anniston-Oxford-Jacksonville	6,100	13.6	-500
Auburn-Opelika	6,500	9.8	200
Birmingham-Hoover	37,200	7.0	-1,400
Daphne-Fairhope-Foley	N/A	N/A	N/A
Decatur	12,800	22.9	-500
Dothan	5,300	9.0	-100
Florence-Muscle Shoals	8,700	15.5	-300
Gadsden	5,000	14.4	-300
Huntsville	24,500	10.2	-1,200
Mobile	17,200	9.6	-1,600
Montgomery	17,400	10.3	-700
Tuscaloosa	15,600	14.2	-1,600

Note: Daphne-Fairhope-Foley data unavailable. October 2020 preliminary not seasonally adjusted data.
Source: Alabama Department of Labor and U.S. Bureau of Labor Statistics.

SELECTED SERVICE PROVIDING INDUSTRIES, OCTOBER 2020 (PERCENT OF TOTAL NONFARM JOBS)



SERVICE PROVIDING INDUSTRIES, OCTOBER 2020 (PERCENT OF TOTAL NONFARM JOBS)



Note: October 2020 preliminary not seasonally adjusted data.
Source: Alabama Department of Labor, U.S. Bureau of Labor Statistics, and Center for Business and Economic Research, The University of Alabama.

Note: Daphne-Fairhope-Foley data unavailable. October 2020 preliminary not seasonally adjusted data.
Source: Alabama Department of Labor, U.S. Bureau of Labor Statistics, and Center for Business and Economic Research, The University of Alabama.

