



Alabama Economic Update

June 19, 2015

Summary

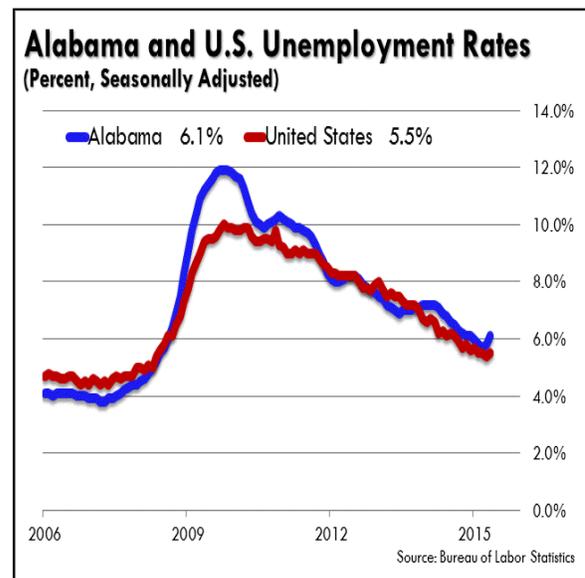
Nonfarm payroll employment in Alabama increased by 6,500 jobs and the unemployment rate rose to 6.1 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Alabama Unemployment Rate

During May, the unemployment rate in Alabama increased by 0.3 percentage point to 6.1 percent. The number of people counted as unemployed rose by 7,036 in May to 132,169, while the labor force grew by 14,026 to 2,170,900. Among the 50 states and the District of Columbia, 39 posted lower unemployment rates for the month than Alabama. A year earlier, the unemployment rate in Alabama stood at 6.9 percent.

The 10 year peak for the unemployment rate in Alabama was 11.9 percent in November 2009. The series high for the unemployment rate in Alabama occurred in December 1982 when the unemployment rate reached 15.5 percent. The 10 year low for the unemployment rate was 3.8 percent in April 2007. This also represents the series low for the unemployment rate in Alabama. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



Alabama Payroll Employment

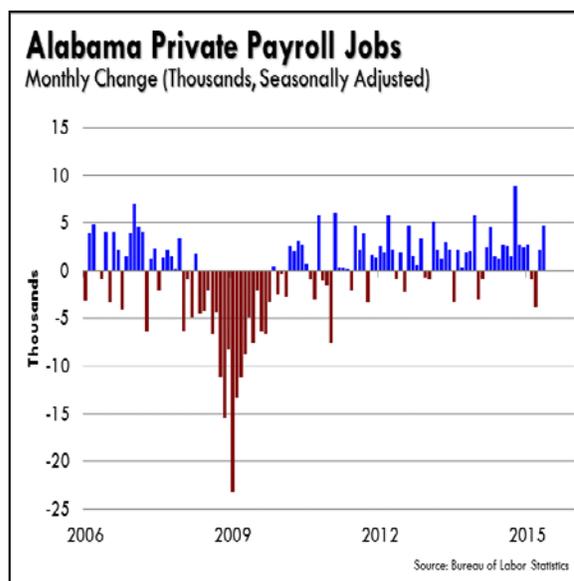
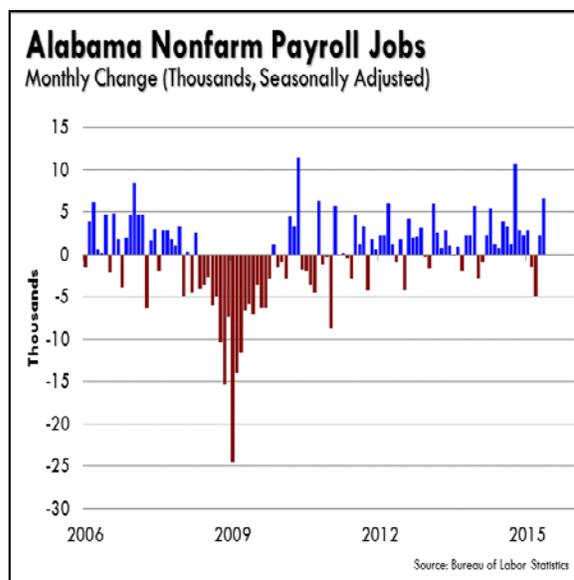
Alabama nonfarm payrolls increased by 6,500 jobs, or 0.33 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 2,300. Over the past 12 months nonfarm payrolls in Alabama increased by 30,000, or 1.56 percent. Alabama nonfarm payroll employment has increased in 10 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. Alabama ranks 25th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Alabama private sector payrolls increased by 4,800, or 0.31 percent. Private sector payrolls increased by 2,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Alabama increased by 27,100, or 1.76 percent. Alabama private sector payroll employment has increased in 10 of the past 12 months.

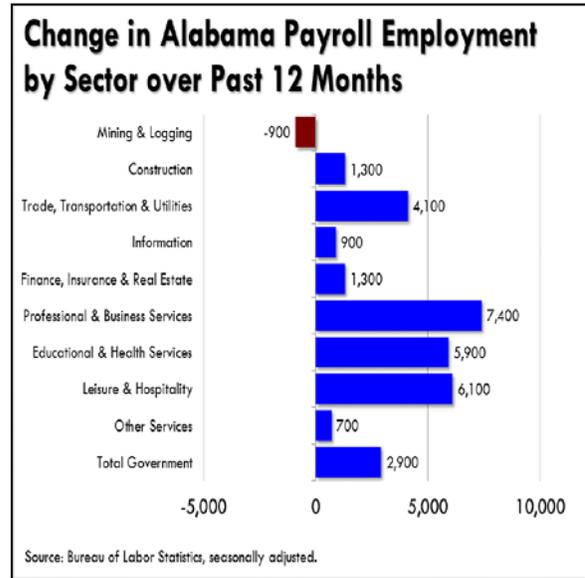
Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent. Alabama ranks 26th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Alabama increased by 1,700, or 0.45 percent. Federal government payroll employment declined by 300, or 0.56 percent. State government payroll employment increased by 900, or 0.82 percent, while local government payroll employment increased by 1,100, or 0.51 percent.



Over the past year, total government payroll employment increased by 2,900, or 0.77 percent. State government payroll employment increased by 1,800, or 1.65 percent. Local government payroll employment increased by 1,100, or 0.51 percent.

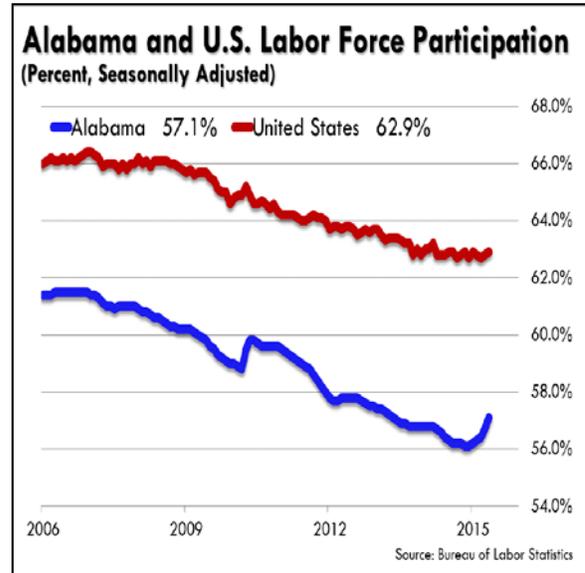
The best performing sectors on a seasonally adjusted basis during May were Professional & Business Services (+2,800) and Finance, Insurance & Real Estate (+1,800). The poorest performing sectors during the month were Construction (-1,100) and Leisure & Hospitality (-700).



The best performing sectors during the last twelve months were Professional & Business Services (+7,400) and Leisure & Hospitality (+6,100). The poorest performing sectors for the year were Mining & Logging (-900) and Other Services (+700).

Other Alabama Labor Force Statistics

The labor force participation rate in Alabama rose to 57.1 percent in May from 56.7 percent the prior month. At 57.1 percent, Alabama has one of the five lowest labor force participation rates in the nation. The labor force participation rate in Alabama is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Alabama was 61.7 percent in September 2005. The series high for the labor force participation rate in Alabama occurred in September 1997 when the labor force participation rate hit 64.6 percent. The 10 year low for the labor force participation rate was 56.1 percent in December 2014. This also represents the series low for the labor force participation rate in Alabama.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.

The employment-to-population ratio, or the percentage of the Alabama civilian noninstitutionalized population 16 years and older counted as employed, rose to 53.6 percent in May from 53.4 percent the prior month. At 53.6 percent, Alabama has one of the five lowest employment-to-population ratios in the nation. The employment-to-population ratio in Alabama is 1.0 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in Alabama was 59.1 percent in December 2006. The series high for the employment-to-population ratio in Alabama occurred in April 1998 when the employment-to-population ratio hit 61.4 percent. The 10 year low for the employment-to-population ratio was 52.0 percent in December 2009. The series low for the employment-to-population ratio occurred in March 1983 when the employment-to-population ratio hit 50.7 percent.

The national employment-to-population ratio ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.

