

# Anniston-Oxford

Stability in national defense-related activity and health services was not enough to keep the Anniston-Oxford area economy from continuing to slip in 2009. Job declines took hold in the metro relatively early in the recession, with nonagricultural employment below year-ago levels since January 2008 (with the exception of June 2008). At 51,100 in October 2009, payroll jobs in the area were down 1,800 (-3.4 percent) from a year ago. Manufacturing saw the steepest decline during the year, losing 600 positions, while state and local government shed 400. Educational and health services added 100 jobs and federal government employment was flat.

Workers who commuted outside the area were hit harder, with total employment dropping by about 4,250 (-8.3 percent) between October 2008 and October 2009. Challenging conditions for the auto industry negatively impacted employment of area residents at Honda and nearby suppliers. During this same period, Anniston-Oxford's labor force contracted by just 3.1 percent and unemployment soared to 11.2 percent, highest among the 11 metros. Still, the economy of the Anniston-Oxford metro has been growing at a faster pace than the state since 2001. The area's current dollar GDP (total output of goods and services) climbed 61.8 percent from 2001 to 2008, with an above-average gain of 4.5 percent in 2008 ranking fourth among the state's metros. Government plays an important role in the Anniston-Oxford economy—28.2 percent of area GDP was generated by this sector in 2008 versus 16.3 percent for the state; government has been the most rapidly growing output sector since 2001.

Manufacturing accounted for a slightly above average 13.5 percent of jobs in the Anniston-Oxford metro in October 2009, far below its 19.3 percent share 10 years ago. Anniston Sportswear closed its doors in August, with the loss of 160 jobs, and the Hager Hinge facility in Oxford shut down in late October, claiming 93 positions. Ashland's Wellborn Cabinet laid off another 200 workers in January to bring total layoffs since January 2008 to 440, as the company continued to position its product lines and services for a turnaround in the housing industry. Federal government contract work balanced job cuts and additions during the year—BAE Systems reported layoffs of 130 employees in February and about 140 at the end of November and SAIC cut 90 in late April. But BAE also received several contract awards during 2009 and General Dynamics planned to hire up to 100 for a new contract late in the year. North American Bus Industries, which added 100 workers in 2008, saw strong orders for its products during the year. New auto supplier Industry Products will open in the county's spec building in January 2010 and begin supplying parts to Honda with about 25 workers by the summer. Leggett and Platt subsidiary Garcy leased a large section of warehouse space at the former Springs Global facility in Piedmont.

Ongoing investment at the Anniston Army Depot is supporting its role as a mainstay of the Anniston-Oxford economy, with about 7,300 employees and contractors. Work is continuing on a \$26 million wastewater treatment plant that will be complete in 2011. The \$85 million Powertrain Flexible Maintenance Facility opened in August, while the Depot broke ground this fall for a new Small Arms Repair Facility. Work began in December on a \$7.5 million contract

with the Research Triangle Institute to produce M1 tank training devices. National security-related activity is a primary focus of the former Fort McClellan, while service-related activity is growing. Alagasco will relocate its operations center to McClellan in 2010 and the Coosa Valley Resource Conservation and Development Council has plans to move and develop facilities there. Ordnance clean-up was completed in the vicinity of the industrial access road that will connect McClellan to the new Eastern Parkway, opening the way for further industrial and commercial development.

Anniston's role in providing medical services in East Alabama was enhanced with the award of Level 2 trauma designation to Regional Medical Center. The retail scene was challenged by the closing of Goody's Family Clothing, Circuit City, and Food Max stores, as well as several restaurants. Walgreens opened in Jacksonville and Anniston during the year and a Sam's Club under construction at the Oxford Exchange will open in 2010. A new \$2.5 million business center in Alexandria is home to both service and retail businesses. Hotels opening during the year included a Hilton Garden Inn in Oxford and a Hampton Inn in Jacksonville. Looking to expand retail and commercial development, the Anniston City Council voted to establish a Commercial Development Authority similar to Oxford's CDA.

With the help of federal stimulus funding, construction on the final section of the Eastern Parkway that will connect McClellan to I-20 kicked off in October. The Anniston-Oxford area could also benefit from a proposal to use stimulus funds for a high-speed rail corridor linking Birmingham and Atlanta. A number of local renovation projects on historic buildings progressed during the year. Construction of a new water treatment plant in Oxford got underway and work began on Oxford's \$13 million sports complex. Tourism and events related to cycling and the Chief Ladiga Trail provided a boost to the area's economy, with the trail receiving recognition in National Geographic Adventure as a best weekend trip. Both Anniston and Jacksonville are exploring extending the trail, which currently ends in Piedmont, into their downtown areas.

Anniston-Oxford's banking sector grew slightly for the year ending in June 2009, with an increase in deposits of 2.3 percent well below the state-average 9.0 percent. The number of insured banks was unchanged at 11 and branches rose by one to 36. Both 2008 per capita income and FY2009 median family income increased faster than the Alabama average, but still ranked in the lower half of the metro areas. Average wages across all industries amounted to \$33,760 in 2008, about 93 per-cent of the state's \$36,170. The area added an estimated 563 residents in 2008. Although the single-family housing sector continued to contract during the first 10 months of 2009, the number of permits issued for multi-family units increased. Permits for single-family homes fell 23.3 percent through October 2009 when compared to the same period in 2008, while the number of homes sold dropped by 18.2 percent. The metro's FHFA House Price Index was up 0.5 percent year-over-year in third quarter 2009.