Alabama Business

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In this issue:

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Current Economic Conditions and Outlook: May 2001

United States

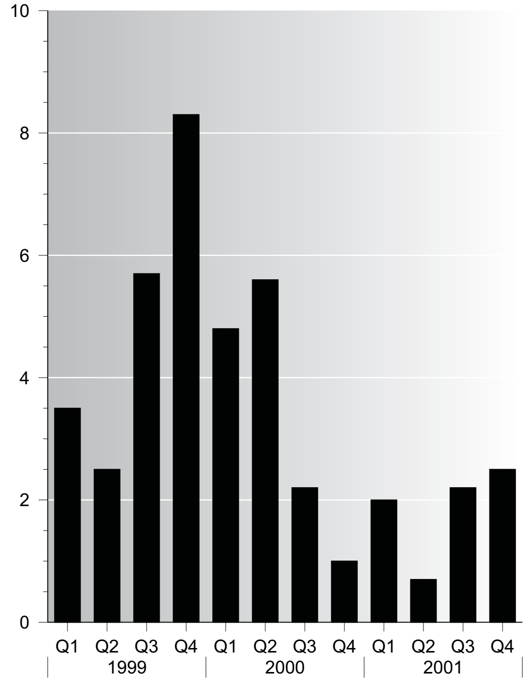
During the second half of 2000, we saw the economic slowdown coming. High energy prices, overcapacity and global competition in manufacturing, an inverted yield curve, high consumer debt, and declining stock prices were all screaming that the economic boom was over. It was the magnitude and the speed of the downturn that surprised both businesses and policy makers.

In CBER's previous economic summary (January 2001), our forecast called for the U.S. economy to begin recovering by the second half of 2001. Unfortunately, that is no longer the outlook. A surge in manufacturing layoffs, deteriorating consumer confidence, higher energy prices, and other price increases are expected to keep economic growth at anemic levels at least through the third quarter of 2001. The weakest link, and probably a major cause of the economic slowdown, has been a significant decline in investment and capital spending, mainly due to deteriorating corporate profits and lack of demand.

At the end of 2000, corporate profits in manufacturing were down by 60 percent and profits for other nonfinancial firms were down 42 percent over the same period during the previous year. In March of this year, net new payroll employment declined by 86,000, pushing the national unemployment rate up to 4.3 percent. The inflation rate increased 4 percent in the first quarter of 2001 over the same period in 2000. Even the core consumer price index, which excludes food and energy prices due to their volatility, increased by 3.5 percent. In our opinion, these factors are red flags for consumer sentiment and confidence.

The effects of the Federal Reserve's interest rate cuts in the first four months of 2001 will not be seen until late in the year. Corporate profits are still declining and increasing layoffs are having adverse effects on consumer confidence. There are no high expectations for consumer spending in the near future, even though further interest rate cuts are anticipated. Current employment conditions and future prospects of employment have a much greater short-term impact on consumer behavior than a reduction (or increase) in interest rates.

Gross Domestic Product
Annualized Rate of Growth, 1996 Dollars

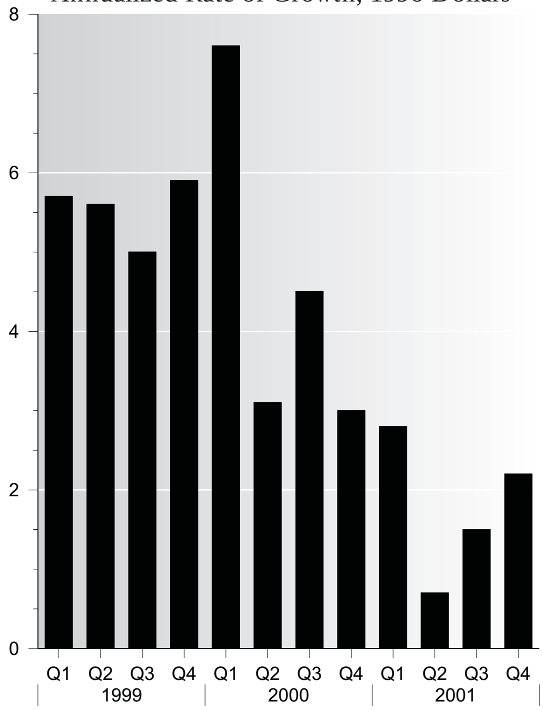


Source: U.S. Department of Commerce, The WEFA Group, and Center for Business and Economic Research, The University of Alabama.

However, not all news is bad. Despite increased layoffs in manufacturing and some services businesses and a slowdown in new job creation, consumer spending on housing and automobiles held steady in the first quarter of 2001. The U.S. economic growth rate for the first quarter was 2.0 percent because of strong consumer spending levels. Gross domestic product (GDP) is expected to increase over the remaining three quarters, for a yearend growth rate of 1.7 percent. This is not as strong as the 5-plus percent growth experienced in 2000, but it is not negative growth.

Consumer Expenditures. Consumer purchases account for almost two-thirds of the U.S. economy. Consumer spending, mostly on durable goods, is expected to drop during the second quarter. Yet durable goods manufacturers are not the only ones who will be affected. Consumer purchases of nondurable goods and services, including food and energy, are also forecasted to drop in 2001. Spending on services such as transportation, housing and household operations, and medical care is not expected to decrease significantly. Even though consumers will be holding on to their wallets more tightly in 2001 than in 2000, overall consumer expenditures are expected to increase, not decrease. Total consumer spending is forecasted to increase by 2.4 percent for the remainder of this year.

Consumer Expenditures
Annualized Rate of Growth, 1996 Dollars



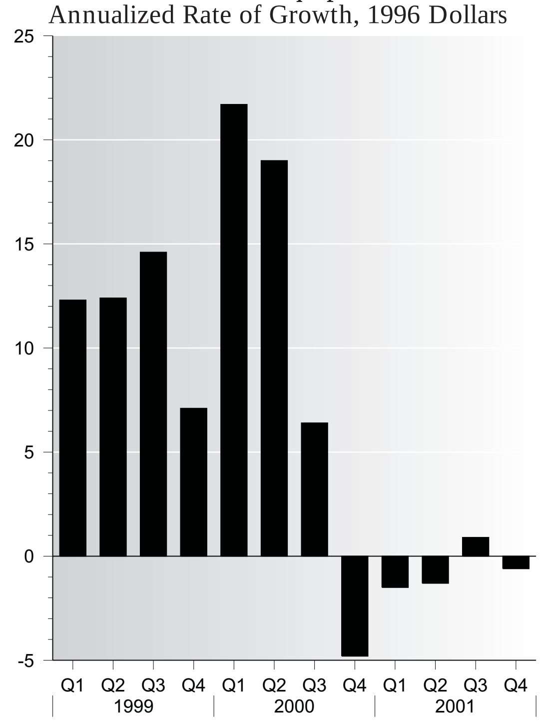
Source: U.S. Department of Commerce, The WEFA Group, and Center for Business and Economic Research, The University of Alabama.

Despite a drop in consumer spending, consumer debt levels are not expected to change much. At least through the end of this year, people will keep about 22 percent of their total disposable income tied up in consumer debt payments. Although consumers may not be going further into debt to boost current consumption, they could be using their credit to make purchases after being laid off or to service their previous debt. If consumers are faced with increased layoffs, tighter job prospects, higher energy prices, or high debt levels, they will continue to cut back on buying new things, at least through the next two quarters.

Investment Spending. We expect growth in gross private domestic spending to drop from its 10.5 percent increase in 2000 to a 1.2 percent decline in 2001. Capital, or investment, spending depends on future demand prospects, and it is expected to remain tepid in 2001, judging by current economic conditions. Businesses spent heavily on computer equipment and software in 2000, primarily because of uncertainties associated with "Y2K" programming changes from 1999 to 2000. But most businesses have yet to realize the full benefits associated with those purchases, including the productivity enhancements they were anticipating. They don't expect to make the same kinds of capital investments in 2001 that they did in the last couple of years.

Another complicating factor for computer manufacturers is that because of the demise of numerous "dot.coms" there is a significant amount of almost new equipment on the market. Firms planning to upgrade their hardware and software can purchase it slightly used without spending nearly as much. In the first quarter of 2001, technology-related spending declined by 6.1 percent. This is certainly a change from the 31.4 percent annualized rate of growth in 2000.

Business Investment in Equipment and Software
Annualized Rate of Growth, 1996 Dollars



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

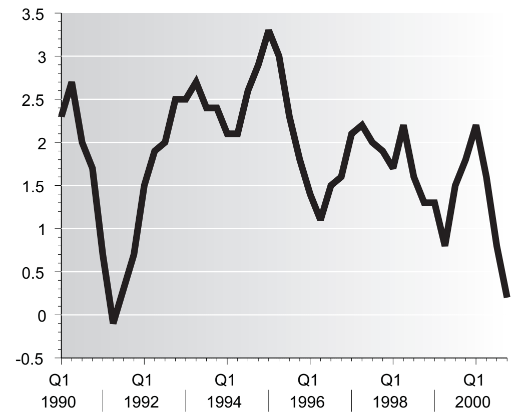
Overall Outlook for 2001. Job layoffs will continue, particularly among manufacturers. The unemployment rate will increase throughout 2001. By the end of 2001, manufacturing businesses are expected to lose approximately 400,000 jobs; almost 300,000 will be in durable goods industries. The strongest sector will be services-related businesses, which will gain almost 700,000 new jobs. Throughout all its sectors, the U.S. economy is expected to create almost

800,000 new jobs in 2001, significantly below the 2.6 million net new jobs created in 2000. However, with an effective monetary policy, the economy should see signs of improvement by the end of 2001.

Alabama

Employment. As with the national economy, Alabama's economy has slowed down significantly compared to last year. From March 2000 to March 2001, employment in Alabama increased a net of 4,600 jobs, compared to a gain of 37,700 jobs for the period from March 1999 to March 2000. There is an important perspective to these numbers. Between March 2000 and March 2001, approximately 14,000 jobs were gained in five of the state's metropolitan areas. The only metro areas that had a net gain in jobs during this period were Birmingham (4,700); Decatur (800); Huntsville (3,400); Mobile (3,900); and Montgomery (1,200). For the state overall to have had a net gain of only 4,600 jobs, the remaining six metro areas and the nonmetro counties had to have a combined net loss of 9,400 jobs. The remaining metro areas had net job losses of almost 6,000 and the nonmetro counties lost 3,400 jobs. As of March 2001, the unemployment rate for Alabama

Alabama Nonagricultural Employment
Annual Percent Change Over Same Quarter Previous Year



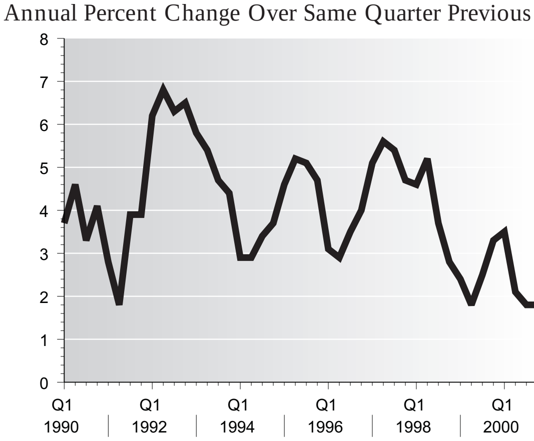
Source: Estimates based on Alabama Department of Industrial Relations data.

Alabama Nonagricultural Employment
Change in Number of Jobs
March 2000 to March 2001

Total Nonagricultural	4,600
Mining	-500
Construction	2,000
Manufacturing	-10,500
Durable Goods	-7,900
Lumber Products	-1,400
Primary Metals	-2,400
Fabricated Metal	-700
Industrial Machinery	-2,100
Electrical Machinery	800
Transportation Equipment	-1,600
Stone, Clay and Glass	0
Nondurable Goods	-2,600
Food Products	900
Textile Mill Products	-1,700
Apparel	-1,600
Paper and Pulp Products	-500
Chemicals	-400
Rubber and Plastics	200
TCPU	900
Wholesale and Retail Trade	5,100
FIRE	500
Services	9,000
Total Government	-1,900
Federal Government	-3,800
State Government	1,900
State Education	1,400
Local Education	-1,400

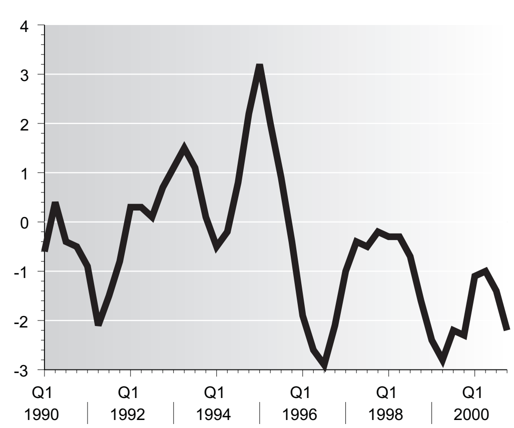
Source: Alabama Department of Industrial Relations.

Alabama Services Employment
Annual Percent Change Over Same Quarter Previous Year



Source: Estimates based on Alabama Department of Industrial Relations data.

Alabama Manufacturing Employment
Annual Percent Change Over Same Quarter Previous Year



Source: Estimates based on Alabama Department of Industrial Relations data.

Source: Estimates based on Alabama Department of Industrial Relations data.

had increased to 5.4 percent, versus 4.2 percent in March 2000.

Statewide, services producing industries added 13,600 jobs. (Services producing industries include the services sector, government, trade, finance, insurance, real estate, transportation, communications, and utilities.) Goods producing sectors (including mining, construction, and manufacturing) lost 9,000 net jobs. Manufacturing industries, accounting for almost 18 percent of the state's total nonagricultural employment, lost 10,500 jobs from March 2000 to March 2001. Most of the jobs lost in manufacturing were in industries producing durable goods, primarily steel and lumber products, which lost 1,400 and 2,400 jobs, respectively. The manufacturing sector in the state is expected to remain weak through the year because of falling demand in both domestic and overseas markets.

Consumer spending was strong during the last two years, and retailing was one of the fastest growing sectors in the state. However, there has been a marked decline in retail spending in recent months. Retailers added about 4,300 jobs from March 2000 to March 2001, compared to 10,300 jobs added from March 1999 to March 2000. Among retailing businesses, apparel and accessory stores are experiencing the most weakness. Mortgage refinancing has added some dollars every month to the pocketbooks of Alabama homeowners, but most of that extra disposable income is probably going to pay down credit card debt rather than being spent on new consumer goods.

The services sector is also experiencing some weakness. Service businesses continue to add jobs, although fewer than last year. Even though the services sector in the state is not growing as fast as last year, it is still the fastest growing segment of the state's economy. From March 2000 to March 2001, there were almost 9,000 more service workers in Alabama than in the previous year.

After seeing substantial growth in recent years, the state's construction sector is showing some weaknesses. From March 2000 to March 2001, construction-related businesses added about 2,000 net new jobs. The Birmingham and Mobile metro areas accounted for almost 95 percent of those jobs.

Tax Revenues. The State of Alabama is experiencing considerable weakness in its tax receipts. During the first half of the current fiscal year (October 2000 to March 2001), total state tax revenues dropped 3.5 percent, compared to a gain of 8.1 percent during the same period for the previous fiscal year. In the first half of the fiscal year, individual income tax receipts increased by 1.9 percent, compared to a 7.9 percent increase experienced in the first half of the previous fiscal year. Corporate income taxes dropped 37.1 percent, versus a decline of 33 percent last fiscal year. Sales tax revenues, an important gauge of consumer spending, declined by 2.1 percent in the first half of the current fiscal year.

Outlook for 2001. The outlook for Alabama calls for slow growth for the remainder of the year. The total gross state product is expected to grow by about 1.5 percent in 2001, compared to 3.7 percent last year. For the year as a whole, there will be approximately 11,000 new jobs in nonagricultural industries. Most of these jobs, about 9,000, will be in services. Manufacturing industries will lose approximately 10,500 jobs, while retailing will add about 2,000 new jobs. The state's overall economic growth is expected to remain tepid through the remainder of the year. The strongest sectors of the economy, services and retailing, are concentrated in Alabama's metropolitan areas. Not surprisingly, the metro areas are economically out-performing the non-metro counties and will continue to do so.

Ahmad Ijaz

Selected Economic Indicators

United States	1999/Q3	1999/Q4	2000/Q1	2000/Q2	2000/Q3	2000/Q4	2001/Q1
Gross Domestic Product (billions)	8,905.8	9,084.1	9,191.8	9,318.9	9,369.5	9,393.7	9,428.8
Percent Change	4.3	5.0	5.3	6.1	5.2	3.4	2.6
30-Year Treasury Bond Rate	6.0	6.3	6.3	6.0	5.8	5.7	5.4
3-Month Treasury Bill Rate	4.7	5.0	5.5	5.7	6.0	6.0	4.8
Consumer Price Index	167.2	168.5	170.3	171.5	173.0	174.3	176.0
Inflation Rate	2.3	2.6	3.3	3.3	3.5	3.4	3.4
Housing Starts (millions)	1.7	1.7	1.7	1.6	1.5	1.6	1.6
Percent Change	1.9	-1.9	-1.6	0.9	-8.1	-7.9	-7.6
Total Employment (millions)	133.6	134.3	135.0	135.2	135.0	135.6	135.7
Percent Change	1.6	1.5	1.6	1.5	1.1	1.0	0.5
Unemployment Rate	4.2	4.1	4.0	4.0	4.0	4.0	4.3

Alabama	1999/Q3	1999/Q4	2000/Q1	2000/Q2	2000/Q3	2000/Q4
Total Nonagricultural Employment (thousands)	1,925.6	1,950.0	1,938.1	1,954.4	1,941.8	1,954.3
Percent Change	1.5	1.8	2.2	1.6	0.8	0.2
Total Manufacturing Employment	367.8	367.3	366.2	366.1	362.6	359.3
Percent Change	-2.2	-2.3	-1.1	-1.0	-1.4	-2.2
Durable Goods Manufacturing	197.4	198.0	197.0	197.3	194.8	192.7
Percent Change	0.2	-0.3	0.5	-0.2	-1.3	-2.7
Nondurable Goods Manufacturing	170.4	169.3	169.2	168.8	167.8	166.6
Percent Change	-4.8	-4.4	-2.9	-1.9	-1.5	-1.6
Wholesale and Retail Trade Employment	448.4	457.7	449.2	453.1	453.1	457.2
Percent Change	2.0	3.1	3.2	2.2	1.0	-0.1
Services Employment	461.3	463.6	461.1	467.7	469.5	471.9
Percent Change	2.5	3.3	3.5	2.1	1.8	1.8
Unemployment Rate	4.8	4.7	4.4	4.2	4.6	4.6
Initial Benefit Claims (thousands)	23.3	22.5	29.6	18.9	25.7	28.0
Manufacturing Weekly Hours	42.0	42.2	41.8	42.1	41.5	41.3
Total Tax Revenues (millions)	1,449.5	1,353.9	1,578.1	1,683.4	1,441.1	1,351.6
Percent Change	9.9	4.8	10.5	11.1	-0.6	-0.2
Income Tax Revenues	649.9	556.2	628.0	865.6	617.4	541.9
Percent Change	18.7	6.0	5.8	20.2	-5.0	-2.6
Sales Tax Revenues	374.5	384.0	383.5	384.4	378.2	381.4
Percent Change	4.1	2.9	8.0	1.3	1.0	-0.7

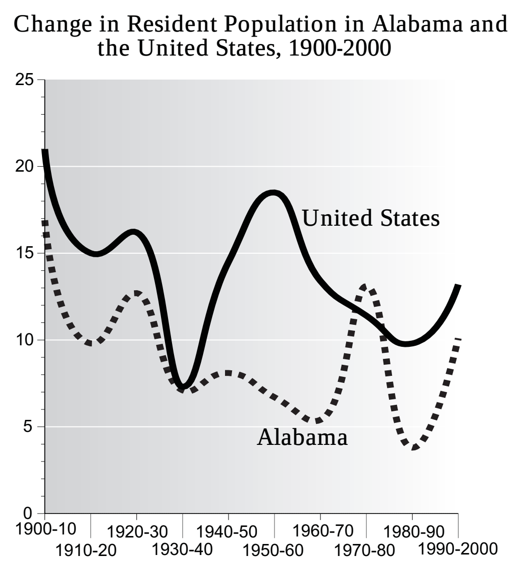
Note: All percent changes indicate change over same period of the previous year.

Source: U.S. Bureau of Labor Statistics, U.S. Department of Commerce, Alabama Department of Industrial Relations, Alabama Revenue Department, and Center for Business and Economic Research, The University of Alabama.

Alabama's Population at the Dawn of the 21st Century:

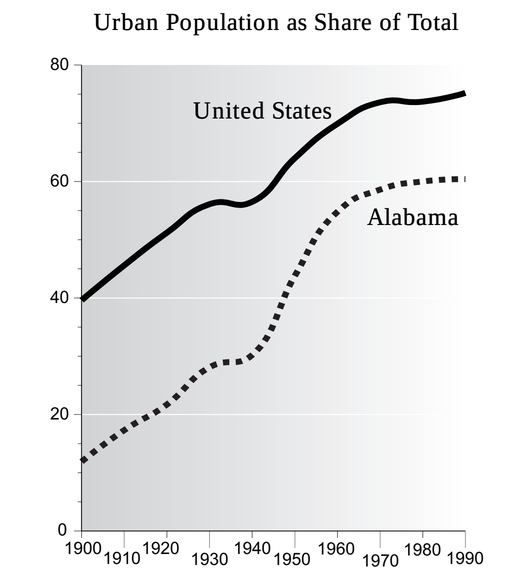
The Product of a Century of Change

With a population of 4,447,100 on April 1, 2000, Alabama had added 406,513 residents in the 10 years since the 1990 census. The state's population more than doubled during the 100 years between 1900, when 1,828,697 Alabamians were counted, and 2000. While the most recent census ranked Alabama 23rd among the 50 states, it was the 18th most populous state 100 years ago. At that time, Florida tallied only 528,542 residents and California counted just 1,485,053. Alabama's population growth was most rapid in the first half of the century, increasing 67.4 percent between 1900 and 1950, compared to 45.2 percent from 1950 to 2000.



Source: U.S. Census Bureau.

Alabama's transition from a predominantly rural, agrarian state in 1900 into a largely urban one, dependent on nonagricultural jobs, has defined the patterns of change seen across the 20th century. In 1900 just 216,714 Alabamians lived in urban areas and more than seven out of eight residents were in rural settings. Urban areas were defined in 1900 as incorporated places of 2,500 or more, plus areas classified as urban under special rules relating to population size and density. After a slight definitional change in 1950, Alabama's urban population reached 43.8 percent of the total. By 1990 over 60 percent of the state's residents lived in urban areas. Although urban/rural numbers for 2000 have not been released, the share of Alabama's urban population is expected to have continued to increase.



Source: U.S. Census Bureau.

The state's urbanization has been driven by its economic transformation. In 1910 there were 669,033 Alabamians aged 10 and over "gainfully employed" in agriculture. Another 574 worked in forestry and fishing. By mid-century just 248,121 of the state's workers aged 14 and over worked in agriculture, forestry, and fishing. By 1998 the number of workers 16 and over in agriculture, forestry, and fishing had dwindled to 64,980. (Notice the differences in the lower limit of the workforce: age 16 in 1998, but age 14 in 1950, and age 10 in 1910.) At the same time, employment in manufacturing climbed from 107,854 in 1910 to 213,500 in 1950 and 384,525 in 1990, before falling to 363,392 in 2000. Trade employment rose from 42,743 in 1910 to 118,700 in 1950 and 453,800 in 2000. And employment in services climbed from 33,657 in 1910 (not counting 76,054 domestic and personal service workers aged 10 and over) to 52,100 in 1950 and 467,383 in 2000. Both the economic shift to the service producing sectors and the continuing decline in certain manufacturing industries favor the state's urban areas. In particular, textiles and apparel jobs, which were frequently located in rural Alabama, are disappearing.

Population of Alabama Counties, 1900-2000

	Population				Percent Change	
	1900	1950	1990	2000	1900-2000	1990-2000
Alabama	1,828,697	3,061,743	4,040,587	4,447,100	143.2	10.1
Autauga	17,915	18,186	34,222	43,671	143.8	27.6
Baldwin	13,194	40,997	98,280	140,415	964.2	42.9
Barbour	35,152	28,892	25,417	29,038	-17.4	14.2
Bibb	18,498	17,987	16,576	20,826	12.6	25.6
Blount	23,119	28,975	39,248	51,024	120.7	30.0
Bullock	31,944	16,054	11,042	11,714	-63.3	6.1
Butler	25,761	29,228	21,892	21,399	-16.9	-2.3
Calhoun	34,874	79,539	116,034	112,249	221.9	-3.3
Chambers	32,554	39,528	36,876	36,583	12.4	-0.8
Cherokee	21,096	17,634	19,543	23,988	13.7	22.7
Chilton	16,522	26,922	32,458	39,593	139.6	22.0
Choctaw	18,136	19,152	16,018	15,922	-12.2	-0.6
Clarke	27,790	26,548	27,240	27,867	0.3	2.3
Clay	17,099	13,929	13,252	14,254	-16.6	7.6
Cleburne	13,206	11,904	12,730	14,123	6.9	10.9
Coffee	20,972	30,720	40,240	43,615	108.0	8.4
Colbert	22,341	39,561	51,666	54,984	146.1	6.4
Conecuh	17,514	21,776	14,054	14,089	-19.6	0.2
Coosa	16,144	11,766	11,063	12,202	-24.4	10.3
Covington	15,346	40,373	36,478	37,631	145.2	3.2
Crenshaw	19,668	18,981	13,635	13,665	-30.5	0.2
Cullman	17,849	49,046	67,613	77,483	334.1	14.6
Dale	21,189	20,828	49,633	49,129	131.9	-1.0
Dallas	54,657	56,270	48,130	46,365	-15.2	-3.7
DeKalb	23,558	45,048	54,651	64,452	173.6	17.9
Elmore	26,099	31,649	49,210	65,874	152.4	33.9
Escambia	11,320	31,443	35,518	38,440	239.6	8.2
Etowah	27,361	93,892	99,840	103,459	278.1	3.6
Fayette	14,132	19,388	17,962	18,495	30.9	3.0
Franklin	16,511	25,705	27,814	31,223	89.1	12.3
Geneva	19,096	25,899	23,647	25,764	34.9	9.0
Greene	24,182	16,482	10,153	9,974	-58.8	-1.8
Hale	31,011	20,832	15,498	17,185	-44.6	10.9
Henry	36,147	18,674	15,374	16,310	-54.9	6.1
Houston	n.a.	46,522	81,331	88,787	n.a.	9.2
Jackson	30,508	38,998	47,796	53,926	76.8	12.8
Jefferson	140,420	558,928	651,525	662,047	371.5	1.6
Lamar	16,084	16,441	15,715	15,904	-1.1	1.2
Lauderdale	26,559	54,179	79,661	87,966	231.2	10.4
Lawrence	20,124	27,128	31,513	34,803	72.9	10.4
Lee	31,826	45,073	87,146	115,092	261.6	32.1
Limestone	22,387	35,766	54,135	65,676	193.4	21.3
Lowndes	35,651	18,018	12,658	13,473	-62.2	6.4
Macon	23,126	30,561	24,928	24,105	4.2	-3.3
Madison	43,702	72,903	238,912	276,700	533.2	15.8
Marengo	38,315	29,494	23,084	22,539	-41.2	-2.4
Marion	14,494	27,264	29,830	31,214	115.4	4.6
Marshall	23,289	45,090	70,832	82,231	253.1	16.1
Mobile	62,740	231,105	378,643	399,843	537.3	5.6
Monroe	23,666	25,732	23,968	24,324	2.8	1.5
Montgomery	72,047	138,965	209,085	223,510	210.2	6.9
Morgan	28,820	52,924	100,043	111,064	285.4	11.0
Perry	31,783	20,439	12,759	11,861	-62.7	-7.0
Pickens	24,402	24,349	20,699	20,949	-14.2	1.2
Pike	29,172	30,608	27,595	29,605	1.5	7.3
Randolph	21,647	22,513	19,881	22,380	3.4	12.6
Russell	27,083	40,364	46,860	49,756	83.7	6.2
St. Clair	19,425	26,687	50,009	64,742	233.3	29.5
Shelby	23,684	30,362	99,358	143,293	505.0	44.2
Sumter	32,710	23,610	16,174	14,798	-54.8	-8.5
Talladega	35,773	63,639	74,107	80,321	124.5	8.4
Tallapoosa	29,675	35,074	38,826	41,475	39.8	6.8
Tuscaloosa	36,147	94,092	150,522	164,875	356.1	9.5
Walker	25,162	63,769	67,670	70,713	181.0	4.5
Washington	11,134	15,612	16,694	18,097	62.5	8.4
Wilcox	35,631	23,476	13,568	13,183	-63.0	-2.8
Winston	9,554	18,250	22,053	24,843	160.0	12.7

Note: Houston County was formed from parts of Dale, Geneva, and Henry in 1903. Other land annexations between counties occurred during the early 1900s.

Source: U.S. Census Bureau. For additional data from Census 2000 go to cber.cba.ua.edu or www.census.gov.

While much of the state's land area remains rural, many rural economies have withered as people have left in search of economic opportunity. Several of today's urban counties, including Jefferson, Montgomery, Mobile, Madison, and Tuscaloosa, have ranked in the state's ten most populous from 1900 through 2000. However, two of Alabama's ten most populous counties in 1900, Henry and Lowndes, have remained predominantly rural. Those counties have also witnessed the exodus of over half of their residents during the century. Other counties, all predominantly rural, that also saw their populations reduced to less than half the 1900 number by 2000 include Bullock, Greene, Perry, Sumter, and Wilcox. Thirty of Alabama's 67 counties more than doubled in population during the 20th century. Only two, Covington and Marion, are not either in or adjacent to a metropolitan area county. Just two metro area counties, Lawrence and Russell, did not double in population during the last 100 years.

Looking back across the 20th century, seven Alabama counties grew in every decade. They were Baldwin, Madison, Marshall, Mobile, Morgan, Shelby, and Tuscaloosa. Another nine counties missed just one decade of growth. And no counties saw their population drop in every decade. During the last decade, twelve counties experienced losses ranging from a 0.6 percent decline in Choctaw to 8.5 percent in Sumter.

In 2000 Alabama remains a state of few large cities and many small cities and towns. Identifying the state's 67 counties by the size of the largest city or town in 2000 reveals just eleven counties with cities of 25,000 or more residents. All these counties saw overall population gains across the 20th century. Of the 20 counties with a largest city or town with 10,000 to 25,000 people, 18 saw population increases for 1900 to 2000. And 11 of 13 counties with the largest city housing 5,000 to 10,000 experienced population growth during the century. The largest city or town in 23 of Alabama's counties had fewer than 5,000 residents in 2000. Just nine of these counties gained population across the 100 years. However, trends may be changing as nine counties in the small city category that failed to post an overall gain between 1900 and 2000 showed a population increase during the decade of the 1990s.

The racial composition of Alabama's population has changed throughout the 20th century. Although population growth and change has been affected by the age structure and fertility characteristics of white, black, and other residents, interstate migration has been the major factor. Historically, population losses due to out-migration or relatively weak net migration gains have accounted for Alabama's below average population growth rate. In only two of the last 10 decades have more people moved into Alabama than moved out. From 1970 to 1980, the state added 115,014 residents due to migration (both international and from other states). The influx during the 1970s was entirely of white residents, however, as nonwhites continued to leave the state. Only in the decade of the 1990s did both groups show substantial increases from net migration. Alabama gained a total of 210,267 more residents than it lost due to migration between 1990 and 2000. This includes a gain of approximately 89,306 white residents and 120,961 nonwhite residents, assuming all Alabamians who marked more than one race on the 2000 census are included in nonwhite.

Alabama Net Migration, 1900-2000

Years	Total	White	Nonwhite
1900-1910	-52,362	-28,275	-24,087
1910-1920	-149,272	-64,898	-84,374
1920-1930	-212,231	-113,433	-98,798
1930-1940	-184,614	-112,372	-72,242
1940-1950	-301,376	-115,348	-186,028
1950-1960	-368,151	-144,130	-224,021
1960-1970	-229,681	-2,033	-227,648
1970-1980	115,014	150,236	-35,222
1980-1990	-89,120	-17,046	-72,074
1990-2000	210,267	89,306	120,961

Note: The category of nonwhite migrants for 1990-2000 includes individuals who marked more than one race on the Census 2000 form.

Source: Estimates by Center for Business and Economic Research, The University of Alabama based on census and vital statistics data.

At the beginning of the 20th century, 54.7 percent of Alabama's residents were white. This share steadily increased to 73.6 percent in 1970 and peaked at 73.8 percent in 1980. From 1990 to 2000, however, the aging of Alabama's white population relative to its nonwhite residents, coupled with a larger net in-migration of nonwhites, resulted in much stronger growth in the nonwhite population. In 2000 Alabama was 71.1 percent white and 26.0 percent black. Members of other racial groups have never had substantial numbers in Alabama. From fewer than 250 in 1900 and just over 2,500 in 1950,

(continued on page 12)

Alabama Population Projections 2005-2025

County	2005	2010	2015	2020	2025
Alabama	4,657,627	4,864,655	5,064,988	5,252,702	5,421,489
Autauga	48,594	53,534	58,428	63,269	68,080
Baldwin	162,259	184,651	207,033	229,168	250,403
Barbour	29,883	30,739	31,619	32,423	33,082
Bibb	22,419	24,030	25,658	27,277	28,826
Blount	55,335	59,589	63,715	67,745	71,666
Bullock	11,910	12,130	12,344	12,546	12,672
Butler	21,265	21,266	21,341	21,486	21,615
Calhoun	112,998	113,573	114,028	114,312	114,279
Chambers	36,954	37,368	37,889	38,439	38,932
Cherokee	25,476	26,907	28,275	29,546	30,722
Chilton	42,460	45,360	48,244	51,045	53,766
Choctaw	15,986	16,071	16,188	16,327	16,460
Clarke	28,810	29,785	30,771	31,775	32,784
Clay	14,533	14,787	15,046	15,324	15,580
Cleburne	14,678	15,222	15,732	16,214	16,631
Coffee	45,178	46,580	47,856	48,997	49,962
Colbert	55,595	56,066	56,426	56,632	56,623
Conecuh	14,178	14,288	14,416	14,550	14,666
Coosa	12,633	13,033	13,410	13,733	13,967
Covington	38,364	39,068	39,706	40,264	40,708
Crenshaw	13,638	13,630	13,645	13,679	13,682
Cullman	82,100	86,492	90,584	94,357	97,743
Dale	49,662	50,089	50,421	50,643	50,804
Dallas	46,028	45,794	45,628	45,487	45,312
DeKalb	67,583	70,581	73,390	75,972	78,301
Elmore	73,602	81,444	89,182	96,647	103,718
Escambia	39,057	39,604	40,030	40,338	40,539
Etowah	106,600	109,499	112,140	114,358	115,989
Fayette	18,588	18,661	18,719	18,753	18,754
Franklin	32,533	33,759	34,870	35,831	36,608
Geneva	26,599	27,414	28,136	28,763	29,274
Greene	9,937	9,944	9,982	10,043	10,116
Hale	18,035	18,974	19,970	20,960	21,905
Henry	16,538	16,745	16,949	17,157	17,339
Houston	91,303	93,734	95,964	97,945	99,521
Jackson	55,818	57,483	58,895	60,047	60,937
Jefferson	671,626	680,294	687,887	693,164	694,873
Lamar	15,924	15,938	15,955	15,994	16,023
Lauderdale	91,049	93,744	96,058	97,938	99,314
Lawrence	35,752	36,653	37,471	38,166	38,670
Lee	121,785	128,421	134,998	140,979	146,291
Limestone	70,937	76,017	80,921	85,601	90,044
Lowndes	13,626	13,820	14,047	14,281	14,469
Macon	23,241	22,730	22,517	22,404	22,283
Madison	301,983	326,666	350,702	373,672	395,311
Marengo	22,806	23,099	23,416	23,716	23,955
Marion	31,632	31,947	32,130	32,227	32,208
Marshall	89,612	96,900	103,952	110,736	117,143
Mobile	414,563	428,636	442,004	454,332	465,028
Monroe	24,945	25,575	26,205	26,846	27,472
Montgomery	230,860	237,950	244,835	251,190	256,776
Morgan	116,599	121,632	126,135	130,205	133,788
Perry	11,890	11,962	12,065	12,184	12,304
Pickens	21,207	21,499	21,783	22,037	22,232
Pike	30,555	31,531	32,533	33,429	34,164
Randolph	22,795	23,175	23,530	23,828	24,059
Russell	53,457	57,143	60,673	63,894	66,664
St. Clair	72,549	80,346	87,958	95,317	102,225
Shelby	169,842	197,301	225,155	253,005	280,542
Sumter	14,862	15,022	15,200	15,384	15,544
Talladega	82,427	84,454	86,356	88,006	89,316
Tallapoosa	42,335	43,216	44,044	44,731	45,224
Tuscaloosa	171,057	177,101	182,821	187,799	191,958
Walker	72,526	74,113	75,436	76,488	77,277
Washington	18,680	19,197	19,683	20,132	20,532
Wilcox	13,373	13,625	13,924	14,245	14,539
Winston	26,006	27,056	27,961	28,722	29,296

Note: Projections in this series are based on trends between 1990 and 1995, controlled to the 2000 census population. CBER will release state and county projections by age, race and sex on CD-ROM this summer. Both five-year intervals from 2005 to 2025 and single years from 2000 through 2005 will be available.

Source: Center for Business and Economic Research, The University of Alabama, May 2001.

(continued from page 10)

residents who identified themselves as neither white nor black increased to 84,183 in 2000. This is less than two percent of the population. Another 44,179 Alabamians selected two or more races on the 2000 census.

As Alabama begins to move through the 21st century, economic development will strongly influence the location of population growth while migration will help determine racial and ethnic trends. Gains throughout the 1900s have been concentrated in the state's urban and adjoining suburban counties, and in rural counties that either are becoming an extension of suburbia or have developed their own economic strengths and identities. In Alabama, as in much of the nation, population declines in mostly rural high-minority counties reflect their economic disadvantage. Changing the population trends of the 20th century in the 21st century will depend on improving economic opportunity and quality of life in distressed areas of the state.

Carolyn Trent

Alabama Population by Race, 1900-2000

	White		Nonwhite	
	Number	Pct. Change	Number	Pct. Change
1900	1,001,152		827,545	
1910	1,228,832	22.7	909,261	9.9
1920	1,447,032	17.8	901,142	-0.9
1930	1,700,844	17.5	945,404	4.9
1940	1,849,097	8.7	983,864	4.1
1950	2,079,591	12.5	982,152	-0.2
1960	2,283,617	9.8	983,123	0.1
1970	2,533,831	11.0	910,334	-7.4
1980	2,873,289	13.4	1,020,599	12.1
1990	2,975,247	3.5	1,065,340	4.4
2000	3,162,808	6.3	1,284,292	20.6

Note: For 2000, 44,179 Alabama residents who marked more than one race on the census form have been included in the Nonwhite category.

Source: U.S. Census Bureau.

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