

The Great Recession: 18-Months Before, During, and After

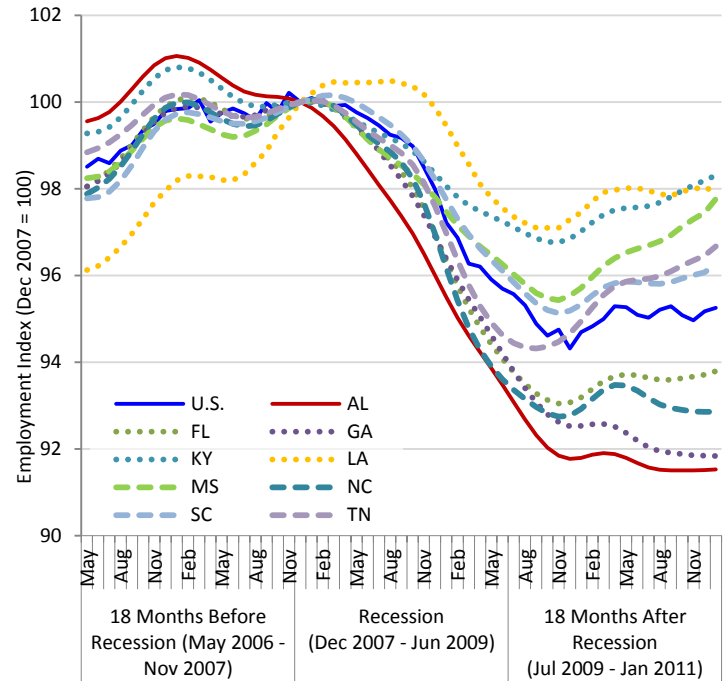
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The Southeast

Employment

Employment in Alabama and across the Southeast dropped during the recession, with Alabama seeing the deepest decline over the 18-month period. The state's downward trend continued to a post-recession low of 1,921,348 workers in November 2010, while most of the Southeast bottomed out in late 2009 or early in 2010. Although showing the least weakness during the recession, Louisiana continued to shed employment even 18 months after the end of the recession. Kentucky and Mississippi lost the fewest jobs during the recession and saw the quickest recovery to pre-recession levels.

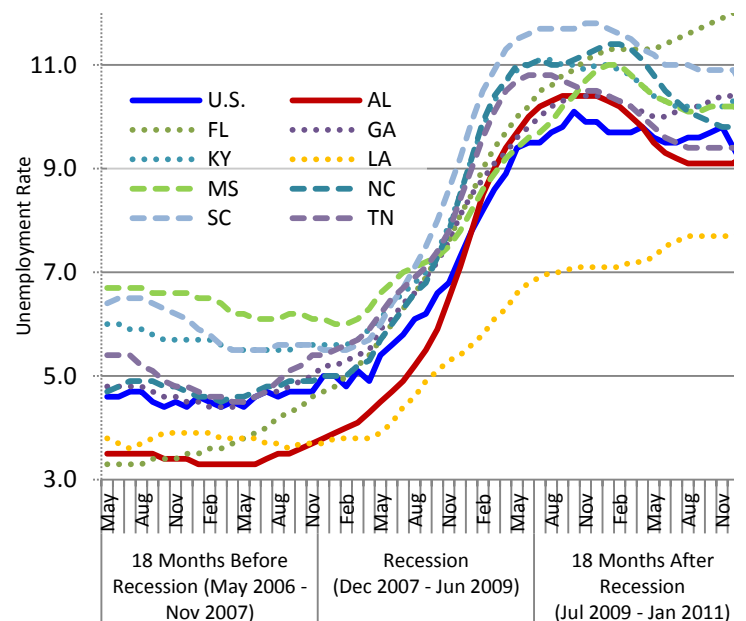
Figure A.1. Employment Index for the Southeast United States, May 2006 to January 2011



Unemployment

All of the Southeastern states began the recession with unemployment rates below 7.0 percent and only began to see increases several months into the recession. Unemployed workers are those who do not have a job, but are looking for work. As a lagging indicator, the unemployment rate's response to a downturning economy is delayed by several months. Alabama's unemployment rate remained below most of the region, as well as the U.S. average, over the majority of the 3-year period. Florida saw dramatic change, beginning the pre-recession period with the lowest unemployment rate in the region and ending the post-recession period with the highest. Louisiana experienced the least change, entering the pre-recession period with a rate just under 4.0 and ending the three years 3 points higher. Most of the region saw rates slightly higher than the Alabama and U.S. averages.

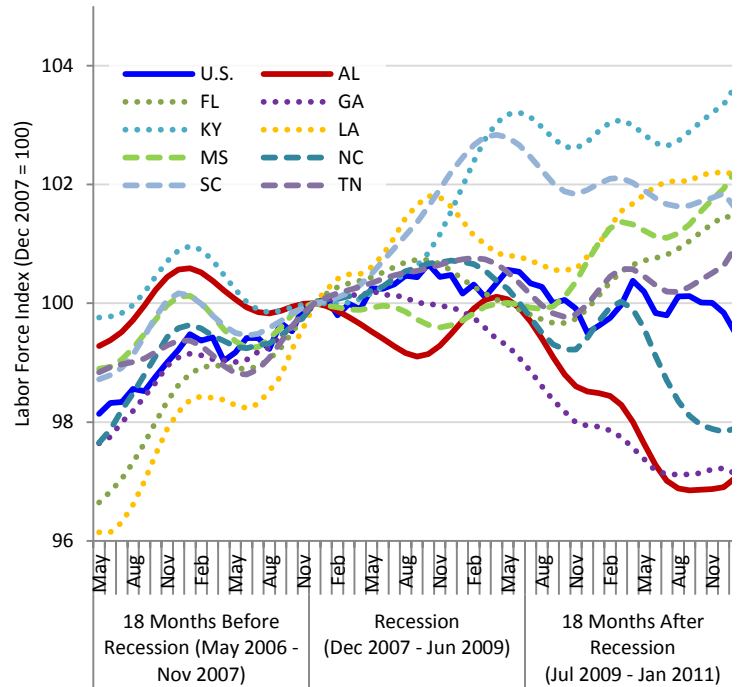
Figure A.2. Unemployment Rates for the Southeast United States, May 2006 to January 2011



Labor Force

In terms of labor force participation, states in the Southeast had varied reactions to the recession. Kentucky, Louisiana, and South Carolina saw overall gains during the recession while the rest of the region showed relatively little change. The true variances came in the post-recession period, though the only noticeable losses by January of 2011 were in North Carolina, Georgia, and Alabama.

Figure A.3. Labor Force Index for the Southeast United States, May 2006 to January 2011



Alabama's Metropolitan Areas

Employment

Employment in Alabama declined steadily during the recession from a peak of 2,121,993 in January 2007, to bottom out at 1.92 million in November 2010. By January 2011 employment had increased slightly to 1.95 million. Among Alabama's four largest metropolitan areas, Birmingham-Hoover saw relatively steeper losses than the state. Huntsville stayed the steadiest over the 3-year period and was the only large metro area that performed better than the U.S. average.

Figure B.1. Employment Index for Alabama's Largest Metro Areas, May 2006 to January 2011

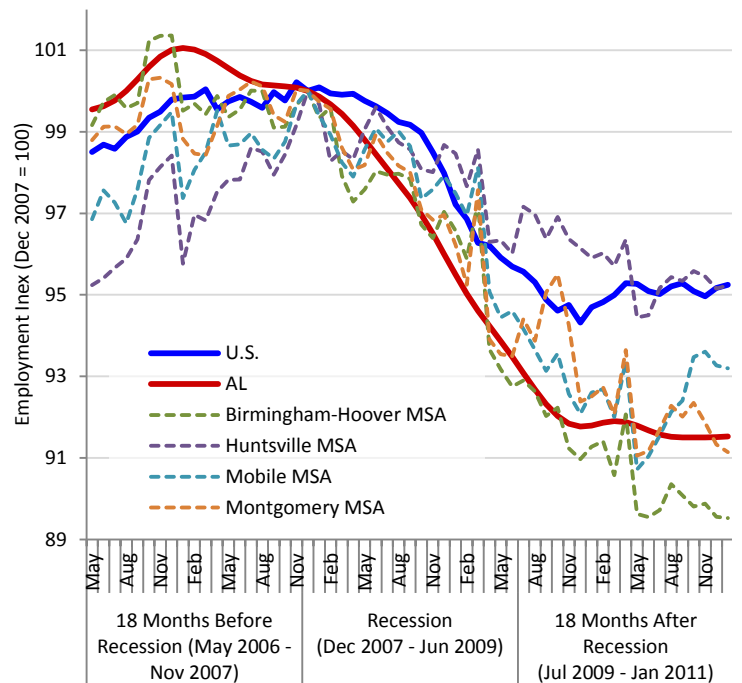


Figure B.2. Unemployment Rates for Alabama's Largest Metro Areas, May 2006 to January 2011

Unemployment

Alabama and its metro areas began the recession with low unemployment rates which only began to rise a few months into the recession. As a lagging indicator, unemployment's response to a down-turning economy is delayed by several months. Of the State's four largest metros, Birmingham-Hoover had the highest unemployment rate both before and after the recession, while Huntsville's rate was the lowest throughout the 3-year period. For the most part, the unemployment rates for these metro areas has remained below the state's average, although post-recession unemployment has been high in Mobile.

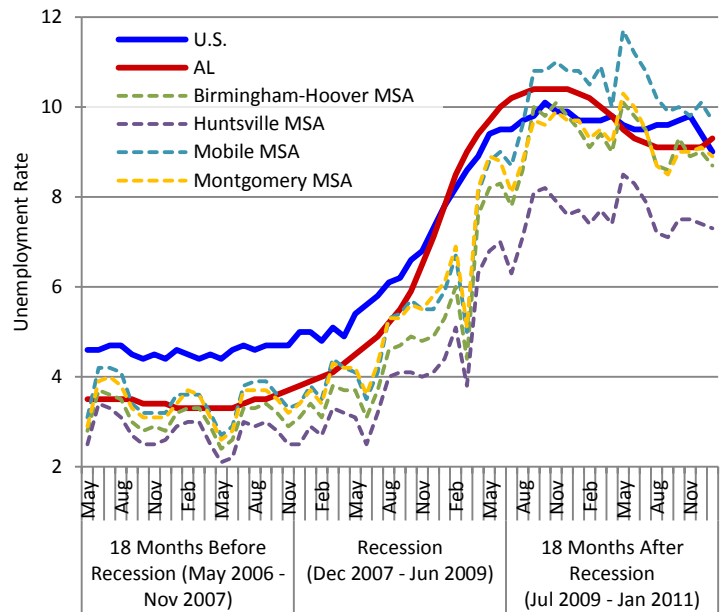
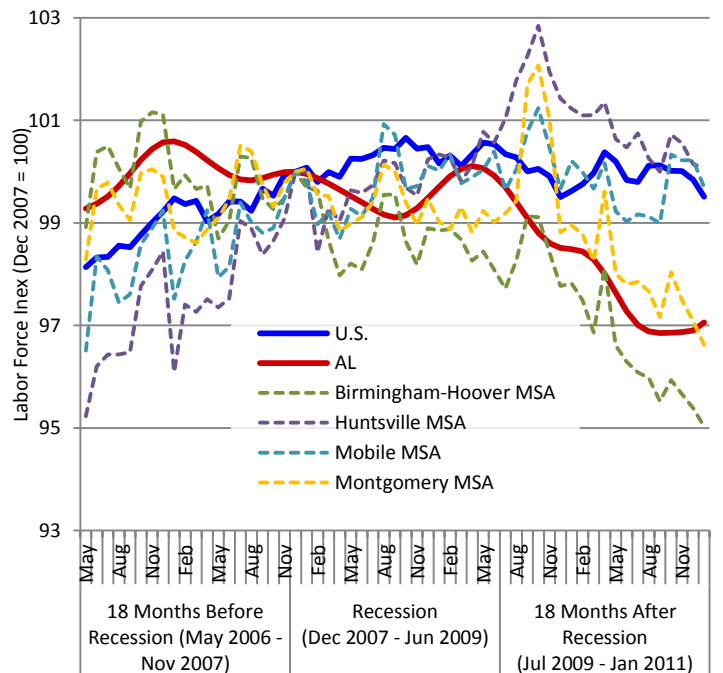


Figure B.3. Labor Force Index for Alabama's Largest Metro Areas, May 2006 to January 2011

Labor Force

In Alabama the labor force saw a dip in the middle of the recession, but the true decline for the state did not start until the very end of the recession. However, the metro areas had very different stories. Huntsville saw modest overall gains in the 18 post-recession months while Birmingham-Hoover's labor force continued to decline from the beginning of the recession through January 2011.



Average Unemployment Rates

The number of unemployed peaked in September 2009 with 223,871 Alabamians looking for work. Though unemployment has been falling since then, as of January 2011 there were still 196,125 unemployed, almost 135 percent higher than the 80,587 unemployed at the beginning of the recession. While things are slowly improving in the Southeast region and Alabama's metro areas, many people are still struggling to find work as shown in the unemployment rates that have doubled since the recession began.

Table 1. Average Unemployment Rates Before and After the Recession for the Southeast United States

	U.S.	AL	FL	GA	KY	LA	MS	NC	SC	TN
18 Months Before the Recession (May 2006 - Nov 2007)	4.6	3.4	3.7	4.7	5.7	3.8	6.4	4.8	5.9	4.9
18 Months After the Recession (July 2009 - Jan 2011)	9.7	9.7	11.3	10.2	10.6	7.3	10.4	10.7	11.3	10.0

Table 2. Average Unemployment Rates Before and After the Recession for Alabama's Largest Metro Areas

	U.S.	AL	Birmingham- Hoover MSA	Huntsville MSA	Mobile MSA	Montgomery MSA
18 Months Before the Recession (May 2006 - Nov 2007)	4.6	3.4	3.1	2.8	3.5	3.4
18 Months After the Recession (July 2009 - Jan 2011)	9.7	9.7	9.2	7.6	10.4	9.3

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