Montgomery’s main employers—the state and federal governments, Baptist Health, and Hyundai—largely provided a steady employment base in 2010, following a huge jump in the area’s unemployment rate in 2009. However, nonfarm employment in October 2010 was 167,100, down from 169,300 in October 2009 (a 1.3 percent drop). The goods producing sector lost about 300 jobs (1.3 percent) between October 2009 and October 2010, while employment in services continued to decline as well, losing 1,900 jobs (1.3 percent). Job losses in state government in particular, which totaled 1,400, hurt the Montgomery area. Despite avoiding mass layoffs, the state government’s budget cuts for the 2011 fiscal year probably negatively affected its total employment due to a lack of hiring.

Montgomery’s labor force numbers, however, showed signs of improvement in 2010. The workforce totaled 168,450 in October 2010, a 2.1 percent increase from one year earlier. Total employment of Montgomery area residents increased 3.3 percent over the same 12-month period to 153,221. This helped the unemployment rate recover somewhat to 9.0 percent, down from 10.1 percent in October 2009, but still above prerecession levels.

Manufacturing activity in the Montgomery area continued to center around the Hyundai plant and its suppliers in 2010. Manufacturing employment overall was unchanged, but production for the
plant was near full capacity for much of the year, with 10-hour days and one or more Saturday shifts per month common. Production peaked in June at a monthly total of about 31,400 vehicles, and the plant is expected to exceed its production goal of 300,000 vehicles for 2010. As overall sales have been strong and inventory of the Sonata in particular remains relatively low, high rates of production are expected to continue in 2011. After production of the Santa Fe moved to West Point, Ga., the Montgomery plant began production of the Elantra, which the company expects to use essentially the same suppliers. The plant also started to produce a turbo version of the Sonata in the second half of 2010.

Job creation remained relatively slow in 2010, but there were some new developments in the Montgomery area. Hyundai Heavy Industries broke ground in October on a 270,000 square foot set of buildings, expected to open in early 2012. The facility, its first in the United States, will produce power transformers for utilities. Whitney Bank announced development of a new call center in Prattville in August, along with the addition of jobs at its downtown Prattville location, resulting in about 50 new positions overall. Despite not adding jobs, Montgomery-based Summit Housing Partners was very active in 2010. After receiving a $100 million equity investment from New York-based Rothschild Realty, it closed several deals, acquiring properties in Tulsa, Okla. and Baton Rouge, La., and pursuing a redevelopment project in Austin, Tex. It currently owns 85 properties in nine states with a total of about 13,500 units.

Some retail development occurred in Montgomery in the last year, albeit less than in some recent years; total retail employment was unchanged in the year prior to October 2010, remaining at 18,700. A new Kohl's opened at Exchange Place in Prattville. Several smaller businesses opened along and near Eastchase Parkway in far east Montgomery, and an Earth Fare supermarket is currently under construction in the area.

Significant developments occurred at Auburn University Montgomery (AUM) and Alabama State University (ASU), the region's two largest universities, in 2010. ASU announced plans for a new on-campus football stadium and athletic complex. ASU also expects to complete a new baseball field, softball field, and intramural complex in 2011, and a new library and student center in years to come as part of its $160 million campus construction campaign. AUM broke ground on a 75,000 square foot wellness center, which will include a pool, weight room, and track.

The city began several recreation and tourism-related developments in 2010. Possibly the most significant was its renovation of the Cramton Bowl near downtown and construction of an adjacent 92,000 square foot indoor multipurpose sports facility. The Renaissance Montgomery Hotel hosted the Hyundai National Dealer's Convention in the spring, and in the fall Prattville hosted the LPGA Navistar Classic at the Capitol Hill golf course.

Revitalization and development efforts continued downtown and in other parts of central Montgomery in 2010, as the city offered grants and low-interest loans for projects in some areas. A new restaurant opened along the Alabama River, and the Hampstead Institute broke ground on an urban demonstration farm in the summer of 2010, also along the Alabama River. The city of Montgomery demolished an old icehouse adjacent to 40 acres it owns in the downtown area, in hopes of attracting redevelopment to the property. The city also issued a formal request for proposals to redevelop a block of buildings on Dexter Avenue downtown, and approved a SmartCode for the Cloverdale/Five Points area. In addition, a redevelopment plan was completed for the West Fairview area between Court Street and Interstate 65, and a streetscaping project along West Fairview was begun. New single-family homes and a new low-income, multi-family
development broke ground in this neighborhood in 2010, and a police substation is in the design stage. The Montgomery Public Schools opened the new $21.5 million Bellingrath Middle School on Court Street in the fall.

Housing development in general in Montgomery increased slightly from 2009, but remained slower than in recent years, as home prices and sales continue to struggle to recover throughout the state and much of the country. Home prices as measured by the FHFA House Price Index fell 0.6 percent from the third quarter of 2009 to the third quarter of 2010, but rose 1.8 percent between the second and third quarters of 2010. Total home sales through October 2010 were down 3.3 percent from the same period one year earlier, mirroring the 1.9 percent fall in home sales statewide. However, the metro area saw a total of 355 permitted single-family residential units and 365 permitted multi-family units through October 2010. These were both increases from 303 single-family units and just 30 multi-family units for the same period in 2009. A large multi-family development in far east Montgomery, Watermark Place, accounted for 272 of the new multi-family units, and is expected to be complete in early 2011. A total of 20 lofts in downtown Montgomery on Adams Avenue were also finished in 2010. Single-family development continued at the Hampstead development, also in far east Montgomery.

Total bank deposits in Montgomery fell significantly after the failure of Colonial Bank. Between June 2009 and June 2010, deposits fell 24.3 percent to a total of $5.87 million. The number of banks and branches remained relatively unchanged as BB&T assumed Colonial’s branch operations. In addition, per capita and median family income both saw higher percentage increases than the state as a whole. Median family income in fiscal year 2010 was $59,200, a 2.6 percent increase from 2009; per capita income was $35,973 in 2009, an increase of 0.4 percent from 2008.