The slide in Dothan metro area employment moderated during 2012, as the economy continues to struggle with the effects of the recession. Nonfarm employment in October 2012 was 57,600, a drop of 200 jobs from the previous October. Job losses were concentrated in only two sectors, wholesale and retail trade. While most other sectors were unchanged, manufacturing added 100 jobs. Positive growth is forecasted for 2013, with employment expected to increase 0.3 percent. The area’s economy is expected to expand modestly; GDP growth is forecasted at 1.2 percent.

The area labor force saw some indications of improvement during the year. Unemployment was down slightly to 7.5 percent in October, a decrease of 0.1 percentage points from the previous year. In contrast, the civilian labor force and total employment both contracted by 0.1 percent, to 65,300 and 60,377, respectively. The decrease in labor force participation and employment, compounded by lagging job creation, are all signs the metro area needs a boost through local development. The Dothan metro area had an under-employment rate of 19.8 percent in 2011. Applying this rate to October 2012 employment numbers shows an estimated 11,926 underemployed. Adding the unemployed, there was an available labor pool of 16,849 for the metro area, 3.4 times the number of unemployed.

Dothan’s manufacturing sector was a bright spot, adding 100 jobs during the year, with employment rising to 5,000 in October 2012. Yura Corporation, a new manufacturer to the area that will supply wiring harnesses and spark plugs to Hyundai and Kia, hired 70. Multiple manufacturers in the area expanded or planned expansion, but only 25 other net jobs were added. KFH Industries added 20 jobs at its corporate headquarters and invested $2 million in additional equipment. Pioneer Telephone Directories Corporation added five jobs to their typesetting and telephone directory business. Panhandle Scrap & Iron, an industrial ferrous metals recycler, and Panhandle Converters, a catalytic converter recycler, both expanded but added no jobs. A significant loss of jobs occurred when Earthgrains Baking in Dothan closed their doors in May, eliminating 124 jobs.

The trade, transportation, warehousing, and utilities sector, an important factor in the local economy, shed 300 jobs in the year leading up to October 2012, but still accounts for nearly 27 percent of local employment. Within this larger sector, wholesale trade lost 100 jobs during the year. New additions to the Dothan area’s warehousing and distribution cluster during 2012 included a Hornsby Tire distribution center. Distribution and warehouse facilities for Mingledorff’s Inc. are under construction.

Retail trade provided 16 percent of area employment with 9,100 workers in October 2012. Though the sector lost 200 jobs during the year, several new developments took place. Main Street in Dothan was home to several new openings. Walgreen’s pharmacy opened downtown in the summer, followed by Five Guys Burgers & Fries, Bradshaw’s Jewelers, and the formal wear store Bridal Elegance & Pageant Perfect. Restaurant openings were numerous on Montgomery Highway in Dothan. The restaurants Buffalo Wild Wings, Chili’s Grill and Bar, and Momma Goldbergs all opened, along with the discount store Big Lots. Other openings around Dothan during 2012 included Chill Yogurt Café, Zaki’s Mediterranean Grill, Karma women’s clothing store, and a Chick-fil-A at Wiregrass Commons Mall.

In other service sector developments, the Alabama College of Osteopathic Medicine in Dothan broke ground for a new facility. Its initial class of 150 students will begin in August 2013. Prospective students are being brought to Dothan for interviews; priority for admission is being given to qualified Alabama residents. The college should create 67 jobs next year and about 400 by 2030. The county should see a gain of about $800,000 in tax revenue from the college next year. Additions to area healthcare facilities in 2012 included a Wound Care Center at Flowers Hospital and completion of a $31 million Heart and Vascular Care Center at Southeast Alabama Medical Center.

Houston-Love Memorial Library broke ground for two new libraries in 2012. The projects will cost $7.5 million overall, with the city contributing $2.5 million. The rest of the funding will come from the county, the Wiregrass Foundation, Downtown Dothan

The underemployment rate is based on 2011 underemployment data collected by The University of Alabama’s Center for Business and Economic Research. Applying this rate to October 2012 labor force data results in an estimated number of employed residents who were underemployed. Totaling unemployed and underemployed residents gives a more realistic measure of the available labor pool in a metro area. Prospective employers must be able to offer the underemployed higher wages, better benefits or terms of employment, or some other incentives to induce them to change jobs.
Redevelopment Authority, the Convention and Visitors Bureau, and private donations. Vantage Sourcing added 200 customer associates at its Dothan call center during the past year. Service-provider PEMCO World Air Services, an aircraft maintenance company, had expected to rehire many previously laid off workers, assuming increased business with the military. Instead, the company filed for bankruptcy and caused a loss of 230 jobs. Finally, after much struggle, the former Country Crossings electronic bingo and entertainment venue continues its existence only as the Center Stage Inn and RV Park.

Housing market activity was lagging in the Dothan area in 2012. Total home sales through the first three quarters of the year fell 11.0 percent to 792. Construction of new units remained somewhat slow as well. There were 137 single-family units permitted in the metro area for the same time frame, 30 fewer than last year. Permits were issued for a total of 319 multi-family units, up from none during the first nine months of 2011. Prices continued to fall; the FHFA House Price Index dropped 1.7 percent between October 2011 and October 2012. The decrease was the third highest among the state’s metro areas.

The Dothan area’s population grew slightly faster than the state’s and totaled 146,562 in July of 2011, a 0.5 percent increase from 2010 estimates. Median family income stayed below that of the state in FY2012, growing to $51,900. Local per capita income for 2012 rose 3.2 percent to $34,654 and ranked fourth among the state’s 11 metro areas. Bank deposits increased a slight 0.3 percent from 2011 to total $2.8 billion as of June 30, 2012.