The Florence-Muscle Shoals metro area showed improvement across all of its economic indicators in 2012. The Shoals saw job gains of 700 over the 12-month period from October 2011 to October 2012. Total nonfarm employment of 56,100 in October was up 1.3 percent compared to October 2011. The manufacturing sector expanded by 200 in 2012, one of seven metro areas to post such growth. On the service providing side, retail trade businesses added 200 jobs. Education and health services gained 100, while financial activity, professional and business services, other services, and state and local government expanded by 100 jobs each since October 2011. Forecasts for the metro’s employment over the coming year are positive, with the expectation of a 1.3 percent gain. GDP forecasts are also encouraging, with output growth of 2.1 percent expected during 2013.

Total employment of Shoals area residents increased by 739 between October 2011 and October 2012, for a 1.1 percent gain that was above the state’s 0.3 percent. Only about 390 workers entered the labor force during the year, a 0.5 percent increase that was still among the top five metros. Unemployment dropped 0.5 percentage points from the previous year to 7.3 percent in October 2012. With nearly 10,000 more employed residents than jobs, the area continues to be a net exporter of workers. The Florence-Muscle Shoals area had an underemployment rate of 14.1 percent, according to a 2011 CBER survey, the lowest of the state’s metros. This means there were an estimated 9,303 underemployed workers in October 2012, added to 5,185 unemployed, for an estimated available labor pool of 14,488 in the metro area, 2.8 times the number of unemployed.

Manufacturing contributed a 14.1 percent share of area jobs in October 2012, above the state average of 13.0 percent. Some big commitments were made to the metro area this year. After Navistar took over the plant in Barton Riverfront Industrial Park on the first of the year, it began gearing up to produce a newly created work truck at the Colbert County plant. However, full production of the International LoadStar truck was delayed, although fabrication operations continued, pending resolution of truck engine issues. Wise Metals Group opened a new facility in Muscle Shoals. The beverage can maker added around 45 employees in the beginning of 2012, then another 50 late in the summer. As the year closed, the United Steelworkers at Wise Alloys approved a five-year labor agreement with base pay at $22 per hour. Firestone Building Products also announced the addition of 40 jobs at its Tusculum plant as part of a $40 million expansion.

Local economic development entities made way for the possibility of new jobs and industries in the area through incentives and regional planning practices. The Shoals Industrial Development Committee approved a program that would offer $1,500 to companies for each new hire; the board also made moves toward purchasing $7.6 million worth of available land in public industrial parks to ease negotiations for new industries. 2012 closed with the biggest announcement of the year for the area. Japan-based TASUS Corporation, an automotive plastic component firm, began construction on a $19 million facility in Florence which will create 135 jobs.

The services sector accounted for 36.5 percent of area jobs in October 2012, as area hospitals moved forward with developments. Private RegionalCare Hospital partners secured 25 acres for purchase in east Florence, with plans to build a 300-bed replacement hospital for Eliza Coffee Memorial. However, several publicly-owned hospitals are opposing the project, which is contingent on receiving a Certificate of Need. Nearby Shoals Hospital will be bringing up to 125 jobs as Priority Ambulance Service begins providing their services to the hospital. Other service sector improvements came in varied forms. Walgreens announced an expansion that will bring 350 jobs to the customer care center in Muscle Shoals. A new senior center was completed in Muscle Shoals over the summer and the Cypress Creek water treatment plant was chosen for a $15.2 million upgrade to its aging equipment. The Florence-Lauderdale Tourism board chose the former golf pro shop in McFarland Park as the location for a new visitor center and tourism bureau. One of the ways Florence-Muscle Shoals hopes tourism dollars will come into the area is through the new commuter air carrier, Silver Airways, which had its inaugural flight in

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.
the fall. The air service will fly 12 nonstop flights per week to the Hartsfield-Jackson Atlanta International Airport on a 34-seat turboprop aircraft.

The area’s retail sector had its ups and downs throughout the year. There were numerous openings and new development happening in the area. Books-A-Million opened a new location in Renaissance City Center, downtown Florence got a new sushi bar, and Alabama Outdoors and Publix Super Market opened. Grogan Jewelers moved forward on a new store on Cox Creek Parkway, and the outdoors specialty store, Gander Mountain, opened a 45,000-square-foot store next to Kohl’s in the fall. Construction began in Florence on a new Walmart Neighborhood Market. There were also several closings in the area. O’Charley’s, Smokehouse Billiards, Demo’s Italian Restaurant, and Crocodile Ed’s Grill & Fish market all closed this year.

Population growth in the metro area was a modest 0.1 percent for the year ending July 1, 2011, with an estimated 75 new residents. Area colleges were active; the University of North Alabama (UNA) added a Center for Integrative Health to give students the opportunity to study holistic health care while they obtain a master’s degree in health and human performance. The University’s Department of Entertainment Industry moved into NoiseBlock Studio in downtown Florence and will use the building for classroom space, offices, and a live performance venue. The construction of a new student commons and academic center began in 2012 and will feature student services, a bookstore, and eateries on UNA’s campus.

Deposits in FDIC-insured institutions in the Florence-Muscle Shoals metro grew by 2.9 percent during the year ending June 30, 2012. Per capita personal income growth of 3.1 percent during 2011 was positive but still lower than the state’s average gain of 3.5 percent. Median family income increased by 1.3 percent to $53,700 in 2012. However, the 2011 average wage across all industries of $34,320 was the still the second lowest among the 11 metros at 87.6 percent of the state average.

Residential real estate in 2012 was moderately positive for the metro area. Single-family building permit activity grew by 15 units through October compared to the same period in 2011 to total 118 single-family home permits. Permits for multi-family homes increased by 174, up from zero in the first nine months of 2011. As measured by the FHFA House Price Index, Florence-Muscle Shoals outdid the state’s drop of 0.5 percent, with an increase of 1.1 percent in home prices in the first nine months of the year, ranking first among the state’s metros.