2015 Economic Update

Calhoun County Chamber of Commerce

Information provided by

JSU Center for Economic Development and Business Research
JACKSONVILLE STATE UNIVERSITY

College of Commerce and Business Administration
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Calhoun County Economy
Ready to Come Back:
Overview

• National Update
• State of Alabama Update
• Calhoun County Update
U.S. Real GDP % Change from Preceding Period
1st Qtr 2011 – 4th Qtr 2014

Source: U.S. Bureau of Economic Analysis
U.S. Industrial Production
Jan 2011 – Jan 2015

+5.1% 12 Months

Source: Board of Governors of Federal Reserve System
Change in Total Nonfarm Payroll Employment for U.S. Jan 2006-Feb 2015 in 1,000s

Jan 15 Rev +239,000
Feb 15 Pre +295,000

Source: U.S. Bureau of labor Statistics
Dow Jones Industrial Average (DJIA) Jan 2011–Feb 2015

+(11.25%) 12 Months

Source: NY Stock Exchange
S & P 500
Jan 2011–Feb 2015

+(14.05%) 12 Months

Source: Yahoo Finance
U.S. Consumer Sentiment
Jan 2011 – Feb 2015

Last 12 Months +17.49%

Source: University of Michigan Institute of Social Research
Monthly Sales for Retail & Food Services in U.S.
Jan 2011-Jan 2015 in $ Bill

+3.74% 12 Months

Source: U.S. Census Bureau
Case Shiller 20-City Home Price Index
Jan 2009-Nov 2014

Source: Standard and Poor’s

+4.51% 12 Months
State of Alabama Update

- Population
- Labor Force
- Employment
- Unemployment
- Tax Revenues

Source: U.S. Census Bureau
GDP State of Alabama
Billions of Current $
2004-2013

Source: U.S. Bureau of Economic Analysis

+2.12% 2012-2013
Labor Force State of Alabama 2005-2014 in Millions

Source: U.S. Bureau of Labor Statistics
Labor Force State of Alabama
Jan – Dec 2014 in Millions

In Millions

Jan 2.12
Feb 2.13
Mar 2.15
Apr 2.15
May 2.15
Jun 2.14
Jul 2.14
Aug 2.13
Sep 2.12
Oct 2.12
Nov 2.11
Dec 2.10

Seasonally Adjusted

-19,193 for 12 Months

Source: U.S. Bureau of Labor Statistics
Employment State of Alabama 2005-2014 in Millions

Source: U.S. Bureau of Labor Statistics
Employment State of Alabama
Jan – Dec 2014 in Millions

Seasonally Adjusted

-8,514 for 12 Months

Source: U.S. Bureau of Labor Statistics
Unemployment Rate State of Alabama Jan - Dec 2014

% Unemployed

Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics
Preliminary Unemployment Rates Southeastern United States Dec 2014

Source: AL Dept of Labor
Sales/Individual Income Tax
State of Alabama Monthly % Change Jan to Dec 2013 vs 2014

+2.84% Sales

-0.13% Incomes

Source: Alabama Department of Revenue
Weekly Initial Unemployment Claims State of Alabama 2013 vs 2014

-9.92% 12 Months

Source: Alabama Department of Labor
## Housing Statistics for Alabama
### YTD Dec 13 vs YTD Dec 14

<table>
<thead>
<tr>
<th></th>
<th>YTD Dec 2013</th>
<th>YTD Dec 2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Homes Sold</td>
<td>43,160</td>
<td>44,615</td>
<td>3.37%</td>
</tr>
<tr>
<td>Avg Selling Price</td>
<td>$149,294</td>
<td>$156,266</td>
<td>4.67%</td>
</tr>
<tr>
<td>Avg Days on Market</td>
<td>157</td>
<td>153</td>
<td>-2.54%</td>
</tr>
<tr>
<td></td>
<td>Dec 2013</td>
<td>Dec 2014</td>
<td></td>
</tr>
<tr>
<td>Total Homes Listed</td>
<td>31,441</td>
<td>31,203</td>
<td>-0.76%</td>
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</tbody>
</table>

Source: Alabama Center for Real Estate
• State Survey – 1st Quarter 2015
• Approximately 227 respondents
• Operated by University of Alabama Center for Business and Economic Research
• cber.cba.ua.edu
Economic Outlook for Alabama
Q1 2015 compared to Q4 2014

Source: Alabama Business Leaders Confidence Index
Economic Outlook Index for Alabama Q2 13 – Q1 15

Q1 15 Index Up 3.2 pts

Index Value

Q2 13: 47.7
Q3 13: 52.9
Q4 13: 51.9
Q1 14: 51.2
Q2 14: 55.6
Q3 14: 55.5
Q4 14: 54.2
Q1 15: 57.4

Source: Alabama Business Leaders Confidence Index
Hiring Outlook for Alabama Q1 2015 compared to Q4 2014

Source: Alabama Business Leaders Confidence Index
Source: Alabama Business Leaders Confidence Index
Sales Outlook for Alabama Q1 2015 compared to Q4 2014

Source: Alabama Business Leaders Confidence Index
Sales Outlook Index for Alabama Q2 13 – Q1 15

Q1 15 Index Up 4.0 pts

Source: Alabama Business Leaders Confidence Index
Capital Expenditures Outlook
Alabama Q1 2015 to Q4 2014

<table>
<thead>
<tr>
<th>% of Respondents</th>
<th>Strong Decrease</th>
<th>Moderate Decrease</th>
<th>No Change</th>
<th>Moderate Increase</th>
<th>Strong Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>1.8%</td>
<td>11.0%</td>
<td>54.2%</td>
<td>27.8%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Source: Alabama Business Leaders Confidence Index
Capital Expenditures Outlook for Alabama Q2 13 – Q1 15

Q1 15 Index Up 2.2 pts

Source: Alabama Business Leaders Confidence Index
State of Alabama Summary

- Population Census Up
- State GDP Up 2013 2.12%
- Employment Down Slightly
- Unemployment Rate Improved
- Income Regional Avg.
- Housing Up
- Business Leaders Confidence Index Up 3.2 Pts
Economic Indicators
Calhoun County
Calhoun County
2015 Update

- Membership Survey
- Population
- GDP for Calhoun County
- Labor Force Numbers and Trends
- Employment Statistics
- Unemployment
- Municipal Revenues
- Housing
Ten years of data from Membership
Results for seven questions
First chart shows last years results
Second chart shows this years results
Third chart shows average for 10 years
Index value = sum of item values multiplied by response percentages
Index Value Calculations for Survey Items

This year better: 42%
This year worse: 10%
About same: 48%

Source: 2013 Calhoun County Chamber of Commerce Membership Survey

Feb 2013 Index 2.32 = Sum of $0.10 + 0.48 + 1.26$
Q#1: Your Comparison of this Year's Economic Outlook to Last (Feb 2014)

This year better: 56%
This year worse: 8%
About same: 36%

Feb 2014 Index 2.47

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#1: Your Comparison of this Year's Economic Outlook to Last (Feb 2015)

- This year better: 65%
- About the same: 30%
- Worse: 5%

Feb 2015 Index 2.61

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#1: Your Comparison of this Year’s Economic Outlook to Last 2006-2015

Index Up 6.1%

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Q#2: Your Employment Outlook for Coming Year (Feb 2014)

- Expand # emp 35%
- Cutback # emp 11%
- Remain same 54%

Feb 2014 Index 2.24

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#2: Your Employment Outlook for Coming Year (Feb 2015)

- Expand # emp 30%
- Cutback # emp 3%
- Remain same 67%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#2: Your Employment Outlook for Coming Year 2006-2015

Index Up 1.34 %

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Q#3: How Likely to Increase Employee Compensation in Coming Year (Feb 2014)

- Very likely: 38%
- Very unlikely: 17%
- May or may not: 45%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#3*: Intentions Concerning Employee Compensation in Coming Year (Feb 2015)

Increase 48%

Decrease 1%

Leave Unchanged 51%

Feb 2015 Index 2.50

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#3: Intentions Concerning Employee Compensation in Coming Year 2006-2015

Index Up 13.12%

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Q#4: How Likely is Increase in Demand for Your Products in Coming Year (Feb 2014)

- Very likely: 45%
- May or may not: 49%
- Very unlikely: 6%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#4*: Prediction Concerning Demand for Products/Services in Coming Year (Feb 2015)

- Better this year: 68%
- About the same: 30%
- Worse this year: 2%

Feb 2015 Index 2.65

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#4: Prediction Concerning Demand for Products/Services in Coming Year 2006-2015

Index Up 10.88%

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Q#5: How Likely to Add New Products in Coming Year (Feb 2014)

- Very likely: 49%
- Very unlikely: 20%
- May or may not: 31%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#5*: Intentions Concerning New Product Offerings in Coming Year (Feb 2015)

- Intend to Offer New: 46%
- Cutback on Product Offerings: 2%
- Maintain Last Years: 52%

Feb 2015 Index 2.45

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#5: Intentions Concerning New Product Offerings in Coming Year 2006-2015

Index Value

Index Up 6.99%

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Q#6: How Likely to Expand Number of Outlets in Coming Year (Feb 2014)

- Very likely: 17%
- May or may not: 22%
- Very unlikely: 61%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey

Feb 2014 Index 1.56
Q#6*: Intention to Change Number of Outlets in Coming Year (Feb 2015)

- Intend to Leave # of Outlets Unchanged: 84%
- Intend to Expand # of Outlets: 14%
- Intend to Cutback # of Outlets: 2%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#6: Intention to Change Number of Outlets in Coming Year 2006-2015

Index Up 38.65%

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Q#7: How Likely to Increase Expenditures on Advertising in Coming Year (Feb 2014)

Very likely: 23%
Very unlikely: 38%
May or may not: 39%

Feb 2014 Index 1.83

Source: 2014 Calhoun County Chamber of Commerce Membership Survey
Q#7*: Intentions Concerning Expenditures on Advertising in Coming Year (Feb 2015)

- Intend to Increase: 33%
- Intend to Cutback: 13%
- Intend to Leave Unchanged: 54%

Source: 2014 Calhoun County Chamber of Commerce Membership Survey

Feb 2015 Index 2.20
Q#7: Intentions Concerning Expenditures on Advertising in Coming Year 2006-2015

Index Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Index Value</th>
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<tbody>
<tr>
<td>06</td>
<td>2.14</td>
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<td>07</td>
<td>2.21</td>
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<td>08</td>
<td>2.04</td>
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<tr>
<td>09</td>
<td>1.62</td>
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<td>10</td>
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<td>13</td>
<td>1.92</td>
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<tr>
<td>14</td>
<td>1.83</td>
</tr>
<tr>
<td>15</td>
<td>2.20</td>
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</table>

Index Up 20.22%

Source: 2003-2014 Calhoun County Chamber of Commerce Membership Survey
Membership Survey: Largest Response Category by % 2015

- Overall Outlook—This Year Better 65%
- Number of Employees—No Change 67%
- Employee Pay—No Change 51%
- Demand for Products—Better this Year 68%
- New Products—No Change 52%
- Number of Outlets—No Change 84%
- Advertising Spending—No Change 54%
Population Trends
Calhoun County 2002-2013
in Thousands

Source: U.S. Census Bureau
GDP Calhoun County
Billions of Current $
2003-2013

Source: U.S. Bureau of Economic Analysis
Labor Force Calhoun County 2005-2014 in Thousands

Source: U.S. Bureau of Labor Statistics
Labor Force Calhoun County
Jan – Dec 2014 in Thousands

Source: U.S. Bureau of Labor Statistics

-1,389 for 12 Months
Employment for Calhoun County 2005-2014 in Thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment in Thousands</th>
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<tbody>
<tr>
<td>2005</td>
<td>51.4</td>
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<tr>
<td>2006</td>
<td>52.1</td>
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<td>2007</td>
<td>53.0</td>
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<tr>
<td>2008</td>
<td>51.5</td>
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<tr>
<td>2009</td>
<td>47.6</td>
</tr>
<tr>
<td>2010</td>
<td>47.7</td>
</tr>
<tr>
<td>2011</td>
<td>48.2</td>
</tr>
<tr>
<td>2012</td>
<td>48.4</td>
</tr>
<tr>
<td>2013</td>
<td>48.4</td>
</tr>
<tr>
<td>2014</td>
<td>45.0</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics

-7.0% 2013-2014
Employment Calhoun County Jan – Dec 2014 in Thousands

-490 for 12 Months

Source: U.S. Bureau of Labor Statistics
Unemployment Rate for Calhoun County 2005-2014

Source: U.S. Bureau of Labor Statistics
Unemployment Rate for Calhoun County 2014

Source: U.S. Bureau of Labor Statistics
Alabama Unemployment Rates
December 2013
State Ave – 5.7%

Unemployment Rate
- 7.7% and Below
- 7.8% - 9.6%
- 9.7% and Above

Not Seasonally Adjusted

Source: Alabama Department of Labor
Alabama Unemployment Rates
December 2014
State Ave – 5.3%

Unemployment Rate
- 6.8% and Below
- 6.9% - 8.3%
- 8.4% and Above

Source: Alabama Department of Labor
Employment Peak to State Trough % Change AL MSAs Jan 07- Jan 10

Source: U.S. Bureau of Labor Statistics
Employment State Trough to Now % Change AL MSAs Jan 10- Dec 14

Source: U.S. Bureau of Labor Statistics
Employment State Peak to Now % Change AL MSAs Jan 07- Dec 14

Source: U.S. Bureau of Labor Statistics
Manufacturing Sector Employment Calhoun County 2001-2014 in Thousands

In Thousands

Source: U.S. Bureau of Labor Statistics
Manufacturing GDP Calhoun County 2002-2013 in $Millions

$482  $495  $608  $602  $603  $637  $713  $574  $623  $611  $648  $692

Source: U.S. Bureau of Economic Analysis
Service Sector for Calhoun County 2001-2014 in Thousands

In Thousands

Source: U.S. Bureau of Labor Statistics
Federal Employment for Calhoun County 2005-2014 in Thousands

Source: U.S. Bureau of Labor Statistics
Federal Civilian GDP for Calhoun County 2001-2012 in $Millions

Source: U.S. Bureau of Economic Analysis
Private Industry Ave # Hrs Worked per Week Calhoun County 2007-2014

Source: U.S. Bureau of Labor Statistics
Private Industry Ave # Hrs Worked per Week Calhoun County Jan 2013 - Dec 2014

+.6% 12 Months

Source: U.S. Bureau of Labor Statistics
Private Industry Ave Hourly Earnings for Calhoun County 2007 - 2014

$ per Hour

2007: $17.17  
2008: $18.48  
2009: $18.59  
2010: $17.48  
2011: $16.22  
2012: $15.31  
2013: $16.31  
2014: $18.19

Source: U.S. Bureau of Labor Statistics
Private Industry Ave Hourly Earnings for Calhoun County
Jan 2013 - Dec 2014

Source: U.S. Bureau of Labor Statistics
State Sales Tax Collections from Calhoun County
FY 08-09 – FY 13-14 in $ Millions

Source: AL Dept of Revenue
State Use Tax Collections from Calhoun County
FY 08-09 – FY 13-14 in $ Millions

Source: AL Dept of Revenue
State Lodging Tax Collections from Calhoun County
FY 08-09 – FY 13-14 in $ Thousands

Source: AL Dept of Revenue
Sales, Use & Lodging Tax
Annual Total FY07-08 – FY13-14
Anniston in $ Millions

In $ Millions

-1.84% 13-14 FY

* increase in sales and use tax rate from 4% to 5% effective April 2012 (25%)

Source: City of Anniston
Sales & Use Tax Collected by AL
Annual Total FY06-07 – FY13-14
Oxford in $ Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>In $ Millions</th>
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<tbody>
<tr>
<td>06-07</td>
<td>$17.9</td>
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<tr>
<td>07-08</td>
<td>$20.8</td>
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<tr>
<td>08-09</td>
<td>$22.6</td>
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<tr>
<td>09-10</td>
<td>$24.3</td>
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<td>11-12</td>
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<tr>
<td>12-13</td>
<td>$25.5</td>
</tr>
<tr>
<td>13-14</td>
<td>$26.6</td>
</tr>
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</table>

+4.23% 13-14 FY

Source: Alabama Department of Revenue
Sales & Use Tax
FYTD Oct - Dec 2013 vs 2014
Oxford in $ Millions

Source: City of Oxford
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Total in $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-07</td>
<td>$5.1</td>
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<td>07-08</td>
<td>$5.3</td>
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<tr>
<td>11-12</td>
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<tr>
<td>12-13</td>
<td>$6.8</td>
</tr>
<tr>
<td>13-14</td>
<td>$7.0</td>
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</table>

Source: City of Jacksonville

Annual Total FY06-07 – FY13-14

Jacksonville in $ Millions

+3.73% 13-14 FY
Sales & Use Tax
FYTD Oct - Dec 2013 vs 2014
Jacksonville in $ Millions

Source: City of Piedmont
Sales & Use Tax
Annual Total FY 06-07 - FY 13-14
Ohatchee in $ Thousands

Source: City of Ohatchee
Sales, Use & Lodging Tax
Annual Total FY09-10 – FY13-14
Piedmont in $ Millions

In $ Millions

<table>
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<tr>
<th>Fiscal Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>09-10</td>
<td>$1.37</td>
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<tr>
<td>12-13</td>
<td>$1.46</td>
</tr>
<tr>
<td>13-14</td>
<td>$1.46</td>
</tr>
</tbody>
</table>

Source: City of Piedmont
Sales, Use & Lodging Tax
FYTD Oct - Dec 2013 vs 2014
Piedmont in $ Thousands

Source: City of Piedmont
Sales, Use Tax
Annual Total FY06-07 – FY13-14
Weaver in $ Thousands

Source: City of Weaver
Sales, Use & Lodging Tax
FYTD Oct - Dec 2013 vs 2014
Weaver in $ Thousands

Source: City of Weaver
# Housing Calhoun County
## 2013 vs 2014

<table>
<thead>
<tr>
<th></th>
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<th>2014</th>
<th>% Change</th>
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<tr>
<td><strong>Median Price</strong></td>
<td>$102,687</td>
<td>$100,823</td>
<td>-1.81%</td>
</tr>
<tr>
<td><strong>Avg Selling Price</strong></td>
<td>$117,044</td>
<td>$119,330</td>
<td>1.95%</td>
</tr>
<tr>
<td><strong>Total Homes Sold</strong></td>
<td>1,085</td>
<td>1,221</td>
<td>12.53%</td>
</tr>
</tbody>
</table>

Source: Alabama Center for Real Estate
Average Number of Home Sales Per Month Calhoun County 2003-2014

Source: Alabama Center for Real Estate
Total Number of Homes Sold Per Month 2013 vs 2014

Source: Alabama Center for Real Estate
Calhoun County Chamber of Commerce Membership 2004-2014

Source: Calhoun County Chamber of Commerce
Calhoun County Economic Development Council

New & Expanding Industries 2014
International Automotive Components

- 359 new employees
- $35 million expansion
Gnutti Carlo, USA

• 80 new employees
• $17.5 million expansion
Tyler Union

- 20 new employees
- $8.5 million expansion

Bear & Son Cutlery

- 11 new employees
- $842,000 expansion
Bridgewater Interiors

- 87 new employees
- $5.2 million expansion

Kronospan

- 36 new employees
- $18 million expansion
NABI/ New Flyer

- $20 million expansion

Baggett Trailers

- 10 new employees
- $98,200 expansion
Interstate Sheet Metal

- 6 new employees
- $2.2 million expansion

Carlson Engineered Composites

- 75 new jobs
- $2.5 million expansion
Total New Jobs: 684

Total New Investment: $109.4 million
Calhoun County: Summing it Up

- Membership Survey - Optimistic
- Population - Estimated Down Slightly
- Employment - Down, Mainly ANAD
- Unemployment - Dec 13 – 6.1%, Dec 14 - 5.8%
- Municipal Revenues - Mainly Up
- Housing Market - Up 12.53% Total Homes Sold
Per Capita Personal Income
Calhoun County 2011-2013

-0.6% Rank in State: 66

Source: U.S. Bureau of Economic Analysis
Ground Market Segment for Department of Defense in $ Billions 2001-2016*

Source: VisualDoD  *2016 requested. 2014 and 2015 allocated
United States Real GDP % Change Preceding Period 01-02 through 12-13

+2.2% from 2012-2013

Source: U.S. Bureau of Economic Analysis
Alabama Real GDP % Change Preceding Period 01-02 through 12-13

Source: U.S. Bureau of Economic Analysis

+0.8% from 2012-2013
Calhoun County Real GDP
% Change Preceding Period
01-02 through 12-13

Source: U.S. Bureau of Economic Analysis
U.S./AL/Calhoun County Real GDP % Change Preceding Period 01-02 through 12-13

Source: U.S. Bureau of Economic Analysis