NEAZ Connected Economies: Overview

• NEAZ Update (#2-#57) &
  – Mark Hearn – JSU School of Business & Industry

• State of Alabama Update (#58-#94)
  – Mark Hearn – JSU School of Business & Industry

• Regional & National Update
  – Mr. Anoop Mishra - Vice President and Regional Executive, Birmingham Branch of Federal Reserve Bank of Atlanta
Northeast Economic Activity Zone (NEAZ): Overview

- Population Trends (#7-#11)
- Income (#12-#13)
- Commuting Patterns (#14-#18)
- Labor Force, Employment, Unemployment (#20-#51)
- Sales Tax Revenues (#52-#56)

Dr. Mark Hearn, JSU School of Business and Industry
NEAZ Members: Cherokee County
NEAZ Members: DeKalb County
NEAZ Members:
Etowah County
NEAZ Members: Marshall County
NEAZ: Population Trends
Cherokee County 1990 - 2017

Source: U.S. Census Bureau
NEAZ : Population Trends
DeKalb County 1990 - 2017

Source: U.S. Census Bureau
NEAZ: Population Trends
Etowah County 1990 - 2017

1990: 99,840
2000: 103,459
2010: 104,427
2017: 102,755

Source: U.S. Census Bureau
NEAZ: Population Trends
Marshall County 1990 - 2017

Population

Source: U.S. Census Bureau
<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>246,856</td>
</tr>
<tr>
<td>2000</td>
<td>276,130</td>
</tr>
<tr>
<td>2010</td>
<td>294,547</td>
</tr>
<tr>
<td>2017</td>
<td>295,777</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Average Annual Income NEAZ vs AL
2007-2017 in $ Thousands

Source: U.S. Bureau of Labor Statistics
Percent Change in Average Annual Income NEAZ vs AL 2007-2017

Source: U.S. Bureau of Labor Statistics
NEAZ Members: Cherokee County Inflow/Outflow

• Employed in Area
  – Living in Area 2,570 (52.8%)
  – Living Outside Area 2,300 (47.2%)

• Living in Area
  – Employed in Area 2,570 (31.45%)
  – Employed Outside Area 5,607 (68.6%)

Source: U.S. Census Bureau
NEAZ Members: DeKalb County
Inflow/Outflow

• Employed in Area
  – Living in Area 12,100 (62.4%)
  – Living Outside Area 7,298 (37.6%)

• Living in Area
  – Employed in Area 12,100 (51.0%)
  – Employed Outside Area 11,603 (49.0%)

Source: U.S. Census Bureau
NEAZ Members: Etowah County Inflow/Outflow

• Employed in Area
  – Living in Area 19,338 (56.6%)
  – Living Outside Area 14,826 (43.4%)

• Living in Area
  – Employed in Area 19,338 (52.8%)
  – Employed Outside Area 17,290 (47.2%)

Source: U.S. Census Bureau
NEAZ Members: Marshall County Inflow/Outflow

• Employed in Area
  – Living in Area 17,346 (52.1%)
  – Living Outside Area 15,951 (47.9%)

• Living in Area
  – Employed in Area 17,346 (50.3%)
  – Employed Outside Area 17,153 (49.7%)

Source: U.S. Census Bureau
<table>
<thead>
<tr>
<th></th>
<th>Employed in County</th>
<th>Live in County &amp; Are Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Live In</td>
<td>Live Out</td>
</tr>
<tr>
<td>Cherokee</td>
<td>52.8%</td>
<td>47.2%</td>
</tr>
<tr>
<td>DeKalb</td>
<td>62.4%</td>
<td>37.6%</td>
</tr>
<tr>
<td>Etowah</td>
<td>56.6%</td>
<td>43.4%</td>
</tr>
<tr>
<td>Marshall</td>
<td>52.1%</td>
<td>47.9%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Northeast Economic Activity Zone

- Labor Force Statistics
- Individual Counties
- Cherokee County
- DeKalb
- Etowah
- Marshall
Labor Force Cherokee County
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Labor Force Cherokee County
July 2017 - July 2018 in Thousands

Source: U.S. Bureau of Labor Statistics
Employment Cherokee County
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Employment Cherokee County
July 2017 - July 2018 in Thousands

Source: U.S. Bureau of Labor Statistics
Unemployment Rate Cherokee County
2007 – 2017

Source: U.S. Bureau of Labor Statistics
Labor Force DeKalb County
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Labor Force DeKalb County
July 2017 - July 2018 in Thousands

Thousands

Source: U.S. Bureau of Labor Statistics
Source: U.S. Bureau of Labor Statistics
Employment DeKalb County
July 2017 - July 2018 in Thousands

Last 6 Months: +9.37%

Source: U.S. Bureau of Labor Statistics
Unemployment Rate DeKalb County
2007 - 2017

Source: U.S. Bureau of Labor Statistics
Unemployment Rate DeKalb County vs Alabama July 2017 - July 2018

Source: U.S. Bureau of Labor Statistics
Labor Force Etowah County
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Labor Force Etowah County
July 2017 - July 2018 in Thousands

Source: U.S. Bureau of Labor Statistics
Employment Etowah County
2007 – 2017 in Thousands

Thousands

Source: U.S. Bureau of Labor Statistics
Employment Etowah County
July 2017 - July 2018 in Thousands

Last 6 Months: +2.71%

Source: U.S. Bureau of Labor Statistics
Unemployment Rate Etowah County 2007 - 2017

Source: U.S. Bureau of Labor Statistics
Unemployment Rate Etowah County vs Alabama July 2017 - June 2018

Source: U.S. Bureau of Labor Statistics
Labor Force Marshall County
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Labor Force Marshall County
July 2017 - July 2018 in Thousands

Source: U.S. Bureau of Labor Statistics
Employment Marshall County
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Employment Marshall County
July 2017 - July 2018 in Thousands

Last 6 Months: +4.30%

Source: U.S. Bureau of Labor Statistics
Unemployment Rate Marshall County
2007 – 2017

Source: U.S. Bureau of Labor Statistics
Unemployment Rate Marshall County vs Alabama July 2017 – July 2018

Source: U.S. Bureau of Labor Statistics
Alabama Unemployment Rates
July 2018
State Ave – 4.4%

Unemployment Rate
- 4.1% and Below
- 4.2% - 4.6%
- 4.7% and Above

Source: Alabama Department of Labor
Northeast Economic Activity Zone

- Labor Force
- Employment
- Unemployment Rate
- Tax Revenues
Labor Force NEAZ
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Labor Force NEAZ
July 2017 - July 2018 in Thousands

Last 6 Months: +4.98%

Source: U.S. Bureau of Labor Statistics
Employment NEAZ
2007 – 2017 in Thousands

Source: U.S. Bureau of Labor Statistics
Employment NEAZ
July 2017 - July 2018 in Thousands

Last 6 Months: +4.90%

Source: U.S. Bureau of Labor Statistics
Unemployment Rate NEAZ
2007 - 2017

Source: U.S. Bureau of Labor Statistics
Unemployment Rate NEAZ vs Alabama
July 2017 - July 2018

Alabama
NEAZ

Source: U.S. Bureau of Labor Statistics
State Sales Tax Collections from Cherokee County FY 11-12 – FY 16-17
in $ Millions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Collections in $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-12</td>
<td>$2.47</td>
</tr>
<tr>
<td>12-13</td>
<td>$2.58</td>
</tr>
<tr>
<td>13-14</td>
<td>$2.87</td>
</tr>
<tr>
<td>14-15</td>
<td>$2.89</td>
</tr>
<tr>
<td>15-16</td>
<td>$2.59</td>
</tr>
<tr>
<td>16-17</td>
<td>$2.62</td>
</tr>
</tbody>
</table>

Source: AL Dept of Revenue
State Sales Tax Collections from DeKalb County FY 11-12 – FY 16-17 in $ Millions

Source: AL Dept of Revenue
State Sales Tax Collections from Etowah County FY 11-12 – FY 16-17 in $ Millions

Source: AL Dept of Revenue
State Sales Tax Collections from Marshall County FY 11-12 – FY 16-17 in $ Millions

Source: AL Dept of Revenue
State Sales Tax Collections from NEAZ FY 11-12 – FY 16-17 in $ Millions

Source: AL Dept of Revenue
Northeast Economic Activity Zone (NEAZ): Summary

- Population Trends – Last 7 Years-Up Slightly
- Income – Growing +2.7% 2017, 76% of State Avg
- Labor Force - Last 6 Months +4.98%
- Employment - Last 6 Months +4.90%
- Unemployment – 4.05% July 2018, Below State Avg
- Sales Tax Revenues – FY 16-17 +1%
State of Alabama Economy

- Population & Migration (59-65)
- Gross Domestic Product (66-67)
- Labor Force (68-75)
- Tax Revenues (76-82)
- Housing (83-84)
- State Confidence Survey (85-93)
Population Estimates State of Alabama
2007-2017 in Millions

Source: U.S. Census Bureau
Migration Patterns Based Upon Household Moves Jan-Dec 2017

Source: United Van Lines Migration Study 2017

Alabama
Out – 1,153
In – 1,425
Top Inbound & Top Outbound States for Migration 2017

<table>
<thead>
<tr>
<th>Top 10 Inbound States</th>
<th>Top 10 Outbound States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vermont</td>
<td>1. Illinois</td>
</tr>
<tr>
<td>2. Oregon</td>
<td>2. New Jersey</td>
</tr>
<tr>
<td>5. S Dakota</td>
<td>5. Kansas</td>
</tr>
<tr>
<td>7. S Carolina</td>
<td>7. Ohio</td>
</tr>
<tr>
<td>10. Alabama</td>
<td>10. Wisconsin</td>
</tr>
</tbody>
</table>

Source: United Van Lines Migration Study 2017
## Alabama Migration Patterns Based Upon Household Moves 2012-2017

<table>
<thead>
<tr>
<th>Year of Study</th>
<th>Classification*</th>
<th>Inbound</th>
<th>Outbound</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Inbound</td>
<td>1153</td>
<td>1425</td>
<td>55%</td>
</tr>
<tr>
<td>2016</td>
<td>Balanced</td>
<td>893</td>
<td>795</td>
<td>53%</td>
</tr>
<tr>
<td>2015</td>
<td>Inbound</td>
<td>1092</td>
<td>819</td>
<td>57%</td>
</tr>
<tr>
<td>2014</td>
<td>Balanced</td>
<td>962</td>
<td>887</td>
<td>52%</td>
</tr>
<tr>
<td>2013</td>
<td>Balanced</td>
<td>1121</td>
<td>955</td>
<td>54%</td>
</tr>
<tr>
<td>2012</td>
<td>Balanced</td>
<td>1151</td>
<td>1019</td>
<td>53%</td>
</tr>
</tbody>
</table>

*55% ratio of moved are Inbound

Source: United Van Lines Migration Study 2017
### Top Reported Reasons for Migration In and Out of Alabama 2017

<table>
<thead>
<tr>
<th>Inbound Reason</th>
<th>Top Reasons Reported</th>
<th>Outbound Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.44%</td>
<td>Retirement</td>
<td>5.83%</td>
</tr>
<tr>
<td>6.67%</td>
<td>Health</td>
<td>4.17%</td>
</tr>
<tr>
<td>21.67%</td>
<td>Family</td>
<td>14.17%</td>
</tr>
<tr>
<td>6.11%</td>
<td>Lifestyle</td>
<td>3.33%</td>
</tr>
<tr>
<td>61.11%</td>
<td>Job*</td>
<td>74.17%</td>
</tr>
</tbody>
</table>

Source: United Van Lines Migration Study 2017
## Age for Migration In and Out of Alabama 2017

<table>
<thead>
<tr>
<th>Inbound Age</th>
<th>Age Categories</th>
<th>Outbound Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.19%</td>
<td>&lt;18 to 34</td>
<td>27.68%*</td>
</tr>
<tr>
<td>18.02%</td>
<td>35-44</td>
<td>14.29%</td>
</tr>
<tr>
<td>16.28%</td>
<td>45-54</td>
<td>26.79%</td>
</tr>
<tr>
<td>28.49%*</td>
<td>55-64</td>
<td>14.29%</td>
</tr>
<tr>
<td>18.02%</td>
<td>65 and Older</td>
<td>16.96%</td>
</tr>
</tbody>
</table>

Source: United Van Lines Migration Study 2017
# Income for Migration In and Out of Alabama 2017

## Inbound Income
<table>
<thead>
<tr>
<th>Income Categories</th>
<th>Outbound Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>8.00%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>16.00%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>14.00%</td>
</tr>
<tr>
<td>$100,000 to $149,000</td>
<td>23.00%</td>
</tr>
<tr>
<td>$150,000 or More</td>
<td>39.00%*</td>
</tr>
</tbody>
</table>

## Source
United Van Lines Migration Study 2017
GDP % Change from Preceding Year
State of AL Vs U.S. 2007 - 2017

Source: U.S. Bureau of Economic Analysis: Current $
GDP % Change from Previous Quarter
State of AL Vs U.S.
1st Qtr 2016-1st Qtr 2018

Source: U.S. Bureau of Economic Analysis: Current $
Labor Force State of Alabama
2007-2017 in Millions

Seasonally Adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>In Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td>2.17</td>
</tr>
<tr>
<td>08</td>
<td>2.17</td>
</tr>
<tr>
<td>09</td>
<td>2.16</td>
</tr>
<tr>
<td>10</td>
<td>2.19</td>
</tr>
<tr>
<td>11</td>
<td>2.20</td>
</tr>
<tr>
<td>12</td>
<td>2.17</td>
</tr>
<tr>
<td>13</td>
<td>2.15</td>
</tr>
<tr>
<td>14</td>
<td>2.15</td>
</tr>
<tr>
<td>15</td>
<td>2.14</td>
</tr>
<tr>
<td>16</td>
<td>2.18</td>
</tr>
<tr>
<td>17</td>
<td>2.18</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics
Labor Force State of Alabama
July 2017 – July 2018 in Millions

Source: U.S. Bureau of Labor Statistics
Employment State of Alabama
2007-2017 in Millions

Source: U.S. Bureau of Labor Statistics
Employment State of Alabama
July 2017 – July 2018 in Millions

+41,613 for 12 Months

Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics
Unemployment Rate
AL vs U.S. July 2017 – July 2018

% Unemployed

Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics
GDP Growth % 1st Qtr 2018 vs Labor Market Growth May 17 to May 18 Southeastern U.S.

Source: Bureau of Economic Analysis
Unemployment % July 2018 vs Avg Annual Pay Southeastern U.S.

Source: Bureau of Economic Analysis
Job Quit Levels Annual Per Month Average for U.S. South Region 2007-2017 in Thousands

Source: Bureau of Labor Statistics
Gross Revenue Collections State of Alabama FY11-12 – FY16-17 in $ Billions

- FY11-12: $8.93
- FY12-13: $9.28
- FY13-14: $9.40
- FY14-15: $9.78
- FY15-16: $9.90
- FY16-17: $10.31*

Source: Alabama Department of Revenue

*Record High for Alabama

+4.16% from FY 15-16
Individual Income Tax Gross Collections
State of Alabama FY11-12 – FY16-17
in $ Billions

In $ Billions

FY11-12 $3.58  FY12-13 $3.75  FY13-14 $3.75  FY14-15 $3.93  FY15-16 $4.07  FY16-17 $4.21

+3.31% from 2016

Source: Alabama Department of Revenue
Sales Tax Gross Collections State of Alabama FY11-12 – FY16-17

in $ Billions

$1.99  $2.03  $2.08  $2.15  $2.24  $2.28

FY11-12  FY12-13  FY13-14  FY14-15  FY15-16  FY16-17

Source: Alabama Department of Revenue
Total/Sales/Individual Income Tax State of AL in $ Millions
FYTD 16-17 vs FYTD 17-18

<table>
<thead>
<tr>
<th>In $ Millions</th>
<th>FYTD 16-17</th>
<th>FYTD 17-18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Income Tax</td>
<td>$3,449</td>
<td>$3,702</td>
<td>+7.33%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$1,902</td>
<td>$1,977</td>
<td>+3.96%</td>
</tr>
<tr>
<td>Total</td>
<td>$8,717</td>
<td>$9,118</td>
<td>+4.60%</td>
</tr>
</tbody>
</table>

Source: Alabama Department of Revenue Oct-July
<table>
<thead>
<tr>
<th>In $ Millions</th>
<th>July 2017</th>
<th>July 2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Income Tax</td>
<td>$168.19</td>
<td>$180.13</td>
<td>+7.10%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$192.64</td>
<td>$208.33</td>
<td>+8.14%</td>
</tr>
<tr>
<td>Total</td>
<td>$698.04</td>
<td>$700.32</td>
<td>+.33%</td>
</tr>
</tbody>
</table>

Source: Alabama Department of Revenue
Simplified Sellers Use Tax Program* State of Alabama Total Collections by Fiscal Quarter FY16Q1-FY2017Q4

$52.4 Millions FY 2017

Source: Alabama Department of Revenue

*State capturing online sales as use tax, Amazon joins 11/01/16
Simplified Sellers Use Tax Program State of Alabama FY 2016-2017

General Fund $19,635,891 38%
Municipalities $13,090,594 25%
Counties $13,090,594 25%
Education $6,545,297 12%

$52.4 Millions FY 2017

Source: Alabama Department of Revenue
# Housing Statistics State of AL
YTD June 2017 vs YTD June 2018

<table>
<thead>
<tr>
<th></th>
<th>YTD Jun 17</th>
<th>YTD Jun 18</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Median Price</strong></td>
<td>$148,510</td>
<td>$156,744</td>
<td>+5.54%</td>
</tr>
<tr>
<td><strong>Avg Days on Market</strong></td>
<td>127</td>
<td>109</td>
<td>-15.8%</td>
</tr>
<tr>
<td><strong>Total Homes Sold</strong></td>
<td>28,617</td>
<td>30,625</td>
<td>+7.01%</td>
</tr>
</tbody>
</table>

Source: Alabama Center for Real Estate
# Housing Statistics
## State of AL June 2017 vs June 2018

<table>
<thead>
<tr>
<th></th>
<th>June 2017</th>
<th>June 2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Price</td>
<td>$163,809</td>
<td>$164,987</td>
<td>+.72%</td>
</tr>
<tr>
<td>Avg Days on Market</td>
<td>116</td>
<td>100</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Total Homes Sold</td>
<td>5,831</td>
<td>6,277</td>
<td>+7.65%</td>
</tr>
</tbody>
</table>

Source: Alabama Center for Real Estate
• State Survey – 3rd Quarter 2018
• Approximately 149 respondents
• Operated by University of Alabama Center for Business and Economic Research
• cber.cba.ua.edu
Overall Economic Outlook for Alabama Q2 2018 compared to Q3 2018

% of Respondents

- Much Worse: 0.7%
- Worse: 1.3%
- Remain the Same: 28.2%
- Better: 57.0%
- Much Better: 12.8%

Source: Alabama Business Confidence Index
Overall Economic Outlook Index for Alabama Q3 16 – Q3 18

Change Q2 18 – Q3 18 +1.8 pts
Change Q3 17 – Q3 18 +4.2 pts

Index Value

Q3 16: 52.4
Q4 16: 52.6
Q1 17: 62.7
Q2 17: 65.2
Q3 17: 61.6
Q4 17: 58.7
Q1 18: 63.1
Q2 18: 64.0
Q3 18: 65.8

Source: Alabama Business Confidence Index
Hiring Outlook for Alabama Q2 2018 compared to Q3 2018

Source: Alabama Business Confidence Index
Hiring Outlook Index for Alabama
Q3 16 – Q3 18

Change Q2 18 – Q3 18 +1.4 pts
Change Q3 17 – Q3 18 +2.5 pts

Source: Alabama Business Confidence Index
Sales Outlook for Alabama Q2 2018 compared to Q3 2018

<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>2.0%</td>
<td>6.7%</td>
<td>24.8%</td>
<td>57.7%</td>
<td>8.7%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Alabama Business Confidence Index
Sales Outlook Index for Alabama
Q3 16 – Q3 18

Change Q2 18 – Q3 18 +1.2 pts
Change Q2 17 – Q2 18 +3.5 pts

Source: Alabama Business Confidence Index
Capital Expenditures Outlook
Q2 2018 compared to Q3 2018

% of Respondents

- Strong Decrease: 0.7%
- Moderate Decrease: 5.4%
- No Change: 38.3%
- Moderate Increase: 50.3%
- Strong Increase: 5.4%

Source: Alabama Business Confidence Index
Capital Expenditures Outlook
Alabama Q3 16 – Q3 18

Change Q2 18 – Q3 18 +2.0 pts
Change Q3 17 – Q3 18 +3.8 pts

Source: Alabama Business Confidence Index
State of Alabama Summary

- Population Census Up, High Inbound State (57%)
- State GDP Up (2017 1.2%)
- Labor Force Flat to Up Slightly (+4,000 2017, Trending Up)
- Employment Up (+27,433 2017)
- Unemployment Rate Down (4.0% June)
- Housing Up (+7.01% Homes Sold YTD 2016 vs 2017)
- State Tax Revenues Exceed $10 Billion 1st Time ($10.31 B)