

# Economic Activity in Mobile Economy Reaches New High

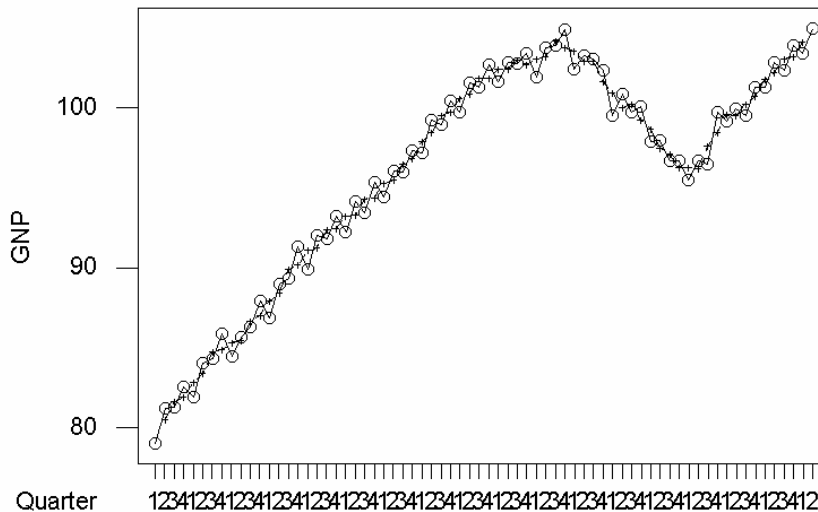
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Mobile Economic Activity has reached a new high! The economic indicator used reached the new level in the second quarter of this year. The latest Mobile metro employment and personal income government data available were included.

Developed by the USA Center for Real Estate Studies, the Mobile GNP Indicator is measured quarterly using the same information as the U.S. gross national product published by the U.S. Department of Commerce. It explains the overall level of economic activity and performance of the local economy and its impact on real estate markets.

Projections for the next three months are very strong showing an upward trend. The economy has diversified and creating new business activity replacing the losses that occurred in Manufacturing seven years ago.

Mobile GNP Indicator  
1990-2007 Quarter 2



0--0 GNP; x--x 3 quarter average

Past 10 year high of 104.95 in 2000 Q4; low of 95.47 in 2004 Q1

**2007 Quarter 2 GNP Indicator = 105.0 +2.1%**  
**2006 Quarter 2 GNP Indicator = 102.9**

**The *Mobile GNP Indicator* estimates movement in the local economy comparable to the Gross National Product (GNP) for the national economy. It is constructed to estimate real economic growth by following changes in real income of the local workforce.**

**Employment times personal income received produces family income available to spend on local goods and services causing “economic activity.” GNP is constructed to measure changes in the Mobile economy relative to the 2005 base year.**

### **Mobile Growth**

**Relative changes between two periods are interpreted as a percent increase (decrease) in real economic growth. The most recent actual index figures are,**

	<b>GNP <u>Indicator</u></b>	<b>% change <u>1 year ago</u></b>	<b>% change <u>5 years ago</u></b>	<b>% change <u>10 years ago</u></b>	
<b>2007Q2</b>	<b>105</b>	<b>+2.10%</b>	<b>+4.9%</b>	<b>+6.5%</b>	<b>base: 2005</b>
<b>2006Q2</b>	<b>102.9</b>				
<b>2002Q2</b>	<b>100.1</b>				
<b>1997Q2</b>	<b>98.5</b>				

*The real growth in actual spending power in 2007Q2 increased 2.10% from the same quarter in the previous year, increased 4.9% over the past 5 years, and increased 6.5% over the past 10 years, in constant 2005 dollars.*

*While it is more meaningful to examine growth trends, monthly comparisons do give direction. The local economy increased from 103.4 in 2007Q1 to a level of 105 in 2007Q2, or 1.6%.*

*Since 1997Q1, the highest level of economic activity in the Mobile economy occurred in 2000Q4 with an index of 104.9. The lowest level was 95.5 in 2004Q1.*

***For 2007Q2, the GNP of 105 reflects the strongest performance of the Mobile economy since the year 1990. The projected trend for 2007 is to achieve even higher levels. The non-farm employment level of 553.9 represents an increase of 12,100 workers over the past 12 months.***

### **History of Economic Growth**

*From 1990Q1-2007Q2, total economic growth in constant 2005 dollars was +26.07% for 70 quarters, or +.37% per quarter. At this quarterly average rate, the local economy is growing at an annual average real rate of +1.49 percent.*

## **Projection**

*The 2007Q3 projection shows that the economy will perform at a significantly higher level driven primarily by the general growth rate of the Mobile economy. The exact numbers are projected to be the following:*

<b><i>Mobile GNP Indicator</i></b>	<b><i>2007Q3</i></b>	<b><i>106.5</i></b>	<b><i>+1.5%</i></b>
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***A Special Note on Accuracy:*** A frequent question is, “How accurate are the projections?” The projection for this quarter was 106.6, and the actual number equaled 105, a difference of 1.6 percent.

In sum, the Mobile economy is tracking a strong upward trend caused by a diversified economy. Projections for the next three months look very strong. New economic development will cause the trend line to jump in a stair-step fashion to a new upward trend path.