



# Mobile Economy

## Center for Real Estate Studies

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## Mobile Economy Is Holding Its Own

The Mobile economy is holding its own! Economic activity in the last quarter of 2008 *increased* by .27 percent. Compared to the same quarter one earlier, the economy *declined* by .38 percent. The new **GNP Indicator** reached 100.45 which is approaching the five-year high of 100.82 reached in the fourth quarter of 2007. Overall, the local economy has reached a plateau and is maintaining its economic activity through the end of the year.

That level of performance is very good considering that the **Mobile GNP Indicator** reached its highest level since 1990 in the third quarter, 2007, and again in the first quarter, 2008. The most important indicator to follow is the direction and strength of the accompanying trend line which *increased* .04 percent. The direction is positive although the strength is very moderate. In comparison to the declines in the national economy, the level of economic activity and direction is positive.

*The story for the local economy is that the level of economic activity has leveled, and the economy is holding its own. The national slowdown has impacted us, but not to the extent that has been seen in other regions.*

Nonagricultural employment remains at about the same level of 183,400 which is up from the 2008 low of 181,400 in January. Modest increases were seen in *Trade, Transportation, Utilities, and Warehousing*; and *Government*. *Information* employment remained the same. All other eight industrial categories showed modest declines. The net result was that the **GNP Indicator** moved only slightly in a positive direction.

The three indicators of U.S. consumer sentiment reflecting the future attitude of Mobile buyers to purchase local goods declined again. Further, the survey of Alabama business men and women reached a new low and recently recorded a modest increase. All four indicators point to a future negative attitude on an additional increase in purchasing activity.

The USA projection of Mobile economic activity for the next quarter shows a modest increase. Although the indicator for the third quarter was level, it has not reflected the significantly negative numbers shown by other comparable metro areas. This maintenance of economic activity is viewed as a positive sign for the future Mobile economy.

The total civilian workforce declined slightly, and the unemployment rate rose. The number of workers reached its highest level ever in late 2007 and into 2008.

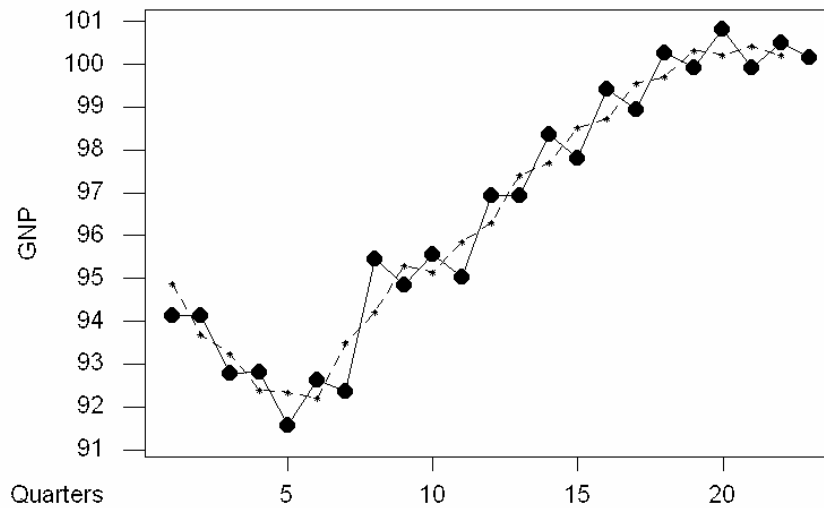
Sales tax collections for the county reached its highest level in the last seven quarters, and declined slightly in the third quarter. The same is true for the city. Although recent declines have occurred, the level reached new highs.

The affordability of new buyers to purchase a house increased due to softening in the rising price of housing. The softening of the housing market was reflected in the decline in the total number of residential sales. Tourism dollars spent in Mobile increased in the category of *Total Attractions* and declined in *Special Events and Convention Visitors*.

In sum, a Mobile resident should feel good about the current economy. The level of economic activity through the third quarter has leveled at the highest level ever achieved. Significant declines reported for the U.S. economy by the national media have not occurred in the overall level of economic activity.

A frequent question asked at this point concerns the impact of reported future events such as employment declines and the credit problems at the national level. The analysis in this report reports on data as they actually occur. The purpose is to report and interpret accurately the level of economic activity as it actually happens.

## Mobile GNP Indicator 2003 Q1 - 2008 Q4



circle is GNP Indicator; + is 3-qtr trend 2007 base

<b>2008 Q4 Indicator</b>	=	<b>100.445</b>	<b>+.27% vs. 1 qtr earlier; -.38% vs. 4 qtrs earlier</b>
<b>2007 Q4 Indicator</b>	=	<b>100.824</b>	<b>+.04% trend</b>
<b>2008 Q3 Indicator</b>	=	<b>100.171</b>	

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