

# MOBILE MARKET WATCH

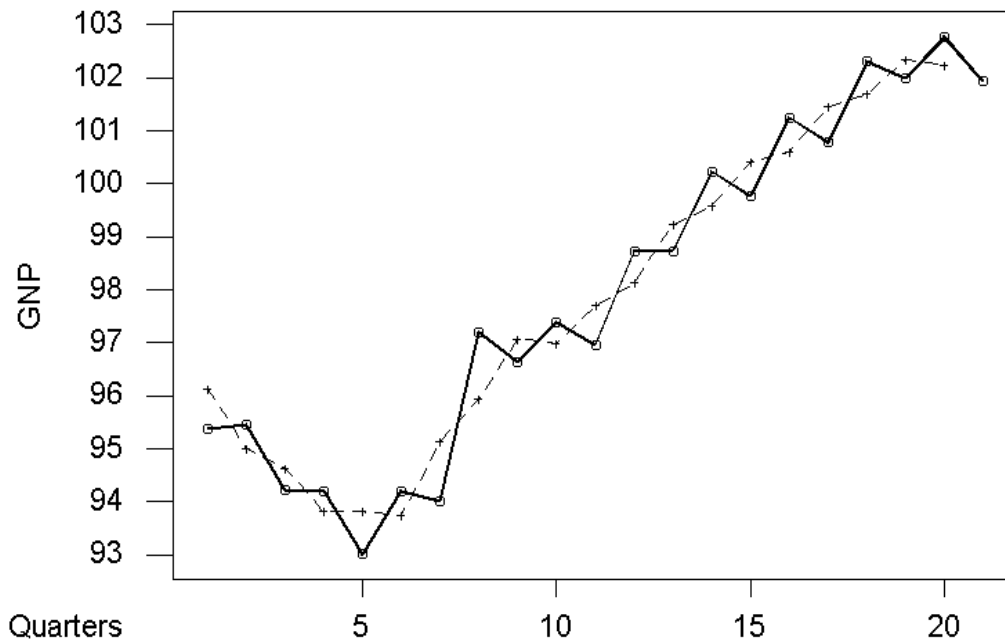


Mitchell College of Business  
Center for Real Estate Studies



Summer 2008

## Mobile GNP Indicator 2003Q1-2008Q1



o-o GNP; x-x 3-quarter average      2006 base

**2008 Quarter 1 GNP Indicator = 101.94    +1.15%**

**2007 Quarter 1 GNP Indicator = 100.78**

**2008 Quarter 1 Trend                    = 102.2**

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# Mobile MSA Gross National Product (GNP) Indicator

## 2008 Quarter 1

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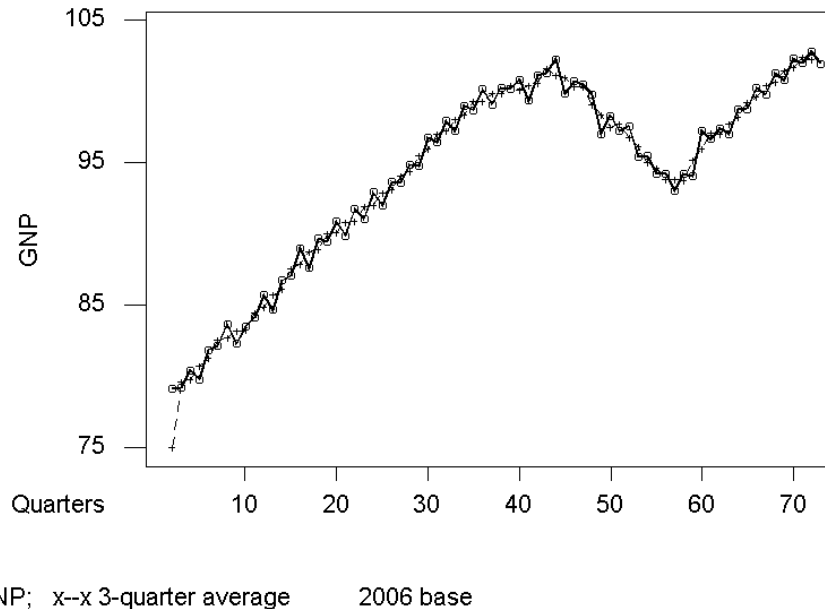
Summer, 2008

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“Data you can use.”

“Education you can use”

Mobile GNP Indicator  
1990Q1-2008Q1



**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.” Personal income estimates are a large part of the Gross National Product figures produced by the U.S. Commerce Department to measure economic growth. 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 Indicator</b>	<b>% Change 1 year ago</b>	<b>% Change 5 years ago</b>	<b>% Change 10 years ago</b>	
<b>2008Q1</b>	<b>101.94</b>	<b>+1.15</b>	<b>+6.87</b>	<b>+4.86</b>	<b>2006 base</b>
<b>2007Q1</b>	<b>100.78</b>				
<b>2007Q4</b>	<b>102.78</b>				
<b>2003Q1</b>	<b>95.38</b>				
<b>1998Q1</b>	<b>97.21</b>				

*The real growth in actual spending power in 2008Q1 increased 1.15% from the same quarter in the previous year, increased 6.87% over the past 5 years, and increased 4.86% over the past 10 years, in constant 2006 dollars. Since 1997Q1, the highest level of economic activity in the Mobile economy occurred in 2007Q4 with an index of 102.78.*

While it is more meaningful to examine growth trends, monthly comparisons do give direction. The local economy decreased from 102.78 in 2007Q4 to a level of 101.94 in 2008Q1, or -0.82%.

**Concurrently, the quarterly average in 2008Q1 of 102.23 was a slight decline of .12 from 2007Q4. This trend reached the highest level since 1990 in 2007Q3, and increased .77% from one year ago. Although the current growth index showed a slight decline, the local economy is still performing well.**

*The reason for the slight decline in the growth estimate for this quarter was the decline in the number of non-farm workers which was distributed over seven of the ten employment categories. Manufacturing showed a slight increase, as did Professional Business Activities. Information remained the same.*

*Reading the numbers in perspective, the employment numbers in the total non-farm category shows that the figures in 2007 are the highest they have ever been since 1990. The highest quarterly figure of 559.4 in 2007Q4 shows that the economy is moving in an upward direction. The slight decline in 2008Q1 must be due to seasonal factors.*

## History of Economic Growth

*From 1990Q1-2008Q1, total economic growth in constant 2006 dollars for 72 quarters was +.32% per quarter. At this quarterly average rate, the local economy is growing at an annual average of +1.27 percent in 2006 dollars.*

## Projection

*The 2007Q4-2008Q1 projection shows that the economy will perform at a slightly higher level driven primarily by the general growth rate of the Mobile economy. The exact numbers are projected to be the following:*

<b>Mobile GNP Indicator</b>	<b>2008Q1</b>	<b>103.2</b>	<b>+1.3%</b>
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*A **Special Note on Accuracy:** A frequent question is, “How accurate are the projections?”  
The Bureau of Economic Analysis, Washington, reported recently that the Mobile County Personal Income was \$11.0 billion. The estimate in this analysis equals \$10.88 billion.*

### **Center for Real Estate Studies**

**The Center was created by the Mitchell College of Business to expand the quantity and quality of real estate studies and education as part of the USA mission to better serve its students. The goal is to offer practical real estate analysis and applied education to help the students and citizens understand local markets, and to assist the real estate professional in daily business.**

### **Further Information**

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### **Disclaimer**

**Every effort has been made to assure the accuracy of the numbers. The results are not guaranteed or warranted. These opinions represent the author only.**