

ALABAMA HAS FIVE YEAR RECOVERY LEFT FOR JOBS



Most experts in Alabama and across the country claim that it will take the state until at least 2016 to recover the jobs lost during the country's worst economic struggle since the Great Depression. This latest estimate is longer than originally thought as outlined by IHS Global Insight, an economic forecasting firm from Massachusetts. The first estimate was issued by IHS Global Insight for Alabama was in 2009, claiming it would reach the job levels from before the recession by 2013. Those living in Alabama should not be too worried about the new data though because the firm examined all 50 states and the District of Columbia, finding that all of them are below pre-recession employment levels. The firm claims that the media average for recovery for all 50 states and the District of Columbia is the fourth quarter of 2014. In the Southeast region of the country, the eight other states will take a lot longer to recover than Louisiana, which is estimated to recover within the next three years. Much like Alabama, Georgia and Florida are not expected to reach their pre-recession employment levels until midway through 2016. According to IHS Global, the states of Tennessee, South Carolina, North Carolina, and Mississippi will not recover their jobs until 2015. The unemployment rate for Alabama was at 9.8 percent as of the month of September, which was down from a peak of 11 percent in the early months of 2009. The number is also three times higher than the unemployment number for late in the year 2007. The Metro Birmingham unemployment rate was 8.9 percent in the month of September, also three times higher than in October of 2007. Chad Carson, an associate dean at Samford University's Brock School of Business, had the following to say about the report: "Employers continue to be slow to hire and grow due to uncertainty in the marketplace, but perhaps more importantly, political uncertainty with major fallout still expected from court challenges to Obamacare," he said. "Alabama businesses share the same concerns that large businesses share. Many are being fiscally conservative due to their concerns over the market and political instability." Jody Jones, president of PangeaTwo, a Birmingham recruitment firm, said the following: "The situation in Europe ... along with significant concerns regarding increased government regulation and health care costs continue to stymie both the U.S. and local economy," Jones said. "The recession ran deep and long, forcing most companies to streamline processes and increase spending on technology. We are likely to see a scenario where corporate profits rise significantly over the next two to three years, but reductions in the unemployment rates lag behind. The only bright spot of late has come from Alabama auto manufacturers which have announced plans to increase production or expand. This industry has been dead for nearly three years, and these boosts are certainly welcome. Unfortunately from a jobs perspective, I do not believe that any significant economic recovery will solve all our problems." John Norris is the managing director at Birmingham's Oakworth Capital Bank, and said that, "Business owners I know have said things are better, but they aren't so much better that they are looking to hire a bunch of new people. When given the option between upgrading their technology or hiring a new employee, virtually all of them are opting for the new technology."