

CHAPTER THREE

ECONOMIC DEVELOPMENT AND DEMOGRAPHIC FACTORS

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A. Introduction

Over the last decade, Alabama has experienced an unprecedented level of economic investment in the State's economy. Alabama's state and local governments have actively and effectively recruited industry to the state and have invested in infrastructure improvements to attract and support new industrial growth. The billions of dollars these investments represent have been a catalyst that helped lead to net positive changes in population, increased employment throughout the State, and an increase in per capita income. Generally speaking, population growth, increased employment, higher income, and Gross Domestic Product (GDP) (or Gross State Product) growth lead to greater demand for air travel. Thus, for the Statewide Airport System Plan, an understanding of demographic and economic trends is required to anticipate where investment in the aviation system may be required.

Chapter Three provides a top-down view of Alabama's economic and demographic trends beginning with an analysis of the Gross State Product (GSP), then reviewing highlights of economic development in the State, moving to a discussion of the 12 Regional Councils in the State, and finally a discussion of socioeconomic trends and projections. The Regional Councils, as designated by the State of Alabama, are shown in **Exhibit 3.1**. For consistency, these regions have been used in the Statewide Airport System Plan.



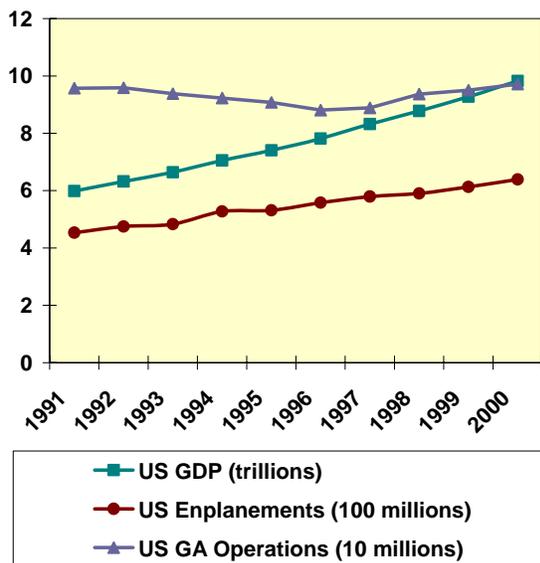
B. Economic Performance and Aviation Activity

The process of forecasting aviation activity has long since relied on the correlation between the performance of the national economy and aviation activity. Typically, as the economy grows, aviation activity grows. In times of economic decline, decline is generally experienced in aviation activity. In order to set the baseline for subsequent forecasting as well as analysis of projected growth areas in the State, it is important to review Alabama’s economic performance.

For the purposes of this chapter, the United States Gross Domestic Product (GDP) and the Alabama Gross State Product (GSP) will be used as indicators of economic performance. There are some statistical differences between GDP and GSP; however, using the GSP allows an analysis specific to the economic profile of Alabama. Aviation activity is represented by enplanements and general aviation operations at both the National and State levels.

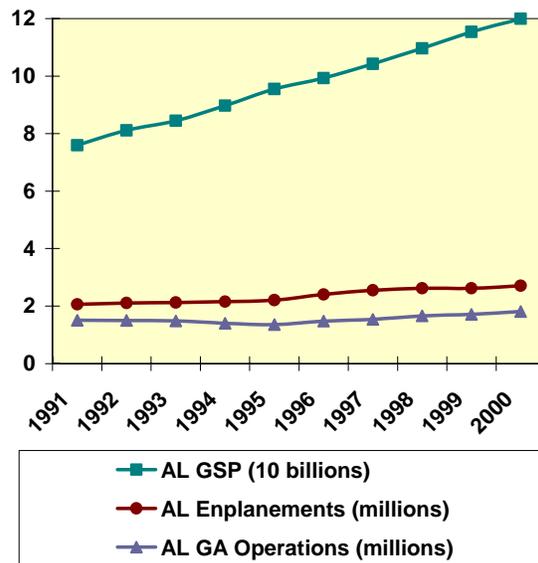
Exhibit 3.2 illustrates the relationship between the GDP and aviation activity from 1991 to 2000. As shown, U.S. GDP has grown at a much higher rate (5.08 percent) than either national enplanements or general aviation operations (3.49 and 0.15 percent, respectively, on an average annual basis). **Exhibit 3.3** illustrates the relationship between GSP and aviation activity over the same period. Alabama’s GSP has grown significantly (4.67 percent), while enplanements and general aviation operations in the State have grown slower (2.77 and 1.84 percent, respectively, on an average annual basis). These charts show that GDP and GSP demonstrate similar positive trends over the study period. Likewise, these charts reveal that National and State aviation activity indicators over the same period have similar profiles.

Exhibit 3.2
United States GDP vs. Aviation Activity (1991-2000)



Source: Bureau of Economic Analysis (www.bea.gov)
FAA Terminal Area Forecast, Wilbur Smith Associates

Exhibit 3.3
Alabama GSP vs. Aviation Activity (1991-2000)



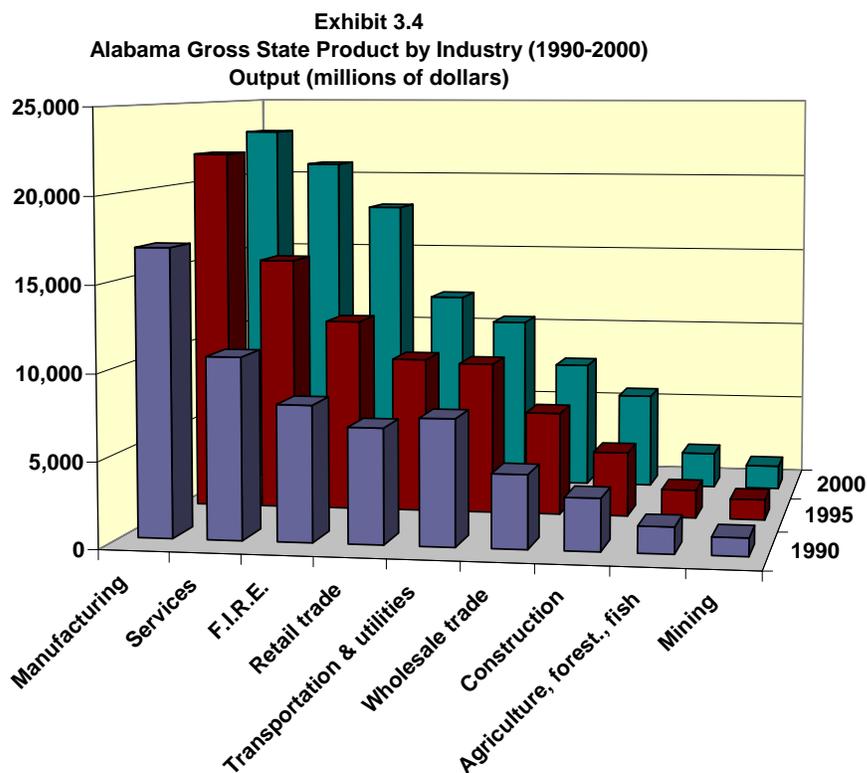
Source: Bureau of Economic Analysis (www.bea.gov)
FAA Terminal Area Forecast, Wilbur Smith Associates

Examining the major industry contributors to Alabama’s GSP over a 10-year period may provide guidance in developing future strategies for the Alabama Statewide Airport System Plan. For example, those areas of the State that have historically demonstrated success in attracting industry

will need a strong aviation infrastructure to continue to serve these important industries. Furthermore, communities that are working to recruit industry will need a strong aviation infrastructure to support their recruitment effort.

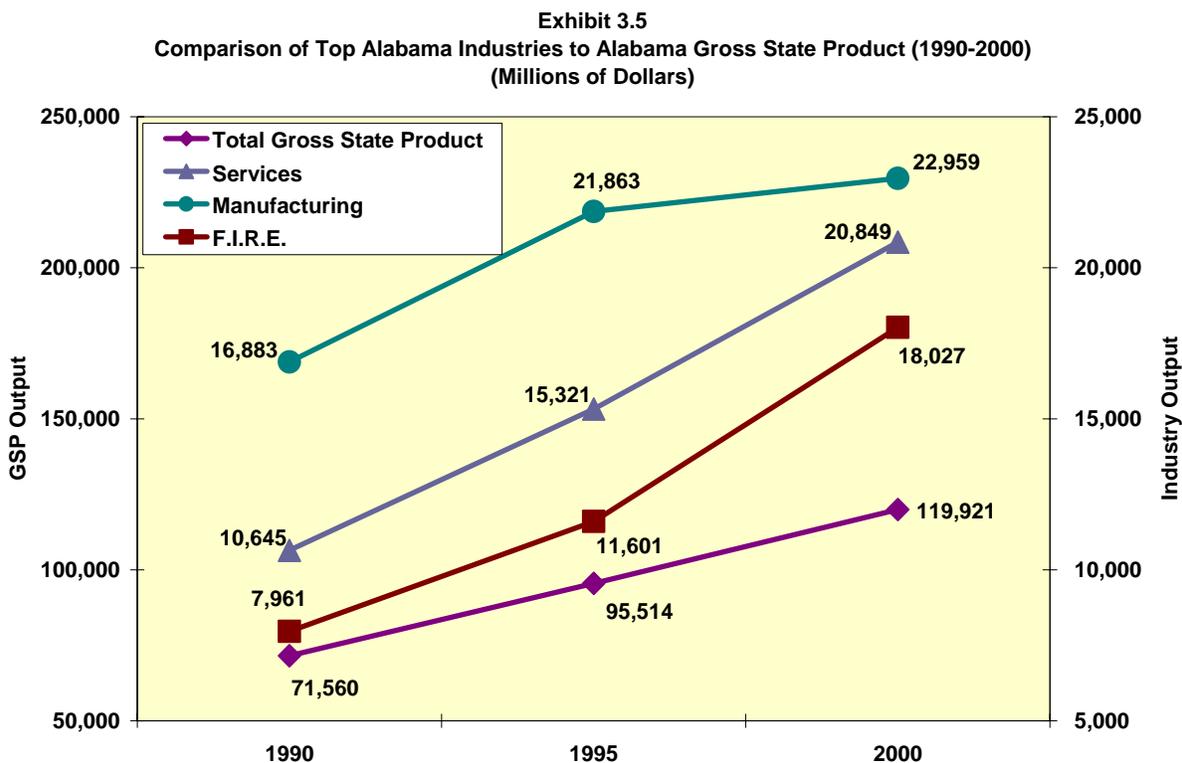
B1. Alabama GSP Components

Alabama has a strong history of relying on the manufacturing industry to be the backbone of the GSP. This is still the case today. **Exhibit 3.4** illustrates the contributing industry sectors to Alabama’s GSP from 1990 to 2000. While the manufacturing sector continues its lead role in the GSP, it is being out-paced by other sectors such as the Service and Finance, Insurance, and Real Estate (F.I.R.E.) sectors.



Source: Bureau of Economic Analysis (www.bea.gov)

While all of these industries are relevant to the GSP and aviation activity, this chapter focuses on the three top contributors to the GSP in terms of output and employment and particularly on the manufacturing sector due to its historical role as the leading contributor to Alabama’s GSP. **Exhibit 3.5** graphs the comparison of Alabama’s top three industries and GSP in terms of output.

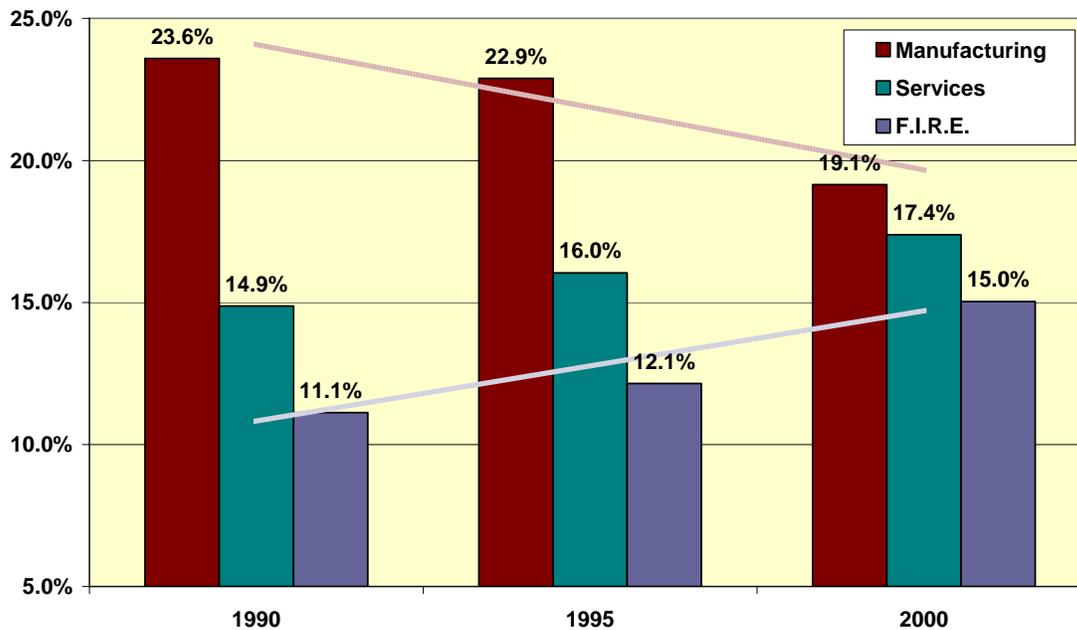


Source: Bureau of Economic Analysis (www.bea.gov)

This graph shows the decline in growth in manufacturing over the study period. A review of the slowed growth in manufacturing will follow later in this discussion. Additionally, the graph shows that the Service and F.I.R.E. sectors have been growing faster than total GSP and thereby represent an ever more important role in Alabama’s economy.

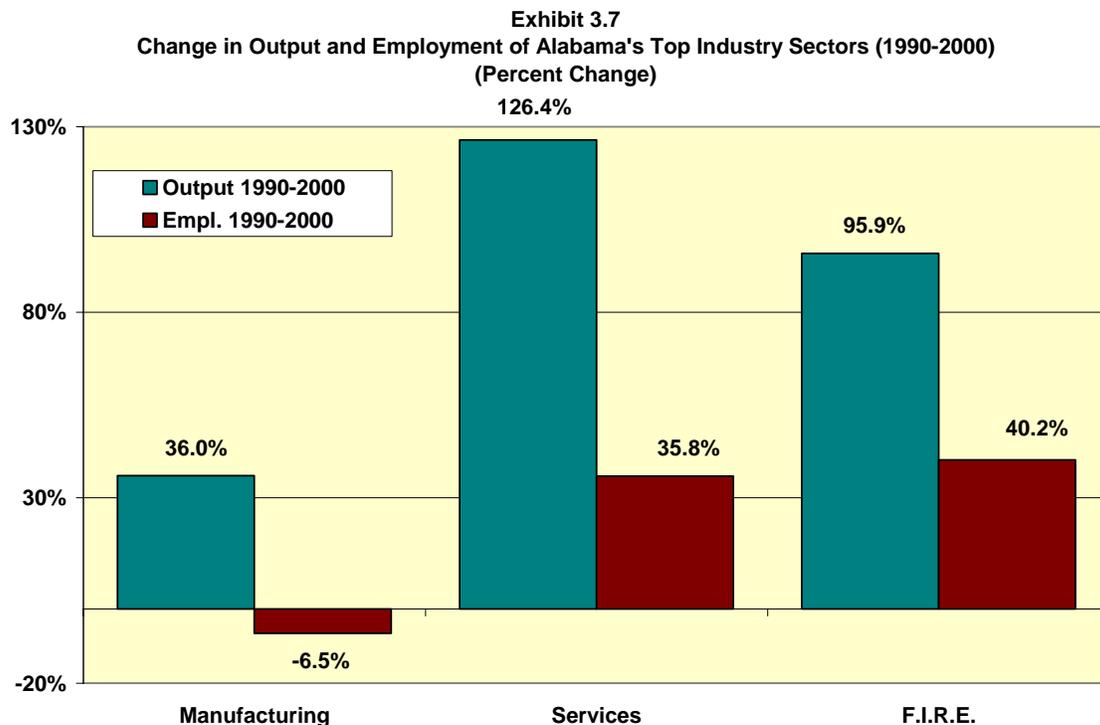
Exhibit 3.6 shows the percent change in these three sectors as they relate to GSP. The top trend line represents Manufacturing’s decline in percent share of GSP output, where as the bottom trend line represents the Service and F.I.R.E. sectors increased percent share of GSP output. The Manufacturing sector, which accounted for nearly 24 percent of Alabama’s GSP output in 1990, now accounts for just over 19 percent. On the other hand, the Service and F.I.R.E sectors have increased in terms of their share of output applied to the GSP, 14.9 percent to 17.4 percent and 11.1 percent to 15.0 percent, respectively.

Exhibit 3.6
Change in the Output of Alabama's Top Industries
as a Percentage of Alabama's Gross State Product (1990-2000)
(Percentage of GSP)



Source: Bureau of Economic Analysis (www.bea.gov)

Exhibit 3.7 compares the percent change in growth in output and employment over the study period and reveals distinct differences among these industry sectors.



Source: Bureau of Economic Analysis (www.bea.gov)

The Manufacturing industry sector is the only one of the three study sectors to have a negative percent growth in employment over the study period. This fact, coupled with a positive percent growth in output, suggests that this industry as a whole is getting more production with fewer workers.

Another difference in these industries is the significant growth in the Service and F.I.R.E. industry sectors as compared to the Manufacturing sector. Previous graphs showed the change in output as a percent of GSP while the following graphs show the percent growth responsible for that change.

While analysis of the information in these graphs can not lead to the forecasting of continued growth for these sectors, the information can lead to the strategic position that these sectors are significant to overall GSP and need to have adequate resources to encourage continued growth. This includes a healthy transportation infrastructure that includes a comprehensive airport system.

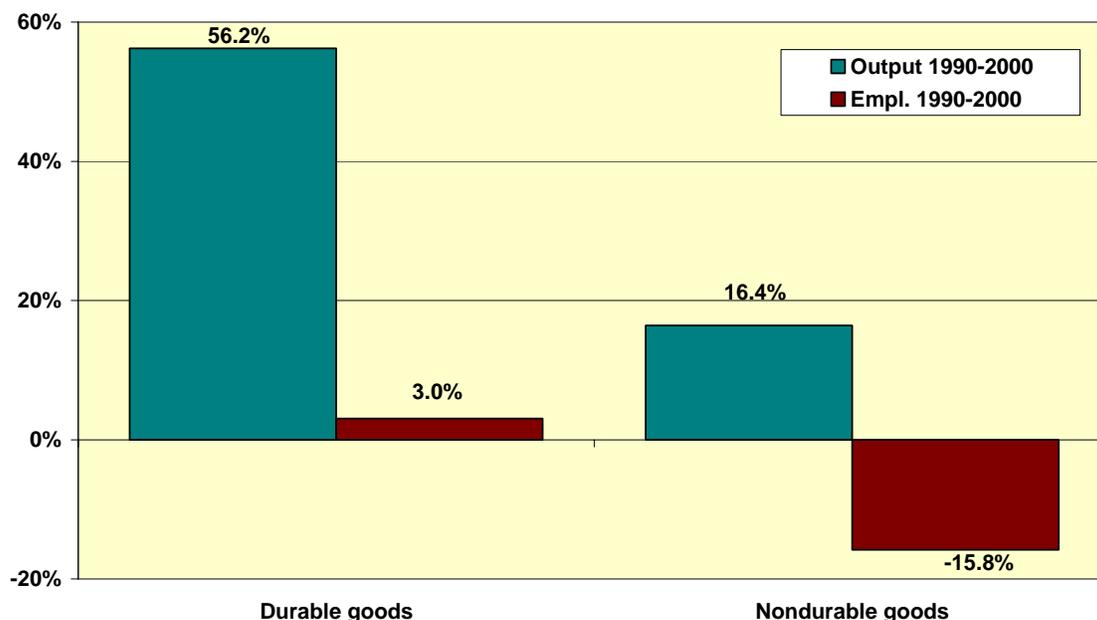
B1.1 Manufacturing Industries – As previously mentioned, the Manufacturing sector has long been a workhorse in the Alabama economy and the top output producer in the GSP. Over the last few decades many economic strains have been placed on this industry. With lower labor cost overseas and a slumping national economy, the Manufacturing sector’s

growth has slowed and employment has declined. This section will address the Manufacturing sector and identify which industries are helping pace the sector and which industries have contributed to its decreasing numbers.

B1.2 Durable and Non-Durable Goods – The Manufacturing sector is commonly divided into durable and non-durable goods. Durable goods are goods that are not consumed quickly or last for years, while non-durable goods are generally considered to be goods that have an expected life of less than one year. Examples of durable goods are motor vehicles, industrial equipment and electronic equipment. Examples of non-durable goods are tobacco, paper, and textile products.

Exhibit 3.8 shows the relationship of output and employment between durable and non-durable goods, revealing that the majority of this decline may be attributed to declines in employment related to the manufacturing of non-durable goods. Also revealed here is a significant increase in the percent growth in the output from the manufacturing of durable goods. The manufacturing of durable and non-durable goods represents many different manufacturing industries in Alabama.

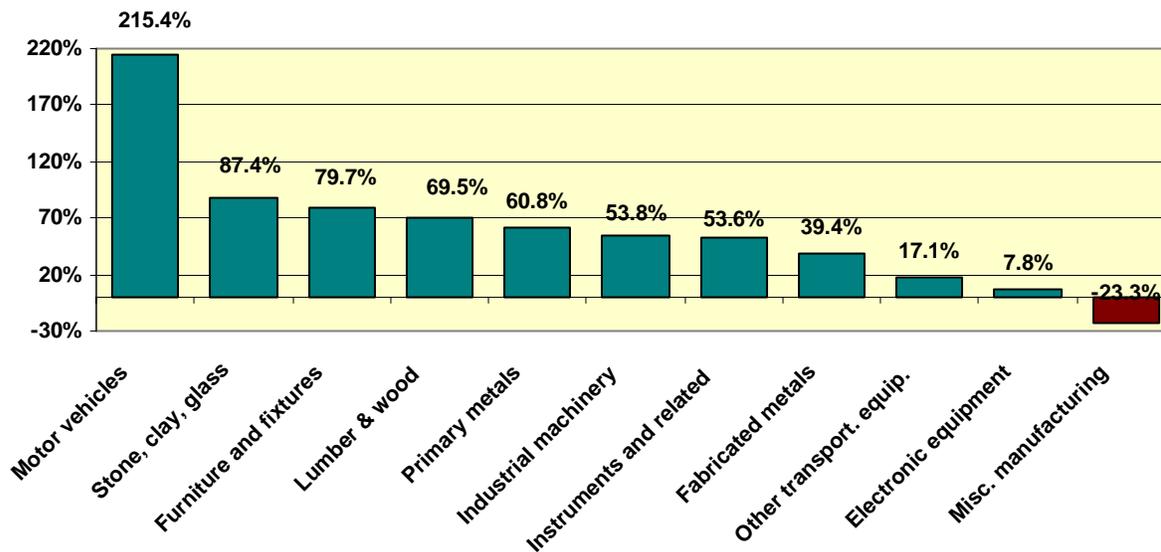
Exhibit 3.8
Change in Output and Employment
of Alabama's Manufacturing Industry Sectors (1990-2000)
(Percent Change)



Source: Bureau of Economic Analysis (www.bea.gov)

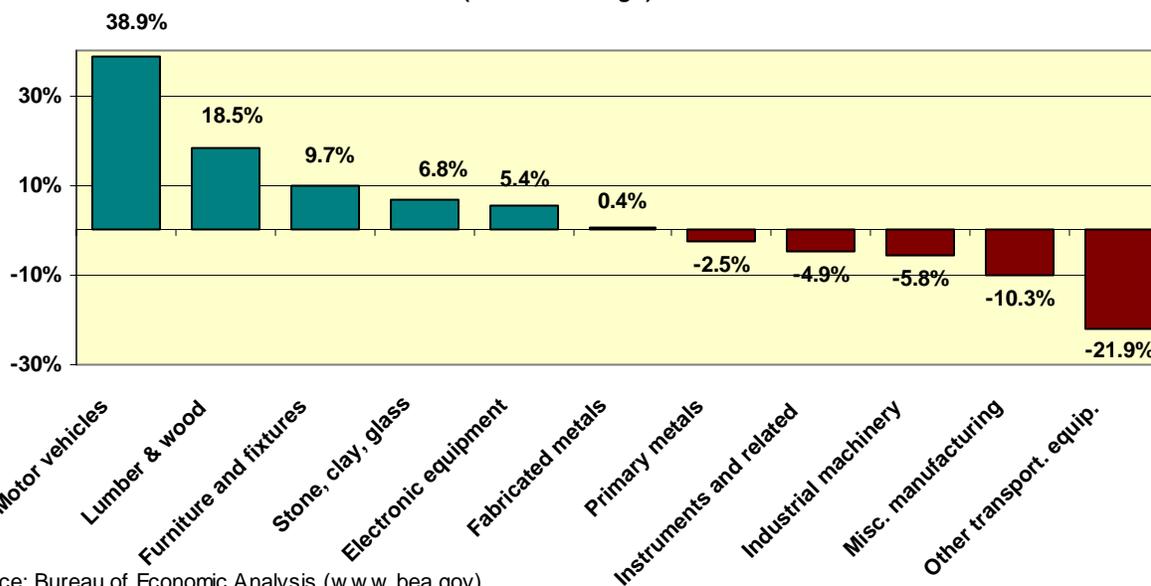
Exhibits 3.9 and 3.10 show the percent change in output and employment over the study period, respectively, for manufacturing durable goods.

Exhibit 3.9
Change in Output for Manufacturing of Durable Goods (1990-2000)
(Percent Change)



Source: Bureau of Economic Analysis (www.bea.gov)

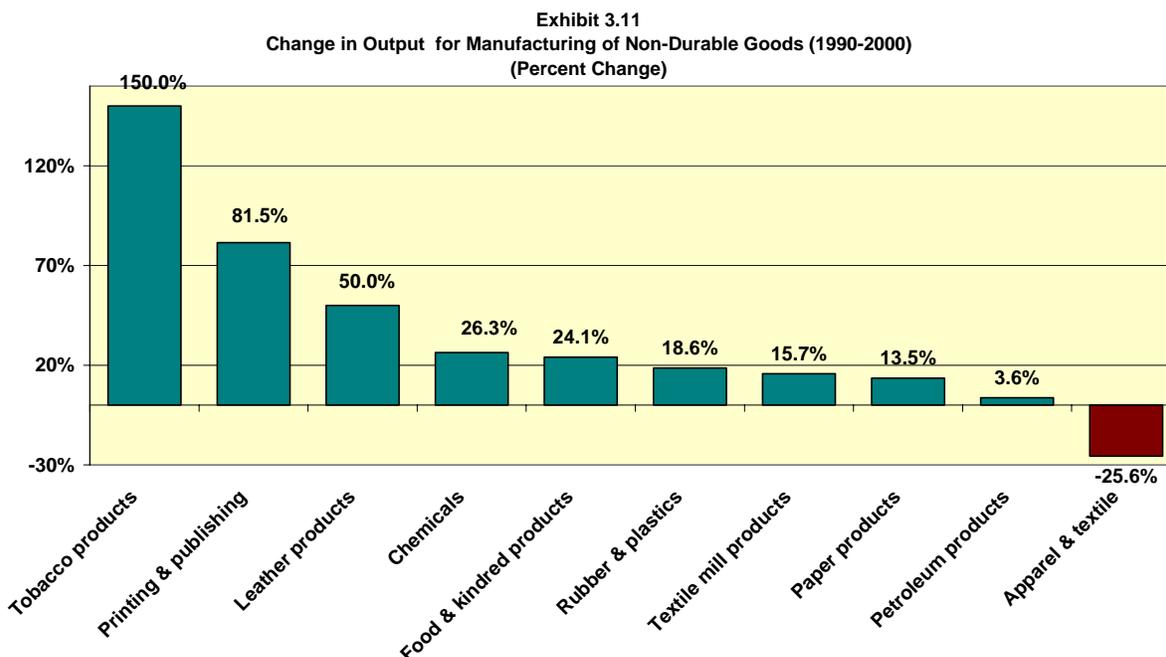
Exhibit 3.10
Change in Employment for Manufacturing of Durable Goods (1990-2000)
(Percent Change)



Source: Bureau of Economic Analysis (www.bea.gov)

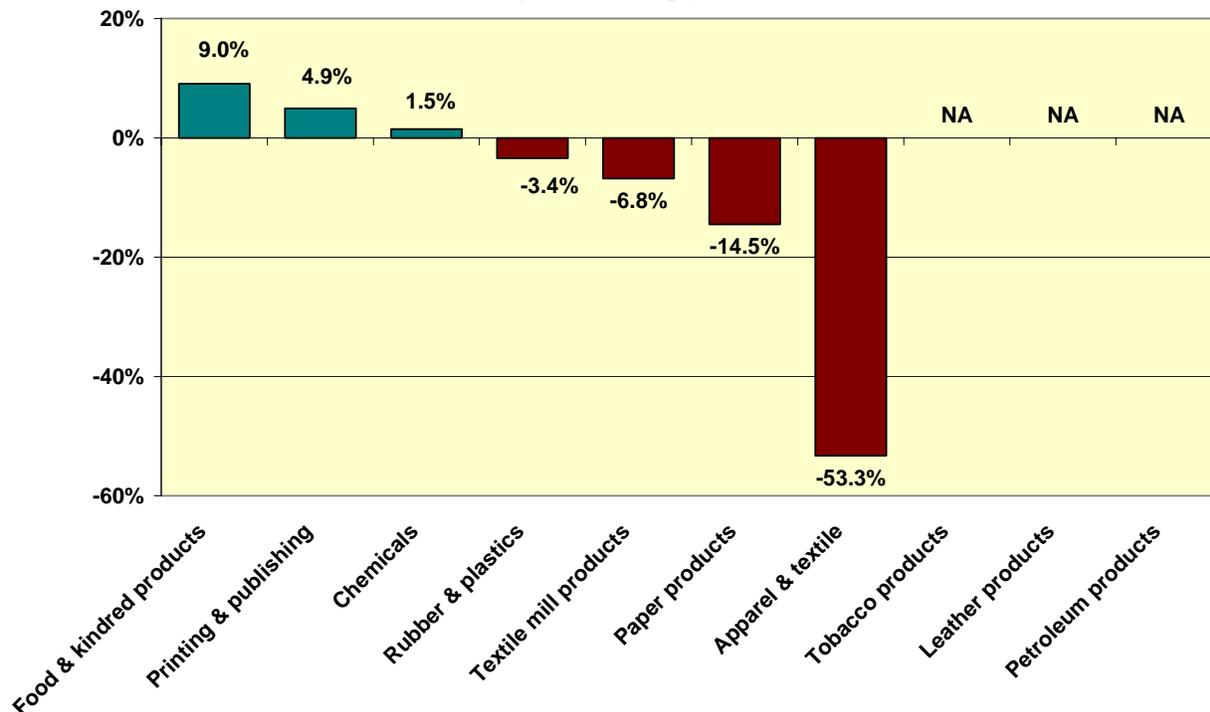
Alabama has spent a great deal of energy over the last decade to attract manufacturing jobs in this sector. Analysis of these graphs suggest those efforts have helped the motor vehicle and construction related industries set the pace for durable goods industries output. While many of the durable goods industries have had negative employment growth, the motor vehicle and construction related industries have helped this sector maintain an overall positive employment growth.

Exhibits 3.11 and **3.12** show the percent change in output and employment over the study period, respectively, for manufacturing non-durable goods. The abbreviation “NA” is placed where employment data was not available due to confidentiality clauses.



Source: Bureau of Economic Analysis (www.bea.gov)

Exhibit 3.12
 Change in Employment for Manufacturing of Non-Durable Goods (1990-2000)
 (Percent Change)



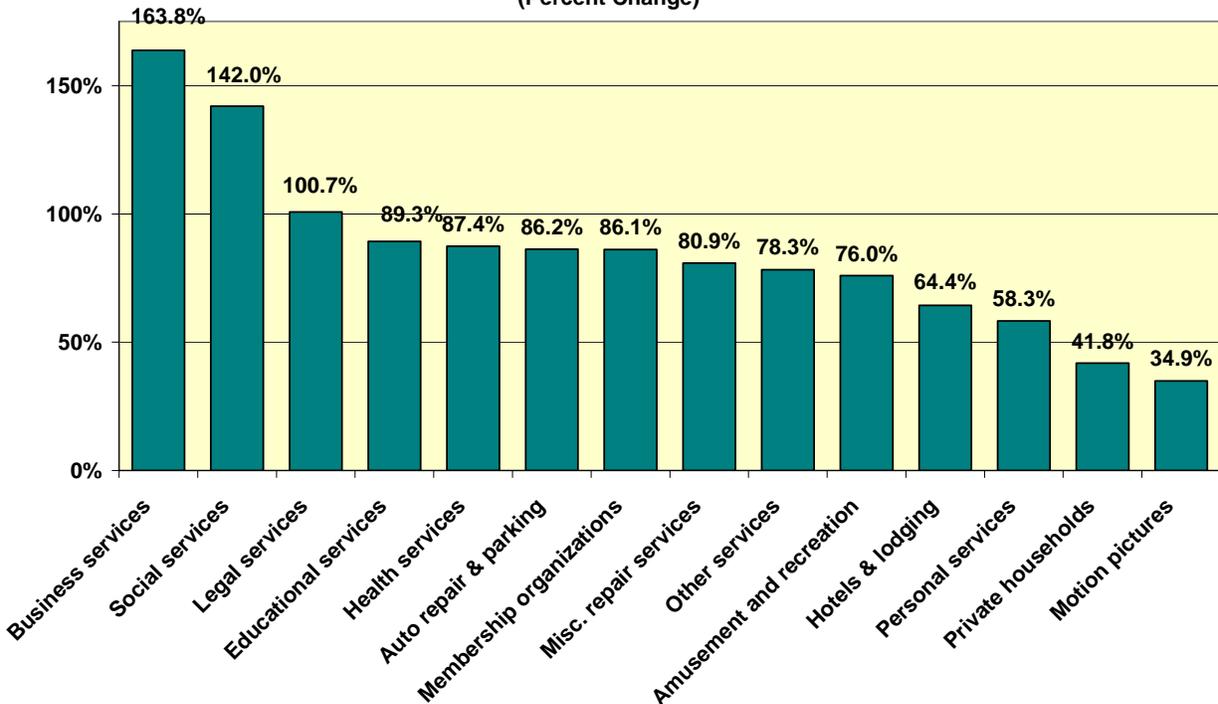
Source: Bureau of Economic Analysis (www.bea.gov)

While this sector has slowed in growth more than any other sectors over the last ten years, certain industries, such as tobacco, printing, and leather products, have experienced strong growth percentages over the study period. The tobacco products industries output has grown over 150 percent from 1990 to 2000.

A number of the jobs lost in the non-durable goods industries may have been offset by the positive employment growth in the durable goods industries. Furthermore, the higher paying and higher skilled jobs in the durable goods industries may, in part, account for the higher output growth in durable goods industry over the study period.

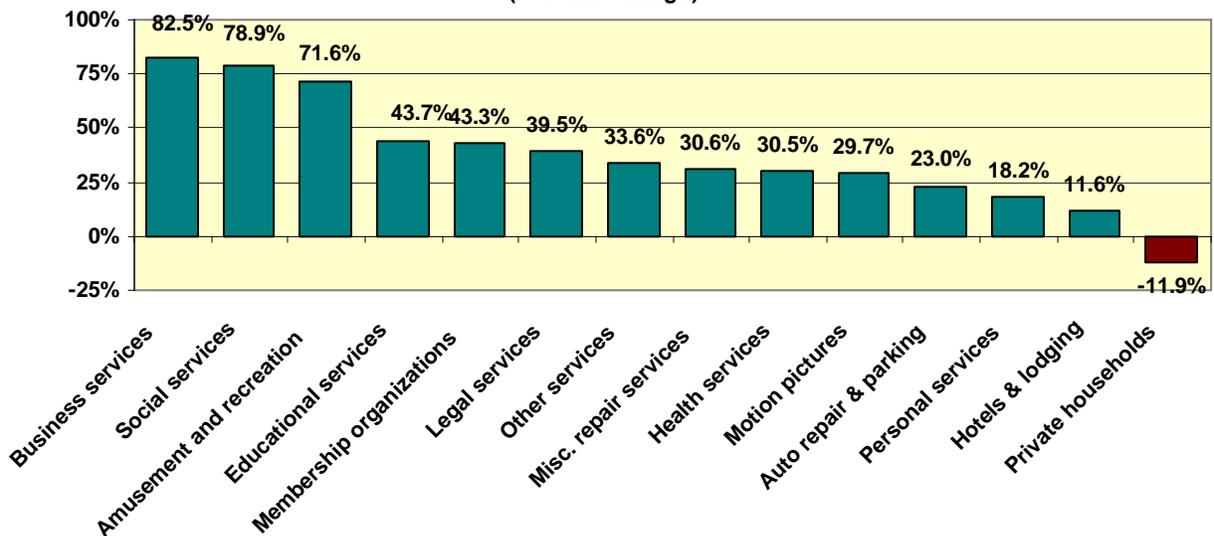
B1.3 Service Industries – Exhibits 3.13 and 3.14 show the percent change in output and employment over the study period, respectively, for the service industry.

Exhibit 3.13
Change in Output for the Service Industry (1990-2000)
(Percent Change)



Source: Bureau of Economic Analysis (www.bea.gov)

Exhibit 3.14
Change in Employment for the Service Industry (1990-2000)
(Percent Change)



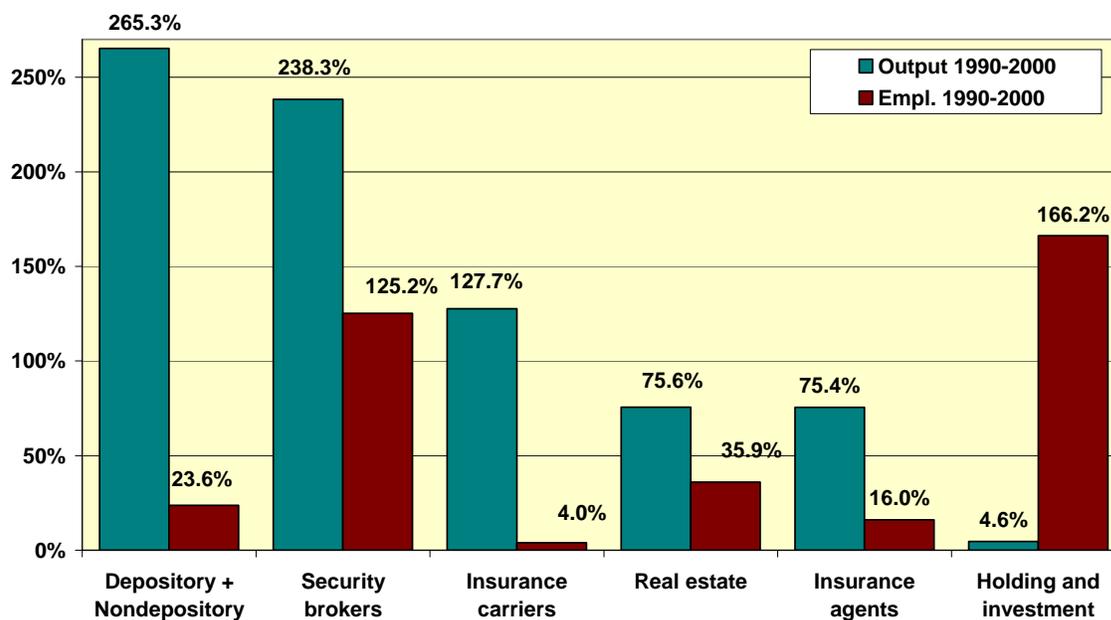
Source: Bureau of Economic Analysis (www.bea.gov)

The business, social, and legal services industries each experienced growth in excess of 100 percent over the study period. The Service industries have experienced an average growth across all services industries of 85 percent from 1990 to 2000. This type of level growth across the Services industry is a sign of healthy growth. Inconsistent growth among industries within a sector could be a sign that the growth is an anomaly.

These industries have also experienced across the board positive employment growth with but one exception. Just as Alabama has worked to attract durable good manufacturers, it too has put a great deal of effort into making Alabama a small business friendly state. The growth percentages presented illustrate Alabama’s success.

B1.4 Finance, Insurance, and Real Estate (F.I.R.E.) Industries – Finance, Insurance, and Real Estate (F.I.R.E.) industries represent a fast growing industry sector in Alabama over the study period. **Exhibit 3.15** compares the percent change in growth in output and employment for the F.I.R.E. industries over the study period. This industry experienced percent growths as high as 265 percent in the Banking industry and growth as low as 4.6 in the Holding and Investment industry from 1990-2000. These output and employment numbers were not as balanced across the F.I.R.E. sector as were observed in the Service industries.

Exhibit 3.15
Change in Output and Employment for
Finance, Insurance, and Real Estate (F.I.R.E.) Industries (1990-2000)
(Percent Change)



Source: Bureau of Economic Analysis (www.bea.gov)

B2. Summary of Alabama GSP Discussion

Alabama experienced positive growth in the State’s GSP from 1990-2000. The

Manufacturing sector has reacted to economic pressures and showed downward trends in the non-durable goods industries. The State's ability to recruit durable goods manufacturers has helped to offset some of these losses in output and employment. Industries in the Service and F.I.R.E. sectors along with other GSP components have had significant growth over the study period to further off set the textile and apparel losses.

The historical correlation between GSP and aviation activity allows a review of GSP data to return an analysis that can be used as a tool for system planning. The result of this analysis is one of the tools necessary to formulate an airport system development strategy that responds to the needs of the existing economic and industrial structure and supports new economic development.

C. Economic Development in Alabama

The previous discussion reviewed the components of Alabama's GSP. This section will examine how Alabama has been successful in overcoming the decline in output and losses in employment in one of Alabama's most important industry sectors: Manufacturing. Additionally, this section will discuss some of the factors that have helped to create the environment that allowed the Services and F.I.R.E. industries to experience such high growth from 1990 to 2000.

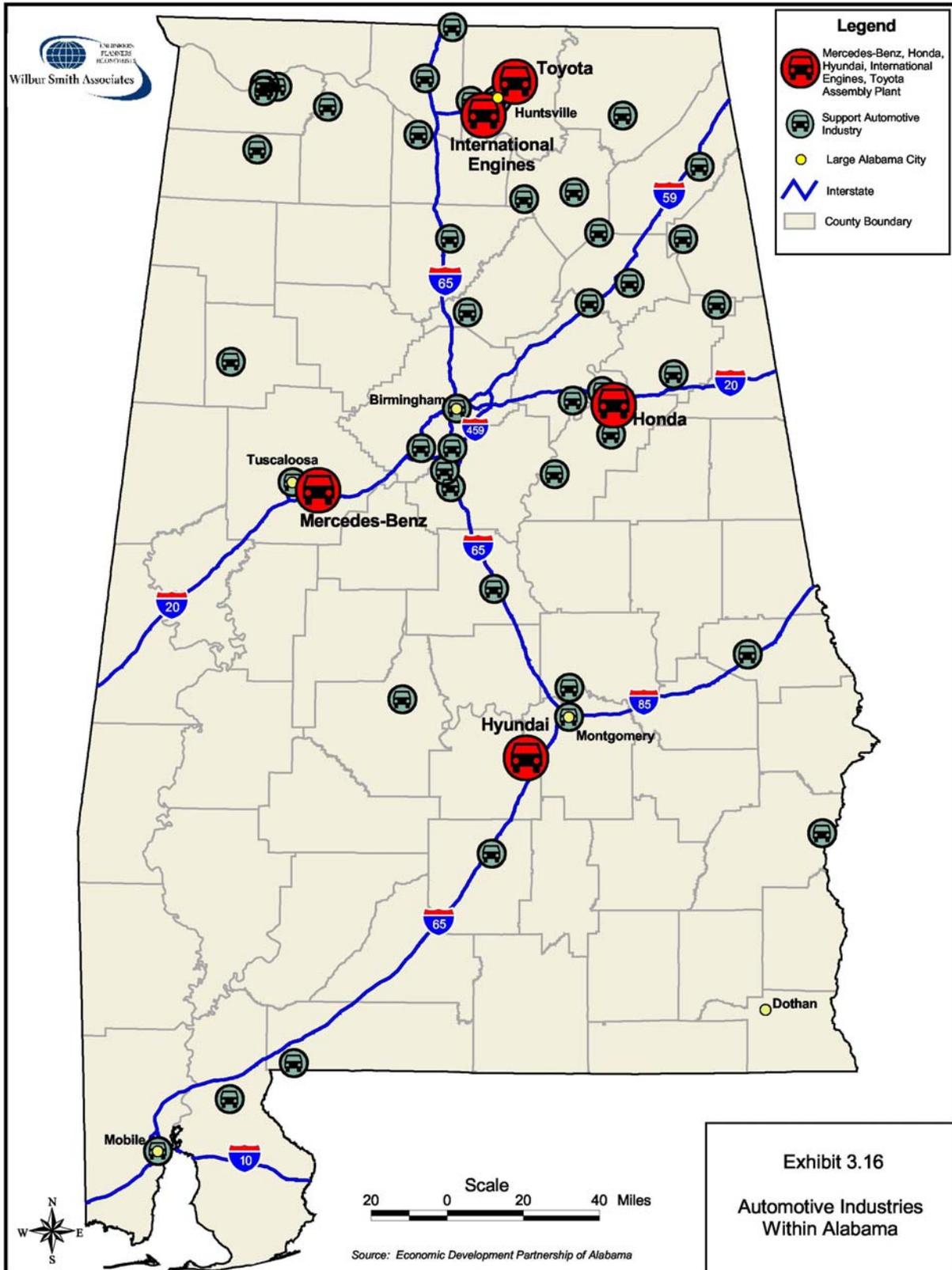
Over the last ten years, Alabama has been working hard to position itself as the Southeast leader in the automotive manufacturing sector. Approximately 200 automotive related manufacturers have operations in Alabama and announcements of major investments have been common. However, the automotive industry is not the only industry attracted to Alabama's business friendly climate.

For example, recent aerospace investments in the State continue to strengthen this industry in Alabama. Other manufacturing industries such as the textile and steel have also had major roles in Alabama's economy.

C1. Automotive Industry in Alabama

Alabama has emerged as a leader in automotive manufacturing in the Southeastern Manufacturing Corridor. In 1993, Mercedes-Benz US International announced plans to locate its North American operations in Alabama. Since that time Alabama has been successful in attracting investments from Honda, Toyota, International Engine, and, most recently, Hyundai has announced its plans for operations in Lowndes County. Proximity to good commercial service and general aviation airports is one of the key reasons this economic development has been possible. **Exhibit 3.16** depicts the location of these automotive manufacturers and their suppliers across the State.

C1.1 Mercedes-Benz – Since Mercedes-Benz began its operations in Tuscaloosa County, it has surpassed its expected production goals. With two expansions to its credit, the most recent of which is a \$600 million investment, Mercedes plans to double its production of the M-Class All Activity Vehicles and increase employment from 1,800 to 4,000 employees over the coming years. Plants like Mercedes-Benz also bring automotive suppliers in their wakes. Eleven suppliers have located operations in Alabama as a result of Mercedes presence here.



C1.2 Honda – Honda’s Talladega County plant began its production of Odyssey Minivans six months ahead of schedule in the fall of 2001. Shortly thereafter, Honda announced plans for expansion of their facilities to increase production to 150,000 engines and vehicles a year. The \$580 million dollar expansion would also account for an employment of 2,300.

Honda has also brought its share of first tier vendors and suppliers. Eighteen different suppliers have announced their intentions to locate operations in Alabama to serve the Honda Operations in the State.

C1.3 Engine Manufacturing – Toyota and International Engine, both located in Madison County, have each made Alabama an integral part of their North American operations. Toyota plans to produce 120,000 V8 engines in the State. Toyota’s anticipated investment of \$220 million would provide employment to 350 persons in its state-of-the-art automated production facility. International Engine’s \$250 million investment will account for the production of a new generation of V6 and V8 diesel engines.

C1.4 Hyundai - Alabama is continuing to attract significant investments from the Automotive Manufacturing Sector. Hyundai announced in April of 2002, its plans for a \$1 billion automotive manufacturing facility that will produce 300,000 units and employ 2,000 people. The Hyundai plant will be located in the southern portion of the Montgomery metropolitan area along I-65.

C2. Aerospace Industry in Alabama

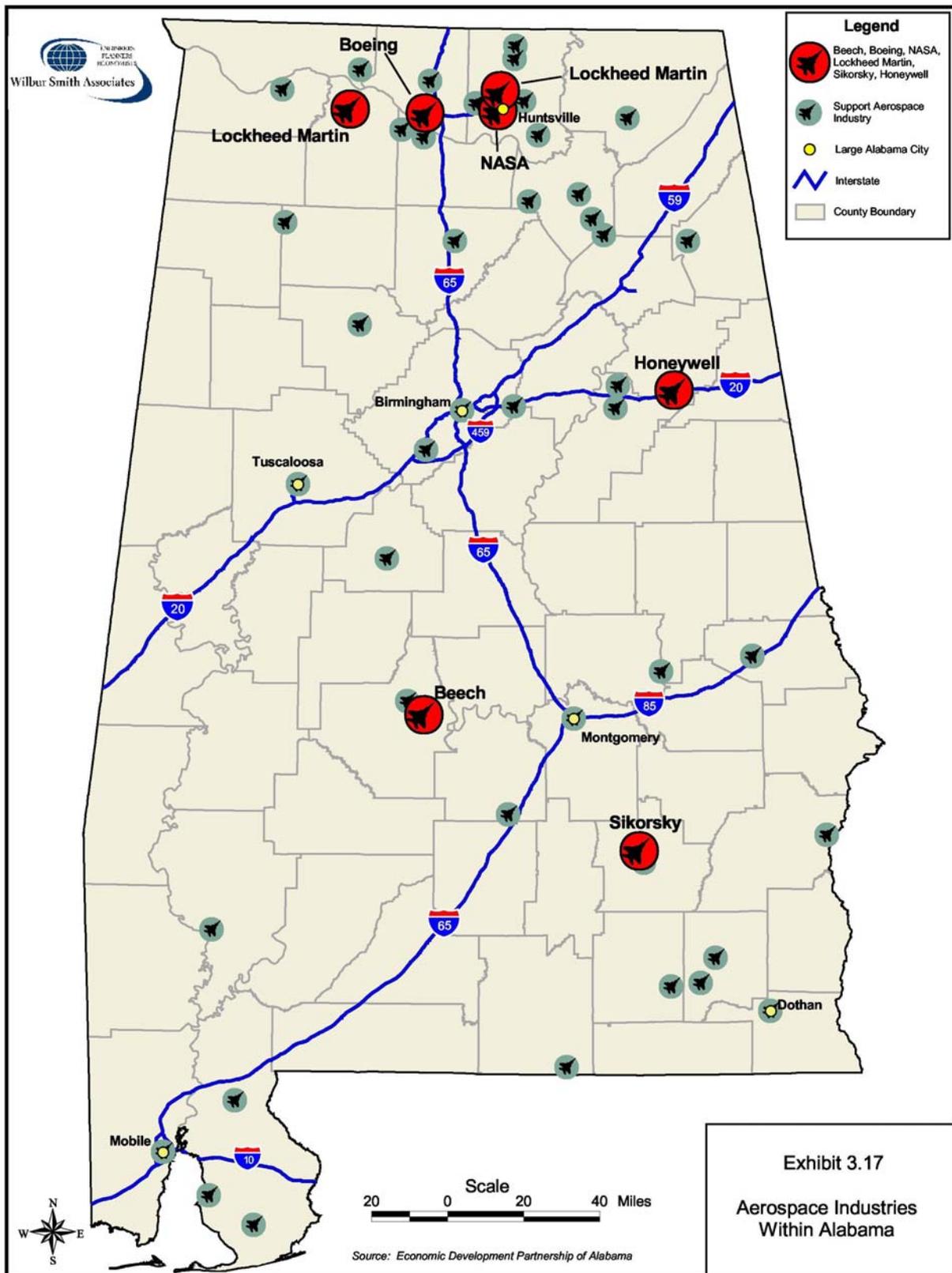
Alabama has played a role in the Aerospace industry since 1910 when Orville and Wilbur Wright selected Montgomery, Alabama for the world’s first civilian flight school. In the 1950’s, Huntsville became the birthplace of NASA’s Saturn V rocket program. **Exhibit 3.17** shows the locations of more than 250 aerospace companies with operations in Alabama.

Today, Alabama continues its long history in the aerospace industry. In 1998, Boeing announced plans to construct a \$450 million plant to produce components for the Delta IV rockets. This plant will be located in Decatur, Alabama.

NASA’s Marshall Space Flight Center in Huntsville continues to work on a number of space flight and satellite technology projects including the International Space Station.

The South Alabama Aerospace Triangle is another example of Alabama’s commitment to recruiting and supporting the aerospace industry. The South Alabama Aerospace Triangle is comprised of 18 counties and is anchored by three cities--Montgomery, Dothan, and Mobile. Each of these counties and cities contribute to the aerospace triangle in the areas of:

- Research and development
- Training
- Maintenance, Repair, and Operation/Overhaul (MRO)



Montgomery is the primary educational and technological resource leg of the triangle. The Air War College is located in the Montgomery area and is supported by strong software development and training resources. The Air War College, sponsored by the U.S. Air Force, educates senior officers on issues at the strategic level that are vital to national security. Dothan is the second leg of the Aerospace Triangle. Dothan is home to Fort Rutgers, the Army's primary pilot training platform. Sikorsky, DynCorp and Pemco are located in Dothan, giving the area a strong base capability of hardware maintenance and support. Mobile, the third leg of the triangle, also has a number of MRO industries, one of which is involved in the conversion of aircraft from passenger to freight capabilities.

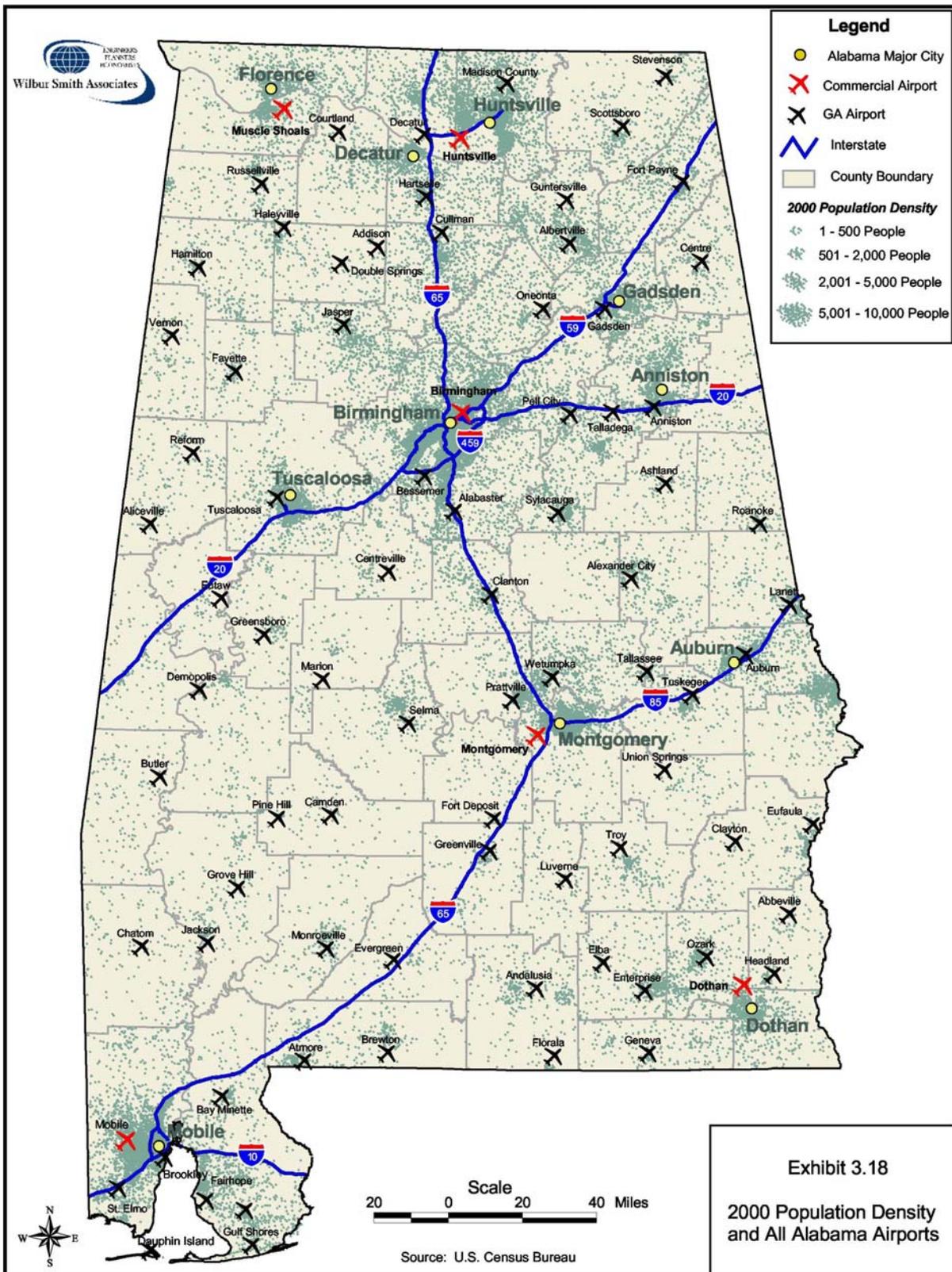
The diversity of the Alabama's aerospace industry positions it well to weather the economic effects of September 11, 2001. The demand for rocketry and missiles is stronger today than ever before. Rockets are used to place intelligence-gathering satellites into space. Furthermore, current and past military conflicts across the world have depleted United States missile stockpiles and the Department of Defense has already begun to place orders to restock the country's missile reserves.

D. Keys to Alabama's Success in Recruiting Manufacturing Investment

D1. Workforce Availability

While the globalization of manufacturing continues to decrease employment in certain manufacturing sectors such as textile and steel, Alabama has used this available workforce to its advantage, attracting other higher paying manufacturing jobs for its workforce. This available workforce, with a deeply entrenched work ethic, has proven to be a key recruiting tool for Alabama.

New, large manufacturing operations have other positive employment affects. As mentioned previously, operations like the Honda Minivan plant outside of Birmingham bring with it many 1st tier suppliers. To prevent competing with the first tier suppliers for employees, many of the manufacturers require 1st tier suppliers to be an hour away from their operations. This has the effect of spreading the jobs across a larger area. Alabama is able to capitalize on these requirements due to its population being distributed fairly evenly across the State as illustrated in **Exhibit 3.18**.



D2. Quality of Life

Alabama has a low Cost of Living Index (COLI). Montgomery, Alabama’s Capital City, has a COLI of 93.2 compared to Atlanta, GA’s COLI of 103.2. This COLI means Alabama can offer more affordable housing, competitive utilities, and low property taxes.

Other factors such as Alabama’s mild climate, diverse geography, cultural opportunities, major State colleges and universities, and a good transportation system, including air carrier and general aviation airports, are key factors that contribute to the quality of life in Alabama.

D3. Commitment to Educated Workforce

Alabama is committed to investing in education. A testament to this commitment is that Alabama is ranked fifth in the country in positive percent change in teacher’s salaries from 1991 to 2001(grades K-12). Alabama also experienced a 28.3 percent increase in the number of educational programs achieving business/industry Certification. This type of commitment is providing an educated workforce prepared for the skilled jobs of the future.

It is this type of investment in Alabama’s future workforce that has led to gains in academic achievement. In 2001, Alabama’s SAT verbal and math scores were higher than the southeast and national averages.

Alabama’s colleges and universities have made a special commitment to the aerospace and aviation industries. **Exhibit 3.19** shows the locations of the colleges and universities in Alabama that have developed programs specifically related to aerospace and/or aviation.



D4. Pro-Business Environment

Alabama ranks in the top ten in many categories related to business vitality and new business growth. Alabama continues to reward the entrepreneurial spirit of its citizens by having one of the best economies in the country to start a business. Recently the Small Business Survival Committee (SBSC) listed Alabama 8th out of 50 states for “the policy environment for entrepreneurship across the nation.” The SBSC measures a number of different factors including corporate taxation, business friendly legislation, and state and local bureaucracies.

Alabama’s Economic Development Partnership Association (EDPA) cites a number of groups having rated Alabama in the top ten in Business Climate. EDPA states that Alabama has been rated:

- ❑ Fourth best state to start and grow a business
- ❑ First for Business Vitality
- ❑ Fifth Nationally for Cost of Operating a Business-Energy, Labor, Taxes
- ❑ Sixth Nationally for Strongest American Economies
- ❑ Fifth Nationally for Pro-Business Legislation

To support this continued economic growth initiative, Alabama’s transportation infrastructure must continue to improve and expand. The airport system in the State is a catalyst for economic growth and provides a means for easy, quick shipment of goods and people.

E. Survey of Alabama Regional Councils

To this point, a review of Alabama’s economic picture has revealed areas of strength and weakness in the State’s economy and how economic development strategies have been developed around these strengths and weaknesses. This section provides a more in-depth look at each of the State’s 12 Regional Councils and their strategies for using regional infrastructure and workforce to support economic development in each region.

These strategies for economic development hinge, in part, on an excellent transportation infrastructure system. This includes both air and general aviation airport facilities. **Exhibit 3.20** illustrates the location of Alabama’s system airports in each of the regions.

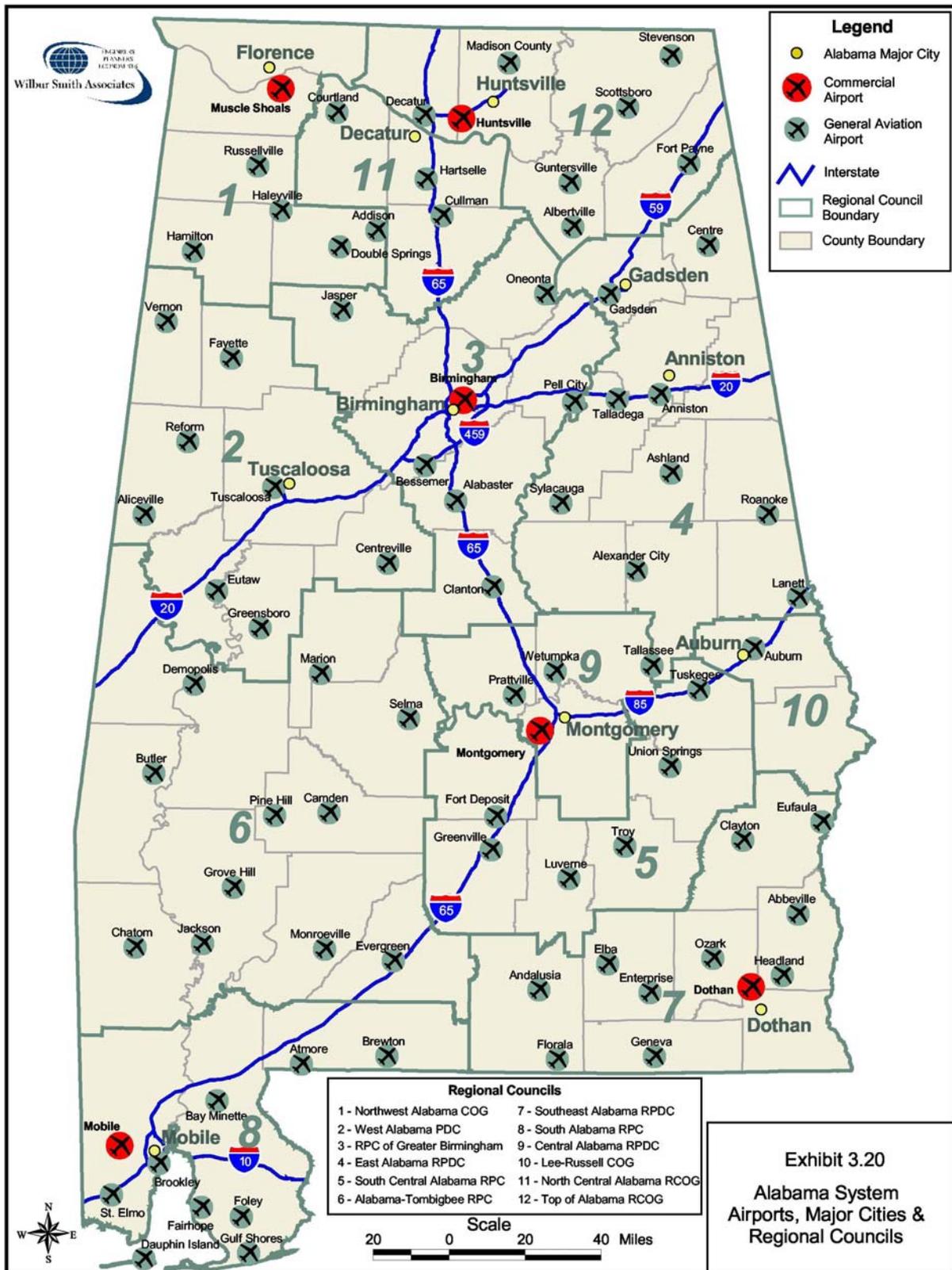
Interviews were conducted with representatives from each of Alabama’s 12 Regional Councils to gain a sense of the investment being made toward economic development throughout the State. Data gained from these interviews together with demographic data presented later in the chapter will be used to help plan the future of Alabama’s Statewide Airport System.

The following sections discuss economic development and demographic information by region. The Regional Councils with their associated Metropolitan Statistical Areas (MSAs) are summarized in **Table 3.1**.

**Table 3.1
Economic Development Regions & Associated MSAs**

Region	Regional Councils	Included MSAs
1	Northwest Alabama	Florence
2	West Alabama	Tuscaloosa
3	Greater Birmingham	Birmingham
4	East Alabama	Anniston/Gadsden
5	South Central Alabama	
6	Alabama-Tombigbee	
7	Southeast Alabama	Dothan
8	South Alabama	Mobile
9	Central Alabama	Montgomery
10	Lee-Russell	Auburn-Opelika/Columbus, GA
11	North Central Alabama	Decatur
12	Top of Alabama	Huntsville

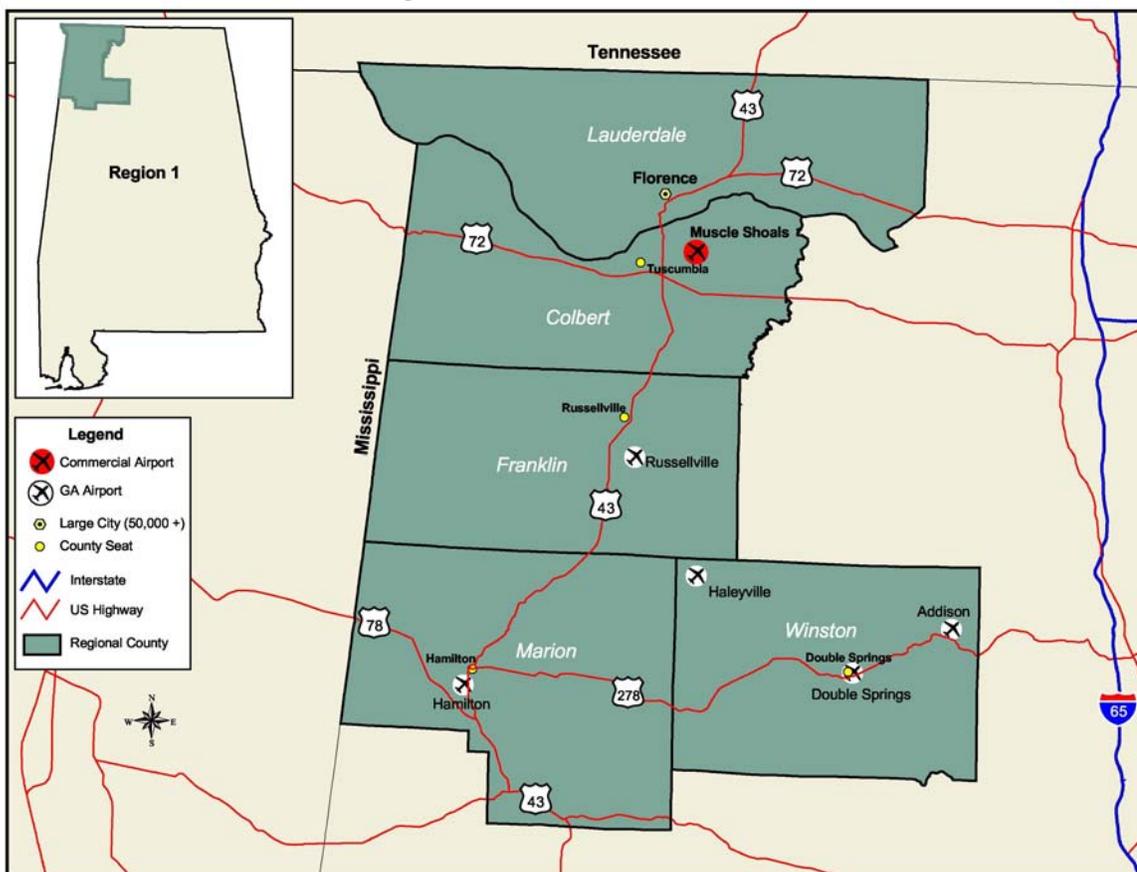
Source: Alabama Department of Transportation



E1. Northwest Alabama

The Northwest Alabama region, as its name suggests and is depicted in **Exhibit 3.21**, is a five-county area located in the northwest corner of the State. Lauderdale and Colbert Counties are part of the Florence MSA. Florence is the major urban area and is supported by the Northwest Alabama Regional Airport at Muscle Shoals. Huntsville is 67 miles away and U.S. Highway 72 provides good access throughout the region. Approximately 230,230 people live in the region, with almost two-thirds of the population residing in the Florence MSA.

Exhibit 3.21
Region 1 – Northwest Alabama



Northwest Alabama’s economy has diversified over the last ten years. Historically, poultry processing was the mainstay of this region’s economy. Today, the region has expanded its economy to include aluminum manufacturing, manufactured housing and related supplies, and the governmental section of the Tennessee Valley Authority (TVA). While some of these sectors have experienced downsizing in the region, poultry processing has continued to thrive.

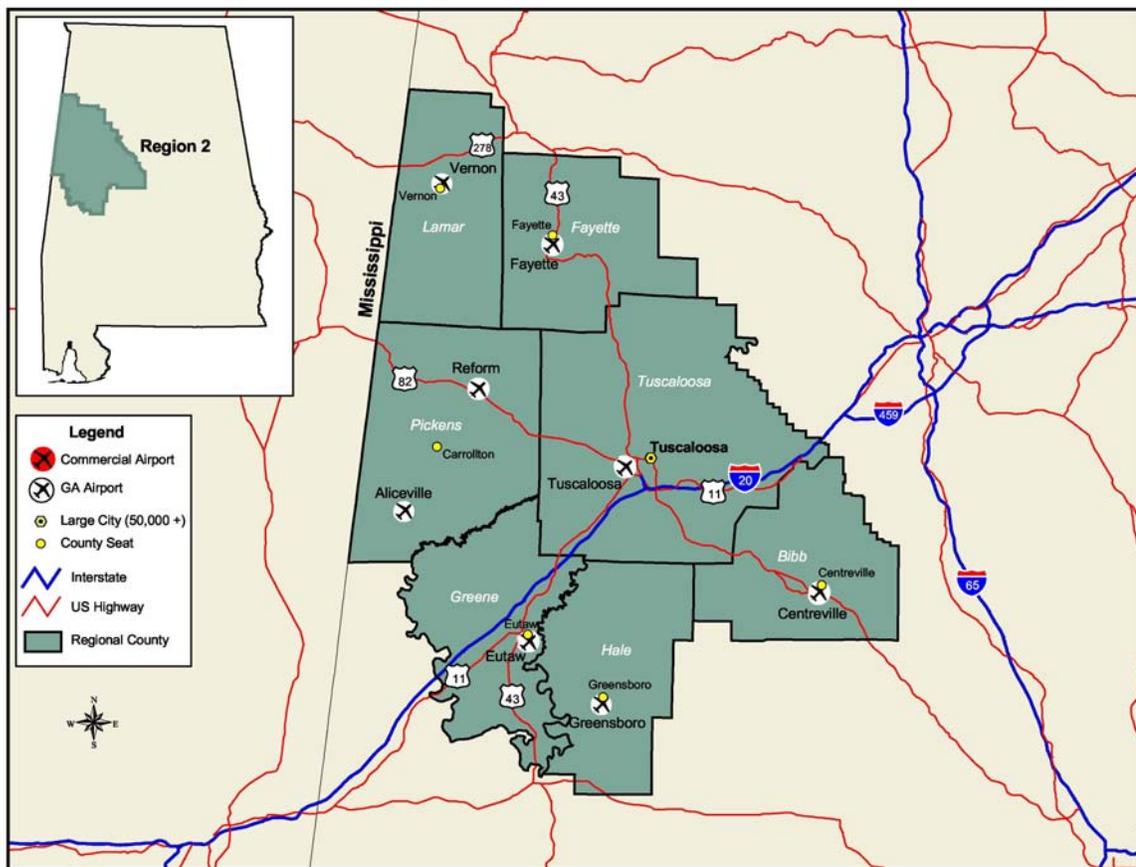
In an effort to recruit new high technology based industry, the Northwest Region is working with the State of Alabama to increase the educational attainment level of its committed workforce, provide for improved infrastructure, and construct more controlled access highways. The leadership in the region has been searching globally for new industry, using its committed work force as one of its strongest recruiting factors.

These strategies are proving to be rewarding. Recently, Colbert County Commission dedicated the new Barton Riverfront Industrial Park. Additionally, efforts are underway to develop an Aviation Industrial Park at the Northwest Alabama Regional Airport in Muscle Shoals, one of the six airports in the region. The Regional Council is working with the Regional Leadership to maintain the positive momentum driving this development opportunity.

E2. West Alabama

The West Alabama region, depicted in **Exhibit 3.22**, is a large region encompassing seven counties on the western border of central Alabama. The region includes the Tuscaloosa MSA and fast-growing Bibb County, which is southeast of Tuscaloosa. Interstate 20 traverses the region, providing good east/west road access. The region is also served well by railways and waterways.

**Exhibit 3.22
Region 2 – West Alabama**



While the West Alabama region has eight airports, the region does not have its own commercial service airport. However, Tuscaloosa is only 59 miles away from Birmingham’s International Airport.

According to the 2000 Census, 268,208 persons reside in West Alabama. Over 61 percent live in Tuscaloosa County (also the MSA). The remaining 100,000 are spread among the other six counties, indicating low-density population for most of the region. Bibb County, however, as already noted, is developing rapidly as a suburb of Birmingham. Employment growth within the MSA is fairly robust, averaging over 2 percent per year for the last decade.

The garment, steel, and forestry industries were the major employers in the region for years. The introduction of the Mercedes-Benz plant to Tuscaloosa County has proven to be a key to

the region's ability to provide positive employment growth in the region.

This region aggressively utilizes websites, marketing and advertising to recruit new industry. Also, the region has relied on other positive resources in the area, such as educational institutions, to recruit new development.

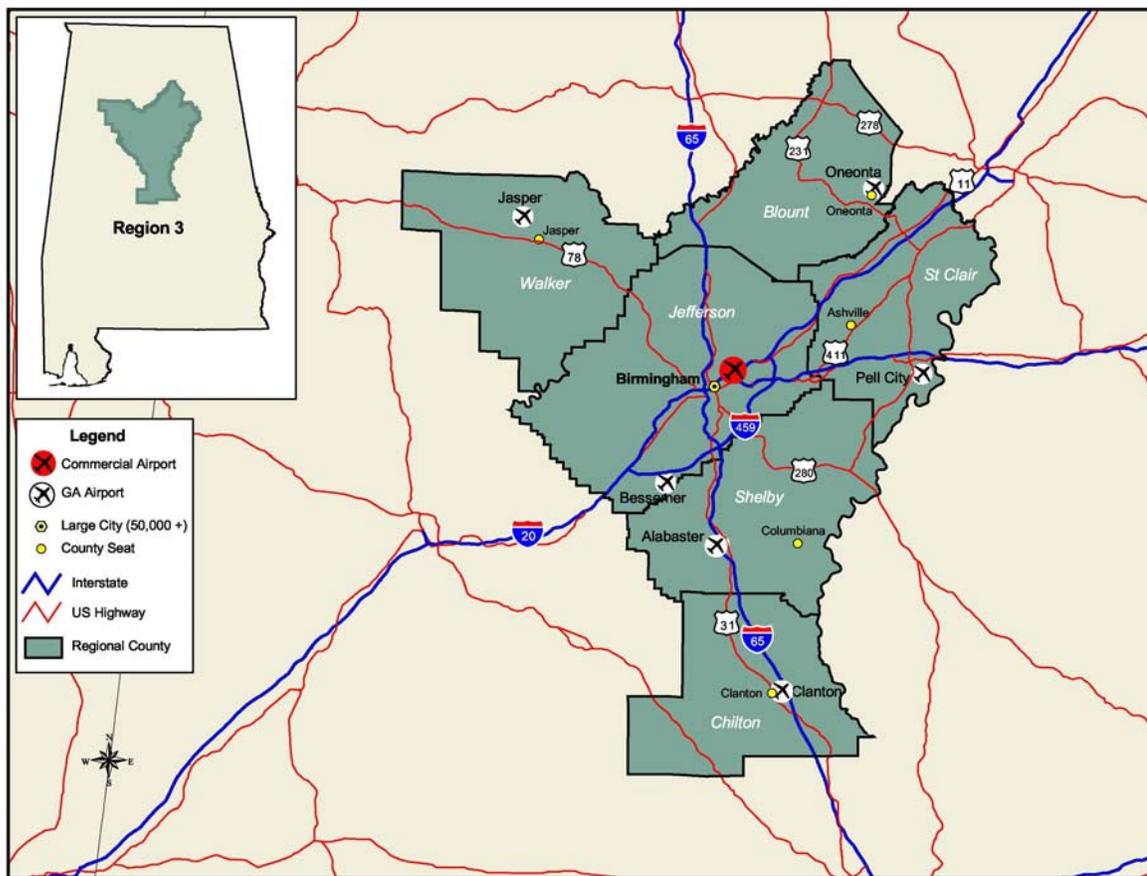
The University of Alabama is located in the West Alabama region. The University has developed an Aerospace Engineering program offering undergraduate and graduate degrees. The University has developed an innovative program that allows student to experience aircraft dynamics and flight controls through supervised flights in general aviation aircraft.

This region benefits greatly by having the resources of colleges and universities readily available. The region is also home to Stillman College and two smaller community colleges. Besides the many resources that these institutions can provide, the region also uses its location and transportation access as a recruiting tool.

E3. Greater Birmingham

As shown in **Exhibit 3.23**, the Greater Birmingham region is clearly the largest and most active economic engine for the State. This region is composed of six counties, including Jefferson County- the largest county in Alabama, and several of the fastest-growing suburban areas in the State (Blount, St. Clair, Shelby, and Chilton Counties). The Birmingham MSA is composed of the largest four of the six counties in the region.

Exhibit 3.23
Region 3 – Greater Birmingham



Over one-fourth of the State's population lives in this region. As of 2000, an estimated 662,047 of the region's one million people lived in Jefferson County. Adjacent counties were among the fastest-growing counties in the State. Shelby County has the highest employment and income growth in the State at over 5.6 percent per year.

Historically, Birmingham was an iron and steel manufacturing center. In fact, Birmingham is still one of the largest manufacturers of ductile iron pipe in the world. Birmingham is also a banking center with four large banks in the area. In recent years, however, these industries have given way to a new service economy. The Honda and Mercedes-Benz assembly plants in adjacent regions have fueled growth from suppliers locating in the Greater Birmingham region. Service and Technology industries are taking the lead in this region in providing most of the new employment growth for the area.

The regional leadership is playing an active role in the recruitment of bio-technical, medical, banking, distribution, and wholesale industries. While growth is expected to continue in the region's service economy, the region continues to recruit manufacturing firms and technology-based service industries. The recruitment of the technology-based firms is expected to increase with the development of a technology district as part of the region's Central Business District (CBD) business recruitment program.

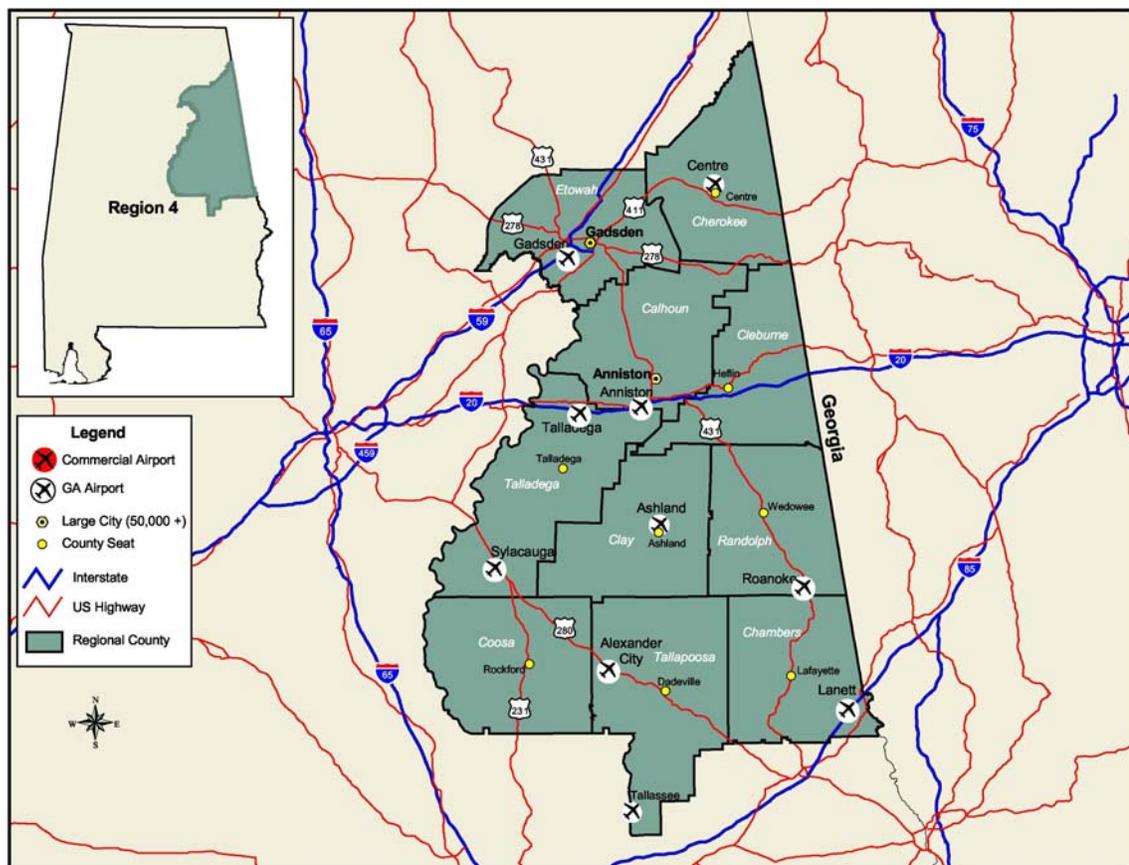
The Greater Birmingham region is centrally located and has a quality labor pool. Efforts are underway to provide more industrial sites along the I-20 corridor with adequate infrastructure for development. The region is also examining how to better utilize its six general aviation airports. Interviews in the region have suggested that the region's general aviation airports do not have adequate infrastructure needed to support increased business development.

The University of Alabama Birmingham and Bessemer State Technical College are each located in the Greater Birmingham region. The combined resources of these two institutions give the region a unique source of aviation related engineering and applied technology training.

E4. East Alabama

The East Alabama region is due east of the Greater Birmingham region and encompasses two smaller MSAs, Anniston and Gadsden, as shown in **Exhibit 3.24**. This region is part of the larger Birmingham metro area and depends on Birmingham International Airport for commercial air service. Ten counties make up the region, totaling approximately 461,000 residents.

Exhibit 3.24
Region 4 – East Alabama



Due in part to the size of the region, the East Alabama region can be divided into two different economic profiles. The northern part of the region is experiencing growth due to the Honda plant in Lincoln. The southern part of the region relies on the textile and apparel industry in Alexander City that has supported the region for decades. The northern portion of the region has four general aviation airports while the southern portion of the region has six general aviation airports. These airports provide a flexible and efficient mode of transportation for the local industries' products and employees throughout the State and the southeast.

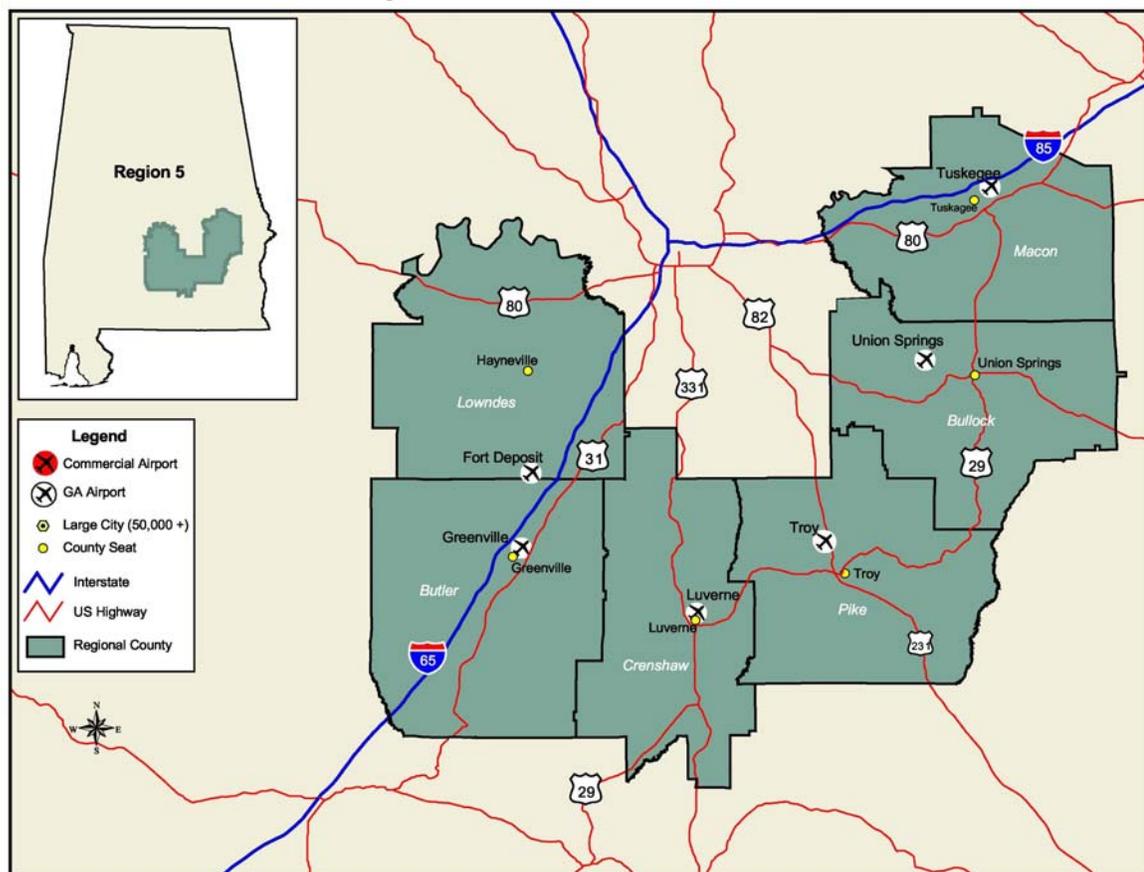
East Alabama, as are the other Regional Councils, is working with the State to update the State’s Strategic Plan for Economic Development. Through this process the region is examining such issues as population fluctuation and growth in service and high technology industries.

As part of East Alabama’s development strategy, the Regional Council is working with regional leaders and local two-year colleges to foster the development of a “High-Tech Depot”. This development would attract high-tech missile parts manufacturers and telecommunication providers.

E5. South Central Alabama

The South Central Alabama region is the smallest region in the State (see **Exhibit 3.25**), with approximately 113,961 residents. The region surrounds the Montgomery MSA to the south, but has no metro area of its own. In fact, it is one of the most rural areas in Alabama. The shape of this region suggests that growth will find its way into the area. South Central Alabama is sandwiched between the Montgomery and Auburn-Opelika MSAs. As Columbus, Georgia, and Montgomery continue to expand, this region will begin to share some of the benefits of this urban trend.

Exhibit 3.25
Region 5 – South Central Alabama



A mix of the service, government, manufacturing, and agriculture sectors provide the foundation for this region’s economy. The region has been slowly transitioning jobs from the agricultural and apparel manufacturing industries into the service related and automotive manufacturing employment. Growth is expected to continue for the service industries along Interstate 85 and Interstate 20.

Leaders in the region are currently targeting growth industries, such as automotive manufacturing, suppliers, and technology-based industries. The Regional Council recognizes the need for a well-prepared economic development strategy and assists local development groups whenever possible. The larger communities have the resources to

employ professional economic developers. Other communities rely on the efforts of local Chambers of Commerce, Industrial Development Boards, and the Regional Council.

These different development groups have employed a number of techniques to spur economic development in the region. Some communities have developed industrial parks and constructed speculative buildings, while other communities in the region have commissioned site selection and feasibility studies. The region also has the resources of six general aviation airports to support industrial/commercial growth.

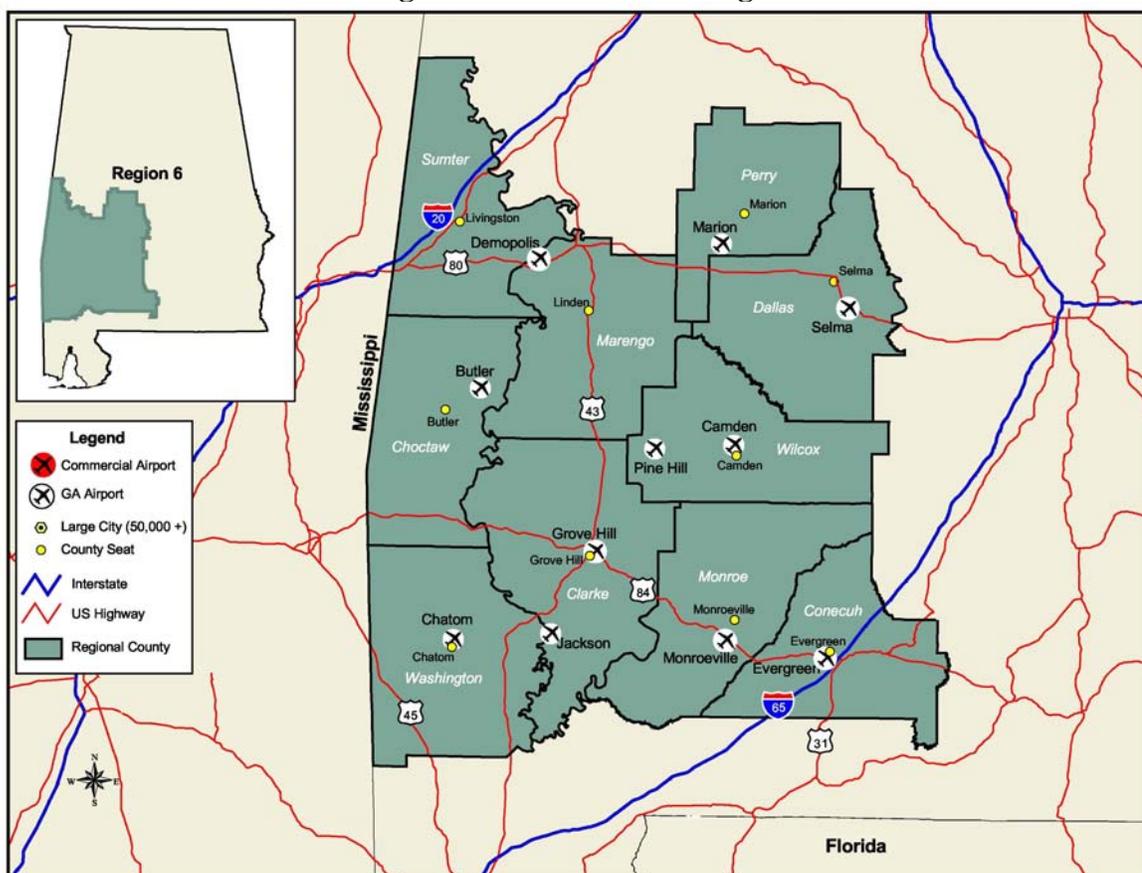
As with many of the regions, work force availability is one of the region's strongest recruiting tools. Another important positive factor for this region is vast land availability. The rural profile of the region has provided the opportunity for numerous developable industrial sites. With investment in infrastructure to improve utility service, air service, and highway access, these large tracts of land could be marketed for development. Investments by Hyundai, Lockheed-Martin, and Sikorsky are proof of the region's vitality and commitment to its development strategies.

Tuskegee University is located in the South Central Alabama region. The Aerospace Science Engineering department at Tuskegee University was established in 1983 and presently offers the Bachelor of Science degree. Tuskegee University is the only historically black university to offer an accredited BS degree program in this field.

E6. Alabama-Tombigbee

In land area, the Alabama-Tombigbee region is also substantial, as depicted in **Exhibit 3.26**. It is located along the southwestern edge of the State, north of the Mobile metro area. This region is a continuing part of the south-central band of rural counties in Alabama. U.S. Highway 80 traverses the Alabama-Tombigbee region, passing through Selma, one of the larger towns in the region, just 45 minutes from Montgomery. The city has a rich pre-Civil War history and many historical tourist attractions.

**Exhibit 3.26
Region 6 – Alabama-Tombigbee**



The pulp and paper industry is a predominate industry in this region’s economy. International Paper, Louisiana Pacific, and NEA have operations here. It is expected that these market sectors will continue to thrive and growth will occur in industries that service the forestry, pulp and paper industries.

The Selma/Dallas County Economic Development Authority works aggressively in the region to recruit new investment. The Authority views its airport as a catalyst for development.

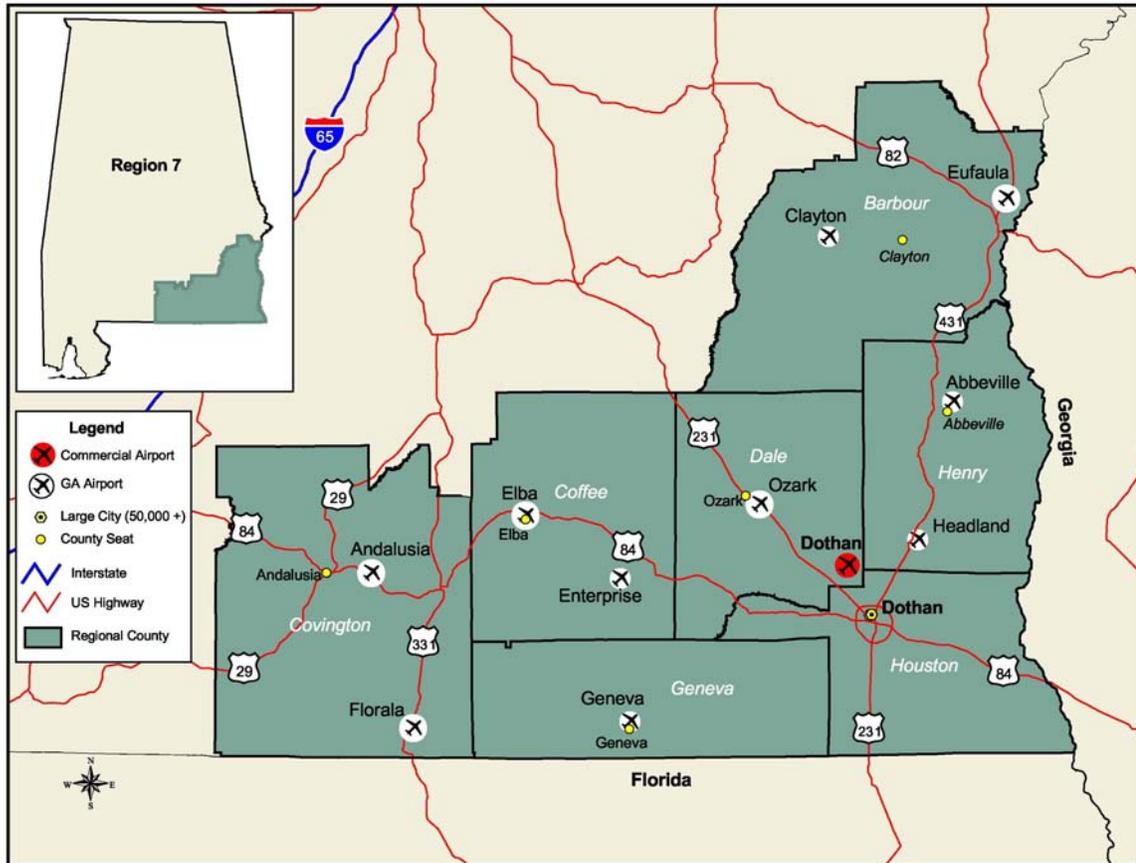
In total, the region has eleven general aviation airports that help spur development. For example, the Craig Industrial Park Complex is located adjacent to the Selma Municipal

Airport, which has an 8,000-foot runway and full instrument landing system. The airport has helped secure the industrial growth/ activity in the region. The Industrial Complex also has an aerospace industry presence with Raytheon Aerospace being one of the park's tenants.

E7. Southeast Alabama

The Southeast Alabama region is comprised of seven counties, including Dale and Houston, which comprise the Dothan MSA (see **Exhibit 3.27**). State Highways 84, 231, and 431 are routed directly into Dothan, providing good access and solidifying the area as a regional center. Dothan Regional Airport serves a large area of Alabama, south of Montgomery and into the Florida Panhandle, with commercial service.

**Exhibit 3.27
Region 7 – Southeast Alabama**



Total population in Southeast Alabama was estimated at 290,274 in 2000. Per capita income is substantially higher than its more rural regions to the north. The Alabama Center for Business and Economic Research reports that the Dothan area has a stable base of manufacturing and services that sustain its local economy.

Retail trade and service businesses have fueled the largest percentage job growth in the region over the past 10 years. This is due in large part to the Dothan retail and service base which is considered to be a regional shopping hub for southeast Alabama, southwest Georgia, and the Florida Panhandle.

Wallace Community College's (WCC) Aviation Campus is located in Ozark. Certified by the Federal Aviation Administration, WCC's Aviation Campus offers the only comprehensive aviation maintenance training program in the state of Alabama.

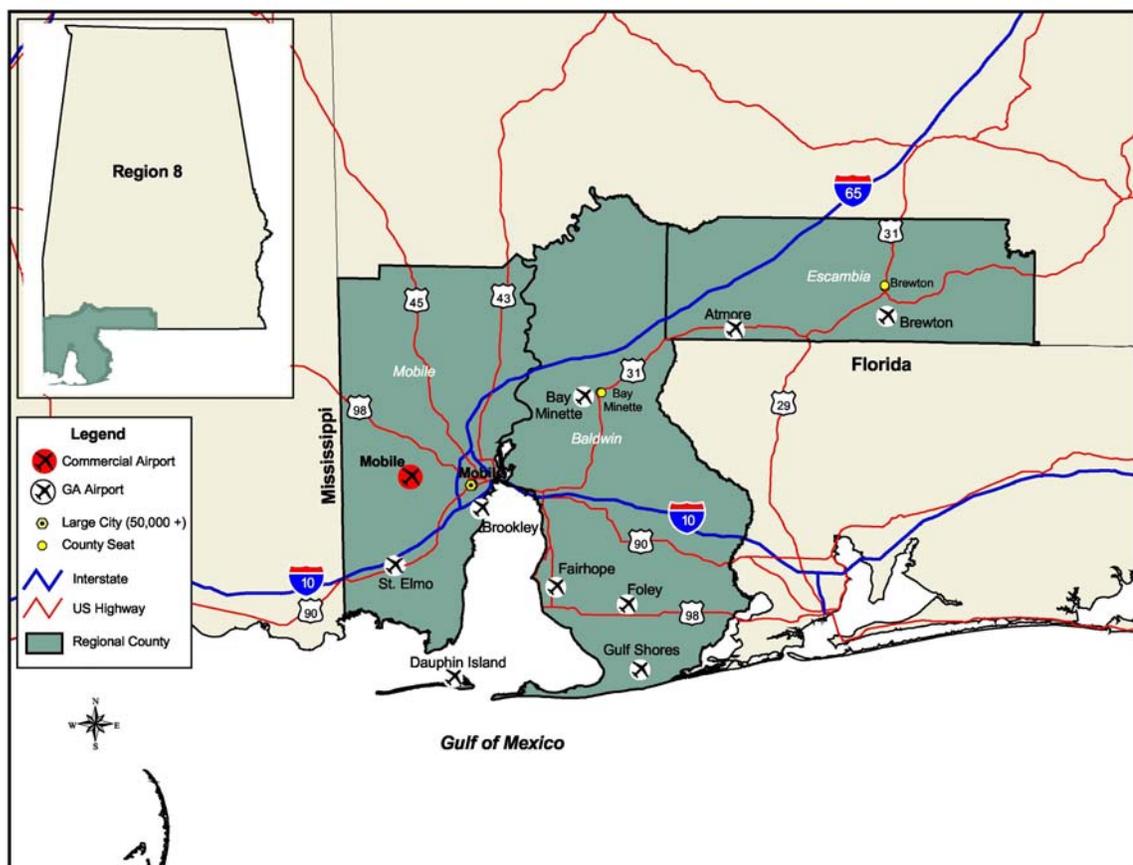
The Southeast Alabama region has eleven airports. There is a developing focus on recruiting aviation-related industrial jobs to compliment the existing and growing skilled workforce in this sector. The future development of the Southeast Alabama region as an "aviation hub" is one of the primary goals of this effort being led by several economic development groups in the region.

There have been a number of significant investments in the region. A recent example of an aviation related investment is the Pemco World Air Services expansion at the Dothan Regional Airport, representing a \$90 million long-range plan and the creation of 500 new high skill jobs.

E8. South Alabama

The South Alabama region is the second-largest region in Alabama in terms of population, yet just one-half the size of the Greater Birmingham region. South Alabama contains the Mobile MSA, including Mobile County, Escambia County, and fast-growing Baldwin County. Baldwin County is actually sandwiched between two metro areas—Mobile and Pensacola, Florida, just east of the State line. Interstate 10 traverses through Mobile and travels east through the Florida Panhandle. This highway handles considerable interstate truck traffic. Mobile Regional Airport supports four air carriers and provides significant commercial service for the region.

Exhibit 3.28
Region 8 – South Alabama



Not surprisingly, the South Alabama region is growing faster than its rural counterparts. In 2000, the estimated population was 578,698; the vast majority of that population resides within the MSA. Annual employment growth is the highest in the State, averaging 2.1 percent per year from 1995-2000.

In Mobile County, the major market sectors are manufacturing and education/healthcare. The largest employers are the Mobile County Public School System and the University of South Alabama. Baldwin County's major market sectors are tourism, retirement, and service, each being highly interdependent. In Escambia County, forestry is prevalent, with smaller

service-type industries also expanding.

The region is fostering a cooperative approach to recruiting economic growth and development. There has been recognition in the region that cooperation among economic development entities is necessary. Primarily, this was noted within each individual county, but it has evolved into a combined initiative that crosses county boundaries. For example, providing tourist attractions in Gulf Coast Baldwin County provides incentives to attract industry in Mobile County.

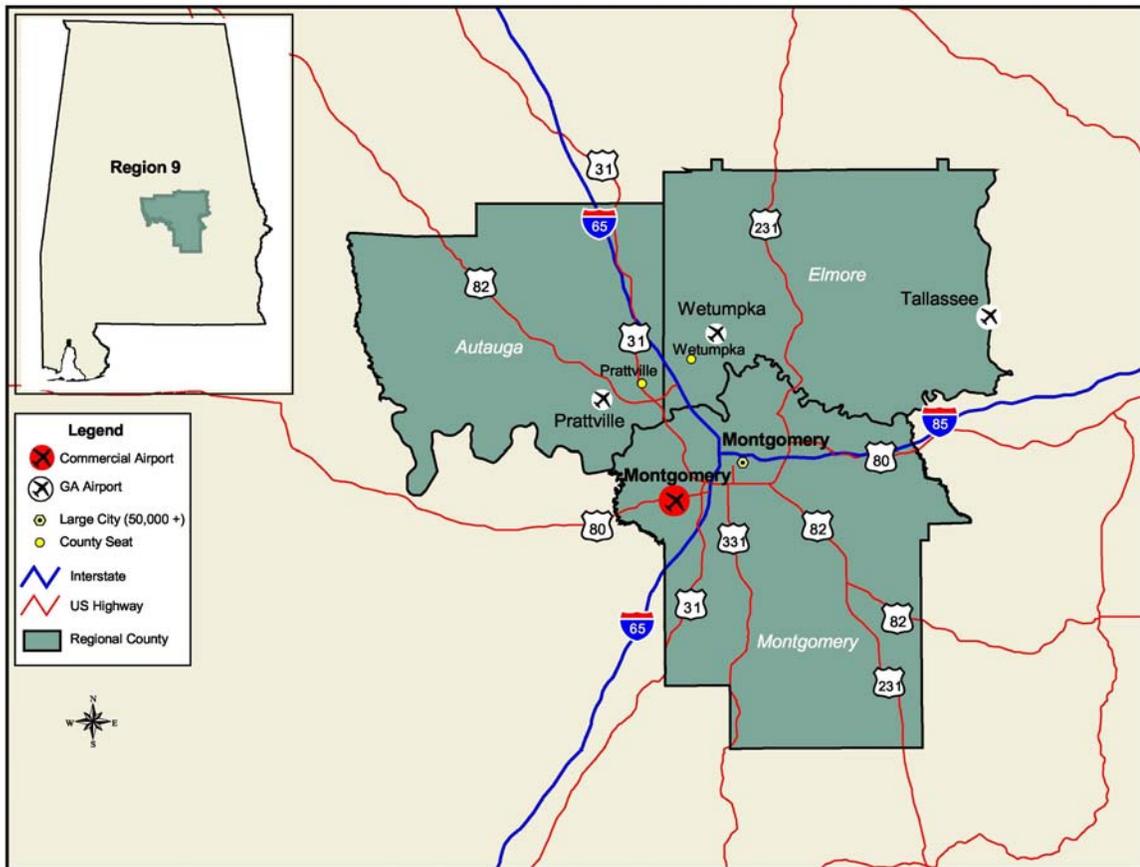
Aerospace has had a significant influence in the area over the last ten years. Recently, Mobile Aerospace Engineering, Inc. located to the Brookley Industrial Complex in Mobile. The Brookley Industrial Complex is an industrial park adjacent to the Mobile Downtown Airport, one of the region's eight airports.

The University of South Alabama is located in the South Alabama region. In addition to traditional engineering education programs, the University's Engineering Cooperative Education Program offers qualified students the opportunity to work in their major fields, such as aerospace and aviation fields, while undergraduates and gain valuable job experience.

E9. Central Alabama

Region 9 is the Central Alabama region and encompasses the Montgomery MSA. The region is comprised of three counties: Montgomery, Elmore, and Autauga. The latter two are among the fastest-growing counties in the State, representing the trend toward growing suburban development. Montgomery is the center of the highway system within the State and supports the Montgomery Regional Airport which provides commercial service. Total MSA population is estimated at 333,055 and has been growing in the last five years at an average annual rate of 1.1 percent.

**Exhibit 3.29
Region 9 – Central Alabama**



Employment growth is robust, and Montgomery County supports the highest per capita income in the State. The Central Alabama region’s economy is diverse, with government, military, wholesale/retail, agriculture, and manufacturing all contributing to the region’s growth.

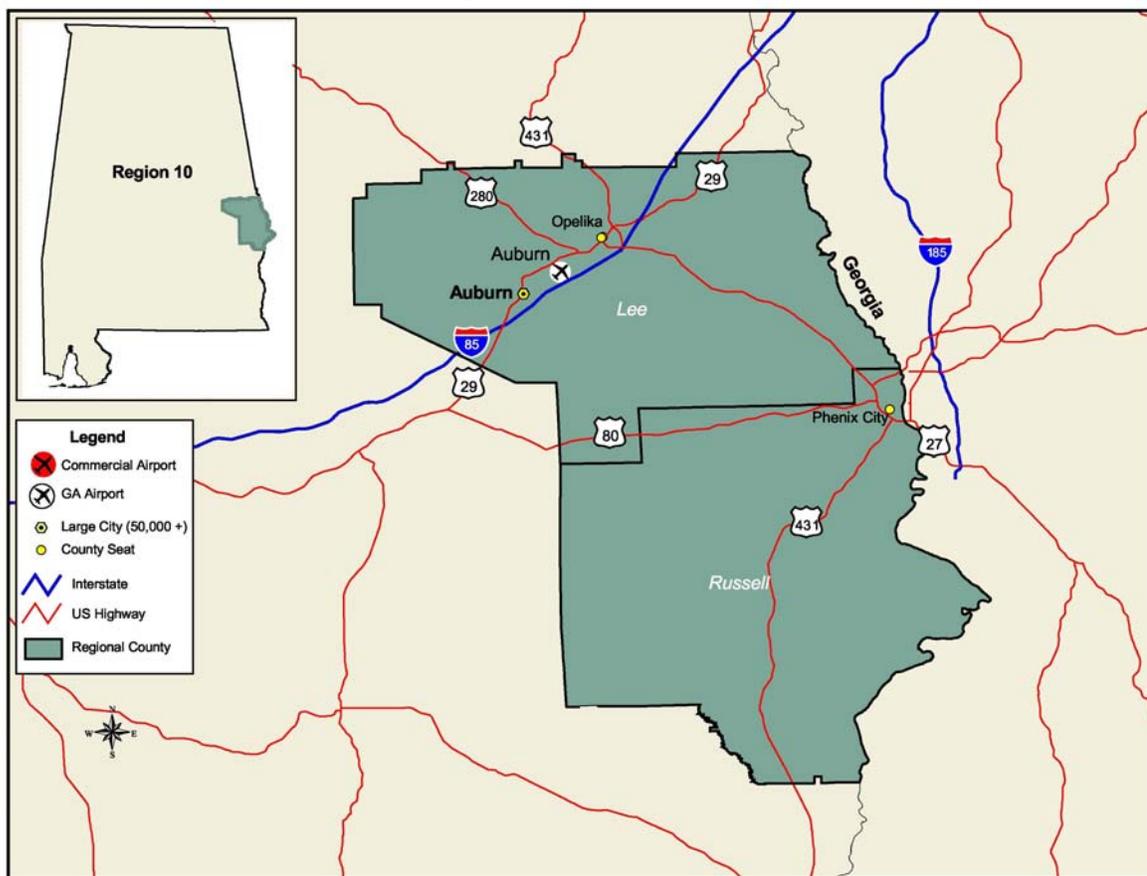
The region has seen over 15,000 jobs created over the last three years. The region’s economic development entities have combined their efforts to make this region one of the top markets in which to start a business in the nation. The award winning Montgomery Area Chamber of Commerce works closely with regional leadership to foster new ideas for growth such as the region’s Business Incubator. The region offers a pro-business environment,

available labor force, and solid transportation infrastructure, including three public-use airports. Recent national publications have rated the region as one of the top 10 markets for business start-up and vitality in the United States.

E10. Lee- Russell

The Lee-Russell region, comprised of Lee County and Russell County, has only one general aviation airport, the Auburn-Opelika Robert G. Pitts Airport. The nearest commercial airport is in Columbus, Georgia, although Montgomery is only 56 miles from Auburn and well within driving distance as an alternate airport.

**Exhibit 3.30
Region 10 – Lee-Russell**



Population within the region is estimated at 164,848, making region 10 the second smallest in the State. Of the two counties, Lee is the faster growing both in terms of population and employment. Per capita income is relatively low, solidifying the band of semi-rural to rural counties that stretch from this region west to the Alabama-Tombigbee region.

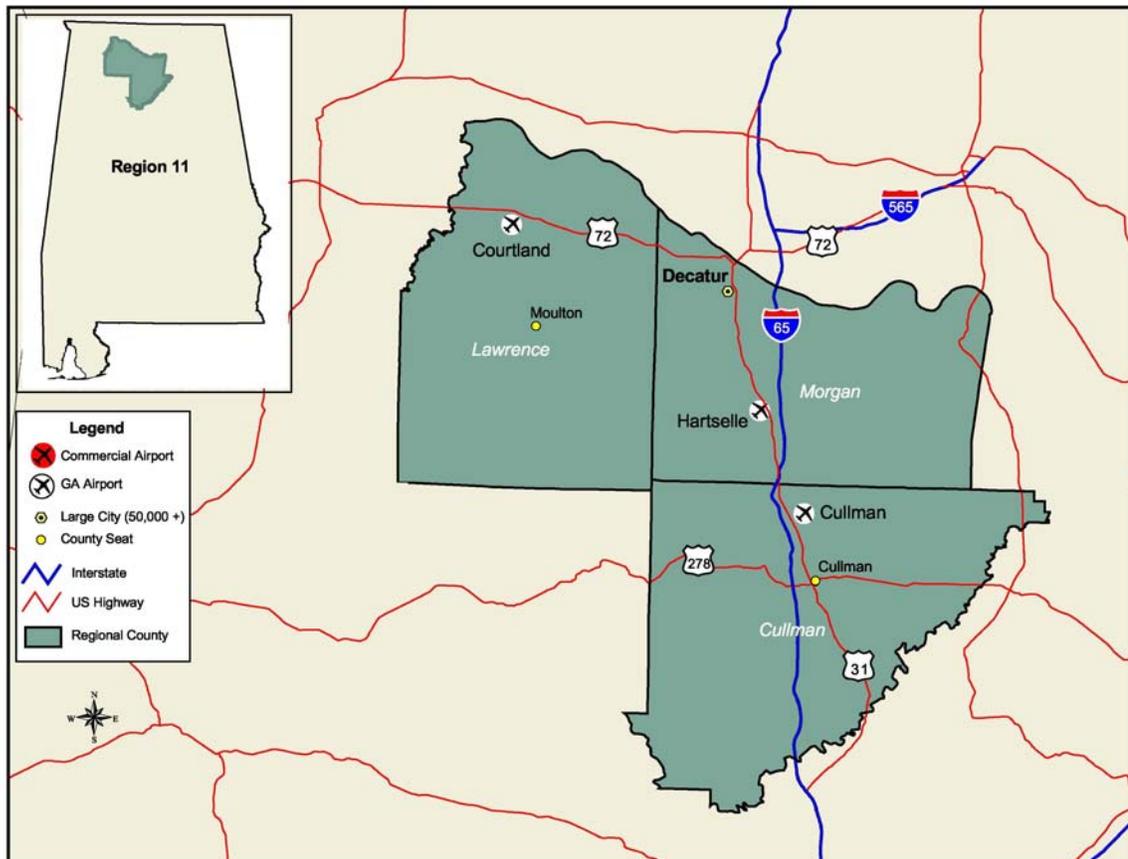
Auburn University is located in Region 10. Auburn University offers undergraduate and graduate programs in aerospace engineering and is considered a pioneer in the development of the aviation management degree program. In fact, the University has established the Aviation Management and Logistics Department in the University’s College of Business.

The region has had success in securing \$4.2 million in grants for utility and transportation infrastructure improvements. The region continues to foster a strong cooperative relationship with the region’s local governments to promote economic development in the area.

E11. North Central Alabama

The North Central Alabama region, depicted in **Exhibit 3.31**, is comprised of three counties: Lawrence, Morgan, and Cullman. Lawrence and Morgan Counties make up the Decatur MSA which is located only 26 miles from Huntsville. These two MSAs are fusing together in the northern portion of the State.

Exhibit 3.31
Region 11 – North Central Alabama



Huntsville International Airport is the principal commercial service airport in the region with service offered by four major carriers. There are also three general aviation airports in the region. U.S. Highway 31 and Interstate 65 traverse the region in north-south direction, while Alabama State Highway 72 runs east-west. CSX and Norfolk Railroads each have rail service in the area. With access to interstate highways, river, rail, and air transportation networks, the North Central region is well positioned as a regional inter-modal hub.

Total population in the region is estimated at 223,350, with 65 percent residing within the MSA. Growth in this area is slightly higher than the State average. Annual employment growth during the 1995-2000 period exceeded the State average by a half percent.

The region benefits from its location adjacent to the Huntsville area. A growing aerospace industry has offset some of the manufacturing job losses in recent years. Other industries are

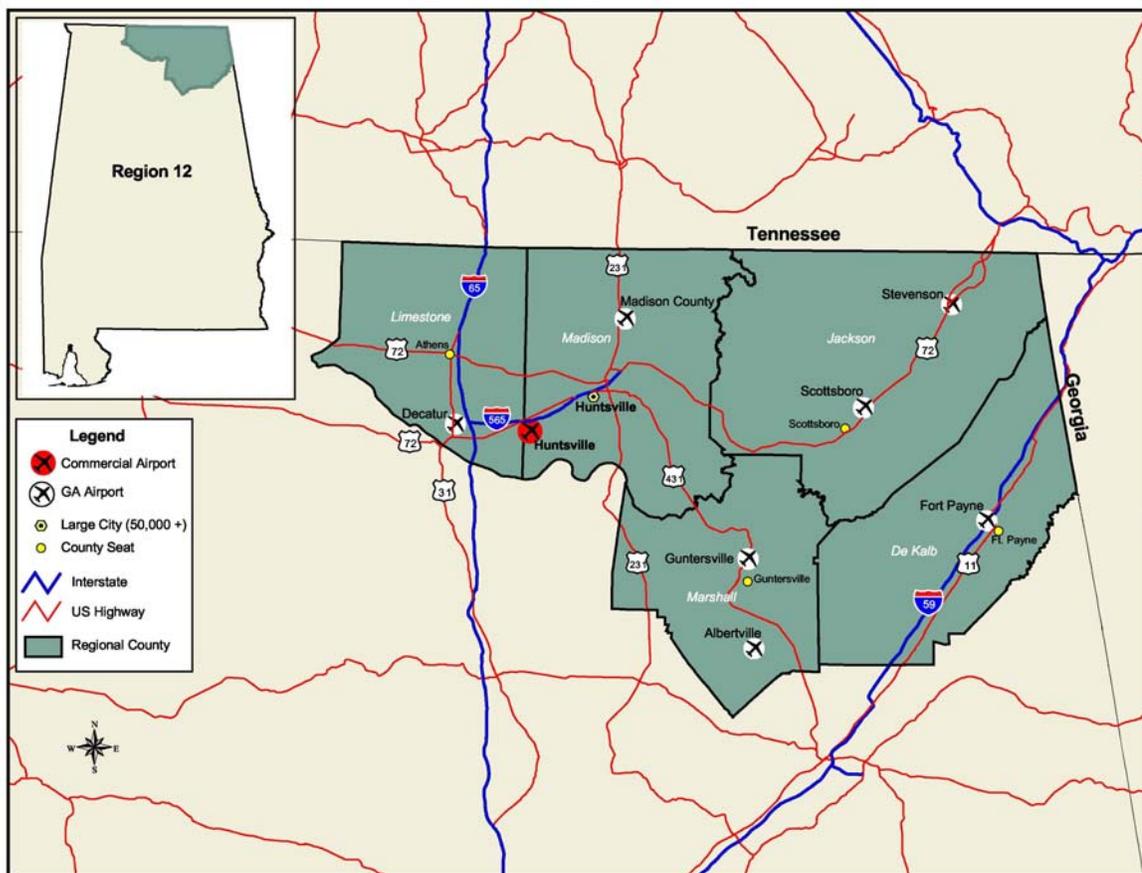
thriving as well. Nucour's buyout of the Trico Steel plant in Decatur and Eaton Corporation's plan to expand its operations in the region are signs that the area can offer industry a profitable environment in which to operate.

Calhoun Community County is located in the North Central Alabama region. The Calhoun Community College Aerospace and Advanced Technology Park provides education and training programs, technology demonstrations, and regional economic development support to insure economic competitiveness in the aerospace and aviation industries.

E12. Top of Alabama

The Top of Alabama region is the northernmost region of the State and contains the Huntsville MSA plus three other counties (see **Exhibit 3.32**). This region is the third-largest metro center in the State. Madison County dominates in terms of population and employment. Per capita income for Madison is also above average. Limestone County, also in the MSA, is one of the fastest-growing counties and demonstrates the increasing growth of suburban development.

**Exhibit 3.32
Region 12 – Top of Alabama**



The Huntsville area is a high-tech center. The growth in this sector has fueled expansion of retail trade and other services, including automotive suppliers.

Since the 1950's, Huntsville has had an integral role in the United States aerospace industry. That strong industry presence continues today, with some 200 plus aerospace companies in the region. In 1998, the Top of Alabama region strengthened its position with Boeing's announcement of plans to invest \$450 million in a new Delta IV rocket plant.

Other industries are vying to take advantage of the region's well-trained workforce. In February 2001, Toyota announced plans to construct a plant in Huntsville to produce V8 engines. This plant will be the first V8 engine plant for Toyota outside of Japan.

Local development groups work to recruit industry and offer as many as eleven different industrial parks. Some of these parks offer quick access to Huntsville International Airport and its Free Trade Zone and U.S. Customs facilities while other industrial sites offer basic infrastructure and low land costs. With seven general aviation and one commercial air carrier airport, the region has a strong aviation infrastructure in place for industrial recruitment.

An example of recent success is Conners Island Park, a newly completed 550-acre light industrial park located in Guntersville, just 50 miles southeast of Huntsville International Airport. Local general aviation service is provided by the Guntersville Municipal Airport, located one-half mile from the industrial park.

The University of Alabama Huntsville and Alabama A&M University are located in the Top of Alabama region which is one of the most technologically rich communities in the nation. This presence offers engineering students unique opportunities to experience first-hand the research and applications work being performed in some of the country's most select aviation and aerospace engineering organizations.

E13. Summary of Regional Surveys

Alabama's Regional Councils are working with the strengths that they have in place to encourage new economic growth. All of the regions reported the need for further investment in utility and transportation infrastructure. A strong airport system is one of the most important elements in the transportation infrastructure network and provides a catalyst for economic recruitment and development.

F. Demographic Factors

F1. Population

Alabama has seen a population growth rate of approximately 1.0 percent per year from 1990-2000. **Table 3.2** compiles population data for the 12 regions and presents each region's growth over the last decade.

Table 3.2

Population Trends 1990-2000: Regional Summary

Region	1990	2000	Annual Rate of Change (1990-2000)
Northwest Alabama (1)	211,385	230,230	0.90%
West Alabama (2)	247,755	268,208	0.80%
Greater Birmingham (3)	941,874	1,031,412	1.00%
East Alabama (4)	442,439	461,034	0.30%
South Central Alabama (5)	111,664	113,961	0.20%
Alabama-Tombigbee (6)	211,536	209,045	-0.10%
Southeast Alabama (7)	272,558	290,274	0.60%
South Alabama (8)	513,559	578,698	1.30%
Central Alabama (9)	293,140	333,055	1.40%
Lee-Russell (10)	134,459	164,848	2.30%
North Central Alabama (11)	199,869	223,350	1.20%
Top of Alabama (12)	468,158	542,985	1.60%
Statewide Total	4,048,396	4,447,100	1.0%

Source: Adapted from Woods and Poole Economics and U.S. Census Bureau

Six of the 12 regions experienced an annual growth rate of one percent or greater. The Lee-Russell region experienced the highest population growth rate at 2.3 percent. The Greater Birmingham region had the highest growth by actual number of persons at almost 90,000 new residents. Generally speaking, the regions located along the east and west borders of the State experienced less population growth than those located along the center of the State. The majority of population growth occurred along the I-65 corridor.

The most recent census strongly indicates that population growth within the State is concentrated in urban and suburban areas. **Exhibit 3.33** shows the percent change of population between 1990 and 2000. The map clearly shows the greatest growth in suburban counties of the metropolitan areas, especially in the swath of counties south of Tuscaloosa and Birmingham and on north toward Huntsville. Population is also growing in Baldwin County to the east of Mobile and around Auburn in Lee County. In contrast, population on the west-central portion of the State is growing at a very slow rate.

Table 3.3 shows the fastest-growing counties in the State. Clearly, the Central Alabama region is growing faster than nearly every other region, with suburban development fusing together the MSA areas of Birmingham, Tuscaloosa, and Montgomery. The Greater Birmingham region is home to four of the top 10 fastest growing counties in Alabama. Eight of the counties listed in Table 3.3 are located in metropolitan areas along the I-65 corridor.

Lee County and Cherokee County are located along the eastern border of the State.

**Table 3.3
Top 10 Fastest-Growing Counties**

Rank	Counties	Associated Regional Councils	2000 Population	Percent Growth 1990- 2000
1	Shelby	Greater Birmingham	143,293	44.2%
2	Baldwin	South Alabama	140,415	42.9%
3	Elmore	Central Alabama	65,874	33.2%
4	Lee	Lee-Russell	115,092	31.5%
5	Blount	Greater Birmingham	51,024	29.5%
6	St. Clair	Greater Birmingham	64,742	29.2%
7	Autauga	Central Alabama	43,671	27.1%
8	Bibb	West Alabama	20,826	25.1%
9	Cherokee	East Alabama	23,988	22.4%
10	Chilton	Greater Birmingham	39,343	21.7%

Source: U.S. Census

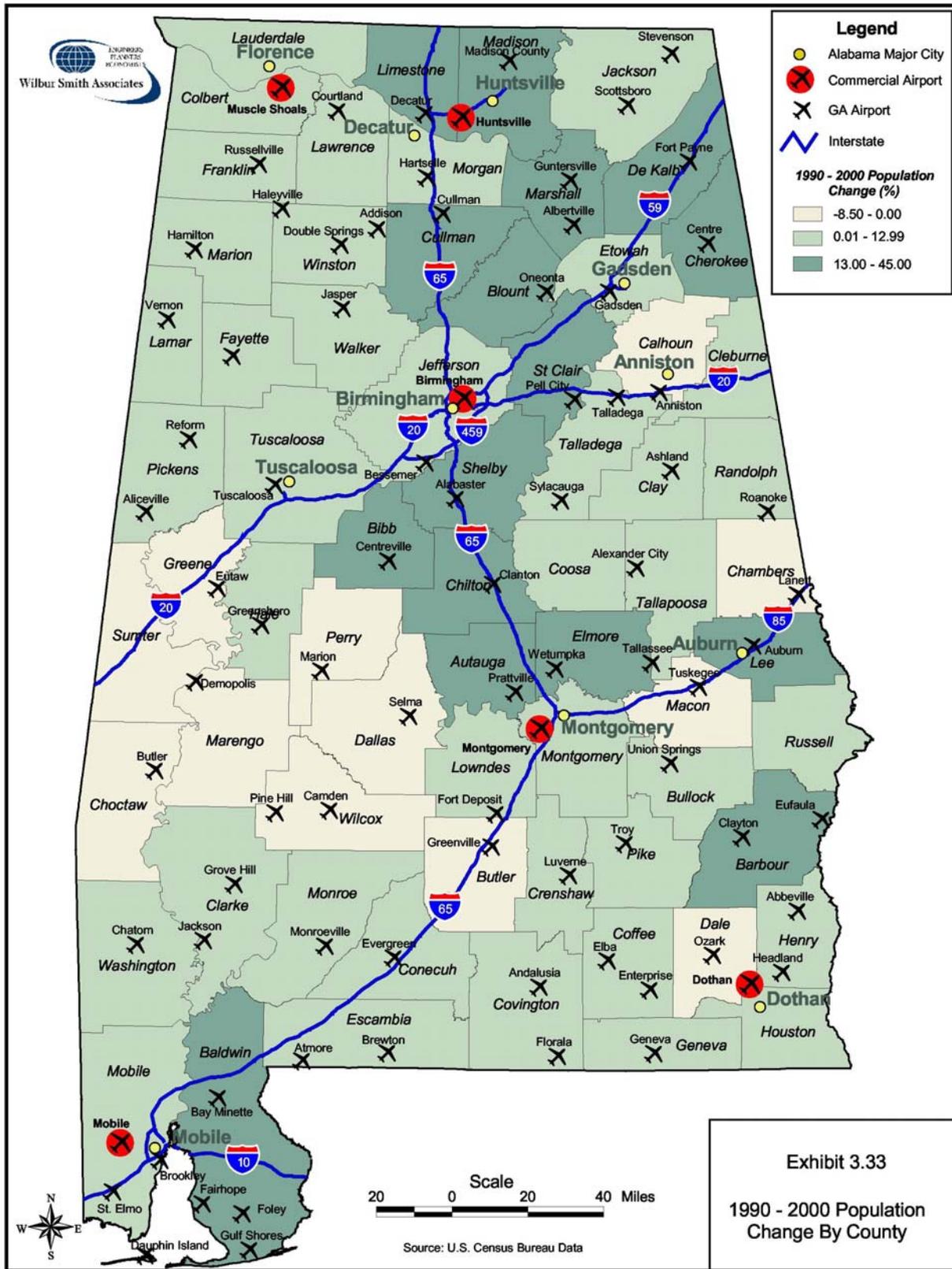


Table 3.4 presents population projections for the years 2005, 2010, and 2020. Population over the planning period is expected to grow from 4.4 million to 5.2 million statewide.

Table 3.4
Population Projections: Regional Summary

Region	2000	2005	2010	2020	Annual Rate of Change (2000-2005)	Annual Rate of Change (2005-2010)	Annual Rate of Change (2010-2020)
Northwest Alabama (1)	230,230	240,648	251,504	274,874	0.90%	0.90%	0.90%
West Alabama (2)	268,208	278,864	289,991	314,088	0.80%	0.80%	0.80%
Greater Birmingham (3)	1,031,412	1,072,991	1,115,423	1,203,174	0.80%	0.80%	0.80%
East Alabama (4)	461,034	469,612	479,121	500,892	0.40%	0.40%	0.40%
South Central Alabama (5)	113,961	115,925	118,112	123,136	0.30%	0.40%	0.40%
Alabama-Tombigbee (6)	209,045	206,246	203,888	200,094	-0.30%	-0.20%	-0.20%
Southeast Alabama (7)	290,274	299,723	309,720	331,737	0.60%	0.70%	0.70%
South Alabama (8)	578,698	610,588	643,014	709,852	1.10%	1.00%	1.00%
Central Alabama (9)	333,055	353,138	373,804	417,704	1.20%	1.10%	1.10%
Lee-Russell (10)	164,848	178,102	192,233	224,892	1.60%	1.50%	1.60%
North Central Alabama (11)	223,350	234,767	246,467	271,177	1.00%	1.00%	1.00%
Top of Alabama (12)	542,985	572,941	603,667	668,559	1.10%	1.10%	1.00%
State Total	4,447,100	4,633,545	4,826,944	5,240,179	0.8%	0.8%	0.8%

Source: Adapted from Woods and Poole Economics and Bureau of Labor Statistics Data

Generally speaking, population is expected to increase throughout the State at a rate of approximately 0.8 percent. Projections indicate that the highest growth will be in those regions located along the I-65 corridor. The Lee-Russell region, though not centrally located, is projected to have the highest growth rate in the State through the planning period.

F2. Employment

Table 3.5 shows employment growth in Alabama’s twelve regions. In 2000, an estimated 2.4 million were employed in Alabama.

Table 3.5
Regional Summary: Employment Trends 1990-2000
(1992 dollars)

Region	1990	2000	Annual Rate of Change (1990-2000)
Northwest Alabama (1)	102,752	119,243	1.60%
West Alabama (2)	112,924	131,949	1.70%
Greater Birmingham (3)	515,611	621,702	2.10%
East Alabama (4)	200,492	215,517	0.70%
South Central Alabama (5)	45,586	48,424	0.60%
Alabama-Tombigbee (6)	91,343	93,563	0.20%
Southeast Alabama (7)	143,663	157,191	0.90%
South Alabama (8)	240,108	308,140	2.80%
Central Alabama (9)	167,309	204,113	2.20%
Lee-Russell (10)	59,700	71,377	2.00%
North Central Alabama (11)	96,076	115,175	2.00%
Top of Alabama (12)	282,195	330,669	1.70%
Statewide Total	2,057,759	2,417,061	1.5%

Source: Adapted from Woods and Poole Economics and Bureau of Economic Analysis Data

The major employment centers include Birmingham, Mobile, Montgomery, and Huntsville. The State as a whole has seen an average annual employment growth rate of 1.5 percent over the past decade. The highest employment growth rate was reported in the South Alabama Region. Four other regions reported employment growth rates at two percent or greater.

Employment density parallels the urban development of the State, as **Exhibit 3.34** shows. Jefferson and Mobile Counties have the highest employment density in the State, followed by Montgomery and Madison Counties.

ALABAMA STATEWIDE AIRPORT SYSTEM PLAN

Final – January 2005

Chapter 3 – Economic Development and Demographic Factors

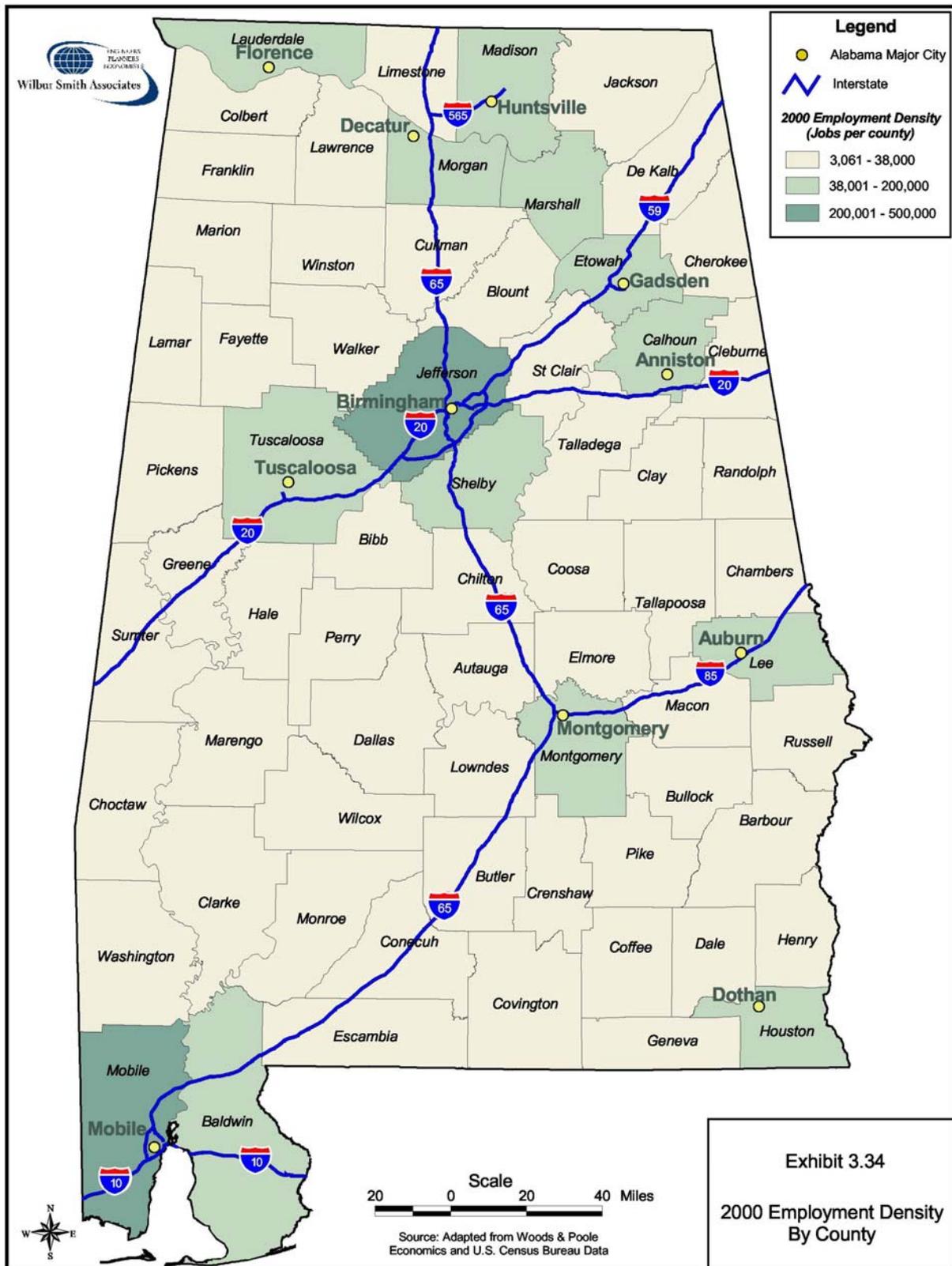


Table 3.6 presents population projections for the years 2005, 2010, and 2020. Employment over the planning period is expected to increase from 2.4 million to 2.8 million statewide.

Table 3.6
Employment Projections: Regional Summary

Region	2000	2005	2010	2020	Annual Rate of Change (2000-2005)	Annual Rate of Change (2005-2010)	Annual Rate of Change (2010-2020)
Northwest Alabama (1)	119,243	122,081	123,403	123,464	0.50%	0.20%	0.00%
West Alabama (2)	131,949	138,918	144,578	153,713	1.00%	0.80%	0.60%
Greater Birmingham (3)	621,701	656,724	685,760	742,412	1.10%	0.90%	0.80%
East Alabama (4)	215,515	218,846	221,363	226,227	0.30%	0.20%	0.20%
South Central Alabama (5)	48,425	49,832	51,085	53,617	0.60%	0.50%	0.50%
Alabama-Tombigbee (6)	93,562	94,755	95,817	98,278	0.30%	0.20%	0.30%
Southeast Alabama (7)	157,191	162,596	167,718	178,307	0.70%	0.60%	0.60%
South Alabama (8)	308,140	324,798	340,705	372,795	1.10%	1.00%	0.90%
Central Alabama (9)	204,113	215,235	225,883	246,500	1.10%	1.00%	0.90%
Lee-Russell (10)	71,377	74,356	77,066	82,296	0.80%	0.70%	0.70%
North Central Alabama (11)	115,175	121,366	126,927	138,389	1.10%	0.90%	0.90%
Top of Alabama (12)	330,668	347,869	363,168	391,532	1.00%	0.90%	0.80%
State Total	2,417,059	2,527,376	2,623,473	2,807,530	0.9%	0.7%	0.7%

Source: Adapted from Woods and Poole Economics and Bureau of Labor Statistics Data

Employment is expected to increase at a steady pace of 0.7 to 0.9 percent during the planning period. Those areas that have historically experienced the most growth are projected to continue to lead the State in employment growth. The Greater Birmingham region is expected to gain 120,000 new jobs. Other regions located along the I-65 corridor are projected to each gain as many as 20,000 to 40,000 new jobs over the next 20 years.

F3. Per Capita Income

Table 3.7 compares per capita income for the twelve regions. Income is expressed in 1992 dollars, as available from Woods and Poole, to factor out the effect of inflation on the growth of income. If this were not done, the average annual growth statistics would overstate the growth of income. 1992 was used as the baseline in the per capita income data set.

Table 3.7
Per Capita Income Trends: Regional Summary
(1992 dollars)

Region	1990	1995	2000	Annual Rate of Change (1990-1995)	Annual Rate of Change (1995-2000)
Northwest Alabama (1)	14,940	16,541	17,252	2.10%	0.80%
West Alabama (2)	14,825	16,139	17,296	1.70%	1.40%
Greater Birmingham (3)	18,983	20,564	22,621	1.60%	1.90%
East Alabama (4)	14,495	15,558	16,786	1.40%	1.50%
South Central Alabama (5)	12,179	13,514	14,733	2.10%	1.70%
Alabama-Tombigbee (6)	12,754	14,164	15,265	2.10%	1.50%
Southeast Alabama (7)	15,322	16,235	17,601	1.20%	1.60%
South Alabama (8)	15,451	17,013	18,065	1.90%	1.20%
Central Alabama (9)	18,066	19,293	20,606	1.30%	1.30%
Lee-Russell (10)	14,428	14,574	15,147	0.20%	0.80%
North Central Alabama (11)	16,281	17,662	18,796	1.60%	1.30%
Top of Alabama (12)	18,173	18,890	20,244	0.80%	1.40%
State Total	16,375	17,664	19,038	1.5%	1.5%

Source: Adapted from Woods and Poole Economics and Bureau of Labor Statistics Data

Per capita income has been increasing across the state over the past decade. Alabama, as a whole, has reported per capita income growth rates greater than one percent from 1990-2000. From 1990-1995, per capita income growth was slightly higher than in the last half of the decade. This trend mirrors the national economy during that period.

Table 3.8 presents income and per capita income projections for the years 2005, 2010, and 2020, respectively.

Table 3.8
Per Capita Income Projections: Regional Summary

Region	2000	2005	2010	2020	Annual Rate of Change (2000-2005)	Annual Rate of Change (2005-2010)	Annual Rate of Change (2010-2020)
Northwest Alabama (1)	17,252	18,035	18,668	19,649	0.90%	0.70%	0.50%
West Alabama (2)	17,296	18,231	19,049	20,411	1.10%	0.90%	0.70%
Greater Birmingham (3)	22,621	24,075	25,421	28,094	1.30%	1.10%	1.00%
East Alabama (4)	16,786	17,766	18,722	20,655	1.10%	1.10%	1.00%
South Central Alabama (5)	14,733	15,890	17,052	19,564	1.50%	1.40%	1.40%
Alabama-Tombigbee (6)	15,265	16,437	17,622	20,156	1.50%	1.40%	1.40%
Southeast Alabama (7)	17,601	18,544	19,463	21,276	1.00%	1.00%	0.90%
South Alabama (8)	18,065	18,743	19,412	20,711	0.70%	0.70%	0.70%
Central Alabama (9)	20,606	21,541	22,450	24,201	0.90%	0.80%	0.80%
Lee-Russell (10)	15,147	15,390	15,564	15,714	0.30%	0.20%	0.10%
North Central Alabama (11)	18,796	19,696	20,583	22,310	0.90%	0.90%	0.80%
Top of Alabama (12)	20,244	21,318	22,324	24,177	1.00%	0.90%	0.80%
State Total	19,038	20,075	21,047	22,904	1.1%	1.0%	0.8%

Source: Adapted from Woods and Poole Economics and Bureau of Labor Statistics Data

Seven of Alabama's twelve regions are projected to have per capita income growth rates of approximately one percent. The Alabama-Tombigbee and South Central Alabama regions are projected to have the highest per capita income growth rates during the planning period. Growth rates higher than the State average are also expected in those regions that have historically led the State in economic growth and investment.

G. Summary

Chapter Three examined many of the elements of Alabama's economic development profile. An analysis of Alabama's economic output revealed the challenges the manufacturing sector faces and the gains in output and employment growth made in the services and F.I.R.E. industries. Further discussions touched how the State and its Regional Councils are working toward a healthy and diverse economic landscape.

This chapter also looked at the demographic profile for trends and projections in population, employment, and income across the State. This review reaffirmed that growth continued to be more prevalent along the interstate highway corridors. These corridors provide the highest level of service from all modes of the state transportation system. The aviation facilities located along these corridors must be adequately funded to ensure the continued high level of service required for sustainable economic growth. The continued growth along these corridors will ultimately help to spur growth in the outlying regions that have historically lagged behind in economic growth opportunities.

Additionally, these discussions serve notice that many of the Alabama regions are nurturing the symbiotic relationship between aviation and economic development/recruitment. For example, several regions surveyed touted economic recruitment and development initiatives involving the region's airports, such as the South Alabama Aerospace Triangle located in the southeast region of the State. Furthermore, several of the colleges and universities in the State have developed curriculum specifically geared toward the aerospace and aviation industries.

These economic development and demographic profiles provide important guidance toward the allocation and prioritization of investments, which will be discussed later in this study's chapter on recommendations.