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STATE OF ALABAMA

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Alabama's February Unemployment Rate Drops to 5.8%

Lowest Rate in Nearly Seven Years, Initial Claims at Lowest Level in 40 Years

MONTGOMERY – Governor Robert Bentley on Friday announced that Alabama's preliminary, seasonally adjusted February unemployment rate is 5.8%, down from January's rate of 6.0%, and well below February 2014's rate of 7.2%.

"Alabama's February unemployment rate is very good news for our state," Governor Bentley said. "This month's drop contributes to the 15 month trend we've seen with no increase in unemployment. Over two million Alabamians are working – the most since 2008. Our economy supported more jobs in February than it has during the same period since 2008. We also experienced a significant increase in construction jobs, which bodes well for the state's economic health."

Preliminary data shows that all 67 counties experienced unemployment rate decreases both month over month and year over year.

The household survey indicates that 2,016,508 reported having jobs in February. The last time employment was equal to or above this number was October 2008, when employment totaled 2,021,511.

Wage and salary employment totaled 1,930,900 in February. The last time February's wage and salary employment was equal to or above that number was in 2008. Over the year, wage and salary employment increased by 37,900, with gains in the leisure and hospitality sector (+8,600), the professional and business services sector (+7,500), and the education and health services sector (+5,900), among others. Additionally, wage and salary employment increased in February by 7,600.

Monthly gains were seen in the leisure and hospitality sector (+3,100), the government sector (+2,500), and the construction sector (+1,800), among others.

"Another economic indicator shows continued improvement: the number of initial unemployment compensation claims filed in February is the lowest it's been in 40 years. This tells us that employers are laying off fewer workers than they have in decades," Alabama Labor Commissioner Fitzgerald Washington said. "The bottom line is that nearly all of our economic indicators are trending in the right direction, and are finally either nearing or surpassing 2008 levels – when the recession truly began to hit Alabama."

In February, initial claims totaled 12,793. The last time initial claims were this low was in May of 1974. JobLink, the state's free online jobs database (www.joblink.alabama.gov), registered 20,275 active job orders in February.

Counties with the lowest unemployment rates are: Shelby County at 4.0%, Lee County at 4.7%, and Tuscaloosa County at 4.8%.

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“Seasonal adjustment” refers to BLS’s practice of anticipating certain trends in the labor force, such as hiring during the holidays or the surge in the labor force when students graduate in the spring, and removing their effects to the civilian labor force.

The Current Population (CPS), or the household survey, is conducted by the Census Bureau and identifies members of the work force and measures how many people are working or looking for work.

The establishment survey, which is conducted by the Bureau of Labor Statistics (BLS), a division of the U.S. Department of Labor, surveys employers to measure how many jobs are in the economy. This is also referred to as wage and salary employment.