



MEETING THE GROWTH CHALLENGE

ECONOMIC TRENDS FOR THE HUNTSVILLE COMMUNITY AND PEER METROPOLITAN AREAS

Baseline Analysis

1 February 2004

MEETING THE CHALLENGE OF GROWTH

BENCHMARKING AND TRACKING THE REGIONAL ECONOMIC GROWTH INITIATIVE

Background

The Huntsville/Madison County Chamber of Commerce has formed the Huntsville Regional Economic Growth Initiative (HREGI) to establish Huntsville/Madison County as a stronger and more visible community in nationwide competition for economic growth. The mission of the Huntsville Regional Economic Growth Initiative is to position the Huntsville area as one of the leading economic growth centers in the Southeast, comparing consistently and favorably with Austin, Raleigh-Durham, and Charlotte. REGI is a key part of the Chamber's mission to prepare, develop, and promote the greater Huntsville region for economic growth.

The Regional Economic Growth Initiative consists of seven specific strategies:

Strategy #1

Growth and Preservation of the Huntsville Region's Existing
Economic Base and Business Climate

Strategy #2

Recruitment of Targeted Businesses

Strategy #3

Defense and Space Industry Retention & Growth

Strategy #4

Engage the Resources of our Universities and Colleges

Strategy #5

Workforce Development

Strategy #6

Community Image Enhancement

Strategy #7

Development of Capacity for New & Sustained Economic Growth

A comprehensive set of specific strategic goals has been put in place for the Initiative:

Strategic Goals

Job Growth

Create an average net new job growth of 2,500 new jobs per year in targeted industry sectors for a five-year total of 12,500 jobs.

Personal Per Capita Income

Increase per capita personal income to lead peer MSA cities in 10 years.

Gross Metro Product

Increase the national ranking and improve to lead peer cities.

Workforce Growth

Increase annual job growth rate to lead peer cities. Maintain an unemployment rate as the lowest in our peer MSA's.

Capital Investment

Increase industrial and technology-based capital investment to \$150 million per year in the region as measured by additions to the real estate tax roles.

Venture Capital Placement

Increase the amount of private capital invested in local companies.

Other important goals for technology-based economies include increasing university research expenditures, number of patents issued, and number of science and engineering graduate students.

In order to establish Huntsville's current competitive position and the future impacts of the Initiative, the University of Alabama in Huntsville will benchmark and track the community's economic performance against the above goals and other industry accepted economic development criteria. UAH will publish a report twice annually on the economic and technological status of the Huntsville/Madison County metropolitan area.

These reports will concisely present the following economic findings to business and political leaders and to the public:

- the current state of the area's economic health;
- the evolving trends and changes from previous reports; and
- those issues strongly affecting the near term future.

The first report of each year will be published at the end of the first quarter. By that time, data covering the last quarter of the prior year and for the prior year as a whole will be available. This first quarter report will present summarized data for the previous year and an outlook for the current year. The second report each year will be published in the third quarter and will be a mid-year review with commentary on any adjustments to the outlook based upon any significant events occurring during the first six months.

The current report is the first in this series of biannual reports and focuses on benchmarking Huntsville relative to peer metropolitan areas, specifically focusing on Austin, Raleigh-Durham, and Charlotte.

The Economic Indicators in this report include:

1. Gross Metro Product (GMP)
2. Earnings Per Job (EPJ)
3. Per Capita Income
4. Population
5. Population with Bachelors Degree
6. Graduate Science and Engineering Students
7. Financial Assets and Deposits
8. Age Distribution of Population
9. Quality of Life Rankings
10. Income Migration
11. Population Migration
12. Non-farm Employment
13. Total Labor Force
14. Unemployment Rate
15. Patents per 10,000 Employees
16. State Research and Development

Peer Metropolitan Areas

This report is designed to focus on comparing the Huntsville, AL MSA to the Austin, TX, the Charlotte, NC, and the Raleigh-Durham MSA. This report also contains data of other MSA's located in the southeastern region; several of these regions share the I-65 or I-75 corridors. The MSA's in this report include:

Austin, TX	Chattanooga, TN-GA	Macon, GA	Raleigh-Durham, NC
Birmingham, AL	Knoxville, TN	Montgomery, AL	
Charlotte, NC-SC	Lexington, KY	Nashville, TN	

ECONOMIC PERFORMANCE INDICATORS Baseline Summary

Choosing indicators reflecting the economic competitiveness for a technology-based region is a challenging task. The sixteen indicators listed below were chosen based on the premise that Huntsville/Madison County intends to consistently and favorably compare with ten other competitive metro areas in the Southeast U.S.; Austin, TX; Birmingham, AL; Charlotte, NC-SC; Chattanooga, TN-GA; Knoxville, TN; Lexington, KY; Macon, GA; Montgomery, AL; Nashville, TN; and Raleigh-Durham, NC. Of course no set of indicators is all encompassing, but these sixteen have relevance and significance to technology-based regions. These indicators reflect economic output, capacity, attractiveness, and activity.

Gross Metro Product, is the primary output indicator. Huntsville Metro performance has been relatively flat for the period 1995-2001 which competitively ranks us with our peers in the middle at 5th of 11 areas and 9th for 2001-02. Charlotte leads all Metro areas.

The indicators reflecting capacity for growth as a technology-based region include: Earnings Per Job, Per Capita Income Growth, Population Growth, Percentage of Population with a Bachelors Degree, Number of Graduate Science & Engineering Students and Financial Assets & Deposits in the metro area. Huntsville Metro capacity for technology-based growth was in the bottom half of the peer ranking over the past seven to twenty years. However, Huntsville Metro generally ranks in the top half for the most recent time annual ranking. Austin, Raleigh-Durham, and Charlotte lead in this area.

Attractiveness of a Metro area to the required workforce is a critical characteristic of a community dependent on innovation. The percentage of young talent in the population has the highest correlation to employment growth of any of these sixteen indicators. Huntsville Metro fell from a peer ranking of 4th in 1990 to last in 2000 for the percentage of 20-30 year-olds in the population. Income Migration and Household Migration were significantly impacted by the St. Louis ATCOM relocation to Redstone Arsenal. Austin generally leads in the attractiveness indicators.

Finally, activity indicators include non-farm employment growth, labor force growth, unemployment level and the number of patents issued. These indicators show that Huntsville Metro has generally stayed in the lower half of the peer rankings since 1993. Austin, again, generally leads all other Metro areas in these indicators.

Overall, the choice of Austin, Charlotte, and Raleigh-Durham as targets by the Chamber is validated by this baseline analysis. The analysis shows that other

competitors have seen economic growth while Huntsville Metro has been in a steady state for most of the past decade. Of course, past results are not always good indicators of future performance. The value of this benchmarking analysis is as the first step in measuring results of future economic growth of the region.

ECONOMIC PERFORMANCE INDICATORS
Huntsville Metro's Relative Ranking for the Period(s) Shown
Compared with Ten Peer Metro Areas

<u>Economic Performance Indicator</u>	<u>Over time</u>		<u>Most Recent</u>		<u>More Info on:</u>
	<u>Rank</u>	<u>Period</u>	<u>Rank</u>	<u>Period</u>	
OUTPUT					
1. <u>Gross Metro Product Growth</u>	5th	'95-'01	9th	'01-'02	pp. 8-9
CAPACITY					
2. <u>Earnings Per Job Growth</u>	Last	'95-'01	1st	'00-'01	pp. 10-11
3. <u>Per Capita Income Growth</u>	8th	'96-'01	4th	'00-'01	pp. 12-13
4. <u>Population Growth</u>	5th	'80-'02	5th	'01-'02	pp. 14-15
5. <u>Degree</u>	n/a		3rd	2000	Page 16
6. <u>Number of Graduate Science & Engineering Students</u>	n/a		7th	2001	pp. 17-18
7. <u>Financial Assets & Deposits</u>	n/a		Last	2003	pp. 19-20
ATTRACTIVENESS					
8. <u>Young Talent % of Pop.</u>	4th	1990	Last	2000	pp. 21-24
9. <u>Quality of Life</u>	n/a		3rd	2003	pp. 25-27
10. <u>Income Migration, net</u>	7th	'95-'02	n/a		pp. 28-29
11. <u>Household Migration, net</u>	5th	'95-'02	n/a		pp. 28-29
ACTIVITY					
12. <u>Employment Growth (non-farm)</u>	9th	'93-'02	5th	'01-'02	pp. 30-31
13. <u>Labor Force Growth</u>	11th	'93-'02	8th	'01-'02	pp. 34-35
14. <u>Unemployment Rate</u>	n/a		5th	2002	pp. 36-37
15. <u>Number of Patents Issued</u>	n/a		4th	2001	Page 38

**COMPARATIVE
RESEARCH & DEVELOPMENT INVESTMENT
Summary**

	<u>Alabama's Ranking</u>
16. Research Funding:	
By Agency	
National Science Foundation (NSF)	48 th
Department of Agriculture (USDA)	30 th
Department of Commerce (DoC)	43 rd
Department of Energy (DoE)	25 th
Health & Human Services (HHS)	20 th
Environmental Protection Agency (EPA)	22 nd
Department of Transportation (DoT)	29 th
Department of Defense	8 th
NASA	2 nd
 Total Research Funding	
(NSF+USDA+DoC+DoE+HHS+EPA+DoT)	
National Per Capita Research Funding	\$201.36
Alabama Per Capita Research Funding	\$107.48
 (DoD+NASA)	
National Per Capita Research Funding	\$155.33
Alabama Per Capita Research Funding	\$349.63
 Alabama vs NC, GA, TX	
Total R&D	Last
Growth % in Total R&D '87 - '00	Last
Total Industry Funded R&D	Last
Growth % in Industry Funded R&D '87 - '00	Last
University R&D	Last
% Growth in University R&D '87 - '00	2nd

Gross Metro Product

Huntsville's Gross Metro Product (GMP) was \$11.99 billion in 2002, which ranked 144th among 319 U.S. metro areas and ranked 10th out of its peer metropolitan areas.

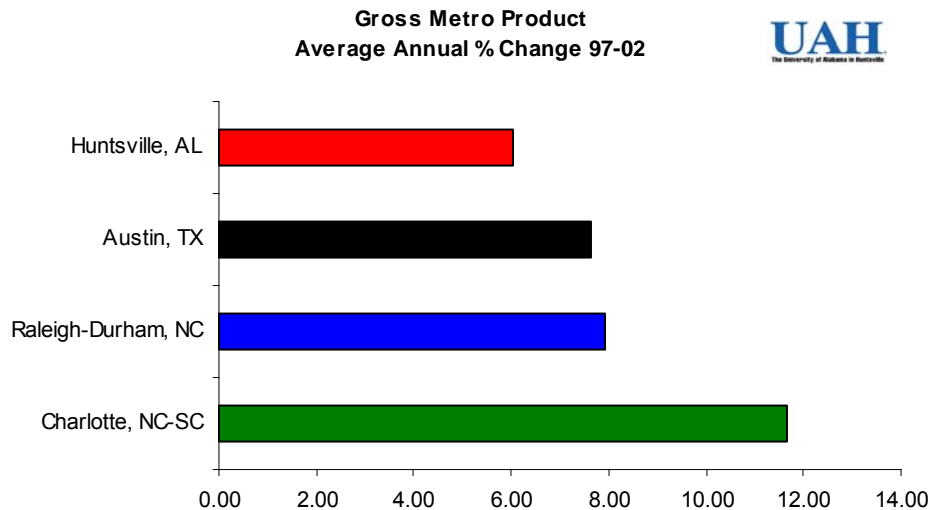
GMP growth from 1997 – 2002 in Huntsville was 6.05%, this was the 5th largest percent change among its peer metropolitan areas.

The growth rate for 2001-2002 was 2.65% which was ranked 9th among its peer metropolitan areas.

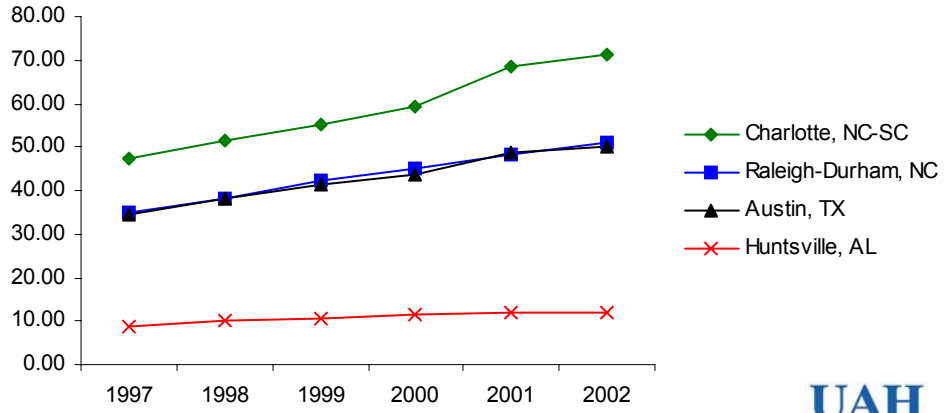
Gross Metro Product

Peer Metros	US \$ Billions						2002 Rank	Annual % Change	
	1997	1998	1999	2000	2001	2002		97-02	2001-02
Charlotte, NC-SC	47.13	51.46	55.34	59.41	68.62	71.40	31	11.66	4.05
Raleigh-Durham, NC	34.74	38.06	42.12	44.91	48.44	50.89	48	7.93	5.06
Austin, TX	34.69	38.08	41.46	43.57	48.93	50.07	51	7.62	2.33
Macon, GA	9.55	10.91	11.79	12.26	12.85	13.24	130	6.75	3.03
Huntsville, AL	8.94	10.14	10.70	11.50	11.95	11.99	144	6.05	2.65
Nashville, TN	36.21	40.55	42.61	45.48	46.06	48.37	53	5.96	5.02
Chattanooga, TN-GA	14.29	15.63	16.65	18.01	18.25	18.93	100	5.78	3.73
Montgomery, AL	8.52	9.42	10.13	10.75	10.72	10.97	156	5.18	2.33
Knoxville, TN	17.98	19.12	20.06	21.51	21.89	22.94	81	4.99	4.80
Birmingham, AL	27.02	28.55	30.53	32.67	32.92	34.00	66	4.70	3.28
Lexington, KY	14.48	15.63	16.66	17.57	17.28	18.03	102	4.48	4.34
Peer Average	20.64	22.61	24.27	25.82	26.93	27.94		6.73	3.93

Source: Global Insight, from the report; The Role of Metro Areas in the U.S. Economy, prepared for the US Conference of Mayors



Gross Metro Product
US \$Billions



Earnings Per Job

In 2001 Huntsville's Earnings per job were \$37,852, which was the 4th highest among its peer metropolitan areas.

Huntsville's earnings per job grew at an average rate of 2.36% from 1995-2001, which ranked 11th among its peer metropolitan areas.

Huntsville's earnings per job grew 5.30% from 2000-2001, this ranked 1st among its peer metropolitan areas.

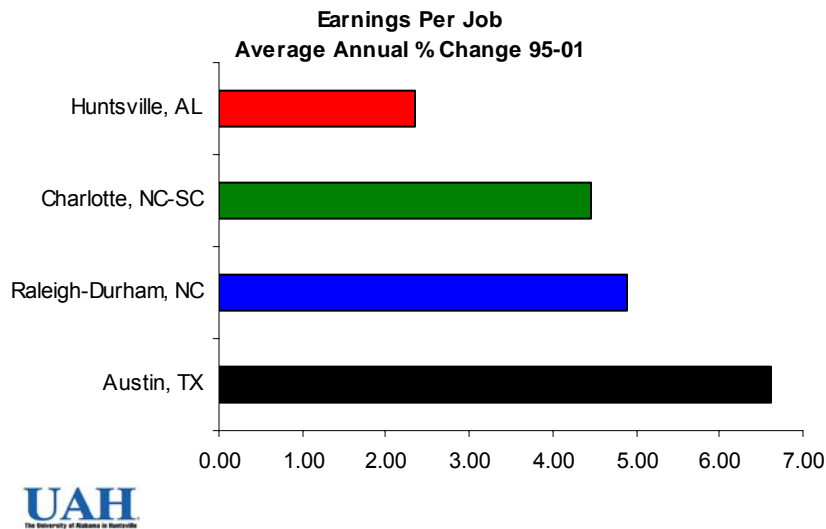
Earnings Per Job

Peer Metros	1995	1996	1997	1998	1999	2000	2001	Annual %	
								Change 95-01	% Change 00-01
Austin, TX	\$27,696	\$29,003	\$31,049	\$35,108	\$38,484	\$40,502	\$40,783	6.62	0.69
Raleigh-Durham, NC	\$29,429	\$30,322	\$31,335	\$32,494	\$34,559	\$37,316	\$39,209	4.90	5.07
Charlotte, NC-SC	\$30,299	\$31,344	\$32,264	\$34,378	\$36,071	\$37,705	\$39,400	4.47	4.50
Lexington, KY	\$26,417	\$27,570	\$28,624	\$29,964	\$31,228	\$32,833	\$33,238	3.90	1.23
Birmingham, AL	\$29,738	\$30,864	\$31,333	\$32,477	\$33,924	\$35,020	\$36,848	3.64	5.22
Nashville, TN	\$29,576	\$30,184	\$31,089	\$32,155	\$33,366	\$34,834	\$36,462	3.64	4.67
Macon, GA	\$27,356	\$28,429	\$29,322	\$30,390	\$31,364	\$32,478	\$33,453	3.41	3.00
Knoxville, TN	\$25,721	\$26,335	\$27,304	\$28,298	\$29,285	\$30,208	\$31,322	3.34	3.69
Montgomery, AL	\$26,531	\$27,171	\$27,831	\$28,724	\$29,913	\$30,721	\$31,691	3.01	3.16
Chattanooga, TN-GA	\$26,621	\$27,272	\$28,559	\$28,936	\$30,007	\$31,081	\$31,394	2.79	1.01
Huntsville, AL	\$32,901	\$32,777	\$33,365	\$34,177	\$34,652	\$35,963	\$37,852	2.36	5.25
Peer Average *	\$28,459	\$29,227	\$30,103	\$31,199	\$32,437	\$33,816	\$35,087	4.01	3.23

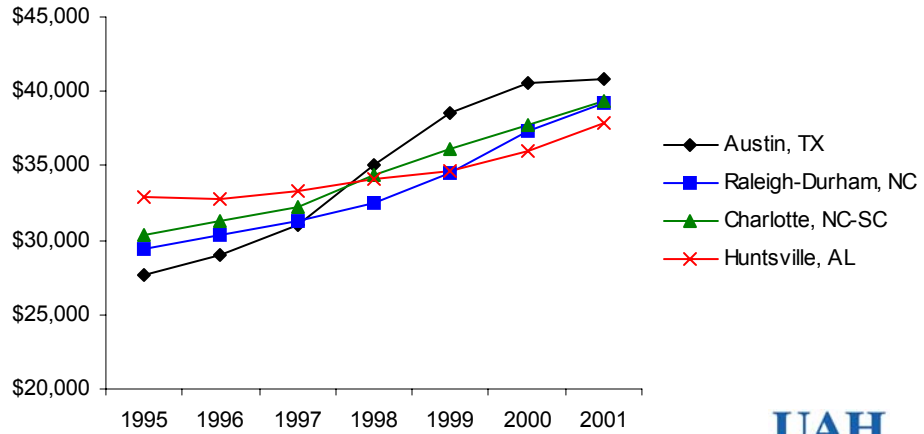
Source: Bureau of Economic Analysis

Table CA30-Regional Economic Profile, Local Personal Income

* Huntsville not included



Earnings Per Job



Per Capita Personal Income

Huntsville's per capita income for 2001 was \$28,684, which ranked 7th among its peer metropolitan areas.

Huntsville's per capita income grew at an average rate of 3.97% from 1996 – 2001, which ranked 8th among its peer metropolitan areas.

Huntsville's per capita income grew 4.02% from 2000-2001, which ranked 4th among its peer metropolitan areas.

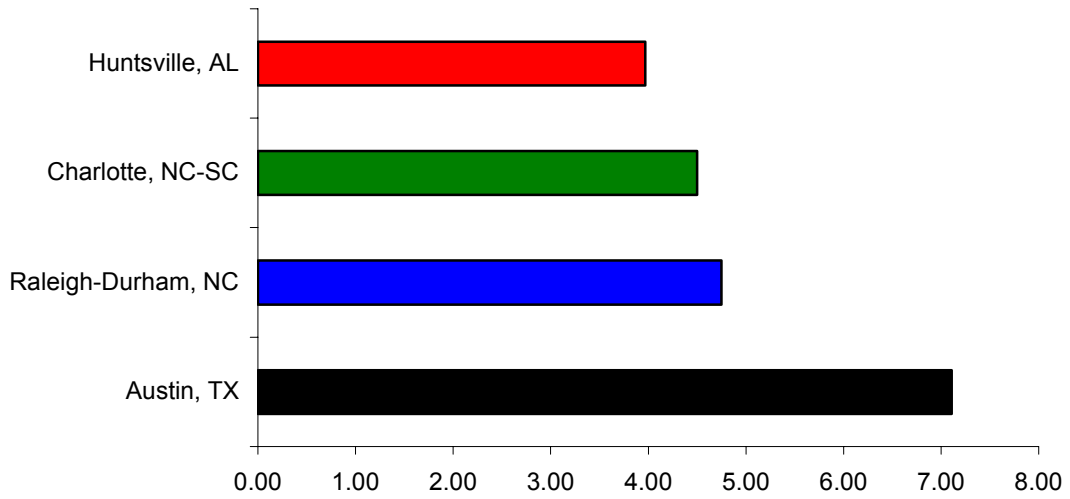
MSA	1980	1984	1988	1990	1992	1994	1996	1997	1998	1999	2000	2001	Annual %	
													Change 96-01	% Change 2000-01
Austin, TX	\$9,443	\$14,186	\$15,672	\$18,065	\$19,490	\$21,237	\$22,348	\$25,202	\$28,382	\$30,560	\$32,185	\$31,511	7.11	-2.09
Raleigh-Durham, NC	\$9,506	\$13,981	\$18,604	\$20,730	\$22,528	\$24,280	\$26,170	\$27,659	\$29,253	\$30,443	\$32,537	\$32,998	4.75	1.42
Birmingham, AL	\$9,367	\$12,513	\$16,202	\$18,723	\$20,464	\$22,298	\$24,501	\$25,454	\$26,791	\$27,966	\$29,057	\$30,620	4.56	5.38
Charlotte, NC-SC	\$9,190	\$13,136	\$17,423	\$19,703	\$21,010	\$23,079	\$25,297	\$26,346	\$28,212	\$29,481	\$30,993	\$31,526	4.50	1.72
Nashville, TN	\$9,388	\$13,335	\$17,480	\$19,335	\$21,736	\$23,983	\$26,015	\$26,879	\$28,598	\$29,429	\$30,962	\$32,338	4.45	4.44
Lexington, KY	\$9,196	\$13,311	\$16,171	\$16,614	\$17,455	\$18,915	\$23,462	\$24,648	\$26,121	\$26,975	\$28,597	\$28,849	4.22	0.88
Knoxville, TN	\$8,794	\$12,031	\$15,885	\$17,729	\$19,413	\$20,862	\$22,274	\$23,135	\$24,441	\$24,975	\$28,597	\$27,330	4.18	-4.43
Huntsville, AL	\$8,755	\$13,048	\$17,377	\$19,542	\$21,338	\$21,613	\$23,163	\$24,315	\$25,483	\$26,155	\$27,575	\$28,684	3.97	4.02
Montgomery, AL	\$8,655	\$12,060	\$15,647	\$17,576	\$19,158	\$20,601	\$22,132	\$22,950	\$23,899	\$24,915	\$25,740	\$26,830	3.92	4.23
Chattanooga, TN-GA	\$8,763	\$11,765	\$15,591	\$17,518	\$19,074	\$20,751	\$22,645	\$23,340	\$24,477	\$25,422	\$26,781	\$27,213	3.74	1.61
Macon, GA	\$8,136	\$11,641	\$14,999	\$16,971	\$18,219	\$19,192	\$21,908	\$22,404	\$23,505	\$24,357	\$25,474	\$26,265	3.69	3.11
Peer Average *	\$8,975	\$12,682	\$16,538	\$18,444	\$20,040	\$21,557	\$23,757	\$24,713	\$26,078	\$27,012	\$28,631	\$29,265	4.75	1.57
U.S Per Capita Income	\$10,183	\$13,824	\$17,403	\$19,572	\$20,960	\$22,340	\$24,270	\$25,412	\$26,893	\$27,843	\$29,469	\$30,413	4.62	3.20
U.S. Metro Per Capita Income	\$10,785	\$14,643	\$18,519	\$20,786	\$22,184	\$23,604	\$25,684	\$26,901	\$28,528	\$29,569	\$31,322	\$32,336	4.71	3.24

Source: Bureau of Economic Analysis

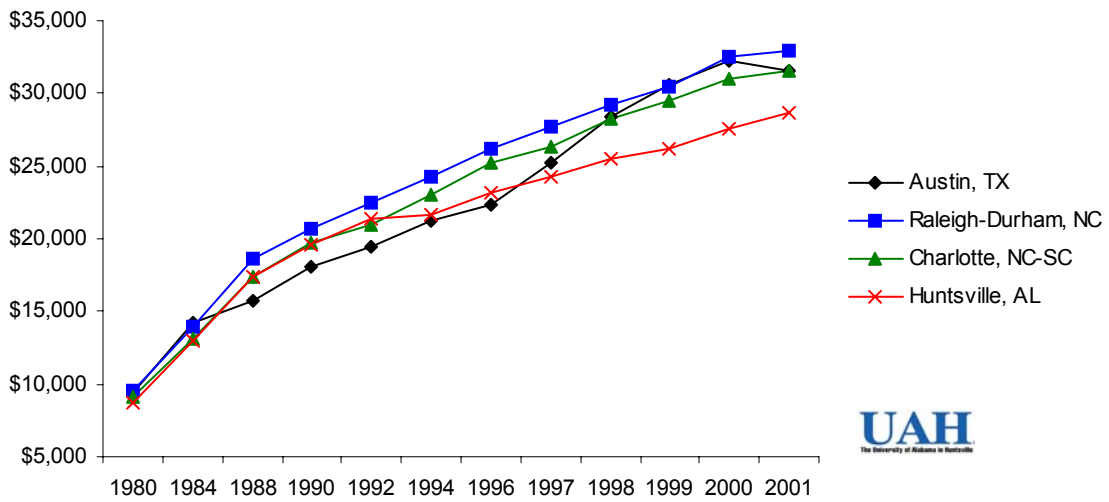
Table CA30-Regional Economic Profile, Local Personal Income

* does not include Huntsville

**Average Annual % Change
Per Capita Personal Income**



Per Capita Personal Income



Total Population

Total population for the Huntsville, AL MSA in 2002 was 353,742, which was ranked 9th among its peer metropolitan areas.

Huntsville's population grew at an average rate of 1.72% from 1980-2002, which ranked 5th among its peer metropolitan areas.

From 2001-2002 Huntsville's population grew 1.60%, this also ranked 5th among its peer metropolitan areas.

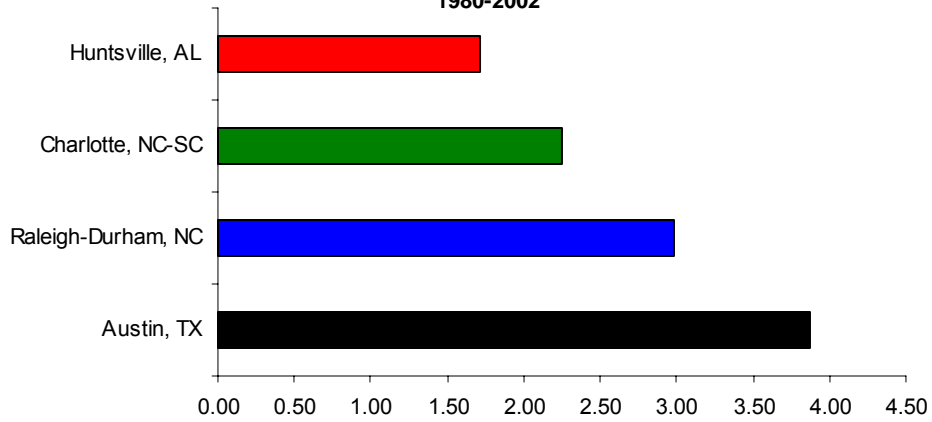
Total Population

MSA	1980	1990	1995	1996	1997	1998	1999	2000	2001	2002	Annual %	
											Change 80-01	% Change 2001- 02
Austin, TX	585,051	846,227	1,031,557	1,073,037	1,111,264	1,155,579	1,205,898	1,249,763	1,322,488	1,349,291	3.87	2.03
Raleigh-Durham, NC	664,789	858,516	1,021,554	1,056,937	1,092,454	1,128,261	1,161,857	1,187,941	1,235,574	1,267,676	2.98	2.60
Charlotte, NC-SC	971,447	1,161,546	1,314,614	1,352,286	1,391,795	1,430,538	1,471,582	1,499,293	1,548,408	1,584,898	2.25	2.36
Nashville, TN	850,505	985,026	1,116,122	1,143,705	1,170,945	1,193,913	1,214,741	1,231,311	1,254,068	1,270,520	1.84	1.31
Huntsville, AL	242,971	293,047	325,571	327,532	330,281	336,527	339,572	342,376	348,167	353,742	1.72	1.60
Lexington, KY	370,900	405,936	444,002	451,591	457,988	465,898	473,952	479,198	485,350	489,717	1.27	0.90
Knoxville, TN	546,488	585,960	650,781	661,462	668,898	674,697	681,523	687,249	696,468	704,431	1.16	1.14
Montgomery, AL	272,687	292,517	318,555	322,010	325,839	328,881	331,179	333,055	335,210	337,721	0.98	0.75
Macon, GA	272,945	291,079	308,325	311,479	315,833	318,653	320,803	322,549	325,758	330,853	0.88	1.56
Birmingham, AL	815,333	839,942	890,328	897,148	903,336	910,965	917,234	921,106	929,127	935,168	0.63	0.65
Chattanooga, TN-GA	417,838	424,176	448,228	451,896	456,337	459,312	462,637	465,161	468,077	470,880	0.54	0.60
Peer Average*	542,590	613,775	683,808	697,605	711,371	724,765	737,508	746,924	762,621	774,561	1.91	1.57

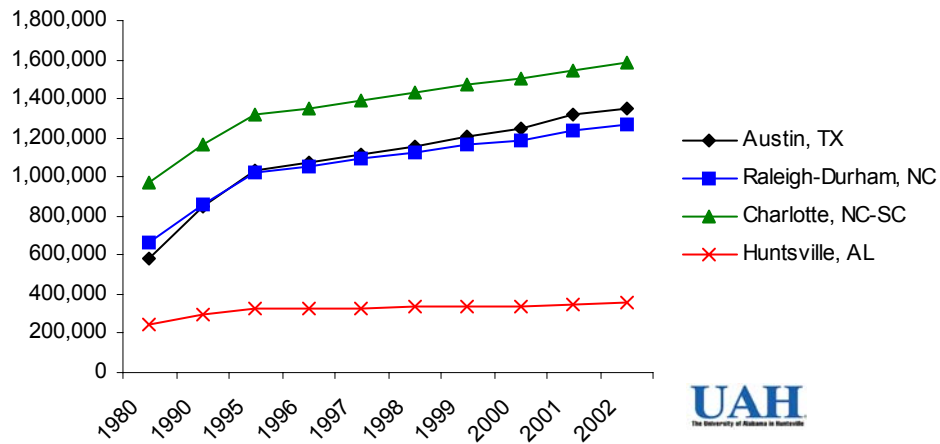
Source: Texas A&M Real Estate Center

* does not include Huntsville

**Total Population
Average Annual % Change
1980-2002**



Total Population



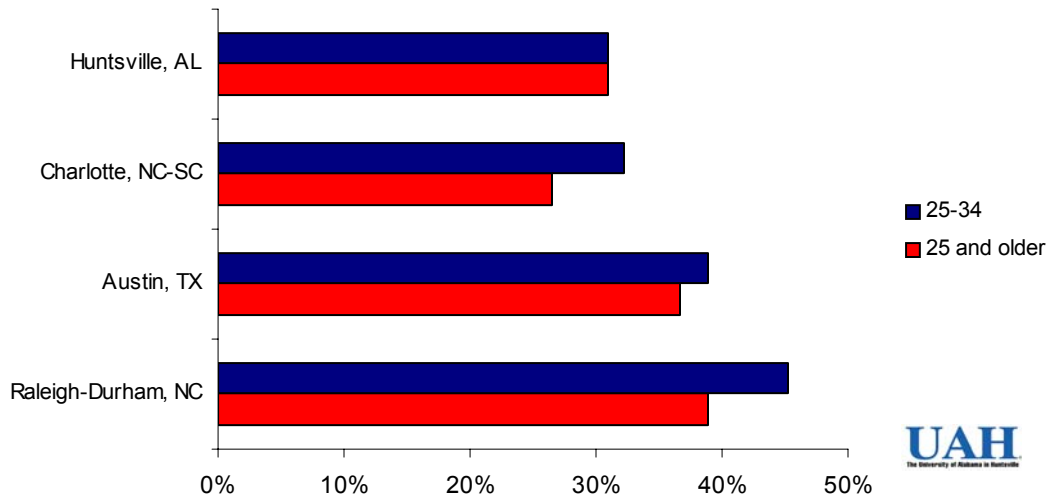
Bachelors Degrees by Age Group, 2000

In 2000, 31% of Huntsville's population between the ages of 25-34 earned a bachelors degree or higher. This was the 6th highest among its peer metropolitan areas. In the 25 and older age group, 30.9% of Huntsville's population earned a bachelors degree or higher, this was the third highest among its peer metropolitan areas.

Peer Metros	Age Groups	
	25 and older	25-34
Raleigh-Durham, NC	38.9	45.2
Austin, TX	36.7	38.9
Lexington, KY	28.7	34.4
Nashville, TN	26.9	32.9
Charlotte, NC-SC	26.5	32.3
Birmingham, AL	24.7	31.5
Huntsville, AL	30.9	31.0
Knoxville, TN	23.5	26.6
Montgomery, AL	24.7	25.2
Macon, GA	19.5	21.2
Chattanooga, TN-GA	19.7	20.9

Source: U.S. Census Bureau

Percentage of Population with a Bachelors Degree or Higher



Graduate Science and Engineering Students

Huntsville had 1,075 graduate science and engineering students in 2001, which ranked 7th among its peer metropolitan areas.

Peer Metros	Universities*	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Huntsville, AL	2	1,210	1,305	1,263	1,388	1,299	1,145	1,047	1,134	1,022	1,015	1,091	1,075
Atlanta, GA [†]	4	5,375	5,784	6,298	6,495	6,787	6,694	6,475	6,388	6,865	7,028	6,517	6,992
Austin, TX	1	4,671	4,928	5,146	5,123	4,956	4,567	3,889	4,220	4,121	4,011	4,063	4,169
Birmingham, AL	1	1,403	1,350	1,449	1,499	1,447	1,498	1,844	2,060	2,068	2,014	2,140	2,254
Charlotte, NC-SC	1	552	650	794	845	862	883	872	835	774	843	956	1,067
Chattanooga, TN-GA	1	280	261	353	367	379	381	363	368	370	344	333	418
Knoxville, TN	1	2,623	2,726	2,865	2,929	2,944	2,685	2,470	2,595	2,612	2,489	2,244	2,452
Macon, GA	1	121	128	132	139	143	120	120	119	117	112	114	119
Montgomery, AL	2	175	179	157	185	152	56	78	66	70	66	44	49
Nashville, TN	2	1,245	1,242	1,268	1,308	1,504	1,577	1,581	1,662	1,683	1,658	1,576	1,552
Raleigh-Durham, NC	3	7,530	7,623	7,997	7,769	8,133	8,181	8,326	8,163	8,123	8,252	8,346	8,363
Peer Average **		2,180	2,261	2,405	2,424	2,482	2,422	2,365	2,407	2,437	2,438	2,394	2,494

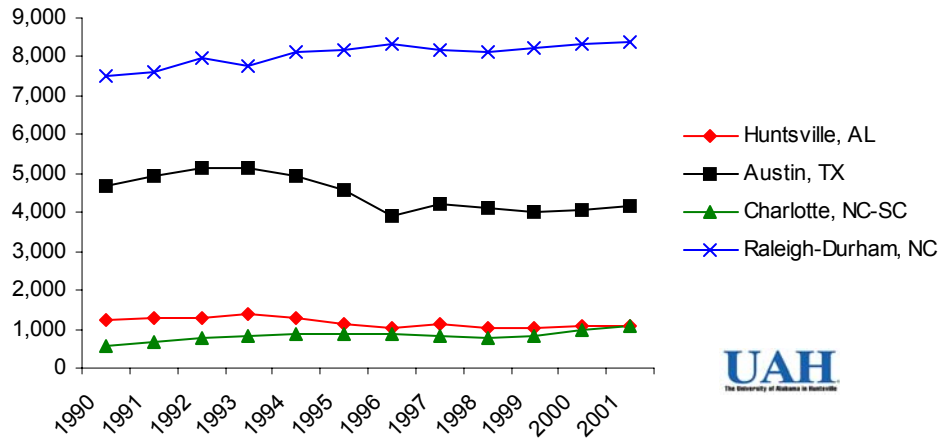
Source: National Science Foundation, CASPAR

*data contains the universities with data reported by the National Science Foundation, this is not the total number of universities in the area

** does not include Huntsville

† Caspar did not report data for the University of Kentucky (Lexington MSA), therefore Atlanta, GA was used in its place

Graduate Science and Engineering Students



Peer Metro Assets and Deposits

In March of 2003, Huntsville held \$561 million in assets and \$465 million in deposits. In December of 1995 Huntsville held \$330 million in assets and \$298 million in deposits. In December 1990 Huntsville had \$2billion in assets and \$1.8 billion in deposits. This decline in assets and deposits can be attributed to the decline in the number of banks in the Huntsville area, dropping from 6 in 1990 to only 3 in 2003.

Peer Metro Assets and Deposits March 2003

MSA	Banks	Domestic Assets	Domestic Deposits
Charlotte, NC-SC	14	830,133,035,000	556,886,782,000
Birmingham, AL	17	170,087,371,000	108,139,447,000
Raleigh-Durham, NC	9	14,293,684,000	12,376,565,000
Montgomery, AL	4	16,162,575,000	9,817,314,000
Nashville, TN	22	5,217,483,000	4,242,655,000
Lexington, KY	18	3,839,690,000	3,093,876,000
Knoxville, TN	11	2,387,459,000	2,012,044,000
Chattanooga, TN-GA	12	1,999,589,000	1,677,465,000
Austin, TX	16	1,581,325,000	1,392,311,000
Macon, GA	11	1,625,516,000	1,359,909,000
Huntsville, AL	3	561,105,000	465,770,000

Source: Federal Reserve Bank of St. Louis

December 1995

MSA	Banks	Domestic Assets	Domestic Deposits
Charlotte, NC-SC	15	105,182,080,000	47,572,258,000
Birmingham, AL	17	39,782,328,000	27,520,323,000
Nashville, TN	24	23,923,198,000	18,685,193,000
Raleigh-Durham, NC	9	13,627,915,000	11,738,773,000
Chattanooga, TN-GA	15	4,032,042,000	3,256,098,000
Montgomery, AL	7	4,241,215,000	3,253,335,000
Lexington, KY	21	3,760,843,000	3,089,857,000
Knoxville, TN	14	3,246,672,000	2,724,099,000
Austin, TX	27	2,124,003,000	1,887,112,000
Macon, GA	13	1,480,703,000	1,269,155,000
Huntsville, AL	4	330,628,000	298,300,000

Source: Federal Reserve Bank of St. Louis

Peer Metro Assets and Deposits, continued

December 1990

<u>MSA</u>	<u>Banks</u>	<u>Domestic Assets</u>	<u>Domestic Deposits</u>
Charlotte, NC-SC	17	37,196,237,000	23,018,455,000
Nashville, TN	27	18,204,927,000	15,133,392,000
Birmingham, AL	24	17,885,571,000	13,456,990,000
Raleigh-Durham, NC	8	7,275,706,000	6,477,982,000
Montgomery, AL	10	7,575,787,000	6,355,659,000
Lexington, KY	23	4,349,262,000	3,623,991,000
Austin, TX	28	3,022,341,000	2,676,761,000
Knoxville, TN	15	2,544,268,000	2,224,581,000
Chattanooga, TN-GA	15	2,238,830,000	1,862,069,000
Huntsville, AL	6	2,025,968,000	1,790,371,000
Macon, GA	13	1,603,899,000	1,361,346,000

Source: Federal Reserve Bank of St. Louis

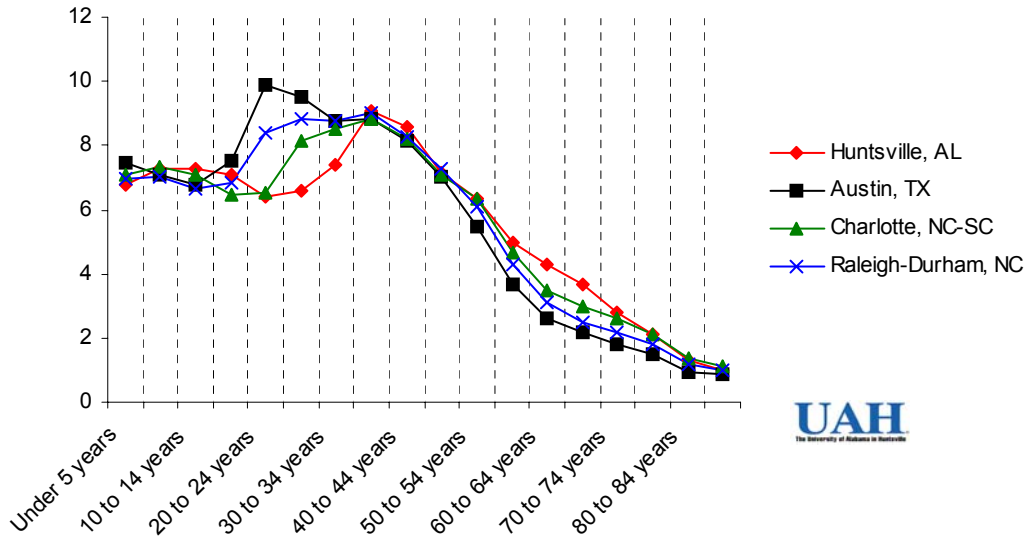
Total Population, Percent Distribution by Age Group, 2000

Huntsville has the lowest percentage of its population in the age groups of 20 to 24 and 25 to 29 out of its peer metropolitan areas.

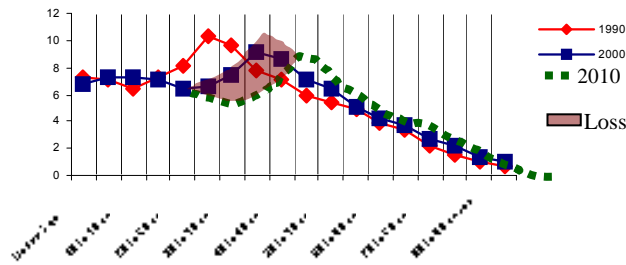
Age Groups	Huntsville, AL	Austin, TX	Birmingham, AL	Charlotte, NC--SC	Chattanooga, TN--GA	Knoxville, TN	Lexington, KY	Macon, GA	Montgomery, AL	Nashville, TN	Raleigh-- Durham, NC
Under 5 years	6.76	7.45	6.71	7.11	6.15	5.99	6.45	7.11	6.87	6.88	6.94
5 to 9 years	7.25	7.10	7.02	7.35	6.70	6.38	6.45	7.76	7.43	7.01	7.02
10 to 14 years	7.28	6.80	7.16	7.07	6.92	6.45	6.21	7.79	7.48	6.89	6.66
15 to 19 years	7.06	7.51	6.85	6.44	6.74	6.76	7.37	7.67	7.52	7.06	6.82
20 to 24 years	6.38	9.87	6.57	6.52	6.58	7.02	10.02	6.84	7.51	7.22	8.38
25 to 29 years	6.60	9.54	7.18	8.16	6.74	6.74	8.35	6.86	7.40	7.88	8.80
30 to 34 years	7.39	8.76	7.14	8.50	6.85	7.08	7.64	6.91	7.04	7.93	8.77
35 to 39 years	9.05	8.81	7.90	8.84	7.62	7.92	8.10	8.15	8.11	8.71	9.00
40 to 44 years	8.58	8.16	8.13	8.22	7.93	7.94	7.83	8.01	7.82	8.40	8.30
45 to 49 years	7.14	7.00	7.55	7.10	7.48	7.50	7.15	7.02	6.95	7.44	7.26
50 to 54 years	6.37	5.48	6.45	6.33	7.03	6.87	6.20	6.23	6.13	6.32	6.07
55 to 59 years	5.00	3.65	4.80	4.68	5.40	5.46	4.51	4.67	4.60	4.66	4.27
60 to 64 years	4.26	2.62	3.88	3.49	4.38	4.44	3.51	3.85	3.78	3.69	3.08
65 to 69 years	3.65	2.16	3.46	2.97	3.93	3.85	2.90	3.36	3.34	2.94	2.50
70 to 74 years	2.77	1.80	3.30	2.60	3.45	3.44	2.61	2.84	2.80	2.54	2.19
75 to 79 years	2.14	1.47	2.66	2.13	2.78	2.86	2.13	2.30	2.33	2.03	1.80
80 to 84 years	1.32	0.94	1.72	1.35	1.80	1.81	1.38	1.48	1.53	1.33	1.17
85 and over	1.01	0.89	1.52	1.13	1.55	1.50	1.20	1.15	1.36	1.19	0.97

Source: U.S. Census Bureau, American Fact Finder, data compiled by the University of Alabama in Huntsville, Office of Economic Development

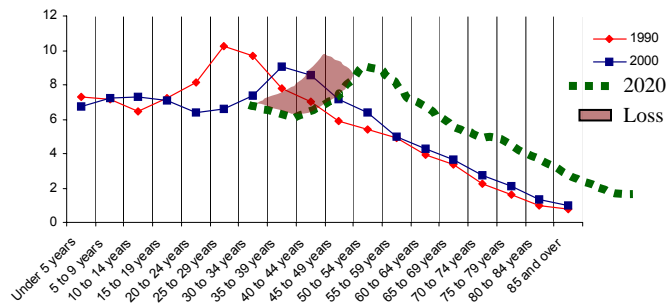
**Total Population
Percent Distribution by Age, 2000**



UAH Total Population, Percent Distribution, by Age
The University of Alabama in Huntsville
Huntsville, AL



UAH Total Population, Percent Distribution, by Age
The University of Alabama in Huntsville
Huntsville, AL

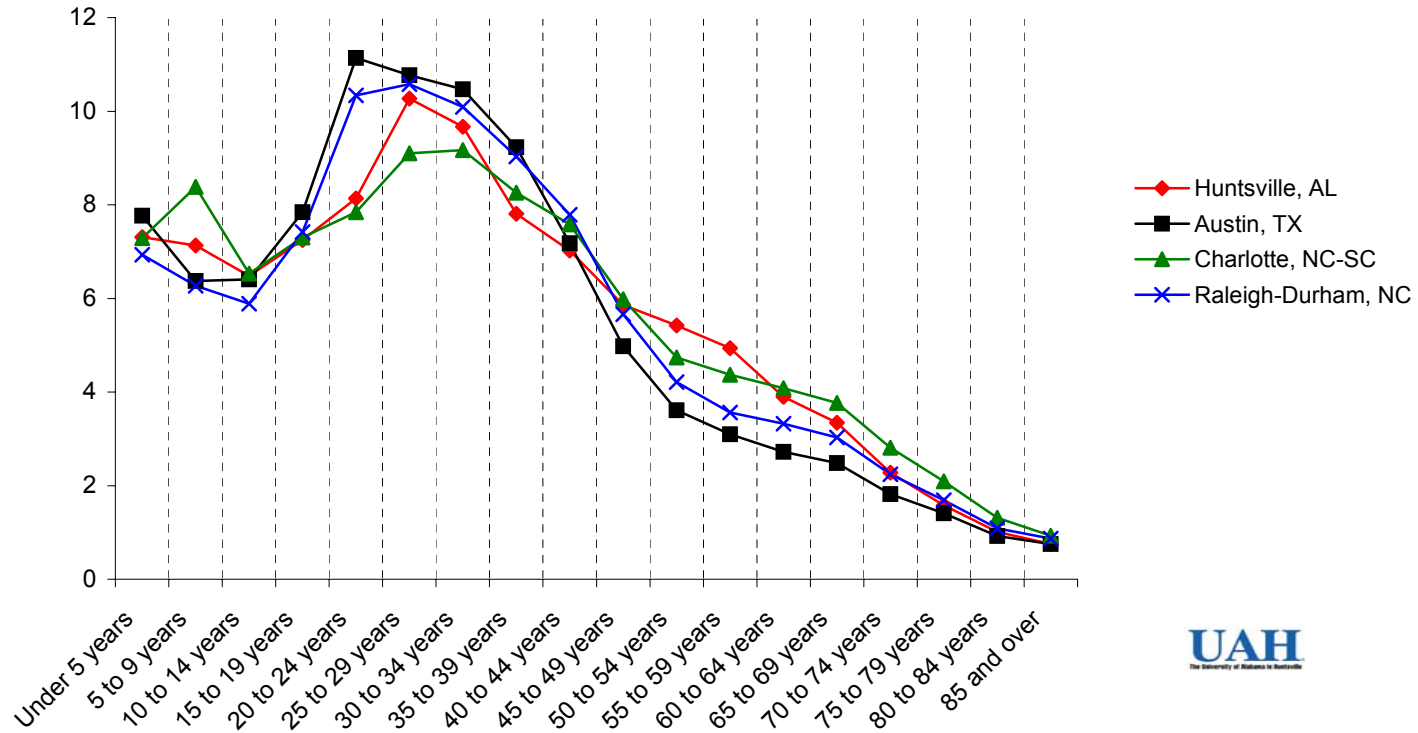


Total Population, Percent Distribution by Age, 1990

Age Groups	Huntsville, AL	Austin, TX	Birmingham, AL	Charlotte, NC--SC	Chattanooga, TN--GA	Knoxville, TN	Lexington, KY	Macon, GA	Montgomery, AL	Nashville, TN	Raleigh-- Durham, NC
Under 5 years	7.31	7.77	6.98	7.29	6.62	6.25	6.87	7.73	7.56	7.20	6.93
5 to 9 years	7.13	6.37	5.56	8.38	12.17	6.37	6.63	7.61	7.68	7.12	6.27
10 to 14 years	6.48	6.41	7.10	6.53	7.10	6.31	6.59	7.41	7.54	6.79	5.89
15 to 19 years	7.25	7.84	7.06	7.30	7.46	7.38	7.56	7.83	8.19	7.19	7.42
20 to 24 years	8.14	11.14	7.02	7.84	6.98	8.02	9.41	7.51	7.47	7.72	10.34
25 to 29 years	10.27	10.77	8.20	9.10	7.72	8.13	9.68	8.70	8.34	9.33	10.58
30 to 34 years	9.67	10.47	8.63	9.17	8.22	8.36	9.30	8.71	8.61	9.40	10.09
35 to 39 years	7.81	9.23	8.23	8.26	7.92	8.03	8.52	7.78	8.03	8.58	9.03
40 to 44 years	7.02	7.18	7.24	7.58	7.55	7.43	7.44	7.13	6.98	7.52	7.79
45 to 49 years	5.86	4.98	5.56	5.98	6.10	6.10	5.51	5.57	5.39	5.81	5.66
50 to 54 years	5.42	3.61	4.69	4.74	5.10	5.07	4.49	4.77	4.59	4.73	4.21
55 to 59 years	4.94	3.10	4.41	4.37	4.86	4.65	3.93	4.44	4.26	4.15	3.56
60 to 64 years	3.90	2.72	4.58	4.08	4.66	4.62	3.73	4.02	3.94	3.83	3.32
65 to 69 years	3.34	2.48	4.28	3.77	4.26	4.43	3.42	3.76	3.73	3.45	3.03
70 to 74 years	2.28	1.82	3.30	2.81	3.27	3.41	2.58	2.85	2.85	2.67	2.24
75 to 79 years	1.58	1.41	2.62	2.09	2.54	2.60	1.98	2.04	2.25	2.08	1.69
80 to 84 years	1.01	0.92	1.71	1.31	1.71	1.65	1.28	1.25	1.46	1.39	1.09
85 and over	0.75	0.75	1.27	0.93	1.21	1.19	1.08	0.88	1.12	1.05	0.87

Source: U.S.Census Bureau, American Fact Finder, data compiled by the University of Alabama in Huntsville, Office of Economic Development

**Total Population
Percent Distribution by Age, 1990**



Quality of Life Rankings

According to Forbes magazine, in 2003 Huntsville was the 11th best place for business and careers, this was the third highest ranking among the peer metropolitan areas. Huntsville only trails Austin and Raleigh in the rankings. This is a large jump from the previous years ranking for Huntsville. Huntsville jumped all the way from 71st to 11th. This jump most likely occurred because of the change in the ranking system by Forbes. In their latest survey Forbes still paid close attention to income and job growth, but this time Forbes also looked at cost of doing business, the qualifications of the available pool of labor, and also the overall attractiveness of the region.

“Forbes Best Places for Business and Careers”

Peer Metros	Rank				
	1999	2000	2001	2002	2003
Austin, TX	2	1	2	19	1
Raleigh-Durham, NC	18	21	13	20	3
Huntsville, AL	NR	164	126	71	11
Lexington, KY	71	73	81	119	14
Knoxville, TN	NR	163	142	107	22
Charlotte, NC-SC	73	14	30	86	37
Nashville, TN	37	54	68	76	51
Birmingham, AL	87	111	110	129	87
Montgomery, AL	144	105	130	153	88
Chattanooga, TN-GA	80	94	115	140	104
Macon, GA	133	88	135	182	NR

Source: Forbes

Quality of Life Rankings, continued

According to the Places Rated Almanac, in 2000 Huntsville was the 100th best metropolitan area in North America. This ranked 9th among the peer metropolitan areas. These rankings are based on an average overall score of several indicators. The indicators include; costs of living, transportation, jobs, education, climate, crime, arts, health care, and recreation. A score is given to each indicator and then an overall average score is taken and then ranked from highest to lowest.

Cost of Living

The cost of living rankings come from a combined cost index of 9 indicators. These indicators are, typical household income, state and local taxes, housing costs, and annual expenses for food, health care, transportation, and recreation. This combined cost figure is an index against the North American average of 100.

Jobs

The Places Rated Almanac uses three criteria in compiling the score for jobs; the percent increase in jobs, the number of new jobs created between now and that date, and the number of new jobs with above average pay.

Crime

The scores for crime are composed of several factors; violent crime, the rates for murder, robbery, aggravated assault, property crime, burglary, larceny-theft, and motor vehicle theft.

Recreation

The scores for recreation consist of three criteria; "bigness" or the total number of public golf holes, good restaurants, movie theater screens, zoos, aquariums, auto racing, gambling, and professional and collegiate sports. The second criteria is "recreation land" or total acres of state parks, federal protected areas, to the circumference of inland lakes. The third criterion is called "golf, movies, and good food per capita".

Education

The scores for education are compiled using 4 factors; school support or the number of pupils per teacher, library popularity, college town or enrollment weighted by the number of typical attendance to get the highest degree offered, and college options.

Quality of Life Rankings, continued

“Places Rated Almanac 2000”

MSA	Rank					
	Cost of Living	Jobs	Crime	Recreation	Education	Overall
Raleigh-Durham, NC	307	12	210	97	1	6
Knoxville, TN	43	42	247	50	66	13
Austin, TX	176	8	212	111	7	20
Nashville, TN	117	23	325	66	57	30
Birmingham, AL	173	80	304	95	69	35
Lexington, KY	145	64	226	142	24	50
Charlotte, NC-SC	258	22	332	67	59	55
Chattanooga, TN-GA	19	124	274	136	153	87
Huntsville, AL	115	114	201	130	38	100
Montgomery, AL	141	198	235	236	92	139
Macon, GA	103	228	207	164	84	176

Source: Places Rated Almanac

Migration of Population and Income – 1995-2002

This analysis uses County-by-County Migration Flow Data, which is a product of the Internal Revenue Service (IRS) and the Census Bureau. It is derived by matching individual income tax returns from the IRS Individual Master File system in a base year with tax returns filed the following year. The data product uses Social Security numbers to track migration patterns of people and their income by county for the entire United States, including inflows and outflows. The data actually shows the counties of origin and the destination counties for migration inflows and outflows for all 3,141 U.S. counties. The data are based on the tax filing years from 1995-2000. The county level data for 2001-2002 was received from the IRS and compiled by the University of Alabama in Huntsville, the Office for Economic Development.

The data include the number of returns (which can be used to approximate the number of households), the number of personal exemptions (which can be used to approximate the population), total adjusted gross income, and average household income.

Migration Flow Data show migration flows in and out of the U.S. metro area, based on year-to-year changes in the addresses entered in income tax returns. The data uses the number of returns to approximate household movement each year. The net gain in money income is based on aggregate adjusted gross income, which is the sum of the amounts reported for all returns. Aggregate income includes salaries & wages, dividends before exclusion, interest received, gross rents & royalties

From 1995-2002 49,433 households moved into Huntsville, while 45,347 households moved out. The net gain in households for 7 years was 4,086.

Huntsville gained \$1.57billion in aggregate income from 1995-2002 and lost \$1.5billion during this time. The net gain in aggregate income was \$75.7 million.

Income Migration 1995-2002

MSA	Aggregate Income In	Aggregate Income Out	Net Change in Aggregate Income
Austin, TX	8,679,482,000	6,038,840,000	2,640,642,000
Charlotte, NC-SC	7,644,780,000	5,536,407,000	2,108,373,000
Raleigh-Durham, NC	9,024,139,000	7,024,487,000	1,999,652,000
Nashville, TN	5,548,071,000	5,114,216,000	433,855,000
Knoxville, TN	2,788,081,000	2,455,210,000	332,871,000
Chattanooga, TN-GA	1,602,286,000	1,518,511,000	83,775,000
Huntsville, AL	1,578,655,000	1,502,953,000	75,702,000
Birmingham, AL	3,230,540,000	3,272,764,000	-42,224,000
Macon, GA	1,225,580,000	1,268,611,000	-43,031,000
Lexington, KY	2,017,999,000	2,064,480,000	-46,481,000
Montgomery, AL	1,303,280,000	1,419,128,000	-115,848,000

Source: Internal Revenue Service

Household Migration 1995-2002

MSA	Number of Households In	Numbers of Households Out	Net Household Migration
Charlotte, NC-SC	302,066	215,161	86,905
Austin, TX	328,092	248,503	79,589
Raleigh-Durham, NC	248,497	188,087	60,410
Knoxville, TN	89,710	81,070	8,640
Huntsville, AL	49,433	45,347	4,086
Macon, GA	43,412	42,879	533
Montgomery, AL	45,616	45,093	523
Chattanooga, TN-GA	54,284	54,578	-294
Birmingham, AL	97,825	99,079	-1,254
Lexington, KY	64,615	67,143	-2,528
Nashville, TN	160,896	171,646	-10,750

Source: Internal Revenue Service

Total Nonfarm Employment

Huntsville's total nonfarm employment for the year 2002 was 184,900, which ranked 10th among its peer metropolitan areas.

Huntsville's total nonfarm employment grew at an average rate of 1.35% from 1993-2002, which ranked 9th among its peer metropolitan areas.

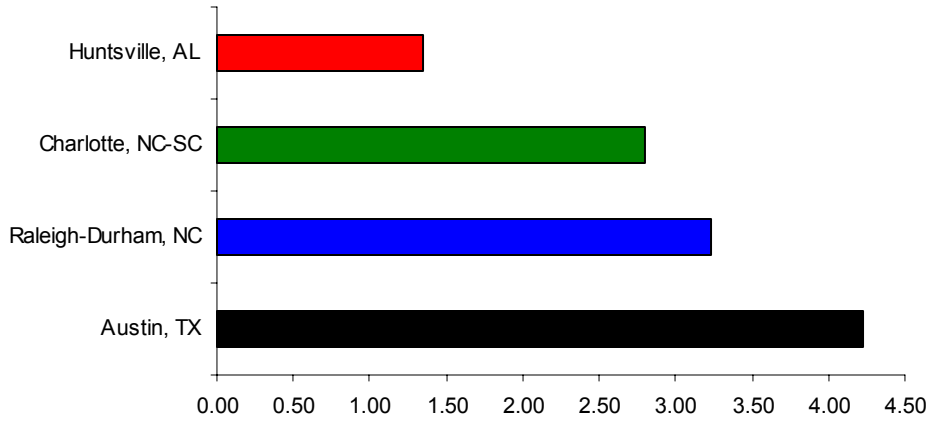
Huntsville's total nonfarm employment grew -0.70% from 2001-2002, which ranked 5th among its 11 metropolitan areas.

MSA	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Annual %	
											Change 93-02	% Change 2001-02
Austin, TX	453,600	484,400	516,500	540,900	566,300	600,700	635,400	672,700	674,000	660,200	4.23	-2.05
Raleigh-Durham, NC	511,700	536,200	557,500	583,800	613,700	645,300	669,500	677,900	687,800	681,100	3.23	-0.97
Charlotte, NC-SC	652,700	684,100	710,400	730,000	753,600	779,100	815,800	842,600	839,300	836,900	2.80	-0.29
Nashville, TN	541,800	570,700	595,400	609,400	630,100	651,600	668,000	680,400	676,300	673,000	2.43	-0.49
Knoxville, TN	296,700	304,100	313,700	314,100	318,700	326,600	332,100	339,000	340,800	345,300	1.70	1.32
Lexington, KY	237,600	243,000	251,500	259,800	268,300	277,000	285,300	289,500	279,200	275,700	1.67	-1.25
Birmingham, AL	418,400	429,900	442,700	450,900	463,400	473,100	481,500	485,500	485,000	480,300	1.54	-0.97
Montgomery, AL	143,600	146,700	150,000	153,800	157,200	160,800	164,600	165,300	164,800	163,100	1.42	-1.03
Huntsville, AL	163,900	162,900	165,600	168,400	173,200	177,400	180,700	184,900	186,200	184,900	1.35	-0.70
Macon, GA	131,600	136,600	140,800	144,700	147,300	147,900	149,600	149,100	147,000	148,000	1.31	0.68
Chattanooga, TN-GA	209,400	214,300	217,000	219,700	219,500	221,100	229,800	235,700	232,900	230,600	1.08	-0.99
Peer Average*	279,570	289,230	298,710	305,080	313,130	321,460	330,740	337,200	335,150	333,780	2.23	-0.41

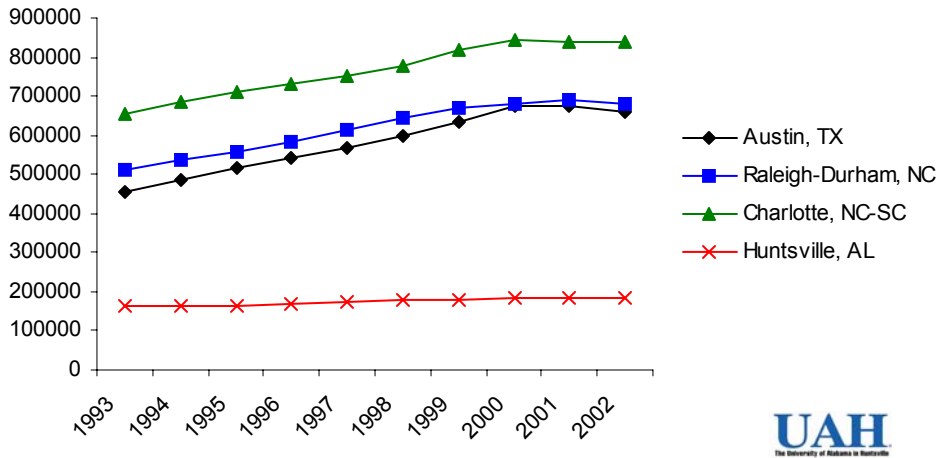
Source: U.S. Department of Labor Bureau of Labor Statistics

* does not include Huntsville

**Total Nonfarm Employment
Average Annual % Change 93-02**

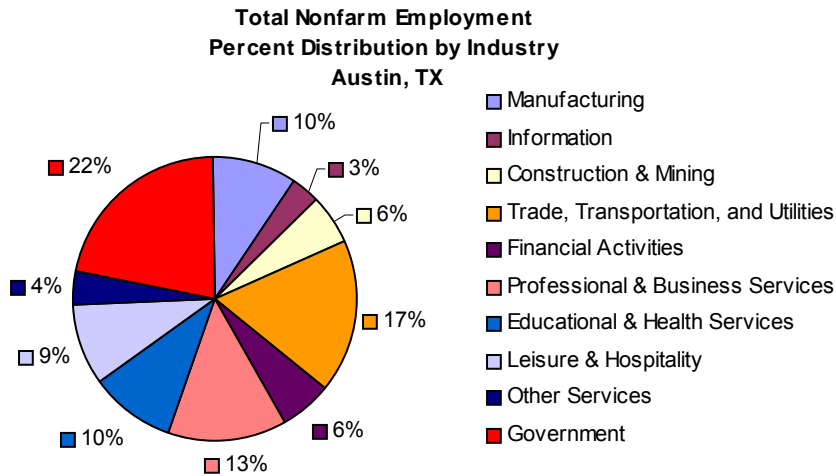
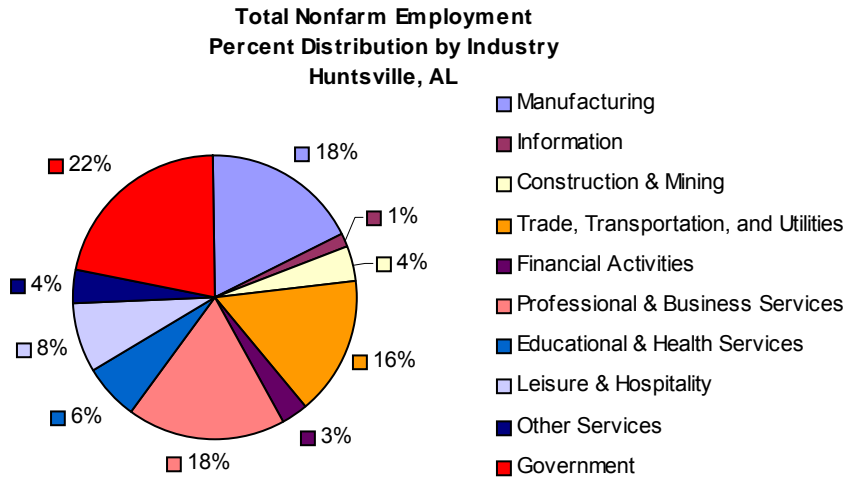


Total Nonfarm Employment

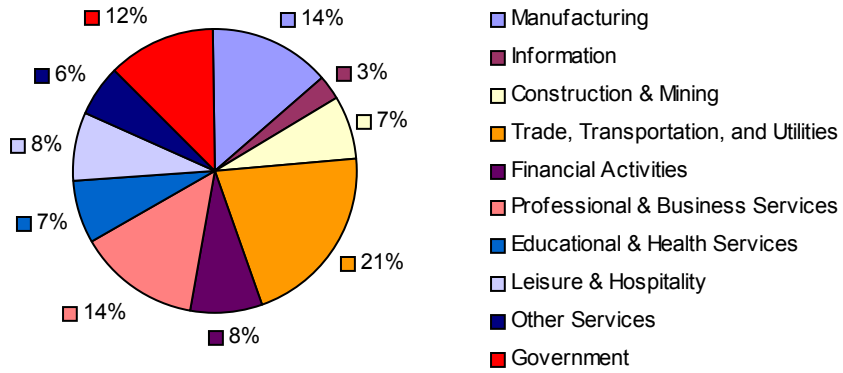


Total Nonfarm Employment, Percent Distribution by Industry

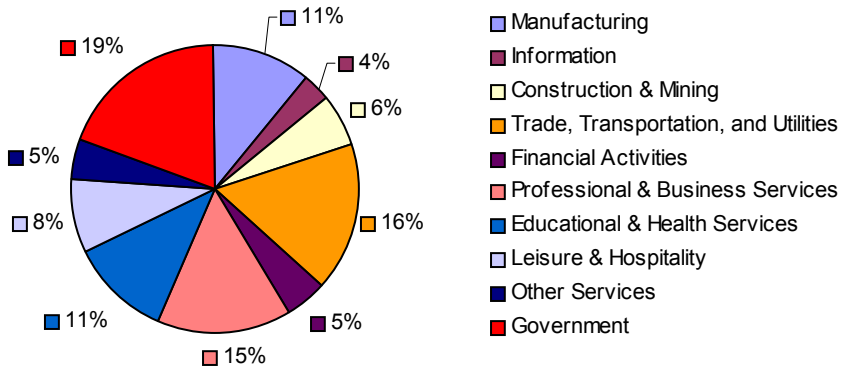
The following charts break down total nonfarm employment into its components, as defined by the Bureau of Labor Statistics and the U.S. Census Bureau. Appendix I lists the definitions of the components.



**Total Nonfarm Employment
Percent Distribution by Industry
Charlotte, NC-SC**



**Total Nonfarm Employment
Percent Distribution by Industry
Raleigh-Durham, NC**



Total Labor Force

In 2002 Huntsville's total labor force was 176,043, which ranked 9th among its peer metropolitan areas.

Huntsville's total labor force grew 0.98% from 1993-2002, which ranked 11th among its peer metropolitan areas.

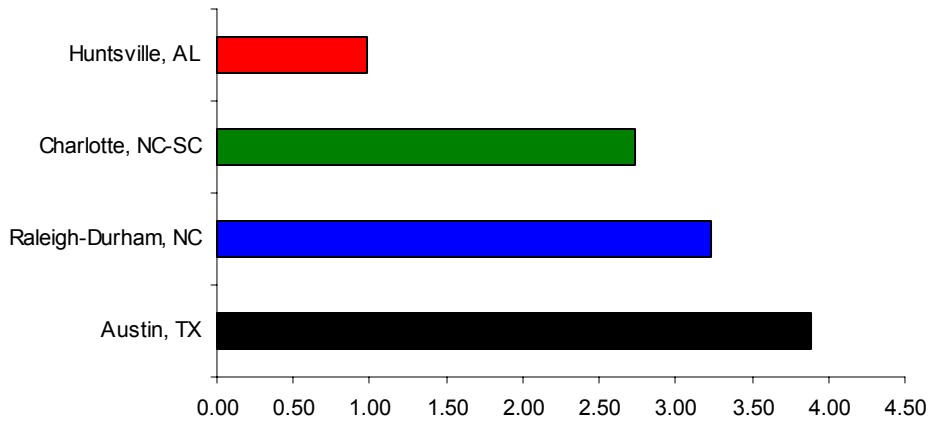
Huntsville's total labor force grew -0.68% from 2001-2002, which ranked 8th among its peer metropolitan areas.

MSA	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Annual	
											% Change 93-02	% Change 2001-02
Austin, TX	545,683	580,975	610,494	630,839	648,665	679,463	708,312	743,877	761,998	768,643	3.88	0.87
Raleigh-Durham, NC	526,052	538,851	547,831	583,263	605,906	612,272	629,285	671,668	696,389	700,415	3.23	0.58
Charlotte, NC-SC	674,254	687,927	699,916	731,675	747,411	744,170	770,252	838,880	852,597	859,919	2.74	0.85
Nashville, TN	552,756	586,445	601,443	618,086	619,419	643,163	661,384	668,890	679,329	696,254	2.60	2.49
Knoxville, TN	323,169	336,004	340,726	342,412	337,490	346,671	352,499	356,086	365,054	378,483	1.77	3.68
Macon, GA	138,683	142,532	151,921	145,941	151,428	156,324	146,007	149,285	151,456	154,745	1.23	2.17
Birmingham, AL	422,848	432,005	441,848	451,045	453,874	473,139	470,716	471,705	474,715	470,897	1.20	-0.78
Chattanooga, TN-GA	214,967	221,684	220,614	223,497	220,623	222,187	229,277	234,238	234,722	238,226	1.15	1.50
Lexington, KY	230,701	233,046	238,152	240,177	250,026	254,344	261,738	264,599	257,510	253,710	1.06	-1.47
Montgomery, AL	146,929	149,548	152,927	156,134	161,904	162,567	163,184	162,818	163,346	161,396	1.05	-1.19
Huntsville, AL	161,232	161,302	161,613	163,943	170,157	172,468	172,014	174,363	177,261	176,043	0.98	-0.68
Peer Average*	339,159	348,934	355,699	365,617	371,824	378,731	385,636	399,253	405,238	409,009	2.42	0.98

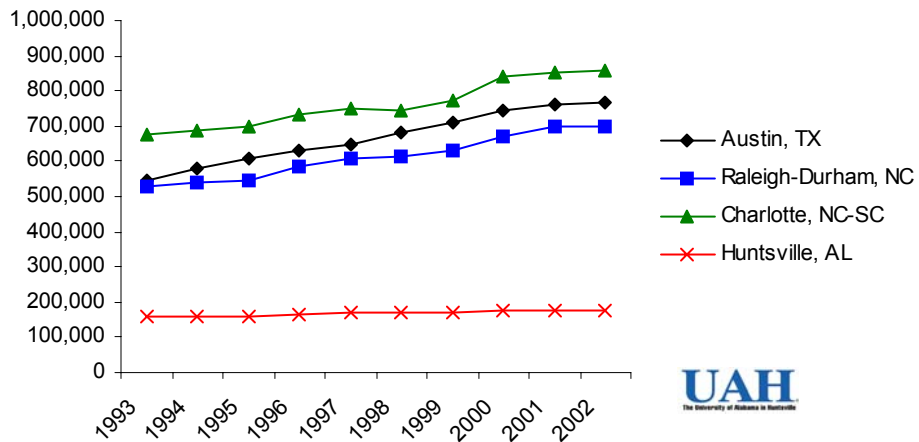
Source: U.S Department of Labor, Bureau of Labor Statistics

* does not include Huntsville

**Total Labor Force
Average Annual % Change 93-02**



Total Labor Force



Annual Unemployment Rate

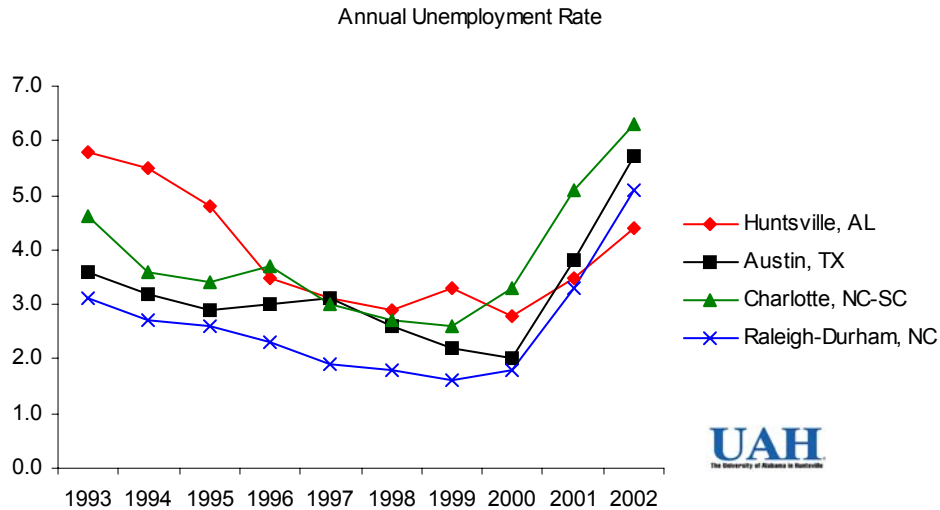
Huntsville's annual unemployment rate for 2002 was 4.40, which was the 5th lowest compared to its peer metropolitan areas.

Annual Unemployment Rate

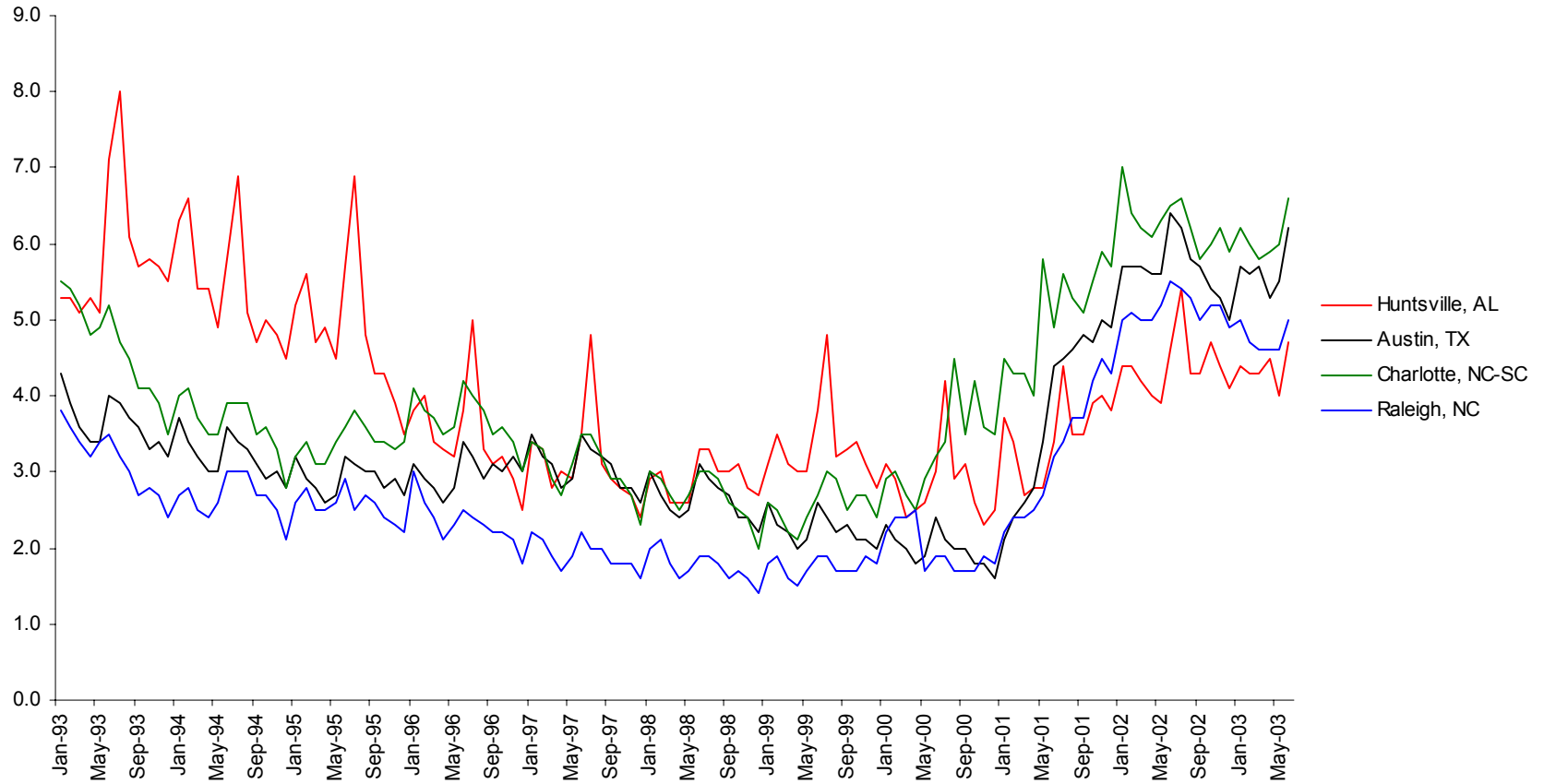
Peer Metros	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Huntsville, AL	5.80	5.50	4.80	3.50	3.10	2.90	3.30	2.80	3.50	4.40
Austin, TX	3.60	3.20	2.90	3.00	3.10	2.60	2.20	2.00	3.80	5.70
Birmingham, AL	5.60	4.10	4.20	3.20	3.40	2.80	3.10	3.00	3.40	4.40
Charlotte, NC-SC	4.60	3.60	3.40	3.70	3.00	2.70	2.60	3.30	5.10	6.30
Chattanooga, TN-GA	5.00	4.40	4.80	4.50	5.00	4.00	3.50	2.90	3.20	3.90
Knoxville, TN	4.80	4.10	4.30	4.20	4.50	3.60	3.30	3.00	3.30	3.50
Lexington, KY	3.70	3.60	3.00	2.80	2.70	2.20	2.10	2.00	3.40	3.90
Macon, GA	5.70	5.80	5.00	4.80	4.80	5.20	4.80	4.40	3.70	4.30
Montgomery, AL	6.10	4.90	5.60	4.10	4.20	3.20	3.70	3.60	3.90	4.70
Nashville, TN	4.10	3.10	3.40	3.30	3.50	2.70	2.70	2.80	3.30	4.00
Raleigh-Durham, NC	3.10	2.70	2.60	2.30	1.90	1.80	1.60	1.80	3.30	5.10
Peer Average*	4.63	3.95	3.92	3.59	3.61	3.08	2.96	2.88	3.64	4.58

Source: U.S Department of Labor, Bureau of Labor Statistics

* does not include Huntsville



Monthly Unemployment Rates

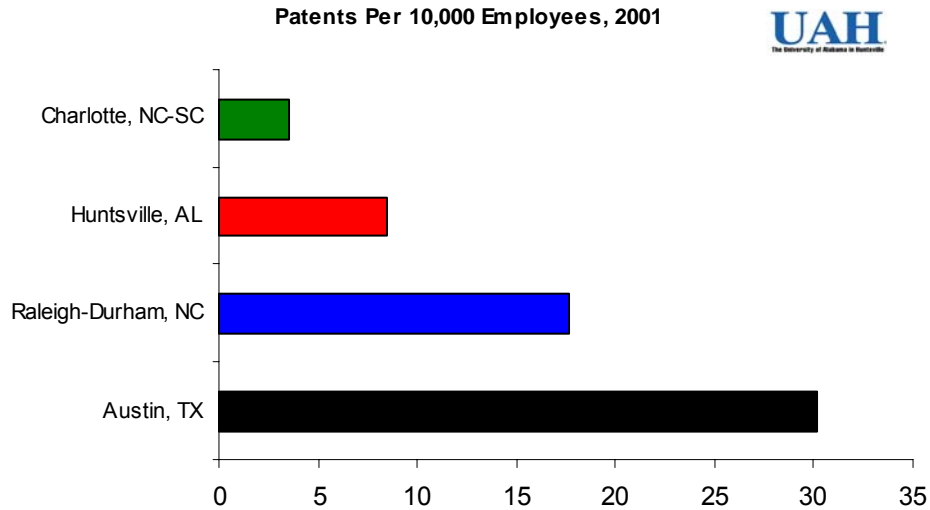


Patents per 10,000 Employees 2001

Huntsville had 8.5 patents per 10,000 employees in 2001, this ranked 4th among its peer metropolitan areas.

MSA	Patents
Austin, TX	30.2
Raleigh-Durham, NC	17.7
Lexington, KY	9.2
Huntsville, AL	8.5
Knoxville, TN	6.1
Charlotte, NC-SC	3.5
Chattanooga, TN-GA	3.2
Nashville, TN	2.6
Birmingham, AL	2.1
Macon, GA	1.7
Montgomery, AL	1.2
National	7.71

Source: Harvard Business School



Research Funding by Federal Agencies

The following chart shows FY2000 research funding to all states by seven major Federal agencies on a per capita basis. For NSF, Alabama ranks 48th; for Agriculture, Alabama ranks 30th; for the Department of Commerce, Alabama ranks 43rd; for the Department of Energy, Alabama ranks 25th; for the Department of Health and Human Services, Alabama ranks 20th; for the Environmental Protection Agency, Alabama ranks 22nd; and for the Department of Transportation, Alabama ranks 29th.

Research Funding by Federal Agencies FY2000

Rank	National Science Foundation <u>Research Per Capita</u>	Dept. of Agriculture Research <u>Per Capita</u>	Dept. of Commerce Research <u>Per Capita</u>	Dept. of Energy Research <u>Per Capita</u>	Health & Human Services <u>Research Per Capita</u>	Environmental Protection Agency <u>Research Per Capita</u>	Department of Transportation <u>Research Per Capita</u>
1	Colorado (\$39.93)	North Dakota (\$44.14)	Maryland (\$66.63)	New Mexico (\$715.60)	Maryland (\$661.24)	North Carolina (\$14.52)	Wyoming (\$7.57)
2	Massachusetts (\$39.00)	Maryland (\$27.20)	Alaska (\$42.02)	Massachusetts (\$148.90)	Massachusetts (\$206.03)	Rhode Island (\$9.77)	Maryland (\$7.17)
3	Virginia (\$37.95)	Mississippi (\$25.25)	Colorado (\$21.23)	Idaho (\$110.57)	Connecticut (\$82.76)	Nevada (\$6.49)	Massachusetts (\$7.04)
4	Alaska (\$37.36)	Montana (\$23.95)	Hawaii (\$12.44)	Nevada (\$101.16)	Washington (\$81.22)	Oregon (\$5.20)	New Jersey (\$6.31)
5	Rhode Island (\$22.95)	Nebraska (\$17.38)	Washington (\$12.39)	Tennessee (\$59.59)	North Carolina (\$75.49)	Ohio (\$5.11)	Colorado (\$6.05)
6	Arizona (\$22.62)	Wyoming (\$17.02)	New Hampshire (\$7.28)	Illinois (\$40.23)	Pennsylvania (\$68.99)	Oklahoma (\$3.52)	Virginia (\$5.68)
7	Maryland (\$18.86)	Hawaii (\$16.70)	Massachusetts (\$6.60)	Colorado (\$35.45)	New York (\$64.25)	Virginia (\$3.01)	Alaska (\$5.45)
8	Delaware (\$17.09)	Iowa (\$16.61)	Rhode Island (\$5.50)	West Virginia (\$34.18)	Vermont (\$61.93)	Michigan (\$2.85)	Connecticut (\$4.67)
9	Hawaii (\$16.37)	Alaska (\$15.79)	Oregon (\$4.78)	California (\$33.26)	Oregon (\$60.83)	Colorado (\$2.79)	New Mexico (\$4.37)
10	California (\$15.97)	Idaho (\$15.12)	Mississippi (\$3.62)	New York (\$30.15)	Rhode Island (\$59.04)	Minnesota (\$2.73)	Oklahoma (\$4.14)
11	New Hampshire (\$15.78)	West Virginia (\$13.16)	New Jersey (\$3.60)	Washington (\$28.21)	Average (\$55.51)	Montana (\$2.68)	Minnesota (\$3.64)
12	Vermont (\$15.71)	Arkansas (\$12.24)	Virginia (\$3.57)	Pennsylvania (\$26.65)	Missouri (\$55.28)	Maryland (\$2.29)	Nevada (\$3.45)
13	Washington (\$15.09)	Oregon (\$11.08)	Average (\$3.46)	Average (\$22.91)	California (\$51.02)	New Mexico (\$2.22)	Montana (\$2.72)
14	Illinois (\$14.98)	Vermont (\$10.67)	Delaware (\$2.94)	Connecticut (\$14.94)	Colorado (\$50.94)	Average (\$1.75)	New Hampshire (\$2.62)
15	New York (\$14.05)	South Dakota (\$9.62)	Connecticut (\$2.73)	Virginia (\$11.53)	Minnesota (\$49.37)	Georgia (\$1.60)	Delaware (\$1.87)
16	Wyoming (\$13.29)	Louisiana (\$9.52)	Michigan (\$2.52)	Oregon (\$10.87)	Iowa (\$44.28)	Massachusetts (\$1.57)	North Dakota (\$1.77)
17	New Mexico (\$12.50)	Utah (\$7.15)	California (\$2.47)	South Carolina (\$10.01)	Georgia (\$43.28)	Missouri (\$1.44)	Average (\$1.77)
18	Average (\$12.00)	Wisconsin (\$7.13)	Florida (\$2.40)	Maryland (\$9.65)	Utah (\$43.19)	Louisiana (\$1.44)	Ohio (\$1.70)
19	Maine (\$11.77)	Colorado (\$6.91)	South Carolina (\$2.28)	Iowa (\$9.44)	Wisconsin (\$40.89)	Washington (\$1.27)	Utah (\$1.44)
20	Utah (\$11.61)	Washington (\$6.88)	Oklahoma (\$2.07)	North Dakota (\$9.38)	Alabama (\$40.62)	Alaska (\$1.26)	West Virginia (\$1.43)
21	Wisconsin (\$11.61)	Delaware (\$6.71)	Maine (\$1.69)	Wyoming (\$8.49)	New Hampshire (\$38.85)	Texas (\$1.16)	Idaho (\$1.33)
22	Oregon (\$11.55)	Georgia (\$6.67)	North Carolina (\$1.58)	New Jersey (\$7.31)	Illinois (\$37.14)	Alabama (\$1.15)	South Dakota (\$1.26)
23	Indiana (\$11.13)	Kansas (\$6.19)	Minnesota (\$1.52)	Oklahoma (\$5.24)	Ohio (\$36.64)	Delaware (\$1.12)	Iowa (\$1.33)
24	Michigan (\$10.57)	Oklahoma (\$5.66)	Louisiana (\$1.34)	Alaska (\$5.21)	Michigan (\$35.17)	Arizona (\$1.10)	Kentucky (\$1.21)
25	Connecticut (\$9.85)	Minnesota (\$5.20)	New York (\$1.09)	Alabama (\$4.47)	Tennessee (\$33.48)	California (\$0.99)	Michigan (\$1.21)
26	Minnesota (\$9.11)	Average (\$5.05)	Idaho (\$1.08)	Wisconsin (\$3.82)	New Mexico (\$31.23)	Kansas (\$0.95)	Tennessee (\$1.18)
27	Georgia (\$8.89)	North Carolina (\$4.99)	Utah (\$0.86)	Utah (\$3.50)	West Virginia (\$31.18)	Vermont (\$0.92)	Washington (\$1.14)
28	South Carolina (\$8.84)	Arizona (\$4.85)	South Dakota (\$0.81)	Indiana (\$2.72)	Texas (\$30.05)	New Hampshire (\$0.81)	California (\$1.12)
29	North Carolina (\$8.75)	New Mexico (\$ 4.54)	North Dakota (\$0.79)	Delaware (\$2.61)	Kansas (\$29.76)	New York (\$0.66)	Alabama (\$1.10)
30	Pennsylvania (\$8.57)	Alabama (\$4.39)	Vermont (\$0.69)	Rhode Island (\$2.59)	Virginia (\$29.04)	Florida (\$0.65)	Mississippi (\$1.09)
31	Iowa (\$8.56)	Missouri (\$4.37)	Arizona (\$0.64)	Hawaii (\$2.46)	Montana (\$28.87)	South Dakota (\$0.57)	Illinois (\$1.07)
32	New Jersey (\$8.51)	Massachusetts (\$4.29)	Wisconsin (\$0.58)	North Carolina (\$2.03)	Maine (\$28.31)	New Jersey (\$0.53)	Maine (\$1.02)
33	Montana (\$7.91)	New Hampshire (\$4.24)	Ohio (\$0.58)	Michigan (\$1.98)	Kentucky (\$24.09)	Illinois (\$0.49)	Arkansas (\$1.01)
34	Missouri (\$6.83)	South Carolina (\$4.21)	New Mexico (\$0.53)	Kansas (\$1.64)	Hawaii (\$23.93)	South Carolina (\$0.49)	Kansas (\$0.98)
35	Florida (\$6.82)	Pennsylvania (\$3.81)	Georgia (\$0.46)	Minnesota (\$1.64)	Arizona (\$20.91)	Pennsylvania (\$0.47)	Indiana (\$0.96)
36	Nebraska (\$6.69)	Illinois (\$3.71)	Texas (\$0.45)	Ohio (\$1.59)	Nebraska (\$20.15)	Idaho (\$0.46)	Vermont (\$0.95)
37	Kansas (\$6.66)	Maine (\$3.62)	Montana (\$0.40)	Georgia (\$1.51)	Arkansas (\$20.13)	North Dakota (\$0.45)	Rhode Island (\$0.95)
38	Ohio (\$5.82)	Texas (\$3.48)	Illinois (\$0.40)	Vermont (\$1.51)	Indiana (\$19.19)	Utah (\$0.36)	Pennsylvania (\$0.82)
39	Nevada (\$5.43)	Indiana (\$2.93)	Pennsylvania (\$0.39)	Louisiana (\$1.45)	New Jersey (\$17.60)	Wisconsin (\$0.36)	Oregon (\$0.82)
40	North Dakota (\$5.06)	California (\$2.85)	Nebraska (\$0.38)	Montana (\$1.24)	Louisiana (\$17.53)	Iowa (\$0.31)	North Carolina (\$0.81)
41	Tennessee (\$4.88)	Florida (\$2.57)	Indiana (\$0.31)	Texas (\$1.17)	South Carolina (\$14.00)	Connecticut (\$0.27)	Georgia (\$0.79)
42	Texas (\$4.80)	Rhode Island (\$2.48)	Tennessee (\$0.27)	Maine (\$1.09)	Oklahoma (\$11.85)	Arkansas (\$0.24)	Texas (\$0.76)
43	Louisiana (\$4.42)	Michigan (\$2.29)	Alabama (\$0.26)	Arizona (\$1.00)	Florida (\$11.61)	Mississippi (\$0.22)	Wisconsin (\$0.72)
44	Oklahoma (\$4.23)	Kentucky (\$2.26)	West Virginia (\$0.22)	Kentucky (\$0.92)	Delaware (\$11.52)	Maine (\$0.18)	Nebraska (\$0.72)
45	Idaho (\$3.58)	Connecticut (\$2.23)	Kansas (\$0.19)	Missouri (\$0.82)	North Dakota (\$9.54)	Nebraska (\$0.18)	Louisiana (\$0.71)
46	South Dakota (\$3.58)	New York (\$1.98)	Nevada (\$0.14)	Florida (\$0.82)	Nevada (\$7.76)	Tennessee (\$0.16)	Missouri (\$0.69)
47	Kentucky (\$2.92)	Tennessee (\$1.73)	Kentucky (\$0.09)	Mississippi (\$0.61)	Alaska (\$6.23)	Kentucky (\$0.11)	Hawaii (\$0.69)
48	Alabama (\$2.85)	Nevada (\$1.62)	Iowa (\$0.08)	Nebraska (\$0.55)	Mississippi (\$5.22)	Indiana (\$0.11)	Arizona (\$0.68)
49	Arkansas (\$2.30)	Ohio (\$1.50)	Wyoming (\$0.05)	New Hampshire (\$0.50)	South Dakota (\$5.16)	Hawaii (\$0.00)	New York (\$0.66)
50	Mississippi (\$2.19)	Virginia (\$1.47)	Missouri (\$0.04)	South Dakota (\$0.07)	Wyoming (\$3.33)	West Virginia (\$0.00)	Florida (\$ 0.61)
51	West Virginia (\$1.11)	New Jersey (\$0.82)	Arkansas (\$0.00)	Arkansas (\$0.04)	Idaho (\$2.87)	Wyoming (\$0.00)	South Carolina (\$0.29)

Source: National Science Foundation, from the Report Science and Engineering State Profiles, 1999-2000, NSF R&D from the report, "National Patterns of R&D Resources"

Total Research Funding on a Per Capita Basis, for Seven Major Agencies

The following chart presents the total R&D expenditures FY2000 by state on a per capita basis for the seven Federal agencies total, DoD, NASA. **Total Federal Research Funding on a Per Capita Basis for the total of:**

NSF, DOA, DOC, DOE, HHS, EPA, DOT			DOD		NASA			
1	Maryland	\$1,571.74	1	Virginia	\$662.18	1	Maryland	\$250.50
2	New Mexico	\$1,533.24	2	Maryland	\$486.42	2	Alabama	\$118.82
3	Massachusetts	\$812.78	3	New Mexico	\$340.02	3	Texas	\$96.75
4	Colorado	\$314.50	4	California	\$273.15	4	California	\$83.54
5	Washington	\$290.12	5	New Jersey	\$267.79	5	Virginia	\$80.33
6	Idaho	\$267.36	6	Rhode Island	\$266.00	6	Ohio	\$39.90
7	Nevada	\$245.20	7	Ohio	\$233.19	7	Colorado	\$34.23
8	Connecticut	\$225.56	8	Alabama	\$230.80	8	Average	\$32.81
9	New York	\$224.36	9	Massachusetts	\$201.58	9	Mississippi	\$25.93
10	Pennsylvania	\$217.76	10	Georgia	183.69*	10	New Mexico	\$25.02
11	Alaska	\$215.74		New				
12	North Carolina	\$214.72	11	Hampshire	\$155.87	11	Florida	\$24.94
13	California	\$213.12	12	Arizona	\$154.16	12	Connecticut	\$22.39
14	Oregon	\$208.62	13	Colorado	\$134.13	13	Massachusetts	\$22.08
15	Rhode Island	\$204.66	14	Average	\$122.52	14	Hawaii	\$15.57
16	Average	\$201.36	15	Minnesota	\$105.05	15	Alaska	\$15.16
17	Tennessee	\$200.22	16	Florida	\$93.44	16	Arizona	\$13.80
18	Illinois	\$193.90					New	
19	Vermont	\$182.86	17	Missouri	\$93.33	17	Hampshire	\$12.97
20	Virginia	\$173.14	18	Hawaii	\$70.50	18	Washington	\$12.94
21	West Virginia	\$159.70	19	Maine	\$70.13	19	West Virginia	\$10.06
22	Iowa	\$158.56	20	Washington	\$65.30	20	South Dakota	\$8.69
23	Hawaii	\$143.80	21	Utah	\$56.64	21	Utah	\$7.10
24	Minnesota	\$139.14	22	Mississippi	\$54.70	22	Montana	\$6.01
25	North Dakota	\$138.72	23	Connecticut	\$54.06	23	Kansas	\$5.76
26	Missouri	\$137.56	24	Texas	\$45.55	24	Delaware	\$5.43
27	New Hampshire	\$134.92	25	Pennsylvania	\$41.90	25	New Jersey	\$5.29
28	Utah	\$133.34	26	Indiana	\$31.40	26	Tennessee	\$5.22
29	Montana	\$130.10	27	New York	\$28.94	27	Rhode Island	\$3.64
30	Wisconsin	\$128.78	28	Alaska	\$28.78	28	Iowa	\$36.63
31	Georgia	\$124.82	29	Michigan	\$25.38	29	Wisconsin	\$3.28
32	Michigan	\$110.76	30	Kansas	\$20.70	30	New York	\$3.28
33	Alabama	\$107.48	31	Delaware	\$17.23	31	Pennsylvania	\$3.20
34	Ohio	\$102.48	32	North Carolina	\$17.00	32	North Dakota	\$2.79
35	Arizona	\$102.24	33	Vermont	\$16.45	33	Oregon	\$2.77
36	Maine	\$93.32	34	South Carolina	\$15.75	34	Georgia	\$2.53
37	Kansas	\$90.78	35	Tennessee	\$14.06	35	Maine	\$2.26
38	Nebraska	\$90.66	36	West Virginia	\$10.61	36	Michigan	\$2.24
39	Wyoming	\$84.36	37	Illinois	\$10.33	37	Missouri	\$2.19
40	Delaware	\$83.98	38	Idaho	\$9.03	38	Louisiana.	\$2.02
41	Texas	\$82.22	39	Oklahoma	\$8.62	39	Indiana	\$1.76
42	South Carolina	\$79.66	40	Oregon	\$8.23	40	North Carolina	\$1.61
43	New Jersey	\$76.74	41	Nevada	\$8.11	41	Minnesota	\$1.55
44	Mississippi	\$74.22	42	Louisiana	\$7.80	42	Illinois	\$1.39
45	Indiana	\$72.78	43	Iowa	\$7.13	43	Nevada	\$1.35
46	Louisiana	\$71.40	44	Montana	\$6.48	44	Nebraska	\$1.26
47	Arkansas	\$69.90	45	North Dakota	\$5.95	45	Idaho	\$1.20
48	Oklahoma	\$65.14	46	Nebraska	\$3.00	46	Vermont	\$1.03
49	Kentucky	\$60.78	47	Kentucky	\$2.98	47	Wyoming	\$0.89
50	Florida	\$49.74	48	Wisconsin	\$2.65	48	South Carolina	\$0.79
51	South Dakota	\$39.62	49	South Dakota	\$1.83	49	Oklahoma	\$0.78
			50	Wyoming	\$1.48	50	Arkansas	\$0.52
			51	Arkansas	\$0.58	51	Kentucky	\$0.39

Source: R&D data.NSF.from the report:
"Science and Engineering State Profiles.

Source: NSF Science & Engineering State Profiles

1999-2000"

www.nsf.gov/sbe/srs/nsf02318/

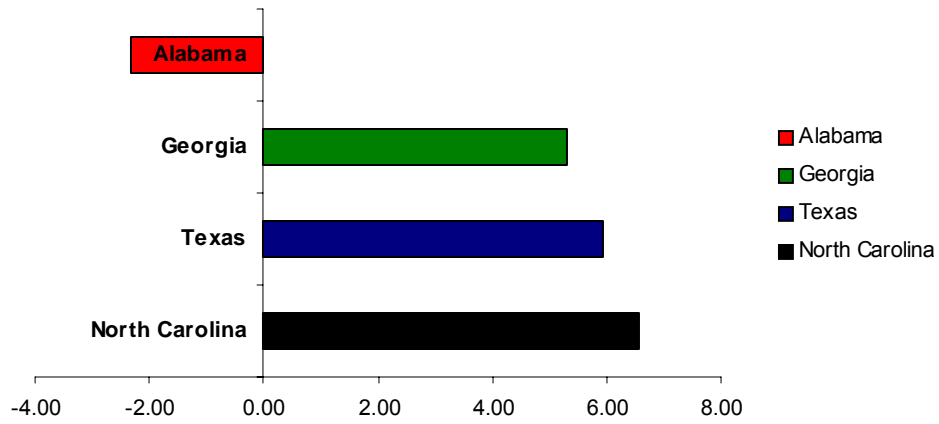
Total R&D

In 2000, Alabama had \$5,045,250,000 in total R&D expenditures, this ranked last, compared to North Carolina, Georgia, and Texas. Alabama's average annual percent growth from 1987-2000 was -2.32%, which also ranked last among the aforementioned states.

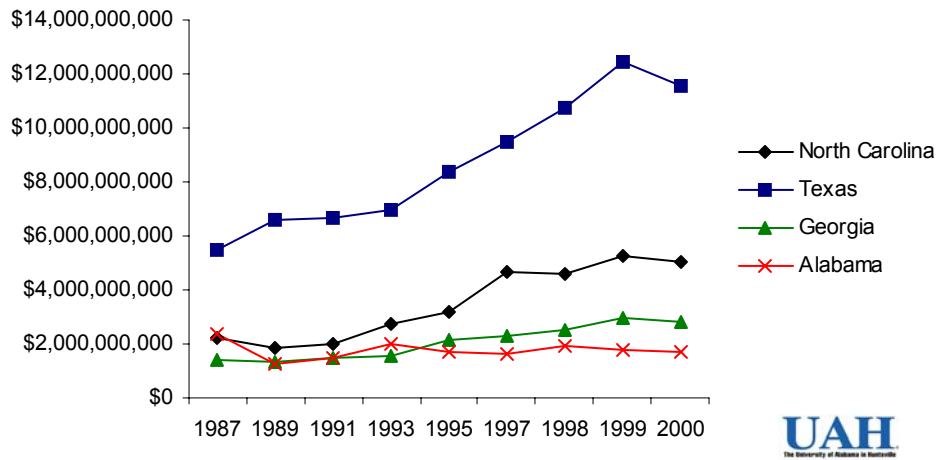
	1987	1989	1991	1993	1995	1997	1998	1999	2000	Annual % Change 87-00	% Change 99-00
North Carolina	\$2,212,322,000	\$1,820,827,000	\$1,965,076,000	\$2,745,087,000	\$3,191,790,000	\$4,667,017,000	\$4,559,996,000	\$5,268,108,000	\$5,045,250,000	6.55	-4.23
Texas	\$5,454,724,000	\$6,581,710,000	\$6,635,249,000	\$6,965,939,000	\$8,384,534,000	\$9,487,282,000	\$10,774,067,000	\$12,429,172,000	\$11,552,437,000	5.94	-7.05
Georgia	\$1,430,455,000	\$1,309,760,000	\$1,478,861,000	\$1,577,360,000	\$2,112,474,000	\$2,271,517,000	\$2,491,906,000	\$2,959,809,000	\$2,796,192,000	5.29	-5.53
Alabama	\$2,349,977,000	\$1,232,429,000	\$1,510,827,000	\$1,967,533,000	\$1,680,828,000	\$1,636,645,000	\$1,926,127,000	\$1,761,474,000	\$1,730,117,000	-2.32	-1.78

Source: National Science Foundation

Total R&D
Average Annual % Change 1987-2000



Total R&D



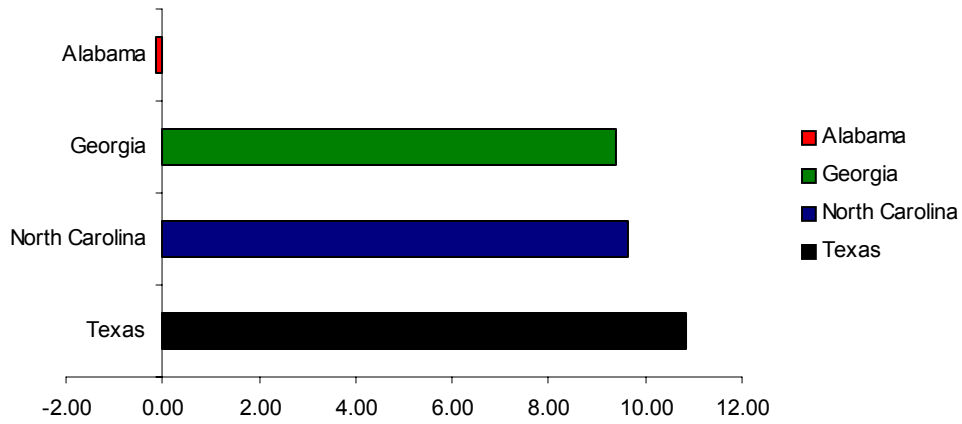
Total Industry Funded Industry R&D

In 2000, Alabama had \$423,000,000 in industry funded industry R&D expenditures, this ranked last, compared to North Carolina, Georgia, and Texas. Alabama's average annual percent growth from 1987-2000 was -0.13%, which also ranked last among the aforementioned states.

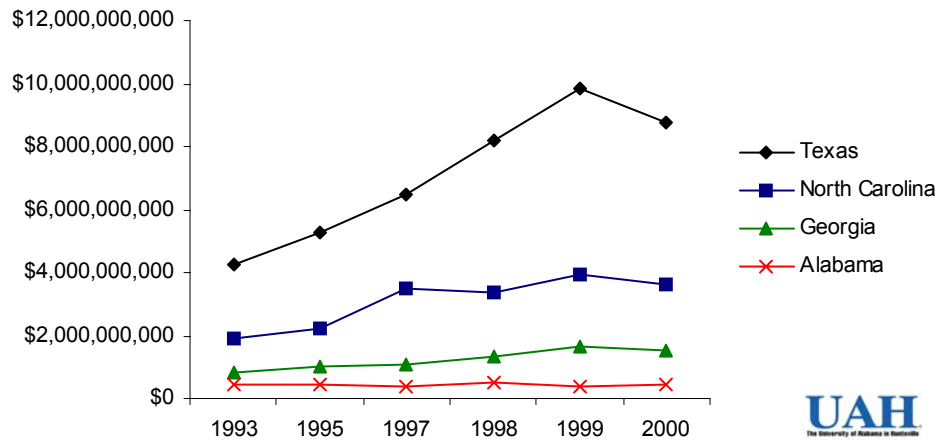
	1993	1995	1997	1998	1999	2000	Annual % Change 93-00	% Change 99-00
Texas	\$4,242,000,000	\$5,298,000,000	\$6,481,000,000	\$8,185,000,000	\$9,817,000,000	\$8,731,000,000	10.86	-11.06
North Carolina	\$1,913,000,000	\$2,212,000,000	\$3,478,000,000	\$3,350,000,000	\$3,934,000,000	\$3,641,000,000	9.62	-7.45
Georgia	\$797,000,000	\$1,031,000,000	\$1,062,000,000	\$1,358,000,000	\$1,649,000,000	\$1,496,000,000	9.41	-9.28
Alabama	\$427,000,000	\$413,000,000	\$399,000,000	\$527,000,000	\$365,000,000	\$423,000,000	-0.13	15.89

Source: National Science Foundation

**Total Industry Funded Industry R&D
Average Annual % Change 1993-2000**



Total Industry Funded Industry R&D



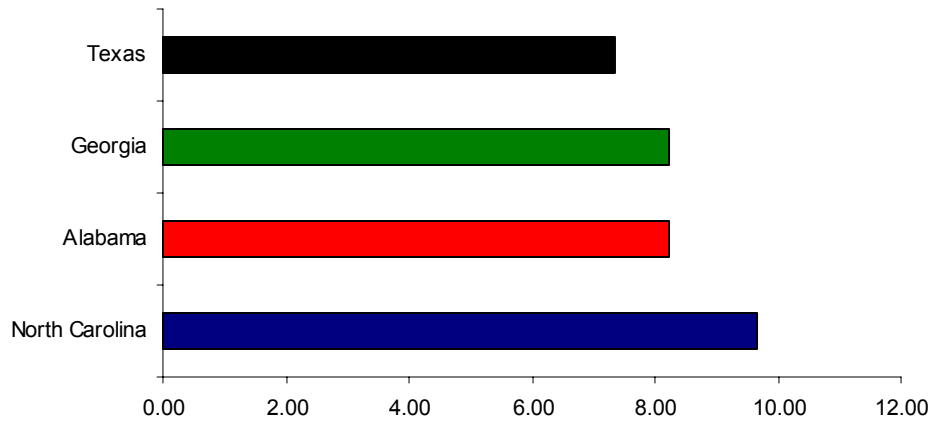
Total University R&D

In 2000, Alabama had \$428,122,000 in total university R&D expenditures, this ranked last, compared to North Carolina, Georgia, and Texas. Alabama's average annual percent growth from 1987-2000 was 8.24%, which was the second highest among the aforementioned states.

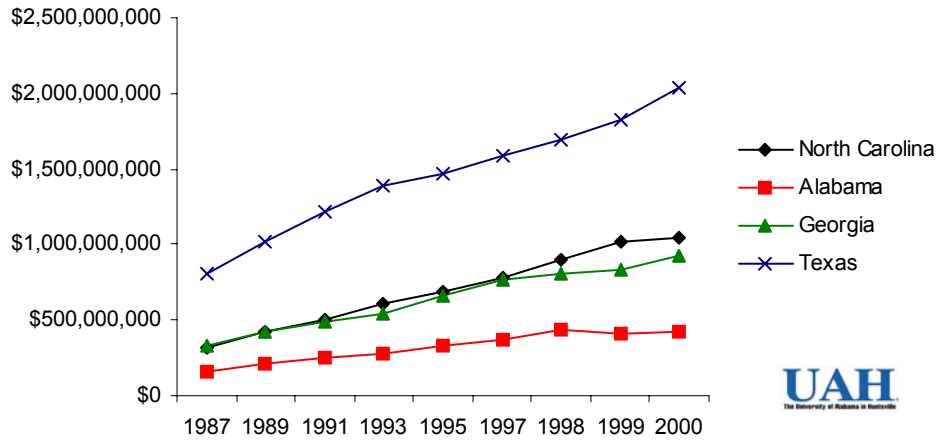
	1987	1989	1991	1993	1995	1997	1998	1999	2000	Annual % Change 87-00	% Change 99-00
North Carolina	\$313,819,000	\$419,848,000	\$501,841,000	\$604,581,000	\$686,609,000	\$785,980,000	\$898,513,000	\$1,012,576,000	\$1,040,017,000	9.65	2.71
Alabama	\$152,925,000	\$215,836,000	\$252,998,000	\$281,209,000	\$334,689,000	\$368,602,000	\$442,196,000	\$416,594,000	\$428,122,000	8.24	2.77
Georgia	\$331,000,000	\$424,424,000	\$484,019,000	\$546,960,000	\$657,530,000	\$766,346,000	\$802,023,000	\$839,715,000	\$926,749,000	8.24	10.36
Texas	\$809,781,000	\$1,014,305,000	\$1,215,548,000	\$1,387,088,000	\$1,472,165,000	\$1,581,200,000	\$1,698,363,000	\$1,829,967,000	\$2,039,642,000	7.36	11.46

Source: National Science Foundation

**Total University R&D
Average Annual % Change 1987-2000**



Total University R&D



Appendix I
Definitions of the Components of Total Nonfarm Employment

Sector	Subsector(s)	NAICS
Information		51
	Publishing Industries	511
	Motion Picture & Sound Recording Studios	512
	Broadcasting & Communications	513
	Information Services & Data Processing	514
Manufacturing		31,32,33
	Food Manufacturing	311
	Beverage & Tobacco Product Manufacturing	312
	Textiles Mills	313
	Textile Product Mills	314
	Apparel Manufacturing	315
	Leather & Allied Product Manufacturing	316
	Wood Product Manufacturing	321
	Paper Manufacturing	322
	Printing & Related Support Activities	323
	Petroleum & Coal Products Manufacturing	324
	Chemical Manufacturing	325
	Plastics & Rubber Products Manufacturing	326
	Nonmetallic Mineral Product Manufacturing	327
	Primary Metal Manufacturing	331
	Fabricated Metal Product Manufacturing	332
	Machinery Manufacturing	333
	Computer & Electronic Product Manufacturing	334
	Electrical Equipment, Appliance, and Component Manufacturing	335
	Transportation Equipment Manufacturing	336

Manuf. (cont)	Furniture & Related Product Manufacturing	337
	Miscellaneous Manufacturing	339
Construction & Mining		21,23
	Oil & Gas Extraction	211
	Mining (except gas & oil)	212
	Support Activities for Mining	213
	Building, Developing, and General Contracting	233
	Heavy Construction	234
	Special Trade Contractors	235
Trade, Transportation, and Utilities		22, 42, 44, 45, 48, 49
	Utilities	221
	Wholesale Trade, Durable Goods	421
	Wholesale Trade, Nondurable Goods	422
	Motor Vehicle and Parts Dealers	441
	Furniture and Home Furnishings	442
	Electronics & Appliances Stores	443
	Building Material and Garden Equipment & Supplies Dealers	444
	Food & Beverage Stores	445
	Health & Personal Care Stores	446
	Gasoline Stations	447
	Clothing and Clothing Accessories Stores	448
	Sporting Goods, Hobby, Book, and Music Stores	451
	General Merchandise Stores	452
	Miscellaneous Store Retailers	453
	Nonstore Retailers	454
	Air Transportation	481
	Rail Transportation	482

	Water Transportation	483
Trade, Trans, Util (cont)	Truck Transportation	484
	Transit & Ground Passenger Transportation	485
	Pipeline Transportation	486
	Scenic & Sightseeing Transportation	487
	Support Activities for Transportation	488
	Postal Service	491
	Courier & Messengers	492
	Warehousing & Storage	493
Financial Activities		52, 53
	Monetary Authorities	521
	Credit Intermediation & Related Activities	522
	Securities, Commodity Contracts, & Other Financial Inv.	523
	Insurance Carriers & Related Activities	524
	Funds, Trusts, and Other Financial Vehicles	525
	Real Estate	531
	Rental & Leasing Services	532
	Lessors of Nonfinancial Intangible Assets (except copyrighting)	533
Professional & Business Services		54, 55, 56
	Professional, Scientific, & Technical Services	541
	Management of Companies & Enterprises	551
	Administrative & Support Services	561
	Waste Management & Remediation Services	562
Education & Health Services		61,62
	Educational Services	611
	Ambulatory Health Care Services	621

	Hospitals	622
Edu & Health (cont)	Nursing & Residential Care Facilities	623
	Social Assistance	624
Leisure & Hospitality		71,72
	Performing Arts, Spectator Sports, and Related Industries	711
	Museums, Historical Sites, and Similar Institutions	712
	Amusement, Gambling, and Recreation Industries	713
	Accommodation	721
	Food Services & Drinking Places	722
Other Services		81
	Repair & Maintenance	811
	Personal & Laundry Services	812
	Religious, Grantmaking, Civic, Professional, and Similar	813
	Private Households	814
Government		92
	Executive, Legislative, and Other General Government Support	921
	Justice, Public Order, and Safety Activities	922
	Administration of Human Resource Programs	923
	Administration of Environmental Quality Programs	924
	Administration of Housing Programs, Urban Planning, and C	925
	Administration of Economic Programs	926
	Space Research & Technology	927
	National Security & International Affairs	928

Source: U.S. Census Bureau, Bureau of Labor Statistics