SOD hiring continues to grow despite the economic slowdown

- **Job growth in the Southern District (SOD) continued to lead the nation.** The district added 411,000 jobs in 2Q:2022, pushing employment 2.1 percent above its prior peak level. See Figure 1. Despite strong job growth, the SOD has not been immune to the current economic slowdown. Weaker demand slowed year-over-year job growth this quarter compared to the prior quarter in some industries, such as information. However, a growing population, as well as economic diversification toward higher paying jobs, should support hiring and income in the future.

- **All SOD industries experienced year-over-year job growth in 2Q:2022, with the manufacturing sector surpassing its prior peak.** See Figure 2. Easing supply chain stress and high energy prices supported hiring in manufacturing. But the strong dollar may weigh on the district’s exports this year. The trade & transportation and professional & business services industries continued to post strong gains. Leisure & hospitality, an important employment driver, grew faster in the SOD than in other districts, buoyed by increased service sector spending.

- **Employment in Alabama and Mississippi is less than one percent from pre-pandemic peaks.** See Figure 3. Capital investments drove job growth in Alabama as firms including Amazon, FedEx, Mazda, and Carvana expanded operations and created jobs. In Mississippi, strong infrastructure investment supported job growth in heavy machinery and metals industries. In Louisiana and Oklahoma, employment remained 3.9 and 1.1 percent below prior peaks, respectively, despite high energy prices and increased drilling rig count boosting mining jobs.

- **Employment in SOD metros with a strong healthcare presence improved in 2Q:2022.** See Figure 4. Lower burnout among healthcare staff and increased demand for elective care promoted job growth in Vero Beach, Longview, and Hammond. Metros with a greater reliance on logistics (Augusta, Gulfport) also saw solid hiring growth. In contrast, hiring in auto reliant metros (Columbus, Jackson) lagged from semiconductor chip shortages and weaker demand as higher interest rates pushed consumers to postpone big purchases, like autos.

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**Figure 1: Employment in the SOD continues to outpace the nation**

- Total nonfarm employment (100 = peak)
- Total employment, 1Q:20 = 100:
  - SOD: 97.3
  - U.S.: 95.6
- Change in nonfarm employment (000s)
- Source: BLS (data through June 2022)

**Figure 2: All SOD industries experienced job growth over the past year**

- Change in nonfarm employment (000s)
- Source: BLS (data through June 2022)

**Figure 3: Alabama and Mississippi are less than one percent from a full jobs recovery**

- Nonfarm employment % change
  - 1Q:20 - 2Q:22:
    - SOD = 2.1
    - U.S. = -0.2
- Source: BLS (data through June 2022)

**Figure 4: Job growth in Florida metros has benefited from the rebound in travel and tourism**

- Nonfarm employment % change
  - 1Q:20 - 2Q:22:
    - SOD = 2.1
    - U.S. = -0.2
- Source: BLS (data through June 2022)