



# Regional Snapshot

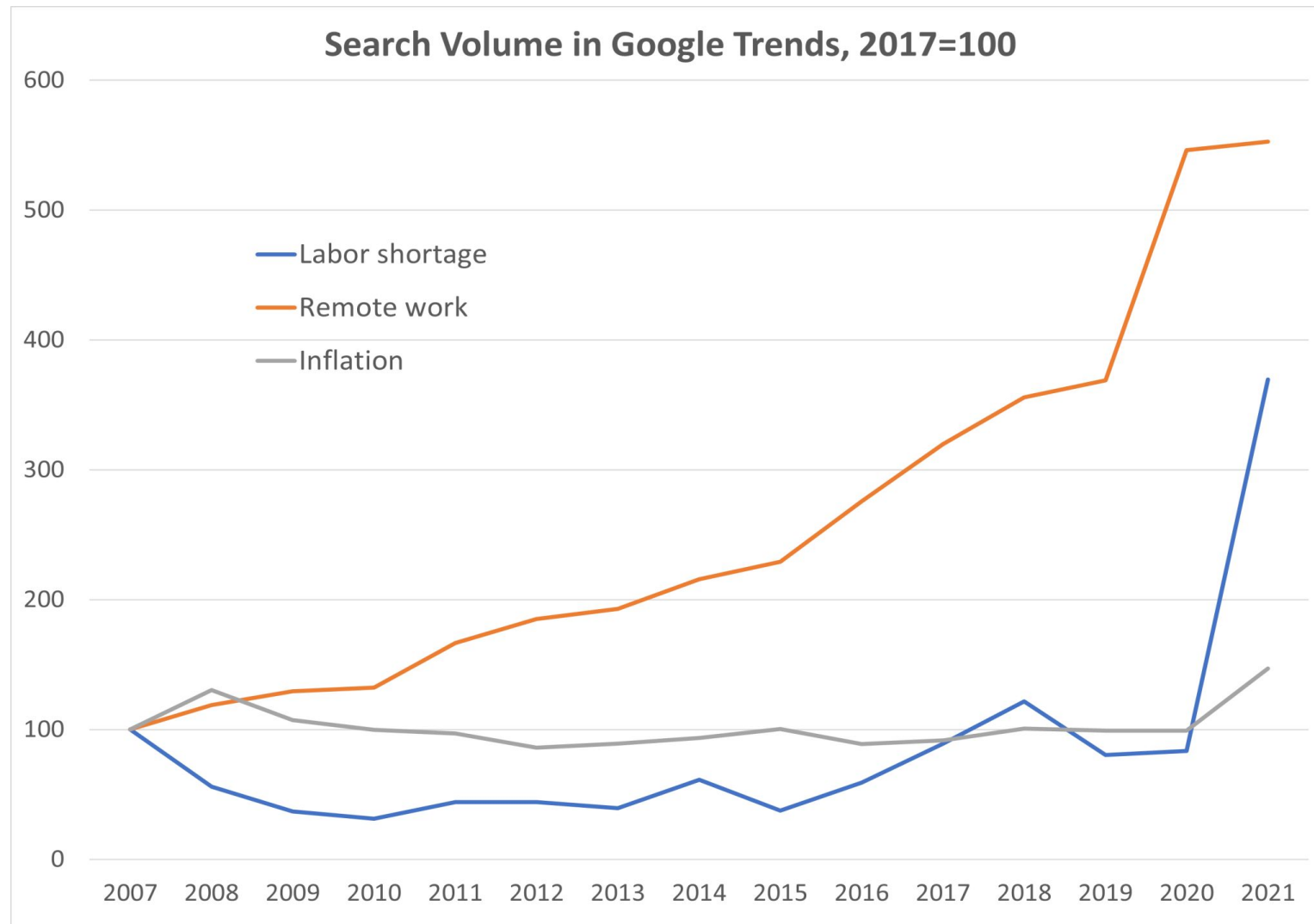
## A Quick Look At Metro Atlanta's Economy

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# Key Points/Executive Summary

- Atlanta's job market recovery is one of the strongest among our peers.
- Despite this recovery, there is still a good amount of financial distress out there.
- Employment in the Food/Accommodation Sector is still down 13 percent from pre-pandemic levels.
- Inflation in metro Atlanta is highest among its peer metro areas, driven by sky-rocketing motor fuel and personal vehicle costs.
- Wages have increased in some sectors—primarily lower-wage, consumer-focused industries. But age growth has not kept up with inflation.
- Nationally, the ratio of unemployed workers to job openings is at historic lows (meaning there are **more job openings than job seekers**), and the quit rate - workers who are voluntarily leaving their job- is at historic highs. So expect continued disruption in the labor market.
- Home prices (driven by extremely low inventory) are at all-time highs....as are rents.

# What Are We Worrying About?

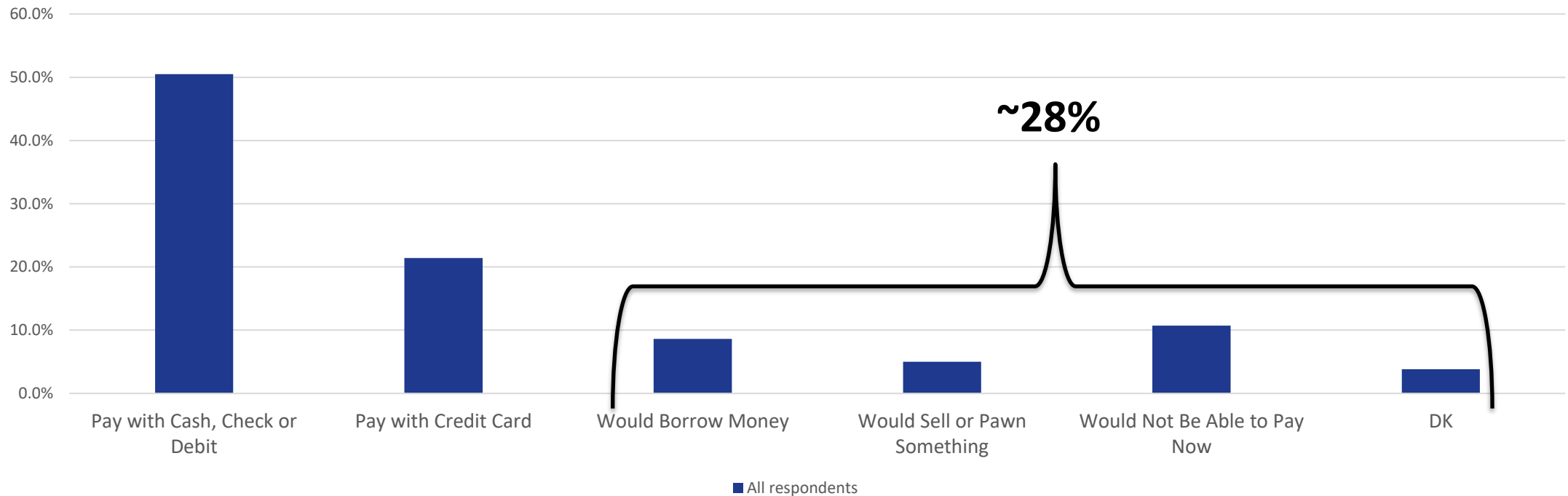


According to data from Google Trends, the past year saw vast increases in searches about “labor shortage,” “remote work,” and “inflation.” This one simple chart nicely sums up the state of the economy as we head into 2022.

# Perceptions About the Economy: Financial Insecurity

## 1 in 4 Atlanta Residents Would Struggle with a \$400 Emergency

How Would You Handle a \$400 Emergency?



Since this Snapshot is about the economy, let's first take the pulse of our residents. Our Metro Atlanta Speaks (MAS) survey asked them in August last year about how they'd handle an unexpected emergency that cost \$400 – a standard question in both MAS and national surveys to assess levels of overall financial distress. As the chart shows, roughly 28 percent of respondents would struggle to pay.

# Housing Insecurity

Confidence in ability to make next mortgage/rent payment

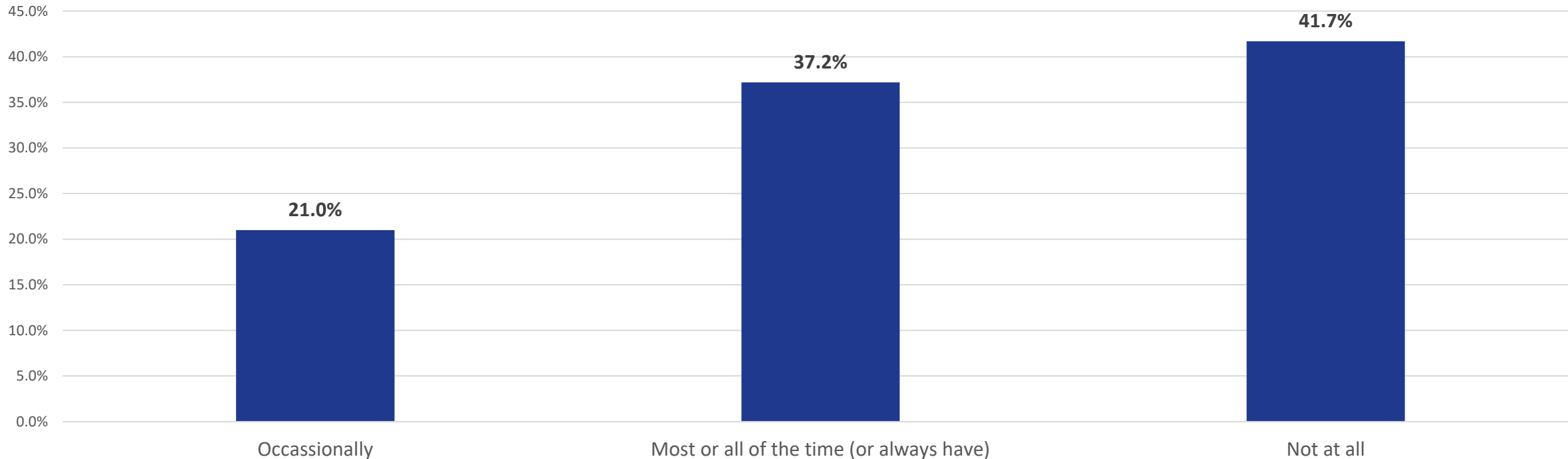


When asked in Metro Atlanta Speaks how confident they were in their ability to pay next month’s rent or mortgage, 17 percent of respondents indicated that they were only “slightly” or “not at all” confident.

NOTE: Additional 13 percent of respondents either had no answer or did have a housing payment

# Remote Work

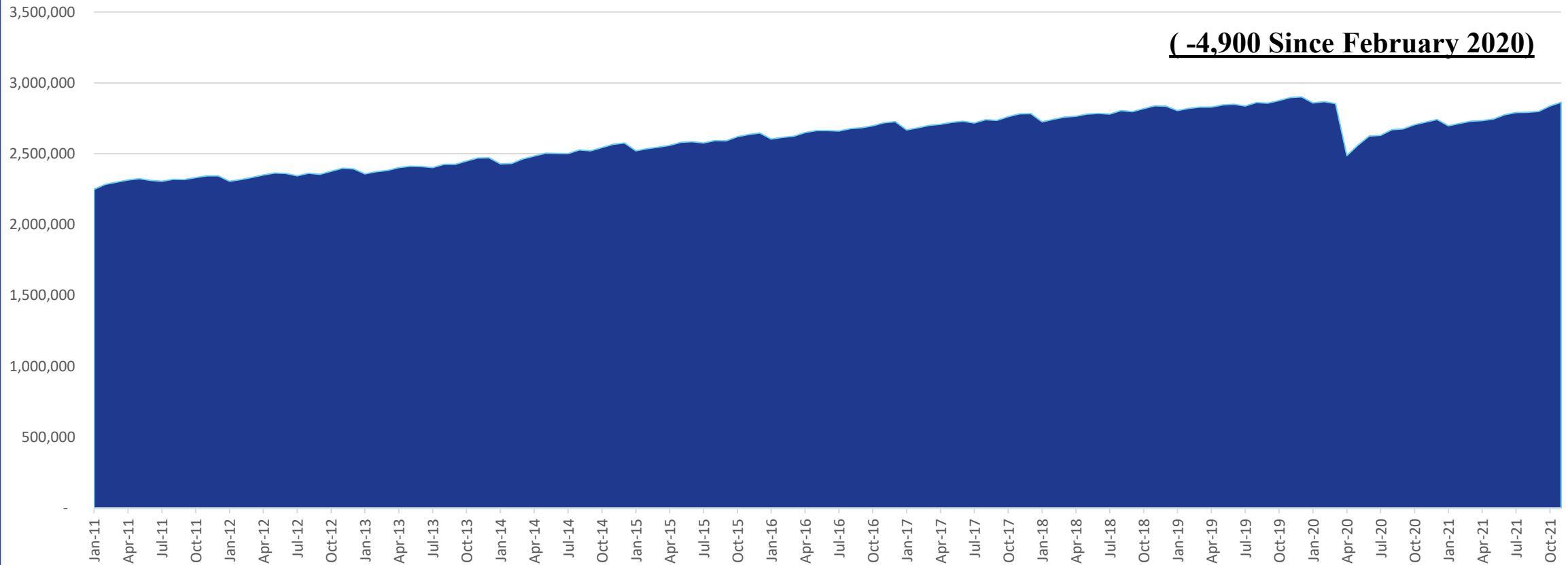
Extent to which you are working at home because of Covid-19 pandemic  
(for those who are employed full or part time)



And since Google Trends revealed that remote work was top-of-mind for many, here is how MAS respondents answered about their ability to work from home. “Not at all” was in the minority, with **just 42 percent of respondents indicating that they had not worked from home** during the pandemic. This share is down from two-thirds as of the August, 2020 survey.

# We're Almost There\*

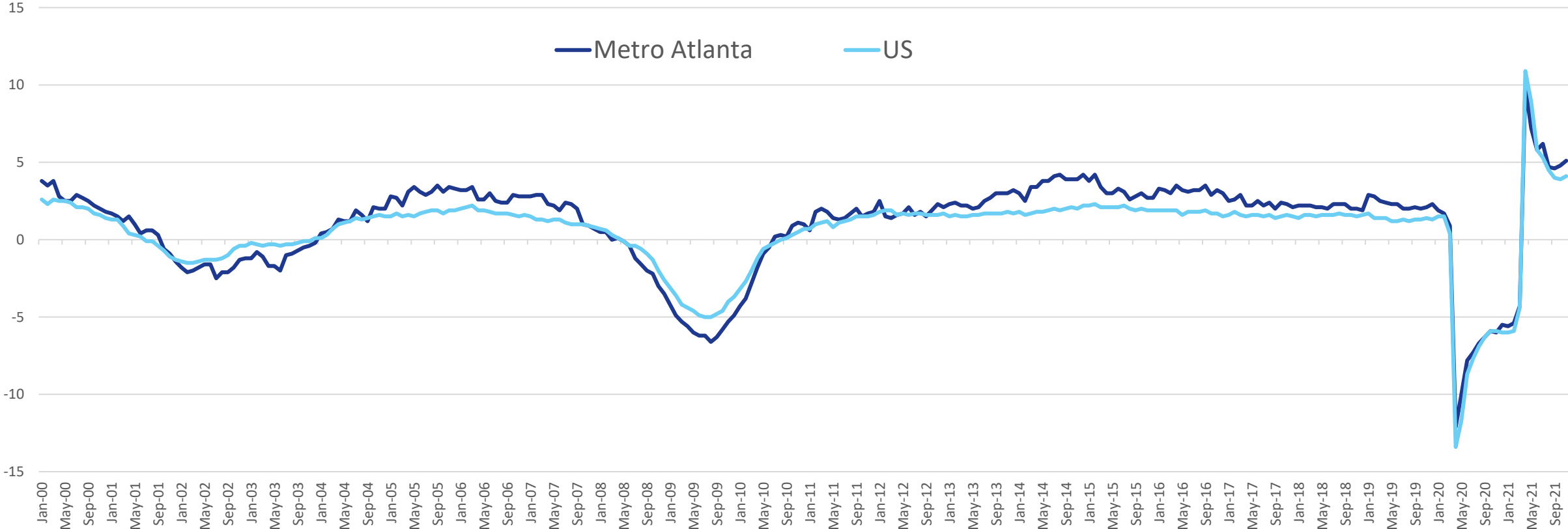
Total Employment: Metro Atlanta



Metro Atlanta's job base is now down only 4,900 jobs when compared to February 2020, and only 38,000 jobs lower than the employment peak of December 2019.

# Metro Atlanta's Employment Growth Mostly In-line With Nation's

Year Over Year Percent Change in Total Employment



As the above chart shows, metro Atlanta year-over-year change has mostly tracked with that of the nation's change since the beginning of the pandemic. For most of the 2010s, however, metro Atlanta's employment growth had been stronger than that of the nation's. It should be noted though that since the summer of 2021, metro Atlanta's employment growth has slightly out-performed the nation.



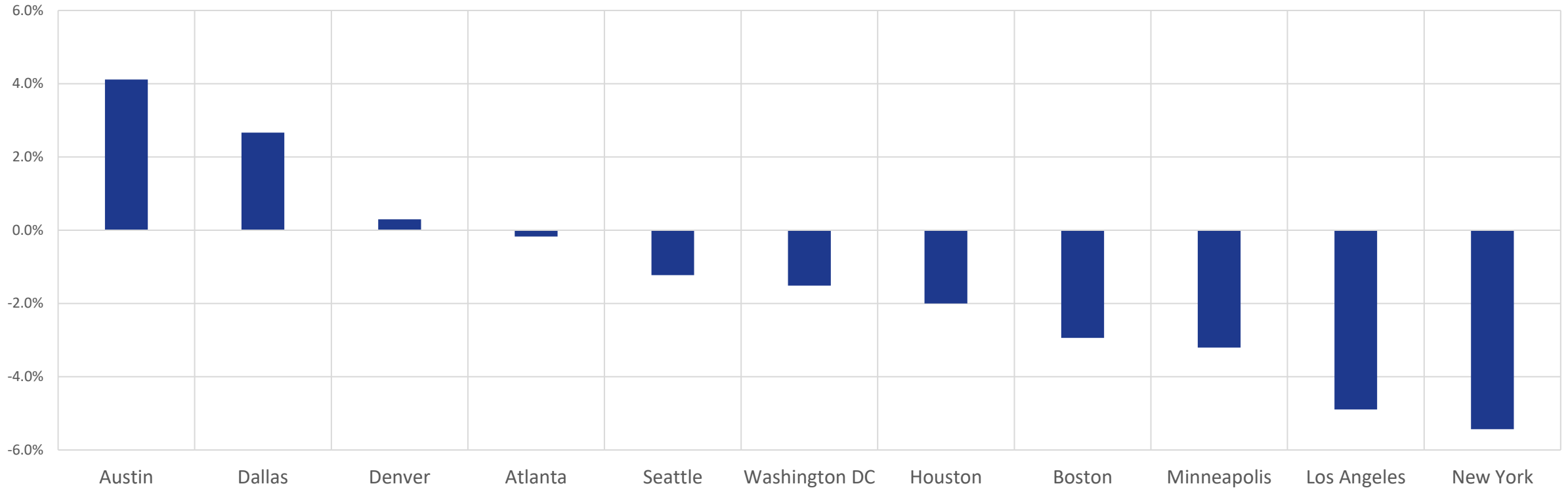
regional impact + local relevance





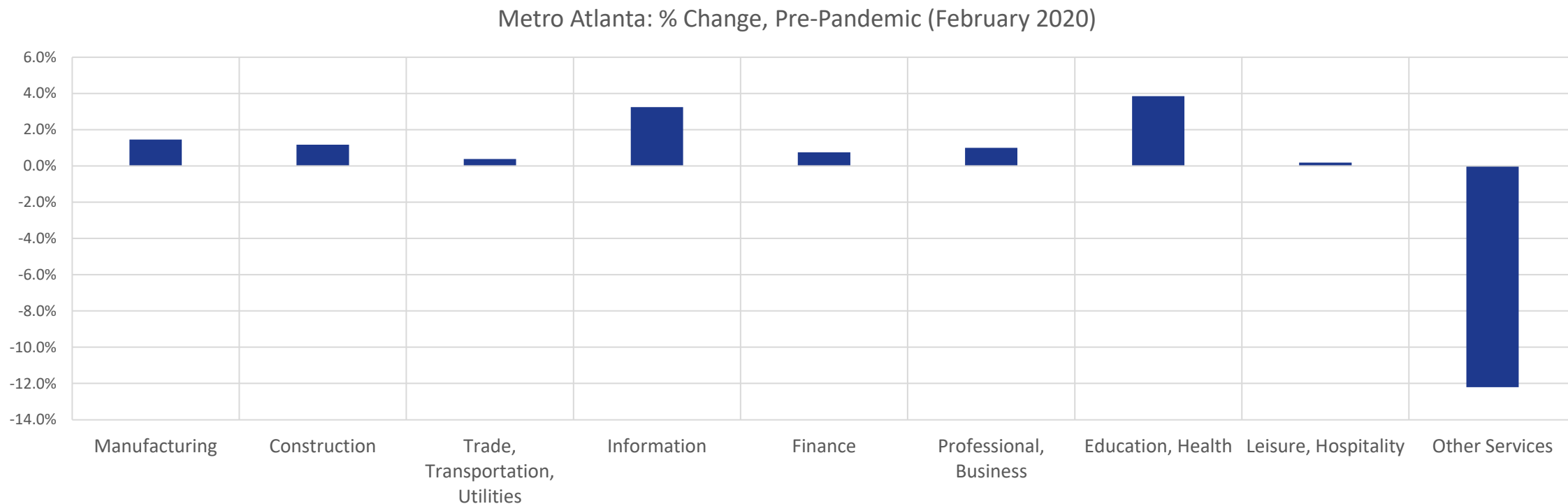
# Metro Atlanta Ranks Relatively High In Job Market Recovery

Percent Change, Feb 2020 to Nov 2021



Although metro Atlanta still hasn't recovered all the job losses experienced during the pandemic, our job recovery ranks fairly well compared to that of some of our peer metros.

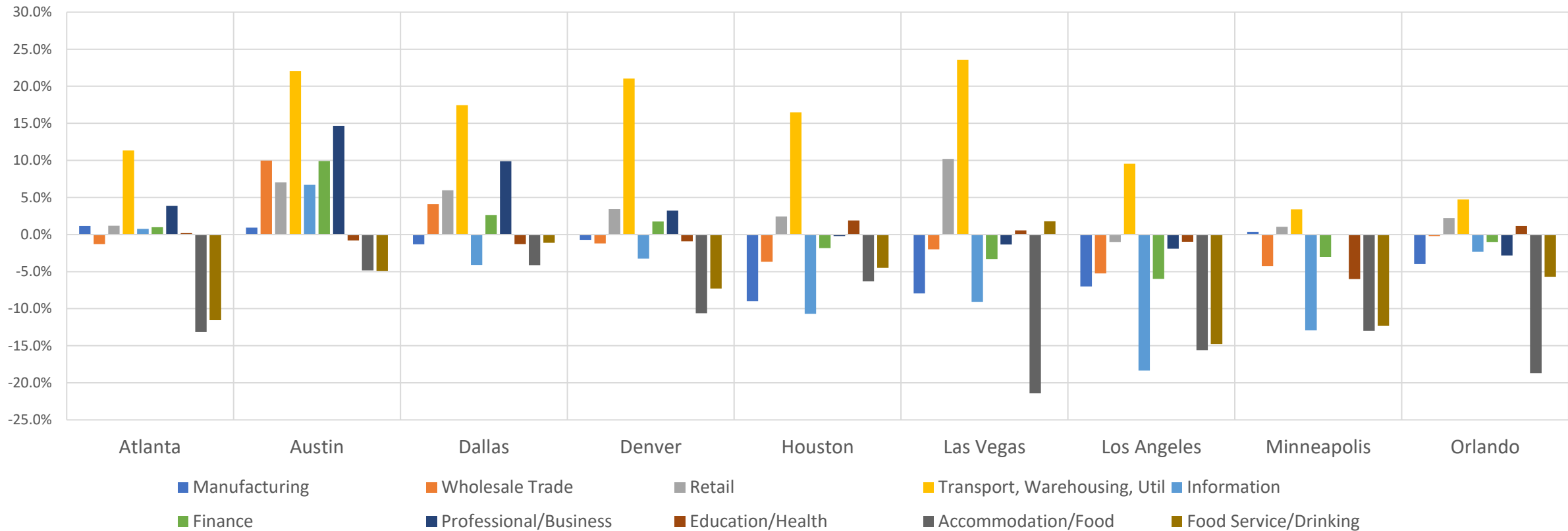
# Most Major Job Sectors Are Up Since Pandemic



All of the major job sectors in metro Atlanta are now trending above their February 2020 levels, except for “Other Services.” Put another way, ALL of the job losses since February 2020 are concentrated in “Other Services,” which is a “high-touch” job sector that includes businesses that typically require proximity to other people (such as hair and nail salons, religious services, and laundry services).

# Comparing Metro Atlanta Across Sectors

Percent Change in Employees, February 2020 – November 2021



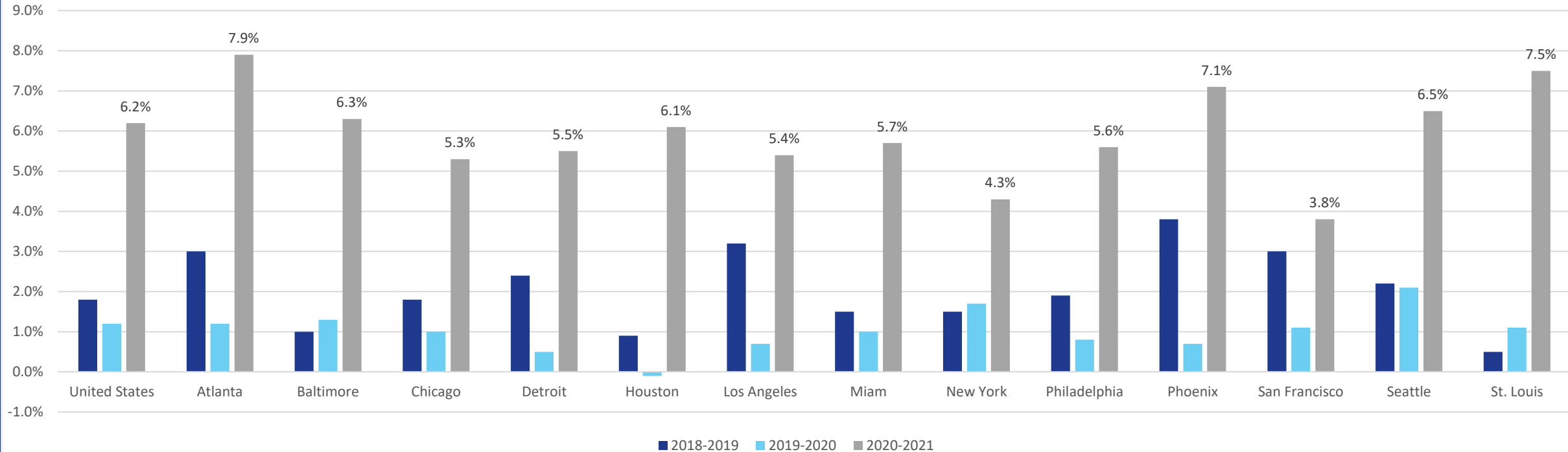
There is a lot to unpack in this chart, but the headline is that when looking at some of the major job sectors across peer metros, growth in metro Atlanta compares favorably to almost all other metros shown above. As with those metros, the heaviest job losses in metro Atlanta were concentrated in the Accommodation/Food Sector, which includes Food Service/Drinking Establishments (also shown above, separately). But, out of the 10 sectors charted, metro Atlanta has experienced losses in only three. Austin is the only other selected metro with job losses in so few sectors.

Source: Bureau of Labor Statistics

Metro areas were selected based on whether they had comparable data for the 10 chosen sectors, so there are obvious metro areas that weren't included because BLS didn't report comparable data.

# Quick Look At Inflation (Yikes)

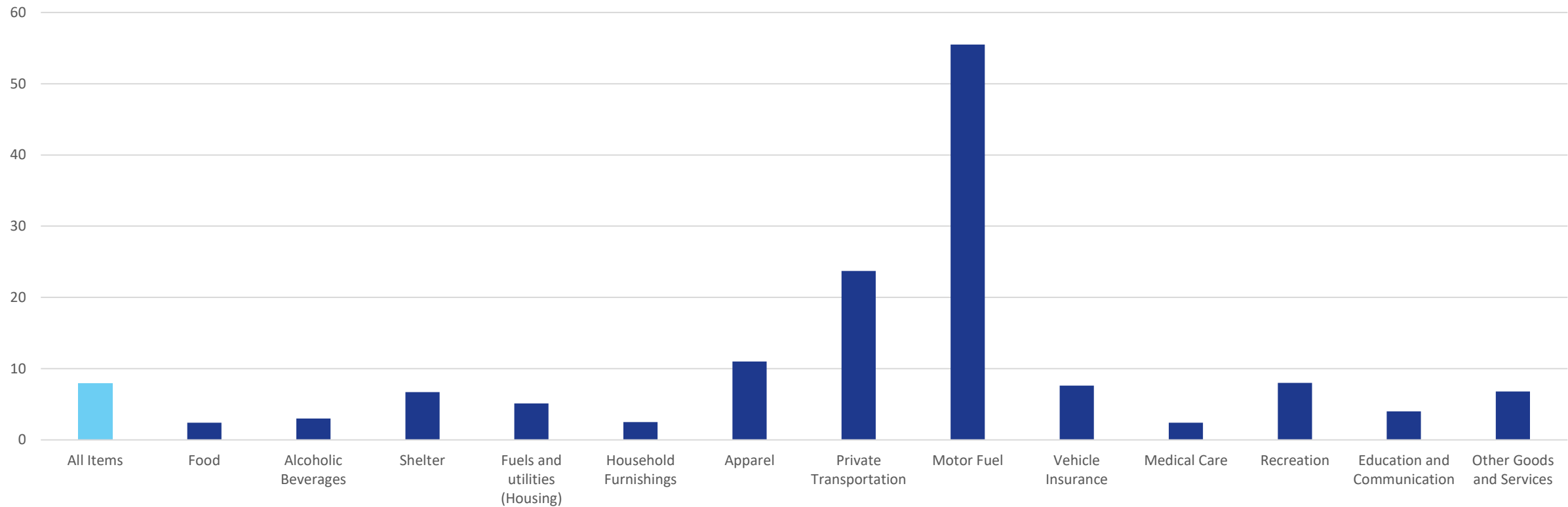
Year-Over-Year Change in Inflation (October to October)



Along with labor shortages, rising inflation has been one of the biggest economic headlines of the past year. And, as the chart shows, metro Atlanta's inflation rate was the highest last year across selected metro areas with comparable data.

# Inflationary Increase Driven By Transportation

Metro Atlanta: Components of Inflation  
(Year-Over-Year Change, Oct 2020- Oct 2021)

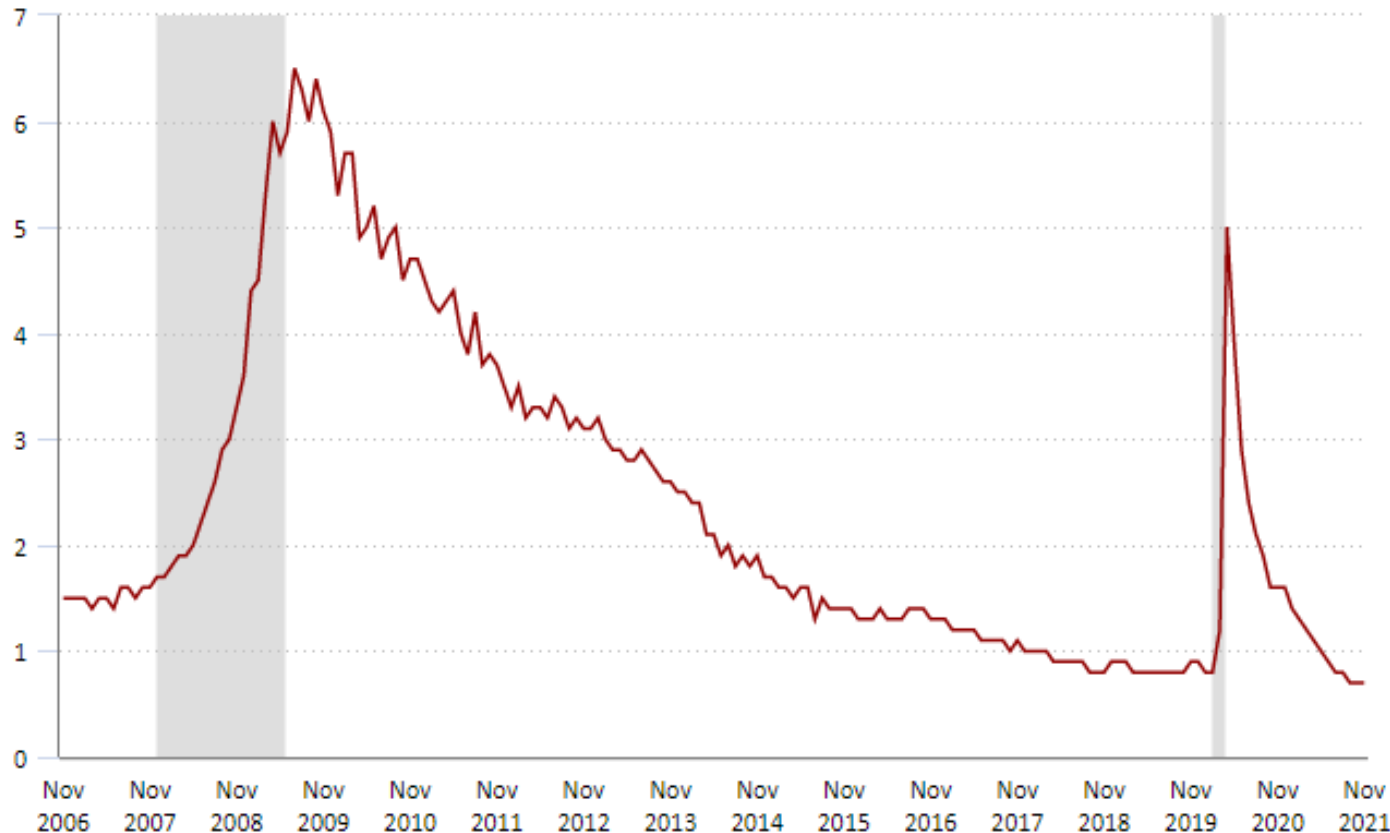


As can be seen, motor fuel experienced the largest price increase, by far, of all the major components of inflation in Metro Atlanta.

# Quick Look At Labor Shortages (Yikes)

Number of unemployed persons per job opening, seasonally adjusted

Click and drag within the chart to zoom in on time periods

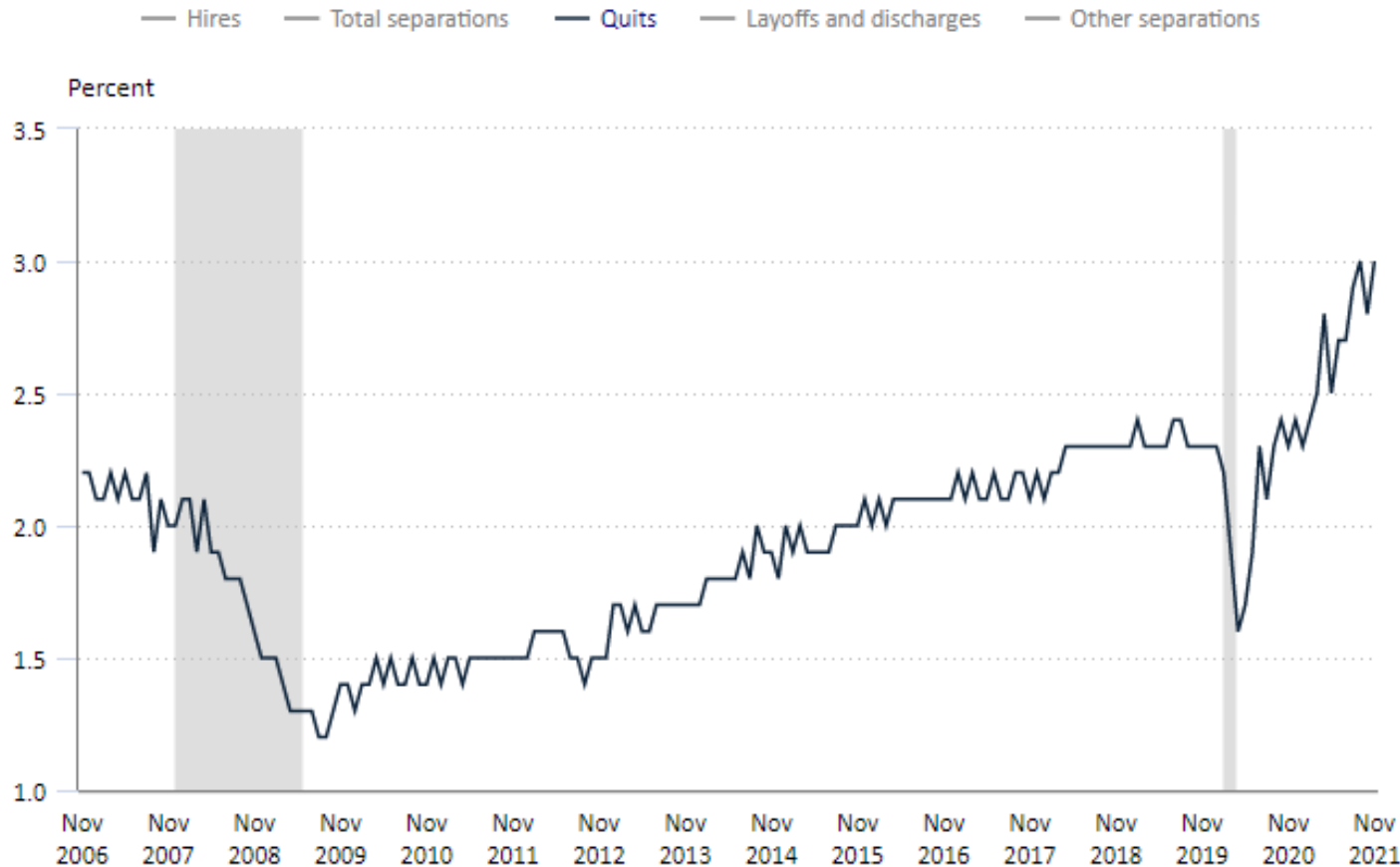


The other major headline of the national economy over the past year is the sheer intensity of labor shortages. While we don't have separate comparable data for metro Atlanta, you can see that the number of unemployed persons per job opening is at all-time lows.

# Quick Look At Labor Shortages (Yikes)

## Total nonfarm hires and separations rates, seasonally adjusted

Click and drag within the chart to zoom in on time periods

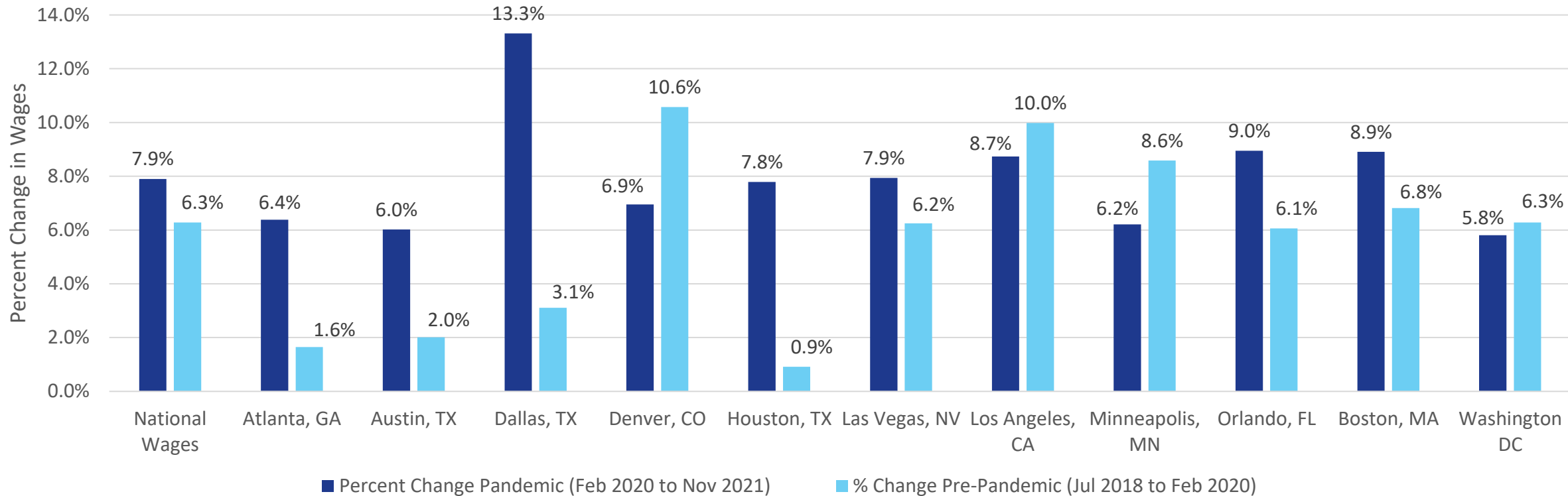


At the same time that we have a historically low ratio of the unemployed persons to job openings, we also have a historically high rate of “quits”, or workers voluntarily leaving their jobs. A high rate of quits usually means that workers feel confident in their ability to find a better job and suggest that this labor market is the most worker-friendly one seen in decades.

So, it is these two factors combined that have caused the high levels of labor disruption.

# (Almost) Everybody is Making More Money

Metro Area Wage Growth Comparison Pre-Pandemic and Pandemic



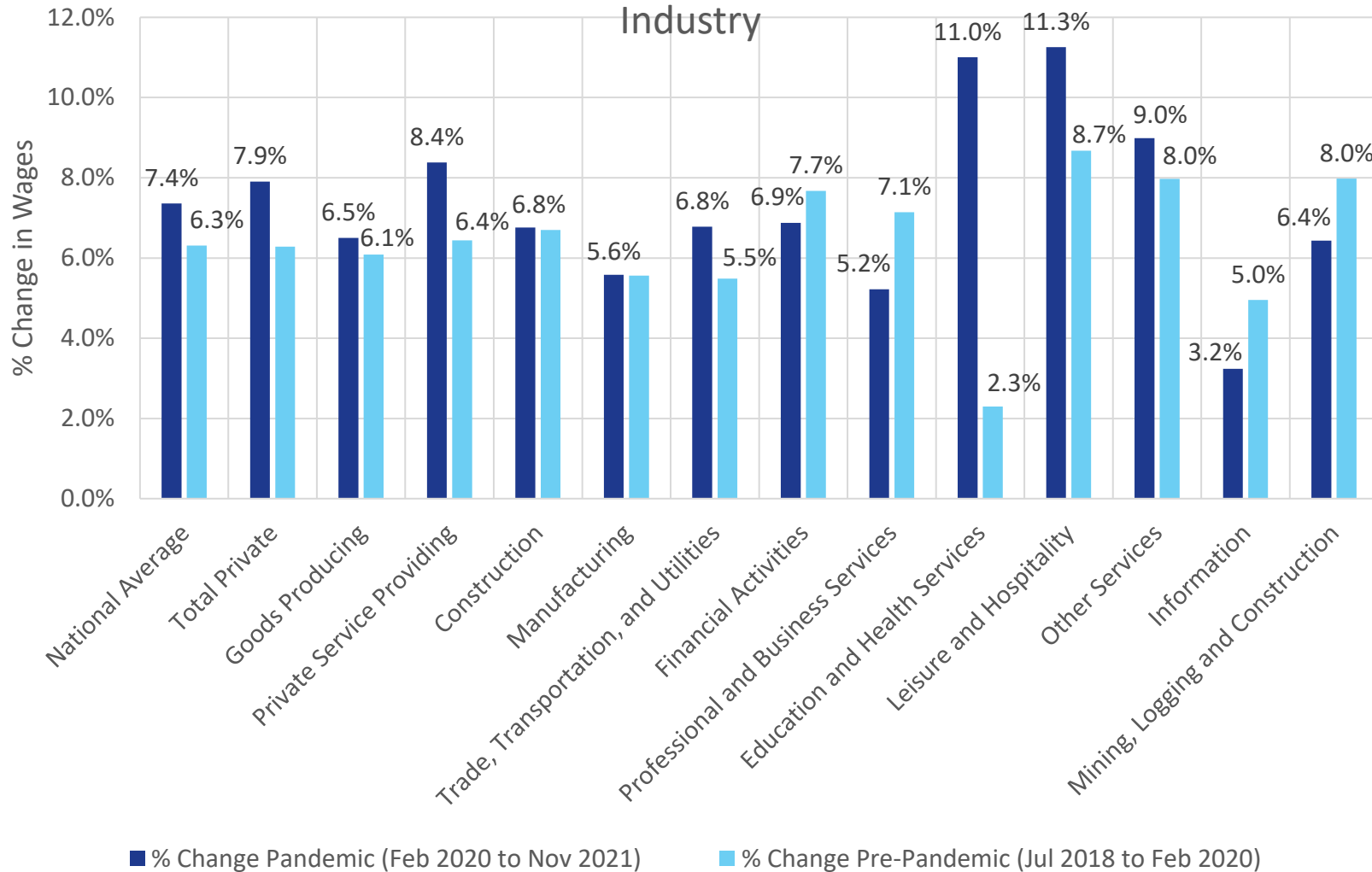
National wage growth has grown marginally from 6.3 percent in a 19-month pre-pandemic period to almost 8 percent in the past 19 months. Atlanta lagged the nation in pre-pandemic wage increases with only a 1.6 percent increase. Atlanta wages increased 6.4 percent during the pandemic yet this growth rate is **notably lower than the national average and below the current inflation rate.**

While the percentage point difference in wage growth between the two 19-month periods in metro Atlanta is among the highest among the metros analyzed, wage growth in both periods are still on the **lower end.**



# Service Industry Driving Increases in Wage Growth

Wage Growth Comparison Pandemic vs. Pre-Pandemic by Industry



Most increases in wage growth are coming from services industries such as education, health, leisure, and hospitality. And yet wages as a whole aren't keeping up with the high rate of inflation which means **most real wages are on the decline**. Service industries seem to be an exception rather than the rule.

Information and business services sectors experienced **significant slowdowns in wage growth** during the pandemic. These sectors did however have highest average hourly wages among sectors.

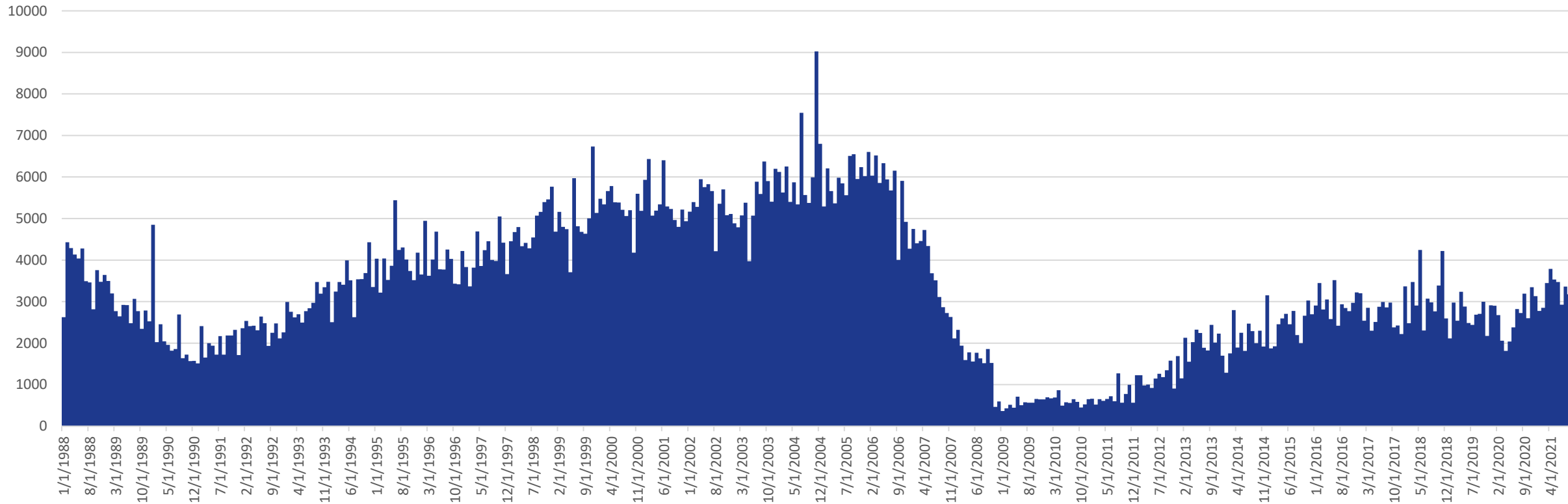
Goods-producing sectors such as manufacturing saw **stagnant wage growth**.

**One thing to note:** Since wages are measured for current jobholders, **any observed change in wages will be influenced by job losses, i.e. if more low-earning jobs were lost (and they were), average wages will be higher.**

# A Quick Look At The Housing Market

# Building Permit Activity Holding Steady... but at HALF the Pre Great Recession Levels

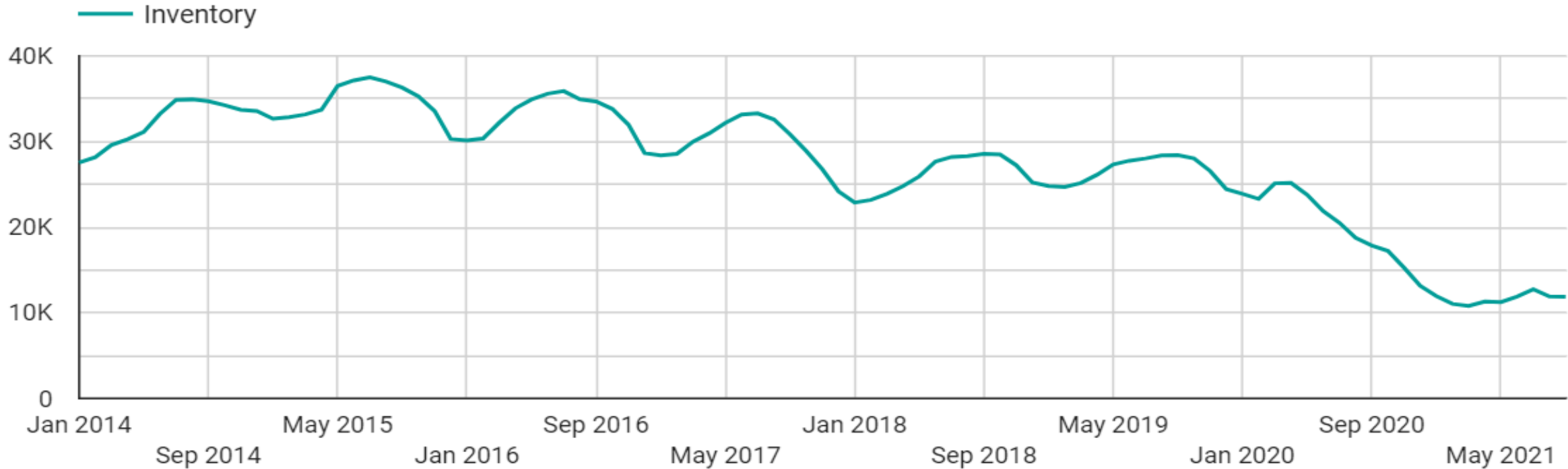
Metro Atlanta: Private Housing Structures Authorized By Building Permits



While permitting activity remained stable during the pandemic, we as a metro area are only authorizing roughly half of the residential units annually than we did each year prior to the Great Recession.

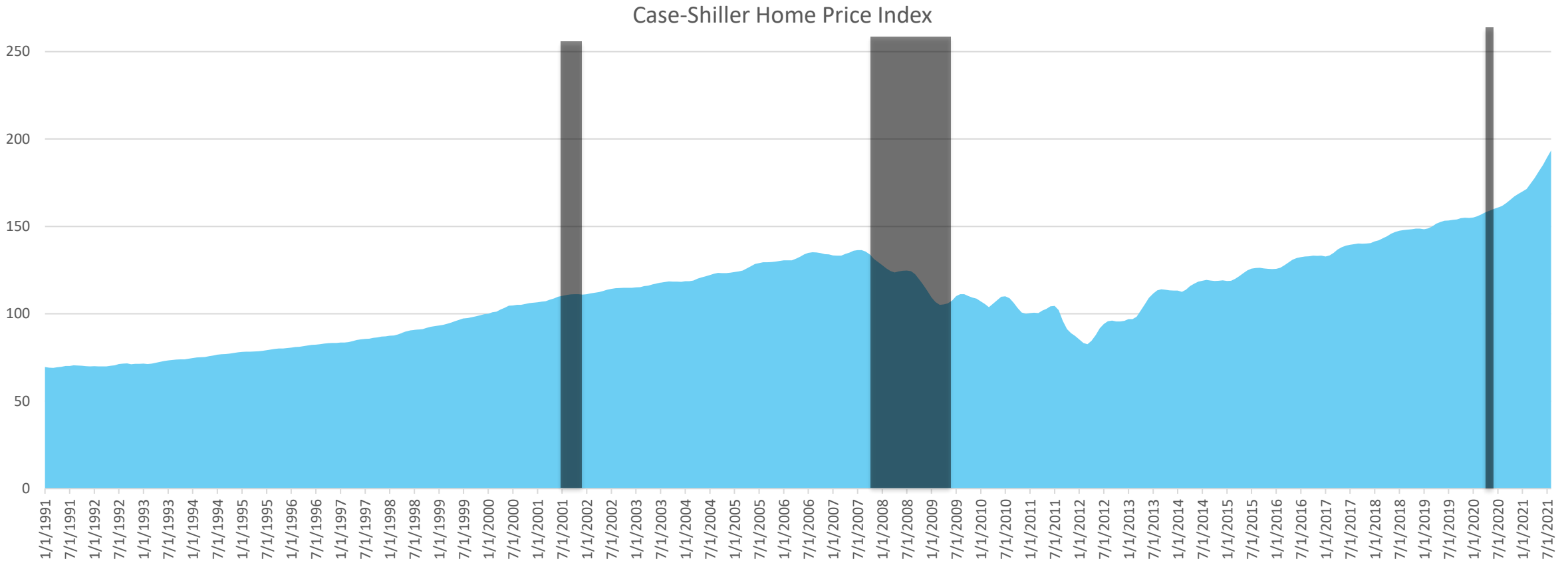
# For-Sale Inventory at All-Time Lows...

## Key Housing Indicators for Metro Atlanta Over Time



Homebuilding activity has been sluggish, at best, for the last decade or so, which is contributing to all-time lows of for-sale inventory in the metro area. Further, existing home inventory has been constrained by reduced desire of homeowners to move during the pandemic, as well as by the price run-ups that limit those homeowners' ability to find comparable product if they did sell.

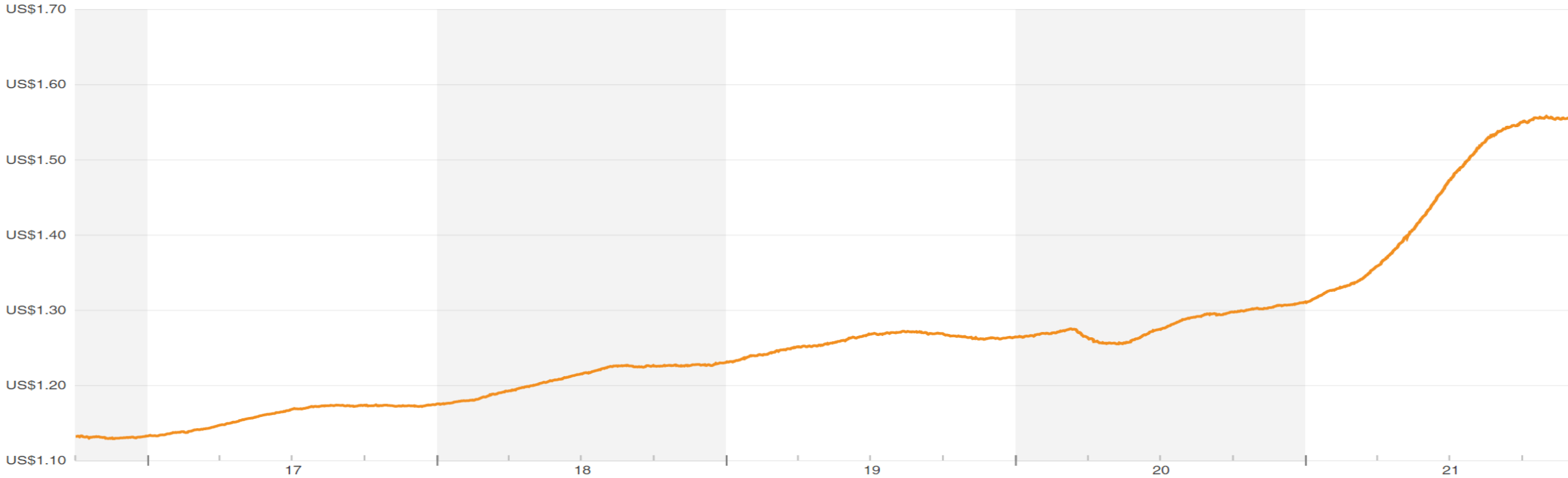
# ... So Metro Home Prices Keep Rising



So, the basic laws of supply (not enough inventory being introduced) and demand (metro Atlanta is still one of the fastest growing places in the country) dictate that home price should rise. And they have and do, with this rise accelerating during the pandemic.

# Oh, And Metro Rents Keep Rising Too!

Daily Asking Rent Per Square Foot



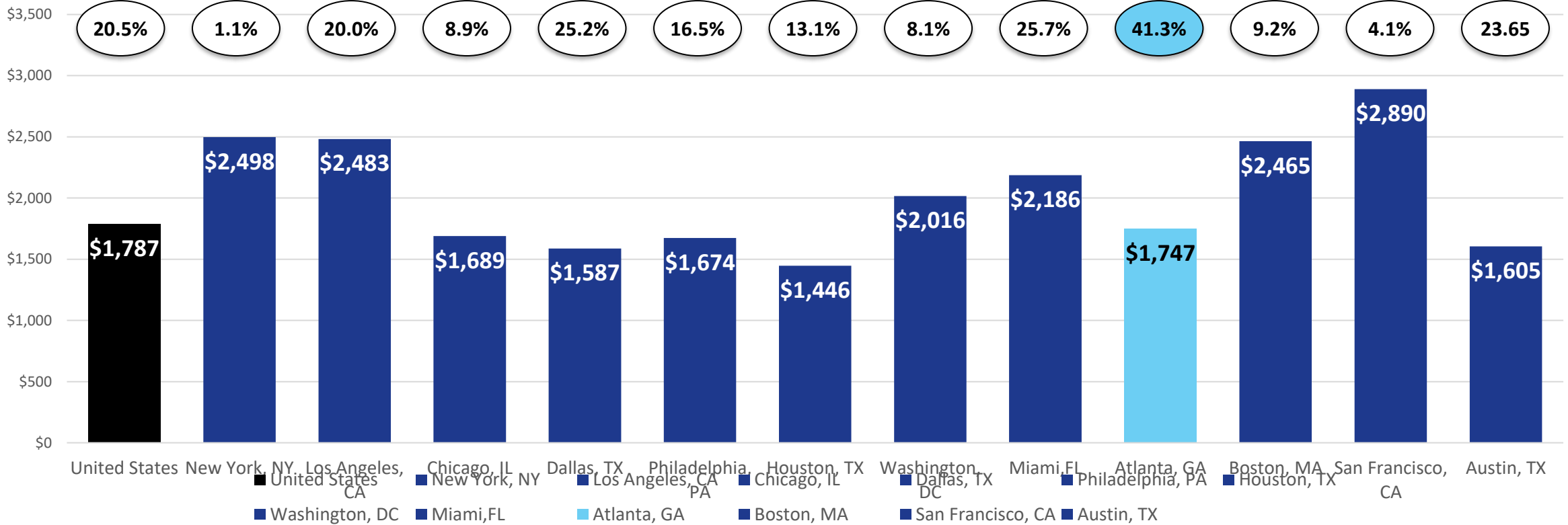
Those priced out of the homebuying market are not likely to find much relief in the rental market. Asking rents in Atlanta over the last year, according to Co-Star, are among the highest we've ever seen.

# Atlanta Experienced Largest Rent Growth Among Major Metros

Rent Index  
August 2021

Rent Index + Rent Growth, Last Five Years

○ % Change, 5-Year




According to Zillow's Observed Rent Index, metro Atlanta has experienced the largest rent growth, by far, over the last five years among our peer metros. While metro Atlanta's overall rent index (\$1,747 in August) is still relatively low when compared to expensive coastal markets, the 41.3 percent increase dwarfs all other increases, even among metros with similar rents. Said more succinctly, we are separating from the pack in terms of overall rents.

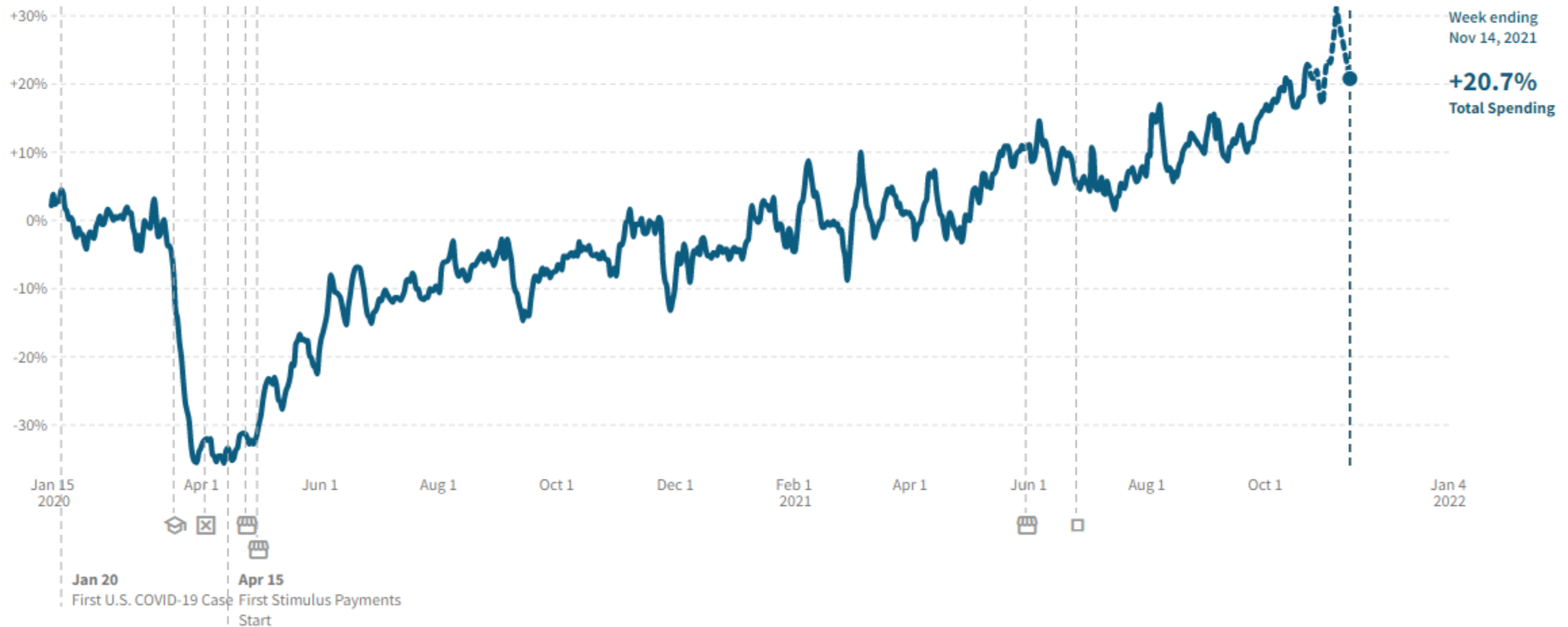
# A Quick Look At What Might Be Coming Next? *(Real-Time Trends)*



# Consumer Spending Considerably Higher...

In **Atlanta**, as of November 14 2021, total spending by all consumers increased by **20.7%** compared to January 2020.

DOWNLOAD CHART 

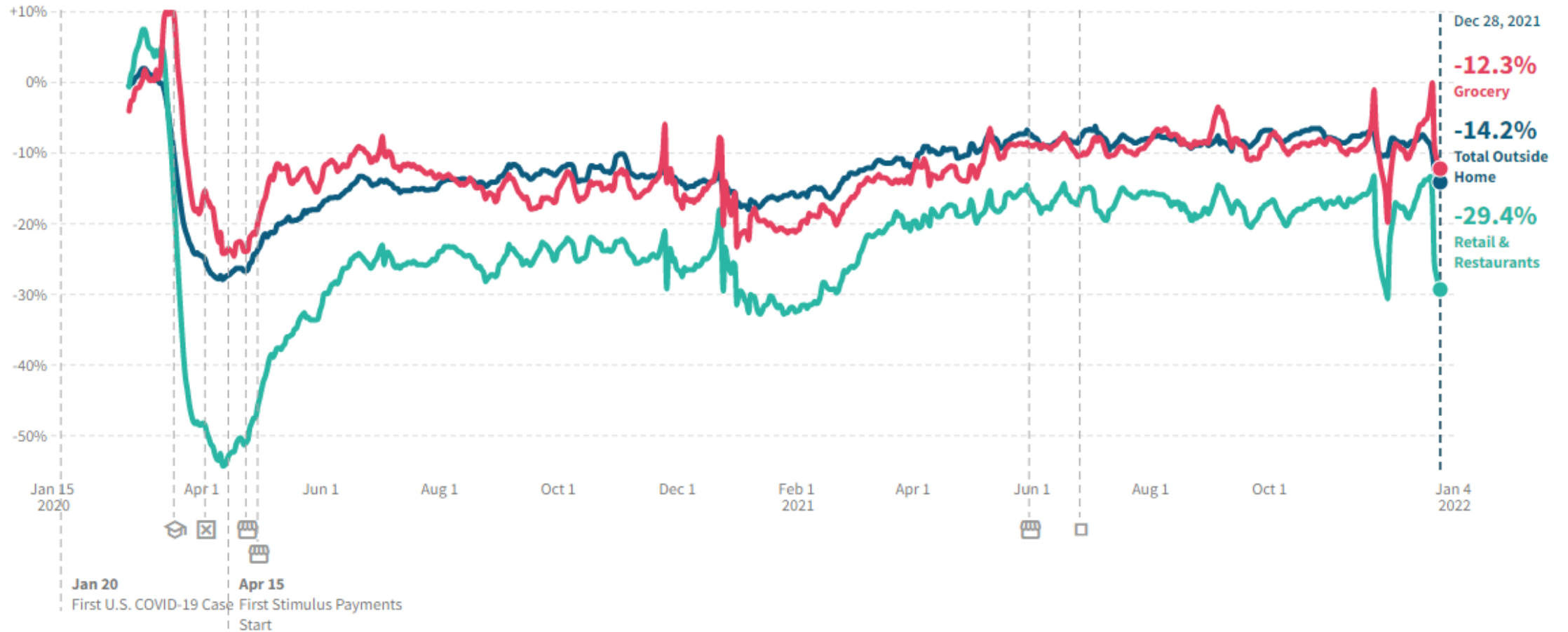


data source: **Affinity**

# ...But We're Not Spending it At Places Like Restaurants

In **Atlanta**, as of December 28 2021, total time spent away from home decreased by **14.2%** compared to January 2020.

[DOWNLOAD CHART](#)



data source: **Google COVID-19 Community Mobility Reports**

# Whatever Is To Come, We'll Need Software Developers...and Nurses

Metro Atlanta Job Postings: Last 90 Days

