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UNIVERSITY OF NORTH ALABAMA REGIONAL ECONOMIC UPDATE

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Institute for Innovation and Economic Development
College of Business
University of North Alabama
One Harrison Plaza
Florence, Alabama 35632

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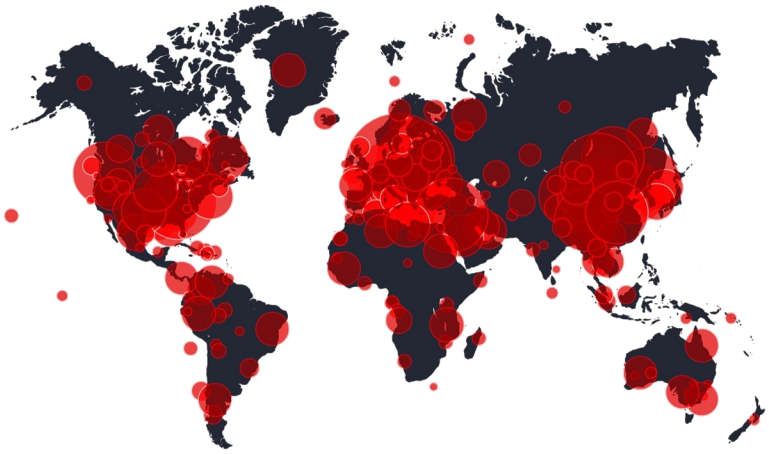
INTRODUCTION

The COVID-19 pandemic has significantly impacted state and local economies in Alabama, the United States and across the world. With this in mind, this edition of the economic update seeks to provide the most recent data available to help local businesses, elected officials, and other stakeholders begin to understand the type and depth of economic changes related to the pandemic. A new data set available from Opportunity Insights allows changes to initial unemployment claims, consumer spending and small business revenue to be examined. At this time, it appears that the initial shock associated with the stay at home order is behind us and Alabama, and the Florence-Muscle Shoals MSA, are on the road to recovery. Initial unemployment claims reached a maximum of 3,680 (5.615 per 100 in the labor force) during the week ending April 4th. Since that time, initial unemployment claims have fallen precipitously but are still almost nine times the level they were at the beginning of March. Consumer spending continues to lag January 2020 baseline spending in Alabama and Colbert county. Spending in Lauderdale County has rebounded somewhat, exceeding January 2020 levels during May and early June; however, total spending in the county since March 1st is 0.46% below baseline on average. Small business revenues (SBR) are also significantly below January baseline values in Lauderdale county and Alabama. Without a substantial change in SBR during the second half of 2020, the pandemic may result in serious negative outcomes for small business owners, employees and the local economy as a whole. Colbert county does provide a bright spot as SBR has remained more than 13% above baseline, on average, throughout the pandemic. It is important to note that the preliminary impacts presented here represent only the initial impact of the virus and the stay at home order. It will take time for the full impacts to manifest themselves so that the economy can recover completely.

Concerning recovery from the pandemic, also included in this edition is a special article from UNA alumnus Stefanie Haeffele (Economics, 2007) who has spent her career, to this point, studying economic recovery after disasters. The article focuses on how entrepreneurship and a "bottom-up" recovery is integral to the long-term recovery and general success of local economies. This is a summary of some of her more recent work and includes references for the full research studies for anyone who would like to dig deeper into these topics.

Keith D. Malone, Ph.D.
Professor of Economics, College of Business
University of North Alabama



THE COVID-19 GLOBAL PANDEMIC: LOCAL RECOVERY AND IMPLICATIONS

The COVID-19 pandemic is an ongoing, global crisis, impacting individuals, businesses, and governments from the local to international level. As of June 15, 2020, there are over 13 million cases and over 575,000 deaths worldwide, with approximately 3.4 million cases and over 136,000 deaths in the United States.[1] Every attempt has been made to control the spread of the virus through quarantine, physical distancing, mask-wearing, increased hygiene practices, etc., in order to not overwhelm hospitals and give medical experts time to develop better treatment plans and medication. This, however, must be balanced with the immediate and long-term impacts on the economy, work, education, wellbeing, and civil liberties.

For example, the pandemic has particularly altered work in at least three ways: (1) *unemployment and business closures* are impacting millions of Americans; (2) *remote work* is quickly changing the way businesses and organizations are managed and how colleagues interact with one another and their clients; and (3) *increased risks* of working due to potential exposure to the virus, and increased hours and demand for the industries in which they work.[2] These changes disproportionately impact low and middle-income Americans who are less likely to have jobs that can be done remotely and more likely to face increased risks while working, furloughs, and unemployment.

The debate about reducing the economic, social, and psychological costs of the pandemic has largely centered on the federal government providing stimulus to citizens, and loans and grants to small businesses, as well as expanding unemployment benefits, which have quickly run out of funds or been fraught with implementation issues. While states are reopening and issuing guidance on what organizations and locations can reopen, communities are often left uncertain on how best to proceed. Recovering from the pandemic is a daunting task, not only for the federal government, but for local leaders in all sectors. And while federal policies and international guidelines are influential and have sizable impacts, crises ultimately unfold at the local level and local efforts are major drivers or deterrents of recovery.

My colleagues and I have studied community recovery after disasters for over a decade by going on the ground, talking to survivors, community leaders, and officials, and learning about the barriers and drivers to recovery. Our research has shown that commercial and social entrepreneurs are *key drivers of disaster response and recovery*.[3] Similarly, responding to and recovering from this pandemic will require a multifaceted set of entrepreneurial ideas and solutions and a policy environment that encourages, rather than stifles, entrepreneurship.

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[1] Johns Hopkins University & Medicine, "COVID-19 Dashboard," *Center for Systems Science and Engineering*, https://coronavirus.jhu.edu/map.html.

[2] To read more, see Alice Calder and Stefanie Haeffele, "Reassessing the Notion of Work during the COVID-19 Pandemic," *The Vienna Circle,* April 30, 2020, https://medium.com/the-vienna-circle/reassessing-the-notion-of-work-during-the-covid-19-pandemic-98f34514a58e.

[3] Virgil Henry Storr, Stefanie Haeffele-Balch, and Laura E. Grube, *Community Revival in the Wake of Disaster* (New York: Palgrave Macmillan, 2015). For a list of research on Hurricanes Katrina and Sandy, see http://www.communityrevival.us/research.

Why Entrepreneurship? [4]

Despite the common emphasis on government-led response and recovery efforts, past disasters have shown that top-down efforts may fail to adequately understand the extent of the crisis and mobilize resources.[5] For instance, providing testing and medical supplies, providing seniors and schoolchildren meals in their homes, moving in-person processes online, and coordinating the administration of unemployment claims and stimulus disbursements can be bogged down with politics and red tape and overwhelmed by increased demand. By contrast, entrepreneurs—individuals who recognize and act on opportunities to promote positive social change—see these coordination problems as opportunities for change and are more able to adapt to shifting needs and circumstances.

In times of crisis, entrepreneurs fill three important roles:
1. Providing needed goods and services
2. Reconnecting or creating new social networks

Signaling that recovery is likely to occur and is in fact on its way

These roles have proven to be just as important during the pandemic, with local restaurants focusing on take-out and delivery options, churches turning to online fellowship, and local leaders of all varieties showing a commitment to their community through donations, new programs, and so on. Indeed, small efforts to deliver the necessities of normal, daily life signal that recovery is likely.

Bottom-up Recovery

As the pandemic unfolds in the United States, it has become clear that the federal response is insufficient. Instead, bottom-up efforts from individuals, businesses, state and local governments, and civil society are driving response and recovery. Coming back from crises takes an abundance of efforts at a variety of scales.[6] Such a multifaceted response, that includes some of the suggestions and takeaways mentioned below, is important for hastening recovery and building resilient communities.

Policies that enable entrepreneurs to serve their communities during and after the pandemic:
- Embracing innovation and technology across sectors.
- Expanding the notion of "essential" goods and services and adjusting restrictions as new essential goods and services emerge.
- Suspending or eliminating regulations on and restrictions of commercial and social entrepreneurship.
- Avoiding confusing and contradictory policies that shift entrepreneurs' focus from serving their community to compliance.

Decentralizing authority to local levels of government and civil society.

Stefanie Haeffele, PhD
Senior Fellow, F. A. Hayek Program for Advanced Study in Philosophy, Politics, and Economics
Mercatus Center at George Mason University
stefanie.haeffele.com

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[4] Based on Stefanie Haeffele, Ann Hobson, and Virgil Henry Storr, "Coming Back from COVID-19: Lessons in Entrepreneurship from Disaster Recovery Research," *The Vienna Circle,* April 30, 2020, https://medium.com/the-vienna-circle/coming-back-from-covid-19-lessons-in-entrepreneurship-in-disaster-recovery-research-d741a1f3e0a2.
[5] See Stefanie Haeffele and Virgil Henry Storr (eds.), *Government Responses to Crisis* (New York: Palgrave Macmillan, 2020).
[6] To read more, see Stefanie Haeffele, Jessica Carges, and Ann Hobson, "Polycentricity Admist a Pandemic," *The Vienna Circle,* June 17, 2020, https://medium.com/the-vienna-circle/polycentricity-amidst-a-pandemic-f27bdd51e7e3; Stefanie Haeffele and Virgil Henry Storr (eds.), *Bottom-up Responses to Crisis* (New York: Palgrave Macmillan, 2020).

COVID-19 ALABAMA KEY DATES

Alabama Key Dates

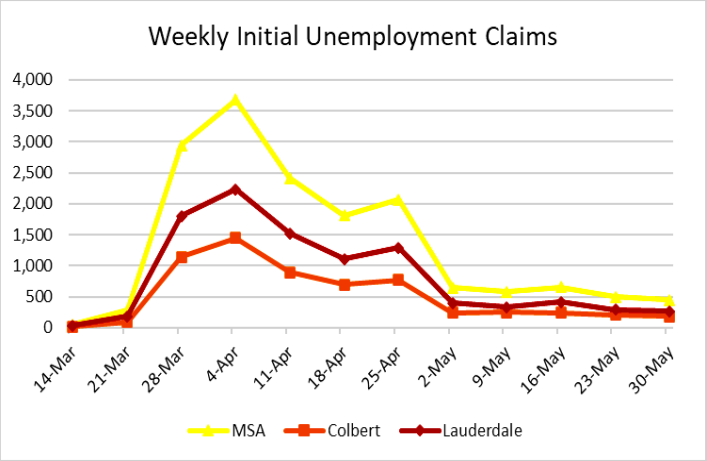
Date	Event	Corresponding Week*
January 20th	First Covid-19 case in the U.S.	--
March 17th	First Covid-19 case in the Alabama	3
March 19th	Alabama Public Schools Close	3
March 28th	All Non-essential Businesses Close	4
April 4th	Alabama Stay at Home Order - Begins	5
April 15th	Stimulus Payments Start	7
April 30th	Alabama Stay at Home Order - Ends	9
May 1st	Select Businesses Re-open	9

* - Reflects week as shown in spending and small business revenue charts and tables.

COVID-19 RELATED UNEMPLOYMENT

Initial Unemployment Claims

Initial claims for unemployment began to increase rapidly after Governor Ivy issued the stay at home order which began on March 19th, increasing from 50 initial claims during the week ending March 14th to 2,940 within two weeks. As expected, with more than half of total MSA employment and labor force residing in Lauderdale County, the majority these initial claims are found in Lauderdale County. Initial claims increased for a third straight week, the week ending April 4th, reaching a maximum level of 3,680 – with 1,450 claims in Colbert County and 2,230 claims in Lauderdale County. The period between March 19th and April 4th appears to represent the brunt of the impact of the virus and stay at home order as initial claims began to decrease. However, as the stay at home ordered continued, initial unemployment claims increased by more than 2,000 again during the week ending April 25th. Since the stay at home order expired on April 30th, initial claims dropped to 645 for the week ending May 2nd. Initial unemployment claims have continued to decline slowly through May 30th but are still 399 above initial claims filed during the week ending March 14th.



It should be noted that a decrease in initial claims does not necessarily indicate that these individuals returned to work, just that fewer people in the labor force are filing for the first time. Examining preliminary data that is available from the Bureau of Labor Statistics we can see that the state unemployment rate is 9.9%. This is more than a three-fold increase from January 2020. At the MSA level, the projected unemployment rate is higher than the state level at 10.3%, also a three-fold increase from earlier this year. The good news, at the MSA level is that estimated unemployment in May has improved over an estimated unemployment rate of 15.3% in April. Our local area experienced a larger increase in unemployment than the state where projected April unemployment was 13.8%. Given May unemployment projections for the state and MSA, employment in the MSA is recovering at a slightly faster rate than the state.

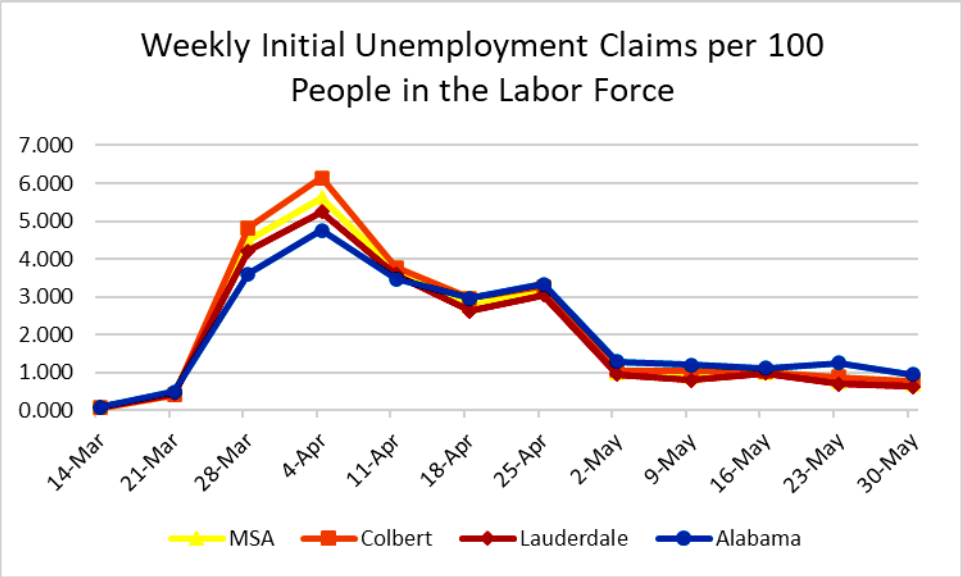
Weekly Initial Unemployment Claims

Week Ending	MSA	Colbert	Lauderdale
14-Mar	50	17	33
21-Mar	282	98	184
28-Mar	2,940	1,140	1,800
4-Apr	3,680	1,450	2,230
11-Apr	2,414	894	1,520
18-Apr	1,810	700	1,110
25-Apr	2,064	774	1,290
2-May	645	245	400
9-May	584	247	337
16-May	656	239	417
23-May	501	206	295
30-May	449	183	266

Source: Opportunity Insights and UNA

Initial Unemployment Claims Per 100 People in the Labor Force

In addition to total initial unemployment claims per week, discussed above, the initial unemployment rate is also calculated to get a more detailed picture of how the total labor force was impacted by the virus and corresponding stay at home order. In early March, initial unemployment claims per 100 people in the labor force were very low for the MSA at 0.076. This rate is even lower than the Alabama rate of 0.08. As expected, the initial claims rate increases rapidly during the two weeks after the stay at home order. For the week ending April 4th initial claims rate in Colbert County was 6.14 and 5.24 in Lauderdale. These rates indicate that the overall impact on the labor force was greater in Colbert County than Lauderdale County even though Lauderdale county had higher total initial claims for unemployment as shown above. These rates combine to yield an initial claims rate for the MSA of 5.615 for that week. These rates are higher than the state rate of 4.76. Conditions improved after the stay at home order was lifted and even though the unemployment impact was initially larger withing the MSA relative to the state, conditions in the area rebounded quickly and have been ahead of state performance since the week ending April 18th. As of May 30th, the weekly initial unemployment rate was 0.685; however, this is still well above the rate in mid-March. Again, even with the initial claims rate falling, the overall unemployment rate remains three times higher in the state and MSA compared with January 2020.



Initial Unemployment Claims Rate Per 100 People in Labor Force

Week Ending	MSA	Colbert	Lauderdale	Alabama
14-Mar	0.076	0.07	0.08	0.08
21-Mar	0.430	0.41	0.43	0.49
28-Mar	4.486	4.83	4.22	3.61
4-Apr	5.615	6.14	5.24	4.76
11-Apr	3.683	3.78	3.58	3.46
18-Apr	2.762	2.96	2.62	2.96
25-Apr	3.149	3.27	3.04	3.34
2-May	0.984	1.04	0.94	1.29
9-May	0.891	1.04	0.79	1.19
16-May	1.001	1.01	0.98	1.12
23-May	0.764	0.87	0.69	1.25
30-May	0.685	0.77	0.63	0.95

Source: Opportunity Insights and UNA

Low-Income Workers: Employment by Sector

In addition to the total employment changes described above, Opportunity Insights also provides employment data for low-income workers by selected major sectors at the state level. Unfortunately, this information is not available for all selected sectors at the local MSA level; however, given the similar patterns between State and MSA unemployment per 100 people in the labor force, it is likely that the MSA also experienced similar patterns when considering unemployment by sector for low income workers. State trends by sector are discussed below to provide insight into how low-income workers may have been affected within the MSA, and local data has been included when possible. We begin by examining the overall trend for low-income unemployment at the state level and local level.

Alabama: Total low-income employment dropped below the January 2020 baseline for the first time on February 14th and has remained below baseline since that time. Employment for these workers declined slowly and steadily between February 14th and March 18th. Coinciding with Alabama public schools closing on March 19th, employment fell rapidly from 6.2% below baseline to 30.8% below baseline by April 15th. This represents approximately a five-fold decrease in just four weeks. Low-income employment continued to decrease at a slower rate through May 1st and then began to recover slowly. As of May 30th, low-income employment was more still than thirty percent (30%) below baseline.

Colbert: Similar to the state trend, Colbert County started the year off with low-income employment above baseline through late February. Late in February employment began trending down slightly and continued to do so through March 19th when the stay at home order began. After that order, employment declined to 43.7% below baseline by April 18th and most of the job losses occurring between March 19th and April 2nd. Total employment remained at these reduced levels past the end of the stay at home order and began to rebound slightly on May 14th. Employment remained at 31.6% below baseline through May 30th. Colbert County is slightly behind the state recovery at this time by about 0.1%.

Lauderdale: As with the state and Colbert, Lauderdale started off the year above baseline; however, employment began to slip by February 10th and was 8.3% below baseline by March 5th. After this initial reduction in employment, conditions started to improve slightly until the stay at home order took effect. Employment decreased steadily between March 19th and April 23rd when low-income employment was 33.9% below baseline. Employment results have been mixed since April 23rd and are still 28.2% below baseline as of May 30th. This puts the employment recovery in Lauderdale County slightly ahead of the state recovery at that date.

Manufacturing

Alabama: Low-income employment in this sector showed some growth during February, averaging almost two percent above baseline for February 1st – 23rd. Employment dropped below baseline on February 24th and thereafter followed a pattern similar to that described above for total low-income employment. Specifically, employment in this sector declined slowly between February 24th and March 26th, and then began a sharp decline which lasted until April 17th. During this period employment declined from 7.1% below to 38.1% below the January 2020 baseline. The declined continued on a slower pace to a maximum 42.1% below baseline on May 1st. Manufacturing has experienced only a slight recovery since May 1st and was still 37.3% below baseline as of May 30th.

Colbert: No Data Available
Lauderdale: No Data Available

Retail

Alabama: Retail employment continues to follow the now familiar pattern and has remained relatively unchanged from baseline through February 14th. Employment declined slowly and steadily between February 15th and March 15th. A sharp declined followed as employment declined from 7% below to 33.9% below baseline by April 16th. Employment declined by an additional 1.5%, to 35.4% below baseline, on April 28th. Since the end of April, employment in this sector has recovered very slowly, remaining 28.6% below baseline as of May 30th.

Colbert: Low-income employment was slightly above baseline through February 17th when a slight decline began. Over the next month, employment in this sector declined only 5.5% relative to baseline. The stay at home order induced a sharp decrease in employment and was 43.8% below baseline by April 3rd. Employment continued to decline another 8.7% by May 13th when employment was 52.5% below baseline. The retail sector has recovered more slowly in Colbert County compared to the state and is still 41.7% below baseline as of May 30th.

Lauderdale: Retail employment held a positive trend relative to baseline through early March, which is longer than the state or Colbert County. Employment began declining rapidly on March 4th and was 22.8% below baseline by March 27th. The downward trend continued through April 22nd where the maximum employment reduction for Lauderdale County was 38.5%. This reduction is slightly more than Alabama but significantly less than Colbert County. The retail sector recovered slowly and is 28.5% below baseline as of May 30th. This places retail employment recovery in Lauderdale County slightly ahead of the state.

Transportation

Alabama: The transportation sector does not experience the same sharp decline as described in the manufacturing and retail sectors. Employment was above baseline for much of February before beginning a steady decline. In fact, except for only six days during mid-March, employment in this sector experienced a steady decline between February 24th and May 30th. As of May 30th, reflecting the most recent data available from Opportunity Insights, employment in this sector is 38.8% below baseline and has yet to show signs of any recovery.

Colbert: No Data Available
Lauderdale: No Data Available

Health and Social Assistance

Alabama: As might be expected during a viral pandemic, employment in the Health and Social Assistance sector experienced the smallest change of any other sector examined. This is the case for low-income employment as well as other types of employment in this sector. However, low-income employment in this sector dropped below baseline earlier than any other sector, beginning on February 2nd. Following this initial drop below baseline, employment in this sector experienced a steady decline similar to the transportation sector. Employment declined to a maximum of 26.9% below baseline on April 30th and remained steady at this level or slightly above through May 30th. In fact, employment in this sector was 26.9% below baseline on May 30th.

Colbert: No Data Available
Lauderdale: No Data Available

Restaurants and Hotels

Alabama: Restaurant and Hotel employment experienced the most variation of any sector examined. This sector suffered the largest decrease and realized the largest recovery relative to other sectors. Employment in this sector-maintained baseline values through March 14th when the drastic employment reduction began. Specifically, this sector experienced a 40.5% reduction in a fourteen-day period between March 14th and March 28th. Employment continued to decline through April 18th when Restaurant and Hotel employment had declined by 51.5%. This marks a significant turning point for this sector as employment rebounds, increasing by 22.6% by May 23rd. At that point, employment was only 28.9% below baseline. Employment fluctuated up and down slightly over the next week and is only 26.2% below baseline on May 30th. This employment level on May 30th is slightly better than the employment level for Health and Social Assistance on the same day.

Colbert: Restaurant and Hotel employment was mostly stable through mid-March. With the stay at home order in place, employment in this sector declined rapidly to 55.2% below baseline in just thirteen days between March 19th and March 31st. The downward trend continued to a maximum employment loss of 62.9% by April 27th. While the maximum decline is more than 10% greater than for this sector in Alabama as a whole, Colbert County experienced an overall rapid rebound and is only 9.8% below baseline on May 30th. This rapid rebound breaks with the state trend discussed above.

Lauderdale: Employment in this sector began trending negative by the beginning of February and remained below baseline except for a small uptick between March 11th and March 14th. This is followed by a swift reduction in employment to 50.7% below baseline by April 10th. The maximum employment reduction was 55% and was mostly steady around 50% from mid-April through May 12th. Employment in this sector has recovered slightly since mid-May and is currently 36.9% below baseline. As of May 30th, recovery for this sector in Lauderdale County is lagging behind the state and well behind the recovery in Colbert County.

CONSUMER SPENDING TRENDS BY INDUSTRY

Examining spending changes by category provides additional insight into the total impact on the local economy. Unfortunately, industry data estimates are not available for the MSA; however, Opportunity Insights does provide detailed industry spending estimates at the state level. State level estimates are again utilized as a proxy for MSA experiences given the similarities in patterns described above. Given that total spending pattern variations from baseline do not match as closely for spending as employment, local impacts will be slightly larger or smaller depending on how the local area is performing relative to the state.

Apparel and General Merchandise

Total state spending on apparel and general merchandise trended at or below the January 2020 baseline throughout February and early March and experienced a short period above baseline between March 6th and 13th. Over the next fourteen days, spending in this category had declined by more than 50% relative to baseline. In fact, spending on March 28th was 54.2% below baseline. A slow recovery began at this point with spending trending upwards and finally breaking through the January baseline threshold on May 17th. Since that date, apparel and general merchandise spending has been above baseline by an average of more than 5% and was 10% or greater from June 1st to 10th.

Entertainment and Recreation

Residents of the state spent a considerable amount on entertainment and recreation during early and mid-February when spending was more than 20% above baseline. Spending in this sector began a steady decline on March 4th and lasting until March 31st. During this time, entertainment and recreation spending declined more than 75% compared to the baseline. The sharp decrease in spending leveled off at this point; however, spending continued to decline to its lowest point, 80.6% below baseline on April 14th. Spending in this sector remained around this level through the end of April when residents slowly began to increase spending again. However, on average, spending in this sector remained more than 50% below baseline through May and early June.

Groceries

As is expected with the stay at home order, spending on groceries displays a trend opposite to trends in other spending categories. After a mostly typical month in February, residents began spending more on groceries in late February and early March. After increasing slowly during the first week of March, spending on groceries was 53.6% above the January baseline on average for the seven-day period leading up to the stay at home order on March 19th. Spending began declining rapidly in the week following the stay at home order; however, the seven-day average was still 9.8% above baseline between March 26th and April 1st. From April 1st through June 10th, grocery spending remained more than 10% above baseline on average.

Healthcare

In the midst of a viral pandemic, one might expect healthcare spending to remain at the normal level or even increase. While this is true for individuals who are diagnosed or possibly exposed to the virus, many residents, in an effort to avoid exposure to the virus, may change their typical behavior as it relates to doctor visits. This may take the form of postponing scheduled visits or, residents may decide not to visit a doctor for non-virus-related conditions that onset during the pandemic. Healthcare spending in Alabama was around 5% below baseline, on average, for February and trended around baseline in early to mid-March. Between the stay at home order and March 28th, healthcare spending had declined more than 43% on average. Spending declined to more than 60%, on average, below baseline by the week ending April 18th. Trends in healthcare spending do not begin to return toward baseline until early May and even then, it is a slow return with average spending still around 10% below baseline for the month. This pattern continues through early June where spending is approximately 8% below baseline through June 10th.

Restaurants and Hotels

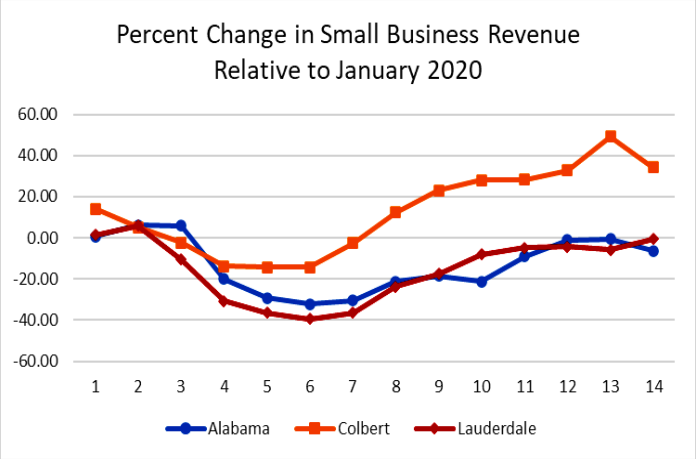
Spending at restaurants and hotels was steady but slightly below baseline for February and early March. Consumers began to significantly reduce spending in this sector beginning on March 10th and continuing a rapid decline through until March 31st. During this 22-day period, spending was on average 34% below baseline and more than 60% below baseline between March 26th and 31st. Spending in this sector began to recover slowly in early April but was more than 40% below baseline for the month. With consumers continuing to spend more on groceries throughout May and early June, spending in this sector remains 23.4% below baseline on June 10th.

Transportation

Spending in the transportation sector began a downward trajectory earlier than any other sector examined, first dropping below baseline on February 5th. Over the next three weeks, average spending in this sector decreased slowly at first and then more rapidly between February 26th and March 28th. During the rapid decline, average spending in this sector was more than 30% below baseline. Transportation spending remained low throughout April with average spending more than 60% below baseline between March 27th and May 1st. Spending increased slightly during May; however, spending in this sector is still averaging more than 50% below baseline through June 10th.

COVID-19 RELATED CHANGES IN SMALL BUSINESS REVENUE

The changes in consumer spending discussed above cannot be directly applied to changes in small business revenues (SBR) in the local area as the trajectory for small business revenue is opposite of consumer spending. In this instance Alabama and Lauderdale county share similar pathways and Colbert county outperforms both. SBR in all three areas is above baseline between March 1st and 14th. While Alabama remained above baseline during Week 3, March 15th – 21st, SBR in Colbert county drops below baseline by 2.23% and Lauderdale experiences a more significant drop and comes in 10.47% below. At this point, pathways diverge with Colbert county SBR only below baseline for five weeks and Alabama and Lauderdale county SBR remaining below baseline through the end of May. The maximum decline in SBR for Colbert county was 14.34% in Week 5 and were below baseline consistently between March 13th and April 15th. During this time SBR was below baseline by 10.43% on average. From April 16th through the end of May, SBR in Colbert county recovered effectively and is above baseline by 28.83% on average. Factoring in the decline in SBR during Week 3 – 7, SBR in Colbert county is still 13.4% above baseline on average. This is a positive sign for both small business owners and their employees, especially given the large changes in employment and consumer spending discussed above.



Unfortunately, the picture for SBR in Lauderdale county and the state is not as rosy as SPR remained consistently below baseline from mid-March through the end of May in both areas. Lauderdale county experienced the largest reduction in SBR of all three areas and was below baseline by 39.27% in Week 6. From March 15th through May 31st weekly SBR in Lauderdale county is 17.77% below baseline on average. Alabama also experiences the maximum SBR value below baseline in Week 6, measured at 32.27%. Slightly outperforming Lauderdale county, weekly SBR in Alabama has been 16.76% below baseline on average. These figures represent a significant negative impact on small business in Alabama in Lauderdale county in the first half of 2020. Unless these patterns begin to change, many small businesses could be forced to close, which will have ripple effects through the local and state economic systems.

Weekly Percent Change in Small Business Revenue Relative to January 2020

Week	Date	Alabama	Colbert	Lauderdale
1	March 1-7	0.60	14.13	1.54
2	March 8-14	6.10	5.26	5.79
3	March 15-21	5.89	-2.23	-10.47
4	March 22-28	-20.09	-13.84	-30.73
5	March 29-April 4	-29.19	-14.34	-36.36
6	April 5 - 11	-32.27	-14.33	-39.27
7	April 12 - 18	-30.36	-2.53	-36.34
8	April 19 - 25	-21.26	12.43	-23.73
9	April 26 - May 2	-18.51	23.00	-17.51
10	May 3 - 9	-21.17	27.93	-8.13
11	May 10 - 16	-9.11	28.40	-4.90
12	May 17 - 23	-1.04	32.77	-4.33
13	May 24 - 30	-0.51	49.27	-5.69
14	May 31 - June 6	-6.26	34.27	-0.47

Source: Opportunity Insights and UNA

AUTHOR INFORMATION

Dr. Stefanie Haeffele, PhD, Contributor
Senior Fellow, F. A. Hayek Program for Advanced Study in Philosophy, Politics, and Economics
Mercatus Center at George Mason University
Email: stefanie.haeffele.com

Dr. Keith D. Malone, Professor of Economics, Editor, Contributor
Email: kdmalone@una.edu

Dr. Mark D. Foster, Associate Professor of Finance, Assistant Editor
Email: mdfoster@una.edu

Faouzi Seba, Graduate Research Assistant

IIED CONTACT INFORMATION

Institute for Innovation and Economic Development
345 Keller Hall, UNA Box 5055,
Florence, AL 35662
P: 256.765.4270
Website: www.una.edu/institute

Director
Dr. Douglas Barrett

Specialty Areas and Contacts

Innovation and Entrepreneurship:	Mitch Hamm, jhamm1@una.edu
Economic and Community Development:	Steven Puckett, spuckett1@una.edu
Corporate Consulting:	Dr. Doug Barrett, jdbarrett@una.edu
Collaborative Agile Strategy Consulting:	Janyce Fadden, jfadden@una.edu

Leading Experts Available

Dr. Doug Barrett:	Director, IIED, jdbarrett@una.edu
Janyce Fadden:	Director, Strategic Engagement, jfadden@una.edu
Sean Collin, Esq.:	Director, Intellectual Property and Technology Management, scollin@una.edu
Mitch Hamm:	Director, Innovation and Entrepreneurship, jhamm1@una.edu
Dr. Keith D. Malone:	Professor of Economics, kdmalone@una.edu
Steven Puckett:	Business and Community Outreach Director, spuckett1@una.edu

NEWLY LAUNCHED AGILE STRATEGY LAB AT THE UNIVERSITY OF NORTH ALABAMA

Introducing the Agile Strategy Lab at UNA. At the Lab, three realities define our imperative to move beyond traditional approaches to management:

- Nothing is constant, except change; agility is not optional. Business and civic leaders must master the skills of jumping from S-curve to S-curve.
- A shift from hierarchies to networks is transforming our organiztions and alliances. Agility requires both a new mindset and the skills to develop and scale innovating networks.
- Today's challenges are not just complicated; they are wickedly complex. Addressing complex challenges requires a new approach to management based on core agile principles: relentless exper mentation and rapid iteration.

The Agile Strategy Lab crafts solutions that are based in practice rather than theory, and that our clients can begin to implement immediately - not after they've finished a six-month study. All of our work is based in the conviction that transformation - organizational, community, or regional - begins with collaborative conversations with an underlying structure, and that leaders can learn to design and guide these conversations by following simple rules and mastering specific, teachable skills. Building on those conversations, leaders can develop and guide the new networks that create sustainable transformation.

Activities include:

- **Training:** we offer both online and in-person professional education targeted at all levels of experience. A signature offering is "Strategic Doing: Leading Complex Challenges." Strategic Doing is a rigorous strategy discipline specifically designed to address complex challenges. Based on the operational model of open source software development, Strategic Doing helps people form complex collaborations quickly, move into action immediately, and make adjustments, as they learn by doing. Other training includes 10 Skills for Agile Leadership, Rapid Improvement, Innovation Engineering, and Building an Agile Ecosystem. Our training activities range in intensity from a half-day workshop to online offerings spanning several months, and may be "open enrollment" or customized courses for individual clients.

- **Consulting:** we work with individual clients to address specific complex challenges. A hallmark of our approach is that we never tell a client what their strategy should be - rather, we help clients learn and practice new skills and cognitive frameworks as they craft their next strategic direction.

- **Writing and Speaking:** we believe in the power of the written and spoken word to change management practice. The senior leadership of the Lab are co-authors of *Strategic Doing: Ten Skills for Agile Leadership* (Wiley, 2019, a "Best Business Book" of 2019 selection by Soundview) and an accompanying workbook, and have a new book on ecosystem development underway. We speak at conferences and on podcasts, and write regularly on both our own websites and social media and those of others.

- **Tools:** we both develop our own offerings and partner with organizations working at the frontiers of innovation and talent development. For example, we partner with Fraunhofer IAO to bring their technology innovation tools to clients. Another tool, the AEM-Cube™ (developed by European firm Human Insight,) is an instrument that helps teams assess their "cognitive diversity" as one element of a successful group.

- **Research:** as part of a commitment to continuous improvement, we gather and analyze data about our work to better understand what works (and what doesn't), and disseminate those findings widely.

The Agile Strategy Lab fosters a culture of innovation. Effective conversations "roll up" into growing networks, and those networks themselves are most powerful as they connect with one another to form innovation ecosystems. Our innovation ecosystem model was initially developed in Oklahoma City and has been deployed in many regions, including Charleston, South Carolina; Milwaukee, Wisconsin; Rockford, Illinois; Mayaguez, Puerto Rico, and of course the Shoals region of North Alabama. The Lab believes that globally competitive companies and regions must develop a portfolio of collaborations as noted next:

- **Talent Development** -- In a knowledge economy, competitiveness starts with a connected community of innovators committed to building world-class brainpower
- **Innovation and Entrepreneurship Network** -- Converting brainpower into wealth and prosperity requires thick networks to speed resources to promising ideas.
- **Quality, Connected Places** -- Talented people and innovative companies need quality, connected places in which to operate. Placemaking matters.
- **New Narratives** -- The networks for an innovation ecosystem are invisible. We navigate them with stories and new narratives that point us to opportunities.
- **Collaboration** -- Ecosystems rely on a portfolio of continuously shifting collaborations. Strategic Doing widely distributes the skills needed to design and manage these collaborations.

Programs the Agile Strategy Lab offers:

Strategic Doing: this process helps collaborative groups form quickly, focus on measurable outcomes to address complex challenges - and move into action immediately, with learning loops to promote continuous improvement. The Lab works directly with groups and trains individuals in using the discipline.

Strategic Diversity: using the right process isn't enough if you don't have the right team in place. Strategic Diversity goes beyond the usual categories to tap into cognitive diversity, ensuring that each person on the team knows how they most effectively contribute to a larger strategy and helping teams recruit the right talent. The AEM-Cube (TM), an online assessment, can be completed in as little as ten minutes, and is available for both individuals and teams. The online work is then followed up with an in-person or video debriefing presentation to unpack the lessons learned.

Agile Leadership: available in both in-person and online versions, our agile leadership offerings equip individuals with the skills to help their organizations thrive. We go beyond "good communication" and teach ten very specific skills that innovation and transformation require - no matter what the industry or discipline.

Rapid Improvement using Lean Tools: if you have a process you know isn't helping you meet your goals - but you're not sure what to do next - rapid improvement is designed to help. Rapid improvement borrows from the lessons learned by manufacturing companies, but adapts them for companies in other industries as well as other kinds of organizations, including higher education, government, and non-profit organizations.

Agile Innovation: Powered by our partnership with German technology leader Fraunhofer, this tool (more accurately, a set of tools) help firms identify and pursue the right technology to jump to the next innovation curve.

Innovation Engineering (IE): in partnership with Eureka! Ranch, IE is a groundbreaking program that provides a systematic approach to innovation. IE allows you to build systems that make it possible, practical and easy for everyone to innovate, everywhere, in everything they do. The fundamental concepts of the program include tools and methods for *creating*, *communicating* and *commercializing* meaningfully unique ideas. IE can be taught in as few as a couple of days, or can be offered as a full university-based minor - there are many options available. Our certified black belt trainers can assist your team in using the tools to improve your organization's results.

For information call 256-765-4189 or visit www.agilestrategylab.org

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una.edu/business/executive-dba edba@una.edu 256-765-4946

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