Coincident Index for US, Alabama and Huntsville MSA.

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Overview:

Main Question:
Do Variables used in the National Coincidence Index match comparable variables on the state and local level?

Variables:
- Employees of Non-Agricultural Salaries
- Real Personal Income Minus Transfer Payments
- Industrial Electrical Sales
- Average Hours Worked in Manufacturing
- Unemployment Rate

Impact:
- Local variables = short period time recorded
- Unemployment peaks at the end of recessions
- Variables have different amount of reaction to recessions
- Frequency for data is different for different level
- State and especially Local data is not as extensive

High Reaction:
- Unemployment
- Average Hours Worked in Manufacturing

Medium Reaction:
- Employees of Non-Agricultural Salaries
- Real Personal Income Minus Transfer Payments

Low Reaction:
- Industrial Electrical Sales

Key Findings:

e.g. Personal Income – Transfer Payments  e.g. Unemployment

National:
During recessions, Personal Income minus Transfer Payments decreases
Unemployment starts to rise at the beginning of a recession

State:
This trend continues for the state level. The variable increases after this setback
However, it does not peak until the end of the recession

Local:
For the local level, the effect does not seem to be as dramatic, it is distinct
At the local level, data is sparse so it seems more volatile than its equivalents

Explanation:

- The affects on the economies of all sizes similarly that can shape local policy
- The degree that variables are effected by the business cycle

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