

Examining Alabama: An Interview with the Atlanta Fed's Lesley McClure

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Photo by David Fine

Lesley McClure has been the regional executive at the Atlanta Fed's Birmingham Branch since 2011. She is responsible for the Branch's board of directors and the Bank's Agriculture Advisory Council and provides regional input into the Atlanta Fed's monetary policy process. As she prepares to retire this spring, she spoke with Atlanta Fed vice president Mike Chriszt about the state she has closely observed, the nature of the economic recovery Alabama has experienced, and how the role of agriculture has changed in the state's economic composition.

Mike Chriszt: *You became regional executive of the Birmingham Branch, early in the recovery period after the Great Recession. Can you describe the recovery since then?*

Lesley McClure: Alabama didn't have the same level of prerecession "boom" as other places, so we didn't fall as far. However, our recovery felt slower than other parts of our District. Now we are on a solid path, and optimism is very strong. Also, back in 2011 and for a couple of years thereafter, businesses had plenty of talent available and they could be choosy. Now a common worry among my contacts is finding enough people.

Chriszt: *More broadly, based on what you've learned through anecdotes and observation, how has Alabama's economy evolved in recent years?*

McClure: Our economy relies more on manufacturing than the two biggest economies in our District—Georgia and Florida—so the uptick in auto sales was really a turning point for us. We have several large auto assembly plants—Honda, Hyundai, and Mercedes Benz—and many parts and logistics businesses that serve these plants. Improved auto sales have really helped our economy. Additionally, we just found out that Alabama will be the site of a new Toyota/Mazda plant that is projected to employ 4,000 people. The new plant will be near Huntsville, which is successfully growing its biotech, aerospace, and technology sectors. The plant will really cement Alabama's position as a hub for the Southern automotive industry.

We also have a number of large commercial construction companies headquartered in Birmingham—I'm sure you've seen Brasfield & Gorrie signs all over Midtown Atlanta construction sites. The recovery in construction has been another part of our recent success.



Regional executive Lesley McClure. Photo by David Fine

We have some exciting urban redevelopment happening in Birmingham, Montgomery, and Huntsville—similar to what you see in Atlanta.

Chriszt: *Let's talk about non-metro areas. President Bostic gave a speech in Montgomery in November describing the differences in rural and metro area economies. Can you address how the recovery has affected different areas within Alabama?*

McClure: Alabama's rural areas continue to struggle. In fact, it's hard to see much of a recovery at all in many places. Several rural hospitals have closed, and it's really hard to attract businesses when you can't offer health care. Lots of people will drive 60 miles each way to manufacturing jobs, but for those in more remote areas, the options are limited. One interesting story told at our agriculture advisory council meeting in September had to do with the lack of high-speed internet access in rural areas. [Former Atlanta Fed board chair] Larkin Martin was describing the sophisticated technology available to farmers now, but without internet access, you can't take advantage of

it. She said that in her part of the state [north-central Alabama], she can't even send emails after 3 p.m.—that's when kids get out of school and go online and the service slows to a crawl.

Chriszt: *It's easy to see how that would be an impediment to deeper development. You mentioned the Atlanta Fed's agriculture advisory council. You chaired that advisory council. What's the state of agriculture in the Southeast?*

McClure: It's really hard to generalize about agriculture. Weather conditions can either be a boon or disaster, and global influences are strong and can be fickle in different sectors. For me, the most interesting development is the move to more automation. Farmers now use satellites and drones to evaluate pest, disease, and moisture conditions of their crops. This allows for precision management and efficient use of resources—pesticides, fertilizers, water. They use laser-guided tractors and are exploring more automation for picking crops that were previously only done by hand. It's all quite fascinating.

Chriszt: *That's a great example of how jobs have changed in recent years. Tell us how your role as regional executive changed over the years?*

McClure: The essential role of developing a network of business and community leaders who help us understand economic conditions, and sharing our story through these connections and other speaking opportunities, hasn't changed. However, we continue to refine our methods of documenting and analyzing what we are learning as we try to provide the very best support to President Raphael Bostic. Additionally, we are expanding our relationships with experts in workforce, housing, community development finance, and small business to help further the work of our partners in the Bank's Community and Economic Development department.

Chriszt: *As you near retirement, maybe now you can answer a truly explosive question for an Alabamian: the Alabama Crimson Tide or the Auburn Tigers?*

McClure: Oh no you don't! When it comes to Alabama teams, I am Switzerland. Seriously, I am a Ramblin' Wreck, and Georgia Tech will always be my team—even though they break my heart on a regular basis!



Mike Chriszt

Vice President in the Public Affairs Department at the Atlanta Fed

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