SIXTH FEDERAL RESERVE DISTRICT

Monthly Review

Atlanta, Georgia
April • 1961

Also in this issue:

Federal Reserve Bank of Atlanta

Population Changes and Southern Income Growth

Each day during the past decade, approximately ten thousand families in the United States moved from one county to another. Why did they do this? Usually because the breadwinner found a better job in another city, and the family took advantage of the opportunity to increase its income. Thus, during the past ten years, an estimated 35 million American families moved, and a substantial shift in the country's population resulted. Places with few economic opportunities generally lost people to those areas that offered more jobs and higher incomes.

The most noticeable aspect of this shift can be seen in the empty farmhouses that dot the countryside and the burgeoning suburbs that surround most cities. As agricultural productivity rose, millions of people deserted the farms for higher paying jobs in manufacturing or services, most often found in the cities. In addition, many families moved from one region to another in response to better economic opportunities.

How the rate of economic growth of one region compares with that of another, therefore, may be suggested by the region's relative rate of population growth resulting from migration—the movement of people into or out of an area. Furthermore, population movements within the region may indirectly measure whether or not the adjustments necessary to achieve higher incomes for its people are being made there.

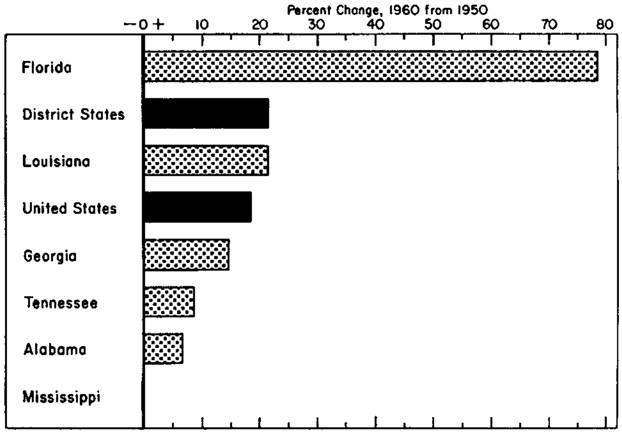
The economic growth of the South in recent years is well known. Various aspects of this growth in the Sixth Federal Reserve District states, including Alabama, Florida, Georgia, and parts of Louisiana, Mississippi, and Tennessee, have been discussed in previous issues of this *Review*. The release of some of the results of the *1960 Census of Population* provides an opportunity to examine the population movements in this part of the South and to see how they have conformed to the pattern that generally accompanies economic growth.

District Population Growth Exceeds National Average

The population growth of the District states as a whole indicates that economic opportunities were strong enough to attract people from other regions. The total population of the six states increased 21.4 percent, the largest ten-year growth rate since 1890. The nation increased its population 18.5 percent. Thus, for the second time since the American frontier moved west of the Chattahoochee River, the District states increased their population at a rate greater than that of the nation. The only other time this occurred was during the depression of the 1930's, when many unemployed industrial workers returned to the farms they had left when searching for opportunities outside the District.

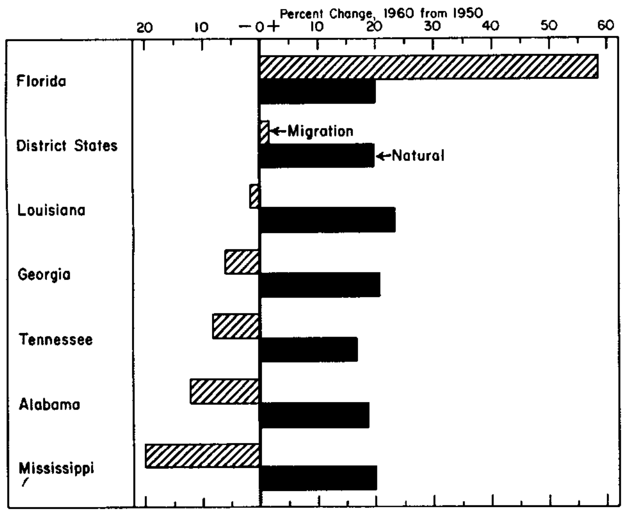
Population growth trends in the Sixth District states during the 1950's varied widely, indicating that some states offered better opportunities than others. Only in Florida and Louisiana did the average rate of population increase exceed the national rate. In 1960 Florida had added over three people for every four who lived in the state in 1950, chalk-

Total Population
Sixth District States and United States
1960 from 1950



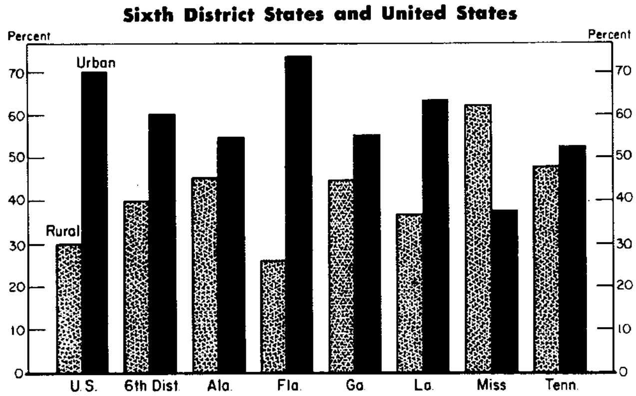
The District increased its population at a rate higher than the nation's between 1950 and 1960 largely because of Florida's record growth.

Natural Increase and Migration
Sixth District States
1960 from 1950



Differences in growth rates among District states were accounted for mostly by differences in rates of migration. All District states except Florida had more losses than gains through migration.

Urban and Rural Population, 1960
Sixth District States and United States



As a result of the movement of people within the District, all District states except Mississippi were predominately urban by 1960.

ing up the highest rate of gain made by any state since the Indian Territory was opened for settlement in 1907. Louisiana's increase was the largest for that state in sixty years. Georgia's growth rate, while below that of the nation, was the highest in half a century. Tennessee, on the other hand, had its slowest growth since 1920; Alabama's population increased at a lower rate than at any time since the Civil War; and Mississippi actually had fewer residents than it did ten years earlier, marking the third decade in the twentieth century that its population has declined.

Had there been no movement of people into or out of the states, all of them would have grown substantially in the 1950's, even though there were some differences in the rates of natural increase. The rate of natural increase for the District as a whole was about 20 percent, ranging from a low of 17 percent in Tennessee to a high of 23 percent in Louisiana. High rates of natural increase were noted in counties with an unusually large percent of people in the 20 to 44 age group. For example, all of the counties with major military bases had rates of natural increase in excess of 30 percent. At the other end of the scale, natural increases of less than 10 percent were confined to 12 Middle Tennessee counties with an unusually small proportion of people in the 20 to 44 age group and to a few Florida counties with large numbers of retired persons.

Migration Accounts for Different Rates of Population Change

Differences in rates of population change among District states were accounted for almost entirely by differences in rates of migration. Thus, using migration as an index of the response to economic opportunities, we can see clearly that economic growth varied widely from state to state during the 1950's.

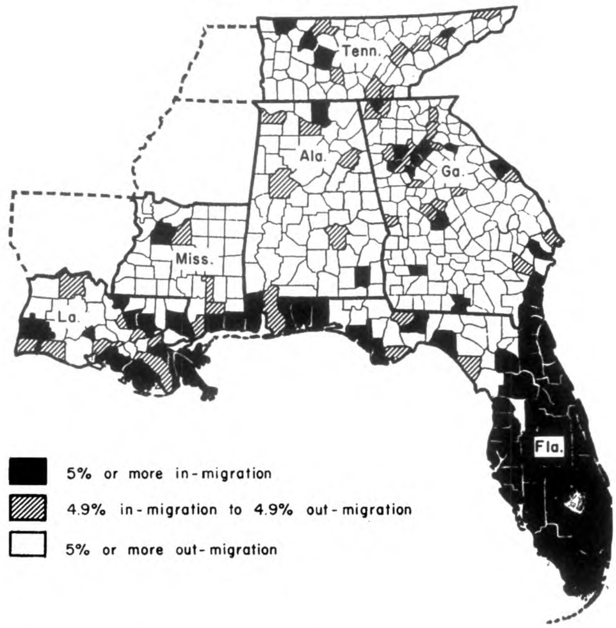
Economic opportunities in all District states but one apparently were not strong enough to attract large numbers of people from other areas or to retain the population growth that would have occurred because of natural increase. According to this Bank's estimates, five of the states had population losses through migration, ranging from fifty thousand people in Louisiana to almost a half million in Mississippi. Florida was the only state in the region to gain more people through migration than it lost. An estimated 1.6 million more people moved into the Sunshine State than left. This was more than enough to offset migration losses in the other District states, and as a result the District had a net gain from migration for the first time in 120 years.

Within the six states, population changes resulting from migration indicate that the adjustments leading to income growth that involve a shift from agriculture to manufacturing and service occupations continued throughout the past decade. In 1950, over half of the people in District states lived in the country or in towns with fewer than 2,500 persons. Ten years later, three out of every five people in the region lived in urban areas—towns with over 2,500 inhabitants and thickly populated fringes of large cities. The urban population in the District jumped over 50 percent, compared with a national average gain of less than 30 percent. The District's rural areas, on the other hand, lost over 4 percent of their residents between 1950 and 1960, while the decline in the nation as a whole was less than 2 percent.

Not all the urban areas offered enough economic opportunities to attract more people than they lost through migration. A look at the map will show that, outside of Florida, migration gains in the District were confined largely to metropolitan areas and counties with military installations. As a matter of fact, four metropolitan areas—Birmingham, Knoxville, Chattanooga and Gadsden—contributed more people to other areas than they were able to attract. Only about one-third of the District counties with urban populations gained through migration during the 1950's.

Only six entirely rural counties in the District increased their populations through migration. Three of those were coastal Florida counties that have become popular retirement havens. Two others are next to metropolitan areas and have benefited by the overflow of people from these areas. One North Georgia county has provided enough job opportunities to attract people from other areas without concentrating them in one city.

Migration, 1950-60
Sixth District Counties



Opportunities and Problems

The movement of people into and within the Sixth District has created both new opportunities and new problems. How well the region has adjusted to population changes may indicate whether or not it is prepared for further change. Has the labor force acquired the skills needed to obtain higher paying jobs? Are states long accustomed to dealing with farm economies able to handle the problems of urban growth? Have bankers and businessmen adjusted their business practices to accommodate changing customer needs? The implications of population change in view of these and other questions will be explored in future *Review* articles.

ROBERT M. YOUNG

Florida's Not-So-Sunny Economy

In a *Review* article last August, we appraised the condition of Florida's economy and concluded by saying, "Growth in the period immediately ahead depends mainly upon the strength of aggregate demand and on expansion of income, the same factors that will shape economic activity in the nation." Since then, total demand throughout the nation has not expanded materially. In Florida, consumers have displayed considerable lethargy in their spending, the expansion of income has slowed, and unemployment has risen. In the parlance of the weatherman, Florida's economy is not so sunny. In fact, recent economic developments bear many of the characteristics of an old-fashioned recession.

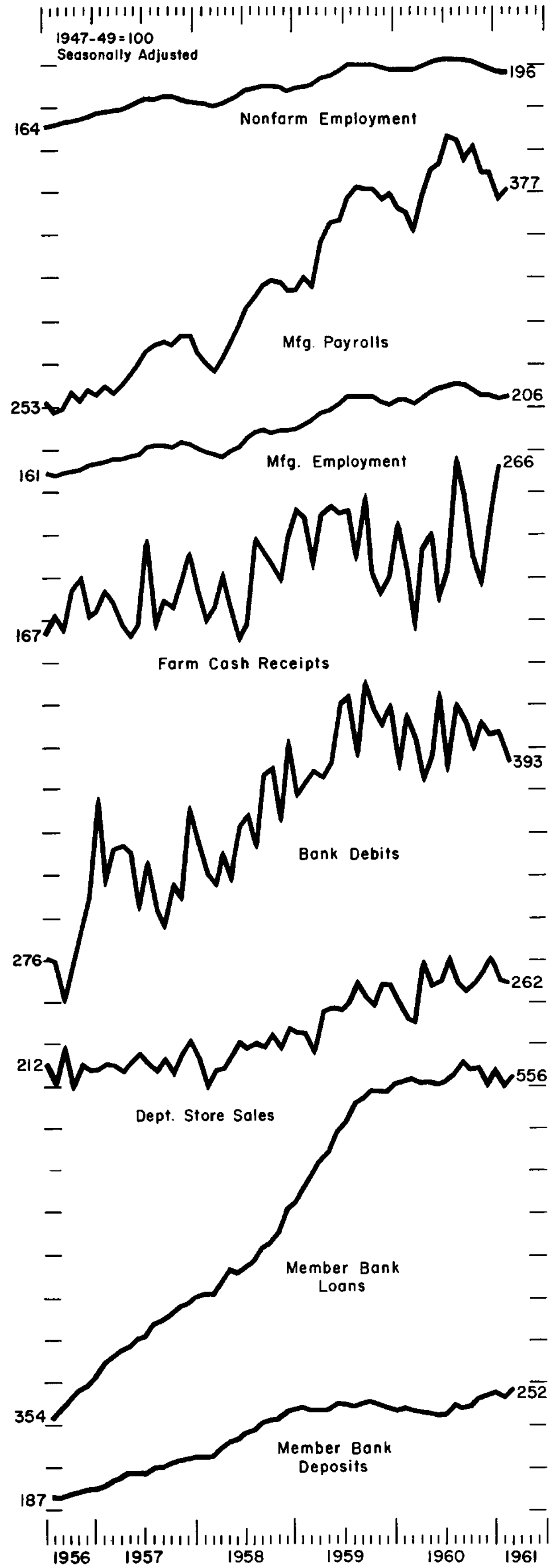
The Demands That Failed

The failure of aggregate demand to push Florida's economy into fuller utilization of resources may be traced directly to the doorstep of the consumer. Judging from registration data, sales of new automobiles held firm in the last half of 1960. Sales of furniture, television sets, and other appliances, however, have not done well. Overall consumer spending, measured by seasonally adjusted sales tax data, has edged down since last spring. And for some time now, sales of new homes have been disappointing, to say the least.

The inability or unwillingness of consumers to surpass or even match 1959 sales of new homes and other "big ticket" items throughout most of last year left many builders, manufacturers, and retailers holding the proverbial bag. Entrepreneurs who had miscalculated the needs or wants of consumers paid a penalty in the form of excessive inventories. Some auto dealers, as well as other merchants, had to make price concessions to consumers in order to move merchandise and bring inventories in line with current sales.

Price cuts, to the extent that they were made, bit into hoped-for profits. The changing profits position plus ample capacity in some lines may have affected the decisions of some businessmen to expand plants and other facilities. According to data compiled by the Florida Development Commission, 377 new plants and major expansions were announced for Florida during the first half of 1960, an increase of 12 percent over the same period a year earlier. When these plants are in full production,

Economic Indicators Florida



however, they are expected to provide 19 percent fewer jobs than were created by the plant expansions in the first half of 1959.

The apparent lack of oomph in plant expansion, the change from inventory accumulation to liquidation, and the continued weakness in construction activity, particularly residential, have all constituted a drag on total economic activity in Florida since mid-1960. The decline in activity has, in turn, been accompanied by a drop in total employment and a slower rate of income growth.

Employment Drops

Total nonfarm employment, seasonally adjusted, declined steadily from its peak around the middle of last year through February 1961. We will refrain from citing the exact percentage decline in employment, since we are in the process of reviewing the seasonal factors used to adjust Florida employment data. Such reviews are necessary periodically, particularly in a rapidly changing state like Florida, where seasonal factors may shift over a relatively short period. The tentative findings of our current study leave no doubt that total employment in Florida has declined since about mid-1960. The drop, however, may be less sharp than that shown in the accompanying chart.

It is also clear that nonmanufacturing employment has declined more than manufacturing employment. The greater drop in the former category of employment is primarily due to weakness in construction employment. In Florida construction employment in recent years has accounted for almost 10 percent of total nonfarm employment, about twice as high as the proportion in the nation. During 1960, total construction activity in Florida declined substantially more than in the United States. Thus, recent cutbacks in construction activity were not only more severe in Florida than in the nation, but they affected relatively more workers.

The slide in construction activity has also affected employment in such related manufacturing industries as furniture and fixtures; lumber and wood; and stone, clay, and glass. On top of other woes, the tourist business from November 1960 through early February 1961 has been something less than a huge success and has failed to provide employment with its usual winter boost. The ratio of insured unemployment to covered employment climbed to 5.0 percent in February of this year, compared with 3.3 percent a year ago.

Despite the declines in employment, total personal income, as estimated by this Bank, has continued to rise throughout 1960, but at a slower rate than in other recent years. The continued growth in income—wages and salaries, proprietors' incomes, farm cash receipts, and so on—is due in part to a rise in unemployment benefits and other transfer payments, but mainly to an increase in average hourly earnings of employed nonagricultural workers. A rise in farm cash receipts has also tended to buoy income.

Continued on Page 6

Member Banks Close Books on Good Year

Member banks in the Sixth District will look back on 1960 as a good year. Total earnings from current operations reached a record $505 million, a gain of 11 percent from the previous year. Bankers experienced profits on security sales during the year, moreover, which will further contribute to pleasant memories of 1960. After meeting higher operating costs, they still reported an increase in net profits. In 1960 net profits amounted to 10.6 percent of capital accounts and .86 percent of total assets.

Detailed earnings data and operating ratios are based on a special tabulation of regular reports submitted by member banks. The current ratios are developed from annual earnings reports and from reports of condition as of December 31, 1959, and June 15 and October 3, 1960.

Shifts in the composition of bank assets during 1960 give a clue as to what forces affected bank earnings. Banks reduced their holdings of U. S. Government securities both in dollar terms and as a proportion of total assets. Government securities comprised 28.0 percent of assets in 1960, compared with 29.8 percent the previous year. Prices of securities were generally higher when the banks liquidated them than when they purchased them. As a result profits from security sales in 1960 provided a boost to net profits.

Bankers in the District reduced their security holdings in order to obtain funds with which to grant loans. Although outstanding loans tended to level off late in 1960, total bank loans accounted for a larger share of assets in 1960 than in 1959, 39.2 percent versus 36.9 percent. Since the earnings rate on loans is higher than on other types of assets, the shift to loans added to bank earnings.

Bankers also had good news from the expense side of their operations. Although total current expenses rose appreciably during 1960, bankers for the second consecutive year were able to keep the rise from matching the gain in total earnings. Total expenses as a percent of total earnings averaged 69.9 percent, compared to 70.4 percent in 1959. Equally encouraging perhaps was the drop in the ratio of salaries and wages to total earnings from 28.7 percent in 1959 to 28.3 percent in 1960, also for the second consecutive year.

W. M. Davis

Average Operating Ratios of All Member Banks in the Sixth Federal Reserve District

SUMMARY RATIOS:	1955	1956	1957	1958	1959	1960
Percentage of total capital accounts:						
Net current earnings before income taxes	16.2	16.9	15.7	14.2	16.5	16.9
Profits before income taxes	13.2	12.8	12.6	14.1	11.9	14.8
Net profits	8.5	8.4	8.4	9.6	8.2	10.6
Cash dividends declared	3.0	3.0	3.0	2.9	3.0	3.1
Percentage of total assets:						
Total earnings	3.43	3.66	3.88	4.01	4.24	4.55
Net current earnings before income taxes	1.18	1.23	1.16	1.09	1.25	1.36
Net profits	.63	.62	.63	.74	.62	.86
SOURCE AND DISPOSITION OF EARNINGS:						
Percentage of total earnings:						
Interest on U.S. Govt. securities	21.8	22.2	22.5	20.9	21.5	21.7
Int. and div. on other sec.	5.9	6.0	6.2	7.2	6.9	6.9
Earnings on loans	59.7	59.6	59.4	59.4	59.5	59.2
Service charges on dep. accts.	6.6	6.5	6.6	7.3	7.1	7.3
Trust department earnings[1]	2.6	2.6	2.6	2.6	2.5	2.6
Other current earnings	6.0	5.7	5.3	5.2	5.0	4.9
Total earnings	100.0	100.0	100.0	100.0	100.0	100.0
Salaries and wages	31.6	31.2	30.2	30.3	28.7	28.3
Interest on time deposits[2]	10.8	11.3	16.4	18.5	18.2	18.0
Other current expenses	34.2	35.0	39.7	42.5	41.7	41.6
Total expenses	65.8	66.2	69.9	72.8	70.4	69.9
Net current earnings before income taxes	34.2	33.8	30.1	27.2	29.6	30.1
Net losses (or recoveries and profits +)[3]	3.5	4.9	3.2	+ 2.5	6.5	.9
Net increase (or net decrease +) in valuation reserves	2.3	2.9	2.4	2.6	1.5	2.5
Taxes on net income	9.9	8.7	7.9	8.6	6.7	7.5
Net profits	18.5	17.3	16.6	18.5	14.9	19.2
RATES OF RETURN ON SECURITIES AND LOANS:						
Return on securities:						
Interest on U.S. Govt. securities	2.12	2.46	2.64	2.65	2.95	3.39
Int. and div. on other sec.	2.52	2.52	2.66	2.82	2.87	3.09
Net losses (or recoveries and profits +) on total sec.[3]	.17	.27	.11	+ .44	.50	+ .21
Return on loans:						
Earnings on loans	6.35	6.35	6.67	6.71	6.90	6.91
Net losses (or net recoveries +) on loans[3]	.10	.15	.15	.13	.18	.22
DISTRIBUTION OF ASSETS:						
Percentage of total assets:						
U. S. Government securities	33.0	31.4	31.4	30.3	29.8	28.0
Other securities	8.6	9.0	9.4	10.4	10.4	10.3
Loans	32.8	34.8	34.8	35.7	36.9	39.2
Cash assets	24.3	23.4	22.8	21.9	21.1	20.5
Real estate assets	1.1	1.2	1.4	1.5	1.6	1.7
All other assets	.2	.2	.2	.2	.2	.3
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
OTHER RATIOS:						
Total capital accounts to:						
Total assets	7.7	7.8	7.9	8.2	8.0	8.4
Total assets less Government securities and cash assets	18.9	18.0	18.1	17.7	17.0	16.8
Total deposits	8.5	8.6	8.8	9.1	8.9	9.3
Time deposits[4] to total deposits	25.8	26.0	28.2	31.7	32.1	33.0
Interest on time deposits[4] to time deposits	1.42	1.62	2.36	2.46	2.51	2.63
Number of banks	369	378	387	397	399	402

[1]Banks with none were excluded in computing this average. Ratio included in "Other current earnings."

[2]Banks with none were excluded in computing this average. Ratio included in "Other current expenses."

[3]Includes recoveries or losses applied to either earnings or valuation reserves.

[4]Banks with none were excluded in computing this average.

Bank Announcements

On March 1 the nonmember Bank of West Baton Rouge, Port Allen, Louisiana, began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are L. T. Bernard, Chairman of the Board; Irvin L. Mouch, President; F. H. Carruth, Jr., and N. F. Pecquet, Vice Presidents; R. C. DeLaune, Cashier; B. E. Bourgeois, Jr., Roy T. Mouch, and M. F. Robeau, Assistant Cashiers. Capital totals $175,000, and surplus and other capital funds $268,000.

The Commercial Bank at Port Tampa, Port Tampa City, Florida, a newly organized nonmember bank, opened for business on March 3 and began to remit at par. Officers include H. Fain Martin, President; Leroy D. Garrett, Vice President and Cashier; R. Toffaleti, Vice President and Secretary; and Santiago Rodriquez, Vice President. Capital totals $150,000, and surplus and undivided profits $90,000.

FLORIDA

Continued from Page 4

How Soon the Upturn?

Floridians have noted that many experts who have expressed a view regarding the course of the national economy believe it will turn up this spring. The recovery engine, it is alleged, has two motors: rising Federal spending and an end to the cutback in inventory buying. As long as consumer income and spending holds up, the argument goes, businessmen will see no further need to reduce goods on shelves and in warehouses. So, orders, production, and jobs will rise again. This projected pattern of developments is certainly a comforting one. But what are the prospects of its materializing in Florida?

Through February, there was no sign that economic recovery in Florida was yet in motion. The rate of decline in total employment appears to have slowed. Income has been well maintained. And consumer spending, except for houses and certain major durables, has held up. So, what about inventories? This is how an important Florida retailer responded to this question: "Our inventories are in good shape. Any spurt in sales would lead us to add to our stock. In today's market, however, you don't stock indiscriminately without getting clobbered."

The general opinion of those close to the building industry is that the sharp curtailment in residential housing starts in Florida during the past year has brought the volume of unsold houses more nearly in line with current sales. In recent months, moreover, mortgage funds have become more readily available on slightly easier terms and at somewhat lower costs. The stage is set for some revival in housing.

How strong the upturn in housing will be, once it begins, is anybody's guess, now that most consumers are reasonably well housed. The notion that there is no longer a large unfilled demand for homes does not necessarily imply "saturation" of the demand for housing. It does, however, suggest that in the period ahead, the level of home building activity may be more dependent than at any time in the postwar period on changes in the rate of family formation, changes in family income, and the price, quality, and design of homes.

Today's consumers are more selective, not only in their purchase of homes, but also in their buying of cars, furniture, and other goods and services. Consumers must, of course, have income to spend. But how much they spend depends partly on how successful sellers are in understanding and satisfying the wants of consumers. One Florida retailer has put it about like this, "In selling today, you must feel your way. You test products. You test advertising. You test ways to woo the consumer. You can sell him some things, and you can't give him others. People are just beginning to realize that the consumer is a complex animal. He is again becoming King. The retailers who succeed will be those who are responsive to the consumer's needs. It's a concept forgotten for years, but it's now being dusted off. We're trying to understand the consumer. For that reason, we expect to do well in our business."

ALFRED P. JOHNSON

This is one of a series of articles in which economic developments in each of the Sixth District states are discussed. Developments in Louisiana's economy were analyzed in the January 1961 REVIEW, *and a discussion of Georgia's economy is scheduled for the May issue.*

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

				Percent Change		
				Feb. 1961 from		Year-to-date 2 Months 1961 from 1960
	Feb. 1961	Jan. 1961	Feb. 1960	Jan. 1961	Feb. 1960	
ALABAMA						
Anniston	36,362	40,046	39,746	—9	—9	—7
Birmingham . . .	767,410	869,790	789,185	—12	—3	+2
Dothan	34,160	35,308	31,038	—3	+10	+5
Gadsden	32,997	35,688	35,728	—8	—8	—6
Huntsville* . . .	62,358	70,674	57,156	—12	+9	+10
Mobile	261,915	302,055	271,185	—13	—3	+1
Montgomery . . .	150,850	172,606	160,970	—13	—6	+0
Selma*	21,838	26,027	22,338	—16	—2	+2
Tuscaloosa* . . .	48,573	56,164	50,623	—14	—4	—2
Total Reporting Cities	1,416,463	1,608,358	1,457,969	—12	—3	+2
Other Cities† . . .	694,774	808,418	682,855r	—14	+2	+5
FLORIDA						
Daytona Beach* .	52,253	64,909	58,800	—19	—11	—4
Fort Lauderdale* .	204,796	239,492	224,985	—14	—9	—7
Gainesville* . . .	38,731	48,017	39,486	—19	—2	+4
Jacksonville . . .	815,586	913,042	863,841	—11	—6	+3
Key West* . . .	16,255	19,350	17,065	—16	—5	+4
Lakeland* . . .	98,164	98,262	84,830	—0	+16	+13
Miami	906,497	1,067,114	942,663	—15	—4	+3
Greater Miami* .	1,340,073	1,577,108	1,407,120	—15	—5	+1
Orlando	244,804	288,211	270,675	—15	—10	—3
Pensacola . . .	80,982	89,687	88,139	—10	—8	—4
St. Petersburg . .	198,611	255,085	232,810	—22	—15	—9
Tampa	409,405	481,281	429,757	—15	—5	+2
W. Palm-Palm Bch.*	141,075	157,400	148,367	—10	—5	+1
Total Reporting Cities	3,640,735	4,231,844	3,865,875	—14	—6	+0
Other Cities† . . .	1,532,446	1,791,954	1,640,410r	—14	—7	—2
GEORGIA						
Albany	49,740	54,307	50,302	—8	—1	+2
Athens*	35,995	42,243	38,263	—15	—6	+3
Atlanta	1,882,511	2,170,801	1,982,771	—13	—5	+1
Augusta	99,821	117,649	105,406	—15	—5	—1
Brunswick . . .	22,282	26,456	22,643	—16	—2	+4
Columbus . . .	99,376	113,365	99,791	—12	—0	+2
Elberton	7,564	9,154	8,831	—17	—14	—8
Gainesville* . .	41,306	48,554	40,993	—15	+1	+1
Griffin*	17,530	20,918	18,269	—16	—4	+3
LaGrange* . . .	17,770	20,360	19,180	—13	—7	—6
Macon	112,454	126,594	120,406	—11	—7	—3
Marietta* . . .	28,104	33,076	29,440	—15	—5	—3
Newnan	22,046	17,852	19,253	+23	+15	—3
Rome*	51,390	53,775	44,319	—4	+16	+15
Savannah	164,799	191,881	184,009	—14	—10	—7
Valdosta	29,994	35,940	31,563	—17	—5	—1
Total Reporting Cities	2,682,682	3,082,925	2,815,439	—13	—5	+0
Other Cities† . . .	888,900	1,007,816	894,458r	—12	—1	+0
LOUISIANA						
Alexandria* . . .	62,958	71,191	66,089	—12	—5	—8
Baton Rouge . .	234,442	283,296	258,487	—17	—9	—4
Lafayette* . . .	58,294	68,220	60,445	—15	—4	—2
Lake Charles . .	71,152	87,044	82,463r	—18	—14	—11
New Orleans . . .	1,236,331	1,403,891	1,315,620	—12	—6	—0
Total Reporting Cities	1,663,177	1,913,642	1,783,104r	—13	—7	—2
Other Cities† . . .	505,431	575,287	562,186r	—12	—10	—10
MISSISSIPPI						
Biloxi-Gulfport* .	48,839	52,466	48,669	—7	+0	+5
Hattiesburg . . .	34,203	38,776	36,208	—12	—6	—3
Jackson	283,428	322,001	291,876	—12	—3	+5
Laurel*	24,690	28,702	28,023	—14	—12	—4
Meridian	41,163	45,350	41,425	—9	—1	+3
Natchez*	22,437	23,067	22,660	—3	—1	—2
Vicksburg . . .	18,706	21,213	18,313	—12	+2	+8
Total Reporting Cities	473,466	531,575	487,174	—11	—3	+3
Other Cities† . . .	259,288	288,912	271,942r	—10	—5	—2
TENNESSEE						
Bristol*	43,268	46,984	42,128	—8	+3	+2
Chattanooga . . .	288,652	400,303	314,957	—28	—8	—2
Johnson City* . .	38,764	42,077	39,149	—8	—1	—3
Kingsport* . . .	74,665	85,071	78,122	—12	—4	—2
Knoxville	217,963	269,989	229,478	—19	—5	+4
Nashville	686,152	762,726	692,633	—10	—1	+4
Total Reporting Cities	1,349,464	1,607,150	1,396,467	—16	—3	+2
Other Cities† . . .	508,716	559,978	554,639r	—9	—8	—6
SIXTH DISTRICT .	15,615,542	18,007,859	16,412,518r	—13	—5	—0
Reporting Cities .	11,225,987	12,975,494	11,806,028r	—13	—5	+0
Other Cities† . .	4,389,555	5,032,365	4,606,490r	—13	—5	—2
Total, 32 Cities . .	9,542,358	11,048,501	10,062,172r	—14	—5	+1
UNITED STATES						
344 Cities . . .	222,666,000	247,660,000	221,984,000	—10	+0	+4

*Not included in total for 32 cities that are part of the national debit series maintained by the Board of Governors.
†Estimated. r Revised.

Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

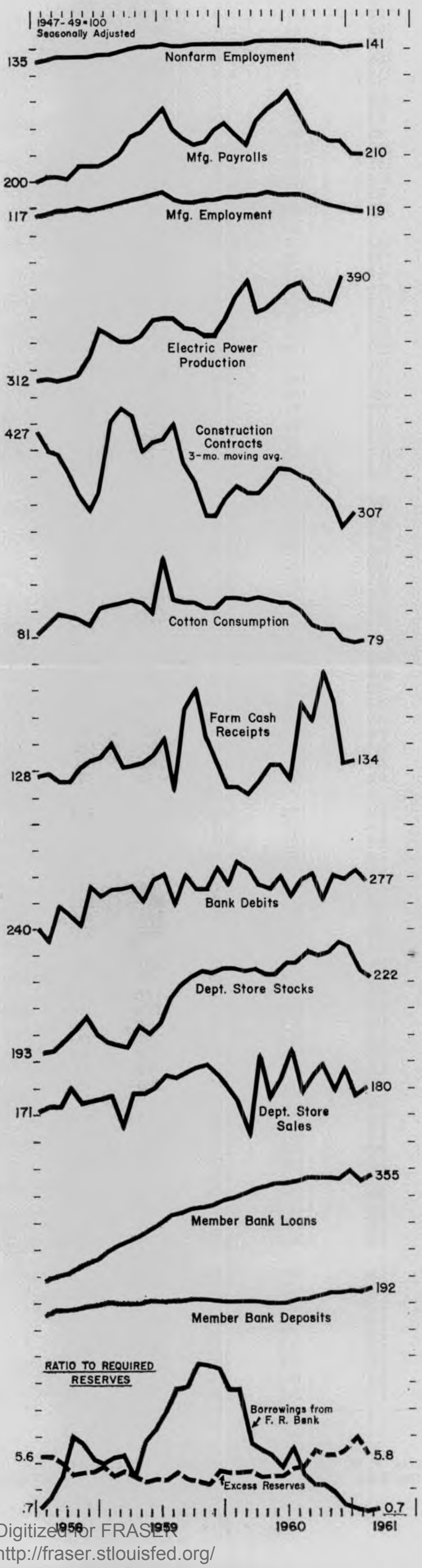
	1960												1961	
SIXTH DISTRICT	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.
Nonfarm Employment	142	142	142	143	143	143	143	143	143	142	142	141	141	141
Manufacturing Employment	124	124	124	125	126	125	125	124	124	122	121	120	120r	119
Apparel	192	190	191	194	195	195	197	192	189	183	184	184	183	183
Chemicals	132	133	132	135	135	136	135	135	129	128	128	130	130	130
Fabricated Metals	191	193	190	188	192	194	194	195	190	186	185	186	188	187
Food	117	117	115	116	117	116	116	117	120	119	117	116	117	117
Lbr., Wood Prod., Fur. & Fix.	80	80	79	79	79	79	78	78	77	77	76	75	74	74
Paper & Allied Products	166	165	164	166	167	165	166	164	164	162	162	161	160r	160
Primary Metals	101	100	95	98	99	99	97	95	87	93	88	89	87	88
Textiles	87	87	88	87	87	87	88	87	86	86	85	84	83	83
Transportation Equipment	209	208	206	210	211	206	200	202	203	208	187	193	193	193
Nonmanufacturing Employment	150	150	149	151	151	150	151	151	151	151	150	149	150	149
Manufacturing Payrolls	222	218	214	223	227	230	234	226	219	218	215	215	210r	210
Cotton Consumption**	95	95	94	95	94	93	93	90	85	83	83	79	78	79
Electric Power Production**	358	375	387	363	366	375	382	385	373	372	369	390	401	n.a.
Petrol. Prod. in Coastal Louisiana & Mississippi**	227	226	228	224	222	220	220	221	223	232	233	250r	240	242
Construction Contracts*	328	345	333	333	351	371	370	361	353	337	322	286	307	n.a.
Residential	351	366	360	356	384	387	376	367	362	364	305	300	286	n.a.
All Other	309	327	311	315	325	359	365	357	346	316	336	276	324	n.a.
Farm Cash Receipts	124	124	121	126	132	132	127	155	149	167	156	132	134	n.a.
Crops	93	96	95	100	111	98	83	147	134	157	131	94	97	n.a.
Livestock	169	176	179	188	185	192	194	189	188	186	201	199	191	n.a.
Department Store Sales*/**	180	175	162	192	176	183	194	178	185	189	179	187	177	180p
Department Store Stocks*	224	224r	225	223	223	227	227	232	230	231	235	233	224r	222p
Furniture Store Sales*/**	166	143	129	149	145	142	147	143	135	141	140	134	133	124p
Member Bank Deposits*	181	181	181	180	180	180	183	183	185	188	188	189	189	192
Member Bank Loans*	339	342	345	347	349	349	351	354	353	353	352	359	351	355
Bank Debits*	274	292	285	274	271	281	265	279	283	263	281	279	285	277
Turnover of Demand Deposits*	154	156	153	148	163	159	162	167	158	152	153	151	162	156
In Leading Cities	166	168	167	167	181	183	179	190	175	159	162	163	173	168
Outside Leading Cities	119	120	119	114	126	119	129	124	120	113	111	119	125	116
ALABAMA														
Nonfarm Employment	126	125	124	125	126	126	126	126	125	125	125	124	125	124
Manufacturing Employment	108	107	106	108	109	109	109	108	106	104	104	103	102	102
Manufacturing Payrolls	198	192	190	195	198	201	202	194	184	189	185	177	177	177
Department Store Sales**	166	158	156	176	162	171	178	170	166	166	155	165	158r	154p
Furniture Store Sales	148	133	112	127	128	127	126	119	117	120	110	111	109	105
Member Bank Deposits	159	160	161	159	159	159	160	162	164	169	165	167	169	170
Member Bank Loans	280	283	289	296	298	293	291	293	292	293	294	299	300	299
Farm Cash Receipts	113	122	125	122	131	123	124	123	150	182	130	121	115	n.a.
Bank Debits	235	245	244	239	239	244	233	256	257	245	252	246	251	242
FLORIDA														
Nonfarm Employment	197	197	197	199	201	202	204	203	203	202	200	198	196	196
Manufacturing Employment	204	204	202	205	209	211	213	214	213	210	207	207	205	206
Manufacturing Payrolls	366	364	352	372	389	392	409	406	394	402	387	387	371	377
Department Store Sales**	249	240	245	274	260	264	277	263	256	261	268	276	264r	262p
Furniture Store Sales	189	174	157	181	175	167	167	203	172	156	168	164	156	149
Member Bank Deposits	240	239	238	237	235	236	242	240	241	246	248	250	247	252
Member Bank Loans	553	554	552	553	551	553	557	564	560	561	551	560	550	556
Farm Cash Receipts	231	206	171	217	225	187	204	270	248	212	196	232	266	n.a.
Bank Debits	389	419	404	380	395	431	388	425	415	400	415	407	409	393
GEORGIA														
Nonfarm Employment	137	136	135	138	137	136	136	135	135	135	135	134	135	134
Manufacturing Employment	122	122	122	122	122	122	121	120	120	119	117	117	116	115
Manufacturing Payrolls	216	211	205	215	223	221	226	216	211	208	203	202	197	198
Department Store Sales**	172	164	156	170	169	164	175	159	168	172	158	164	157	155p
Furniture Store Sales	149	127	120	142	132	135	134	137	134	144	138	135	123r	122p
Member Bank Deposits	160	160	159	159	160	160	161	164	166	170	169	170	169	173
Member Bank Loans	269	270	271	271	275	275	278	286	288	286	291	289	285	292
Farm Cash Receipts	130	134	146	153	144	150	125	215	160	204	120	148	144	n.a.
Bank Debits	253	264	252	251	252	263	252	258	274	249	257	256	263	254
LOUISIANA														
Nonfarm Employment	131	131	130	131	131	130	130	130	130	130	128	128	129	129
Manufacturing Employment	94	95	95	95	95	95	95	94	94	94	93	92	91	90
Manufacturing Payrolls	173	173	176	179	178	178	177	178	174	170	170	172	172r	168
Department Store Sales*/**	154	150	147	156	152	161	159	152	148	151	140	155	151r	151p
Furniture Store Sales*	188	192	172	176	175	184	203	145	161	159	167	172	164	152
Member Bank Deposits*	160	159	159	160	159	158	161	159	164	163	164	166	165	167
Member Bank Loans*	316	317	328	329	334	334	335	334	332	329	323	331	319	322
Farm Cash Receipts	90	90	94	89	101	119	102	91	113	115	137	113	93	n.a.
Bank Debits*	206	220	238	227	225	242	215	228	248	209	222	229	206	204
MISSISSIPPI														
Nonfarm Employment	138	137	136	137	137	136	136	135	136	136	136	135	138	138
Manufacturing Employment	135	134	133	134	135	134	133	132	131	130	131	129	128	127
Manufacturing Payrolls	253	247	254	249	244	256	253	247	235	239	236	237	237r	235
Department Store Sales*/**	161	149r	155	169	154	175	175	153	149	158	151	164	149r	146p
Furniture Store Sales*	106	99	94	100	113	107	112	100	95	84	101	124	93	92p
Member Bank Deposits*	201	204	202	198	199	197	198	194	196	204	199	209	204	205
Member Bank Loans*	424	429	425	427	429	431	433	425	431	431	433	460	442	446
Farm Cash Receipts	92	91	115	101	105	97	104	98	121	141	162	136	86	n.a.
Bank Debits*	226	245	247	238	224	245	244	256	254	243	260	256	240	236
TENNESSEE														
Nonfarm Employment	124	124	123	126	125	125	126	125	125	124	124	123	123	123
Manufacturing Employment	124	123	123	124	124	124	125	124	124	122	120	120	120	119
Manufacturing Payrolls	219	219	208	225	223	223	225	224	217	214	211	210	209r	212
Department Store Sales*/**	153	145	137	159	146	155	167	151	157	164	156	157	147r	153p
Furniture Store Sales*	104	95	98	103	111	107	93	98	96	101	98	96	83	89
Member Bank Deposits*	164	164	164	164	163	165	170	167	166	171	169	170	170	176
Member Bank Loans*	297	301	304	305	309	309	313	314	311	313	314	328	315	319
Farm Cash Receipts	88	90	86	100	95	102	109	113	106	122	143	86	96	n.a.
Bank Debits*	234	250	239	231	241	238	229	238	234	219	241	229	242	238

*For Sixth District area only. Other totals for entire six states. n.a. Not Available. p Preliminary. r Revised.

**Daily average basis.

Sources: Nonfarm and mfg. emp. and payrolls, state depts. of labor; cotton consumption, U.S. Bureau of Census; construction contracts, F. W. Dodge Corp.; petrol. prod., U. S. Bureau of Mines; elec. power prod., Fed. Power Comm. Other indexes based on data collected by this Bank. All indexes calculated by this Bank.

DISTRICT BUSINESS CONDITIONS



Optimism concerning the prospects of a business turnabout is on the upswing, even though total economic activity continues slack. The reason for this improvement in attitude may be found in the behavior of certain key economic indicators. Downtrends in employment and income have slackened since the end of last year. More recently, consumer spending has shown signs of firming. While these developments do not preclude the possibility of further declines in economic activity, they hold out hope that the economy may be at or near the bottom of the present recession.

Nonfarm employment held steady in the three-month period ending February. Although all major types of manufacturing employment were declining a few months ago, some showed no change or slight improvement in February. Cotton consumption, a measure of activity in the important cotton textile industry, rose slightly in February in contrast to the sharp declines that were the general rule in the last half of 1960. Recovering from earlier reduced levels, steel production improved steadily from mid-February through March. In the nonmanufacturing area, construction employment, which has been an important source of weakness, declined further. The latest three-month average of contracts for future construction, based partly on February data, rose for the first time in seven months.

With the recent stability in total employment, income is probably holding relatively firm. In manufacturing, where recent data are available, factory payrolls held steady in February. And farm income, measured by cash receipts, is running well above the year-ago level.

Consumers have continued to use part of their income to add to their savings and reduce their debt. In February time deposits of member banks and share accounts of savings and loan associations increased somewhat more than they normally do at this time of year. Consumer instalment credit outstanding dropped for the fifth consecutive month.

Consumers continue to be rather cautious in their spending. Department store sales rose slightly during February, and preliminary data for March suggest little change from the previous month. At the national level, total retail sales rose slightly in February after three months of consecutive declines. In the early weeks of March, auto sales throughout the country showed improvement over their depressed levels earlier this year. While recent events are encouraging, it is still too early to tell whether consumers are returning to a freer-spending mood.

Member bank deposits rose further in February, but bank lending exhibited no great strength. Member bank borrowings from the Federal Reserve Bank of Atlanta continued to remain at a very low level.