

#9 of 10: 12-month growth in the metropolitan labour force (August 2026)

Birmingham ranks last in Alabama on labor growth

Source: ALEX Intelligence · Published October 27, 2026

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THE DATA

-1.2%

12-month growth in the metropolitan labour force (August 2026)

Birmingham's labor force declined by 1.2% over the past year, the weakest performance among Alabama's 12 metropolitan areas.

This contraction signals a labor market under stress, with fewer workers in the local economy. Given that labor force size directly influences housing demand, this trend suggests declining transaction velocity and weakening buyer interest. The negative growth may also reflect outmigration of skilled workers or reduced workforce participation due to economic uncertainty.

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics and Current Employment Statistics, August 2026 (seasonally unadjusted, metropolitan) · ALEX Intelligence computation

<https://alex-companies.com/data/2026-10-27-birmingham-lab-bls-labor-force-growth-12m-msa>

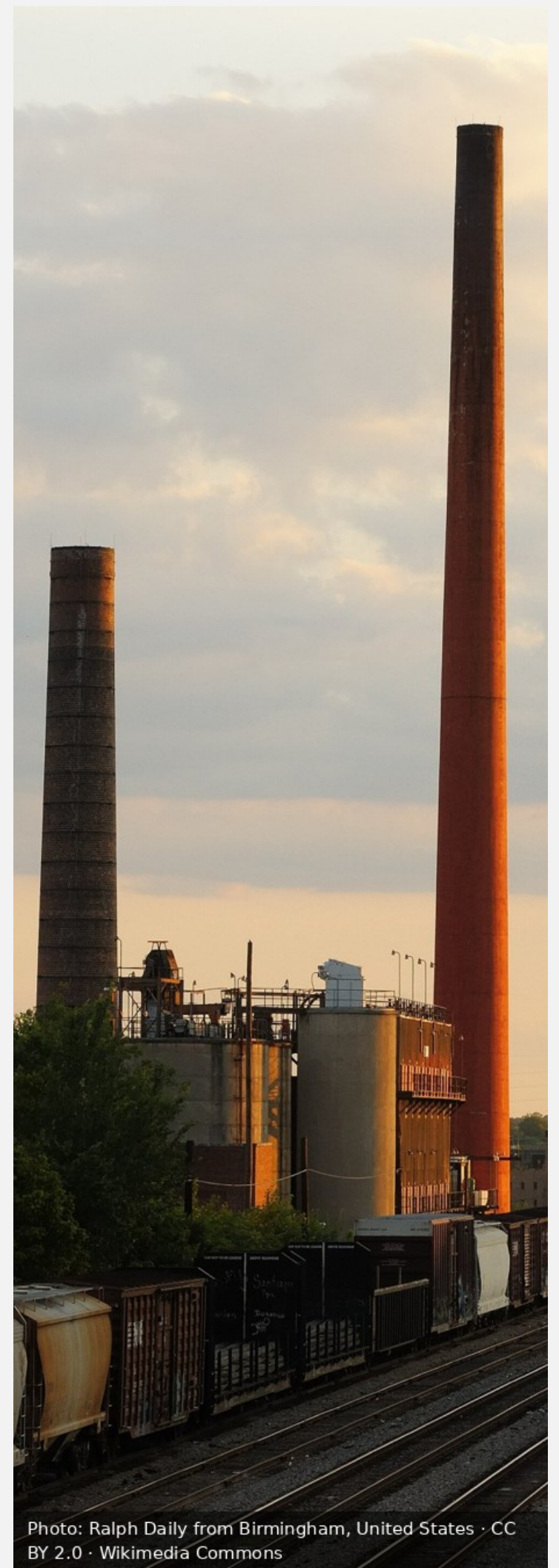


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01

The market is pricing in stagnation

A shrinking labor force is not just a headline—it's a leading indicator for real estate. With fewer people working and earning in Birmingham, demand for homes is softening, even as inventory remains elevated. This creates a feedback loop: lower demand reduces price pressure, which further discourages new construction and investment. The result is a market that may remain stagnant or even contract in activity, despite favorable long-term demographics.

02

Affordability may be the only real strength

In a labor market where growth is negative, affordability becomes the dominant competitive advantage. While other metros in Alabama are seeing modest labor growth, Birmingham's relative affordability—driven by lower wages and slower job creation—may attract cost-sensitive buyers and investors. This could support a niche market for entry-level homeowners and rental investors, even as broader transaction volume remains depressed. The city's affordability may become its most valuable asset in a slowing economy.



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