

INCLUSIVE GROWTH SCORE™

Better outcomes begin with better inputs

In this report, we are using Mastercard's Inclusive Growth Score to analyze Alabama's performance across growth and inclusion in 2024.



What is the Inclusive Growth Score (IGS) and how can communities use it?

IGS is a free, place-based, inclusive economic development tool from Mastercard that can help decision-makers:

- Get a quick view of the state of inclusive growth in the communities
- Compare census tracts and prioritize for investment and resource allocation
- Track changes to communities over time for a longitudinal view

The tool blends Mastercard anonymized and aggregated data with other public and private data sets to create a hyper-local view of communities across the United States.

Have Questions?



Please email the IGS team at inclusivegrowthscore@mastercard.com

What does the IGS measure?

Yearly measures related to Place, Economy, and Community provide a comparative social and economic profile of a neighborhoods through an overall score and specific metrics. Each measure is classified as either Inclusion, indicating level of access to key resources and assets, or Growth, indicating level of change in performance over time.

Inclusive Growth Score™		METRIC TYPES	
50		Inclusion 40	Growth 60
▲ 2 YOY change		Level of access to key resources and assets	Level of change in performance over time
PILLARS	 Place 45 Housing, infrastructure, and the built environment	 • Acres of Park Land • Affordable Housing • Internet Access • Travel Time to Work	 • Net Occupancy • Residential Real Estate Value
	 Economy 55 Business growth, jobs, and spending	• Minority/Women-Owned Businesses • Labor Market Engagement Index • Commercial Diversity	• New Businesses* • Spend Growth* • Small Business Loans
	 Community 50 Economic and social conditions	• Gini Coefficient • Early Education Enrollment • Female Above Poverty • Health Insurance Coverage	• Personal Income • Growth in Spending per Capita*

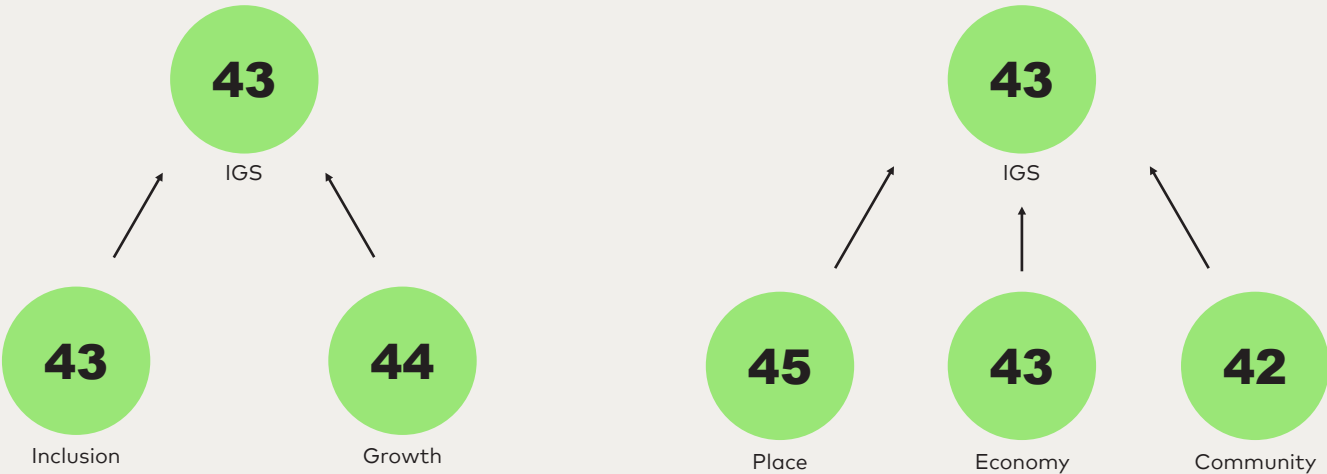
Overall, Alabama grew more slowly than the U.S. in 2024. While the built environment shows strengths like affordable housing, big gaps remain in internet and health insurance access. The state would benefit from targeted investments to fairly balance its growth.

Overview

In 2024, Alabama trailed the U.S. average in **Inclusive Growth**, with relatively similar measures in Inclusion vs Growth. The state scored highest in the Place pillar, which was bolstered by above-average performance in Affordable Housing and Travel Time to Work. Alabama’s Place score saw a +2 pt lead above Economy, and a +3pt lead above Community.

Alabama’s top three highest measures are all **Inclusion-based**, with Affordable Housing

outpacing the next-strongest measure by +15pp. **However, the weakest measures are also Inclusion-based**, with the lowest scores attributed to internet and health insurance coverage. Four of the top three & bottom three measures come from the Place pillar, demonstrating the need for targeted investments in the built environment that promote overall inclusive growth.



While assessing scores across pillars can provide a lens into Alabama’s performance more broadly, analyzing the specific metrics underlying each pillar provide greater insight into the drivers of overall performance. The table below includes Alabama’s three strongest and weakest measures in 2024:



Place

Metrics related to housing, infrastructure, and the built environment



Economy

Metrics related to business growth, jobs, and spending



Community

Metrics related to economic and social conditions

STRENGTHS

Acres of Park Land 35



Percentage of designated tract land area that is park land

Trust for Public Land, PAD-US

Labor Market Engagement 36



Index representing the combined employment, labor force, and percentage with bachelor’s degree

Housing and Urban Development

Health Insurance Coverage 34



Percentage of the eligible population with health insurance coverage

ACS 5-Year, Table B27020

OPPORTUNITIES

Affordable Housing 69



Percentage of renter/owner-occupied housing units where monthly costs were < 30% income

ACS 5-Year, Table B25106

New Businesses 49



Percentage growth of net new businesses based on anonymised and aggregated location data

Mastercard*

Travel Time to Work 54



Percentage of workers with travel time to work under 35 minutes

ACS 5-Year, Table B08303



Inclusion Metric



Growth Metric

²Measure scores for Alabama overall were calculated as average of scores across all Alabama census tracts

*Mastercard highly aggregated and anonymised transaction data.

Methodology

For these three metrics, counties with the highest concentration of underperforming tracts were assessed. Taking a regional perspective to explore these metrics further can help inform resource prioritization efforts and program placement.

Census tract scores for each metric were indexed to the average score across all Alabama tracts; **underperformance** was defined as census tracts in the bottom quintile of the Alabama tract distribution (metric scores ≤ 20).

Affordable Housing 69



Percentage of renter/owner-occupied housing units where monthly costs were < 30% income

ACS 5-Year, Table B25106

New Businesses 49



Percentage growth of net new businesses based on anonymised and aggregated location data

Mastercard*

Small Business Loans 40



Percentage growth of the number of small business loans

Federal Financial Institutions Examination Council (FFIEC)

*Mastercard highly aggregated and anonymised transaction data.



Affordable Housing and Travel Time to Work... underscore the need for continued investment and innovation.

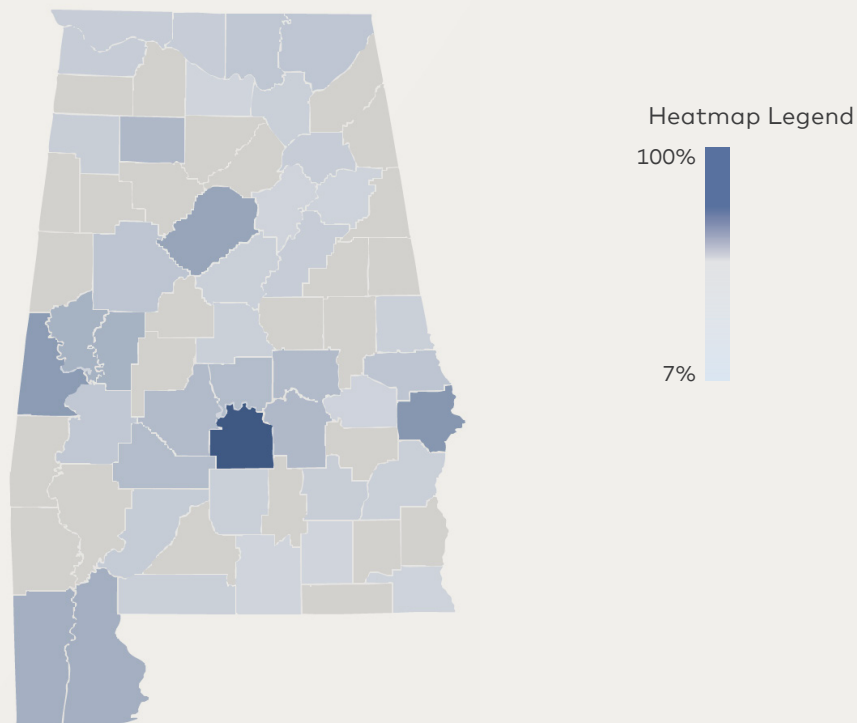
Overall, Alabama performs strongly in affordable housing statewide, but county-level data reveals significant disparities, with Lowndes, Russell, and Sumter Counties showing multiple tracts where housing costs exceed affordable thresholds.

Affordable Housing (AL Score Overall: 69)

The Affordable Housing metric quantifies the percentage of renter and owner-occupied housing units where monthly costs are lower than 30% of income. While this is Alabama's strongest measure as a state overall, the county-level view highlights pockets of opportunity: in particular, all four of **Lowndes County's** census tracts have

Affordable Housing scores ≤ 20 and are in the bottom quintile of Alabama census tracts for this metric. Next, 7 of **Russell County's** 13 tracts (54%) and 2 of **Sumter County's** 4 tracts (50%) underperform in the same regard.

% Tracts with Affordable Housing Scores ≤ 20



[*] N =1162 out of 1179 Alabama tracts in the Inclusive Growth Score platform

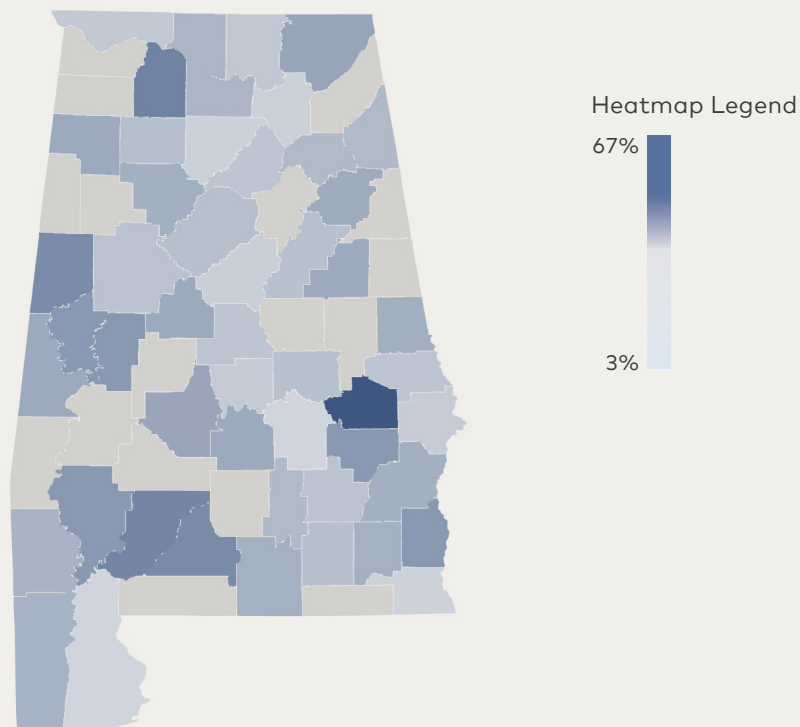
Overall, Alabama's new business growth is slightly weaker than the national trend, with a -5% year-over-year decline compared to the U.S. average of -2%, and several counties—particularly Macon, Lawrence, and Monroe—showing concentrated underperformance.

New Businesses (AL Score Overall: 49)

At the overall state level, Alabama's New Businesses score largely tracks the overall US average; while the country overall saw new business growth fall by -2% year-over-year (YoY), Alabama's new business trajectory fell by -5%. However, a regional approach can still help identify areas for additional investigation.

At the county level, **Macon County** sees 67% of its 12 census tracts scoring in the bottom quintile, followed by **Lawrence County** and **Monroe County** at 43% and 42%, respectively.

% Tracts with New Business Scores ≤ 20



[*] N =1176 out of 1179 Alabama tracts in the Inclusive Growth Score platform

Overall, Alabama's small business loan growth declined faster than the national average, with several counties showing widespread underperformance that signals limited investment and constrained small business activity across parts of the state.

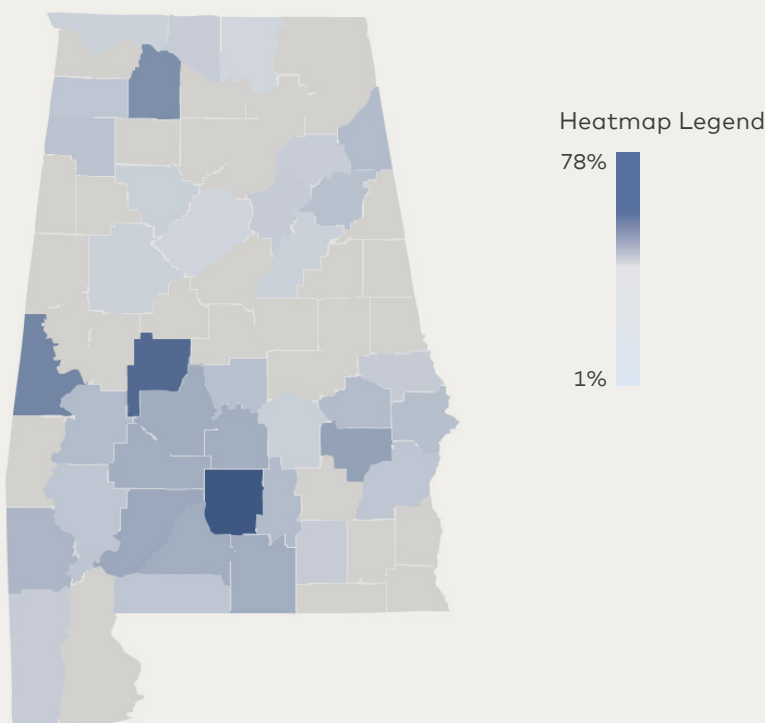
Small Business Loans (AL Score Overall: 40)

Alabama lags the US average in the **Small Business Loans** metric, which assess **YoY growth in the total number of small business loans**; while small business loan growth fell by -9% YoY for the country overall, Alabama saw a -14% decline.

3 Alabama counties see over half of their respective census tracts underperforming on small business loans growth: **Butler County**

(78%, 9 tracts), **Perry County** (67%, 3 tracts), and **Sumter County** (50%, 2 tracts). While these counties may not contain many census tracts, there are still opportunities to think about places within the state that may not have seen as much investment in the local business environment historically.

% Tracts with Small Business Scores <=20



Mastercard Strive USA's impact on Alabama small businesses

Mastercard Strive USA is the Mastercard Center for Inclusive Growth's program to support the resilience of small businesses in the US. In Alabama from 2022-2024, we have:



Affordable Capital

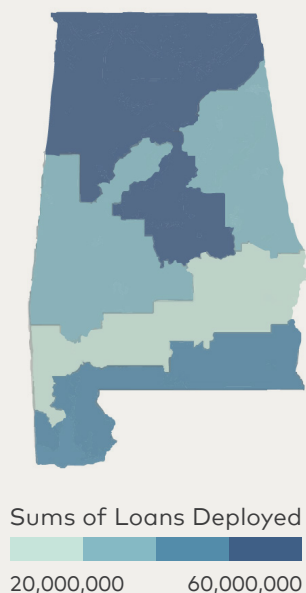
Enabled the deployment of **~\$300M in affordable capital*** for small businesses via community financial institutions (e.g., CDFIs, credit unions)



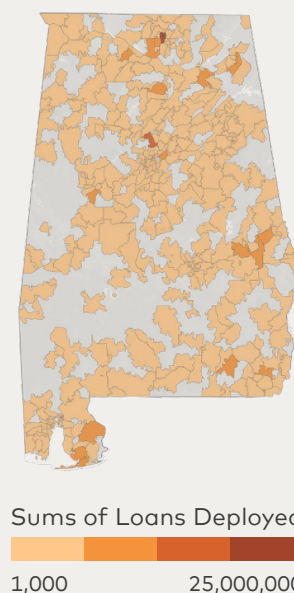
Small Business Outreach

Reached ~1.5K+ small businesses** to better access capital, digital tools, know-how and networks

Strive USA Impact in Capital Deployed by Congressional District (\$M), 2022-2024



Strive USA Impact in Capital Deployed by Zip Code (\$M), 2022-2024



[*] Note: Our impact metrics are not 100% exhaustive at the disaggregated state level and our impact is likely higher than recorded. For capital deployed, geographically disaggregated data makes up 90-95% of our total reach, while for small businesses reached, it makes up 10-15% of our total reach.

[**] Note: The metrics between sum of loans deployed and small businesses reached are exclusive of each other. E.g., the ~1.5K+ small businesses in AL were not the same that took out ~\$300M in loans. The small businesses reached figure often includes small businesses who received technical assistance, training, or joined an educational webinar.



In Conclusion

Exploring the state of inclusive growth in Alabama in 2024 highlights notable strengths and opportunity areas.

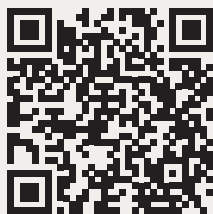
Alabama's Inclusive Growth Score overall is 43, lagging the country benchmark overall. Alabama's Growth and Inclusion scores are quite close (44 and 43 respectively) and well as the pillar-wise scores (45 for Place, 43 for Economy, 42 for Community), suggesting that the opportunity areas are found in pockets across metric types and pillars vs being concentrated in a singular area.

For example, the Place pillar includes Alabama's highest scoring measure, Affordable Housing, but also two of its lowest scoring measures, Internet Access and Acres of Park Land. Internet Access in particular may be driven by the more rural areas of the state.

In addition, within the Economy pillar, one of Alabama's top three indicators is Minority/Women Owned Businesses, but one of its most lagging indicators is Small Business Loans, demonstrating that while Alabama succeeds in ensuring diverse commercial opportunities, there is opportunity to spur greater progress through policies and initiatives that ensure SMBs have sufficient capital for sustainable growth.

As organizations look to target resources and interventions towards different parts of the state, a more detailed look at census tract-level data can reveal hyper-local opportunities within counties to uplift communities across the state.

INCLUSIVE GROWTH SCORE™



Access the tool

Scan the QR code with your smartphone or tablet, or visit inclusivegrowthscore.com, and check out all of the useful insights IGS can offer.



center for
inclusive growth