Economic Update
Huntsville, Alabama
2nd QTR, 2023
Key Highlights

❖ Huntsville metro employment has recovered and surpassed pre-Covid levels for all industry sectors and has significantly outpaced the U.S. in Manufacturing and Professional Business Services.

❖ Unemployment inside the metro is currently 1.8% with employment faring better than the U.S. as a whole. Population is increasing and workers from outside the metro area are commuting to fill local jobs.

❖ Moody’s has projected strong growth for the Huntsville metro which is expected to outpace the growth of the U.S. economy over the next five years.

❖ The Federal Reserve is concerned over record inflation and is committed to sustaining higher interest rates until price growth is under control.
Huntsville Ranks #2 Best Place to Live

U.S. News & World Report Rankings
The City of Huntsville’s population is growing faster than estimated.

19% Growth Since 2010

Largest City in Alabama

United States Census 2020

U.S. 2020 Census, August 12, 2021
Employment Growth, 2000-Current

Huntsville: 50%
U.S.: 21%
Change from 2000

2nd QTR 2023
Huntsville Metro Employment

May 2023

<table>
<thead>
<tr>
<th>Employment</th>
<th>1-Month Change</th>
<th>3-Month Change</th>
<th>12-Month Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huntsville</td>
<td>0.7%</td>
<td>1.4%</td>
<td>3.9%</td>
</tr>
<tr>
<td>U.S.</td>
<td>0.6%</td>
<td>1.5%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Unemployment Rate

May 2023

- Huntsville: 1.8%
- U.S.: 3.4%

Summary:

The current metro area employment for May 2023 is 272,900 which is a 3.9% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 1.8% compared to the U.S. rate of 3.4%.

Employment

Huntsville Metro Employment

9.5% above March 2020 (23,700 workers)

U.S. Employment

4.3% above March 2020 (6.4M workers)
Employment Change
March 2020 to May 2023

- Construction: 6% (Huntsville), 8% (U.S.)
- Manufacturing: 2% (Huntsville), 4% (U.S.)
- Wholesale Trade: 3% (Huntsville), 4% (U.S.)
- Retail Trade: 1% (Huntsville), 6% (U.S.)
- Transportation: 14% (Huntsville), 15% (U.S.)
- Information: 6% (Huntsville), 18% (U.S.)
- Finance: 3% (Huntsville), 18% (U.S.)
- Professional & Business Services: 3% (Huntsville), 14% (U.S.)
- Education & Health Services: 2% (Huntsville), 3% (U.S.)
- Leisure & Hospitality: 2% (Huntsville), 7% (U.S.)
- Government: -1% (Huntsville), 6% (U.S.)
- Other Services: 3% (Huntsville), 1% (U.S.)

2nd QTR 2023
Huntsville is one of the winners of the pandemic migration boom.
“Huntsville’s economy will expand at about the same pace as the nation’s in the near term, driven mainly by growth in manufacturing and professional services. Longer term, the concentrations of manufacturing and aerospace-related industries, a highly educated labor force, and above-average population growth will enable the metro area to outperform Alabama and the U.S.”
Employment Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Huntsville</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-1.5%</td>
<td>-5.8%</td>
</tr>
<tr>
<td>2017</td>
<td>3.0%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>2018</td>
<td>7.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2019</td>
<td>10.2%</td>
<td>3.0%</td>
</tr>
<tr>
<td>2020</td>
<td>11.0%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Change from 2019

GDP Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Huntsville</th>
<th>U.S.</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.2%</td>
<td>-2.8%</td>
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<tr>
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<td>9.8%</td>
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<td>2018</td>
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<tr>
<td>2019</td>
<td>18.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2020</td>
<td>20.8%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Change from 2019
After raising rates at each of its last ten meetings to combat rising inflation, the Federal Reserve paused increases for June 2023. Analysts expect an additional two increases before the end of the year.

Federal Reserve Chairman Jerome Powell has stated the central bank is “strongly committed” to fighting inflation.

Rates will likely stay elevated until inflation is under control to avoid prematurely loosening policy.
Prices in general are falling or in some cases rising less rapidly.

The cost of some material used in construction has settled back to prepandemic levels.

The pressure to increase wages has eased, though wage pressures remain high for some skilled occupations.

Reverting to more typical prepandemic conditions, business travel grew while leisure travel softened.

In some regional markets, sales of homes in many markets rose as buyer sentiment improved.

Commercial real estate's industrial sector remained healthy, though office, multifamily, and some retail segments showed softness.
Huntsville Metro Area Report
Alabama Business Confidence Index™
Huntsville: #6 job market in U.S.

WalletHub
Economic Drivers

111,000 workers

Economic Sustainers

144,000 workers
### LEADING EMPLOYMENT SECTORS

<table>
<thead>
<tr>
<th>Sector</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research &amp; Engineering</strong></td>
<td>Boeing, Dynetics, Northrop Grumman, SAIC, Lockheed Martin, SES, Raytheon, Radiance Technologies, KBR, Teledyne, Brown Engineering</td>
</tr>
<tr>
<td><strong>Information Technology</strong></td>
<td>Hexagon, Adtran, Digium, Vertiv, DIRECTV, IBM, Google, Fandom, Meta, SPUR, SPAR, Fandom, Google, Fandom, Google, Fandom</td>
</tr>
<tr>
<td><strong>Federal Government</strong></td>
<td>NASA, Adtran, USASAC, National Institutes of Health, Veterans Affairs, Department of the Army, Department of the Navy</td>
</tr>
<tr>
<td><strong>Healthcare &amp; Bioscience</strong></td>
<td>HudsonAlpha, Discovery Life Sciences, Diatherix, Nektar, CHS, Community Health Systems</td>
</tr>
<tr>
<td><strong>Advanced Manufacturing</strong></td>
<td>Mazda, Toyota, Polaris, Toyota, Kia, Yulista, Aerotech, Rocketdyne, Sanmina, BASF, GE Aviation, LG, Blue Origin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment Percentage</th>
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<tbody>
<tr>
<td>Research &amp; Engineering</td>
<td>8%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>8%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>9%</td>
</tr>
<tr>
<td>Healthcare &amp; Bioscience</td>
<td>10%</td>
</tr>
<tr>
<td>Advanced Manufacturing</td>
<td>11%</td>
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*U.S. Bureau of Labor Statistics (Percent Total Employment)*
OVER 30,000 JOBS ANNOUNCED SINCE 2010
Economic Development

- $2.3 billion investment
- 4,000 announced jobs
- Production began in 2021

- 3,000 acres
- 2,000 supplier jobs announced
- 300,000 vehicles per year
Economic Development

- 200 acres
- 200 jobs
- $1.5 billion investment
Economic Development

• HSV1 / HSV2
• 2,000,000 square feet
• 1,000 jobs
Economic Development

• 243 acre North Campus; 900 acre South Campus
• 1,200 current employees; $2.4 billion investment
• Potential up to 3,800 jobs
Secretary of the Air Force announced January 13, 2021 that Redstone Arsenal is the preferred location for the U.S. Space Command Headquarters.

Temporarily housed at Peterson Air Force Base, Colorado Springs, CO; Potential of 1,400 jobs.

Huntsville ranked favorably across more factors than any other community, providing a large, qualified workforce, quality schools, superior infrastructure capacity, and low initial and recurring costs.

May report from DoD Inspector General confirmed the selection of Redstone followed standard military basing process.
EXPLORING HUNTSVILLE

MID CITY DISTRICT

EXPLORING MADISON, AL

TOWN MADISON