



Economic Update

Huntsville, Alabama

4th QTR, 2023

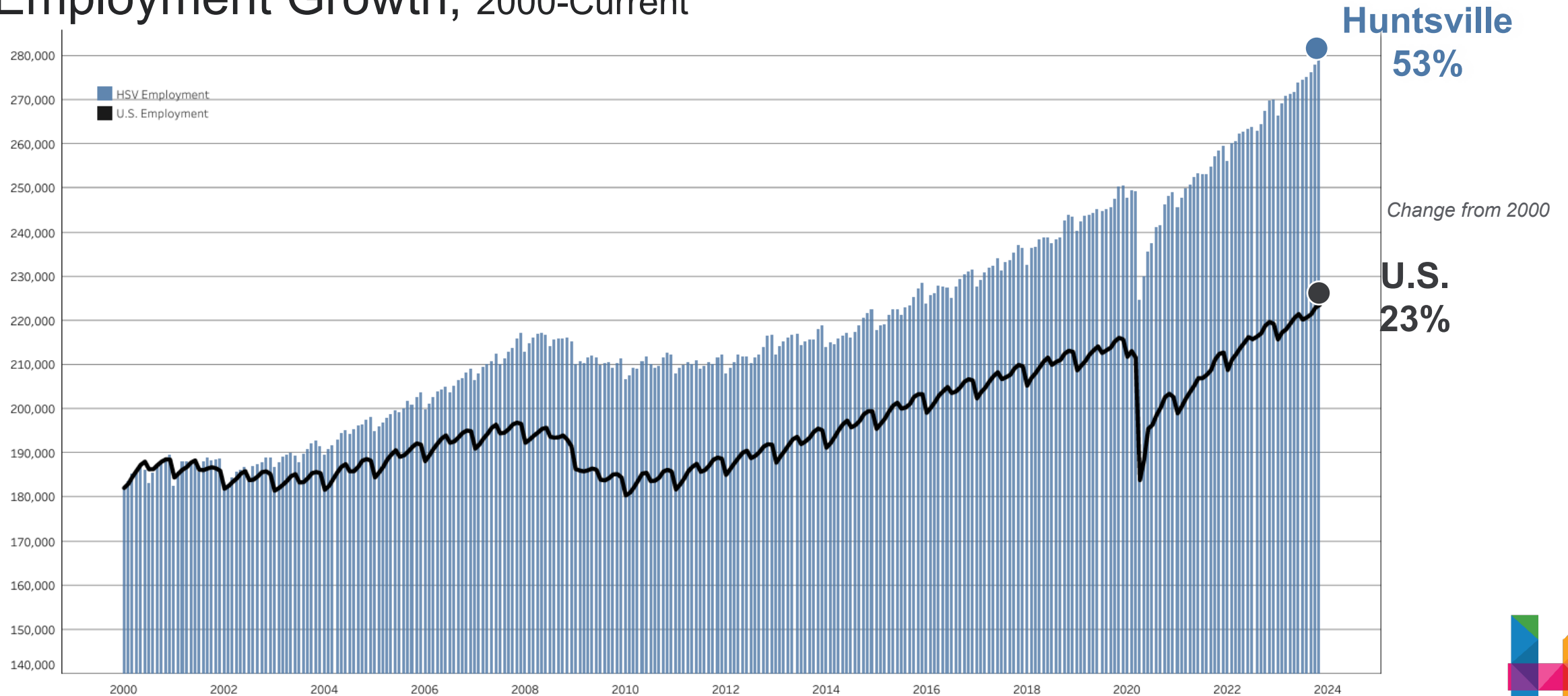


Key Highlights

- ❖ Huntsville metro employment has surpassed pre-Covid levels for almost all industry sectors and has significantly outpaced the U.S. in Manufacturing, Professional Business Services and Government growth.
- ❖ Unemployment inside the metro is currently a low 2.1%. Population & employment are increasing at an average of 2% - 3% per year with workers outside the metro area 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 has potentially reached the peak of post-Covid rate hikes and expectations for rate cuts in 2024 are high.



Employment Growth, 2000-Current



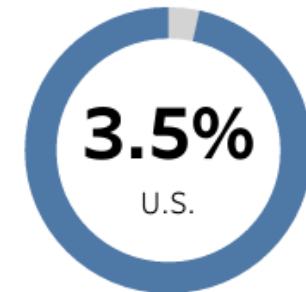
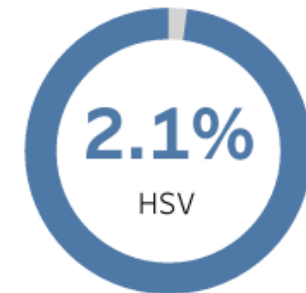
Huntsville Metro Employment

November 2023	1-Month Change	3-Month Change	12-Month Change
278,900	0.4%	1.4%	3.4%
U.S.	0.3%	1.3%	1.8%

12-Month Change



Unemployment Rate November 2023



Summary:

The current metro area employment for November 2023 is 278,900 which is a 3.4% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 2.1% compared to the U.S. rate of 3.5%.

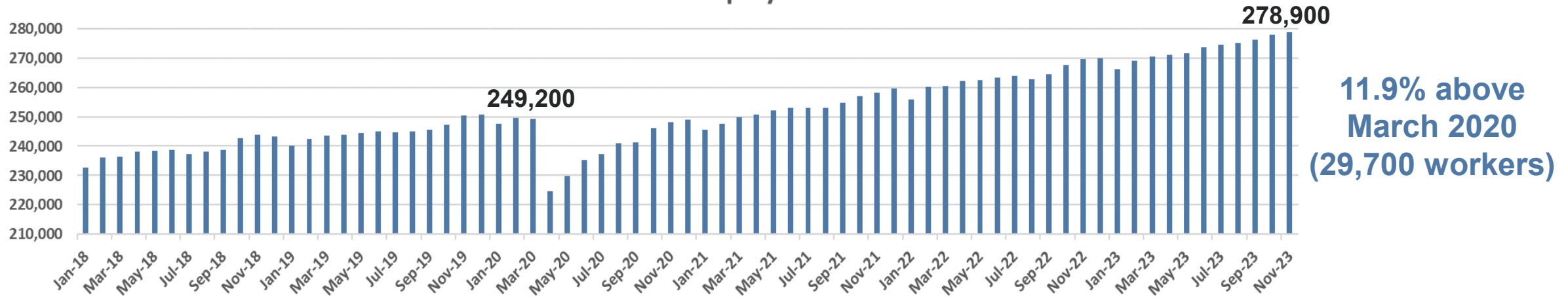
(Source: U.S. Bureau of Labor Statistics <https://data.bls.gov/PDQWeb/sm>)



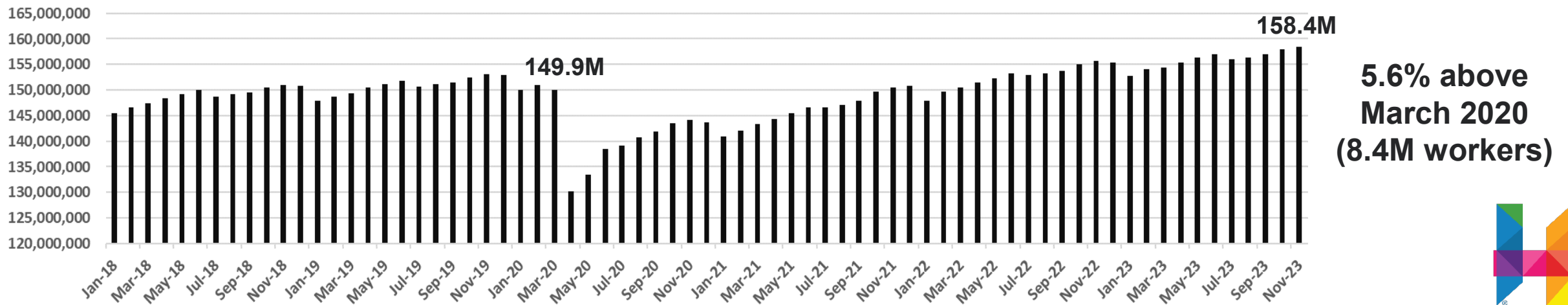
Employment

4th QTR 2023

Huntsville Metro Employment



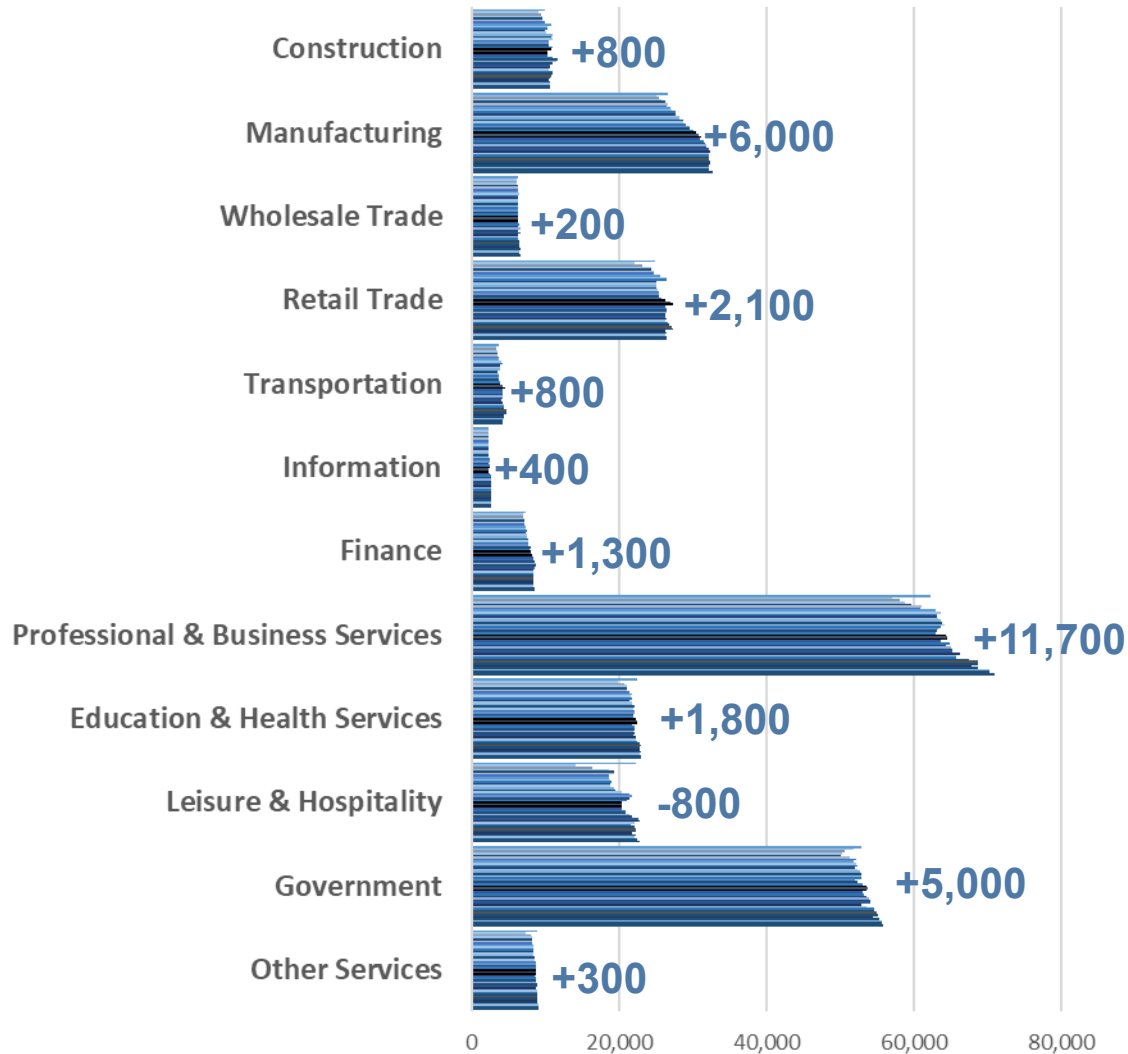
U.S. Employment



Employment

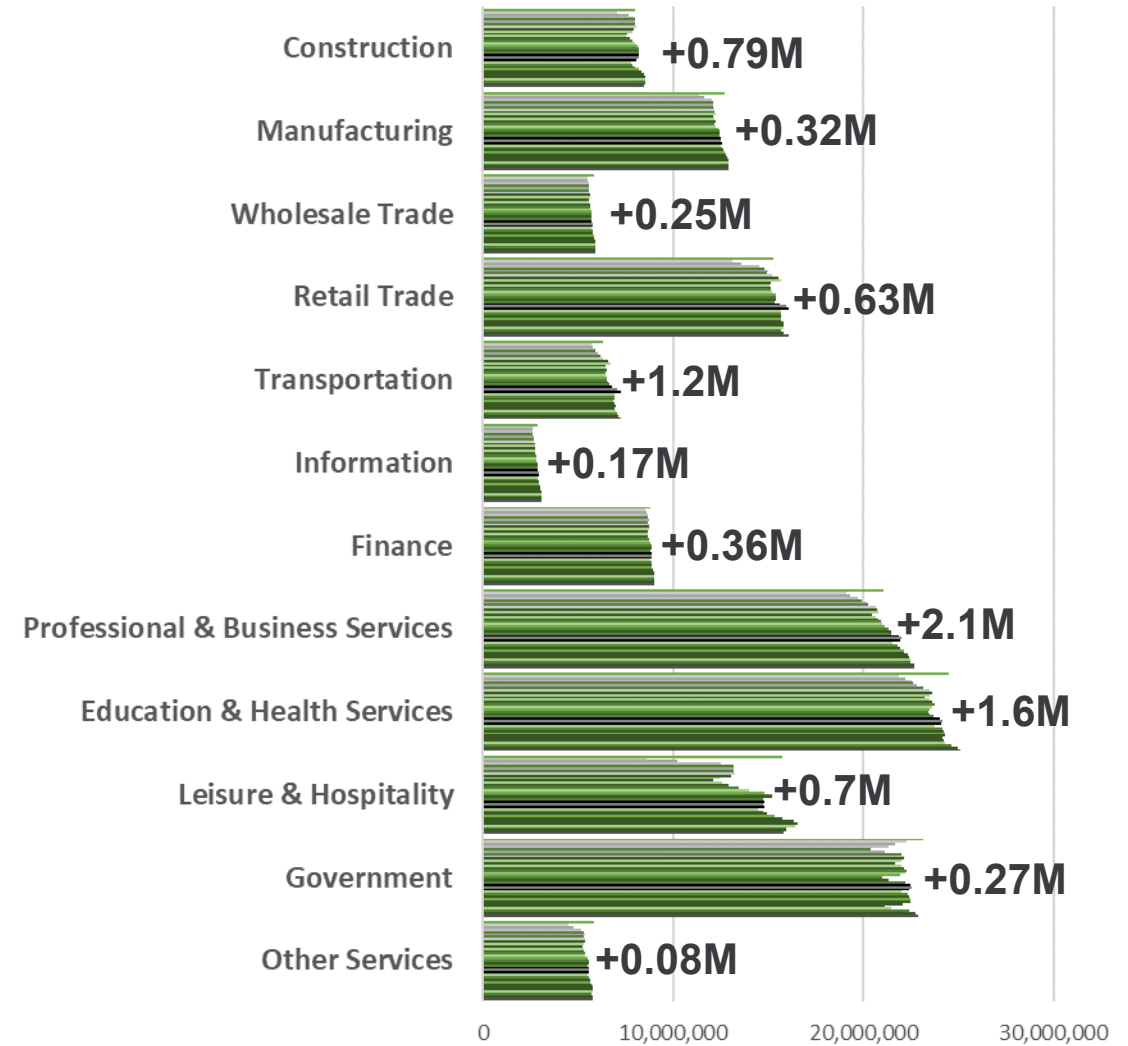
4th QTR 2023

Huntsville Metro Employment



U.S. Employment

(Change: March 2020 to November 2023)



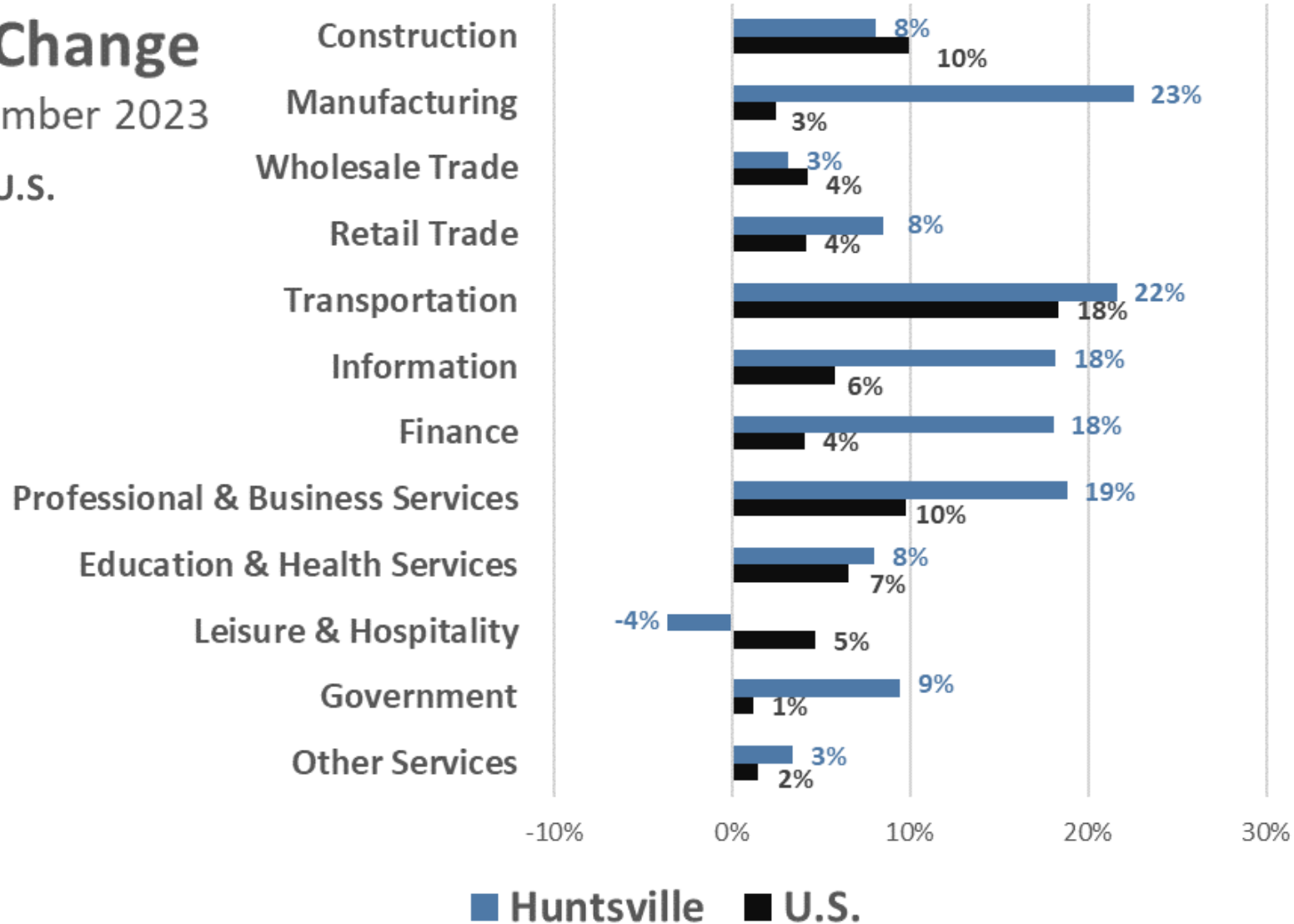
Employment

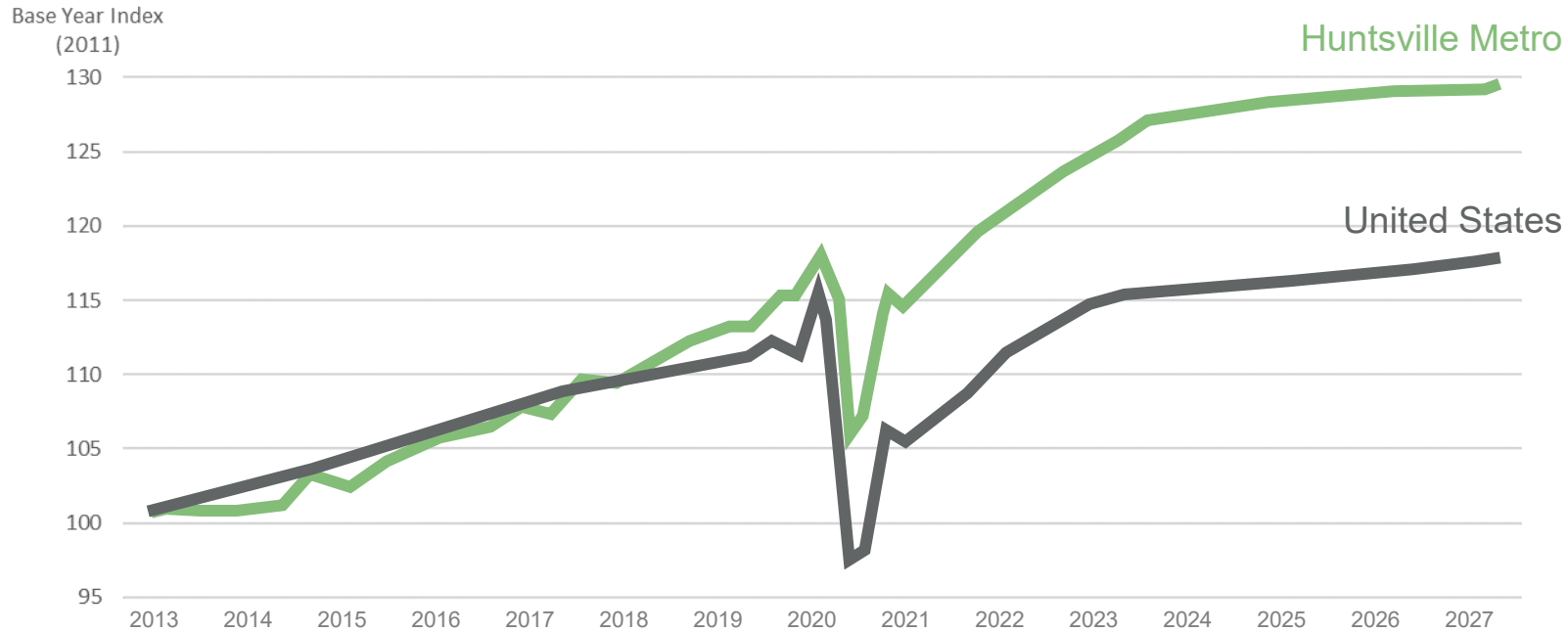
4th QTR 2023

Employment Change

March 2020 to November 2023

■ Huntsville ■ U.S.

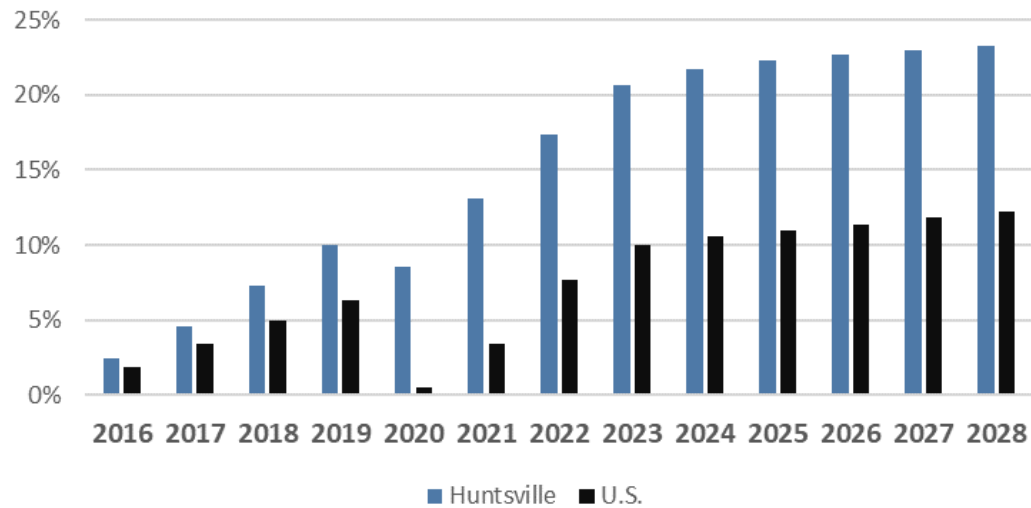




“Huntsville will stay ahead of the state and nation as job growth impresses. Strong support from the military will keep local contractors active and positive migration trends will boost consumer industries. Auto production, however, will be more of a stabilizing force. Longer term, robust demographics will position HUN to be an overachiever in the state.”



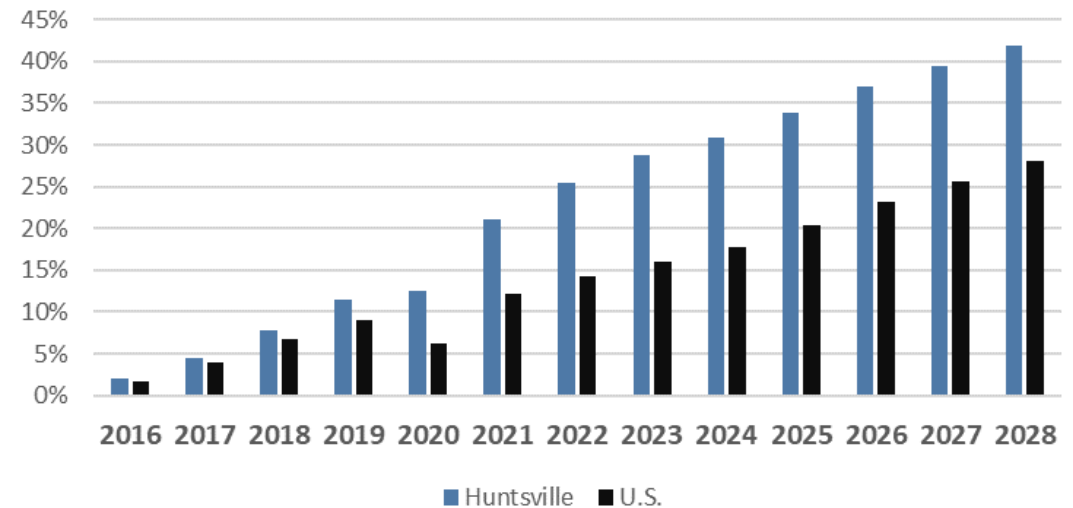
Employment Growth



	2024	2025	2026	2027	2028
Huntsville	1.0%	1.6%	2.1%	2.4%	2.6%
U.S.	0.6%	1.0%	1.4%	1.8%	2.2%

5-Year Forecast

GDP Growth



	2024	2025	2026	2027	2028
Huntsville	1.3%	4.0%	7.3%	10.3%	12.9%
U.S.	1.2%	3.6%	6.5%	9.4%	12.2%

5-Year Forecast





- ❖ Inflation was 3.1% annually in November 2023, down from the peak of 9.1% in June 2022.
- ❖ After raising the Federal Funds Rate 11 times since March 2022, the Federal Reserve has not raised rates since July 2023 and has signaled we are likely at or near the peak rate for this cycle.
- ❖ Expectations are high that rates may be lowered in 2024 with the possibility for multiple 0.25% cuts.
- ❖ The Fed will continue to monitor the economy and act based on the good of the country despite the potential for political pressure in the upcoming election year.





Beige Book

November 2023



Fossil fuel companies continue to invest heavily in charging stations in anticipation of increased electric vehicle usage.



Job seekers and workers in lower-wage positions expressed confidence in job availability, but many continue to have trouble covering basic household expenses.



Commercial real estate contacts described worsening conditions in the office, high-end multifamily, and industrial segments.



Freight forwarders reported double-digit percentage declines in year-over-year daily volumes due to declining exports and lower consumer spending.



Asset quality at financial institutions was stable, with low levels of bad loans despite an uptick in credit card and auto loan delinquencies.

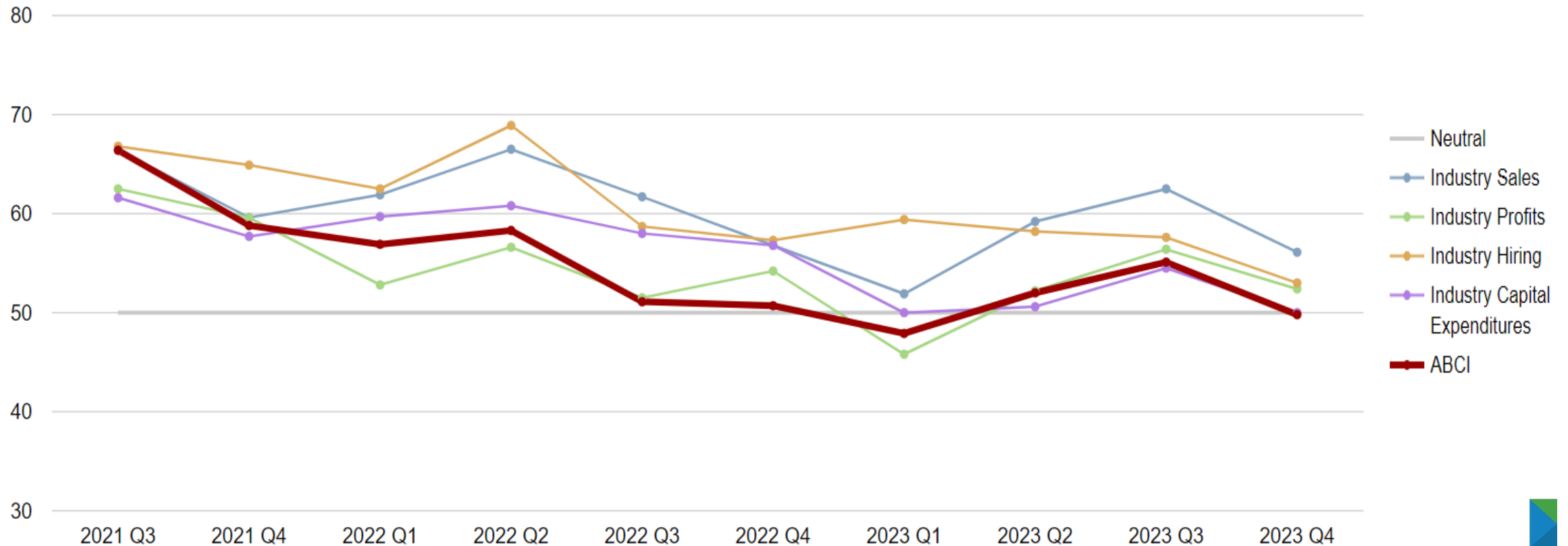


Recent liquidation of cattle herds limited supply, boosting beef prices. Farmers slaughtered more dairy cows to capitalize, pushing up dairy prices.



Huntsville Metro Area Report

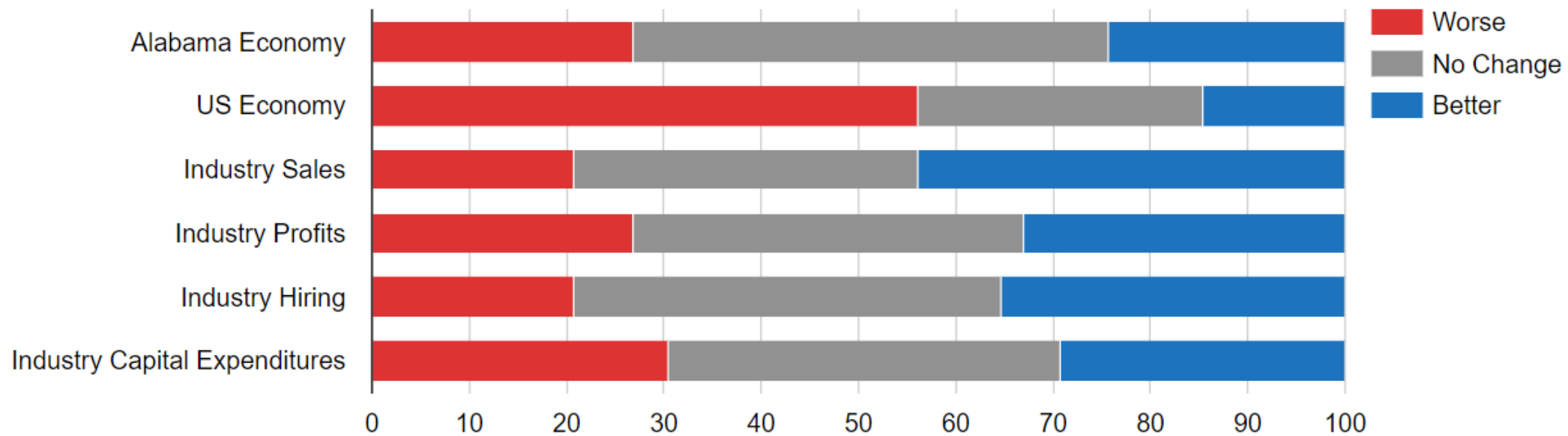
Alabama Business Confidence Index™



Huntsville Metro Area Report

Alabama Business Confidence Index™

Huntsville Response Breakdown



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
- 1,500 current employees; \$3.1 billion investment
- Potential up to 5,000 jobs



- 1 Operations Building #1 + Parking Deck #1 + Multi-Purpose
- 2 Health Wellness & Resiliency Center
- 3 Technology Building #1
- 4 TEDAC Explosive Technical Lab + Substitution Facility
- 5 Innovation Center
- 1 Technology Building #2 + Parking Deck #2
- 2 North Campus Infrastructure Improvements
- F Future Capacity

