

Business Confidence Rebounds in Q2 2024

Business leaders in Huntsville are forecasting economic growth in Q2 2024 compared to Q1 2024 with a moderately positive ABCI of 55.1. This index is a 6.8-point increase from last quarter’s mildly negative index, fueled by increases in confidence across all of the component indexes but especially for the metro’s industry sales. This quarter, metro panelists are forecasting growth compared to their Q1 2024 levels for five of the six component indexes. For the eleventh consecutive quarter the metro’s US outlook remained contractionary, but confidence in that negative forecast is much milder than it has been since Q1 2022.

Second Quarter 2024 Outlook

	Huntsville	Statewide
ABCI	55.1	54.1
Alabama Economy	54.0	53.9
US Economy	48.9	46.7
Industry Sales	61.4	61.0
Industry Profits	56.6	55.9
Industry Hiring	55.9	54.0
Industry Capital Expenditures	53.7	52.9

Index above 50 indicates expansionary outlook as compared to last quarter.

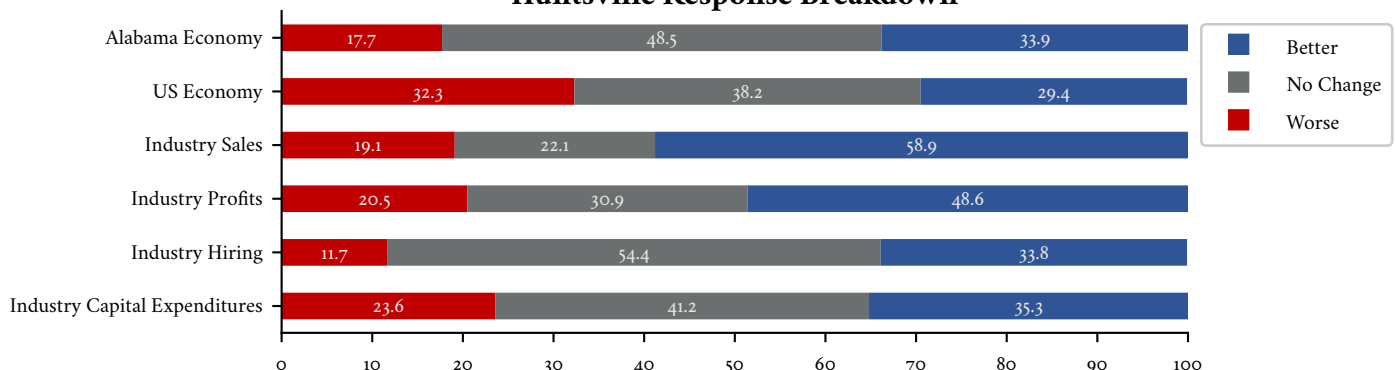
Index below 50 indicates contractionary outlook as compared to last quarter.

Color indicates type of change from previous quarter: change less than 0.5 points, decrease more than 0.5 points, increase more than 0.5 points.

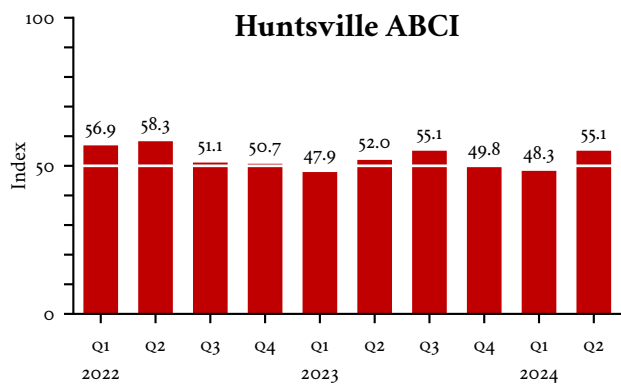
Huntsville Component Index Analysis

- **Alabama Economy:** The Q2 2024 Alabama economic index registered at 54.0 after increasing 2.6 points from last quarter, indicating mildly confident expectations for improved statewide economic conditions compared to Q1 2024.
- **US Economy:** Huntsville business leaders are still anticipating a contraction in the U.S. economy compared to the previous quarter, though the index grew by 7.6 points to reach a very mildly negative 48.9.
- **Industry Sales:** Industry sales are forecasted to grow in Q2 2024 with a strongly confident index of 61.4. This is a 12.8-point increase from Q1 2024 and is the metro’s highest component index for the quarter.
- **Industry Profits:** The Q2 2024 profits index increased 10.0 points from Q1 2024 to reach a moderately expansionary index of 56.6.
- **Industry Hiring:** Huntsville’s hiring index grew 3.5 points from last quarter to reach a moderately expansionary 55.9 in the Q2 2024 survey. Only 11.7 percent of panelists expect to decrease hiring this quarter compared to their Q1 2024 levels.
- **Industry Capital Expenditures:** The metro’s capital expenditures index registered as mildly expansionary after increasing 4.2 points to register at 53.7 for Q2 2024.

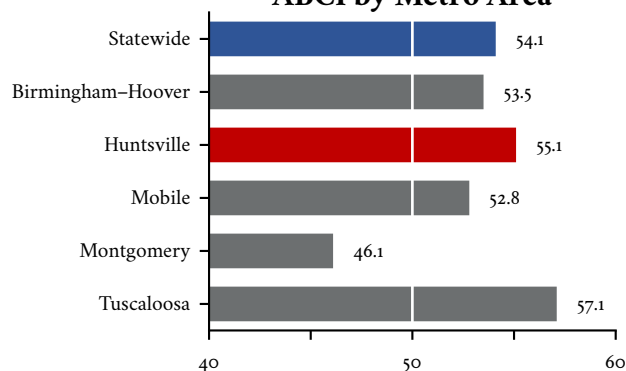
Huntsville Response Breakdown



Huntsville ABCI



ABCI by Metro Area



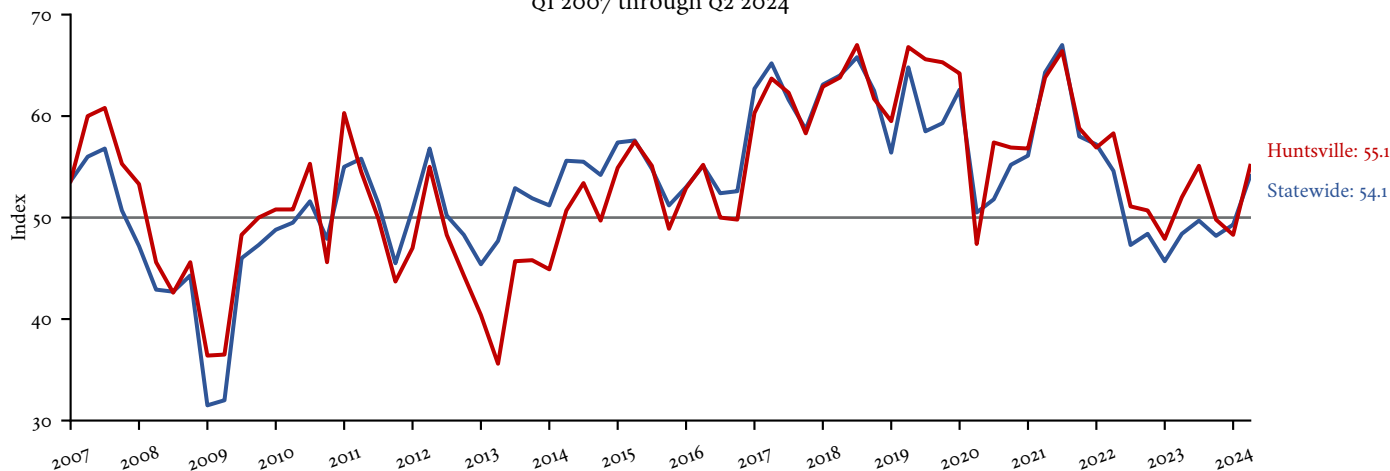
ABCI Huntsville in Context

Huntsville’s business confidence was moderately expansionary this quarter at 55.1. This comes after two quarters of neutral or mildly contractionary forecasts from metro panelists. Huntsville’s ABCI has been fluctuating for the last four years: the initial drop in ABCI from the onset of the COVID-19 pandemic in Q2 2020 was short-lived as the index rebounded in Q3 2020 and remained moderately to strongly expansionary for eight quarters. In Q3 2022, overall business confidence decreased to mildly positive levels as the forecasts for industry growth were offset by a historically low index for the US economy. This quarter, optimistic expectations for industry growth and the Alabama economy, along with a less negative US outlook, resulted in a moderately expansionary outlook.

Business confidence across Alabama’s metro areas is mostly positive in Q2 2024, with business leaders in all but Montgomery forecasting growth compared to the previous quarter. Tuscaloosa had the highest metro ABCI with a moderately confident 57.1, followed closely by Huntsville with 55.1. Panelists in Birmingham-Hoover and Mobile had mildly confident expansionary forecasts of 53.5 and 52.8, respectively. Montgomery, who had the highest MSA ABCI last quarter at a mildly positive 51.9, dropped almost 6 points to a mildly negative index of 46.1.

Huntsville ABCI compared to Statewide ABCI

Q1 2007 through Q2 2024



The Center for Business and Economic Research would like to thank all Huntsville metro area business executives who completed the second quarter 2024 ABCI survey. We look forward to a continuing partnership with the Huntsville Area Chamber of Commerce and encourage you to return for the third quarter 2024 survey June 1–15.

For more details on the Alabama Business Confidence Index™, visit <https://cber.culverhouse.ua.edu/alabama-business-confidence-index/>.
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