

Continuation of Expansionary Forecast from Huntsville Panelists

Huntsville business leaders are anticipating growth in Q3 2024 with a mildly optimistic ABCI of 53.3. Though this is 1.8 points below last quarter’s index, it is the second consecutive expansionary forecast for the metro, indicating sustained expectations for improved economic conditions. Four of the component indexes decreased compared to Q2 2024 though the indexes for hiring and capital expenditures increased. Even with these decreases, all of the component indexes were expansionary with the exception of the US outlook, which was contractionary for the twelfth consecutive quarter.

Third Quarter 2024 Outlook

	Huntsville	Statewide
ABCI	53.3	52.1
Alabama Economy	52.1	52.0
US Economy	41.7	42.5
Industry Sales	58.3	56.8
Industry Profits	52.4	51.8
Industry Hiring	58.3	54.4
Industry Capital Expenditures	56.9	54.9

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

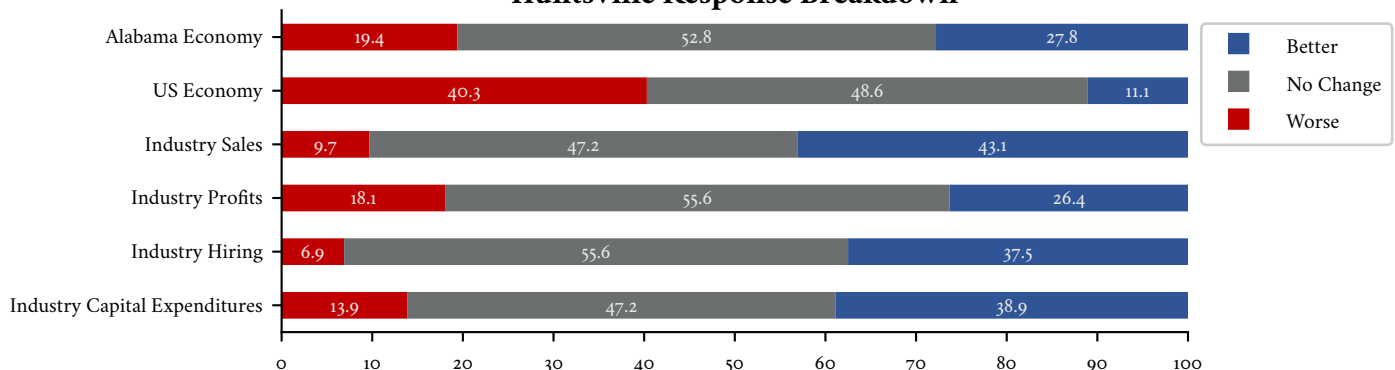
Index below 50 indicates contractionary outlook as compared to last quarter.

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.

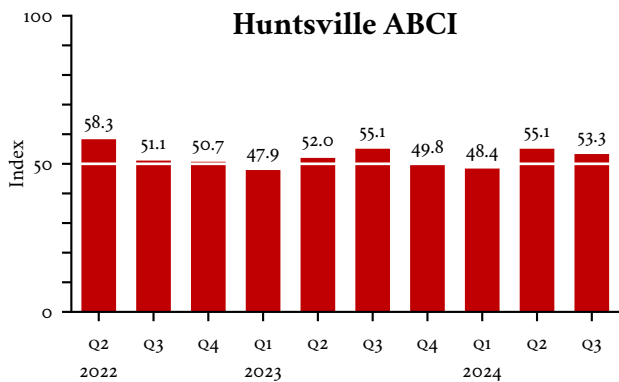
Huntsville Component Index Analysis

- Alabama Economy:** Huntsville business leaders are still forecasting improved conditions for the statewide economy this quarter, with the index decreasing 1.9 points to reach a mildly confident 52.1.
- US Economy:** The US economic outlook fell 7.2 points from last quarter to register at a moderately contractionary 41.7. Though the index has been negative since Q4 2021, the level of confidence in the forecasts has fluctuated between strong to mild.
- Industry Sales:** At 58.3, the metro’s sales index was one of the highest component indexes for the second consecutive quarter. Though it decreased by 3.1 points, the index still signals moderate confidence in the expansionary forecast.
- Industry Profits:** The industry profits index decreased 4.2 points from last quarter to register at a mildly expansionary 52.4 in the Q3 2024 ABCI.
- Industry Hiring:** The hiring index increased 2.4 points from last quarter to reach a moderately confident 58.3, signally sustained expectations for increased hiring in the Huntsville metro area.
- Industry Capital Expenditures:** Metro panelists are forecasting increased capital expenditures with moderate confidence this quarter, as the Q3 2024 index increased 3.2 points to reach 56.9.

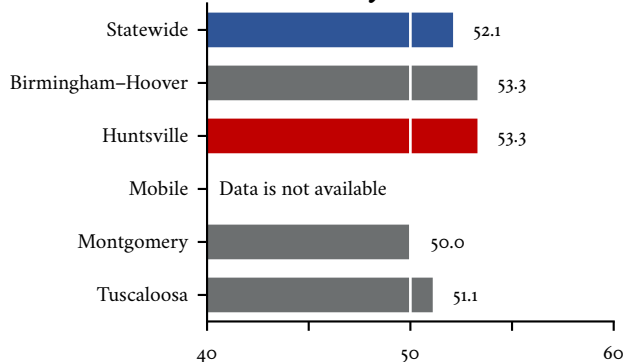
Huntsville Response Breakdown



Huntsville ABCI



ABCI by Metro Area



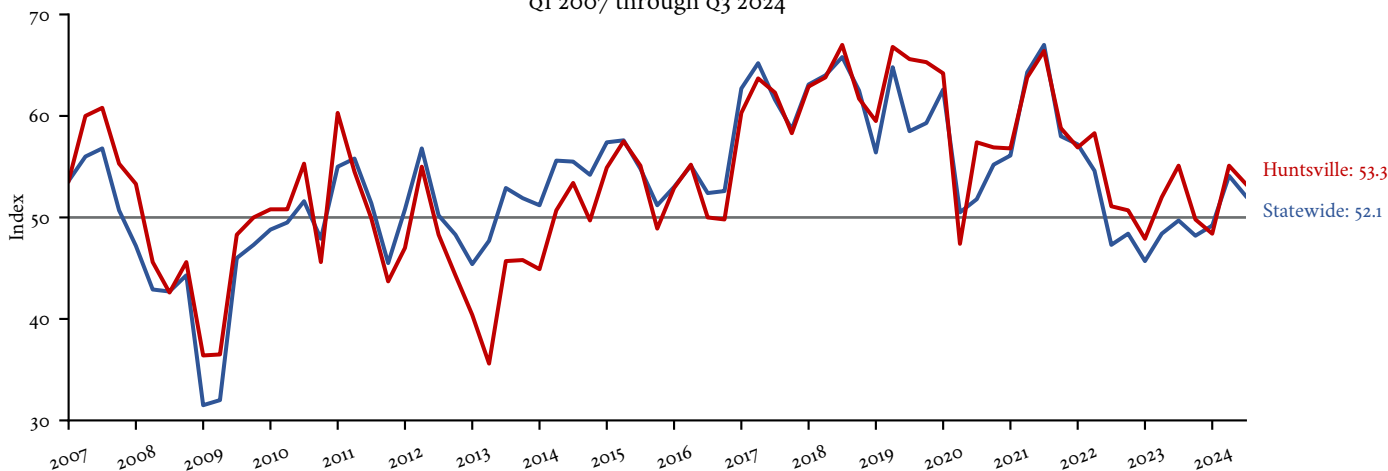
ABCI Huntsville in Context

In the Q3 2024 survey, Huntsville’s ABCI remained expansionary for the second consecutive quarter. From Q1 2017 to Q1 2020, metro business leaders were strongly confident forecasting economic growth with an average ABCI of 63.2. The onset of the COVID-19 pandemic led to a brief drop in Huntsville’s ABCI in Q2 2020, but the index rebounded to expansionary levels until Q1 2023, when the sustained strongly negative forecasts for the US economy along with a few other softened forecasts pulled Huntsville’s ABCI below 50. Throughout all of this, Huntsville’s hiring prospects have remained consistently expansionary.

Business confidence remained mildly expansionary across Alabama this quarter. Birmingham-Hoover and Huntsville had the highest metro ABCIs this quarter at a mildly confident 53.3. Panelists in Birmingham-Hoover had the highest confidence forecasting profit growth of any metro this quarter, while Huntsville business leaders are expecting hiring growth with more confidence than their peers. Tuscaloosa had a very mildly confident Q3 2024 ABCI of 51.1, and Montgomery had a neutral index of 50 this quarter, indicating expectations for a continuation of last quarter’s overall conditions.

Huntsville ABCI compared to Statewide ABCI

Q1 2007 through Q3 2024



The Center for Business and Economic Research would like to thank all Huntsville metro area business executives who completed the third 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 fourth quarter 2024 survey September 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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