

Huntsville Businesses Forecast

Continuation of Q3 2024 Conditions

After two consecutive quarters of expansionary forecasts, Huntsville’s ABCI decreased by 4.1 points in the Q4 2024 survey to register at mildly contractionary 49.2. Confidence across the component indexes fell this quarter, resulting in four neutral indexes (within a half point of 50) that communicate expectations for a continuation of last quarter’s levels of economic activity rather than a notable increase or decrease. Sales was the only component index to remain expansionary this quarter, while business leaders remained moderately confident that economic conditions in the US economy would continue to worsen in the coming quarter.

Fourth Quarter 2024 Outlook

	Huntsville	Statewide
ABCI	49.2	49.5
Alabama Economy	50.5	50.6
US Economy	42.5	45.3
Industry Sales	52.8	53.6
Industry Profits	50.0	50.3
Industry Hiring	49.5	47.8
Industry Capital Expenditures	50.0	49.4

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

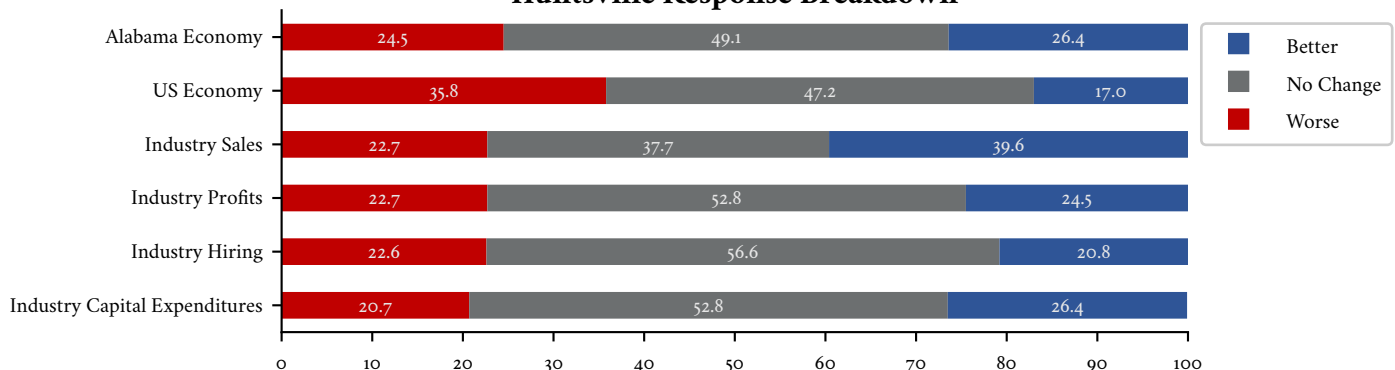
Index below 50 indicates contractionary outlook as compared to last quarter.

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.

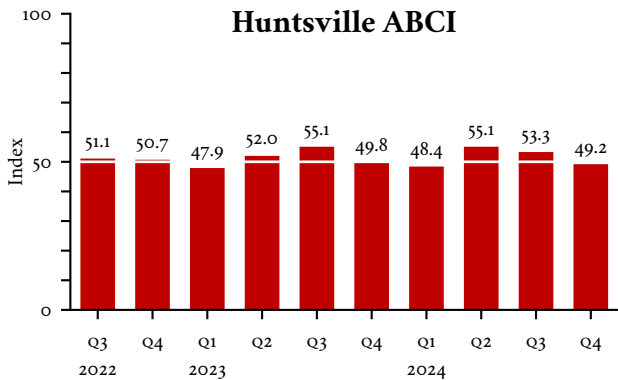
Huntsville Component Index Analysis

- **Alabama Economy:** Huntsville’s Q4 2024 economic index for Alabama was a neutral 50.5 following a 1.6-point decrease from last quarter’s mildly expansionary forecast.
- **US Economy:** For the thirteenth consecutive quarter, Huntsville’s US outlook was contractionary. Despite increasing 0.8 points, the Q4 2024 index was 42.5, signaling continued expectations for economic contraction with moderate confidence.
- **Industry Sales:** Despite decreasing 5.5 points from Q3 2024, Huntsville panelists are still forecasting industry sales growth with mildly confident index of 52.8 in Q4 2024. This has been the metro’s highest index for three quarters.
- **Industry Profits:** Just under 53 percent of metro panelists are expecting their industry profits to remain steady in Q4 2024 compared to the previous quarter, resulting in a neutral index of 50.0, which is 2.4 points below last quarter’s index.
- **Industry Hiring:** The hiring index for Huntsville is also neutral this quarter at 49.5 after decreasing 8.8 points from last quarter’s moderately confident index of 58.3. Metro business leaders in the area have been forecasting increased hiring with varying levels of confidence for the last 30 quarters, making this the lowest hiring index since 2016.
- **Industry Capital Expenditures:** Expectations for capital expenditures are also neutral this quarter: the index decreased 6.9 points to reach 50.0.

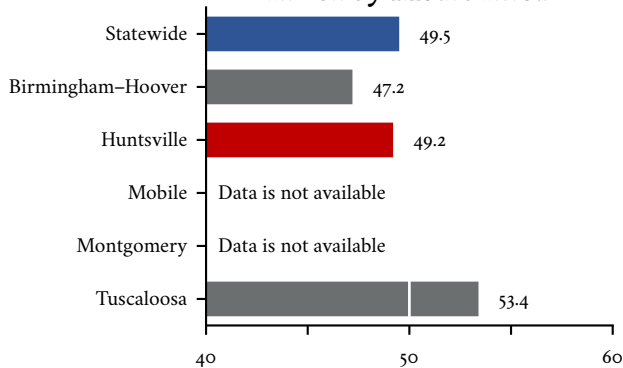
Huntsville Response Breakdown



Huntsville ABCI



ABCI by Metro Area



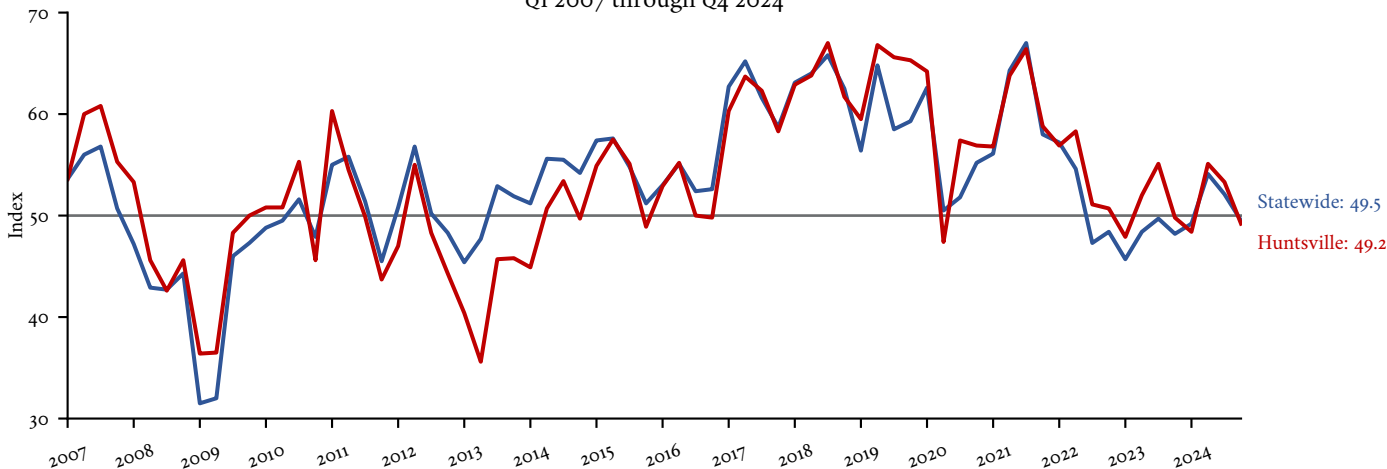
ABCI Huntsville in Context

Huntsville’s ABCI has oscillated between expansionary and mildly contractionary forecasts since Q1 2023. The metro’s US outlook has been consistently contractionary, but the forecasts for the component indexes have varied. In the expansionary quarters, the ABCI has been pulled upward by business leaders’ forecasts for increased industry sales, hiring, and profits. The notable component indexes during the recent contractionary quarters have varied. In Q1 2023, the indexes for profits and the Alabama outlook were mildly contractionary; in Q1 2024, it was the negative indexes for sales, profits, and capital expenditures; and in Q4 2024, the component indexes were neutral rather than contractionary, but the positive sales index was not enough to offset the downward pull of the US outlook.

Business confidence in Alabama’s metros varied this quarter. Tuscaloosa had the highest Q4 2024 metro ABCI at 53.4, with expansionary outlooks for all component indexes. Panelists in Huntsville are expecting a continuation of last quarter’s conditions with an ABCI of 49.2. The Birmingham-Hoover ABCI was mildly negative at 47.2 this quarter with moderately contractionary forecasts for hiring, the US outlook, and capital spending. There was not enough participation to include Mobile or Montgomery’s outlook this quarter.

Huntsville ABCI compared to Statewide ABCI

Q1 2007 through Q4 2024



The Center for Business and Economic Research would like to thank all Huntsville metro area business executives who completed the fourth 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 first quarter 2025 survey December 1–15.

For more details on the Alabama Business Confidence Index™, visit <https://cber.culverhouse.ua.edu/alabama-business-confidence-index/>.
 Analysis provided by Susannah Robichaux, Socioeconomic Analyst.