

Expansionary Outlook Continues with Mild Confidence

Business leaders in Huntsville are continuing to anticipate overall economic expansion with a mildly confident ABCI of 54.1 in the Q2 2026 survey. This is 1.9 points above their ABCI from last quarter, with expansionary outlooks in five of the six component indexes. From Q1 to Q2 2026, confidence increased in the forecasts for all four of the industry component indexes, rising by 1.7 to 5.6 points. The two economic outlook component indexes both decreased this quarter, though the Alabama outlook remained expansionary with mild confidence while the US outlook's index became more confidently contractionary.

Second Quarter 2026 Outlook

	Huntsville	Statewide
ABCI	54.1	56.6
Alabama Economy	53.5	57.6
US Economy	44.4	51.8
Industry Sales	59.0	61.0
Industry Profits	54.2	57.4
Industry Hiring	54.9	54.6
Industry Capital Expenditures	58.3	57.4

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

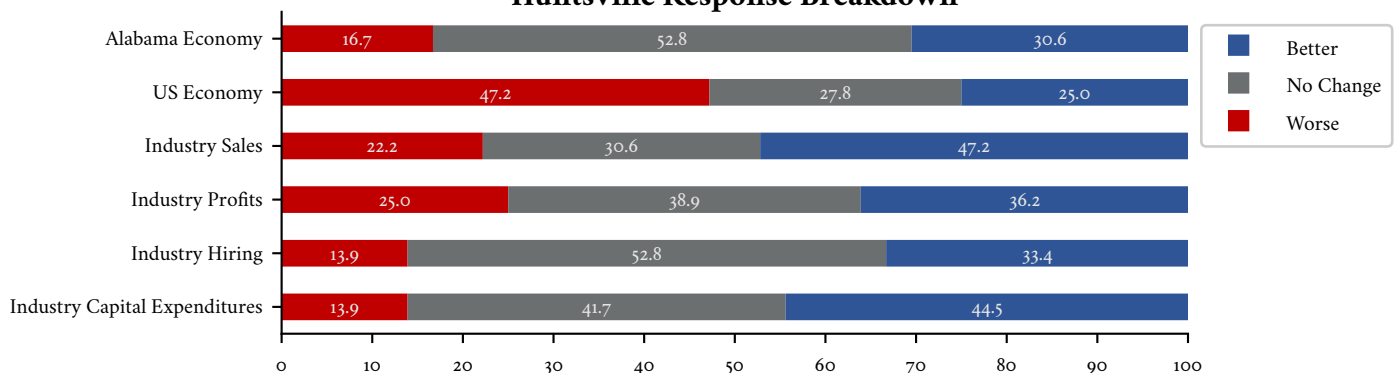
Index below 50 indicates contractionary outlook as compared to last quarter.

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.

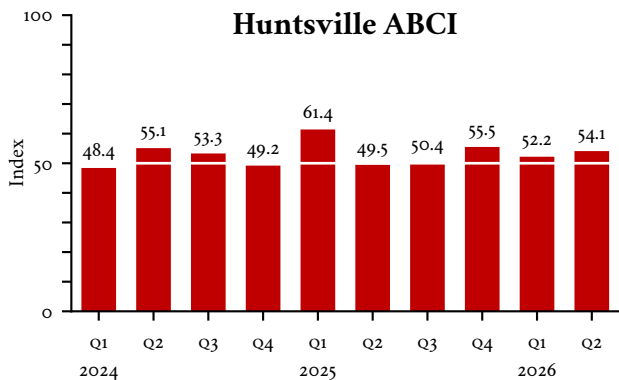
Huntsville Component Index Analysis

- Alabama Economy:** The Alabama outlook decreased 1.6 points to register at 53.5 in the Q2 2026 ABCI survey, with almost half of panelists forecasting no change from last quarter and 30 percent anticipating improved economic conditions.
- US Economy:** Huntsville's Q2 2026 index for the US economy was 44.4, down 3.3 points from last quarter, indicating moderately confident expectations for worse conditions in the national economy.
- Industry Sales:** Expectations for increased industry sales in the Huntsville metro area were moderately confident, as the index grew 4.8 points from Q1 2026 to reach 59.0. The metro's sales index has been expansionary for the last nine quarters, indicating sustained expectations for sales growth.
- Industry Profits:** The profits index grew 5.6 points from Q1 2026's mildly contractionary index to reach 54.2 this quarter.
- Industry Hiring:** Panelists are still expecting overall hiring to increase in Q2 2026 with a moderately confident index of 54.9. This is 1.7 points above last quarter's mildly expansionary index.
- Industry Capital Expenditures:** Huntsville business leaders are forecasting capital spending growth this quarter with moderately strong confidence. The index grew by 3.7 points to reach 58.3.

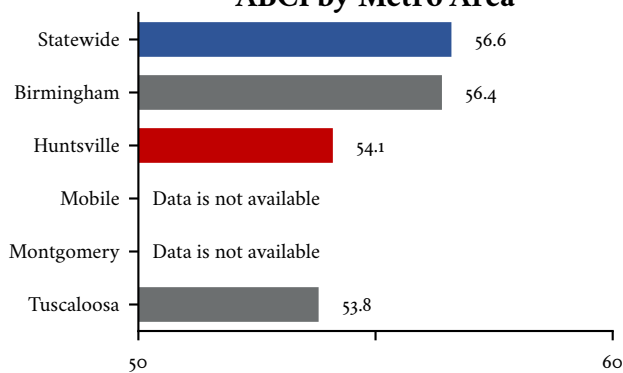
Huntsville Response Breakdown



Huntsville ABCI



ABCI by Metro Area



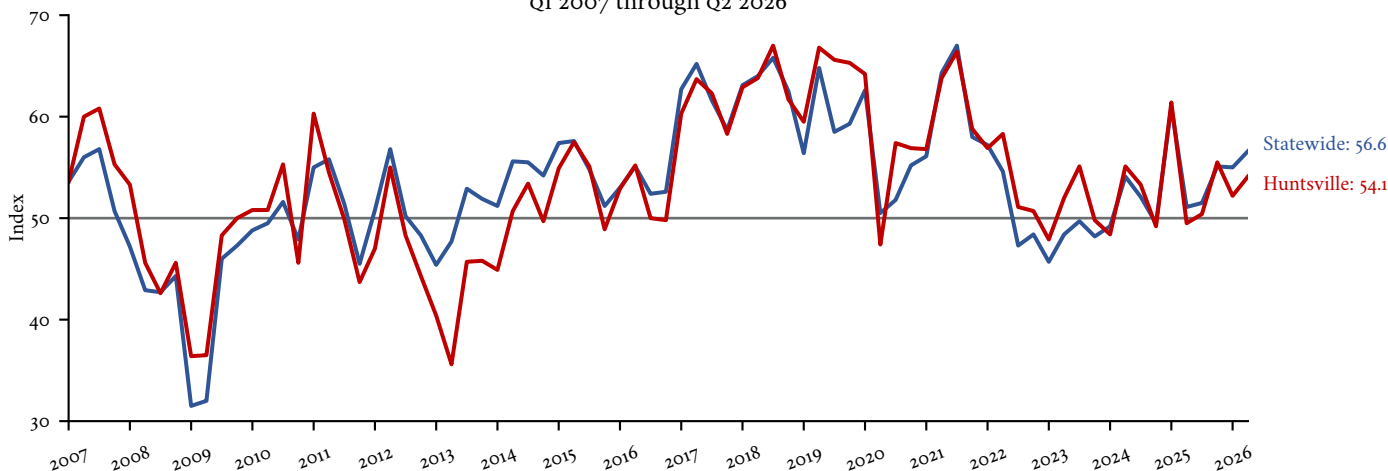
ABCI Huntsville in Context

Since Q1 2024, Huntsville’s ABCI has fluctuated between mildly expansionary and moderately expansionary forecasts with the exception of Q1 2025’s strongly expansionary forecast. By component index, the metro’s US outlook has exerted a downward pull on the overall index since Q4 2021, apart from a strongly confident expansionary outlier in Q1 2025 and neutral outlook in Q4 2025. On the other hand, Huntsville’s sales index has been expansionary in nine of the last ten quarters, averaging a moderately strong 57.1. Panelists have generally expected to increase hiring in that same time period, with a mildly confident average of 54.0, though the index has been neutral or contractionary three times.

Birmingham had the highest ABCI this quarter at a moderately confident index of 56.4, with metro panelists forecasting increased industry sales and improved conditions in the Alabama economy with higher confidence than their peers. The Q2 2026 ABCIs for Huntsville and Tuscaloosa were 54.1 and 53.8, respectively, reflecting a mildly confident outlook that included contractionary forecasts for the US economy along with expectations for growth in sales and capital expenditures. Unfortunately, there was not enough participation from Mobile or Montgomery to calculate valid metro ABCIs for this quarter.

Huntsville ABCI compared to Statewide ABCI

Q1 2007 through Q2 2026



The Center for Business and Economic Research would like to thank all Huntsville metro area business executives who completed the second quarter 2026 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 2026 survey June 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.