

### Huntsville Moves Confidently into the Second Quarter

In the second quarter survey for 2017, ABCI Huntsville increased 3.4 points to reach a ten-year high of 63.7. Though overall confidence in the statewide and national economies is slightly lower than last quarter's numbers, area business leaders expect growth in all categories of the survey with moderate confidence.

Slightly more than 68 percent of Huntsville businesses feel that sales will improve in the upcoming quarter, driving the sales index up 8.5 points to reach 67.6. Only 12.8 percent expect a slowdown, and 19.1 percent foresee a steady continuation of last quarter's level of sales.

Business sentiment regarding profits improved in the current survey, with a 6.3-percent increase to reach 63.3. Almost 60 percent of Huntsville businesses anticipate an increase in profits, 23.4 percent expect no change, and 17.0 percent predict a decrease in profits compared to the previous quarter.

Job creation should improve in the coming quarter with an index level of 59.0, though confidence in hiring is not as high as the other industry categories of the survey. Around 40 percent of business leaders in the metro area expect to continue hiring at the same rate as the previous quarter, 46.8 percent forecast hiring to increase, and 12.8 percent anticipate a decrease in hiring in Q2 2017.

The capital expenditures index increased 5.8 points to reach 61.2 in this quarter. Just over 51 percent of Huntsville businesses expect to increase their capital expenditures in Q2 2017, 36.2 percent do not forecast a change, and 12.8 percent are expecting to decrease their capital spending compared to Q1 2017.

### Second Quarter 2017 Outlook

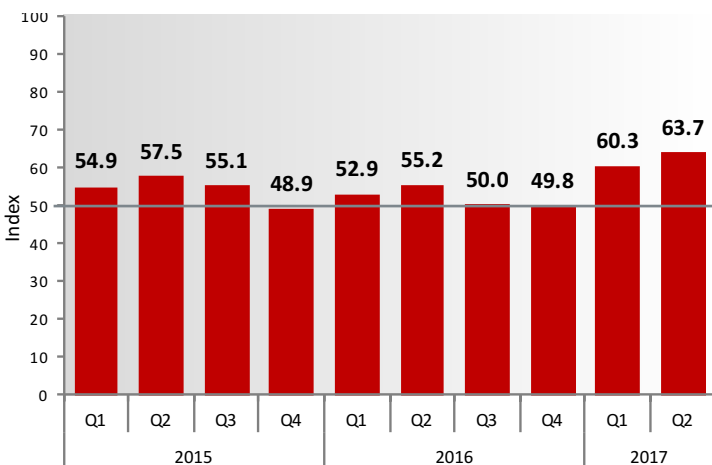
	Huntsville	Alabama
ABCI	63.7	65.2
National Economy	66.5	69.7
Alabama Economy	64.9	67.6
Industry Sales	67.6	67.2
Industry Profits	63.3	64.2
Industry Hiring	59.0	60.7
Capital Expenditures	61.2	61.9

Index above 50 indicates positive outlook as compared to last quarter.  
 Index below 50 indicates negative outlook as compared to last quarter.  
**Gray** increase from previous quarter.  
**Red** decrease from previous quarter.  
**Blue** no change.

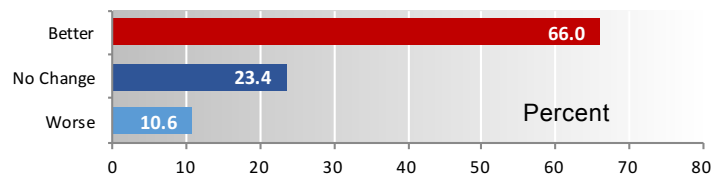
### Huntsville Metro Area: Business Environment Expectations Q2 2017 compared to Q1 2017

Expectations in Huntsville were just slightly below the overall state indices in all categories except sales. That being said, area business leaders still have strong confidence in economic growth in all of the categories with the highest confidence in sales at 67.6 and the lowest confidence in increasing hiring at 59.0. Area business leaders continue to anticipate growth in the Alabama economy, with an index reading of 64.9 after a 0.3-point decrease from the previous quarter. Just under 60 percent of Huntsville executives forecast a better economy in Alabama, while only 6.4 percent expect worse statewide economic conditions in Q2 2017.

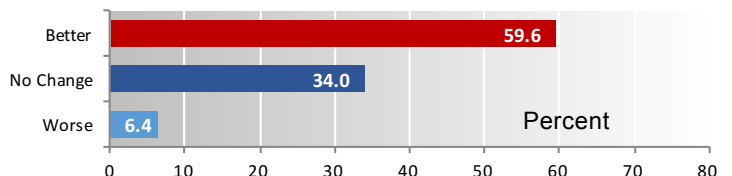
### ABCI™ Huntsville



### National Economic Outlook



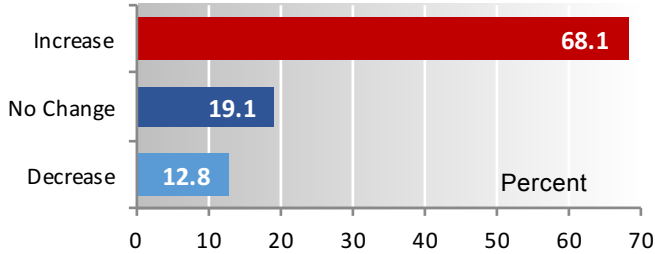
### Alabama Economic Outlook



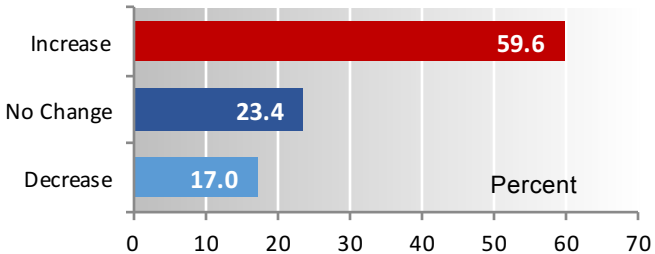
## Huntsville Metro Area: Industry Performance Expectations Q2 2017 compared to Q1 2017

The Huntsville business community expects the U.S. economy to grow with significant confidence, with an index of 66.5. This is a 1.1-point drop from the first quarter's expectations for the national economy, but 66.0 percent of Huntsville executives expect a stronger economy in the coming quarter, while only 10.6 percent have a worse outlook for the second quarter of 2017.

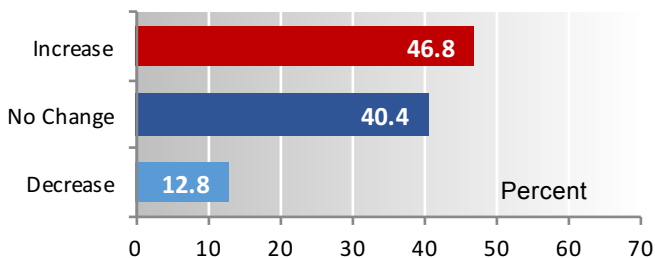
### Sales



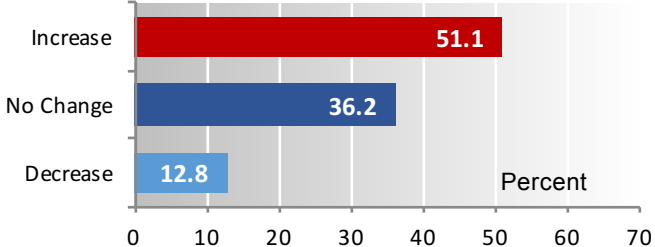
### Profits



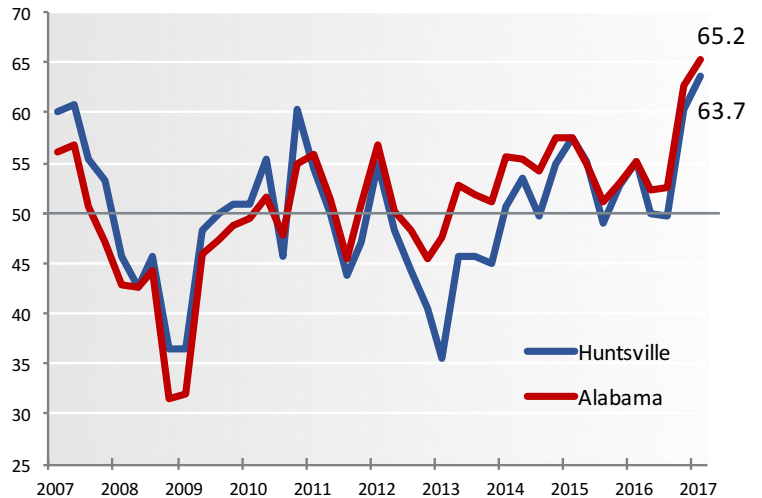
### Hiring



### Capital Expenditures



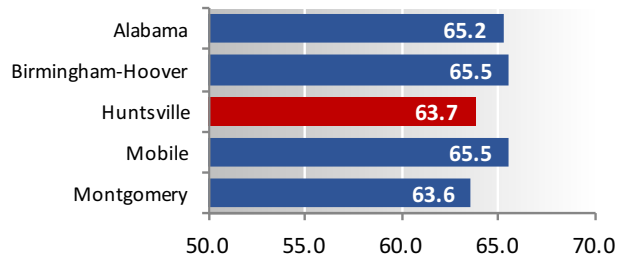
### ABCI Huntsville in Context



Huntsville business confidence grew 3.4 points to reach 63.7, the highest reading in ten years. The second quarter 2017 ABCI Huntsville is slightly below the statewide ABCI, which reached 65.2 this quarter. After mild confidence in the latter half of 2016, Huntsville executives are much more optimistic about growth in 2017.

### ABCI by Metro Area Q2 2017

Business sentiment in Alabama's four largest metro areas remains very optimistic, with all metros forecasting growth in the second quarter of 2017. ABCI Mobile and ABCI Birmingham-Hoover show the strongest confidence with overall index scores of 65.5. Even the lowest metro ABCI, which was recorded in Montgomery, reached 63.6 this quarter.



The Center for Business and Economic Research would like to thank all Huntsville metro area business executives who completed the second quarter 2017 ABCI survey. We look forward to a continuing partnership with the Huntsville Chamber of Commerce and encourage you to return for the third quarter 2017 survey June 1-15.

For more details on the Alabama Business Confidence Index™, visit [cber.cba.ua.edu/ABCI](http://cber.cba.ua.edu/ABCI).  
Analysis provided by Susannah Robichaux, Socioeconomic Analyst.