Sustained High Expectations in Mobile

Despite a 0.2-point decrease, ABCI Mobile remained very confident at 65.6 in the third quarter 2018 survey. Mobile’s indexes for the national and statewide economic outlooks both grew to reach very confident heights of 71.9. The industry indexes all convey high expectations for growth, though confidence in the growth of sales and profits both decreased compared to Q2 2018. Mobile business executives have slightly lower confidence than the pooled expectations of businesses statewide.

After a 6.0-point loss, the Mobile sales index remains very confident at 63.5 moving into the third quarter of 2018. A 58.3-percent majority of respondents forecast an increase in sales. At 29.2 percent, just under a third of expect to see steady sales, and 12.5 percent anticipate a decline in the coming quarter.

Mobile business leaders are still confident that profits will continue to rise in Q3 2018 with an index of 61.5 after a 5.9-point decrease from Q2’s index. A 58.3-percent segment of panelists expect a higher level of growth; 29.2 percent anticipate no major change compared with the previous quarter’s profits; and 12.5 percent forecast a decrease in the third quarter profits.

With a hiring index of 61.5 after gaining 0.6 points, Mobile businesses are confidently forecasting an increase in hiring in Q3 2018. Exactly 50.0 percent anticipate higher growth, while 45.8 percent forecast constant hiring levels in the coming quarter, and just 4.2 percent anticipate a decrease compared to the previous quarter.

An increase in capital expenditure is expected in Mobile with continued strong confidence. The index registered at 63.5 after a 0.5-point increase from its second quarter levels. Over half of area businesses expect an increase in their capital spending in Q3 2018 at 54.2 percent, 41.7 percent do not expect a change, and 4.2 percent anticipate a decrease in capital expenditure compared to the previous quarter.

Mobile Metro Area: Business Environment Expectations

Q3 2018 compared to Q2 2018

Mobile’s index for the U.S. economy is extremely confident at 71.9 after a 6.7-point increase from Q2 2018. Exactly 75.0 percent of Mobile’s panelists forecast better national economic conditions in Q3 2018, and the remaining 25.0 percent anticipate no change. None of the area business leaders are expecting a worse national economic outlook compared with the previous quarter.

The Alabama economic outlook is also very confident after increasing 3.4 points to reach 71.9. At 79.2 percent, the majority of area panelists forecast a better performance for the Alabama economy, while 20.8 percent expect a continuation of the second quarter’s conditions, and none anticipate a worse statewide economic outlook.
Mobile Metro Area:
Industry Performance Expectations
Q3 2018 compared to Q2 2018

Sales
- Increase: 58.3%
- No Change: 29.2%
- Decrease: 12.5%

Profits
- Increase: 58.3%
- No Change: 29.2%
- Decrease: 12.5%

Hiring
- Increase: 50.0%
- No Change: 45.8%
- Decrease: 4.2%

Capital Expenditures
- Increase: 54.2%
- No Change: 41.7%
- Decrease: 4.2%

Historical ABCI
Q1 2007 through Q3 2018

ABCi Mobile in Context
Though Mobile business confidence lost 0.1 points this quarter, it still registered at a very confident 65.6. Executives in the metro area remain very optimistic about the business environment this quarter with all indexes registering at or above 61.5. This is the 22nd consecutive quarter that Mobile’s ABCI has been above 50, indicating high expectations for growth from area business leaders since 2013.

Business sentiment in Alabama’s four largest metro areas as very positive for the third quarter of 2018 with all ABCIs registering above 62. Huntsville is forecasting growth with the most confidence with an area index of 67.0. Montgomery and Mobile followed with ABCIs of 66.5 and 65.6, respectively. With an ABCI of 62.8, Birmingham-Hoover’s business confidence is the lowest, but area businesses are still anticipating growth in the coming quarter with strong confidence.

ABCi by Metro Area Q3 2018

The Center for Business and Economic Research would like to thank all Mobile metro area business executives who completed the third quarter 2018 ABCI survey. We look forward to a continuing partnership with the Mobile Area Chamber of Commerce and encourage you to return for the fourth quarter 2018 survey September 1-15.

For more details on the Alabama Business Confidence Index™, visit cber.cba.ua.edu/ABCI.

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