Moderate Confidence for Third Quarter Growth in Mobile

Mobile business leaders continue to forecast expectations for growth in the Q3 2019 ABCI survey with a moderately confident index of 57.3. Though this is an 8.6-point decrease from the previous quarter’s ABCI, the metro’s component indexes still convey moderate to high confidence in growth compared to second quarter levels, with indexes registering between 55 and 61. The most confident positive forecasts are for improved Alabama economic conditions and increased capital expenditure. The metro’s ABCI has been positive for 26 consecutive quarters, indicating sustained expectations for growth.

Mobile Component Index Analysis

- **Alabama Economy**: The Alabama economy index decreased 9.4 points from Q2 2019 but still registered at a very confident 60.4 in the Q3 2019 survey, indicating expectations for a stronger statewide economy.

- **US Economy**: Panelists in Mobile are feeling moderately confident about improved national economic conditions in the third quarter with an index of 55.2 after a 5.2-point decrease.

- **Industry Sales**: After an 11.2-point decrease, the business leaders in Mobile are still strongly moderately confident in forecasting sales growth in the third quarter of 2019 with an index of 57.3.

- **Industry Profits**: Mobile business leaders are also anticipating higher profits with moderate confidence in Q3 2019 with an index of 56.2, after a 13.5-point decrease from very strong confidence in Q2 2019.

- **Industry Hiring**: With a hiring index of 55.2, after a 7.3-point decrease, Mobile businesses are still anticipating an increase in hiring in Q3 2019 with moderate confidence compared to the previous quarter.

- **Industry Capital Expenditures**: Mobile business leaders are confidently forecasting increased capital expenditure this quarter with an index of 59.4, after a 5.2-point decrease from the previous quarter.

### Mobile Response Breakdown

![Mobile Response Breakdown Chart]

- **Alabama Economy**: 45.8% Better, 33.3% No Change, 21% Worse
- **US Economy**: 45.8% Better, 33.3% No Change, 21% Worse
- **Industry Sales**: 45.8% Better, 37.5% No Change, 16.7% Worse
- **Industry Profits**: 45.8% Better, 37.5% No Change, 16.7% Worse
- **Industry Hiring**: 45.8% Better, 37.5% No Change, 16.7% Worse
- **Industry Capital Expenditures**: 45.8% Better, 37.5% No Change, 16.7% Worse

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Index above 50 indicates positive outlook as compared to last quarter.
Index below 50 indicates negative 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.*
ABCI Mobile in Context

Mobile business confidence decreased 8.6 points this quarter to reach 57.3, signaling continued, though more moderate, expectations for growth in the third quarter of 2019. Executives in the metro area are most optimistic about better conditions in the Alabama economy and increased industry capital expenditures, though panelists are not as confident in their positive forecasts as they were in the previous quarter. This is the 26th consecutive quarter that Mobile’s ABCI has been above 50, indicating sustained expectations for growth from area business leaders since the start of 2013.

Though business confidence decreased throughout the state’s four largest metro areas this quarter, all but Montgomery are continuing to forecast growth in Q3 2019. Huntsville business leaders have the highest expectations for Q3 2019 with an ABCI of 65.6 and very confident industry indexes ranging from 65.5 to 69.6. Mobile’s ABCI registered at a moderately confident 57.3, after confidently forecasting improved statewide economic with an index of 60.4. Business leaders in Birmingham–Hoover expect economic growth this quarter, though with an index of 54.7, indicating milder confidence. The Q3 2019 ABCI for Montgomery is 47.5, indicating a mildly confident forecast for decreased economic activity compared to Q2 2019.

The Center for Business and Economic Research would like to thank all Mobile metro area business executives who completed the third quarter 2019 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 2019 survey September 1–15.

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

Analysis provided by Susannah Robichaux, Socioeconomic Analyst.