

### Montgomery Business Confidence Remains Strong in Second Quarter

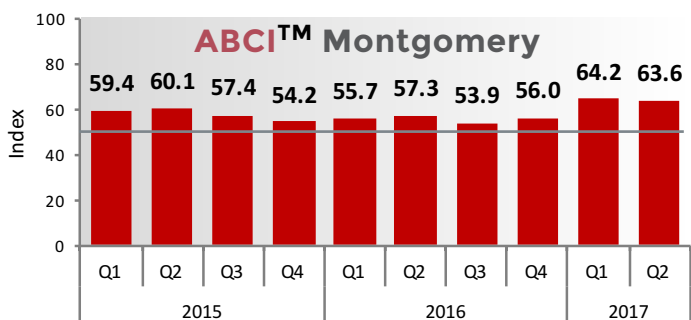
ABCI Montgomery decreased 0.6 points to remain at a confident 63.6 on the second quarter 2017 survey. This index score is still 6 points above the average for the last 12 quarters. Montgomery business leaders continue to be optimistic about growth in all areas of the survey with especially confident forecasts for growth in industry sales and the Alabama and national economies.

A majority of Montgomery businesses expect an increase in sales in Q2 2017. After decreasing by 0.8 points, the index reached 63.0, with 65.2 percent of panelists anticipating an increase in industry sales in the coming quarter. Only 13 percent expect a decrease compared with last quarter, and the remaining 21.7 percent do not anticipate any change.

The profits index gained 1.8 points to reach 62.0 for the quarter. Almost 70 percent forecast an increase and 13.0 percent do not anticipate a change in their profits. Just over 17 percent of panelists are expecting their profits to decrease compared with the first quarter of 2017.

The Montgomery business community is expecting an increase in job creation with an area hiring index of 62.0 for Q2 2017. Almost 61 percent of panelists expect hiring to increase moving into the second quarter, while 30 percent expect to continue hiring at the same rate and 8.7 percent expect a decrease.

The area index for capital expenditures dropped 1.5 points to reach 58.7. While the index value still indicates moderate confidence in increased capital spending in the coming quarter, Montgomery business leaders have the least confidence in the growth of this survey category. Just under half of Montgomery panelists expect capital expenditures to increase, while 43.5 percent are not expecting any change. The remaining 8.7 percent of business leaders in Montgomery indicated that they expect a decrease in capital expenditures compared to last quarter.



### Second Quarter 2017 Outlook

	Montgomery	Alabama
ABCI	63.6	65.2
National Economy	69.6	69.7
Alabama Economy	66.3	67.6
Industry Sales	63.0	67.2
Industry Profits	62.0	64.2
Industry Hiring	62.0	60.7
Capital Expenditures	58.7	61.9

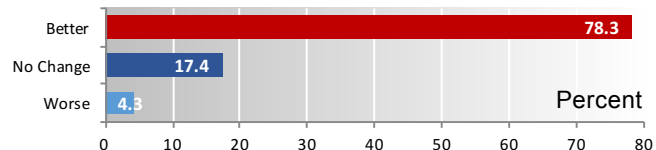
Index above 50 indicates positive outlook as compared to last quarter.  
 Index below 50 indicates negative outlook as compared to last quarter.  
 Gray increase from previous quarter. | Red decrease from previous quarter. | Blue no change.

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

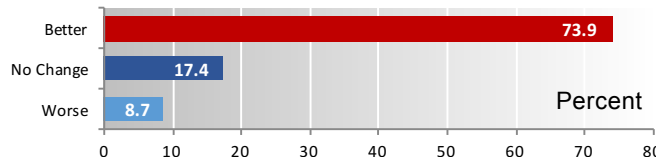
Montgomery business executives continue to be confident about the business environment, though the metro's index values are slightly below the statewide responses. The state economy index remained fairly optimistic at 66.3 after a 1.3-point decrease from the previous quarter. Just under 75 percent of panelists expect a better Alabama economic outlook in Q2 2017, 17.4 percent expect no change, and 8.7 percent expect a worse statewide economy.

The ABCI national economy index for Montgomery leveled off at 69.6 for the second quarter of 2017, after decreasing 3.6 points. Most panelists are expecting either an improvement or no change to the national economy compared with last quarter, with more than 78 percent of panelists feeling optimistic and only 4.3 expecting a worse performance of the national economy.

#### National Economic Outlook



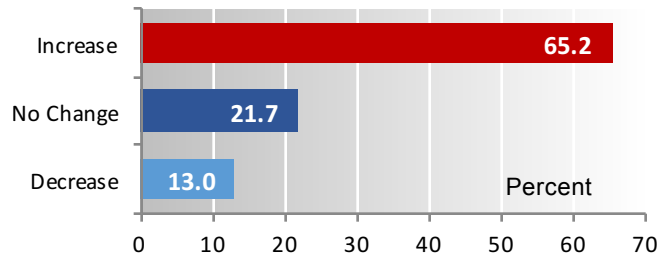
#### Alabama Economic Outlook



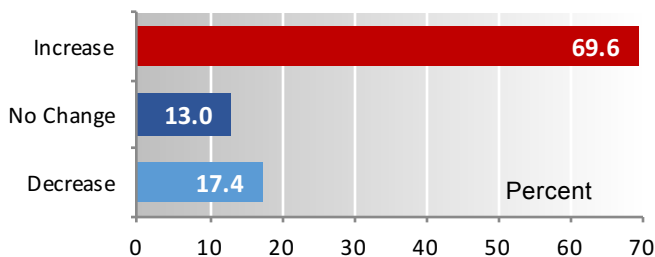
# ALABAMA BUSINESS CONFIDENCE INDEX Montgomery Metro Area

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

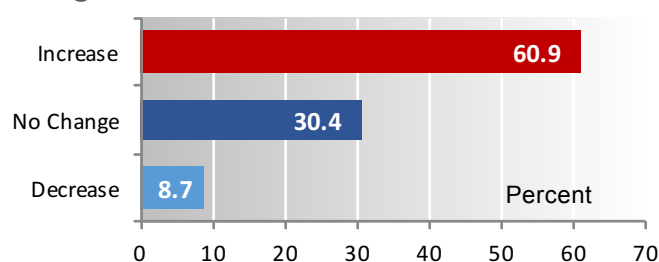
### Sales



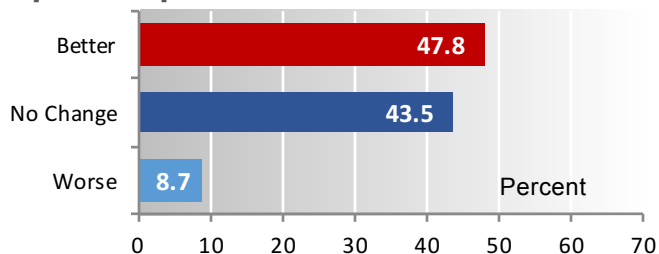
### Profits



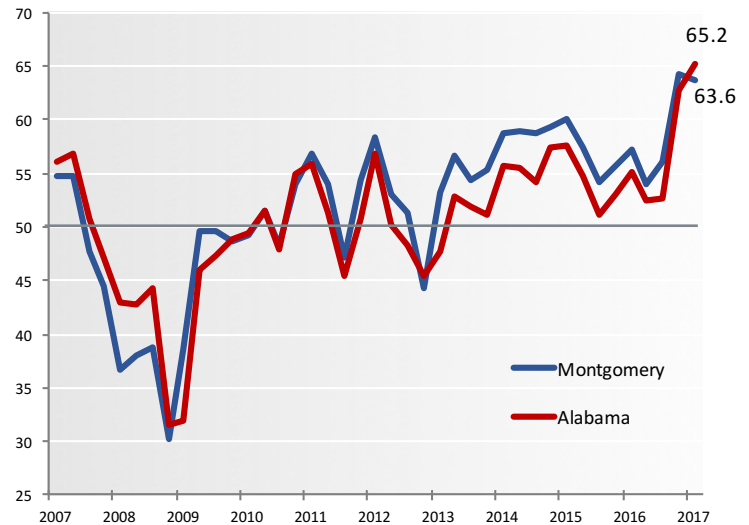
### Hiring



### Capital Expenditures



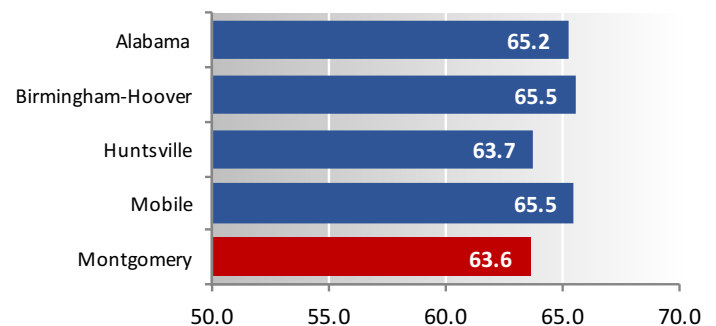
## ABCI Montgomery in Context



Montgomery business confidence decreased slightly in the second quarter of 2017, dropping 0.6 points to reach 63.6. For the first time in four years, Montgomery's ABCI fell below the statewide ABCI, though the two indexes are both positive and their index values are close..

## 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 Montgomery metro area business executives who completed the second quarter 2017 ABCI survey. We look forward to a continuing partnership with the Montgomery Area 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.