



Huntsville Metro Economic Update

December, 2021



Key Highlights

- ❖ Overall metro area employment has recovered and surpassed pre-Covid levels for most industry sectors.
- ❖ Unemployment inside the metro is currently at a record low of 2.0% but the population is increasing and workers from outside the metro area are commuting to fill local jobs
- ❖ Moody's has projected strong growth for the Huntsville metro which is expected to outpace the growth of the U.S. economy over the next five years.
- ❖ The Federal Reserve is concerned over record inflation and is looking at potential interest rate increases in 2022



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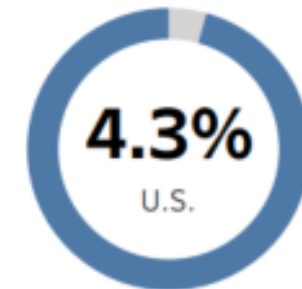
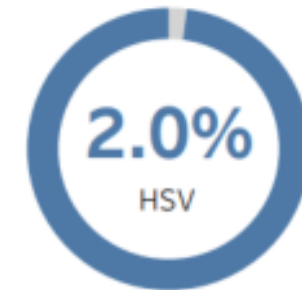
Huntsville Metro Employment

October 2021	1-Month Change	3-Month Change	12-Month Change
253,100	1.2%	1.6%	3.4%
U.S.	1.1%	1.8%	3.9%

12-Month Change



Unemployment Rate October 2021



Summary:

The current metro area employment for October 2021 is 253,100 which is a 3.4% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 2.0% compared to the U.S. rate of 4.3%.

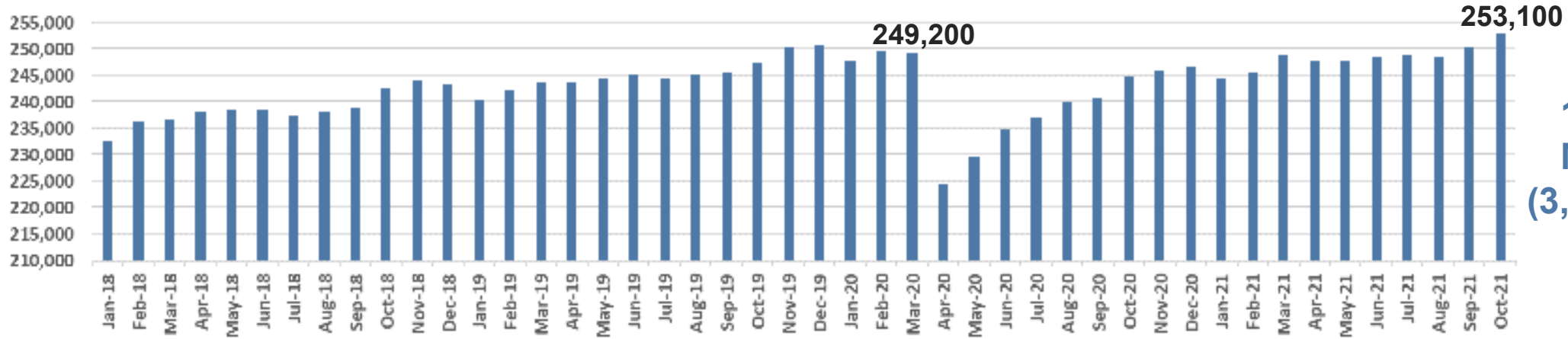
(Source: U.S. Bureau of Labor Statistics <https://data.bls.gov/PDQWeb/sm>)



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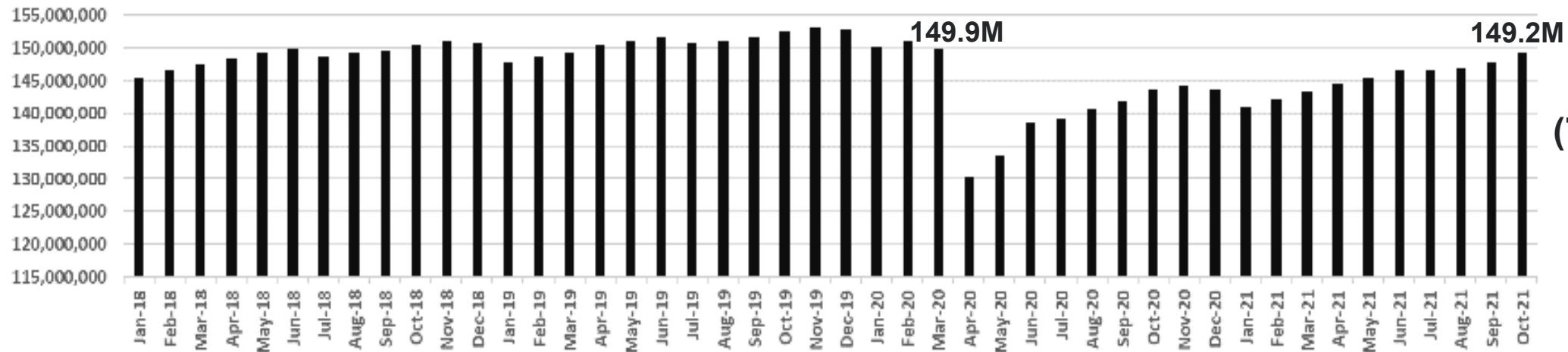
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Huntsville Metro Employment



1.5% above
March 2020
(3,900 workers)

U.S. Employment



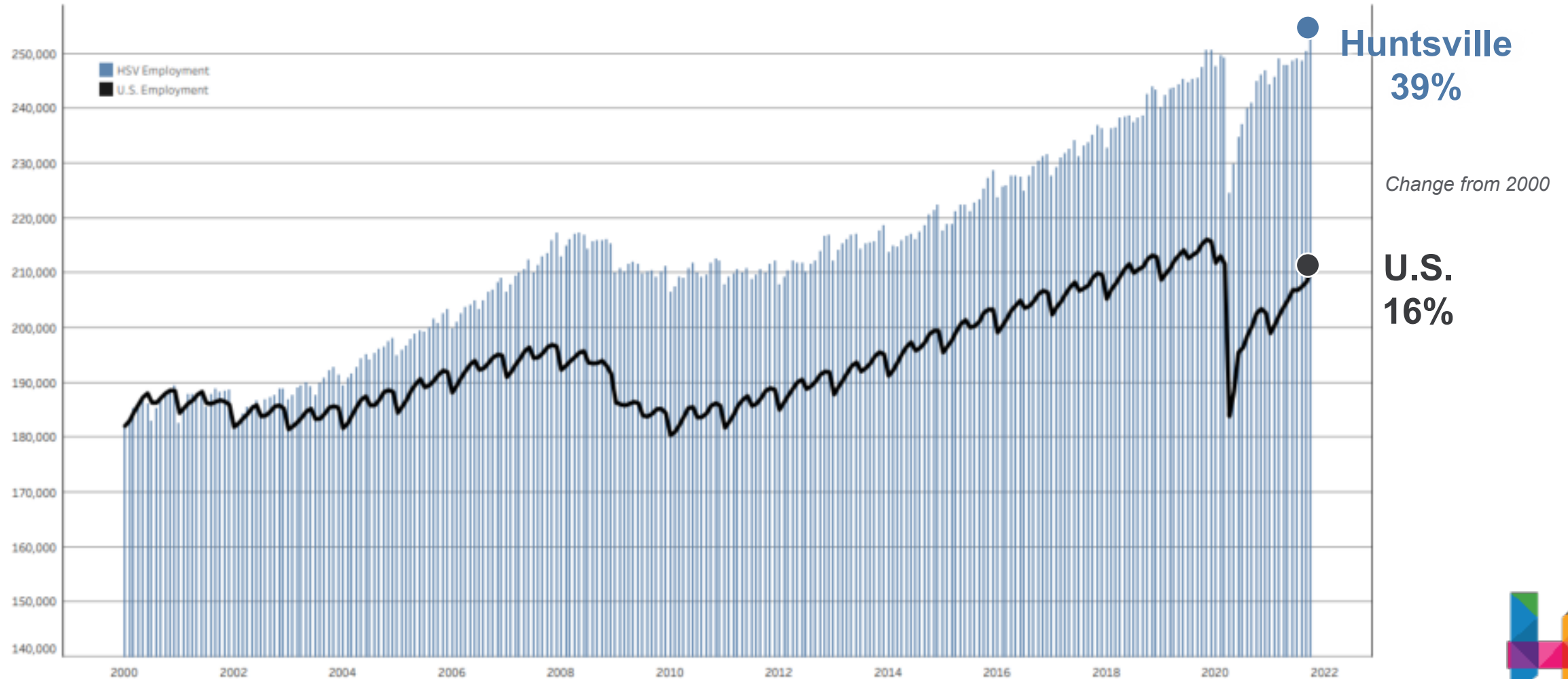
0.5% below
March 2020
(700,000 workers)



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Employment Growth, 2000-Current

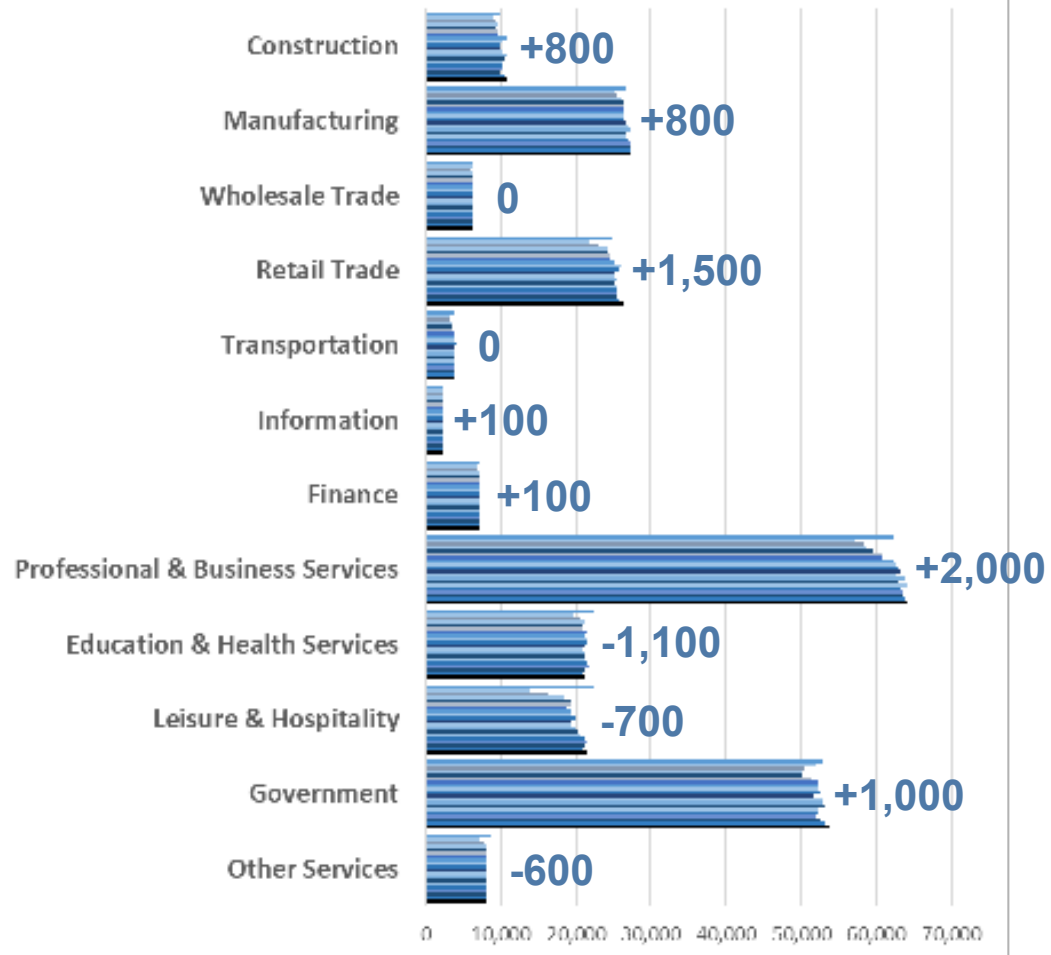


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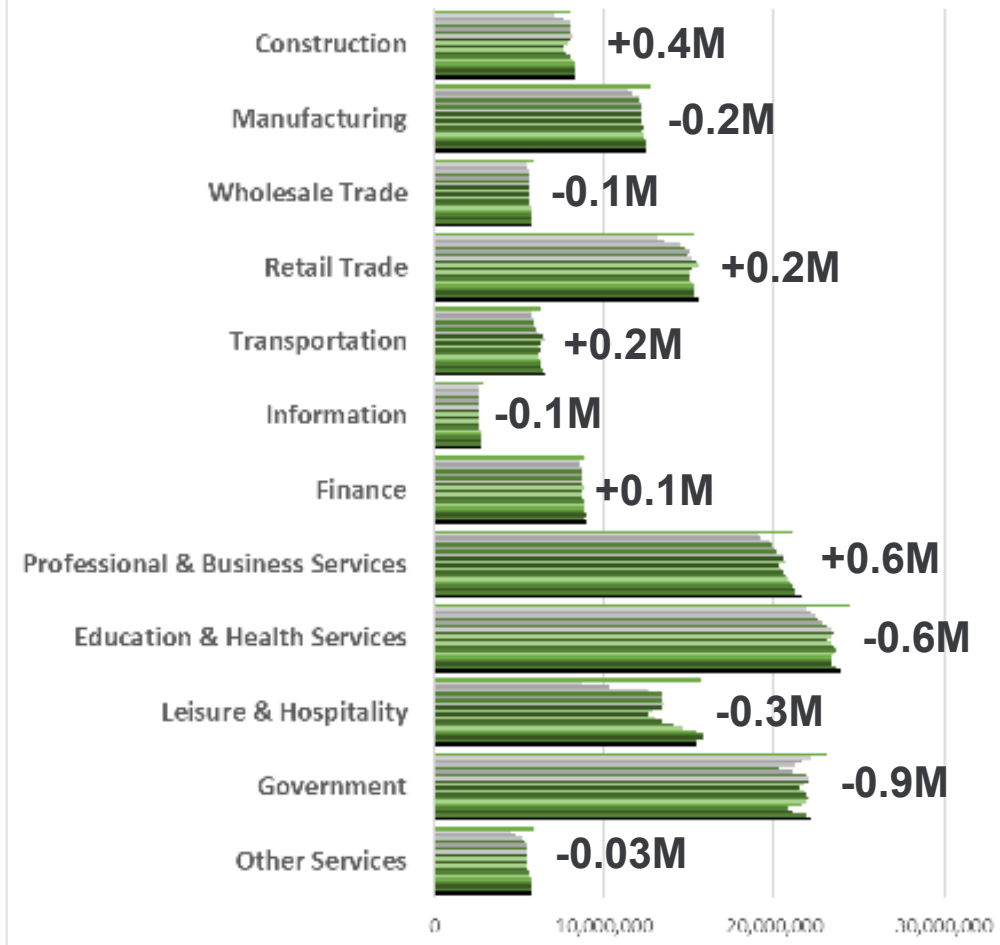
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(Change: March 2020 to October 2021)

Huntsville Metro Employment



U.S. Employment



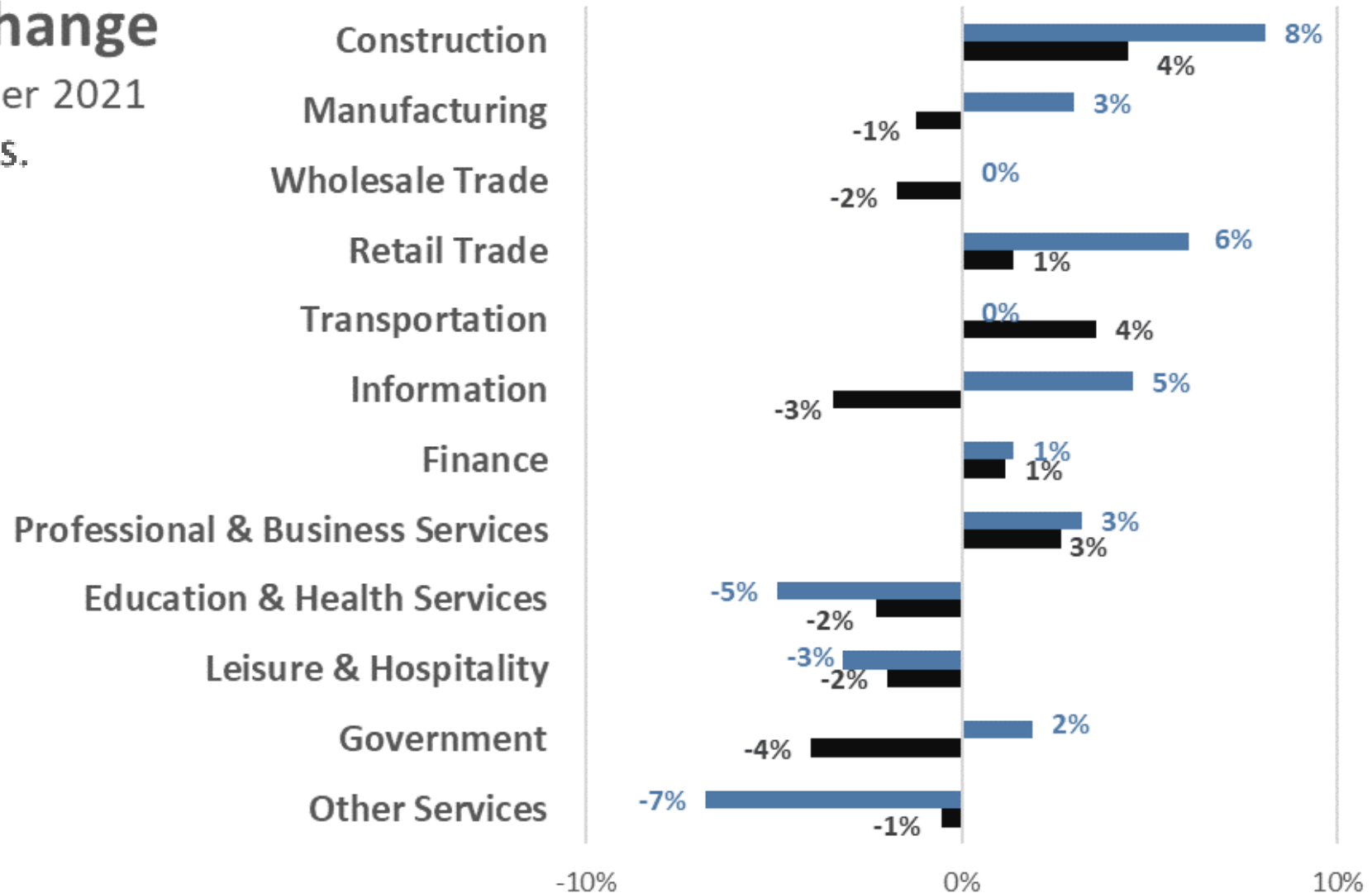
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Employment Change

March 2020 to October 2021

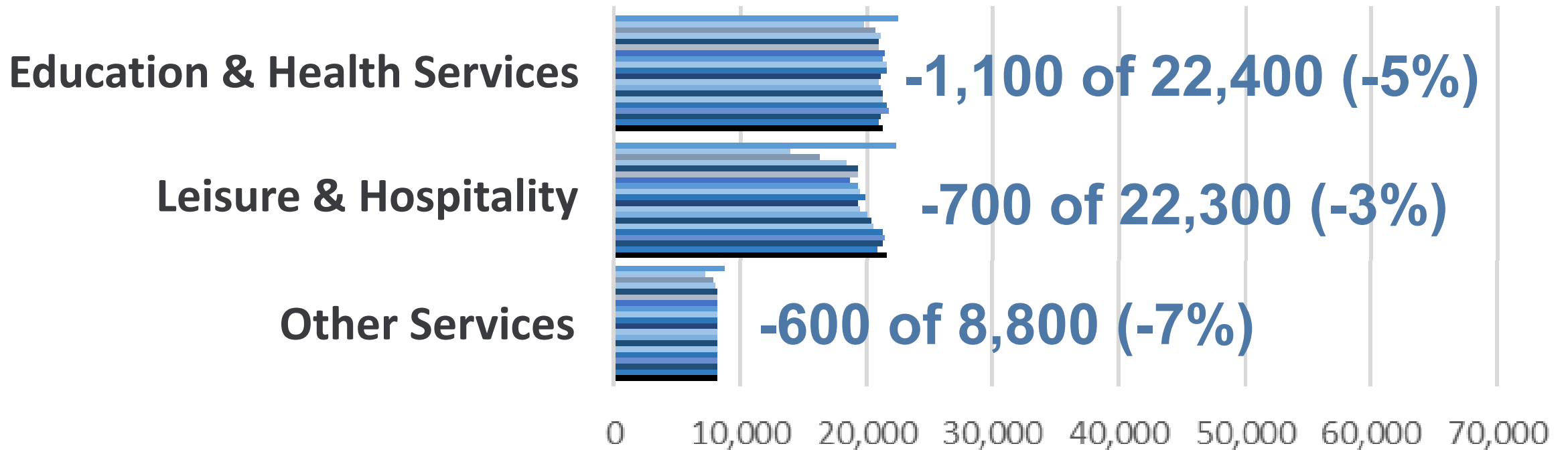
■ Huntsville ■ U.S.



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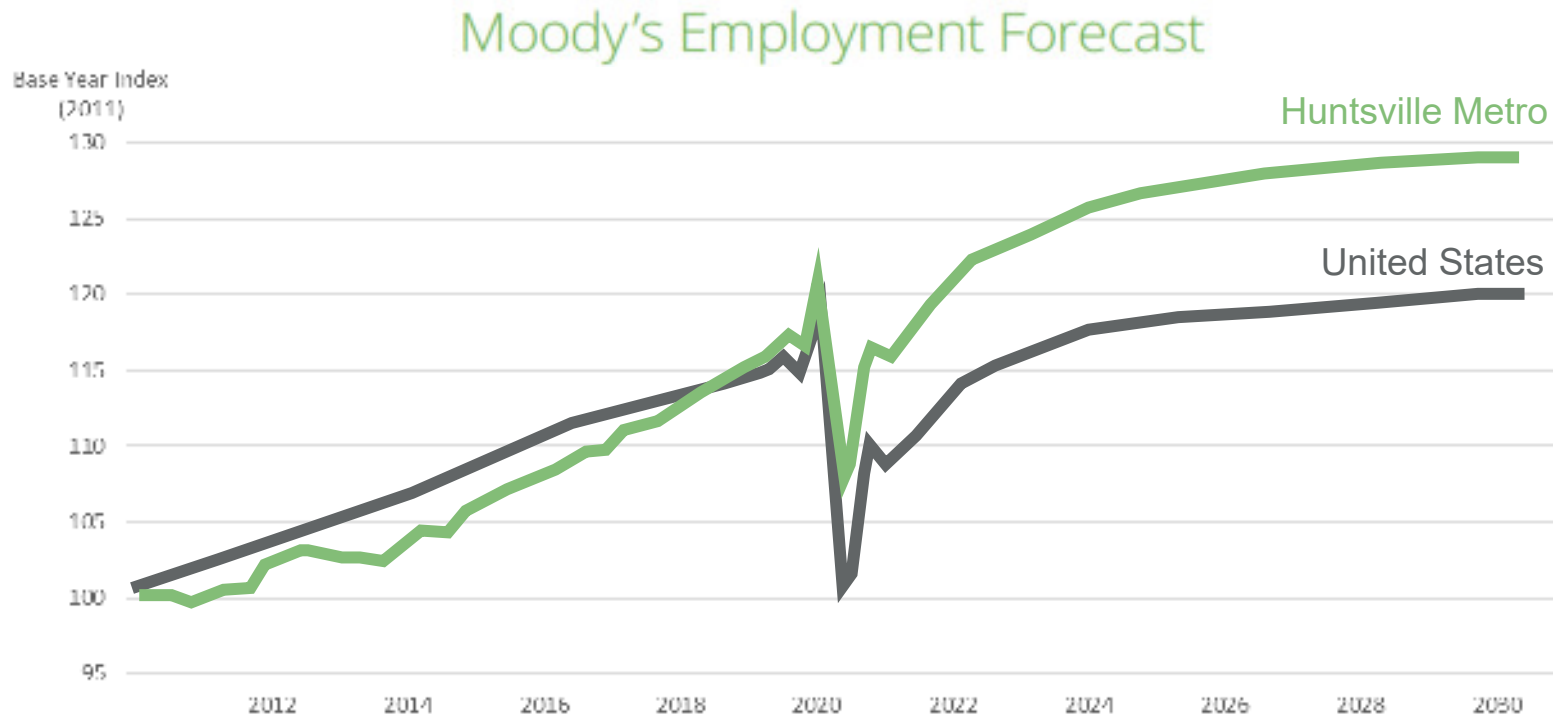
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"Huntsville will be an above-average performer in the short term because of the strength in manufacturing and federal government, as well as a skewing toward high-wage jobs. Longer term, Huntsville will benefit from a high-quality workforce and strong population trends, giving it an edge over other Alabama metros."

- Moody's Analytics -

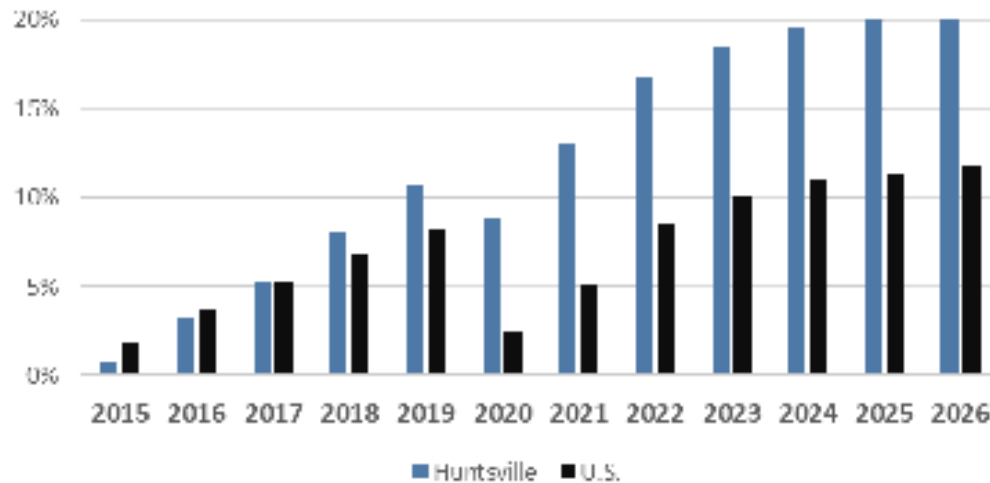


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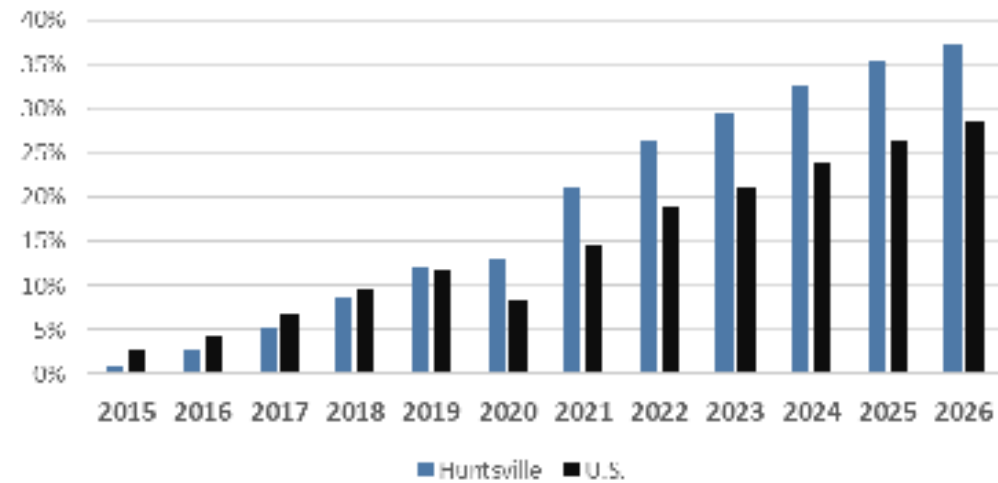
Employment Growth



	1-Year	2-Year	3-Year	4-Year	5-year
Huntsville	-1.8%	2.2%	6.1%	7.9%	9.1%
U.S.	-5.7%	-3.1%	0.7%	2.3%	3.0%

Change from 2019

GDP Growth



	1-Year	2-Year	3-Year	4-Year	5-year
Huntsville	0.8%	9.1%	15.1%	18.3%	22.2%
U.S.	-3.4%	2.4%	6.8%	9.3%	12.3%

Change from 2019





- ❖ The Federal Reserve is concerned over inflation which has risen each of the past 6 months to a total of 6.8% in 2021
- ❖ During the December 14-15 meeting the Federal Open Market Committee is expected to discuss speeding up the end of its bond-buying program to allow for future interest rate increases in 2022
- ❖ Inflation is no longer considered only a transitional result of Covid and the Federal Reserve will be looking to balance assisting with Covid relief vs combating rising inflation





- ❖ Economic activity expanded moderately
- ❖ Demand for labor is strong with a tight labor supply
- ❖ Raw material prices rose significantly due to supply chain disruptions
- ❖ Consumer demand is high based on expected robust holiday sales
- ❖ Demand for housing is strong but lower than record highs. The increase in the interest rate led to higher residential sales based on expectations of further rate increases
- ❖ Manufacturing activity reports healthy demand but supply chains are still disrupted
- ❖ Transportation activity is strong with increases in inventories but there is a backlog of shipping and trucking for containers
- ❖ Banking conditions remained steady with stronger consumer & residential loan growth
- ❖ Energy sectors rose with a strengthening of global demand
- ❖ Agricultural conditions remained mixed with supply chain and labor issues affecting margins



Huntsville Metro Area Report

Alabama Business Confidence Index™

