



Huntsville Metro Economic Update

February, 2022



Key Highlights

- ❖ Overall metro area employment has recovered and surpassed pre-Covid levels for most industry sectors.
- ❖ Unemployment inside the metro is currently near record lows at 2.1% 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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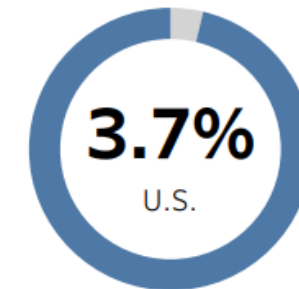
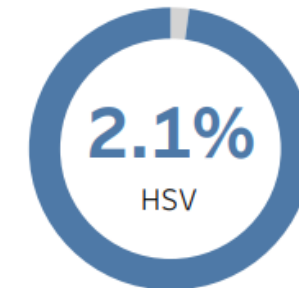
Huntsville Metro Employment

December 2021	1-Month Change	3-Month Change	12-Month Change
252,400	-0.2%	0.9%	2.3%
U.S.	0.1%	1.8%	4.7%

12-Month Change



Unemployment Rate December 2021



Summary:

The current metro area employment for December 2021 is 252,400 which is a 2.3% annual change over the last 12 months. Overall unemployment in the Huntsville metro is currently 2.1% compared to the U.S. rate of 3.7%.

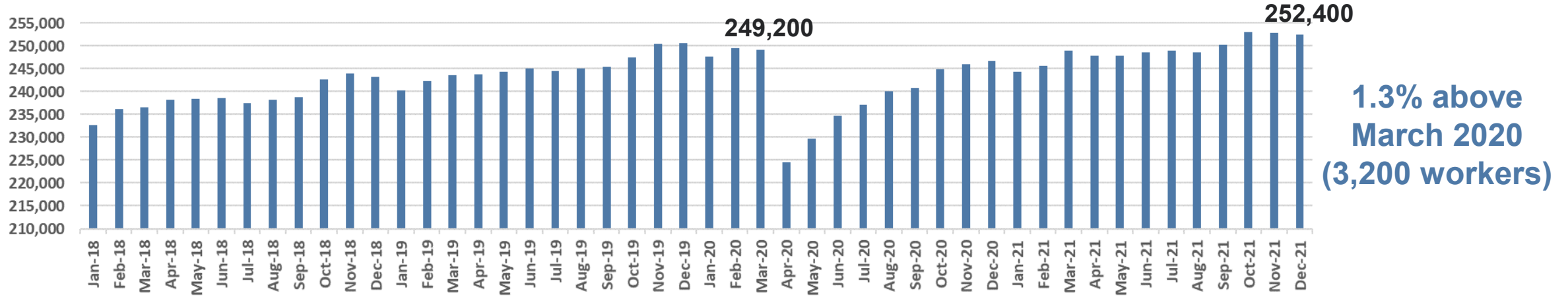
(Source: U.S. Bureau of Labor Statistics <https://data.bls.gov/PDQWeb/sm>)



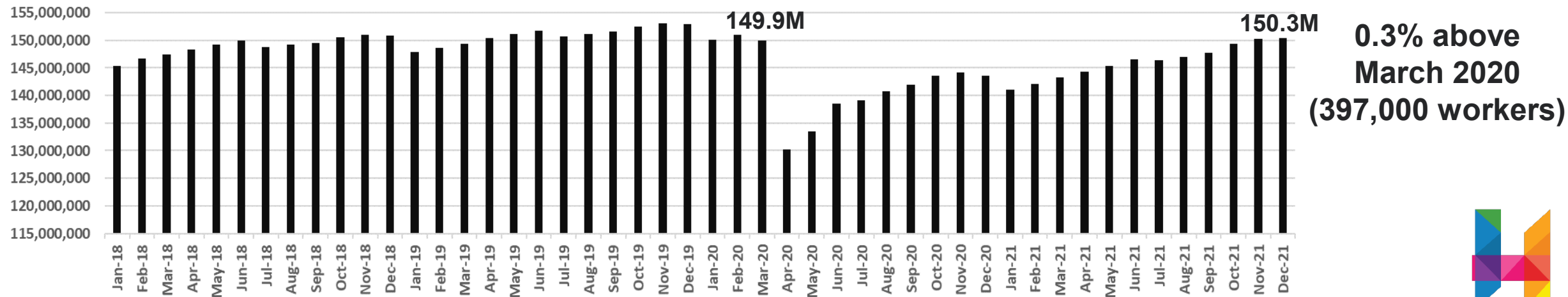
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Huntsville Metro Employment



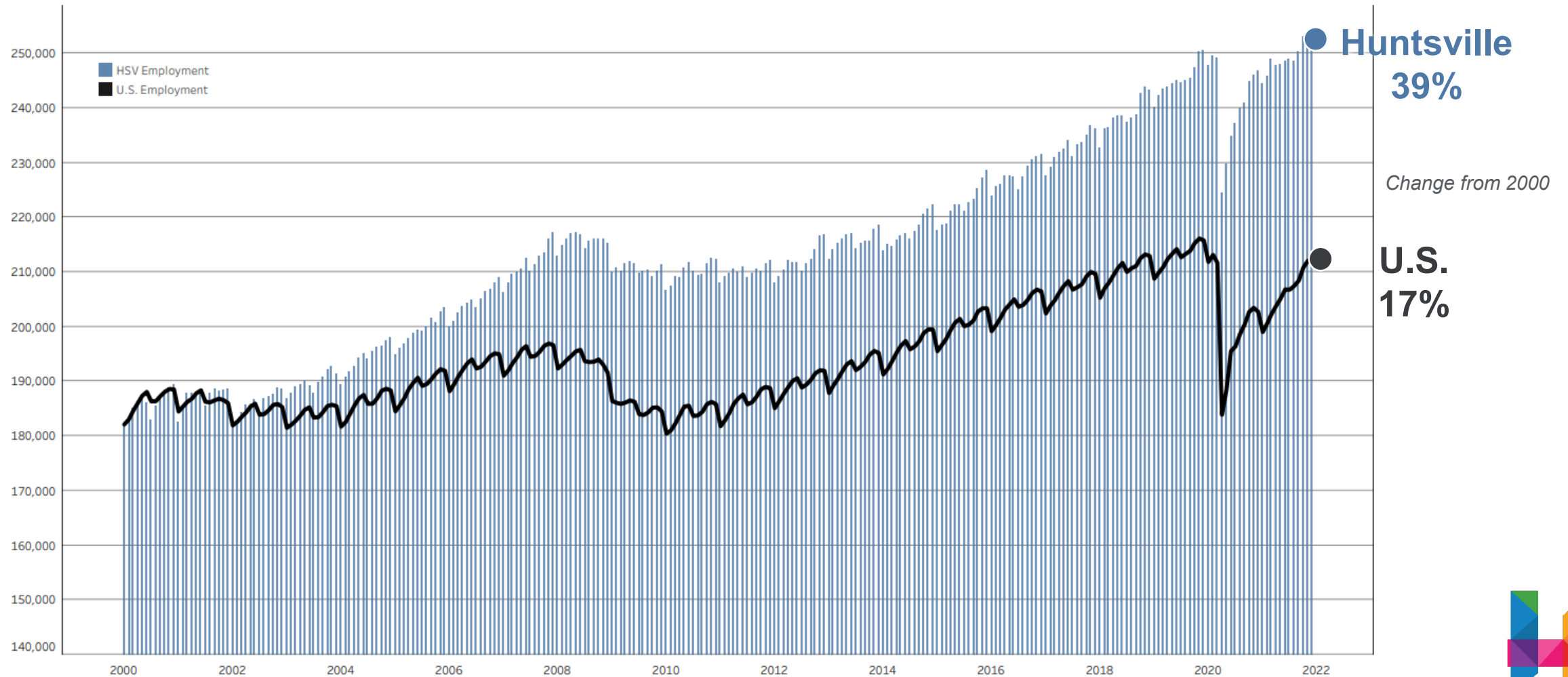
U.S. Employment



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Employment Growth, 2000-Current

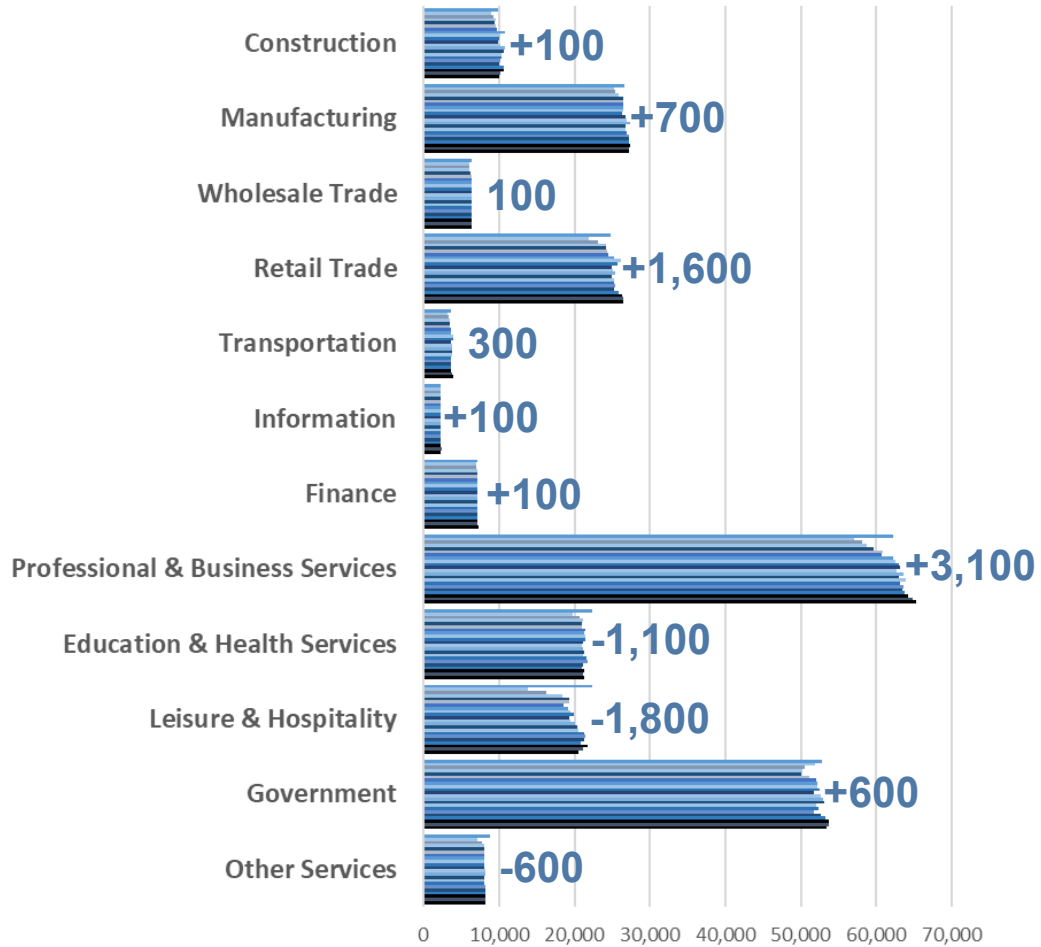


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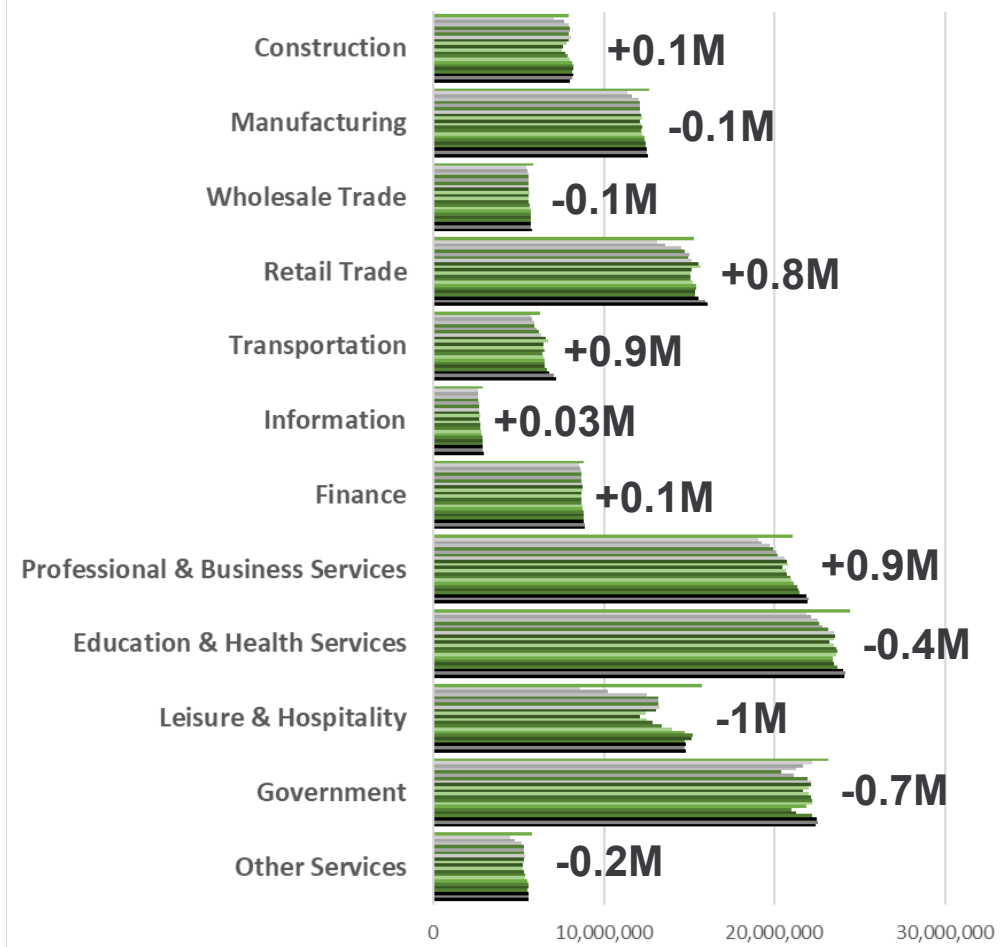
February 2022

(Change: March 2020 to December 2021)

Huntsville Metro Employment



U.S. Employment



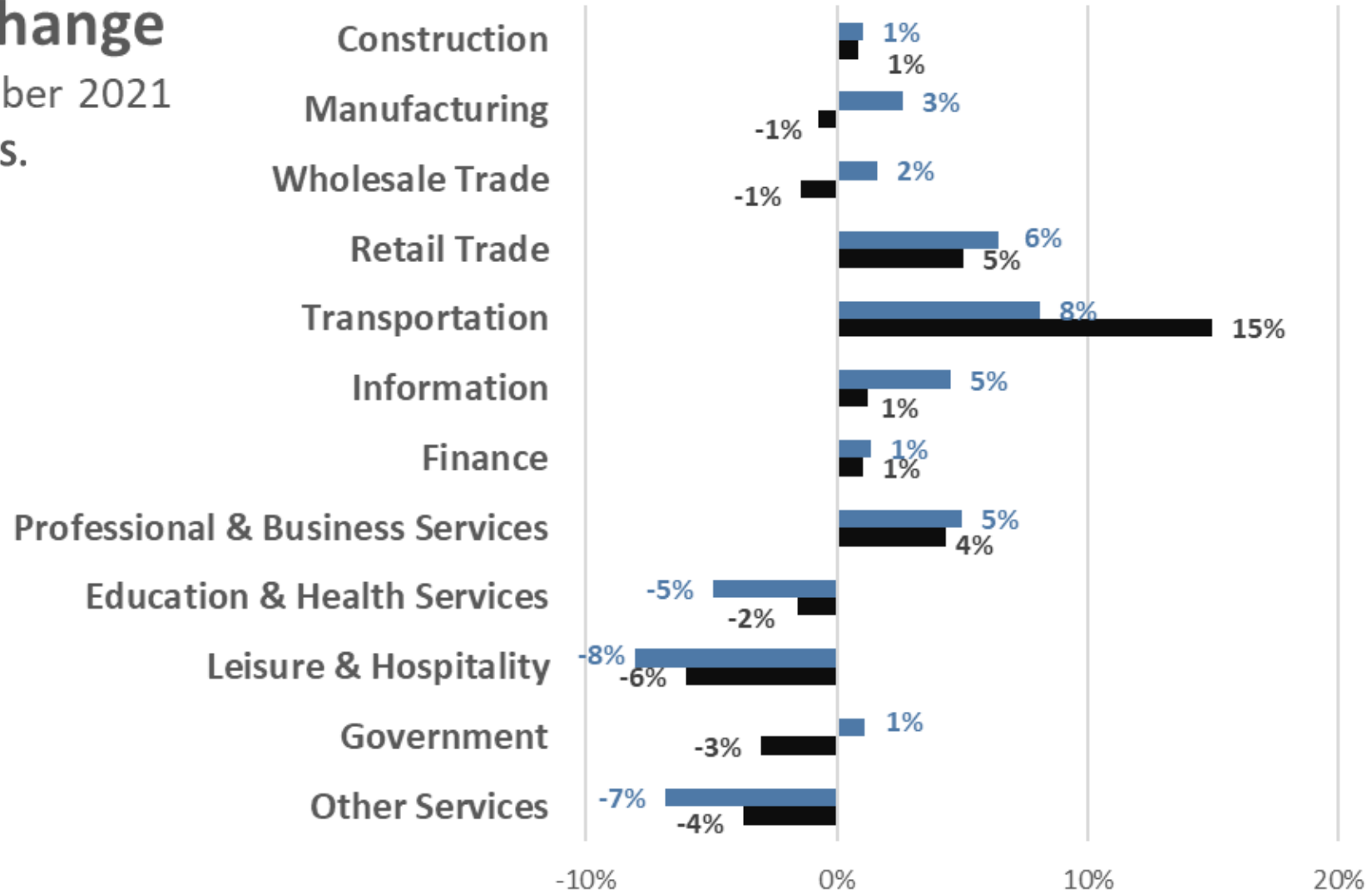
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Employment Change

March 2020 to December 2021

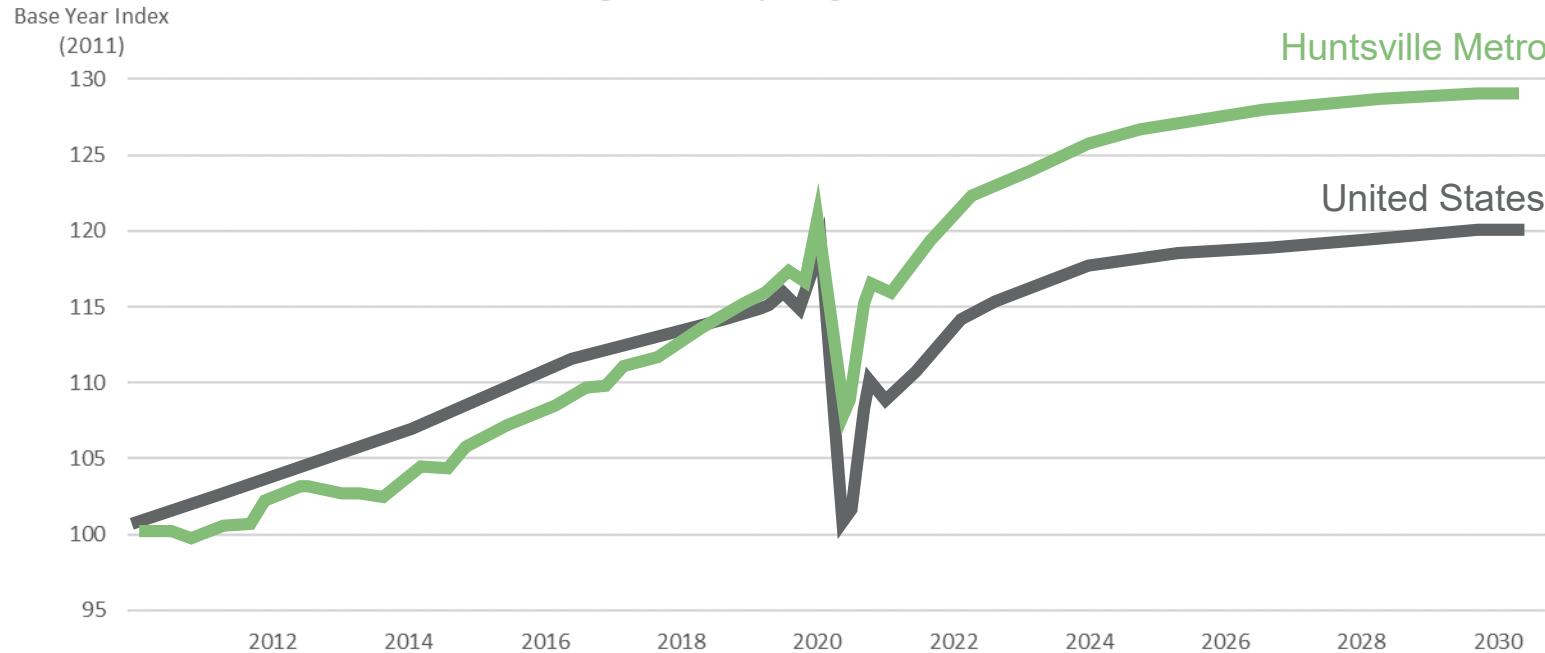
■ Huntsville ■ U.S.



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Moody's Employment Forecast



“Huntsville’s economy will expand on par with the U.S. pace over the coming year, led by manufacturing, professional services and construction. Longer term, the concentrations of manufacturing and aerospace-related industries, a highly educated labor force, and above-average population growth will enable the metro area to outperform the nation.”

– Moody’s Analytics –

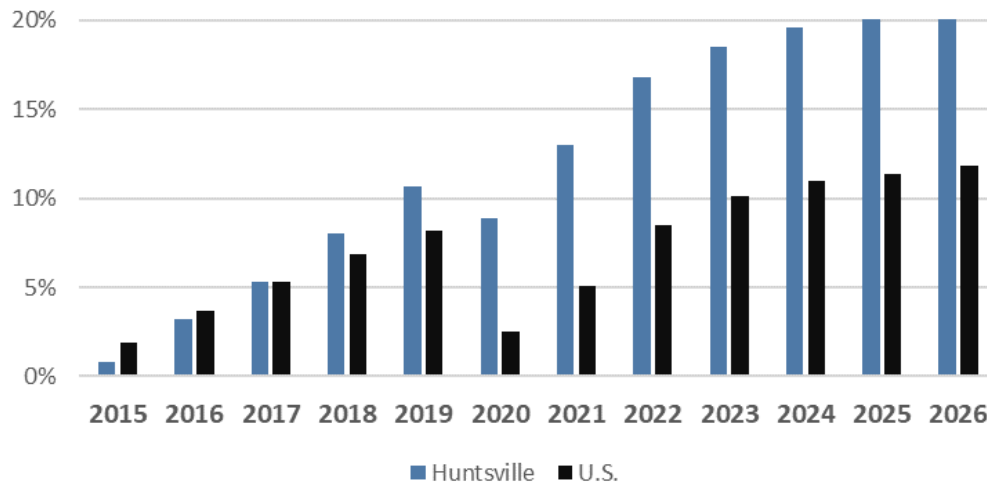


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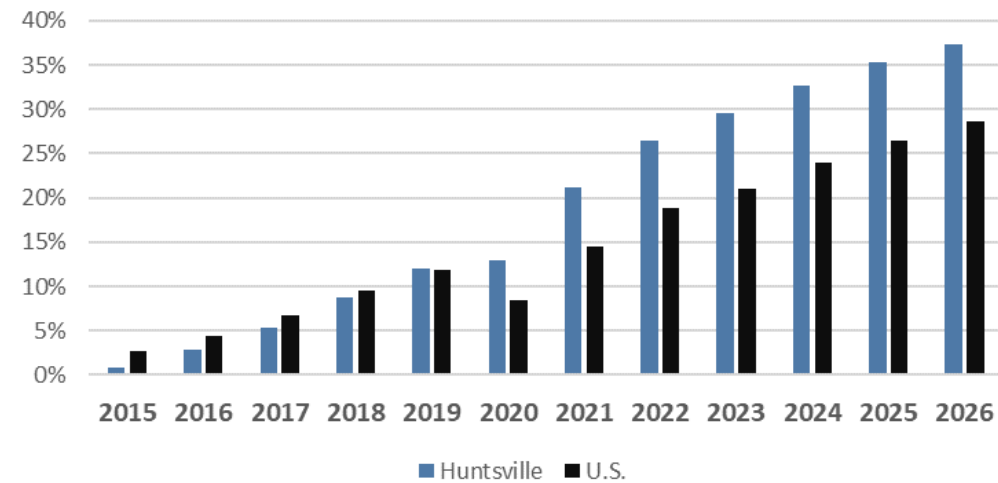
Employment Growth



	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 steadily over the past several months to reach over 7% on an annual basis
- ❖ During the January 25-26 meeting, the Federal Open Market Committee indicated its openness to 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 Covid relief vs combating rising inflation



Huntsville Metro Economic Update

Federal Reserve Bank of Atlanta
Beige Book, January 12, 2022



- ❖ Economic activity expanded moderately
- ❖ Demand for labor is strong with a tight labor supply
- ❖ Prices are expected to remain elevated
- ❖ Consumer demand is high, especially off-price retailers
- ❖ 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 and employee turnover is high
- ❖ 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 were steady 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™

