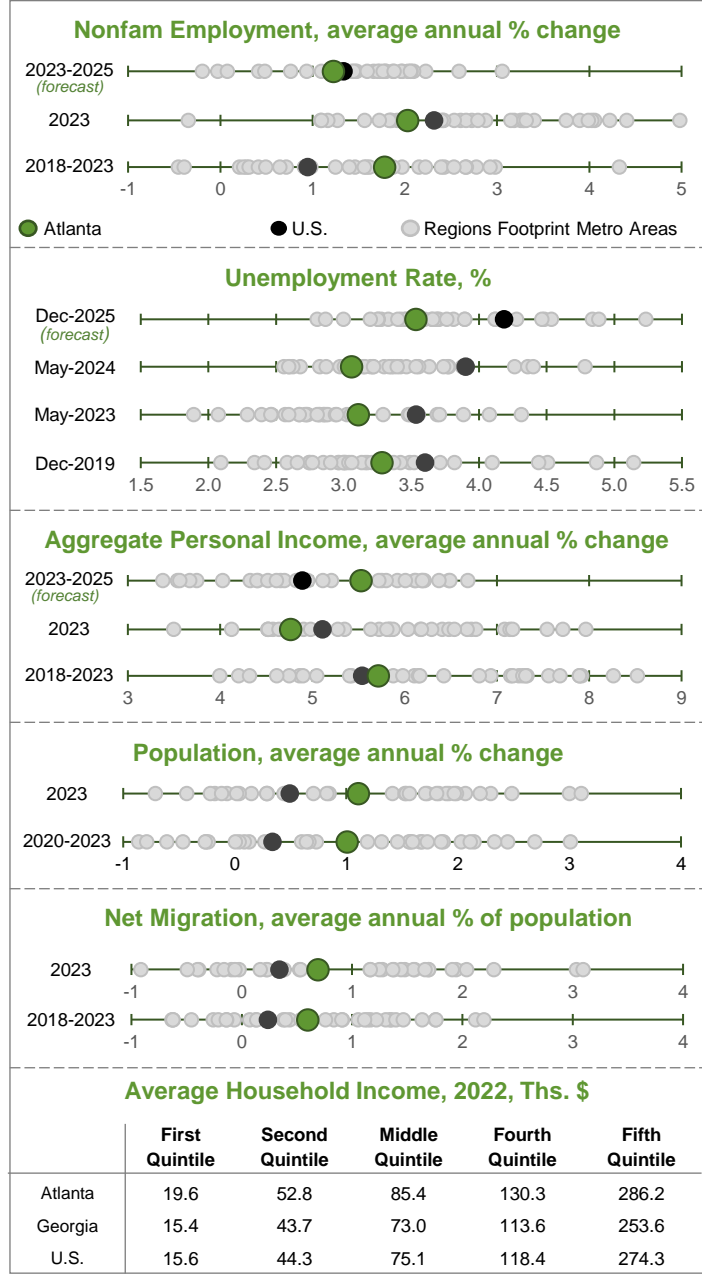


Overview: After outpacing the national average through 2022, economic growth in the Atlanta metro area slowed last year as several major employers faced acute market pressures. Job losses among two industry groups were balanced by gains in other areas, which held total job growth near the national average. We look for the metro area to regain momentum later this year, supported by a skilled local workforce, expansive infrastructure, and industrial diversity.

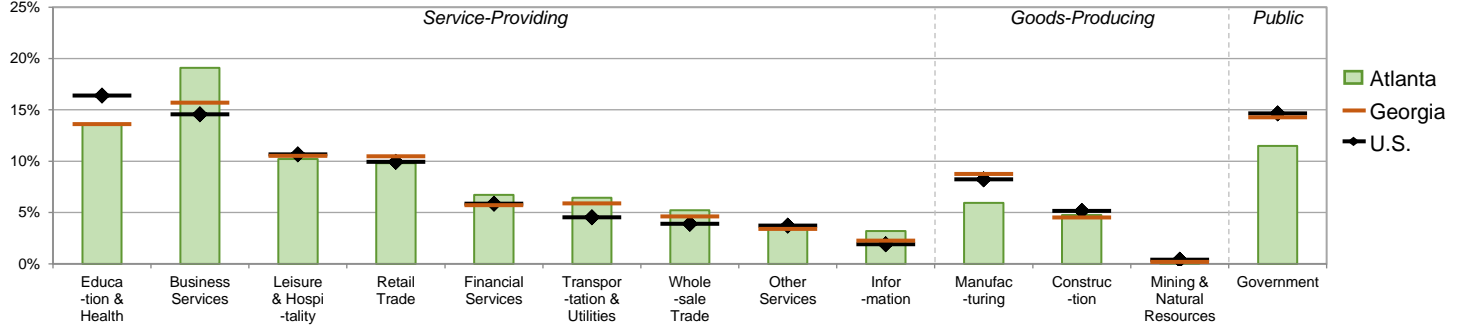
Labor Market: Atlanta experienced robust job growth in the five years through 2022, with annual job gains averaging 1.8 percent – more than twice the national average – and remaining notably broad-based. Over this period, employment rose faster than the U.S. average across all major industry groups, with Atlanta’s highly-skilled labor force laying the foundation for this expansive growth. At 42.8 percent, the share of prime working-age workers that have earned at least a bachelor’s degree stands well above the national average of 35.8 percent, attracting a wide range of employers to the metro area. Hiring among business services, which include computer systems design, legal, and accounting, among other specialized professions, has accounted for the largest share of job creation, building on Atlanta’s core strength. Employment within financial services improved 16.7 percent over the five-year span, easily twice the national average, while payrolls within information services are supported by corporate offices of AT&T Mobility, Cox Enterprises, and Turner Broadcasting, as well as investments from television and film production studios. Gains among these higher-earning occupations have facilitated faster growth in personal income and held median household income, at \$84,876 as of 2022, above the national median of \$74,755.

Atlanta lost momentum last year, however, with job gains, at 2.0 percent, falling short of the national average of 2.3 percent, due to pockets of weakness. As host to the corporate headquarters for Delta Airlines, The Home Depot, and UPS, Atlanta maintains a higher share of its workforce within transportation and trade services compared to the national average. While hiring among warehousing and package delivery services provided early support for Atlanta’s economy at the start of the pandemic, freight operators reversed course more recently in response to lower shipping volumes and rising operating costs. After shrinking its global workforce by 36,000 jobs in 2023, UPS announced plans to cut another 12,000 roles this year as the company reported a sizable annual decline in revenue. Job growth among retailers has also stagnated, particularly for The Home Depot, which saw sales decline as rising mortgage interest rates clamped down on the housing market. Revenues among airlines, meanwhile, have taken off since travel restrictions were lifted, with Delta reporting record revenues last quarter and extending healthy pay increases across the board. Beyond



3-month moving average for Unemployment Rate; Annual totals for all others
continued . . .

Employment by industry, share of total nonfarm employment, trailing 12-month average

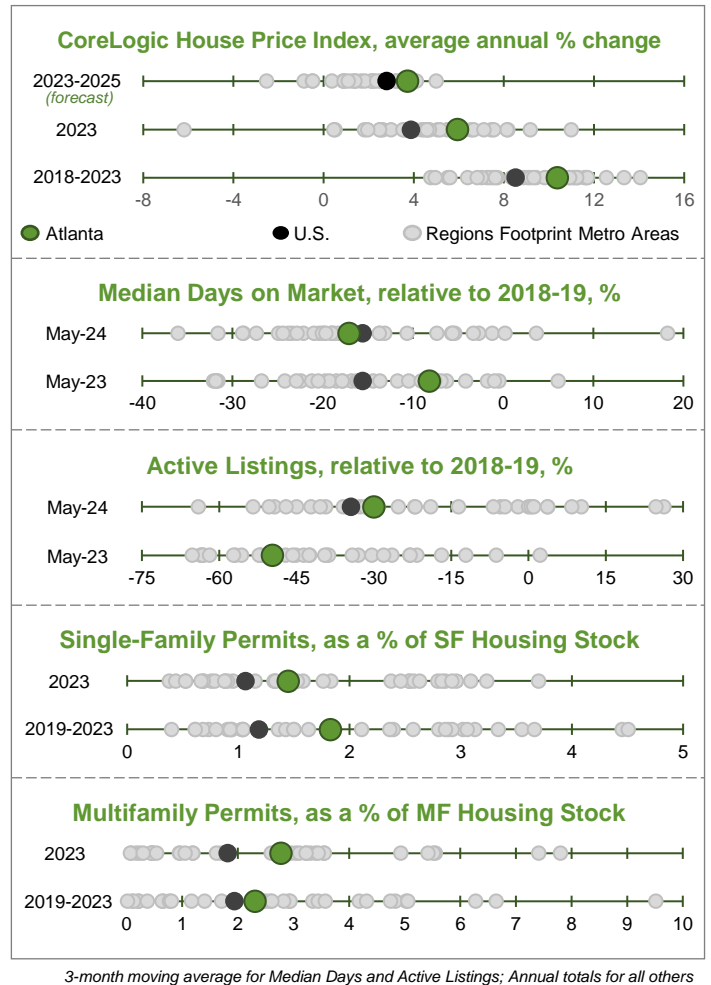


Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Census Bureau; Regions Financial Economics Division. Forecast as of July, 2024.

recent pandemic-era distortions, performance across these industry groups is usually better synchronized, linked by a strong dependence on discretionary consumer spending, which could face further challenges should elevated inflation and interest rates remain persistent. While the recent layoffs will dampen job gains for 2024, we look for job growth in Atlanta to outperform the national average next year, carried by continued hiring among business and financial services.

Housing: Relative strength in the labor market over the longer term has sustained robust migration into the area, boosting population growth to more than twice the national average in recent decades. The pace of residential construction, particularly in the decade following the 2007-2009 recession, has been overpowered by Atlanta's expansive growth, creating a growing imbalance in the housing market that intensified competition among buyers. House price appreciation has outrun the national average in each year since 2012, with Atlanta notably maintaining this edge through the recent rise in mortgage interest rates. In 2023, house prices rose 5.8 percent in 2023, exceeding the national pace of 3.8 percent, while median days on market tightened further than the U.S. average, suggesting that – despite years of outsized house price appreciation – housing remains more affordable than other metro areas.

Cracks have developed in the rental market, however, with apartment vacancy rates rising to 12.2 percent – an all-time high for Atlanta – and market rents sliding 3.7 percent over the year, according to data from CoStar. The current pipeline includes over 29,000 apartment units currently under construction, representing 5.7 percent of the existing stock, which, while slightly ahead of the national average, is far less menacing than the double-digit shares found in Austin, Charlotte, and Nashville. Looking ahead, we expect a healthy pace of household formation to provide better stability for market rents and support modest gains in house prices.



Residential Sales and Construction	2017	2018	2019	2020	2021	2022	2023	2023 ytd*	2024 ytd*
Existing Home Sales, ths. units	121.5	129.3	130.6	131.2	161.3	130.0	94.2	29.1	27.5
New Home Sales, ths. units	17.1	20.8	21.3	23.8	24.1	19.9	14.7	5.1	3.6
Single-Family Permits, ths. units	25.0	26.5	26.3	28.6	31.6	26.6	24.0	9.8	11.7
Multifamily Permits, ths. units	8.9	12.9	6.6	3.7	7.9	21.5	14.6	7.9	6.5

	Atlanta			Georgia			U.S.		
Housing Characteristics	2009	2016	2022	2009	2016	2022	2009	2016	2022
Occupied Housing Units, mil.	1.854	1.995	2.244	3.417	3.612	3.946	112.611	117.716	125.736
Homeownership rate, %	68.6	63.0	65.3	67.5	62.8	65.0	66.9	63.6	64.8
Occupied Single-Family Units, mil.	1.374	1.471	1.660	2.447	2.584	2.856	77.643	80.973	86.522
% renter-occupied	13.2	19.4	16.8	16.5	21.5	18.9	15.2	18.4	16.6
Occupied Multifamily Units, mil.	0.419	0.466	0.528	0.651	0.719	0.799	27.884	29.929	32.528
% of total occupied units	22.6	23.4	23.5	19.1	19.9	20.3	24.8	25.4	25.9

Demographics	2003	2013	2023	2003	2013	2023	2003	2013	2023
Population, mil.	4.573	5.512	6.292	8.623	9.976	11.029	290.108	316.060	334.915
10-year cumulative growth, %	38.9	20.5	14.2	26.5	15.7	10.6	13.1	8.9	6.0
15-24 age cohort share, %	13.5	13.7	13.5	14.6	14.3	13.8	14.3	13.9	13.1
25-44 age cohort share, %	33.6	28.9	28.2	30.9	27.4	27.2	28.7	26.4	26.8
45-64 age cohort share, %	22.5	25.7	25.6	22.9	25.6	24.9	23.7	26.3	24.5
65+ age cohort share, %	7.8	10.4	13.8	9.6	12.0	15.4	12.4	14.1	17.7

Shading relative to U.S.

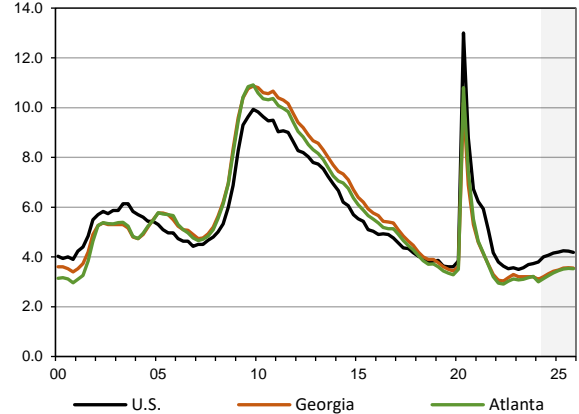
* Year-to-date through April for home sales; year-to-date through May for building permits.

Sources: CoreLogic; Realtor.com® Economic Research; U.S. Census Bureau; Regions Financial Economics Division.

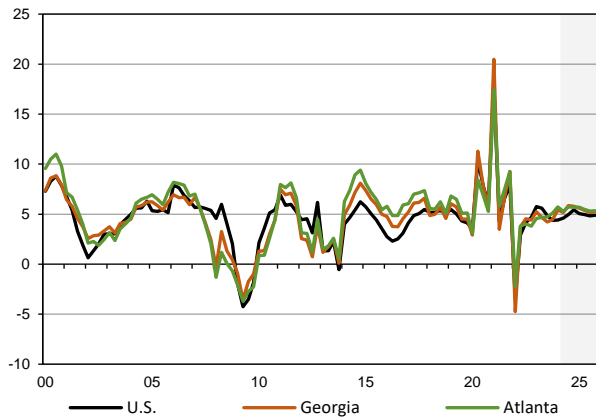
REGIONS
Total Nonfarm Employment, % change year ago



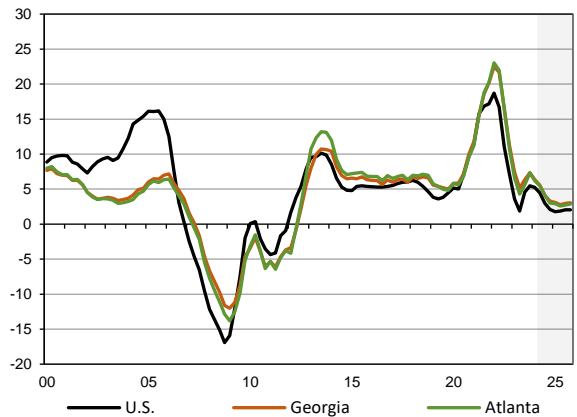
REGIONS
Unemployment Rate, %



REGIONS
Total Personal Income, % change year ago



REGIONS
CoreLogic House Price Index, % change year ago



Key Economic Indicators	2017	2018	2019	2020	2021	2022	2023	2024 (F)	2025 (F)
Total Employment, ths.	2,736.6	2,797.8	2,864.3	2,718.6	2,844.0	2,994.8	3,055.5	3,089.1	3,130.7
Annual % change	2.5	2.2	2.4	-5.1	4.6	5.3	2.0	1.1	1.3
Georgia, annual % change	1.9	1.9	1.9	-4.5	3.9	4.6	2.0	1.4	1.2
U.S., annual % change	1.6	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	1.0
Unemployment Rate, %	4.6	3.8	3.4	6.8	3.9	3.0	3.1	3.2	3.5
Georgia, %	4.8	4.0	3.6	6.5	3.9	3.1	3.2	3.3	3.5
U.S., %	4.4	3.9	3.7	8.1	5.4	3.6	3.6	4.0	4.2
Personal Income, \$ bil.	299.8	316.5	335.0	354.8	389.9	398.9	417.9	441.3	465.3
Annual % change	6.9	5.6	5.9	5.9	9.9	2.3	4.8	5.6	5.5
Georgia, annual % change	6.0	5.0	5.2	6.9	9.8	1.9	4.6	5.6	5.3
U.S., annual % change	4.9	5.2	4.7	6.9	9.1	2.0	5.1	4.9	4.9
CoreLogic HPI, annual % change	6.7	7.0	5.2	7.0	16.5	17.8	5.9	4.7	2.8
Georgia, annual % change	6.2	6.6	5.3	7.2	16.6	17.8	6.6	4.8	3.0
U.S., annual % change	5.8	5.5	3.9	6.7	15.4	13.2	3.9	3.7	1.9

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; CoreLogic; Regions Financial Economics Division. Forecast as of July, 2024.

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