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FEATURED

Georgia, Metro Atlanta feel weight of unsettled economic conditions

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Economic Highlights

Here are some key economic points from Rajeev Dhawan's Aug. 28 Economic Forecast for Atlanta and Georgia:

- **Georgia jobs:** The state added 66,800 jobs in calendar year 2023 and that pace moderated to 41,900 jobs in 2024. Job additions will moderate further to 33,700 jobs in 2025 (3,400 premium). In 2026, the state will add 65,800 jobs (12,500 premium) and then 83,300 jobs in 2027 (19,200 premium).
- **Income:** Georgia's nominal personal income will grow 5.4 percent in 2025, a similar rate of 5.3 percent in 2026, then 6 percent in 2027.
- **Atlanta jobs:** The metro area will add 24,800 jobs in 2025 (2,200 premium). As recovery takes hold in 2026, the metro area will add a respectable 44,300 jobs (9,900 premium), and 60,500 jobs (14,800 premium) in 2027.
- **Housing market:** Atlanta housing permitting activity grew by 4.7 percent in 2024; single-family permits increased by 6.5 percent and multifamily permits by 2.0 percent. Total permit numbers will fall by 21.5 percent in 2025 as multifamily permits experience a sharp drop of 40 percent and single-family permits also decrease by 10 percent. In 2026, total permit numbers inch up by 1.3 percent as single-family permits increase by 2.4 percent. Normalcy will return in 2027 when permit activity grows by 13 percent.

ATLANTA — Georgia is enduring its share of fallout from federal layoffs and spending cuts, less tourism from abroad to a pullback in film and TV spending by big Hollywood studios.

But the state's multifaceted economy is also benefiting from a boom in data center construction, continued in-migration of retirees, and an expected boost to the aerospace industry due to European NATO nations pledging to boost defense spending in coming years, according to Rajeev Dhawan of the Economic Forecasting Center at Georgia State University's J. Mack Robinson College of Business.

Dhawan delivered the semi-annual forecast during his Aug. 28 conference.

Job additions in calendar year 2024 totaled 41,900, much lower than the 66,800 jobs added in 2023. This pace was incidentally half of the rate of job creation seen from 2017 to 2019. In the first half of 2025 the state added only 11,700 jobs.

The biggest reason for this sharp slowdown and anemic job growth performance, Dhawan said, is the stress seen in the white-collar, middle-management, service-sector jobs that are battling AI advances, iffy world economic growth, and the changing focus of film-and-television production, where notably Marvel Studios has pulled up stakes for London. Revenue growth in the first half of 2025 for Delta Air Lines, the state's largest private employer with a big footprint in international travel, was an anemic 1.0 percent, with coach ticket sales dropping by 3.6 percent.

“The bread-and-butter of middle-class jobs in three well-paying service sectors — corporate, information technology (including specialized movie production) and wholesale (B2B) — constitute almost one-fourth of the state’s employment base and have lost more than 37,000 jobs since Jan. 2023,” Dhawan said.

Following Dhawan’s “Triangle of Money” logic, the impact of anemic job growth in high-paying service sectors that affects consumer spending is also evident in the rate of growth for sales tax collections at the state level. These collections grew at a solid double-digit level in 2022 but have since fallen to low single-digit levels. Turning to positives in the state’s multifaceted economy, a data center construction boom initiated by technology giants has created an arms race in AI computing.

With Georgia having surpassed Northern Virginia as the nation’s most active market for data centers, Dhawan noted that the data center boom has expanded beyond metro Atlanta to locations including Bartow and Richmond counties (home to Cartersville and Augusta, respectively) in the search for cheap land and energy.

“This is good news for construction industry, and other supporting professions (e.g. HVAC technicians, ready-made concrete suppliers, and electricians) who have had steady work – more – and will continue to do so,” Dhawan said.

As electricity needs rise, more power plants will be constructed outside core Atlanta metro counties, along with the associated construction multiplier. In the interim, the state’s economy must ride the economic swells as best as it can before job growth starts to pick up by early 2026 as tariff rate structure settles, and the expected, and aggressive rate cuts by the Federal Reserve help the housing market.

The state’s aerospace and defense companies, including Lockheed Martin and Gulfstream Aerospace, will also benefit, Dhwan said, due to European NATO nations pledging to raise defense spending to 5 percent of their GDP. More demand for aerospace products will start its own multiplier for suppliers downstream that located all over Georgia.

— *Patrick Fox*

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