

McKinsey Institute for Economic Mobility

# Alabama's playbook for jobs, growth, and economic opportunity

Ellen McNair, the secretary of commerce for Alabama, discusses the state's CatALyst economic development strategy and the value of strong partnerships in driving investment and inclusive growth.



**As Alabama's secretary of commerce**, Ellen McNair has been shaping how the state competes for jobs and investment in a rapidly evolving economic landscape. Drawing on decades of experience in economic development, she has spearheaded the rollout of "CatALyst," a long-term strategic plan designed to help Alabama build on its strengths and grow alongside emerging industry opportunities. Under McNair's leadership, the Department of Commerce has expanded its global engagement and strengthened initiatives to better prepare Alabama communities for new investment.

In this [McKinsey Institute for Economic Mobility](#) interview, McNair sat down with McKinsey's Tristan Allen to discuss her vision for inclusive economic growth, the role of state-level leadership in expanding opportunity, and the positive impact of development on Alabamians. The following transcript has been edited for clarity and length.

**Tristan Allen:** Secretary McNair, you lead Alabama's Department of Commerce. The state had a record year of economic development in 2025, with 234 projects combined for a total capital investment of \$14.6 billion and commitments to create more than 9,000 jobs. As you started this journey, how did you think about which opportunities to pursue?

**Ellen McNair:** In January of 2024, Governor Kay Ivey asked me to serve in her cabinet. It's been a great honor. I'm the first person in this seat to have had extensive local economic development experience.<sup>1</sup> The local level is truly where the rubber meets the road with economic development. It's where so much of the hard work and preparation take place. That local experience is a great benefit in serving economic development organizations (EDOs) across the state effectively.

**Tristan Allen:** When you took office, you set the course for an ambitious economic development agenda. How did the CatALyst strategy come about?

**Ellen McNair:** It had been some years since our state economic development strategy had been updated. We took a quantitative approach, looking at the historical performance of about a dozen industrial sectors across the state, as well as what other states have done. We identified where there could be opportunities to grow market share.

Governor Ivey really challenged us to be inclusive in this plan and to engage the people and leadership of our state, so people could see themselves in what we ended up calling the CatALyst economic development strategy. It was a team approach the entire way. We put together a small steering committee, including Dr. David Bronner, the CEO of the Retirement Systems of Alabama, the state pension system that provides retirement benefits to public employees. We reached out to the state of Alabama's finance director, Bill Poole, who also leads the board for Innovate Alabama, a state commission dedicated to expanding the economy, and who had just been through a huge strategic plan for his organization, as well as to Greg Barker, who was the president of the Economic Development Partnership of Alabama, the private sector statewide economic development board. They are all visionary, and each brought incredible resources and prior success.

---

<sup>1</sup>Prior to joining Alabama's Department of Commerce, McNair was the chief economic development officer for the Montgomery Area Chamber of Commerce.

We also interviewed more than 400 people in 17 different focus groups across our state, engaging industry leaders, economic development professionals, elected officials, and industry experts from North Alabama to South Alabama. We got true feedback on the industry trends from our quantitative research, asking what resonated, what they would challenge, and what they thought might be outliers. We also asked about their ambitions for Alabama's growth, and where they needed support from the state.

It took us a good nine months to get feedback and develop this strategy, which we delivered to Governor Ivey in October 2024.

**Tristan Allen:** If year one was developing and launching the CatALyst plan, what was it like to implement it in year two? What were your priorities, and how did you envision success?

**Ellen McNair:** We went through the process at the Department of Commerce of making sure we were structured in the very best way and prepared with the necessary resources to deliver this strategy. Beginning in 2025, our team hit the ground running. The results were amazing. When you have a great team to implement a good plan, you see amazing success. We saw record-level capital investment of \$14.6 billion in 2025, more than 40 percent higher than the previous highest level in the state. There are some major projects in the works. For example, Eli Lilly plans to spend \$6 billion to build a manufacturing facility in Huntsville, and ArcelorMittal is investing \$1.2 billion in the Mobile area to produce steel used in EV [electric-vehicle] motors.

**Tristan Allen:** How do you approach collaboration and partnerships with a big, diverse group of stakeholders?

**Ellen McNair:** It takes deliberate strategy and thoughtful execution to make these partnerships happen. We looked across the state with other economic development entities like Manufacture Alabama, the Business Council of Alabama, the Economic Development Partnership of Alabama, the Retirement Systems of Alabama, and Innovate Alabama. For years, we were all rowing in the same direction. The difference was that CatALyst put us all in the same boat, rowing in the same direction.

We are intimately involved in each other's organizations. We're depending on each other, we're counting on each other, and we're really, truly working together in ways we had never worked together before. And that, to me, is the secret sauce at any level in economic development.

**Tristan Allen:** What was your approach to engaging and supporting Alabama's rural counties in strategic planning?

**Ellen McNair:** Alabama is a traditionally rural state; 44 out of our 67 counties are considered rural, and 42 percent of our population lives in rural areas. In the past, maybe we would have taken a more general approach instead of really rolling up our sleeves. Instead, we looked at each individual county—what they bring to the table, what their legacy industries are, what the economic drivers are, and how we could work with the local EDOs to move the needle. We had

to take in the unique characteristics of our rural landscape. We looked at different archetypes and understood that different areas might require different types of strategy. In 2025, our rural areas attracted \$2 billion in capital investment.

**Tristan Allen:** One of the biggest structural changes you've made is the creation of the Alabama Growth Alliance. What is it, and why was it so important to establish?

**Ellen McNair:** The Alabama Growth Alliance, or AGA, is a leadership team that comes together four times a year to dream big about what our state can become through economic development.

When I was at the Montgomery Chamber, at the local level, we had the mayor, the chair of the county commission, the president of the city council, economic development professionals, and business leaders come together around the table and really work together as a team. It was critical to our success to come together to achieve goals and overcome obstacles.

That kind of entity didn't really exist at the state level, so one of the first things we did was put together this team, led by our governor. There are seven people from the public sector. It includes me and the head of Innovate Alabama, who, as I mentioned earlier, is also the director of finance for the state of Alabama. It also includes the president pro tem of the Senate, the Speaker of the House, and the leaders of the minority party in the House and the Senate.

There are also eight private sector leaders from diverse industries all over the state—including trade, banking, construction, and energy—appointed by the governor. These CEOs challenged me. They challenged the state to think bigger and dream bigger than ever before.

**Tristan Allen:** How did those ambitions lead to the creation of the Economic Development Fund?

Once we started dreaming about developing quality of place, having international offices around the world, a strong rural strategy, and a robust site development strategy, we realized we needed funds to support that.

Sitting around the room with legislative leadership, the governor, and the business community—and all their ideas and efforts—gave us great courage and vision to move forth in unison. That was the beginning of the Economic Development Fund, which is truly going to transform economic development in our state.

Previously, the Department of Commerce operated as a general fund line item in the governor's budget. That was fine, and it did its job. But we needed to think outside the box about how we could increase funding for our state. So we set up a mechanism through the Alabama Growth Alliance. Beginning in July 2026, we will begin funding the Economic Development Fund, which is estimated to quadruple our current funding. It's sustainable and predictable, and it's going to allow us to do things we have never done before in this state. It is going to change economic

Find more content like this on the  
**McKinsey Insights App**



Scan • Download • Personalize



development in the state of Alabama by allowing us to invest in overseas offices, in our rural efforts, and in site development in ways we've never been able to do before.

**Tristan Allen:** How do you lead and energize your team inside the Commerce Department to deliver on this ambitious agenda?

**Ellen McNair:** We've gone through a lot of change, and it takes a lot to manage. We're blessed to have an amazing team, with an incredible work ethic and enthusiasm for what they do.

In this chair, I get to stand up at ribbon cuttings and grand openings, representing Commerce and our team at all these events. But I truly believe recognition is critical. It's important for me to call out individual names, whether it's a Commerce team member, a local EDO that did an awesome job, a utility partner that stepped up, or a transportation partner that made a difference. So many different organizations have to do their jobs well.

When I stand up there representing the team, I want to make sure to call out the individual project manager who worked nights and weekends, who traveled the globe for months or even years. They deserve to have people understand the role they played. I think it is just so important to be sure every person and every organization gets recognized.

**Tristan Allen:** You've now worked in economic development for a while at both the local and the state level. What still gets you excited about economic development?

**Ellen McNair:** It's such an honor to be able to represent your community, your region, and your state in trying to recruit new business and industry. When you drive by and see a construction site, and then later see cars in a parking lot through the effort that you and your teammates made, it's a good feeling because every one of those cars represents a family. To be able to provide a great job or career to an individual who can then provide for their family is one of the greatest gifts.

I also love the teamwork aspect of economic development. I grew up competing in sports and love that everybody has a role to play in competition. Maybe you're the quarterback and you have to step up to a leadership challenge. Or maybe you're a lineman battling in the trenches. Whatever your role is, you've got to do it well, because nobody will succeed if one person is not doing their job. I love coming together with our local and regional EDOs and with our utility and transportation partners and competing for a project together.

And then on the backside of that, to see the results—to know that you have impacted not only individuals but also families—it's the greatest job in the world.

**Ellen McNair** is the secretary of commerce for the state of Alabama. **Tristan Allen** is an associate partner in McKinsey's Washington, DC, office.

*Comments and opinions expressed by interviewees are their own and do not represent or reflect the opinions, policies, or positions of McKinsey & Company or have its endorsement.*

This interview was edited by Christine Y. Chen, a senior editor in the Denver office.

Copyright © 2026 McKinsey & Company. All rights reserved.