TENNESSEE’S ECONOMY: Implications for Economic Development

William F. Fox, Director
Center for Business and Economic Research
The University of Tennessee, Knoxville

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U.S. ECONOMY
Growth in Quarterly Real Gross Domestic Product (Chained 2000 Dollars)
Growth in Quarterly Real Personal Consumption Expenditures (Chained 2000 Dollars)
Crude Oil and Gasoline Prices

Crude Oil, Dollars Per Barrel

Gasoline, Dollars Per Gallon


Crude Oil

Gasoline
Crude Oil and Gasoline Prices, Inflation Adjusted
Effective Federal Funds Rate
Growth in Quarterly Real Private Nonresidential Fixed Investment (Chained 2000 Dollars)
U.S./Euro Foreign Exchange Rate, and Real Exports Less Imports
TENNESSEE ECONOMY in PERSPECTIVE
TN and U.S. Nonagricultural Job Growth

<table>
<thead>
<tr>
<th>Compound Annual Growth</th>
<th>1960s</th>
<th>1970s</th>
<th>1980s</th>
<th>1990s</th>
<th>2000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>TN</td>
<td>3.8%</td>
<td>3.5%</td>
<td>2.0%</td>
<td>2.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.5%</td>
<td>2.2%</td>
<td>1.7%</td>
<td>1.8%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
TN and U.S. Nonag Job Growth
(Quarter Ending June 2005) 3-month Moving Average
Nonag Employment Growth, MSAs [Quarter Ending June 2004 to June 2005]
Employment Growth, 1979-2004

- Big MSAs Less Center Counties
- Non MSA Counties Not Adjacent to MSA
- Other MSAs
- Non MSA Counties Adjacent MSA
- 4 Largest Counties
Distribution of Nonag Jobs, 2004

U.S.:
- Mfg: 11.0%
- Trade, Trans, Util: 19.4%
- Other: 4.5%
- Const: 5.3%
- Financial, Info, Prof & Bus Services: 21.0%
- Leisure & Hospitality: 9.4%
- Govt: 16.5%
- Educ, Health & Social Serv: 12.9%

TN:
- Mfg: 15.4%
- Financial, Info, Prof & Bus Services: 17.8%
- Leisure & Hospitality: 9.4%
- Govt: 15.4%
- Other: 4.0%
- Educ, Health & Social Serv: 11.9%
- Trade, Trans, Util: 21.8%
Tennessee Job Growth, by Sector
[Quarter Ending June 2004 to June 2005]

Growth

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educ &amp; Health Serv</td>
<td>0.0</td>
</tr>
<tr>
<td>Const</td>
<td>0.0</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>2.0</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>1.0</td>
</tr>
<tr>
<td>Trade, Trans, Util</td>
<td>1.0</td>
</tr>
<tr>
<td>Prof &amp; Bus Services</td>
<td>1.0</td>
</tr>
<tr>
<td>Dur</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Serv</td>
<td>0.0</td>
</tr>
<tr>
<td>Nat Res &amp; Mining</td>
<td>0.0</td>
</tr>
<tr>
<td>Govt</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-Dur</td>
<td>0.0</td>
</tr>
<tr>
<td>Infor</td>
<td>0.0</td>
</tr>
</tbody>
</table>

W.F. Fox, CBER, The University of Tennessee, Knoxville
Tennessee Manufacturing Jobs, 1990-2004

Thousands

- Durables
- Nondurables

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High-Tech Employment, 2003
High-Tech Employment as a Percent of Private Employment, 2003
High-Tech Payroll as a Percent of Total Wages, 2003
Per Capita Personal Income, Tennessee and Southeastern States, 2004
TN Per Capita Personal Income As a Percent of U.S., 1988-2004
POPULATION
Tennessee and U.S. Compound Annual Population Growth

<table>
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<tr>
<th>Decade</th>
<th>Compound Annual Growth</th>
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<tbody>
<tr>
<td>1980s</td>
<td>1% (TN), 1% (U.S.)</td>
</tr>
<tr>
<td>1990s</td>
<td>3% (TN), 2% (U.S.)</td>
</tr>
<tr>
<td>2000s</td>
<td>1% (TN), 1% (U.S.)</td>
</tr>
</tbody>
</table>
TN Population Growth, 1990-2004

- Less than state average—1.4%
- 1.4% - 2.0%
- Greater than 2.0%
Percent of Population Growth that was Foreign Born

- **United States**
  - 1980s: 0%
  - 1990s: 30%

- **Tennessee**
  - 1980s: 5%
  - 1990s: 10%
EDUCATION
Educational Attainment of the Population 25 Years and Over, Percent With at Least a H.S. Degree, Southeastern States, 2004

TN = 41st
Educational Attainment of Persons 25 Years and Over, Percent with at Least a High School Degree, 2000

- 55.0% to 65.0%
- 65.1% to 75.9%
- Greater than 75.9%

TN = 75.9%
U.S. = 80.4%
Educational Attainment, Tennessee Metro vs. Non-Metro, 2000

- Not a H.S. Grad
- H.S. Degree
- Some College
- Associate's Degree
- At Least Bachelor's Degree
Average Per Capita Personal Income of Tennessee Counties as a Percent of U.S. Per Capita Personal Income
Current Spending Per Pupil for Elementary-Secondary Education, 2002-2003

U.S. Avg = $8,019

TN = 44th
TAX STRUCTURE
State & Local Taxes as a Percent of Personal Income, 2002
Actual as Percent of Estimate, Total and General Fund, FY2005
Tennessee State Appropriations, Compound Annual Growth, 1988-2004

Personal Income = 5.9%

Inflation + Pop = 4.6%
U.S. and Tennessee Sales Tax Base as a Percent of Personal Income