

Economic Update: Tennessee and the U.S.

Larry Kessler, Ph.D.

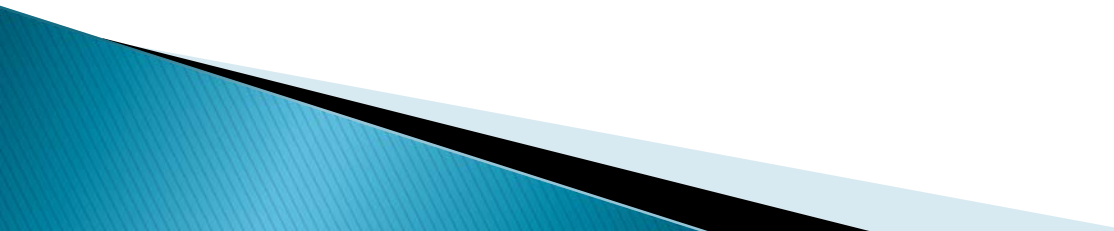
Boyd Center for Business & Economic Research
University of Tennessee



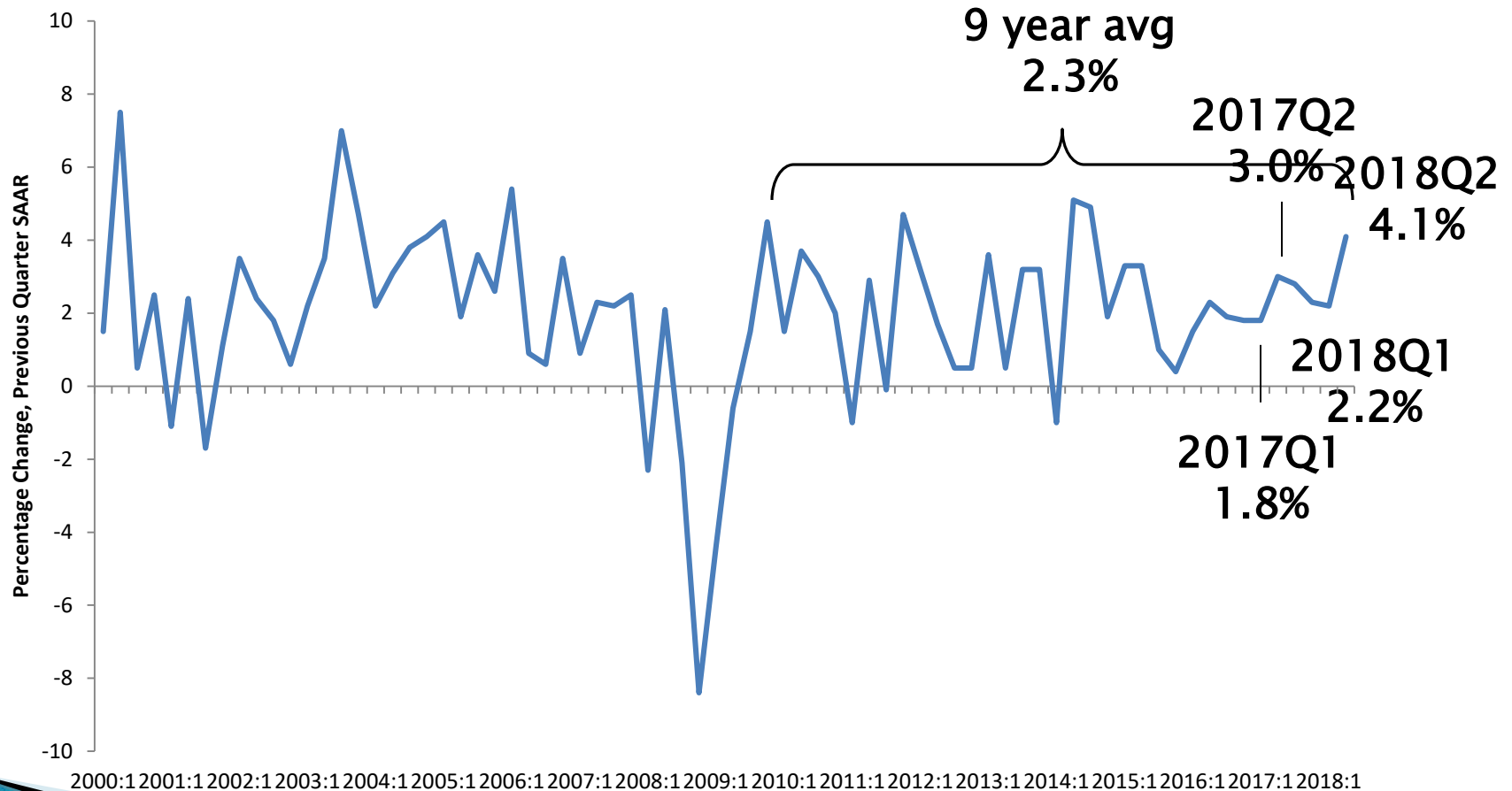
National Economy

- ▶ The U.S. economy has now enjoyed 9 years of economic growth since the Great Recession
 - Real GDP grew by 4.1% in 2018Q2
 - 2.2% growth in 2018Q1
 - Nonfarm employment increased by 2.2 million jobs in 2017.
 - Unemployment rate of 3.9% in July

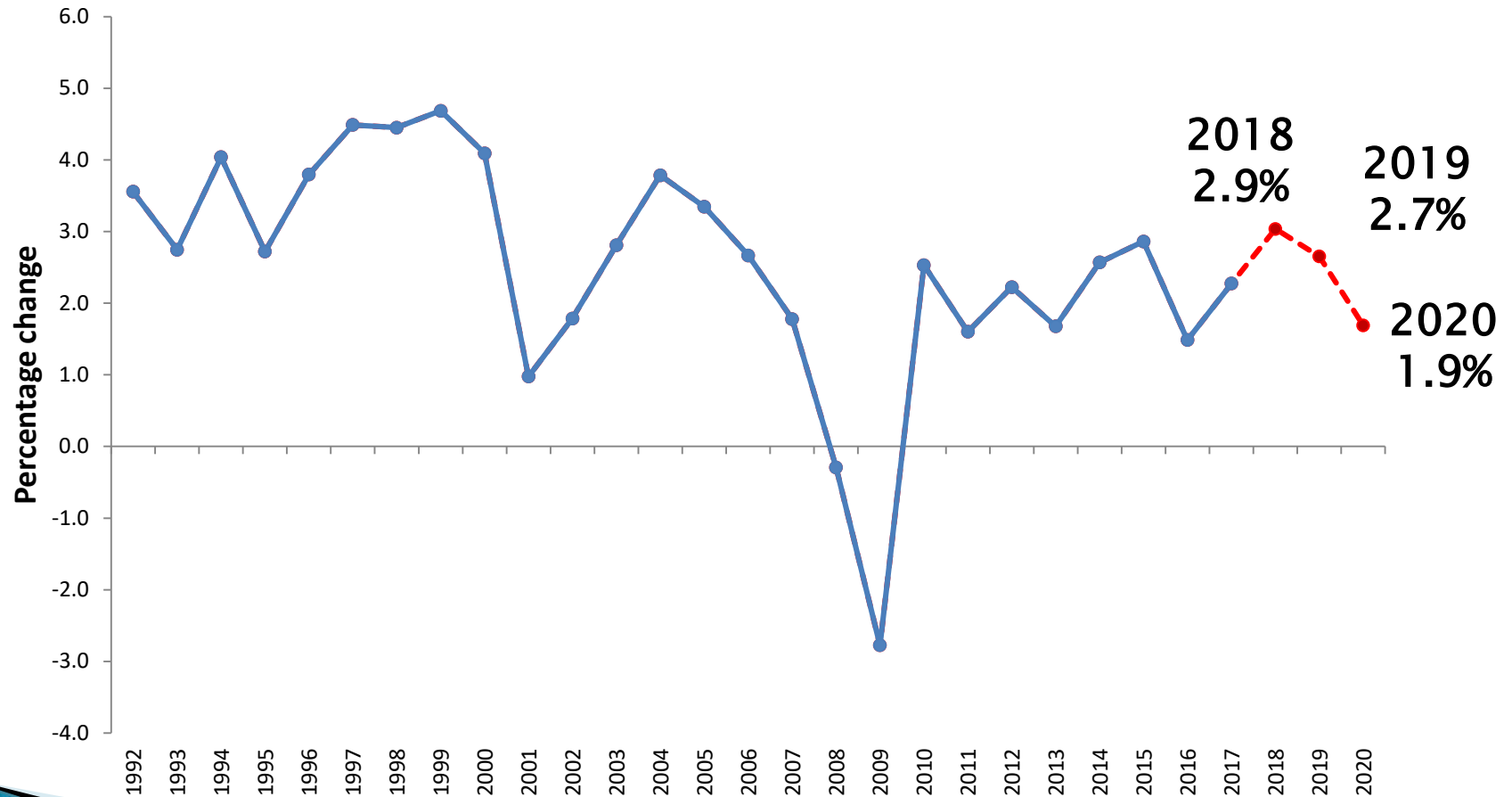
Tennessee's Fiscal Condition is Good

- ▶ Revenue growth has been **healthy**
 - ▶ Revenue estimates have been very **conservative**
 - ▶ Reserves and balances are in **good shape**, though TN could not sustain a significant recession without significant cuts
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U.S. Real Gross Domestic Product Growth: 2000q1–2018q2

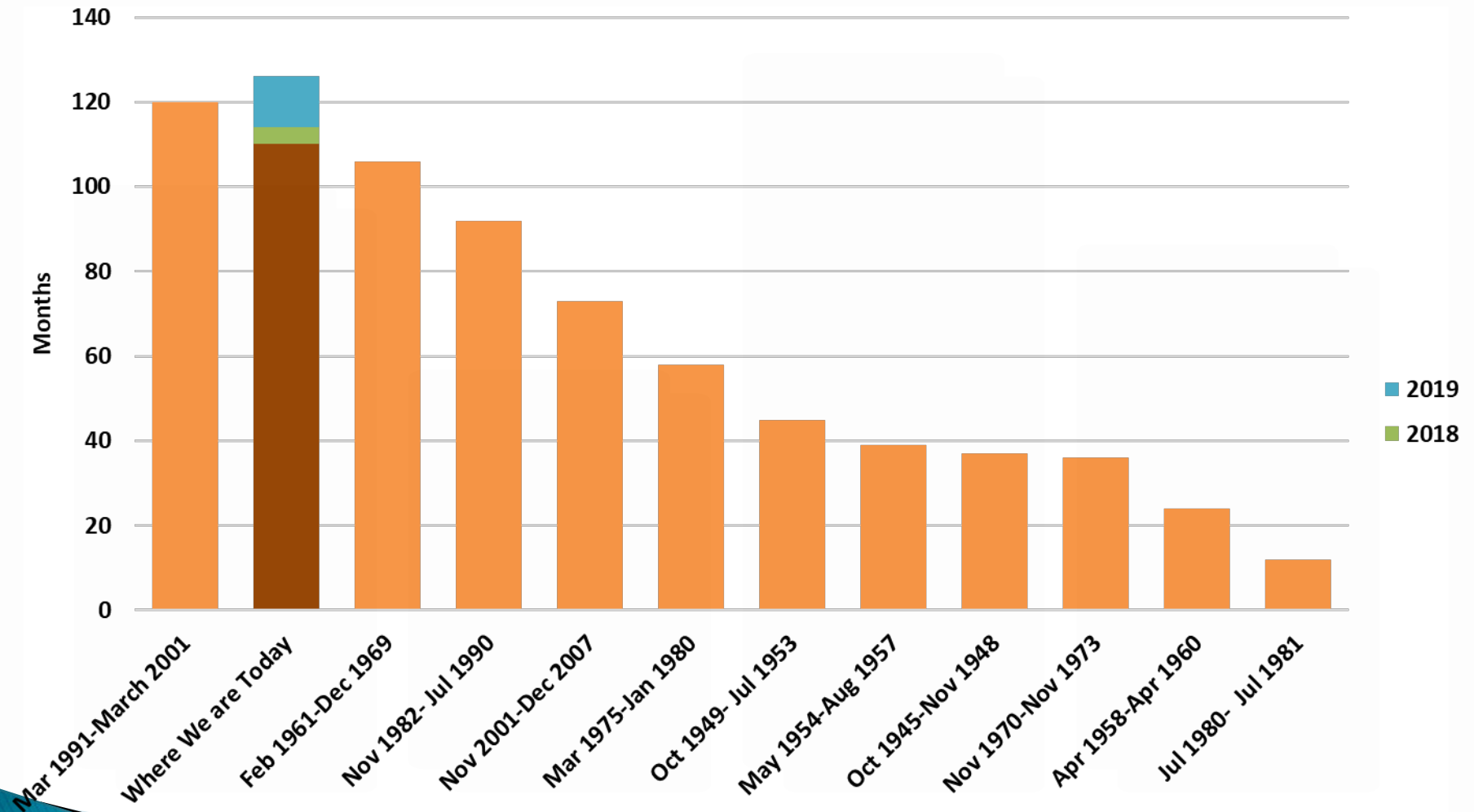


U.S. Real Gross Domestic Product Growth



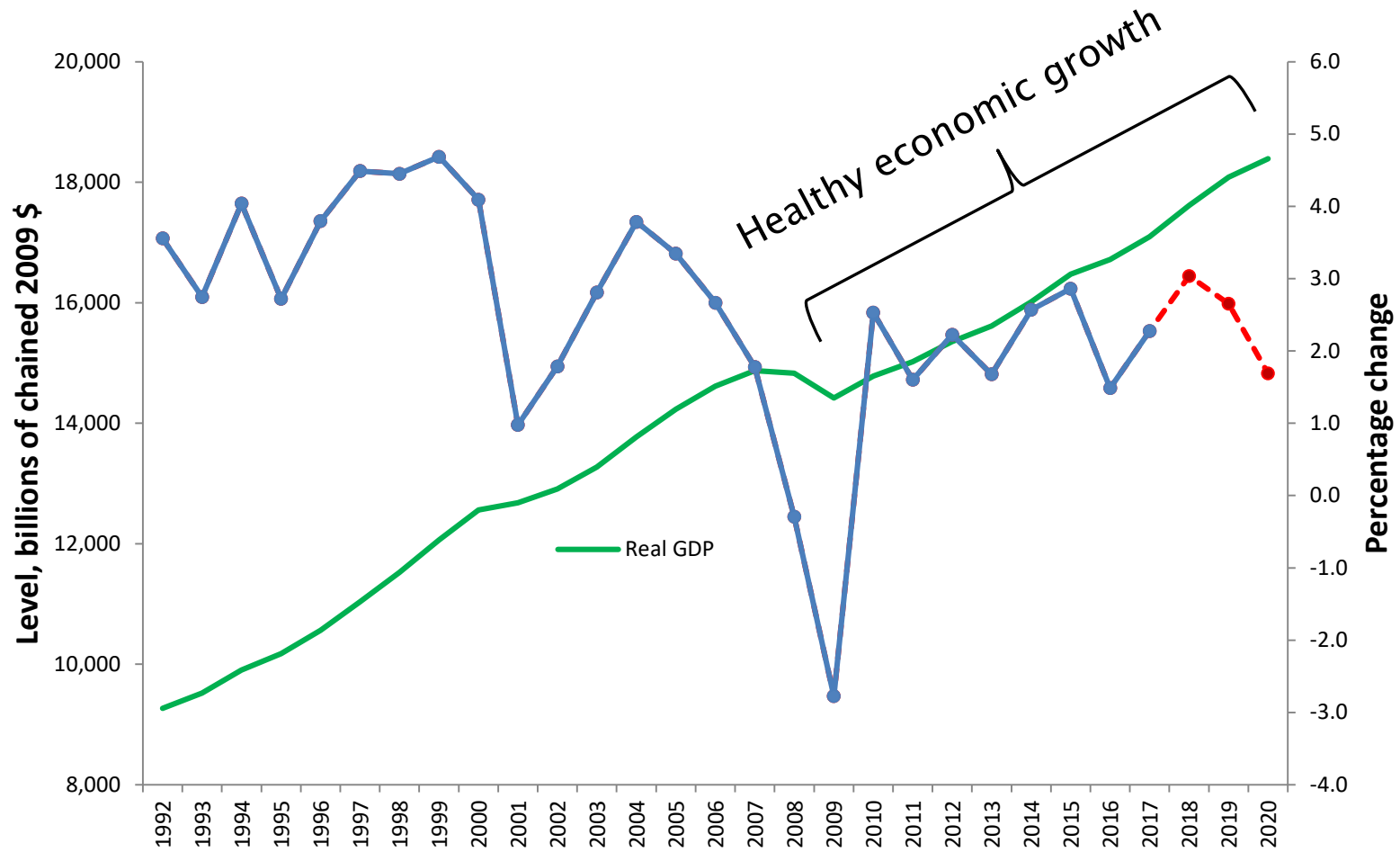
Source: Bureau of Economic Analysis, IHS Markit

The Current Expansion is Long on Historical Standards

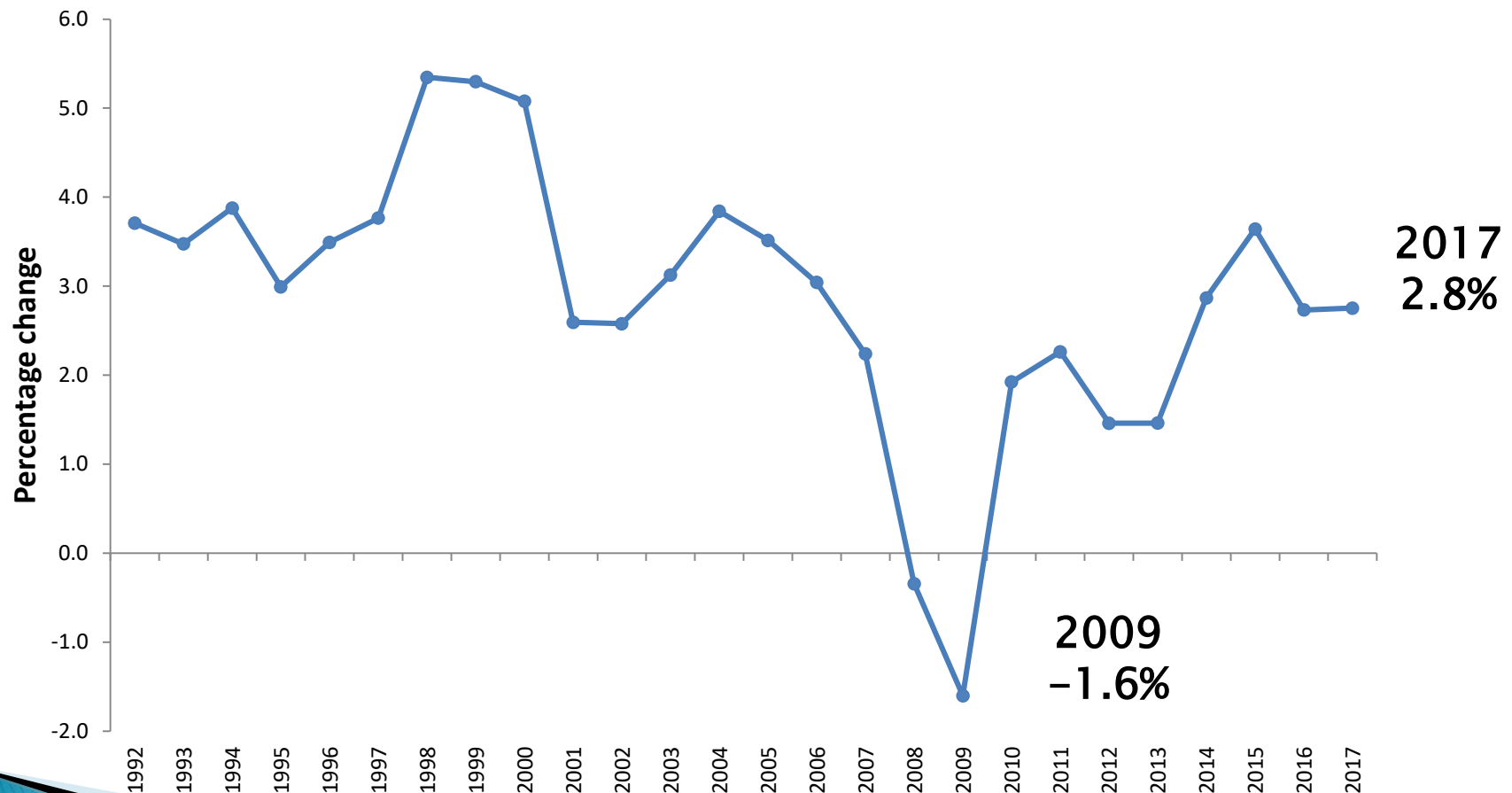


Source: National Bureau of Economic Research

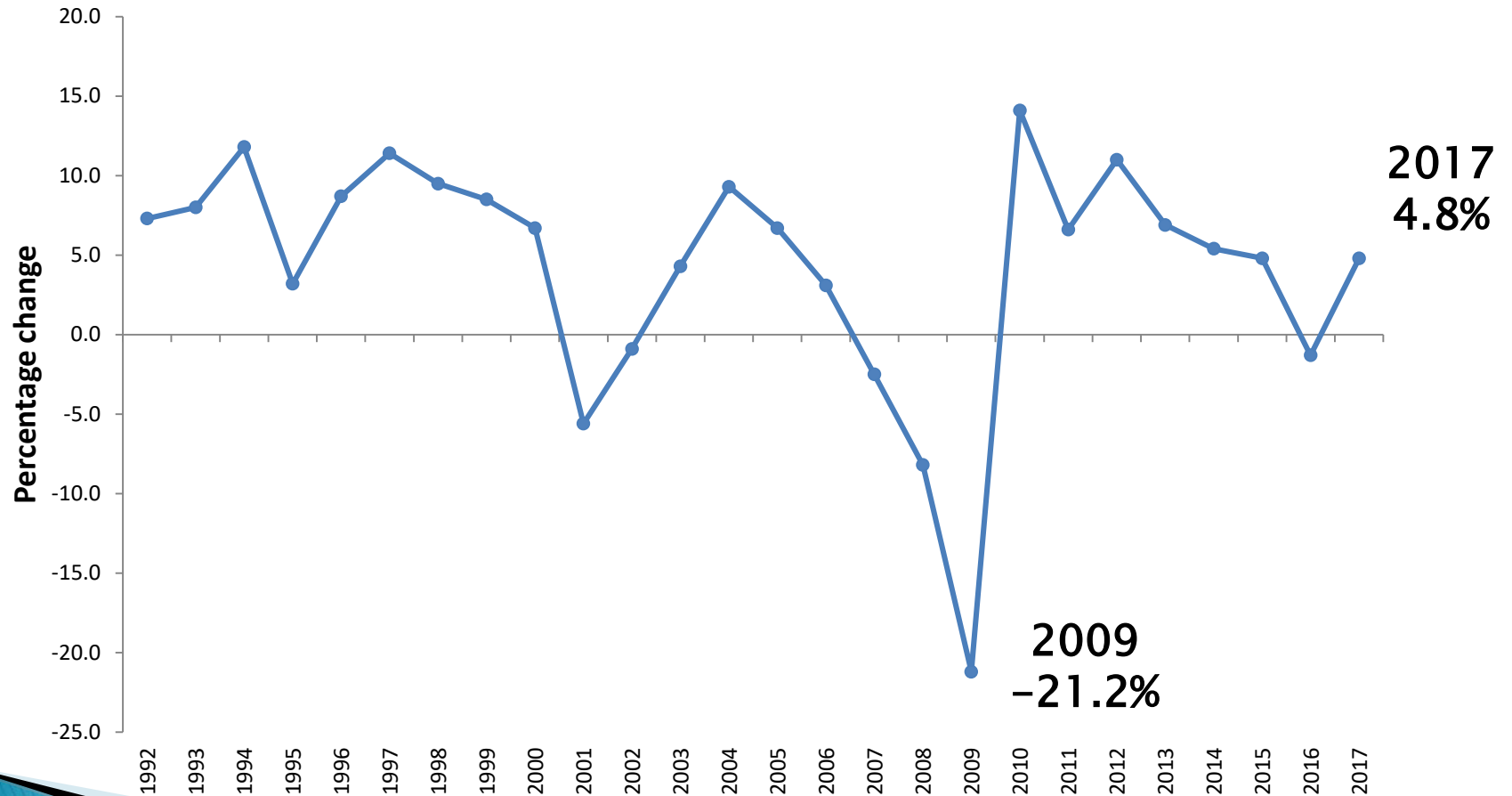
U.S. Real Gross Domestic Product Growth



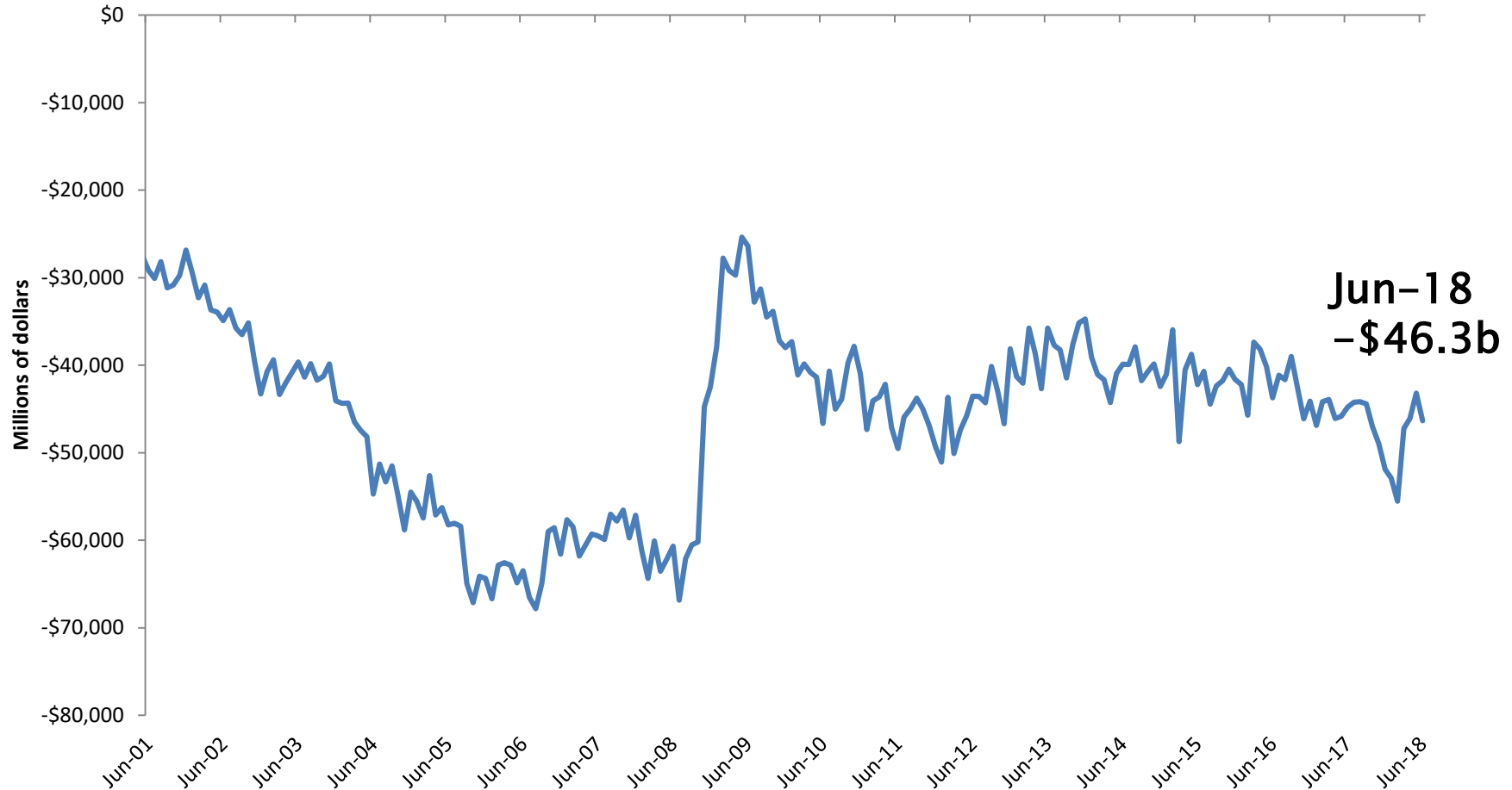
Growth in Real Personal Consumption Expenditures



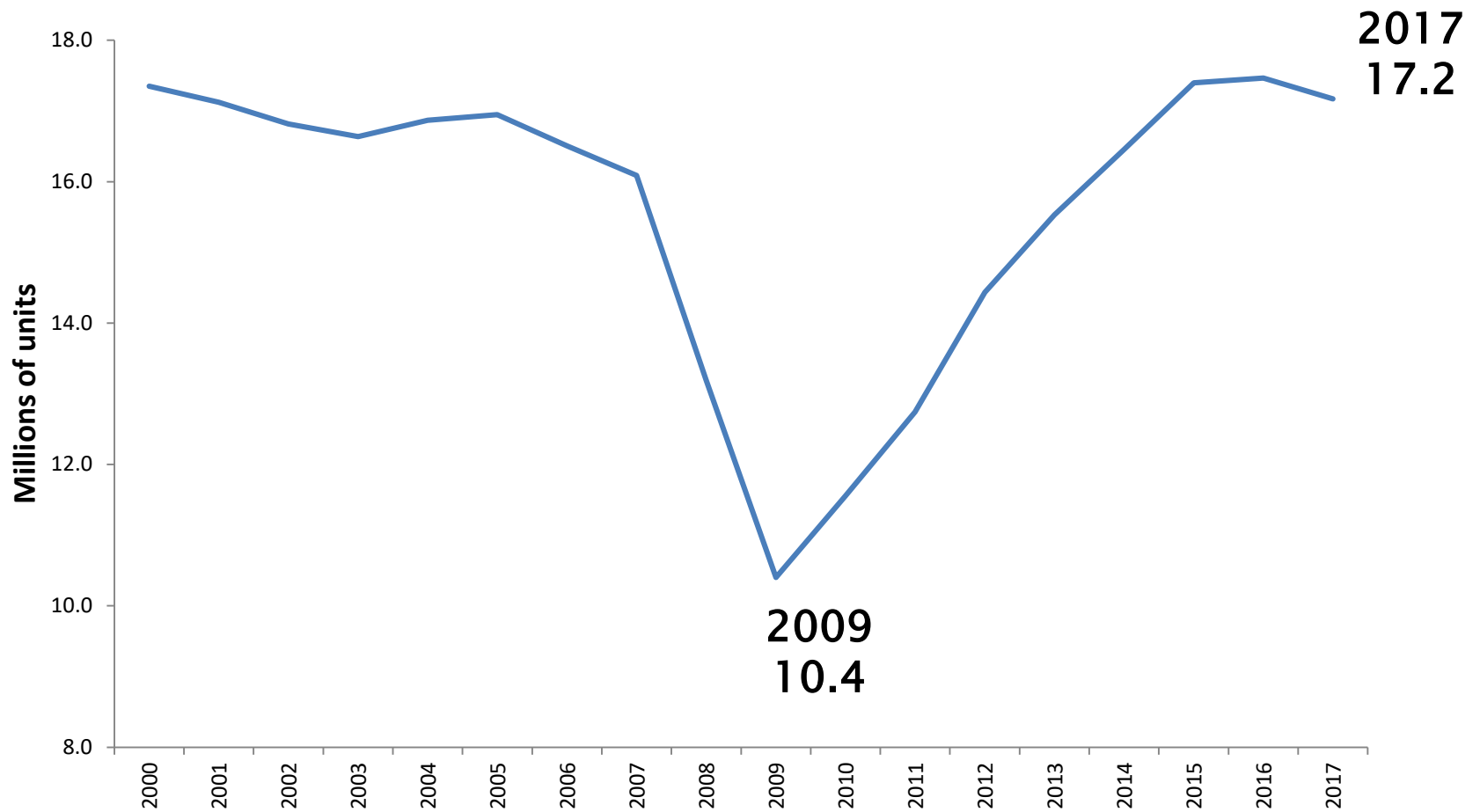
Growth in Real Business Investment



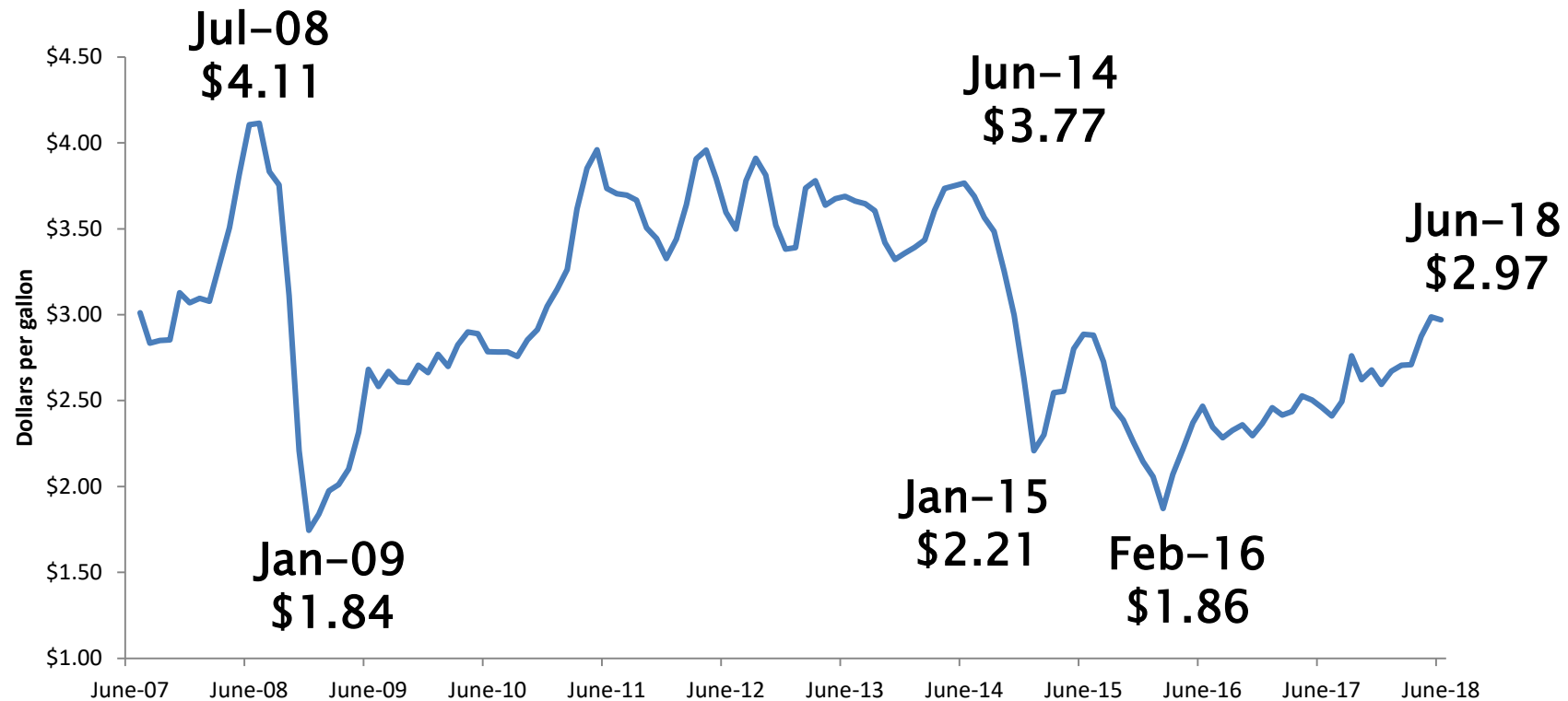
The Trade Balance (Exports – Imports)



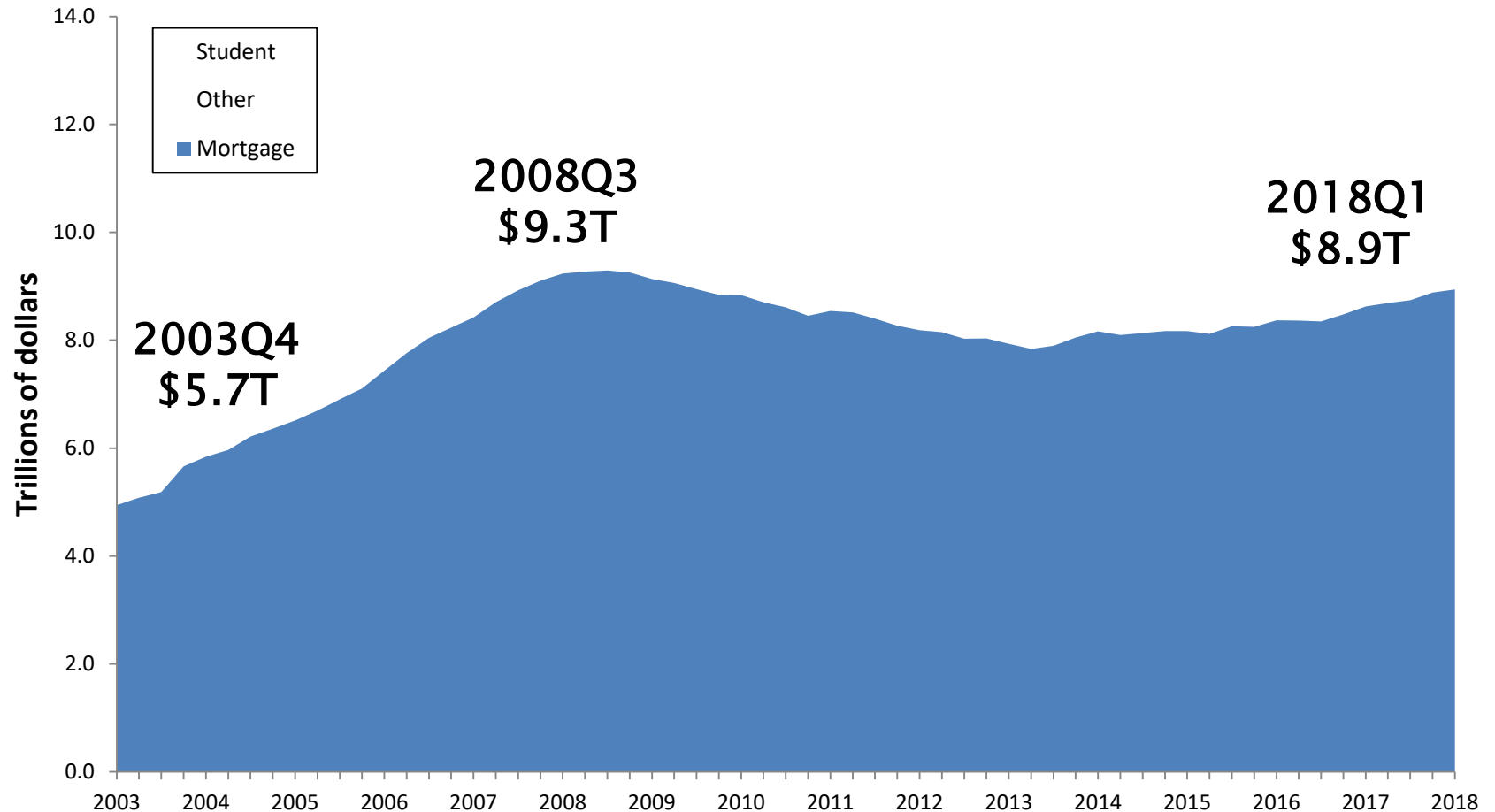
Unit Sales of New Light Vehicles



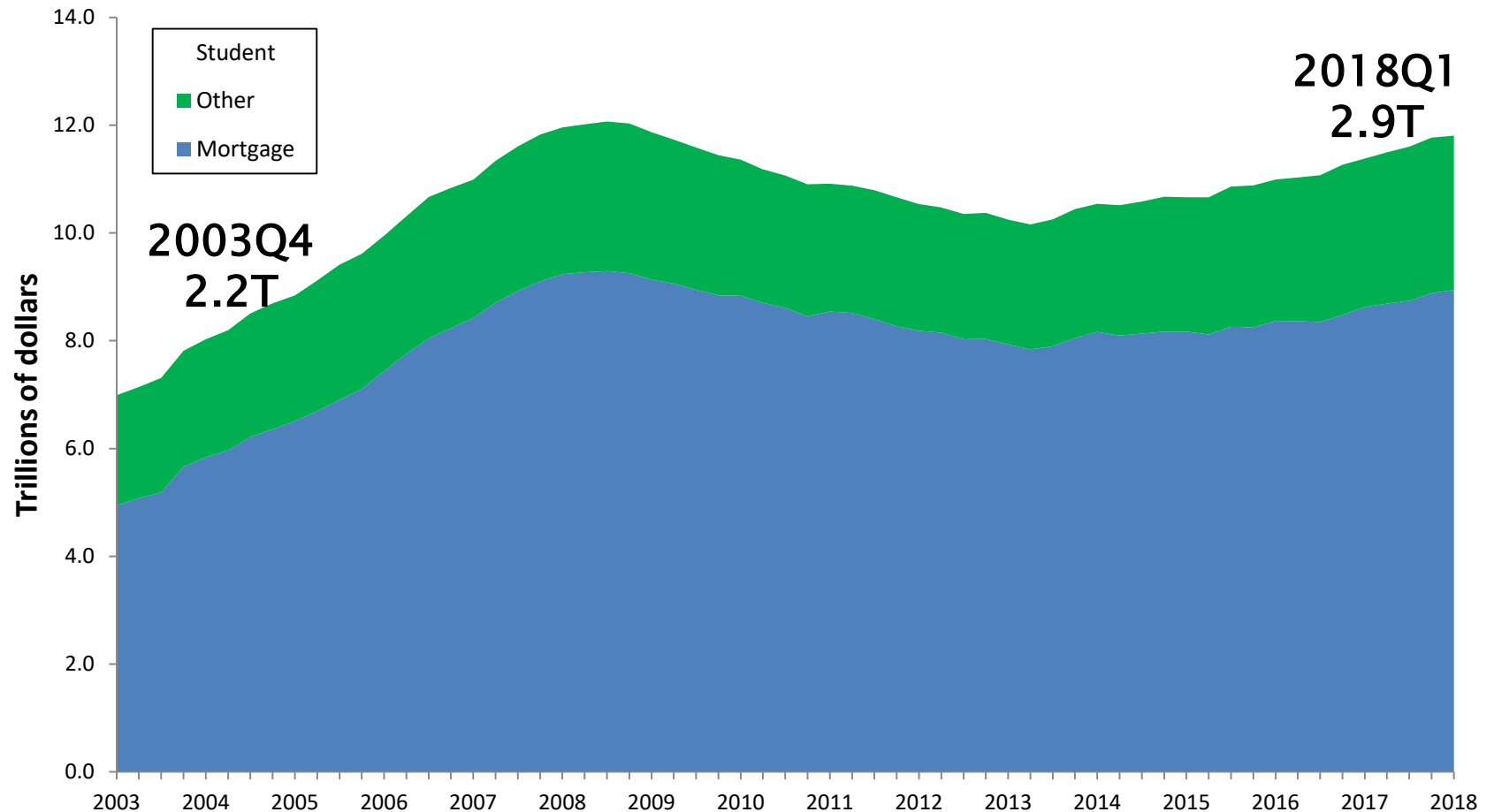
U.S. Retail Gasoline Prices



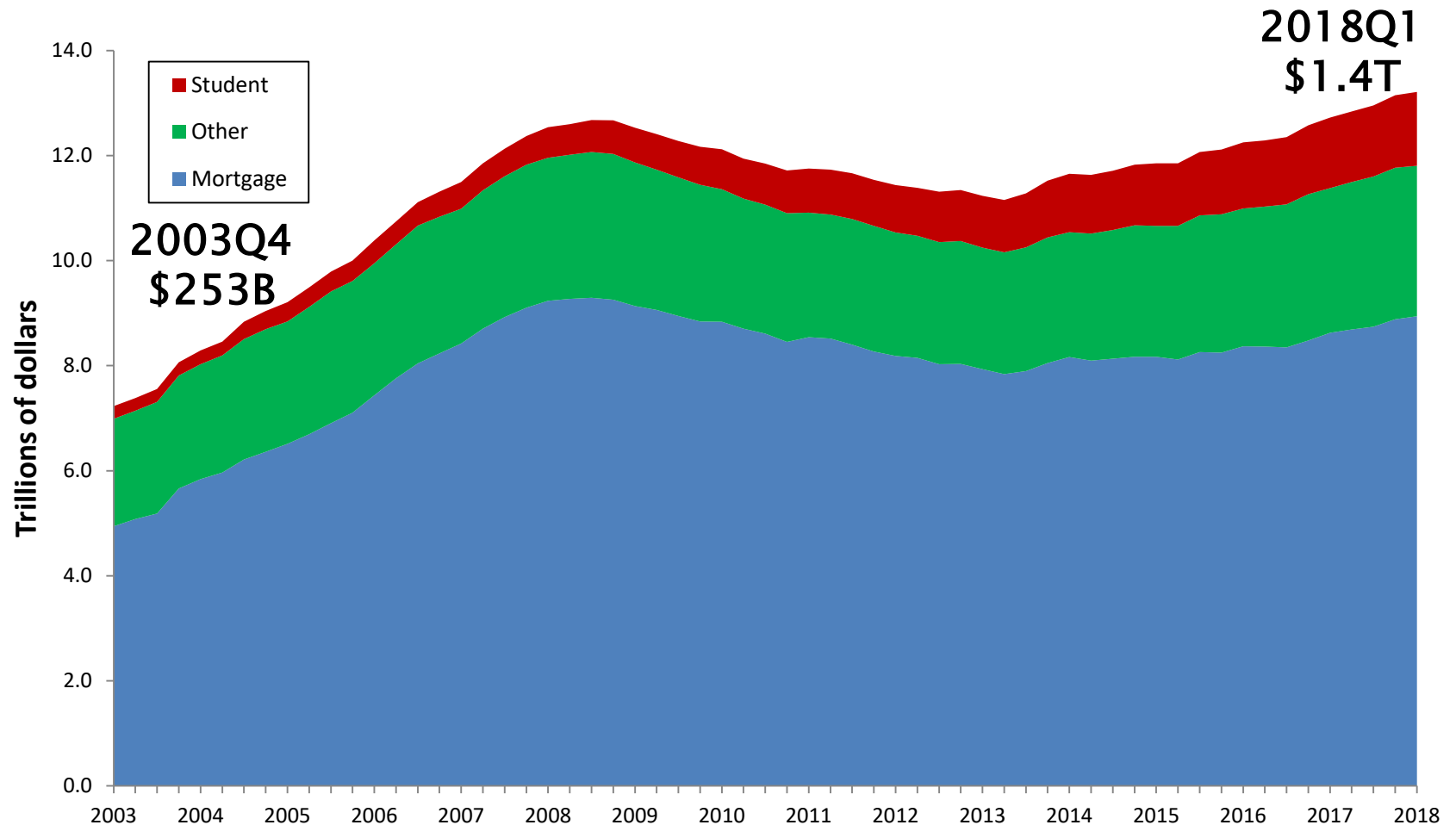
Total Consumer Debt Balance



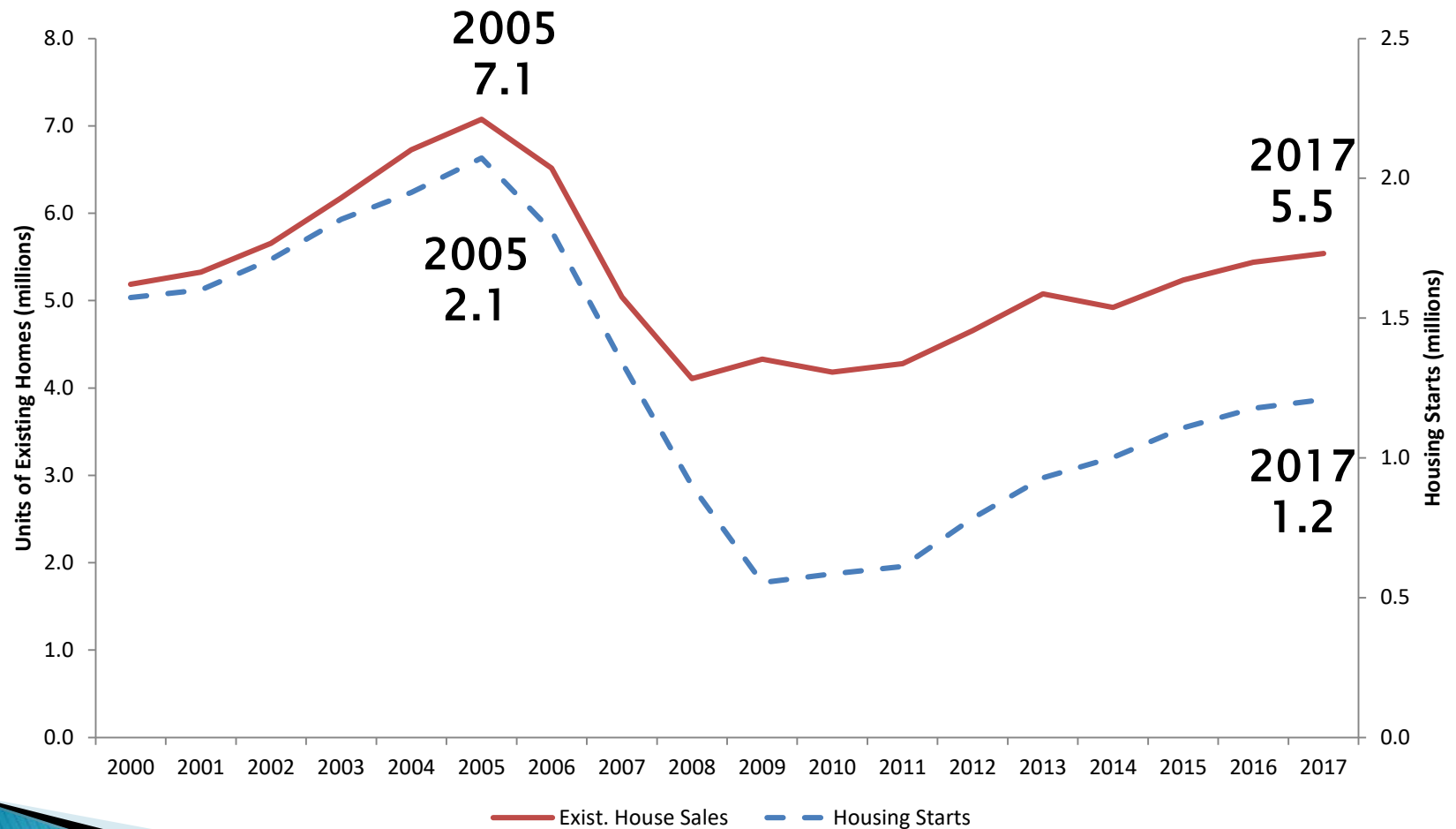
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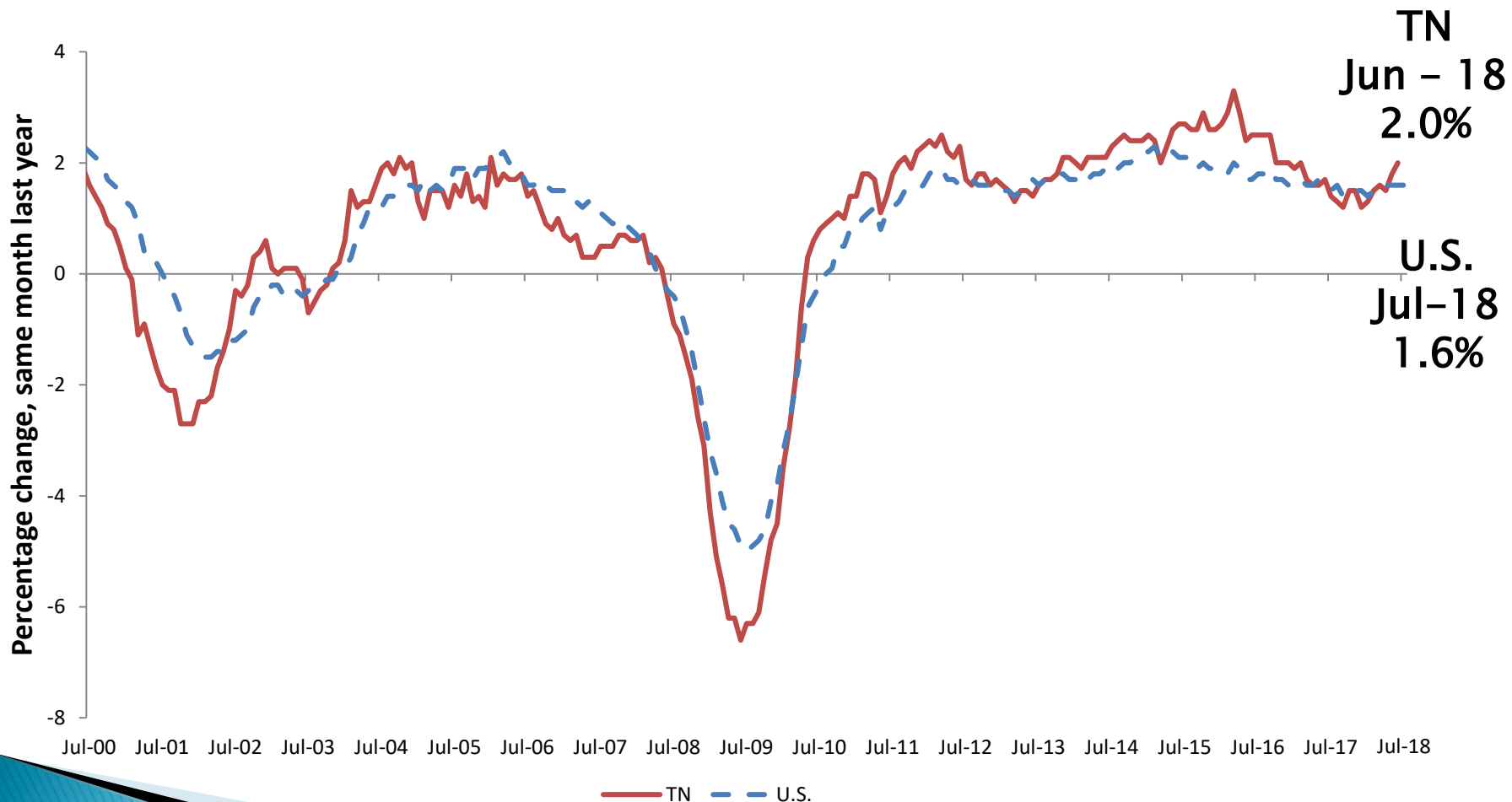
Total Consumer Debt Balance



Existing Home Sales and Housing Starts

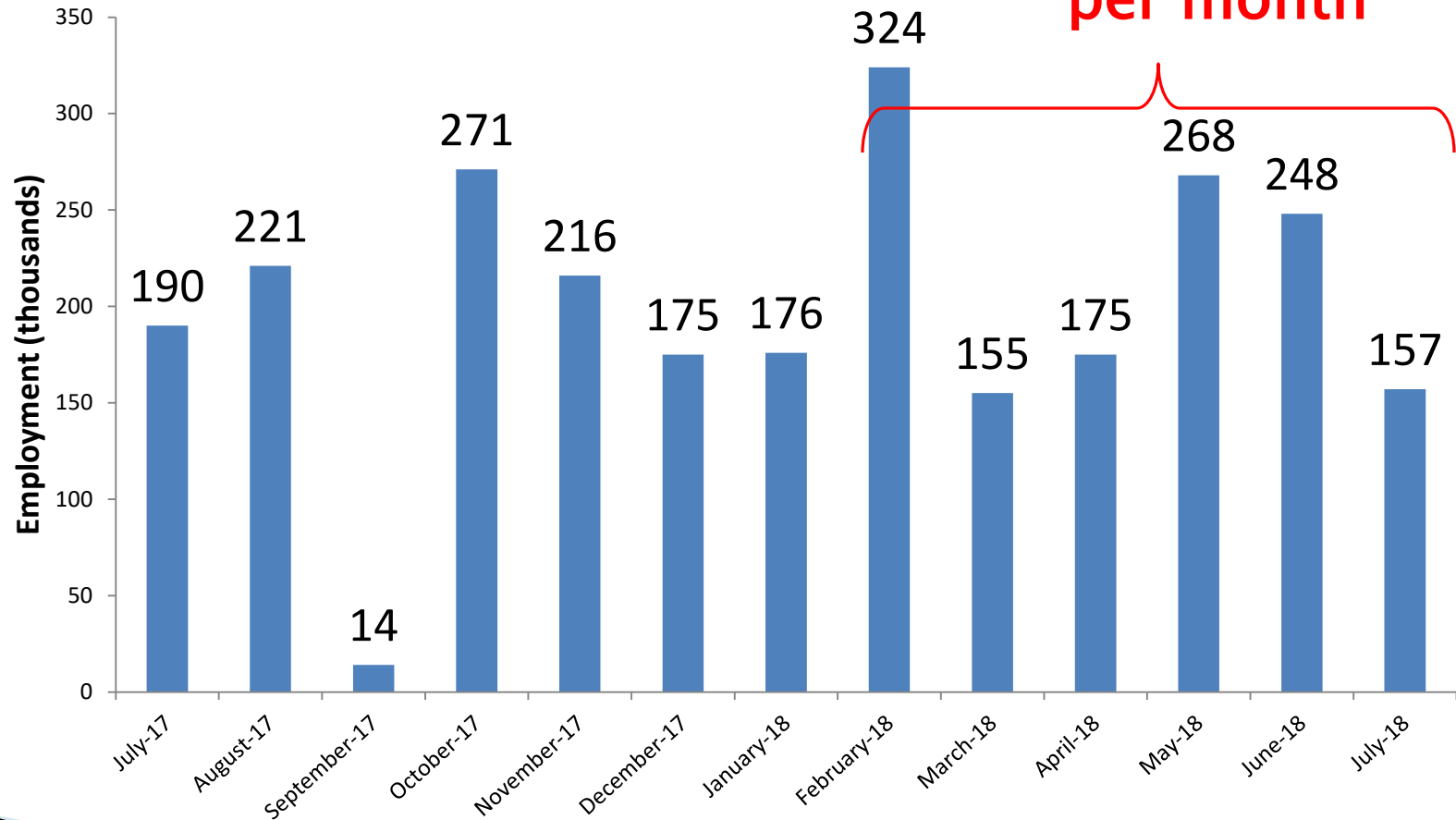


TN & U.S. Nonfarm Job Growth

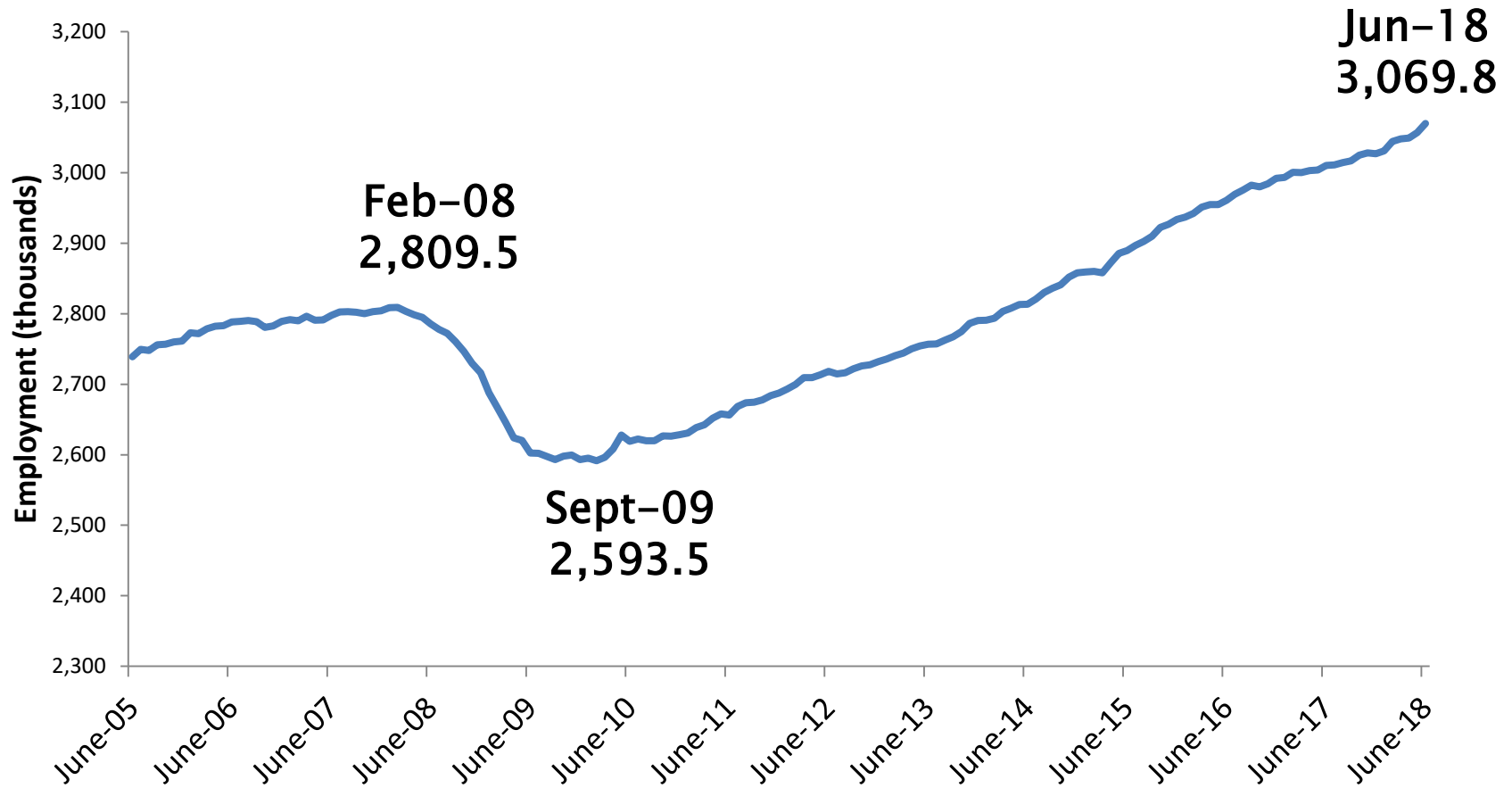


U.S. Monthly Job Gains July 2017 – July 2018

**221k new jobs
per month**

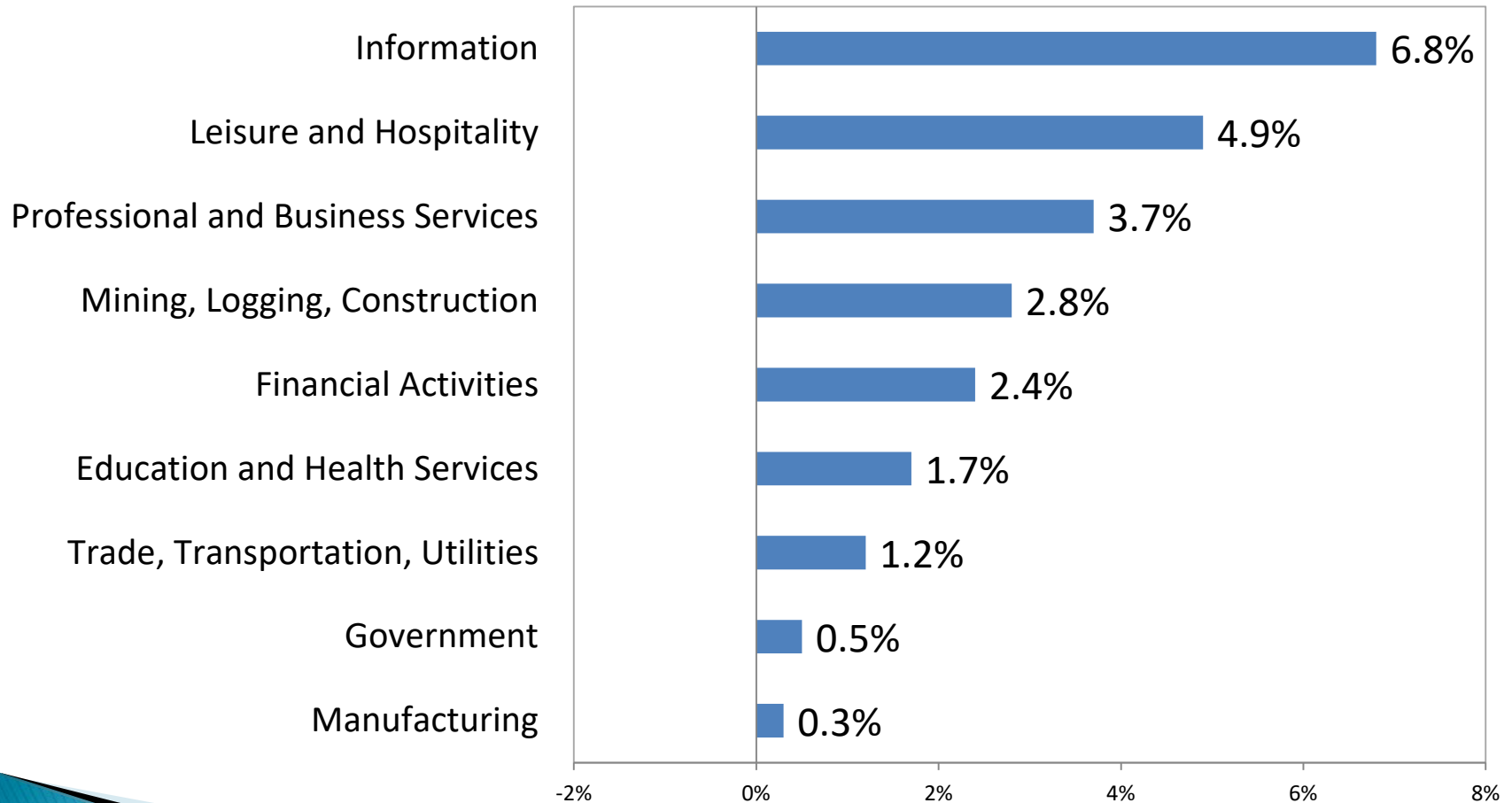


Tennessee Nonfarm Jobs 2005-2018



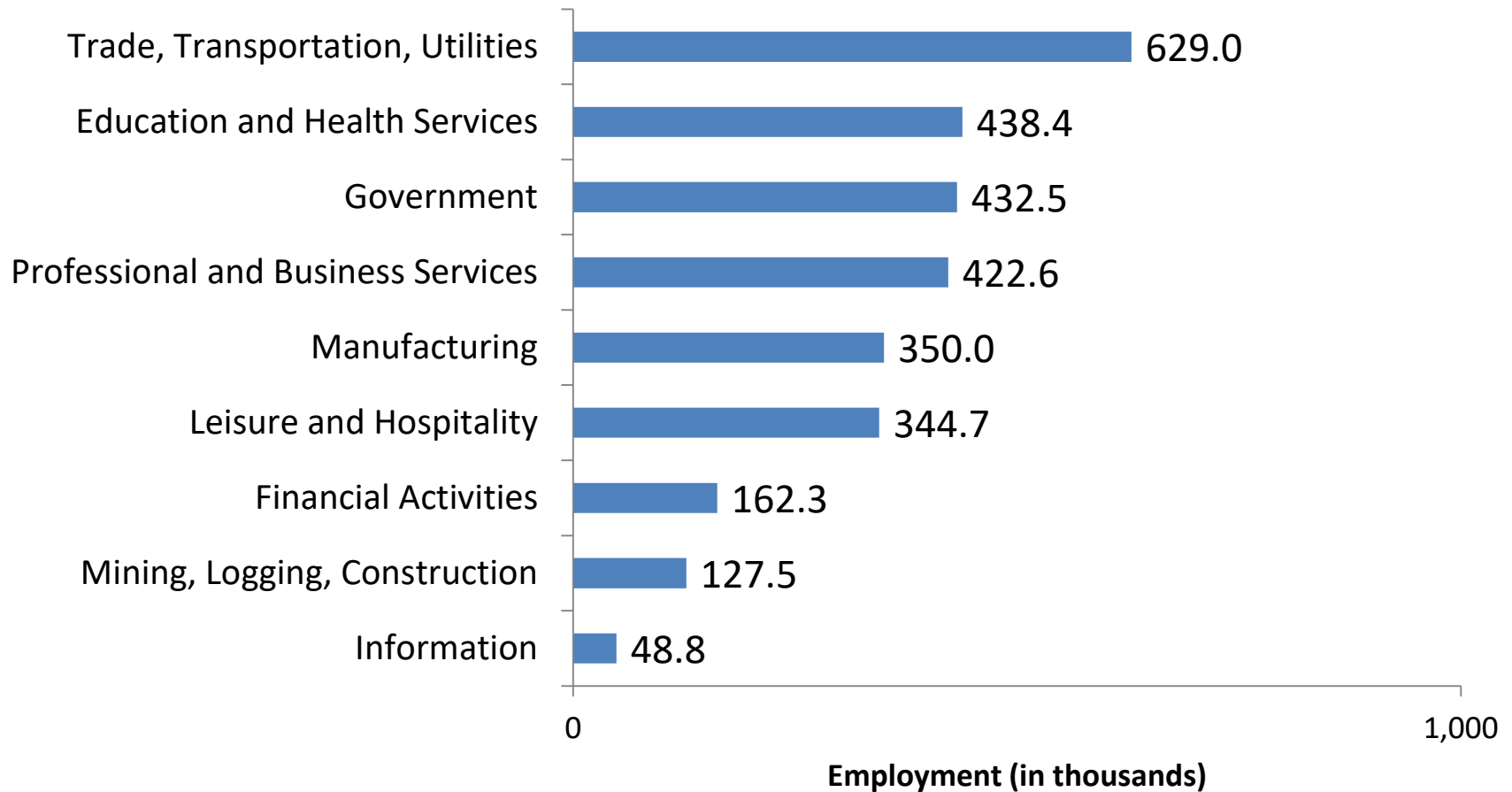
Tennessee Job Growth by Sector

June 2017 to June 2018

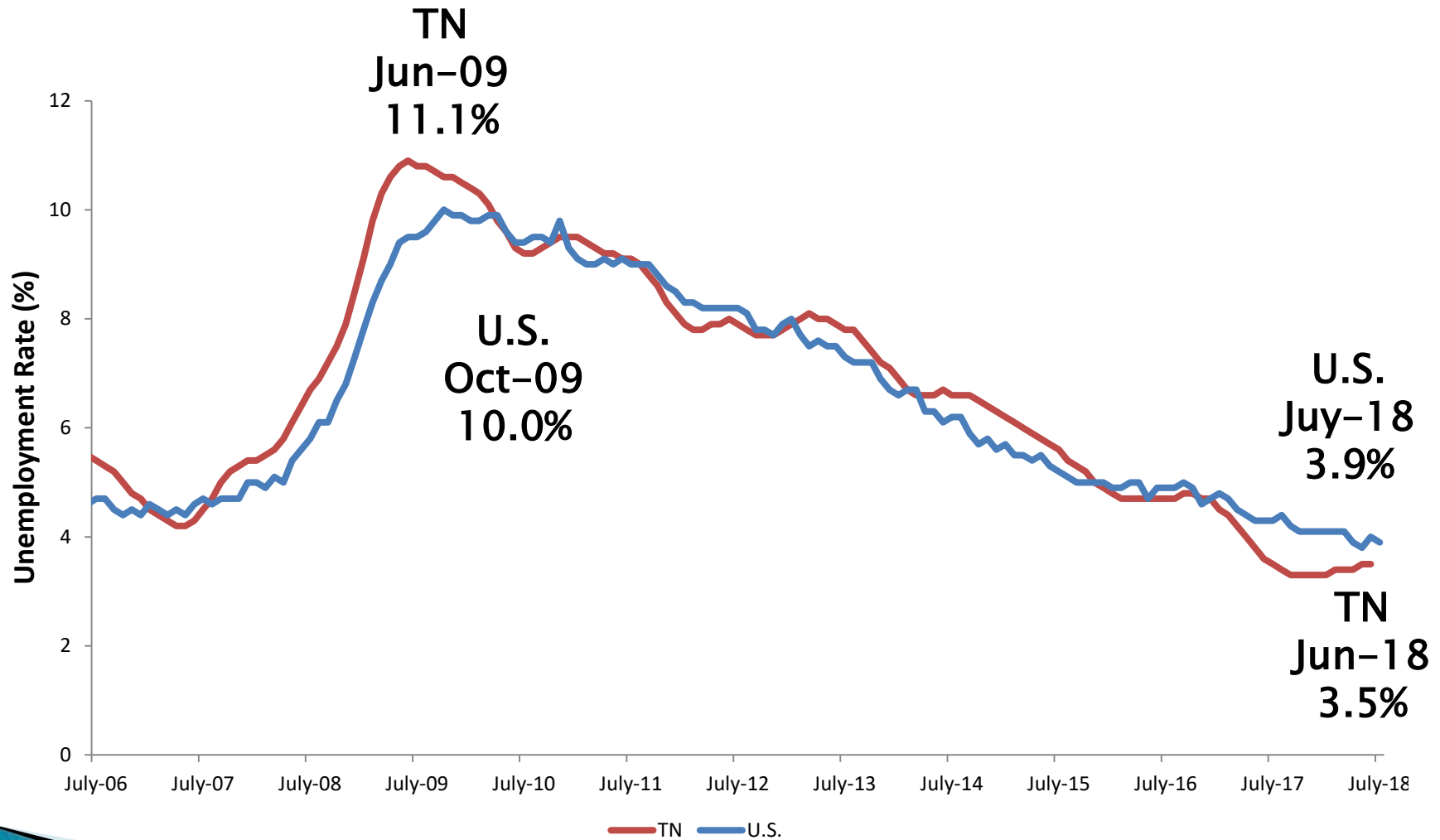


Source: Bureau of Labor Statistics

Tennessee Employment by Sector, June 2018



TN & U.S. Unemployment Rates

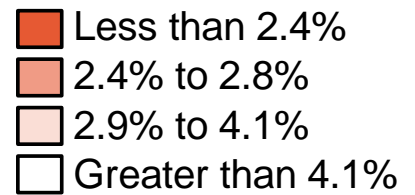


TN County Unemployment Rates

(September 2017)

Tennessee: 2.9%
United States: 4.1%

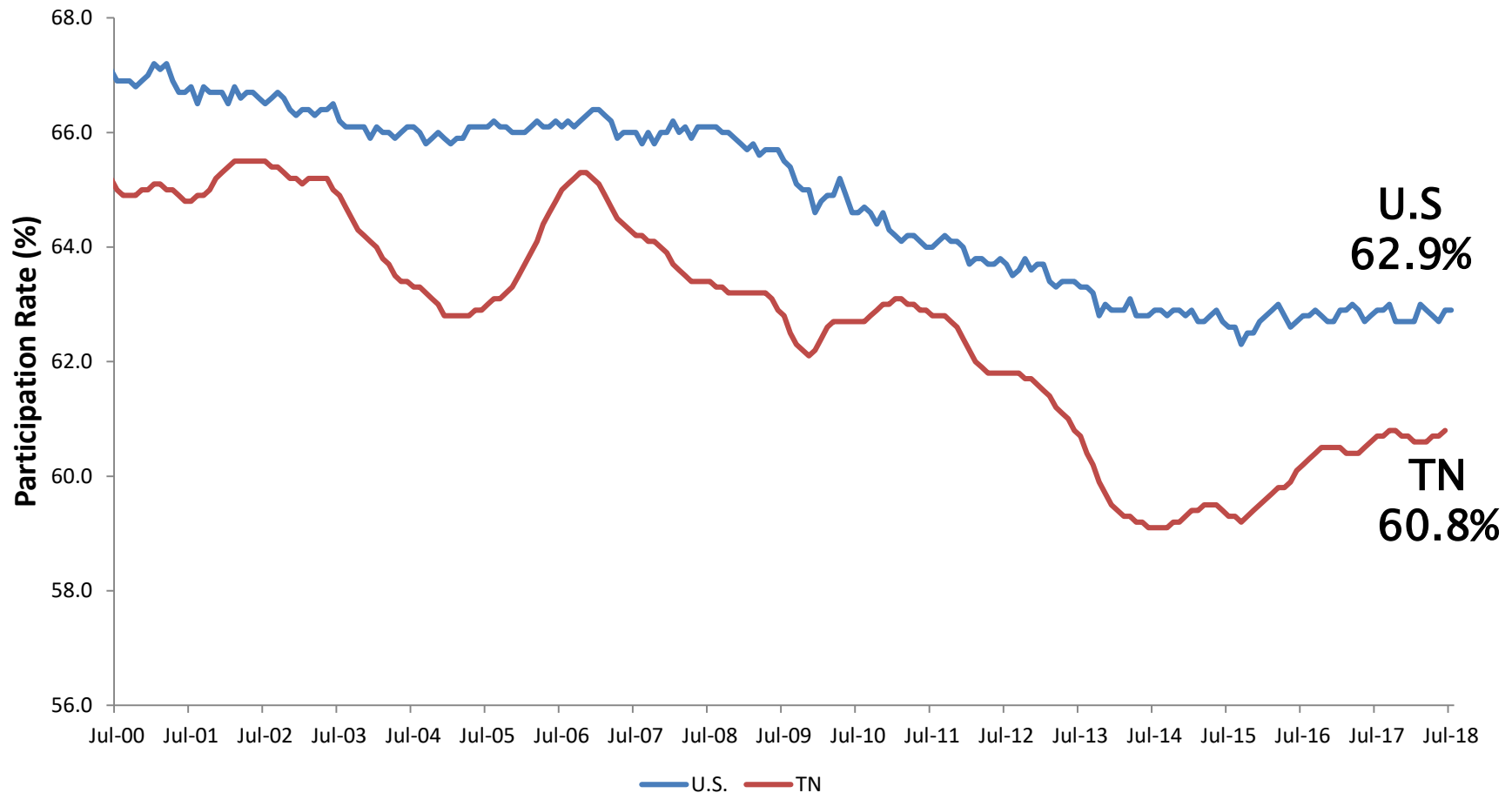
2017



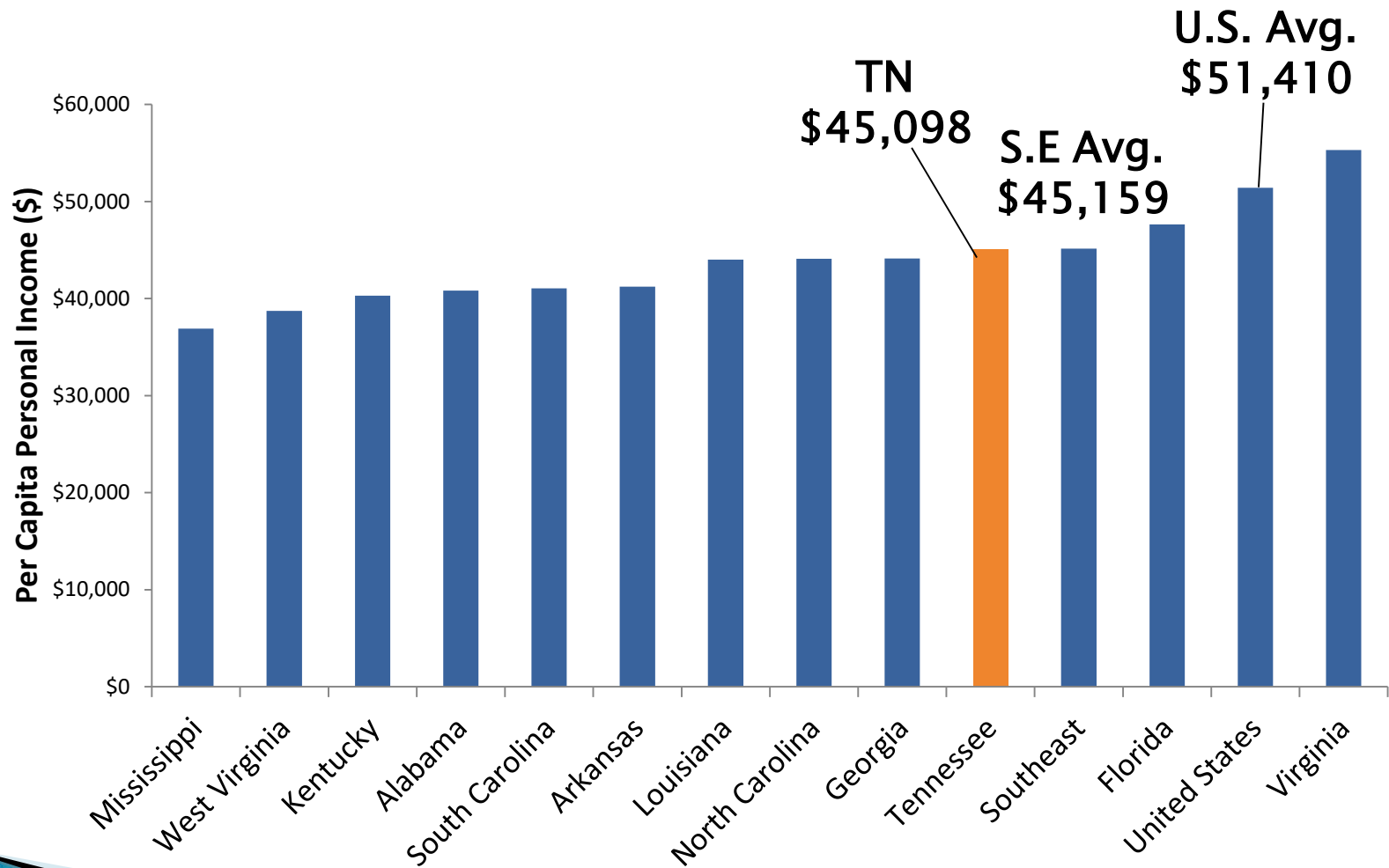
Data are not seasonally adjusted.

Source: Bureau of Labor Statistics.

Labor Force Participation Rate 2000–2018

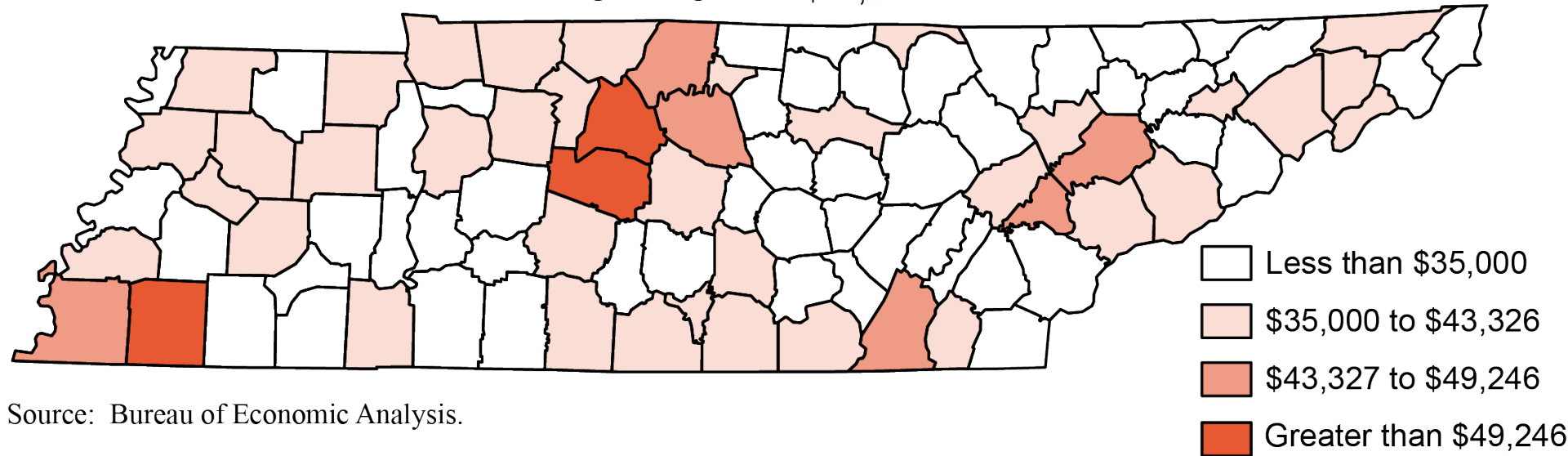


Per Capita Personal Income in Tennessee Falls Below the National Average, 2018Q1



TN Per Capita Income by County – 2016

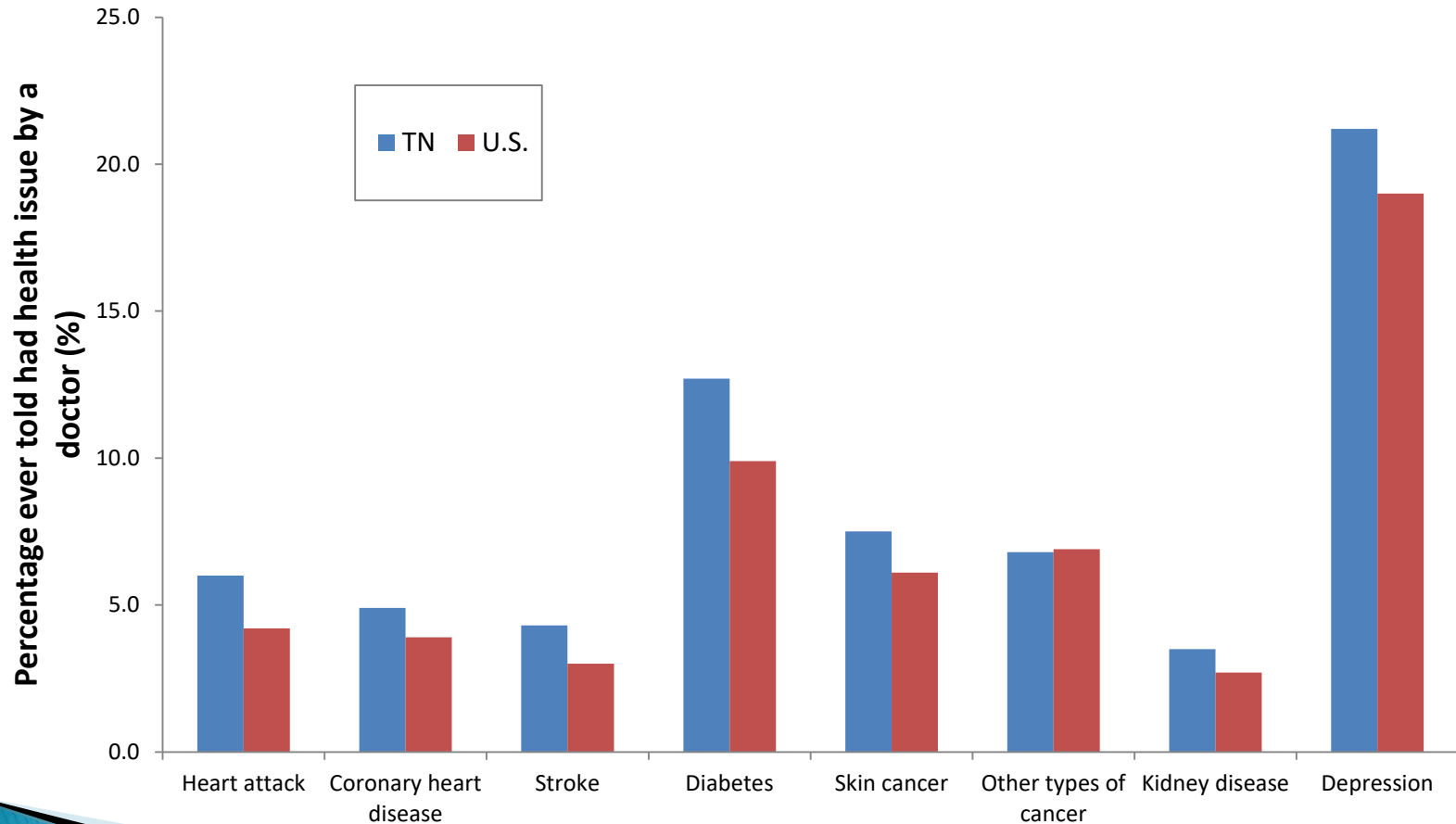
Tennessee: \$43,326
United States: \$49,246



Source: Bureau of Economic Analysis.

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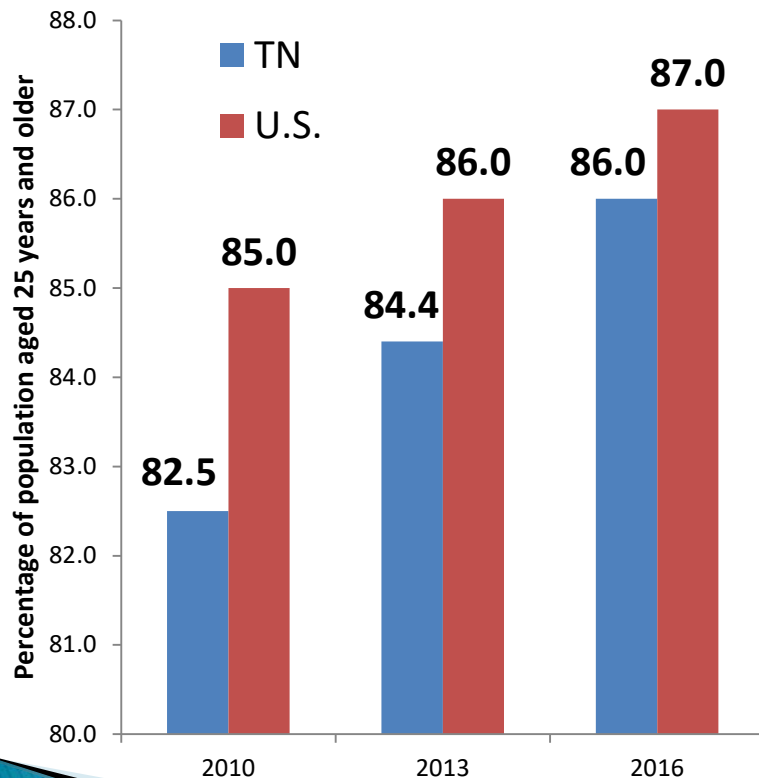
Tennesseans Have Poor Health Status Which Affects Labor Force Outcomes



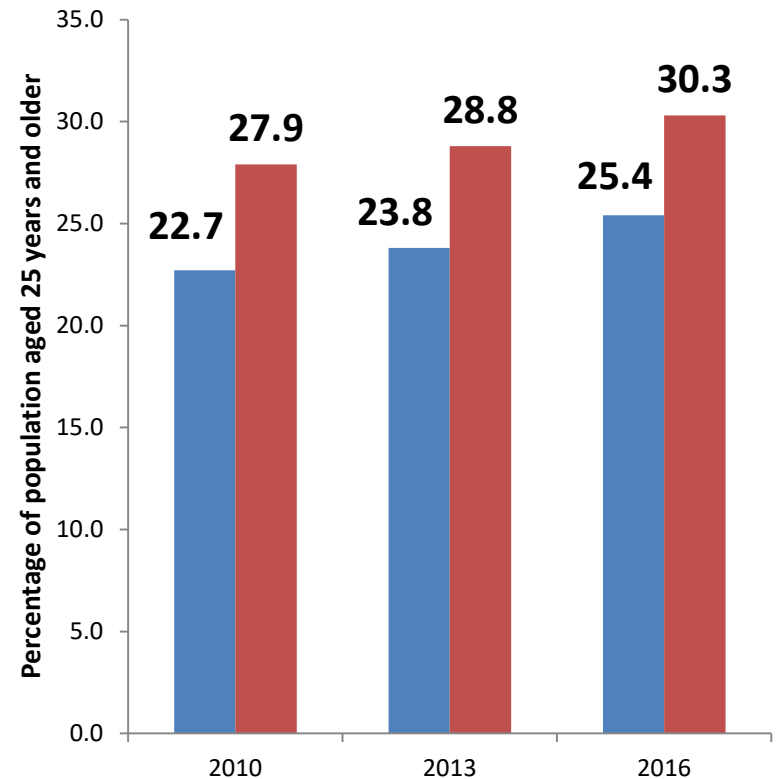
Source: Center for Disease Control & Prevention, BRFSS

Tennesseans Have Lower Educational Attainment Levels

High school graduates or higher

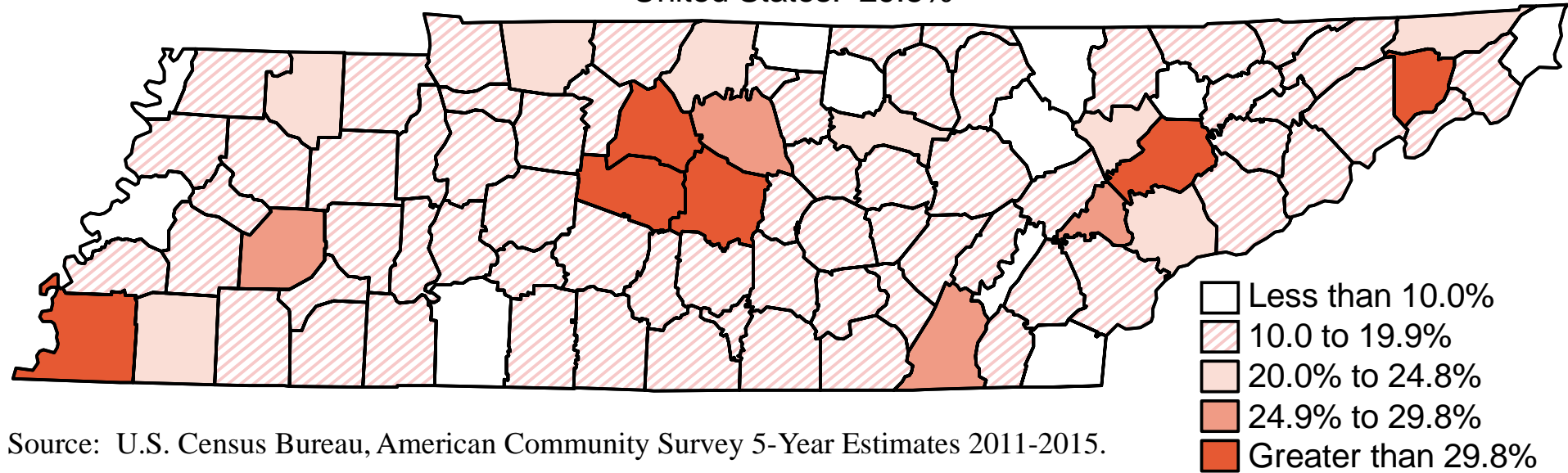


Bachelor's degree or higher



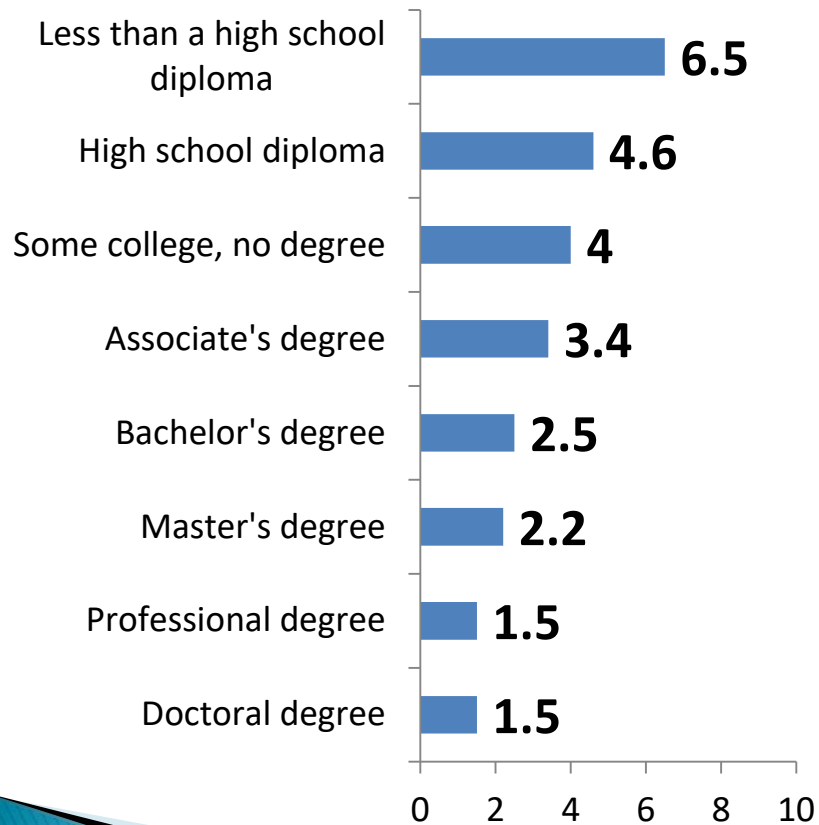
College Completion Rates by County – 2015

Tennessee: 24.9%
United States: 29.8%

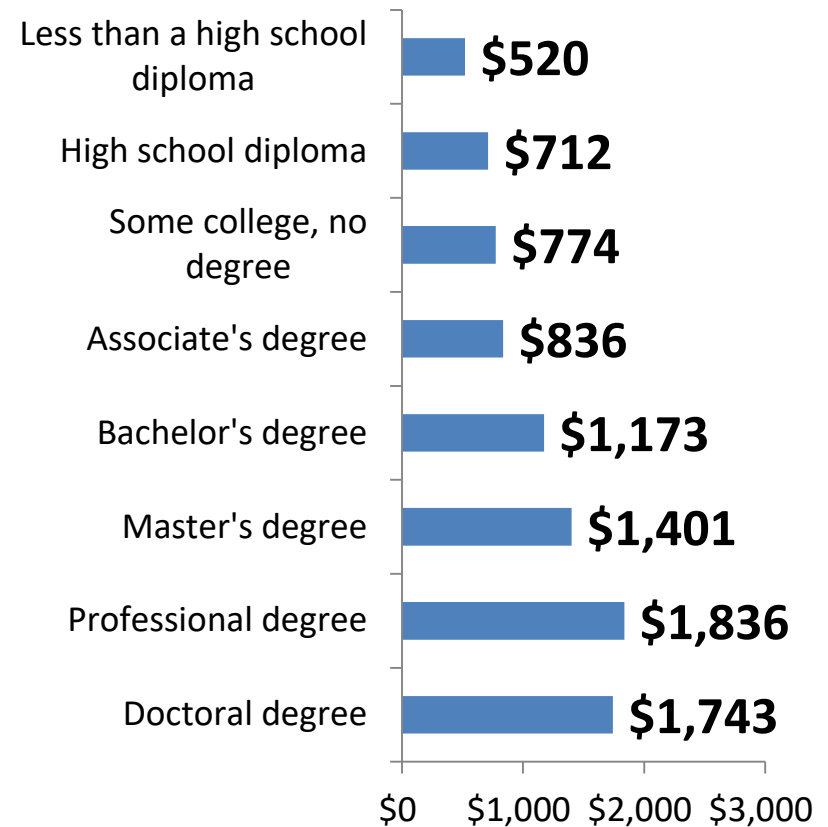


Continued Importance of Education is Apparent

Unemployment Rate (%)



Median Weekly Earnings (\$)



Thank You!