TENNESSEE LABOR MARKET UPDATE

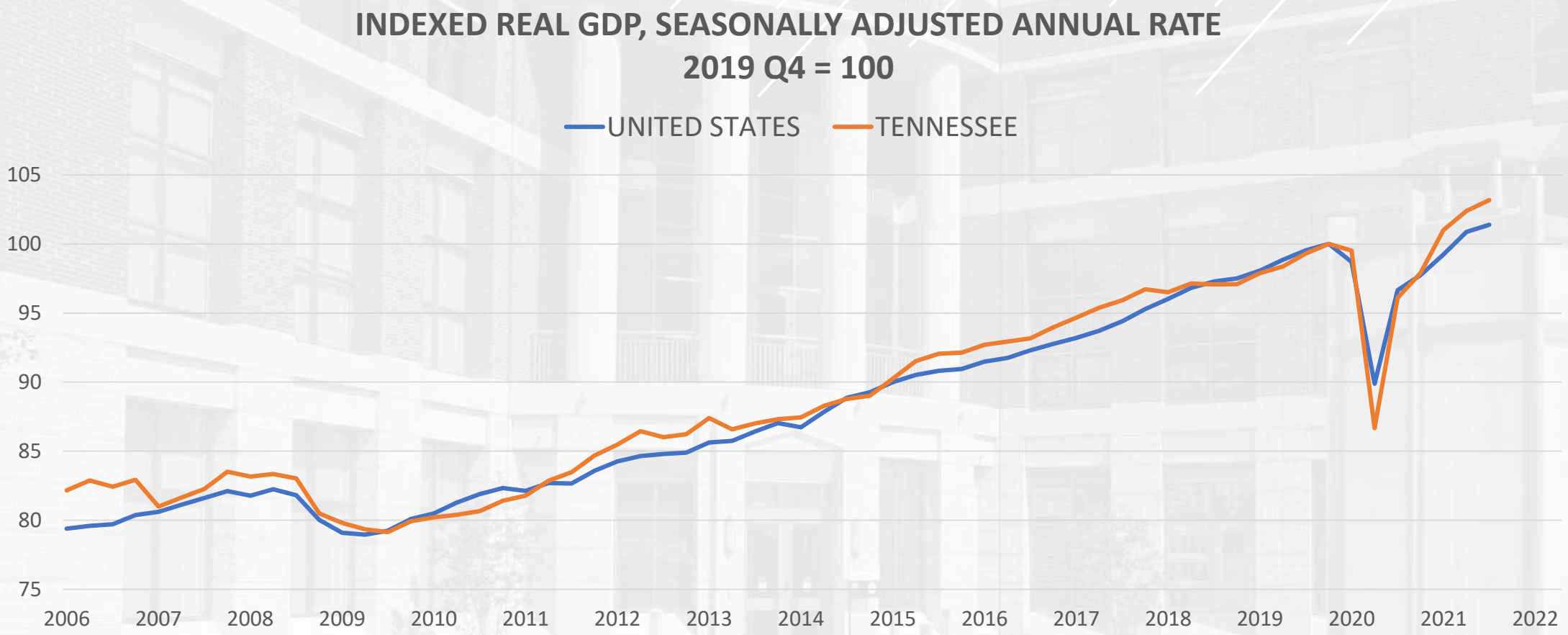
February 2022



HASLAM COLLEGE OF BUSINESS
THE UNIVERSITY OF TENNESSEE, KNOXVILLE

THE HOWARD H. BAKER JR CENTER for PUBLIC POLICY

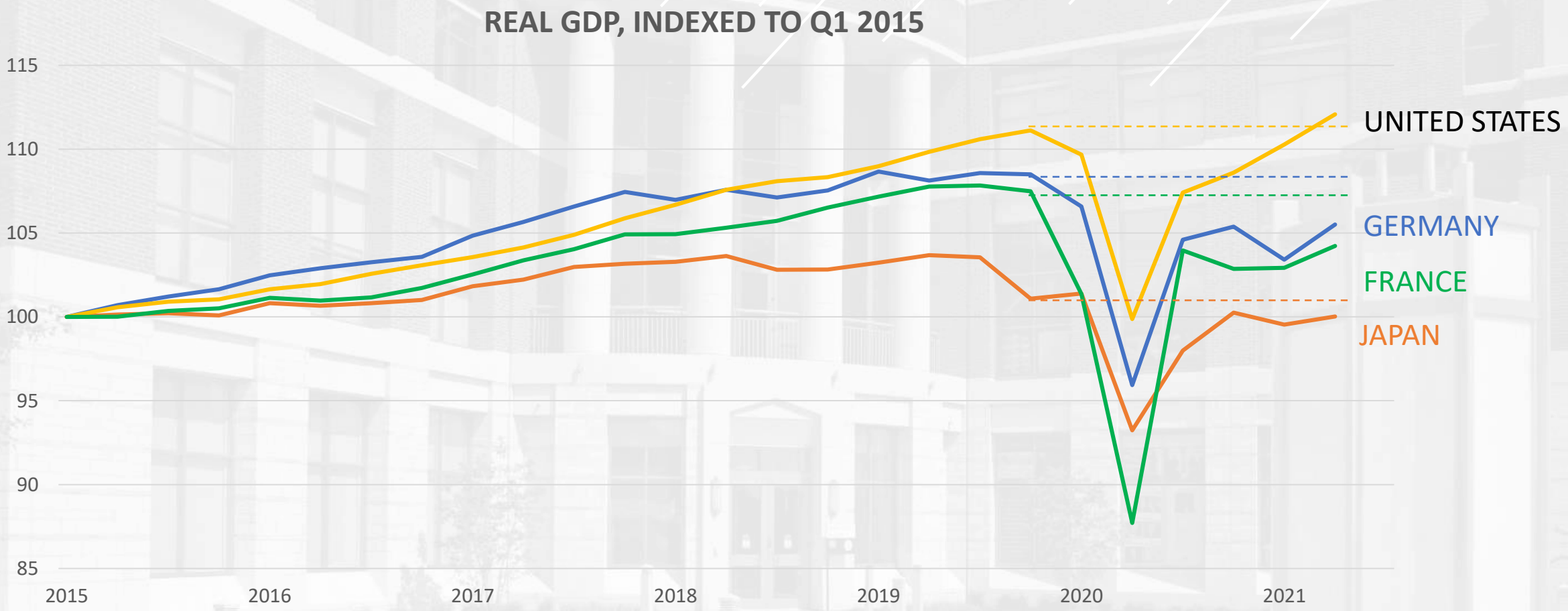
TENNESSEE ECONOMIC OUTPUT IS BACK TO PRE-PANDEMIC TREND



SOURCE: FRED

FEBRUARY 2022

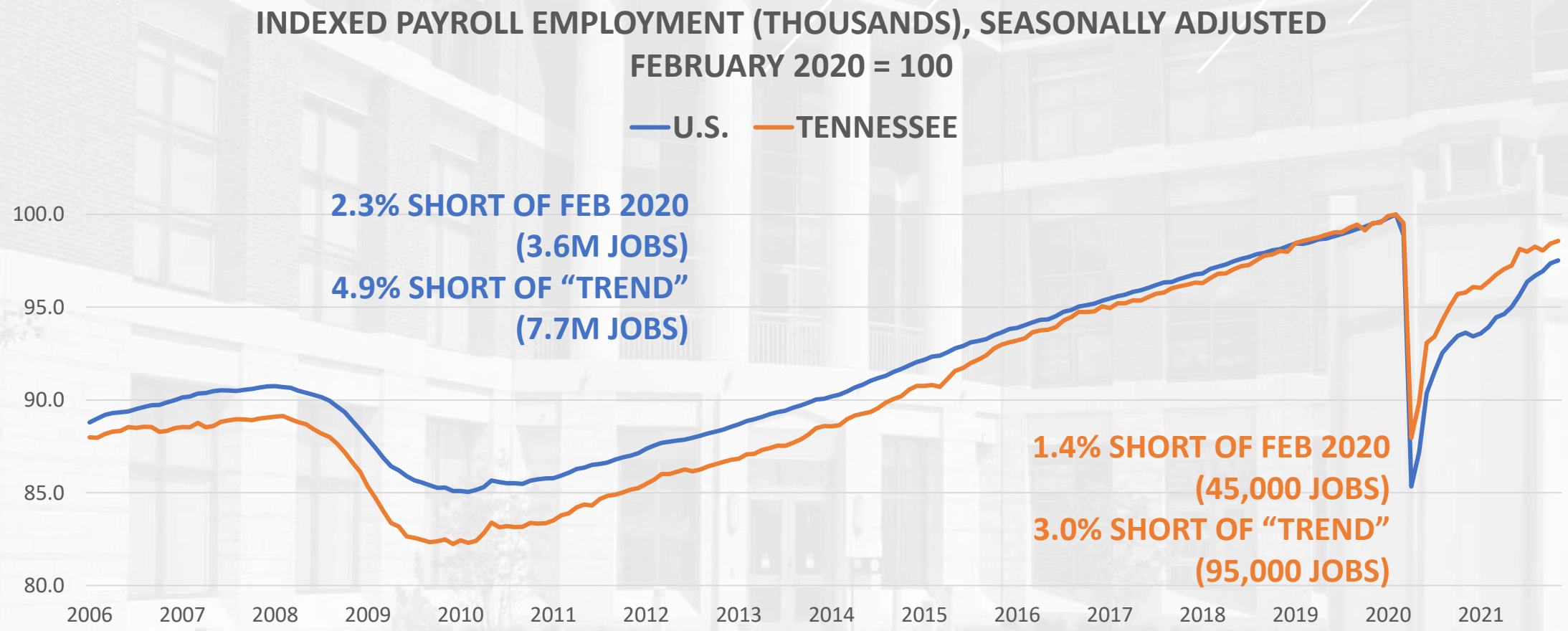
THE U.S. RECOVERY IS INTERNATIONALLY EXTRAORDINARY



SOURCE: FRED + BAKER CENTER CALCULATIONS

FEBRUARY 2022

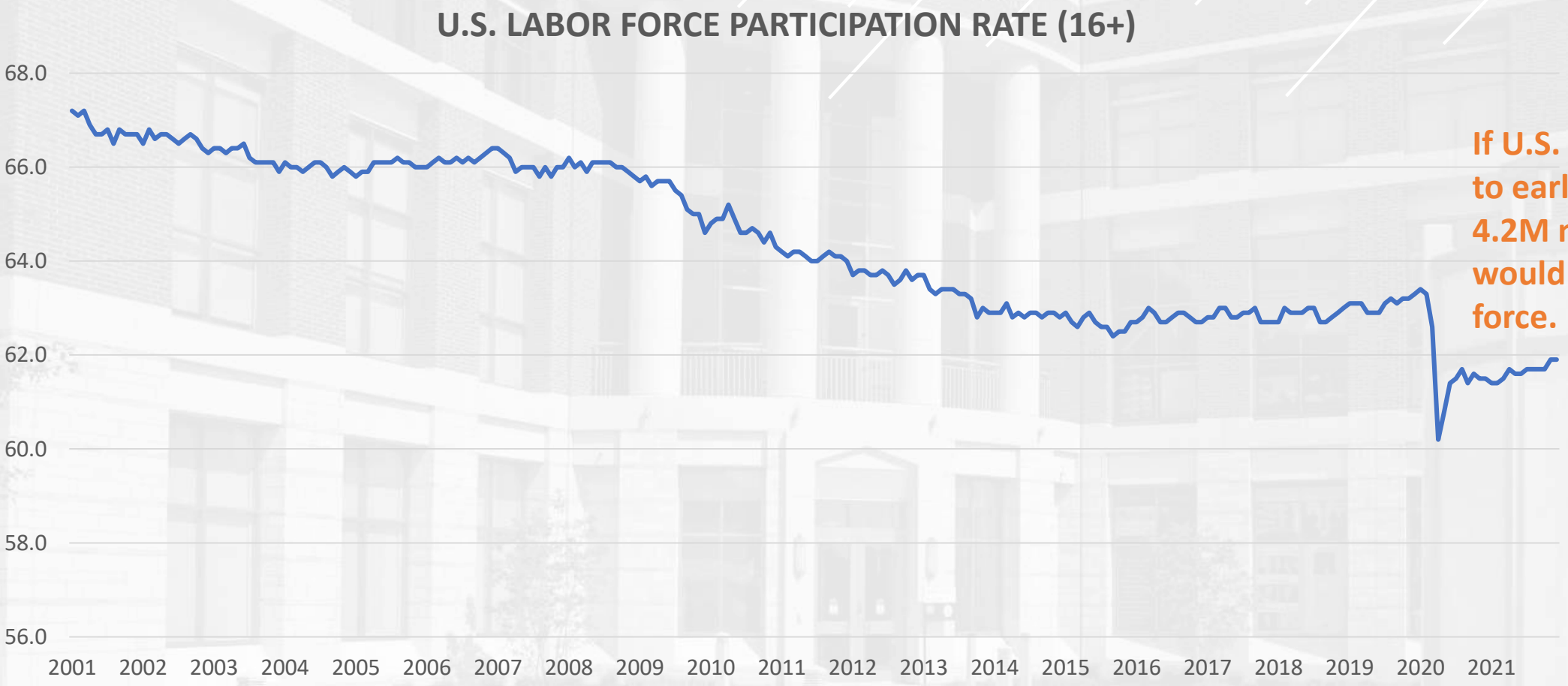
LABOR MARKETS HAVE NOT FULLY RECOVERED, IN TENNESSEE OR ELSEWHERE



SOURCE: FRED

FEBRUARY 2022

THE SHARE OF THE U.S. POPULATION WORKING OR LOOKING FOR WORK HAS STAGNATED

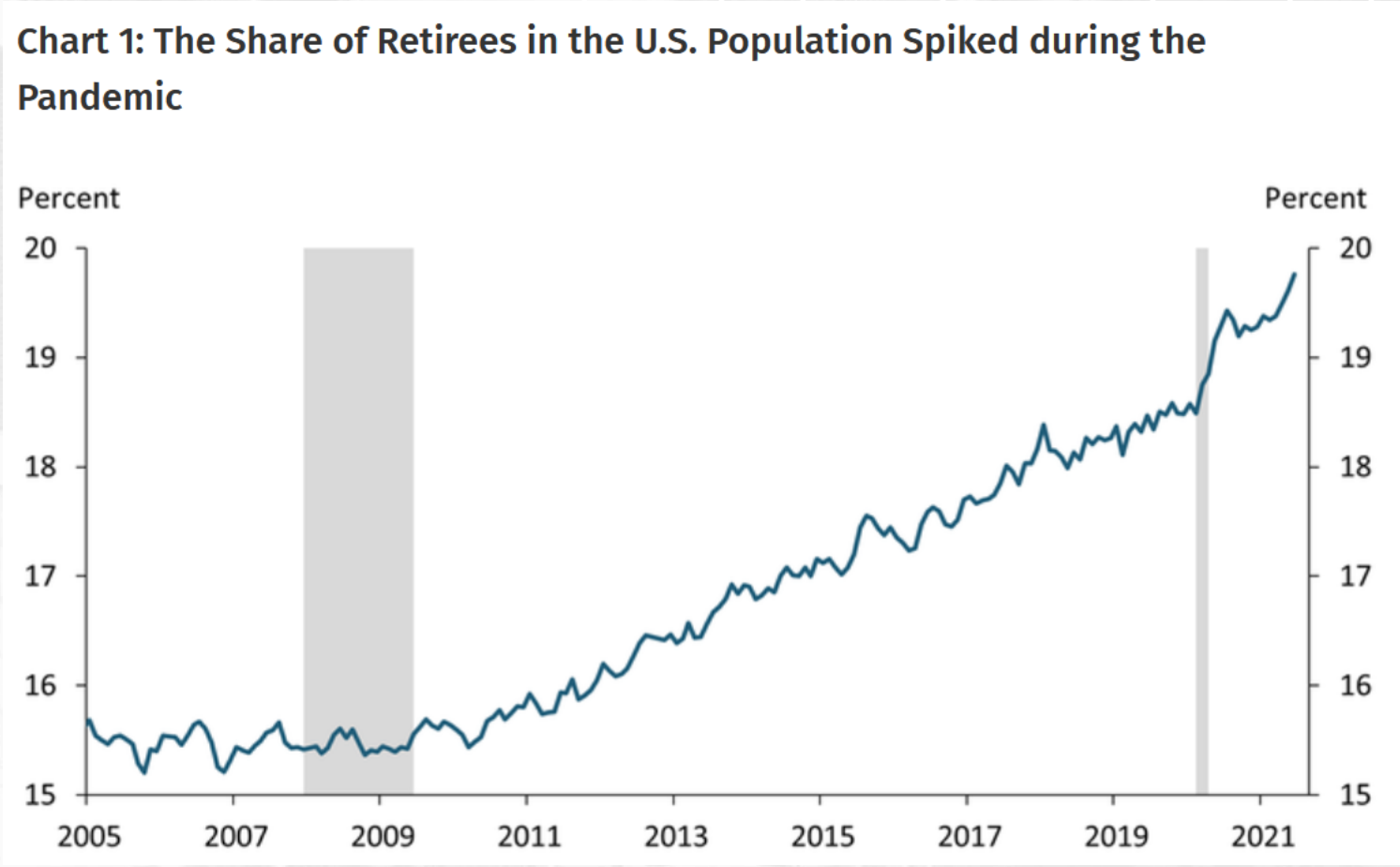


If U.S. LFPR returned to early 2020 levels, 4.2M more workers would be in the labor force.

SOURCE: FRED

FEBRUARY 2022

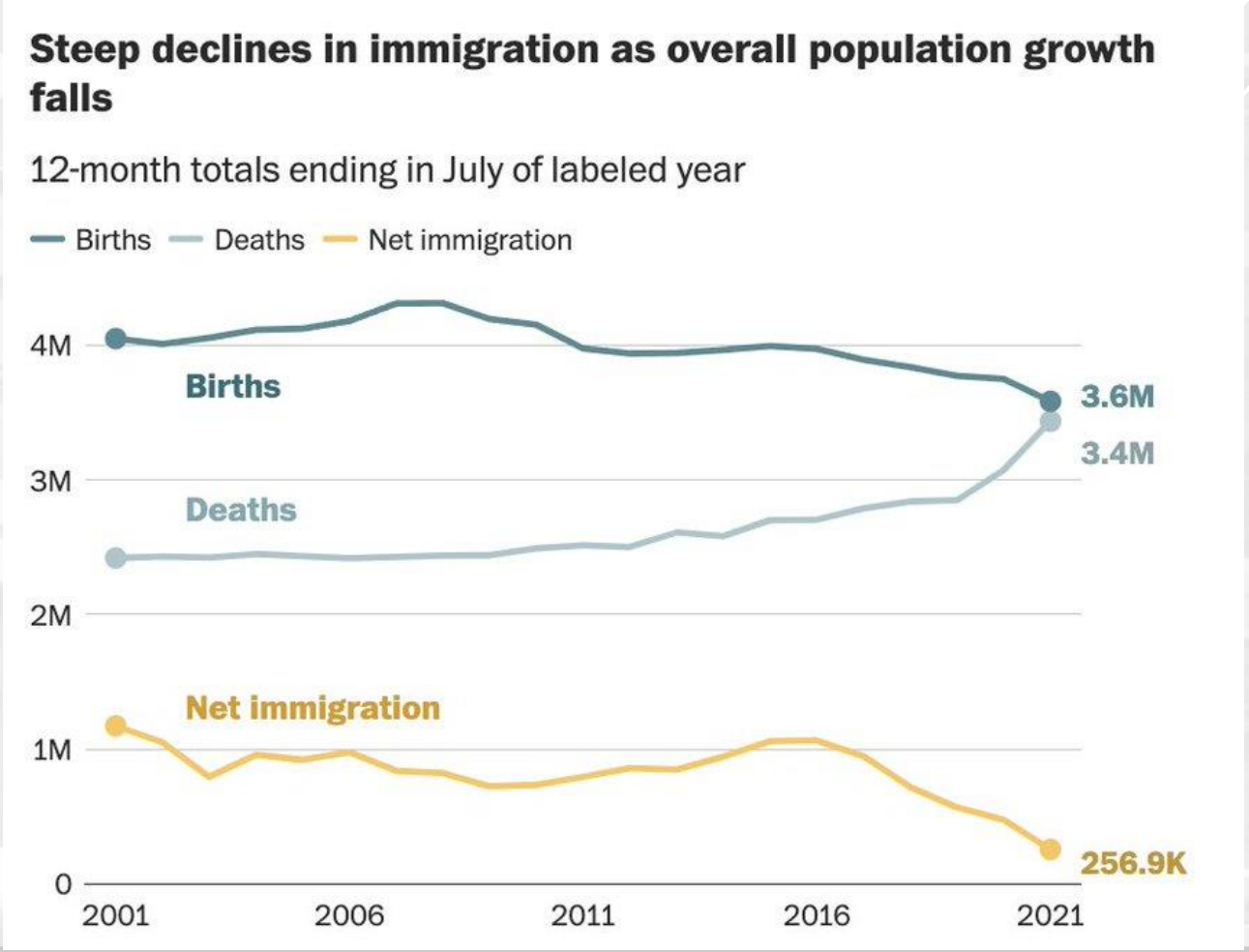
NATIONWIDE, HALF OF THE LABOR FORCE PARTICIPATION DROP-OFF (2.1M WORKERS) IS DUE TO EARLY RETIREMENTS



SOURCE: Kansas City Federal Reserve Bank

FEBRUARY 2022

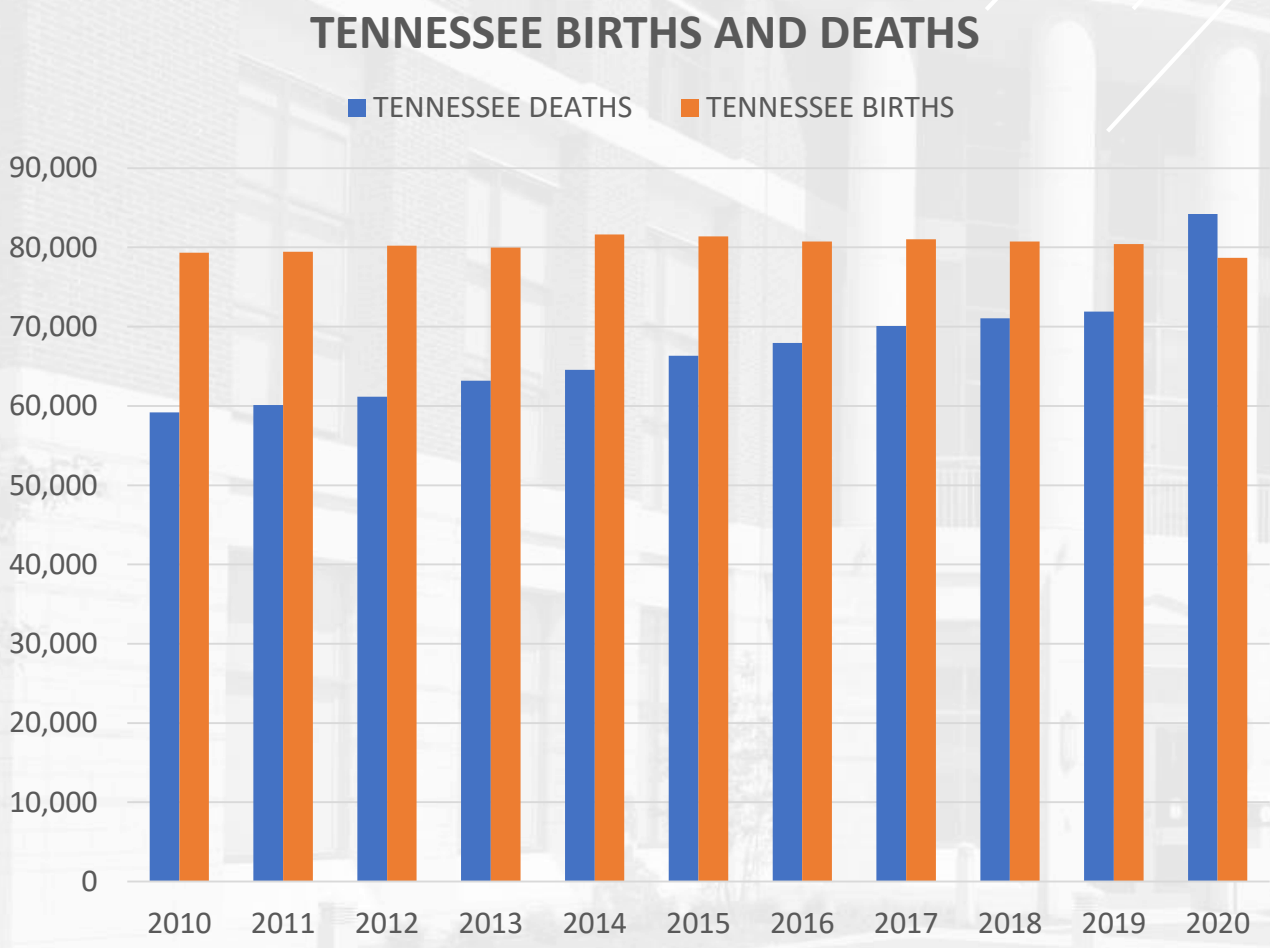
LONGER TERM, POPULATION GROWTH IN THE UNITED STATES IS NOT GUARANTEED



SOURCE: The Washington Post

FEBRUARY 2022

TENNESSEE'S NATURAL POPULATION GROWTH IS UNDER PRESSURE

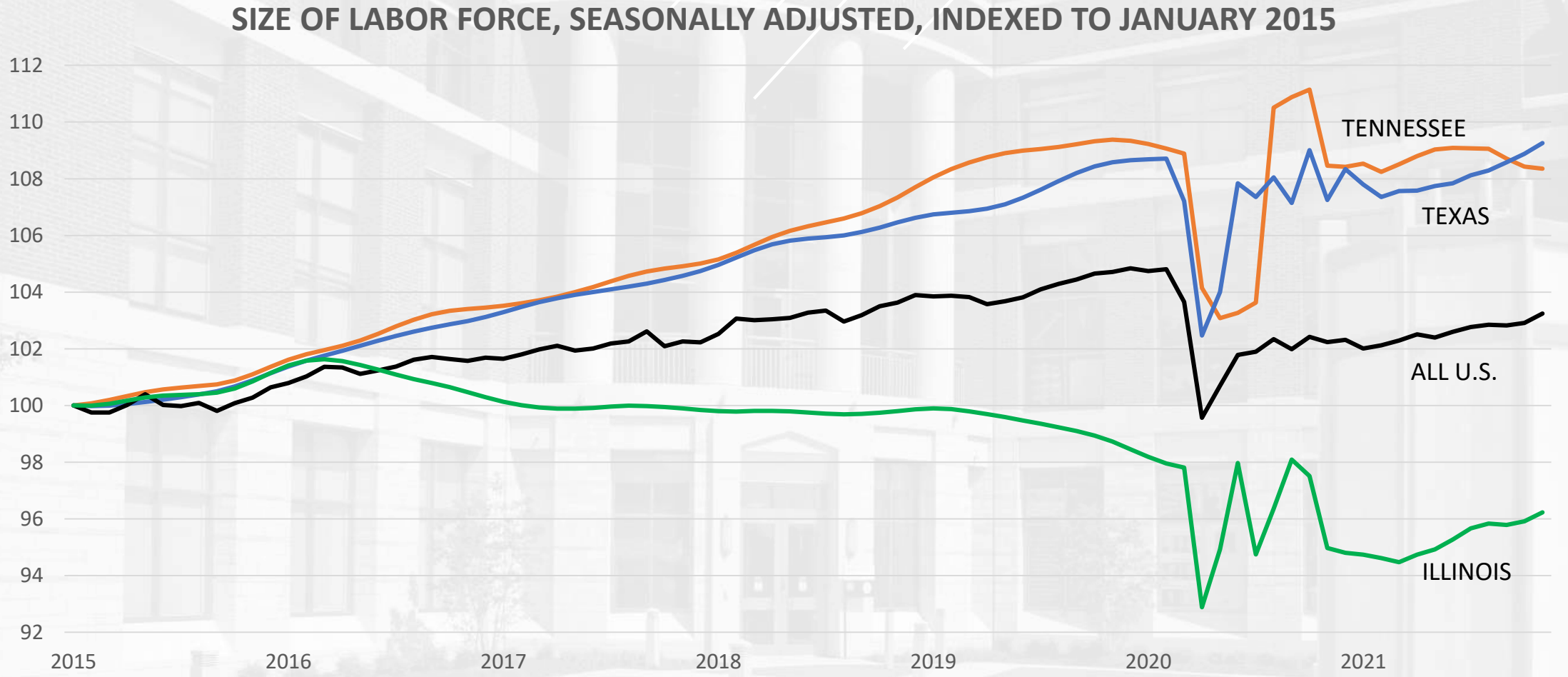


Even without the surge in deaths related to Covid, the natural rate of increase of the TENNESSEE population was set to be zero by 2024.

SOURCE: Tennessee Department of Health; Boyd Center for Business and Economic Research

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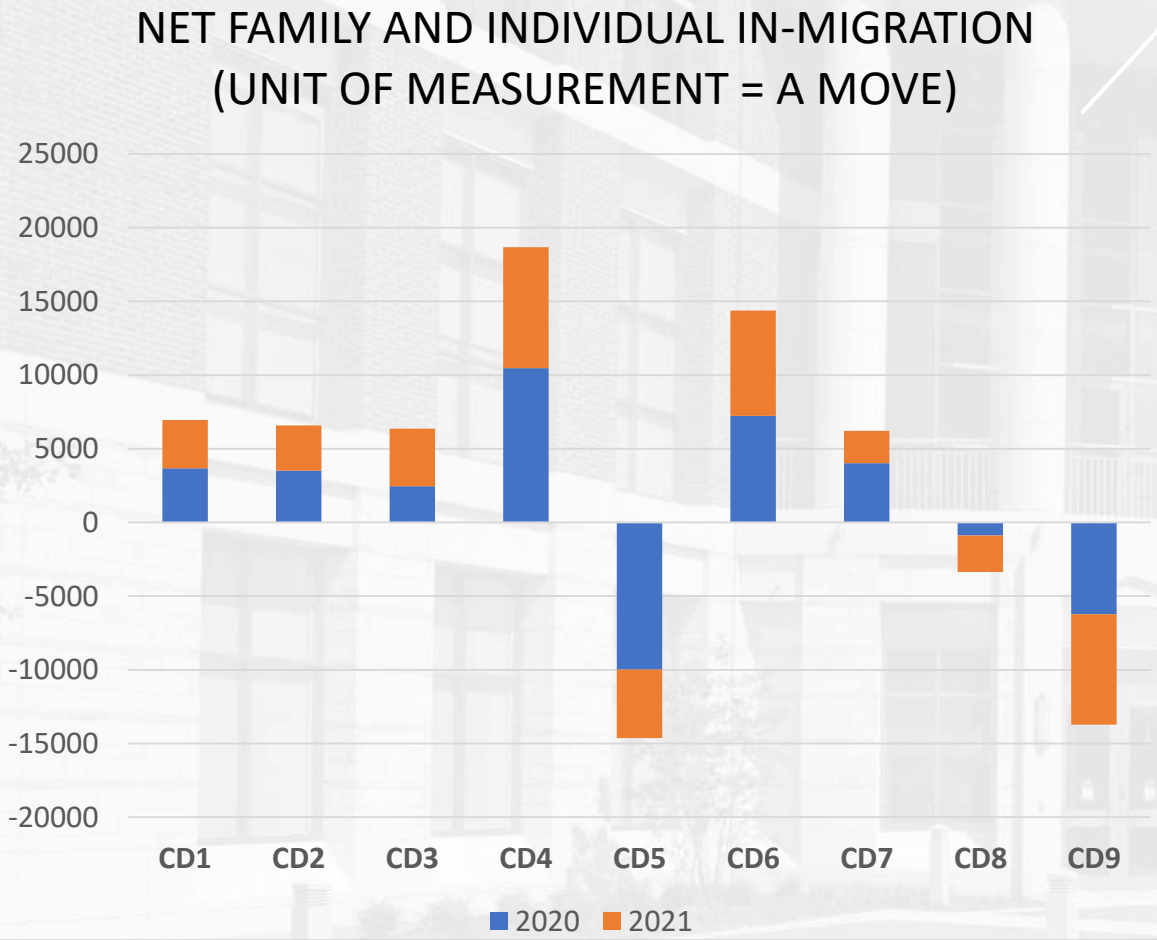
TO DATE, IN-MIGRATION HAS HELPED TENNESSEE AVOID THE WORST DEMOGRAPHIC CONSEQUENCES



SOURCE: FRED

FEBRUARY 2022

TENNESSEE'S POPULATION IS UNDERGOING A DRAMATIC RESORTING



MSA GAINS/LOSSES (2020 + 2021)
TN POPULATION ONLY
UNIT OF MEASUREMENT = A MOVE

CHATTANOOGA MSA	-398
JOHNSON CITY MSA	+1,484
KINGSPORT-BRISTOL MSA	+3,446
KNOXVILLE MSA	+8,202
MEMPHIS MSA	-8,555
NASHVILLE MSA	+873

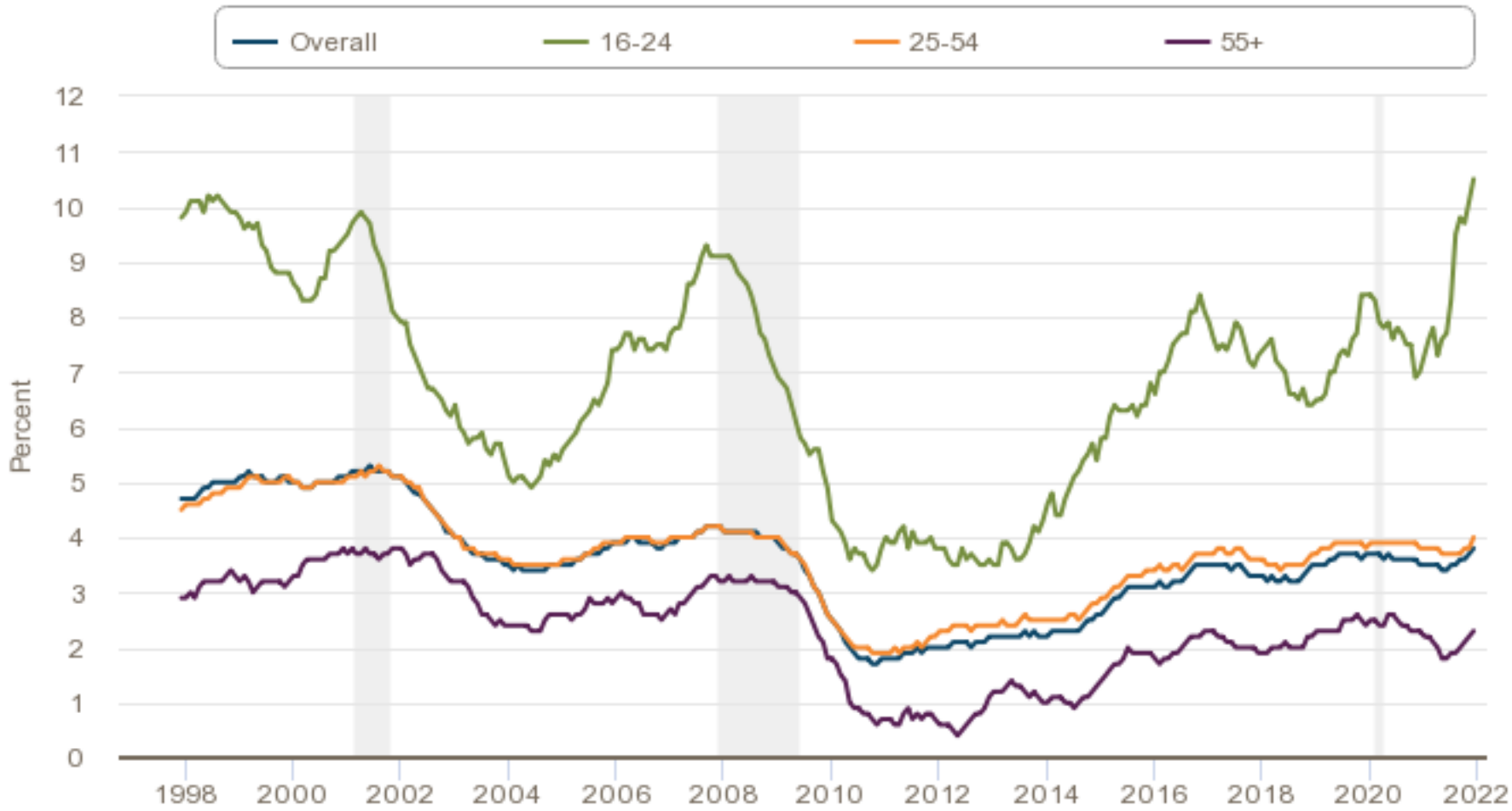
SOURCE: UNITED STATES POSTAL SERVICE + BAKER CENTER CALCULATIONS

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BACKUP

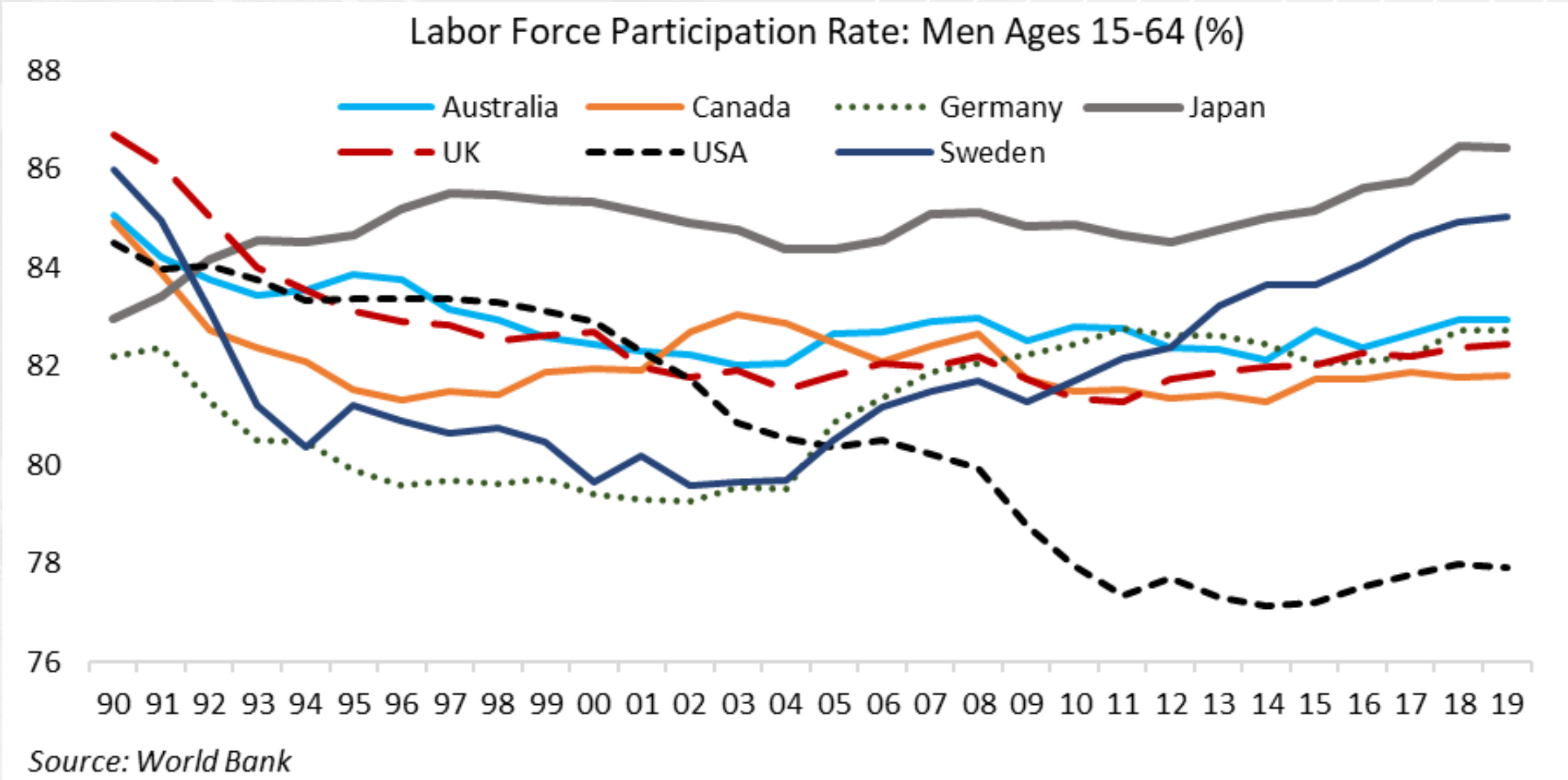
Wage Growth Tracker by Age

12-month moving averages of median wage growth, hourly data

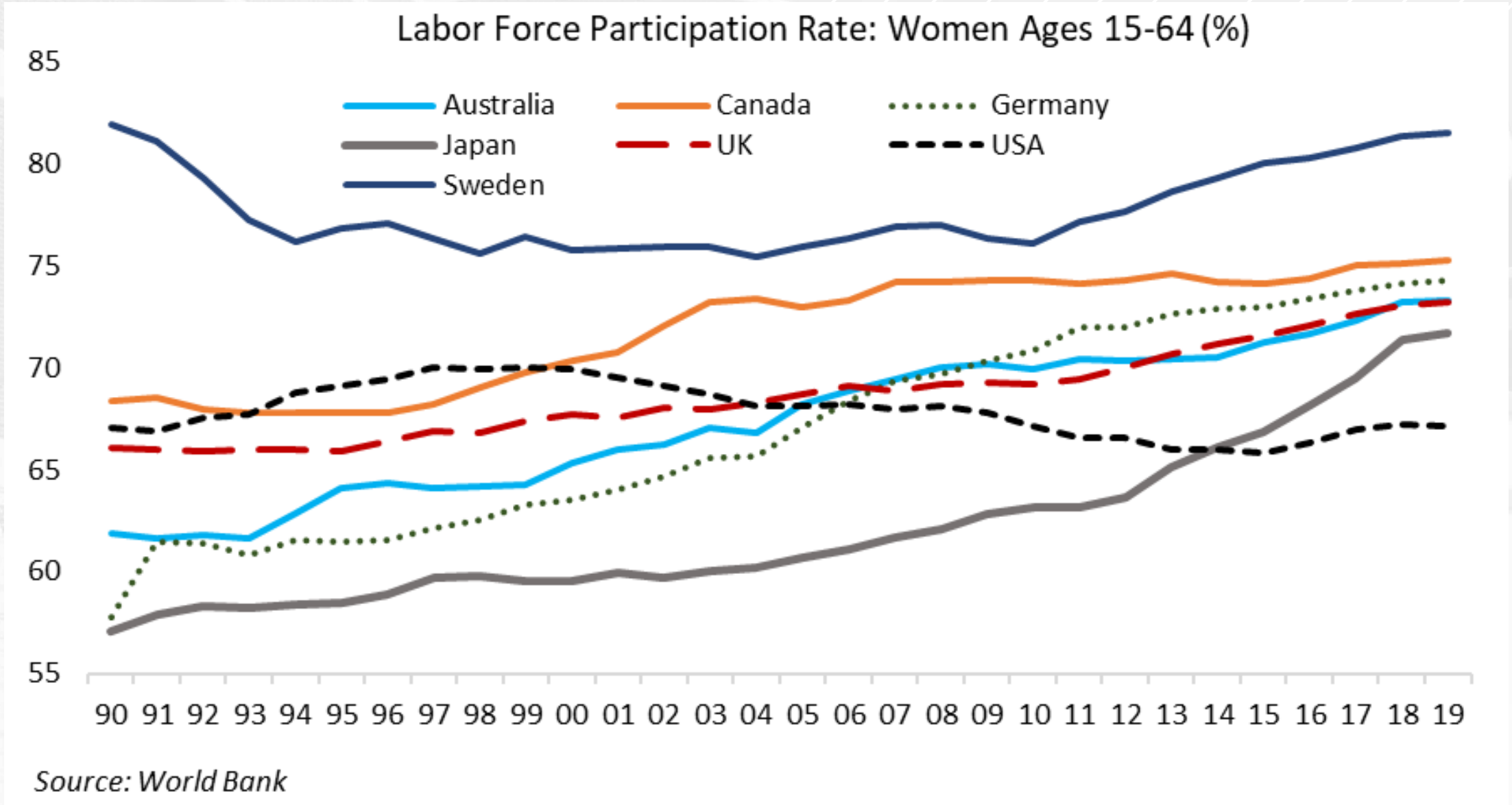


Sources: Current Population Survey, Bureau of Labor Statistics and author's calculations

Exported on: Tuesday, January 25, 2022

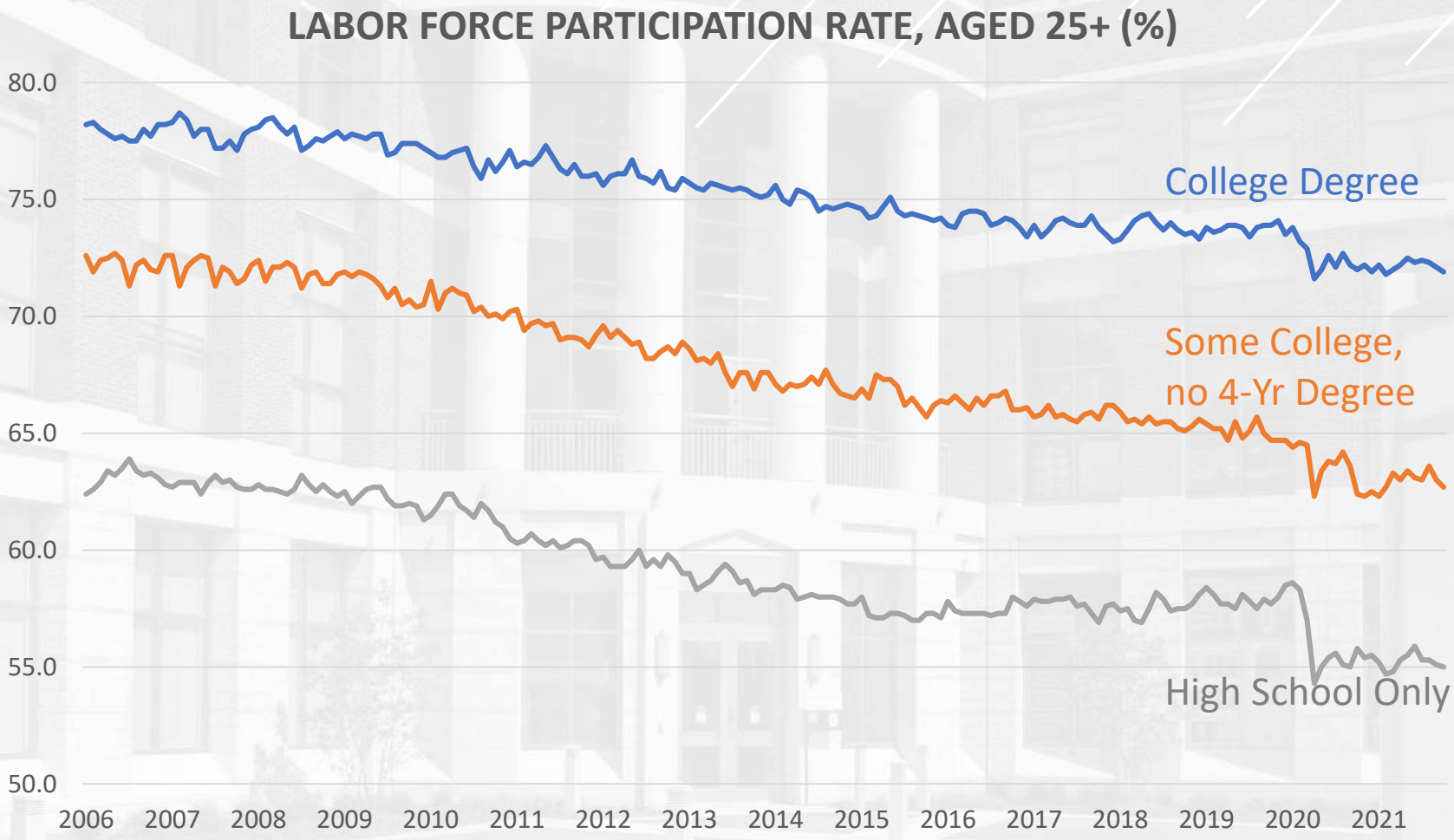


Source: World Bank



Source: World Bank

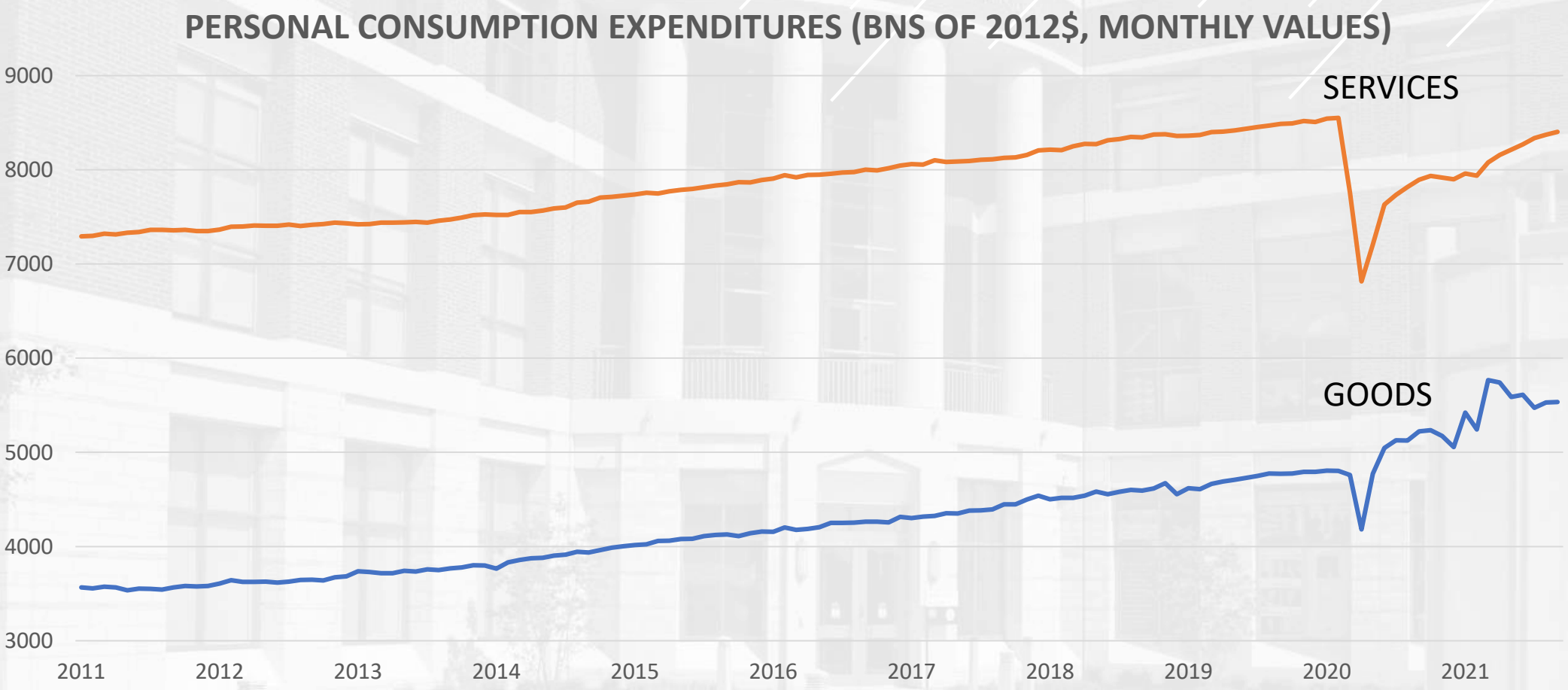
PARTICIPATION WEAKNESS



SOURCE: FRED

November 2021

CONSUMERS CHANGED THEIR SPENDING PATTERNS ON A DIME



SOURCE: FRED

November 2021

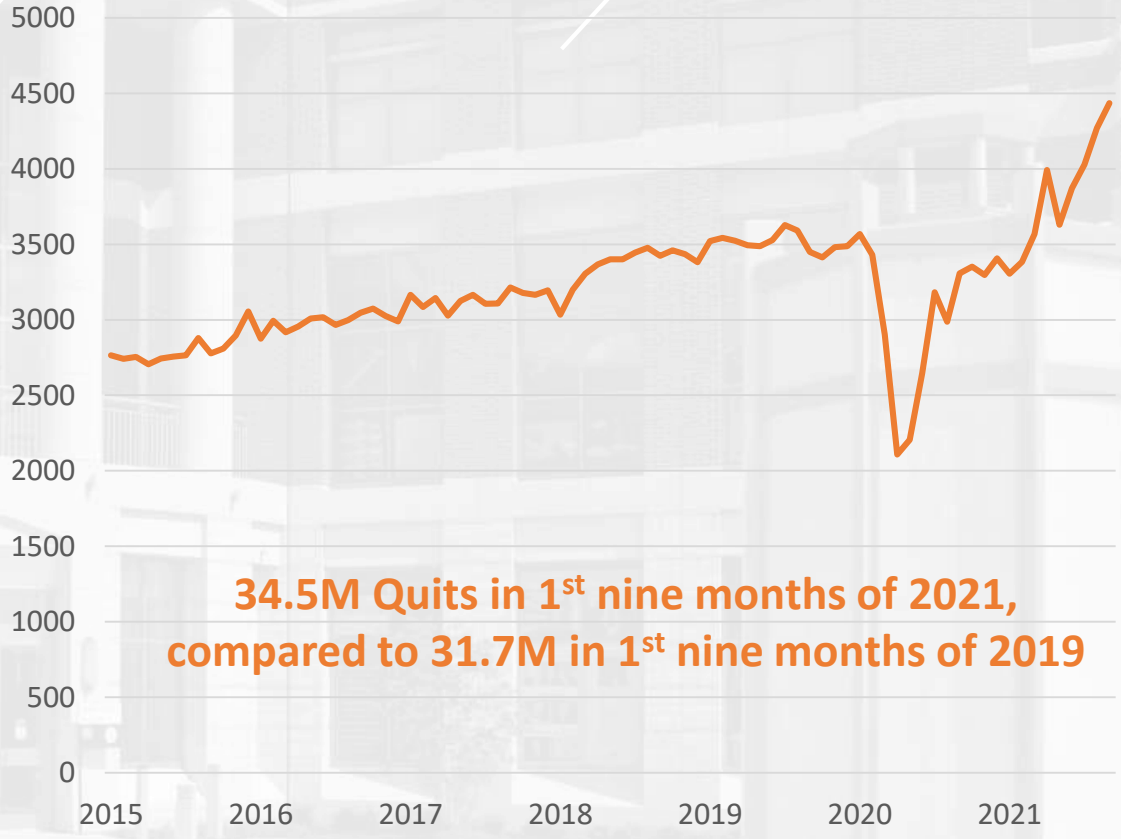
NATIONWIDE, LABOR MARKETS ARE EXTREMELY TIGHT

JOB OPENINGS (000s)



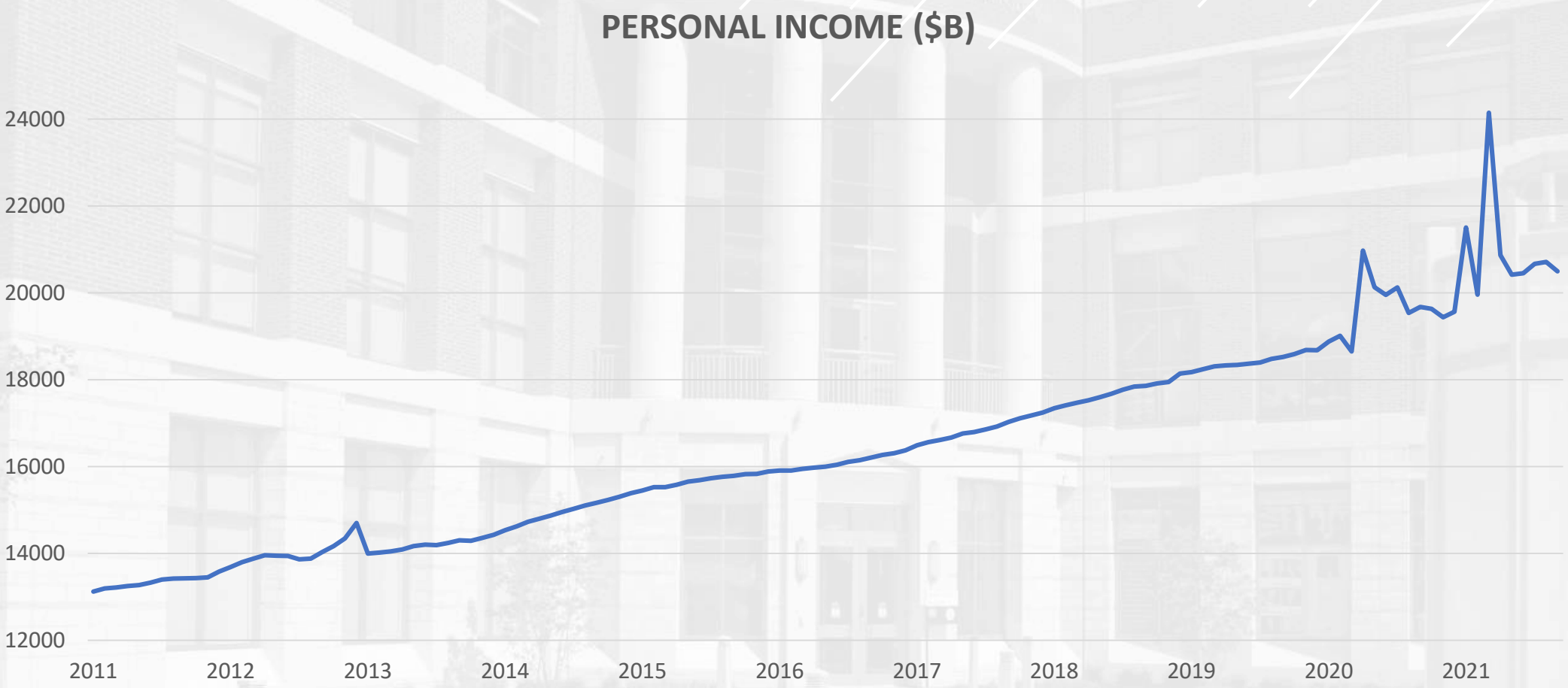
There are 0.7 unemployed persons per job opening, the lowest on record for a series that began in 2001

VOLUNTARY QUITS (000s)

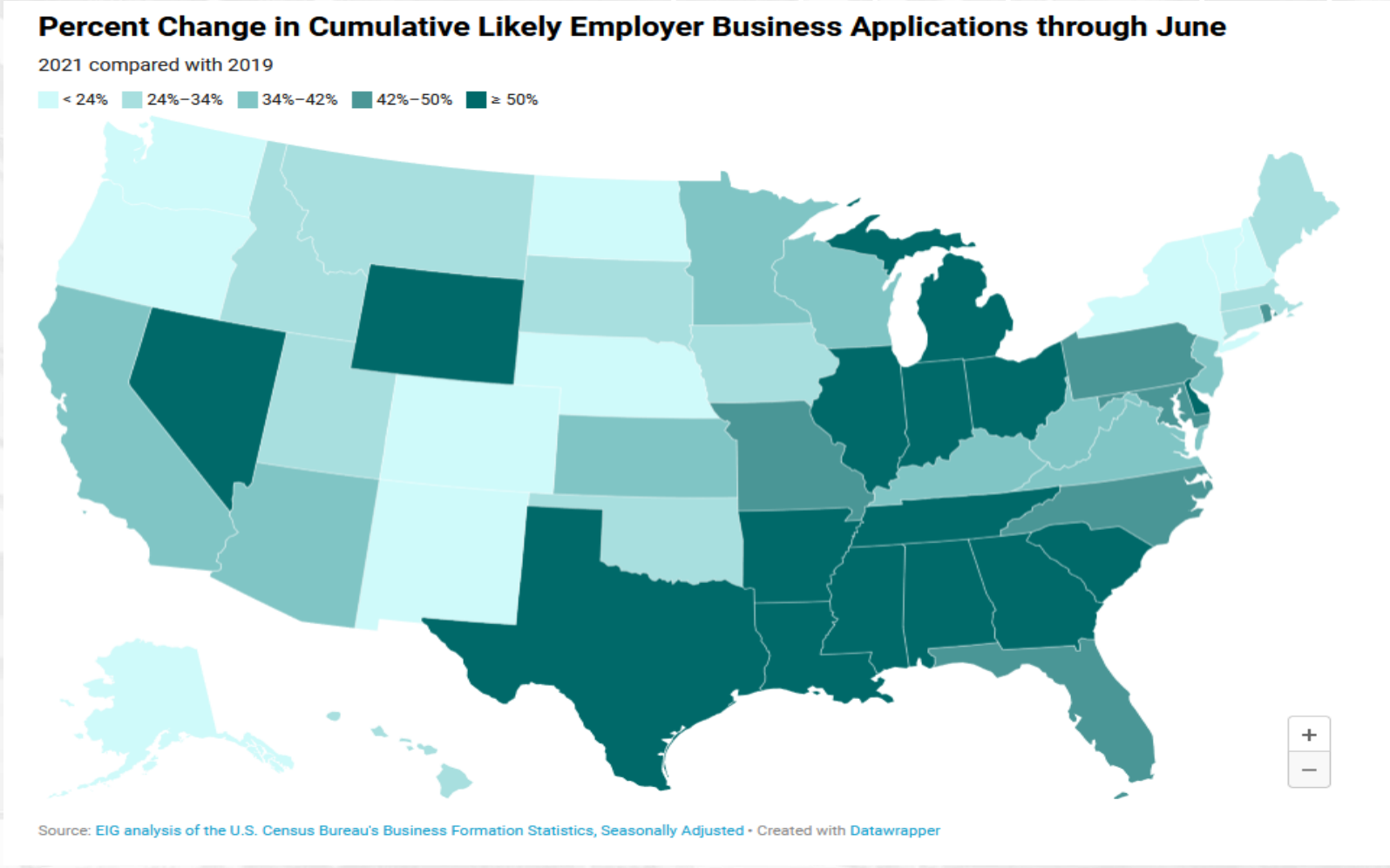


34.5M Quits in 1st nine months of 2021, compared to 31.7M in 1st nine months of 2019

SURGES IN PERSONAL INCOME FUELED A SAVINGS GLUT



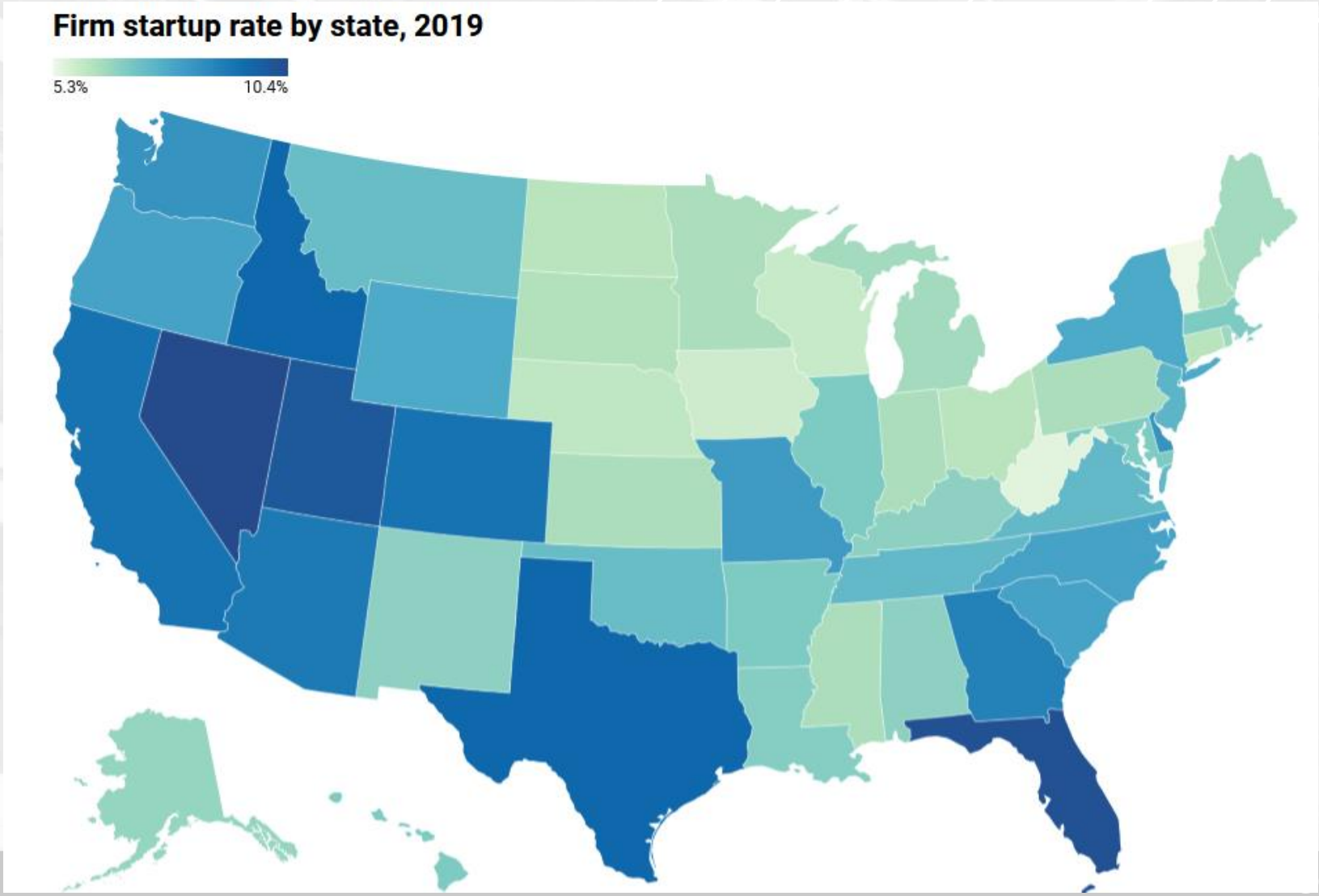
LOTS OF "SIDE HUSTLES" EMERGED AS A RESULT OF EXCESS SAVINGS . . .



Source: EIG.org

November 2021

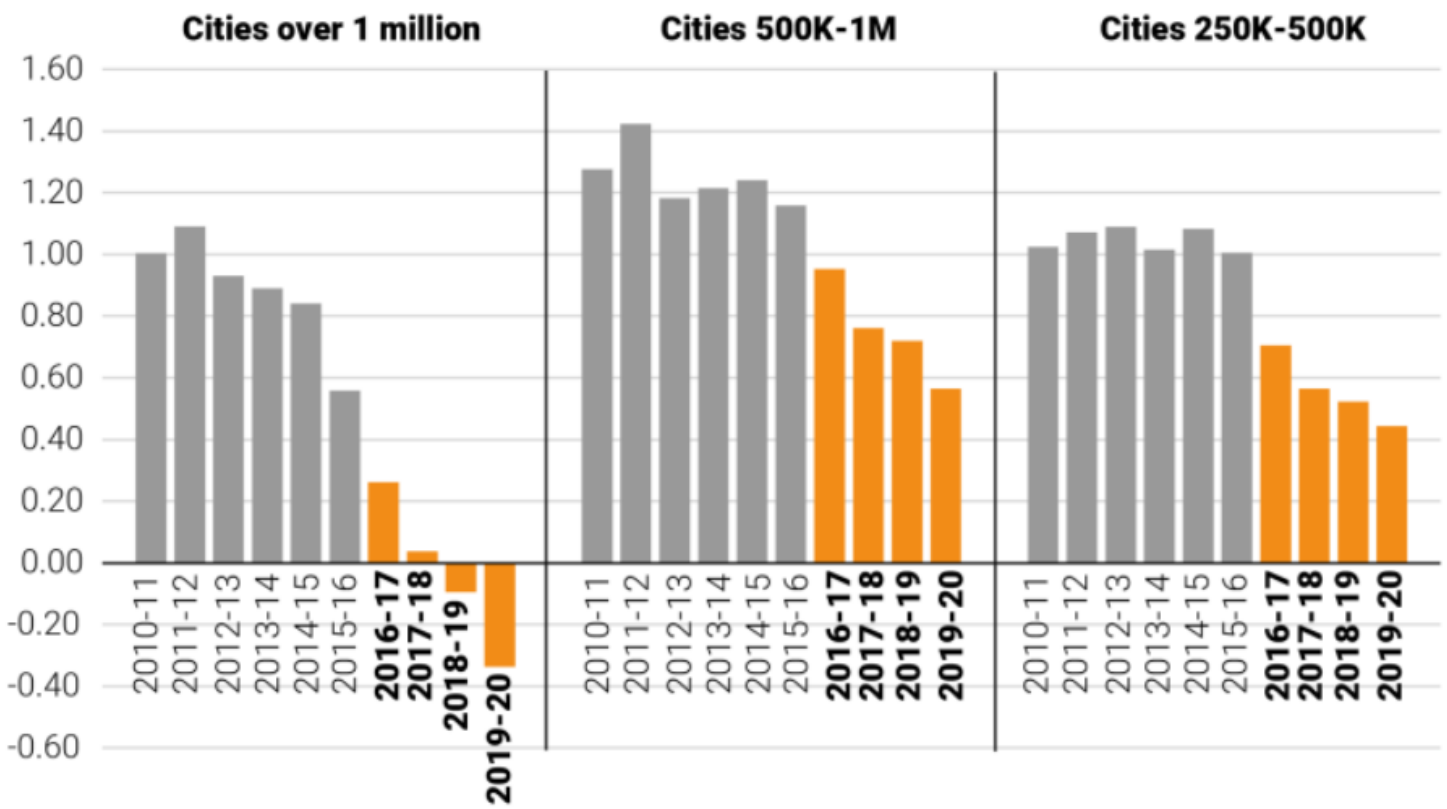
. . . . REVERSING PREVIOUS GEOGRAPHIC PATTERNS



Source: EIG.org

THE PANDEMIC EXACERBATED PREVIOUS MIGRATION AND POPULATION GROWTH PATTERNS

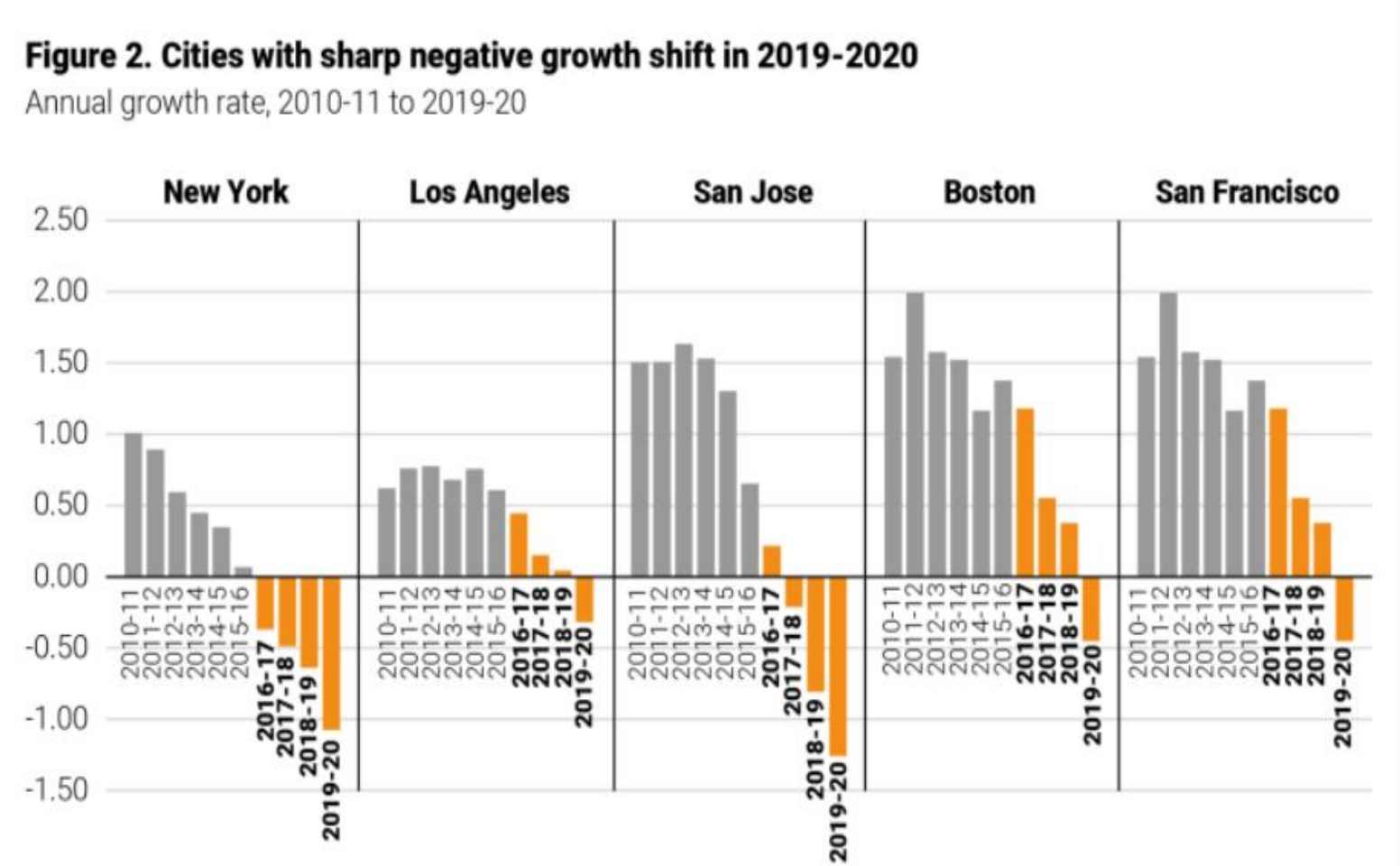
Figure 1. City populations by size category, annual growth 2010-2020



Source: BROOKINGS INSTITUTION

November 2021

"NAME BRAND" CITIES HIT HARDEST



Total outbound migration from New York, Los Angeles, San Francisco, Seattle, Washington DC, Boston, and San Jose metro areas

4.7 million residents in 2020 (1.5% of US total)

Source: BROOKINGS INSTITUTION