

**AN ECONOMIC REPORT
TO THE GOVERNOR OF
THE STATE OF TENNESSEE**

**THE STATE'S
ECONOMIC
OUTLOOK
JANUARY**

2026



AN ECONOMIC REPORT TO THE GOVERNOR OF THE STATE OF TENNESSEE

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PREFACE

This 2026 volume of *An Economic Report to the Governor of the State of Tennessee* is the fiftieth in a series of annual reports compiled in response to requests by state government officials for assistance in achieving greater interdepartmental consistency in planning and budgeting efforts sensitive to the overall economic environment. Both short-term, or business cycle-sensitive forecasts, and longer-term, or trend forecasts, are provided in this report.

The quarterly state forecast through the first quarter of 2028 and annual forecast through 2035 represent the collective judgment of the staff of the University of Tennessee’s Boyd Center for Business and Economic Research in conjunction with the Quarterly and Annual Tennessee Econometric Models. The national forecasts were prepared by S&P Global Market Intelligence. Tennessee forecasts, current as of December 2025, are based on an array of assumptions, particularly at the national level, which are described in Chapter One. Chapter Two details evaluations for major sectors of the Tennessee economy and presents the short-run and long-run outlook for the state economy, with an agriculture section provided by the University of Tennessee Institute of Agriculture. Finally, Chapter Three focuses on Tennessee’s current role in the nuclear energy industry, government initiatives to advance the industry, and the opportunities and challenges that lie ahead. This chapter provides an analysis of Tennessee’s nuclear energy industry and how it contributes significantly to electricity generation, employment, and academic research in the state. The chapter also provides a discussion on the advantages of nuclear power and its role in modern energy strategies, as well as why realizing the full potential of this opportunity requires addressing key challenges.

The primary purpose of this annual volume—published, distributed, and financed through the Tennessee Department of Finance and Administration, Tennessee Department of Economic and Community Development, the Tennessee Department of Revenue, and the Tennessee Department of Labor and Workforce Development—is to provide wide public dissemination of up-to-date economic analysis to planners and decision-makers in the public and private sectors.



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EXECUTIVE SUMMARY

THE U.S. ECONOMY

In 2025 the U.S. economy unfolded as a year defined by contradiction, with underlying growth offset by policy-driven instability and weakening sentiment. The year began with the first quarterly contraction in inflation-adjusted GDP since early 2022, a 0.6 percent decline that reflected a rush by firms to bolster their inventories of foreign goods ahead of the largest single-year tariff increase since the mid-1800s. Yet this stumble was followed by a strong rebound, with second-quarter growth rising at an annualized rate of 3.8 percent and year-over-year at 2.1 percent, a pace that kept the United States' economic growth marginally ahead of its European peers.

Consumption remained the dominant force behind economic gains, accounting for an extraordinary 90 percent of the U.S. economy's growth over the last twelve months. This enormous share underscored the durability of household spending even as consumers navigated rising prices and uncertainty. The year's consumption pattern was marked by sharp contrasts: the first quarter saw the weakest consumption growth in three years, while the second quarter swung sharply in the opposite direction as health-related spending surged, adding \$124 billion in healthcare services and \$44 billion in pharmaceutical and medical goods.

Inflation, meanwhile, edged slightly upward, reaching roughly 3.0 percent year-over-year, with a notable shift in its underlying composition. Housing remained a major contributor, but its influence eased as appreciation cooled. Instead, non-housing inflation accelerated, driven overwhelmingly by tariff increases introduced beginning in March 2025. Early evidence shows that U.S. consumers absorbed a substantial fraction of these new import taxes, with imported goods rising 6–7 percentage points in price and domestically produced goods dependent on foreign inputs increasing by about 4.5 percentage points. The resulting household burden was substantial, with estimates suggesting losses of \$1,100 to \$1,700 per household, with the poorest

households facing rising costs equivalent to 2.4 percent of their income.

Despite these price pressures, the Federal Reserve continued to cut interest rates beginning in the third quarter, reducing the target federal funds rate by 0.50 percentage points and bringing the effective rate to 3.9 percent by November. Policymakers at the Federal Reserve judged that tariff-related inflation represented a one-time increase in the price level rather than a self-reinforcing cycle and instead sought to stimulate the economy due to concerns about softening economic momentum in the labor market.

Unemployment rose marginally to 4.4 percent overall and 3.7 percent among prime-age workers, its highest level since 2021. The least-educated workers experienced the steepest increases during the year. Job creation slowed markedly, totaling 1.31 million new jobs over 12 months, compared with nearly 2 million over the same period in 2024. Real wage growth over the past twelve months decelerated to just 0.7 percent, eroded by rising input costs and declining profitability, with notable contractions in the education and health sectors and weak gains in manufacturing.

Investment spending was highly volatile as firms attempted to anticipate shifting trade policies. The first quarter saw a \$155 billion buildup in real inventories, only for the second quarter to reverse with a \$190 billion contraction. Yet the standout feature of business investment in 2025 was the continued boom in artificial-intelligence-related spending. Intellectual property investment grew at an annualized rate of \$157 billion, while information processing equipment investment rose by \$170 billion. By contrast, investment in structures weakened as higher costs and soft commercial real estate depressed construction. Financial markets continued to reach new heights, with the S&P 500 rising 18 percent through November. However, this trailed 2024's performance over the same period.

Government spending contracted sharply, with defense and non-defense outlays both falling in the first quarter as new cost-control measures took

THE U.S. ECONOMY, CONTINUED

effect. International trade contributed to slowing GDP growth, as imports surged by \$330 billion in the first quarter amid firms' racing to beat tariff deadlines, pushing net exports to record lows. Exports stagnated due to retaliatory tariffs and a decline in foreign consumer sentiment toward the United States, with shipments to top trade partners falling sharply.

The national forecast for 2026 reflects both the economy's underlying resilience and the deep pessimism felt by consumers, whose sentiment remains near post-pandemic lows. Uncertainty surrounding future economic policy reached 30-year highs in early 2025 and continues to restrain investment. Even so, the forecast cautiously predicts moderate GDP growth of 2.2 percent in 2026, supported by continued but slower

consumption growth, easing inflation, and further monetary policy loosening. Similarly, job growth is projected to remain positive but subdued, advancing by 0.5 percent in 2026. This would equate to roughly 780,000 new workers, and represents an appreciable slowdown compared to the projected 1.5 million jobs added in 2025, and over 2.0 million jobs created in 2024. The unemployment rate will continue to drift upward, increasing from an annual average of 4.2 percent in 2025 to 4.5 percent in 2026 and 2027. Nonetheless, these still represent relatively low rates of unemployment from a historical standpoint. Importantly, there is considerable uncertainty surrounding this baseline forecast, with plausible pessimistic and optimistic scenarios shaped largely by the evolving impact of tariff policy.

THE TENNESSEE ECONOMY

The state economy continued to expand in 2025, but economic growth was much more volatile, as businesses and households adapted to the ever-evolving federal policy landscape. In particular, federal trade policy, primarily surrounding tariffs (fees placed on goods imported into the U.S.), had an outsized impact on overall economic growth through the first half of 2025. In Tennessee, inflation-adjusted gross domestic product (real GDP) grew by only 0.3 percent in the first quarter of the year, but then accelerated to 3.1 percent growth in the second quarter. This was driven by tariff-induced changes in spending patterns, as businesses and households front loaded their purchases of foreign goods in an effort to get ahead of tariff-driven price increases. Real GDP measures the value of goods and services produced domestically, and since imports are not produced in Tennessee (or the U.S.) they do not increase state GDP. Furthermore, as more imports are purchased in a given quarter, fewer domestic goods or services

are purchased, leading to slower GDP growth. This pattern reversed itself in the second quarter, as import spending plummeted, and domestic purchases rose, leading to a rebound in GDP growth.

Expectations are for Tennessee real GDP to grow by 1.7 percent for the 2025 year as a whole, followed by a slightly faster rate of 2.0 percent growth in 2026. These would represent slower rates of growth than seen in 2024, when the state economy expanded by 2.7 percent. Slower expected growth in the near term is partially due to timing. As the current growth cycle continues to mature, the economy typically settles into a slower growth pattern. However, lower GDP growth projections are also driven by federal policy changes and economic uncertainty surrounding federal policies. Particularly related to tariffs and immigration, but also changes in federal funding decisions and cuts to the federal workforce. Each of these, on their own, could become a drag on economic growth in

EXECUTIVE SUMMARY

THE TENNESSEE ECONOMY, CONTINUED

the near term. In addition, economic uncertainty could, by itself, lead to slower economic growth if businesses hold off on making large investments or hiring new workers, or if consumers reconsider major purchases. Nonetheless, expectations are for economic growth to remain positive over the next two years, as consumer spending has remained firm, but the downside risks are certainly elevated.

The labor market in Tennessee has also shown continued signs of cooling. Prior to the pandemic, the state added roughly 60,000 workers per year (from 2014 to 2019). In 2023, Tennessee added over 80,000 workers to payrolls, but job gains decelerated to around 40,000 in 2024. Employment gains will likely slow further, to around 24,000 new jobs in 2025, representing a modest 0.7 percent increase. State job growth will be slightly faster in 2026, increasing by 0.9 percent, representing a net addition of 31,400 workers. This would outpace the national projection of just 0.5 percent in 2026, but would still be well below the pre-pandemic growth trend.

The unemployment rate in Tennessee remains low, sitting at 3.6 percent as of September 2025. This is only 0.5 percentage points above the all-time low of 3.1 percent, which was recorded in early-2024. Tennessee's unemployment rate is projected to inch upwards as job growth slows. Expectations are that the unemployment rate will average 3.6 percent for

the 2025 year as a whole, and then tick up to 3.8 percent in 2026 and 3.9 percent in 2027. Despite these increases, the state rate will remain below the national unemployment rate, which is projected to sit at 4.5 percent in both 2026 and 2027.

Nominal personal income will increase by 4.7 percent in 2025 and 5.0 percent in 2026. These would be slower than the 5.9 percent rate of growth registered in 2024, but are more in line with the pre-pandemic growth pattern. After adjusting for inflation, real personal income will increase by 2.0 percent in both 2025 and 2026. On a fiscal year basis, nominal personal income is projected to grow by 4.7 percent in FY25/26 and 5.1 percent in FY26/27.

Over the long term (10 years ahead), Tennessee real GDP growth will increase by 2.5 to 2.6 percent per year from 2027 to 2030, but then decelerate to around 2.3 to 2.4 percent per year in the first half of the 2030s. Nonfarm employment growth will follow a similar trend, growing by 1.1 to 1.3 percent per year through the latter portion of this decade, but then slowing to 0.8 to 1.0 percent per year at the back end of the long-term forecast horizon. Slower growth towards the end of the forecast horizon is due to an aging population and increased retirements leading to a smaller potential workforce over the long term.

THE ROLE OF NUCLEAR ENERGY IN TENNESSEE'S FUTURE

The state of Tennessee is uniquely positioned to help lead the United States on a path towards a nuclear energy renaissance, leveraging its historical expertise, robust infrastructure, and forward-thinking policies. With a legacy rooted in the Manhattan Project and the Oak Ridge National Laboratory (ORNL), Tennessee has been at the forefront of nuclear innovation for decades. Today, as global efforts to combat climate change intensify, nuclear energy emerges as a critical solution for providing clean and reliable power. In this chapter, we examine Tennessee's current role in the nuclear energy industry, government initiatives to advance the industry, and the opportunities and challenges that lie ahead.

Tennessee's nuclear energy industry is an important asset for the state, contributing significantly to electricity generation, employment, and academic research. As of 2024, there are 229 nuclear-related companies in Tennessee, forming a comprehensive supply chain that supports manufacturing, research, and service delivery across multiple sectors.

The advantages of nuclear power make it indispensable in modern energy strategies. It offers environmental benefits through low greenhouse

gas emissions, operational longevity, and unmatched reliability for critical applications. These attributes align with Tennessee's commitment to clean energy solutions and position the state as a potential leader in next-generation nuclear technologies.

However, realizing the full potential of this opportunity requires addressing key challenges. These include managing high initial costs and lengthy construction timelines, ensuring workforce readiness through education and training programs, modernizing infrastructure to support advanced reactor technologies, and navigating regulatory complexities. Strategic investments in these areas could help the state capitalize on its existing assets while overcoming barriers to growth.

In conclusion, Tennessee stands at a pivotal moment in shaping the future of nuclear energy in the United States. By building on its historical expertise and fostering innovation through supportive policies and strategic investments, the state can solidify its leadership in the national energy transition. This chapter provides a roadmap for leveraging Tennessee's unique strengths to drive sustainable growth in the nuclear sector while contributing to broader climate goals.

CHAPTER 1: THE U.S. ECONOMY

In this Chapter —

1.1. U.S. Economy: Year in Review

Introduction
Consumption and Inflation
Interest Rates and Housing
Employment and Wages
Investment and the Stock Market
Government Consumption and Expenditure
International Trade

1.2. The U.S. Forecast

Consumption
Investment
Interest Rates and Inflation
Labor Market
Federal Budget and Government Spending
International Trade

1.3. Alternative Scenarios

1.1. THE U.S. ECONOMY: YEAR IN REVIEW

Introduction

The U.S. economy in 2025 presented a mixed picture of growth tempered by mounting policy-driven headwinds. After several post-pandemic years of stable expansion, inflation-adjusted GDP contracted by 0.6 percent in the first quarter—the first quarterly decline since early 2022, when the economy was still normalizing from the pandemic shock. Growth rebounded sharply in the second quarter, rising 3.8 percent on an annualized basis and to 2.1 percent year-over-year. As shown in **Figure 1.1**, this rate of growth is still sufficient to outpace peer countries in the Eurozone, which grew at rates of 2.0 percent and 0.9 percent in the first two quarters of 2025, respectively, with overall growth of 1.6 percent year-over-year. However, it should be noted that, while the U.S. economy continues to grow at a faster pace, the gap is not as large as it was in the recent past.

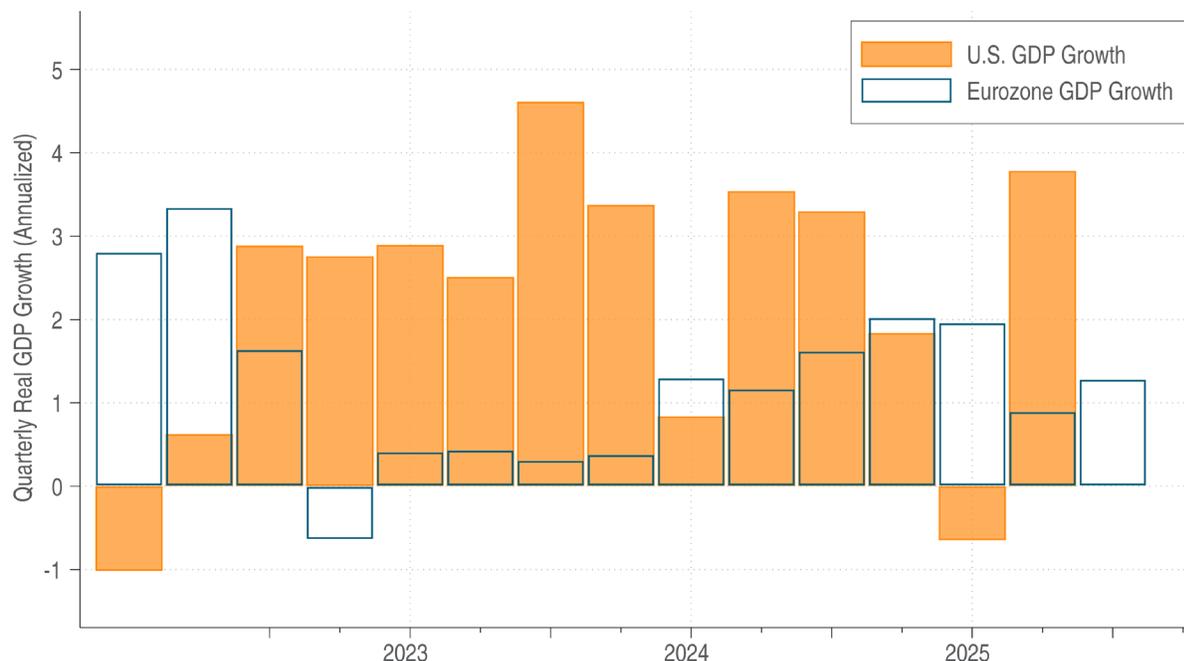
Overall, the story of the U.S. economy in 2025 is still extremely murky. Due to the 43-day shutdown of the U.S. government, numerous key

statistical releases have been delayed until after the time of this report. Moreover, the impact of federal tariff policy, which caused ripples throughout the global economy, has yet to be completely settled. Short-run results indicate that, rather than stimulating domestic businesses and creating jobs, trade policy has led to higher prices, anemic wage growth, and investment volatility. This has led American consumers to be more pessimistic than ever, a foreboding sign for the broader economy.

However, there were bright spots during the year. As in the late 1990s, economic growth has been buoyed by technological change, with the burgeoning Artificial Intelligence subsector contributing to the growth of intellectual property investment, as well as other business investment from supporting sectors, such as semiconductors and data-center construction. Moreover, growth in service consumption remains a source of strength for the U.S. economy. These trends, along with the forecast for the upcoming year, are discussed more in the remainder of this chapter.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.1: Overall U.S. Economic Growth Continues to Marginally Outpace European Peers



Sources: Bureau of Economic Analysis, Eurostat.

Consumption and Inflation

Consumption continued to serve as the primary driver of U.S. economic growth in 2025. Of the roughly \$480 billion in real GDP added during the twelve-month period ending in June, an extraordinary 90 percent came from increased consumer spending, an unusually high share even in an economy where consumption typically anchors top-line growth. This outsized contribution underscores both the resilience of household demand and the broader structural forces that have shaped spending patterns in the post-pandemic recovery.

Digging further into the headline growth reveals a year of contrasts. As displayed in **Figure 1.2**, the first quarter of 2025, in particular, marked the weakest period of consumption growth in three years. Households pulled back sharply on durable goods, especially on automobiles, as a combination of elevated financing costs and heightened policy uncertainty encouraged caution. Consumers had already been reluctant to re-enter the auto market after the pandemic-era surge in vehicle prices and loan rates, and the beginning of 2025 brought an additional layer of hesitation.

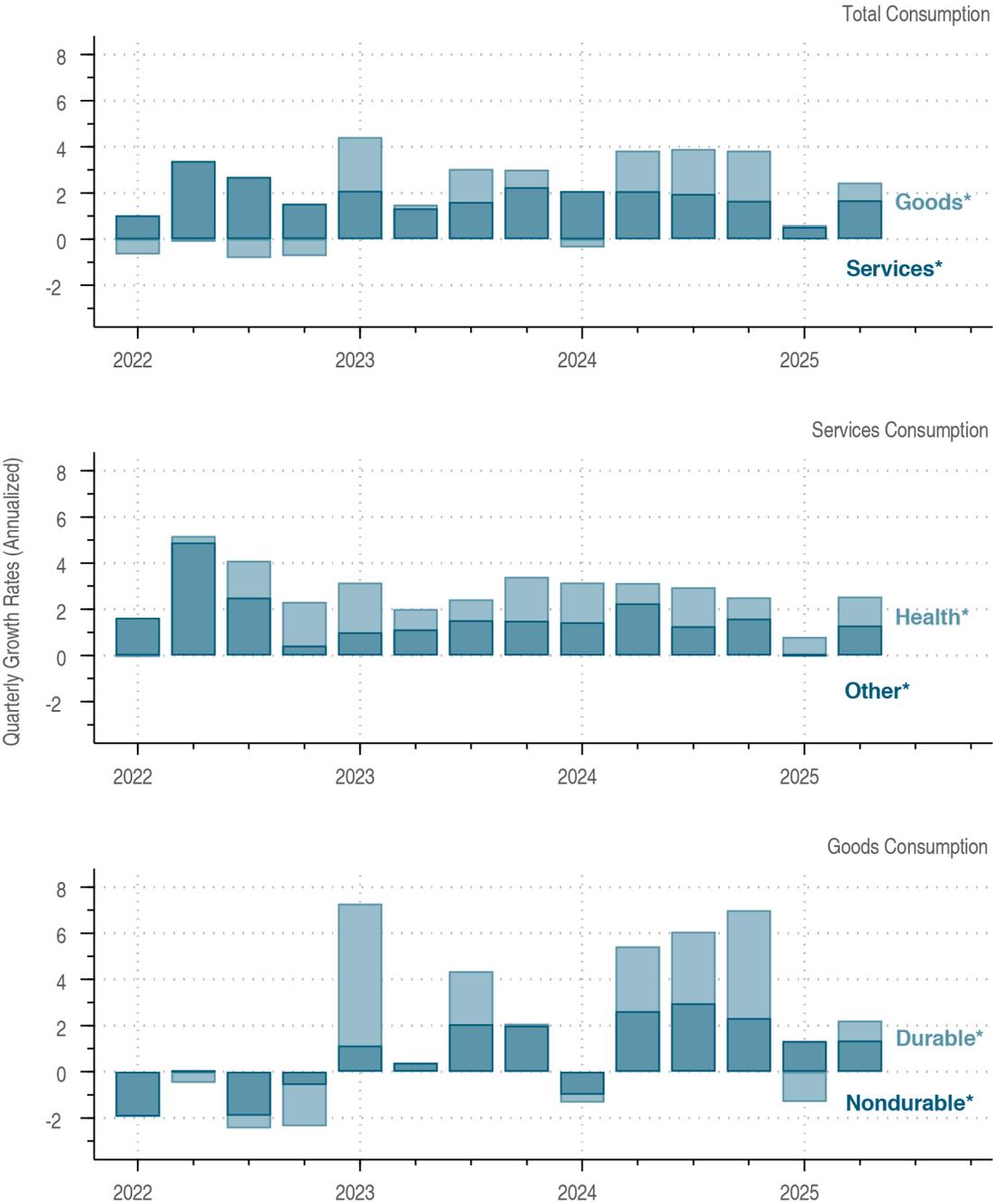
Broader economic signals, ranging from mixed labor-market indicators to economic policy uncertainty, contributed to a mood in which many households chose to defer large purchases. This retrenchment in durable spending weighed visibly on the quarter's overall consumption performance.

The second quarter brought a marked rebound, illustrating the persistent underlying demand that continues to define the post-COVID expansion. Much of this resurgence stemmed from surging healthcare expenditures, which added an estimated \$124 billion to consumption, supplemented by an additional \$44 billion in medical and pharmaceutical purchases. This pattern mirrors a trend that has been gaining momentum for several years: healthcare services and health-related goods have combined to become one of the fastest-growing components of consumption, reflecting both aging demographics and rising utilization of medical services. Since the end of 2021, these combined categories have grown at an inflation-adjusted rate of 4.9 percent per year, far outpacing non-health-related consumption, which has grown at an annual rate of 1.9 percent, in real terms.

These shifts in consumption unfolded against a backdrop of modestly rising inflation.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.2: Consumption Contracted Sharply Early in 2025, then Rebounded Due to Higher Health-Related Spending



*Subcategories represent contribution to top-line growth.

Sources: Bureau of Economic Analysis.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Headline prices increased by roughly 3.0 percent year-over-year. This represents a slight uptick from the preceding period and is above the Federal Reserve’s long-run target but remains well below the peak inflation experienced earlier in the decade. However, the composition of inflation, shown in **Figure 1.3**, changed in ways that matter for both policymakers and household budgets. While housing remained the single largest contributor to overall price growth, its influence diminished slightly as real estate appreciation cooled, and shelter-specific inflation settled at levels comparable to those before the pandemic. However, pricing pressures intensified across a wide array of non-housing goods and services.

Non-housing inflation was driven in large part by tariff actions announced beginning in March 2025. The Administration introduced a series of tariff increases (taxes placed on goods imported into the U.S.) targeting a broad portfolio of imported goods. The final impact of these policy changes on tariff rates, also known as import tax rates, is yet to be fully determined, as effective rates vary depending on responses from firms and consumers to the tax increases. However, third-party analyses from the Tax Foundation and the Yale Budget Lab estimate 2025’s effective rate at 11.2 percent or 14.4 percent, respectively, while other analysts suggest it may be even higher. As shown in **Figure 1.4**, this policy represents the largest increase in import taxes since the 1930s.

It is important to emphasize that if these higher tax rates were applied to pre-2025 import patterns, without any behavioral adjustments, the average tariff rate would rise to roughly 16–18 percent. The difference between these static estimates and the lower, behavior-adjusted rates reflects the substantial ways in which firms and consumers are already changing their actions. Consumers may substitute toward untaxed or lower-taxed goods from other exporting countries, switch to domestically produced alternatives, or reduce consumption of tariff-exposed items altogether. Firms may shift sourcing of key inputs or relocate production to countries facing lower

U.S. tariff rates. These adjustments reduce the measured effective tariff rate—if imports from highly taxed sources decline, so does tariff revenue relative to total imports. However, they also impose economic costs: both households and businesses must alter their preferred consumption and production patterns to avoid tariff-induced price increases, resulting in diminished consumer welfare and lower profitability.

While economic theory leaves open the possibility that foreign exporters might absorb a portion of these costs, the experience during the previous Trump administration, when tariffs were levied on several goods, most notably steel and aluminum, suggested otherwise, with U.S. businesses and consumers absorbing the impact of the import tax increases.

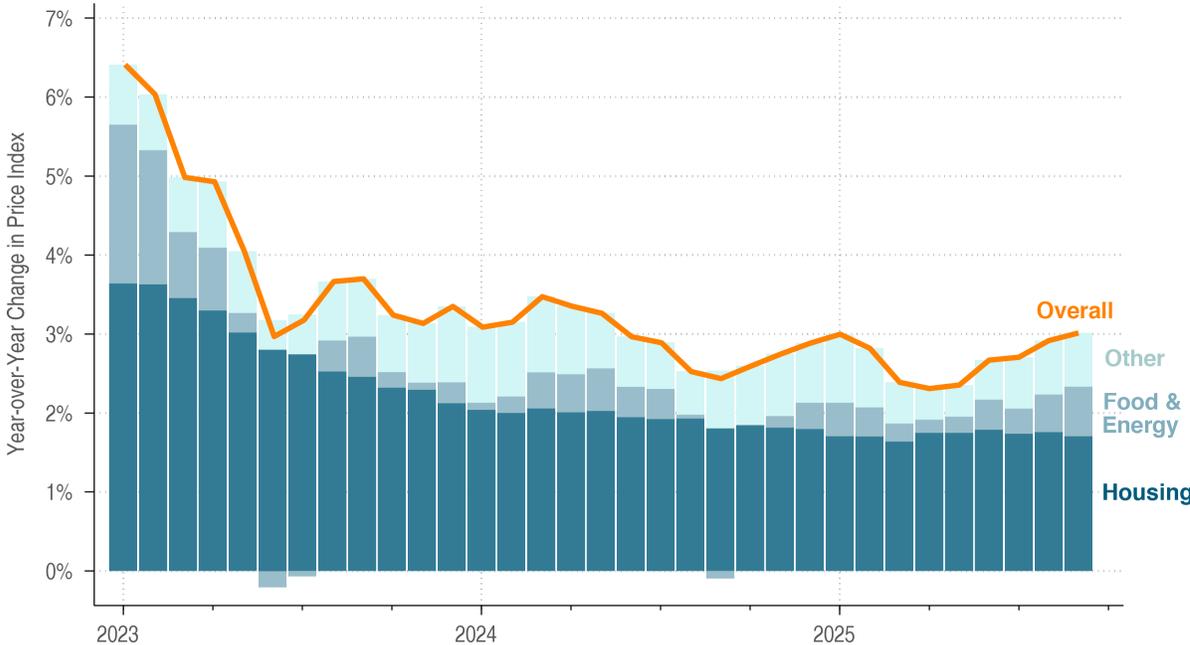
As demonstrated by **Figure 1.5**, which plots price indices for goods sold by several major online retailers, early evidence suggests that American consumers will also bear a substantial impact from the most recent tariff increases. Within months of the tariff announcements, prices for imported consumer goods had risen by an estimated 6 to 7 percentage points. Domestic goods that rely on imported components also saw increases of roughly 4.5 percentage points, reflecting the extent to which global supply chains remain intertwined with U.S. production. These increases represented some of the most immediate and visible consequences of the new tariff regime, and they contributed meaningfully to the upward pressure on non-housing inflation during the year.

While the exact household-level burden varies, broad estimates suggest that the tariff package will translate into large annual cost increases. The non-partisan Tax Foundation estimates an impact of approximately \$1,100 per household in 2025, rising to \$1,400 in 2026, making the tariff increases the largest tax increase on individuals in over 30 years.¹ This estimated household-level impact is slightly conservative compared to other estimates, such as those from the Yale Budget Lab, which estimate a short-run \$1,700 loss per household. The effects of these price increases are disproportionately

¹ Source: “Tracking the Economic Impact of the Trump Trade War,” Tax Foundation (December 1, 2025). <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war>. Accessed December 2, 2025.

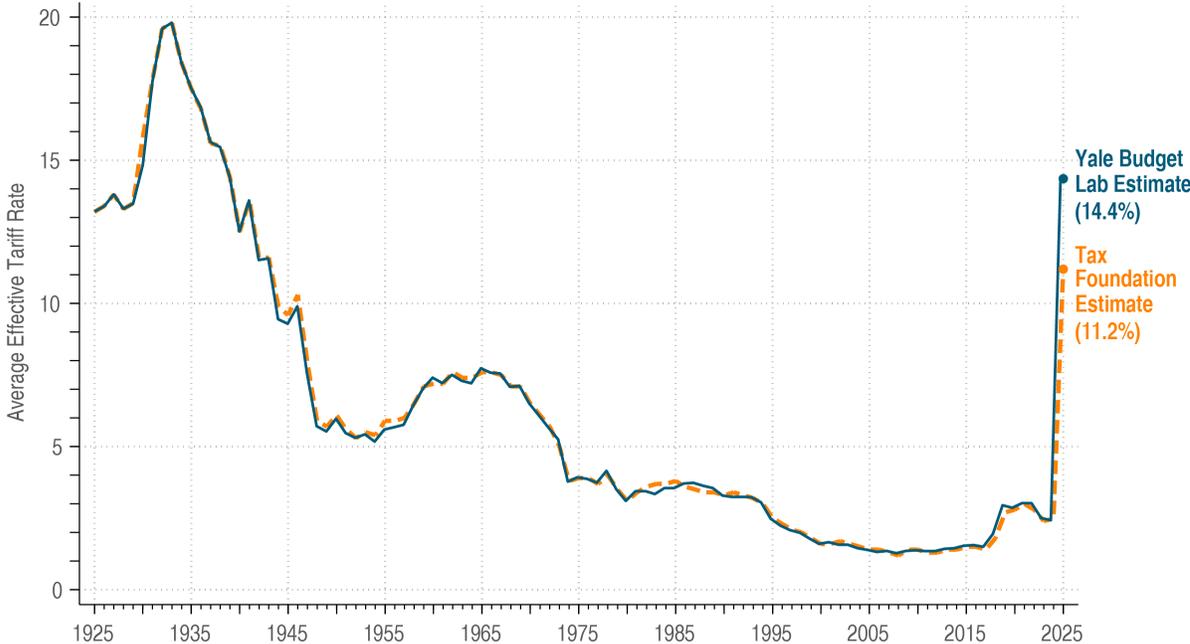
1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.3: Inflation Began to Rise Early in 2025, Driven by the Rising Price of Goods, Food, & Energy



Sources: Bureau of Labor Statistics.

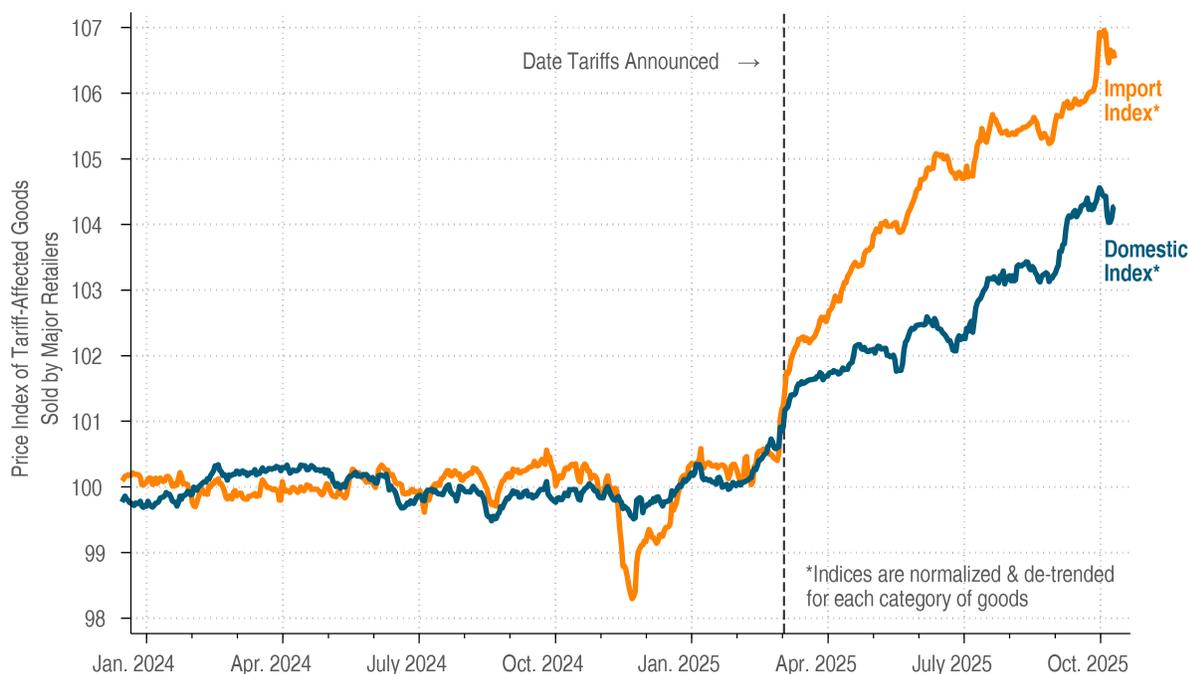
Figure 1.4: Import Tax Rates Rose to Pre-World War II Levels



Sources: The Tax Foundation, Yale Budget Lab.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.5: Tariffs Immediately Impacted the Price of Retail Goods



Source: Harvard Business School Pricing Lab.

borne by low-income consumers, who spend a higher fraction of their income on tariff-affected goods. The tariff burden is estimated to be equivalent to 2.4 percent of income for households in the lowest 10 percent of the income distribution, as compared to 0.8 percent for the richest households.²

Interest Rates and Housing

Although inflation pressures from newly implemented tariffs raised concerns earlier in the year, the Federal Reserve (the Fed) continued its rate cuts, beginning in the third quarter, lowering the target federal funds rate by 0.50 percentage points and bringing the effective rate to 3.9 percent by the end of November. The decision to ease policy in the face of potential inflationary risks reflected the Fed's judgment that tariff-related price increases represented a one-time level shift—albeit

one that could manifest over several quarters as price hikes work their way through the supply chain—rather than the start of a self-reinforcing inflation cycle. In the Fed's view, once the higher import tax rates are embedded in the price level of existing goods, they are unlikely to persistently accelerate inflation.³

Thus, instead of focusing on inflation, which remains above the Fed's target rate of 2 percent annually, the Federal Reserve is acting on signals from the labor market, where both supply and demand have slowed throughout the year. Continued cutting is a strong signal about the Fed's broader anxieties about economic momentum. In the past fifteen months, the federal funds target rate has been reduced by 1.5 percentage points—in the past three decades, rate adjustments of this magnitude have only occurred immediately preceding, during, or in the aftermath of a recession.

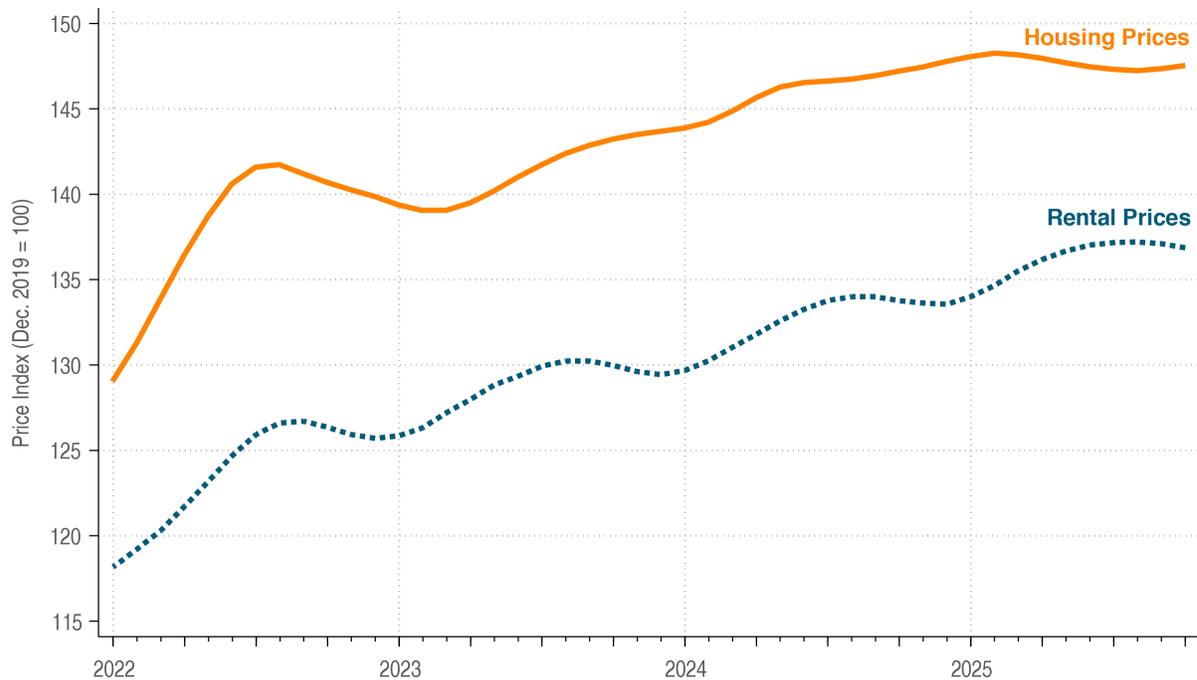
Despite the continued cuts to the Fed's target

² Source: "State of U.S. Tariffs," The Budget Lab (November 17, 2025). <https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>. Accessed December 2, 2025.

³ Source: "Speech: Economic Outlook," Jerome Powell (September 23, 2025). <https://www.federalreserve.gov/newsevents/speech/powell20250923a.htm>. Accessed December 1, 2025.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.6: Growth in Housing Prices Has Abated, While Rents Are Still Modestly Increasing



Source: Zillow.

interest rates, mortgage markets have reacted slowly. This sluggish response partly reflects the composition of long-term interest rates: mortgage pricing is influenced less by Fed action directly and more by movement in the 10-year Treasury yield, which has remained sensitive to global risk sentiment, federal borrowing levels, and investors' inflation expectations. Accordingly, 30-year mortgage rates have remained between 6 and 7 percent.

These higher borrowing costs have helped stem the rise in housing prices, which have effectively stalled nationwide, amounting to roughly zero net appreciation since the beginning of 2025 (**Figure 1.6**). Meanwhile, rental prices have continued to rise modestly, increasing 2.5 percent since January, according to the Zillow Observed Rent Index. While this is a stark departure from the 5.9 percent annualized growth seen in earlier post-pandemic years, it is still outpacing wage growth, as discussed in the next section.

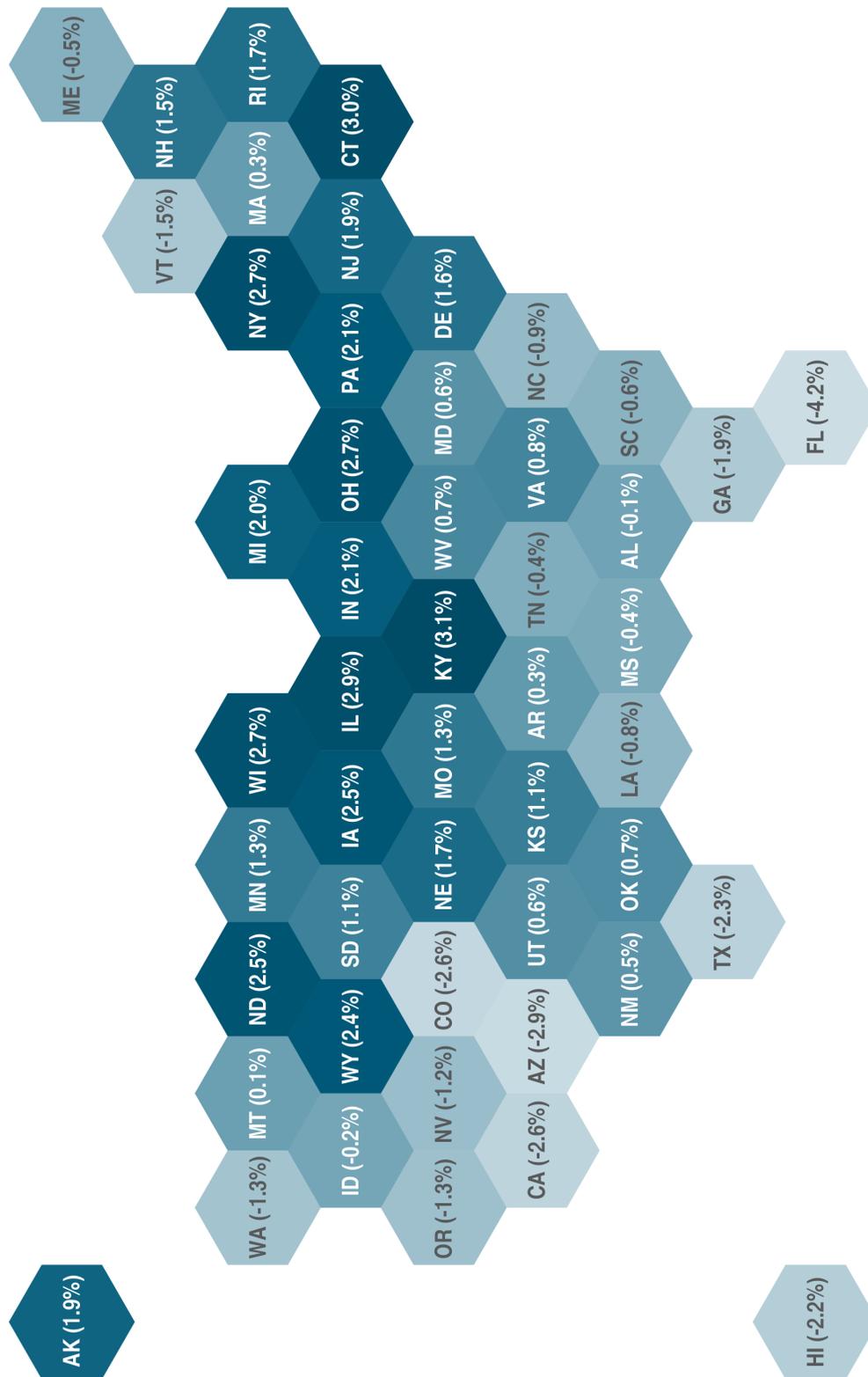
While nationwide housing prices did not increase meaningfully over the year, this headline number obscured significant regional variation.

As shown in **Figure 1.7**, Midwestern states experienced modest appreciation during the year, while large warm-weather states—Florida, Arizona, California, and Texas—recorded the steepest declines in home values, ranging from 2.3 to 4.2 percent. Some of these declines were driven by increased homebuilding, particularly in Texas and Florida, which have issued over 27 percent of all residential building permits nationwide since 2024. This illustrates a well-established economic reality: policymakers can improve housing affordability by stimulating the creation of new units.

Unfortunately, the nationwide statistics on housing creation are not positive. Single-family housing starts declined by 6.5 percent in the first half of 2025 relative to the same period the year before, while building permits fell by 4.1 percent. One potential culprit for this slowdown is elevated construction-material costs, which rose at an annualized rate of 13.4 percent in the second quarter alone. Moreover, these prices may rise further, given that additional tariff increases on softwood lumber and imported fixtures took effect in October 2025.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.7: Housing Prices Grew Fastest in the Midwest but Declined in the Southeast and West



Source: Harvard Business School Pricing Lab.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

According to the National Association of Home Builders, these rising input costs pose ongoing obstacles to expanding supply at the scale needed to meet demand, especially in entry-level and moderately priced segments. Such constraints threaten to mimic the supply shortages in the wake of the pandemic, which sharply widened the gap between housing starts and household formation, exerting upward pressure on prices. Additionally, should mortgage rates continue to fall, following anticipated rate cuts to the Federal Reserve's target rate, demand could rise, causing price pressures to re-emerge and intensifying affordability challenges for renters and first-time homebuyers.

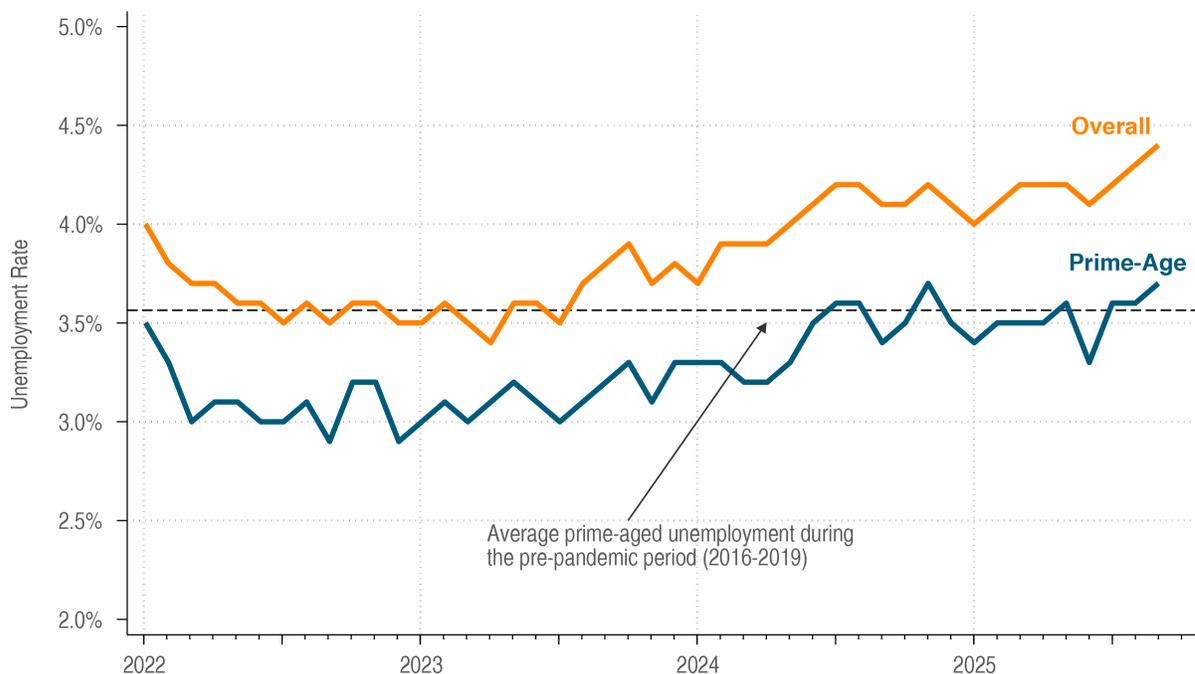
Employment and Wages

The labor market softened relative to recent years, reflecting the cumulative effects of slowing economic momentum, elevated policy uncertainty, and the downstream consequences of the year's tariff increases. After a long stretch of exceptionally low unemployment following the post-pandemic recovery, joblessness rose modestly

during the year. Overall unemployment reached 4.4 percent by September, as shown in **Figure 1.8**. Prime-age unemployment also climbed, reaching 3.7 percent, the highest level since November 2021. Much of this increase reflects rising joblessness among individuals without a high school degree, whose unemployment rate jumped by 1.6 percentage points relative to the beginning of the year. Yet the cooling labor market was not limited to lower-skilled groups: college-educated unemployment also ticked up by 0.5 percentage points over the same period, amid widely publicized layoffs in the technology sector.

Deceleration in labor-force participation further underscores the economy's slowing momentum. Participation fell by 0.3 percentage points compared to the same period last year, a decline driven primarily by demographic pressures as older Americans continue to age out of the workforce. However, younger workers also contributed to the decline, suggesting that cooling job prospects and heightened uncertainty may have discouraged some from active job searches. Even with these headwinds, job creation did not

Figure 1.8: Unemployment Rose Slightly During the Year, but Remains Low Overall



Source: Bureau of Labor Statistics.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

stall completely. The economy added 1.31 million jobs over the past twelve months, below the 1.98 million added over the same period in the year before, but still indicative of forward motion. The slowdown was most visible in government and construction employment.

Slowing employment growth was accompanied by softer wage gains, as shown in **Figure 1.9**. Real wages grew by just 0.7 percent over the trailing twelve months—down sharply from the pace recorded in 2024. Real wage increases were eroded by reduced firm profitability as businesses contended with elevated input costs, which cut into margins. The professional services and retail sectors were the main contributors to real wage growth, with inflation-adjusted gains of 2.3 percent and 2.1 percent, respectively. In contrast, wage growth in manufacturing was notably subdued, reflecting both cyclical weakness and mounting cost pressures tied to supply-chain disruptions. Real wages in the education and health sectors contracted by nearly 1.4 percent during the year, reversing the modest increases seen in the prior year.

In addition to rising input costs and softening demand, falling labor productivity trends offer at least a partial explanation for lower earnings growth. As illustrated by **Figure 1.10**, annualized productivity growth slowed to just 0.8 percent in 2025, a sharp drop from the much stronger gains of the prior two years. This reflects the turbulent first quarter, when firms scrambled to build inventories ahead of expected tariff increases, which we discuss further in the next section.

Investment and the Stock Market

In 2025, the business investment landscape has been shaped by an unusual combination of policy uncertainty, rapid technological advancement, and shifting global economic conditions. While investment was a steady contributor to last year's GDP growth, 2025 saw considerably more volatility. As firms attempted to anticipate the timing and scope of tariff announcements by the Trump Administration, investment behavior swung

sharply from quarter to quarter, as demonstrated by **Figure 1.11**. The first quarter was defined by an extraordinary buildup of inventories, totaling \$155 billion in inflation-adjusted terms, the equivalent of \$620 billion at an annualized rate, as businesses sought to insulate themselves from expected cost increases on imported inputs. These gains were more than offset in the second quarter, as inventories contracted by \$190 billion (annualized to \$761 billion), underscoring how heavily policy uncertainty influenced firms' short-term decision-making.

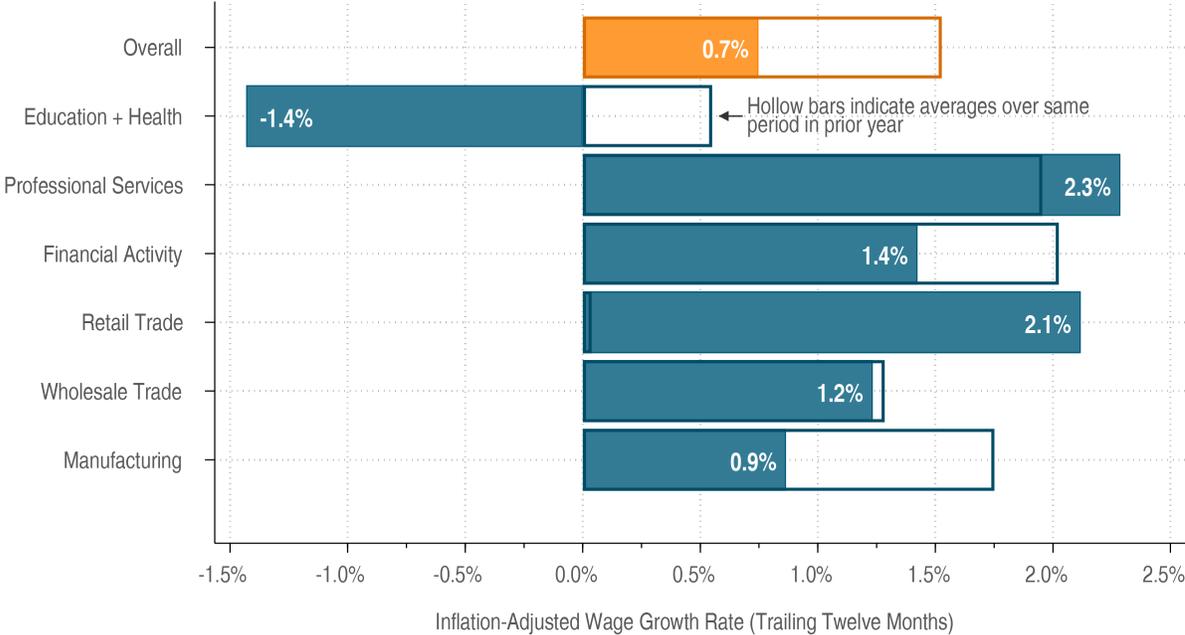
Beyond inventory volatility, the defining feature of investment in 2025 has been the ongoing expansion of the artificial-intelligence (AI) sector. The rapid rollout of advanced AI tools has spurred substantial growth in both intellectual property and high-tech equipment. During the first half of the year, intellectual property investment grew at an annualized rate of \$157 billion, reflecting continued spending on software development, machine-learning infrastructure, and proprietary data systems.

Equipment investment tied to information processing, particularly in data center construction and specialized hardware, expanded even more rapidly, rising by \$170 billion at an annualized rate. As shown in **Figure 1.12**, heavy investment in data center construction is a continuation of a multi-year trend that began in 2022, when ChatGPT was launched, marking rapid advancements in AI. In contrast, investment in residential and commercial structures weakened, falling by a combined 3.4 percent relative to last year, as higher financing costs, softer conditions in commercial real estate, and rising material costs weakened supply.

Despite these frictions, equity valuations remained resilient overall. As of November, the S&P 500 notched an 18 percent gain, relative to the beginning of the year, although this performance lagged behind 2024's gains over the same period (**Figure 1.13**). Technology and communication services firms once again led the market, buoyed by strong earnings in the AI and cloud computing sectors. Utility equities benefited from falling interest rates and rising investor interest in sectors insulated from trade-related volatility.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.9: Real Wage Growth Slowed Dramatically



Source: Bureau of Labor Statistics.

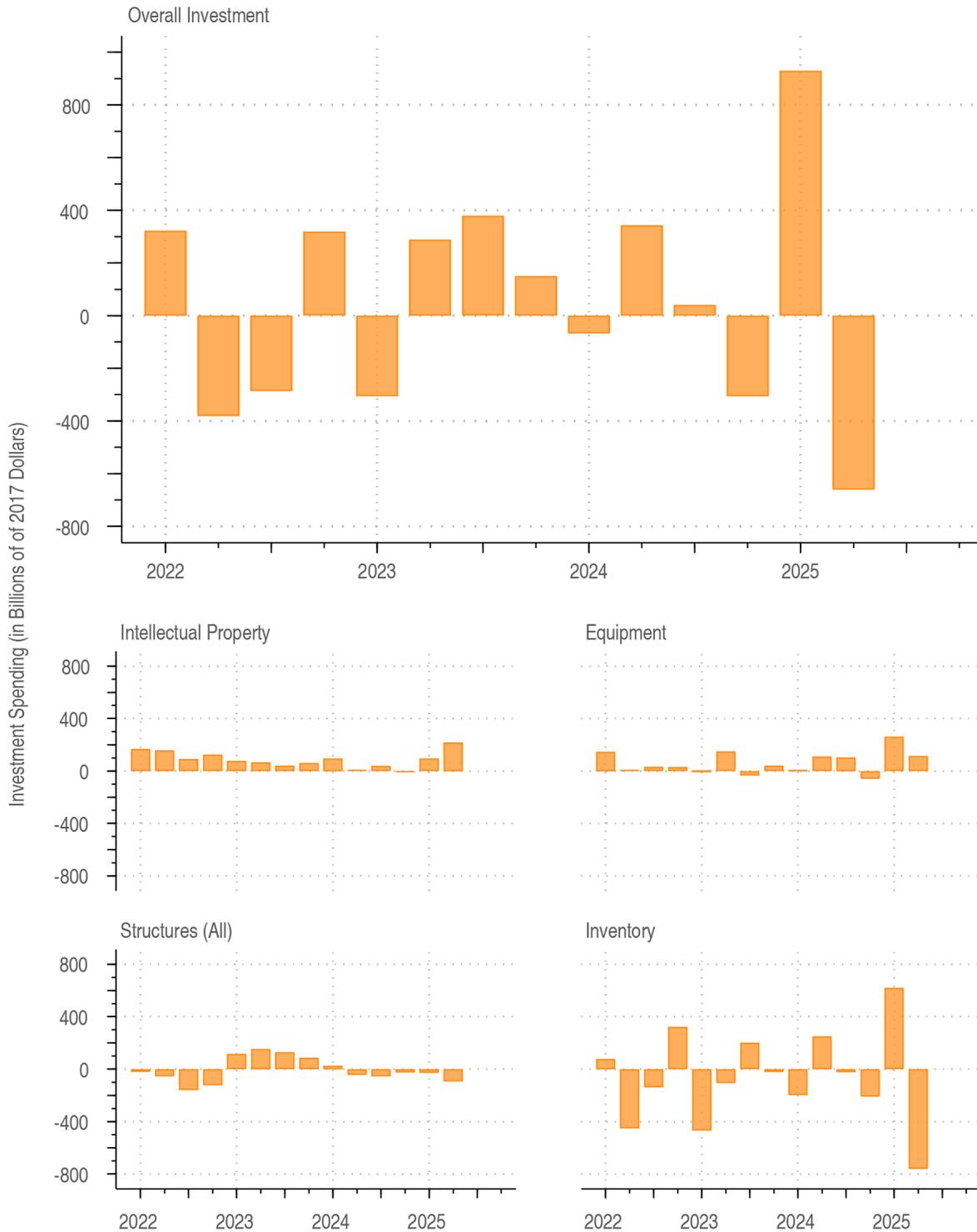
Figure 1.10: Labor Productivity Slowed Dramatically During 2025



Source: Bureau of Labor Statistics.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

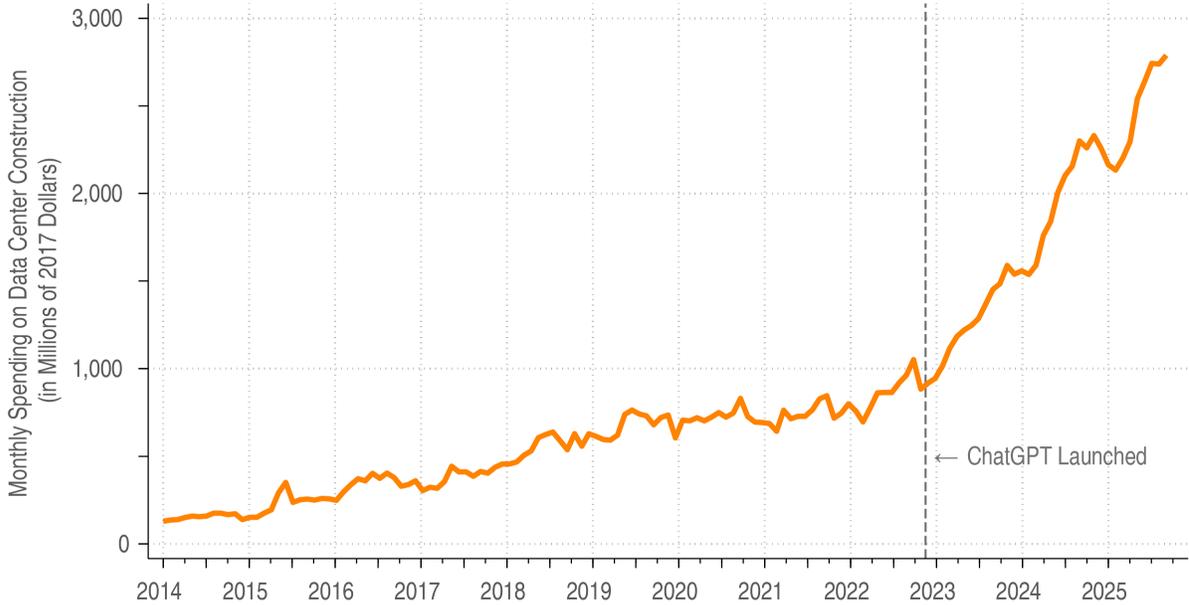
Figure 1.11: Investment was Volatile in 2025, as Businesses Reacted to Shifting Trade Policy



Source: Bureau of Economic Analysis.

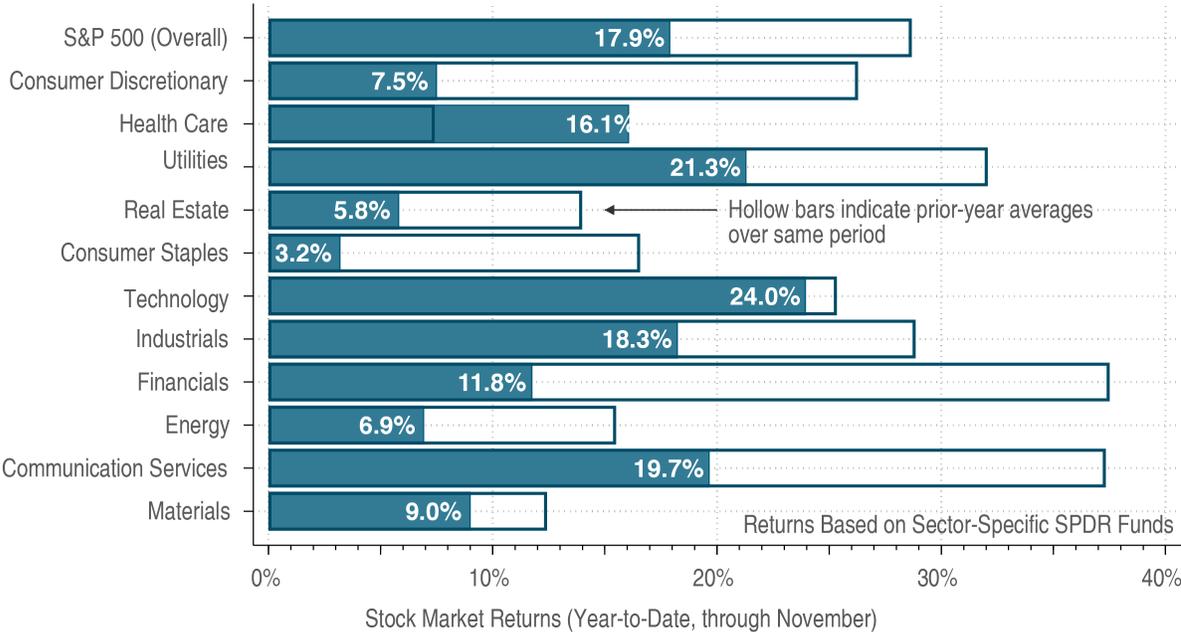
1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.12: Data Center Construction Continues to Rise Sharply, the Continuation of a Multi-Year Trend in AI-Related Investment



Source: Census Bureau.

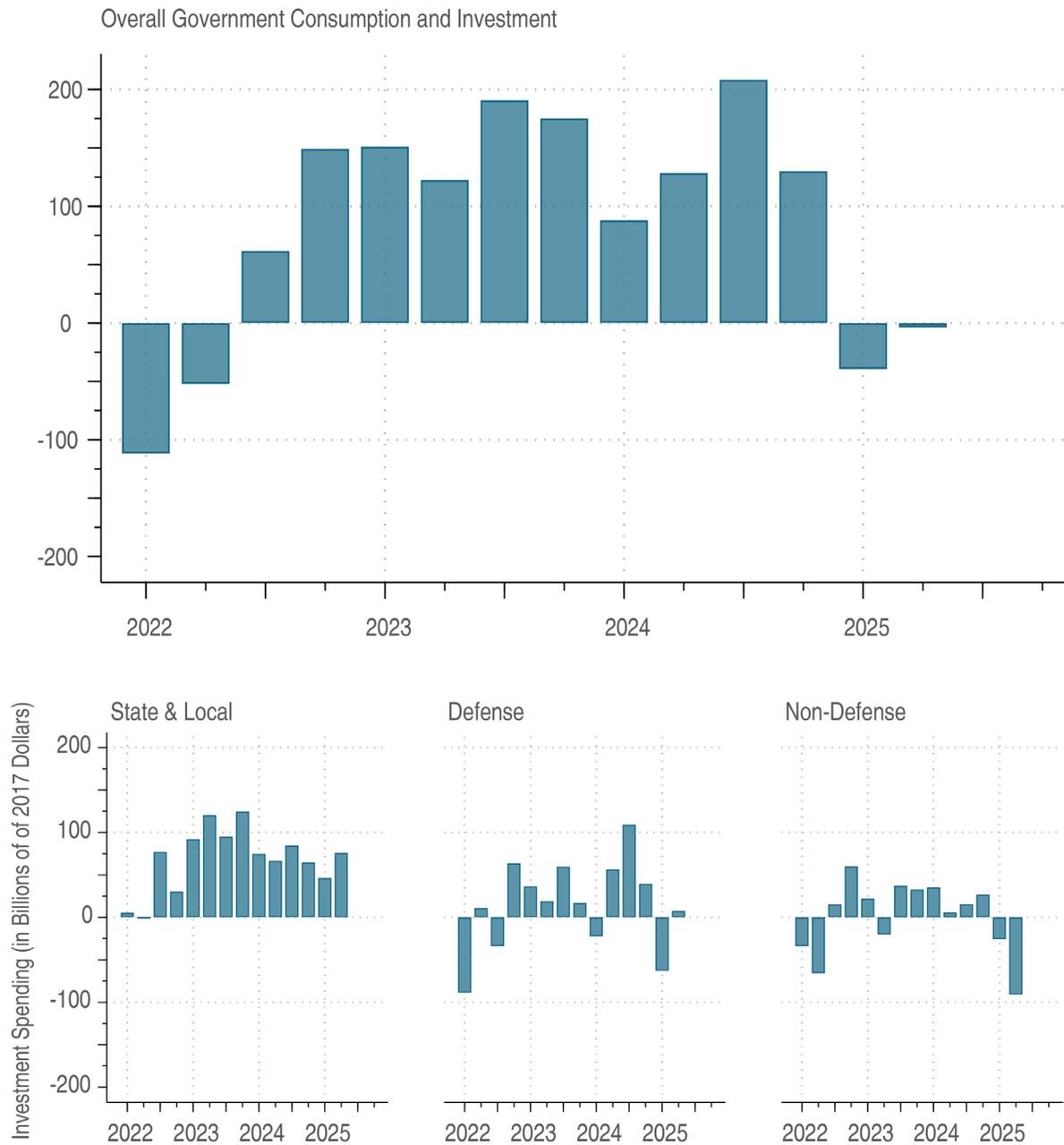
Figure 1.13: The Stock Returns through November were Very Strong, though Notably Weaker than the Previous Year.



Source: Yahoo Finance.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.14: Government Consumption Contracted During the First Half of 2025



Source: Bureau of Economic Analysis.

1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Government Consumption and Expenditure

Government consumption and investment shifted noticeably in 2025, marking the largest declines in federal outlays since the wind-down of pandemic-era programs in early 2022 (**Figure 1.14**). Most prominently, the first quarter saw a significant reduction in defense spending, reversing the above-average increases in the prior year. This contraction was compounded by decreases in non-defense spending, driven in large part by new cost-control measures implemented during the first half of the year. These measures led to delayed or cancelled appropriations across multiple federal agencies, dampening government consumption at a time when other components of GDP were already volatile. State and local governments also saw slight pullbacks compared to the prior year, when substantial funds continued to flow from the Bipartisan Infrastructure Law.

While direct government consumption softened, mandatory spending continued its structural rise. Outlays for Social Security and Medicare increased 9.7 percent during the first half of the year, far outpacing the 5.6 percent increase in payroll-tax contributions. This widening gap reflects inflation-driven cost-of-living adjustments, and more importantly, ongoing demographic trends, namely the rapid expansion of adults aged 65 and older and the even faster growth of those aged 85 and older—the group most reliant on Medicare services. These demographic dynamics continue to place upward pressure on entitlement programs, even as the working-age population—which funds those programs via payroll taxes—grows more slowly.

Interest payments on the federal debt also remain a major contributor to expenditure growth. While rising at a slightly slower pace than in 2024, when interest outlays increased by \$94 billion year-over-

year, they still represented a notable share of budget expansion. As of June 2025, publicly held federal debt stood at 95 percent of GDP, up 0.3 percentage points from the prior year despite cost-cutting measures.

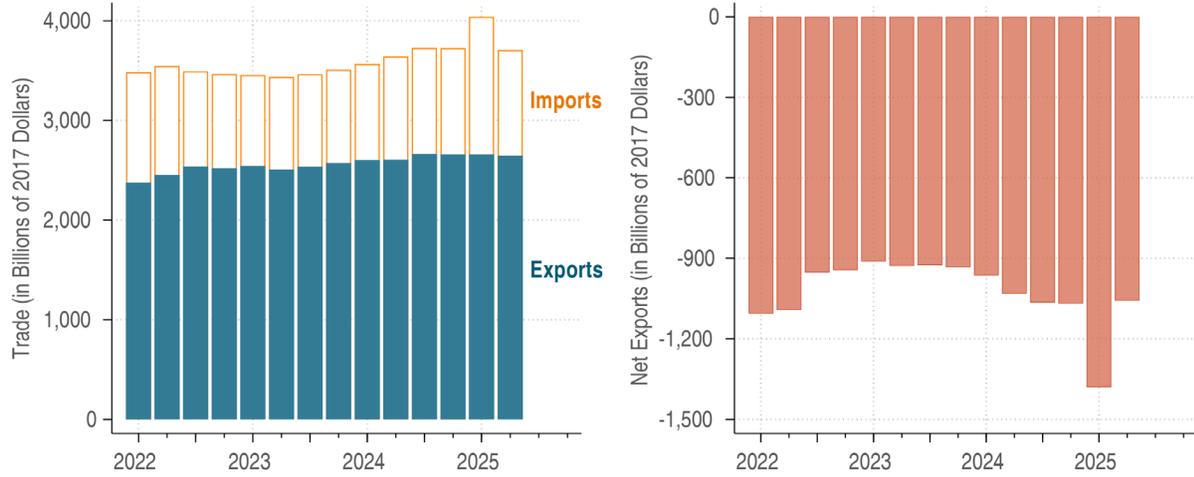
International Trade

International trade exerted a significant drag on economic growth during the year. As shown in **Figure 1.15**, inflation-adjusted goods imports surged by \$330 billion in the first quarter, the second-largest quarterly increase on record, as firms rushed to import intermediate goods and finished products ahead of anticipated tariffs. The resulting surge in import volume pushed net exports to their lowest level on record, subtracting meaningfully from GDP. These effects partially reversed in the second quarter as import volumes fell back toward trend. Nonetheless, the cumulative impact left net exports deeply negative for the year.

Real exports were essentially flat year over year, departing from the trend of modest growth in previous years. This shift in exports may reflect new retaliatory measures imposed by trading partners in response to U.S. tariff announcements. Many of the top U.S. export-purchasing nations, including Canada, China, and numerous European countries, announced tariffs in response to U.S. trade hikes, raising the cost of U.S. goods consumed by foreign citizens and reducing demand. This is illustrated by **Figure 1.16**, which shows exports to Mexico, Canada, and China. These three countries are the United States' top three export destinations, and were also among the countries subjected to the largest tariff increases. As shown in the figure, exports to these countries decreased sharply in the wake of U.S. tariff announcements, due to both higher prices (from reciprocal tariffs) and decreased demand driven by unfavorable sentiment towards the United States.

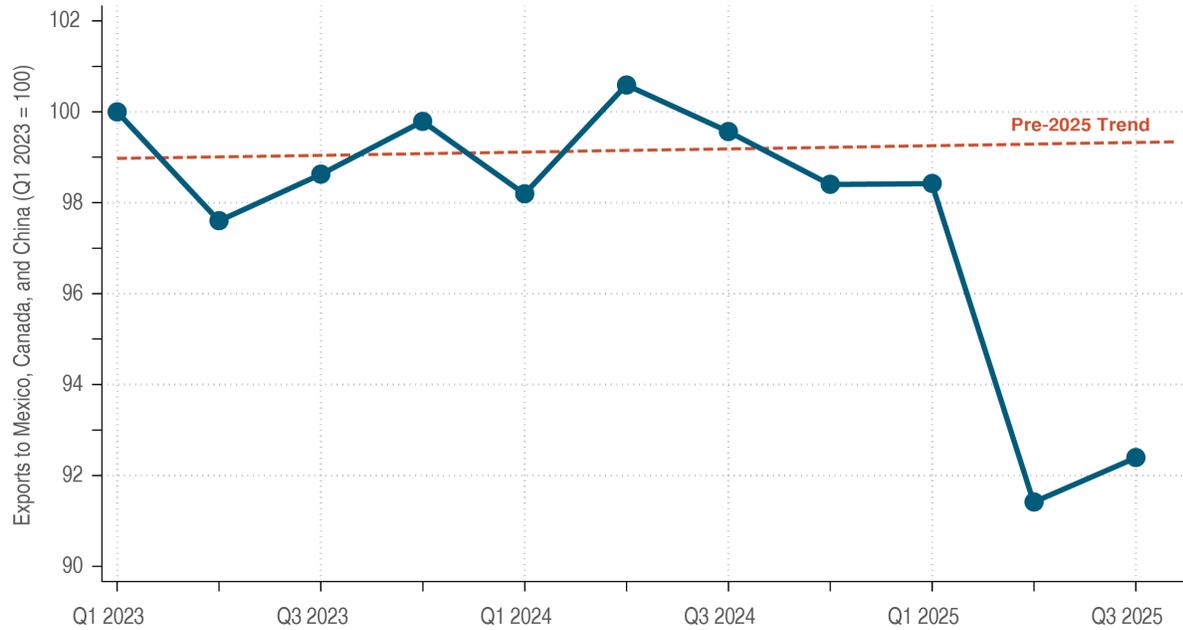
1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.15: Imports Spiked in the First Quarter, While Exports Stagnated



Source: Bureau of Economic Analysis.

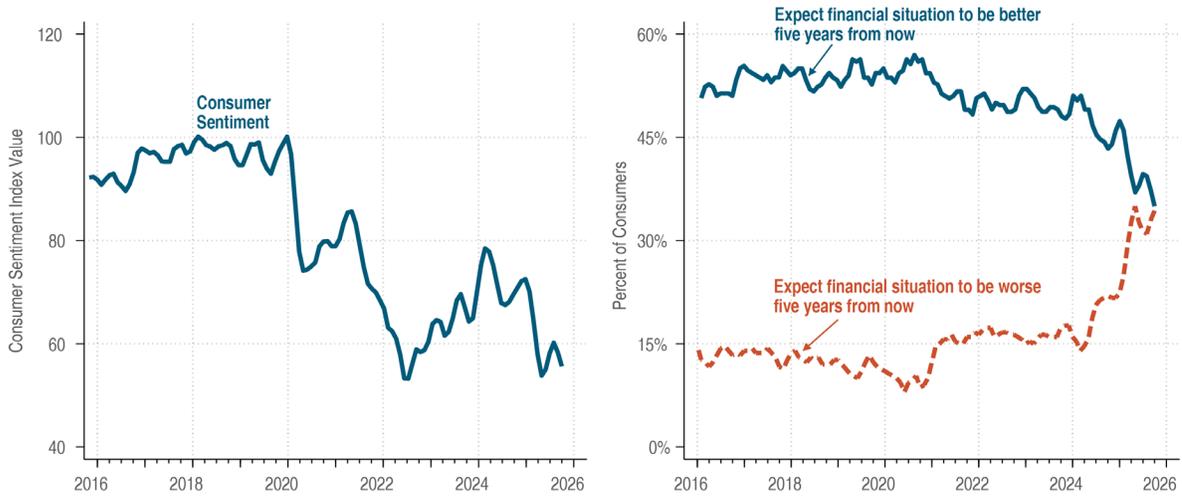
Figure 1.16: Exports to Top Trade Partners Decreased in the Wake of Tariff Announcements



Source: Census Bureau.

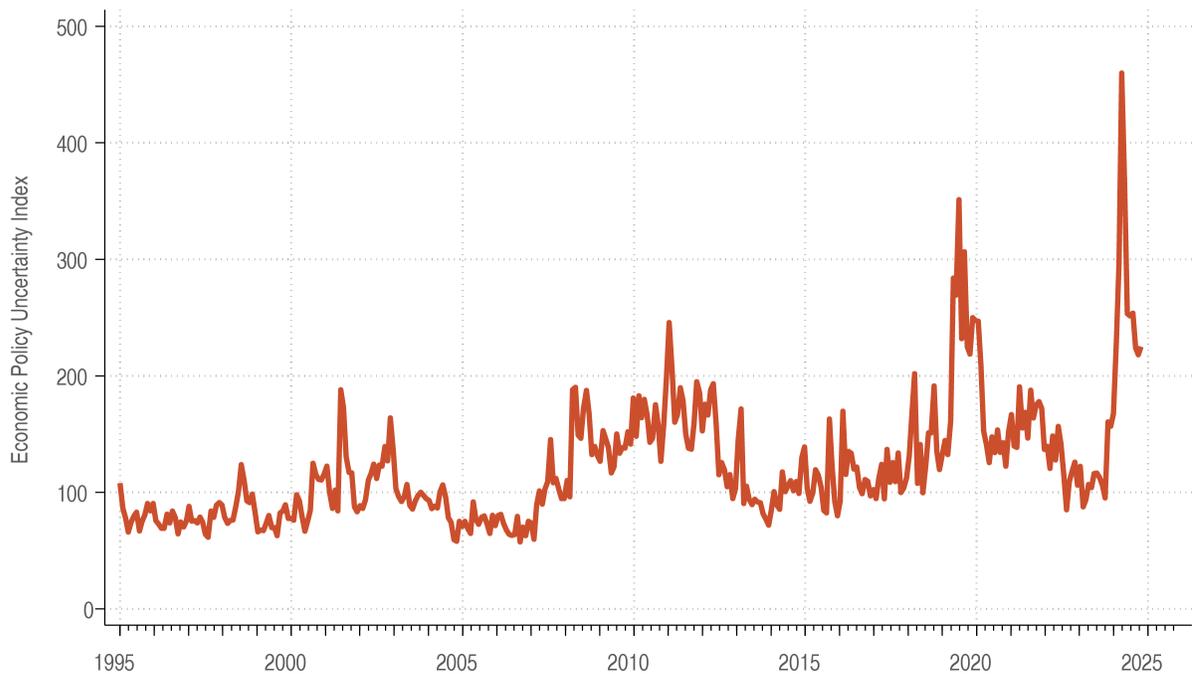
1.1. THE U.S. ECONOMY: YEAR IN REVIEW, CONTINUED

Figure 1.17: Consumer Sentiment Approached Post-Pandemic Lows, with an Unusually Pessimistic Long-Term Outlook



Source: University of Michigan Survey of Consumers.

Figure 1.18: Measures of Economic Policy Uncertainty Reached 30-Year Highs During the Year, and Remain Elevated



Source: Scott R. Baker, Nick Bloom, and Steven J. Davis, Economic Policy Uncertainty Index for the United States.

1.2. THE U.S. FORECAST

The outlook for the U.S. economy in 2026 is shaped by a complex blend of resilient underlying fundamentals, persistently low consumer sentiment, and unusually elevated policy uncertainty.

Consumers continue to express deep concern about their long-run financial prospects, even as key macroeconomic indicators point to moderate but positive economic growth. The Michigan Consumer Sentiment Index, shown in **Figure 1.17**, remains near post-pandemic lows, as consumers, still not adjusted to higher post-pandemic price levels, are anticipating higher-than-normal inflation in the future.

Particularly striking is the shift in longer-run expectations. In the most recent Survey of Consumers, 36 percent of respondents stated they expected to be financially worse off five years from now. This is 13 percentage points higher than the pre-2025 high. Likewise, only 34 percent of respondents anticipated that their financial situation would improve, the lowest level since the survey began asking this question in 2011.

While some of this pessimism is no doubt attributable to rising prices in prior years and to high inflation expectations due to tariffs, it may also be attributable to the heightened uncertainty heading into 2026. As shown in **Figure 1.18**, uncertainty about economic policies, as measured by aggregating sentiment in news reports about the economy, reached 30-year highs early in 2025 and remains elevated as the year comes to an end. This volatility in potential policies has been shown to dampen investment and increase consumer anxiety.

Despite these headwinds, the national outlook for 2026 remains cautiously positive, with continued economic expansion expected. Real GDP is expected to grow by 2.2 percent for the year as a whole, with annualized quarterly growth fluctuating between 2.0 and 2.5 percent. The U.S. economy has already weathered a series of potential recession indicators in prior years—including an inverted yield curve, geopolitical disruptions, and tightening credit conditions—without tipping into contraction. This resilience gives forecasters some confidence that moderate growth remains achievable, even amidst extraordinary uncertainty.

Consumption

Consumer spending is expected to remain the primary engine of growth in 2026. However, its role will be somewhat smaller than in the preceding two years. Consumption is forecast to grow by 2.1 percent year over year, accounting for roughly two-thirds of total GDP growth. As in prior years, much of this expansion will come from the services sector.

Healthcare services and health-related goods are projected to contribute approximately \$120 billion in additional consumption during the year, as the sectors continue to grow at a pace well above long-run historical norms. Demographic trends—including the aging of the U.S. population and continued rebound in elective medical procedures—will underpin this elevated demand. Recreation spending is also expected to expand meaningfully, increasing by about \$64 billion, as households that postponed leisure activities during the period of high inflation and elevated borrowing costs begin to re-allocate more income toward discretionary purchases.

With slow wage growth, consumers will remain cautious, and spending is likely to be tempered by elevated essential expenses, particularly housing. However, easing inflation and continued monetary policy loosening should provide some marginal support to real household purchasing power, particularly in the second half of the year.

Investment

Investment is expected to contract slightly in 2026, reflecting both heightened economic uncertainty and a cooling of the extraordinary boom in information-technology equipment purchases observed in recent years. The current environment mirrors past periods in which firms tended to reduce or delay capital expenditures when faced with uncertain input costs, volatile credit conditions, or pending changes in federal policy.

Spending on structures is expected to decline by approximately \$20 billion, largely due to reduced investment in manufacturing facilities.

1.2. THE U.S. FORECAST, CONTINUED

While federal incentives enacted earlier in the decade, particularly those tied to semiconductor, renewable-energy, and infrastructure initiatives, had spurred a multi-year surge in construction, 2026 is likely to be characterized by slower project initiation as firms reassess cost structures and capacity.

The surge in information-technology investment associated with artificial intelligence, cloud infrastructure expansion, and automation is also expected to moderate. After several years of exceptionally rapid growth, investment in IT equipment is projected to fall by \$18 billion, reflecting the technological maturation of AI technologies.

Interest Rates and Inflation

Inflation is expected to remain slightly elevated in the early part of 2026, as tariffs imposed in 2025 continue to raise input costs and flow through the broader supply chain. Annualized consumer-price inflation is projected to reach 3.2 percent in the first quarter, before gradually easing as the year progresses and supply-chain price adjustments dissipate. By the fourth quarter, overall inflation is expected to decline to 2.6 percent, converging toward the Federal Reserve's longer-run 2 percent target.

Core inflation will follow a similar path, peaking at 4.1 percent in the first quarter and falling to 2.5 percent by year's end. The underlying drivers of core inflation, particularly rent and housing, remain elevated due to long-standing imbalances in the housing market, including high construction costs and slow supply response in high-growth regions. Because shelter costs are incorporated into inflation measures with a significant lag, reflecting the gradual pass-through of new lease rates into the broader rental stock, current indicators of easing rent and housing costs will not materially temper inflation until later in the year. As a result, shelter is expected to exert upward pressure on core inflation even as real-time housing market conditions begin to soften. Moreover, any impacts of slowing housing starts, which are expected to fall by 3.8 percent in 2026,

and rising demand due to lower interest rates, will likely not affect housing inflation until 2027.

Given both softening economic indicators and its view that tariff-driven inflation is a temporary rather than structural phenomenon, the Federal Reserve is expected to continue cutting interest rates throughout 2026. The federal funds rate is projected to decline to 3.1 percent by the end of the year. Mortgage rates, which have remained stubbornly high even as Treasury yields have fallen, are expected to gradually decline as financial conditions loosen, reaching 6.0 percent by the fourth quarter.

Labor Market

Labor-market conditions are expected to soften somewhat, though they remain healthy by historical standards. The unemployment rate is projected to rise slightly to 4.5 percent in the first quarter and remain at that level for much of the year. Rate cuts by the Federal Reserve will partially offset the drag from slowing economic activity, helping to stabilize employment.

Nonfarm payrolls are forecast to expand by 780,000, with job gains concentrated in the healthcare and hospitality sectors, which together are expected to add just over one million positions. By contrast, employment in professional services and manufacturing is expected to contract by 260,000 and 180,000 jobs, respectively. Slowing demand for business support services, combined with ongoing restructuring in goods-producing industries, will weigh on hiring.

Federal Budget and Government Spending

Federal government consumption is expected to contribute positively to GDP growth in 2026, with an anticipated increase of \$39 billion. Much of this reflects higher defense spending, alongside a modest rebound from deferred federal outlays in 2025. Tariff revenues are expected to add nearly \$330 billion to federal receipts; however, these gains will be partially offset by reduced income-tax collections, in part due to prior cuts in tax-enforcement capacity.

1.2. THE U.S. FORECAST, CONTINUED

Despite the increase in revenue, the federal deficit is expected to remain relatively stable. Rising expenditures for Social Security and Medicare, driven by the rapid aging of the population, continue to place upward pressure on mandatory outlays. These costs will outpace the revenue base, which is a function of working-age population, and is therefore growing far more slowly.

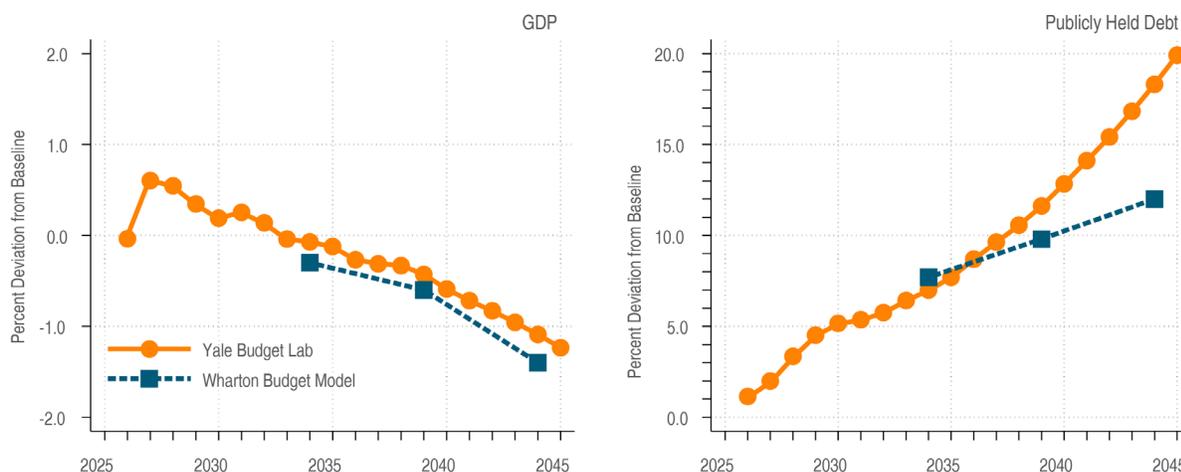
Another major factor in future deficit concerns is the One Big Beautiful Bill Act (the OBBBA), which was signed into law in July of 2025. The OBBBA extended and expanded numerous tax provisions enacted in the Tax Cuts and Jobs Act of 2017, the cost of which is offset by cutting clean energy tax credits and Medicaid spending. As shown in **Figure 1.19**, the OBBBA is expected to add to the national debt in the coming years, as tax

cuts to businesses and high-income individuals will stimulate the economy, but not enough to make up the lost tax collection revenue.

International Trade

Trade is expected to positively contribute to GDP growth in 2026. In line with the higher tariff regime, imports of foreign goods are projected to decline by \$98 billion, as domestic firms and consumers shift purchasing toward domestically produced substitutes, where close substitutes are available. This contraction in imports will be partially offset by the resumption of modest export growth, which is projected to increase by 3.0 percent year-over-year, bolstered by a weakening dollar.

Figure 1.19: The One Big Beautiful Bill Act is Expected to Add to GDP in the Short-Run and Publicly Held Debt in the Long Run



Sources: Yale Budget Lab, Wharton Budget Model.

1.3. ALTERNATIVE FORECAST

While the baseline outlook anticipates moderate economic growth in 2026, the degree of uncertainty surrounding fiscal policy, global trade, and geopolitical risk remains unusually high. As a result, both materially stronger and weaker outcomes are plausible.

A more pessimistic scenario envisions the effects of recently implemented tariffs lingering or intensifying, with firms passing a larger share of higher input costs on to consumers. Under this outcome, inflation would rise rather than fall, eroding real disposable income and weighing heavily on consumer sentiment. Households would reduce discretionary spending, while firms facing elevated uncertainty would pull back on hiring and investment. Supply-chain complications would further restrain output. In this environment, real GDP grows by only 0.5 percent, core inflation rises to 3.4 percent, and

the unemployment rate climbs to 5.9 percent by year's end.

In an optimistic scenario, tariff policy proves far less disruptive than anticipated. Carve-outs for key intermediate goods, reductions in tariff rates achieved through renewed negotiations with major trading partners, or faster-than-expected supply-chain adjustments would ease pricing pressures. More subdued inflation would give the Federal Reserve additional flexibility to accelerate interest-rate cuts, lowering borrowing costs across the economy. Under these conditions, consumer confidence could stabilize, housing activity would strengthen, and business investment—particularly in technology and advanced manufacturing—would gain renewed momentum. Real GDP growth could reach 3.2 percent in 2026, accompanied by modestly faster employment growth and a smoother path of disinflation.

CHAPTER 2: THE TENNESSEE ECONOMY

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International Trade
Population Trends*

2.3. Tennessee Economic Outlook

*GDP Outlook
Labor Market Outlook
Income, Earnings, and Taxable Sales*

2.4. Forecast at a Glance

2.5. Tennessee’s Agricultural and Forest Industries and Rural Economy

*Introduction
Agriculture and Primary Forestry
Food, Fiber, and Forestry*

2.1. INTRODUCTION

Economic growth in Tennessee has been mixed through the first half of 2025, with volatility primarily driven by changes to federal trade policy, particularly surrounding tariffs (fees placed on goods imported into the U.S.). Tennessee inflation-adjusted gross domestic product (real GDP) rose by a meager 0.3 percent in the first quarter of the year, but then rebounded to 3.1 percent growth in the second quarter. This whipsaw was driven by tariff-induced changes in spending patterns, as businesses and households front-loaded their purchases of foreign goods in an effort to get ahead of tariff-driven price increases. That is, they purchased more foreign goods in the first quarter and fewer in the second quarter. Real GDP measures the value of goods and services produced domestically, and since imports are not produced in Tennessee (or the U.S.), they do not increase state GDP. Furthermore, as more imports are purchased in a given quarter, fewer

domestic goods or services are purchased, putting a drag on top-line GDP growth. This pattern reversed itself in the second quarter, as import spending plummeted, and domestic purchases rose, leading to a rebound in GDP growth.

Expectations are for Tennessee real GDP to grow by 1.7 percent for the 2025 year as a whole, which would represent a slowdown relative to the 2.7 percent rate seen in 2024. Slower growth in 2025 is partially due to timing. As we get deeper into the current growth cycle, the economy generally settles into a slower growth pattern. However, lower GDP growth projections are also driven by federal policy changes and economic uncertainty surrounding federal policies that continue to change and evolve. This is particularly true for policies surrounding tariffs and immigration, but also changes in federal funding decisions and cuts to the federal workforce. Each of these, on its own, could limit economic growth in the near term.

2.1. INTRODUCTION, CONTINUED

In addition, economic uncertainty can, by itself, lead to slower economic growth as businesses hold off on making large investments or hiring new workers, and consumers think twice about making major purchases. Increased economic uncertainty, coming at a time when economic growth is already muted, could pave the way to a possible contraction. It is important to note, however, that we are not forecasting a recession or contraction in the state economy at the moment, but the downside risks are certainly elevated.

Our current projections have Tennessee real GDP growing by 2.0 percent in 2026 and 2.6 percent in 2027, while the U.S. economy is projected to expand by 2.2 percent and 1.8 percent in 2026 and 2027, respectively. One factor contributing to the less pessimistic outlook is that consumer spending, in aggregate, has remained surprisingly firm. For the U.S. as a whole, real (inflation-adjusted) personal consumption spending rose by a moderate 0.6 percent in the first quarter, but then accelerated to 2.5 percent growth in the second quarter. In Tennessee, consumer sales continue to show strength, as sales tax revenues grew by 4.2 percent in fiscal year 2025 (August 2024 to July 2025), representing an increase of \$596 million over the prior fiscal year. As of October 2025, sales tax revenues are up by 4.9 percent for this fiscal year-to-date (August 2025 to October 2025). These growth rates are in line with the sales tax collection patterns seen prior to the pandemic.

On the other hand, the labor market has shown signs of weakness, with job gains being modest, at best. Over the first nine months of 2025, the state added an average of 2,900 jobs per month, but this was largely driven by the 9,500 jobs added in the August jobs report. Prior to the August report, average gains were only 1,800 per month. In either case, these employment increases are much lower than pre-pandemic levels. For comparison, the state added an average of 5,000 jobs per month in the first nine months of 2019. Importantly, however, slow job growth in 2025 is just a continuation of slower growth in 2024, as the state added only 1,400 jobs per month through the first nine months of 2024. Thus, it

is hard to discern whether the softening labor market is driven by the economic uncertainty introduced in 2025 or is merely a continuation of slower growth following the incredibly strong post-pandemic recovery. Expectations are that Tennessee nonfarm employment will grow by 0.7 percent in 2025 and 0.9 percent in 2026, representing modest increases of roughly 24,000 jobs and 31,400 jobs in 2025 and 2026, respectively. While positive, this is significantly lower than the 40,700 workers added to payrolls in 2024. Slower employment growth in the near term will be driven by the slower economic growth accompanying the late stages of the current growth cycle, along with the economic uncertainty introduced by federal policy changes. In addition, immigration enforcement will reduce the supply of labor, as deportations continue and fewer international individuals move to the U.S.

Tennessee's unemployment rate currently sits at 3.6 percent as of September 2025, which is still low from a historical perspective but higher than the 3.4 percent annual average seen in 2024. Nonetheless, the state rate is 0.8 percentage points below the most up-to-date national unemployment rate of 4.4 percent as of September 2025. Expectations are for the state unemployment rate to slowly trend upwards to a 3.8 percent annual average in 2026 and 3.9 percent in 2027 as job growth slows. These would still be below the national rate, which is projected to sit at 4.5 percent in both 2026 and 2027.

Over the long term, Tennessee real GDP will advance by around 2.5 to 2.6 percent per year from 2027 through 2029, but then slow to around 2.3 to 2.4 percent growth towards the end of the long-term forecast horizon (2030 to 2035). Similarly, Tennessee employment will expand by around 1.1 to 1.3 percent per year towards the end of this decade before slowing to around 0.8 to 1.0 percent growth per year thereafter. Slower growth towards the end of the forecast horizon is driven primarily by demographic factors. As the population continues to age, there will be more retirements and fewer people in the prime working age group (25 to 54), leading to both slower job growth and slower GDP growth over the long term.

2.2. THE CURRENT ECONOMIC ENVIRONMENT

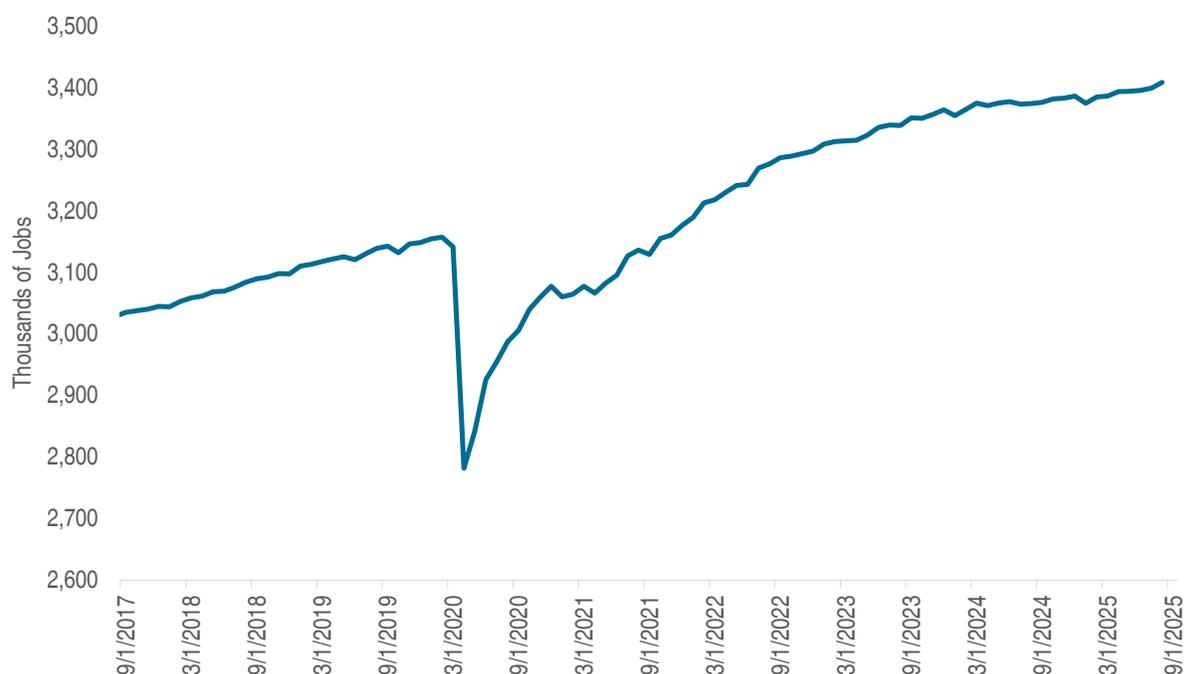
The Labor Market

In 2024, nonfarm employment in Tennessee grew by 1.2 percent, representing an addition of 40,700 workers. This was slightly slower than the national growth rate of 1.3 percent and represented a significant slowdown compared to the statewide job growth seen over the previous three years, from 2021 to 2023, the state added an average of over 100,000 jobs per year. However, that post-pandemic rate of job growth was viewed as unsustainable. Nonetheless, the 40,700 jobs added in 2024 was also below the pre-pandemic state average of roughly 60,000 per year from 2014 through 2019. Job growth through the first half of 2025 has also been muted in Tennessee, and the state is currently on pace to only add around 22,000 workers to payrolls for the year as a whole. It is unclear whether the slower job growth in 2025 reflects a continued stabilization following the strong post-pandemic recovery, or if it is driven by federal policy changes such as those surrounding international trade and immigration enforcement, or some combination of both.

Figure 2.1 presents the total number of nonfarm jobs in Tennessee per month, dating back to 2016. Tennessee nonfarm employment remains well above pre-pandemic levels. As of September 2025, there were roughly 255,000 more jobs in Tennessee than there were in February 2020. However, job gains have slowed appreciably over the last few years. The state added 35,800 jobs in September 2025 as compared to September 2024. This was stronger than the 12-month change in jobs seen in September 2024, but nearly 60 percent lower than the 64,700 jobs added in September 2023. It is also significantly slower than pre-pandemic job growth, as the state added roughly 54,000 jobs over the 12-month periods ending in both September 2018 and September 2019.

Figure 2.2 reports the year-over-year percent change in state jobs by broad sector for the last three years, and highlights the slowdown in nonfarm employment growth over the last two years. In September 2023, year-over-year nonfarm job growth came in at 2.0 percent, but slowed to 0.8 percent in September 2024 and 1.1 percent in September 2025. Most broad sectors have seen a

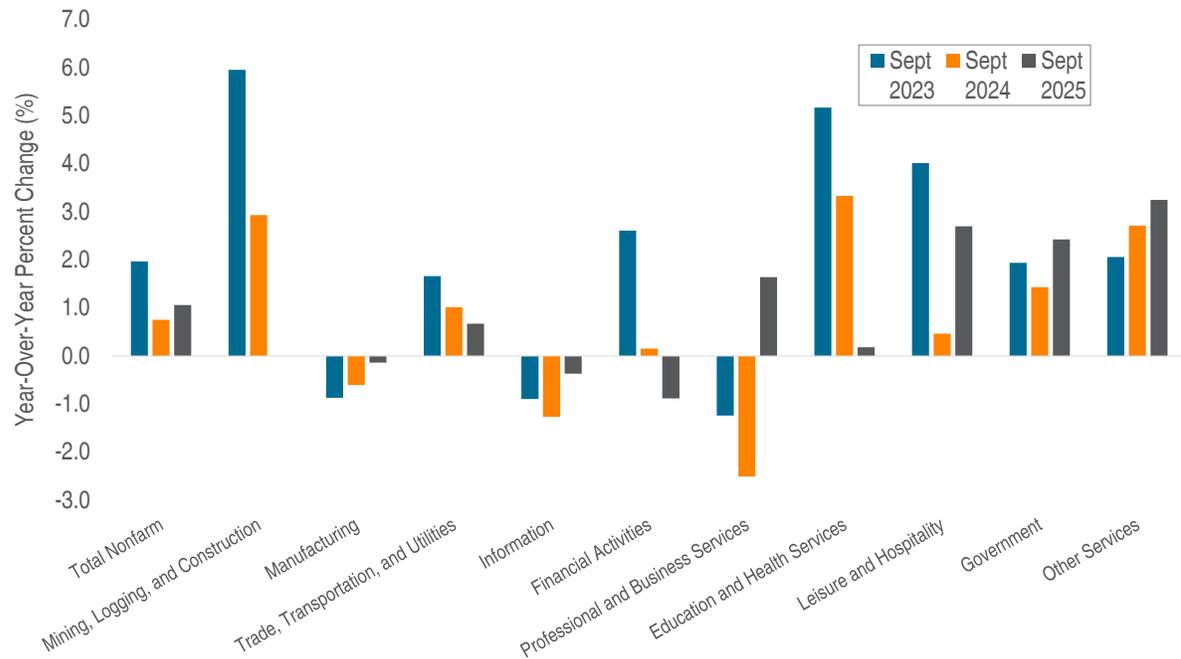
Figure 2.1: Tennessee Nonfarm Employment Growth Has Flattened



Source: Bureau of Labor Statistics.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.2: Job Growth Has Slowed Across Most Broad Sectors in Tennessee



Source: Bureau of Labor Statistics.

slowdown in job growth over the last year. Most notably, employment growth in education and health services, which has been one of the main drivers of job growth over the last few years, has flattened out, growing by only 0.2 percent over the last 12 months, versus 3.3 percent growth the year prior. In addition, employment in mining, logging, and construction saw zero growth in September 2025, which is in stark contrast to the gains seen over the prior two years, and manufacturing employment saw a slight dip for the third September in a row. Despite the latter, manufacturing employment in Tennessee remains above pre-pandemic levels.

In contrast, employment in professional and business services rose by 1.6 percent, representing an increase of 7,400 jobs over last September, and leisure and hospitality employment grew by 2.7 percent (up 9,900 jobs). Employment in the government sector continued to expand, increasing by 2.4 percent or 11,000 jobs. However, this was driven entirely by employment in state and local governments, most notably increasing employment in state and local educational services. In contrast,

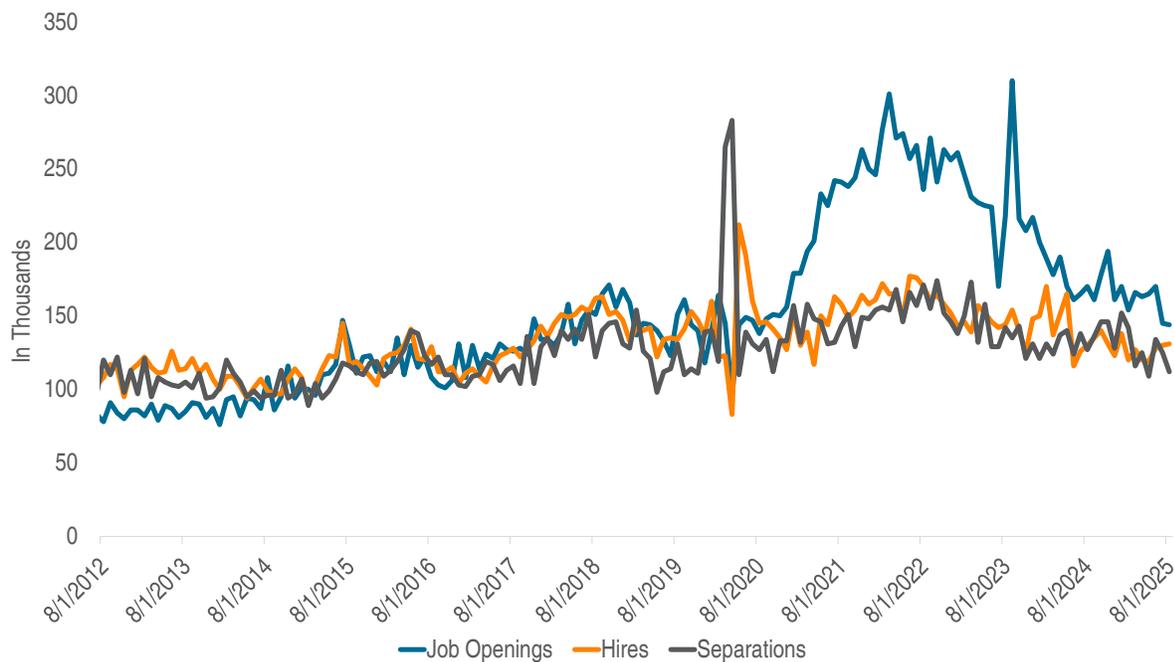
federal government employment in Tennessee fell by 1,200 jobs over the last 12 months as of September 2025.

Figure 2.3 reports job growth by Tennessee county from March 2024 to March 2025, and provides a recent snapshot of county labor market conditions. During this period, only 29 of Tennessee's 95 counties saw positive job growth, while the remaining 66 counties experienced job losses. Gibson County saw the strongest rate of gains, expanding by 9.1 percent. This represented an increase of 1,369 jobs. In terms of levels, Knox County saw the largest increase, adding 3,022 jobs over the 12-month period, followed by Montgomery County, which was up by 1,699.

In contrast, the largest percentage point reductions were in Morgan County and Haywood County, where employment fell by 14.4 percent and 11.2 percent, respectively. This amounts to job losses of 518 and 894, respectively. Shelby County saw the largest drop in jobs, shedding 11,552 over the last 12 months, while Davidson County saw a reduction of 4,217 jobs. Importantly, Middle Tennessee—specifically Davidson County and those

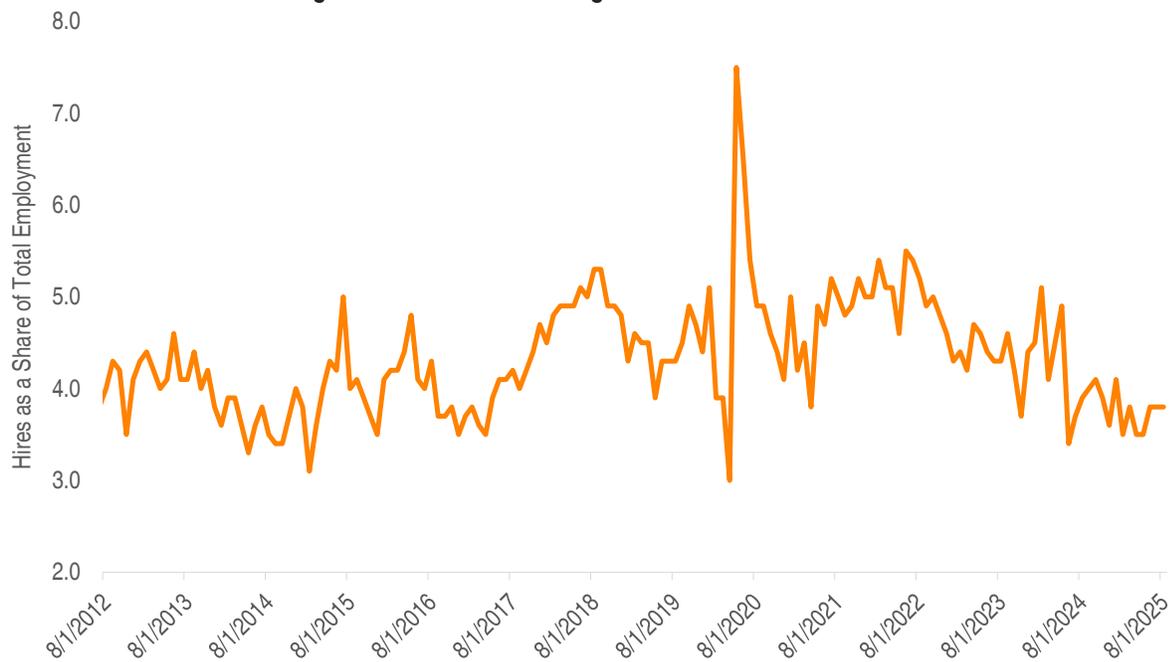
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.5: Job Openings in Tennessee Have Fallen, while Hirings and Separations Remain Stable



Source: Bureau of Labor Statistics Job Openings and Labor Turnover Survey.

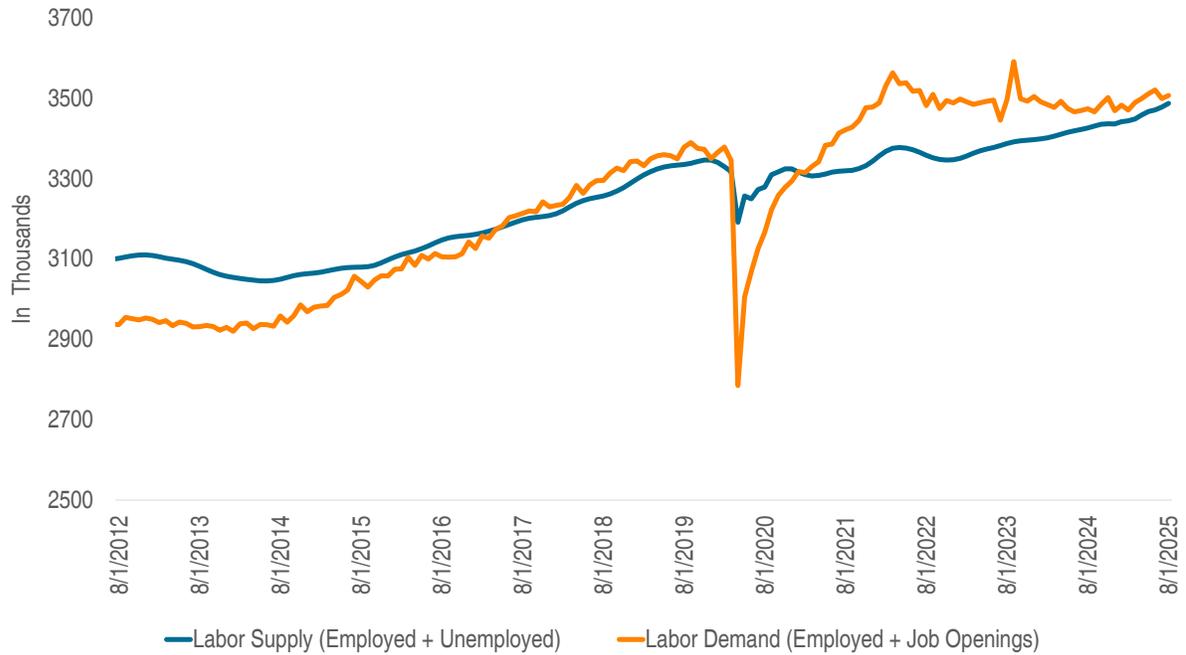
Figure 2.6: Tennessee’s Hiring Rate Has Trended Downward



Source: Bureau of Labor Statistics Job Openings and Labor Turnover Survey.

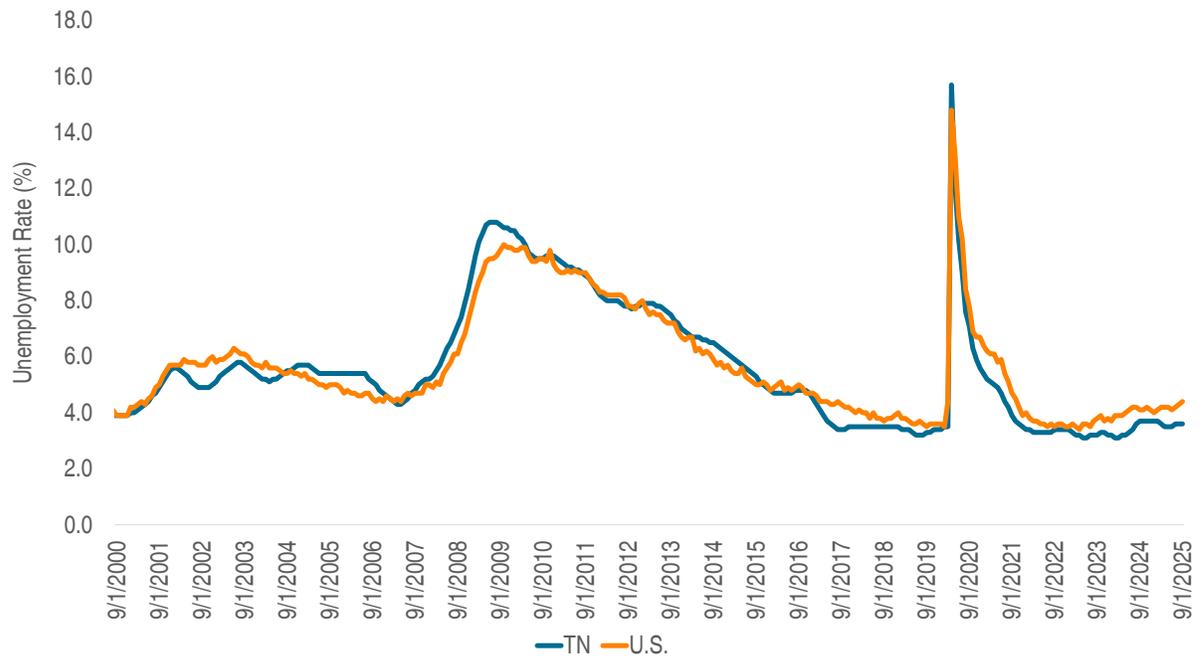
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.7: The Worker Shortage in Tennessee is Down to 20,000, its Lowest Level Since Early-2021



Sources: Bureau of Labor Statistics Job Openings and Labor Turnover Survey, and Boyd CBER UT.

Figure 2.8: Unemployment Rates are Drifting Upward, But Remain Historically Low



Source: Bureau of Labor Statistics.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

It is unclear whether this signifies a continued downward trend in openings or a temporary blip, but fewer job openings would be consistent with a weakening labor market. Hirings have also fallen since the economic recovery, but are still comparable to pre-pandemic averages. Given the massive influx of new Tennessee residents over the last few years, which was accompanied by an increase in consumer spending and the demand for goods and services, it would be reasonable to expect hirings to have equalized at a level that was higher than the pre-pandemic trend. Thus, hiring levels that are in line with the pre-pandemic trend could be another sign of a slowing job market. To illustrate this point further, **Figure 2.6** reports monthly data on the hiring rate (i.e., hirings as a share of total employment). The hiring rate fell in the middle of 2024 and has remained relatively depressed, even compared to pre-pandemic hiring trends, ever since. Turning back to **Figure 2.5**, job separations seem to be tracking near pre-pandemic levels as well. Thus, even as some larger companies have announced job cuts, aggregate data on job separations, at least through August 2025, seem to have held steady. Many employers had trouble finding workers over the last few years and could be hesitant to fire/lay off workers even under increased economic uncertainty. At the same time, with fewer job openings, employees are less likely to quit their current jobs since job prospects are not as good as they were a year ago.

Putting all of this together, **Figure 2.7** reports labor supply in Tennessee (i.e., the total number of people working or looking for work) versus labor demand (i.e., the total number of workers needed across the state). There has been a shortage of workers in Tennessee since the beginning of 2021, as the number of workers needed (labor demand) has exceeded the number of workers available (labor supply). However, this gap has consistently shrunk over the last year and a half, and the shortage, as measured by the vertical distance between labor demand and labor supply, currently sits at only 20,000. This is the lowest reading since early-2021.

The unemployment rate in Tennessee remains low, sitting at 3.6 percent as of September 2025. This

is only 0.5 percentage points above the all-time low of 3.1 percent, which was recorded in early-2024.

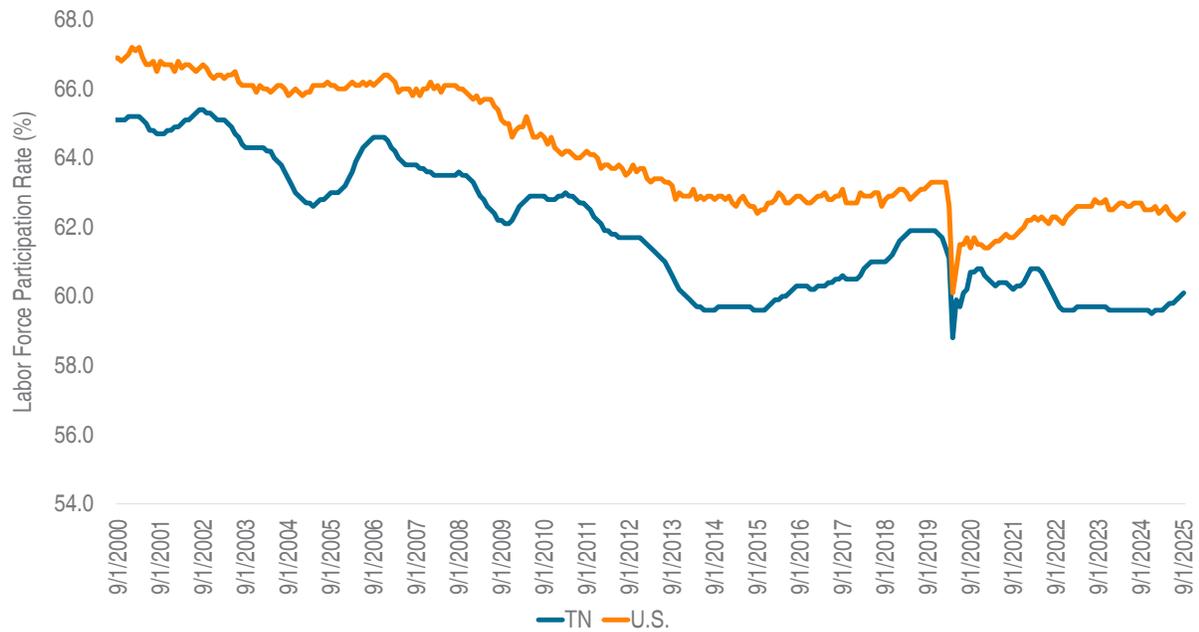
Figure 2.8 reports the unemployment rates for both Tennessee and the nation. The state's unemployment rate continues to rest below the national rate, which was 4.4 percent in September. Nonetheless, unemployment rates for both the state and nation remain relatively low from a historical perspective.

Figure 2.9 reports unemployment rates across all Tennessee counties for August 2025. There were 54 counties with unemployment rates below 4 percent, including three counties with unemployment below 3 percent—Williamson (2.9 percent), Cheatham (2.8 percent), and Sevier (2.7 percent). In contrast, there were 41 counties with unemployment rates at 4 percent or above. Five counties registered unemployment at 5 percent or higher—Johnson (5 percent), Hardeman (5.1 percent), Lauderdale (5.1 percent), Meigs (5.1 percent), and Perry (5.4 percent). Nonetheless, these still represent historically low unemployment rates for both the state as a whole and the majority of Tennessee counties.

Low unemployment rates are driven, in part, by lower labor force participation. The labor force participation rate is measured as the percentage of individuals 16 and older who are in the labor force (i.e., working or actively looking for work), and the unemployment rate measures the percentage of people not working but actively looking for work. Thus, if fewer individuals are working or looking for work, the unemployment rate will be lower, all else equal. **Figure 2.10** presents the labor force participation rates in both the U.S. and Tennessee, and shows that they have been on a downward trend for the last 25 years. The long-term downward trend for both the state and nation is driven in part by an aging population, leading to increased retirements. This trend was exacerbated during the pandemic as many individuals decided to retire early or at least leave the labor force temporarily. To that point, **Figure 2.11** reports the labor force participation rate among those aged 55 and older. These data are only available for the nation as a whole, but show that the participation rate fell at the onset of the pandemic, and has

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.10: Labor Force Participation in Tennessee Remains Depressed



Source: Bureau of Labor Statistics.

Figure 2.11: U.S. Labor Force Participation Among Workers Aged 55 and Older Fell During the Pandemic and Remains Low



Source: Bureau of Labor Statistics.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.12: Labor Force Participation Rates are Low Across Most of the Southeast, September 2025
U.S. 62.4%

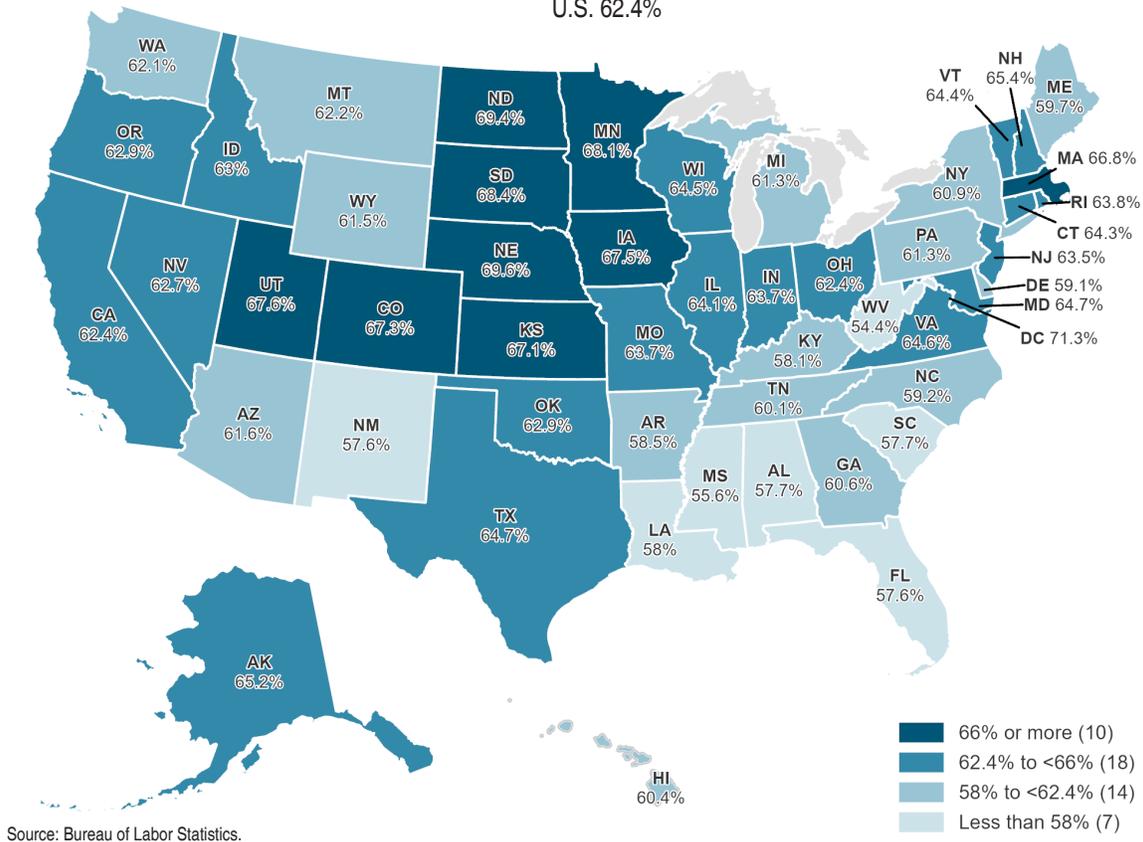
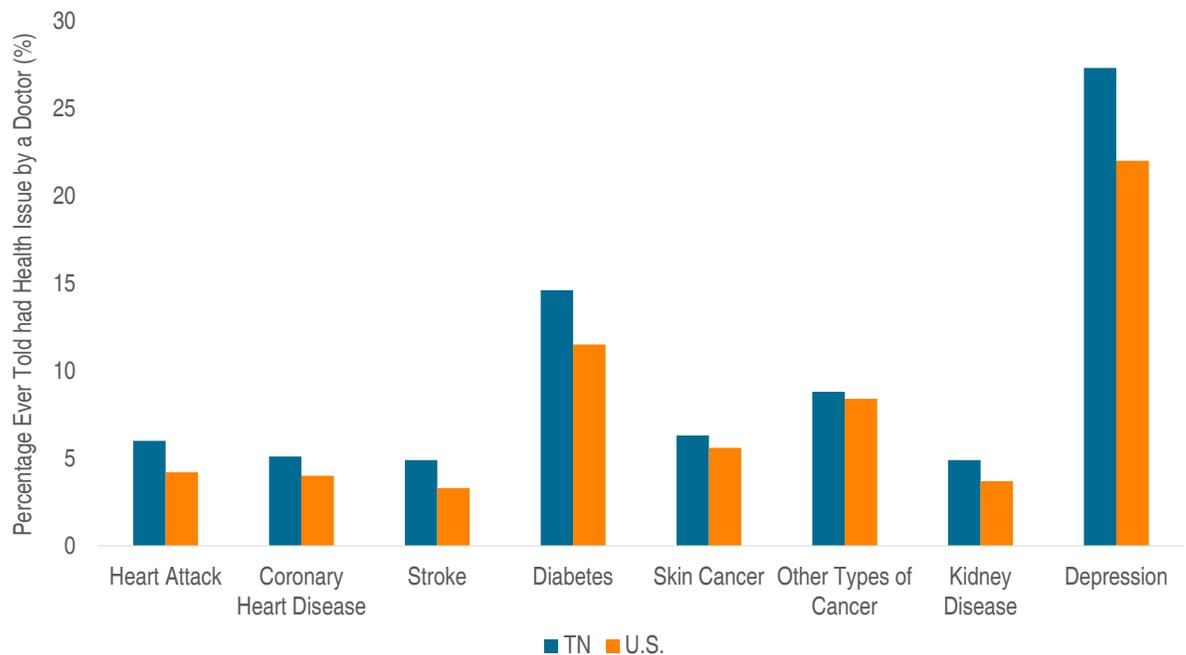


Figure 2.13: More Tennesseans Report Serious Health Issues Than the U.S. as a Whole



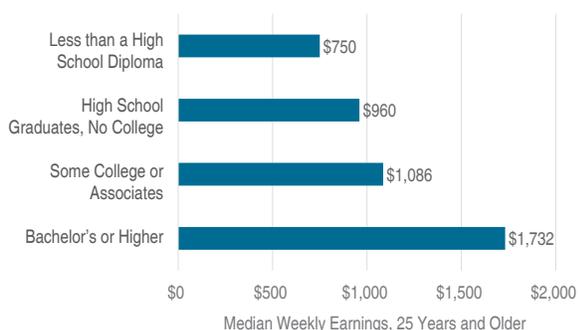
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

rate of unemployment decreases (Panel B). **Figure 2.15** presents the adult educational attainment rates for both Tennessee and the nation. Panel A shows the percentage of the population aged 25 years and older with a high school degree or higher over the last decade. Historically, Tennessee’s high school education rate lagged behind the nation’s, but Tennessee overtook the nation in 2021 and has not ceded ground since. As of 2024, the high school attainment rate is 90.6 percent in the state versus 89.9 percent for the nation. In contrast, Panel B reports the percentage of adults 25 years and older with a Bachelor’s degree or higher – hereafter referred to as the college attainment rate. Similar to high school attainment rates, the

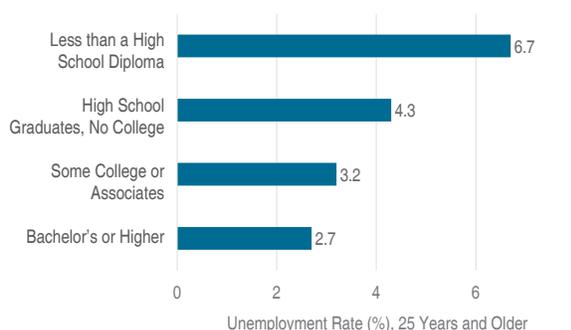
state has historically trailed the nation in college attainment as well. Also, similarly, Tennessee has seen strong gains in college attainment over the last decade, moving from 25.7 percent of the adult population (aged 25 and over) in 2015 to 32.4 percent in 2024. However, the state has only kept pace with the nation in this regard, and as a result, has not been able to close the gap in a meaningful way. In 2015, the state’s college attainment rate was 4.9 percentage points below the U.S., and in 2024, the state is still 4.4 percentage points behind the nation. Further improvements to college attainment rates across the state could help provide a boost to the labor force and economic growth over the long term.

Figure 2.14: On Average, Higher Education is Linked to Higher Earnings and Lower Unemployment Rates in the U.S.

Panel A: U.S. Median Earnings by Educational Attainment, 2025Q2

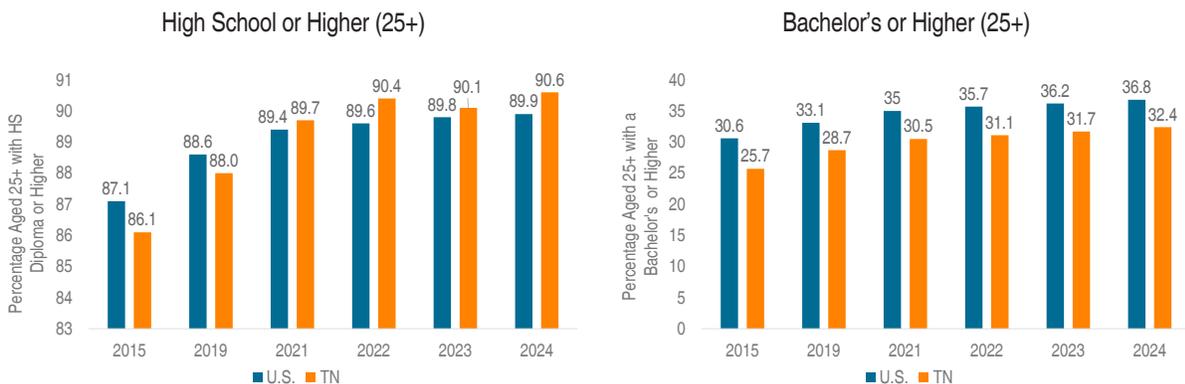


Panel B: U.S. Unemployment Rate by Educational Attainment, August 2025



Source: Bureau of Labor Statistics.

Figure 2.15: Adult Education Rates Over Time, Tennessee versus the U.S.



Source: U.S. Census Bureau, 1-Year ACS Estimates.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

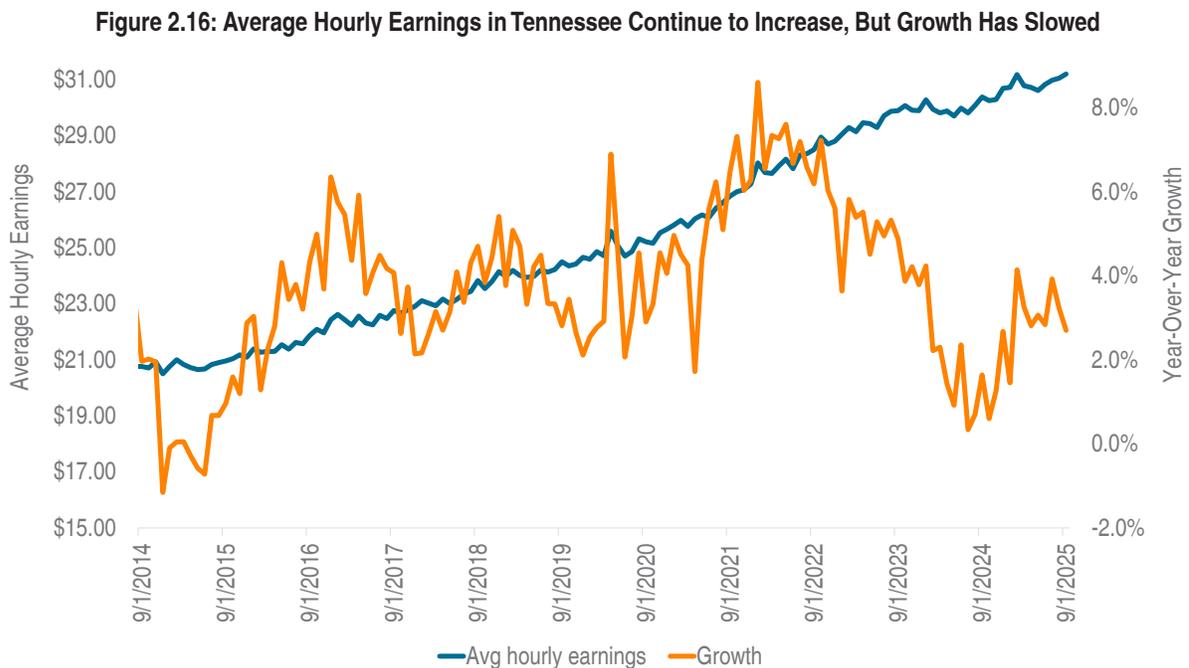
Income, Earnings, and Taxable Sales

In 2024, nominal personal income in Tennessee rose by a strong rate of 5.9 percent. This marked two consecutive years of robust income growth for the state—in 2023, personal income grew by 8.7 percent. Strong personal income growth was driven in part by continued growth in total wages and salaries, which is the largest component of personal income, and grew by 5.6 percent in 2024. **Figure 2.16** reports average hourly earnings by month in Tennessee as well as year-over-year earnings growth, and shows the trajectory of wage gains in Tennessee over time. In January 2024, earnings rose by 4.2 percent, which was slightly stronger than pre-pandemic wage gains (wage growth averaged 3.7 percent in 2018 and 3.6 percent in 2019). However, wage growth was somewhat muted thereafter. In February and March, wage growth slowed to around 2.2 percent, and then slowed further to below 1 percent for much of the summer. State wage gains then rebounded to 2.7 percent in December. As a result, average hourly earnings rose from \$29.89/hour in December 2023 to \$30.69/hour in December 2024. Average earnings have continued to increase

through the first half of 2025, averaging 3.2 percent growth per month from February 2025 to September 2025. In addition to wage growth, personal income gains were buoyed by federal transfer payments (e.g., social security payments, unemployment benefits, etc.), which rose by 8.0 percent in 2024.

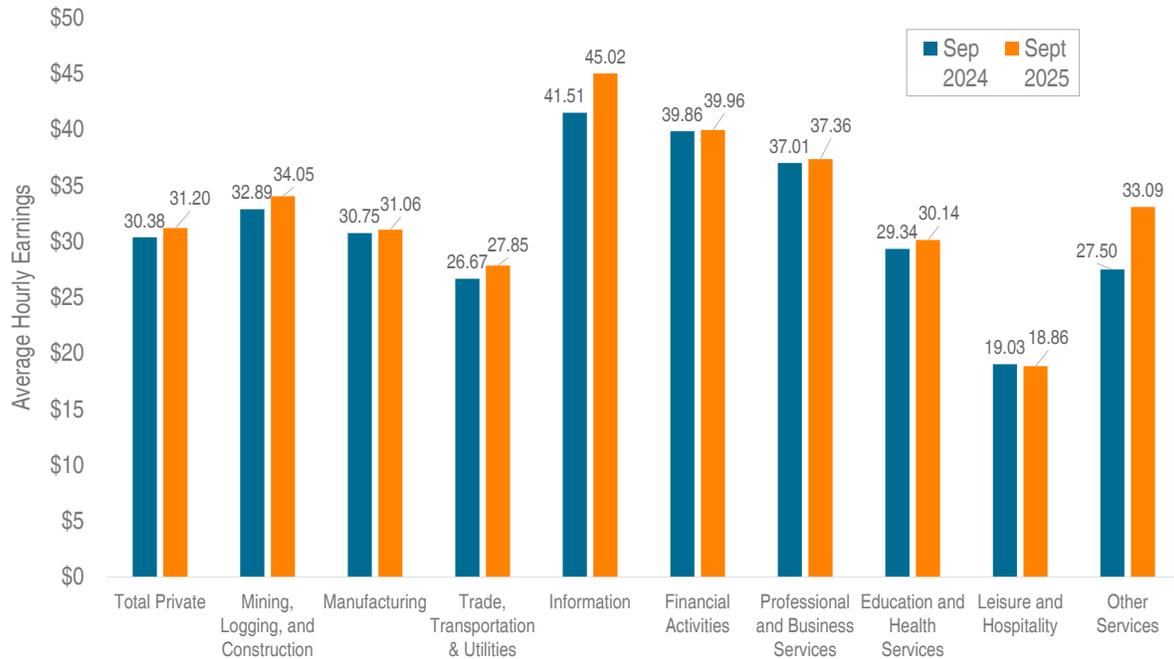
Earnings vary considerably across sectors, as shown in **Figure 2.17**. In September 2025, workers in the Information sector earned the highest wages, with average hourly earnings of \$45.02. Historically, those working in the Financial Activities sector earned the most in the state, but workers in the Information sector, most notably those working in computing and data processing, have seen their wages grow faster over time, and as a result, Information became the top-paid sector as of April 2024. In contrast, those working in Leisure and Hospitality continue to see the lowest wages, earning \$18.86 per hour on average as of September 2025. This represents a pay decrease relative to a year ago when average wages were \$19.03 per hour.

Figure 2.18 reports state-level per capita income across all southeastern states for the second quarter of 2025. Per capita income in Tennessee,



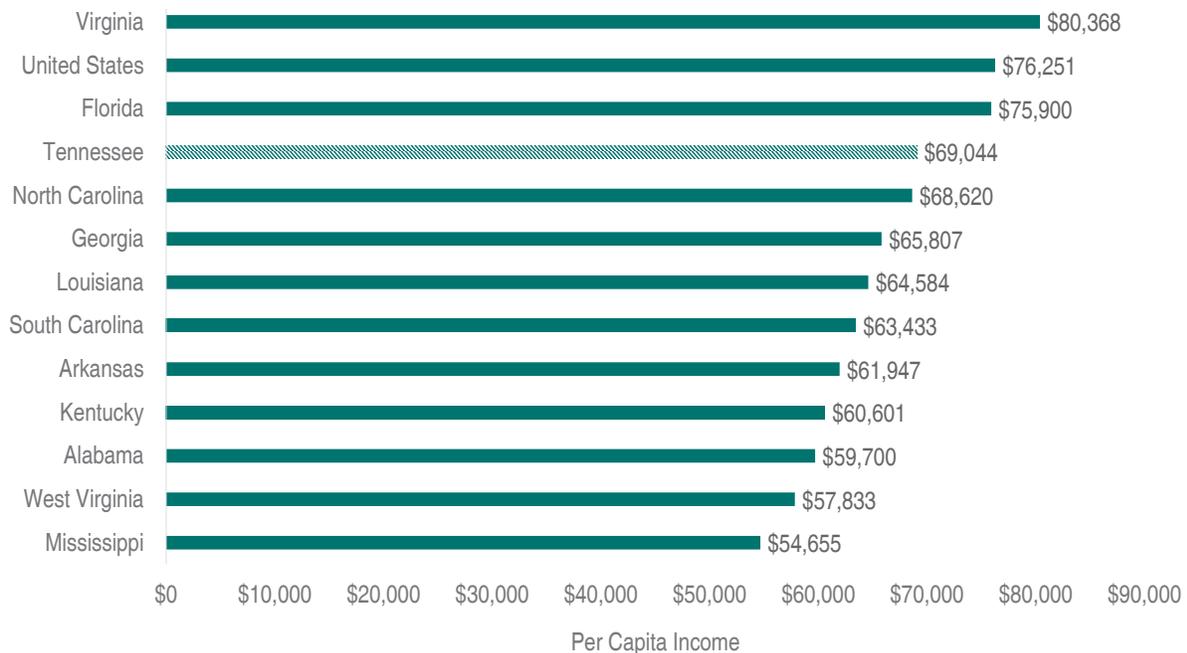
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.17: Workers in the Information Sector Have the Highest Average Hourly Earnings, Followed by Those Working in Financial Activities



Source: Bureau of Labor Statistics.

Figure 2.18: Tennessee Ranks Third in Per Capita Income Among Southeastern States, 2025Q2



Source: Boyd CBER UT, Bureau of Economic Analysis.

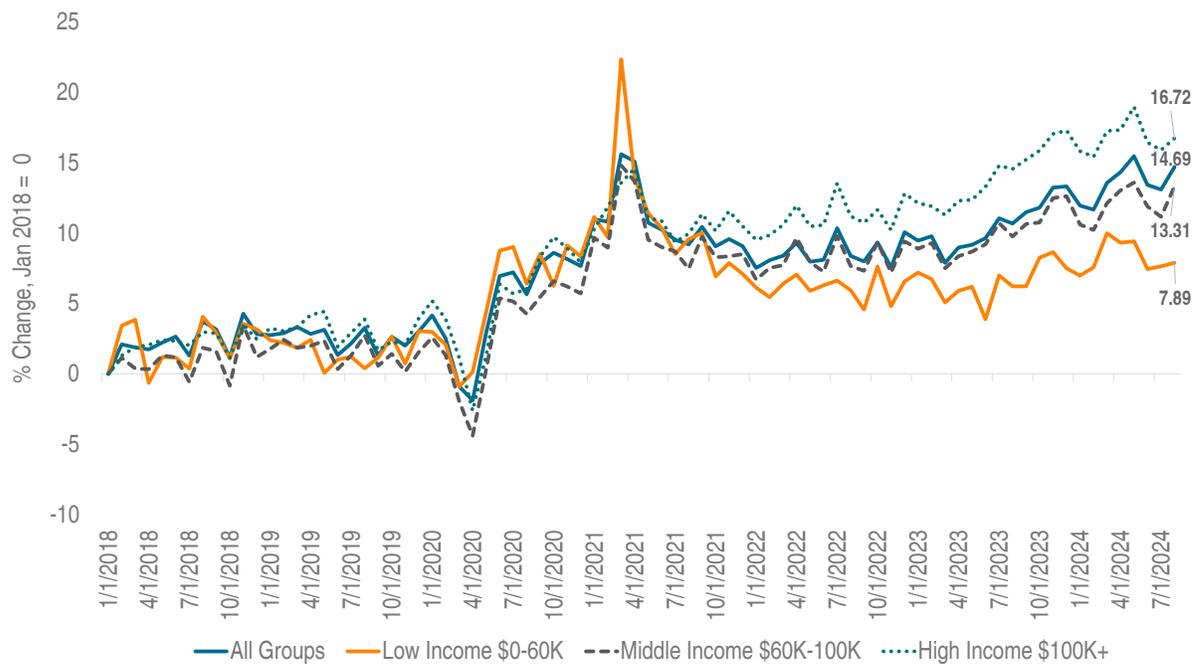
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

at \$69,044, continues to rank third across all southeastern states, only behind Florida (\$75,900) and Virginia (\$80,368). Among southeastern states, only Virginia has a higher per capita income than the national average of \$76,251.

Tennessee taxable sales grew at a healthy clip in 2024, advancing by 4.2 percent, and reaching \$210.6 billion for the year as a whole. On a fiscal year basis, nominal taxable sales advanced by 4.5 percent in FY 2024/25. In 2024, taxable sales growth was strongest in the food stores sector, advancing by 17.8 percent. This was partially driven by the three-month sales tax holiday on food purchased in grocery stores in 2023, which led to a contraction in food store taxable sales in 2023 (down 4.6 percent), followed by a rebound in 2024. Continued price pressures at the grocery store likely played a role in the strong food store sales as well. Sales in the other retail and service sector, which includes online sales, also rose by 8.3 percent in 2024, as e-commerce continued to show strength.

While taxable sales and consumption spending remain resilient, this pattern of strong spending is not seen across all households. **Figure 2.19** shows U.S. growth in average monthly household real spending (inflation-adjusted) for goods and food services excluding vehicles for three income groups: low-income households (\$0-\$60,000 in household income), middle-income households (\$60,000-\$100,000 in household income), and high-income households (above \$100,000 in household income). These data were gathered from a Federal Reserve research note that analyzed micro-level data from a panel of 150,000 U.S. households provided by Numerator, a consumer insights and data company.¹ Importantly, the data show consumer spending patterns for the nation and not Tennessee specifically, and are up-to-date as of late 2024, but still provide important insights. Prior to the pandemic, growth in household spending was similar across income groups. During the pandemic, lower-income households saw stronger growth in

Figure 2.19: Consumer Spending Growth in the U.S. Has Largely Been Driven By High Income Households in Recent Years



Source: Hacıoğlu Hoke et al. (2024).

¹ Hacıoğlu Hoke, Sinem, Leo Feler, and Jack Chylak (2024). "A Better Way of Understanding the US Consumer: Decomposing Retail Sales by Household Income," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, October 11, 2024, <https://doi.org/10.17016/2380-7172.3611>.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

spending, with retail spending up by 22.3 percent relative to January 2018. This was likely due to pandemic stimulus payments, which led to higher spending among lower-income households but higher savings among higher-income households. However, starting in late-2021/early-2022, average spending among lower-income households has moderated, while spending among middle-income and, even more notably, high-income households has risen. As of October 2024, average spending among high-income households is 16.7 percent above 2018 levels, and middle-income households are spending 13.3 percent more than in January 2018. By comparison, spending among low-income households is only up by 7.9 percent. More importantly, since the pandemic spike in 2021, spending among lower-income households has largely trended downwards or remained flat, while spending among high-income households has trended upwards. A more recent analysis by the Federal Reserve of Boston examines credit card spending data across income groups and finds a similar trend—aggregate consumer spending growth has been driven by high-income consumers (incomes above \$120,000).² This has important implications for the economy as a whole, because if a relatively small group of high-income households pull back on consumer spending, this could have an outsized impact on economic growth as a whole. Furthermore, this also has important implications for state, because Tennessee has a higher proportion of households with household incomes below \$100,000 than does the nation as a whole. According to the 2024 1-Year American Community Survey from the U.S. Census Bureau, 65.2 percent of Tennessee households have household incomes of \$99,999 or less, versus 58.8 percent for the nation as a whole. Therefore, if consumer spending patterns are similar for Tennessee as they are in **Figure 2.19**, then there would be fewer households propping up consumer spending in Tennessee than there are for the nation.

International Trade

The Trump administration has introduced a series of tariffs and trade deals over the last year, which have disrupted trade flows and affected overall economic growth in both the state and the nation. These started with some targeted goods such as steel, aluminum, automobiles, and automobile parts, but also include a broad set of imports from specific countries (most notably China, Canada, and Mexico). However, on April 2, 2025, trade tensions were magnified as the administration announced a universal 10 percent tariff on all imported goods as well as additional tariffs on over 50 countries. In response, many countries announced retaliatory tariffs on goods exported from the U.S. to their respective countries. Since then, a number of trade deals have been announced, including with the EU, Japan, and South Korea, which include reduced tariff rates, exemptions, or investment commitments. Nonetheless, tariff rates are much higher today than they were less than a year ago. In early-January, the overall average effective tariff rate on all imports into the U.S. sat at 2.4 percent, but has risen to 14.4 percent as of November 17th. Tariff rates have not been this high since the 1930s (see **Figure 1.4** in Chapter 1).^{3,4}

As a result, trade flows have been drastically altered over the course of the year. To get ahead of the newly announced tariffs, many U.S. businesses and households pulled forward foreign purchases, ramping up import spending in the first quarter of 2025 before scaling back in the second quarter. In doing so, businesses were able to bulk up their inventories and sell many products at pre-tariff-hiked prices, but as those inventories are drawn down, prices will likely rise. **Figure 2.20** presents three key measures of inflation: the producer price index (PPI), the consumer price index (CPI), and the CPI for the South region. The PPI, which measures a change in prices faced by producers, was on a downward trajectory in early 2025, falling

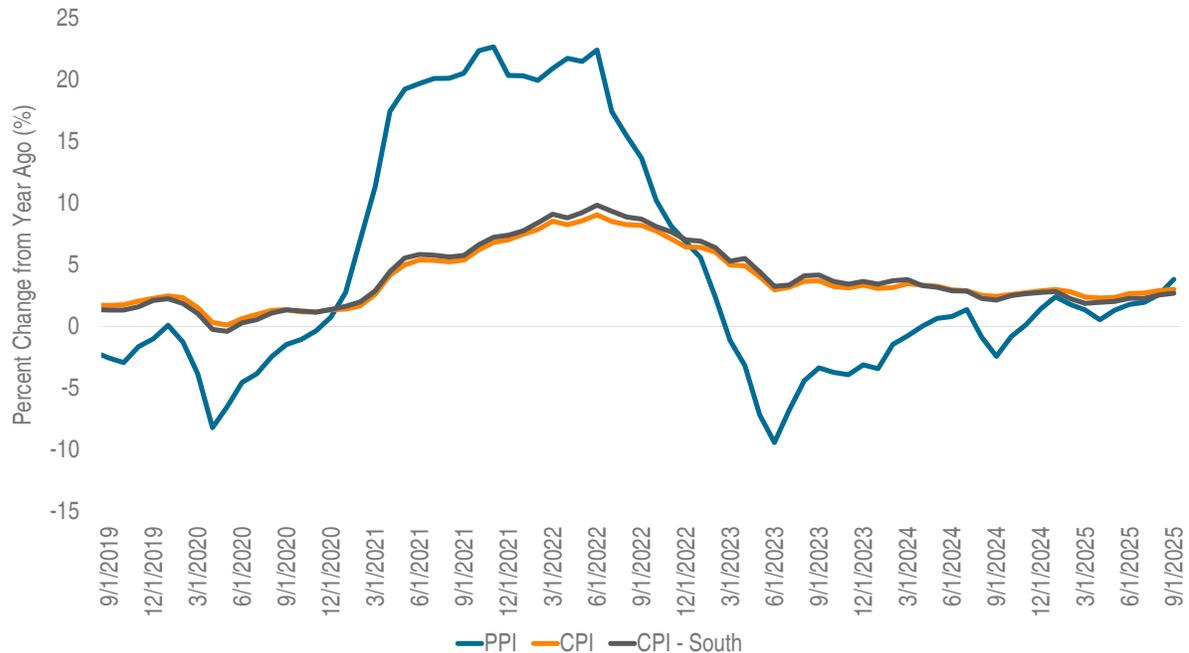
² Hagler, Rees, and Dhiren Patki. Why Has Consumer Spending Remained So Resilient? Evidence from Credit Card Data. No. 2025-10. Federal Reserve Bank of Boston, 2025.

³ The overall effective tariff rate is measured as the trade-weighted average rate on all imports into the U.S. from all countries.

⁴ <https://budgetlab.yale.edu/research/state-us-tariffs-november-17-2025>

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.20: Inflation Moderated in 2023 and 2024, but Has Started to Tick up Again in 2025



Source: Bureau of Labor Statistics.

consistently from 2.4 percent in January down to 0.6 percent in March. Since then, however, it has consistently risen, suggesting that tariffs have already increased costs for producers in the U.S. Thus far, these costs seem to have only been partially passed on to consumers, as the CPI has only risen slightly. However, as businesses draw down their pre-tariff inventories, they will likely pass more of the costs onto consumers. In fact, in a recent survey of business leaders across Tennessee, over 75 percent said that tariffs have affected their businesses, and nearly half said that they are passing on some or all of the tariff costs to their customers.⁵

It is still unclear as to how trade policies will evolve over the near term or how these policies will impact the Tennessee economy. We can, however, look at international trade flows to see how Tennessee businesses, consumers, and trading partners have responded thus far. Through

the first eight months of 2025 (January through August), imports into Tennessee have risen by \$5.2 billion or 6.5 percent. This was slower than the 13.8 percent rate of growth seen during the same time last year, but still represents a healthy rate of import growth. However, this growth was primarily driven by the pulling forward of import purchases in the first quarter. Nonetheless, the total value of goods imported into Tennessee from all countries stood at \$84.3 billion as of August 2025, versus \$79.2 billion in August 2024.

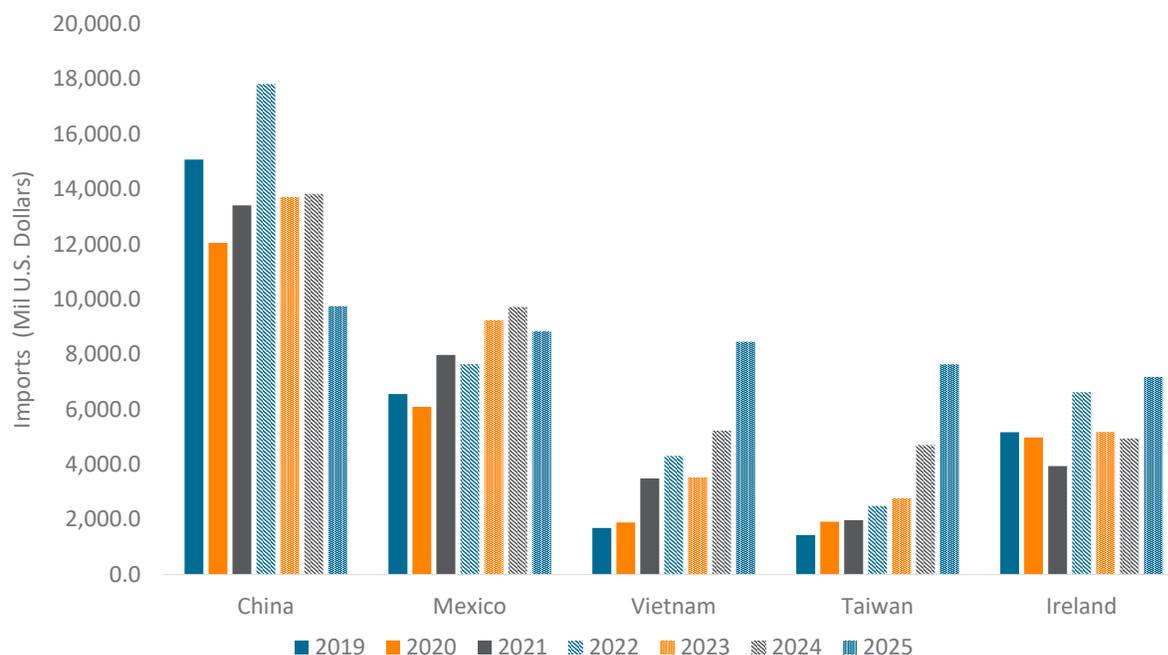
More interestingly, **Figure 2.21** reports the year-to-date dollar value of imports into Tennessee by country for the state's top 5 trading partners as of August of each year. China is still the state's largest supplier of foreign goods, but with one of the highest effective tariff rates among all U.S. trading partners, at 31 percent,⁶ Chinese imports into Tennessee have fallen dramatically. Through August 2025, imports from China to Tennessee

⁵ <https://haslam.utk.edu/publication/tennessee-business-leaders-survey-summer-2025/>

⁶ <https://wellsfargo.bluematrix.com/docs/html/b620e5f6-2642-402b-a8bf-961a567bcf1f.html>

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.21: Tennessee Imports from its Five Main Trading Partners Over Time, August Year-to-Date



Sources: International Trade Administration of U.S. Department of Commerce and U.S. Census Bureau.

were valued at \$9.7 billion, representing a massive \$4.1 billion or 29.5 percent drop compared to the year prior (August YTD), and from the previous seven years. From 2019 through 2024 (August YTD), Tennessee imported an average of \$14.3 billion of merchandise from China each year. Through the first eight months of 2025, Tennesseans purchased \$8.8 billion worth of goods from Mexico, the state's second-largest import supplier. This was a 9.1 percent or \$885 million reduction relative to the preceding year, but was in line with import purchases from earlier years. In contrast, imports from Vietnam and Taiwan grew rapidly in the first half of 2025. This was largely due to a pull forward in purchases to get ahead of tariffs announced in April.

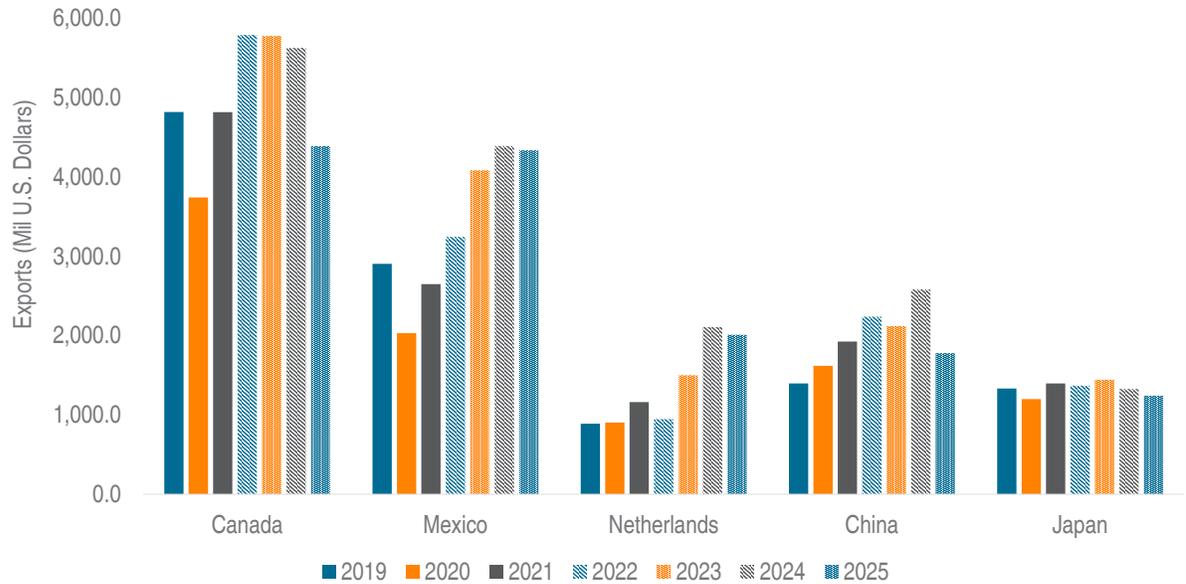
In response to U.S. tariffs, a number of trading partners imposed retaliatory tariffs on U.S. goods imported into their respective countries. As examples, Canada imposed a 25 percent tariff on over 1,000 U.S. products, including U.S.-made

motor vehicles, in March and April 2025, though these were suspended in September. And China imposed a 34 percent tariff on all U.S. imports in April, which was then raised to 125 percent before being reduced to 10 percent.⁷ **Figure 2.22** reports year-to-date (August YTD) exports from Tennessee to its five largest trading partners—Canada, Mexico, the Netherlands, China, and Japan—and shows how U.S. trade policy has impacted Tennessee producers who sell to foreign purchasers. Specifically, exports from Tennessee to Canada fell by over \$1.2 billion from August 2024 TYD to August 2025 YTD, equating to a 22 percent reduction. Most notably, transportation equipment exported from Tennessee to Canada fell by \$813 million or 42.8 percent. Canada has historically been a major purchaser of transportation equipment from Tennessee, and the suspension of these tariffs could provide relief, but if reduced purchases were to persist, we could certainly see a contraction in Tennessee's

⁷ <https://www.trade.gov/feature-article/foreign-retaliations-timeline>

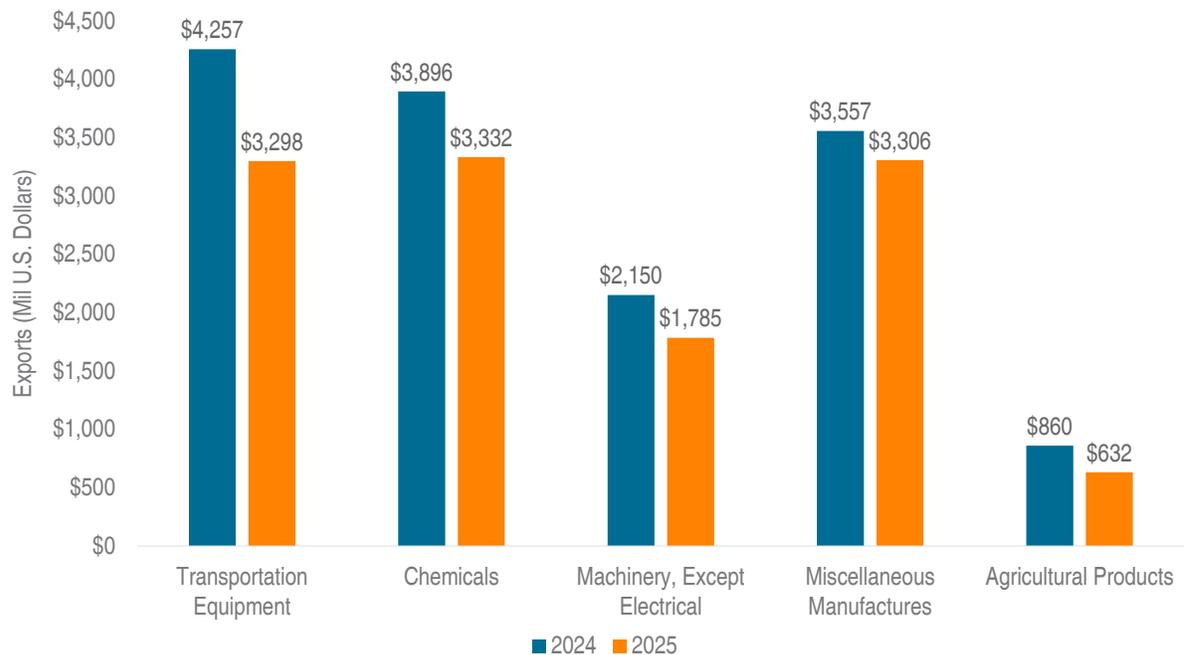
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.22: Tennessee Exports to its Five Largest Export Markets Over Time, August Year-to-Date



Sources: International Trade Administration of U.S. Department of Commerce and U.S. Census Bureau.

Figure 2.23: Largest Contractions in Tennessee Exports to the World by Product Type



Sources: International Trade Administration of U.S. Department of Commerce and U.S. Census Bureau.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

motor vehicle manufacturing sector. Similarly, state exports to China fell by \$724 million or 31.4 percent, with large drops in chemical exports (down \$269 million or 34.6 percent) and, even more worryingly, in agricultural products, which has fallen from \$460 million in 2024 YTD to nearly \$0 in 2025 YTD (down 94.6 percent).

In total, exports from Tennessee to all countries are valued at \$25.2 billion for the 2025 YTD through August, which is \$1.9 billion or 7.0 percent lower than the same time last year, and the lowest value since August 2021 YTD. The largest drop was in transportation equipment (down \$959 million), followed by chemicals (down \$564 million), machinery except electrical (down \$366 million), miscellaneous manufacturers (down \$251 million), and agricultural products (down \$251 million) (see **Figure 2.23**).

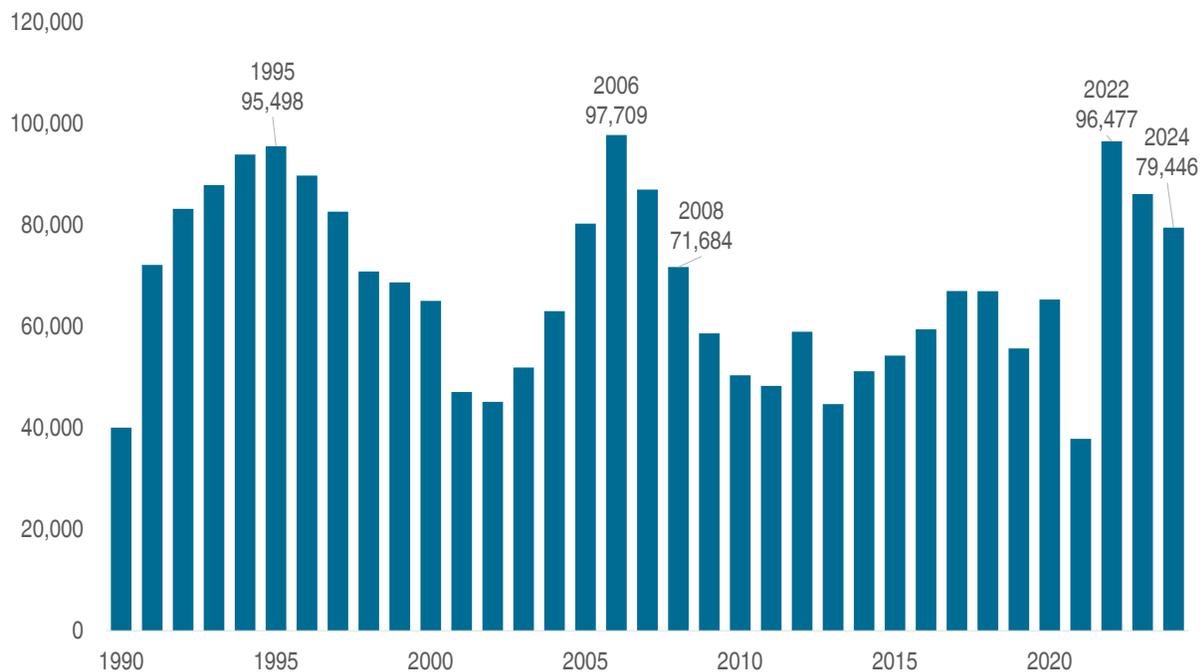
Population Trends

Population growth has been a key contributor to economic growth in recent years. As more

people move to the state, consumer spending and the overall demand for goods and services rise, leading to an overall increase in economic growth. From 2023 to 2024, Tennessee’s population rose by 1.1 percent, representing an increase of nearly 80,000 people. This was slightly faster than the nation’s 1.0 percent growth rate, and the 13th strongest growth rate across all U.S. states. This marks the third consecutive year in which the state registered population gains in excess of 1 percent. Prior to 2022, this rate of population growth had not been seen since 2008 (**Figure 2.24**).

Population growth is determined by three components: births, deaths, and net migration (in-migration minus outmigration). **Figure 2.25** shows how each of these components has contributed to state population growth over time. In 2024, strong gains continued to be driven by net migration, with more than 76,000 more people moving to Tennessee. This was the third-highest net migration number in the state data’s history, only behind the previous two years. Of the 76,000 people who moved to Tennessee, 48,476 were domestic

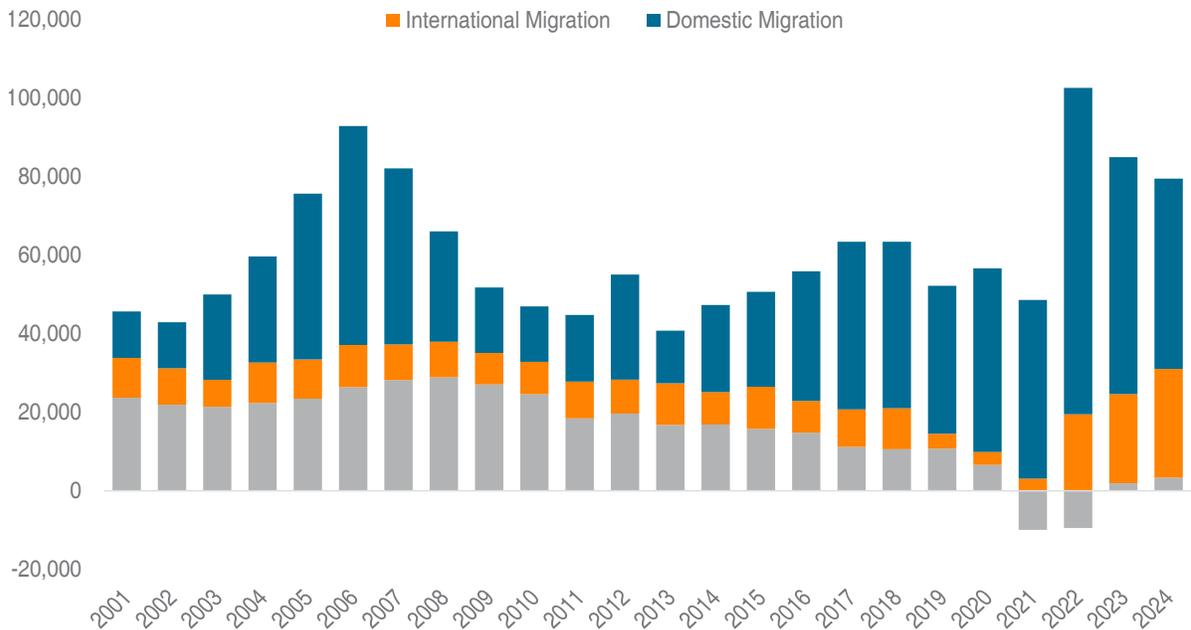
Figure 2.24: Tennessee Has Seen Three Consecutive Years of Strong Population Gains
Annual Population Change, 1990 to 2024



Source: U.S. Census Bureau, Population Estimate Program, 1990-2024.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.25: Population Growth in Tennessee Has Been Driven By Domestic Migration
Tennessee Components of Population Change



Source: Vintage 2024 Population Estimates, Vintage 2010 and 2020 Evaluation Estimates, State and County Components of Population Change by U.S. Census Bureau.
Note: Natural change = births minus deaths.

movers, and 27,648 were international migrants. Tennessee's population gain from international migration was a single-year high in 2024. In addition to net migration, **Figure 2.25** shows that there was a modest natural population increase (births minus deaths) in 2024, adding around 3,300 people to Tennessee's rolls. Importantly, Tennessee's level of net domestic migration appears to be tapering. After reaching a record high of 83,116 in 2022, the measure has fallen for two consecutive years, settling at 48,476 in 2024. This could have important implications for the state economy. As the Federal government tightens immigration policies, we could see smaller international migration numbers in the near term. If this is coupled with a slowdown in domestic migration, it would severely limit population growth moving forward.

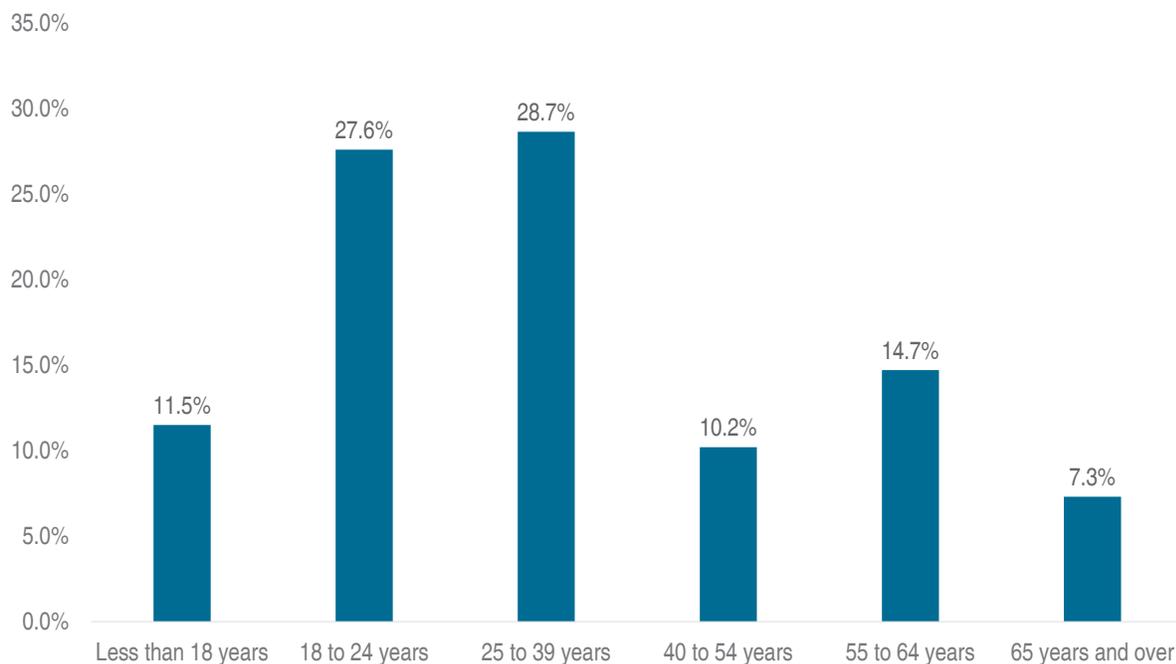
Figure 2.26 provides a breakdown of those moving into Tennessee in 2024 by age and shows an encouraging trend. Among those moving in, more than one-third (38.9 percent) are of prime-working age, 25-54 years old. Furthermore, the largest share of in-migrants is between the ages of 25 to 39 years old, which is the youngest cohort

among those in the prime working age group. The second largest share of new Tennessee residents is those aged 18 to 24 years old, many of whom will be entering the prime working age group in the near term. Thus, these new state residents will be more likely to work and more likely to remain in the workforce over the medium to long term.

Next, we examine where people are moving to/from. Specifically, **Table 2.1** lists the top 10 states with residents that moved to Tennessee in 2023 (the most recent data available). In 2023, California was the largest contributor (23,961), closely followed by Florida (21,195). However, 7 of the top-10 states were from the South region. Interestingly, while the highest number of people moving to Tennessee were from California, Tennessee was not the top destination for the majority of California movers. There were nearly 700,000 people who moved from California to other U.S. states in 2023, with Texas being the biggest gainer, followed by other states in the West region. Back to Tennessee, **Figure 2.27** shows the total number of new Tennessee residents by region of origin over time. The majority of people moving to Tennessee came from other states

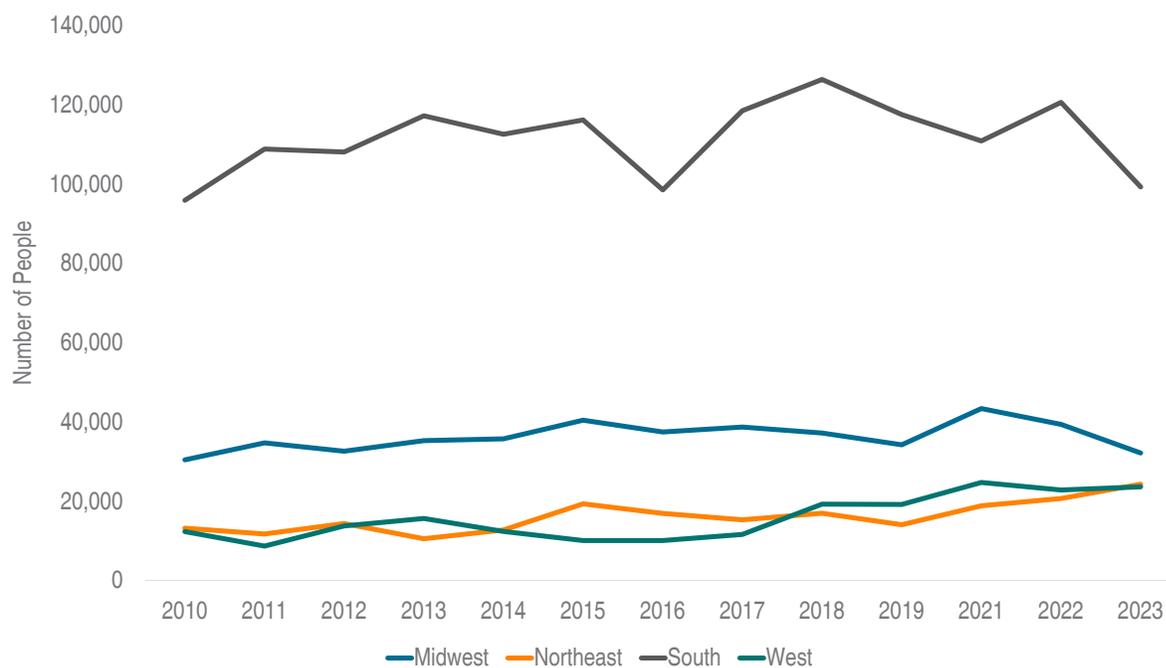
2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.26: Migration into Tennessee by Age, 2024



Source: U.S Census Bureau.

Figure 2.27: Originating Region of Inbound Tennessee Residents



Source: State-to-State Migration American Community Survey, 2010-2023, U.S. Census Bureau.

Note: No data are available for 2020.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

**Table 2.1: Top 10 Origin States
for New Tennessee Residents**

State	Region	In-migration 2023
California	West	23,961
Florida	South	21,195
Texas	South	14,618
Georgia	South	12,600
New York	Northeast	11,363
Illinois	Midwest	9,588
Kentucky	South	9,175
North Carolina	South	8,004
Virginia	South	7,309
Alabama	South	6,537

Source: State-to-State Migration, American Community Survey, 2010-2023, U.S. Census Bureau.

**Table 2.2: Top 10 Destination States
for Tennessee Movers**

State	Region	Outmigration 2023
Georgia	South	17,332
Florida	South	15,663
Kentucky	South	14,444
Mississippi	South	13,818
Alabama	South	12,640
Texas	South	12,068
Virginia	South	8,915
North Carolina	South	7,905
California	West	5,343
South Carolina	South	5,304

Source: State-to-State Migration, American Community Survey, 2010-2023, U.S. Census Bureau.

in the South region. This was by a wide margin. In 2023, over 99,000 people moved to Tennessee from other southern states. At a distant second, 31,123 came from the Midwest. Interestingly, however, we have seen an uptick in the number of people moving to Tennessee from the West region, a trend that started in 2018. **Table 2.2** reports the top-10 states to which Tennesseans moved. Again, Tennesseans primarily moved to other states in the South region. Most notably, Georgia with 17,332, Florida with 15,663, and Kentucky with 14,444. In total, 116,129 individuals moved from Tennessee to another state in the south region.

Tennessee is currently the 15th most populous state in the nation, with a 2024 population of over 7.2 million people. **Figure 2.28** shows population changes across all U.S. states from 2023 to 2024. The Census-defined South region, which covers a broad 16-state area from Texas to Florida to Maryland added nearly 1.8 million new residents over the last year, led by Texas (up 562,000) and Florida (up 467,000). However, all four regions (South, West, Northeast, and Midwest) saw positive population growth over the last year. In fact, only three states saw population losses between 2023 and 2024 (Mississippi, Vermont, and West Virginia), while 48 states plus Washington, D.C., saw population gains. This was driven by a large increase in international net migration, with nearly 2.8 million new U.S. residents moving from

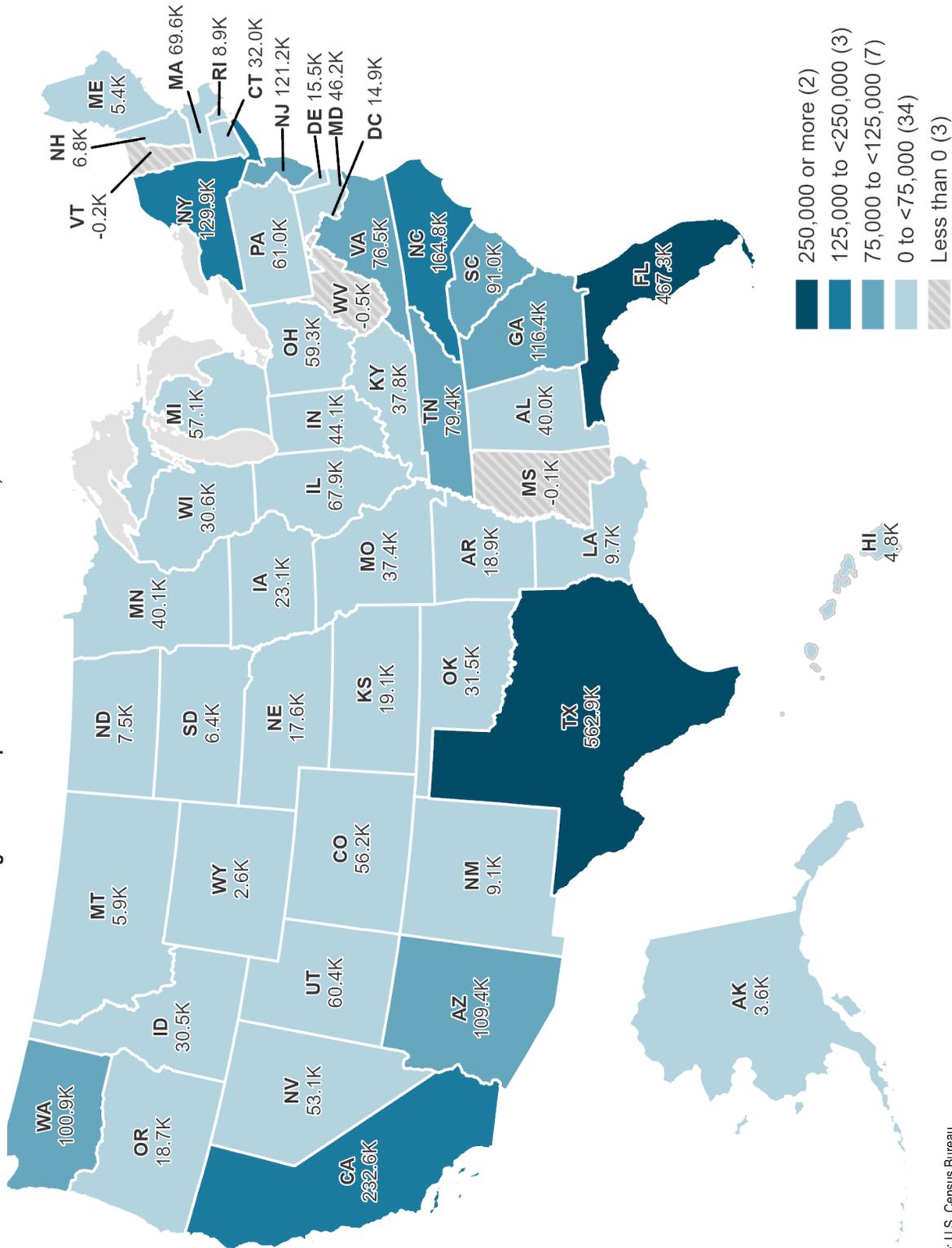
overseas to the U.S. in 2024.

Turning to county-level data, **Figure 2.29** reports population growth across all Tennessee counties from 2023 to 2024. Among the 95 counties, 84 saw population gains over the last year, 15 of which saw gains of 2 percent or more. The strongest rate of population growth was in Bledsoe County, at 3.9 percent, but this only amounted to a gain of 583 people. Wilson County's population grew by 3.4 percent, representing an increase of 5,596 people. Davidson County added the most people over the last year (up 10,413), followed by Rutherford (up 7,347), Montgomery (up 5,627), Wilson (up 5,596), Knox (up 5,172), and Hamilton (up 4,984).

In contrast, there were 11 counties to see population declines, six of which were located in West Tennessee. The largest drop was in Shelby County, where the population continues to decline, falling by 0.4 percent or 3,379 over the last year. Shelby County's 2024 population decrease was the nation's largest, followed by St. Louis, Missouri, which saw a decline of 3,077. Since 2019, Shelby County's population has fallen by 19,485, and many counties across West Tennessee have seen population losses (**Figure 2.30**). Conversely, counties in Middle Tennessee and East Tennessee, especially those containing or surrounding Nashville, Knoxville, and Chattanooga, have seen robust growth over the last six years.

2.2. THE CURRENT ECONOMIC ENVIRONMENT, CONTINUED

Figure 2.28: Population Growth Across the U.S., 2023 to 2024



Source: U.S. Census Bureau.

2.3. TENNESSEE ECONOMIC OUTLOOK

GDP Outlook

The short-term outlook calls for slower, but still positive, economic growth in the near term. Slower projected growth is driven by three main factors. First, as the current growth cycle continues to mature, economic growth typically settles into a slower growth trajectory. Second, federal policies continue to evolve and remain unpredictable. Most notably surrounding international trade and immigration, both of which in their current forms could stunt economic growth. Tariffs are putting upward pressure on prices, which could lead to lower consumption spending, while tighter immigration could reduce the labor force and limit GDP growth. In addition, unpredictable federal policies can lead to economic uncertainty, which by itself can reduce economic growth if businesses delay large investments or the hiring of new workers, and consumers reconsider major purchases. Third, the federal government shutdown lasted over six weeks, leading to a reduction in economic growth in the fourth quarter of 2025 as government services were cut and federal workers were furloughed. We expect some of this lost growth to shift to the first quarter of 2026, but some will be permanently lost. Despite these headwinds, consumer spending in both the state and nation remains strong, which will help keep economic growth in positive territory over the near term.

Putting all of this together, Tennessee real GDP is projected to advance by 1.7 percent in 2025 and then a slightly stronger rate of 2.0 percent in 2026 –compared to 3.2 percent in 2023 and 2.7 percent in 2024. These projections are comparable to the national outlook of 2.0 percent growth in 2025 and 2.2 percent growth in 2026. **Table 2.3** presents a summary of the economic outlook for both Tennessee and the nation.

Over the long-term forecast horizon, Tennessee real GDP growth will stabilize to around 2.5 to 2.6 percent growth per year from 2027 to 2030 but then decelerate to around 2.3 to 2.4 percent per year for the first half of the

following decade as the aging population and increased retirements constrain economic activity. Expectations, however, are for the state economy to grow at a stronger rate than the U.S. over the long-term forecast horizon (see **Figure 2.31**), as the influx of new Tennessee residents continues to support consumer spending and economic activity.

Labor Market Outlook

Similar to GDP, nonfarm employment growth is projected to remain positive but relatively subdued, advancing by 0.7 percent in 2025 and then a slightly faster rate of 0.9 percent growth in 2026. These would represent modest gains of 23,900 jobs in 2025 and 31,400 jobs in 2026. By comparison, national employment is projected to advance by 0.9 percent in 2025 and 0.5 percent in 2026. After these two years, we project employment growth to find a more stable footing, as impacts of federal policy are baked into the preceding years' growth rates. Specifically, we project that Tennessee employment will expand by 1.1 percent in 2027 and then a range of 1.2-1.3 percent per year from 2028 to 2030. By comparison, U.S. employment is projected to grow much more slowly, registering growth of 0.5 percent or less from 2027 onwards. **Figure 2.32** presents the long-term employment forecast for both the state and the nation.

Slower state employment growth over the near term will be due to moderations or contractions in employment across a number of sectors. First, employment in the construction sector, which relies heavily on foreign-born workers,⁸ is projected to fall over the next two years due to immigration policies. The health care sector, which has been strong in recent years, also employs a larger share of foreign-born workers, and is expected to see its employment growth slow, though it should remain positive in the near term. Signs of slower employment growth in the state's manufacturing sector are also starting to form. Manufacturing employment shot up following the initial phase of the pandemic, as consumers shifted away from

⁸ <https://eyeonhousing.org/2024/11/immigrant-share-in-construction-sets-new-record/>

2.3. TENNESSEE ECONOMIC OUTLOOK, CONTINUED

Table 2.3 Projections for Select U.S. and Tennessee Economic Indicators

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TN GDP (Mil2017\$) SAAR.....	450152.7	459293.7	471020.4	482953.5	495525.2	507614.2	519794.1	532364.9	544894.2	557564.6	570403.6
Percentage change.....	1.74	2.03	2.55	2.53	2.60	2.44	2.40	2.42	2.35	2.33	2.30
US GDP (Bil2017\$) SAAR.....	23821.5	24356.0	24800.3	25201.9	25646.0	26083.9	26528.2	26983.9	27455.0	27967.0	28494.6
Percentage change.....	1.98	2.24	1.82	1.62	1.76	1.71	1.70	1.72	1.75	1.86	1.89
US GDP (Bil\$) SAAR.....	30700.6	32306.1	33657.4	34980.5	36388.1	37852.8	39373.6	40981.7	42717.9	44538.2	46436.5
Percentage change.....	4.79	5.23	4.18	3.93	4.02	4.03	4.02	4.08	4.24	4.26	4.26
TN PERSONAL INCOME (MIL2017\$) SAAR.....	396268	404054	415623	427015	438809	450522	462277	474104	485298	496913	508634
Percentage change.....	1.95	1.96	2.86	2.74	2.76	2.67	2.61	2.56	2.36	2.39	2.36
US PERSONAL INCOME (BIL2017\$) SAAR.....	20601	21093	21772	22328	22863	23410	23963	24518	25073	25665	26270
Percentage change.....	2.29	2.39	3.22	2.55	2.40	2.39	2.36	2.32	2.26	2.36	2.36
TN PERSONAL INCOME (MIL\$) SAAR.....	503315	528557	555659	583132	610981	639767	670268	702165	734650	768420	803445
Percentage change.....	4.71	5.02	5.13	4.94	4.78	4.71	4.77	4.76	4.63	4.60	4.56
US PERSONAL INCOME (BIL\$) SAAR.....	26154	27570	29095	30450	31817	33258	34742	36304	37966	39704	41517
Percentage change.....	5.01	5.41	5.53	4.66	4.49	4.53	4.46	4.49	4.58	4.58	4.57
TN NONFARM JOBS (THOUS).....	3398.2	3429.6	3466.6	3510.7	3555.1	3597.8	3633.6	3669.5	3701.7	3733.1	3762.8
Percentage change.....	0.71	0.92	1.08	1.27	1.27	1.20	0.99	0.99	0.88	0.85	0.79
US NONFARM JOBS (MIL).....	159.4	160.2	161.0	161.3	161.9	162.6	163.0	163.5	163.8	164.2	164.6
Percentage change.....	0.93	0.49	0.50	0.20	0.36	0.42	0.28	0.29	0.20	0.24	0.21
TN MFG JOBS (THOUS).....	362.6	361.7	363.9	367.2	369.2	370.7	372.2	373.6	374.6	375.5	376.1
Percentage change.....	-0.56	-0.25	0.61	0.89	0.56	0.41	0.40	0.38	0.27	0.22	0.18
US MFG JOBS (MIL).....	12.7	12.5	12.4	12.3	12.1	12.0	11.9	11.8	11.7	11.5	11.3
Percentage change.....	-0.69	-1.41	-1.05	-1.09	-1.42	-0.64	-0.88	-0.83	-1.32	-1.86	-1.39
TN UNEMPLOYMENT RATE (%).....	3.6	3.8	3.9	3.9	4.0	3.9	3.9	3.9	3.9	3.9	3.8
US UNEMPLOYMENT RATE (%).....	4.2	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.2	4.1	4.1
CHAINED PRICE INDEX, GDP (2017=100.0).....	128.9	132.6	135.7	138.8	141.9	145.1	148.4	151.9	155.6	159.2	163.0
Percentage change.....	2.75	2.91	2.32	2.27	2.22	2.28	2.28	2.33	2.45	2.35	2.33
US PERS CONSUMP DEFL (2017=100.0).....	127.0	130.7	133.6	136.4	139.2	142.1	145.0	148.1	151.4	154.7	158.0
Percentage change.....	2.66	2.95	2.24	2.05	2.04	2.09	2.05	2.13	2.26	2.17	2.16
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000).....	3.223	3.317	3.401	3.475	3.552	3.634	3.716	3.805	3.901	3.995	4.090
Percentage change.....	2.75	2.90	2.53	2.19	2.20	2.32	2.25	2.40	2.53	2.39	2.39
BANK PRIME INTEREST RATE (%).....	7.4	6.5	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
FEDERAL FUNDS RATE (% per annum).....	4.214	3.413	3.125	3.125	3.125	3.125	3.125	3.125	3.125	3.125	3.125
30-YEAR FIXED MORTGAGE RATE (%).....	6.6	6.1	5.9	5.8	5.8	5.7	5.7	5.6	5.6	5.6	5.6
TN TAXABLE SALES (MIL2017\$).....	171251	172608	175996	180783	185441	190810	196294	201724	207542	212574	213297
Percentage change.....	0.56	0.79	1.96	2.72	2.58	2.89	2.87	2.77	2.88	2.42	0.34
TN TAXABLE SALES (MIL\$).....	217525	225786	235295	246878	258202	270962	284613	298763	314181	328716	336911
Percentage change.....	3.28	3.80	4.21	4.92	4.59	4.94	5.04	4.97	5.16	4.63	2.49
TN AVG ANNUAL WAGE, NONFARM (2017\$).....	55483	55778	56489	57199	58023	58789	59567	60371	61120	61914	62668
Percentage change.....	1.36	0.53	1.27	1.26	1.44	1.32	1.32	1.35	1.24	1.30	1.22
TN AVG ANNUAL WAGE, NONFARM (\$).....	70470	72963	75519	78109	80787	83482	86367	89410	92523	95742	98990
Percentage change.....	4.09	3.54	3.50	3.43	3.43	3.34	3.46	3.52	3.48	3.48	3.39

Sources: Boyd CBER UT, S&P Global Market Intelligence, Bureau of Economic Analysis, Bureau of Labor Statistics, TN Department of Revenue.

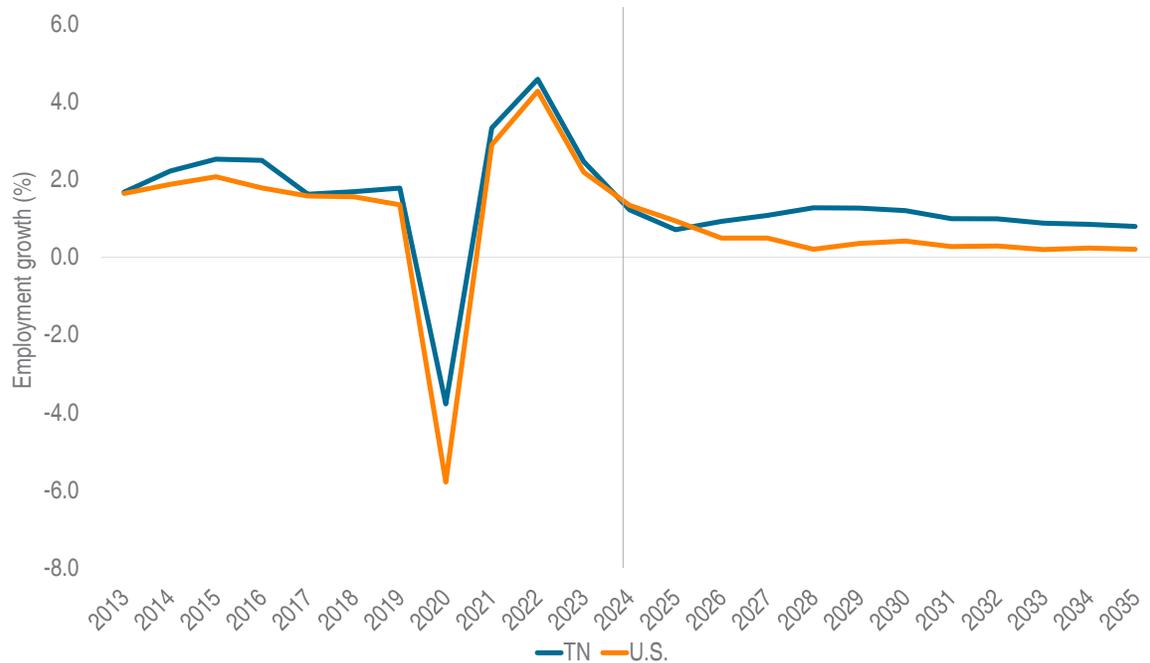
2.3. TENNESSEE ECONOMIC OUTLOOK, CONTINUED

Figure 2.31: Long Run Real GDP Forecast, Tennessee and the U.S.



Sources: Boyd CBER UT, Bureau of Economic Analysis, S&P Global Market Intelligence.

Figure 2.32: Long-Run Employment Forecast, Tennessee and the U.S.



Sources: Boyd CBER UT, Bureau of Labor Statistics, S&P Global Market Intelligence.

2.3. TENNESSEE ECONOMIC OUTLOOK, CONTINUED

in-person services and purchased more goods. Manufacturing employment peaked in 2023, at 365,500 workers –representing 11 percent of Tennessee nonfarm employment, but is starting to normalize as demand has shifted back to pre-pandemic patterns and the business cycle continues to mature. As a result, Tennessee manufacturing employment fell by 0.3 percent in 2024, and employment is projected to see minor contractions or remain flat over the near term. Tariffs could also have mixed effects on the manufacturing sector. U.S.-imposed tariffs will increase the prices of imported goods and could re-direct spending to domestically produced goods, where close substitutes and capacity are available. This could provide a boost to manufacturing payrolls. However, reciprocal tariffs put in place by other countries could reduce the foreign demand for some domestically produced manufacturing goods, which, if prolonged, could lead to labor force contractions. Finally, more widespread use of artificial intelligence (AI) could potentially displace workers as the technology continues to develop. Despite these headwinds, we are still projecting positive overall employment growth for the state although, expected growth rates will be on the smaller side in the near term.

Over the long term, we project Tennessee nonfarm employment to expand by a compound annual growth rate (CAGR) of 1.0 percent per year, from 2025 to 2035. This is much slower than the 2.0 percent rate of growth seen prior to the pandemic (from 2010 to 2019). Part of this slowdown is due to the slower projected growth rates over the next two years, but it is also driven by the aging population and increasing retirements that will lead to slower employment growth towards the end of the long term forecast horizon.

Tennessee’s unemployment rate will slowly inch upward as job growth slows. Expectations are that the unemployment rate will average 3.6 percent for the 2025 year as a whole and then tick up to 3.8 percent in 2026 and 3.9 percent in 2027. Despite these increases, the state rate will remain below the national unemployment rate, which will increase to 4.5 percent in 2026 and 2027.

Income, Earnings, and Taxable Sales

Tennessee nominal personal income is projected to increase by 4.7 percent in 2025 and 5.0 percent in 2026. These would be slower than the 5.9 percent rate of growth registered in 2024, but more in line with the pre-pandemic growth pattern. Nominal income growth will largely be driven by gains in wages and salaries, the largest component of personal income, which is projected to increase by 4.8 percent in 2025 and 4.5 percent in 2026. In addition, rent, interest, and dividend income, which accelerated by 14.6 percent in 2023 and 5.5 percent in 2024, will increase by more moderate rates of 2.8 percent and 3.0 percent in 2025 and 2026, respectively, as the Federal Reserve likely continues to reduce interest rates. After adjusting for inflation, real personal income will increase by 2.0 percent in both 2025 and 2026. On a fiscal year basis, nominal personal income is projected to grow by 4.7 percent in FY25/26 and 5.1 percent in FY26/27.

Over the long run, Tennessee personal income will advance at a compound annual growth rate of 4.8 percent per year from 2025 to 2035. This is slightly faster than the projected U.S. average growth rate of 4.7 percent per year over the same time period. However, per capita income in Tennessee will remain below the national average through the long-term forecast horizon. By 2035, nominal per capita income in Tennessee will reach \$103,819, while per capita income in the U.S. is projected to increase to \$117,440. After adjusting for inflation, real per capita income in Tennessee will be \$65,724 in 2035 versus \$74,312 for the nation.

Nominal taxable sales in Tennessee are projected to increase by 3.3 percent in 2025 and 3.8 percent in 2026. This is lower than the pre-pandemic growth trend, but is consistent with positive but slower expected economic growth in the near term. Expectations are for hotel and motel sales to contract by 1.0 percent in 2025 and grow by a modest 0.2 percent in 2026. This does not imply a poor outlook for the accommodation/tourism sector, but is reflecting a leveling off following the robust and likely unsustainable growth in state hotel and motel sales that occurred during the pandemic recovery. Specifically, from 2021 to 2023, hotel and

2.3. TENNESSEE ECONOMIC OUTLOOK, CONTINUED

motel sales grew by over 144 percent. Sales then flattened out in 2024, with a minor drop of 0.3 percent, and we expect the leveling off to continue over the near term. Nevertheless, nominal taxable sales at hotels and motels will still come in at over \$7 billion in both 2025 and 2026, which would be higher than every other year in the data's history, except for 2023 and 2024. In addition, food store sales, which advanced by an incredibly strong 17.8 percent in 2024, driven by a rebound following the grocery store sales tax holiday from the year prior, will fall by 1.1 percent in 2025. This is largely due to base effects, as it is difficult to register positive growth following such strong growth in the year prior. Nonetheless, the dollar value of grocery sales will still be very high for 2025, at over \$17 billion, due in part to a tariff-induced reemergence of food price inflation in 2025. However, the Trump administration recently rolled back tariffs on a number of agricultural goods, such as coffee,

bananas, and beef, to name a few, which might provide price relief at the grocery store, and if so, could lower nominal taxable sales growth at food stores going forward. As a result, we are projecting a 4.1 percent increase in taxable sales at food stores in 2026. Finally, we are expecting sales at auto dealers to tick up, registering 3.3 percent growth in 2025 and 3.8 percent growth in 2026, as interest rates come down. After adjusting for inflation, real taxable sales will increase by only 0.6 percent in 2025 and 0.8 percent in 2026, reflecting that most of the sales growth will still be driven by inflation over the near term.

For the fiscal year, nominal taxable sales are projected to increase by 4.6 percent in FY 2025/26 and 3.1 percent in FY 2026/27. Over the long term (from 2028 to 2035), nominal taxable sales are projected to advance at a range of 4.6-5.2 percent each year, which is more in line with pre-pandemic sales tax growth trends.

2.4. FORECAST AT A GLANCE

- Tennessee inflation-adjusted gross domestic product (real GDP) is projected to increase by 1.7 percent in 2025 and 2.0 percent in 2026. By comparison, U.S. real GDP is expected to advance by 2.0 percent in 2025 and 2.2 percent in 2026.
- Nonfarm employment in Tennessee will expand by only 0.7 percent in 2025, and then by a slightly faster rate of 0.9 percent in 2026. These would represent modest gains of 23,900 jobs in 2025 and 31,400 jobs in 2026. By comparison, national employment is projected to advance by 0.9 percent in 2025 and 0.5 percent in 2026.
- Over the long term, Tennessee real GDP will increase by around 2.5 to 2.6 percent per year from 2027 to 2030, but then decelerate to around 2.3 to 2.4 percent per year from 2031 to 2035. Similarly, nonfarm employment in Tennessee will grow by around 1.1 to 1.3 percent per year at the end of this decade, but then slow to around 0.8 to 0.9 percent growth per year in the early 2030s. The slower growth projections towards the end of the long-term forecast horizon are due to an aging population and a continued increase in retirements.
- As job growth slows, the state unemployment rate will tick upwards. Expectations are that the unemployment rate will average 3.6 percent for the 2025 year as a whole and then inch up to 3.8 percent in 2026 and 3.9 percent in 2027. Despite these increases, the state rate will remain below the national unemployment rate, which is projected to sit at 4.5 percent in both 2026 and 2027.
- Nominal personal income will advance by 5.0 percent in 2026 and 5.1 percent in 2027. After adjusting for inflation, real personal income will increase by 2.0 percent in 2026 and 2.9 percent in 2027.

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY

Introduction

Tennessee's agri-forestry industrial complex spans the supply chain from farm and forest to end consumers of products like retail foods, clothing, paper, and furniture. It includes crop and livestock farming, timber removal, sawmills, and production of agricultural inputs (machinery, fertilizers, soil amendments, herbicides). Downstream manufacturers of food and fiber goods (food and beverage products, textiles, wood, paper, furniture) also demand commodities from farmers and first-stage forestry operations.

This chapter includes economic indicators for: a) Primary agriculture and forestry (farming and first-stage forestry) and b) Secondary agriculture and forestry (manufacturing and processing facilities). In 2025, Tennessee's agri-forestry industrial complex was significantly impacted by drought, agricultural land loss, trade tensions with major export partners, decreasing demand in foreign markets like China, below-average yields, and relatively lower prices for major commodities.

Agriculture and Primary Forestry

Agricultural Land Use and Farm Size

According to the most recent data (2022), farming operations occupied 10.7 million acres in Tennessee, around 39.6 percent of the state's nearly 27.0 million acres of land area. Acreage wise, just under 49.1 percent of the farmland in Tennessee is operated as cropland. Of Tennessee's 62,900 farming operations, the average farm size in 2024 was 170 acres. Tennessee ranks 9th in the U.S. in terms of the number of farms but 25th in land in farms, reflecting farm sizes smaller than the U.S. average (466 acres). Cash receipts from farming in

Tennessee for 2024 were \$5.2 billion, with about 49.2 percent of this value (\$2.6 billion) coming from crops and 50.8 percent (\$2.6 billion) from animals and animal products.⁹

Tennessee's Crops Market Trends and Outlook

In terms of harvested acreage, Tennessee's four largest row crops are soybeans, corn, wheat, and cotton. Based on 2024 national cash receipts by commodity, Tennessee ranks 19th in corn production (\$485.6 million; 0.8 percent of U.S. total); 9th in cotton production (\$212.8 million; 4.0 percent of U.S. total); 16th in soybean production (\$806.7 million; 1.7 percent of U.S. total); and 18th in wheat production (\$157.1 million; 1.4 percent of U.S. total).¹⁰ Harvested acreage, production, and yield from 2020 to 2025 for the four principal row crops are shown in **Table 2.4**. In 2025, harvested acreage for Tennessee row crops was estimated to be 1.52 million acres of soybeans, 870,000 acres of corn, 270,000 acres of wheat, and 190,000 acres of cotton. Soybean acreage was down 16 percent from 2024 and 7 percent below the previous five-year average; corn acreage was up 32 percent compared to 2024 and 6 percent above the five-year average; cotton acreage was down 24 percent compared to 2024 and 32 percent lower than the five-year average; and wheat acreage was down 18 percent compared to 2024 and 16 percent below the five-year average.¹¹ Yields and production were adversely affected by wet planting conditions followed by late-season drought, with the hardest hit areas in the western parts of the state. A reduction in final USDA estimated yields for Tennessee row crops is likely.

Prices received by Tennessee producers are influenced by local, national, and global market forces. Prices have declined substantially since 2022. Currently, 2025 marketing year average corn

⁹ Farm size and farm numbers: National Agricultural Statistics Service (NASS), USDA. www.nass.usda.gov/Publications/AgCensus/2022/ and www.usda.library.cornell.edu/concern/publications/5712m6524; Cash receipts data: Economic Research Service (ERS), USDA. www.ers.usda.gov/data-products/farm-income-and-wealth-statistics.

¹⁰ ERS, USDA. See footnote 9.

¹¹ NASS Quick Stats. <https://quickstats.nass.usda.gov/>.

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

Table 2.4: Tennessee Harvested Acres, Production, and Yield for Corn, Cotton, Soybeans, and Wheat, 2020-2025*

	2020	2021	2022	2023	2024	2025*	5-Year Avg.	Change 5-Year Avg. to 2025	Change 2024 to 2025
Corn									
Harvested Acres (million)	0.82	0.93	0.79	0.89	0.66	0.87	0.82	6%	32%
Production (million bushels)	138.6	158.1	102.1	154.0	100.3	152.3	130.6	17%	52%
Yield (bu/acre)	170	170	130	173	152	175	159	10%	15%
Cotton									
Harvested Acres (million)	0.28	0.27	0.33	0.26	0.25	0.19	0.28	-32%	-24%
Production (million bales)	0.61	0.58	0.71	0.68	0.55	0.42	0.63	-33%	-24%
Yield (lb/acre)	1,066	1,036	1,053	1,250	1,052	1,061	1,091	-3%	1%
Soybeans									
Harvested Acres (million)	1.62	1.52	1.62	1.57	1.80	1.52	1.63	-7%	-16%
Production (million bushels)	81.0	76.0	77.8	80.1	75.6	65.4	78.1	-16%	-13%
Yield (bu/acre)	50	50	48	51	42	43	48	-11%	2%
Wheat									
Harvested Acres (million)	0.23	0.33	0.33	0.39	0.33	0.27	0.32	-16%	-18%
Production (million bushels)	13.6	23.4	24.5	31.2	24.4	19.6	23.4	-16%	-20%
Yield (bu/acre)	59	71	73	80	75	74	72	3%	-1%

*Estimated data as of October 23, 2025.
Source: NASS, USDA (2024).

prices are 22 percent below the five-year average and 8 percent below 2024; soybean prices are 17 percent below the five-year average and 2 percent below 2024; wheat prices are 25 percent below the five-year average and 8 percent below 2024; and cotton prices are 12 percent below the five-year average and 5 percent above 2024 (**Table 2.5**). Current marketing year average prices for 2025 will be influenced by South American production, U.S. export demand, trade and tariff policies, and 2026 planting intentions for corn, soybeans, wheat, and cotton in the Northern Hemisphere. The marketing year for corn and

soybeans is from September 1 to August 31; wheat, June 1 to May 31; and cotton, August 1 to July 31.

The 2025 crop year will be a challenging year financially for many Tennessee crop producers. U.S. row crop producers have been adversely affected by the decrease in row crop prices; however, many production regions have average to above-average yields, which will partially mitigate price declines. Tennessee, unlike many states, had below-average yields in 2025, which combined with price declines, will result in a dramatic decline in gross cash receipts. Based on current estimates

Table 2.5: Marketing Year Average Prices for Tennessee, 2020-2025*

Commodity	2020	2021	2022	2023	2024	5-Year Average	2025*
Corn	\$4.70	\$5.67	\$6.72	\$4.75	\$4.45	\$5.26	\$4.09
Cotton	\$0.69	\$0.88	\$0.85	\$0.72	\$0.63	\$0.75	\$0.66
Soybean	\$10.80	\$12.80	\$13.80	\$12.60	\$10.20	\$12.04	\$9.97
Wheat	\$5.55	\$6.87	\$8.40	\$6.75	\$5.30	\$6.57	\$4.90

*Average daily cash price in Tennessee for the start of the 2024/25 marketing year to October 22, 2025, as reported by AMS, USDA for grain and oilseeds and cotton. The marketing year for corn and soybeans is from September 1 to August 31; wheat, June 1 to May 31; and cotton, August 1 to July 31.
Source: NASS, USDA (2025).

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

of average prices, yields, cost of production and acreage harvested, Tennessee corn, cotton, soybean, and wheat farmers will have losses of \$430 million. Estimates do not include any ad hoc, Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, or crop insurance payments that may partially mitigate producer losses. The projected decline in profitability from the four primary Tennessee row crops will adversely affect loan repayment, purchases of inputs, and rural economies.

Farm Bill Programs for Row-Crop Producers

The current Farm Bill (the Agriculture Improvement Act of 2018) covers the crop years 2019-2024 and expired September 30, 2024, a one-year extension expired September 30, 2025. A new Farm Bill or extension of the current Farm Bill is expected in 2025 or early 2026. Farm safety net data for the most recently available crop year (2024) had not been released due to the government shutdown in October. Payments to producers for the 2024 crop year were scheduled to be received in fall 2025. For 2024 and 2025, Tennessee had 2.45 and 2.41 million acres enrolled in Price Loss Coverage (PLC) and Agricultural Risk Coverage-County (ARC-CO).

For the 2025 crop year as of October 27, 2025, Tennessee producers purchased 24,588 federal crop insurance policies, covering 2.91 million acres and \$1.40 billion of liability. The federal government's portion of crop insurance premiums was \$84.0 million, and Tennessee producers paid \$42.9 million in premiums.

For the 2024 crop year, Tennessee producers received \$205.7 million in indemnity payments. Tennessee producers purchased 23,432 federal crop insurance policies, covering 2.93 million acres and \$1.40 billion of liability. The federal government's portion of crop insurance premiums was \$75.7 million, and Tennessee producers paid \$37.5 million in premiums.¹²

Row Crops Outlook

Looking towards the remainder of the 2025/26 crop marketing year, crop prices are likely to trend sideways with the potential for minor seasonal improvements. Trade agreements, including the purchase of U.S. agricultural products, provide the greatest potential for increased prices for Tennessee row crop farmers. Prices for the 2025/26 marketing year will be influenced by U.S. export sales, domestic weather and planting conditions, South American crop progress and production, global weather, inflation, input prices and availability, and global economic growth. Direct payments through ad hoc USDA programs are anticipated for U.S. row crop producers for the 2025 crop year, however details on ad hoc payments are not currently available. Due to the dramatic declines in profitability, many crop producers will struggle with obtaining financing for the 2026 crop, which could adversely affect production and result in further consolidation in the row crop sector in Tennessee. For the 2025/26 marketing year, Tennessee farm-gate prices are projected to be \$5.10-\$6.25 for wheat; \$4.00-\$5.20 for corn; \$10.00-\$12.00 for soybeans; and \$0.65-\$0.75 for cotton.

Farm Loans and Row Crops

Compounding pressures on Tennessee farm operations are sustained high interest rates, a consequence of ongoing efforts to manage inflation over the past several years. Agricultural lending in the state is mostly facilitated through the Farm Credit System and commercial banking institutions, which submit quarterly performance reports on the status of agricultural loans. In the first quarter of 2025, non-performing loans totaled \$3.1 million, marking the highest quarterly figure in the past five years. The bulk of this delinquency stemmed from loans that were 30 to 89 days past due, which reached \$2.1 million,

¹² Risk Management Agency (RMA), USDA. <https://public-rma.fpac.usda.gov/apps/SummaryOfBusiness/PreparedReports>

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

reflecting a 43 percent increase compared to the same period in 2024. Following the disbursement of government payments to producers during the first quarter, total delinquent debt declined to \$1.88 million in the second quarter. However, this figure remained 32 percent higher than in the second quarter of the previous year, indicating persistent financial stress.

A key factor contributing to the deterioration in loan performance across Tennessee is the decline in row crop prices, which have fallen below historical averages. Notably, most of these distressed loans originate from West Tennessee, the region most heavily involved in row crop production. If profitability in row crop agriculture does not improve over the next year, the continued strain on loan performance may precipitate a rise in bankruptcies among producers in the coming years.¹³

Livestock, Poultry, and Dairy Industries: Market Trends and Outlook

Livestock, Poultry, and Dairy Industries

Animals and animal products accounted for 50.8 percent (\$2.65 billion) of Tennessee agricultural receipts in 2024. Based on 2024 cash receipts, broilers ranked first in total receipts at \$1.28 billion and represented 24.6 percent of cash receipts. Cattle and calves were the second-highest ranked commodity with cash receipts totaling \$1.07 billion and accounting for 20.5 percent of total receipts. Dairy products and milk (1.9 percent), chicken eggs (1.8 percent), and hogs (0.5 percent of cash receipts) rounded out the top five in Tennessee's rankings for animals and animal products based on cash receipts

in 2024.¹⁴ Tennessee markets for animals and animal products are influenced by national and international market forces. Thus, changes in the national and international market impact local prices, production, and receipts.

Through the week ending September 6, 2025, year-to-date red meat (beef, veal, pork, lamb/mutton) production was 3.2 percent lower than the previous year and was nearly 35.8 billion pounds.¹⁵ Poultry (chicken, turkey, duck) production through the end of July increased 0.5 percent from the same seven months in 2024 and totaled 40.5 billion pounds.¹⁶ Milk production through the first seven months of 2024 was up 1.5 percent from the previous year to 129.7 billion pounds.¹⁷

U.S. beef exports from January through July 2025 decreased 8.3 percent compared to 2024 and totaled 1.53 billion pounds. Total beef export value over the first seven months of 2025 totaled \$5.67 billion, a decrease of 7.5 percent compared to 2024. Pork exports through the first seven months of 2025 were 3.6 percent lower than in 2024 and totaled 3.73 billion pounds. Total pork export value totaled \$4.79 billion, a decrease of 3.6 percent compared to 2024.¹⁸ On the dairy side, the total aggregate volume of U.S. dairy exports through July was 3.14 billion pounds, which is an increase of 2.1 percent compared to 2024.¹⁹

Calf (500-600 pound steer) and feeder cattle (700-800 pound steer) prices in Tennessee through the first eight months of 2025 increased 24.5 percent and 23.9 percent, respectively, compared to the same nine months in 2024.²⁰ Prices have been supported by strong beef demand and a smaller cattle herd. Similarly, Tennessee milk prices for the Appalachian and Southeast Federal Milk Marketing Orders through the first seven months of 2025 increased 2.3 percent and 2.2 percent, respectively,

¹³ Federal Financial Institutions Examination Council (FFIEC). 2025. <https://cdr.ffiec.gov/public/PWS/DownloadBulkData.aspx>

¹⁴ USDA/ERS. Cash Receipts by State, Tennessee. <https://data.ers.usda.gov/reports.aspx?ID=4052>.

¹⁵ USDA/AMS. Estimated Weekly Meat Production Under Federal Inspection. https://www.ams.usda.gov/mnreports/sj_ls712.txt.

¹⁶ USDA/NASS. Poultry Slaughter. <https://usda.library.cornell.edu/concern/publications/3197xm04j>.

¹⁷ USDA/NASS. Milk Production. <https://usda.library.cornell.edu/concern/publications/h989r321c>.

¹⁸ USMEF. Export Statistics. <https://www.usmef.org/export-data/export-statistics/month-to-month>.

¹⁹ USDEC. USDEC Data Hub. <https://www.usdec.org/research-and-data/market-information/usdec-data-hub>.

²⁰ USDA/AMS. Tennessee Feeder Cattle Weekly Summary. https://www.ams.usda.gov/mnreports/ams_2063.pdf.

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

compared to the same seven months in 2024.²¹

Tennessee ranked 16th nationally in terms of total cattle and calves inventory as of January 1, 2025 (1.57 million head including 826,000 beef cows and 24,000 dairy cows), which is the same ranking as a year ago. Tennessee ranks 12th in total beef cow numbers with Kentucky and Florida being the only states east of the Mississippi River with larger beef cow inventories.²² The state is ranked 4th nationally in meat goat numbers at 73,000 head.²³

Livestock, Poultry, and Dairy Outlook

Moving into 2026, the livestock, poultry, and dairy industries will be faced with challenges of continued high interest rates and reduced discretionary spending by consumers, but they should face lower feed costs. Cattle prices will remain elevated in 2026, but uncertainty will abound as record prices always tend to influence decision making and risk management. Reduced cattle inventory and lower beef production will continue to support cattle prices. Cattle producers will more aggressively retain heifers in 2026 if climatic conditions allow. Hog prices are expected to face challenges in 2026 due to export challenges primarily with China, but retaliation from other countries due to current import tariffs may also influence pork exports to other markets. Domestic red meat demand should support beef and pork prices as demand has remained strong, and total production will moderate more on the beef side. Consumer discretionary dollars will continue to be a deciding factor as consumers attempt to get the most out of every dollar. Red meat demand has been strong to this

point, but it is difficult to know if this strength will continue and for how long. The poultry industry will continue increasing production as poultry is relatively less expensive than other meat protein products. Milk and dairy product prices are expected to soften in 2026 relative to 2025 as production increases, but dairy prices are expected to remain above the ten-year average.

Beef Cattle Inventory and Import Restrictions in FY2025

The U.S. cattle herd has continued to shrink, marking the sixth straight year of decline. According to the USDA January 2025 cattle report, the total number of cattle and calves dropped by about 1 percent from the previous year, bringing the herd inventory to its lowest level since 1952. This ongoing reduction is part of a broader cattle cycle that began in 2014 and has now lasted 11 years, tying it for the third-longest decline in U.S. history.²⁴

Historically, the U.S. beef industry has relied on live cattle trade to supplement domestic supply. Imports of feeder calves from Mexico and Canada help offset tight cattle inventories but have faced recent disruptions. In November 2024, the Animal and Plant Health Inspection Service announced restrictions on livestock imports from Mexico due to an outbreak of New World Screwworm (NWS) in Mexico's southern region. Feeder cattle typically enter the U.S. in the spring and fall and account for roughly 5 percent of total placements annually. In southern states, that figure rises to approximately 18 percent.²⁵ Although the border reopened briefly in March, imports were suspended again in May due to rising NWS cases.²⁶

²¹ USDA/AMS. Uniform Milk Price. <https://usda.library.cornell.edu/concern/publications/3j333t126?locale=en>

²² USDA/NASS. January 1 Cattle Inventory. <https://usda.library.cornell.edu/concern/publications/h702q636h>.

²³ USDA/NASS. January 1 Sheep and Goat Inventory. <https://usda.library.cornell.edu/concern/publications/000000018>.

²⁴ See footnote 21.

²⁵ *Southern Ag Today*. May 13, 2025. <https://southernagtoday.org/2025/05/13/screwworms-part-ii/> and November 26, 2024. <https://southernagtoday.org/2024/11/26/an-old-menace/>

²⁶ USDA Press Release. <https://www.usda.gov/about-usda/news/press-releases/2025/05/11/secretary-rollins-suspends-live-animal-imports-through-ports-entry-along-southern-border-effective>

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

U.S. and Tennessee Agricultural Trade Outlook

In fiscal year (FY) 2025* (October 2024 – July 2025), total U.S. agricultural and related exports, as reported by the USDA, were \$160.3 billion, down 0.2 percent when compared to exports in FY 2024 (\$160.6 billion). This overall decline was small when compared to exports from Tennessee. In FY 2025*, Tennessee's agricultural and related exports were \$2.1 billion, down \$181 million or 7.8 percent when compared to FY 2024* (\$2.3 billion). Consumer-oriented exports (\$1.2 billion in FY2025), which include distilled spirits, meat and dairy products, and processed food products accounted for the largest export category for Tennessee. Exports of consumer-oriented products were up \$138 million or 13.0 percent when compared to the previous year. Interestingly, Tennessee exports of bulk agricultural commodities (\$658 million), which include cotton, tobacco, and soybeans, were down \$321 million (-32.8 percent), despite similar exports being down only 2.2 percent for the nation overall. Exports of intermediate products (\$140 million), such as soybean meal and other feeds, were up 6.8 percent; and related-product exports (\$137 million), which are mostly forest products, were down 4.3 percent (**Table 2.6**).²⁷

Key exports for Tennessee in FY 2025 included distilled spirits (\$695 million), which increased by 8.7 percent in FY 2025, and cotton (\$613 million), which decreased by 32.4 percent in

FY 2025. Note that the overall decrease in exports this fiscal year was due to a decline in cotton and tobacco exports. Other major exports included baked goods (including cereals and pasta) (\$231 million, +10.2 percent) and poultry products (\$132 million, +61.9 percent). During this period, Tennessee was also a leading exporter of forest products (\$136 million, -2.5 percent) (**Table 2.7**).

Changes in FY 2025 exports could also be viewed from the perspective of countries that are major buyers of Tennessee products. In FY 2025, Tennessee exported agricultural and related products to more than 100 countries, with the top markets being Canada, Pakistan, Turkey, Vietnam, and Mexico. Canada is currently the leading destination (\$258 million), down 4.5 percent in FY 2025. The most noted decrease in exports was to China. In FY 2025, exports to China were valued at only \$79 million, a decrease of 85.8 percent when compared to FY 2024. This decrease was primarily due to a 95.0 percent decrease in cotton exports to China, which appears to have been rerouted through Pakistan, Turkey, and Vietnam (**Table 2.7**).

U.S. Agricultural Trade with China

U.S. agricultural trade in 2025 has been significantly impacted by decreased trade with China. Rising trade tensions between the U.S. and China, which started earlier in 2025, raised concerns among U.S. exporters. Chinese tariffs on U.S. products soared

Table 2.6: Tennessee Agricultural and Related Product Exports in FY 2024 and FY 2025: Total and by Major Product Category

Product Category	FY 2024*	FY 2025*	\$ Change	% Change
	\$ Million			
Agricultural and Related Products	\$2,317	\$2,136	-\$181	-7.80%
Consumer-Oriented Agriculture	\$1,062	\$1,200	\$138	13.00%
Bulk Agriculture	\$979	\$658	-\$321	-32.80%
Intermediate Agriculture	\$132	\$140	\$9	6.80%
Other Agricultural Related Products	\$144	\$137	-\$6	-4.30%

Note: Fiscal Year (FY) is October to September. * Denotes October to July. Due to the government shutdown, August and September data were not available. Source: FAS, USDA, Global Agricultural Trade System (2025).

²⁷ The fiscal year is usually October to September. Due to the government shutdown, no data has been posted since July. Data are from the Foreign Agricultural Service (FAS), USDA. <https://apps.fas.usda.gov/gats/default.aspx>

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

Table 2.7: Tennessee Agricultural and Related Product Exports in FY 2024* and FY 2025* by Top 10 Products and Partner Countries (Destinations)

Rank	Product Category	FY 2024*	FY 2025*	\$ Change	% Change
		\$ Million			
	Agricultural and Related Products	\$2,317	\$2,136	-\$181	-7.80%
1	Distilled Spirits	\$639	\$695	\$56	8.70%
2	Cotton	\$906	\$613	-\$293	-32.40%
3	Bake Goods, Cereals, and Pasta	\$210	\$231	\$21	10.20%
4	Forest Products	\$140	\$136	-\$4	-2.50%
5	Poultry Meat and Products (ex. eggs)	\$82	\$132	\$50	61.90%
6	Tobacco	\$65	\$42	-\$23	-35.60%
7	Soup and Other Food Preparations	\$37	\$42	\$4	11.80%
8	Dextrin, Peptones, and Proteins	\$37	\$36	-\$1	-3.60%
9	Chocolate and Cocoa Products	\$26	\$27	\$1	3.90%
10	Sugars and Sweeteners	\$25	\$23	-\$3	-10.00%
Rank	Partner Country (Destination)	FY 2024*	FY 2025*	\$ Change	% Change
		\$ Million			
	World Total	\$2,317	\$2,136	-\$181	-7.80%
1	China	\$555	\$79	-\$476	-85.80%
2	Canada	\$270	\$258	-\$12	-4.50%
3	Netherlands	\$150	\$101	-\$50	-33.10%
4	Mexico	\$92	\$109	\$17	18.50%
5	United Kingdom	\$75	\$87	\$12	15.60%
6	Vietnam	\$75	\$126	\$51	67.70%
7	Turkey	\$72	\$132	\$60	83.90%
8	Pakistan	\$71	\$154	\$83	117.50%
9	Germany	\$68	\$57	-\$11	-15.70%
10	Bangladesh	\$54	\$52	-\$3	-5.30%

Note: Fiscal Year (FY) is October to September. * Denotes October to July. Due to the government shutdown, August and September data were not available. Source: FAS, USDA, Global Agricultural Trade System (2025).

to more than 100 percent, making American products far more expensive than imports from countries like Brazil. Although tariffs were later lowered to around 33 percent in April, the decline had already begun. Declines in U.S. agricultural exports to China have made headlines, most notably China's decision not to purchase U.S. soybeans this season. Soybeans are the largest U.S. agricultural export and China has traditionally been the top foreign buyer of U.S. soybeans, making this shift particularly significant for American producers.²⁸ Other sectors have also been

impacted. For instance, China let export approvals expire for nearly 400 U.S. beef processing plants in March, about 60 percent of all facilities allowed to ship beef to China, effectively blocking a large portion of U.S. supply.²⁹

Comparing the second and third quarter (April – September) of 2025 to 2024, the data show that U.S. agricultural exports to China were down 50.8 percent in 2025 when compared to the same period the previous year. In 2024 (Q2 and Q3) imports of U.S. agricultural products in China were

²⁸ *Southern Ag Today*. October 2, 2025. <https://southernagtoday.org/2025/10/02/chinas-agricultural-imports-from-u-s-and-brazil-decline-in-2025-but-the-u-s-faces-sharper-losses/>

²⁹ Foreign Agricultural Service of USDA, March 2025 Attaché Report. <https://www.fas.usda.gov/data/china-usa-dairy-pork-and-poultry-registrations-renewed-while->

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

\$13.1 billion, but were only \$6.6 billion in 2025 (Q2 and Q3). Noted losses include \$972 million for U.S. cotton in China (93.2 percent), \$549.2 million for U.S. forestry products (59.1 percent), and \$518 million for U.S. beef products (68.9 percent). However, the most significant loss were U.S. soybeans in China, down \$1.9 billion (-44.1 percent).³⁰

Tennessee ranks 16th among U.S. states in soybean production, contributing nearly 2% of the nation's total output. Unfortunately, the U.S. Census Bureau is unable to adequately track bulk commodity exports by state, especially when shipments are consolidated across multiple states. Official data usually reflect the port of exit and not necessarily the state where the commodity was produced. However, following a similar methodology as the U.S. Department of Agriculture,³¹ we can infer losses in soybean export sales for Tennessee based on the production share. As of July 2025, U.S. soybean exports were down almost \$2.0 billion when compared to the previous year. Thus, a conservative loss estimate for Tennessee is between \$30 million to \$40 million.

beef-remains-overdue

Financial Indicators for Tennessee Farming Industries

Table 2.8 presents financial data from 2019-2024 for the Tennessee farming sector, which can be used to indicate the financial well-being of farms and farm operators in Tennessee. The value of farm production increased from \$4.3 billion in 2019 to \$6.0 billion in 2024. Net farm income was \$1.15 billion in 2024 (down roughly \$116,000 from the previous year), averaging \$18,285 per operation. Net cash farm income on a per-acre basis was \$107/acre. The net farm income ratio (net farm income/value of production) during 2019 to 2024 ranged from 17 percent to 33 percent efficiency in converting production to net farm income, holding at 19 percent efficiency for the most recent years. Times interest earned is another measure of ability to cover debt payments, specifically interest payments. For all years, the values are greater than 1, implying sufficient cash to meet interest payments, and in 2024, the value was 3.93, down from 4.57 in the previous year. The state's capital consumption ratio, or the percentage of production needed

Table 2.8: Indicators of Financial Well-Being of the Tennessee Farm Sector, 2019-2024

Indicators	2019	2020	2021	2022	2023	2024
Value of Production (\$ million)	\$4,290	\$4,237	\$5,235	\$6,193	\$6,563	\$6,038
Net Farm Income (\$ million)	\$894	\$712	\$1,729	\$1,566	\$1,266	\$1,150
Interest Expense ¹ (\$ million)	\$283	\$266	\$269	\$305	\$355	\$392
Market Value of Farmland, Buildings, & Equipment (\$ million)	\$43,200	\$44,496	\$45,903	\$50,718	\$55,212	\$61,097
Capital Consumption ² (\$ million)	\$536	\$541	\$481	\$674	\$658	\$522
Total Production Expenses ² (\$ million)	\$3,639	\$4,002	\$3,753	\$4,639	\$5,364	\$5,005
Net Farm Income Ratio	0.21	0.17	0.33	0.25	0.19	0.19
Capital Consumption Ratio	0.12	0.13	0.09	0.11	0.10	0.09
Operating Expense Ratio	0.66	0.75	0.57	0.59	0.66	0.68
Interest Expense Ratio	0.07	0.06	0.05	0.05	0.05	0.07
Times Interest Earned	4.16	3.68	7.43	6.14	4.57	3.93

¹ Includes operator dwellings.

² Excludes operator dwellings.

Source: ERS, USDA (2024).

³⁰ Data are from Trade Data Monitor®. <https://www.tradedatamonitor.com>

³¹ State Agricultural Trade Data – Documentation. <https://www.ers.usda.gov/data-products/state-agricultural-trade-data/documentation>

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

to cover the sector's capital consumption, was relatively low for the 2019 to 2024 period, ranging between 9 percent and 13 percent. In 2024, the state's farming sector had an operating expense ratio of 0.68, suggesting 68 percent of the value of production was used to cover operating expenses (USDA/ ERS1). The 2024 estimated market value of land and buildings on farms was \$61.1 billion or around \$971,335 per farm in Tennessee (USDA/NASS2).³²

Rural Infrastructure

The rural transportation system is crucial to Tennessee farmers and ranchers, providing farmers the link to access inputs and deliver products to markets in the agricultural supply chain. Yet, our road and bridge system is facing mounting challenges in managing the swift surge in truck freight traffic. The latest TRIP report reveals that a concerning 16 percent of Tennessee's major roads fall into the category of poor or mediocre condition, while nearly 36 percent of our bridges are in urgent need of rehabilitation or replacement.³³ As highlighted in the Reason Foundation's 28th Annual Highway Report, Tennessee ranks 11th in the nation in capital and bridge disbursements on highways — reflecting our investment in new roads and bridges and enhancing existing ones.³⁴ In terms of highway maintenance spending, we rank 13th among the 50 states.

The Infrastructure Investment and Jobs Act (IIJA), enacted in 2021, has provided Tennessee \$5.8 billion in federal funding for highway and bridge investments over the next five years,

which is set to expire on September 30, 2026. However, the rising labor and material costs over the past two years pose significant challenges to the state's ability to keep up with the growing transportation demands essential to our future prosperity.

Tennessee received \$3.725 billion through the US Treasury's Coronavirus State and Local Fiscal Recovery Fund under the American Rescue Plan Act to mitigate the negative economic impact of the COVID-19 pandemic and strengthen the economic recovery.³⁵ The state's Financial Accountability Group allocated \$1.35 billion to address the drinking water, wastewater, and stormwater infrastructure needs in communities across Tennessee.³⁶ This investment addresses a critical need in Tennessee water infrastructure systems in the range of \$5 to \$15 billion between now and 2040 to protect and promote human health; improve compliance with water quality requirements; and improve technical, managerial, and financial capabilities of small, disadvantaged, and underserved water infrastructure systems. In 2025, the Tennessee State Revolving Fund received \$18.7 million for drinking water and \$23 million for clean water infrastructure projects through the US Environmental Protection Agency's (USEPA) base capitalization grant, and the state has to match 20 percent of these funds received. Tennessee also received an IIJA supplement of \$41.9 million for drinking water and \$35.7 million for clean water, 20 percent of these funds are matched by the state. In response to Hurricane Helene, USEPA allocated \$58 million to improve water infrastructure resiliency - \$44.3 million towards the Drinking Water State Revolving Fund, \$8.2 million towards the Clean

³² NASS, USDA. See footnote 11; ERS, USDA. See footnote 9.

³³ TRIP Research and Resources for Tennessee. <https://tripnet.org/research-news/?states=tennessee>

³⁴ Feigenbaum et al. (2025) *28th Annual Highway Report Summaries*. <https://reason.org/highway-report/28th-annual-highway-report/tennessee/>

³⁵ Tennessee Department of Finance and Administration, Tennessee Resiliency Plan. https://www.tn.gov/content/dam/tn/finance/documents/financial-stimulus-accountability-group/07292022_Tennessee_Resiliency_Plan.pdf

³⁶ Tennessee Department of Conservation (2018). https://www.tn.gov/content/dam/tn/environment/water/tn-h2o/documents/plan-%26-appendices/wr-tnh2o_plan-report.pdf

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

Water State Revolving Fund, and \$3.5 million for the Decentralized Clean Water State Revolving Fund to connect homes served by septic systems to centralized wastewater systems. In addition, a disaster relief supplemental fund of \$2 million was allocated to Tennessee to support water systems in southeastern states impacted by Hurricane Helene.³⁷

Agricultural Land Loss in Tennessee

In 2022, the American Farmland Trust ranked Tennessee as the third most threatened state to have agricultural land to be converted to other uses.³⁸ There are approximately 26.4 million acres of total space in Tennessee. From 1997-2017, there were 1.1 million acres (4.2 percent of total land in Tennessee) of farmland converted into other uses, mainly residential. The amount of farmland lost was equivalent to 55,601 acres/year, 152 acres/day, and 6.3 acres/hour. Since 2017, there have been 642,482 acres (2.43 percent of total land in Tennessee) of farm and forestry land converted to other uses. The current five-year (2020-2024) rate of change is 95,999 acres/year, 263 acres/day, and 10.96 acres/hour. From 2023 to 2024, year-over-year total change was 108,521 acres, which is the equivalent to 297.32 acres/day, and 12.39 acres/hour. The past year's annual change, on a per hours basis, is the highest rate since 2008. Thus, the current rate of change is the highest since the housing boom in the late 2000s. Beginning next year, the Farmland Preservation Act (FPA) will be implemented, allocating \$25 million in financial assistance to Tennessee landowners who voluntarily commit to permanently relinquishing developmental rights on their property. This initiative aims to safeguard agricultural and forested lands amid rising rates of

land conversion across the state. The UT Center of Farm Management will monitor the impacts of FPA, as well as other county implications, as the state continues experiencing increasing rates of farm and forestry conversion.³⁹

Primary Forestry in Tennessee

Roughly 53.0 percent of Tennessee is covered in forest that is primarily comprised of hardwoods (89 percent), making Tennessee one of the top three hardwood lumber-producing states in the country. There are more than 120 tree species in Tennessee. The dominant forest type in the state is oak-hickory, accounting for an estimated 9.9 million acres. Of the 13.8 million acres of forest, 83.0 percent is privately owned, with federal (10.0 percent) and state/local governments (7.0 percent) comprising the rest. The state has an estimated 8.4 billion live trees (≥ 1.0 in diameter), with a volume of 47.6 billion cubic feet.⁴⁰ Other forest types include bottomland hardwoods along the Mississippi River floodplains, mixed pine and hardwoods growing in dry, rocky soils in the eastern part of the state, mixed mesophytic (moderately moist) on lower mountain slopes and valleys, and redcedar growing in limestone cedar glades in the middle of the state.⁴¹

In 2024, the state's 129 sawmill establishments (NAICS 321113) employed 2,057 workers with a total payroll of \$97.6 million, while the state's 136 logging establishments (NAICS 1133) employed 666 workers with a total payroll of \$30.1 million. From 2014 through 2024, average annual growth rates in employees, payroll, and establishments for sawmills were -1.62 percent, 2.53 percent, and

³⁷ U.S. Environmental Protection Agency (2025) "EPA Allocates a Total of \$58 million to Tennessee for Water Infrastructure Resiliency in aftermath of Hurricane Helene" <https://www.epa.gov/newsreleases/epa-allocates-total-58-million-tennessee-water-infrastructure-resiliency-aftermath>

³⁸ Farms Under Threat 2040: Choosing an Abundant Future. https://farmlandinfo.org/wp-content/uploads/sites/2/2022/08/AFT_FUT_Abundant-Future-7_29_22-WEB.pdf

³⁹ For historical county conversion estimates, see: <https://farmmanagement.tennessee.edu/land-loss/>

⁴⁰ Tennessee Forestry Association. www.tnforestry.com/forest-facts; Forest Service, USDA. www.research.fs.usda.gov/programs/fia#data-and-tools

⁴¹ Tennessee Wildlife Federation <https://tnwf.org/types-of-forests-in-tennessee/>

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

-1.75 percent, respectively. For logging, the average annual growth rates over the same period were -1.68 percent, 1.94 percent, and -1.26 percent, respectively, for employees, payroll, and establishments.⁴²

Wine, Brewery, Distillery, and Green Industries

The Tennessee wine and grape industry continued to grow between 2019 and 2024 with a slight decrease between 2023 and 2024.⁴³ In 2024, the Tennessee winery industry directly employed 1,064 jobs, contributed \$255.84 million in sales and \$27.38 million in labor income. In terms of tax revenue, Tennessee wineries had an estimated \$68.59 million in tax revenue with \$46.89 million in state and local taxes and \$21.698 million in federal tax revenue. Additional spending from tourism resulted in an estimated total impact of \$183.485 million in output, 1,421 jobs, \$63.836 million in labor income, \$109.762 million in Gross State Product, and \$29.332 million in tax revenue. Tennessee wineries primarily rely on out-of-state sources for their grapes. Grape acres have declined slightly between 2017 and 2022 from 959 acres to 789 acres but the number of farms growing grapes increased from 462 in 2017 to 472 in 2022. The average acres per farm growing grapes have declined from 2.08 acres in 2017 to 1.67 acres in 2022. This is partially attributed to increased costs of production which is estimated at 68.1 percent from 2015 to 2024. Early warming (and budding) followed by late freezes is a continuing concern in East Tennessee grape production.

Trends for the Tennessee brewing and distilling industries are similar. Strong growth in earlier years has been followed by stagnation in 2025. The number of Tennessee breweries reporting employment in the first quarter of 2025 declined to 126 from 132 in 2024 (down

by 4.6 percent) while employment declined from 1,823 to 1,679 jobs (a 7.9 percent drop).⁴⁴ The number of Tennessee distilleries reporting employment in the first quarter of 2025 declined to 67 from 68 in 2024 while employment declined from 2,278 to 2,117 jobs (a 7.1 percent drop). Declines in both industries are following national trends and are probably due to increased health concerns about even moderate alcohol consumption. Reduction in distillery exports also play a role in the lack of growth of the industry in Tennessee.

The green industry (i.e., ornamental horticulture, landscape services and architecture, retail garden centers, suppliers, equipment, and florists) remains an important component of Tennessee agriculture, especially in Middle Tennessee. Industry growth was noted in the post-pandemic years as demand for ornamental horticulture crops increased. The increase was partially attributed to 16 to 18 million new gardeners entering the market and a solid housing market, heightening demand for landscaping products and services. An analysis of 2023 data indicates that the Tennessee green industry contributed \$9.8 billion in economic output with \$5.7 billion in value added. The green industry accounted for 57,360 jobs and \$3.3 billion in labor income (including part-time, full-time, and seasonal workers). Total tax contributions were \$1.3 billion with local and state taxes totaling \$525 million and federal taxes equating to \$785 million.

Food, Fiber, and Forestry Manufacturing in Tennessee

Payroll, Number of Establishments, and Employees

The state's 2,600 food and fiber processing and manufacturing facilities employed over 91,000 workers with a payroll of almost \$6.0 billion in

⁴² Bureau of Labor Statistics. <https://www.bls.gov/cew/data.htm#>

⁴³ Hughes, D.W., A. Rihn, K. DeLong. 2025. The Economic and community Impacts of the Tennessee Wine Industry. Tennessee Department of Agriculture, Tennessee Wine and Grape Board.

⁴⁴ Bureau of Labor Statistics. <https://www.bls.gov/cew/home.htm>

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

Table 2.9: Tennessee Food, Fiber, and Forestry Manufacturing, 2024^{a,b}

Manufacturing Industry (NAICS)	Employees		Payroll		Establishments	
	2023	2024	2023	2024	2023	2024
	(number)		(\$ million)		(number)	
Food (311)	40,830	40,975	\$2,600	\$2,749	662	699
Animal Slaughtering/Processing (3116)	13,292	13,444	\$700	\$753	100	102
Beverage & Tobacco Products (312)	7,404	7,008	\$395.3	\$395.0	309	339
Textile Mills (313)	2,779	2,511	\$170	\$169	87	86
Textile Product Mills (314)	2,122	2,129	\$108	\$112	151	146
Apparel (315)	3,043	2,898	\$158.9	\$159.0	119	116
Leather & Allied Products (316)	368	282	\$15	\$13	30	32
Wood Products (321)	13,631	13,246	\$796	\$817	539	537
Paper (322)	13,031	12,716	\$1,087	\$1,081	220	221
Furniture & Related Products (337)	8,824	8,846	\$445	\$469	409	424
Total	92,032	90,611	\$5,775	\$5,964	2,526	2,600
All Manufacturing	363,882	362,430	\$26,201	\$27,263	9,259	9,654

^a Values for animal slaughtering and processing are embedded in food manufacturing (311) values.

^b Source data for value of shipments discontinued and will not resume until 2024.

Source: U.S. Bureau of Labor Statistics. 2024.

2024 (**Table 2.9**). By comparison, the state's overall manufacturing employment was 362,430 workers. Thus, food- and fiber-related manufacturing in Tennessee employed more than one in four manufacturing workers. From 2023 to 2024, for food and fiber processing and manufacturing (NAICS 311) the number of employees remained relatively flat (+0.4 percent), but the number of establishments increased 5.6 percent. Payroll for this period increased 5.7 percent. For all manufacturing in the state, the number of employees decreased 0.4 percent, payroll increased 4.1 percent, and number of establishments increased 4.3 percent.

Estimated Economic Impacts from Selected Agricultural Commodities

In 2023, the agri-forestry industrial complex directly and indirectly (i.e., including multiplier effects) contributed \$103.8 billion to the Tennessee economy. In terms of gross output,

this value was 10.6 percent of the economic activity conducted in the state. An estimated 390,583 individuals work in industries either part of or supported by the complex, or 8.5 percent of total employment in Tennessee. Agriculture generated \$74.8 billion in output or 7.6 percent of the economic activity in Tennessee and supported 299,180 jobs, with 92,540 (both full- and part-time) jobs in agricultural production. Forestry included the management and logging of trees; sawmills (primary forestry products), including pulp and paper mills; and forestry products manufacturing (secondary forestry products). Forestry accounted for 3.0 percent of the state's economy, supported 91,402 Tennessee jobs, and generated \$29.1 billion in output. Based on IMPLAN 2023 data, **Table 2.10** indicates the direct economic activity for selected agriculture and forest sectors, including the multiplier effects for these sectors, along with their employment and total value added.

2.5. TENNESSEE'S AGRICULTURAL AND FOREST INDUSTRIES AND RURAL ECONOMY, CONTINUED

Table 2.10: Multiplier Effects for Economic Activity, Employment, and Total Value Added for Selected Agriculture and Forest Industries in Tennessee, 2023

Sector	Direct	Multiplier Effects		Direct	
	Economic Activity ^a	Economic Activity ^a	Economic Activity Multiplier	Employment ^b	Total Value Added ^c
	(\$ million)	(\$ million)		(number)	(\$ million)
Oilseed farming	\$1,017.9	\$1,327.4	1.30	7,173.5	\$621.2
Grain farming	\$953.7	\$1,574.4	1.65	8,504.6	\$1.6
Vegetable & melon farming	\$172.4	\$247.9	1.44	2,734.0	\$85.4
Greenhouse, nursery & floriculture production	\$423.9	\$598.3	1.41	5,624.4	\$252.4
Tobacco farming	\$66.6	\$96.4	1.45	517.0	\$36.2
Cotton farming	\$272.3	\$408.8	1.50	1,251.2	\$96.7
All other crop farming ^d	\$165.7	\$259.7	1.57	10,549.2	\$65.8
Beef cattle farming	\$888.3	\$1,204.4	1.36	26,515.9	\$189.2
Dairy cattle & milk production	\$101.8	\$161.0	1.58	676.1	\$24.5
Poultry & egg production	\$937.4	\$1,378.3	1.47	2,190.3	\$220.5
Animal production, except cattle, poultry, & eggs ^e	\$206.1	\$269.9	1.31	8,141.3	\$137.6
Forestry, forest products, & timber tract production	\$10.8	\$17.4	1.61	115.9	\$9.6
Commercial logging	\$230.1	\$350.0	1.52	2,620.2	\$219.3
Sawmills	\$1,211.5	\$2,197.8	1.81	2,447.2	\$280.5
Pulp mills	\$49.3	\$81.3	1.65	57.3	\$19.1
Paper mills	\$1,991.7	\$2,923.5	1.47	1,616.1	\$1,015.0
Paperboard mills	\$1,295.7	\$2,052.1	1.58	1,061.7	\$575.1

^a Total Industry Output – annual value of production by industry.

^b Employment – estimated number of wage and salary employees (both full- and part-time), as well as self-employed.

^c Total Value Added – income to workers paid by employers; self-employed income; interests, rents, royalties, dividends, and profit payments; and production and import taxes.

^d Primarily hay and seed farming.

^e Primarily hogs, sheep and goats, aquaculture, equine, and apiculture.

Source: IMPLAN 2023 data (www.implan.com)

CHAPTER 3: THE ROLE OF NUCLEAR ENERGY IN TENNESSEE'S FUTURE

In this Chapter —

3.1. Introduction

3.2. Nuclear Power Strategic Advantages and Challenges

3.3. Policy Initiatives Supporting Growth

Federal Policy: Advancing Nuclear Energy in the United States
State Policy and Actions: Growing Tennessee's Nuclear Industry

3.4. The Economic Footprint of Nuclear Energy in Tennessee

Overview of Contributions
Electricity Generation
New Reactor Construction
Academic Contributions and Public Awareness

3.5. Future Energy Needs

Data Center Growth and Its Implications for Electricity Demand
Tennessee's Role in Data Center Demand

3.6. Conclusions & Recommendations

3.1. INTRODUCTION

U.S. policymakers have declared that the country is undergoing a nuclear renaissance, and Tennessee leaders are actively positioning the state to be a leader in nuclear energy. With a storied history in nuclear innovation dating back to the Manhattan Project and the establishment of Oak Ridge National Laboratory (ORNL), Tennessee has long been at the forefront of advancements in nuclear science and technology. Today, as the U.S. seeks to expand its nuclear energy capacity to meet growing demands for clean, reliable power, Tennessee's assets—ranging from its robust academic institutions to its forward-thinking energy policies—make it a critical player in this national effort.

Tennessee is a top-5 state in the share of electricity produced from nuclear power. In 2024, while 27 other states used nuclear power to produce an average of 19% of their electricity,

Tennessee generated more than twice that share. This reliance on nuclear energy provides not only environmental benefits through reduced carbon emissions but also economic advantages coming from the ability to attract industries that depend on affordable and reliable power. The Tennessee Valley Authority (TVA), one of the nation's largest public utilities, has been instrumental in historically leveraging this resource to drive economic growth across the state.

As the global community intensifies efforts to combat climate change, Tennessee is poised to play a pivotal role in shaping the future of nuclear energy. This report explores the current policy environment, economic footprint of the nuclear industry within the state, its historical and strategic significance, and the opportunities and challenges that lie ahead as Tennessee positions itself as a leader in next-generation nuclear technologies.¹

¹ We are grateful to Tim Fitzgerald at the University of Tennessee's Baker School of Public Policy and Public Affairs for his helpful feedback in writing this chapter.

3.2. NUCLEAR POWER STRATEGIC ADVANTAGES AND CHALLENGES

Advantages

Nuclear power is an energy source with numerous advantages that make it a critical component of modern energy strategies. It combines environmental benefits, operational longevity, reliability for critical applications, and efficiency, making it a clean and dependable energy source.

One of the most compelling qualities of nuclear power is its low-carbon footprint. While the processes of uranium mining and reactor construction generate some carbon dioxide (CO₂), the total life-cycle emissions from nuclear power are significantly lower than those of other sources. In fact, nuclear energy's life-cycle carbon emissions are about one-quarter of those associated with solar energy, positioning it as one of the cleanest energy options available for combating climate change. See **Figure 3.1**.

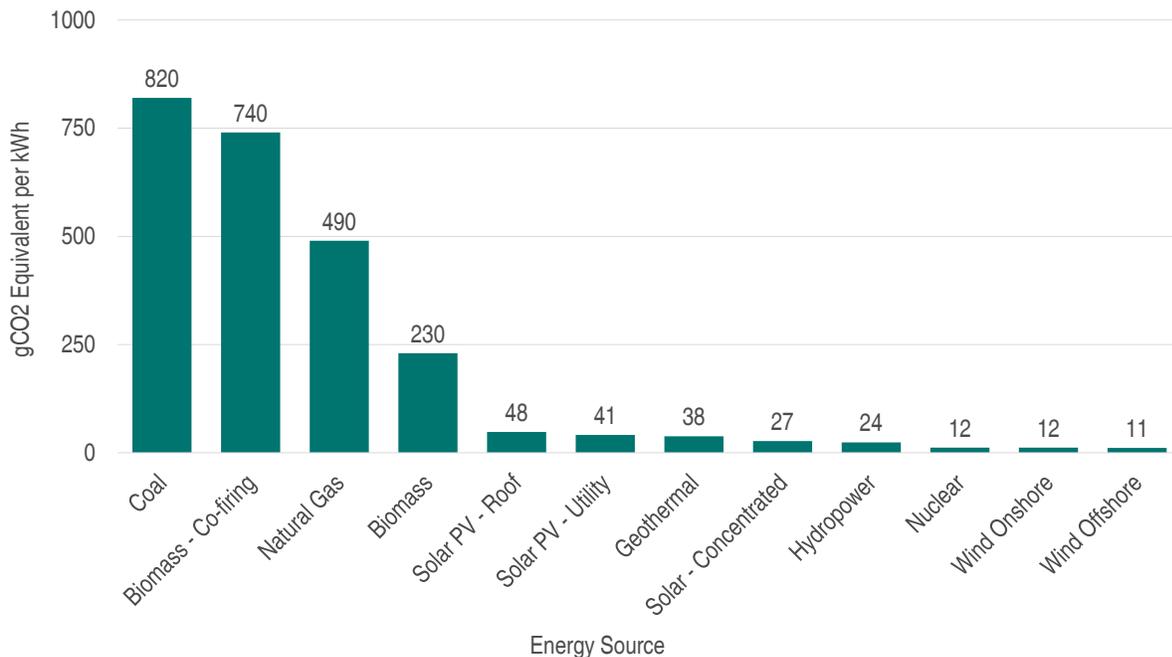
Nuclear power plants are also designed to be durable and long-lasting. The oldest operating nuclear plant in the United States began generating electricity in 1969, and current permitting allows

some reactors to remain operational for up to 80 years. This longevity underscores the economic and environmental value of investing in nuclear infrastructure, as these plants can provide consistent energy over decades.

Nuclear power is highly reliable and possibly becoming more so, making it ideal for critical infrastructure such as data centers and military bases. Although still in development, small modular reactors (SMRs) have the potential to increase reliability by decreasing down time for refueling and maintenance. SMRs, with their much smaller footprint can be deployed in clusters. A cluster deployment could support continuous operation by keeping at least one reactor operational at all times.

Even without SMR clusters, nuclear power boasts a high-capacity factor, generating 93% of the maximum possible megawatt-hours (MWh). This far exceeds other clean energy sources like solar (25%), wind (35%), and hydropower (42%).² This high utilization makes nuclear power indispensable for baseload electricity generation, ensuring a consistent and reliable supply to meet demand.

Figure 3.1: Nuclear Energy has Low Total Life-cycle CO₂ Emissions



Source: World Nuclear Association.

² Nuclear Power is the Most Reliable Energy Source and It's Not Even Close | Department of Energy, U.S. Energy Information Administration

3.2. NUCLEAR POWER STRATEGIC ADVANTAGES AND CHALLENGES, CONTINUED

In summary, nuclear power's combination of low-carbon emissions, extended operational lifespan, reliability for critical needs, and high utilization make it an essential element in achieving sustainable and secure energy solutions worldwide.

Challenges

Despite the many advantages of nuclear energy, several critical issues remain unresolved and pose significant challenges to its broader adoption. These include high initial costs, lengthy construction timelines, an uncertain fuel supply chain, absence of a permanent waste disposal solution, and a shortage of trained construction workers for nuclear projects.

Cost overruns are a persistent issue in nuclear construction. A 2014 study examining 180 nuclear projects found that 92.2% experienced cost overruns, with an average increase of 117% over initial estimates.³ While some studies suggest that nuclear plants can be built for \$4,000–\$7,000 per kilowatt (kW), recent projects tell a different story.⁴ The Vogtle Plant expansion by Georgia Power, completed in 2023 and 2024, is a stark example. Initially estimated at \$14 billion, the project's final cost exceeded \$30 billion—translating to about \$13,600 per kW.⁵ With or without cost overruns, the initial construction cost compares unfavorably to that of other energy sources like natural gas (\$920 per kW), wind (\$1,421 per kW), and solar (\$1,561 per kW), highlighting the economic challenges associated with nuclear power.⁶

Tennessee currently has some of the lower electricity prices in the nation, which helps to attract businesses. However, given the current cost of nuclear energy, building more nuclear capacity could lead to higher energy prices and reduce the state's competitive advantage.

High construction costs are frequently exacerbated by long permitting and construction

cycles, which currently range from 8 to 10 years. Extended timelines increase financing costs and expose projects to volatile material prices for steel and concrete. Moreover, first-of-a-kind costs for new technologies like SMRs further inflate expenses due to the lack of standardization and yet-to-be-created modular assembly efficiencies.

Another pressing issue is the resilience of supply chains for enriched uranium, the primary fuel for nuclear energy. Currently, nearly half of the U.S.'s uranium supply comes from potentially unstable trading partners such as the former Soviet republics Kazakhstan and Uzbekistan as well as from Russia. Trade risks are further exacerbated by uncertainty around tariffs. In July 2025, there was discussion about the possible imposition of 100% tariffs on countries trading with Russia.⁷ Supply chain uncertainty could pose significant risks to long-term energy security.

Disposing of nuclear waste is and has been a problem for years. The proposed Nevada Yucca Mountain waste disposal site was abandoned in 2010 after considerable public opposition and design issues. The U.S. does not have a deep geological storage site for commercial nuclear waste, and no site is currently under development.

Finally, the nuclear industry has an aging workforce. According to the 2024 U.S. Energy and Employment Report, 60 percent of current workers are between 30 to 54, higher than both the energy workforce and national average, and the industry has 23% fewer workers under the age of 30 than the overall energy workforce.

Addressing these issues will be critical if nuclear energy is to play a larger role in meeting future energy demands. Without significant improvements in cost management, construction efficiency, and workforce development, nuclear power will struggle to compete economically with alternative energy sources.

³ Sovacool, B. K., Gilbert, A., & Nugent, D. (2014). Risk, innovation, electricity infrastructure and construction cost overruns: Testing six hypotheses. *Energy*, 74, 906-917.

⁴ Abou-Jaoude, A., Lin, L., Bolisetti, C., Worsham, E. K., Larsen, L. M., & Epiney, A. S. (2023). Literature review of advanced reactor cost estimates.

⁵ Plant Vogtle Unit 4 begins commercial operation - U.S. Energy Information Administration (EIA)

⁶ <https://www.eia.gov/todayinenergy/detail.php?id=60562>, U.S. Energy Information Administration

⁷ Such a tariff would apply to both Kazakhstan and Uzbekistan; <https://timesca.com/trumps-100-tariffs-may-target-kazakhstan-and-regional-economies/>

3.3. POLICY INITIATIVES SUPPORTING GROWTH

Federal Policy: Advancing Nuclear Energy in the United States

Federal policy has emerged as a critical driver in reinvigorating the nuclear energy sector, with ambitious goals to quadruple U.S. nuclear capacity by 2050.⁸ This follows decades of stagnation in reactor construction and capacity expansion, making the current initiatives a pivotal moment for the industry. In May 2025, President Trump signed a series of executive orders designed to accelerate nuclear development, streamline regulatory processes, and strengthen domestic energy security.⁹

One key executive action tasks the U.S. Department of Energy (DOE) with an ambitious goal of ensuring that 10 new large reactors are under construction by 2030. This mandate more broadly aims to address the lengthy and expensive approval processes that have historically hindered nuclear projects. To support this goal, the actions also direct reforms to the Nuclear Regulatory Commission (NRC) and advocate for changes in reactor testing protocols to reduce project timelines.

Another focus of the actions is to enhance the domestic supply chain for enriched uranium. As mentioned previously, nearly half of the U.S.'s uranium supply comes from Russia, Kazakhstan, and Uzbekistan.¹⁰ The Prohibiting Russian Uranium Imports Act, enacted in 2024, seeks to mitigate supply chain risks by banning imports of low-enriched uranium from Russia and incentivize domestic production.

Federal policy also addresses integrating nuclear energy into broader national security strategies. This includes deploying advanced reactors at DOE facilities, military installations, and AI data centers. In fact, the One Big Beautiful Bill Act designated \$120 million for the acceleration of small modular nuclear reactors for military use. Utilization in national security applications highlights the

versatility and importance of nuclear energy beyond traditional electricity generation.

These initiatives to increase nuclear energy production align with global commitments made at the 2023 Climate Summit in Dubai, where the U.S. pledged to triple global energy capacity and achieve net-zero carbon emissions by 2050. By leveraging federal support, Tennessee can play an integral role in advancing next-generation nuclear technologies while striving towards climate goals and helping solve energy security challenges.

State Policy and Actions: Growing Tennessee's Nuclear Industry

Tennessee has taken proactive steps to position itself among the leaders in the nuclear renaissance unfolding across the U.S. In 2023, Governor Bill Lee issued an executive order establishing the Tennessee Nuclear Energy Advisory Council (TNEAC). This council, composed of experts from industry, government, and academia, was tasked with ensuring Tennessee becomes the top destination for nuclear energy companies to invest and succeed. The council's final report, issued in October 2024, outlined strategies for attracting investment, creating high-quality jobs, and expanding Tennessee's nuclear footprint.

Recognizing the economic benefits of nuclear energy, state leadership has implemented policies and allocated resources to foster growth within this industry. Gov. Lee has been a steady advocate, and his budgets have set aside funds to encourage development. In FY23-24, Tennessee created the \$70 million Tennessee Nuclear Energy Fund to expand nuclear development in the state.¹¹

The state has also placed an emphasis on workforce development in the nuclear energy industry. To date, 12 grants have been awarded, and three of those target workforce development. In addition, Tennessee Tech University recently launched a Bachelor of Science Nuclear

⁸ <https://www.whitehouse.gov/presidential-actions/2025/05/ordering-the-reform-of-the-nuclear-regulatory-commission/>

⁹ 9 Key Takeaways from President Trump's Executive Orders on Nuclear Energy | Department of Energy

¹⁰ Gaster, R. (2025). Small Modular Reactors: A Realist Approach to the Future of Nuclear Power. Information Technology and Innovation Foundation.

¹¹ <https://www.tn.gov/transparenttn/state-financial-overview/open-ecd/openeecd/nuclear-fund-project-database0.html>

3.3. POLICY INITIATIVES SUPPORTING GROWTH, CONTINUED

Engineering program. The University of Tennessee, Knoxville has added an option for a minor in nuclear engineering for non-nuclear engineers, and Roane State Community College has developed a nuclear technology pathway program.

The FY25-26 budget contains an additional \$73 million including \$50 million to support the construction of the nation's first small modular reactor at the Clinch River site in Oak Ridge and the remainder for workforce development and incentives to attract nuclear companies.¹²

These construction, workforce, and supply chain initiatives complement the robust nuclear electricity generation that is already occurring within the state.

Tennessee joins four other states in the southeastern U.S. as leaders in electricity production by nuclear energy (North Carolina, South Carolina, Alabama, and Georgia). In 2024, each of these states produced at least 30 percent of their electricity from nuclear energy. See **Figure 3.2**.¹³

Figure 3.2: State Share of Electricity from Nuclear Energy (2024) - TN Ranks 5th

Percentage of Electricity Generated by Nuclear Energy



Source: U.S. Energy Information Administration and authors' calculations.

¹² State of Tennessee Fiscal Year 2025-2026 Budget Document, Volume 1

¹³ The U.S. Energy Information Administration; the five states are South Carolina (54% - rank 2), Tennessee (43% - rank 5), Georgia (34% - rank 8), North Carolina (32% - rank 9), Alabama (31% - rank 10)

3.4. THE ECONOMIC FOOTPRINT OF NUCLEAR ENERGY IN TENNESSEE

Overview of Contributions

The nuclear industry is intertwined with Tennessee's economy, contributing significantly to electricity generation, employment, and academic research. As of 2024, 229 nuclear-related companies operate within the state, forming a robust supply chain that supports manufacturing, research, and service delivery across various sectors.¹⁴ Roughly 150 of these companies are located in the Oak Ridge-Knoxville area, creating a nuclear hub anchored by the Oak Ridge National Laboratory (ORNL) and the Y-12 National Security Complex.¹⁵ These businesses not only generate direct economic benefits but also create ripple effects that stimulate local economies.

More supply chain jobs are in the pipeline. Some of the state's targeted nuclear investments promise hundreds of new, high-tech jobs. This last year brought three big announcements. Type One Energy announced a \$223 million investment to locate its headquarters and expand operations in Tennessee. This fusion energy company anticipates 330 new jobs.¹⁶ September of 2025 brought announcements for two large projects. First, Orano USA announced plans to build a uranium enrichment facility on a 900-acre Roane County site. Production could begin in the early 2030's and 300 jobs should result.¹⁷ Then Oklo announced plans to build a \$1.7 billion advanced nuclear fuel recycling facility on a 247-acre site in Oak Ridge bringing 800 jobs.¹⁸ Then in October, Radiant Industries committed to investing \$280 million for a research and development operation in Oak Ridge. This project could bring an additional 175 jobs. Additionally, Tennessee recently received a \$400 million federal grant to develop the nation's first small modular reactor.

Construction and operation of new nuclear facilities can also create substantial employment. The building of the first SMR at Clinch River is projected to create 1,800 jobs annually over nine years.¹⁹ These positions span engineering, construction, and operations roles, offering high wages and long-term career opportunities. Additionally, indirect job creation in sectors like housing, retail, and transportation further amplifies the economic impact.

Electricity Generation

The Tennessee Valley Authority (TVA) operates two of their three nuclear power plants in Tennessee. The Sequoyah and Watts Bar plants have a total of four reactors, contributing significantly to the state's energy mix. Together, these reactors can generate nearly 5 gigawatts (GW) of electricity, or about 25% of Tennessee's total energy generation capacity. However, they provide more than 40% of the electricity that Tennesseans use. This efficiency stems from the reactors' ability to operate at more than 90% capacity throughout the year, far surpassing more intermittent energy sources like hydropower and solar. See **Figure 3.3**.

Despite higher capacity and other operational advantages, the U.S. nuclear industry has seen limited reactor construction over the past four decades. Most operational reactors were completed during the 1970s and 1980s, including the Sequoyah reactors, which came online in the early 1980s. The much newer Watts Bar reactors are among the youngest in the U.S. fleet. Watts Bar Unit 1 began operations in 1996, while Watts Bar Unit 2, completed in 2016, was the first new U.S. reactor brought online in the 21st century. Until Georgia Power finalized its

¹⁴ <https://www.eteconline.org/assets/pdf/WHY+Nuclear+Industry+TN++ED+IMPACT++Flyer+2024++Rev.+7.2025/>

¹⁵ <https://www.eteconline.org/nuclear-industry-hub/companies-capabilities/>

¹⁶ <https://www.tn.gov/eed/news/2024/2/21/governor-lee-commissioner-mcwhorter-announce-type-one-energy-group-inc-to-establish-hq-and-expand-r-d-operations-to-tennessee-.html>

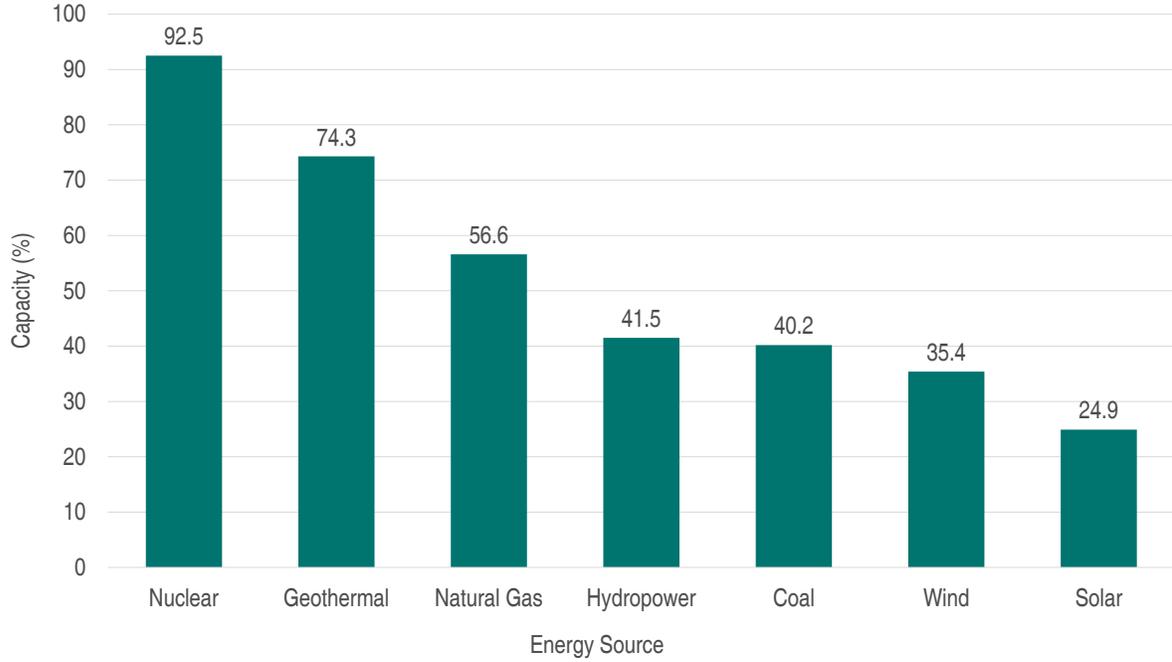
¹⁷ <https://www.energy.gov/em/articles/oak-ridge-multibillion-dollar-nuclear-project-largest-investment-tennessee-history>

¹⁸ <https://www.tn.gov/eed/news/2025/9/4/oklo-inc-selects-tennessee-for-advanced-fuel-center--anchored-by-nation-s-first-privately-funded-nuclear-fuel-recycling-facility.html>

¹⁹ https://www.tn.gov/content/dam/tn/environment/energy/documents/tneac/tneac_baker-center-smr-eia_final_oct-28-2024.pdf

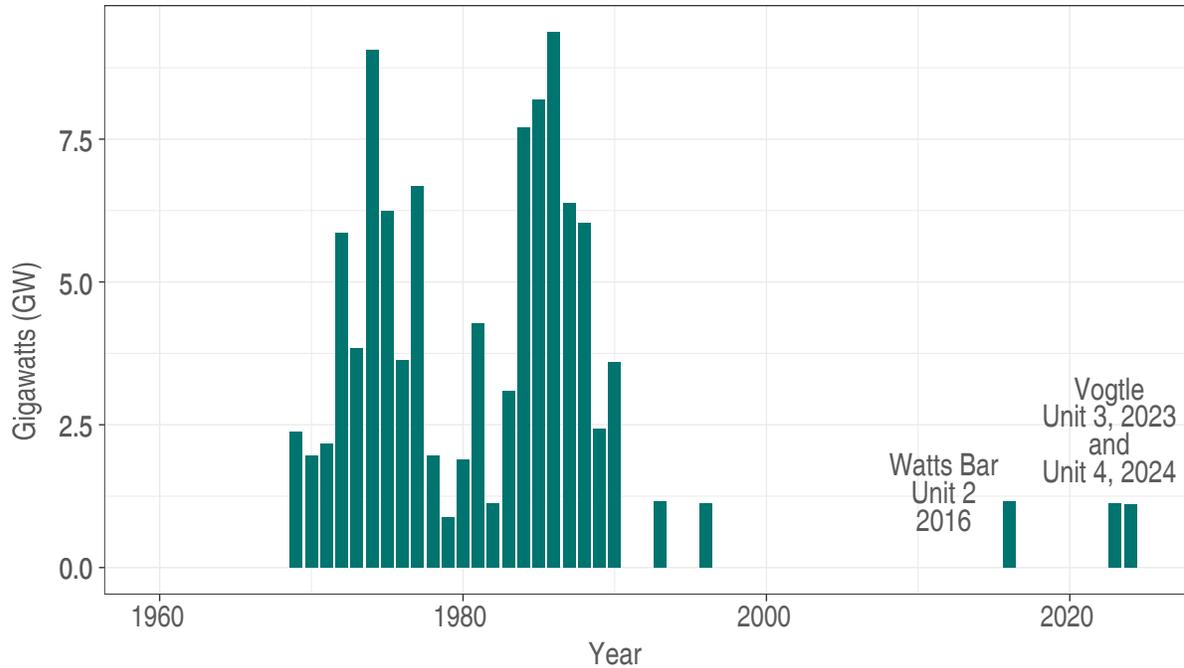
3.4. THE ECONOMIC FOOTPRINT OF NUCLEAR ENERGY IN TENNESSEE, CONTINUED

Figure 3.3: Nuclear Energy Operates at Higher Capacity Factor than Other Sources



Source: U.S. Energy Information Agency.

Figure 3.4: U.S. Reactor Infrastructure is Aging
Nuclear Power Capacity Added by Year



Source: U.S. Energy Information Agency.

3.4. THE ECONOMIC FOOTPRINT OF NUCLEAR ENERGY IN TENNESSEE, CONTINUED

Vogtle Units 3 and 4 in 2023 and 2024, Watts Bar Unit 2 held the distinction of being the only completed reactor project of this century. See **Figure 3.4**.

There is a healthy debate about the type of reactors we will build in the future. Some believe that the large reactors of the past will continue to play a primary role for several years because their technology is proven, and we know how to build them. Others believe that while traditional large-scale reactors like those at Sequoyah and Watts Bar have been instrumental in meeting Tennessee's energy needs, future growth will depend on new, smaller-scale, innovative designs that address cost, scalability, and sustainability challenges.

Regardless of the type of future reactor construction, nuclear power is set to remain a workhorse in Tennessee's energy strategy, ensuring both reliability and environmental responsibility as part of a broader energy portfolio.

New Reactor Construction

Advancing Nuclear Energy: The Hermes and Clinch River Projects

The state has a few cutting-edge projects in the pipeline that could help determine the future of reactor construction. The Hermes 1 reactor, a proof-of-concept demonstration project, began construction in July 2024 as part of the DOE's Advanced Reactor Demonstration Program. The DOE will invest up to \$300 million in this low-power reactor designed to produce heat rather than electricity. Utilizing an innovative salt-cooled, high-temperature technology, the 35 megawatt (MW) Hermes reactor is the first non-water-cooled U.S. reactor to receive a construction permit in 50 years. Construction of the Hermes 1 reactor is targeted for completion in 2027.

An even larger Hermes 2 reactor was announced in August 2025. The design is like that of Hermes 1, but the reactor will produce 50 MW of electricity. The reactor will be built through a collaboration involving Kairos Power, Google, and TVA. Kairos will build the reactor to deliver power for Google through the TVA grid. This is the first execution of a power purchase agreement for electricity from a Gen IV nuclear reactor.^{20,21}

Another proposed reactor project located near the Hermes site represents a larger-scale initiative. The Clinch River SMR project has the potential to host four reactors with a capacity of 300 MW each. TVA submitted its construction permit application in May 2025, with preliminary site work beginning in early 2026. Full-scale nuclear construction is projected to start in 2028, with the first reactor expected to become operational in the early 2030s.

These projects are critical for both Tennessee and the nation. The rapid proliferation of artificial intelligence and exponential data growth are driving demand for gigawatt-scale data centers that require reliable, round-the-clock electricity. Nuclear energy, with its high-capacity factor and low-carbon footprint, is uniquely positioned to meet these demands while supporting environmental sustainability and energy security. Together, the Hermes and Clinch River projects underscore Tennessee's leadership in advancing next-generation nuclear technologies.

Academic Contributions and Public Awareness

The University of Tennessee, Knoxville (UTK), is home to one of the nation's top nuclear engineering programs. This academic strength ensures a steady pipeline of talent for Tennessee's nuclear industry while fostering innovation through state-of-the-art research. Collaborative efforts between UTK

²⁰ Gen IV reactor designs incorporate technological advances that include the use of different coolants and fuels and have features that allow improvements in safety and waste management. Also, compared to Gen III/III+ reactors, Gen IV reactors operate at higher temperatures for better efficiency and can be refueled more quickly giving them greater availability.

²¹ Google, Kairos Power, TVA Collaborate to Meet America's Growing Energy Needs - Kairos Power. https://kairopower.com/external_updates/google-kairos-power-tva-collaborate-to-meet-americas-growing-energy-needs/

3.4. THE ECONOMIC FOOTPRINT OF NUCLEAR ENERGY IN TENNESSEE, CONTINUED

and ORNL have led to advancements in reactor technology and materials science that benefit both the state and the broader nuclear sector.

Another UTK college, The Howard J. Baker Jr. School of Public Policy and Public Affairs, also has a partnership with ORNL. They work together to train students in nuclear policy, nuclear security, and national security. A nuclear security certificate program, to be provided by the Baker School, is

pending accreditation.

To increase public awareness in young children, the state is rolling out a program for students in the Fall of 2025. Teachers across the state have been trained to introduce nuclear energy concepts to young students in kindergarten through second grade. The program, “Powering Our Town”, is the first of its kind in the U.S.

Small Modular Reactors: The Next Frontier

Small modular reactors (SMRs) are widely regarded as the next frontier in nuclear energy, offering a transformative approach to power generation. Unlike traditional large-scale reactors, SMRs are designed to be smaller and capable of being manufactured off-site for modular assembly. These reactors generate electricity by heating a liquid to produce steam, which powers turbines in a similar manner to their larger counterparts. However, their compact size and scalability make them uniquely suited for diverse applications, including industrial facilities and data centers.

The first U.S.-based power SMR is slated for deployment at the Clinch River site in Tennessee in the early 2030s. This project will closely follow a first-of-a-kind deployment of an identical reactor in Ontario, Canada. As the first two projects approved for North America, these reactors represent a critical milestone in demonstrating the feasibility of SMRs on a commercial scale. Globally, only three SMRs have been built to date—one in China and two in Russia.

Despite their potential, SMRs face significant challenges. High initial costs and the lack of standardization across more than 80 competing designs hinder widespread adoption. Achieving cost efficiency will require factory-scale production of reactor components and streamlined regulatory processes. Additionally, resilient supply chains for nuclear fuel must be developed alongside a trained workforce capable of operating and maintaining these advanced systems.

Modular construction is still on the horizon. If it can be achieved, SMRs can reduce both construction times and costs while providing a reliable and low-carbon energy source. If Tennessee successfully integrates SMRs into its energy strategy, it could serve as a model for other states and nations.

According to TVA's 2025 Integrated Resource Plan (IRP), the agency anticipates adding 600 MW of new nuclear capacity by 2035. Two 300 MW units at Clinch River would add this amount of capacity. Looking further ahead to 2050, TVA projects up to 12 gigawatts (GW) of additional nuclear capacity, depending on future energy demand and regulatory developments. Of that total, SMRs could contribute between 1 and 10 GW, depending on the scenario.^{1,2}

As part of broader efforts to achieve net-zero carbon emissions by 2050, SMRs are not just an option but an essential component of future energy strategies. With strong federal and state support, SMRs could revolutionize how we think about nuclear energy—offering both environmental sustainability and economic growth.

¹ There is no clear indication how much of the incremental capacity might be within Tennessee. However, TVA currently serves about 10 million people, and 7 million live within Tennessee.

² For perspective, a 1 GW powerplant can produce enough electricity to power an estimated 400,000 homes.

3.5. FUTURE ENERGY NEEDS

Data Center Growth and Its Implications for Electricity Demand

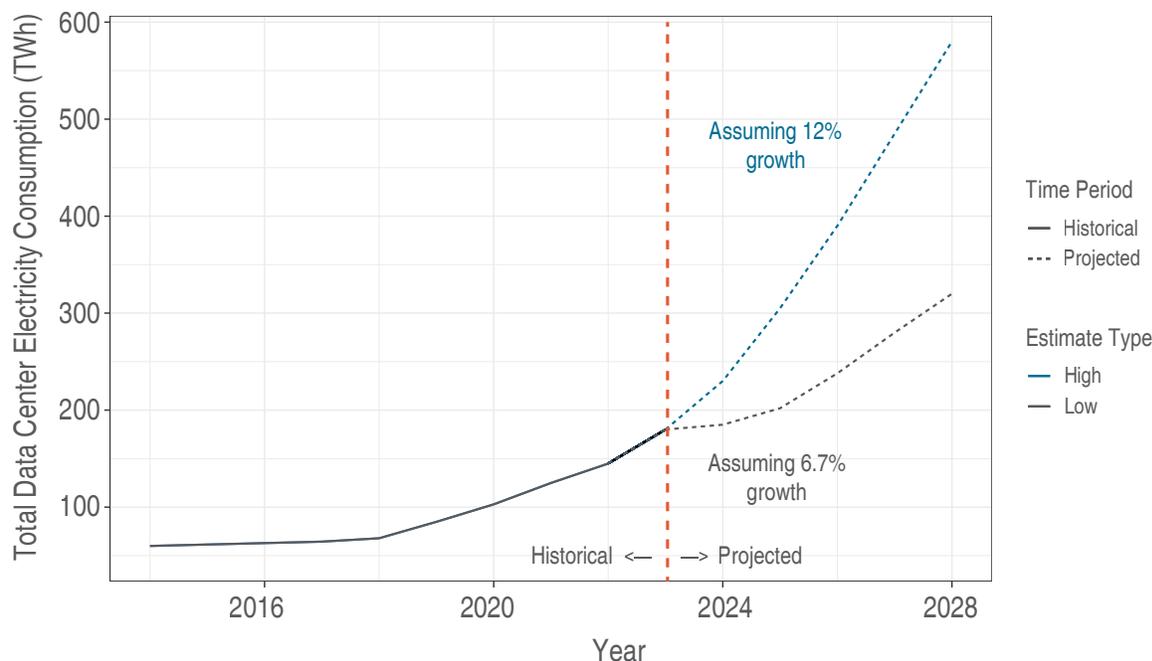
The American Clean Power Association projects U.S. electricity demand to rise by 35 to 50 percent between 2024 and 2040, marking an unprecedented surge in energy consumption. A significant portion of this growth is expected to stem from data centers, which are becoming increasingly vital to the digital economy. According to the 2024 Data Center Usage Report, U.S. data center demand is forecast to grow at an annual rate of 13 to 27 percent from 2023 to 2028.²² This rapid expansion would elevate data centers' share of electricity consumption from 4.4 percent in 2023 to between 6.7 and 12 percent by 2028. Of course, data centers' share of electricity consumption

will vary considerably from state to state. See **Figure 3.5**.

One major driver of this demand is the rise of artificial intelligence (AI). AI queries require approximately ten times more energy than traditional search queries, making the ratio of AI to traditional queries a critical factor in overall energy consumption. The uncertainty surrounding the pace of AI development and adoption introduces significant variability. More rapid growth in the AI sphere will push electricity demand toward the higher end of projections.

For nuclear power to play a pivotal role in meeting this increased demand, construction timelines for new reactors must be significantly reduced. Advanced technologies like SMRs offer potential solutions but require accelerated development and deployment.

Figure 3.5: Data Center Growth Will Drive Future Electricity Demand
High and Low Estimates for 2023 to 2028



Source: 2024 United States Data Center Energy Usage Report; Lawrence Berkeley National Laboratory. Notes: TWh = terawatt hours.

²² Shehabi, A., Smith, S.J., Hubbard, A., Newkirk, A., Lei, N., Siddik, M.A.B., Holecek, B., Koomey, J., Masanet, E., Sartor, D. 2024. 2024 United States Data Center Energy Usage Report. Lawrence Berkeley National Laboratory, Berkeley, California. LBNL-200163.

3.5. FUTURE ENERGY NEEDS, CONTINUED

Tennessee's Role in Data Center Demand

Despite its growth, data center electricity demand has historically been concentrated in just a few states. In 2023, only 15 states accounted for about 80 percent of the national data center power load, and Tennessee was not among them.²³

However, recent developments suggest a shift may be underway. In September 2024,

the Memphis-based startup, xAI, assembled a supercomputer that required immense power capacity. To meet its needs, xAI purchased an entire natural gas power plant amid concerns that this gigawatt-scale facility might struggle to have sufficient electricity.²⁴ This acquisition highlights the growing importance of reliable energy sources and underscores the need for long-term planning to accommodate such high-demand facilities.

²³ Aljbour, J., Wilson, T., & Patel, P. (2024). Powering Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption. EPRI White Paper no. 3002028905.

²⁴ An agreement between xAI, TVA, and Memphis, Light, Gas, and Water (MLGW) calls for xAI to curtail electricity consumption when demand is high. That curtailed usage makes this electricity available for other users on the grid. This results in the grid being more resilient under heavy demand. See <https://www.mlkw.com/images/content/files/pdf/new/xAI%202025%20Update.pdf>

3.6. CONCLUSIONS AND RECOMMENDATIONS

The nuclear industry represents a unique opportunity for Tennessee to solidify its position among the leaders in the United States' energy transition. With its historical expertise and supportive policy environment, the state is well-equipped to capitalize on the resurgence of interest in nuclear power. However, realizing the full potential of this opportunity will require addressing several challenges while strategically leveraging Tennessee's existing assets.

Conclusions

Tennessee's nuclear industry has a strong foundation. The state generates over 40 percent of its electricity from nuclear power—far exceeding the national average—and is home to hundreds of nuclear-related companies. The University of Tennessee, Knoxville (UTK), boasts the largest nuclear PhD program in the nation, ensuring a steady pipeline of talent and ORNL continues to be a global leader in advanced

reactor research. These factors collectively position Tennessee as a critical hub for nuclear innovation.

However, the future of the nuclear industry in Tennessee and the broader U.S. will be influenced by whether advanced technologies like SMRs can be successfully deployed. While SMRs promise scalability, lower costs, and reduced construction times, the technology remains unproven at commercial scale. The Clinch River SMR project could serve as a test for their commercial viability.

Another issue is the lack of a resilient supply chain for enriched uranium. A reliance on potentially unreliable trade partners for nearly half of the U.S.'s uranium supply poses significant risks to long-term energy security.

Under the most optimistic TVA 2050 forecast for incremental nuclear capacity, Tennessee stands to benefit significantly from SMR construction and operation. The economic benefits would include significant job creation, increased tax revenues, and growth in ancillary industries.

3.6. CONCLUSIONS AND RECOMMENDATIONS, CONTINUED

Recommendations

To ensure that Tennessee maximizes its potential in the nuclear renaissance, several strategic actions are recommended for federal and state policymakers:

1. **Develop Resilient Supply Chains:** Tennessee should advocate for federal policies that promote domestic uranium production and enrichment capabilities. This would reduce reliance on foreign sources and enhance energy security.
2. **Leverage Federal Support:** A recent executive order aiming to quadruple U.S. nuclear capacity by 2050 may provide an opportunity for growth. It seems likely that federal dollars will be made available to support this ambitious goal. If this money becomes available, Tennessee should actively pursue federal grants and incentives to fund research, workforce training, and infrastructure development.
3. **Invest in Workforce Development:** UTK's leadership in nuclear education should be further supported through state funding and partnerships with private companies. Additional vocational training programs must address both current workforce shortages and future needs as advanced reactors come online.
4. **Advance Proof-of-Concept Projects:** The Clinch River SMR should be prioritized to demonstrate the viability of SMR power plants. Success here could catalyze further investment and adoption across the U.S.
5. **Streamline Regulatory Processes:** State leaders should work with federal agencies to simplify regulatory frameworks for new reactor designs without compromising safety standards. This would accelerate project timelines and attract private investment.
6. **Promote Public Awareness:** Public support is critical for expanding nuclear energy infrastructure. Educational campaigns highlighting the safety, environmental benefits, and economic advantages of nuclear power should be launched statewide.
7. **Address Waste Management:** While not directly within Tennessee's purview, advocating for a national solution to commercial nuclear waste disposal is essential for long-term industry sustainability.
8. **Monitor Global Trends:** As other nations invest heavily in nuclear energy, particularly China and Russia, Tennessee must remain vigilant about global developments that could impact domestic competitiveness.

While the current wave of enthusiasm for nuclear energy is notable, history reminds us that such momentum can be fragile. Past surges in optimism were often followed by setbacks driven by accidents, economic shifts, or changing political winds. Today's excitement, fueled by climate urgency and technological innovation, may mark a turning point. Yet, the path forward remains uncertain, especially as small modular reactors and

advanced designs face hurdles in cost, regulation, and deployment timelines.

Tennessee has the resources necessary to thrive during this pivotal moment. With coordinated efforts between government, industry, and academia; the state can harness its traditional strengths and provide new initiatives to drive economic growth while contributing meaningfully to national energy security and global climate goals.

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **December 2025**

	History				Forecast Data												Annual		
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027		
CHAINED PRICE INDEX, GDP (2017=100.0).....	127.6	128.3	129.3	130.4	131.4	132.3	133.0	133.8	134.5	135.4	136.1	136.9	137.7	125.4	128.9	132.6	135.7		
% Chg Prev Qtr SAAR.....	3.60	2.11	3.20	3.43	3.30	2.55	2.22	2.58	2.03	2.53	2.16	2.35	2.46	2.49	2.75	2.91	2.32		
% Chg Same Qtr Last Yr.....	2.60	2.48	2.84	3.08	3.01	3.12	2.87	2.66	2.34	2.34	2.32	2.27	2.38	2.49	2.75	2.91	2.32		
US PERS CONSUMP DEFL (2017=100.0).....	125.8	126.4	127.3	128.3	129.4	130.3	131.1	131.9	132.5	133.3	134.0	134.7	135.4	123.7	127.0	130.7	133.6		
% Chg Prev Qtr SAAR.....	3.43	2.13	2.81	3.28	3.48	2.76	2.56	2.30	1.90	2.32	2.21	2.12	1.99	2.62	2.66	2.95	2.24		
% Chg Same Qtr Last Yr.....	2.56	2.44	2.72	2.91	2.92	3.08	3.02	2.77	2.38	2.27	2.18	2.14	2.16	2.62	2.66	2.95	2.24		
CONSUMER PRICE INDEX,																			
ALL-URBAN (82-84=1,000).....	3.195	3.208	3.233	3.257	3.282	3.305	3.329	3.351	3.368	3.391	3.412	3.431	3.447	3.137	3.223	3.317	3.401		
% Chg Prev Qtr SAAR.....	3.78	1.65	3.14	2.97	3.20	2.76	2.98	2.62	2.11	2.72	2.57	2.21	1.87	2.95	2.75	2.90	2.53		
% Chg Same Qtr Last Yr.....	2.74	2.46	2.90	2.88	2.74	3.01	2.97	2.89	2.62	2.61	2.50	2.40	2.34	2.95	2.75	2.90	2.53		
BANK PRIME INTEREST RATE (%).....	7.5	7.5	7.5	7.0	6.8	6.7	6.5	6.3	6.3	6.3	6.3	6.3	6.3	8.3	7.4	6.5	6.3		
FEDERAL FUNDS RATE (% per annum).....	4.330	4.330	4.316	3.882	3.611	3.584	3.333	3.125	3.125	3.125	3.125	3.125	3.125	5.143	4.214	3.413	3.125		
30-YEAR FIXED MORTGAGE RATE (%).....	6.8	6.8	6.6	6.3	6.2	6.2	6.1	6.0	6.0	5.9	5.9	5.9	5.8	6.7	6.6	6.1	5.9		
TN TAXABLE SALES (MIL2017\$).....	42071	42527	43354	43300	43164	43108	43100	43236	43567	43882	44141	44407	44739	170298	171251	172608	175996		
% Chg Prev Qtr SAAR.....	-7.88	4.41	8.01	-0.50	-1.25	-0.52	-0.08	1.27	3.09	2.92	2.39	2.42	3.03	1.57	0.56	0.79	1.96		
% Chg Same Qtr Last Yr.....	-0.90	0.94	1.36	0.83	2.60	1.37	-0.59	-0.15	0.93	1.79	2.42	2.71	2.69	1.57	0.56	0.79	1.96		
TN TAXABLE SALES (MIL\$).....	52908	53764	55202	55651	55934	56236	56557	57059	57750	58485	59164	59896	60662	210607	217525	225786	235295		
% Chg Prev Qtr SAAR.....	-4.72	6.63	11.13	3.30	2.05	2.18	2.30	3.60	4.93	5.19	4.73	5.04	5.22	4.24	3.28	3.80	4.21		
% Chg Same Qtr Last Yr.....	1.63	3.41	4.15	3.92	5.72	4.60	2.45	2.53	3.25	4.00	4.61	4.97	5.04	4.24	3.28	3.80	4.21		
TN AVG ANNUAL WAGE, NONFARM (2017\$).....	55266	55511	55606	55548	55576	55697	55834	56003	56248	56403	56584	56719	56882	54741	55483	55778	56489		
% Chg Prev Qtr SAAR.....	1.92	1.78	0.68	-0.41	0.20	0.87	0.99	1.22	1.76	1.11	1.29	0.96	1.15	1.63	1.36	0.53	1.27		
% Chg Same Qtr Last Yr.....	1.88	1.45	1.11	0.99	0.56	0.33	0.41	0.82	1.21	1.27	1.34	1.28	1.13	1.63	1.36	0.53	1.27		
TN AVG ANNUAL WAGE, NONFARM (\$).....	69503	70180	70803	71394	72019	72659	73267	73907	74560	75173	75841	76504	77128	67698	70470	72963	75519		
% Chg Prev Qtr SAAR.....	5.42	3.95	3.60	3.38	3.55	3.60	3.39	3.54	3.58	3.33	3.60	3.54	3.30	4.29	4.09	3.54	3.50		
% Chg Same Qtr Last Yr.....	4.49	3.93	3.88	4.08	3.62	3.53	3.48	3.52	3.53	3.46	3.51	3.51	3.44	4.29	4.09	3.54	3.50		

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **December 2025**

	Forecast Data												Annual			
	History						Forecast Data						2024	2025	2026	2027
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
US GDP (2017\$) SAAR.....	69417	69909	69996	70353	70728	71117	71426	71678	71904	72122	72333	72577	68572	69542	70906	72010
% Chg Prev Qtr SAAR.....	3.38	2.86	0.50	2.05	2.15	2.22	1.75	1.42	1.27	1.22	1.17	1.35	1.84	1.41	1.96	1.56
% Chg Same Qtr Last Yr.....	1.46	1.54	1.37	2.19	1.89	1.73	2.04	1.88	1.66	1.41	1.27	1.25	1.84	1.41	1.96	1.56
US GDP (\$) SAAR.....	89026	90379	91258	92470	93550	94582	95599	96419	97330	98148	99007	99947	86009	89624	94051	97727
% Chg Prev Qtr SAAR.....	5.57	6.22	3.95	5.42	4.75	4.49	4.37	3.48	3.83	3.40	3.55	3.85	4.37	4.20	4.94	3.91
% Chg Same Qtr Last Yr.....	3.96	4.44	4.52	5.29	5.08	4.65	4.76	4.27	4.04	3.77	3.57	3.66	4.37	4.20	4.94	3.91
TN PERSONAL INCOME (2017\$) SAAR.....	54613	54899	54953	54887	55187	55491	55834	55973	56337	56700	57020	57032	54121	54713	55350	56507
% Chg Prev Qtr SAAR.....	1.69	2.11	0.40	-0.48	2.21	2.22	2.49	1.00	2.63	2.60	2.27	0.09	2.30	1.09	1.16	2.09
% Chg Same Qtr Last Yr.....	0.85	1.14	0.83	0.92	1.05	1.08	1.60	1.98	2.08	2.18	2.12	1.89	2.30	1.09	1.16	2.09
US PERSONAL INCOME (2017\$) SAAR.....	60212	60251	60307	60747	61188	61621	62071	62658	63058	63418	63734	64163	59121	60139	61407	63217
% Chg Prev Qtr SAAR.....	2.89	0.26	0.37	2.95	2.93	2.87	2.95	3.83	2.58	2.30	2.01	2.72	1.96	1.72	2.11	2.95
% Chg Same Qtr Last Yr.....	1.98	1.77	1.45	1.61	1.62	2.27	2.93	3.15	3.06	2.92	2.68	2.40	1.96	1.72	2.11	2.95
TN PERSONAL INCOME (\$) SAAR.....	69044	69902	70629	71126	71994	72817	73683	74195	75085	75997	76909	77331	66931	69492	72405	75546
% Chg Prev Qtr SAAR.....	3.86	5.06	4.22	2.84	4.97	4.65	4.84	2.81	4.89	4.95	4.89	2.22	4.98	3.83	4.19	4.34
% Chg Same Qtr Last Yr.....	3.32	3.91	3.92	3.99	4.27	4.17	4.32	4.32	4.29	4.37	4.38	4.23	4.98	3.83	4.19	4.34
US PERSONAL INCOME (\$) SAAR.....	76122	76702	77396	78629	79741	80814	81869	83032	84042	84986	85858	86861	73115	76352	80264	84480
% Chg Prev Qtr SAAR.....	5.08	3.08	3.67	6.53	5.78	5.50	5.32	5.81	4.95	4.57	4.17	4.76	4.62	4.43	5.12	5.25
% Chg Same Qtr Last Yr.....	4.47	4.54	4.40	4.58	4.75	5.36	5.78	5.60	5.39	5.16	4.87	4.61	4.62	4.43	5.12	5.25
TN TAXABLE SALES (2017\$).....	5872	5986	5978	5913	5905	5904	5923	5923	5966	6001	6037	6037	23713	23644	23645	23928
% Chg Prev Qtr SAAR.....	4.41	8.01	-0.50	-4.31	-0.52	-0.08	1.27	0.03	2.92	2.39	2.42	0.00	0.66	-0.29	0.00	1.20
% Chg Same Qtr Last Yr.....	0.09	0.51	-0.02	1.79	0.57	-1.37	-0.93	0.18	1.03	1.65	1.94	1.93	0.66	-0.29	0.00	1.20
TN TAXABLE SALES (\$).....	7423	7622	7684	7662	7704	7748	7816	7852	7951	8044	8143	8186	29326	30034	30930	31990
% Chg Prev Qtr SAAR.....	6.63	11.13	3.30	-1.12	2.18	2.30	3.60	1.82	5.19	4.73	5.04	2.12	3.31	2.41	2.98	3.43
% Chg Same Qtr Last Yr.....	2.53	3.27	3.04	4.89	3.78	1.65	1.73	2.47	3.22	3.82	4.18	4.26	3.31	2.41	2.98	3.43

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2017 dollars) December 2025

	Forecast Data												Annual				
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
TN PERSONAL INCOME.....	393896	395550	397616	398011	400676	402869	405087	407585	411690	414370	417041	419392	422625	388670	396268	404054	415623
% Chg Prev Qtr SAAR.....	2.58	1.69	2.11	0.40	2.71	2.21	2.22	2.49	4.09	2.63	2.60	2.27	3.12	3.23	1.95	1.96	2.86
% Chg Same Qtr Last Yr.....	2.42	1.71	2.00	1.69	1.72	1.85	1.88	2.41	2.75	2.85	2.95	2.90	2.66	3.23	1.95	1.96	2.86
WAGES AND SALARIES.....	187941	189474	190344	190278	190921	191748	192602	193680	195046	196189	197490	198529	199683	185753	189509	192238	196813
% Chg Prev Qtr SAAR.....	1.64	3.30	1.85	-0.14	1.36	1.74	1.79	2.26	2.85	2.36	2.68	2.12	2.35	2.86	2.02	1.44	2.38
% Chg Same Qtr Last Yr.....	2.42	2.04	1.98	1.65	1.59	1.20	1.19	1.79	2.16	2.32	2.54	2.50	2.38	2.86	2.02	1.44	2.38
OTHER LABOR INCOME.....	37661	38002	38302	38544	38785	39072	39479	39863	40325	40692	41005	41329	41712	37097	38127	39300	40838
% Chg Prev Qtr SAAR.....	3.83	3.67	3.20	2.55	2.52	3.00	4.23	3.94	4.72	3.69	3.12	3.19	3.77	3.90	2.78	3.08	3.91
% Chg Same Qtr Last Yr.....	2.72	2.38	2.70	3.31	2.99	2.82	3.07	3.42	3.97	4.14	3.87	3.68	3.44	3.90	2.78	3.08	3.91
PROPRIETORS INCOME.....	59976	59464	59736	60084	60507	60964	61335	61814	62446	62896	63262	63671	64135	58982	59815	61155	63069
% Chg Prev Qtr SAAR.....	3.94	-3.37	1.84	2.35	2.84	3.06	2.46	3.16	4.15	2.91	2.34	2.62	2.95	2.16	1.41	2.24	3.13
% Chg Same Qtr Last Yr.....	2.61	0.95	0.94	1.15	0.89	2.52	2.68	2.88	3.21	3.17	3.14	3.00	2.70	2.16	1.41	2.24	3.13
RENT, INTEREST, DIVIDENDS.....	62035	61895	61877	61744	61732	61831	61932	62070	62432	62737	62963	63264	63576	61852	61888	61892	62849
% Chg Prev Qtr SAAR.....	1.47	-0.90	-0.11	-0.86	-0.08	0.64	0.65	0.89	2.35	1.97	1.45	1.92	1.98	2.79	0.06	0.01	1.55
% Chg Same Qtr Last Yr.....	0.13	-0.08	0.29	-0.10	-0.49	-0.10	0.09	0.53	1.13	1.46	1.66	1.92	1.83	2.79	0.06	0.01	1.55
TRANSFER PAYMENTS.....	78891	79532	80171	80027	81278	81710	82144	82521	83842	84328	84815	85098	86112	76978	79655	81913	84521
% Chg Prev Qtr SAAR.....	4.90	3.29	3.25	-0.71	6.40	2.14	2.14	1.85	6.56	2.34	2.33	1.34	4.85	5.23	3.48	2.83	3.18
% Chg Same Qtr Last Yr.....	4.45	2.96	3.87	2.66	3.03	2.74	2.46	3.12	3.15	3.20	3.25	3.12	2.71	5.23	3.48	2.83	3.18
LESS: PERS CONT FOR SOC INS.....	30742	30937	30944	30812	30705	30624	30580	30545	30587	30664	30695	30707	30808	30178	30859	30614	30663
% Chg Prev Qtr SAAR.....	4.33	2.57	0.09	-1.71	-1.38	-1.04	-0.58	-0.45	0.54	1.01	0.41	0.16	1.32	4.87	2.25	-0.79	0.16
% Chg Same Qtr Last Yr.....	3.28	2.51	1.95	1.30	-0.12	-1.01	-1.18	-0.86	-0.38	0.13	0.37	0.53	0.72	4.87	2.25	-0.79	0.16
RESIDENCE ADJUSTMENT.....	-1865	-1879	-1869	-1855	-1842	-1833	-1825	-1819	-1814	-1807	-1800	-1792	-1785	-1813	-1867	-1830	-1803
% Chg Prev Qtr SAAR.....	6.36	3.14	-2.06	-3.05	-2.67	-2.01	-1.71	-1.46	-1.02	-1.44	-1.64	-1.72	-1.58	-12.61	2.95	-1.99	-1.45
% Chg Same Qtr Last Yr.....	5.85	2.90	2.16	1.02	-1.19	-2.45	-2.36	-1.96	-1.55	-1.41	-1.39	-1.45	-1.59	-12.61	2.95	-1.99	-1.45
PER CAPITA PERSONAL INCOME (\$),...	54385	54613	54899	54953	54887	55187	55491	55834	55973	56337	56700	57020	57032	54121	54713	55350	56507
% Chg Prev Qtr SAAR.....	-0.84	1.69	2.11	0.40	-0.48	2.21	2.22	2.49	1.00	2.63	2.60	2.27	0.09	2.30	1.09	1.16	2.09
% Chg Same Qtr Last Yr.....	1.56	0.85	1.14	0.83	0.92	1.05	1.08	1.60	1.98	2.08	2.18	2.12	1.89	2.30	1.09	1.16	2.09

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars)

	Forecast Data												Annual				
	History												2024	2025	2026	2027	
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
TN PERSONAL INCOME.....	495360	500070	506283	511547	519217	525557	531567	537988	545718	552266	558972	565681	573045	480671	503315	528557	556559
% Chg Prev Qtr SAAR.....	6.10	3.86	5.06	4.22	6.13	4.97	4.65	4.84	5.95	4.89	4.95	4.89	5.31	5.93	4.71	5.02	5.13
% Chg Same Qtr Last Yr.....	5.05	4.20	4.80	4.81	4.82	5.10	4.99	5.15	5.10	5.08	5.16	5.17	5.01	5.93	4.71	5.02	5.13
WAGES AND SALARIES.....	236352	239540	242364	244556	247406	250143	252738	255599	258544	261477	264701	267778	270753	229724	240703	251471	263125
% Chg Prev Qtr SAAR.....	5.12	5.51	4.80	3.67	4.74	4.50	4.21	4.60	4.69	4.62	5.02	4.73	4.52	5.55	4.78	4.47	4.63
% Chg Same Qtr Last Yr.....	5.04	4.53	4.78	4.77	4.68	4.43	4.28	4.52	4.50	4.53	4.73	4.77	4.72	5.55	4.78	4.47	4.63
OTHER LABOR INCOME.....	47361	48043	48770	49539	50259	50971	51806	52607	53453	54233	54960	55744	56558	45878	48429	51411	54598
% Chg Prev Qtr SAAR.....	7.39	5.88	6.19	6.46	5.94	5.79	6.71	6.33	6.59	5.97	5.47	5.83	5.97	6.62	5.56	6.16	6.20
% Chg Same Qtr Last Yr.....	5.35	4.88	5.51	6.48	6.12	6.09	6.22	6.19	6.35	6.40	6.09	5.96	5.81	6.62	5.56	6.16	6.20
PROPRIETORS INCOME.....	75425	75177	76062	77224	78408	79530	80486	81576	82776	83827	84791	85881	86962	72944	75972	80000	84319
% Chg Prev Qtr SAAR.....	7.51	-1.31	4.79	6.25	6.28	5.85	4.90	5.53	6.02	5.18	4.68	5.24	5.13	4.83	4.15	5.30	5.40
% Chg Same Qtr Last Yr.....	5.24	3.42	3.71	4.26	3.96	5.79	5.82	5.64	5.57	5.40	5.35	5.28	5.06	4.83	4.15	5.30	5.40
RENT, INTEREST, DIVIDENDS..	78014	78250	78788	79357	79996	80661	81269	81914	82757	83614	84392	85332	86203	76489	78602	80960	84024
% Chg Prev Qtr SAAR.....	4.96	1.21	2.78	2.92	3.26	3.37	3.05	3.21	4.18	4.21	3.77	4.53	4.15	5.46	2.76	3.00	3.78
% Chg Same Qtr Last Yr.....	2.69	2.36	3.04	2.96	2.54	3.08	3.15	3.22	3.45	3.66	3.84	4.17	4.16	5.46	2.76	3.00	3.78
TRANSFER PAYMENTS.....	99213	100548	102081	102856	105324	106594	107791	108903	111137	112391	113680	114781	116761	95202	101174	107153	112997
% Chg Prev Qtr SAAR.....	8.50	5.49	6.24	3.07	9.95	4.91	4.57	4.19	8.46	4.59	4.67	3.93	7.08	7.99	6.27	5.91	5.45
% Chg Same Qtr Last Yr.....	7.12	5.48	6.72	5.81	6.16	6.01	5.59	5.88	5.52	5.44	5.46	5.40	5.06	7.99	6.27	5.91	5.45
LESS: PERS CONT FOR SOC II	38660	39112	39401	39601	39789	39951	40128	40311	40544	40868	41141	41418	41773	37322	39194	40045	40993
% Chg Prev Qtr SAAR.....	7.91	4.76	2.99	2.04	1.91	1.64	1.79	1.83	2.34	3.23	2.70	2.72	3.47	7.61	5.01	2.17	2.37
% Chg Same Qtr Last Yr.....	5.93	5.02	4.74	4.40	2.92	2.14	1.84	1.79	1.90	2.30	2.52	2.75	3.03	7.61	5.01	2.17	2.37
RESIDENCE ADJUSTMENT.....	-2345	-2376	-2380	-2384	-2388	-2391	-2395	-2400	-2404	-2409	-2412	-2417	-2420	-2243	-2371	-2393	-2411
% Chg Prev Qtr SAAR.....	10.01	5.34	0.77	0.65	0.58	0.64	0.63	0.80	0.75	0.73	0.61	0.79	0.51	-10.32	5.73	0.94	0.72
% Chg Same Qtr Last Yr.....	8.56	5.41	4.96	4.12	1.82	0.66	0.62	0.66	0.70	0.73	0.72	0.72	0.66	-10.32	5.73	0.94	0.72
PER CAPITA PERSONAL INCOME	68394	69044	69902	70629	71126	71994	72817	73683	74195	75085	75997	76909	77331	66931	69492	72405	75546
% Chg Prev Qtr SAAR.....	2.56	3.86	5.06	4.22	2.84	4.97	4.65	4.84	2.81	4.89	4.95	4.89	2.22	4.98	3.83	4.19	4.34
% Chg Same Qtr Last Yr.....	4.16	3.32	3.91	3.92	3.99	4.27	4.17	4.32	4.32	4.29	4.37	4.38	4.23	4.98	3.83	4.19	4.34

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Table 5. Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **December 2025**

	History				Forecast Data												Annual		
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027		
TOTAL NONFARM.....	3381.9	3394.3	3406.2	3410.6	3419.6	3426.1	3432.7	3440.2	3449.6	3460.6	3472.8	3483.2	3493.8	3374.3	3398.2	3429.6	3466.6		
% Chg Prev Qtr SAAR.....	-0.27	1.47	1.42	0.51	1.06	0.76	0.77	0.88	1.09	1.29	1.42	1.20	1.23	1.22	0.71	0.92	1.08		
% Chg Same Qtr Last Yr.....	0.54	0.59	0.93	0.78	1.12	0.94	0.78	0.87	0.88	1.01	1.17	1.25	1.28	1.22	0.71	0.92	1.08		
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	167.7	165.7	167.7	167.3	167.0	166.8	166.4	166.2	166.4	166.6	166.9	167.4	167.8	168.3	167.1	166.6	166.8		
% Chg Prev Qtr SAAR.....	-4.03	-4.61	5.01	-0.93	-0.89	-0.45	-0.89	-0.47	0.50	0.53	0.72	0.98	1.04	4.39	-0.71	-0.31	0.15		
% Chg Same Qtr Last Yr.....	0.66	-1.64	-0.63	-1.21	-0.41	0.65	-0.79	-0.68	-0.33	-0.08	0.32	0.68	0.82	4.39	-0.71	-0.31	0.15		
MANUFACTURING.....	364.9	362.0	361.8	361.6	361.6	361.5	361.7	362.0	362.7	363.5	364.3	365.1	366.0	364.6	362.6	361.7	363.9		
% Chg Prev Qtr SAAR.....	0.03	-3.10	-0.23	-0.24	-0.05	-0.07	0.23	0.32	0.79	0.86	0.91	0.92	0.98	-0.25	-0.56	-0.25	0.61		
% Chg Same Qtr Last Yr.....	0.01	-1.01	-0.33	-0.89	-0.91	-0.15	-0.03	0.11	0.31	0.55	0.72	0.87	0.92	-0.25	-0.56	-0.25	0.61		
DURABLE GOODS.....	236.8	235.4	235.3	235.3	235.3	235.3	235.6	236.0	236.7	237.5	238.4	239.3	240.3	235.1	235.7	235.5	238.0		
% Chg Prev Qtr SAAR.....	1.13	-2.34	-0.16	-0.01	0.03	0.03	0.42	0.68	1.22	1.38	1.54	1.56	1.57	0.14	0.26	-0.06	1.04		
% Chg Same Qtr Last Yr.....	0.94	-0.12	0.56	-0.35	-0.63	-0.03	0.12	0.29	0.59	0.93	1.20	1.43	1.51	0.14	0.26	-0.06	1.04		
NONDURABLE GOODS.....	128.1	126.7	126.5	126.3	126.3	126.2	126.2	126.0	126.0	126.0	125.9	125.8	125.8	129.5	126.9	126.2	125.9		
% Chg Prev Qtr SAAR.....	-1.98	-4.50	-0.37	-0.64	-0.18	-0.27	-0.13	-0.36	-0.02	-0.10	-0.25	-0.28	-0.14	-0.94	-2.03	-0.59	-0.18		
% Chg Same Qtr Last Yr.....	-1.66	-2.62	-1.95	-1.89	-1.44	-0.37	-0.31	-0.24	-0.20	-0.16	-0.18	-0.16	-0.19	-0.94	-2.03	-0.59	-0.18		
TRADE, TRANSPORTATION, UTILITIES.....	695.4	699.0	701.9	705.1	706.0	706.9	707.7	708.7	709.5	710.8	712.2	713.5	714.4	695.3	700.4	707.4	711.5		
% Chg Prev Qtr SAAR.....	0.27	2.09	1.64	1.85	0.52	0.49	0.49	0.57	0.43	0.75	0.77	0.73	0.51	1.29	0.72	1.00	0.59		
% Chg Same Qtr Last Yr.....	0.42	0.44	0.59	1.46	1.52	1.12	0.83	0.52	0.49	0.56	0.63	0.67	0.69	1.29	0.72	1.00	0.59		
WHOLESALE TRADE.....	137.9	139.2	139.1	139.5	139.8	140.0	140.2	140.4	140.8	141.3	141.6	142.1	142.5	136.9	138.9	140.1	141.4		
% Chg Prev Qtr SAAR.....	1.56	3.92	-0.43	1.39	0.71	0.54	0.62	0.70	0.94	1.47	0.94	1.44	1.09	2.00	1.49	0.85	0.96		
% Chg Same Qtr Last Yr.....	1.30	1.78	1.27	1.60	1.39	0.55	0.81	0.64	0.70	0.93	1.01	1.20	1.23	2.00	1.49	0.85	0.96		
RETAIL TRADE.....	346.6	348.9	351.2	353.0	353.2	353.6	353.9	354.2	354.1	354.3	354.9	355.5	355.8	345.8	349.9	353.7	354.7		
% Chg Prev Qtr SAAR.....	1.87	2.64	2.61	2.07	0.29	0.39	0.40	0.37	-0.18	0.28	0.69	0.65	0.35	0.22	1.20	1.09	0.28		
% Chg Same Qtr Last Yr.....	0.47	0.67	1.37	2.30	1.90	1.33	0.78	0.36	0.24	0.22	0.29	0.36	0.49	0.22	1.20	1.09	0.28		
TRANSPORTATION & UTILITIES.....	210.9	210.9	211.7	212.6	213.0	213.4	213.6	214.1	214.7	215.2	215.7	215.9	216.1	212.7	211.5	213.5	215.4		
% Chg Prev Qtr SAAR.....	-3.10	0.00	1.42	1.79	0.79	0.61	0.54	0.81	1.11	1.04	0.80	0.41	0.39	2.61	-0.54	0.94	0.86		
% Chg Same Qtr Last Yr.....	-0.24	-0.82	-1.13	0.01	1.00	1.15	0.93	0.69	0.77	0.87	0.94	0.84	0.66	2.61	-0.54	0.94	0.86		
INFORMATION.....	53.7	54.5	54.6	54.7	54.8	54.8	54.7	54.6	54.7	54.7	54.7	54.7	54.6	54.6	54.4	54.7	54.7		
% Chg Prev Qtr SAAR.....	-4.35	6.35	0.59	0.33	0.69	0.37	-0.71	-0.58	0.38	-0.18	0.13	0.10	-0.61	-2.27	-0.44	0.64	-0.09		
% Chg Same Qtr Last Yr.....	-2.42	-0.12	0.15	0.66	1.96	0.49	0.17	-0.06	-0.14	-0.27	-0.06	0.11	-0.14	-2.27	-0.44	0.64	-0.09		
FINANCIAL ACTIVITIES.....	193.3	191.1	190.8	191.2	191.6	192.2	192.6	193.2	193.7	194.2	194.9	195.2	195.8	192.6	191.6	192.4	194.5		
% Chg Prev Qtr SAAR.....	1.32	-4.54	-0.60	0.73	1.02	1.11	0.96	1.08	1.04	1.22	1.30	0.77	1.21	0.55	-0.51	0.42	1.09		
% Chg Same Qtr Last Yr.....	0.55	-0.80	-1.01	-0.80	-0.87	0.56	0.95	1.04	1.05	1.07	1.16	1.08	1.12	0.55	-0.51	0.42	1.09		

(CONTINUED ON NEXT PAGE)

Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)

	Forecast Data												Annual				
	History			Forecast Data									Annual				
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
PROFESSIONAL & BUSINESS SERVICES...	450.5	455.7	460.1	463.6	466.6	469.0	471.8	474.2	476.0	478.2	480.8	482.4	484.3	452.8	457.5	470.4	479.3
% Chg Prev Qtr SAAR.....	1.28	4.73	3.91	3.09	2.56	2.10	2.38	2.09	1.48	1.91	2.16	1.34	1.60	-2.15	1.05	2.82	1.90
% Chg Same Qtr Last Yr.....	-1.09	0.21	1.85	3.24	3.57	2.91	2.53	2.28	2.01	1.96	1.91	1.72	1.75	-2.15	1.05	2.82	1.90
EDUCATION & HEALTH SERVICES.....	491.9	495.6	495.8	495.3	496.3	497.5	498.6	499.9	502.9	506.4	509.9	513.5	516.9	492.9	494.7	498.1	508.2
% Chg Prev Qtr SAAR.....	-3.94	3.04	0.10	-0.35	0.81	0.97	0.90	1.04	2.41	2.83	2.77	2.82	2.70	4.00	0.36	0.70	2.02
% Chg Same Qtr Last Yr.....	0.74	0.76	0.27	-0.32	0.89	0.38	0.58	0.93	1.33	1.79	2.26	2.71	2.78	4.00	0.36	0.70	2.02
LEISURE & HOSPITALITY.....	370.9	374.1	374.8	375.6	376.8	377.8	378.9	380.4	381.9	383.6	385.7	387.3	388.9	367.7	373.8	378.5	384.6
% Chg Prev Qtr SAAR.....	1.30	3.53	0.71	0.95	1.24	1.01	1.17	1.68	1.51	1.87	2.14	1.70	1.62	1.43	1.67	1.24	1.63
% Chg Same Qtr Last Yr.....	1.11	1.88	2.09	1.62	1.60	0.98	1.09	1.27	1.34	1.56	1.80	1.80	1.83	1.43	1.67	1.24	1.63
OTHER SERVICES.....	134.1	135.1	136.0	136.5	136.9	137.3	137.7	138.2	138.7	139.1	139.6	140.1	140.6	132.0	135.4	137.5	139.4
% Chg Prev Qtr SAAR.....	2.63	2.91	2.80	1.45	1.08	1.17	1.26	1.43	1.30	1.31	1.42	1.39	1.50	2.82	2.63	1.54	1.33
% Chg Same Qtr Last Yr.....	2.13	2.79	3.14	2.45	2.06	1.62	1.24	1.23	1.29	1.32	1.36	1.35	1.40	2.82	2.63	1.54	1.33
GOVERNMENT.....	459.4	461.3	462.7	459.5	462.0	462.3	462.5	462.7	463.2	463.4	463.9	464.0	464.5	453.5	460.7	462.4	463.6
% Chg Prev Qtr SAAR.....	0.35	1.64	1.22	-2.70	2.19	0.27	0.13	0.18	0.45	0.14	0.44	0.13	0.41	1.80	1.59	0.36	0.27
% Chg Same Qtr Last Yr.....	1.98	2.11	2.19	0.11	0.57	0.23	-0.04	0.69	0.25	0.22	0.30	0.29	0.28	1.80	1.59	0.36	0.27
FEDERAL, CIVILIAN.....	59.1	58.8	58.0	54.3	56.2	56.2	56.2	56.2	56.1	56.1	56.0	56.0	56.0	58.4	57.6	56.2	56.1
% Chg Prev Qtr SAAR.....	1.14	-1.79	-5.50	-22.99	14.70	0.09	-0.40	-0.13	-0.27	-0.33	-0.34	-0.36	-0.12	4.87	-1.38	-2.36	-0.26
% Chg Same Qtr Last Yr.....	2.43	1.20	-1.24	-7.79	-4.85	-4.39	-3.13	3.37	-0.18	-0.28	-0.27	-0.33	-0.29	4.87	-1.38	-2.36	-0.26
STATE & LOCAL.....	400.3	402.5	404.7	405.2	405.8	406.1	406.3	406.5	407.1	407.3	407.8	408.0	408.5	395.1	403.2	406.2	407.6
% Chg Prev Qtr SAAR.....	0.23	2.15	2.23	0.51	0.59	0.29	0.20	0.22	0.55	0.20	0.55	0.20	0.48	1.36	2.03	0.75	0.34
% Chg Same Qtr Last Yr.....	1.92	2.24	2.71	1.28	1.37	0.90	0.40	0.32	0.31	0.29	0.38	0.37	0.36	1.36	2.03	0.75	0.34

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Table 6: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **December 2025**

	Forecast Data												Annual				
	History												2024	2025	2026	2027	
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
TOTAL DURABLE GOODS.....	236.8	235.4	235.3	235.3	235.3	235.3	235.6	236.0	236.7	237.5	238.4	239.3	240.3	235.1	235.7	235.5	238.0
% Chg Prev Qtr SAAR.....	1.13	-2.34	-0.16	-0.01	0.03	0.03	0.42	0.68	1.22	1.38	1.54	1.56	1.57	0.14	0.26	-0.06	1.04
% Chg Same Qtr Last Yr.....	0.94	-0.12	0.56	-0.35	-0.63	-0.03	0.12	0.29	0.59	0.93	1.20	1.43	1.51	0.14	0.26	-0.06	1.04
WOOD PRODUCTS.....	13.3	13.2	13.2	13.2	13.2	13.2	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.4	13.2	13.2	13.3
% Chg Prev Qtr SAAR.....	1.24	-3.50	-0.20	-0.31	0.49	0.49	0.44	0.06	0.40	0.63	0.25	0.34	0.42	-2.20	-1.08	-0.03	0.37
% Chg Same Qtr Last Yr.....	-1.97	-1.78	0.18	-0.71	-0.89	0.12	0.28	0.37	0.35	0.38	0.33	0.40	0.41	-2.20	-1.08	-0.03	0.37
NONMETALLIC MINERALS.....	15.4	15.4	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.4	15.3	15.3
% Chg Prev Qtr SAAR.....	1.18	-1.05	-0.34	-0.07	-0.56	0.13	-0.59	0.58	-0.69	-0.49	0.25	0.20	0.58	-0.12	0.48	-0.28	-0.18
% Chg Same Qtr Last Yr.....	0.88	0.42	0.71	-0.07	-0.51	-0.21	-0.27	-0.11	-0.14	-0.30	-0.09	-0.18	0.13	-0.12	0.48	-0.28	-0.18
PRIMARY METALS.....	11.2	11.2	11.2	11.1	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.1	11.2	11.2	11.2
% Chg Prev Qtr SAAR.....	1.80	-1.88	-0.97	-0.83	0.71	0.73	0.93	0.77	0.15	-0.76	-0.77	0.37	0.67	-0.46	0.70	0.08	0.13
% Chg Same Qtr Last Yr.....	2.08	0.90	0.32	-0.48	-0.75	-0.09	0.38	0.78	0.64	0.27	-0.15	-0.25	-0.12	-0.46	0.70	0.08	0.13
FABRICATED METALS.....	43.1	42.9	42.8	42.9	42.9	43.0	43.0	43.0	43.1	43.1	43.2	43.2	43.2	42.2	42.9	43.0	43.1
% Chg Prev Qtr SAAR.....	2.32	-1.50	-0.79	0.64	0.37	0.19	0.41	0.43	0.32	0.41	0.46	0.36	0.31	-0.41	1.73	0.13	0.38
% Chg Same Qtr Last Yr.....	3.02	1.98	1.81	0.16	-0.32	0.10	0.40	0.35	0.34	0.39	0.40	0.39	0.38	-0.41	1.73	0.13	0.38
MACHINERY.....	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.0	25.0	25.0	25.0	25.0	24.8	25.1	25.1	25.0
% Chg Prev Qtr SAAR.....	3.64	0.14	-0.37	-0.16	-0.45	-0.25	-0.09	0.02	-0.55	-0.54	0.06	-0.45	-0.05	-0.20	1.44	-0.24	-0.28
% Chg Same Qtr Last Yr.....	1.75	1.79	1.45	0.80	-0.21	-0.31	-0.24	-0.19	-0.22	-0.29	-0.25	-0.37	-0.25	-0.20	1.44	-0.24	-0.28
COMPUTERS & ELECTRONICS.....	7.8	7.8	7.9	7.9	7.9	8.0	8.1	8.1	8.1	8.2	8.2	8.3	8.3	7.6	7.9	8.0	8.2
% Chg Prev Qtr SAAR.....	3.11	1.69	1.78	1.91	1.66	3.47	3.07	1.55	1.97	2.26	2.03	1.31	2.35	-2.66	3.14	2.23	2.14
% Chg Same Qtr Last Yr.....	3.09	4.03	3.34	2.12	1.76	2.20	2.52	2.43	2.51	2.21	1.95	1.89	1.99	-2.66	3.14	2.23	2.14
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	22.26	22.13	22.08	22.07	22.05	22.06	22.05	22.04	22.05	22.02	22.03	22.03	22.00	21.77	22.14	22.05	22.03
% Chg Prev Qtr SAAR.....	1.31	-2.32	-0.98	-0.17	-0.33	0.15	-0.11	-0.30	0.20	-0.48	0.11	-0.04	-0.40	12.38	1.69	-0.39	-0.09
% Chg Same Qtr Last Yr.....	3.83	2.17	1.38	-0.55	-0.95	-0.33	-0.12	-0.15	-0.02	-0.17	-0.12	-0.05	-0.20	12.38	1.69	-0.39	-0.09
TRANSPORTATION EQUIP.....	74.24	73.44	73.55	73.52	73.53	73.45	73.59	73.90	74.61	75.41	76.27	77.16	77.97	74.85	73.69	73.62	75.86
% Chg Prev Qtr SAAR.....	-0.47	-4.27	0.59	-0.17	0.08	-0.43	0.77	1.66	3.91	4.36	4.64	4.76	4.25	-0.19	-1.55	-0.09	3.05
% Chg Same Qtr Last Yr.....	-1.09	-3.00	-0.99	-1.10	-0.96	0.02	0.06	0.52	1.47	2.66	3.64	4.42	4.50	-0.19	-1.55	-0.09	3.05
FURNITURE.....	9.14	9.06	9.04	9.05	9.06	9.06	9.07	9.07	9.06	9.06	9.06	9.06	9.07	8.95	9.07	9.06	9.06
% Chg Prev Qtr SAAR.....	-0.67	-3.30	-0.77	0.33	0.27	0.22	0.33	0.15	-0.43	0.09	-0.29	0.16	0.40	1.31	1.32	-0.09	-0.03
% Chg Same Qtr Last Yr.....	4.08	1.01	1.40	-1.11	-0.88	0.01	0.29	0.24	0.07	0.03	-0.12	-0.12	0.09	1.31	1.32	-0.09	-0.03
MISCELLANEOUS DURABLES.....	15.15	15.10	15.09	15.05	15.01	14.97	14.96	14.95	14.92	14.92	14.88	14.85	14.86	15.15	15.10	14.97	14.89
% Chg Prev Qtr SAAR.....	0.87	-1.40	-0.28	-0.92	-1.20	-0.82	-0.28	-0.36	-0.70	0.01	-1.16	-0.90	0.22	-7.58	-0.37	-0.81	-0.53
% Chg Same Qtr Last Yr.....	-1.10	-0.47	0.57	-0.44	-0.95	-0.81	-0.81	-0.67	-0.54	-0.33	-0.55	-0.69	-0.46	-7.58	-0.37	-0.81	-0.53

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

	Forecast Data												December 2025				
	History												Annual				
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
TOTAL NONDURABLE GOODS.....	128.1	126.7	126.5	126.3	126.3	126.3	126.2	126.0	126.0	126.0	125.9	125.8	125.8	129.5	126.9	126.2	125.9
% Chg Prev Qtr SAAR.....	-1.98	-4.50	-0.37	-0.64	-0.18	-0.27	-0.13	-0.36	-0.02	-0.10	-0.25	-0.28	-0.14	-0.94	-2.03	-0.59	-0.18
% Chg Same Qtr Last Yr.....	-1.66	-2.62	-1.95	-1.89	-1.44	-0.37	-0.31	-0.24	-0.20	-0.16	-0.18	-0.16	-0.19	-0.94	-2.03	-0.59	-0.18
FOOD.....	40.7	40.3	40.3	40.2	40.2	40.2	40.2	40.2	40.3	40.3	40.3	40.3	40.3	41.1	40.4	40.2	40.3
% Chg Prev Qtr SAAR.....	-2.97	-3.38	-0.72	-0.84	0.30	-0.13	0.12	0.29	0.43	0.26	-0.03	-0.21	0.03	0.38	-1.66	-0.38	0.20
% Chg Same Qtr Last Yr.....	-0.74	-1.74	-2.18	-1.98	-1.17	-0.35	-0.14	0.14	0.18	0.27	0.24	0.11	0.01	0.38	-1.66	-0.38	0.20
BEVERAGE & TOBACCO.....	7.0	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.0	6.8	6.7	6.7
% Chg Prev Qtr SAAR.....	0.73	-13.82	0.95	0.49	-0.10	0.29	0.65	-0.09	0.53	-0.20	0.22	-0.13	0.11	-4.88	-3.37	-0.62	0.20
% Chg Same Qtr Last Yr.....	-2.50	-4.72	-3.14	-3.13	-3.33	0.41	0.33	0.19	0.34	0.22	0.11	0.10	0.00	-4.88	-3.37	-0.62	0.20
PAPER.....	12.4	12.3	12.3	12.2	12.2	12.1	12.1	12.0	12.0	12.0	11.9	11.9	11.8	12.7	12.3	12.1	11.9
% Chg Prev Qtr SAAR.....	4.37	-3.72	-1.62	-1.61	-1.47	-1.34	-1.57	-1.46	-1.10	-1.68	-1.74	-1.63	-1.64	-2.42	-3.32	-1.65	-1.46
% Chg Same Qtr Last Yr.....	-3.16	-3.62	-3.66	-2.84	-2.11	-1.51	-1.50	-1.46	-1.37	-1.45	-1.50	-1.54	-1.67	-2.42	-3.32	-1.65	-1.46
PRINTING & RELATED SUPPORT.....	7.7	7.6	7.7	7.6	7.6	7.6	7.6	7.5	7.5	7.4	7.4	7.4	7.3	7.9	7.7	7.6	7.4
% Chg Prev Qtr SAAR.....	1.01	-1.91	0.85	-1.38	-1.87	-1.10	-2.22	-2.02	-2.09	-1.99	-1.03	-1.47	-1.95	-3.88	-2.45	-1.35	-1.84
% Chg Same Qtr Last Yr.....	-4.13	-3.46	-1.75	-0.37	-1.08	-0.88	-1.64	-1.80	-1.86	-2.08	-1.78	-1.65	-1.61	-3.88	-2.45	-1.35	-1.84
CHEMICALS.....	26.9	26.5	26.4	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	27.1	26.5	26.3	26.3
% Chg Prev Qtr SAAR.....	-1.85	-5.79	-1.16	-0.81	0.13	-0.19	0.06	-0.31	0.34	0.16	-0.59	0.12	0.35	0.58	-2.21	-0.69	-0.01
% Chg Same Qtr Last Yr.....	-1.24	-2.84	-2.34	-2.42	-1.93	-0.51	-0.20	-0.08	-0.03	0.06	-0.10	0.01	0.01	0.58	-2.21	-0.69	-0.01
PLASTICS & RUBBER.....	23.6	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	24.7	23.4	23.3	23.3
% Chg Prev Qtr SAAR.....	-9.19	-5.59	0.68	0.07	-0.16	-0.09	0.28	-0.60	-0.43	0.41	0.34	-0.23	0.27	-1.28	-5.17	-0.32	-0.09
% Chg Same Qtr Last Yr.....	-4.96	-6.89	-5.18	-3.59	-1.28	0.12	0.02	-0.14	-0.21	-0.09	-0.07	0.02	0.20	-1.28	-5.17	-0.32	-0.09
MISCELLANEOUS NONDURABLE GOODS.....	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.1	9.9	9.9	9.9
% Chg Prev Qtr SAAR.....	21.74	1.02	0.47	-0.08	-0.17	0.14	0.21	-0.17	0.64	-0.07	0.49	0.66	-0.11	-2.44	8.54	0.11	0.25
% Chg Same Qtr Last Yr.....	6.73	9.72	12.58	5.41	0.31	0.09	0.02	0.00	0.20	0.15	0.22	0.43	0.24	-2.44	8.54	0.11	0.25

Boyd Center for Business and Economic Research, University of Tennessee Tennessee Econometric Model

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2017 dollars)

	Forecast Data												Annual				
	History												2024	2025	2026	2027	
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
TOTAL NONFARM.....	55266	55511	55606	55548	55576	55697	55834	56003	56248	56403	56584	56719	56882	54741	55483	55778	56489
% Chg Prev Qtr SAAR.....	1.92	1.78	0.68	-0.41	0.20	0.87	0.99	1.22	1.76	1.11	1.29	0.96	1.15	1.63	1.36	0.53	1.27
% Chg Same Qtr Last Yr.....	1.88	1.45	1.11	0.99	0.56	0.33	0.41	0.82	1.21	1.27	1.34	1.28	1.13	1.63	1.36	0.53	1.27
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	67706	67864	68161	68097	68147	68322	68598	68835	69258	69596	69921	70196	70346	65667	67957	68475	69743
% Chg Prev Qtr SAAR.....	15.31	0.94	1.76	-0.38	0.29	1.03	1.62	1.39	2.48	1.97	1.88	1.58	0.86	2.45	3.49	0.76	1.85
% Chg Same Qtr Last Yr.....	3.86	3.06	2.81	4.22	0.65	0.67	0.64	1.08	1.63	1.86	1.93	1.98	1.57	2.45	3.49	0.76	1.85
MANUFACTURING.....	61588	61711	61665	61496	61317	61387	61510	61652	61842	61942	62019	62063	62195	61133	61615	61466	61966
% Chg Prev Qtr SAAR.....	5.17	0.80	-0.30	-1.09	-1.16	0.46	0.80	0.93	1.24	0.65	0.50	0.28	0.86	1.52	0.79	-0.24	0.81
% Chg Same Qtr Last Yr.....	1.36	0.28	0.41	1.12	-0.44	-0.53	-0.25	0.25	0.86	0.90	0.83	0.67	0.57	1.52	0.79	-0.24	0.81
DURABLE GOODS.....	61688	61656	61528	61306	61130	61290	61489	61712	61958	62085	62219	62325	62533	61433	61545	61405	62147
% Chg Prev Qtr SAAR.....	3.36	-0.21	-0.83	-1.44	-1.14	1.05	1.30	1.46	1.60	0.82	0.87	0.69	1.34	1.39	0.18	-0.23	1.21
% Chg Same Qtr Last Yr.....	0.81	-0.46	0.18	0.20	-0.91	-0.59	-0.06	0.66	1.35	1.30	1.19	0.99	0.93	1.39	0.18	-0.23	1.21
NONDURABLE GOODS.....	61402	61813	61920	61851	61665	61567	61549	61540	61624	61673	61642	61564	61553	60587	61746	61580	61626
% Chg Prev Qtr SAAR.....	8.59	2.71	0.69	-0.44	-1.20	-0.63	-0.12	-0.06	0.55	0.31	-0.20	-0.50	-0.07	1.74	1.91	-0.27	0.07
% Chg Same Qtr Last Yr.....	2.37	1.64	0.84	2.83	0.43	-0.40	-0.60	-0.50	-0.07	0.17	0.15	0.04	-0.12	1.74	1.91	-0.27	0.07
TRADE, TRANSPORTATION, UTILITIES.....	50043	50519	50691	50882	50734	50829	51001	51173	51412	51566	51728	51846	51943	50396	50484	50934	51638
% Chg Prev Qtr SAAR.....	0.04	3.86	1.37	-0.08	0.41	0.75	1.36	1.36	1.88	1.20	1.26	0.92	0.75	1.27	0.17	0.89	1.38
% Chg Same Qtr Last Yr.....	-0.55	0.02	-0.05	1.29	1.38	0.61	0.61	0.97	1.34	1.45	1.42	1.31	1.03	1.27	0.17	0.89	1.38
WHOLESALE TRADE.....	76485	77370	77742	77693	77882	78064	78369	78756	79056	79406	79764	79949	80190	77809	77322	78268	79544
% Chg Prev Qtr SAAR.....	-1.13	4.71	1.94	-0.25	0.98	0.94	1.57	1.99	1.53	1.78	1.81	0.93	1.21	0.26	-0.63	1.22	1.63
% Chg Same Qtr Last Yr.....	-3.20	-1.14	0.63	1.29	1.83	0.90	0.81	1.37	1.51	1.72	1.78	1.51	1.43	0.26	-0.63	1.22	1.63
RETAIL TRADE.....	33808	34043	34089	33999	33865	33772	33705	33642	33612	33542	33437	33310	33250	33958	33985	33746	33475
% Chg Prev Qtr SAAR.....	6.79	2.81	0.54	-1.04	-1.58	-1.09	-0.79	-0.75	-0.36	-0.82	-1.24	-1.52	-0.72	-1.08	0.08	-0.70	-0.80
% Chg Same Qtr Last Yr.....	-0.78	-0.62	-0.46	2.23	0.17	-0.79	-1.12	-1.05	-0.75	-0.68	-0.79	-0.99	-1.08	-1.08	0.08	-0.70	-0.80
TRANSPORTATION & UTILITIES.....	59441	60052	60416	60562	60771	61062	61477	61855	62397	62712	63163	63607	63830	59476	60118	61291	62970
% Chg Prev Qtr SAAR.....	-3.99	4.18	2.44	0.97	1.39	1.93	2.74	2.49	3.55	2.04	2.91	2.84	1.41	3.55	1.08	1.95	2.74
% Chg Same Qtr Last Yr.....	1.85	1.53	0.12	0.85	2.24	1.68	1.76	2.14	2.68	2.70	2.74	2.83	2.30	3.55	1.08	1.95	2.74
INFORMATION.....	95844	96911	97410	97409	97438	97581	97891	98256	98672	98982	99308	99457	99722	92105	96893	97792	99105
% Chg Prev Qtr SAAR.....	2.61	4.53	2.07	0.00	0.12	0.59	1.28	1.50	1.70	1.26	1.33	0.60	1.07	7.16	5.20	0.93	1.34
% Chg Same Qtr Last Yr.....	8.02	7.53	3.25	2.29	1.66	0.69	0.49	0.87	1.27	1.44	1.45	1.22	1.06	7.16	5.20	0.93	1.34
FINANCIAL ACTIVITIES.....	78676	80485	80577	80553	80674	80933	81312	81629	82017	82362	82706	82879	83259	75368	80073	81137	82491
% Chg Prev Qtr SAAR.....	14.00	9.52	0.46	-0.12	0.60	1.29	1.89	1.57	1.92	1.69	1.68	0.84	1.85	1.65	6.24	1.33	1.67
% Chg Same Qtr Last Yr.....	4.17	7.52	7.51	5.80	2.54	0.56	0.91	1.33	1.66	1.77	1.71	1.53	1.51	1.65	6.24	1.33	1.67

(CONTINUED ON NEXT PAGE)

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2017 dollars)

	Forecast Data												Annual				
	2025:1 - 2028:1												2024	2025	2026	2027	
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4					2028:1
PROFESSIONAL & BUSINESS SERVICES...	66364	66541	66774	66823	66915	67162	67415	67702	68052	68307	68653	68966	69247	66526	66625	67299	68495
% Chg Prev Qtr SAAR.....	-9.01	1.07	1.40	0.30	0.55	1.48	1.51	1.72	2.08	1.51	2.04	1.84	1.64	2.10	0.15	1.01	1.78
% Chg Same Qtr Last Yr.....	2.27	0.46	-0.38	-1.66	0.83	0.93	0.96	1.32	1.70	1.71	1.84	1.87	1.76	2.10	0.15	1.01	1.78
EDUCATION & HEALTH SERVICES.....	55121	54967	54878	54859	54896	54984	55035	55146	55393	55443	55580	55671	55856	53673	54956	55016	55522
% Chg Prev Qtr SAAR.....	9.72	-1.12	-0.65	-0.14	0.27	0.64	0.37	0.81	1.80	0.36	0.99	0.66	1.34	0.46	2.39	0.11	0.92
% Chg Same Qtr Last Yr.....	2.77	2.48	2.45	1.86	-0.41	0.03	0.29	0.52	0.90	0.83	0.99	0.95	0.84	0.46	2.39	0.11	0.92
LEISURE & HOSPITALITY.....	29951	30059	30111	30171	30199	30345	30416	30588	30801	30933	31115	31253	31395	30934	30073	30387	31026
% Chg Prev Qtr SAAR.....	-23.56	1.45	0.69	0.81	0.37	1.95	0.93	2.28	2.82	1.72	2.37	1.79	1.83	3.02	-2.78	1.04	2.10
% Chg Same Qtr Last Yr.....	-0.57	-1.42	-3.15	-5.81	0.83	0.95	1.01	1.38	1.99	1.94	2.30	2.18	1.93	3.02	-2.78	1.04	2.10
OTHER SERVICES.....	48613	48298	48320	48308	48193	48220	48251	48281	48348	48392	48460	48542	48505	47418	48385	48236	48436
% Chg Prev Qtr SAAR.....	11.90	-2.57	0.18	-0.10	-0.95	0.23	0.25	0.25	0.55	0.37	0.56	0.68	-0.31	1.23	2.04	-0.31	0.41
% Chg Same Qtr Last Yr.....	4.46	0.80	0.76	2.21	-0.86	-0.16	-0.14	-0.06	0.32	0.36	0.43	0.54	0.33	1.23	2.04	-0.31	0.41
GOVERNMENT.....	50670	50976	50938	50646	50794	50890	50957	51056	51200	51327	51421	51508	51652	49788	50808	50924	51364
% Chg Prev Qtr SAAR.....	7.32	2.44	-0.30	-2.27	1.17	0.76	0.53	0.78	1.13	1.00	0.73	0.68	1.12	2.34	2.05	0.23	0.86
% Chg Same Qtr Last Yr.....	2.47	2.12	1.87	1.73	0.24	-0.17	0.04	0.81	0.80	0.86	0.91	0.88	0.88	2.34	2.05	0.23	0.86
FEDERAL, CIVILIAN.....	83381	83231	83276	83149	83085	83120	83057	83141	83197	83405	83405	83533	83749	82084	83259	83101	83385
% Chg Prev Qtr SAAR.....	1.65	-0.72	0.22	-0.61	-0.31	0.17	-0.30	0.41	0.27	1.01	0.00	0.62	1.03	2.94	1.43	-0.19	0.34
% Chg Same Qtr Last Yr.....	2.45	1.91	1.26	0.13	-0.35	-0.13	-0.26	-0.01	0.13	0.34	0.42	0.47	0.66	2.94	1.43	-0.19	0.34
STATE & LOCAL.....	45842	46261	46302	46288	46319	46426	46518	46622	46788	46910	47026	47113	47254	45017	46173	46471	46959
% Chg Prev Qtr SAAR.....	8.80	3.71	0.35	-0.13	0.27	0.93	0.79	0.90	1.43	1.05	0.99	0.74	1.20	1.82	2.57	0.65	1.05
% Chg Same Qtr Last Yr.....	2.43	2.28	2.44	3.13	1.04	0.36	0.47	0.72	1.01	1.04	1.09	1.05	1.00	1.82	2.57	0.65	1.05

Boyd Center for Business and Economic Research, University of Tennessee

Table 9: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)

	Forecast Data												December 2025				
	History						Forecast Data						Annual				
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
TOTAL NONFARM.....	69503	70180	70803	71394	72019	72659	73267	73907	74560	75173	75841	76504	77128	67698	70470	72963	75519
% Chg Prev Qtr SAAR.....	5.42	3.95	3.60	3.38	3.55	3.60	3.39	3.54	3.58	3.33	3.60	3.54	3.30	4.29	4.09	3.54	3.50
% Chg Same Qtr Last Yr.....	4.49	3.93	3.88	4.08	3.62	3.53	3.48	3.52	3.53	3.46	3.51	3.51	3.44	4.29	4.09	3.54	3.50
NATURAL RESOURCES, MINING																	
AND CONSTRUCTION.....	85147	85797	86790	87522	88308	89129	90016	90841	91805	92756	93717	94682	95384	81209	86314	89574	93240
% Chg Prev Qtr SAAR.....	19.27	3.09	4.71	3.42	3.64	3.77	4.04	3.72	4.31	4.21	4.21	4.18	3.00	5.12	6.29	3.78	4.09
% Chg Same Qtr Last Yr.....	6.52	5.58	5.64	7.42	3.71	3.88	3.72	3.79	3.96	4.07	4.11	4.23	3.90	5.12	6.29	3.78	4.09
MANUFACTURING.....	77452	78018	78518	79038	79458	80082	80715	81362	81975	82555	83126	83711	84332	75600	78256	80404	82842
% Chg Prev Qtr SAAR.....	8.77	2.95	2.59	2.68	2.14	3.18	3.20	3.24	3.05	2.86	2.80	2.84	3.00	4.17	3.51	2.74	3.03
% Chg Same Qtr Last Yr.....	3.96	2.73	3.16	4.22	2.59	2.65	2.80	2.94	3.17	3.09	2.99	2.89	2.88	4.17	3.51	2.74	3.03
DURABLE GOODS.....	77579	77948	78343	78793	79216	79956	80687	81441	82129	82746	83394	84065	84789	75971	78166	80325	83083
% Chg Prev Qtr SAAR.....	6.90	1.92	2.04	2.32	2.16	3.79	3.71	3.79	3.42	3.04	3.17	3.26	3.49	4.04	2.89	2.76	3.43
% Chg Same Qtr Last Yr.....	3.39	1.98	2.93	3.27	2.11	2.58	2.99	3.36	3.68	3.49	3.35	3.22	3.24	4.04	2.89	2.76	3.43
NONDURABLE GOODS.....	77218	78146	78842	79495	79909	80317	80767	81214	81687	82196	82621	83039	83461	74927	78425	80552	82386
% Chg Prev Qtr SAAR.....	12.32	4.90	3.61	3.35	2.10	2.06	2.26	2.23	2.35	2.52	2.08	2.04	2.05	4.40	4.67	2.71	2.28
% Chg Same Qtr Last Yr.....	4.99	4.12	3.61	5.98	3.48	2.78	2.44	2.16	2.22	2.34	2.29	2.25	2.17	4.40	4.67	2.71	2.28
TRADE, TRANSPORTATION, UTILITIES.....	62934	63868	64545	65139	65744	66309	66925	67533	68149	68726	69332	69930	70430	62323	64122	66628	69034
% Chg Prev Qtr SAAR.....	3.47	6.07	4.31	3.73	3.77	3.48	3.77	3.69	3.70	3.43	3.57	3.50	2.89	3.93	2.89	3.91	3.61
% Chg Same Qtr Last Yr.....	1.99	2.46	2.69	4.39	4.47	3.82	3.69	3.68	3.66	3.65	3.60	3.55	3.35	3.93	2.89	3.91	3.61
WHOLESALE TRADE.....	96186	97814	98988	99855	100924	101837	102838	103934	104794	105831	106910	107836	108731	96216	98211	102383	106343
% Chg Prev Qtr SAAR.....	2.26	6.94	4.89	3.55	4.35	3.67	3.99	4.33	3.35	4.02	4.14	3.51	3.36	2.88	2.07	4.25	3.87
% Chg Same Qtr Last Yr.....	-0.73	1.27	3.39	4.40	4.93	4.11	3.89	4.08	3.83	3.92	3.96	3.75	3.76	2.88	2.07	4.25	3.87
RETAIL TRADE.....	42516	43038	43405	43698	43884	44057	44229	44397	44554	44705	44817	44929	45084	41992	43164	44142	44751
% Chg Prev Qtr SAAR.....	10.45	5.00	3.45	2.73	1.71	1.59	1.57	1.53	1.42	1.36	1.01	1.00	1.39	1.52	2.79	2.26	1.38
% Chg Same Qtr Last Yr.....	1.76	1.81	2.27	5.37	3.22	2.37	1.90	1.60	1.53	1.47	1.33	1.20	1.19	1.52	2.79	2.26	1.38
TRANSPORTATION & UTILITIES.....	74752	75920	76927	77838	78750	79657	80671	81630	82711	83582	84660	85795	86548	73557	76359	80177	84187
% Chg Prev Qtr SAAR.....	-0.69	6.40	5.41	4.82	4.77	4.69	5.19	4.84	5.40	4.28	5.26	5.47	3.56	6.28	3.81	5.00	5.00
% Chg Same Qtr Last Yr.....	4.45	4.01	2.86	3.95	5.35	4.92	4.87	4.87	5.03	4.93	4.94	5.10	4.64	6.28	3.81	5.00	5.00
INFORMATION.....	120532	122519	124031	125196	126265	127297	128456	129669	130795	131921	133106	134148	135215	113923	123069	127922	132493
% Chg Prev Qtr SAAR.....	6.13	6.76	5.03	3.81	3.46	3.31	3.69	3.83	3.52	3.49	3.64	3.17	3.22	9.96	8.03	3.94	3.57
% Chg Same Qtr Last Yr.....	10.79	10.16	6.08	5.43	4.76	3.90	3.57	3.57	3.59	3.63	3.62	3.45	3.38	9.96	8.03	3.94	3.57
FINANCIAL ACTIVITIES.....	98942	101752	102599	103532	104542	105580	106700	107725	108719	109771	110853	111789	112893	93207	101706	106137	110283
% Chg Prev Qtr SAAR.....	17.91	11.85	3.37	3.69	3.96	4.03	4.31	3.90	3.74	3.93	4.00	3.42	4.01	4.30	9.12	4.36	3.91
% Chg Same Qtr Last Yr.....	6.84	10.15	10.46	9.04	5.66	3.76	4.00	4.05	3.99	3.97	3.89	3.77	3.84	4.30	9.12	4.36	3.91

(CONTINUED ON NEXT PAGE)

Table 9: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)

	Forecast Data												December 2025				
	History												Annual				
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
PROFESSIONAL & BUSINESS SERVICES...	83459	84124	85022	85885	86712	87615	88484	89346	90207	91039	92017	93022	93894	82278	84623	88034	91571
% Chg Prev Qtr SAAR.....	-5.89	3.23	4.34	4.12	3.91	4.23	3.93	4.05	3.91	3.74	4.37	4.44	3.80	4.78	2.85	4.03	4.02
% Chg Same Qtr Last Yr.....	4.88	2.92	2.36	1.36	3.90	4.15	4.05	4.03	4.03	3.91	4.02	4.11	4.09	4.78	2.85	4.03	4.02
EDUCATION & HEALTH SERVICES.....	69320	69491	69875	70508	71137	71729	72219	72776	73426	73893	74495	75090	75737	66375	69799	71965	74226
% Chg Prev Qtr SAAR.....	13.49	0.99	2.23	3.67	3.62	3.37	2.76	3.12	3.62	2.57	3.30	3.23	3.49	3.09	5.16	3.10	3.14
% Chg Same Qtr Last Yr.....	5.40	4.98	5.26	4.98	2.62	3.22	3.35	3.22	3.22	3.02	3.15	3.18	3.15	3.09	5.16	3.10	3.14
LEISURE & HOSPITALITY.....	37666	38002	38340	38778	39134	39587	39912	40366	40829	41227	41704	42155	42569	38260	38196	39750	41479
% Chg Prev Qtr SAAR.....	-20.94	3.61	3.61	4.65	3.72	4.71	3.33	4.63	4.66	3.96	4.71	4.39	3.99	5.72	-0.17	4.07	4.35
% Chg Same Qtr Last Yr.....	1.98	0.99	-0.49	-2.92	3.90	4.17	4.10	4.10	4.33	4.14	4.49	4.43	4.26	5.72	-0.17	4.07	4.35
OTHER SERVICES.....	61136	61060	61525	62088	62451	62905	63316	63716	64087	64497	64953	65474	65769	58642	61452	63097	64753
% Chg Prev Qtr SAAR.....	15.74	-0.49	3.08	3.71	2.36	2.94	2.64	2.55	2.35	2.58	2.86	3.25	1.81	3.88	4.79	2.68	2.62
% Chg Same Qtr Last Yr.....	7.13	3.26	3.53	5.34	2.15	3.02	2.91	2.62	2.62	2.53	2.58	2.76	2.62	3.88	4.79	2.68	2.62
GOVERNMENT.....	63723	64446	64858	65094	65821	66388	66867	67378	67868	68408	68921	69474	70036	61572	64530	66614	68668
% Chg Prev Qtr SAAR.....	11.00	4.62	2.58	1.46	4.55	3.49	2.92	3.09	2.94	3.22	3.03	3.25	3.27	5.00	4.81	3.23	3.08
% Chg Same Qtr Last Yr.....	5.10	4.62	4.66	4.85	3.29	3.01	3.10	3.51	3.11	3.04	3.07	3.11	3.19	5.00	4.81	3.23	3.08
FEDERAL, CIVILIAN.....	104859	105224	106035	106868	107666	108433	108990	109721	110282	111162	111790	112671	113556	101515	105746	108702	111476
% Chg Prev Qtr SAAR.....	5.14	1.40	3.12	3.18	3.02	2.88	2.07	2.71	2.06	3.23	2.28	3.19	3.18	5.63	4.17	2.80	2.55
% Chg Same Qtr Last Yr.....	5.07	4.40	4.03	3.20	2.68	3.05	2.79	2.67	2.43	2.52	2.57	2.69	2.97	5.63	4.17	2.80	2.55
STATE & LOCAL.....	57650	58485	58956	59491	60023	60565	61042	61527	62020	62521	63030	63547	64073	55671	58646	60789	62779
% Chg Prev Qtr SAAR.....	12.54	5.93	3.26	3.68	3.62	3.66	3.19	3.22	3.24	3.27	3.30	3.32	3.35	4.48	5.34	3.65	3.27
% Chg Same Qtr Last Yr.....	5.05	4.78	5.25	6.29	4.12	3.55	3.54	3.42	3.33	3.23	3.26	3.28	3.31	4.48	5.34	3.65	3.27

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **December 2025**

	Forecast Data												Annual				
	History				Forecast Data								Annual				
	2025:1	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027
CIVILIAN LABOR FORCE (THOUS).....	3445	3466	3479	3489	3500	3510	3521	3531	3540	3545	3550	3554	3560	3420	3470	3516	3547
% Chg Prev Qtr SAAR.....	1.00	2.45	1.52	1.12	1.30	1.14	1.25	1.18	1.01	0.51	0.56	0.47	0.70	1.23	1.44	1.32	0.89
% Chg Same Qtr Last Yr.....	1.25	1.48	1.52	1.52	1.60	1.27	1.20	1.22	1.15	0.99	0.81	0.64	0.56	1.23	1.44	1.32	0.89
EMPLOYED PERSONS (THOUS).....	3318	3345	3355	3363	3372	3379	3387	3396	3403	3407	3411	3414	3420	3303	3345	3384	3409
% Chg Prev Qtr SAAR.....	1.20	3.28	1.23	0.98	1.03	0.85	1.00	0.99	0.89	0.41	0.48	0.40	0.65	1.04	1.27	1.14	0.75
% Chg Same Qtr Last Yr.....	0.68	1.22	1.52	1.67	1.62	1.02	0.96	0.97	0.93	0.82	0.69	0.54	0.48	1.04	1.27	1.14	0.75
UNEMPLOYED PERSONS (THOUS).....	127	121	124	125	128	131	133	135	137	138	139	139	140	117	124	132	138
% Chg Prev Qtr SAAR.....	-4.14	-17.48	9.84	5.07	8.69	9.14	7.91	6.04	3.95	3.02	2.57	2.19	1.88	7.12	6.36	6.13	4.66
% Chg Same Qtr Last Yr.....	18.93	9.38	1.66	-2.25	0.87	8.17	7.69	7.94	6.74	5.21	3.89	2.93	2.41	7.12	6.36	6.13	4.66
PARTICIPATION RATE (PERCENT).....	59.6	59.8	59.9	59.9	60.0	60.1	60.1	60.2	60.2	60.2	60.2	60.1	60.1	59.6	59.8	60.1	60.2
% Chg Prev Qtr SAAR.....	-0.06	1.37	0.69	0.31	0.50	0.35	0.47	0.40	0.26	-0.25	-0.20	-0.28	-0.08	-0.14	0.33	0.50	0.13
% Chg Same Qtr Last Yr.....	-0.01	0.29	0.47	0.57	0.71	0.46	0.41	0.43	0.37	0.22	0.06	-0.12	-0.20	-0.14	0.33	0.50	0.13
UNEMPLOYMENT RATE (PERCENT).....	3.7	3.5	3.6	3.6	3.7	3.7	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.4	3.6	3.8	3.9

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Table 11: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2017 dollars)

	History			Forecast Data												Annual		
	2025:2	2025:3	2025:4	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2028:1	2024	2025	2026	2027		
TOTAL TAXABLE SALES.....	42527	43354	43300	43164	43108	43100	43236	43567	43882	44141	44407	44739	170298	171251	172608	175996		
% Chg Prev Qtr SAAR.....	4.41	8.01	-0.50	-1.25	-0.52	-0.08	1.27	3.09	2.92	2.39	2.42	3.03	1.57	0.56	0.79	1.96		
% Chg Same Qtr Last Yr.....	0.94	1.36	0.83	2.60	1.37	-0.59	-0.15	0.93	1.79	2.42	2.71	2.69	1.57	0.56	0.79	1.96		
AUTO DEALERS.....	3581	3647	3641	3633	3641	3655	3678	3710	3735	3755	3774	3798	14413	14491	14608	14973		
% Chg Prev Qtr SAAR.....	-4.39	7.57	-0.63	-0.88	0.87	1.53	2.52	3.54	2.67	2.19	2.05	2.54	-0.37	0.55	0.80	2.50		
% Chg Same Qtr Last Yr.....	1.80	2.60	-3.78	0.32	1.68	0.22	1.00	2.11	2.56	2.73	2.61	2.36	-0.37	0.55	0.80	2.50		
PURCHASES FROM MANUFACTURERS.....	2186	2308	2308	2307	2311	2314	2321	2333	2343	2356	2362	2380	8801	8935	9253	9393		
% Chg Prev Qtr SAAR.....	10.37	24.44	-0.04	-0.18	0.61	0.59	1.23	2.02	1.75	2.18	1.05	3.15	-2.27	1.52	3.56	1.51		
% Chg Same Qtr Last Yr.....	-3.34	5.78	8.19	8.20	5.72	0.24	0.56	1.11	1.39	1.79	1.75	2.03	-2.27	1.52	3.56	1.51		
MISC DURABLE GOODS.....	7092	7152	7123	7113	7103	7123	7150	7214	7275	7322	7369	7405	28204	28371	28489	29180		
% Chg Prev Qtr SAAR.....	5.13	3.41	-1.58	-0.56	-0.60	1.13	1.57	3.59	3.43	2.64	2.57	1.97	5.04	0.59	0.42	2.43		
% Chg Same Qtr Last Yr.....	0.55	1.77	1.75	1.56	0.15	-0.41	0.38	1.41	2.43	2.80	3.06	2.65	-5.06	0.59	0.42	2.43		
EATING AND DRINKING PLACES.....	4283	4335	4314	4302	4301	4308	4326	4362	4402	4437	4463	4483	16808	17135	17237	17665		
% Chg Prev Qtr SAAR.....	7.76	4.94	-1.86	-1.16	-0.10	0.69	1.68	3.36	3.75	3.23	2.33	1.78	-1.16	1.94	0.59	2.48		
% Chg Same Qtr Last Yr.....	2.13	3.96	1.01	2.34	0.42	-0.61	0.27	1.40	2.36	3.00	3.17	2.77	-1.16	1.94	0.59	2.48		
FOOD STORES.....	3445	3451	3457	3460	3464	3475	3480	3503	3524	3537	3558	3579	14254	13732	13880	14122		
% Chg Prev Qtr SAAR.....	8.05	0.65	0.63	0.44	0.41	1.35	0.55	2.62	2.42	1.54	2.34	2.43	14.72	-3.66	1.07	1.74		
% Chg Same Qtr Last Yr.....	0.94	-6.42	-4.82	2.39	0.53	0.71	0.69	1.23	1.73	1.78	2.23	2.18	14.72	-3.66	1.07	1.74		
LIQUOR STORES.....	297	296	296	294	293	293	292	293	293	294	294	293	1225	1187	1172	1174		
% Chg Prev Qtr SAAR.....	-0.81	-0.96	-1.15	-2.21	-0.95	-0.77	-0.56	1.16	0.43	0.43	-0.24	-0.04	-1.27	-3.13	-1.25	0.15		
% Chg Same Qtr Last Yr.....	-2.51	-2.67	-3.08	-1.28	-1.32	-1.27	-1.13	-0.28	0.06	0.36	0.44	0.15	-1.27	-3.13	-1.25	0.15		
HOTELS AND MOTELS.....	1400	1382	1380	1364	1359	1357	1357	1356	1358	1358	1360	1366	5797	5587	5436	5429		
% Chg Prev Qtr SAAR.....	-6.92	-4.85	-0.66	-4.69	-1.36	-0.46	-0.17	-0.33	0.72	-0.91	1.53	1.67	-2.86	-3.62	-2.69	-0.14		
% Chg Same Qtr Last Yr.....	-4.61	-2.69	-4.21	-4.31	-2.91	-1.81	-1.69	-0.58	-0.06	-0.17	0.25	0.75	-2.86	-3.62	-2.69	-0.14		
OTHER RETAIL AND SERVICE.....	15521	15984	16021	15981	15952	15901	15969	16115	16262	16391	16532	16730	61504	62840	63803	65300		
% Chg Prev Qtr SAAR.....	5.52	12.48	0.92	-0.99	-0.71	-1.28	1.71	3.73	3.69	3.20	3.49	4.88	5.51	2.17	1.53	2.35		
% Chg Same Qtr Last Yr.....	2.83	2.54	2.90	4.36	2.78	-0.52	-0.33	0.84	1.94	3.08	3.53	3.82	5.51	2.17	1.53	2.35		
MISC NONDURABLE GOODS.....	3090	3212	3199	3158	3141	3135	3132	3153	3166	3179	3190	3208	12460	12533	12567	12688		
% Chg Prev Qtr SAAR.....	7.83	16.79	-1.67	-4.97	-2.11	-0.84	-0.31	2.64	1.65	1.68	1.33	2.31	0.67	0.59	0.27	0.96		
% Chg Same Qtr Last Yr.....	-0.82	2.66	3.52	4.15	1.66	-2.41	-2.07	-0.17	0.78	1.41	1.83	1.74	0.67	0.59	0.27	0.96		
TRANSPORTATION, COMMUNICATION.....	1632	1586	1561	1551	1543	1538	1531	1529	1524	1516	1506	1497	6833	6440	6164	6075		
% Chg Prev Qtr SAAR.....	-6.79	-10.91	-6.12	-2.39	-2.13	-1.19	-1.98	-0.58	-1.17	-2.14	-2.55	-2.33	-4.79	-5.76	-4.28	-1.45		
% Chg Same Qtr Last Yr.....	-4.64	-7.01	-9.10	-6.60	-5.45	-2.98	-1.92	-1.47	-1.23	-1.47	-1.61	-2.05	-4.79	-5.76	-4.28	-1.45		
PER CAPITA (\$)......	5872	5986	5978	5913	5905	5904	5923	5923	5966	6001	6037	6037	23713	23644	23645	23928		
% Chg Prev Qtr SAAR.....	4.41	8.01	-0.50	-4.31	-0.52	-0.08	1.27	0.03	2.92	2.39	2.42	0.00	0.66	-0.29	0.00	1.20		
% Chg Same Qtr Last Yr.....	0.09	0.51	-0.02	1.79	0.57	-1.37	-0.93	0.18	1.03	1.65	1.94	1.93	0.66	-0.29	0.00	1.20		

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Table 12: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)

	History												Forecast Data												Annual																							
	2025:2				2025:3				2025:4				2026:1				2026:2				2026:3				2026:4				2027:1				2027:2				2027:3				2027:4				2028:1			
	2025:2	2025:3	2025:4	2026:1	2025:3	2025:4	2026:1	2026:2	2025:4	2026:1	2026:2	2026:3	2026:1	2026:2	2026:3	2026:4	2027:1	2027:2	2027:3	2027:4	2027:1	2027:2	2027:3	2027:4	2028:1	2028:2	2028:3	2028:4	2024	2025	2026	2027																
TOTAL TAXABLE SALES.....	53768	55202	55651	55934	56236	56557	57059	57750	58485	59164	59896	60662	60662	60662	60662	60662	59896	59164	59896	59896	59896	59164	59896	59896	60662	60662	60662	60662	210607	217525	225786	235295																
% Chg Prev Qtr SAAR.....	6.44	11.13	3.30	2.05	2.18	2.30	3.60	4.93	5.19	4.73	5.04	5.22	5.04	5.22	5.04	5.22	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	5.04	5.04	5.04	5.04	4.24	3.28	3.80	4.21																
% Chg Same Qtr Last Yr.....	3.41	4.15	3.92	5.72	4.60	2.45	2.53	3.25	4.00	4.61	4.97	5.04	4.97	5.04	4.97	5.04	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	5.04	5.04	5.04	5.04	4.24	3.28	3.80	4.21																
AUTO DEALERS.....	4528	4644	4680	4708	4750	4796	4854	4918	4977	5033	5090	5149	5090	5149	5090	5149	5033	5033	5033	5033	5033	5033	5033	5033	5149	5149	5149	5149	17826	18406	19109	20018																
% Chg Prev Qtr SAAR.....	-2.35	10.68	3.16	2.43	3.60	3.95	4.87	5.39	4.93	4.52	4.66	4.71	4.66	4.71	4.66	4.71	4.52	4.52	4.52	4.52	4.52	4.52	4.52	4.52	4.71	4.71	4.71	4.71	2.25	3.25	3.82	4.76																
% Chg Same Qtr Last Yr.....	4.29	5.41	-0.83	3.38	4.92	3.28	3.71	4.45	4.78	4.93	4.87	4.71	4.87	4.71	4.87	4.71	4.93	4.93	4.93	4.93	4.93	4.93	4.93	4.93	4.71	4.71	4.71	4.71	2.25	3.25	3.82	4.76																
PURCHASES FROM MANUFACTURERS.....	2763	2939	2967	2990	3014	3037	3063	3092	3123	3157	3185	3227	3185	3227	3185	3227	3157	3157	3157	3157	3157	3157	3157	3157	3227	3227	3227	3227	10882	11351	12104	12557																
% Chg Prev Qtr SAAR.....	12.72	28.05	3.77	3.15	3.33	2.98	3.55	3.84	3.99	4.51	3.63	5.34	3.63	5.34	3.63	5.34	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99	5.34	5.34	5.34	5.34	0.30	4.31	6.63	3.75																
% Chg Same Qtr Last Yr.....	-0.98	8.68	11.50	11.49	9.09	3.31	3.25	3.42	3.59	3.97	3.99	4.37	3.99	4.37	3.99	4.37	3.59	3.59	3.59	3.59	3.59	3.59	3.59	3.59	4.37	4.37	4.37	4.37	0.30	4.31	6.63	3.75																
MISC DURABLE GOODS.....	8967	9106	9155	9218	9266	9346	9436	9562	9696	9814	9939	10040	9939	10040	9939	10040	9814	9814	9814	9814	9814	9814	9814	9814	10040	10040	10040	10040	34877	36035	37266	39011																
% Chg Prev Qtr SAAR.....	7.31	6.41	2.17	2.76	2.09	3.54	3.90	5.44	5.71	4.98	5.19	4.13	4.98	4.13	4.98	4.13	4.98	4.98	4.98	4.98	4.98	4.98	4.98	4.98	4.13	4.13	4.13	4.13	-2.56	3.32	3.42	4.68																
% Chg Same Qtr Last Yr.....	3.03	4.56	4.87	4.65	3.34	2.64	3.07	3.74	4.64	5.01	5.33	5.00	5.33	5.00	5.33	5.00	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.00	5.00	5.00	5.00	-2.56	3.32	3.42	4.68																
EATING AND DRINKING PLACES.....	5414	5519	5545	5574	5610	5653	5709	5782	5867	5948	6020	6078	6020	6078	6020	6078	5948	5948	5948	5948	5948	5948	5948	5948	6078	6078	6078	6078	20787	21765	22547	23617																
% Chg Prev Qtr SAAR.....	10.06	7.98	1.88	2.14	2.61	3.09	4.01	5.21	6.03	5.59	4.95	3.94	5.59	3.94	5.59	3.94	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	3.94	3.94	3.94	3.94	1.44	4.70	3.60	4.74																
% Chg Same Qtr Last Yr.....	4.63	6.81	4.11	5.45	3.62	2.43	2.96	3.73	4.58	5.21	5.44	5.12	5.44	5.12	5.44	5.12	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.21	5.12	5.12	5.12	5.12	1.44	4.70	3.60	4.74																
FOOD STORES.....	4325	4394	4443	4484	4519	4561	4593	4643	4696	4741	4799	4853	4799	4853	4799	4853	4741	4741	4741	4741	4741	4741	4741	4741	4853	4853	4853	4853	17629	17443	18156	18879																
% Chg Prev Qtr SAAR.....	3.82	3.56	4.47	3.79	3.13	3.76	2.86	4.45	4.67	3.86	4.96	4.61	4.96	4.61	4.96	4.61	3.86	3.86	3.86	3.86	3.86	3.86	3.86	3.86	4.61	4.61	4.61	4.61	17.81	-1.06	4.09	3.98																
% Chg Same Qtr Last Yr.....	2.89	-3.86	-1.90	5.51	3.74	3.79	3.38	3.55	3.93	3.96	4.48	4.52	4.48	4.52	4.48	4.52	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	4.52	4.52	4.52	4.52	17.81	-1.06	4.09	3.98																
LIQUOR STORES.....	375	377	380	381	382	384	386	388	391	394	396	398	396	398	396	398	394	394	394	394	394	394	394	394	398	398	398	398	1515	1507	1533	1569																
% Chg Prev Qtr SAAR.....	0.10	1.91	2.62	1.05	1.73	1.59	1.72	2.97	2.64	2.72	2.31	2.09	2.31	2.09	2.31	2.09	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.09	2.09	2.09	2.09	1.30	-0.51	1.70	2.35																
% Chg Same Qtr Last Yr.....	-0.14	0.00	-0.11	1.72	1.83	1.75	1.52	2.00	2.23	2.51	2.66	2.44	2.66	2.44	2.66	2.44	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.44	2.44	2.44	2.44	1.30	-0.51	1.70	2.35																
HOTELS AND MOTELS.....	1765	1760	1774	1767	1773	1781	1790	1797	1810	1816	1835	1852	1835	1852	1835	1852	1816	1816	1816	1816	1816	1816	1816	1816	1852	1852	1852	1852	7168	7095	7111	7257																
% Chg Prev Qtr SAAR.....	-5.09	-2.10	3.13	-1.51	1.31	1.91	2.12	1.45	2.94	1.35	4.13	3.83	4.13	3.83	4.13	3.83	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	3.83	3.83	3.83	3.83	-0.31	-1.02	0.23	2.06																
% Chg Same Qtr Last Yr.....	-2.32	-0.03	-1.28	-1.40	0.19	1.20	0.95	1.70	2.10	1.96	2.46	3.06	2.46	3.06	2.46	3.06	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	3.06	3.06	3.06	3.06	-0.31	-1.02	0.23	2.06																
OTHER RETAIL AND SERVICE.....	19660	20352	20591	20709	20811	20866	21074	21362	21674	21969	22298	22685	22298	22685	22298	22685	21969	21969	21969	21969	21969	21969	21969	21969	22685	22685	22685	22685	76064	79824	83459	87302																
% Chg Prev Qtr SAAR.....	8.76	15.74	4.77	2.31	1.98	1.07	4.04	5.58	5.97	5.56	6.14	7.11	5.56	7.11	5.56	7.11	5.56	5.56	5.56	5.56	5.56	5.56	5.56	5.56	7.11	7.11	7.11	7.11	8.28	4.94	4.55	4.61																
% Chg Same Qtr Last Yr.....	5.47	5.35	6.06	7.53	6.06	2.52	2.34	3.15	4.15	5.28	5.81	6.19	5.81	6.19	5.81	6.19	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	6.19	6.19	6.19	6.19	8.28	4.94	4.55	4.61																
MISC NONDURABLE GOODS.....	3907	4090	4111	4093	4098	4114	4134	4179	4219	4261	4302	4350	4302	4350	4302	4350	4261	4261	4261	4261	4261	4261	4261	4261	4350	4350	4350	4350	15408	15921	16438	16962																
% Chg Prev Qtr SAAR.....	10.13	20.17	2.08	-1.80	0.54	1.52	1.98	4.48	3.89	4.00	3.92	4.48	3.92	4.48	3.92	4.48	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.48	4.48	4.48	4.48	3.31	3.33	3.25	3.19																
% Chg Same Qtr Last Yr.....	1.61	5.47	6.70	7.32	4.90	0.57	0.55	2.12	2.96	3.58	3.58	4.07	3.58	4.07	3.58	4.07	3.58	3.58	3.58	3.58	3.58	3.58	3.58	3.58	4.07	4.07	4.07	4.07	3.31	3.33	3.25	3.19																
TRANSPORTATION, COMMUNICATION.....	2063	2019	2006	2010	2013	2017	2020	2026	2031	2032	2031	2030	2031	2030	2031	2030	2032	2032	2032	2032	2032	2032	2032	2032	2030	2030	2030	2030	8450	8177	8063	8121																
% Chg Prev Qtr SAAR.....	-4.80	-8.33	-2.54	0.87	0.52	1.16	0.27	1.20	1.00	0.09	-0.06	-0.25	-0.06	-0.25	-0.06	-0.25	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	-0.25	-0.25	-0.25	-0.25	-2.28	-3.23	-1.40	0.72																
% Chg Same Qtr Last Yr.....	-2.31	-4.46	-6.31	-3.76	-2.44	-0.01	0.70	0.79	0.91	0.64	0.56	0.19	0.64	0.19	0.56	0.19	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.19	0.19	0.19	0.19	-2.28	-3.23	-1.40	0.72																
PER CAPITA (\$)......	7424	7622	7684	7662	7704	7748	7816	7852	7951	8044	8143	8186	8143	8186	8143	8186	8044	8044	8044	8044	8044	8044	8044	8044	8186	8186	8186	8186	29326	30034	30930	31990																
% Chg Prev Qtr SAAR.....	6.44	11.13	3.30	-1.12	2.18	2.30	3.60	1.82	5.19	4.73	5.04	2.12	5.04	2.12	5.04	2.12	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	2.12	2.12	2.12	2.12	3.31	2.41	2.98	3.43																
% Chg Same Qtr Last Yr.....	2.54	3.27	3.04	4.89	3.78	1.65	1.73	2.47	3.22	3.82	4.18	4.26	4.18	4.26	4.18	4.26	3.82	3.82	3.82	3.82	3.82	3.82	3.82	3.82	4.26	4.26	4.26	4.26	3.31	2.41	2.98	3.43																

Boyd Center for Business and Economic Research, University of Tennessee

Table 1: Selected U.S. and Tennessee Economic Indicators

	Forecast Data												December 2025	
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
TN GDP (Mil2017\$) SAAR.....	450152.7	459293.7	471020.4	482953.5	495525.2	507614.2	519794.1	532364.9	544894.2	557564.6	570403.6	583253.1	596102.6	
Percentage change.....	1.74	2.03	2.55	2.53	2.60	2.44	2.40	2.42	2.35	2.33	2.30	2.27	2.24	
US GDP (Bil2017\$) SAAR.....	23821.5	24356.0	24800.3	25201.9	25646.0	26083.9	26528.2	26983.9	27455.0	27967.0	28494.6	29022.1	29549.7	
Percentage change.....	1.98	2.24	1.82	1.62	1.76	1.71	1.70	1.72	1.75	1.86	1.89	1.92	1.95	
US GDP (Bil\$) SAAR.....	30700.6	32306.1	33657.4	34980.5	36388.1	37852.8	39373.6	40981.7	42717.9	44538.2	46436.5	48334.8	50233.1	
Percentage change.....	4.79	5.23	4.18	3.93	4.02	4.03	4.02	4.08	4.24	4.26	4.26	4.26	4.26	
TN PERSONAL INCOME (MIL2017\$) SAAR.....	396268	404054	415623	427015	438809	450522	462277	474104	485298	496913	508634	520355	532076	
Percentage change.....	1.95	1.96	2.86	2.74	2.76	2.67	2.61	2.56	2.36	2.39	2.36	2.36	2.36	
US PERSONAL INCOME (BIL2017\$) SAAR.....	20601	21093	21772	22328	22863	23410	23963	24518	25073	25628	26270	26825	27380	
Percentage change.....	2.29	2.39	3.22	2.55	2.40	2.39	2.36	2.32	2.26	2.36	2.36	2.36	2.36	
TN PERSONAL INCOME (MIL\$) SAAR.....	503315	528557	555659	583132	610981	639767	670268	702165	734650	768420	803445	838330	873215	
Percentage change.....	4.71	5.02	5.13	4.94	4.78	4.71	4.77	4.76	4.63	4.60	4.56	4.56	4.56	
US PERSONAL INCOME (BIL\$) SAAR.....	26154	27570	29095	30450	31817	33258	34742	36304	37966	39704	41517	43330	45143	
Percentage change.....	5.01	5.41	5.53	4.66	4.49	4.53	4.46	4.49	4.58	4.58	4.57	4.57	4.57	
TN NONFARM JOBS (THOUS).....	3398.2	3429.6	3466.6	3510.7	3555.1	3597.8	3633.6	3669.5	3701.7	3733.1	3762.8	3791.5	3820.2	
Percentage change.....	0.71	0.92	1.08	1.27	1.27	1.20	0.99	0.99	0.88	0.85	0.79	0.79	0.79	
US NONFARM JOBS (MIL).....	159.4	160.2	161.0	161.3	161.9	162.6	163.0	163.5	163.8	164.2	164.6	164.9	165.2	
Percentage change.....	0.93	0.49	0.50	0.20	0.36	0.42	0.28	0.29	0.20	0.24	0.21	0.21	0.21	
TN MFG JOBS (THOUS).....	362.6	361.7	363.9	367.2	369.2	370.7	372.2	373.6	374.6	375.5	376.1	376.6	377.1	
Percentage change.....	-0.56	-0.25	0.61	0.89	0.56	0.41	0.40	0.38	0.27	0.22	0.18	0.18	0.18	
US MFG JOBS (MIL).....	12.7	12.5	12.4	12.3	12.1	12.0	11.9	11.8	11.7	11.5	11.3	11.3	11.3	
Percentage change.....	-0.69	-1.41	-1.05	-1.09	-1.42	-0.64	-0.88	-0.83	-1.32	-1.86	-1.39	-1.39	-1.39	
TN UNEMPLOYMENT RATE (%).....	3.6	3.8	3.9	3.9	4.0	3.9	3.9	3.9	3.9	3.9	3.8	3.8	3.8	
US UNEMPLOYMENT RATE (%).....	4.2	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.2	4.1	4.1	4.1	4.1	
CHAINED PRICE INDEX, GDP (2017=100.0).....	128.9	132.6	135.7	138.8	141.9	145.1	148.4	151.9	155.6	159.2	163.0	166.8	170.6	
Percentage change.....	2.75	2.91	2.32	2.27	2.22	2.28	2.28	2.33	2.45	2.35	2.33	2.33	2.33	
US PERS CONSUMP DEFL (2017=100.0).....	127.0	130.7	133.6	136.4	139.2	142.1	145.0	148.1	151.4	154.7	158.0	161.3	164.6	
Percentage change.....	2.66	2.95	2.24	2.05	2.04	2.09	2.05	2.13	2.26	2.17	2.16	2.16	2.16	
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1,000).....	3223	3317	3401	3475	3552	3634	3716	3805	3901	3995	4090	4184	4278	
Percentage change.....	2.75	2.90	2.53	2.19	2.20	2.32	2.25	2.40	2.53	2.39	2.39	2.39	2.39	
BANK PRIME INTEREST RATE (%).....	7.4	6.5	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	
FEDERAL FUNDS RATE (% per annum).....	4.214	3.413	3.125	3.125	3.125	3.125	3.125	3.125	3.125	3.125	3.125	3.125	3.125	
30-YEAR FIXED MORTGAGE RATE (%).....	6.6	6.1	5.9	5.8	5.8	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.6	
TN TAXABLE SALES (MIL2017\$).....	171251	172608	175996	180783	185441	190810	196294	201724	207542	212574	213297	214020	214743	
Percentage change.....	0.56	0.79	1.96	2.72	2.58	2.89	2.87	2.77	2.88	2.42	0.34	0.34	0.34	
TN TAXABLE SALES (MIL\$).....	217525	225786	235295	246878	258202	270962	284613	298763	314181	328716	336911	345106	353301	
Percentage change.....	3.28	3.80	4.21	4.92	4.59	4.94	5.04	4.97	5.16	4.63	2.49	2.49	2.49	
TN AVG ANNUAL WAGE, NONFARM (2017\$).....	55483	55778	56489	57199	58023	58789	59567	60371	61120	61914	62668	63422	64176	
Percentage change.....	1.36	0.53	1.27	1.26	1.44	1.32	1.32	1.35	1.24	1.30	1.22	1.22	1.22	
TN AVG ANNUAL WAGE, NONFARM (\$).....	70470	72963	75519	78109	80787	83482	86367	89410	92523	95742	98990	102138	105286	
Percentage change.....	4.09	3.54	3.50	3.43	3.43	3.34	3.46	3.52	3.48	3.48	3.39	3.39	3.39	

Boyd Center for Business and Economic Research, University of Tennessee

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators December 2025

	Forecast Data										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TN GDP (2017\$) SAAR.....	62152	62917	64039	65174	66399	67558	68723	69944	71176	72432	73706
Percentage change.....	0.88	1.23	1.78	1.77	1.88	1.75	1.72	1.78	1.76	1.77	1.76
US GDP (2017\$) SAAR.....	69542	70906	72010	72985	74036	75017	76019	77059	78144	79350	80604
Percentage change.....	1.41	1.96	1.56	1.35	1.44	1.32	1.34	1.37	1.41	1.54	1.58
US GDP (\$) SAAR.....	89624	94051	97727	101304	105046	108864	112829	117032	121587	126366	131356
Percentage change.....	4.20	4.94	3.91	3.66	3.69	3.63	3.64	3.73	3.89	3.93	3.95
TN PERSONAL INCOME (2017\$) SAAR.....	54713	55350	56507	57625	58799	59960	61118	62290	63391	64553	65724
Percentage change.....	1.09	1.16	2.09	1.98	2.04	1.97	1.93	1.92	1.77	1.83	1.81
US PERSONAL INCOME (2017\$) SAAR.....	60139	61407	63217	64662	66003	67327	68668	70017	71366	72819	74312
Percentage change.....	1.72	2.11	2.95	2.28	2.07	2.01	1.99	1.96	1.93	2.04	2.05
TN PERSONAL INCOME (\$) SAAR.....	69492	72405	75546	78692	81870	85146	88617	92253	95963	99824	103819
Percentage change.....	3.83	4.19	4.34	4.16	4.04	4.00	4.08	4.10	4.02	4.02	4.00
US PERSONAL INCOME (\$) SAAR.....	76352	80264	84480	88182	91851	95650	99557	103674	108061	112651	117440
Percentage change.....	4.43	5.12	5.25	4.38	4.16	4.14	4.09	4.13	4.23	4.25	4.25
TN TAXABLE SALES (2017\$).....	23644	23645	23928	24396	24891	25353	25889	26458	27018	27664	28186
Percentage change.....	-0.29	0.00	1.20	1.96	2.03	1.86	2.11	2.20	2.12	2.39	1.89
TN TAXABLE SALES (\$).....	30034	30930	31990	33316	34657	36003	37537	39186	40900	42780	44524
Percentage change.....	2.41	2.98	3.43	4.14	4.03	3.88	4.26	4.39	4.38	4.60	4.08

Boyd Center for Business and Economic Research, University of Tennessee **Tennessee Econometric Model**

Table 3: Tennessee Personal Income Components (millions of 2017 dollars)

	Forecast Data											December 2025	
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
TN PERSONAL INCOME.....	396268	404054	415623	427015	438809	450522	462277	474104	485298	496913	508634		
Percentage change.....	1.95	1.96	2.86	2.74	2.76	2.67	2.61	2.56	2.36	2.39	2.36		
WAGES AND SALARIES.....	189509	192238	196813	201719	207137	212345	217253	222317	227012	231874	236526		
Percentage change.....	2.02	1.44	2.38	2.49	2.69	2.51	2.31	2.33	2.11	2.14	2.01		
OTHER LABOR INCOME.....	38127	39300	40838	42245	43796	45329	47002	48412	49723	50676	51892		
Percentage change.....	2.78	3.08	3.91	3.45	3.67	3.50	3.69	3.00	2.71	1.92	2.40		
PROPRIETORS INCOME.....	59815	61155	63069	64810	66612	68542	70291	71569	72721	74007	75353		
Percentage change.....	1.41	2.24	3.13	2.76	2.78	2.90	2.55	1.82	1.61	1.77	1.82		
RENT, INTEREST, DIVIDENDS.....	61888	61892	62849	64191	65733	67286	69254	70993	72485	73796	75415		
Percentage change.....	0.06	0.01	1.55	2.13	2.40	2.36	2.92	2.51	2.10	1.81	2.19		
TRANSFER PAYMENTS.....	79655	81913	84521	86776	88639	90387	92401	95154	98028	101480	104701		
Percentage change.....	3.48	2.83	3.18	2.67	2.15	1.97	2.23	2.98	3.02	3.52	3.17		
LESS: PERS CONT FOR SOC INS.....	30859	30614	30663	30948	31354	31637	32218	32658	33012	33289	33645		
Percentage change.....	2.25	-0.79	0.16	0.93	1.31	0.90	1.84	1.37	1.08	0.84	1.07		
RESIDENCE ADJUSTMENT.....	-1867	-1830	-1803	-1777	-1754	-1731	-1707	-1684	-1658	-1632	-1609		
Percentage change.....	2.95	-1.99	-1.45	-1.44	-1.28	-1.35	-1.35	-1.39	-1.50	-1.59	-1.43		
PER CAPITA PERSONAL INCOME (\$)......	54713	55350	56507	57625	58799	59960	61118	62290	63391	64553	65724		
Percentage change.....	1.09	1.16	2.09	1.98	2.04	1.97	1.93	1.92	1.77	1.83	1.81		

Boyd Center for Business and Economic Research, University of Tennessee Tennessee Econometric Model

Table 4: Tennessee Personal Income Components (millions of current dollars) December 2025

	Forecast Data										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TN PERSONAL INCOME.....	503315	528557	555659	583132	610981	639767	670268	702165	734650	768420	803445
Percentage change.....	4.71	5.02	5.13	4.94	4.78	4.71	4.77	4.76	4.63	4.60	4.56
WAGES AND SALARIES.....	240703	251471	263125	275467	288409	301542	315001	329259	343651	358566	373618
Percentage change.....	4.78	4.47	4.63	4.69	4.70	4.55	4.46	4.53	4.37	4.34	4.20
OTHER LABOR INCOME.....	48429	51411	54598	57690	60981	64371	68150	71700	75271	78365	81970
Percentage change.....	5.56	6.16	6.20	5.66	5.70	5.56	5.87	5.21	4.98	4.11	4.60
PROPRIETORS INCOME.....	75972	80000	84319	88504	92748	97333	101917	105994	110085	114442	119028
Percentage change.....	4.15	5.30	5.40	4.96	4.80	4.94	4.71	4.00	3.86	3.96	4.01
RENT, INTEREST, DIVIDENDS.....	78602	80960	84024	87658	91524	95551	100414	105144	109728	114117	119127
Percentage change.....	2.76	3.00	3.78	4.33	4.41	4.40	5.09	4.71	4.36	4.00	4.39
TRANSFER PAYMENTS.....	101174	107153	112997	118501	123417	128353	133975	140928	148398	156931	165389
Percentage change.....	6.27	5.91	5.45	4.87	4.15	4.00	4.38	5.19	5.30	5.75	5.39
LESS: PERS CONT FOR SOC INS.....	39194	40045	40993	42261	43655	44925	46713	48367	49973	51477	53145
Percentage change.....	5.01	2.17	2.37	3.09	3.30	2.91	3.98	3.54	3.32	3.01	3.24
RESIDENCE ADJUSTMENT.....	-2371	-2393	-2411	-2427	-2443	-2458	-2475	-2493	-2510	-2524	-2541
Percentage change.....	5.73	0.94	0.72	0.67	0.65	0.61	0.72	0.73	0.68	0.53	0.69
PER CAPITA PERSONAL INCOME (\$).	69492	72405	75546	78692	81870	85146	88617	92253	95963	99824	103819
Percentage change.....	3.83	4.19	4.34	4.16	4.04	4.00	4.08	4.10	4.02	4.02	4.00

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Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **December 2025**

	Forecast Data										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TOTAL NONFARM.....	3398.2	3429.6	3466.6	3510.7	3555.1	3597.8	3633.6	3669.5	3701.7	3733.1	3762.8
Percentage change.....	0.71	0.92	1.08	1.27	1.27	1.20	0.99	0.99	0.88	0.85	0.79
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	167.1	166.6	166.8	168.5	170.9	173.0	174.8	176.8	179.1	181.7	183.9
Percentage change.....	-0.71	-0.31	0.15	1.02	1.38	1.23	1.04	1.19	1.30	1.41	1.24
MANUFACTURING.....	362.6	361.7	363.9	367.2	369.2	370.7	372.2	373.6	374.6	375.5	376.1
Percentage change.....	-0.56	-0.25	0.61	0.89	0.56	0.41	0.40	0.38	0.27	0.22	0.18
DURABLE GOODS.....	235.7	235.5	238.0	241.5	243.8	245.7	247.3	249.0	250.1	251.1	252.1
Percentage change.....	0.26	-0.06	1.04	1.50	0.96	0.75	0.66	0.70	0.44	0.40	0.39
NONDURABLE GOODS.....	126.9	126.2	125.9	125.6	125.4	125.1	124.9	124.6	124.5	124.3	124.0
Percentage change.....	-2.03	-0.59	-0.18	-0.25	-0.21	-0.25	-0.11	-0.24	-0.07	-0.15	-0.25
TRADE, TRANSPORTATION, UTILITIES.....	700.4	707.4	711.5	716.2	720.0	723.3	726.0	729.0	730.8	732.4	733.6
Percentage change.....	0.72	1.00	0.59	0.66	0.53	0.46	0.37	0.42	0.24	0.22	0.17
WHOLESALE TRADE.....	138.9	140.1	141.4	143.3	145.2	146.6	148.0	149.8	151.2	152.4	153.9
Percentage change.....	1.49	0.85	0.96	1.34	1.27	1.00	0.98	1.20	0.89	0.81	0.97
RETAIL TRADE.....	349.9	353.7	354.7	356.4	357.4	359.0	359.8	360.9	361.8	362.5	363.2
Percentage change.....	1.20	1.09	0.28	0.46	0.30	0.45	0.21	0.32	0.24	0.20	0.19
TRANSPORTATION & UTILITIES.....	211.5	213.5	215.4	216.5	217.4	217.7	218.2	218.3	217.9	217.5	216.6
Percentage change.....	-0.54	0.94	0.86	0.52	0.42	0.13	0.23	0.05	-0.20	-0.17	-0.42
INFORMATION.....	54.4	54.7	54.7	54.6	54.7	54.6	54.5	54.4	54.1	54.2	53.9
Percentage change.....	-0.44	0.64	-0.09	-0.09	0.05	-0.02	-0.34	-0.14	-0.56	0.23	-0.55
FINANCIAL ACTIVITIES.....	191.6	192.4	194.5	196.5	198.3	200.5	202.3	204.2	205.8	207.5	209.0
Percentage change.....	-0.51	0.42	1.09	1.01	0.94	1.09	0.93	0.92	0.79	0.83	0.72
PROFESSIONAL & BUSINESS SERVICES.....	457.5	470.4	479.3	487.8	497.1	505.8	514.6	523.2	531.3	539.2	547.2
Percentage change.....	1.05	2.82	1.90	1.76	1.91	1.75	1.73	1.67	1.55	1.50	1.47
EDUCATION & HEALTH SERVICES.....	494.7	498.1	508.2	521.9	535.6	548.7	562.5	573.9	584.5	594.2	603.8
Percentage change.....	0.36	0.70	2.02	2.69	2.64	2.45	2.51	2.03	1.85	1.65	1.62
LEISURE & HOSPITALITY.....	373.8	378.5	384.6	391.6	398.3	404.7	409.0	413.2	417.0	420.7	424.4
Percentage change.....	1.67	1.24	1.63	1.82	1.70	1.61	1.07	1.01	0.92	0.90	0.87
OTHER SERVICES.....	135.4	137.5	139.4	141.4	143.4	145.3	147.2	149.1	150.9	152.6	154.4
Percentage change.....	2.63	1.54	1.33	1.44	1.41	1.34	1.30	1.28	1.23	1.16	1.16
GOVERNMENT.....	460.7	462.4	463.6	465.1	467.8	471.2	470.6	472.1	473.6	475.1	476.5
Percentage change.....	1.59	0.36	0.27	0.32	0.57	0.73	-0.13	0.33	0.31	0.33	0.28
FEDERAL, CIVILIAN.....	57.6	56.2	56.1	55.9	56.7	58.4	56.3	56.5	56.6	56.9	57.0
Percentage change.....	-1.38	-2.36	-0.26	-0.22	1.42	2.98	-3.69	0.33	0.22	0.49	0.30
STATE & LOCAL.....	403.2	406.2	407.6	409.2	411.0	412.7	414.3	415.7	417.0	418.3	419.4
Percentage change.....	2.03	0.75	0.34	0.39	0.45	0.42	0.38	0.33	0.32	0.30	0.28

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Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs)

	Forecast Data											December 2025
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
TOTAL DURABLE GOODS.....	235.7	235.5	238.0	241.5	243.8	245.7	247.3	249.0	250.1	251.1	252.1	
Percentage change.....	0.26	-0.06	1.04	1.50	0.96	0.75	0.66	0.70	0.44	0.40	0.39	
WOOD PRODUCTS.....	13.2	13.2	13.3	13.4	13.4	13.4	13.5	13.5	13.6	13.6	13.6	
Percentage change.....	-1.08	-0.03	0.37	0.44	0.28	0.36	0.50	0.08	0.29	0.07	0.30	
NONMETALLIC MINERALS.....	15.4	15.3	15.3	15.3	15.3	15.2	15.2	15.1	15.1	15.0	14.9	
Percentage change.....	0.48	-0.28	-0.18	0.06	-0.26	-0.08	-0.10	-0.70	-0.46	-0.56	-0.54	
PRIMARY METALS.....	11.2	11.2	11.2	11.2	11.3	11.3	11.3	11.3	11.4	11.4	11.4	
Percentage change.....	0.70	0.08	0.13	0.06	0.42	0.18	0.29	0.31	0.14	0.18	0.13	
FABRICATED METALS.....	42.9	43.0	43.1	43.3	43.3	43.4	43.3	43.4	43.3	43.3	43.1	
Percentage change.....	1.73	0.13	0.38	0.30	-0.03	0.29	-0.14	0.22	-0.25	-0.10	-0.30	
MACHINERY.....	25.1	25.1	25.0	25.0	24.9	24.9	24.9	24.9	24.9	24.9	24.8	
Percentage change.....	1.44	-0.24	-0.28	-0.14	-0.27	-0.01	-0.07	0.04	0.16	-0.19	-0.29	
COMPUTERS & ELECTRONICS.....	7.9	8.0	8.2	8.4	8.6	8.7	9.0	9.3	9.5	9.6	9.8	
Percentage change.....	3.14	2.23	2.14	2.28	2.37	1.71	3.21	3.38	1.44	1.50	2.23	
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	22.1	22.1	22.0	22.0	22.0	21.9	22.0	21.9	21.9	21.9	21.9	
Percentage change.....	1.69	-0.39	-0.09	-0.21	-0.10	-0.22	0.17	-0.26	0.05	0.04	0.11	
TRANSPORTATION EQUIPMENT.....	73.7	73.6	75.9	79.2	81.4	83.0	84.4	85.9	87.0	88.0	88.9	
Percentage change.....	-1.55	-0.09	3.05	4.35	2.84	2.00	1.61	1.79	1.27	1.14	1.09	
FURNITURE.....	9.1	9.1	9.1	9.1	9.1	9.1	9.0	9.0	9.0	9.0	9.0	
Percentage change.....	1.32	-0.09	-0.03	0.11	-0.10	-0.04	-0.39	-0.25	0.01	0.16	0.20	
MISCELLANEOUS DURABLES.....	15.1	15.0	14.9	14.8	14.8	14.7	14.7	14.6	14.6	14.6	14.6	
Percentage change.....	-0.37	-0.81	-0.53	-0.43	-0.45	-0.49	-0.08	-0.39	-0.34	0.00	-0.13	

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Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs)

	Forecast Data										December 2025
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
TOTAL NONDURABLE GOODS.....	126.9	126.2	125.9	125.6	125.4	125.1	124.9	124.6	124.5	124.3	124.0
Percentage change.....	-2.03	-0.59	-0.18	-0.25	-0.21	-0.25	-0.11	-0.24	-0.07	-0.15	-0.25
FOOD.....	40.4	40.2	40.3	40.3	40.3	40.3	40.4	40.4	40.6	40.7	40.8
Percentage change.....	-1.66	-0.38	0.20	-0.07	0.03	-0.07	0.31	0.14	0.39	0.19	0.21
BEVERAGE & TOBACCO.....	6.8	6.7	6.7	6.8	6.8	6.8	6.7	6.7	6.7	6.8	6.8
Percentage change.....	-3.37	-0.62	0.20	0.09	0.03	-0.04	-0.12	-0.18	0.13	0.27	-0.10
PAPER.....	12.3	12.1	11.9	11.8	11.6	11.4	11.2	11.1	10.9	10.7	10.5
Percentage change.....	-3.32	-1.65	-1.46	-1.58	-1.23	-1.88	-1.65	-1.13	-2.01	-1.77	-1.08
PRINTING & RELATED SUPPORT.....	7.7	7.6	7.4	7.3	7.1	7.0	7.0	6.9	6.8	6.7	6.6
Percentage change.....	-2.45	-1.35	-1.84	-1.72	-2.12	-1.39	-1.00	-1.44	-1.18	-1.12	-1.07
CHEMICALS.....	26.5	26.3	26.3	26.3	26.2	26.3	26.3	26.3	26.4	26.3	26.2
Percentage change.....	-2.21	-0.69	-0.01	-0.08	-0.25	0.34	0.05	-0.20	0.42	-0.39	-0.48
PLASTICS & RUBBER.....	23.4	23.3	23.3	23.3	23.4	23.3	23.3	23.2	23.1	23.1	23.1
Percentage change.....	-5.17	-0.32	-0.09	0.14	0.29	-0.40	-0.13	-0.32	-0.29	0.08	-0.28
MISCELLANEOUS NONDURABLE GOODS..	9.9	9.9	9.9	9.9	10.0	10.0	10.0	10.0	10.0	10.1	10.1
Percentage change.....	8.54	0.11	0.25	0.14	0.23	0.33	0.18	0.10	0.12	0.66	-0.11

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2017 dollars)

	Forecast Data											December 2025	
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
TOTAL NONFARM.....	55483	55778	56489	57199	58023	58789	59567	60371	61120	61914	62668		
Percentage change.....	1.36	0.53	1.27	1.26	1.44	1.32	1.32	1.35	1.24	1.30	1.22		
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	67957	68475	69743	70731	71682	72772	73703	74695	75547	76663	77632		
Percentage change.....	3.49	0.76	1.85	1.42	1.34	1.52	1.28	1.35	1.14	1.48	1.26		
MANUFACTURING.....	61615	61466	61966	62435	62993	63596	64238	64798	65066	65697	66256		
Percentage change.....	0.79	-0.24	0.81	0.76	0.89	0.96	1.01	0.87	0.41	0.97	0.85		
DURABLE GOODS.....	61545	61405	62147	62891	63685	64559	65556	66343	66769	67754	68664		
Percentage change.....	0.18	-0.23	1.21	1.20	1.26	1.37	1.54	1.20	0.64	1.48	1.34		
NONDURABLE GOODS.....	61746	61580	61626	61562	61657	61719	61650	61737	61675	61577	61403		
Percentage change.....	1.91	-0.27	0.07	-0.10	0.16	0.10	-0.11	0.14	-0.10	-0.16	-0.28		
TRADE, TRANSPORTATION, UTILITIES.....	50484	50934	51638	52230	52971	53507	54136	54844	55323	55911	56506		
Percentage change.....	0.17	0.89	1.38	1.15	1.42	1.01	1.18	1.31	0.87	1.06	1.06		
WHOLESALE TRADE.....	77322	78268	79544	80827	82291	83486	84554	86106	86921	87863	89214		
Percentage change.....	-0.63	1.22	1.63	1.61	1.81	1.45	1.28	1.84	0.95	1.08	1.54		
RETAIL TRADE.....	33985	33746	33475	33140	32804	32377	31998	31533	31171	30719	30373		
Percentage change.....	0.08	-0.70	-0.80	-1.00	-1.02	-1.30	-1.17	-1.45	-1.15	-1.45	-1.13		
TRANSPORTATION & UTILITIES.....	60118	61291	62970	64445	66255	67854	69666	71572	73131	75113	76674		
Percentage change.....	1.08	1.95	2.74	2.34	2.81	2.41	2.67	2.74	2.18	2.71	2.08		
INFORMATION.....	96893	97792	99105	100203	101427	102761	103814	104937	106145	107057	108253		
Percentage change.....	5.20	0.93	1.34	1.11	1.22	1.31	1.03	1.08	1.15	0.86	1.12		
FINANCIAL ACTIVITIES.....	80073	81137	82491	83877	85568	87322	89064	90524	92027	93592	95261		
Percentage change.....	6.24	1.33	1.67	1.68	2.02	2.05	1.99	1.64	1.66	1.70	1.78		
PROFESSIONAL & BUSINESS SERVICES.....	66625	67299	68495	69792	71076	72219	73759	75220	76697	78115	79264		
Percentage change.....	0.15	1.01	1.78	1.89	1.84	1.61	2.13	1.98	1.96	1.85	1.47		
EDUCATION & HEALTH SERVICES.....	54956	55016	55522	56090	56705	57301	57821	58355	59050	59609	60147		
Percentage change.....	2.39	0.11	0.92	1.02	1.10	1.05	0.91	0.92	1.19	0.95	0.90		
LEISURE & HOSPITALITY.....	30073	30387	31026	31665	32426	33151	33760	34400	35065	35795	36556		
Percentage change.....	-2.78	1.04	2.10	2.06	2.40	2.24	1.84	1.89	1.93	2.08	2.13		
OTHER SERVICES.....	48385	48236	48436	48619	48900	49236	49504	49836	49986	50112	50221		
Percentage change.....	2.04	-0.31	0.41	0.38	0.58	0.69	0.55	0.67	0.30	0.25	0.22		
GOVERNMENT.....	50808	50924	51364	51902	52645	53316	53655	54231	54815	55315	55878		
Percentage change.....	2.05	0.23	0.86	1.05	1.43	1.27	0.64	1.07	1.08	0.91	1.02		
FEDERAL, CIVILIAN.....	83259	83101	83385	84003	84712	85476	86344	87353	88342	89387	90281		
Percentage change.....	1.43	-0.19	0.34	0.74	0.84	0.90	1.01	1.17	1.13	1.18	1.00		
STATE & LOCAL.....	46173	46471	46959	47513	48219	48763	49215	49733	50267	50684	51200		
Percentage change.....	2.57	0.65	1.05	1.18	1.49	1.13	0.93	1.05	1.07	0.83	1.02		

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars)

	Forecast Data										December 2025
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
TOTAL NONFARM.....	70470	72963	75519	78109	80787	83482	86367	89410	92523	95742	98990
Percentage change.....	4.09	3.54	3.50	3.43	3.43	3.34	3.46	3.52	3.48	3.48	3.39
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	86314	89574	93240	96588	99805	103338	106862	110623	114362	118548	122626
Percentage change.....	6.29	3.78	4.09	3.59	3.33	3.54	3.41	3.52	3.38	3.66	3.44
MANUFACTURING.....	78256	80404	82842	85258	87707	90308	93138	95965	98495	101591	104656
Percentage change.....	3.51	2.74	3.03	2.92	2.87	2.97	3.13	3.04	2.64	3.14	3.02
DURABLE GOODS.....	78166	80325	83083	85882	88670	91676	95050	98253	101073	104772	108460
Percentage change.....	2.89	2.76	3.43	3.37	3.25	3.39	3.68	3.37	2.87	3.66	3.52
NONDURABLE GOODS.....	78425	80552	82386	84066	85846	87640	89384	91431	93360	95218	96989
Percentage change.....	4.67	2.71	2.28	2.04	2.12	2.09	1.99	2.29	2.11	1.99	1.86
TRADE, TRANSPORTATION, UTILITIES.....	64122	66628	69034	71324	73753	75982	78492	81224	83747	86458	89256
Percentage change.....	2.89	3.91	3.61	3.32	3.41	3.02	3.30	3.48	3.11	3.24	3.24
WHOLESALE TRADE.....	98211	102383	106343	110376	114577	118552	122595	127523	131579	135868	140922
Percentage change.....	2.07	4.25	3.87	3.79	3.81	3.47	3.41	4.02	3.18	3.26	3.72
RETAIL TRADE.....	43164	44142	44751	45254	45672	45974	46392	46698	47184	47500	47975
Percentage change.....	2.79	2.26	1.38	1.12	0.92	0.66	0.91	0.66	1.04	0.67	1.00
TRANSPORTATION & UTILITIES.....	76359	80177	84187	88006	92251	96357	101011	106001	110707	116154	121114
Percentage change.....	3.81	5.00	5.00	4.54	4.82	4.45	4.83	4.94	4.44	4.92	4.27
INFORMATION.....	123069	127922	132493	136834	141220	145923	150519	155411	160680	165548	170995
Percentage change.....	8.03	3.94	3.57	3.28	3.21	3.33	3.15	3.25	3.39	3.03	3.29
FINANCIAL ACTIVITIES.....	101706	106137	110283	114541	119140	124001	129135	134068	139310	144729	150475
Percentage change.....	9.12	4.36	3.91	3.86	4.01	4.08	4.14	3.82	3.91	3.89	3.97
PROFESSIONAL & BUSINESS SERVICES.....	84623	88034	91571	95307	98962	102554	106944	111403	116105	120795	125204
Percentage change.....	2.85	4.03	4.02	4.08	3.84	3.63	4.28	4.17	4.22	4.04	3.65
EDUCATION & HEALTH SERVICES.....	69799	71965	74226	76595	78952	81368	83833	86424	89388	92177	95007
Percentage change.....	5.16	3.10	3.14	3.19	3.08	3.06	3.03	3.09	3.43	3.12	3.07
LEISURE & HOSPITALITY.....	38196	39750	41479	43241	45148	47076	48950	50947	53081	55353	57744
Percentage change.....	-0.17	4.07	4.35	4.25	4.41	4.27	3.98	4.08	4.19	4.28	4.32
OTHER SERVICES.....	61452	63097	64753	66392	68084	69915	71775	73806	75666	77490	79326
Percentage change.....	4.79	2.68	2.62	2.53	2.55	2.69	2.66	2.83	2.52	2.41	2.37
GOVERNMENT.....	64530	66614	68668	70876	73300	75709	77794	80317	82978	85537	88264
Percentage change.....	4.81	3.23	3.08	3.22	3.42	3.29	2.75	3.24	3.31	3.08	3.19
FEDERAL, CIVILIAN.....	105746	108702	111476	114712	117946	121378	125189	129371	133730	138224	142606
Percentage change.....	4.17	2.80	2.55	2.90	2.82	2.91	3.14	3.34	3.37	3.36	3.17
STATE & LOCAL.....	58646	60789	62779	64883	67137	69245	71357	73654	76092	78375	80875
Percentage change.....	5.34	3.65	3.27	3.35	3.47	3.14	3.05	3.22	3.31	3.00	3.19

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate **December 2025**

	Forecast Data										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CIVILIAN LABOR FORCE (THOUS).....	3470	3516	3547	3567	3595	3623	3649	3673	3693	3708	3718
Percentage change.....	1.44	1.32	0.89	0.58	0.78	0.77	0.71	0.68	0.54	0.40	0.28
EMPLOYED PERSONS (THOUS).....	3345	3384	3409	3427	3453	3480	3505	3530	3549	3564	3575
Percentage change.....	1.27	1.14	0.75	0.52	0.77	0.79	0.72	0.69	0.54	0.43	0.31
UNEMPLOYED PERSONS (THOUS).....	124	132	138	141	142	143	143	144	144	144	143
Percentage change.....	6.36	6.13	4.66	1.97	0.86	0.39	0.39	0.31	0.43	-0.31	-0.49
PARTICIPATION RATE (PERCENT).....	59.8	60.1	60.2	60.1	60.1	60.2	60.2	60.3	60.3	60.2	60.1
Percentage change.....	0.33	0.50	0.13	-0.17	0.07	0.10	0.07	0.08	-0.01	-0.11	-0.21
UNEMPLOYMENT RATE (PERCENT).....	3.6	3.8	3.9	3.9	4.0	3.9	3.9	3.9	3.9	3.9	3.8

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Table 11: Tennessee Taxable Sales (millions of 2017 dollars) **December 2025**

	Forecast Data										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TOTAL TAXABLE SALES.....	171251	172608	175996	180783	185757	190499	195815	201381	206839	212952	218133
Percentage change.....	0.56	0.79	1.96	2.72	2.75	2.55	2.79	2.84	2.71	2.96	2.43
AUTO DEALERS.....	14491	14608	14973	15348	15765	16187	16565	17044	17486	17884	18374
Percentage change.....	0.55	0.80	2.50	2.50	2.72	2.68	2.34	2.89	2.59	2.28	2.74
PURCHASES FROM MANUFACTURERS.....	8935	9253	9393	9610	9859	10083	10243	10425	10693	10966	11241
Percentage change.....	1.52	3.56	1.51	2.32	2.59	2.28	1.58	1.78	2.57	2.55	2.51
MISC DURABLE GOODS.....	28371	28489	29180	29917	30668	31528	32290	33195	34029	34918	35783
Percentage change.....	0.59	0.42	2.43	2.53	2.51	2.81	2.42	2.80	2.51	2.61	2.48
EATING AND DRINKING PLACES.....	17135	17237	17665	18140	18633	19298	19777	20322	20854	21456	22053
Percentage change.....	1.94	0.59	2.48	2.69	2.72	3.57	2.48	2.76	2.62	2.89	2.78
FOOD STORES.....	13732	13880	14122	14437	14765	15068	15299	15605	15832	16133	16370
Percentage change.....	-3.66	1.07	1.74	2.24	2.27	2.05	1.53	2.00	1.45	1.90	1.47
LIQUOR STORES.....	1187	1172	1174	1177	1181	1190	1200	1213	1216	1215	1223
Percentage change.....	-3.13	-1.25	0.15	0.25	0.40	0.72	0.84	1.10	0.24	-0.04	0.62
HOTELS AND MOTELS.....	5687	5436	5429	5501	5587	5711	5832	5911	5990	6072	6205
Percentage change.....	-3.62	-2.69	-0.14	1.34	1.55	2.23	2.12	1.36	1.34	1.37	2.19
OTHER RETAIL AND SERVICE.....	62840	63803	65300	67757	70228	72136	75093	77956	80852	84167	86494
Percentage change.....	2.17	1.53	2.35	3.76	3.65	2.72	4.10	3.81	3.71	4.10	2.76
MISC NONDURABLE GOODS.....	12533	12567	12688	12933	13197	13471	13758	14062	14380	14694	15019
Percentage change.....	0.59	0.27	0.96	1.94	2.04	2.08	2.13	2.21	2.27	2.18	2.21
TRANSPORTATION, COMMUNICATION.....	6440	6164	6075	5963	5875	5828	5758	5648	5506	5447	5370
Percentage change.....	-5.76	-4.28	-1.45	-1.84	-1.47	-0.81	-1.19	-1.92	-2.50	-1.08	-1.41
PER CAPITA (\$).....	23644	23645	23928	24396	24891	25353	25889	26458	27018	27664	28186
Percentage change.....	-0.29	0.00	1.20	1.96	2.03	1.86	2.11	2.20	2.12	2.39	1.89

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Table 12: Tennessee Taxable Sales (millions of current dollars)

	Forecast Data											December 2025	
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2034	2035
TOTAL TAXABLE SALES.....	217525	225786	235295	246878	258641	270520	283919	298254	313117	329308	344564	329308	344564
Percentage change.....	3.28	3.80	4.21	4.92	4.76	4.59	4.95	5.05	4.98	5.17	4.63	5.17	4.63
AUTO DEALERS.....	18406	19109	20018	20959	21950	22986	24018	25243	26470	27656	29025	27656	29025
Percentage change.....	3.25	3.82	4.76	4.70	4.73	4.72	4.49	5.10	4.86	4.48	4.95	4.48	4.95
PURCHASES FROM MANUFACTURERS.....	11351	12104	12557	13124	13727	14319	14851	15439	16187	16957	17756	16957	17756
Percentage change.....	4.31	6.63	3.75	4.51	4.60	4.31	3.72	3.96	4.84	4.76	4.71	4.76	4.71
MISC DURABLE GOODS.....	36035	37266	39011	40855	42701	44772	46818	49163	51513	53996	56523	53996	56523
Percentage change.....	3.32	3.42	4.68	4.73	4.52	4.85	4.57	5.01	4.78	4.82	4.68	4.82	4.68
EATING AND DRINKING PLACES.....	21765	22547	23617	24772	25943	27404	28676	30098	31570	33180	34835	33180	34835
Percentage change.....	4.70	3.60	4.74	4.89	4.73	5.63	4.64	4.96	4.89	5.10	4.99	5.10	4.99
FOOD STORES.....	17443	18156	18879	19716	20558	21397	22182	23112	23967	24947	25858	24947	25858
Percentage change.....	-1.06	4.09	3.98	4.43	4.27	4.08	3.67	4.19	3.70	4.09	3.65	4.09	3.65
LIQUOR STORES.....	1507	1533	1569	1607	1645	1689	1739	1796	1840	1879	1932	1879	1932
Percentage change.....	-0.51	1.70	2.35	2.40	2.37	2.72	2.96	3.27	2.46	2.11	2.78	2.11	2.78
HOTELS AND MOTELS.....	7095	7111	7257	7513	7778	8110	8456	8755	9068	9390	9802	9390	9802
Percentage change.....	-1.02	0.23	2.06	3.52	3.54	4.26	4.27	3.53	3.58	3.55	4.39	3.55	4.39
OTHER RETAIL AND SERVICE.....	79824	83459	87302	92529	97784	102439	108882	115458	122398	130158	136626	130158	136626
Percentage change.....	4.94	4.55	4.61	5.99	5.68	4.76	6.29	6.04	6.01	6.34	4.97	6.34	4.97
MISC NONDURABLE GOODS.....	15921	16438	16962	17661	18374	19129	19948	20826	21769	22723	23725	22723	23725
Percentage change.....	3.33	3.25	3.19	4.12	4.04	4.11	4.28	4.40	4.53	4.38	4.41	4.38	4.41
TRANSPORTATION, COMMUNICATION.....	8177	8063	8121	8143	8180	8275	8349	8364	8335	8423	8483	8423	8483
Percentage change.....	-3.23	-1.40	0.72	0.27	0.46	1.16	0.89	0.18	-0.34	1.05	0.71	1.05	0.71
PER CAPITA (\$).....	30034	30930	31990	33316	34657	36003	37537	39186	40900	42780	44524	42780	44524
Percentage change.....	2.41	2.98	3.43	4.14	4.03	3.88	4.26	4.39	4.38	4.60	4.08	4.60	4.08

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Table 13: Tennessee Gross Domestic Product by Sector (millions of 2017 dollars) December 2025

	Forecast Data											December 2025
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
GROSS DOMESTIC PRODUCT.....	450,153	459,294	471,020	482,954	495,525	507,614	519,794	532,365	544,894	557,565	570,404	
Percentage change.....	1.74	2.03	2.55	2.53	2.60	2.44	2.40	2.42	2.35	2.33	2.30	
NATURAL RESOURCES & MINING.....	2,910	2,938	2,960	2,944	2,938	2,928	2,913	2,902	2,894	2,889	2,880	
Percentage change.....	2.62	0.95	0.74	-0.54	-0.19	-0.34	-0.52	-0.38	-0.27	-0.16	-0.33	
CONSTRUCTION.....	16,203	16,268	16,385	16,528	16,828	17,239	17,617	17,913	18,240	18,598	18,992	
Percentage change.....	0.51	0.40	0.72	0.87	1.82	2.44	2.19	1.68	1.83	1.96	2.12	
MANUFACTURING.....	56,519	57,072	58,004	59,136	60,163	61,128	62,143	63,173	64,285	65,407	66,521	
Percentage change.....	0.70	0.98	1.63	1.95	1.74	1.60	1.66	1.66	1.76	1.75	1.70	
DURABLE GOODS.....	31,974	32,469	33,131	33,867	34,579	35,223	35,916	36,616	37,356	38,133	38,900	
Percentage change.....	1.21	1.55	2.04	2.22	2.10	1.86	1.97	1.95	2.02	2.08	2.01	
NONDURABLE GOODS.....	24,545	24,603	24,874	25,269	25,584	25,906	26,227	26,557	26,929	27,274	27,621	
Percentage change.....	0.04	0.24	1.10	1.59	1.25	1.26	1.24	1.26	1.40	1.28	1.27	
TRADE, TRANSPORTATION & UTILITIES.....	84,101	85,882	87,713	89,388	91,316	92,897	94,922	96,940	98,873	100,844	102,897	
Percentage change.....	0.27	2.12	2.13	1.91	2.16	1.73	2.18	2.13	1.99	1.99	2.04	
WHOLESALE TRADE.....	25,077	25,476	26,028	26,656	27,280	27,818	28,387	28,980	29,546	30,069	30,608	
Percentage change.....	0.24	1.59	2.17	2.41	2.34	1.97	2.05	2.09	1.95	1.77	1.79	
RETAIL TRADE.....	34,483	35,379	36,144	36,906	37,630	38,382	39,307	40,239	41,148	41,881	42,944	
Percentage change.....	-0.94	2.60	2.16	2.11	1.96	2.00	2.41	2.37	2.26	1.78	2.54	
TRANSPORTATION & UTILITIES.....	24,540	25,026	25,542	25,825	26,406	26,697	27,228	27,721	28,178	28,894	29,345	
Percentage change.....	2.04	1.98	2.06	1.11	2.25	1.10	1.99	1.81	1.65	2.54	1.56	
INFORMATION.....	23,349	24,272	25,403	26,386	27,475	28,632	29,792	30,906	32,179	33,479	34,849	
Percentage change.....	7.67	3.95	4.66	3.87	4.13	4.21	4.05	3.74	4.12	4.04	4.09	
FINANCIAL ACTIVITIES.....	79,140	81,166	83,360	85,545	87,722	89,880	92,073	94,200	96,404	98,564	100,722	
Percentage change.....	2.74	2.56	2.70	2.62	2.55	2.46	2.44	2.31	2.34	2.24	2.19	
PROFESSIONAL & BUSINESS SERVICES.....	59,235	60,947	63,412	66,005	68,652	71,151	73,862	76,814	79,633	82,595	85,560	
Percentage change.....	1.35	2.89	4.04	4.09	4.01	3.64	3.81	4.00	3.67	3.72	3.59	
EDUCATION & HEALTH SERVICES.....	49,563	51,293	53,243	55,290	57,384	59,335	61,388	63,279	65,108	66,833	68,611	
Percentage change.....	2.83	3.49	3.80	3.84	3.79	3.40	3.46	3.08	2.89	2.65	2.66	
LEISURE & HOSPITALITY.....	27,259	27,524	28,399	29,318	30,232	31,054	31,824	32,563	33,276	33,968	34,664	
Percentage change.....	0.50	0.97	3.18	3.24	3.12	2.72	2.48	2.32	2.19	2.08	2.05	
OTHER SERVICES.....	9,300	9,327	9,382	9,469	9,502	9,548	9,625	9,685	9,757	9,841	9,920	
Percentage change.....	0.32	0.29	0.59	0.93	0.35	0.48	0.81	0.62	0.75	0.86	0.80	
GOVERNMENT.....	42,572	42,606	42,760	42,946	43,312	43,822	43,636	43,991	44,245	44,545	44,787	
Percentage change.....	1.99	0.08	0.36	0.43	0.85	1.18	-0.42	0.81	0.58	0.68	0.54	
FEDERAL.....	11,185	10,606	10,546	10,522	10,671	10,988	10,583	10,670	10,721	10,773	10,805	
Percentage change.....	-1.50	-5.17	-0.57	-0.22	1.42	2.97	-3.69	0.83	0.47	0.49	0.30	
STATE & LOCAL.....	31,388	32,000	32,214	32,424	32,641	32,833	33,053	33,321	33,524	33,772	33,982	
Percentage change.....	3.29	1.95	0.67	0.65	0.67	0.59	0.67	0.81	0.61	0.74	0.62	

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Appendix B: Historical Data

**Quarterly
Annual**

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

	Historical Data												December 2025			
													Annual			
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
US GDP (Bil2017\$) SAAR.....	21967.0	22125.6	22278.3	22439.6	22580.5	22841.0	23033.8	23082.1	23286.5	23478.6	23586.5	23548.2	23771.0	22075.9	22723.7	23358.4
% Chg Prev Qtr SAAR.....	0.63	2.92	2.79	2.93	2.54	4.69	3.42	0.84	3.59	3.34	1.85	-0.65	3.84	2.52	2.93	2.79
% Chg Same Qtr Last Yr.....	2.45	2.35	1.32	2.31	2.79	3.23	3.39	2.86	3.13	2.79	2.40	2.02	2.08	2.52	2.93	2.79
US GDP (Bil\$) SAAR.....	25861.3	26336.3	26770.5	27216.4	27530.1	28074.8	28424.7	28708.2	29147.0	29511.7	29825.2	30042.1	30485.7	26054.6	27811.5	29298.0
% Chg Prev Qtr SAAR.....	10.04	7.55	6.76	6.83	4.69	8.15	5.08	4.05	6.26	5.10	4.32	2.94	6.04	9.82	6.74	5.34
% Chg Same Qtr Last Yr.....	10.40	9.82	7.89	7.79	6.45	6.60	6.18	5.48	5.87	5.12	4.93	4.65	4.59	9.82	6.74	5.34
TN PERSONAL INCOME (MIL2017\$) SAAR.....	356724	359229	362501	372082	374459	377664	381837	384571	388894	389821	391395	393896	395550	359522	376510	388670
% Chg Prev Qtr SAAR.....	-3.20	2.84	3.69	11.00	2.58	3.47	4.49	2.90	4.57	0.96	1.62	2.58	1.69	-2.59	4.73	3.23
% Chg Same Qtr Last Yr.....	-1.55	-0.43	0.44	3.46	4.97	5.13	5.33	3.36	3.85	3.22	2.50	2.42	1.71	-2.59	4.73	3.23
US PERSONAL INCOME (BIL2017\$) SAAR.....	18947	19108	19221	19369	19520	19616	19774	19963	20096	20190	20306	20450	20619	19081	19570	20139
% Chg Prev Qtr SAAR.....	-2.08	3.46	2.37	3.12	3.16	1.98	3.26	3.87	2.71	1.88	2.32	2.86	3.34	-3.33	2.56	2.91
% Chg Same Qtr Last Yr.....	-2.94	-1.29	0.01	1.69	3.03	2.66	2.88	3.07	2.95	2.93	2.69	2.44	2.60	-3.33	2.56	2.91
TN PERSONAL INCOME (MIL\$) SAAR.....	412580	420248	428390	443923	450062	456970	464107	471568	479930	483105	488082	495360	500070	417424	453766	480671
% Chg Prev Qtr SAAR.....	4.08	7.64	7.98	15.31	5.65	6.28	6.40	6.59	7.28	2.67	4.18	6.10	3.86	3.83	8.71	5.93
% Chg Same Qtr Last Yr.....	5.25	6.23	6.47	8.68	9.08	8.74	8.34	6.23	6.64	5.72	5.17	5.05	4.20	3.83	8.71	5.93
US PERSONAL INCOME (BIL\$) SAAR.....	21913	22354	22714	23109	23462	23735	24035	24479	24801	25022	25322	25718	26067	22154	23585	24906
% Chg Prev Qtr SAAR.....	5.27	8.29	6.60	7.13	6.25	4.75	5.14	7.60	5.37	3.61	4.90	6.39	5.55	3.05	6.46	5.60
% Chg Same Qtr Last Yr.....	3.77	5.31	6.01	6.82	7.07	6.18	5.81	5.93	5.71	5.42	5.36	5.06	5.11	3.05	6.46	5.60
TN NONFARM JOBS (THOUS).....	3239.2	3277.3	3291.5	3310.4	3325.0	3343.0	3356.1	3363.7	3374.5	3374.9	3384.2	3381.9	3394.3	3253.4	3333.6	3374.3
% Chg Prev Qtr SAAR.....	4.26	4.78	1.75	2.32	1.77	2.19	1.58	0.90	1.29	0.05	1.11	-0.27	1.47	4.59	2.47	1.22
% Chg Same Qtr Last Yr.....	5.07	4.66	4.09	3.27	2.65	2.01	1.96	1.61	1.49	0.95	0.84	0.54	0.59	4.59	2.47	1.22
US NONFARM JOBS (MIL).....	152.0	153.3	154.2	155.0	155.6	156.2	156.7	157.3	157.8	158.1	158.6	159.2	159.4	152.5	155.9	158.0
% Chg Prev Qtr SAAR.....	3.28	3.51	2.29	2.25	1.59	1.43	1.36	1.48	1.31	0.86	1.29	1.32	0.71	4.28	2.19	1.34
% Chg Same Qtr Last Yr.....	4.69	4.10	3.33	2.83	2.41	1.89	1.65	1.46	1.39	1.25	1.24	1.20	1.04	4.28	2.19	1.34
TN MFG JOBS (THOUS).....	364.9	367.7	367.1	366.5	366.6	365.3	363.7	364.9	365.7	363.0	364.9	364.9	362.0	364.5	365.5	364.6
% Chg Prev Qtr SAAR.....	7.65	3.14	-0.74	-0.61	0.10	-1.43	-1.71	1.27	0.95	-2.91	2.06	0.03	-3.10	4.28	0.28	-0.25
% Chg Same Qtr Last Yr.....	4.66	4.69	4.26	2.30	0.46	-0.67	-0.92	-0.45	-0.24	-0.62	0.32	0.01	-1.01	4.28	0.28	-0.25
US MFG JOBS (MIL).....	12.7	12.8	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.8	12.8	12.8	12.8	12.8	12.9	12.8
% Chg Prev Qtr SAAR.....	4.16	2.56	2.03	0.20	-0.49	-0.54	-0.30	-0.02	-0.23	-0.98	-1.65	0.02	-0.30	3.71	0.82	-0.43
% Chg Same Qtr Last Yr.....	4.29	3.86	3.16	2.23	1.07	0.30	-0.28	-0.34	-0.27	-0.38	-0.72	-0.71	-0.73	3.71	0.82	-0.43
TN UNEMPLOYMENT RATE (%).....	3.3	3.4	3.4	3.3	3.2	3.2	3.3	3.1	3.2	3.6	3.7	3.7	3.5	3.4	3.2	3.4
US UNEMPLOYMENT RATE (%).....	3.6	3.5	3.6	3.5	3.6	3.7	3.8	3.8	4.0	4.2	4.2	4.1	4.2	3.6	3.6	4.0

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **December 2025**

	Historical Data												Annual			
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
CHAINED PRICE INDEX, GDP (2017=100.0).....	117.8	119.0	120.2	121.3	121.9	122.9	123.4	124.4	125.2	125.7	126.5	127.6	128.3	118.0	122.4	125.4
% Chg Prev Qtr SAAR.....	9.33	4.43	3.86	3.77	2.13	3.29	1.59	3.14	2.60	1.76	2.44	3.60	2.11	7.13	3.69	2.49
% Chg Same Qtr Last Yr.....	7.76	7.28	6.48	5.32	3.54	3.26	2.69	2.54	2.65	2.27	2.48	2.60	2.48	7.13	3.69	2.49
US PERS CONSUMP DEFL (2017=100.0)....	115.7	117.0	118.2	119.3	120.2	121.0	121.5	122.6	123.4	123.9	124.7	125.8	126.4	116.1	120.5	123.7
% Chg Prev Qtr SAAR.....	7.51	4.67	4.13	3.89	2.99	2.72	1.82	3.59	2.59	1.70	2.52	3.43	2.13	6.54	3.80	2.62
% Chg Same Qtr Last Yr.....	6.91	6.69	6.00	5.04	3.92	3.43	2.85	2.78	2.68	2.42	2.60	2.56	2.44	6.54	3.80	2.62
CONSUMER PRICE INDEX,																
ALL-URBAN (82-84=1,000).....	2,917	2,955	2,985	3,012	3,034	3,060	3,082	3,110	3,131	3,142	3,165	3,195	3,208	2,926	3,047	3,137
% Chg Prev Qtr SAAR.....	9.91	5.40	4.11	3.66	3.00	3.50	2.79	3.71	2.76	1.40	3.03	3.78	1.65	7.99	4.13	2.95
% Chg Same Qtr Last Yr.....	8.59	8.29	7.10	5.74	4.04	3.56	3.24	3.25	3.19	2.66	2.72	2.74	2.46	7.99	4.13	2.95
BANK PRIME INTEREST RATE (%).....	3.9	5.4	6.8	7.7	8.2	8.4	8.5	8.5	8.5	8.4	7.8	7.5	7.5	4.9	8.2	8.3
FEDERAL FUNDS RATE (% per annum).....	0.770	2.190	3.653	4.517	4.990	5.260	5.330	5.330	5.330	5.263	4.650	4.330	4.330	1.683	5.024	5.143
30-YEAR FIXED MORTGAGE RATE (%).....	5.4	5.7	6.6	6.3	6.5	7.1	7.3	6.8	7.0	6.4	6.7	6.8	6.8	5.4	6.8	6.7
TN TAXABLE SALES (MIL2017\$).....	42,704	42,098	41,959	42,888	42,300	41,202	41,274	42,454	42,131	42,770	42,943	42,071	42,527	16,884	16,766	17,029
% Chg Prev Qtr SAAR.....	6.07	-5.56	-1.31	9.16	-5.37	-9.99	0.70	11.93	-3.01	6.21	1.63	-7.88	4.41	3.89	-0.70	1.57
% Chg Same Qtr Last Yr.....	4.78	2.84	1.47	1.92	-0.95	-2.13	-1.63	-1.01	-0.40	3.81	4.04	-0.90	0.94	3.89	-0.70	1.57
TN TAXABLE SALES (MIL\$).....	49,391	49,248	49,586	51,169	50,841	49,854	50,167	52,058	51,993	53,005	53,551	52,908	53,764	19,620	20,203	21,067
% Chg Prev Qtr SAAR.....	14.04	-1.15	2.77	13.40	-2.55	-7.54	2.54	15.95	-0.49	8.01	4.18	-4.72	6.63	10.65	3.07	4.24
% Chg Same Qtr Last Yr.....	12.01	9.71	7.56	7.06	2.93	1.23	1.17	1.74	2.27	6.32	6.74	1.63	3.41	10.65	3.07	4.24
TN AVG ANNUAL WAGE, NONFARM (2017\$).....	53,378	53,717	53,531	53,621	53,552	53,958	54,314	54,245	54,718	54,997	55,005	55,266	55,511	53,754	53,861	54,741
% Chg Prev Qtr SAAR.....	-7.25	2.57	-1.38	0.68	-0.52	3.07	2.67	-0.50	3.53	2.06	0.05	1.92	1.78	-1.35	0.20	1.63
% Chg Same Qtr Last Yr.....	-2.27	-1.69	-1.98	-1.42	0.33	0.45	1.46	1.16	2.18	1.93	1.27	1.88	1.45	-1.35	0.20	1.63
TN AVG ANNUAL WAGE, NONFARM (\$).....	61,736	62,841	63,261	63,974	64,364	65,288	66,017	66,517	67,527	68,158	68,592	69,503	70,180	62,404	64,911	67,698
% Chg Prev Qtr SAAR.....	-0.28	7.36	2.70	4.59	2.46	5.87	4.54	3.07	6.21	3.79	2.57	5.42	3.95	5.09	4.02	4.29
% Chg Same Qtr Last Yr.....	4.48	4.88	3.90	3.55	4.26	3.89	4.36	3.97	4.91	4.40	3.90	4.49	3.93	5.09	4.02	4.29

Tennessee Econometric Model

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **December 2025**

	Historical Data												Annual				
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2022	2023	2024
US GDP (2017\$) SAAR.....	65717	60068	66392	66730	66994	67599	67997	67972	68418	68847	69049	68842	69417	69909	65977	67332	68572
% Chg Prev Qtr SAAR.....	-0.08	2.15	1.98	2.05	1.59	3.66	2.37	-0.15	2.65	2.53	1.18	-1.19	3.38	2.86	1.91	2.05	1.84
% Chg Same Qtr Last Yr.....	1.87	1.68	0.59	1.52	1.94	2.32	2.42	1.86	2.13	1.85	1.55	1.28	1.46	1.54	1.91	2.05	1.84
US GDP (\$). SAAR.....	77367	78641	79779	80935	81679	83089	83911	84539	85637	86538	87312	87827	89026	90379	77868	82407	86009
% Chg Prev Qtr SAAR.....	9.27	6.75	5.91	5.92	3.73	7.09	4.02	3.03	5.30	4.28	3.63	2.38	5.57	6.22	9.15	5.83	4.37
% Chg Same Qtr Last Yr.....	9.76	9.10	7.11	6.96	5.57	5.66	5.18	4.45	4.85	4.15	4.05	3.89	3.96	4.44	9.15	5.83	4.37
TN PERSONAL INCOME (2017\$) SAAR.....	50588	50943	51407	52279	52613	53064	53650	53550	54152	54281	54500	54385	54613	54899	50985	52902	54121
% Chg Prev Qtr SAAR.....	-3.20	2.84	3.69	6.96	2.58	3.47	4.49	-0.75	4.57	0.96	1.62	-0.84	1.69	2.11	-3.74	3.76	2.30
% Chg Same Qtr Last Yr.....	-2.71	-1.61	-0.74	2.51	4.00	4.16	4.36	2.43	2.92	2.29	1.58	1.56	0.85	1.14	-3.74	3.76	2.30
US PERSONAL INCOME (2017\$) SAAR.....	56681	57059	57280	57598	57915	58055	58374	58786	59045	59204	59446	59785	60212	60251	57025	57986	59121
% Chg Prev Qtr SAAR.....	-2.77	2.69	1.56	2.24	2.22	0.97	2.22	2.85	1.78	1.08	1.64	2.30	2.89	0.26	-3.92	1.69	1.96
% Chg Same Qtr Last Yr.....	-3.49	-1.94	-0.71	0.91	2.18	1.75	1.91	2.06	1.95	1.98	1.84	1.70	1.98	1.77	-3.92	1.69	1.96
TN PERSONAL INCOME (\$) SAAR.....	58509	59596	60751	62374	63236	64207	65210	65864	66828	67270	67963	68394	69044	69902	59196	63756	66931
% Chg Prev Qtr SAAR.....	4.08	7.64	7.98	11.12	5.65	6.28	6.40	2.82	7.28	2.67	4.18	2.56	3.86	5.06	2.61	7.70	4.98
% Chg Same Qtr Last Yr.....	4.01	4.97	5.22	7.68	8.08	7.74	7.34	5.27	5.68	4.77	4.22	4.16	3.32	3.91	2.61	7.70	4.98
US PERSONAL INCOME (\$) SAAR.....	65556	66751	67691	68720	69608	70246	70951	72084	72867	73372	74131	75185	76122	76702	66210	69884	73115
% Chg Prev Qtr SAAR.....	4.54	7.49	5.76	6.22	5.27	3.72	4.08	6.54	4.41	2.80	4.20	5.81	5.08	3.08	2.42	5.55	4.62
% Chg Same Qtr Last Yr.....	3.18	4.62	5.25	6.00	6.18	5.24	4.82	4.90	4.68	4.45	4.48	4.30	4.47	4.54	2.42	5.55	4.62
TN TAXABLE SALES (2017\$).....	6056	5970	5950	6026	5943	5789	5799	5912	5867	5956	5980	5809	5872	5986	23944	23558	23713
% Chg Prev Qtr SAAR.....	6.07	-5.56	-1.31	5.19	-5.37	-9.99	0.70	7.97	-3.01	6.21	1.63	-10.95	4.41	8.01	2.66	-1.61	0.66
% Chg Same Qtr Last Yr.....	3.54	1.62	0.28	0.98	-1.86	-3.03	-2.54	-1.90	-1.29	2.87	3.11	-1.74	0.09	0.51	2.66	-1.61	0.66
TN TAXABLE SALES (\$).....	7004	6984	7032	7190	7143	7005	7049	7249	7240	7381	7457	7305	7423	7622	27798	28386	29326
% Chg Prev Qtr SAAR.....	14.04	-1.15	2.77	9.28	-2.55	-7.54	2.54	11.85	-0.49	8.01	4.18	-7.90	6.63	11.13	9.34	2.12	3.31
% Chg Same Qtr Last Yr.....	10.69	8.42	6.29	6.07	1.99	0.30	0.24	0.82	1.35	5.37	5.79	0.77	2.53	3.27	9.34	2.12	3.31

Boyd Center for Business and Economic Research, University of Tennessee **Tennessee Econometric Model**

Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2017 dollars)

	Historical Data												Annual				
	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
TN PERSONAL INCOME.....	359634	356724	359229	362501	372082	374459	377664	381837	384571	388894	389821	391395	393896	395550	359522	376510	388670
% Chg Prev Qtr SAAR.....	-1.40	-3.20	2.84	3.69	11.00	2.58	3.47	4.49	2.90	4.57	0.96	1.62	2.58	1.69	-2.59	4.73	3.23
% Chg Same Qtr Last Yr.....	-8.34	-1.55	-0.43	0.44	3.46	4.97	5.13	5.33	3.36	3.85	3.22	2.50	2.42	1.71	-2.59	4.73	3.23
WAGES AND SALARIES.....	175341	173876	177033	177203	178526	179089	181422	183344	183500	185687	186647	187180	187941	189474	175863	180595	185753
% Chg Prev Qtr SAAR.....	4.00	-3.30	7.46	0.38	3.02	1.27	5.31	4.31	0.34	4.85	2.08	1.15	1.64	3.30	3.17	2.69	2.86
% Chg Same Qtr Last Yr.....	5.09	2.69	2.89	2.06	1.82	3.00	2.48	3.47	2.79	3.68	2.88	2.09	2.42	2.04	3.17	2.69	2.86
OTHER LABOR INCOME.....	35041	34634	34888	35168	35061	35338	35906	36507	36662	37120	37297	37308	37661	38002	34933	35703	37097
% Chg Prev Qtr SAAR.....	-4.58	-4.57	2.96	3.25	-1.21	3.19	6.59	6.86	1.71	5.09	1.92	0.12	3.83	3.67	-2.43	2.20	3.90
% Chg Same Qtr Last Yr.....	-2.75	-3.69	-2.44	-0.81	0.06	2.03	2.92	3.81	4.57	5.04	3.87	2.20	2.72	2.38	-2.43	2.20	3.90
PROPRIETORS INCOME.....	52062	50485	50703	51080	57053	57281	57948	58661	58450	58903	59178	59399	59976	59464	51083	57736	58982
% Chg Prev Qtr SAAR.....	-11.89	-11.58	1.74	3.01	55.63	1.60	4.74	5.01	-1.43	3.14	1.87	1.50	3.94	-3.37	-3.47	13.02	2.16
% Chg Same Qtr Last Yr.....	-0.15	-4.80	-3.93	-4.94	9.59	13.46	14.29	14.84	2.45	2.83	2.12	1.26	2.61	0.95	-3.47	13.02	2.16
RENT, INTEREST, DIVIDENDS.....	52941	53776	54774	56521	58523	59978	60462	61735	61956	61945	61698	61808	62035	61895	54503	60174	61852
% Chg Prev Qtr SAAR.....	-2.27	6.46	7.64	13.39	14.93	10.33	3.26	8.70	1.44	-0.07	-1.59	0.71	1.47	-0.90	3.74	10.41	2.79
% Chg Same Qtr Last Yr.....	3.18	2.30	3.27	6.15	10.54	11.53	10.38	9.22	5.87	3.28	2.05	0.12	0.13	-0.08	3.74	10.41	2.79
TRANSFER PAYMENTS.....	74288	73838	72282	73087	73393	73319	72898	73005	75529	77243	77185	77954	78891	79532	73374	73154	76978
% Chg Prev Qtr SAAR.....	1.45	-2.40	-8.17	4.53	1.69	-0.40	-2.28	0.59	14.56	9.39	-0.30	4.04	4.90	3.29	-14.82	-0.30	5.23
% Chg Same Qtr Last Yr.....	-35.08	-7.74	-4.99	-1.26	-1.21	-0.70	0.85	-0.11	2.91	5.35	5.88	6.78	4.45	2.96	-14.82	-0.30	5.23
LESS: PERS CONT FOR SOC INS.....	27913	27828	28341	28405	28432	28508	28893	29275	29764	30179	30353	30417	30742	30937	28122	28777	30178
% Chg Prev Qtr SAAR.....	13.18	-1.21	7.57	0.90	0.39	1.07	5.51	5.39	6.86	5.69	2.33	0.85	4.33	2.57	5.34	2.33	4.87
% Chg Same Qtr Last Yr.....	5.74	4.94	5.72	4.96	1.86	2.44	1.95	3.06	4.68	5.86	5.06	3.90	3.28	2.51	5.34	2.33	4.87
RESIDENCE ADJUSTMENT.....	-2126	-2056	-2110	-2153	-2041	-2038	-2080	-2141	-1762	-1826	-1830	-1836	-1865	-1879	-2111	-2075	-1813
% Chg Prev Qtr SAAR.....	0.97	-12.47	10.86	8.33	-19.21	-0.56	8.40	12.40	-54.20	15.48	0.82	1.37	6.36	3.14	1.89	-1.72	-12.61
% Chg Same Qtr Last Yr.....	6.95	-0.07	-0.56	1.50	4.00	-0.89	-1.45	-0.53	-13.69	-10.40	-12.01	-14.25	5.85	2.90	1.89	-1.72	-12.61
PER CAPITA PERSONAL INCOME (\$)...	51001	50588	50943	51407	52279	52613	53064	53650	53550	54152	54281	54500	54385	54613	50985	52902	54121
% Chg Prev Qtr SAAR.....	-5.97	-3.20	2.84	3.69	6.96	2.58	3.47	4.49	-0.75	4.57	0.96	1.62	-0.84	1.69	-3.74	3.76	2.30
% Chg Same Qtr Last Yr.....	-9.42	-2.71	-1.61	-0.74	2.51	4.00	4.16	4.36	2.43	2.92	2.29	1.58	1.56	0.85	-3.74	3.76	2.30

Tennessee Econometric Model

Boyd Center for Business and Economic Research, University of Tennessee

Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **December 2025**

	Historical Data												Annual				
	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
TN PERSONAL INCOME.....	408480	412580	420248	428390	443923	450062	456970	464107	471568	479930	483105	488082	495360	500070	417424	453766	480671
% Chg Prev Qtr SAAR.....	6.24	4.08	7.64	7.98	15.31	5.65	6.28	6.40	6.59	7.28	2.67	4.18	6.10	3.86	3.83	8.71	5.93
% Chg Same Qtr Last Yr.....	-2.31	5.25	6.23	6.47	8.68	9.08	8.74	8.34	6.23	6.64	5.72	5.17	5.05	4.20	3.83	8.71	5.93
WAGES AND SALARIES.....	199155	201102	207104	209411	212995	215248	219519	222847	225011	229154	231311	233419	236352	239540	204193	217652	229724
% Chg Prev Qtr SAAR.....	12.06	3.97	12.49	4.53	7.02	4.30	8.18	6.20	3.94	7.57	3.82	3.70	5.12	5.51	9.90	6.59	5.55
% Chg Same Qtr Last Yr.....	12.01	9.78	9.77	8.18	6.95	7.03	5.99	6.42	5.64	6.46	5.37	4.74	5.04	4.53	9.90	6.59	5.55
OTHER LABOR INCOME.....	39801	40057	40814	41560	41831	42472	43446	44372	44956	45809	46222	46524	47361	48043	40558	43030	45878
% Chg Prev Qtr SAAR.....	2.80	2.60	7.77	7.51	2.63	6.28	9.49	8.81	5.36	7.81	3.66	2.64	7.39	5.88	3.96	6.10	6.62
% Chg Same Qtr Last Yr.....	3.65	2.96	4.08	5.14	5.10	6.03	6.45	6.77	7.47	7.86	6.39	4.85	5.35	4.88	3.96	6.10	6.62
PROPRIETORS INCOME.....	59133	58390	59316	60365	68069	68846	70117	71300	71672	72692	73339	74072	75425	75177	59301	69583	72944
% Chg Prev Qtr SAAR.....	-5.07	-4.93	6.49	7.26	61.68	4.64	7.59	6.92	2.10	5.82	3.61	4.06	7.51	-1.31	2.81	17.34	4.83
% Chg Same Qtr Last Yr.....	6.42	1.78	2.49	0.76	15.11	17.91	18.21	18.12	5.29	5.59	4.59	3.89	5.24	3.42	2.81	17.34	4.83
RENT, INTEREST, DIVIDENDS.....	60131	62196	64078	66795	69822	72088	73158	75037	75972	76446	76463	77077	78014	78250	63300	72526	76489
% Chg Prev Qtr SAAR.....	5.30	14.46	12.67	18.07	19.40	13.62	6.07	10.68	5.08	2.52	0.09	3.25	4.96	1.21	10.54	14.58	5.46
% Chg Same Qtr Last Yr.....	9.98	9.36	10.18	12.52	16.12	15.90	14.17	12.34	8.81	6.05	4.52	2.72	2.69	2.36	10.54	14.58	5.46
TRANSFER PAYMENTS.....	84378	85399	84559	86371	87563	88123	88206	88735	92615	95325	95656	97211	99213	100548	85177	88157	95202
% Chg Prev Qtr SAAR.....	9.31	4.93	-3.88	8.85	5.64	2.58	0.38	2.42	18.67	12.23	1.39	6.66	8.50	5.49	-9.02	3.50	7.99
% Chg Same Qtr Last Yr.....	-30.80	-1.37	1.36	4.66	3.78	3.19	4.31	2.74	5.77	8.17	8.45	9.55	7.12	5.48	-9.02	3.50	7.99
LESS: PERS CONT FOR SOC INS.....	31704	32186	33155	33568	33922	34264	34960	35582	36497	37243	37617	37931	38660	39112	32653	34682	37322
% Chg Prev Qtr SAAR.....	21.95	6.21	12.80	5.07	4.29	4.09	8.38	7.31	10.69	8.43	4.07	3.39	7.91	4.76	12.23	6.21	7.61
% Chg Same Qtr Last Yr.....	12.70	12.19	12.79	11.26	7.00	6.46	5.44	6.00	7.59	8.70	7.60	6.60	5.93	5.02	12.23	6.21	7.61
RESIDENCE ADJUSTMENT.....	-2415	-2378	-2469	-2544	-2435	-2450	-2516	-2603	-2160	-2254	-2268	-2290	-2345	-2376	-2452	-2501	-2243
% Chg Prev Qtr SAAR.....	8.79	-5.89	16.04	12.80	-16.07	2.41	11.35	14.45	-52.55	18.47	2.53	3.93	10.01	5.34	8.52	2.02	-10.32
% Chg Same Qtr Last Yr.....	13.99	6.84	6.09	7.59	0.84	2.99	1.94	2.31	-11.29	-8.00	-9.88	-12.03	8.56	5.41	8.52	2.02	-10.32
PER CAPITA PERSONAL INCOME (\$).	57927	58509	59596	60751	62374	63236	64207	65210	65664	66828	67270	67963	68394	69044	59196	63756	66931
% Chg Prev Qtr SAAR.....	1.31	4.08	7.64	7.98	11.12	5.65	6.28	6.40	2.82	7.28	2.67	4.18	2.56	3.86	2.61	7.70	4.98
% Chg Same Qtr Last Yr.....	-3.46	4.01	4.97	5.22	7.68	8.08	7.74	7.34	5.27	5.68	4.77	4.22	4.16	3.32	2.61	7.70	4.98

Boyd Center for Business and Economic Research, University of Tennessee **Tennessee Econometric Model**

Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **December 2025**

	Historical Data												Annual			
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
TOTAL NONFARM.....	3239.2	3277.3	3291.5	3310.4	3325.0	3343.0	3356.1	3363.7	3374.5	3374.9	3384.2	3381.9	3394.3	3253.4	3333.6	3374.3
% Chg Prev Qtr SAAR.....	4.26	4.78	1.75	2.32	1.77	2.19	1.58	0.90	1.29	0.05	1.11	-0.27	1.47	4.59	2.47	1.22
% Chg Same Qtr Last Yr.....	5.07	4.66	4.09	3.27	2.65	2.01	1.96	1.61	1.49	0.95	0.84	0.54	0.59	4.59	2.47	1.22
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	150.27	153.17	155.37	157.53	159.70	162.87	164.83	166.57	168.47	168.80	169.40	167.67	165.7	151.63	161.23	168.31
% Chg Prev Qtr SAAR.....	7.13	7.95	5.87	5.70	5.62	8.17	4.92	4.27	4.64	0.79	1.43	-4.03	-4.61	7.74	6.34	4.39
% Chg Same Qtr Last Yr.....	8.03	8.27	7.57	6.66	6.28	6.33	6.09	5.73	5.49	3.64	2.77	0.66	-1.64	7.74	6.34	4.39
MANUFACTURING.....	364.9	367.7	367.1	366.5	366.6	365.3	363.7	364.9	365.7	363.0	364.9	364.9	362.0	364.5	365.5	364.6
% Chg Prev Qtr SAAR.....	7.65	3.14	-0.74	-0.61	0.10	-1.43	-1.71	1.27	0.95	-2.91	2.06	0.03	-3.10	4.28	0.28	-0.25
% Chg Same Qtr Last Yr.....	4.66	4.69	4.26	2.30	0.46	-0.67	-0.92	-0.45	-0.24	-0.62	0.32	0.01	-1.01	4.28	0.28	-0.25
DURABLE GOODS.....	232.7	235.0	234.6	234.7	235.1	234.8	234.4	234.6	235.7	234.0	236.1	236.8	235.4	232.6	234.7	235.1
% Chg Prev Qtr SAAR.....	8.22	3.86	-0.57	0.08	0.82	-0.56	-0.76	0.33	1.88	-2.84	3.71	1.13	-2.34	5.02	0.91	0.14
% Chg Same Qtr Last Yr.....	5.29	5.44	5.15	2.84	1.03	-0.06	-0.10	-0.04	0.22	-0.36	0.74	0.94	-0.12	5.02	0.91	0.14
NONDURABLE GOODS.....	132.2	132.8	132.5	131.8	131.5	130.5	129.3	130.3	130.1	129.1	128.8	128.1	126.7	131.9	130.8	129.5
% Chg Prev Qtr SAAR.....	6.66	1.89	-1.02	-1.84	-1.16	-2.97	-3.42	2.98	-0.70	-3.05	-0.89	-1.98	-4.50	2.99	-0.83	-0.94
% Chg Same Qtr Last Yr.....	3.56	3.40	2.73	1.37	-0.54	-1.75	-2.35	-1.17	-1.06	-1.08	-0.44	-1.66	-2.62	2.99	-0.83	-0.94
TRADE, TRANSPORTATION, UTILITIES.....	675.8	678.0	679.4	681.8	684.0	688.6	691.4	692.5	696.0	697.8	695.0	695.4	699.0	676.7	686.5	695.3
% Chg Prev Qtr SAAR.....	1.17	1.33	0.83	1.44	1.28	2.74	1.60	0.68	2.02	1.04	-1.61	0.27	2.09	4.01	1.44	1.29
% Chg Same Qtr Last Yr.....	5.14	3.92	2.70	1.19	1.22	1.57	1.76	1.57	1.75	1.33	0.52	0.42	0.44	4.01	1.44	1.29
WHOLESALE TRADE.....	127.4	130.2	131.9	133.0	133.8	134.7	135.3	136.1	136.8	137.3	137.3	137.9	139.2	128.8	134.2	136.9
% Chg Prev Qtr SAAR.....	5.41	9.09	5.43	3.17	2.43	2.92	1.69	2.39	1.97	1.57	0.10	1.56	3.92	6.19	4.17	2.00
% Chg Same Qtr Last Yr.....	6.79	6.31	6.46	5.75	5.00	3.48	2.55	2.36	2.24	1.90	1.50	1.30	1.78	6.19	4.17	2.00
RETAIL TRADE.....	341.1	341.1	342.6	343.9	343.8	347.1	345.1	345.0	346.6	346.4	345.0	346.6	348.9	341.3	345.0	345.8
% Chg Prev Qtr SAAR.....	0.63	0.08	1.73	1.49	-0.04	3.81	-2.21	-0.15	1.83	-0.19	-1.57	1.87	2.64	3.01	1.07	0.22
% Chg Same Qtr Last Yr.....	3.83	2.98	2.36	0.98	0.81	1.74	0.74	0.33	0.79	-0.19	-0.03	0.47	0.67	3.01	1.07	0.22
TRANSPORTATION & UTILITIES.....	207.3	206.7	204.9	205.0	206.4	206.8	210.9	211.4	212.7	214.1	212.6	210.9	210.9	206.6	207.3	212.7
% Chg Prev Qtr SAAR.....	-0.45	-1.22	-3.44	0.26	2.76	0.84	8.17	0.95	2.35	2.72	-2.77	-3.10	0.00	4.37	0.34	2.61
% Chg Same Qtr Last Yr.....	6.36	4.03	0.95	-1.22	-0.43	0.08	2.96	3.14	3.04	3.51	0.79	-0.24	-0.82	4.37	0.34	2.61
INFORMATION.....	54.1	55.8	55.8	56.9	55.7	55.4	55.5	55.0	54.6	54.5	54.3	53.7	54.5	54.5	55.9	54.6
% Chg Prev Qtr SAAR.....	14.50	13.45	0.24	8.12	-8.39	-2.37	1.21	-3.55	-3.11	-0.49	-1.70	-4.35	6.35	15.47	2.55	-2.27
% Chg Same Qtr Last Yr.....	18.14	14.66	11.74	8.93	3.02	-0.78	-0.54	-3.34	-1.97	-1.51	-2.22	-2.42	-0.12	15.47	2.55	-2.27
FINANCIAL ACTIVITIES.....	182.9	187.1	189.0	190.0	191.8	192.4	191.9	192.3	192.6	192.8	192.7	193.3	191.1	184.8	191.5	192.6
% Chg Prev Qtr SAAR.....	6.13	9.43	4.27	2.06	3.84	1.33	-1.10	0.77	0.77	0.28	-0.14	1.32	-4.54	4.65	3.64	0.55
% Chg Same Qtr Last Yr.....	4.18	5.75	5.86	5.44	4.87	2.87	1.52	1.19	0.43	0.17	0.42	0.55	-0.80	4.65	3.64	0.55

(CONTINUED ON NEXT PAGE)

Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **December 2025**

	Historical Data															Annual	
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024	2025
PROFESSIONAL & BUSINESS SERVICES...	461.6	466.3	465.2	464.6	464.1	461.9	460.4	455.5	454.8	451.8	449.1	450.5	455.7	462.8	462.7	452.8	
% Chg Prev Qtr SAAR.....	3.12	4.14	-0.91	-0.57	-0.43	-1.85	-1.32	-4.19	-0.61	-2.61	-2.37	1.28	4.73	5.70	-0.02	-2.15	
% Chg Same Qtr Last Yr.....	7.17	6.21	3.48	1.42	0.53	-0.94	-1.05	-1.96	-2.00	-2.19	-2.45	-1.09	0.21	5.70	-0.02	-2.15	
EDUCATION & HEALTH SERVICES.....	448.1	455.6	459.0	464.6	471.0	477.4	482.7	488.3	491.9	494.4	496.9	491.9	495.6	451.8	473.9	492.9	
% Chg Prev Qtr SAAR.....	3.19	6.90	3.02	5.00	5.56	5.58	4.52	4.72	2.98	2.08	2.01	-3.94	3.04	2.72	4.90	4.00	
% Chg Same Qtr Last Yr.....	2.15	3.22	3.83	4.51	5.11	4.78	5.16	5.09	4.44	3.57	2.94	0.74	0.76	2.72	4.90	4.00	
LEISURE & HOSPITALITY.....	340.3	349.2	353.1	357.5	360.9	363.8	367.9	366.8	367.2	367.1	369.7	370.9	374.1	344.2	362.5	367.7	
% Chg Prev Qtr SAAR.....	7.50	10.92	4.46	5.08	3.86	3.29	4.55	-1.15	0.44	-0.11	2.83	1.30	3.53	9.37	5.32	1.43	
% Chg Same Qtr Last Yr.....	10.36	7.54	7.96	6.96	6.04	4.17	4.19	2.61	1.76	0.91	0.49	1.11	1.88	9.37	5.32	1.43	
OTHER SERVICES.....	125.1	125.9	126.1	127.2	127.7	128.7	129.9	131.3	131.4	131.9	133.3	134.1	135.1	125.3	128.4	132.0	
% Chg Prev Qtr SAAR.....	3.15	2.69	0.74	3.32	1.58	3.38	3.57	4.59	0.30	1.43	4.21	2.63	2.91	2.60	2.44	2.82	
% Chg Same Qtr Last Yr.....	2.71	2.41	2.02	2.47	2.08	2.25	2.96	3.28	2.95	2.46	2.62	2.13	2.79	2.60	2.44	2.82	
GOVERNMENT.....	436.3	438.5	441.4	443.8	443.6	446.6	448.0	450.5	451.8	452.8	459.0	459.4	461.3	437.1	445.5	453.5	
% Chg Prev Qtr SAAR.....	3.56	2.03	2.67	2.22	-0.18	2.76	1.23	2.25	1.13	0.89	5.65	0.35	1.64	1.31	1.91	1.80	
% Chg Same Qtr Last Yr.....	1.07	1.38	1.87	2.62	1.68	1.86	1.50	1.51	1.84	1.37	2.46	1.98	2.11	1.31	1.91	1.80	
FEDERAL, CIVILIAN.....	52.1	52.3	53.2	54.0	55.3	56.4	56.9	57.7	58.1	58.7	58.9	59.1	58.8	52.4	55.7	58.4	
% Chg Prev Qtr SAAR.....	1.03	2.06	6.52	6.42	9.98	8.45	3.59	5.50	3.04	4.19	1.37	1.14	-1.79	1.58	6.28	4.87	
% Chg Same Qtr Last Yr.....	1.23	1.36	2.57	3.98	6.21	7.83	7.08	6.85	5.12	4.08	3.51	2.43	1.20	1.58	6.28	4.87	
STATE & LOCAL.....	384.2	386.1	388.2	389.8	388.3	390.2	391.1	392.8	393.6	394.0	400.1	400.3	402.5	384.8	389.8	395.1	
% Chg Prev Qtr SAAR.....	3.91	2.03	2.16	1.66	-1.53	1.97	0.89	1.78	0.85	0.41	6.30	0.23	2.15	1.27	1.32	1.36	
% Chg Same Qtr Last Yr.....	1.05	1.38	1.77	2.44	1.07	1.05	0.74	0.77	1.37	0.98	2.31	1.92	2.24	1.27	1.32	1.36	

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Table 6: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)

	Historical Data												Annual			
													2022	2023	2024	
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
TOTAL DURABLE GOODS	232.7	235.0	234.6	234.7	235.1	234.8	234.4	234.6	235.7	234.0	236.1	236.8	235.4	232.6	234.7	235.1
% Chg Prev Qtr SAAR.....	8.22	3.86	-0.57	0.08	0.82	-0.56	-0.76	0.33	1.88	-2.84	3.71	1.13	-2.34	5.02	0.91	0.14
% Chg Same Qtr Last Yr.....	5.29	5.44	5.15	2.84	1.03	-0.06	-0.10	-0.04	0.22	-0.36	0.74	0.94	-0.12	5.02	0.91	0.14
WOOD PRODUCTS	14.2	14.1	13.8	13.7	13.7	13.7	13.7	13.6	13.5	13.2	13.3	13.3	13.2	14.0	13.7	13.4
% Chg Prev Qtr SAAR.....	10.44	-1.20	-7.39	-3.91	-1.11	0.51	0.11	-2.45	-4.26	-7.77	3.31	1.24	-3.50	5.60	-2.09	-2.20
% Chg Same Qtr Last Yr.....	8.32	5.47	2.35	-0.73	-3.44	-3.02	-1.11	-0.74	-1.54	-3.63	-2.87	-1.97	-1.78	5.60	-2.09	-2.20
NONMETALLIC MINERALS	14.9	15.1	15.2	15.3	15.3	15.3	15.3	15.3	15.3	15.2	15.3	15.4	15.4	14.9	15.3	15.3
% Chg Prev Qtr SAAR.....	9.95	7.94	0.73	2.47	0.82	1.10	-0.57	-1.38	0.79	-1.47	3.08	1.18	-1.05	7.57	2.56	-0.12
% Chg Same Qtr Last Yr.....	8.11	9.07	7.39	5.20	2.95	1.28	0.95	-0.02	-0.02	-0.66	0.24	0.88	0.42	7.57	2.56	-0.12
PRIMARY METALS	11.4	11.3	11.2	11.3	11.1	11.2	11.0	11.0	11.1	11.1	11.2	11.2	11.2	11.2	11.2	11.1
% Chg Prev Qtr SAAR.....	11.77	-4.43	-1.30	2.03	-5.18	0.94	-3.92	-1.28	2.80	1.31	2.42	1.80	-1.88	1.97	-0.74	-0.46
% Chg Same Qtr Last Yr.....	2.82	2.07	2.04	1.84	-2.26	-0.92	-1.58	-2.39	-0.40	-0.31	1.30	2.08	0.90	1.97	-0.74	-0.46
FABRICATED METALS	41.6	42.4	42.7	42.7	42.6	42.2	41.9	41.8	42.1	42.1	42.8	43.1	42.9	41.9	42.4	42.2
% Chg Prev Qtr SAAR.....	7.91	8.14	2.44	0.68	-0.88	-3.58	-3.70	-0.41	2.56	-0.10	7.43	2.32	-1.50	6.09	1.21	-0.41
% Chg Same Qtr Last Yr.....	5.94	6.26	5.95	4.74	2.54	-0.36	-1.89	-2.16	-1.32	-0.44	2.32	3.02	1.98	6.09	1.21	-0.41
MACHINERY	24.9	25.1	25.1	24.9	24.8	24.8	24.7	24.7	24.7	24.8	24.9	25.1	25.1	24.9	24.8	24.8
% Chg Prev Qtr SAAR.....	7.26	3.79	-0.73	-1.80	-1.95	-0.86	-0.32	-0.72	-0.03	0.99	2.43	3.64	0.14	3.47	-0.19	-0.20
% Chg Same Qtr Last Yr.....	3.77	4.33	2.72	2.07	-0.20	-1.33	-1.23	-0.96	-0.48	-0.02	0.66	1.75	1.79	3.47	-0.19	-0.20
COMPUTERS & ELECTRONICS	6.8	7.1	7.4	7.8	7.9	7.9	7.8	7.6	7.5	7.6	7.7	7.8	7.8	6.9	7.8	7.6
% Chg Prev Qtr SAAR.....	19.70	22.79	19.82	18.33	6.80	-2.30	-3.62	-10.34	-1.94	4.50	6.89	3.11	1.69	8.44	12.59	-2.66
% Chg Same Qtr Last Yr.....	4.04	10.96	17.87	20.15	16.77	10.29	4.44	-2.56	-4.61	-2.99	-0.45	3.09	4.03	8.44	12.59	-2.66
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	19.3	19.2	18.6	18.6	18.9	19.5	20.6	21.4	21.7	21.8	22.2	22.3	22.1	19.0	19.4	21.8
% Chg Prev Qtr SAAR.....	11.92	-2.96	-11.33	-1.56	6.92	13.47	24.65	17.87	4.20	2.14	7.80	1.31	-2.32	3.59	1.98	12.38
% Chg Same Qtr Last Yr.....	5.93	3.48	0.26	-1.33	-2.45	1.44	10.46	15.55	14.80	11.82	7.84	3.83	2.17	3.59	1.98	12.38
TRANSPORTATION EQUIPMENT	72.7	73.7	74.4	74.4	75.4	75.4	74.8	75.1	75.7	74.3	74.3	74.2	73.4	73.1	75.0	74.8
% Chg Prev Qtr SAAR.....	7.19	5.70	3.43	0.08	5.56	0.09	-3.22	1.48	3.49	-7.35	0.28	-0.47	-4.27	5.91	2.62	-0.19
% Chg Same Qtr Last Yr.....	5.17	6.46	8.63	4.06	3.66	2.26	0.58	0.93	0.43	-1.49	-0.61	-1.09	-3.00	5.91	2.62	-0.19
FURNITURE	9.8	9.5	9.1	9.1	8.8	8.8	8.7	8.8	9.0	8.9	9.2	9.1	9.1	9.5	8.8	9.0
% Chg Prev Qtr SAAR.....	2.86	-10.46	-16.03	-1.48	-9.78	-0.04	-7.26	5.72	8.98	-2.26	10.89	-0.67	-3.30	-1.46	-7.03	1.31
% Chg Same Qtr Last Yr.....	1.10	-2.20	-6.05	-6.57	-9.58	-7.06	-4.73	-3.03	1.66	1.09	5.71	4.08	1.01	-1.46	-7.03	1.31
MISCELLANEOUS DURABLES	17.3	17.4	17.1	17.0	16.6	16.1	15.9	15.3	15.2	15.0	15.1	15.1	15.1	17.2	16.4	15.2
% Chg Prev Qtr SAAR.....	4.11	1.98	-5.60	-3.42	-8.53	-12.57	-3.74	-14.09	-3.87	-4.34	3.12	0.87	-1.40	4.49	-4.89	-7.58
% Chg Same Qtr Last Yr.....	5.59	4.50	2.06	-0.81	-3.97	-7.60	-7.15	-9.82	-8.69	-6.62	-4.99	-1.10	-0.47	4.49	-4.89	-7.58

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **December 2025**

	Historical Data												Annual			
													2022	2023	2024	
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
TOTAL NONDURABLE GOODS.....	132.2	132.8	132.5	131.8	131.5	130.5	129.3	130.3	130.1	129.1	128.8	128.1	126.7	131.9	130.8	129.5
% Chg Prev Qtr SAAR.....	6.66	1.89	-1.02	-1.84	-1.16	-2.97	-3.42	2.98	-0.70	-3.05	-0.89	-1.98	-4.50	2.99	-0.83	-0.94
% Chg Same Qtr Last Yr.....	3.56	3.40	2.73	1.37	-0.54	-1.75	-2.35	-1.17	-1.06	-1.08	-0.44	-1.66	-2.62	2.99	-0.83	-0.94
FOOD.....	39.1	40.0	40.7	41.0	41.3	40.7	40.6	41.0	41.1	41.2	41.0	40.7	40.3	39.5	40.9	41.1
% Chg Prev Qtr SAAR.....	10.45	9.14	7.33	2.80	3.14	-6.14	-0.51	3.80	0.62	1.08	-1.64	-2.97	-3.38	5.05	3.52	0.38
% Chg Same Qtr Last Yr.....	4.49	5.83	7.66	7.39	5.57	1.66	-0.25	-0.01	-0.62	1.23	0.95	-0.74	-1.74	5.05	3.52	0.38
BEVERAGE & TOBACCO.....	7.4	7.3	7.4	7.5	7.4	7.4	7.2	7.1	7.0	6.9	6.9	7.0	6.7	7.3	7.4	7.0
% Chg Prev Qtr SAAR.....	15.15	-4.26	3.73	4.80	-2.77	-2.19	-12.02	-1.62	-5.50	-5.47	0.42	0.73	-13.82	2.35	0.60	-4.88
% Chg Same Qtr Last Yr.....	4.58	1.24	1.75	4.63	0.30	0.83	-3.23	-4.75	-5.42	-6.23	-3.08	-2.50	-4.72	2.35	0.60	-4.88
PAPER.....	13.5	13.4	13.4	13.2	13.1	13.0	12.9	12.9	12.8	12.7	12.6	12.4	12.3	13.4	13.1	12.7
% Chg Prev Qtr SAAR.....	4.27	-0.70	-2.02	-4.55	-3.75	-1.43	-5.08	-0.82	-1.85	-1.47	-4.89	-4.37	-3.72	7.43	-2.56	-2.42
% Chg Same Qtr Last Yr.....	8.79	8.12	3.66	-0.80	-2.76	-2.94	-3.71	-2.79	-2.31	-2.32	-2.27	-3.16	-3.62	7.43	-2.56	-2.42
PRINTING & RELATED SUPPORT.....	8.2	8.3	8.3	8.2	8.3	8.1	8.1	8.0	7.9	7.8	7.7	7.7	7.6	8.2	8.2	7.9
% Chg Prev Qtr SAAR.....	5.38	4.85	-1.73	-3.01	2.70	-7.67	-0.63	-3.63	-4.64	-5.98	-6.74	1.01	-1.91	2.60	-0.71	-3.88
% Chg Same Qtr Last Yr.....	2.78	2.82	2.63	1.30	0.65	-2.50	-2.23	-2.38	-4.18	-3.74	-5.26	-4.13	-3.46	2.60	-0.71	-3.88
CHEMICALS.....	26.7	27.0	26.8	26.9	26.9	27.0	27.0	27.2	27.2	27.0	27.0	26.9	26.5	26.7	27.0	27.1
% Chg Prev Qtr SAAR.....	5.11	3.99	-1.81	0.34	0.51	1.28	0.72	2.35	0.57	-3.17	-0.46	-1.85	-5.79	2.07	0.84	0.58
% Chg Same Qtr Last Yr.....	2.17	3.14	2.11	1.87	0.74	0.07	0.71	1.21	1.23	0.10	-0.20	-1.24	-2.84	2.07	0.84	0.58
PLASTICS & RUBBER.....	25.6	25.6	25.3	25.3	25.0	24.9	24.7	24.8	25.0	24.6	24.2	23.6	23.3	25.4	25.0	24.7
% Chg Prev Qtr SAAR.....	7.97	0.77	-4.10	-0.03	-5.42	-1.52	-3.37	2.68	2.50	-6.40	-6.34	-9.19	-5.59	4.86	-1.65	-1.28
% Chg Same Qtr Last Yr.....	6.19	5.34	3.56	1.06	-2.23	-2.79	-2.61	-1.95	0.04	-1.23	-1.99	-4.96	-6.89	4.86	-1.65	-1.28
MISCELLANEOUS NONDURABLE GOODS..	11.7	11.1	10.5	9.7	9.4	9.4	8.9	9.2	9.0	8.8	9.4	9.9	9.9	11.3	9.3	9.1
% Chg Prev Qtr SAAR.....	-5.54	-17.58	-20.76	-26.77	-10.42	-3.24	-19.63	18.39	-9.54	-9.36	29.99	21.74	1.02	-8.82	-17.16	-2.44
% Chg Same Qtr Last Yr.....	-6.59	-10.39	-13.36	-18.02	-19.10	-15.78	-15.49	-4.70	-4.47	-6.02	5.99	6.73	9.72	-8.82	-17.16	-2.44

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2017 dollars) **December 2025**

	Historical Data												Annual				
	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
TOTAL NONFARM.....	54392	53378	53717	53531	53621	53552	53958	54314	54245	54718	54997	55005	55266	55511	53754	53861	54741
% Chg Prev Qtr SAAR.....	-1.62	-7.25	2.57	-1.38	0.68	-0.52	3.07	2.67	-0.50	3.53	2.06	0.05	1.92	1.78	-1.35	0.20	1.63
% Chg Same Qtr Last Yr.....	0.55	-2.27	-1.69	-1.98	-1.42	0.33	0.45	1.46	1.16	2.18	1.93	1.27	1.88	1.45	-1.35	0.20	1.63
NATURAL RESOURCES: MINING																	
AND CONSTRUCTION.....	62097	61874	62118	61965	63680	63234	64273	65207	65190	65847	66295	65338	67706	67864	62013	64099	65667
% Chg Prev Qtr SAAR.....	-5.57	-1.43	1.59	-0.98	11.54	-2.77	6.74	5.94	-0.11	4.09	2.75	-5.65	15.31	0.94	1.45	3.36	2.45
% Chg Same Qtr Last Yr.....	3.70	2.72	1.17	-1.63	2.55	2.20	3.47	5.23	2.37	4.13	3.15	0.20	3.86	3.06	1.45	3.36	2.45
MANUFACTURING.....	61254	58914	60220	59533	59716	60167	60331	60659	60760	61540	61413	60817	61588	61711	59980	60218	61133
% Chg Prev Qtr SAAR.....	4.76	-14.43	9.17	-4.48	1.24	3.05	1.09	2.19	0.67	5.23	-0.82	-3.83	5.17	0.80	-1.79	0.40	1.52
% Chg Same Qtr Last Yr.....	-0.89	-4.00	-0.59	-1.67	-2.51	2.13	0.18	1.89	1.75	2.28	1.79	0.26	1.36	0.28	-1.79	0.40	1.52
DURABLE GOODS.....	60543	58267	60292	59291	59839	60833	60490	61194	61194	61938	61418	61181	61688	61656	59598	60589	61433
% Chg Prev Qtr SAAR.....	10.50	-14.21	14.64	-6.47	3.75	6.82	-2.24	4.73	0.00	4.96	-3.31	-1.54	3.36	-0.21	-0.43	1.66	1.39
% Chg Same Qtr Last Yr.....	-0.53	-3.52	1.99	0.41	-1.16	4.40	0.33	3.21	2.26	1.82	1.54	-0.02	0.81	-0.46	-0.43	1.66	1.39
NONDURABLE GOODS.....	62503	60052	60093	59962	59498	58976	60045	59689	59980	60817	61404	60149	61402	61813	60652	59552	60587
% Chg Prev Qtr SAAR.....	-3.94	-14.79	0.27	-0.87	-3.06	-3.47	7.45	-2.35	1.96	5.70	3.91	-7.92	8.59	2.71	-4.00	-1.81	1.74
% Chg Same Qtr Last Yr.....	-1.45	-4.76	-4.79	-5.03	-4.81	-1.79	-0.08	-0.45	0.81	3.12	2.26	0.77	2.37	1.64	-4.00	-1.81	1.74
TRADE, TRANSPORTATION, UTILITIES.....	50919	50033	50229	50496	50403	49911	49645	49102	50321	50509	50717	50039	50043	50519	50419	49765	50396
% Chg Prev Qtr SAAR.....	-10.03	-6.78	1.57	2.15	-0.74	-3.85	-2.12	-4.30	10.31	1.50	1.66	-5.24	0.04	3.86	-1.74	-1.30	1.27
% Chg Same Qtr Last Yr.....	2.00	-2.08	-3.31	-3.42	-1.01	-0.24	-1.16	-2.76	-0.16	1.20	2.16	1.91	-0.55	0.02	-1.74	-1.30	1.27
WHOLESALE TRADE.....	79276	77499	76950	77338	77066	77568	79027	76756	79016	78262	77254	76703	76485	77370	77766	77604	77809
% Chg Prev Qtr SAAR.....	1.68	-8.67	-2.81	2.03	-1.40	2.63	7.74	-11.01	12.31	-3.76	-5.06	-2.82	-1.13	4.71	0.02	-0.21	0.26
% Chg Same Qtr Last Yr.....	3.79	-0.38	-1.20	-2.04	-2.79	0.09	2.70	-0.75	2.53	0.89	-2.24	-0.07	-3.20	-1.14	0.02	-0.21	0.26
RETAIL TRADE.....	34833	34480	34767	34892	34905	34708	33915	33782	34072	34255	34247	33257	33808	34043	34743	34328	33958
% Chg Prev Qtr SAAR.....	-25.77	-3.99	3.37	1.45	0.14	-2.24	-8.83	-1.55	3.48	2.16	-0.09	-11.07	6.79	2.81	-3.62	-1.20	-1.08
% Chg Same Qtr Last Yr.....	1.19	-3.88	-4.40	-7.02	0.21	0.66	-2.45	-3.18	-2.39	-1.31	0.98	-1.55	-0.78	-0.62	-3.62	-1.20	-1.08
TRANSPORTATION & UTILITIES.....	60133	58743	58917	59306	59105	57313	56899	56430	58364	59148	60345	60049	59441	60052	59274	57437	59476
% Chg Prev Qtr SAAR.....	-1.32	-8.93	1.19	2.67	-1.35	-11.59	-2.86	-3.26	14.43	5.48	8.34	-1.95	-3.99	4.18	-2.30	-3.10	3.55
% Chg Same Qtr Last Yr.....	0.25	-2.77	-4.88	-1.70	-1.71	-2.43	-3.42	-4.85	-1.25	3.20	6.06	6.41	1.85	1.53	-2.30	-3.10	3.55
INFORMATION.....	84010	82160	82557	82581	81494	85007	86659	90638	88724	90122	94346	95228	95844	96911	82827	85950	92105
% Chg Prev Qtr SAAR.....	18.15	-8.52	1.94	0.12	-5.16	18.39	8.00	19.67	-8.18	6.45	20.11	3.79	2.61	4.53	0.25	3.77	7.16
% Chg Same Qtr Last Yr.....	4.66	-4.21	-1.55	2.49	-3.00	3.47	4.97	9.76	8.87	6.02	8.87	5.06	8.02	7.53	0.25	3.77	7.16
FINANCIAL ACTIVITIES.....	78802	75951	75201	75758	73169	73948	74060	75406	75526	74856	74950	76141	78676	80485	76428	74146	75368
% Chg Prev Qtr SAAR.....	-5.18	-13.71	-3.89	3.00	-12.99	4.33	0.61	7.47	0.64	-3.50	0.50	6.51	14.00	9.52	-7.01	-2.99	1.65
% Chg Same Qtr Last Yr.....	-4.16	-8.46	-10.15	-5.13	-7.15	-2.64	-1.52	-0.47	3.22	1.23	1.20	0.98	4.17	7.52	-7.01	-2.99	1.65

(CONTINUED ON NEXT PAGE)

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2017 dollars) **December 2025**

	Historical Data												Annual				
													2022	2023	2024		
	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
PROFESSIONAL & BUSINESS SERVICES...	65837	63878	64506	64179	65498	64519	64930	65682	64893	66236	67026	67949	66364	66541	64600	65157	66526
% Chg Prev Qtr SAAR.....	9.04	-11.38	3.99	-2.02	8.48	-5.85	2.57	4.71	-4.72	8.54	4.86	5.62	-9.01	1.07	-0.47	0.86	2.10
% Chg Same Qtr Last Yr.....	0.92	-3.07	0.71	-0.39	-0.51	1.00	0.66	2.34	-0.92	2.66	3.23	3.45	2.27	0.46	-0.47	0.86	2.10
EDUCATION & HEALTH SERVICES.....	54329	53595	53758	52888	52963	53023	53944	53773	53634	53637	53563	53858	55121	54967	53643	53426	53673
% Chg Prev Qtr SAAR.....	-1.95	-5.30	1.22	-6.32	0.56	0.46	7.13	-1.26	-1.04	0.03	-0.55	2.22	9.72	-1.12	-0.77	-0.40	0.46
% Chg Same Qtr Last Yr.....	0.48	0.03	-0.42	-3.13	-2.52	-1.07	0.34	1.67	1.27	1.16	-0.71	0.16	2.77	2.48	-0.77	-0.40	0.46
LEISURE & HOSPITALITY.....	29016	29528	29907	29818	29372	29736	30309	30695	30122	30491	31090	32032	29951	30059	29567	30028	30934
% Chg Prev Qtr SAAR.....	-6.86	7.26	5.23	-1.18	-5.85	5.04	7.94	5.19	-7.26	4.99	8.10	12.68	-23.56	1.45	4.00	1.56	3.02
% Chg Same Qtr Last Yr.....	8.61	4.97	1.94	0.96	1.23	0.70	1.34	2.94	2.55	2.54	2.58	4.35	-0.57	-1.42	4.00	1.56	3.02
OTHER SERVICES.....	46661	46767	47388	47444	46964	46050	46376	47978	46538	47914	47954	47266	48613	48298	47065	46842	47418
% Chg Prev Qtr SAAR.....	-4.67	0.91	5.42	0.47	-3.98	-7.57	2.87	14.54	-11.47	12.36	0.34	-5.62	11.90	-2.57	0.33	-0.47	1.23
% Chg Same Qtr Last Yr.....	1.18	1.28	-1.52	0.47	0.65	-1.53	-2.14	1.12	-0.91	4.05	3.40	-1.48	4.46	0.80	0.33	-0.47	1.23
GOVERNMENT.....	47506	47136	47150	47201	47714	48064	49035	49793	49447	49918	50004	49783	50670	50976	47248	48652	49788
% Chg Prev Qtr SAAR.....	-4.39	-3.08	0.12	0.44	4.42	2.97	8.33	6.33	-2.75	3.86	0.69	-1.75	7.32	2.44	-2.36	2.97	2.34
% Chg Same Qtr Last Yr.....	-1.43	-3.51	-2.74	-1.75	0.44	1.97	4.00	5.49	3.63	3.86	1.98	-0.02	2.47	2.12	-2.36	2.97	2.34
FEDERAL, CIVILIAN.....	78716	78003	77789	78270	78743	78968	80131	81133	81386	81668	82242	83040	83381	83231	78195	79744	82084
% Chg Prev Qtr SAAR.....	-4.02	-3.57	-1.09	2.50	2.44	1.15	6.02	5.10	1.25	1.39	2.84	3.94	1.65	-0.72	-2.84	1.98	2.94
% Chg Same Qtr Last Yr.....	-3.18	-3.45	-3.13	-1.58	0.03	1.24	3.01	3.66	3.36	3.42	2.64	2.35	2.45	1.91	-2.84	1.98	2.94
STATE & LOCAL.....	43246	42953	42997	42946	43416	43663	44538	45231	44755	45229	45198	44885	45842	46261	43036	44212	45017
% Chg Prev Qtr SAAR.....	-4.64	-2.69	0.41	-0.47	4.44	2.30	8.26	6.37	-4.14	4.30	-0.27	-2.75	8.80	3.71	-2.27	2.73	1.82
% Chg Same Qtr Last Yr.....	-1.02	-3.54	-2.64	-1.87	0.39	1.65	3.58	5.32	3.09	3.59	1.48	-0.77	2.43	2.28	-2.27	2.73	1.82

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **December 2025**

	Historical Data												Annual					
	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024	2025
TOTAL NONFARM.....	61779	61736	62841	63261	63974	64364	65288	66017	66517	67527	68158	68592	69503	70180	62404	64911	67698	
% Chg Prev Qtr SAAR.....	5.99	-0.28	7.36	2.70	4.59	2.46	5.87	4.54	3.07	6.21	3.79	2.57	5.42	3.95	5.09	4.02	4.29	
% Chg Same Qtr Last Yr.....	7.17	4.48	4.88	3.90	3.55	4.26	3.89	4.36	3.97	4.91	4.40	3.90	4.49	3.93	5.09	4.02	4.29	
NATURAL RESOURCES, MINING																		
AND CONSTRUCTION.....	70531	71562	72669	73227	75975	76001	77770	79257	79937	81261	82160	81478	85147	85797	71997	77251	81209	
% Chg Prev Qtr SAAR.....	1.74	5.97	6.33	3.11	15.88	0.14	9.64	7.87	3.48	6.79	4.50	-3.28	19.27	3.09	8.05	7.30	5.12	
% Chg Same Qtr Last Yr.....	10.53	9.82	7.93	4.27	7.72	6.20	7.02	8.23	5.21	6.92	5.64	2.80	6.52	5.58	8.05	7.30	5.12	
MANUFACTURING.....	69574	68138	70449	70354	71246	72315	73000	73728	74505	75945	76109	75841	77452	78018	69629	72572	75600	
% Chg Prev Qtr SAAR.....	12.87	-8.00	14.27	-0.54	5.17	6.14	3.84	4.05	4.28	7.96	0.87	-1.40	8.77	2.95	4.63	4.23	4.17	
% Chg Same Qtr Last Yr.....	5.63	2.63	6.05	4.23	2.40	6.13	3.62	4.80	4.57	5.02	4.26	2.87	3.96	2.73	4.63	4.23	4.17	
DURABLE GOODS.....	68766	67391	70533	70068	71392	73116	73192	74378	75037	76437	76116	76295	77579	77948	69189	73020	75971	
% Chg Prev Qtr SAAR.....	19.06	-7.76	20.00	-2.61	7.78	10.01	0.42	6.64	3.59	7.68	-1.67	0.94	6.90	1.92	6.09	5.54	4.04	
% Chg Same Qtr Last Yr.....	6.02	3.14	8.81	6.44	3.82	8.49	3.77	6.15	5.11	4.54	3.99	2.58	3.39	1.98	6.09	5.54	4.04	
NONDURABLE GOODS.....	70992	69455	70300	70860	70986	70883	72654	72550	73548	75054	76097	75008	77218	78146	70402	71768	74927	
% Chg Prev Qtr SAAR.....	3.50	-8.39	4.96	3.23	0.71	-0.58	10.37	-0.57	5.62	8.44	5.68	-5.60	12.32	4.90	2.26	1.94	4.40	
% Chg Same Qtr Last Yr.....	5.04	1.82	1.57	0.68	-0.01	2.06	3.35	2.38	3.61	5.88	4.74	3.39	4.99	4.12	2.26	1.94	4.40	
TRADE, TRANSPORTATION, UTILITIES.....	57834	57867	58761	59675	60135	59988	60069	59681	61705	62332	62853	62400	62934	63868	58534	59968	62323	
% Chg Prev Qtr SAAR.....	-3.06	0.23	6.32	6.37	3.12	-0.97	0.54	-2.56	14.27	4.13	3.39	-2.86	3.47	6.07	4.65	2.45	3.93	
% Chg Same Qtr Last Yr.....	8.72	4.68	3.15	2.38	3.98	3.66	2.23	0.01	2.61	3.91	4.63	4.55	1.99	2.46	4.65	2.45	3.93	
WHOLESALE TRADE.....	90044	89634	90020	91394	91946	93229	95622	93293	96891	96583	95741	95650	96186	97814	90273	93523	96216	
% Chg Prev Qtr SAAR.....	9.55	-1.81	1.74	6.25	2.44	5.70	10.67	-9.39	16.34	-1.27	-3.44	-0.38	2.26	6.94	6.52	3.60	2.88	
% Chg Same Qtr Last Yr.....	10.62	6.51	5.40	3.84	2.11	4.01	6.22	2.08	5.38	3.60	0.12	2.53	-0.73	1.27	6.52	3.60	2.88	
RETAIL TRADE.....	39564	39879	40673	41234	41644	41716	41036	41061	41780	42274	42443	41473	42516	43038	40337	41364	41992	
% Chg Prev Qtr SAAR.....	-20.02	3.23	8.20	5.64	4.04	0.69	-6.35	0.24	7.19	4.81	1.61	-8.83	10.45	5.00	2.64	2.55	1.52	
% Chg Same Qtr Last Yr.....	7.85	2.76	1.99	-1.44	5.26	4.60	0.89	-0.42	0.33	1.34	3.43	1.00	1.76	1.81	2.64	2.55	1.52	
TRANSPORTATION & UTILITIES.....	68300	67941	68924	70085	70517	68884	68848	68588	71567	72994	74786	74883	74752	75920	68813	69209	73557	
% Chg Prev Qtr SAAR.....	6.32	-2.09	5.92	6.91	2.49	-8.94	-0.21	-1.50	18.54	8.22	10.19	0.52	-0.69	6.40	4.08	0.58	6.28	
% Chg Same Qtr Last Yr.....	6.85	3.94	1.48	4.20	3.25	1.39	-0.11	-2.14	1.49	5.97	8.62	9.18	4.45	4.01	4.08	0.58	6.28	
INFORMATION.....	95420	95025	96580	97591	97229	102170	104857	110167	108796	111219	116923	118752	120532	122519	96154	103606	113923	
% Chg Prev Qtr SAAR.....	27.30	-1.65	6.71	4.25	-1.48	21.93	10.94	21.85	-4.89	9.21	22.15	6.41	6.13	6.76	6.80	7.75	9.96	
% Chg Same Qtr Last Yr.....	11.55	2.41	5.04	8.64	1.90	7.52	8.57	12.89	11.90	8.86	11.51	7.79	10.79	10.16	6.80	7.75	9.96	
FINANCIAL ACTIVITIES.....	89505	87843	87975	89528	87296	88878	89612	91652	92612	92379	92885	94950	98942	101752	88713	89360	93207	
% Chg Prev Qtr SAAR.....	2.16	-7.22	0.60	7.25	-9.60	7.45	3.35	9.42	4.25	-1.00	2.21	9.19	17.91	11.85	-0.93	0.73	4.30	
% Chg Same Qtr Last Yr.....	2.15	-2.14	-4.14	0.56	-2.47	1.18	1.86	2.37	6.09	3.94	3.65	3.60	6.84	10.15	-0.93	0.73	4.30	

(CONTINUED ON NEXT PAGE)

Table 9: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **December 2025**

	Historical Data												Annual				
													2022	2023	2024		
	2022:1	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
PROFESSIONAL & BUSINESS SERVICES...	74779	73880	75463	75844	78145	77545	78565	79834	79573	81741	83066	84735	83459	84124	74991	78522	82278
% Chg Prev Qtr SAAR.....	17.48	-4.72	8.85	2.03	12.70	-3.03	5.36	6.62	-1.30	11.35	6.64	8.28	-5.89	3.23	6.04	4.71	4.78
% Chg Same Qtr Last Yr.....	7.56	3.63	7.45	5.59	4.50	4.96	4.11	5.26	1.83	5.41	5.73	6.14	4.88	2.92	6.04	4.71	4.78
EDUCATION & HEALTH SERVICES.....	61708	61987	62890	62501	63189	63728	65271	65359	65767	66193	66380	67162	69320	69491	62272	64387	66375
% Chg Prev Qtr SAAR.....	5.64	1.82	5.95	-2.45	4.47	3.46	10.04	0.54	2.51	2.62	1.14	4.79	13.49	0.99	5.70	3.40	3.09
% Chg Same Qtr Last Yr.....	7.10	6.94	6.24	2.68	2.40	2.81	3.79	4.57	4.08	3.87	1.70	2.76	5.40	4.98	5.70	3.40	3.09
LEISURE & HOSPITALITY.....	32956	34152	34987	35238	35043	35739	36674	37309	36936	37628	38530	39945	37666	38002	34333	36191	38260
% Chg Prev Qtr SAAR.....	0.35	15.32	10.15	2.90	-2.19	8.19	10.88	7.11	-3.94	7.71	9.94	15.52	-20.94	3.61	10.75	5.41	5.72
% Chg Same Qtr Last Yr.....	15.76	12.22	8.75	7.02	6.33	4.65	4.82	5.88	5.40	5.29	5.06	7.07	1.98	0.99	10.75	5.41	5.72
OTHER SERVICES.....	52998	54090	55438	56068	56032	55347	56115	58315	57066	59130	59430	58942	61136	61060	54648	56452	58642
% Chg Prev Qtr SAAR.....	2.71	8.50	10.35	4.63	-0.25	-4.80	5.66	16.63	-8.30	15.27	2.04	-3.25	15.74	-0.49	6.89	3.30	3.88
% Chg Same Qtr Last Yr.....	7.84	8.28	5.07	6.50	5.73	2.32	1.22	4.01	1.84	6.83	5.91	1.07	7.13	3.26	6.89	3.30	3.88
GOVERNMENT.....	53958	54517	55159	55781	56927	57768	59332	60522	60633	61603	61970	62081	63723	64446	54853	58637	61572
% Chg Prev Qtr SAAR.....	3.02	4.21	4.80	4.59	8.47	6.05	11.27	8.27	0.74	6.55	2.40	0.72	11.00	4.62	4.03	6.90	5.00
% Chg Same Qtr Last Yr.....	5.06	3.16	3.76	4.15	5.50	5.96	7.57	8.50	6.51	6.64	4.45	2.58	5.10	4.62	4.03	6.90	5.00
FEDERAL, CIVILIAN.....	89407	90217	91002	92497	93947	94911	96958	98614	99798	100785	101923	103554	104859	105224	90781	96107	101515
% Chg Prev Qtr SAAR.....	3.41	3.67	3.53	6.73	6.42	4.17	8.91	7.01	4.89	4.02	4.59	6.55	5.14	1.40	3.53	5.87	5.63
% Chg Same Qtr Last Yr.....	3.20	3.22	3.35	4.33	5.08	5.20	6.54	6.61	6.23	6.19	5.12	5.01	5.07	4.40	3.53	5.87	5.63
STATE & LOCAL.....	49120	49678	50301	50752	51798	52479	53890	54976	54880	55816	56014	55972	57650	58485	49963	53286	55671
% Chg Prev Qtr SAAR.....	2.75	4.62	5.11	3.64	8.50	5.36	11.20	8.31	-0.70	7.00	1.43	-0.30	12.54	5.93	4.12	6.65	4.48
% Chg Same Qtr Last Yr.....	5.50	3.13	3.87	4.02	5.45	5.64	7.14	8.32	5.95	6.36	3.94	1.81	5.05	4.78	4.12	6.65	4.48

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **December 2025**

	Historical Data												Annual			
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2022	2023	2024
CIVILIAN LABOR FORCE (THOUS).....	3376	3359	3347	3357	3374	3387	3396	3402	3415	3427	3436	3445	3466	3362	3379	3420
% Chg Prev Qtr SAAR.....	1.01	-1.96	-1.38	1.15	2.05	1.61	1.03	0.76	1.51	1.36	1.13	1.00	2.45	1.29	0.49	1.23
% Chg Same Qtr Last Yr.....	1.91	1.18	0.40	-0.30	-0.05	0.85	1.46	1.36	1.23	1.16	1.19	1.25	1.48	1.29	0.49	1.23
EMPLOYED PERSONS (THOUS).....	3264	3246	3233	3246	3267	3279	3286	3296	3305	3305	3308	3318	3345	3249	3269	3303
% Chg Prev Qtr SAAR.....	1.24	-2.12	-1.67	1.61	2.70	1.41	0.82	1.24	1.09	0.04	0.39	1.20	3.28	2.46	0.62	1.04
% Chg Same Qtr Last Yr.....	3.58	2.06	0.56	-0.25	0.11	1.00	1.63	1.54	1.14	0.79	0.69	0.68	1.22	2.46	0.62	1.04
UNEMPLOYED PERSONS (THOUS).....	112	113	115	111	106	109	110	107	111	122	128	127	121	113	109	117
% Chg Prev Qtr SAAR.....	-5.61	2.82	7.22	-11.20	-15.79	7.84	7.54	-12.77	15.35	47.21	22.92	-4.14	-17.48	-23.76	-3.43	7.12
% Chg Same Qtr Last Yr.....	-30.68	-18.97	-4.00	-1.96	-4.72	-3.57	-3.50	-3.93	3.93	12.34	16.16	18.93	9.38	-23.76	-3.43	7.12
PARTICIPATION RATE (PERCENT).....	60.6	60.1	59.7	59.6	59.7	59.7	59.7	59.6	59.6	59.6	59.6	59.6	59.8	60.3	59.7	59.6
% Chg Prev Qtr SAAR.....	-0.56	-3.59	-2.87	-0.22	0.57	0.06	-0.41	-0.50	0.16	-0.02	-0.11	-0.06	1.37	-0.15	-1.00	-0.14
% Chg Same Qtr Last Yr.....	0.47	-0.36	-1.12	-1.82	-1.54	-0.62	0.00	-0.07	-0.17	-0.19	-0.12	-0.01	0.29	-0.15	-1.00	-0.14
UNEMPLOYMENT RATE (PERCENT).....	3.3	3.4	3.4	3.3	3.2	3.2	3.3	3.1	3.2	3.6	3.7	3.7	3.5	3.4	3.2	3.4

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Table 11: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2017 dollars)

	Historical Data												Annual				
													2022	2023	2024		
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2022	2023	2024
TOTAL TAXABLE SALES.....	42704	42098	41959	42888	42300	41202	41274	42454	42131	42770	42943	42071	42527	43354	168841	167665	170298
% Chg Prev Qtr SAAR.....	6.07	-5.56	-1.31	9.16	-5.37	-9.99	0.70	11.93	-3.01	6.21	1.63	-7.88	4.41	8.01	3.89	-0.70	1.57
% Chg Same Qtr Last Yr.....	4.78	2.84	1.47	1.92	-0.95	-2.13	-1.63	-1.01	-0.40	3.81	4.04	-0.90	0.94	1.36	3.89	-0.70	1.57
AUTO DEALERS.....	3677	3634	3613	3640	3606	3640	3580	3555	3518	3555	3785	3622	3581	3647	14564	14466	14413
% Chg Prev Qtr SAAR.....	4.28	-4.61	-2.32	3.07	-3.74	3.86	-6.48	-2.70	-4.16	4.28	28.47	-16.14	-4.39	7.57	-5.90	-0.67	-0.37
% Chg Same Qtr Last Yr.....	-10.88	-2.28	-1.40	0.04	-1.95	0.16	-0.92	-2.34	-2.45	-2.35	5.72	1.86	1.80	2.60	-5.90	-0.67	-0.37
PURCHASES FROM MANUFACTURERS.....	2324	2377	2233	2341	2285	2208	2171	2224	2261	2182	2134	2132	2186	2308	9208	9006	8801
% Chg Prev Qtr SAAR.....	9.15	9.57	-22.10	20.79	-9.29	-12.83	-6.53	10.05	6.94	-13.23	-8.66	-0.21	10.37	24.44	16.75	-2.20	-2.27
% Chg Same Qtr Last Yr.....	17.38	19.58	7.73	3.00	-1.66	-7.13	-2.80	-5.03	-1.04	-1.16	-1.72	-4.10	-3.34	5.78	16.75	-2.20	-2.27
MISC DURABLE GOODS.....	7841	7708	7487	7712	7416	7372	7208	7123	7053	7027	7001	7004	7092	7152	30799	29708	28204
% Chg Prev Qtr SAAR.....	4.14	-6.61	-10.98	12.53	-14.47	-2.37	-8.62	-4.63	-3.85	-1.47	-1.50	0.19	5.13	3.41	6.49	-3.54	-5.06
% Chg Same Qtr Last Yr.....	8.97	5.92	0.48	-0.65	-5.42	-4.36	-3.74	-7.64	-4.89	-4.68	-2.87	-1.67	0.55	1.77	6.49	-3.54	-5.06
EATING AND DRINKING PLACES.....	4083	4180	4080	4320	4215	4267	4203	4174	4193	4170	4271	4203	4283	4335	16306	17005	16808
% Chg Prev Qtr SAAR.....	12.64	9.92	-9.26	25.74	-9.45	5.03	-5.81	-2.77	1.88	-2.24	10.10	-6.20	7.76	4.94	5.69	4.29	-1.16
% Chg Same Qtr Last Yr.....	3.12	8.50	2.34	9.02	3.23	2.06	3.02	-3.39	-0.50	-2.27	1.62	0.71	2.13	3.96	5.69	4.29	-1.16
FOOD STORES.....	3427	3095	3579	3414	3435	2636	2940	3521	3413	3688	3631	3379	3445	3451	13508	12424	14254
% Chg Prev Qtr SAAR.....	2.21	-33.46	78.81	-17.19	2.47	-65.30	54.64	105.78	-11.68	36.28	-5.99	-25.00	8.05	0.65	-0.89	-8.02	14.72
% Chg Same Qtr Last Yr.....	2.93	-10.19	3.18	0.17	0.24	-14.82	-17.86	3.14	-0.62	39.90	23.53	-4.02	0.94	-6.42	-0.89	-8.02	14.72
LIQUOR STORES.....	310	309	317	306	311	314	310	311	305	305	305	298	297	296	1252	1241	1225
% Chg Prev Qtr SAAR.....	-6.73	-0.61	10.57	-12.99	5.85	3.49	-4.47	1.18	-7.66	-0.31	0.51	-9.13	-0.81	-0.96	-2.14	-0.90	-1.27
% Chg Same Qtr Last Yr.....	-3.31	-2.46	-0.88	-2.82	0.30	1.32	-2.32	1.44	-1.96	-2.88	-1.63	-4.24	-2.51	-2.67	-2.14	-0.90	-1.27
HOTELS AND MOTELS.....	1426	1434	1437	1540	1484	1473	1470	1468	1467	1421	1441	1425	1400	1382	5674	5967	5797
% Chg Prev Qtr SAAR.....	15.11	2.21	0.83	31.90	-13.69	-2.87	-1.01	-0.44	-0.21	-12.14	5.79	-4.32	-6.92	-4.85	21.60	5.17	-2.86
% Chg Same Qtr Last Yr.....	23.02	8.73	11.07	11.84	4.07	2.76	2.28	-4.66	-1.14	-3.59	-1.97	-2.94	-4.61	-2.69	21.60	5.17	-2.86
OTHER RETAIL AND SERVICE.....	14526	14328	14284	14622	14630	14468	14573	15254	15093	15588	15569	15314	15521	15984	57352	58294	61504
% Chg Prev Qtr SAAR.....	9.09	-5.34	-1.22	9.82	0.22	-4.37	2.95	20.03	-4.15	13.79	-0.51	-6.39	5.52	12.48	2.67	1.64	5.51
% Chg Same Qtr Last Yr.....	3.41	1.78	1.37	2.88	0.72	0.98	2.03	4.32	3.16	7.75	6.83	0.39	2.83	2.54	2.67	1.64	5.51
MISC NONDURABLE GOODS.....	3153	3118	3078	3133	3086	3076	3083	3125	3115	3129	3090	3032	3090	3212	12459	12377	12460
% Chg Prev Qtr SAAR.....	5.55	-4.33	-5.01	7.27	-5.86	-1.19	0.82	5.68	-1.28	1.76	-4.92	-7.24	7.83	16.79	4.06	-0.65	0.67
% Chg Same Qtr Last Yr.....	4.21	2.68	0.64	0.72	-2.12	-1.33	0.15	-0.23	0.97	1.71	0.24	-2.98	-0.82	2.66	4.06	-0.65	0.67
TRANSPORTATION, COMMUNICATION.....	1938	1913	1850	1859	1833	1748	1737	1699	1712	1705	1717	1661	1632	1586	7720	7177	6833
% Chg Prev Qtr SAAR.....	-14.97	-5.03	-12.55	1.99	-5.61	-17.27	-2.41	-8.49	2.97	-1.46	2.79	-12.43	-6.79	-10.91	4.30	-7.03	-4.79
% Chg Same Qtr Last Yr.....	19.97	0.54	-4.76	-7.88	-5.44	-8.65	-6.11	-8.61	-6.61	-2.43	-1.16	-2.24	-4.64	-7.01	4.30	-7.03	-4.79
PER CAPITA (\$)......	6056	5970	5950	6026	5943	5789	5799	5912	5867	5956	5980	5809	5872	5986	23944	23558	23713
% Chg Prev Qtr SAAR.....	6.07	-5.56	-1.31	5.19	-5.37	-9.99	0.70	7.97	-3.01	6.21	1.63	-10.95	4.41	8.01	2.66	-1.61	0.66
% Chg Same Qtr Last Yr.....	3.54	1.62	0.28	0.98	-1.86	-3.03	-2.54	-1.90	-1.29	2.87	3.11	-1.74	0.09	0.51	2.66	-1.61	0.66

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Table 12: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)

	Historical Data												Annual				
	2022:2	2022:3	2022:4	2023:1	2023:2	2023:3	2023:4	2024:1	2024:2	2024:3	2024:4	2025:1	2025:2	2025:3	2022	2023	2024
TOTAL TAXABLE SALES.....	49387	49221	49640	51146	50826	49855	50177	52060	51994	53009	53516	52935	53768	55202	196034	202003	210578
% Chg Prev Qtr SAAR.....	14.09	-1.34	3.45	12.70	-2.48	-7.42	2.61	15.87	-0.50	8.04	3.88	-4.27	6.44	11.13	10.65	3.04	4.25
% Chg Same Qtr Last Yr.....	12.01	9.64	7.66	7.03	2.91	1.29	1.08	1.79	2.30	6.33	6.65	1.68	3.41	4.15	10.65	3.04	4.25
AUTO DEALERS.....	4253	4252	4270	4343	4334	4405	4351	4360	4341	4406	4719	4555	4528	4644	16908	17433	17826
% Chg Prev Qtr SAAR.....	12.17	-0.15	1.69	7.06	-0.84	6.69	-4.81	0.80	-1.67	6.06	31.67	-13.25	-2.35	10.68	0.32	3.10	2.25
% Chg Same Qtr Last Yr.....	-4.72	4.25	4.52	5.08	1.90	3.60	1.90	0.38	0.17	0.02	8.47	4.47	4.29	5.41	0.32	3.10	2.25
PURCHASES FROM MANUFACTURERS.....	2688	2781	2639	2794	2746	2672	2639	2727	2791	2705	2661	2682	2763	2939	10690	10850	10882
% Chg Prev Qtr SAAR.....	17.36	14.69	-18.88	25.48	-6.58	-10.46	-4.83	14.00	9.72	-11.76	-6.35	3.21	12.72	28.05	24.30	1.50	0.30
% Chg Same Qtr Last Yr.....	25.49	27.58	14.20	8.19	2.19	-3.94	-0.03	-2.40	1.61	1.24	0.83	-1.65	-0.98	8.68	24.30	1.50	0.30
MISC DURABLE GOODS.....	9085	9012	8827	9215	8917	8934	8733	8745	8703	8728	8706	8810	8967	9106	35750	35799	34882
% Chg Prev Qtr SAAR.....	12.23	-3.17	-7.96	18.80	-12.34	0.78	-8.70	0.54	-1.88	1.14	-1.01	4.89	7.31	6.41	13.43	0.14	-2.56
% Chg Same Qtr Last Yr.....	16.59	12.99	6.43	4.41	-1.85	-0.86	-1.06	-5.11	-2.39	-2.31	-0.31	0.75	3.03	4.56	13.43	0.14	-2.56
EATING AND DRINKING PLACES.....	4722	4890	4822	5155	5065	5163	5109	5118	5175	5167	5326	5286	5414	5519	18935	20492	20787
% Chg Prev Qtr SAAR.....	21.09	15.07	-5.50	30.62	-6.74	7.89	-4.10	0.72	4.52	-0.58	12.87	-2.98	10.06	7.98	12.57	8.22	1.44
% Chg Same Qtr Last Yr.....	10.25	15.75	8.48	14.52	7.28	5.57	5.96	-0.71	2.16	0.10	4.26	3.28	4.63	6.81	12.57	8.22	1.44
FOOD STORES.....	3985	3588	4244	4073	4147	3171	3565	4344	4204	4579	4502	4285	4325	4394	15682	14956	17629
% Chg Prev Qtr SAAR.....	12.88	-34.31	95.75	-15.10	7.38	-65.81	59.90	120.34	-12.31	40.84	-6.60	-17.92	3.82	3.56	5.59	-4.63	17.87
% Chg Same Qtr Last Yr.....	10.42	-4.81	9.58	5.36	4.05	-11.62	-15.98	6.64	1.38	44.43	26.26	-1.36	2.89	-3.86	5.59	-4.63	17.87
LIQUOR STORES.....	359	361	376	365	373	379	377	381	375	378	380	375	375	377	1454	1495	1515
% Chg Prev Qtr SAAR.....	0.74	2.87	16.87	-10.53	8.61	7.06	-2.30	4.27	-6.12	2.72	2.83	-5.95	0.10	1.91	4.27	2.83	1.30
% Chg Same Qtr Last Yr.....	3.23	3.93	5.36	2.03	3.96	5.01	0.41	4.32	0.59	-0.44	0.84	-1.73	-0.14	0.00	4.27	2.83	1.30
HOTELS AND MOTELS.....	1645	1672	1714	1827	1780	1784	1797	1790	1807	1769	1795	1788	1765	1760	6598	7187	7161
% Chg Prev Qtr SAAR.....	21.28	6.89	10.33	29.08	-9.96	0.90	3.01	-1.54	3.92	-8.10	5.92	-1.48	-5.09	-2.10	29.34	8.92	-0.35
% Chg Same Qtr Last Yr.....	30.66	16.40	18.45	16.57	8.20	6.65	4.84	-2.02	1.55	-0.79	-0.10	-0.08	-2.32	-0.03	29.34	8.92	-0.35
OTHER RETAIL AND SERVICE.....	16764	16779	16925	17418	17552	17511	17748	18679	18641	19285	19432	19252	19660	20352	66594	70229	76037
% Chg Prev Qtr SAAR.....	16.74	0.35	3.52	12.18	3.13	-0.94	5.51	22.72	-0.83	14.57	3.08	-3.65	8.76	15.74	9.32	5.46	8.27
% Chg Same Qtr Last Yr.....	10.46	8.50	7.64	8.00	4.70	4.36	4.86	7.24	6.20	10.13	9.49	3.07	5.47	5.35	9.32	5.46	8.27
MISC NONDURABLE GOODS.....	3646	3647	3638	3737	3709	3722	3747	3833	3845	3878	3853	3813	3907	4090	14464	14915	15408
% Chg Prev Qtr SAAR.....	13.48	0.15	-1.07	11.42	-3.04	1.50	2.66	9.46	1.28	3.49	-2.52	-4.06	10.13	20.17	10.82	3.12	3.31
% Chg Same Qtr Last Yr.....	11.41	9.55	6.67	5.79	1.71	2.05	3.00	2.55	3.67	4.18	2.84	-0.50	1.61	5.47	10.82	3.12	3.31
TRANSPORTATION, COMMUNICATION.....	2242	2238	2186	2218	2203	2115	2112	2084	2112	2113	2141	2089	2063	2019	8959	8647	8450
% Chg Prev Qtr SAAR.....	-8.57	-0.60	-8.94	5.95	-2.78	-15.02	-0.64	-5.20	5.64	0.21	5.38	-9.42	-4.80	-8.33	11.04	-3.48	-2.28
% Chg Same Qtr Last Yr.....	28.25	7.26	0.96	-3.23	-1.74	-5.51	-3.43	-6.08	-4.11	-0.07	1.41	0.26	-2.31	-4.46	11.04	-3.48	-2.28
PER CAPITA (\$)......	7004	6980	7039	7186	7141	7005	7050	7249	7240	7381	7452	7309	7424	7622	27800	28383	29322
% Chg Prev Qtr SAAR.....	14.09	-1.34	3.45	8.60	-2.48	-7.42	2.61	11.77	-0.50	8.04	3.88	-7.46	6.44	11.13	9.34	2.10	3.31
% Chg Same Qtr Last Yr.....	10.69	8.35	6.38	6.04	1.96	0.35	0.15	0.87	1.38	5.37	5.70	0.82	2.54	3.27	9.34	2.10	3.31

Tennessee Econometric Model

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Table 1: Selected U.S. and Tennessee Economic Indicators

	Historical Data												December 2025
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
TN GDP (Mil2017\$) SAAR.....	318697.3	324177.3	335660.0	343635.1	355417.5	362422.2	370257.1	368178.7	402161.1	417439.0	430689.0	442460.7	
Percentage change.....	1.99	1.72	3.54	2.38	3.43	1.97	2.16	-0.56	9.23	3.80	3.17	2.73	
US GDP (Bil2017\$) SAAR.....	17812.2	18261.7	18799.6	19141.7	19612.1	20193.9	20715.7	20284.5	21532.4	22075.9	22723.7	23358.4	
Percentage change.....	2.12	2.52	2.95	1.82	2.46	2.97	2.58	-2.08	6.15	2.52	2.93	2.79	
US GDP (Bil\$) SAAR.....	16880.7	17608.1	18295.0	18804.9	19612.1	20656.5	21540.0	21375.3	23725.6	26054.6	27811.5	29298.0	
Percentage change.....	3.86	4.31	3.90	2.79	4.29	5.33	4.28	-0.76	11.00	9.82	6.74	5.34	
TN PERSONAL INCOME (MIL2017\$) SAAR.....	265675	271674	285050	291527	299298	309820	324219	344051	369099	359522	376510	388670	
Percentage change.....	-0.57	2.26	4.92	2.27	2.67	3.52	4.65	6.12	7.28	-2.59	4.73	3.23	
US PERSONAL INCOME (BIL2017\$) SAAR.....	14688	15222	15903	16165	16662	17176	17740	18757	19738	19081	19570	20139	
Percentage change.....	-0.23	3.63	4.48	1.64	3.08	3.08	3.29	5.73	5.23	-3.33	2.56	2.91	
TN PERSONAL INCOME (MIL\$) SAAR.....	254465	263856	277356	286532	299308	316177	335602	360095	402025	417424	453766	480671	
Percentage change.....	0.74	3.69	5.12	3.31	4.46	5.64	6.14	7.30	11.64	3.83	8.71	5.93	
US PERSONAL INCOME (BIL\$) SAAR.....	14069	14784	15474	15888	16663	17528	18363	19632	21499	22154	23585	24906	
Percentage change.....	1.08	5.08	4.66	2.67	4.88	5.19	4.76	6.91	9.51	3.05	6.46	5.60	
TN NONFARM JOBS (THOUS).....	2769.2	2830.6	2902.2	2974.6	3022.9	3073.9	3128.7	3010.4	3110.7	3253.4	3333.6	3374.3	
Percentage change.....	1.68	2.22	2.53	2.50	1.62	1.69	1.78	-3.78	3.33	4.59	2.47	1.22	
US NONFARM JOBS (MIL).....	136.4	138.9	141.8	144.3	146.6	148.9	150.9	142.2	146.3	152.5	155.9	158.0	
Percentage change.....	1.64	1.88	2.07	1.78	1.58	1.56	1.35	-5.79	2.90	4.28	2.19	1.34	
TN MFG JOBS (THOUS).....	316.6	323.1	331.2	342.0	346.8	350.9	355.6	335.7	349.5	364.5	365.5	364.6	
Percentage change.....	1.62	2.07	2.50	3.26	1.39	1.21	1.33	-5.60	4.13	4.28	0.28	-0.25	
US MFG JOBS (MIL).....	12.0	12.2	12.3	12.3	12.4	12.7	12.8	12.1	12.3	12.8	12.9	12.8	
Percentage change.....	0.75	1.36	1.22	0.13	0.67	1.99	1.00	-5.12	1.54	3.71	0.82	-0.43	
TN UNEMPLOYMENT RATE (%).....	7.6	6.6	5.5	4.7	3.8	3.5	3.3	7.5	4.5	3.4	3.2	3.4	
US UNEMPLOYMENT RATE (%).....	7.4	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.4	3.6	3.6	4.0	
CHAINED PRICE INDEX, GDP (2017=100.0).....	94.8	96.4	97.3	98.2	100.0	102.3	104.0	105.4	110.2	118.0	122.4	125.4	
Percentage change.....	1.73	1.74	0.87	0.96	1.82	2.29	1.65	1.36	4.54	7.13	3.69	2.49	
US PERS CONSUMP DEFL (2017=100.0).....	95.8	97.1	97.3	98.3	100.0	102.0	103.5	104.7	109.0	116.1	120.5	123.7	
Percentage change.....	1.32	1.40	0.18	1.01	1.75	2.05	1.43	1.12	4.11	6.54	3.80	2.62	
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1,000).....	2,330	2,367	2,370	2,400	2,451	2,511	2,557	2,589	2,710	2,926	3,047	3,137	
Percentage change.....	1.47	1.62	0.12	1.27	2.13	2.44	1.81	1.25	4.68	7.99	4.13	2.95	
BANK PRIME INTEREST RATE (%).....	3.3	3.3	3.3	3.5	4.1	4.9	5.3	3.5	3.3	4.9	8.2	8.3	
FEDERAL FUNDS RATE (% per annum).....	0.108	0.089	0.133	0.395	1.002	1.832	2.158	0.376	0.080	1.683	5.024	5.143	
30-YEAR FIXED MORTGAGE RATE (%).....	4.1	4.3	4.0	3.8	4.1	4.7	4.1	3.2	3.0	5.4	6.8	6.7	
TN TAXABLE SALES (MIL2017\$).....	105455	109717	116687	121595	125266	131101	136983	139540	162526	168841	167665	170298	
Percentage change.....	1.71	4.04	6.35	4.21	3.02	4.66	4.49	1.87	16.47	3.89	-0.70	1.57	
TN TAXABLE SALES (MIL\$).....	101006	106560	113543	119508	125277	133789	141800	146087	177155	196020	202031	210607	
Percentage change.....	3.05	5.50	6.55	5.25	4.83	6.80	5.99	3.02	21.27	10.65	3.07	4.24	
TN AVG ANNUAL WAGE, NONFARM (2017\$).....	46419	46905	48385	48536	49047	49671	50250	52933	54492	53754	53861	54741	
Percentage change.....	-1.15	1.05	3.15	0.31	1.05	1.27	1.17	5.34	2.94	-1.35	0.20	1.63	
TN AVG ANNUAL WAGE, NONFARM (\$).....	44460	45555	47078	47704	49048	50688	52014	55406	59384	62404	64911	67698	
Percentage change.....	0.15	2.46	3.34	1.33	2.82	3.34	2.62	6.52	7.18	5.09	4.02	4.29	

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **December 2025**

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TN GDP (2017\$) SAAR.....	49307	49808	51167	51950	53250	53757	54376	53630	58069	59198	60514	61611
Percentage change.....	1.06	1.02	2.73	1.53	2.50	0.95	1.15	-1.37	8.28	1.94	2.22	1.81
US GDP (2017\$) SAAR.....	56129	57095	58317	58923	59962	61384	62649	61132	64744	65977	67332	68572
Percentage change.....	1.35	1.72	2.14	1.04	1.76	2.37	2.06	-2.42	5.91	1.91	2.05	1.84
US GDP (\$) SAAR.....	53194	55052	56751	57886	59962	62790	65142	64420	71338	77868	82407	86009
Percentage change.....	3.08	3.49	3.09	2.00	3.59	4.72	3.75	-1.11	10.74	9.15	5.83	4.37
TN PERSONAL INCOME (2017\$) SAAR.....	40819	41413	43093	43678	44394	45501	47227	49678	52968	50985	52902	54121
Percentage change.....	-1.26	1.45	4.06	1.36	1.64	2.49	3.79	5.19	6.62	-3.74	3.76	2.30
US PERSONAL INCOME (2017\$) SAAR.....	46286	47591	49332	49759	50943	52210	53651	56529	59349	57025	57986	59121
Percentage change.....	-0.97	2.82	3.66	0.87	2.38	2.49	2.76	5.36	4.99	-3.92	1.69	1.96
TN PERSONAL INCOME (\$) SAAR.....	39097	40222	41930	42929	44396	46434	48885	51995	57693	59196	63756	66931
Percentage change.....	0.04	2.88	4.25	2.38	3.42	4.59	5.28	6.36	10.96	2.61	7.70	4.98
US PERSONAL INCOME (\$) SAAR.....	44333	46222	48000	48906	50945	53281	55535	59165	64643	66210	69884	73115
Percentage change.....	0.33	4.26	3.85	1.89	4.17	4.59	4.23	6.54	9.26	2.42	5.55	4.62
TN TAXABLE SALES (2017\$).....	16203	16725	17641	18218	18580	19254	19953	20148	23323	23944	23558	23713
Percentage change.....	1.00	3.22	5.47	3.27	1.99	3.62	3.63	0.98	15.76	2.66	-1.61	0.66
TN TAXABLE SALES (\$).....	15519	16244	17165	17905	18582	19648	20655	21094	25423	27798	28386	29326
Percentage change.....	2.34	4.67	5.67	4.31	3.78	5.74	5.12	2.12	20.52	9.34	2.12	3.31

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Table 3: Tennessee Personal Income Components (millions of 2017 dollars) **December 2025**

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TN PERSONAL INCOME.....	265675	271674	285050	291527	299298	309820	324219	344051	369099	359522	376510	388670
Percentage change.....	-0.57	2.26	4.92	2.27	2.67	3.52	4.65	6.12	7.28	-2.59	4.73	3.23
WAGES AND SALARIES.....	129494	133708	141308	145336	149232	153649	158177	160268	170463	175863	180595	185753
Percentage change.....	0.48	3.25	5.68	2.85	2.68	2.96	2.95	1.32	6.36	3.17	2.69	2.86
OTHER LABOR INCOME.....	30811	30319	31099	31561	32564	33869	34558	34883	35803	34933	35703	37097
Percentage change.....	1.21	-1.60	2.57	1.48	3.18	4.01	2.04	0.94	2.64	-2.43	2.20	3.90
PROPRIETORS INCOME.....	35201	36583	38094	39023	39763	41118	44884	47520	52921	51083	57736	58982
Percentage change.....	3.81	3.93	4.13	2.44	1.89	3.41	9.16	5.87	11.37	-3.47	13.02	2.16
RENT, INTEREST, DIVIDENDS.....	36412	37828	39679	40899	43169	45807	49379	49137	52540	54503	60174	61852
Percentage change.....	-5.22	3.89	4.89	3.07	5.55	6.11	7.80	-0.49	6.93	3.74	10.41	2.79
TRANSFER PAYMENTS.....	55783	55684	58472	59165	60035	61667	64744	80546	86140	73374	73154	76978
Percentage change.....	1.63	-0.18	5.01	1.19	1.47	2.72	4.99	24.41	6.94	-14.82	-0.30	5.23
LESS: PERS CONT FOR SOC INS.....	20728	21210	22244	22834	23713	24354	25284	26106	26696	28122	28777	30178
Percentage change.....	13.90	2.33	4.87	2.65	3.85	2.70	3.82	3.25	2.26	5.34	2.33	4.87
RESIDENCE ADJUSTMENT.....	-1297	-1238	-1359	-1624	-1752	-1936	-2239	-2196	-2072	-2111	-2075	-1813
Percentage change.....	13.88	-4.54	9.77	19.50	7.90	10.49	15.65	-1.93	-5.64	1.89	-1.72	-12.61
PER CAPITA PERSONAL INCOME (\$)...	40819	41413	43093	43678	44394	45501	47227	49678	52968	50985	52902	54121
Percentage change.....	-1.26	1.45	4.06	1.36	1.64	2.49	3.79	5.19	6.62	-3.74	3.76	2.30

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Table 4: Tennessee Personal Income Components (millions of current dollars) **December 2025**

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TN PERSONAL INCOME.....	254465	263856	277356	286532	299308	316177	335602	360095	402025	417424	453766	480671
Percentage change.....	0.74	3.69	5.12	3.31	4.46	5.64	6.14	7.30	11.64	3.83	8.71	5.93
WAGES AND SALARIES.....	124031	129860	137496	142850	149238	156800	163730	167769	185805	204193	217652	229724
Percentage change.....	1.80	4.70	5.88	3.89	4.47	5.07	4.42	2.47	10.75	9.90	6.59	5.55
OTHER LABOR INCOME.....	29510	29446	30260	31021	32566	34564	35771	36515	39012	40558	43030	45878
Percentage change.....	2.54	-0.22	2.77	2.51	4.98	6.14	3.49	2.08	6.84	3.96	6.10	6.62
PROPRIETORS INCOME.....	33715	35530	37065	38355	39763	41961	46461	49753	57679	59301	69583	72944
Percentage change.....	5.18	5.38	4.32	3.48	3.67	5.53	10.72	7.09	15.93	2.81	17.34	4.83
RENT, INTEREST, DIVIDENDS.....	34875	36741	38608	40199	43172	46751	51113	51432	57267	63300	72526	76489
Percentage change.....	-3.97	5.35	5.08	4.12	7.40	8.29	9.33	0.62	11.35	10.54	14.58	5.46
TRANSFER PAYMENTS.....	53429	54082	56893	58148	60035	62930	67017	84253	93617	85177	88157	95202
Percentage change.....	2.97	1.22	5.20	2.21	3.24	4.82	6.49	25.72	11.11	-9.02	3.50	7.99
LESS: PERS CONT FOR SOC INS....	19854	20600	21644	22443	23714	24853	26172	27327	29096	32653	34682	37322
Percentage change.....	15.40	3.76	5.07	3.69	5.66	4.81	5.30	4.41	6.47	12.23	6.21	7.61
RESIDENCE ADJUSTMENT.....	-1242	-1202	-1322	-1596	-1753	-1976	-2318	-2299	-2259	-2452	-2501	-2243
Percentage change.....	15.35	-3.21	9.98	20.71	9.78	12.75	17.30	-0.81	-1.74	8.52	2.02	-10.32
PER CAPITA PERSONAL INCOME (\$)...	39097	40222	41930	42929	44396	46434	48885	51995	57693	59196	63756	66931
Percentage change.....	0.04	2.88	4.25	2.38	3.42	4.59	5.28	6.36	10.96	2.61	7.70	4.98

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Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **December 2025**

	Historical Data												December 2025
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
TOTAL NONFARM.....	2769.2	2830.6	2902.2	2974.6	3022.9	3073.9	3128.7	3010.4	3110.7	3253.4	3333.6	3374.3	
Percentage change.....	1.68	2.22	2.53	2.50	1.62	1.69	1.78	-3.78	3.33	4.59	2.47	1.22	
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	108.2	111.2	117.5	119.4	124.6	129.2	134.6	134.2	140.7	151.6	161.2	168.3	
Percentage change.....	-0.91	2.80	5.64	1.65	4.36	3.67	4.20	-0.29	4.87	7.74	6.34	4.39	
MANUFACTURING.....	316.6	323.1	331.2	342.0	346.8	350.9	355.6	335.7	349.5	364.5	365.5	364.6	
Percentage change.....	1.62	2.07	2.50	3.26	1.39	1.21	1.33	-5.60	4.13	4.28	0.28	-0.25	
DURABLE GOODS.....	199.3	205.6	211.4	219.6	222.2	224.2	227.6	211.2	221.5	232.6	234.7	235.1	
Percentage change.....	2.58	3.15	2.79	3.90	1.18	0.91	1.53	-7.22	4.87	5.02	0.91	0.14	
NONDURABLE GOODS.....	117.2	117.5	119.8	122.4	124.6	126.7	128.0	124.5	128.0	131.9	130.8	129.5	
Percentage change.....	0.01	0.23	1.99	2.13	1.76	1.75	0.97	-2.73	2.86	2.99	-0.83	-0.94	
TRADE, TRANSPORTATION, UTILITIES.....	576.4	584.5	597.0	612.2	616.5	623.5	634.9	628.2	650.6	676.7	686.5	695.3	
Percentage change.....	1.07	1.41	2.14	2.55	0.70	1.14	1.82	-1.05	3.57	4.01	1.44	1.29	
WHOLESALE TRADE.....	119.5	119.1	118.4	117.8	119.3	120.4	121.8	118.8	121.3	128.8	134.2	136.9	
Percentage change.....	0.20	-0.41	-0.55	-0.53	1.29	0.92	1.14	-2.40	2.08	6.19	4.17	2.00	
RETAIL TRADE.....	312.3	317.7	322.9	331.3	333.0	333.2	332.3	323.7	331.4	341.3	345.0	345.8	
Percentage change.....	0.73	1.73	1.61	2.62	0.51	0.05	-0.26	-2.58	2.36	3.01	1.07	0.22	
TRANSPORTATION & UTILITIES.....	144.5	147.7	155.8	163.1	164.2	170.0	180.8	185.7	198.0	206.6	207.3	212.7	
Percentage change.....	2.55	2.24	5.43	4.73	0.67	3.50	6.39	2.67	6.62	4.37	0.34	2.61	
INFORMATION.....	44.5	44.2	44.8	45.7	46.2	45.3	45.6	43.3	47.2	54.5	55.9	54.6	
Percentage change.....	2.01	-0.58	1.26	1.95	1.24	-1.97	0.70	-5.06	8.95	15.47	2.55	-2.27	
FINANCIAL ACTIVITIES.....	146.7	152.3	156.5	162.0	168.8	174.7	178.2	175.1	176.6	184.8	191.5	192.6	
Percentage change.....	1.35	3.78	2.77	3.49	4.21	3.51	1.98	-1.72	0.84	4.65	3.64	0.55	
PROFESSIONAL & BUSINESS SERVICES.....	357.5	379.1	396.2	407.0	410.8	418.1	427.7	416.5	437.9	462.8	462.7	452.8	
Percentage change.....	4.59	6.02	4.52	2.73	0.94	1.79	2.28	-2.61	5.12	5.70	-0.02	-2.15	
EDUCATION & HEALTH SERVICES.....	404.6	409.3	418.2	427.8	435.1	440.1	445.3	434.3	439.9	451.8	473.9	492.9	
Percentage change.....	1.41	1.16	2.16	2.32	1.70	1.14	1.20	-2.48	1.28	2.72	4.90	4.00	
LEISURE & HOSPITALITY.....	286.3	296.7	308.1	319.8	329.3	338.0	347.4	293.3	314.7	344.2	362.5	367.7	
Percentage change.....	3.30	3.63	3.84	3.78	2.97	2.64	2.78	-15.56	7.30	9.37	5.32	1.43	
OTHER SERVICES.....	105.6	106.1	107.8	110.9	114.5	118.3	121.9	117.0	122.1	125.3	128.4	132.0	
Percentage change.....	1.28	0.44	1.68	2.81	3.24	3.32	3.05	-4.03	4.42	2.60	2.44	2.82	
GOVERNMENT.....	422.8	424.1	424.9	427.9	430.4	435.9	437.6	432.8	431.5	437.1	445.5	453.5	
Percentage change.....	0.21	0.32	0.18	0.72	0.57	1.27	0.40	-1.09	-0.30	1.31	1.91	1.80	
FEDERAL, CIVILIAN.....	49.5	48.4	49.1	49.2	49.1	49.1	50.1	51.9	51.6	52.4	55.7	58.4	
Percentage change.....	-1.35	-2.16	1.45	0.29	-0.39	0.08	2.00	3.68	-0.69	1.58	6.28	4.87	
STATE & LOCAL.....	373.3	375.7	375.8	378.7	381.3	386.8	387.5	380.9	380.0	384.8	389.8	395.1	
Percentage change.....	0.42	0.65	0.02	0.77	0.70	1.42	0.20	-1.71	-0.25	1.27	1.32	1.36	

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Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **December 2025**

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL DURABLE GOODS.....	199.3	205.6	211.4	219.6	222.2	224.2	227.6	211.2	221.5	232.6	234.7	235.1
Percentage change.....	2.58	3.15	2.79	3.90	1.18	0.91	1.53	-7.22	4.87	5.02	0.91	0.14
WOOD PRODUCTS.....	10.9	11.2	11.6	12.1	12.6	12.5	12.8	12.7	13.2	14.0	13.7	13.4
Percentage change.....	-1.36	3.20	3.18	4.73	3.36	-0.13	1.79	-0.12	3.92	5.60	-2.09	-2.20
NONMETALLIC MINERALS.....	12.2	12.0	12.7	13.3	13.7	14.2	14.4	13.6	13.9	14.9	15.3	15.3
Percentage change.....	-2.52	-1.18	5.59	4.97	2.49	3.96	1.18	-5.20	1.71	7.57	2.56	-0.12
PRIMARY METALS.....	10.1	10.2	10.5	10.6	10.7	11.0	11.4	10.5	11.0	11.2	11.2	11.1
Percentage change.....	3.15	0.98	2.69	1.74	0.78	2.79	2.96	-7.42	4.79	1.97	-0.74	-0.46
FABRICATED METALS.....	34.1	34.6	35.3	35.7	35.6	36.6	38.0	36.9	39.5	41.9	42.4	42.2
Percentage change.....	-1.62	1.57	2.02	1.27	-0.47	2.98	3.77	-2.91	6.91	6.09	1.21	-0.41
MACHINERY.....	25.4	25.5	25.3	25.5	25.3	25.9	26.3	23.4	24.0	24.9	24.8	24.8
Percentage change.....	-0.74	0.41	-0.62	0.60	-0.61	2.14	1.69	-11.18	2.82	3.47	-0.19	-0.20
COMPUTERS & ELECTRONICS.....	5.2	5.1	5.0	4.8	4.9	5.2	5.8	6.1	6.4	6.9	7.8	7.6
Percentage change.....	-7.38	-3.03	-2.14	-3.19	1.92	6.99	11.47	3.85	5.77	8.44	12.59	-2.66
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	18.6	19.4	19.8	19.9	19.3	18.7	17.6	17.2	18.3	19.0	19.4	21.8
Percentage change.....	3.80	4.07	2.06	0.46	-3.07	-3.15	-5.80	-2.41	6.90	3.59	1.98	12.38
TRANSPORTATION EQUIPMENT.....	59.6	63.8	66.8	72.5	74.5	74.0	75.1	65.5	69.0	73.1	75.0	74.8
Percentage change.....	11.02	7.13	4.72	8.57	2.72	-0.61	1.43	-12.75	5.29	5.91	2.62	-0.19
FURNITURE.....	8.8	9.0	9.1	9.4	9.5	9.6	9.7	9.1	9.6	9.5	8.8	9.0
Percentage change.....	1.06	2.72	0.56	3.92	0.88	1.15	0.82	-6.45	6.51	-1.46	-7.03	1.31
MISCELLANEOUS DURABLES.....	14.6	14.8	15.3	15.6	16.2	16.4	16.6	16.2	16.5	17.2	16.4	15.2
Percentage change.....	-2.30	1.77	3.60	1.74	3.57	1.25	1.48	-2.30	1.59	4.49	-4.89	-7.58

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Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **December 2025**

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL NONDURABLE GOODS.....	117.2	117.5	119.8	122.4	124.6	126.7	128.0	124.5	128.0	131.9	130.8	129.5
Percentage change.....	0.01	0.23	1.99	2.13	1.76	1.75	0.97	-2.73	2.86	2.99	-0.83	-0.94
FOOD.....	32.5	32.8	33.4	34.4	35.4	35.7	35.9	36.2	37.6	39.5	40.9	41.1
Percentage change.....	-1.85	0.95	1.75	3.00	3.05	0.76	0.65	0.84	3.87	5.05	3.52	0.38
BEVERAGE & TOBACCO.....	5.3	5.5	5.9	6.6	6.9	7.2	7.3	6.8	7.2	7.3	7.4	7.0
Percentage change.....	2.58	3.45	7.70	10.83	5.57	4.23	1.85	-6.92	4.72	2.35	0.60	-4.88
PAPER.....	12.1	12.0	12.0	12.0	11.9	12.1	12.6	12.5	12.5	13.4	13.1	12.7
Percentage change.....	-1.08	-0.84	0.28	-0.76	-0.15	1.54	3.63	-0.66	-0.01	7.43	-2.56	-2.42
PRINTING & RELATED SUPPORT.....	9.7	9.5	9.3	9.3	9.0	9.0	9.0	8.2	8.0	8.2	8.2	7.9
Percentage change.....	0.00	-1.13	-2.90	-0.11	-2.53	-0.10	0.28	-9.76	-1.72	2.60	-0.71	-3.88
CHEMICALS.....	24.9	25.4	25.7	25.4	25.2	25.8	26.1	25.6	26.2	26.7	27.0	27.1
Percentage change.....	1.59	1.94	1.24	-1.17	-0.85	2.35	0.97	-1.76	2.22	2.07	0.84	0.58
PLASTICS & RUBBER.....	20.2	20.8	21.9	23.2	24.3	24.8	24.9	23.1	24.2	25.4	25.0	24.7
Percentage change.....	0.99	3.06	5.49	5.61	5.10	2.06	0.31	-7.13	4.65	4.86	-1.65	-1.28
MISCELLANEOUS NONDURABLE GOODS..	12.6	11.5	11.6	11.7	11.7	12.0	12.1	12.0	12.4	11.3	9.3	9.1
Percentage change.....	0.28	-8.87	1.16	0.72	0.29	2.98	0.56	-0.68	2.79	-8.82	-17.16	-2.44

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2017 dollars) **December, 2025**

	Historical Data											December, 2025
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
TOTAL NONFARM.....	46419	46905	48385	48536	49047	49671	50250	52933	54492	53754	53861	54741
Percentage change.....	-1.15	1.05	3.15	0.31	1.05	1.27	1.17	5.34	2.94	-1.35	0.20	1.63
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	51021	52609	55545	56470	57733	57090	58238	60733	61127	62013	64099	65667
Percentage change.....	-0.60	3.11	5.58	1.67	2.24	-1.11	2.01	4.28	0.65	1.45	3.36	2.45
MANUFACTURING.....	57428	58305	59133	59386	59799	59746	59613	61635	61075	59980	60218	61133
Percentage change.....	-1.46	1.53	1.42	0.43	0.70	-0.09	-0.22	3.39	-0.91	-1.79	0.40	1.52
DURABLE GOODS.....	55341	56625	57534	58122	58583	58824	58689	60462	59857	59598	60589	61433
Percentage change.....	-3.45	2.32	1.60	1.02	0.79	0.41	-0.23	3.02	-1.00	-0.43	1.66	1.39
NONDURABLE GOODS.....	60975	61242	61953	61656	61967	61378	61260	63581	63182	60652	59552	60587
Percentage change.....	1.84	0.44	1.16	-0.48	0.50	-0.95	-0.19	3.79	-0.63	-4.00	-1.81	1.74
TRADE, TRANSPORTATION, UTILITIES.....	43348	44011	45270	45525	45819	46136	46293	48611	51312	50419	49765	50396
Percentage change.....	-1.17	1.53	2.86	0.56	0.64	0.69	0.34	5.01	5.55	-1.74	-1.30	1.27
WHOLESALE TRADE.....	66049	68725	71005	72920	72333	70840	71657	74386	77752	77766	77604	77809
Percentage change.....	-0.89	4.05	3.32	2.70	-0.81	-2.06	1.15	3.81	4.53	0.02	-0.21	0.26
RETAIL TRADE.....	29557	29952	30821	30937	31224	31691	31454	33608	36047	34743	34328	33958
Percentage change.....	-2.26	1.33	2.90	0.38	0.93	1.50	-0.75	6.85	7.26	-3.62	-1.20	-1.08
TRANSPORTATION & UTILITIES.....	54375	54340	55657	55378	56151	56954	56485	58263	60669	59274	57437	59476
Percentage change.....	-0.32	-0.06	2.42	-0.50	1.39	1.43	-0.82	3.15	4.13	-2.30	-3.10	3.55
INFORMATION.....	60167	62339	62784	64511	67361	71646	71973	77205	82618	82827	85950	92105
Percentage change.....	-1.83	3.61	0.71	2.75	4.42	6.36	0.46	7.27	7.01	0.25	3.77	7.16
FINANCIAL ACTIVITIES.....	65126	65985	67015	67376	66676	69171	70668	77301	82187	76428	74146	75368
Percentage change.....	-3.25	1.32	1.56	0.54	-1.04	3.74	2.16	9.39	6.32	-7.01	-2.99	1.65
PROFESSIONAL & BUSINESS SERVICES.....	53653	52510	55513	55398	56013	57731	59872	62444	64904	64600	65157	66526
Percentage change.....	-0.66	-2.13	5.72	-0.21	1.11	3.07	3.71	4.30	3.94	-0.47	0.86	2.10
EDUCATION & HEALTH SERVICES.....	47126	47368	49322	49068	49604	49783	50244	53234	54057	53643	53426	53673
Percentage change.....	-0.66	0.51	4.13	-0.51	1.09	0.36	0.93	5.95	1.55	-0.77	-0.40	0.46
LEISURE & HOSPITALITY.....	22215	22927	24321	24596	25336	26086	26142	25438	28430	29567	30028	30934
Percentage change.....	-1.88	3.21	6.08	1.13	3.01	2.96	0.22	-2.70	11.76	4.00	1.56	3.02
OTHER SERVICES.....	41652	43296	44453	44266	44225	44488	44481	47855	46908	47065	46842	47418
Percentage change.....	-0.77	3.95	2.67	-0.42	-0.09	0.60	-0.02	7.58	-1.98	0.33	-0.47	1.23
GOVERNMENT.....	44043	44471	44900	45058	45825	46160	46695	48135	48391	47248	48652	49788
Percentage change.....	-0.44	0.97	0.96	0.35	1.70	0.73	1.16	3.08	0.53	-2.36	2.97	2.34
FEDERAL, CIVILIAN.....	74978	80936	79936	79228	79359	80585	79140	79838	80479	78195	79744	82084
Percentage change.....	-1.63	7.95	-1.24	-0.89	0.17	1.55	-1.79	0.88	0.80	-2.84	1.98	2.94
STATE & LOCAL.....	39944	39774	40322	40615	41512	41790	42503	43815	44036	43036	44212	45017
Percentage change.....	0.06	-0.43	1.38	0.73	2.21	0.67	1.71	3.09	0.50	-2.27	2.73	1.82

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **December 2025**

	Historical Data												
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
TOTAL NONFARM.....	44460	45555	47078	47704	49048	50688	52014	55406	59384	62404	64911	67698	
Percentage change.....	0.15	2.46	3.34	1.33	2.82	3.34	2.62	6.52	7.18	5.09	4.02	4.29	
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	48868	51095	54047	55506	57737	58258	60279	63574	66633	71997	77251	81209	
Percentage change.....	0.71	4.56	5.78	2.70	4.02	0.90	3.47	5.47	4.81	8.05	7.30	5.12	
MANUFACTURING.....	55004	56626	57537	58369	59801	60967	61703	64516	66546	69629	72572	75600	
Percentage change.....	-0.16	2.95	1.61	1.45	2.45	1.95	1.21	4.56	3.15	4.63	4.23	4.17	
DURABLE GOODS.....	53006	54996	55982	57124	58584	60026	60748	63290	65215	69189	73020	75971	
Percentage change.....	-2.17	3.75	1.79	2.04	2.56	2.46	1.20	4.18	3.04	6.09	5.54	4.04	
NONDURABLE GOODS.....	58401	59476	60279	60603	61971	62631	63408	66550	68849	70402	71768	74927	
Percentage change.....	3.18	1.84	1.35	0.54	2.26	1.07	1.24	4.96	3.45	2.26	1.94	4.40	
TRADE, TRANSPORTATION, UTILITIES.....	41518	42745	44048	44745	45820	47081	47916	50882	55932	58534	59968	62323	
Percentage change.....	0.13	2.95	3.05	1.58	2.40	2.75	1.77	6.19	9.92	4.65	2.45	3.93	
WHOLESALE TRADE.....	63261	66748	69088	71673	72333	72286	74168	77861	84744	90273	93523	96216	
Percentage change.....	0.41	5.51	3.51	3.74	0.92	-0.06	2.60	4.98	8.84	6.52	3.60	2.88	
RETAIL TRADE.....	28309	29090	29989	30406	31225	32341	32556	35177	39302	40337	41364	41992	
Percentage change.....	-0.96	2.76	3.09	1.39	2.69	3.57	0.67	8.05	11.72	2.64	2.55	1.52	
TRANSPORTATION & UTILITIES.....	52081	52776	54155	54429	56152	58120	58465	60987	66118	68813	69209	73557	
Percentage change.....	0.99	1.33	2.61	0.51	3.17	3.50	0.59	4.31	8.41	4.08	0.58	6.28	
INFORMATION.....	57627	60543	61086	63409	67361	73109	74504	80822	90028	96154	103606	113923	
Percentage change.....	-0.55	5.06	0.90	3.80	6.23	8.53	1.91	8.48	11.39	6.80	7.75	9.96	
FINANCIAL ACTIVITIES.....	62374	64082	65205	66218	66679	70592	73148	80916	89547	88713	89360	93207	
Percentage change.....	-1.98	2.74	1.75	1.55	0.70	5.87	3.62	10.62	10.67	-0.93	0.73	4.30	
PROFESSIONAL & BUSINESS SERVICES.....	51388	50999	54014	54448	56013	58914	61974	65361	70719	74991	78522	82278	
Percentage change.....	0.64	-0.76	5.91	0.80	2.88	5.18	5.19	5.47	8.20	6.04	4.71	4.78	
EDUCATION & HEALTH SERVICES.....	45137	46004	47991	48227	49604	50803	52007	55724	58912	62272	64387	66375	
Percentage change.....	0.64	1.92	4.32	0.49	2.85	2.42	2.37	7.15	5.72	5.70	3.40	3.09	
LEISURE & HOSPITALITY.....	21278	22267	23666	24175	25336	26622	27060	26625	31000	34333	36191	38260	
Percentage change.....	-0.59	4.65	6.28	2.15	4.80	5.08	1.64	-1.61	16.43	10.75	5.41	5.72	
OTHER SERVICES.....	39896	42050	43252	43505	44225	45400	46044	50087	51127	54648	56452	58642	
Percentage change.....	0.54	5.40	2.86	0.58	1.66	2.66	1.42	8.78	2.08	6.89	3.30	3.88	
GOVERNMENT.....	42184	43191	43687	44286	45827	47105	48336	50381	52731	54853	58637	61572	
Percentage change.....	0.87	2.39	1.15	1.37	3.48	2.79	2.61	4.23	4.67	4.03	6.90	5.00	
FEDERAL, CIVILIAN.....	71817	78606	77777	77868	79361	82235	81917	83563	87689	90781	96107	101515	
Percentage change.....	-0.32	9.45	-1.05	0.12	1.92	3.62	-0.39	2.01	4.94	3.53	5.87	5.63	
STATE & LOCAL.....	38258	38628	39233	39919	41514	42646	43997	45859	47987	49963	53286	55671	
Percentage change.....	1.37	0.97	1.56	1.75	3.99	2.73	3.17	4.23	4.64	4.12	6.65	4.48	

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate **December 2025**

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CIVILIAN LABOR FORCE (THOUS).....	3087	3053	3079	3135	3187	3251	3330	3293	3319	3362	3379	3420
Percentage change.....	-0.51	-1.10	0.87	1.83	1.65	1.99	2.43	-1.10	0.80	1.29	0.49	1.23
EMPLOYED PERSONS (THOUS).....	2851	2852	2909	2987	3068	3137	3219	3047	3171	3249	3269	3303
Percentage change.....	-0.19	0.06	1.97	2.69	2.71	2.27	2.59	-5.32	4.06	2.46	0.62	1.04
UNEMPLOYED PERSONS (THOUS).....	236	200	170	149	120	113	111	246	148	113	109	117
Percentage change.....	-4.28	-15.11	-14.83	-12.85	-19.48	-5.23	-1.89	121.04	-39.66	-23.76	-3.43	7.12
PARTICIPATION RATE (PERCENT).....	60.9	59.7	59.7	60.1	60.4	61.0	61.8	60.5	60.4	60.3	59.7	59.6
Percentage change.....	-1.39	-1.99	-0.11	0.75	0.53	0.91	1.42	-2.17	-0.20	-0.15	-1.00	-0.14
UNEMPLOYMENT RATE (PERCENT).....	7.6	6.6	5.5	4.7	3.8	3.5	3.3	7.5	4.5	3.4	3.2	3.4

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Table 11: Tennessee Taxable Sales (millions of 2017 dollars) **December 2025**

	Historical Data												December 2025
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
TOTAL TAXABLE SALES.....	105455	109717	116887	121595	125266	131101	139983	139540	162526	168841	167665	170298	
Percentage change.....	1.71	4.04	6.35	4.21	3.02	4.66	4.49	1.87	16.47	3.89	-0.70	1.57	
AUTO DEALERS.....	10223	10878	12124	12834	12875	13078	13462	13611	15476	14564	14466	14413	
Percentage change.....	4.19	6.41	11.45	5.86	0.32	1.58	2.94	1.10	13.71	-5.90	-0.67	-0.37	
PURCHASES FROM MANUFACTURERS.....	4354	4602	5015	5297	5481	5824	6240	6756	7887	9208	9006	8801	
Percentage change.....	1.84	5.70	8.98	5.63	3.47	6.25	7.14	8.28	16.73	16.75	-2.20	-2.27	
MISC DURABLE GOODS.....	17526	18076	19139	20489	21353	22199	23232	25069	28923	30799	29708	28204	
Percentage change.....	1.18	3.14	5.88	7.05	4.22	3.96	4.65	7.90	15.37	6.49	-3.54	-5.06	
EATING AND DRINKING PLACES.....	11023	11534	12365	12827	12911	13409	14595	12625	15428	16306	17005	16808	
Percentage change.....	2.19	4.64	7.20	3.73	0.65	3.86	8.85	-13.50	22.21	5.69	4.29	-1.16	
FOOD STORES.....	10700	11012	11411	11713	12121	12541	12772	13926	13630	13508	12424	14254	
Percentage change.....	4.39	2.92	3.62	2.64	3.49	3.46	1.85	9.04	-2.13	-0.89	-8.02	14.72	
LIQUOR STORES.....	874	920	998	992	908	954	1020	1235	1279	1252	1241	1225	
Percentage change.....	4.16	5.31	8.48	-0.61	-8.40	4.97	6.93	21.09	3.63	-2.14	-0.90	-1.27	
HOTELS AND MOTELS.....	2638	2972	3315	3663	3603	3756	4557	2811	4666	5674	5967	5797	
Percentage change.....	0.23	12.67	11.54	10.49	-1.62	4.23	21.34	-38.32	65.99	21.60	5.17	-2.86	
OTHER RETAIL AND SERVICE.....	32403	33903	35911	37198	38046	40488	42157	46162	55862	57352	58294	61504	
Percentage change.....	1.50	4.63	5.92	3.58	2.28	6.42	4.12	9.50	21.01	2.67	1.64	5.51	
MISC NONDURABLE GOODS.....	9046	9322	9735	10080	9876	10207	10431	9890	11972	12459	12377	12460	
Percentage change.....	1.52	3.06	4.42	3.55	-2.03	3.36	2.19	-5.19	21.06	4.06	-0.65	0.67	
TRANSPORTATION, COMMUNICATION.....	6671	6497	6674	6502	8092	8646	8517	7456	7402	7720	7177	6833	
Percentage change.....	-3.87	-2.60	2.73	-2.58	24.45	6.84	-1.49	-12.45	-0.73	4.30	-7.03	-4.79	
PER CAPITA (\$).....	16203	16725	17641	18218	18580	19254	19953	20148	23323	23944	23558	23713	
Percentage change.....	1.00	3.22	5.47	3.27	1.99	3.62	3.63	0.98	15.76	2.66	-1.61	0.66	

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Table 12: Tennessee Taxable Sales (millions of current dollars) December 2025

	Historical Data											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL TAXABLE SALES.....	101006	106560	113543	119508	125277	133789	141800	146087	177155	196020	202031	210607
Percentage change.....	3.05	5.50	6.55	5.25	4.83	6.80	5.99	3.02	21.27	10.65	3.07	4.24
AUTO DEALERS.....	9791	10565	11797	12615	12875	13345	13936	14248	16855	16908	17433	17826
Percentage change.....	5.57	7.90	11.66	6.93	2.06	3.65	4.42	2.24	18.29	0.32	3.10	2.25
PURCHASES FROM MANUFACTURERS.....	4170	4469	4880	5207	5482	5944	6459	7075	8600	10690	10850	10882
Percentage change.....	3.17	7.18	9.18	6.71	5.28	8.43	8.67	9.53	21.55	24.30	1.50	0.30
MISC DURABLE GOODS.....	16786	17556	18625	20137	21355	22655	24051	26244	31530	35751	35795	34877
Percentage change.....	2.53	4.59	6.08	8.12	6.05	6.09	6.16	9.12	20.14	13.39	0.12	-2.56
EATING AND DRINKING PLACES.....	10558	11202	12032	12607	12910	13684	15107	13218	16820	18935	20492	20787
Percentage change.....	3.54	6.11	7.40	4.78	2.41	5.99	10.40	-12.51	27.25	12.57	8.22	1.44
FOOD STORES.....	10248	10696	11103	11513	12123	12797	13221	14576	14856	15684	14964	17629
Percentage change.....	5.76	4.36	3.81	3.69	5.30	5.56	3.31	10.25	1.92	5.57	-4.59	17.81
LIQUOR STORES.....	837	893	971	975	908	973	1056	1292	1394	1454	1495	1515
Percentage change.....	5.53	6.78	8.68	0.36	-6.77	7.13	8.45	22.44	7.88	4.27	2.87	1.30
HOTELS AND MOTELS.....	2527	2887	3226	3600	3603	3833	4717	2944	5095	6589	7190	7168
Percentage change.....	1.56	14.24	11.75	11.59	0.10	6.38	23.04	-37.59	73.08	29.31	9.13	-0.31
OTHER RETAIL AND SERVICE.....	31036	32927	34943	36558	38049	41318	43640	48331	60886	66587	70249	76064
Percentage change.....	2.84	6.09	6.12	4.62	4.08	8.59	5.62	10.75	25.98	9.36	5.50	8.28
MISC NONDURABLE GOODS.....	8664	9054	9472	9907	9876	10416	10797	10355	13052	14464	14915	15408
Percentage change.....	2.87	4.50	4.62	4.59	-0.31	5.47	3.66	-4.10	26.04	10.82	3.12	3.31
TRANSPORTATION, COMMUNICATION.....	6389	6310	6494	6390	8095	8822	8816	7803	8068	8959	8647	8450
Percentage change.....	-2.61	-1.24	2.92	-1.60	26.67	8.99	-0.07	-11.48	3.39	11.04	-3.48	-2.28
PER CAPITA (\$).....	15519	16244	17165	17905	18582	19648	20655	21094	25423	27798	28386	29326
Percentage change.....	2.34	4.67	5.67	4.31	3.78	5.74	5.12	2.12	20.52	9.34	2.12	3.31

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Table 13: Tennessee Gross Domestic Product by Sector (millions of 2017 dollars)

	Historical Data												December 2025
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
GROSS DOMESTIC PRODUCT.....	318,697	324,177	335,660	343,635	355,418	362,422	370,257	368,179	402,161	417,439	430,689	442,461	
Percentage change.....	1.99	1.72	3.54	2.38	3.43	1.97	2.16	-0.56	9.23	3.80	3.17	2.73	
NATURAL RESOURCES & MINING.....	2,280	2,065	2,237	2,216	2,231	2,249	2,382	2,246	2,761	2,619	2,682	2,836	
Percentage change.....	30.69	-9.43	8.31	-0.93	0.67	0.80	5.93	-5.70	22.92	-5.14	2.41	5.73	
CONSTRUCTION.....	11,129	10,919	11,200	11,543	12,016	12,496	13,205	13,262	14,269	14,433	15,189	16,121	
Percentage change.....	-4.37	-1.89	2.58	3.06	4.10	3.99	5.67	0.44	7.59	1.15	5.24	6.13	
MANUFACTURING.....	49,141	48,773	50,122	51,486	55,231	54,202	54,242	55,286	58,212	57,803	55,127	56,129	
Percentage change.....	5.35	-0.75	2.77	2.72	7.27	-1.86	0.07	1.93	5.29	-0.70	-4.63	1.82	
DURABLE GOODS.....	26,790	27,317	28,534	29,773	31,351	30,212	30,398	30,314	31,633	31,907	31,622	31,593	
Percentage change.....	3.83	1.97	4.45	4.34	5.30	-3.63	0.62	-0.28	4.35	0.86	-0.89	-0.09	
NONDURABLE GOODS.....	22,350	21,456	21,588	21,713	23,880	23,990	23,843	24,973	26,579	25,896	23,505	24,536	
Percentage change.....	7.23	-4.00	0.62	0.58	9.98	0.46	-0.61	4.74	6.43	-2.57	-9.23	4.39	
TRADE, TRANSPORTATION & UTILITIES.....	59,552	61,001	63,571	66,246	67,613	69,229	70,878	71,817	77,951	76,059	79,688	83,877	
Percentage change.....	1.50	2.43	4.21	4.21	2.06	2.39	2.38	1.33	8.54	-2.43	4.77	5.26	
WHOLESALE TRADE.....	22,133	22,888	23,464	23,641	23,368	23,481	24,142	24,115	25,344	24,768	24,854	25,017	
Percentage change.....	1.15	3.41	2.52	0.75	-1.15	0.48	2.81	-0.11	5.10	-2.27	0.35	0.66	
RETAIL TRADE.....	20,805	21,347	22,621	24,451	25,687	27,051	27,884	28,007	28,799	27,995	31,637	34,810	
Percentage change.....	1.70	2.61	5.97	8.09	5.05	5.31	3.08	0.44	2.83	-2.79	13.01	10.03	
TRANSPORTATION & UTILITIES.....	16,614	16,767	17,486	18,154	18,558	18,697	18,852	19,694	23,807	23,297	23,198	24,050	
Percentage change.....	1.73	0.92	4.29	3.82	2.22	0.75	0.83	4.47	20.88	-2.14	-0.42	3.67	
INFORMATION.....	8,794	8,487	9,130	9,954	10,737	11,771	12,451	12,915	15,642	12,718	17,663	21,686	
Percentage change.....	0.41	-3.49	7.58	9.02	7.86	9.63	5.78	3.73	21.12	12.60	17.63	4.67	
FINANCIAL ACTIVITIES.....	55,078	56,691	57,862	59,736	61,991	62,717	63,275	65,187	71,042	73,976	75,206	77,029	
Percentage change.....	1.00	2.93	2.07	3.24	3.77	1.17	0.89	3.02	8.98	4.13	1.66	2.42	
PROFESSIONAL & BUSINESS SERVICES.....	33,832	34,858	36,417	36,868	38,645	41,822	44,639	44,159	50,813	56,319	58,531	58,446	
Percentage change.....	4.39	3.03	4.47	1.24	4.82	8.22	6.74	-1.07	15.07	10.84	3.93	-0.14	
EDUCATION & HEALTH SERVICES.....	36,050	36,946	39,728	39,799	39,439	38,871	39,498	38,979	41,620	42,885	46,339	48,199	
Percentage change.....	2.65	2.49	7.53	0.18	-0.90	-1.44	1.61	-1.31	6.77	3.04	8.06	4.01	
LEISURE & HOSPITALITY.....	15,979	17,178	18,337	18,460	19,492	20,549	21,545	16,101	21,101	23,874	26,773	27,124	
Percentage change.....	1.34	7.50	6.75	0.67	5.59	5.42	4.85	-25.27	31.05	13.14	12.14	1.31	
OTHER SERVICES.....	8,194	8,433	8,543	8,644	8,937	9,371	9,509	8,829	9,473	9,899	9,380	9,270	
Percentage change.....	-0.42	2.92	1.31	1.18	3.39	4.85	1.47	-7.15	7.30	4.50	-5.25	-1.17	
GOVERNMENT.....	38,670	38,827	38,512	38,685	39,086	39,145	38,635	39,397	39,278	41,959	41,055	41,743	
Percentage change.....	-0.74	0.40	-0.81	0.45	1.04	0.15	-1.30	1.97	-0.30	6.83	-2.15	1.68	
FEDERAL.....	9,935	10,659	10,868	11,072	11,245	11,163	11,084	11,127	11,188	11,917	11,047	11,355	
Percentage change.....	2.43	7.29	1.96	1.88	1.56	-0.73	-0.71	0.38	0.55	6.52	-7.30	2.79	
STATE & LOCAL.....	28,735	28,167	27,643	27,612	27,841	27,982	27,551	28,270	28,090	30,041	30,008	30,388	
Percentage change.....	-1.79	-1.98	-1.86	-0.11	0.83	0.51	-1.54	2.61	-0.64	6.95	-0.11	1.27	

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