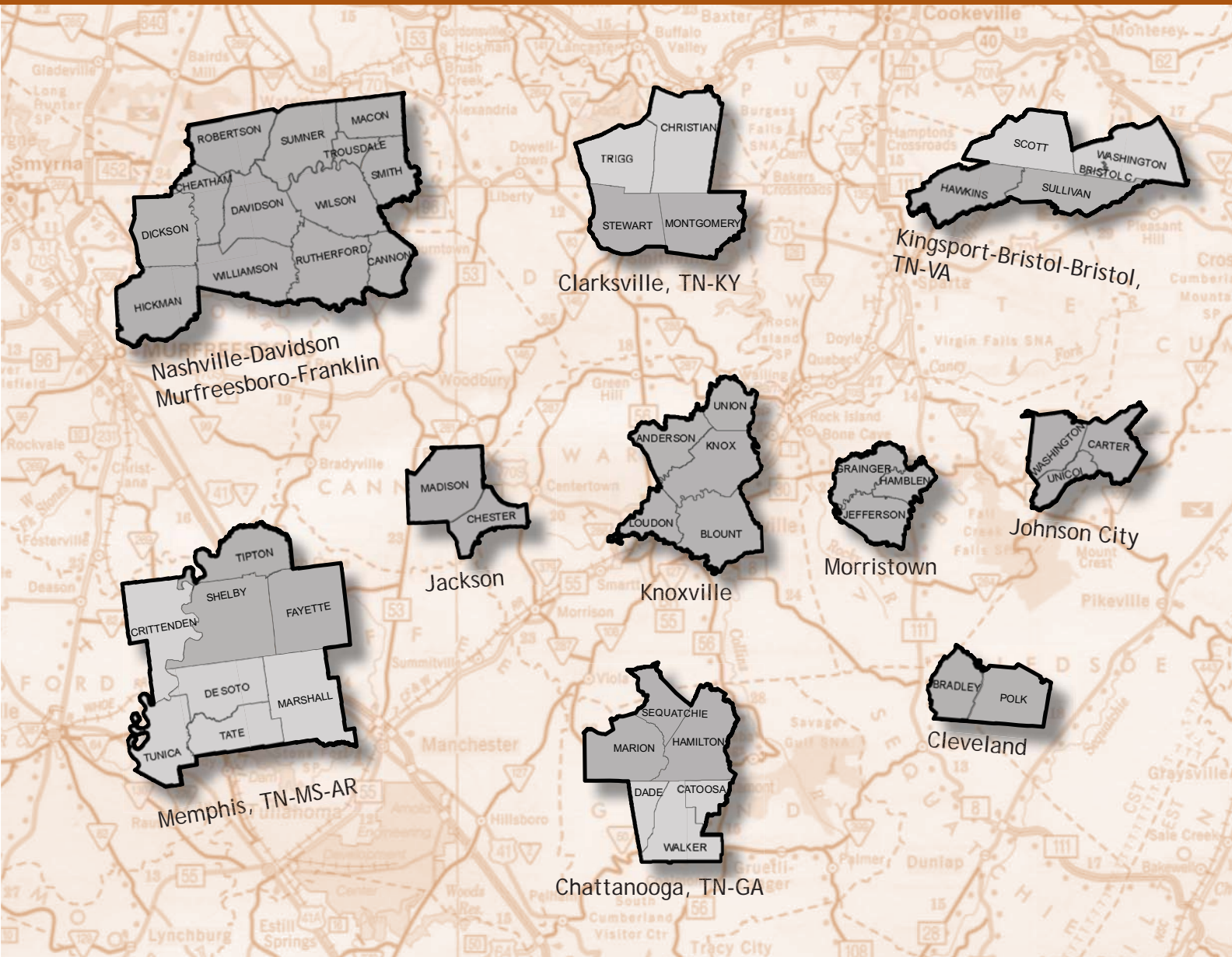


GROWTH CONCENTRATION IN TENNESSEE REGIONS

A TACIR STAFF REPORT



TENNESSEE ADVISORY COMMISSION
ON INTERGOVERNMENTAL RELATIONS

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Growth Concentration in Tennessee Regions

A TACIR Staff Report

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INTRODUCTION

Tennessee's population, employment, and economic strength have long been concentrated in a small number of the state's counties. These measures are becoming further concentrated in a few of the state's economically and socially integrated regions—areas consisting of urban cores and suburban and exurban fringes. Specifically, most growth in Tennessee has been concentrated in the Nashville, Knoxville, and Clarksville regions. A number of policy directions could be affected by the growing disparity between the counties in regions that are gaining in relative strength and the counties outside of those regions. Additionally, as business leaders are placing greater emphasis on regional markets and their connections to global markets, the competitiveness of Tennessee's regions is becoming a more critical factor for the state's continued success.

Of course, regions have always been important actors going back to even before the emergence of the Greek city-states, but their importance has varied over time relative to national, state, and local governments. Two primary factors have come together to enable the spread of regions over the last several decades, improved transportation and communication. As regions have spread across the landscape, subsuming once separate cities, towns, and rural areas, they have become larger and more important social and economic entities. Regions are not only becoming bigger by spreading geographically. Certain regions are also becoming larger by capturing a larger share of growth in population, income, jobs, and economic strength. This is not to say that areas outside of those regions are not growing—though that is sometimes the case—but that they are not growing as rapidly. Beyond the growth of regions, several scholars have commented on and debated the global role of regions in today's economy. This brief does not attempt to address this global role, but rather focuses on evidence in Tennessee of the concentration of growth factors that has become a characteristic of regions.

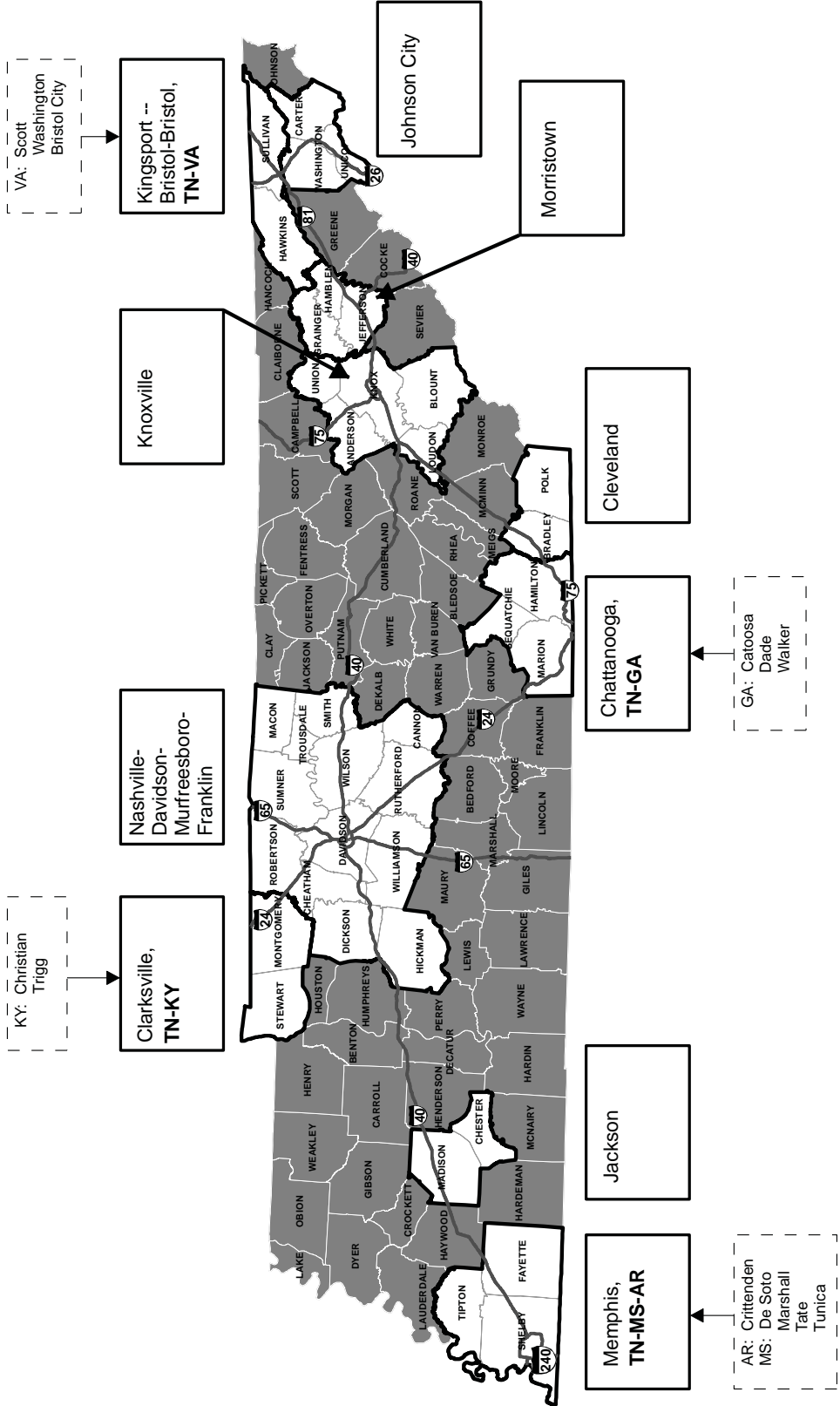
This brief will examine the concentration of growth in Tennessee as measured by the concentration of population, employment, commuting, wages, income, and property and local sales tax bases. Understanding this concentration is an important part of preparing to address the various challenges faced by Tennessee in the face of global economic changes. It also allows for a better understanding of opportunities to address policy issues at a regional level, and assists in the discussion of the different challenges faced by rapidly and slowly growing communities—environmental sustainability, fiscal pressures, economic development, and quality of life issues. TACIR will expand upon these challenges and opportunities in future reports.

METROPOLITAN STATISTICAL AREAS

There are many different ways one can define or compare regions (see sidebar beginning on page 7). In this report, TACIR uses the federal Office of Management and Budget’s (OMB) Metropolitan Statistical Areas (MSA) as the basis for our analysis of regional concentration. We do so because of the general familiarity of most of our readers with the concept of MSAs, because there is a relative wealth of data available for MSAs and their component counties, and because they, by design, represent economically and socially integrated regions. MSA boundaries are defined by the OMB and serve as one of the principle data regions used by the US Census Bureau and other government agencies. According to the OMB definition, an MSA is a statistical area

associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Figure 1. Tennessee Metropolitan Statistical Areas, 2008



Source: U.S. Office of Management and Budget

TENNESSEE HAS TEN MSAs:

- Chattanooga, TN-GA
- Clarksville, TN-KY
- Cleveland
- Jackson
- Johnson City
- Kingsport-Bristol-Bristol, TN-VA
- Knoxville
- Memphis, TN-MS-AR
- Morristown
- Nashville-Davidson-Murfreesboro-Franklin

Four of these MSAs, Memphis, Clarksville, Kingsport-Bristol, and Chattanooga include non-Tennessee counties. There are twelve of these counties, plus Bristol City, Virginia, which for data purposes is treated as a county. Unlike in Tennessee, cities in Virginia are not considered to be part of counties. For ease of reference, this report will refer to Bristol City as one of the cross-border MSA counties. As it is important to recognize the economic integration and other dynamics of regions that cross state borders, this report, where possible, treats these counties as if they were Tennessee counties. Statewide totals are adjusted to include the data for these cross-border MSA counties.

The OMB periodically changes the definitions of individual MSAs—adding or deleting component counties—to reflect evolving economic ties. This brief uses the most current definitions, updated in 2007. The borders are applied consistently across all data sets, so an MSA’s data for 2000 is for the same component counties as the data for later years, regardless of whether counties have been added to the MSA since 2000. Sometimes, the OMB will change the name of an MSA to reflect changing dynamics among its component communities. For example, the Nashville MSA’s official name has changed twice in recent years to reflect the growing significance of Murfreesboro and Franklin as economic hubs within the MSA.

WHAT IS A REGION?

A quick search shows a broad range of examples of regions, to include among many others, the federal Office of Management and Budget's (OMB) Metropolitan Statistical Areas (MSA), the US Bureau of Economic Analysis' (BEA) Economic Areas, Tennessee's development districts, regional transportation authorities, metropolitan planning organizations, Tennessee Grand Divisions, and watersheds. What makes these often-disparate examples all qualify as regions? How do you define a region? The Encarta Dictionary offers several relevant definitions:

1. a large land area that has geographic, political, or cultural characteristics that distinguish it from others, whether existing within one country or extending over several
2. a large separate political or administrative unit within a country
3. an area of the world with particular animal and plant life
4. any large indefinite area of a surface
5. an imprecisely defined area or part of something such as a sphere of activity

The Know Your Region project of Western Carolina University provides a detailed list of six categories or region types:

Functional regions are geographic areas defined by a shared function, such as soil conservation districts or watersheds, whereas **economic regions** are defined by the shared commercial, production, or market traits of its component areas. Functional and economic regions may not be officially designated regions, but rather defacto regions, such as the region-states discussed by Kenichi Ohmae, the "citistates" discussed by Neal Peirce, or the economic mega regions discussed by Robert Lang, Dawn Dhavale, Richard Florida, and others.

Political, administrative, and data regions, on the other hand, are officially designated regions. Political regions, multiple jurisdictions grouped together for political representation, include congressional districts and state legislative districts, among others. Administrative regions are groupings of multiple jurisdictions organized to provide

or oversee service provision. These regions are not limited to a single function, as are functional regions. Examples of administrative regions include development districts in Tennessee, which assist in service provision in a wide range of program areas, including economic development, housing, aging services, and transportation. Data regions are groupings of multiple jurisdictions in order to provide a logical, common base for statistical collection and reporting. Often, data regions are grouped based on economic factors, as are MSAs, which are largely based upon commuting patterns.

Issue regions are another example of an unofficial region. These regions are groupings based upon a general consensus of beliefs, values, and positions on specific issues. A commonly identified issue region is the Bible Belt, the swath of southern US states generally associated with conservative religious beliefs.

The Know Your Region project's authors qualify their typology, noting that regional definitions are flexible. They note that regions "are not given entities, but rather are defined according to various characteristics depending on the purposes of the definition." In other words, our definition of a region will depend largely upon our reason for attempting to define the region. If we are interested in water carrying capacity, for example, we may define regions based upon the location of watersheds. The authors go on to note that regions are often "action entities," meaning that they exist primarily in order to address a perceived problem. Finally, the authors remind us that regions exist within a network of larger and smaller entities.

Casey Dawkins captures the essence of these many various definitions, categories, and characteristics in his definition of a region as

... a spatially continuous population (of human beings) that is bound either by historical necessity or by choice to a particular geographic location. The dependence on location may arise from a shared attraction to local culture, local employment centers, local natural resources, or other location-specific amenities.

Even with this inclusive definition, it is important to understand that regions vary in terms of their focus and in terms of the problems, issues, and opportunities they face. It is also important to note that any single location is likely a member of many defined regions of various and overlapping boundaries.

Tennessee also has 20 micropolitan statistical areas, which the OMB defines as areas having “at least one urban cluster of at least 10,000 but less than 50,000 population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.”

Metropolitan statistical areas are a reasonable starting point for a discussion of regions; they are by definition socially and economically integrated areas. In its MetroNation series, the Brookings Institution notes that the 100 largest MSAs generate two-thirds of U.S. jobs and three-fourths of the nation’s gross domestic product. Brookings also notes that approximately 83% of the U.S. population lives in one of the nation’s 363 MSAs. Importantly, Brookings reminds us that those MSAs include urban, suburban, and rural communities—more than half of the nation’s rural residents live within an MSA. Finally, Brookings argues that MSAs are the “locus of the four drivers of national prosperity,” innovation, human capital, infrastructure, and quality places.

CONCENTRATION

The effects of regionalization in Tennessee are evident in the increasing concentration within 3 of the state’s 10 MSAs of many important economic factors:

- Population
- Employment
- Commuters
- Wages
- Income
- Property Tax Base
- Local Sales Tax Base

Each of these factors is already clearly concentrated, primarily in the MSAs, but in some cases also along the interstates.

With the importance of transportation to regional growth, it is not surprising that interstates also appear to play a role in the concentration of these measures. Several interstates criss-cross Tennessee, creating major hubs in the Chattanooga, Nashville, and Knoxville MSAs. Other major transportation assets, such as the Mississippi, Tennessee, and Cumberland Rivers, and the Memphis International Airport, the busiest cargo airport in the world, also contribute to regionalization in Tennessee.

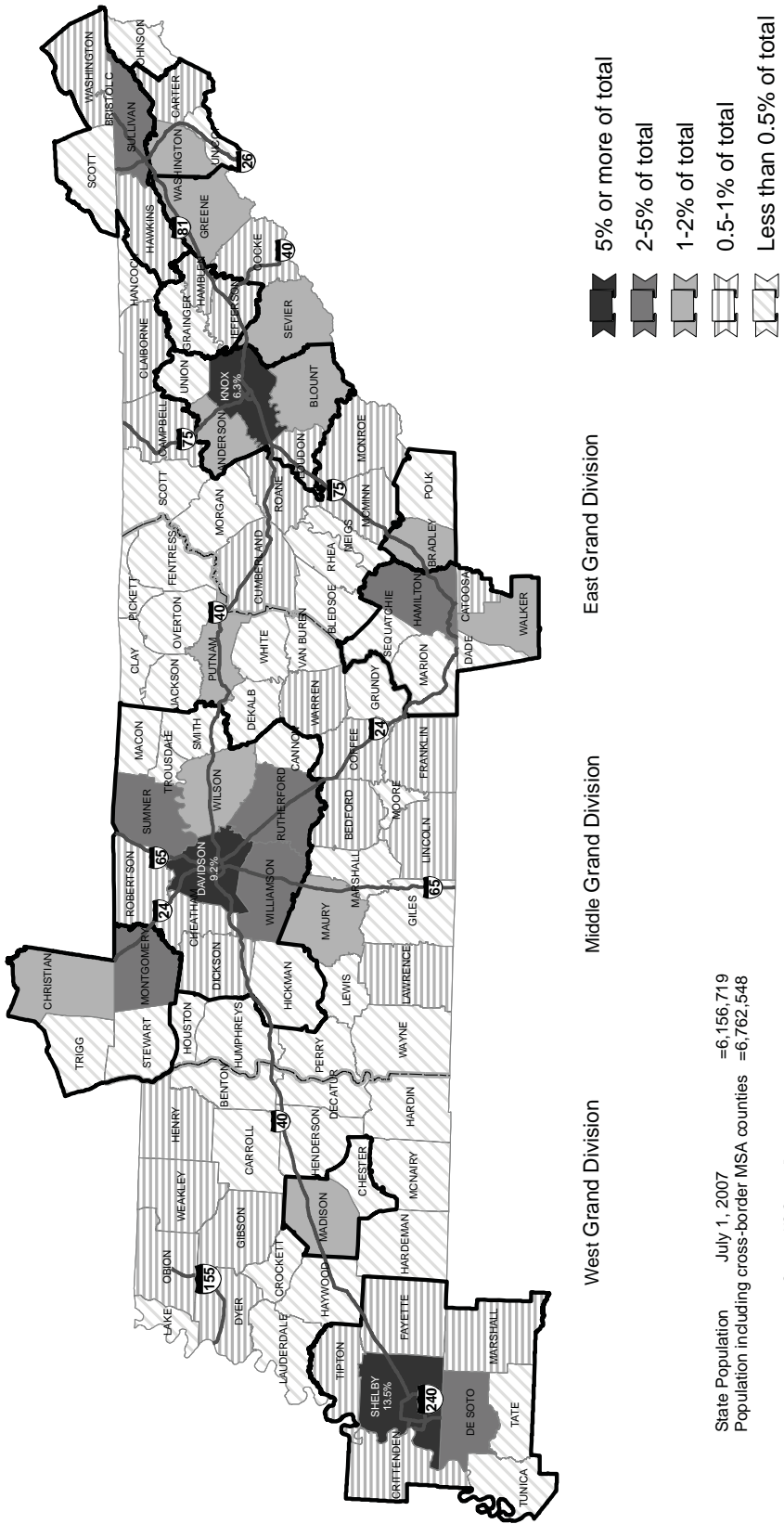
The trend toward continued concentration within the Nashville, Knoxville, and Clarksville MSAs is equally clear with most of the factors. But trends for a few of them are more nuanced. For example, the faster growing counties for average wages per employee are more evenly distributed than are the fastest growing counties in terms of employment. Of course, many of the counties with the fast growing wages are starting from a much lower salary. As another example, the local sales tax base is increasingly concentrating in the Nashville, Clarksville, and Johnson City MSAs, while they are flat in the Knoxville MSA, and declining in the other 6 MSAs. There is also evidence of intra-MSA shifts in the local sales tax base in several of the MSAs.

POPULATION CONCENTRATION

Tennessee's population in 2007 was 6,156,719; it was 6,762,548 including the cross-border MSA counties. As shown in Figure 2, Tennessee's population in 2007 was concentrated primarily within the state's MSAs or along the interstate corridors connecting the MSAs.

- Two counties, Shelby and Davidson, accounted for nearly one fourth of the state's total population in 2007.
- The 13 Nashville MSA counties accounted for 22% of the total population, the 8 Memphis MSA counties

Figure 2. Tennessee Counties Percent of Total State Population plus Cross-Border MSA Counties, 2007
With MSAs and Interstates



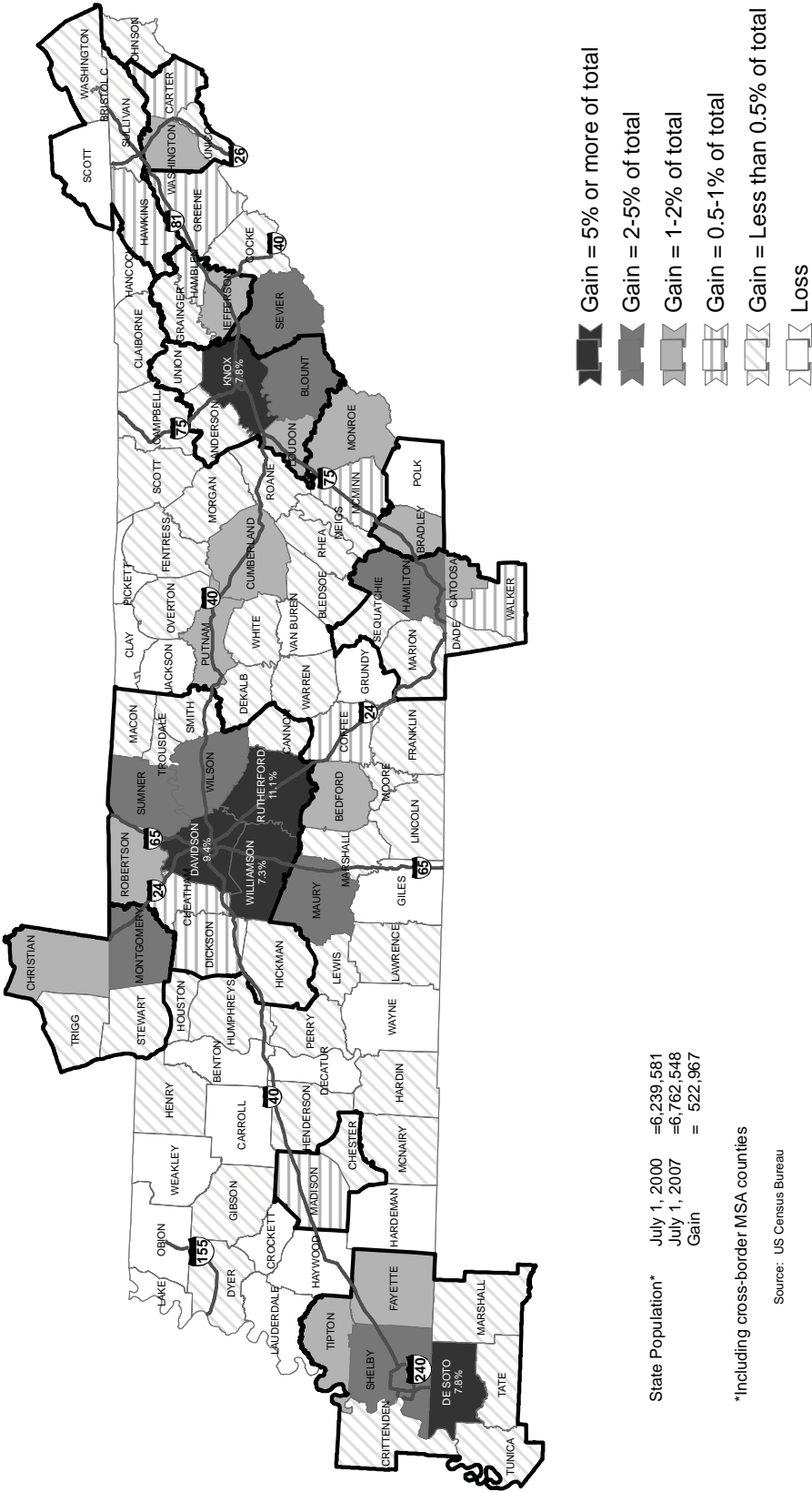
19%, the 5 Knoxville MSA counties 10%, and the 6 Chattanooga counties 8%.

- Though the Nashville MSA has 13 counties, 85% of the MSA population is concentrated in just 5 of those counties.
- The 51 counties located within an MSA accounted for 76% of the total population in 2007; the remaining 57 counties accounted for just 24%.

The gain in population between 2000 and 2007 was also concentrated. Figure 3 shows that five counties, Rutherford, Davidson, Knox, De Soto (Mississippi), and Williamson, were responsible for 43% of all population growth in Tennessee from 2000-2007.

- The 13 Nashville MSA counties accounted for 39% of the state's total growth; the 8 Memphis counties accounted for 14%, the 5 Knoxville MSA counties accounted for 12%, and the 6 Chattanooga counties 7%.
- Most of the rest of the population growth over the period was also located either within one of the state's MSAs or along an interstate highway route.
- All of the counties losing population between 2000 and 2007 were located outside of the state's MSAs with the exception of Scott County, VA (Kingsport-Bristol MSA) and Polk County (Cleveland MSA). Most of these counties were located within West Tennessee.
- Nine percent of the total growth was in the cross-border counties belonging to the Memphis MSA.
- The 51 counties located within an MSA accounted for 85% of the population growth from 2000 to 2007; the remaining 57 counties accounted for just 15%.

Figure 3. Tennessee Counties Percent of Total State Population Gain, 2000-2007
With MSAs and Interstates



The 85% share of the growth captured by the MSA counties equals 446,173 new residents from 2000 to 2007, compared to 76,794 new residents in the non-MSA counties. Even though the MSAs as a group captured the lion’s share of the growth in population, the overall concentration of the state’s population within MSAs only increased from 74.8% in 2000 to 75.6% in 2007. As shown in Table 1, the more interesting trend is the shift in concentration to just a few MSAs, Nashville, Knoxville, and Clarksville. Those three MSAs gained a larger share of the population, while the other MSAs either maintained or lost in share of total population. The Memphis MSA, despite the high population growth in its cross-border counties, shrank in percent of total state population from 19.4% to 18.9%. Also, more of the state’s population has been shifting toward the 42 counties of Middle Tennessee. That grand division’s percent of total state population increased from 35.7% to 37.1% from 2000 to 2007.

**Table 1. Tennessee MSAs and Grand Divisions
% of Total State Population, 2000-2007**

MSA	2000	2007
Chattanooga	7.6%	7.6%
Clarksville	3.7%	3.9%
Cleveland	1.7%	1.6%
Jackson	1.7%	1.7%
Johnson City	2.9%	2.9%
Kingsport-Bristol	4.8%	4.5%
Knoxville	9.9%	10.1%
Memphis	19.4%	18.9%
Morristown	2.0%	2.0%
Nashville	21.1%	22.5%
MSA Total	74.8%	75.6%
Non-MSA	25.2%	24.4%
Total	100.0%	100.0%

Grand Division	2000	2007
East	36.6%	36.2%
Middle	35.7%	37.1%
West	27.7%	26.7%
Total	100.0%	100.0%

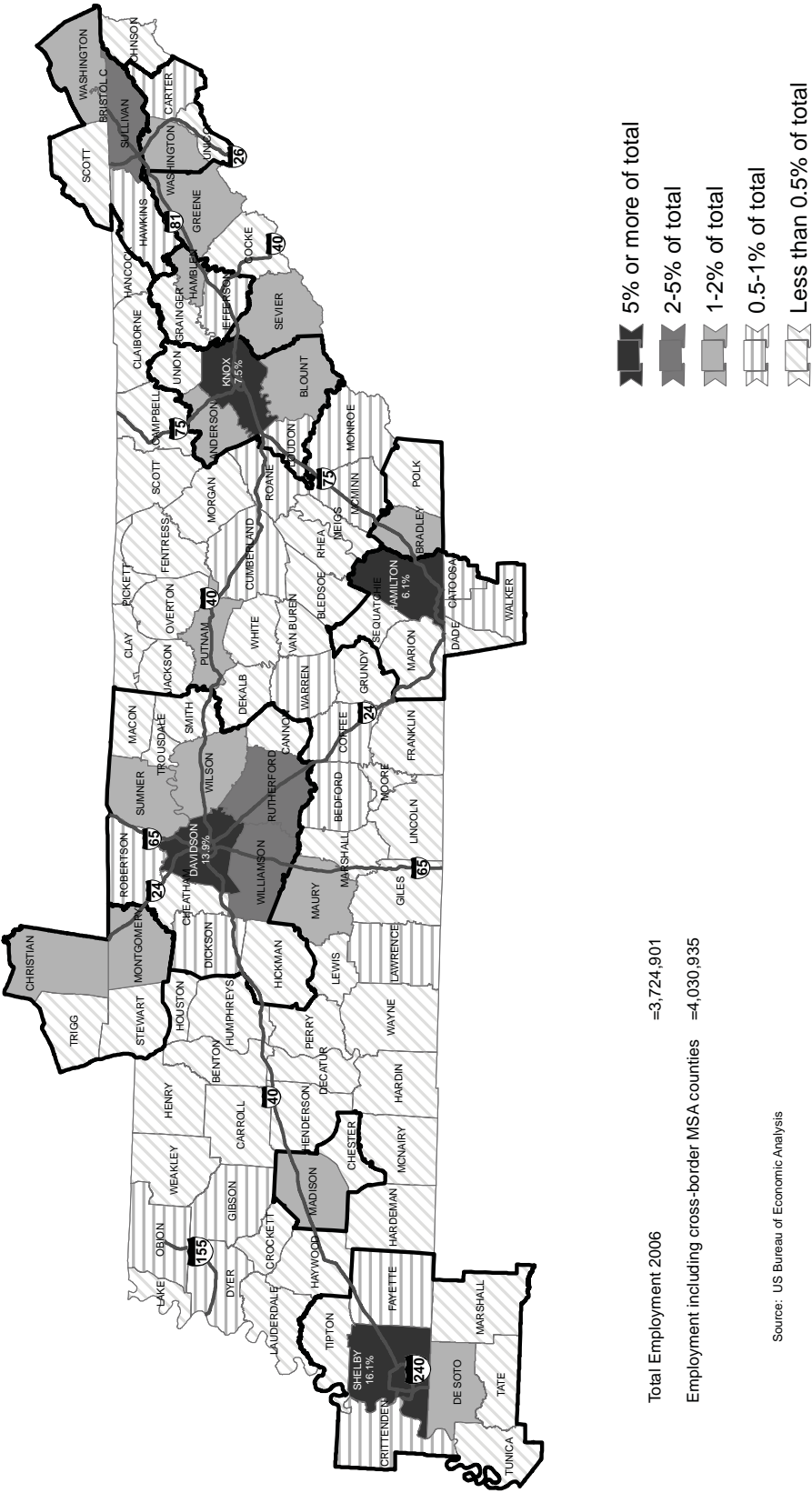
EMPLOYMENT CONCENTRATION

Tennessee lost over 40,000 jobs during the recession of 2001 and during the “jobless recovery” that followed. The total number of jobs¹ for the state and its cross-border MSA counties fell from 3,771,836 in 2000 to 3,726,786 in 2002. The state started gaining jobs again in 2003 and the number of jobs had increased to 4,030,935 by 2006. Figure 4 shows that employment in Tennessee is even more concentrated than population is.

- Thirty percent of all employment in 2006 was located in just two counties, Shelby and Davidson.

¹Total jobs, as defined by the US Bureau of Economic Analysis, includes full-time and part-time jobs, by place of work. Full-time and part-time jobs are counted at equal weight. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not included.

Figure 4. Tennessee Counties Percent of Total State Employment, 2006
With MSAs and Interstates



GROWTH VERSUS RATE OF GROWTH

It seems like about once a year the popular press will do a story on how much faster suburban counties are growing than urban core counties. These stories generally fail to differentiate between actual growth and rate of growth.

A county with a small population can gain a small number of people and have larger percentage growth in population than a county with a much larger population that has gained many more people. For example, even though Shelby County's population only grew an estimated 1.3% from 2000-2007, its nominal gain of 12,000 people was still larger than the gain for all but ten of the state's 95 counties. In contrast, suburban Sequatchie County grew 17% in population, but still gained less than 2,000 new residents.

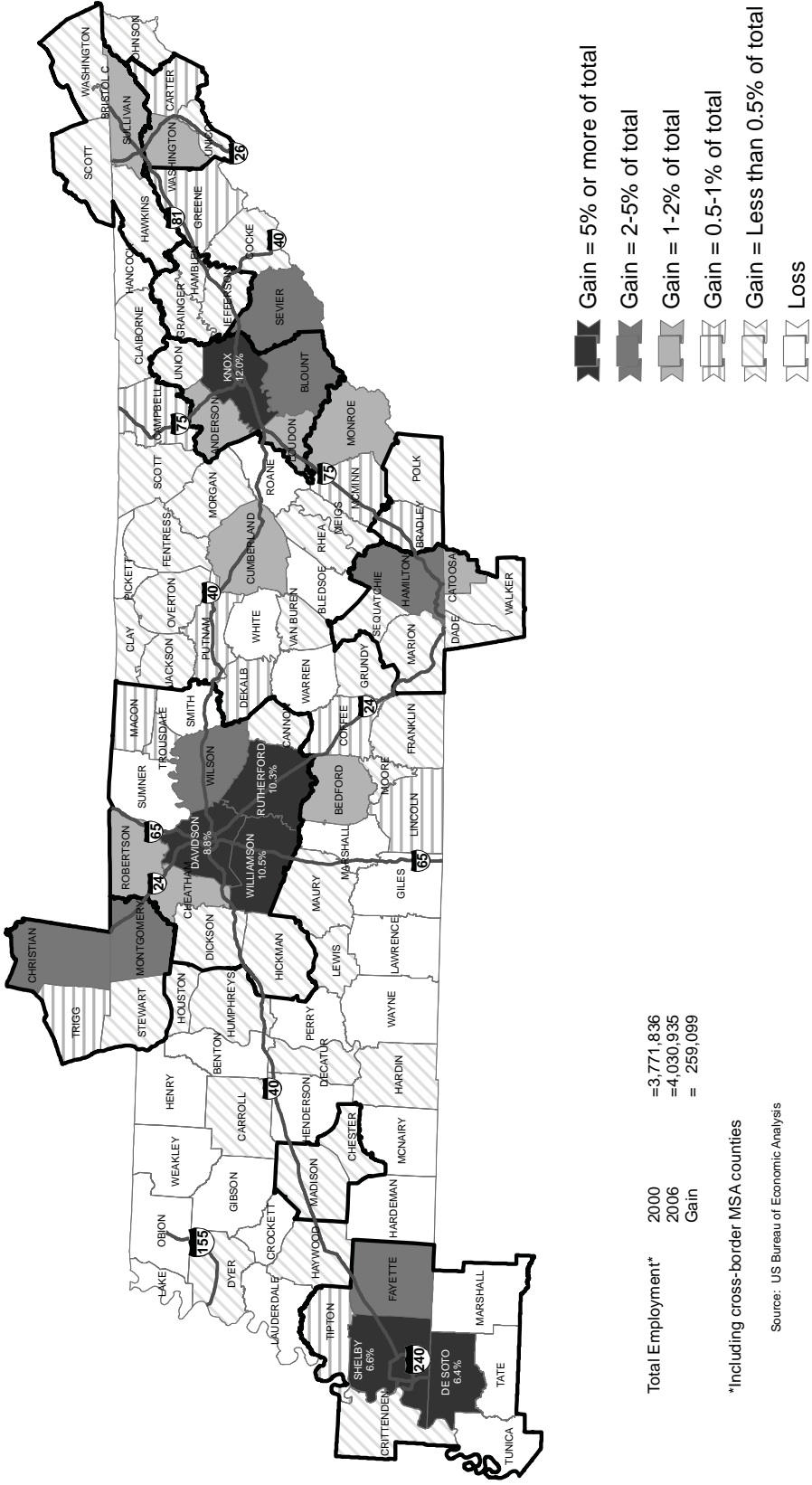
Davidson County, which grew 8.6% from 2000 to 2007, gained 49,000 new residents, more than any other county in the state except for Rutherford County. Rutherford County had the highest growth rate and gained the most new residents, 32% and 58,000, respectively. Williamson County had the second highest growth rate, 30%, and the fourth largest population gain, 38,000. Knox County gained 41,000 residents, third highest in the state, with a growth rate of 11%.

- Approximately 80% of all employment was located within the state's MSAs, with 25% located within the Nashville MSA.
- The Memphis MSA accounted for 20% of the state's employment, the Knoxville MSA for 11%, and the Chattanooga MSA for 8%.
- There is additional employment concentration along the I-24, I-40, I-65, I-75, and I-81 corridors, and along the I-155 spur in northwest Tennessee.

Figure 5 shows that the trend for employment growth from 2000 to 2006 was toward increasing concentration in the Nashville, Knoxville, and Clarksville MSAs.

- Five counties, Knox, Rutherford, Williamson, Davidson, and Shelby, were responsible for 48% of all employment growth in the state for the period.
- As a group, the 51 counties located within an MSA accounted for 92% of the state's employment growth from 2000 to 2006; the remaining 57 counties accounted for just 8%.
- The 13 Nashville MSA counties accounted for 38% of the total

**Figure 5. Tennessee Counties Percent of Total State Employment Gain, 2000-2006
With MSAs and Interstates**



**NATIONAL PERSPECTIVE:
JOBS AND EDUCATION**

Not only are jobs becoming more concentrated in regions, they are also becoming clumped into ever more disparate salary segments depending upon required education levels. According to the Brookings Institute’s MetroNation report, technological advances and international outsourcing have limited the growth of domestic manufacturing employment. Less well-educated workers now have relatively fewer middle-income jobs available to them. The service-sector jobs that have been replacing manufacturing jobs have sharp contrasts in their pay and in their education and skill requirements. Higher paying management, consulting, and finance jobs in the service sector are contrasted with lower skilled and low paying food service and hospitality jobs. Generally, average wages have risen for highly educated workers and remained flat or decreased for less well-educated workers.

growth, while the 5 Knoxville MSA counties accounted for 19%, and the 4 Clarksville MSA counties accounted for 7%. Each of these three MSAs gained in share of total state employment.

- While the Memphis MSA captured a large share of employment growth—its 8 counties accounted for 16% of the total employment growth—the MSA’s share of total state employment actually shrank from 20.41% in 2000 to 20.15% in 2006 (see Table 2). The Memphis MSA gained 42,580 jobs compared to a gain of 97,825 in the Nashville MSA, 48,070 in the Knoxville MSA, and 17,592 in the Clarksville MSA.

Table 2. Share of Total Tennessee Employment 2000 and 2006 by MSA

MSA	2000 % of Total	2006 % of Total
Chattanooga	7.99%	7.84%
Clarksville	3.34%	3.56%
Cleveland	1.41%	1.37%
Jackson	1.98%	1.89%
Johnson City	2.67%	2.65%
Kingsport-Bristol	4.25%	4.10%
Knoxville	10.45%	10.97%
Memphis	20.41%	20.15%
Morristown	1.85%	1.77%
Nashville	24.38%	25.24%
MSA Total	78.71%	79.54%
Non-MSA	21.29%	20.46%
Total	100.00%	100.00%

- Each of the other 6 MSAs’ shares of total state employment also shrank from 2000 to 2006. The Chattanooga MSA’s share fell from 7.99% to 7.84%, though it gained 14,776 jobs.

- Counties losing employment were somewhat more evenly distributed across the state than were those losing population. Twenty-seven counties had a net loss of jobs between 2000 and 2006.

COMMUTER CONCENTRATION

With greater concentration of employment than population, it should come as no surprise that a lot of Tennesseans live in one county and work in another. Figure 6 shows that only 18 counties had 80% or more of their residents working in their home county in 2000; the rest of their residents were out-commuters. It is important to note that this data for 2000, the most recent year available, will not capture the effect of the more recent shifts in population and employment discussed in the last two sections. For example, we will not know what effect the large gains in both population and employment in Rutherford County will have on its overall commuting patterns until that data becomes available after the 2010 Census.

- Shelby County had by far the highest percentage of workers staying in their home county to work, 99%.
- Davidson County had the greatest number of in-commuters: 151,000, 21% of all in-commuters in the state.
- Thirty-two counties had fewer than half of their residents working within their home county.

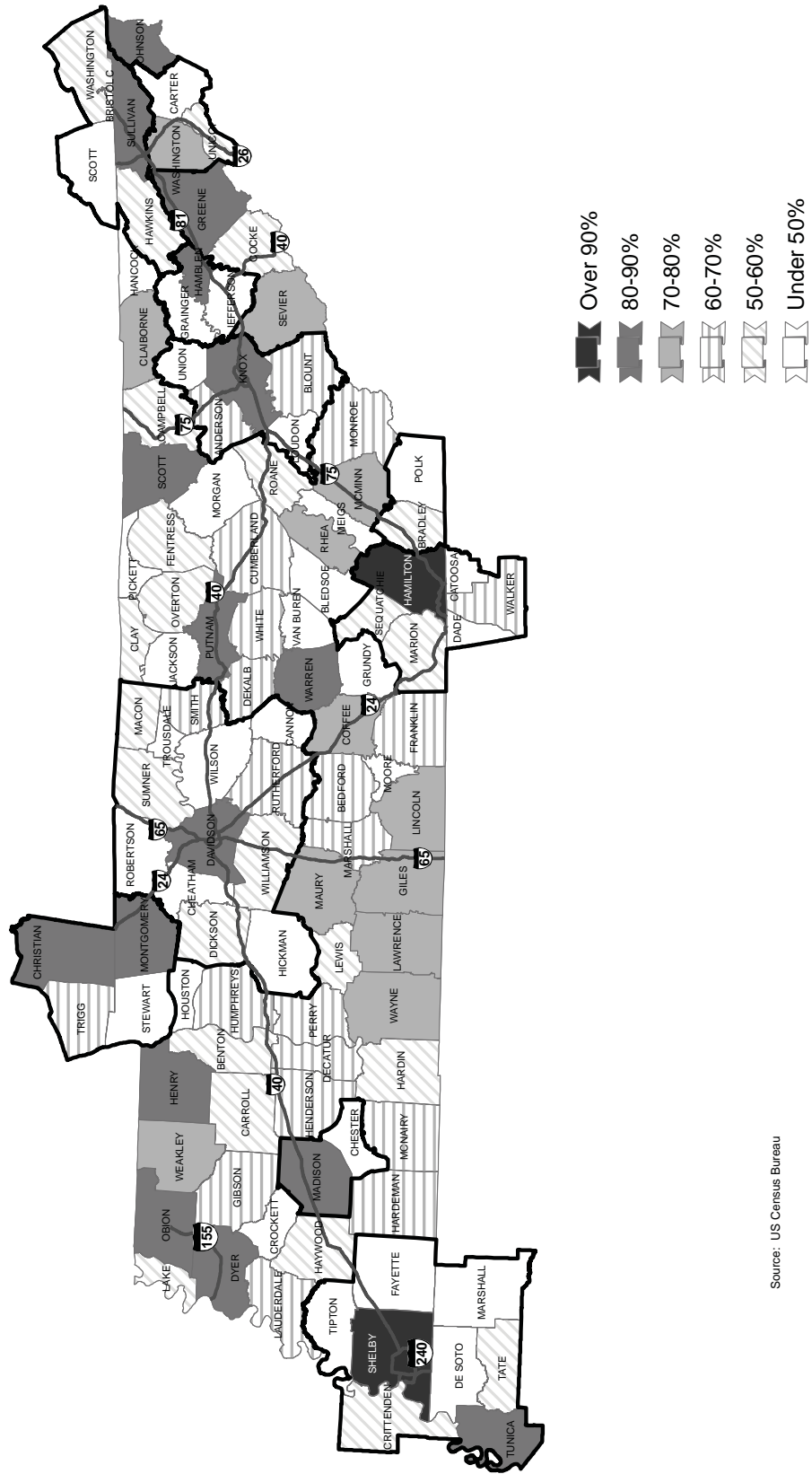
WHAT NEXT? FUEL COSTS AND COMMUTING PATTERNS

It remains to be seen how rising fuel costs will affect commuting trends. Many communities are already reporting increases in mass transit use, long waiting lists for rideshare vans, and a spike in the number of commuters carpooling. Will these trends continue to escalate? Will state and local governments be able to afford to meet these new service demands, particularly as their own operational costs increase? Will new patterns take hold that will persist if there is an eventual dip in fuel prices?

Beyond simple changes in commuting patterns, will there be fundamental changes in employment, population, and other concentration trends? Will people start to move closer to their jobs, will their jobs move closer to them, or some of both? How will changing trends affect demands for new infrastructure and services?

Finally, will our public and private leaders be willing and able to address these questions and challenges from a big picture, regional perspective?

**Figure 6. Tennessee Counties Percent of Workers Who Work in County of Residence, 2000
With MSAs and Interstates**



Source: US Census Bureau

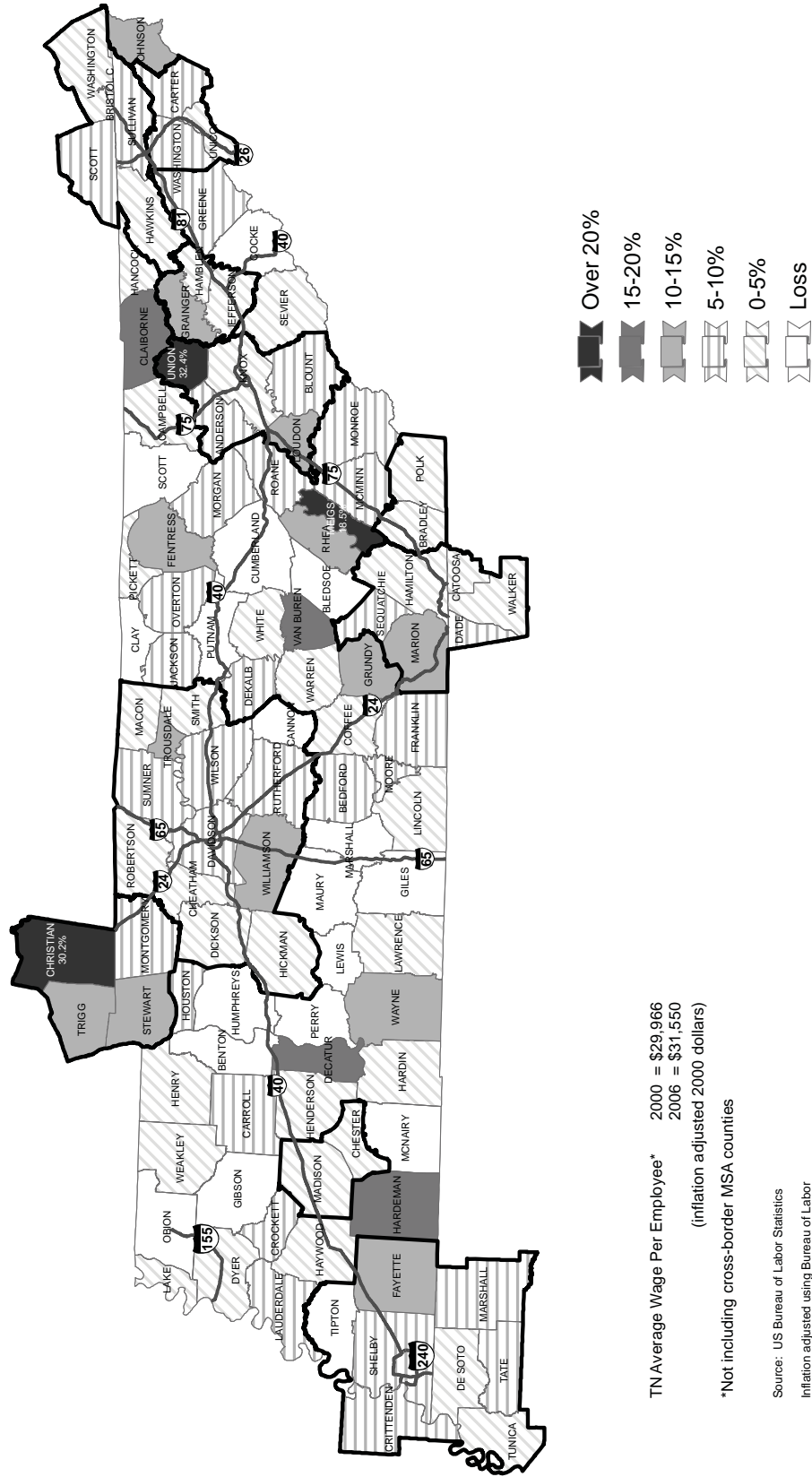
Figure 7 shows that the majority of Tennessee counties saw the percentage of their residents working in their home county decrease between 1990 and 2000. The implication appears to be that as employment becomes more concentrated in Tennessee, more Tennesseans have to leave their home county for work. This could partially be a product of larger percentages of people choosing to buy more affordable housing in suburban and exurban communities while still maintaining jobs in core communities. It could also be partly attributable to the growing phenomenon of people living in one suburban county and working in another suburban county.

WAGE CONCENTRATION

Wages, like jobs, are highly concentrated, with only 6 counties having average per employee wages of \$40,000 or more in 2006, and only 10 others having wages higher than \$35,000 (See Figure 8). All 16 of these counties, with the exception of Van Buren County, are located within one of the state's MSAs or along an interstate highway. The statewide average wage per employee, not including cross-border MSA county amounts, equaled \$36,937.

When adjusted for inflation, average wages for Tennesseans increased from \$29,966 in 2000 to \$31,550 in 2006, an increase of 5.3%, or \$1,584 in constant 2000 dollars. As shown in Figure 9, the counties with declining wages were concentrated in west Tennessee, south central Tennessee, and along the northern portion of the Cumberland Plateau, areas that have seen sharp drops in manufacturing employment. According to the Tennessee Department of Labor and Workforce Development, workforce investment area 10 (south-central Tennessee) had a net loss of more than 8,000 manufacturing jobs between 2002 and 2006. Workforce investment areas 11 and 12 (west Tennessee) had a combined net loss of more than 8,000 manufacturing jobs over the same period, while workforce investment area 7 on the Cumberland Plateau lost nearly 2,000.

**Figure 9. Tennessee Counties Percent Increase in Wages per Employee, 2000-2006
(2000 Dollars)
With MSAs and Interstates**



The faster growing counties' average wages per employee are more evenly distributed than are the fastest growing counties' employment; however, many of the fast growing wage counties are starting from a much lower 2000 salary. Of the 7 counties with the highest percentage growth in wages per employee—Union, Christian (Kentucky), Meigs, Van Buren, Hardeman, Decatur, and Claiborne—only Christian had an average wage higher than the state average in 2006.

- Eighteen counties actually saw a decline in inflation adjusted wages over the period, with Obion County having the biggest drop, \$2,551.
- Another 37 counties had gains of less than 5%, while 52 counties had gains greater than 5%.

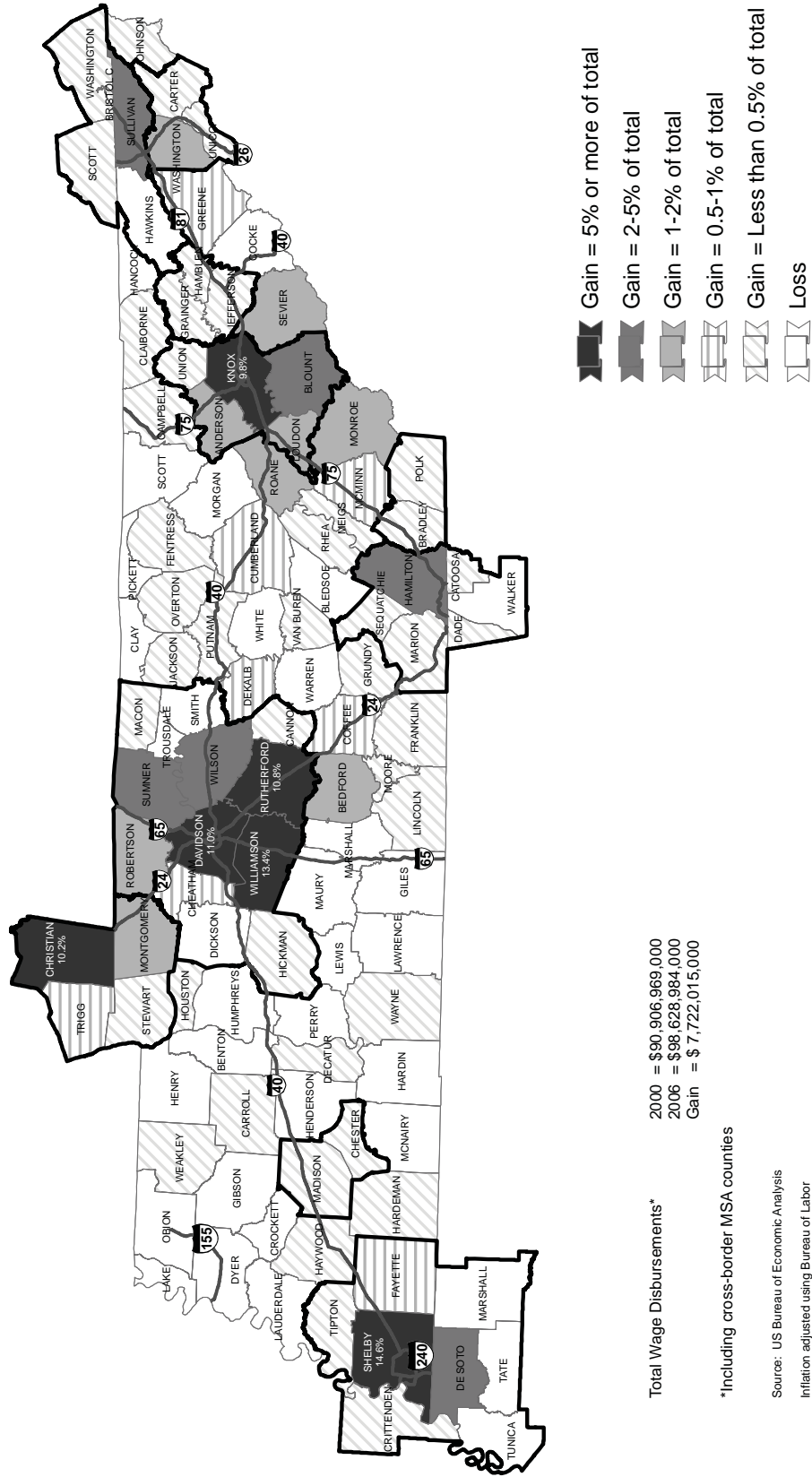
Even though average wage growth is somewhat widely dispersed, Tennessee's MSAs are still capturing the lion's share of total wage growth, as seen in Figure 10.

- Shelby County captured the largest share of wage growth with nearly 15%.
- The 51 MSA counties accounted for 98% of total wage growth from 2000 through 2006.
- The Nashville MSA led the way with 42%; three of its counties—Davidson, Williamson, and Rutherford—accounted for over 35% of Tennessee's total wage growth.
- The Memphis MSA accounted for 19% of total wage growth, the Knoxville MSA 16%, the Clarksville MSA 12%, and the Chattanooga MSA 4%.
- As with population and employment, the Nashville, Knoxville, and Clarksville MSAs increased their share of total wages while the other MSAs' shares declined (see Table 3).

Table 3. Share of Total Tennessee Wages 2000 and 2006, by MSA

MSA	2000 % of Total	2006 % of Total
Chattanooga	8.12%	7.76%
Clarksville	3.08%	3.81%
Cleveland	1.30%	1.23%
Jackson	1.99%	1.85%
Johnson City	2.28%	2.24%
Kingsport-Bristol	3.97%	3.87%
Knoxville	10.66%	11.11%
Memphis	23.76%	23.35%
Morristown	1.56%	1.46%
Nashville	26.82%	28.00%
MSA Total	83.53%	84.68%
Non-MSA	16.47%	15.32%
Total	100.00%	100.00%

**Figure 10. Tennessee Counties Percent of Total State Wage Gain, 2000-2006
(2000 Dollars)
With MSAs and Interstates**



The Well-Heeled 6

Six of the US Bureau of Labor Statistics' occupational groups in 2006 had mean salaries greater than \$51,000—150% or more than the Tennessee state average salary of \$34,000. TACIR has termed this collection of six groups the “Well-Heeled 6.” The six occupational groups—Management, Business and Financial Operations, Computer and Mathematical Science, Architecture and Engineering, Legal, and Healthcare Practitioner and Technical occupations—are the kind of occupations that might fit into a list of knowledge economy jobs, or perhaps scholar and popular author Richard Florida’s “creative class.”

As shown below, the well-heeled six (WH6) are even more concentrated in the state’s MSAs than overall employment is. The WH6 are most heavily concentrated in the Nashville, Memphis, Knoxville, and Chattanooga MSAs. Several MSAs actually have a lower percentage of WH6 employees than the combined non-MSA counties.

MSA	% of Total Statewide Employees	% of Total WH6 Employees	MSA's WH6 employees as % of MSA's Total Employees
Chattanooga*	8	8	12
Clarksville*	3	2	8
Cleveland	1	1	9
Jackson	2	2	9
Johnson City	3	2	9
Kingsport-Bristol*	4	3	8
Knoxville	11	13	13
Memphis*	22	23	12
Morristown	2	1	7
Nashville	26	31	14
MSA Total	82	86	MSA Avg 10
Non-MSA Total	19	15	Non-MSA Avg 8.5

Source: TACIR calculations using US Bureau of Labor Statistics data for 2006. Note: data includes employees in non-TN counties that are part of certain TN Metropolitan Statistical Areas (MSA). *MSA figure includes data for non-TN counties.

INCOME CONCENTRATION

With so many individual Tennesseans living and working in different counties, it is instructive to look at income concentration in addition to wage concentration. Wages are reported for the county of employment while incomes are reported for the county of residence. Like population and employment, income is concentrated in Tennessee’s MSAs; however, the growth trends are a little more complicated. Some non-MSA counties have rapidly growing per capita personal income (PCPI), but these counties also tend to be starting at a much lower income level and so remain relatively low. Figure 11 shows the income range for

**Figure 11. Tennessee Counties Per Capita Personal Income, 2006
With MSAs and Interstates**



TN Average Per Capita Personal Income 2006 = \$32,172
 Avg. PCPI including cross-border MSA counties = \$31,744

Source: US Bureau of Economic Analysis

each Tennessee county and the cross-border MSA counties. The statewide PCPI for Tennessee was \$32,172, or \$31,744 including the cross-border MSA counties. This was nearly \$5,000 less than the US average PCPI of \$36,714 in 2006. Note that the income for Washington County, Virginia and Bristol City, Virginia are combined by the Bureau of Economic Analysis.

- Three Tennessee counties—Williamson, Davidson, and Shelby—had a PCPI above the US average. Three additional Tennessee counties—Wilson, Montgomery, and Hamilton—had incomes above \$35,000.
- Three additional Tennessee counties—Knox, Loudon, and Sumner—had PCPIs higher than the Tennessee average.
- The remaining 86 Tennessee counties had PCPIs below the state average.
- Only one county located outside of an MSA—Greene County—had a PCPI above \$30,000.
- Four counties—Hancock, Johnson, Lake, and Wayne—had PCPIs less than \$20,000. Note that large institutional populations, such as those at correctional facilities in Lake and Wayne Counties, can distort PCPI data, making it appear lower than it would otherwise be.
- Only one of the cross-border MSA counties, Trigg County, Kentucky, had a PCPI higher than the Tennessee average.

As shown in Table 4, four MSAs—Nashville, Memphis, Knoxville, and Clarksville—had an average PCPI higher than the \$31,744 average. Only the Nashville MSA at \$37,758 was higher

Table 4. Per Capita Personal Income 2000 and 2006, by MSA

MSA	2000 PCPI	2006 PCPI
Chattanooga	26,953	31,685
Clarksville	22,798	31,910
Cleveland	22,363	27,833
Jackson	24,760	29,066
Johnson City	21,388	26,735
Kingsport-Bristol	22,899	28,222
Knoxville	26,829	32,132
Memphis	28,519	35,470
Morristown	21,209	25,019
Nashville	30,593	37,758
MSA Total	27,381	33,791
Non-MSA	20,886	25,422
Total	25,746	31,744

Source: US Bureau of Economic Analysis

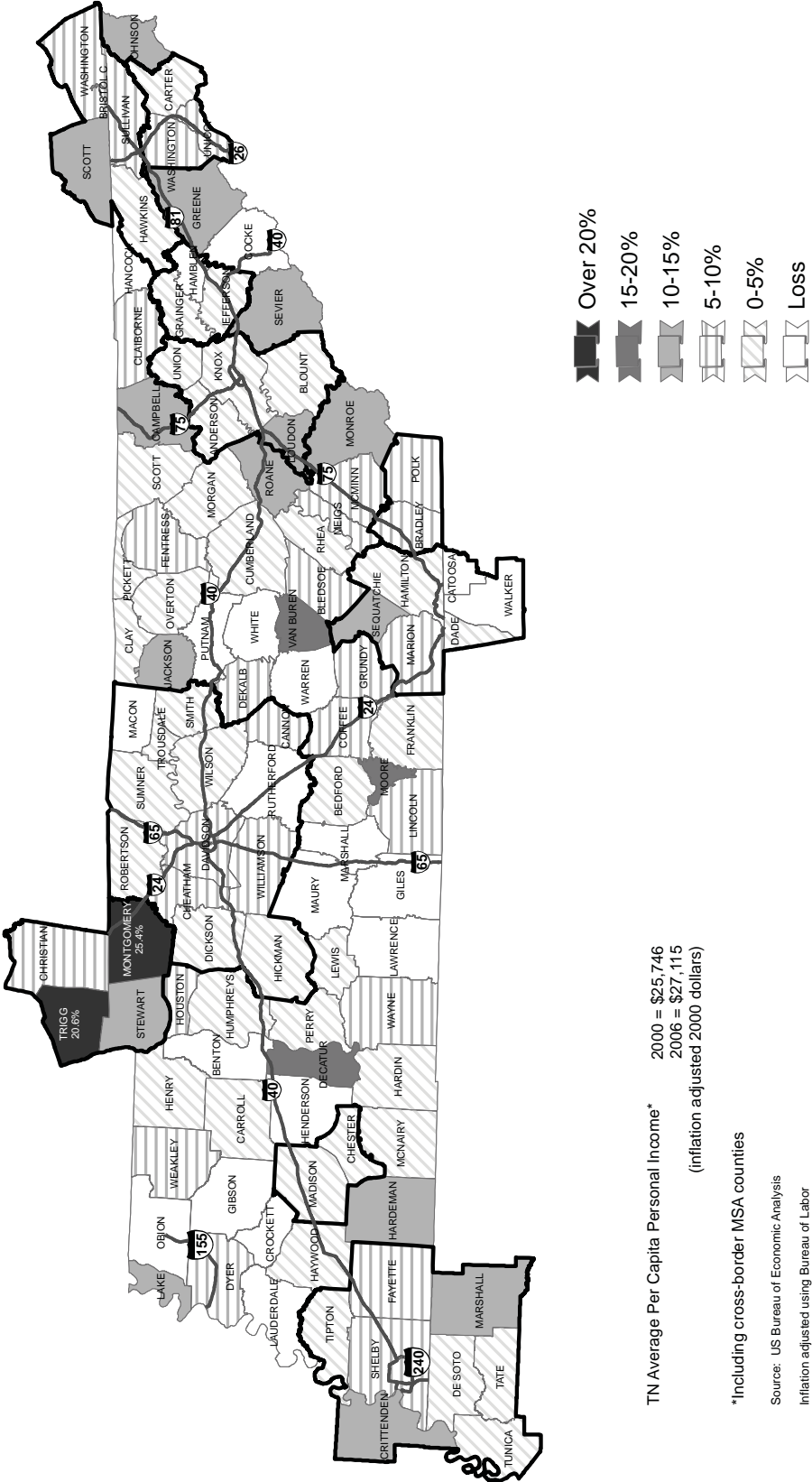
than the U.S. average. The average for all MSA counties was \$33,791, over \$8,000 higher than the average for all non-MSA counties, \$25,422. Of course, it is important to remember that there are cost of living differences among counties that will affect the relative buying power of one's income.

Figure 12 shows the growth in PCPI from 2000 to 2006 for Tennessee and the cross-border MSA counties. The 2006 PCPI has been adjusted for inflation. The statewide PCPI of \$31,744 for 2006 is worth \$27,115 in 2000 dollars, an increase of \$1,368 or 5.3%, since 2000. It should be noted that in a county with higher than average PCPI, even a low growth rate can produce a greater dollar increase than a high growth rate will in a county with a low PCPI.

- Two counties—Montgomery and Trigg (Kentucky), both in the Clarksville MSA—had growth of over 20% in inflation adjusted PCPI.
- Three counties—Van Buren, Moore, and Decatur—had growth of more than 15%. Even with this growth, each of these counties had a PCPI well below the statewide PCPI in 2006.
- Only 15 other counties had growth at or over 10%; 27 grew between 5-10%, 40 grew between 0-5%, and 20 had declines in inflation adjusted PCPI.
- The PCPI growth rate varied within the MSAs, with some counties in the same MSA growing faster than average, while others actually experienced declines in PCPI.

As shown in Table 5, the Clarksville MSA had by far the largest gain among MSAs in inflation adjusted PCPI from 2000 to 2006, \$4,459. Four of the other MSAs had gains larger than the state average of \$1,368. The Memphis MSA, though still trailing the Nashville MSA in PCPI, had a slightly larger change from 2000 to 2006. Five MSAs—Chattanooga, Jackson, Knoxville, Kingsport-Bristol, and Morristown—had gains lower

**Figure 12. Percent Change in Per Capita Personal Income, 2000-2005
(2000 Dollars)
With MSAs and Interstates**



**Table 5. Change and % Change
Inflation Adjusted Per Capita Personal Income
2000 to 2006, by MSA**

MSA	2000 PCPI	2006 PCPI	2006 PCPI (Inflation adjusted)	Change (Inflation adjusted)	% Change
Chattanooga	\$26,953	\$31,685	\$27,064	\$111	0.4%
Clarksville	22,798	31,910	27,256	4,459	19.6%
Cleveland	22,363	27,833	23,774	1,410	6.3%
Jackson	24,760	29,066	24,827	67	0.3%
Johnson City	21,388	26,735	22,836	1,448	6.8%
Kingsport-Bristol	22,899	28,222	24,106	1,207	5.3%
Knoxville	26,829	32,132	27,446	617	2.3%
Memphis	28,519	35,470	30,297	1,778	6.2%
Morristown	21,209	25,019	21,371	161	0.8%
Nashville	30,593	37,758	32,252	1,659	5.4%
MSA Total	27,381	33,791	28,863	1,482	5.4%
Non-MSA	\$20,886	\$25,422	\$21,714	\$828	4.0%
Total	\$25,746	\$31,744	\$27,115	\$1,368	5.3%

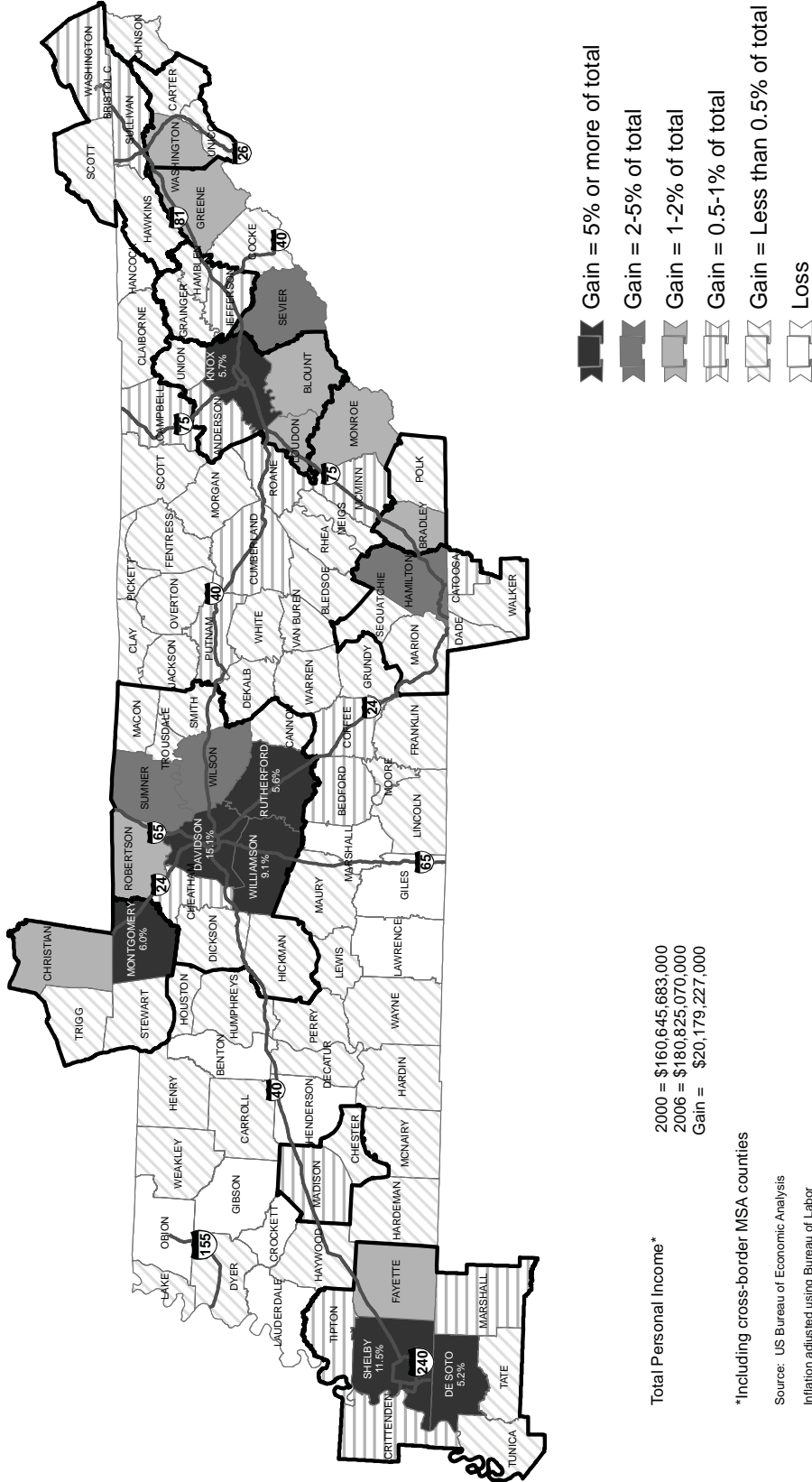
Source: US Bureau of Economic Analysis

than the state average. The average gain for all MSA counties was \$1,482; the average gain for all non-MSA counties was \$828.

Looking at total personal income, as compared to per capita personal income, the trend is toward concentration in the Nashville and Clarksville MSAs. Figure 13 shows each county's share of the statewide gain in personal income for 2000-2005. These amounts are also inflation adjusted using constant 2000 dollars.

- Seven counties—Davidson, Shelby, Williamson, Montgomery, Rutherford, Knox, and DeSoto (Mississippi)—accounted for 58% of all inflation adjusted personal income growth.
- The Nashville MSA accounted for 38% of total income growth, the Memphis MSA 20%, the Knoxville MSA 9%, the Clarksville MSA 8%, and the Chattanooga MSA 5%.

**Figure 13. Tennessee Counties Percent of Total State Income Gain, 2000-2006
(2000 Dollars)
With MSAs and Interstates**



- The 51 MSA counties accounted for 80% of income growth.
- The Nashville and Clarksville MSAs increased their share of the state’s total personal income. Johnson City was flat while Knoxville and the other MSAs’ shares declined (see Table 6).

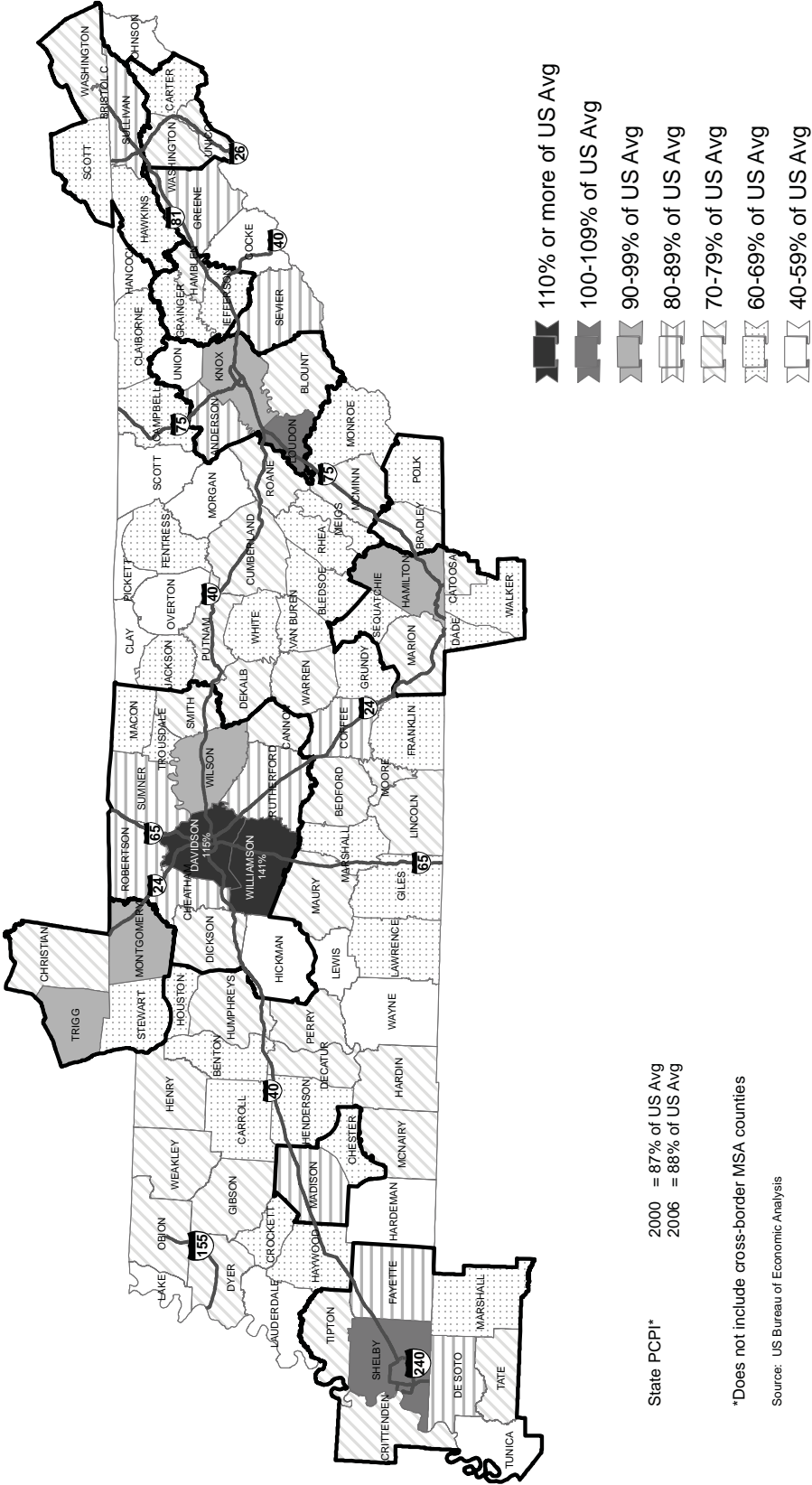
Table 6. Share of Total TN Personal Income 2000 and 2006, by MSA

MSA	2000 % of Total	2006 % of Total
Chattanooga	8.01%	7.63%
Clarksville	3.30%	3.81%
Cleveland	1.45%	1.44%
Jackson	1.66%	1.54%
Johnson City	2.42%	2.42%
Kingsport-Bristol	4.25%	4.02%
Knoxville	10.31%	10.17%
Memphis	21.45%	21.31%
Morristown	1.63%	1.56%
Nashville	25.09%	26.52%
MSA Total	79.58%	80.41%
Non-MSA	20.42%	19.59%
Total	100.00%	100.00%

Another common measure of income is PCPI as a percent of the U.S. average PCPI. Tennessee has long lagged the national average income. The state average PCPI improved from 87% of the U.S. average in 2000 to 88% of the U.S. average in 2006. This average does not include the cross-border MSA counties. As shown in Figure 14, only four counties—Davidson, Loudon, Shelby, and Williamson—had PCPIs higher than the U.S. average in 2006.

- Including the cross-border MSA counties, 44 counties improved from 2000 to 2006 in income as a percent of the U.S. average; 7 remained unchanged; 56 declined.
- Marshall County had the biggest loss; its income as a percent of the U.S. average shrank from 82% to 68%.

**Figure 14. Tennessee Counties Percent US Average Per Capita Personal Income, 2005
With MSAs and Interstates**



- Montgomery County had the biggest gain; its income as a percent of the U.S. average increased from 80% to 96%.

ECONOMIC CONCENTRATION

The property tax base and local sales tax base are broad measures of the economic strength of local governments. They are by far the largest sources of revenue for Tennessee's counties. A review of these two measures shows that economic strength, like the other measures reviewed, is largely concentrated in the state's MSAs. Both the property tax base and the local option sales tax base are becoming even more concentrated, while both are also showing some intra-MSA shifts and possible leakage across the state border. Due to availability and comparability limitations, this section's analysis does not include cross-border MSA data.

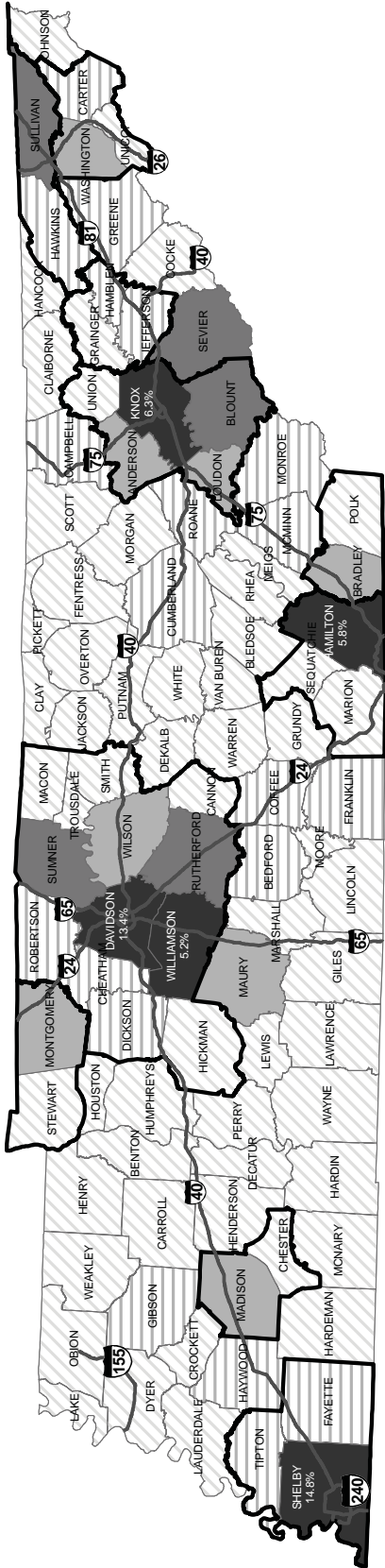
PROPERTY TAX BASE

As shown in Figure 15, the property tax base is heavily concentrated in the state's MSAs. The MSA counties account for 77% of the equalized property tax base for 2006. The property tax bases are "equalized" by adjusting their value by the assessment ratio reported by the Tennessee Office of the Comptroller, allowing for apples to apples comparisons across counties that may be on different reappraisal schedules.

- Davidson and Shelby Counties accounted for 28% of the statewide total property tax base in 2006.
- The 13 counties of the Nashville MSA accounted for 30% of the statewide total property tax base, the 3 counties of the Memphis MSA accounted for 16%, and the 5 counties of the Knoxville MSA accounted for 11%.

Statewide, the property tax base, adjusted for inflation, increased 18.6% from 2000 to 2006, with an average county area gain

Figure 15. Tennessee Counties Percent of Total State Equalized Property Tax Base, 2006
With MSAs and Interstates



TN Total Local Property Tax Base, 2006 = \$118.4 Billion

Source: TN Office of the Comptroller

of 20.8%. The property tax base declined in three counties: Crockett, Lake, and Warren Counties. The biggest inflation adjusted increase was in Williamson County, where it grew 50%. Figure 16 shows each county's gain as a percent of the total statewide gain. Again, the growth is heavily concentrated in the state's MSAs. It will merit watching how property tax base growth patterns will change because of the end of the recent housing bubble.

- The 38 MSA counties accounted for 76% of the growth in inflation adjusted property tax base value.
- The Nashville MSA gained \$5.8 billion (36% of total state gain) in inflation adjusted property tax base value, the Knoxville MSA gained \$2.1 billion (14%), and the Memphis MSA gained \$1.4 billion (9%).
- As shown in Table 7, contrary to the other measures examined so far, the MSA share of total property tax base shrank slightly from 2000 to 2006. The Nashville, Knoxville, Clarksville, Johnson City, and Cleveland MSAs all increased their share, while each of the other MSAs declined. The Memphis MSA had the largest decline among the MSAs. With the

Table 7. Share of Total TN Property Tax Base 2000 and 2006, by MSA

MSA	2000 % of Total	2006 % of Total
Chattanooga	6.57%	6.36%
Clarksville	1.94%	2.10%
Cleveland	1.56%	1.63%
Jackson	1.73%	1.59%
Johnson City	2.65%	2.79%
Kingsport-Bristol	3.45%	3.12%
Knoxville	10.90%	11.31%
Memphis	17.35%	16.02%
Morristown	1.97%	1.97%
Nashville	29.11%	30.24%
MSA Total	77.23%	77.14%
Non-MSA	22.77%	22.86%
Total	100.00%	100.00%

population increases in the Memphis MSA's cross-border counties, it is likely that some of its property tax base value has shifted out of state.

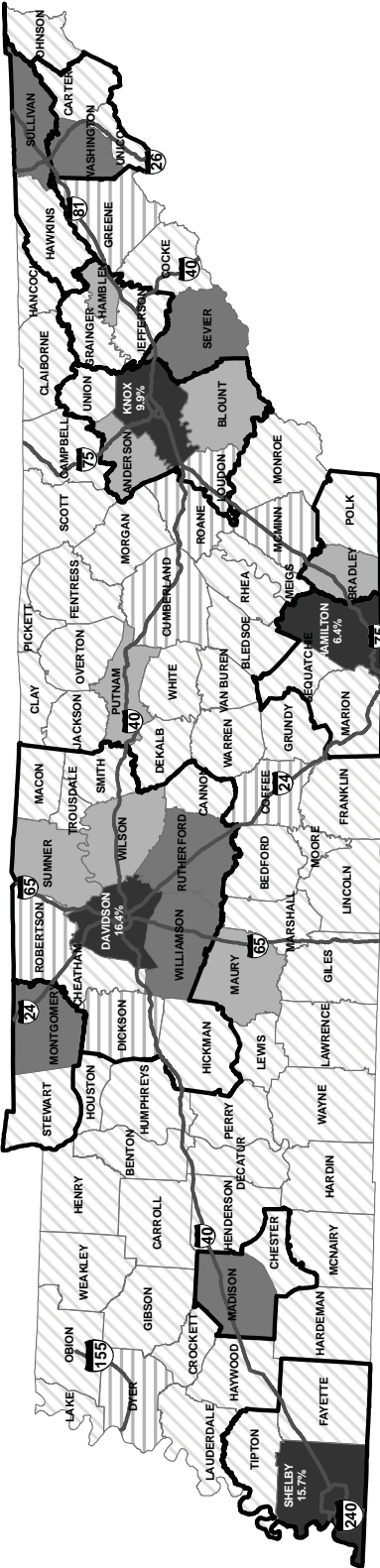
LOCAL SALES TAX BASE

Due to major changes in rates and reporting of local option sales taxes on intrastate telecommunications, fully comparable local option sales tax base data is only available beginning with fiscal year 2003. Looking at 2007 data, the local sales tax base—like the property tax base—is concentrated heavily in the state's MSAs (see Figure 17).

- The 38 MSA counties in Tennessee accounted for 80% of the local sales tax base in 2007.
- The 13 counties of the Nashville MSA accounted for 30% of the local sales tax base, with Davidson accounting for more than half of that amount; the 3 counties of the Memphis MSA accounting for 16%, the 5 counties of the Knoxville MSA accounting for 13%, the 3 counties of the Chattanooga MSA accounting for 7%, and the 2 counties of the Clarksville MSA accounting for 2%.
- Four counties—Davidson, Shelby, Knox, and Hamilton—accounted for nearly half of the state's local sales tax base in 2007. Two of those counties—Davidson and Shelby—accounted for nearly a third of the state's total; though as we will see in the discussion of sales tax growth, these same two counties have lost some of their share of the state total since 2003.

Statewide, the local options sales tax base, adjusted for inflation, increased 10.9% from 2003 to 2006, with an average county area gain of 9.6%. The biggest inflation adjusted increase was in Wilson County, where it grew 41.6%. It should be noted that this period of gain falls between the 2001 recession and the current economic downturn. As shown in Figure 18, the local sales tax base grew in 73 counties. The total increase for

Figure 17. Tennessee Counties Percent of Total State Equalized Sales Tax Base, 2007
With MSAs and Interstates



TN Total Local Sales Tax Base, 2007 = \$68.4 Billion

Source: TN Department of Revenue



these counties totaled \$6.01 billion in constant 2003 dollars. This growth was partly offset by a decline of \$58 million in the remaining 22 counties.

- The Nashville MSA gained \$2.75 billion in inflation-adjusted dollars from 2003-2007, 46% of the total state gain; the Knoxville MSA gained 13% of the total, the Chattanooga MSA 6%, and the Memphis, Clarksville, and Johnson City MSAs 4% each.
- The Nashville MSA represents somewhat of an intra-MSA shift of the local option sales tax base. Although Davidson County captured the largest share of the statewide gain (15%) the rate of inflation adjusted increase from 2003 to 2007 (10%) was overshadowed by the rates of increase in several of its suburban collar counties—Robertson (21%), Rutherford (27%), Sumner (35%), Williamson (32%), and Wilson (42%).
- The Memphis MSA also shows an intra-MSA shift. Shelby County’s local option sales tax base value only increased 2% with the county capturing just over 2% of the state’s total gain. Meanwhile, Tipton and Fayette Counties both had large increases in the value of their local option sales tax bases—31% and 17%, respectively. With the large increase in population and employment in DeSoto County, Mississippi, it is possible that some of the Memphis MSA sales tax base has shifted across the state border.
- The gains in the Knoxville and Clarksville MSAs were primarily in their core counties, with Knox County increasing its local sales tax base value 12% and capturing 11% of the state’s total gain, and Montgomery County increasing its local sales tax base value 21% and capturing 4% of the total gain.

- As shown in Table 8, the Nashville, Clarksville, and Johnson City MSAs each increased their share of the state total base. The Knoxville MSA's share was unchanged and each of the other MSAs declined.

Table 8. Share of Tennessee Total Local Option Sales Tax Base 2003 and 2007, by MSA

MSA	2003 % of Total	2007 % of Total
Chattanooga	6.98%	6.85%
Clarksville	2.21%	2.41%
Cleveland	1.40%	1.38%
Jackson	2.37%	2.25%
Johnson City	2.80%	2.91%
Kingsport-Bristol	3.07%	2.84%
Knoxville	13.43%	13.43%
Memphis	17.60%	16.23%
Morristown	1.61%	1.59%
<u>Nashville</u>	<u>28.44%</u>	<u>30.18%</u>
MSA Total	79.91%	80.07%
Non-MSA	20.09%	19.93%
Total	100.00%	100.00%

RECAP

As a summary, Table 9 shows that population, employment, wages, income, property tax base, and local sales tax base are all concentrated in the state's 10 MSAs. Table 9 shows that the trend is toward more concentration in each of these measures, especially in the Nashville, Knoxville, and Clarksville MSAs. The Memphis and Chattanooga MSAs are still capturing large shares of the gains in these measures, but in each case their percent gains are less than their current percent. If this continues, the Nashville and Knoxville MSAs will grow as a percent of the state total partly at the expense of the Memphis and Chattanooga MSA shares.

Table 9. Summary Comparison of Measures, MSA v. Non-MSA
% of State Total and % of Total State Change

MSA	Population		Employment		Wages	
	% State Total	% of Gain	% State Total	% of Gain	% State Total	% of Gain
Chattanooga	8%	7%	8%	6%	8%	4%
Clarksville	4%	6%	4%	7%	4%	12%
Cleveland	2%	1%	1%	1%	1%	0%
Jackson	2%	1%	2%	1%	2%	0%
Johnson City	3%	2%	3%	2%	2%	2%
Kingsport-Bristol	4%	1%	4%	2%	4%	3%
Knoxville	10%	12%	11%	19%	11%	16%
Memphis	19%	14%	20%	16%	23%	18%
Morristown	2%	2%	2%	1%	1%	0%
Nashville	22%	39%	25%	38%	28%	42%
MSA Total	76%	85%	80%	92%	85%	98%
Non-MSA Total	24%	15%	20%	8%	15%	2%
MSA	Income		Property Tax Base		Local Sales Tax Base	
	% State Total	% of Gain	% State Total	% of Gain	% State Total	% of Gain
Chattanooga	8%	5%	6%	5%	7%	6%
Clarksville	4%	8%	2%	3%	2%	4%
Cleveland	1%	1%	2%	2%	1%	1%
Jackson	2%	1%	2%	1%	2%	1%
Johnson City	2%	2%	3%	4%	3%	4%
Kingsport-Bristol	4%	2%	3%	1%	3%	1%
Knoxville	10%	9%	11%	14%	13%	13%
Memphis	21%	20%	16%	9%	16%	4%
Morristown	2%	1%	2%	2%	2%	1%
Nashville	27%	38%	30%	36%	30%	46%
MSA Total	80%	87%	77%	77%	80%	82%
Non-MSA Total	20%	13%	23%	23%	20%	18%

Note: Wages, income, property tax base, and local sales tax base gain adjusted for inflation.
 Local sales tax base gain (loss) shown in \$ rather than % since there was a net statewide loss.

COMBINED MEASURES

In this brief, we have looked at the concentration of population, employment, commuting, wealth, and income in Tennessee. For an examination of some combined measures for Tennessee, see Roehrich-Patrick and Lippard, *Personal and Family Economic Well-Being: Status and Momentum of Tennessee Counties*, TACIR Fast Facts, Volume 5, Issue 1, May 2008, and Naccarato, Lippard, et al, *Growing Pains: Fiscal Challenges for Local Governments*, TACIR, August 2006. Both reports are available on TACIR's web site at www.state.tn.us/tacir.

Personal and Family Economic Well-Being presented TACIR's index of personal and family economic well-being, which uses a statistical technique known as z-scores to produce a combined measure of the comparable averages of each county's per capita income, median household income, overall poverty, poverty for children (ages 5 to 17), and wages. TACIR found that the economic well-being of Tennessee's residents varies a lot from county to county and that there are clear regional patterns.

A strong regional pattern is also seen in the results of TACIR's growth typology, a combined measure of growth discussed in *Growing Pains*. TACIR's growth typology includes four measures, population, average daily membership (public school enrollment), wage data, and daily vehicle miles traveled. The typology measures both nominal and percentage growth and combines results for each of the four measures into a "super rank." The super rank is calculated for each county by counting the number of indicators with a best rank in the top third of counties for the state. Counties with three or four top third best ranks are Tier I growth counties. TACIR found that the Tier I growth counties are heavily concentrated in a pattern similar to that found in this brief. Not surprisingly, Middle Tennessee with the largest number of counties also had the largest number of Tier I counties. Of Middle Tennessee's 41 counties, 16 (39%) were Tier I. East Tennessee also had 39% of its counties, 13 of 33, in Tier I. Only four of West Tennessee's counties (19%) made Tier I. The most growth occurred in and around the state's more urban counties (Davidson, Hamilton, Knox, Madison, Montgomery, Shelby, and Washington).

IMPACT ON TENNESSEE

So, Tennessee is concentrated and becoming more concentrated. So what? Why does this matter for TN? First, if the state is going to efficiently serve the people of Tennessee it must have an accurate understanding of where those people live and work and where they are likely to live or work in the future. Beyond basic service efficiency, it is important to understand how this concentration can impact other things in Tennessee, including

- economic competitiveness,
- local government fiscal stress,
- questions of resource sustainability, and
- quality of life.

Economic observers tell us that the world economy is becoming more and more concentrated in key regions. Business leaders, though they must still be concerned with national and local laws and customs, are more interested than ever in global connectivity and the competitiveness of regions. Manmade borders matter less and less in decisions on where to invest or locate facilities. Richard Florida, in *Who's Your City?*, tells us that the world is spiky, divided between regions of haves and have-nots. Is Tennessee running the risk of being a valley in a spiky world? *Education Crossroads* by the University of Tennessee's Center for Business and Economic Research, suggests that we are, or at least major swaths of the state are, at risk. That report highlights Tennessee's shortcomings in educational attainment, a key ingredient of economic competitiveness.

TACIR has reported in *Growing Pains: Fiscal Challenges for Local Governments* on how rapid growth can cause fiscal pressure for local governments:

Fiscal pressure is often a side effect of rapid growth, but the issue is not straightforward.

Fiscal pressure can be intensified by increases in capital spending needs resulting from aging infrastructure or from population growth requiring new infrastructure. Fiscal pressure can also be the result of the persistent inability of residents to raise enough tax revenue to adequately fund necessary services because of insufficient economic activity in the area. Local jurisdictions with high growth rates are not the only ones finding themselves under fiscal pressure. Some local governments are consistently unable to fund necessary services despite level or declining populations and regular tax rate increases. Some local governments have very little in the way of business tax bases and must rely primarily on their residential tax bases, and these bases often consist of households with relatively low incomes compared to the state as a whole. Signs of this type of stress include high tax rates coupled with low or negative growth rates and flat income growth.

Fiscal pressure resulting from rapid growth may be linked to overall growth in population; growth in certain segments of the population, such as school-aged children or the elderly; lack of adequate sales or property tax bases; or a combination of these or other factors. The cost of providing public services and infrastructure can quickly overwhelm communities when population and housing increase rapidly and business activity does not.

Fiscal pressure can also affect counties that are losing relative population, employment, wages, income, and local tax base value because of the concentration trend. In Low Growth, High

Pressure, TACIR identified 6 counties in Tennessee that have indications of fiscal pressure despite—possibly because of—the fact that they are among the state’s slower growing counties.

Just as commerce does not stop at state or local borders, neither does the environment. As the federal government fails to make serious progress on addressing issues such as global warming, air quality, or water shortages, responsibility for them falls more and more upon state and local governments. Most do not function at the city or county level and cannot be addressed at that level. They require a regional, multi-jurisdictional approach; a state-level approach will not work.

Economic opportunity, government services, and environmental characteristics all contribute to a location’s quality of life. So do other factors, such as commute time, sense of community, recreational opportunities, and on and on. Continued concentration in a few regions will affect the quality of life for Tennesseans. An important question is whether it will improve it for none, some, or all. The final question is how will we respond to this concentration.

WHAT IS REGIONALISM?

People—planners, politicians, citizen activists—throw the word regionalism around all of the time, but we have found that no one seems to offer a concrete definition or a coherent creed for the “movement.” The Encarta Dictionary defines regionalism as “the policy of dividing a political territory into areas with separate administrations, or support for such a policy, and alternately as loyalty to or prejudice in favor of a region,” but the common use seems to imply something more holistic. We have developed our own tentative working definition:

The focusing of government, business, or community policies, practices, and efforts on maximizing economic performance in a regionalizing world.

A regionalizing world is a world in which economic, social, and technical trends are supporting a clustering of economic and demographic growth in large, urban-suburban regions and a global pattern of commerce that has increased the importance of these regions.

There are many examples of regional approaches and agencies with a regional focus in Tennessee, from simple shared service agreements between local governments for fire, police, and other services, to the state’s development districts, workforce investment areas, metropolitan planning organizations, and regional transit authorities. There are also some good examples of efforts toward regionalism, including PC 1101, the state’s growth planning law, and Cumberland Region Tomorrow’s quality growth toolbox. Of course, Tennessee’s three metropolitan governments—Nashville-Davidson County, Lynchburg/Moore County, and Hartsville-Trousdale County—are classic examples of applied regionalism, where municipal and county functions are combined in an effort toward more efficient government. Nashville-Davidson County’s adoption of metropolitan government in the 1960s is often given as a reason for the community’s subsequent growth and success, allowing it to avoid some of the urban versus suburban conflicts of other large communities.

Should Tennessee encourage more regionalism? Would it improve our competitiveness, our efficiency, or our quality of life? If so, what should be the nature of this regionalism? Should the state use a carrot or a stick? Should the state promulgate rules and regulations or take a more voluntary approach, a sort of “Velvet Regionalism” that encourages communities to work together. TACIR will explore this topic in depth in future publications.

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Brookings Institution. www.brookings.edu.

The Know Your Region Project. www.knowyourregion.wcu.edu.

Tennessee Advisory Commission on Intergovernmental Relations. www.state.tn.us/tacir.

Tennessee Department of Labor and Workforce Development. www.state.tn.us/labor-wfd.

U.S. Bureau of Economic Analysis. www.bea.gov.

U.S. Bureau of Labor Statistics. www.bls.gov.

U.S. Census Bureau. www.census.gov.



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