

STATE OF TENNESSEE
ECONOMIC CHARACTERISTICS*

TENNESSEE'S ECONOMIC GROWTH

The economic future for Tennessee remains bright. Characteristics of the state which have been identified as important reasons why firms have chosen Tennessee sites include work-force related factors such as worker productivity, right-to-work laws and low unionization, as well as access to markets and pro-business attitude of the state. Other factors include relatively inexpensive energy, plentiful natural resources and sun-belt location. Tennessee's gross state product as a percentage of gross domestic product increased from 1.62% in 1990 to 1.80% in 1999, and personal income was 1.63% in 1990 and 1.73% in 1999.

(Expressed in Millions)

<u>YEAR</u>	<u>GROSS STATE PRODUCT</u>	<u>PERSONAL INCOME</u>	<u>DISPOSABLE PERSONAL INCOME</u>
1990	\$ 94,197	\$ 79,762	\$ 74,301
1991	100,537	83,961	78,370
1992	109,110	91,504	85,500
1993	116,648	97,273	90,814
1994	127,898	103,615	96,329
1995	134,475	110,562	102,796
1996	138,759	115,699	106,568
1997	147,391	121,933	112,276
1998	157,090	128,244	117,550
1999	165,829 (EST)	134,476 (EST)	124,068 (EST)

TENNESSEE GROSS STATE PRODUCT BY SECTOR

(Expressed in Millions)

	<u>1989</u>	<u>1994</u>	<u>1999 (EST)</u>	<u>SECTOR AS PERCENTAGE OF 1999 TOTAL</u>
MANUFACTURING	\$23,247	\$31,124	\$33,753	20.4%
CONSTRUCTION	3,776	4,747	7,029	4.2%
MINING	430	367	499	0.3%
TRADE	16,357	23,239	29,380	17.7%
SERVICES	15,652	24,189	34,163	20.6%
FINANCE, INSURANCE AND REAL ESTATE	11,716	16,434	26,408	15.9%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	7,056	10,359	13,798	8.3%
FEDERAL GOVERNMENT	4,418	5,116	5,428	3.3%
STATE & LOCAL GOVERNMENT	7,600	10,609	13,481	8.1%
AGRICULTURE	1,314	1,713	1,890	1.2%
TOTAL GROSS STATE PRODUCT	\$91,566	\$127,897	\$165,829	100.0%

* Except as otherwise noted, the source for all economic information presented is An Economic Report to the Governor of the State of Tennessee on the State's Economic Outlook 2000 developed by the Center for Business and Economic Research, College of Business Administration, The University of Tennessee, Knoxville. The source for disposable income is the magazine "Survey of Current Business."

TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR

	<u>1989</u>	<u>1994</u>	<u>1999 (EST)</u>	<u>PERCENTAGE CHANGE (From 1989 to 1999)</u>
MANUFACTURING	\$22,996	\$28,579	\$34,594	50.4%
CONSTRUCTION	22,425	26,744	31,724	41.5%
MINING	28,500	33,967	44,982	57.8%
TRADE	15,410	18,775	23,006	49.3%
SERVICES	19,579	23,241	28,661	46.4%
FINANCE, INSURANCE AND REAL ESTATE	23,970	30,863	41,411	72.8%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	27,368	32,280	37,759	38.0%
FEDERAL GOVERNMENT	29,891	40,768	45,126	51.0%
STATE & LOCAL GOVERNMENT	18,518	22,296	27,242	47.1%
AGRICULTURE	6,966	11,598	11,583	66.3%
 AVERAGE ALL SECTORS	 \$21,562	 \$26,911	 \$32,609	 51.2%

TENNESSEE EMPLOYMENT BY SECTOR

(Expressed in Thousands)

	<u>1989</u>	<u>1994</u>	<u>1999 (EST)</u>	<u>PERCENTAGE CHANGE (From 1989 to 1999)</u>
MANUFACTURING	524.5	538.9	507.1	-3.3%
CONSTRUCTION	97.2	101.0	130.2	34.0%
MINING	6.3	4.6	4.1	-34.9%
TRADE	508.4	562.1	636.9	25.3%
SERVICES	467.2	603.8	717.6	53.6%
FINANCE, INSURANCE AND REAL ESTATE	103.4	108.3	127.6	23.4%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	115.8	133.6	162.1	40.0%
FEDERAL GOVERNMENT	61.8	55.3	49.9	-19.3%
STATE & LOCAL GOVERNMENT	282.5	315.5	335.5	18.8%
AGRICULTURE	15.4	10.1	10.7	-30.5%
 TOTAL ALL SECTORS	 <u>2,182.5</u>	 <u>2,433.2</u>	 <u>2,681.7</u>	 22.9%

MANUFACTURING

Manufacturing investment in Tennessee totaled \$3.7 billion in 1999, marking the seventeenth consecutive billion dollar year for the state. The combined new plant and expansion projects announced are expected to create 26,666 new job opportunities. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

TENNESSEE MANUFACTURING GROSS PRODUCT

(Expressed in Millions)

	1989	1994	1999 (EST)	<u>PERCENTAGE CHANGE (FROM 1989 TO 1999)</u>
DURABLES:				
FURNITURE & FIXTURES	\$ 747	\$ 967	\$ 1,094	46.5%
FABRICATED METALS	2,042	2,675	2,994	46.6%
NONELECTRICAL MACHINERY	2,033	2,351	3,353	64.9%
ELECTRICAL MACHINERY	1,675	1,981	2,087	24.6%
TRANSPORTATION EQUIPMENT	1,752	4,458	5,261	200.3%
OTHER	<u>3,256</u>	<u>4,004</u>	<u>5,386</u>	65.4%
TOTAL DURABLE	<u>11,505</u>	<u>16,436</u>	<u>20,175</u>	75.4%
NONDURABLE:				
FOOD	2,322	3,206	2,953	27.2%
TEXTILES	540	656	652	20.7%
APPAREL	1,411	1,425	785	-44.4%
PAPER	1,440	1,395	1,489	3.4%
PRINTING & PUBLISHING	1,251	1,530	1,791	43.2%
CHEMICALS	2,996	4,204	3,389	13.1%
RUBBER & PLASTICS	1,225	1,770	1,976	61.3%
OTHER	<u>557</u>	<u>502</u>	<u>544</u>	-2.3%
TOTAL NONDURABLE	<u>11,742</u>	<u>14,688</u>	<u>13,579</u>	15.6%
TOTALS	<u>\$ 23,247</u>	<u>\$ 31,124</u>	<u>\$ 33,754</u>	45.2%

TENNESSEE MANUFACTURING EMPLOYMENT

(Expressed in Thousands)

	1989	1994	1999 (EST)	<u>PERCENTAGE CHANGE (FROM 1989 TO 1999)</u>
DURABLES:				
FURNITURE & FIXTURES	27.2	29.8	27.5	1.1%
FABRICATED METALS	42.9	45.6	43.5	1.4%
NONELECTRICAL MACHINERY	40.1	41.1	46.7	16.5%
ELECTRICAL MACHINERY	40.0	39.3	40.2	0.5%
TRANSPORTATION EQUIPMENT	36.9	51.0	54.3	47.2%
OTHER	<u>74.7</u>	<u>74.7</u>	<u>79.4</u>	6.3%
TOTAL DURABLE	<u>261.8</u>	<u>281.5</u>	<u>291.6</u>	11.4%
NONDURABLE:				
FOOD	38.8	37.3	38.1	-1.8%
TEXTILES	22.2	22.2	16.8	-24.3%
APPAREL	65.7	56.8	28.4	-56.8%
PAPER	20.8	22.5	21.4	2.9%
PRINTING & PUBLISHING	36.8	38.5	38.7	5.2%
CHEMICALS	39.3	38.0	31.8	-19.1%
RUBBER & PLASTICS	27.6	32.9	35.2	27.5%
OTHER	<u>11.8</u>	<u>9.0</u>	<u>5.3</u>	-55.1%
TOTAL NONDURABLE	<u>263.0</u>	<u>257.2</u>	<u>215.7</u>	-18.0%
TOTALS	<u>524.8</u>	<u>538.7</u>	<u>507.3</u>	-3.3%

INDUSTRIAL GROWTH IN TENNESSEE

NEW PLANTS AND EXPANSIONS

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
NUMBER:										
NEW	80	76	72	60	81	80	105	80	63	80
EXPANSIONS	788	424	957	1,013	886	864	703	961	1,290	1,041
	868	500	1,029	1,073	967	944	808	1,041	1,353	1,121
INVESTMENT (In Thousands):										
NEW	\$661,359	\$578,596	\$210,362	\$178,234	\$694,517	\$1,005,577	\$571,098	\$463,844	\$270,164	\$754,807
EXPANSION	1,136,002	827,082	1,917,229	1,875,672	1,787,295	2,254,233	3,232,541	2,400,932	3,035,618	2,960,216
	\$1,797,361	\$1,405,678	\$2,127,591	\$2,053,906	\$2,481,812	\$3,259,810	\$3,803,639	\$2,864,776	\$3,305,782	\$3,715,023
JOB OPPORTUNITIES:										
NEW	7,171	4,831	4,534	5,515	9,538	4,862	8,588	4,904	3,310	6,410
EXPANSIONS	12,457	10,880	20,030	18,306	16,779	12,485	14,321	14,639	19,793	20,256
	19,628	15,711	24,564	23,821	26,317	17,347	22,909	19,543	23,103	26,666

TOP FIFTY TENNESSEE COMPANIES

(Ranked by Number of Employees in Tennessee)

COMPANY	NUMBER OF EMPLOYEES	COMPANY	NUMBER OF EMPLOYEES
1. WAL-MART ASSOCIATES, INC.	32,000	26. BLUE CROSS BLUE SHIELD OF TN	4,300
2. FEDERAL EXPRESS INC.	30,000	27. UT-BATTELLE (RESEARCH)	4,200
3. KROGER LIMITED PARTNERSHIP, INC.	15,500	28. NATIONAL HEALTH CORP.	4,100
4. VANDERBILT UNIVERSITY /HOSPITAL	13,700	29. GOODYEAR TIRE & RUBBER COMPANY	4,100
5. EASTMAN CHEMICAL COMPANY	11,100	30. CENTENNIAL MEDICAL CENTER (HCA)	4,032
6. UNITED PARCEL SERVICE	8,600	31. THE GAP, INC.	4,000
7. SATURN CORPORATION	8,400	32. FOOD LION, INC	3,900
8. METHODIST HEALTH SYSTEMS, INC.	7,900	33. BI-LO LP	3,700
9. U. S. EXPRESS	7,300	34. BRIDGESTONE/FIRESTONE CORPORATION	3,700
10. NISSAN MOTOR MFG. CORP. USA	6,300	35. UNION PLANTERS BANK NATIONAL ASSOC.	3,700
11. SEARS ROEBUCK AND COMPANY	6,200	36. M S CARRIERS INC.	3,600
12. NEW GAYLORD ENTERTAINMENT CO	6,100	37. WELLMONT HEALTH SYSTEM	3,600
13. K-MART CORPORATION	5,900	38. WALGREEN CO.	3,600
14. RANDSTAD STAFFING SVCS, USA INC.	5,900	39. CONNECTICUT GENERAL LIFE INSURANCE	3,600
15. BELLSOUTH TELECOMMUNICATIONS INC.	5,800	40. LOWE'S HOME CENTERS INC.	3,600
16. FIRST TENNESSEE BANK	5,700	41. TN LIMITED PARTNERS	3,400
17. UT-BATTELLE (FACILITIES SUPPORT SERVICES)	5,500	42. INTERNATIONAL PAPER CO.	3,400
18. HCA - THE HEALTHCARE CO	4,998	43. HOME DEPOT CO.	3,400
19. J. C. PENNY'S CO. INC.	4,900	44. ST. THOMAS HOSPITAL	3,300
20. BAPTIST MEMORIAL HOSPITAL	4,900	45. MCKEE FOODS CORP.	3,300
21. CARSON PIRIE HOLDINGS (SAKS)	4,900	46. STAFFMARK INC.-NASHVILLE	3,300
22. CRACKER BARREL OLD COUNTRY STORES	4,700	47. MAYTAG CORPORATION	3,300
23. AMSOUTH BANCORP	4,600	48. E. I. DUPONT DE NEMOURS & CO.	3,300
24. COVENANT TRANSPORT INC.	4,400	49. CARRIER CORP. (COLLIERVILLE)	3,200
25. K-VA-T FOOD STORES INC.	4,400	50. HARDEE'S FOOD SYSTEMS, INC.	3,200

SOURCES: Tennessee Department of Economic and Community Development.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS

(Expressed in Millions)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999(EST)
CROPS	\$946.3	\$901.7	\$1,092.0	\$1,063.9	\$1,199.9	\$1,227.8	\$1,374.1	\$1,245.2	\$1,166.1	\$963.1
MEAT ANIMALS	594.8	586.4	542.5	482.3	498.4	420.2	463.0	485.4	435.7	431.1
DAIRY PRODUCTS	281.1	239.1	260.8	250.2	247.4	239.4	253.6	225.6	236.9	224.2
POULTRY AND EGGS	147.6	159.8	166.2	199.8	197.0	203.4	251.7	256.8	306.1	294.5
	<u>\$1,969.8</u>	<u>\$1,887.0</u>	<u>\$2,061.5</u>	<u>\$1,996.2</u>	<u>\$2,142.7</u>	<u>\$2,090.8</u>	<u>\$2,342.4</u>	<u>\$2,213.0</u>	<u>\$2,144.8</u>	<u>\$1,912.9</u>

POPULATION AND EMPLOYMENT TREND

The state's population has grown steadily in recent history by over one-half of 1% per year.

(Expressed in Thousands except Unemployment Rates)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999(EST)
POPULATION	4,891	4,951	5,020	5,094	5,176	5,256	5,327	5,398	5,470	5,524
AVERAGE LABOR FORCE	2,387	2,421	2,455	2,500	2,663	2,712	2,759	2,708	2,760	2,819
AVERAGE TOTAL EMPLOYMENT	2,261	2,258	2,298	2,357	2,536	2,571	2,623	2,562	2,644	2,705
AVERAGE UNEMPLOYMENT	126	163	158	144	127	141	136	146	116	114
TN UNEMPLOYMENT RATE	5.3%	6.7%	6.4%	5.7%	4.8%	5.2%	4.9%	5.4%	4.2%	4.0%
U.S. UNEMPLOYMENT RATE	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%

BANK DEPOSITS, SALES AND EFFECTIVE BUYING INCOME

(Expressed in Millions)

(Expressed in Thousands)

YEAR	BANK DEPOSITS	SALES	EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD
1990	\$ 39,872	\$ 41,991	\$ 23.6
1991	41,339	42,650	27.0
1992	44,105	45,473	28.5
1993	46,596	49,112	30.1
1994	48,531	53,778	31.8
1995	52,321	57,943	29.1
1996	57,219	60,636	39.4
1997	54,302	66,079	31.5
1998	76,542	66,389	32.0
1999	64,966	72,148	33.6

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES

VALUATION OF BUILDING PERMIT ISSUED

(Expressed in Thousands)

YEAR	VALUATION	YEAR	VALUATION
1990	\$1,317,082	1995	\$2,838,290
1991	1,358,758	1996	3,334,419
1992	1,779,702	1997	3,103,939
1993	2,171,097	1998	3,613,835
1994	2,538,773	1999	3,835,303

SOURCE: The Tennessee Econometric Model, Tennessee Department of Employment Security Labor Summary, Sales and Marketing Management, U.S. Bureau of the Census Construction Reports, Tennessee Agricultural Statistics service Cash Receipts Estimates, and Tennessee Department of Financial Institutions Annual Report.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

YEAR	POPULATION	ASSESSED VALUE	APPRAISED/ ESTIMATED CURRENT VALUE	PERSONAL INCOME	PER CAPIT. INCOME
1990	4,891	38,312,000	150,701,000	79,762,000	16.3
1991	4,951	43,109,000	161,366,000	83,961,000	17.0
1992	5,020	44,672,000	162,609,000	91,504,000	18.3
1993	5,094	49,593,000	170,264,000	97,273,000	19.1
1994	5,176	51,686,000	176,895,000	103,615,000	20.1
1995	5,256	53,915,000	191,993,000	110,562,000	21.1
1996	5,327	56,072,000	207,352,000	115,699,000	21.8
1997	5,398	61,648,000	228,083,000	121,933,000	22.7
1998	5,470	71,292,000	249,897,000	128,244,000	23.6
1999	5,524	75,561,000	270,007,000	134,476,000 (EST)	24.5

PUBLIC SCHOOL ENROLLMENT GRADES K-12

ACADEMIC YEAR	GRADES	GRADES	GRADES	GRADES	TOTAL					
	K-3	4-6	7-9	10-12	K-12					
1990-91	283,395	203,861	203,560	171,040	861,856					
1991-92	285,071	207,836	208,853	170,553	872,313					
1992-93	287,687	210,294	213,561	174,909	886,451					
1993-94	294,876	212,082	219,896	177,743	904,597					
1994-95	300,440	213,703	222,982	179,552	916,677					
1995-96	308,006	215,579	225,154	180,969	929,708					
1996-97	316,094	217,823	226,287	183,852	944,056					
1997-98	320,784	221,651	227,097	187,172	956,704					
1998-99	314,781	221,913	226,859	187,313	950,866					
1999-2000	317,830	232,230	232,616	191,050	973,726					
<hr/>										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<hr/>										
UNIVERSITIES:										
AUSTIN PEAY STATE	4,629	5,440	5,709	5,992	5,740	5,763	6,072	5,968	5,816	5,721
EAST TENNESSEE STATE	9,454	9,782	9,667	9,321	9,312	9,355	9,450	9,549	9,792	9,638
MIDDLE TENNESSEE STATE	12,751	13,346	14,239	14,629	14,226	14,504	14,916	15,455	15,655	16,173
TENNESSEE STATE	5,690	5,802	5,957	6,110	6,438	6,787	7,007	7,168	7,383	7,629
TENNESSEE TECHNOLOGICAL	7,297	7,071	7,473	7,472	7,353	7,303	7,230	7,287	7,112	7,227
UNIVERISTY OF MEMPHIS*	15,610	15,421	15,254	15,317	15,177	15,495	15,001	15,452	15,771	15,909
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	6,000	6,216	6,375	6,515	6,438	6,540	6,608	6,816	7,040	7,019
KNOXVILLE	21,544	21,793	22,065	21,696	21,575	21,454	21,528	21,819	22,476	23,277
MARTIN	5,055	5,210	5,333	5,313	5,308	5,497	5,376	5,607	5,480	5,278
TOTAL UNIVERSITIES	88,030	90,081	92,072	92,365	91,567	92,698	93,188	95,121	96,525	97,871
<hr/>										
COMMUNITY COLLEGES:										
CHATTANOOGA STATE TECH	4,660	5,107	5,369	5,214	5,144	4,982	5,427	5,227	5,140	5,038
CLEVELAND STATE	2,052	2,137	2,234	2,151	1,929	2,204	2,111	2,376	2,176	2,158
COLUMBIA STATE	2,045	2,177	2,361	2,255	2,331	2,501	2,639	2,820	2,947	2,906
DYERSBURG STATE	1,230	1,357	1,289	1,357	1,380	1,373	1,531	1,533	1,522	1,435
JACKSON STATE	2,035	2,159	2,188	2,143	2,088	2,155	2,223	2,328	2,416	2,548
MOTLOW STATE	1,794	2,013	2,150	2,117	2,133	2,077	2,116	2,287	2,273	2,221
NORTHEAST STATE TECH	1,804	2,058	2,222	2,288	2,372	2,314	2,459	2,422	2,513	2,601
PELLISSIPPI STATE TECH	4,022	4,818	5,098	4,941	4,866	4,768	5,003	5,217	5,258	5,080
ROANE STATE	3,376	3,589	3,848	3,713	3,614	3,591	3,688	3,720	3,675	3,797
SHELBY STATE	2,946	4,068	4,482	4,567	4,189	3,998	3,740	3,193	2,887	2,805
VOLUNTEER STATE	2,585	3,046	3,369	3,611	3,783	3,904	4,129	4,236	4,198	4,107
WALTERS STATE	2,934	3,357	3,542	3,520	3,602	3,507	3,731	3,807	3,666	3,594
TOTAL COMMUNITY COLLEGES	31,483	35,886	38,152	37,877	37,431	37,374	38,797	39,166	38,671	38,290
TOTAL ALL INSTITUTIONS	119,513	125,967	130,224	130,242	128,998	130,072	131,985	134,287	135,196	136,161

* Effective July 1, 1994 Memphis State University became University of Memphis.

SOURCES: The Tennessee Econometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.