

# US and Tennessee Macroeconomic Outlook

Dr. Don Bruce, Director  
October 2023



THE UNIVERSITY OF  
**TENNESSEE**  
KNOXVILLE

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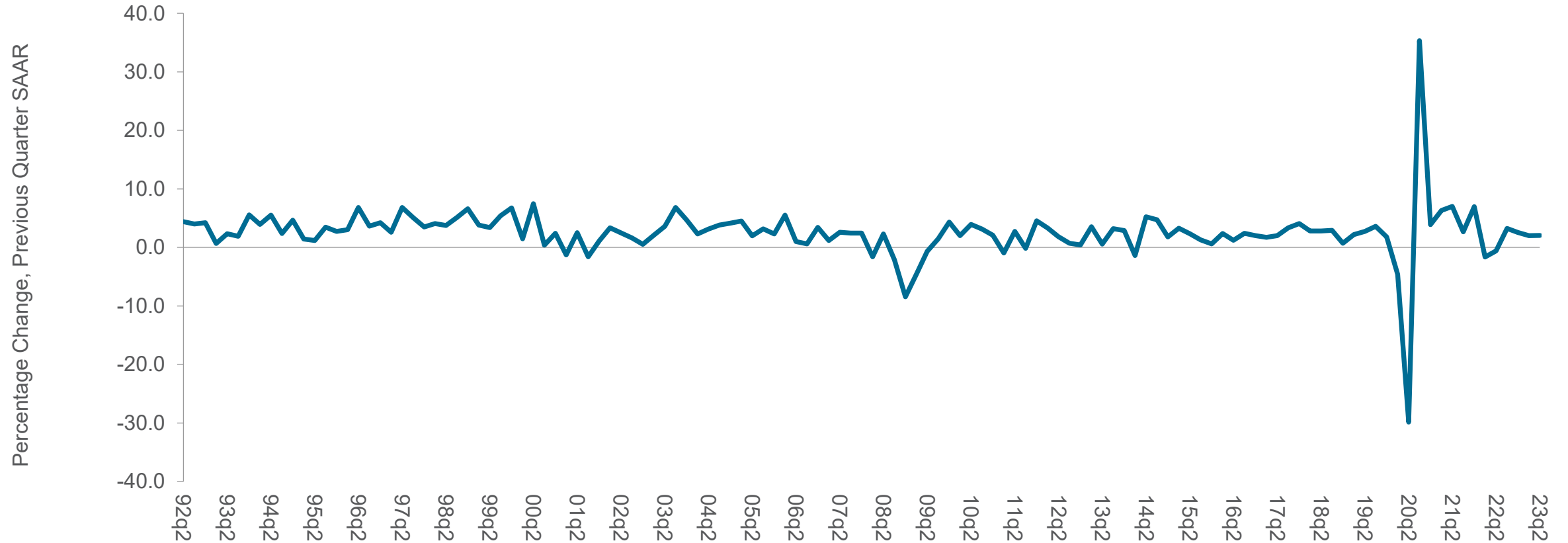
BOYD CENTER FOR BUSINESS  
AND ECONOMIC RESEARCH





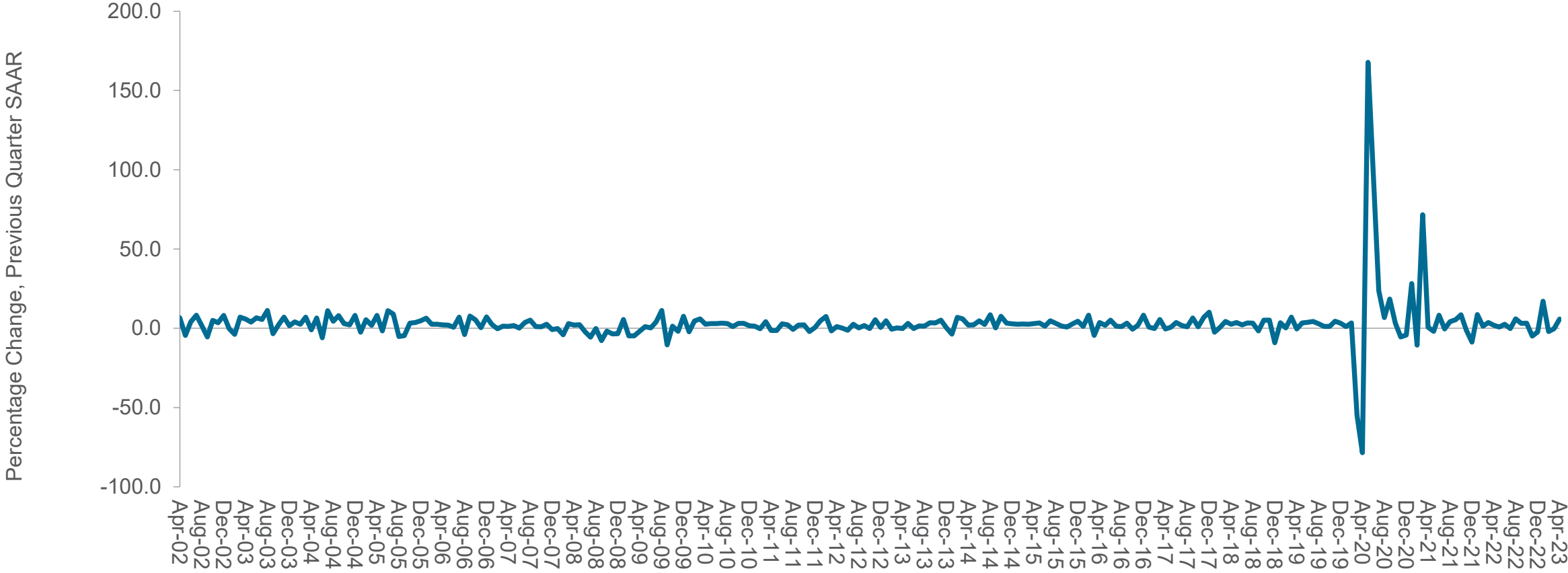
# The National Economy Remains Strong

## Real GDP Growth Rates Remain Positive



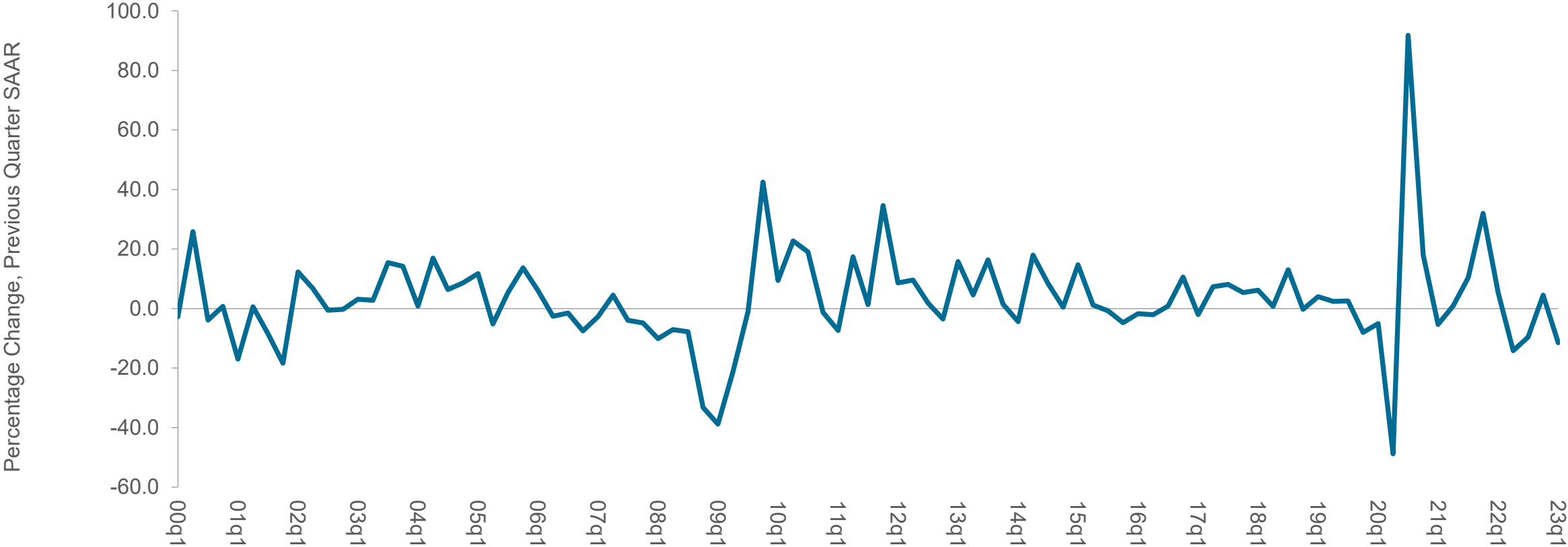
Source: BEA

# Real Personal Consumption Expenditures



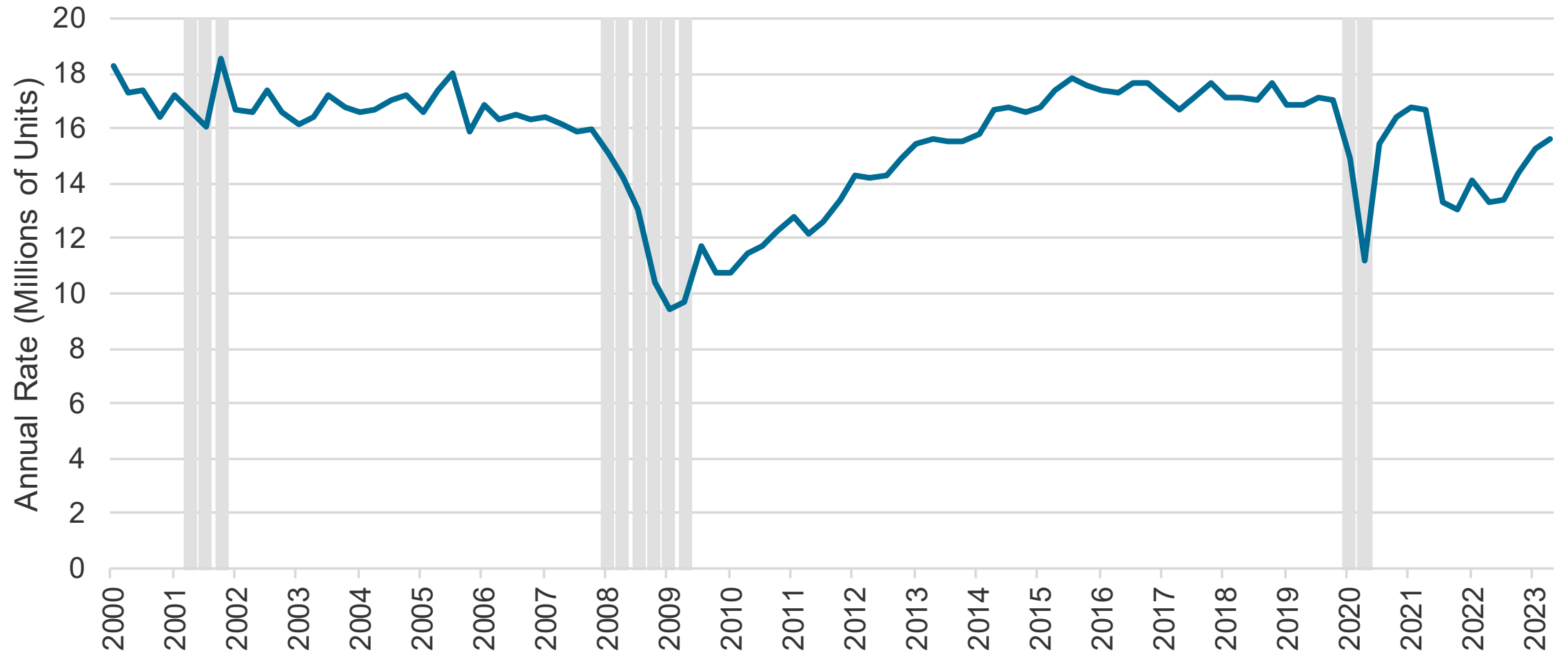
Source: BEA

# Real Gross Private Domestic Investment



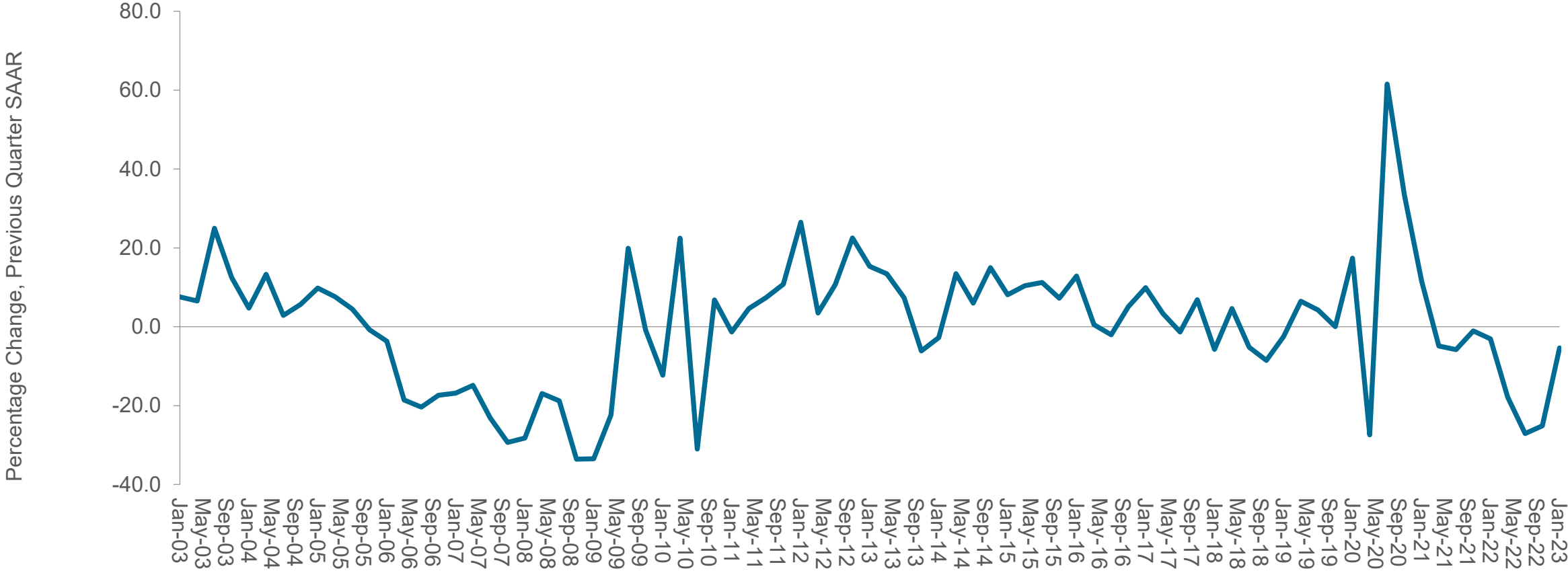
Source: BEA

# Light Weight Vehicle Sales



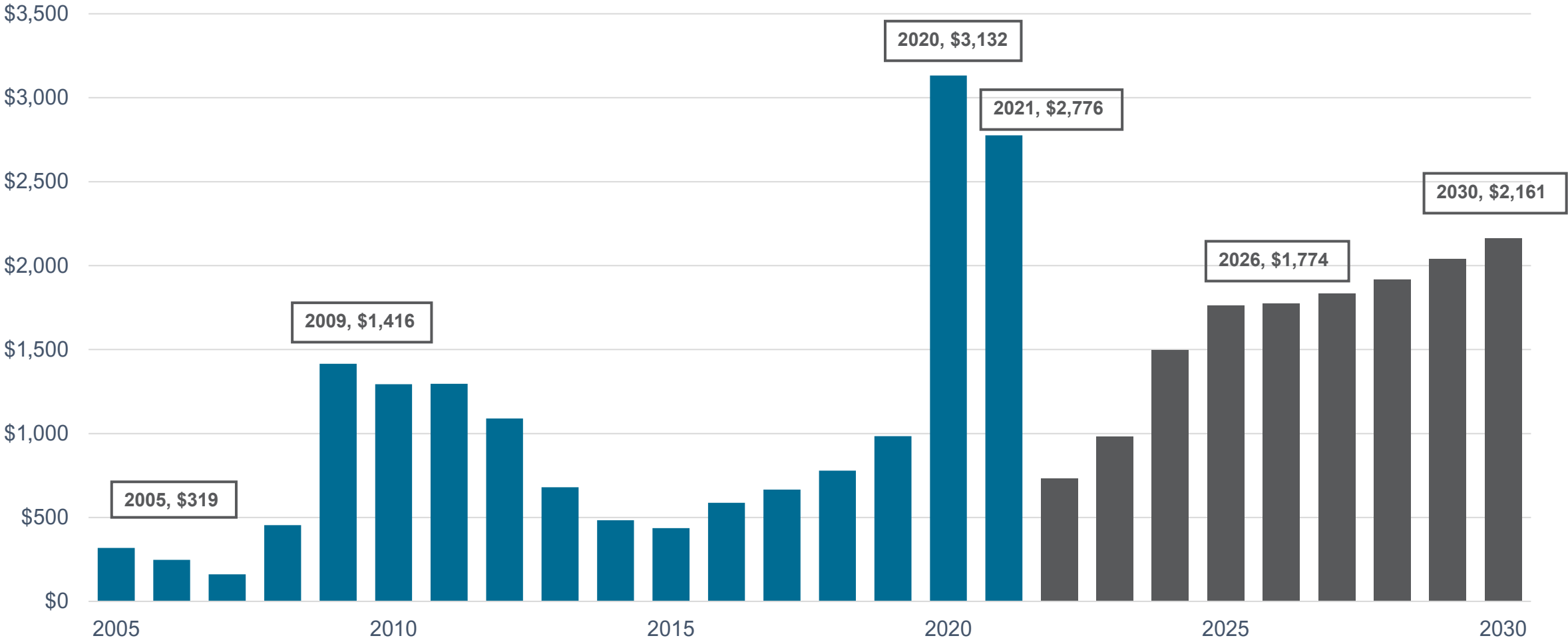
Source: BEA

# Real Residential Fixed Investment



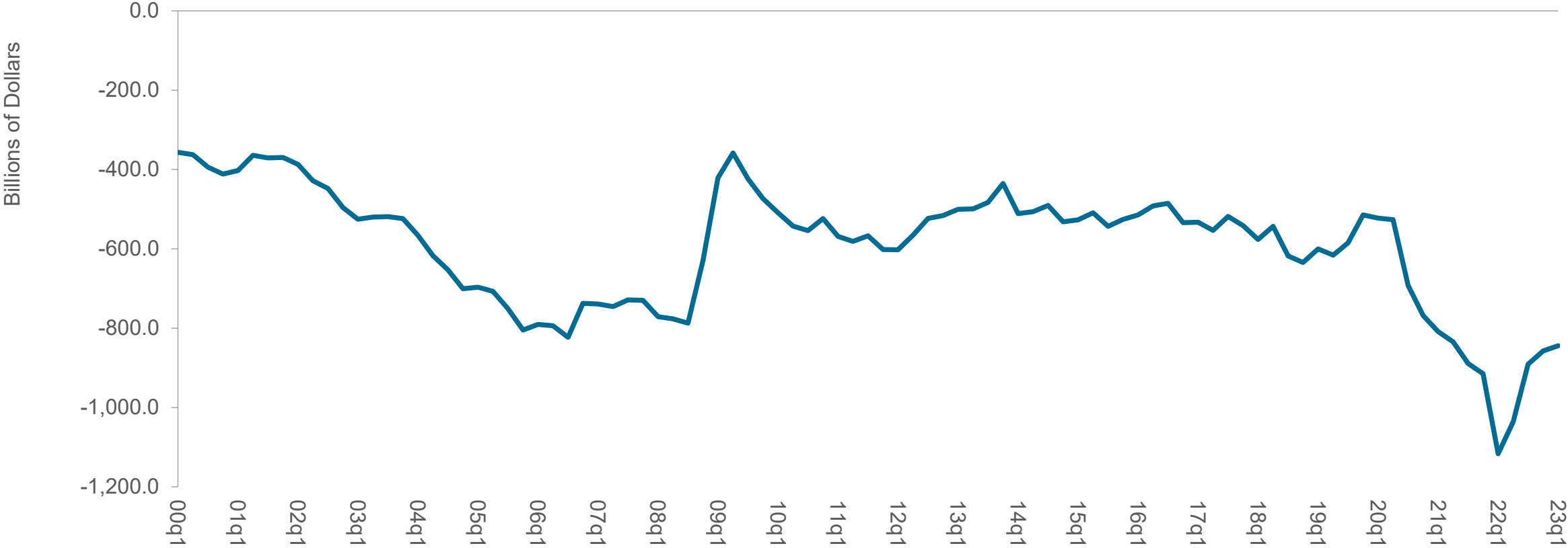
Source: BEA

# Deficits Are at Historic Levels and will Remain High



Source: IHS

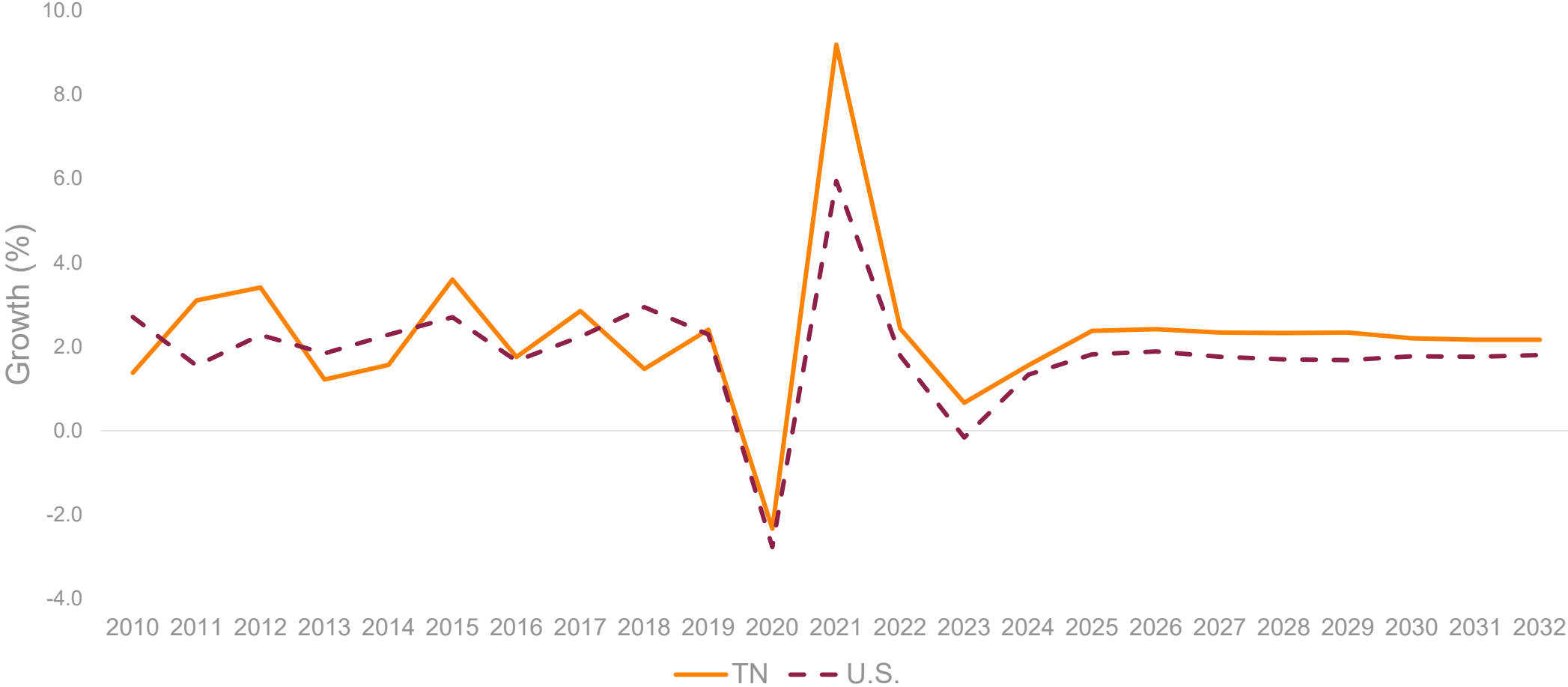
# Net Exports of Goods and Services



Source: BEA



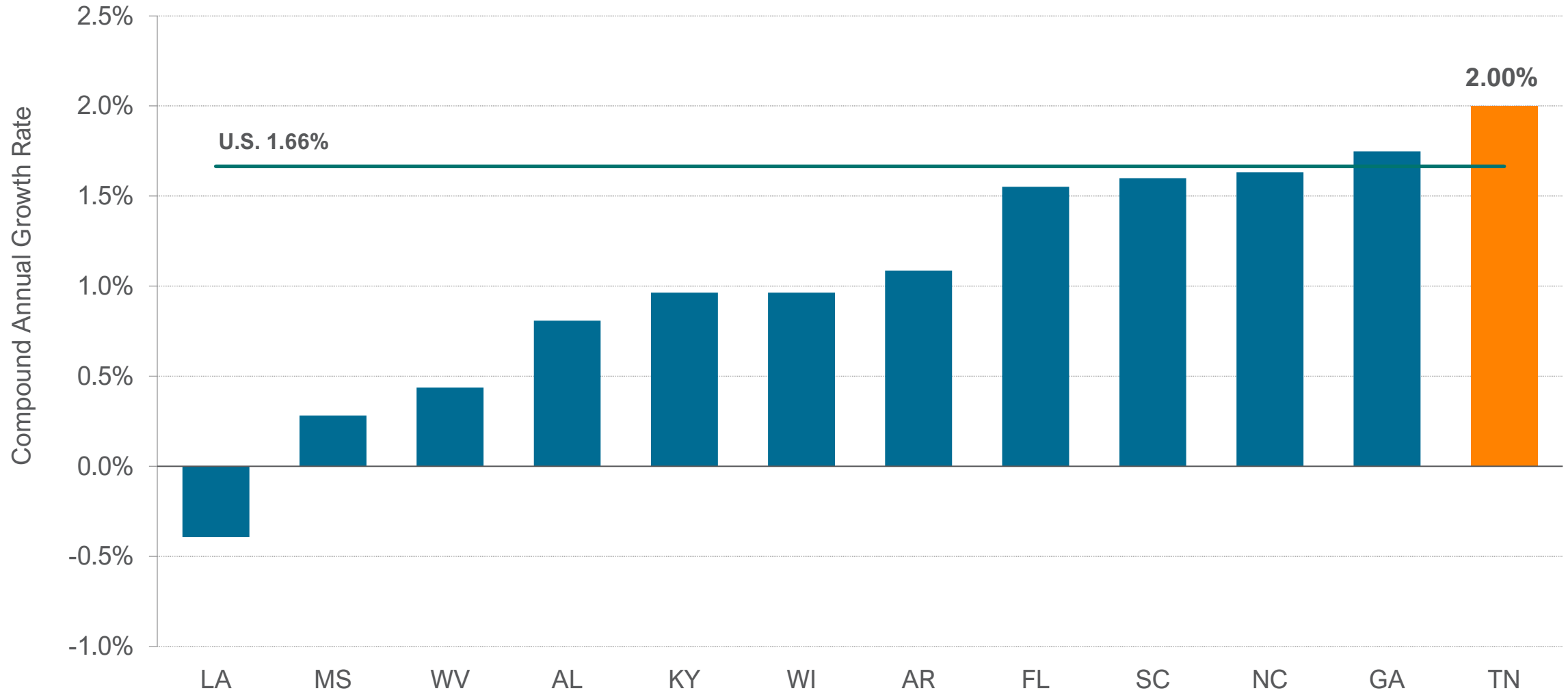
# Boyd Center Forecast: More of the Same



Source: BEA & ERG

# Tennessee Is Helping to Lead the Nation

## State GDP Growth Rates, 2007 to 2022



Source: BEA

# Many Southern States Outpaced the US Last Year

## Real GDP Growth, 2022



Source: BEA

# The Gorilla in the Room: Inflation

## U.S. Consumer Price Index Growth Rate



Source: BLS

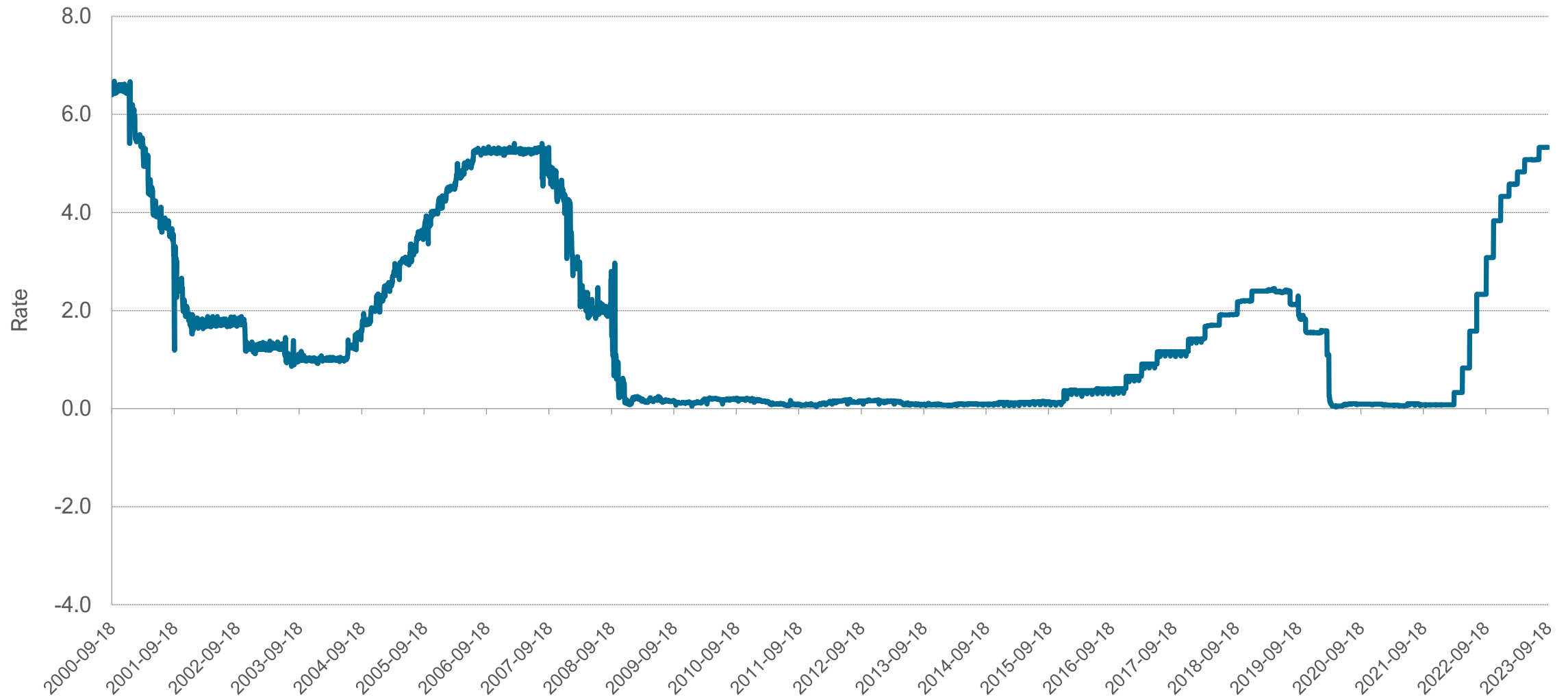
# Still Watching Oil Prices: WTI Spot Price in U.S. Dollars (Per Barrel)



Source: EIA



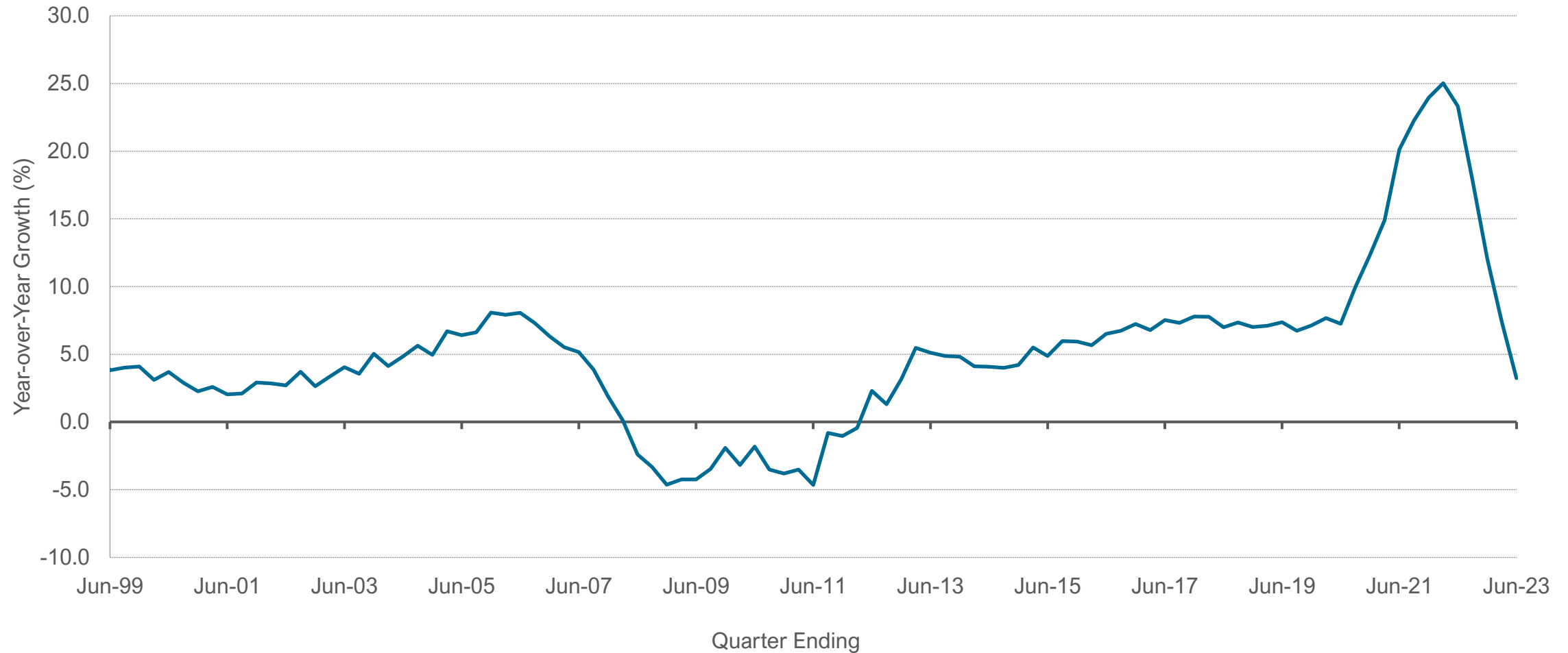
# The Fed has Paused Interest Rates...but another hike in 2023?



Source: Board of Governors of the Federal Reserve System (US)

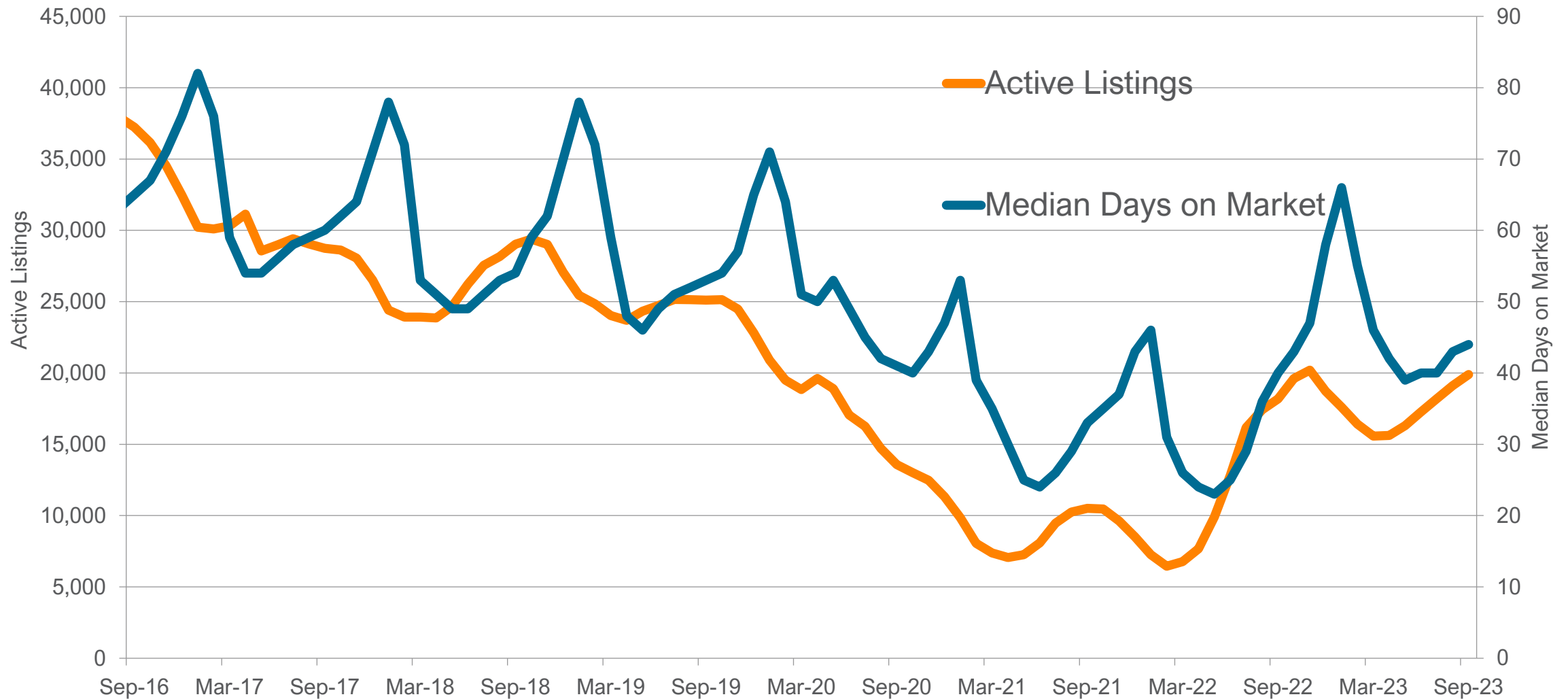
# Tennessee House Price Index

(Seasonally Adjusted, Purchase-Only Index)



Source: Federal Housing Finance Agency

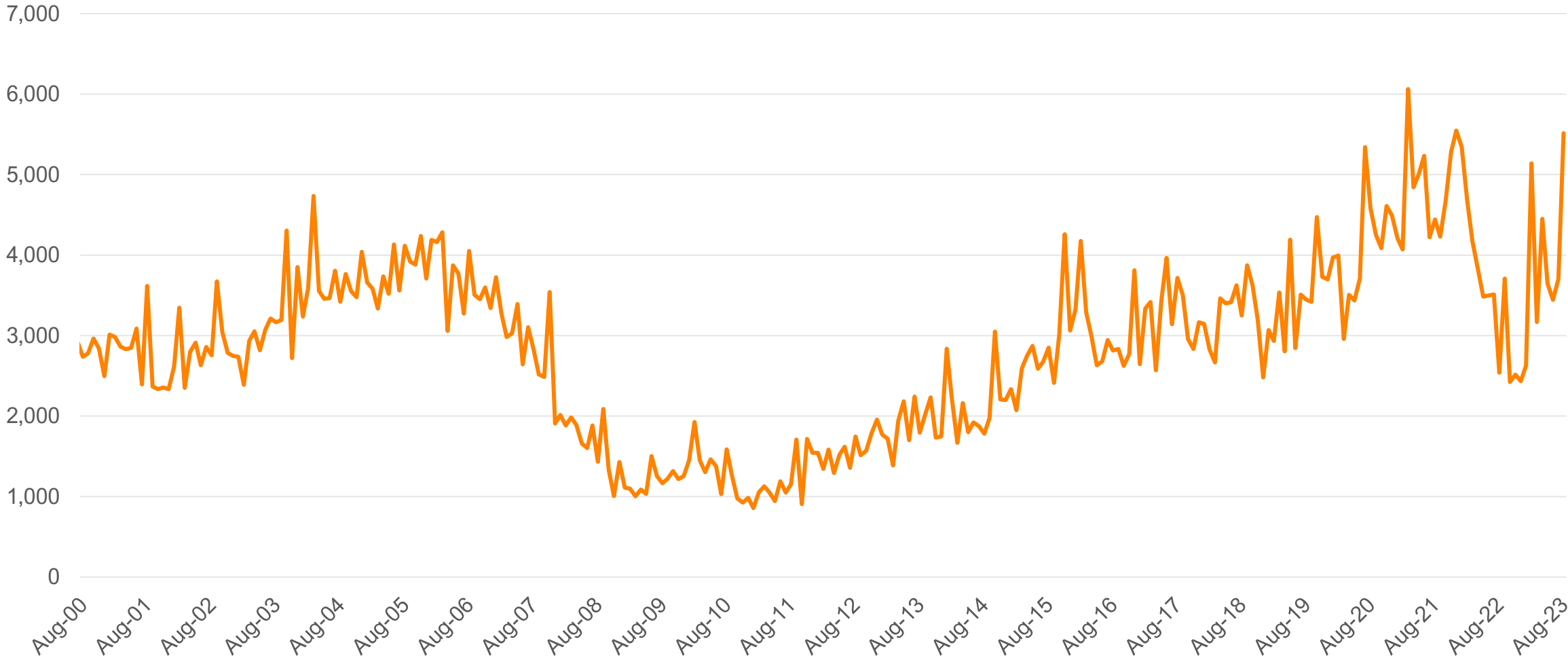
# Tennessee's Housing Market is Slowly Returning to Normal



Source: Realtor.com

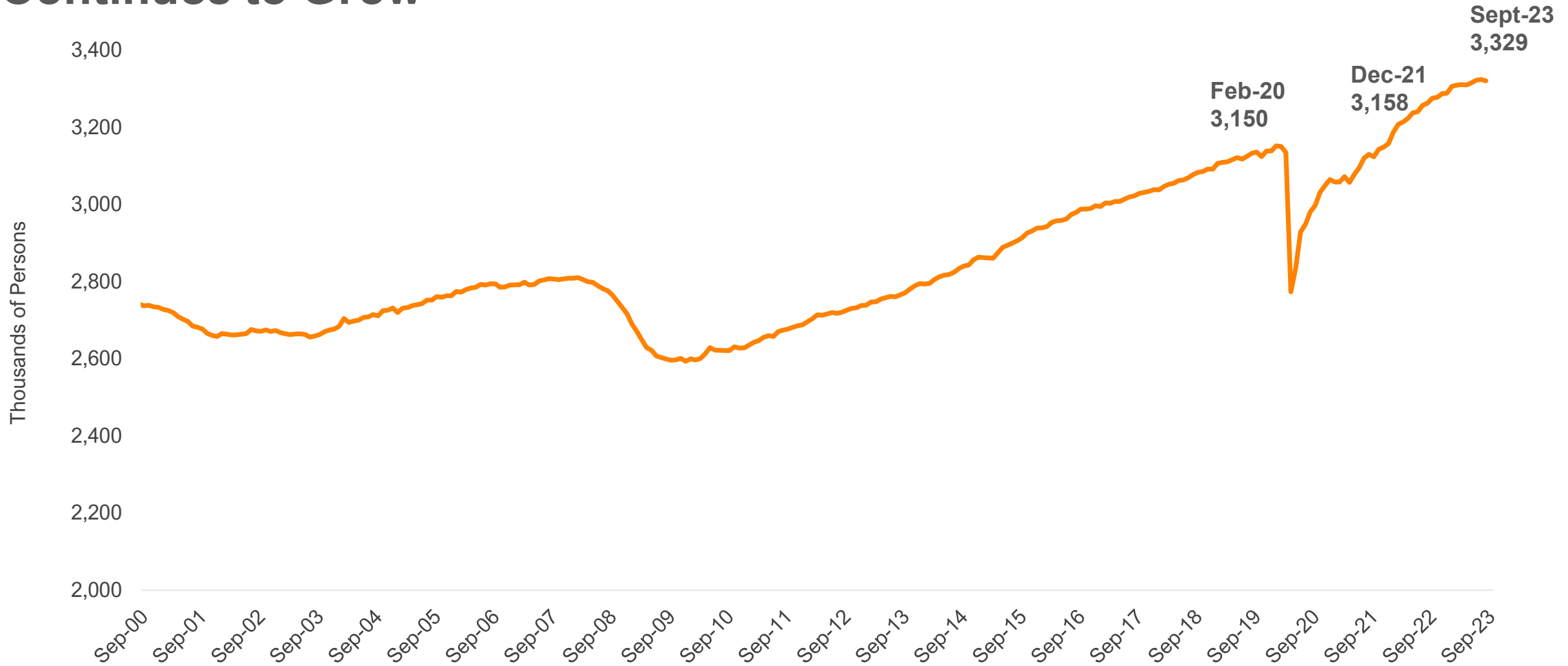
# New TN Building Permits for Private Housing Units

Monthly, Seasonally Adjusted



Source: Census

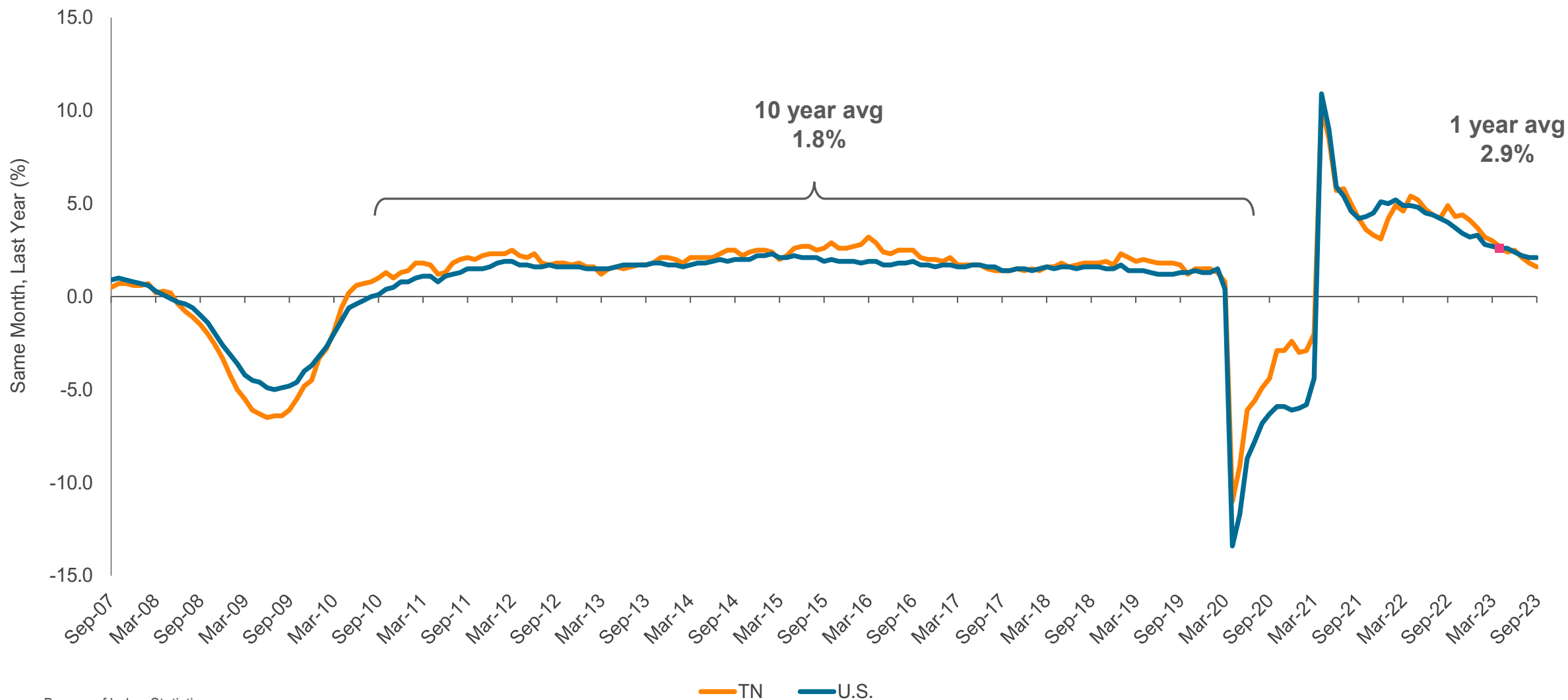
# Tennessee Employment Recovered Quickly from the Pandemic and Continues to Grow



Source: Bureau of Labor Statistics



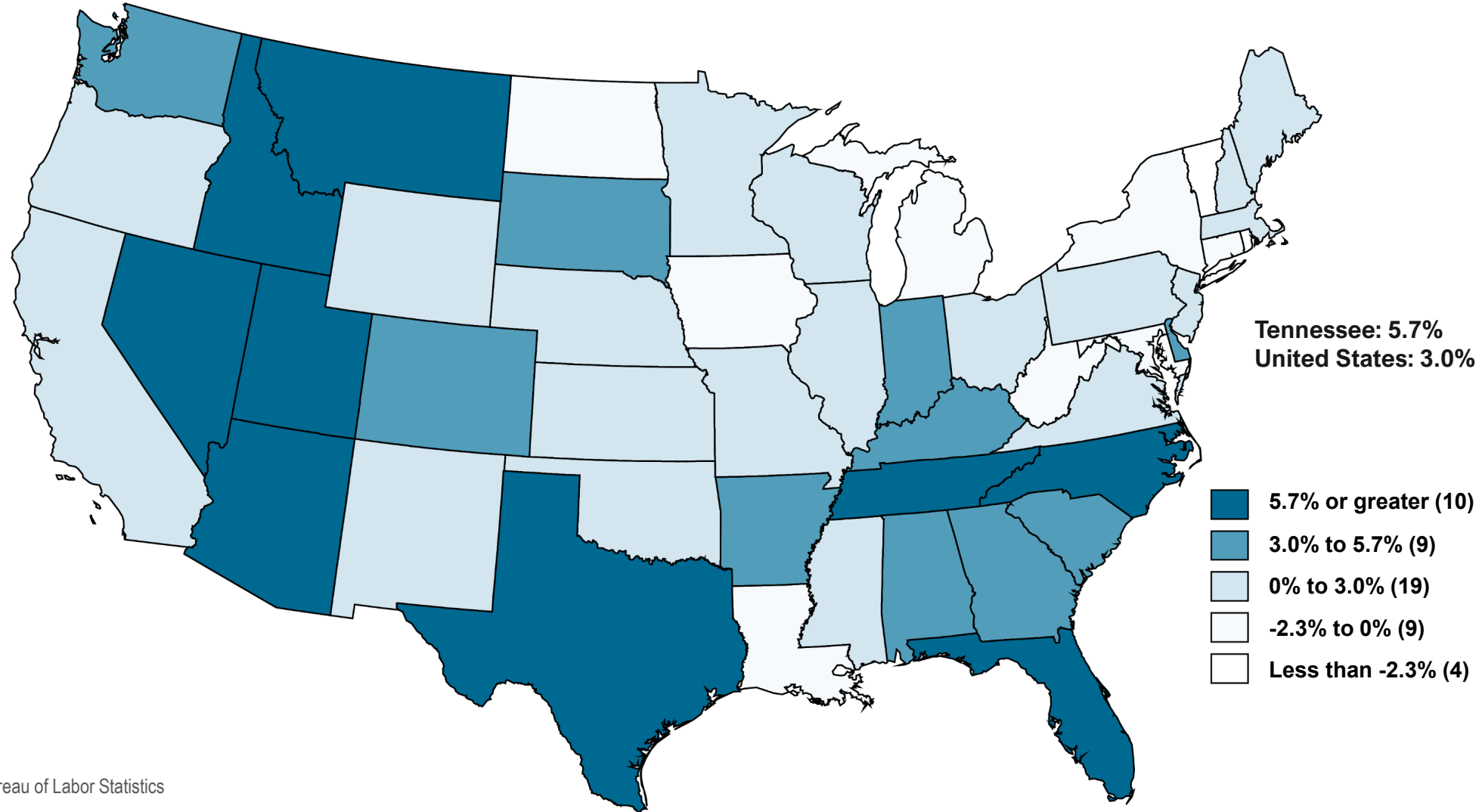
# TN and the U.S. Continue to See Strong Job Growth



Source: Bureau of Labor Statistics

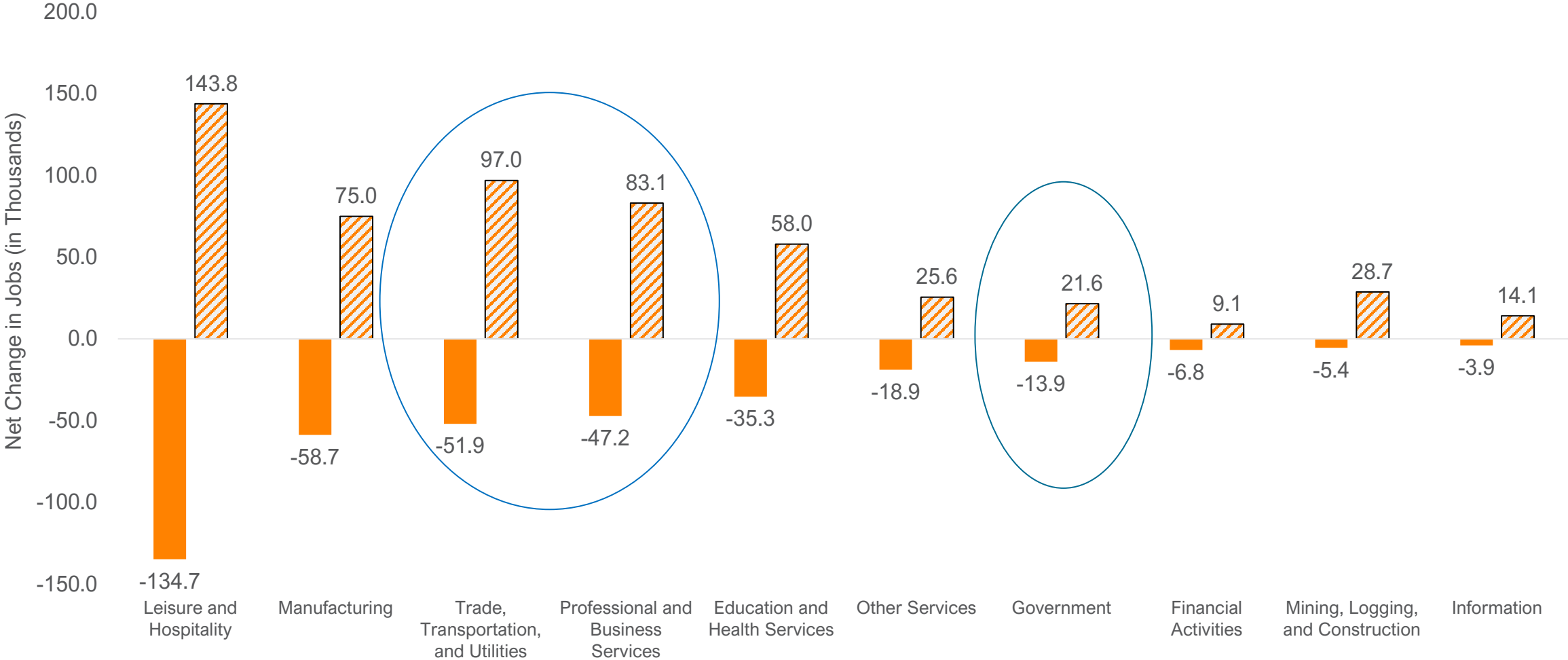
# State Employment Growth Across the Nation

Nonfarm Employment Growth, February 2020 versus September 2023



Source: Bureau of Labor Statistics

# Employment in All Tennessee Sectors Has Fully Recovered

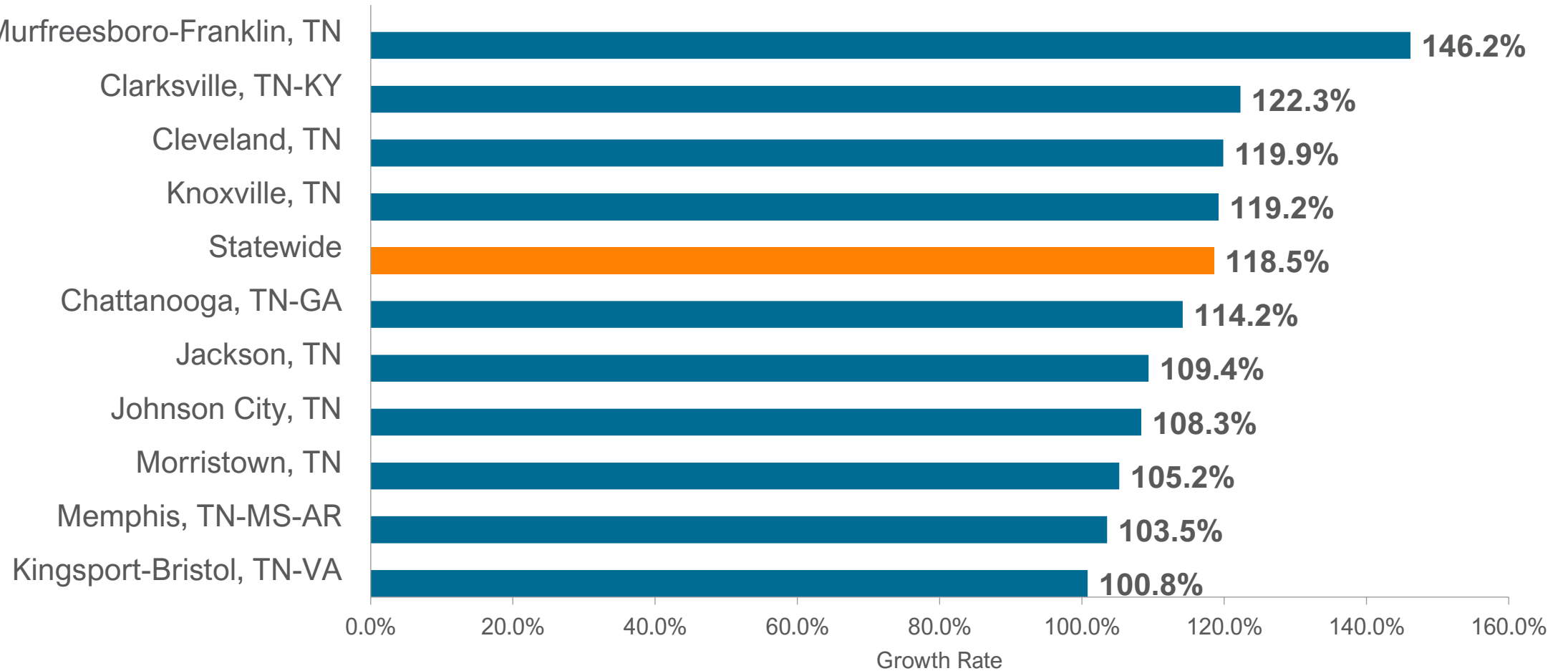


Source: Bureau of Labor Statistics

■ Feb. 20 to April 20    ▨ April 20 to Sept 23

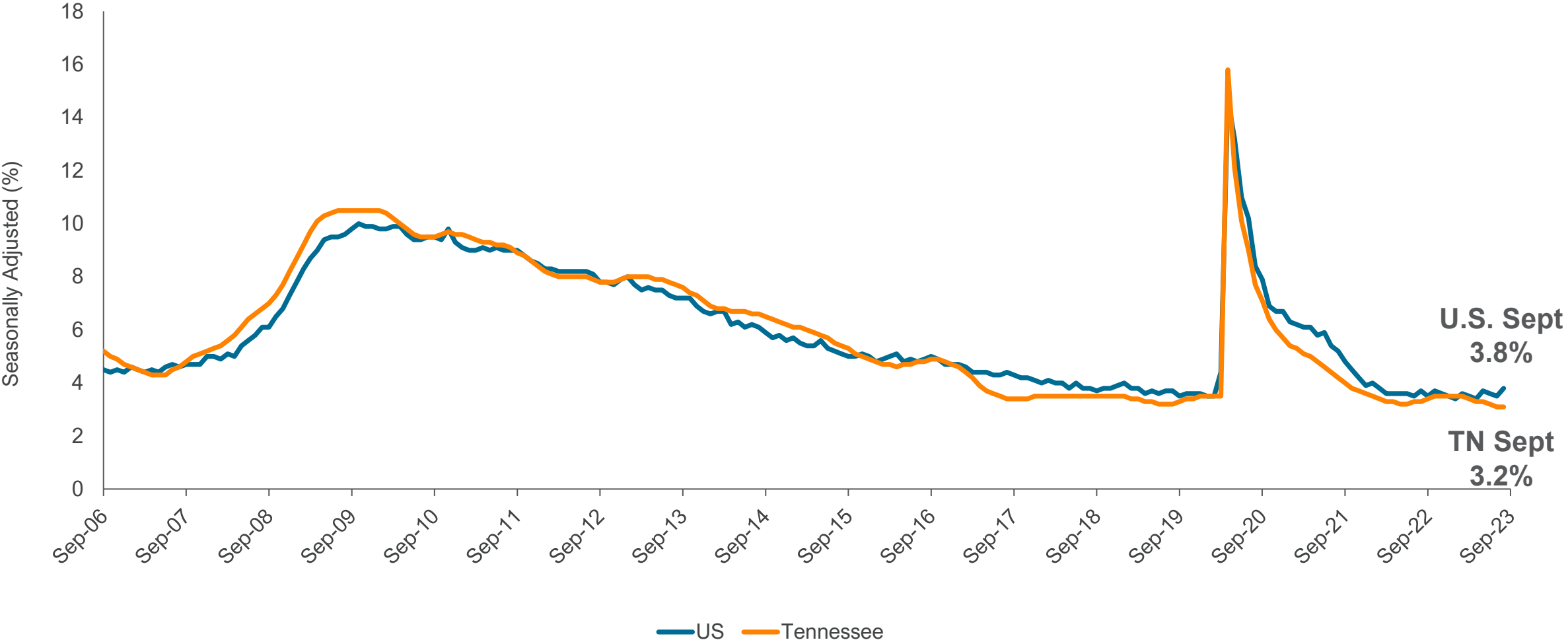
# Long Term Employment Growth Differs Dramatically Across Tennessee

(Growth Since Great Recession)



Source: Bureau of Labor Statistics

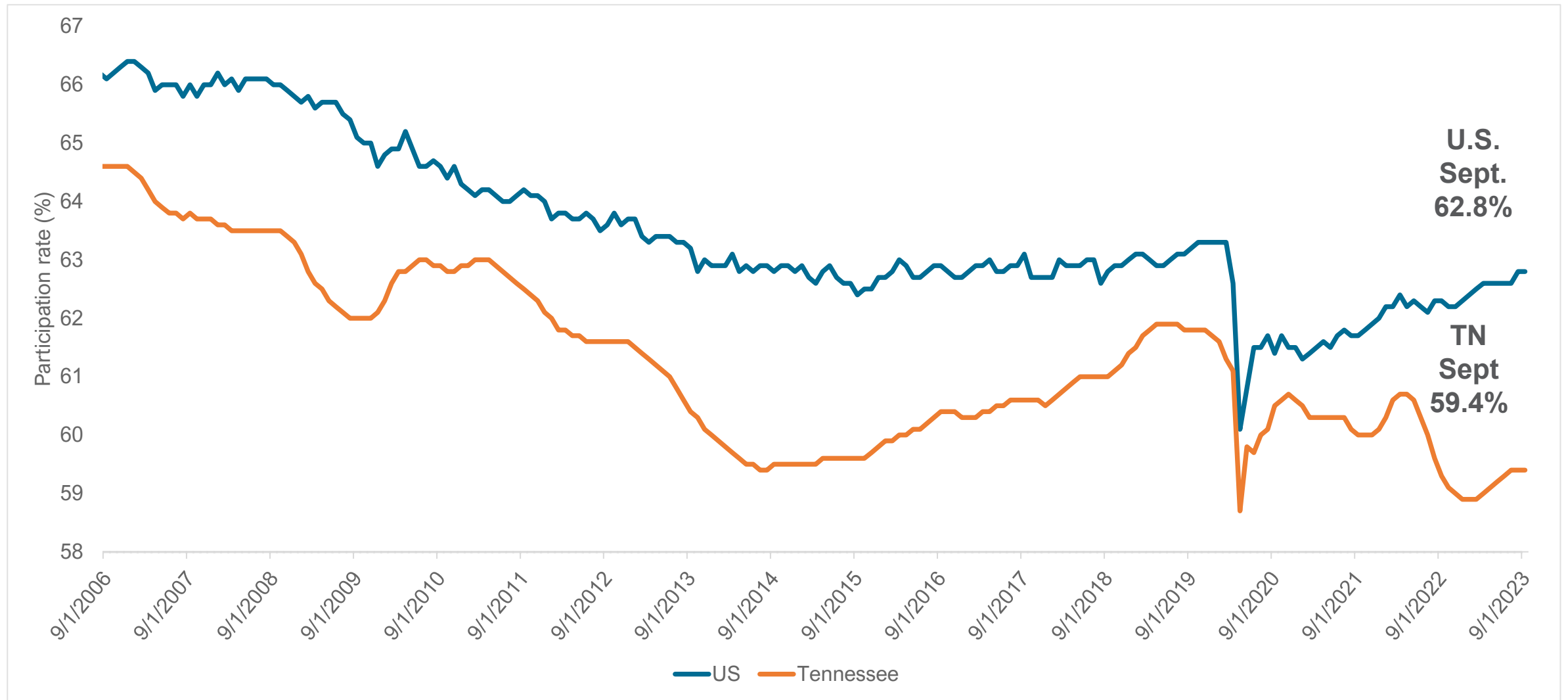
# Unemployment Rates Remain Very Low



Source: Bureau of Labor Statistics

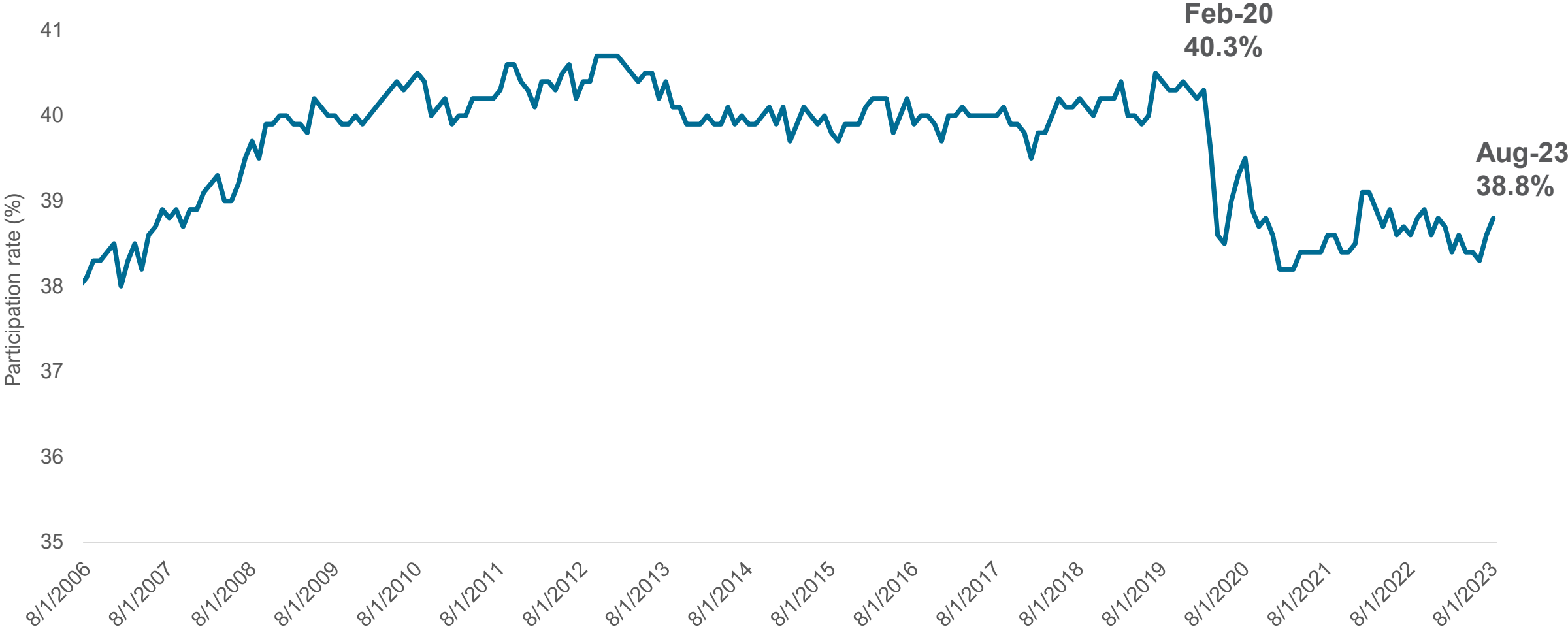


# Labor Force Participation is Still Depressed



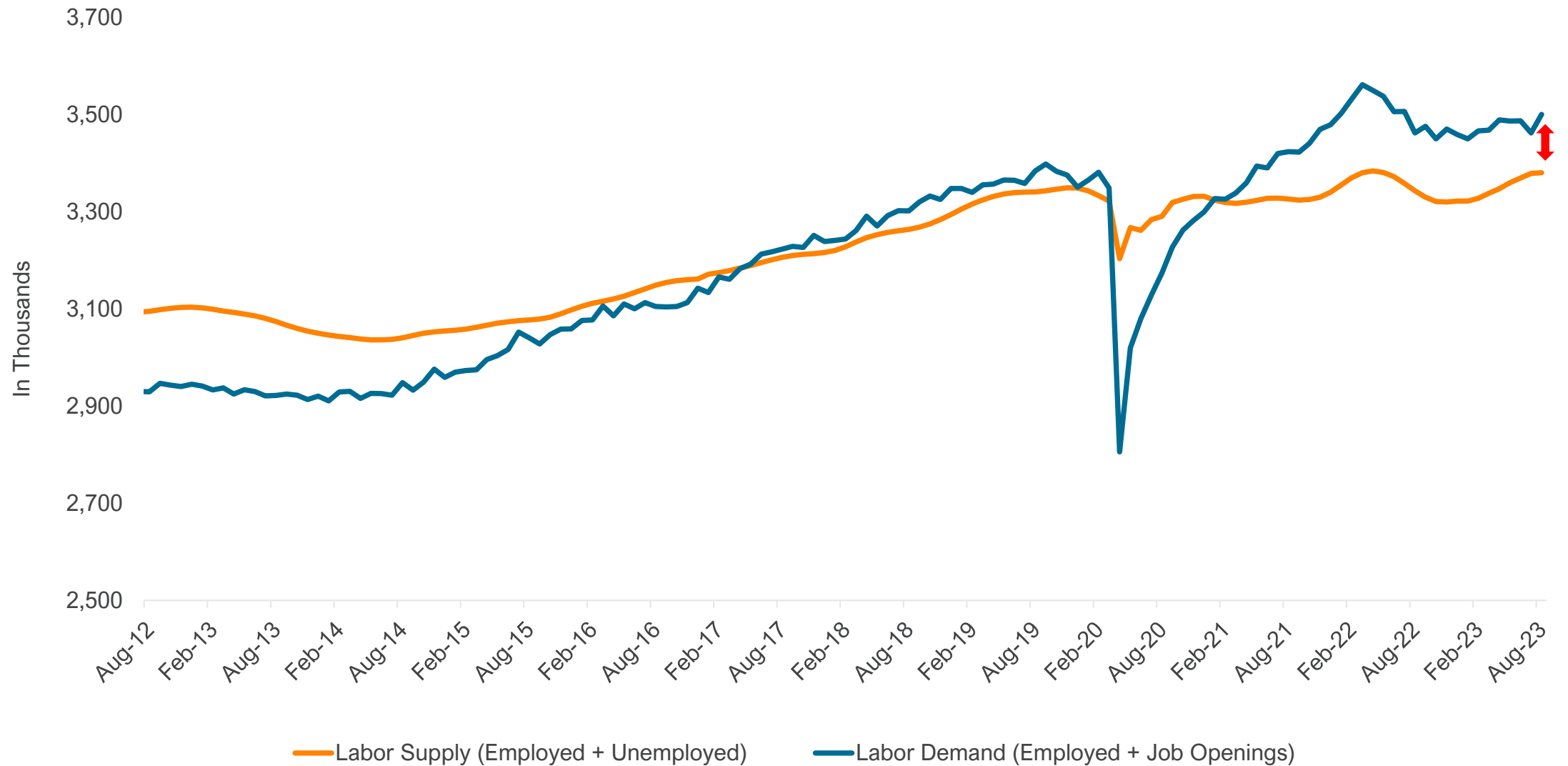
Source: Bureau of Labor Statistics

# U.S. Labor Force Participation Aged 55+



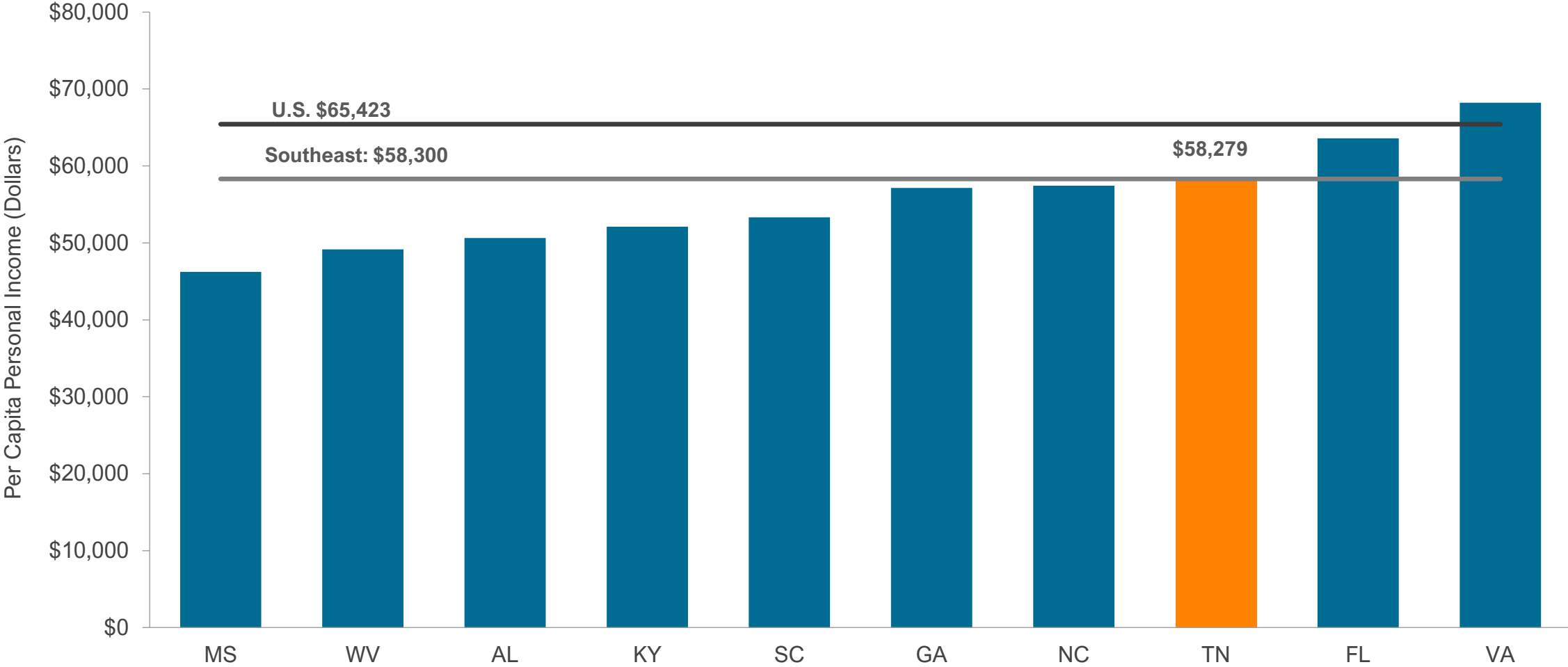
Source: Bureau of Labor Statistics

# The Worker Shortage Remains Large in Tennessee (~120,000)



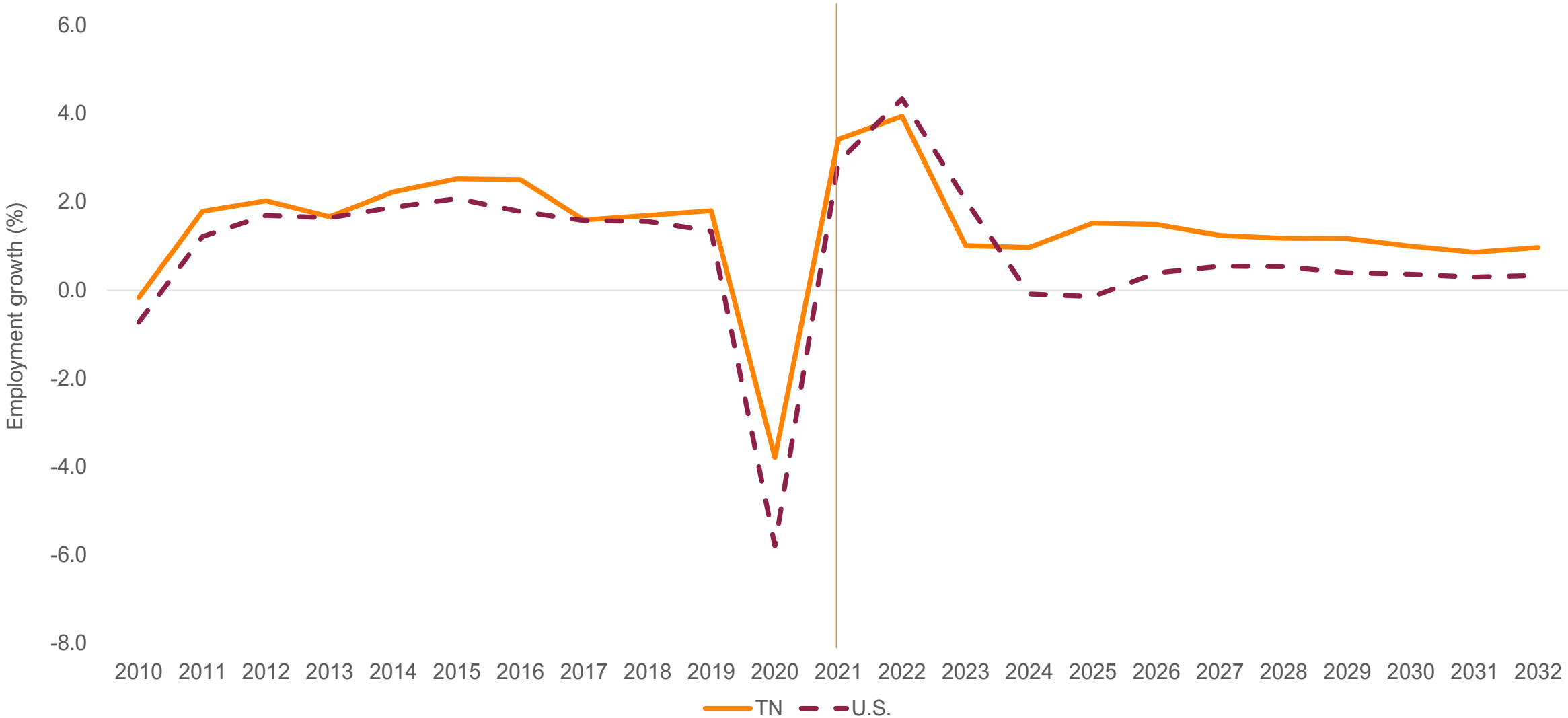
Source: Bureau of Labor Statistics

# Per Capita Personal Income, 2022



Source: Bureau of Economic Analysis

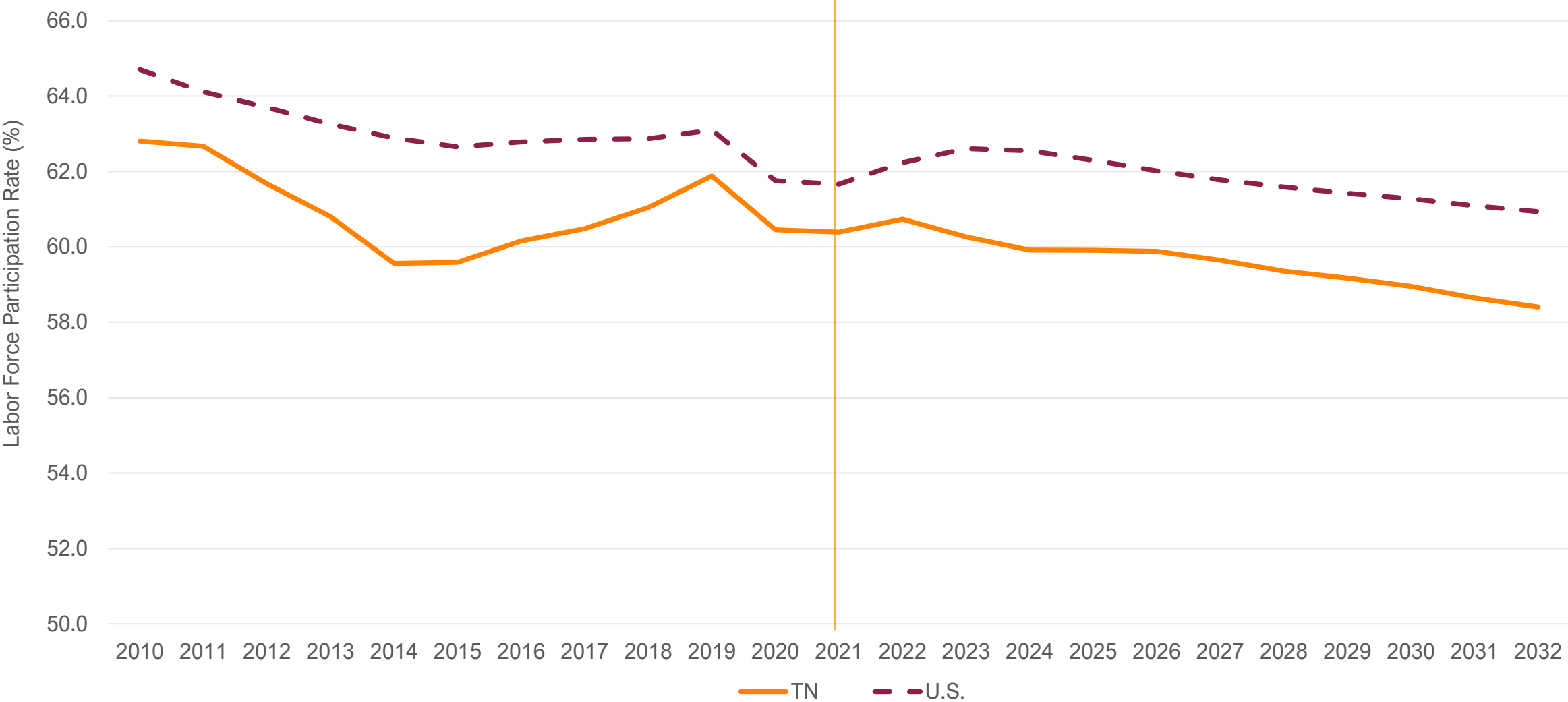
# Long-Run Employment Forecast, TN and the U.S.



Sources: Bureau of Labor Statistics, IHS Markit, and Boyd CBER UT



# Labor Force Participation is Projected to Trend Downward



Sources: Bureau of Labor Statistics, IHS Markit, Boyd CBER UT



Questions?

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