Tennessee Economic Outlook and Tax Revenue Forecast

Dr. Matt Harris

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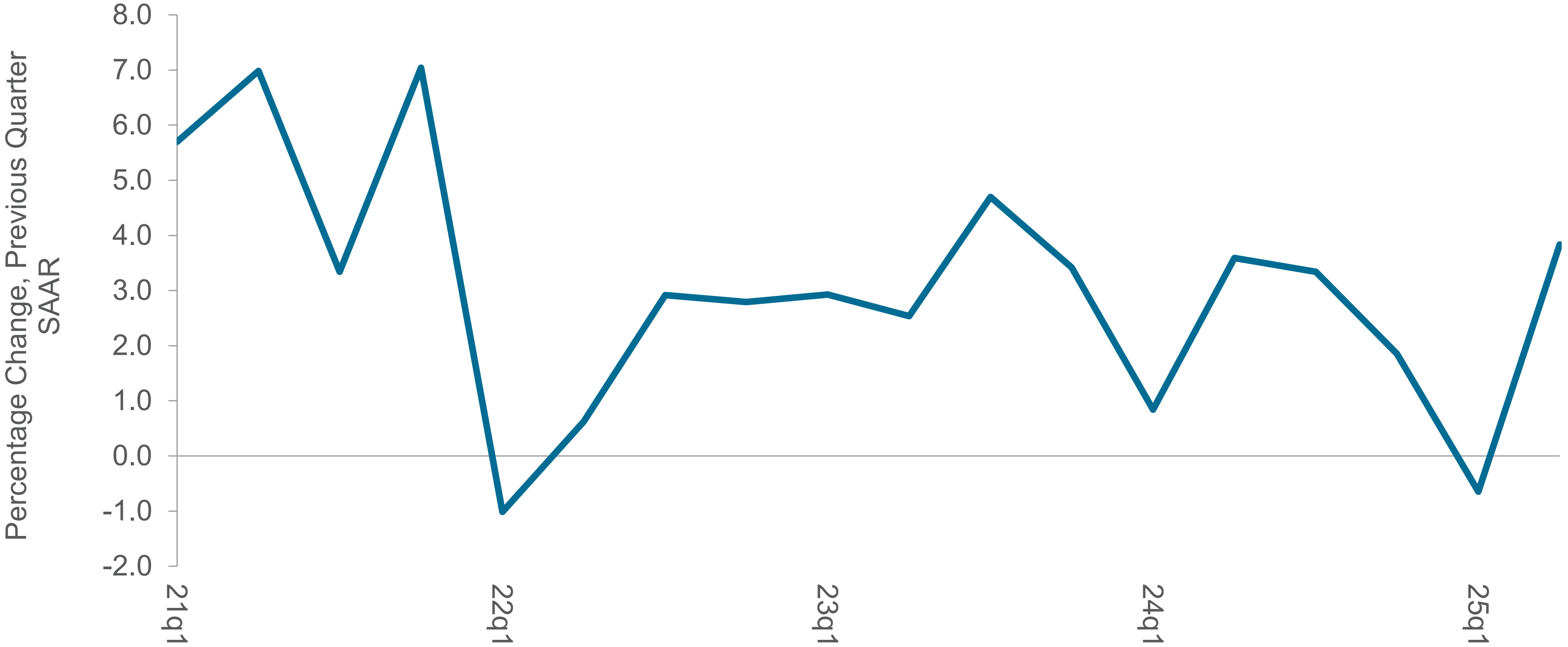
THE UNIVERSITY OF TENNESSEE KNOXVILLE

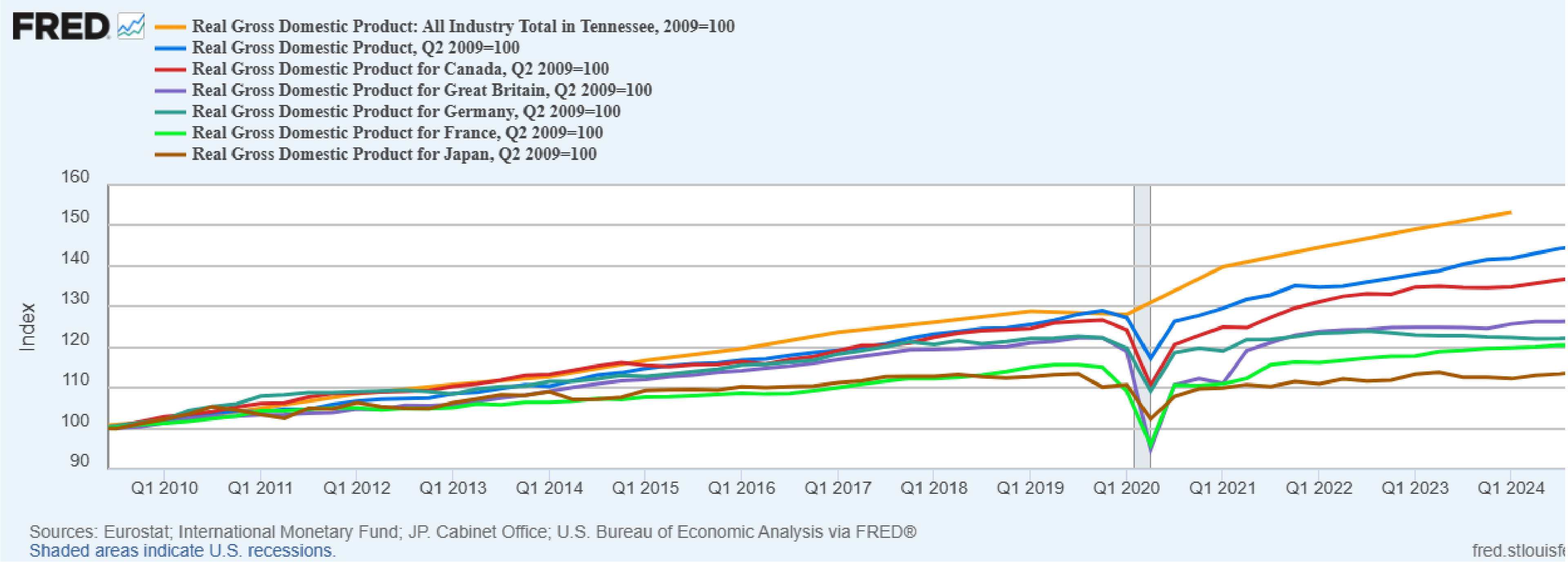
BOYD CENTER FOR BUSINESS AND ECONOMIC RESEARCH

The National Economy Remains Strong, but Slowing
Real GDP Growth Rates, SAAR

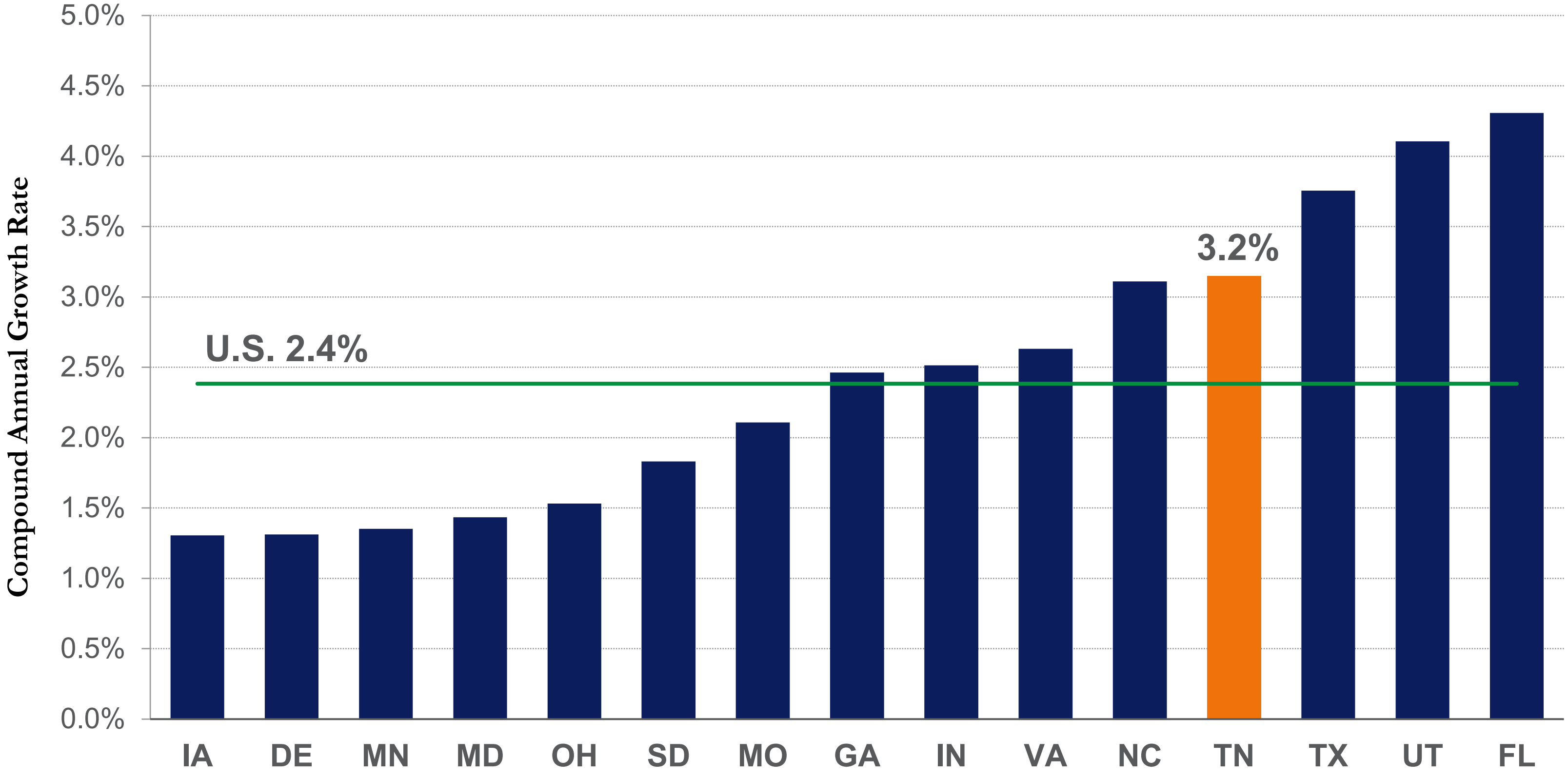


Source: BEA

Tennessee GDP Growth has Outpaced the US and Major Trading Partners Since 2009



Real GDP Growth Rates, 2019 to 2024



Source: Bureau of Economic Analysis

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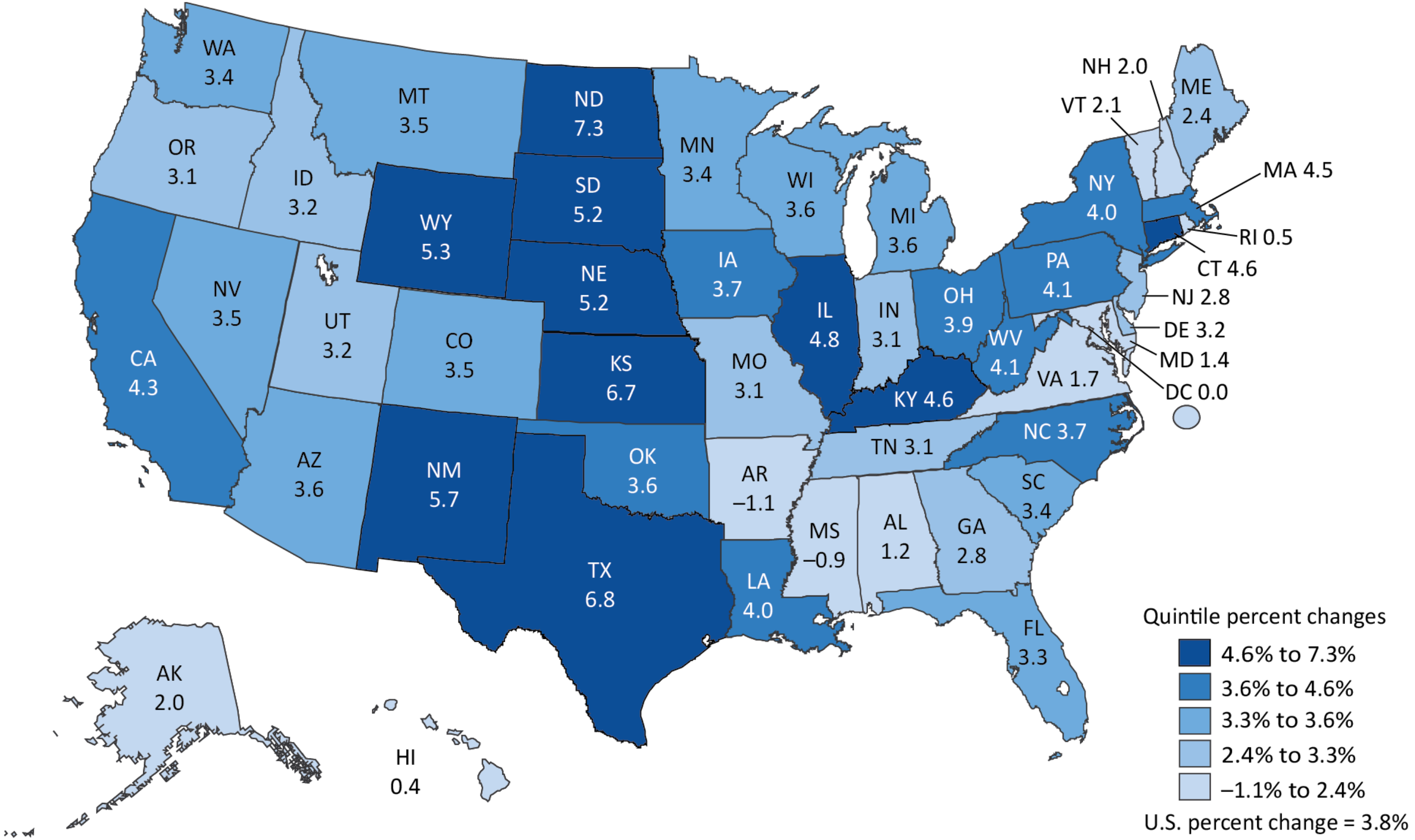
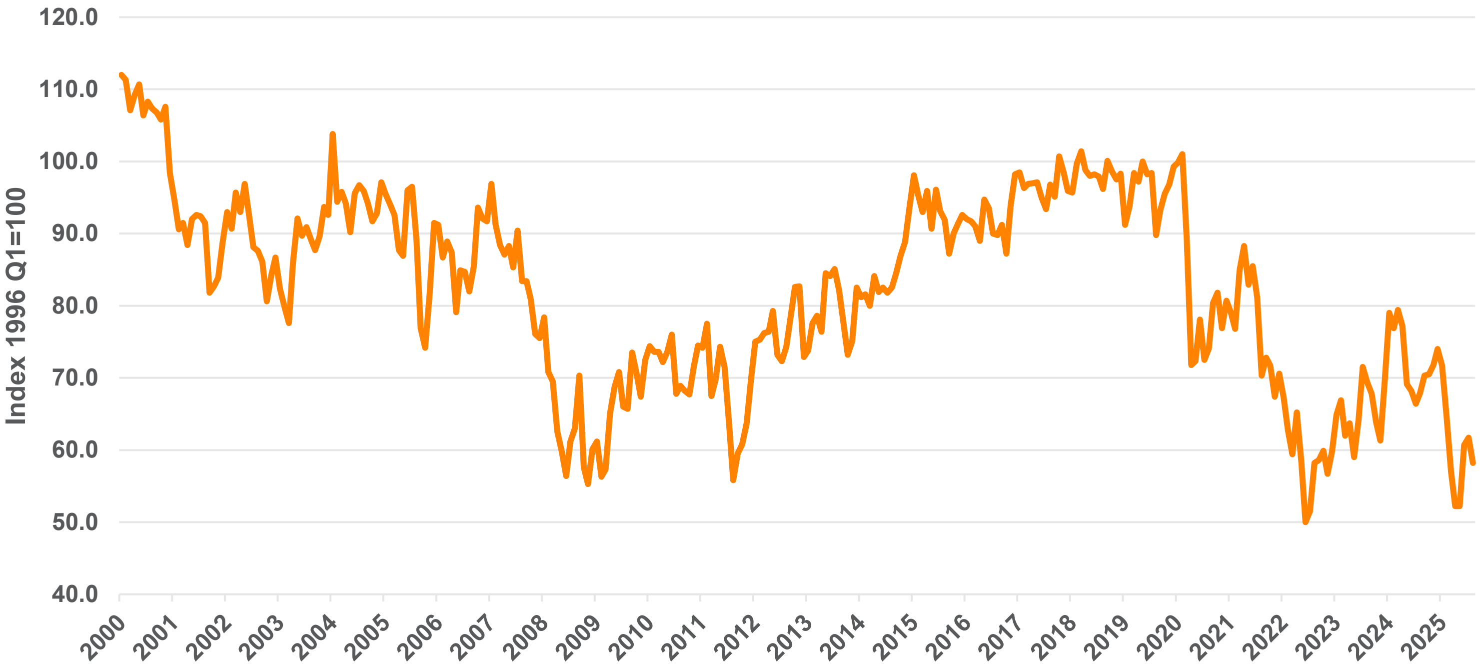
Real GDP: Percent Change at Annual Rate, 2025:Q1–2025:Q2



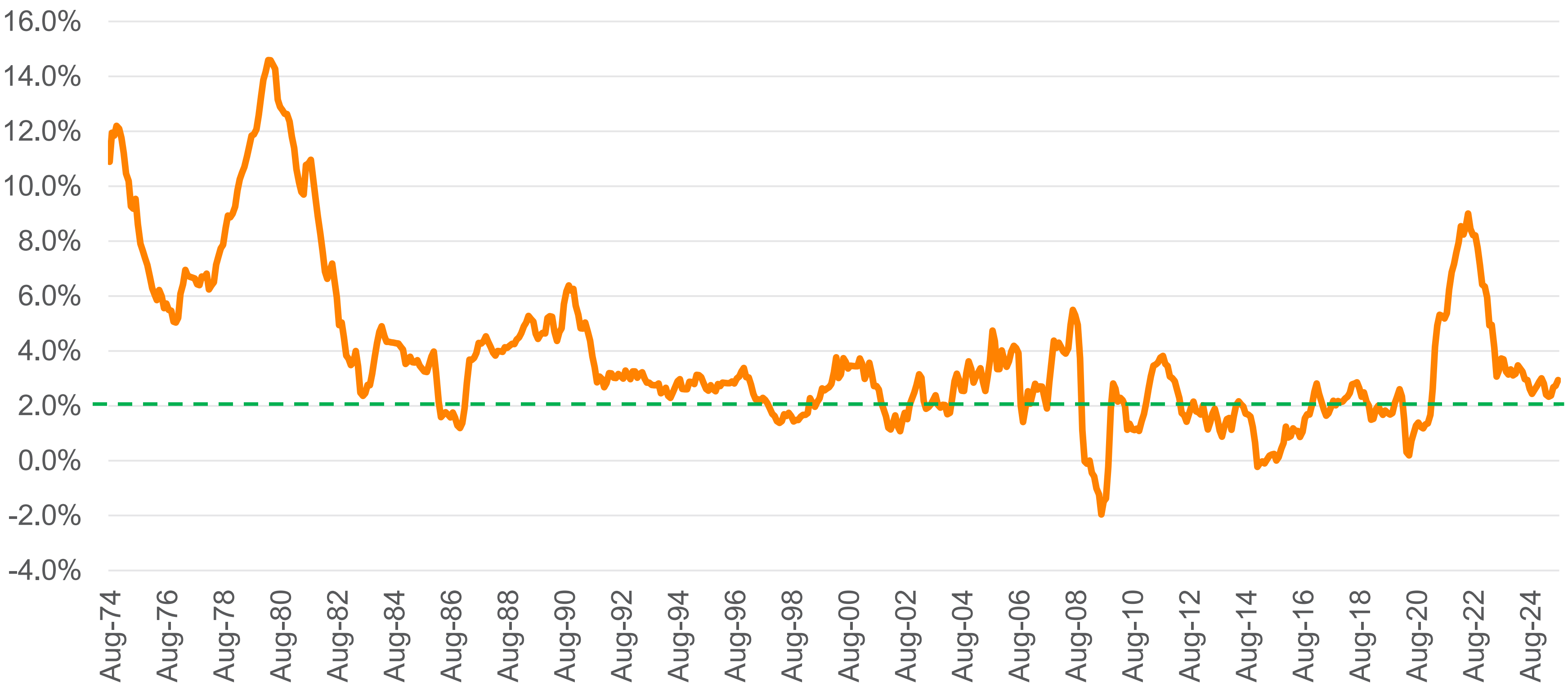
GDP Gross domestic product
U.S. Bureau of Economic Analysis

Consumer Sentiment Continues to Fall



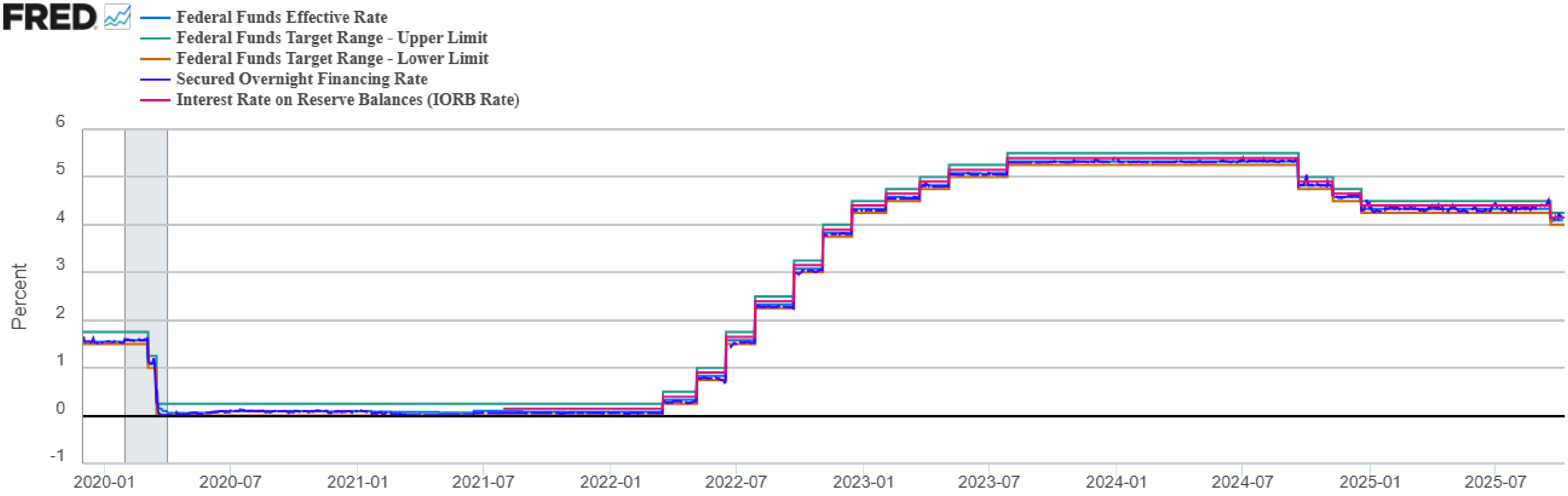
Source: University of Michigan

Inflation Remains Stubbornly Elevated
U.S. Consumer Price Index Growth Rate



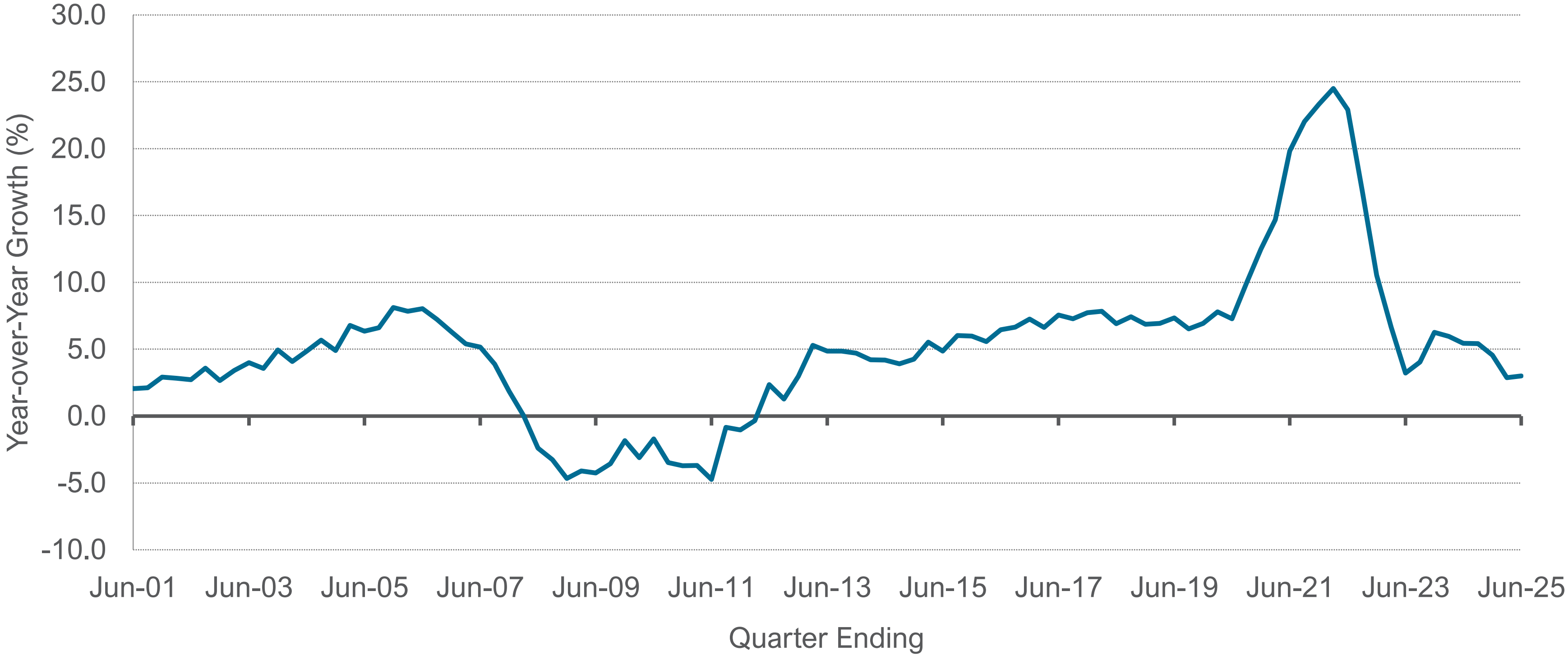
Source: BLS

More Rate Cuts Coming?



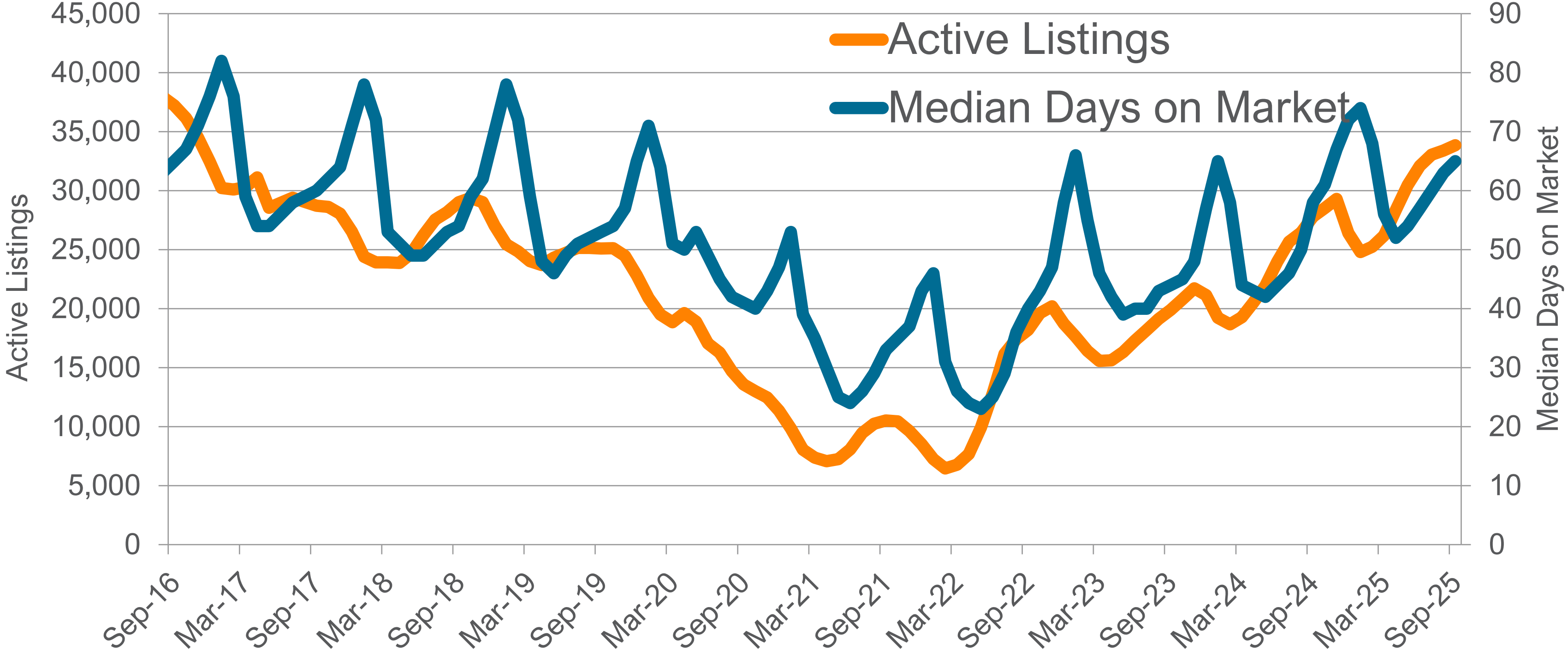
Sources: Board of Governors of the Federal Reserve System (US); Federal Reserve Bank of New York via FRED®
Shaded areas indicate U.S. recessions.
fred.stlouisfed.org

Tennessee House Price Index
(Seasonally Adjusted, Purchase-Only Index)



Source: Federal Housing Finance Agency

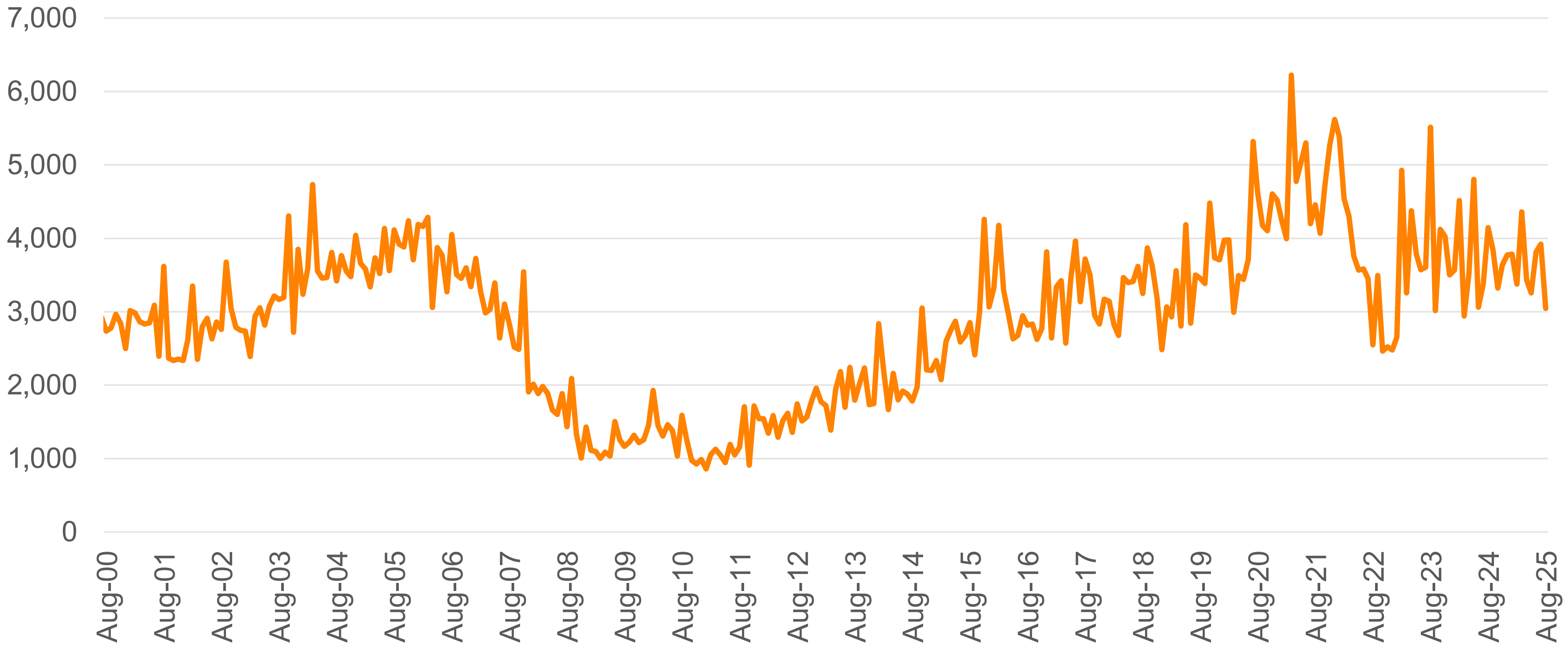
Tennessee's Housing Market is Slowly Returning to Normal



Source: Realtor.com

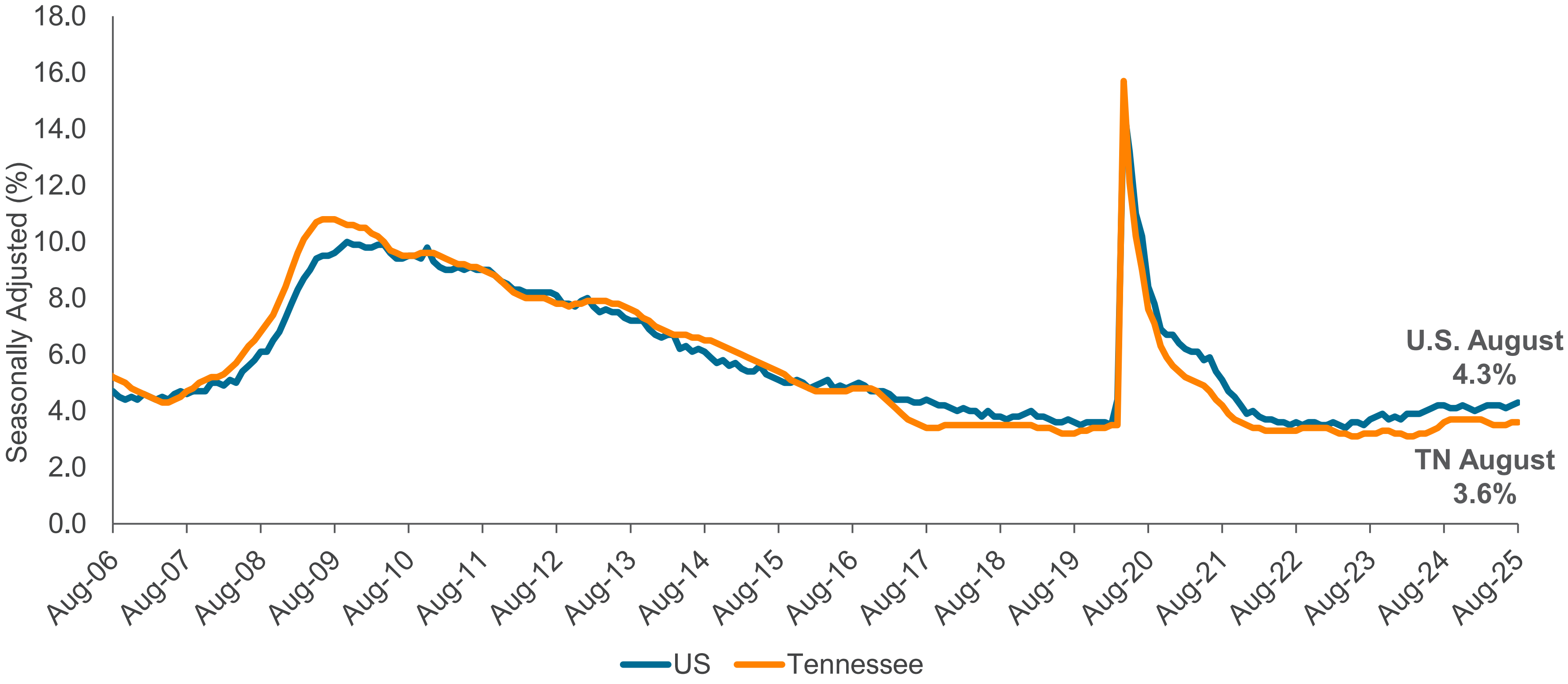
New TN Permits for Private Housing Units

Monthly, Seasonally Adjusted



Source: Census

Unemployment Rates Are Low But Rising



Source: Bureau of Labor Statistics

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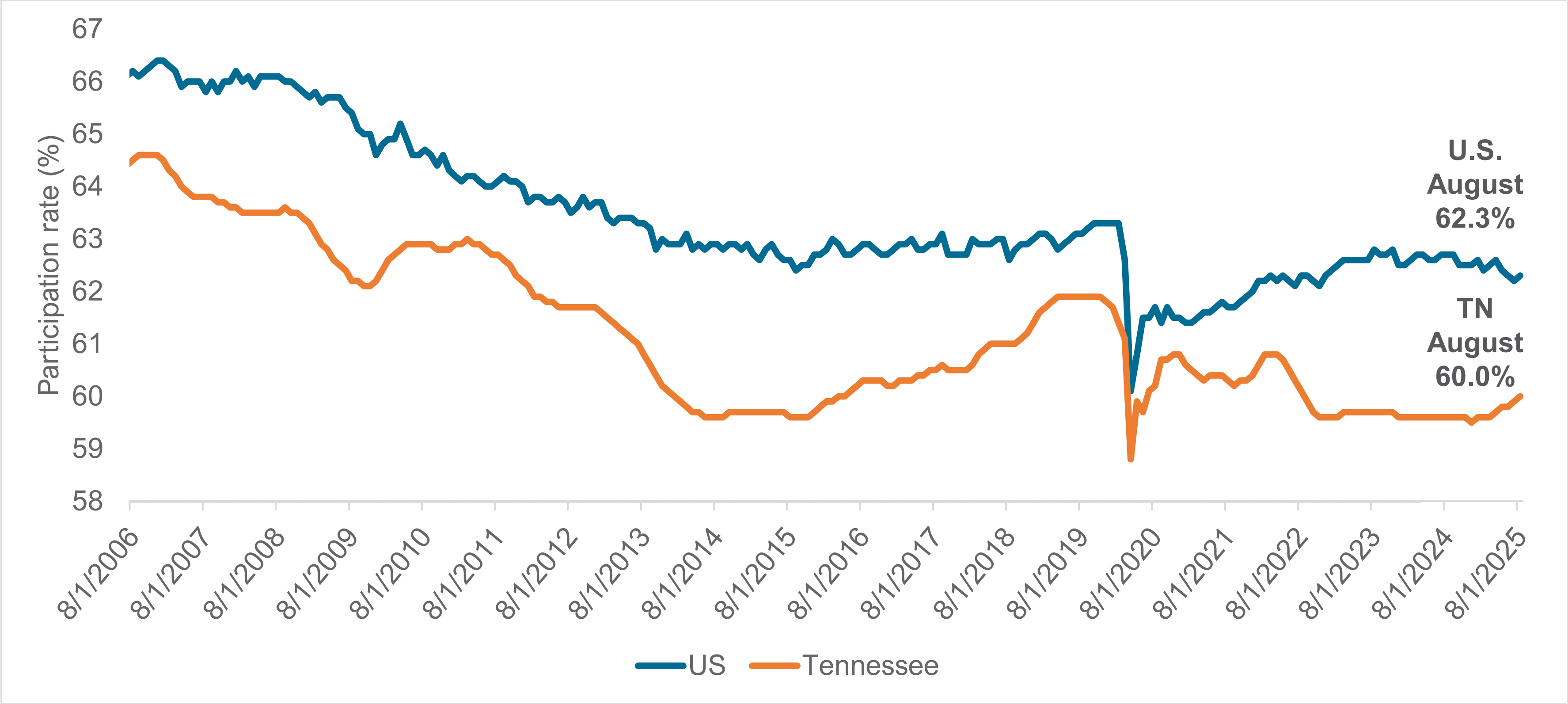
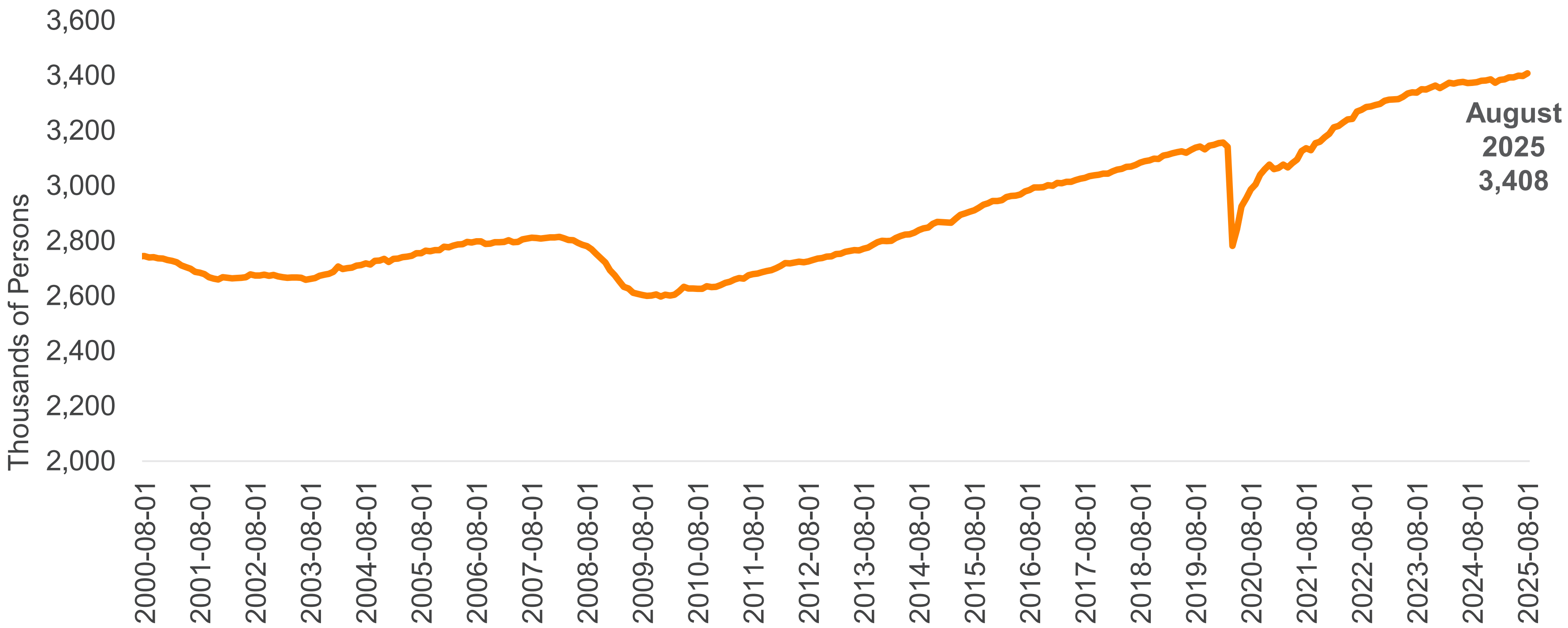
Labor Force Participation is Still Depressed



Source: Bureau of Labor Statistics

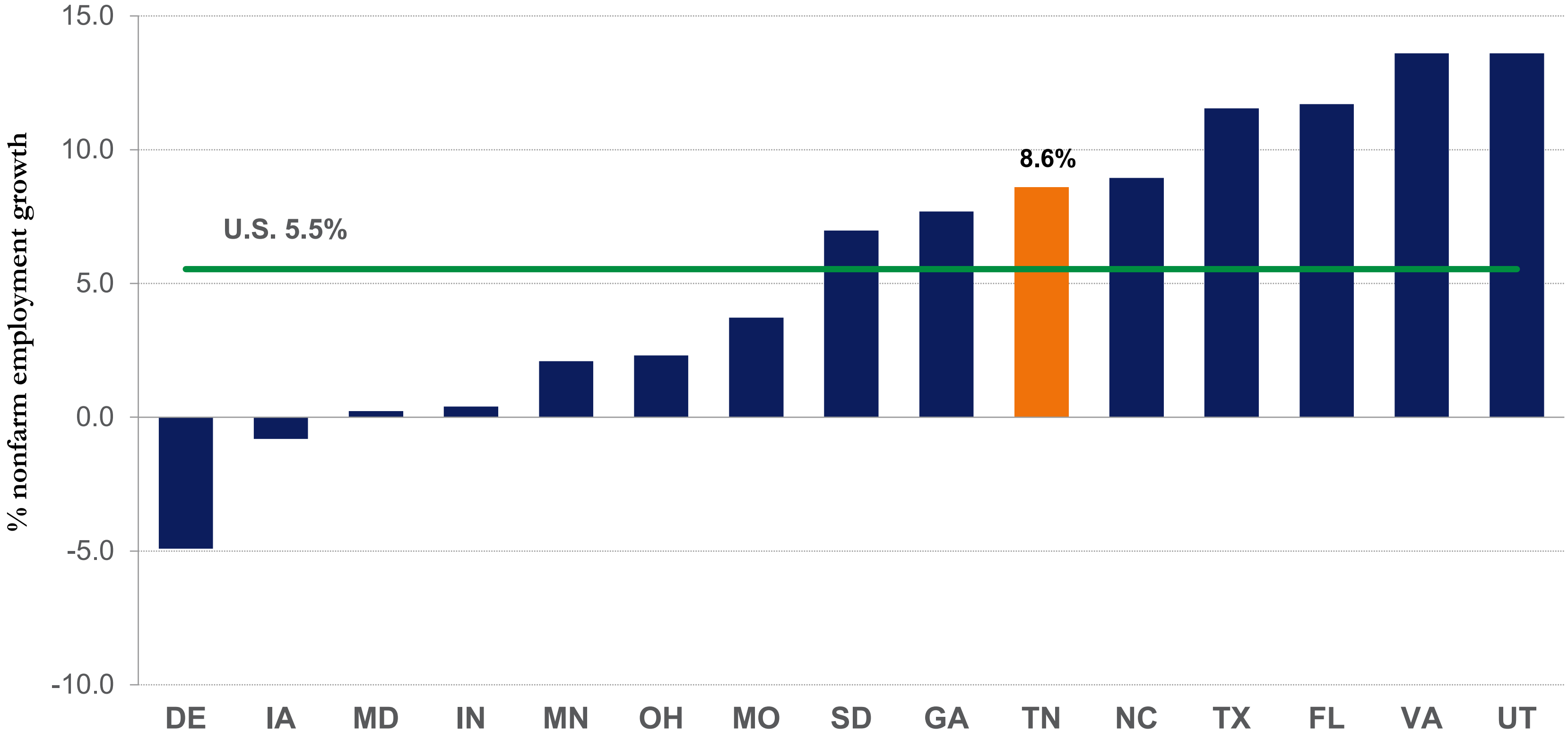
Tennessee Employment Up Over 250k Since March 2020



Source: Bureau of Labor Statistics

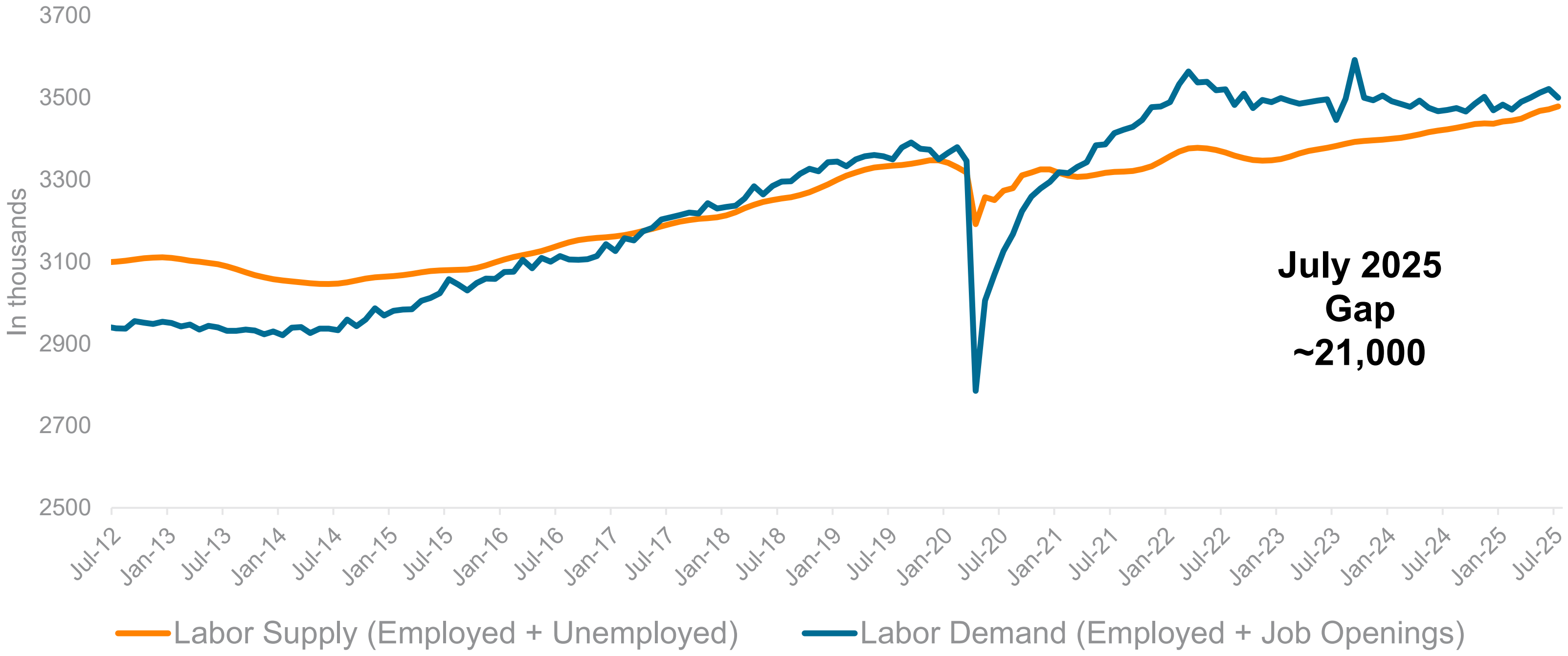
Tennessee Nonfarm Employment Growth

August 2019 – August 2025



Source: Bureau of Economic Analysis

The Gap between Labor Supply and Demand has Narrowed Significantly



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

A JOLT of Reality - Openings

A JOLT of Reality - Hires

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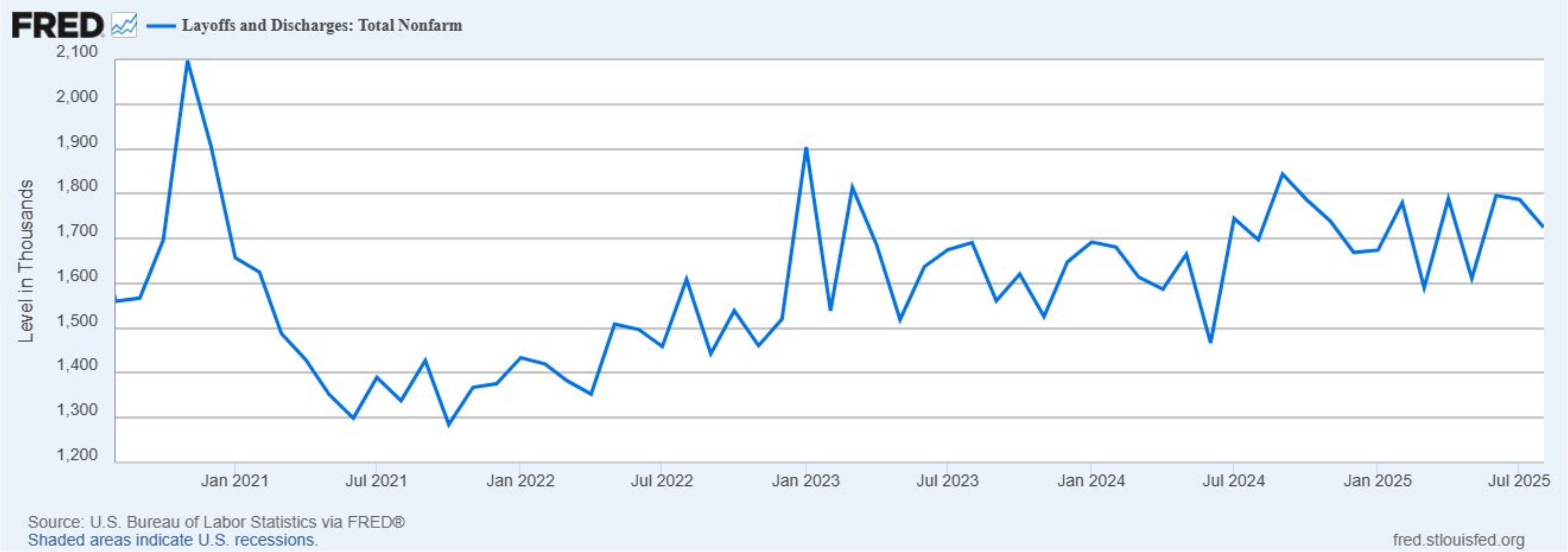
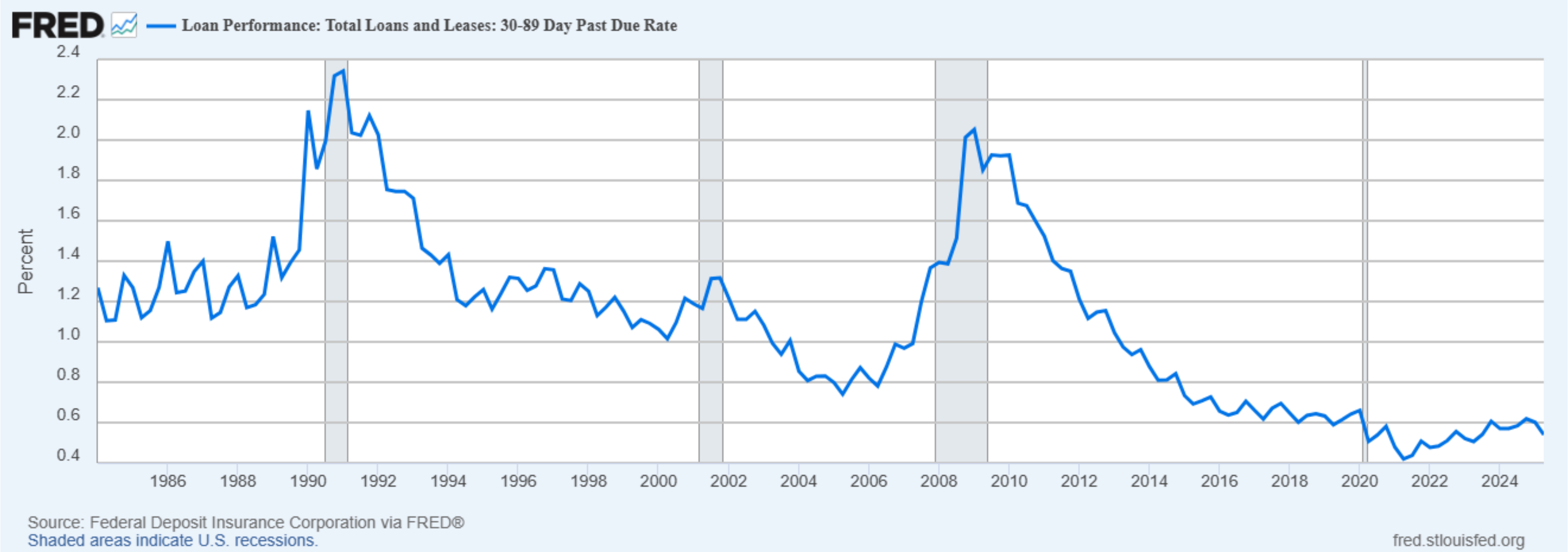
Worker Mobility and the Business Cycle

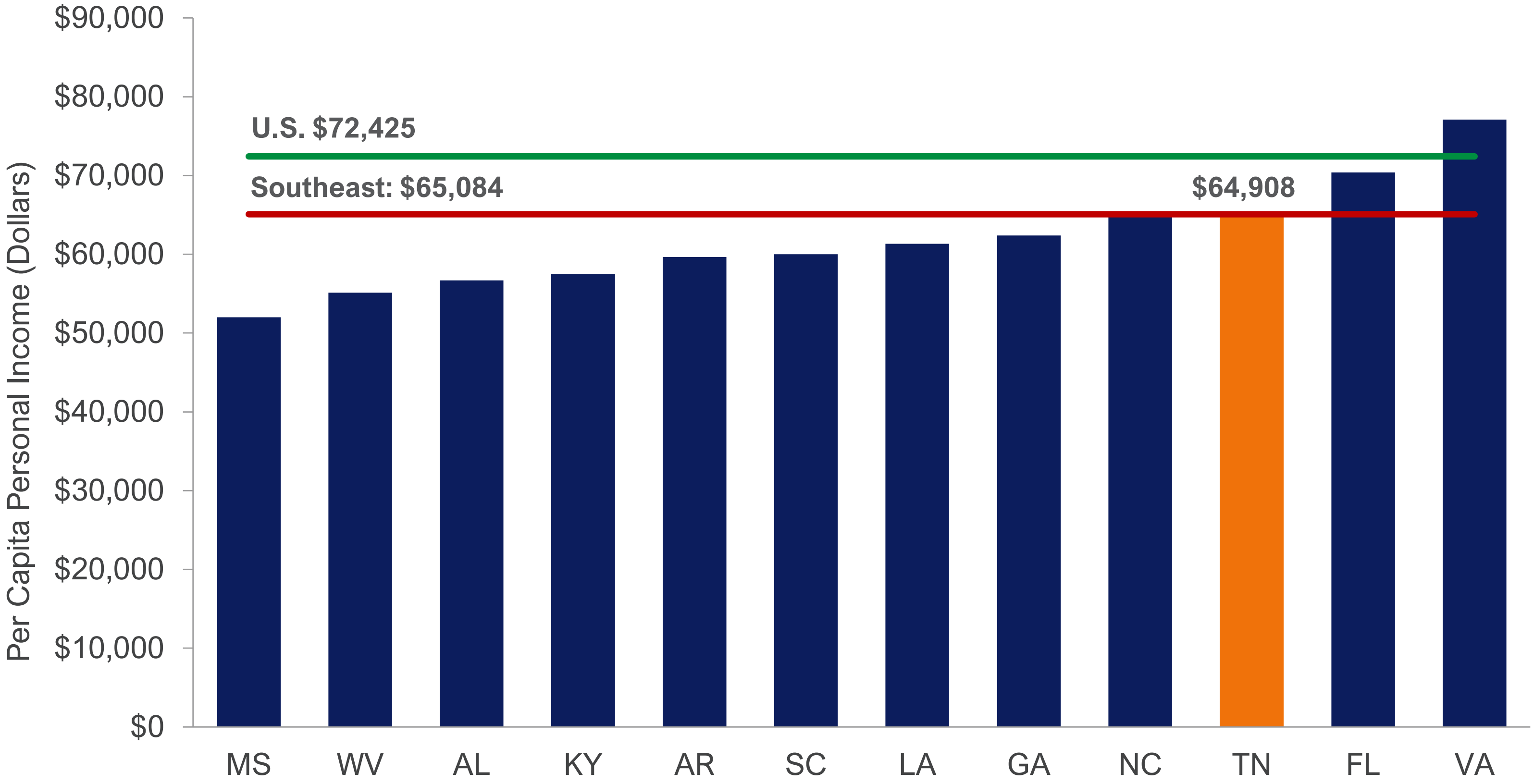
Same series - layoffs



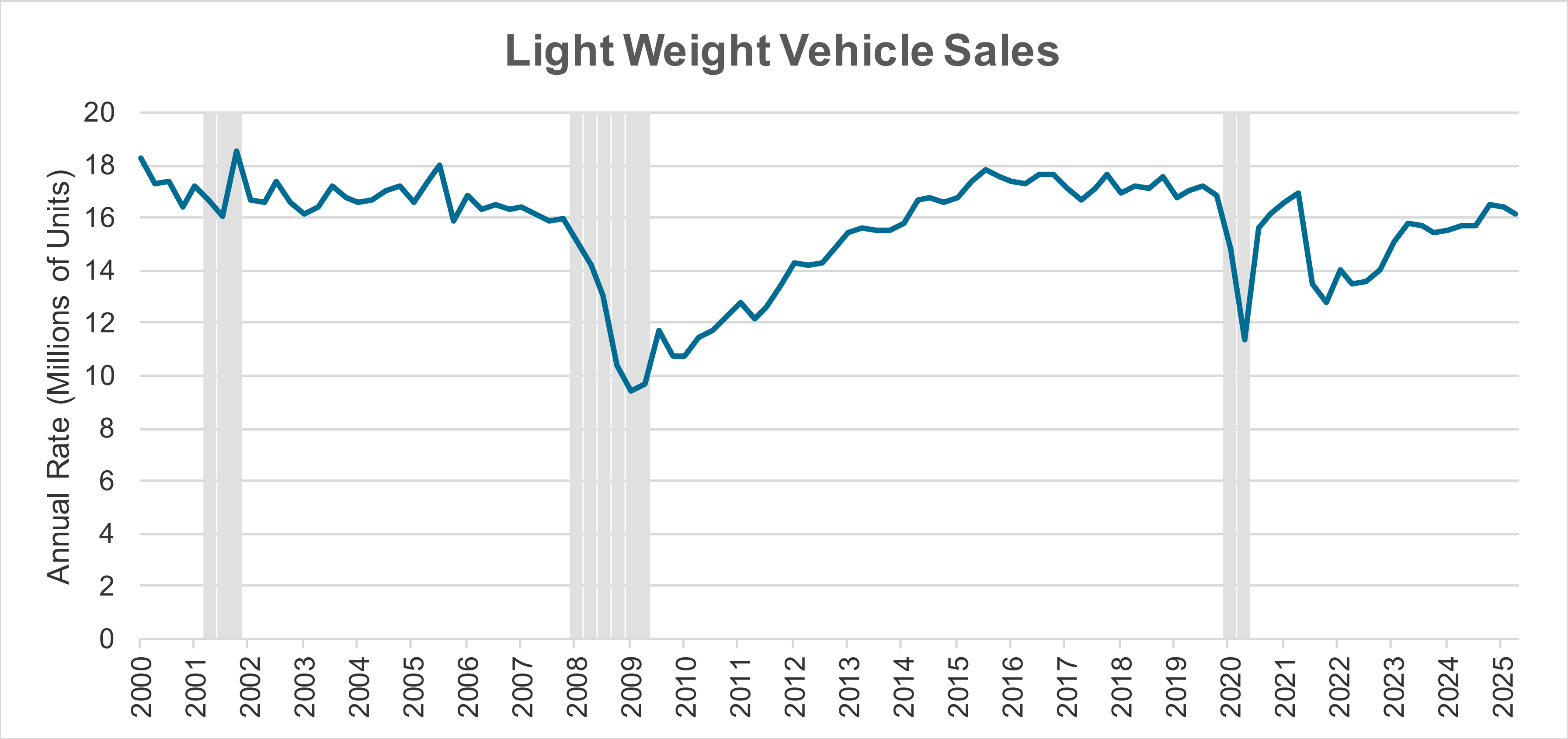
The sky isn't falling



Nominal Per Capita Personal Income, 2024



Source: Bureau of Economic Analysis



Source: BEA

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