



TENNESSEE CHAMBER of Commerce & Industry

TENNESSEE MANUFACTURERS ASSOCIATION

Putting it Together: A Closer Look at Four Indicators of Tennessee's Economic Health

As Tennessee continues its economic recovery, it is important to evaluate certain markers to gauge the economic progress our state has made over the past year. By some accounts, Tennessee's economic recovery has been overall better than expected. Some graphs illustrate we have achieved the coveted "V shaped recovery curve," other show a "U-shaped curve, and if you look around, you can find economic factors illustrated by other letters of the alphabet. Here is a closer look at Tennessee unemployment factors, state revenues, relief spending, and the success of Tennessee's vaccination program.

Unemployment across the state has fluctuated since the start of the COVID-19 pandemic in March 2020. It reached its all-time high of 15.5% in April 2020 and is currently just over 3 percentage points higher than the state's pre-pandemic unemployment rate, currently at 6.4%. The Tennessee Department of labor and workforce development [recently launched a dedicated dashboard to provide county by county unemployment figures](#). Lake, Perry and Shelby Counties showed the highest increase in unemployment rates in 2020. Conversely, Lincoln, Meigs, and Moore Counties had the lowest increase in unemployment rates throughout 2020.

Relief: All told, Tennessee has received about \$30 billion as a result of Federal COVID-19 relief. The bulk (about \$10 billion and counting) came from the paycheck protection program. Other funding has come through targeted relief for healthcare workers, unemployment plus ups, and other forms of economic impact payments. The Tennessee state government as well as Davidson and Shelby Counties each received direct payments, the state's portion around \$2.5 billion. To better track how the state has focused relief spending, the Tennessee Department of Finance and Administration is administering a landing page ([click to view](#)) with a county by county look at dollar spent as well as individual line item spending. [To examine how Tennessee's response stacks up to that of other states, click here.](#)

Revenues in Tennessee are already \$1.1 billion over estimates halfway into the FY20-21 fiscal year. January revenues collected were about 7.5% greater than those from the first month of 2020. "At this time, the economic growth we have experienced in these first six months puts the state in a good fiscal position to fund the current and upcoming fiscal year budgets. Nevertheless, we will continue to



TENNESSEE CHAMBER of Commerce & Industry

TENNESSEE MANUFACTURERS ASSOCIATION

closely monitor our monthly receipts, being mindful there are still uncertainties and that economic conditions could change,” said F&A Commissioner, Butch Eley. The Commissioner also attributes about 3.4% of the monthly sales tax growth to the Chamber supported marketplace facilitator legislation passed last year which extends the state’s online sales tax base.

Collections Snapshot

<i>Tax</i>	<i>YTD Relative to Estimates</i>	<i>YTD % Relative to Estimates</i>
Sales and Use	\$733.2 M above estimates	+5.88%
Franchise and Excise	\$333.8 M above estimates	+4.25%
Gasoline and Motor Fuel	\$13 M below estimates	
Motor vehicle Registration	\$12.5 M above estimates	
Tobacco/Cigarette	\$9.3 M above estimates	
Privilege Tax	\$44.3 M above estimates	
Business Tax	\$14.9 M above estimates	

Tennessee Vaccinations: On Tuesday, it was announced that Tennesseans 65 and over are now eligible to receive a COVID-19 vaccination. Currently, Tennessee is in Phase 1b of its overlay style rollout. Any day, it is expected that Tennessee will surpass the 1 million mark in terms of distributed vaccinations. The state has consistently ranked in the top five when looking at percent of population per capita that has been administered a second vaccination dose.

[This New York Times dashboard closely monitors state by state vaccinations.](#) Also this week, the Tennessee Department of Health released Version 5.0 of the *Tennessee COVID-19 Vaccination Plan*. [The full plan can be found here.](#)