

## Summary Economic Analysis

January 31, 2019

### Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Area

Comprised of fourteen counties in Tennessee.

The following is a brief summary of the condition of the Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Area economy. The summary is not intended to represent a comprehensive analysis of the area, but to only provide a general review of key components.

POLICOM analyzes a local economy from the perspective of how the economy influences the “economic quality of life” of the people who live and work in the area.

The major components of the economy are presented visually in this review. After reviewing the charts and graphs, you may draw your own conclusions regarding the condition of the economy.

For questions regarding this summary, please contact POLICOM Corporation.

Sincerely,



William H. Fruth  
President

## Comparative Rankings

Annually POLICOM Corporation ranks all Metropolitan and Micropolitan areas for “economic strength” which is the long-term tendency for an area to consistently grow in size and quality.<sup>1</sup>

The following chart shows the rankings for the Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Area for the last ten years.

Economic Strength Rankings Nashville-Davidson-Murfreesboro- Franklin, TN MSA 383 Metropolitan Areas	
2019	1
2018	4
2017	10
2016	10
2015	7
2014	5
2013	3
2012	4
2011	8
2010	13

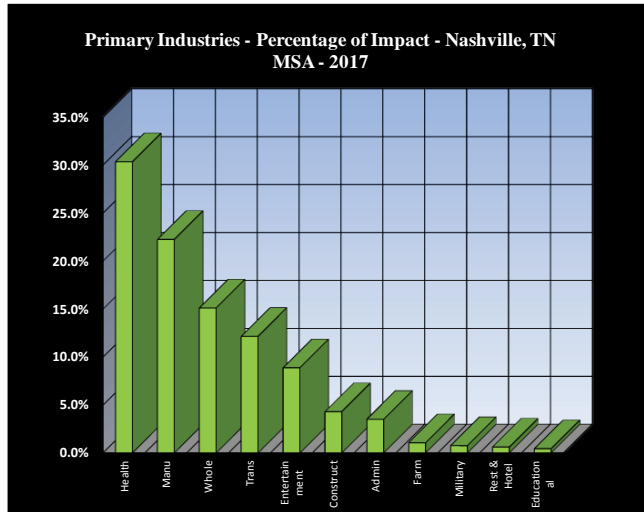
The average annual percentage increase was calculated for three time periods, the “Last 5 Years” (2012-2017), the “Last 10 Years” (2008 to 2017), and the “Previous Six Years” (2001 to 2007). The actual data for 2017 and 2007 is also determined and ranked. The following chart shows how the Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Area ranked for each issue among the 383 Metropolitan Areas.

Nashville, TN MSA Growth Ranking 383 Metropolitan Areas	Last 5 Years 2012-2017	Last 10 Years 2008-2017	Previous 6 Years 2001-2007	
	Population	29	29	67
Employment	11	17	111	
Earnings	15	10	139	
Annual Wages	40	8	218	
Number of NF Proprietors	10	44	71	
Per Capita Personal Income	48	16	270	
Per Capita Government Transfers	382	376	238	
Actual Amount 383 Metropolitan Areas	2017	Rank	2007	Rank
Population	1,903,045	36	1,592,365	37
Annual Wages	67,139	21	48,000	73
Per Capita Personal Income	55,944	38	39,423	83
Per Capita Government Transfers	7,092	340	5,050	286
Per Capita Medicare	1,787	286	1,268	232
Per Capita Retire Trans	6,430	336	4,434	288
Per Capita Welfare - Actual	634	288	540	202
Per Capita Medicaid	1,055	321	947	204

<sup>1</sup> For the methodology and the rankings for all areas, go to: [www.policom.com](http://www.policom.com)

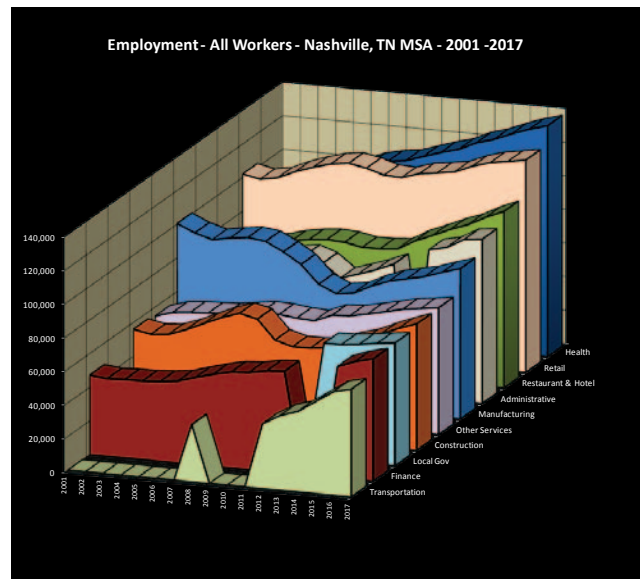
## Primary Industries

Local economies grow and expand, contract and decline in direct proportion to the amount of money being imported to the area. Money is imported to an area typically by way of the “primary” industries, those which sell their goods or services outside of the area. Additionally, government entitlements which are in excess of taxes extracted are net contributors of money to an area. Typically strong economies have multiple primary industries. The following graph is an estimate of the sources of money entering the Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Area.



## Employment

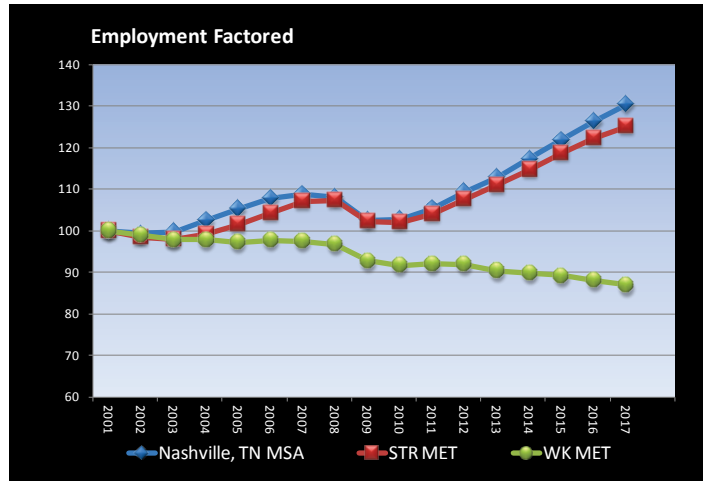
The following shows the total employment for the ten largest industrial sectors from 2001 through 2017.<sup>2</sup>



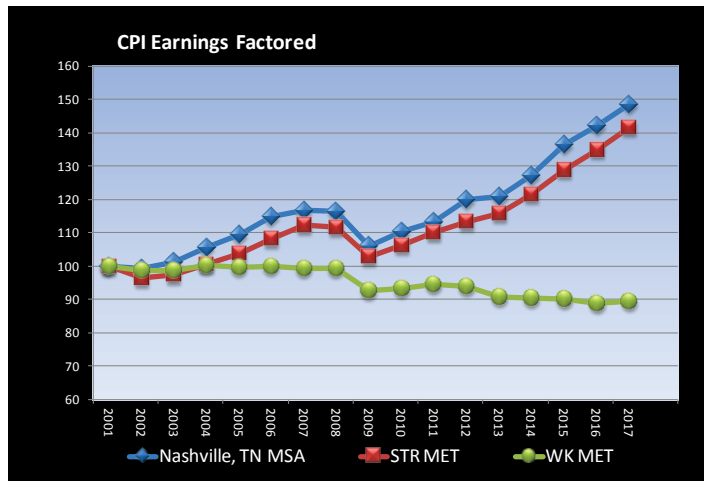
<sup>2</sup> All employment and earnings data: Regional Economic Information System, Bureau of Economic Analysis. 2017 is the most recent year available.

## Growth in Size and Quality

There are several means to measure the growth in the size of a local economy. One of these is employment. The average annual increase in Total Employment was calculated and “factored” and is compared to the annual growth rates of the ten strongest and ten weakest Metropolitan Areas.<sup>3</sup>

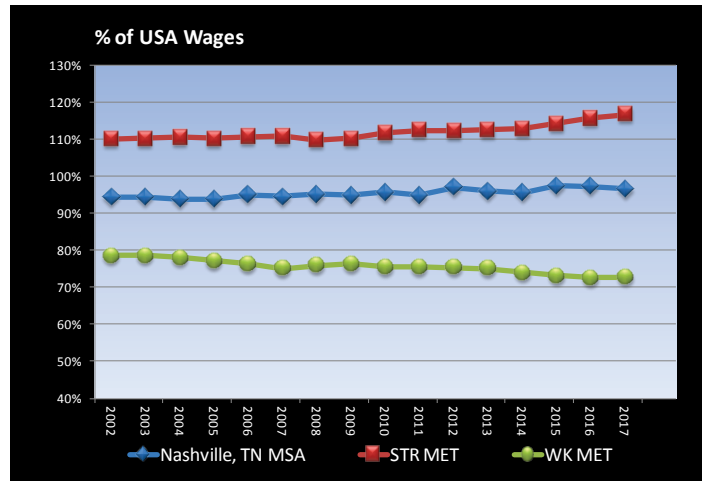


Another indicator of the growth in the size of an economy is Total Worker Earnings which include all the wages and salaries paid to workers and the profits of proprietors. The following graph adjusts Total Workers Earnings to the value of the 2017 dollar and the annual percentage increase is calculated and factored.



<sup>3</sup> For a list of the ten strongest and weakest areas, go to [www.policom.com](http://www.policom.com).

The amount of money earned each year determines the “economic quality of life” for individuals and households. There are several means to measure the growth in the quality of a local economy. One of these is to compare the average annual earnings (wages) of an area to the average for the nation. Since the cost of living varies greatly among communities throughout the United States, it is not necessary for an area to be at or above the national average. If the line goes up, it is good, if the line goes down, not so much.



Another indicator of the condition of a local economy is the percentage Government Transfers (entitlements) are of Total Personal Income. Government Transfers include Social Security, Medicare, Medicaid, and various social welfare programs. It is a characteristic of strong economies to have little dependence on Government Transfers while weak economies have become dependent upon them. The graph compares the percentage Government Transfers are of the Total Personal Income for the Nashville-Davidson-Murfreesboro-Franklin, TN Metropolitan Area compared to the average of the ten strongest and ten weakest Metropolitan Areas.

