

Tennessee Business Barometer

Spring Results & Summer 2024 Outlook



Jones College of Business
Office of Consumer Research

Introduction

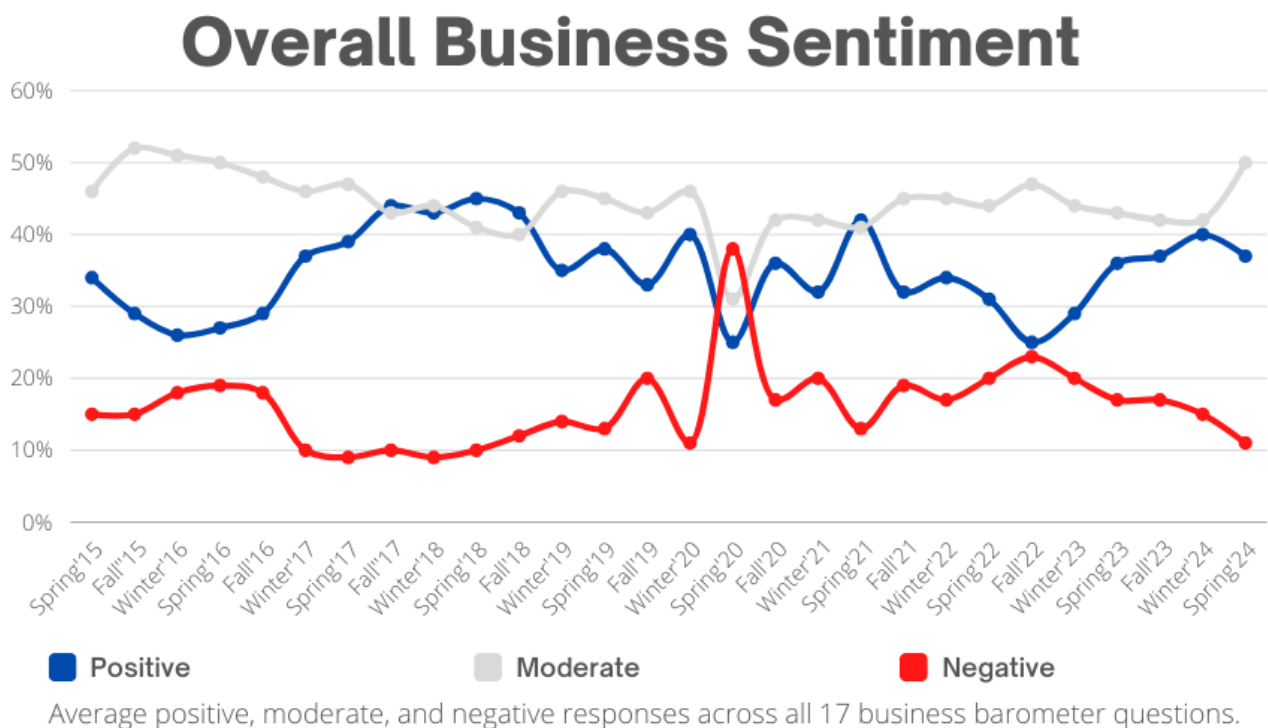
We're very excited to have you here! In collaboration with the Tennessee Chamber of Commerce & Industry, business leaders from across Tennessee responded to the Jones College of Business, Office of Consumer Research, Business Barometer Survey, providing a business perspective on the current and upcoming outlook of business and the economy.

We hope you enjoy the Spring 2024 Tennessee Business Barometer results and outlook.

Business leaders' negative sentiment is at a four-year low

In 2023, negative sentiment decreased, and positive sentiment increased as businesses were able to better adapt to increased costs and navigate several other business challenges. Most recently, in the Spring of 2024, positive sentiment decreased from 40% to 37%. Yet, negative sentiment also decreased to the lowest rate since Covid-19, from 15% to 11%. (see Figure 1).

Figure 1. Business sentiment on economic conditions is trending moderate



The trend of sentiment reflects caution with the current market, but a hopefulness that the worst is behind us, and Tennessee business leaders are looking forward to future

growth. Two years ago, Tennessee business leaders had become significantly concerned about the uncertainty surrounding the economy and business environment. However, in the past 24 months, that trend has flipped, and the Overall Business Barometer Index shown in Figure 2 has gained 263 points to 443 (the highest since Spring 2021).

Figure 2. Current and future economic conditions continue their positive trend in 2024

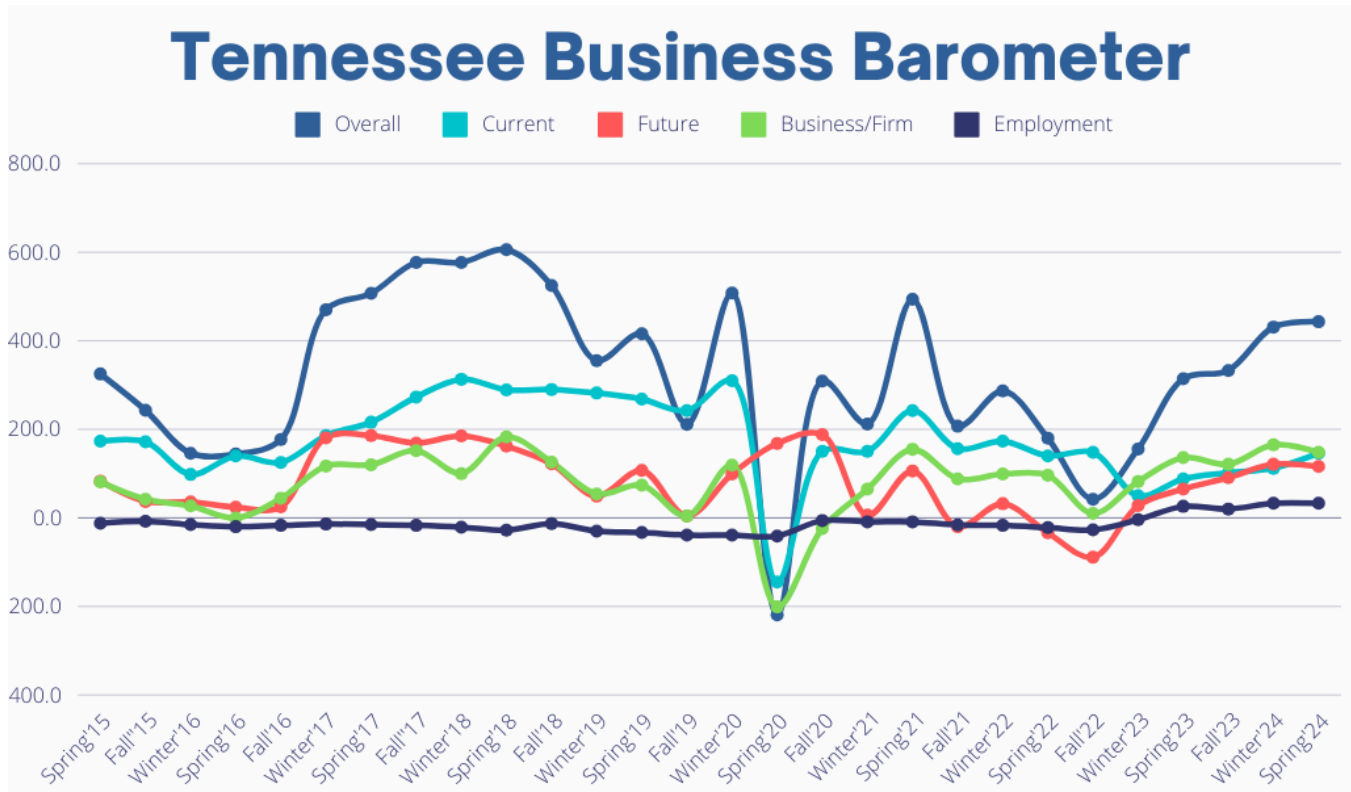


Table 1 provides more context to the trend lines found in Figure 2. There's little change since the previous survey, as the Overall Index gained 12 points, led by the Current Index, which gained 34 points.

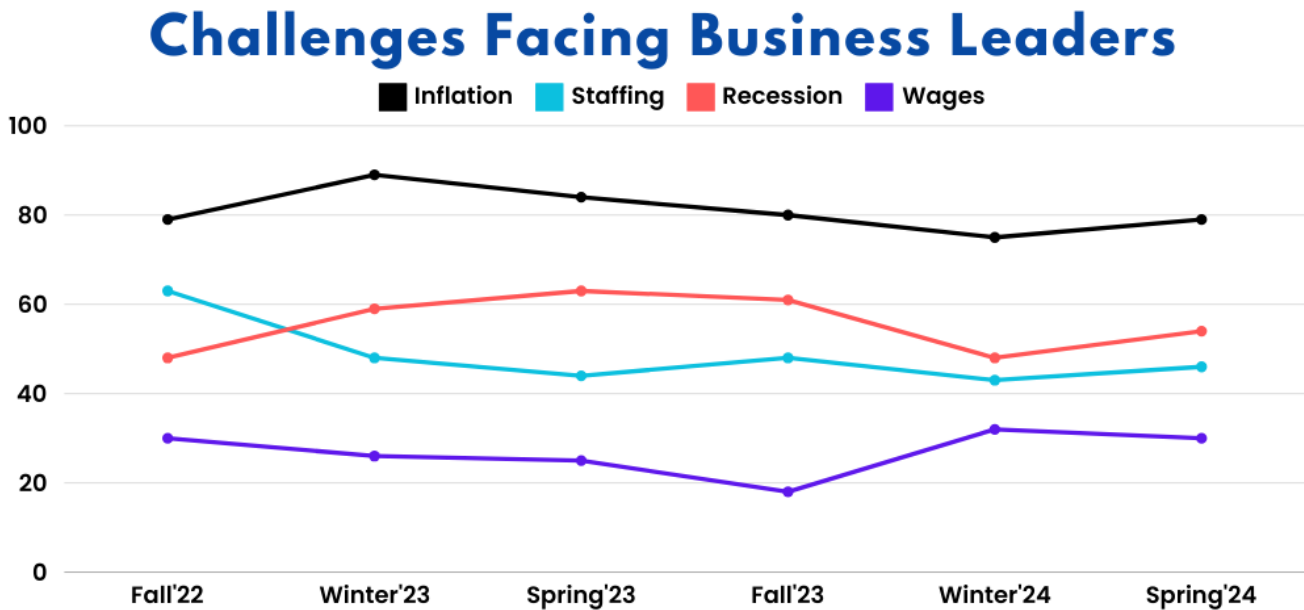
Table1. Current results and changes in the Business Barometer Indexes

	Current Results Spring 2024	Change from Winter 2024	Change from Fall 2023
Overall Business Barometer	443	12	110
Current Economic Situation Index	146	34	44
Future Expectations Index	116	-5	25
Business/Firm Performance Index	148	-17	27
Employment Outlook Index	33	0	13

Key indicators remain relatively unchanged

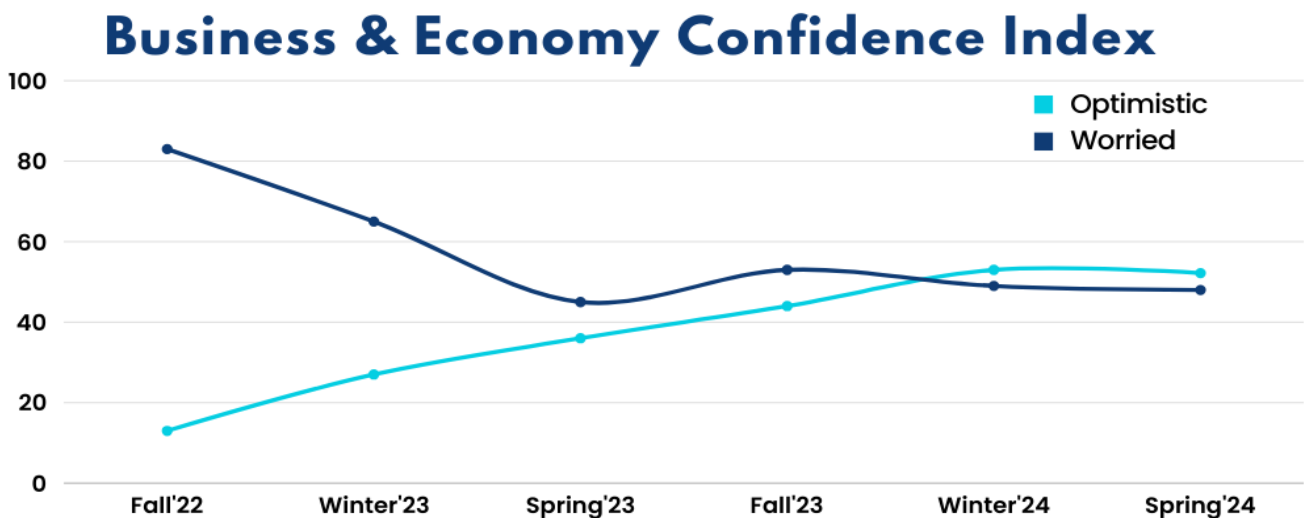
Tennessee business leaders also provided feedback on many challenges and key indicators for predicting economic growth related to inflation, staffing, etc. The Spring 2024 results are consistent with the results from earlier in the year (see Figure 3).

Figure 3. Potential Concerns and Challenges facing Tennessee business leaders



Business leaders are still navigating several business challenges and the potential risk of recession. However, as shown in Figure 4, many business leaders are becoming optimistic and confident that their organizations will be a stronger and more efficient enterprise that will be ready to grow into the future.

Figure 4. Business leaders are more optimistic about the near future

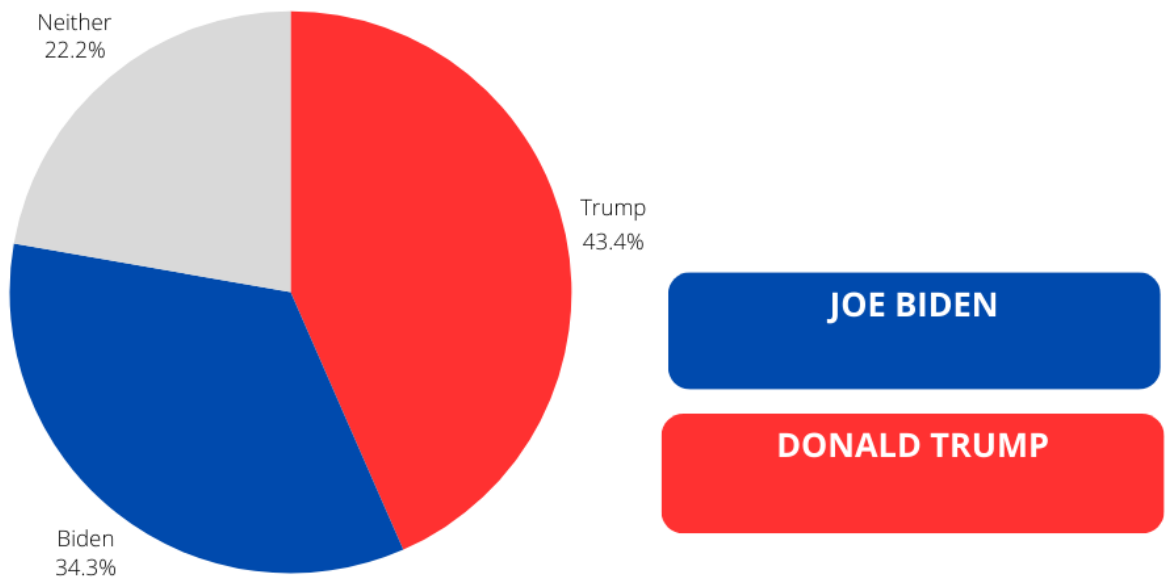


Who do Tennessee business leaders prefer for President?

Tennessee business leaders are primarily focused on running their businesses. Yet, many still take interest in politics and the effects that each election may have on the macro economy and their business. As shown in Figure 5, 1/5 of Tennessee business leaders prefer neither candidate in the upcoming 2024 election.

Figure 5. Presidential preferences of Tennessee business leaders

Presidential Preferences



Collaborate with us

The Office of Consumer Research (OCR), in collaboration with the Tennessee Chamber of Commerce & Industry, collects data throughout the year to measure Business Leaders' (Tennessee Business Barometer¹) and Tennessee consumers' (Tennessee Consumer Outlook Index) perceptions of the economy. We welcome your comments, questions, and suggestions. Please contact Dr. Michael Peasley for more information.

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¹ The Tennessee Business Barometer scores are based on business leaders' responses to 17 questions measuring their perceptions of the current economy, the future economy, regulatory conditions, economic conditions related to their firm and business industry, and staffing/hiring decisions. Five questions make up the Current Economic Situation Index, five questions make up the Future Expectations Index, five questions make up the firm performance index, and two questions make up the Employment Outlook Index. The Overall Outlook Index is based on all 17 questions combined.

The scores for each index are computed by adding the percentage of favorable responses to each question and subtracting the percentage of negative responses to each question. A net score of zero indicates the percentage of business leaders who hold negative views of the economy is equal to the percentage who hold positive views of the economy. A net positive score indicates business leaders who hold positive views of the economy outnumber those who hold negative views of the economy (vice versa for a net negative score).