



Business Barometer
FALL 2024

**MIDDLE
TENNESSEE**
STATE UNIVERSITY

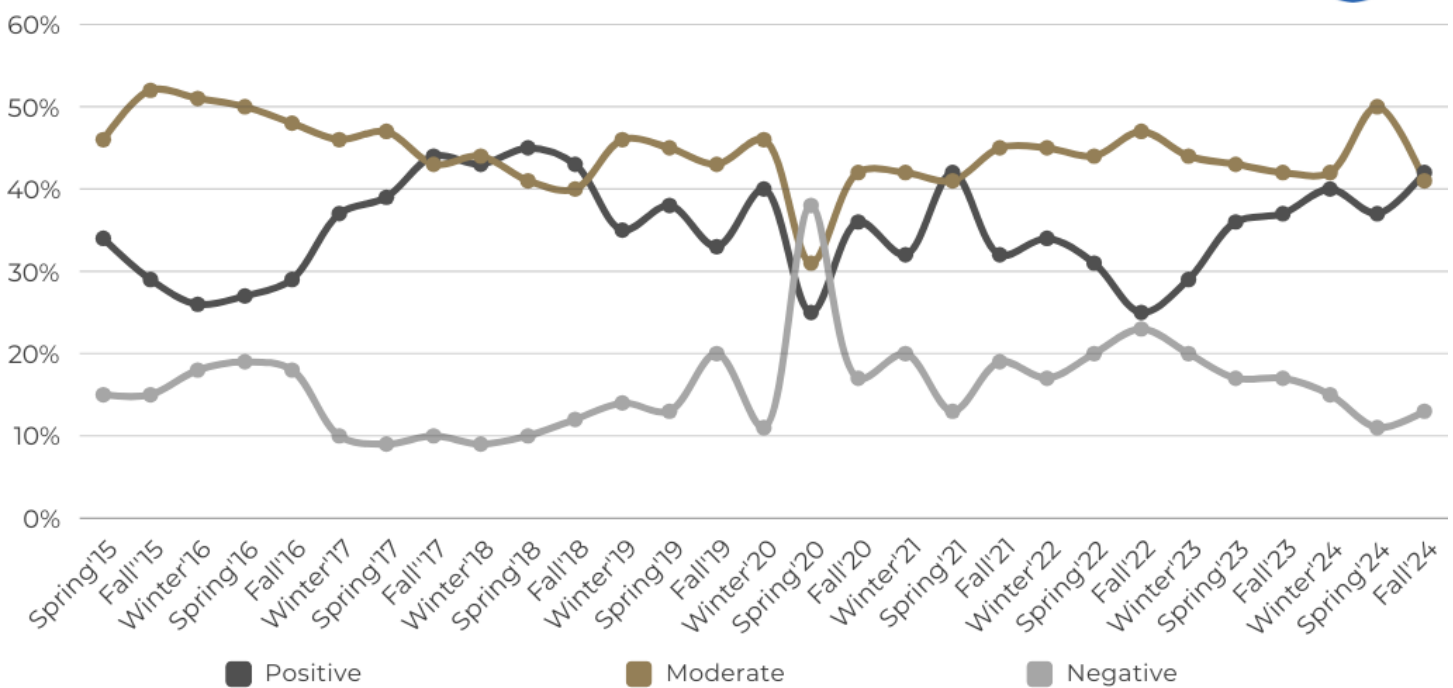
Jones College of Business
Office of Consumer Research

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 Fall 2024 Tennessee Business Barometer results and outlook.

Business Leader Positive Sentiment at a Three-Year High

Business sentiment continues to improve, now at a three-year high of 42%. In contrast to Tennessee consumers, Tennessee business leaders appear to be more positive and more optimistic about the health of the economy.

Overall Business Sentiment



Average positive, moderate, and negative responses across all 15 business barometer questions.

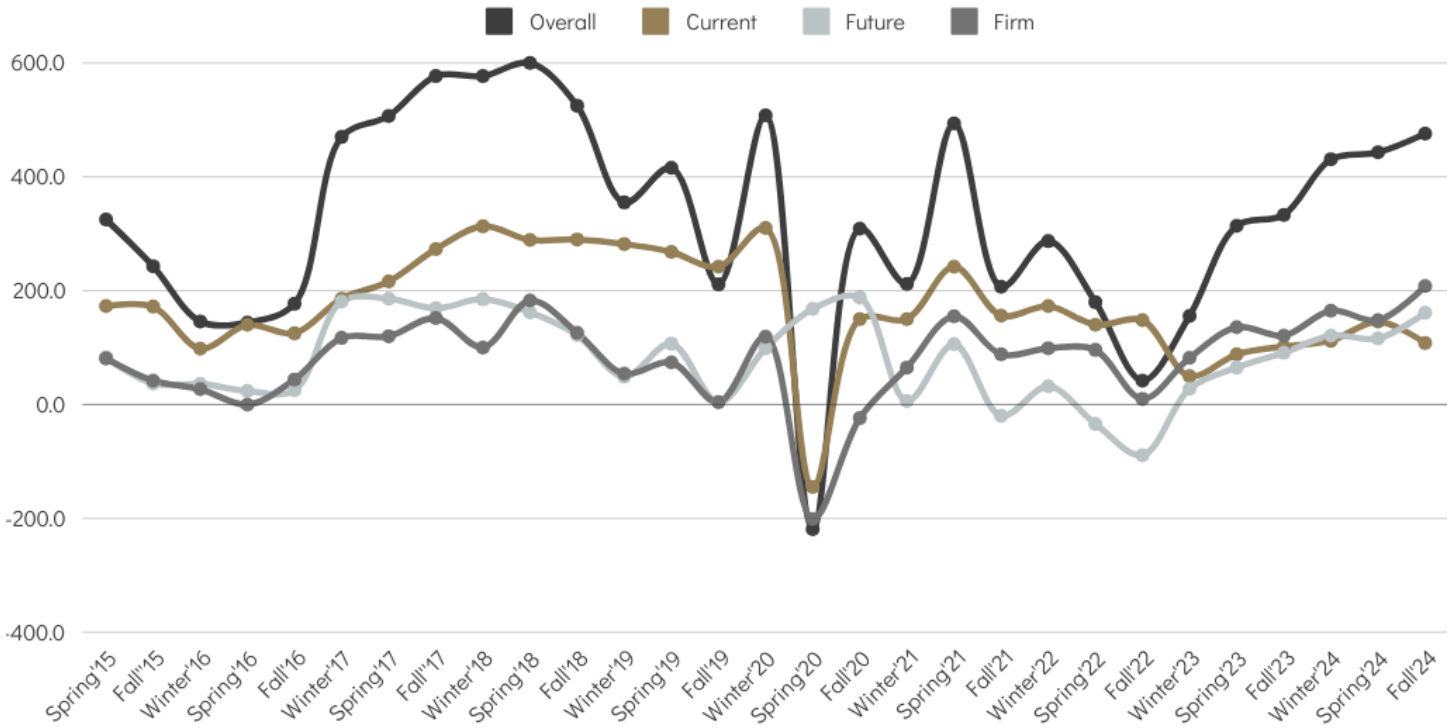
After a steady decline from the Fall of 2021 to the Fall of 2022 while the Federal Reserve made its mission to conquer inflation, the Overall Business Barometer¹ has improved steadily, getting closer to the pre-Covid highs in early 2020. Further, this quarter:

- 23.7% of business leaders said that current overall economic conditions are positive and 42.7% expect conditions to improve over the next twelve months.
- 48.9% of business leaders believe economic conditions in their industry are good and 46.2% expect conditions to improve over the next twelve months.

¹ The Tennessee Business Barometer scores are based on business leaders' responses to 15 questions measuring their perceptions of the current economy, the future economy, regulatory conditions, and economic conditions related to their firm and business industry. Five questions make up the Current Economic Situation Index, five questions make up the Future Expectations Index, and five questions make up the Firm Performance Index. The Overall Outlook Index is based on all 15 questions combined.

The most recent Tennessee Business Barometer improved by 65 points, led by an improvement 44 points in the future expectations index and 60 points in the business performance index.

Tennessee Business Barometer



Tennessee Business Barometer Trends



BAROMETER	OVERALL BAROMETER	CURRENT SITUATION	FUTURE EXPECTATIONS	FIRM PERFORMANCE
Fall 2024	476	108	161	208
Δ Spring 2024	65	-39	44	60
Δ Winter 2024	45	-4	40	43
Δ Fall 2023	143	6	70	87

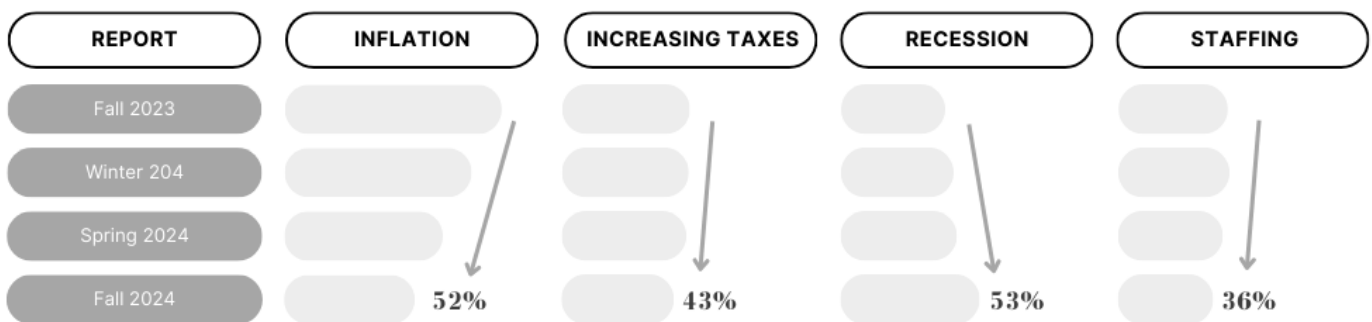
The scores for each index are computed by adding the percentage of favorable responses to each question and subtracting the percentage of negative responses to each question. A net positive score indicates business leaders who hold positive views of the economy outnumber those who hold negative views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

Business Leader Concerns have been Mitigated

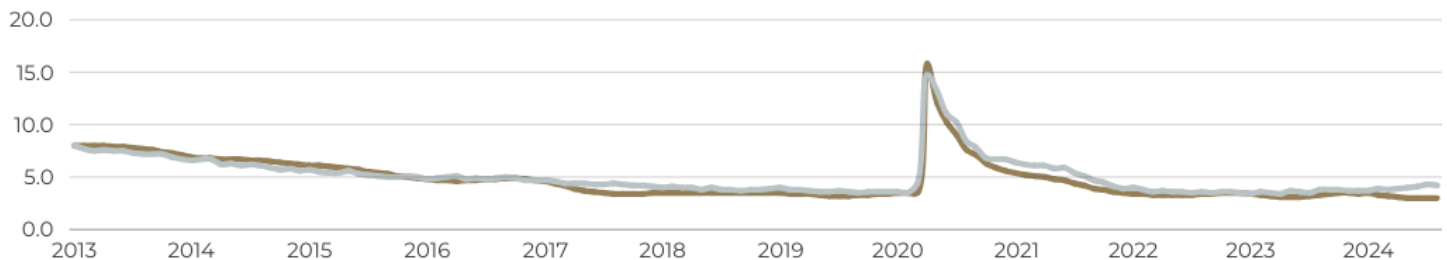
Tennessee business leaders also provided feedback on many challenges and key indicators for predicting economic growth related to inflation, staffing, etc. While the fear of a recession has increased slightly and is now over 50%, concerns about inflation, taxes, and staffing have all decreased over the last year, especially a substantial decline in inflation concerns. Further:

- 59.8% of business leaders said they expect their firm sales to increase this year, and only 8.7% expect their sales to decrease.
- 43.5% of business leaders said they expect their firm’s inventories to increase this year, and only 9.2% expect their firm’s inventories to decrease.
- 44.6% of business leaders said their number of employees will increase this year, while 10.3% said their employee count will decrease and 41.8% said it will stay the same.

Business Leader Concerns



■ Tennessee Unemployment Rate ■ United States Unemployment Rate



Collaborate with us

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

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