Business Barometer

FALL 2025

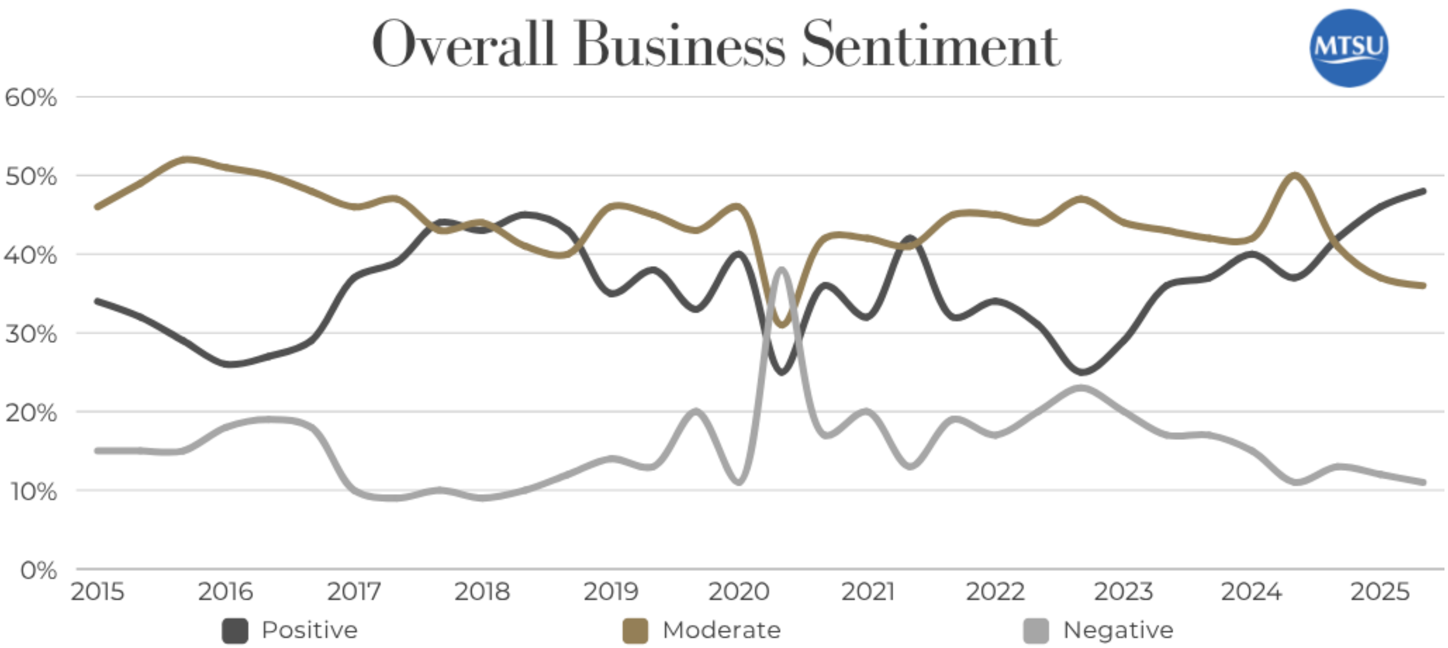
MIDDLE TENNESSEE STATE UNIVERSITY

Jones College of Business
Consumer Research Institute

We're very excited to have you here! Business leaders from across Tennessee responded to the Consumer Research Institute's Business Barometer Survey, offering a business perspective on the current and future outlook of the business and economy. We hope you enjoy the Fall 2025 Tennessee Business Barometer results and outlook.

The Bifurcated Economy: Business Leader Sentiment Accelerates, Consumer Sentiment Drops

Positive sentiment continues to improve, now at an all-time high of 48% for the Tennessee Business Barometer (negative sentiment is at 11.5%). In contrast to Tennessee consumers, whose positive sentiment was 16% and negative sentiment 35% in the latest Consumer Outlook survey, Tennessee business leaders are generally positive about the state of the economy. This contrasting experience is influenced by the income levels of the two groups, savings, and perceived job stability.



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

An Overview of the Tennessee Business Barometer Results

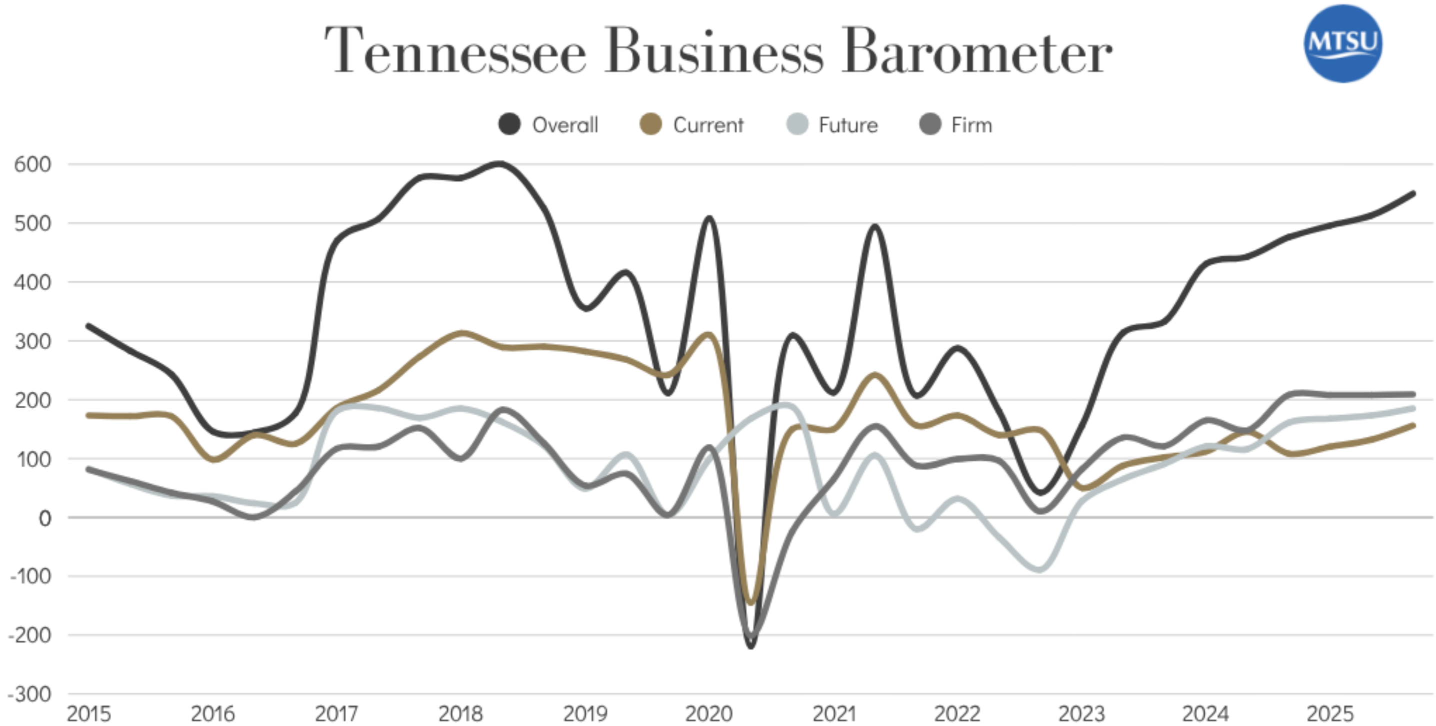
The Overall Business Barometer[1] has improved steadily, with the overall barometer surpassing the pre-COVID-19 highs of early 2020 for the first time. Further, this quarter:

- Over 34% of business leaders reported that current overall economic conditions are favorable, and 51% expect these conditions to improve over the next 12 months.
- Over 53% of business leaders believe economic conditions in their industry are strong, and 49% expect conditions to further 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 most recent Tennessee Business Barometer improved by 37 points, driven by a 24-point increase in the current evaluation and a 12-point rise in future expectations.

- The Current Expectations Index represents the fourth-highest score in five years.
- The Future Expectations Index represents the third-highest score in ten years.
- The Firm Performance Index has achieved its highest score in ten years.



Tennessee Business Barometer Trends

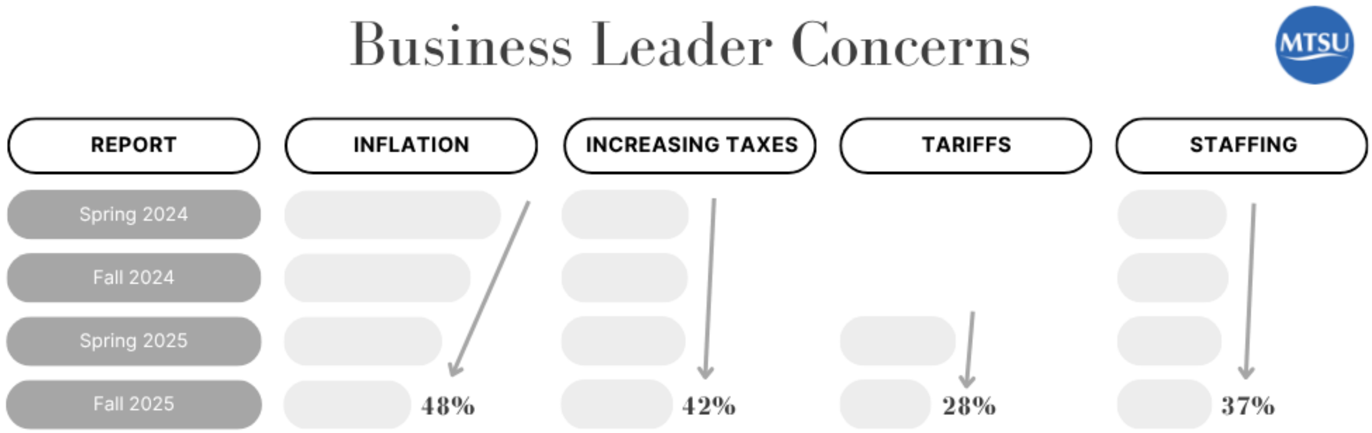
BAROMETER	OVERALL BAROMETER	CURRENT SITUATION	FUTURE EXPECTATIONS	FIRM PERFORMANCE
Fall 2025	550	156	185	209
Δ Spring 2025	37	24	12	1
Δ Fall 2024	74	48	24	0

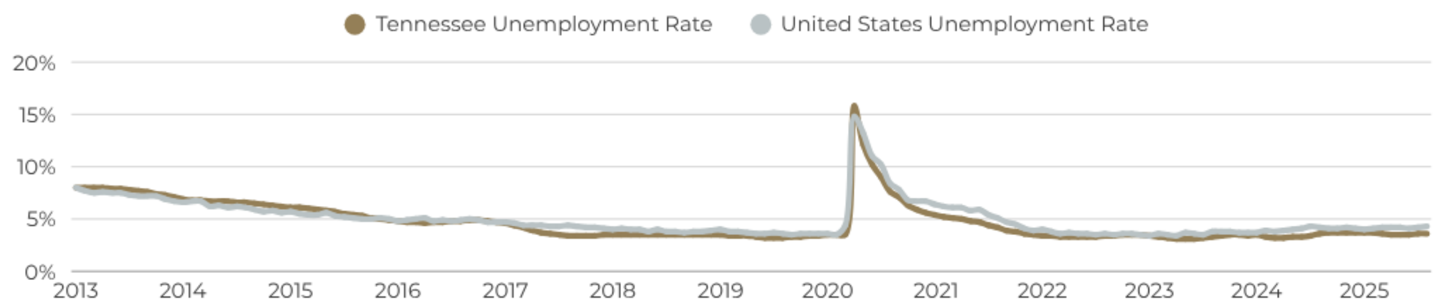
the Current Economic Situation Index, five questions make up the Future Expectations Index, and five questions make up the Firm Performance Index. The Overall Outlook Index is based on all 15 questions combined.
The scores for each index are computed by adding the percentage of favorable responses to 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).

Tennessee Business Leaders are Generally Unconcerned

Tennessee business leaders also provided feedback on various challenges and key indicators for predicting economic growth, including those related to inflation, tariffs, and labor. Concerns about inflation, taxes, tariffs, and staffing have all decreased over the last year. Further:

- 59% of business leaders said they expect their firm's sales to increase this year, and only 9% expect their sales to decrease.
- 59% of business leaders said they expect their firm’s profits to be higher than last year, and only 12% expect their profits to decrease.
- 45% of business leaders said they expect their firm’s inventories to increase this year, and only 10% expect their firm’s inventories to decrease.
- 45% of business leaders said their number of employees will increase this year, while 7% said their employee count will decrease.





Collaborate with us

The Consumer Research Institute (CRI) frequently collects data to report insights on the Tennessee Housing Market (Market Report), Tennessee consumers (Consumer Outlook Index), and Tennessee Business Leaders (Business Barometer), all of which can be found at mtsu.edu/consumer. Please contact Dr. Michael Peasley for more information.

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