

NASHVILLE REGION'S 2018

VitalSigns®

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This report is developed in partnership with the Greater Nashville Regional Council (GNRC) which serves as the federally-designated Metropolitan Planning Organization (MPO) for the Nashville area. Funding for the report is provided in part by grants from the Federal Highway Administration, Federal Transit Administration, and Tennessee Department of Transportation.

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ABOUT NASHVILLE REGION'S VITAL SIGNS

Every fall, the Nashville Area Chamber of Commerce releases the Vital Signs report to track key issues that impact the region's well-being and quality of life while introducing community-driven solutions to address them. The Chamber's Research Center leads the data collection for the project and the Greater Nashville Regional Council (GNRC) is the Chamber's lead partner in the effort.

Chamber leaders brought the Vital Signs program to Nashville after the Chamber's Leadership Study Mission to Toronto in 2011 where Nashville leaders learned of Toronto's Vital Signs initiative. The Vital Signs process was created in 2001 by Community Foundations of Canada as a broad, agenda-setting mechanism focused on outcomes and solutions to key community issues. The Vital Signs trademark is used with permission from Community Foundations of Canada.

The 2018 Nashville Region's Vital Signs is a snapshot in time using data to explain opportunities and issues facing the Nashville region and highlighting innovation in addressing the challenges before the region.

Each section of Vital Signs also features ways a reader can immediately connect with a program or initiative making a positive difference on transportation, education, affordability and health and wellness. Whether by providing information for discussion among community leaders or creating models for addressing challenges and opportunities before the Nashville region, the real impact of the report comes when the information conveyed is used to inspire action.

EXECUTIVE SUMMARY

The Nashville and Clarksville Metropolitan Statistical Areas (MSAs) are experiencing dynamic growth and change. This growth acts as an economic engine that benefits all of Tennessee and helps the region compete with similarly-sized regions across the United States. Due to a rapidly growing population, as well as business relocations and expansions, the region has surged to the top of many national lists of "best places" to live, work and play. The 2018 Nashville Region's Vital Signs examines patterns and trends in Middle Tennessee around housing, transportation, educational attainment, and the health and wellness of the region's residents.

A study of the region requires a close look at both the thriving Nashville MSA and the Clarksville MSA. The MSAs combined are seeing explosive growth in industries such as health, education, government, military and manufacturing. The close proximity of the MSAs creates an opportunity for increased collaboration among local governments and the business community to drive economic development.

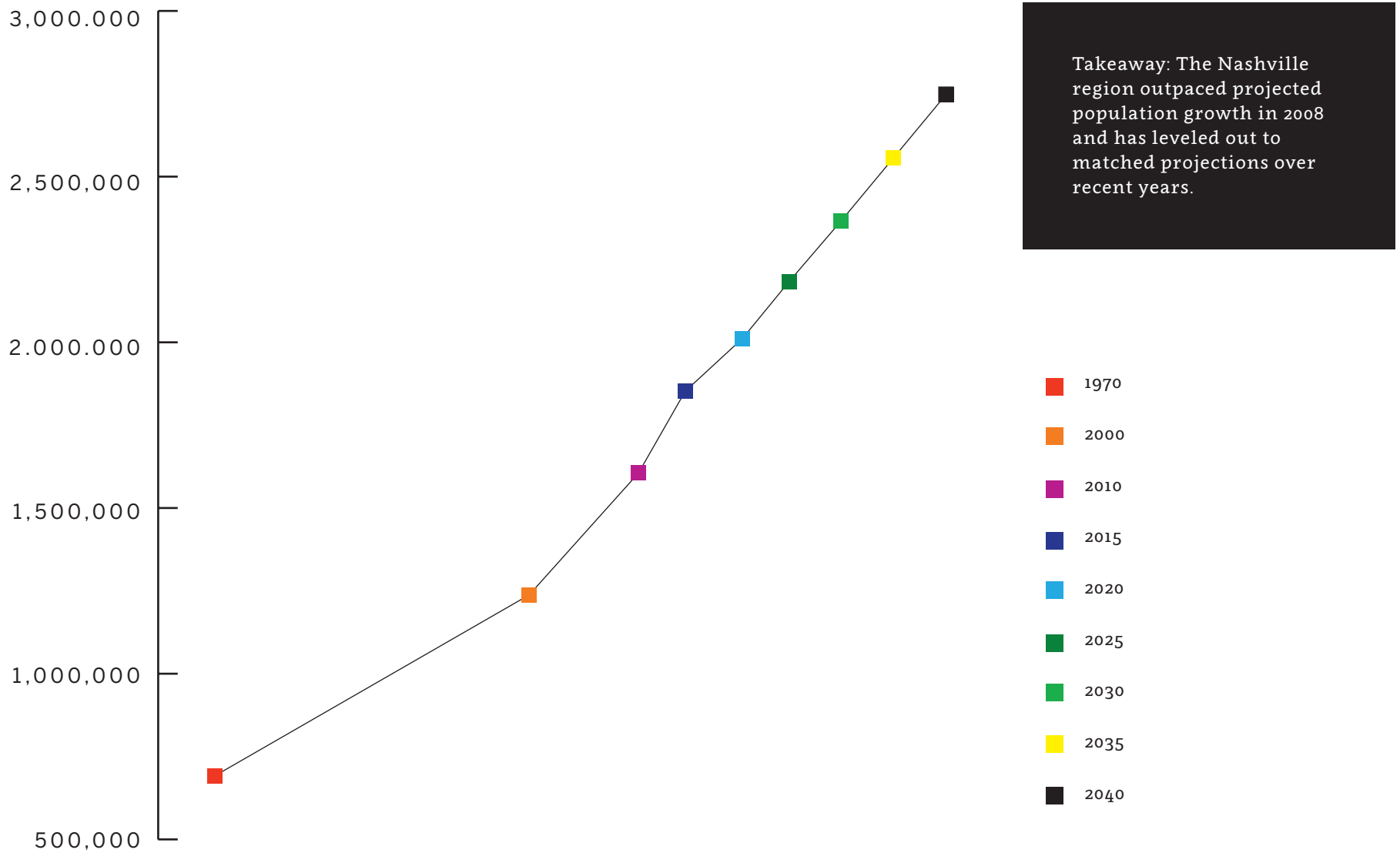
Vital Signs 2018 highlights changes within the region over the 10 years since the Great Recession and examines how these changes have created unprecedented growth and opportunity in Middle Tennessee. However, this growth also brings the challenge of ensuring that increased economic opportunities are available for all residents. With unprecedented growth and opportunity for the joint regions over the past 10 years, it is important that we reflect on how the region has changed and how current conditions will impact its future.

POPULATION

The last decade began with rapid population growth in 2008 that outpaced projections, but has seen a leveling out in recent years. From 2010 to 2017, the Nashville MSA grew by an average of 32,470 people each year, approximately 89 people each day, and U.S. Census data indicates that the Nashville MSA grew by 94 people each day in 2017. However, even as the population of the MSA increases, net migration continues to be a concern for the core of the region since 2,397 more people moved out of Davidson County than moved in from 2016 to 2017.

NASHVILLE MSA HISTORIC AND PROJECTED POPULATION GROWTH

Sources: U.S. Census Bureau Decennial Census, 2015 Population Estimates Program and Woods & Poole Economics Inc.



The Clarksville MSA increased in population from 261,691 in 2010 to 285,602 in 2017- a total of 23,911 people. The growth of the Nashville MSA and the Clarksville MSA together have contributed to a combined increase of a quarter million in population from 2010 through 2017 (250,711 or 12.9%).

THE NASHVILLE REGION'S GROWTH

This 10-year period of population growth for the two MSAs after the recession, coupled with the growth of industries like science, technology, health care, tourism, administration and auto manufacturing, led to the joint MSAs significantly outperforming job growth projections released in 2010. The increase in the number of employers and population in the MSAs also boosted economic activity in the region. The Clarksville MSA GDP increased from \$9.1 billion in 2008 to \$11.0 billion in 2017 and the Nashville MSA GDP changed from \$81.2 billion in 2008 to \$133.3 billion in 2017.

As the economy improved, both MSAs experienced significant growth in employment participation. The Clarksville MSA labor force grew by nearly 10 percent from July 2008 to July 2018. Over this same 10-year period, the unemployment rate dropped from its highest during the recession of 10.8 percent in July 2009 to 5.1 percent in July 2018.

From July 2009 to July 2018, employment in the Nashville MSA increased by more than 23 percent. Furthermore, the Nashville MSA unemployment rate dropped from 10.1 percent in July 2009 to 3.2 percent in July 2018, which is lower than the national average.

WORKFORCE AND EDUCATION

Middle Tennessee cities and counties are working within their pre-K-12 school systems to create a pipeline of talent. The pre-K-12 pipeline is augmented by programs such as the Academies of Nashville, Tennessee Promise and Tennessee Reconnect. These programs provide educational opportunities with input from area employers that lead to post-secondary credentials aligned for today's workforce. It is critical that an emphasis continues to be placed on aligning business needs and workforce development skills to ensure the degrees or certificates earned produce relevant, highly-skilled employees.

In addition to creating home-grown talent, Middle Tennessee benefits from new residents who help fill the gap between job openings and the available workforce. However, new residents will only continue to come to Middle Tennessee if they are attracted to the region's quality of life. This means businesses, and the Chamber, need to focus on quality of life issues such as affordability and transportation.

HEALTH

The Nashville area is known as the healthcare industry capital of the world. The healthcare industry has an economic impact of \$46 billion and helps to sustain over 270,000 jobs in the Nashville region's economy. Despite the abundance of healthcare resources available in the region, Middle Tennessee still has many poor health outcomes. In addition to uninsured residents, the Nashville MSA also has higher than expected percentages of mothers without prenatal care, children without health insurance and obesity in school-age children. The high rates of obesity, heart disease, diabetes and other illnesses make health care a critical issue for employers who need a healthy, productive workforce.

An increased labor force, low unemployment and increasing wages mean employers are facing tremendous pressure to attract and retain employees. Now that employers are struggling to find employees, they are considering providing more incentives to retain employees. Employers may choose to increase paid time off, life insurance and medical insurance to incentivize current and future employees.

TRANSPORTATION AND OTHER INFRASTRUCTURE

The increase in cost of living is one of the issues most commonly attributed to the region's growth. The data shows while the overall cost of living in the Nashville region remains lower than the national average, the increased cost of housing due to a lack of supply and increased demand have become a burden on households.

Housing and transportation costs comprise the largest shares of most household budgets. Households that spend more than 30 percent of their income on housing, and more than 20 percent of their income on transportation, are considered cost burdened.

Even though the region boasts weekly wages on par with the national average of \$1,101, low unemployment rates and high job growth, an increasing number of joint MSA residents are spending the majority of their earnings on housing and transportation making them cost burdened. The Nashville MSA's rapid growth has increased housing demand and housing costs; in 2008, the median home price was \$159,800, but it jumped to \$246,500 in 2018. The housing costs for the Clarksville MSA have increased as well. The average cost of a home was \$171,130 in 2008 and \$203,410 in 2018. As residents seek to decrease their housing and transportation costs, the need to offer additional housing options and to improve access to jobs and opportunity is imperative.

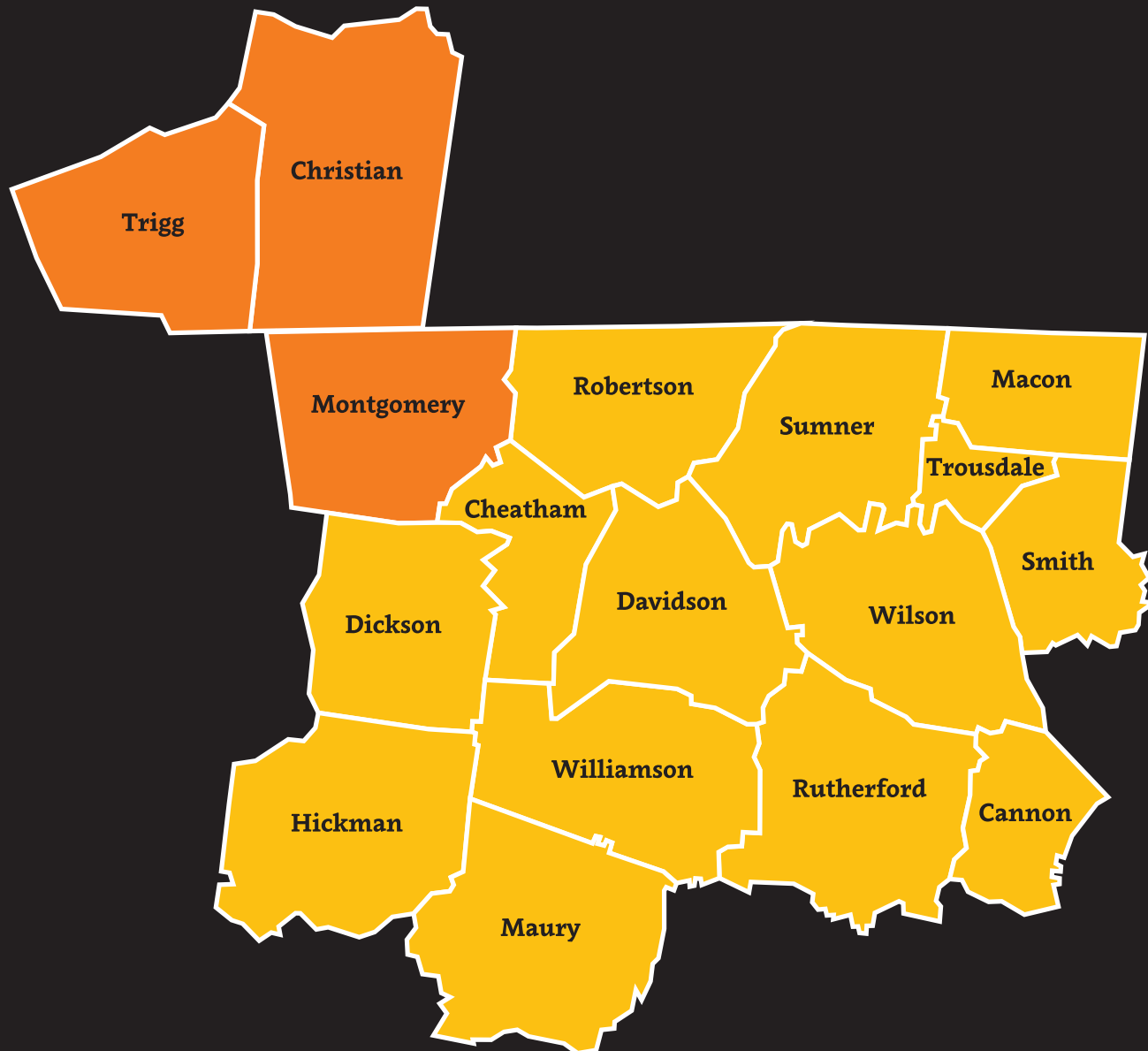
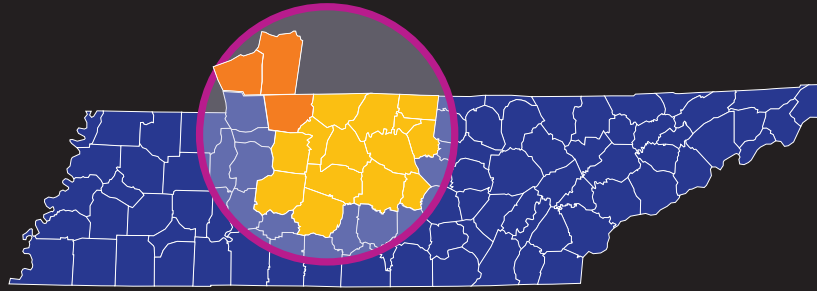
AFFORDABILITY

The Nashville region's growth since the Great Recession has resulted in a 5.3 percent increase in median household income in the decade between 2006 and 2016, equating to \$3,042.

Despite the increases in income, a growing number of residents in Middle Tennessee find it difficult to locate housing within their budget. Residents struggle to find housing for many reasons: the pace of growth in Nashville and the addition of new residents has led to an imbalance in supply and demand of housing. Looking at the same time frame as the household income increase, 2006 to 2016, median home prices increased dramatically from \$175,000 in 2006 to a little under \$250,000 in 2016.

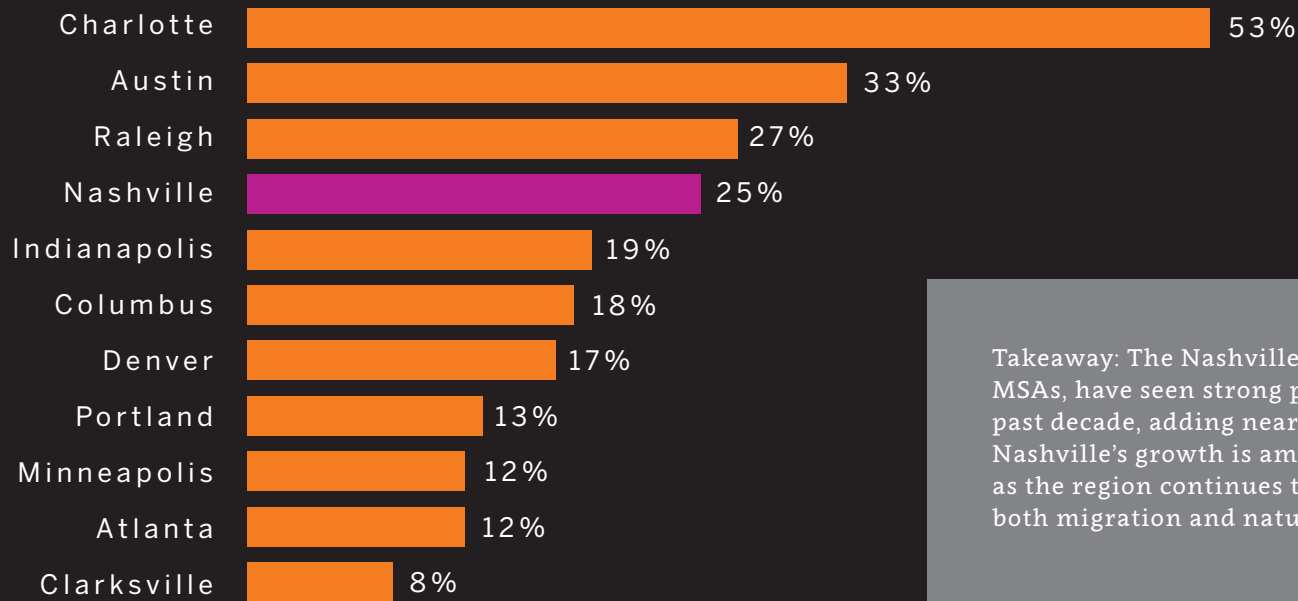
The future success of the region depends on whether Middle Tennessee can figure out a way to embrace the new growth while ensuring residents who work within the region can also afford to live within the region.

OUR REGION



POPULATION GROWTH: 2007 - 2017

Source: U.S. Census Bureau, 2017



Takeaway: The Nashville MSA, along with peer MSAs, have seen strong population growth over the past decade, adding nearly 400,000 new residents. Nashville's growth is among the highest in the nation as the region continues to add population through both migration and natural increase.

METROPOLITAN STATISTICAL AREAS

Source: US Census Bureau, 2017 American Community Survey (ACS), 1-Year Estimates

Metropolitan statistical areas (MSAs) are geographic entities with a core urban area of 50,000 or more population, delineated by the Office of Management, and Budget (OMB) and revised with the Decennial Census.

	United States	Nashville MSA	Clarksville MSA
Total Population	325,719,178	1,904,226	285,602
Median Age	38.1	36.4	30.9
Median Home Value	217,600	241,900	159,800
Median Household Income	60,336	63,939	54,667
Below Poverty	13.4%	10.9%	14.9%
Foreign Born	13.7%	8.1%	4.3%
Without health insurance	8.7%	9.5%	8.3%

THE NASHVILLE REGION'S GROWTH

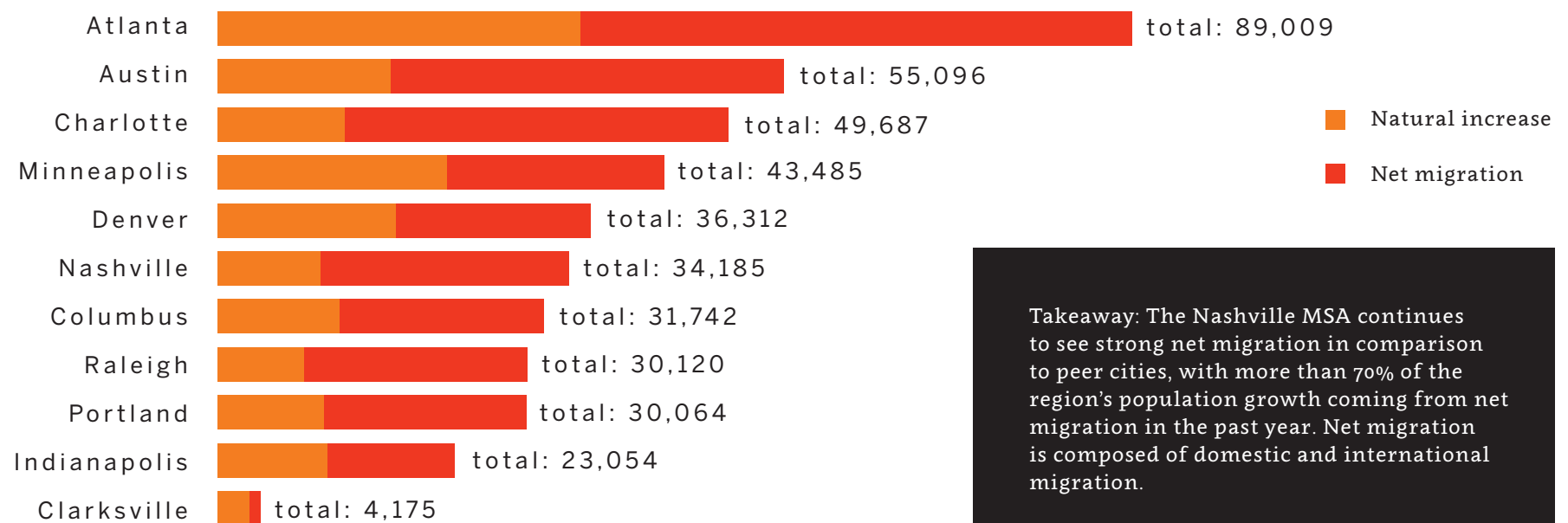
This 10-year period of population growth for the two MSAs after the recession, coupled with the growth of industries like science, technology, health care, tourism, administration and auto manufacturing, led to the joint MSAs significantly outperforming job growth projections released in 2010. The increase in the number of employers and population in the MSAs also boosted economic activity in the region. The Clarksville MSA GDP increased from \$9.1 billion in 2008 to \$11.0 billion in 2017 and the Nashville MSA GDP changed from \$81.2 billion in 2008 to \$133.3 billion in 2017.

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From July 2009 to July 2018, employment in the Nashville MSA increased by more than 23 percent. Furthermore, the Nashville MSA unemployment rate dropped from 10.1 percent in July 2009 to 3.2 percent in July 2018, which is lower than the national average.

POPULATION CHANGE: 2016 - 2017

Source: U.S. Census Bureau, 2017

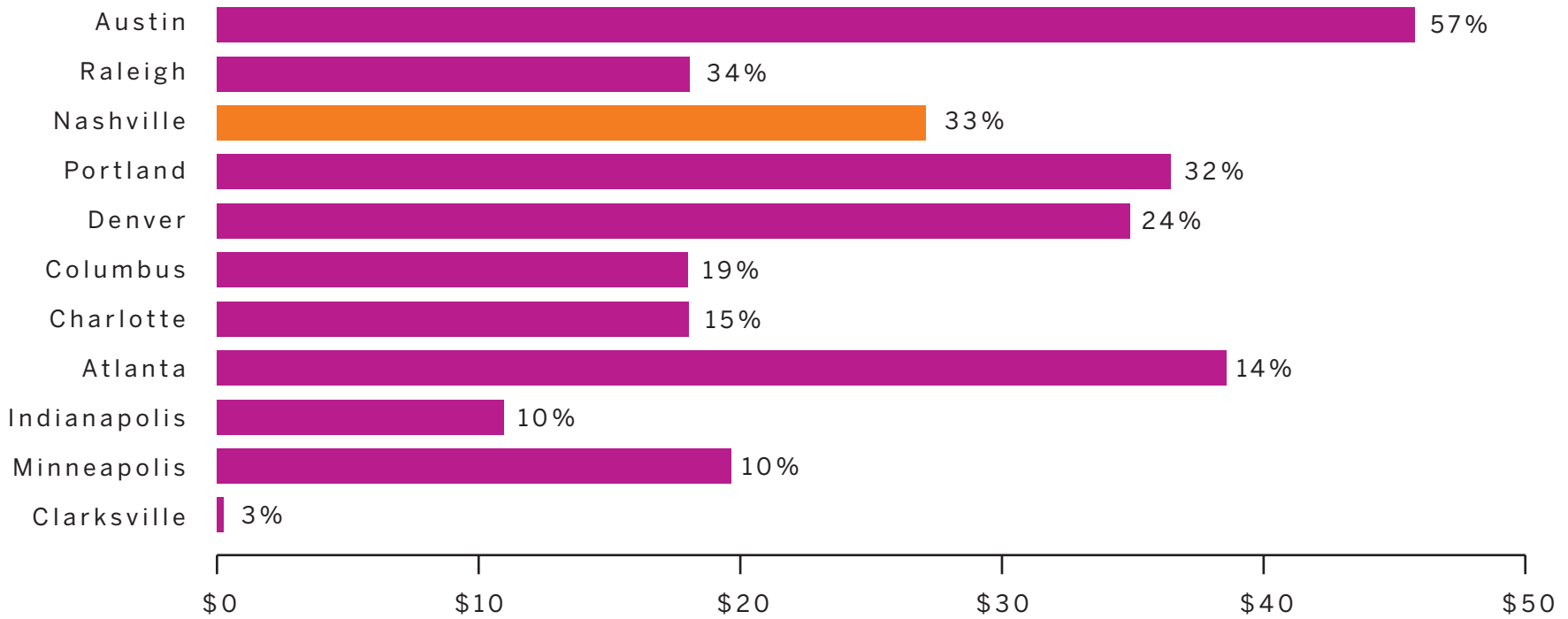


Takeaway: The Nashville MSA continues to see strong net migration in comparison to peer cities, with more than 70% of the region's population growth coming from net migration in the past year. Net migration is composed of domestic and international migration.

Natural increase refers to the difference between the number of live births and the number of deaths occurring in a year.

GROSS DOMESTIC PRODUCT INCREASE, IN BILLIONS, AND PERCENTAGE GROWTH: 2006 - 2016

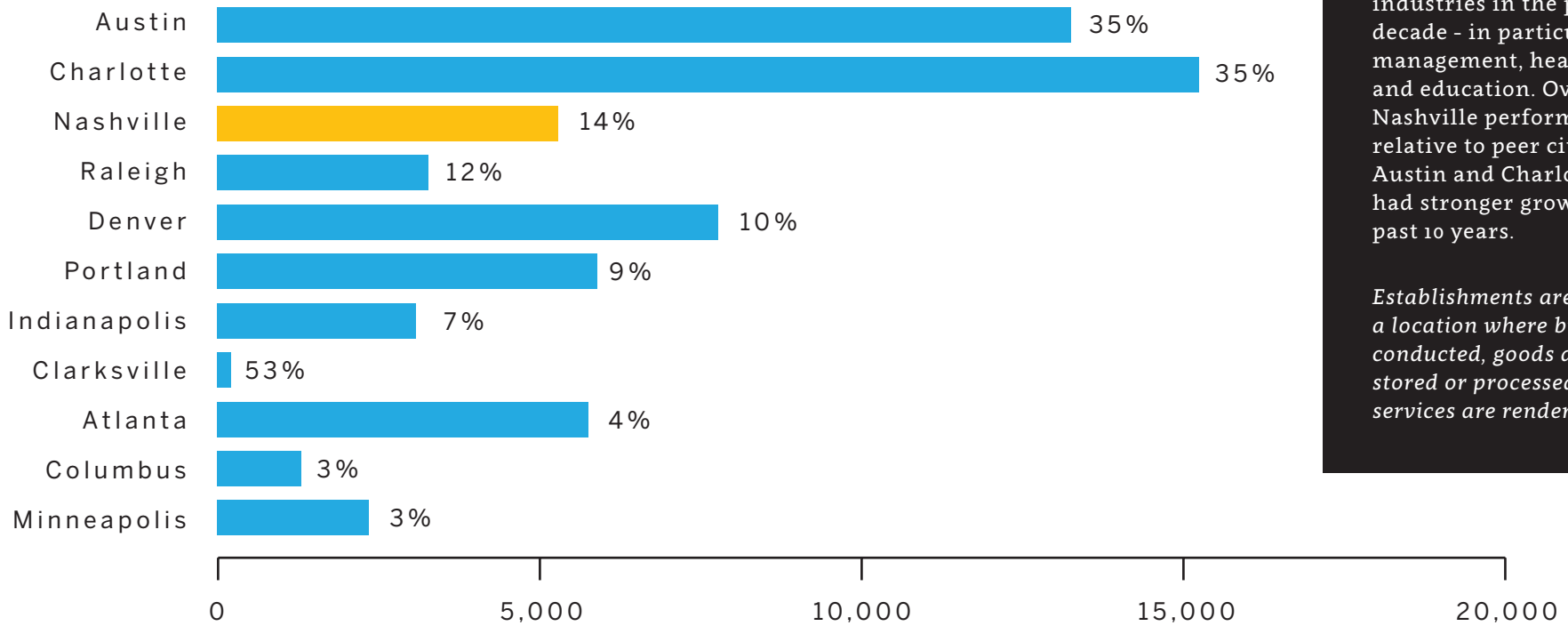
Source: Bureau of Economic Analysis, 2016



Takeaway: The past decade has brought incredible growth to Nashville evidenced by increasing economic activity in the region. Nashville performs well amongst its peers in gross domestic product (GDP) growth in terms of both percentage and raw growth. GDP is the value of all goods and services produced in a defined area in a year.

ESTABLISHMENT GROWTH: 2006 - 2016

Source: U.S. Census Bureau, 2015

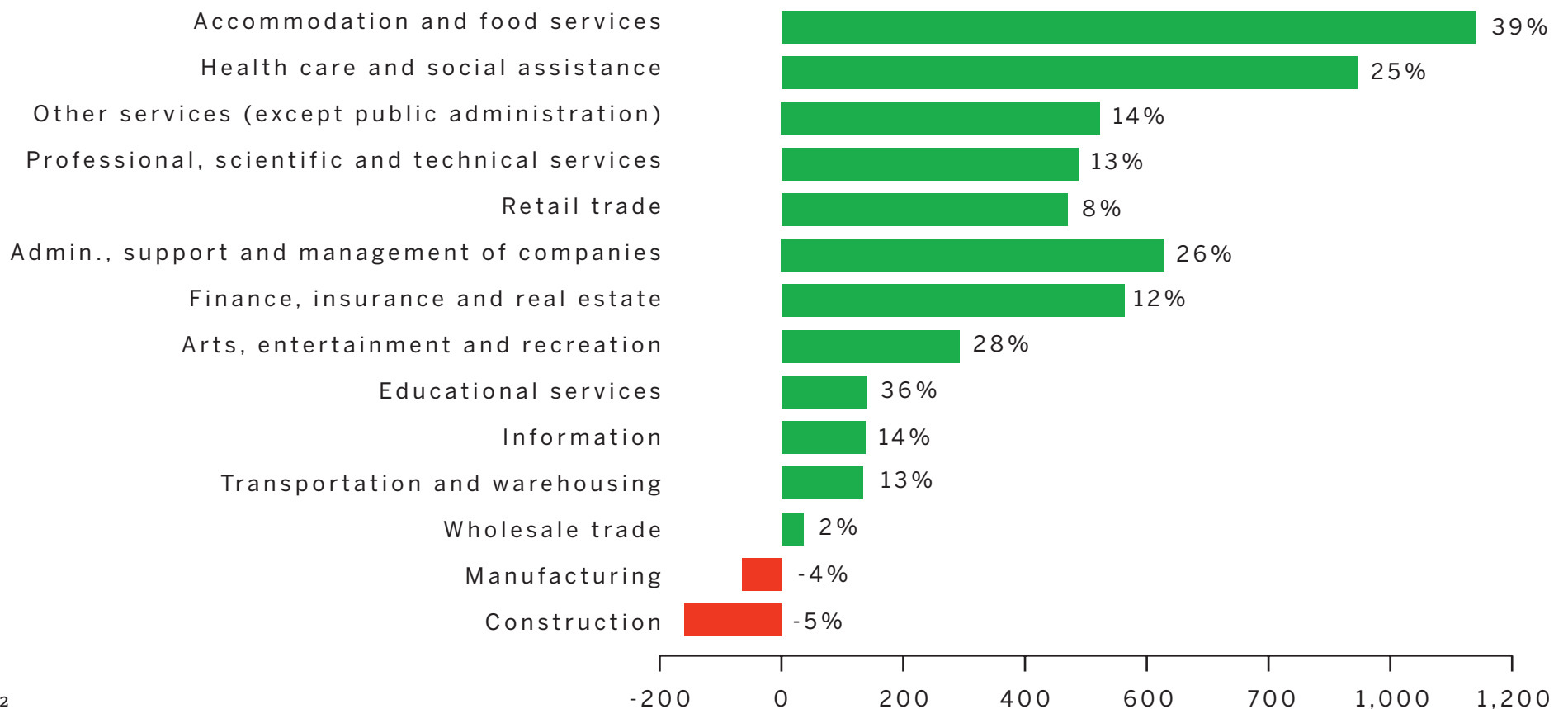


Takeaway: The Nashville MSA has added more than 4,000 establishments across a wide array of industries in the past decade - in particular, management, health care and education. Overall, Nashville performs well relative to peer cities, but Austin and Charlotte have had stronger growth in the past 10 years.

Establishments are defined as a location where business is conducted, goods are made or stored or processed, or where services are rendered.

NASHVILLE MSA INDUSTRY GROWTH: 2006 - 2016

Source: U.S. Census Bureau, 2015



NOTABLE HIGHLIGHTS DURING THE RECOVERY PERIOD INCLUDE:

Over the past 10 years, the number of annual visitors to the Nashville region grew from 10 million to 14 million.

Nashville has ranked within the top 10 large metros for job growth and population growth for the past four years.

From July 2009 to July 2018, employment in the Nashville MSA increased by more than 23 percent.

The unemployment rate for the Nashville MSA decreased by almost half over the past ten years from 6.0 percent in July 2008 to 3.2 percent in July 2018.

From 2010 to 2016, Tennessee's large urban areas, led by Nashville, accounted for 57 percent of all employment growth in the state, according to the Brookings Institution.

From 2008 to 2018, housing values rose 75 percent in Nashville, compared with 33 percent in Charlotte and 26 percent in Atlanta, according to the Brookings Institution.

More than 10,000 people live downtown today, a 60 percent jump since 2012. In that same time, roughly 20,000 more jobs have moved downtown, according to the Nashville Downtown Partnership.

WORKFORCE AND EDUCATION

After an unemployment rate of 10.1 percent in July 2009, the Nashville MSA's unemployment rate dropped to 3.2 percent in July 2018. The Nashville MSA unemployment rate reached its highest level in June 2009 at 10.4 percent.

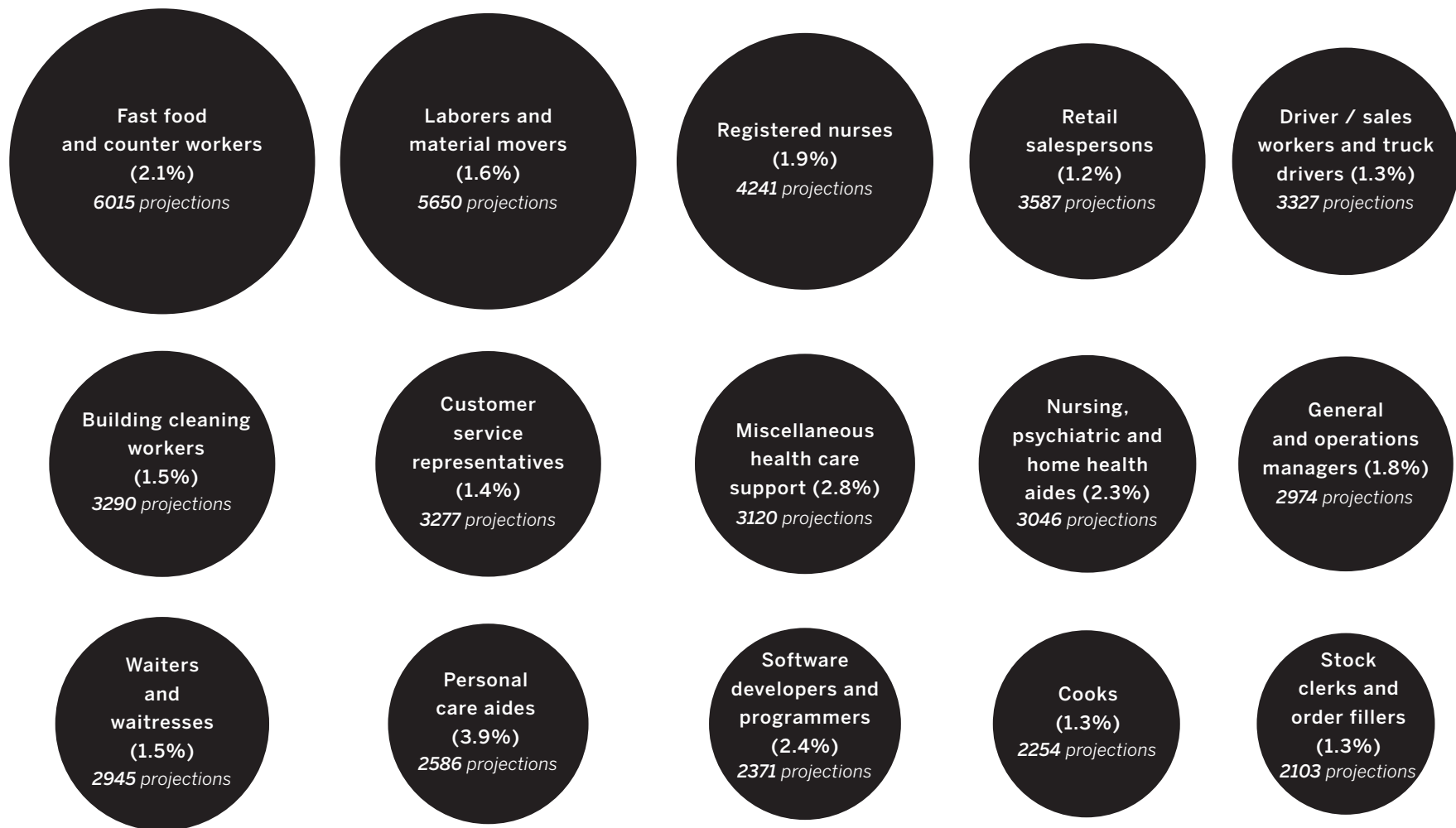
Every region's workforce has two sources. The first source is the pipeline of residents – youth educated through our pre-K-12 schools, as well as adults who return to school to complete their GED or seek post-secondary education. The second source is new talent moving to the region. The region must grow and attract talent to meet today's needs and prepare for the jobs of the future.

Industry needs, changes in technology and changes in the economy impact the region's workforce landscape. It is predicted that over the next 10 years, the fastest growing occupations for this region will include jobs in retail, restaurants, healthcare workers in various capacities, laborers and software developers and programmers.

FASTEST-GROWING OCCUPATIONS OVER THE NEXT 10 YEARS - AVERAGE ANNUAL GROWTH RATE

Source: Chmurrea, 2018

* The size of each circle represents the number of projected jobs.

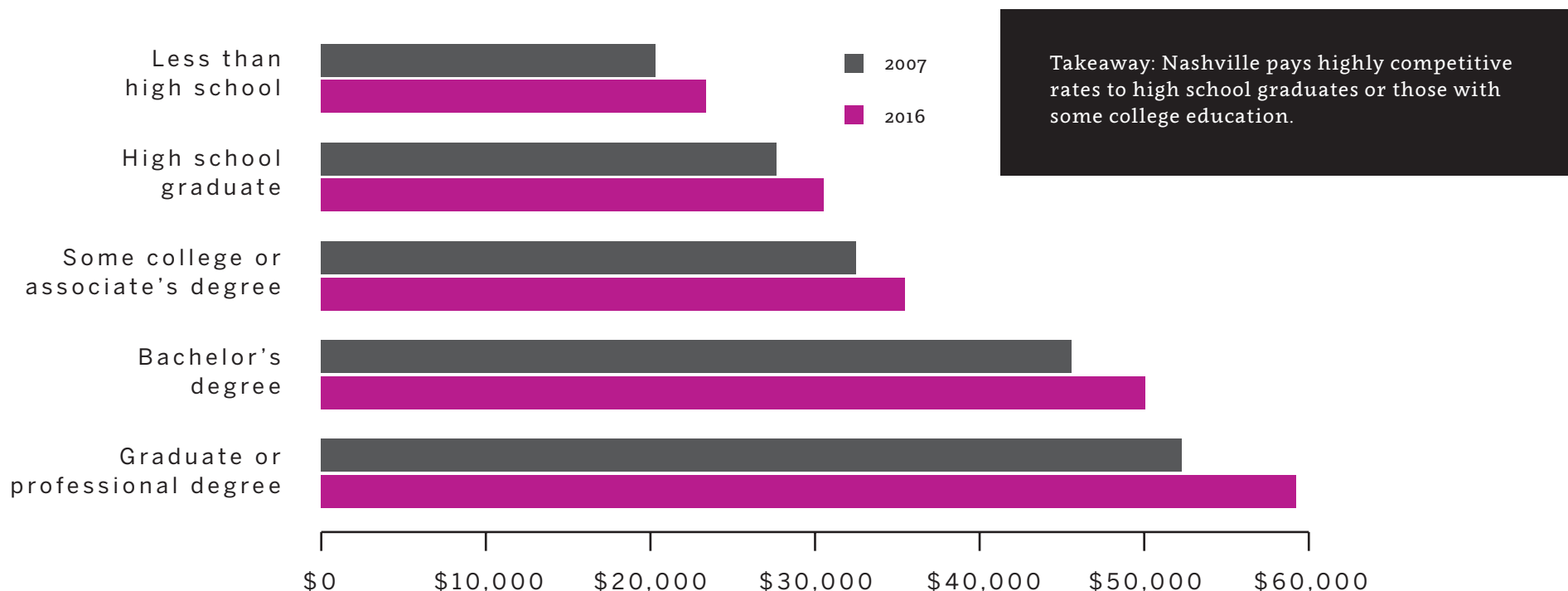


Takeaway: Over the next 10 years, occupations such as personal or home health workers, registered nurses and other health care support occupations will expand their reach in the region.

Additionally, we know the jobs within these broad categories demand varying levels of education which is directly related to workers' earnings. Since 2007, there has been a continued correlation between the level of education and income across the region. Jobs in the Nashville MSA pay between \$30,519 and \$35,468 for people with high school diplomas and some level of college, but the MSA is falling behind in pay for those with graduate or professional degrees, averaging between \$50,070 and \$59,193.

EDUCATIONAL AND MEDIAN EARNINGS IN THE NASHVILLE MSA

Source: American Community Survey, 1 year estimates, 2016



When considering the jobs of the future, projections indicate that an increasing number of jobs will require an associate degree, but not necessarily a bachelor's degree. The Nashville region has a high number of these "middle-skills" jobs – those that require more education and training than a high school diploma but less than a four-year college degree. Meanwhile, the region appears to be falling behind peer MSAs in graduates with associate degrees. Because these positions are so critical to the Nashville region's workforce, educators and employers must continue to evaluate the certificates and degrees awarded in comparison to the rates of employment for related positions.

Poll result: The Vital Signs survey conducted with Middle Tennessee residents found that 30 percent of respondents ages 18 to 34 expect to change jobs within the next year and 50 percent of this age group feel they need more education or training to advance in their career.

AVERAGE EARNINGS BY EDUCATION AND MSA

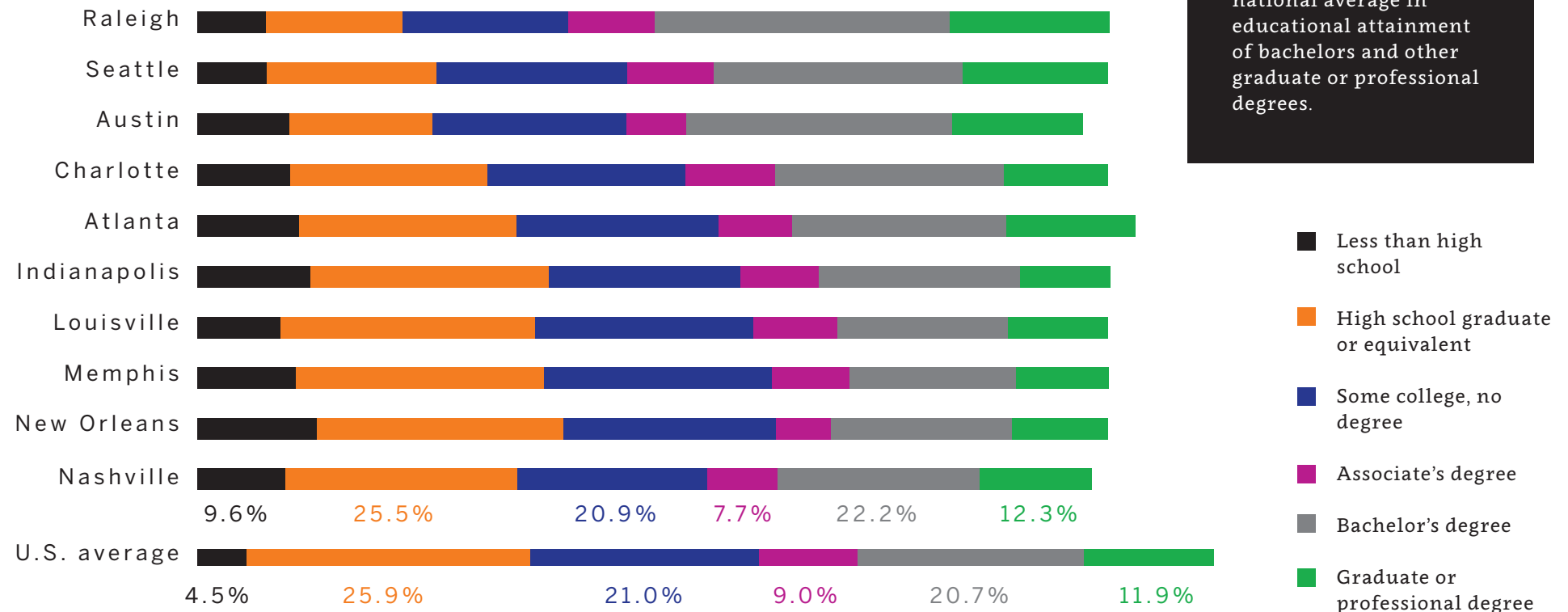
Source: American Community Survey, 1 year estimates, 2016

	Less than high school	High school graduate (includes equivalency)	Some college or associate's degree	Bachelor's degree	Graduate or professional degree
Atlanta	\$21,497	\$29,769	\$35,393	\$52,440	\$67,280
Austin	\$24,163	\$30,412	\$38,930	\$53,821	\$70,856
Charlotte	\$21,715	\$30,324	\$35,033	\$52,389	\$66,404
Indianapolis	\$21,252	\$30,474	\$35,420	\$51,905	\$66,327
Louisville	\$20,296	\$30,707	\$35,229	\$50,997	\$61,825
Memphis	\$21,218	\$26,970	\$32,252	\$49,897	\$61,293
Nashville	\$23,389	\$30,519	\$35,468	\$50,070	\$59,193
New Orleans	\$21,912	\$29,724	\$32,313	\$45,808	\$59,912
Raleigh	\$21,157	\$30,076	\$36,182	\$52,232	\$71,401
Seattle	\$26,562	\$35,097	\$41,029	\$63,081	\$80,939

Takeaway: The region lags behind others in average earnings for persons with graduate or professional degrees.

EDUCATIONAL ATTAINMENT BY MSA

Source: American Community Survey, 1 year estimates, 2016



Takeaway: The Nashville MSA is above the national average in educational attainment of bachelors and other graduate or professional degrees.

Governor Bill Haslam, understanding the need to improve Tennessee's pipeline of "homegrown" talent, created the Drive to 55 program in 2013. This effort, along with the Chamber's work to connect adults to continuing education and afford them more opportunities, is discussed below. Also, the Metro Nashville Public Schools' (MNPS) "Academies of Nashville" program works with high schoolers to help them understand the course work necessary to achieve credentials for middle-skills jobs after high school graduation if a four-year college degree is not the right fit for them.

The Nashville region has a clear picture on what jobs are available in the future and the education and training needed to secure these jobs. The graph above comparing educational attainment by MSAs shows how the Nashville region's overall workforce stacks up against other regions.

Looking at high school graduation rates in the Nashville region, the Clarksville-Montgomery County School System's rate is more than 95.1 percent and Metro Nashville Public Schools' is 80.3 percent, which has increased over time.

Davidson County's increased graduation rate is due in part to the restructuring of high schools with the Academies of Nashville. Each zoned high school in MNPS has multiple academies and each academy

focuses on a different career pathway. More than 350 business and community partners provide students with hands-on learning. For example, Antioch High School has four academies – the Tennessee Credit Union Academy of Business and Finance, the Academy of Engineering and Automotive Technology, the Academy of Teaching and Service, and the Academy of Hospitality and Marketing. Students complete coursework in their pathway while also completing courses necessary to enroll in college. The Academies have been recognized nationally as a high school transformation model that provides students with the skills necessary to succeed when they graduate high school and enter either the workforce or college. For more information on the Academies of Nashville program, visit <https://www.mnps.org/academies-of-nashville/>.

For adults who did not begin or complete college, the Drive to 55 and Project Reconnect can help individuals increase their education to find higher-paying jobs.

Finally, it's worth noting that the workforce the Nashville region is attracting tends to be more highly educated, as shown in the table "Geographic Mobility by Educational Attainment."

GEOGRAPHIC MOBILITY BY EDUCATIONAL ATTAINMENT

Source: American Community Survey, 1 year estimates, 2016

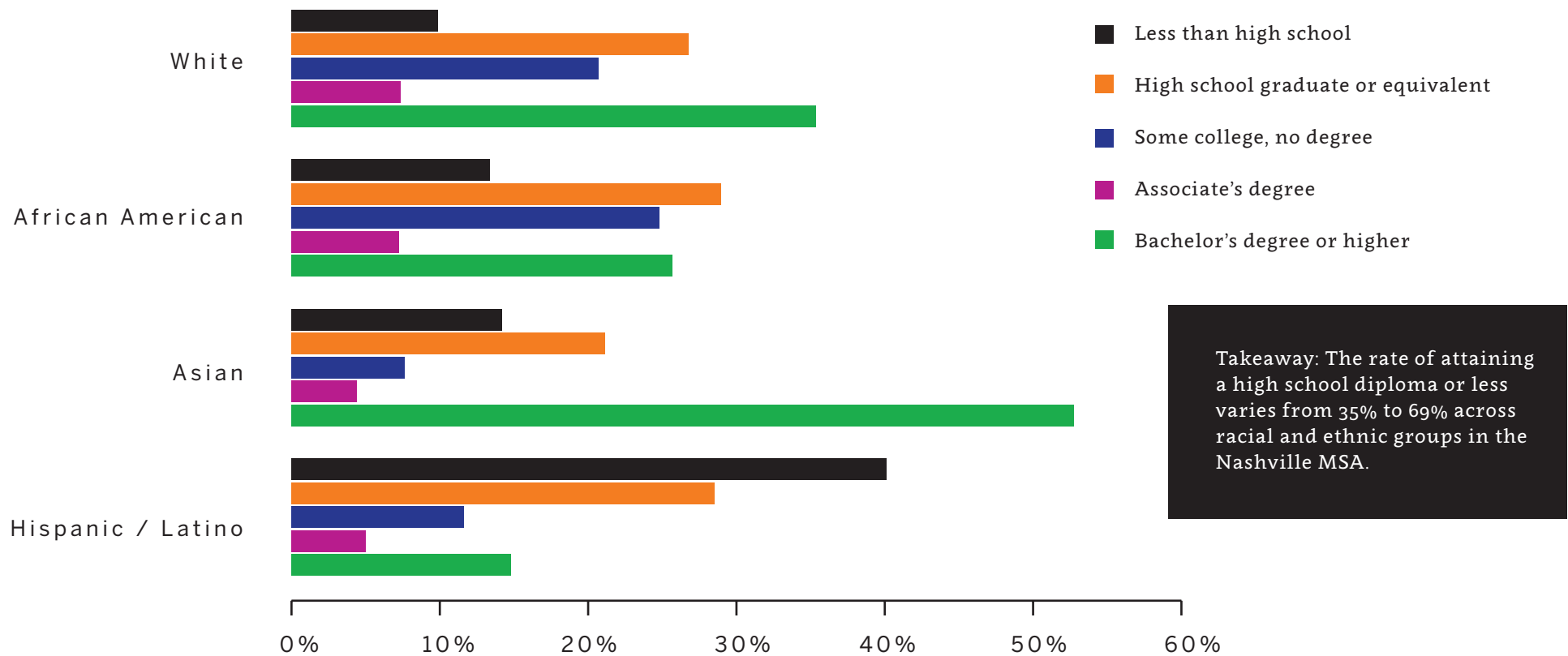
	SAME HOUSE AS 1 YEAR AGO	MOVED WITHIN SAME COUNTY	MOVED FROM DIFFERENT COUNTY WITHIN SAME STATE	MOVED FROM DIFFERENT STATE	MOVED FROM ABROAD
Total population	1,081,884	84,488	41,610	36,623	6,598
Less than high school graduate	10.9%	11.6%	9.3%	5.5%	11.7%
High school graduate	27.3%	24.6%	27.4%	19.7%	20.0%
Some college / associate's degree	28.3%	27.3%	30.0%	27.6%	10.6%
Bachelor's degree	21.5%	24.7%	23.3%	32.6%	40.2%
Graduate or professional degree	12.0%	11.9%	10.0%	14.6%	17.5%

Takeaway: People moving to the MSA from abroad and other states add to the overall human capital of the area due to their attainment of advanced degrees.

The overall educational attainment of all workers in the Nashville MSA can mask differences across races and ethnicity. When examined through the lens of race and ethnicity, the data reveals that Whites and Asians are completing post-secondary education programs and a higher rate, while African American and Hispanic/Latino residents are falling behind in obtaining associate degrees, bachelor's degrees or professional degrees.

EDUCATIONAL ATTAINMENT BY RACE AND ETHNICITY IN THE NASHVILLE MSA

Source: American Community Survey, 1 year estimates, 2016



Unsurprisingly, the variations in educational attainment align with labor force participation, unemployment and poverty rates. A person with less than a high school diploma is less likely to be in the labor force. Unemployment among this population is 4.6 percent versus the region's overall unemployment rate of 3.2 percent in July 2018. Nearly a quarter of persons with less than a high school diploma are living in poverty as they do not have the education and skills to secure a job with a wage they can live on.

The next table, titled "Poverty Rates, Unemployment and Labor Force Participation by Education Level and Race," maps how lower educational attainment among African Americans translates into higher unemployment and a larger percentage of the community living in poverty.

POVERTY RATES, UNEMPLOYMENT RATES AND LABOR FORCE PARTICIPATION BY EDUCATION LEVEL, RACE AND ETHNICITY

Source: American Community Survey, 1 year estimates, 2016

EDUCATION LEVEL	POPULATION BELOW THE POVERTY LINE		UNEMPLOYED POPULATION		LABOR FORCE PARTICIPATION	
	2007	2016	2007	2016	2007	2016
Less than high school graduate	20.9%	24.2%	10.2%	4.6%	64.3%	59.1%
High school graduate	10.1%	11.4%	6.5%	4.5%	76.6%	73.7%
Some college or associates degree	6.4%	7.5%	3.7%	3.4%	82.2%	80.4%
Bachelor's degree or higher	3.1%	4.1%	2.4%	2.2%	87.6%	86.6%
RACE & ETHNICITY						
White	9.2%	9.7%	4.9%	3.4%	68.6%	66.9%
Black/African American	24.5%	20.2%	9.8%	5.9%	61.6%	68.6%
Asian	4.5%	10.1%	4.2%	3.8%	64.9%	68.1%
Hispanic or Latino	25.7%	24.3%	5.3%	3.6%	71.0%	74.5%

Takeaway: Unemployment continues to drop for the Nashville MSA with an overall unemployment rate of 3.2% in July 2018.

Finding qualified workforce is a pressing issue for businesses in the Nashville region, regardless of their size or industry. The data shows, however, that in the 10 years of growth since the Great Recession, not all Middle Tennesseans have benefitted fully from the region's job growth. In many cases, the key is relevant education and training.

Through a series of thoughtful policy decisions and related programming, there are ways for Middle Tennesseans to continue their education in a manner that is realistic and can open career opportunities.

Higher education institutions and employers must continue to work together to align education and training programs to industry needs creating highly-skilled workers who will be competitive in the job market.

Government and higher education experts believe that providing tuition-free opportunities will increase graduation rates. Research also shows, however, that housing, transportation and childcare situations can also negatively impact the likelihood of a student completing their degree. It is important that higher education institutions look beyond tuition and financial aid as the only way to increase student enrollment. These institutions must become community connectors for students providing resources that extend past traditional school needs. Continued collaboration between educators and employers will guide graduates to have the knowledge, skills, credentials and abilities to achieve a higher standard of living for themselves and their families by securing a career in a high-demand industry.

POSTSECONDARY EDUCATION ATTAINMENT INITIATIVES IN TENNESSEE

Complete Tennessee, Beneath the Surface: The State of Higher Education in Tennessee, 2017

COMPLETE COLLEGE TENNESSEE ACT OF 2010

The Complete College Tennessee Act of 2010 enacted comprehensive postsecondary reforms focused on student success and completion. Key components included establishing an outcomes-based funding formula for public colleges and universities, mandating articulation and transfer pathways and removing remedial coursework from universities.

DRIVE TO 55

Drive to 55 was created in 2013 by Governor Haslam as a challenge to the state to reach the goal of having 55 percent of working-age Tennesseans obtaining a postsecondary degree or certificate by 2025.

FOCUS ACT

In 2016, the Tennessee General Assembly passed Governor Haslam's Focus on College and University Success (FOCUS) Act. This legislation aligns the postsecondary education system in Tennessee by: (1) removing public four-year universities from the governance of the Tennessee Board of Regents and granting institutions their own local governing boards and (2) placing community colleges and Tennessee Colleges of Applied Technology (TCATs) under the governance of the Tennessee Board of Regents.

LABOR EDUCATION ALIGNMENT PROGRAM (LEAP)

The Labor Education Alignment Program (LEAP), passed by the Tennessee General Assembly in 2013, created a statewide, comprehensive structure enabling students in Tennessee Colleges of Applied Technology (TCATs) and community colleges to participate in technical training developed with input from area employers. The goal is to ensure that the certificates and degrees of the program align with area employers' workforce needs.

TENNESSEE PROMISE

In 2014, the Tennessee General Assembly passed Tennessee Promise which allows recent high school graduates to complete an associate degree or certificate program tuition-free at a public community college or College of Applied Technology (TCAT).

TENNESSEE RECONNECT ACT

In 2017, the Tennessee General Assembly passed the Tennessee Reconnect Act which provides tuition-free community college to adults that do not already have a degree.

TENNESSEE RECONNECT TCAT GRANT

In 2014, the Tennessee General Assembly passed legislation authorizing adult students to attend a Tennessee College of Applied Technology (TCAT) tuition-free.

MIDDLE TENNESSEE RECONNECT COMMUNITY

The Middle Tennessee Reconnect Community, an initiative of the Nashville Area Chamber of Commerce, is a regional organization dedicated to supporting adults who aspire to earn a college degree under the Reconnect Act. The Chamber recognizes it is not enough to provide free tuition to adults without considering the additional barriers that keep students from receiving a degree or certificate. The Reconnect Café is where students can bring their need (lack of transportation, daycare, who to call regarding financial aid questions, housing, etc.) to a Reconnect Advisor who will engage community organizations and employers to help the students with advising, support, and a personalized path through college. With college completion being one of the top issues in higher education, Reconnect Café and its advisors create an opportunity for returning students to have the community and support necessary to complete a certificate or degree for the betterment of themselves and their families.

Fred Frazier, Jr., the Tennessee Reconnect completion coach and advisor at Nashville State Community College, believes the goal of Reconnect Café is to change the notion within our community that admittance into school is enough and students do not need additional support.

“You must be familiar with where that person comes from. We must be mindful of neighborhood landscapes. If a student needs computer lab assistance, the Reconnect team will look for tutoring at a library in the student’s neighborhood. Students need to feel supported by people who they know, such as their local librarian and bus drivers, not just school employees,” Frazier says.

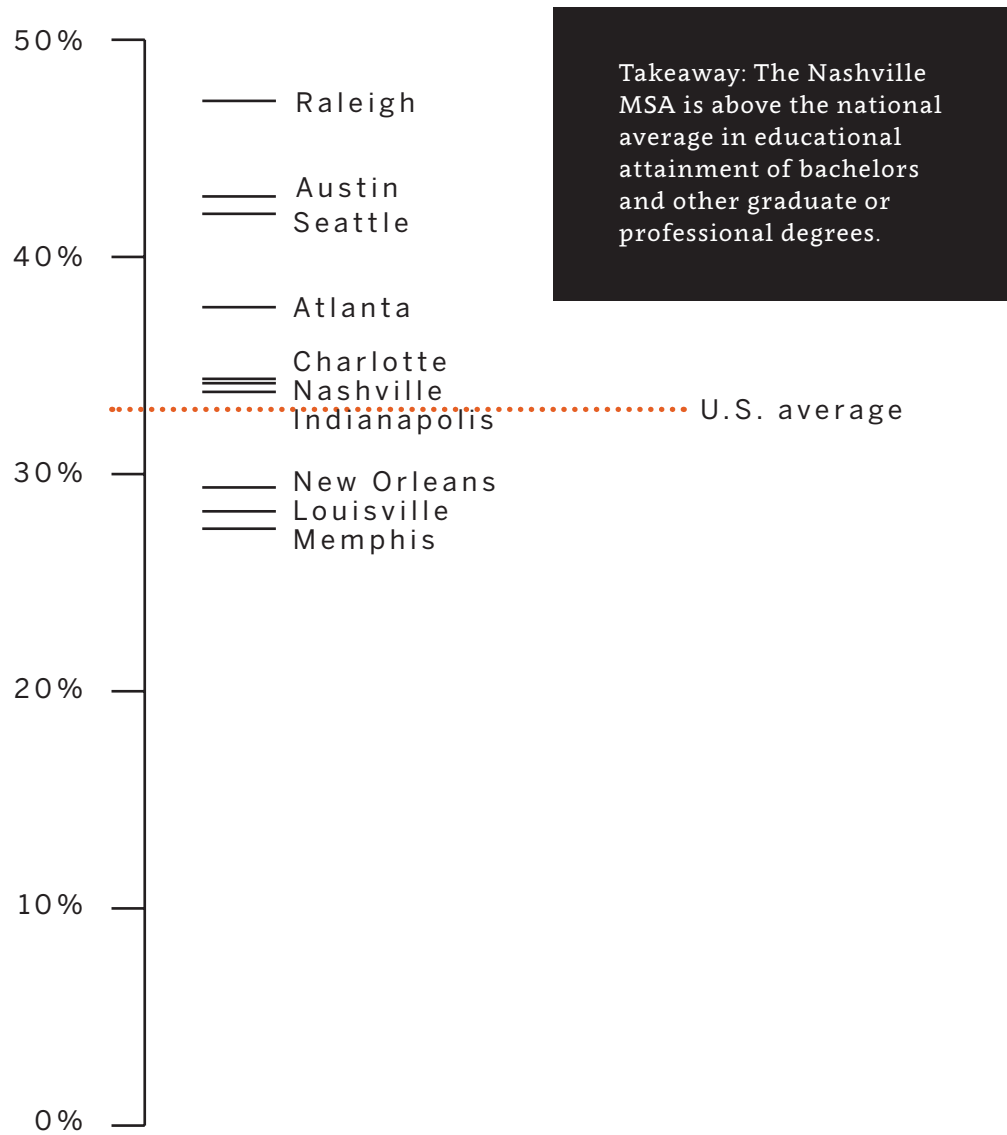
With a background in workforce development, it’s not just college completion that drives Fred to work hard helping students, it’s the knowledge that he can use resources outside of Reconnect to provide student assistance such as: Supplemental Nutrition Assistance Program (SNAP), which provides nutritional assistance for low-income individuals and families, The Workforce Innovation and Opportunity Act (WIOA) which provides grants for students who are unemployed and seeking job assistance, and transportation options such as free bus passes for eligible students. If the adult is supported, then that support trickles down into their home. Children can see their parents balance work, school and family to achieve their educational goals. If schools can help remove educational barriers, then students can focus exclusively on college completion.

“We are modeling future workforce behavior. We are not just helping students receive a certificate or degree but providing lifelong soft skills to help students ensure their success as working professionals. We are providing them with a network of support. We find the willing and able people to help. We don’t always have the answer, but we always send them to the right person (or people) to ensure they are successful and supported. That’s what we are here for. If my job was obsolete, I would feel victorious,” says Frazier.

To learn more please contact the Director, Middle Tennessee Reconnect Community, Laura Ward, info@midtnreconnect.org or visit midtnreconnect.org.

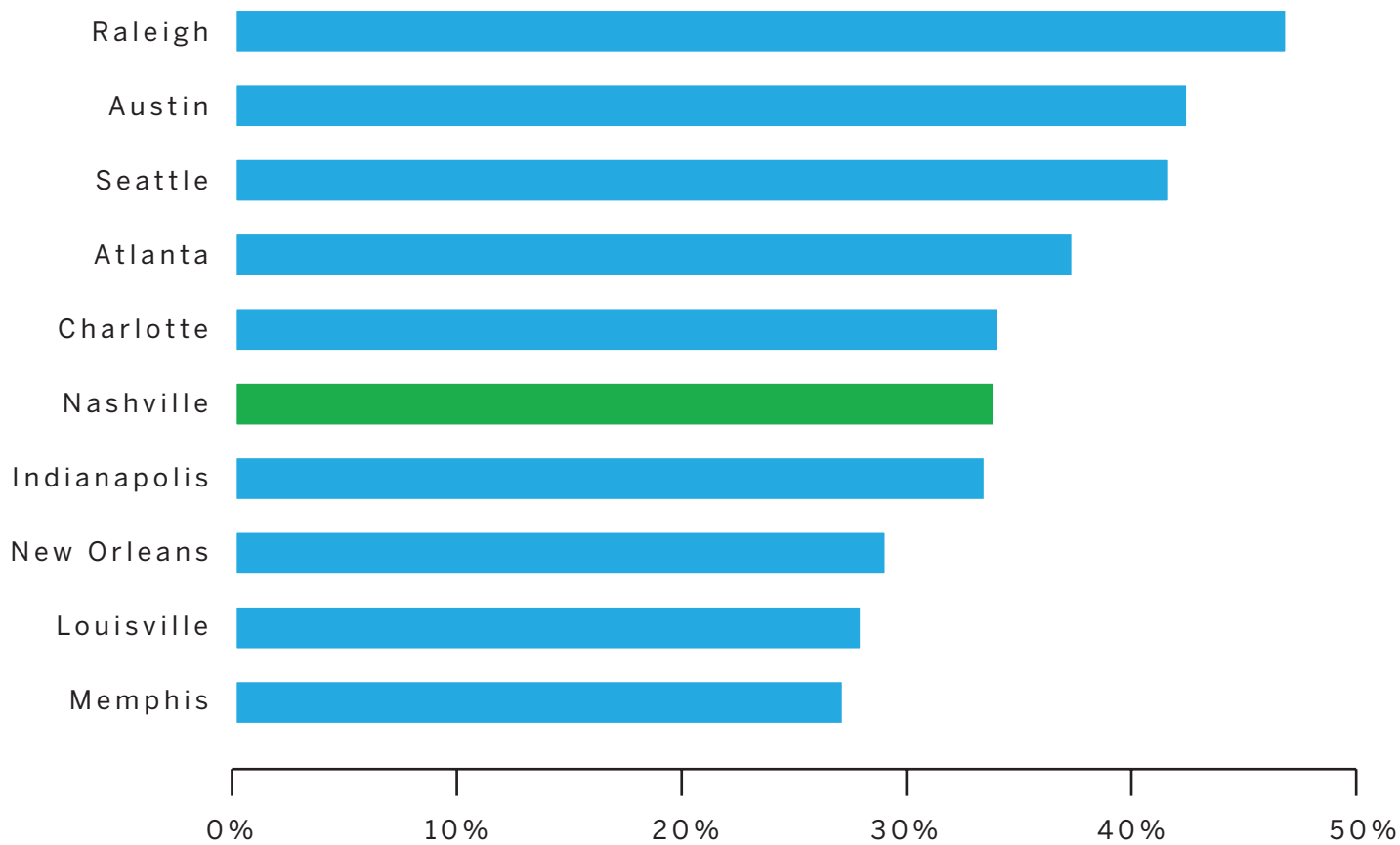
PERCENTAGE OF POPULATION AGES 25 - 64 WITH A BACHELOR'S DEGREE OR HIGHER

Source: American Community Survey, 1 year estimates, 2016



POSTSECONDARY ATTAINMENT BY MSA

Source: American Community Survey, 1 year estimates, 2016



TALENT HUB DESIGNATION

In 2017, Nashville was designated a Talent Hub by the Lumina Foundation, an organization based in Indianapolis, Ind. dedicated to making postsecondary education available to everyone. The Talent Hub designation, which Lumina Foundation awards with support from The Kresge Foundation, indicates a community has shown the capacity and ability to significantly increase the numbers of residents with college degrees, certificates, or other credentials beyond a high school diploma. Nashville earned this designation by creating an environment that will continue to “attract, retain, and cultivate talent, particularly among today’s students, many of whom are people of color, the first in their families to go to college and from low-income households.”

Nashville’s Promise Zone neighborhoods will be the target of the Talent Hub work, with a focus on equity and encouraging residents, particularly African-Americans, who face barriers to entering and completing a postsecondary degree or credential program that leads to a career, to complete their degree or other credentials.

The Talent Hub work is a partnership between the Nashville Area Chamber of Commerce, the Middle Tennessee Reconnect Community, Mayor David Briley’s Office, Nashville State Community College and the Tennessee College of Applied Technology-Nashville. The goal of this work is to move residents who have been on the sidelines of Nashville’s prosperity into a career pathway, not just a job.

Talent Hub cities specifically seek to eliminate educational disparities among African-Americans, Hispanics and American Indians. Other Talent Hub communities include: Austin, Texas; Boston, Mass.; Cincinnati, Ohio; Denver, Colo.; Los Angeles, Calif.; Louisville, Ky.; New York, N.Y.; Philadelphia, Pa.; and Richmond, Va.

WORKFORCE EARNINGS BY RACE AND ETHNICITY, PER MONTH

Source: Quarterly Workforce Indicator, 2017

	WHITE		BLACK OR AFRICAN AMERICAN		AMERICAN INDIAN OR ALASKAN NATIVE		ASIAN		NATIVE HAWAIIAN OR PACIFIC ISLANDER	
	2006	2016	2006	2016	2006	2016	2006	2016	2006	2016
Atlanta	4,569	5,766	2,744	3,334	2,862	3,520	3,738	3,520	2,535	3,441
Austin	4,224	5,211	2,775	3,423	2,900	3,596	4,890	3,596	2,698	3,698
Charlotte	4,455	5,311	2,657	3,076	2,784	3,352	4,046	3,352	2,438	3,804
Indianapolis	3,667	4,501	2,610	2,991	2,538	3,125	4,094	3,125	2,201	2,971
Louisville	3,741	4,690	2,433	2,995	2,774	3,280	4,080	3,280	2,496	3,210
Memphis	4,568	5,770	2,401	2,990	3,075	3,835	4,015	3,835	2,598	3,243
Nashville	3,823	4,916	2,572	3,125	2,823	3,456	3,680	3,456	2,552	3,951
New Orleans	4,093	4,939	2,570	2,859	3,189	3,561	3,524	3,561	3,023	3,461
Raleigh	4,135	5,056	2,395	2,975	2,719	3,408	4,322	3,408	2,407	3,445
Seattle	4,402	6,167	3,087	4,142	3,120	4,240	3,986	4,240	3,296	4,668

Takeaway: Minority groups including African Americans and American Indians continue to earn less average monthly income than White Nashvillians. However, average earning distributions in the city are slightly less varied by race than in peer cities.

■ Top 20%
■ Bottom 20%

Several factors, many of which are not unique to the Nashville region, are converging to make health an increasingly important topic for employers and communities. Rising healthcare costs, paired with changes to the Affordable Care Act and Tennessee's decision not to expand Medicaid, resulted in changes for individuals' health insurance and the health insurance calculations made by employers. An increasing number of employees are simultaneously caring for children and for aging parents, coping with occasional or repeated illness of loved ones and the stress of being a caregiver. Along with the obesity epidemic and related chronic health issues, these are just some of the health-related issues facing the Nashville region.

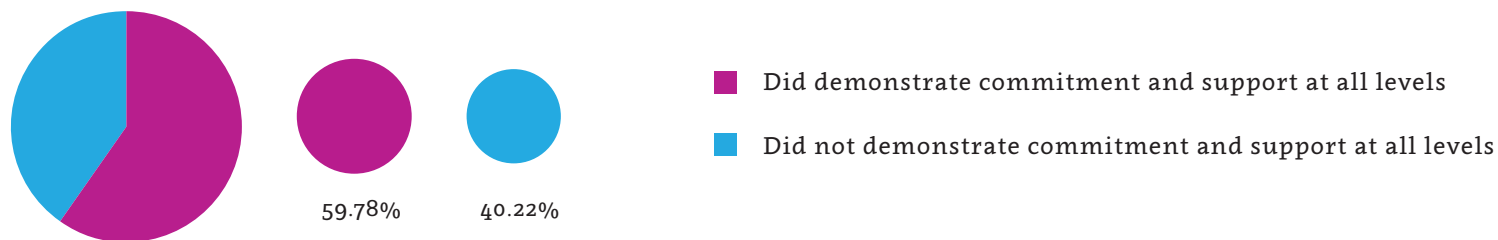
In the Nashville region's tight labor market, employers are placing more emphasis on employee health and wellness. Employers see the impact of illness in increased absenteeism, repeated absence from work, and presenteeism, a decline in work performance. Even when healthcare options are available to employees, absenteeism and presenteeism lead to workforce shortages.

If Middle Tennesseans are unable to work, or work to their highest productivity, because of their health, then this directly impacts business outcomes. Poor health creates increased costs for both employers and employees.

To improve employee health, many businesses are implementing employee health programs. Research shows organizational leadership at all levels needs to be strongly engaged, active and supportive of these programs for them to be successful. Research completed by the Research Center of the Nashville Area Chamber indicates that approximately 60 percent of Nashville area organizations surveyed experienced this type of leadership commitment during the past year, noting that respondents likely represented organizations with a greater predisposition to health and wellness as organizational issues.

NASHVILLE AREA EMPLOYERS DEMONSTRATING COMMITMENT TO EMPLOYEE HEALTH

Source: Nashville Area Chamber, The Research Center, 2017



HEALTH INSURANCE

One way employers seek to improve worker health and wellness is with employer-sponsored health insurance, which also serves as an employment incentive in a tight labor market. Nashville, in comparison with peer cities, has seen a dramatic decrease (68.5 percent in 2006 to 46.0 percent in 2016) in the number of employers that offer health insurance.

HEALTH INSURANCE OF WORKERS BY MSA: 2006 VS. 2016

Source: Agency for Healthcare Research and Quality, 2016

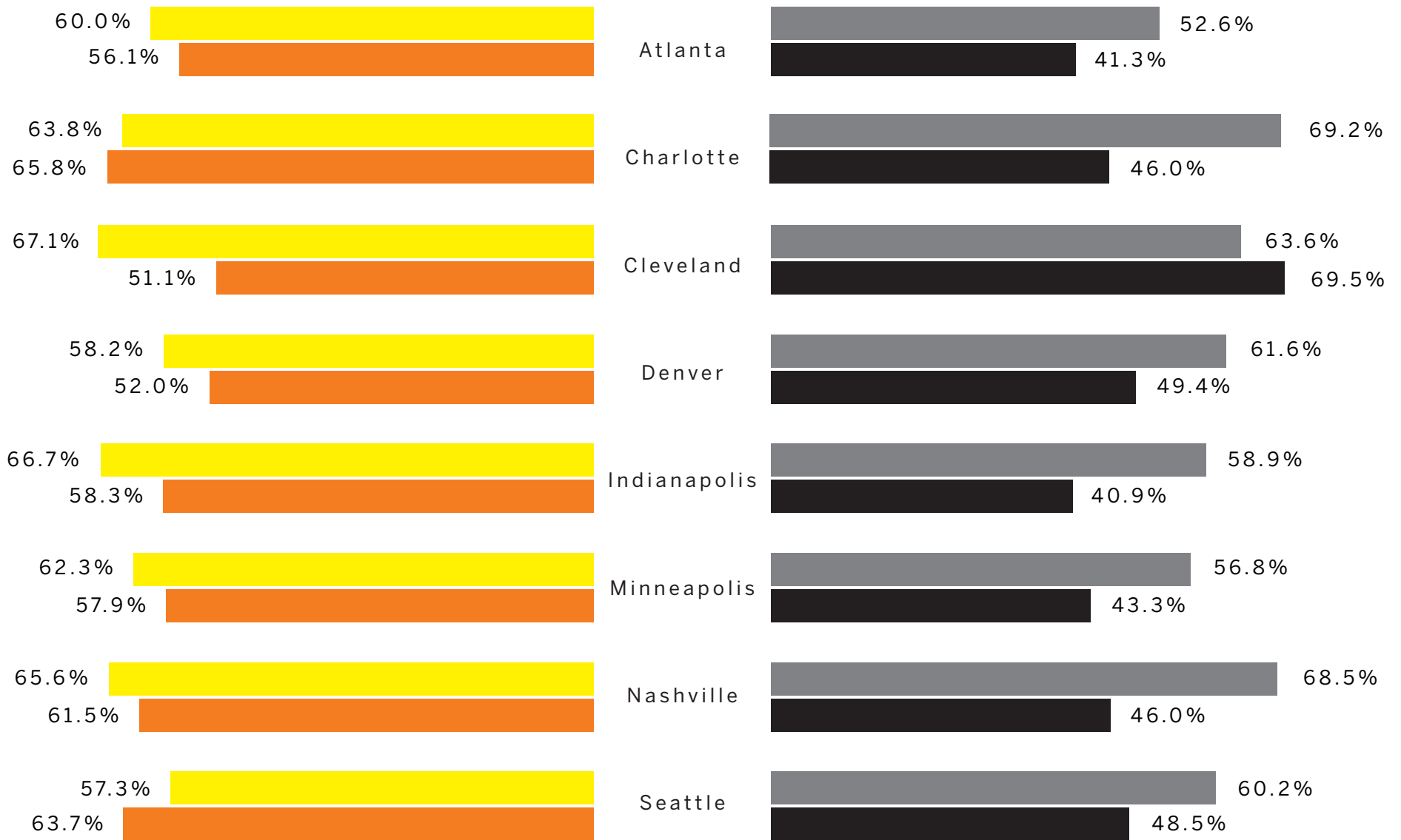
Percent of employees that are enrolled

2006
2016

Percent of establishments that offer health insurance

2006
2016

Takeaway: In Nashville and many comparable metro areas, the past decade has seen a decline in the number of business establishments that offer health insurance, for a variety of reasons, including rise in healthcare costs.



PRODUCTIVITY COSTS BY CONDITION: NASHVILLE REGION WORKFORCE

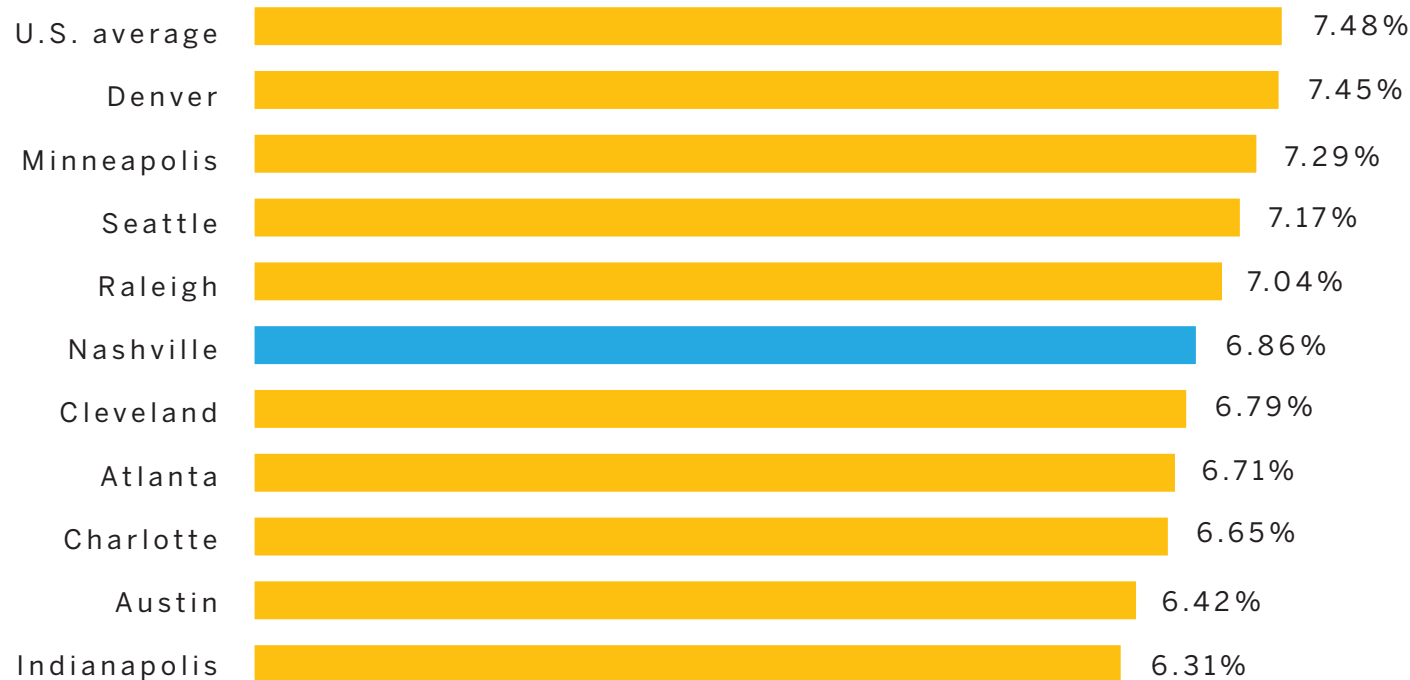
Source: FTI Consulting's Center for Healthcare Economics and Policy, 2017

AGE GROUP	DIABETES	OBESITY	HYPERTENSION	DEPRESSION	ASTHMA	COPD	TOTAL COSTS
Age 25 - 44	3.3%	9.7%	4.7%	46.9%	23.8%	11.5%	\$825.2 M
Age 45 - 64	23.7%	9.4%	10.6%	30.0%	12.6%	13.6%	\$824.2 M

Takeaway: Workers in the Nashville area, particularly in older age cohorts, experience a variety of adverse health conditions that result in losses in productivity that are costly to individuals and business alike.

PERCENTAGE OF POPULATION EXPERIENCING DEPRESSIVE EPISODES, 2014

Source: Substance Abuse and Mental Health Services Administration, 2014

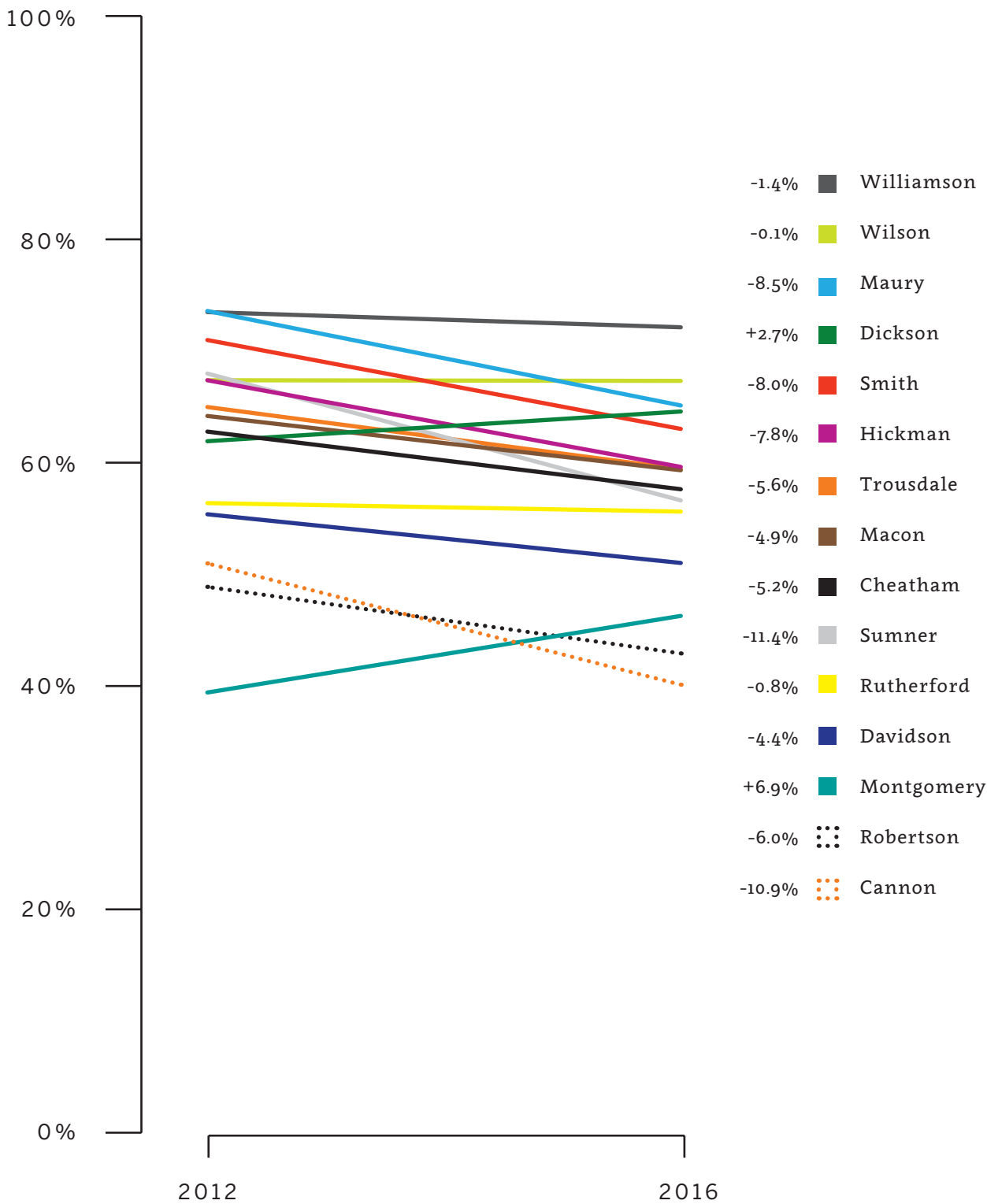


Takeaway: Mental health issues continue to gain awareness as a factor in overall health and wellness with important implications for the economic and social well-being of individuals and communities. Compared to the national average, Nashvillians experience a slightly lower rate of depressive episodes.

CHILDREN'S HEALTH

PERCENTAGE OF EXPECTANT MOTHERS WITH ADEQUATE PRENATAL CARE BY COUNTY: 2012 VS. 2016

Source: Tennessee Department of Health, 2012-2016

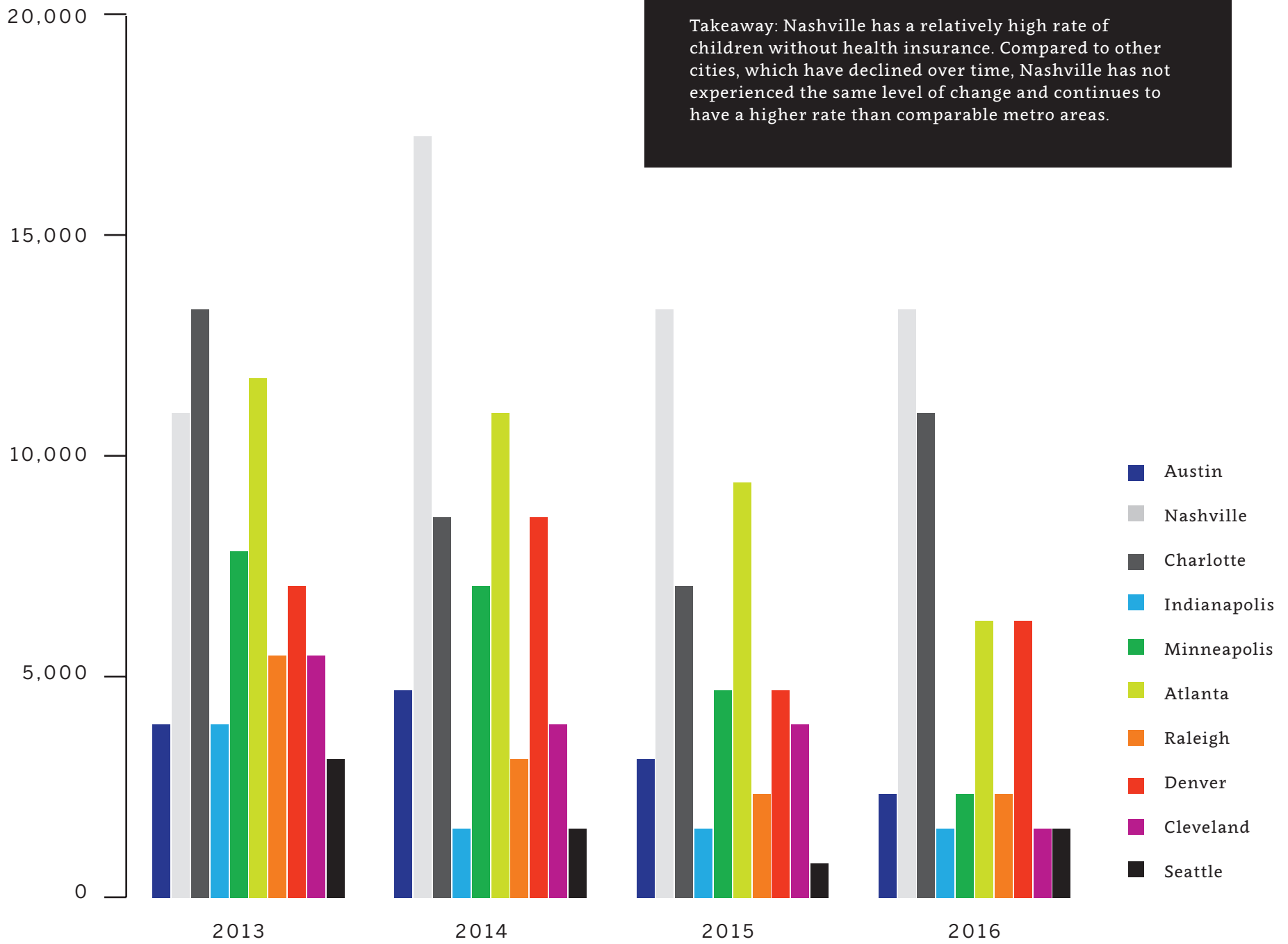


Takeaway: Throughout the Nashville region, approximately half of expectant mothers are receiving adequate prenatal care as defined by the number of prenatal visits during pregnancy.

Children's health needs to be addressed. Employees must cope with their children's illnesses, which can cause absenteeism. Furthermore, early health provides a foundation of good health for a lifetime. Good health starts with prenatal care, and only about half of the infants born in the Nashville region have received adequate prenatal care.

CHILDREN WITHOUT HEALTH INSURANCE

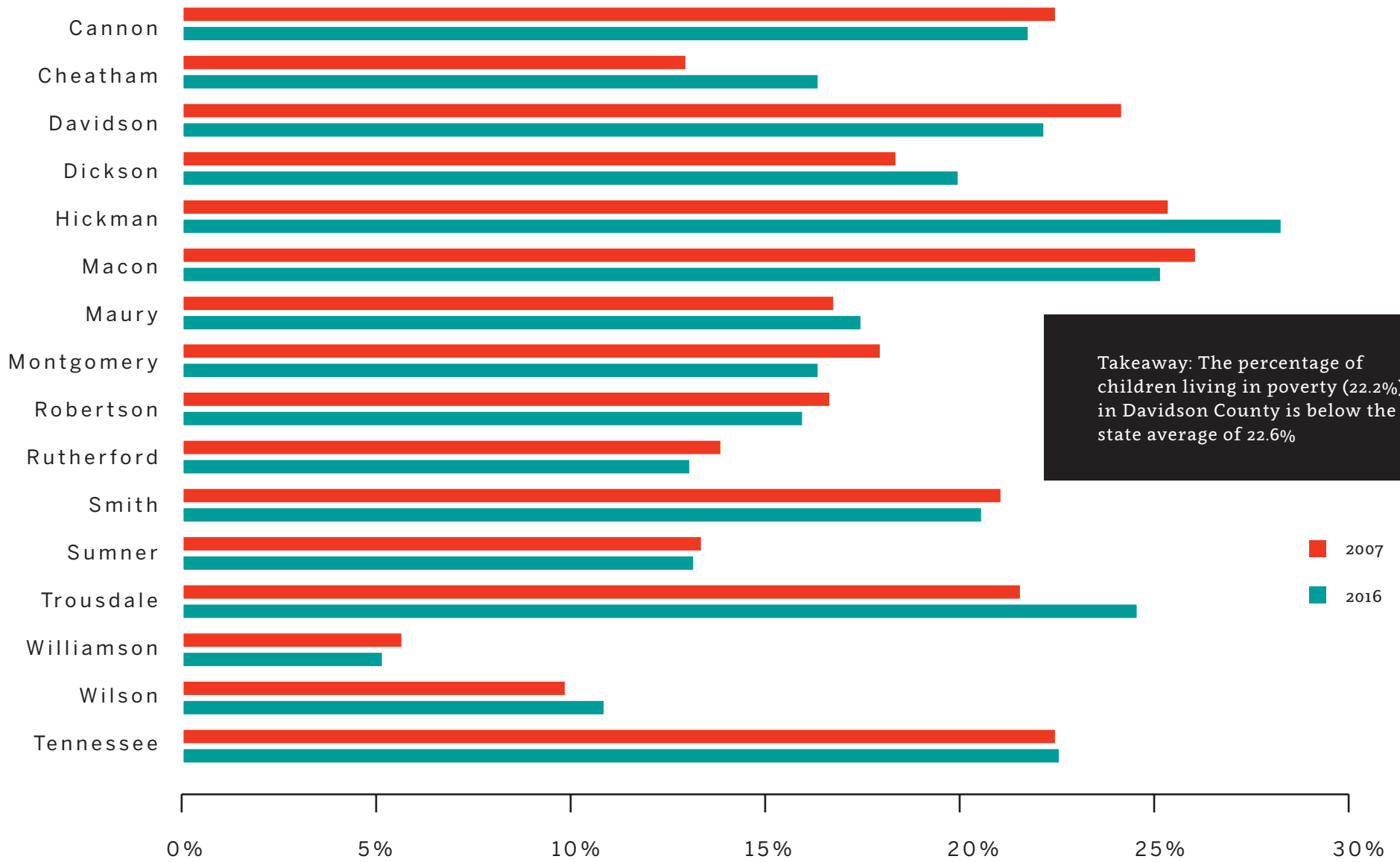
Source: American Community Survey, 1 year estimates, 2016



Many children in the Nashville region continue to lack health care after birth, and a significant number of Middle Tennessee children don't have health insurance.

CHILDREN LIVING IN POVERTY BY COUNTY

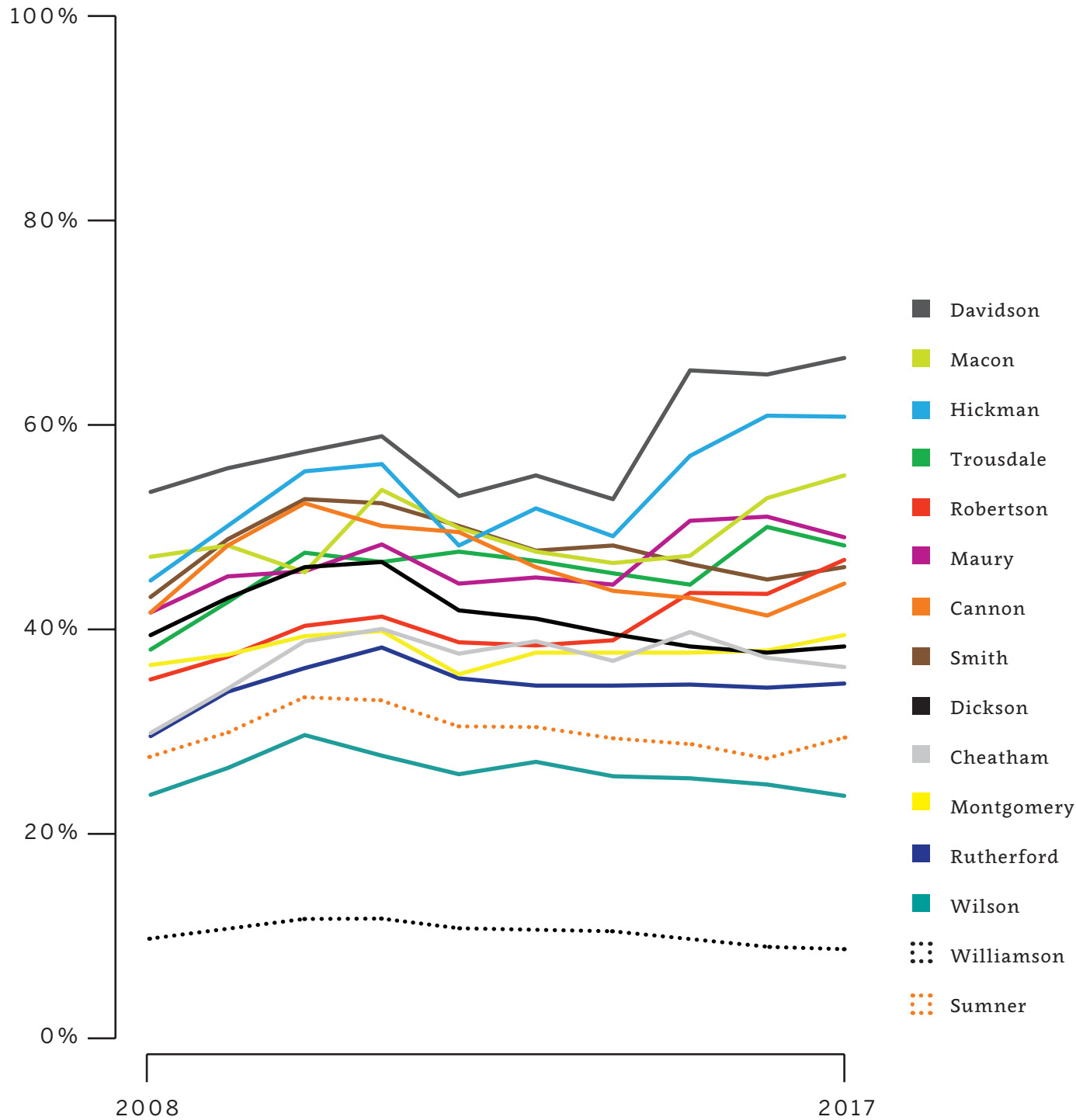
Source: Kids Count, U.S. Census Bureau 2017



The health of children in the Nashville MSA intersects with the number of children living in poverty. Even if children have health insurance, they may still live in unhealthy environments, lack proper nutrition and not have full access to health care due to a lack of parental time or transportation.

PERCENTAGE OF STUDENTS ON A FREE OR REDUCED LUNCH PLAN

Source: Tennessee Department of Education. KIDS COUNT division of the Tennessee Commission on Children and Youth



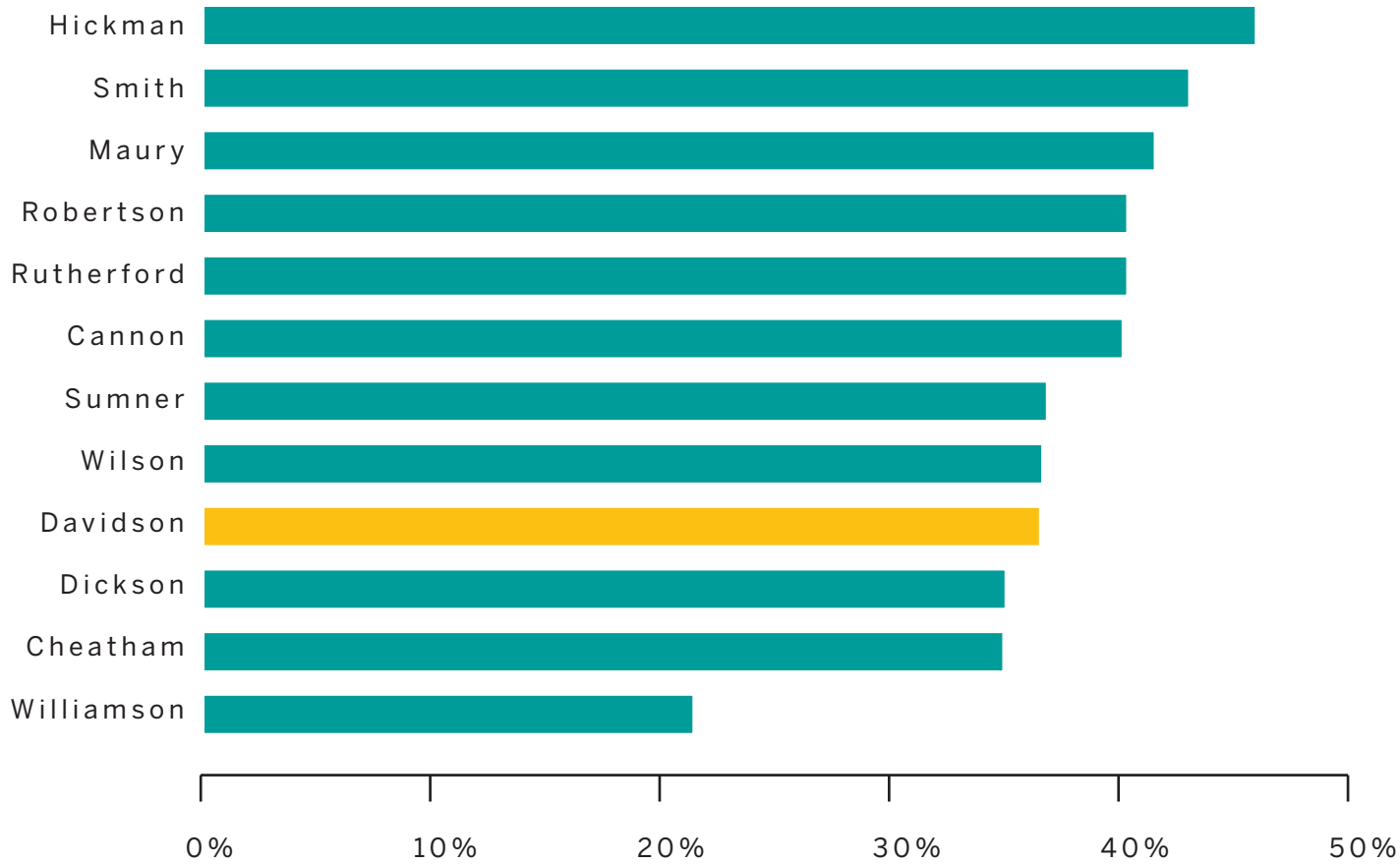
Takeaway: More than half of the region's counties saw an increase in the percentage of students participating in a free or reduced lunch plan over the past decade.

Beginning in school year 2014-2015, several Middle Tennessee counties, including Metro Nashville Public Schools, began offering free school lunches and breakfasts to all students under a new federal grant program.

Eligibility for free lunch is defined by the Tennessee Department of Education as all children in households receiving benefits from the Supplemental Nutrition Assistance Program (SNAP) or Families First. To receive reduced lunch rates, household gross income must be within predetermined limits on Federal Income Eligibility guidelines.

OBESITY RATES IN PUBLIC SCHOOLS BY COUNTY

Source: Tennessee Department of Education, 2016



Takeaway: Obesity among school-aged-children in Middle Tennessee remains a concern. Long-term costs of obesity include hospitalization and pharmaceutical costs as well as lost time and worker productivity.

Among other childhood health issues facing the Nashville region, our children suffer from high rates of obesity, placing children and adolescents at a higher risk for poor health in adulthood.

NASHVILLE-AREA EMPLOYERS PRIORITIZE EMPLOYEE HEALTH

In November 2017, the Nashville Area Chamber partnered with Vanderbilt University Medical Center to host the Workforce Health Executive Roundtable. The half-day program took place at Metro Nashville Public Schools' Employee Wellness Center. More than 50 employers participated, each assessing their current workplace health culture and sharing their aspirational goals, concerns and commitments with one another in a peer-group setting.

Following the release of the 2017 Nashville Region Health Competitiveness Report in collaboration with FTI Consulting's Center for Healthcare Economics and Policy, the Chamber's Research Center responded to a request by Vanderbilt University Medical Center to assess broad patterns in area employer health programs.

Participants were provided this new research by Chamber VP of Research, Dr. Garrett Harper, learning key features and characteristics that make such programs successful. Meg Guerin-Calvert, President and Senior Managing Director at FTI's Center for Healthcare Economics and Policy, shared new data on the productivity costs of various chronic conditions.

Presentations by Dr. Mary Yarbrough, Executive Director of Faculty and Staff Health and Wellness at Vanderbilt University Medical Center, and David Hines, Director of Benefits at Metro Nashville Public Schools, provided tangible steps for employers interested in improving productivity and well-being within their organizations.

These steps include:

- 1. Identifying the problem**
- 2. Picking a strategy**
- 3. Developing and implementing your plan**
- 4. Evaluating your progress, and**
- 5. Communicating with your employees.**

During the program, participants cited their primary issues, interests and concerns related to workplace health. Top responses included productivity (absenteeism and presenteeism), healthcare costs, employee morale, impact on co-workers, and continuity of client service and relationships. The biggest health-related challenges for employees themselves included stress, mental and physical health, healthcare costs and access to care.

Participants shared best practices for tackling these issues, particularly in a tight labor market where retention and recruitment of talent is key to business success. Each company left with at least three ideas to take back to their organization. Company leaders shared aspirational goals of where they would like to be along a spectrum of workplace health, and they now have a baseline from which to track and evaluate progress over time.

HEALTH-RELATED BEHAVIORS BY PERCENTAGE OF POPULATION

Source: U.S. Centers for Disease Control and Prevention, 2015

	UNHEALTHY BEHAVIORS			PREVENTATIVE MEASURES		
	Physical inactivity	Sleep less than 7 hours	Currently smoking	Annual checkup	Dental visit	
Atlanta	26.2	40.4	17.5	75.0	62.6	
Austin	24.2	29.0	13.8	66.8	63.7	■ Top 20%
Charlotte	24.1	34.0	16.4	73.3	62.2	■ Bottom 20%
Cleveland	36.8	45.4	36.8	73.5	48.7	
Denver	18.2	28.1	17.1	62.1	63.1	
Indianapolis	30.7	39.2	22.7	66.0	60.1	
Minneapolis	21.4	30.7	16.9	69.8	68.7	
Nashville	29.4	36.3	21.0	72.4	56.9	
Raleigh	22.6	31.7	15.7	72.7	64.8	
Seattle	14.7	29.9	11.5	61.2	73.0	
Clarksville	30.0	38.3	24.2	73.4	56.9	

Takeaway: The Nashville and Clarksville areas experience moderate levels of unhealthy behaviors and key prevention actions.

Recently, the Metro Public Health Department and NashvilleHealth launched the Nashville Community Health + Well-being Survey, a foundational, county-wide survey of the health of Nashville residents. The large-scale assessment, to be sent to more than 12,000 residents, will provide valuable data about health-related behaviors, chronic health conditions, preventive health practices and how the local environment impacts opportunities for well-being.

The data from the survey will help gain an accurate picture of the health of the city and inform and enhance the work being done today. It will also play an important role in setting future priorities regarding the health of Nashville's population, allowing non-profits, businesses, governments and other organizations to better serve the needs of the community. Future surveys are envisioned to track progress over time.

The survey, conducted by the nationally-recognized Survey Research Lab at the University of Illinois at Chicago, will be administered in both English and Spanish, and respondents will be able to reply via web or mail. The questions included in the survey were selected from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance System, and other national surveys, to address Nashville's unique health-related priorities and determinants.

TRANSPORTATION AND OTHER INFRASTRUCTURE

Middle Tennessee's popularity over recent years has shined a spotlight on the need to invest in the infrastructure systems that serve the growing population. There has been a growing demand for investment in our transportation system and increased interest in new options to get around the region.

To address the need for funding at the state level community and elected leaders worked together with state legislators and the Tennessee Department of Transportation to support the passage of the IMPROVE Act. This effort increased the state gas tax for the first time since 1989. For Middle Tennessee, funding from the IMPROVE Act will provide nearly \$3.3 billion complete more than 220 projects.

The IMPROVE Act also laid out a path for counties to establish dedicated funding for transit. Davidson County took the first opportunity to go to referendum May of 2018. The plan presented to the voters was developed on based on year's transit studies and planning activities. "Let's Move Nashville," the program of projects presented to the voters of Davidson County was not supported by the voters and this first attempt failed at the ballot box.

Many of Nashville's peer regionals have gone to the ballot box multiple times to secure funding for transit and each attempt provided an opportunity to elevate the conversation, educate the community on the benefits of transit and gather additional input from the public to improve the plans put forward.

The community-based groups that helped elevate the conversation on transit during the referendum, including Transit Alliance of Middle Tennessee, Transit Now, Moving Forward, and the Transit for Nashville Coalition, continue to work on improving mobility choices and providing education and advocacy to support future success.

Poll result: The 2018 Vital Signs poll was conducted after the transit referendum failed. Seventy-seven percent of respondents stated it was important or very important for community leaders to try again to seek voter approval of a transit plan and funding.

MAJOR MILESTONES TOWARD TRANSIT

While the May 2018 referendum in Davidson County was not successful, it was a step forward in the pursuit of an improved transit system for Middle Tennessee. Since 2009, the Nashville region has continued to make steady progress toward improving mobility across the region.

2009

- State Enabling Legislation for the Regional Transit Authority
- The establishment of the Middle Tennessee Mayors Caucus formalized political leadership around priority issues in Middle Tennessee. Since its creation, the Mayors Caucus has championed investment in transportation, including playing an active role in the passage of the IMPROVE Act.

2010

- The region's first private-sector advocacy group, the Transit Alliance of Middle Tennessee, was established to focus on educating business and community leaders on transit and transportation challenges in Middle Tennessee.
- With the development of the 2035 Regional Transportation Plan, mayors across the region endorsed a bold vision for transit that set the stage for the development of a strategic plan for transit in coming years.

2012

- Reconstitution of the Regional Transit Authority under new statute.

2014

- As the region grew, Nashville Area MPO expanded the planning area to include Robertson and Maury Counties in the federally designated planning area.
- Nashville MTA/RTA began "nMotion" to establish a long-term, regional strategic plan for the transit agency.

2015

- A business community initiative, Moving Forward, was established to educate and engage regional leadership in transit initiatives.

2016

- With the adoption of the 2040 Regional Transportation Plan, mayors across the region again confirmed their commitment to implementing a regional transit system.
- The nMotion plan was completed and adoption of the strategic plan formalized recommendations for a future transit system.

2017

- IMPROVE Act passed, providing Middle Tennessee counties the opportunity to hold a referendum to establish a dedicated source of funding for transit.

2018

- Following the identification of potential funding sources and a program of projects for Nashville MTA, a transit referendum on the "Let's Move Nashville" plan was slated for a vote in May.
- Voters rejected the "Let's Move Nashville" plan as presented.
- Study kicked off to expand on nMotion recommendations along the I-65 Corridor between Davidson and Maury County.
- Nashville/Davidson County's first Transportation Demand Management program, Nashville Connector, launched, focusing on providing alternatives to onerous commutes for downtown employees.

PEOPLE STORY: YOUTH IN ACTIVE TRANSPORTATION

While the transit referendum dominated the discussion in 2018, there are numerous programs underway in the Nashville region that encourage alternate forms of transportation and transformative changes in how we move about the region.

In August 2009, Daniel Furbish had an idea to teach young people how to rebuild bikes. What he thought would be a one-time summer enrichment program at the Oasis Center has become a weekly, year-round workshop in which:

- **volunteer bike mentors teach the students bicycle safety and maintenance;**
- **students rebuild a bicycle that they'll get to keep;**
- **students learn alternative methods of transportation such as biking, walking or riding the bus; and**
- **students learn soft skills and other characteristics important to becoming a productive member of the region's workforce.**

The Oasis Bike Workshop is an affiliate program of the Oasis Center in Nashville - a support center for youth and their families. The workshop holds a weekly, year-round program and a 6-week summer program. The workshop is supported by a consistent team of two employees and more than 30 volunteers. Bicycles are donated from all over the community. To date, more than 1,500 students have successfully completed the workshop.

Students show up ready to learn and volunteers teach students everything they need to know about taking apart and customizing a bike to meet their needs. Furbish designed the curriculum to keep all students working at the same level. Everyone must complete a task before students move on to the next task to encourage peer support. At the end of the workshop, in addition to their new bike, students receive a new helmet, lock, lights and toolkit.

The workshop is a community approach to transportation for students with limited transit options, increasing educational and employment opportunities for youth and teaching them the skills required to maintain a job. As students complete the program, Furbish realized the workshop is more than an opportunity to keep young people in a safe, productive place, but rather a job skills program. Graduates of the workshop have found job opportunities at B-Cycle, Green Fleet and even at Nissan.

Furbish also works with a team of international students from LEAD Academy, Glenclyff and Hillsboro high schools who not only rebuilt their own bike but have formed a mountain bike team that competes all over the state.

Students who participated in the workshop have even translated their bike skills to their love of arts. Students used parts of old, donated bicycles to create a canopy for the park across the street from the Oasis Bike Workshop. Students also used bicycles to create mixed-media art. To learn more about the Oasis Bike Workshop, visit: www.oasisbikeworkshop.org.

REGIONAL INFRASTRUCTURE

As of June 2018, the cost of infrastructure needs across the Nashville region totals nearly \$8 billion. Transportation, education, health, safety and welfare investments account for more than 90 percent of needs. Transportation infrastructure needs in Middle Tennessee account for nearly 20 percent of statewide needs.

The State of Tennessee compiles an annual inventory of public infrastructure needs across the state. This inventory is known as the Public Infrastructure Needs Inventory or PINI. The PINI provides an understanding of the extent and type of capital investment needed in each county. Categories tracked include- Transportation and Utilities, Public Buildings, Water and Wastewater infrastructure, Law enforcement and public health related facilities and vehicles, fire protection, housing, industrial development, education related facilities and systems, and recreation or community facilities.

As of June 2018, the cost of infrastructure needs across the Nashville region totals nearly \$8 billion. Transportation, education, health, safety and welfare investments account for more than 90 percent of needs. Transportation infrastructure needs in Middle Tennessee account for nearly 20 percent of statewide needs.

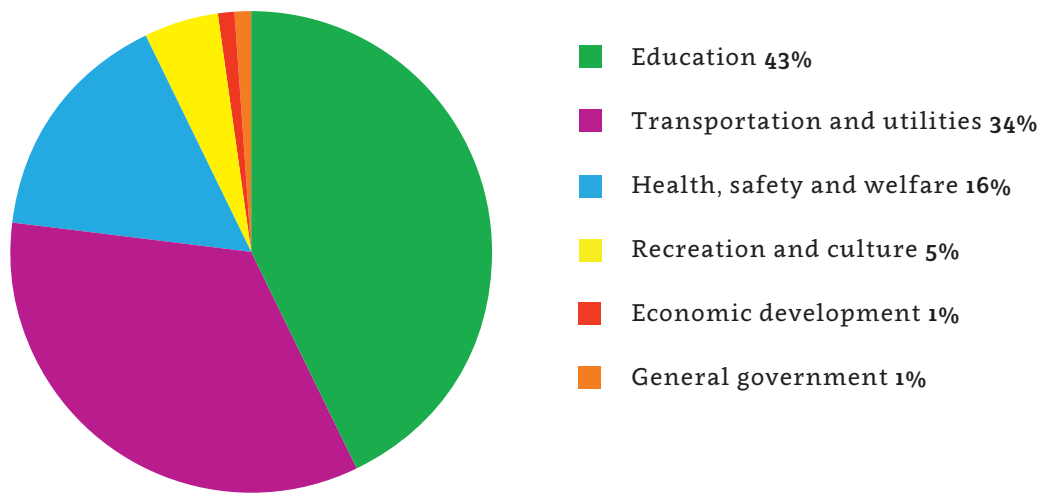
PROJECTIONS OF INFRASTRUCTURE NEEDS BY COUNTY

Source: Tennessee Advisory Commission on Intergovernmental Relations, 2018

	PROJECTIONS OF PROJECTS NEEDED FROM 2013 - 2018 ESTIMATED IN 2015		PROJECTIONS OF PROJECTS NEEDED FROM 2016 - 2021 ESTIMATED IN 2018	
	NUMBER OF PROJECTS	COST	NUMBER OF PROJECTS	COST
Cannon	78	\$134,633,647	83	\$93,033,341
Cheatham	116	\$272,719,834	95	\$199,011,788
Davidson	714	\$4,632,099,724	688	\$5,666,002,619
Dickson	141	\$296,338,956	141	\$221,016,749
Hickman	159	\$309,681,792	163	\$189,760,072
Macon	58	\$71,485,500	66	\$139,935,421
Maury	282	\$366,145,481	302	\$357,417,006
Montgomery	257	\$1,147,104,693	353	\$1,153,134,395
Robertson	169	\$425,685,967	290	\$525,874,232
Rutherford	357	\$1,504,542,000	306	\$1,418,096,370
Smith	96	\$102,379,194	122	\$127,848,692
Sumner	386	\$698,899,296	419	\$825,577,384
Trousdale	44	\$148,761,555	44	\$108,900,527
Williamson	347	\$1,641,736,524	386	\$1,609,112,674
Wilson	273	\$1,068,911,781	289	\$1,063,317,930

INFASTRUCTURE NEED BY TYPE

Source: American Society for Civil Engineers, 2018



Takeaway: While transportation needs make up a significant part of infrastructure needs, it was surpassed by education this year. Approximately \$3.4 billion in education investments have been identified in the form of new schools, or renovations and additions at existing schools.

REPORT CARD FOR AMERICA'S INFASTRUCTURE, TENNESSEE, 2013 VS. 2016

Source: American Society for Civil Engineers, 2018

	2013	2016
Aviation	B-	B-
Bridges	B-	B-
Inland waterways	C-	C-
Roads	C+	B-
School facilities	C-	C+
Transit	D+	D
Drinking water	C	C
Wastewater	D+	C

Takeaway: While there has been a slight increase in the rating for Tennessee's roadways, there is still a significant need to improve the state's infrastructure.

OPERATIONS FUNDING PER CAPITA 2018

Source: National Transit Database 2018

LARGE URBAN TRANSIT SYSTEMS	TOTAL PER CAPITA	FARES	OTHER FUNDS	LOCAL GOVERNMENT	STATE	FEDERAL	FAREBOX
Nashville MTA	\$73.30	\$11.83	\$2.88	\$41.73	\$6.07	\$10.79	16.1%
Atlanta (MARTA)	\$615.02	\$138.25	\$116.23	\$23.86	\$0.00	\$72.63	22.5%
Austin (Capital Metro)	\$228.54	\$23.55	\$9.55	\$0.21	\$0.00	\$28.36	10.3%
Charlotte (CATS)	\$138.70	\$30.69	\$2.71	\$89.01	\$10.73	\$5.56	22.1%
Denver (RTD)	\$605.96	\$136.18	\$28.47	\$4.25	\$0.46	\$76.67	22.5%
Indianapolis (IndyGo)	\$67.59	\$11.05	\$0.96	\$34.07	\$10.71	\$10.80	16.4%
Kansas City (KCATA)	\$94.48	\$10.82	\$3.88	\$66.37	\$0.29	\$13.12	11.4%
Louisville (TARC)	\$79.64	\$12.63	\$0.72	\$49.95	\$1.53	\$14.81	15.9%
Memphis (MATA)	\$50.56	\$7.85	\$1.22	\$23.30	\$7.33	\$10.86	15.5%
Minneapolis (Metro Transit)	\$388.69	\$93.89	\$8.02	\$28.04	\$243.51	\$15.22	24.2%
Raleigh (CAT)	\$32.85	\$4.13	\$2.83	\$18.20	\$2.67	\$5.02	12.6%
Seattle (Sound Transit)	\$273.88	\$80.56	\$20.57	\$1.19	\$0.00	\$23.11	29.4%
Tampa (HART)	\$76.01	\$14.90	\$1.44	\$43.61	\$5.14	\$10.93	19.6%

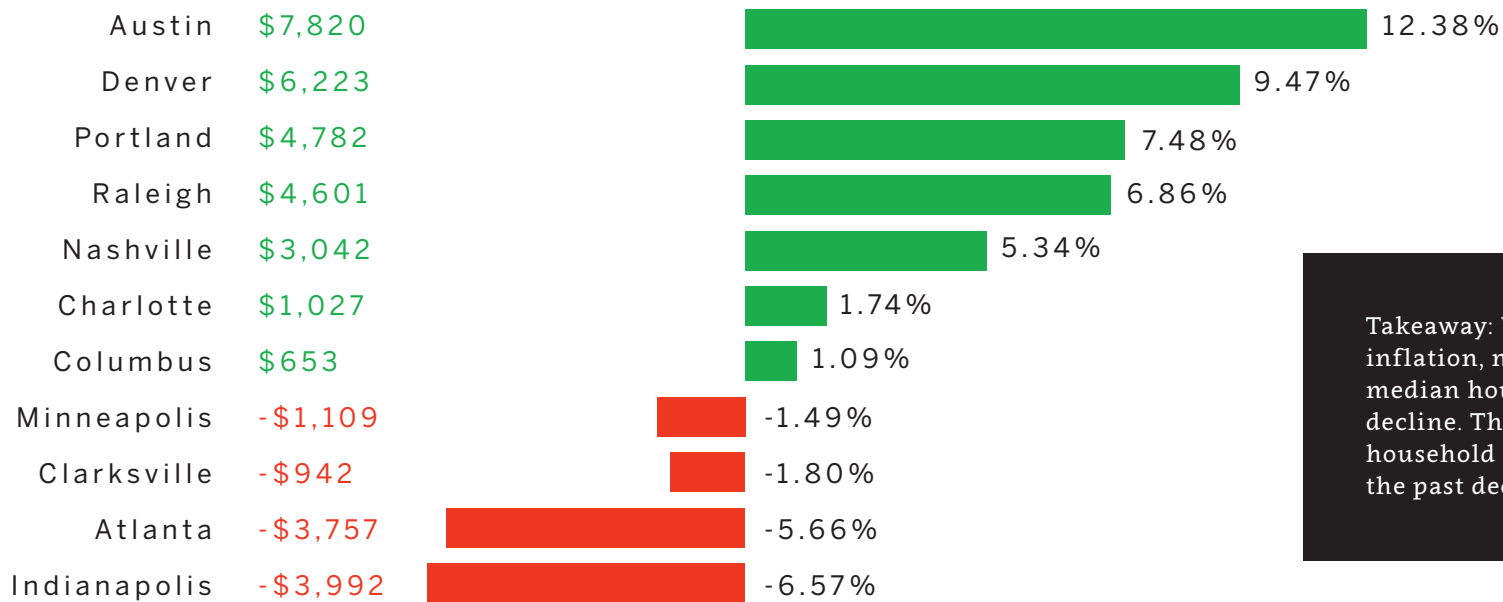
Takeaway: WeGo has the second lowest annual operating budget compared to peer cities per capita. Currently, operations needs rely heavily the local contribution from Metro Government at 57 percent of its funding. As opposed to peer systems average 14 percent from local government which provides a more dedicated mix of funding sources.

AFFORDABILITY

The Nashville region's growth since the Great Recession has resulted in a 5.3 percent increase in median household income in the decade between 2006 and 2016, equating to \$3,042. The first quarter of 2018 found average weekly wages in Davidson County increasing by 6.2 percent, which was well above the U.S. average of a 3.7 percent increase in wages.

CHANGE IN MEDIAN HOUSEHOLD INCOME FROM 2006 - 2016

Source: American Community Survey, 1 Year estimates, 2016



Takeaway: When adjusted for inflation, many areas have seen median household incomes decline. The Nashville MSA median household income grew by 5.3% in the past decade.

Despite these increases in income, there is a growing concern among Middle Tennesseans that the region is becoming increasingly unaffordable for low-income and middle-income residents.

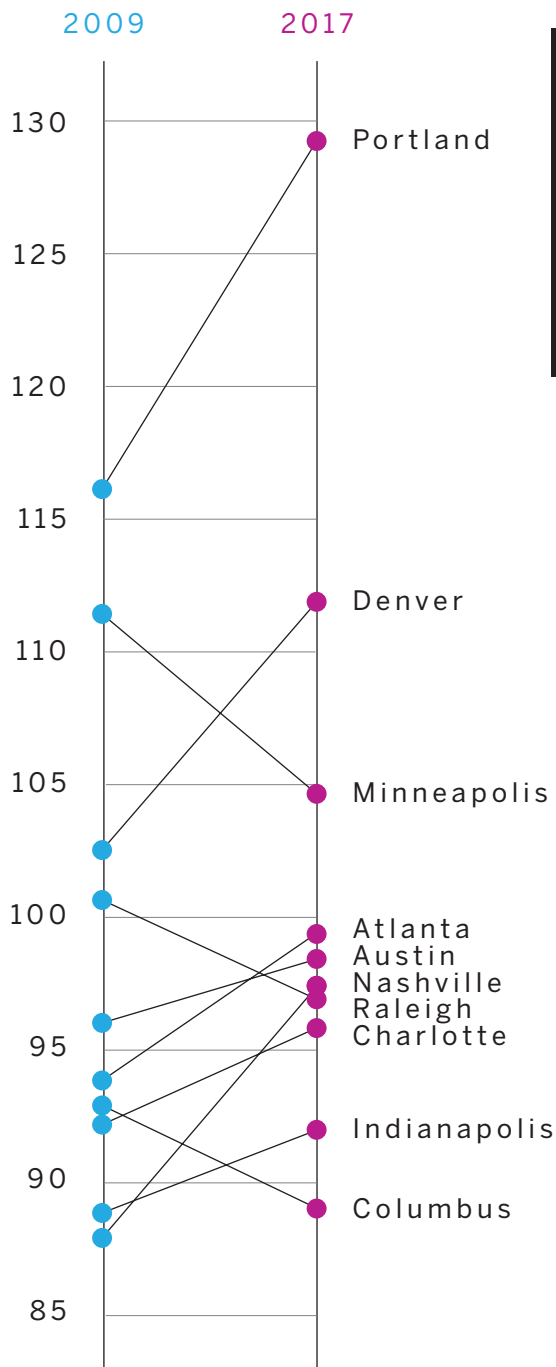
Assessment of earnings from 21 of the most common jobs in Nashville shows that 13 of the jobs have earnings that would not cover fair market rent for a two-bedroom home, making these employees housing-cost-burdened.

Poll result: The 2018 Vital Signs poll found that four out of 10 respondents stated their household has difficulty covering monthly expenses; this is up from 34 percent in 2017.

COST OF LIVING INDEX: 2009 - 2017

Source: Council for Community and Economic Research, 2017

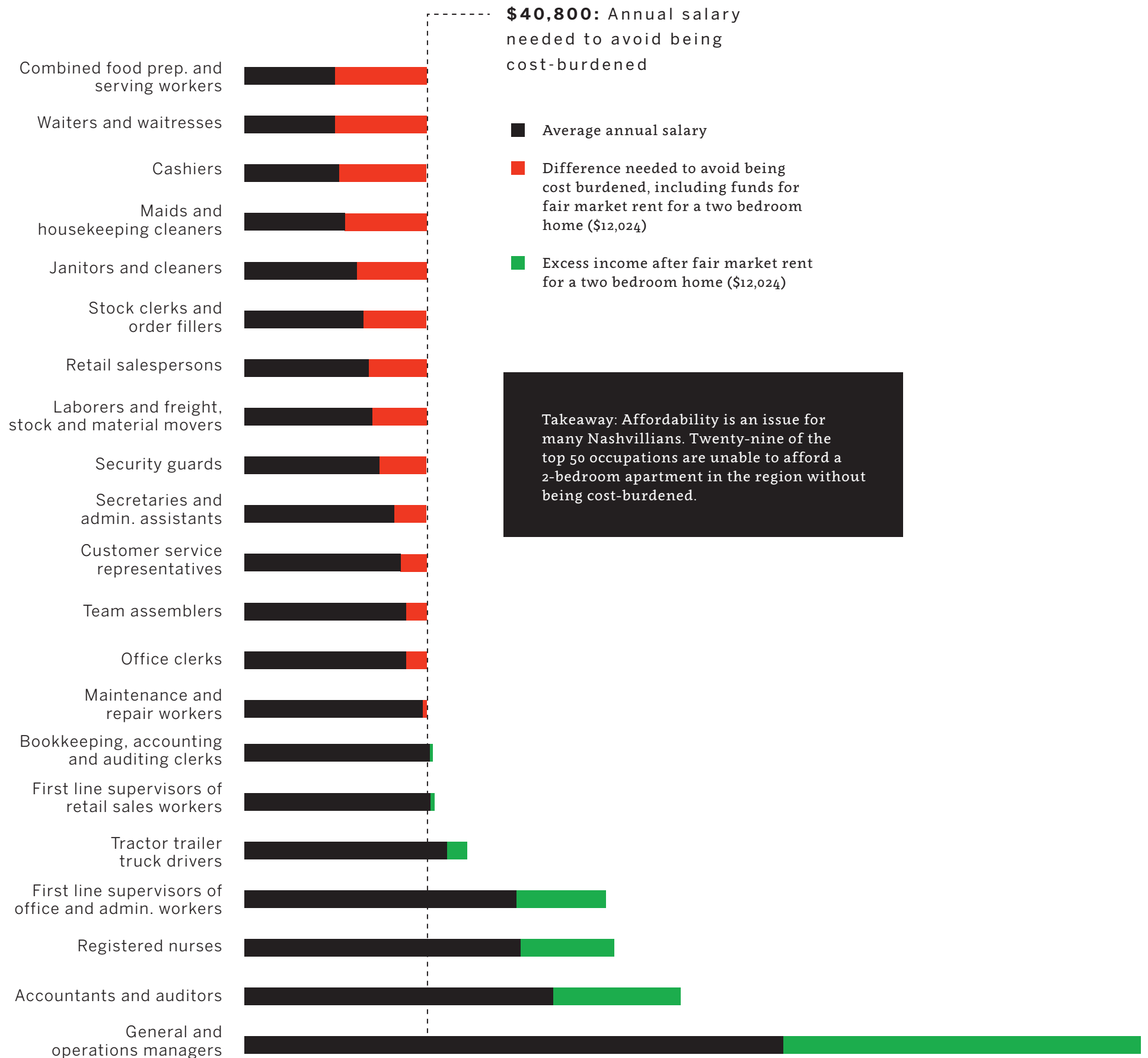
The cost of living index is designed to provide the best possible means to compare cost of living differences among urban areas based on the price of consumer goods and services appropriate for professional and managerial households in the top income quintile. The index consists of six major categories: grocery items, housing, utilities, transportation, health care and miscellaneous goods and services.



Takeaway: Despite the area's strong economic growth, Nashville has maintained a below average cost of living for metro areas in the United States.

EARNINGS AND RENT

Chmurra Economics and Department of Housing and Urban Development, 2017

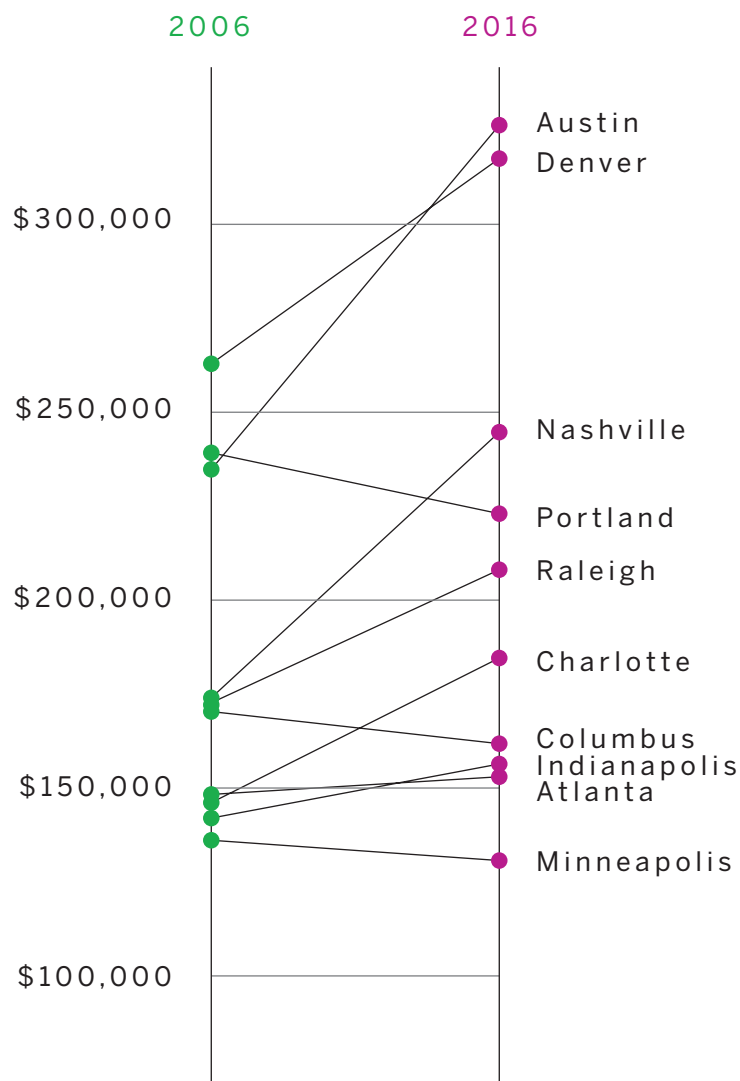


The largest costs for most households are housing and transportation. Despite the increases in income, a growing number of residents in Middle Tennessee find it difficult to locate housing within their budget. Residents struggle to find housing for many reasons: the pace of growth in Nashville and the addition of new residents has led to an imbalance in supply and demand of housing. Additionally, the interest in in-town neighborhoods that had been home to more affordable housing, the demand for housing and the demolition of existing housing that was less expensive and is replaced with newer, more expensive housing also contribute to this growing challenge. Looking at the same time frame as the household income increase, 2006 to 2016, median home prices increased dramatically from \$175,000 in 2006 to a little under \$250,000 in 2016. An analysis of Multiple Listing Service data found that in June 2018, buyers in the Nashville region paid an average of \$320,000. This represents \$20,000 more than the average home cost in June 2017.

Similarly, Census data and Rentjungle found that average rents in Nashville increased 60 percent in a six-year period from \$872 in 2011, to \$1,401 in 2017. Residents of Nashville are spending more than 28 percent of their monthly incomes on their rent or mortgage.

MEDIAN HOME PRICES: 2006 - 2016

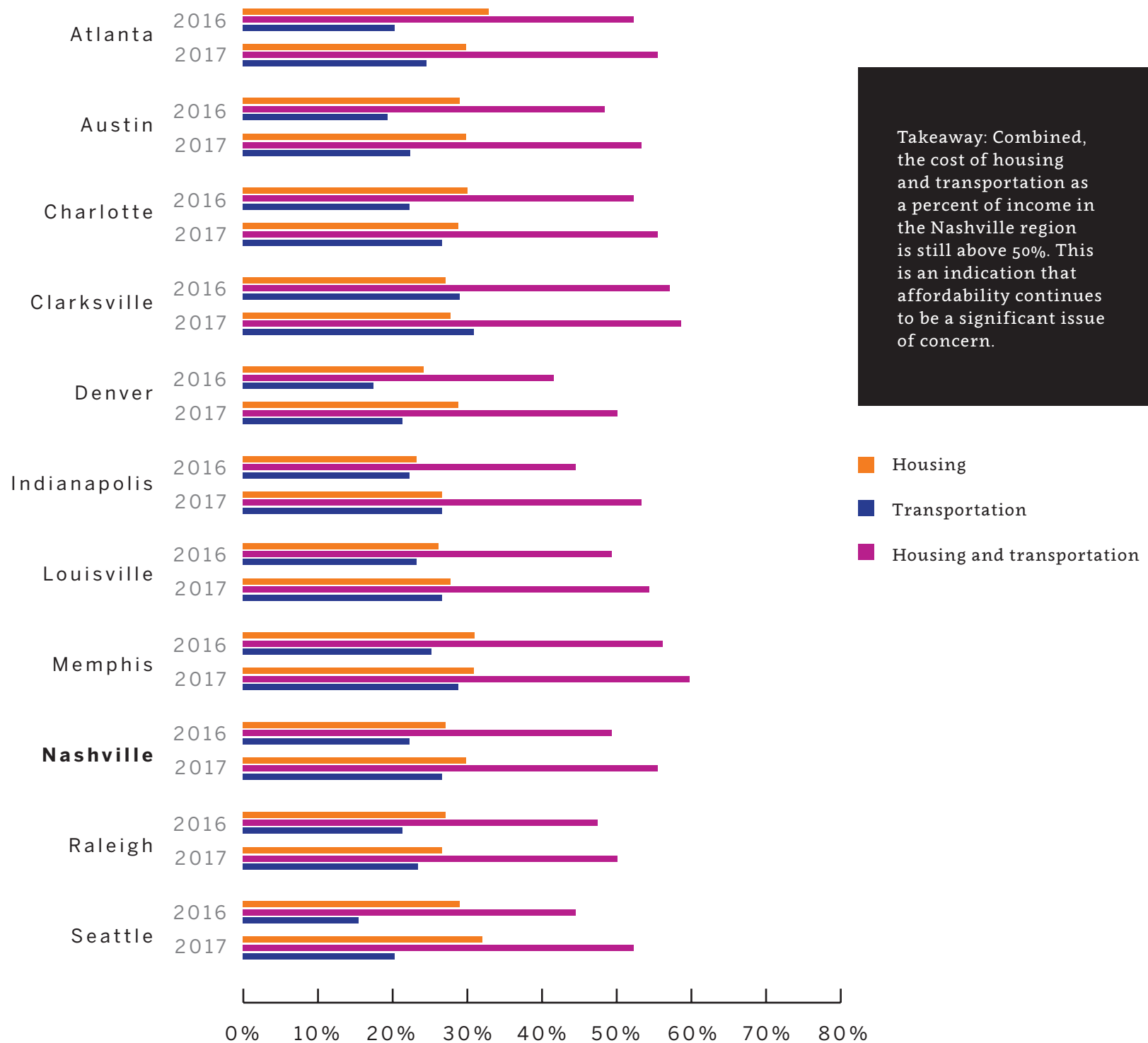
Source: Zillow, 2017



Takeaway:
Nashville's growth and rising national popularity has led to increasing home prices, particularly in the past few years. Compared to most peer cities, home prices in Nashville have risen sharply in the past decade.

HOUSING AND TRANSPORTATION COSTS AS A PERCENTAGE OF INCOME: 2016 VS. 2017

Source: 2017 Center for Neighborhood Technology



A household is considered cost-burdened if it spends 30 percent or more of its monthly income on housing or 20 percent or more of its monthly income on transportation. Some individuals and families move further from their work to find more affordable housing, but the distance they add to their commute increases their transportation costs. The future success of the region depends on whether Middle Tennessee can figure out a way to embrace the new growth while ensuring residents who work within the region can also afford to live within the region.





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