

Market Report

2021 IN REVIEW

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Each of the five indicators highlighted below provide insight into the state of the Greater Memphis economy in 2021.

Throughout 2021, each indicator below improved, showing momentum toward full job recovery to pre-pandemic levels as well as project announcement momentum to indicate a strong pipeline of projects leading into 2022.

The Center for Economic Competitiveness at the Greater Memphis Chamber herein presents a look at some of the year's accomplishments and projections for future growth in the Memphis region.

1

Unemployment Rate,
Seasonally Adjusted

2021

4.1%

-2.8% YoY

2

Job Change
Seasonally Adjusted

2021

+17,700

+2.82% YoY

3

Regional GDP

2021

\$76.4 Bil

+6.2% YoY

4

Capital Investment
2021

2021

\$6.79 Bil.

+87.31% YoY

5

Jobs Announced
2021

2021

9,374

+68.4% YoY

2021 closed with a regional **unemployment rate of 4.1%** – only one percentage point over the region’s historic low.

2021 began with a regional unemployment rate of 7.0% and closed at 4.1% – a rate one percentage point above the region’s historic low. Unemployment recovery in 2021 was less aggressive than the 6% reduction across 2020, and continued to slow toward the end of the year for a 2.9% total reduction. However, the Greater Memphis area’s current rate of unemployment is now lower than the 4.4% of early 2020, pre-pandemic.

Job Postings

Between January 1 and December 31, 2021, there were **210,913 unique job postings in the Greater Memphis Area**. 24.5% of the total postings requested employees in the Transportation/Material Moving and Office Administration industries, further demonstrating an impending recovery for those cohorts. Regionally, the top posters are Amazon, Methodist LeBonheur, and FedEx with a combined total of nearly 15,000 job postings.

13%

Pandemic High
April 2020

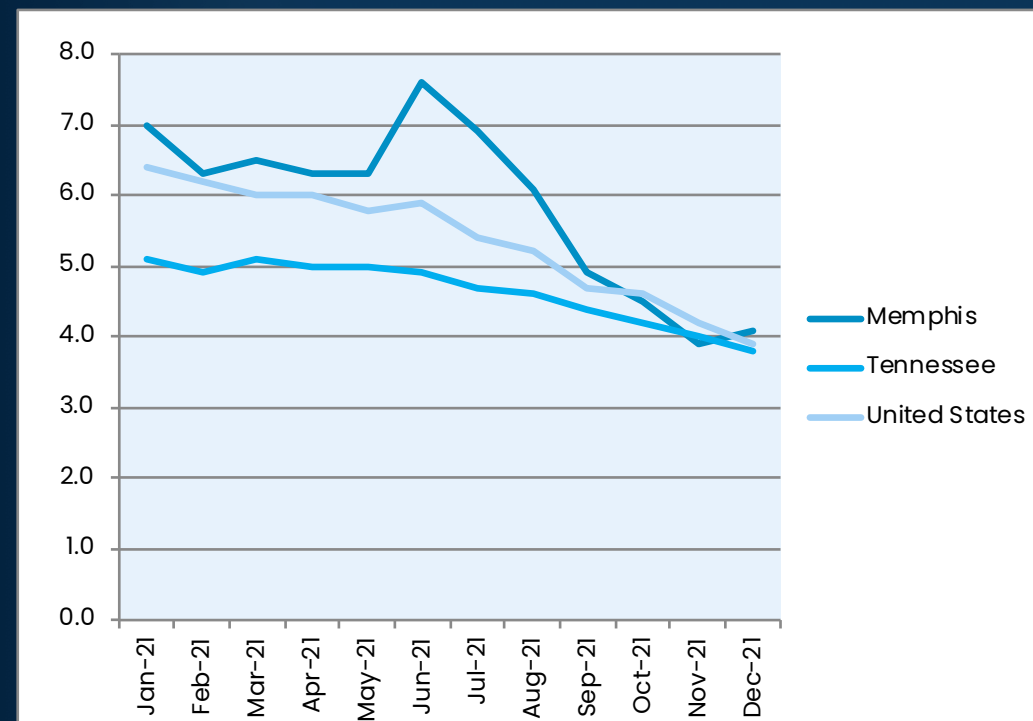
3.1%

Historic Low
March 2000

4.1%

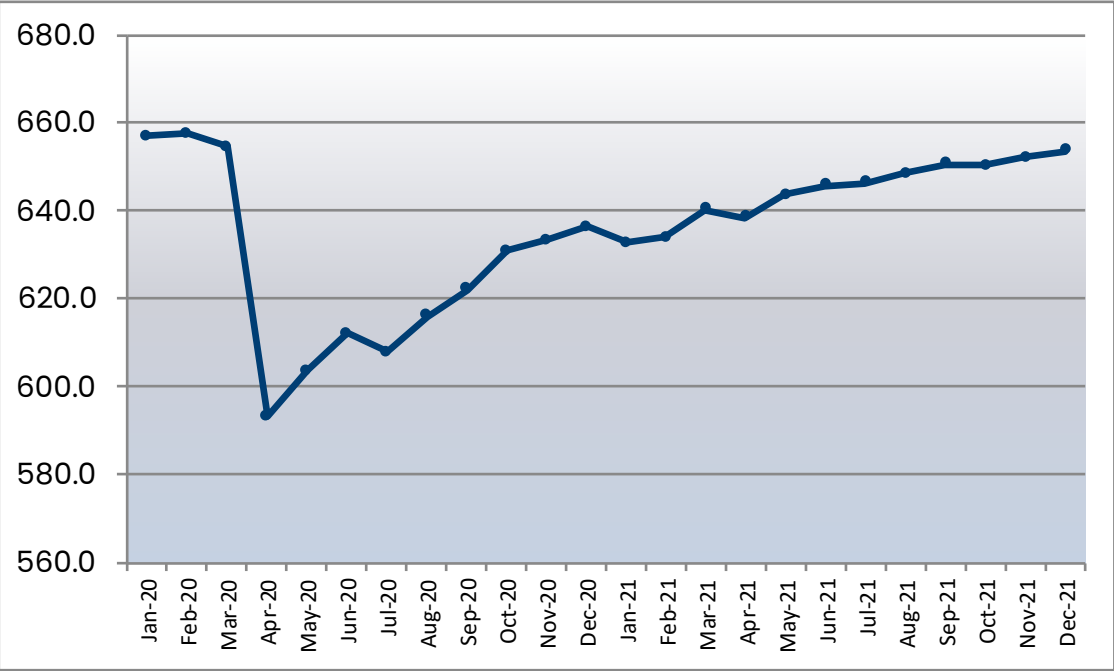
Current Rate
December 2021

Unemployment



Businesses in Greater Memphis added 18,500 jobs in 2021.

Employment Nonfarm Payroll (Jobs)



With 29,000+ business establishments and 653,800 jobs, the market is just 1,000 jobs shy of pre-pandemic levels.

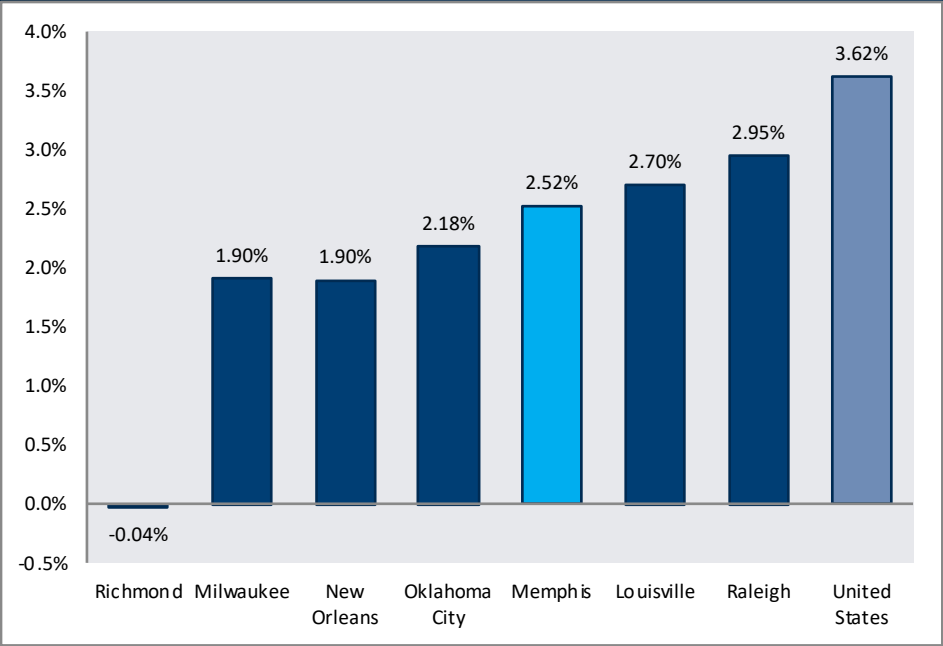
Memphis is experiencing the second fastest recovery of all Tennessee Metros (Nashville, Knoxville and Chattanooga.). At this time, only Nashville has regained all jobs lost in March/April 2020.

Sources: St. Louis Federal Reserve

652.2k
Jobs
2021

2.5%
Cumulative
Job Growth
2021

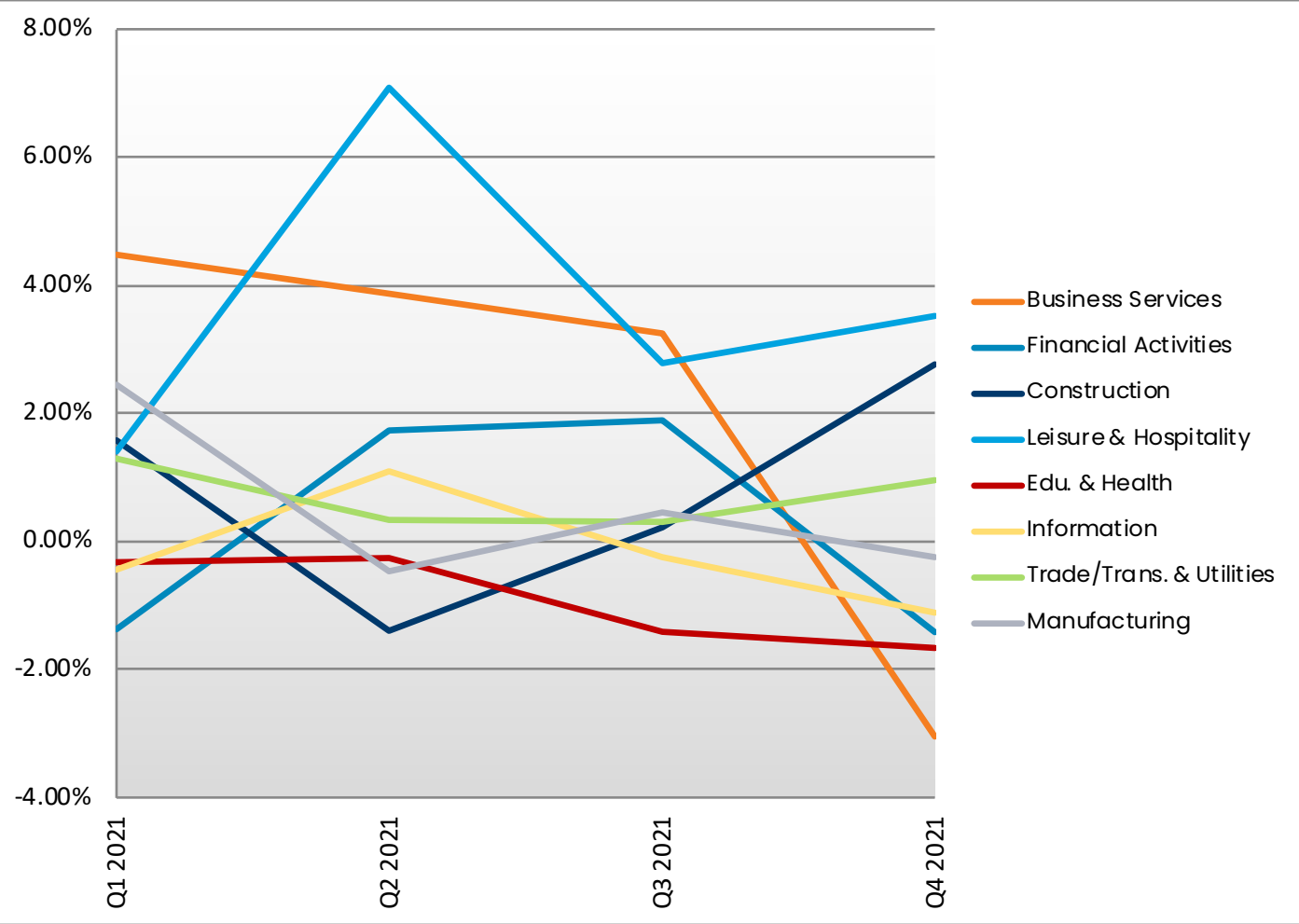
2021 Job Growth – Comparable Metro Areas



The Leisure and Hospitality sector added jobs in all four quarters of 2021.

Employment

Job Growth by Industry | Quarterly Growth %



Sources: St. Louis Federal Reserve, Economic Modeling Specialists International

Highlights and Trends

Jobs across most industries experienced a robust summer season, especially the hard-hit Leisure & Hospitality sector. Trade and Transportation showed consistent growth over all four quarters, and Construction finished the year strong with almost 3% growth in Q4.

Among these featured industries, only two experienced a year-over-year contraction: Education/Health, and Information, with -3.7% and -1.7% respectively.

13%

Y-o-Y Growth in Transportation & Warehousing

7.4%

Y-o-Y Growth in the Business Services Sector

8,320

Jobs added in the Leisure & Hospitality Sector

9%

Anticipated 5-Year Job Growth in Arts & Entertainment

Despite growing wages, some hospitality and tourism positions remain difficult to fill, hindering the region's return to pre-pandemic job numbers.

Occupation	Job Postings	Time to Fill	Salary Est.
Retail Sales Associate	5,390	33 days	\$32,931
Customer Service Representative	4,417	32 days	\$34,081
Retail Store Manager / Supervisor	3,734	32 days	\$39,835
Food Service Team Member	2,747	39 days	\$25,205
Restaurant / Food Service Manager	2,543	37 days	\$40,561
Cook	1,538	38 days	\$27,529
Restaurant / Food Service Supervisor	1,453	33 days	\$32,325
Shipping / Receiving Clerk	1,317	32 days	\$33,801
Order Processor / Order Entry Clerk	983	33 days	\$33,035
Scheduler / Operations Coordinator	729	34 days	\$40,202
Warehouse / Distribution Supervisor	700	37 days	\$42,185
Property / Real Estate / Community Manager	681	42 days	\$42,509
Host / Hostess	629	40 days	\$24,645
Storage / Distribution Manager	624	33 days	\$52,183
Inventory / Supply Specialist	409	37 days	\$36,442
Housekeeping / Environmental Services Supervisor	366	31 days	\$33,512
Dispatcher	295	31 days	\$38,230
Entertainment / Recreation Attendant	260	46 days	\$24,973
Billing Clerk / Specialist	217	34 days	\$35,724

+1,325

Largest Jobs Increase
Material Handlers

\$292K

Highest Median Salary
Orthodontists

20%

Highest Growth Rate
Pest Control Workers

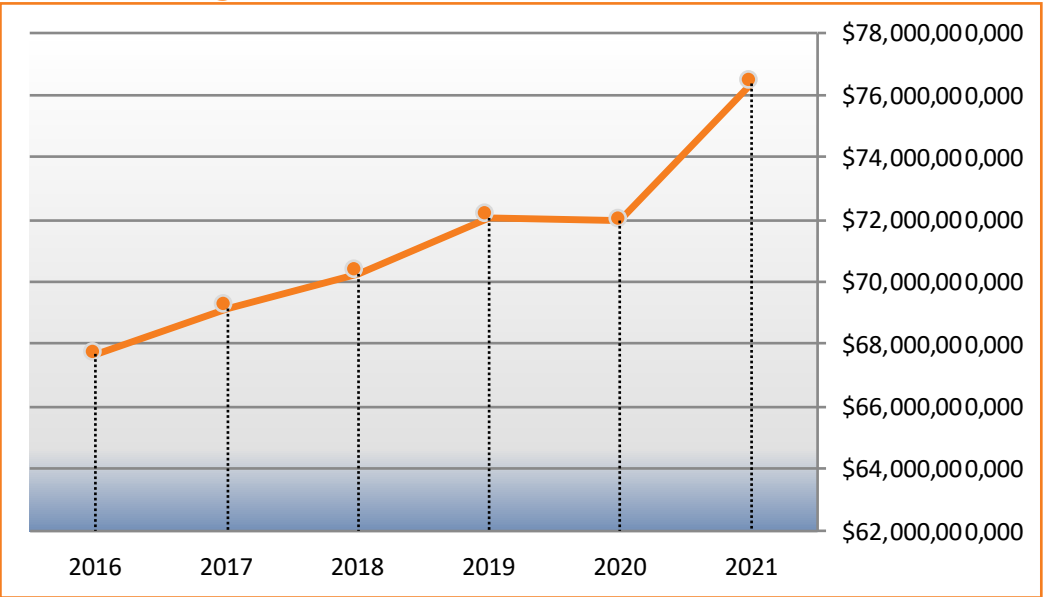
2021 is marked by a rebound for in-person Service Occupations as residents regained confidence in dining out, shopping, personal services, and entertainment. This return in consumer spending has helped stem the tide for the reeling Hotel and Tourism industries who lost over \$150 Million in GRP between 2019 and 2021.

The Logistics and Supply Chain Consulting sector saw a 123% increase in jobs between 2019 and 2020.

Staffing challenges have been particularly impactful for the hospitality and tourism sector. Despite wages growing and many of these jobs paying in excess of \$15/hour, the list to the left are some of the most difficult to fill positions for companies in the region. Postings for these jobs show that many of these positions took more than 30 days to fill on average, making full recovery a challenge for many hospitality and tourism firms.

GRP in Greater Memphis **grew by \$4.4 Billion** in 2021.

Gross Regional Product



Lead by a \$758 Million year-over-year increase in Transportation and Warehousing, and \$529 Million increase in Advanced Manufacturing, the Memphis regional economy **grew at 6.2%**. This outpaces the National 5.5% Real GDP growth rate.

The chart on the right shows the growth rates of comparable cities, as well as the US. The Memphis area has the second highest GRP growth rate of these cities, and is within the top third of cities with a population of 1 to 3 million.

This is the second time in over a decade that Memphis’s GRP growth has exceeded United States Real GDP growth.

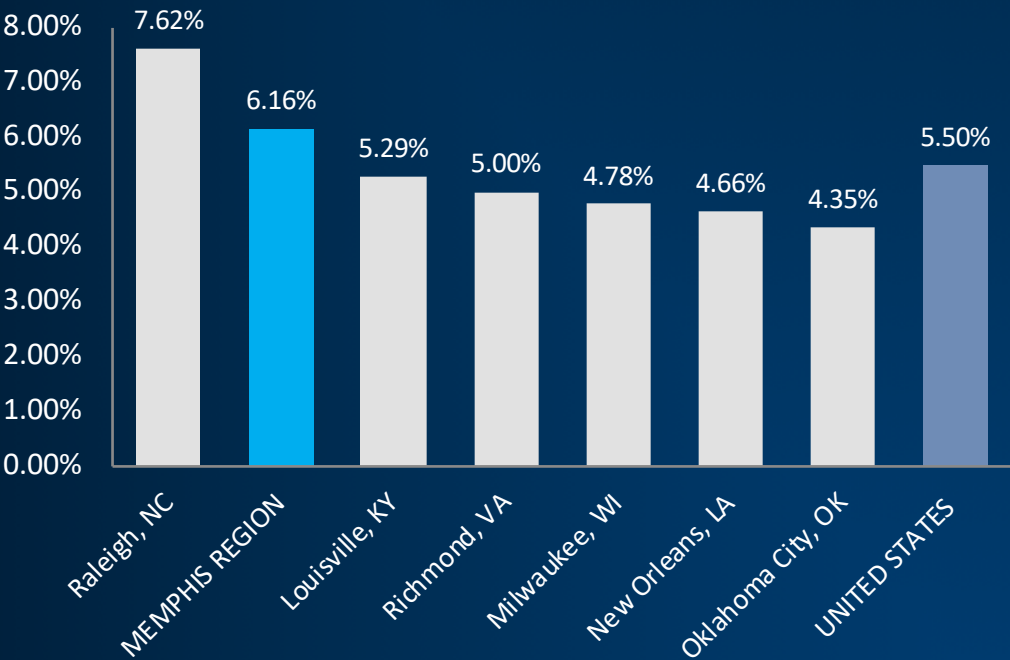
1.72%

Avg. Memphis GRP Growth Annual

2.25%

Avg. US Real GDP Growth Annual

2021 GRP Growth – Comparable Metro Areas
Vs. United States Real GDP Growth, Seasonally Adjusted



Memphis saw strong growth in key sectors, led the nation in new business applications filings.

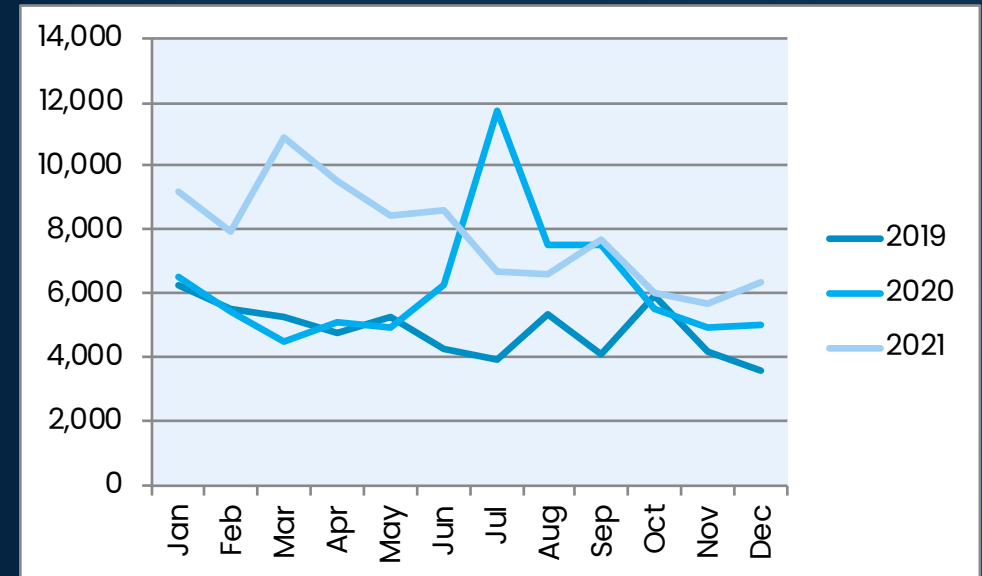
2021 has been a year of rebuilding with many industries seeing high positive growth numbers in quick response to the pandemic-led contractions of the year before. Several industries experienced organic growth over 2021.

- Long regarded as a major player in the logistics space, The region's **Supply chain and logistics industries grew a total of 13%** through 2021.
- Leveraging the region's expertise in supply chain efficiency, the region's **Advanced Manufacturing sector grew an average of 7% year-over-year,**
- The Business Services sector saw similar growth at 7.4%.

With the announcement of Ford Motor Company's Blue Oval City campus just outside Shelby County, the region should benefit significantly from the projected growth of the North American EV industry. In addition to the \$5.6 Billion investment Ford intends to make in the region, supplier networks and support businesses to serve the automaker will rapidly increase the \$25 billion annual GRP the industry currently contributes to the state's economy. Current project opportunity has increased rapidly, with multiple connected potential projects already in the region's pipeline.

93,921
New Business
Filings
TN, 2021

+24.9%
YOY Growth
TN, 2021



Leading the Nation in New Business Filings

LendingTree.com reported that the Memphis MSA had the largest percentage growth in new business filings between 2019-20 of the 100 largest US metros. With a 77.9% increase, the metro more than tripled the US average business filings growth of 25% over the same time period.

The chart above shows New Business Filings for the State of Tennessee. Mid-2020 record high new businesses were reported and the momentum has not slowed to pre-pandemic levels. The Secretary of State reports that the overwhelming majority of these new businesses are based in the Shelby County area.

2021 was a record year for economic development in Greater Memphis with **9,000+ announced jobs**.

Announced New Jobs 2021

Company	NEW Jobs	Capital Investment
Ubiquiti, Inc.	25	\$5,000,000
Eversana	50	\$12,000,000
Imperial Industrial Supply	35	\$20,900,000
Metzer Farms	30	\$6,000,000
KTG	30	\$22,000,000
Alphatec Spine	95	\$3,500,000
Frito Lay	50	\$18,000,000
Ampro	21	\$24,000,000
Walgreens	200	\$30,000,000
Hunter Fan	54	\$9,400,000
Ulab	231	\$30,700,000
Service Master by Stratos	50	\$2,000,000
Amazon	200	\$35,000,000
Mullen Industries	800	\$540,000,000
Helen of Troy	350	\$160,000,000
Newberry Tank	25	\$2,900,000
Atlantic Track	25	\$3,500,000
Arrowhead Brass	5	\$500,000
Atlantic Track	26	\$14,065,000
Sylvamo Corp	300	\$10,000,000
Memphis Record Pressing	111	\$7,500,000
Bioventus	40	\$3,175,000
DHL	75	\$7,000,000
Horizon Mining LLC	15	\$18,000,000
Ford Motor Co.	5800	\$5,600,000,000
Prospero Health	281	\$6,500,000
Ajax Distributing	0	\$14,530,000
Ookla	26	\$615,000
Red Dot	84	\$14,260,000
Wasp	281	\$6,500,000
Medtronic/CEVA	265	\$133,350,000
Performance Foods	36	\$29,200,000
JetIt	39	\$2,125,024

15

Supply
Chain
Operations

5

Corporate
Offices

13

Advanced
Manufacturing

33

projects

9,374

Jobs Created

\$6.8BIL

Est. Capital Investment

Anchored by the historic announcement of Ford Motor Company's selection of Greater Memphis as home to its \$5.6 billion investment to bring 5,800 new jobs to West Tennessee, the region experienced significant deal flow in 2021. Both new operations and expansions helped drive a record 33 landed projects and \$6.8 billion in estimated new capital investment in the market. Other major deals included a \$133 million deal with 265 jobs from global Medical Device maker Medtronic and 300 jobs from International Paper spinoff Sylvamo.

Announced expansions include Memphis Record Pressing a producer of vinyl records, which is adding 111 jobs and making a \$13 million capital investment; and Walgreens the nation's second largest drug store retailer, which is opening a logistic facility that will add 200 jobs and generate nearly \$30 million in capital investment.

2021 projects represented a variety of **new announcements** and **expansions**.



Key Takeaways

Strong GRP Growth Sets Pace for Future Acceleration

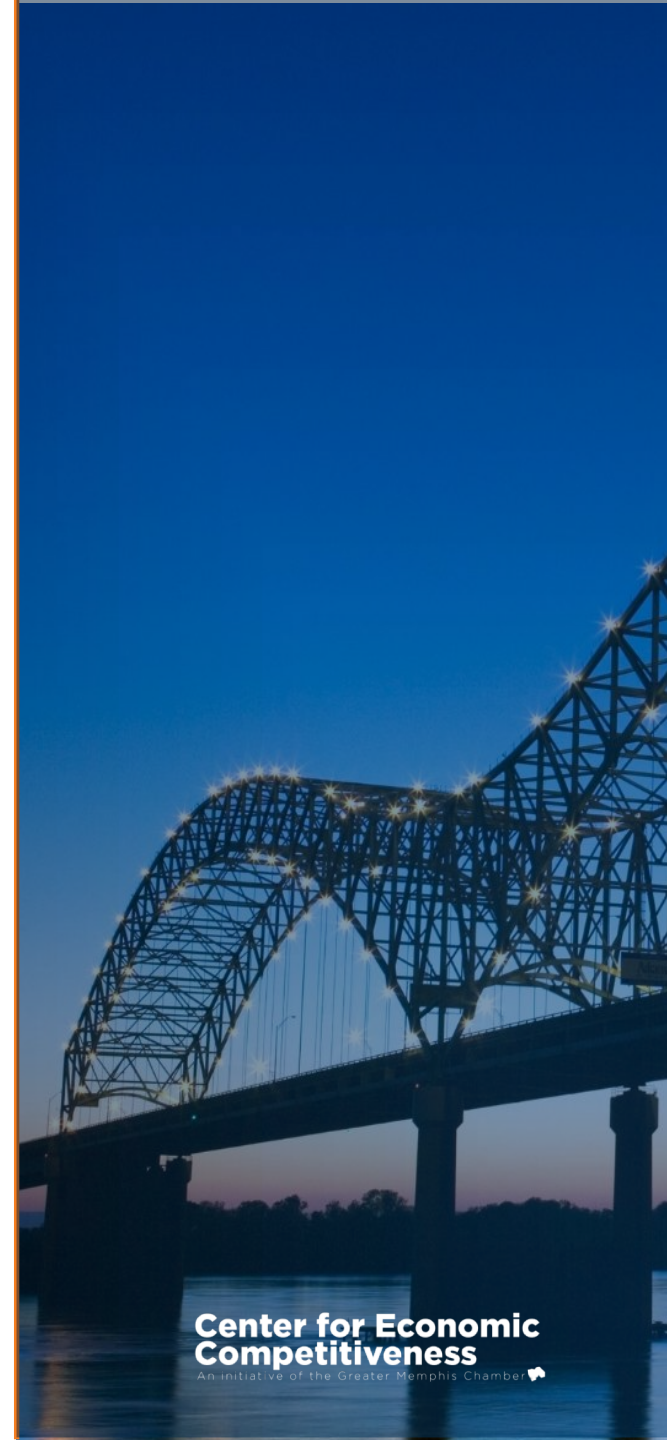
The GRP of Greater Memphis **grew by \$4.4 Billion** in 2021. GRP growth outpacing the US average indicates potential for a strong recovery for Greater Memphis. For only the second time in the past decade, the region's GRP growth outpaced the US average, indicating positive momentum following the immediate impact of Covid-19 in 2020. GRP in Lead by a \$758 Million year-over-year increase in Transportation and Warehousing, and \$529 Million increase in Advanced Manufacturing, the Memphis regional economy grew at 6.2%.

Traded sector growth and new business applications rates indicate a healthy economic outlook for 2022.

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The Greater Memphis region is on pace to recovery to pre-pandemic job levels in 2022

Memphis is recovering jobs at the second fastest pace of Tennessee metros, with Nashville leading the way. Just 1,000 jobs shy of full pre-pandemic job numbers, the regional economy is on pace to make a full recovery of jobs in 2022. Compared to the pace of recovery from the 2008 Great Recession, Memphis is on pace to make a full jobs recovery quickly. Workforce shortages in hospitality and tourism and healthcare and education are the primary barriers to full job recovery in the metro.



Center for Economic Competitiveness

An initiative of the Greater Memphis Chamber 

The Greater Memphis Chamber's **Center for Economic Competitiveness** is a thought leadership entity that shepherds a portfolio of strategic advisory projects to drive quality job growth and investment activity into the Greater Memphis region. The Center for Economic Competitiveness team leverages data to align regional stakeholders around the metrics that matter to improving the economic performance of the Greater Memphis region.

Interested in more research?
Here's how we can help.

Research Services

Economic Trends & Conditions Research
Industry Insights & Deep Dives
Economic Impact Analyses
Site Selection Cost Comparison and Analysis
Custom Reports

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Visit www.memphismoves.com for more information on the Greater Memphis market.

Appendix.

Office and Industrial

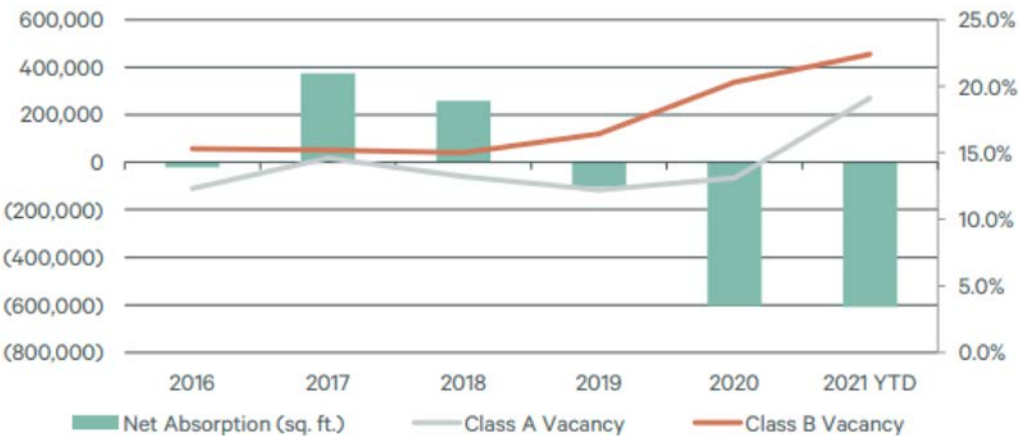
Real Estate Trends

Office

The Memphis office market’s overall vacancy rate increased to 20.9% to end the year, as tenants moved out of 60,800 sq. ft. of space. Despite a slight uptick in vacancy, rents trended upward to a **record high of \$20.02 per sq. ft.** This is the seventh straight quarter of rent growth, which demonstrates landlords’ confidence in the office space market, particularly among Class A owners.

Some of this may be attributed to new flexibility to work remotely in the pandemic era. The market’s relative stability remains attractive to investors. **Investment volume in 2021 reached \$407 million** following a record 2020 with \$511 million in investment.

Office Trends



Industrial

Demand in 2021 reached record high levels, as tenants absorbed over 13 million square feet. **2021 closed with over 10.0 million sq. ft. of space under construction, and delivery of 6.2 million sq. ft. in Q4, the highest quarterly total on record.** Greater Memphis, like most industrial markets across the country, finished out the year strong .

As a result of strong demand, landlords continued to push rents at a 7.3% year-over-year increase . That kind of rent growth demonstrates landlords’ confidence in the future of the market and with tenant demand at historically high levels, new space should be a welcome opportunity for occupiers to upgrade and expand. Investors and developers continue to see the value in the diverse and competitive Memphis industrial landscape.

Industrial Trends

