



# Greater Knoxville Annual Report Card 2018

*This report is the work of the Power Up! Committee of ConnectKnox, and represents a partnership between researchers at the Knoxville Chamber, the Knoxville-Knox County Metropolitan Planning Commission, and the University of Tennessee Boyd Center for Business and Economic Research.*



# Introduction

This is the first in what will become an annual series of report cards to track progress on the Values of a Fully Thriving Knoxville, drawn from the *State of Greater Knoxville* report from Thriving Cities as refined by the Connect Knox Steering Committee Retreat in August 2017.

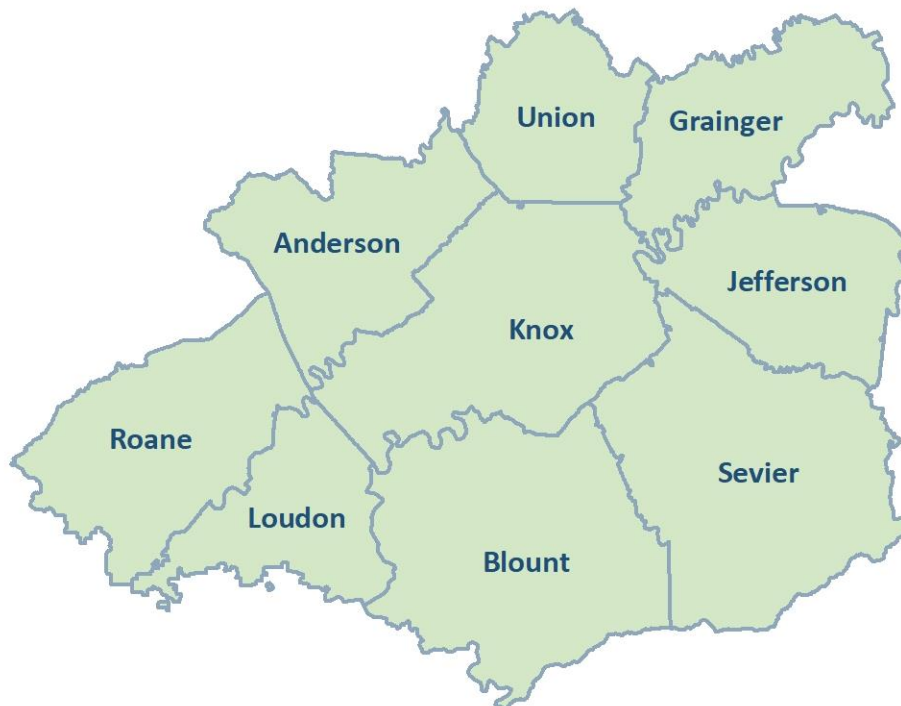
## The Data

We recognize that no indicator can fully capture progress in any particular value, but we have selected the included set of leading indicators based on the following criteria:

- generally accessible from reputable public sources
- compiled at multiple scales including local, state and national levels
- available on an annual basis for a sufficiently long period of history

## 865 Region

On the following pages, we provide data for our chosen indicators of progress with each of these values. When possible, data are provided for Knox County, for the Knox Region (which also includes the eight bordering counties of Anderson, Blount, Grainger, Jefferson, Loudon, Roane, Sevier, and Union), the state of Tennessee, and for the U.S.



# Values Assessment Overview

Greater Knoxville is certainly thriving in some areas but has work to do in other areas.

## Sustain & Capitalize

**Educated:** rising educational attainment profile

**Entrepreneurial/Innovative:** steady growth in new business formation

**Sustainable:** noticeable improvement in air quality

## Monitor & Understand

**Beautiful:** steady employment in arts, entertainment, and recreation

**Inclusive:** becoming more diverse

**Loving/Generous:** steady formation of new non-profits

**Safe:** slight increases in some crime rates

**Socially/Physically Connected:** fewer teens out of school & the labor force

## Prioritize & Act

**Civically Engaged:** declining voter turnout

**Equitable:** rising income inequality

**Forward Thinking:** low third-grade reading proficiency





**Healthy:** uptick in lost potential due to early death

**Prosperous:** declining median incomes

## Indicator: Percent of population ages 25 and above with an associate or bachelor degree

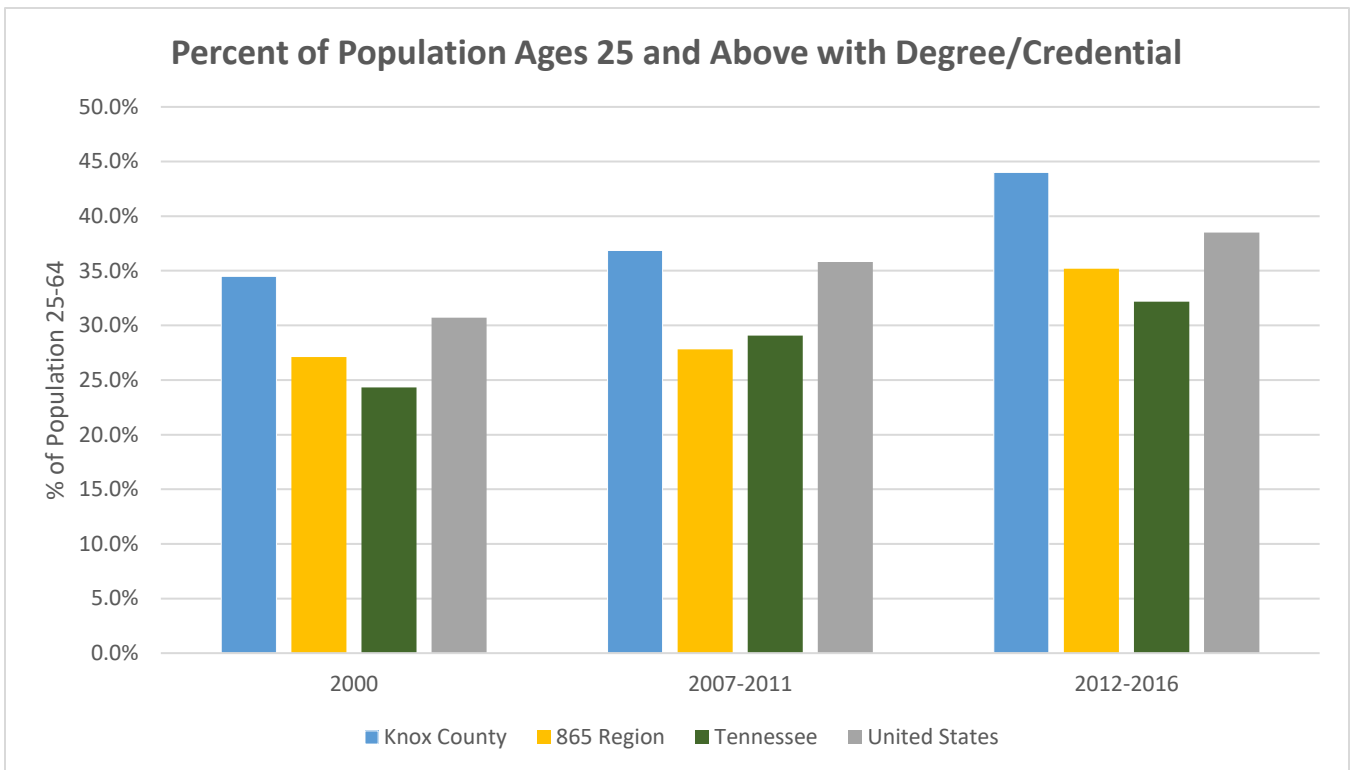
The long-term economic advantages that come with a credential or degree make education beyond high school a valuable investment for individuals. An educated and trained workforce is critical for attracting and retaining high-quality jobs.

### Trends:

<p><b>US</b></p>  <p><b>38.5%</b> in 2012-2016</p>	<p><b>Tennessee</b></p>  <p><b>32.2%</b> in 2012-2016</p>	<p><b>865 Region</b></p>  <p><b>35.2%</b> in 2012-2016</p>	<p><b>Knox County</b></p>  <p><b>44.0%</b> in 2012-2016</p>
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### Insights:

The number of people receiving an associate or bachelor’s degree continues to climb across the region, topping out 44% in Knox County. 35% of the region’s adults hold a credential, which exceeds the statewide attainment. Education is a strong predictor of earnings. In Knox County, poverty rates (18.4%) are three times higher for those with just a high school diploma than those with credentials. Knox County’s current rate of increase in this area puts it on path to achieve the Governor’s “Drive to 55” goal. (55% of workers with a credential by 2025).



Source: American Community Survey Five-Year Estimates, Table B15002, U.S. Census Bureau



### Indicator: Number of new domestic for-profit business formations

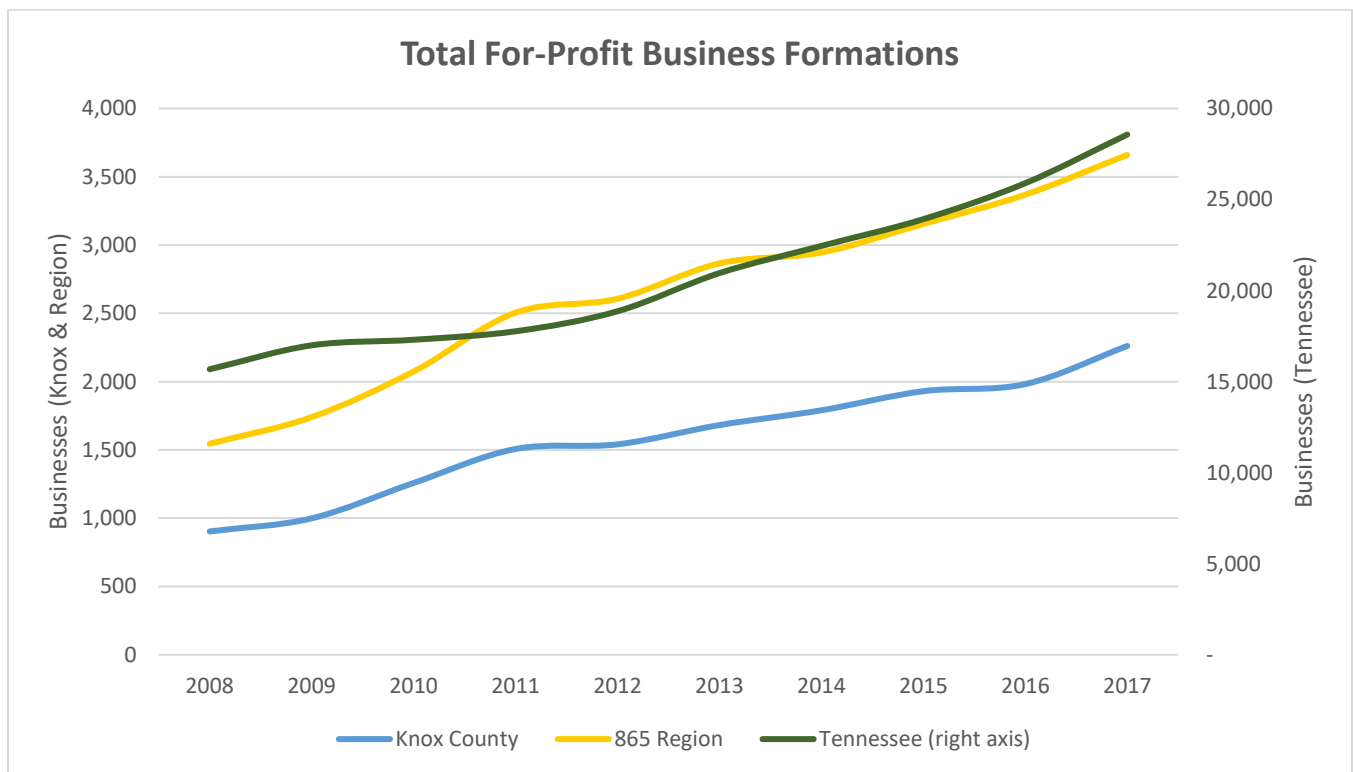
An entrepreneurial community is characterized by a large and growing number of start-up enterprises. While we recognize that there are other indicators of entrepreneurial success, none are available at the local level or for a sufficient time period or for enough areas to allow for comparisons. In future reports, we will include additional discussion of other measures of small business growth and success.

#### Trends:



#### Insights:

Business formation has grown significantly in Knox County, the Knox Region, and the state since the Great Recession of 2007-09. For about half of the years in the chart, the number of new businesses has grown at a faster rate in Knox County than in the Knox Region and the state of Tennessee. All three series show strong upward trends, revealing the strong entrepreneurial and innovative culture in our area.







Source: *New Domestic Business Formations, Tennessee Secretary of State.*

## Indicator: Percent of days with good air quality

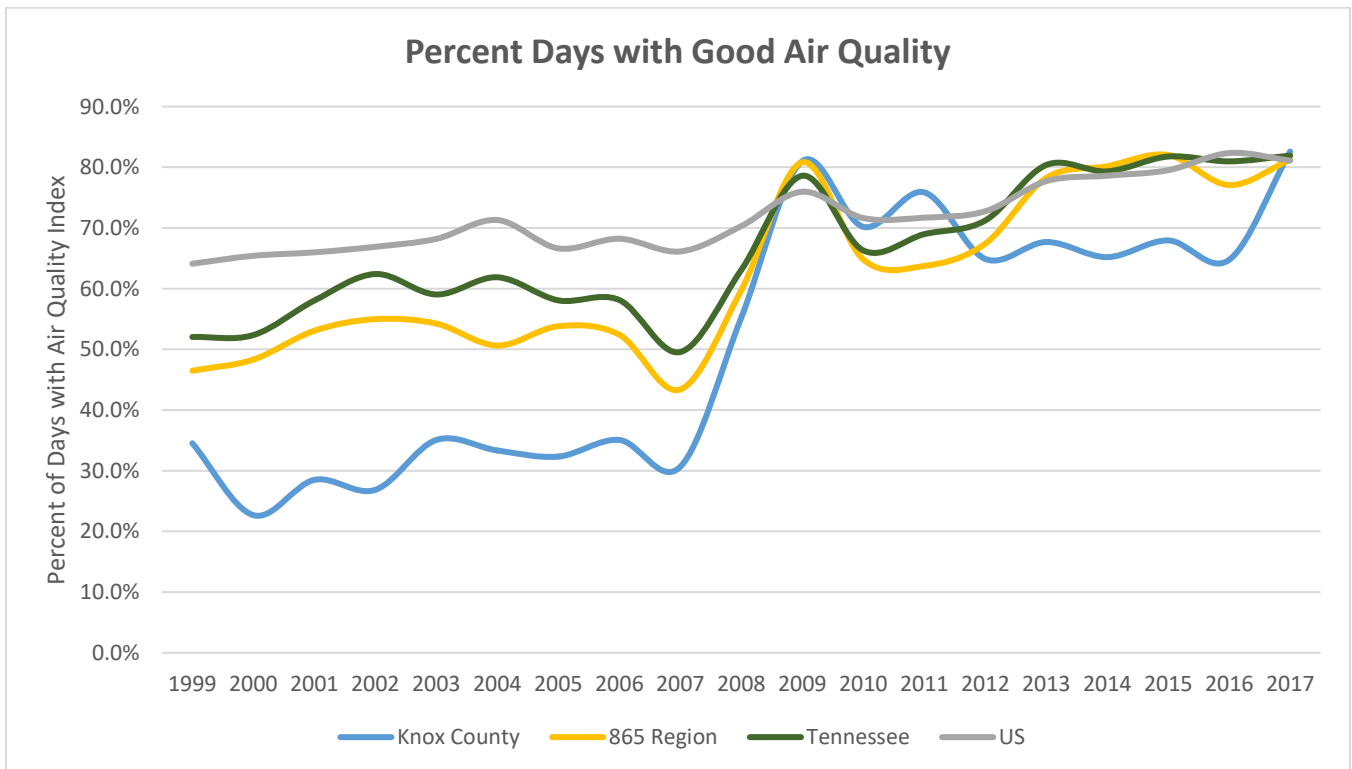
Clean air is just one of many measures of a healthy environment and sustainable economy. The extent of the health implications of prolonged or frequent exposure to high pollutant levels may be difficult to measure, but the greatest impacts are on the youngest and oldest among us.

### Trends:

US	Tennessee	865 Region	Knox County
			
<b>81.1%</b> in 2016	<b>81.9%</b> in 2016	<b>81.2%</b> in 2016	<b>82.6%</b> in 2016

### Insights:

Air quality in East Tennessee has improved dramatically and the region now meets federal clean air standards. Investments by regional power producers such as TVA and others in the Midwest have resulted in reductions of ozone forming pollutants that have improved haze conditions. The great Smoky Mountains can now be seen from Downtown Knoxville on a typical day despite ozone still being the region’s main pollutant. Small particulates (less than 2.5 microns) are the second most common pollutant.







Source: US Environmental Protection Agency, Air Quality System Data Mart.

## Indicator: Employment in the arts, entertainment, and recreation industry as a share of total employment

There are many ways to measure a region’s health and progress in the arts, entertainment, and recreation, but total employment captures the underlying importance as well as the community’s investment in these areas.

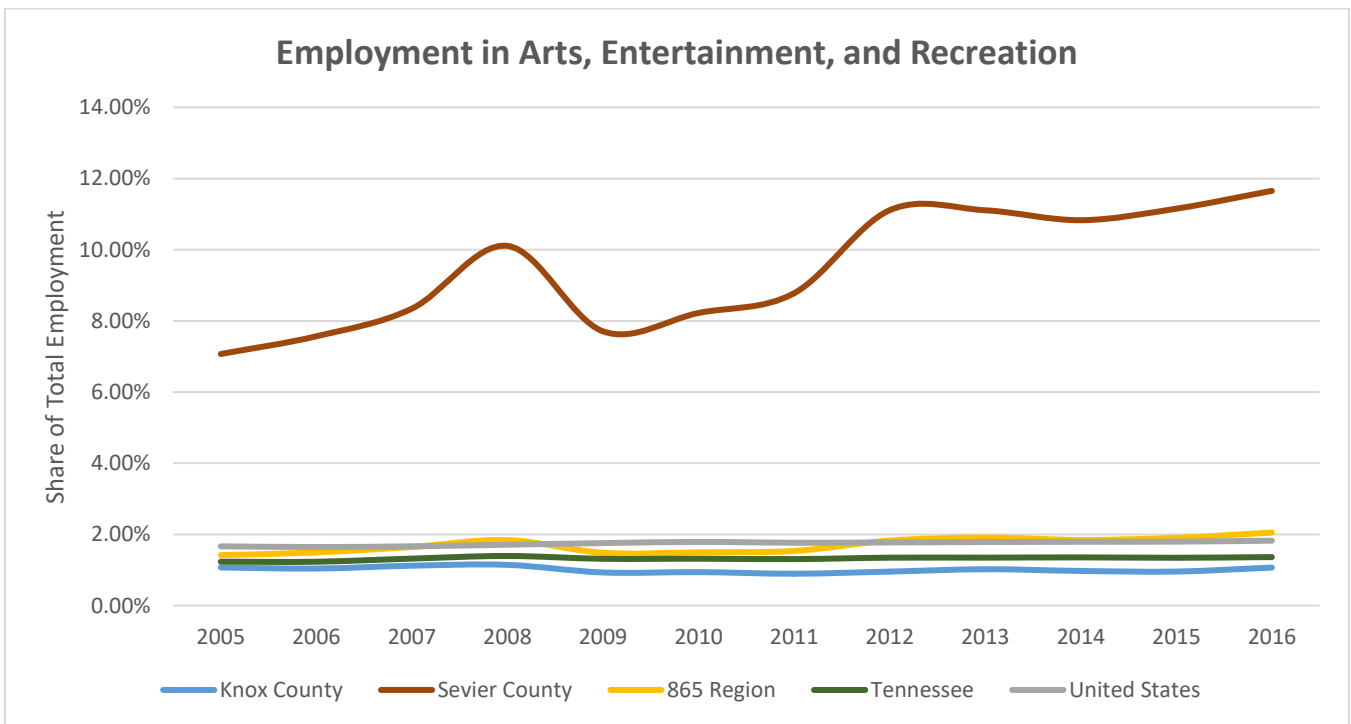
### Trends:

US	Tennessee	865 Region	Knox County
			
<b>1.82%</b> in 2016	<b>1.36%</b> in 2016	<b>2.05%</b> in 2016	<b>1.07%</b> in 2016

### Insights:

7,796 people were employed in this sector of the economy in 2016 across the nine-county region. Almost 60% of that total is concentrated in Sevier County where tourism-related activities drive the sector. 11% of Sevier County jobs fall in this employment category; up from 8% ten years ago.

Within Knox County, post-recessionary growth in the sector continues at a strong 5.4% annual rate of increase. With 2,330 employees in 2016, levels are approaching the historic high of 2,400 jobs in 2008.

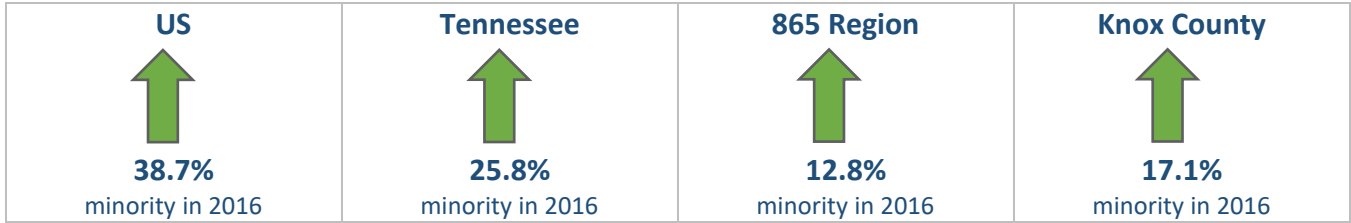


Source: Table CB1600A11, U.S. Census Bureau, 2016 County Business Patterns.

## Indicator: Population by major racial/ethnic group

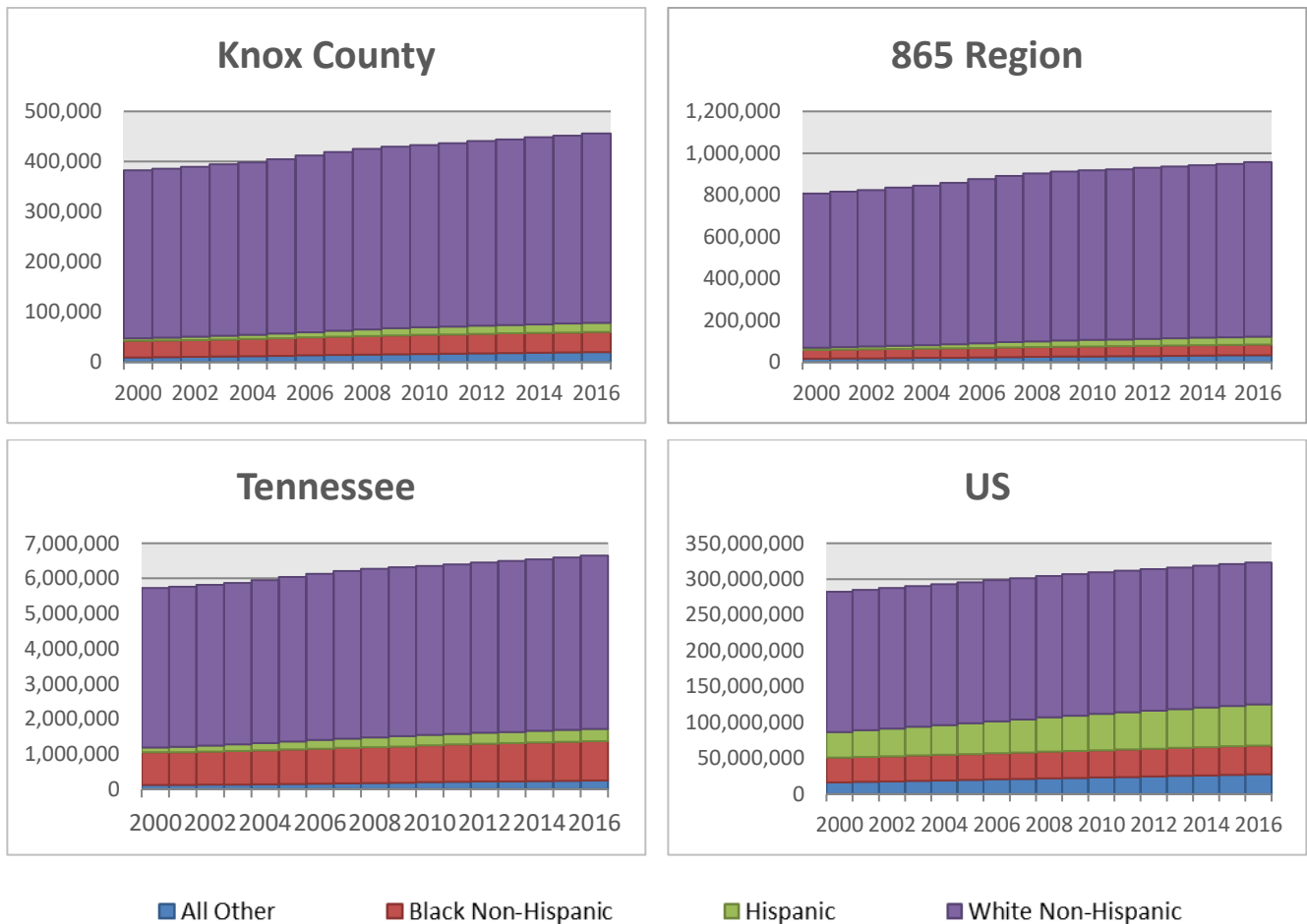
An inclusive community is a diverse community that is welcoming to all.

### Trends:



### Insights:

The Knox County and Knox Region populations have certainly become more diverse over the past 16 years, but the local degree of diversity lags behind the statewide and U.S. trends. The majority of the increase in local diversity appears to be driven by Hispanics and those in the All Other category.






Source: U.S. Census Bureau, Annual County Resident Population Estimates (2010-2016) and County Characteristics Intercensal Population Estimates (2000-2009).



## Indicator: Number of new domestic non-profit business formations

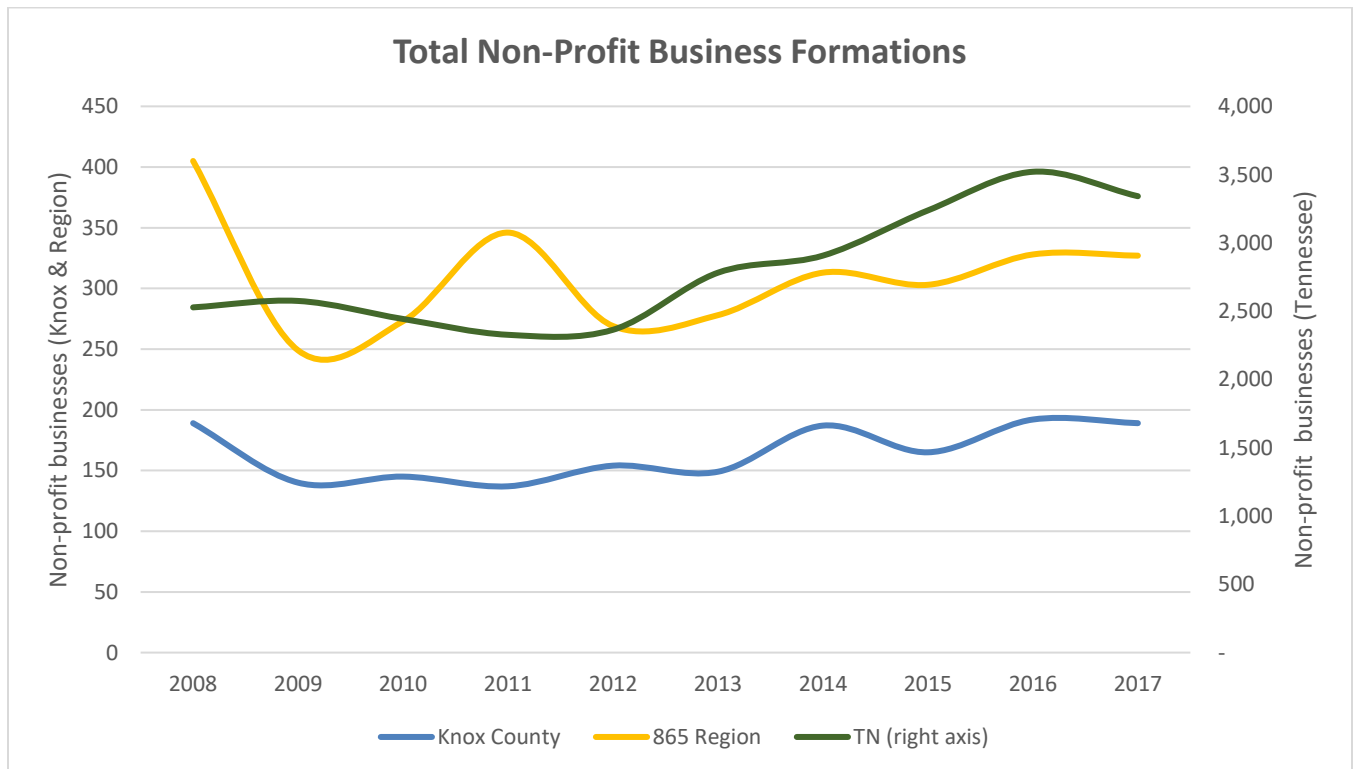
While the number of new non-profit organizations is not necessarily the strongest indicator of a region’s generosity or loving spirit, it takes initiative and a strong consideration of others to start a non-profit. We look forward to tracking the number of volunteers and volunteer engagements or hours as new data become available in the coming years.

### Trends:

Tennessee	865 Region	Knox County
 <b>3,342</b> new non-profits in 2017	 <b>327</b> new non-profits in 2017	 <b>189</b> new non-profits in 2017

### Insights:

While Tennessee has seen strong growth in the number of new non-profit businesses registered with the Secretary of State’s office in recent years, the numbers have been more stable in the Knox Region and in Knox County. We note that this does not necessarily mean that Knox County and the Region are under-performing the state. We view all three series as strong indicators of a consistently generous and loving people.






Source: *New Domestic Business Formations, Tennessee Secretary of State.*

## Indicator: Rate of crimes against people (per 1,000 population)

A safe and stable community help people of all age thrive and achieve well-being. Community safety promotes and requires a participatory environment.

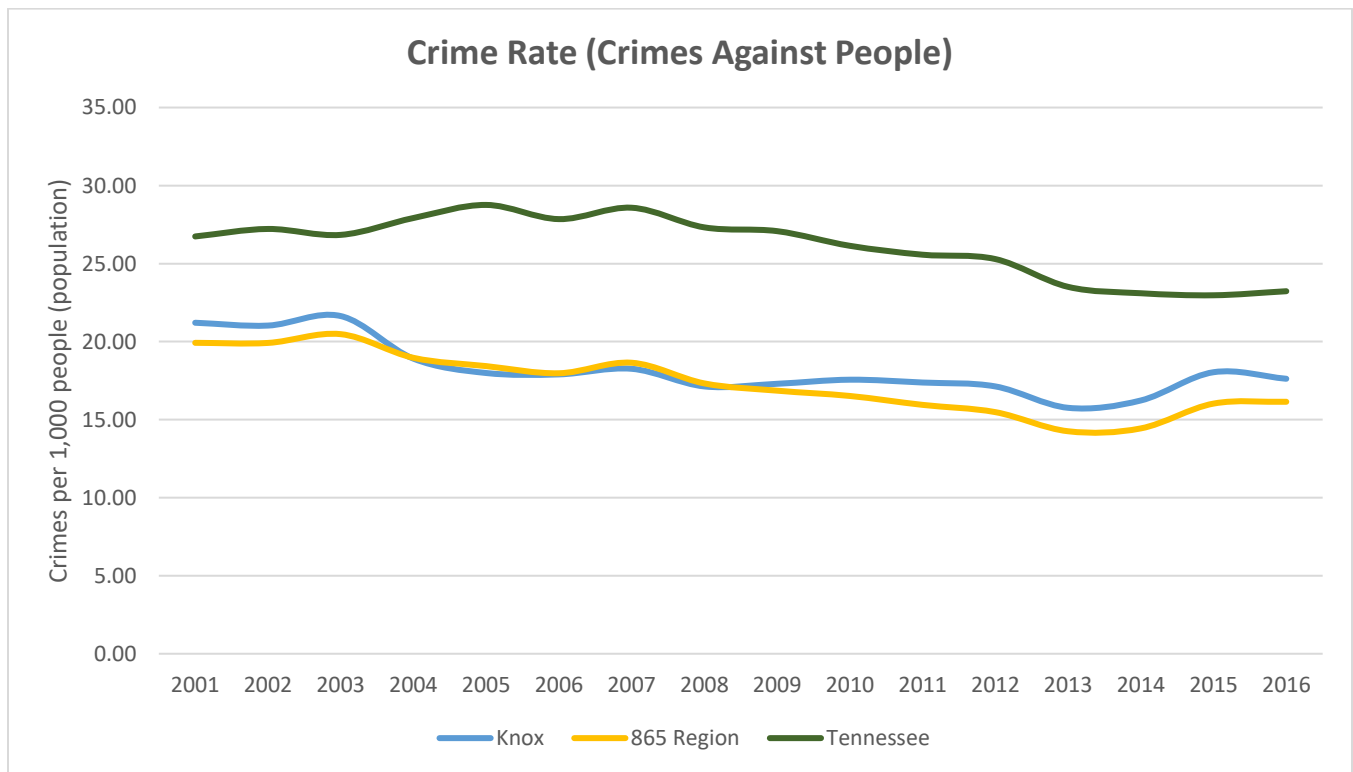
### Trends:

Tennessee	865 Region	Knox County
 <b>23.23</b> in 2016	 <b>16.15</b> in 2016	 <b>17.62</b> in 2016

### Insights

After a full decade of decline at the local, regional and state-levels, crime rates edged upward for several years beginning around 2013. 2016 shows evidence of a leveling-off this trend locally. Within Knox County, 93% of crimes against people involve assault and intimidation. About 5% are related to forms of sexual assault including forcible rapes and fondling.

Both Knox County and the 865 Region have lower crime rates than the state. National statistics from the FBI show that violent crime rates for the state as a whole are 47% higher than the national average.



Source: Tennessee Bureau of Investigation, TIBRS On-line Reports System

# Socially/Physically Connected



## Indicator: Percent of population ages 16-19 not enrolled in school and not in the labor force

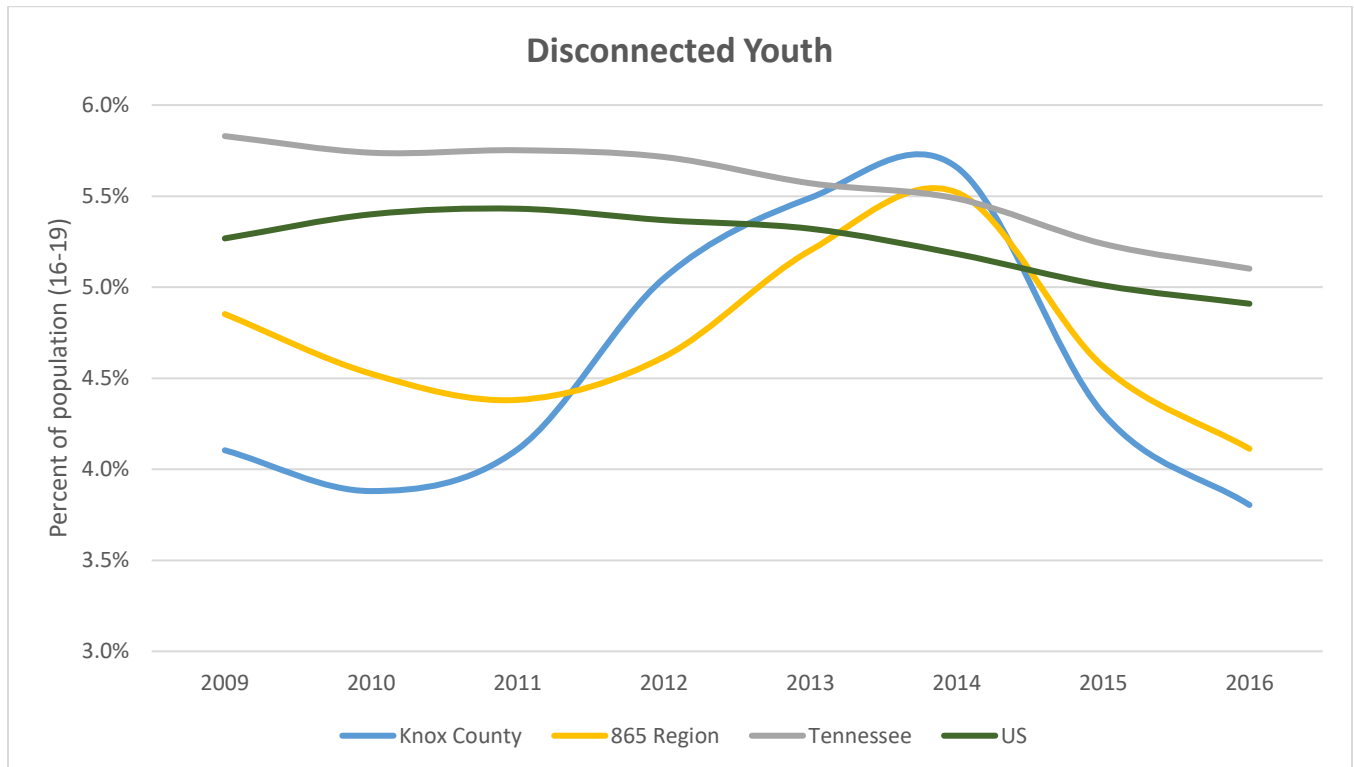
The upper teenage years are a critical period in the lives of our youth. It is important to track the share of this age group who are neither in school nor in the labor force, as being disconnected in this way could be a sign of lost potential.

### Trends:

US	Tennessee	865 Region	Knox County
↓	↓	→	→
<b>4.91%</b> in 2016	<b>5.10%</b> in 2016	<b>4.11%</b> in 2016	<b>3.80%</b> in 2016

### Insights:

While the percentage of disconnected youth has gradually fallen for the state and the nation in recent years, the trends have been more volatile at the local level. Specifically, we observe a troubling spike upward in both Knox County and the Knox Region between 2011 and 2014. Fortunately, the most recent data show a return to the pre-existing downward trend. They also reveal that Knox County and the Knox Region tend to outperform the state and nation on this measure. It will be important to continue to watch these trends in the coming years.

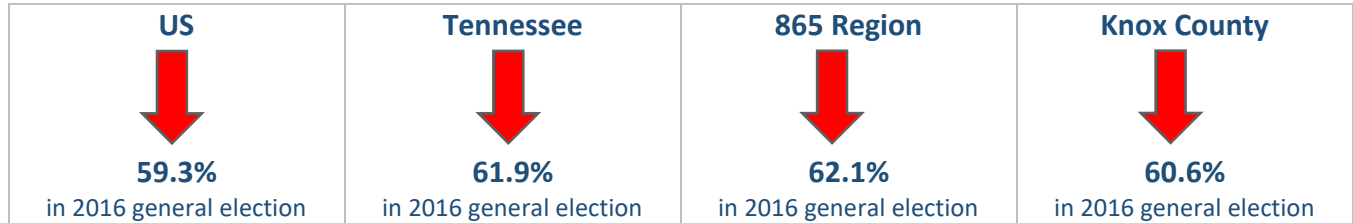


Source: American Community Survey Five-Year Estimates, Table B14005, U.S. Census Bureau.

## Indicator: Voter turnout at various elections

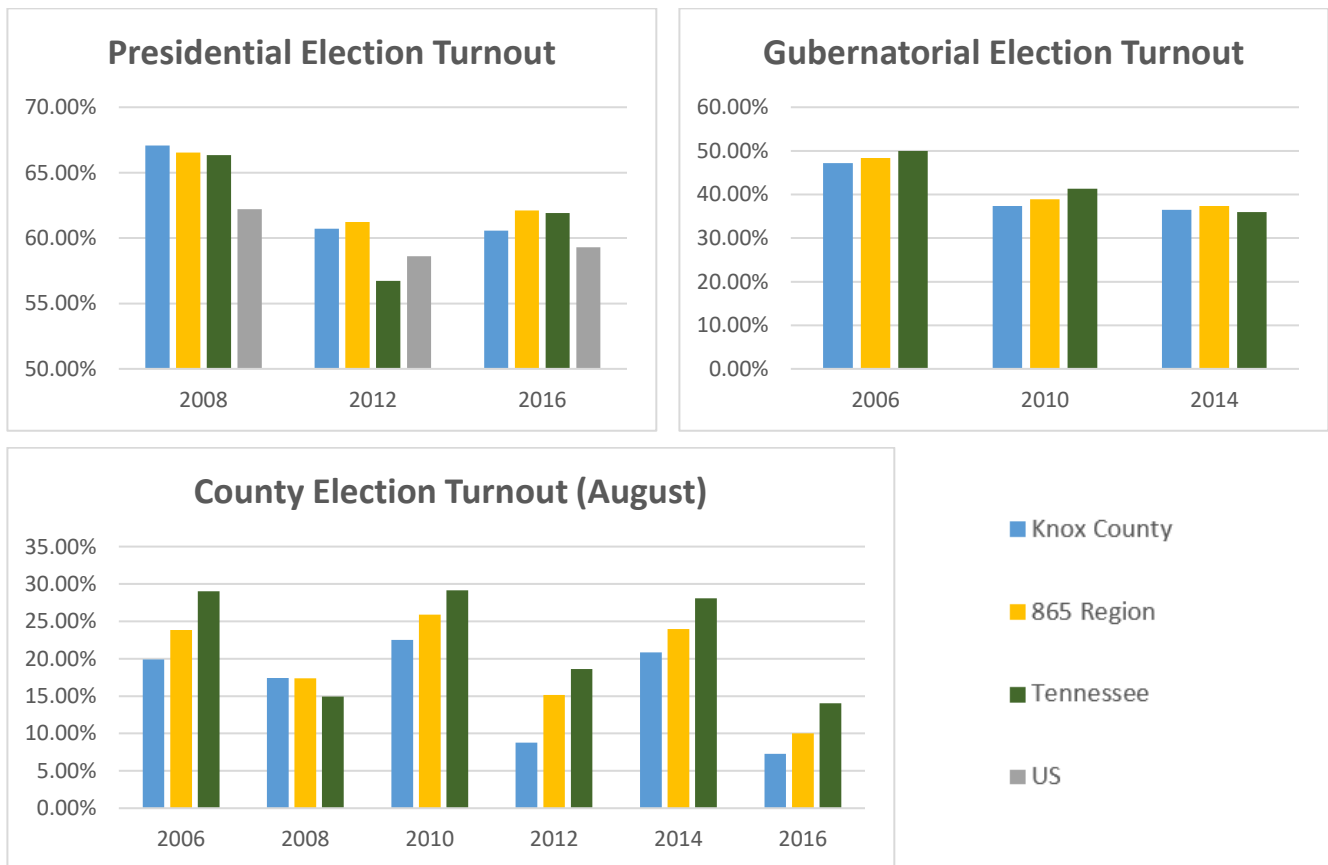
A civically engaged community takes pride in playing a role in their local, state, and national governments. This is reflected in voter turnout data.

### Trends:



### Insights:

The overwhelming trend at all levels has been a noticeable decline in voter turnout. Interestingly, voters in Tennessee, Knox County, and the Knox Region turn out in greater percentages than the nationwide average for Presidential elections, and for two of the past three Presidential elections, Knox County has exceeded the statewide voter turnout. The story is quite different for Gubernatorial and County elections, where Knox County and the Knox Region generally lag the state.







Source: Tennessee Secretary of State and U.S. Elections Project.

## Indicator: Gini Coefficient of Income Inequality

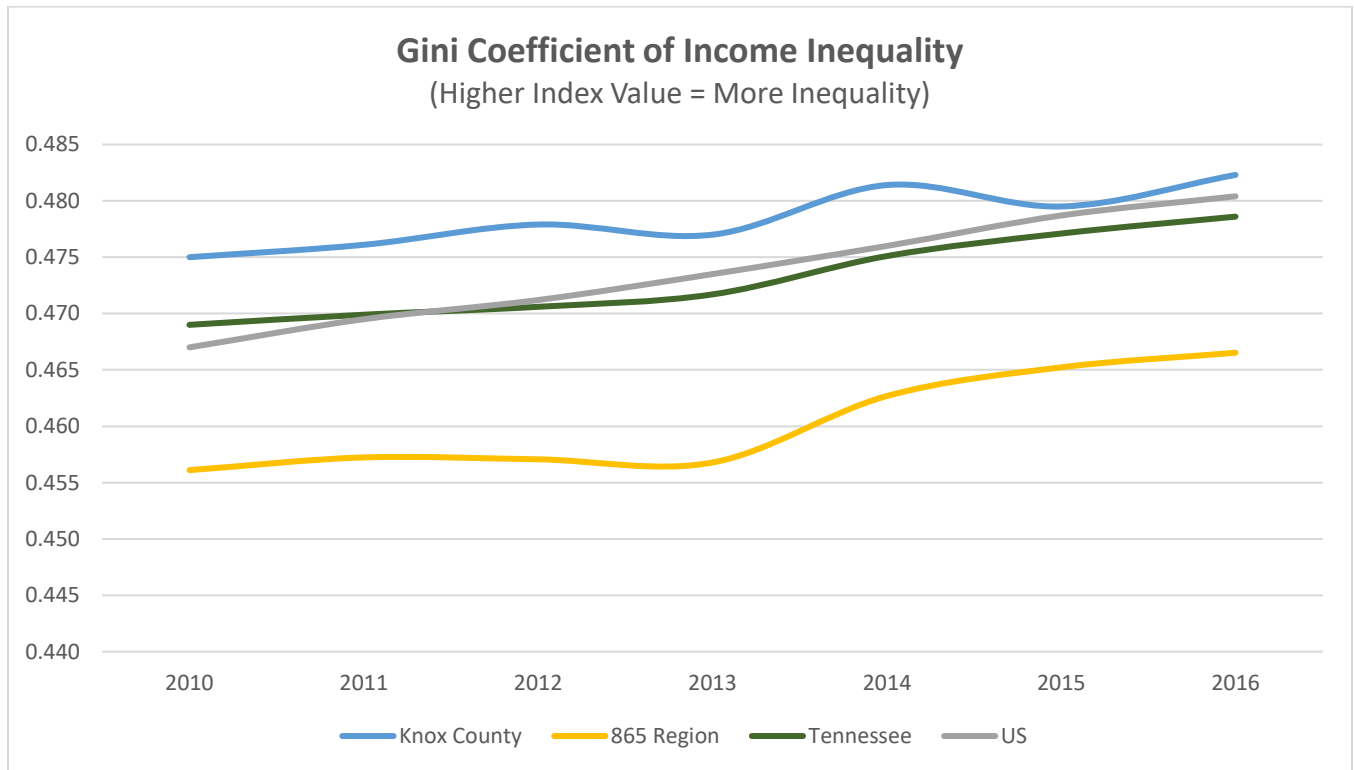
The Gini Coefficient is a commonly-used indicator of the distribution of income within a region. It ranges from 0 to 1, where 0 represents perfect equality (where everyone holds the same percentage of total income) and 1 represents perfect inequality (where one person holds all of the income).

### Trends:

US	Tennessee	865 Region	Knox County
 <b>0.4804</b> in 2016	 <b>0.4786</b> in 2016	 <b>0.4665</b> in 2016	 <b>0.4823</b> in 2016

### Insights:

Income inequality is getting worse at every level, as shown in the upward-trending Gini Coefficients over time. While the Knox Region has lower income inequality than the state and nation, Knox County has higher income inequality.



Source: American Community Survey 5-Year Estimates, Table B19083, U.S. Census Bureau.

## Indicator: Percent 3rd graders proficient in reading

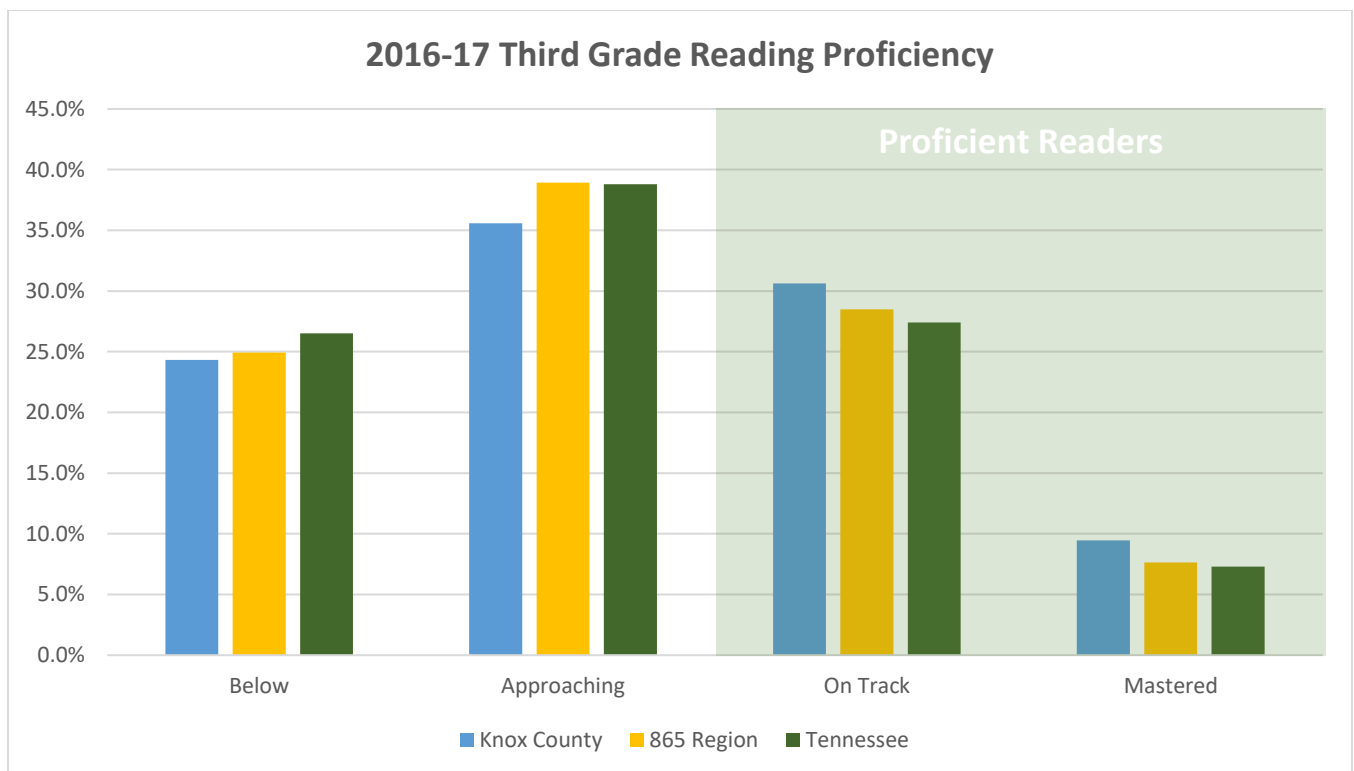
Investments in our children will pay off for generations to come, and nothing captures these investments as well as reading scores among the lowest grade levels.

### Trends:

Tennessee	865 Region	Knox County	Top Performing Districts
<b>34.7%</b>	<b>36.1%</b>	<b>40.1%</b>	
on the 2016-17 TNReady Exam	on the 2016-17 TNReady Exam	on the 2016-17 TNReady Exam	
			Maryville 54.9%
			Knox 40.1%
			Loudon 38.8%
			Clinton 38.5%
			Blount 36.8%

### Insights:

Regionally, 36% of third graders have reached the proficiency standards established by the TNReady Assessment. Several districts in the area, including Knox County (36%) outperform regional achievement mark. Knox County Schools 2014-19 Strategic Plan established a performance target of 75% of readers at on-track or mastered levels.



Source: Tennessee Department of Education, Aggregate Accountability File, 2017.

## Indicator: Years of potential life lost before age 75 (per 100,000 population, age-adjusted for comparability)

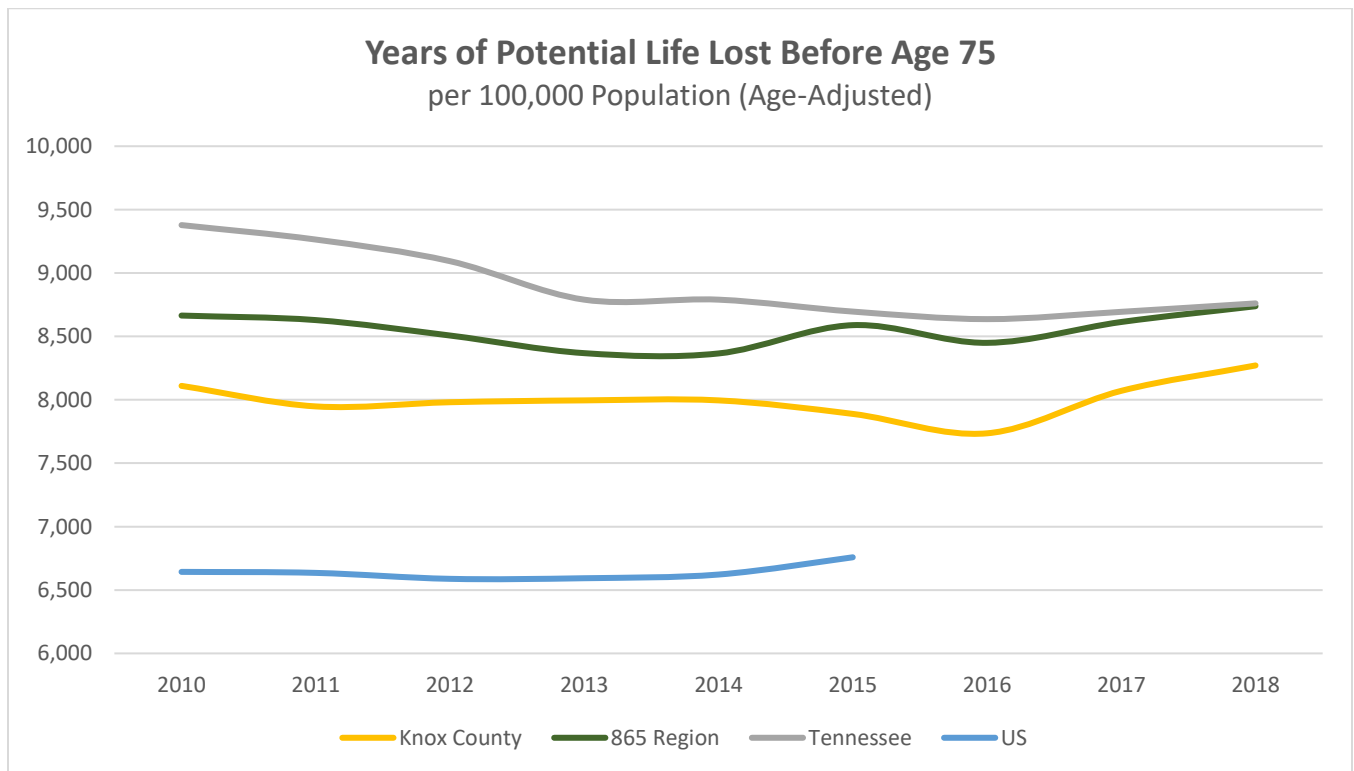
Everyone who dies before a typical life expectancy of 75 years represents lost potential. This indicator essentially adds up all of this lost potential and then makes adjustments to allow for comparisons across different populations.

### Trends:

US	Tennessee	865 Region	Knox County
			
<b>6,758</b>	<b>8,694</b>	<b>8,614</b>	<b>8,071</b>
Years Lost in 2015	Years Lost in 2017	Years Lost in 2017	Years Lost in 2017

### Insights:

While these series were trending downward or holding steady at the local, state, and national levels from 2010 to 2014, the most recent data reveal a troubling increase at all levels. This is surely driven in part by the increase in opioid-related drug overdoses. With the latest projections showing continued increases, it will be important to consider the various sources of this lost potential as well as possible policy interventions to reverse the upward trends.







Source: National Center for Health Statistics and County Health Rankings. 2016-2018 data are not available for the U.S.

## Indicator: Median household income

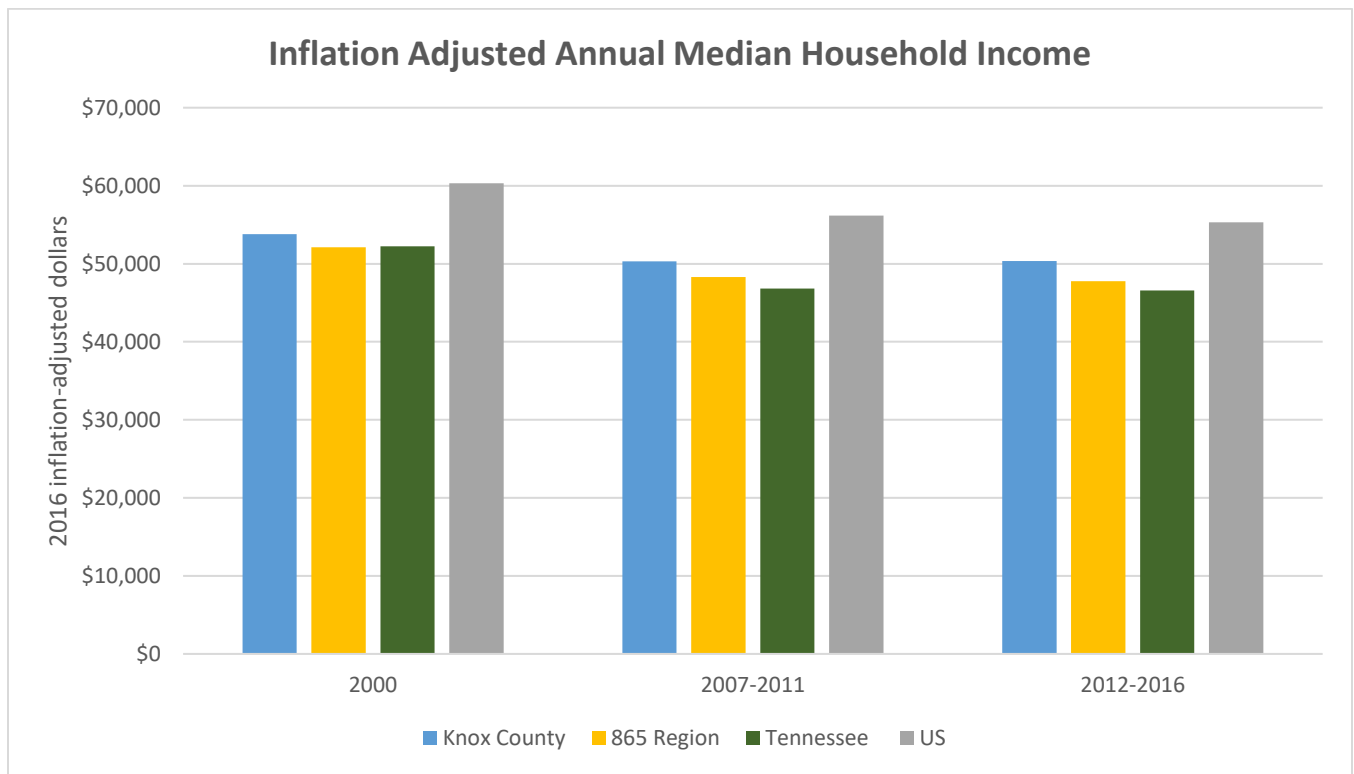
There are many possible measures of prosperity, but none as frequently cited is median household income. Viewed over time, inflation-adjusted income levels paint a very basic picture of the economic comfort of the region’s residents.

### Trends:

US	Tennessee	865 Region	Knox County
 <b>\$55,322</b> in 2012-2016	 <b>\$46,574</b> in 2012-2016	 <b>\$47,786</b> in 2012-2016	 <b>\$50,366</b> in 2012-2016

### Insights:

For several decades, stagnant or declining household incomes has been a reality for East Tennessee households. In Knox County, this decline has slowed with a median income of \$50,366 according to the census figures. Regional household incomes continue to decline however, down \$4,300 (2016 dollars) since 2000. Anderson and Sevier County incomes have declined around \$7,000 over this same time period. On a percentage basis, the -9% decrease in incomes felt by regional residents matches the rate of national decline since 2000.



Source: American Community Survey, 2000 Decennial Census, U.S. Census Bureau. CPI-U South, Bureau of Labor Statistics, 2018.