

AUGUST 2021



FINANCED BY FIRST HORIZON BANK

Welcome to the August issue of *ECO – financed by First Horizon Bank*, the Knoxville Chamber’s monthly economic outlook analysis. Each month, we provide a varied list of economic indicators with subsequent insight into how the data and information may impact the region. A major component of this work is our monthly survey of businesses in the manufacturing, retail, and service sectors, which we leverage to gauge current economic conditions and gain insights into the economic outlook for the next six months. We also include traditional labor market, housing, sales tax, and airport information as well as impromptu information as it becomes available. We hope that *ECO – financed by First Horizon Bank* will help our regional business community make more-informed decisions as they run their businesses.

ECONOMIC SURVEY RESULTS

MANUFACTURING

Based on the response to the August survey, the level of general business activity and the outlook for the next six months are “improved.” (Business activity and outlook were split evenly between “improved” and “the same” in July’s survey.)

The month-over-month responses showed “increases” in production, capacity utilization, volume of shipments, and prices paid for raw materials. “No changes” were reported for delivery time, prices received for finished goods, and wages and benefits. Responses were evenly split between “increase” and “no change” for growth rate of new orders, unfilled orders, finished goods inventories, number of employees, average employee workweek, and capital expenditures. Volume of new orders was split between “increase” and “decrease.” (July’s month-over-month responses showed a “decrease” in finished goods inventories and “increases” in volume of new orders and delivery time. “No change” was mostly reported for the other items.)

The six-month outlook projects an “increase” in production, capacity utilization, volume of new orders, growth rate of orders, volume of shipments, and prices paid for raw materials. Responses are evenly split between “increase” and “no change” for unfilled orders, finished goods inventories, prices received for finished goods, wages and benefits, and number of employees. “No changes” are expected for delivery time, average employee workweek, and capital expenditures. (July’s six-month outlook projected a “decrease” in finished goods inventories and a split between “increase” and “no change” for volume of new orders, growth rate of orders, volume of shipments, and delivery time.)

Manufacturing comments continue to indicate that hiring skilled workers is still a problem.

RETAIL

Knoxville area retailers indicated in the August survey that their evaluation of the level of general business activity has mostly “improved” while their company’s outlook remains “the same” or unchanged. (This sentiment was the same in last month’s survey.)

The month-over-month responses in the August survey indicated “increases” in net sales revenue, average employee workweek, wages and benefits, input prices, capital expenditures, and inventories. “No change” was reported for internet sales and selling prices. Responses were “mixed” for the number of employees (both full-time and part-time.) (July’s month-over-month responses were all the same except selling prices were reported as “increased.”)

The six-month outlook projects mostly an “increase” in the number of part-time employees, input prices, selling prices, and inventories. The future number of full-time employees, average employee workweek, wages and benefits, and capital expenditures are split between “no change” and “increase.” “No changes” are expected for internet sales. Future net sales revenues are “mixed.” (The July survey’s six-month outlook had similar forecasts except “increases” were expected for the number of full-time employees, net sales revenue, wages and benefits, and capital expenditures.)

Retail comments suggest that hiring employees is still a challenge. Restaurants continue to be forced to limit seating capacity due to shortage of support staff and some are considering closing one day per week just to give their few overworked employees a day off. Supply chain interruptions, worker shortages, and increasing costs are affecting most retail and other small businesses. Many retailers predict that they will have no choice but to pass on these increased costs to customers by raising their prices.

SERVICE

Knoxville area service sector businesses reported in the August survey that their current level of general business activity is “mixed” while company outlooks are mostly reported as “the same.” (Last month’s survey indicated that general business activity had “improved.”)

The month-over-month responses showed mostly “increases” for revenue, input prices, and capital expenditures. “No changes” were mostly reported for the number of part-time employees, average employee workweek, and selling prices. The number of full-time employees and wages and benefits were mostly split between “increase” and “no change.” (Last month’s survey responses were similar except the number of full-time employees and wages and benefits were reported as “increased.”)

The six-month outlook shows respondents estimating mostly “increases” in revenue, wages and benefits, and input prices. “No changes” are mostly expected in the number of employees (both full-time and part-time) and the average employee workweek. Future selling prices and capital expenditures are mostly split between “increase” and “no change.” (July’s six-month outlook had predicted an “increase” in the number of full-time employees.)

Service sector comments indicate that supply chain issues are making it difficult to get inventory. Higher capital expenses, rising inflation, and the shortage of skilled employees are all still challenges.

Note: *We are still growing the number of participating companies, so response totals in some areas may be fairly small. If you are interested in being a participant in our monthly surveys, please register at this link. www.knoxvillechamber.com/ecoregistration/*

SUPPLY CHAIN ISSUES

In addition to the regular survey questions, we asked respondents if the supply chain interruptions were directly impacting their businesses and if so, what specific products were in short supply.

All the manufacturers and retailers surveyed indicated that they were indeed being directly impacted by the supply chain interruptions while the majority (59%) of service sector companies said they were not being affected.

Industrial items in short supply included steel, lumber, shipping foam, coated paper, plastic coil binding, specialty tools, neoprene (for koozies), polymers (for adhesives and fabrics), and laminated products. Food products in short supply included chicken, beef, grocery meats, seafood, and fresh vegetables. Other retail-related items in short supply included trucks, used vehicles, replacement parts, distillery bottles, flowers, t-shirts, and photography equipment.

The disruption to the global supply chain is expected to continue with several shipping backlogs resulting from recent COVID-related port shutdowns in China, lingering backlogs from the Suez Canal blockage back in March, and ongoing container shortages. The Chinese port of Ningbo-Zhoushan (south of Shanghai), the world's third busiest port by container traffic, had been closed for two weeks after a dock worker tested positive for COVID-19. The port has recently reopened after being shut down since August 11 but now faces a long backlog of shipments. You can read more [here](#).

Freight rates for shipping goods from China to North America and Europe have continued to increase over the past few months. According to [Drewry Supply Chain Advisors](#), a London-based provider of research and consulting services for the maritime and shipping industry, the World Container Index has increased 2.1% or \$204 to \$9,818 per 40-foot container as of the week ending August 26. This is 351% higher than a year ago. Freight rates per 40-foot container from Shanghai to New York are \$14,136 (or 262% higher than a year ago) and from Shanghai to Los Angeles are \$11,362 (or 235% higher than a year ago.) You can read more [here](#).

LABOR MARKET INFORMATION

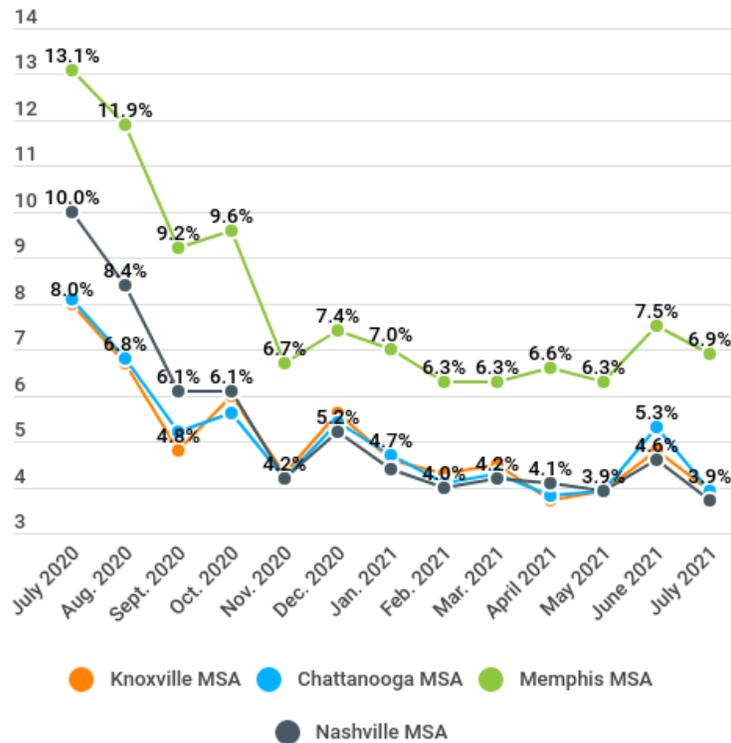
The Knoxville MSA’s unemployment rate in July was 3.9% (this was lower than June’s 4.8% rate and much lower than the COVID-related 8% rate from July 2020.) Knox County’s unemployment rate in July was 3.6% (down from 4.5% in June and down from 7.8% in July 2020.) Tennessee’s unemployment rate was 4.7% in July (down from 5.6% in June and way down from 9.4% in last July.) The U.S. unemployment rate was 5.7% in July (down from the 6.1% rate in June and down from the 10.5% unemployment rate recorded last July.)

The size of the total labor force barely grew (less than 1%) from June to July at the local, state, and national level. The Knoxville MSA’s labor force increased only 0.6% (from 436,398 in June to 439,026 in July.) Knox County’s labor force increased only 0.7% (from 248,179 in June to 249,881 in July.) Tennessee’s labor force increased only 0.3% (from 3,344,877 in June to 3,354,320 in July.) The national labor force increased only 0.4% (from 162,167,000 in June to 162,817,000 in July.)

Below is the 13-month unemployment rates trending comparison for the four largest MSA’s in Tennessee –

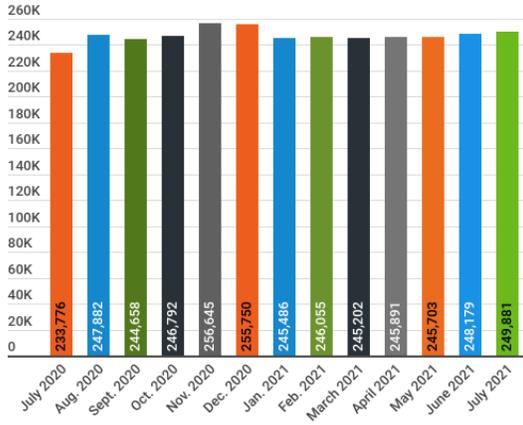
Unemployment Rates - Tennessee MSA

13-Month Trending Comparison

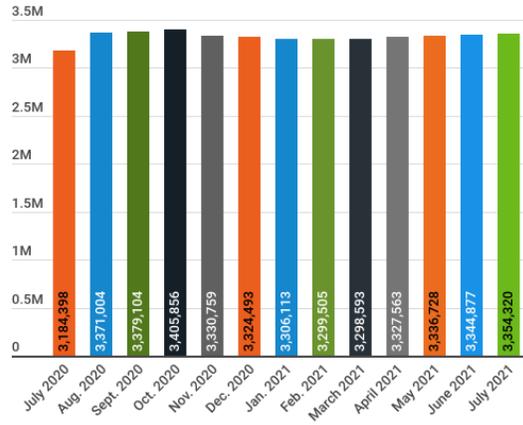


Resident Labor Force

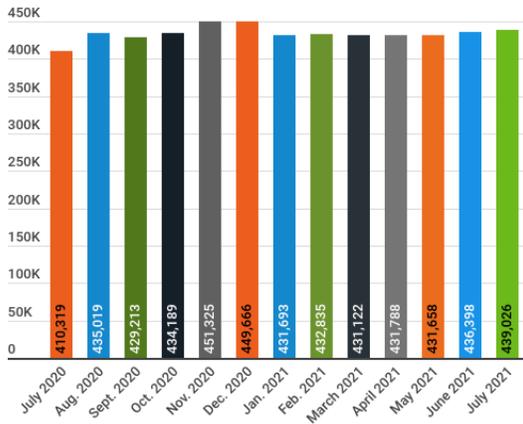
Knox County



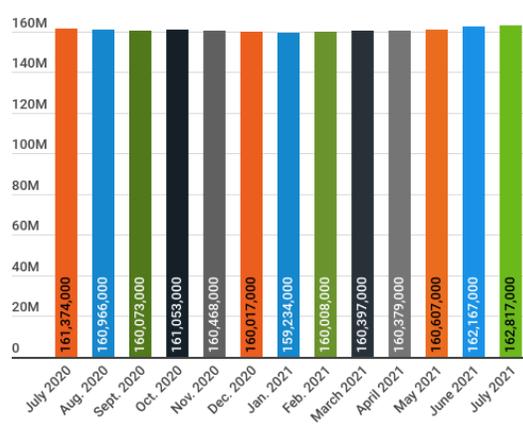
Tennessee



Knoxville MSA



United States



(Sources: U.S. Bureau of Labor Statistics; Tennessee Department of Labor & Workforce Development)

JOB MARKET

For the month of July, there were 39,175 unique active job postings in the Knoxville MSA (up 9% from June and up 50.7% from last July.) There were 24,324 unique active job postings in Knox County (up 12.2% from June and up 62.2% from this time last year.)

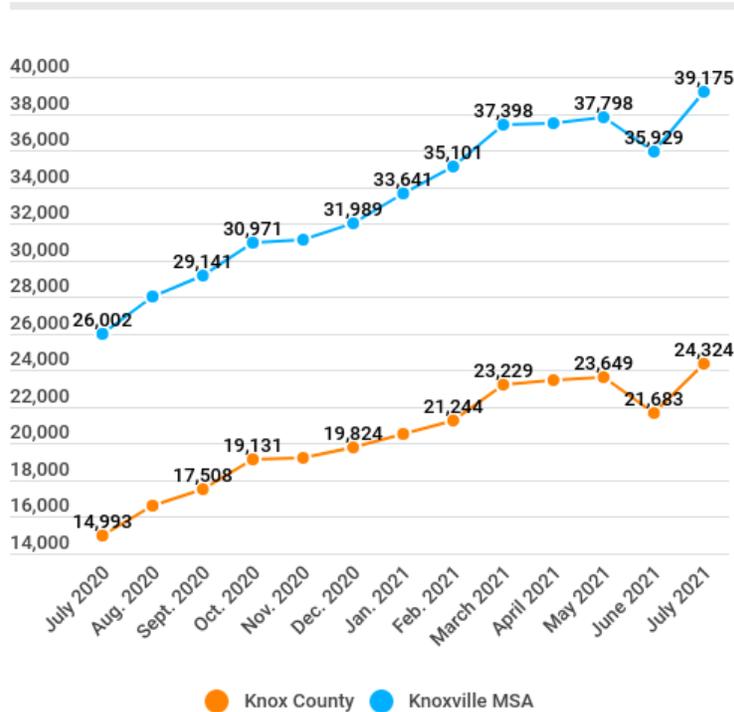
The Top 10 industries (by number of job postings) in the Knoxville MSA in July were –

Top Ten Industries by Number of Postings

Industry	Number of Postings
 Administrative Support, Waste Management and Remediation Services	5,003
 Retail Trade	4,799
 Health Care and Social Assistance	4,011
 Professional, Scientific and Technical Services	3,355
 Accommodation and Food Services	2,244
 Manufacturing	1,845
 Transportation and Warehousing	1,684
 Other Services	1,277
 Finance and Insurance	1,042
 Educational Services	799

You can view the 13-month job postings trend for Knox County and the Knoxville MSA below.

Unique Active Job Postings



(Source: EMSI Job Postings Analytics)

ADP NATIONAL EMPLOYMENT REPORT®

Each month, ADP, a large-scale payroll and human resources company releases their National Employment Report®, which provides a high-level look at month-over-month private-sector employment changes across the country.

The July report shows a gain of 330,000 in nonfarm private-sector employment (a significant decrease from the 692,000 jobs gain reported in June.) Midsized businesses (50-499 employees) posted the largest gain of 132,000 jobs. Large firms (500+ employees) gained 106,000 jobs and small businesses (1-49 employees) increased by 91,000 jobs.

ADP's Small Business Report, which further synthesizes the small business landscape, shows that the 91,000 jobs gain was driven mostly by "Other Small" businesses (20-49 employees) which increased by 54,000 jobs. The "Very Small" businesses (1-19 employees) increased by 37,000 jobs.

(Source: ADP)

WORKER SHORTAGE CONTINUES

It appears the regional worker shortage is continuing as the Knoxville MSA's labor force only grew by 0.6% from 436,398 in June to 439,026 in July while the total number of job openings increased 9% from 35,929 in June to 39,175 in July. Meanwhile, the Knoxville MSA's unemployment estimate (or number of available workers) has decreased 19.5% from 21,059 in June to 16,942 in July. This currently means that if every unemployed person in the Knoxville MSA got hired today, they would only be able to fill 43% of the job openings, leaving 57% of open job positions unfilled.

Last month, we asked survey respondents in the three sectors of manufacturing, retail, and services to tell us which occupations they were struggling the most to fill. Warehouse positions made the list across all three sectors. The manufacturing sector also listed clerical and sales support workers. The retail sector listed cashiers, servers, hosts, and cooks. The service sector listed all entry-level workers, clerical and administrative support workers, answering service agents, plumbers, electricians, HVAC technicians, field labor technicians, project managers, home improvement workers, legal assistants, attorneys, nurses, and any positions requiring five or more years of experience. The June job postings seemed to support their hiring struggles as there were several hundreds to thousands of job openings for many of the positions they listed.

The comments we received from this month's survey indicate that all three sectors are continuing to struggle to find employees. This is despite the discontinuation of the extra \$300 weekly federal pandemic-related unemployment payments that ended in Tennessee on July 3rd. Many businesses were hoping to see an uptick in hiring now that the benefit has expired. According to a recent *Wall Street Journal* analysis of U.S. Labor Department data, there appeared to be no

statistical difference in job growth between the 25 states that ended the extra unemployment benefits early and the other 25 states that maintained the extra unemployment benefits. The report showed that from April to July, nonfarm payrolls rose 1.33% in the 25 states that ended the pandemic-related unemployment benefits early, while nonfarm payrolls rose 1.37% in the other 25 states (and the District of Columbia) that kept the extra unemployment benefits. While it's too early to know what effect expiring unemployment benefits had on employment, many economists do not think that the unemployment insurance is the only thing that is holding back the labor market recovery. Several other factors are more likely at play such as more available jobs than available labor, increasing retirements, lack of childcare options, career changes, and continued fear of COVID-19. You can read more [here](#). The enhanced unemployment benefits will expire in all remaining states on September 4. In next month's survey, we'll be asking respondents if there has been any improvement in hiring as another month will have passed since the expiration of the extra unemployment payments and if so, which occupations have they experienced an increase in hiring and if not, which occupations are they still struggling to fill. As more monthly data gets released, we should hopefully get a better idea as to whether hiring improves or not over the next few months and if businesses are able to staff back up to full capacity.

Meanwhile, we should continue to expect increasing pressure on wages, job flexibility, and childcare options. As a region, we need to figure out how we can significantly increase the size of our local labor force through talent attraction (recruiting more people aged 25-54 to our region), talent retention (keeping recent college graduates and people aged 25-54 here), and immigration reform (increasing work visas and the ability to recruit specialized talent from abroad) in order to meet our region's ever increasing job demand.

CENSUS 2020 – FIRST MAJOR DATA RELEASE SHOWS POPULATION GROWTH AND MORE DIVERSITY

The U.S. Census Bureau released the first set of Census 2020 population estimates (down to census tract level) earlier this month showing a growing and more diversifying nation, state, and local region. The population estimates released in this first round did not include detailed age breakdowns. We'll be very curious to see how the estimates of the working age population (people aged 25-54) changed from 2010.

Tennessee's population grew 8.9% from 6,346,105 in Census 2010 to 6,910,840. This makes Tennessee the 16th state in population size and also ranks 16th in the population growth rate from 2010. Tennessee also grew faster than the nation which grew 7.4% from 308,745,538 to 331,449,281.

The Knoxville MSA population grew 26% from 698,030 in 2010 to 879,773 in 2020. This ten-year growth rate was the largest of the big four metropolitan areas in Tennessee. The Nashville MSA grew 25.1% from 1,589,934 to 1,989,519. The Chattanooga MSA grew 6.5% from 528,143 to 562,647. The Memphis MSA grew only 1.6% from 1,316,100 to 1,337,779.

Knox County showed the second highest population growth rate of the big four central counties in Tennessee, increasing 10.8% from 432,226 in 2010 to 478,971 in 2020. Davidson County (home to Nashville) grew the fastest at 14.2% from 626,662 to 715,884. Hamilton County (home to Chattanooga) grew 8.8% from 336,462 to 366,207. Shelby County (home to Memphis) grew by only 0.2% from 927,644 to 929,744.

The city of Knoxville's population grew 6.6% from 178,874 in 2010 to 190,740 in 2020. Comparing the other big four cities in Tennessee, Nashville grew the fastest at 14.7% from 601,222 to 689,447, Chattanooga grew 8% from 167,674 to 181,099, and Memphis experienced a 2.1% decline from 646,889 to 633,104.

While the white population in the Knoxville MSA grew by 19.2% from 617,869 in 2010 to 736,723 in 2020, its current share of the total Knoxville MSA population (83.7%) dropped about 5%. People identifying as belonging to two or more races grew by a whopping 326.2%

The black population grew over 11% in the Knoxville MSA from 44,827 in 2010 to 49,920 in 2020 and grew over 6% in Knox County from 38,045 to 40,360. There was a 0.3% decline in the city of Knoxville's black population from 30,567 to 30,477.

The Asian population grew 51% in the Knoxville MSA from 10,079 to 15,223. The Asian population growth rates in Knox County and the city of Knoxville were both right around 48%.

The Hispanic/Latino population grew significantly across all major geographic areas. The Knoxville MSA experienced an 87% increase in the Hispanic population from 23,865 in 2010 to

44,667 in 2020. The Hispanic growth rate was over 90% in Knox County and over 84% in the city of Knoxville.

The American Indian population grew over 63% from 2010 to 2020 in the Knoxville MSA, increasing from 2,115 to 3,457. The American Indian growth rate was over 64% in Knox County and over 98% in the city of Knoxville.

You can download the available Census 2020 data by visiting [census.gov](https://www.census.gov) or the Tennessee State Data Center's site [here](#).

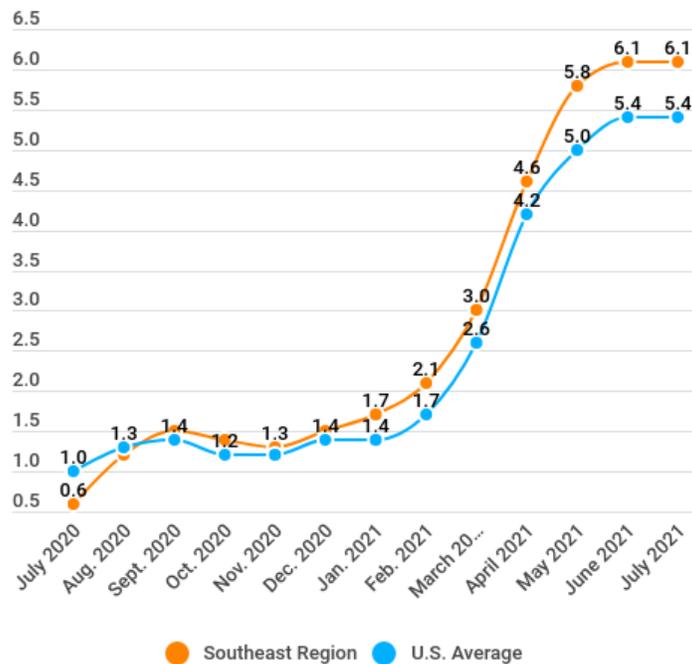
CONSUMER PRICE INDEX (CPI - INFLATION RATES)

The national inflation rate from July 2020 to July 2021 is 5.4%. This rate is unchanged from June 2020 to June 2021. Last year, the national inflation rate was 1% from July 2019 to July 2020. The Federal Reserve still says that we should continue to expect higher inflation rates over the next few months as the economy corrects itself from last year's pandemic-related economic shutdown and restrictions. The general consensus among economists continues to be that the near-term inflation increases are temporary and will give way to more normal price growth over the long-term. The Fed's key interest rate continues to be near zero and is not expected to be raised until after 2023. You can read more [here](#).

Knoxville falls into the South Size Class B/C (population of 2.5 million or less) grouping. The current inflation rate for this region is 6.1% for the July 2020 to July 2021 period. This rate is unchanged from the June 2020 to June 2021 period. Last year, the rate was 0.6% for July 2019 to July 2020.

Inflation Rates

Consumer Price Index - All Items



(Source: U.S. Bureau of Labor Statistics; Consumer Price Index; Not Seasonally Adjusted)

HOUSING MARKET

Home sales in the Knoxville area declined 0.8% from June to a seasonally-adjusted annual rate of 22,192. Home sales in Knox County similarly declined 0.7% from the previous month to a seasonally-adjusted annual rate of 8,794.

Nationally, existing-home sales increased to a seasonally-adjusted annual rate of 5.99 million in July— up 2% from the previous month. Home sales in the South increased 1.2% in July, with no sales declines showing in any regions.

The median home sales price in the Knoxville area was \$285,000 in July — an increase of \$10,000 from the previous month and up 21.3% year-over-year. Knox County’s median home sales price was \$301,000 in July – up from \$295,000 in June and up 20.4% year-over-year. Housing inventories remain tight nationally, regionally, and locally — though the number of active listings increased modestly across the last few months. In the Knoxville area, active listings remain down more than 37% compared to this time a year ago. Half of homes sold in the Knoxville area were on the market for 4 days or less.

Months of inventory, the number of months it would take to exhaust active listings at the current sales rate, declined to 1.0 months in July.

According to Hancen Sale, Governmental Affairs and Policy Director at the Knoxville Area Association of Realtors®, “*This month’s home sales data again indicates the housing market is coming down from its pandemic high, though it remains very competitive by historical standards. The modest decline in buyer demand is likely the result of higher home prices and competition fatigue.*”

Knoxville Area Association of REALTORS® (KAAR) reports monthly home sales patterns using a seasonally adjusted annualized rate (SAAR), an adjusted rate that takes into account typical seasonal fluctuations in data and is expressed as an annual total. Comparing month-over-month housing market data using this method provides a more accurate depiction of home sales.

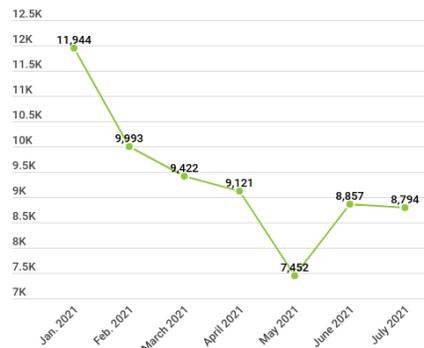
Home Sales

Seasonally Adjusted, Annualized Rate of Home Sales

Knoxville Area



Knox County



Knoxville Area Housing Market

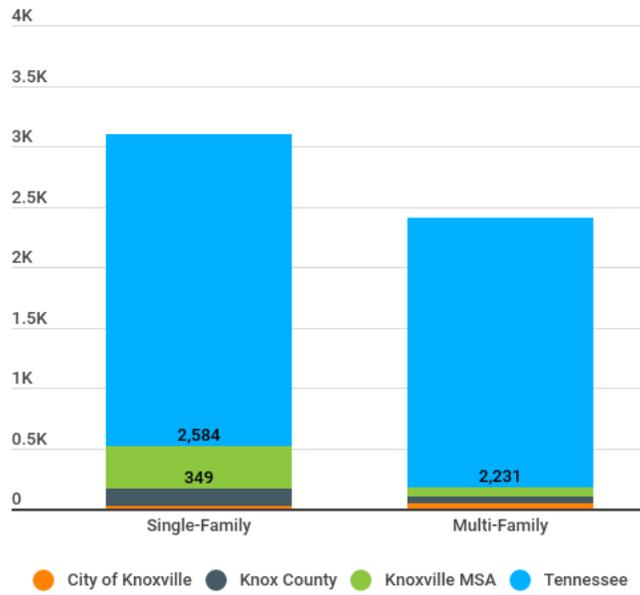
	Knoxville Area						Knox County						
	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021	Feb. 2021	March 2021	April 2021	May 2021	June 2021	July 2021
Active Listings Inventory	3,500	3,120	2,910	3,020	2,840	2,570	2,100	1,900	1,710	1,880	1,970	2,200	2,190
Median Home Sales Price	\$235,000	\$236,000	\$238,000	\$250,000	\$245,000	\$240,000	\$240,000	\$245,000	\$255,000	\$260,000	\$265,000	\$275,000	\$285,000
Months Inventory	1.78	1.36	1.45	1.47	1.35	1.38	1.11	1.30	1.19	1.01	1.03	1.15	1.00
Absorption Rates	56%	73%	69%	68%	74%	73%	90%	77%	84%	99%	97%	87%	100%

	Knoxville Area						Knox County						
	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021	Feb. 2021	March 2021	April 2021	May 2021	June 2021	July 2021
Active Listings Inventory	994	938	884	976	911	781	627	556	481	526	506	553	542
Median Home Sales Price	\$250,000	\$246,000	\$248,000	\$259,000	\$260,000	\$249,000	\$251,000	\$260,000	\$260,000	\$269,000	\$278,000	\$295,000	\$301,000
Months Inventory	1.14	0.97	1.12	1.16	1.08	1.09	0.81	0.91	0.72	0.00	0.00	0.00	0.00
Absorption Rates	88%	106%	90%	86%	93%	92%	124%	108%	125%	140%	155%	137%	170%

(Sources: National Association of Realtors®; Knoxville Area Association of Realtors®)

Residential Building Permits

June 2021



(Sources: U.S. Housing & Urban Development – SOCDS – State of the Cities Data Systems; U.S. Census Bureau – Building Permits Survey)

NATIONAL RETAIL SALES

The total advance monthly retail sales estimate for July 2021 was \$636.98 billion (up 0.9% from June and up 15.3% from last July.)

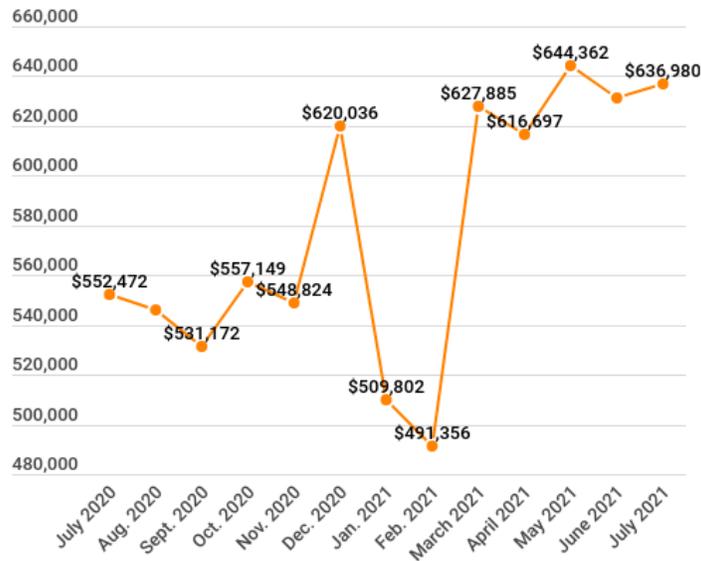
All retail sectors showed growth from this time last year except for non-store retailers which were down by 0.7%. The retail sectors that showed the greatest growth from last July were Clothing Stores (+49%), Food Services and Drinking Places (+41%), Gasoline Stations (+38.7%), Furniture and Home Furnishings Stores (+22.9%), Miscellaneous Stores (+21.6%), Sporting Goods/Books/Hobby/Music Stores (+17.8%), General Merchandise Stores (+14.9%), and Motor Vehicle and Parts Sales (+14.9%).

Retail sectors are now most likely benefitting from pent up customer demand and increasing leisure travel.

National Retail Sales

in Millions of Dollars

Total Retail Sales



(Source: U.S. Census Bureau; Advance Monthly Retail Trade Reports; Not Adjusted)

TENNESSEE STATE AND LOCAL SALES TAX COLLECTIONS

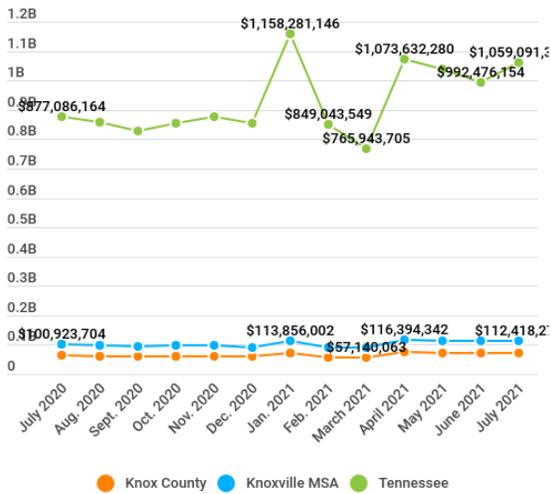
The Knoxville MSA region collected \$112.4 million in state sales taxes in July (down 1.3% from June but up 12.2% from last July) and Knox County collected \$72.1 million in July (up 0.2% from June and up 14.7% from last July.) The state of Tennessee collected \$1.06 billion in state sales taxes in July (up 6.7% from June and up 20.8% from last July.)

The Knoxville MSA collected \$39.1 million in local sales taxes in July (up 1.2% from June and up 17.9% from last July) and Knox County collected \$23.76 million (up 3.2% from June and up 18% from last July.)

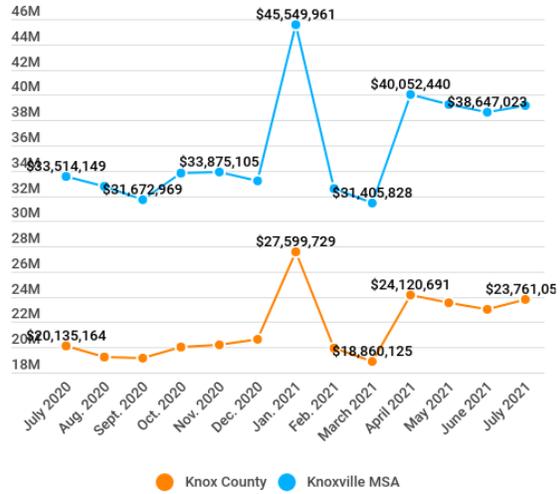
These significant increases in state and local sales tax collections from last year indicate that consumer spending continues to be strong.

Sales Tax Revenue

State Sales Tax



Local Sales Tax



(Source: Tennessee Department of Revenue)

RECENT BUSINESS EXPANSIONS AND NEW BUSINESS ANNOUNCEMENTS IN THE KNOXVILLE REGION

In this section of ECO, we share announcements of businesses that are expanding their existing operations or locating a new facility in the Knoxville region. If you would like to share your business expansion announcement with us, please send your info to jriley@knoxvillechamber.com.

New and existing industries continue to invest in the Knoxville region.

July 26, 2021 – [Cirrus Aircraft](#), a global leader in personal aviation, announced several additions to its suite of owners' services dedicated to enhancing the aircraft owners experience at its training facilities including Knoxville. In support of new pilots entering aviation or pursuing instrument rating, Cirrus will be adding personalized, concierge flight training. Other services include the addition of a Mobile Service Team for maintenance and AOG (Aircraft on Ground) services and an additional FAA Repair Station authorization. New features were also added to the Cirrus IQ™ app and its connected aircraft capabilities. You can read more about all of the other app enhancements and offerings [here](#).

August 13, 2021 – [Arconic](#), a leading manufacturer of industrial and aluminum can sheet, announced a \$100 million expansion of their plant in Alcoa. The expansion will create 200 new jobs. You can read more [here](#).

August 25, 2021 – [IGT Technologies, Inc.](#), a business process management and software development company, announced the opening of a new inbound call center and technology development center in West Knoxville. The Gurugram, India-based company will invest \$3.9 million and create 200 new jobs. The Knoxville office, located at 8880 Comstock Road, will “oversee and assist with the operations for IGT’s North American customers by working with the latest technologies in chat, email, analytics and robotics process automation” for the travel, retail, e-commerce, and tech sectors. There are also plans for a “Customer Experience Incubation Lab” to support startups. You can read more [here](#).

KNOX COUNTY BUSINESS LICENSES

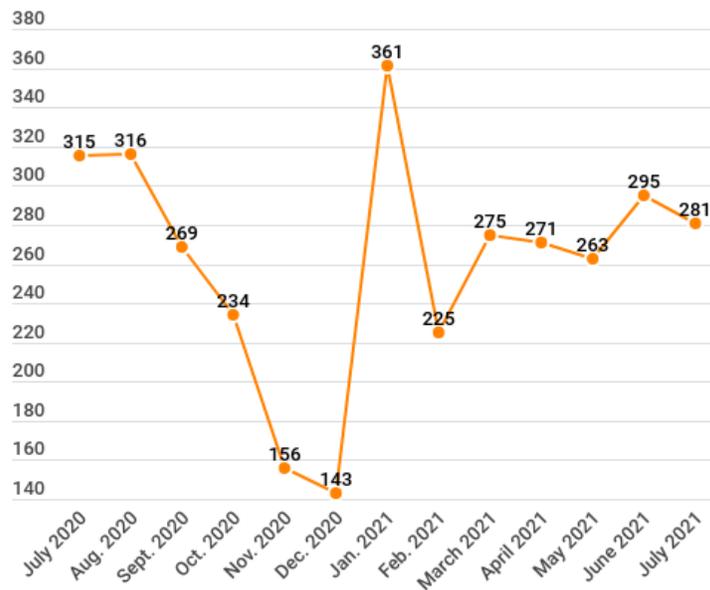
New business licenses issued in July 2021 by Knox County are down 10.8% from July 2020 during the pandemic and are also down 6.3% from the pre-pandemic July 2019 count. This marks the first time this year that business licenses have been lower than the same month last year.

A total of 281 new business licenses were issued in July 2021 compared to 315 in July 2020 and 300 in July 2019. Since many businesses continue to struggle to hire employees amid a nationwide worker shortage, perhaps we are starting to see prospective business owners pushing the “pause button” on launching new business ventures until the labor market resets itself.

Below is a chart showing the 13-month trend of business licenses issued by Knox County.

Business Licenses

Knox County



(Source: Knox County Clerk)

MCGHEE TYSON AIRPORT (TYS) PASSENGER AND FREIGHT TRENDS

The Metropolitan Knoxville Airport Authority recorded 205,847 passengers in June (up 19.7% from May's passenger traffic and up a whopping 198.5% from COVID-ravaged June 2020 but down 17.8% from pre-COVID June 2019.)

According to the Transportation Security Administration, the average daily number of passengers passing through the nation's TSA checkpoints in July was 2,038,323 (up 203.4% from the July 2020 daily passenger average of 671,719 but still down 20.3% from the pre-COVID July 2019 average of 2,559,098.) You can view the daily TSA checkpoint travel numbers [here](#).

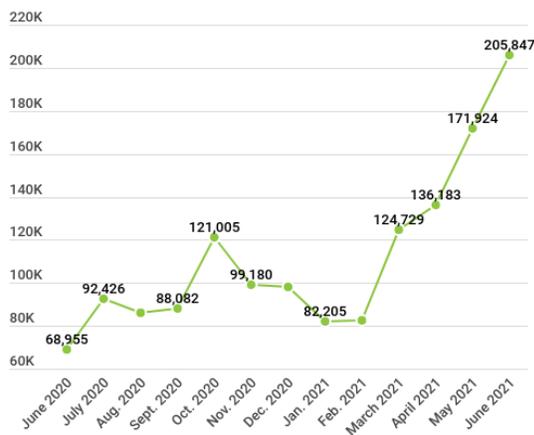
According to the [International Air Transport Association \(IATA\)](#), domestic U.S. air travel demand continues to grow as "net ticket sales continued to trend modestly upwards, driven largely by improvements in some of the key domestic markets such as the U.S. where the metric is already hovering around pre-crisis levels." However, "looking forward, the spread of new variants and associated new lockdowns will remain the main risk for air travel recovery in the second half of the year." International air travel will still see a slower recovery due to tighter COVID restrictions and slower vaccine rollouts in other countries. You can read IATA's full Air Passenger Market Analysis for June 2021 [here](#).

The total freight recorded in June at TYS was 7,556,645 tons (up 2.1% from May and up 14.5% from last June.)

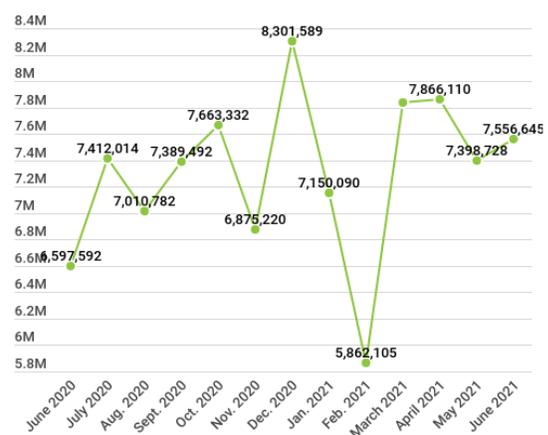
Air Service

at McGhee-Tyson Airport

Passengers



Freight



(Sources: Metropolitan Knoxville Airport Authority; U.S. Transportation Security Administration)