

# JUNE 2022

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**FINANCED BY FIRST HORIZON BANK**

Welcome to the June 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 June survey, the current level of general business activity and company outlooks have both “improved” from last month. (The level of general business activity was reported as “worsened” and company outlooks were evenly split between “improved” and “worsened” in the May survey.)

The month-over-month responses in June show “increases” in production, capacity utilization, volume of new orders, growth rate of orders, volume of shipments, prices paid for raw materials, prices received for finished goods, wages and benefits, and average employee workweek. “Decreases” are mostly reported for unfilled orders and delivery time. Responses are split between “increases” and “no changes” for the number of employees and capital expenditures. Responses are “mixed” for finished goods inventories. (The month-over-month responses in the May Survey showed “increases” in delivery time, prices paid for raw materials, wages and benefits, and capital expenditures. Finished goods inventories were “decreased.” Responses were split between “increases” and “decreases” in production, capacity utilization, growth rate of orders, volume of shipments, and prices received for finished goods. The volume of new orders

and average employee workweek were split between “decrease” and “no change.” The number of employees and unfilled orders were split between “increase” and “no change.”)

The six-month outlook in June anticipates mostly “increases” in prices paid for raw materials, prices received for finished goods, wages and benefits, number of employees, and capital expenditures. “No changes” are expected for future finished goods inventories and average employee workweek. Future delivery time is split between “increase” and “no change.” All other future metrics are “mixed.” (The six-month outlook in May projected “increases” in production, capacity utilization, volume of shipments, and prices paid for raw materials. Projections were split between “increase” and “no change” in the volume of new orders, growth rate of orders, finished goods inventories, wages and benefits, number of employees, average employee workweek, and capital expenditures. Future delivery time and prices received for finished goods were split between “increase” and “decrease.” Unfilled orders were expected to “decrease.”)

## **RETAIL**

Knoxville area retailers indicated in the June survey that their evaluation of the level of general business activity and company outlooks are mostly “the same.” (This is the same sentiment that was reported in the May survey.)

The month-over-month responses in the June survey show “increases” in wages and benefits as well as input prices. Net sales revenue is slightly split between “increase” and “no change.” Selling prices are slightly split between “increase” and “decrease.” “No change” is mostly reported for internet sales, the number of full-time and part-time employees, average employee workweek, and capital expenditures. “Decreases” are mostly reported for inventories. (Month-over-month responses in the May survey showed “no changes” in internet sales, the number of full-time and part-time employees, average employee workweek, and capital expenditures. Mostly “increases” were reported for input prices and wages and benefits. “Decreases” were mostly reported for net sales revenue, selling prices, and inventories.)

The six-month retail outlook in June projects mostly “increases” in wages and benefits, input prices, and capital expenditures. “No changes” are expected in internet sales, the number of full-time and part-time employees, and average employee workweek. “Decreases” are forecasted in net sales revenue, selling prices, and inventories. (The six-month outlook in May projected “decreases” in net sales revenue, selling prices, and inventories. “No changes” were expected in the number of part-time employees, average employee workweek, and capital expenditures. “Increases” were expected in the number of full-time employees and input prices. Future internet sales and wages and benefits were “mixed.”)

Retail comments indicate that hiring employees continues to be a struggle despite offering higher pay and the few people that are being hired are low quality and underperforming.

## **SERVICE**

Knoxville area service sector businesses report in the June survey that their current level of general business activity and company outlooks are mostly “the same.” (The same assessment was reported in the May survey.)

The month-over-month responses in the June survey show “no changes” in the number of full-time and part-time employees, average employee workweek, and capital expenditures. “Increases” are mostly reported for input prices and selling prices. Wages and benefits are evenly split between “increase” and “no change.” Revenue is “mixed.” (Month-over-month responses in May showed mostly “increases” in the number of full-time employees, average employee workweek, wages and benefits, input prices, and selling prices. Revenue was mostly split between “increase” and “no change.” The number of part-time employees and capital expenditures were reported mostly as “no change.”)

The six-month outlook in June shows mostly “increases” in wages and benefits, input prices, and selling prices. “No changes” are mostly forecasted for the number of full-time and part-time employees, average employee workweek, and capital expenditures. Future revenue is split evenly between “increase” and “decrease.” (The May survey’s six-month outlook showed mostly “increases” expected in the number of full-time employees, wages and benefits, input prices, selling prices, and capital expenditures. “No changes” were mostly expected in the number of part-time employees and average employee workweek. Future revenue was “mixed.”)

Service sector comments indicate that supply chain issues continue to impact sales.

**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/](http://www.knoxvillechamber.com/ecoregistration/)*

## **THE IMPACT OF CHILDCARE AVAILABILITY ON LOCAL BUSINESSES**

In addition to our regular monthly survey questions, we asked respondents if the current childcare availability crisis has affected their company’s ability to hire some employees or has caused any of their employees to resign.

The majority (or 80%) of respondents indicated that the childcare availability crisis has not affected their ability to hire employees. For the 20% of respondents that did indicate an issue with hiring due to this crisis, 67% said it was because the applicant was unable to **find** adequate childcare and 33% indicated that it was because the applicant was unable to **afford** adequate childcare. None of the respondents indicated that any of their existing employees had to resign due to the childcare availability issue.

## LABOR MARKET INFORMATION

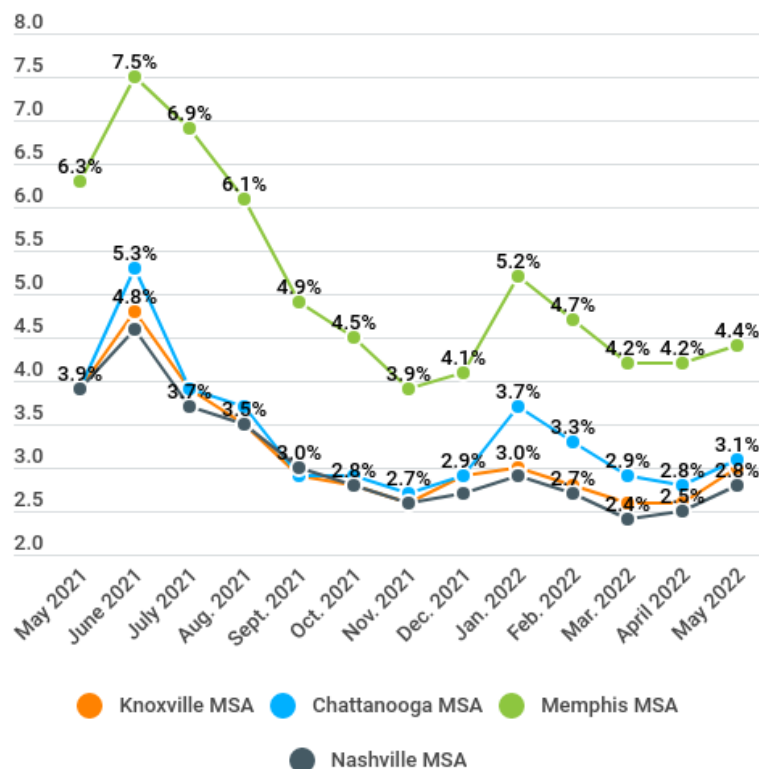
The Knoxville MSA's unemployment rate in May was 3.0% (up from 2.6% in April but lower than the 3.9% rate from May 2021.) Knox County's unemployment rate in May was 2.8% (up from 2.5% in April and down from 3.6% in May 2021.) Tennessee's unemployment rate was 3.4% in May (up from 3.1% in April and down from 4.6% in last May.) The U.S. unemployment rate was 3.4% in May (up from the 3.3% rate in April and down from the 5.5% unemployment rate recorded last May.)

The size of the total labor force was statistically unchanged from April to May at the local and state levels but still showed slight declines. The Knoxville MSA's labor force decreased from 448,249 in April to 448,163 in May.) Knox County's labor force decreased from 255,578 in April to 255,469 in May.) Tennessee's labor force decreased from 3,410,648 in April to 3,409,034 in May.) Meanwhile, the national labor force increased 0.4% (from 163,449,000 in April to 164,157,000 in May.)

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

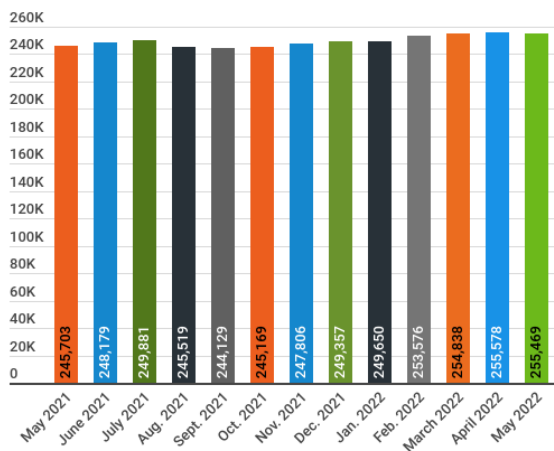
### Unemployment Rates - Tennessee MSA

13-Month Trending Comparison

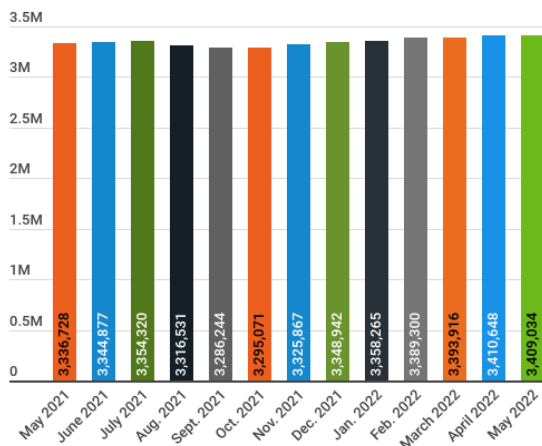


# Resident Labor Force

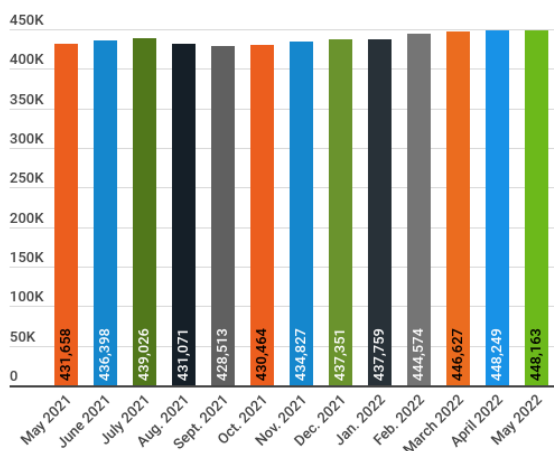
## Knox County



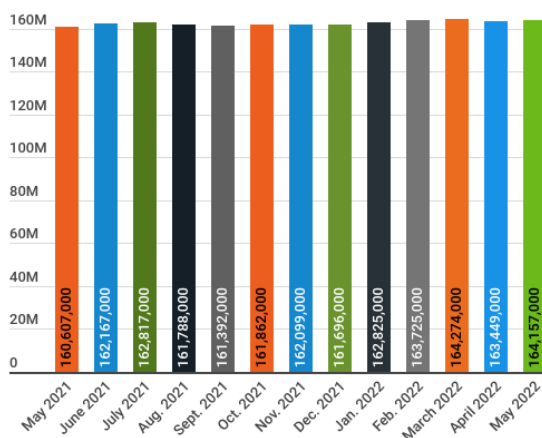
## Tennessee



## Knoxville MSA



## United States




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

## JOB MARKET

For the month of May, there were 11,360 unique active job postings in the Knoxville MSA (up 2.3% from April and up 33.6% from last May.) There were 7,876 unique active job postings in Knox County (up 7.5% from April and up 35.0% from this time last year.)

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

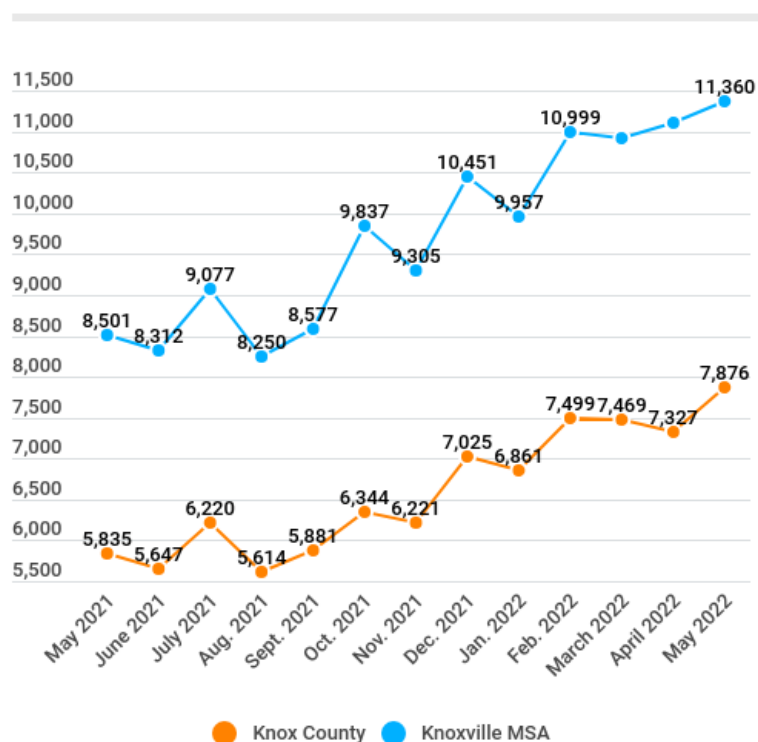
	Industry	Number of Postings
	Retail Trade	1,237
	Administrative Support, Waste Management and Remediation Services	1,204
	Health Care and Social Assistance	990
	Manufacturing	748
	Professional, Scientific and Technical Services	726
	Accommodation and Food Services	557
	Finance and Insurance	413
	Utilities	328
	Transportation and Warehousing	301
	Wholesale Trade	290

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

	Occupation	Number of Postings
	Registered Nurses	404
	Heavy and Tractor Trailer Drivers	380
	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	290
	First-Line Supervisors of Retail Workers	283
	Retail Salespersons	272
	Laborers and Freight, Stock, and Material Movers, Hand	230
	Software Developers and Software Quality Assurance Analysts and Testers	226
	Customer Service Representatives	206
	Stockers and Order Fillers	187
	Home Health and Personal Care Aides	185

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

### Unique Active Job Postings



(Source: Emsi Burning Glass)

### 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 May report shows a gain of 128,000 in nonfarm private-sector employment (a decrease from the 247,000 jobs gain reported in April.) Large firms (500+ employees) posted the largest gain with an increase of 122,000 jobs and midsize businesses (50-499 employees) gained 97,000 jobs. The overall job gains were offset by the loss of 91,000 jobs in the small businesses grouping (1-49 employees).

ADP's Small Business Report, which further synthesizes the small business landscape, shows that the 91,000 jobs loss was driven mostly by the "Very Small" businesses (1-19 employees), which decreased by 78,000 jobs. "Other Small" businesses (20-49 employees) decreased by 13,000 jobs.

(Source: ADP)

## WORKER SHORTAGE UPDATE

The labor shortages are persisting longer than many economists expected. There continues to be high job demand and slower workforce growth resulting in fierce competition for talent and many open jobs going unfilled. According to the latest data from the U.S. Bureau of Labor Statistics (BLS), the nation had 11.3 million jobs to fill in May and only 6.5 million hires, meaning there are approximately two job openings for every unemployed person. It will take time for this mismatch between labor demand and supply to align. In the meantime, wages will continue to rise as businesses compete to attract talent. You can read the latest job openings summary from BLS [here](#).

As we continue to see more tightening in the labor market and a major realignment in the job market, we can expect increasing pressure on wages, sign-up bonuses, job flexibility, and childcare options. As a region, we must 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.

As we mentioned in last month's report, a proven strategy for employers to address labor shortages is the implementation of an internship program. While internships are usually considered to be mostly advantageous for the intern, they have proven to be significantly positive for the company as well. Between 2019 and 2021, the [National Association of Colleges and Employers \(NACE\)](#) reports that over the last three years the rate of converting an intern to a full-time employee has been calculated at between 52 and 66 percent. NACE's data also indicates that full-time staffers, who were previously interns with their current firm, are retained after a year by almost 68 percent. With the current workforce challenges across the community, it is a considerable advantage to have an internal talent pipeline full of people with in-house experience.

For many small- and mid-sized businesses, creating an internship program is not an easy task. To assist with this hurdle, we have developed a toolkit of sorts to guide business leaders through the process. You can find the individual steps [here](#).



## CONSUMER PRICE INDEX (CPI - INFLATION RATES)

The national inflation rate from May 2021 to May 2022 is 8.6%. This is up from the 8.3% rate from April 2021 to April 2022 and is the highest inflation rate since 1981. Last year, the national inflation rate was 5.0% from May 2020 to May 2021.

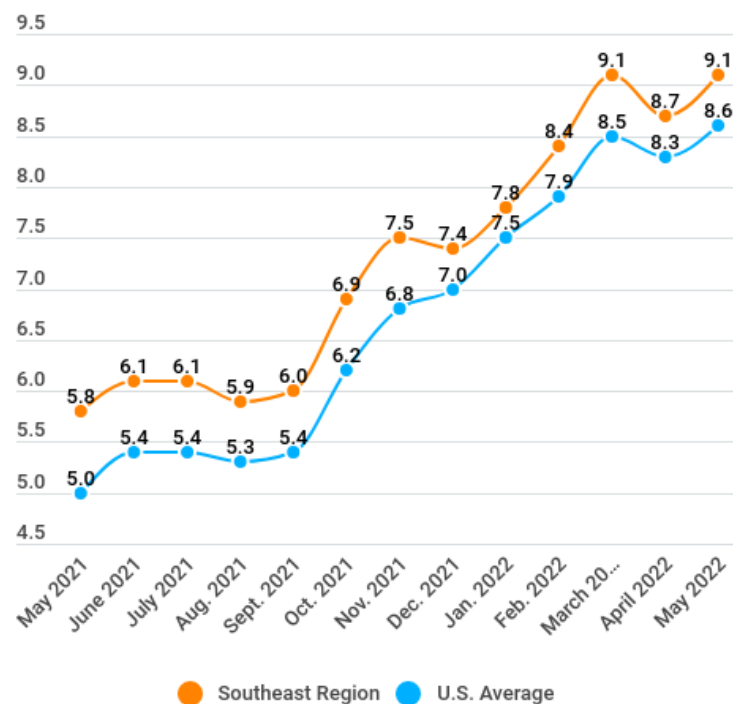
Higher inflation is primarily being driven by the supply chain disruptions and higher gasoline prices and has persisted longer than the Fed's expected with price increases still at 40-year highs. From a year ago, food prices are up 10.1%, energy prices are up 34.6%, and used car prices are up 16.1%. You can read more [here](#).

The Federal Reserve is continuing to hike rates to get prices under control but higher interest rates mean higher borrowing costs throughout the economy. The Fed needs to be careful to not slow the economy down to the point that it triggers a recession.

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 9.1% for the May 2021 to May 2022 period. This is up from 8.7% in the April 2021 to April 2022 period. Last year, the rate was 5.8% for May 2020 to May 2021.

### Inflation Rates

Consumer Price Index - All Items



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

## AVERAGE ANNUAL PAY SHOWING SIGNIFICANT GROWTH

The [U.S. Bureau of Labor Statistics](#) recently released the 2021 average annual pay estimates down to the county level. Knox County's average annual pay is now \$57,255 (an increase of \$3,593 or 6.7% from the 2020 estimate of \$53,662.) From 2011 through 2019, Knox County's average annual pay has been increasing by an average of 2.5% and then in 2020, it increased by 7.6%, suggesting that the pandemic-induced worker shortage most likely is driving the average pay much higher. The Knoxville MSA's average annual pay increased \$3,503 or 6.5% from \$54,086 in 2020 to \$57,589 in 2021. Tennessee's average annual pay increased \$3,942 or 7.1% from \$55,137 in 2020 to \$59,079 in 2021. Tennessee's 7.1% pay growth from 2020 to 2021 ranked fifth in the nation behind New Hampshire (11.0%), Florida (8.0%), California (7.9%), and Washington (7.4%).

Knox County's 6.7% average annual pay growth from 2020 to 2021 ranks third highest among our nine other peer communities. Average annual pay in Davidson County (Nashville) grew 8.1% from \$66,823 to \$72,246; Shelby County (Memphis) grew 7.3% from \$61,855 to \$66,348; Hamilton County (Chattanooga) grew 6.6% from \$55,312 to \$58,974; Wake County (Raleigh, NC) grew 6.4% from \$65,054 to \$69,235; Greenville County (Greenville, SC) grew 4.9% from \$52,454 to \$55,033; Buncombe County (Asheville, NC) grew 4.6% from \$48,282 to \$50,517; Fayette County (Lexington, KY) grew 4.5% from \$54,608 to \$57,042; Durham County (Durham, NC) grew 4.3% from \$79,768 to \$83,172; and Madison County (Huntsville, AL) grew 1.5% from \$68,097 to \$69,140. You can pull average annual pay estimate data for all other geographic areas [here](#).

According to [Impact DataSource](#), a fiscal impact model software provider we use for local economic impact analyses, there is a \$1.8 million economic impact for every \$1,000 increase in average annual pay. This most recent increase in Knox County's average annual pay represents a \$5.4 million economic impact.

We should also note that higher inflation (currently at 8.6% for May) is cancelling out the gains in average annual pay. We should also expect pay to continue to increase as competition for qualified employees remains high.

## HOUSING MARKET

The pace of home sales in the Knoxville area declined 3.8% in May to a seasonally adjusted annual rate (SAAR) of 22,162. Similarly, home sales in Knox County declined 5.3% from the previous month to a seasonally adjusted annual rate (SAAR) of 7,936. Compared to the previous year, home sales in the Knoxville area were up 5.3% but down 2.4% in Knox County.

Nationally, existing-home sales declined for the fourth consecutive month to a seasonally adjusted annual rate of 55.41 million in May — down 3.4% from the previous month and 8.6% from a year ago. Home sales in the South similarly declined 2.8% from the previous month and 8.4% from one year prior.

The median home sales price in the Knoxville area was \$325,000 in May — up more than 25% from one year ago. Knox County's median home sale price was \$346,000 — up 23.5% from one year ago.

Half of homes sold for over asking price in May, compared to 53% the previous month. 34% of homes sold for at least \$10,000 over asking and 17.5% sold for at least \$25,000 over asking. New construction (i.e., "Never Occupied," "To Be Built," "Under Construction," or "Under Roof") represented 9.4% of total home sales, though move-in ready new homes accounted for less than 2% of all sales.

Total inventory in the Knoxville metro area continued trending upward increased — up 40% from a year ago but still more than 65% below pre-pandemic levels. Similarly, inventory in Knox County was up 36% year-over-year but still down 66% from pre-pandemic levels. Half of homes sold in the Knoxville area were on the market for 4 days or less.

In Knox County, months of supply — or the number of months it would take to exhaust active listings at the current sales rate — was 0.7 months. Higher mortgage rates are placing even more pressure on Knoxville's rental market. In May, effective rents in the Knoxville MSA were up 20.06% from the previous year, significantly higher than the 14.86% growth rate nationally.

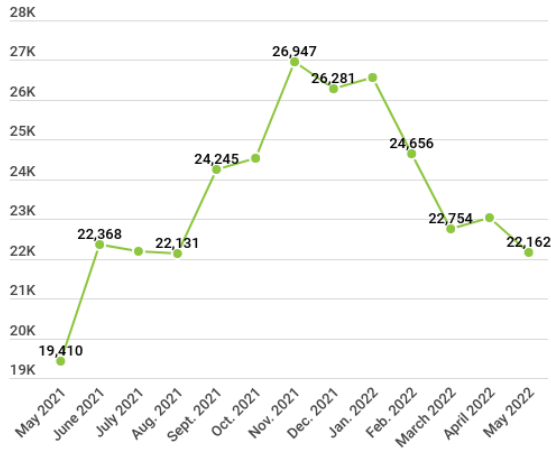
According to Hancan Sale, Governmental Affairs and Policy Director at the Knoxville Area Association of Realtors®, *"Knoxville's housing market continues to show signs of moderation, which is to be expected with mortgage rates at the highest level since 2008. Despite the shifting market, home sales have remained relatively stable and well above pre-pandemic levels. Pending listings also experienced growth in recent months, suggesting home sales could outperform expectations over the summer months. Still, however, higher mortgage rates coupled with rising home prices are weighing heavily on housing affordability. I expect we will continue to see signs of a moderating housing market over the coming year, though I do not expect any dramatic shifts to occur."*

*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*

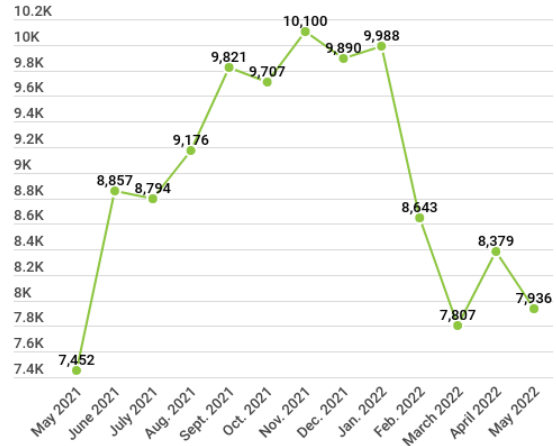
## Home Sales

Seasonally Adjusted, Annualized Rate of Home Sales

### Knoxville Area



### Knox County



## Knoxville Area Housing Market

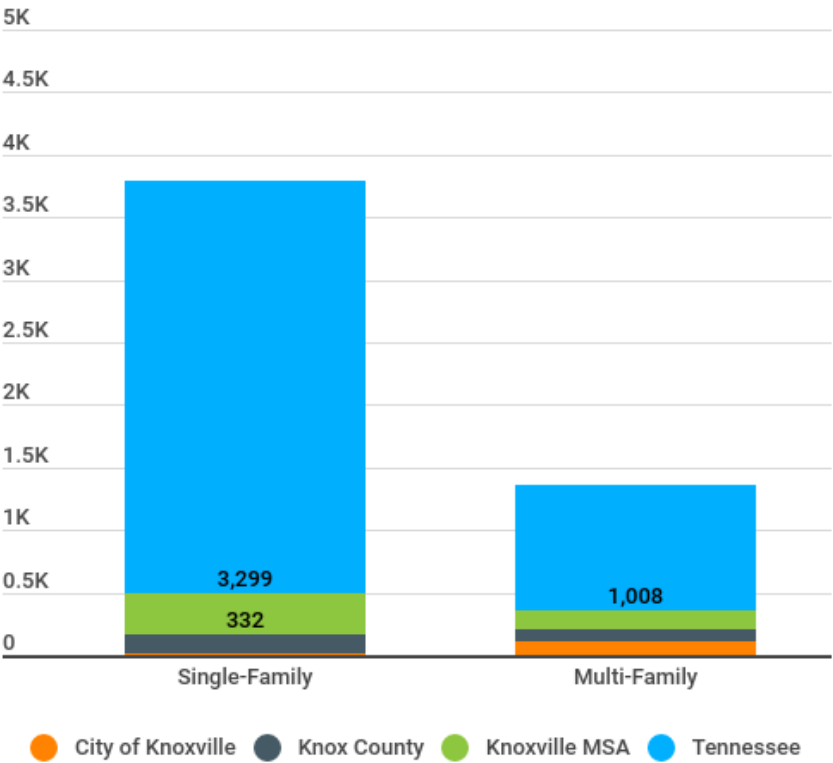
	Knoxville Area						Knox County						
	May 2021	June 2021	July 2021	Aug. 2021	Sept. 2021	Oct. 2021	Nov. 2021	Dec. 2021	Jan. 2022	Feb. 2022	March 2022	April 2022	May 2022
Active Listings Inventory	2,050	2,360	2,660	2,780	2,770	2,460	2,260	2,010	1,720	1,660	1,960	2,330	-
Median Home Sales Price	\$265,000	\$275,000	\$284,000	\$285,000	\$285,000	\$285,000	\$290,000	\$291,000	\$300,000	\$302,000	\$309,000	\$325,000	\$325,000
Months Inventory	1.06	1.23	1.20	1.30	1.28	1.15	1.08	0.00	0.00	1.09	1.30	1.26	-
Absorption Rates	95%	81%	84%	77%	78%	87%	93%	103%	117%	91%	77%	79%	-

	Knoxville Area						Knox County						
	May 2021	June 2021	July 2021	Aug. 2021	Sept. 2021	Oct. 2021	Nov. 2021	Dec. 2021	Jan. 2022	Feb. 2022	March 2022	April 2022	May 2022
Active Listings Inventory	505	566	643	672	650	578	513	422	328	343	427	478	-
Median Home Sales Price	\$279,000	\$295,000	\$300,000	\$300,000	\$290,000	\$291,000	\$301,000	\$308,000	\$300,000	\$310,000	\$326,000	\$340,000	\$346,000
Months Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70
Absorption Rates	155%	132%	144%	129%	134%	140%	151%	170%	221%	162%	123%	135%	-

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

# Residential Building Permits

April 2022



(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 May 2022 was \$697.715 billion (up 2.0% from April and up 8.3% from last May.)

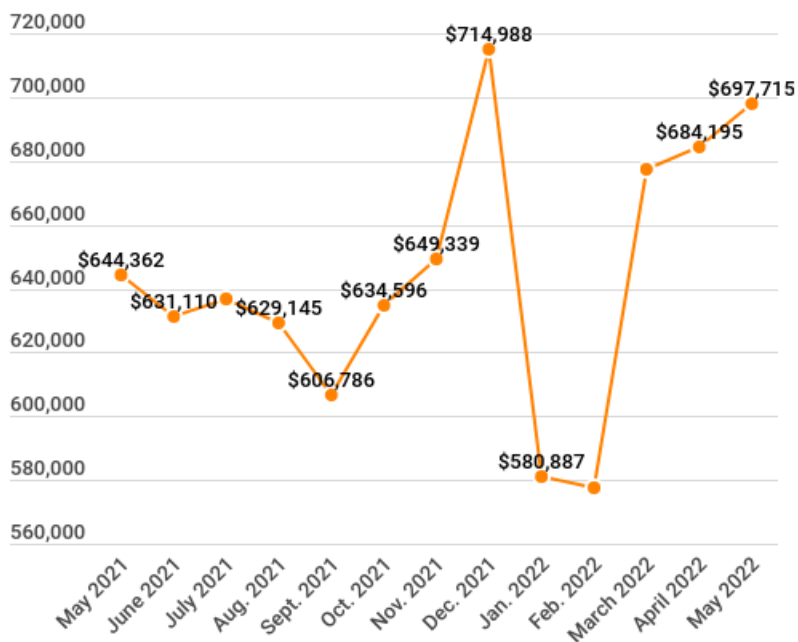
The retail sectors that showed the greatest growth from last May were Gasoline Stations (+42.3%), Food Services and Drinking Places (+26.4%), Miscellaneous Stores (+21.9%), Non-store Retailers (+18.1%), and Building Materials (+7.9%).

Retail sectors that showed a decline in sales from last May were Motor Vehicles and Parts Sales (-8.8%), Electronics and Appliance Stores (-4.9%), Sporting Goods/Books/Hobby/Music Stores (-1.9%), and General Merchandise Stores (-1.1%).

### National Retail Sales

*in Millions of Dollars*

### Total Retail Sales



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

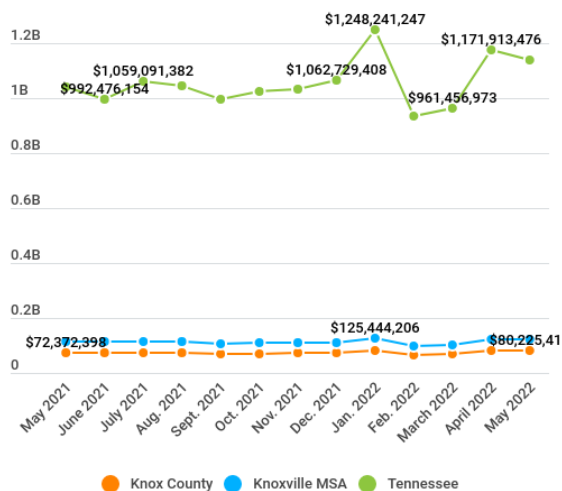
## TENNESSEE STATE AND LOCAL SALES TAX COLLECTIONS

The Knoxville MSA region collected \$123.365 million in state sales taxes in May (up 0.8% from April and up 8.4% from last May) and Knox County collected \$80.225 million in May (up 0.3% from April and up 10.9% from last May.) The state of Tennessee collected \$1.136 billion in state sales taxes in May (down 3.1% from April and up 9.3% from last May.)

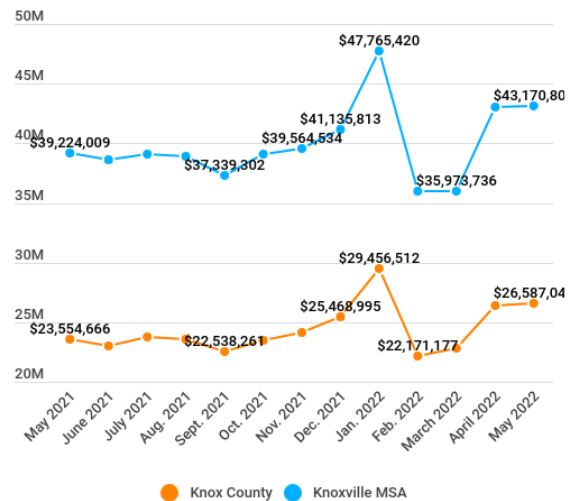
The Knoxville MSA collected \$43.171 million in local sales taxes in May (up 0.3% from April and up 10.1% from last May) and Knox County collected \$26.587 million (up 0.8% from April and up 12.9% from last May.)

### 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](mailto:jriley@knoxvillechamber.com).

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

**May 12, 2022** – [Analysis and Measurement Services Corp. \(AMS\)](#), a leading nuclear engineering services company, announced that their corporate headquarters location in West Knoxville is currently under renovation. AMS provides products and services for the nuclear industry to measure instrumentation and control (I&C) performance and verify compliance with technical specifications and regulatory requirements. The \$2 million renovation will transform the lower floor of “Building A” into a state-of-the-art software development laboratory with offices and a communal space for collaboration and creativity. Construction is expected to be completed by Q4 2022. You can read more [here](#).

**May 23, 2022** – [United Cleanup Oak Ridge \(UCOR\)](#), the lead environmental cleanup contractor for the U.S. Department of Energy’s Oak Ridge Office of Environmental Management, began work under their new \$8.3 billion cleanup contract. Under the new contract, UCOR will continue soil and groundwater remediation at East Tennessee Technology Park as well as focus on removing unneeded, contaminated facilities at Oak Ridge National Laboratory and the Y-12 weapons plant. The company was formerly an [Amentum](#)-led partnership with [Jacobs](#) but has now added more partners including [Honeywell](#), [RSI EnTech](#), [Strata-G](#), [Longenecker & Associates](#), and [Environmental Alternatives Inc. \(EAI\)](#). You can read more [here](#).



## KNOX COUNTY BUSINESS LICENSES

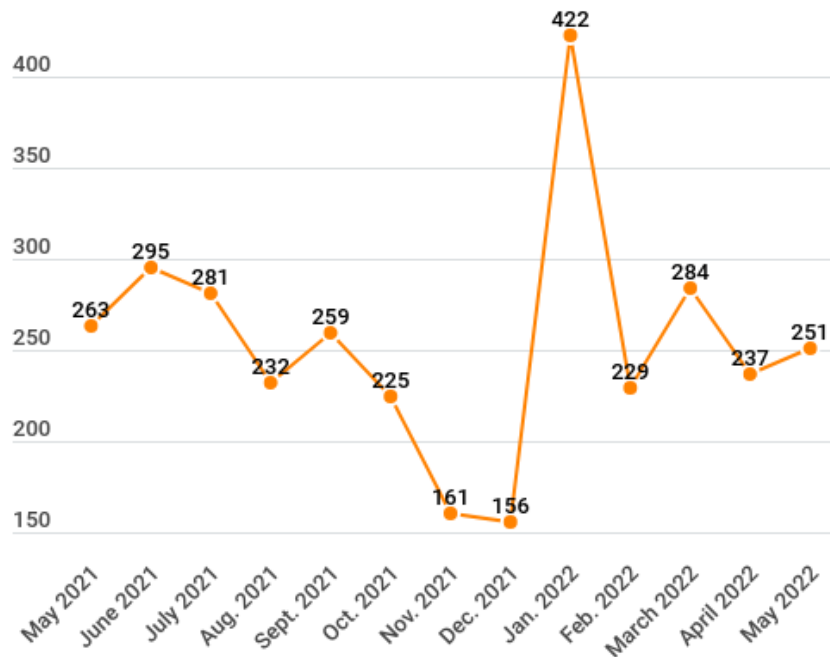
New business licenses issued in May 2022 by Knox County are down 4.6% from May 2021 during the pandemic but are up 1.2% from the pre-pandemic May 2019 count.

A total of 251 new business licenses were issued in May 2022 compared to 263 in May 2021 and 248 in May 2019. The top industry sectors for which business licenses were issued in May 2022 were services, retail, non-classified establishments, and construction.

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 230,602 passengers in May (up 13.0% from April's passenger traffic of 202,382 and up 34.1% from COVID-ravaged May 2021.) This month's passenger estimate is down 0.6% from pre-COVID May 2019.

The total freight recorded in May at TYS was 6,483,238 pounds (down 7.0% from April and down 12.4% from last May.)

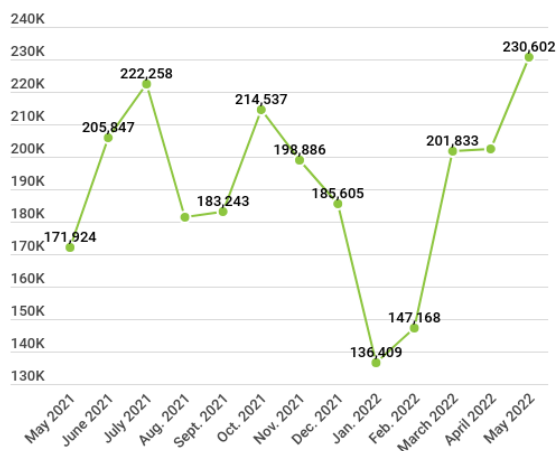
According to the Transportation Security Administration, the average daily number of passengers passing through the nation's TSA checkpoints in May was 2,167,185 (up 33.7% from the May 2021 daily passenger average of 1,620,361 but still down 10.1% from the pre-COVID May 2019 average of 2,410,689.) You can view the daily TSA checkpoint travel numbers [here](#).

According to the [International Air Transport Association \(IATA\)](#), "The U.S. domestic traffic increased on the month by 3.1% and remains below 2019 RPK (revenue passenger kilometers) levels. Domestic RPKs are down 4.7% compared to the same month in 2019 (versus -1.6% in April). Capacity is down 6.0% YoY; load factors remain high at 88.7% country wide. Pressure on traffic might increase in this market with high fuel prices and ongoing labor-related issues. In May, U.S. domestic RPK growth decreased to 26.1% YoY from 48.1% YoY in April." You can read more [here](#).

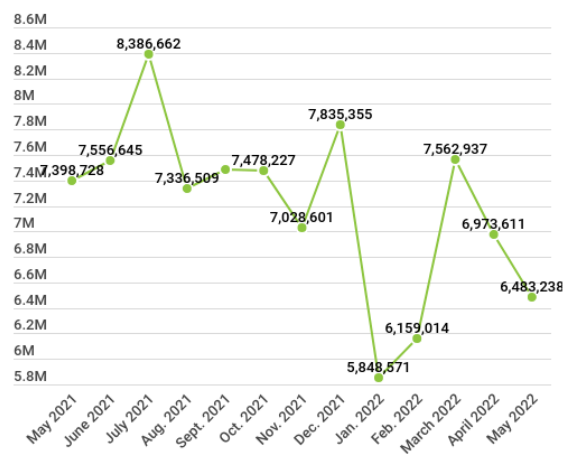
### Air Service

at McGhee-Tyson Airport

#### Passengers



#### Freight



(Sources: Metropolitan Knoxville Airport Authority; U.S. Transportation Security Administration; International Air Transport Association)