MAY 2026

Welcome to the May 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. We 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.

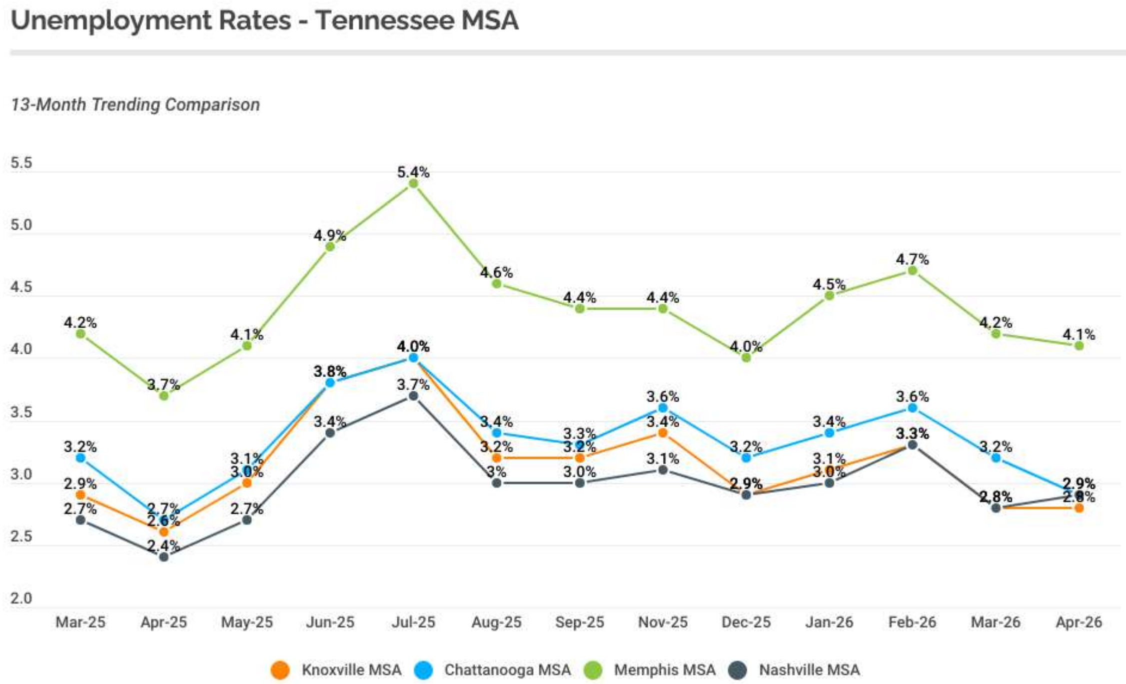
Labor Market Information

Data note – due to the federal government shutdown, October 2025 data has been canceled.

The Knoxville MSA's unemployment rate in April was 2.8% (unchanged from March and up from 2.6% in April 2025.) Knox County's unemployment rate in April was 2.7% (up from 2.6% in March and up from 2.4% in April 2025.) Tennessee's unemployment rate was 3.3% in April (unchanged from March and up from 2.9% in last April.) The U.S. unemployment rate was 4.0% in April (down from 4.3% in March and up from 3.9% in last April.)

Knox County's labor force slightly increased 0.7% from 260,567 in March to 262,400 in April. The Knoxville MSA's labor force slightly increased 0.6% from 463,361 in March to 465,919 in April. Tennessee's labor force slightly increased 0.6% from 3,468,227 in March to 3,490,413 in April. The national labor force slightly decreased 0.3% from 170,102,000 in March to 169,548,000 in April.

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



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

Job Market

For the month of April, there were 8,780 unique new job postings in the Knoxville MSA (down 15.9% from March and down 15.2% from last April). There were 5,621 unique new job postings in Knox County (down 11.3% from March and down 13.9% from this time last year).

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

Top Ten Industries by Number of Postings

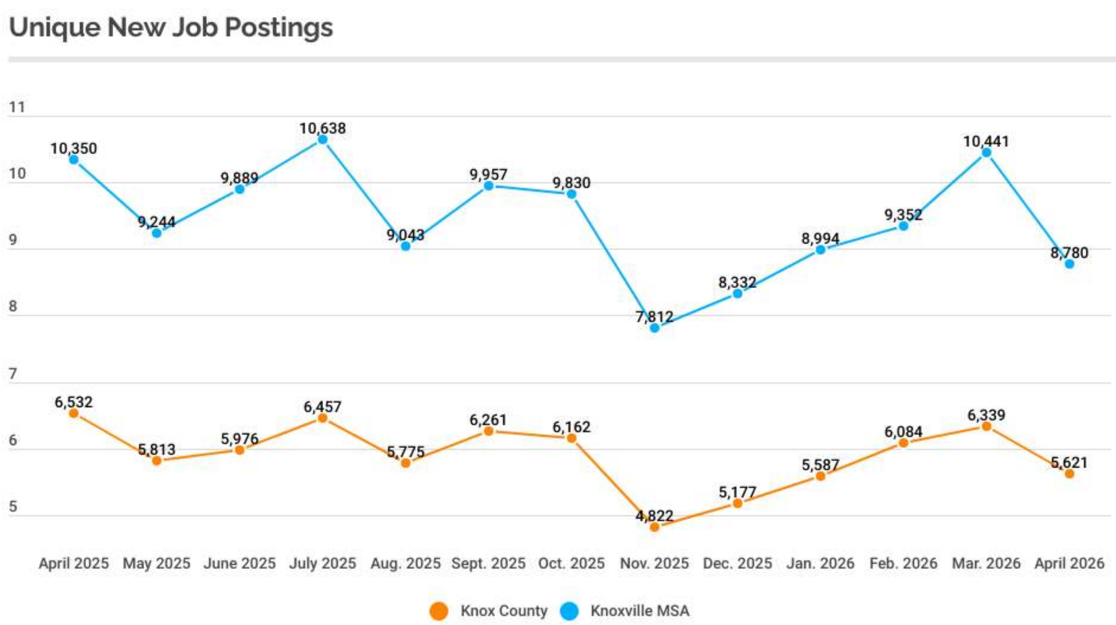
Industry	Number of Postings
Health Care and Social Assistance	1,470
Administrative and Support and Waste Management and Remediation Services	1,172
Retail Trade	812
Professional, Scientific and Technical Services	774
Manufacturing	525
Educational Services	398
Accommodation and Food Services	393
Construction	320
Transportation and Warehousing	257
Wholesale Trade	243

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

Top Ten Occupations by Number of Postings

Occupation	Number of Postings
Registered Nurses	432
Heavy and Tractor-Trailer Truck Drivers	294
Retail Salespersons	227
First-Line Supervisors of Retail Workers	222
Home Health and Personal Care Aides	219
Licensed Practical and Licensed Vocational Nurses	167
Maintenance and Repair Workers, General	143
Customer Service Representatives	117
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	108
General and Operations Managers	106

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



(Source: Lightcast – formerly Emsi Burning Glass)

ADP National Employment Report®

Each month, ADP, a large-scale payroll and human resources company, in collaboration with the Stanford Digital Economy Lab, releases the 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 net gain of 122,000 jobs in private-sector employment (up from the 109,000 net jobs gain in April). Industry sectors showing positive job growth in May include

Education and Health Services (+57,000), Trade/Transportation/Utilities (+36,000), Professional and Business Services (+11,000), Construction (+8,000), Leisure and Hospitality (+8,000), Financial Activities (+7,000), Other Services (+4,000), and Manufacturing (+3,000).

The industry sectors that showed job losses in May were Information (-9,000) and Natural Resources and Mining (-3,000).

By establishment size, “Very Small” businesses (with 1-19 employees) gained 49,000 jobs, large businesses (with 500+ employees) gained 40,000 jobs, “Other Small” businesses (with 20-49 employees) gained 18,000 jobs, mid-sized businesses (with 50-249 employees) gained 10,000 jobs, and mid-sized businesses (with 250-499 employees) gained 7,000 jobs.

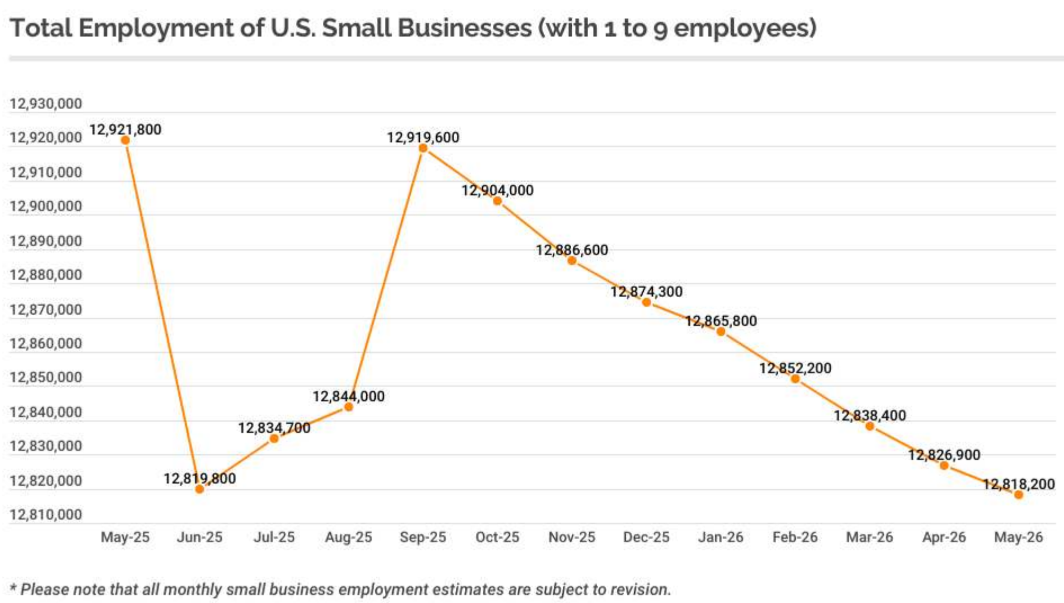
(Source: ADP)

Intuit QuickBooks Small Business Index

Each month, Intuit QuickBooks, the accounting software provider for small and medium-sized businesses, releases the Small Business Index Report, which analyzes employment and revenue trends for small businesses in the U.S. with one to nine employees across twelve industry sectors.

In May, there were 12,818,200 people employed by U.S. small businesses with one to nine employees, down 8,700 from April. Jobs decreased in all twelve industry sectors tracked by the Index including Education and Health Services (-2,300), Professional and Business Services (-1,500), Leisure and Hospitality (-1,000), Manufacturing (-900), Retail Trade (-900), Finance and Real Estate (-600), Construction (-400), Wholesale Trade (-400), Transportation and Warehousing (-300), Information (-200), Agriculture/Natural Resources/Mining (-100), and Utilities (-100).

Below is the 13-month total employment trend for U.S. small businesses with one to nine employees -



Please note that all monthly small business employment estimates are subject to revision.

You can access the full report **here**.

Source: Intuit QuickBooks

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 7.6 million jobs to fill and only 5.1 million hires in April, leaving 2.5 million jobs unfilled.

In April, the largest increases in U.S. job openings were in professional and business services (+668,000), health care and social assistance (+89,000), other services (+62,000), transportation/warehousing/utilities (+34,000), construction (+25,000), manufacturing (+24,000), wholesale trade (+15,000), private educational services (+7,000), arts/entertainment/recreation (+6,000), and information (+4,000).

The largest decreases in job openings were in financial activities (-134,000), accommodation and food services (-74,000), and retail trade (-43,000).

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**.

Consumer Price Index (CPI - Inflation Rates)

Data note – due to the federal government shutdown, October data has been canceled.

The national inflation rate from April 2025 to April 2026 is 3.8% (up from 3.3% in the March 2025 to March 2026 period. Last year, the national inflation rate was 2.3% from April 2024 to April 2025.

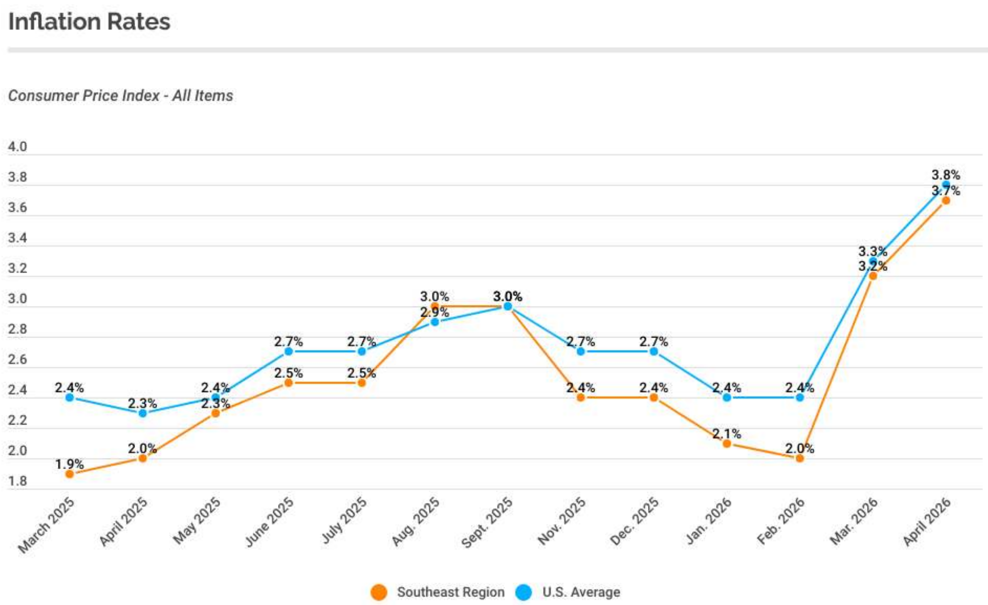
The April CPI report marks the 46th straight month that year-over-year inflation is below the June 2022 CPI peak high of 9.1%. High prices for some items will likely linger longer.

From a year ago, gasoline prices are up 28.4%, airline fares are up 20.7%, electricity costs are up 6.1%, hospital services are up 5.5%, auto repair services are up 5.1%, apparel is up 4.2%, eating out prices are up 3.6%, housing prices are up 3.3%, natural gas prices are up 3.0%, groceries are up 2.9%, rent is up 2.8%, physicians' services are up 2.6%, auto insurance is up 0.2%, and new vehicle prices are up 0.2%.

From a year ago, only used car prices are down 2.7%.

The Federal Reserve decided to maintain the target range of the federal funds rate at 3 ½ to 3 ¾ percent at its Federal Open Market Committee (FOMC) policy-setting meeting April 28-29. The Fed stated that "economic activity has been expanding at a solid pace. Job gains have remained low, on average, and the unemployment rate has been little changed in recent months. Inflation remains somewhat elevated, in part reflecting the recent increase in global energy prices." The committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. 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 3.7% for the April 2025 to April 2026 period (up from 3.2% in the March 2025 to March 2026 period. Last year, the rate was 2.0% from April 2024 to April 2025).



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

Housing Market

April home sales in East Tennessee were up 8.9% from April 2025 and up 11.6% over March at a seasonally adjusted annual rate (SAAR) of 20,421.

April home sales in Knox County jumped 23% month over month and 12.1% from 2025, a seasonally adjusted annual rate (SAAR) of 7,845.

The median home sales price across the East Tennessee region was $369,318 in April, down 3% from 2025. Knox County's median home sale price held steady at $400,000, essentially flat from the median sale price of $399,900 in April of 2025.

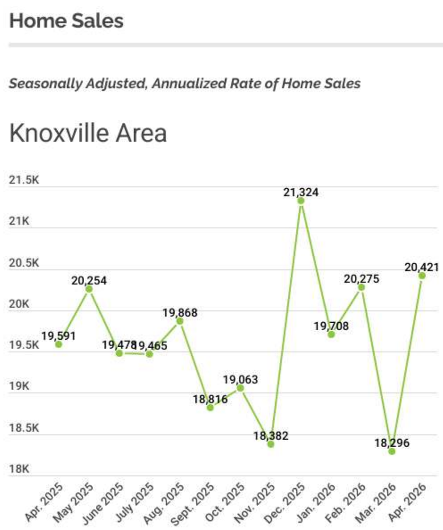
Half of the homes sold across the East Tennessee region went under contract in 32 days or less, up from 24 days last year.

Active inventory in the East Tennessee region was up 20% from the previous year.

Months of inventory for East Tennessee, or the number of months it would take to exhaust active listings at the current sales rate, held steady at 4.3.

You can subscribe to the East Tennessee REALTORS® monthly *Market Pulse Newsletter* **here**.

East Tennessee REALTORS® reports monthly home sales patterns using a seasonally adjusted annualized rate (SAAR), an adjusted rate that considers 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.*



Knoxville Area Housing Market

Knoxville Area

	April 2025	May 2025	June 2025	July 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	April 2026
Active Listings Inventory	6,176	6,402	6,919	7,295	7,367	7,705	7,278	7,286	7,026	6,392	6,275	6,387	6,690
Median Home Sales Price	$375,000	$370,000	$377,000	$374,900	$376,200	$380,000	$367,500	$365,000	$370,000	$360,000	$370,000	$364,450	$369,318
Months Inventory	4.00	3.90	4.20	4.1	4.0	4.5	4.5	5.2	3.9	4.1	3.7	4.1	4.3

Knox County

	April 2025	May 2025	June 2025	July 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	April 2026
Active Listings Inventory	1,399	1,541	1,684	1,663	1,676	1,802	1,870	1,925	1,566	1,493	1,502	1,600	1,736
Median Home Sales Price	$400,000	$400,000	$414,900	$395,000	$390,000	$404,000	$382,500	$392,500	$385,000	$385,000	$385,000	$390,000	$400,000

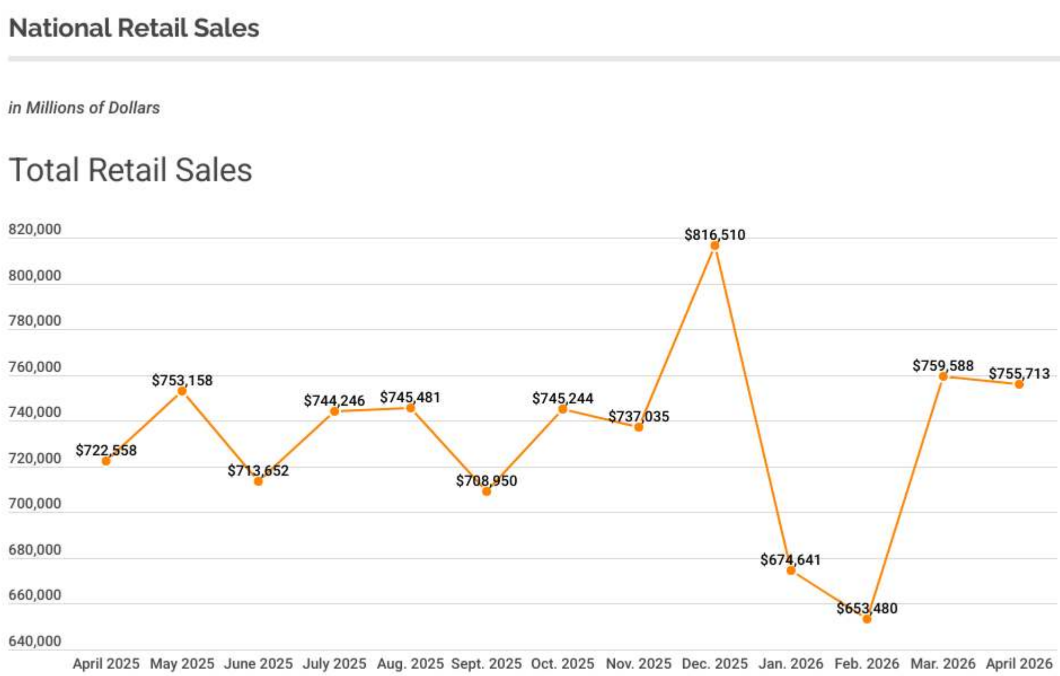
(Sources: National Association of REALTORS®; East Tennessee REALTORS®)

National Retail Sales

The total advance monthly retail sales estimate for April 2026 was $755.713 billion (down 0.5% from March and up 4.6% from last April).

The retail sectors that showed sales growth from last April were Gasoline Stations (+21.6%), Non-store Retailers (+12.1%), Sporting Goods/Books/Hobby/Music Stores (+10.3%), Miscellaneous Stores (+9.2%), Electronics and Appliance Stores (+8.2%), Clothing Stores (+5.0%), Building Materials (+2.2%), Food Services and Drinking Places (+2.1%), General Merchandise Stores (+2.0%), Health and Personal Care Stores (+1.9%), and Food and Beverage Stores (+1.0%).

The retail sectors that showed a decline in sales from last April were Furniture and Home Furnishings Stores (-3.1%) and Motor Vehicles and Parts Sales (-1.4%).



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

Tennessee State and Local Sales Tax Collections

The Knoxville MSA region collected $141.258 million in state sales taxes in April (up 17.6% from March and up 3.2% from last April) and Knox County collected $90.221 million in April (up 14.2% from March and up 1.8% from last April). The state of Tennessee collected $1.351 billion in state sales taxes in April (up 19.6% from March and up 6.4% from last April).

The Knoxville MSA collected $53.132 million in local sales taxes in April (up 19.6% from March and up 6.9% from last April) and Knox County collected $32.050 million in April (up 17.3% from March and up 5.5% from last April).

(Source: Tennessee Department of Revenue)

Knoxville Ranks in Bottom 14% on Dealroom's 2026 Global Tech Ecosystem Index - Showing Both Challenges and Opportunities for the Knoxville Region

Dealroom, an innovation platform designed to understand the landscape of high-growth companies in a region and measure the tech innovation ecosystem, recently released its annual Global Tech Ecosystem Index rankings. The index ranks the startup ecosystems in 325 cities across 77 countries to show which ecosystems lead, which are the densest, and which are rising fastest.

Knoxville ranked #279 (or in the bottom 14% of the global list). This was one spot higher than last year's ranking, but still shows there is much work to do to rise up in the rankings. The industry sectors that Knoxville showed the greatest strength by ranking are #120 in defense (up 159 spots from last year), #150 in cybersecurity (up 129 spots from last year), #158 in health and medtech (up 121 spots from last year), #164 in semiconductors (up 115 spots from last year), #173 in energy (up 106 spots from last year), #188 in gaming (up 91 spots from last year), and #195 in robotics (up 84 spots from last year).

The overall global rankings for Knoxville's peer regions are #29 Research Triangle, #54 Nashville, #174 Lexington-Fayette, #221 Greenville-Spartanburg-Anderson, #284 Memphis, and #307 Chattanooga. Asheville and Huntsville were not ranked. You can access the Global Tech Ecosystem Index rankings **here.**

Knoxville also ranked in the Top 100 global entrepreneurial alumni ecosytems highlighting a remarkable strength in that our region consistently produces founders capable of building companies that attract significant investment. In fact, Knoxville outperforms every nearby peer in the number of founders who have gone on to create companies raising more than $100 million in funding. The concern is that much of that funding is being raised elsewhere. The ranking suggests that our ecosystem excels at creating entrepreneurial talent but struggles to retain and scale it. Put differently, Knoxville is exporting one of its most valuable economic assets: founders. While we should celebrate the success of these startups, we should also ask why so many feel compelled to grow their companies outside the region.

The Knoxville Chamber's Regional Innovation Growth Strategy (RIGS) seeks to address this challenge. RIGS recognizes that talent alone is not enough. To retain founders and help companies grow here, Knoxville must strengthen the systems that support innovation, including access to capital, commercialization resources, technical talent, and innovation-focused incentives. The ranking proves that Knoxville's talent pipeline is already performing at a global level. The opportunity now is to ensure that more of the companies, investment dollars, and high-wage jobs created by that talent stay in East Tennessee. You can access the Knoxville Chamber's RIGS strategy **here**.

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.

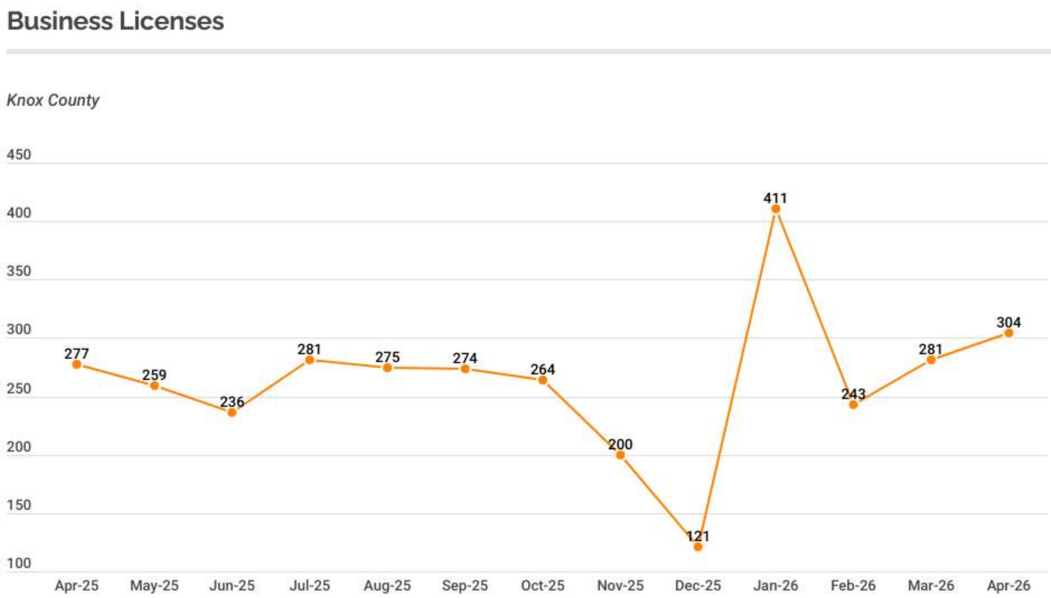
April 26, 2026 – **RMS Energy**, a provider of comprehensive, safety-first power solutions across the electrical grid for utilities, industrial facilities, and critical infrastructure nationwide, recently opened a new facility at 2501 Prime Way in Fountain City/North Knox that will now serve as the company's new headquarters. Their previous headquarters was in Minnesota. RMS Energy is the only International Electrical Testing Association (NETA)-accredited company in East Tennessee. You can read more **here**.

Knox County Business Licenses

New business licenses issued in April 2026 by Knox County are up 8.2% from March and are up 9.7% from April 2025.

A total of 304 new business licenses were issued in April 2026 compared to 281 in March and 277 in April 2025. The top industry sectors for which business licenses were issued in April 2026 were services, retail, and construction.

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



(Source: Knox County Clerk)

McGhee Tyson Airport (TYS) Passenger and Freight Trends

The Metropolitan Knoxville Airport Authority recorded 305,552 passengers in April (up 6.8% from April 2025). Year-to-date (12 months-to-date) passenger traffic through April is 3,666,029 (up 4.8% from year-to-date passenger traffic through April 2025).

The total freight recorded in April at TYS was 4,626,931 pounds (down 6.4% from April 2025).

According to the Transportation Security Administration, the average daily number of passengers passing through the nation's TSA checkpoints in April was 2,475,088 (up 0.1% from the April 2025 daily passenger average of 2,473,542 and up 5.9% from the pre-COVID April 2019 average of 2,337,050). You can view the daily TSA checkpoint travel numbers here.

According to the **International Air Transport Association (IATA)**, "Domestic passenger traffic growth slowed across all major domestic markets in April compared to March. The US domestic market contracted, with RPK (Revenue Passenger Kilometers) declining by 0.6% YoY. Capacity growth was positive at 1.0% YoY, leading to a 1.2 percentage point decline in PLF (Passenger Load Factor) to 79.6%." You can read more **here.**

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