

# JUNE 2026

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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. 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.

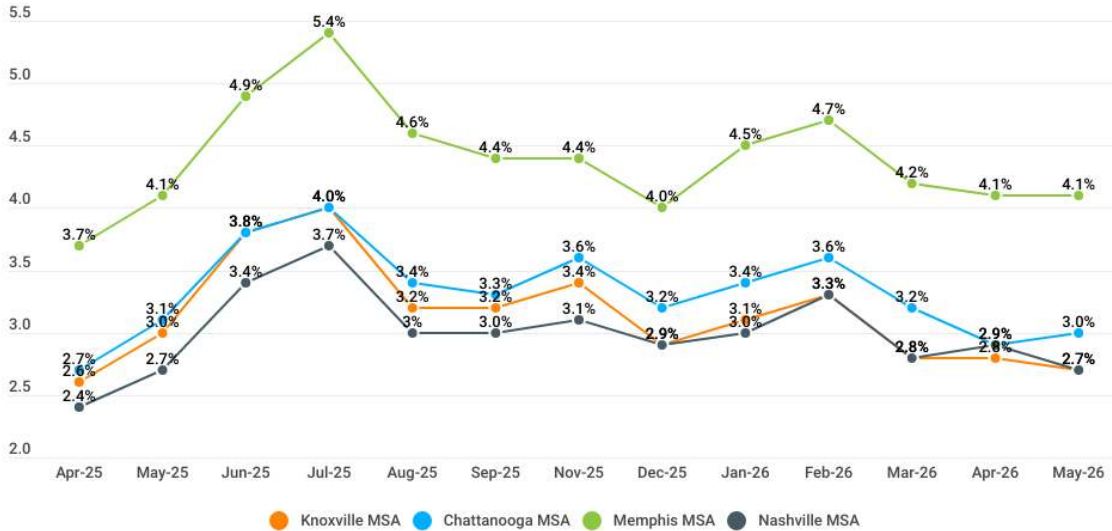
The Knoxville MSA’s unemployment rate in May was 2.7% (down from 2.8% in April and down from 3.0% in May 2025.) Knox County’s unemployment rate in May was 2.5% (down from 2.7% in April and down from 2.8% in May 2025.) Tennessee’s unemployment rate was 3.1% in May (down from 3.3% in April and down from 3.3% in last May.) The U.S. unemployment rate was 4.1% in May (up from 4.0% in April and up from 4.0% in last May.)

Knox County’s labor force slightly increased 0.3% from 262,400 in April to 263,267 in May. The Knoxville MSA’s labor force slightly increased 0.4% from 465,919 in April to 467,886 in May. Tennessee’s labor force slightly increased 0.3% from 3,490,413 in April to 3,501,486 in May. The national labor force slightly increased 0.1% from 169,548,000 in April to 169,801,000 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



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

## Job Market

For the month of May, there were 9,103 unique new job postings in the Knoxville MSA (up 3.7% from April and down 1.5% from last May.) There were 6,058 unique new job postings in Knox County (up 7.8% from April and up 4.2% from this time last year.)

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

## Top Ten Industries by Number of Postings

| Industry                                                                                                                                                     | Number of Postings |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
|  Health Care and Social Assistance                                        | 1,349              |
|  Administrative and Support and Waste Management and Remediation Services | 1,314              |
|  Professional, Scientific and Technical Services                          | 843                |
|  Retail Trade                                                             | 823                |
|  Manufacturing                                                            | 563                |
|  Accommodation and Food Services                                          | 478                |
|  Educational Services                                                     | 413                |
|  Transportation and Warehousing                                           | 331                |
|  Wholesale Trade                                                          | 244                |
|  Construction                                                             | 243                |

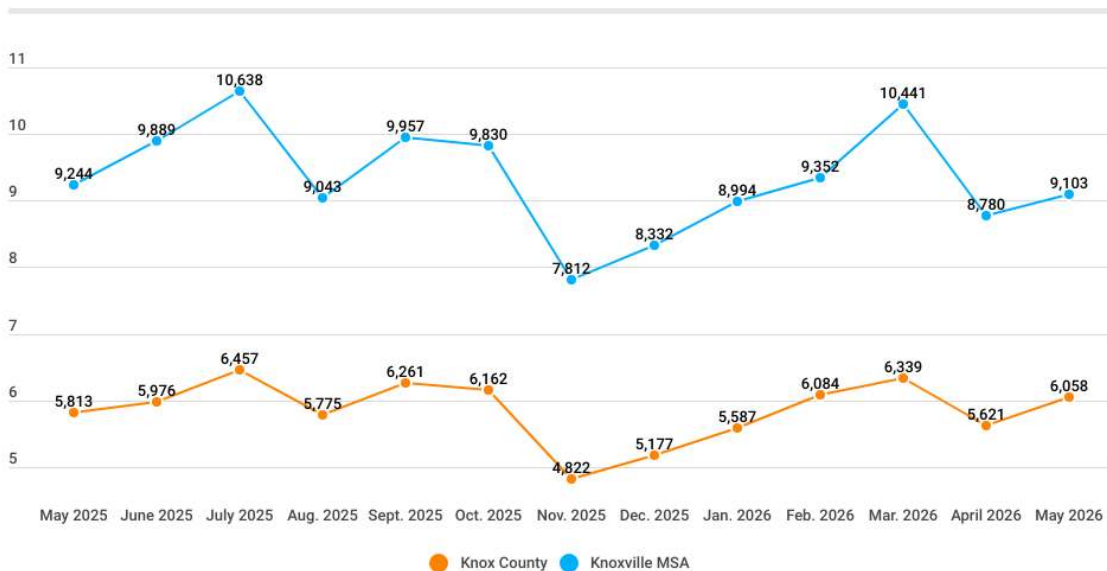
The Top 10 occupations (by number of job postings) in the Knoxville MSA in May were –

### Top Ten Occupations by Number of Postings

|                                                                                   | Occupation                                             | Number of Postings |
|-----------------------------------------------------------------------------------|--------------------------------------------------------|--------------------|
|  | Heavy and Tractor-Trailer Truck Drivers                | 437                |
|  | Registered Nurses                                      | 430                |
|  | Retail Salespersons                                    | 201                |
|  | First-Line Supervisors of Retail Workers               | 180                |
|  | Home Health and Personal Care Aides                    | 161                |
|  | Licensed Practical and Licensed Vocational Nurses      | 142                |
|  | Maintenance and Repair Workers, General                | 133                |
|  | Medical and Health Services Managers                   | 120                |
|  | Customer Service Representatives                       | 115                |
|  | Laborers and Freight, Stock, and Material Movers, Hand | 115                |

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

### Unique New Job Postings



(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 June report shows a gain of 98,000 jobs in private-sector employment (down from the 122,000 net jobs gain in May). Industry sectors showing positive job growth in June include

Education and Health Services (+48,000), Trade/Transportation/Utilities (+15,000), Financial Activities (+14,000), Other Services (+8,000), Information (+7,000), Manufacturing (+5,000), Construction (+2,000), Leisure and Hospitality (+2,000), and Professional and Business Services (+2,000).

The only industry sector that showed job losses in June was Natural Resources and Mining (-5,000).

By establishment size, “Very Small” businesses (with 1-19 employees) gained 38,000 jobs, large businesses (with 500+ employees) gained 25,000 jobs, mid-sized businesses (with 50-249 employees) gained 19,000 jobs, “Other Small” businesses (with 20-49 employees) gained 15,000 jobs, and mid-sized businesses (with 250-499 employees) gained 10,000 jobs.

(Source: ADP)

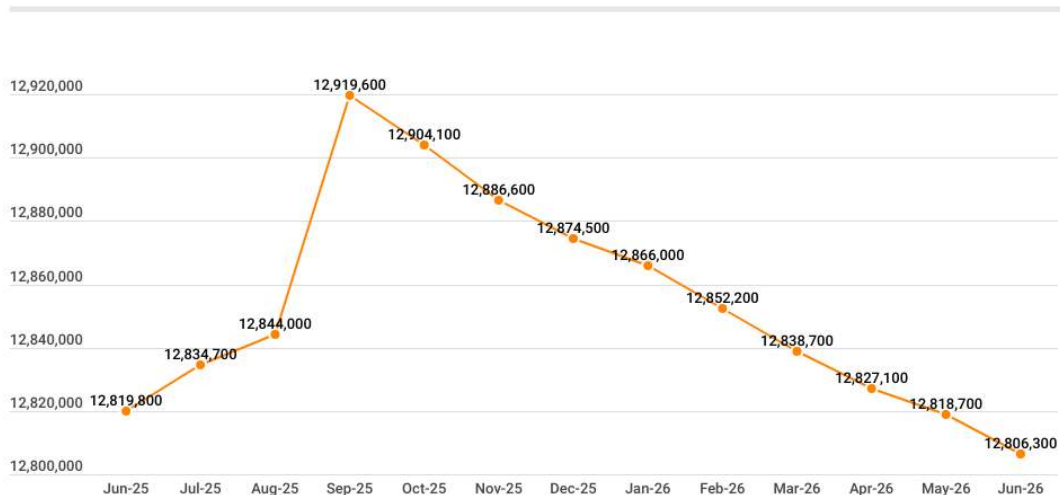
### Intuit QuickBooks Small Business Index

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 June, there were 12,806,300 people employed by U.S. small businesses with one to nine employees, down 12,400 from May. Jobs decreased in all twelve industry sectors tracked by the Index including Education and Health Services (-2,600), Leisure and Hospitality (-2,200), Professional and Business Services (-2,100), Retail Trade (-1,400), Manufacturing (-1,100), Construction (-800), Finance and Real Estate (-700), Wholesale Trade (-600), Transportation and Warehousing (-500), Information (-300), 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 -

**Total Employment of U.S. Small Businesses (with 1 to 9 employees)**



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

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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 5.2 million hires in May, leaving 2.4 million jobs unfilled.

In May, the largest increases in U.S. job openings were in wholesale trade (+71,000), accommodation and food services (+62,000), arts/entertainment/recreation (+33,000), manufacturing (+33,000), construction (+32,000), professional and business services (+12,000), and retail trade (+8,000).

The largest decreases in job openings were in health care and social assistance (-115,000), other services (-54,000), transportation/warehousing/utilities (-43,000), financial activities (-29,000), information (-6,000), and private educational services (-5,000).

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 May 2025 to May 2026 is 4.2% (up from 3.8% in the April 2025 to April 2026 period. Last year, the national inflation rate was 2.4% from May 2024 to May 2025.

The May CPI report marks the 47<sup>th</sup> 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 40.5%, airline fares are up 26.7%, auto repair services are up 6.1%, electricity costs are up 5.9%, hospital services are up 5.7%, apparel is up 4.8%, eating out prices are up 3.5%, housing prices are up 3.4%, natural gas prices are up 3.0%, rent is up 2.9%, physicians' services are up 2.9%, groceries are up 2.7%, and new vehicle prices are up 0.2%.

From a year ago, auto insurance is down 2.0% and used car prices are down 2.0%.

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 June 16-17. The Fed stated that "Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little. Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting

supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability.” 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 4.2% for the May 2025 to May 2026 period (up from 3.7% in the April 2025 to April 2026 period. Last year, the rate was 2.3% from May 2024 to May 2025.)



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

## Housing Market

May home sales in East Tennessee were up 11.3% from May 2025 and up 4.8% over April at a seasonally adjusted annual rate (SAAR) of 21,408.

May home sales in Knox County rose 4.7% month over month and 9.3% from 2025, a seasonally adjusted annual rate (SAAR) of 8,217.

The median home sales price across the East Tennessee region was \$385,000 in May, up 4% from 2025. Knox County's median home sale price held steady at \$422,450, up 3.3% from the median sale price of \$408,900 in May of 2025.

Half of the homes sold across the East Tennessee region went under contract in 23 days or less, up from 19 days last year.

Active inventory in the East Tennessee region was up 7% from the previous year, with the rate of growth slowing due to increased sales using up the inventory faster than can be replenished.

Months of inventory for East Tennessee, or the number of months it would take to exhaust active listings at the current sales rate, decreased slightly to 4.

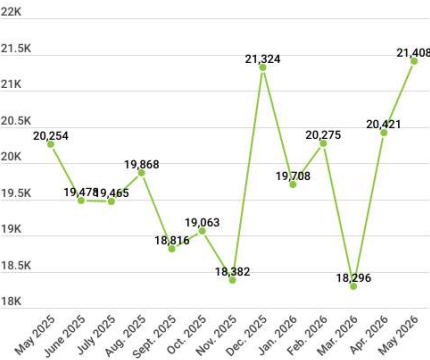
You can subscribe to the East Tennessee REALTORS® monthly *Market Pulse Newsletter* [here](#).

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.

Home Sales

Seasonally Adjusted, Annualized Rate of Home Sales

Knoxville Area



Home Sales

Seasonally Adjusted, Annualized Rate of Home Sales

Knox County



Knoxville Area Housing Market

Knoxville Area

|                           | May 2025  | June 2025 | July 2025 | Aug. 2025 | Sept. 2025 | Oct. 2025 | Nov. 2025 | Dec. 2025 | Jan. 2026 | Feb. 2026 | Mar. 2026 | April 2026 | May 2026  |
|---------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|
| Active Listings Inventory | 6,402     | 6,919     | 7,295     | 7,367     | 7,705      | 7,278     | 7,286     | 7,026     | 6,392     | 6,275     | 6,387     | 6,690      | 7,030     |
| Median Home Sales Price   | \$370,000 | \$377,000 | \$374,900 | \$376,200 | \$380,000  | \$367,500 | \$365,000 | \$370,000 | \$360,000 | \$370,000 | \$364,450 | \$369,318  | \$385,000 |
| Months Inventory          | 3.90      | 4.20      | 4.1       | 4.0       | 4.5        | 4.5       | 5.2       | 3.9       | 4.1       | 3.7       | 4.1       | 4.3        | 4.0       |

Knox County

|                           | May 2025  | June 2025 | July 2025 | Aug. 2025 | Sept. 2025 | Oct. 2025 | Nov. 2025 | Dec. 2025 | Jan. 2026 | Feb. 2026 | Mar. 2026 | April 2026 | May 2026  |
|---------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|
| Active Listings Inventory | 1,541     | 1,684     | 1,663     | 1,676     | 1,802      | 1,870     | 1,925     | 1,566     | 1,493     | 1,502     | 1,600     | 1,736      | 1,739     |
| Median Home Sales Price   | \$400,000 | \$414,900 | \$395,000 | \$390,000 | \$404,000  | \$382,500 | \$392,500 | \$385,000 | \$385,000 | \$385,000 | \$390,000 | \$400,000  | \$422,450 |

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



## National Retail Sales

The total advance monthly retail sales estimate for May 2026 was \$792.825 billion (up 4.9% from April and up 5.3% from last May.)

The retail sectors that showed sales growth from last May were Gasoline Stations (+27.2%), Sporting Goods/Books/Hobby/Music Stores (+9.9%), Non-store Retailers (+9.0%), Miscellaneous Stores (+8.6%), Electronics and Appliance Stores (+6.2%), Food Services and Drinking Places (+3.6%), General Merchandise Stores (+3.4%), Clothing Stores (+3.1%), Building Materials (+2.0%), Food and Beverage Stores (+1.6%), Health and Personal Care Stores (+1.5%), and Motor Vehicles and Parts Sales (+1.2%).

The only retail sector that showed a decline in sales from last May was Furniture and Home Furnishings Stores (-6.5%).

### 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

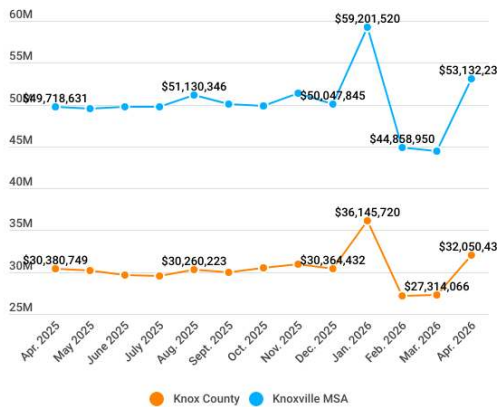
The Knoxville MSA region collected \$137.254 million in state sales taxes in May (down 2.8% from April and up 0.9% from last May) and Knox County collected \$88.570 million in May (down 1.8% from April and up 0.3% from last May.) The state of Tennessee collected \$1.301 billion in state sales taxes in May (down 3.7% from April and up 3.5% from last May.)

The Knoxville MSA collected \$51.708 million in local sales taxes in May (down 2.7% from April and up 4.5% from last May) and Knox County collected \$31.768 million in May (down 0.9% from April and up 5.2% from last May.)



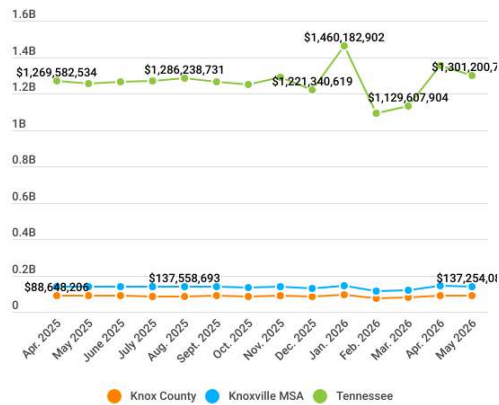
## Sales Tax Revenue

### Local Sales Tax



## Sales Tax Revenue

### State Sales Tax



(Source: Tennessee Department of Revenue)

## University of Tennessee Launches Knoxville Quantum Accelerator

The [University of Tennessee, Knoxville](#), recently announced the launch of **K-Quantum**, the Knoxville Quantum Accelerator to advance the region's position as a leader in quantum technologies and systems. "Unlike the digital computing systems, quantum systems use elements of quantum mechanics — the complex behavior of atoms and subatomic particles — to process vast amounts of information quickly and in new ways. Leveraging those properties enables breakthroughs in applications ranging from drug discovery and advanced manufacturing to cryptography and optimization," according to UTK's news release.

UT's partners include [Oak Ridge National Laboratory \(ORNL\)](#), the [Tennessee Valley Authority \(TVA\)](#), [CGI](#), and [IonQ](#).

K-Quantum supports the Tennessee Quantum Initiative, the state's \$43 million strategy that leverages research and innovation strengths statewide to recruit and launch new Tennessee companies, expand durable high-wage job creation, and advance the state's leadership position in advanced manufacturing, life sciences, and logistics. You can read more [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](mailto:jriley@knoxvillechamber.com).

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

**July 6, 2026** – [Mortgage Investors Group \(MIG\)](#), one of Tennessee's premier independent mortgage banks, and [Realty Executives Associates](#), the market-leading real estate brokerage in East Tennessee and one of the nation's top 50 brokerages in the United States, today

announced the formation of **Riverbend Mortgage**, a landmark joint venture built to fundamentally change how East Tennessee families buy homes.

This is not a referral arrangement. It is a jointly owned company, purpose-built to close the gap between real estate and mortgage services that has long created friction, confusion, and delays for homebuyers. Buyers will have access to a coordinated team of real estate and lending professionals operating with shared accountability from search to close, creating a more streamlined experience.

Together, MIG and Realty Executives Associates bring decades of experience serving East Tennessee homeowners, combining MIG's in-house mortgage platform with Realty Executives Associates' network of more than 1,000 real estate professionals. MIG originates more than \$1.5 billion in residential mortgage loans annually, while Realty Executives Associates supports more than \$4 billion in annual real estate transactions.

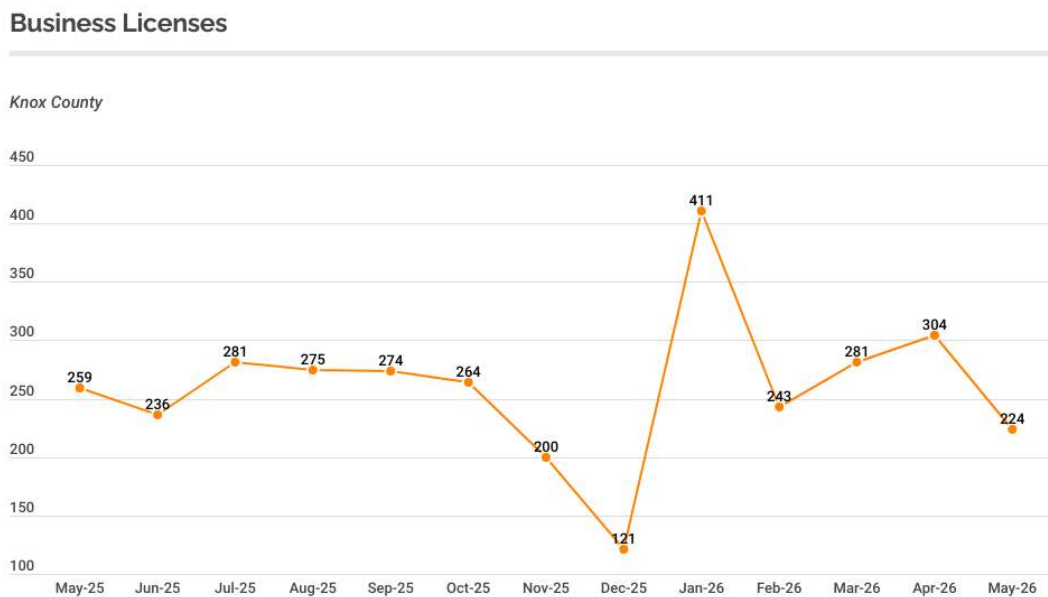
The joint venture reflects the operational strength, market credibility, and local expertise both organizations believe are necessary to deliver a more connected homebuying experience. You can read more [here](#).

### Knox County Business Licenses

New business licenses issued in May 2026 by Knox County are down 26.3% from April and are down 13.5% from May 2025.

A total of 224 new business licenses were issued in May 2026 compared to 304 in April and 259 in May 2025. The top industry sectors for which business licenses were issued in May 2026 were services, retail, construction, and nonclassified.

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 356,889 passengers in May (up 10.2% from May 2025.) May's passenger traffic set a new all-time record for TYS. Year-to-date (12 months-to-date) passenger traffic through May is 3,699,205 (up 4.7% from year-to-date passenger traffic through May 2025.)

The total freight recorded in May at TYS was 4,371,371 pounds (down 13.2% from May 2025.)

According to the Transportation Security Administration, the average daily number of passengers passing through the nation's TSA checkpoints in May was 2,541,268 (down 0.7% from the May 2025 daily passenger average of 2,560,100 and up 5.6% from the pre-COVID May 2019 average of 2,406,094.) You can view the daily TSA checkpoint travel numbers [here](#).

According to the [International Air Transport Association \(IATA\)](#), "North American airlines reported a 0.8% YoY decline in traffic, marking a second consecutive month of contraction. This was mainly due to continued weakness in the US domestic market. Capacity expanded by 0.1% YoY, leading to a 0.7 percentage point drop in PLF (Passenger Load Factor) to 82.8%." You can read more [here](#).

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