

Greater Memphis MSA

Market Overview

LAST UPDATED: April 28, 2021



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Indicators to Watch – Greater Memphis

1

Unemployment Rate,
Memphis MSA
Seasonally Adjusted

March 2021

6.4%

-0.1 MoM

Monthly

2

**Over the Month
Job Change**
Seasonally Adjusted

Feb/March 2021

5,900

0.9% MoM

-2.3% YoY

Monthly

3

**Initial Unemployment
Claims, New Claims Filed**

Week Ending April 17

1,533

-4.3% WoW

Weekly

4

Weekly Job Postings

Week Ending April 17

4,230

-1.5% WoW

+116.2% YoY

Weekly

5

Consumer Confidence
Memphis MSA
% above or below Jan 2020

Latest: April 4th

12%

-1.2 pts. WoW

Daily on a lag



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Key Takeaways

Monthly Indicators [lower frequency, lagging indicators]

- March 2021, the seasonally adjusted unemployment rate in the Greater Memphis MSA dropped 0.1 points to 6.4%. The next release for (April 2021) metropolitan estimates will be June 2, 2021.
- Seasonally adjusted non-farm payrolls (jobs) in the Memphis metropolitan area increased by 5,900 (0.9%) from February to March 2021.
- The industries of Professional/Business Services and Construction are 5.6% and 5.5% above their March 2020 level, respectively. Transportation, Warehousing, and Utilities is 3.5% holds job counts 3.5% higher than its March 2020 level.
- Revisions to the 2020 jobs data shows a smaller magnitude of reduction paired with a slower rate of recovery. Initial estimates estimated a 73.1k job contraction, the revised 2021 estimates show a March/April contraction of 61.4k jobs.
- The region is 2.3% below its March 2020 level and ranks 2nd on job recovery against a competitive set of metropolitan areas.

Weekly Indicators [higher frequency, leading indicators]

- After experiencing a decline in initial claims through the month of February, initial claims have nearly doubled from week ending March 6th to Week ending April 17th.
- Q1 2021 job postings have accelerated at rate far exceeding any other period post-pandemic. Postings from regional employers expanded 116% week ending April 17, 2020, to April 18, 2021.
- While the Greater Memphis market holds relatively high unemployment, many employers continue to hire. Broad based occupational groups are in demand in key areas including Logistics and Supply Chain Support, Office Support and Customer Care, Healthcare, and Accommodation and Food Services.
- Consumer Spending, a proxy for consumer optimism, is the amount of money spent by households in an economy for durable and nondurable goods and services. Sharp decelerations are shown through the month of February and might be influenced by the large winter storm in February 2021. As of April 4, spending was 12% above January 2020.

Following this page, an expanded set of market visualizations adds context to the current market realities described above.

Measuring Employment

Two surveys that are used to measure employment for the nation, state, and metropolitan regions are the **Current Employment Statistics (CES)** and the **Current Population Survey (CPS)**.

Current Employment Statistics (CES)

This survey is leveraged to measure the number of **“jobs”** in an economy.

The CES survey, often called the payroll survey, utilizes payroll records and surveys of businesses to determine the number of jobs businesses provide within a region.

Current Population Survey (CPS)

This survey is leveraged to populate labor force information and the **unemployment rate**.

The CPS, often called the household survey, reviews a sample of households to calculate local area unemployment statistics, which includes the number of persons who indicate they are employed and unemployed.

While both surveys are measuring employment, their different methodologies can yield different results. For instance, the CPS report will count one person who has multiple jobs only once, while the CES would count each job offered by businesses. More importantly, payrolls do not cover the self-employed or those who work on a contractual basis. These individuals might consider themselves employed full-time but would not be counted in the payroll survey.

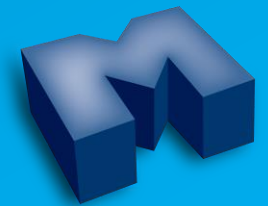
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Employment and Unemployment

via the Current Population Survey (CPS)

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The Civilian Labor Force and Employment

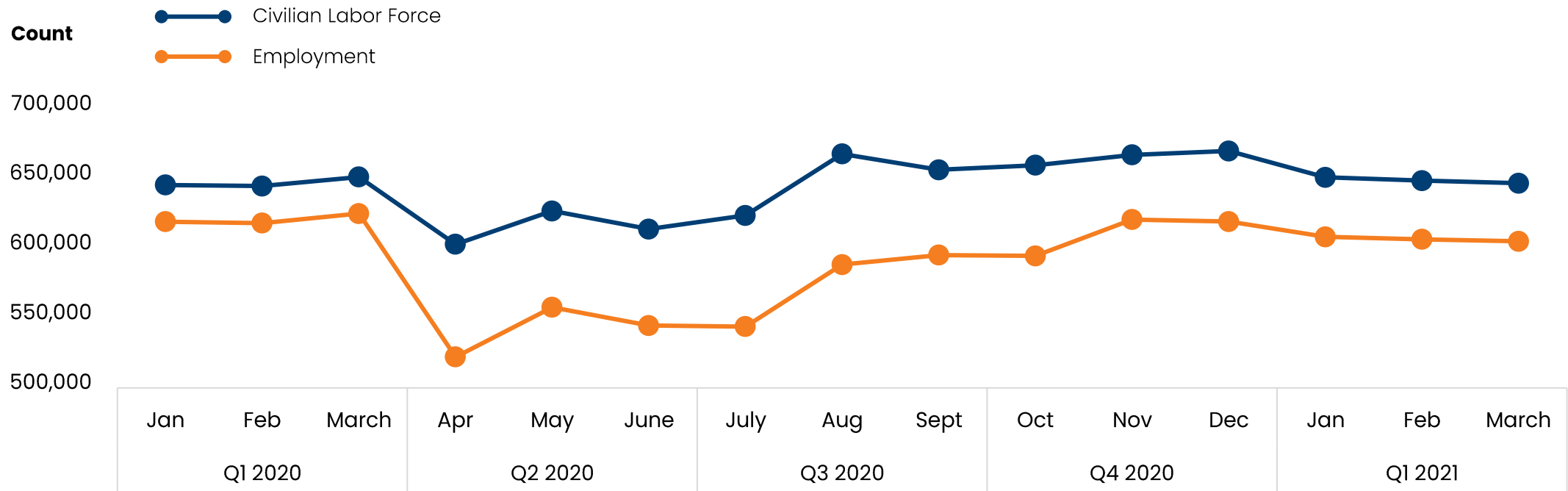
Local Area Unemployment Statistics via the CPS

Local Area Unemployment Statistics

January 2020 to March 2021, Seasonally Adjusted

For March 2021, the decrease in the region's unemployment rate is driven downward by a larger decline in its civilian labor force than its decline in employment. Meaning, more individuals exited the labor force than they did lose employment, thereby decreasing the overall number of unemployed and tightening the gap between the civilian labor force and employed populations. This dynamic has presented consecutively over the last 3 months.

From February 2021 to March 2021, the region's civilian labor force contracted by 1,838 (-0.3%). Over the same time period, employment levels contracted 1,450 (-0.2%).



Unemployment Rate

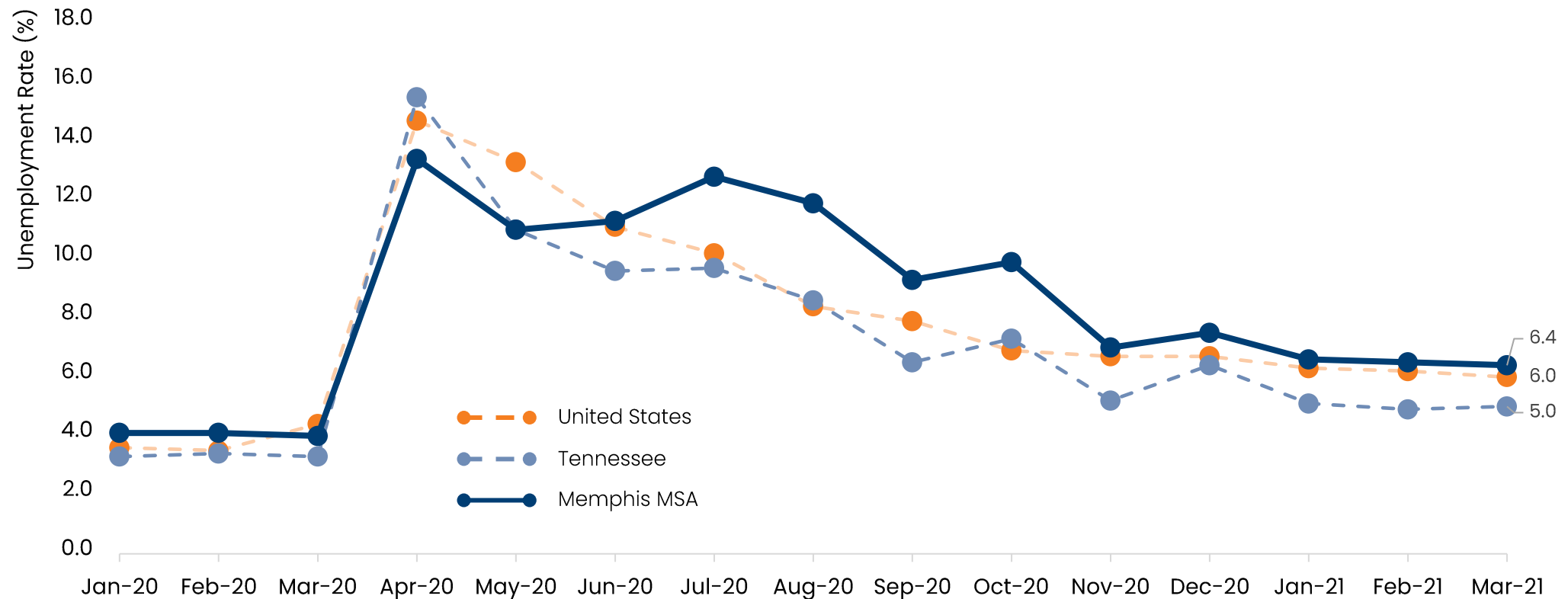
Are we following larger macroeconomic trends?

Unemployment Rate

January 2020 to March 2021, Seasonally Adjusted

In March 2021, the Greater Memphis MSA posted a seasonally adjusted unemployment rate of 6.4%, a 0.1 point decrease over-the-month.

The next release for (April 2021) metropolitan estimates will be June 2, 2021.



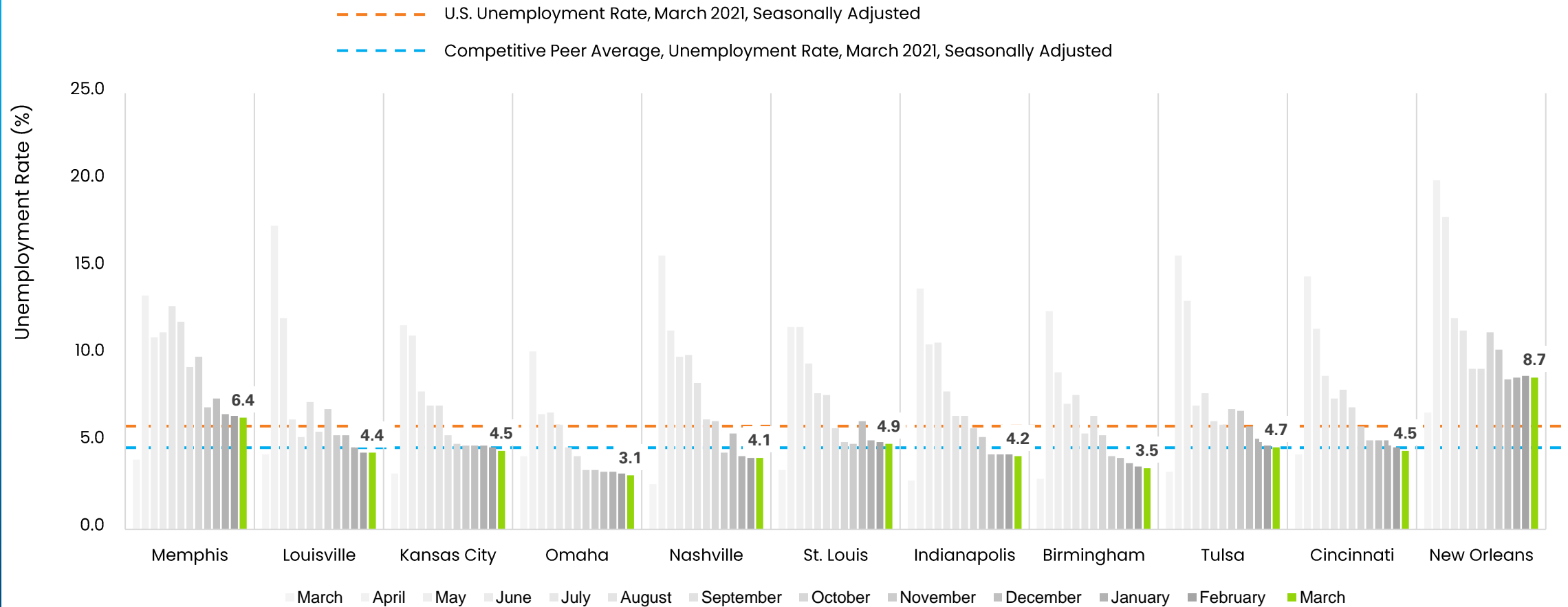
Source: U.S. Bureau of Labor Statistics, via the St. Louis Federal Reserve, numbers are preliminary.

Unemployment Rate

How are we doing against a competitive set of peers?

Unemployment Rate

March 2020 to March 2021, Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics, via the St. Louis Federal Reserve, numbers are preliminary. City names reflect metropolitan areas.

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Jobs

via the Current Employment Statistics (CES)

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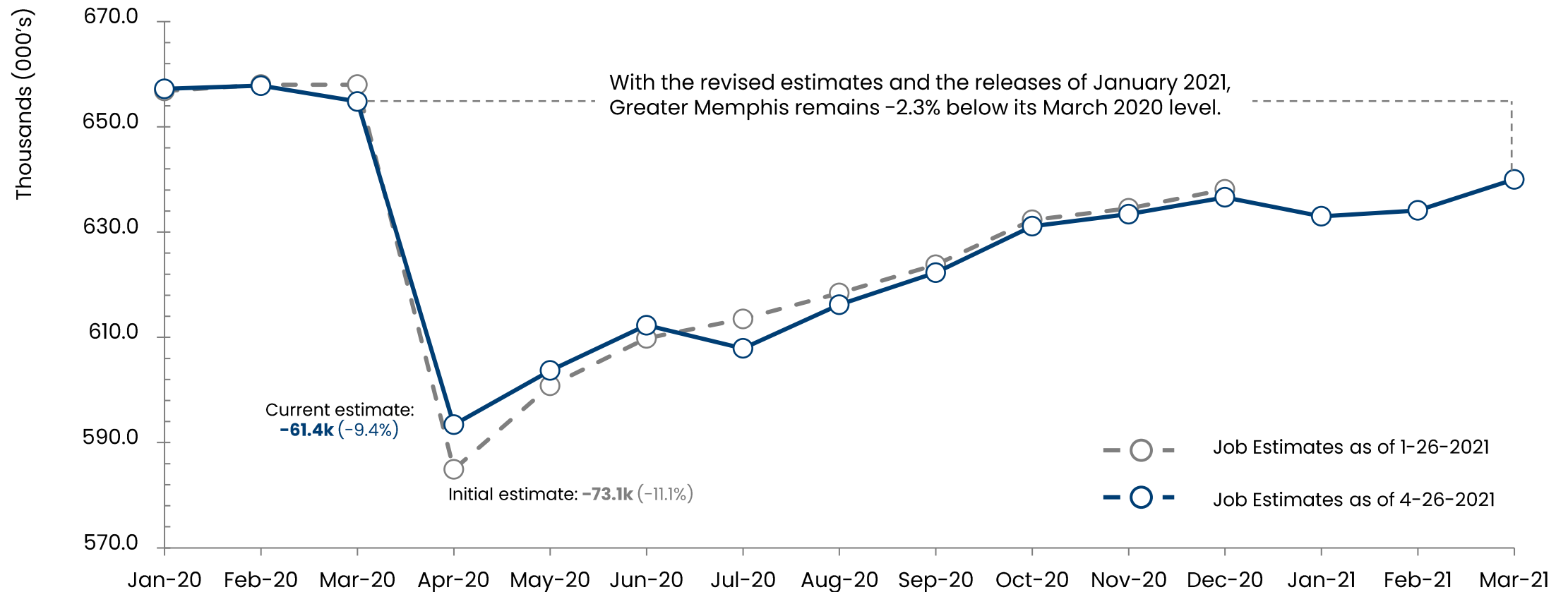
Job Estimates

Initial and Current Estimates

Non-Farm Payroll (Jobs)

January 2020 to March 2021, Seasonally Adjusted

Revised estimates of job growth highlight a reduced magnitude of reduction from March 2020 to April 2020, with a slower rate of recovery from April 2020 to December 2020.



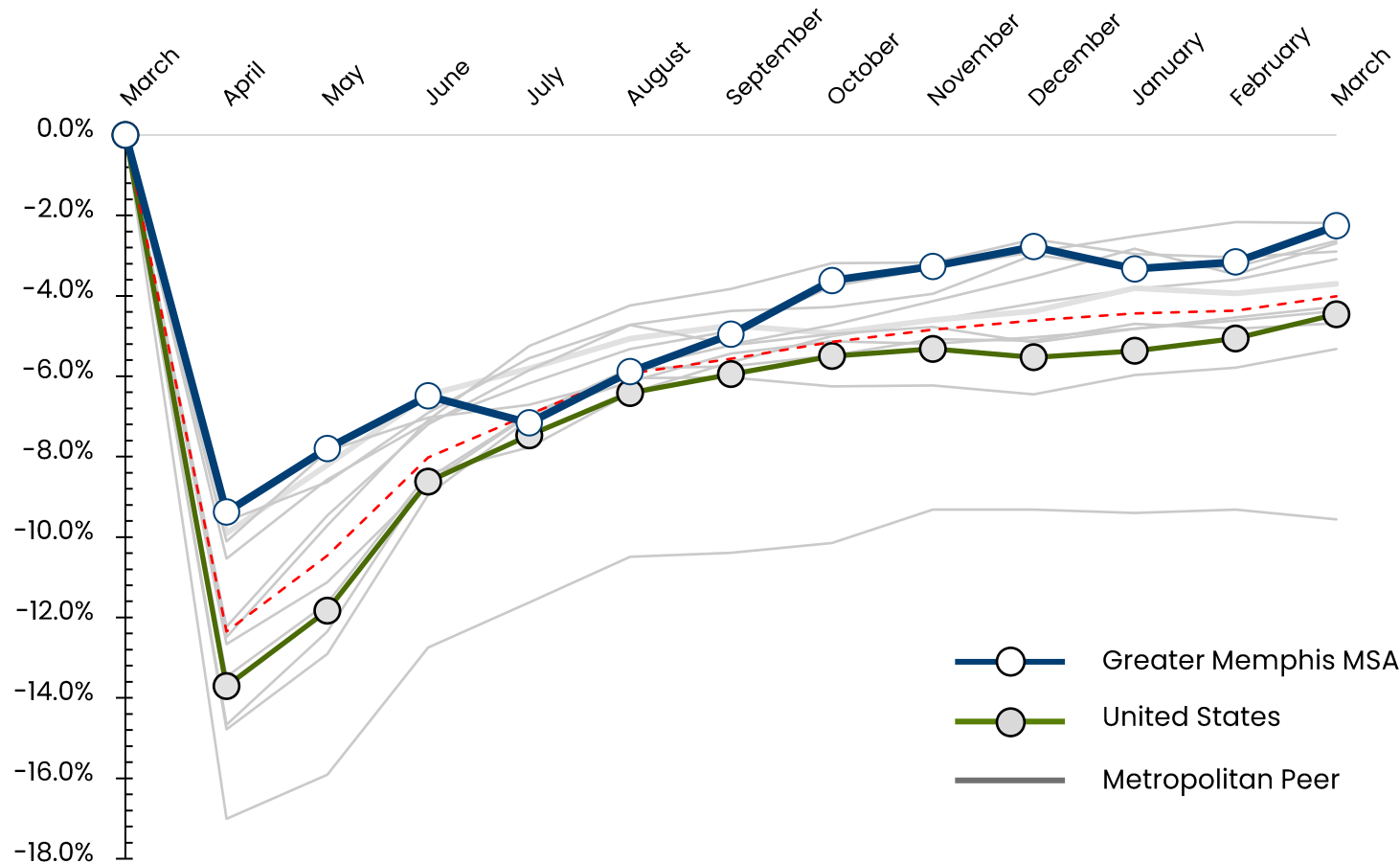
Road to Recovery

How are we doing on job recovery against a competitive set of peers?

Non-Farm Payroll (Jobs)

March 2020 to March 2021, Seasonally Adjusted

Percent above/below March 2020



	Metro Area	Rank Top to Bottom
1	Birmingham	-2.2%
2	Memphis	-2.3%
3	Omaha	-2.6%
4	Kansas City	-2.7%
5	Indianapolis	-2.9%
6	Nashville	-3.1%
7	Little Rock	-3.7%
8	Average	-4.0%
9	Louisville	-4.3%
10	Cincinnati	-4.4%
11	United States	-4.5%
12	St. Louis	-4.7%
13	Tulsa	-5.3%
14	New Orleans	-9.6%

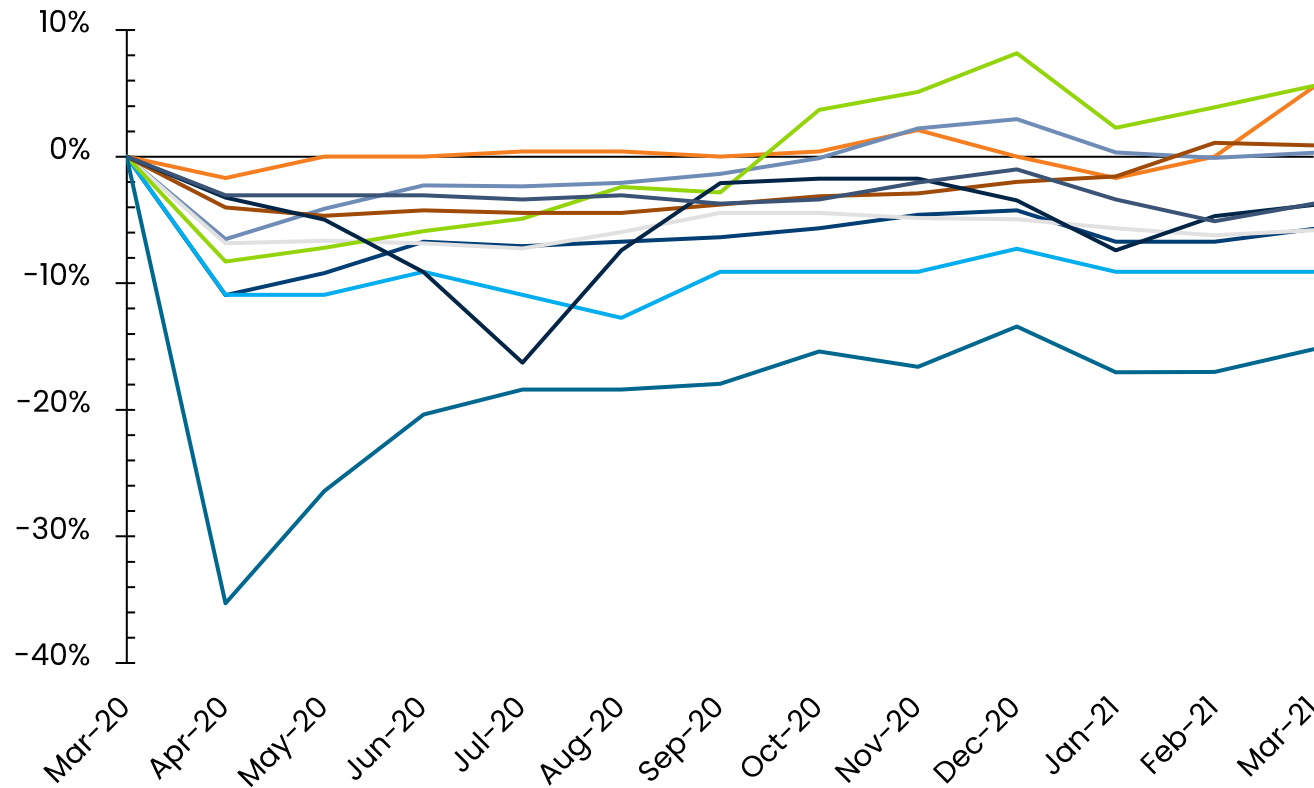
Source: U.S. Bureau of Labor Statistics, via the St. Louis Federal Reserve, numbers are preliminary



Road to Recovery

Which industries are recovering jobs lost?

Percent above/below March 2020



Non-Farm Payroll (Jobs)

March 2020 to March 2021, Seasonally Adjusted

Industry Sector		% above/below March 2020
1	Professional/Business Srvs.	5.6%
2	Construction	5.5%
3	Manufacturing	0.9%
4	Trade/Trans./Utilities	0.3%
5	Financial Activities	-3.7%
6	Government	-3.8%
7	Other Services	-5.7%
8	Edu./Health Services	-5.8%
9	Information	-9.1%
10	Leisure and Hospitality	-15.2%



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Initial and Continued Unemployment Claims

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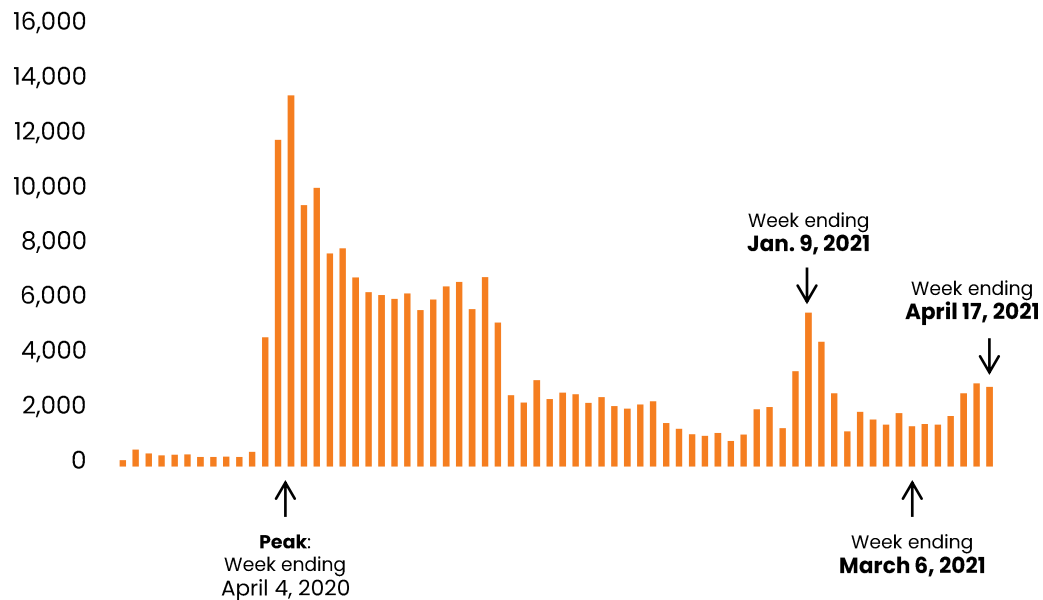
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Unemployment Insurance Claims

Initial and Continued Claims

Initial Claims

After periods of lower initial claims activity – early January in Greater Memphis experienced sharp increases in initial claims. After experiencing a decline in initial claims through the month of February, initial claims have nearly doubled from week ending March 6th to Week ending April 17th.



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Employer Demand

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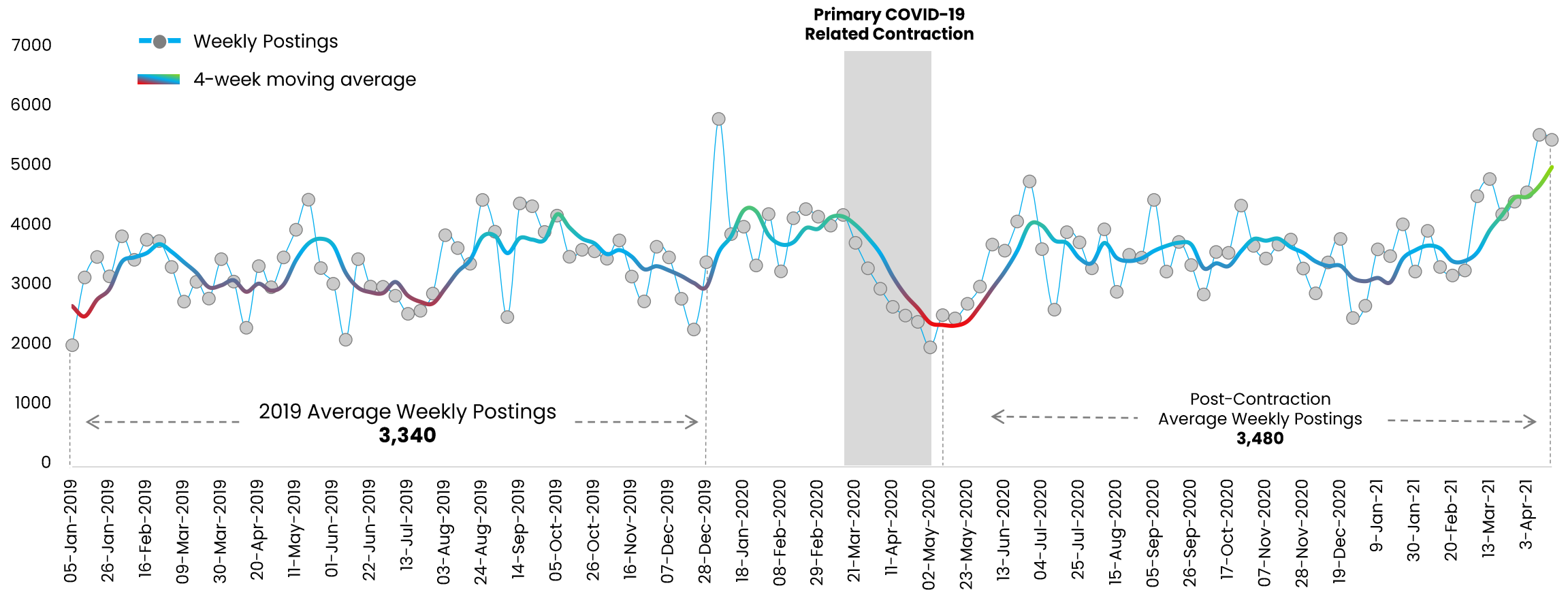
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Job Posting Activity

Historical Activity and Recent Trends

Q1 2021 job postings have accelerated at rate far exceeding any other period post-pandemic. Postings from regional employers expanded 116% week ending April 17, 2020, to April 18, 2021.

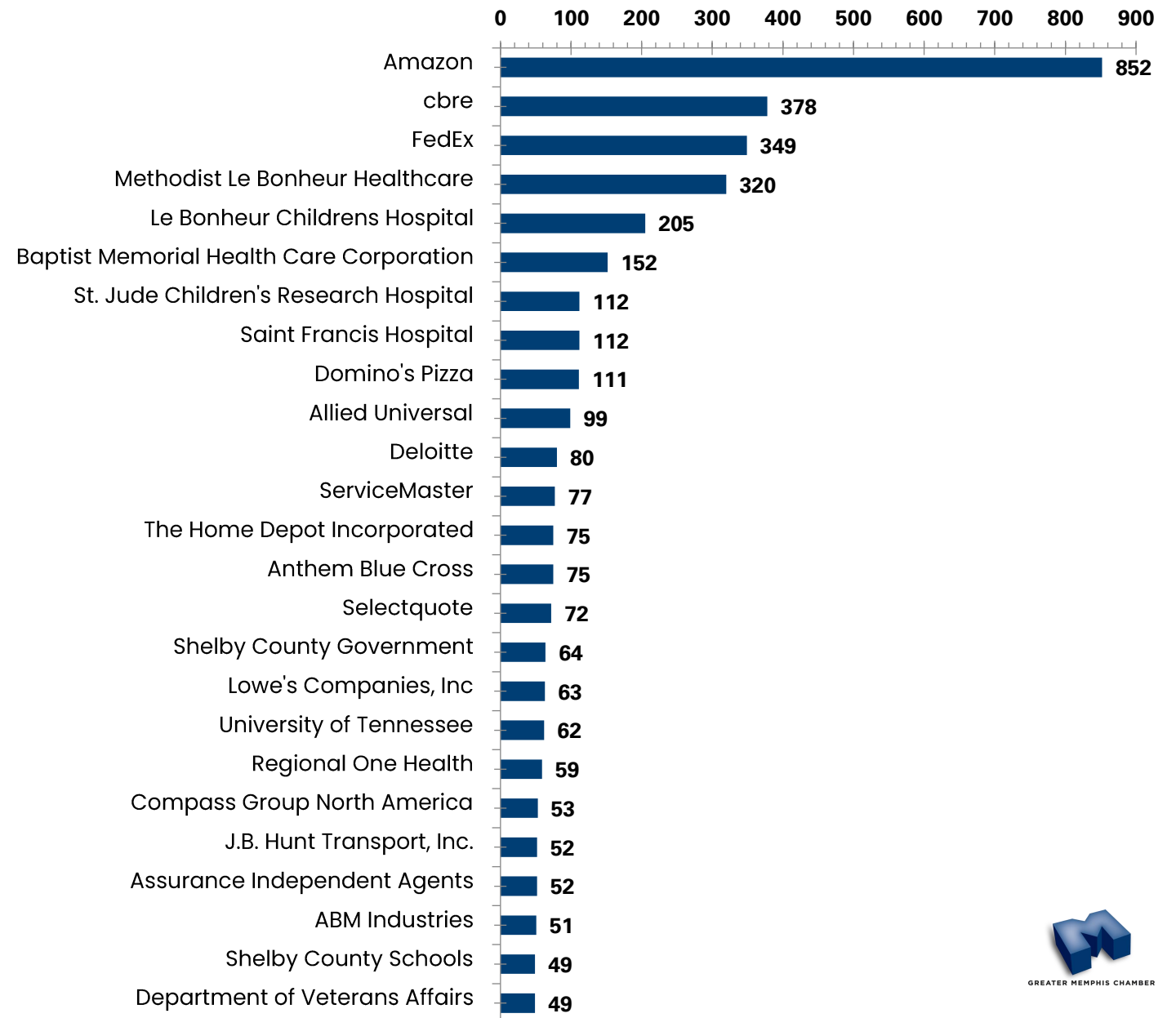
Weekly Job Postings (#)



Job Posting Activity

Who's Hiring?

**Top 25
Employers,**
last 30 days



Job Posting Activity

What positions are in demand?

Top 25 Occupations, last 30 days



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Consumer Confidence

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Consumer Confidence

Consumer Spending % above or below Jan 2020

Consumer Spending, a proxy for consumer optimism, is the amount of money spent by households in an economy for durable and nondurable goods and services. As of April 4, 2021, spending was 12% above January 2020

