

II. STUDY REGION AT A GLANCE: INDICATORS OF SOCIOECONOMIC DISTRESS

The counties in northwest Tennessee have gone through significant socioeconomic transformation over the past two decades: first, manufacturing jobs started gradually moving out of the study region, and then outmigration followed. A review of commonly used socioeconomic indicators suggests that the study region and its surrounding counties are in economic distress. To illustrate the extent of the distress, this section deals with the following socioeconomic indicators: unemployment, population growth, per capita income, and poverty.

II.a. Employment and Unemployment

Table 1 presents the latest available data on labor force, employment, and unemployment. Compared to the U.S., all the counties in the core and surrounding region have an unemployment rate substantially higher than the U.S. average. The difference in unemployment rate between the area counties and the U.S. runs as high as 10 percentage points in Lauderdale County. At the regional level, the unemployment rate is 3.1 percentage points higher than the U.S. in the core region; 5.3 percentage points higher in the surrounding region; and 4.4 percentage points higher in the core and surrounding region combined.

Table 1: Unemployment Rate as of June 2009

Region	Labor Force	Employment	Unemployment	Unemployment Rate (%)	Percentage Point Difference from the U.S. Average
U.S.	155,921,000	140,826,000	15,095,000	9.7	
Core Region	36,478	31,491	4,649	12.8	+3.1
<i>Dyer</i>	18,177	15,148	2,691	14.8	+5.1
<i>Lake</i>	2,803	2,510	293	10.5	+0.8
<i>Obion</i>	15,498	13,833	1,665	10.7	+1.0
Surrounding Region	55,112	46,833	8,279	15.0	+5.3
<i>Crockett</i>	6,490	5,671	819	12.6	+2.9
<i>Gibson</i>	22,040	18,777	3,263	14.8	+5.1
<i>Lauderdale</i>	10,566	8,483	2,083	19.7	+10.0
<i>Weakley</i>	16,016	13,902	2,114	13.2	+3.5
Core and Surrounding Region	91,590	78,324	12,928	14.1	+4.4

Source: BEREC and BLS (www.bls.gov)

II.b. Population Growth

Used alone, unemployment rates may not reflect the true state of economic health. Unemployment rates should be used along with labor force or population data to make sense of a region's socioeconomic dynamics. For example, the unemployment rate in Lake County, where Cates Landing is located, is moderately higher than the U.S. average (+0.8 percentage point in Table 1). The primary reason for the relatively smaller unemployment rate for this county may be



explained by the massive outflow of the working age population in the county in search of employment opportunities elsewhere. Table 2 demonstrates the extent of the population flight from the core study region between 2000 and 2008. In this period, Lake County lost nearly 8 percent of its population. In contrast, the U.S. population grew by more than 8 percent in the same period.

Table 2: Population Estimates and Growth Rate

Region	2000	2008	Growth (2000-2008)
U.S.	281,421,906	304,059,724	8.04%
Core Region	77,683	76,298	-1.78%
<i>Dyer</i>	37,279	37,600	0.86%
<i>Lake</i>	7,954	7,323	-7.93%
<i>Obion</i>	32,450	31,375	-3.31%
Surrounding Region	124,680	123,510	-0.94%
<i>Crockett</i>	14,532	14,186	-2.38%
<i>Gibson</i>	48,152	49,257	2.29%
<i>Lauderdale</i>	27,101	26,692	-1.51%
<i>Weakley</i>	34,895	33,375	-4.36%
Core and Surrounding Region	202,363	199,808	-1.26%

Source: BERC and Census Bureau (www.census.gov)

II.c. Income

Per capita income is another indicator commonly used as a measure of economic distress in a community. The per capita income in the study region is far below the U.S. average as shown in Table 3. For example, per capita income in Lake County is equivalent to 45 percent of U.S. per capita income. In other words, per capita income in Lake County is 55 percent less than U.S. per capita income. Overall, the core study region has an average per capita income equivalent to 71 percent of U.S. per capita income in 2007. The surrounding region does not fare any better than the core region, as per capita income is 63.40 percent of U.S. per capita income. For the core and surrounding regions combined, per capita income remains at 66.4 percent of the U.S. average.



Table 3: Income

Region	Personal Income	Population	Per Capita Income	
	2007 (in thousands)	2007	2007	As Percent of U.S.
U.S.	\$11,894,100,000	301,737,000	\$39,419	100.00
Core Region	\$2,145,395	76,546	\$28,028	71.10
<i>Dyer</i>	\$1,088,239	37,642	\$28,910	73.34
<i>Lake</i>	\$132,036	7,407	\$17,826	45.22
<i>Obion</i>	\$925,120	31,497	\$29,372	74.51
Surrounding Region	\$3,062,530	122,549	\$24,990	63.40
<i>Crockett</i>	\$355,599	14,183	\$25,072	63.60
<i>Gibson</i>	\$1,282,060	48,511	\$26,428	67.04
<i>Lauderdale</i>	\$552,371	26,681	\$20,703	52.52
<i>Weakley</i>	\$872,500	33,174	\$26,301	66.72
Core and Surrounding Region	\$5,207,925	199,095	\$26,158	66.36

Source: BERC and BEA (www.bea.gov)

II.d. Poverty

Perhaps the poverty rate is the most telling indicator of socioeconomic distress in a community. In this respect, Lake County has the 15th highest poverty rate among more than 3,000 counties in the U.S. Table 4 shows both per capita transfer payments and poverty rate in the core and surrounding counties.



Table 4: Poverty and Transfer Payments (Northwest Tennessee Regional Port at Cates Landing)

Region	Transfer Payments 2007 (in thousands)	Population 2007	Per Capita Transfer Payments 2007	As percent of the U.S.	Percent of		
					Number of People below Poverty 2007	Population below Poverty 2007	Percentage Point Difference 2007
U.S.	\$127,454,000	301,737,000	\$422	100.00	38,052,247	13.00	
Core Region	\$45,315	76,546	\$592	140.15	13,093	17.10	+4.10
<i>Dyer</i>	23,493	37,642	\$624	147.75	6,207	16.70	+3.70
<i>Lake*</i>	\$5,394	7,407	\$728	172.40	1,940	39.20	+26.20
<i>Obion</i>	\$16,428	31,497	\$522	123.48	4,946	15.90	+2.90
Surrounding Region	\$73,501	122,549	\$600	141.99	22,592	18.44	+5.44
<i>Crockett</i>	\$8,284	14,183	\$584	138.28	2,504	18.00	+5.00
<i>Gibson</i>	\$29,132	48,511	\$601	142.17	7,799	16.50	+3.50
<i>Lauderdale</i>	\$20,369	26,681	\$763	180.74	6,391	26.80	+13.80
<i>Weakley</i>	\$15,716	33,174	\$474	112.16	5,898	18.90	+5.90
Core and Surrounding Region	\$118,816	199,095	\$597	141.28	35,685	17.92	+4.92

Source: BERC and Census Bureau (www.census.gov)

*Lake County has the 15th highest poverty rate among more than 3,000 counties in the U.S.

The per capita transfer payments reported in Table 4 refer to monetary transfers from the federal government that include food stamps, family assistance, and other income maintenance benefits. Supplemental Social Security benefits are not included.

Overall, Lake County receives twice as many per capita transfer payments as the U.S. average. This is clearly not surprising given the county's poverty rate. Nearly two-fifths (39.2 percent) of Lake County's population is below the poverty level. The poverty rate in Lake County is 26.2 percentage points higher than the U.S. average.

To summarize, the combined major indicators of economic distress paint the following regional picture. Once the hub of the manufacturing sector, the counties in the study region have gradually lost their competitive edge. In turn, this gradual erosion of the manufacturing base has put pressure on social dynamics leading to massive outmigration of the working-age population in search of better job opportunities. Reversing the current trend requires significant investment in infrastructure improvements that will (a) make the region more competitive and (b) attract new or retain existing businesses, thereby stabilizing socioeconomic dynamics.

Although major investment is necessary to make the study region globally competitive, it is not itself sufficient to generate large-scale intended outcomes. The nature of investment matters as much as the amount of investment in the region. The next sections analyze a particular investment in the amount of about \$35 million to construct a truly intermodal transportation system and industrial park. Once completed, the Port at Cates Landing is likely to have a profound impact across northwest Tennessee counties.

