

# Economic Diversity in Middle Tennessee Marketing Region

**Murat Arik, Ph.D.**  
**Associate Director**

Business and Economic Research Center  
Jennings A. Jones College of Business  
Middle Tennessee State University  
P.O. Box 102  
Murfreesboro, TN 37132

# Section I: Overview

- As a concept, economic diversity refers to having a healthy mix of sectoral employment/resource base.
- Economic (sectoral) vulnerability is defined as having a regional economic mix concentrated in a few sectors thereby making the region's economy vulnerable to economic shocks.
- To measure the economic diversity, many studies utilize Herfindahl-type index, which measures firm concentrations and competition in a given sector.
- This study utilizes a measure similar to Herfindahl-Hirschman Index as well as an extension of it to measure “effective number of sub-sectors.”
- This measure is important for regions whose economy heavily depends on a few major sectors.

# Section II: Methodology

- Sectoral diversity is measured at 4-digit NAICS level. According to 2007 Q1 ES202 data, there were 316 sub-sectors at this level in Tennessee.
- BERC utilized fractionalization index to estimate the level of economic diversity.

- This index is defined as  $D = 1 - \sum s_i^2$ , where D=diversity index and (s) is the employment share of sector (i) in a regional economy.

- BERC then used a related measure to drive “effective number” of sub-sectors in a region based on the level of diversity. This measure is defined as:

$e = 1/(1 - D)$ , where (e) refers to the effective number of sub-sectors and (D) is diversity index as defined above.

- These indexes are from the same family of measures as Herfindahl-Hirschman Index.
- A word of caution in interpreting these two measures: although lack of diversity in a given regional economy is interpreted as vulnerability, in certain cases, this may also be interpreted as the strength of a regional economy because of the region’s specialization in certain areas.
  - Many regions attempt to strike a balance between desire for diversity and having a competitive edge in specific areas.

## Section III: Findings: Major Industry Groupings, Employment Share, and Sectoral Dependency

- Sectoral dependency is defined as a sector having more than 20 percent of employment share in the region.
- As of 2007 Q1, 11 of 14 counties in the region depends on manufacturing sector.
- Coffee County has large presence of enabling industries, which are industries that include finance, business, professional and management services.

## Section III: Findings: Major Industry Groupings, Employment Share, and Sectoral Dependency (Continued)

Employment by Major Industry Groupings and Percent Share (2007 Q1)

County	Agriculture, Mining, Construction and Utilities		Manufacturing		Wholesale and Retail Trade		Transportation and Warehousing	
	Employment	Share (%)	Employment	Share (%)	Employment	Share (%)	Employment	Share (%)
Bedford	1,163	6.14	<b>7,083</b>	<b>37.41</b>	2,156	11.39	1,411	7.45
Coffee	1,262	4.51	<b>6,773</b>	<b>24.19</b>	3,949	14.10	334	1.19
Franklin	727	6.37	<b>2,221</b>	<b>19.45</b>	1,637	14.33	213	1.87
Giles	589	6.55	<b>2,697</b>	<b>30.03</b>	1,480	16.48	244	2.72
Hickman	405	11.74	<b>671</b>	<b>19.45</b>	355	10.31	113	3.28
Lawrence	588	5.44	<b>2,342</b>	<b>21.66</b>	<b>2,588</b>	<b>23.94</b>	633	5.86
Lewis	224	8.17	246	8.97	<b>666</b>	<b>24.30</b>	170	6.21
Lincoln	585	6.15	<b>2,775</b>	<b>29.19</b>	1,621	17.05	185	1.94
Marshall	524	5.49	<b>3,336</b>	<b>35.00</b>	1,361	14.28	214	2.24
Maury	1,619	4.95	<b>6,802</b>	<b>20.78</b>	4,590	14.02	1,000	3.05
Moore	86	5.95	226	15.67	<b>298</b>	<b>20.72</b>		
Perry	81	3.15	<b>1,345</b>	<b>52.54</b>	161	6.28	46	1.81
Warren	1,425	10.39	<b>3,998</b>	<b>29.15</b>	2,284	16.65	278	2.03
Wayne	203	4.38	828	17.90	457	9.88	70	1.51
Study Region	9,479	5.98	<b>41,342</b>	<b>26.09</b>	23,603	14.90	4,916	3.10
Tennessee	174,224	5.61	449,338	14.48	522,798	16.85	195,212	6.29

# Section III: Findings: Major Industry Groupings, Employment Share, and Sectoral Dependency (Continued)

Employment by Major Industry Groupings and Percent Share (2007 Q1) (Continued)

County	Enabling Industries		Education and Health Services		Amusement, Hospitality and Other services		Grand Total
	Employment	Share (%)	Employment	Share (%)	Employment	Share (%)	
Bedford	2,860	15.11	2,383	12.59	1,415	7.47	18,934
Coffee	<b>7,106</b>	<b>25.38</b>	4,920	17.57	2,617	9.35	28,000
Franklin	640	5.60	<b>4,203</b>	<b>36.81</b>	1,277	11.18	11,419
Giles	1,149	12.79	1,735	19.32	789	8.79	8,981
Hickman	212	6.16	<b>1,127</b>	<b>32.70</b>	334	9.69	3,448
Lawrence	749	6.93	<b>2,140</b>	<b>19.79</b>	1,311	12.13	10,811
Lewis	244	8.91	<b>755</b>	<b>27.52</b>	274	10.00	2,743
Lincoln	808	8.50	<b>2,386</b>	<b>25.10</b>	850	8.94	9,508
Marshall	1,109	11.63	<b>1,870</b>	<b>19.62</b>	721	7.57	9,531
Maury	6,142	18.76	<b>7,555</b>	<b>23.08</b>	3,875	11.84	32,735
Moore	40	2.76	<b>645</b>	<b>44.80</b>	71	4.93	1,440
Perry	106	4.14	<b>661</b>	<b>25.81</b>	56	2.17	2,560
Warren	1,685	12.29	2,522	18.38	1,043	7.60	13,718
Wayne	728	15.74	<b>1,858</b>	<b>40.20</b>	278	6.01	4,623
Study Region	23,579	14.88	<b>34,760</b>	<b>21.94</b>	14,911	9.41	158,450
Tennessee	577,435	18.61	<b>654,094</b>	<b>21.08</b>	382,809	12.34	3,103,318

BERC and ES202 Data

Public Administration is excluded.

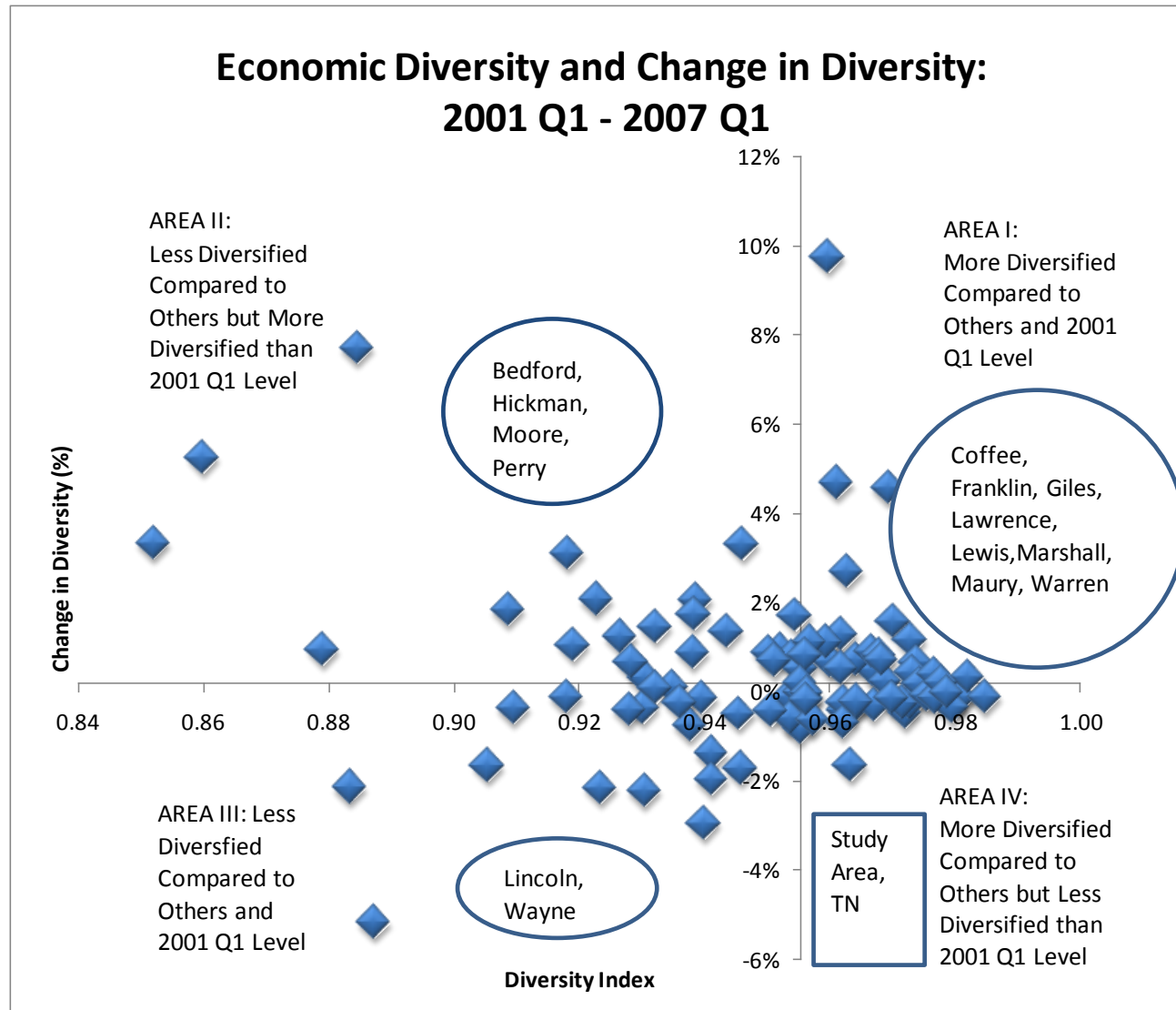
Regional Economic Diversity Based on 4-Digit NAICS (316 Industries): Rank by 2007 Q1 Diversity Index

Rank	County	Economic Diversity: 2001 Q1		Economic Diversity: 2007 Q1		Change in Economic Diversity		Rank	County	Economic Diversity: 2001 Q1		Economic Diversity: 2007 Q1		Change in Economic Diversity	
		Index	Number of Major Industries	Index	Number of Major Industries	Index (%)	Major Industry (%)			Index	Number of Major Industries	Index	Number of Major Industries	Index (%)	Major Industry (%)
1	Tennessee	0.9858	70.6111	0.9848	65.6105	-0.11%	-7.08%	52	CHESTER, TN	0.9385	16.2513	0.9545	21.9688	1.71%	35.18%
2	WILLIAMSON, TN	0.9788	47.1677	0.9821	55.8165	0.34%	18.34%	53	FAYETTE, TN	0.9467	18.7709	0.9540	21.7299	0.77%	15.76%
3	HAMILTON, TN	0.9819	55.3375	0.9807	51.8897	-0.12%	-6.23%	54	HAWKINS, TN	0.9594	24.6199	0.9537	21.5938	-0.59%	-12.29%
4	DAVIDSON, TN	0.9817	54.7522	0.9806	51.5189	-0.12%	-5.91%	55	DECATUR, TN	0.9546	22.0264	0.9536	21.5361	-0.11%	-2.23%
5	KNOX, TN	0.9828	58.1311	0.9795	48.8047	-0.33%	-16.04%	56	BEDFORD, TN	0.9434	17.6703	0.9522	20.9028	0.93%	18.29%
6	Study Area	0.9789	47.3911	0.9787	47.0025	-0.02%	-0.82%	57	VERTON, TN	0.9446	18.0489	0.9512	20.4884	0.70%	13.52%
7	WILSON, TN	0.9758	41.3632	0.9778	44.9684	0.20%	8.72%	58	LINCOLN, TN	0.9547	22.0566	0.9506	20.2449	-0.42%	-8.21%
8	SHELBY, TN	0.9781	45.6803	0.9769	43.2589	-0.13%	-5.30%	59	HICKMAN, TN	0.9420	17.2430	0.9503	20.1071	0.88%	16.61%
9	SUMNER, TN	0.9729	36.9216	0.9767	42.8795	0.39%	16.14%	60	PICKETT, TN	0.9159	11.8940	0.9461	18.5462	3.29%	55.93%
10	RUTHERFORD, TN	0.9762	41.9787	0.9755	40.7777	-0.07%	-2.86%	61	DEKALB, TN	0.9624	26.6256	0.9458	18.4662	-1.72%	-30.64%
11	MONTGOMERY, TN	0.9728	36.7975	0.9744	39.0970	0.16%	6.25%	62	SMITH, TN	0.9502	20.0717	0.9455	18.3436	-0.49%	-8.61%
12	LOUDON, TN	0.9725	36.3920	0.9744	39.0437	0.19%	7.29%	63	JOHNSON, TN	0.9309	14.4670	0.9435	17.7094	1.36%	22.41%
13	GILES, TN	0.9676	30.8563	0.9738	38.1968	0.64%	23.79%	64	HENRY, TN	0.9600	25.0139	0.9412	17.0165	-1.96%	-31.97%
14	MCMINN, TN	0.9689	32.1946	0.9731	37.1991	0.43%	15.54%	65	HARDEMAN, TN	0.9543	21.8731	0.9412	16.9971	-1.37%	-22.29%
15	BLOUNT, TN	0.9618	26.1455	0.9729	36.8773	1.16%	41.05%	66	WEAKLEY, TN	0.9685	31.7317	0.9399	16.6423	-2.95%	-47.55%
16	CUMBERLAND, TN	0.9753	40.4694	0.9727	36.6950	-0.26%	-9.33%	67	BENTON, TN	0.9409	16.9101	0.9396	16.5497	-0.14%	-2.13%
17	BRADLEY, TN	0.9765	42.6182	0.9720	35.7687	-0.46%	-16.07%	68	RHEA, TN	0.9197	12.4546	0.9386	16.2931	2.06%	30.82%
18	GREENE, TN	0.9742	38.7474	0.9717	35.3035	-0.26%	-8.89%	69	SEQUATCHIE, TN	0.9223	12.8652	0.9383	16.2193	1.74%	26.07%
19	HAMBLETON, TN	0.9552	22.3000	0.9701	33.4838	1.57%	50.15%	70	TROUSDALE, TN	0.9301	14.3143	0.9383	16.2077	0.88%	13.23%
20	PUTNAM, TN	0.9714	34.9888	0.9699	33.2763	-0.15%	-4.89%	71	ROBERTSON, TN	0.9449	18.1559	0.9378	16.0653	-0.76%	-11.51%
21	TIPTON, TN	0.9269	13.6739	0.9694	32.6920	4.59%	139.08%	72	UNION, TN	0.9383	16.1997	0.9361	15.6466	-0.23%	-3.41%
22	GIBSON, TN	0.9666	29.9799	0.9689	32.1909	0.24%	7.37%	73	CLAIBORNE, TN	0.9338	15.0949	0.9348	15.3454	0.12%	1.66%
23	WARREN, TN	0.9613	25.8479	0.9682	31.4696	0.72%	21.75%	74	ROANE, TN	0.9314	14.5788	0.9322	14.7467	0.08%	1.15%
24	LAWRENCE, TN	0.9601	25.0721	0.9679	31.1511	0.81%	24.25%	75	CLAY, TN	0.9188	12.3102	0.9322	14.7441	1.46%	19.77%
25	CAMPBELL, TN	0.9700	33.3587	0.9670	30.3260	-0.31%	-9.09%	76	CROCKETT, TN	0.9276	13.8141	0.9306	14.3992	0.32%	4.24%
26	COFFEE, TN	0.9622	26.4256	0.9669	30.2371	0.50%	14.42%	77	MCNAIRY, TN	0.9517	20.7044	0.9305	14.3928	-2.23%	-30.48%
27	DYER, TN	0.9580	23.8092	0.9667	30.0461	0.91%	26.19%	78	GRAINGER, TN	0.9337	15.0759	0.9301	14.3140	-0.38%	-5.05%
28	WASHINGTON, TN	0.9664	29.7498	0.9642	27.9578	-0.22%	-6.02%	79	MORGAN, TN	0.9221	12.8446	0.9283	13.9550	0.67%	8.64%
29	DICKSON, TN	0.9573	23.4180	0.9642	27.9073	0.72%	19.17%	80	HOUSTON, TN	0.9318	14.6588	0.9280	13.8820	-0.41%	-5.30%
30	ANDERSON, TN	0.9671	30.4159	0.9639	27.7152	-0.33%	-8.88%	81	BLEDSOE, TN	0.9153	11.8048	0.9267	13.6365	1.24%	15.52%
31	MADISON, TN	0.9794	48.5087	0.9633	27.2630	-1.64%	-43.80%	82	SCOTT, TN	0.9438	17.7963	0.9235	13.0741	-2.15%	-26.53%
32	MAURY, TN	0.9375	15.9988	0.9628	26.8608	2.70%	67.89%	83	GRUNDY, TN	0.9040	10.4156	0.9228	12.9458	2.08%	24.29%
33	CARROLL, TN	0.9663	29.6756	0.9623	26.5041	-0.42%	-10.69%	84	LAUDERDALE, TN	0.9096	11.0679	0.9190	12.3497	1.03%	11.58%
34	CARTER, TN	0.9646	28.2661	0.9622	26.4517	-0.25%	-6.42%	85	JACKSON, TN	0.8905	9.1364	0.9182	12.2228	3.10%	33.78%
35	SULLIVAN, TN	0.9686	31.8937	0.9620	26.3490	-0.68%	-17.39%	86	STEWART, TN	0.9191	12.3533	0.9179	12.1875	-0.12%	-1.34%
36	FRANKLIN, TN	0.9494	19.7761	0.9617	26.1404	1.30%	32.18%	87	POLK, TN	0.9130	11.4970	0.9096	11.0581	-0.38%	-3.82%
37	WHITE, TN	0.9567	23.0952	0.9617	26.1359	0.53%	13.17%	88	HANCOCK, TN	0.8923	9.2862	0.9087	10.9551	1.84%	17.97%
38	OBION, TN	0.9180	12.1960	0.9611	25.7228	4.70%	110.91%	89	WAYNE, TN	0.9207	12.6029	0.9054	10.5662	-1.66%	-16.16%
39	FENTRESS, TN	0.9535	21.5080	0.9601	25.0782	0.69%	16.60%	90	CANNON, TN	0.9358	15.5747	0.8874	8.8782	-5.18%	-43.00%
40	MARSHALL, TN	0.8744	7.9603	0.9597	24.8327	9.76%	211.96%	91	PERRY, TN	0.8213	5.5956	0.8846	8.6635	7.71%	54.83%
41	HENDERSON, TN	0.9488	19.5488	0.9594	24.6513	1.12%	26.10%	92	CHEATHAM, TN	0.9028	10.2860	0.8835	8.5815	-2.14%	-16.57%
42	MONROE, TN	0.9634	27.3251	0.9573	23.4350	-0.63%	-14.24%	93	MEIGS, TN	0.6963	3.2930	0.8801	8.3419	26.39%	153.32%
43	HUMPHREYS, TN	0.9463	18.6294	0.9569	23.1764	1.11%	24.41%	94	MOORE, TN	0.8709	7.7432	0.8790	8.2653	0.94%	6.74%
44	MARION, TN	0.9568	23.1395	0.9564	22.9462	-0.04%	-0.84%	95	VAN BUREN, TN	0.8170	5.4633	0.8599	7.1375	5.26%	30.64%
45	HAYWOOD, TN	0.9580	23.8008	0.9564	22.9388	-0.16%	-3.62%	96	LAKE, TN	0.8245	5.6983	0.8520	6.7590	3.34%	18.61%
46	SEVIER, TN	0.9578	23.6777	0.9561	22.7855	-0.17%	-3.77%	97	UNICOI, TN	0.9430	17.5568	0.8263	5.7583	-12.38%	-67.20%
47	LEWIS, TN	0.9484	19.3872	0.9561	22.7551	0.80%	17.37%								
48	HARDIN, TN	0.9503	20.1386	0.9554	22.4233	0.53%	11.35%								
49	JEFFERSON, TN	0.9554	22.4363	0.9554	22.4088	-0.01%	-0.12%								
50	COCKE, TN	0.9631	27.1231	0.9553	22.3774	-0.81%	-17.50%								
51	MACON, TN	0.9535	21.4906	0.9552	22.3327	0.18%	3.92%								

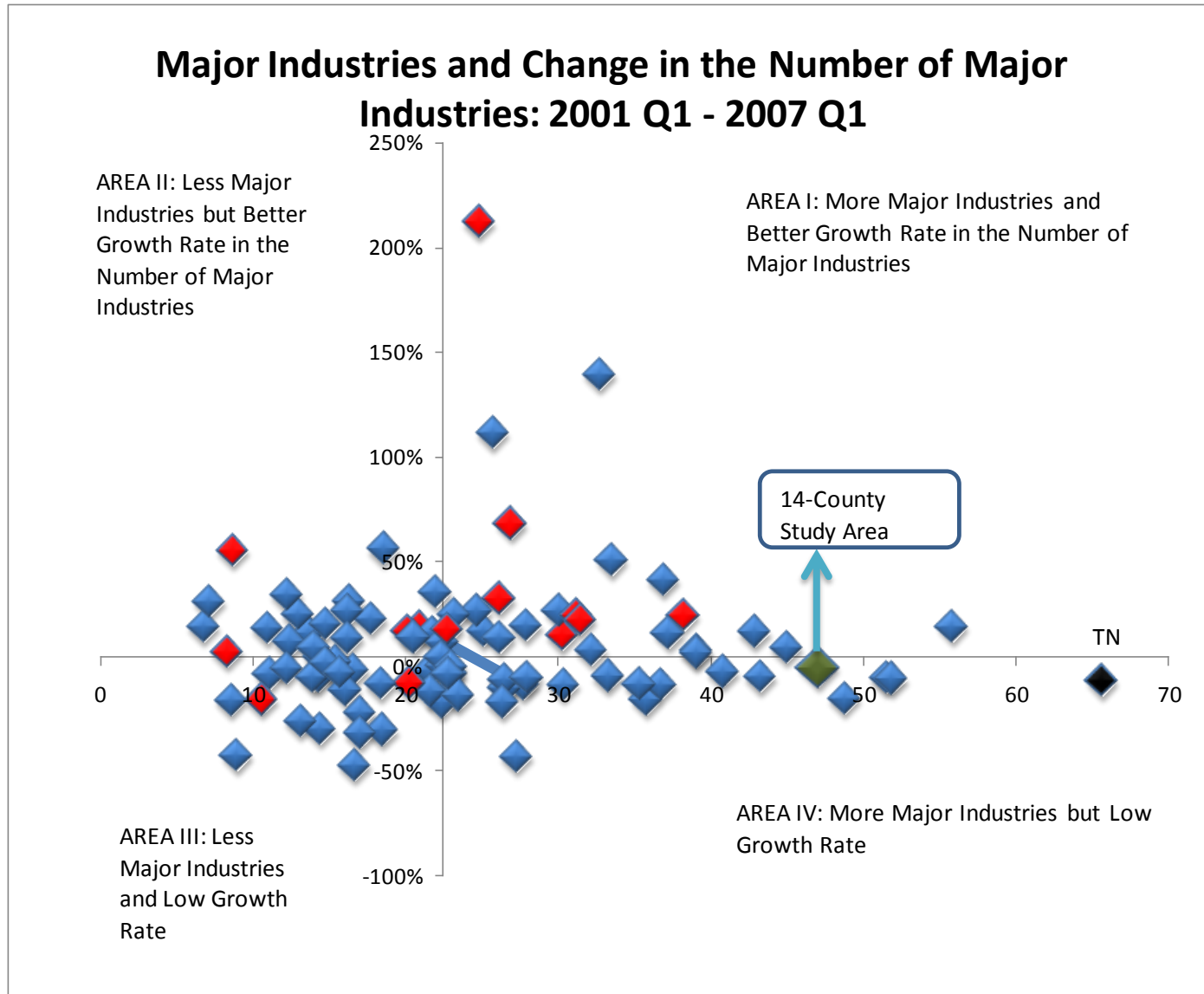
BERC Estimates Based on Department of Labor and Workforce Development ES202 Data.

Note: Diversity Index ranges from 1 to 0. The highest score of (1) indicates a highly diversified economy where each industry's employment share is similar to the others. The lowest score of (0) indicates that the economy has only one industry employing all the workers.

# Section III: Diversity Index from a Comparative Perspective



# Section III: Diversity Index from a Comparative Perspective



# Section III: Diversity Index Sectoral Focus: Agriculture, Mining, Construction and Utilities

Agriculture, Mining, Construction and Utilities

Region	Employment Share (%)	Employment Share Rank	Effective Industry Number	Diversity Index	Explanation
Study Region	5.98	8	11.37	0.91	Employment is relatively evenly distributed across the industries
Lincoln	6.15	6	11.06	0.91	
Coffee	4.51	14	9.73	0.90	
Lawrence	5.44	12	9.23	0.89	
Giles	6.55	4	9.03	0.89	
Tennessee	5.61	10	8.82	0.89	Employment is primarily concentrated in a relatively few industries out of 35 potential industries in this general industry groupings
Maury	4.95	13	8.50	0.88	
<b>Franklin</b>	<b>6.37</b>	<b>5</b>	<b>8.34</b>	<b>0.88</b>	
Bedford	6.14	7	7.80	0.87	
<b>Lewis</b>	<b>8.17</b>	<b>3</b>	<b>7.24</b>	<b>0.86</b>	
<b>Hickman</b>	<b>11.74</b>	<b>1</b>	<b>7.02</b>	<b>0.86</b>	
Marshall	5.49	11	6.81	0.85	
Wayne	4.38	15	6.25	0.84	
<b>Moore</b>	<b>5.95</b>	<b>9</b>	<b>5.95</b>	<b>0.83</b>	
Perry	3.15	16	4.63	0.78	
<b>Warren</b>	<b>10.39</b>	<b>2</b>	<b>4.00</b>	<b>0.75</b>	

Red Fonts indicate possible sectoral vulnerability in these regions given the size of the industry groupings in their economies and level of concentration of employment in a few sectors out of potential 35 sectors (4-Digit NAICS industries are used).

- 4-Digit NAICS
- 35 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 9,479
- Employment share: 5.98

# Section III: Diversity Index Sectoral Focus: Manufacturing

## Manufacturing

Region	Employment Share (%)	Employment Rank	Effective Number of Industries	Diversity Index	Explanation
Tennessee	14.48	15	35.93	0.97	
Study Region	26.09	7	16.02	0.94	Employment is relatively evenly distributed across 85 manufacturing sectors at 4-digit NAICS level
Marshall	35.00	3	10.79	0.91	
Hickman	19.45	11	10.18	0.90	
Giles	30.03	4	10.04	0.90	
Lawrence	21.66	9	8.25	0.88	
Franklin	19.45	12	7.86	0.87	
<b>Coffee</b>	<b>24.19</b>	<b>8</b>	<b>6.42</b>	<b>0.84</b>	Employment is concentrated in a few sectors out of 85 manufacturing sectors posing potential vulnerability to the counties
Lewis	8.97	16	5.83	0.83	
<b>Warren</b>	<b>29.15</b>	<b>6</b>	<b>5.67</b>	<b>0.82</b>	
<b>Bedford</b>	<b>37.41</b>	<b>2</b>	<b>4.53</b>	<b>0.78</b>	
Wayne	17.90	13	3.73	0.73	
<b>Lincoln</b>	<b>29.19</b>	<b>5</b>	<b>3.10</b>	<b>0.68</b>	
<b>Perry</b>	<b>52.54</b>	<b>1</b>	<b>2.79</b>	<b>0.64</b>	
Maury	20.78	10	2.27	0.56	
Moore	15.67	14	1.23	0.19	

Given the size of the manufacturing sector in these economies, the counties with red font indicates increased sectoral vulnerability to economic downturns due to the significant concentration of employment a few sectors out of possible 85 sectors at 4-digit NAICS level.

- 4-Digit NAICS
- 85 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 41,342
- Employment share: 26.09

# Section III: Diversity Index Sectoral Focus: Wholesale and Retail Trade

Wholesale and Retail Trade

Region	Employment Share (%)	Employment Rank	Effective Number of Industries	Diversity Index	Explanation	
Tennessee	16.85	5	21.27	0.95	Employment is relatively evenly distributed across 46 sub-sectors at 4-digit NAICS level	
Study Region	14.90	8	15.17	0.93		
Maurry	14.02	12	14.78	0.93		
Warren	16.65	6	13.50	0.93		
Coffee	14.10	11	12.50	0.92		
Giles	16.48	7	10.84	0.91		
Bedford	11.39	13	9.95	0.90		
<b>Lawrence</b>	<b>23.94</b>	<b>2</b>	<b>9.45</b>	<b>0.89</b>		Employment is concentrated in a few sectors out of potential 46 sub-sectors at 4-digit NAICS level posing scetoral vulnerability to the regional economies
<b>Franklin</b>	14.33	9	9.04	0.89		
Hickman	10.31	14	8.89	0.89		
<b>Lincoln</b>	<b>17.05</b>	<b>4</b>	<b>8.62</b>	<b>0.88</b>		
Marshall	14.28	10	8.27	0.88		
Wayne	9.88	15	6.33	0.84		
Perry	6.28	16	5.50	0.82		
<b>Lewis</b>	<b>24.30</b>	<b>1</b>	<b>4.23</b>	<b>0.76</b>		
<b>Moore</b>	<b>20.72</b>	<b>3</b>	<b>2.50</b>	<b>0.60</b>		

The counties with red fonts show critical sectoral vulnerabilities to economic shocks given the mismatch between the employment share of the sector and diversity score. This high concentration of employment in wholesale and retail employment may be due to the presence of big retail outlets.

- 4-Digit NAICS
- 46 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 23,603
- Employment share: 14.90

# Section III: Diversity Index Sectoral Focus: Transportation and Warehousing

Transportation and Warehousing

Region	Employment Share (%)	Employment Rank	Effective Number of Industries	Diversity Index	Explanation
Coffee	1.19	15	4.79	0.79	
Tennessee	6.29	2	4.60	0.78	Even distribution of employment across potential 29 sub-sectors at 4-digit NAICS level
Warren	2.03	10	3.29	0.70	
Marshall	2.24	9	3.23	0.69	
Hickman	3.28	5	3.13	0.68	
Perry	1.81	13	2.98	0.66	
Franklin	1.87	12	2.94	0.66	
Giles	2.72	8	2.92	0.66	
Lincoln	1.94	11	2.69	0.63	
Study Region	3.10	6	2.63	0.62	
Maury	3.05	7	2.45	0.59	
Wayne	1.51	14	2.34	0.57	Concentration of employment in a few sub-sectors
<b>Lewis</b>	<b>6.21</b>	<b>3</b>	<b>1.91</b>	<b>0.48</b>	
<b>Lawrence</b>	<b>5.86</b>	<b>4</b>	<b>1.82</b>	<b>0.45</b>	
<b>Bedford</b>	<b>7.45</b>	<b>1</b>	<b>1.36</b>	<b>0.27</b>	
Moore					

The counties with red fonts have large share of their employment in this major industry groupings but the employment is concentrated in a few sub-sectors out of possible 29 sectors at 4-digit NAICS level.

- 4-Digit NAICS
- 29 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 4,916
- Employment share: 3.10

# Section III: Diversity Index Sectoral Focus: Enabling (NAICS 51-56)

Enabling Industries

Region	Employment Share (%)	Employment Rank	Effective Number of Industries	Diversity Index	Explanation
Tennessee	18.61	3	17.84	0.94	Even distribution of employment across 52 sub-sectors at 4-digit NAICS level
Lawrence	6.93	12	14.98	0.93	
Franklin	5.60	14	14.35	0.93	
Study Region	14.88	6	12.21	0.92	
Maury	18.76	2	10.84	0.91	
Lincoln	8.50	11	10.52	0.90	
<b>Giles</b>	<b>12.79</b>	<b>7</b>	<b>6.79</b>	<b>0.85</b>	Concentration of employment in a few sub-sectors
<b>Warren</b>	<b>12.29</b>	<b>8</b>	<b>6.54</b>	<b>0.85</b>	
Lewis	8.91	10	6.45	0.84	
Hickman	6.16	13	6.19	0.84	
<b>Bedford</b>	<b>15.11</b>	<b>5</b>	<b>5.54</b>	<b>0.82</b>	
<b>Coffee</b>	<b>25.38</b>	<b>1</b>	<b>5.32</b>	<b>0.81</b>	
Perry	4.14	15	4.00	0.75	
<b>Marshall</b>	<b>11.63</b>	<b>9</b>	<b>3.86</b>	<b>0.74</b>	
Moore	2.76	16	3.06	0.67	
<b>Wayne</b>	<b>15.74</b>	<b>4</b>	<b>2.47</b>	<b>0.59</b>	

Counties with the red fonts show the concentration of employment in a few sub-sectors out of possible 52 sub-sectors given the employment share of this industry grouping.

- 4-Digit NAICS
- 52 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 23,579
- Employment share: 14.88

# Section III: Diversity Index Sectoral Focus: Education and Health Services

Education and Health Services

Region	Employment Share (%)	Employment Rank	Effective Number of Industries	Diversity Index	Explanation
Tennessee	21.08	10	7.12	0.86	
Maury	23.08	8	6.01	0.83	Employment is relatively evenly distributed across the sub-sectors
Franklin	36.81	3	5.30	0.81	
Warren	18.38	14	5.18	0.81	
Perry	25.81	6	4.93	0.80	
Study Region	21.94	9	4.93	0.80	
Lincoln	25.10	7	4.61	0.78	Employment is concentrated in a few sub-sectors out of possible 25 sectors at 4-digit NAICS level
<b>Lewis</b>	<b>27.52</b>	<b>5</b>	<b>4.38</b>	<b>0.77</b>	
Giles	19.32	13	4.28	0.77	
Coffee	17.57	15	4.26	0.77	
Bedford	12.59	16	3.50	0.71	
Lawrence	19.79	11	3.33	0.70	
<b>Hickman</b>	<b>32.70</b>	<b>4</b>	<b>3.03</b>	<b>0.67</b>	
<b>Moore</b>	<b>44.80</b>	<b>1</b>	<b>2.51</b>	<b>0.60</b>	
<b>Wayne</b>	<b>40.20</b>	<b>2</b>	<b>2.27</b>	<b>0.56</b>	
Marshall	19.62	12	2.05	0.51	

The countries with red fonts indicate that employment is highly concentrated in a few sectors relative to employment share of this major industry groupings.

- 4-Digit NAICS
- 25 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 34,760
- Employment share: 21.94

# Section III: Diversity Index Sectoral Focus: Amusement, Hospitality and Other Services

Amusement, Hospitality and Other services

Region	Employment Share (%)	Employment Rank	Effective Number of Industries	Diversity Index	Explanation
Tennessee	12.34	1	4.98	0.80	
Maury	11.84	3	4.32	0.77	Employment is relatively evenly distributed across the possible 30 sub-sectors at 4-digit NAICS level
Franklin	11.18	4	4.00	0.75	
Coffee	9.35	8	3.82	0.74	
Giles	8.79	10	3.75	0.73	
Study Region	9.41	7	3.70	0.73	
Hickman	9.69	6	3.61	0.72	
Wayne	6.01	14	3.21	0.69	
<b>Lawrence</b>	<b>12.13</b>	<b>2</b>	<b>3.05</b>	<b>0.67</b>	Employment is relatively concentrated in a few sub-sectors out of possible 30 sub-sectors
Bedford	7.47	13	2.85	0.65	
Moore	4.93	15	2.82	0.65	
<b>Lincoln</b>	<b>8.94</b>	<b>9</b>	<b>2.82</b>	<b>0.64</b>	
Marshall	7.57	12	2.65	0.62	
<b>Lewis</b>	<b>10.00</b>	<b>5</b>	<b>2.58</b>	<b>0.61</b>	
Warren	7.60	11	2.53	0.60	
Perry	2.17	16	1.94	0.49	

Lawrence, Lewis and Lincoln counties have relatively large share of employment in this industry groupings but their employment is highly concentrated in a few sectors out of possible 30 sub-sectors.

- 4-Digit NAICS
- 30 Sub-Sectors within this group
- Ranked by diversity index
- Employment in the study region: 14,911
- Employment share: 9.41

## Section IV: Conclusion

- Study findings suggest that individual counties have relatively better economic diversity scores than other counties in Tennessee.
- Combining 14 counties improve diversity score for the region dramatically suggesting that industries in the region complementary industries.
- Diversity Index by major industry groupings further reinforce the fact that county economies in the region complement each other.
- Individual counties, however, have very low diversity scores by major industry groupings.

Thank You!

Questions?