

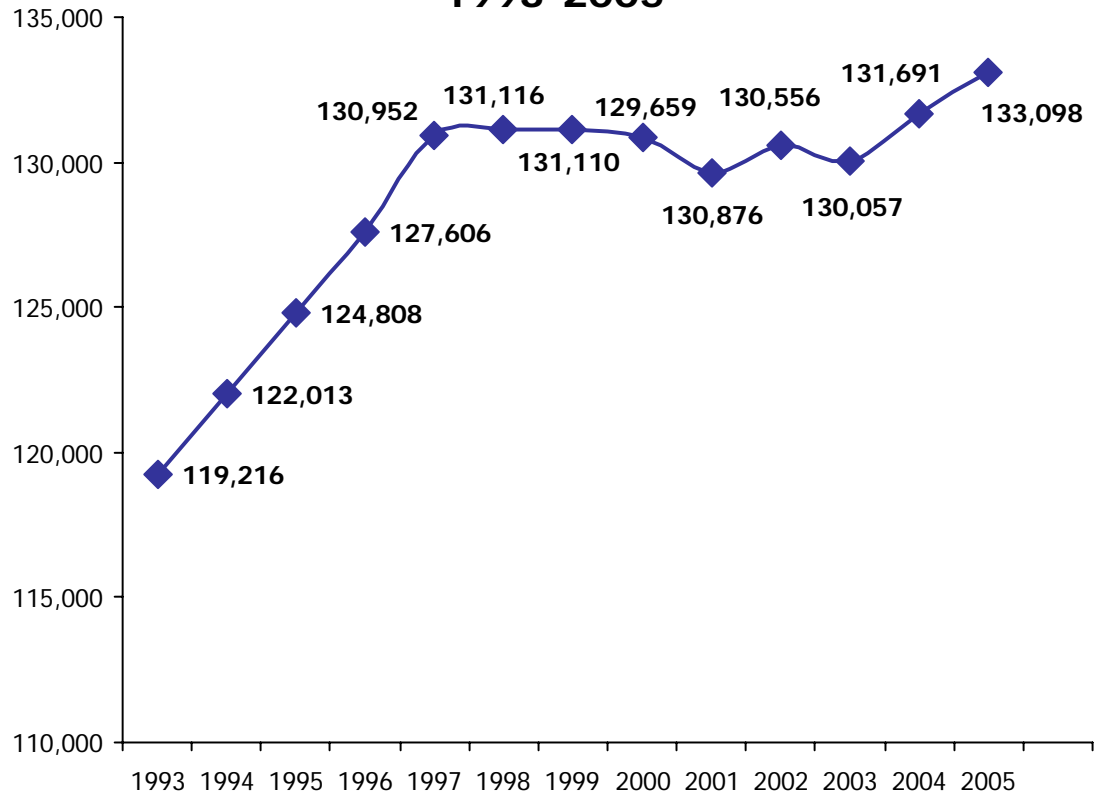


# Tennessee's Business Environment

# Growth in Business Establishments

- According to 2005 U.S. Census County Business Patterns data (the most recent data available), there were 133,098 business establishments in Tennessee, up 1.1% from 131,691 in 2004.
- These businesses employed over 2.3 million individuals in 2005.
- The average number of employees per establishment is 17.9, well above the national average. Conversely, average real wages (\$34,035) fell below the national average.

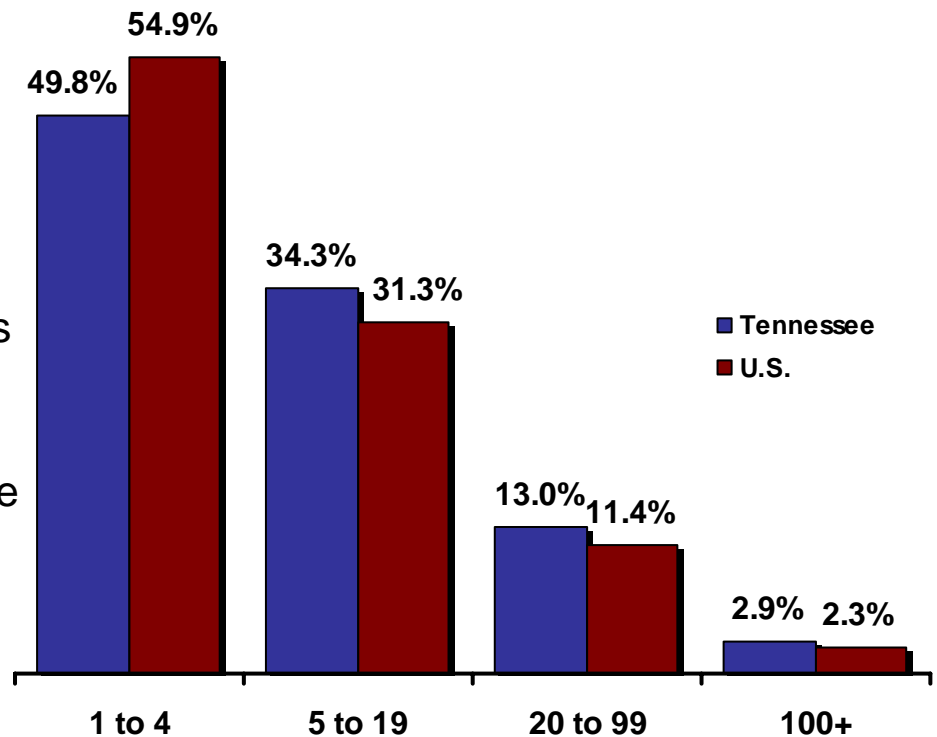
**Tennessee Business Establishments  
1993-2005**



Source: U.S. Bureau of the Census, 2005 County Business Patterns.

# Size Distribution of TN Businesses

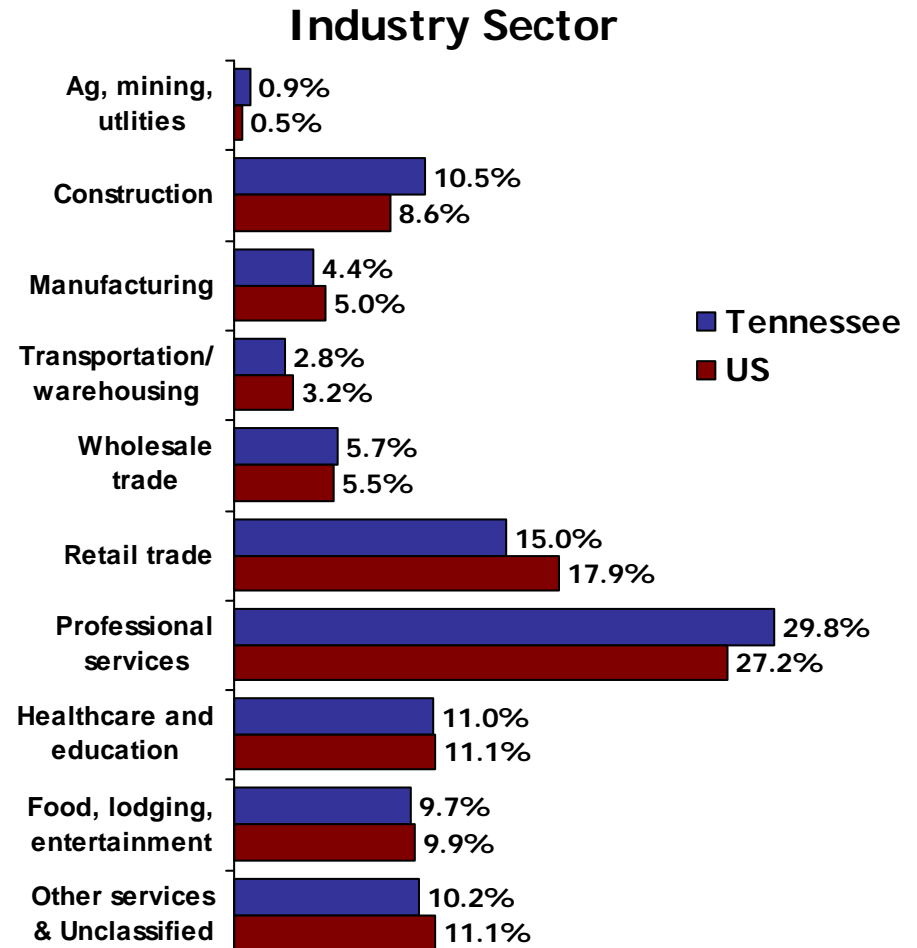
- Almost half of all Tennessee business establishments employ fewer than five employees, while less than three percent of establishments employ at least 100 employees.
- The Connected Tennessee business survey in 2007 has intentionally over-sampled large businesses in order to achieve a minimum sample for analysis and comparisons relative to smaller firms.
- The survey data are weighted to ensure the total picture is representative of Tennessee establishments as a whole.  
(See methodology section for more specific information about sampling)



Source: U.S. Bureau of the Census, 2005 County Business Patterns.

# Industry Breakdown of Tennessee Businesses

- Relative to the national distribution of businesses by sector, Tennessee has a greater concentration of professional service providers and fewer businesses in the retail trade sector.
- The 2007 survey data are also weighted with respect to industry sector to insure the survey sample picture is representative of Tennessee establishments.

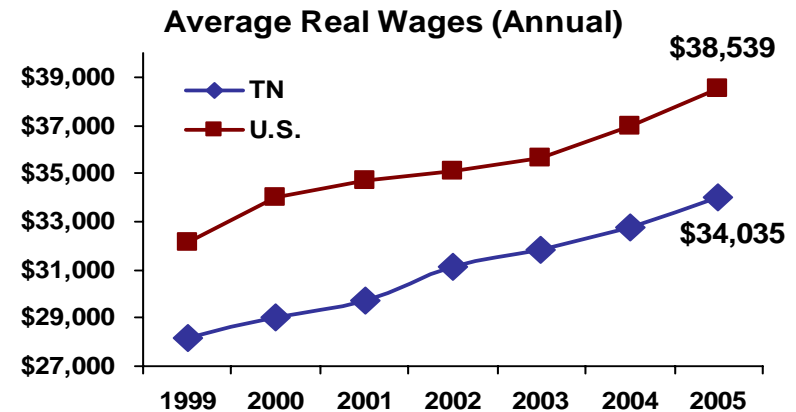
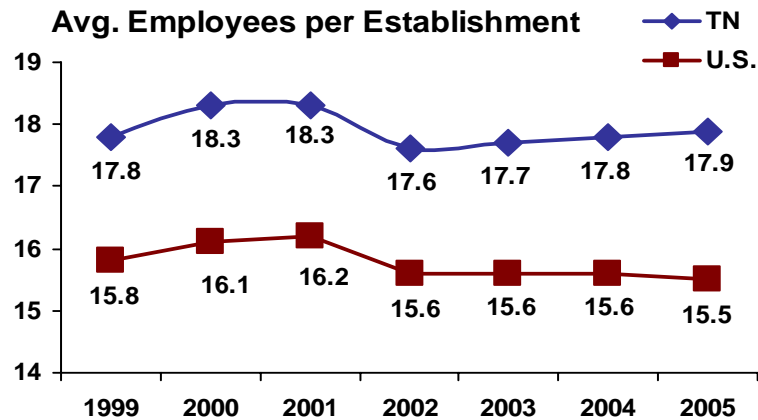
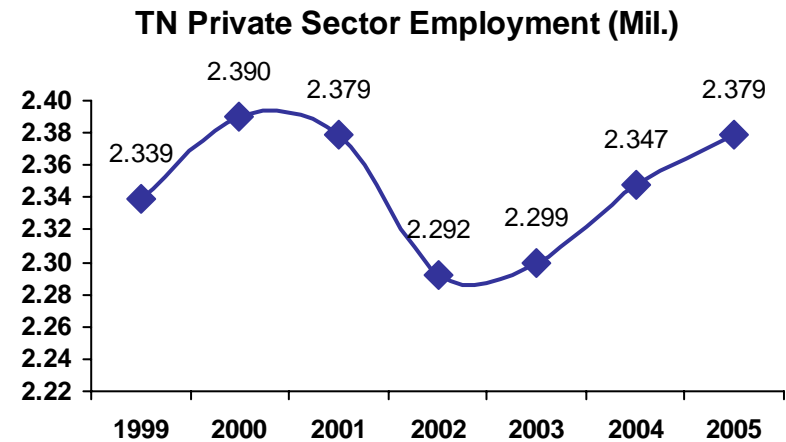
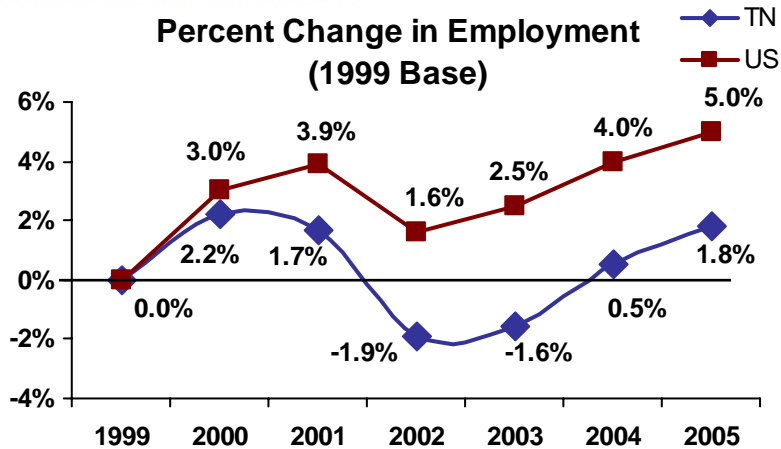


Notes: Industry sectors categorized by North America Industry Classification System (NAICS) codes.

"Professional services" includes NAICS codes 51-59 (information, financial, real estate, professional, technical, management and administrative services.)

Source: U.S. Bureau of the Census, 2005 County Business Patterns.

# Tennessee Business and Employment Trends



Source: 1999-2005 County Business Patterns, U.S. Bureau of the Census