



The Tennessee Business Environment



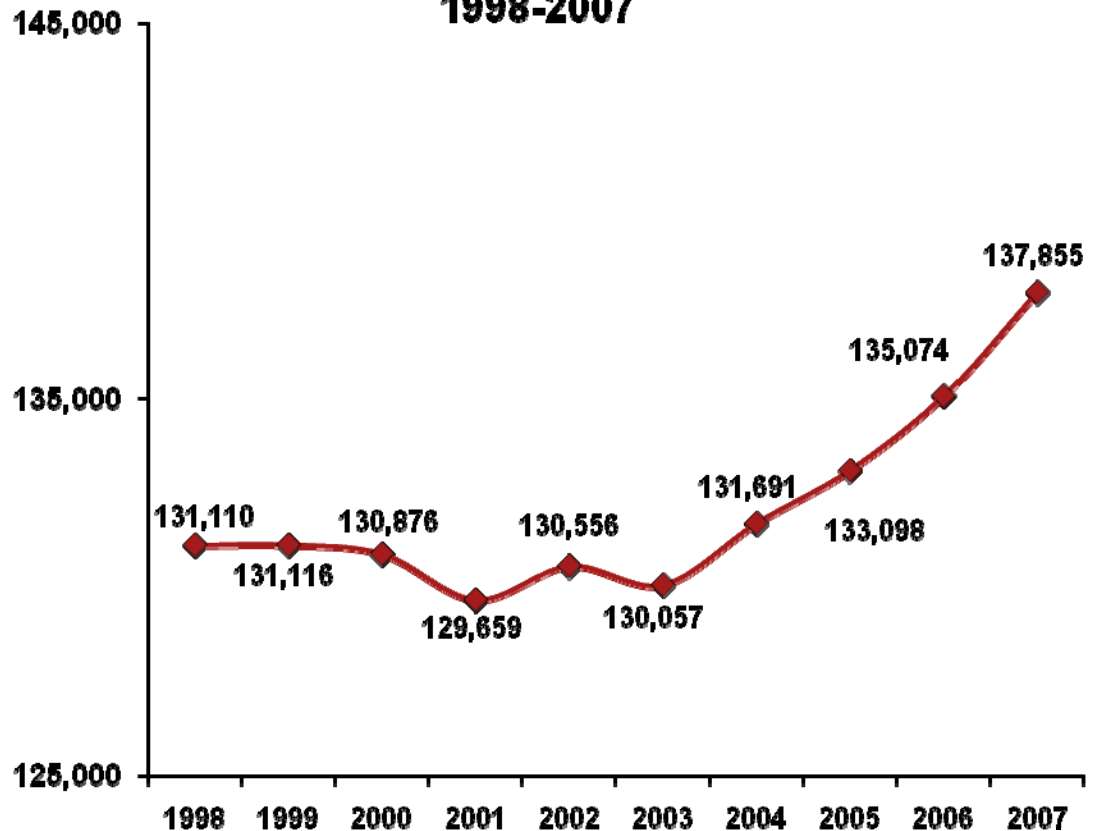
Trends in Tennessee Business Establishments

According to 2007 U.S. Census County Business Patterns data (the most recent data available), there were 137,855 business establishments in Tennessee, up 2.6% from 135,074 in 2006.

These businesses employed over 2.4 million individuals in 2007.

The average establishment employs 18 workers, well above the national average of 16. Conversely, average real wages in Tennessee (\$36,391) fall below the national average.

Tennessee Business Establishments 1998-2007



Source: U.S. Bureau of the Census, 2007 County Business Patterns



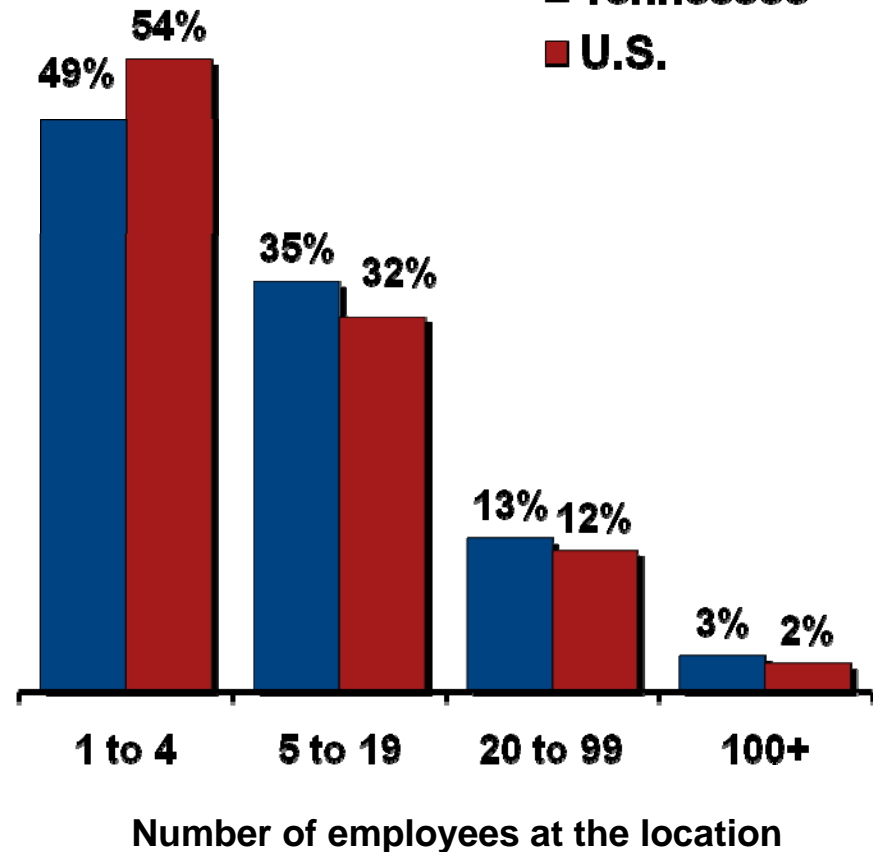
Size Distribution of Tennessee Businesses

■ Tennessee
■ U.S.

Almost one-half (67,589) of all Tennessee businesses employ fewer than five employees, while only three percent (3,936) of businesses employ more than 100 employees.

The Connected Tennessee business survey has intentionally over-sampled large businesses 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 specific information about sampling).



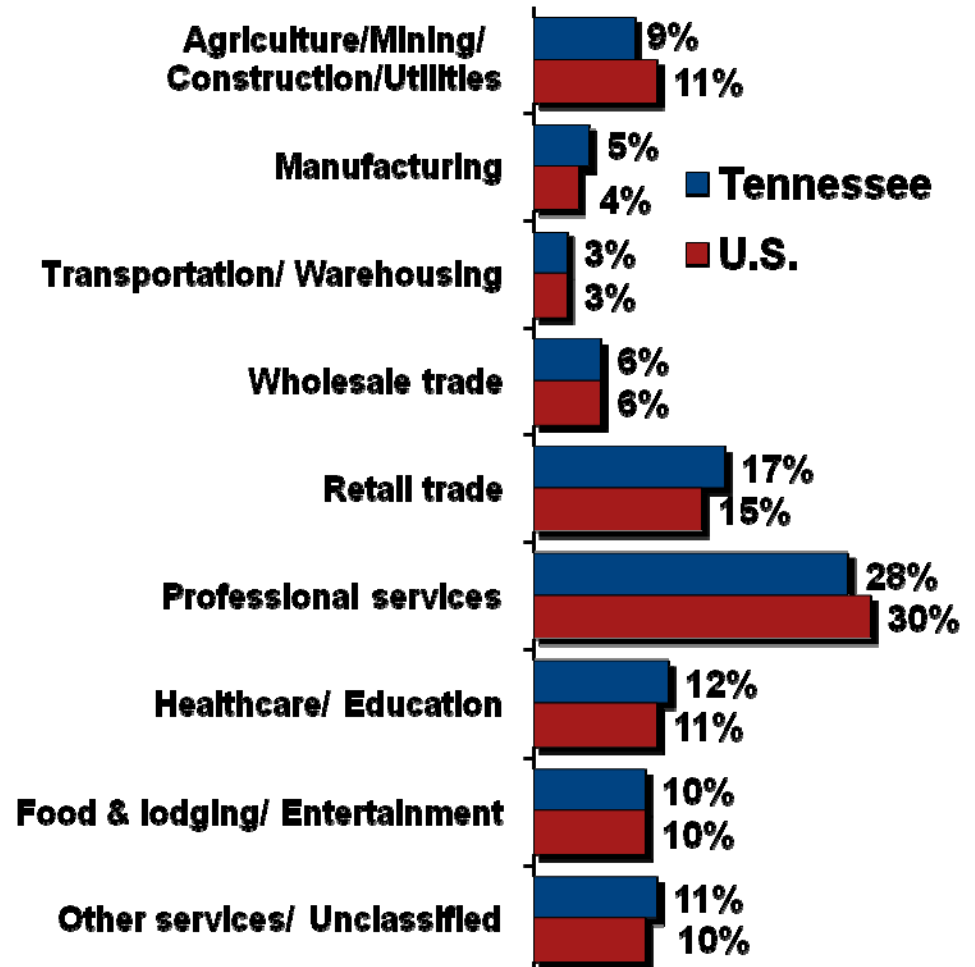
Source: U.S. Bureau of the Census, 2007 County Business Patterns



Industry Breakdown of Tennessee Businesses

Tennessee has a lower concentration of professional service providers and businesses in the agricultural/mining/construction/utility sector. However, Tennessee has a slightly higher concentration of manufacturing, retail, healthcare, and unclassified services businesses.

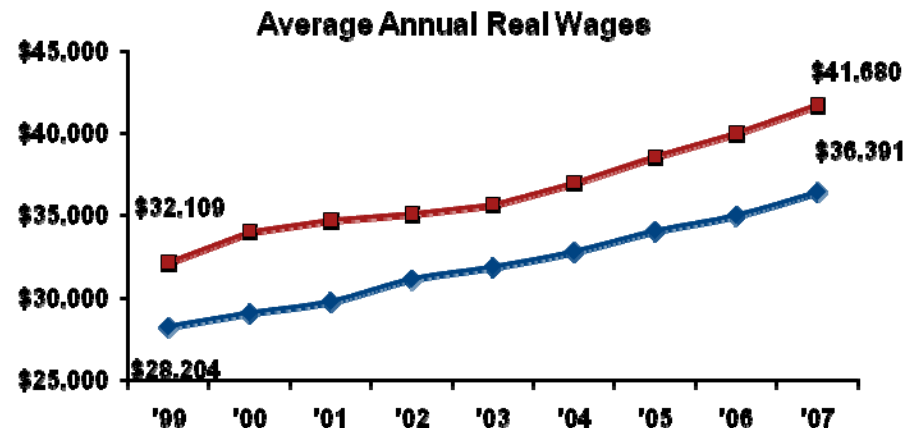
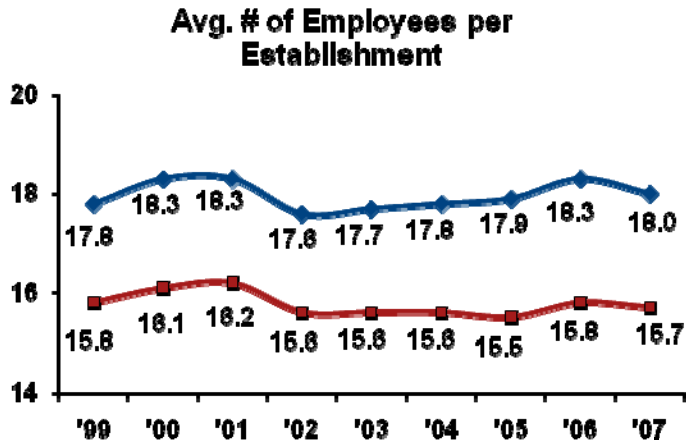
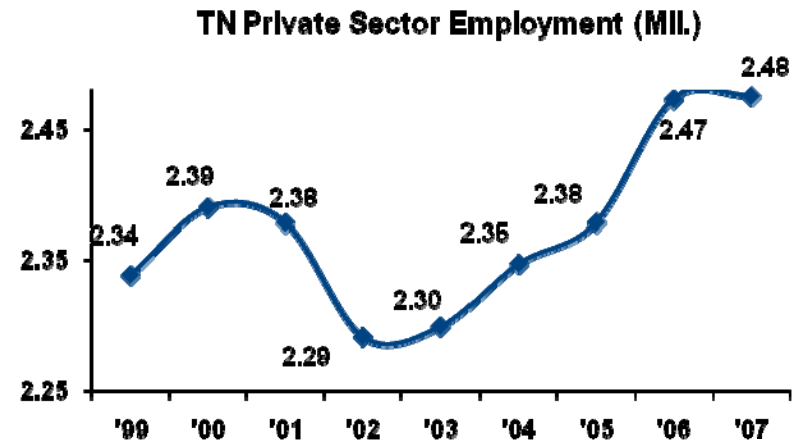
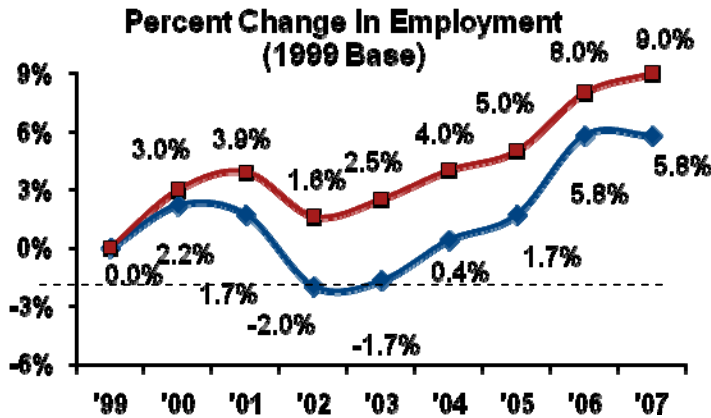
The 2010 Connected Tennessee Business Survey data are also weighted with respect to industry sector to ensure the survey sample picture is representative of Tennessee establishments.



Source: U.S. Bureau of the Census, 2007 County Business Patterns



Tennessee Business and Employment Trends



Source: U.S. Bureau of the Census, 2007 County Business Patterns