CRER Forecast for the Chattanooga MSA, April 14, 2024
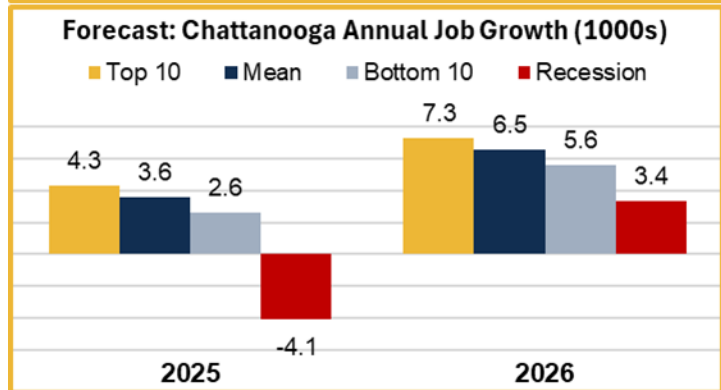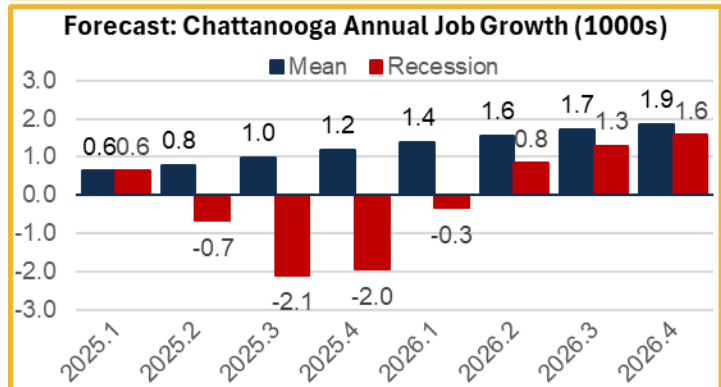
The CRER has developed a model to forecast growth of nonfarm payroll employment for the Chattanooga MSA.[1] The model is summarized at the bottom of the page and generates scenarios that depend on mean, or consensus, forecasts for the U.S. economy from the Blue Chip Economic Indicator survey.

The first figure provides actual quarterly job growth for the Chattanooga MSA from the Bureau of Labor Statistics. These revised data indicate that the area saw more job growth in 2023 and less job growth at the end of 2024 than had been previously estimated. The most recent quarter of data shows a net loss of 1,400 jobs.

The CRER's quarterly forecasts for Chattanooga for 2025-2026 are provided by the blue bars in the second figure. They represent a downgrade from our previous forecast. The downgrade is due partly to revisions of recent job growth, but primarily to the softened national outlook in the wake of the tariff plans unveiled on April 2nd. The new CRER forecast is for net growth of 3,600 jobs in the metro area in 2025 rather than the 5,300 in our previous forecast.

Due to a combination of policy uncertainty and the negative growth effects of tariffs, many analysts have raised their probability of a national recession in 2025 to 50 percent or higher. To illustrate this possibility, the second figure shows what the CRER model forecasts for Chattanooga job growth in the event of a moderate three quarter recession in 2025.

One of our goals is to provide several forecasts for people to choose from based on their own predictions for the economy. The final figure shows the metro forecasts in terms of annual job growth and includes the forecasts using the averages of the top 10 and bottom 10 national forecasts from the Blue Chip Survey.

Actual Quarterly Job Growth, 2021-2024 (1000s)

Forecast: Chattanooga Annual Job Growth (1000s)

Forecast: Chattanooga Annual Job Growth (1000s)

[1] The six counties in the MSA are Hamilton, Marion, and Sequatchie in Tennessee, and Catoosa, Dade, and Walker in Georgia.