

Economic Indicators: Analysis of Fiscal Impact by Annexation Method

Tennessee Advisory Commission on Intergovernmental Relations

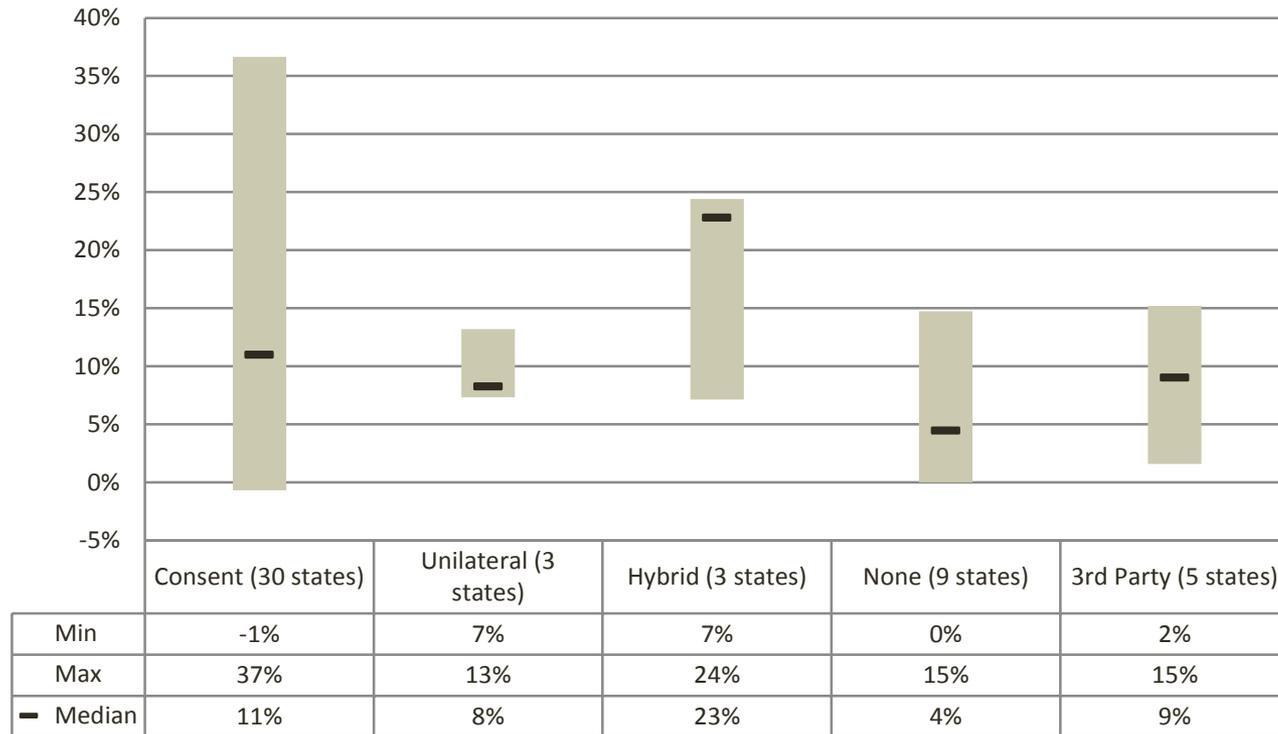
October 24, 2013

Economic Indicators

- **Population Growth Per Capita, 2000-2012**
- **Change in Real Gross Domestic Product Per Capita, 2000-2012**
- **Change in Personal Income Per Capita, 2000-2012**
- **Full and Part Time Employment Growth per Capita, 2000-2011**

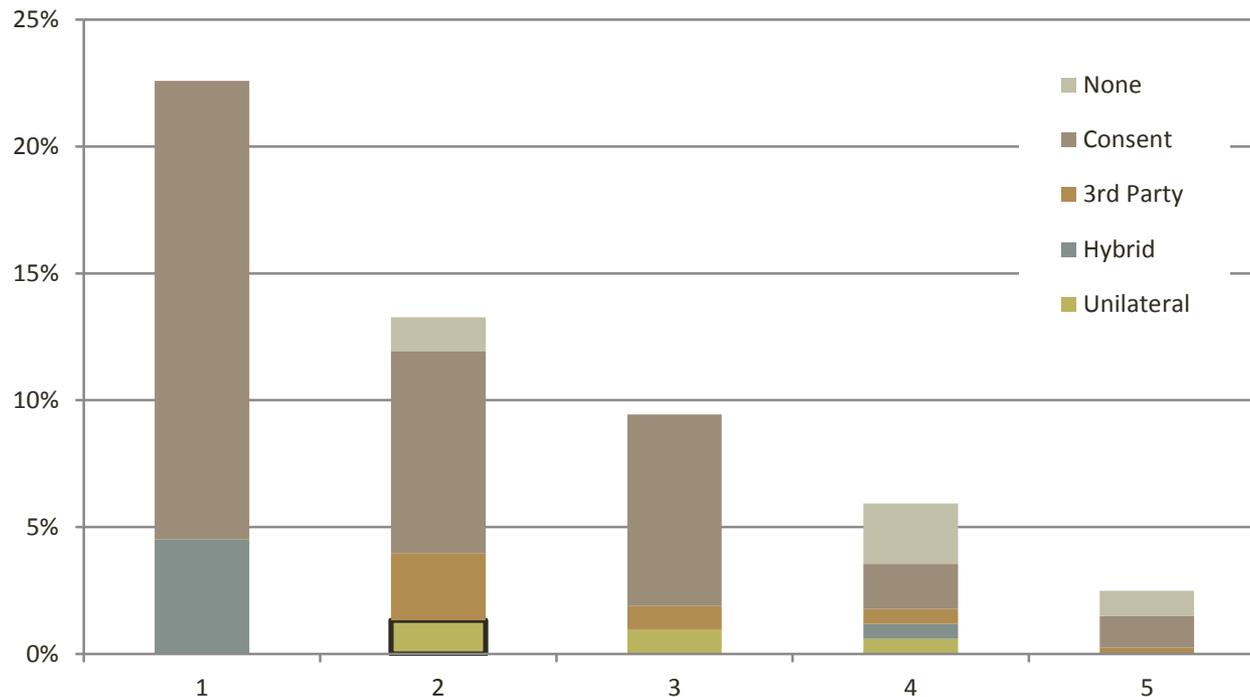
Sources: US Bureau of Economic Analysis and US Census Bureau

Figure 1. Population Growth Per Capita, 2000-2012 Comparison by Annexation Type



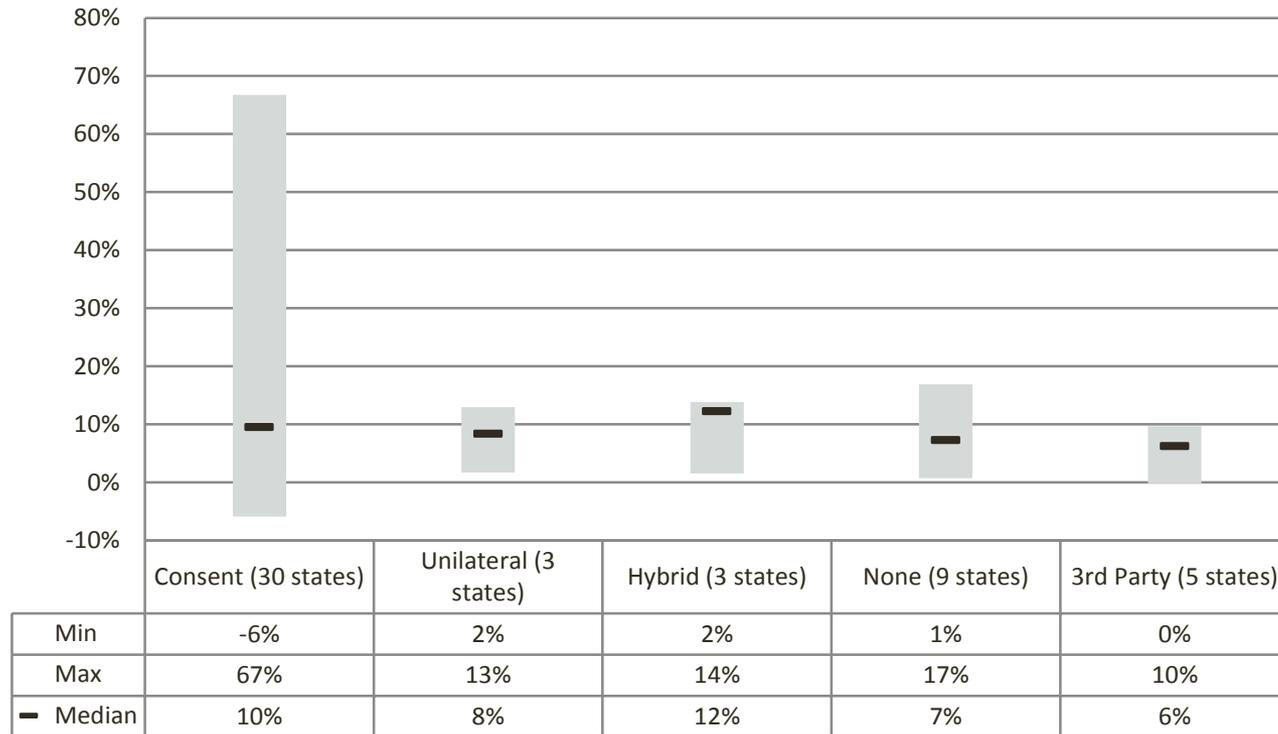
- Population growth varied widely for each of the groups of states
- Nevada, a consent state, had largest growth: 37%
- Hybrid states had the largest average (median) growth rate: 24%
- Tennessee had largest population growth among unilateral states: 13%

Figure 2. Population Growth per Capita, 2000-2012, by Quintile and Annexation Type



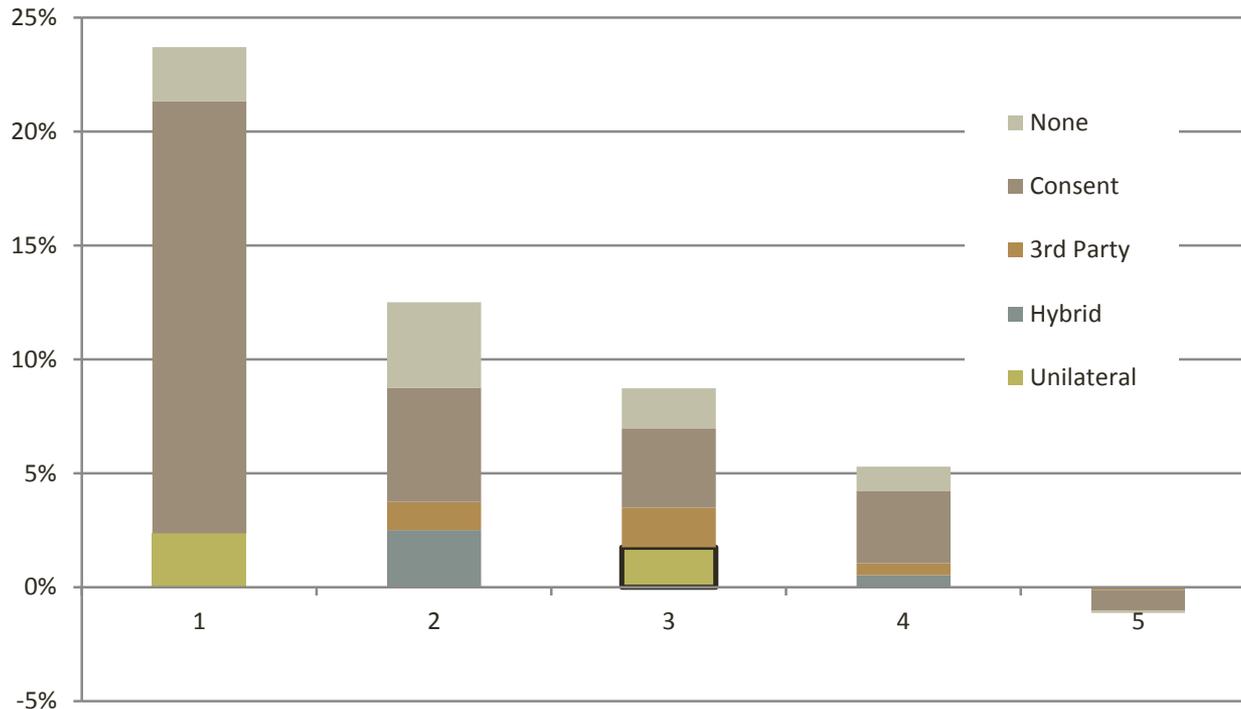
- 10 states in 1st quintile averaged 23% population growth (8 consent & 2 hybrid states)
- Tennessee in 2nd quintile, which averaged 13% growth (1 unilateral, 6 consent, 2 third party approval, and Hawaii, which has no annexation)
- The other 2 unilateral states, Nebraska and Indiana, in the 3rd and 4th quintiles

Figure 3. Change in Real GDP Per Capita, 2000-2012 Comparison by Annexation Type



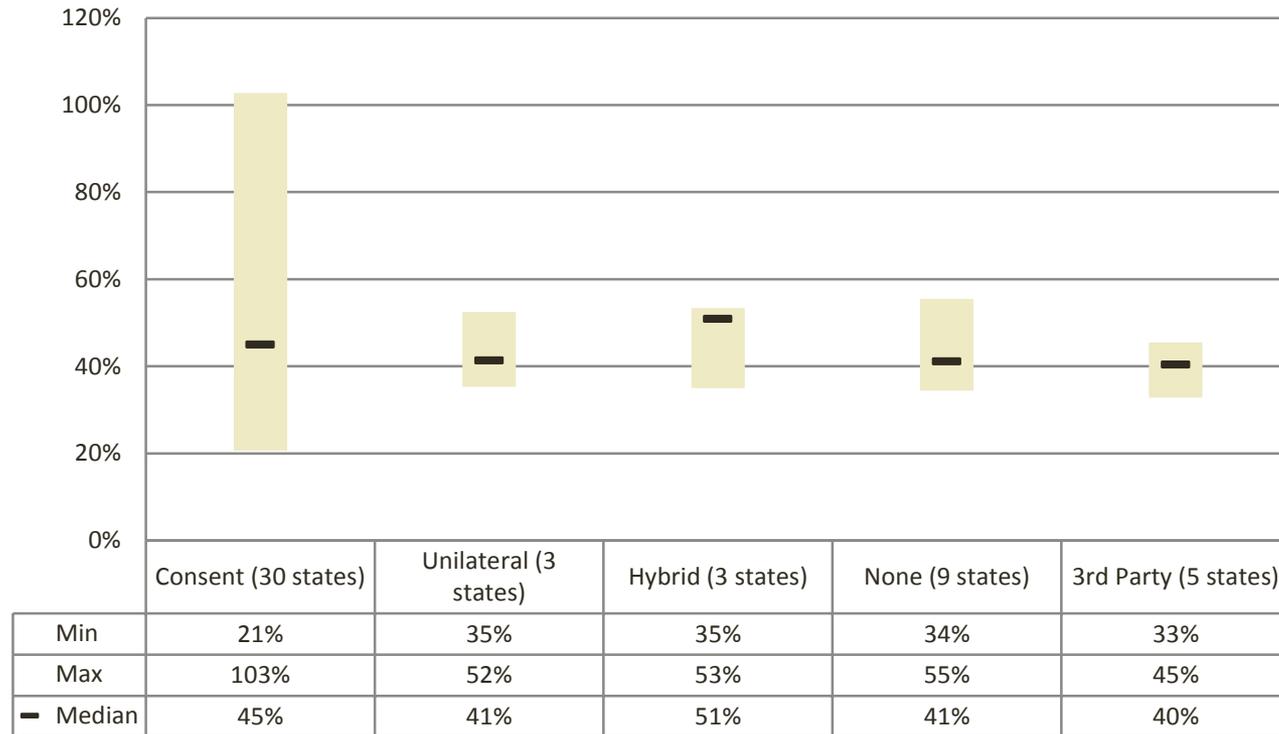
- Median growth rate for real GDP per capita was similar across the annexation type groups, ranging from 6% for third party states to 12% for hybrid states
- North Dakota, a consent state, had the largest growth: 67%
- Tennessee had the smallest growth among the unilateral states: 2%

Figure 4. Real GDP Growth Per Capita, 2000-2012, by Quintile and Annexation Type



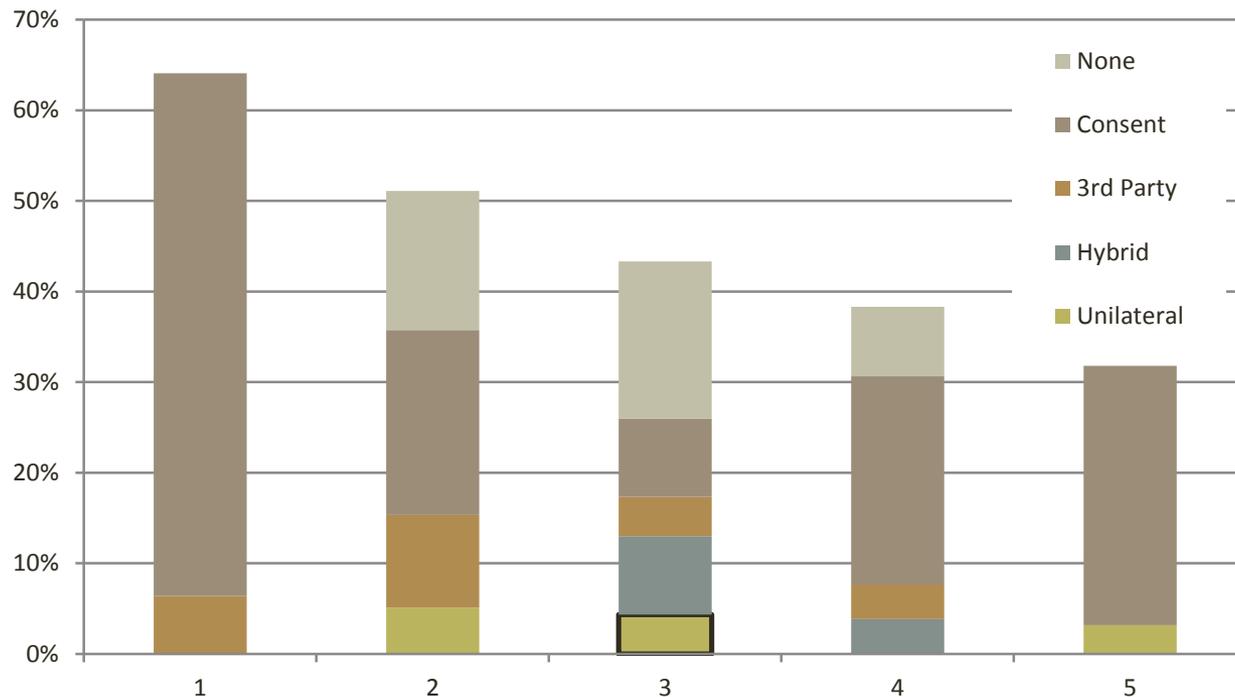
- The 1st quintile averaged 24% for real GDP growth since 2000 (8 consent states plus Nebraska, a unilateral state, and Vermont, a state with no annexation)
- Tennessee in the 3rd quintile (2 unilateral, 4 consent, 2 third party approval, & 2 that have no annexation)

Figure 5. Change in Personal Income Per Capita, 2000-2012 Comparison by Annexation Type



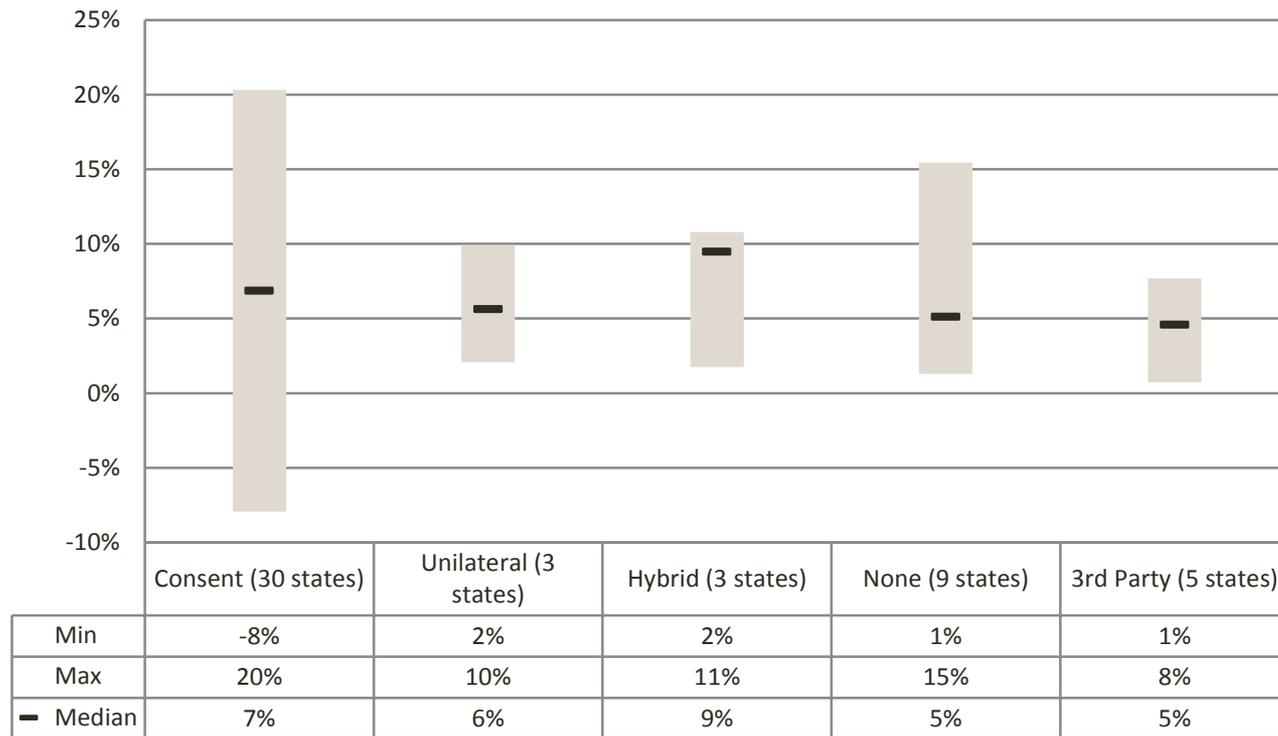
- Median growth rate for real personal income per capita also similar across annexation type groups, ranging from 40% for third party states to 51% for hybrid states
- North Dakota was again the leading state: 103% growth
- Tennessee had 35% growth

Figure 6. Personal Income Growth per Capita, 2000-2012, by Quintile and Annexation Type



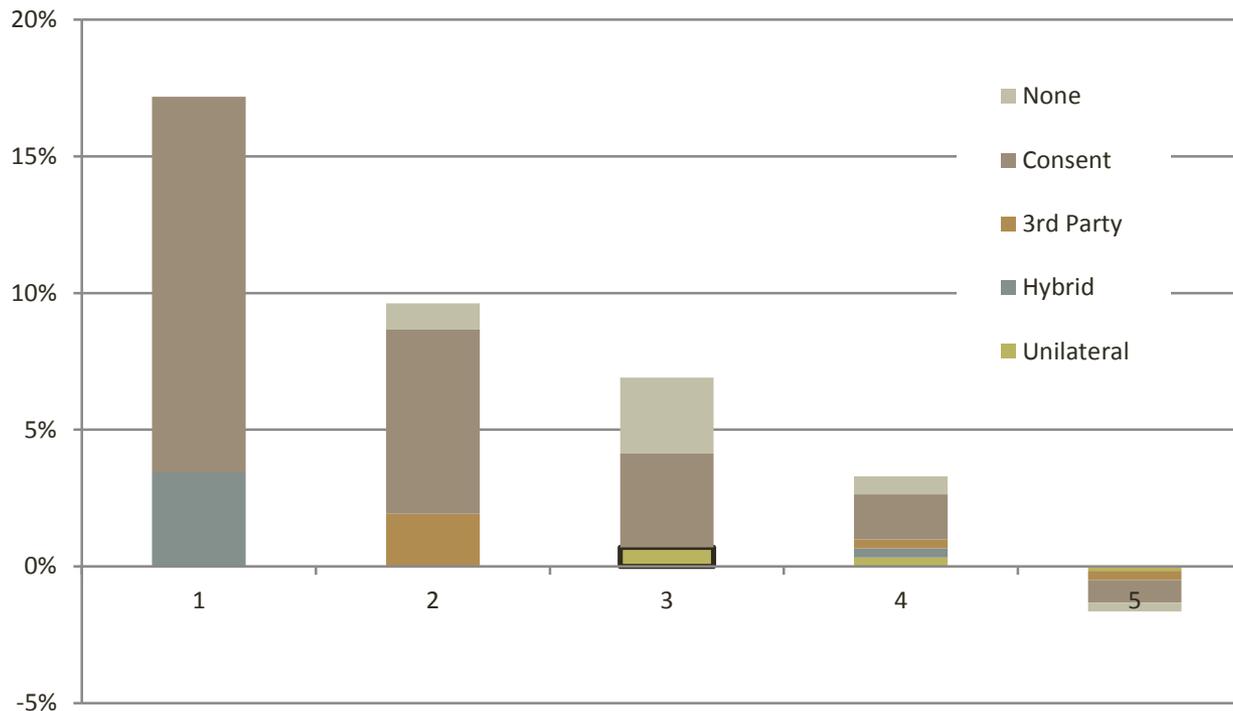
- The 1st quintile averaged 64% growth in personal income (9 consent and New Mexico, a third party state)
- Tennessee again in the 3rd quintile, which averaged 43% growth (1 unilateral, 2 consent, 1 third party approval, 4 that have no annexation, and 2 hybrid)

Figure 7. Percent Growth in Employment 2000-2011 Comparison by Annexation Type



- Median growth rate for employment per capita ranged from 5% for third party states and states with no annexation to 9% for hybrid states
- Utah, a consent state, lead with 20% growth
- Tennessee yet again lagged the other unilateral states, with 2% growth compared to their average of 6%

Figure 8. Full and Part Time Employment Growth per Capita, 2000-2011, by Quintile and Annexation Type



- Population growth varied widely for each of the groups of states
- Nevada, a consent state, had largest growth: 37%
- Hybrid states had the largest average (median) growth rate: 24%
- Tennessee had largest population growth among unilateral states: 13%