

Data Digest: Tennessee

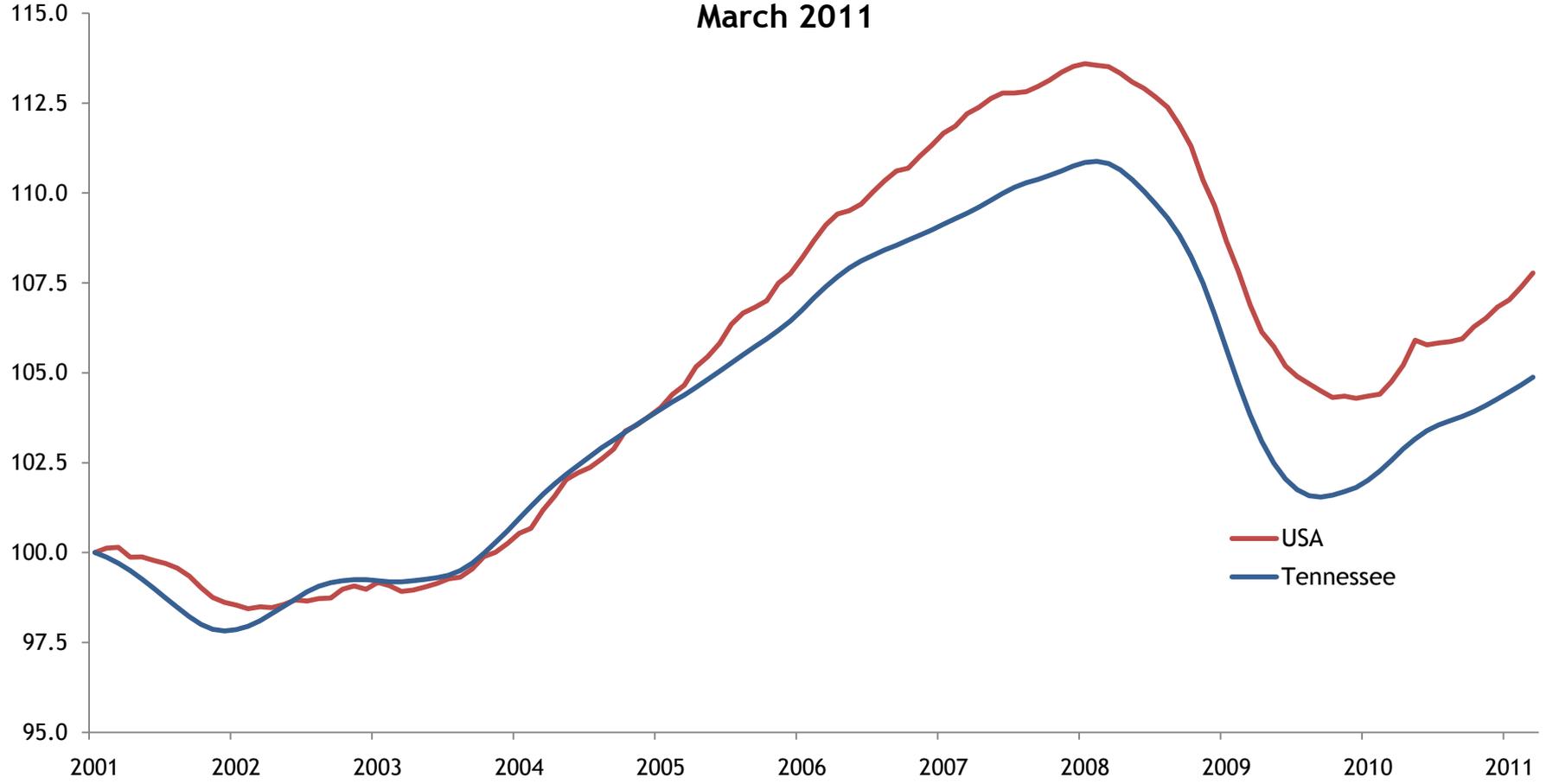
June 2011



Tennessee's recent economic performance largely mirrors that of the United States.

[About the Coincident Economic Indicator](#)

Coincident Economic Indicator March 2011

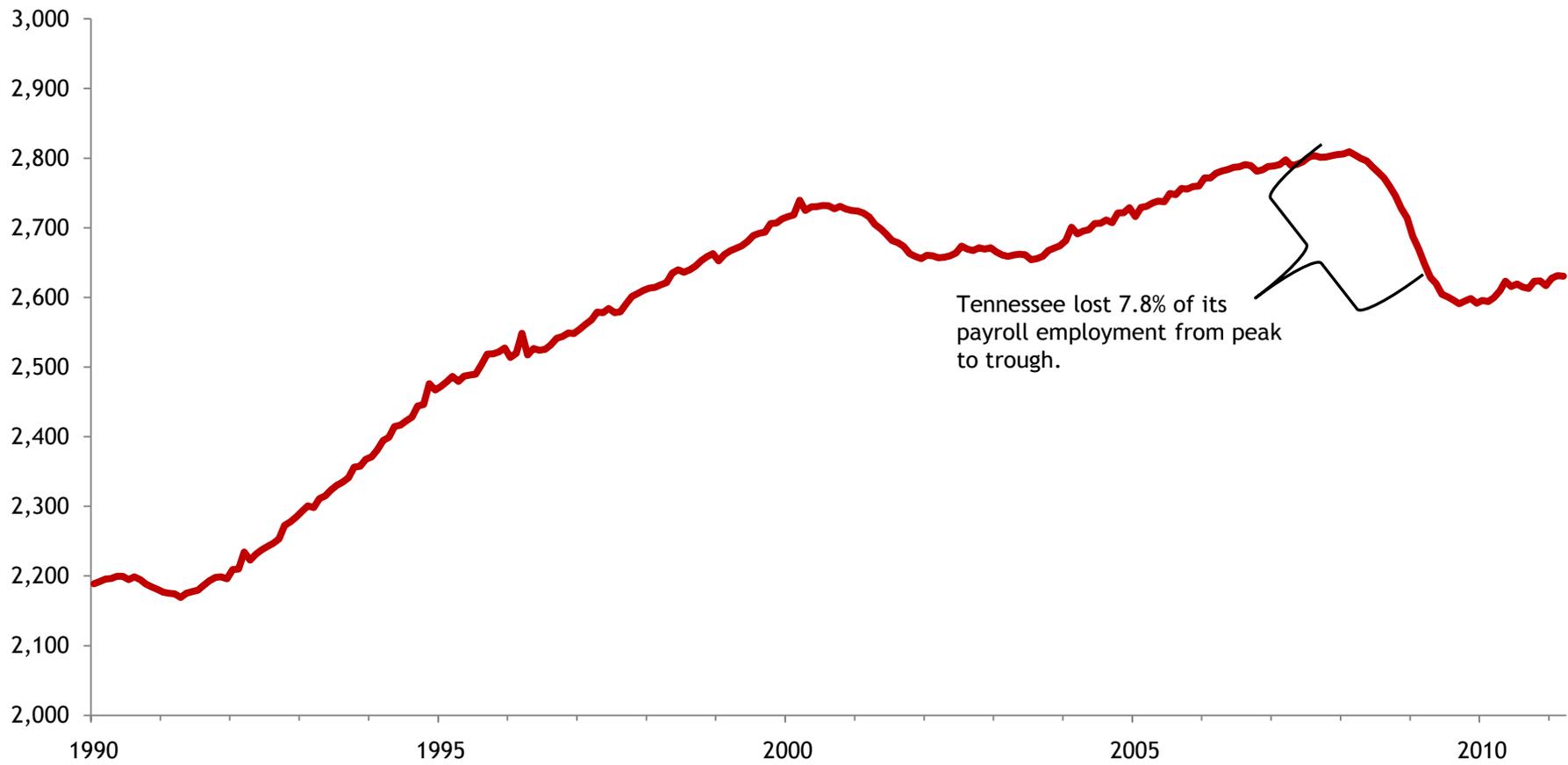


Source: Federal Reserve Bank of Philadelphia

Total employment in Tennessee is increasing, but remains below levels of the late 1990s.

Tennessee Payroll Employment March 2011

Thousands,
Seasonally-adjusted

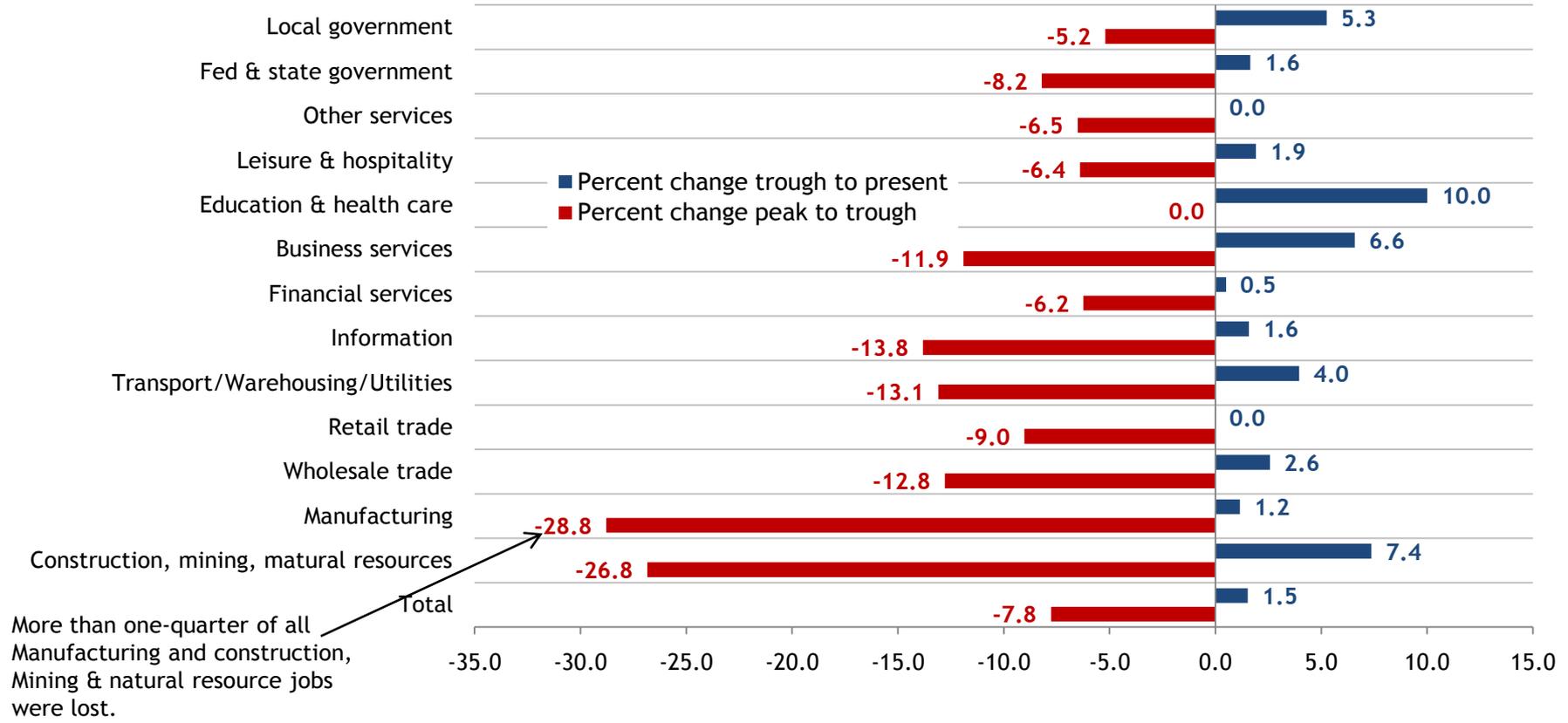


Tennessee lost 7.8% of its payroll employment from peak to trough.

Source: U.S. Bureau of Labor Statistics, Haver Analytics

All industries except education and health care lost jobs during the recession; manufacturing and construction saw significant declines. Most sectors have regained jobs, except retail trade and other services which have yet to post increases.

Employment Loss and Gain by Industry: Tennessee March 2011



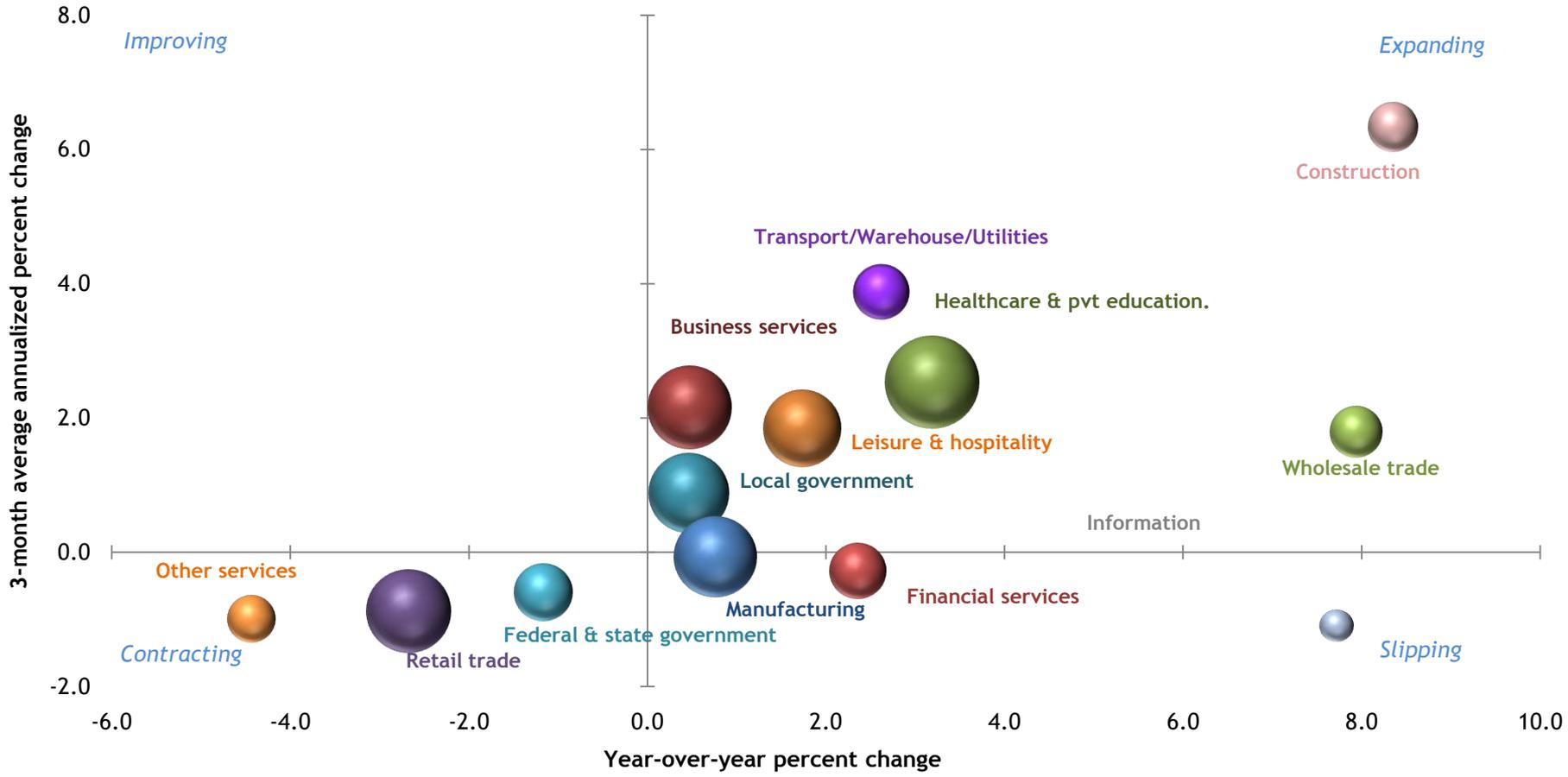
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Construction, mining and natural resources, wholesale trade, and health care show the most positive employment momentum, while retail trade, other services, and federal and state government remain weak.

[About Employment Momentum](#)

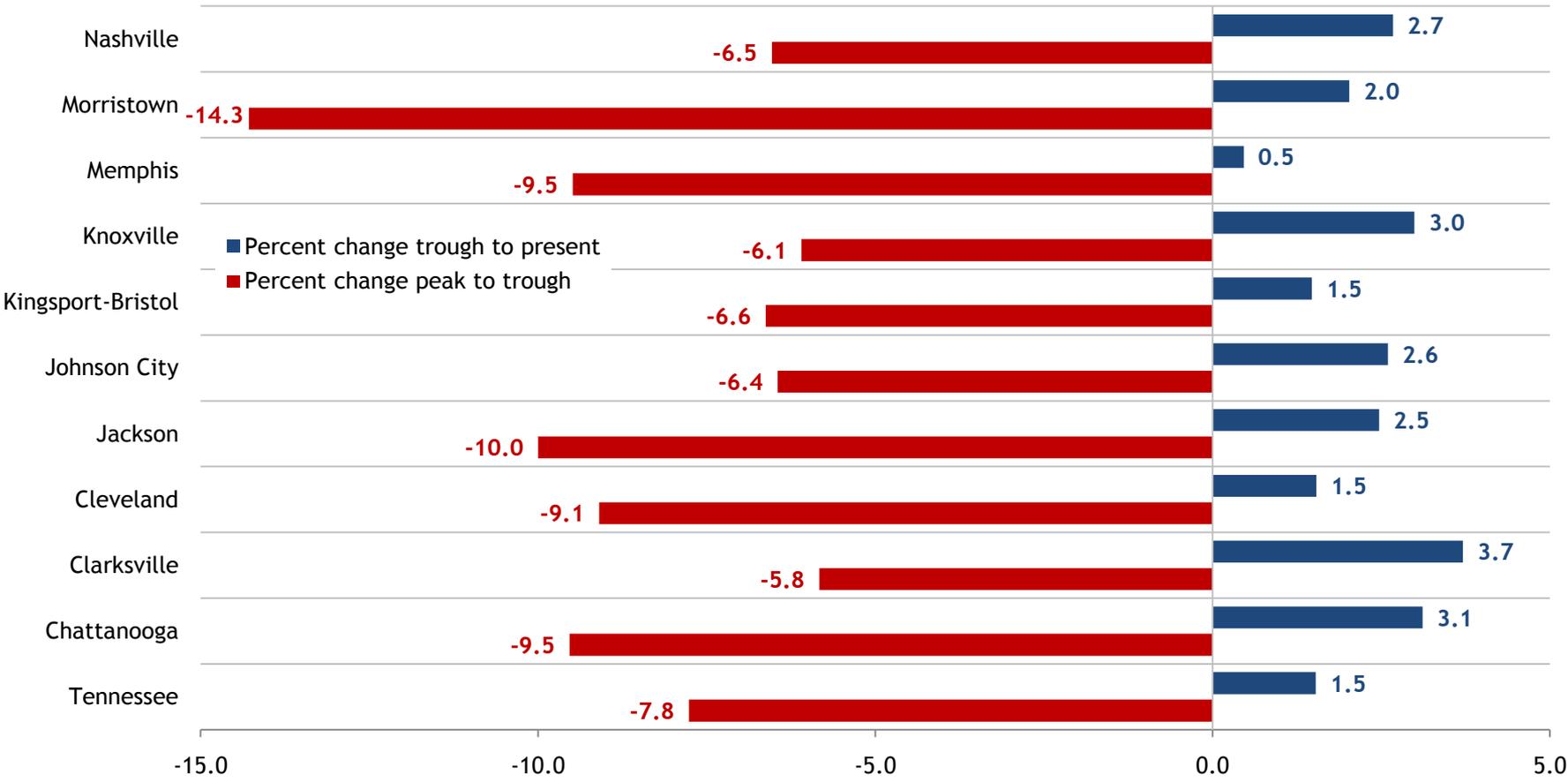
Employment Momentum by Industry: Tennessee March 2011



Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Employment losses in Tennessee metro areas were significant. All areas are improving except Memphis, which is the only area with less than a 1 percent increase since its trough.

Employment Loss and Gain by Metro Area: Tennessee March 2011

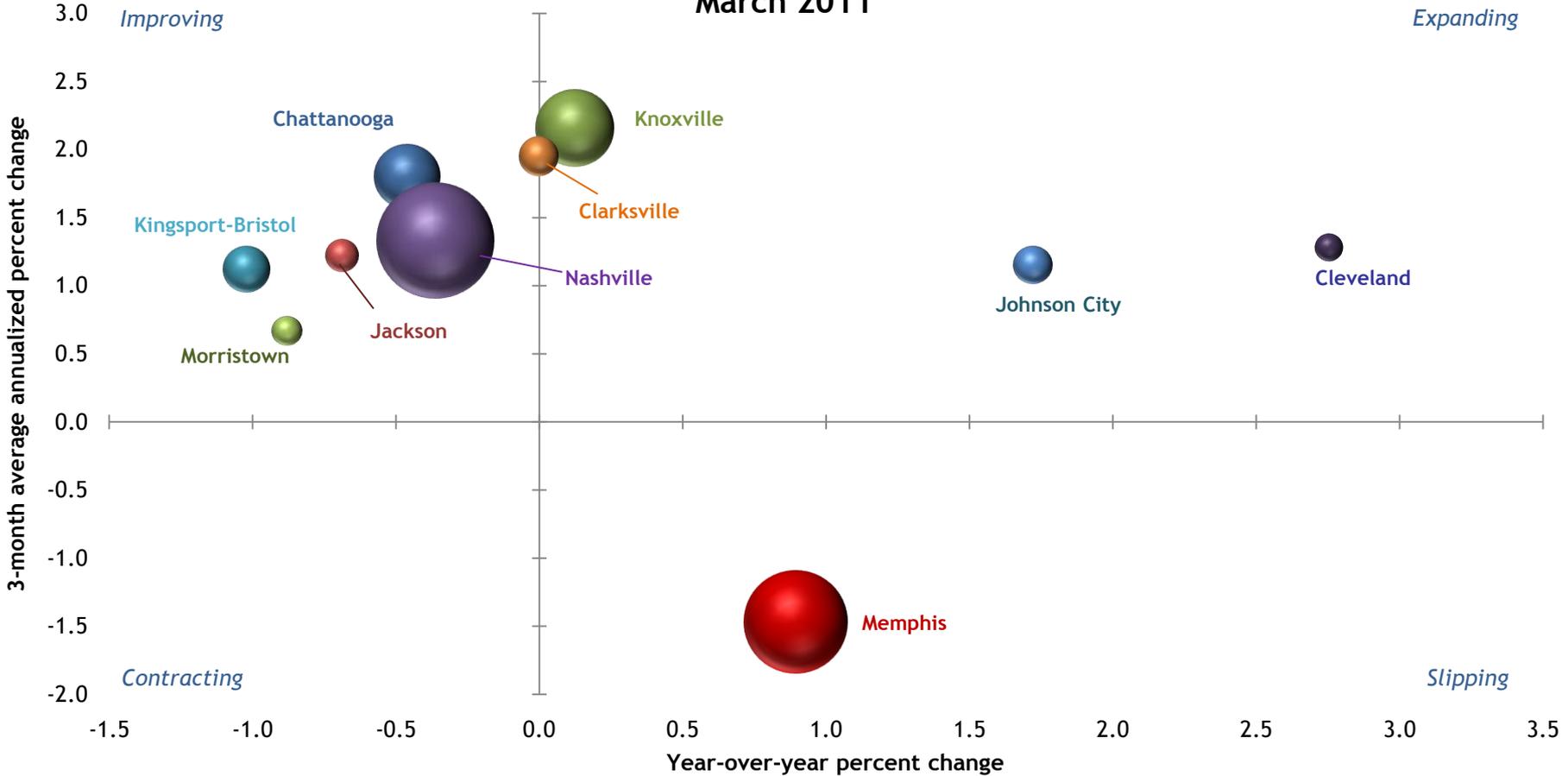


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Knoxville, Johnson City, and Cleveland show positive employment momentum. With the exception of Memphis, other metro areas are also experiencing improving momentum.

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee March 2011

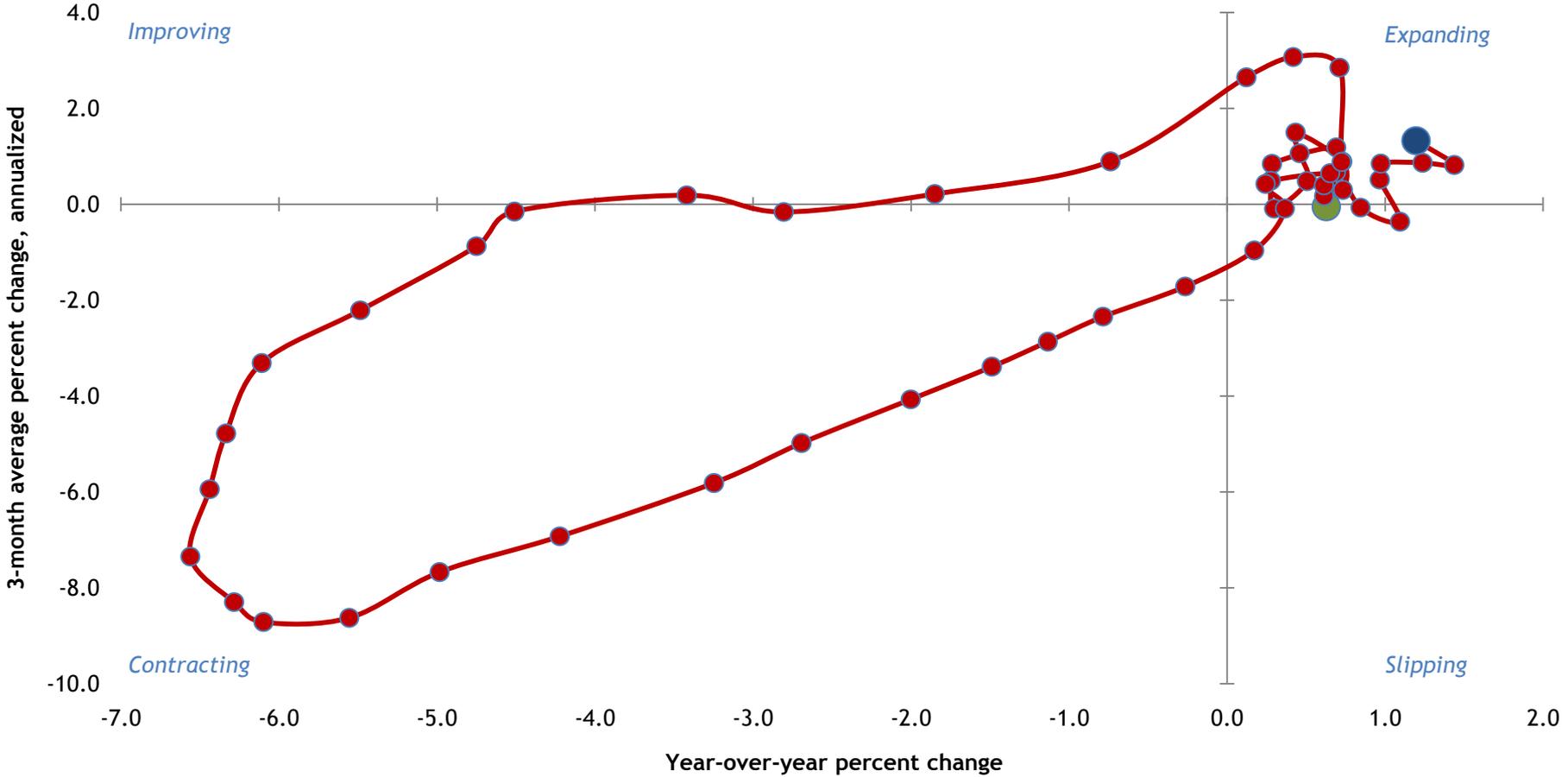


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum began to improve in March 2010. Momentum began expanding in May 2010, slipped in September and October, and began expanding again in November 2010.

[About Employment Momentum Track](#)

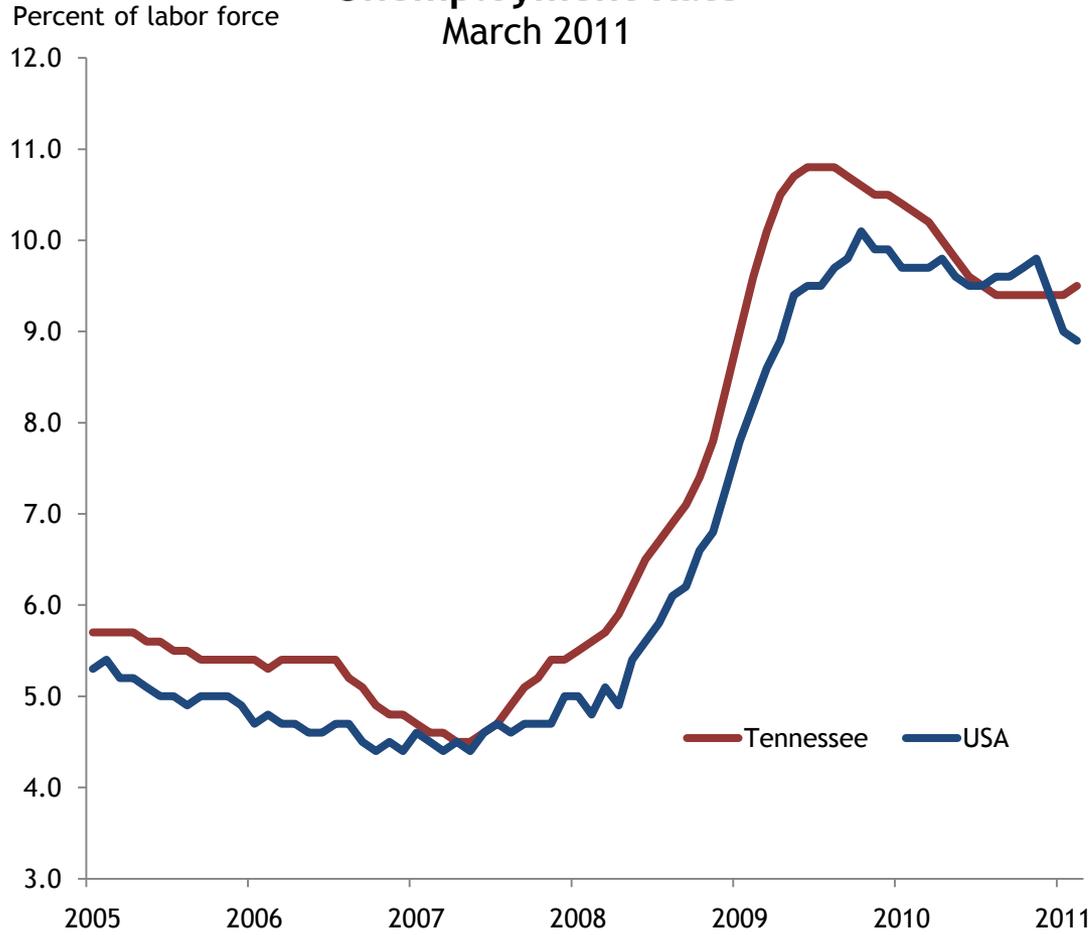
Employment Momentum Track: Tennessee January 2007–March 2011



Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee's unemployment rate leveled off at 9.4 percent in August 2010, then ticked up in February 2011 and fell again to 9.5 percent in March.

Unemployment Rate March 2011



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	9.0	9.7	4.6
Tennessee	9.5	10.2	4.7
Chattanooga	8.2	9.2	4.4
Clarksville	10.1	10.5	5.7
Cleveland	9.4	9.9	5.0
Jackson	9.7	11.0	5.7
Johnson City	8.6	9.7	4.9
Kingsport-Bristol	8.1	9.6	4.9
Knoxville	7.5	8.8	4.2
Memphis	9.9	10.4	5.8
Morristown	11.1	13.2	6.2
Nashville	8.3	9.3	4.3

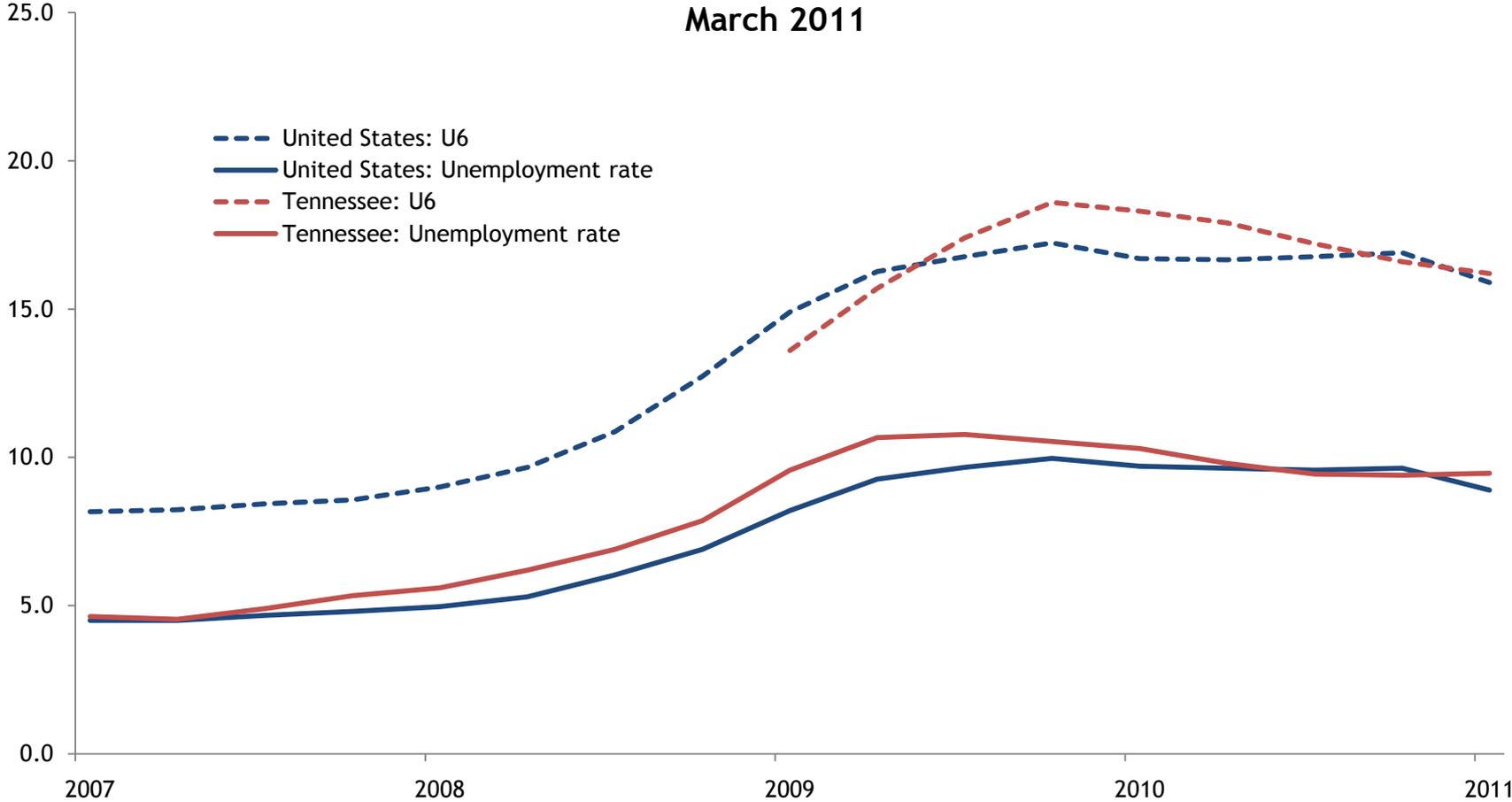
The table shows unemployment rates for metro areas. Current = March 2011. Year ago and January 2007 are included for comparison.

Source: U.S. Bureau of Labor Statistics, Haver Analytics

Alternative measures of labor underutilization for Tennessee—namely, the U6 figure—show that more than 16 percent of the state’s labor force is either unemployed or underemployed, a number that is slightly higher than the U.S. measures.

[About Unemployment Rates](#)

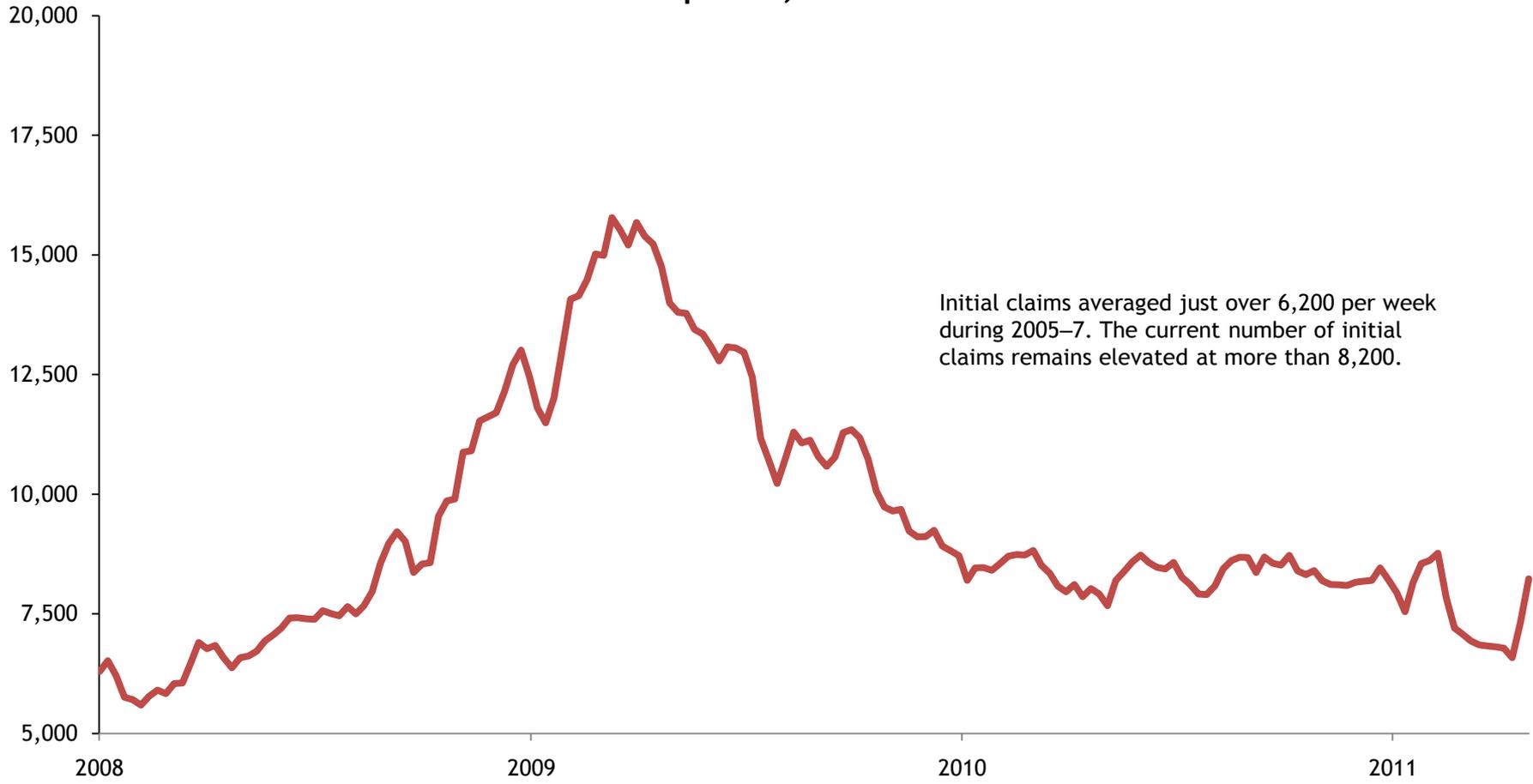
Measures of Labor Utilization: Unemployment Rate and U6
March 2011



Note: U6 = Unemployed + Marginally Attached + Part Time Economic Reasons/Civilian Labor Force + Marginally Attached (SA%)
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial claims for unemployment insurance declined in early 2011 but rose for two consecutive weeks in April.

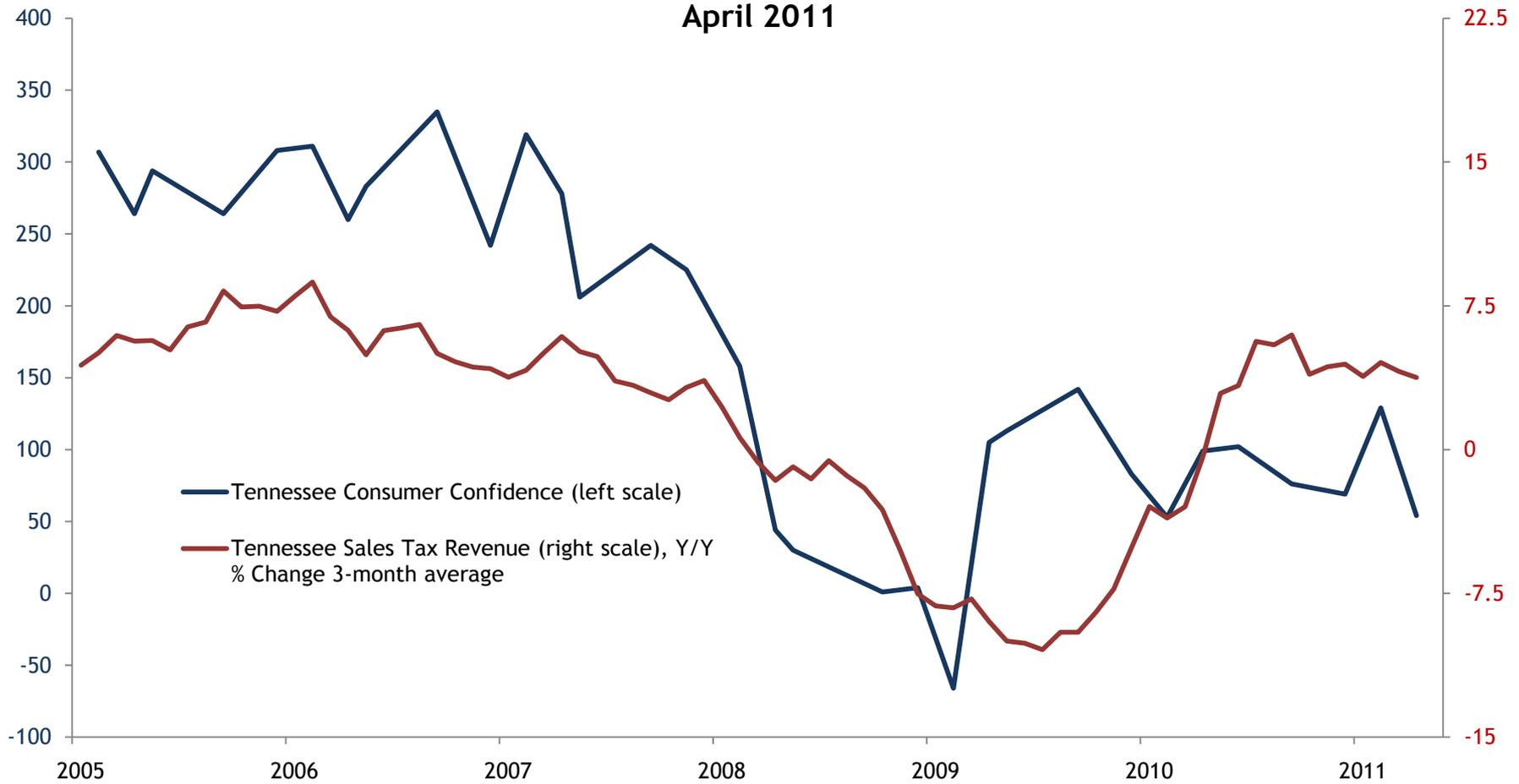
Initial Unemployment Insurance Claims: Tennessee April 16, 2011



Source: U.S. Department of Labor—Employment and Training Administration, Haver Analytics

Consumer confidence fell from early 2011, but sales tax revenue continues posting year-over-year gains.

Tennessee Sales Tax Revenue and Consumer Confidence
April 2011



Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity accelerated in April, according to the Southeast Purchasing Managers Index produced by Kennesaw State University, based on increases for new orders, production, and employment.

Southeast Purchasing Managers Index April 2011

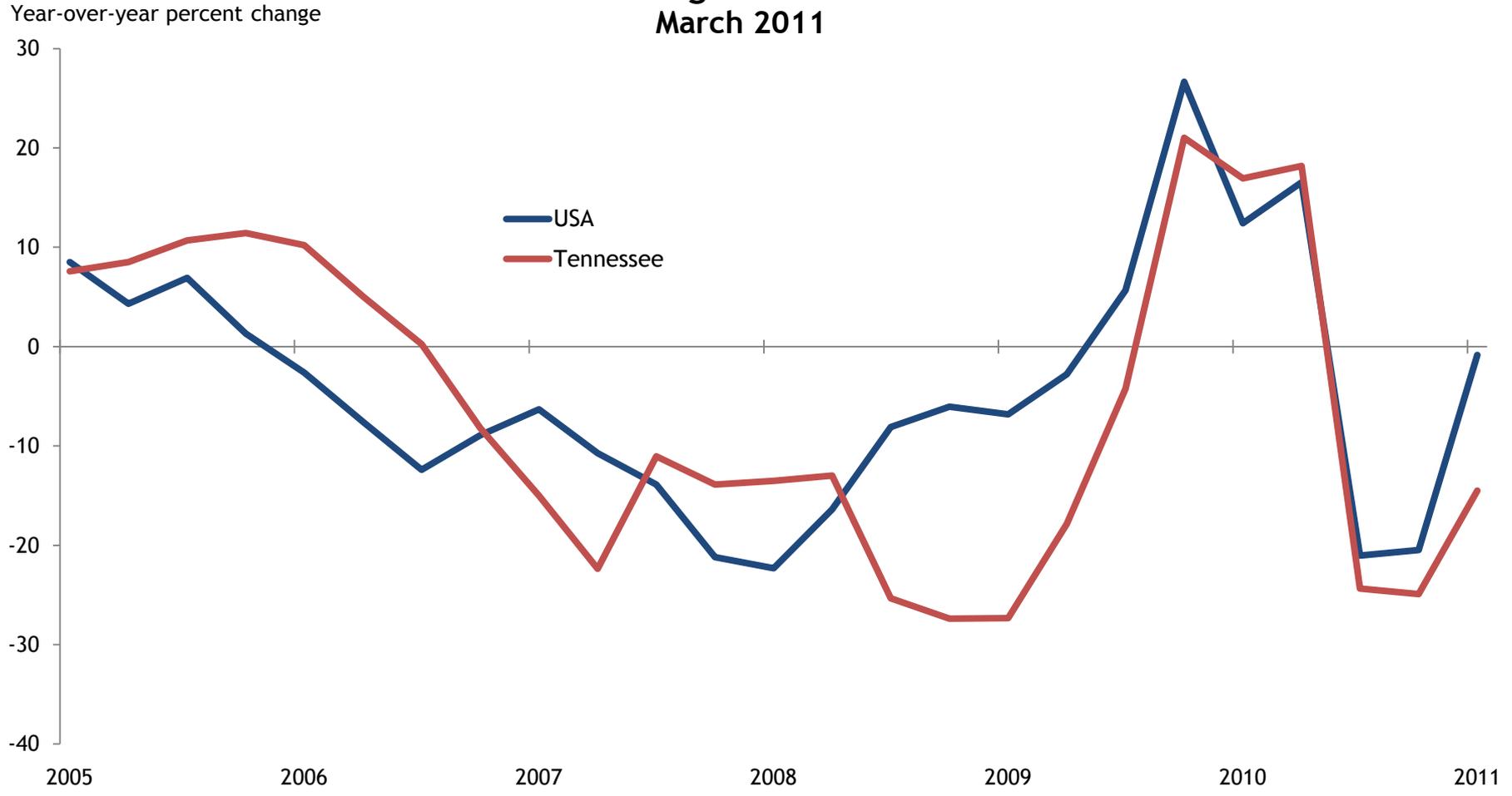


Note: 50+ = Expansion

Source: Kennesaw State University, Coles College of Business Econometric Center

Existing home sales picked up during the first quarter of 2011 after declining during the last half of 2010.

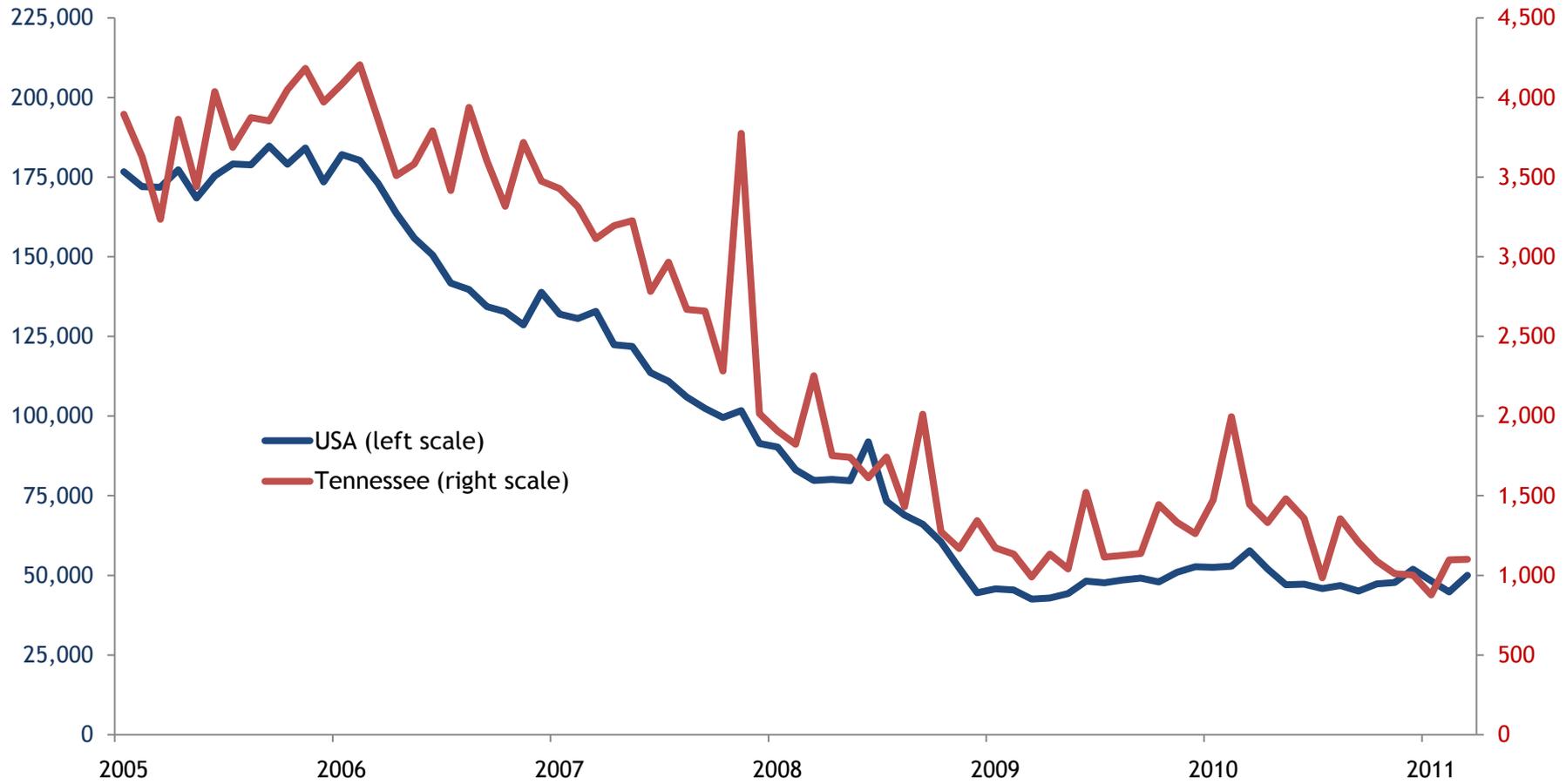
Existing Home Sales March 2011



Source: National Association of Realtors, Haver Analytics, Federal Reserve Bank of Atlanta

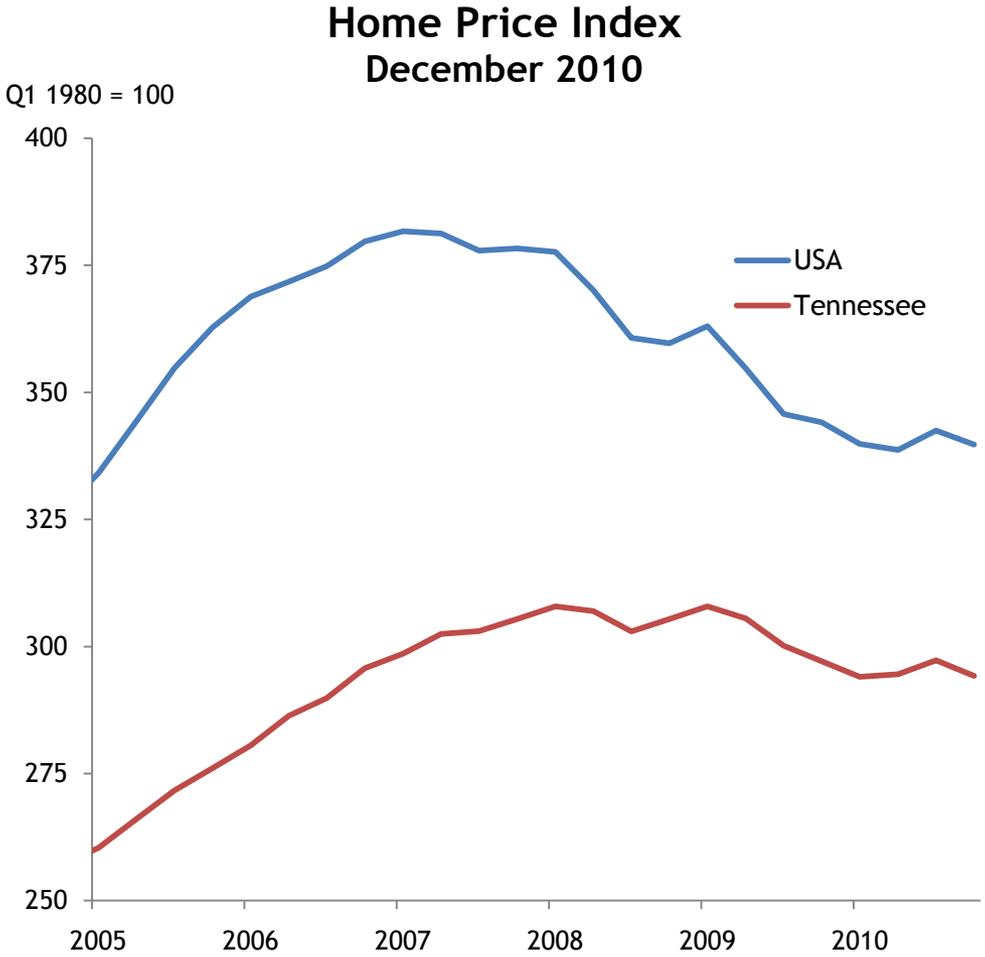
New home construction remains near record lows for both the United States and Tennessee.

New Residential Home Construction Permits March 2011



Source: U.S. Bureau of the Census, Haver Analytics

Home prices in Tennessee have declined at a slower pace than for the United States as a whole. After stabilizing somewhat, prices declined a bit further late in 2010.



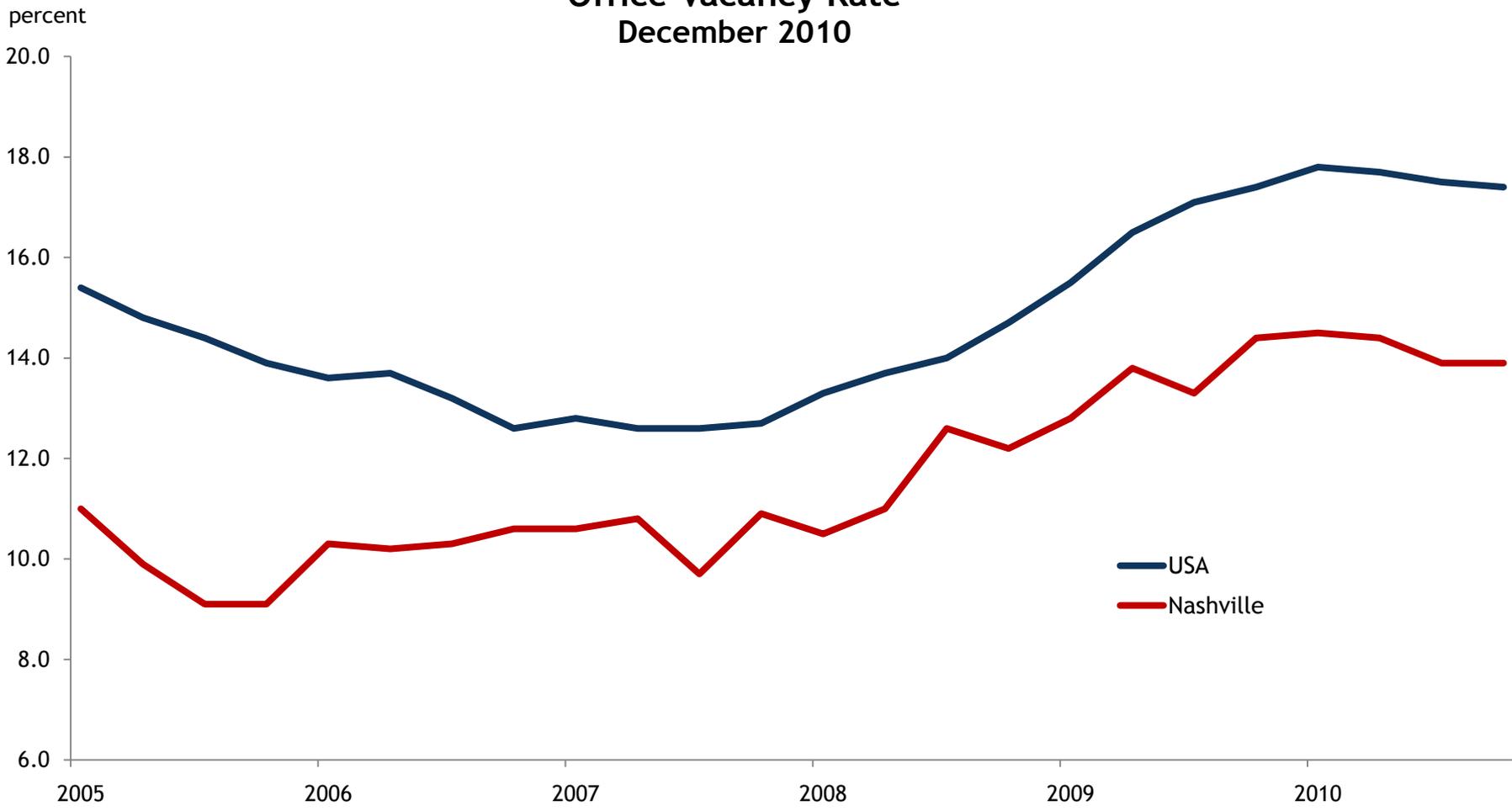
FHFA House Price Index	1-yr % change	5-yr % change	10-yr % change
USA	-1.3	-6.3	41.0
Tennessee	-1.0	6.6	34.0
Cleveland	-1.9	5.1	34.1
Jackson	-2.5	-1.4	15.0
Johnson City	0.7	14.8	45.5
Knoxville	-0.6	8.8	43.3
Morristown	-4.0	4.2	33.2
Nashville	-0.5	8.0	36.3
Chattanooga	0.4	5.5	38.3
Clarksville	-1.7	13.8	43.1
Kingsport-Bristol	0.5	13.4	47.5
Memphis	-2.4	-2.7	14.6

Source: S&P, Haver Analytics

Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

Office vacancy rates rose throughout the recession but now appear to have stabilized at higher levels.

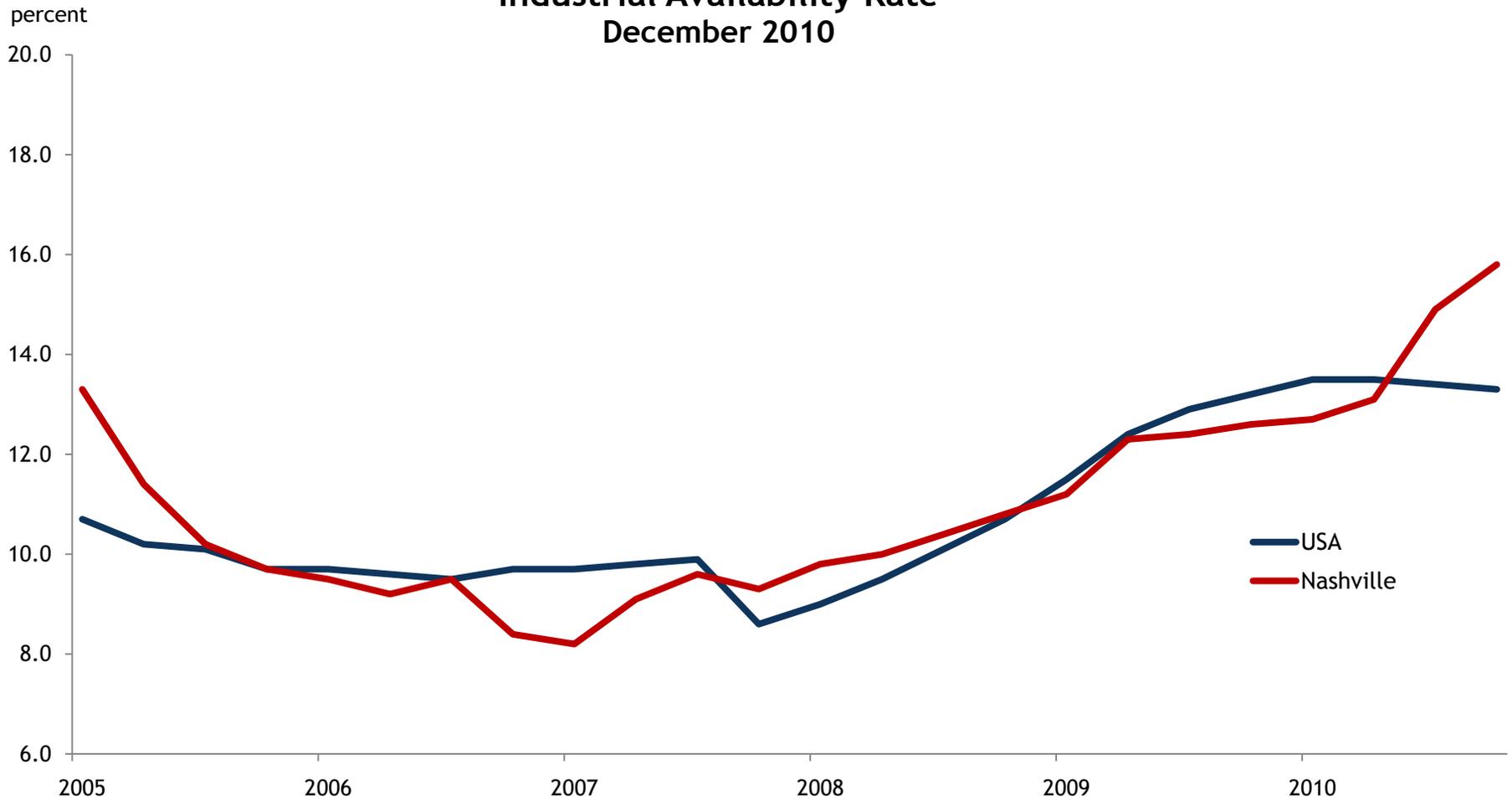
Office Vacancy Rate December 2010



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate continues to deteriorate.

Industrial Availability Rate
December 2010



Source: CB Richard Ellis, Haver Analytics

For additional sources of information, see our Local Economic Analysis Research Network membership at www.frbatlanta.org/rein/learn/map/learn_members.cfm.