



# Data Digest: Tennessee

---

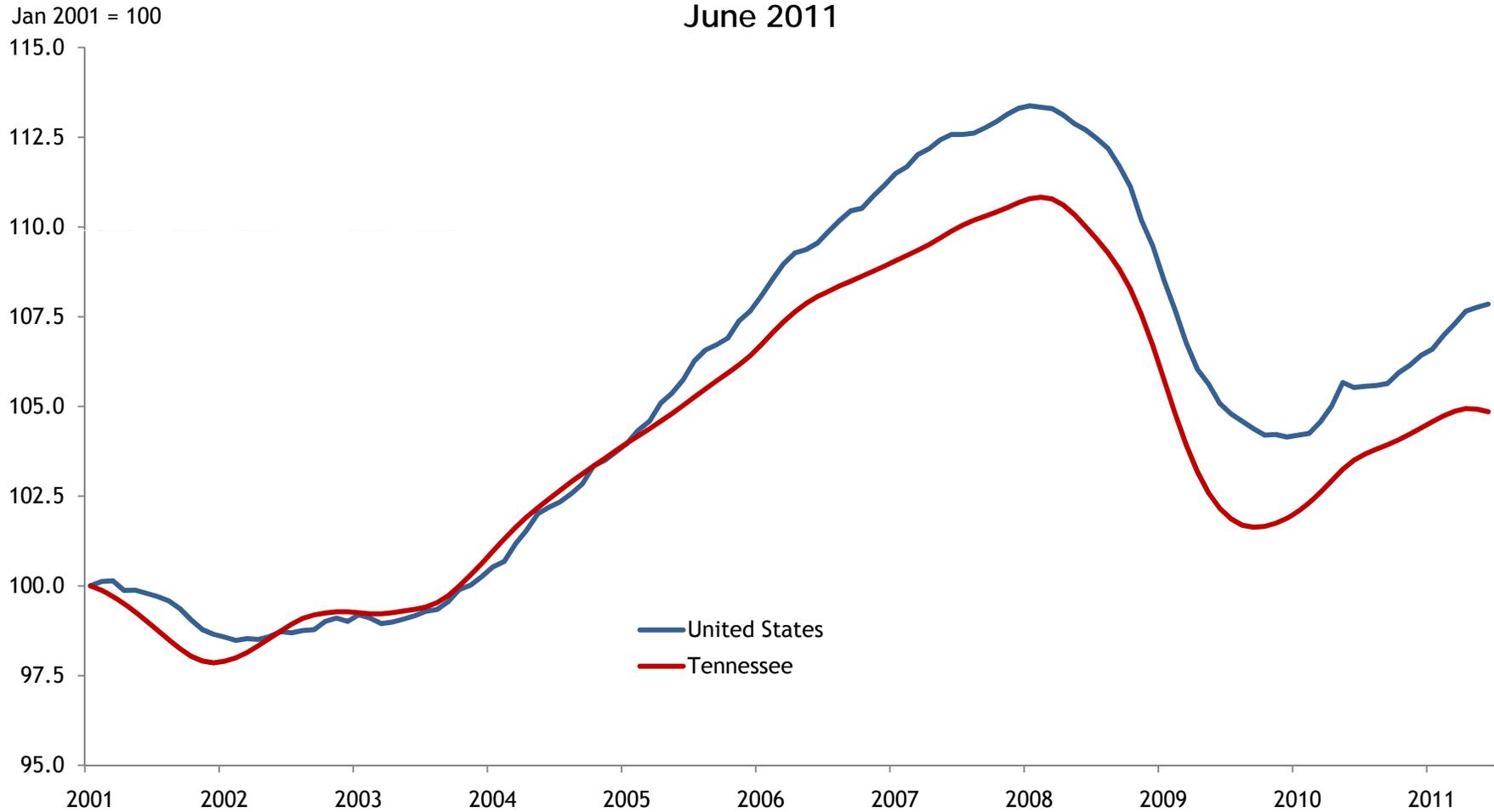
August 2011



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

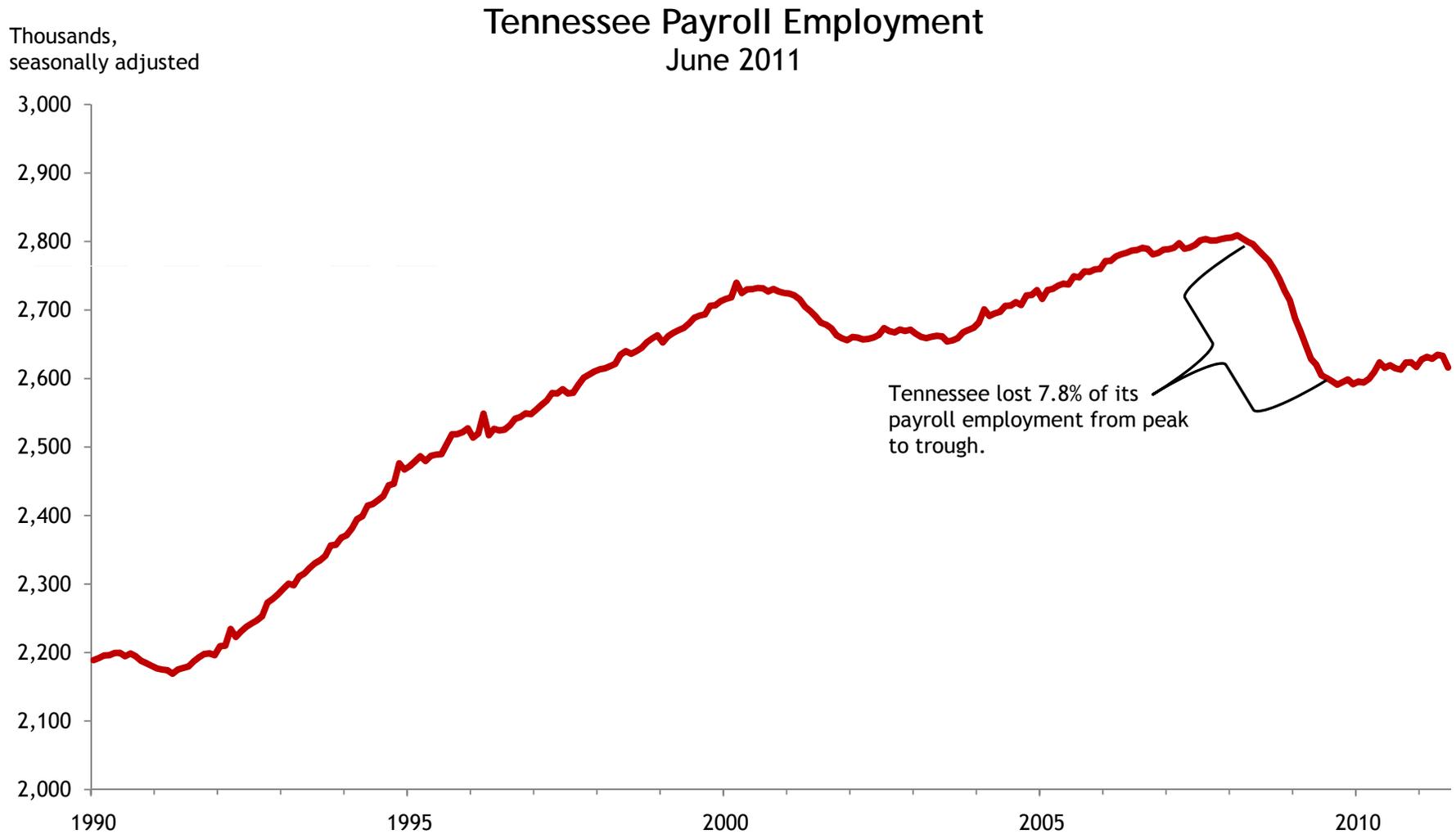
[About the Coincident Economic Indicator](#)

### Coincident Economic Indicator June 2011



Source: Federal Reserve Bank of Philadelphia

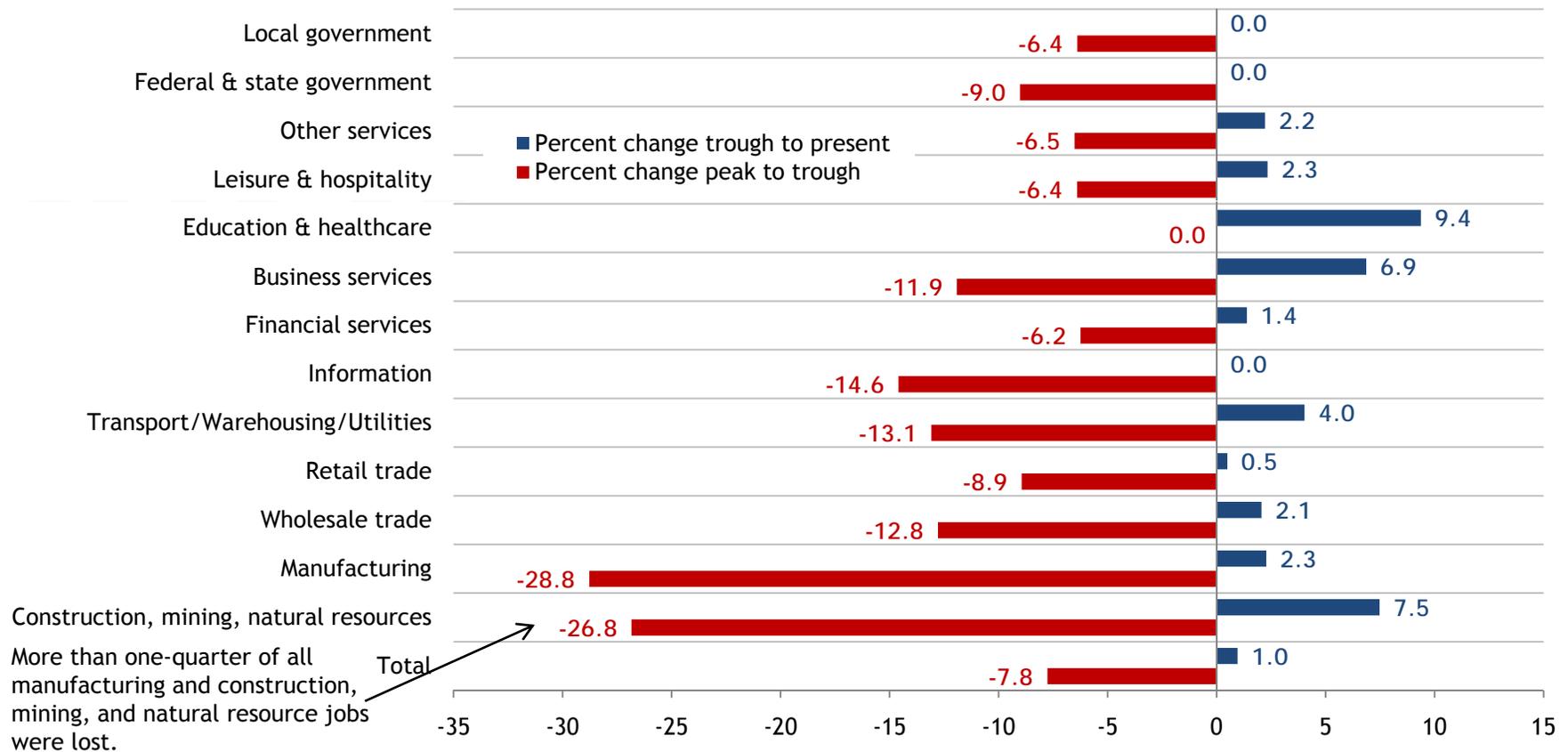
Total employment in Tennessee decreased in May and June.



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

All industries except for education and health care lost jobs during the recession. Manufacturing and construction saw significant declines. Except for local government, federal and state government, and information, all other sectors have regained jobs.

### Employment Loss and Gain by Industry: Tennessee June 2011



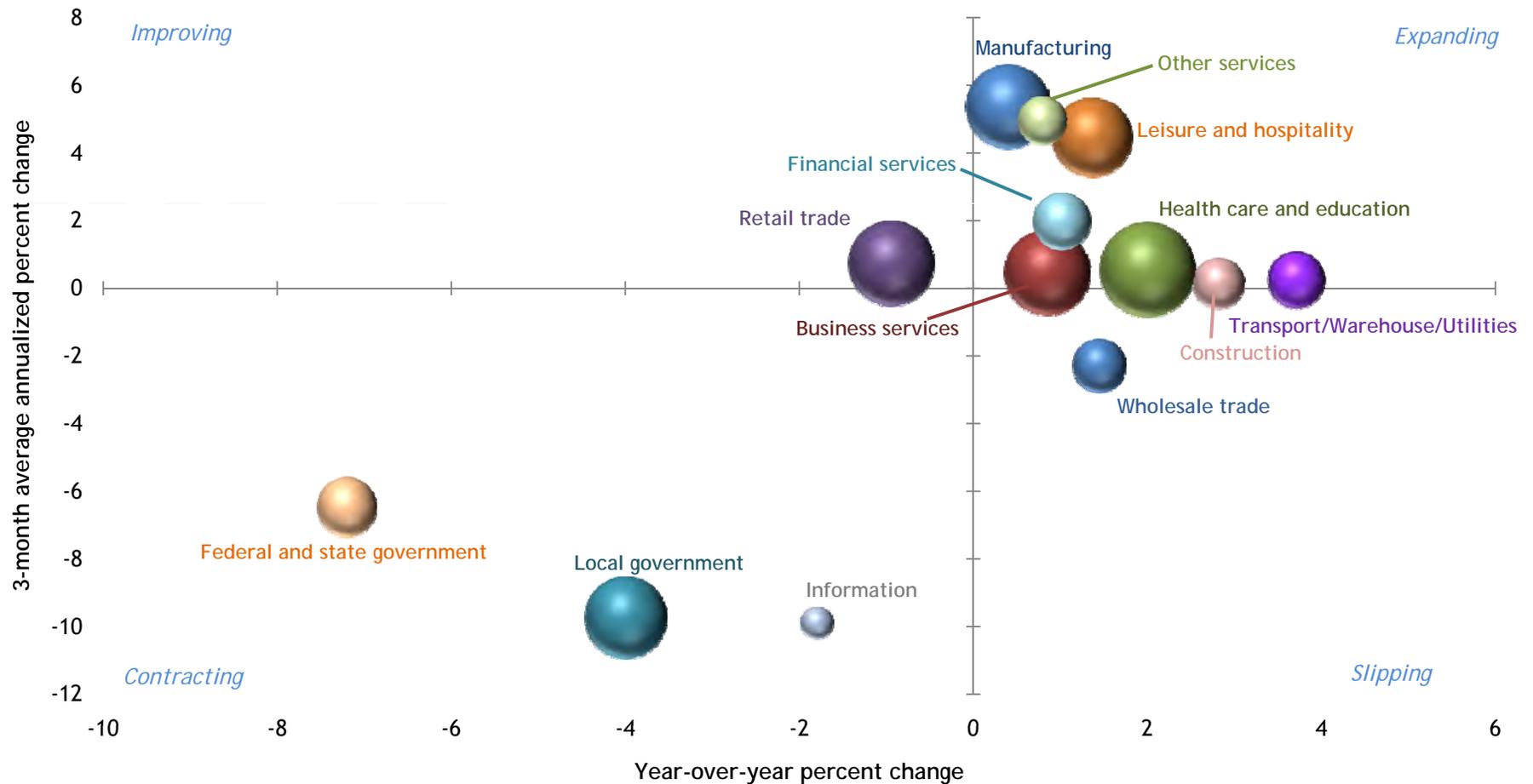
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

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

Most industries are showing positive employment momentum. Local government, information, and federal and state government remain weak and wholesale trade is slipping.

[About Employment Momentum](#)

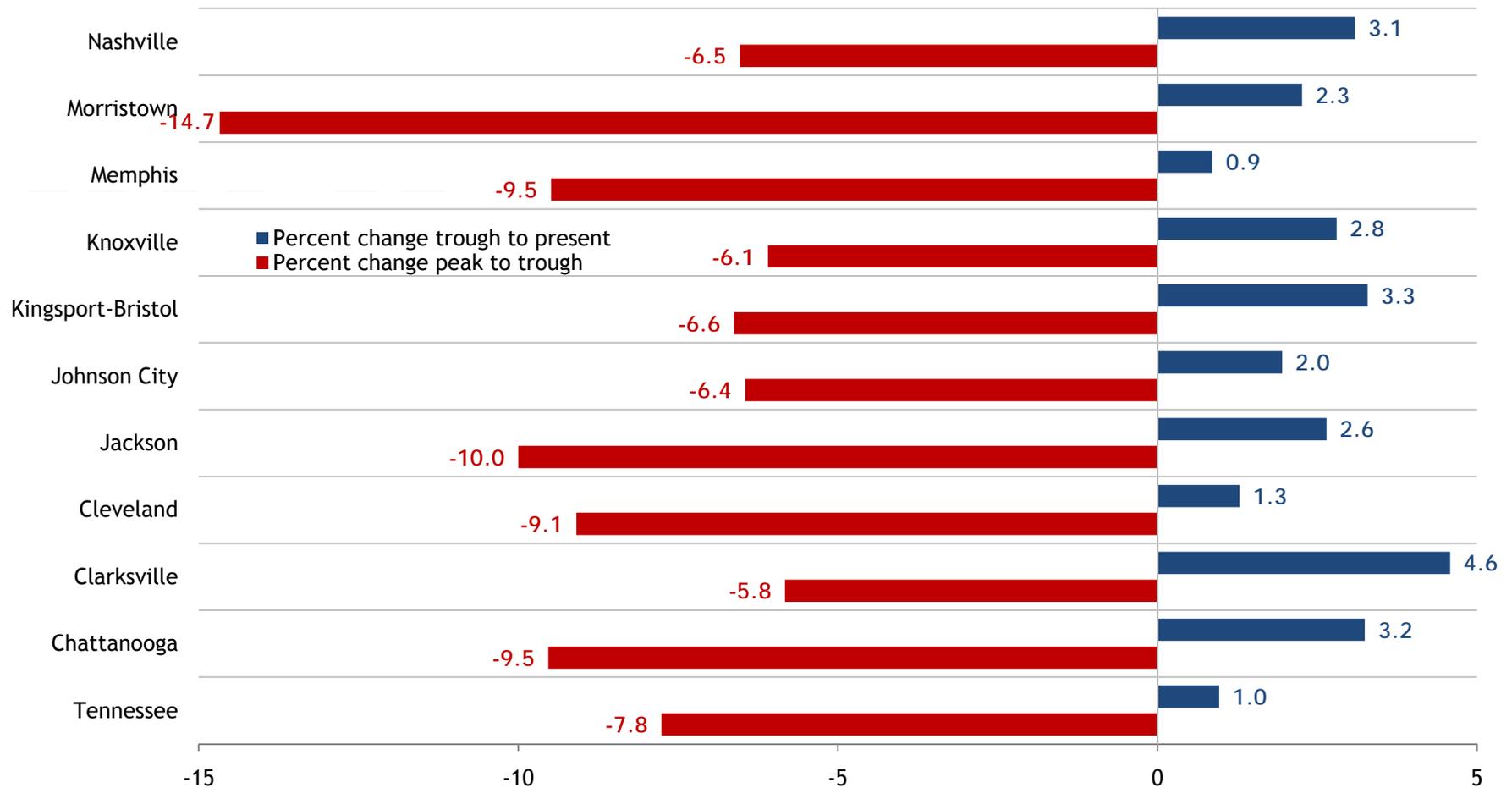
### Employment Momentum by Industry: Tennessee June 2011



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

Employment losses in Tennessee metro areas were significant, but all metro areas have begun adding jobs.

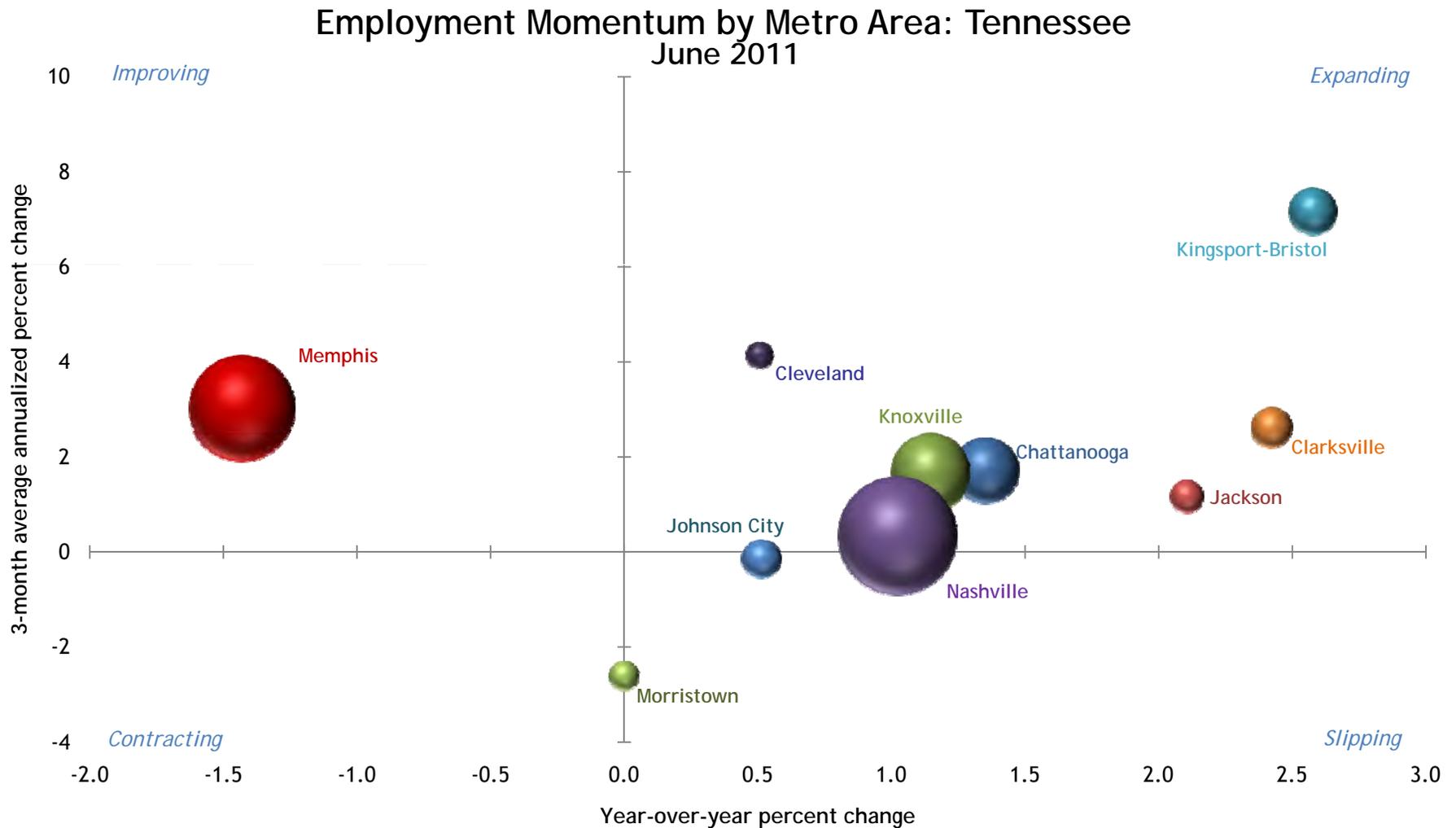
### Employment Loss and Gain by Metro Area: Tennessee June 2011



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

With the exception of Johnson City and Morristown, all other metro areas are experiencing improving or expanding employment momentum.

[About Employment Momentum](#)

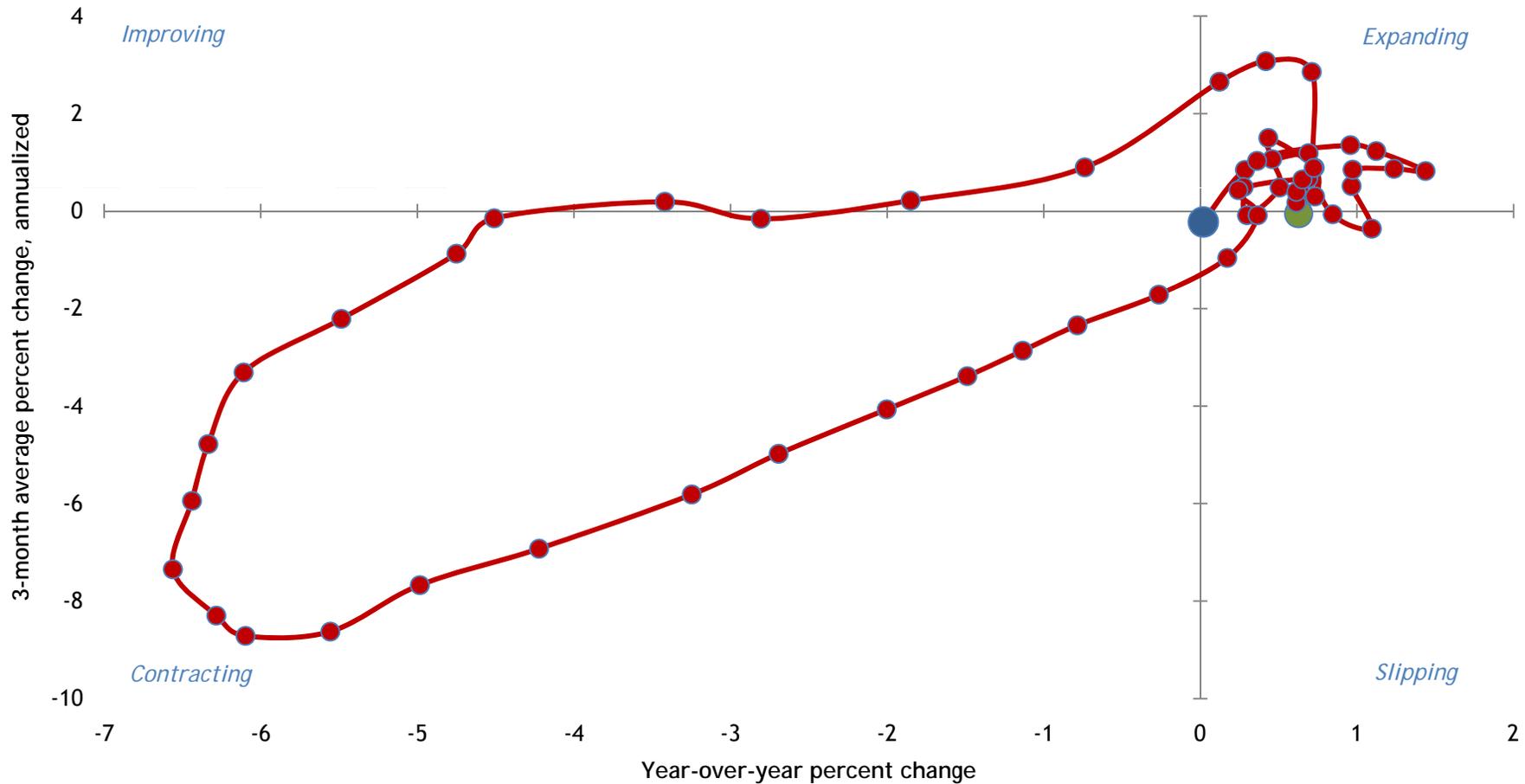


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum began to improve in March 2010. It began expanding in May 2010, slipped in September and October, and began expanding again last November. Employment momentum fell into the “slipping” quadrant in June.

[About Employment Momentum Track](#)

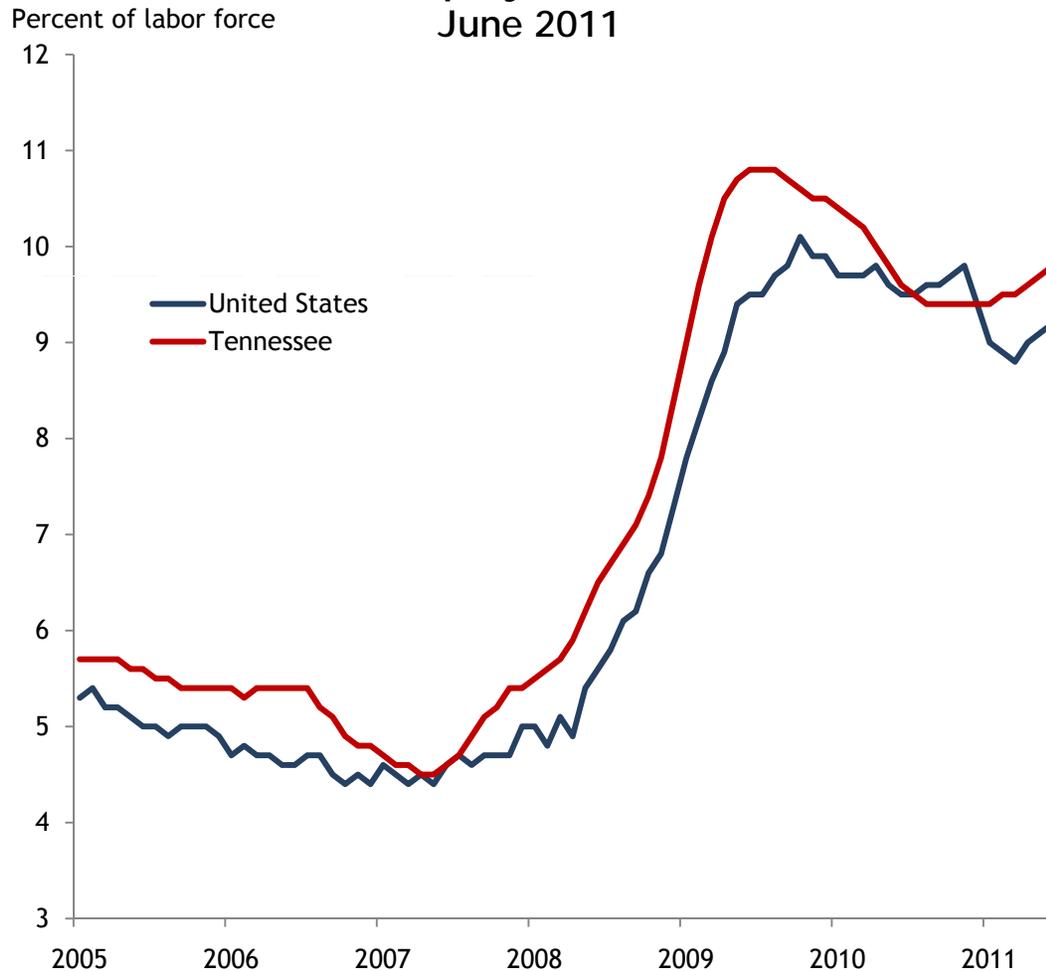
### Employment Momentum Track: Tennessee January 2007-June 2011



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 to 9.5 percent in February 2011. It has increased one-tenth of a percent in each of April, May, and June.

### Unemployment Rate June 2011



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

Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	9.1	9.6	4.6
Tennessee	9.7	9.8	4.7
Chattanooga	8.4	8.4	4.4
Clarksville	10.1	10.3	5.7
Cleveland	9.5	8.9	5.0
Jackson	10.2	9.7	5.7
Johnson City	8.6	8.5	4.9
Kingsport-Bristol	8.1	8.4	4.9
Knoxville	7.7	7.7	4.1
Memphis	10.1	9.6	5.8
Morristown	11.4	11.2	6.2
Nashville	8.5	8.5	4.2

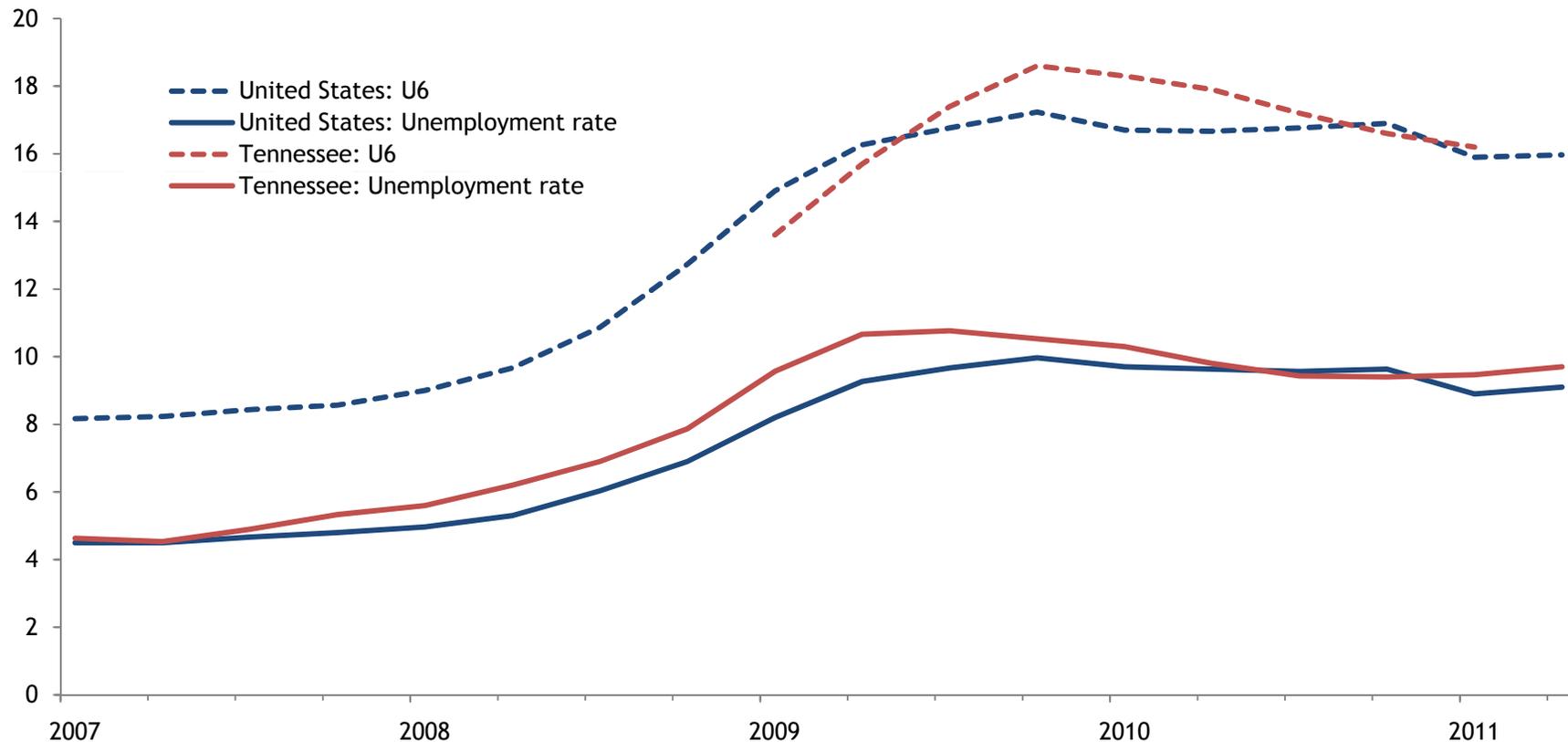
The table shows unemployment rates for metro areas. Current = May 2011. Year ago and Jan 2007 are included for comparison.

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, which is slightly higher than comparable U.S. measures.

[About Unemployment Rates](#)

### Measures of Labor Utilization: Unemployment Rate and U6 Q2 2011 (Tennessee U6: Q1 2011)

Percent,  
seasonally adjusted



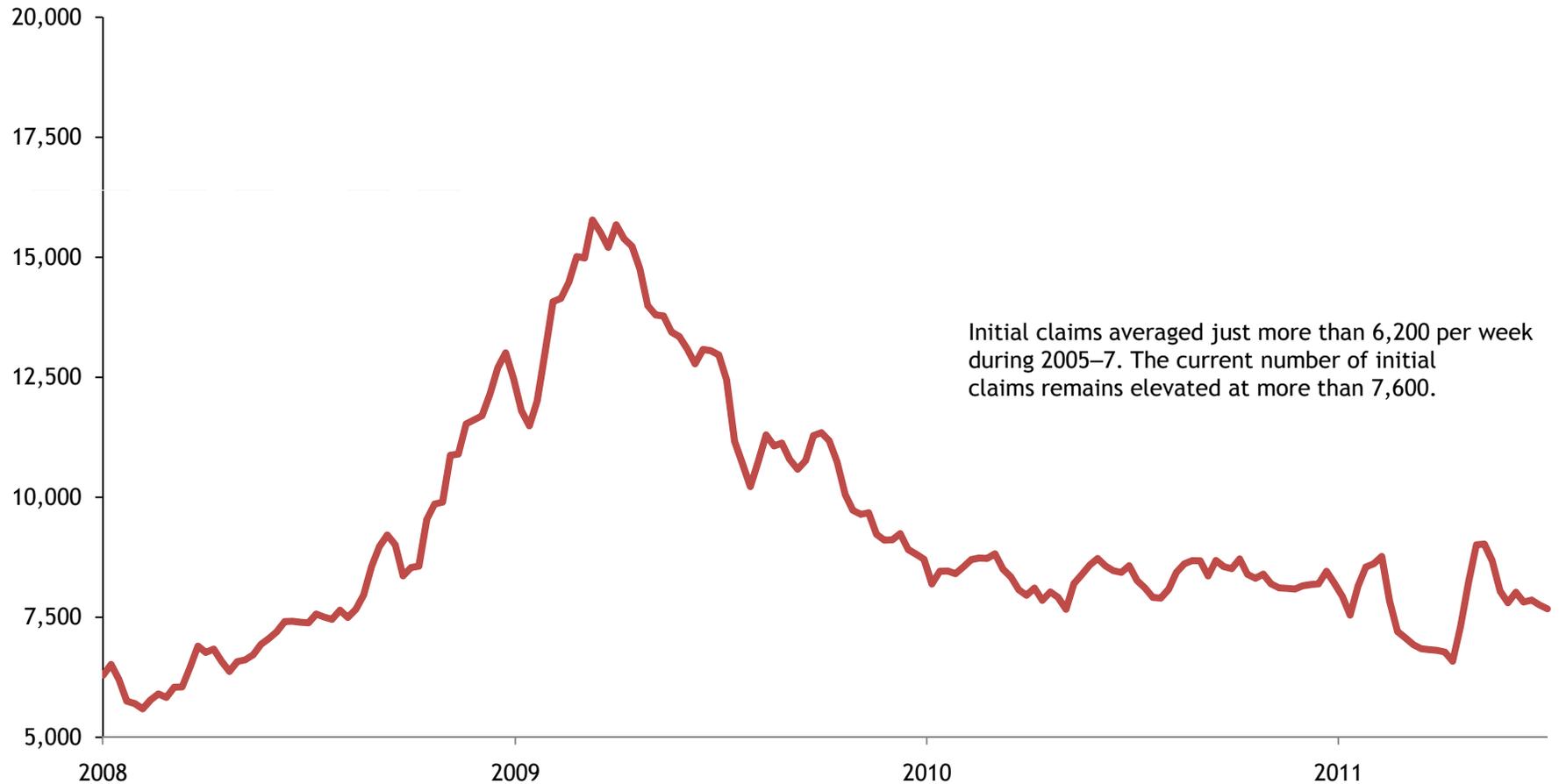
Note: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached. Tennessee U6 data are through first-quarter 2011.

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

Initial claims for unemployment insurance declined in early 2011. They increased during April and early May and have started decreasing again.

### Initial Unemployment Insurance Claims: Tennessee July 9, 2011

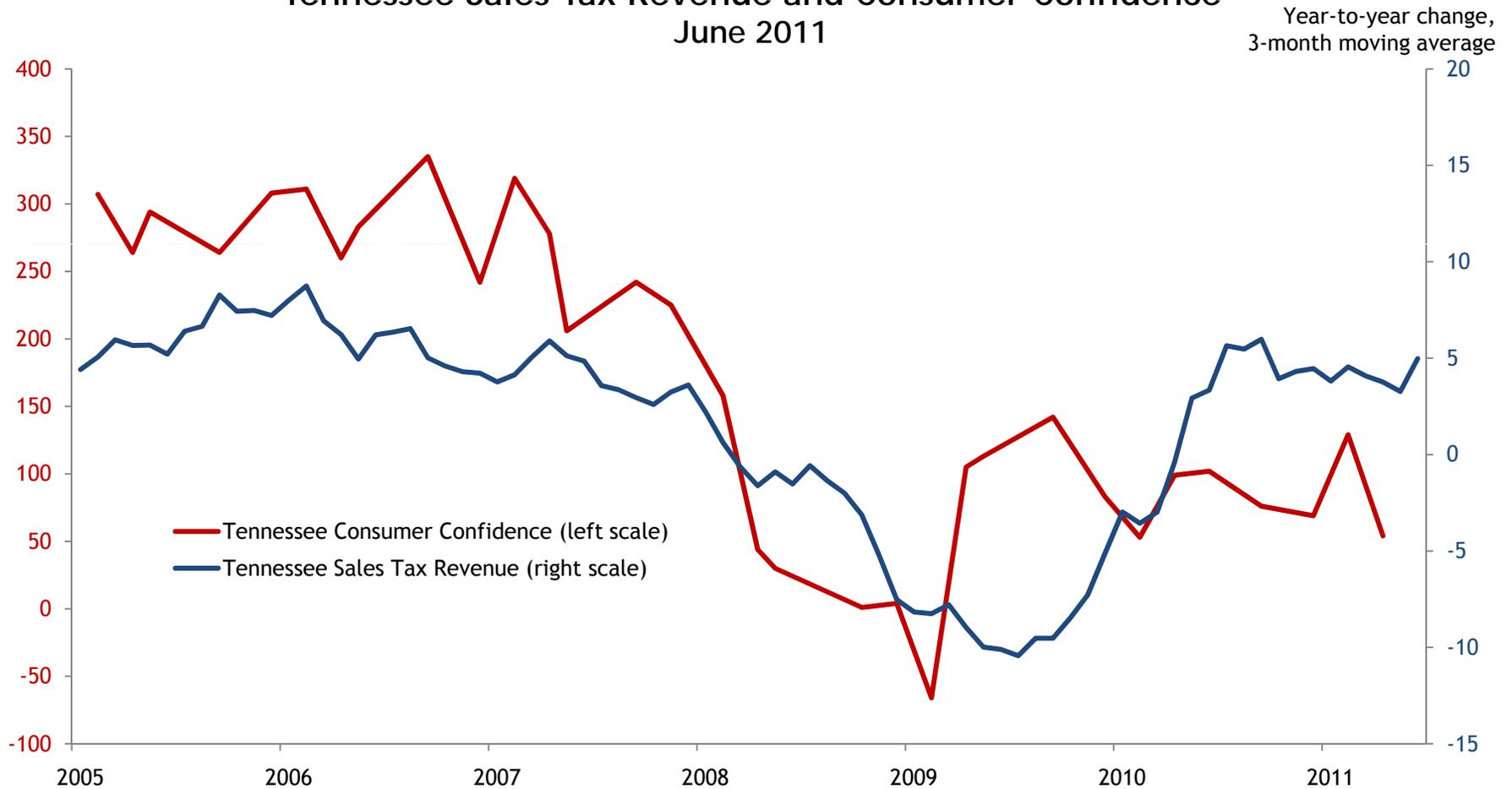
4-week moving average



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

Consumer confidence fell from early 2011, but sales tax revenue continued to post year-over-year gains.

### Tennessee Sales Tax Revenue and Consumer Confidence June 2011



Note: Consumer confidence data are through April 2011.  
Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity declined in June, according to the Southeast Purchasing Managers Index produced by Kennesaw State University, based on decreases for all underlying components except employment.

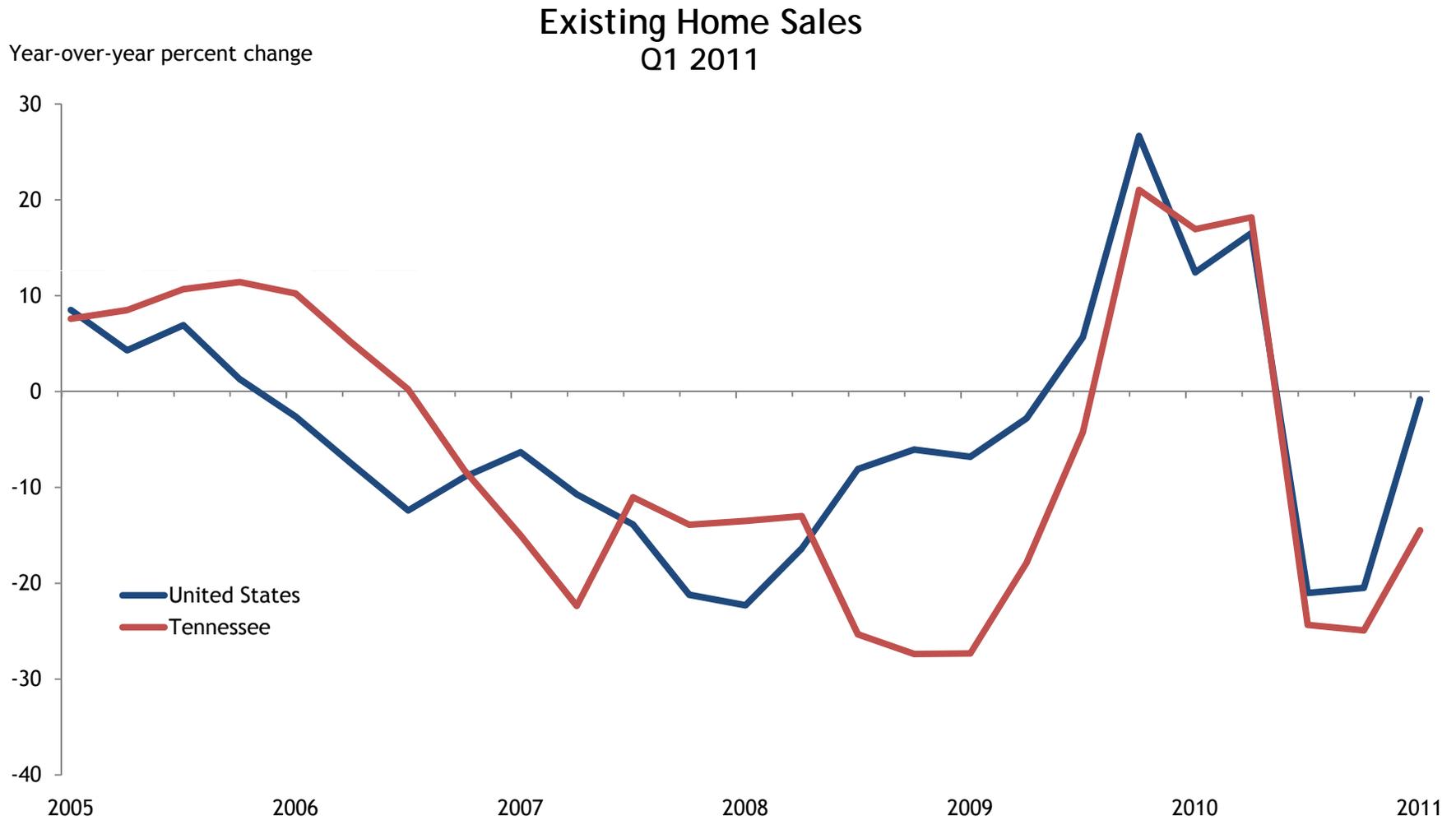
Southeast Purchasing Managers Index  
June 2011



Note: 50+ = Expansion

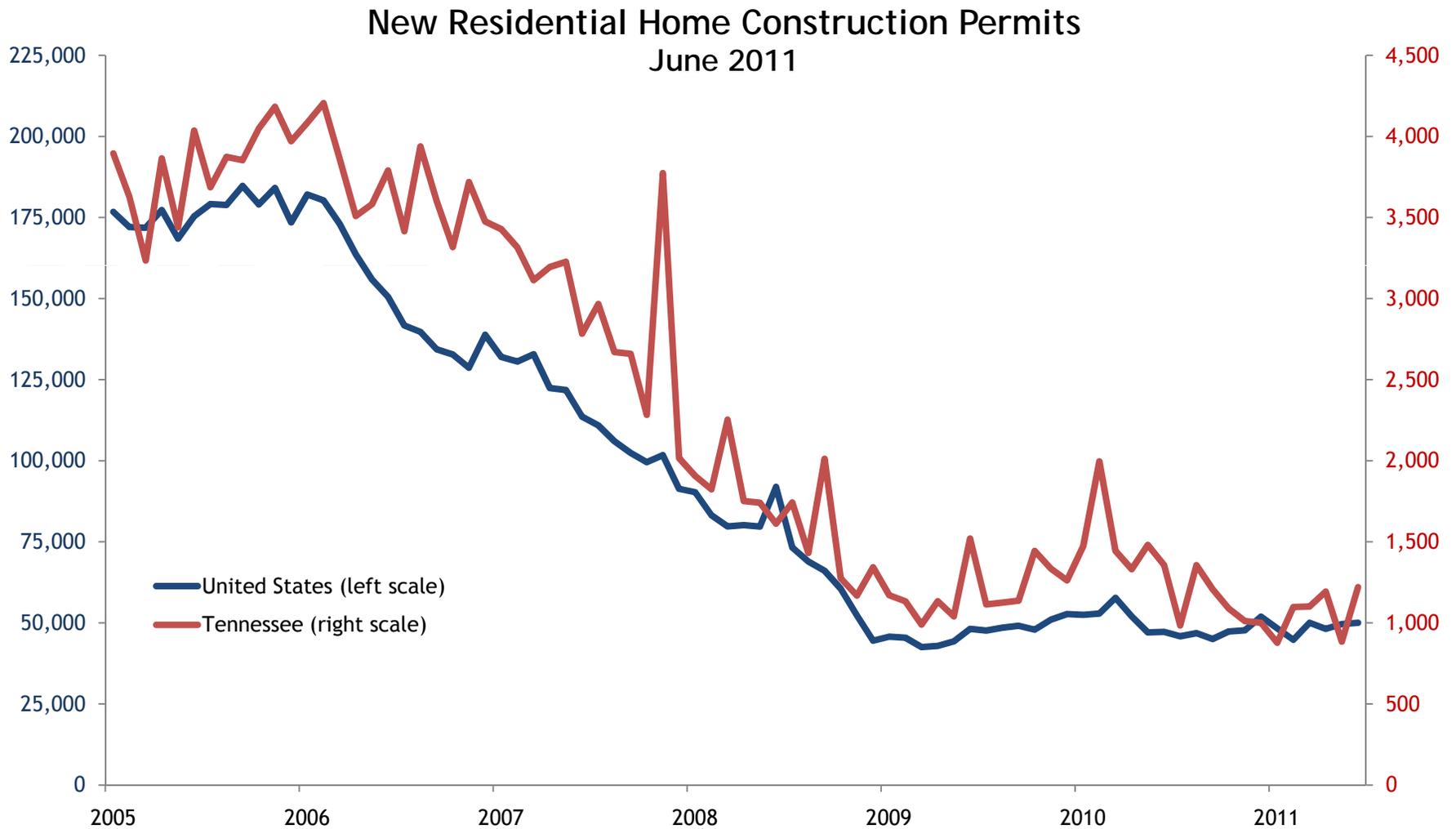
Source: Kennesaw State University, Coles College of Business Econometric Center

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



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

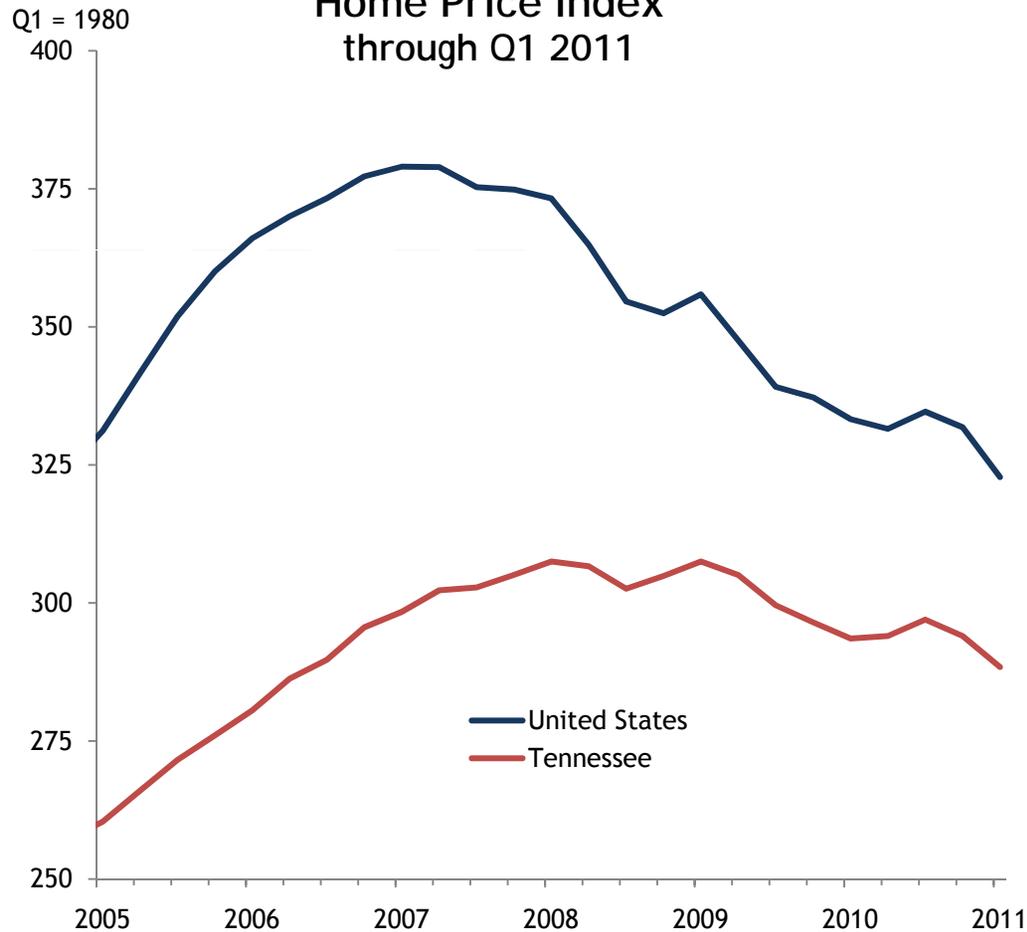
New home construction remains near record lows for both the United States and Tennessee.



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

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

### Federal Housing Finance Agency Home Price Index through Q1 2011

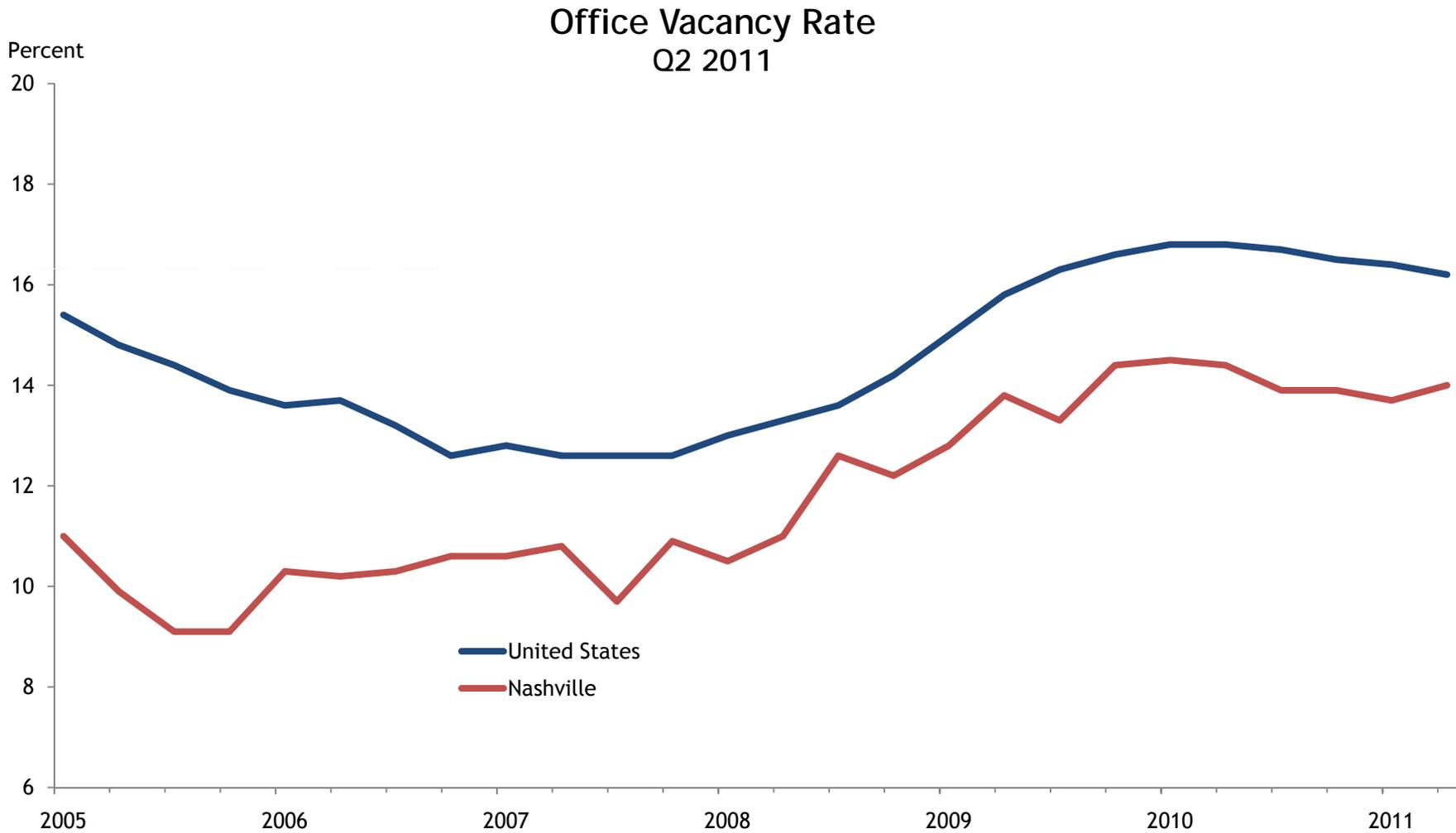


Source: Federal Housing Finance Agency, Haver Analytics

FHFA House Price Index: Q1 2011	1-yr % change	5-yr % change	10-yr % change
United States	-3.1	-11.8	31.1
Tennessee	-1.8	2.8	28.1
Cleveland	-1.9	4.7	28.1
Jackson	-0.9	-4.0	10.1
Johnson City	-1.2	9.5	37.9
Knoxville	-2.0	4.7	37.1
Morristown	-1.2	1.9	28.0
Nashville	-1.7	3.8	30.5
Chattanooga	-1.9	1.1	31.1
Clarksville	-1.0	7.5	33.7
Kingsport-Bristol	-0.9	9.2	40.8
Memphis	-3.8	-7.3	8.6

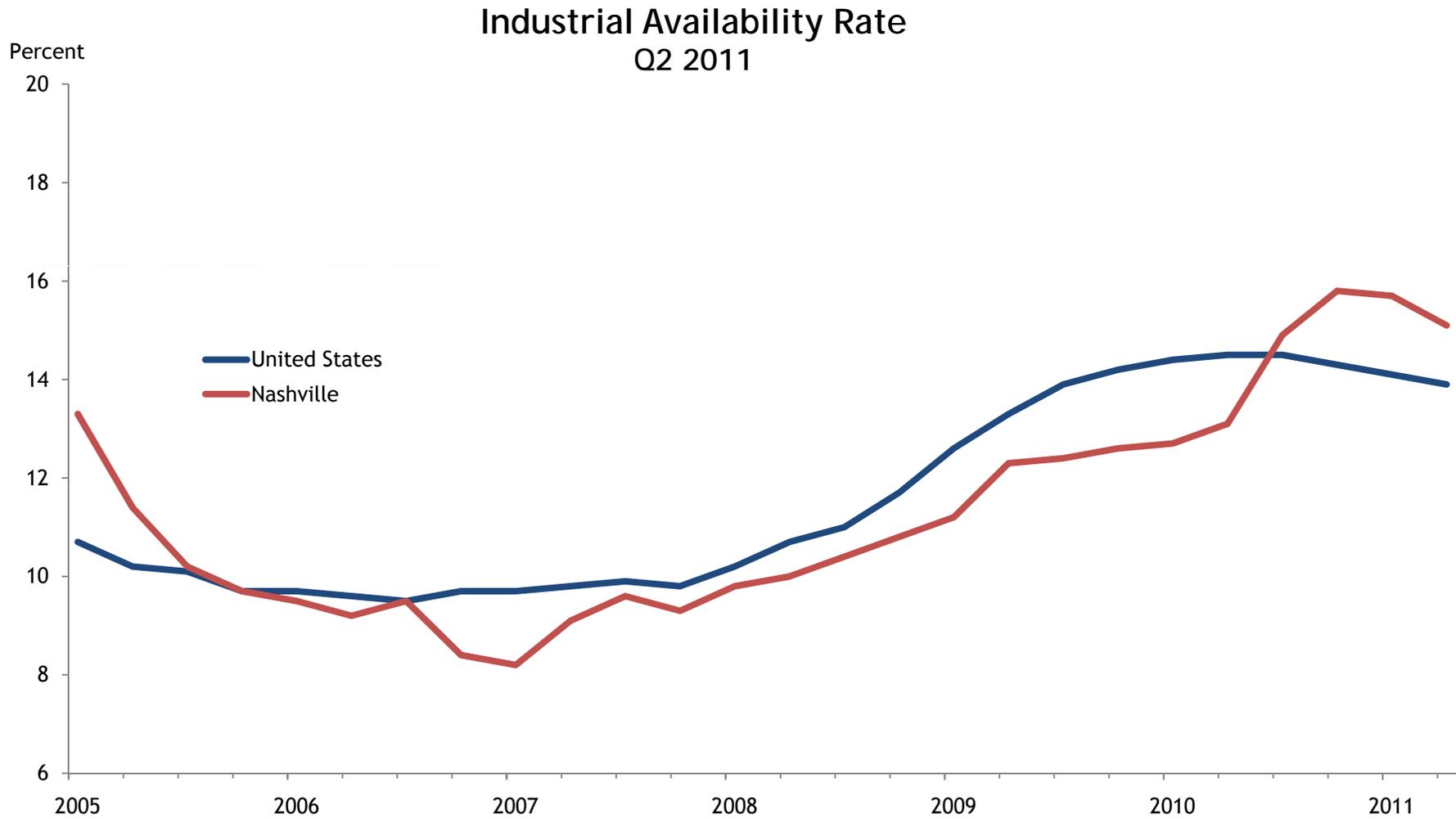
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

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



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate declined slightly in the second quarter of 2011.



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](http://www.frbatlanta.org/rein/learn/map/learn_members.cfm).