



# Data Digest: Tennessee

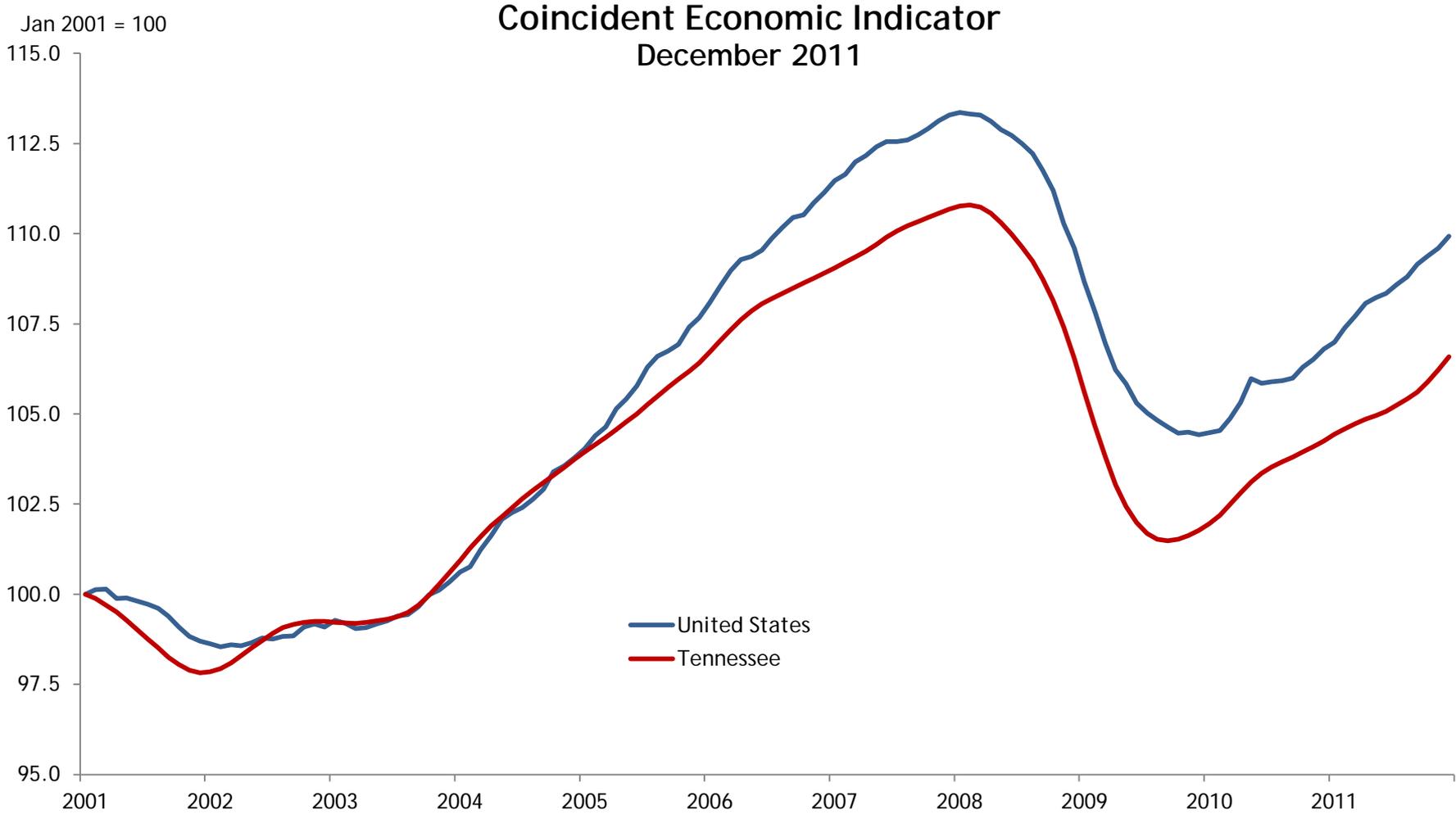
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February 2012



# Tennessee's recent economic performance trends largely mirror that of the United States.

[About the Coincident Economic Indicator](#)

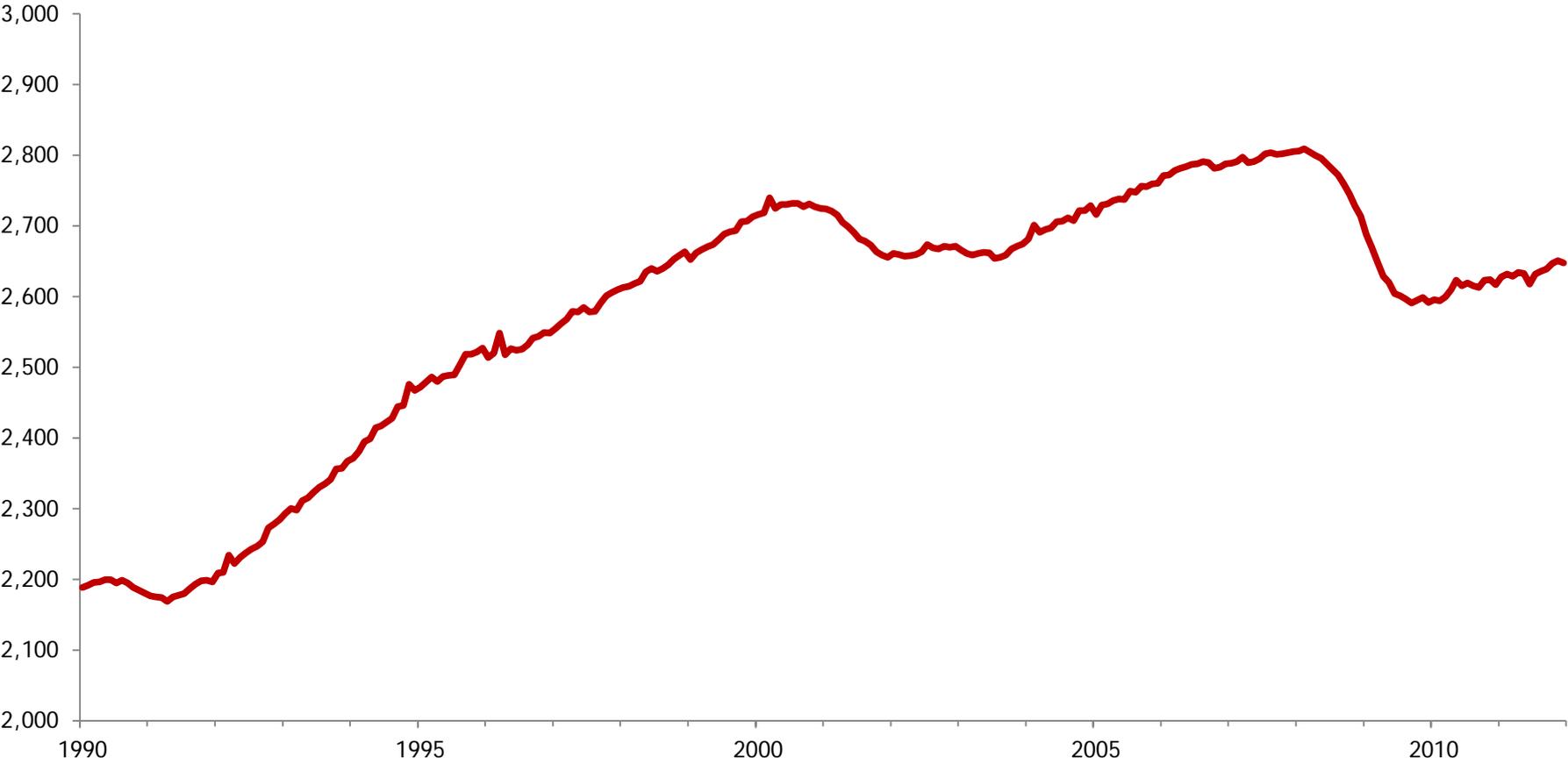


Source: Federal Reserve Bank of Philadelphia

For more than two years, total employment in Tennessee has been very gradually increasing.

### Tennessee Payroll Employment December 2011

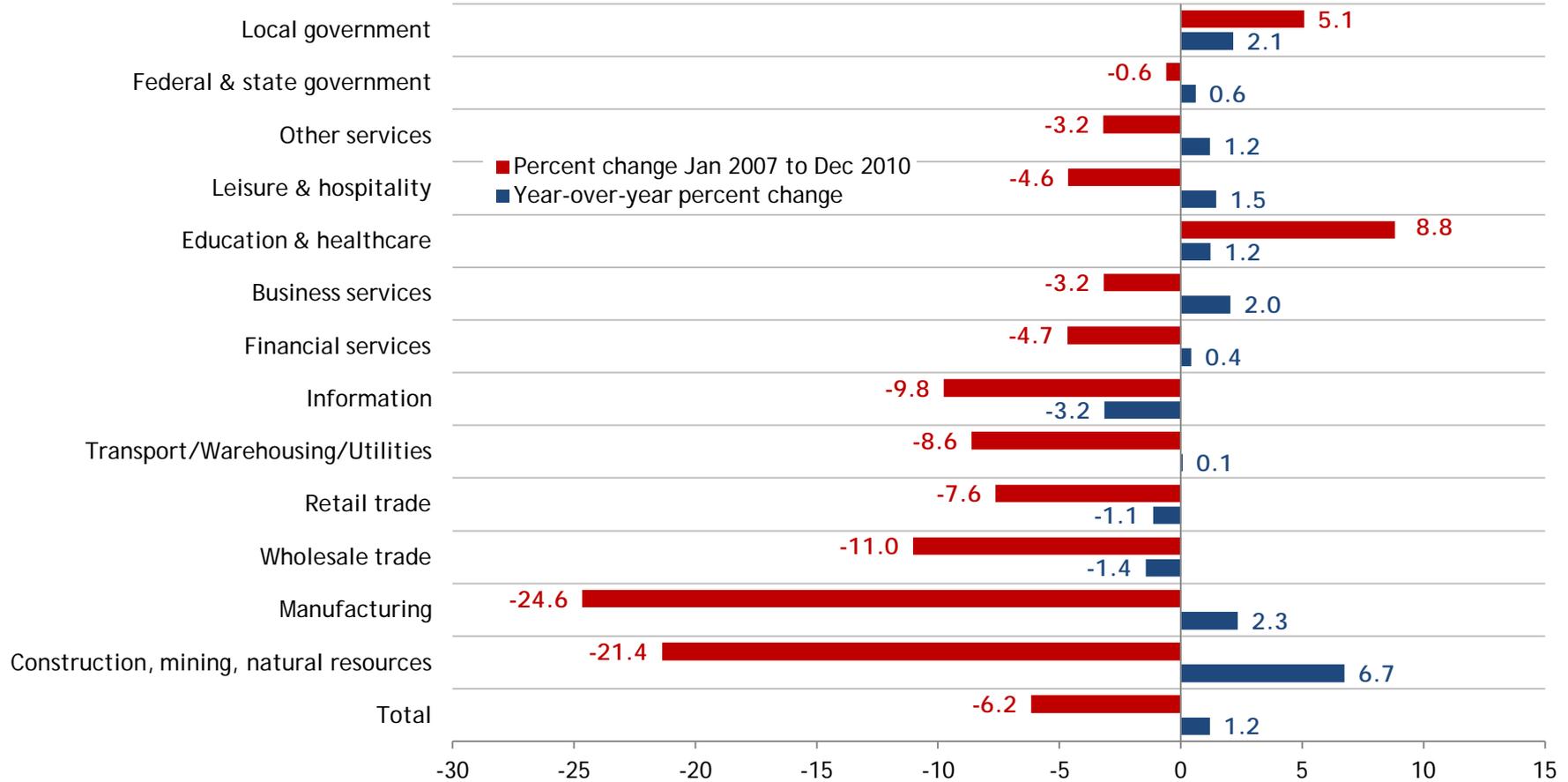
Thousands,  
seasonally adjusted



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

All private industries except education and health care lost jobs during the recent downturn; manufacturing and construction, mining, and natural resources saw significant declines. Most have regained some jobs over the past year.

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

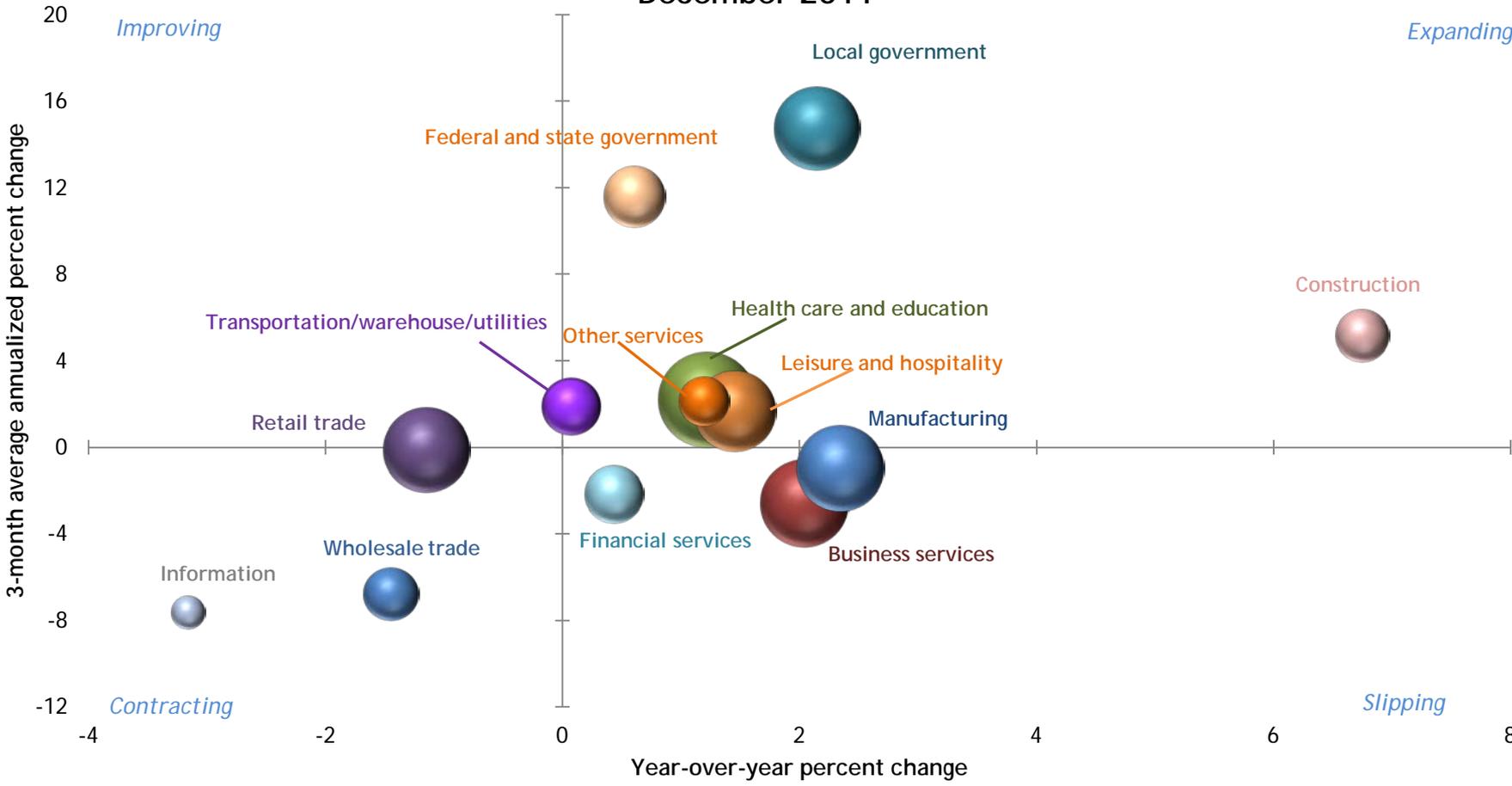


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Government, construction, transportation/warehouse/utilities, health care and education, leisure and hospitality, and other services are showing positive employment momentum. Retail and wholesale trade and information remain weak; other industries are slipping.

[About Employment Momentum](#)

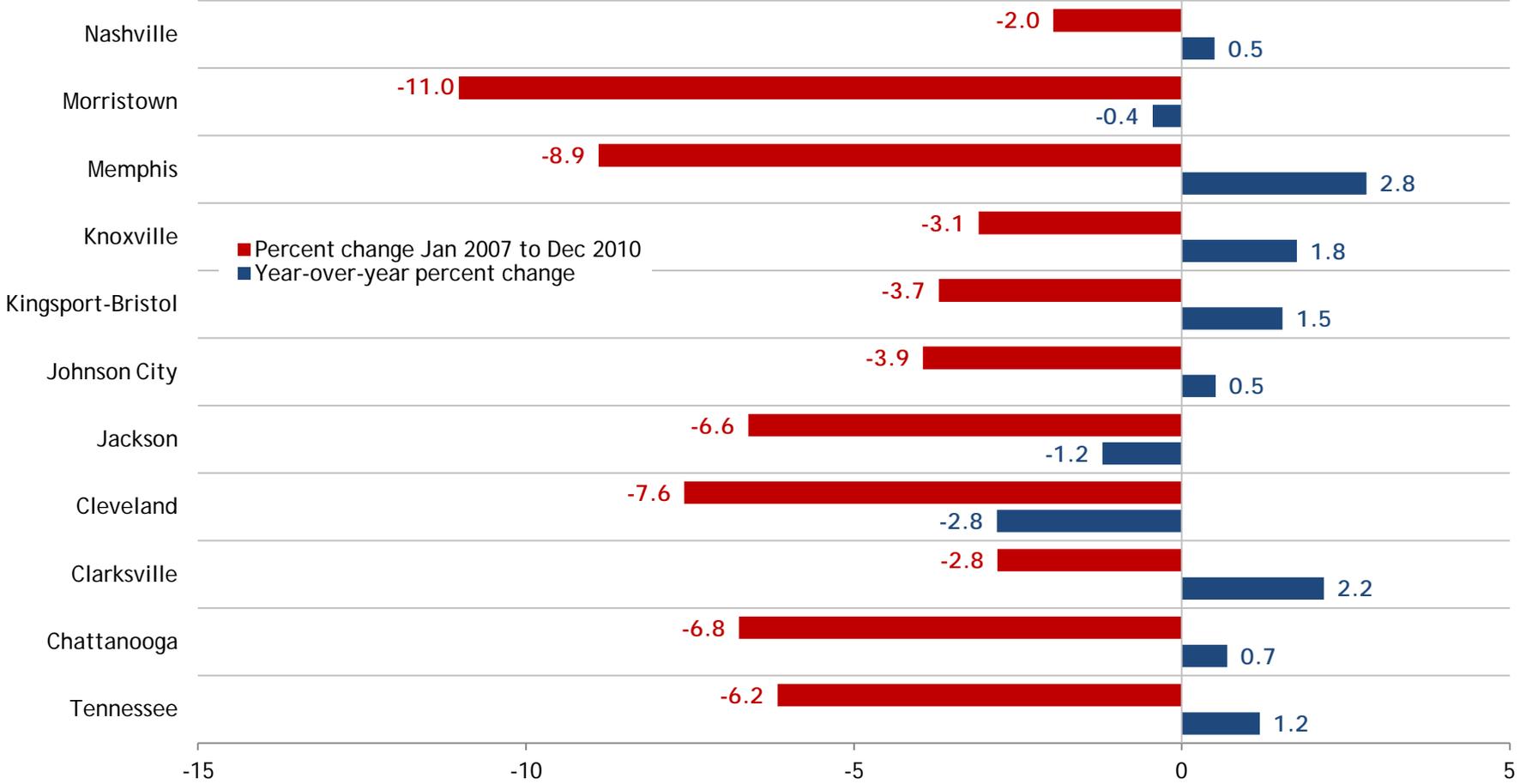
### Employment Momentum by Industry: Tennessee December 2011



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

Employment losses in Tennessee metro areas were significant during the downturn. A few metro areas continue to lose jobs in the recovery as well.

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

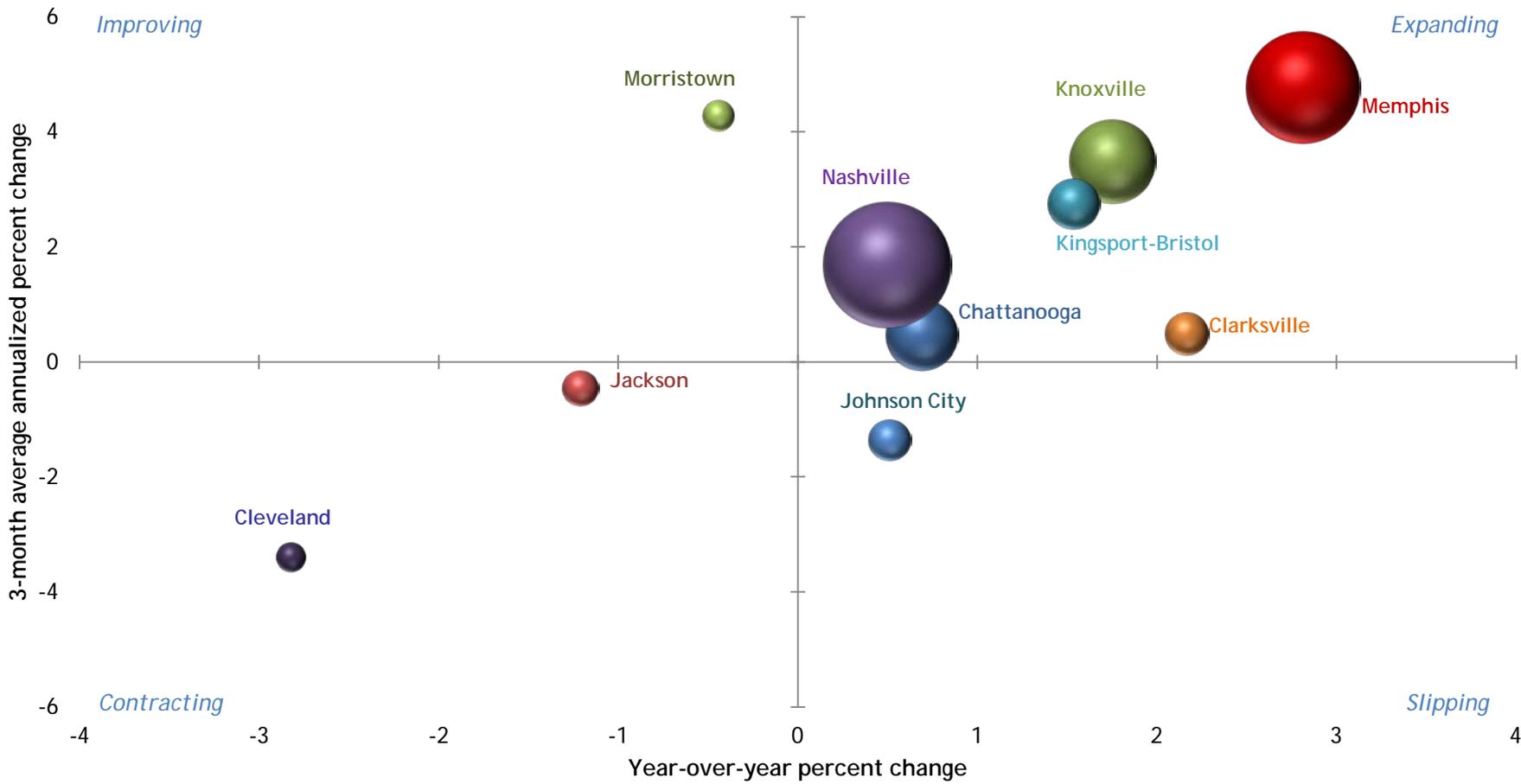


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

# Most of Tennessee's major metro areas are experiencing expanding employment momentum.

[About Employment Momentum](#)

## Employment Momentum by Metro Area: Tennessee December 2011

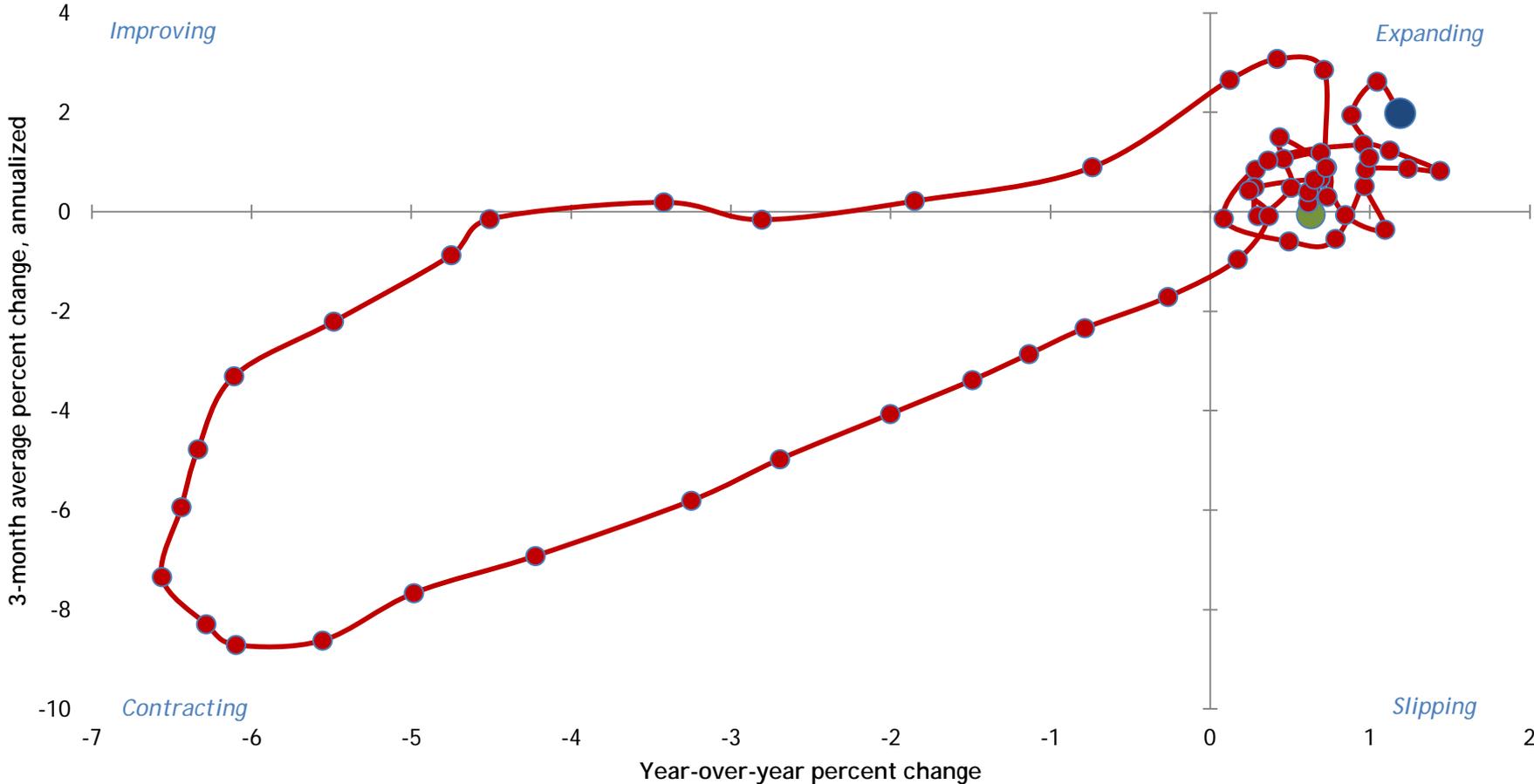


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum slipped in the summer of 2011, but started to expand again in September.

[About Employment Momentum Track](#)

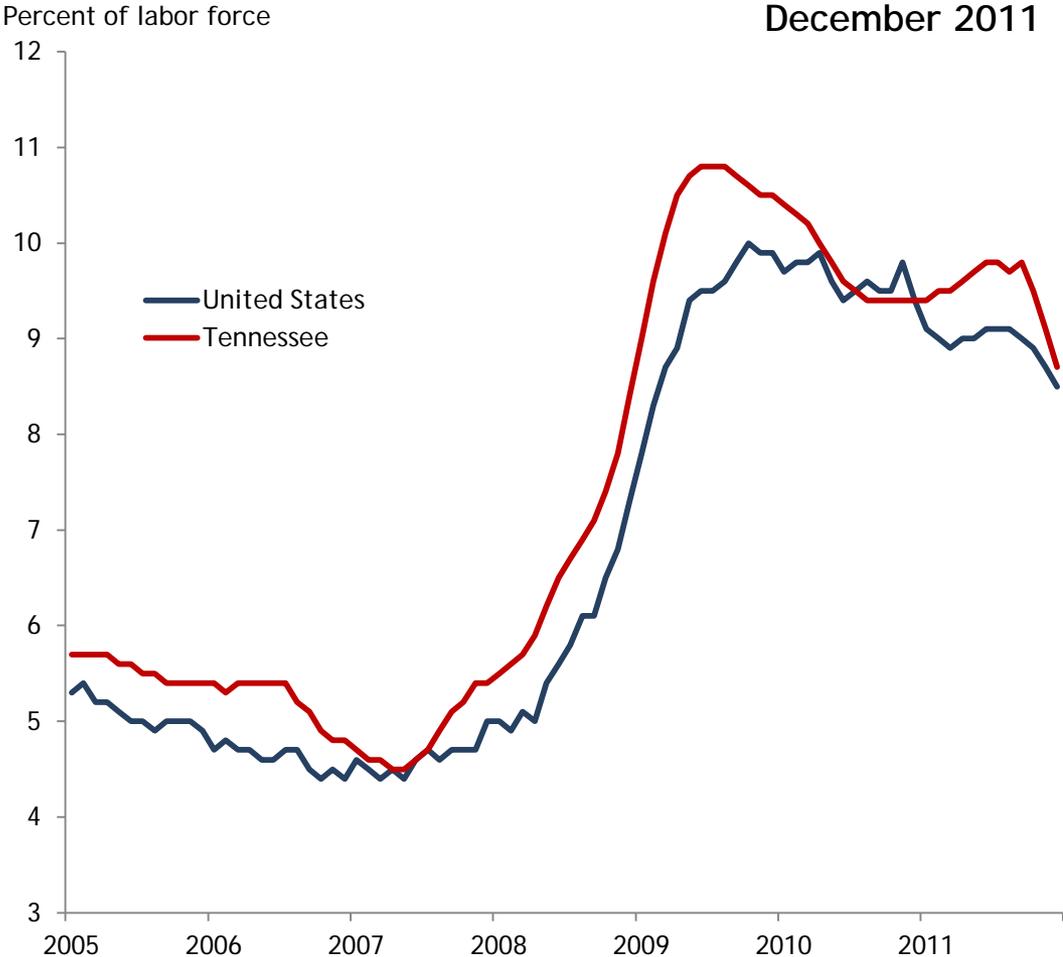
### Employment Momentum Track: Tennessee January 2007-December 2011



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

# Tennessee's unemployment rate fell in December to the lowest level in three years.

## Unemployment Rate December 2011



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	8.5	9.4	4.6
Tennessee	8.7	9.4	4.7
Chattanooga	7.3	8.3	4.4
Clarksville	8.7	9.8	5.7
Cleveland	8.0	8.9	5.0
Jackson	8.7	9.2	5.7
Johnson City	7.1	8.3	4.9
Kingsport-Bristol	7.1	8.1	4.9
Knoxville	6.4	7.4	4.1
Memphis	8.8	9.4	5.8
Morristown	9.7	10.7	6.2
Nashville	6.9	7.9	4.2

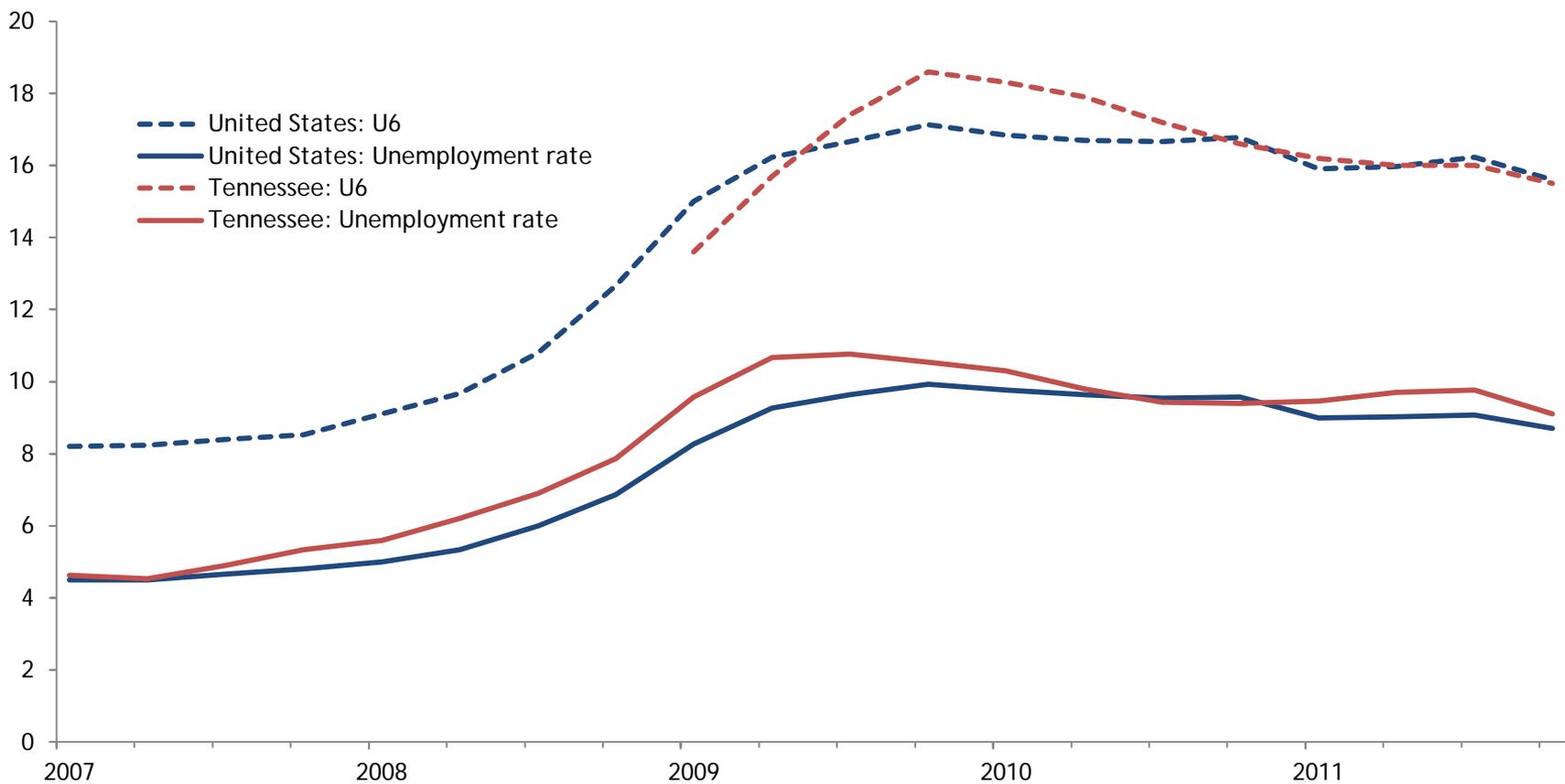
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Alternative measures of labor underutilization for Tennessee—namely, the U6 figure—show that like the comparable U.S. measure, 15.5 percent of the state’s labor force is either unemployed or underemployed.

[About Unemployment Rates](#)

Measures of Labor Utilization: Unemployment Rate and U6  
Q4 2011

Percent,  
seasonally adjusted



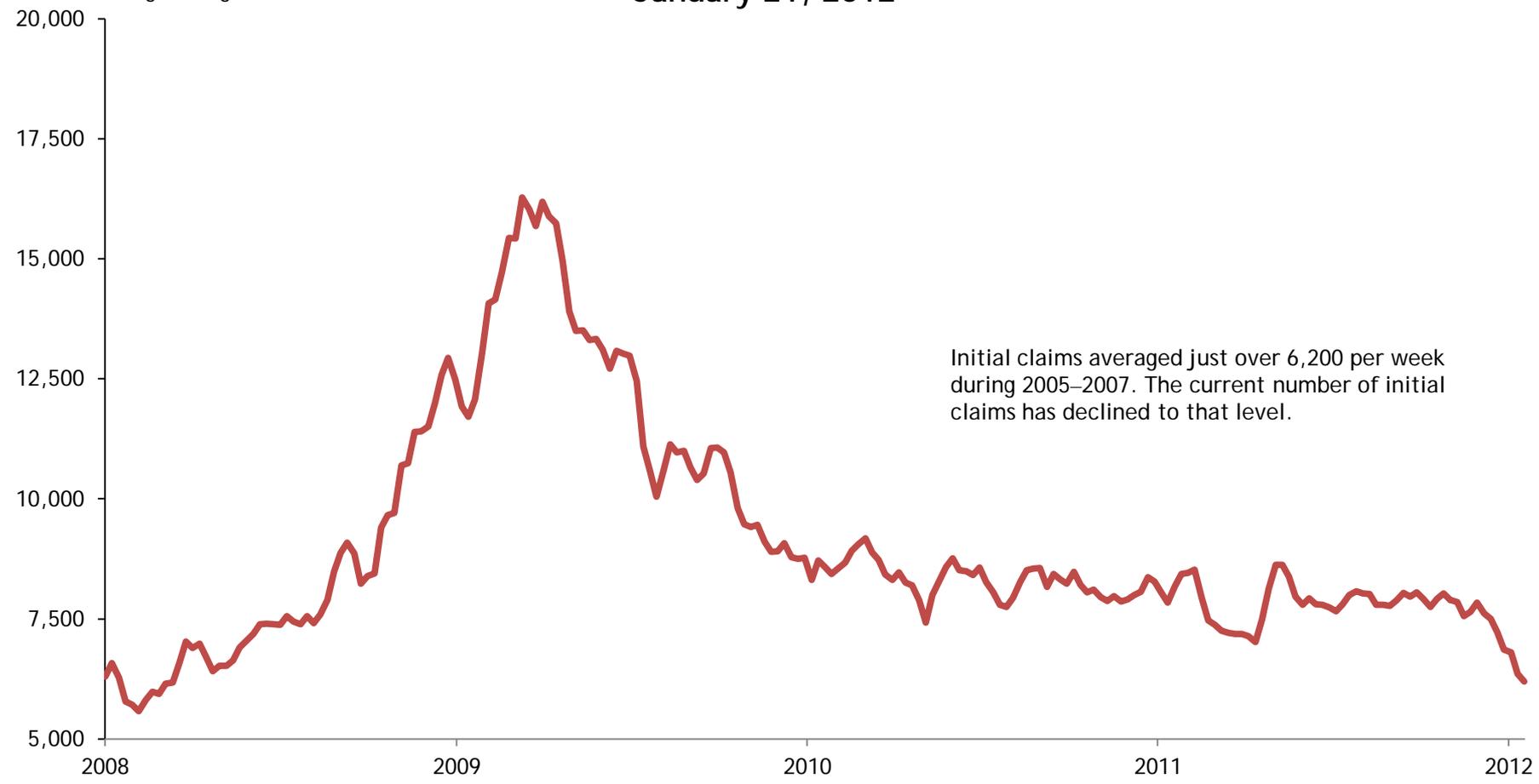
Note: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached.

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

Initial claims for unemployment insurance have declined markedly in the past few months.

### Initial Unemployment Insurance Claims: Tennessee January 21, 2012

4-week moving average



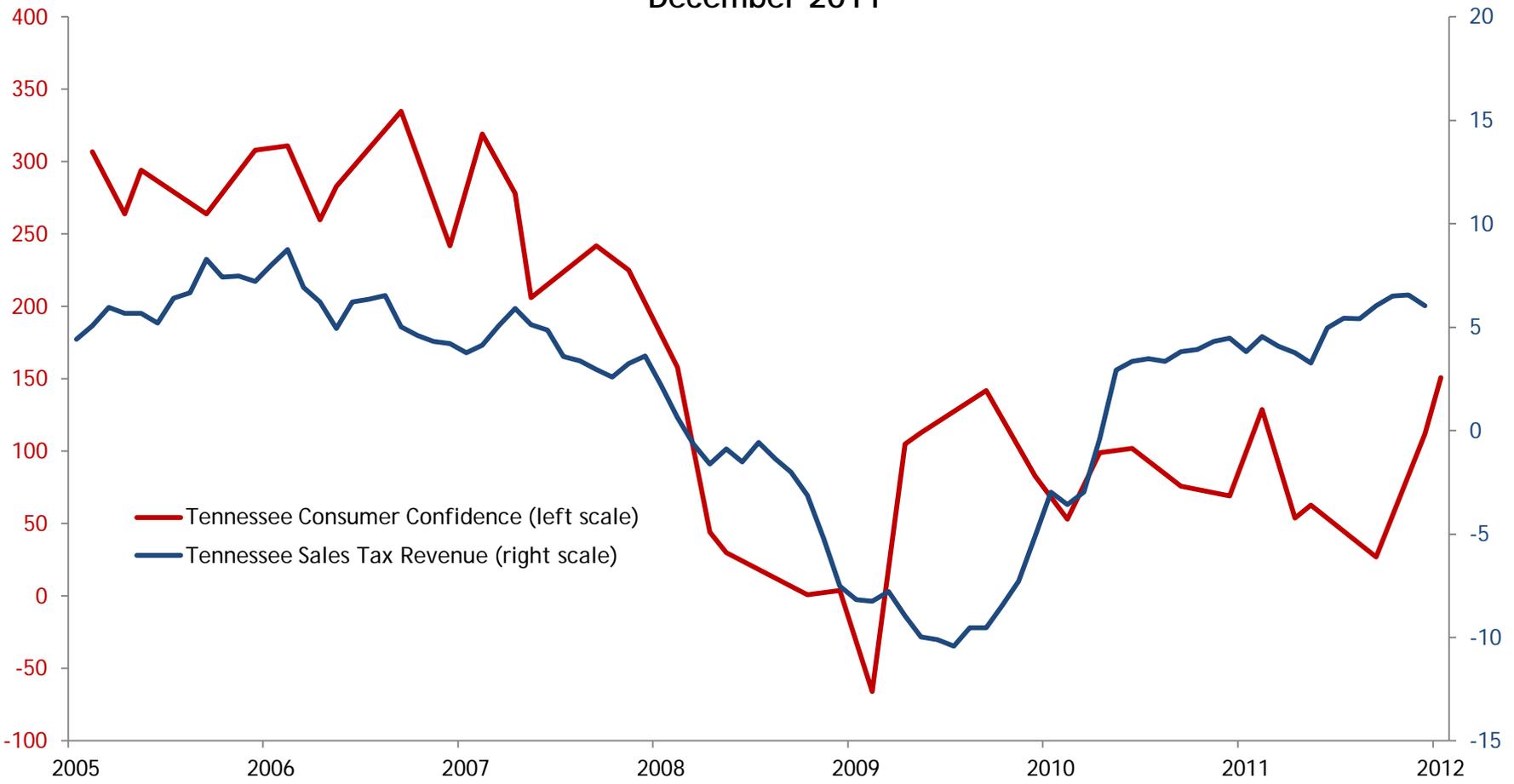
Initial claims averaged just over 6,200 per week during 2005–2007. The current number of initial claims has declined to that level.

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

Consumer confidence has improved, and sales tax revenue continued to increase.

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

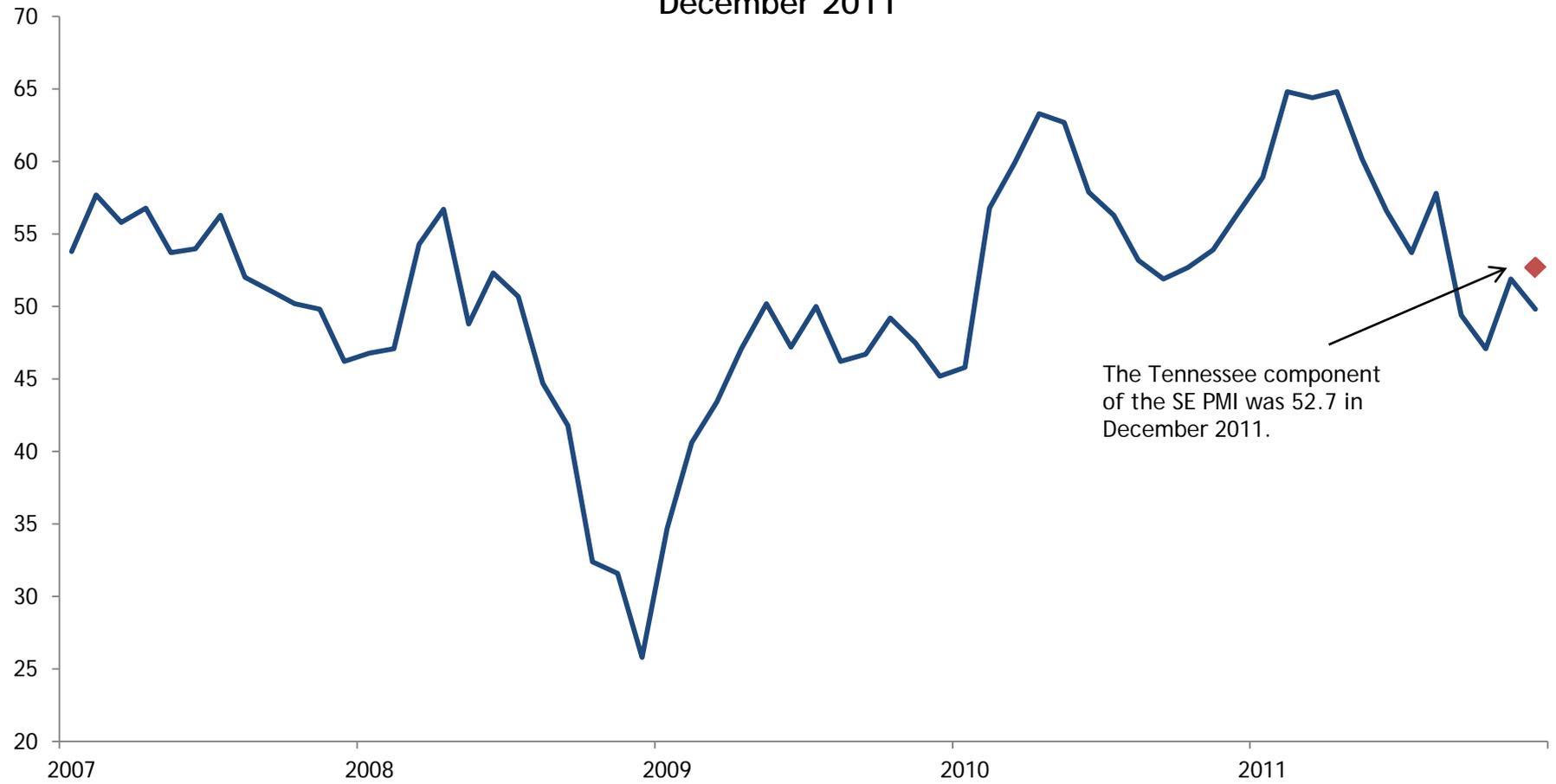
Year-to-year change,  
3-month moving average



Note: Consumer confidence data are through January 2012.  
Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity decelerated in December, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's PMI is slightly above the Southeast PMI reading of 49.8.

### Southeast Purchasing Managers Index December 2011

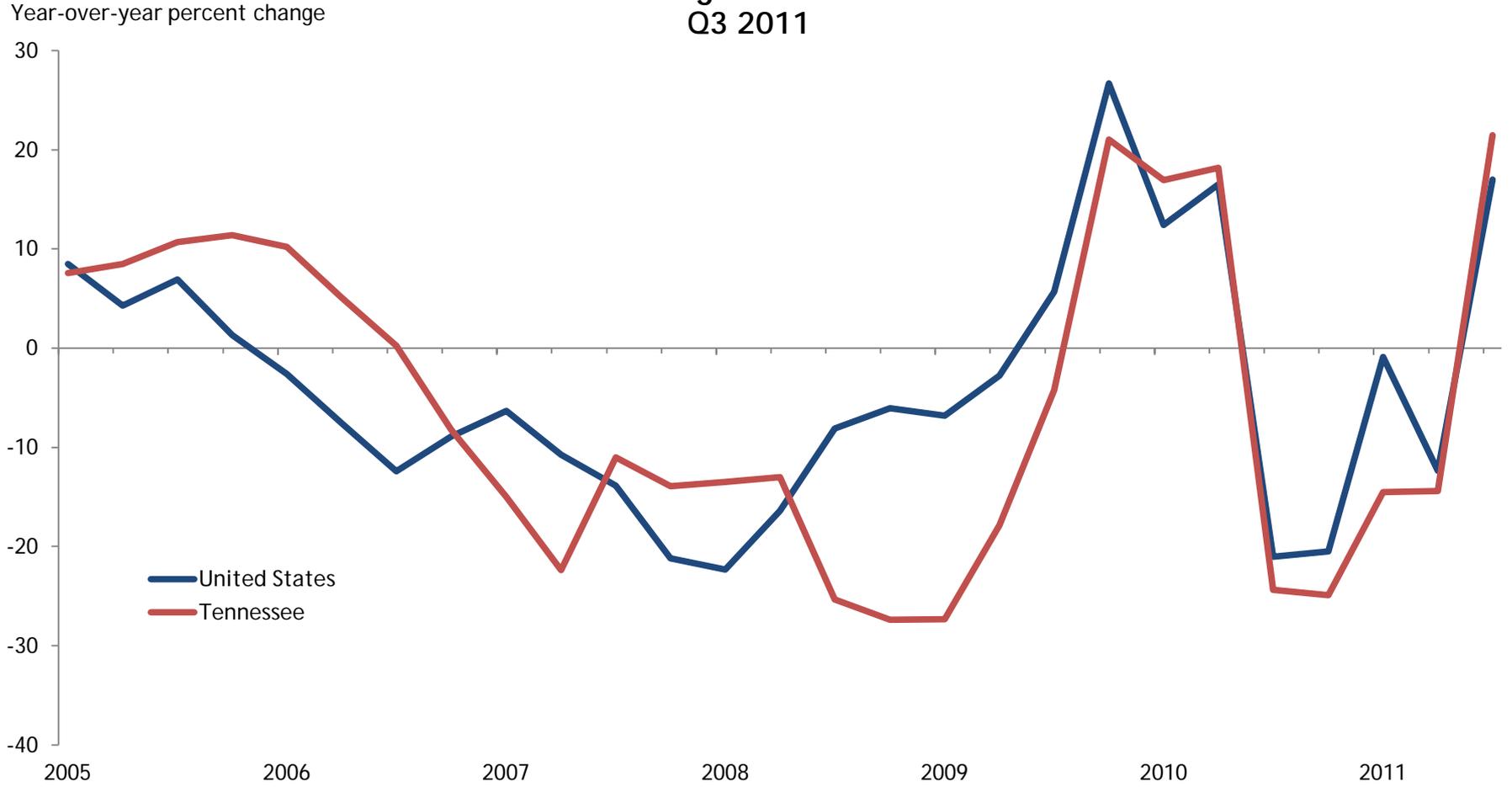


Note: 50+ = Expansion

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

Existing home sales in Tennessee declined slightly during the third quarter of 2011 but were well above weak year-ago levels.

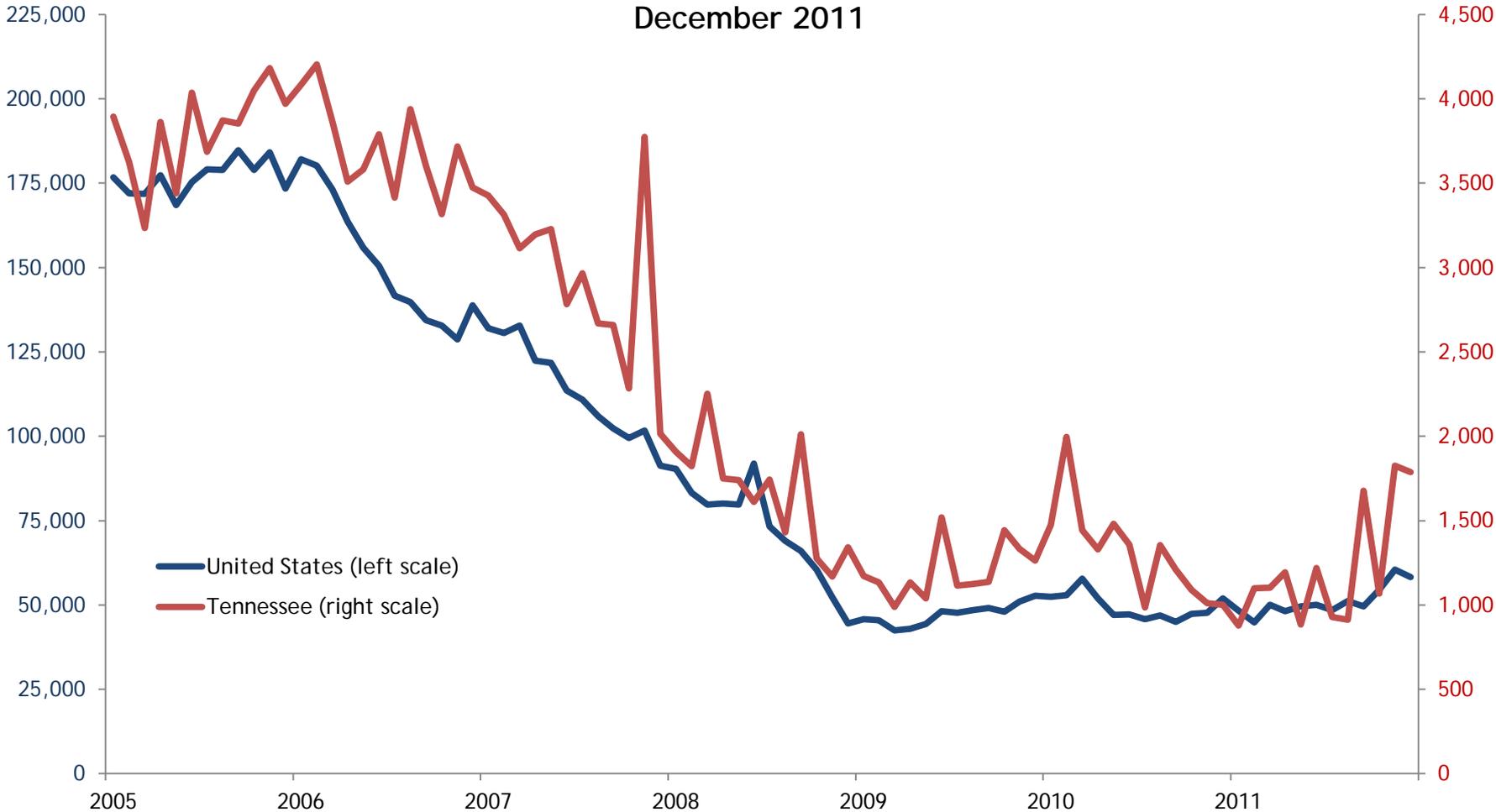
### Existing Home Sales Q3 2011



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

# New home construction in Tennessee remains at historically low levels.

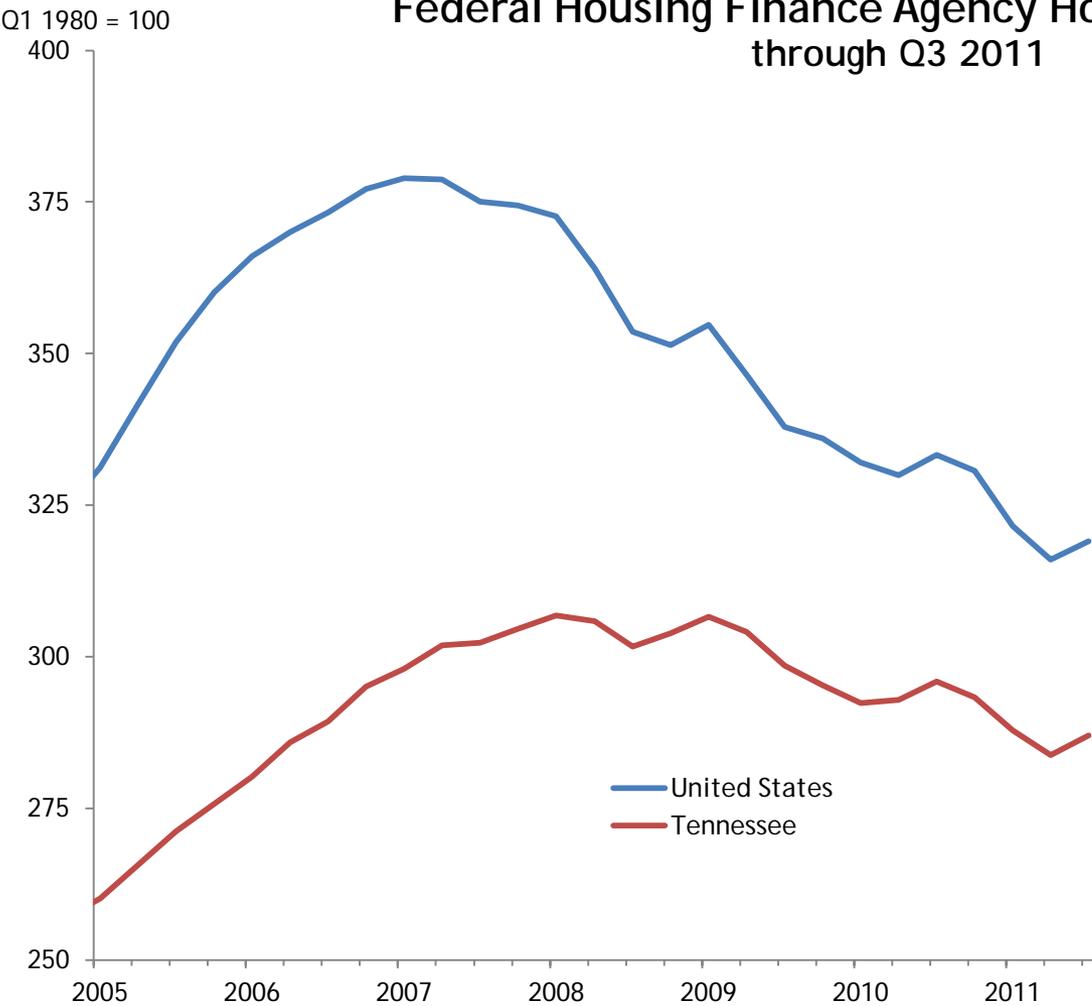
## New Residential Home Construction Permits December 2011



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. Prices picked up slightly in the third quarter, but were still below year-ago levels.

Federal Housing Finance Agency Home Price Index through Q3 2011



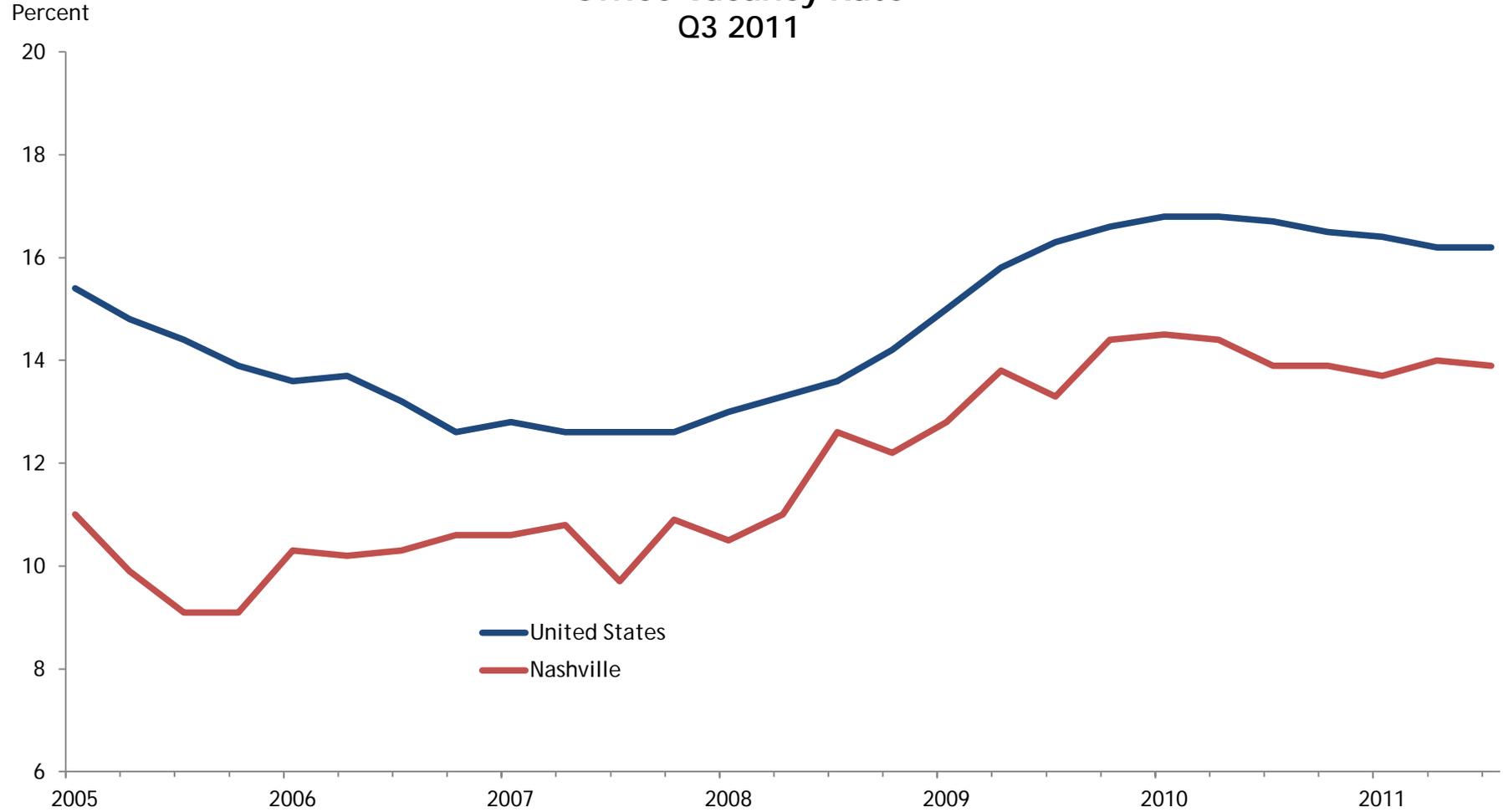
FHFA House Price Index: Q3 2011	1-yr % change	5-yr % change	10-yr % change
United States	-4.3	-14.5	25.5
Tennessee	-3.0	-0.8	26.1
Cleveland	-2.6	0.0	30.5
Jackson	-3.7	-4.8	9.5
Johnson City	-4.4	4.0	34.2
Knoxville	-2.4	0.8	34.4
Morristown	0.5	1.6	31.7
Nashville	-2.5	-0.9	28.8
Chattanooga	-4.0	-1.3	27.7
Clarksville	-1.9	7.8	33.6
Kingsport-Bristol	0.0	6.7	38.8
Memphis	-5.4	-8.6	6.6

Source: Federal Housing Finance Agency, 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.

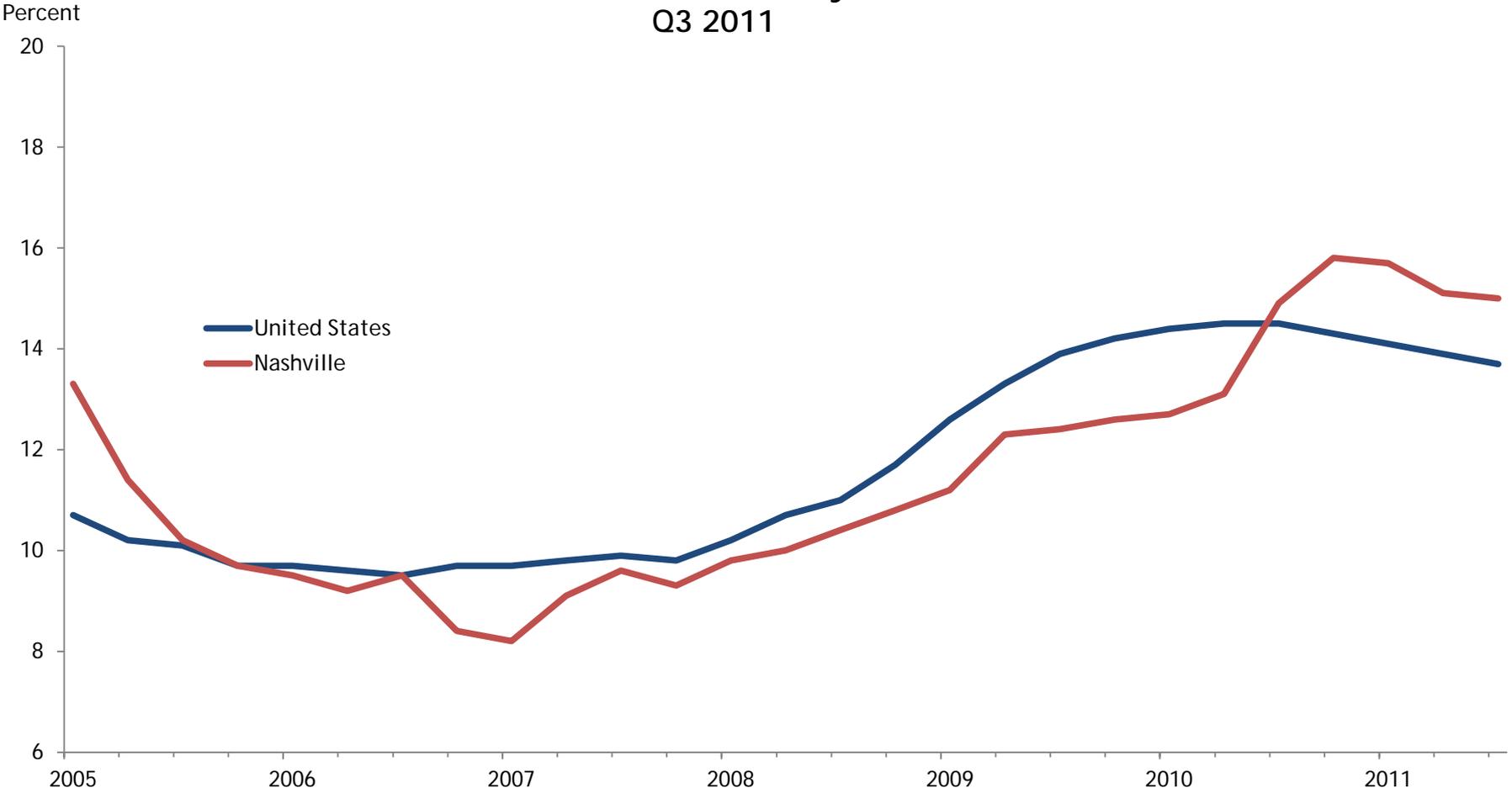
### Office Vacancy Rate Q3 2011



Source: CB Richard Ellis, Haver Analytics

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

### Industrial Availability Rate Q3 2011



Source: CB Richard Ellis, Haver Analytics

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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).