



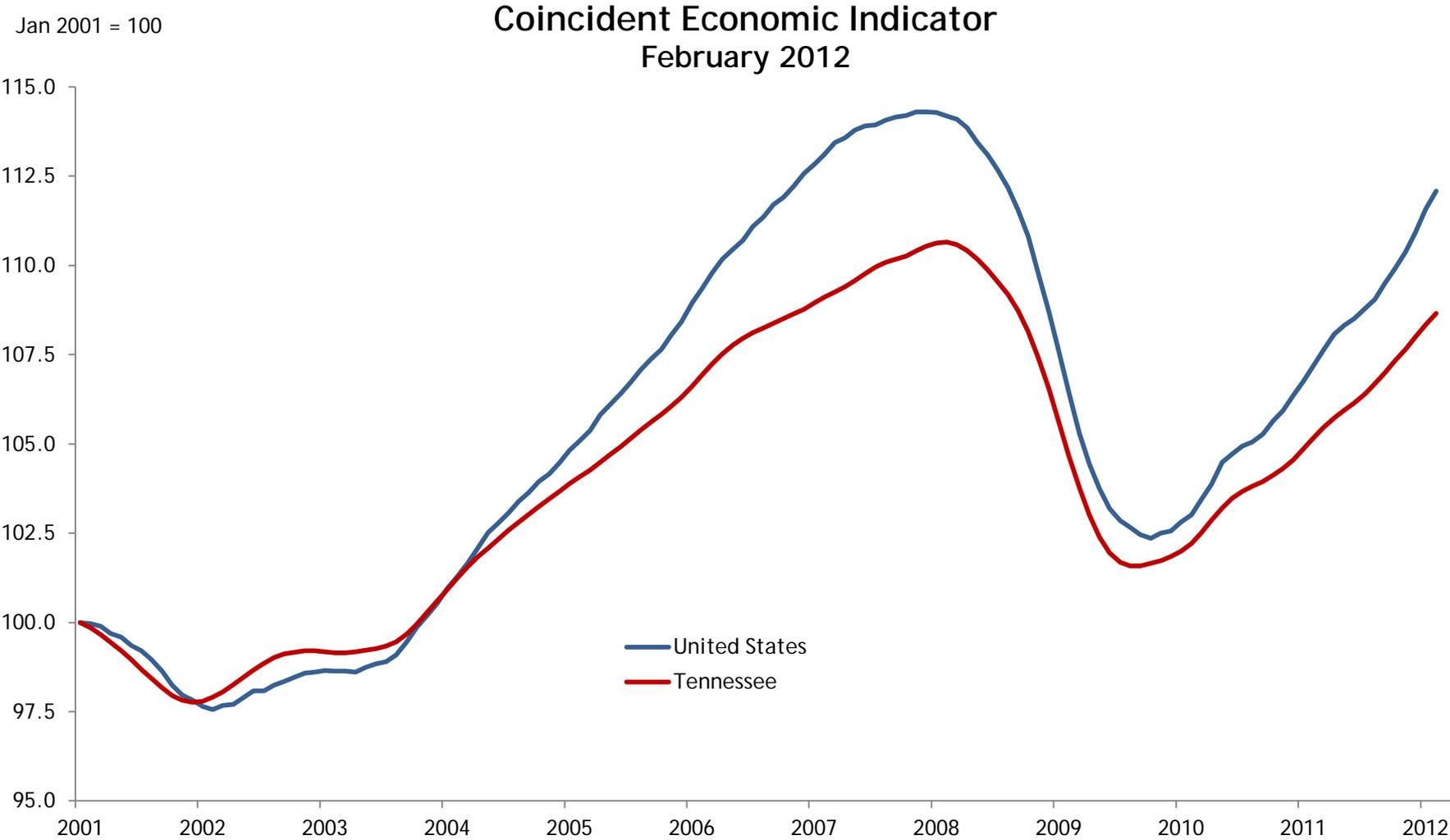
Data Digest: Tennessee

April 2012



Tennessee's recent economic performance trends largely mirror those of the United States; however, the pace remains below that of the nation.

[About the Coincident Economic Indicator](#)

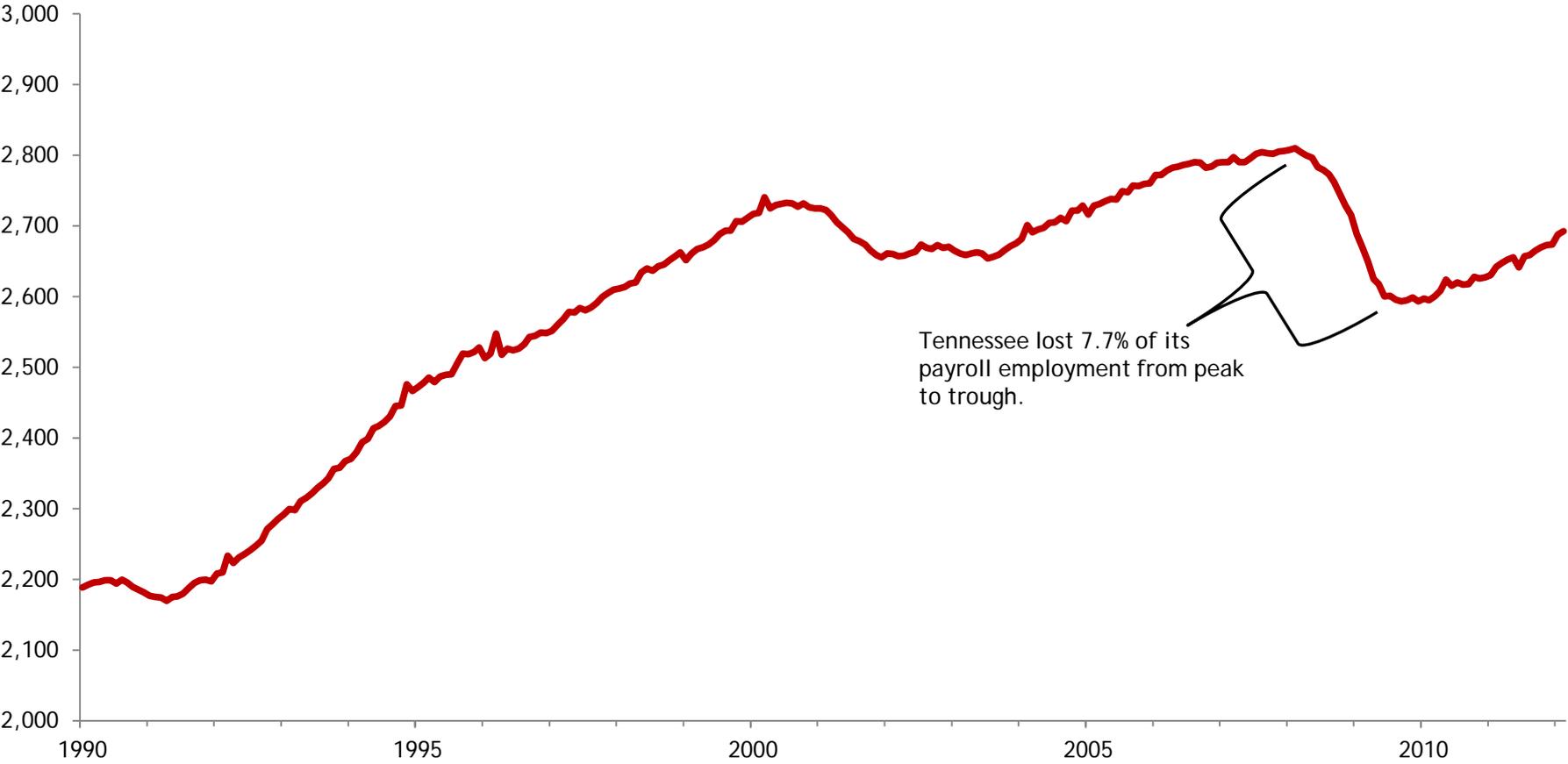


Source: Federal Reserve Bank of Philadelphia

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

Tennessee Payroll Employment February 2012

Thousands,
seasonally adjusted

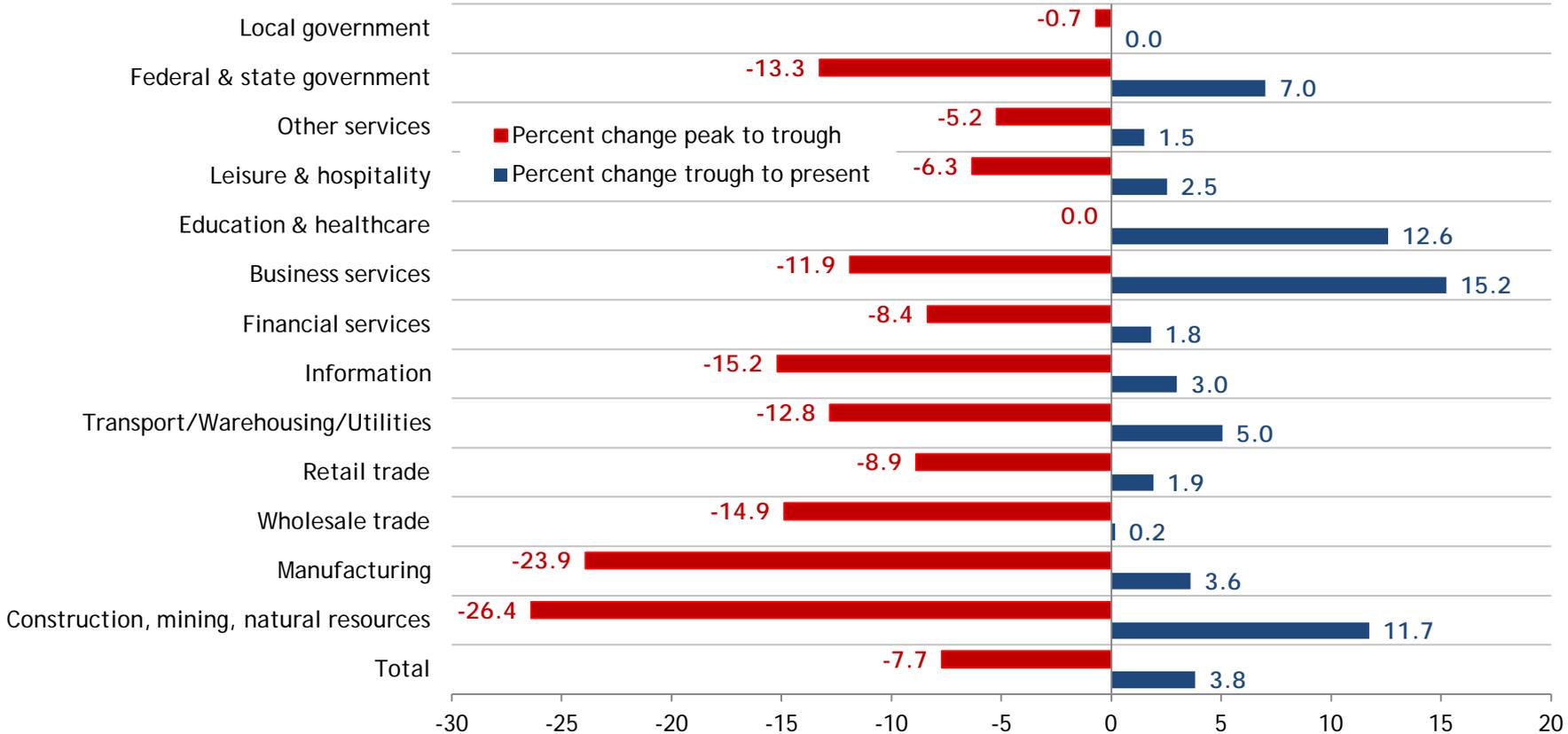


Tennessee lost 7.7% of its payroll employment from peak to trough.

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 industries have added jobs during the recovery.

Employment Loss and Gain by Industry: Tennessee February 2012



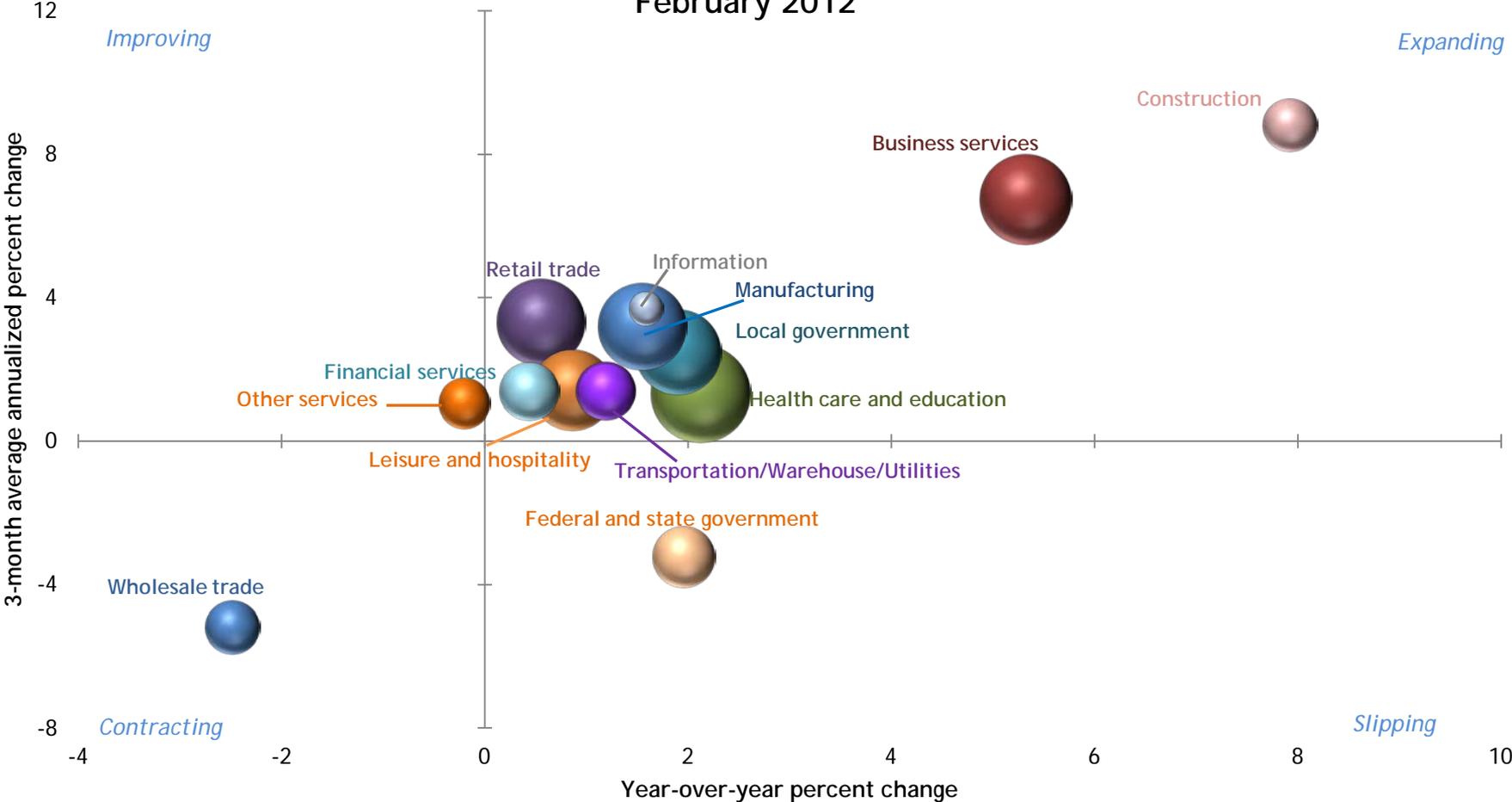
Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent change from January 2007 to present.

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

Most industries are showing positive employment momentum. Wholesale trade remains weak; federal and state government is slipping.

[About Employment Momentum](#)

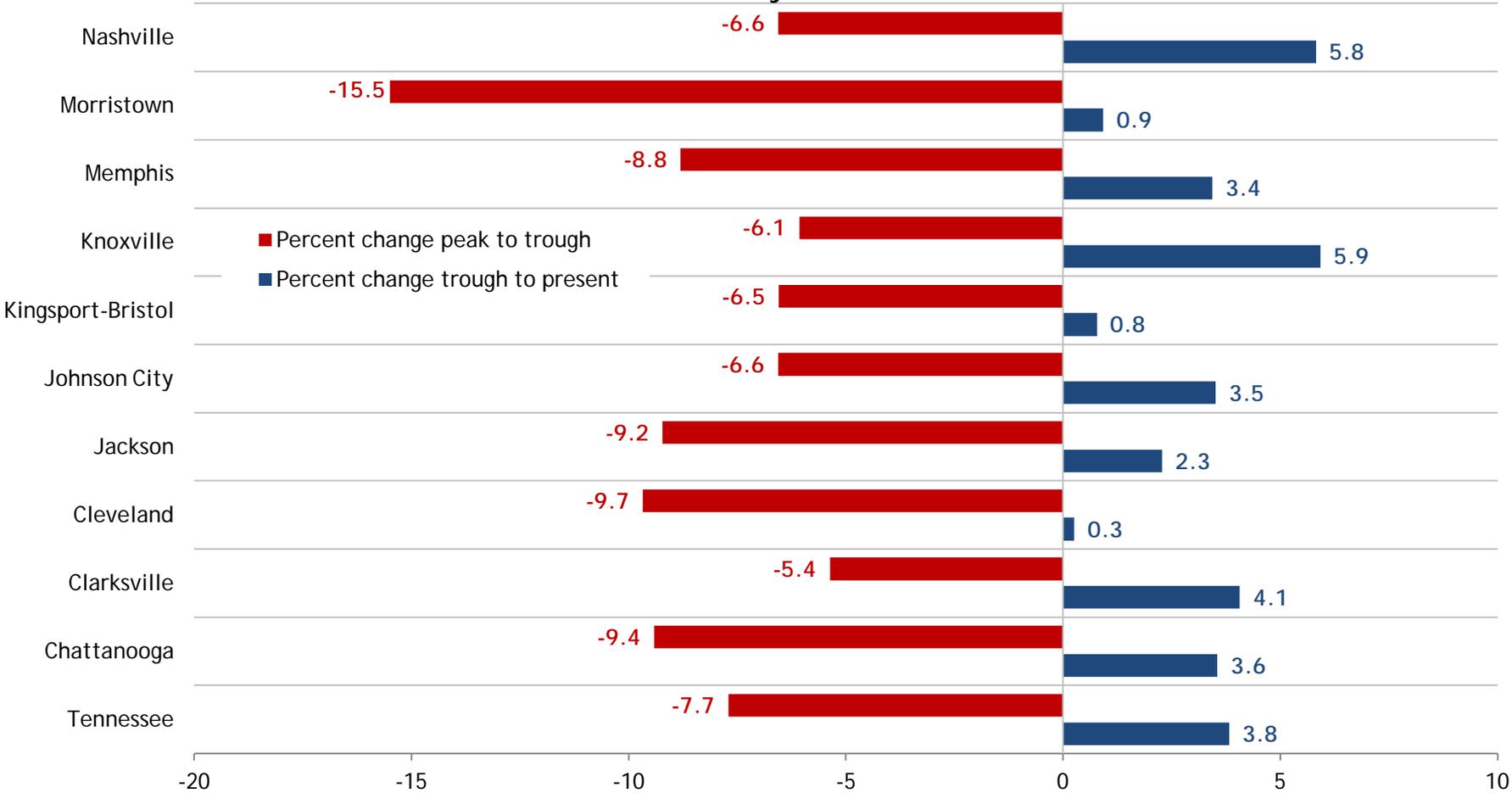
Employment Momentum by Industry: Tennessee February 2012



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. All metro areas have yet to regain the number of jobs that were lost.

Employment Loss and Gain by Metro Area: Tennessee February 2012

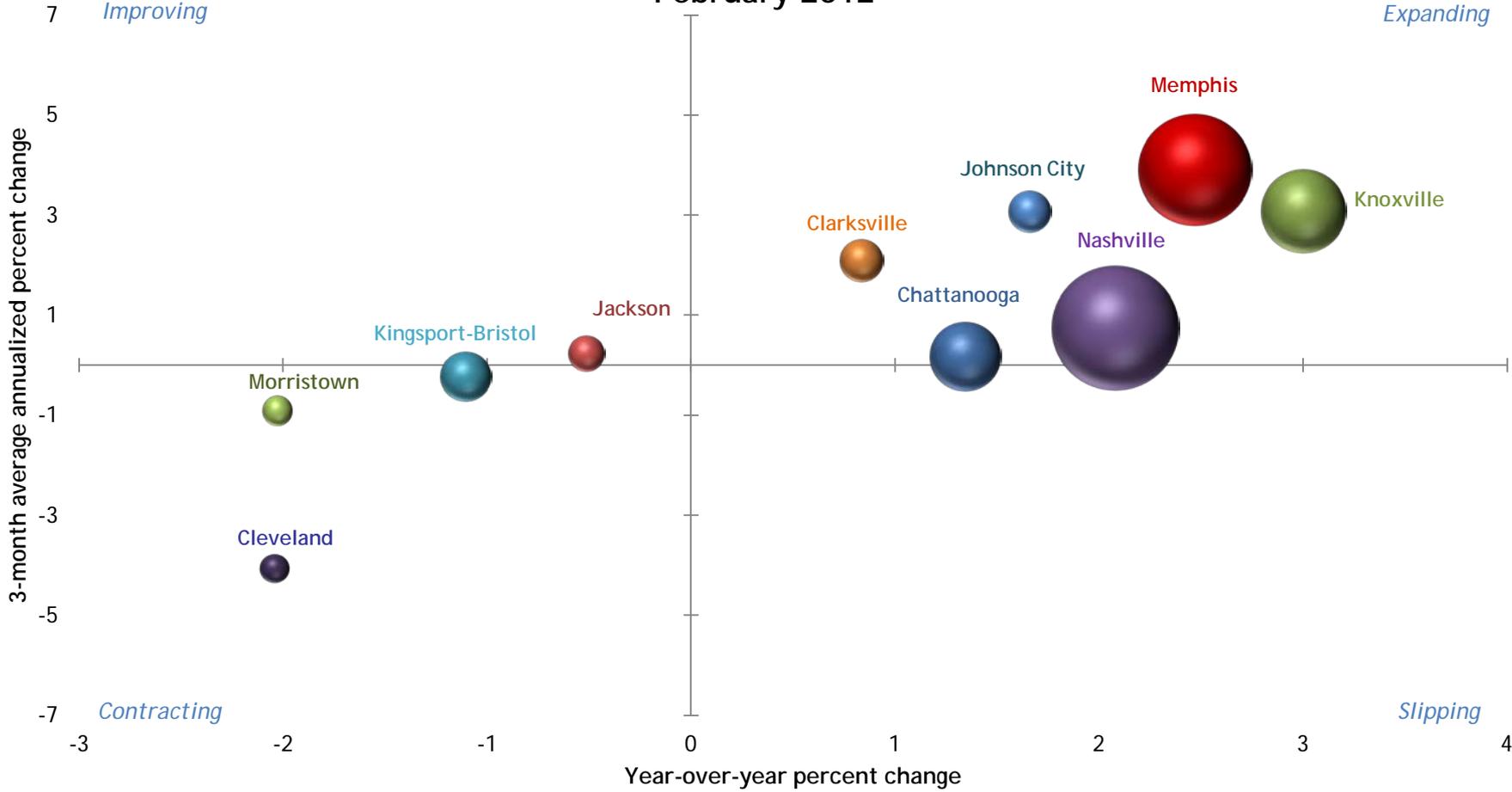


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee February 2012

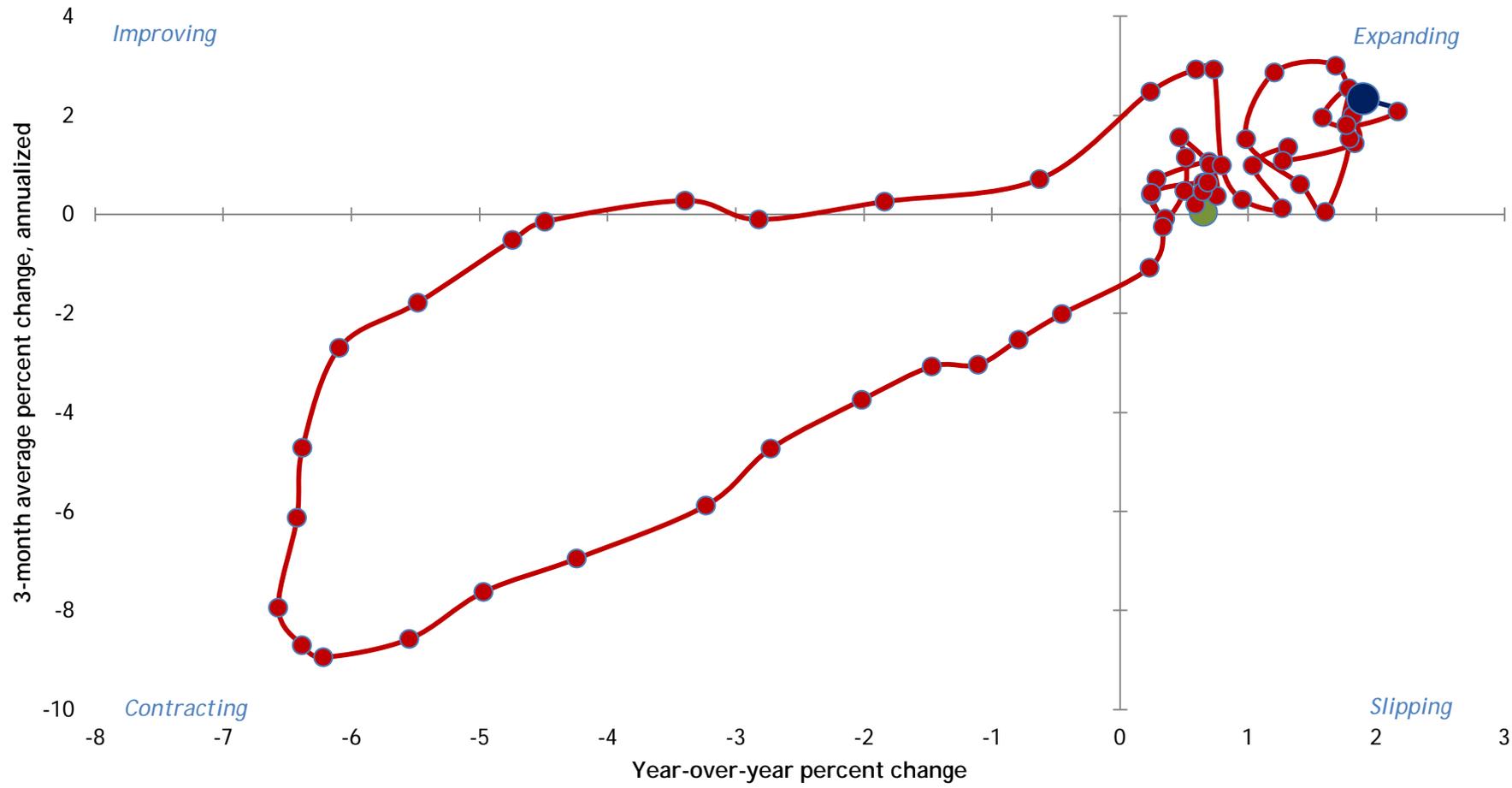


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum has been positive for much of the past two years.

[About Employment Momentum Track](#)

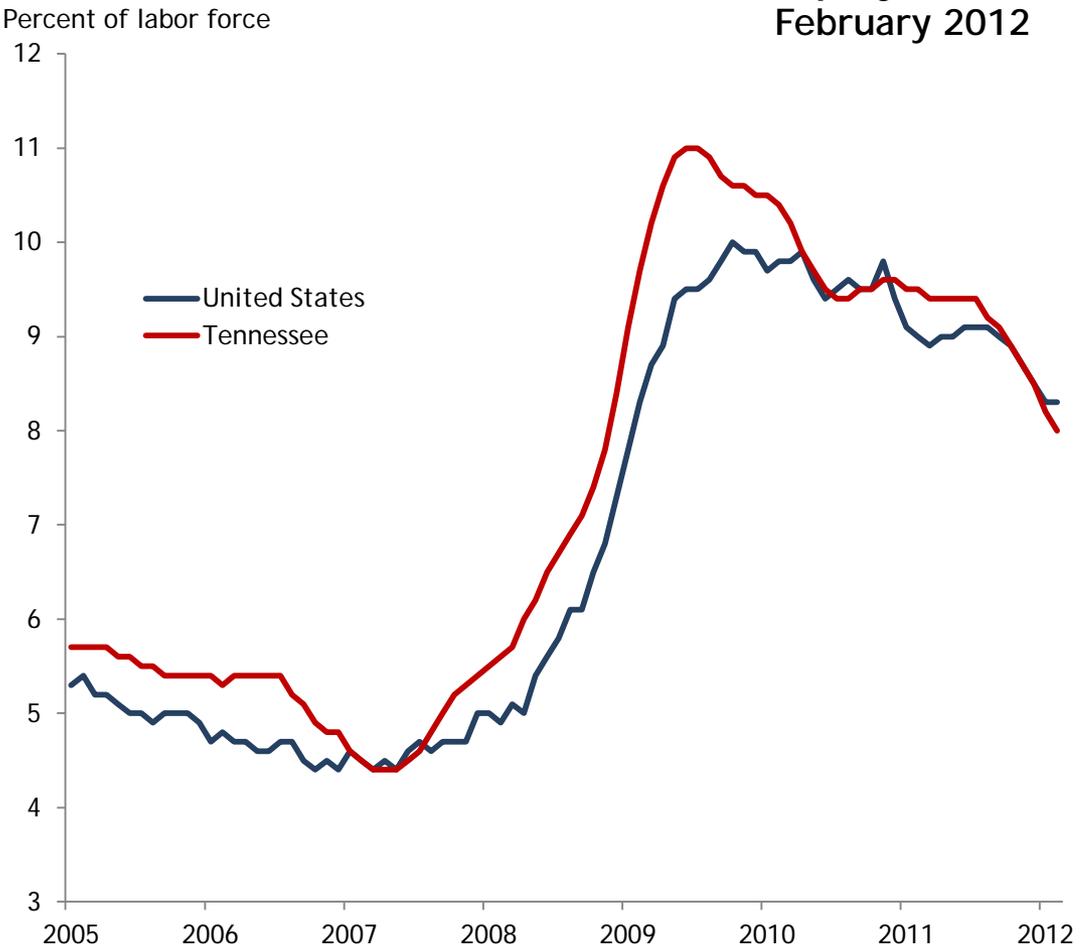
Employment Momentum Track: Tennessee January 2007–February 2012



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

Tennessee's unemployment rate fell in February to the lowest level in more than three years.

Unemployment Rate February 2012

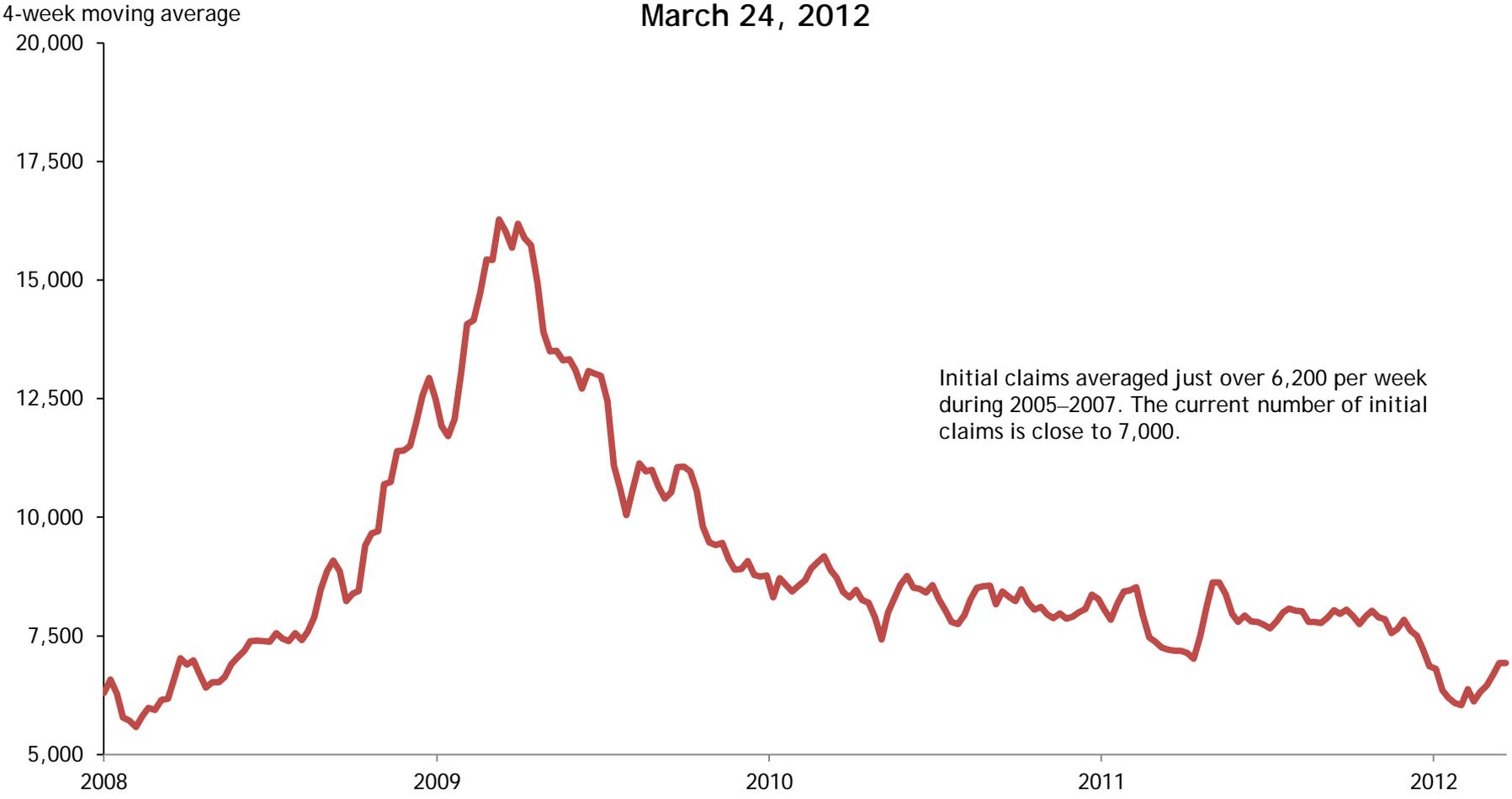


Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	8.3	9.0	4.6
Tennessee	8.0	9.5	4.6
Chattanooga	7.6	8.7	4.4
Clarksville	9.2	10.9	5.7
Cleveland	8.8	10.0	5.0
Jackson	8.7	10.1	5.7
Johnson City	7.6	9.3	4.9
Kingsport-Bristol	7.9	8.7	4.9
Knoxville	6.6	8.1	4.1
Memphis	9.2	10.4	5.8
Morristown	10.5	12.0	6.2
Nashville	7.1	8.8	4.2

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

Initial claims for unemployment insurance have risen in the past several weeks after having declined markedly over the last few months.

Initial Unemployment Insurance Claims: Tennessee March 24, 2012

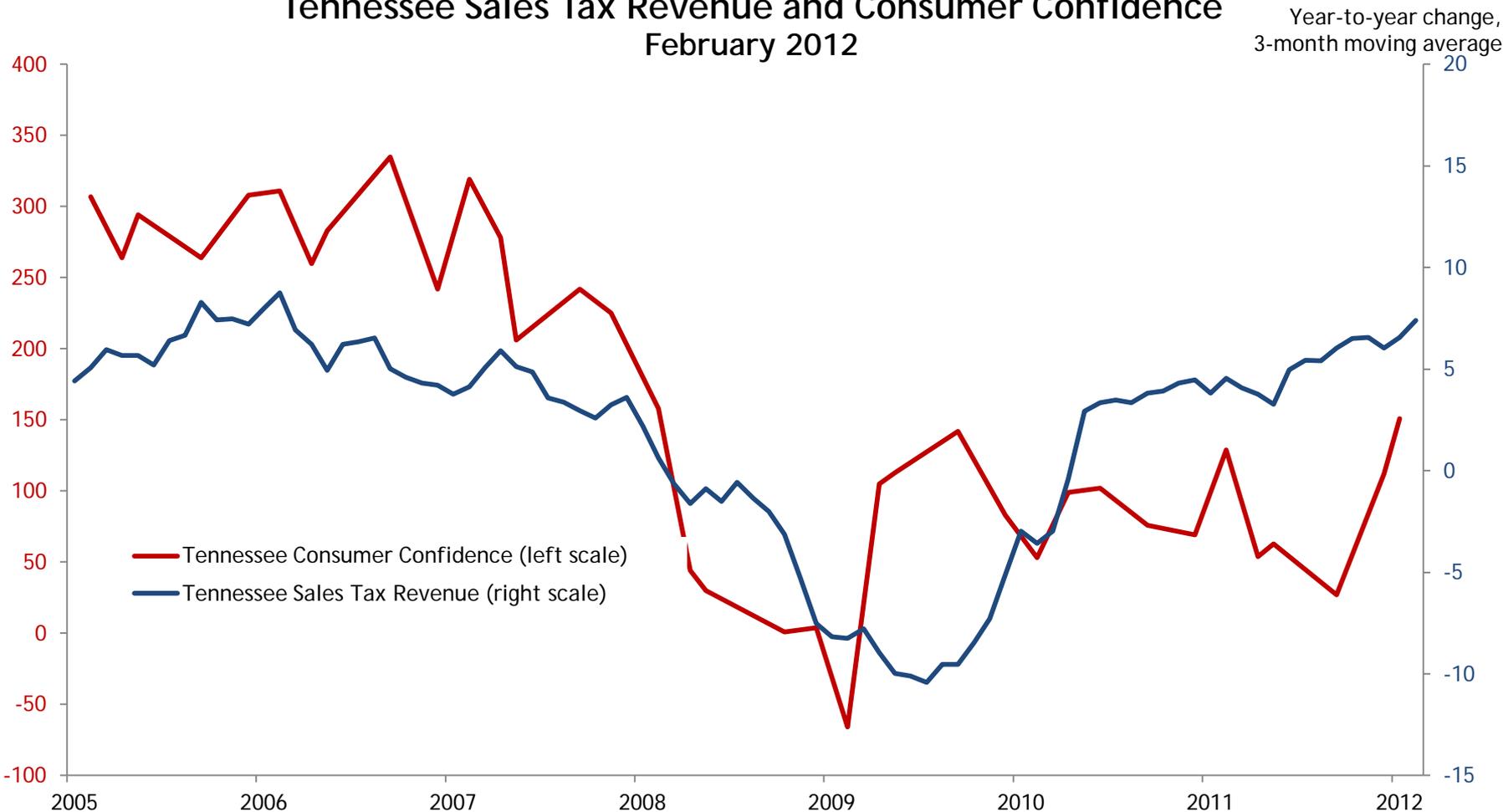


Initial claims averaged just over 6,200 per week during 2005–2007. The current number of initial claims is close to 7,000.

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

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

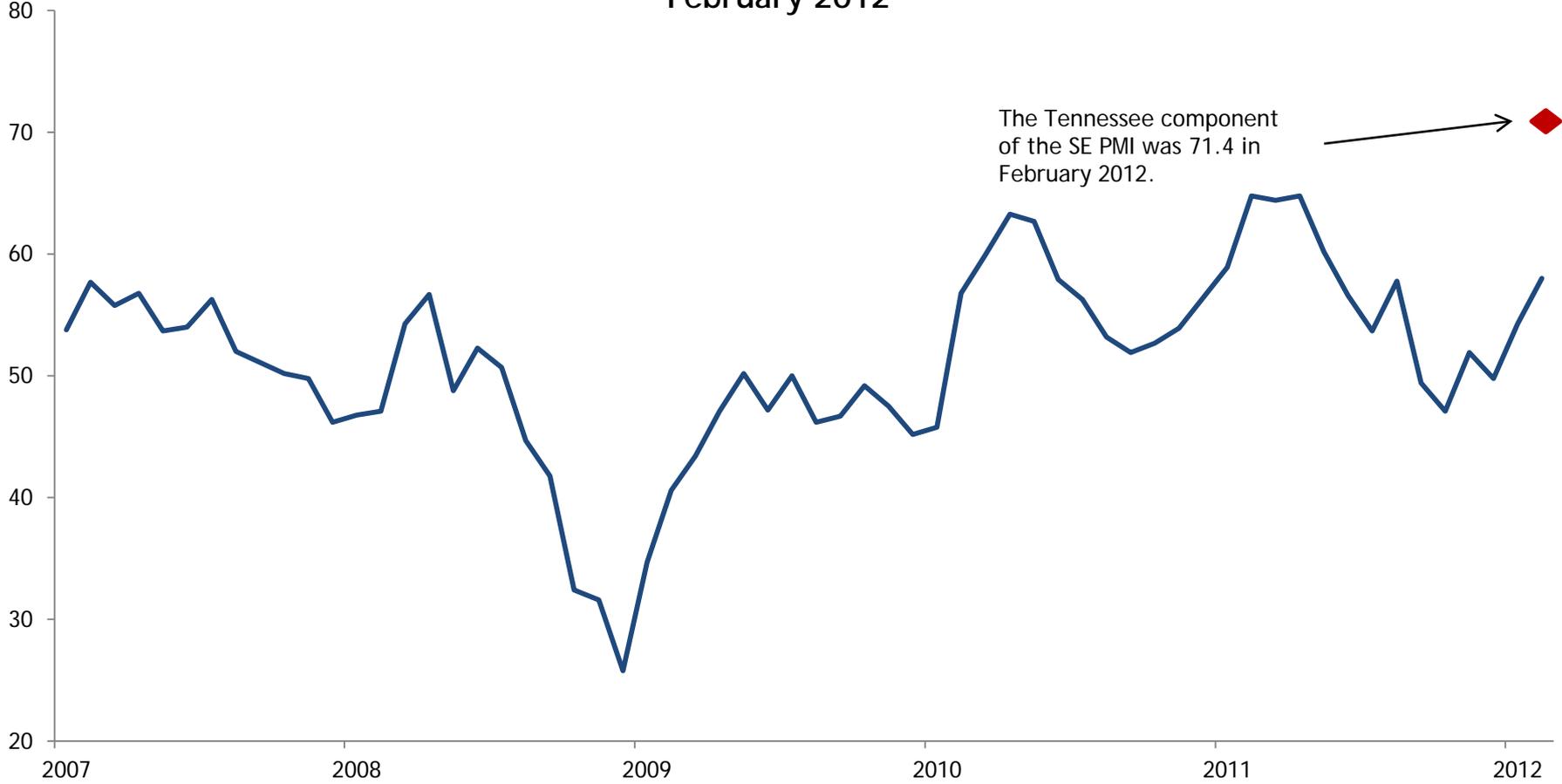
Tennessee Sales Tax Revenue and Consumer Confidence February 2012



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

Regional manufacturing activity expanded in February, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's PMI outperformed the Southeast measure.

Southeast Purchasing Managers Index February 2012



The Tennessee component of the SE PMI was 71.4 in February 2012.

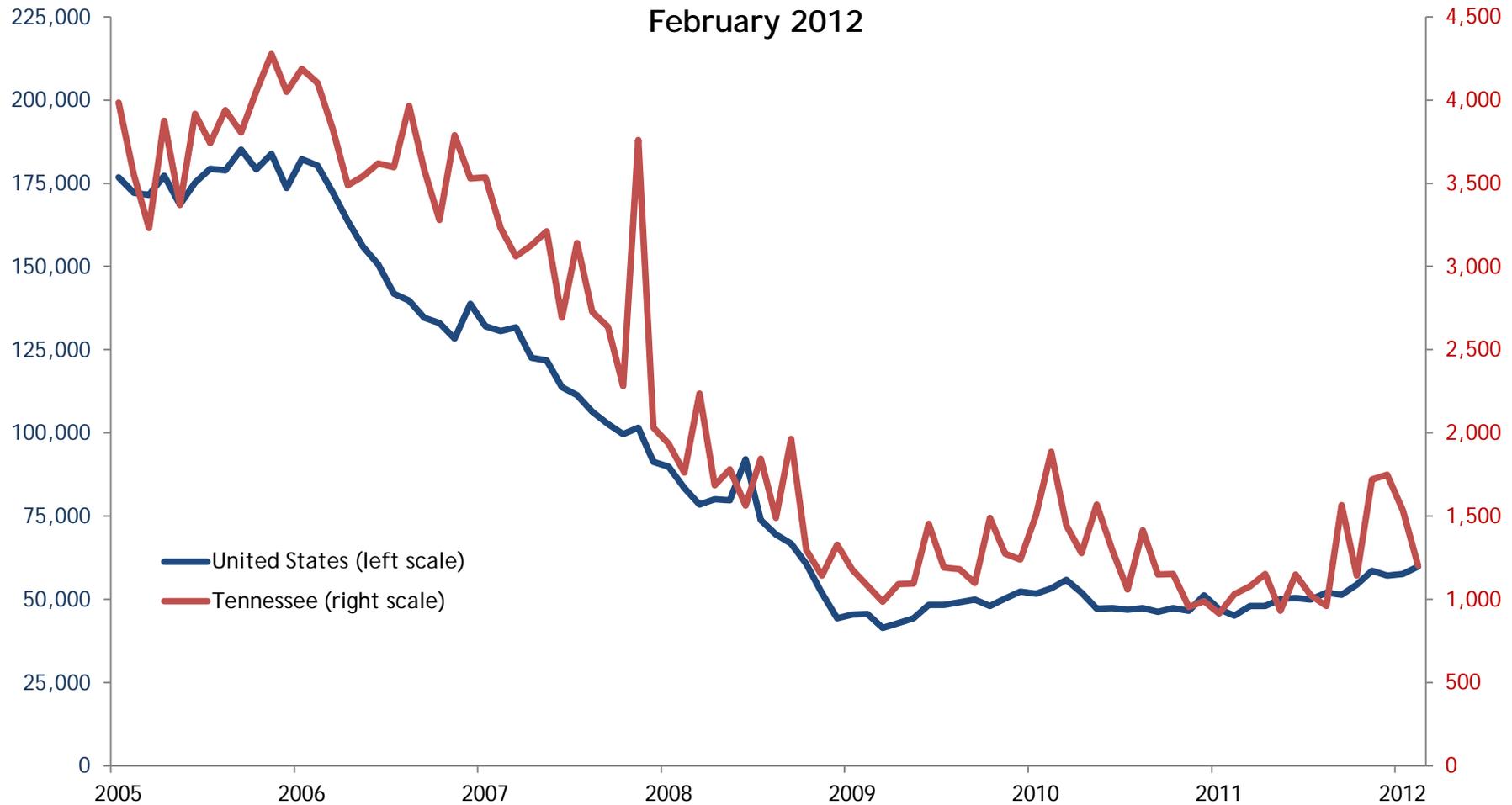


Note: 50+ = Expansion

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

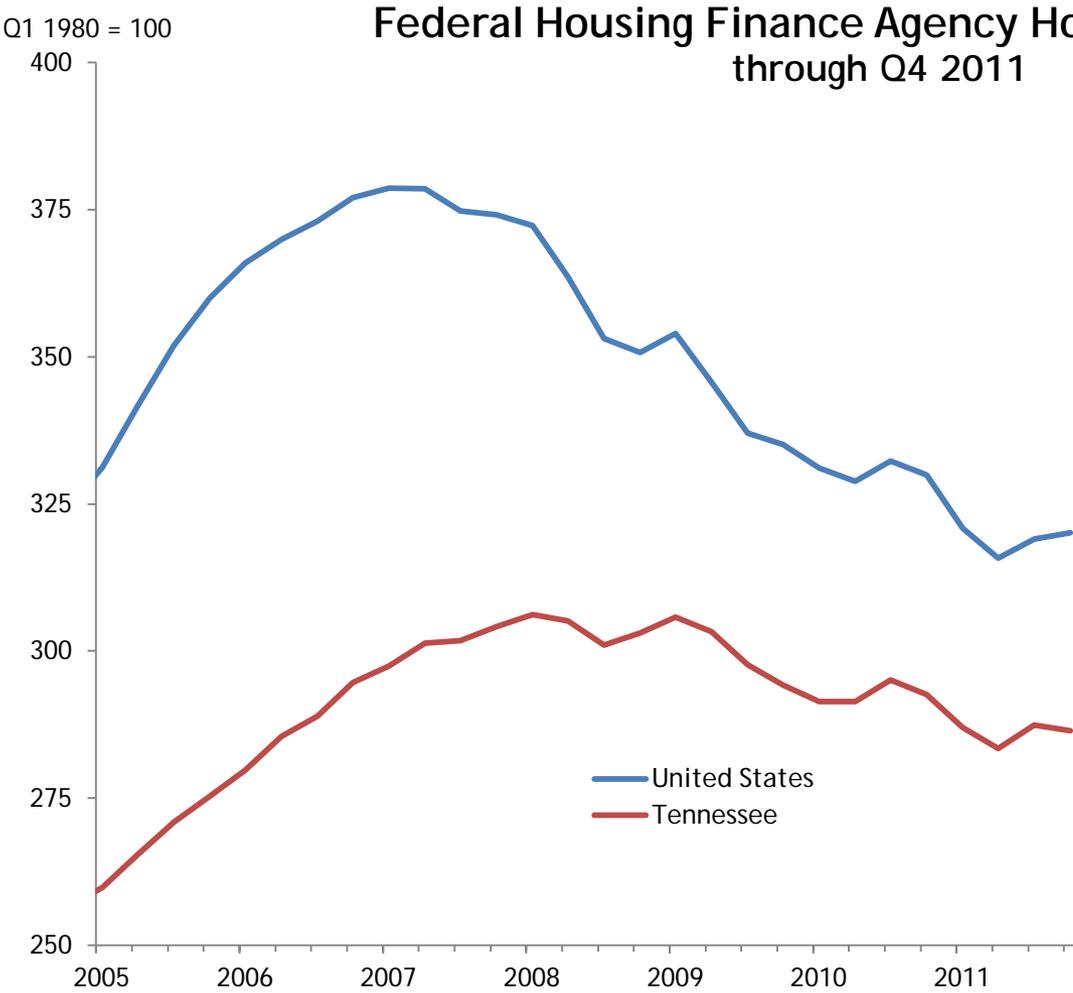
New home construction in Tennessee remains at historically low levels.

New Residential Home Construction Permits February 2012



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 fell slightly in the fourth quarter and were below year-ago levels.



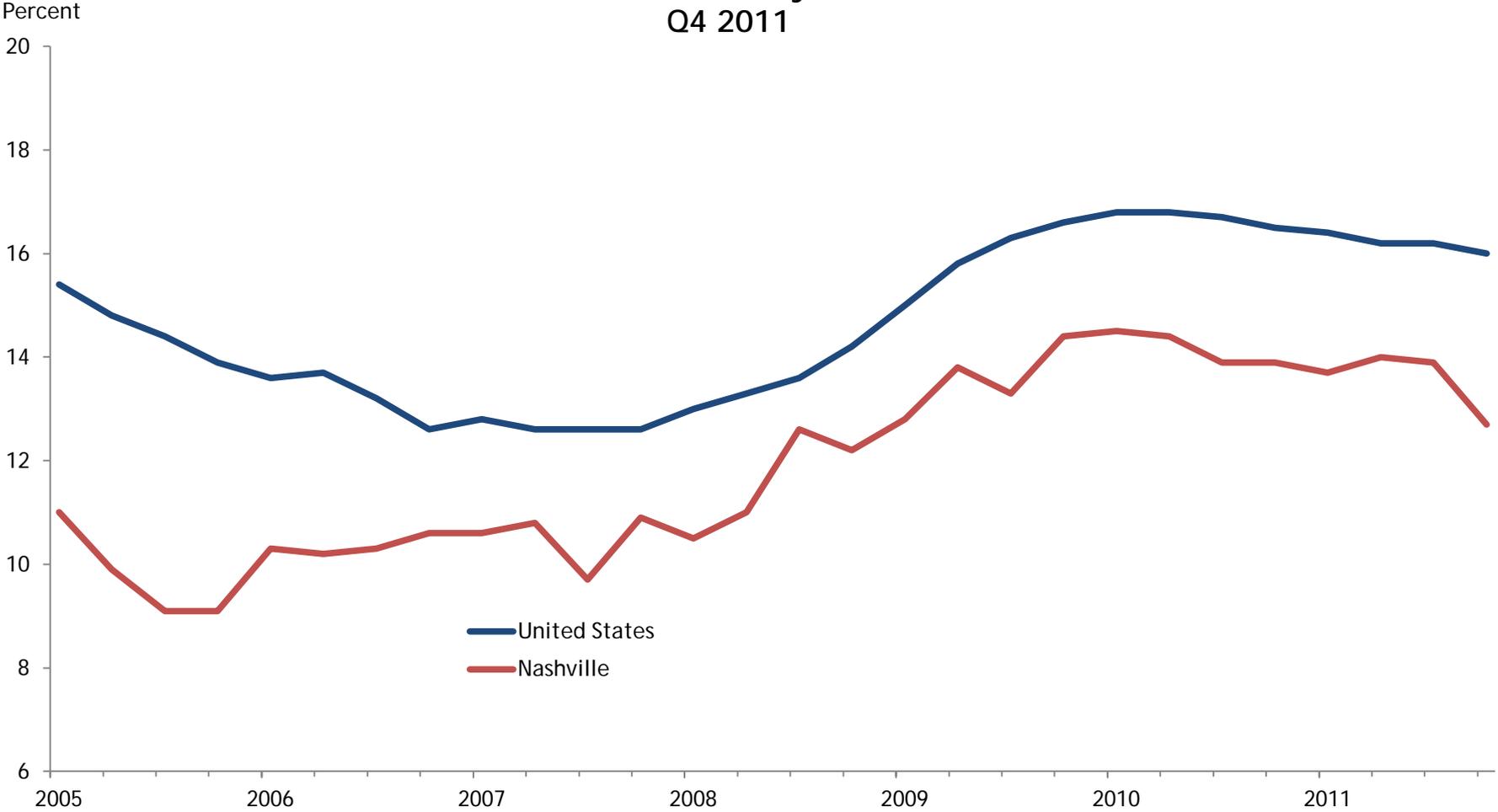
FHFA House Price Index: Q4 2011	1-yr % change	5-yr % change	10-yr % change
United States	-3.0	-15.1	24.3
Tennessee	-2.1	-2.8	24.4
Cleveland	-1.2	-4.2	23.6
Jackson	-0.8	-5.6	9.8
Johnson City	-1.2	4.3	37.7
Knoxville	-1.8	-1.1	32.8
Morristown	-3.2	-5.4	22.2
Nashville	-2.0	-2.8	27.7
Chattanooga	-2.8	-1.8	26.5
Clarksville	-0.4	7.5	34.8
Kingsport-Bristol	-1.2	3.5	35.7
Memphis	-2.8	-10.0	5.8

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 rates in Nashville declined in the fourth quarter.

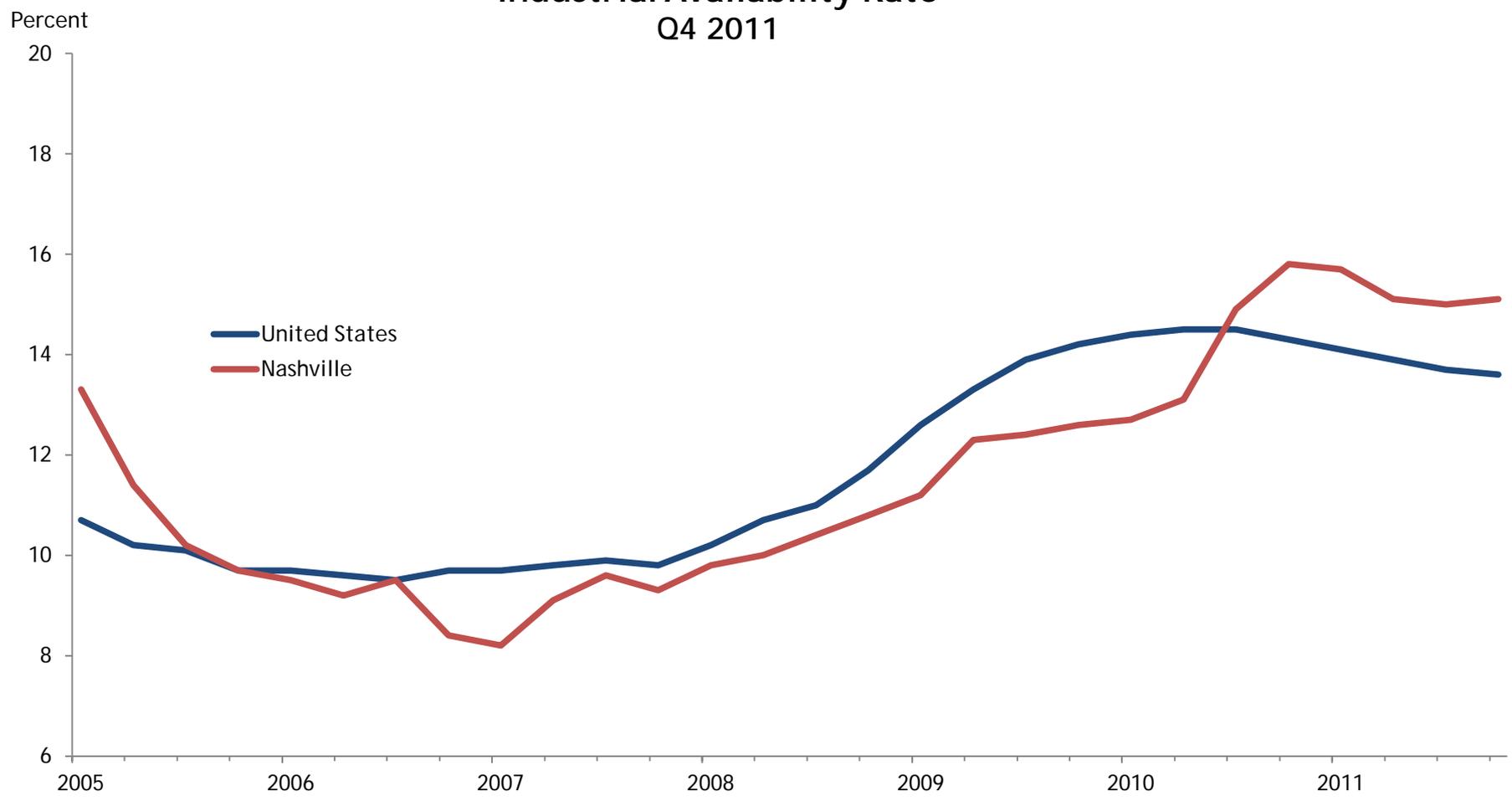
Office Vacancy Rate Q4 2011



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 Q4 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.