



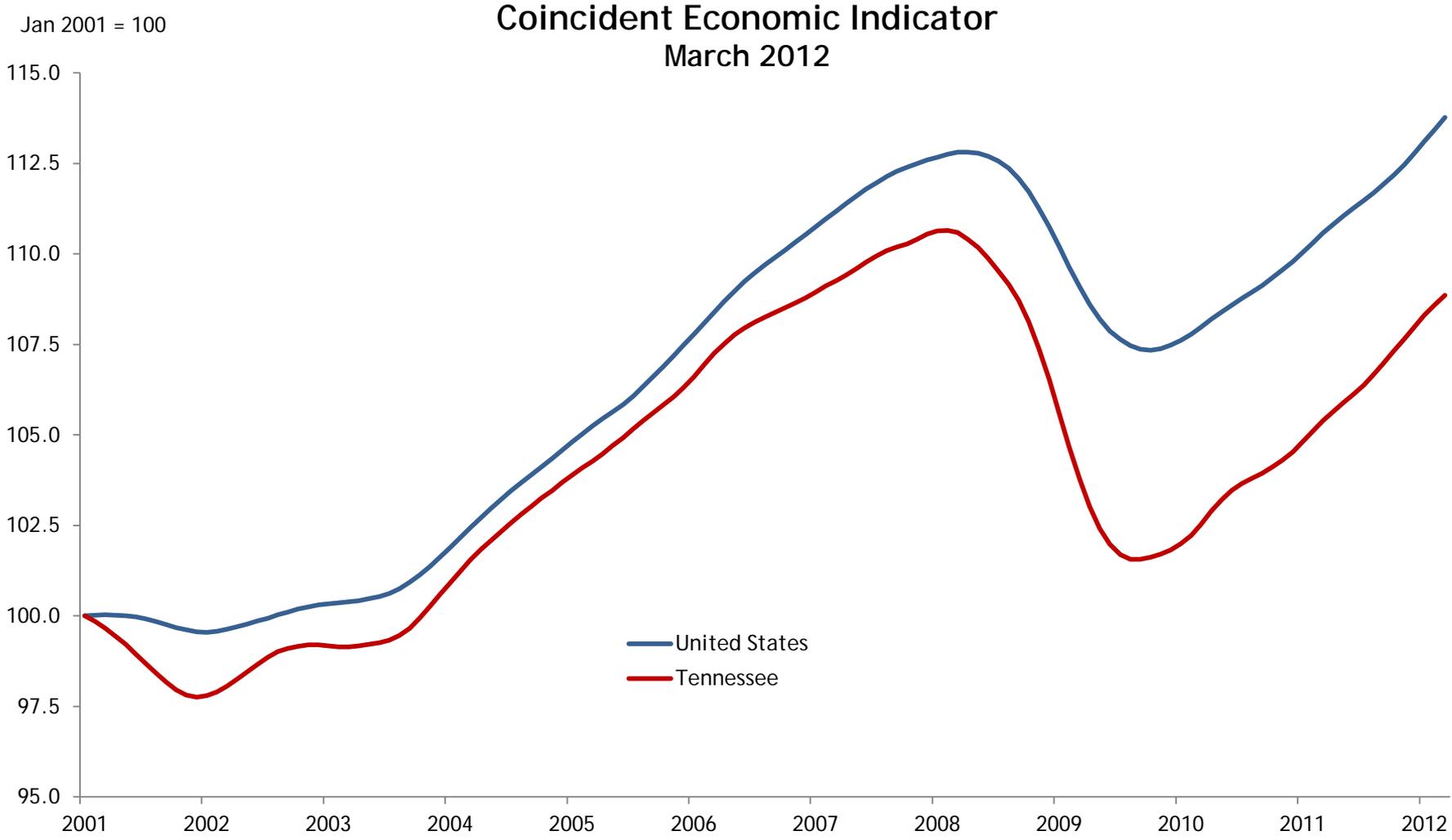
Data Digest: Tennessee

May 2012



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

[About the Coincident Economic Indicator](#)

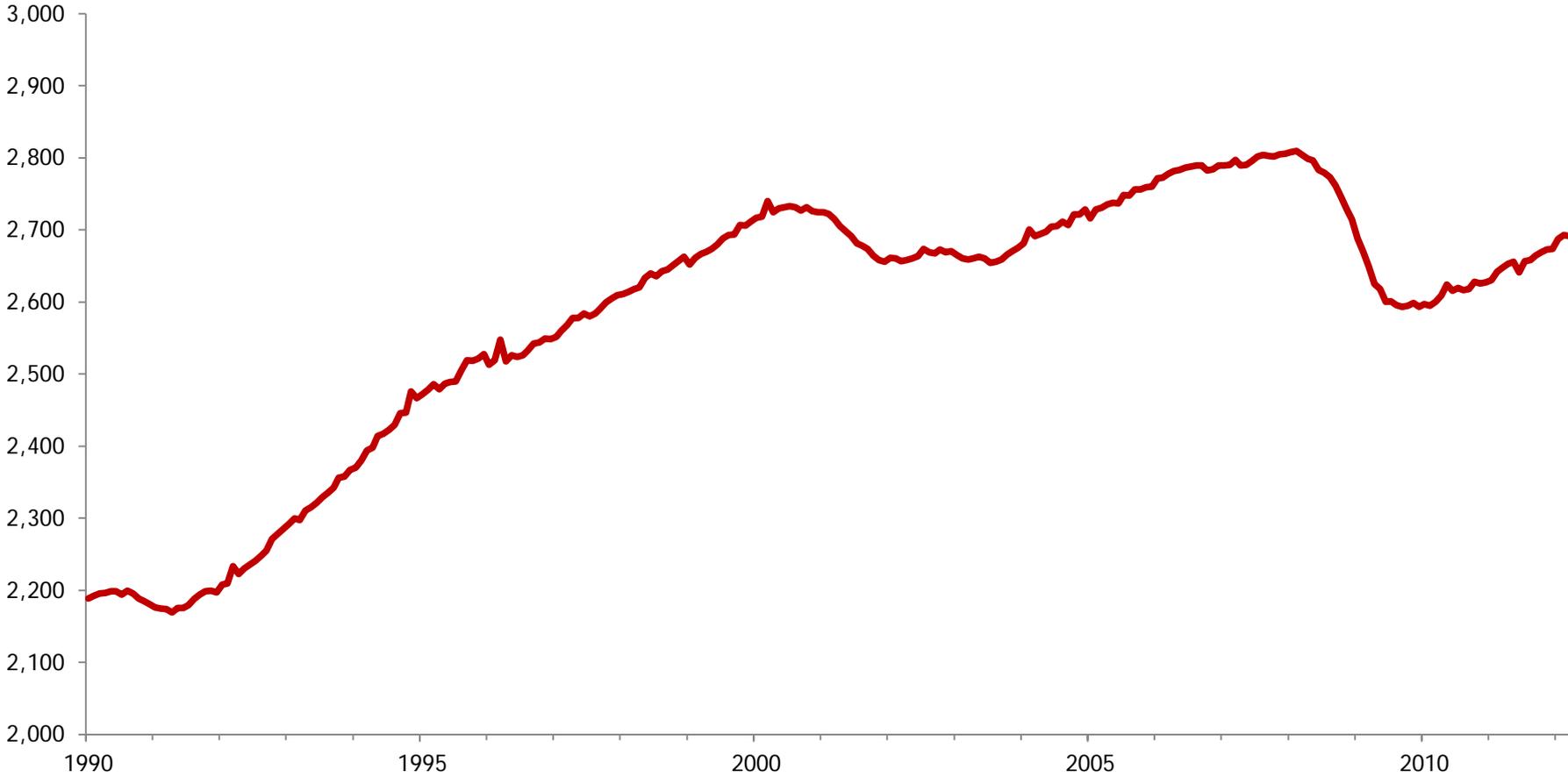


Source: Federal Reserve Bank of Philadelphia

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

Tennessee Payroll Employment March 2012

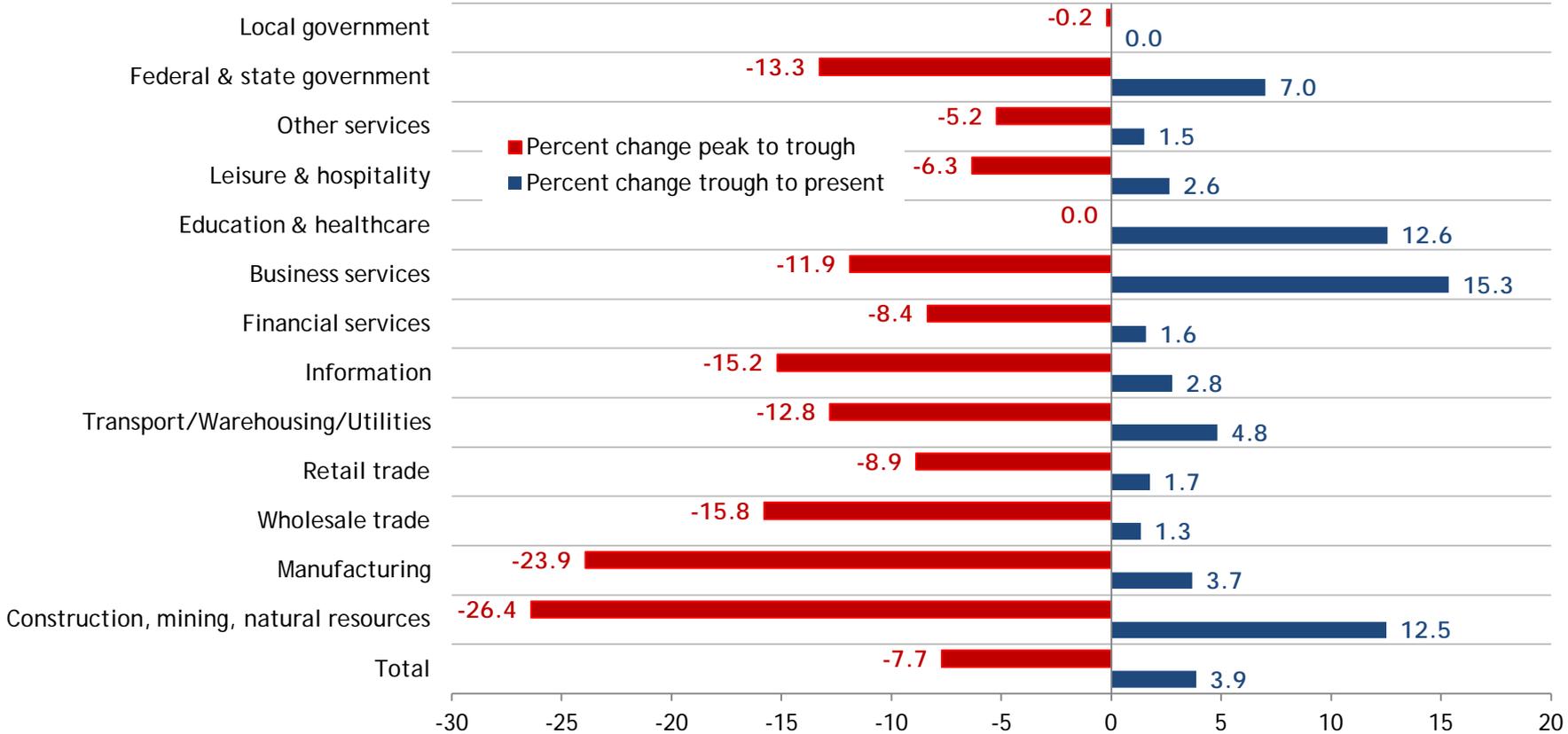
Thousands,
seasonally adjusted



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 industries have added jobs during the recovery.

Employment Loss and Gain by Industry: Tennessee March 2012



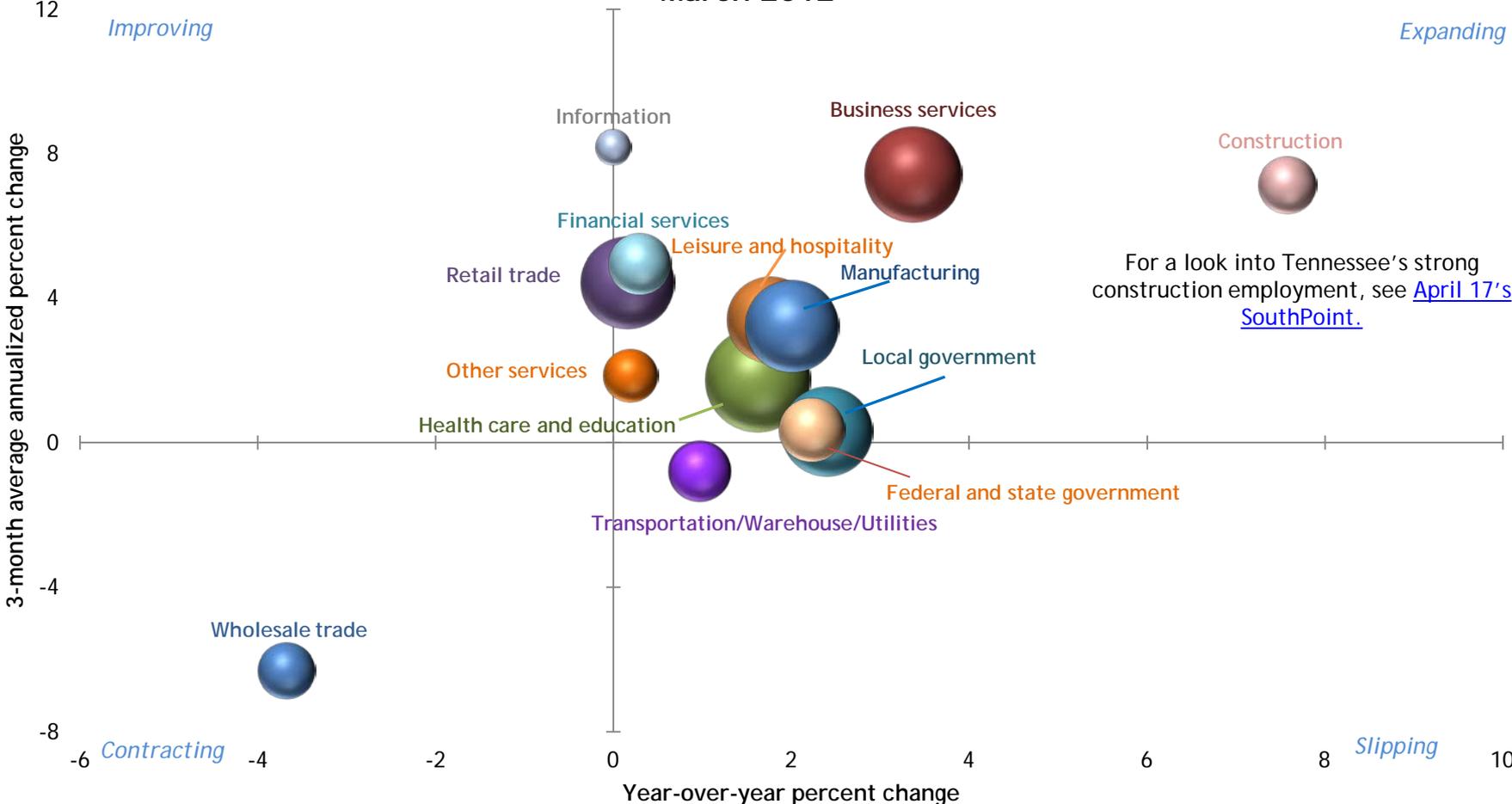
Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent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

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

Employment in most industries expanded during March. Wholesale trade contracted and transportation/warehouse/utilities slipped.

[About Employment Momentum](#)

Employment Momentum by Industry: Tennessee March 2012

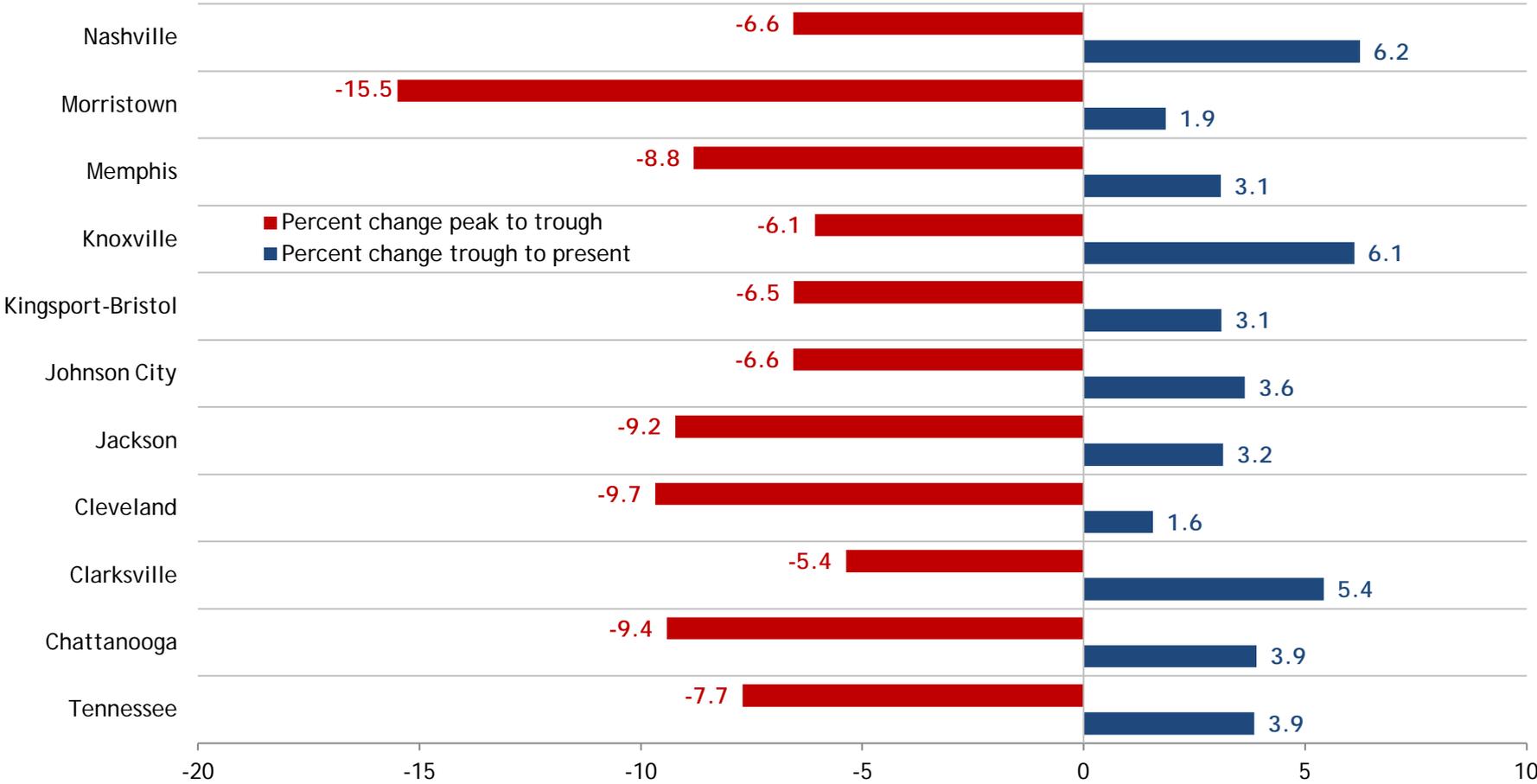


For a look into Tennessee's strong construction employment, see [April 17's SouthPoint](#).

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. Knoxville and Clarksville have regained the jobs that were lost, and Nashville is getting close to achieving that; other metro areas are slowly regaining jobs.

Employment Loss and Gain by Metro Area: Tennessee
March 2012

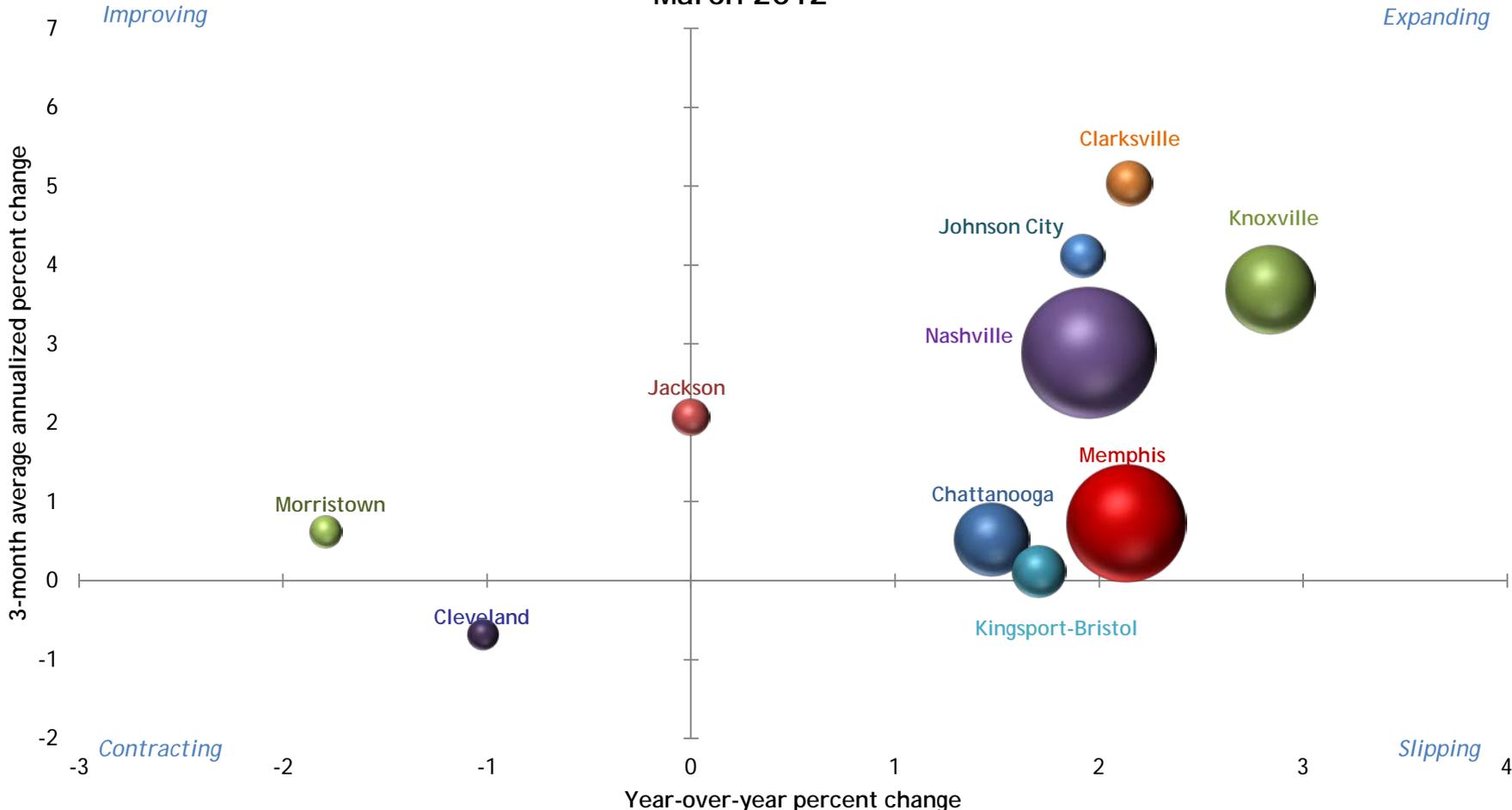


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee March 2012

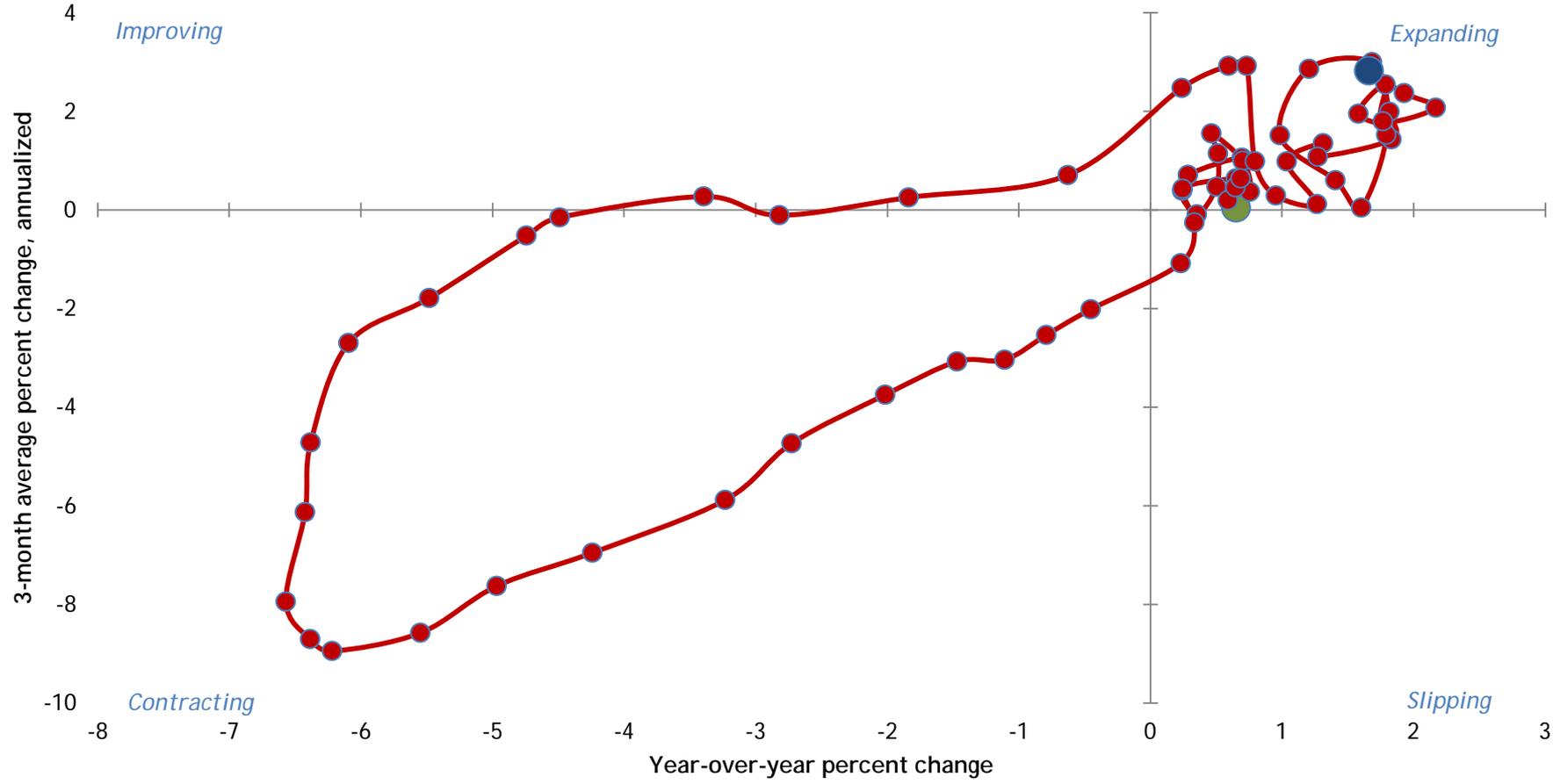


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

[About Employment Momentum Track](#)

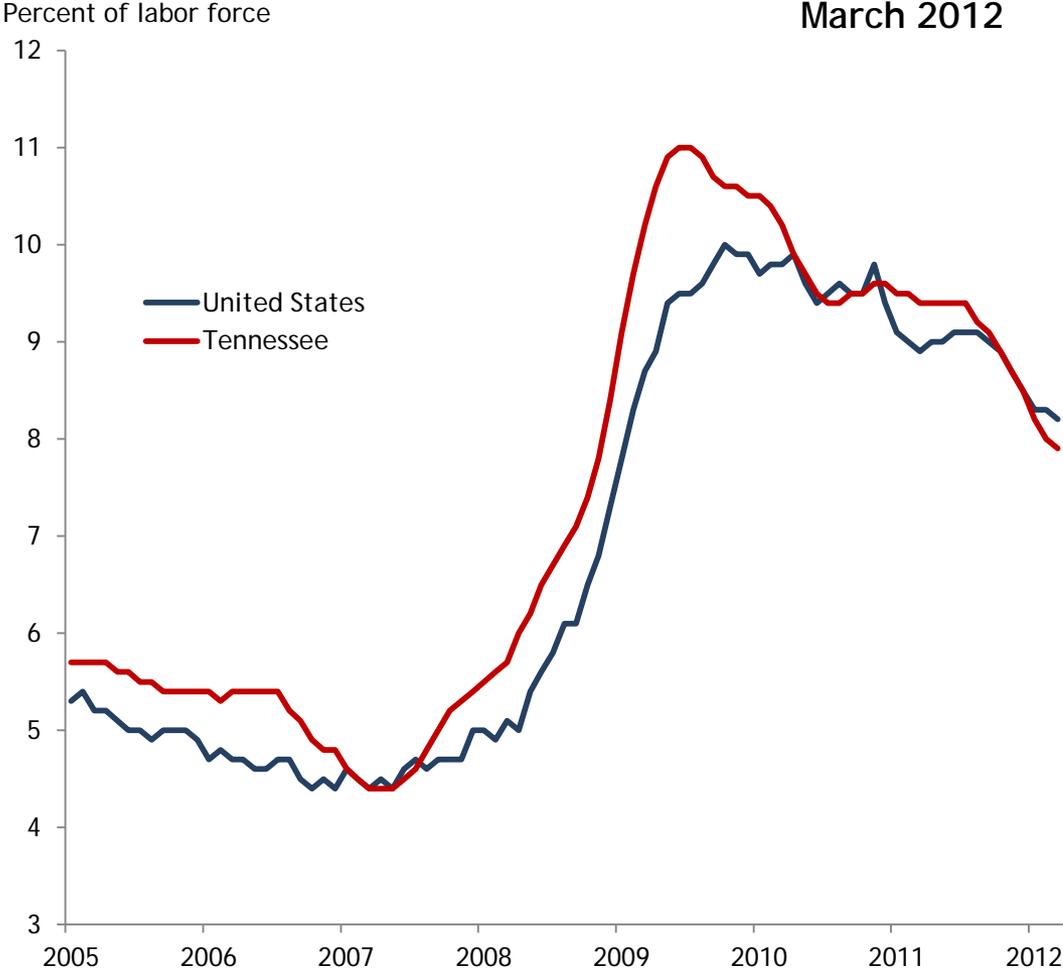
Employment Momentum Track: Tennessee January 2007–March 2012



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

Tennessee's unemployment rate fell again in March and was below the national average for the third consecutive month.

Unemployment Rate March 2012



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	8.2	8.9	4.6
Tennessee	7.9	9.4	4.6
Chattanooga	7.2	8.3	4.4
Clarksville	8.6	10.2	5.7
Cleveland	8.1	9.7	4.9
Jackson	8.3	9.7	5.6
Johnson City	7.1	8.7	4.8
Kingsport-Bristol	7.2	8.2	4.8
Knoxville	6.3	7.6	4.1
Memphis	8.8	10.0	5.8
Morristown	10.1	11.3	6.1
Nashville	6.7	8.4	4.2

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

Initial claims for unemployment insurance have declined after a period of rising in recent months.

Initial Unemployment Insurance Claims: Tennessee April 14, 2012

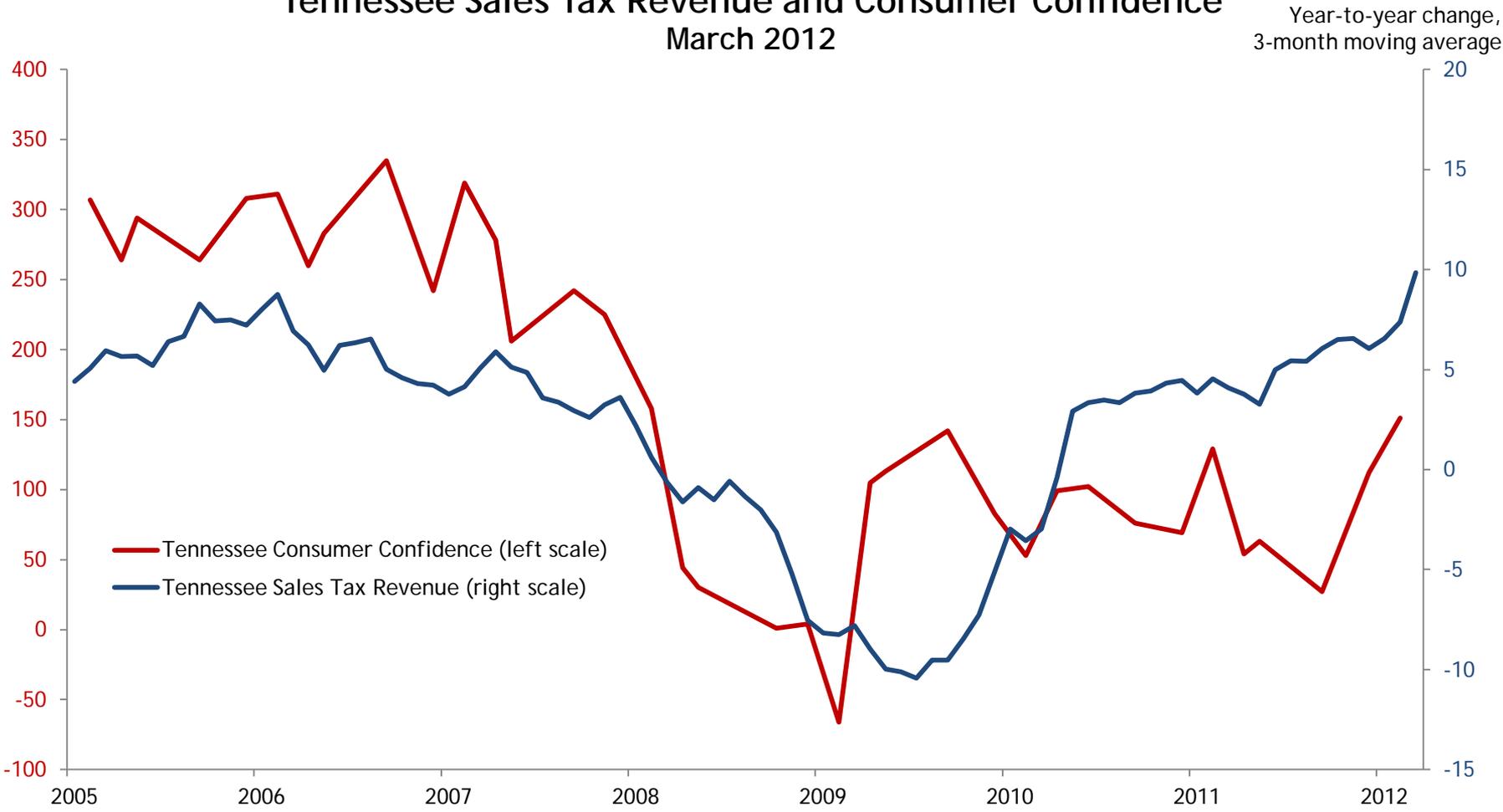


Initial claims averaged just over 6,200 per week during 2005–2007. The current number of initial claims is close to 6,000.

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 March 2012



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

Regional manufacturing activity expanded in March, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's PMI of 59.1 was slightly below the Southeast measure of 61.

Southeast Purchasing Managers Index March 2012



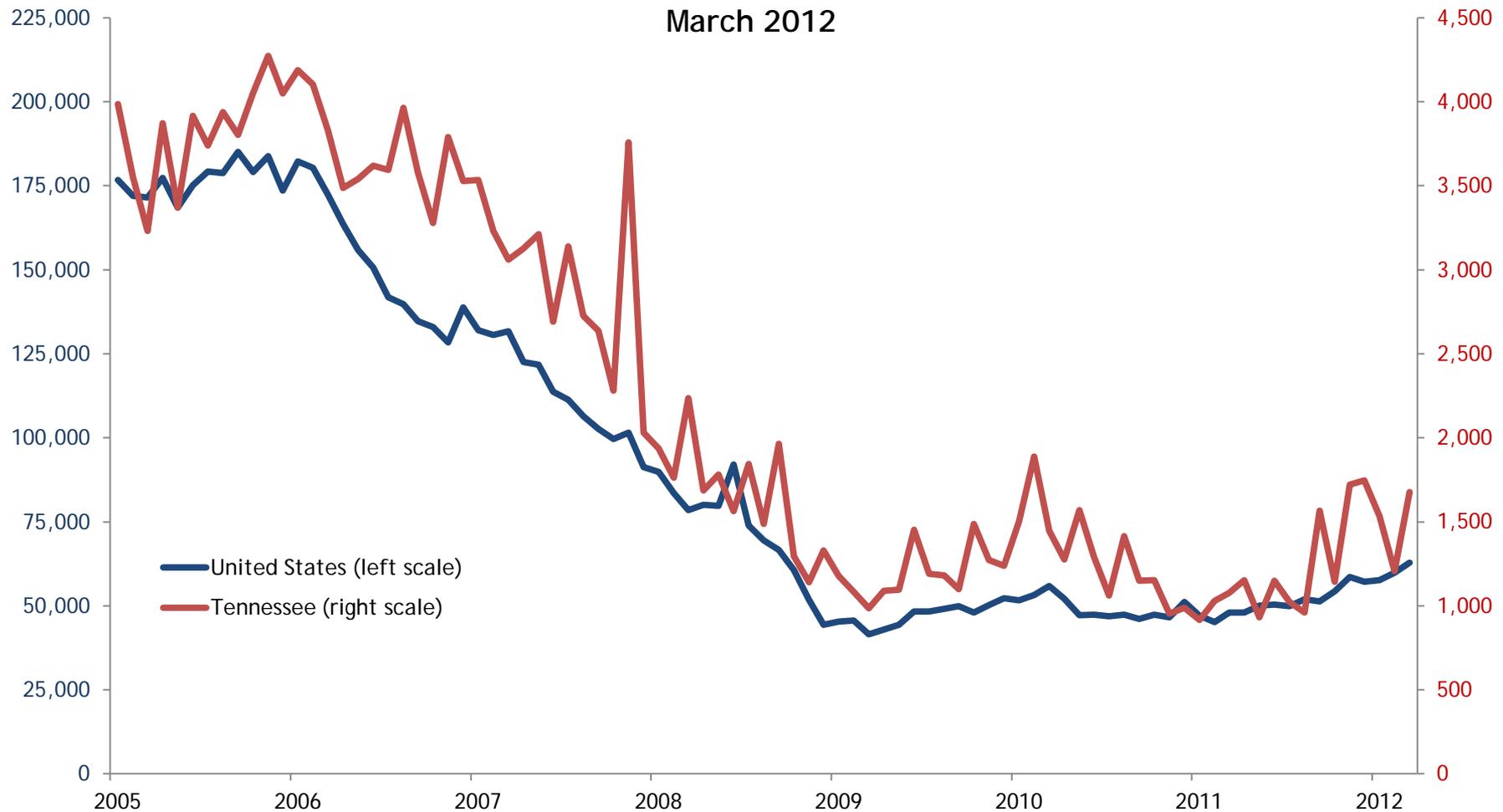
The Tennessee component of the SE PMI was 59.1 in March 2012.

Note: 50+ = Expansion

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

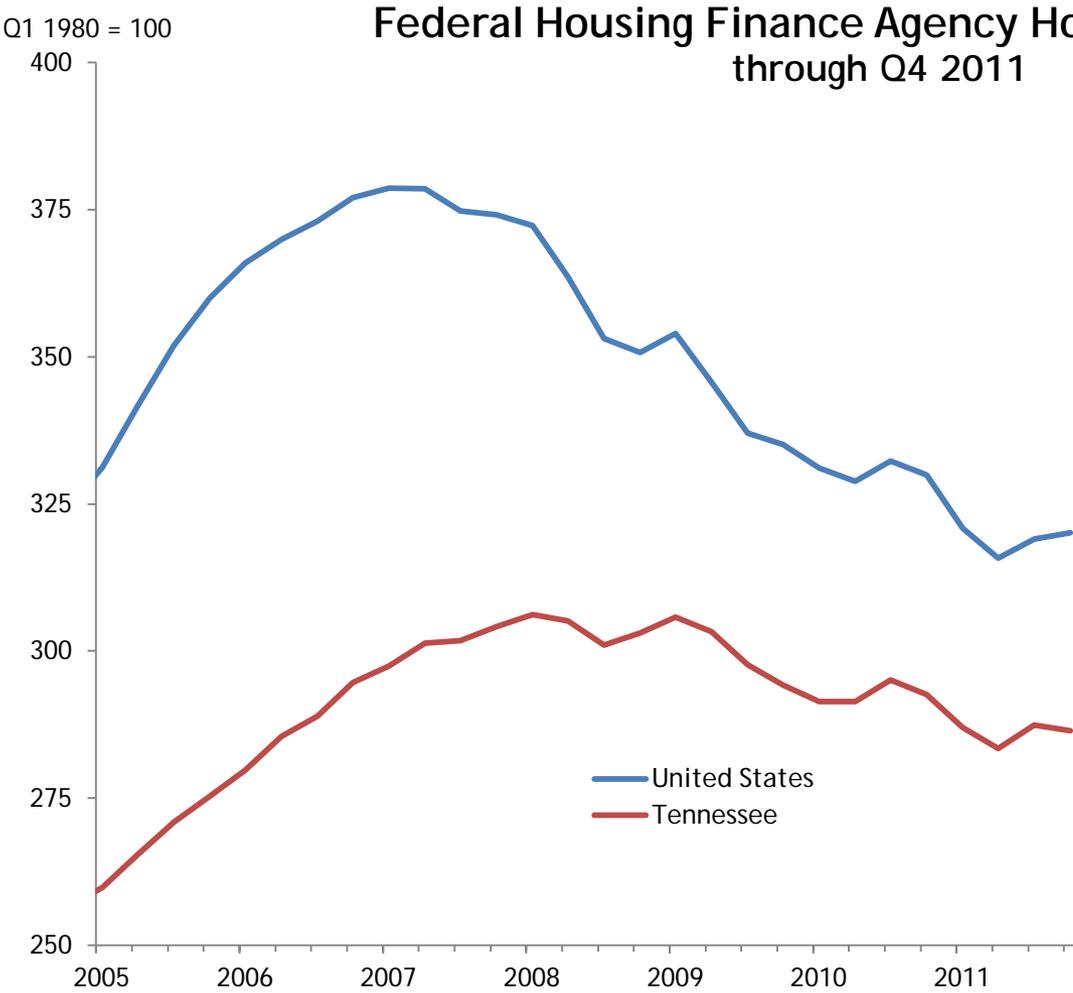
New home construction permits for the United States and Tennessee increased in March, but both remain at historically low levels.

New Residential Home Construction Permits March 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.



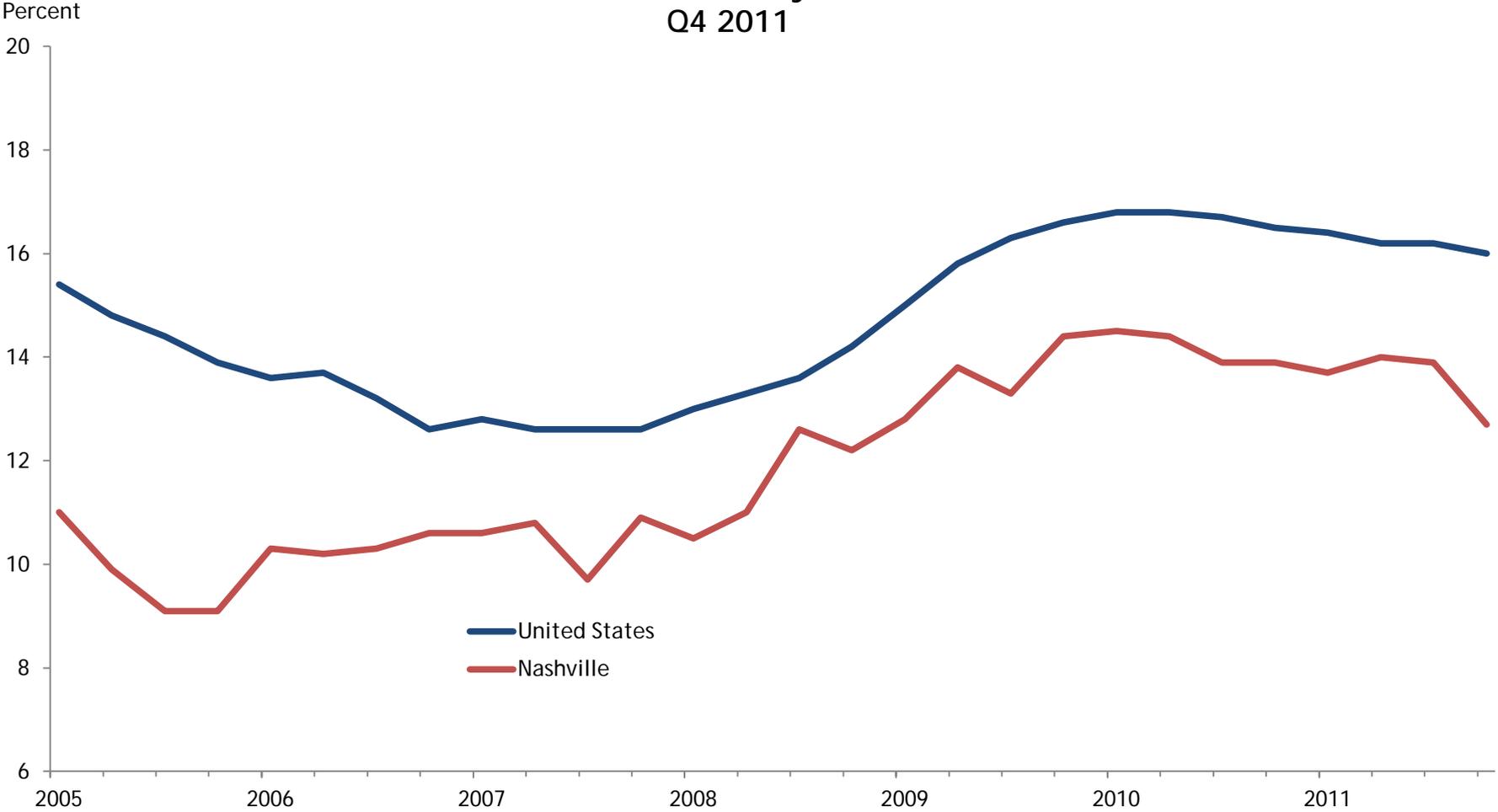
FHFA House Price Index: Q4 2011	1-yr % change	5-yr % change	10-yr % change
United States	-3.0	-15.1	24.3
Tennessee	-2.1	-2.8	24.4
Cleveland	-1.2	-4.2	23.6
Jackson	-0.8	-5.6	9.8
Johnson City	-1.2	4.3	37.7
Knoxville	-1.8	-1.1	32.8
Morristown	-3.2	-5.4	22.2
Nashville	-2.0	-2.8	27.7
Chattanooga	-2.8	-1.8	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.

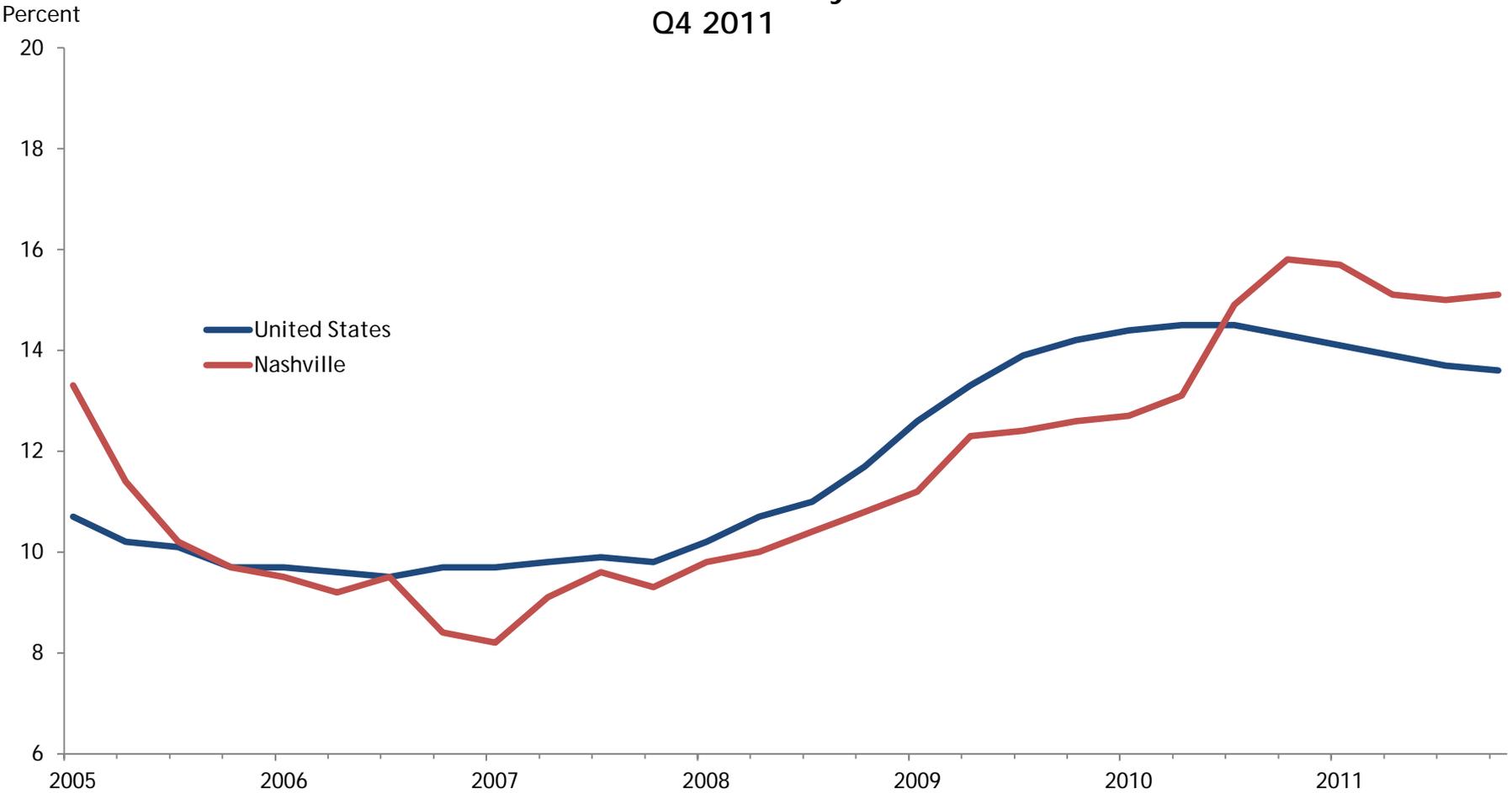
Office Vacancy Rate Q4 2011



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.