



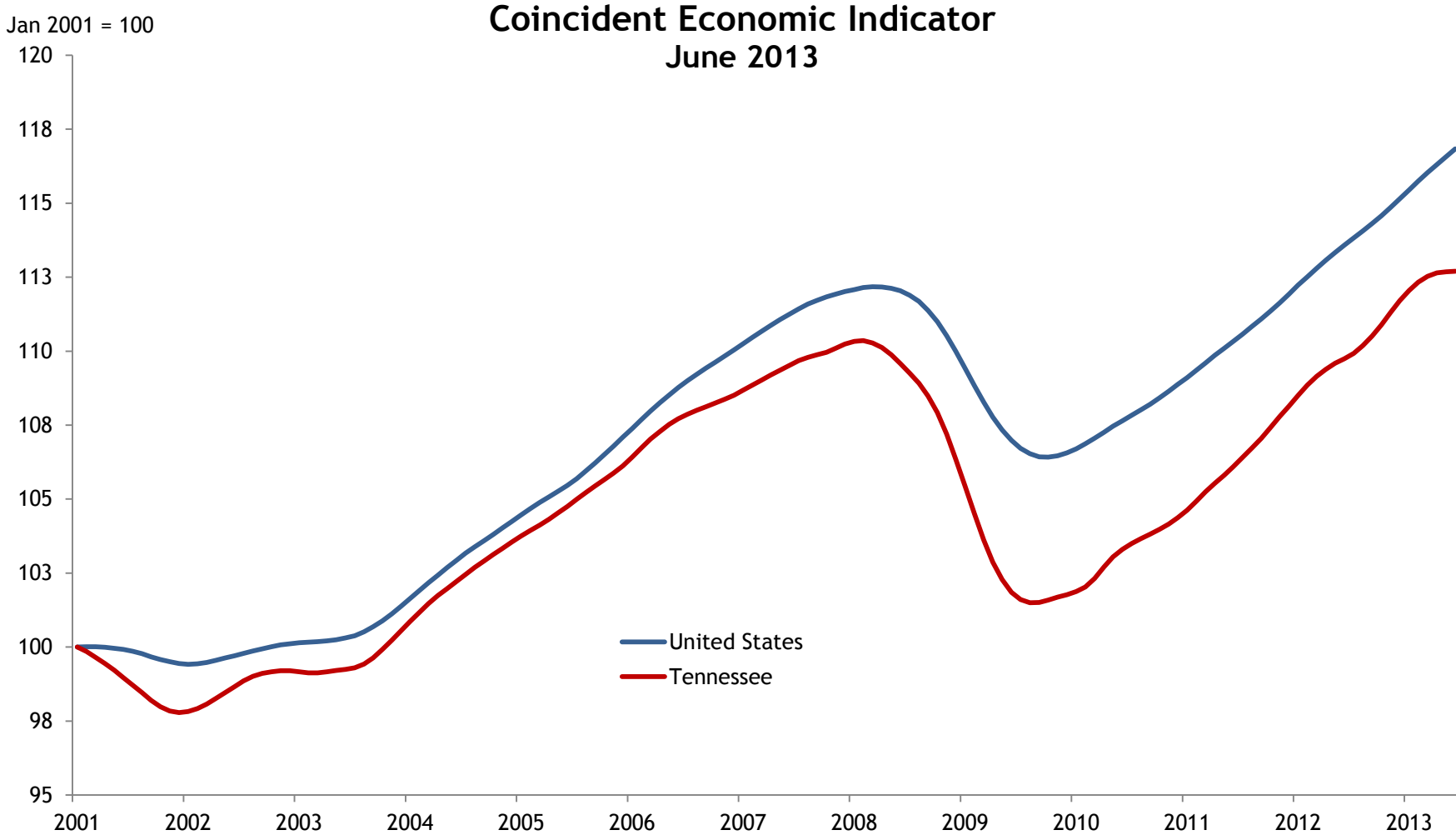
Data Digest: Tennessee

August 2013



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

[About the Coincident Economic Indicator](#)

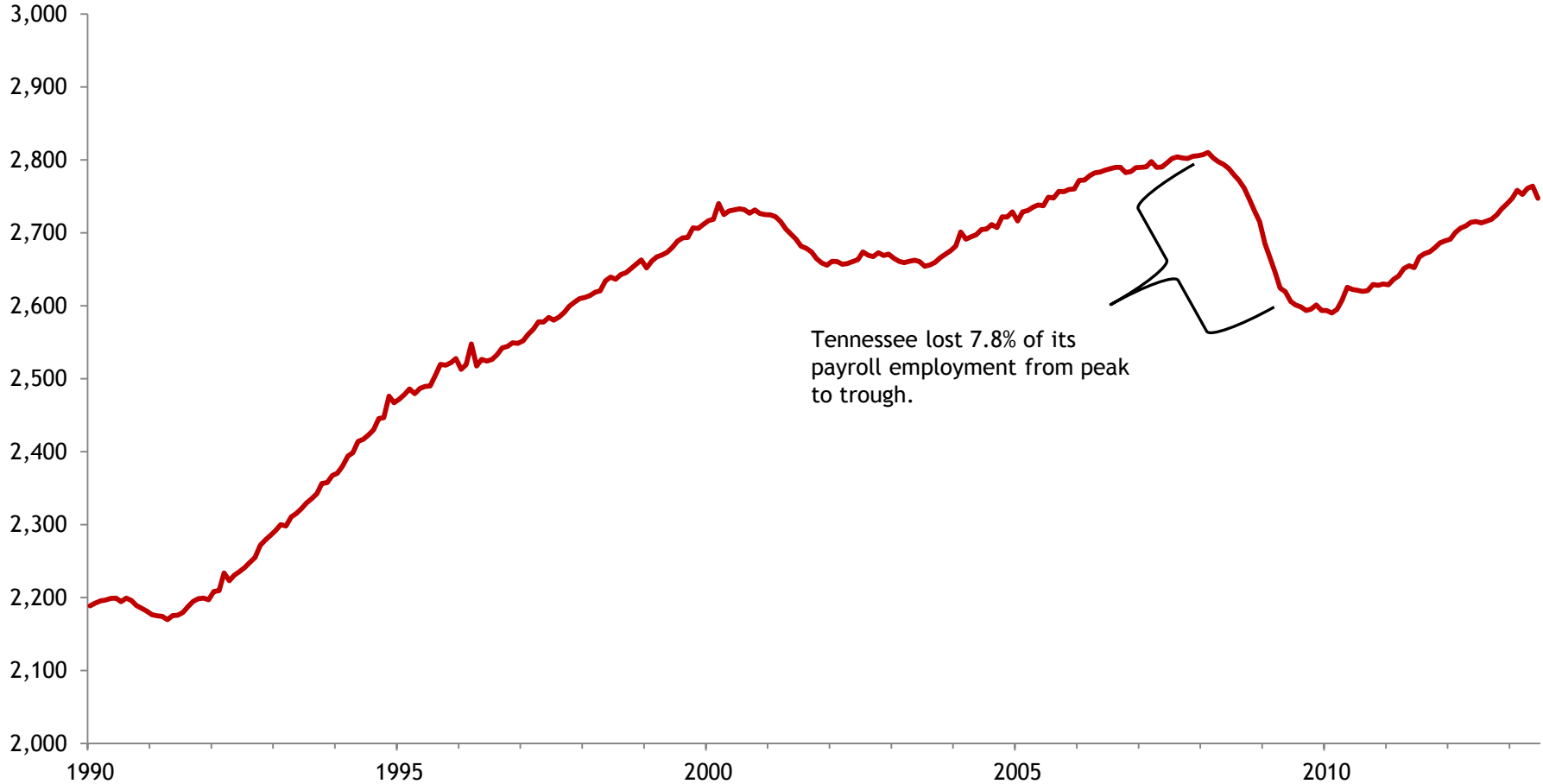


Source: Federal Reserve Bank of Philadelphia

For about three years, total employment in Tennessee had been on an upward trend. Payroll growth has leveled off in recent months. Following slight increases in April and May, payrolls ticked down in June.

Tennessee Payroll Employment June 2013

Thousands,
seasonally adjusted

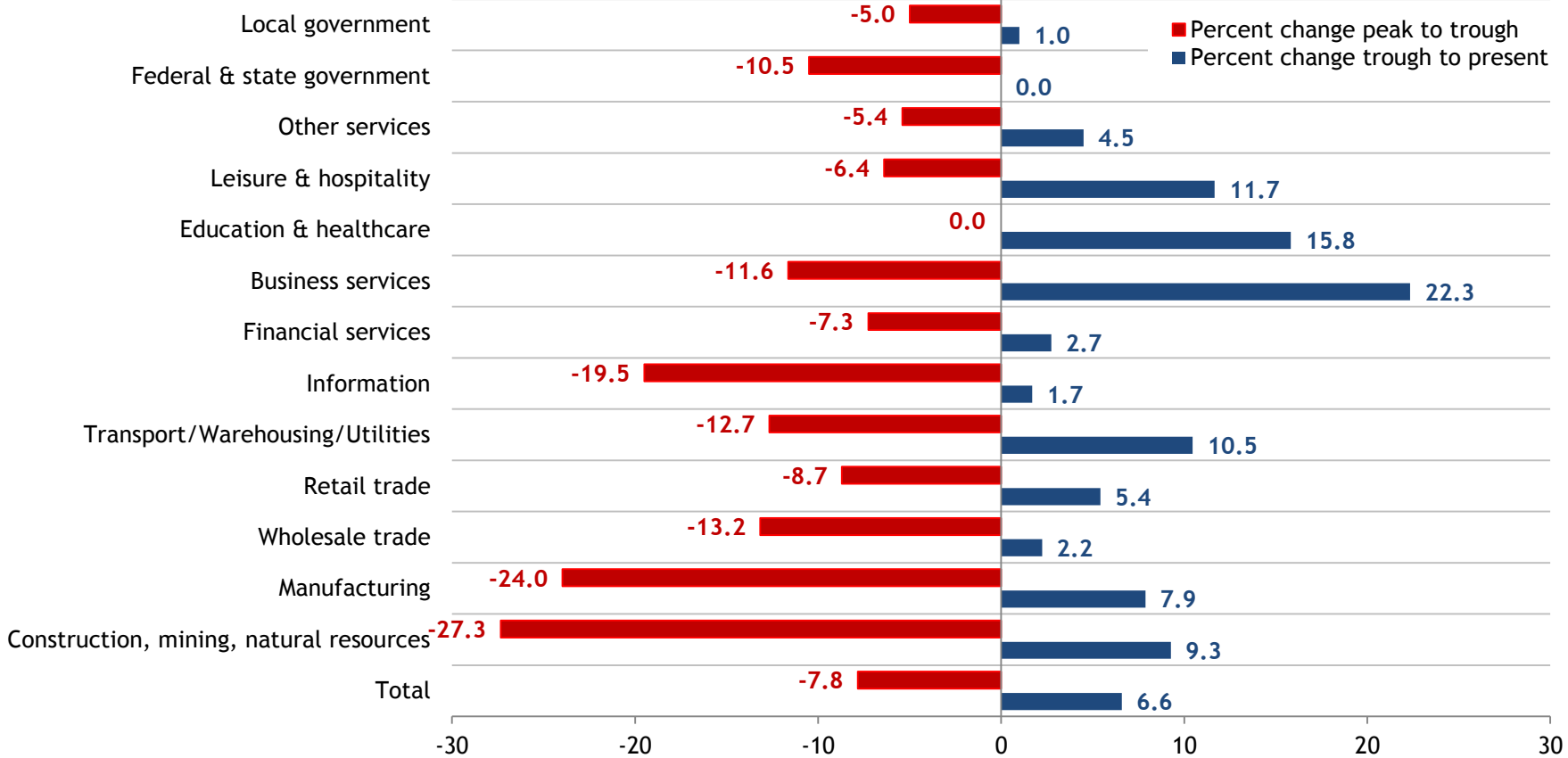


Tennessee lost 7.8% of its payroll employment from peak to trough.

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

Most industries lost some jobs during the downturn; manufacturing and construction, mining, and natural resources saw significant declines. With the exception of federal and state government, all major industries have added jobs during the recovery.

Employment Loss and Gain by Industry: Tennessee June 2013



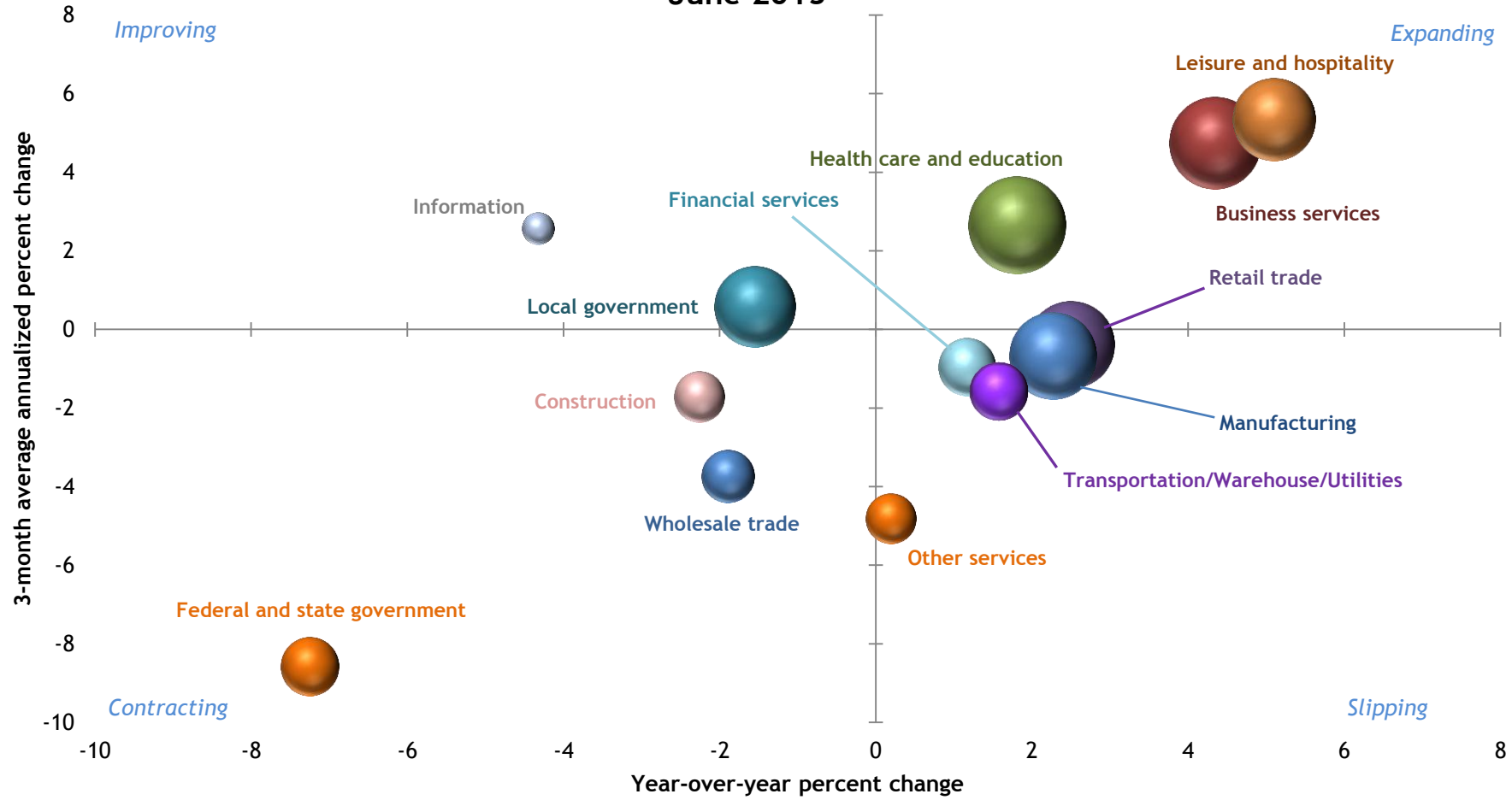
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries; in this instance “trough to present” is the percent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

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

Employment growth momentum lost some steam during May and June. Only three major industries were firmly in the expanding category.

[About Employment Momentum](#)

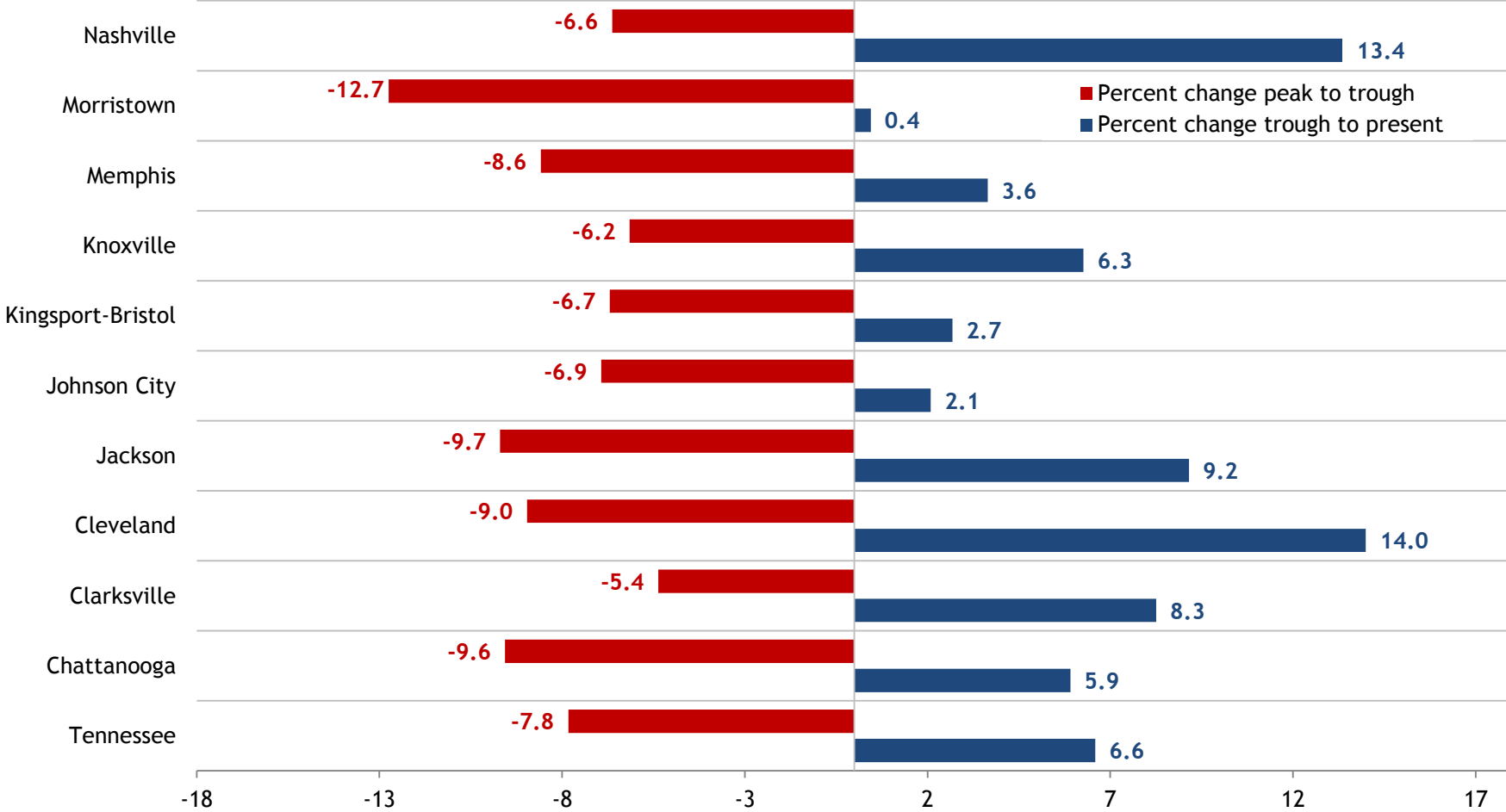
Employment Momentum by Industry: Tennessee June 2013



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. The major cities have regained some jobs. Nashville, Knoxville, Cleveland, and Clarksville have regained all the jobs lost.

**Employment Loss and Gain by Metro Area: Tennessee
June 2013**

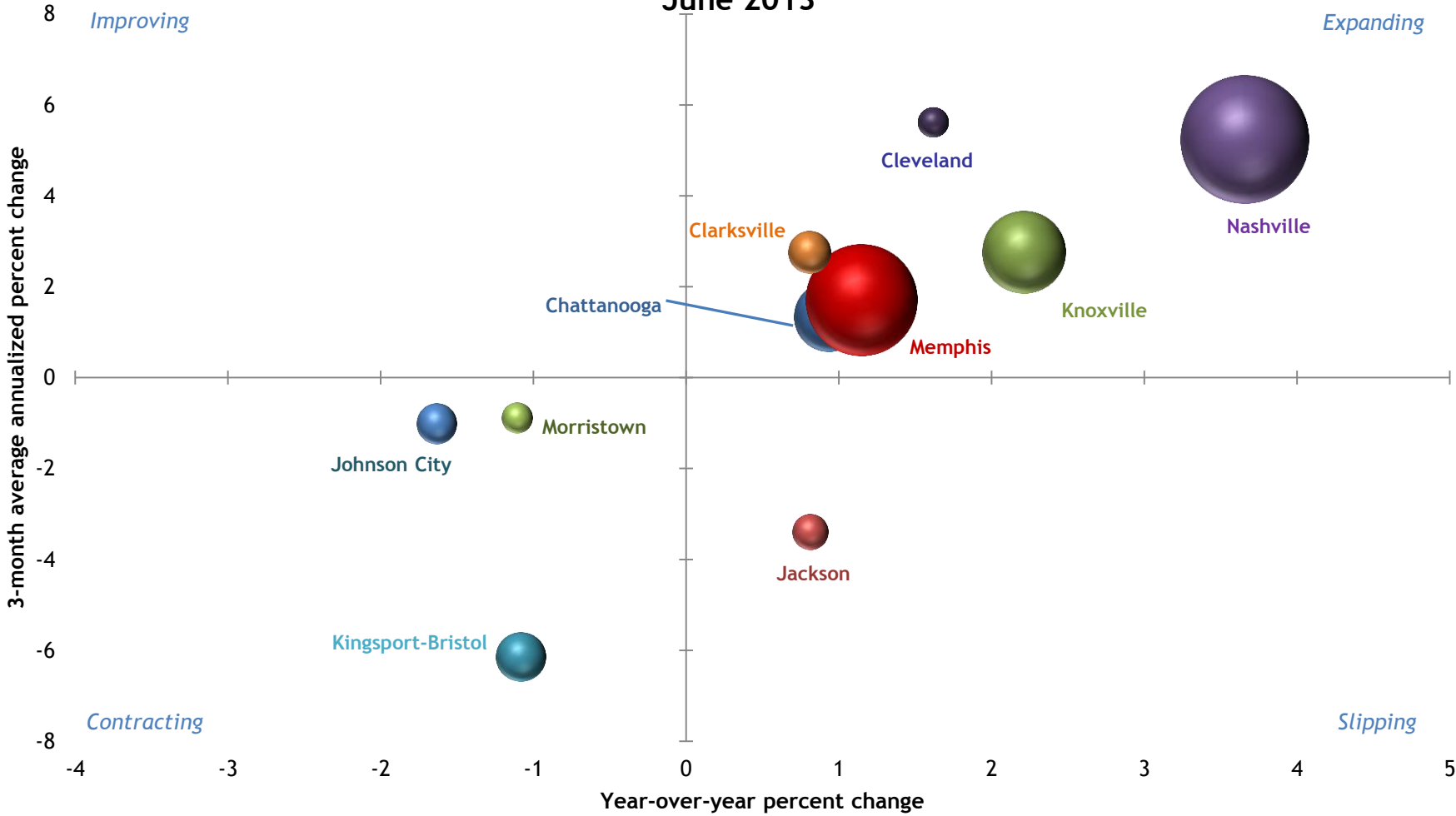


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Employment growth momentum in most major metropolitan areas expanded in June.

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee June 2013

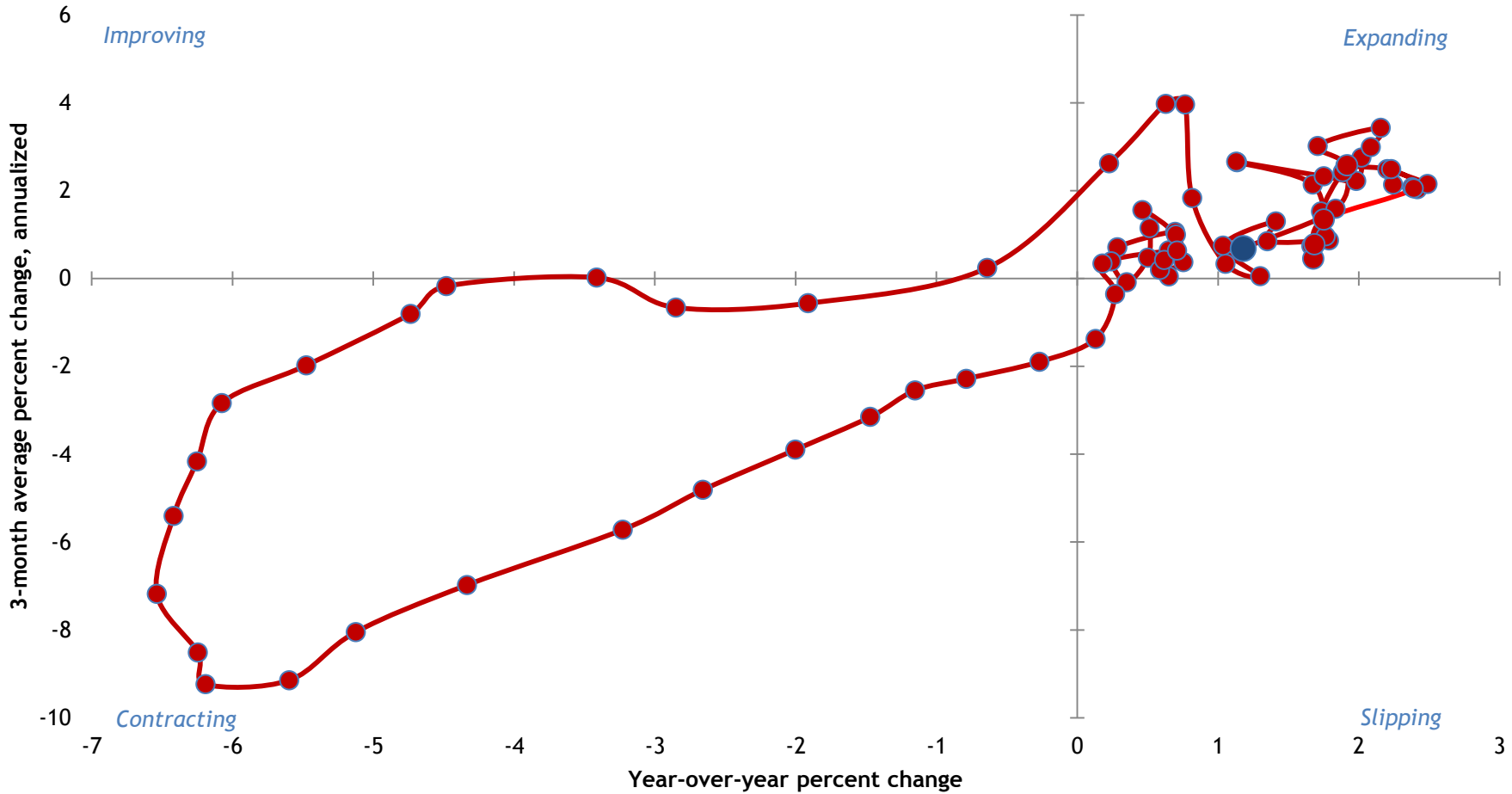


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum continued to expand in June, but at a decreasing rate.

[About Employment Momentum Track](#)

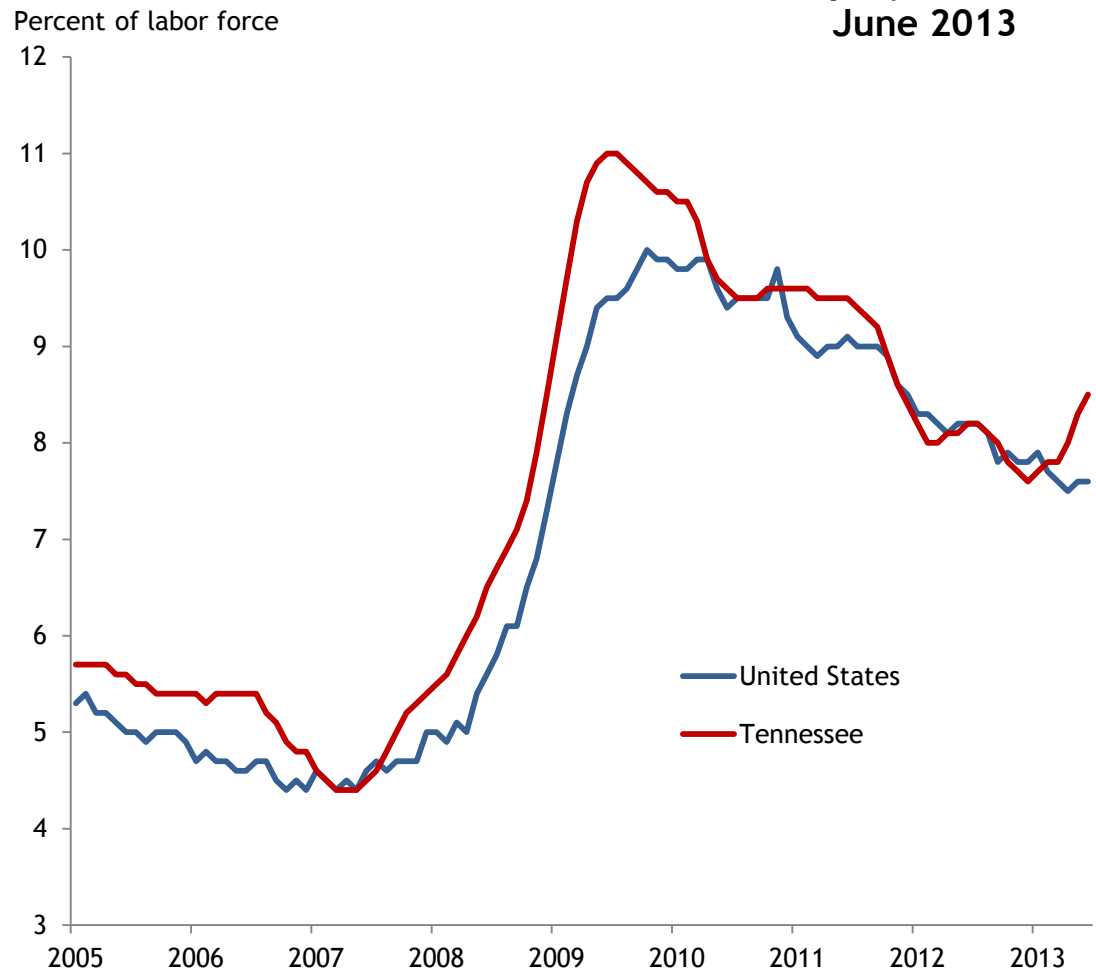
Employment Momentum Track: Tennessee January 2007-June 2013



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

The unemployment rate for Tennessee has been inching up this year. The state's unemployment rate is above the national rate for the fifth consecutive month in June.

Unemployment Rates June 2013

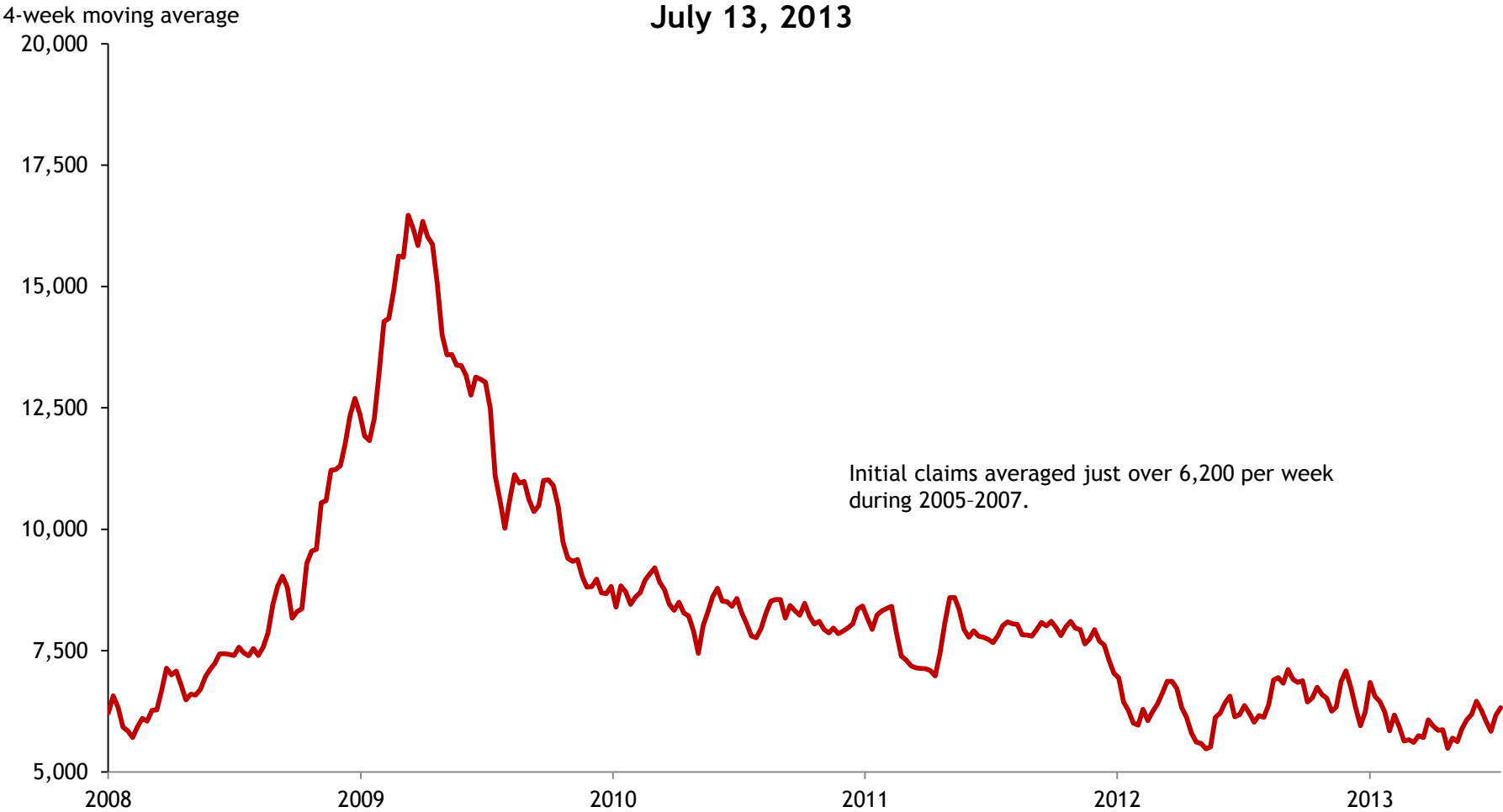


Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	7.6	8.2	4.6
Tennessee	8.5	8.2	4.6
Chattanooga	8.5	8.1	4.4
Clarksville	9.5	9.1	5.7
Cleveland	8.5	8.4	4.9
Jackson	9.2	9.0	5.6
Johnson City	8.4	8.0	4.8
Kingsport-Bristol	8.1	7.9	4.8
Knoxville	7.5	7.3	4.1
Memphis	10.0	9.7	5.8
Morristown	10.2	10.2	6.1
Nashville	7.1	7.2	4.2

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

Initial unemployment insurance claims are now close to prerecession levels.

Initial Unemployment Insurance Claims: Tennessee July 13, 2013



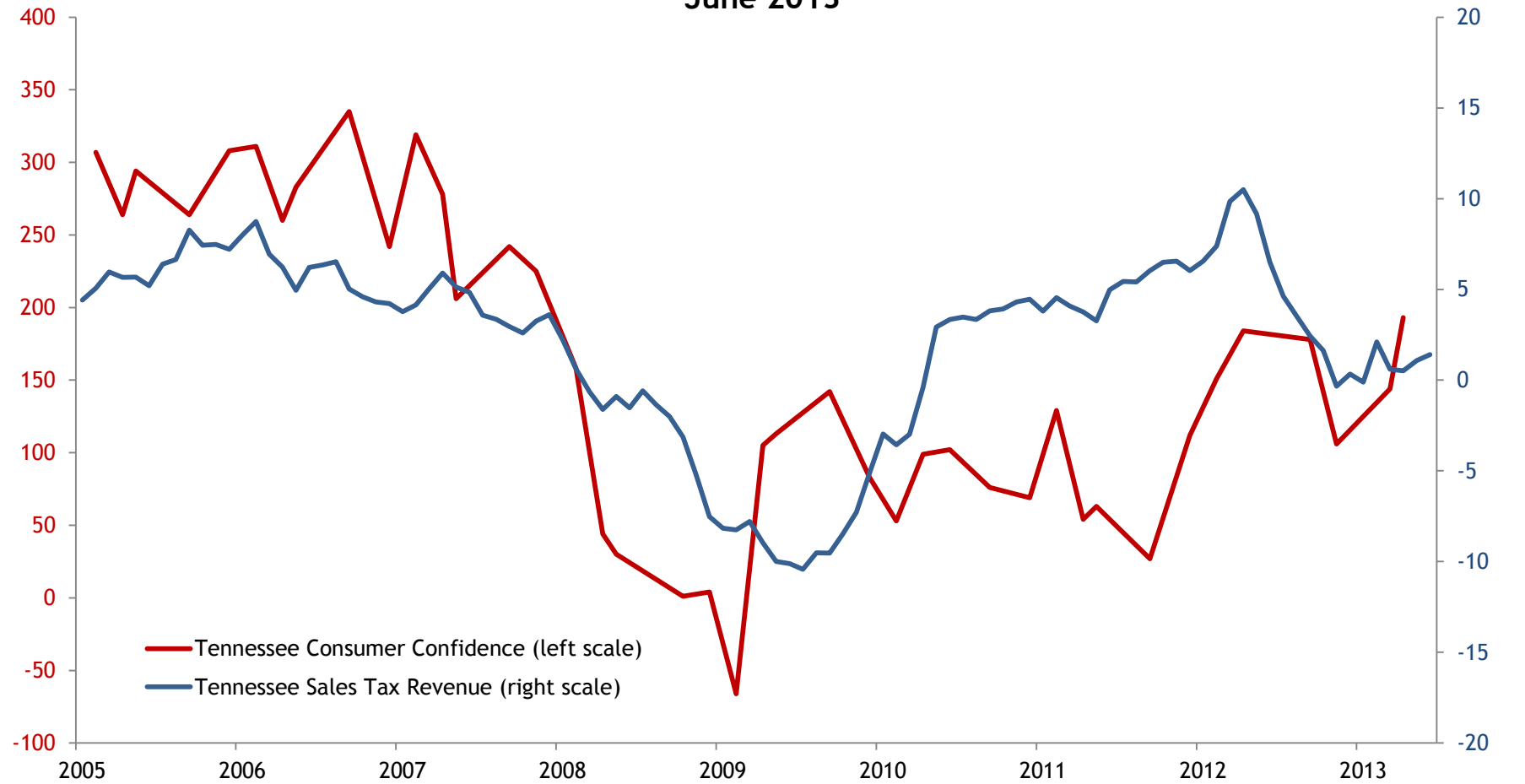
Source: U.S. Department of Labor—Employment and Training Administration, Haver Analytics

Growth of sales tax revenue in Tennessee has been virtually flat over the past few months. Consumer confidence has been trending upward since last November.

Tennessee Sales Tax Revenue and Consumer Confidence June 2013

4-week moving average

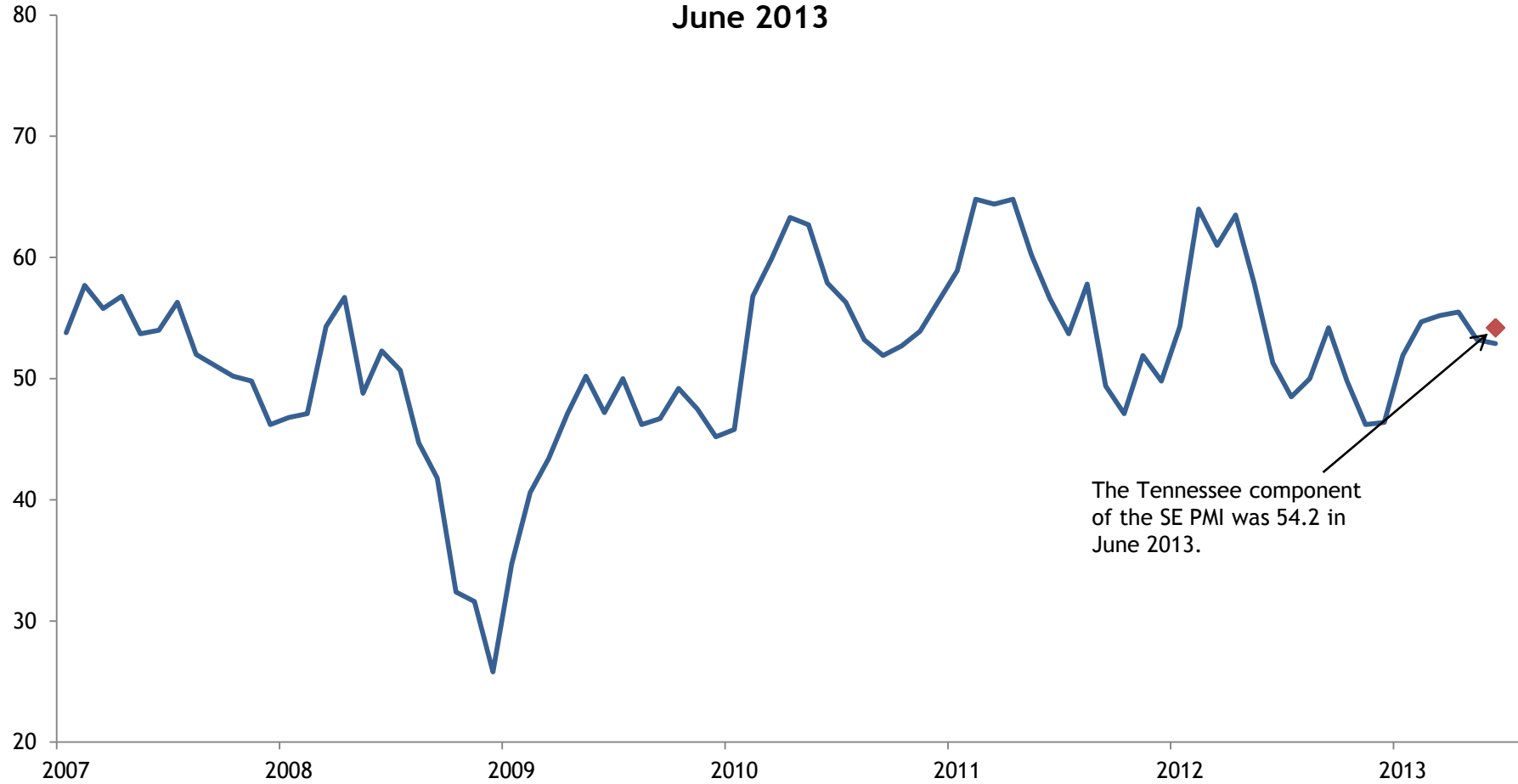
Year-to-year change,
3-month moving average



Note: Consumer Confidence data are through April 2013
Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity expanded for the sixth consecutive month, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. In Tennessee, manufacturing activity continues to be strong.

Southeast Purchasing Managers Index
June 2013



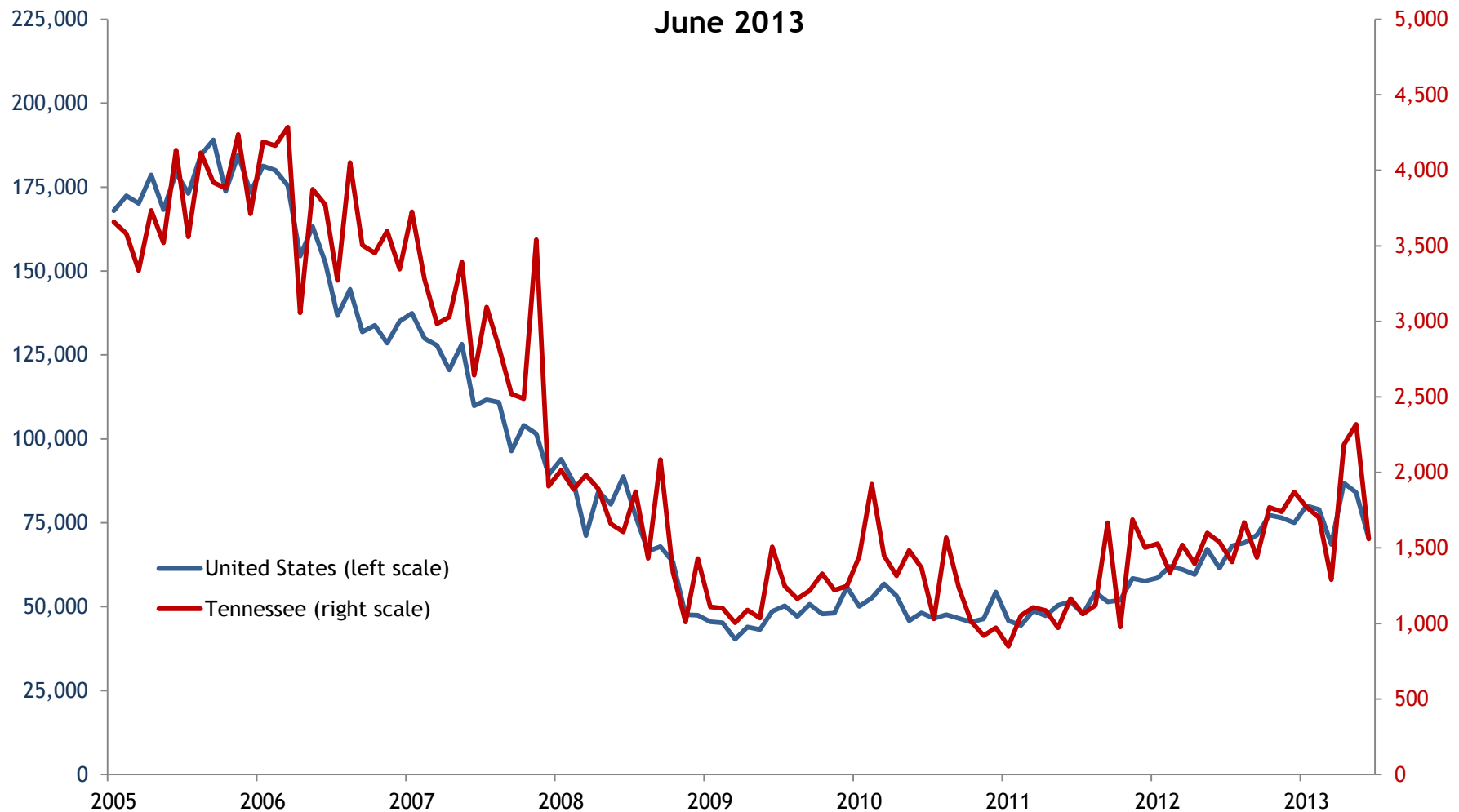
The Tennessee component of the SE PMI was 54.2 in June 2013.

Note: 50+ = Expansion

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

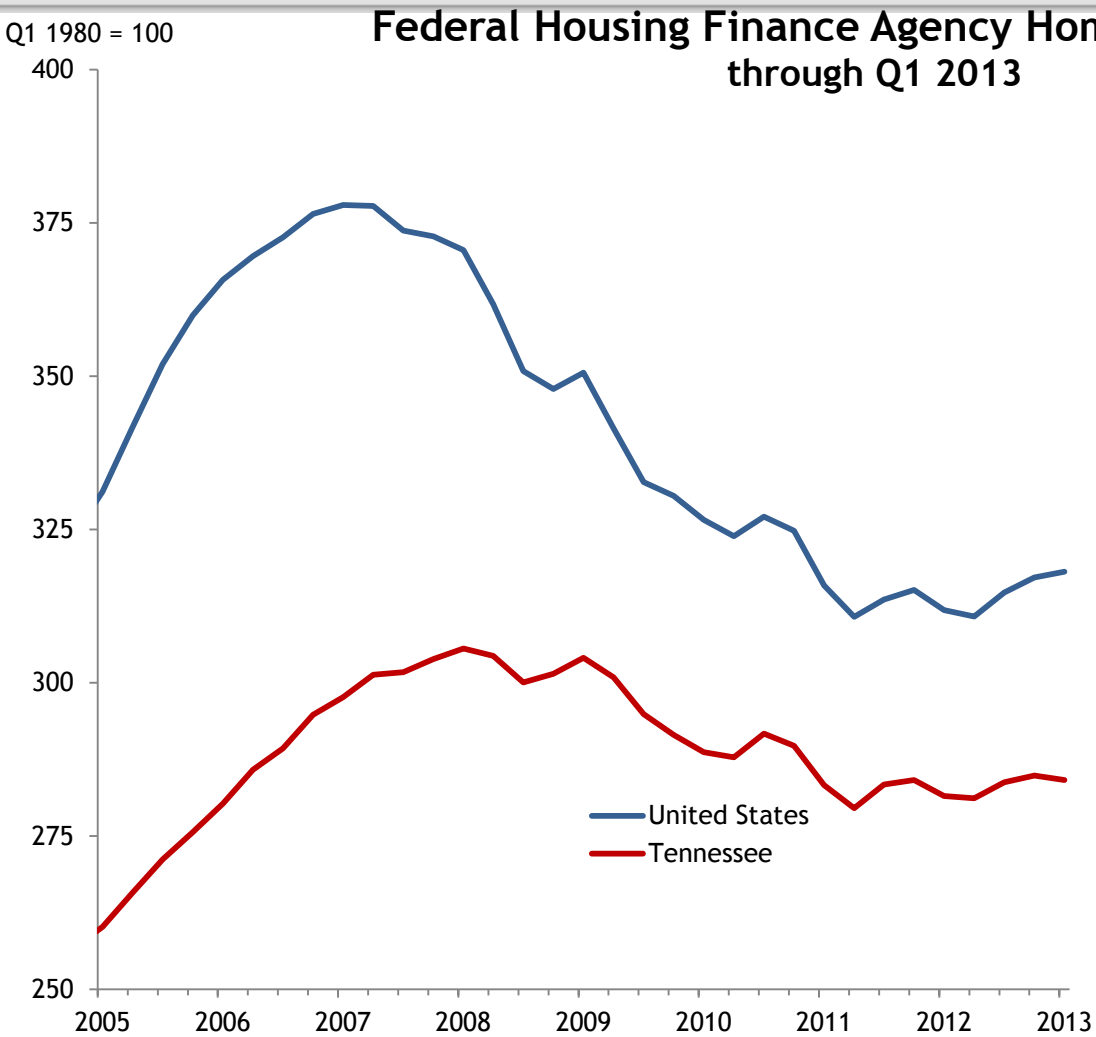
New home construction permits for the United States and Tennessee remain at historically low levels. After robust increases in April and May, permits dipped sharply in June.

New Residential Home Construction Permits June 2013



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

Over the past year, home prices in Tennessee rose at a slower pace than nationally.



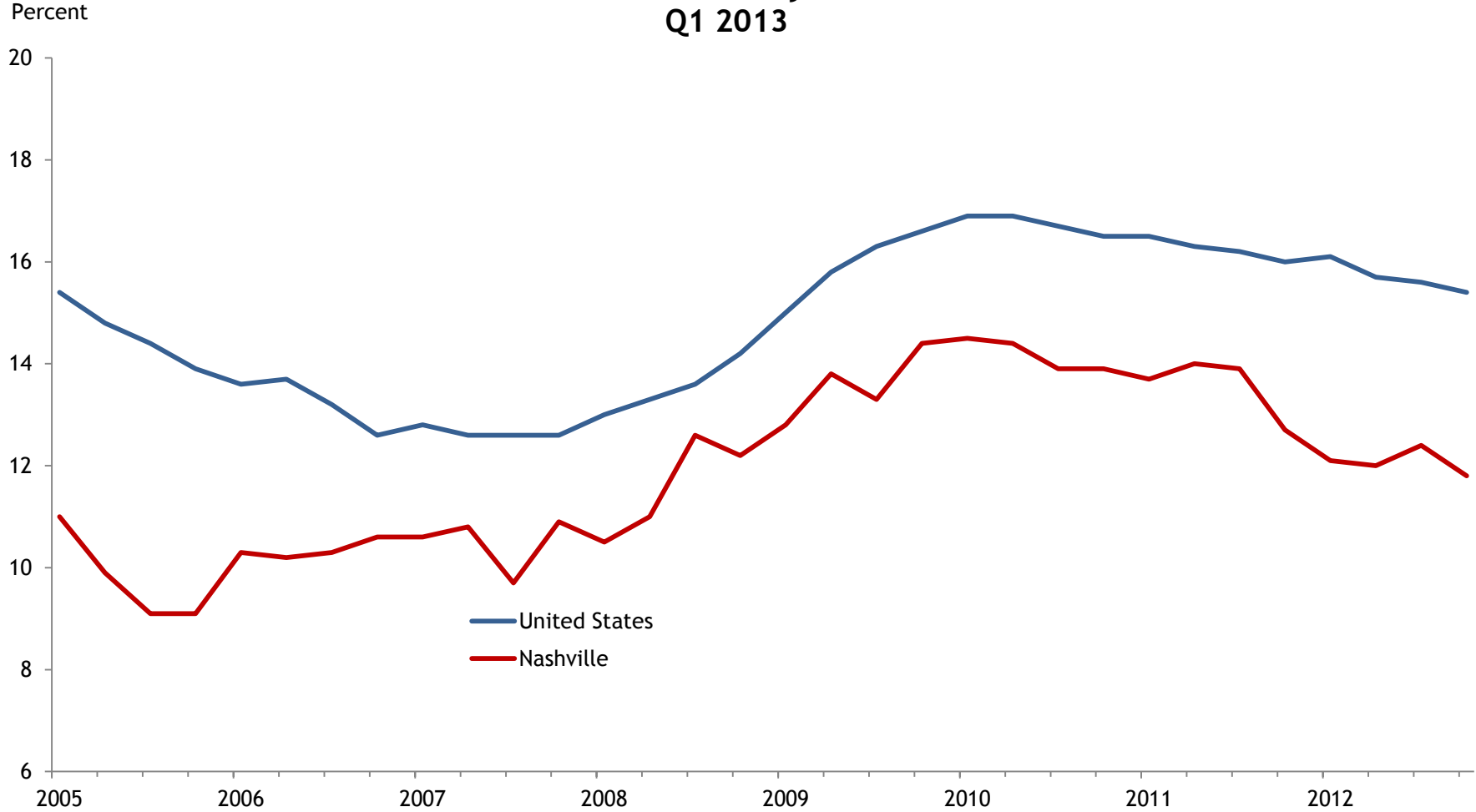
FHFA House Price Index: Q1 2013	1-yr % change	5-yr % change	10-yr % change
United States	2.0	-14.1	14.5
Tennessee	0.9	-7.0	18.9
Cleveland	0.8	-5.8	18.2
Jackson	3.3	-5.4	6.2
Johnson City	0.1	-2.7	27.1
Knoxville	0.6	-6.3	26.3
Morristown	-0.4	-11.2	18.1
Nashville	2.5	-5.8	24.5
Chattanooga	1.2	-5.1	19.8
Clarksville	-1.3	0.2	27.7
Kingsport-Bristol	2.2	-1.8	28.4
Memphis	-0.1	-13.1	0.3

Source: Federal Housing Finance Agency, Haver Analytics

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

The office vacancy rate is lower in Nashville than in the United States as a whole and has been declining at a faster pace.

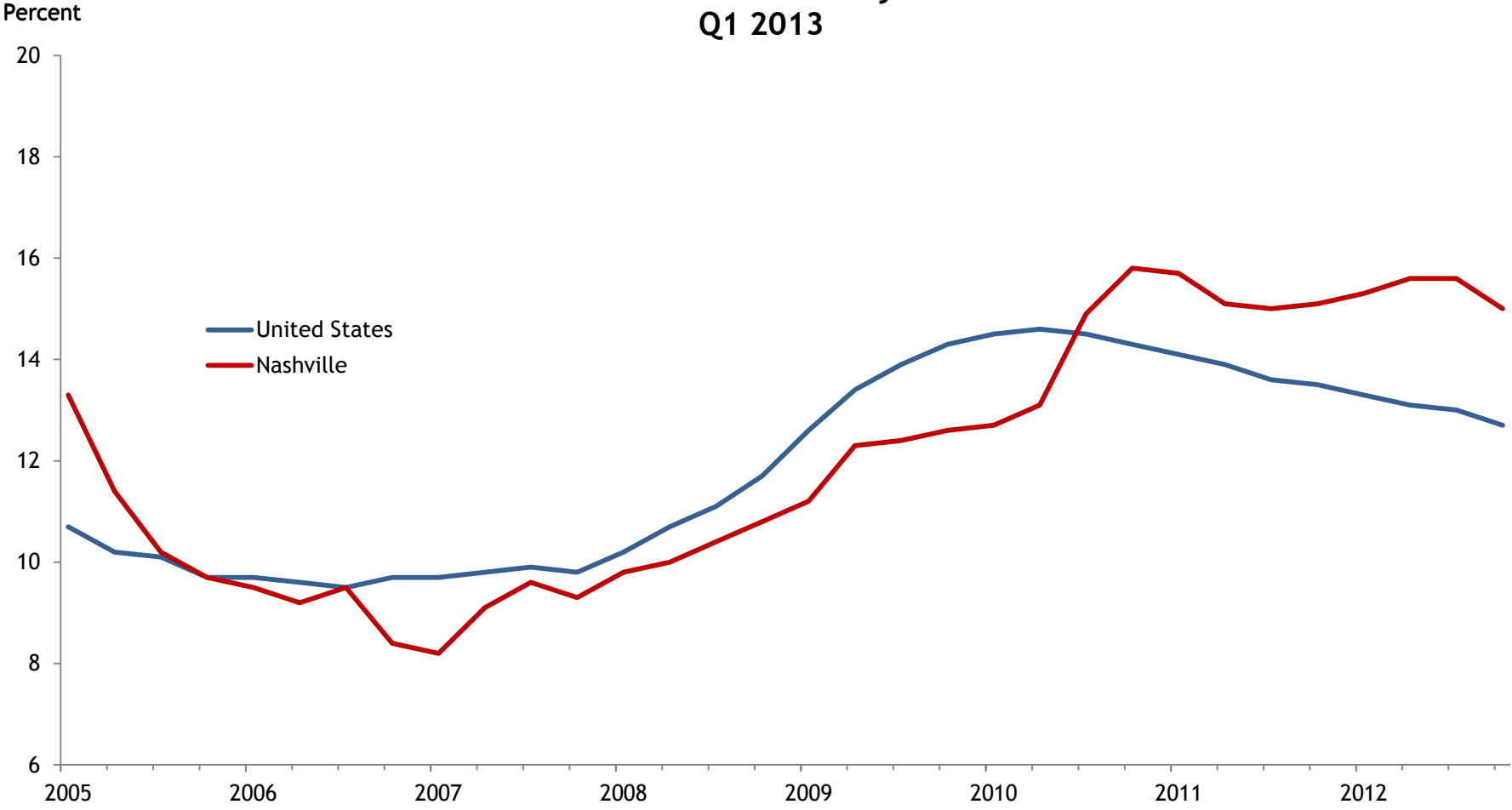
Office Vacancy Rate Q1 2013



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate has remained essentially unchanged above the national level for two years.

Industrial Availability Rate Q1 2013



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.