



# Data Digest: Tennessee

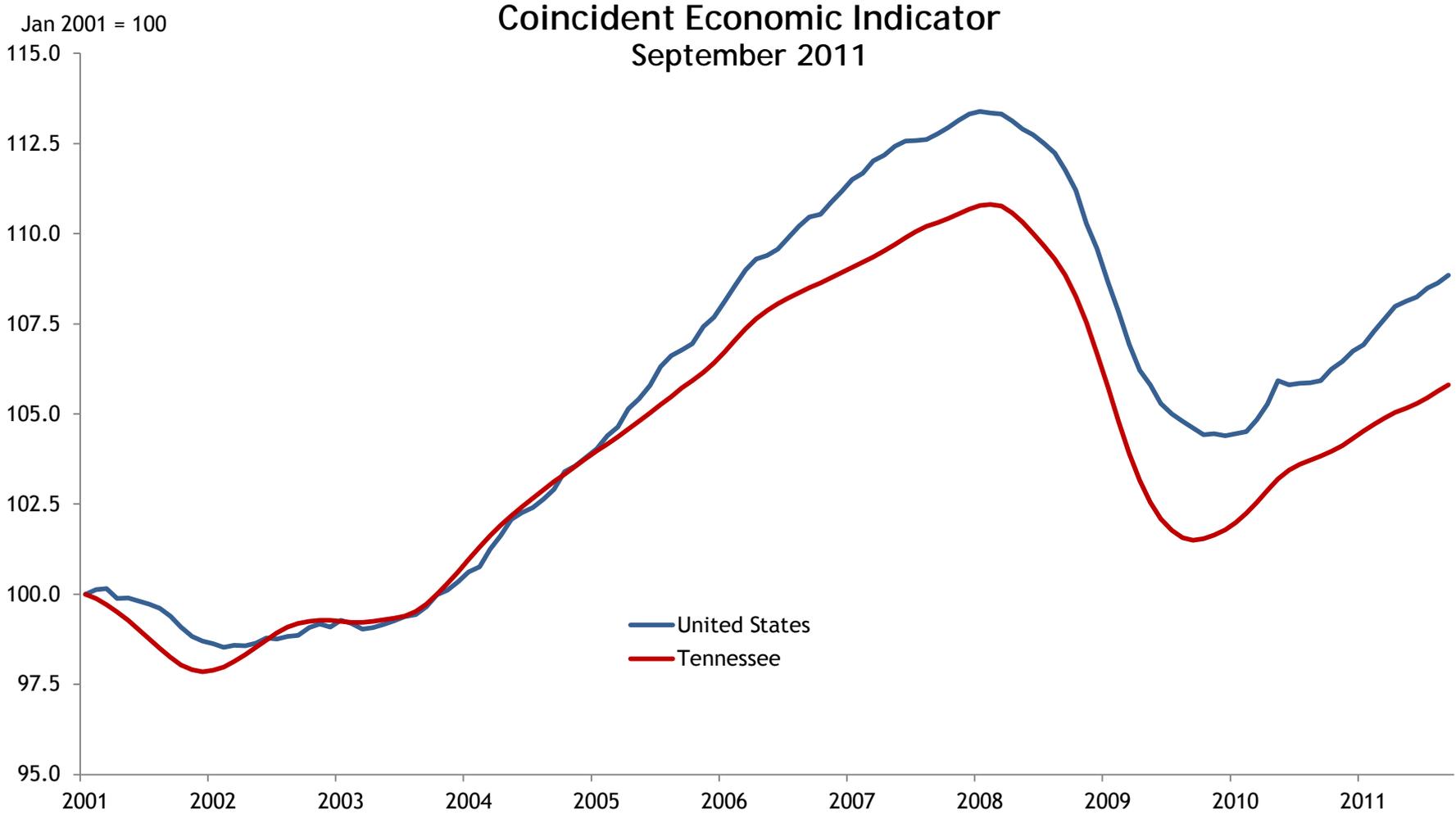
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November 2011



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

[About the Coincident Economic Indicator](#)

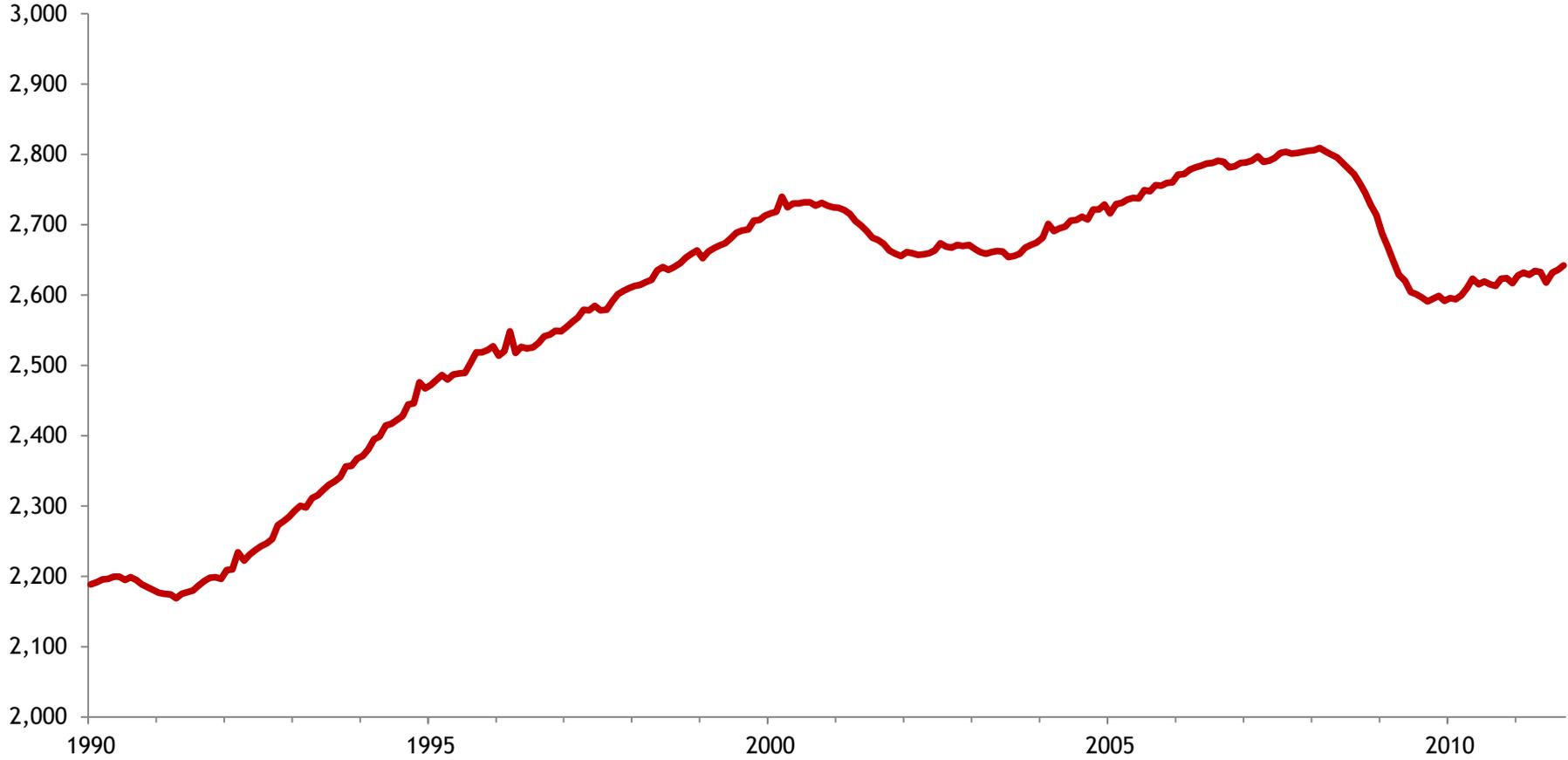


Source: Federal Reserve Bank of Philadelphia

Total employment in Tennessee increased for the third consecutive month in September.

### Tennessee Payroll Employment September 2011

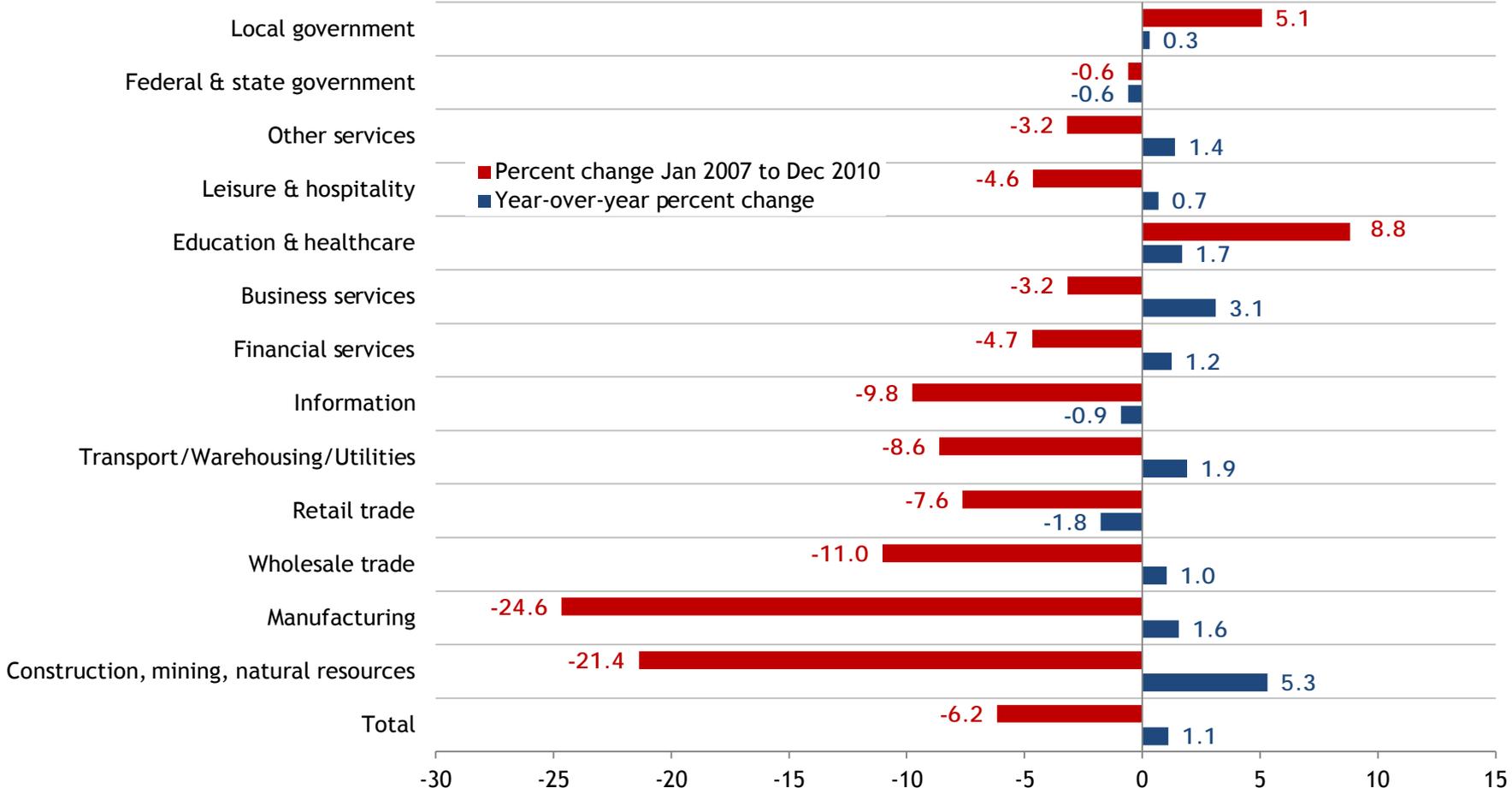
Thousands,  
seasonally adjusted



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

All industries except education and health care and local government lost jobs during the recent downturn, with manufacturing and construction registering significant declines. Most sectors have regained some jobs over the past year.

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

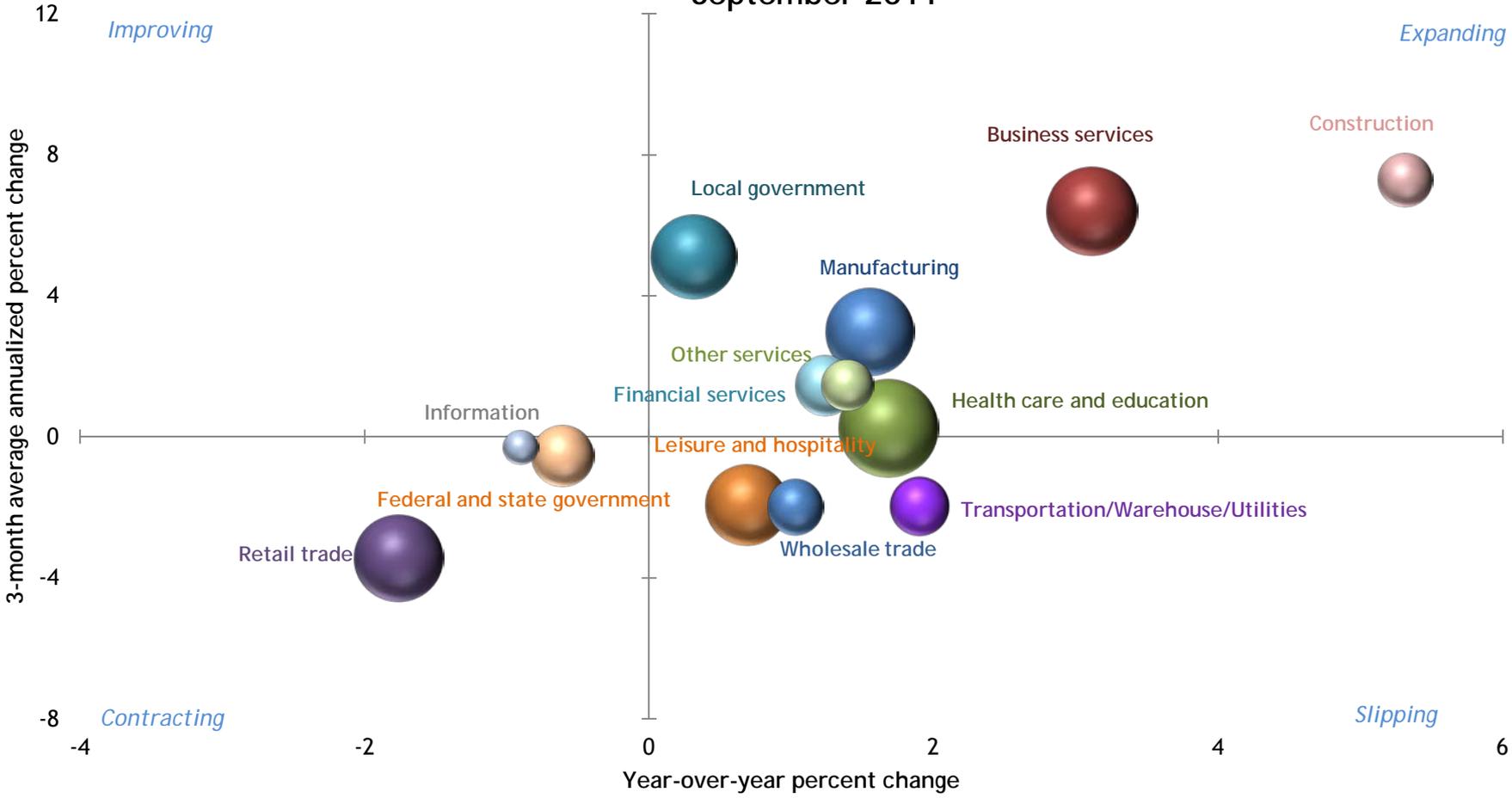


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Most industries are showing positive employment momentum. Retail trade, information, and government remain weak; wholesale trade, transportation, and leisure and hospitality are slipping.

[About Employment Momentum](#)

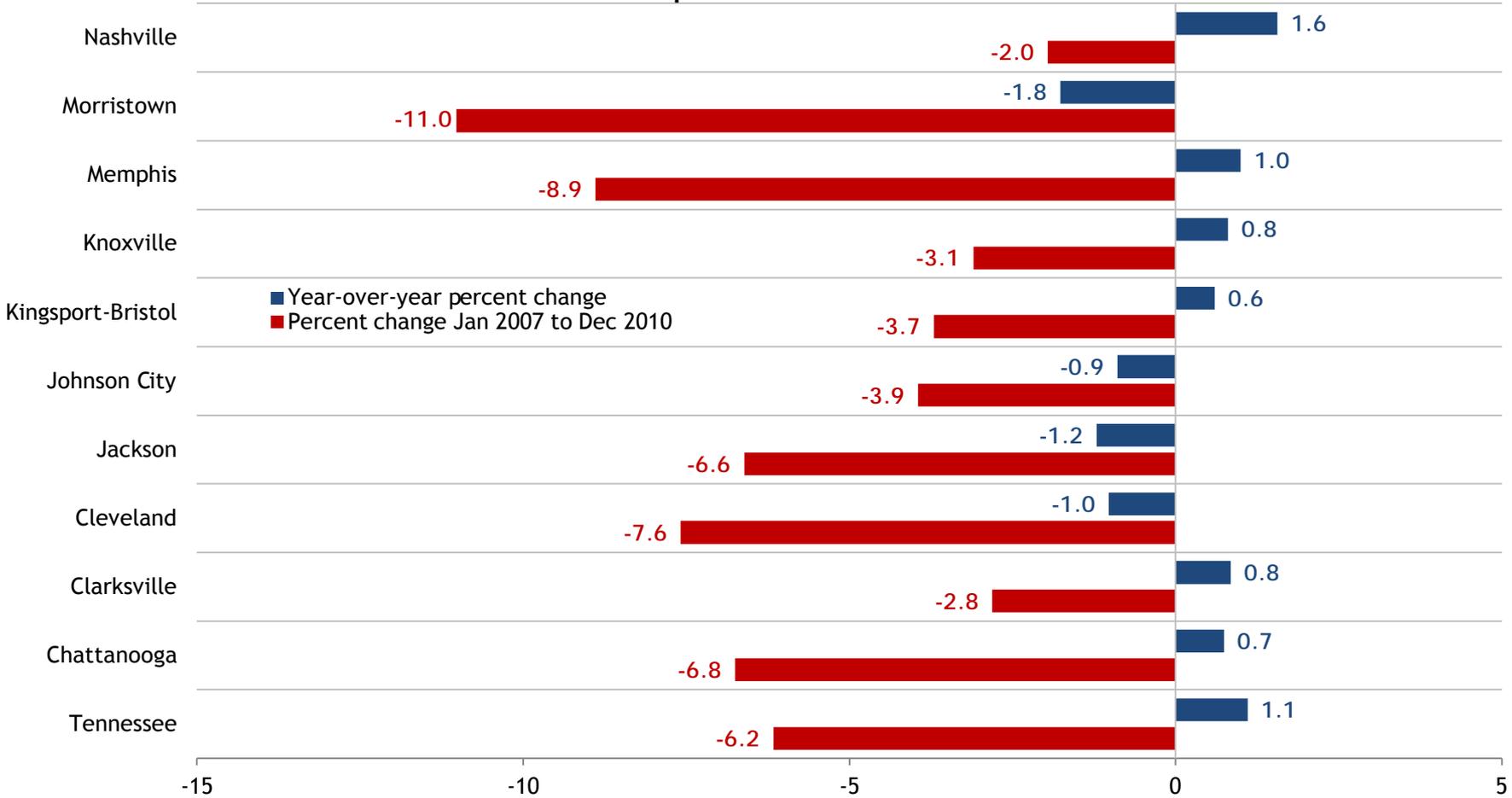
### Employment Momentum by Industry: Tennessee September 2011



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. Several metro areas continue to lose jobs in the recovery as well.

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

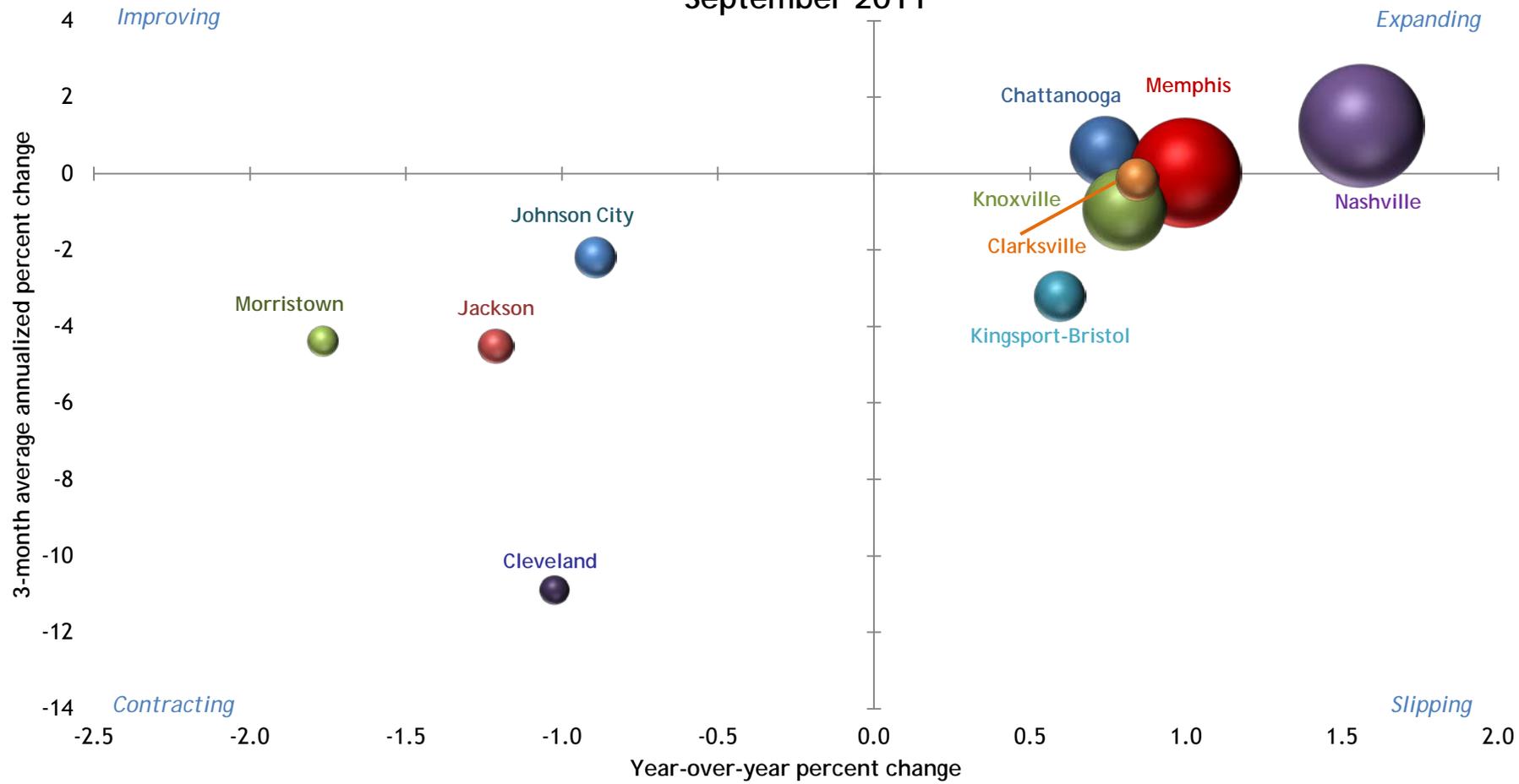


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Nashville and Chattanooga are experiencing modestly expanding employment momentum; Knoxville continues to slip, while most of Tennessee's smaller metro areas are contracting.

[About Employment Momentum](#)

### Employment Momentum by Metro Area: Tennessee September 2011

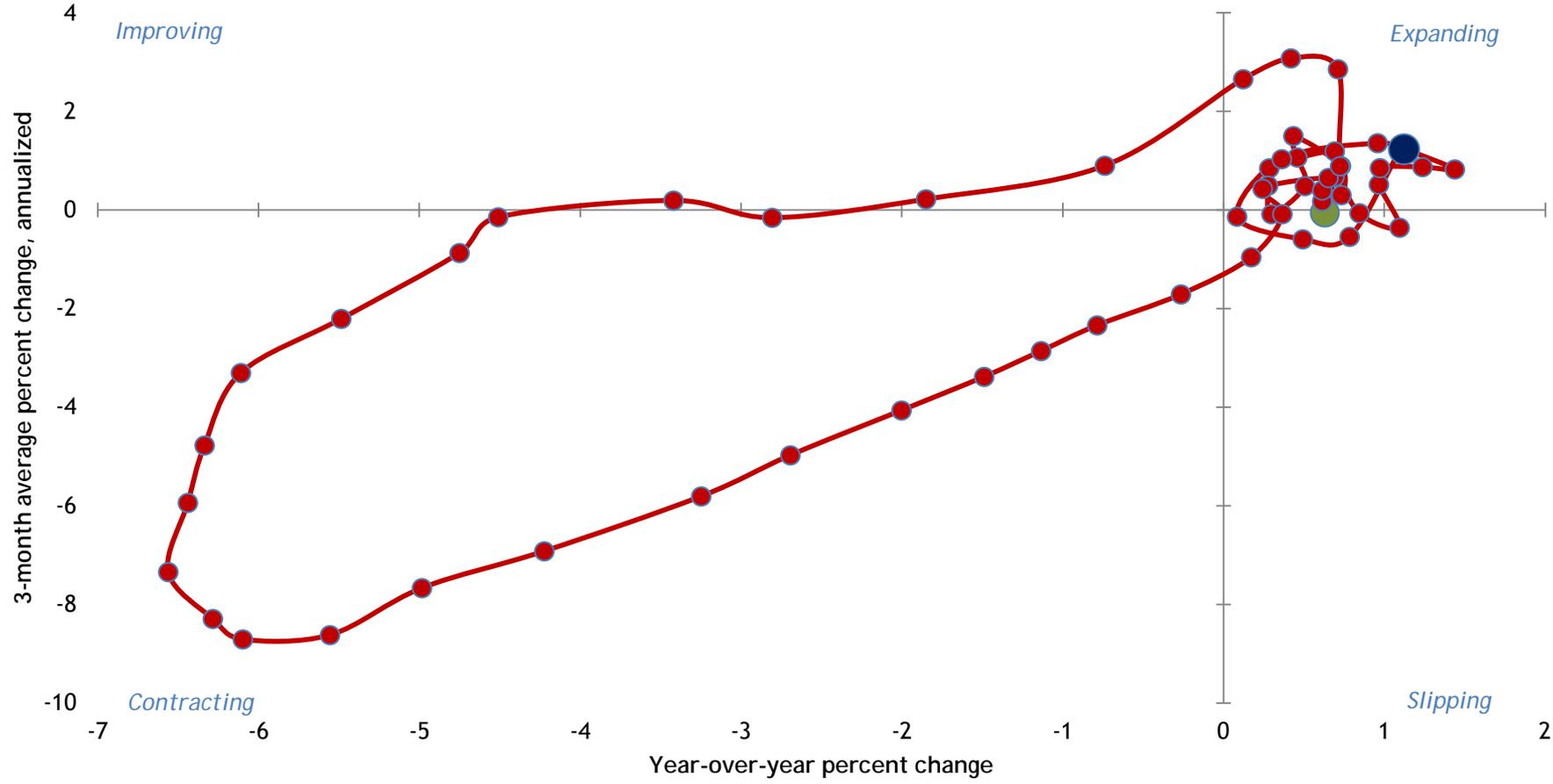


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum began to improve in March 2010. It began expanding in May, lost some momentum during the summer of 2010, then started expanding again last November. Employment momentum accelerated a bit in September.

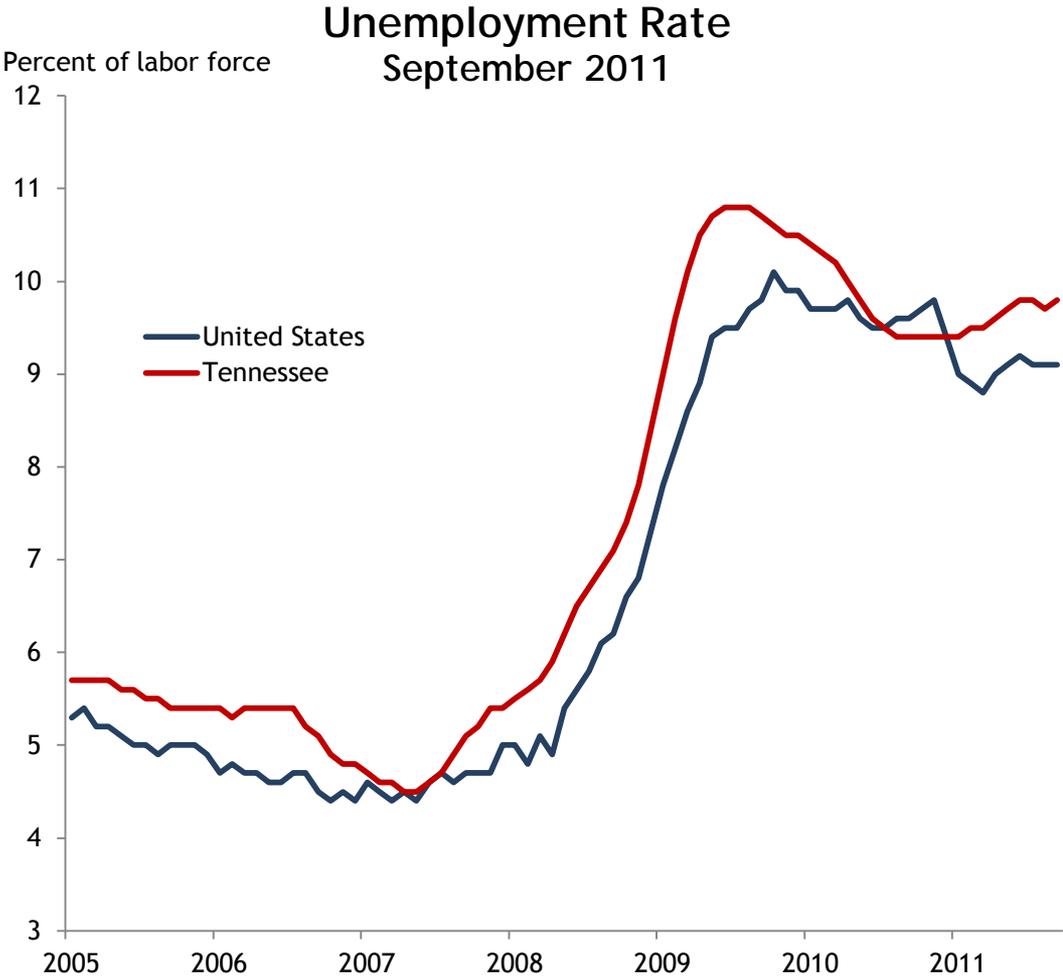
[About Employment Momentum Track](#)

### Employment Momentum Track: Tennessee January 2007-September 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 began to rise, reaching 9.8 percent in September.



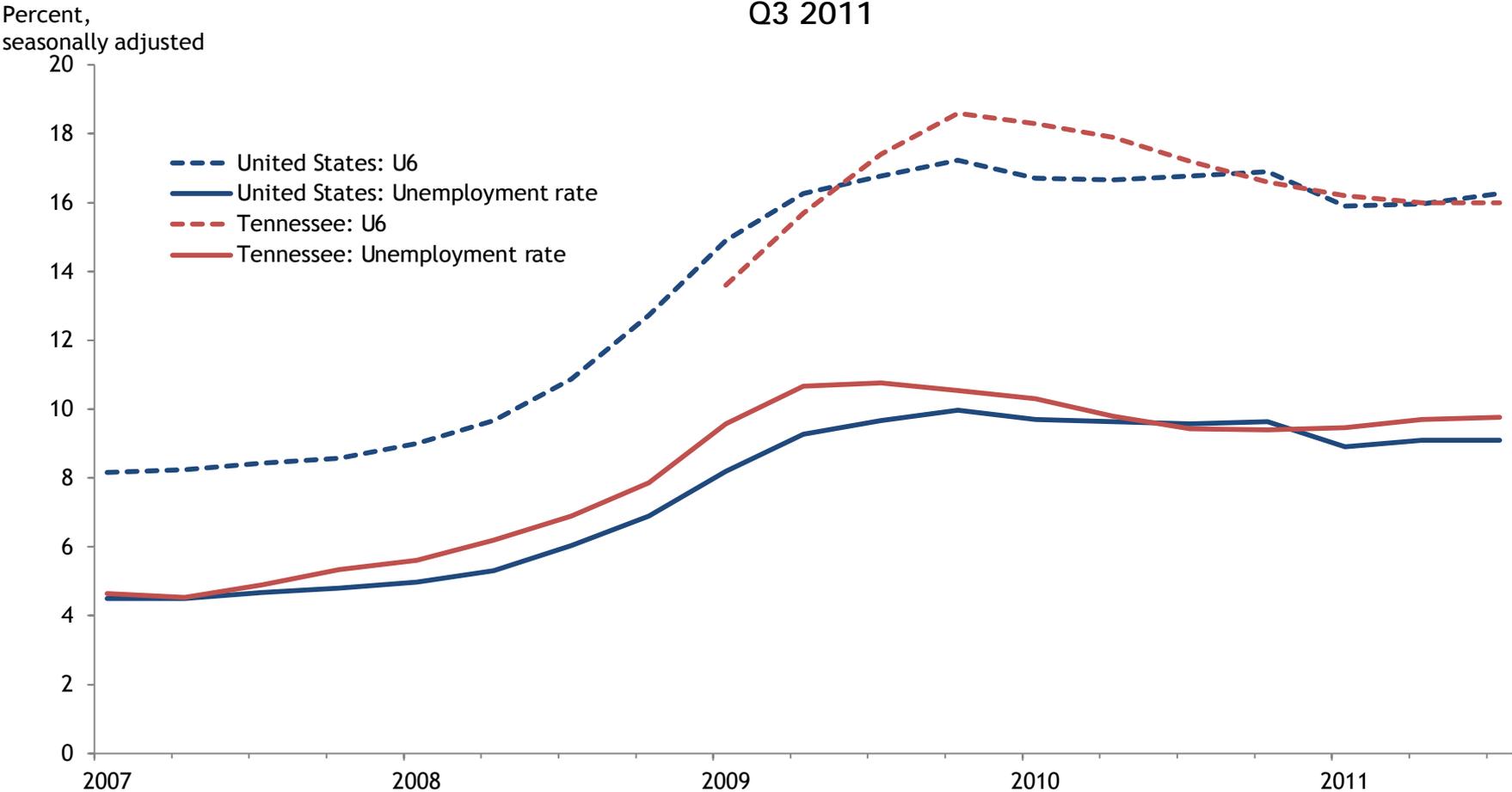
Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	9.1	9.6	4.6
Tennessee	9.8	9.4	4.7
Chattanooga	8.7	8.2	4.4
Clarksville	10.3	9.3	5.7
Cleveland	9.8	8.9	5.0
Jackson	10.2	9.3	5.7
Johnson City	8.7	8.3	4.9
Kingsport-Bristol	8.4	8.1	4.9
Knoxville	7.9	7.3	4.1
Memphis	10.5	9.7	5.8
Morristown	11.3	10.6	6.2
Nashville	8.5	8.2	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, 16 percent of the state’s labor force is either unemployed or underemployed.

[About Unemployment Rates](#)

### Measures of Labor Utilization: Unemployment Rate and U6 Q3 2011

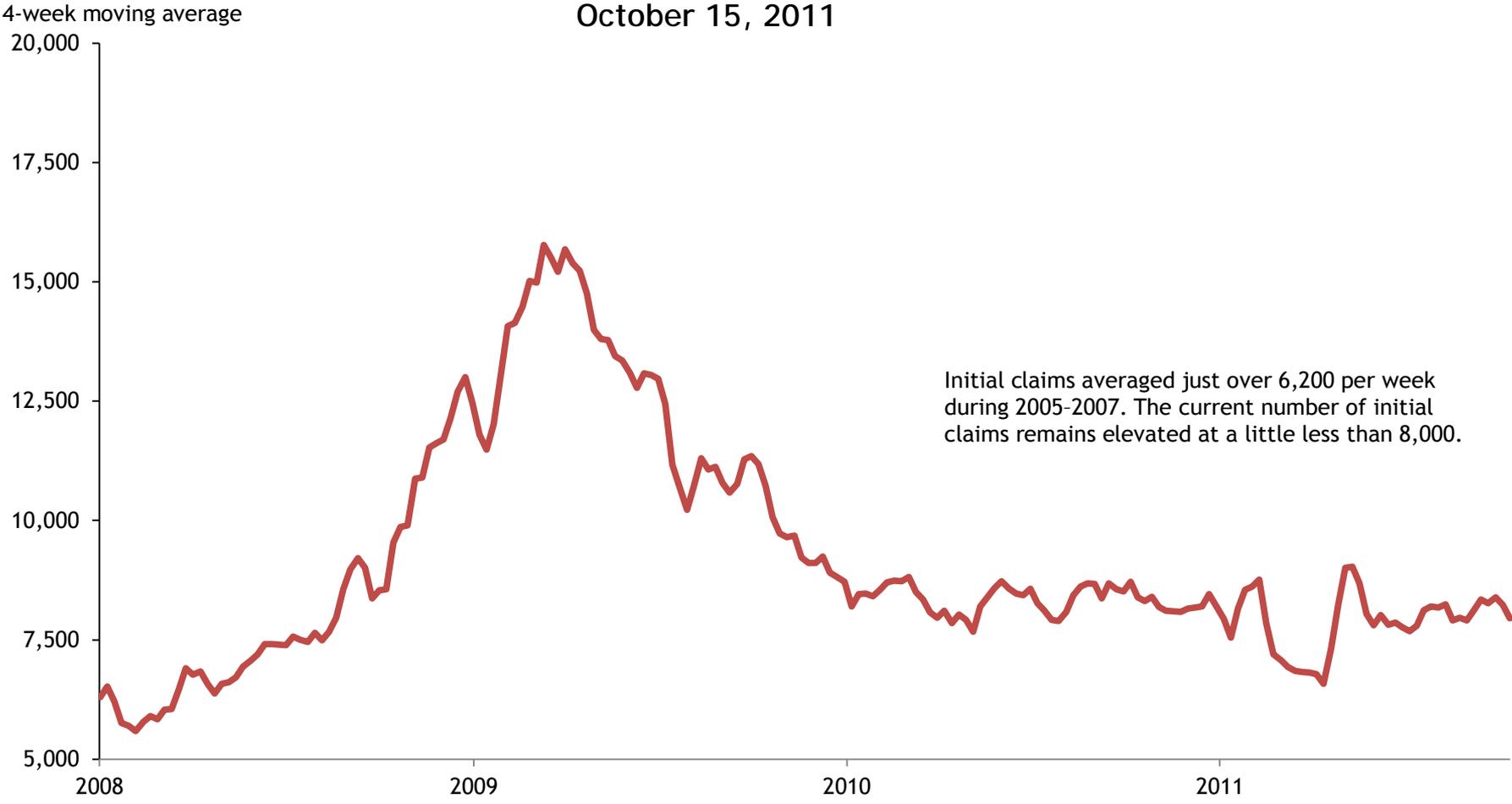


Note: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached.

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

Initial claims for unemployment insurance declined in early 2011. After increasing during April and early May, the trend for initial claims is leveling off.

### Initial Unemployment Insurance Claims: Tennessee October 15, 2011

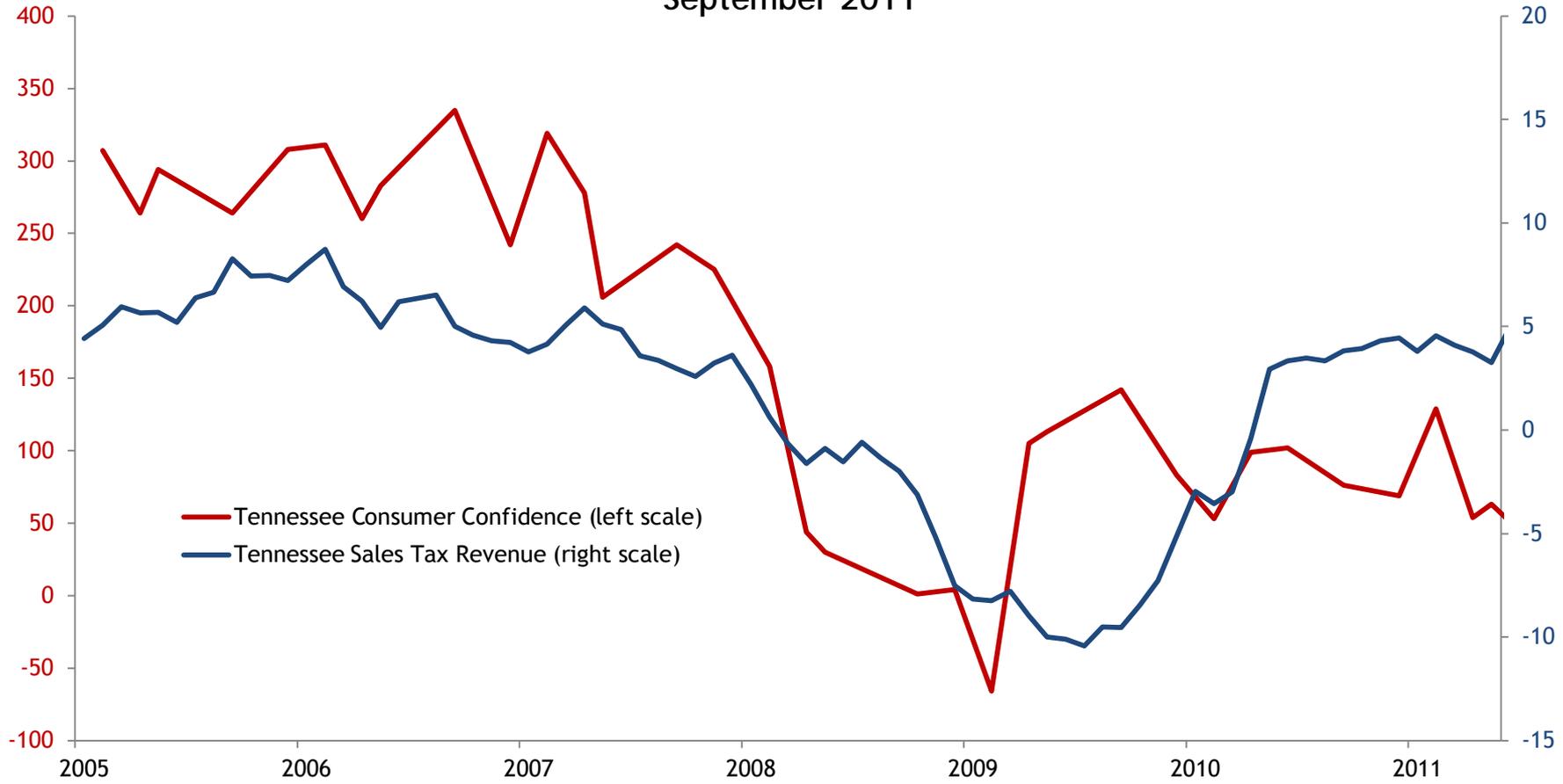


Source: U.S. Department of Labor—Employment and Training Administration, Haver Analytics

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

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

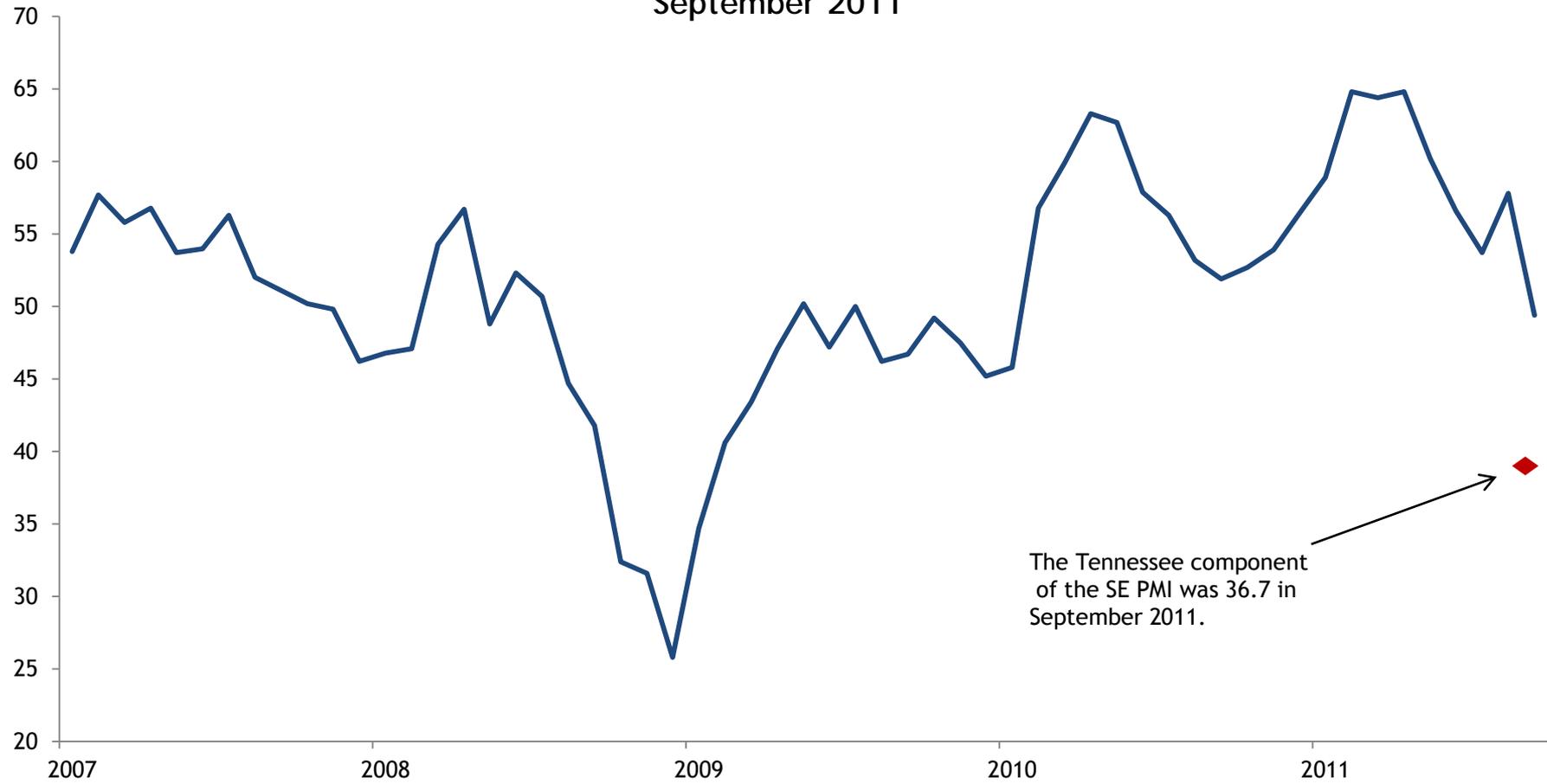
Year-to-year change,  
3-month moving average



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

Regional manufacturing activity contracted slightly in September, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's PMI fell even more sharply from the previous month.

### Southeast Purchasing Managers Index September 2011



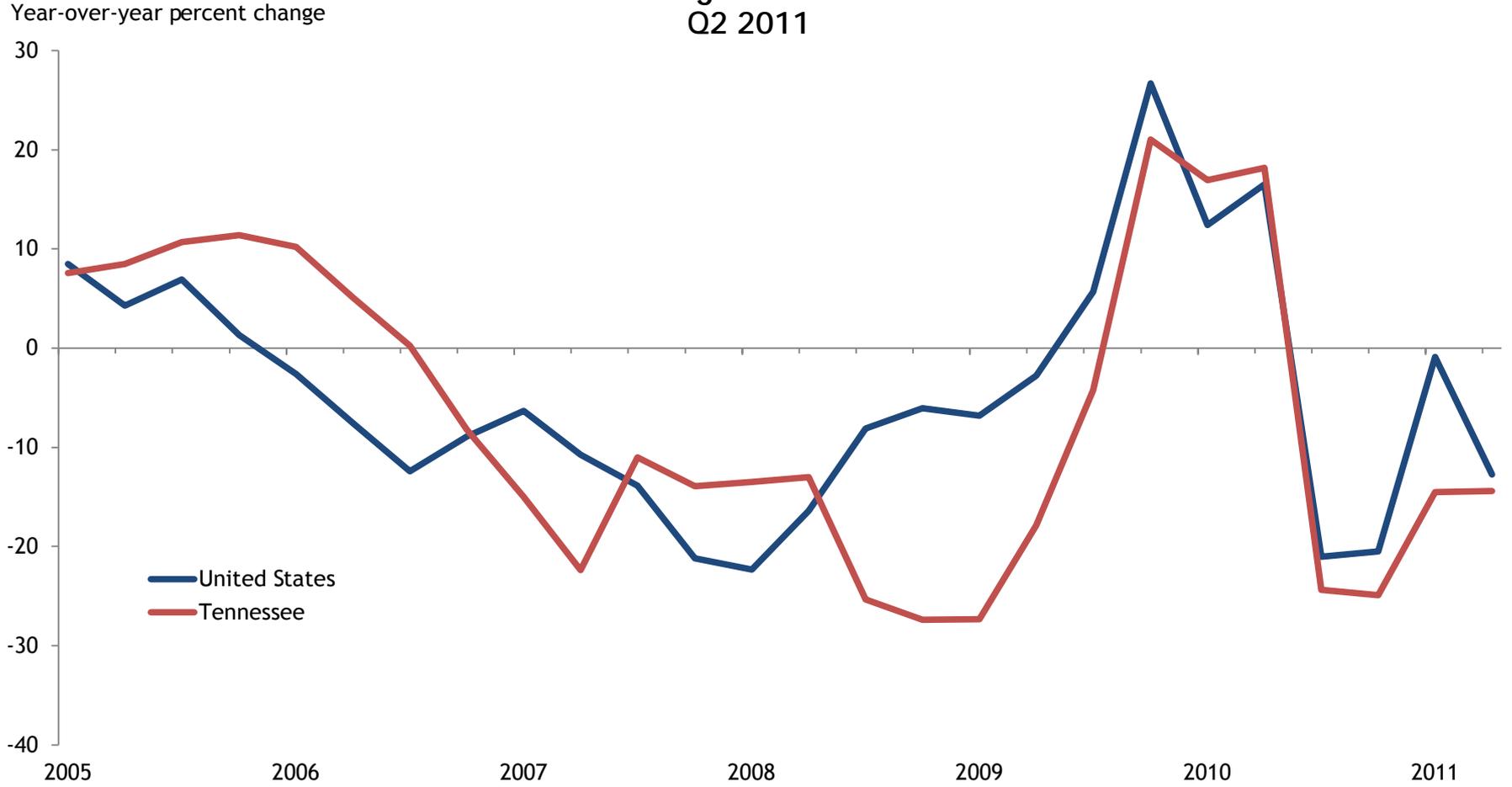
The Tennessee component of the SE PMI was 36.7 in September 2011.

Note: 50+ = Expansion

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

Existing home sales in Tennessee increased slightly during the second quarter of 2011 but remain well below year-ago levels.

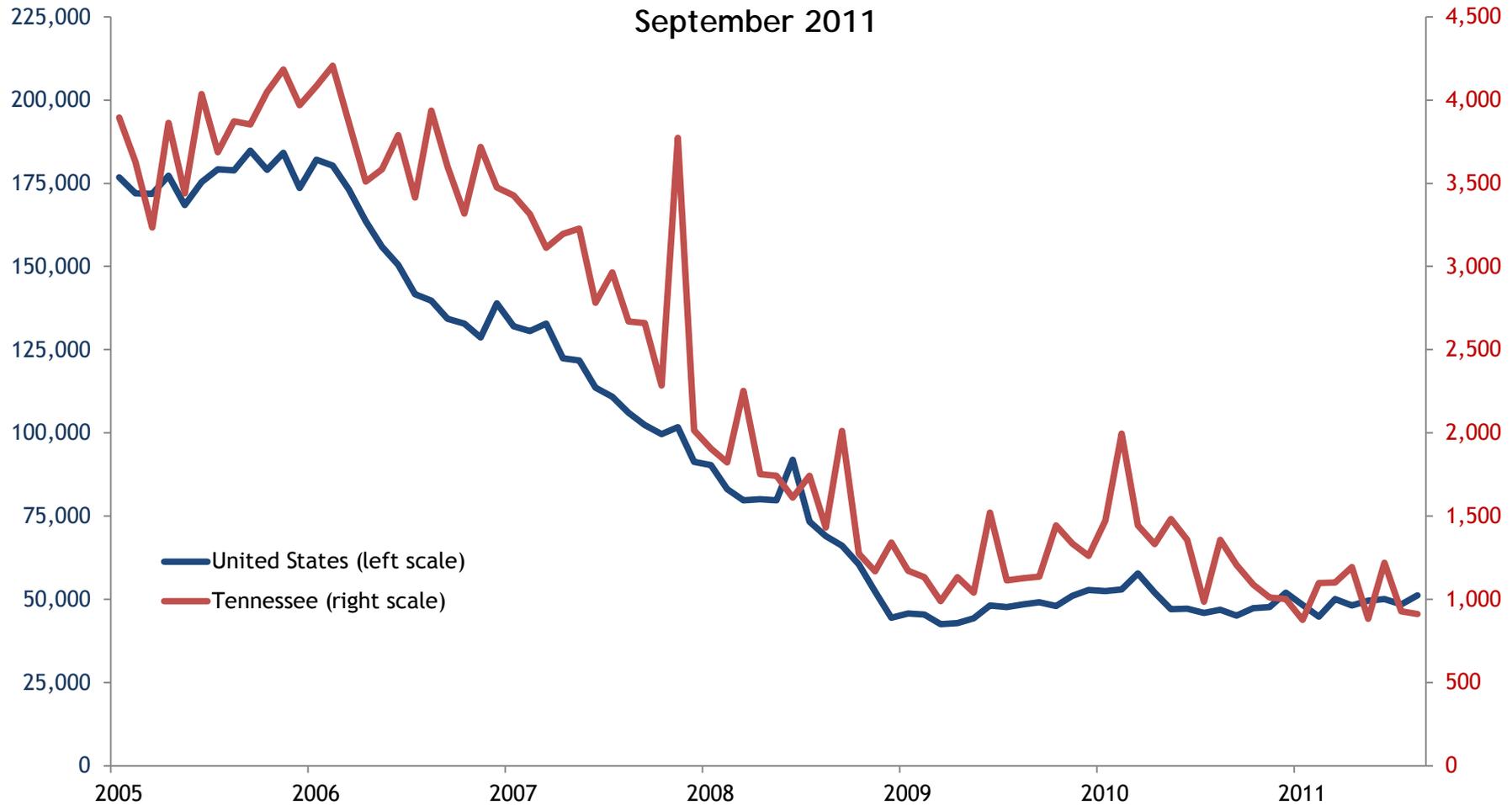
### Existing Home Sales Q2 2011



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

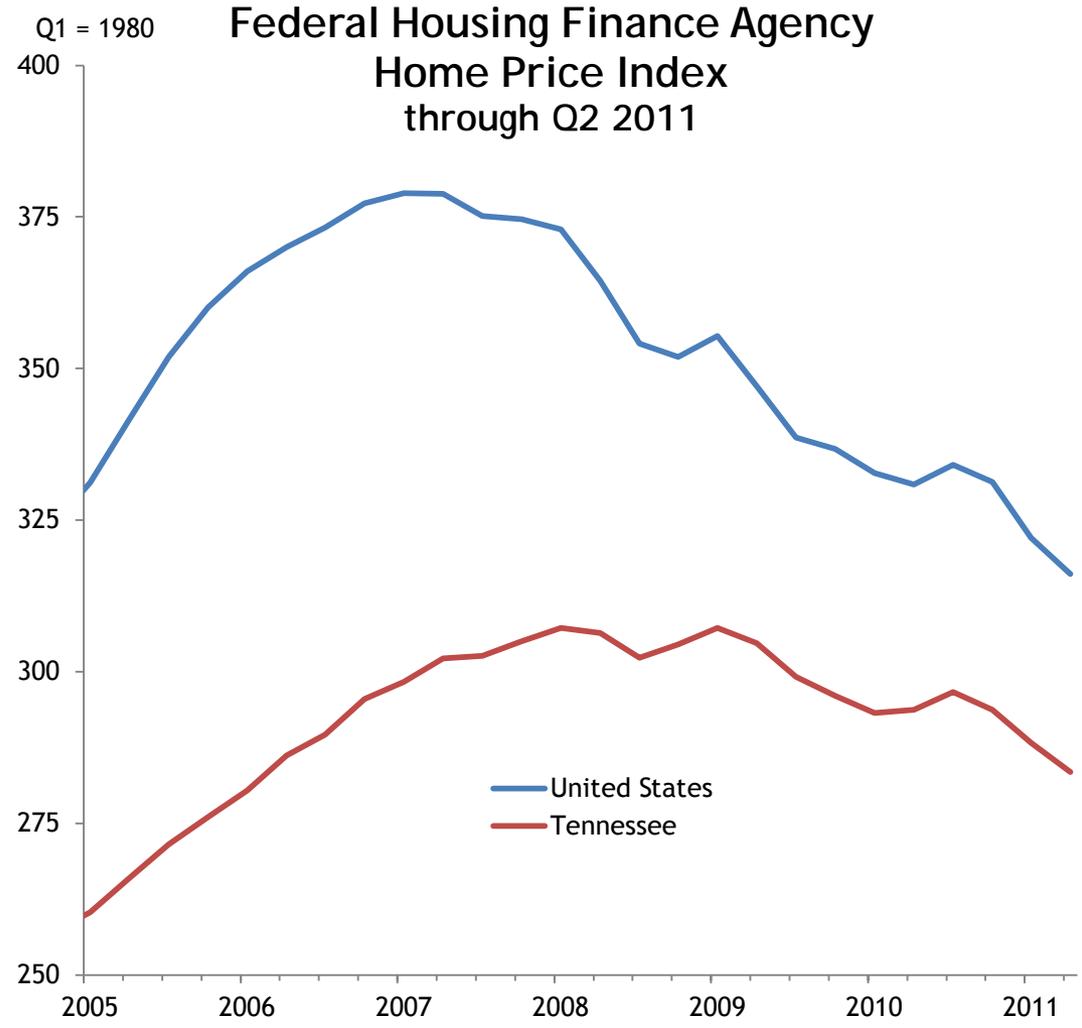
New home construction remains near record lows for both the United States and Tennessee.

### New Residential Home Construction Permits September 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. After stabilizing somewhat, prices declined a bit further late in 2010 and into 2011.



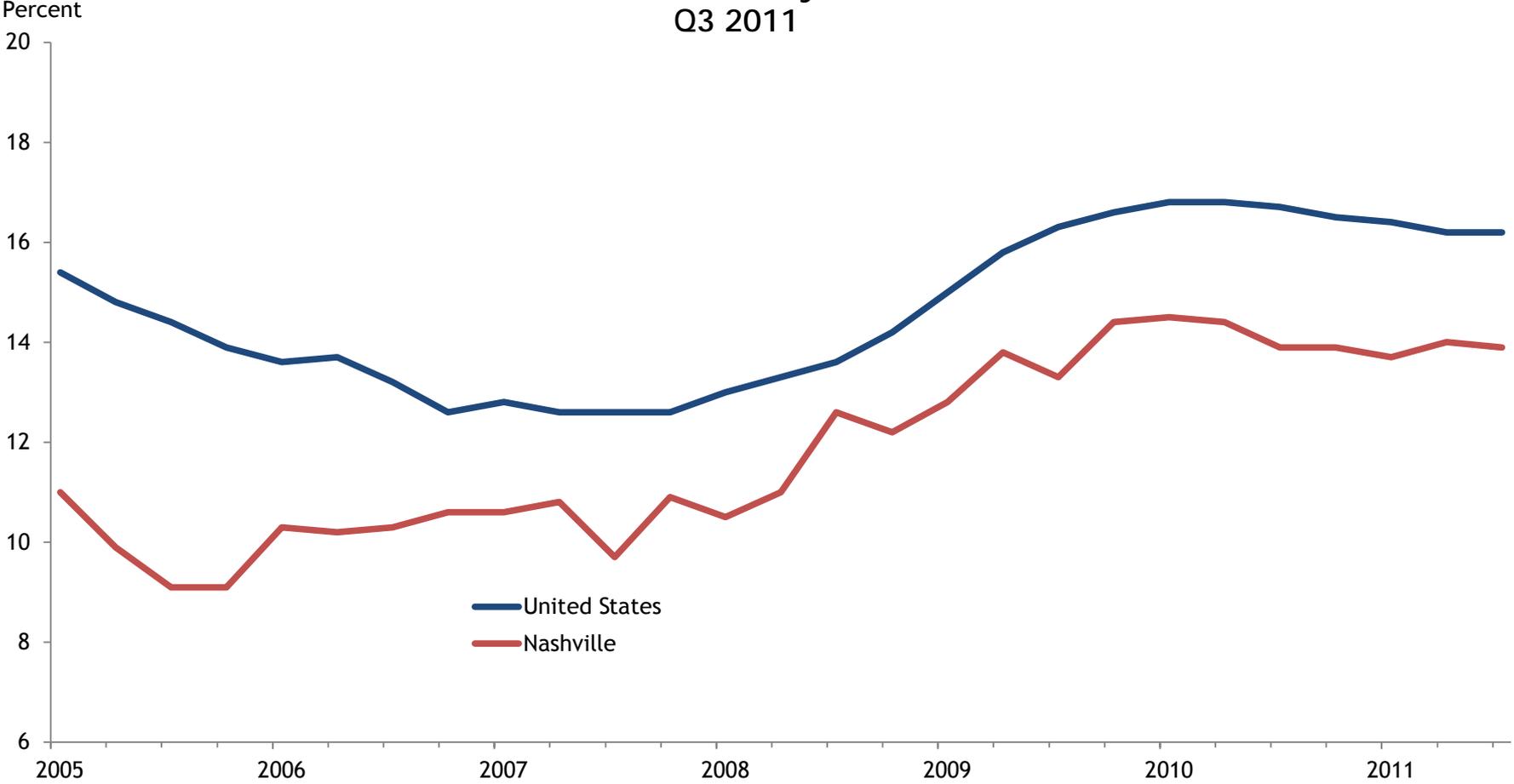
Source: Federal Housing Finance Agency, Haver Analytics

FHFA House Price Index: Q2 2011	1-yr % change	5-yr % change	10-yr % change
United States	-4.5	-14.6	26.3
Tennessee	-3.5	-0.9	25.2
Cleveland	-3.9	-0.8	24.2
Jackson	-7.5	-6.7	6.9
Johnson City	-3.6	4.3	34.6
Knoxville	-2.5	0.9	34.5
Morristown	-2.0	-3.5	24.7
Nashville	-2.7	0.2	28.9
Chattanooga	-3.1	-1.8	27.7
Clarksville	-0.1	8.8	37.2
Kingsport-Bristol	-1.4	8.0	38.3
Memphis	-6.1	-10.0	5.4

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.

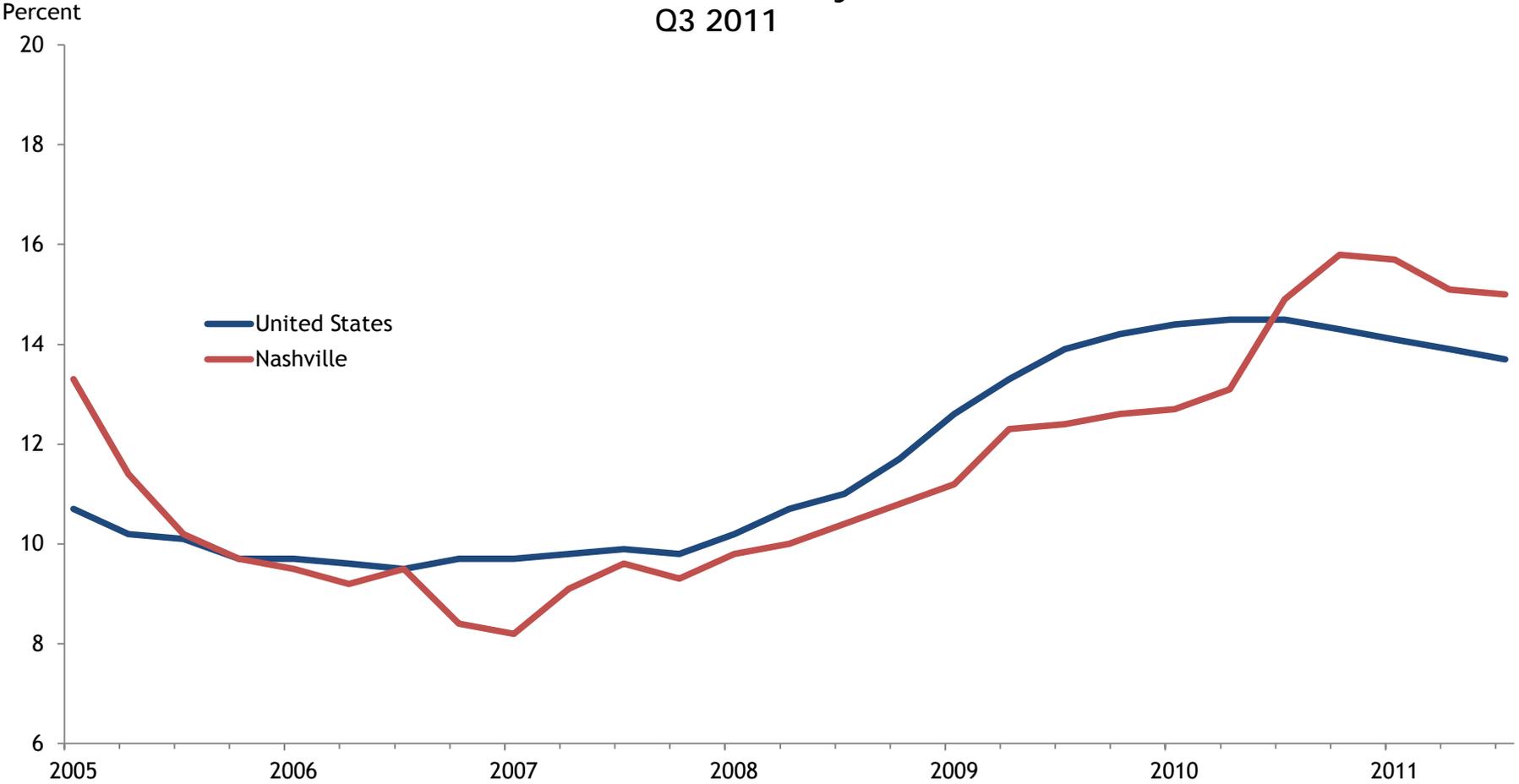
### Office Vacancy Rate Q3 2011



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).