



# Data Digest: Tennessee

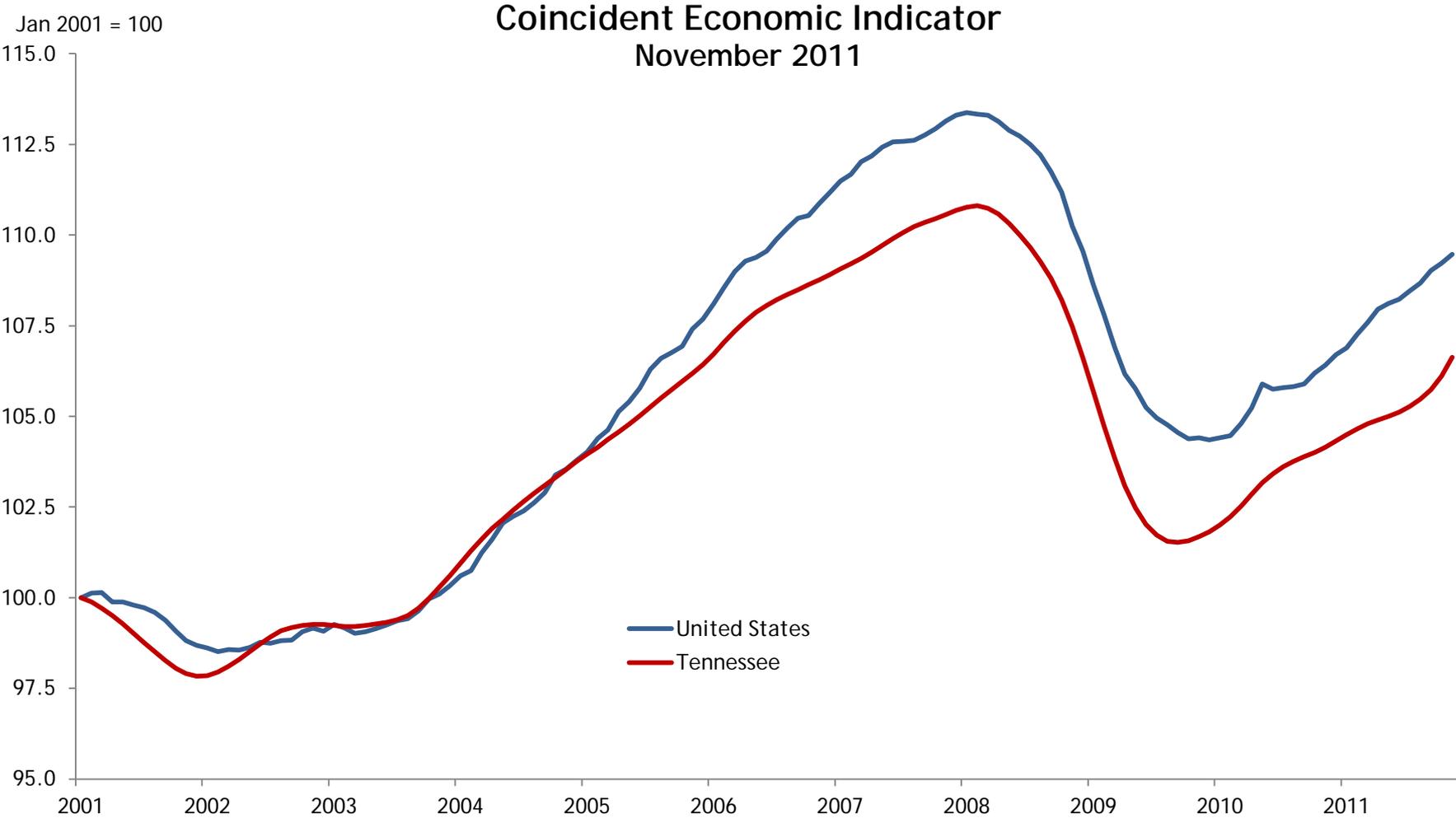
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January 2012



Tennessee's economic activity measure has been trending up since its 2009 low, which was deeper than the United States as a whole.

[About the Coincident Economic Indicator](#)

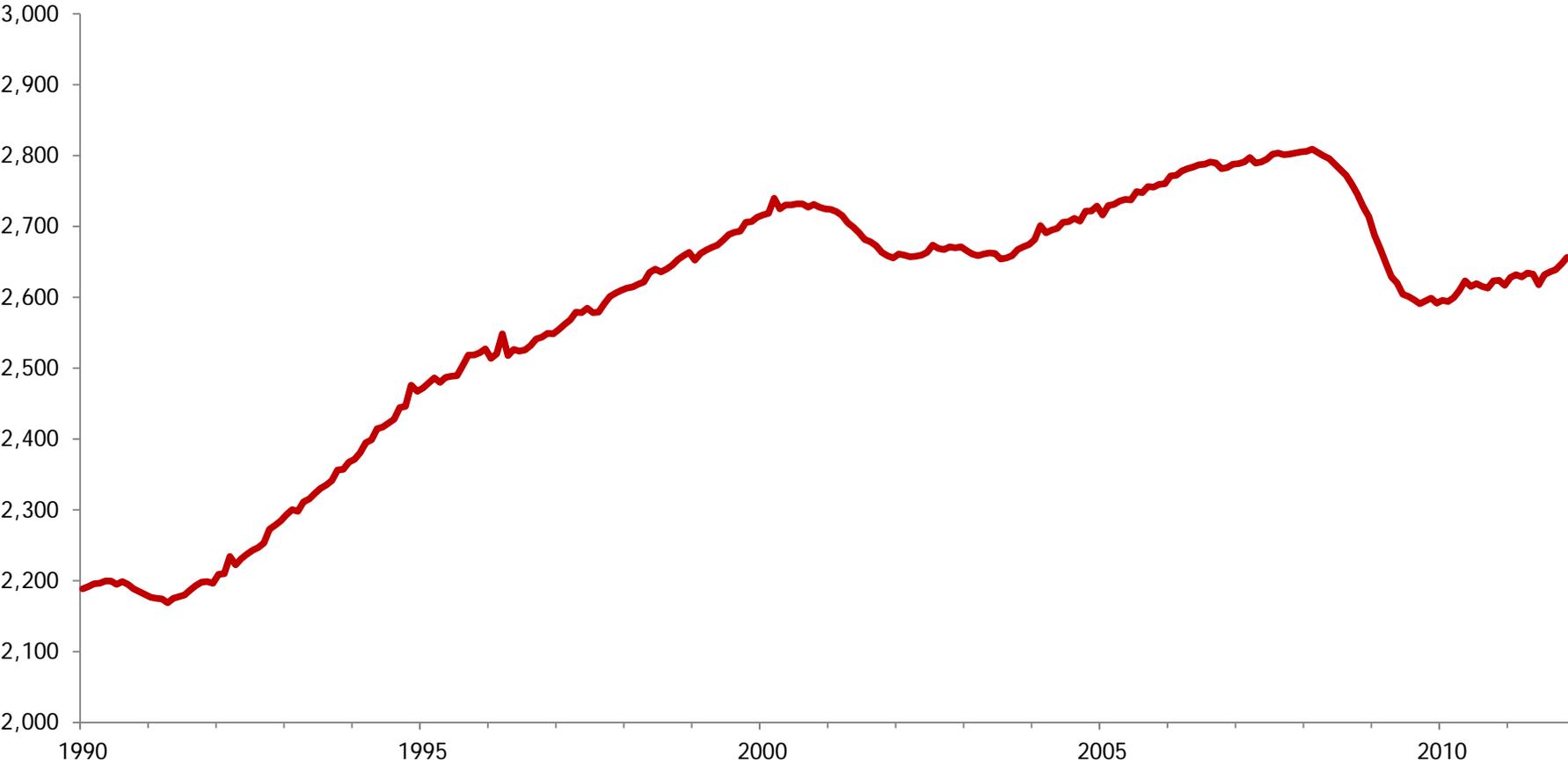


Source: Federal Reserve Bank of Philadelphia

Total employment in Tennessee has been increasing since 2009.

### Tennessee Payroll Employment November 2011

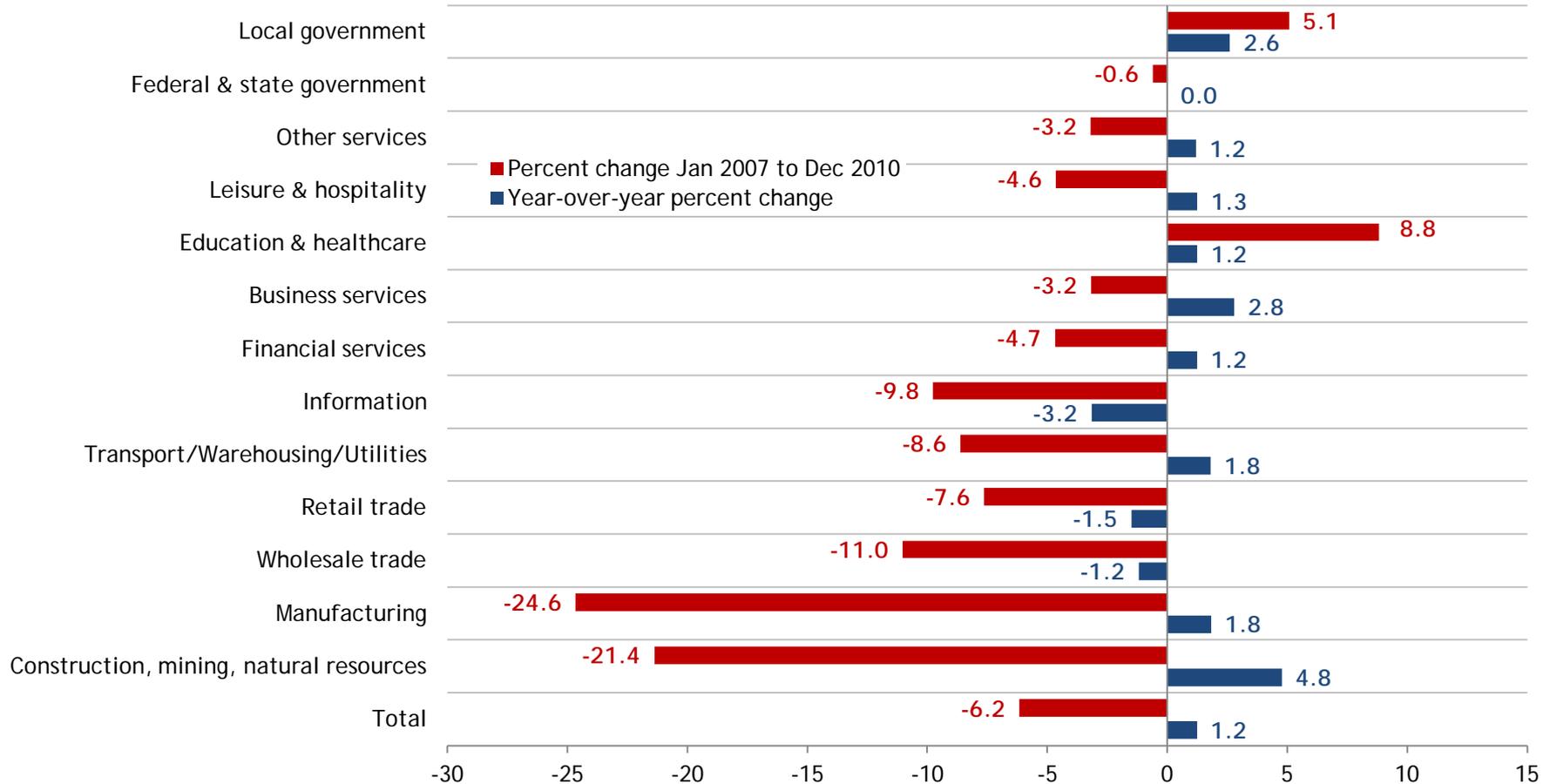
Thousands,  
seasonally adjusted



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

All private industries except education and health care lost jobs during the 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 November 2011

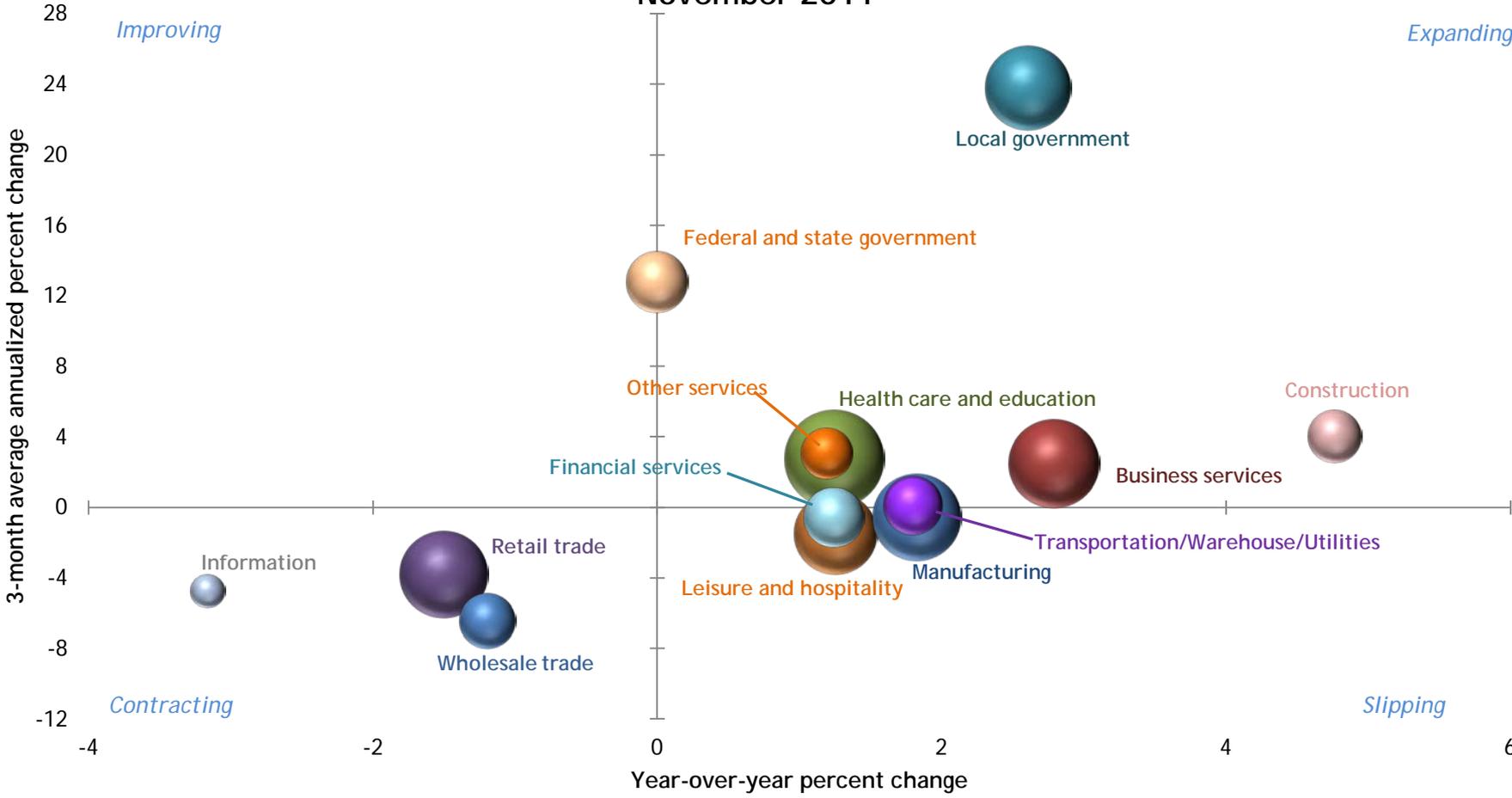


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Local government, business and other services, health care and education, transportation, and construction are showing positive employment momentum. Retail and wholesale trade and information remain weak; other industries are slipping.

[About Employment Momentum](#)

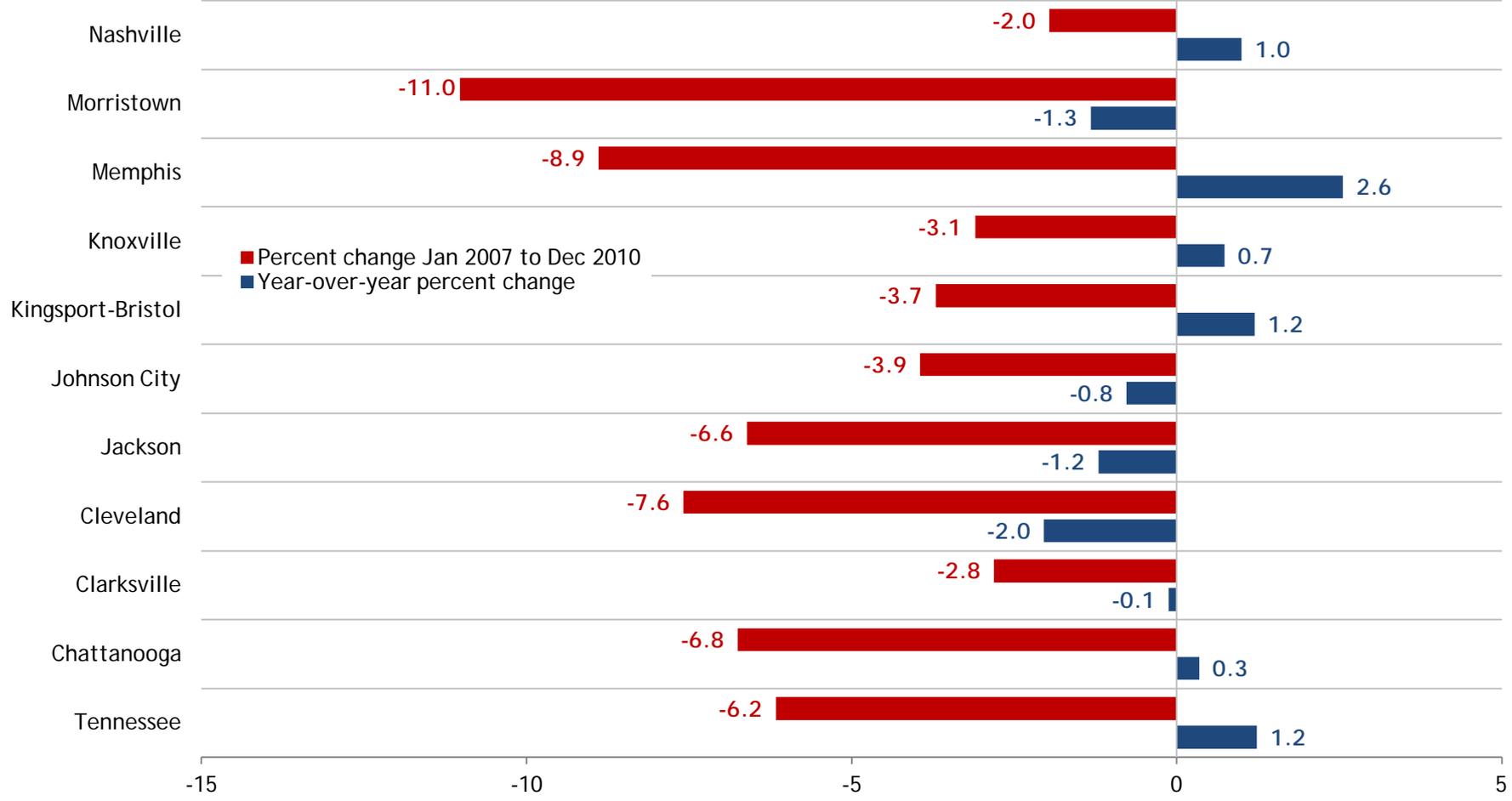
### Employment Momentum by Industry: Tennessee November 2011



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. Some metro areas continue to lose jobs. But larger cities like Memphis, Nashville, and Knoxville have added jobs over the past year.

Employment Loss and Gain by Metro Area: Tennessee  
November 2011

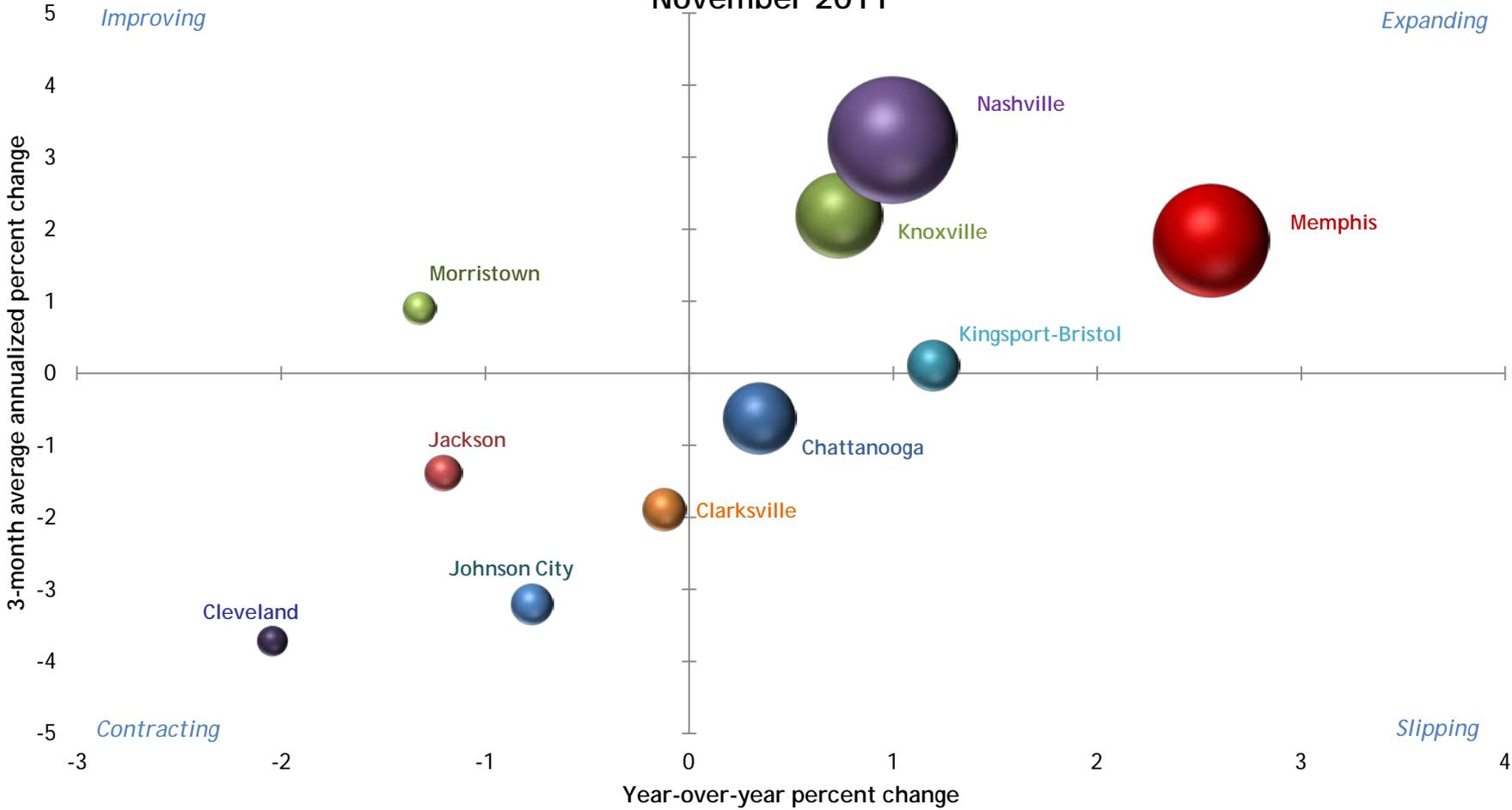


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Nashville, Knoxville, Memphis, and Kingsport-Bristol are experiencing expanding employment momentum. Chattanooga is slipping, while most of Tennessee's smaller metro areas are contracting.

[About Employment Momentum](#)

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

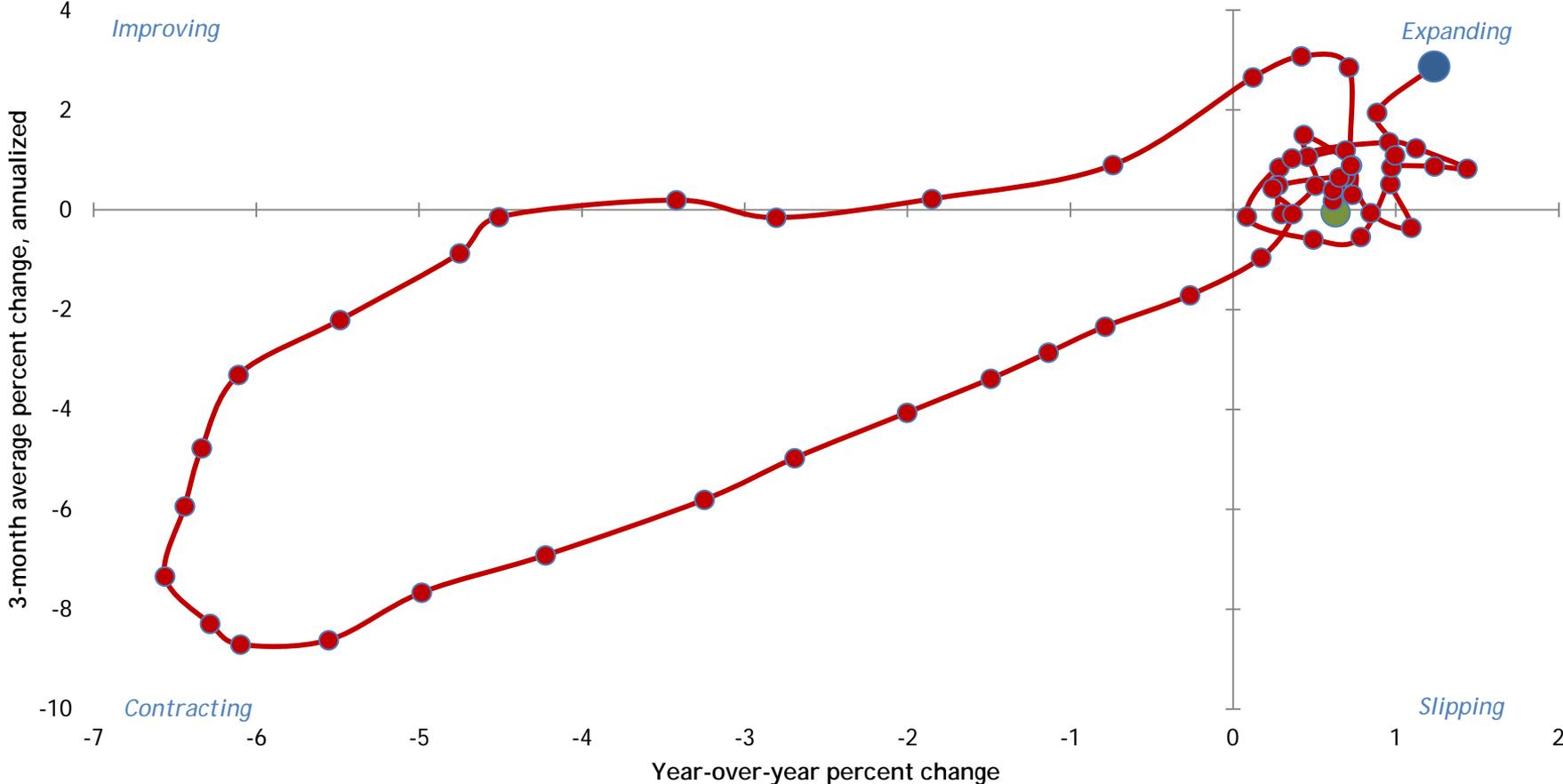


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum slipped for several months, but started to expand again in September.

[About Employment Momentum Track](#)

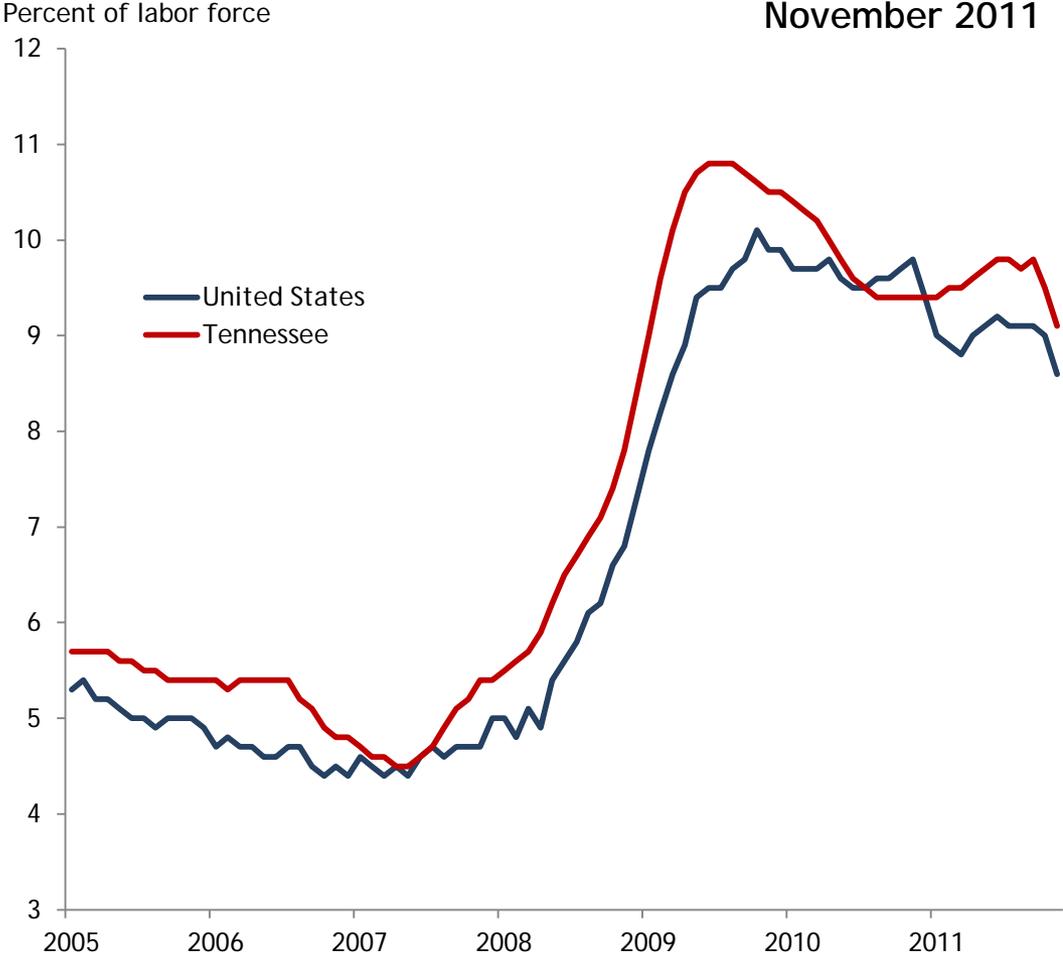
### Employment Momentum Track: Tennessee January 2007–November 2011



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

Tennessee's unemployment rate fell in November to the lowest level since January 2009.

### Unemployment Rate November 2011



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	8.6	9.8	4.6
Tennessee	9.1	9.4	4.7
Chattanooga	7.5	8.4	4.4
Clarksville	9.0	9.9	5.7
Cleveland	8.4	9.2	5.0
Jackson	8.9	9.5	5.7
Johnson City	7.4	8.5	4.9
Kingsport-Bristol	7.2	8.2	4.9
Knoxville	6.6	7.4	4.1
Memphis	9.2	9.7	5.8
Morristown	10.1	10.8	6.2
Nashville	7.2	8.2	4.2

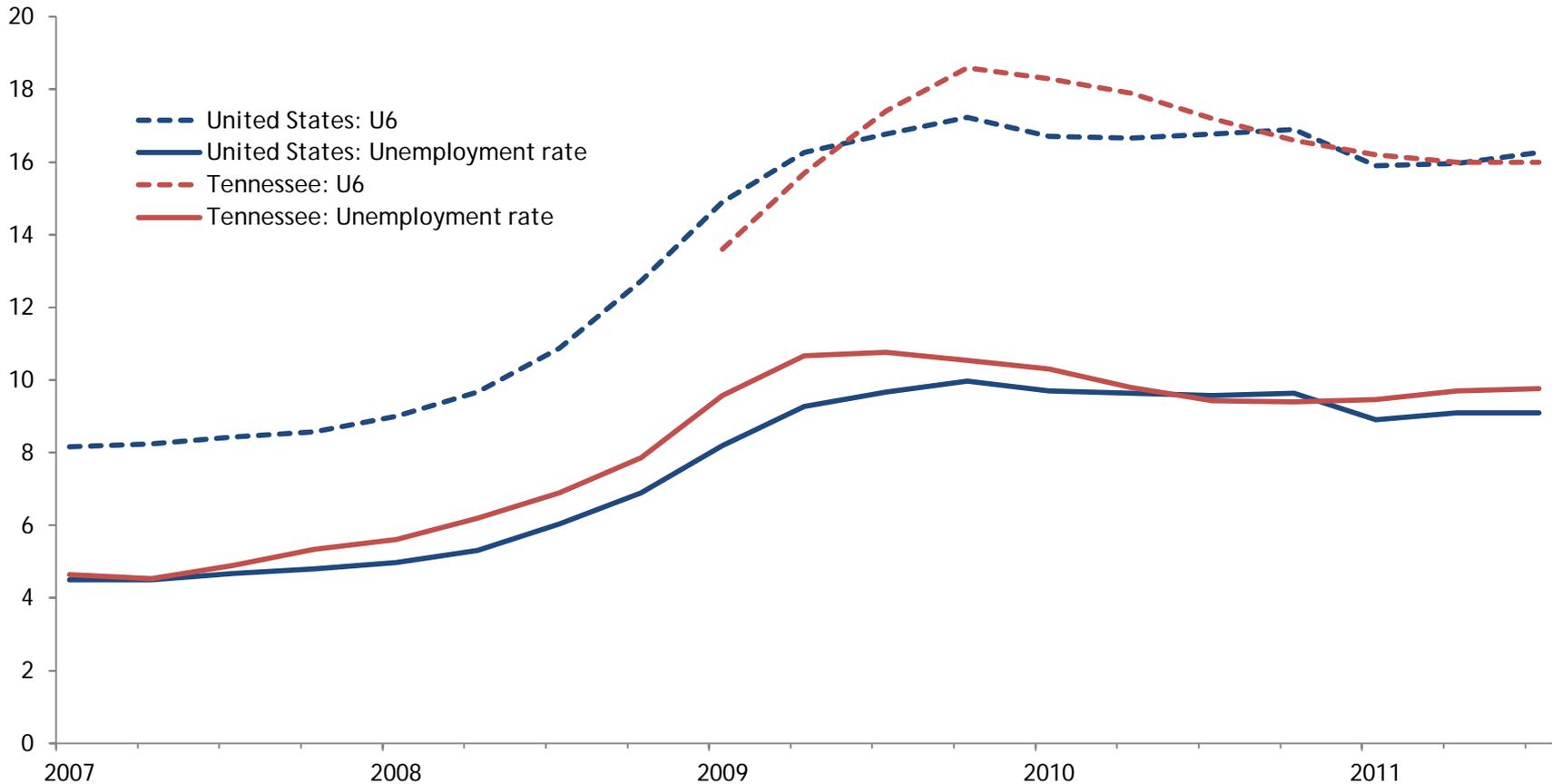
Source: U.S. Bureau of Labor Statistics, Haver Analytics

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

Percent,  
seasonally adjusted

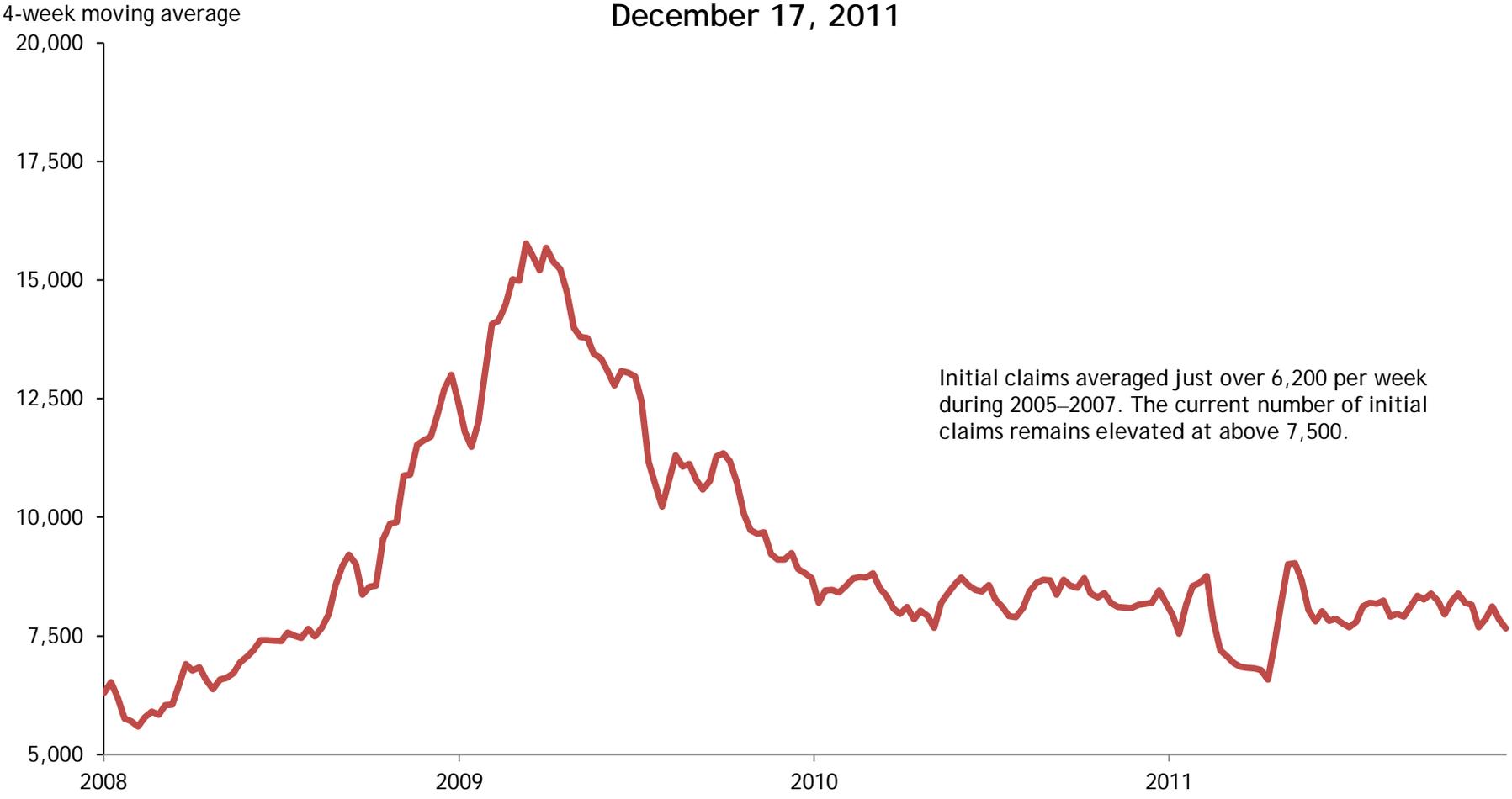


Note: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached.

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

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

### Initial Unemployment Insurance Claims: Tennessee December 17, 2011

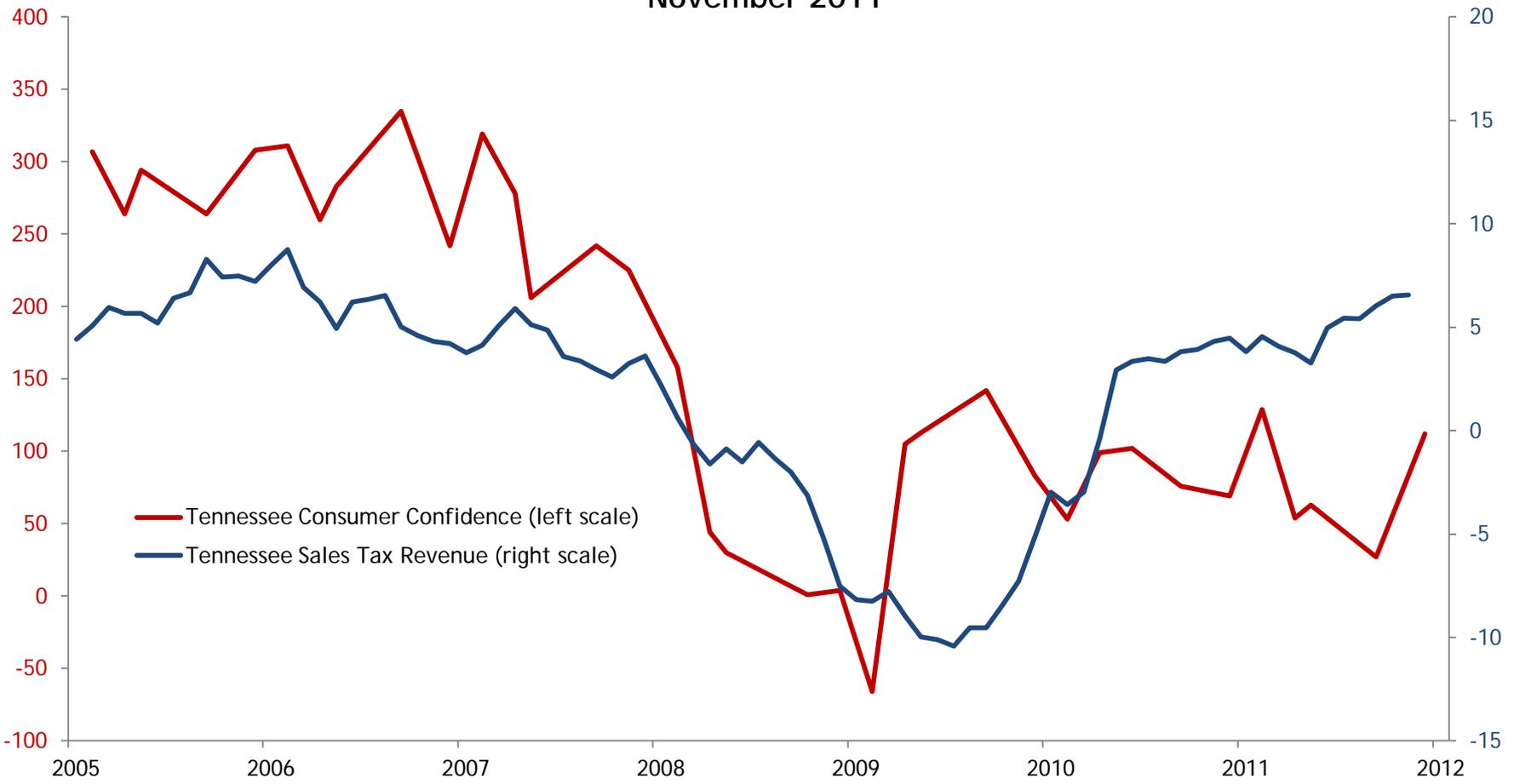


Source: U.S. Department of Labor—Employment and Training Administration, Haver Analytics

Consumer confidence improved at the end of 2011, and sales tax revenue continued to strengthen.

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

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



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

Regional manufacturing activity continued to contract in November, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's PMI improved in November but remains below the Southeast PMI.

### Southeast Purchasing Managers Index November 2011



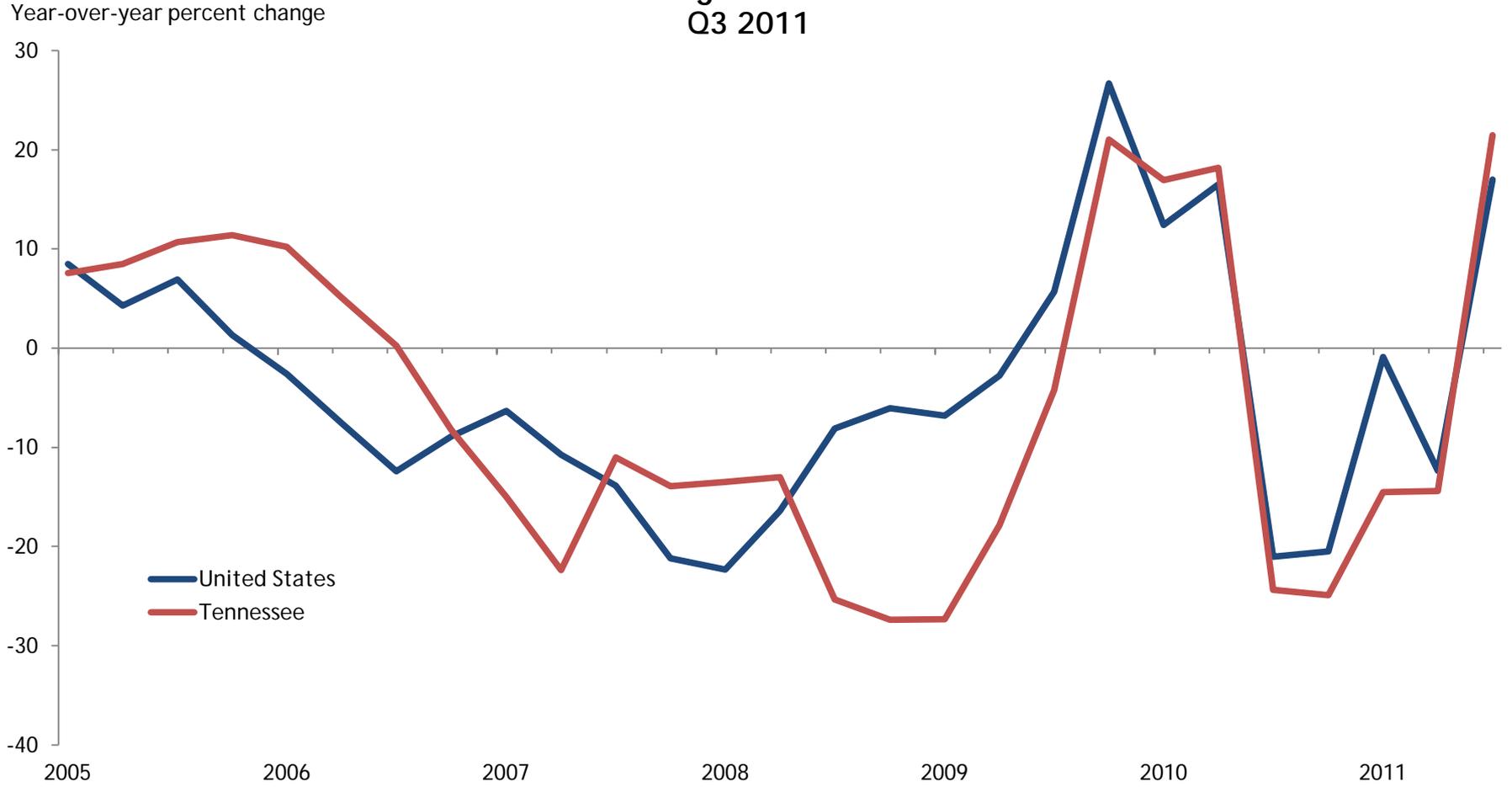
The Tennessee component of the SE PMI was 48.2 in November 2011.

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.

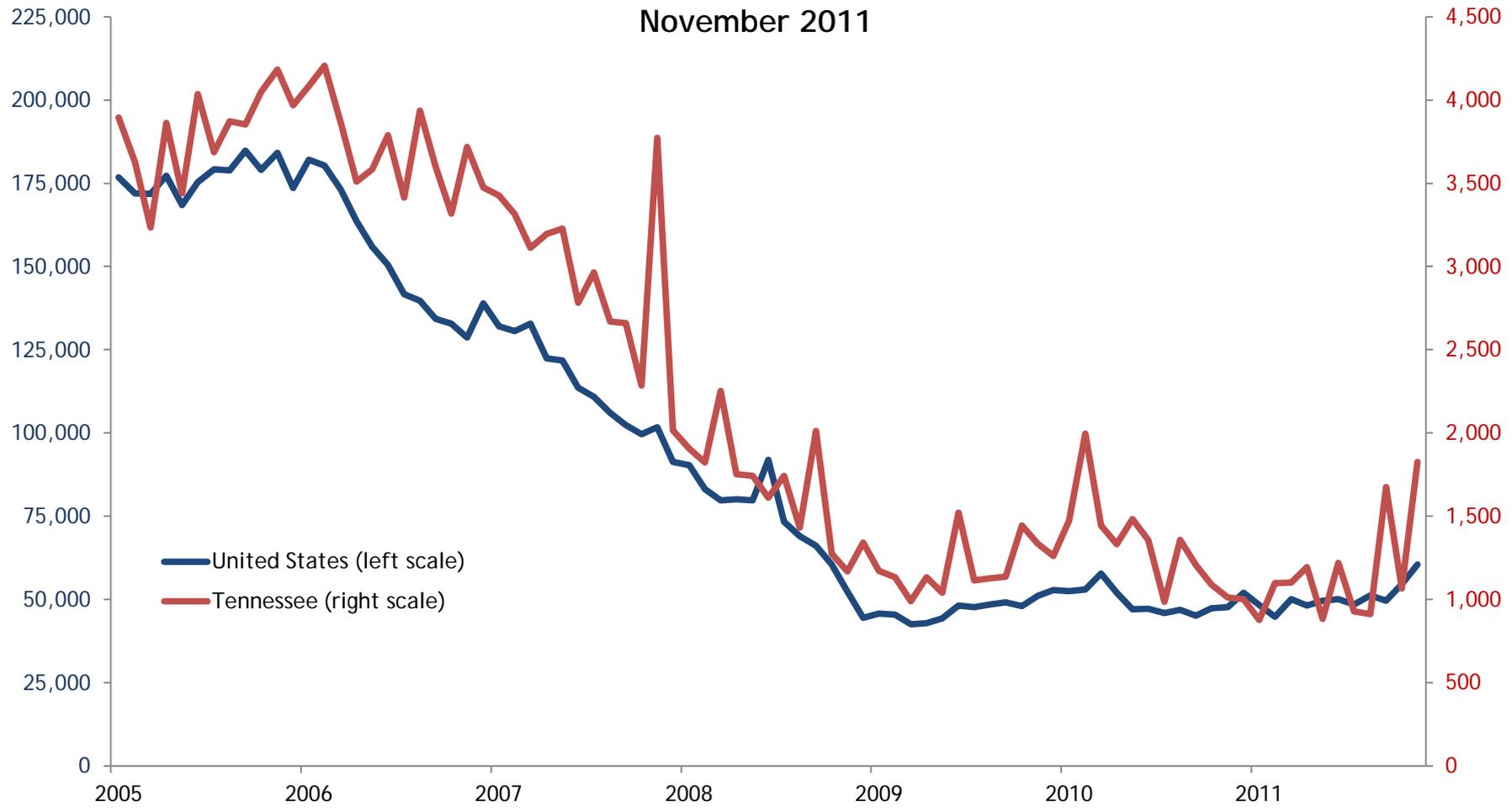
### Existing Home Sales Q3 2011



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

New home construction in Tennessee rose sharply in November, but remains at historically low levels.

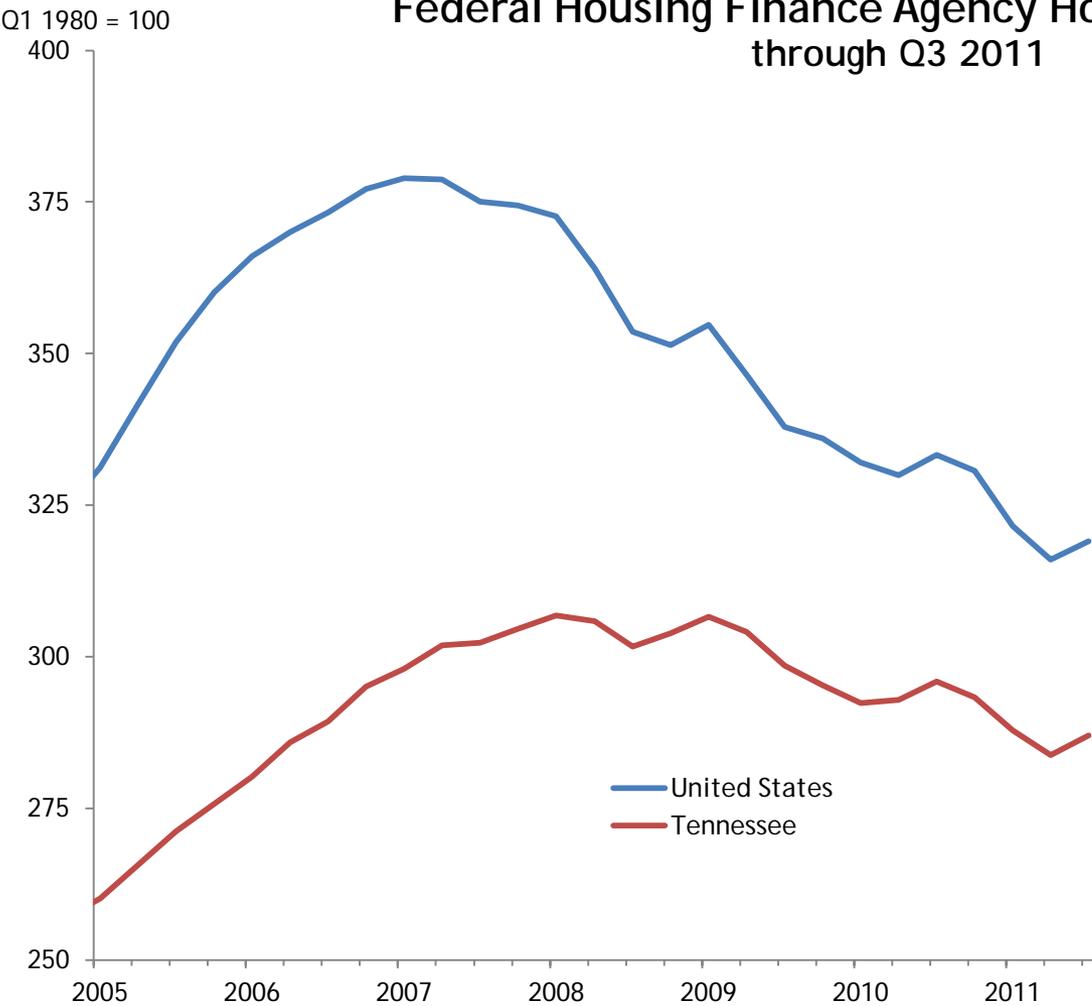
### New Residential Home Construction Permits November 2011



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



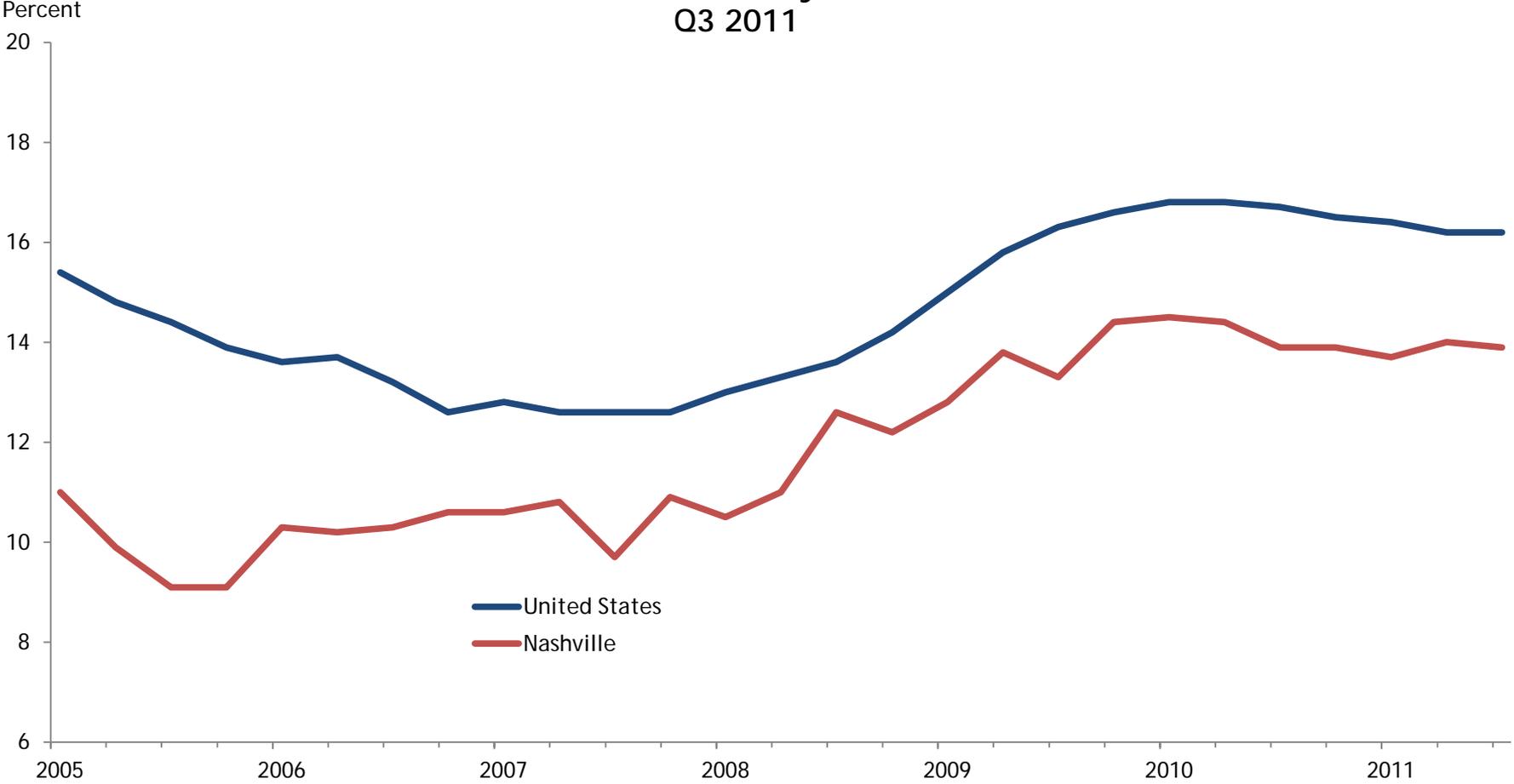
FHFA House Price Index: Q3 2011	1-yr % change	5-yr % change	10-yr % change
United States	-4.3	-14.5	25.5
Tennessee	-3.0	-0.8	26.1
Cleveland	-2.6	0.0	30.5
Jackson	-3.7	-4.8	9.5
Johnson City	-4.4	4.0	34.2
Knoxville	-2.4	0.8	34.4
Morristown	0.5	1.6	31.7
Nashville	-2.5	-0.9	28.8
Chattanooga	-4.0	-1.3	27.7
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.

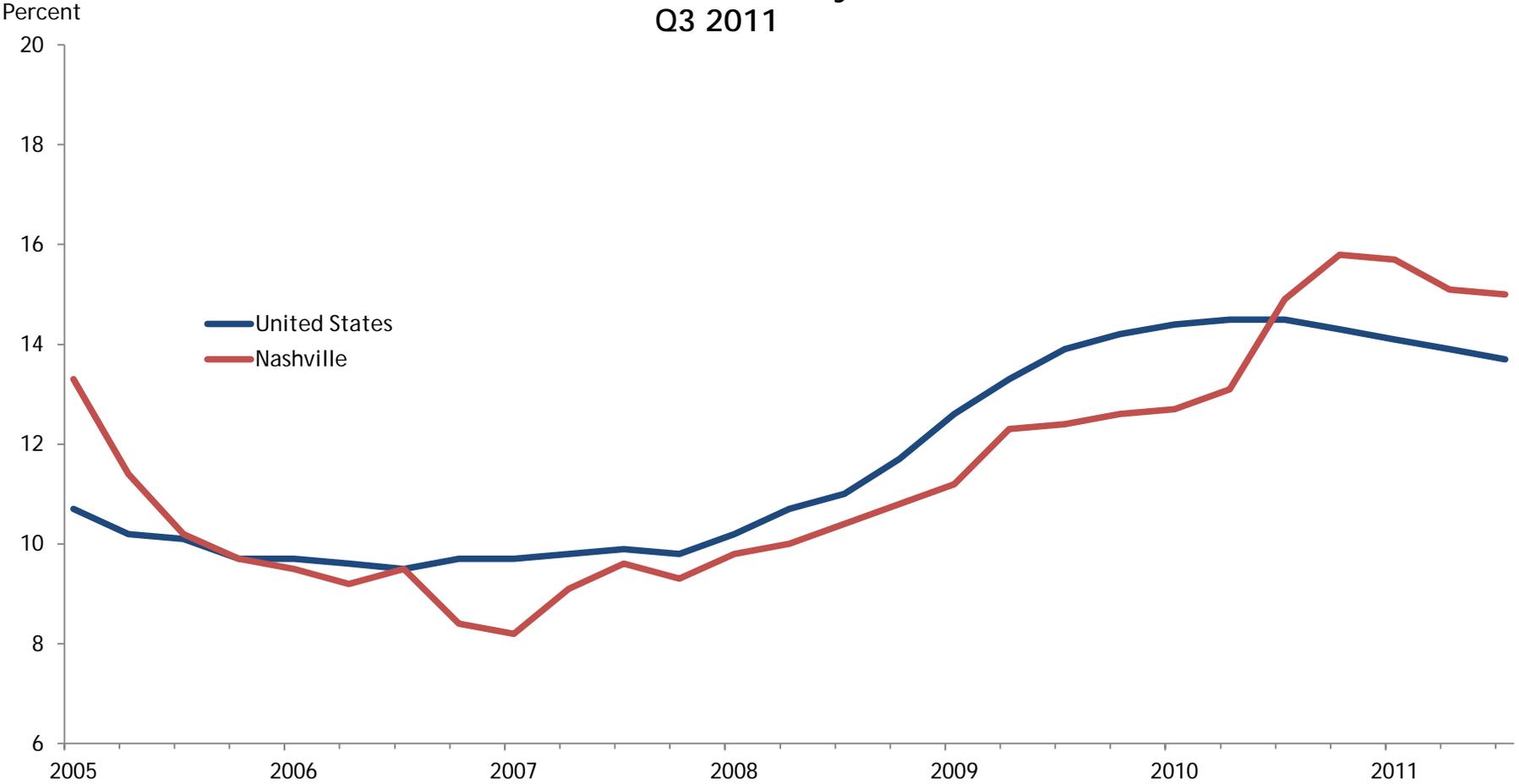
### Office Vacancy Rate Q3 2011



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).