



Data Digest: Tennessee

August 2012

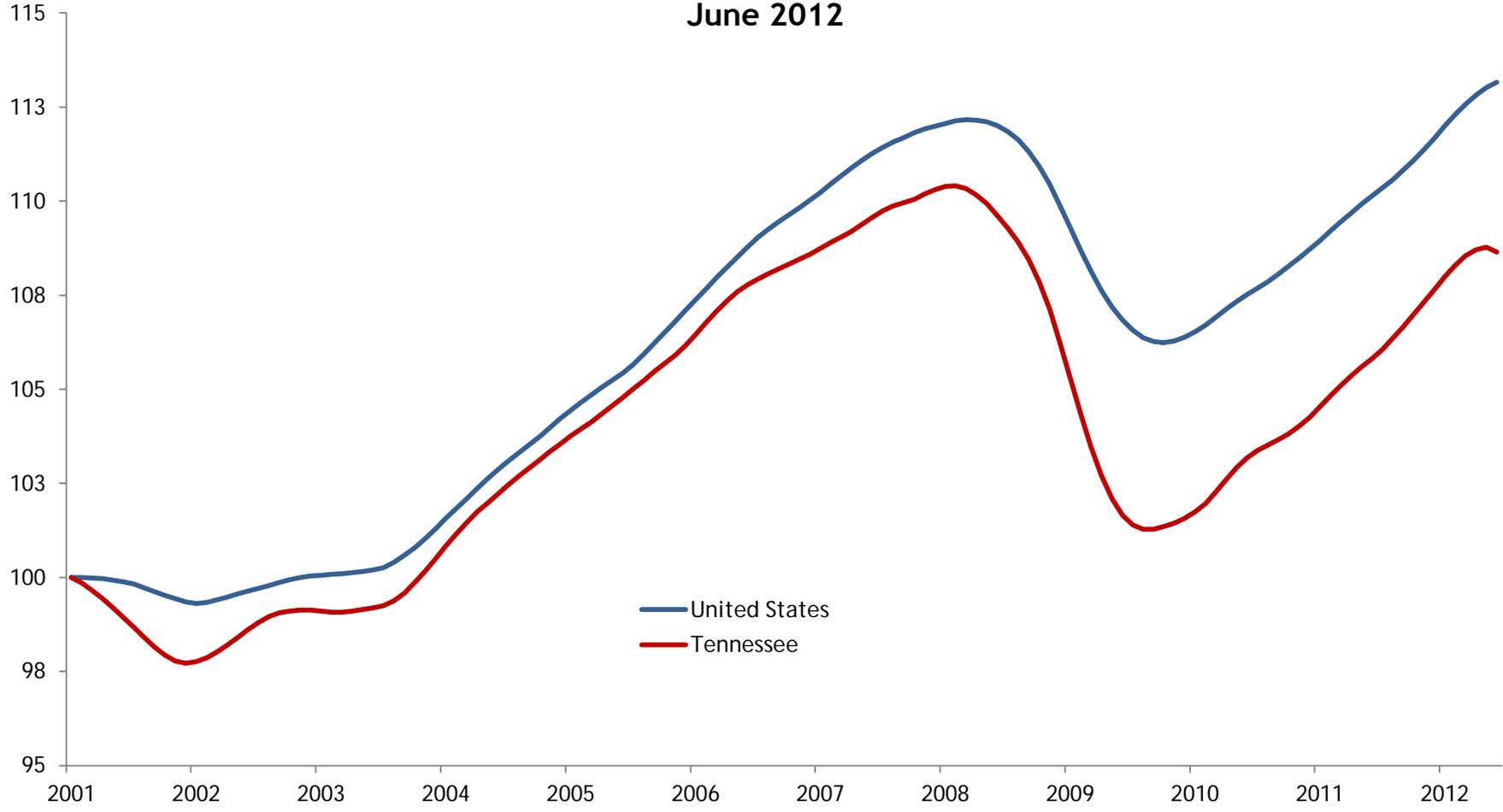


Tennessee's recent economic performance largely mirrors that of the United States.

[About the Coincident Economic Indicator](#)

Coincident Economic Indicator June 2012

Jan 2001 = 100

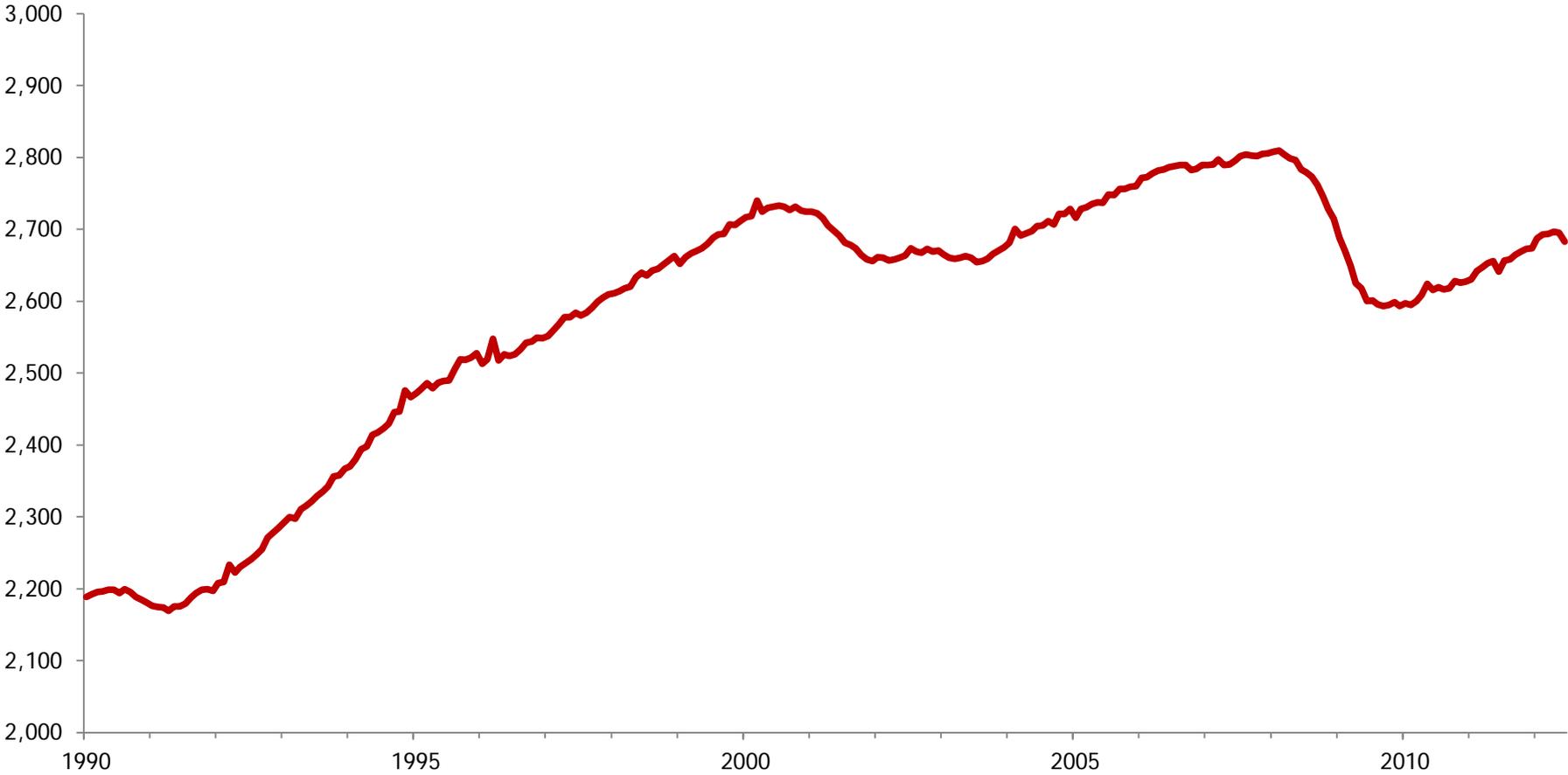


Source: Federal Reserve Bank of Philadelphia

For more than two years, total employment in Tennessee has been gradually increasing. The decline in June was tied to losses in government employment, which may have resulted from seasonal layoffs.

Tennessee Payroll Employment June 2012

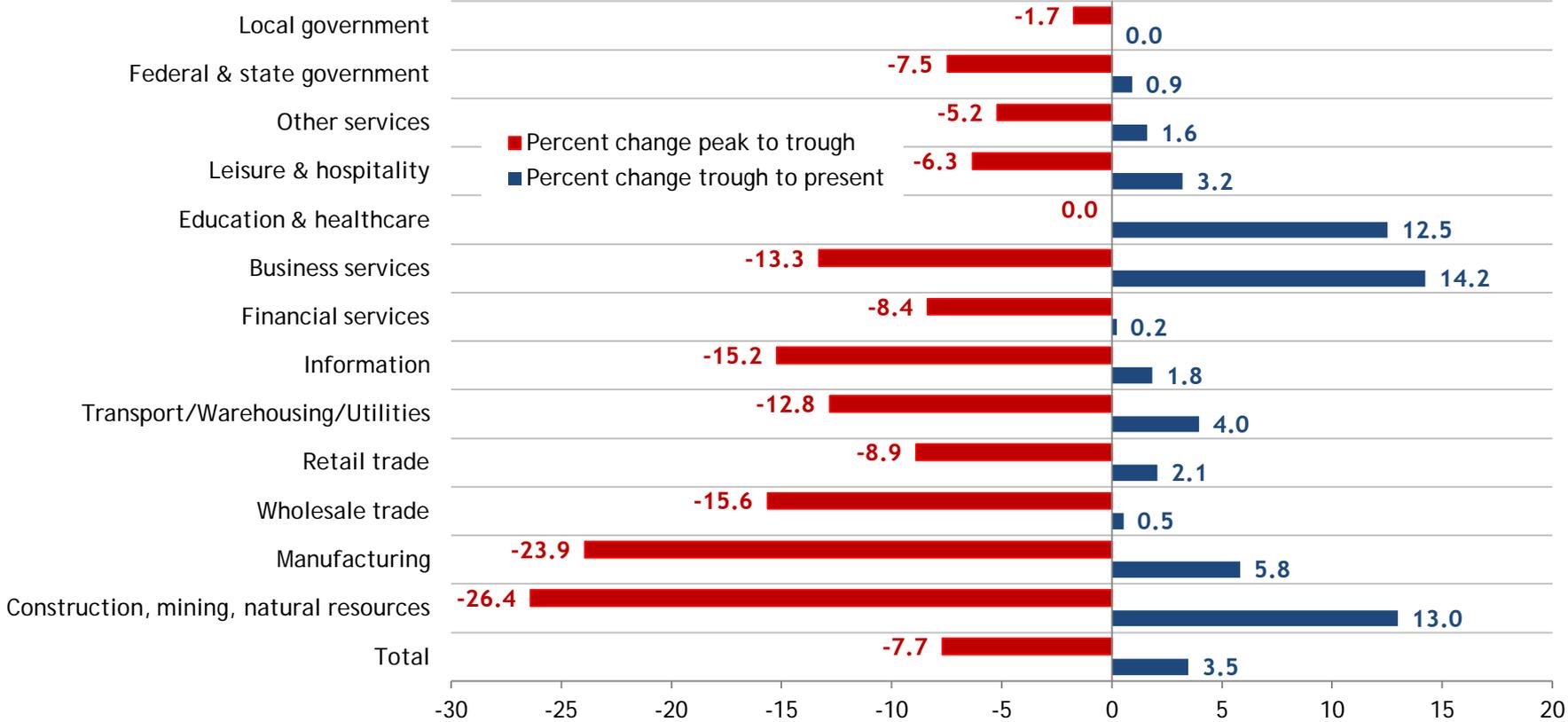
Thousands,
seasonally adjusted



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

All industries except education and health care lost jobs during the recent downturn; manufacturing and construction/mining/natural resources saw significant declines. All private industries have added jobs during the recovery.

Employment Loss and Gain by Industry: Tennessee June 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.

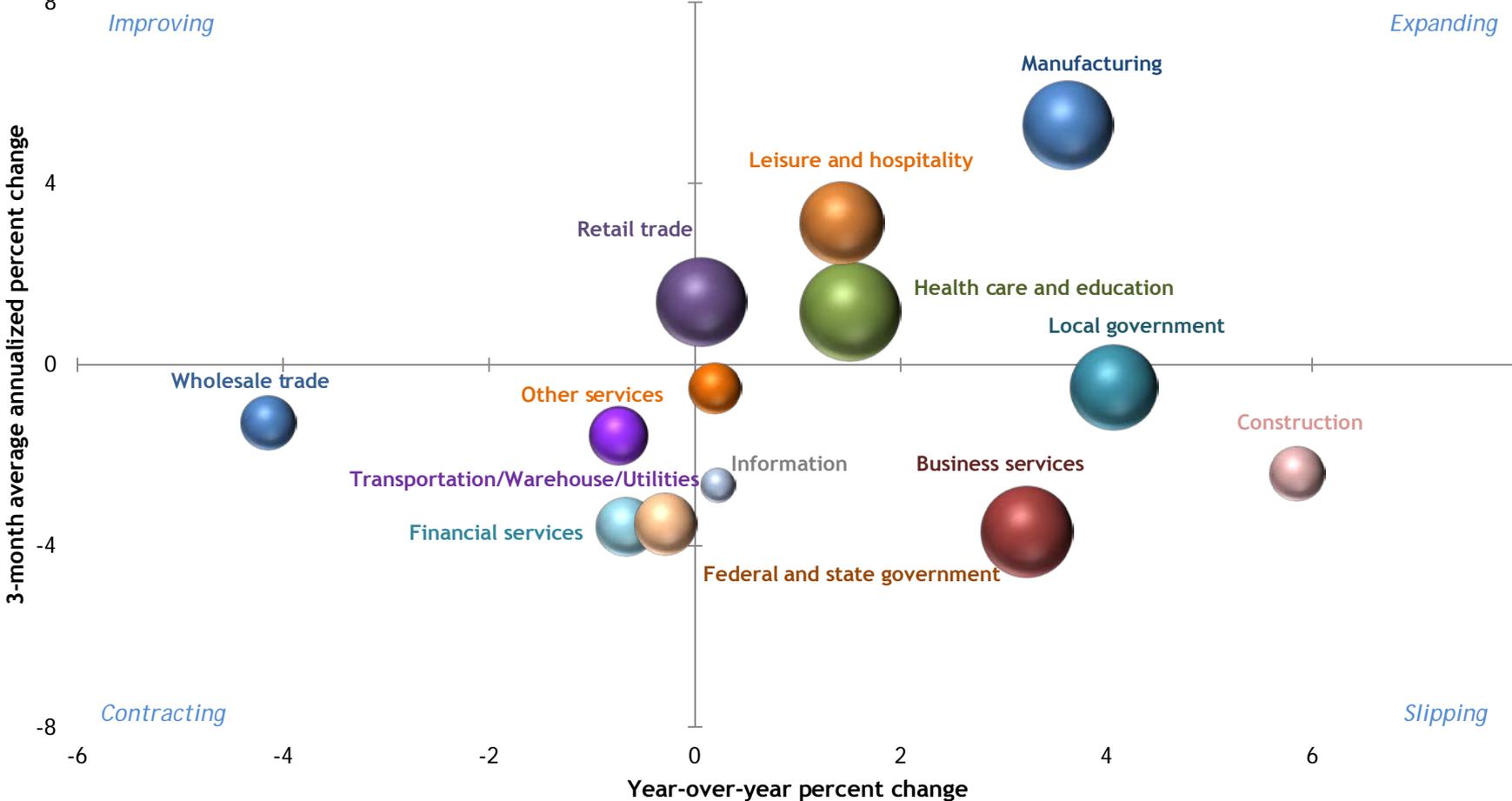
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Employment in many industries lost some momentum in June. Manufacturing, leisure and hospitality, and health care and education were the only industries that remained firmly in the “expanding” category.

[About Employment Momentum](#)

Employment Momentum by Industry: Tennessee

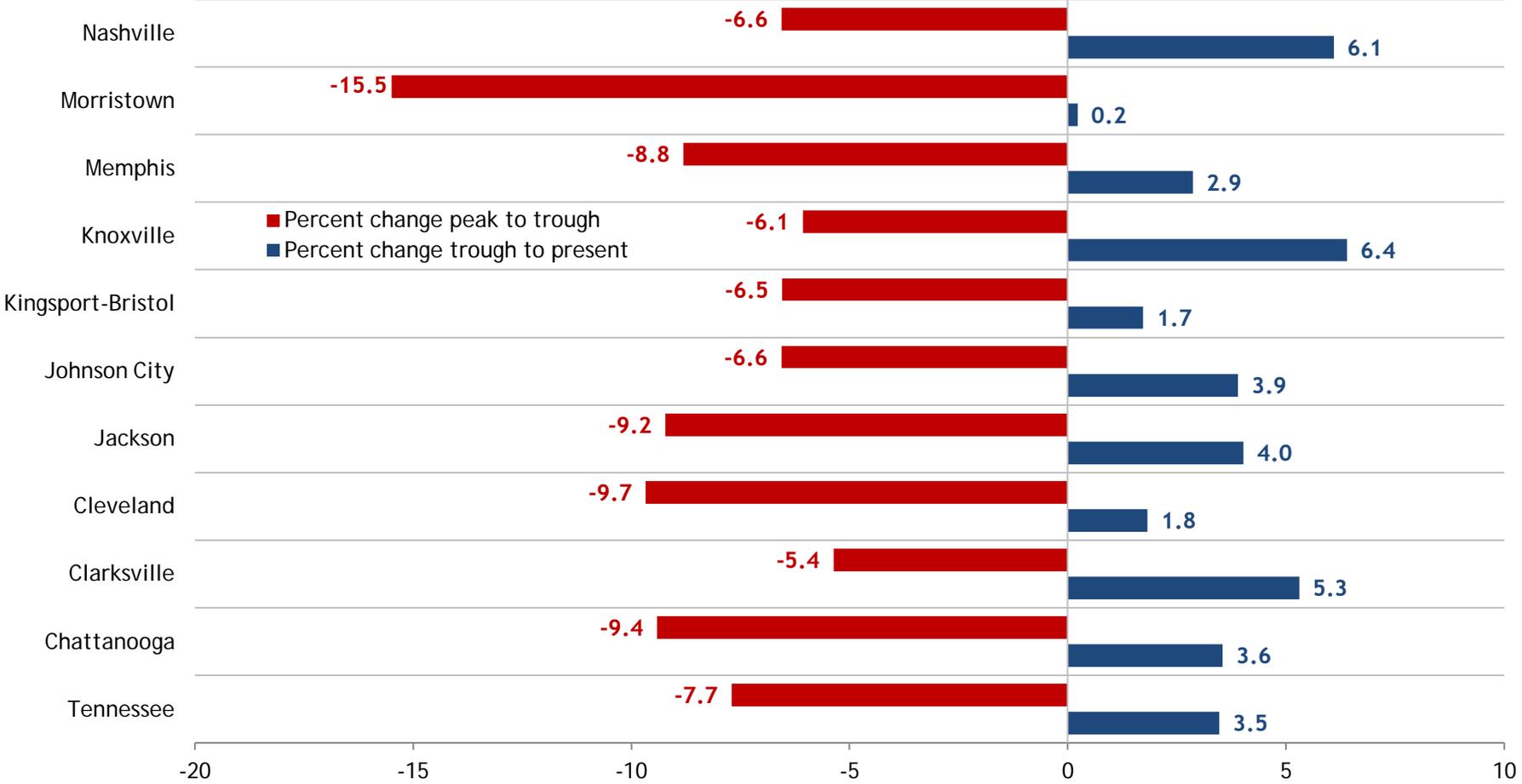
June 2012



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. Clarksville and Nashville are getting close to recovering all the jobs that were lost during the downturn while Knoxville has surpassed its prerecession level. Other metro areas are slowly regaining jobs.

Employment Loss and Gain by Metro Area: Tennessee
June 2012

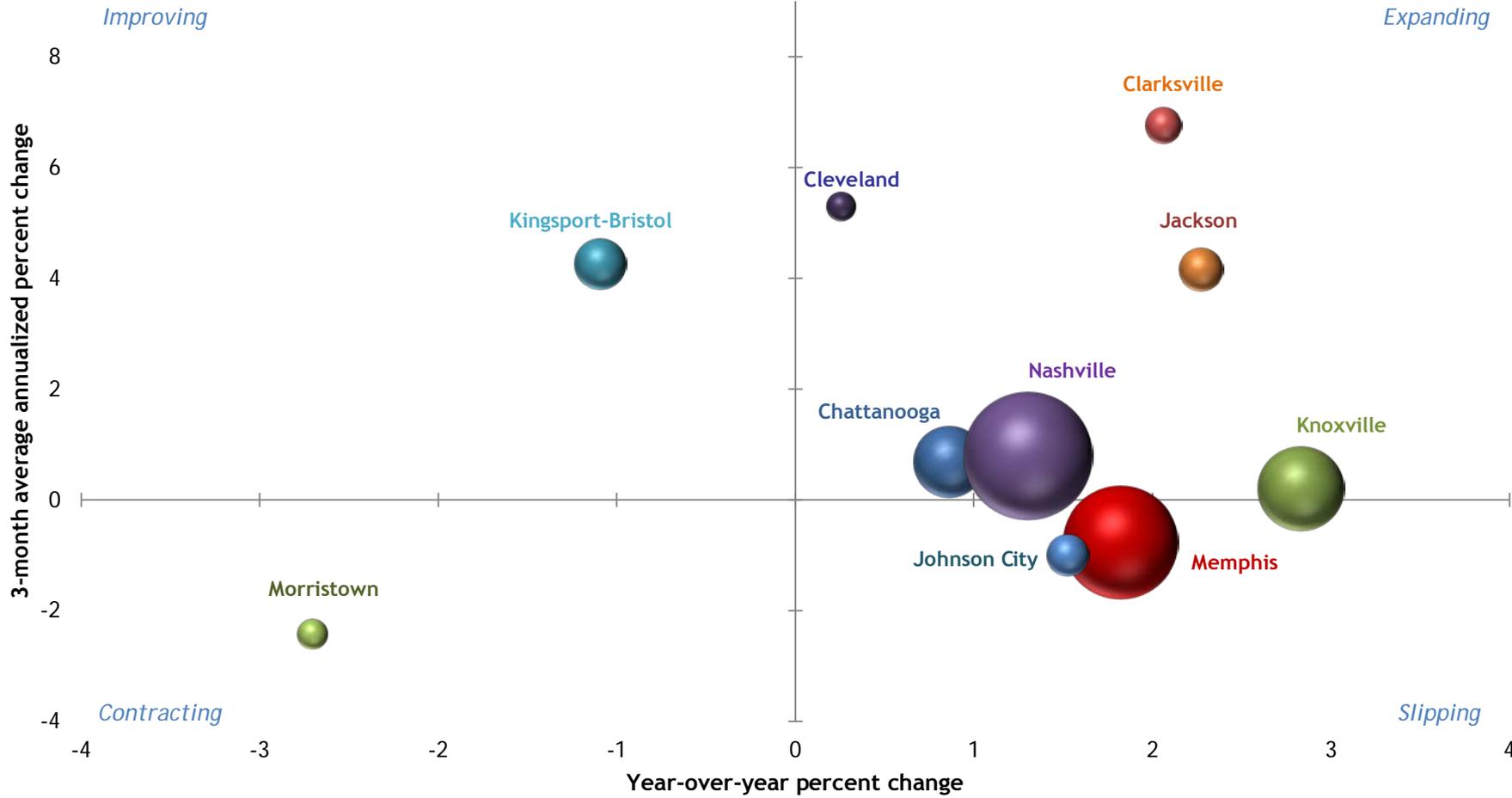


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Employment growth momentum has weakened for most areas in June compared to May. Employment in Memphis and Johnson City slipped, and Morristown contracted.

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee June 2012

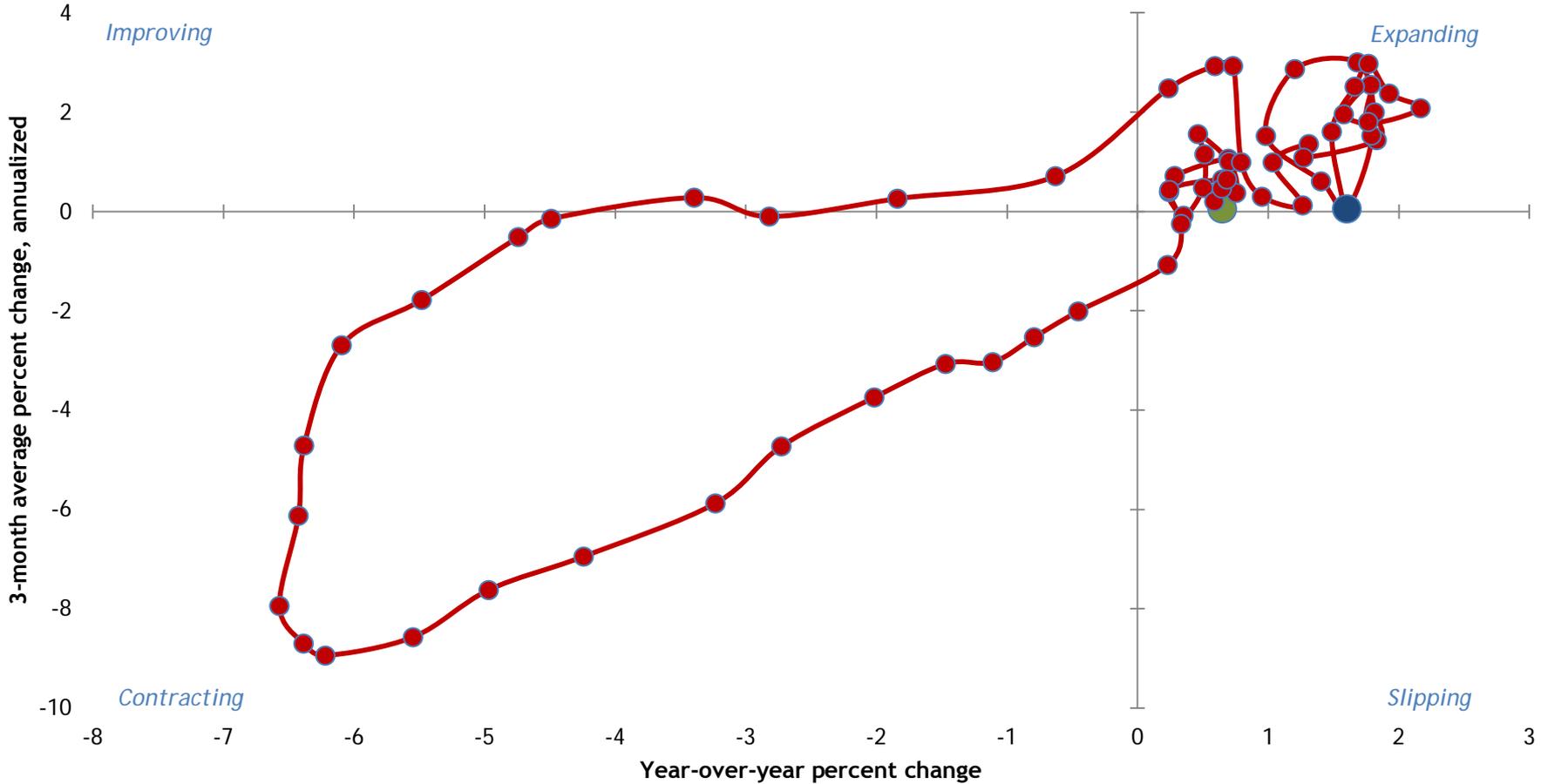


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

[About Employment Momentum Track](#)

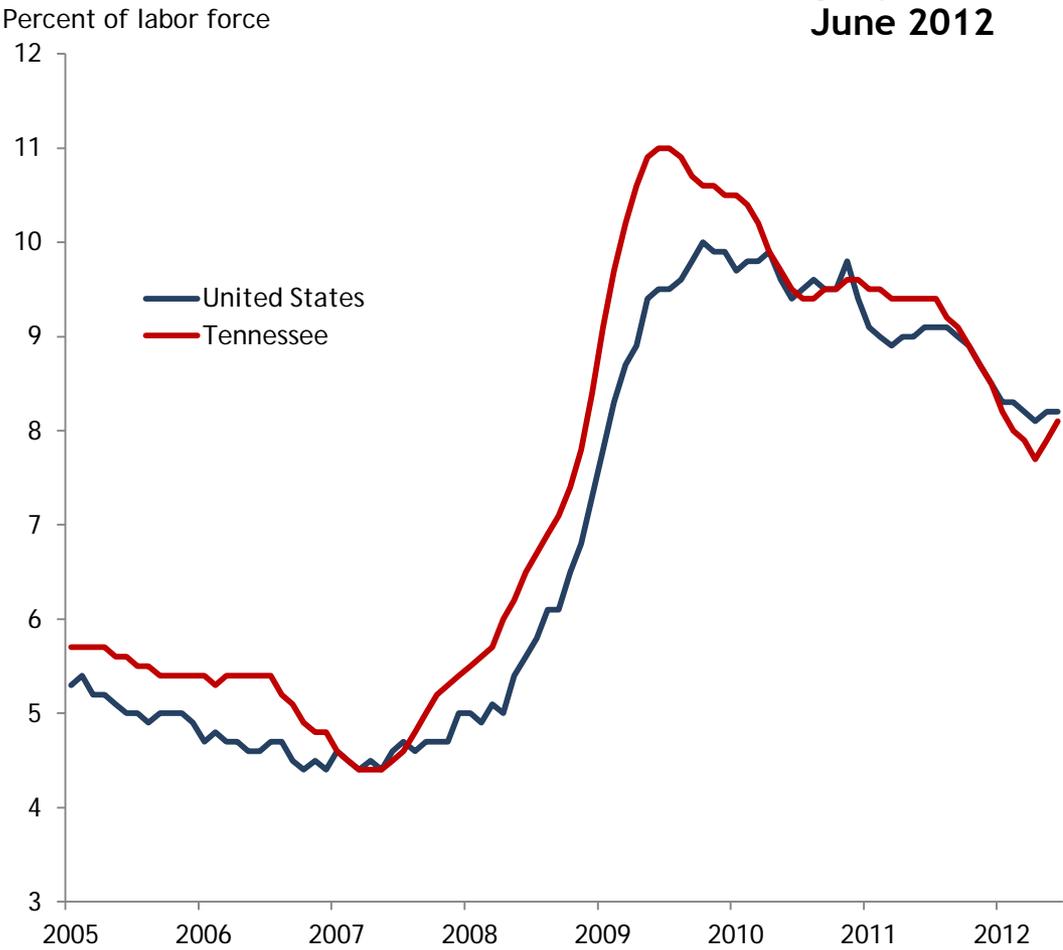
Employment Momentum Track: Tennessee January 2007-June 2012



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

The unemployment rate for Tennessee increased in June, approaching the national level.

Unemployment Rate June 2012

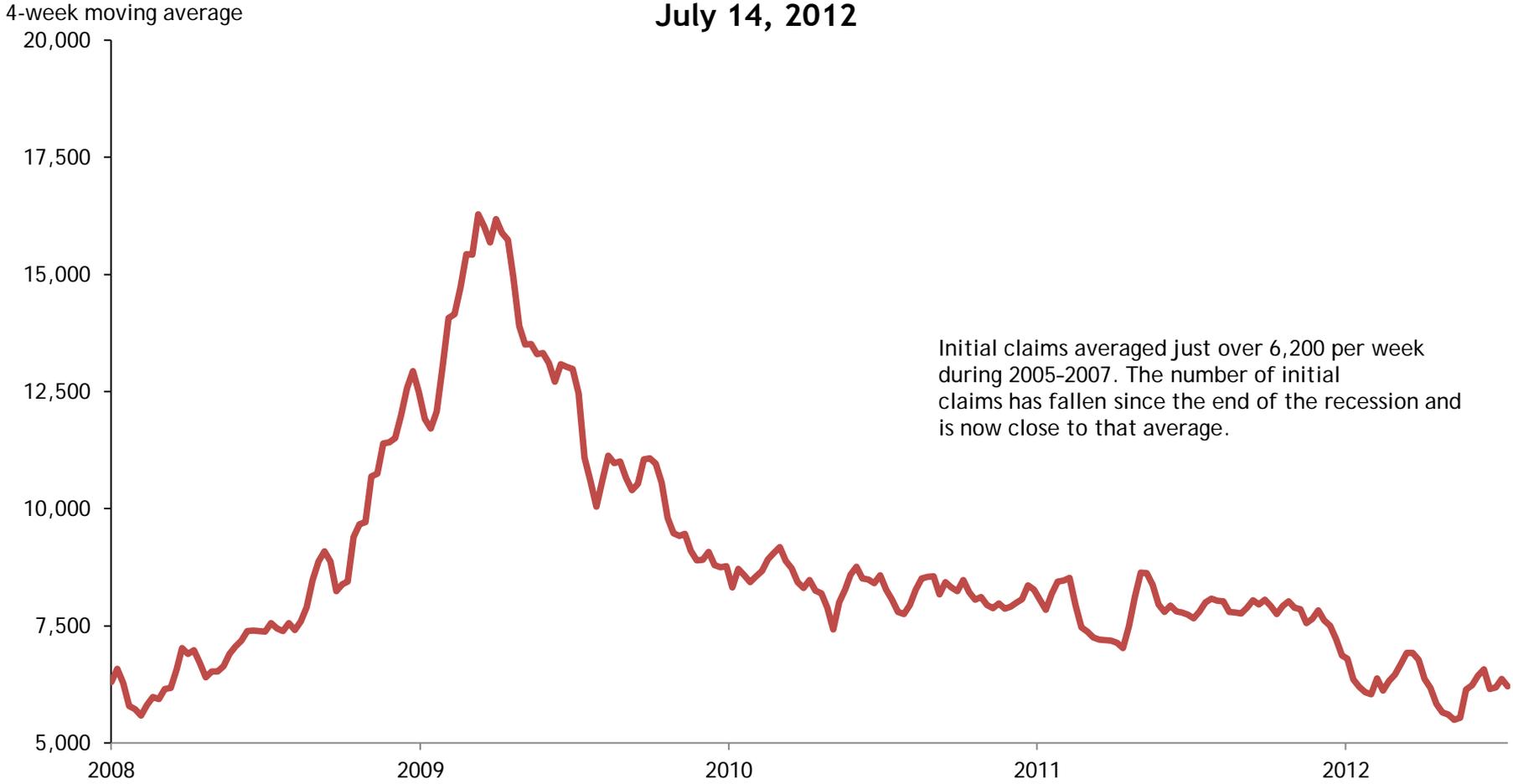


Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	8.2	9.1	4.6
Tennessee	8.1	9.4	4.6
Chattanooga	8.2	9.0	4.4
Clarksville	9.2	10.5	5.7
Cleveland	9.0	10.1	4.9
Jackson	9.2	10.5	5.6
Johnson City	8.0	9.1	4.8
Kingsport-Bristol	7.9	8.6	4.8
Knoxville	7.0	7.9	4.1
Memphis	9.6	10.6	5.8
Morristown	10.4	11.8	6.1
Nashville	7.3	8.5	4.2

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

After decreasing during much of the second quarter of this year, initial claims have risen somewhat since mid-May.

Initial Unemployment Insurance Claims: Tennessee July 14, 2012

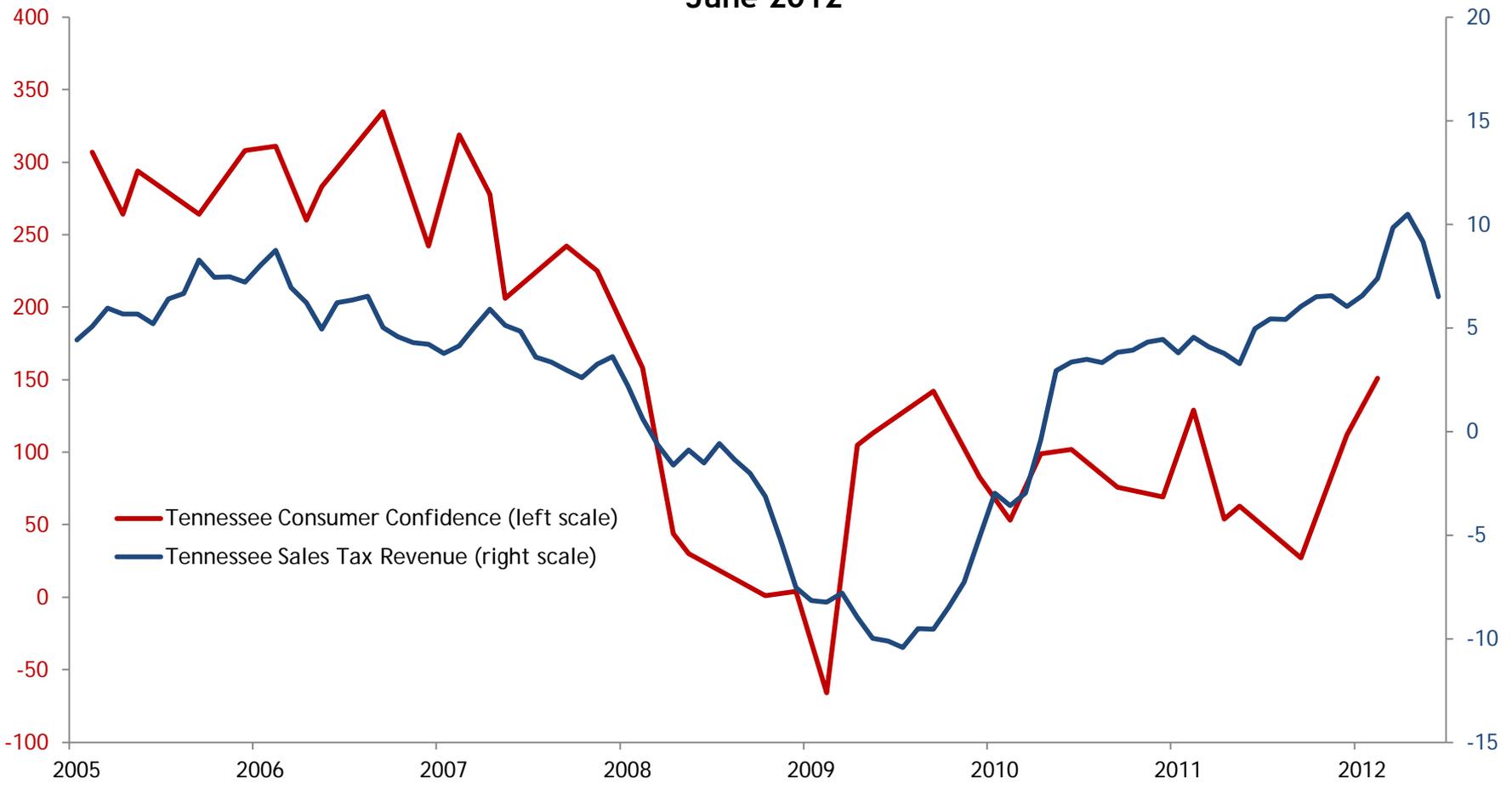


Source: U.S. Department of Labor—Employment and Training Administration, Haver Analytics

Growth of sales tax revenue in Tennessee has decreased over the past few months.

Tennessee Sales Tax Revenue and Consumer Confidence June 2012

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



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

Regional manufacturing activity decelerated in June, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's component of the Southeast PMI was 55, higher than the regional measure of 51.3.

Southeast Purchasing Managers Index
June 2012



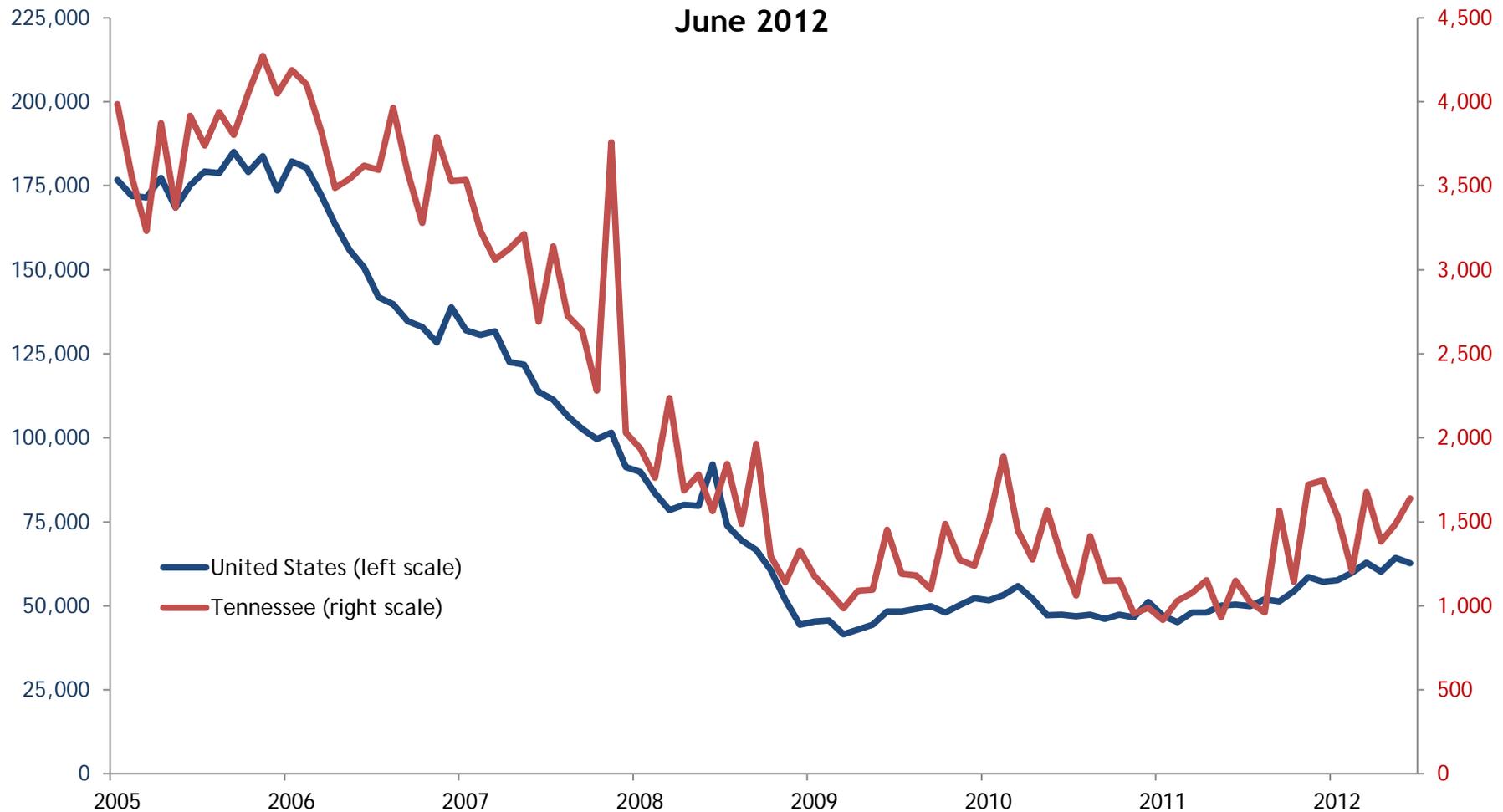
The Tennessee component of the SE PMI was 55 in June 2012.

Note: 50+ = Expansion

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

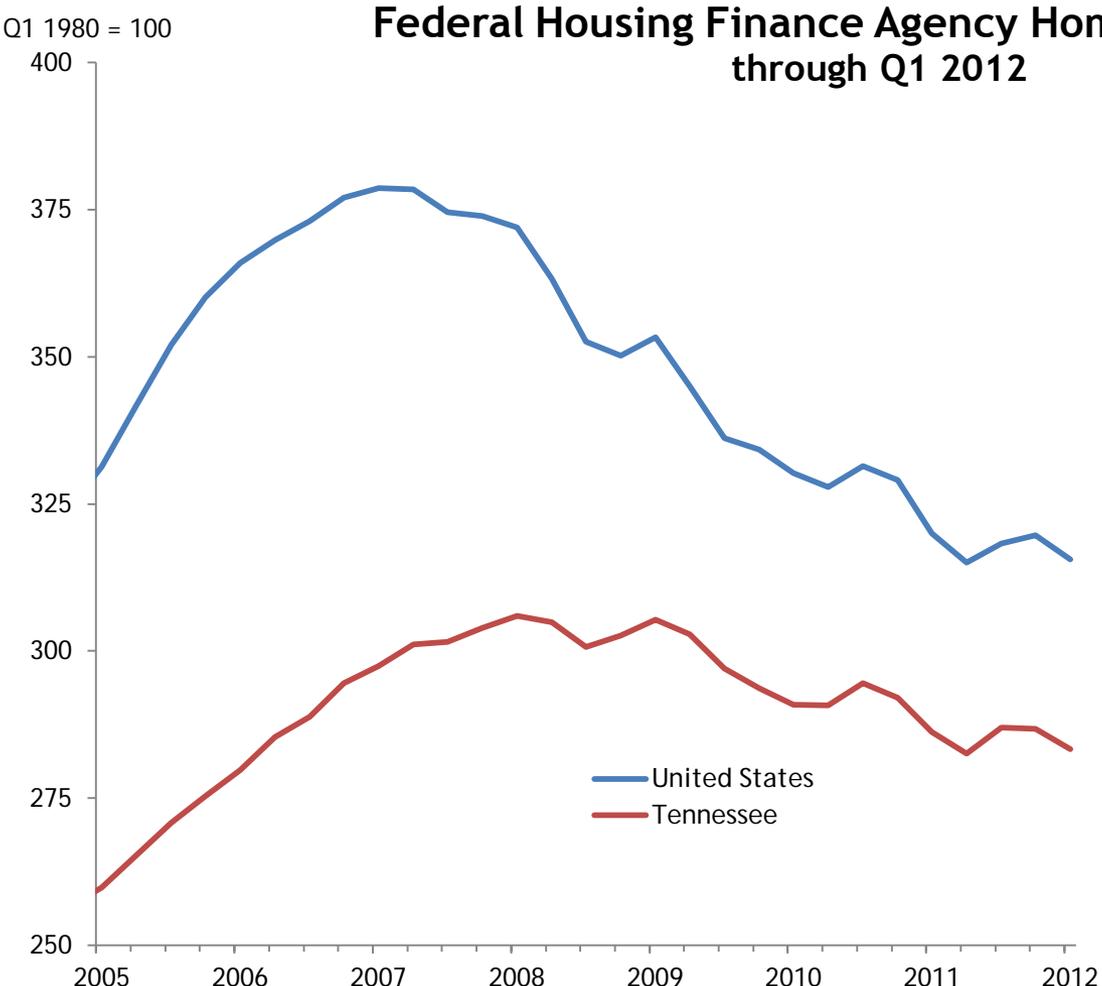
New home construction permits for the United States and Tennessee are improving slowly but remain at historically low levels.

New Residential Home Construction Permits June 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 first quarter and were just below year-ago levels.



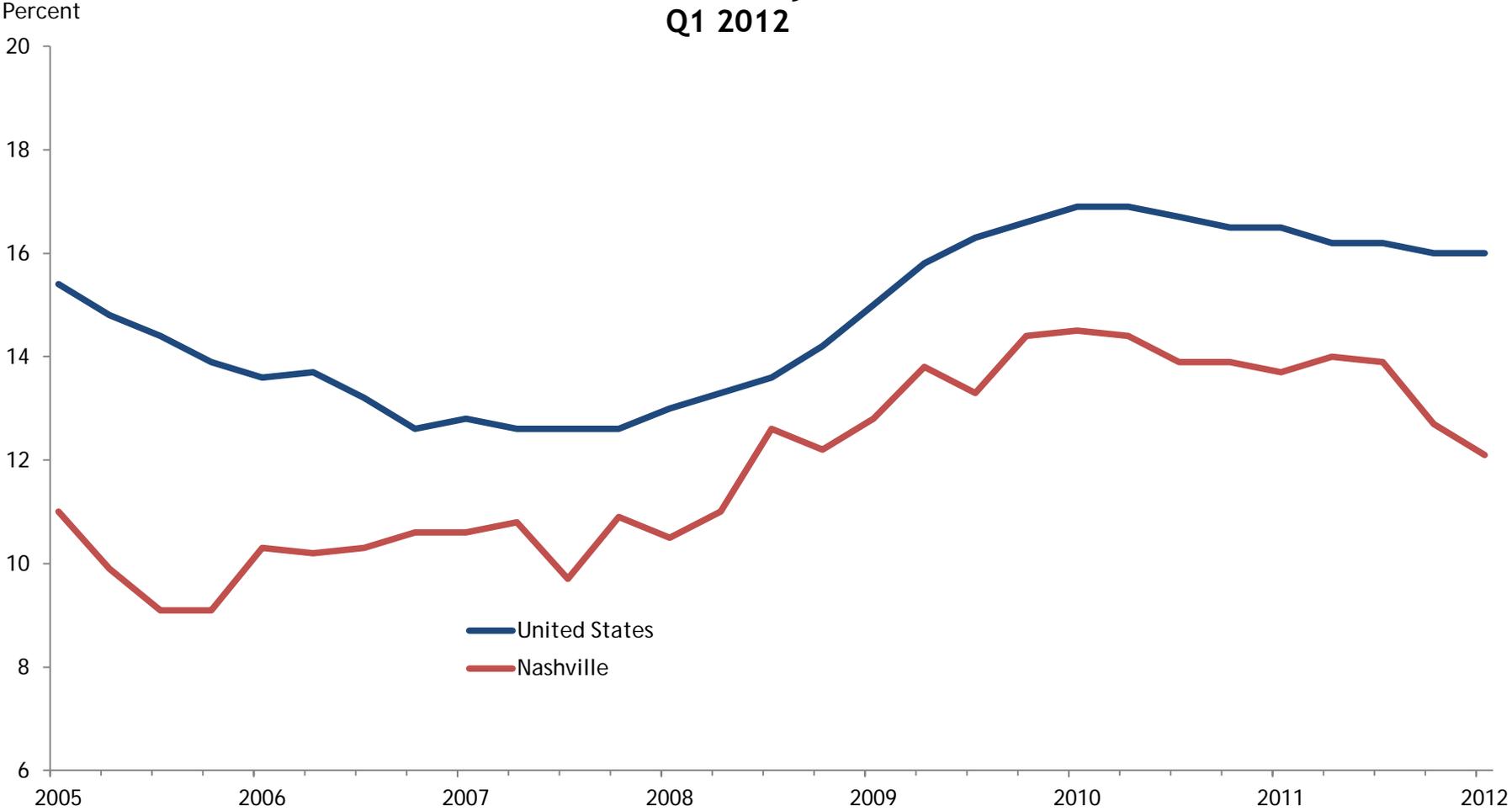
FHFA House Price Index: Q1 2012	1-yr % change	5-yr % change	10-yr % change
United States	-1.4	-16.7	20.8
Tennessee	-1.0	-4.7	22.6
Cleveland	0.2	-3.8	22.4
Jackson	-2.7	-7.1	5.9
Johnson City	0.1	1.0	31.9
Knoxville	-0.5	-2.8	31.4
Morristown	-1.2	-5.9	25.7
Nashville	-0.5	-4.8	25.5
Chattanooga	-1.2	-4.3	24.4
Clarksville	1.8	4.1	34.2
Kingsport-Bristol	-2.4	0.5	31.7
Memphis	-1.3	-11.4	4.4

Source: Federal Housing Finance Agency, Haver Analytics

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

Nationally, office vacancy rates rose throughout the recession but now appear to have stabilized at higher levels. Office vacancy rates in Nashville continued to decline in the first quarter.

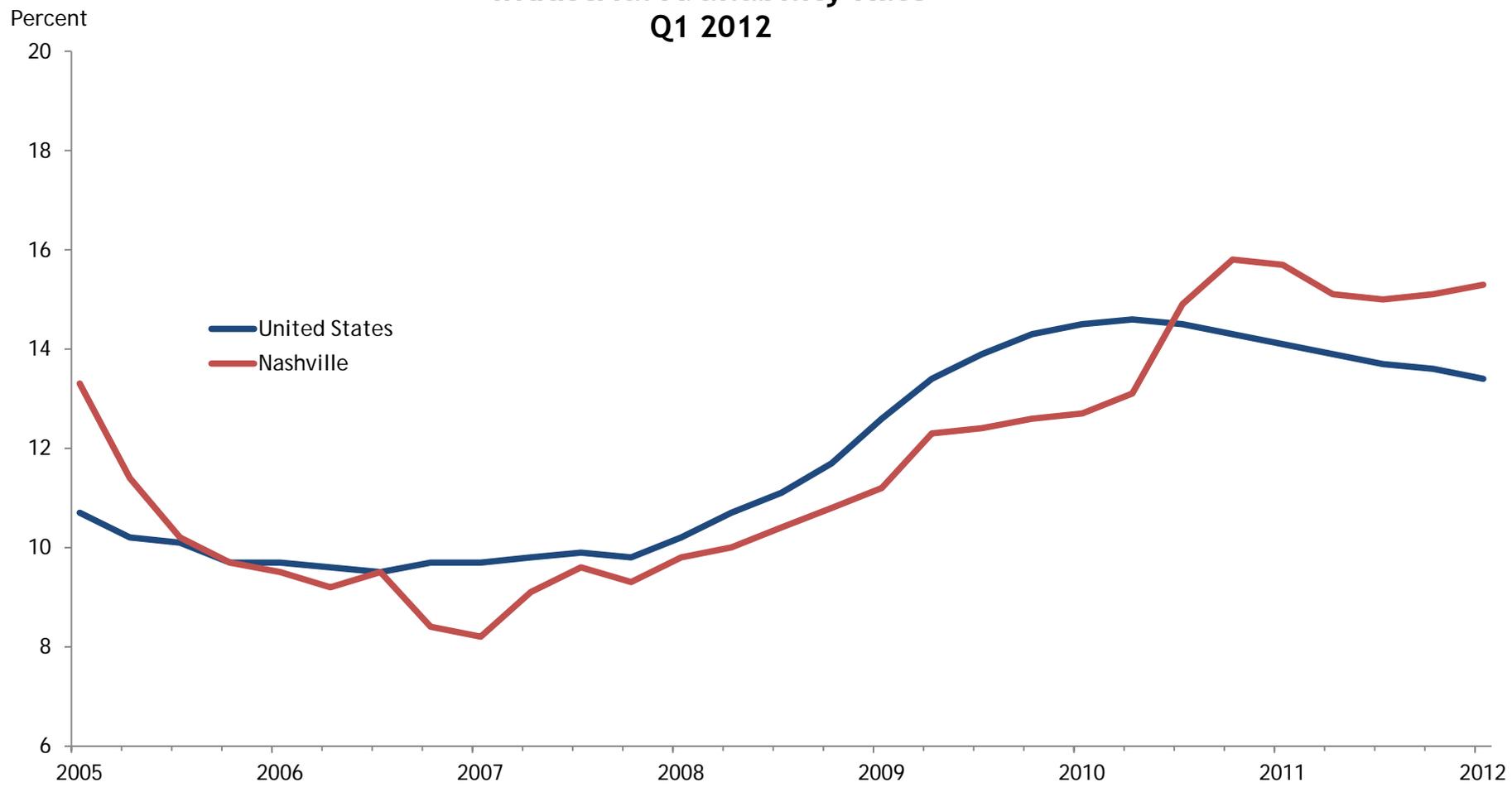
Office Vacancy Rate Q1 2012



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate increased slightly during the first quarter.

Industrial Availability Rate Q1 2012



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.