



# Data Digest: Tennessee

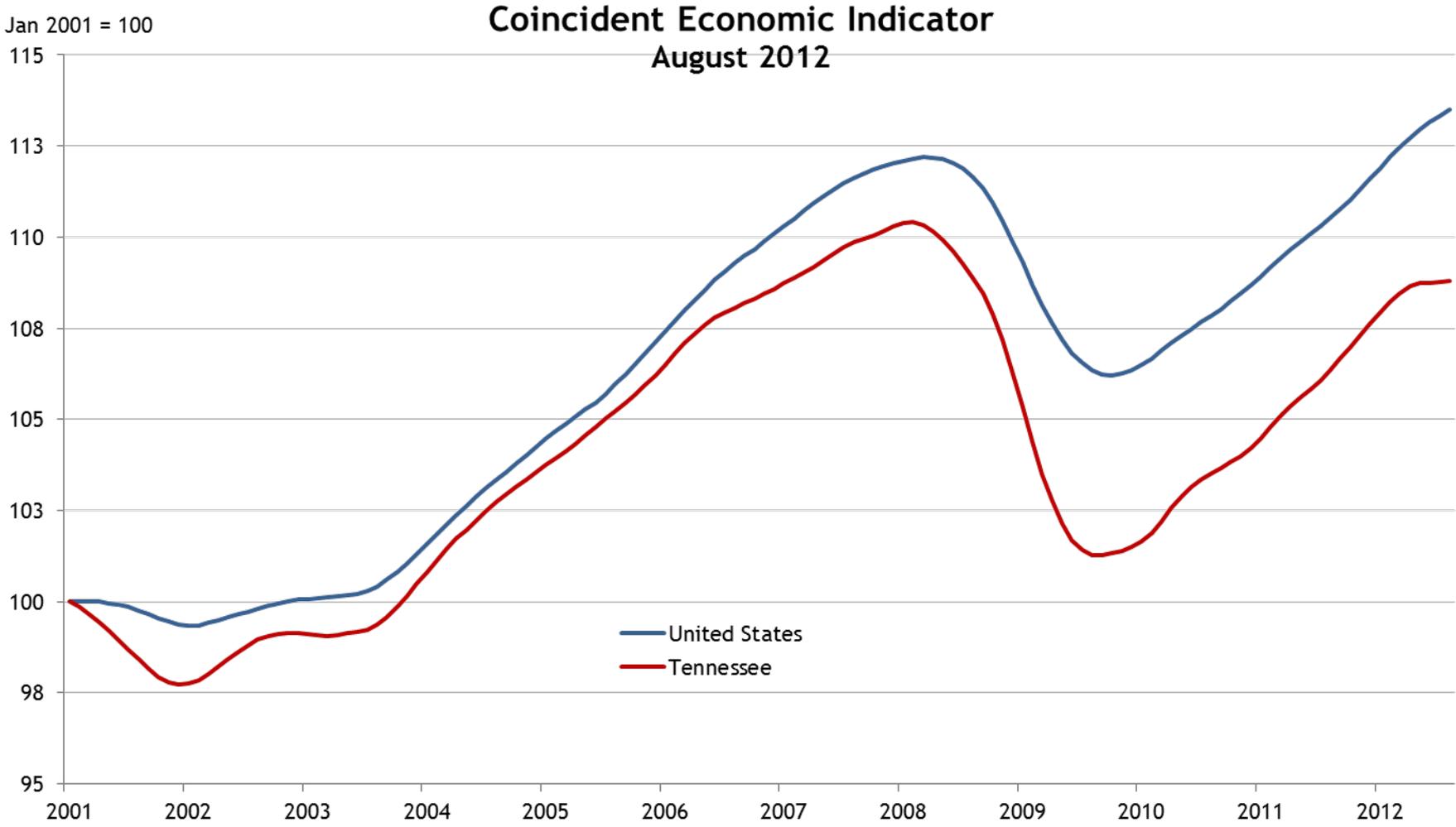
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October 2012



Tennessee's recent economic performance largely mirrors that of the United States; however, economic activity in Tennessee appears to have leveled off lately.

[About the Coincident Economic Indicator](#)

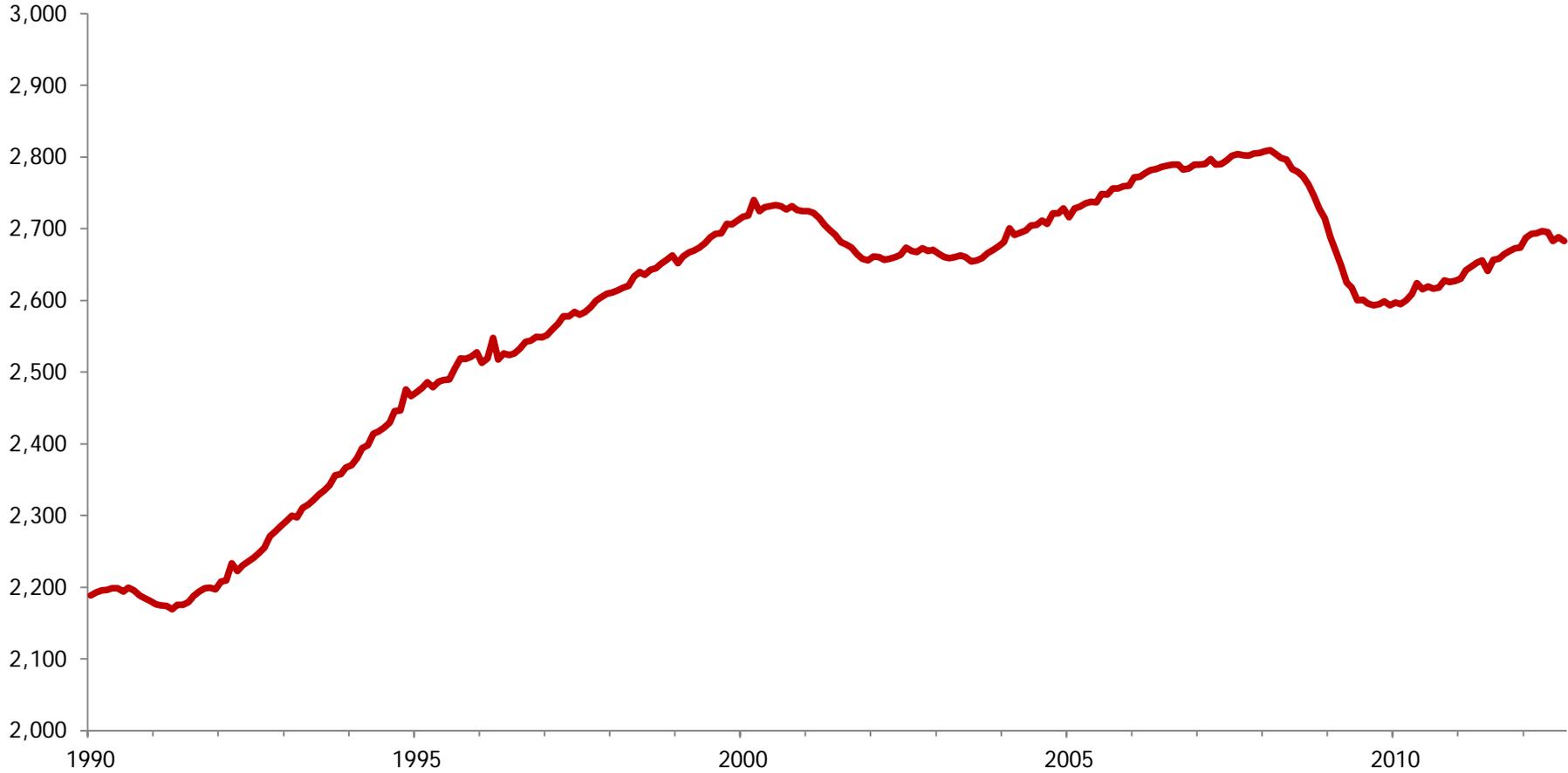


Source: Federal Reserve Bank of Philadelphia

For more than two years, total employment in Tennessee had been on an upward trend, but payroll growth has stalled over the past few months.

### Tennessee Payroll Employment August 2012

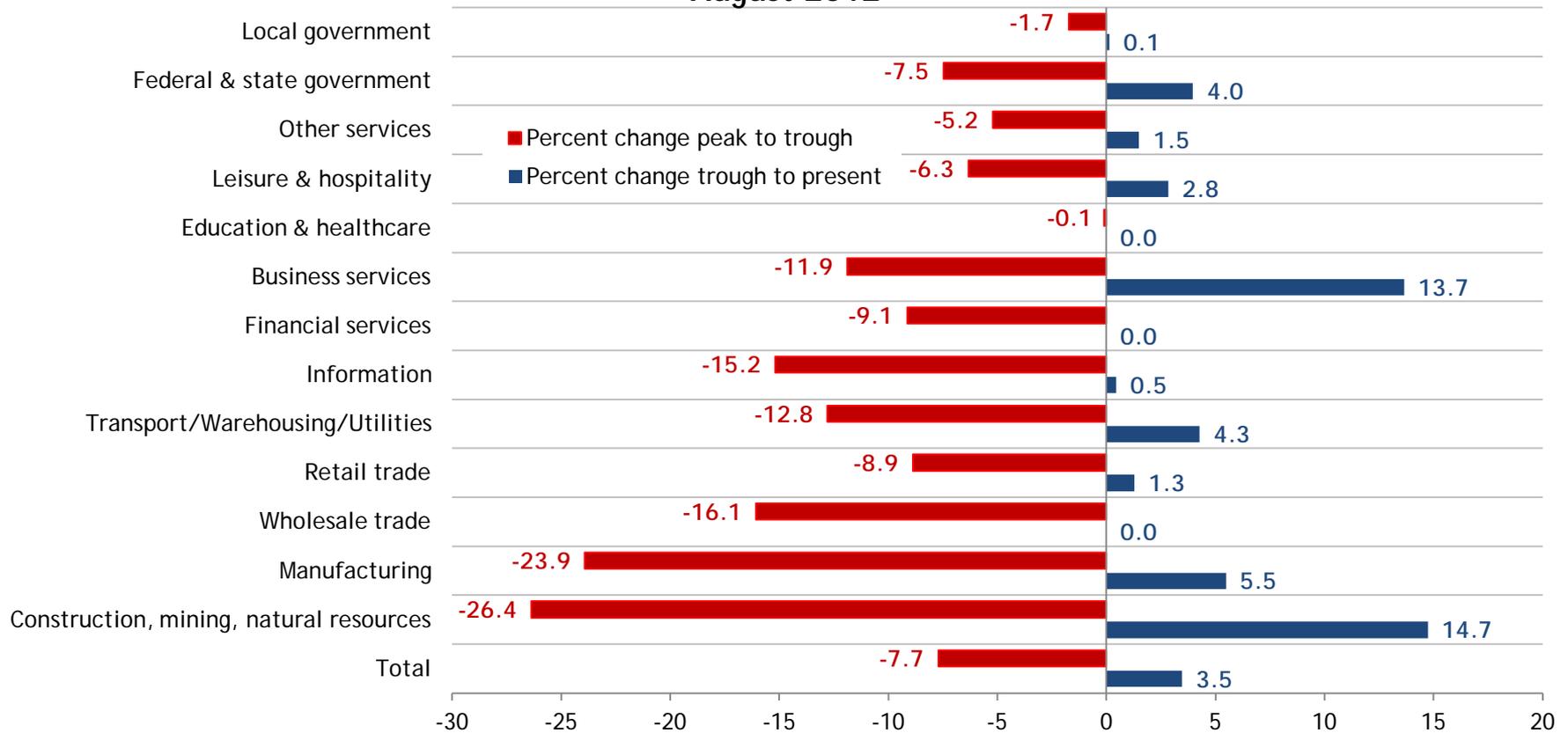
Thousands,  
seasonally adjusted



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

All industries lost jobs during the recent downturn; construction/mining/natural resources and manufacturing saw significant declines. Most industries have added jobs during the recovery.

## Employment Loss and Gain by Industry: Tennessee August 2012

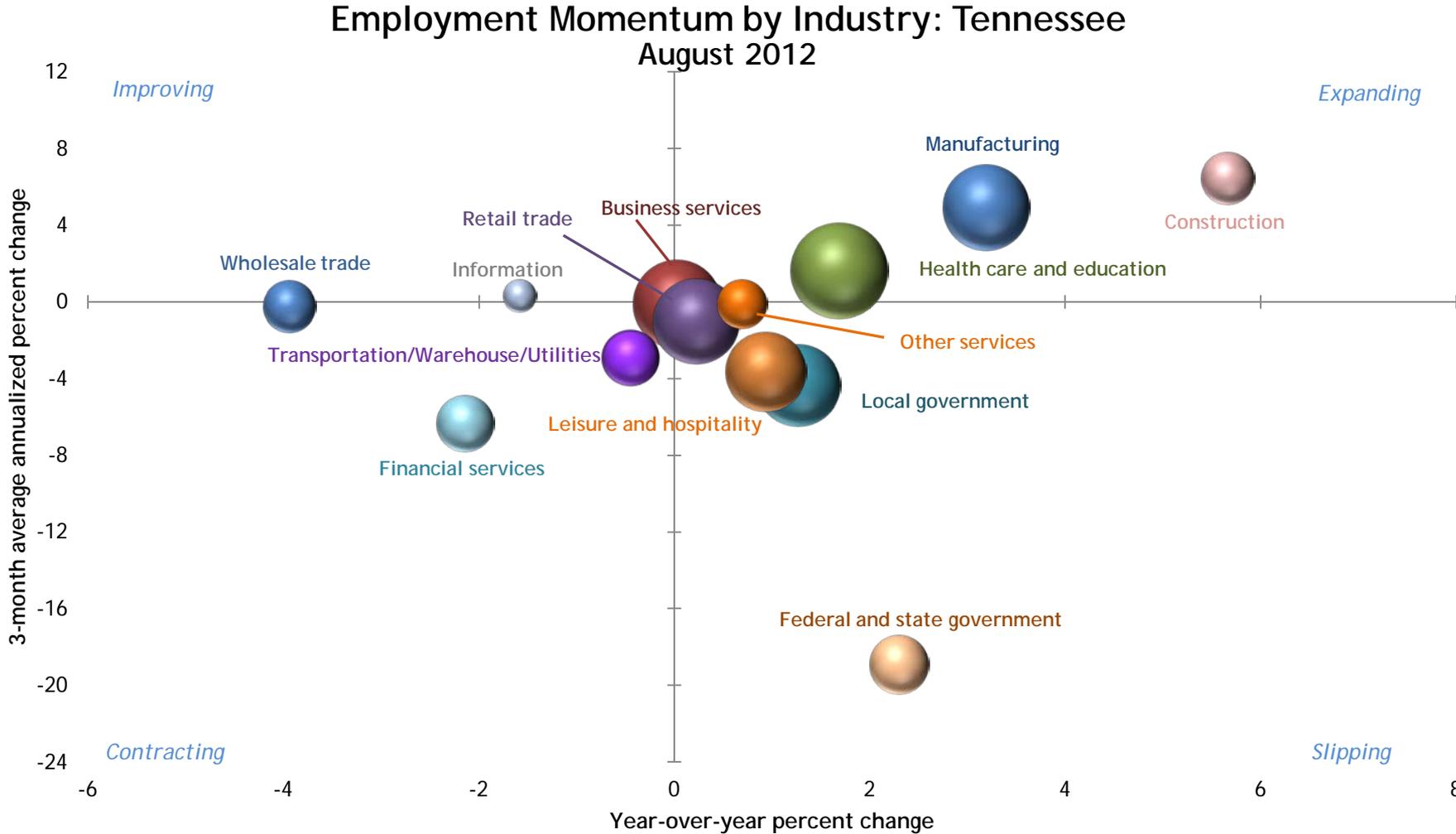


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent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

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

Employment growth in Tennessee has lost some momentum recently. Manufacturing, health care and education, and construction were the only industries that were firmly in the “expanding” category in August.

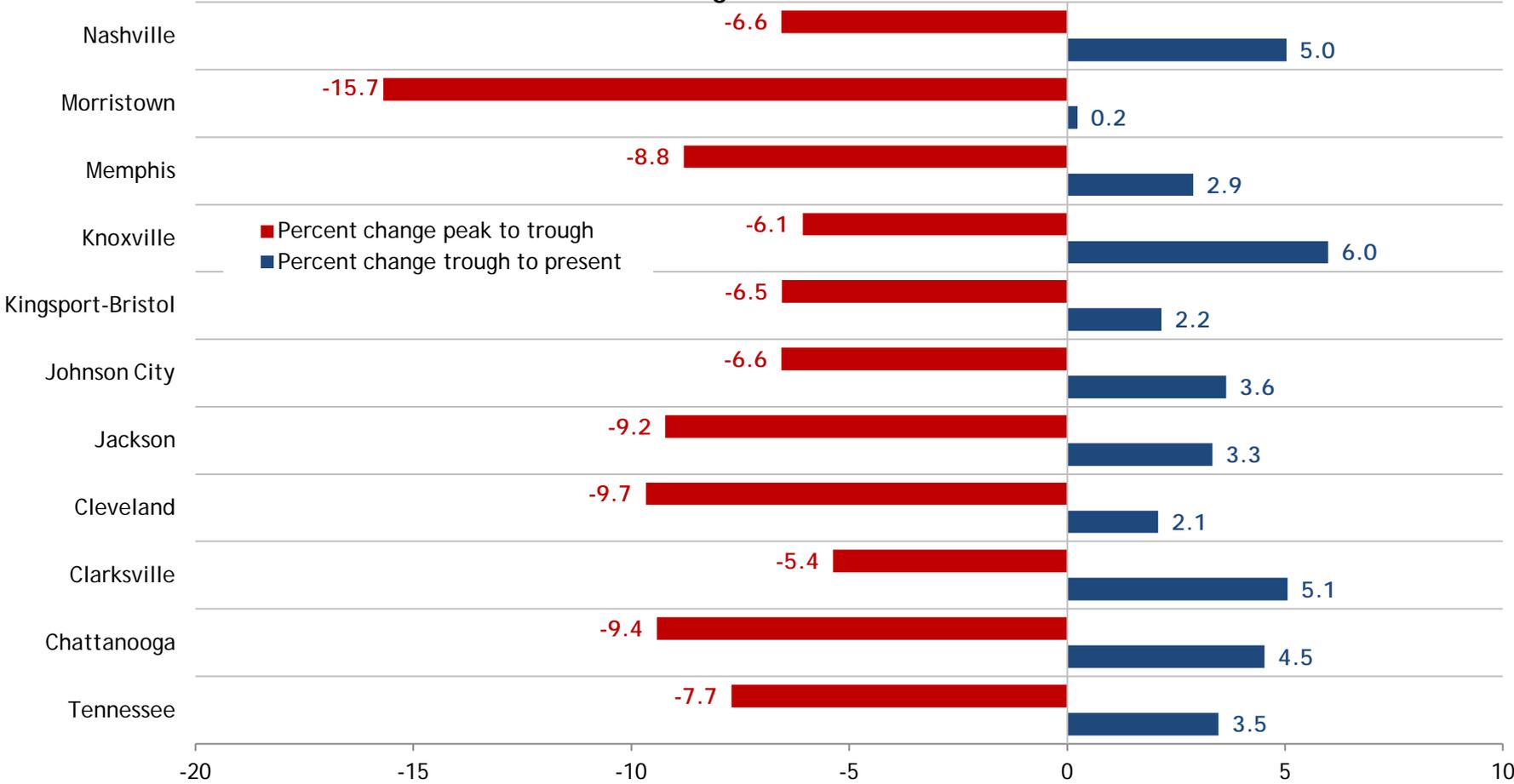
[About Employment Momentum](#)



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. Most metro areas are slowly regaining jobs. Nashville, Knoxville, and Clarksville are now getting close to recovering all the jobs that were lost during the downturn.

### Employment Loss and Gain by Metro Area: Tennessee August 2012

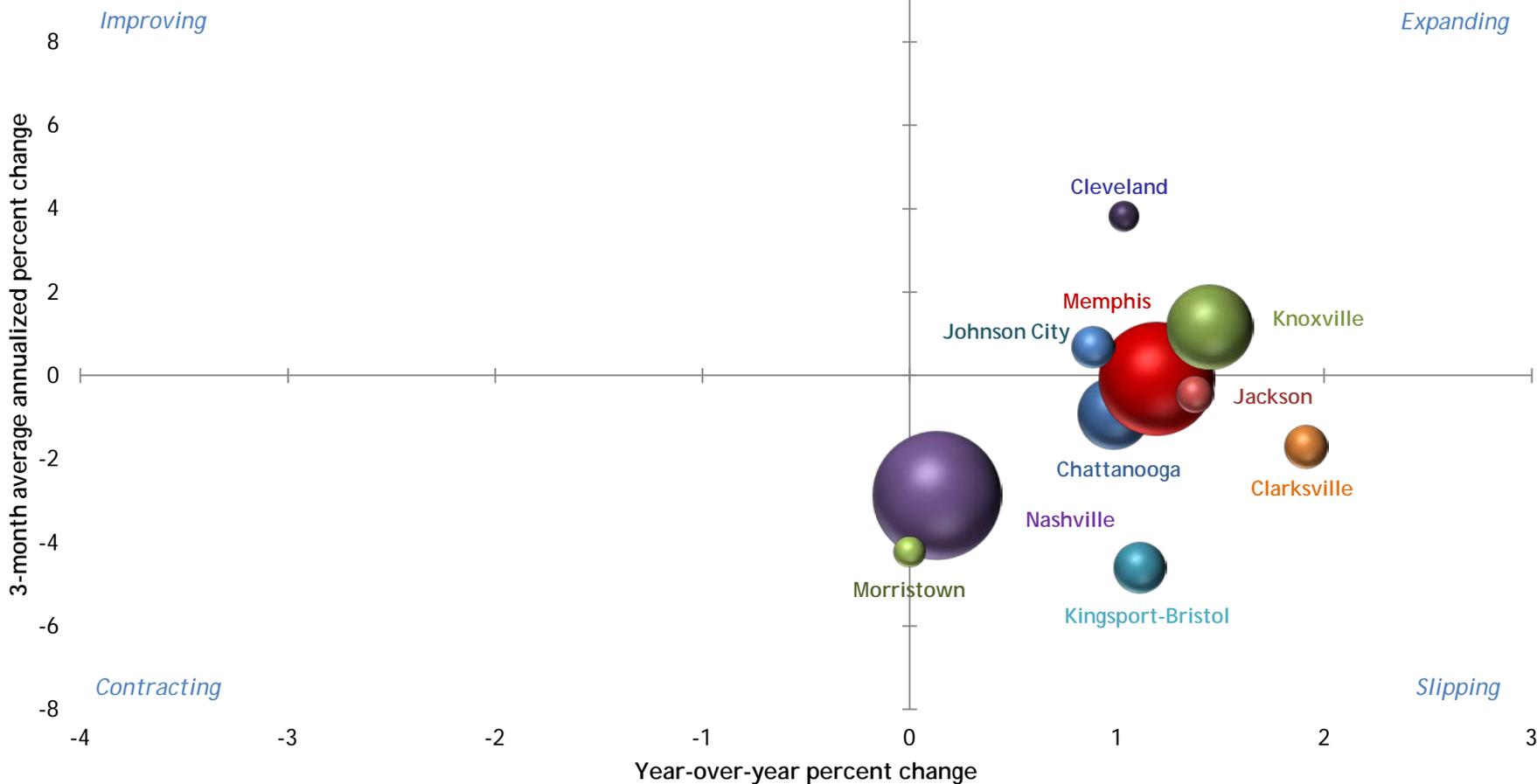


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

# Employment growth momentum in most large metropolitan areas is slipping, but is expanding in Knoxville, Johnson City, and Cleveland.

[About Employment Momentum](#)

## Employment Momentum by Metro Area: Tennessee August 2012

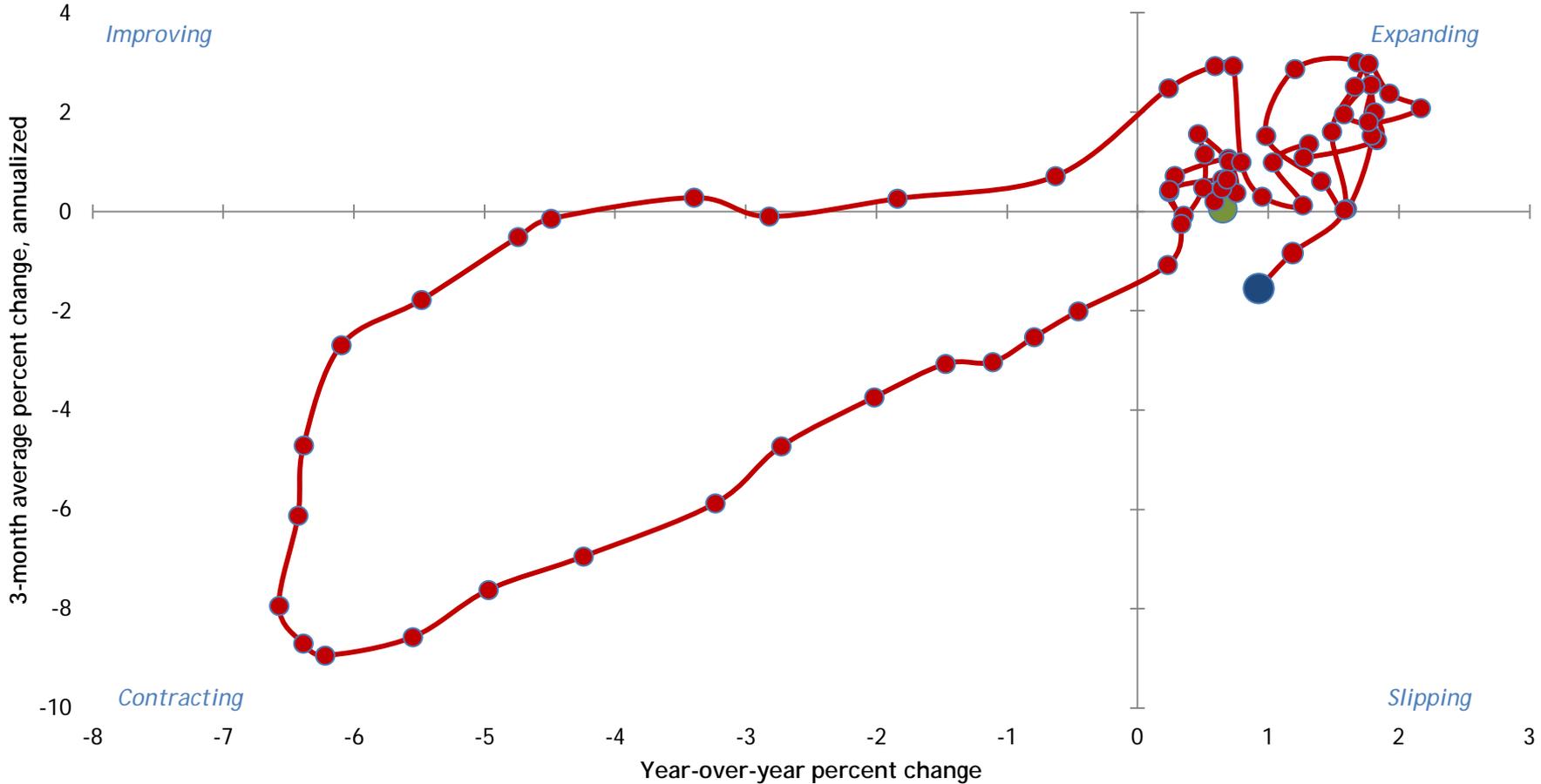


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum slipped in August for the second consecutive month after expanding for more than two years.

[About Employment Momentum Track](#)

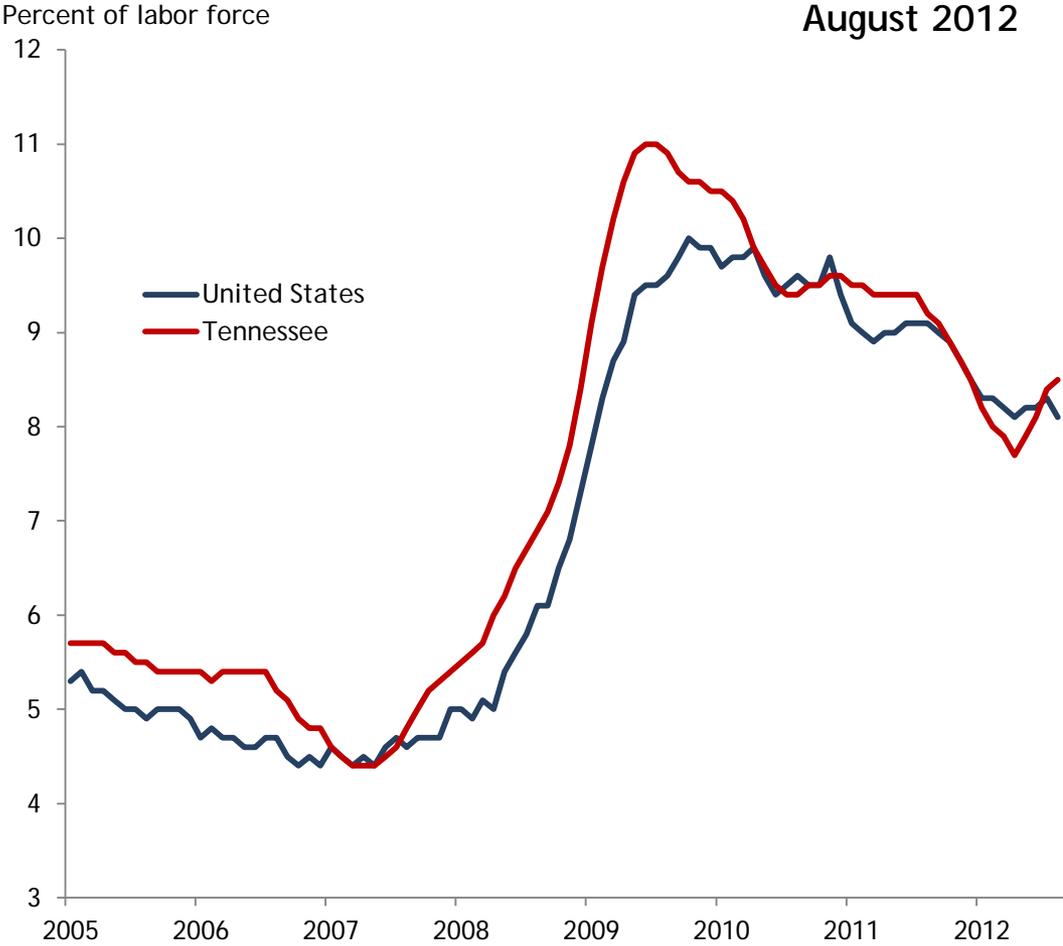
### Employment Momentum Track: Tennessee January 2007-August 2012



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

The unemployment rate for Tennessee continued to increase in August and is now higher than the national rate.

### Unemployment Rate August 2012



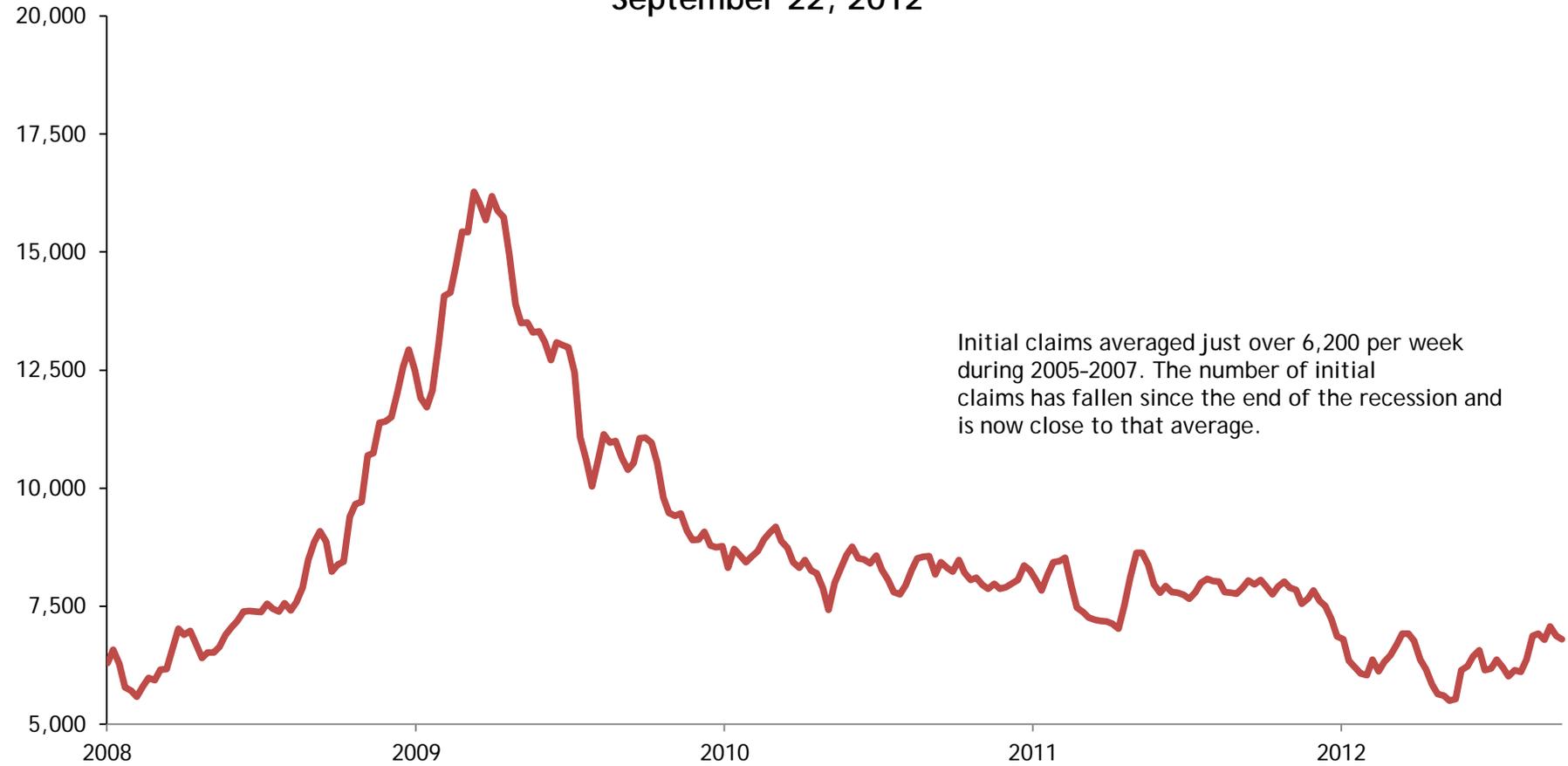
Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	8.1	9.1	4.6
Tennessee	8.5	9.2	4.6
Chattanooga	7.8	8.7	4.4
Clarksville	9.0	10.0	5.7
Cleveland	8.6	9.8	4.9
Jackson	8.9	10.1	5.6
Johnson City	7.7	8.6	4.8
Kingsport-Bristol	7.6	8.5	4.8
Knoxville	6.9	7.6	4.1
Memphis	8.9	10.2	5.8
Morristown	10.3	11.2	6.1
Nashville	7.2	8.2	4.2

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

Initial claims have leveled off in the past few months at close to prerecession levels.

### Initial Unemployment Insurance Claims: Tennessee September 22, 2012

4-week moving average

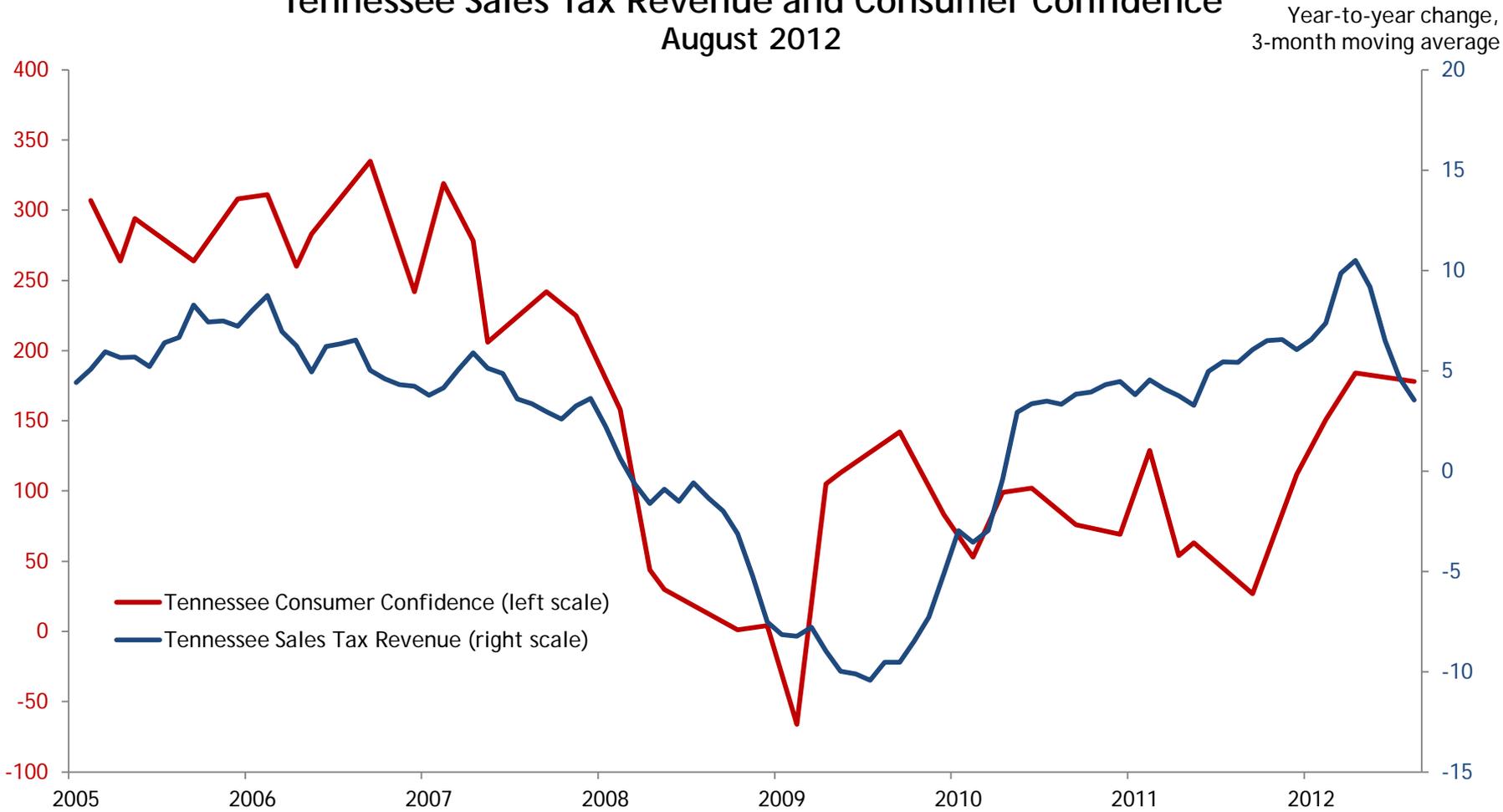


Initial claims averaged just over 6,200 per week during 2005-2007. The number of initial claims has fallen since the end of the recession and is now close to that average.

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

Growth of sales tax revenue in Tennessee has decelerated over the past few months and consumer confidence has leveled off.

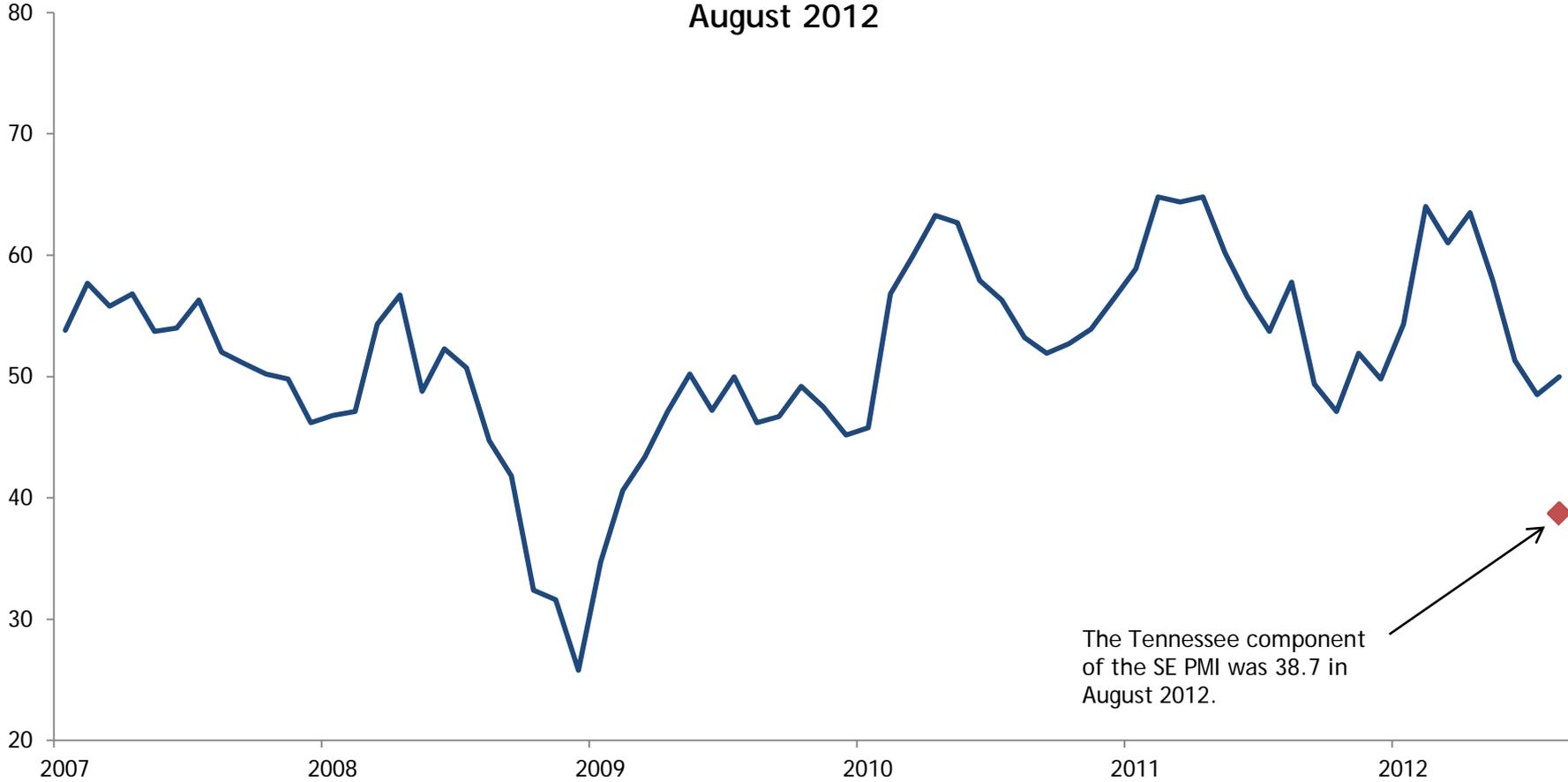
### Tennessee Sales Tax Revenue and Consumer Confidence August 2012



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

Regional manufacturing activity improved slightly in August over July, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. In Tennessee, however, manufacturing activity contracted.

### Southeast Purchasing Managers Index August 2012

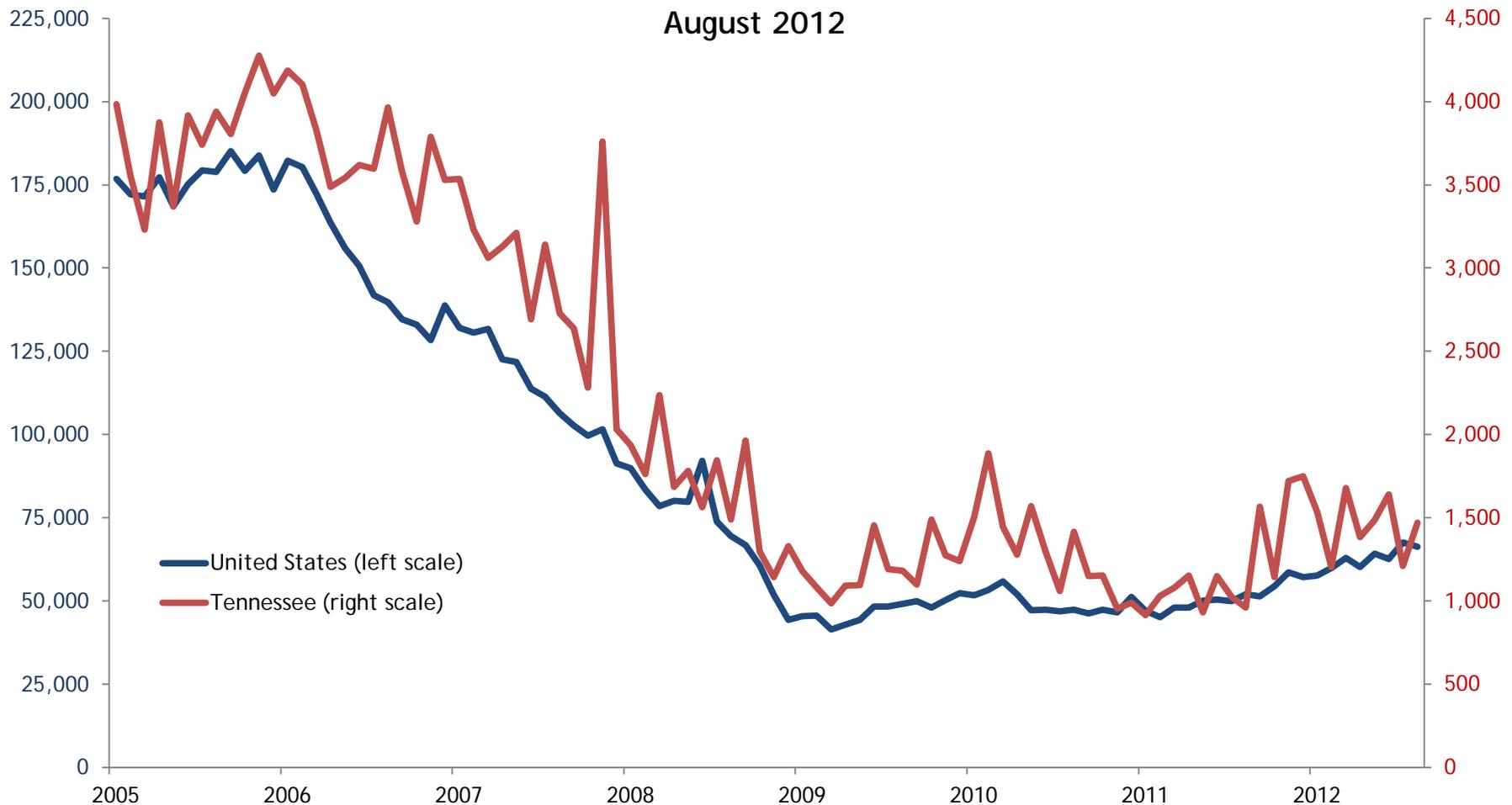


Note: 50+ = Expansion

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

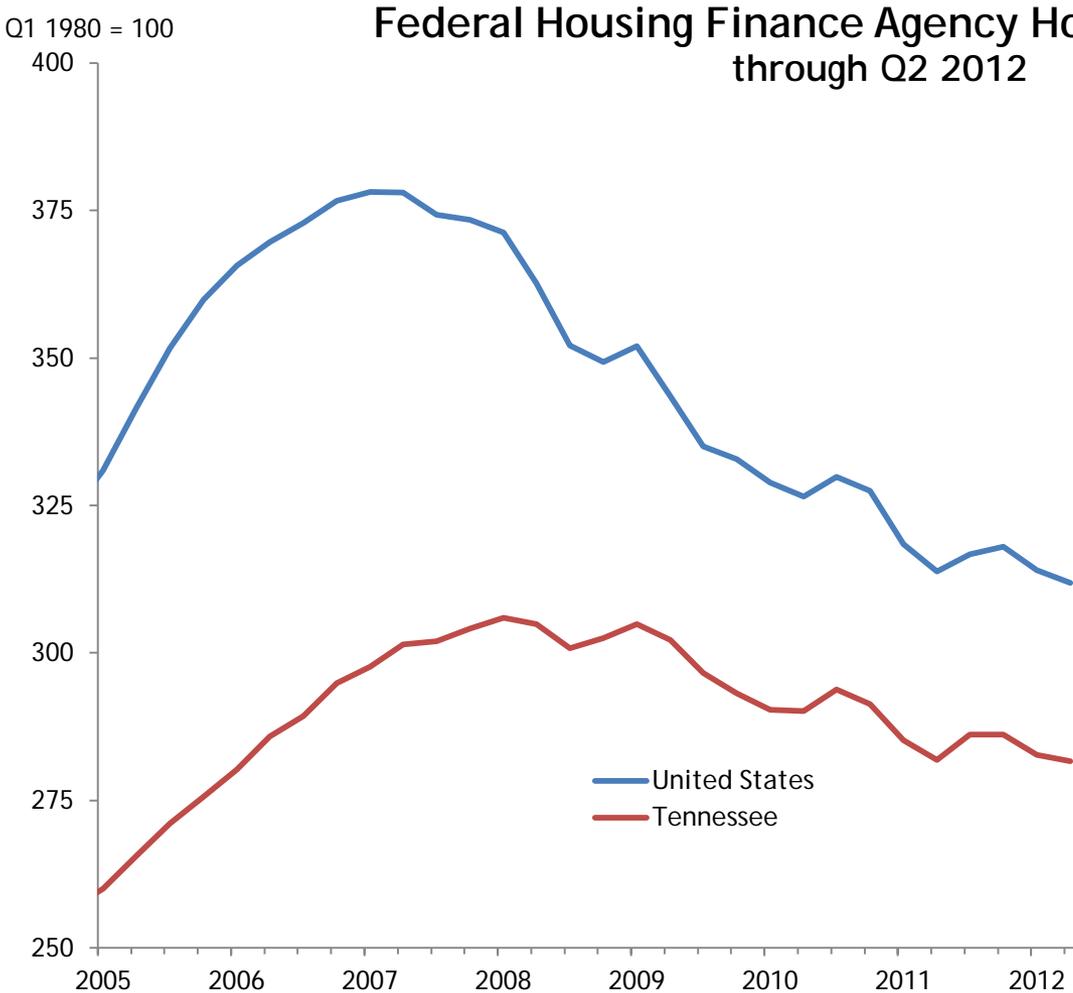
New home construction permits for the United States and Tennessee remain at historically low levels, but a modest uptrend is evident.

### New Residential Home Construction Permits August 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 second quarter and were just below year-ago levels.



FHFA House Price Index: Q2 2012	1-yr % change	5-yr % change	10-yr % change
United States	-0.6	-17.5	17.5
Tennessee	-0.1	-6.6	21.5
Cleveland	3.0	-4.8	25.6
Jackson	1.0	-7.8	6.3
Johnson City	4.4	1.4	33.1
Knoxville	-0.3	-6.0	29.3
Morristown	1.4	-8.7	22.2
Nashville	0.2	-5.9	25.2
Chattanooga	1.0	-5.0	24.4
Clarksville	-0.4	3.4	33.7
Kingsport-Bristol	-1.2	0.0	34.1
Memphis	-1.0	-14.0	2.2

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 have come down notably over the past few quarters.

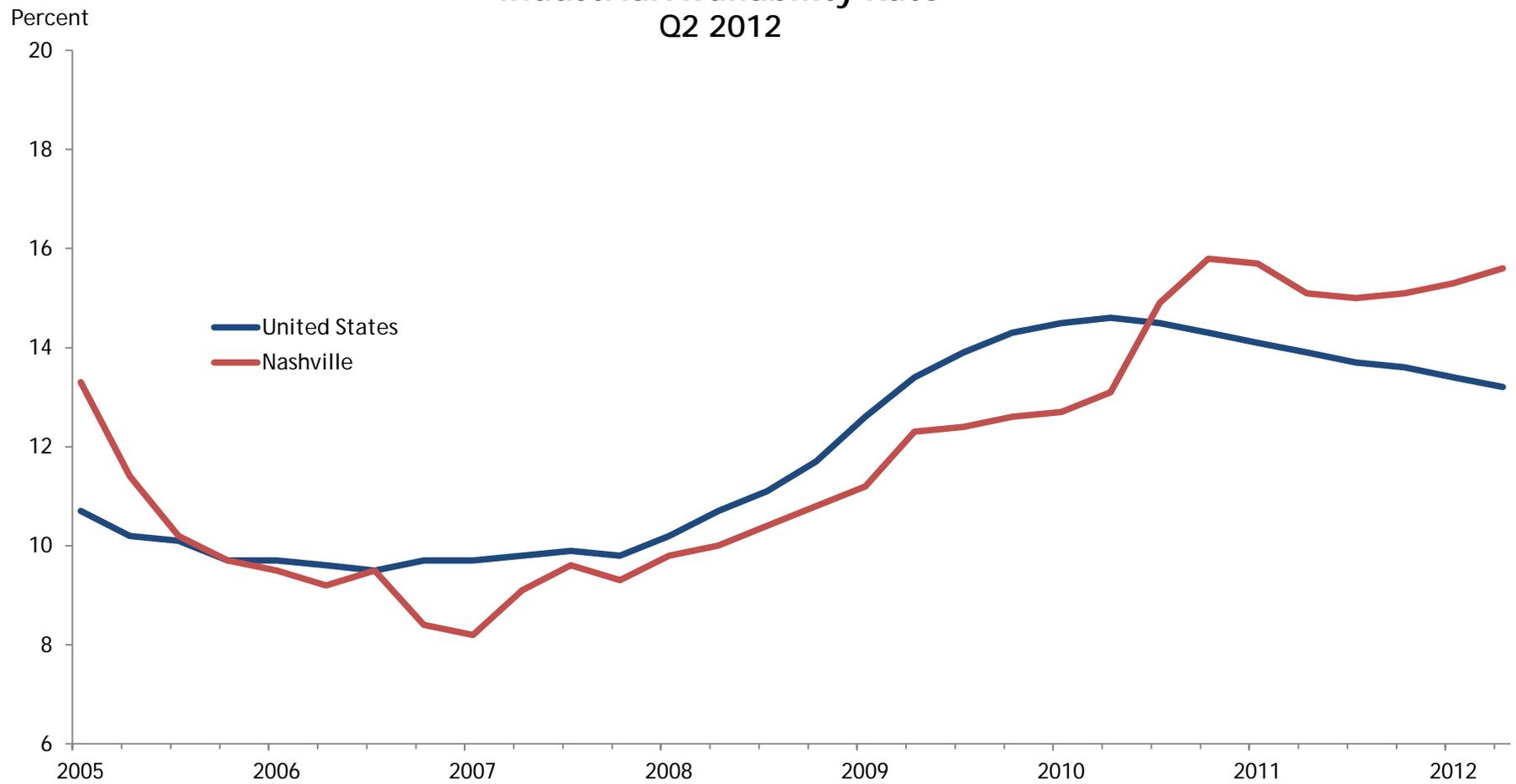
### Office Vacancy Rate Q2 2012



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate continued to increase in the second quarter.

### Industrial Availability Rate Q2 2012



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).