



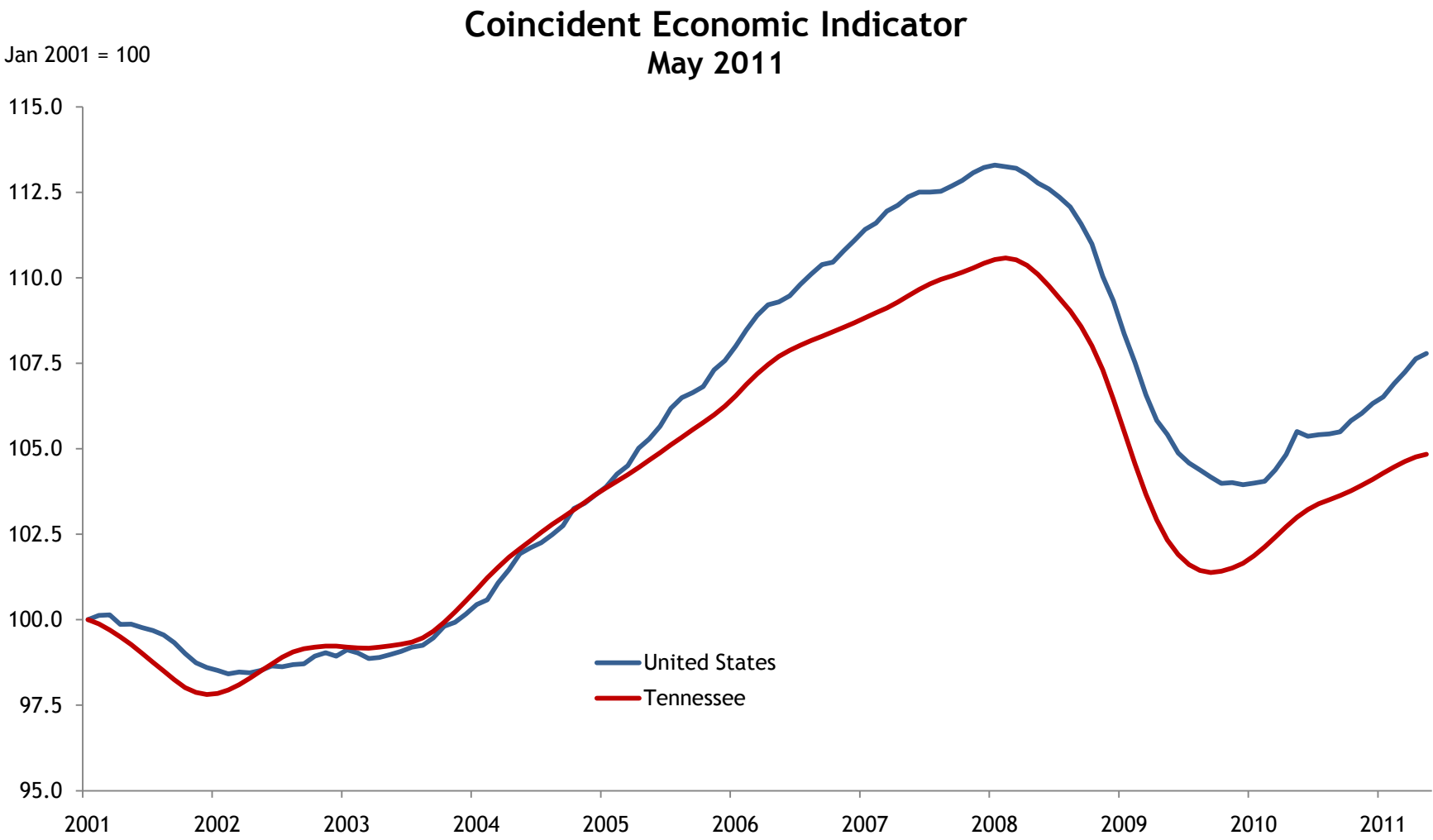
Data Digest: Tennessee

July 2011



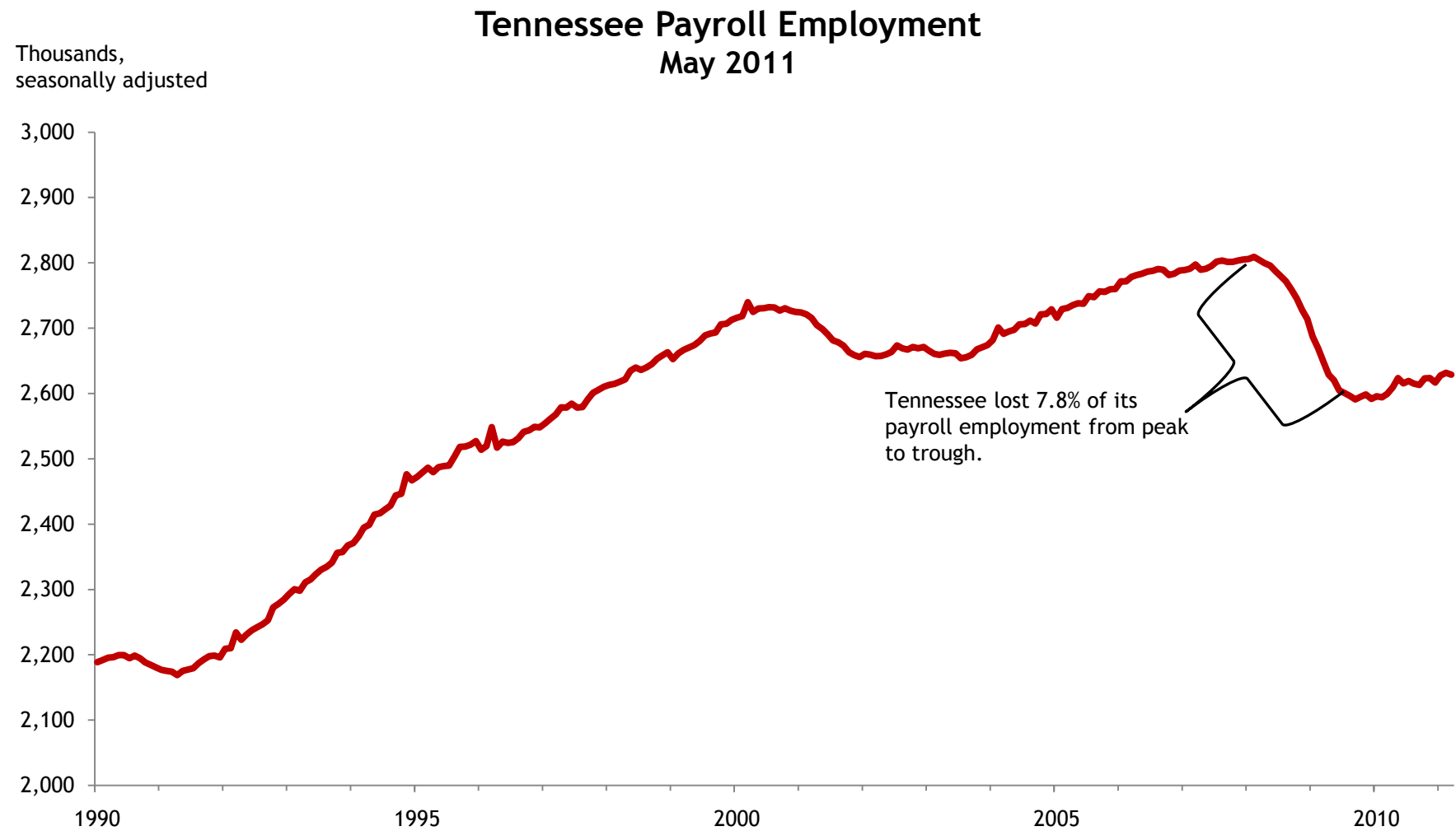
Tennessee's recent economic performance largely mirrors that of the United States.

[About the Coincident Economic Indicator](#)



Source: Federal Reserve Bank of Philadelphia

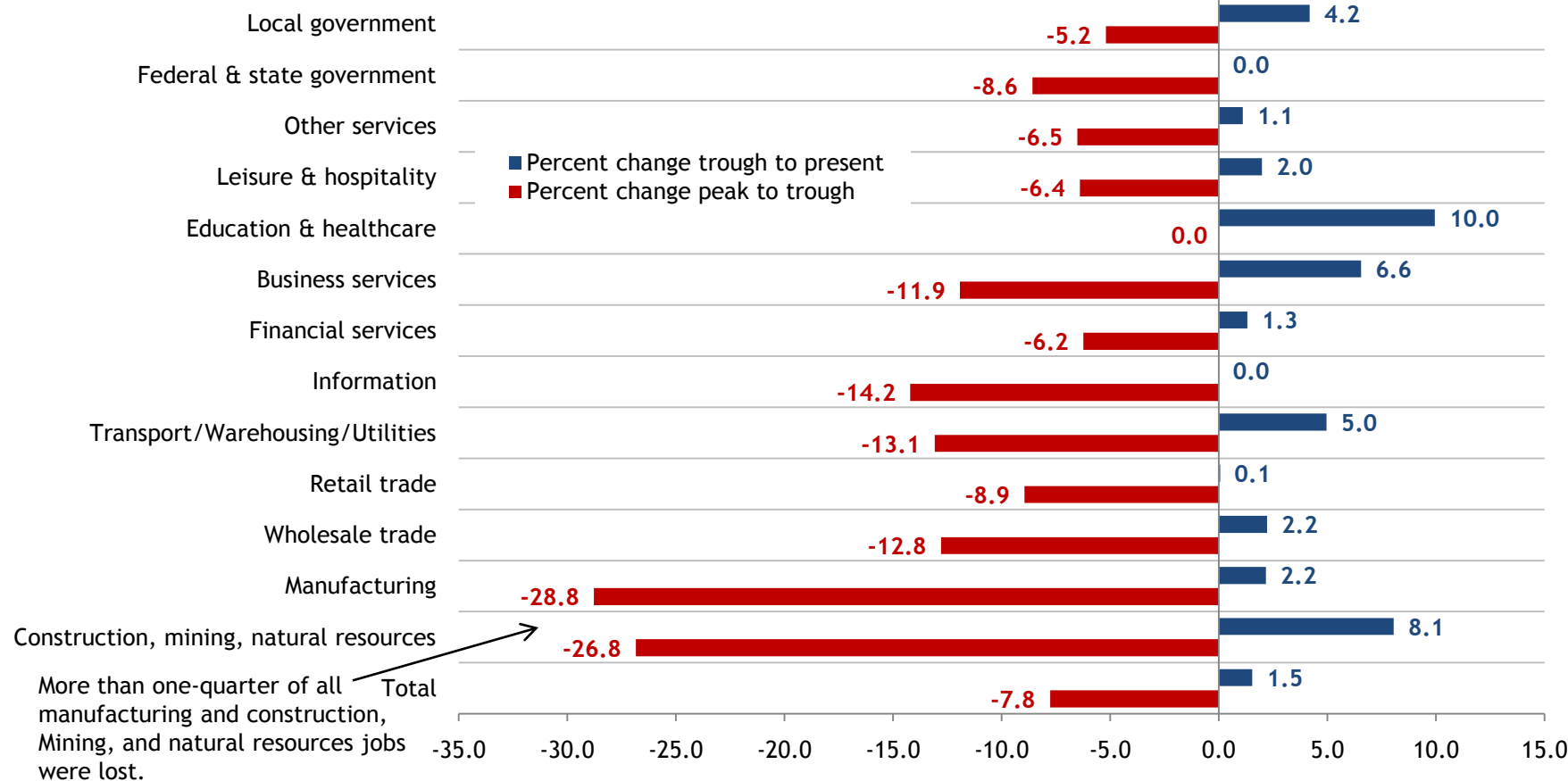
Total employment in Tennessee is increasing, but remains below levels of the late 1990s.



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

All industries except education and health care lost jobs during the recession; manufacturing and construction saw significant declines. Most sectors have regained jobs.

Employment Loss and Gain by Industry: Tennessee May 2011



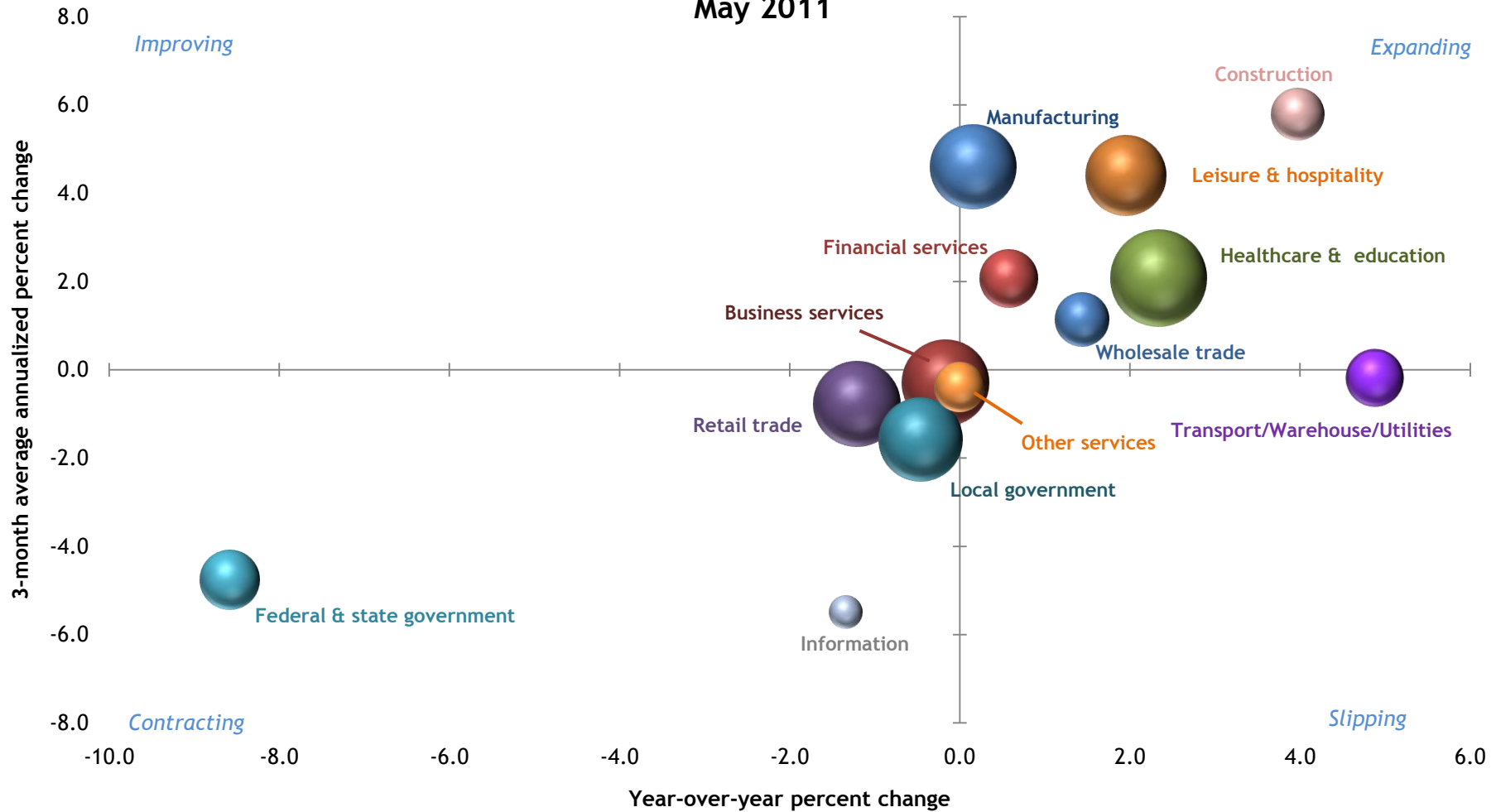
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries.

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

Construction, leisure and hospitality, and manufacturing show the most positive employment momentum, while retail trade, information, and federal and state government remain weak.

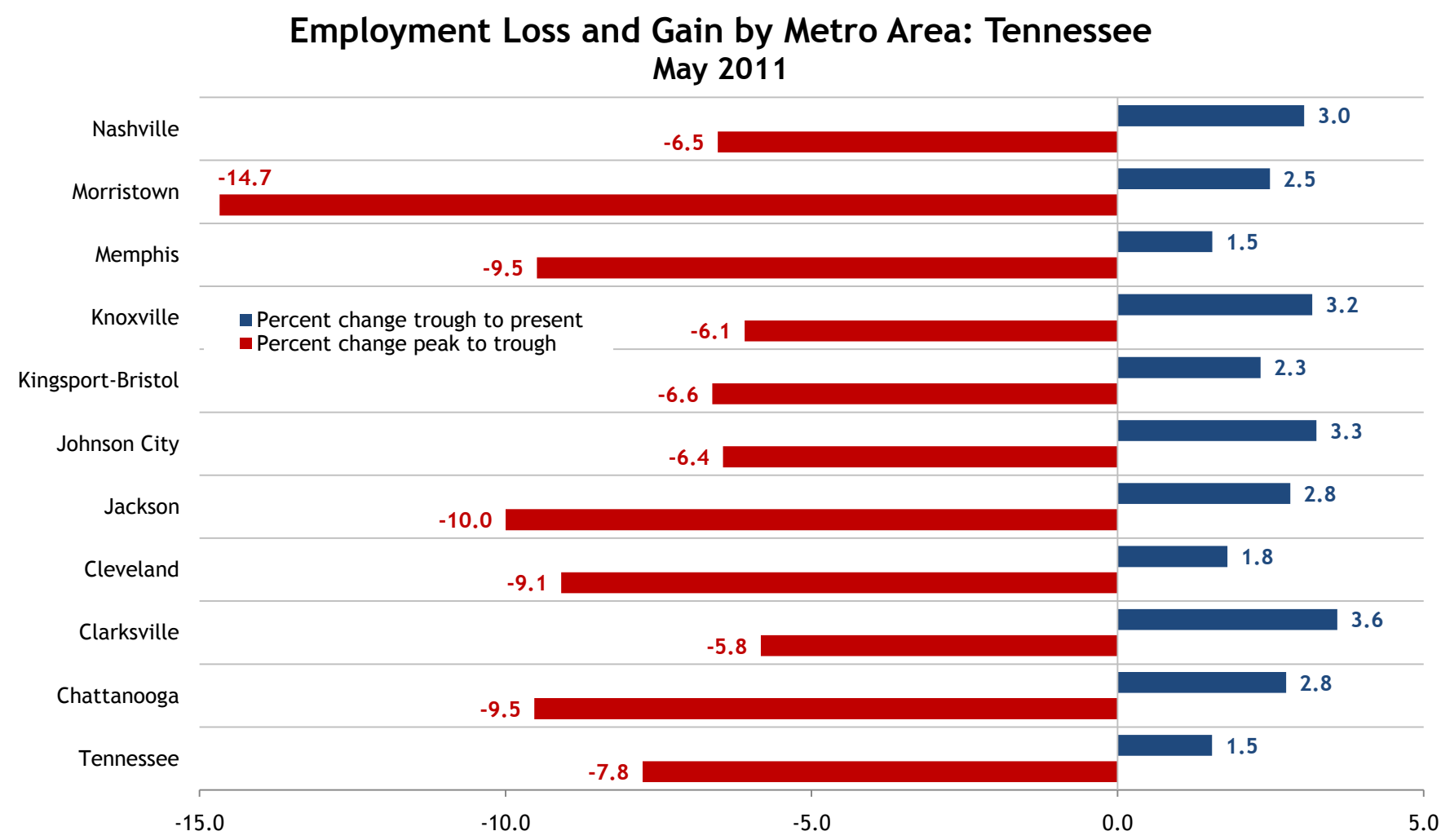
[About Employment Momentum](#)

Employment Momentum by Industry: Tennessee May 2011



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

Employment losses in Tennessee metro areas were significant. All areas have regained at least 1.5 percent of their jobs.

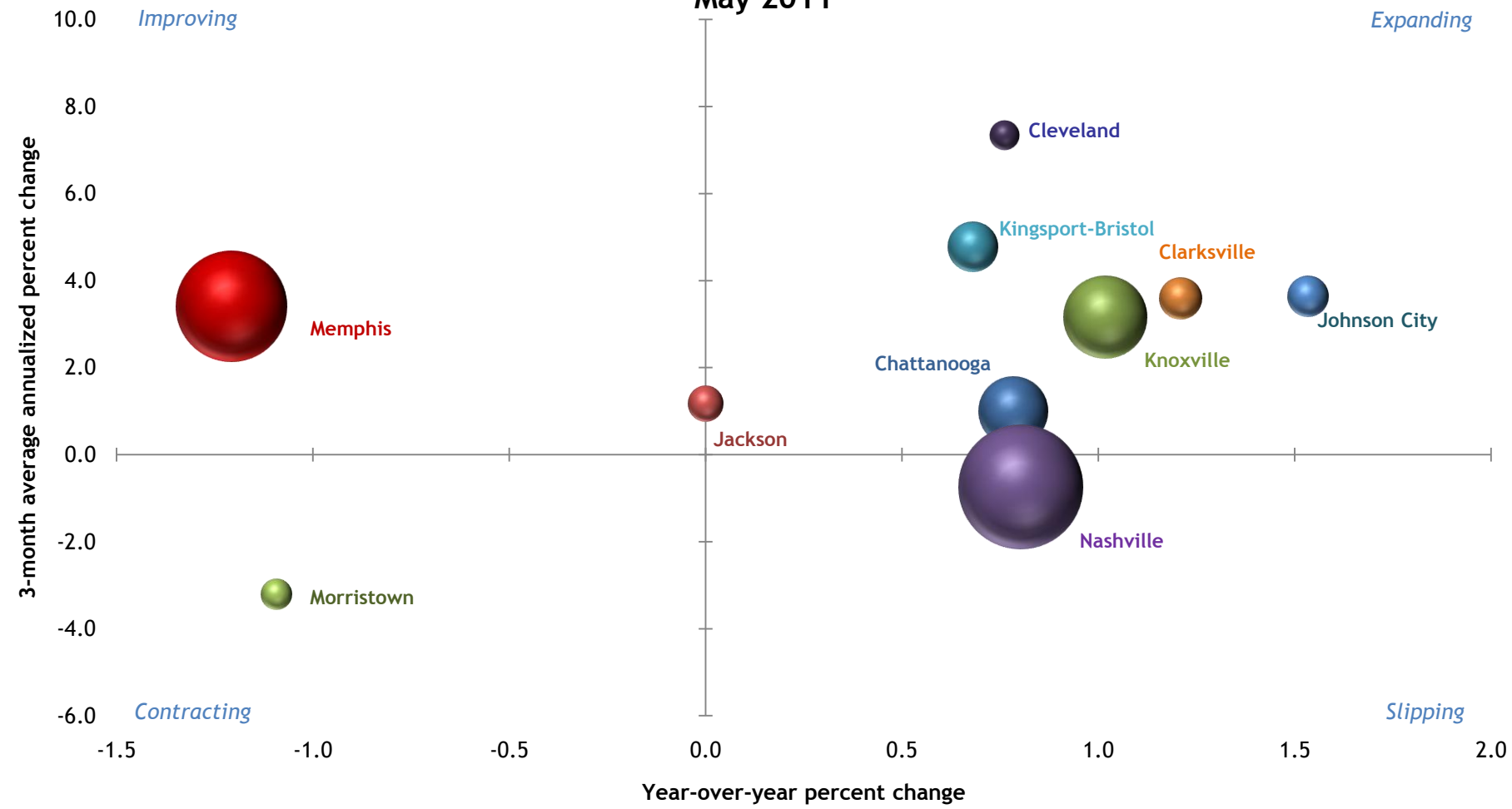


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

With the exception of Nashville and Morristown, all other metro areas are experiencing improving or expanding employment momentum.

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee
May 2011

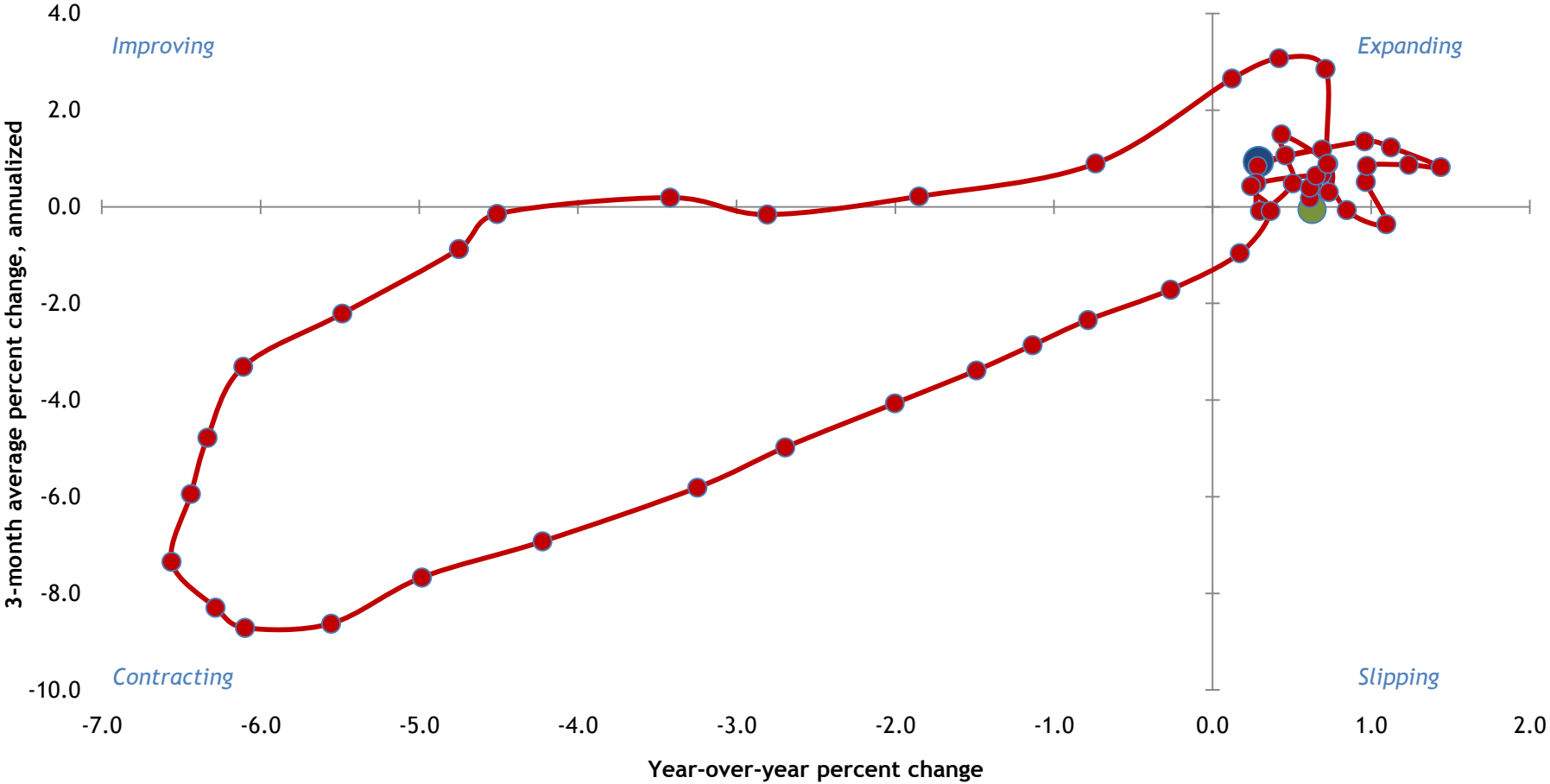


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum began to improve in March 2010. Momentum began expanding in May 2010, slipped in September and October, and began expanding again in November 2010.

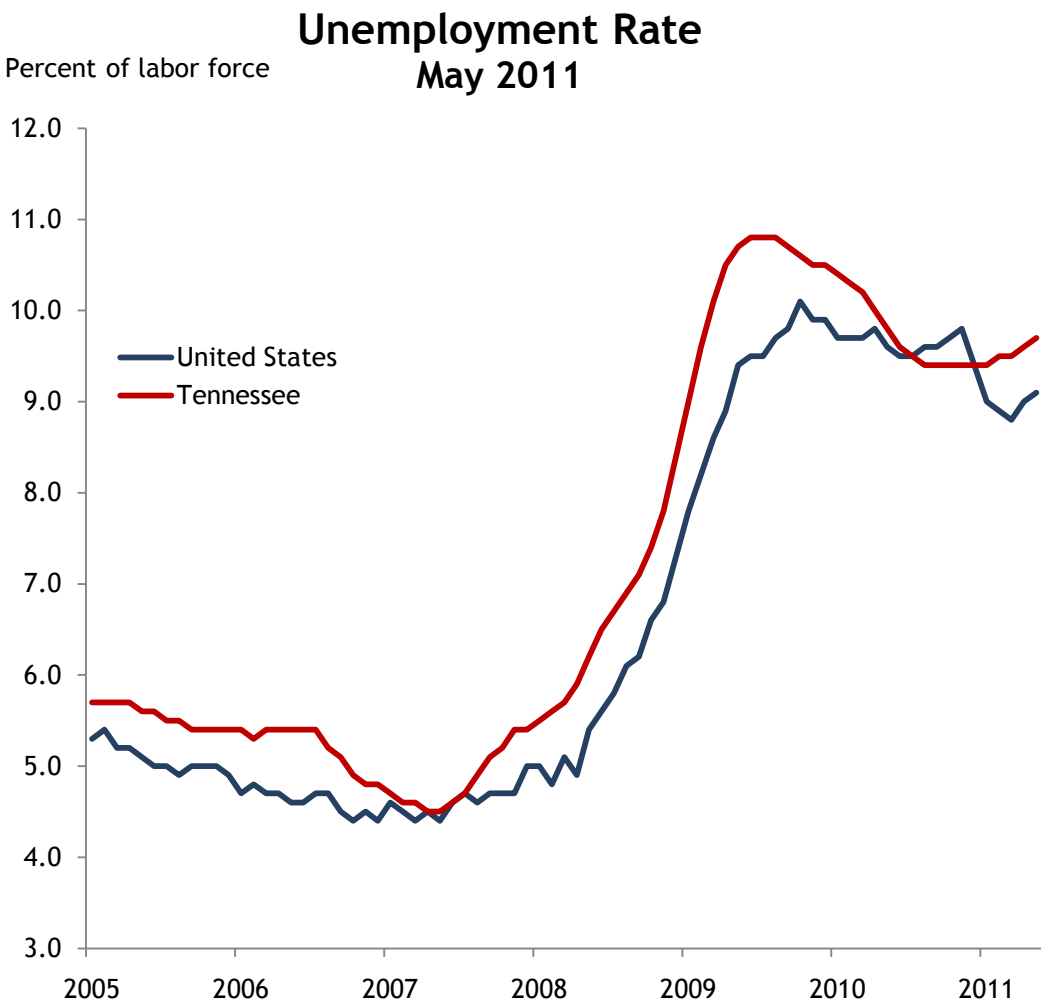
[About Employment Momentum Track](#)

Employment Momentum Track: Tennessee
January 2007–May 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 ticked up in February 2011. After a slight decline in March, it increased in April and again in May.



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	9.0	9.8	4.6
Tennessee	9.6	10.0	4.7
Chattanooga	8.5	8.7	4.4
Clarksville	10.3	9.8	5.7
Cleveland	9.4	9.2	5.0
Jackson	10.2	10.2	5.7
Johnson City	8.8	9.0	4.9
Kingsport-Bristol	8.2	8.9	4.9
Knoxville	7.9	8.2	4.1
Memphis	10.1	9.9	5.8
Morristown	11.6	11.9	6.2
Nashville	8.7	8.8	4.2

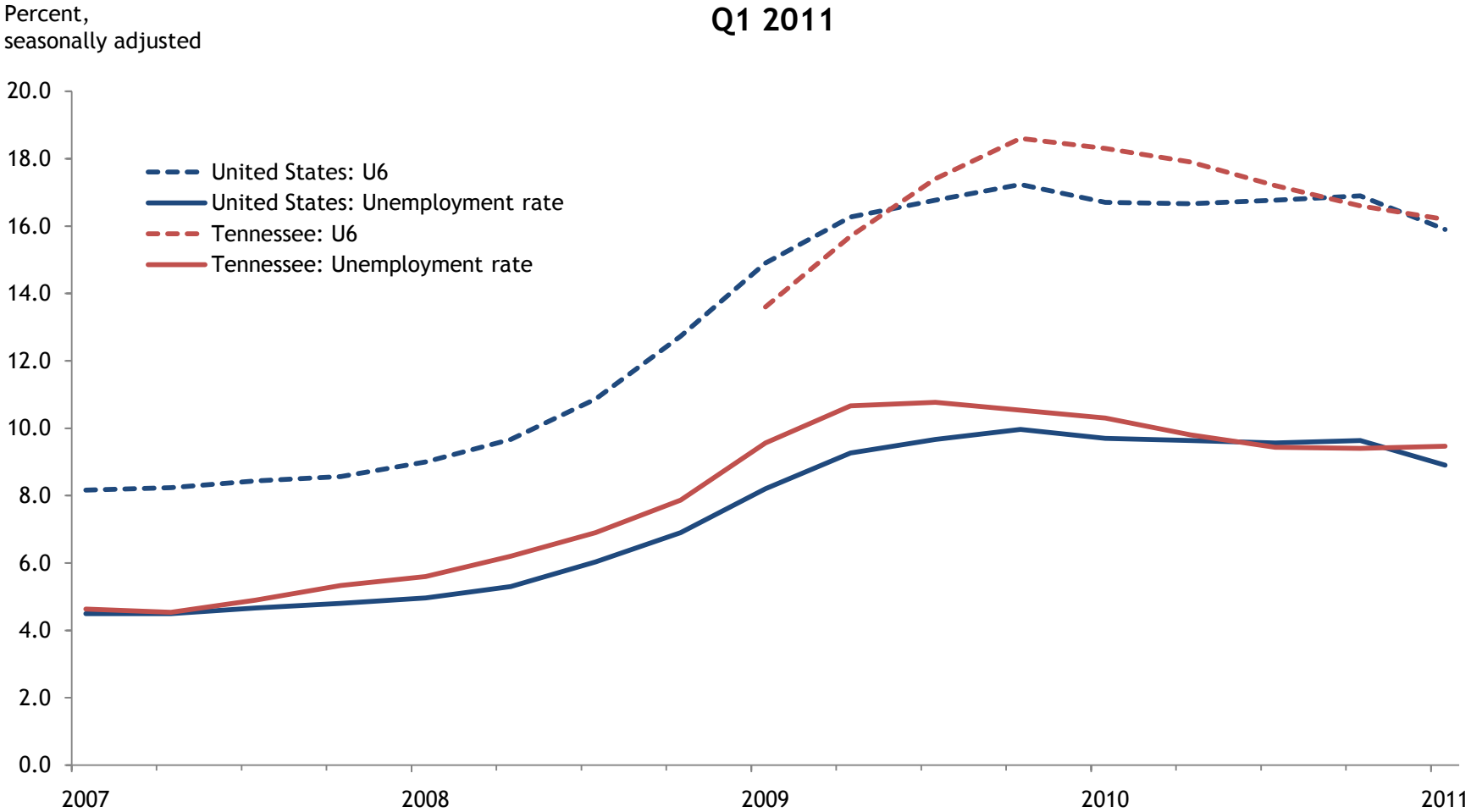
The table shows unemployment rates for metro areas. Current = April 2011. Year ago and Jan 2007 are included for comparison.

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

Alternative measures of labor underutilization for Tennessee—namely, the U6 figure—show that more than 16 percent of the state’s labor force is either unemployed or underemployed, a number that is slightly higher than the U.S. measures.

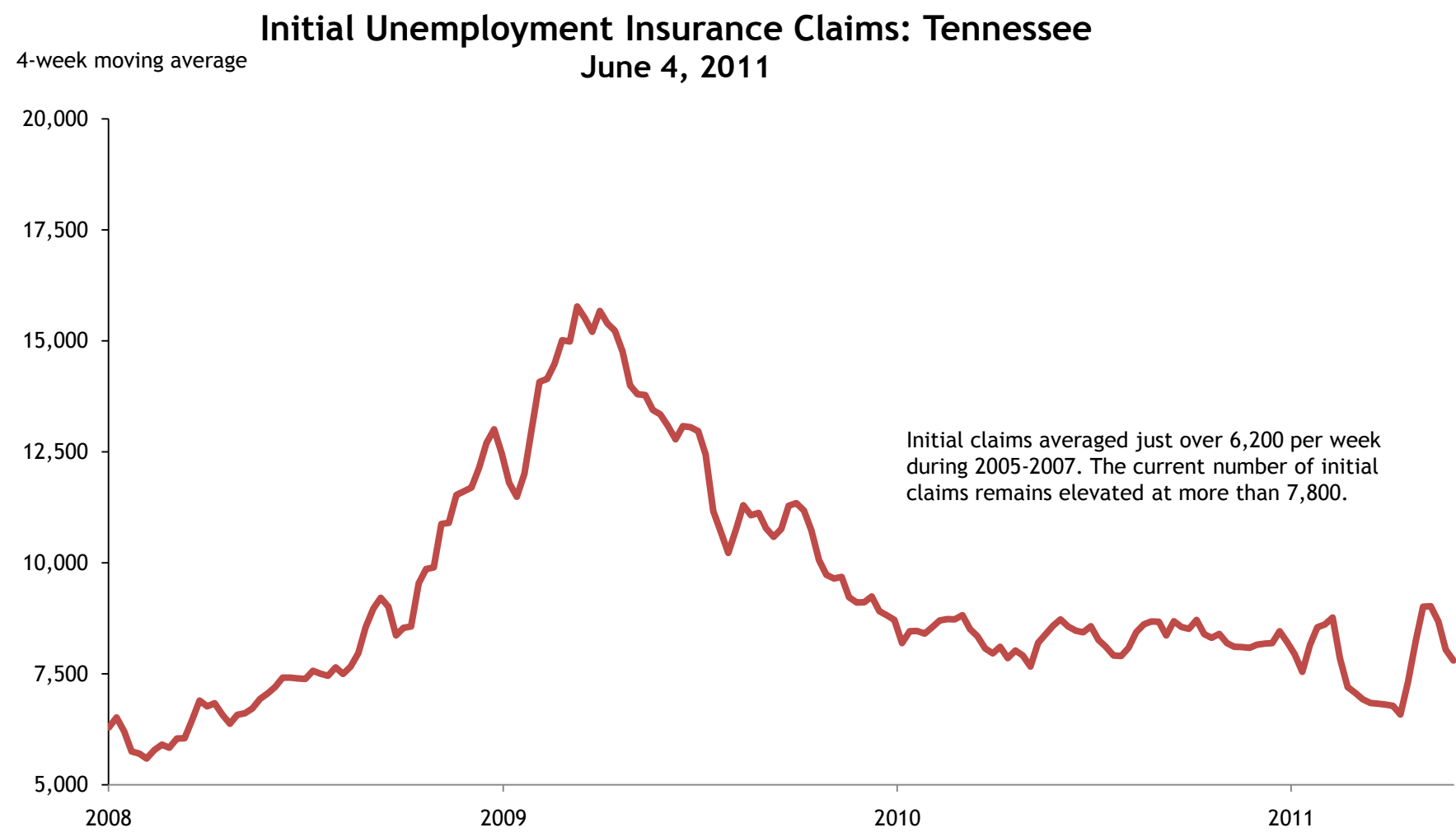
[About Unemployment Rates](#)

Measures of Labor Utilization: Unemployment Rate and U6
Q1 2011



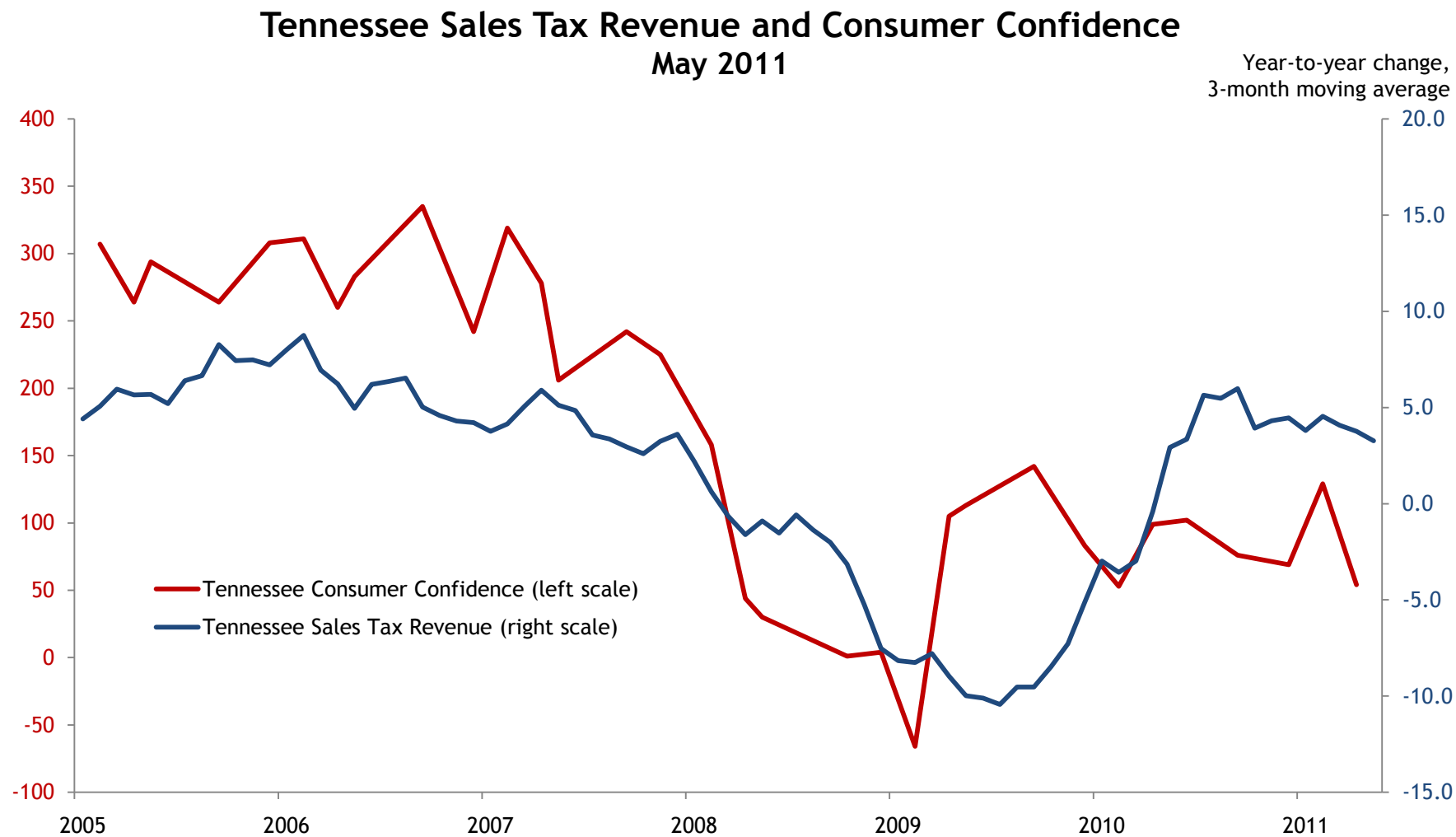
Note: U6 = Unemployed + Marginally Attached + Part Time Economic Reasons/Civilian Labor Force + Marginally Attached
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial claims for unemployment insurance declined in early 2011 but increased during April and early May.



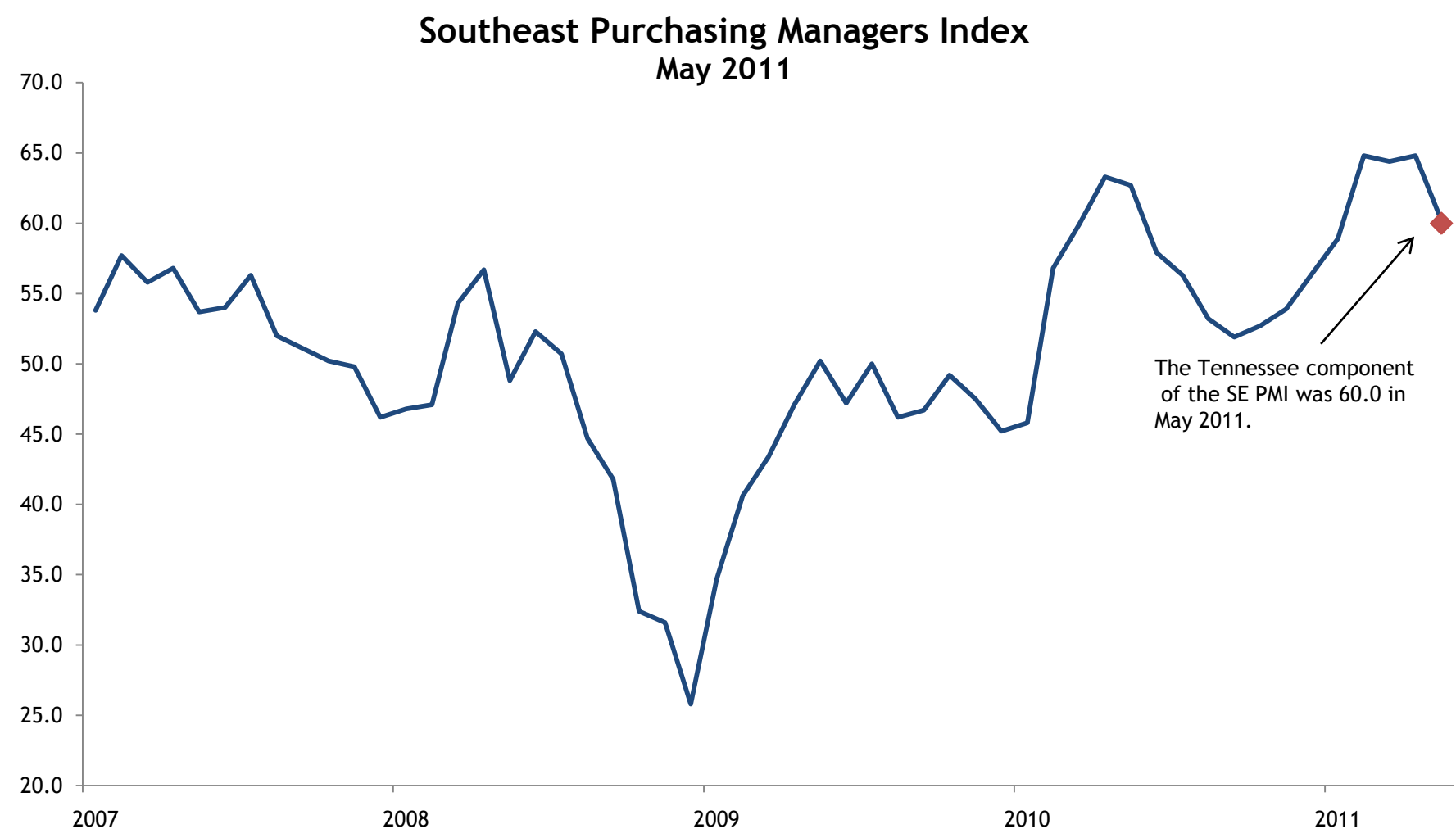
Source: U.S. Department of Labor—Employment and Training Administration, Haver Analytics

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



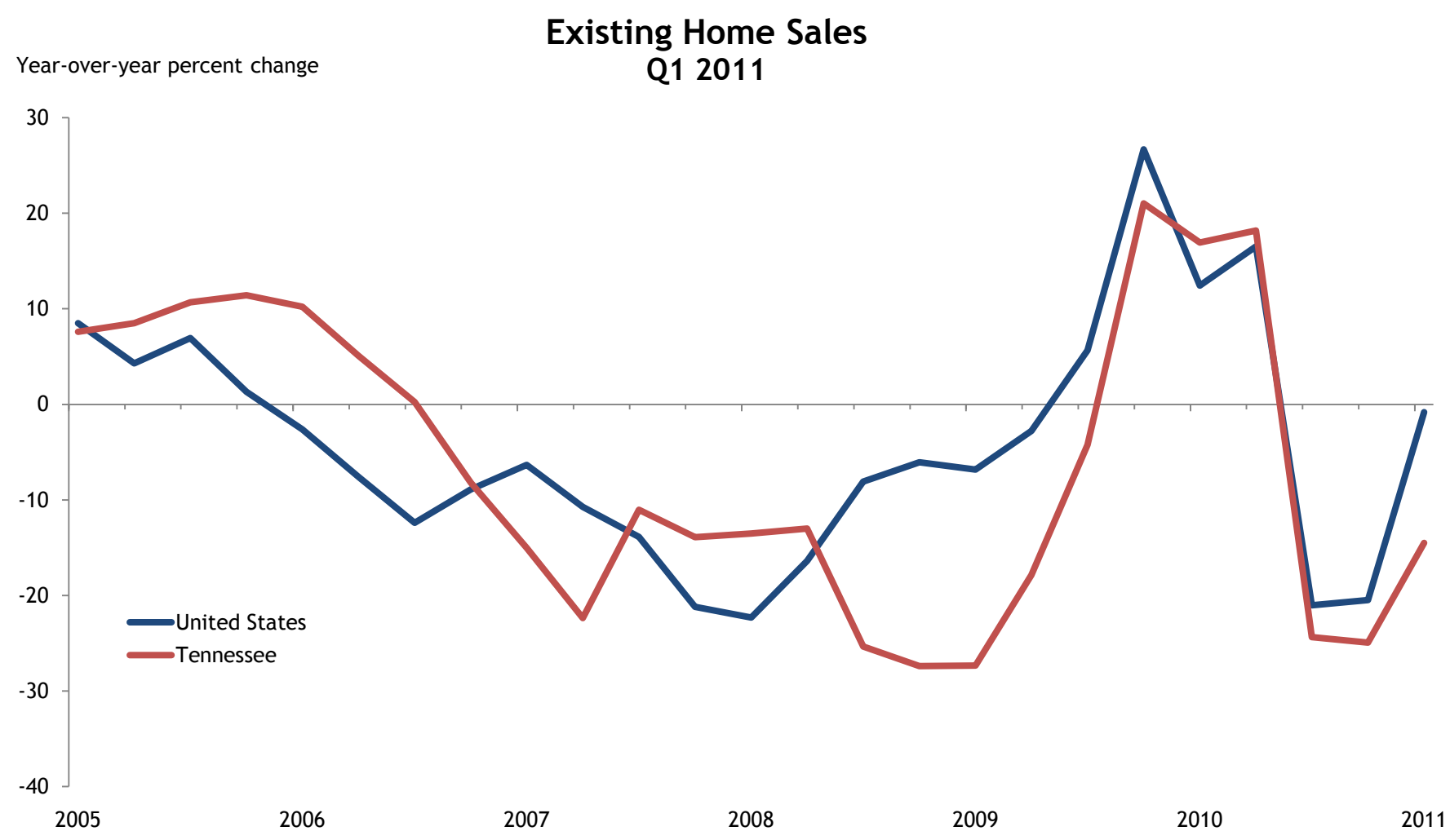
Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity declined in May, according to the Southeast Purchasing Managers Index produced by Kennesaw State University, based on decreases for new orders, production, and employment.



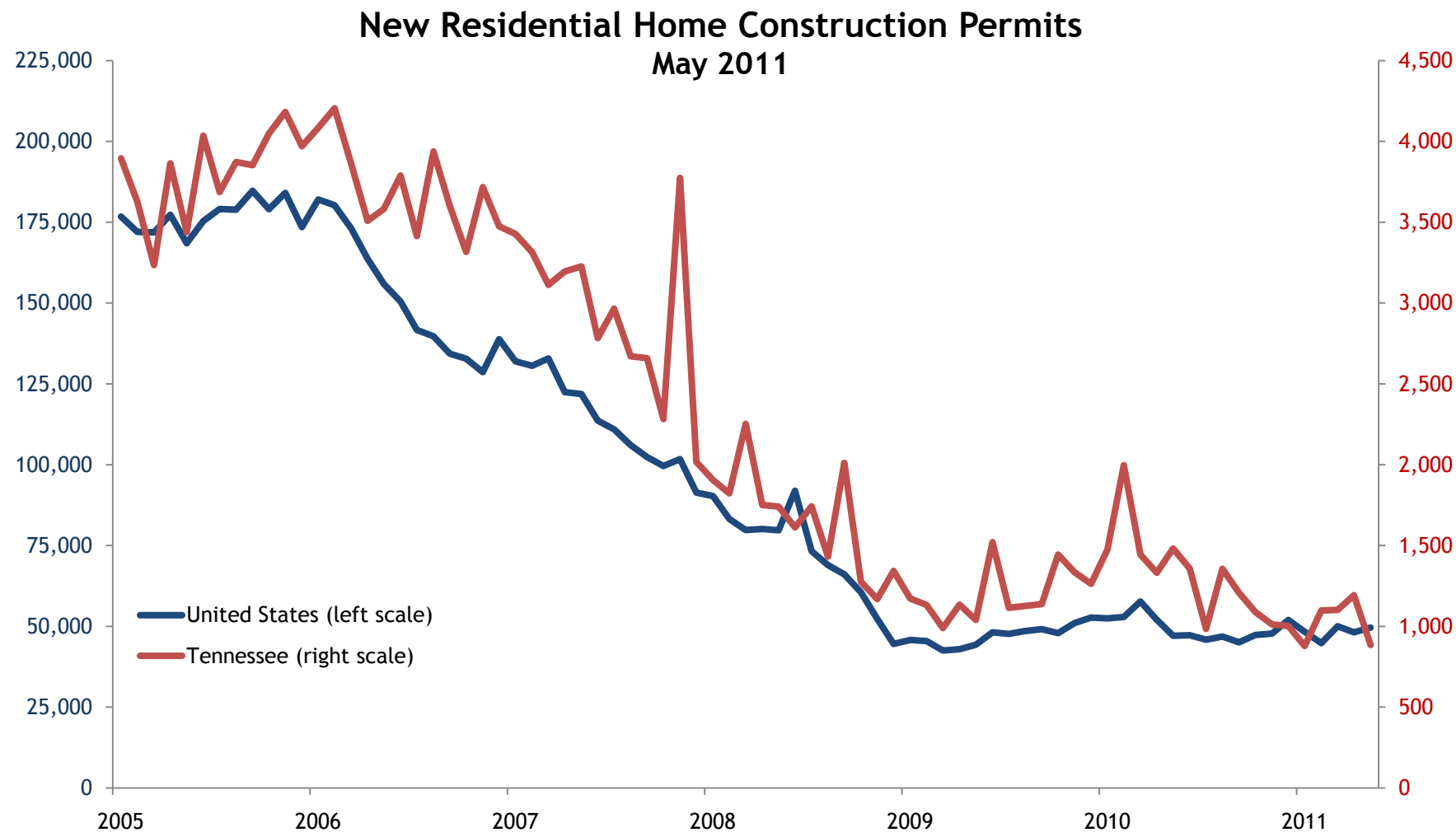
Note: 50+ = Expansion
Source: Kennesaw State University, Coles College of Business Econometric Center

Existing home sales picked up during the first quarter of 2011 after declining during the last half of 2010.



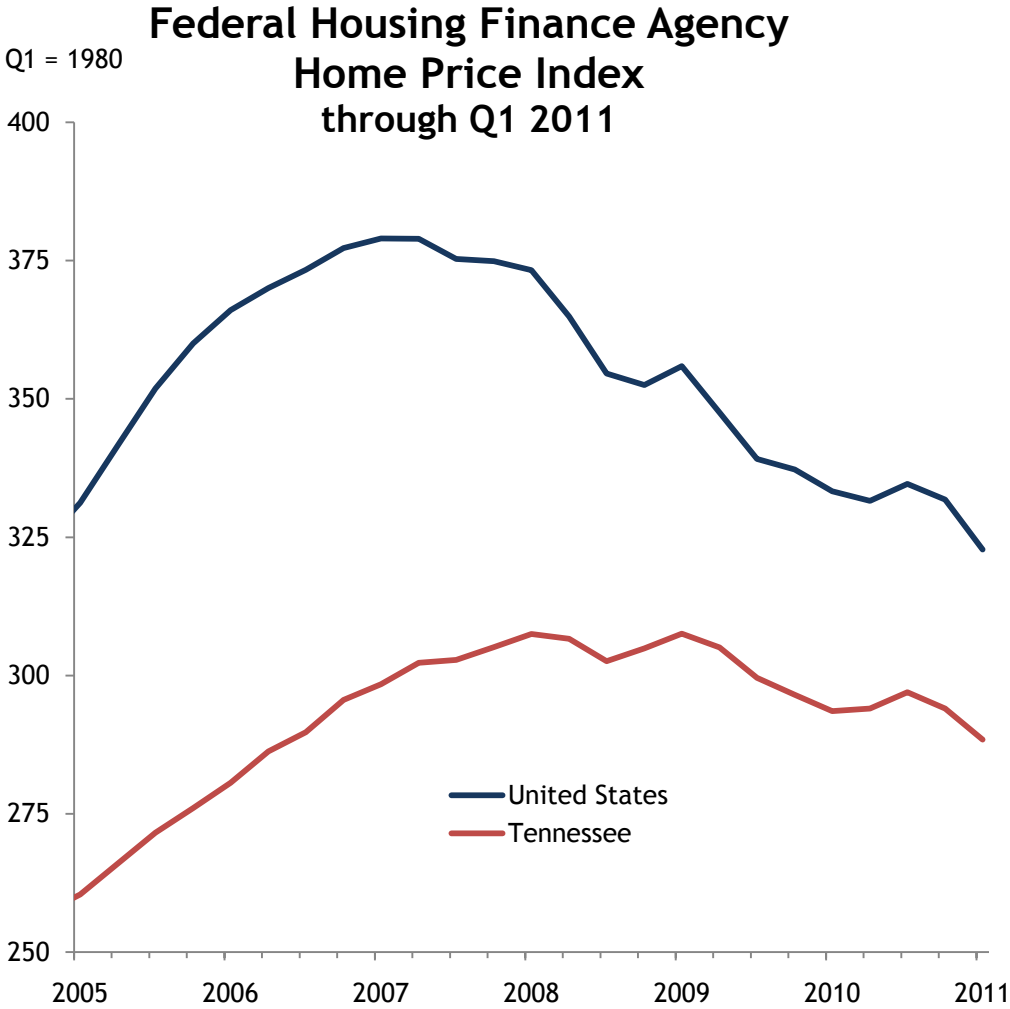
Source: National Association of Realtors, Haver Analytics, Federal Reserve Bank of Atlanta

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



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.

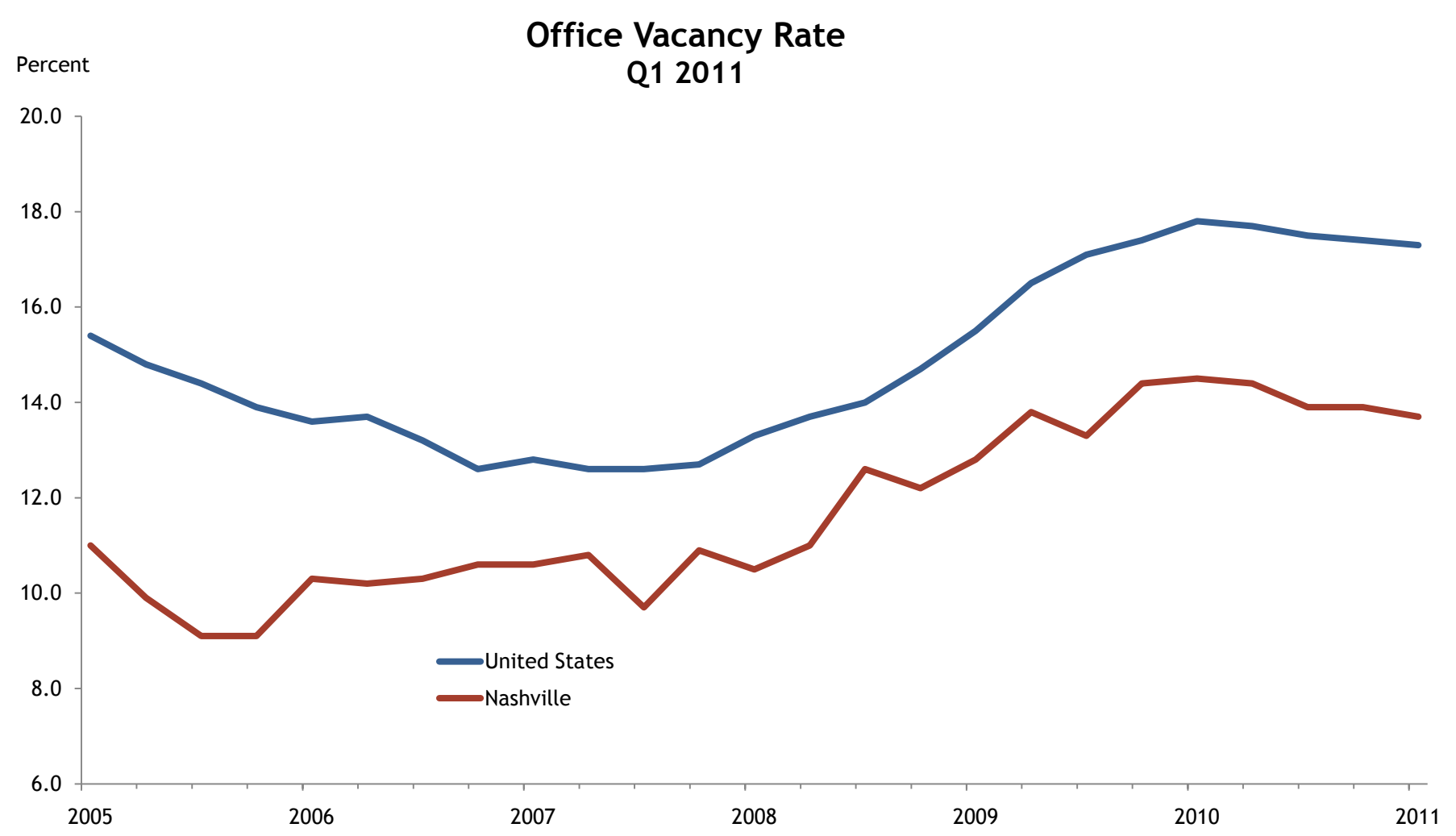


FHFA House Price Index: Q1 2011	1-yr % change	5-yr % change	10-yr % change
United States	-3.1	-11.8	31.1
Tennessee	-1.8	2.8	28.1
Cleveland	-1.9	4.7	28.1
Jackson	-0.9	-4.0	10.1
Johnson City	-1.2	9.5	37.9
Knoxville	-2.0	4.7	37.1
Morristown	-1.2	1.9	28.0
Nashville	-1.7	3.8	30.5
Chattanooga	-1.9	1.1	31.1
Clarksville	-1.0	7.5	33.7
Kingsport-Bristol	-0.9	9.2	40.8
Memphis	-3.8	-7.3	8.6

Source: Federal Housing Finance Agency, Haver Analytics

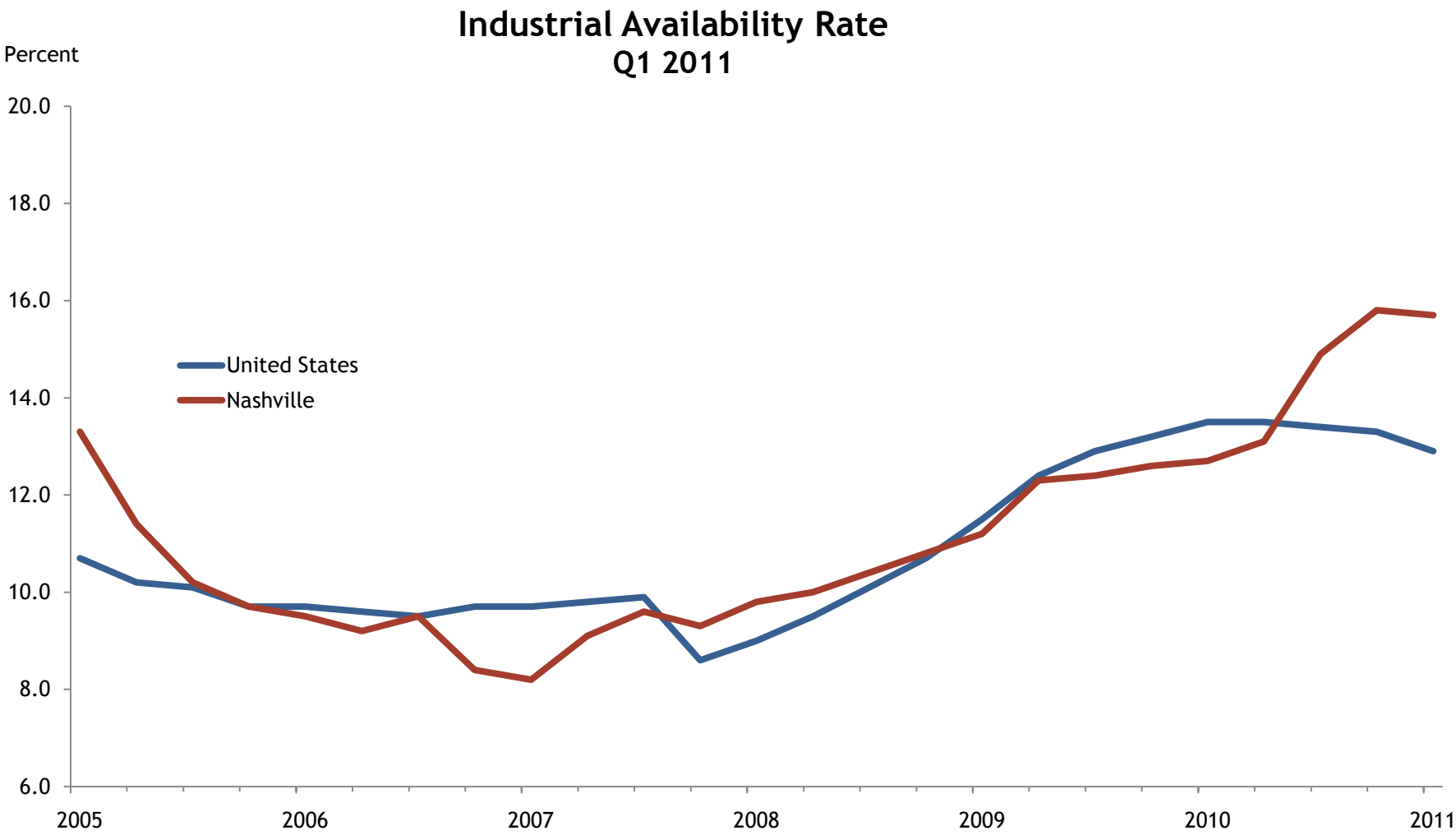
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

Office vacancy rates rose throughout the recession but now appear to have stabilized at higher levels.



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate continues to deteriorate.



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.