



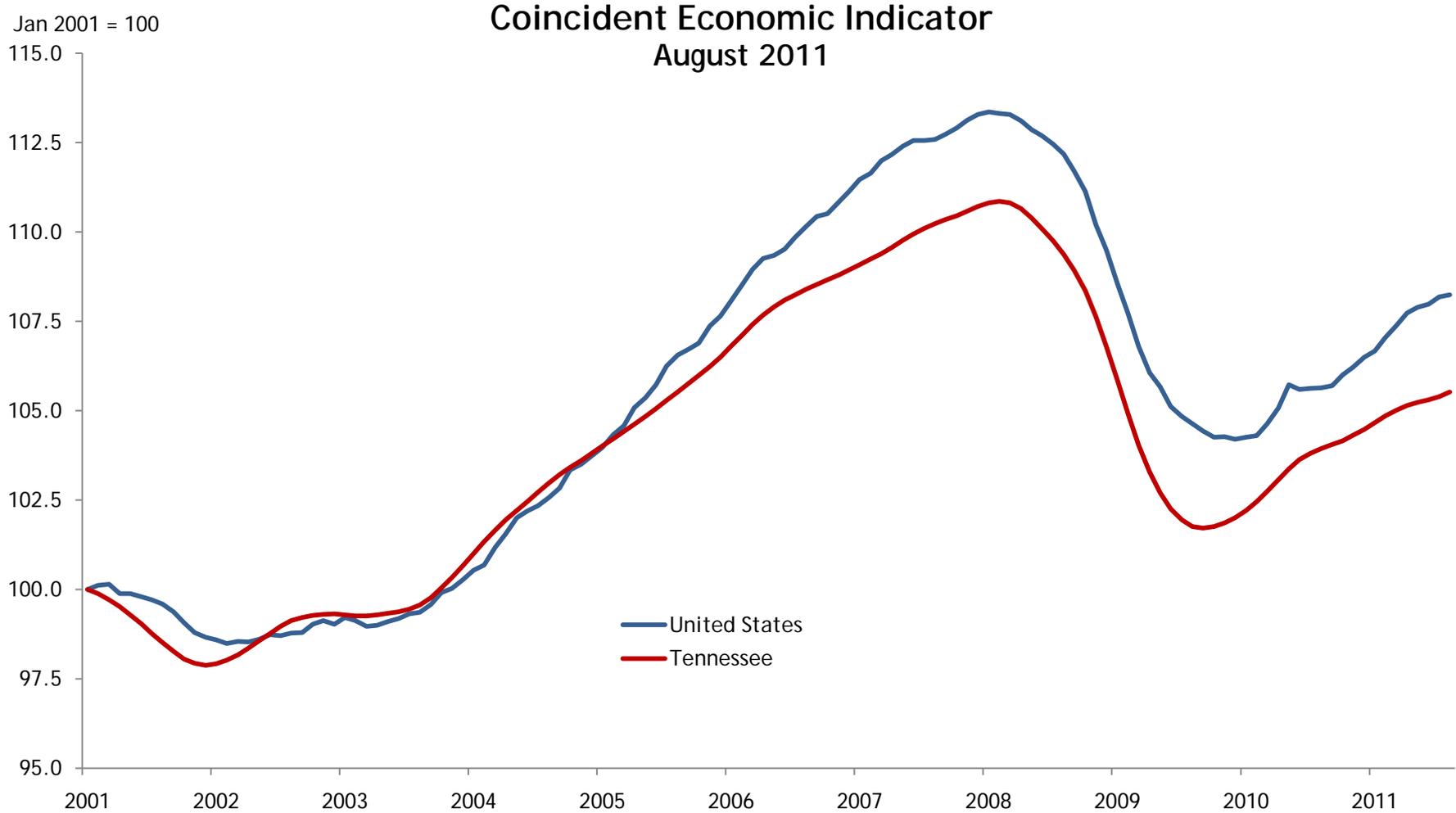
Data Digest: Tennessee

October 2011



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

[About the Coincident Economic Indicator](#)

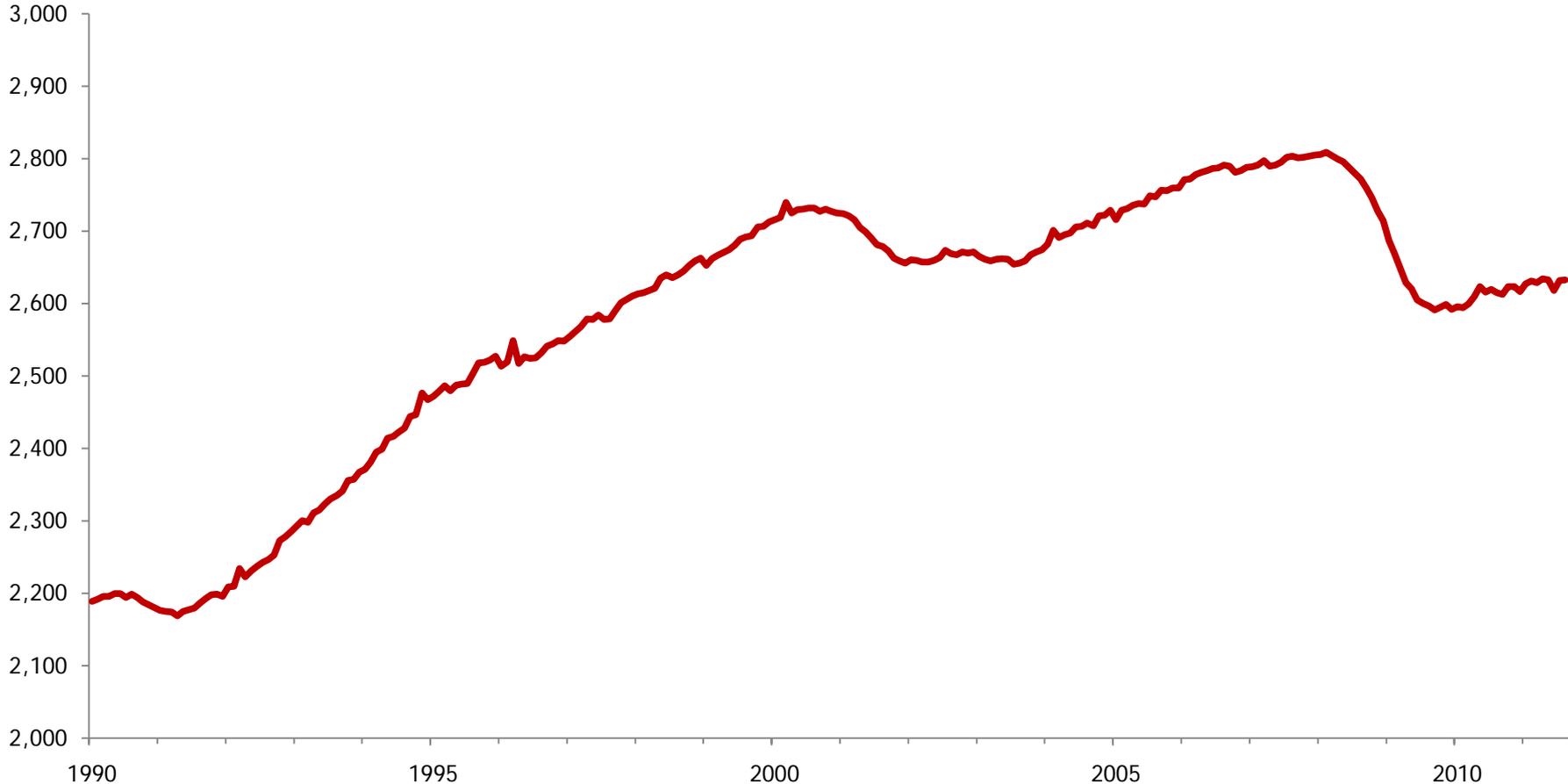


Source: Federal Reserve Bank of Philadelphia

Total employment in Tennessee barely grew in August compared to the previous month.

Tennessee Payroll Employment August 2011

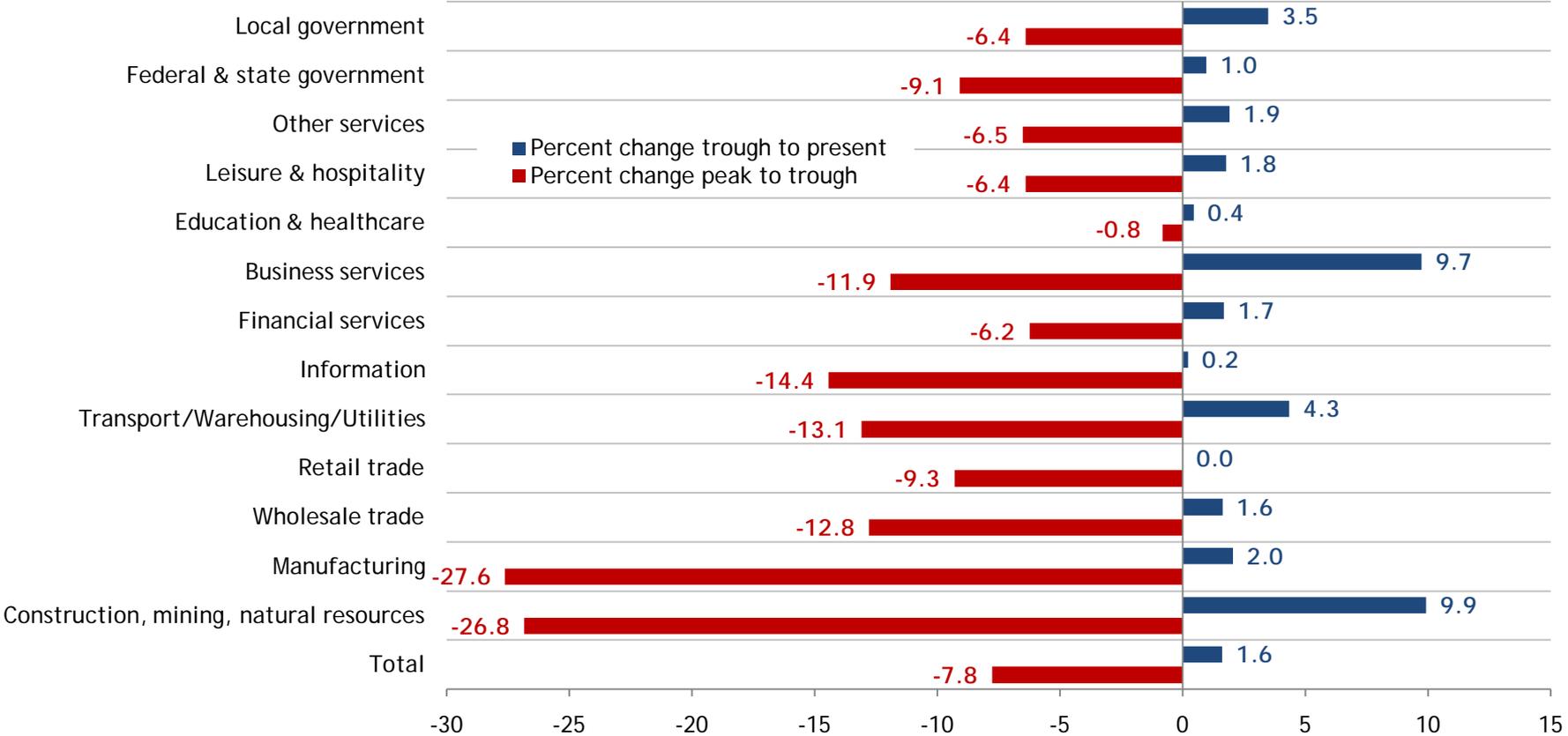
Thousands,
seasonally adjusted



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

All industries lost jobs during the recent downturn; manufacturing and construction saw significant declines. Led by business services and construction, mining, and natural resources, all sectors except retail trade have regained some jobs.

Employment Loss and Gain by Industry: Tennessee August 2011

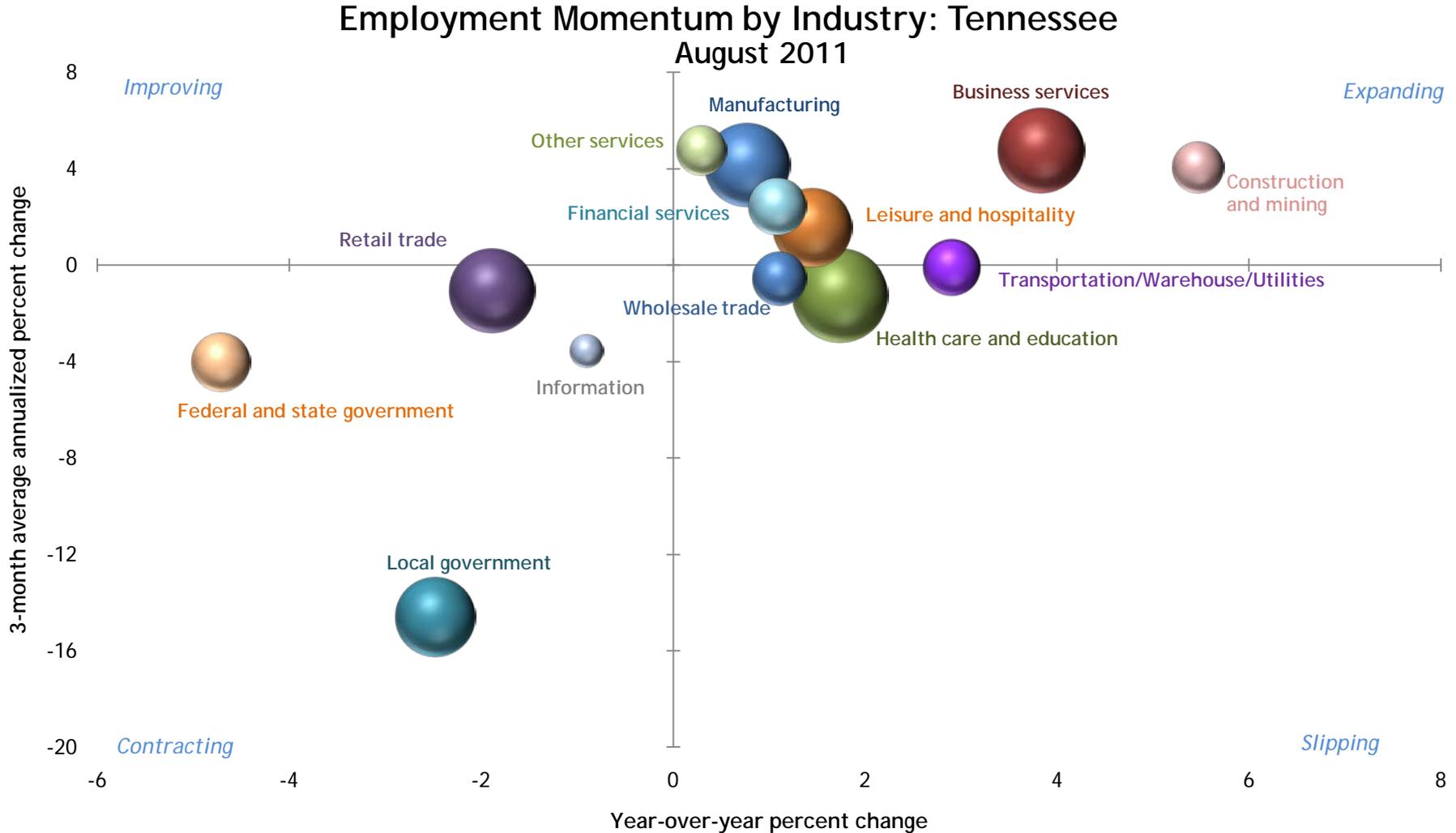


Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries. Much of the decline in federal government employment is related to the exit of census workers.

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 and health care and education are slipping.

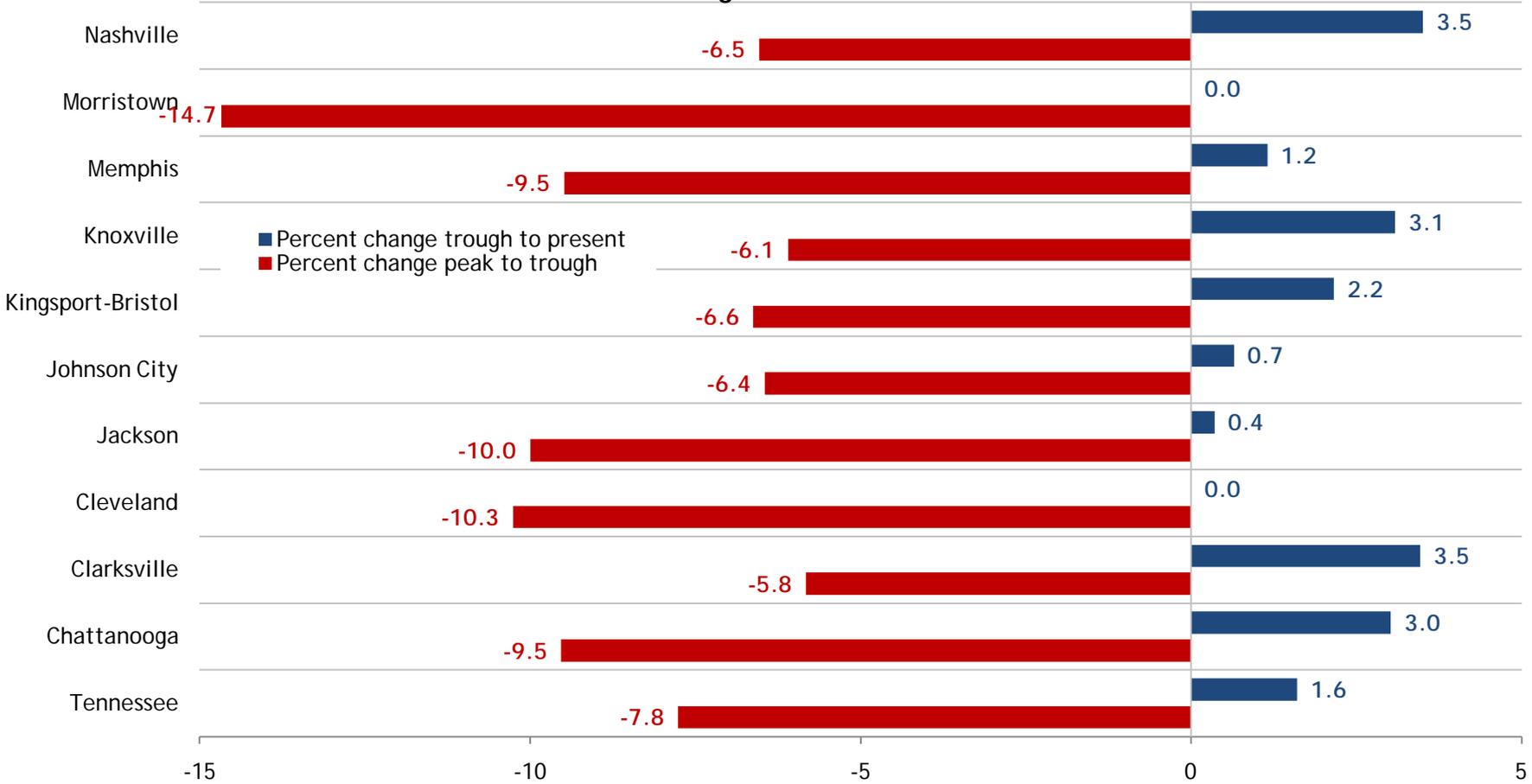
[About Employment Momentum](#)



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

Employment losses in Tennessee metro areas were significant. All metro areas except Cleveland and Morristown have added jobs since their troughs.

Employment Loss and Gain by Metro Area: Tennessee August 2011

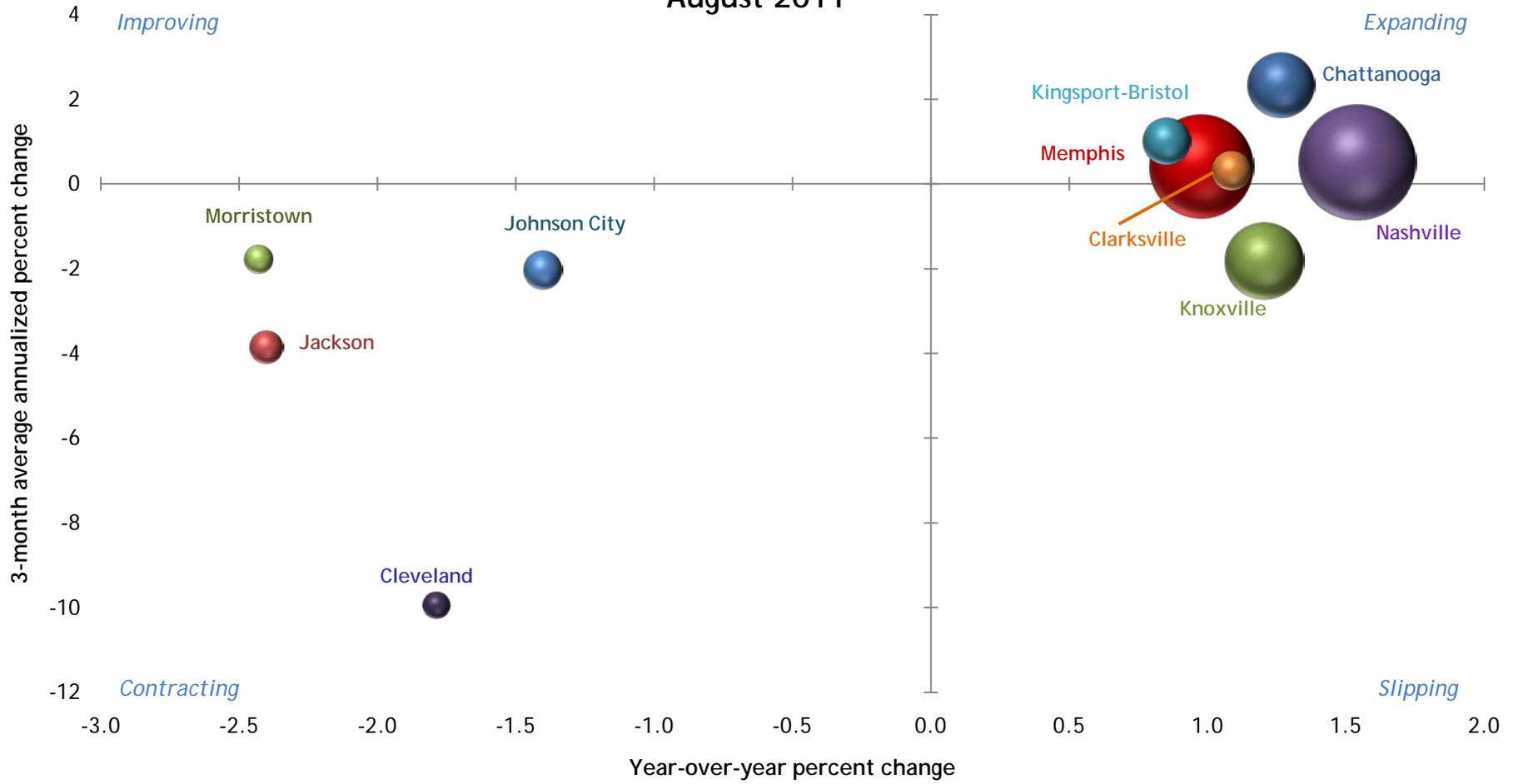


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Most metro areas are experiencing expanding employment momentum; Knoxville continues to slip, while Tennessee's smaller metro areas are contracting.

[About Employment Momentum](#)

Employment Momentum by Metro Area: Tennessee August 2011

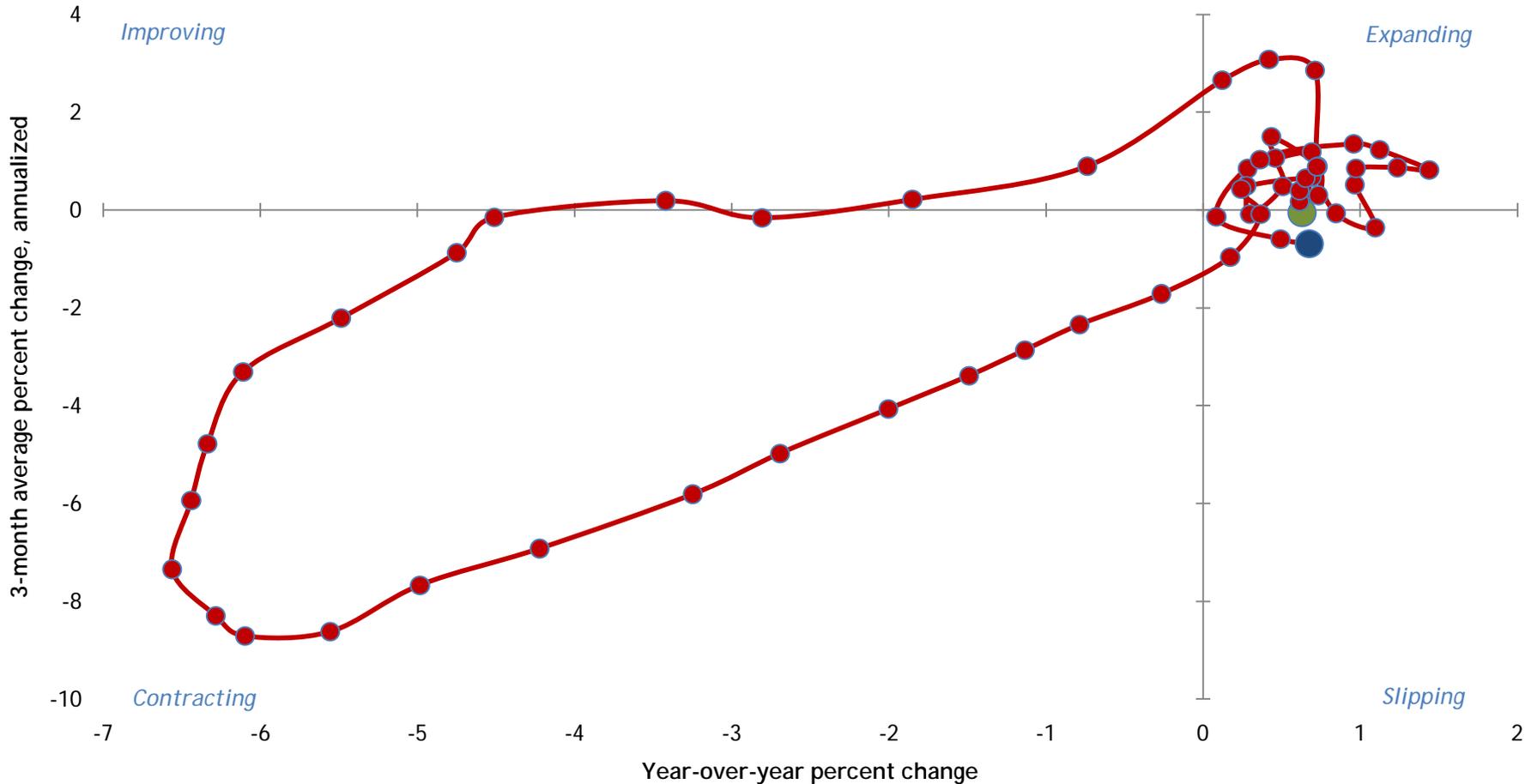


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Tennessee employment momentum began to improve in March 2010. It began expanding in May 2010, slipped a bit, then began expanding again last November. However, employment momentum has been “slipping” since June 2011.

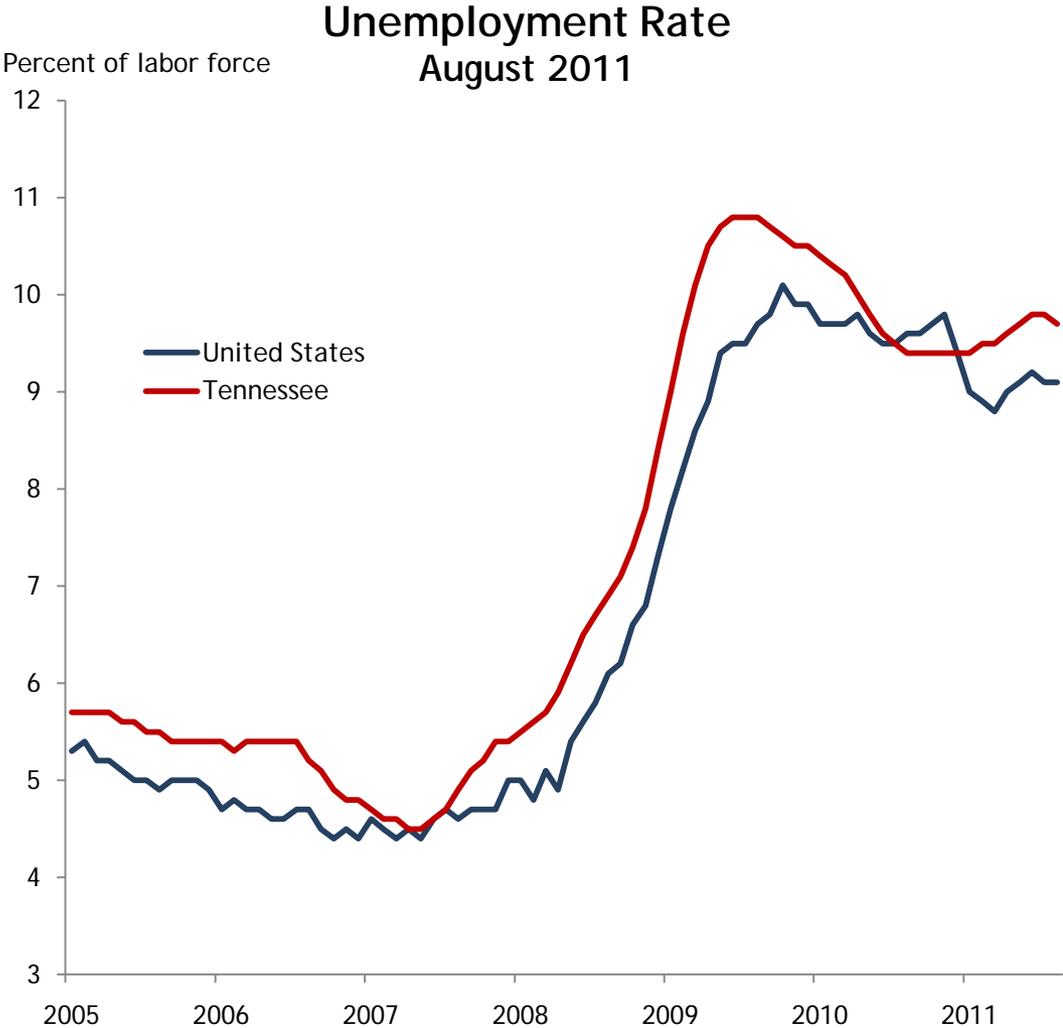
[About Employment Momentum Track](#)

Employment Momentum Track: Tennessee January 2007-August 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 increased for several months. It edged down to 9.7 percent in August 2011.



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	9.1	9.6	4.6
Tennessee	9.7	9.4	4.7
Chattanooga	8.8	8.8	4.4
Clarksville	10.0	9.9	5.7
Cleveland	9.8	9.2	5.0
Jackson	10.4	9.7	5.7
Johnson City	8.8	8.7	4.9
Kingsport-Bristol	8.6	8.7	4.9
Knoxville	7.9	7.8	4.1
Memphis	10.3	9.8	5.8
Morristown	11.3	11.0	6.2
Nashville	8.5	8.7	4.2

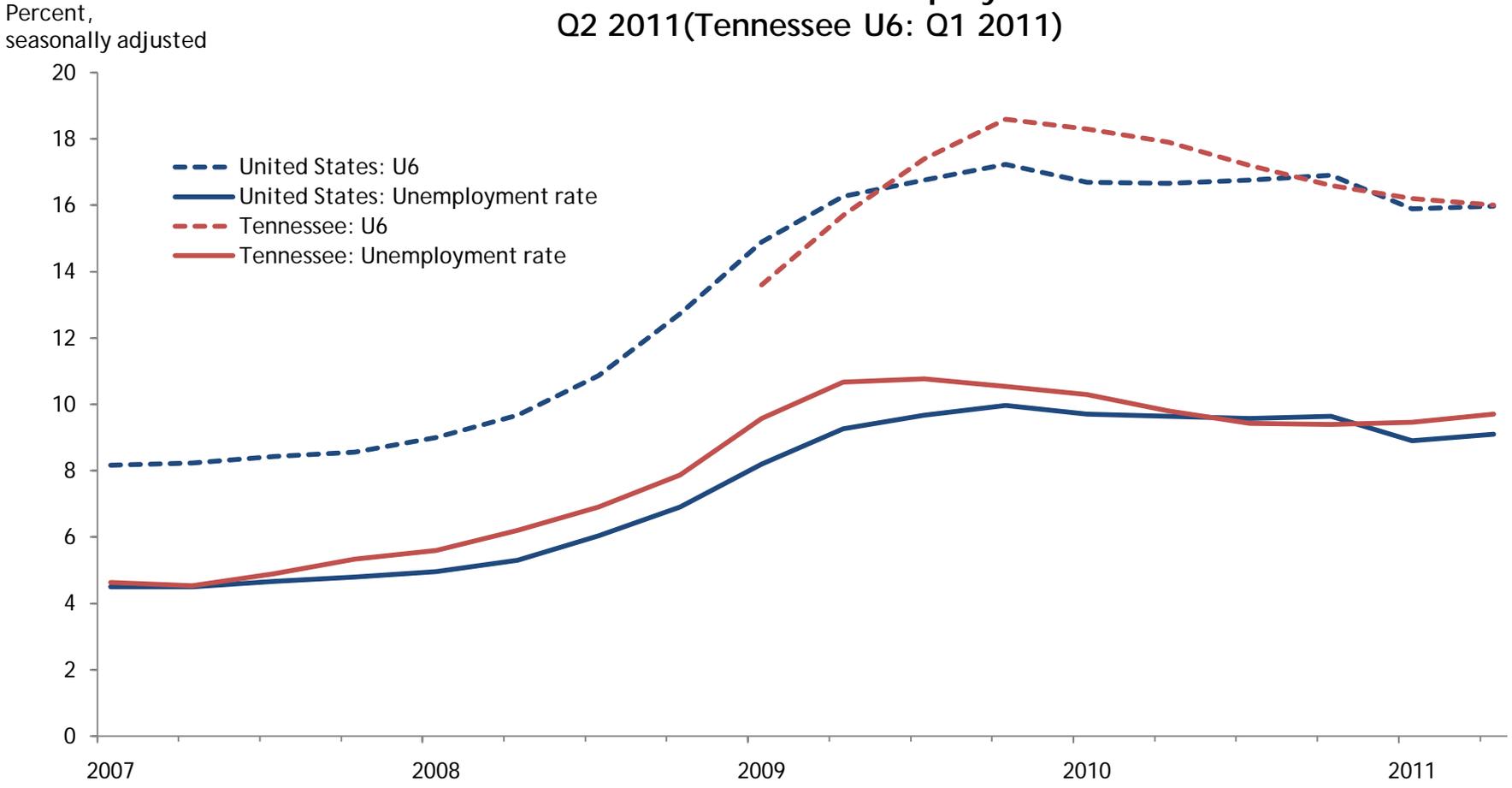
The table shows unemployment rates for metro areas. Current = August 2011. Year ago and Jan 2007 are included for comparison.

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

Alternative measures of labor underutilization for Tennessee—namely, the U6 figure—show that 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
Q2 2011(Tennessee U6: Q1 2011)

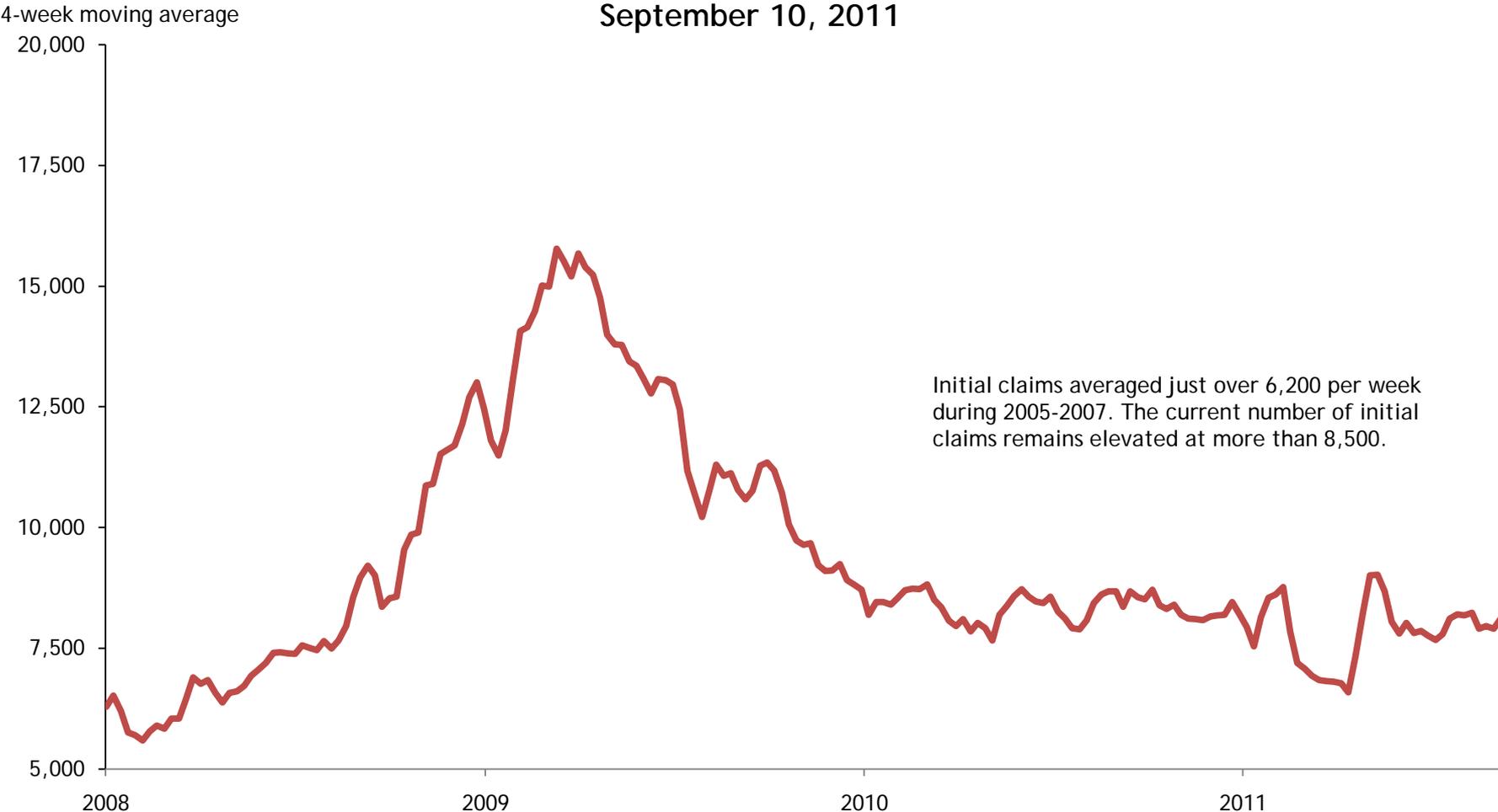


Note: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached. Tennessee U6 data are through first-quarter 2011.

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.

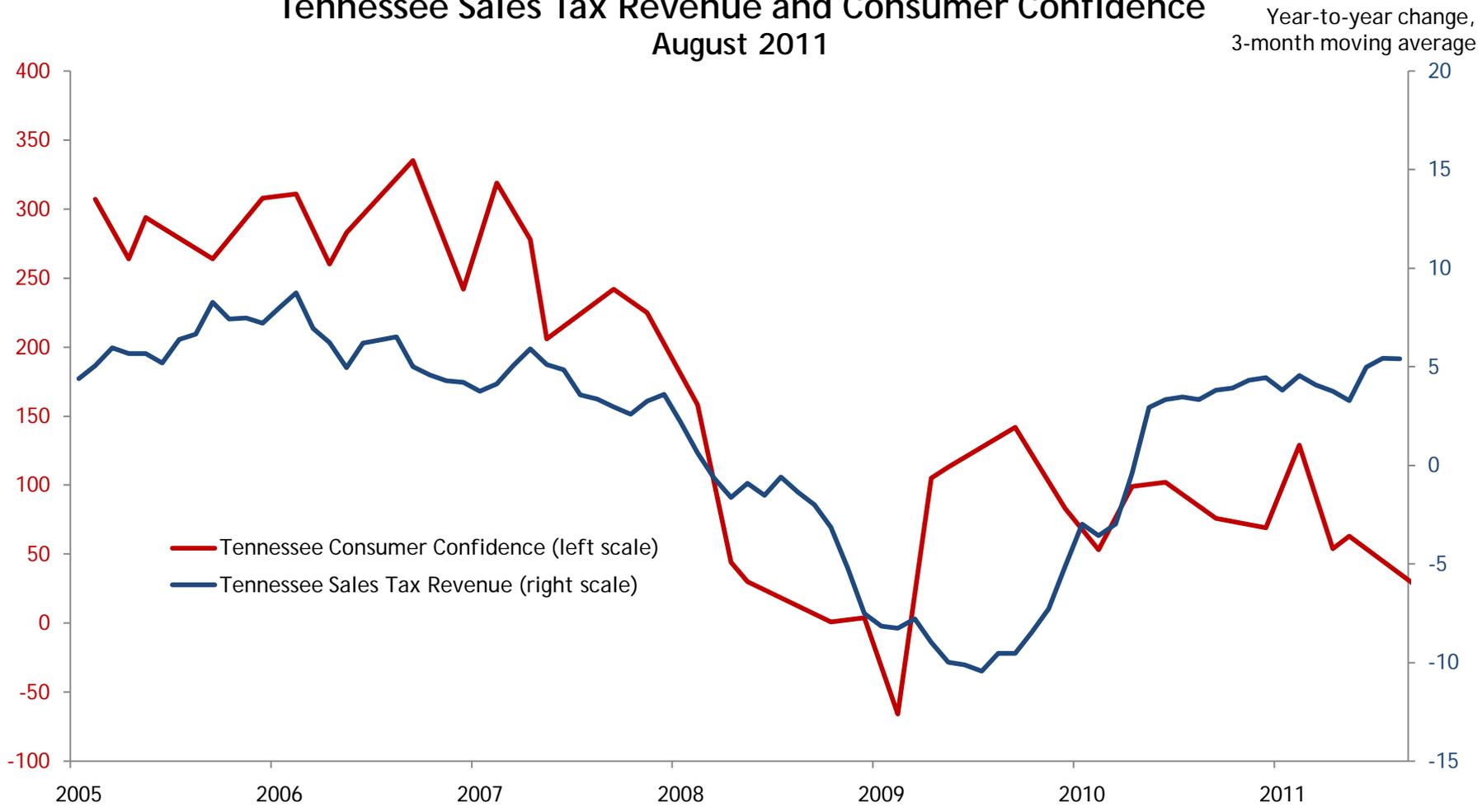
Initial Unemployment Insurance Claims: Tennessee September 10, 2011



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.

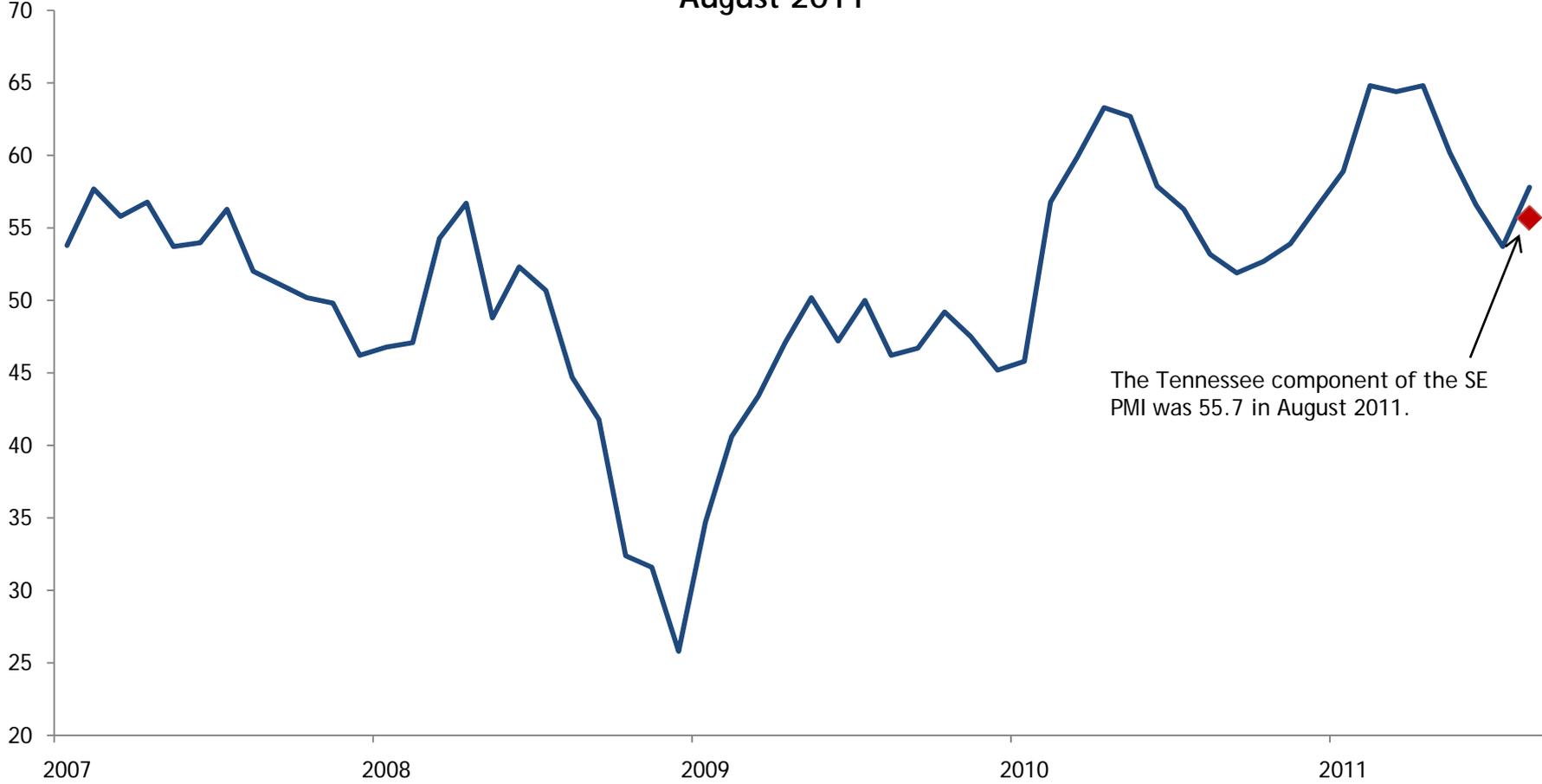
Tennessee Sales Tax Revenue and Consumer Confidence
August 2011



Note: Consumer confidence data are through September 15, 2011.
Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity accelerated in August, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. Tennessee's PMI also increased from the previous month and is just below the regional measure.

Southeast Purchasing Managers Index August 2011



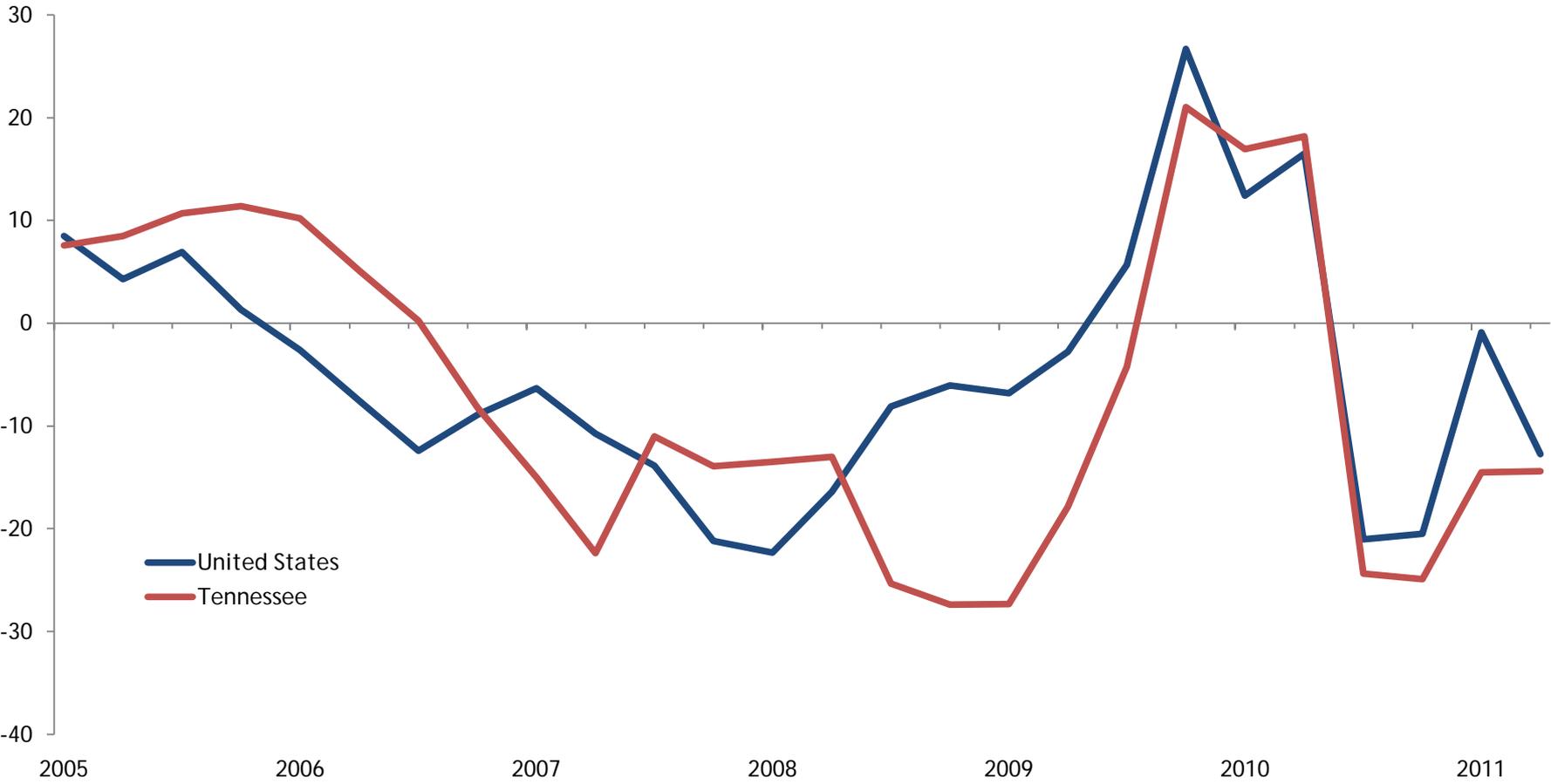
Note: 50+ = Expansion

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

Existing home sales in Tennessee remain well below year-ago levels.

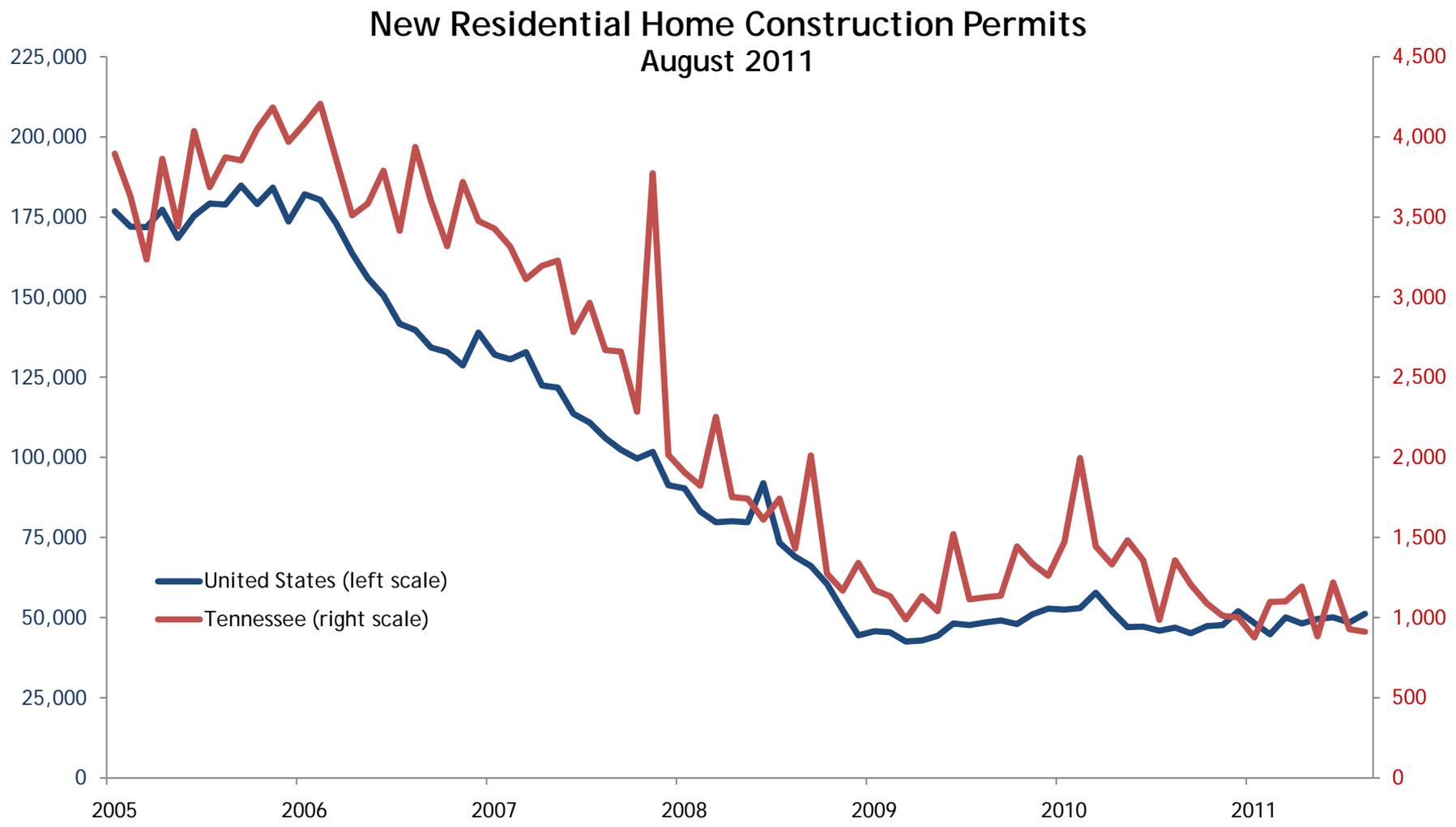
Existing Home Sales Q2 2011

Year-over-year percent change



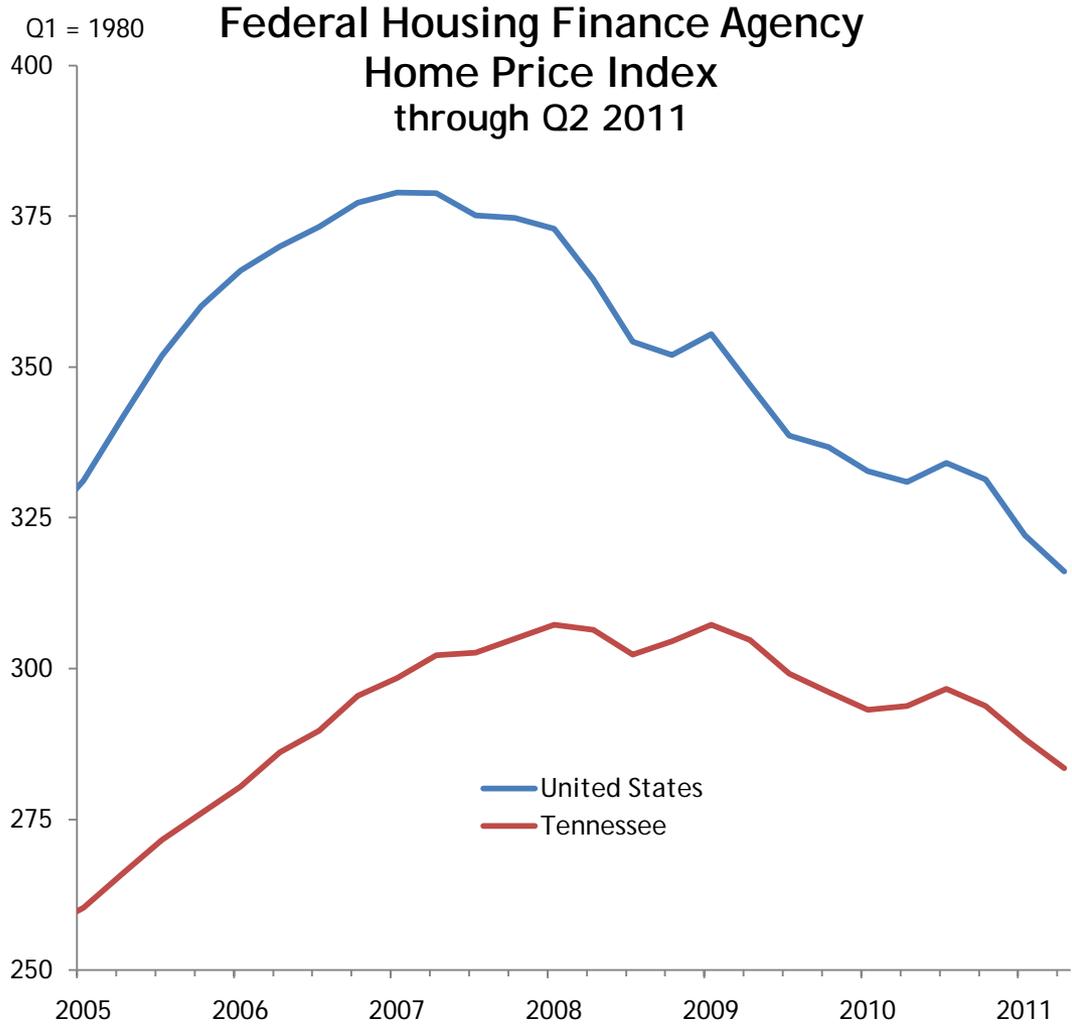
Source: National Association of Realtors, Haver Analytics, Federal Reserve Bank of Atlanta

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 and into 2011.



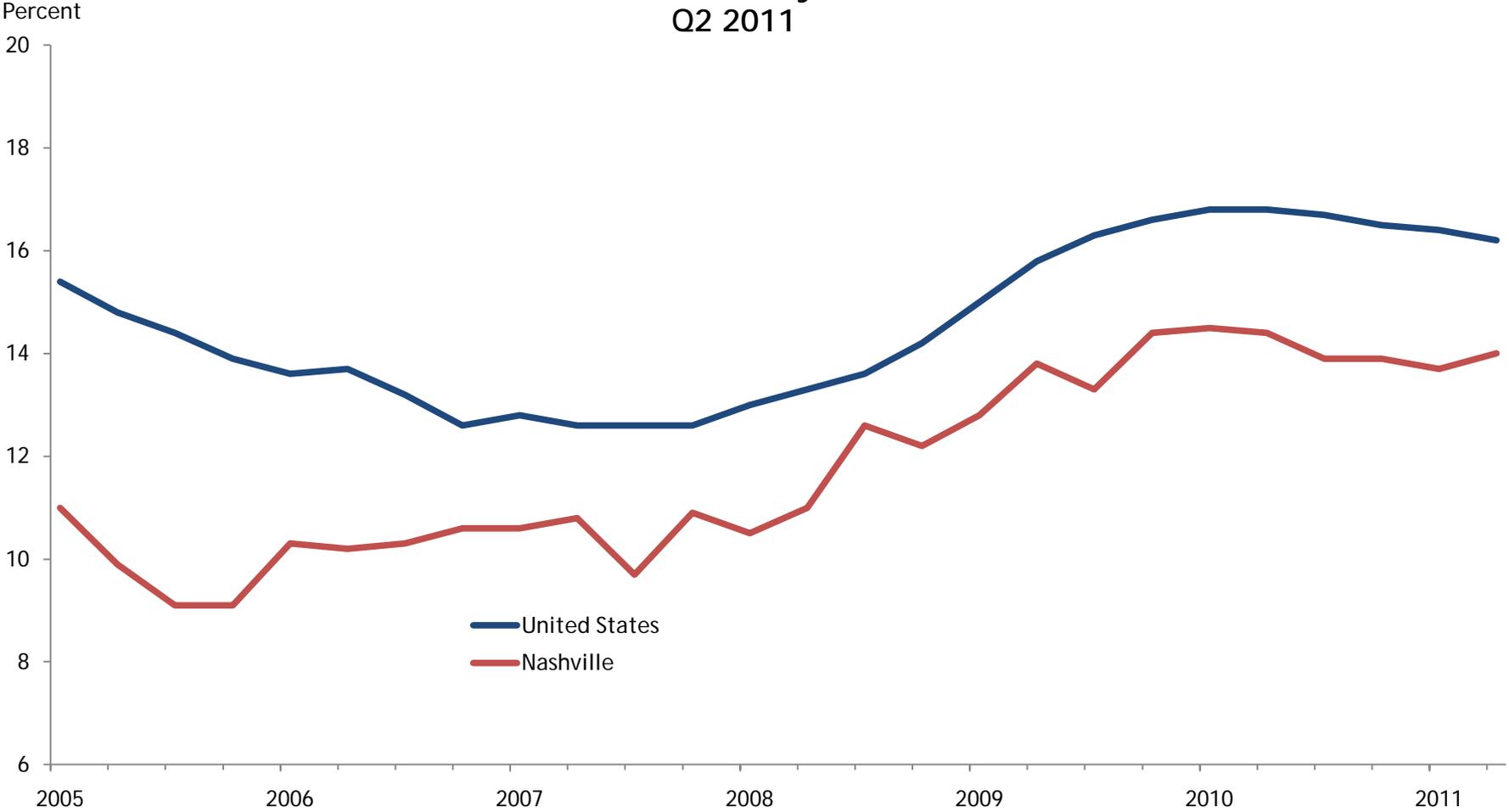
Source: Federal Housing Finance Agency, Haver Analytics

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.

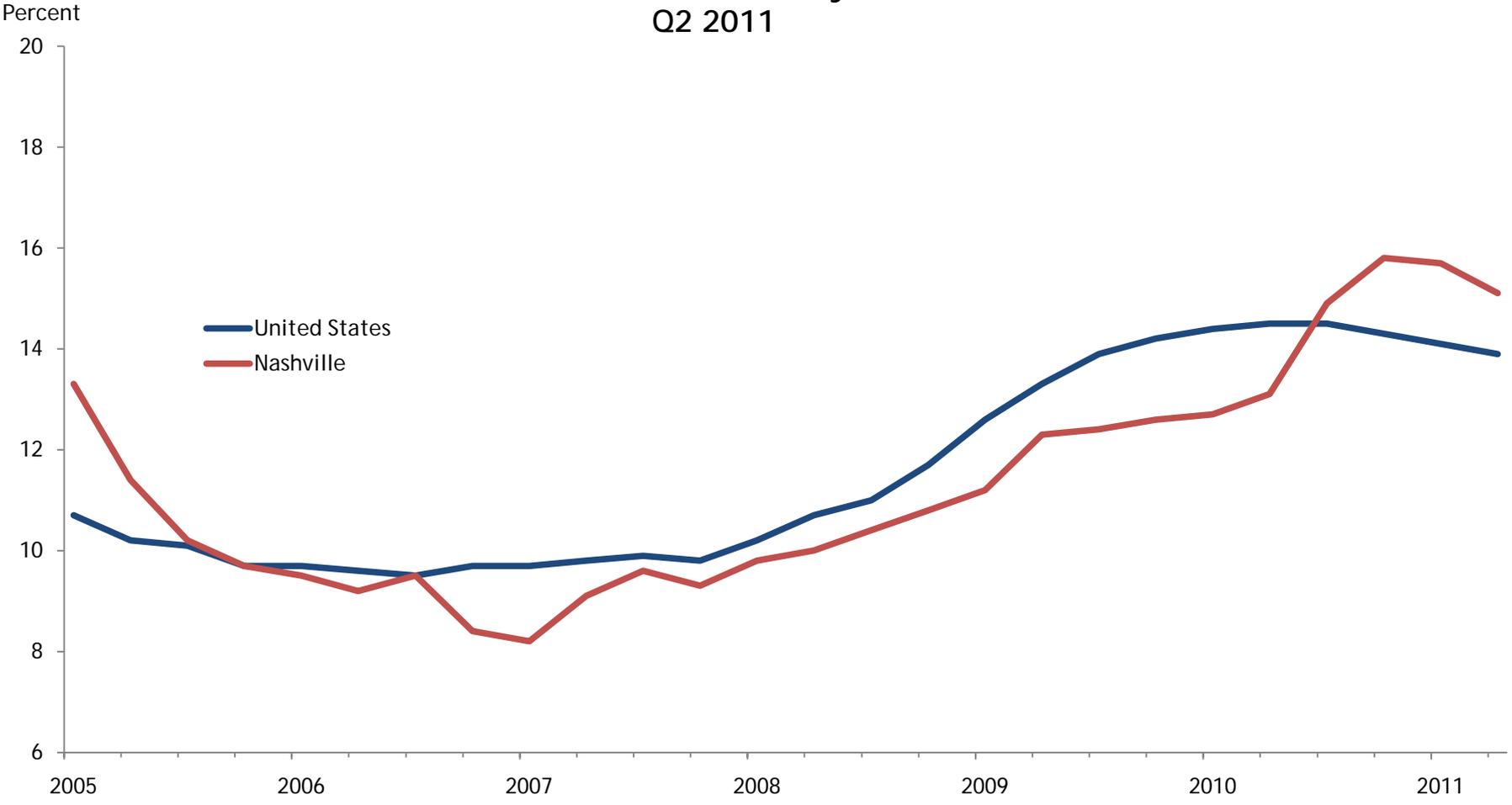
Office Vacancy Rate Q2 2011



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate declined slightly in the second quarter of 2011.

Industrial Availability Rate Q2 2011



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.