



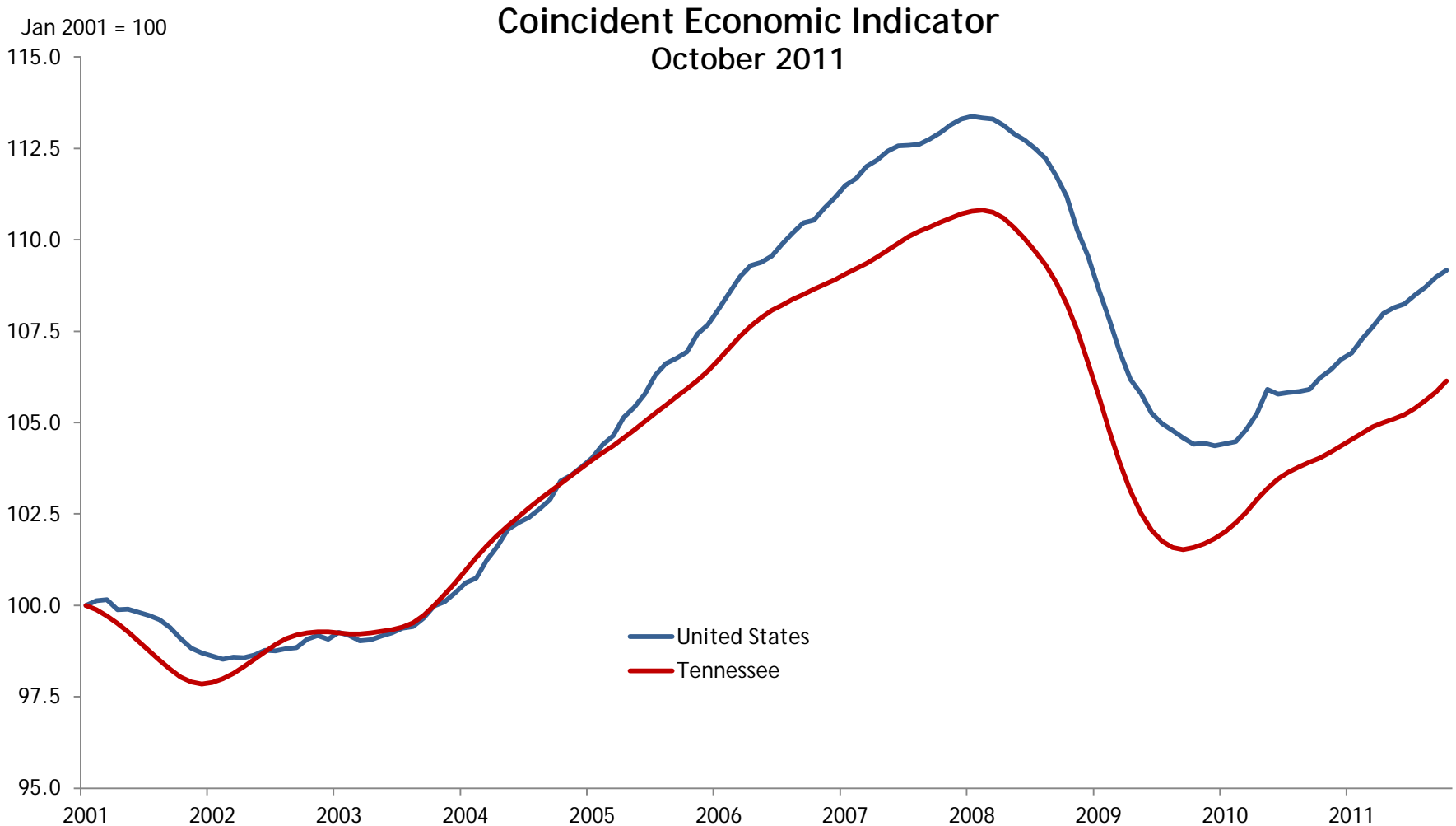
Data Digest: Tennessee

December 2011



Tennessee's recent economic performance largely mirrors that of the United States, although its performance remains below the national measure.

[About the Coincident Economic Indicator](#)

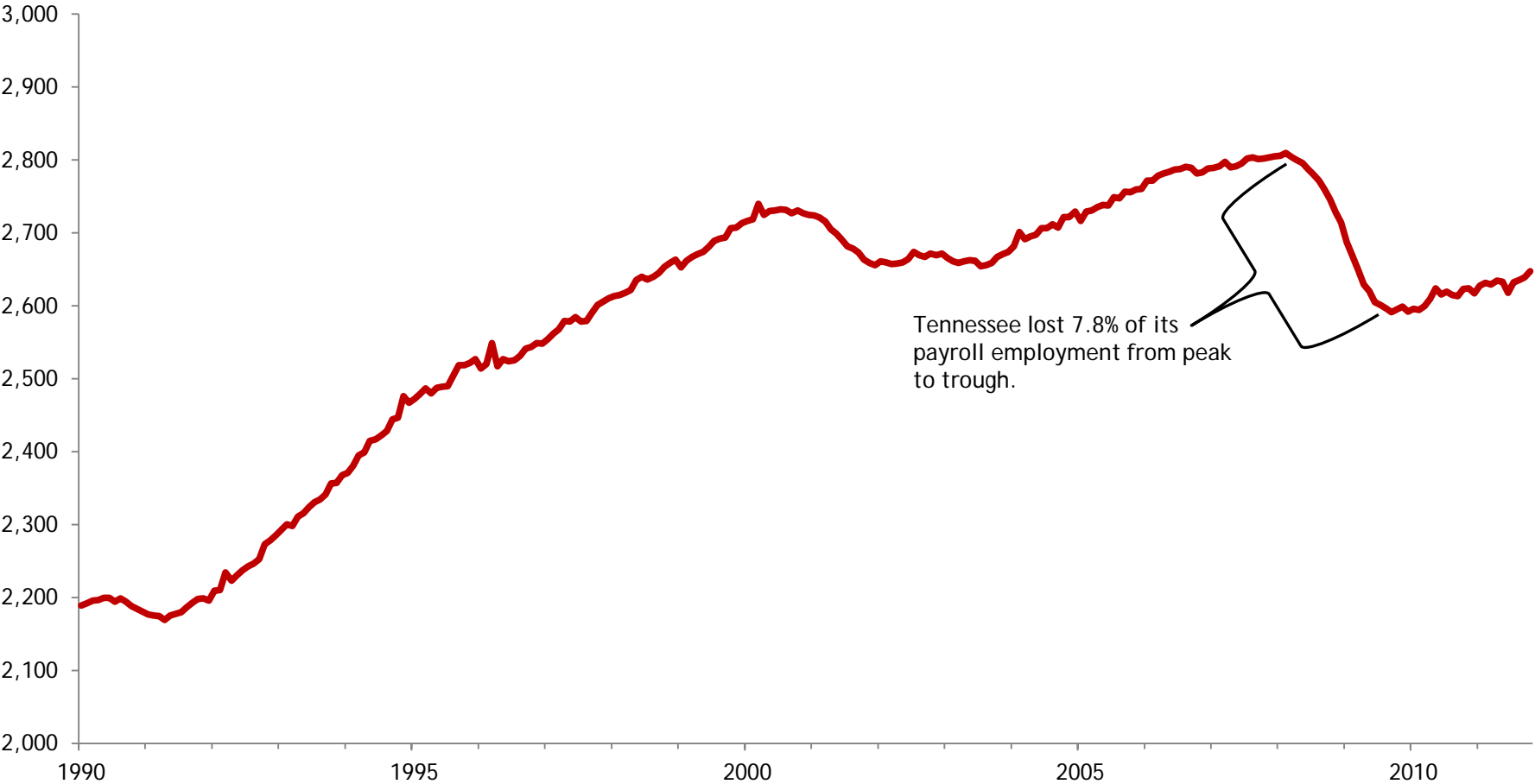


Source: Federal Reserve Bank of Philadelphia

Total employment in Tennessee increased for the fourth consecutive month in October.

Tennessee Payroll Employment October 2011

Thousands,
seasonally adjusted

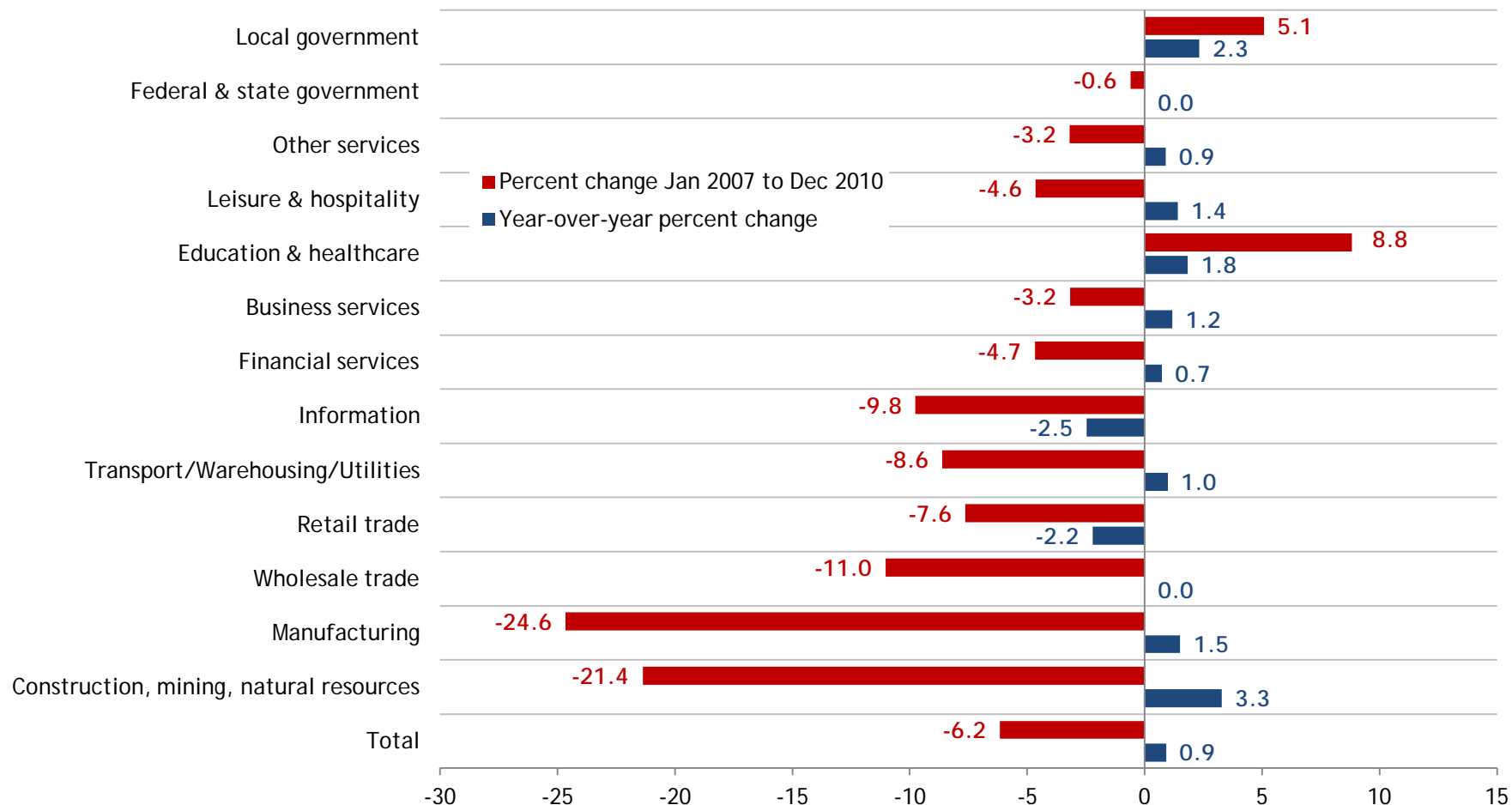


Tennessee lost 7.8% of its payroll employment from peak to trough.

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

All private industries except education and health care lost jobs during the recent downturn; manufacturing and construction, mining, and natural resources saw significant declines. Most have regained some jobs over the past year.

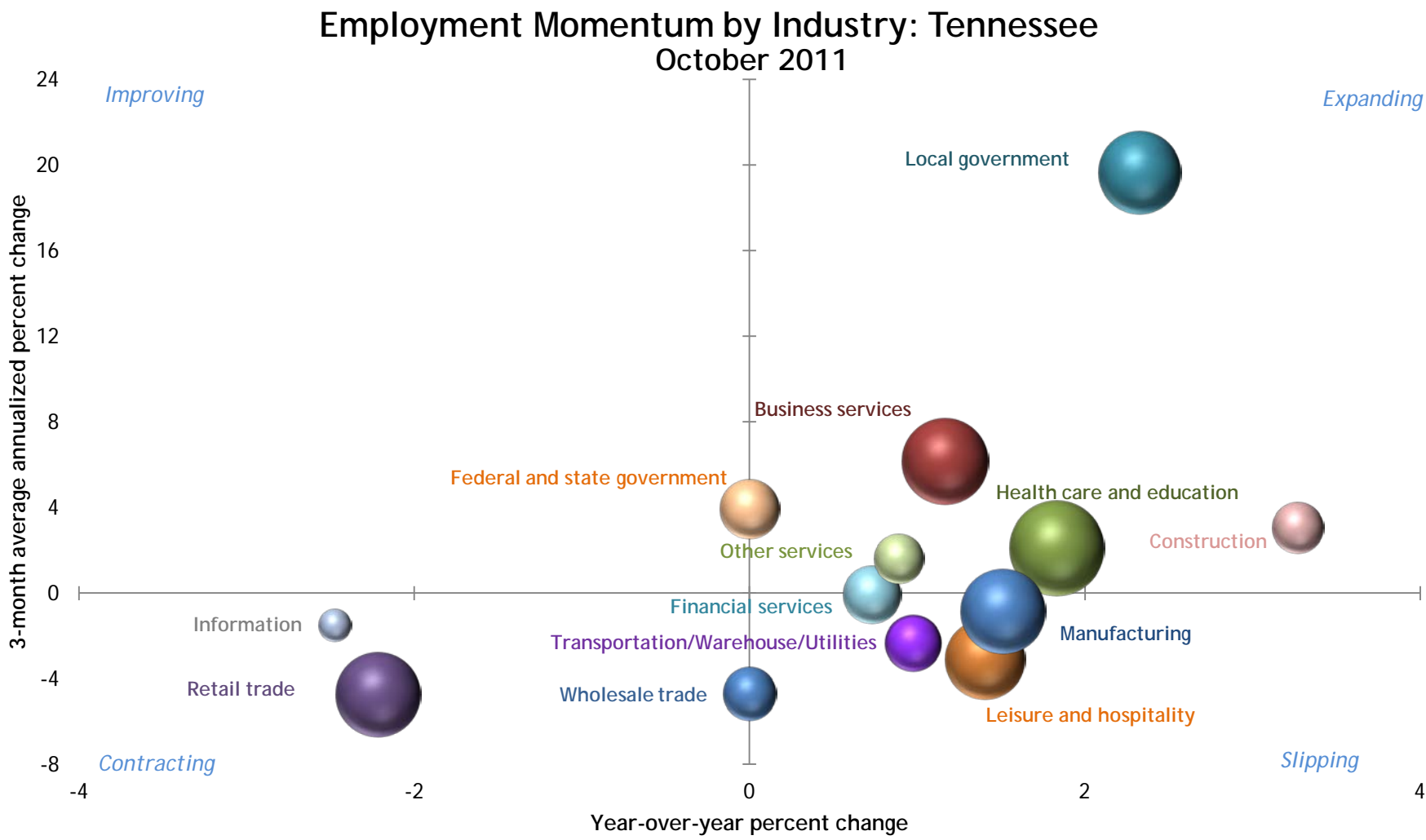
Employment Loss and Gain by Industry: Tennessee October 2011



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

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

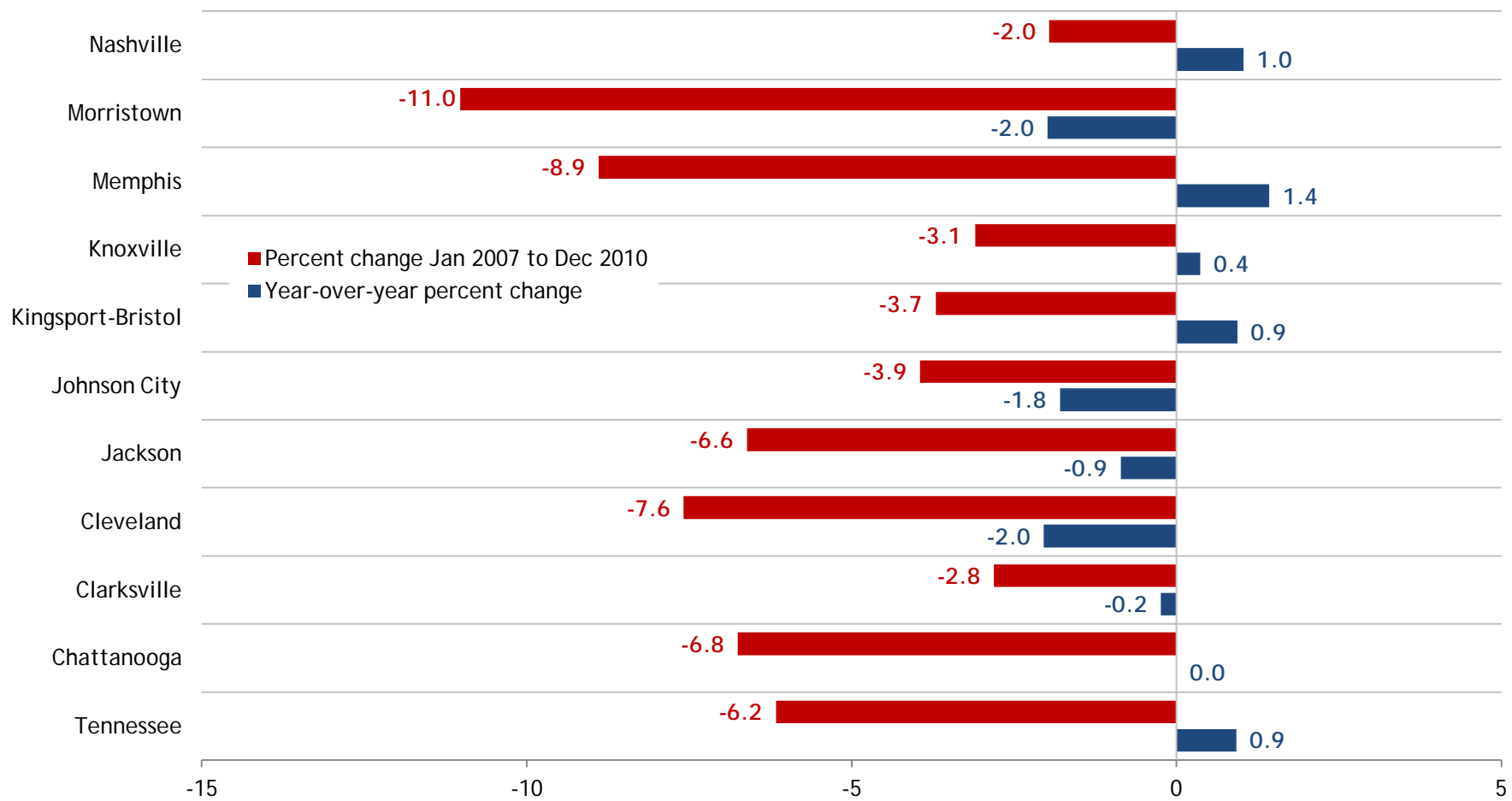
[About Employment Momentum](#)



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

Employment losses in Tennessee metro areas were significant during the downturn. Several metro areas continue to lose jobs in the recovery as well.

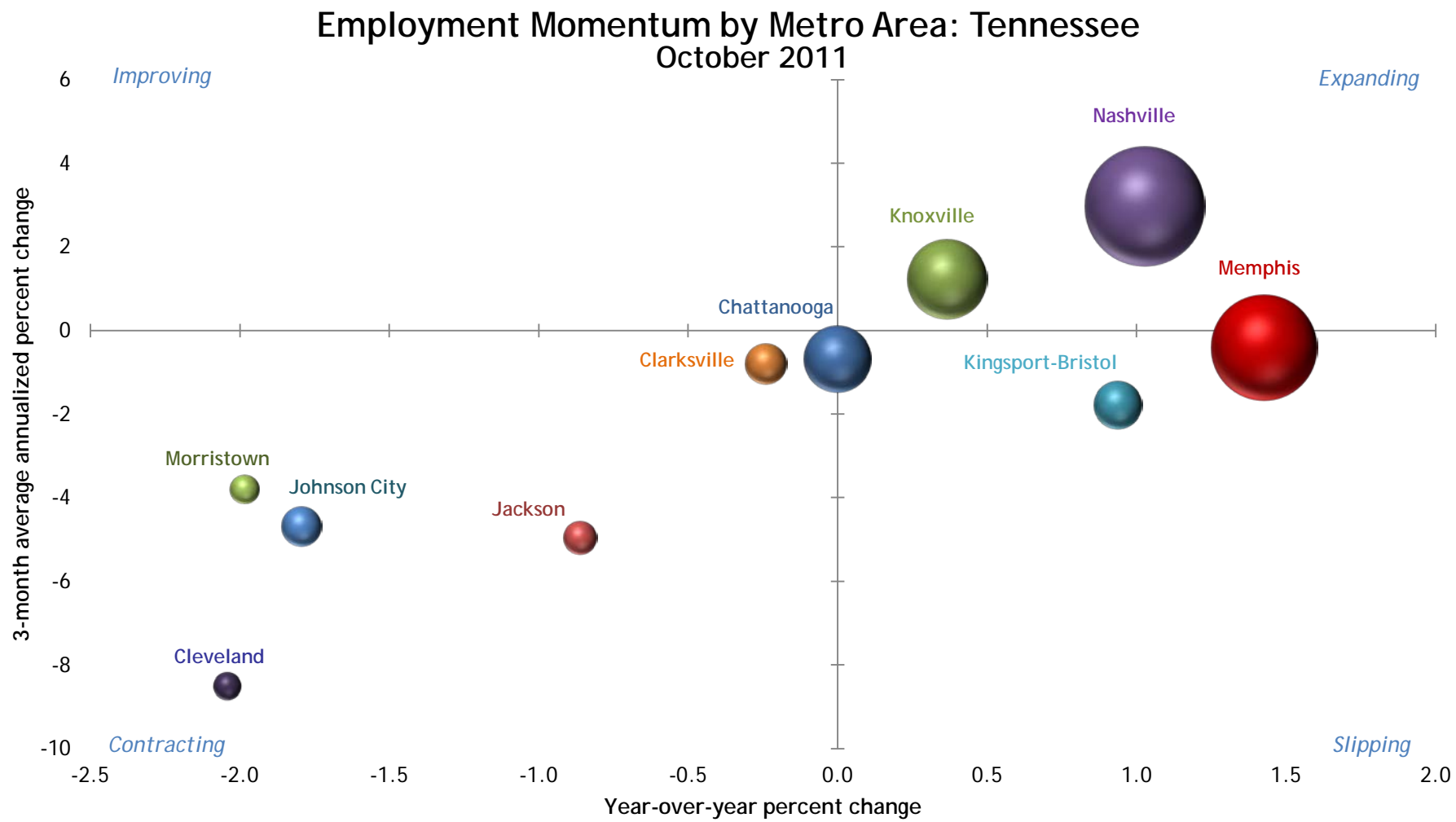
Employment Loss and Gain by Metro Area: Tennessee
October 2011



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

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

[About Employment Momentum](#)

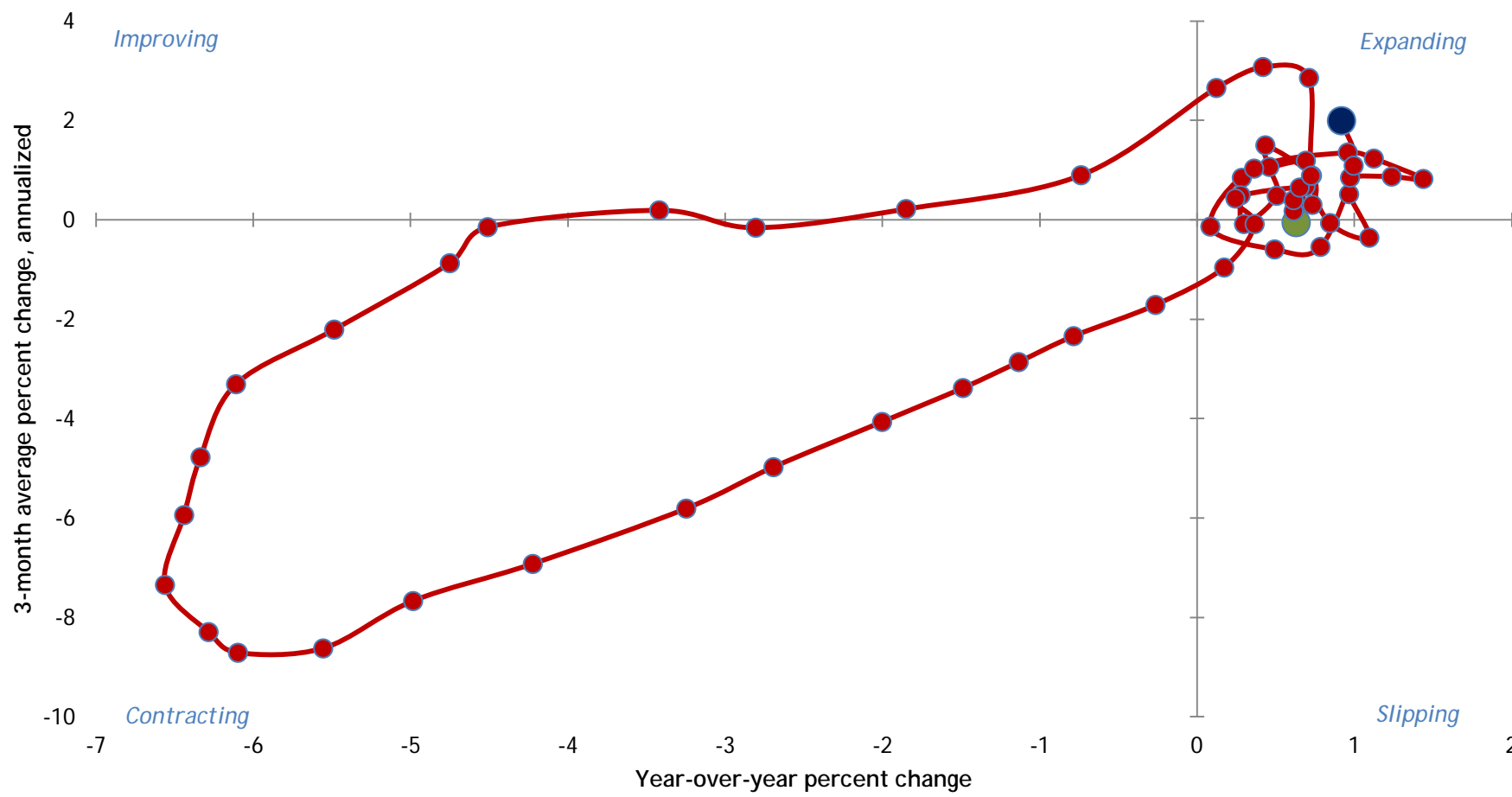


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

[About Employment Momentum Track](#)

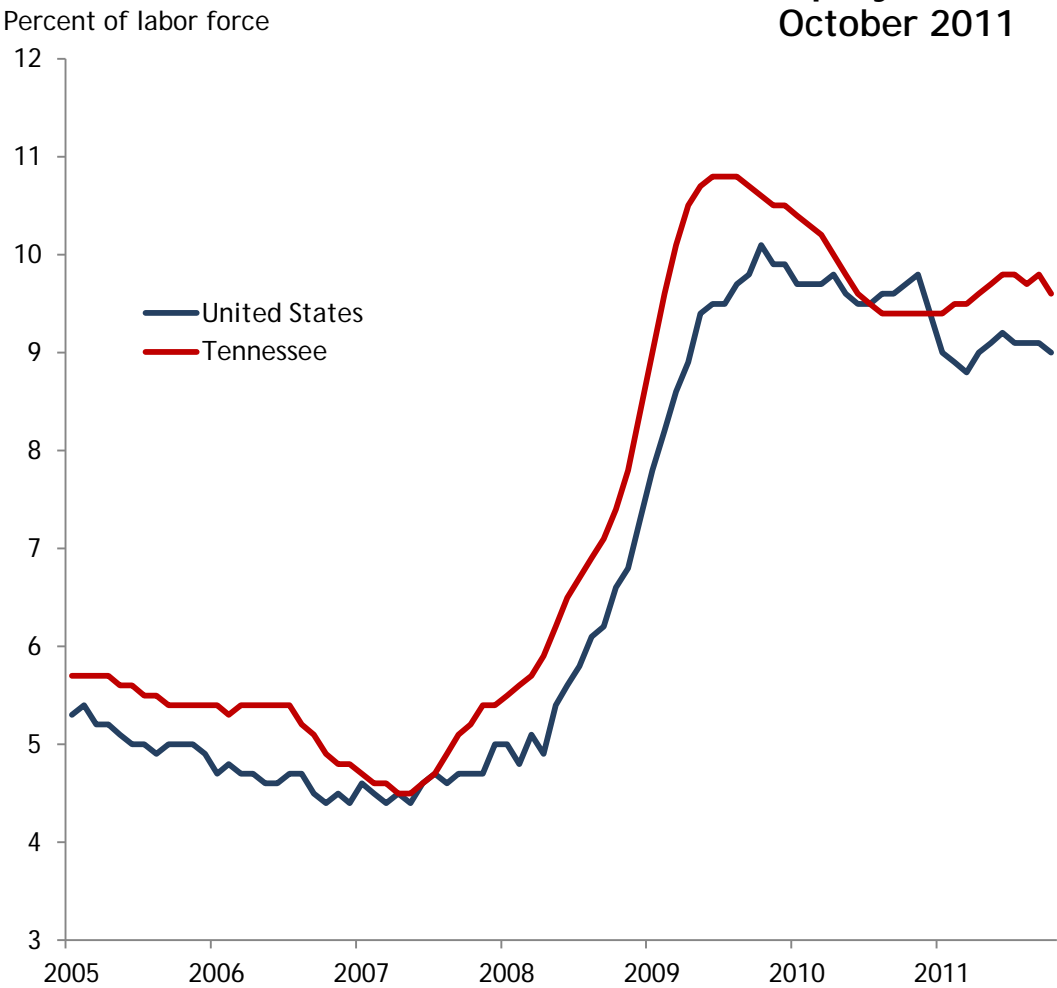
Employment Momentum Track: Tennessee January 2007-October 2011



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. After several months of drifting toward 10 percent, it declined to 9.6 percent in October.

Unemployment Rate
October 2011



Unemployment Rates			
	Current	Year Ago	Jan 2007
USA	9.0	9.7	4.6
Tennessee	9.6	9.4	4.7
Chattanooga	8.7	8.2	4.4
Clarksville	10.3	9.3	5.7
Cleveland	9.8	8.9	5.0
Jackson	10.2	9.3	5.7
Johnson City	8.7	8.3	4.9
Kingsport-Bristol	8.4	8.1	4.9
Knoxville	7.9	7.3	4.1
Memphis	10.5	9.7	5.8
Morristown	11.3	10.6	6.2
Nashville	8.5	8.2	4.2

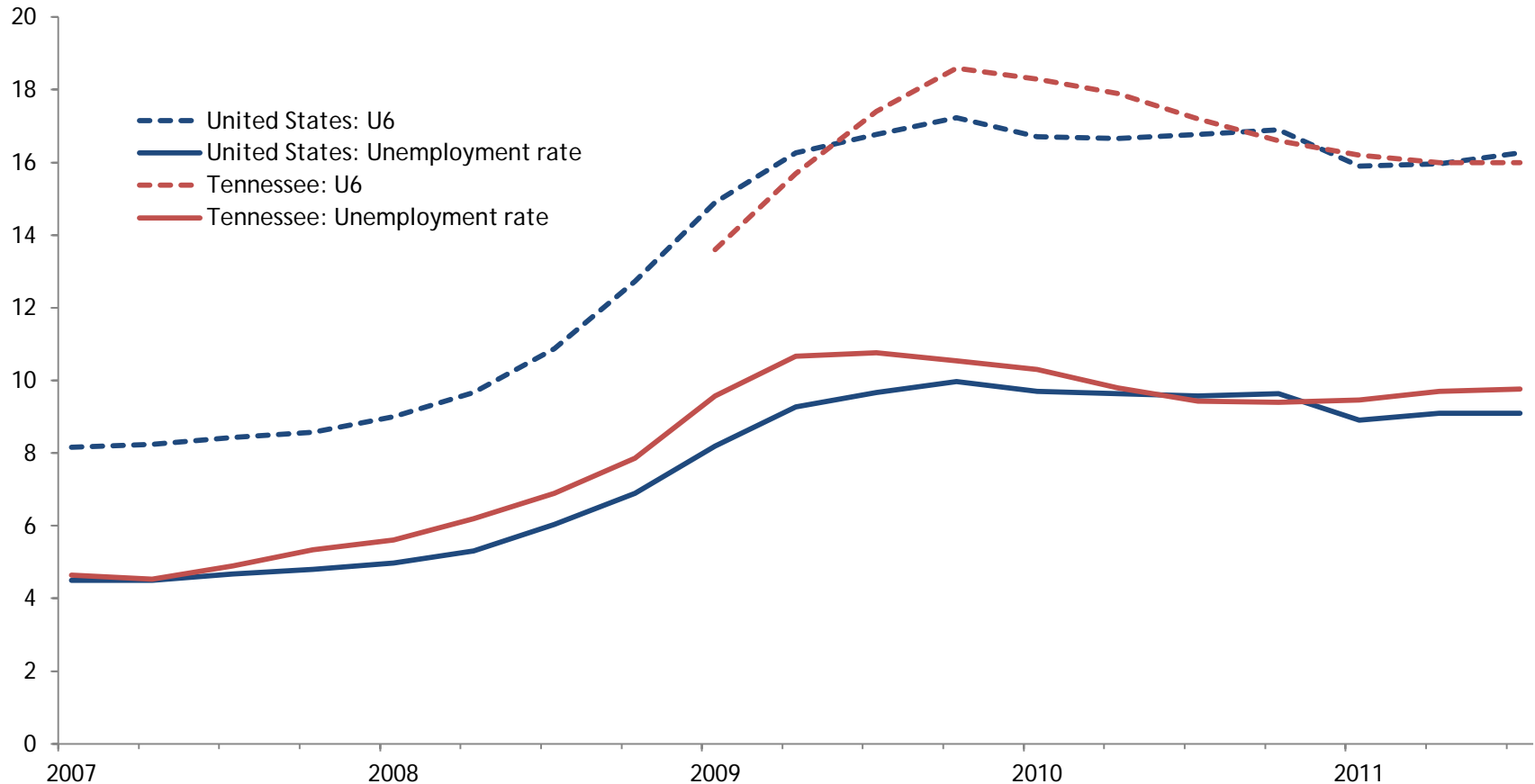
Source: U.S. Bureau of Labor Statistics, Haver Analytics

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

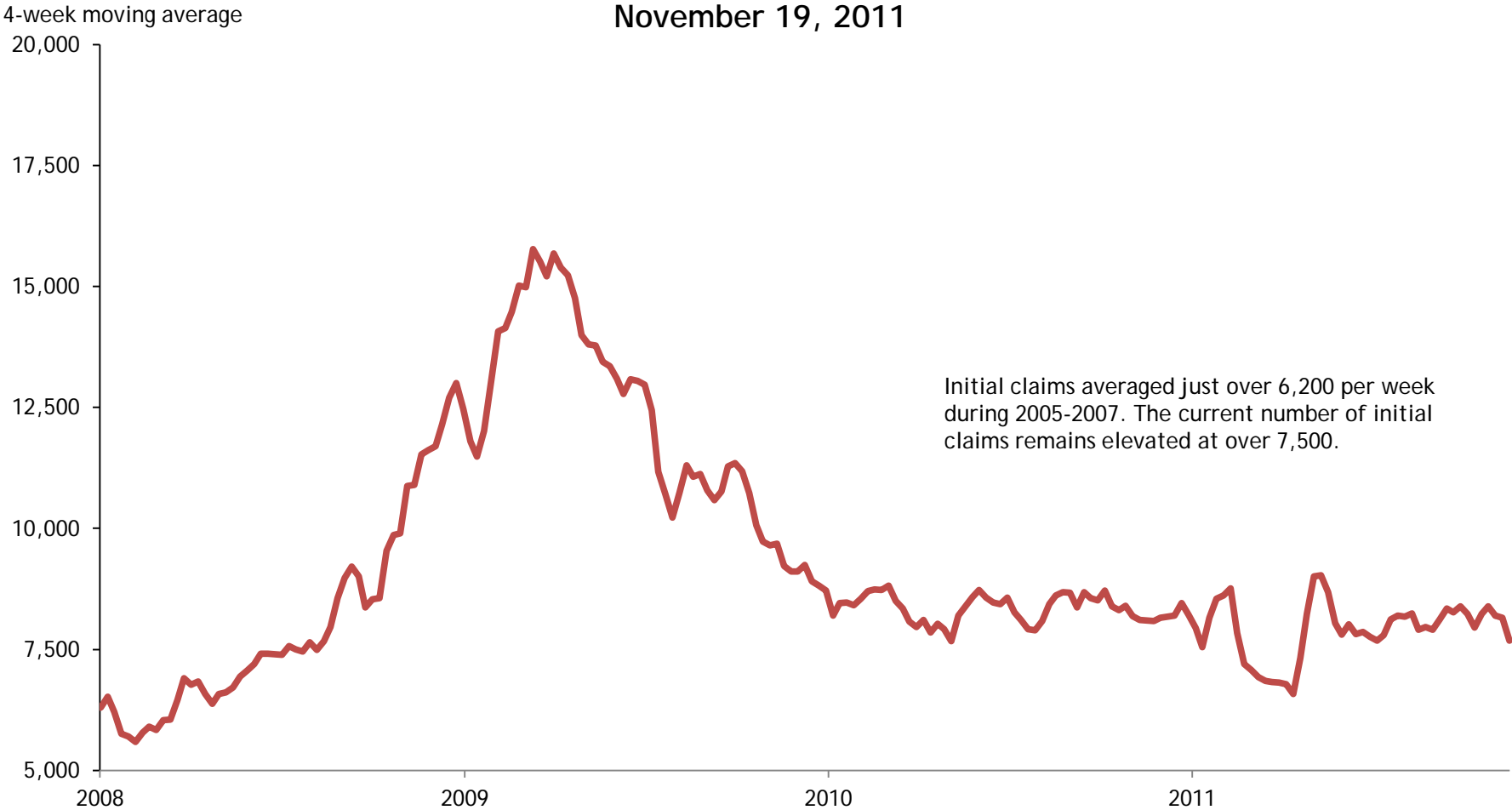


Note: U6 = Unemployed + Marginally attached + Part-time economic reasons/Civilian labor force + Marginally attached.

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

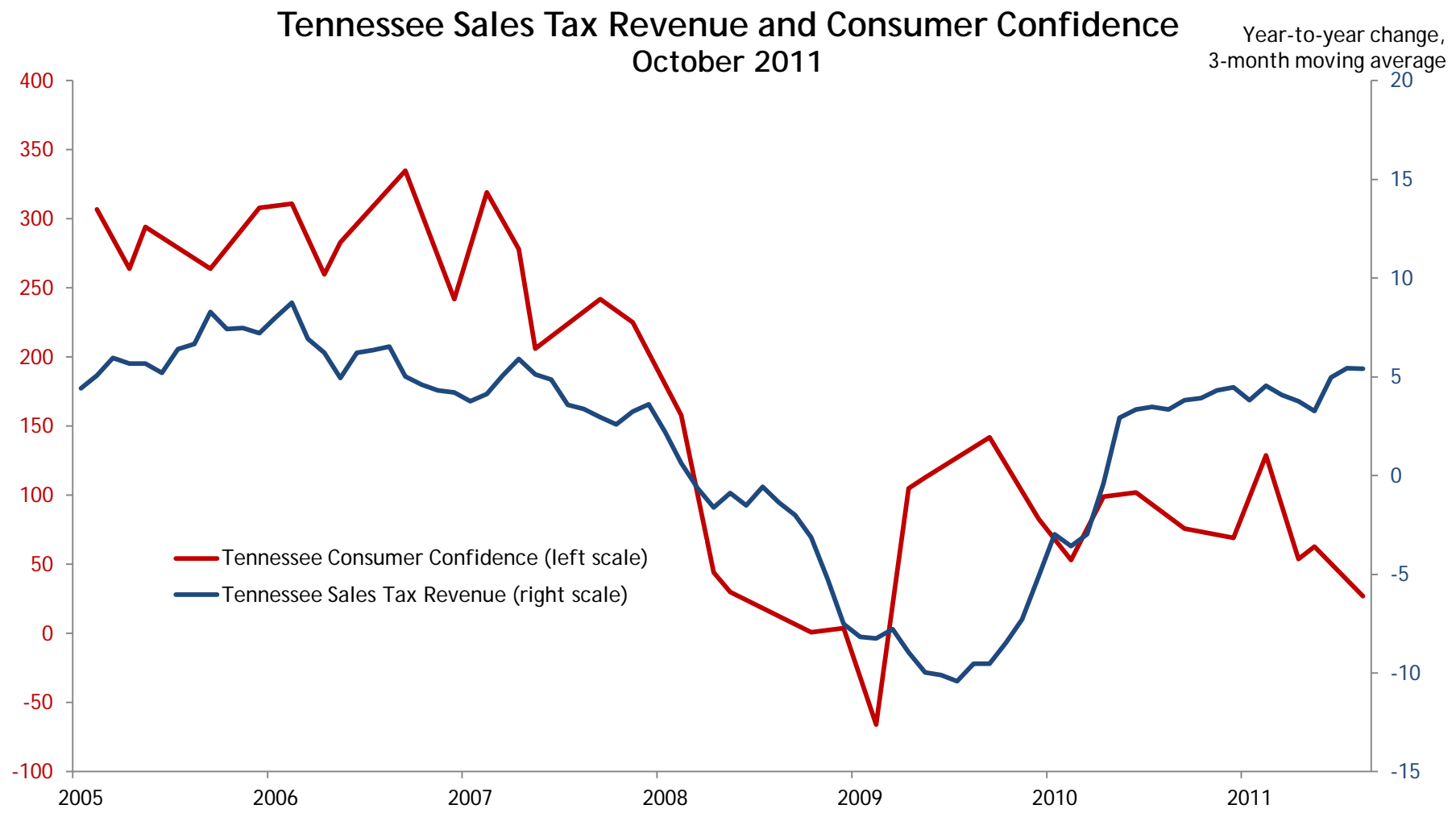
Initial claims for unemployment insurance declined in early 2011. After increasing during April and early May, the trend for initial claims has leveled off.

Initial Unemployment Insurance Claims: Tennessee
November 19, 2011



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

Consumer confidence fell from early 2011, but sales tax revenue continues to strengthen.



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

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

Southeast Purchasing Managers Index October 2011

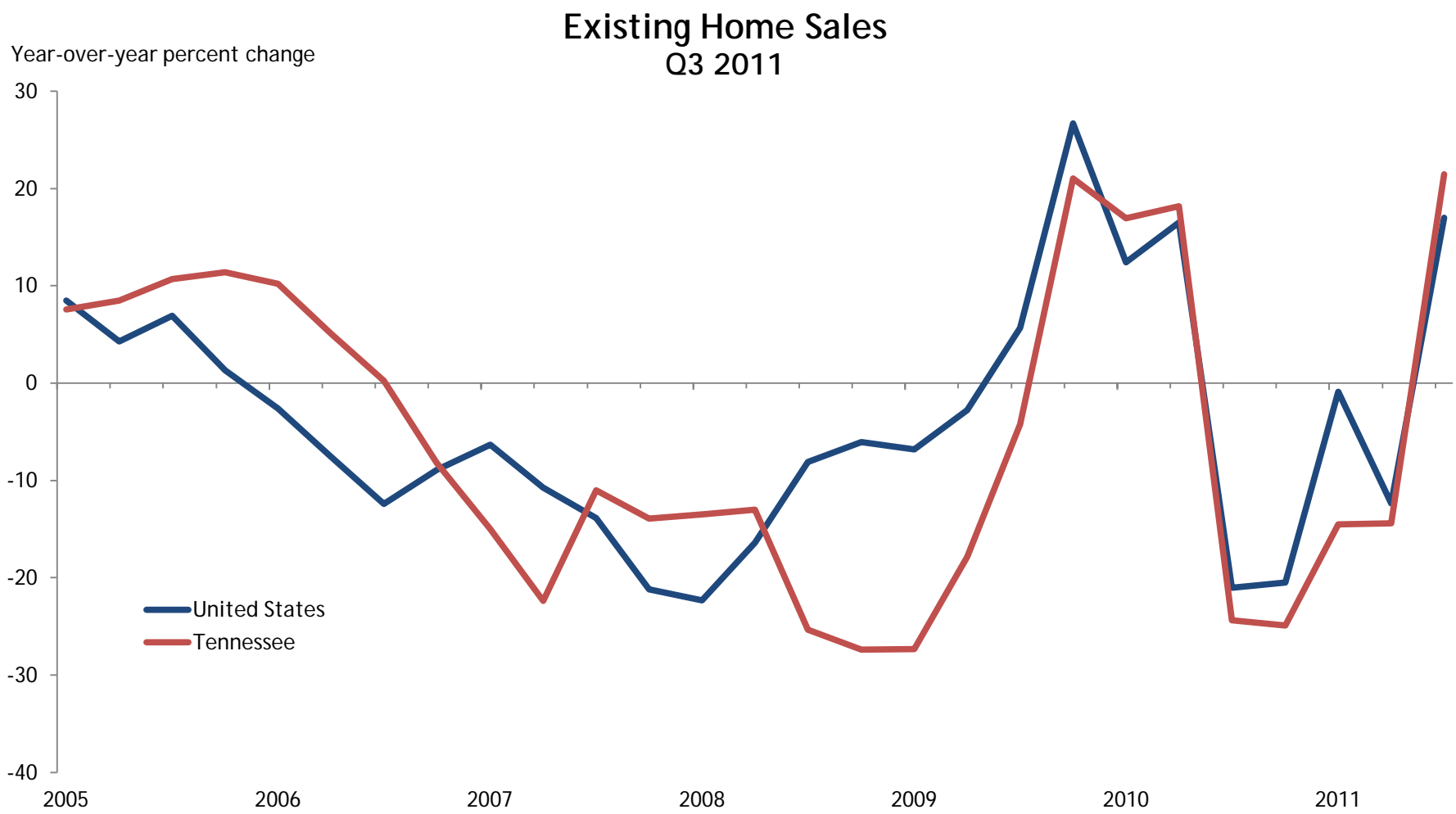


The Tennessee component
of the SE PMI was 40.7 in
October 2011.

Note: 50+ = Expansion

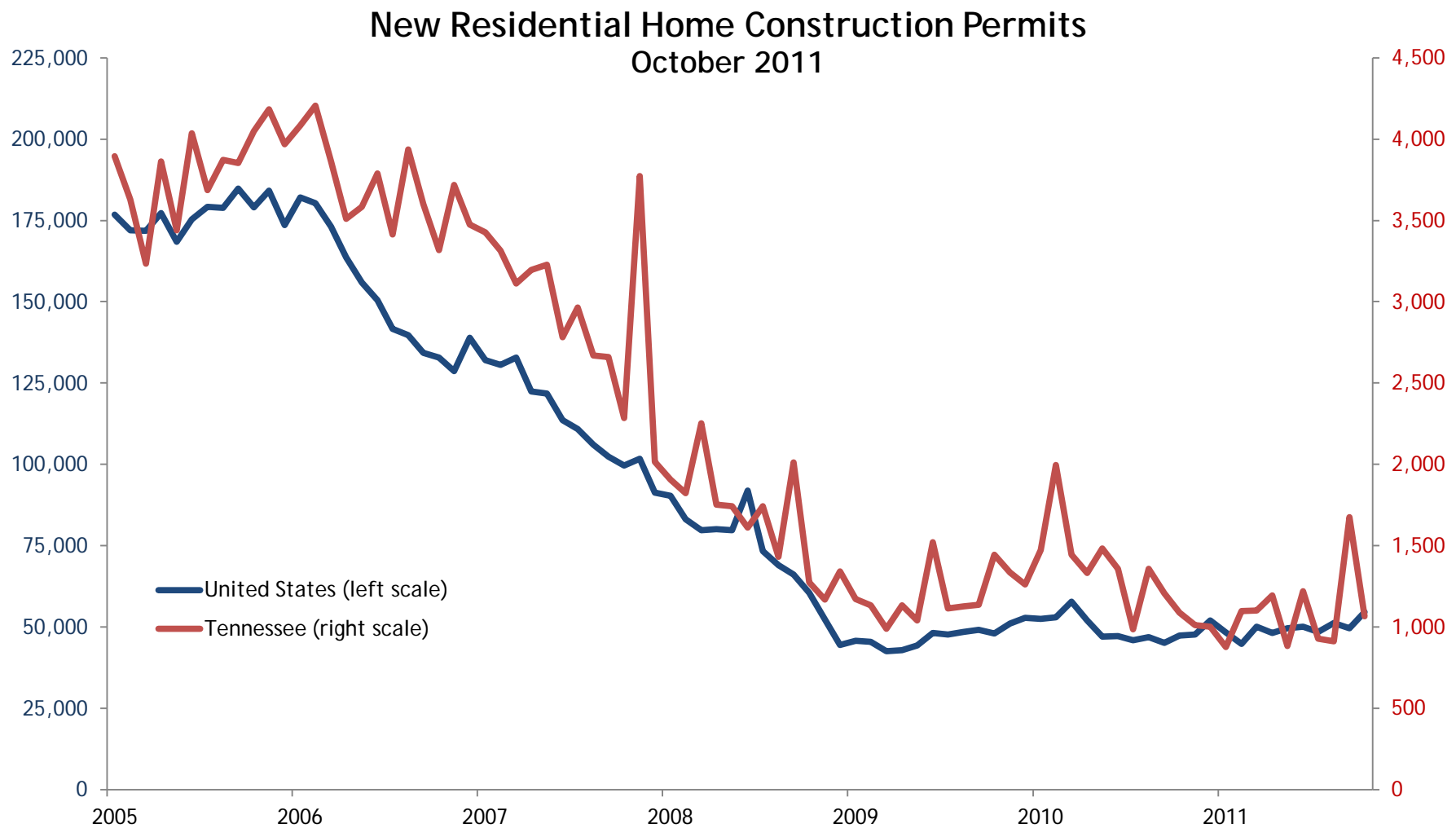
Source: Kennesaw State University, Coles College of Business Econometric Center

Existing home sales in Tennessee declined slightly during the third quarter of 2011 but were well above weak year-ago levels.



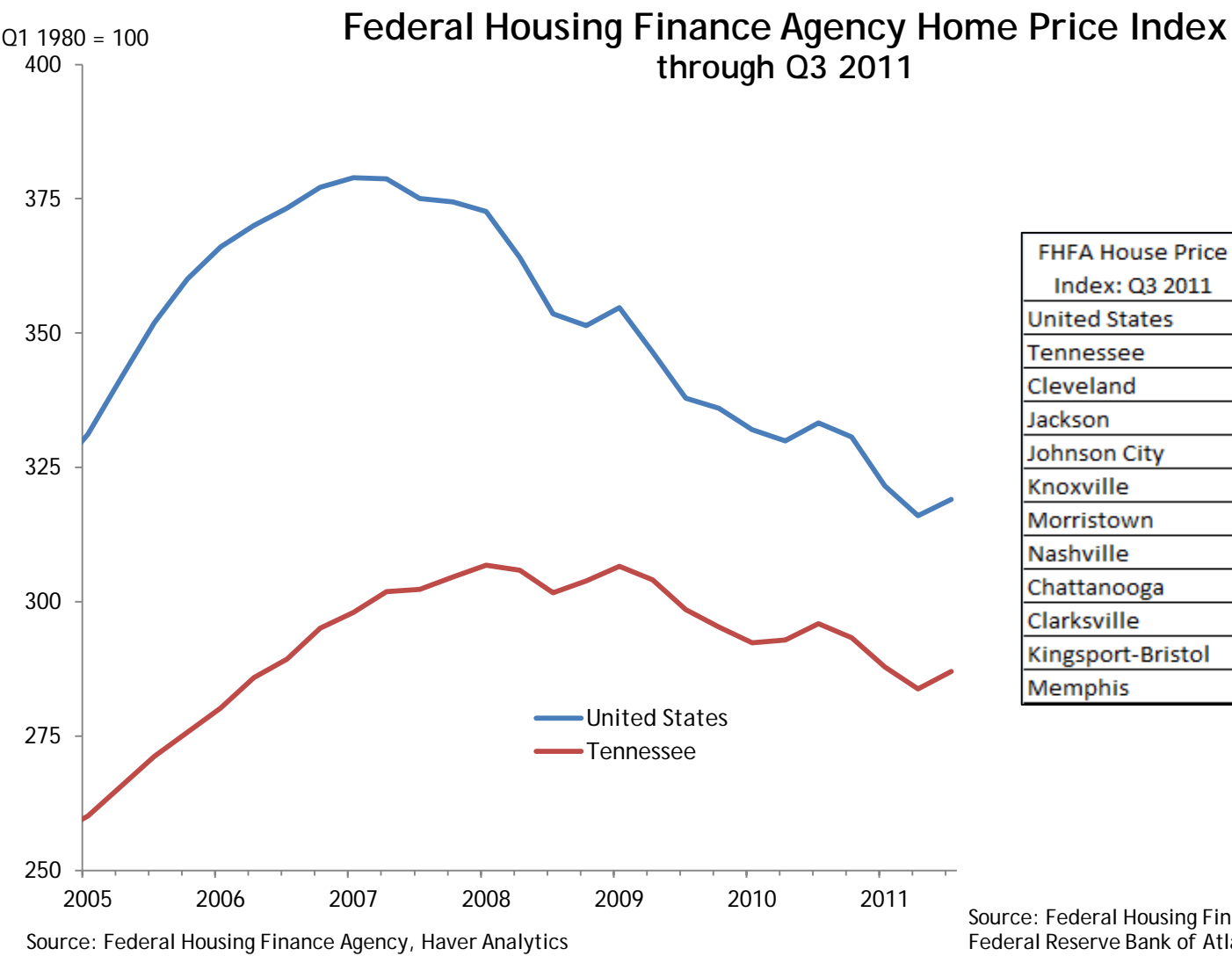
Source: National Association of Realtors, Haver Analytics, Federal Reserve Bank of Atlanta

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. Prices picked up slightly in the third quarter, but were still below year-ago levels.

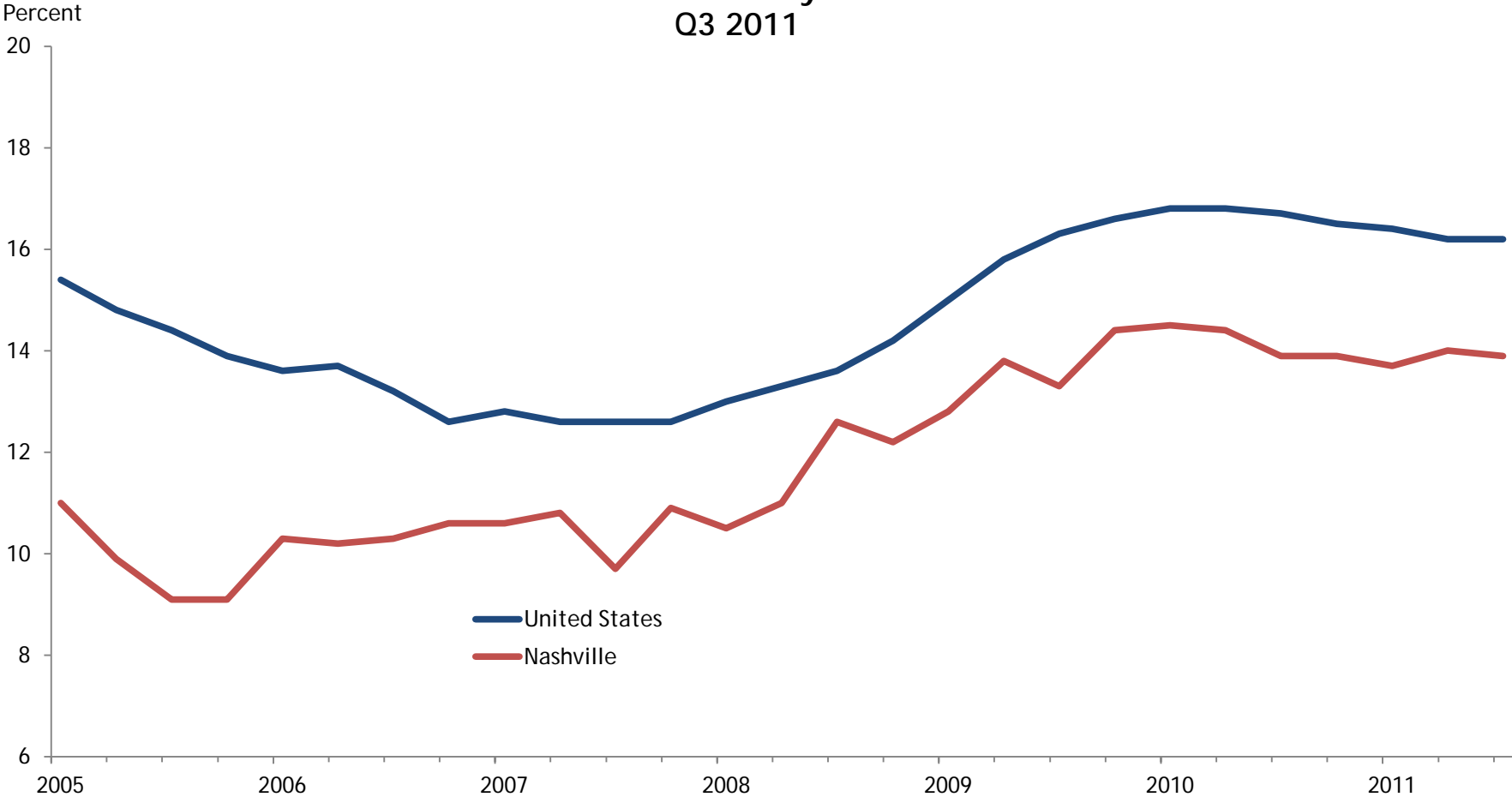


FHFA House Price Index: Q3 2011	1-yr % change	5-yr % change	10-yr % change
United States	-4.3	-14.5	25.5
Tennessee	-3.0	-0.8	26.1
Cleveland	-2.6	0.0	30.5
Jackson	-3.7	-4.8	9.5
Johnson City	-4.4	4.0	34.2
Knoxville	-2.4	0.8	34.4
Morristown	0.5	1.6	31.7
Nashville	-2.5	-0.9	28.8
Chattanooga	-4.0	-1.3	27.7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

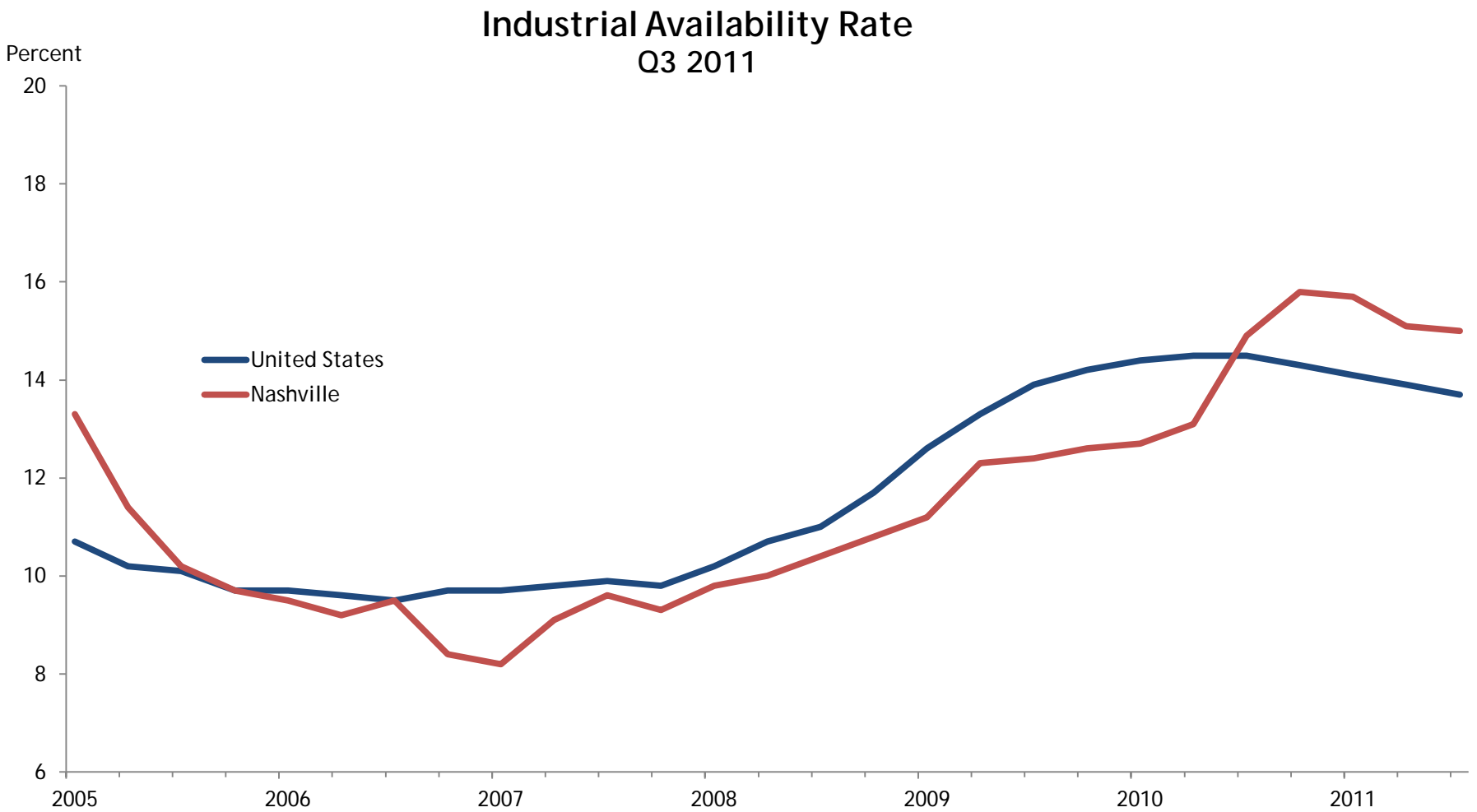
Office vacancy rates rose throughout the recession but now appear to have stabilized at higher levels.

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.



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.