



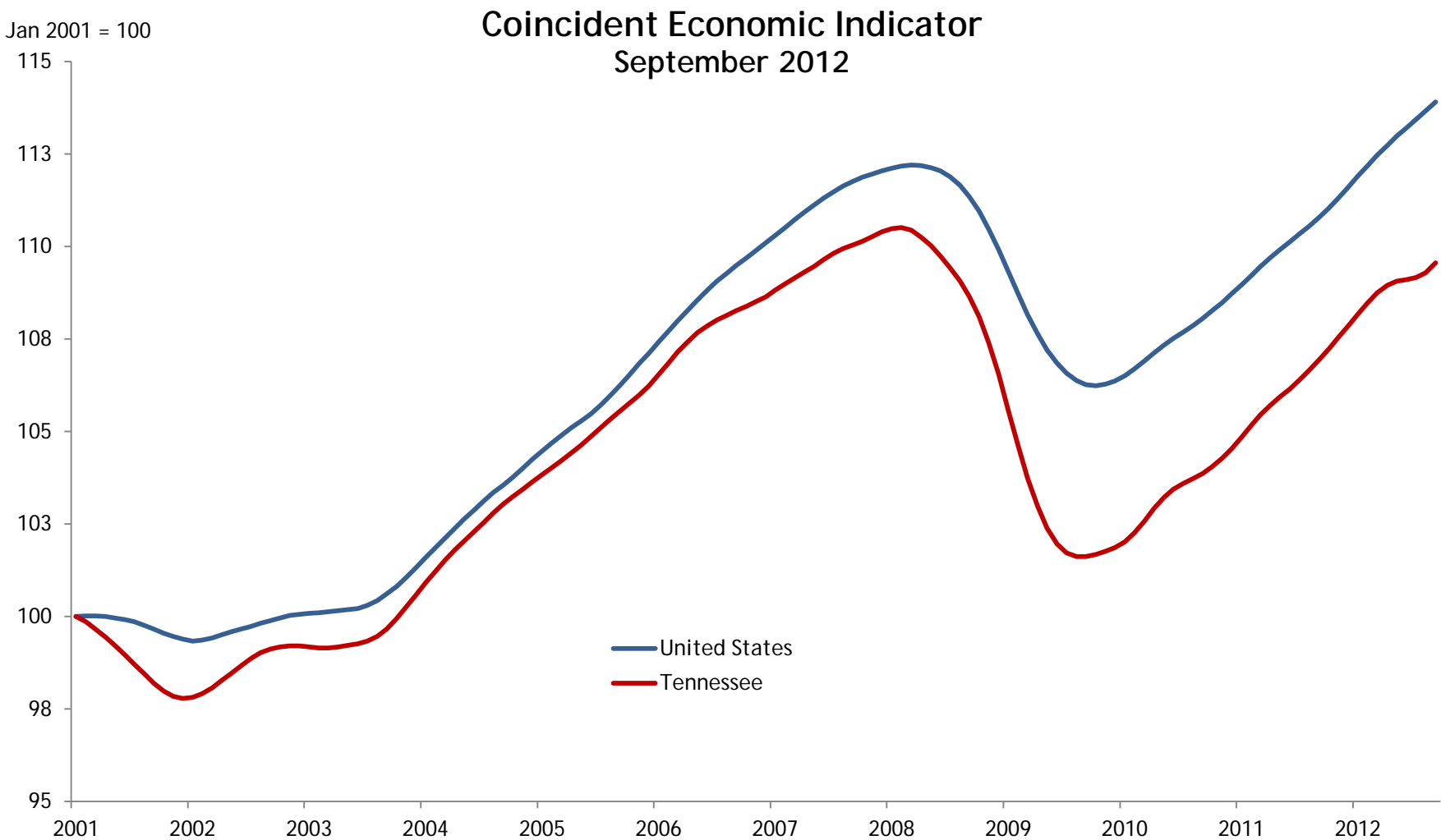
Data Digest: Tennessee

November 2012



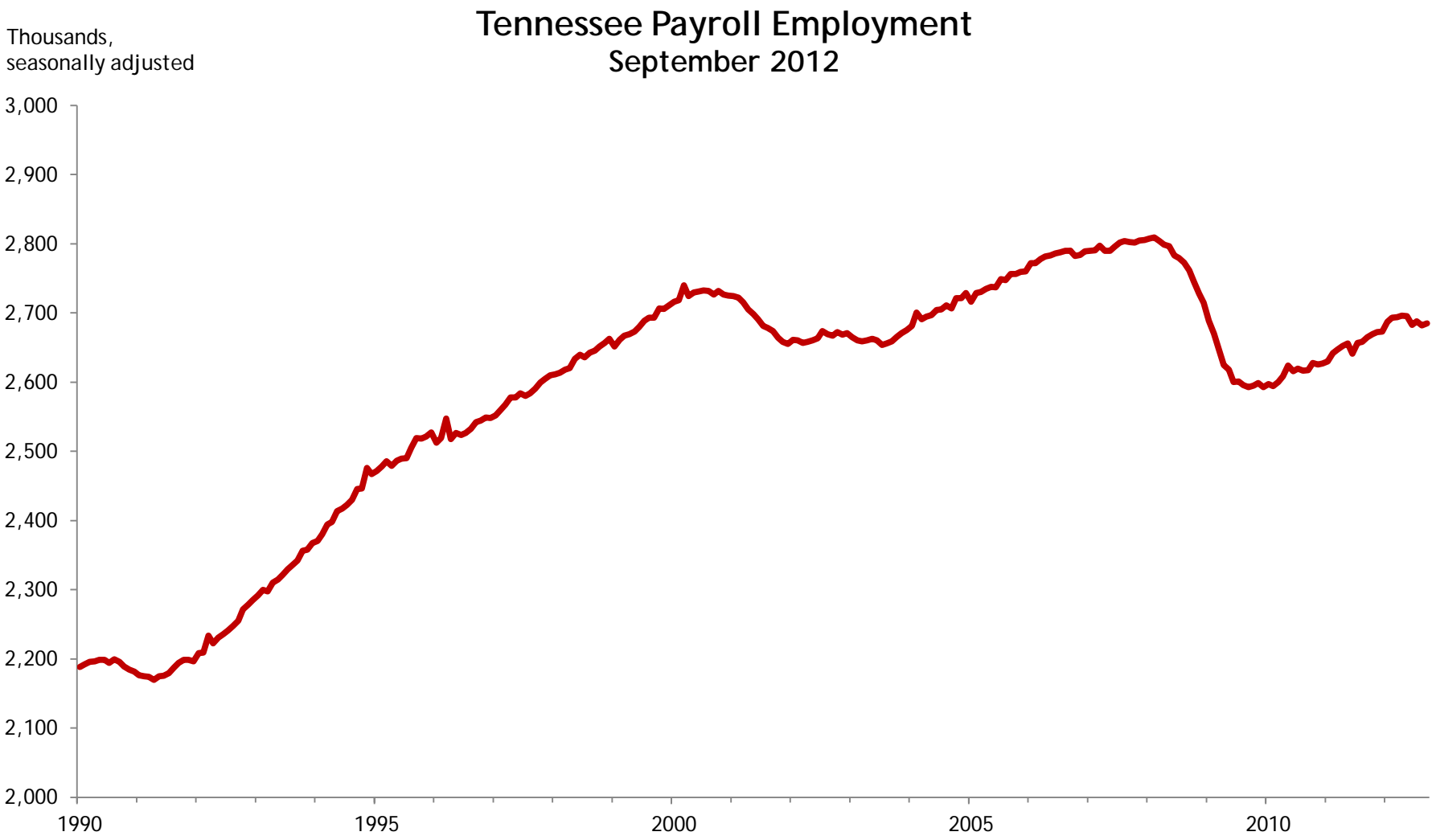
The pace of Tennessee's economic performance largely mirrors that of the United States, although the decline during the recession was steeper.

[About the Coincident Economic Indicator](#)



Source: Federal Reserve Bank of Philadelphia

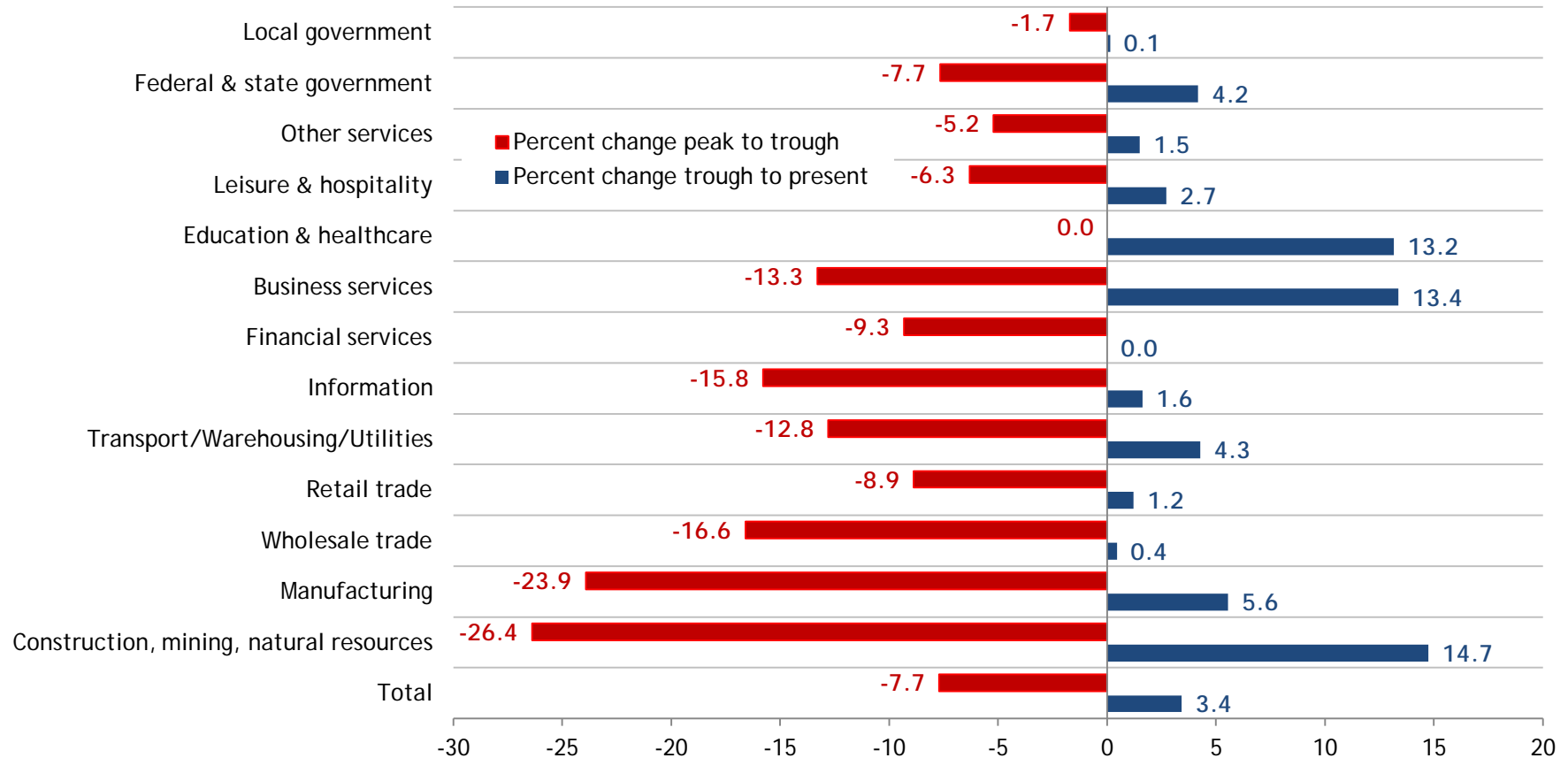
For more than two years, total employment in Tennessee had been on an upward trend, but payroll growth has stalled over the past few months.



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. Most industries have added jobs during the recovery.

Employment Loss and Gain by Industry: Tennessee September 2012

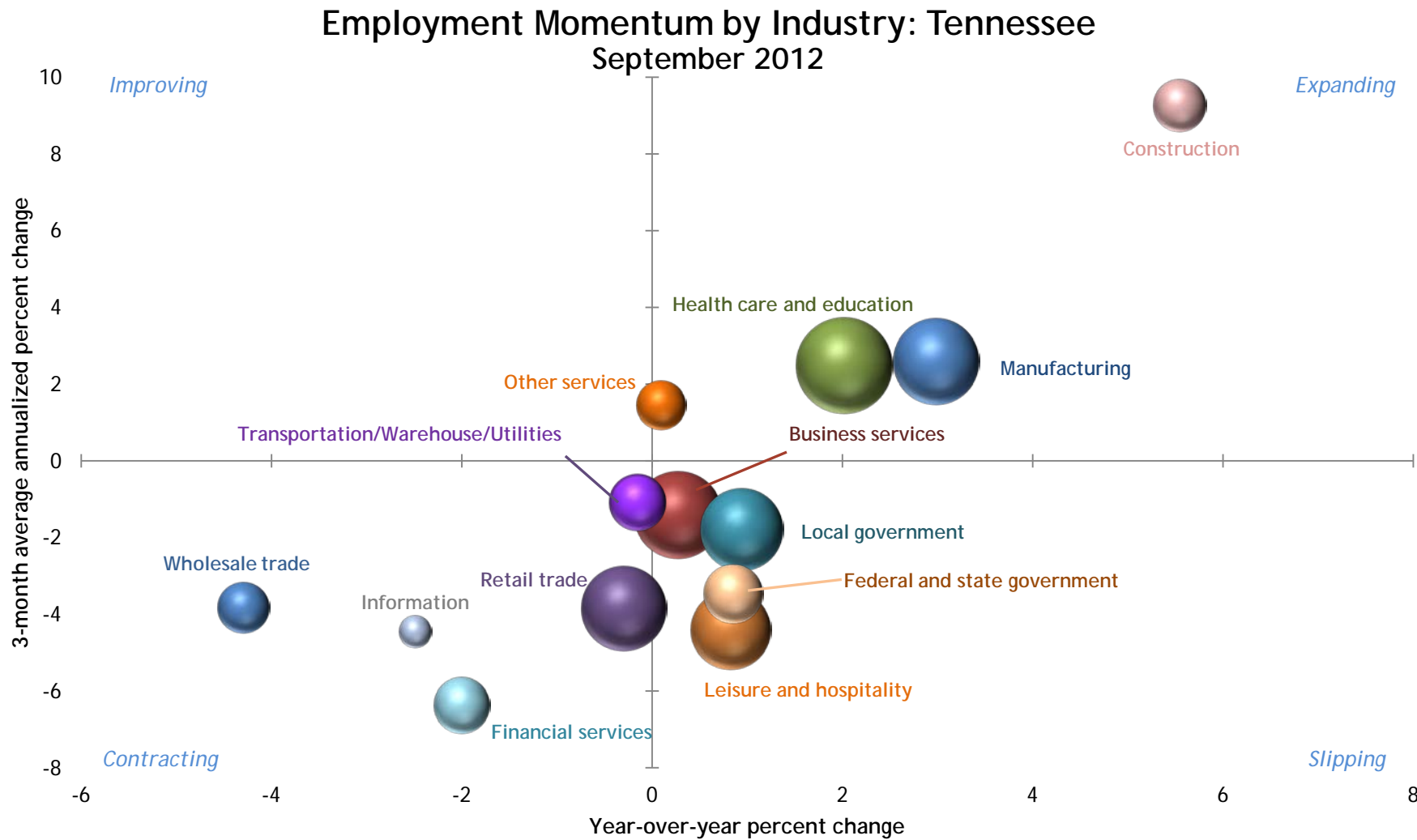


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent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

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

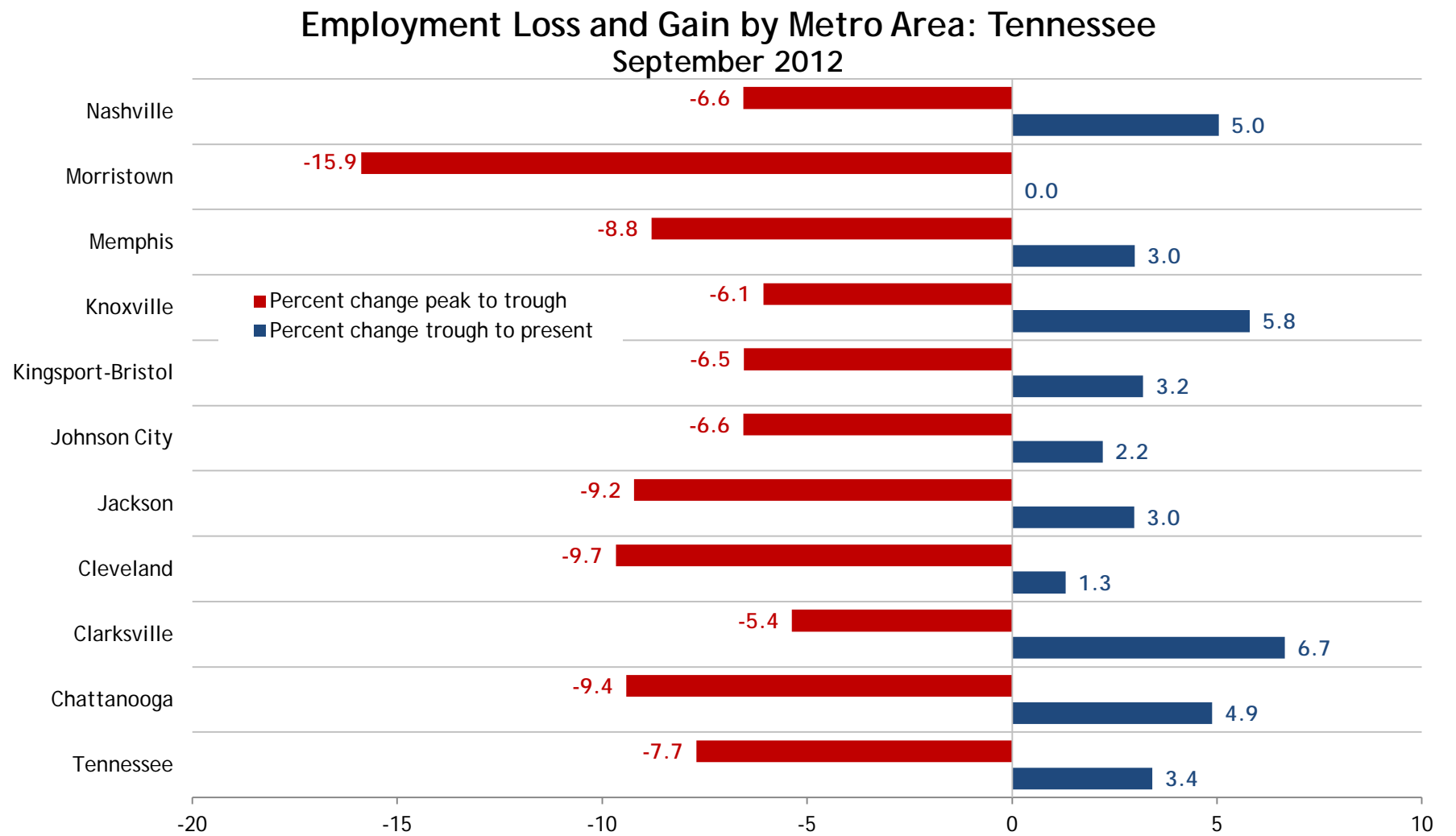
Employment growth in Tennessee has lost some momentum. Manufacturing, health care and education, and construction were the only industries that were firmly in the “expanding” category in September.

[About Employment Momentum](#)



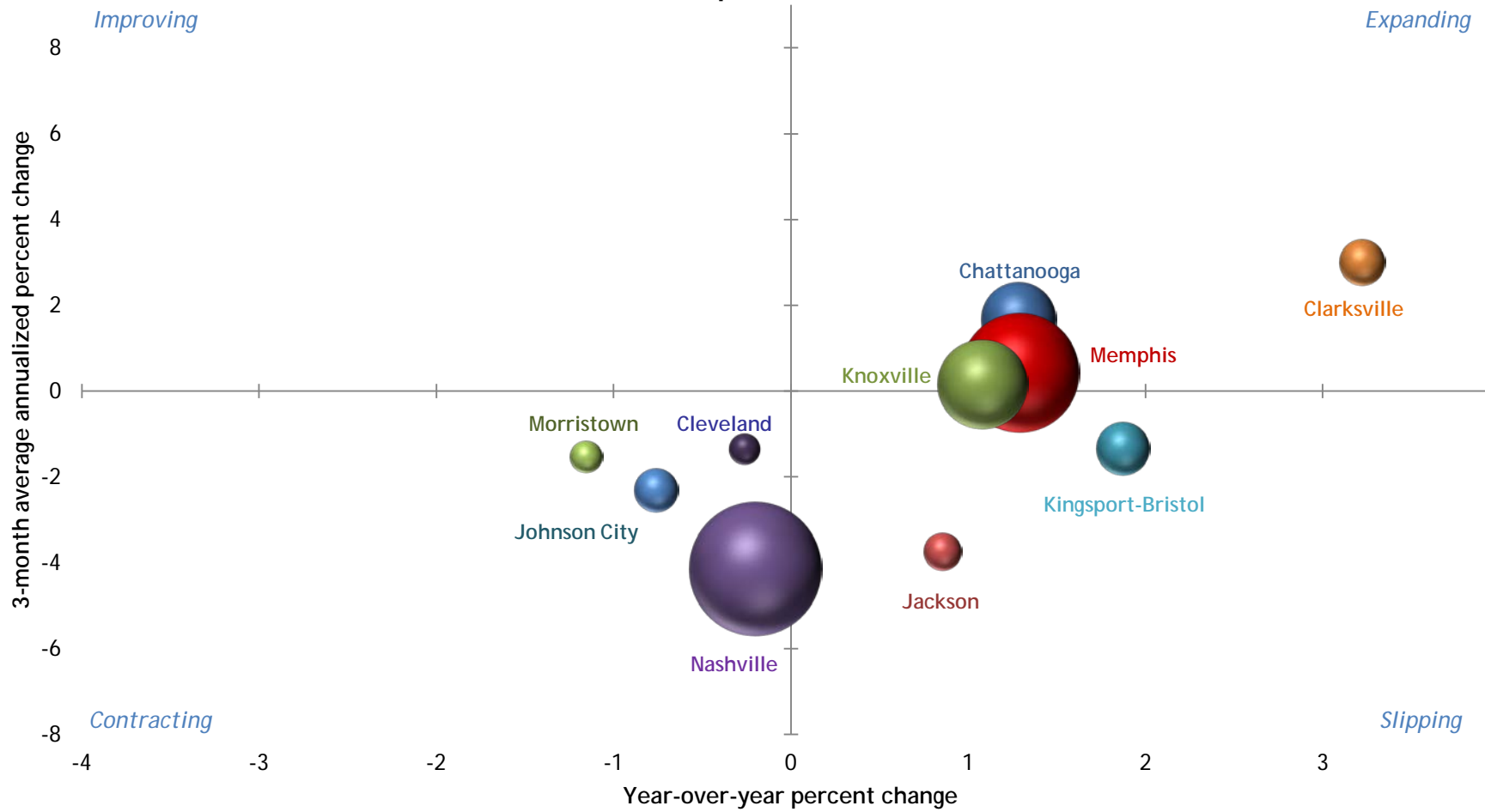
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

Employment losses in Tennessee metro areas were significant during the downturn. Most metro areas are slowly regaining jobs. Clarksville has slightly exceeded the jobs lost during the downturn and Knoxville is now getting close to recovering all the jobs it lost.



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

Employment Momentum by Metro Area: Tennessee
September 2012

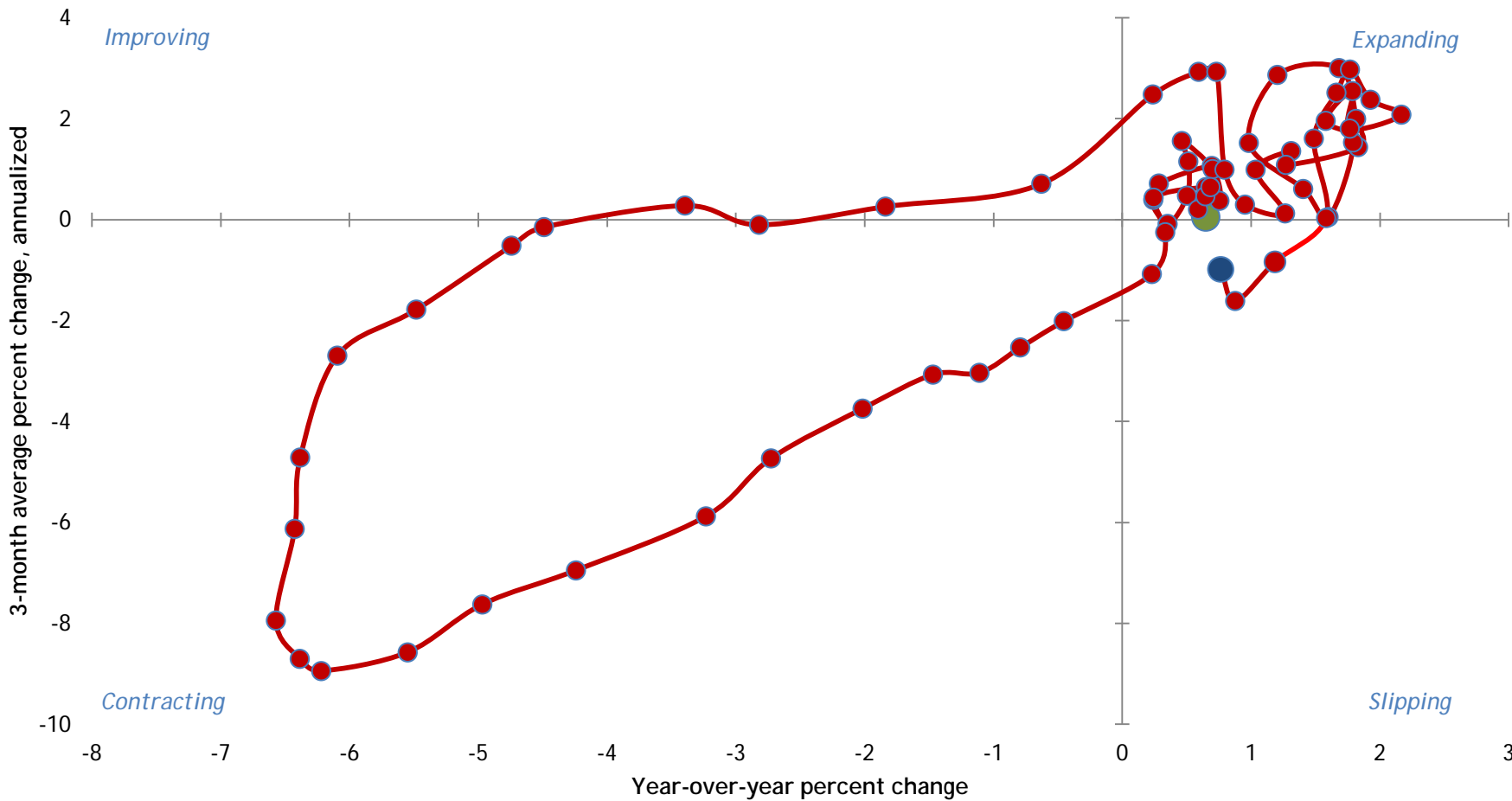


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

[About Employment Momentum Track](#)

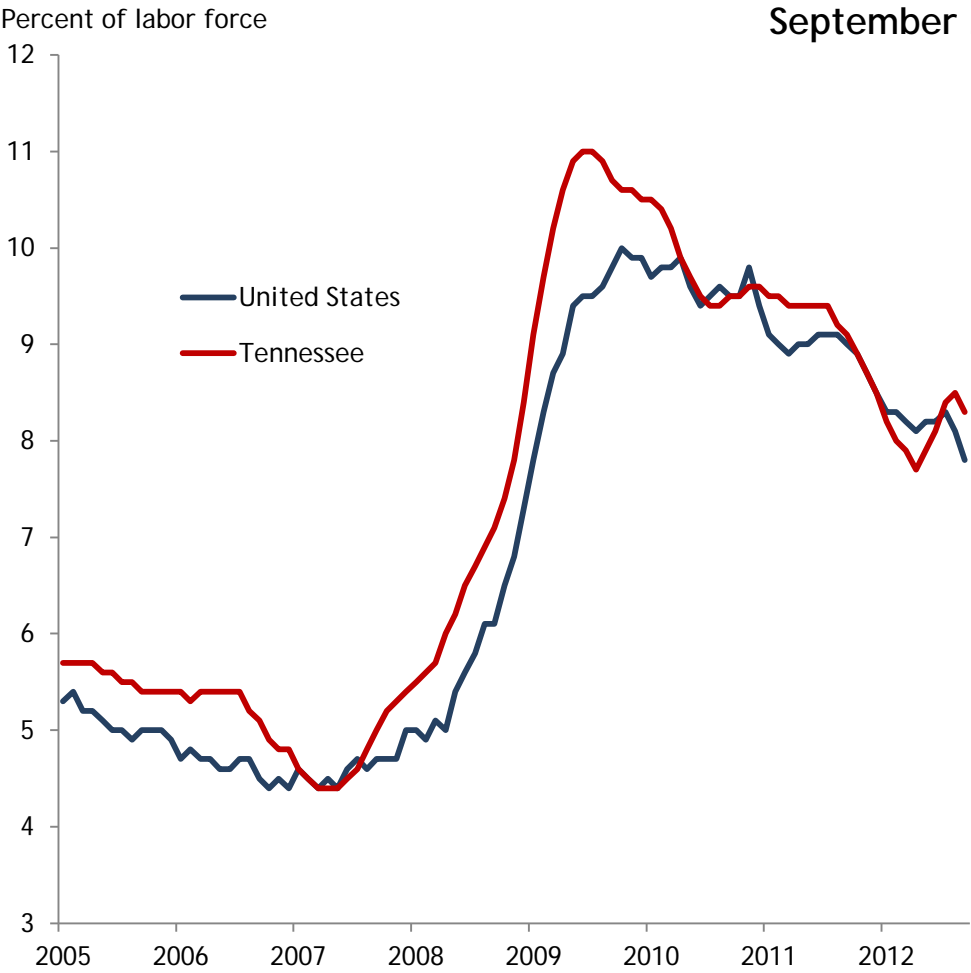
Employment Momentum Track: Tennessee January 2007-September 2012



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

The unemployment rate for Tennessee dipped slightly in September, but remains higher than the national rate.

Unemployment Rates September 2012

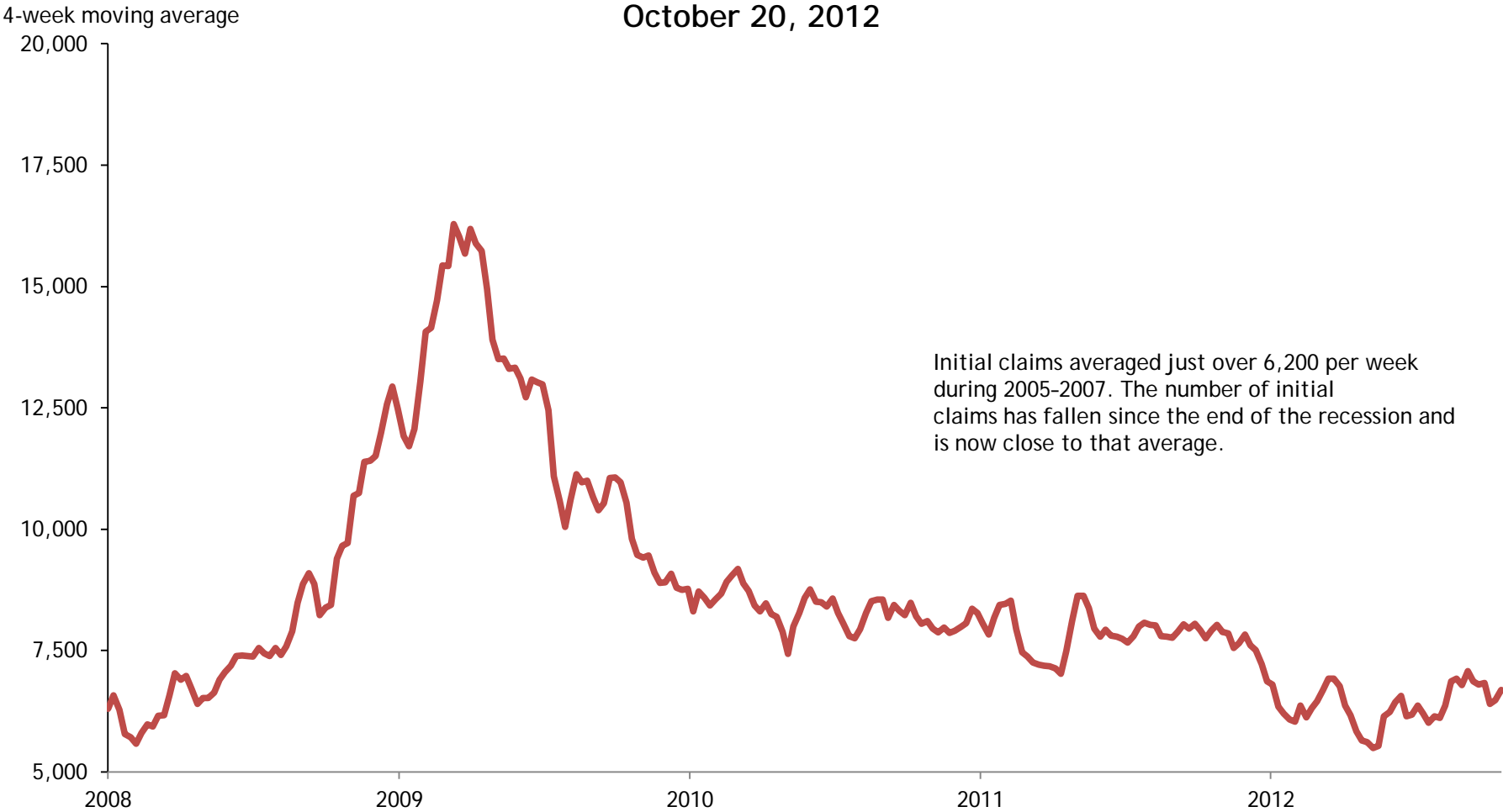


Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	7.8	9.0	4.6
Tennessee	8.3	9.1	4.6
Chattanooga	7.1	8.3	4.4
Clarksville	8.3	9.8	5.7
Cleveland	7.8	9.3	4.9
Jackson	7.9	9.5	5.6
Johnson City	6.9	8.1	4.8
Kingsport-Bristol	6.9	8.1	4.8
Knoxville	6.2	7.3	4.1
Memphis	8.4	10.0	5.8
Morristown	9.4	10.8	6.1
Nashville	6.4	7.9	4.2

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

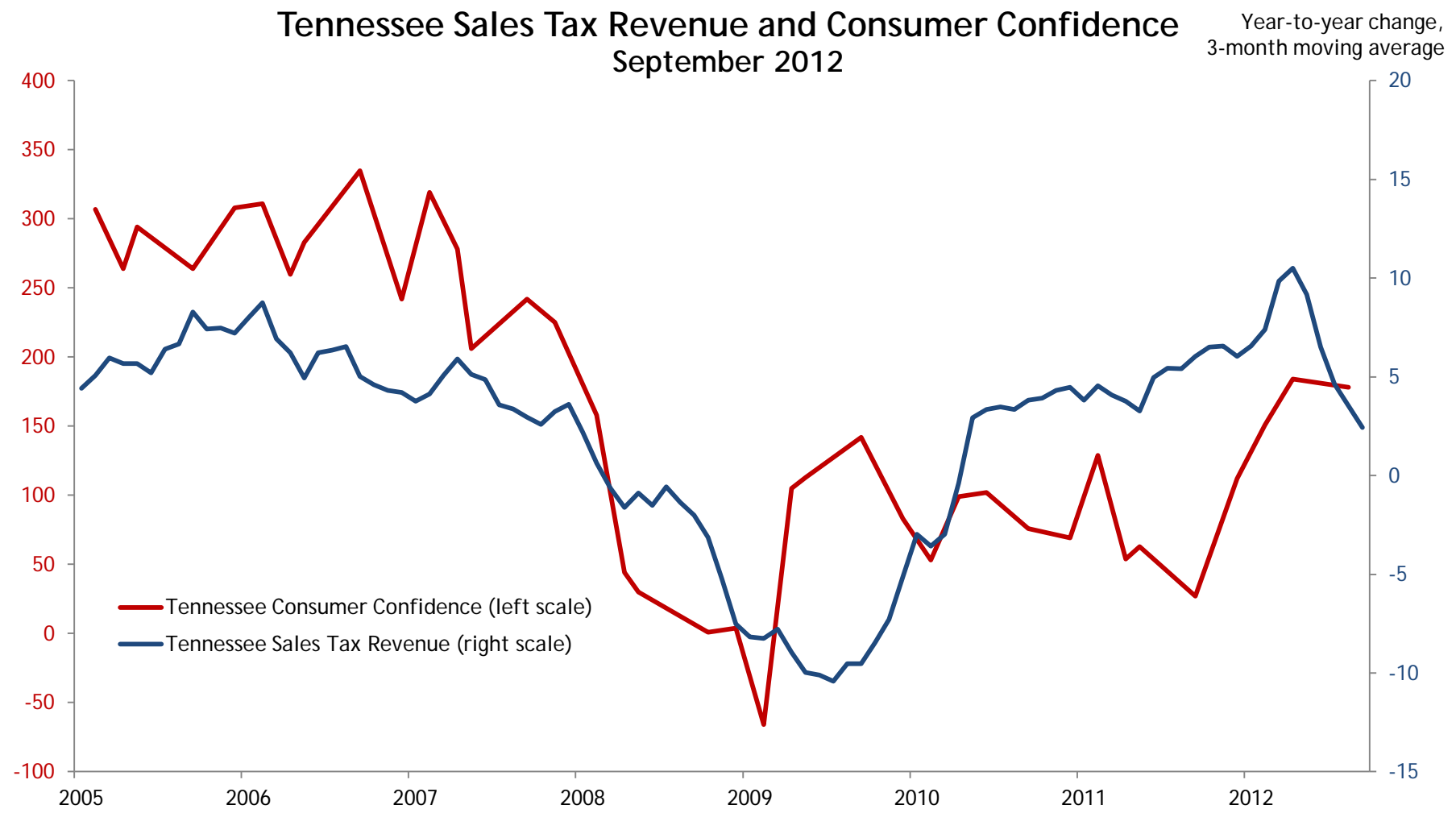
Initial claims for unemployment insurance have leveled off this year at close to prerecession levels.

Initial Unemployment Insurance Claims: Tennessee October 20, 2012



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.



Source: Middle Tennessee State University, Tennessee Department of Revenue

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

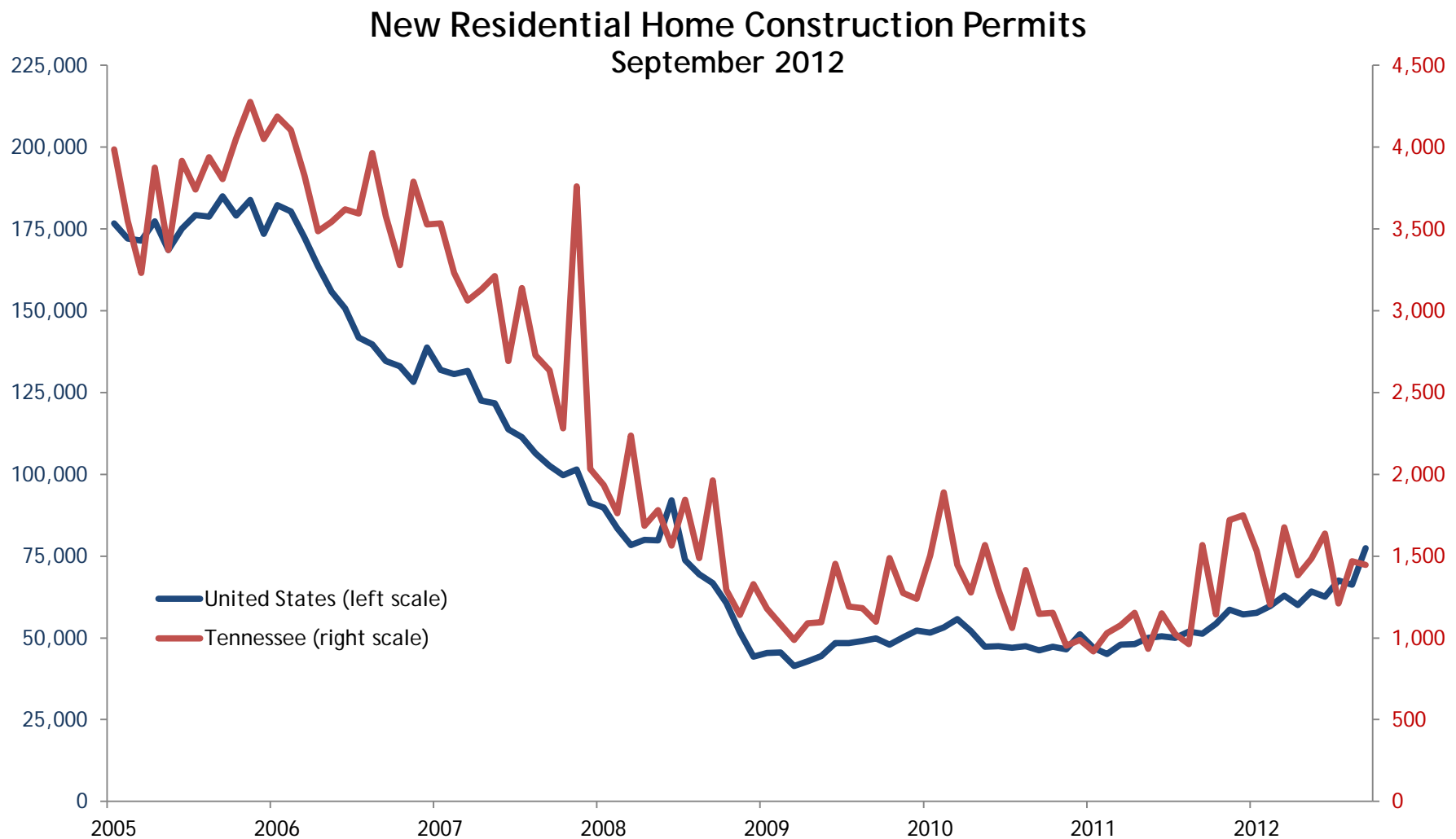
Southeast Purchasing Managers Index
September 2012



Note: 50+ = Expansion

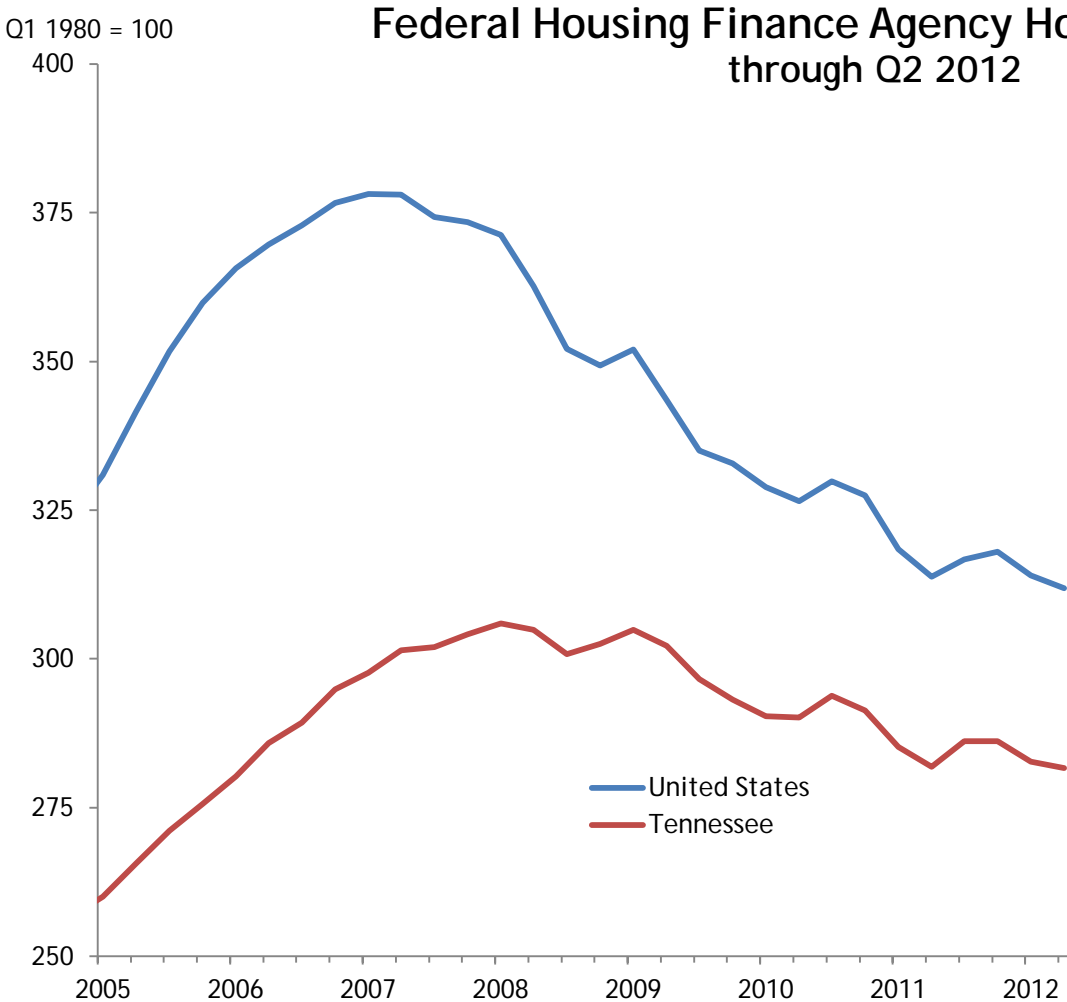
Source: Kennesaw State University, Coles College of Business Econometric Center

New home construction permits for the United States and Tennessee remain at historically low levels, although both have accelerated slightly in 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.

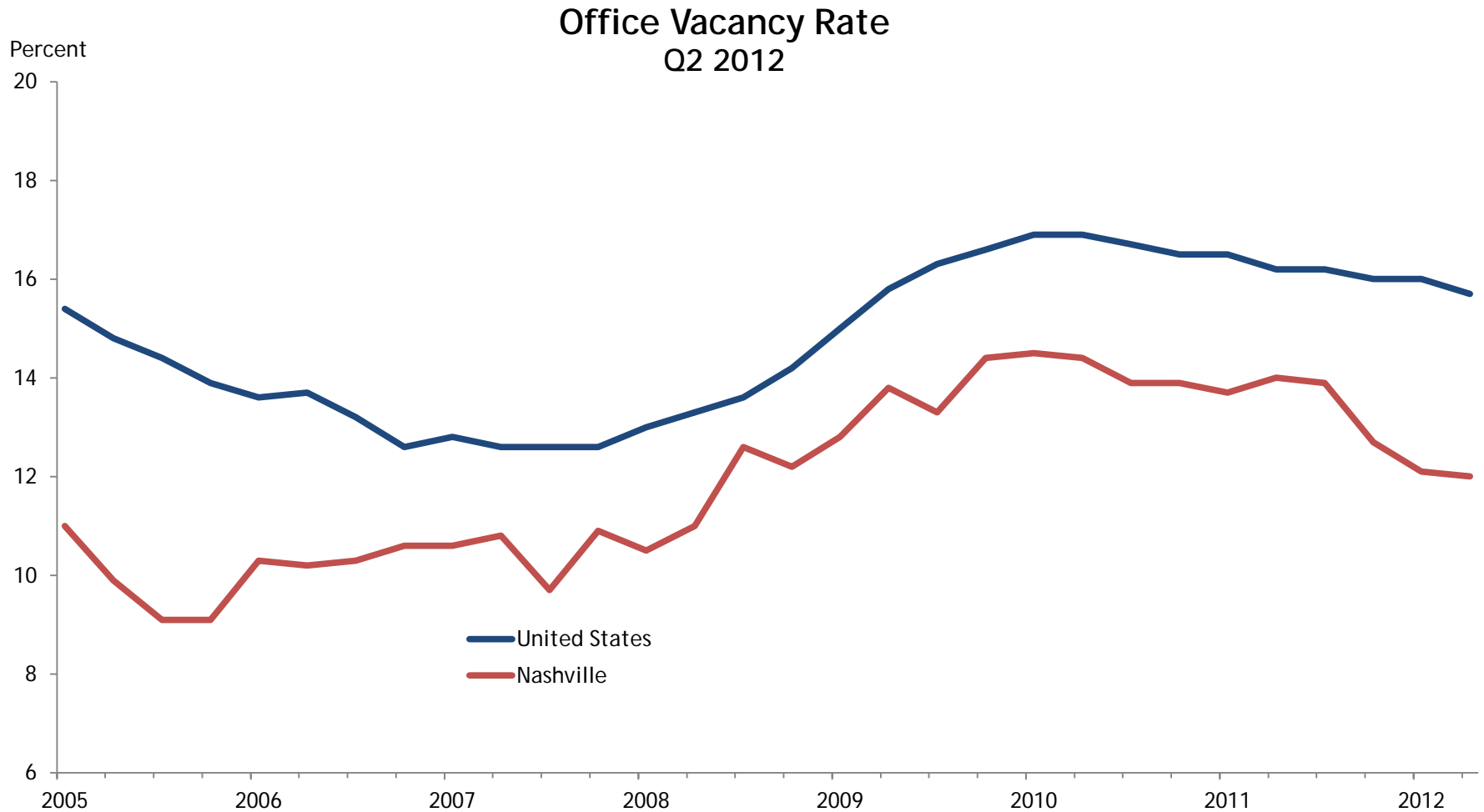


FHFA House Price Index: Q2 2012	1-yr % change	5-yr % change	10-yr % change
United States	-0.6	-17.5	17.5
Tennessee	-0.1	-6.6	21.5
Cleveland	3.0	-4.8	25.6
Jackson	1.0	-7.8	6.3
Johnson City	4.4	1.4	33.1
Knoxville	-0.3	-6.0	29.3
Morristown	1.4	-8.7	22.2
Nashville	0.2	-5.9	25.2
Chattanooga	1.0	-5.0	24.4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

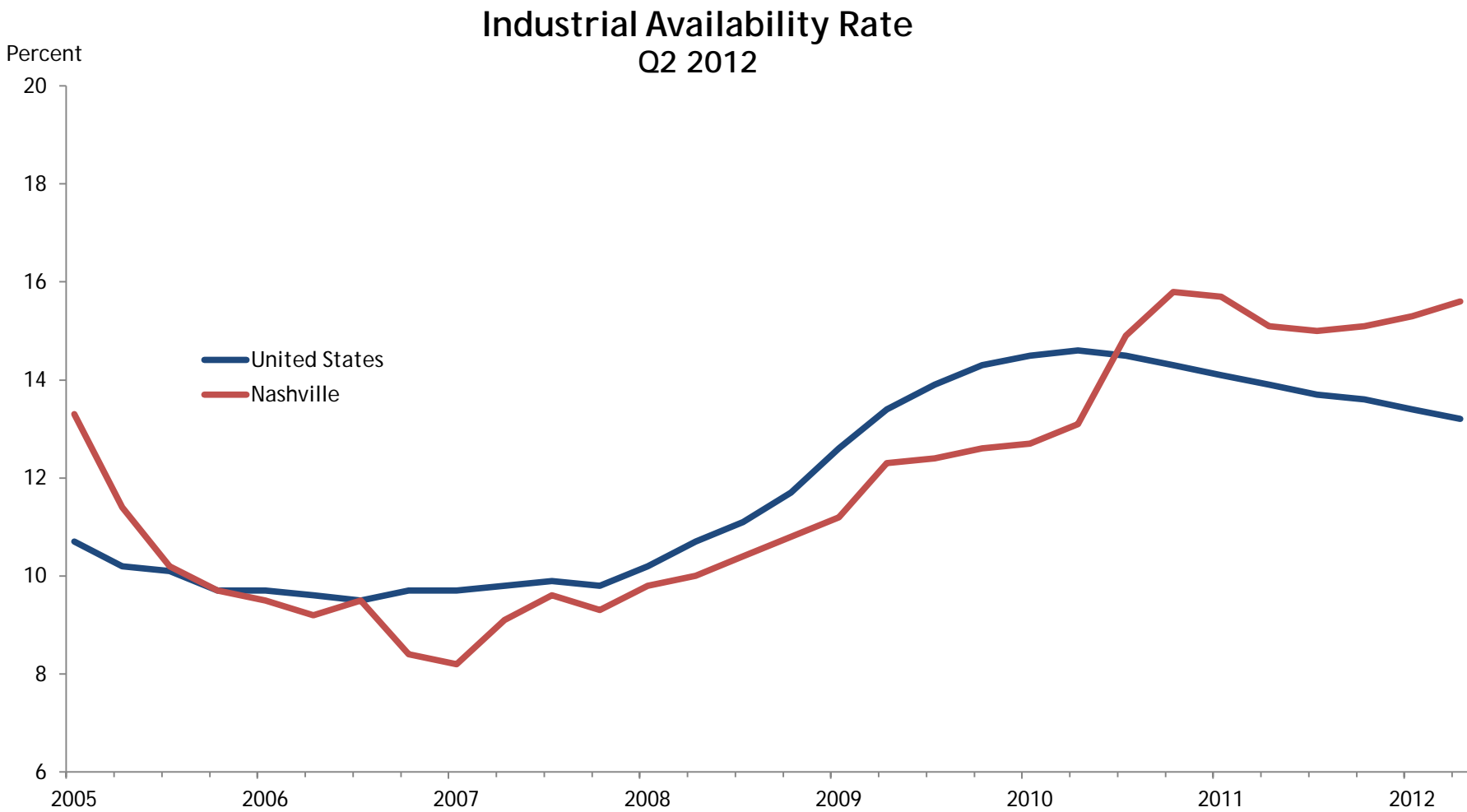
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

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.



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.



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.