



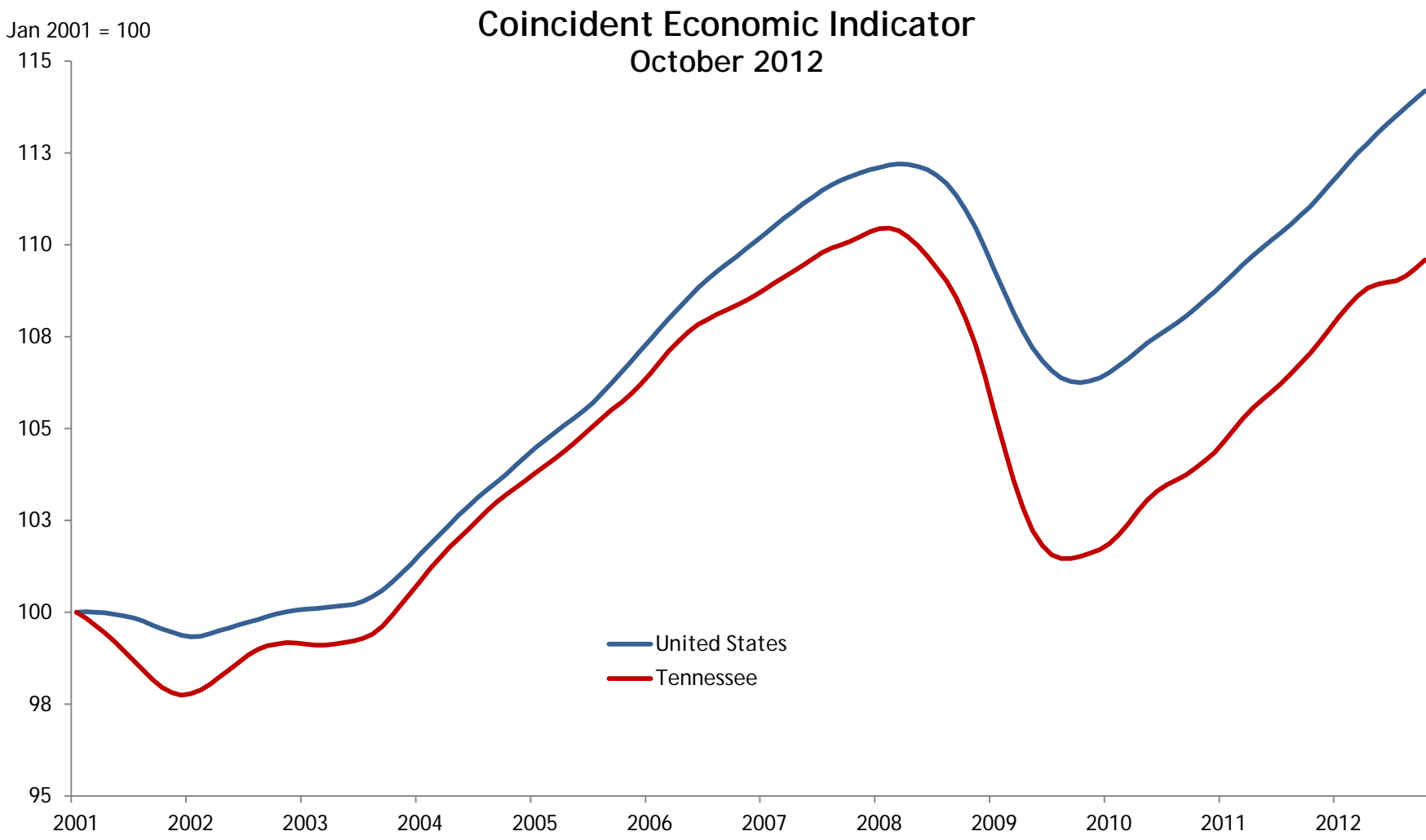
Data Digest: Tennessee

December 2012



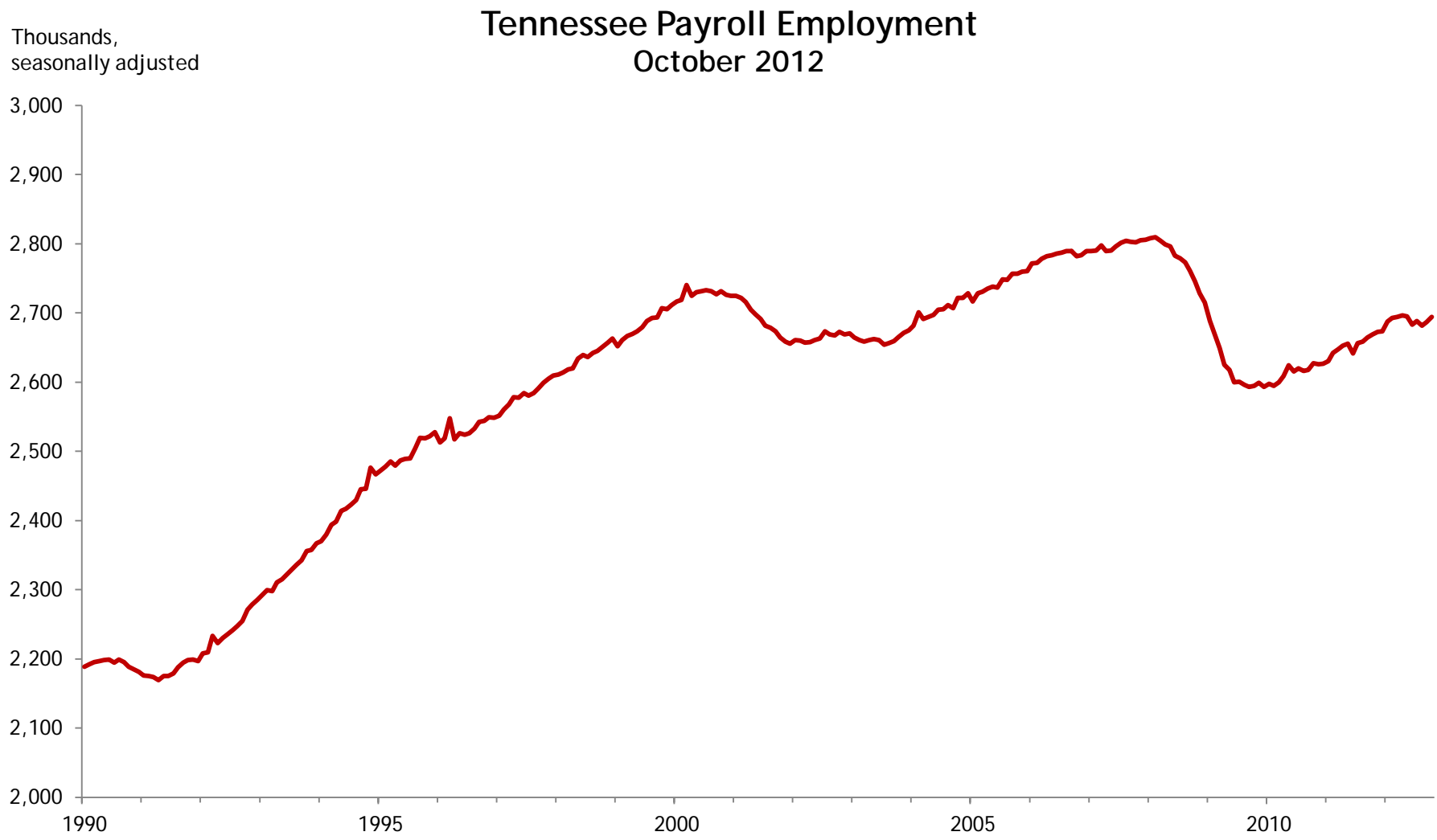
Tennessee's recent economic performance largely mirrors that of the United States.

[About the Coincident Economic Indicator](#)



Source: Federal Reserve Bank of Philadelphia

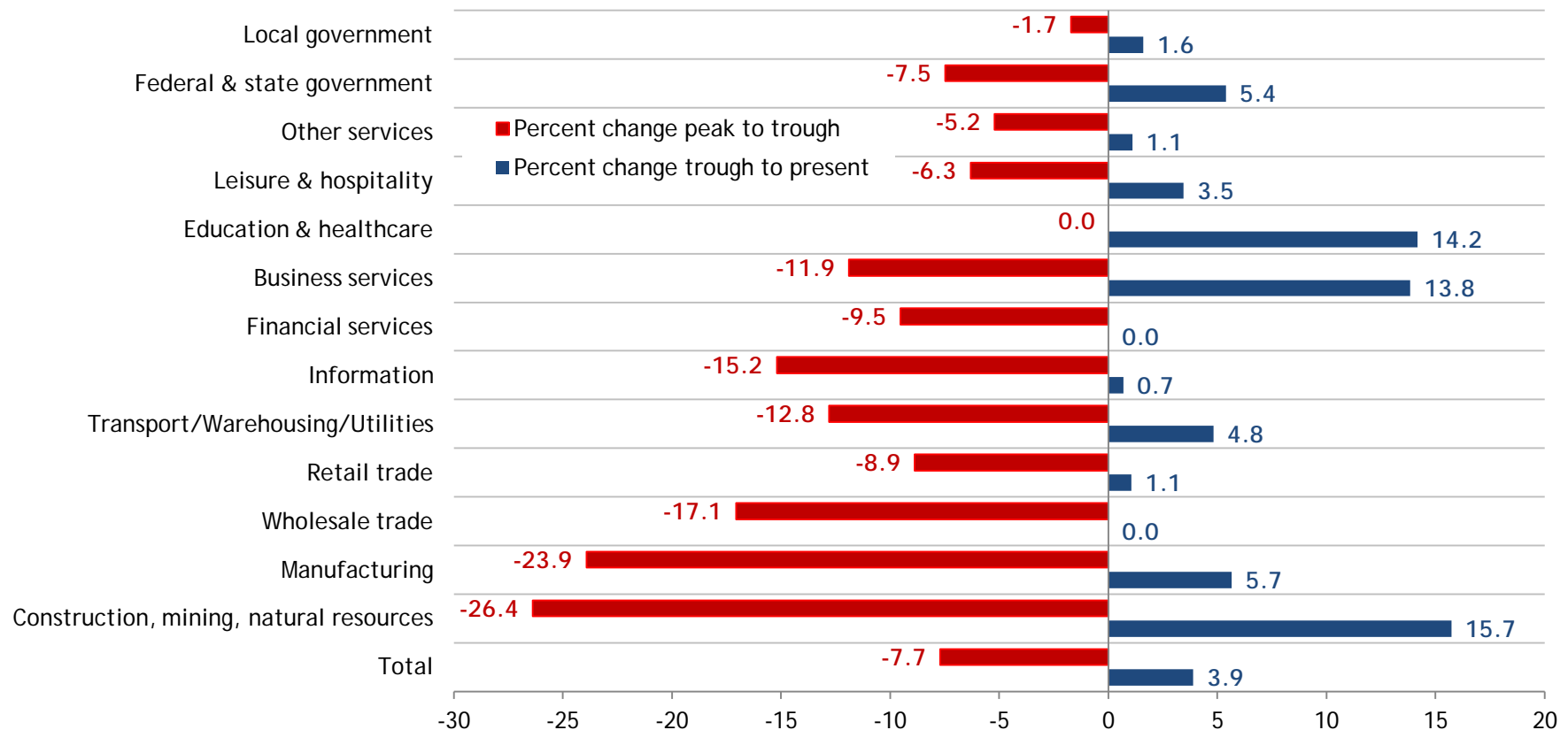
For more than two years, total employment in Tennessee had been on an upward trend, but payroll growth has stalled over the past few months.



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

All industries except education and health care lost jobs during the 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 October 2012

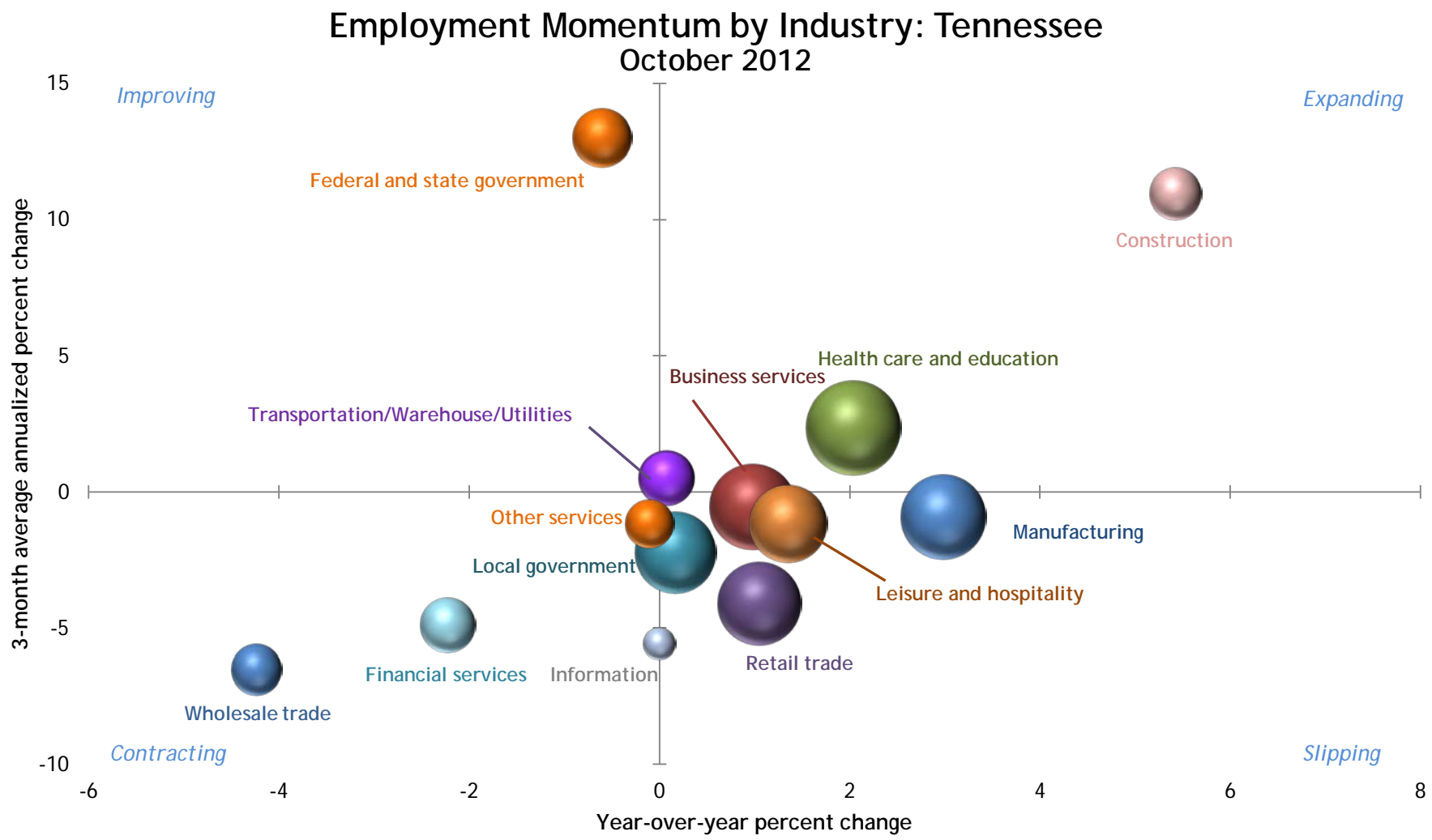


Note: A reading of 0.0 in the "trough to present" measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the "peak to trough" measure indicates that employment continues to increase in these industries; in this instance "trough to present" is the percent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

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

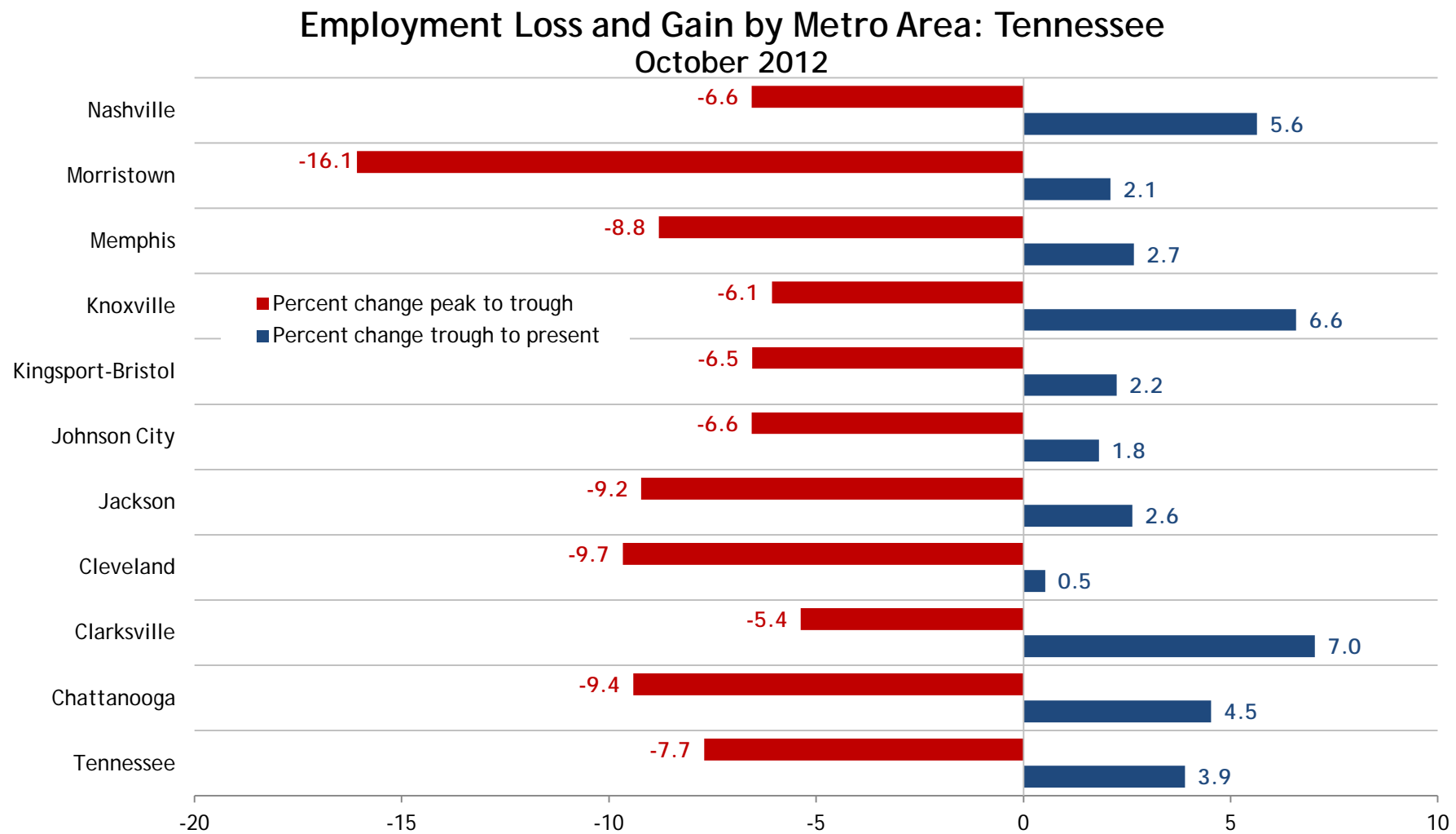
Employment growth in Tennessee has lost some momentum. Health care and education, as well as construction, were the only industries that were firmly in the “expanding” category in October.

[About Employment Momentum](#)



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

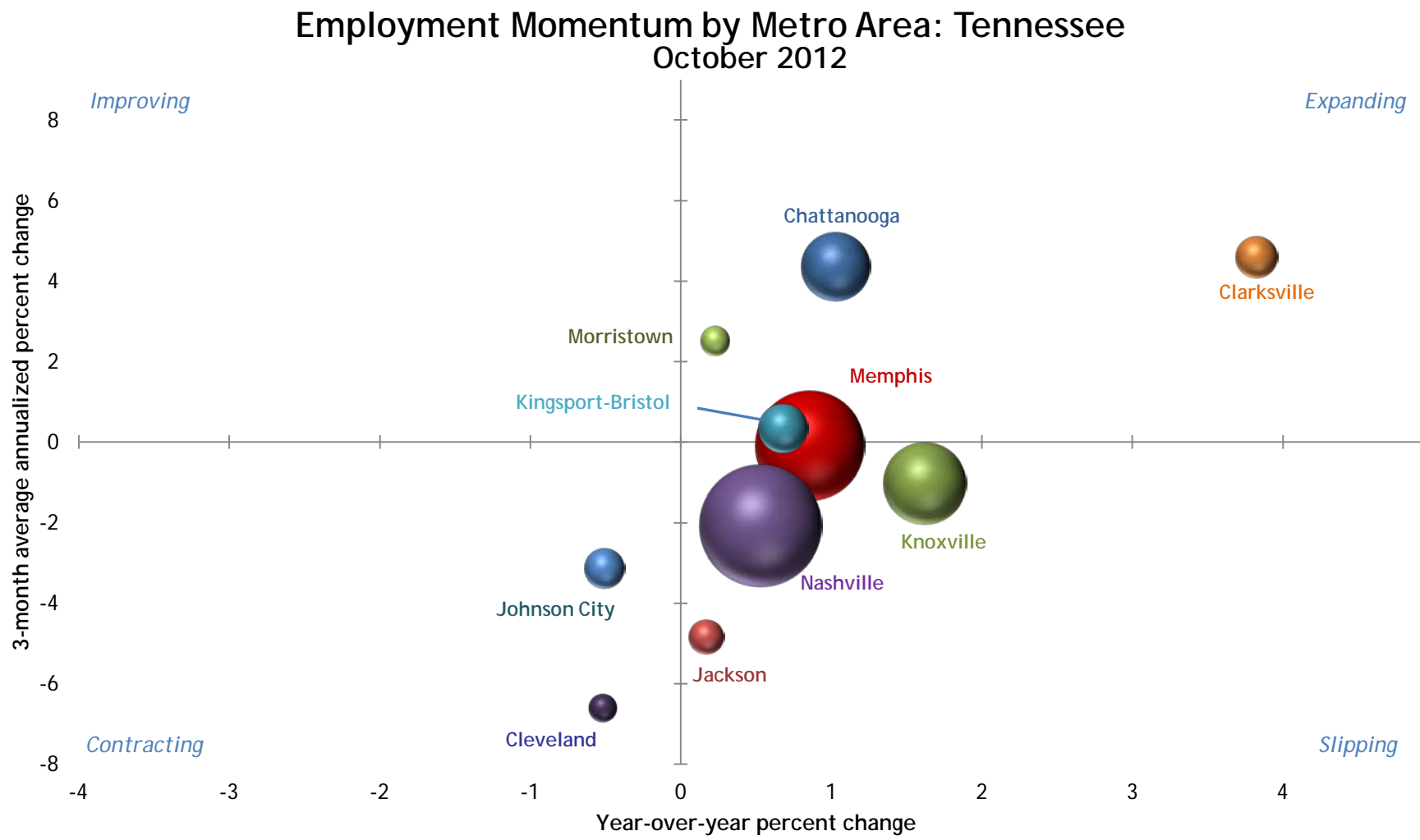
Employment losses in Tennessee metro areas were significant during the downturn. Most metro areas are slowly regaining jobs. Clarksville and Knoxville have regained and slightly exceeded jobs lost while Nashville is inching closer.



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

Employment growth momentum in most metropolitan areas is slipping, but it is expanding firmly in Chattanooga, Clarksville, and Morristown.

[About Employment Momentum](#)

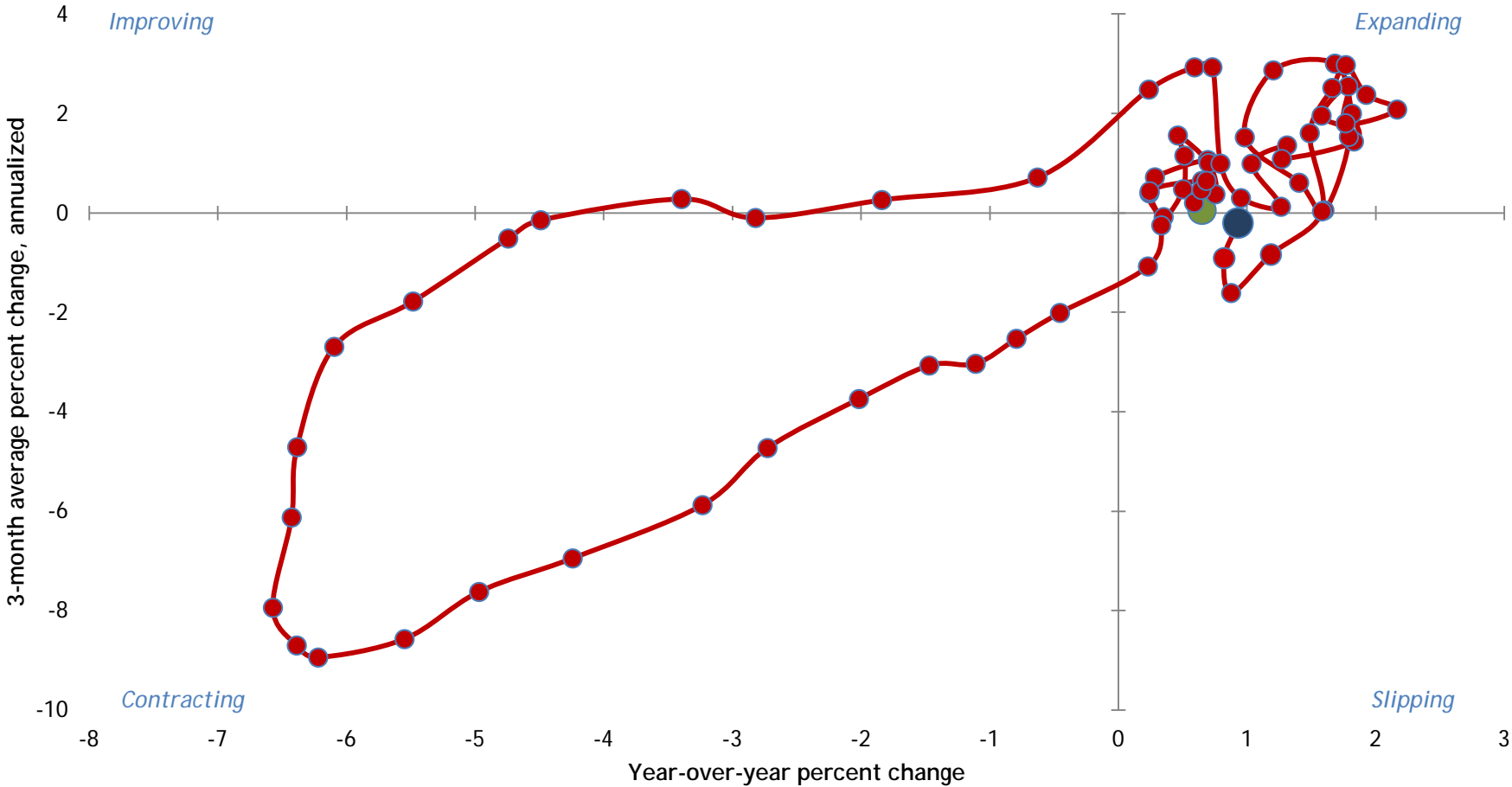


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

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

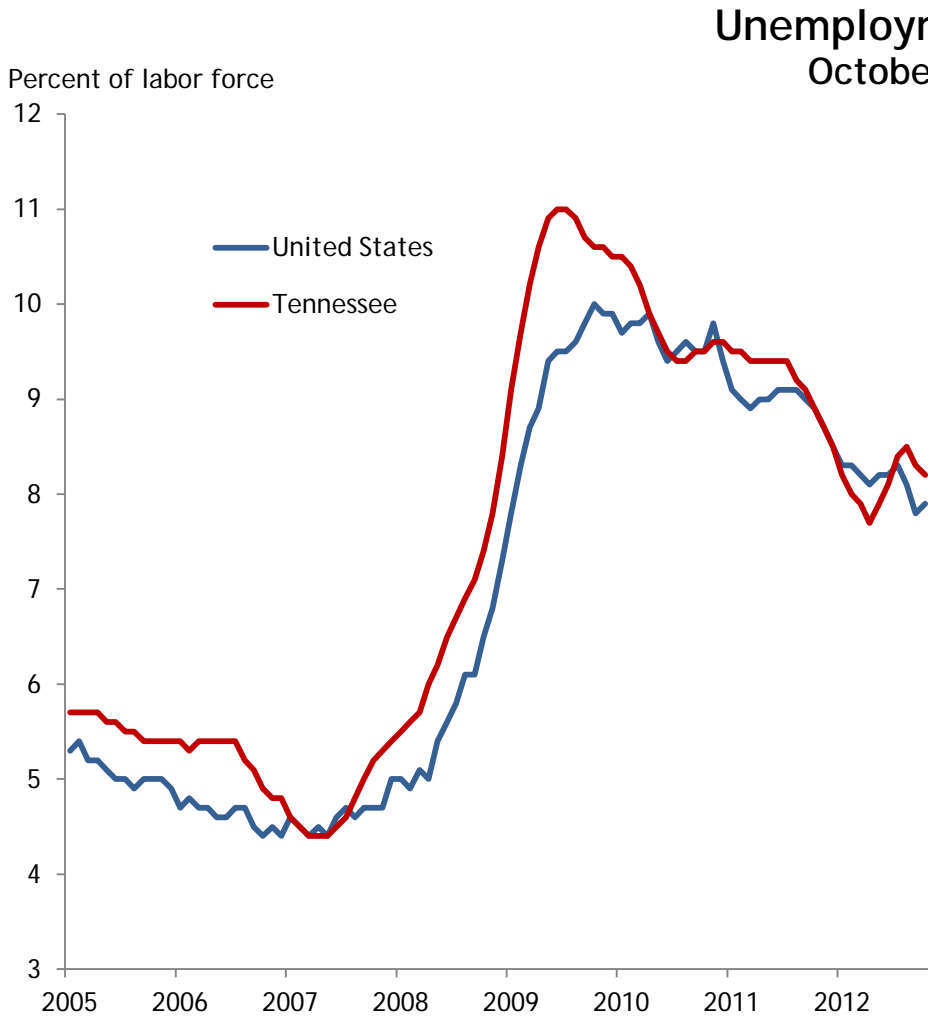
[About Employment Momentum Track](#)

Employment Momentum Track: Tennessee
January 2007-October 2012



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

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



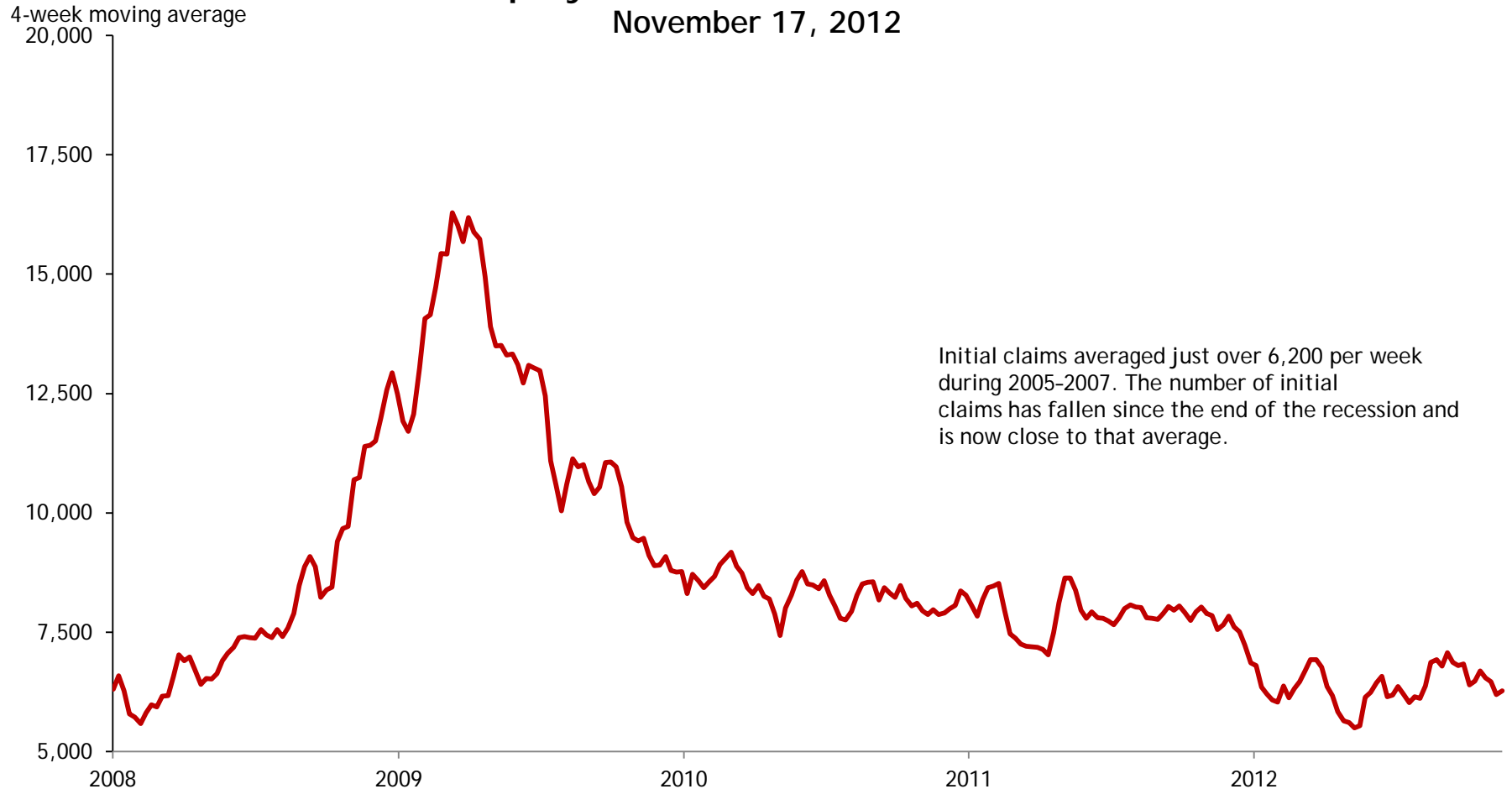
| Unemployment Rates | | | |
|--------------------|---------|----------|----------|
| | Current | Year Ago | Jan 2007 |
| United States | 7.8 | 9.0 | 4.6 |
| Tennessee | 8.3 | 9.1 | 4.6 |
| Chattanooga | 7.1 | 8.3 | 4.4 |
| Clarksville | 8.3 | 9.8 | 5.7 |
| Cleveland | 7.8 | 9.3 | 4.9 |
| Jackson | 7.9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

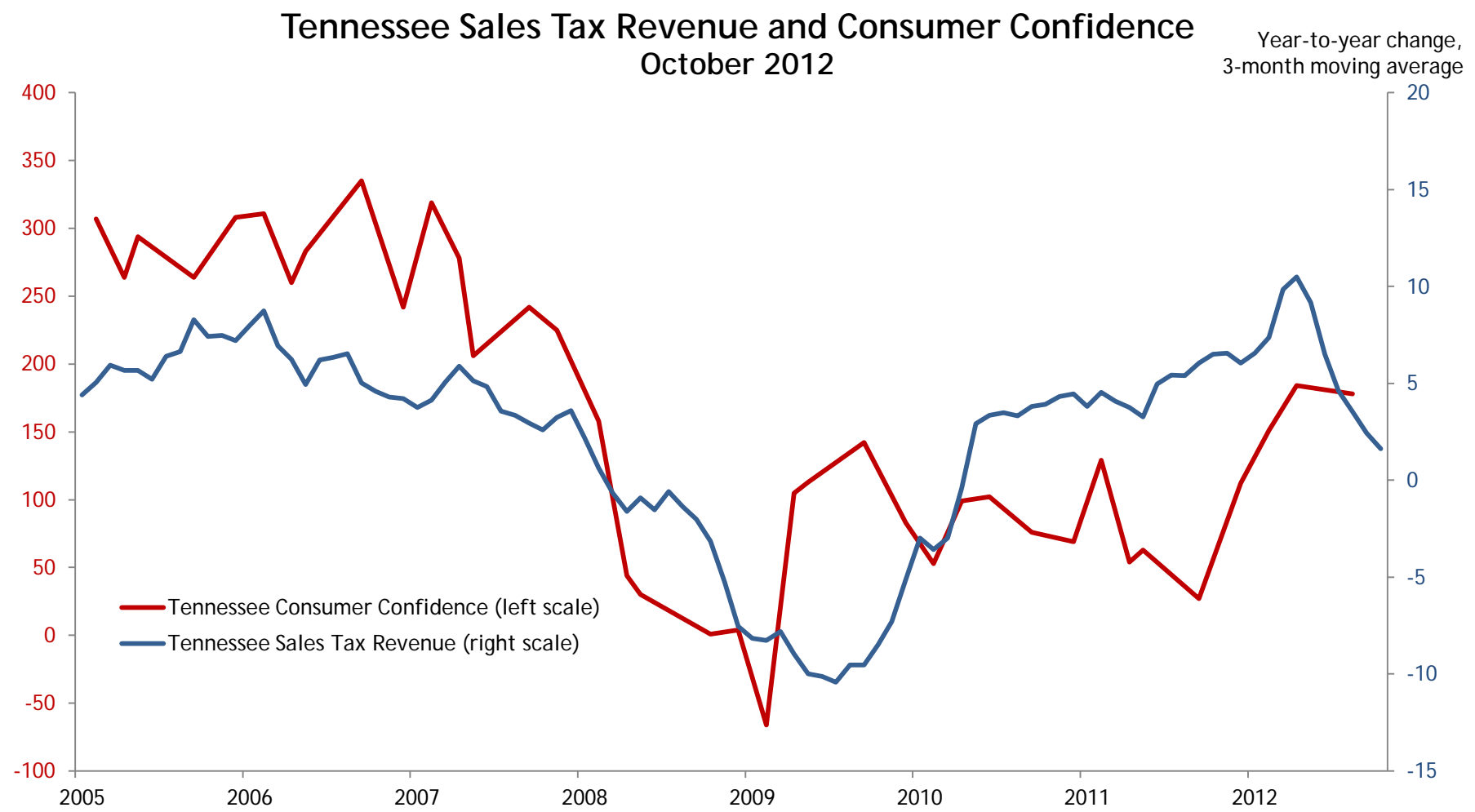
Initial Unemployment Insurance Claims: Tennessee

November 17, 2012



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

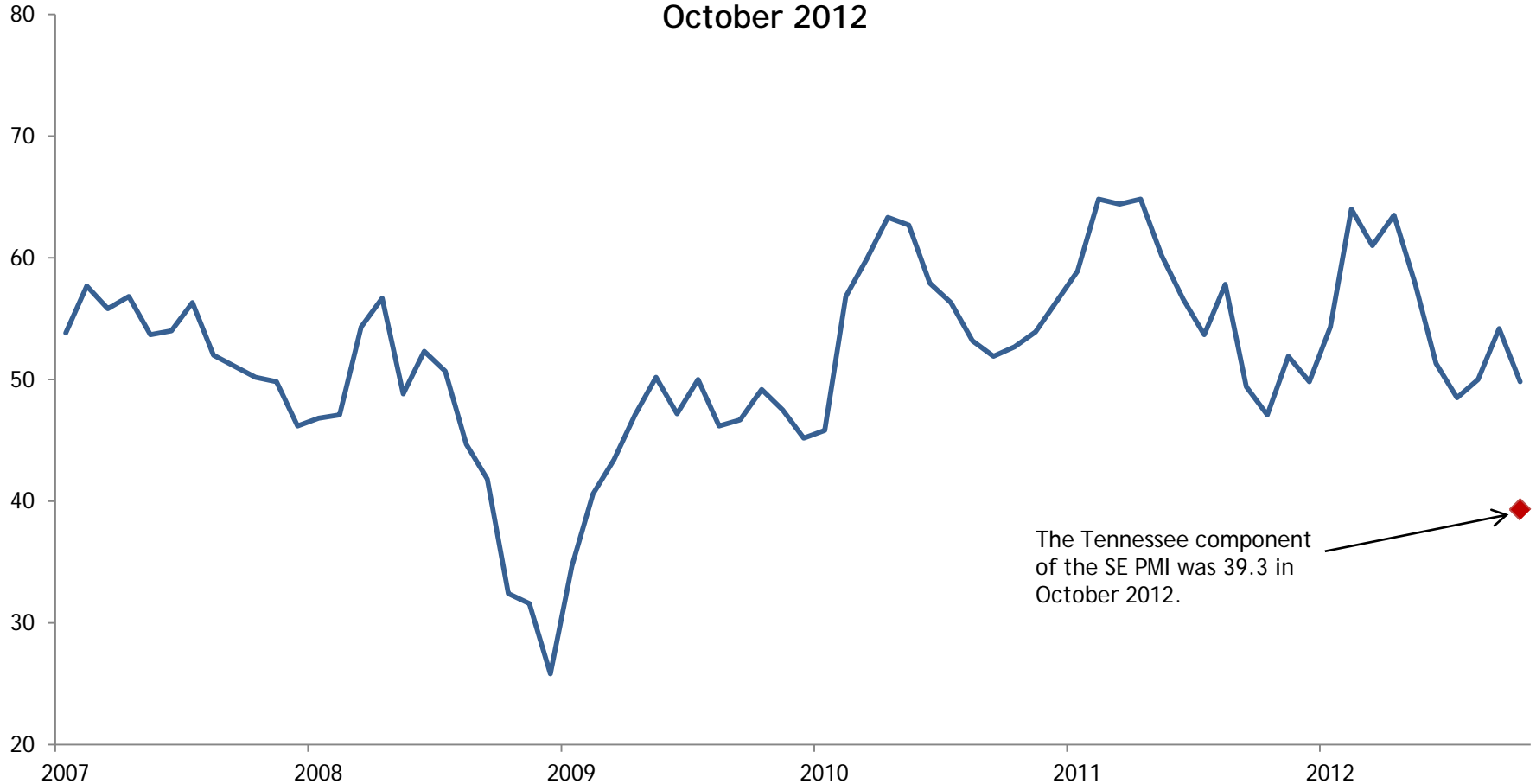
Growth of sales tax revenue in Tennessee has decelerated over the past few months.



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

Regional manufacturing activity declined in October, according to the Southeast Purchasing Managers Index produced by Kennesaw State University. In Tennessee manufacturing activity also declined.

Southeast Purchasing Managers Index October 2012

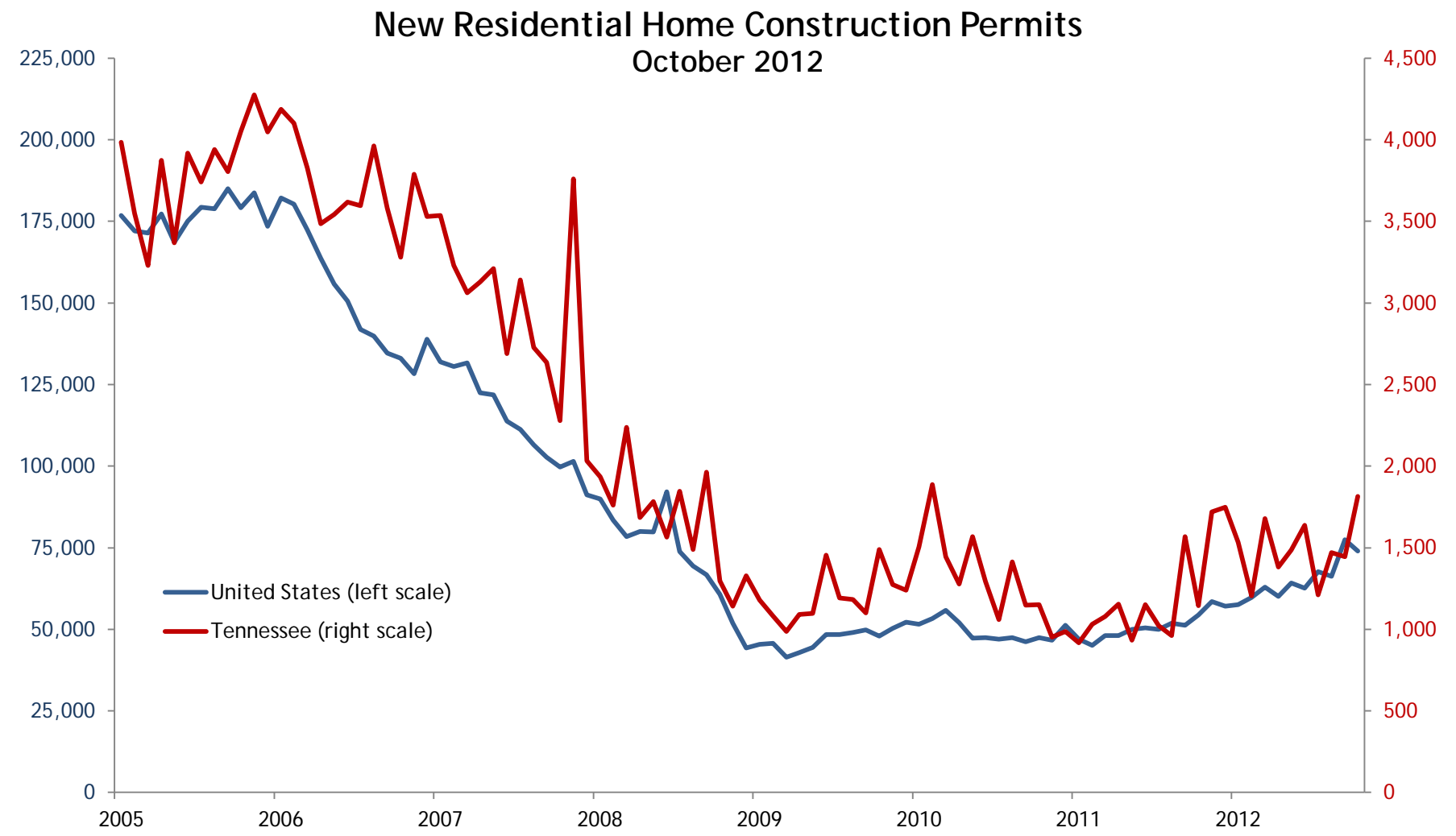


The Tennessee component of the SE PMI was 39.3 in October 2012.

Note: 50+ = Expansion

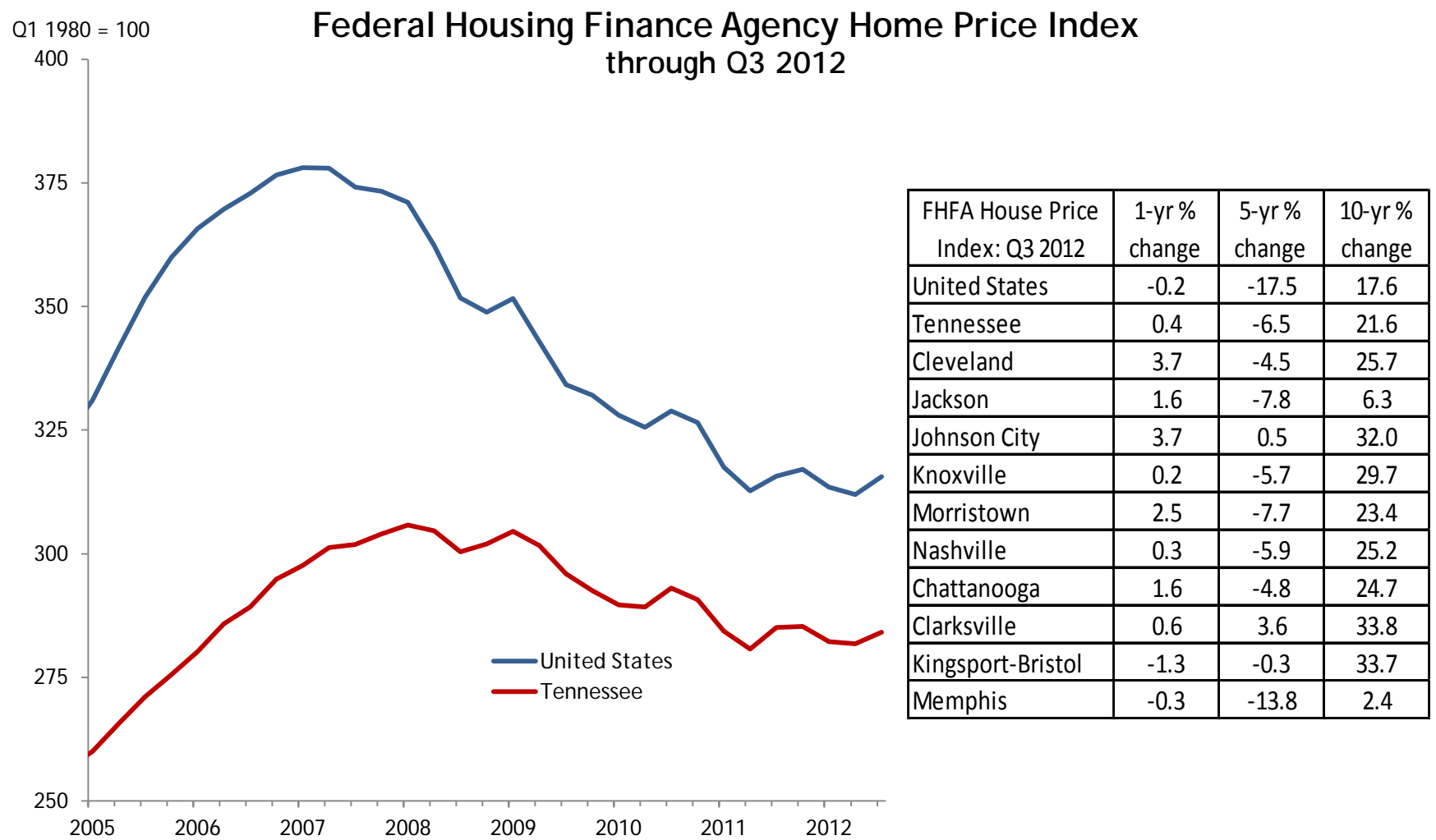
Source: Kennesaw State University, Coles College of Business Econometric Center

New home construction permits for the United States and Tennessee remain at historically low levels, although in 2012 they have trended higher on a national level and ticked up recently in Tennessee.



Source: U.S. Bureau of the Census, Haver Analytics

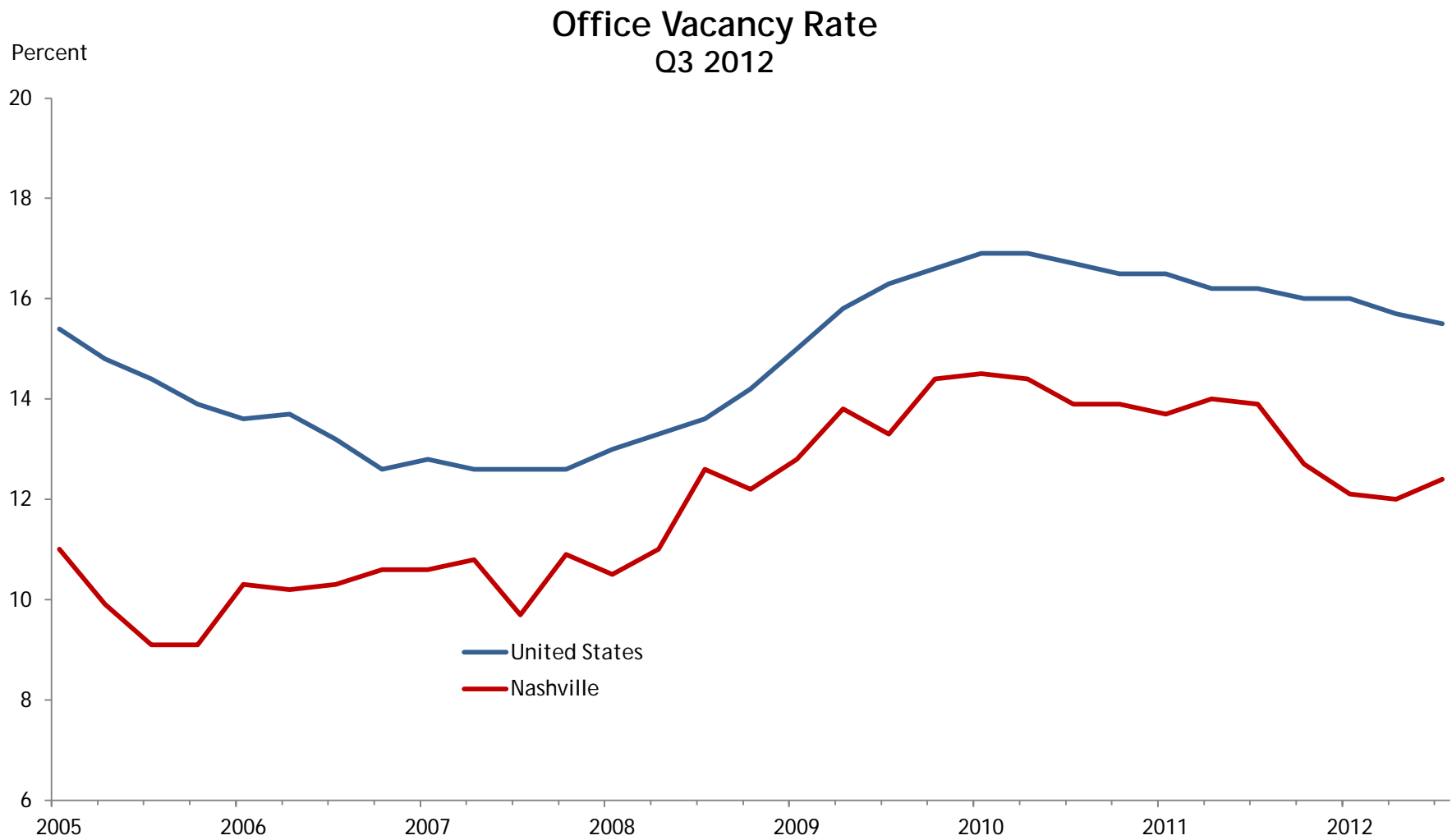
Home prices in Tennessee declined at a slower pace than in the United States as a whole. Prices rose slightly in the third quarter and were just above year-ago levels.



Source: Federal Housing Finance Agency, Haver Analytics

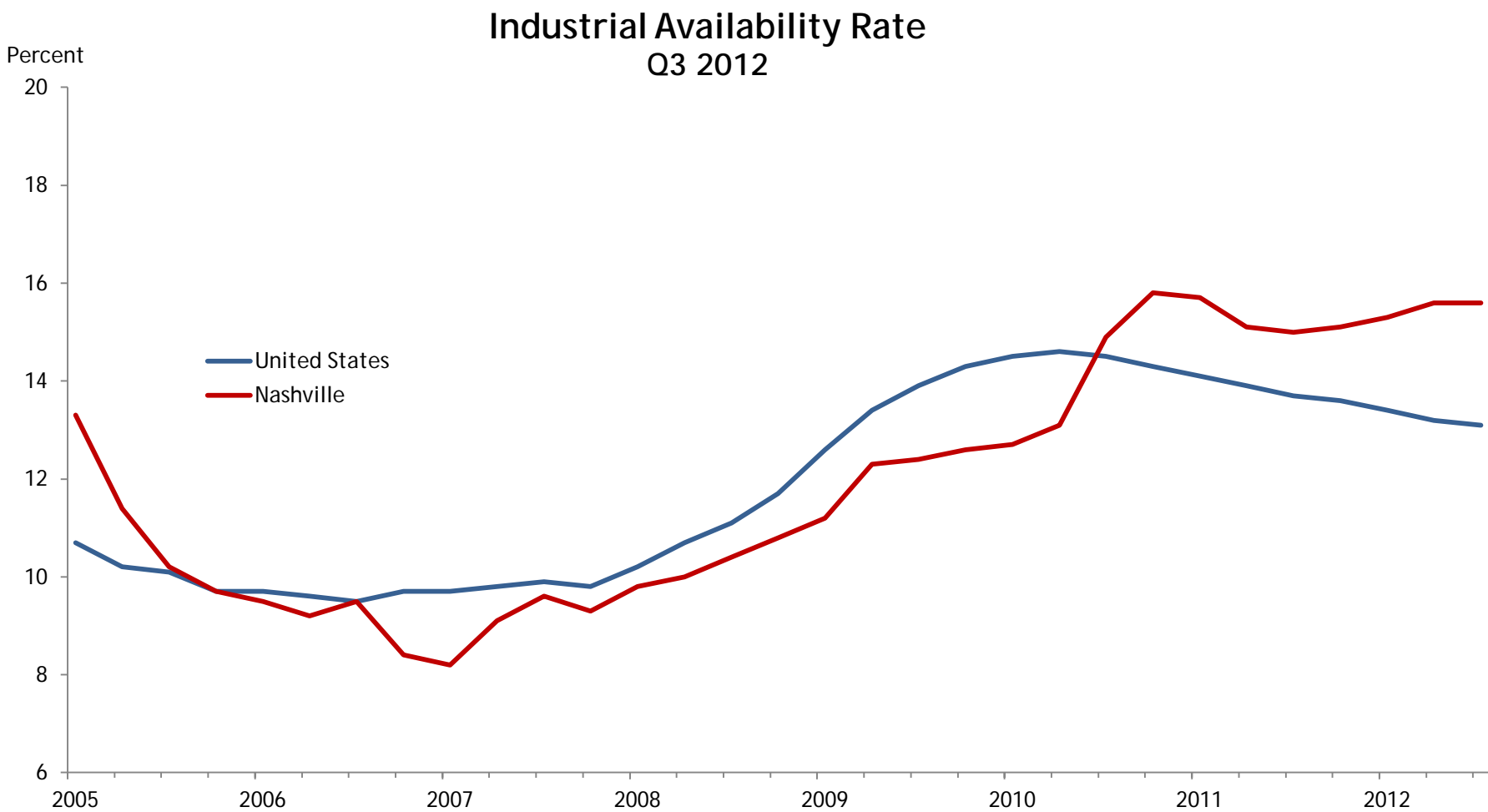
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

Nationally, office vacancy rates rose throughout the recession but now appear to have stabilized at higher levels. Office vacancy rates in Nashville had come down notably over the past few quarters, but ticked up in the third quarter.



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate leveled off in the third 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.