



Data Digest: Tennessee

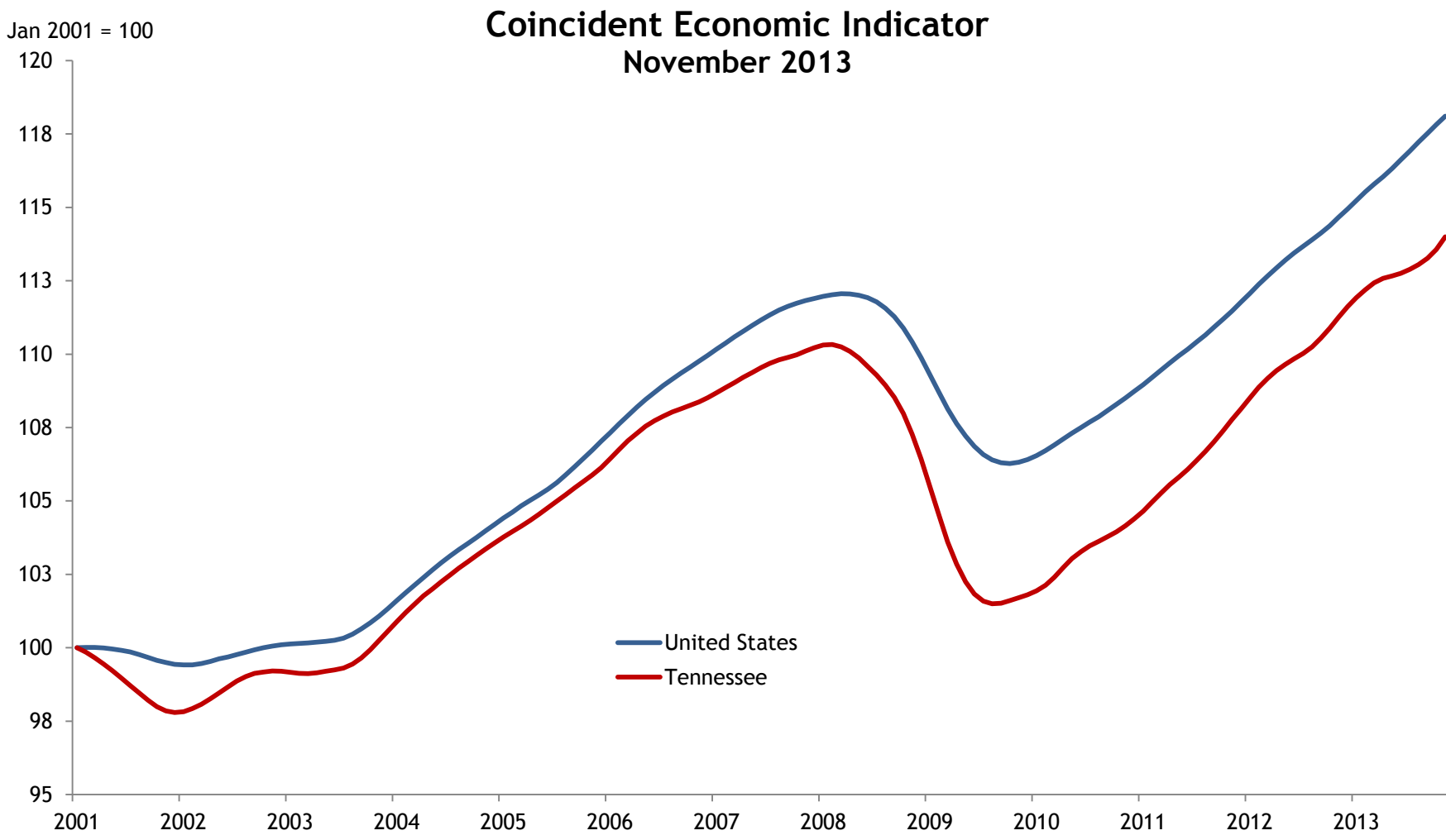
January 2014



**FEDERAL
RESERVE
BANK**
of ATLANTA

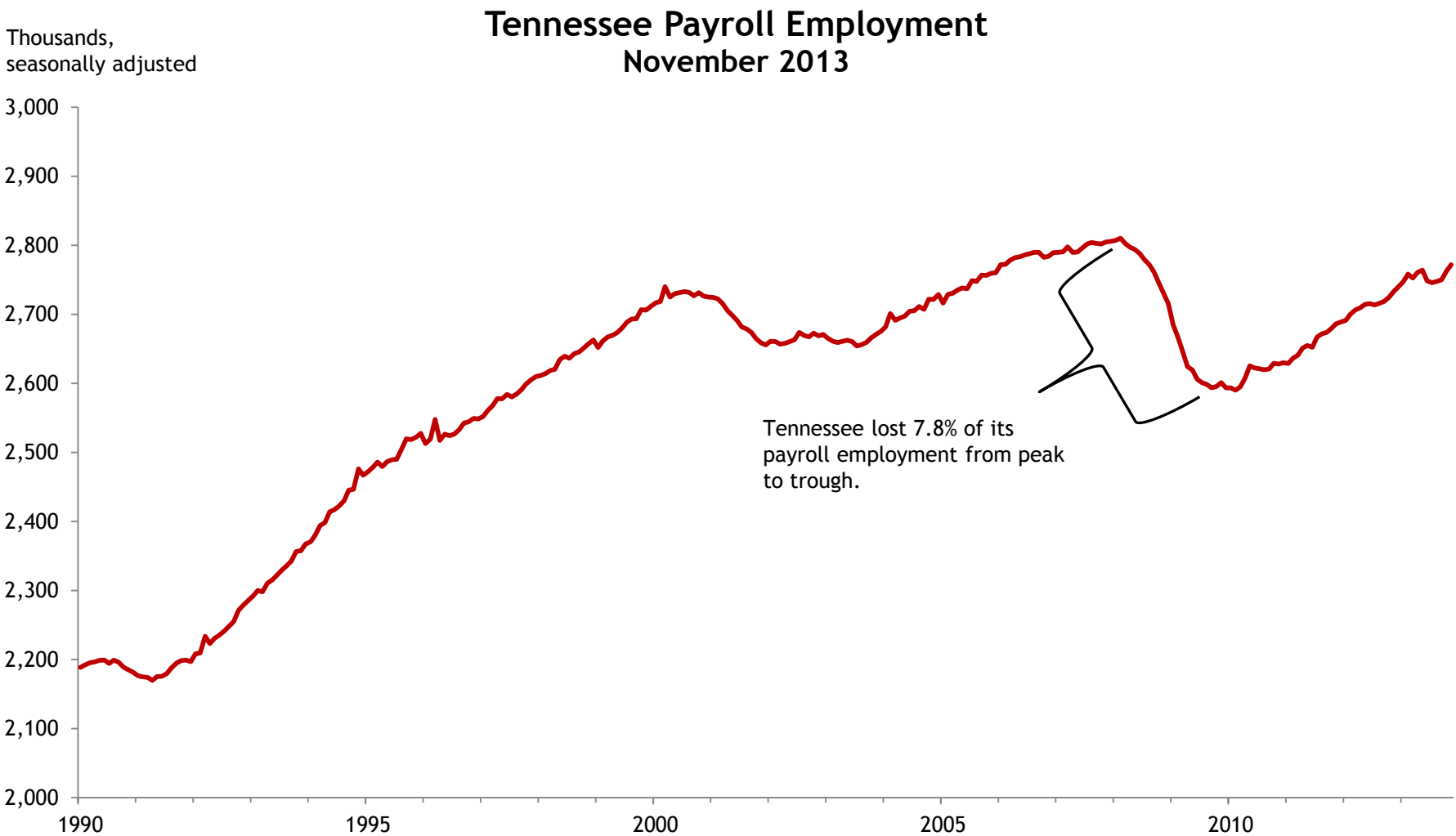
Tennessee's economic performance largely mirrors that of the United States.

[About the Coincident Economic Indicator](#)



Source: Federal Reserve Bank of Philadelphia

For about three years, total employment in Tennessee had been on an upward trend. Payrolls leveled off during the summer but ticked up slightly in October and November.

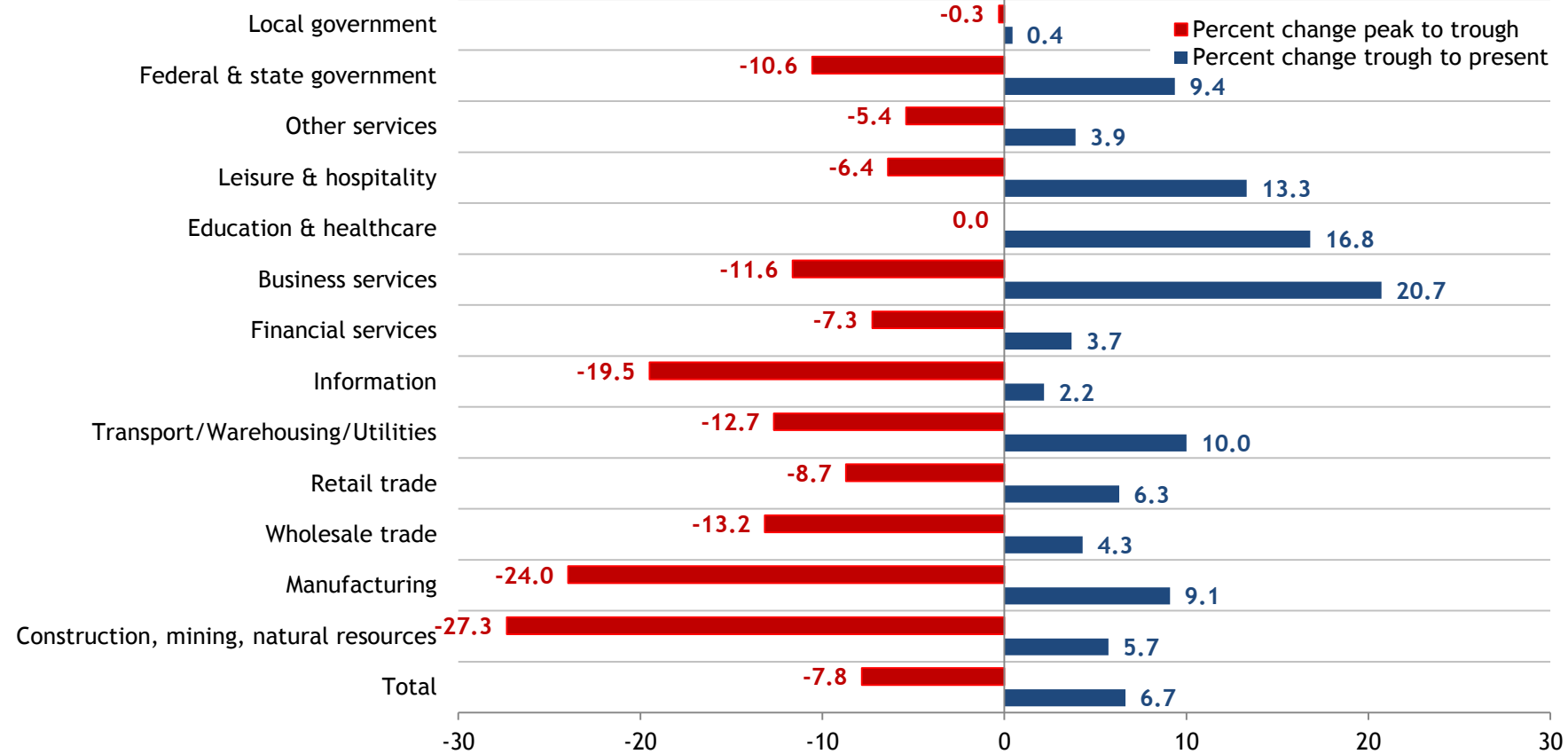


Tennessee lost 7.8% of its payroll employment from peak to trough.

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

Most major industries lost some jobs during the downturn; manufacturing and construction, mining, and natural resources saw significant declines. All major industries have added jobs during the recovery.

Employment Loss and Gain by Industry: Tennessee November 2013



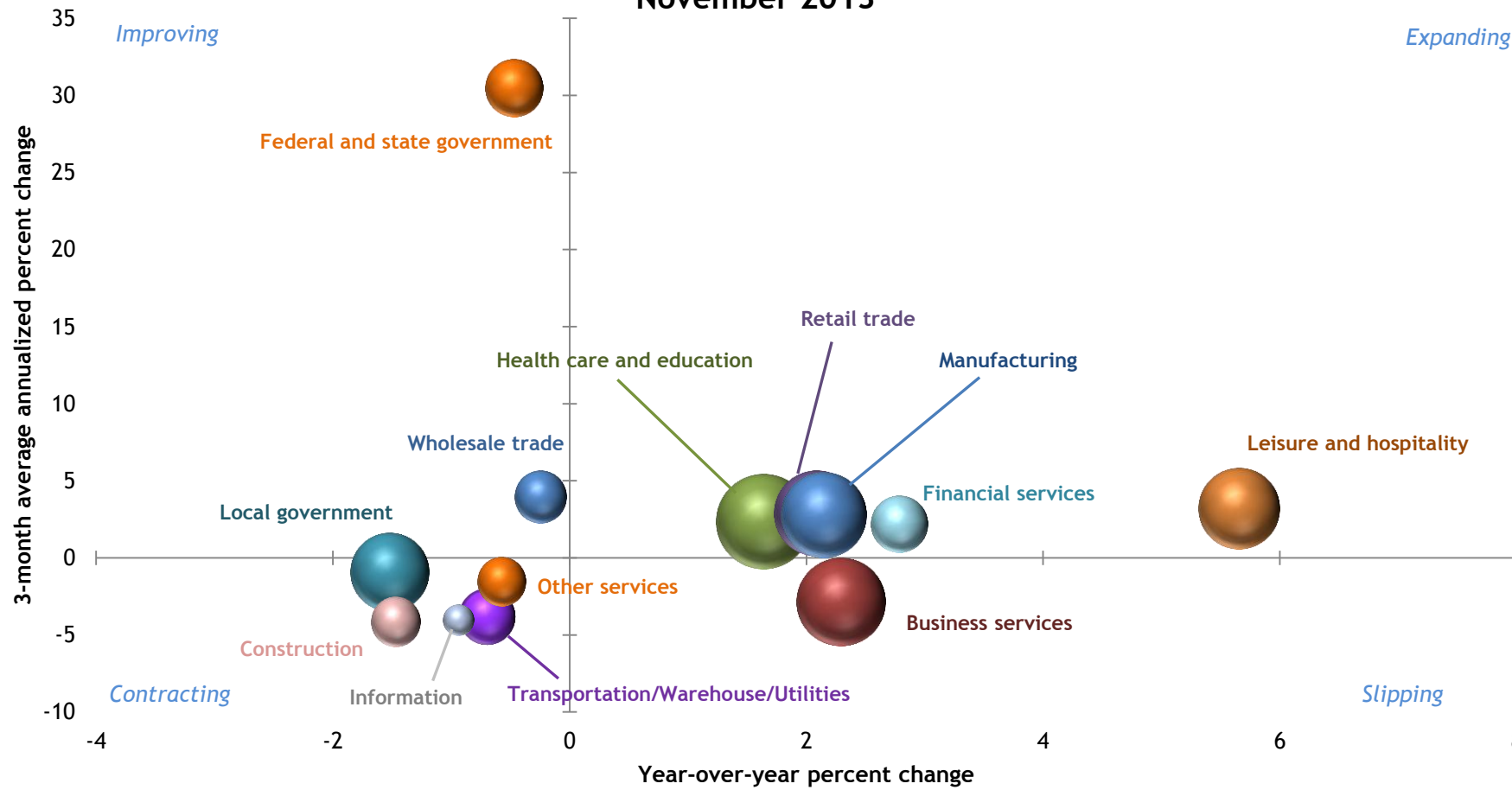
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries; in this instance “trough to present” is the percent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

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

Employment growth momentum has lost steam during recent months. Only two major industries were firmly in the expanding category during November.

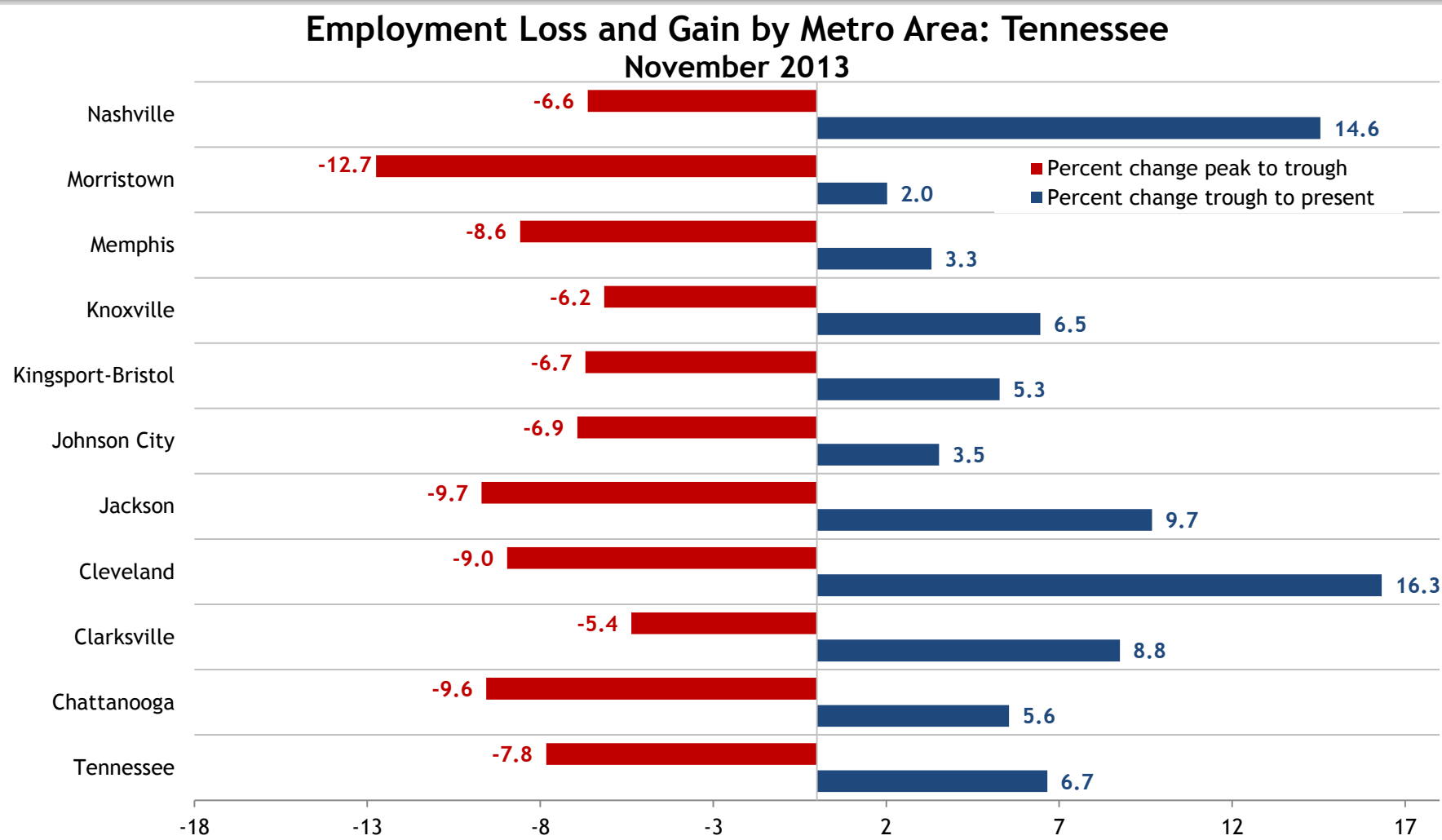
[About Employment Momentum](#)

Employment Momentum by Industry: Tennessee November 2013



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

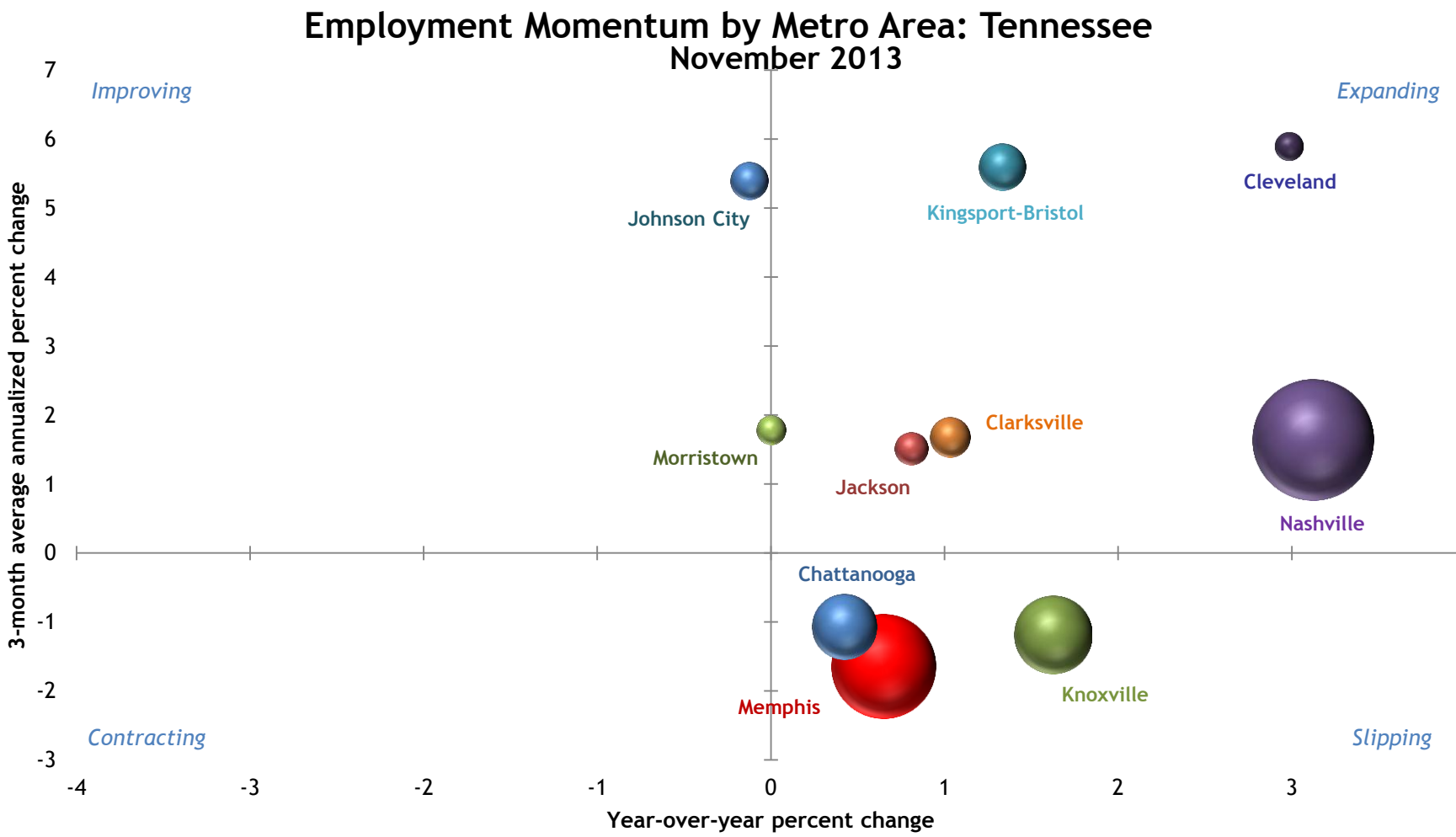
Employment losses in Tennessee metro areas were significant during the downturn. All major cities have regained some jobs, and Nashville, Cleveland, and Clarksville have regained all jobs lost.



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

In several metropolitan areas, employment momentum was expanding in November, but Chattanooga, Knoxville, and Memphis slipped.

[About Employment Momentum](#)

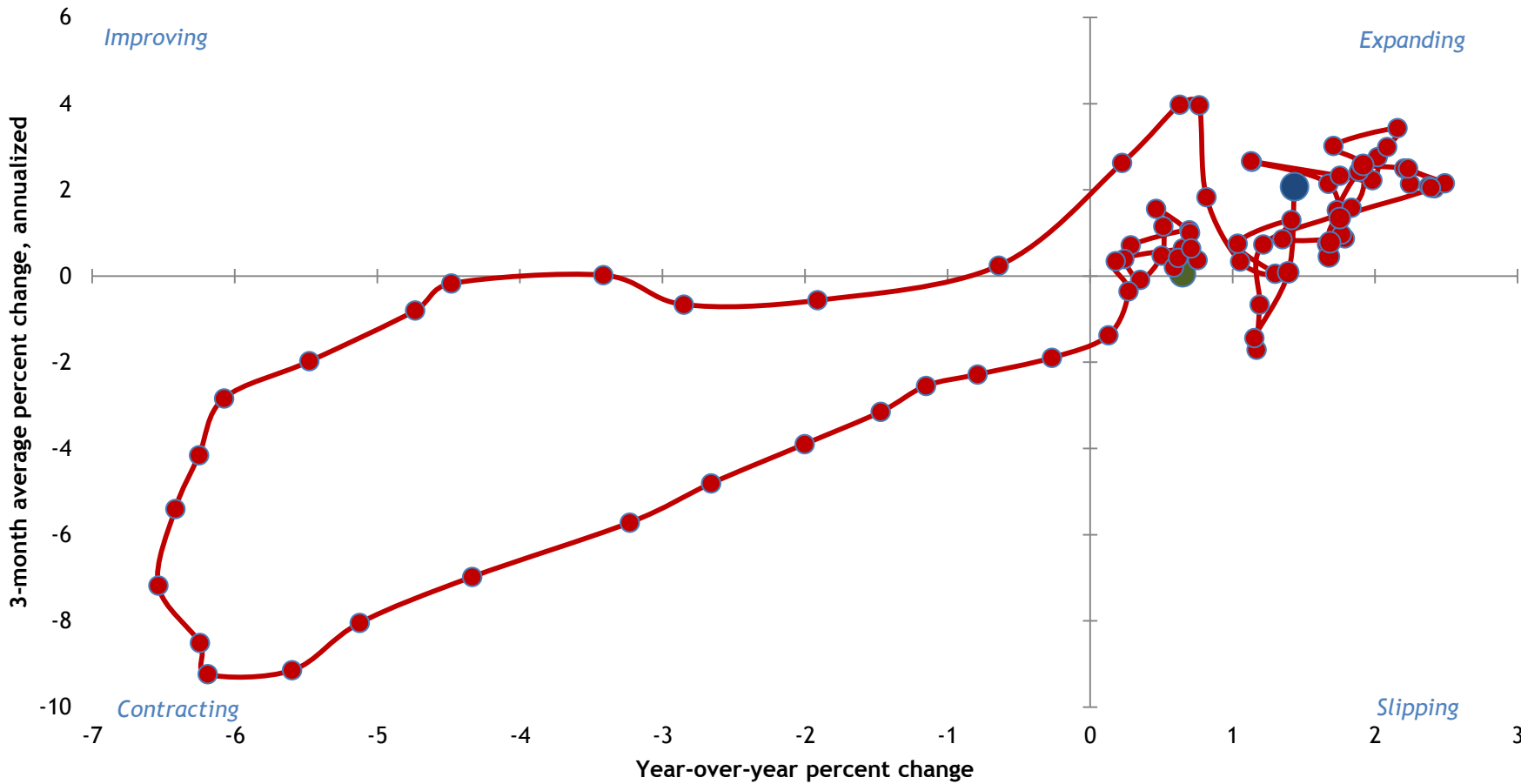


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

For the state as a whole, employment momentum gained some traction in October and November after three consecutive months of slippage.

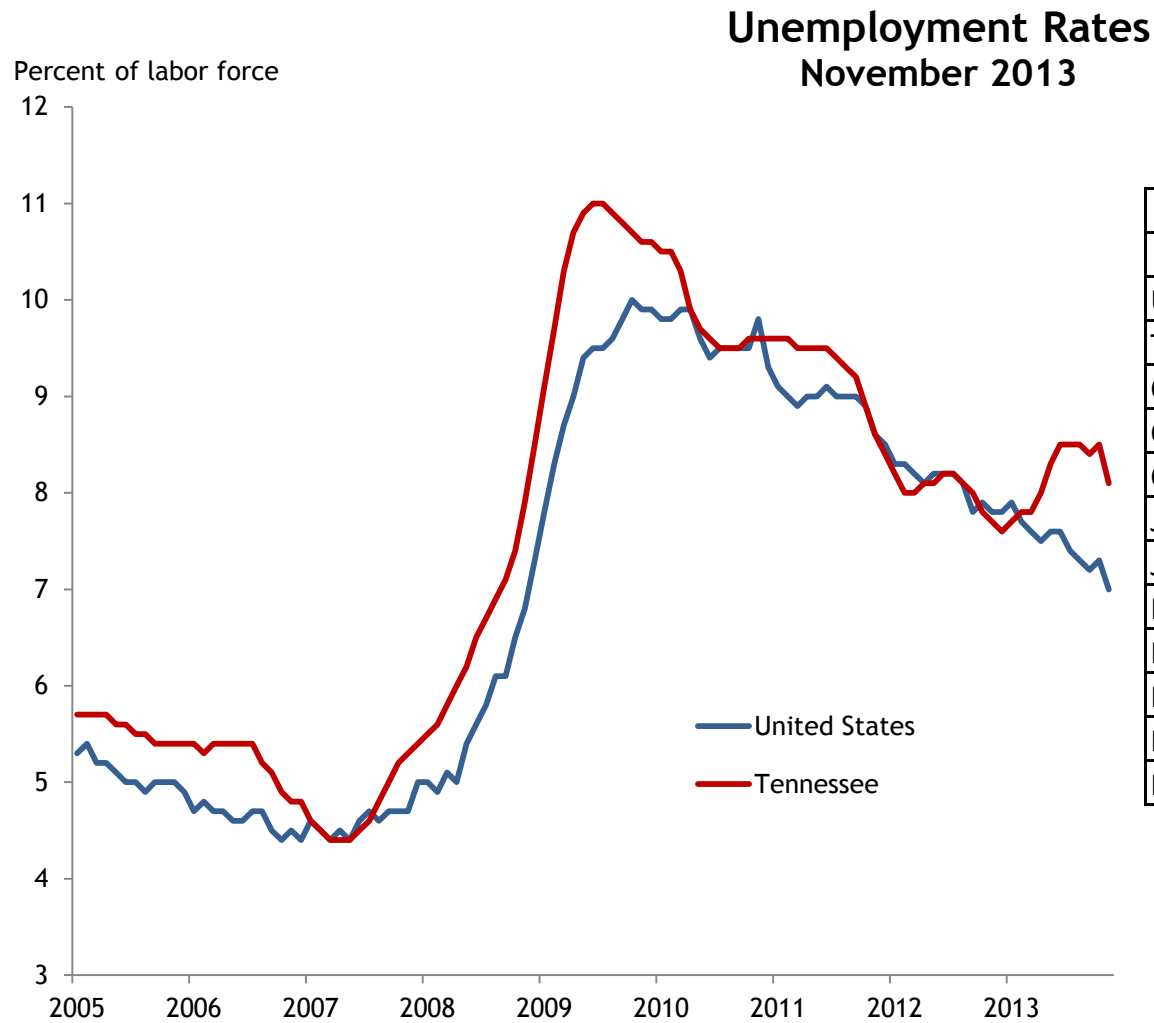
[About Employment Momentum Track](#)

Employment Momentum Track: Tennessee January 2007–November 2013



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

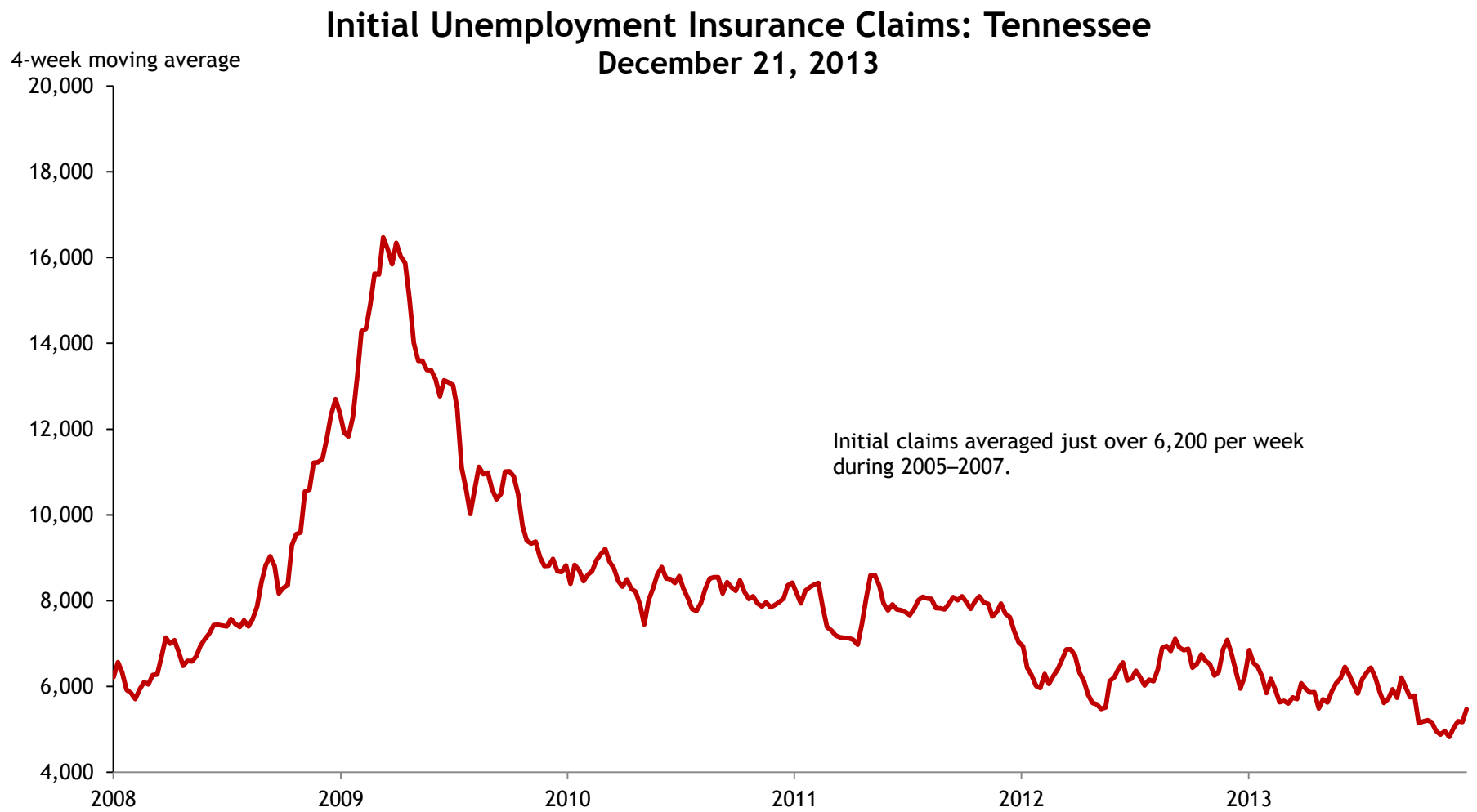
The unemployment rate for Tennessee inched up in the first half of 2013 and flattened out during the summer months. In November, the state's unemployment rate dropped, but it stayed above the national rate for the 10th consecutive month.



Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	7.0	7.8	4.6
Tennessee	8.1	7.7	4.6
Chattanooga	6.8	6.7	4.4
Clarksville	8.1	7.7	5.7
Cleveland	6.7	6.8	4.9
Jackson	7.7	7.5	5.6
Johnson City	6.8	6.5	4.8
Kingsport-Bristol	6.5	6.5	4.8
Knoxville	6.1	5.8	4.1
Memphis	8.8	8.1	5.8
Morristown	8.5	8.7	6.1
Nashville	5.7	5.7	4.2

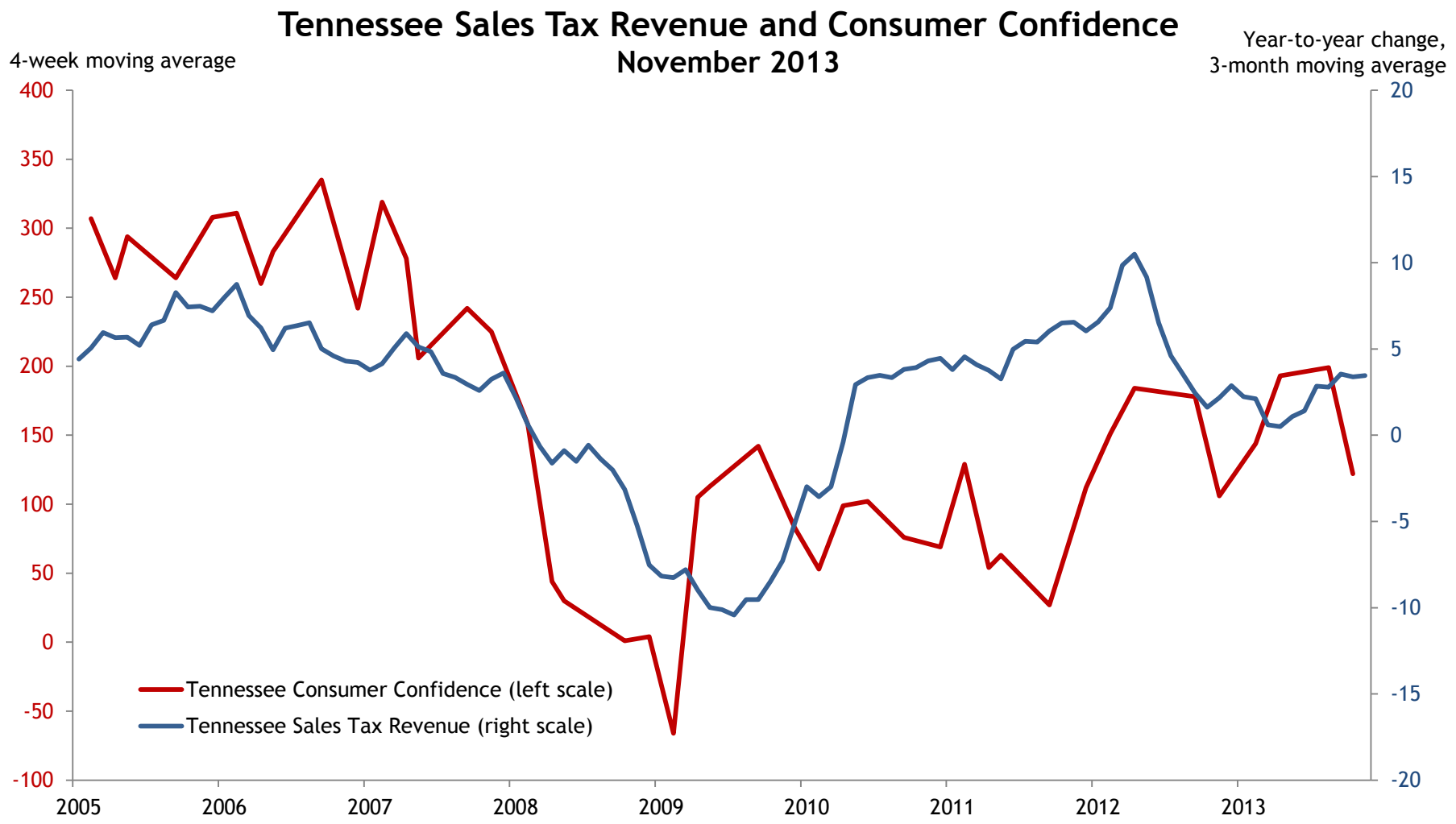
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial unemployment insurance claims are now below prerecession levels.



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

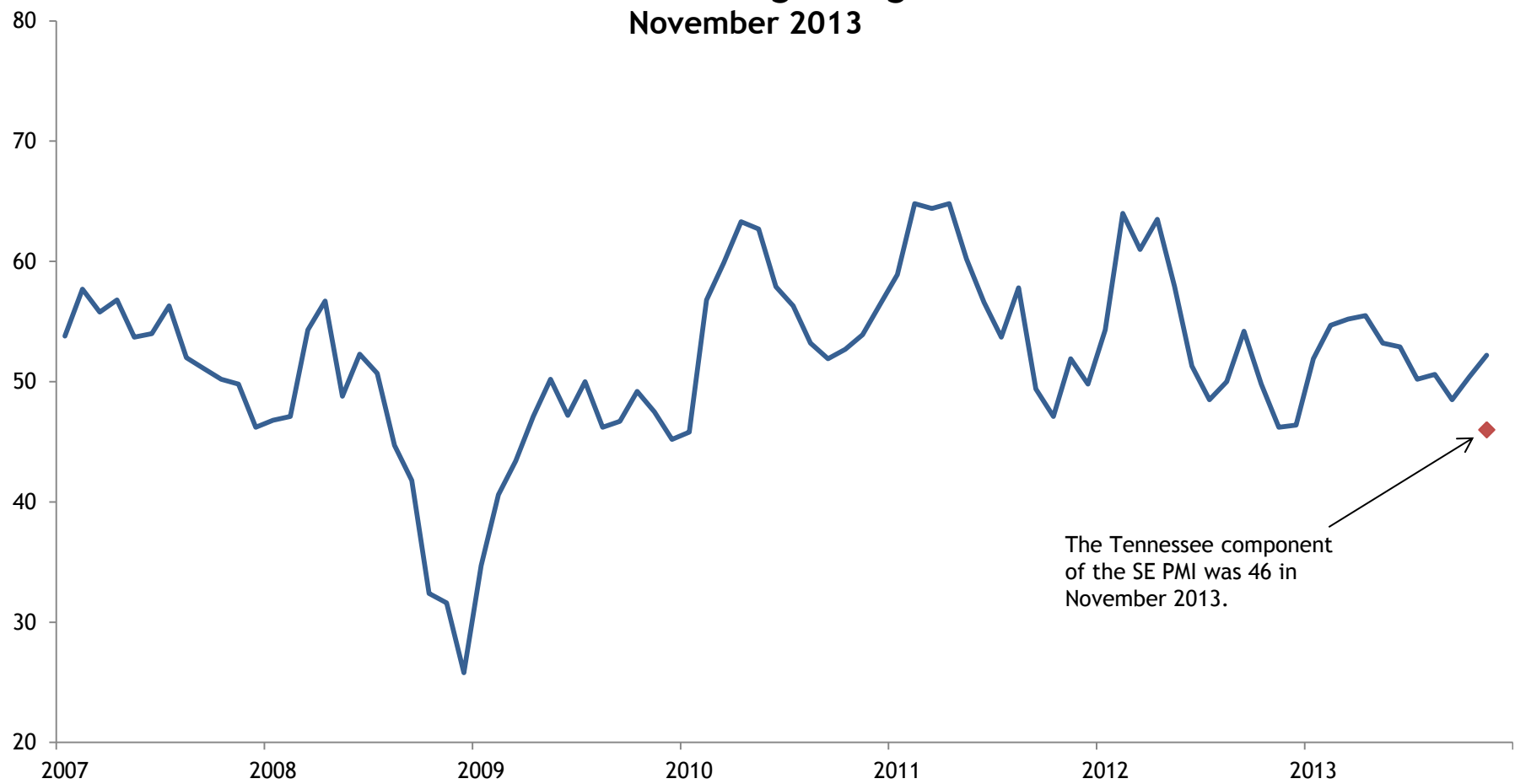
Growth of sales tax revenue in Tennessee has slowly crept up since April 2013, but is still lower than the 2011–2012 average.



Note: Consumer Confidence data are through October 2013
Source: Middle Tennessee State University, Tennessee Department of Revenue

Regional manufacturing activity expanded in November while activity contracted in Tennessee.

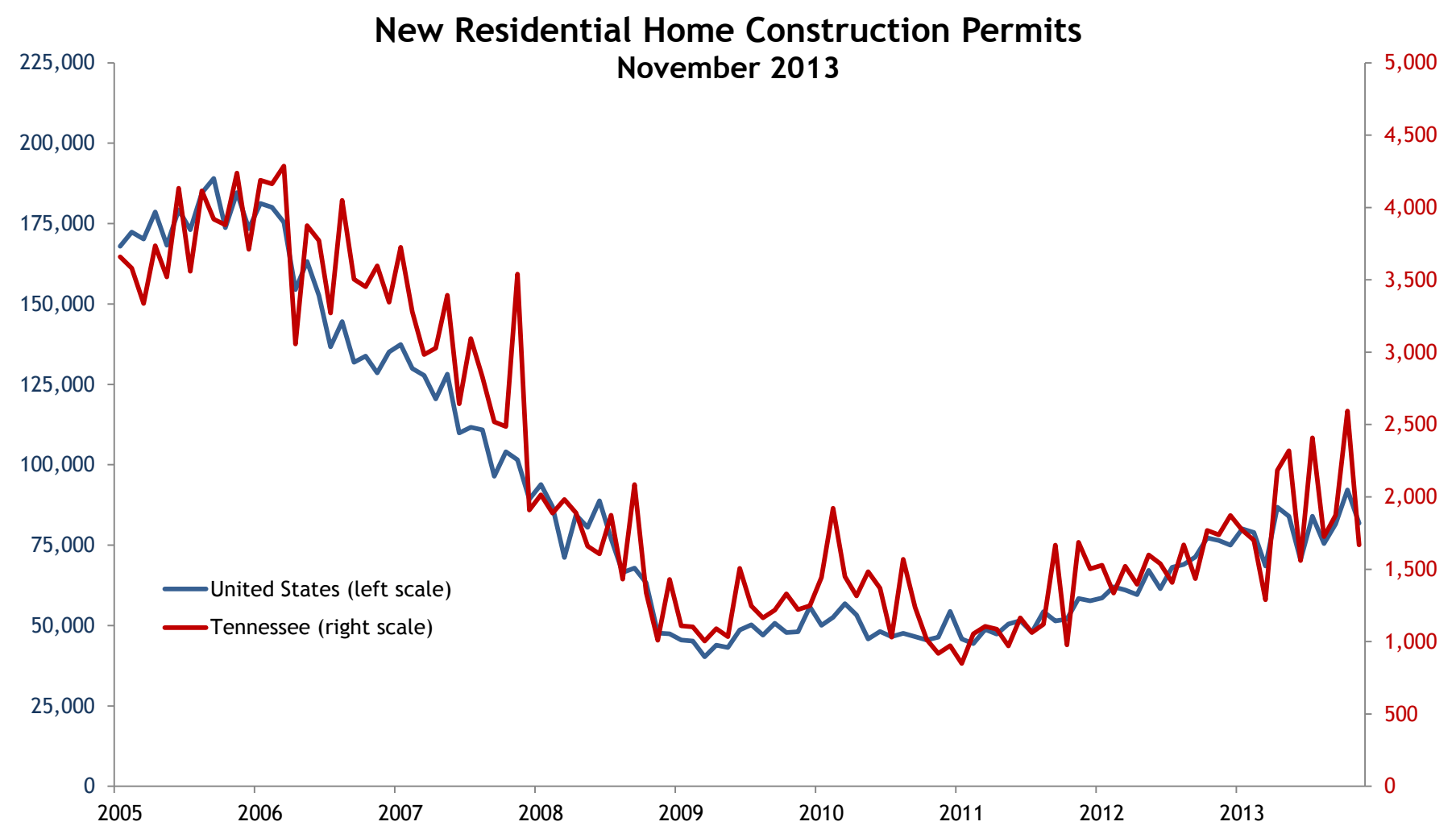
Southeast Purchasing Managers Index
November 2013



The Tennessee component of the SE PMI was 46 in November 2013.

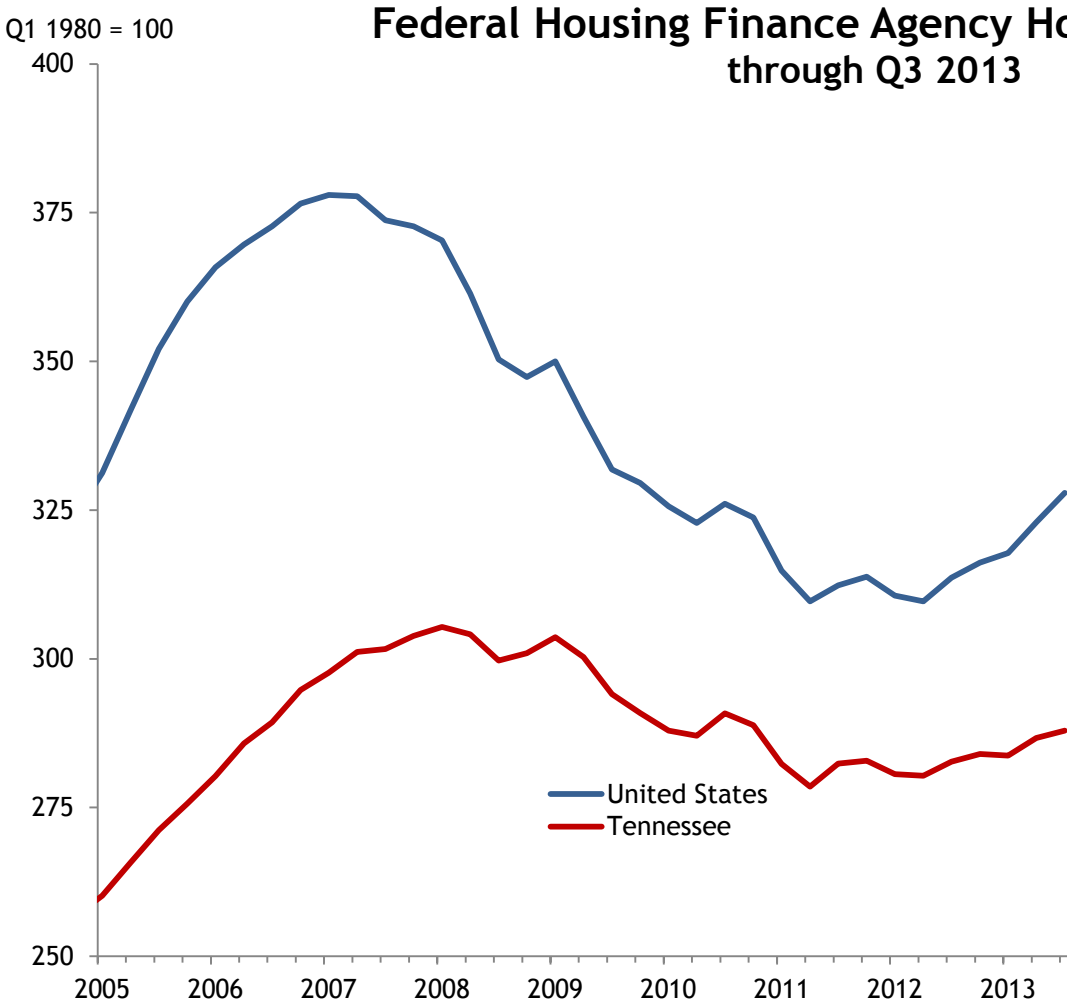
Note: 50+ = Expansion
Source: Kennesaw State University, Coles College of Business Econometric Center

New home construction permits for Tennessee have been very volatile in recent months. They have continued on an upward trend while still remaining at very low levels.



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

Over the past year, home prices in Tennessee rose at a slower pace than nationally; however, they did not fall as dramatically during the downturn.

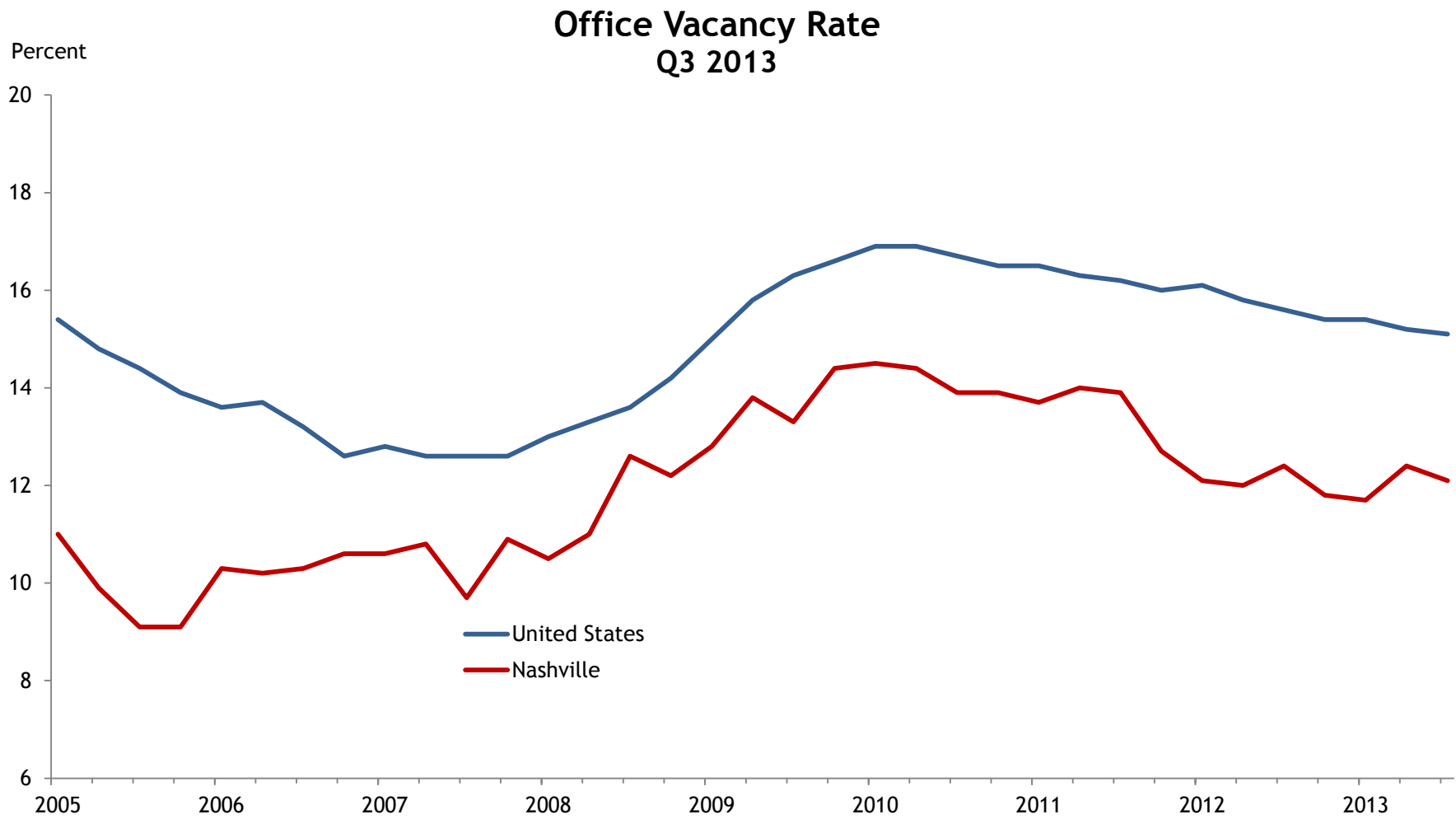


FHFA House Price Index: Q3 2013	1-yr % change	5-yr % change	10-yr % change
United States	4.5	-6.4	14.8
Tennessee	1.8	-3.9	18.7
Cleveland	-1.6	-4.8	15.0
Jackson	-2.6	-6.6	2.9
Johnson City	-0.5	-2.8	25.7
Knoxville	1.2	-3.7	24.9
Morristown	-0.6	-7.7	15.7
Nashville	4.1	-1.4	25.8
Chattanooga	1.2	-2.6	17.6
Clarksville	0.0	2.9	29.2
Kingsport-Bristol	0.9	-1.5	27.4
Memphis	0.8	-8.6	0.7

Source: Federal Housing Finance Agency, Haver Analytics

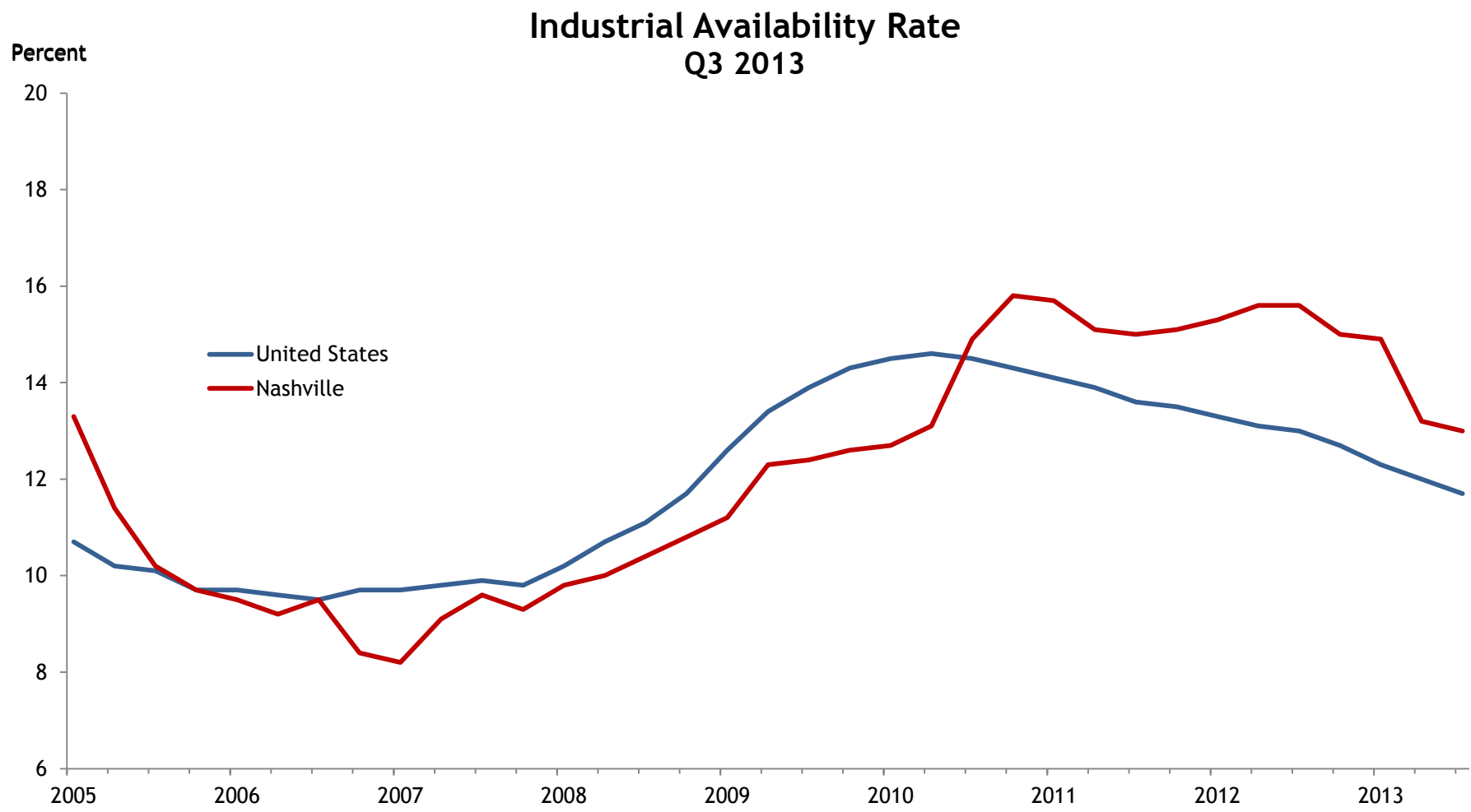
Source: Federal Housing Finance Agency, Haver Analytics, Federal Reserve Bank of Atlanta

The office vacancy rate is lower in Nashville than in the United States as a whole and has been declining at a faster pace. Nashville saw a mild uptick in vacancy rates during the second quarter, only to reverse course in the third quarter.



Source: CB Richard Ellis, Haver Analytics

Industrial availability rates remain elevated throughout the United States. Nashville's rate has declined over 2 percentage points since the third quarter of 2012.



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.