



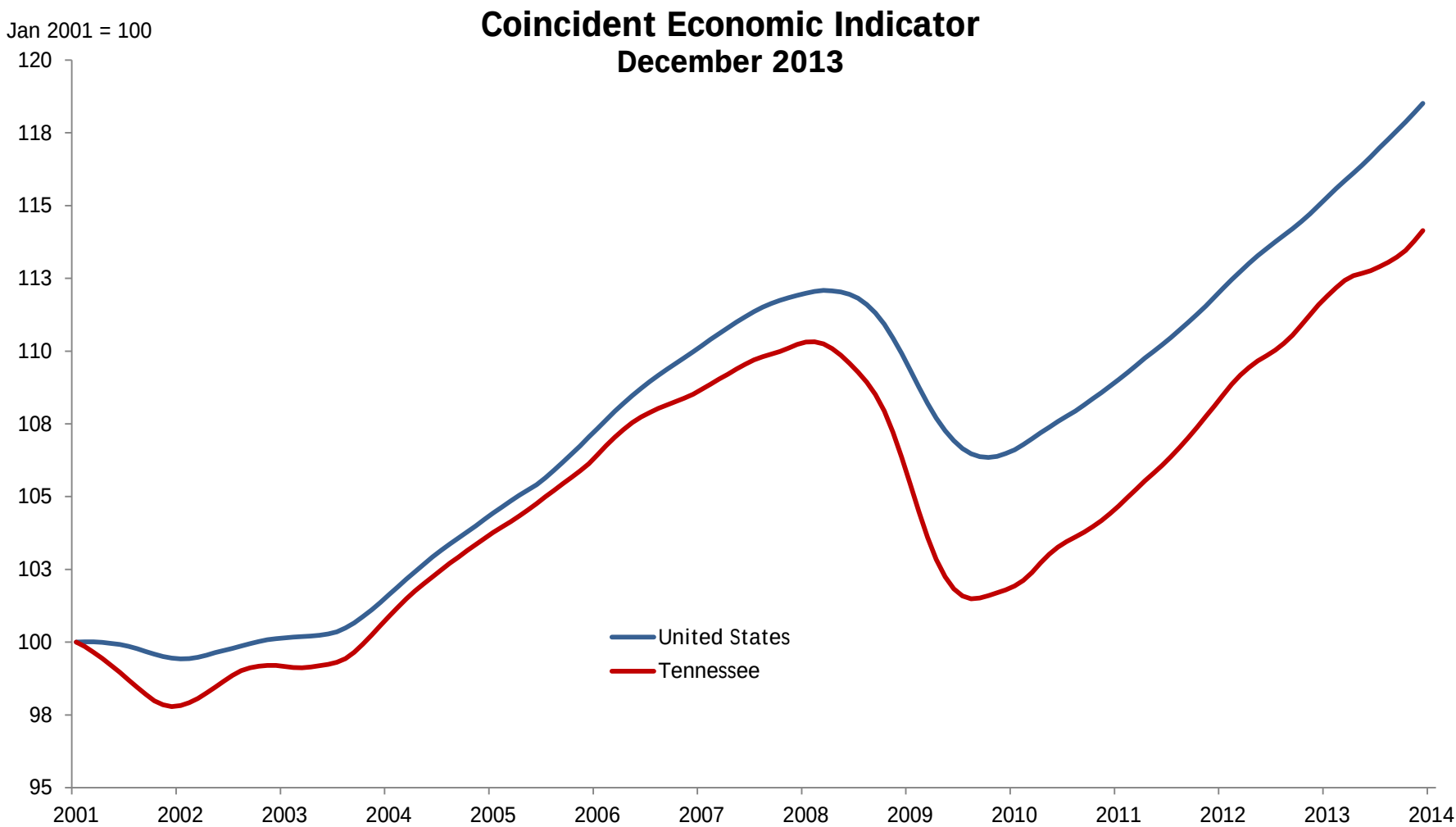
Data Digest: Tennessee

February 2014



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

[About the Coincident Economic Indicator](#)

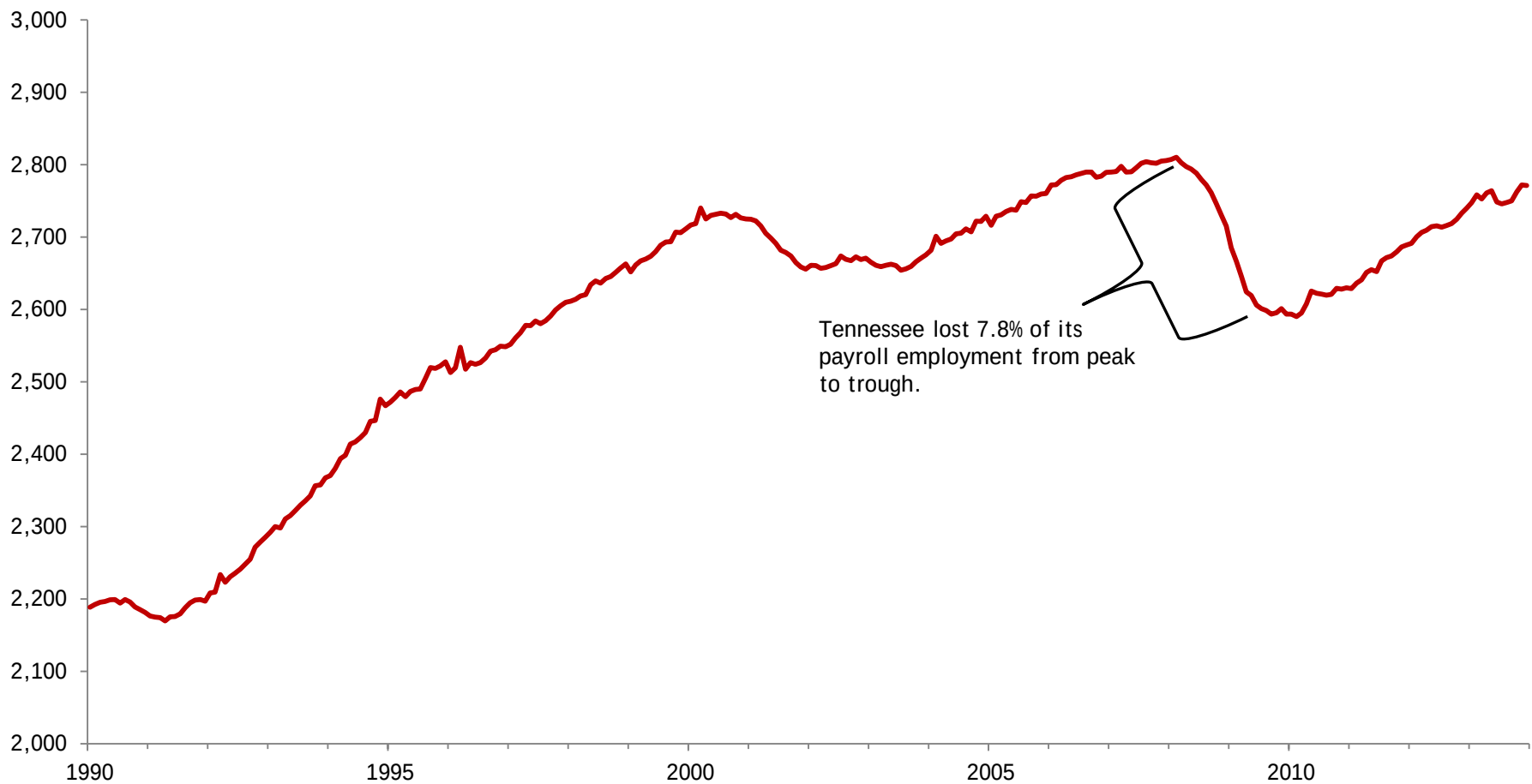


Source: Federal Reserve Bank of Philadelphia

For about three years, total employment in Tennessee had been on an upward trend. Payroll growth dipped during the summer of 2013, but has ticked back up over the last three months.

**Tennessee Payroll Employment
December 2013**

Thousands,
seasonally adjusted

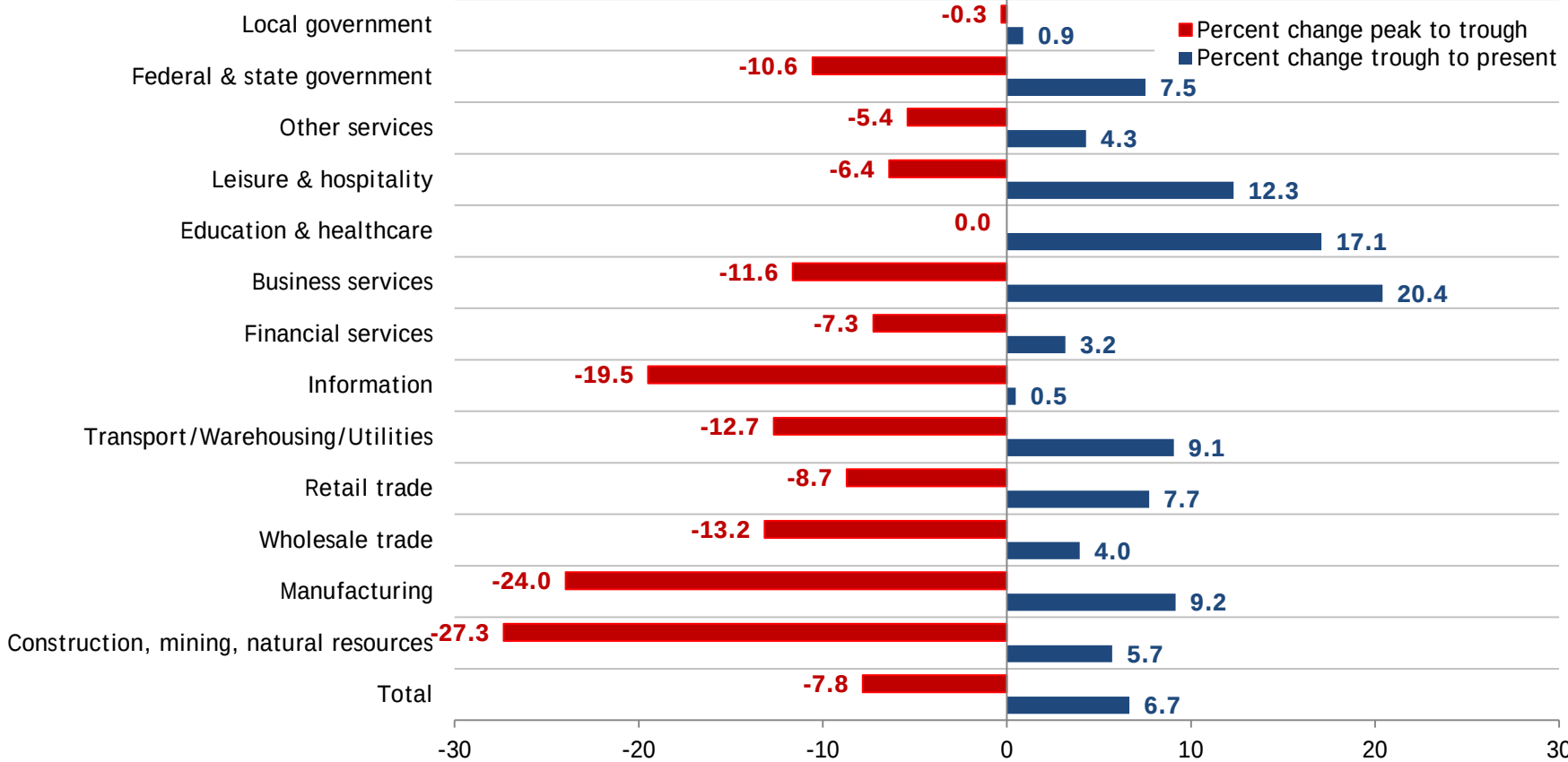


Tennessee lost 7.8% of its payroll employment from peak to trough.

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 in the business services sector has recovered at the fastest pace.

Employment Loss and Gain by Industry: Tennessee
December 2013



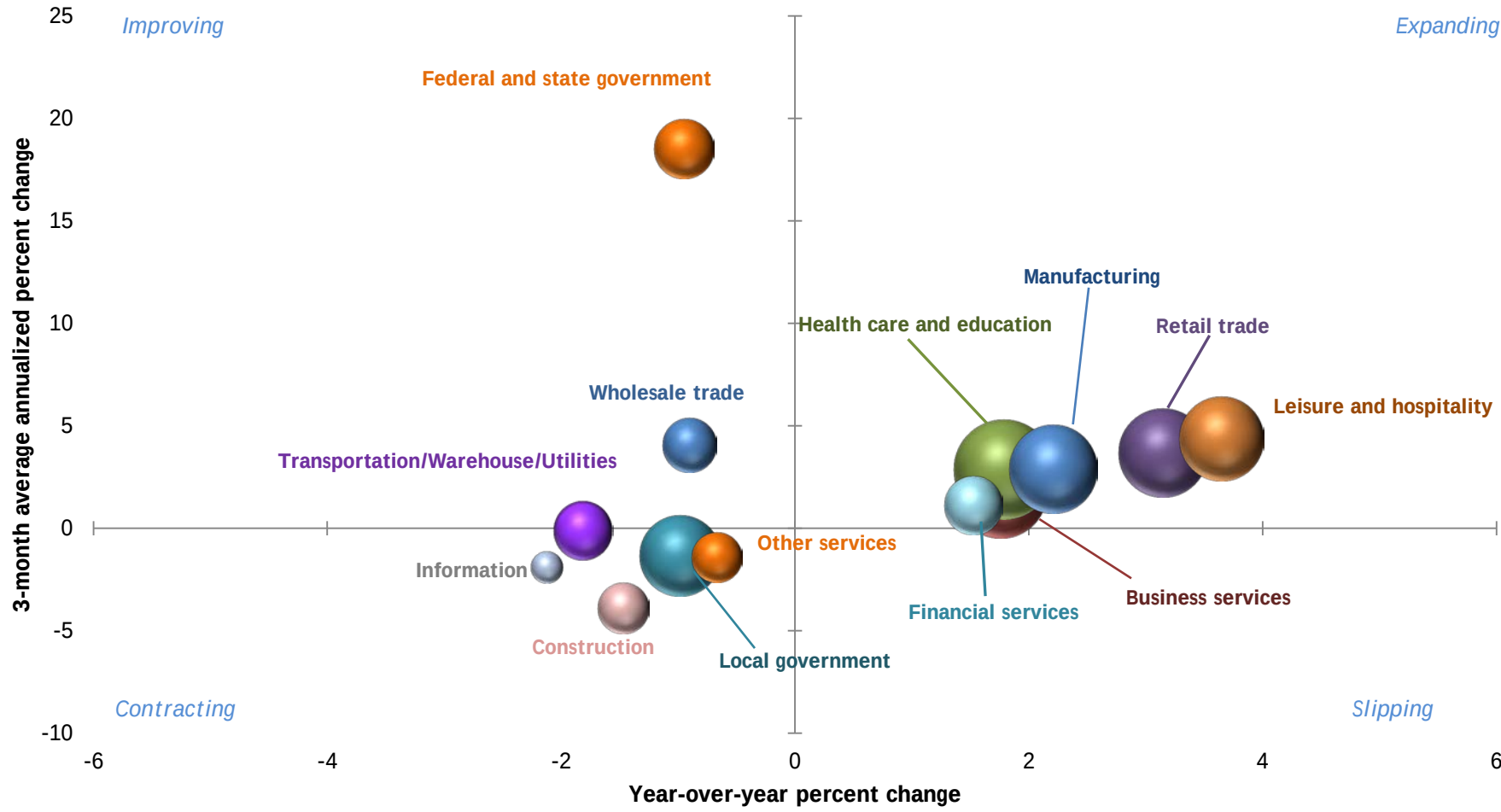
Note: A reading of 0.0 in the “trough to present” measure indicates that employment continues to decline in these industries. Likewise, a reading of 0.0 in the “peak to trough” measure indicates that employment continues to increase in these industries; in this instance “trough to present” is the percent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

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

Employment growth momentum has been a mixed bag in recent months. Momentum in roughly half of all major industries was expanding during December, with four firmly in expanding territory.

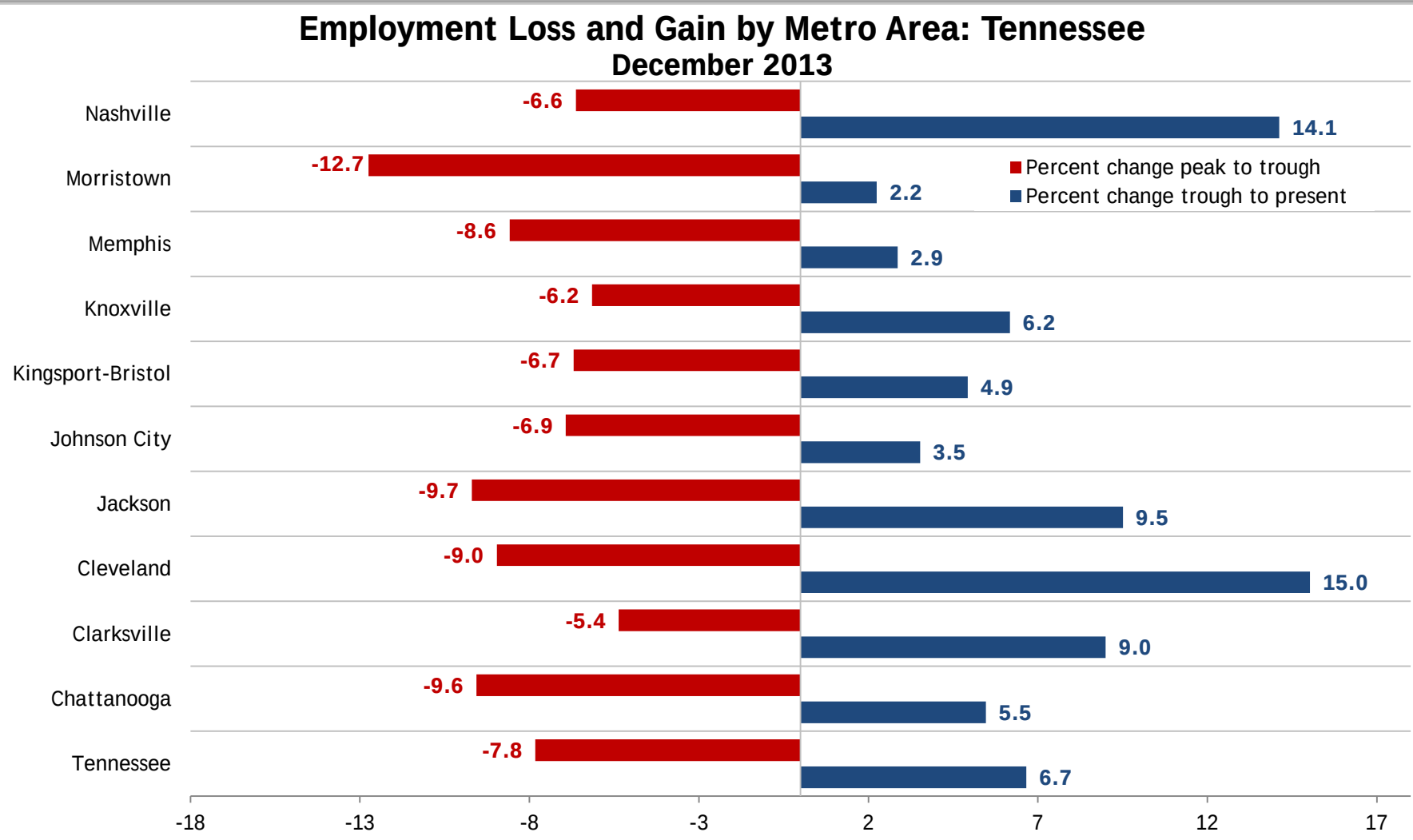
[About Employment Momentum](#)

Employment Momentum by Industry: Tennessee December 2013



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

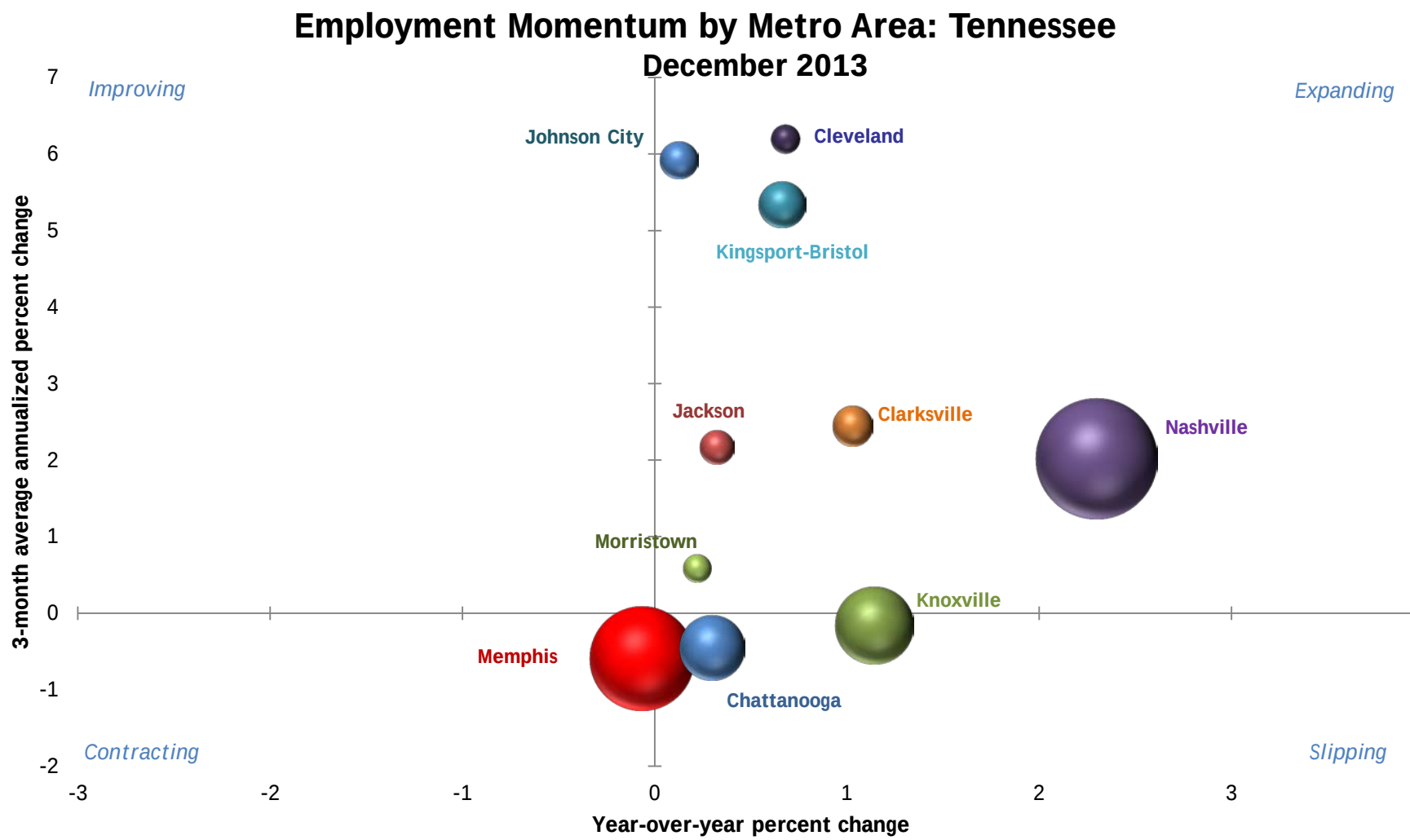
Employment losses in Tennessee metro areas were significant during the downturn. All major cities have regained some jobs while Nashville, Cleveland, and Clarksville have regained all jobs lost.



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

In most metropolitan areas, employment momentum was expanding in December, but Chattanooga and Knoxville slipped; Memphis moved barely into the contracting quadrant.

[About Employment Momentum](#)



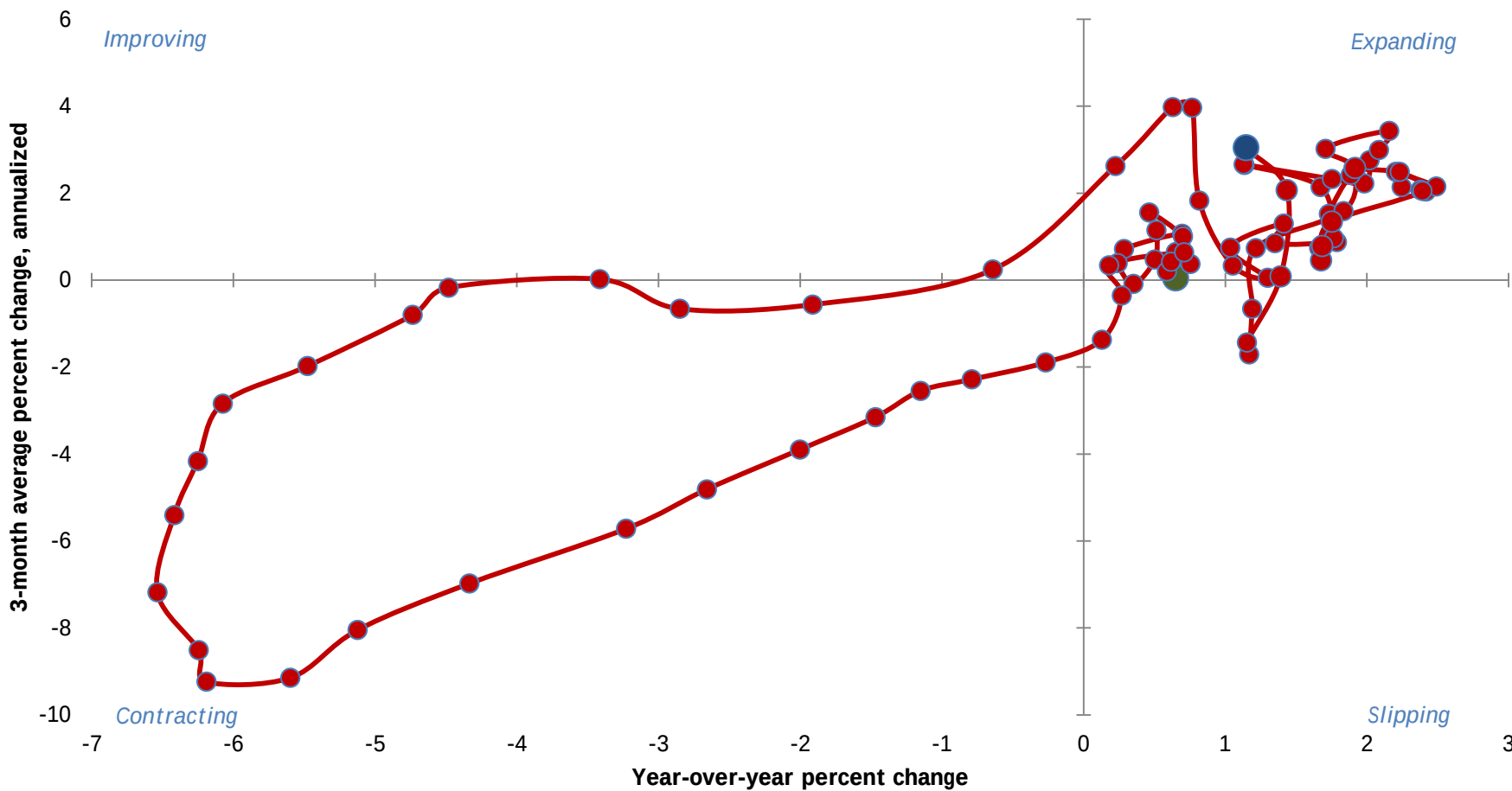
Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

For the state as a whole, employment momentum has gained some traction over the last three months.

[About Employment Momentum Track](#)

Employment Momentum Track: Tennessee

January 2007–December 2013

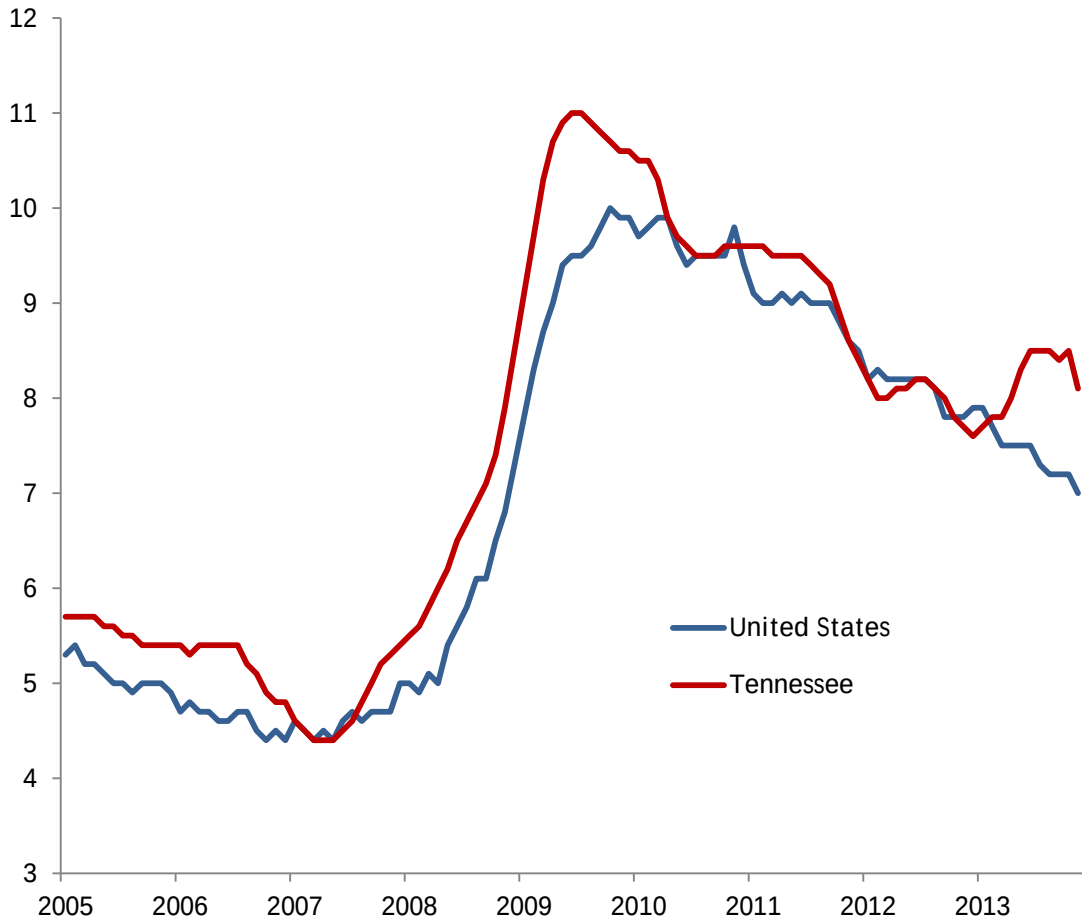


Source: U.S. Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Atlanta

The unemployment rate for Tennessee inched up in the first half of 2013 and flattened out during the summer months. The state's unemployment rate dropped for the third consecutive month in December, but remained above the national rate.

Unemployment Rates December 2013

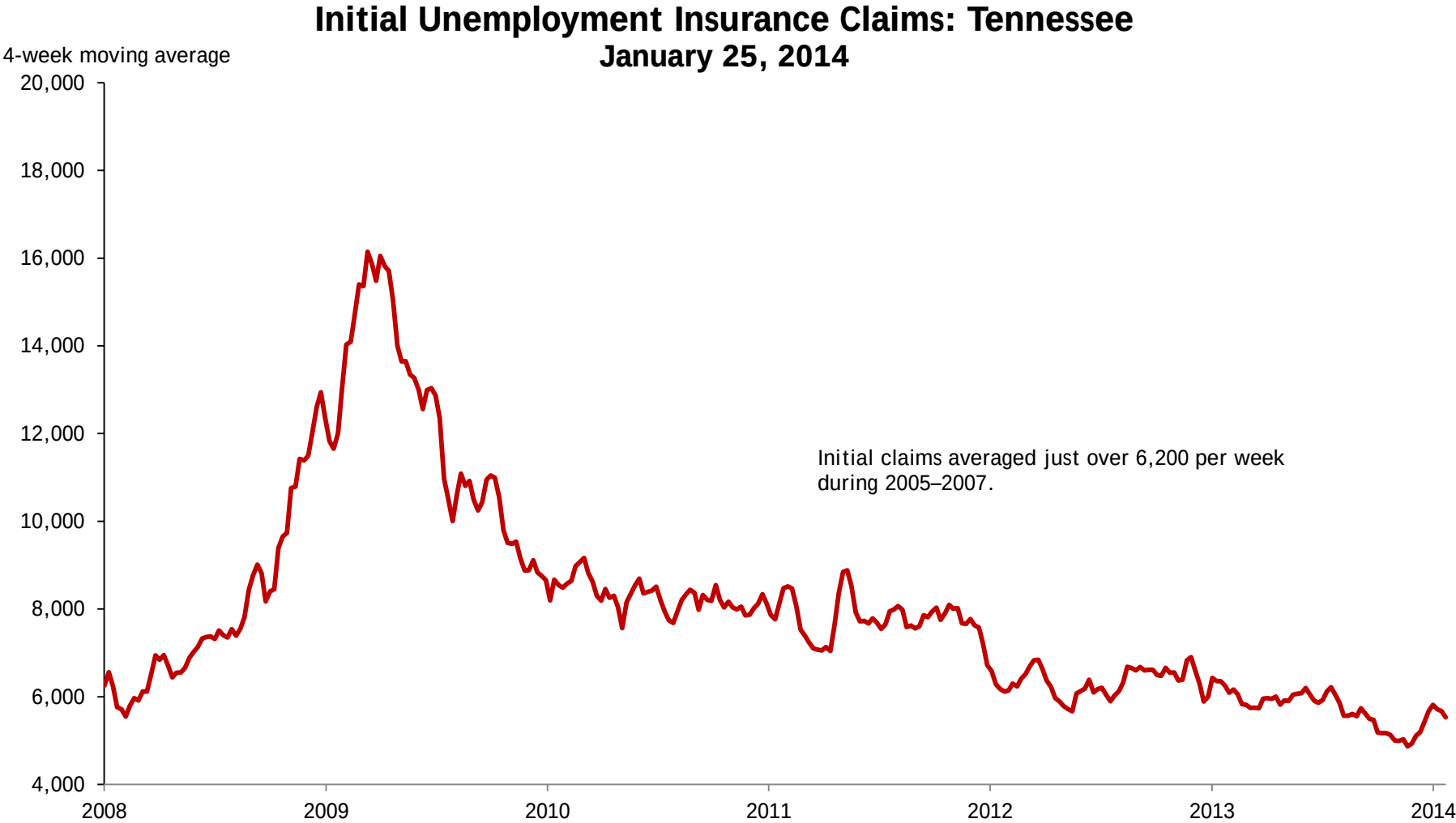
Percent of labor force



Unemployment Rates			
	Current	Year Ago	Jan 2007
United States	6.7	7.9	4.6
Tennessee	7.8	7.6	4.6
Chattanooga	6.8	7.3	4.4
Clarksville	7.8	8.1	5.7
Cleveland	6.6	7.0	4.9
Jackson	7.4	7.8	5.6
Johnson City	6.8	7.1	4.8
Kingsport-Bristol	6.4	6.9	4.8
Knoxville	6.0	6.2	4.1
Memphis	8.6	8.7	5.8
Morristown	8.3	9.1	6.1
Nashville	5.5	6.0	4.2

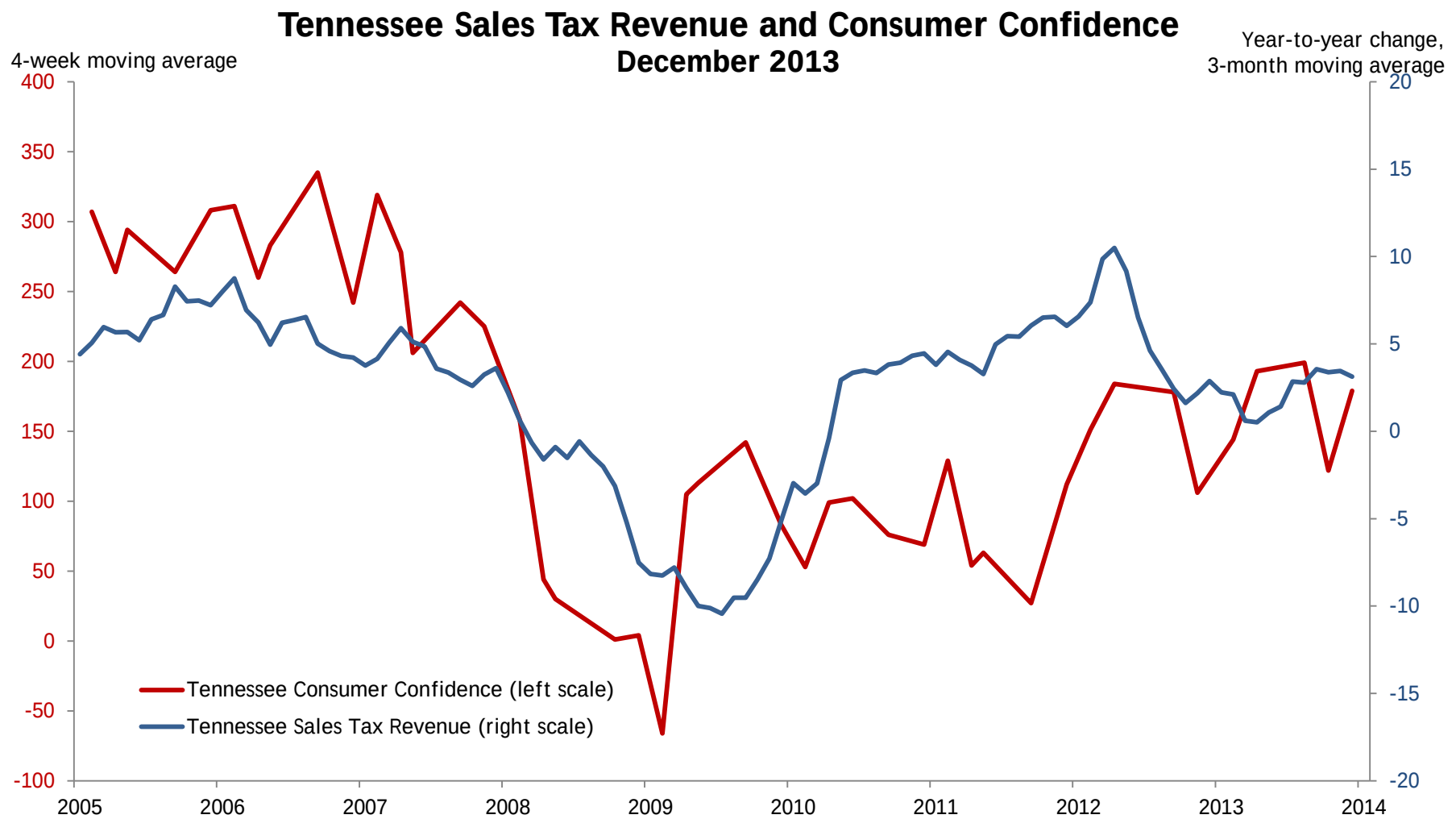
Source: U.S. Bureau of Labor Statistics, Haver Analytics

Initial unemployment insurance claims are now slightly below prerecession levels.



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

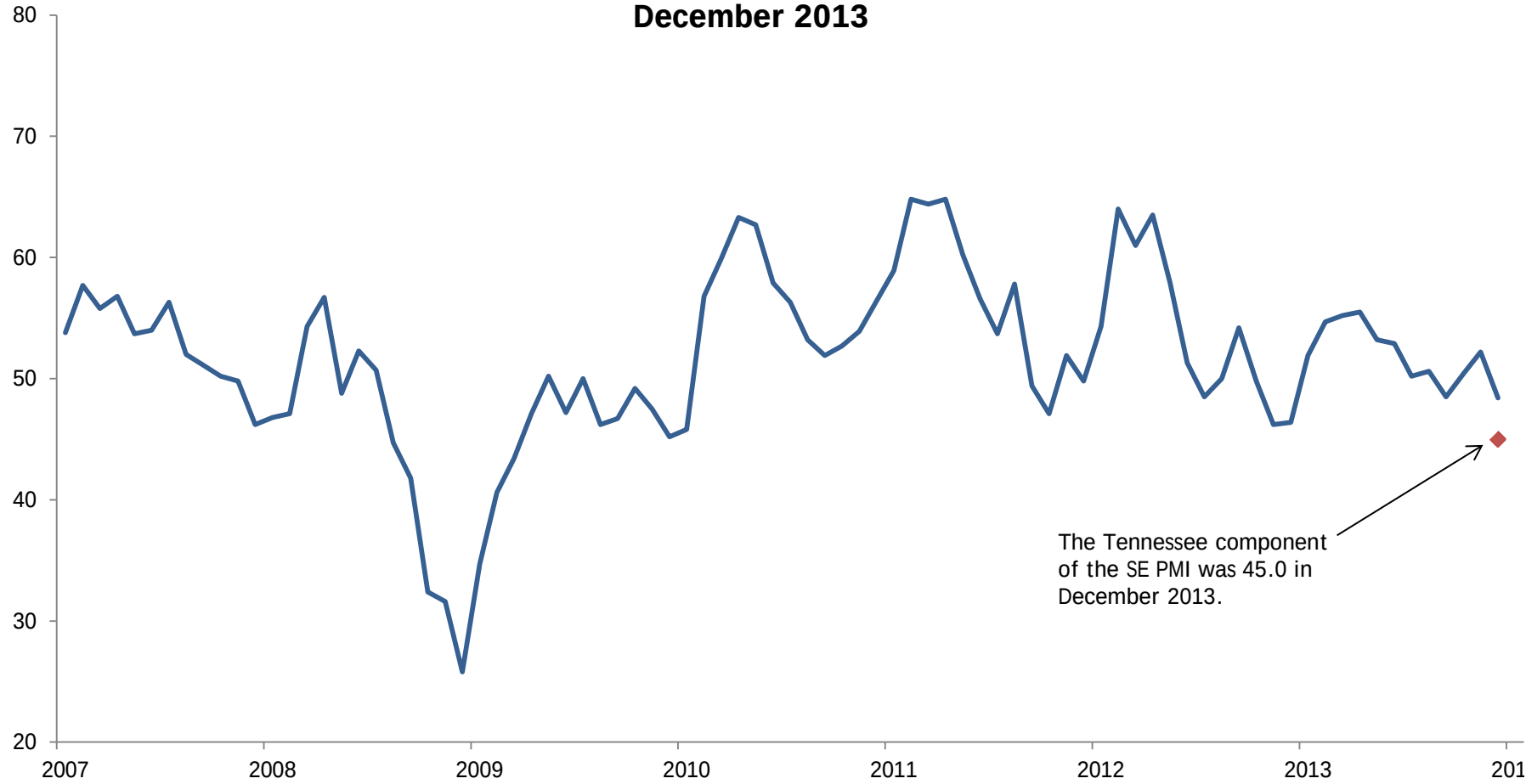
Growth of sales tax revenue in Tennessee had slowly crept up since last April, but it leveled off in the fourth quarter of 2013.



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

Regional manufacturing activity contracted in December while activity in Tennessee contracted for the fourth consecutive month.

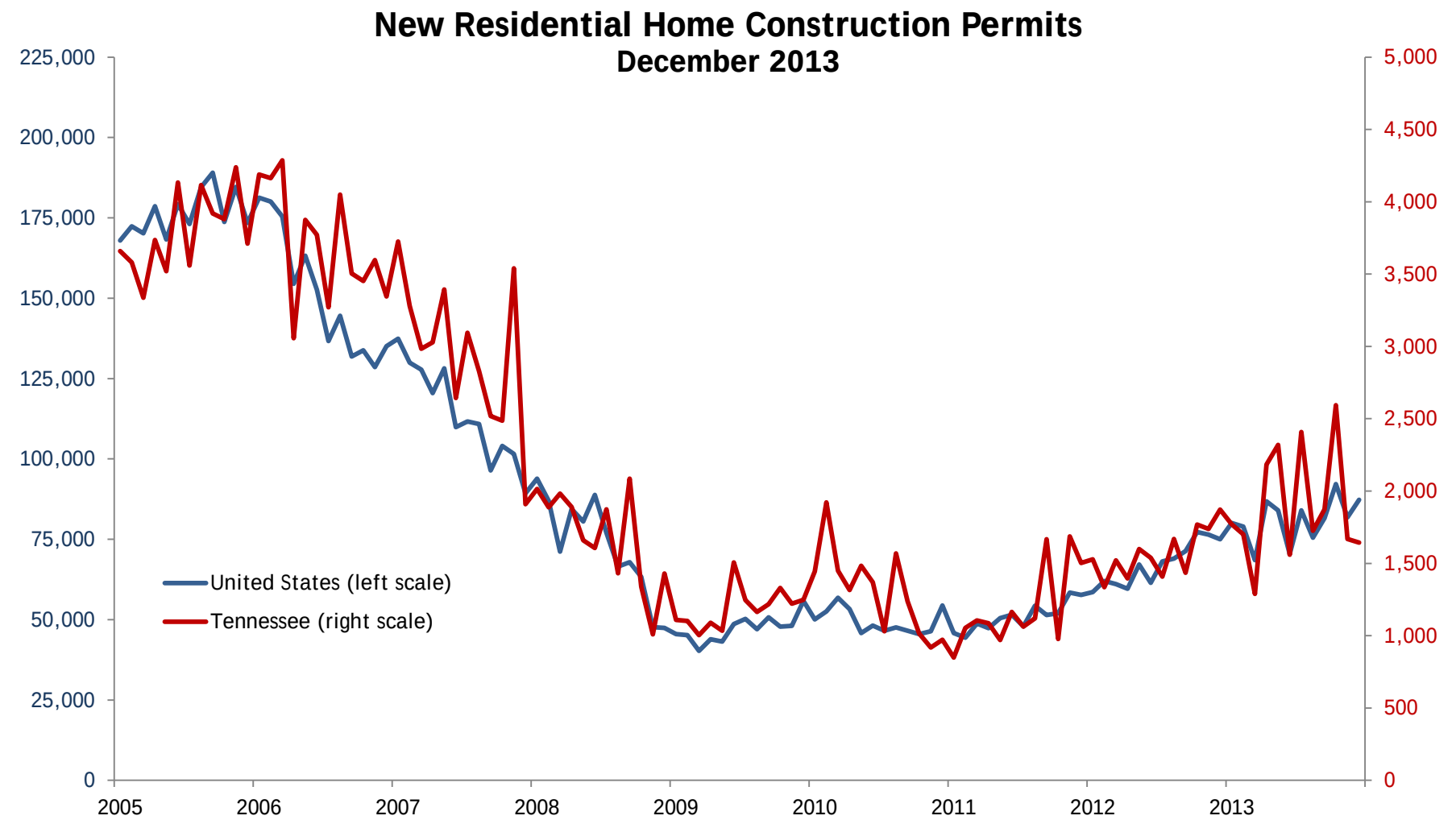
Southeast Purchasing Managers Index
December 2013



The Tennessee component of the SE PMI was 45.0 in December 2013.

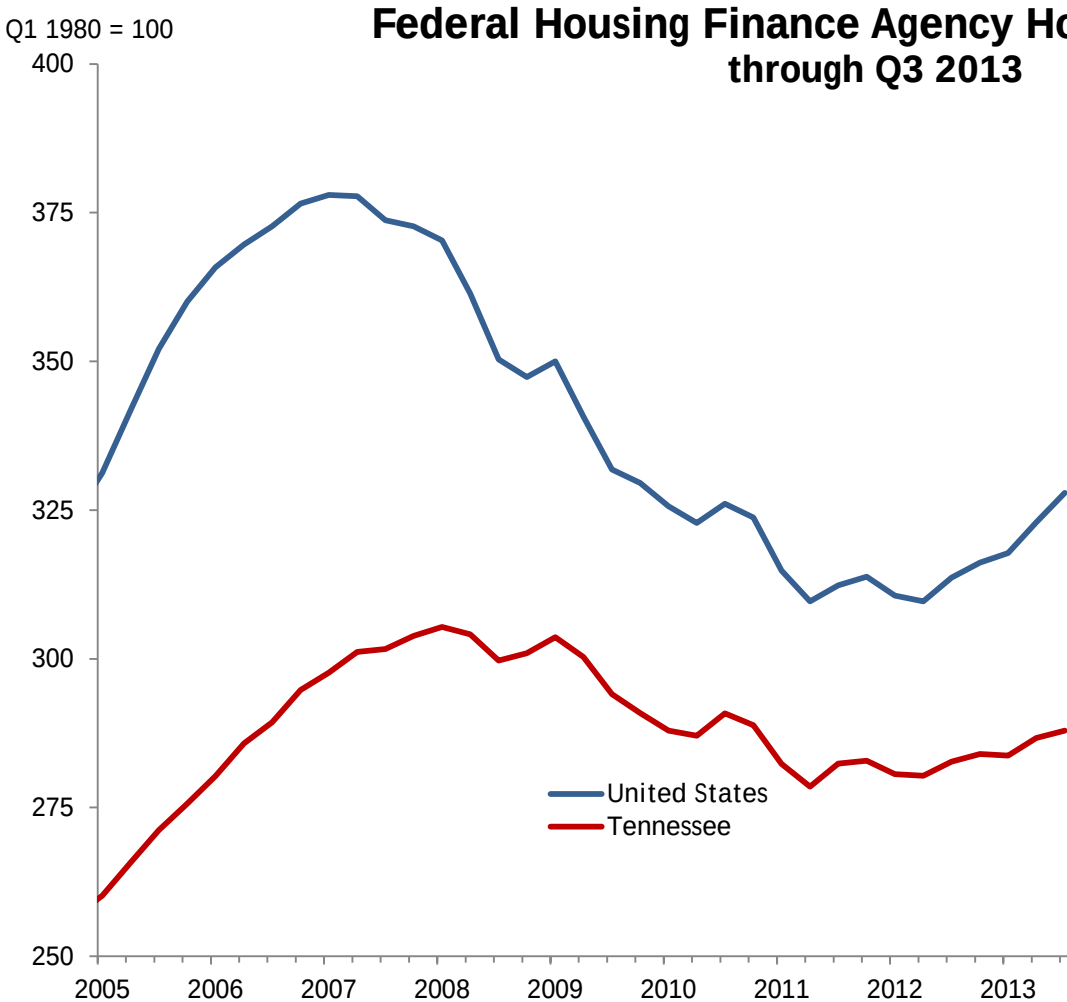
Note: 50+ = Expansion
Source: Kennesaw State University, Coles College of Business Econometric Center

New home construction permits for Tennessee have experienced large swings in recent months. They have continued on an upward trend but still remain 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.

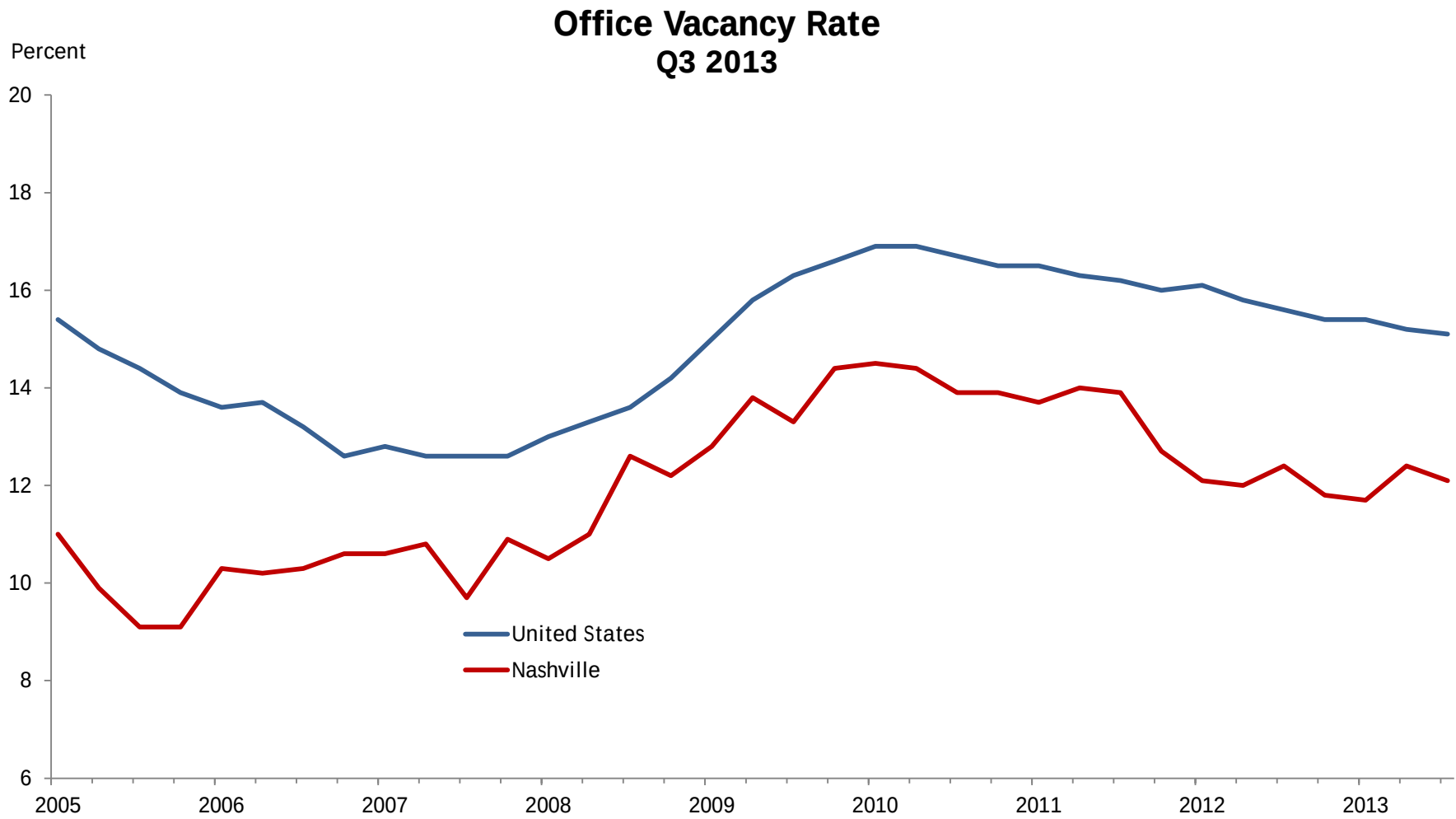


FHFA House Price Index: Q3 2013	1-yr % change	5-yr % change	10-yr % change
United States	4.5	-6.4	14.8
Tennessee	1.8	-3.9	18.7
Cleveland	-1.6	-4.8	15.0
Jackson	-2.6	-6.6	2.9
Johnson City	-0.5	-2.8	25.7
Knoxville	1.2	-3.7	24.9
Morristown	-0.6	-7.7	15.7
Nashville	4.1	-1.4	25.8
Chattanooga	1.2	-2.6	17.6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

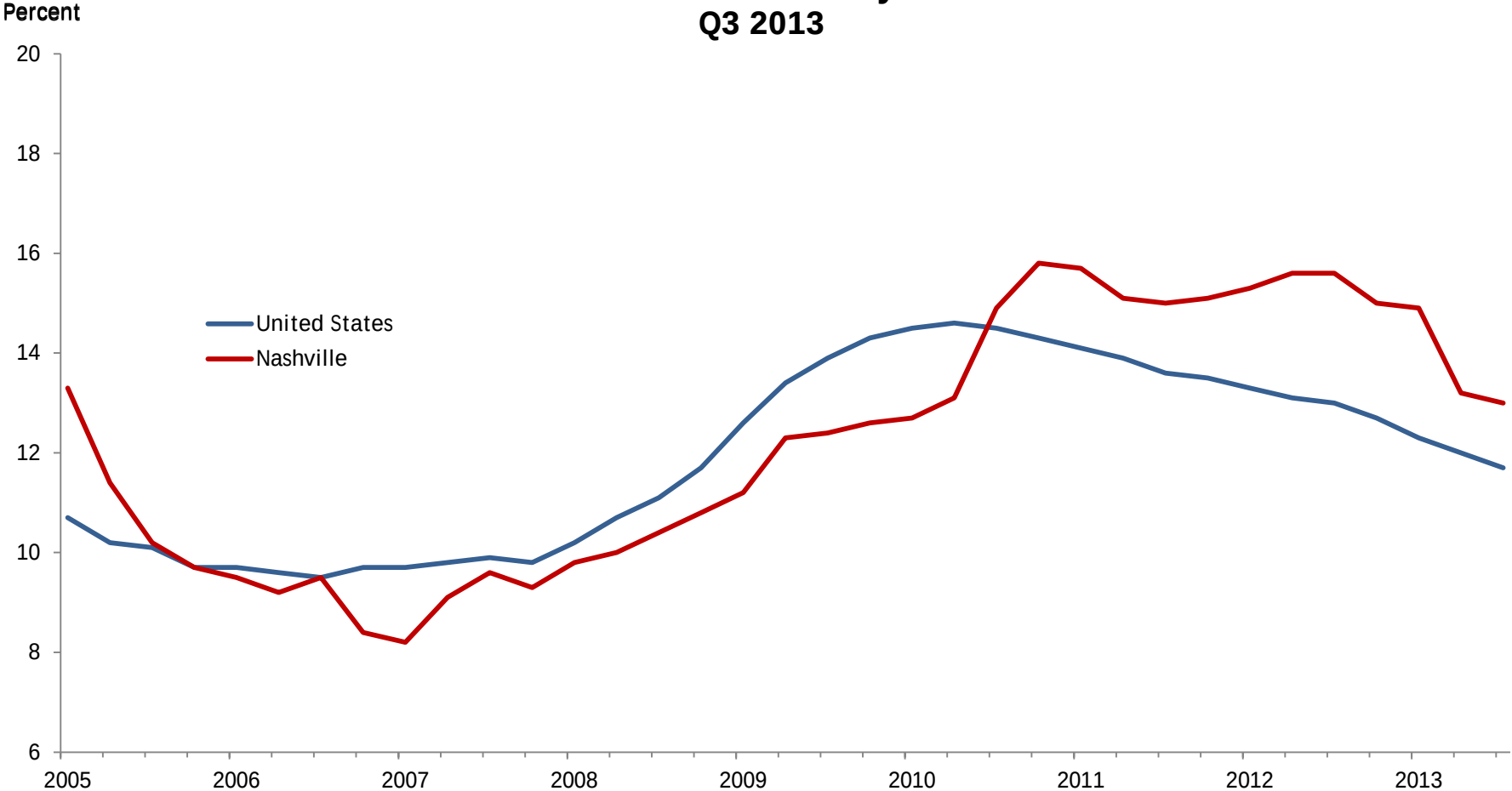
The office vacancy rate is lower in Nashville than in the United States as a whole and has been declining at a slightly faster pace. Nashville saw a mild uptick in vacancy rates during the second quarter, only to reverse course in the third quarter.



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.

**Industrial Availability Rate
Q3 2013**



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.