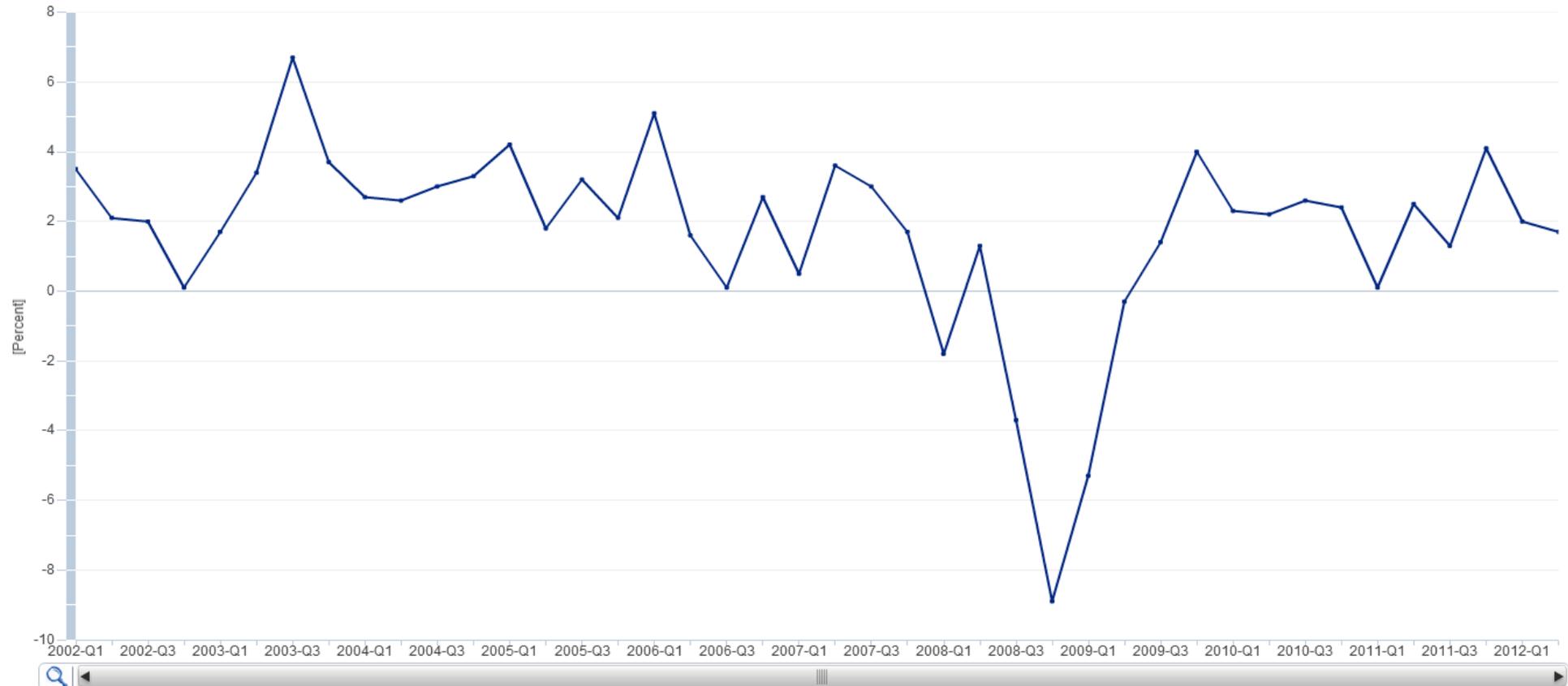


THE TENNESSEE ECONOMY

Tennessee Advisory Commission on
Intergovernmental Relations
September 13, 2012

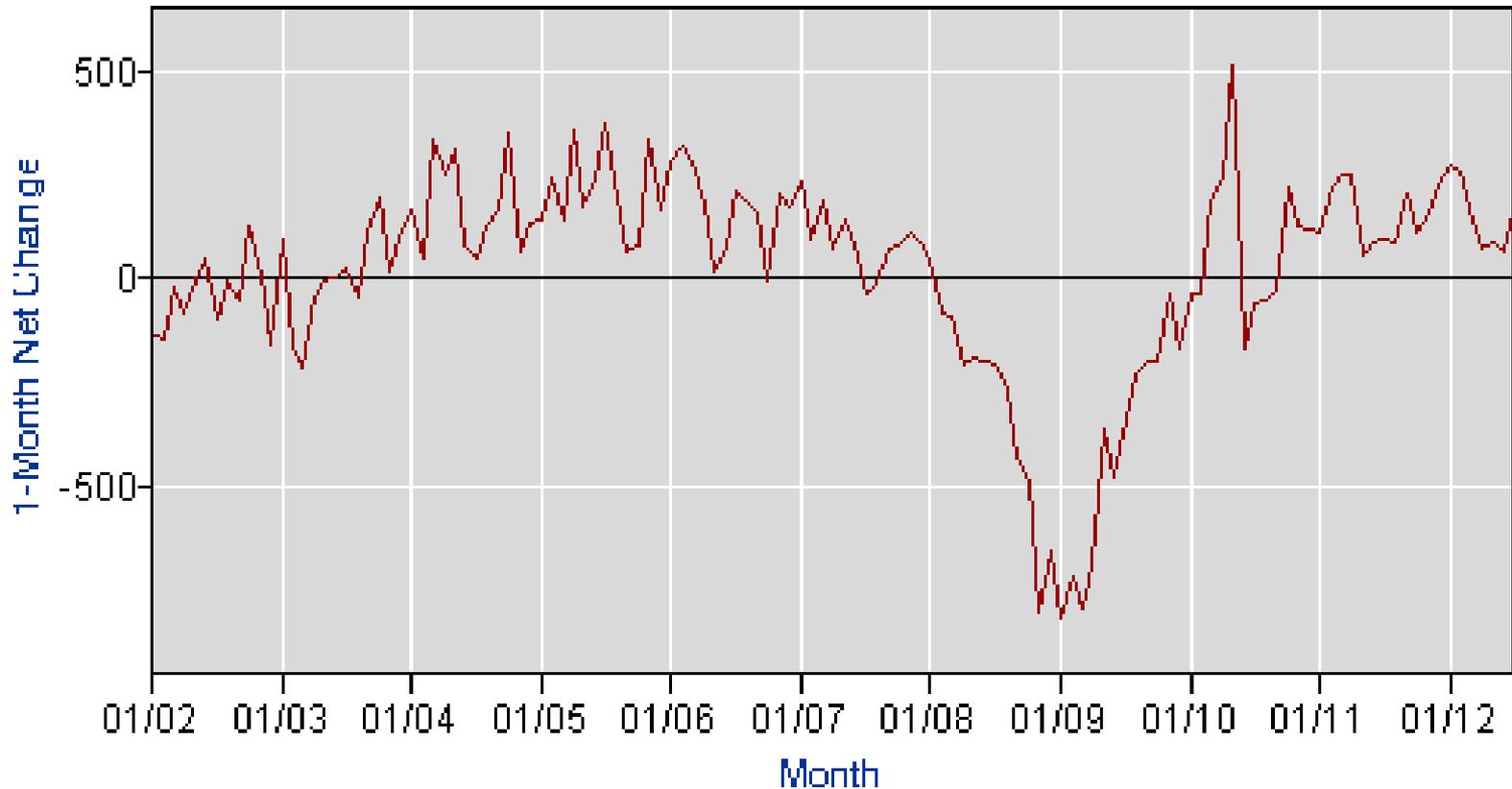
U.S. GDP Growth



● Gross domestic product

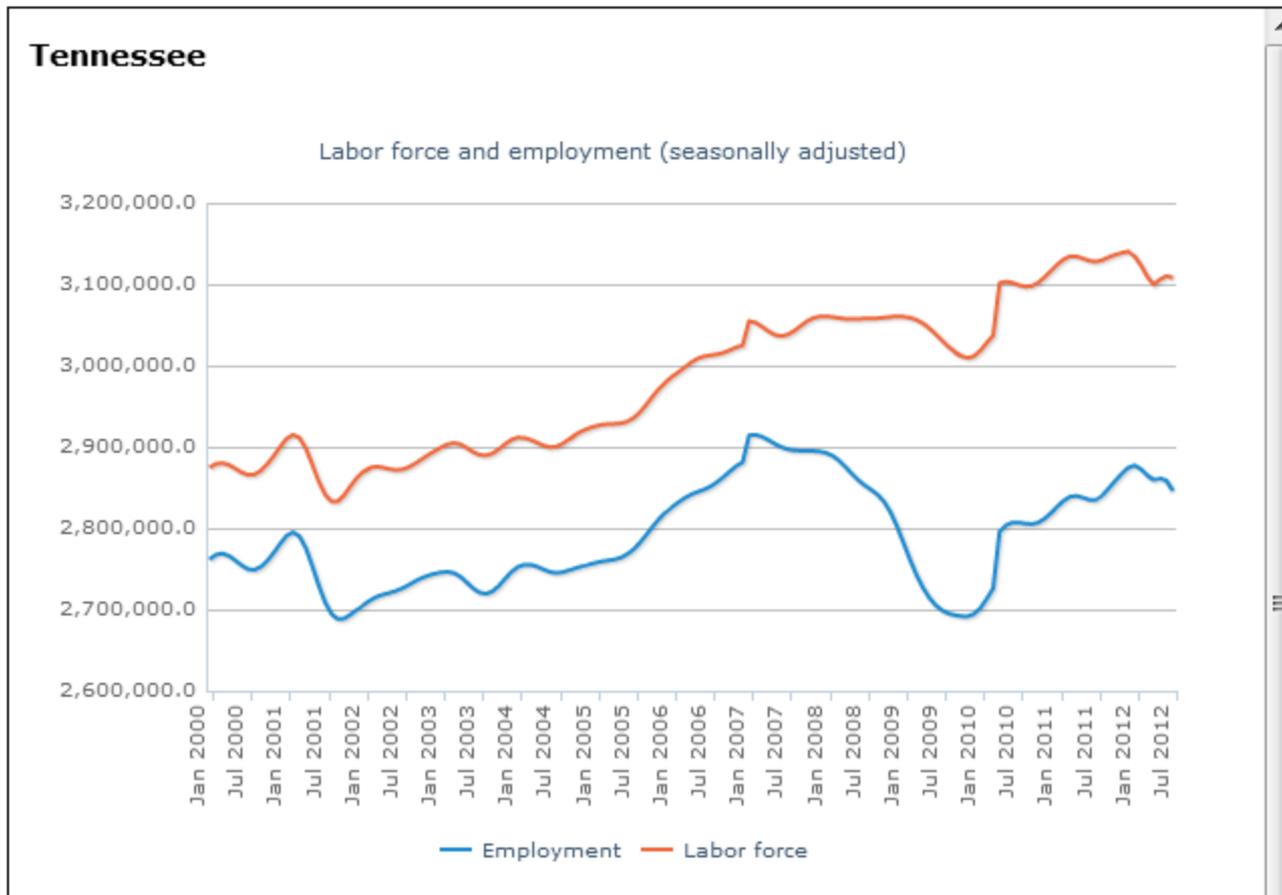
U.S. Nonfarm Employment Growth

: ALL EMPLOYEES, THOUSANDS



Source: U.S. Bureau of Labor Statistics

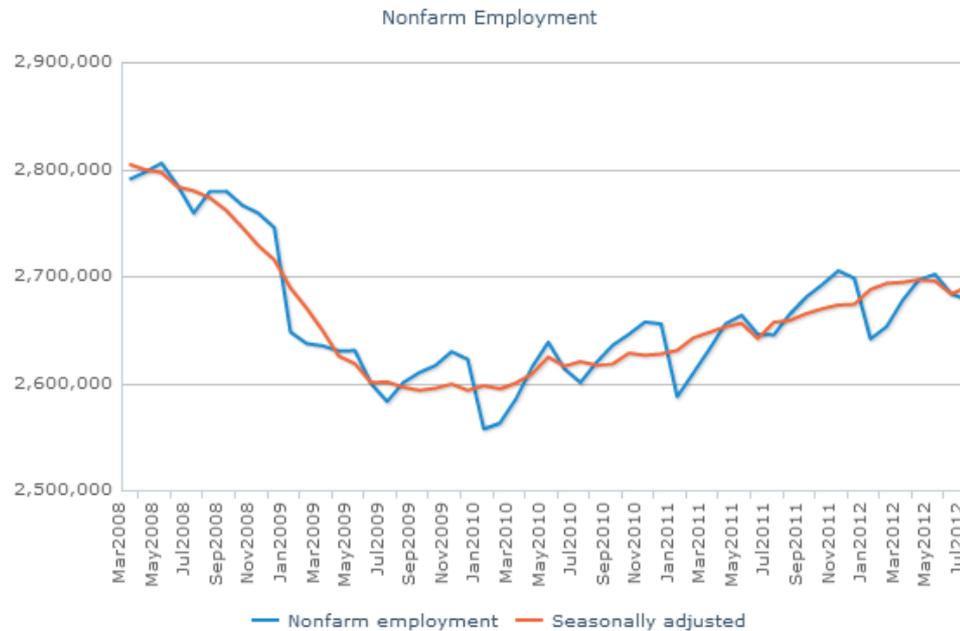
Labor Force



Employment

July 31 - Nonfarm employment fell 12,000 in June for Tennessee but is still higher over the year. The rate of growth of nonfarm employment has slowed considerably since early this year.

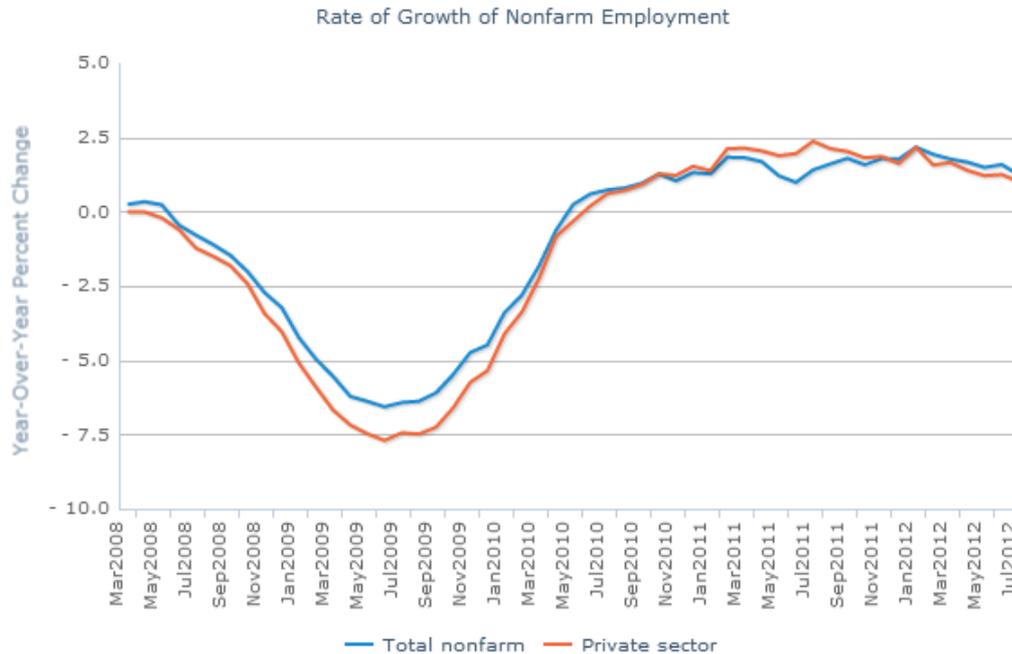
Tennessee



Growth Rate of Employment

July 31 - Nonfarm employment fell 12,000 in June for Tennessee but is still higher over the year. The rate of growth of nonfarm employment has slowed considerably since early this year.

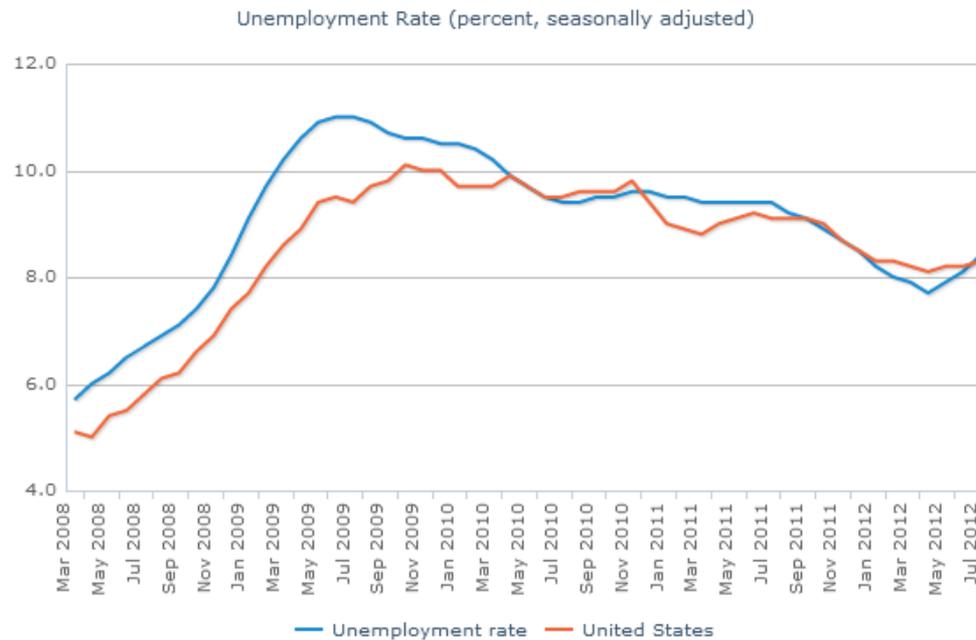
Tennessee



Unemployment Rate

July 31 – Tennessee's unemployment rate rose to 8.1 percent in June, the second monthly rise, returning to nearly the same rate as in January of this year. Flagging job growth combined with a rise in the number of job seekers caused the increase.

Tennessee



Tennessee

Employment growth by industry (year over year %)

[view summary table]

| Industry | 2011 | | | | | | 2012 | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul |
| Total Nonfarm | 1.7 | 1.7 | 1.7 | 1.8 | 1.8 | 1.6 | 2.1 | 1.7 | 1.7 | 1.5 | 1.4 | 1.4 | 1.2 |
| Mining, Logging, and Construction | 4.9 | 4.9 | 5.1 | 5.4 | 8.0 | 7.6 | 12.2 | 9.8 | 9.0 | 5.1 | 6.0 | 5.2 | 4.1 |
| Manufacturing | 2.3 | 1.3 | 1.7 | 2.3 | 2.0 | 1.6 | 1.8 | 1.2 | 2.4 | 2.9 | 2.8 | 3.7 | 3.0 |
| Durable Goods | 4.4 | 3.9 | 4.7 | 5.5 | 4.5 | 4.6 | 5.0 | 4.5 | 5.4 | 5.8 | 6.1 | 6.9 | 6.1 |
| Non-Durable Goods | -0.7 | -2.6 | -2.6 | -2.3 | -1.7 | -2.9 | -3.0 | -3.7 | -2.2 | -1.3 | -2.2 | -1.2 | -1.6 |
| Wholesale Trade | 1.4 | 0.4 | 0.3 | -0.3 | -1.2 | -1.1 | -2.5 | -2.7 | -3.6 | -4.1 | -3.6 | -3.5 | -4.1 |
| Retail Trade | 0.7 | -0.2 | -0.1 | -0.9 | -0.2 | -0.9 | 0.5 | -0.4 | 0.2 | 0.8 | 0.3 | 0.4 | 0.5 |
| Transportation and Utilities | 2.6 | 1.6 | 0.6 | 0.8 | 0.9 | 0.2 | 1.5 | 0.7 | 0.8 | -0.4 | 0.1 | -1.0 | -0.7 |
| Information | -0.9 | -0.2 | -0.9 | -2.9 | -2.9 | -2.0 | 0.2 | 1.1 | -0.2 | 0.2 | 0.5 | 0.7 | 0.7 |
| Financial Activities | -1.0 | -0.8 | 0.0 | 0.0 | -0.1 | -0.6 | -0.1 | -0.4 | -0.4 | -0.7 | -1.0 | -1.0 | -1.6 |
| Professional and Business Services | 6.6 | 7.7 | 6.7 | 6.2 | 5.4 | 6.5 | 6.0 | 4.2 | 3.0 | 2.0 | 1.9 | 2.3 | 1.1 |
| Education and Health Services | 2.3 | 2.6 | 2.4 | 2.2 | 2.2 | 1.7 | 2.1 | 2.4 | 2.5 | 2.2 | 1.8 | 1.8 | 2.2 |
| Leisure and Hospitality | 2.4 | 1.6 | 0.9 | 1.1 | 1.3 | 1.0 | 0.9 | 0.9 | 1.7 | 1.9 | 1.1 | 0.8 | 0.5 |
| Other Services | -0.9 | -1.2 | 0.0 | -0.5 | -0.6 | -2.0 | 0.2 | -0.7 | -0.4 | 0.2 | 0.6 | 0.2 | 1.7 |
| Government | -1.8 | -0.2 | 0.3 | 1.5 | 1.7 | 1.9 | 1.7 | 2.2 | 2.2 | 2.4 | 2.6 | 2.5 | 2.4 |

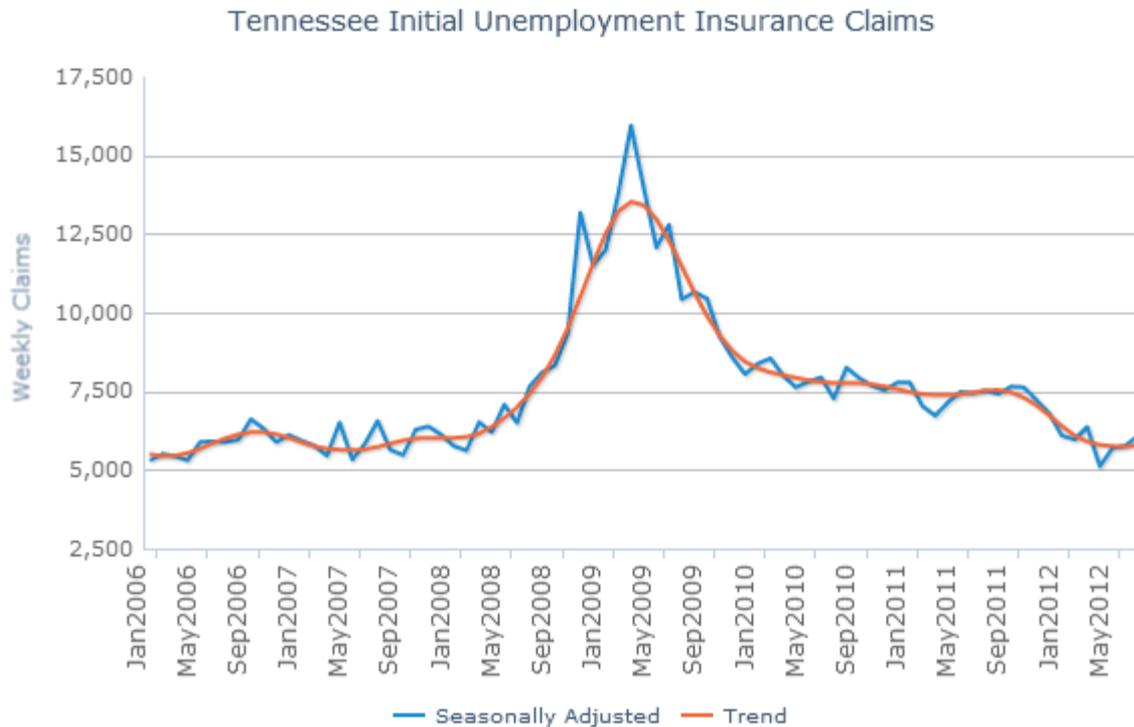
Data: Bureau of Labor Statistics, not seasonally adjusted.

Legend

| | |
|--|--------------------------|
| | Job loss |
| | Flat to moderate decline |
| | Job growth |

Initial Claims

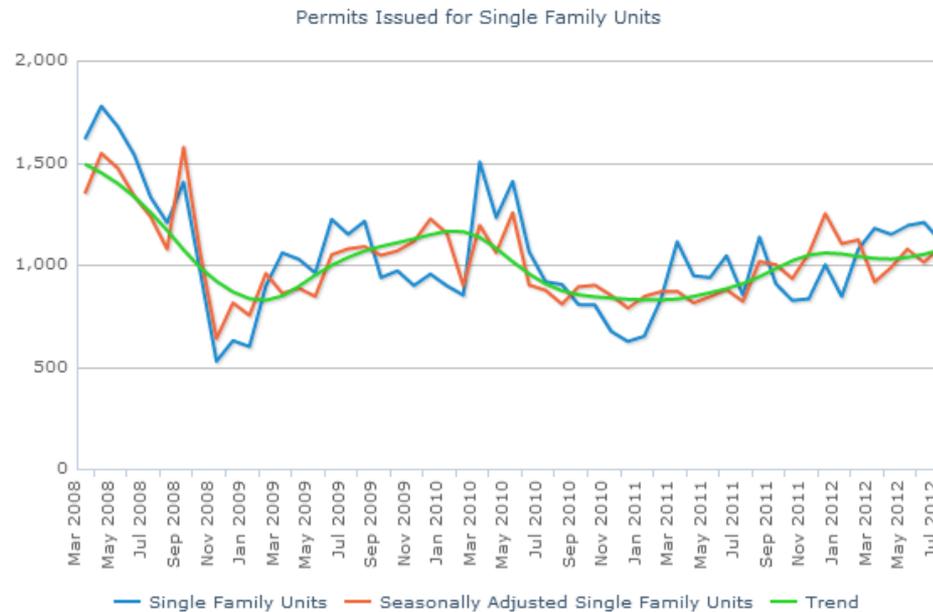
July 31 - Seasonally adjusted initial claims for unemployment insurance rose to 5,766 per week in June, following a rise in May. However, the less volatile moving average has dropped every month since September 2011, indicating a declining trend for layoffs.



Building Permits

June 26 - Seasonally adjusted single-family home construction for May rose substantially for Tennessee and for six of 10 metropolitan areas. The less volatile moving average is on the rise for Chattanooga, Clarksville, Knoxville, and Memphis MSAs but flat for the Cleveland, Jackson, Johnson City, and Morristown MSAs. The trend is falling somewhat for the Kingsport-Bristol and Nashville MSAs.

Tennessee



Tennessee Housing Price Index

Housing Price Index

Tennessee

— Tennessee — United States

