

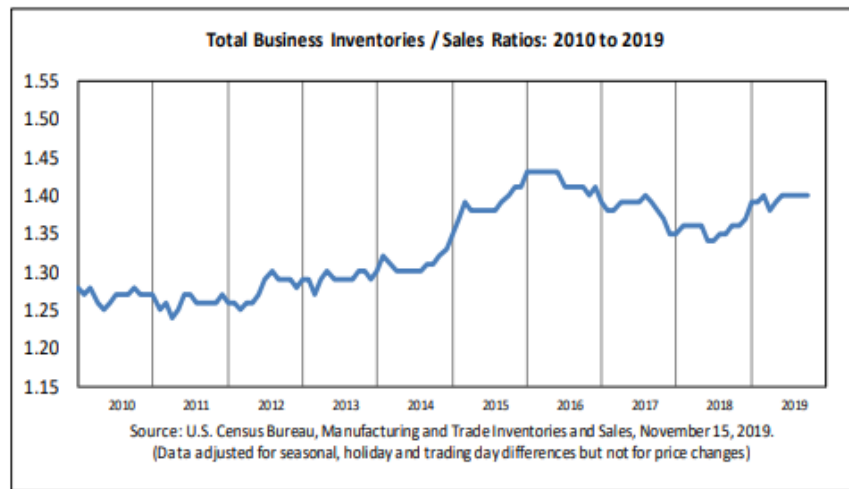
Economic Update, November 15, 2019  
Submitted by Dave Keiser

Summary: It was a week of contrasts. In 2018, personal income grew in every Tennessee county and 4.3 percent statewide. Hourly wages increased, but the cost of goods increased, according to both the consumer and producer price index, so real earnings actually decreased slightly. Retail and food service sales were up in October, while manufacturing was steady. Small businesses are more optimistic about the future than are larger companies. Import prices are down, mainly because of lower petroleum prices. Freight dropped in September, and unemployment insurance claims increased this week. Mortgage applications are up.

Census

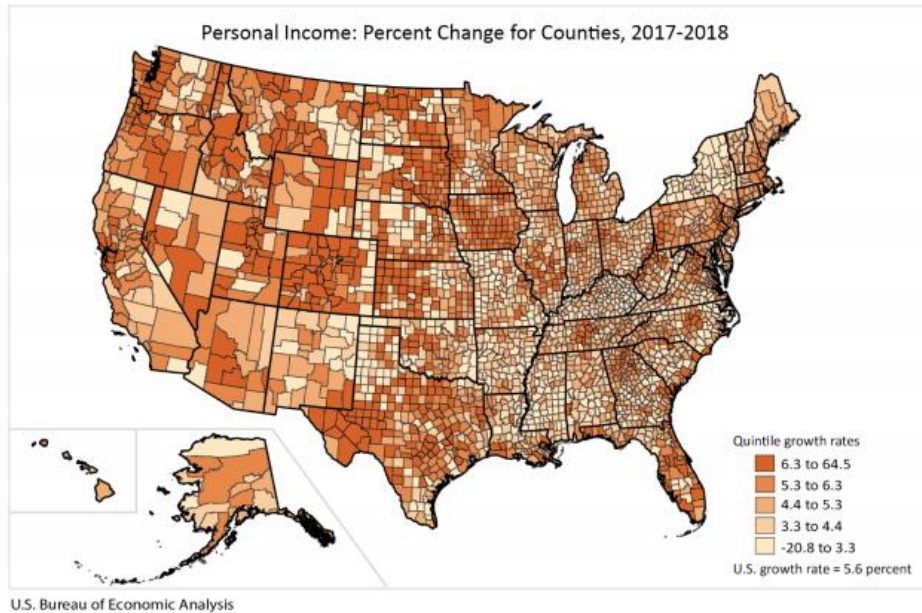
Friday, [Sales for Retail and Food Services](#): “Advance estimates of U.S. retail and food services sales for October 2019 . . . were \$526.5 billion, an increase of 0.3 percent from the previous month, and 3.1 percent above October 2018. Total sales for the August 2019 through October 2019 period were up 3.8 percent from the same period a year ago. . . . Retail trade sales were up 0.3 percent from September 2019, and 2.9 percent above last year. Nonstore retailers were up 14.3 percent from October 2018, and gasoline stations were down 5.0 percent from last year.”

Friday, [Manufacturing and Trade Inventories and Sales](#): “The combined value of distributive trade sales and manufacturers’ shipments for September . . . was estimated at \$1,459.4 billion, down 0.2 percent from August 2019, but was up 0.5 percent from September 2018. Manufacturers’ and trade inventories . . . were estimated at an end-of-month level of \$2,041.5 billion, virtually unchanged from August 2019, but were up 3.7 percent from September 2018. The total business inventories/sales ratio based on seasonally adjusted data at the end of September was 1.40. The September 2018 ratio was 1.36.”



Bureau of Economic Analysis

Thursday, [Local Area Personal Income](#): “In 2018, personal income increased in 3,019 counties, decreased in 91, and was unchanged in 3 [nationwide]. . . . In the metropolitan portion of the United States, per capita personal income—personal income divided by population—increased 4.9 percent in 2018, up from 4.1 percent in 2017. In the nonmetropolitan portion of the United States, per capita personal income increased 4.7 percent, up from 3.3 percent.” For Tennessee, per capita personal income increased in all counties in 2018, and the overall increase for Tennessee was 4.3 percent, up from 2.8 percent in 2017.



Bureau of Labor Statistics

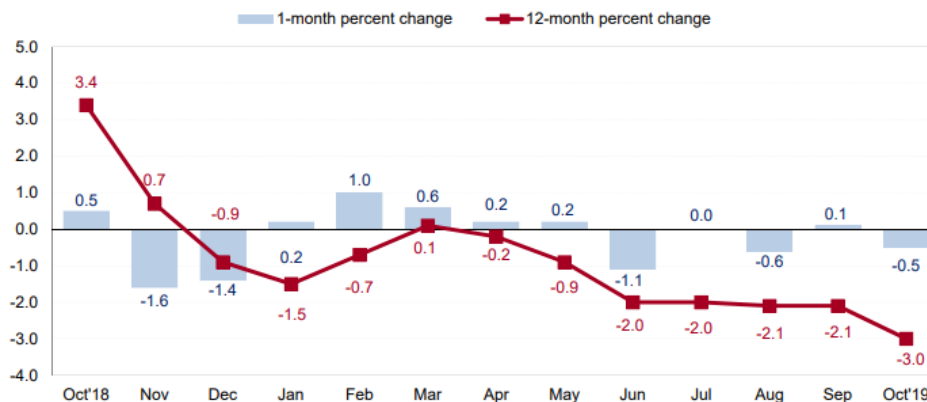
Wednesday, [Real Earnings](#): “Real average hourly earnings for all employees decreased 0.2 percent from September to October. . . . This result stems from an increase of 0.2 percent in average hourly earnings combined with an increase of 0.4 percent in the Consumer Price Index for All Urban Consumers (CPI-U). Real average weekly earnings decreased 0.1 percent over the month due to the change in real average hourly earnings combined with no change in the average workweek.”

Wednesday, [Consumer Price Index](#): The index “rose 0.4 percent in October . . . after being unchanged in September. . . . Over the last 12 months, the all items index increased 1.8 percent.”

Thursday, [Producer Price Index](#): The index “for final demand increased 0.4 percent in October. . . . Final demand prices fell 0.3 percent in September and edged up 0.1 percent in August.”

Friday, [US Import and Export Price Indexes](#): “U.S. import prices fell 0.5 percent in October . . . following a 0.1-percent increase the previous month. The decrease in October was driven by lower petroleum prices, which declined 3.7 percent; prices for all imports excluding petroleum fell 0.1 percent. The price index for U.S. exports decreased 0.1 percent in October, after declining 0.2 percent in September.”

Chart 1. One-month and 12-month percent changes in the Import Price Index: October 2018 – October 2019



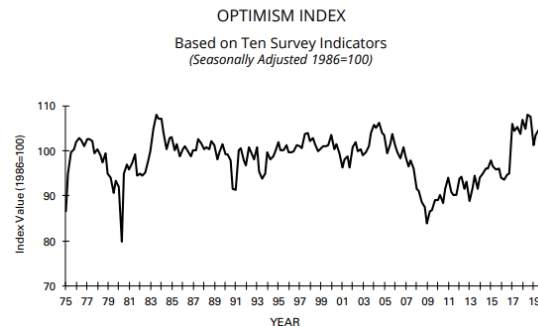
## Department of Labor

Thursday, [Initial Claims](#): “In the week ending November 9, the advance figure for seasonally adjusted initial claims was 225,000, an increase of 14,000 from the previous week’s unrevised level of 211,000. The 4-week moving average was 217,000, an increase of 1,750 from the previous week’s unrevised average of 215,250.”

## NFIB

Tuesday, [Small Business Economic Trends](#): “The Optimism Index rose 0.6 points in October to 102.4, historically a very solid reading. In terms of real economic activity, September was a good month and October solidified that growth picture, with 8 of the 10 Index components advancing, led by GDP-producing plans for job creation, inventory investment, and capital spending. Actual job creation in October exceeded that in September, as small businesses continued to hire and create new jobs. Reports of actual capital spending increased and inventory investment improved from a modest negative level in September. The NFIB Uncertainty Index fell 4 points in October to 78.”

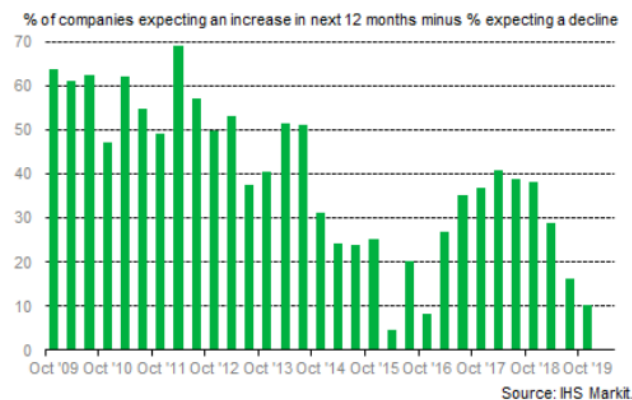
### OVERVIEW - SMALL BUSINESS OPTIMISM



## IHS Markit

Monday, [US Business Outlook](#): “The latest . . . survey signals that U.S. private sector firms are less optimistic towards the outlook for business activity over the coming 12 months than in June. The net balance of firms expecting a rise in output has dropped from +16% in June to +10% in October and is the lowest for three years. The net balance of firms forecasting growth is also below the global (+14%) and developed market (+12%) averages. Both manufacturing and service sector firms expressed a lower level of positive sentiment towards future output than earlier in the year.”

### US business activity expectations

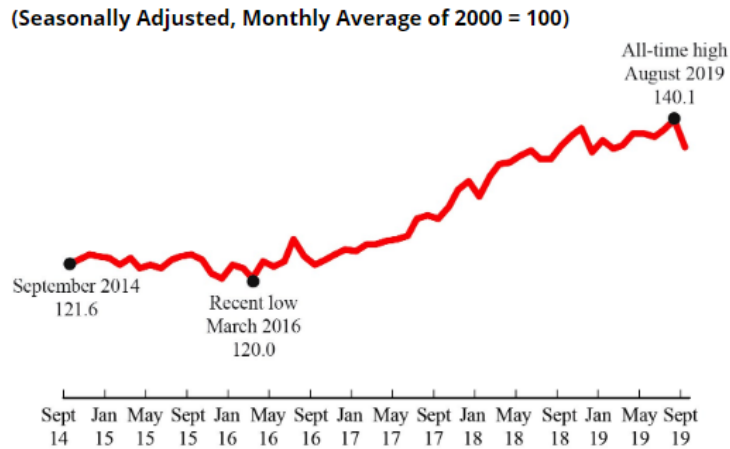


Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, increased 9.6 percent on a seasonally adjusted basis from one week earlier. . . . The Refinance Index increased 13 percent from the previous week and was 188 percent higher than the same week one year ago. The seasonally adjusted Purchase Index increased 5 percent from one week earlier.”

Bureau of Transportation Statistics

Thursday, [Transportation Services Index](#): The Index “fell 2.5% in September after reaching a new all-time high in August. . . . From September 2018 to September 2019, the index fell 0.1% compared to a rise of 7.2% from September 2017 to September 2018.” The index is based on the amount of freight carried by the for-hire transportation industry.



**Source:**  
Bureau of Transportation Statistics