

AN ECONOMIC REPORT
TO THE
GOVERNOR
OF THE
STATE OF TENNESSEE

On the State's Economic Outlook

JANUARY 2002



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Matthew N. Murray, Associate Director and Project Director
Center for Business and Economic Research

Prepared by the
Center for Business and Economic Research
College of Business Administration
The University of Tennessee
Knoxville, Tennessee

In cooperation with the
Tennessee Department of Economic and Community Development,
Tennessee Department of Revenue, and
Tennessee Department of Labor and Workforce Development
Nashville, Tennessee

JANUARY 2002

Contributors to the Report

Authors

Center for Business and Economic Research

Matthew N. Murray, Associate Director and Project Director

William F. Fox, Director

Donald J. Bruce, Research Assistant Professor

Paula Dowell, Post-Doctoral Research Associate

Sanela Porca, Graduate Research Assistant

Agricultural Policy Analysis Center, Department of Agricultural Economics

Kelly H. Tiller, Assistant Professor

Daryll E. Ray, Blasingame Chair of Excellence Professor

Daniel G. De La Torre Ugarte, Assistant Professor

Project Support Staff

Stacia Couch, Publications Specialist

Vickie Cunningham, Research Associate

Betty Drinnen, Program Resource Specialist

Patricia Price, Senior Research Associate

Joan Snoderly, Research Associate

Angela Thacker, Research Associate

Betty Vickers, Research Associate

The preparation of this report was financed in part by the following agencies: the Tennessee Department of Economic and Community Development, the Tennessee Department of Revenue, and the Tennessee Department of Labor and Workforce Development.

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U.T. Publication Authorization Number E01-1490-005-02. 1300 copies. This public document was promulgated at a cost of \$4.00 per copy.

Foreword

This 2002 volume of *An Economic Report to the Governor of the State of Tennessee* is the twenty-sixth in a series of annual reports compiled in response to requests by state government officials for assistance in achieving greater interdepartmental consistency in planning and budgeting efforts sensitive to the overall economic environment. Both short-term, or business cycle-sensitive forecasts, and longer-term, or trend forecasts, are provided in this report.

The quarterly state forecast through the fourth quarter of 2003 and annual forecasts through 2010 represent the collective judgment of the staff of The University of Tennessee's Center for Business and Economic Research in conjunction with the Quarterly and Annual Tennessee Econometric Models. The national forecasts were prepared by DRI-WEFA, Inc. Tennessee forecasts, current as of November 2001, are based on an array of assumptions, particularly at the national level, which are described in Chapter One. (Note that since

reliance is placed on state data available through November 2001, the information reported here may not correspond to revised data released early in 2002.) Chapter Two provides detailed evaluations for major sectors of the Tennessee economy, with an agriculture section provided by the University of Tennessee Agricultural Policy Analysis Center. This year, Chapter Two also presents the long-run outlook and forecast for the state. Chapter Three provides a glimpse into the socioeconomic profile of the state of Tennessee, based largely on the 2000 Census data.

The primary purpose of this annual volume -- published, distributed, and financed through the Tennessee Department of Economic and Community Development, the Tennessee Department of Revenue, and the Tennessee Department of Labor and Workforce Development is to provide wide public dissemination of the most current possible economic analysis to planners and decision-makers in the public and private sectors.



Matthew N. Murray
Associate Director and Project Director
Center for Business and Economic Research

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Executive Summary

The U.S. Economy

The nation's economy spent most of 2001 in recession, according to the National Bureau of Economic Research. Business investment slowed dramatically and consumer spending gradually lost its ability to keep the economy afloat, despite moderate inflation and low interest rates and gasoline prices. While the economic situation was certainly unstable over the summer of 2001, a full-blown recession might have been avoided were it not for the events of September 11, 2001.

The Federal Reserve Bank (Fed) enacted a series of 11 interest rate cuts over the course of the past year which, when combined with the stimulative effects of broad federal tax cuts and increased government spending, will likely

make the current recession mild and short-lived. After returning to positive growth in the second quarter, inflation-adjusted gross domestic product (GDP) is expected to rise at a 0.4 percent annual rate over the course of the next year. The increase will be fueled by increases in consumption spending (1.3 percent) and government spending at the federal (4.1 percent) and state and local (2.4 percent) levels. On the negative side, business investment will fall by 6.4 percent while residential housing falls by 2.0 percent, and net exports will continue to be a drain on the domestic economy. Inflation will remain subdued at a rate of 1.9 percent while unemployment is expected to reach 6.2 percent.

The Tennessee Economy

Short-Term Outlook. Economic growth in Tennessee has slowed in recent months paralleling the trend set by the nation. The National Bureau of Economic Research dated March 2001 as the beginning of a national recession; the tragic events of September 11 have added additional downward pressure to the economy's growth momentum. Economic growth in Tennessee actually began to slow back in the late fall of 2000 when the state's manufacturing sector began to contract. The perennial weakness in nondurable goods manufacturing employment was compounded by setbacks in the durable goods sector. Other sectors of the economy were able to sustain decent job growth, helping to mask the

impending slowdown. By the close of 2001, the contagion had spread. The slowdown is expected to continue through the second quarter of 2002. Slow acceleration in growth is projected beginning in the third quarter of the year.

Following weak job growth of only 0.5 percent in 2001, growth in 2002 will slip further to 0.1 percent. A 3.2 percent setback for manufacturing jobs will be a prime contributor to 2002's weak growth. Job growth will start to show improvement in the third quarter of 2002, and by the end of 2003 growth will have rebounded to 1.5 percent.

Executive Summary, continued

The Tennessee Economy, continued

The weak labor market will translate into a rising unemployment rate over the near term. Following a spike in new claims for unemployment insurance in early 2002, expect the unemployment rate for the year to rise to 5.6 percent. Slow improvement will begin to take place in the third quarter of the year.

Personal income growth has slowed as job growth has slowed. Following growth of 3.8 percent in 1999, income growth actually accelerated in 2000, benefiting from near-seven percent growth in proprietors' income and rent, interest and dividend income. Growth for 2001 is projected to be 4.7 percent. Growth will deteriorate, yielding a gain of 4.2 percent in 2002, before accelerating to 5.2 percent growth in 2003. Fiscal year income growth is projected at 3.9 percent in the current year, improving to 4.7 percent growth in 2002/03.

Per capita personal income growth has been disappointing in recent years. The result has been a widening disparity between per capita personal income in Tennessee relative to the nation as a whole. Since 1996 the state has lost ground relative to the nation. While the state will outperform the U.S. in 2002, the nation will regain its lead in 2003. By the close of 2003 per capita personal income in Tennessee will be 86.4 percent of the national average. This is down from 91.1 percent in 1995.

Taxable sales jumped 9.2 percent in 1999 followed by weak growth of only 3.2 percent in 2000. Sales are expected to have contracted in 2001. Only 0.5 percent growth is forecast for 2002. For the current fiscal year sales are expected to be flat; growth should tally 2.3 percent in 2002/03.

Agriculture Outlook. Tennessee Agriculture income rebounded considerably in 2000 after an all-time low level in 1999. Though the \$449 million in net farm income was a substantial increase over 1999, the increase is only 1.0 percent above the average net farm income level for the entire 1990-1999 period. Despite the stronger yields in 2000, the continued near-record low level prices for many crops and escalating production expenses serve to keep agriculture incomes low. Similarly, producers are anticipating excellent yields for Tennessee's major row crops in 2001. Forecasted corn crop yields for the state are expected to be the highest on record, and projections for cotton indicate the highest yield since 1994. Tennessee tobacco yields are also projected to increase. Nevertheless, while the higher production due to strong yields will boost agricultural income in Tennessee, the continued low prices will serve to dampen the impact. A recent Nursery Production Survey conducted by the UT Agricultural Statistics Service indicates that Tennessee ranks sixth in the U.S. in total gross sales of nursery products, and growth in the green industry in Tennessee is projected to continue over the next five years.

Tennessee has seen a dramatic decline in the number of livestock operations over the last decade. This downward trend is expected to continue, despite expectations for low feed grain prices and increasing demand. While the number of operations has dropped dramatically, the level of production has declined proportionately less. Tennessee livestock producers continued to make profits over the past year, however weakness in the U.S. economy will be felt in the livestock industry, as consumer incomes have been a strong factor

Executive Summary, continued

The Tennessee Economy, continued

in increasing demand for meat over the last few years. The cattle industry will continue its dominance of the state's livestock sector in the near future. A new Tennessee Beef Cattle Improvement Initiative was launched in 2001 which focuses on improving the value, quality, and performance of the Tennessee beef cattle industry while adding income to the industry without significant additional investment.

Long-Term Outlook. Historically, Tennessee's economic growth has followed the nation's growth path, including both expansions and contractions. However, economic well-being in Tennessee has consistently lagged economic well-being for the nation as a whole. In 1990 Tennessee's inflation adjusted gross state product per capita (GSP) was only 84 percent of U.S. gross domestic product per capita. Important gains were realized during the 1990s, and in 1999 the gap between the state and nation narrowed to 90.6 percent of the national average. Over the forecast period between 2001-2010, Tennessee's inflation-adjusted GSP is expected to grow at a compounded annual growth rate (CAGR) of 3.4 percent. Inflation-adjusted U.S. GDP is

expected to grow at a slightly slower annual rate of 3.2 percent (CAGR). Tennessee's inflation-adjusted per capita GSP will stand at 89.6 percent of the national average in 2002, rising to 93.6 percent in 2010. Similarly, in the next ten years, Tennessee's inflation-adjusted personal income is expected to grow at 2.9 percent (CAGR), while the nation's inflation-adjusted personal income per capita is expected to grow at 1.9 percent. In addition, Tennessee's labor force pool is expected to increase at annual pace of 1.4 percent (CAGR) over the next ten years. The overall labor force participation rate is expected to increase, with a range from 62.7 percent in 2001 to 63.1 percent in 2010. Tennessee's nonagricultural jobs are expected to grow at 2.3 percent (CAGR); sectors such as services, trade, transportation, communication, and utilities, and construction are expected to have a stronger performance. Tennessee's inflation-adjusted average annual wage and salary is expected to grow at 3.6 percent (CAGR) in the next ten years. Tennessee's nominal taxable sales are expected to rise from \$74,492 million in 2001 to \$112,049 million in 2010 -- an increase of 4.6 percent (CAGR).

Executive Summary, continued

Socioeconomic Profile: 1990 to 2000

The release of U.S. Census data by the U.S. Census Bureau indicates that a wave of demographic, employment and social change is rippling across the State of Tennessee. The changing socioeconomic characteristics in the state have many important implications, including changes in the labor force, shifts in competitive advantages, changes in the demand for public services and modifications in the industrial structure of the economy. Some of the most notable changes occurring from 1990 to 2000 include the following:

- ▶ An estimated 5.7 million people resided in Tennessee in 2000, representing a 16.7 percent increase since 1990. As a result, Tennessee became the sixteenth most populous state in the U.S., up from eighteenth in 1990.

- ▶ The population of both the state and the nation has grown older since 1990. The state's population is slightly older than the national average as evidenced by the median age which was 35.9 years in Tennessee in 2000 compared to 35.3 years in the U.S.

- ▶ In Tennessee, employment in the managerial, professional and technical occupations enjoyed the highest level of growth with a 34.7 percent increase from 1990 to 2000. Employment in service jobs represented the second fastest growing occupational class with a 24.5 percent increase.

- ▶ Total employment expanded by 24.8 percent in Tennessee from 1990 to 2000. The fastest growing sector of the state's economy was business services, followed by transportation and construction. All but three of the major industrial sectors witnessed

expansion in employment during the last decade. The three contracting sectors of the state's economy included state government (non-education), nondurable manufacturing and mining.

- ▶ Tennessee's inflation-adjusted per capita income increased by 16.8 percent from 1990 to 2000. However, per capita income in Tennessee remains well below the national average. Specifically, the index of Tennessee to U.S. per capita income was 87.9 percent in 2000. Despite making gains in the early part of the decade, the gap in per capita income between Tennessee and the nation started widening during the latter half of the nineties.

- ▶ All data indicate that Tennessee has made positive advances in educational attainment levels since 1990. However, the state has failed to close the educational gap with the rest of the nation.

The myriad changes in the general demographic landscape in Tennessee between 1990 and 2000 have direct implications for all aspects of the state's economy. The demographic trends that the state and the nation have experienced in the last decade are likely to persist, thus making the continuing evolution of the state's economy from a low-skill manufacturing-based economy to a higher-technology manufacturing and service-oriented economy a priority. Tennessee's future economic prosperity will hinge on the state's ability to meet increased educational and skill requirements of the new economy, be on the cutting edge of technological infrastructure, and provide a business climate that is stable, fair and competitive.

The U.S. Economy

Chapter Overview

The longest economic expansion on record officially ended in March of 2001, according to the National Bureau of Economic Research (NBER), exactly ten years after it began. As business investment slowed dramatically and the labor market weakened, the U.S. economy began to chart a new course in March that has only recently begun to show signs of reversing. Despite some recent signs of optimism, the prevailing economic theme of the current economy is one of uncertainty. This chapter aims to reduce that uncertainty by presenting a brief overview of economic events in the U.S. over the past year, a discussion of the policy response from the federal government and the Federal Reserve Bank (Fed), and highlights from the short-term macroeconomic forecast.

To summarize briefly in advance, 2002 is likely to bring a full reversal of the current economic recession -- the primary question is how soon. Inflation-adjusted gross domestic product (GDP) is expected to rise at a 0.4 percent annual rate which, while slow, compares quite favorably to the 2001Q3 contraction of 1.3 percent. The sustainability of stronger economic growth will be supported by the full realization of the stimulative effects of 11 Federal Reserve interest rate cuts and aggressive governmental fiscal policy by mid-2002.

Indeed, the nation's economy could rebound much more quickly if the military effort in Afghanistan remains highly successful and consumer willingness to spend turns upward. Alternatively, the recession could become longer or more severe if the various policy responses fail to have a substantial impact or if consumers and businesses continue to curtail spending in the presence of stock market uncertainty.

The Year in Review

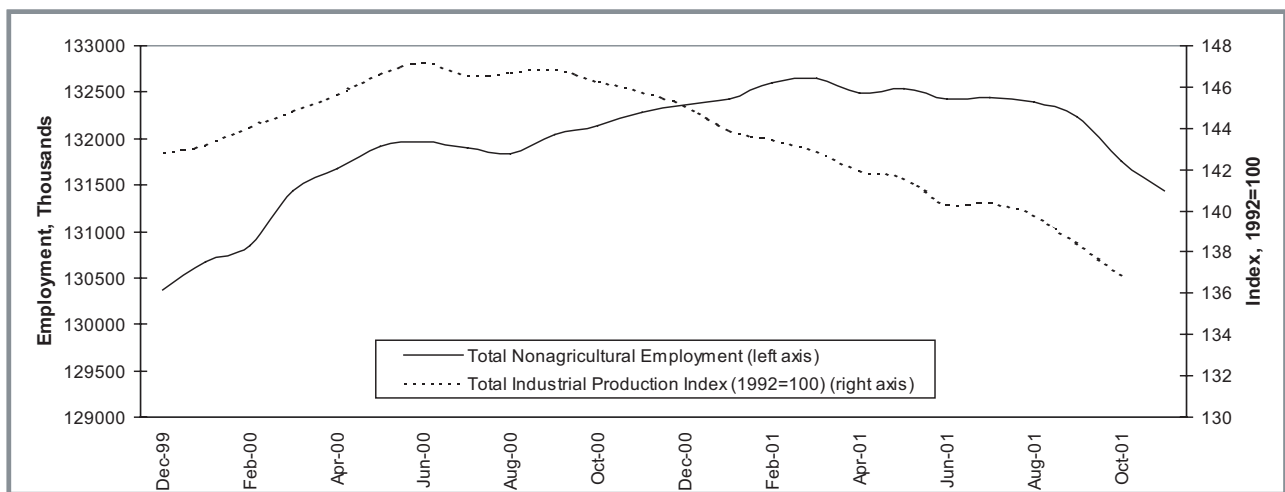
Inflation-adjusted gross domestic product (GDP, in 1996 dollars), perhaps the most widely used measure of economic growth, declined in the third quarter of 2001 for the first time since 1991. Economists traditionally define a recession as at least two consecutive quarters of real GDP decline which, as of this writing, has not yet been observed but is widely expected. Though GDP growth was negative from July through September 2001, the NBER determined that the current recession actually began in March 2001, near the end of the first quarter of the year.

To officially date the beginning of a recession, the NBER examines a few key data series and attempts to identify a clear peak in activity, after which those series enter a prolonged period of decline. Key elements in the NBER's determination include industrial production and real manufacturing and trade sales, both of which peaked in late 2000, and employment, which peaked in March of 2001.

Two of these series are shown in Figure 1.1. A fourth measure of economic well-being considered by the NBER, real personal income less government transfers, had not yet peaked as of the NBER announcement in late November 2001.

There is reasonably broad consensus that the current economic downturn, mild by historical standards, would have been even milder had the recent terrorist attacks on America not occurred. Consumer spending had slowed but was still keeping the economy near positive growth, thanks largely to the low interest rates and sweeping federal tax cuts enacted in early 2001 that enabled auto sales and housing markets to remain strong. The events of September 11, 2001 and the ensuing fallout were more than enough to push the national economy further into recession, however, setting off a wave of business and consumer retrenchment that has only recently shown signs of easing.

Figure 1.1. U.S. Nonagricultural Employment and Industrial Production



Inflation and Unemployment

Figure 1.2. shows recent movements in two popular barometers of economic well-being, the consumer price index (CPI) and the civilian unemployment rate. The CPI measures the total cost of a typical market basket of consumer goods and services over time, relative to some base time period (1982-84). The percentage change in the CPI indicates the general percentage increase in consumer prices (inflation) at that particular point in time. The civilian unemployment rate indicates the share of the national labor force that is either out of work or looking for work.

Maintaining low levels of inflation has become the primary goal of the Fed -- the chief executor of monetary policy in the U.S. Although prices accelerated slightly through 2000 and into 2001, inflation remains largely in check despite a series of 11 federal funds target rate cuts during 2001 (see Figure 1.3.). The CPI rose at an annual rate of 0.7 percent in 2001Q3 (down from the 2000 increase of 3.4 percent) but the core CPI -- which excludes

more volatile food and energy prices -- grew by 2.5 percent (nearly identical to 2001's increase of 2.4 percent). Oil prices, which dampened growth in the fall and winter of 2000, paid a significant dividend in late 2001 with per-gallon prices falling below \$1.00 in many areas of the country.

The labor market showed considerable signs of weakness in 2001 after unemployment bottomed out at 3.9 percent in late 2000. The unemployment rate increased to 5.8 percent as of December 2001, and wage inflation remained largely contained. As evidence, the employment cost index, a popular leading indicator of inflationary pressure in the economy, rose by only 3.7 percent on an annual basis through 2001Q3. This growth rate is down from 2000's increase of 4.6 percent. On the plus side, worker productivity as measured by output per hour of work was up by 2.0 percent as of 2001Q3, down only slightly from the 2000 increase of 3.0 percent.

Figure 1.2. CPI and Unemployment Rate

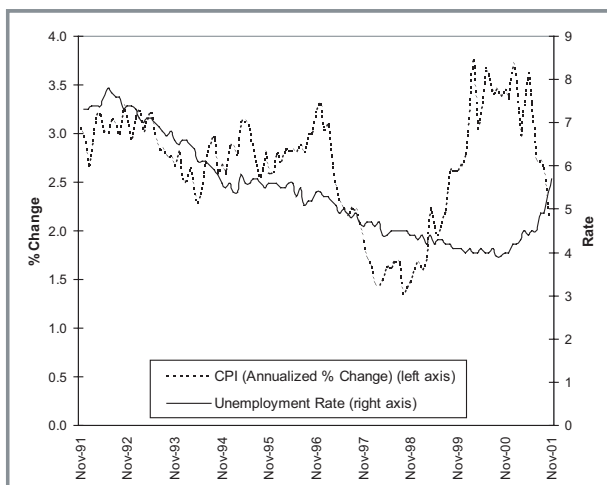
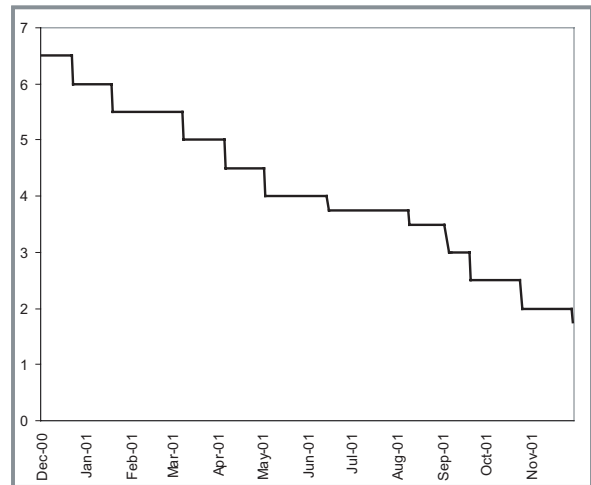


Figure 1.3. Federal Funds Target Rate



Components of GDP

Inflation-adjusted U.S. GDP represents the total value of goods and services sold in the nation during a period of time. By definition, it is the sum of consumption spending, investment (including plant and equipment, structures, residential housing, and inventories), government spending, and spending on the international market (*net exports*, or exports less imports). It is important to examine the various components of real GDP in order to gain a more complete picture of economic health.

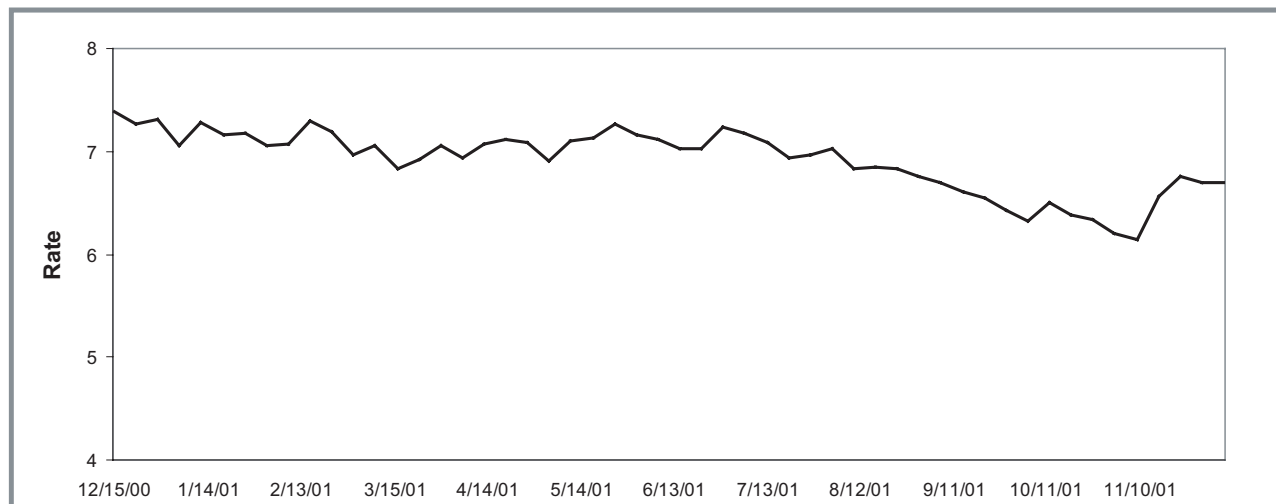
Consumption spending, which typically makes up about two-thirds of total inflation-adjusted GDP, increased by an annual rate of 1.0 percent in 2001Q3. For a number of reasons, this is down from the 1999 increase of 5.0 percent. Figuring prominently in the consumption slowdown were continued worries over stock price volatility and the uncertainty surrounding the ongoing military action in Afghanistan. Consumer purchases of big-ticket items, especially of new automobiles, has remained strong due to attractive zero-percent

financing offers from major manufacturers. However, it is conceivable that much of this increase represents the shifting of sales that would have occurred anyway in 2002.

Spending on residential housing rebounded slightly from the slowdown that had begun in 2000, but many housing market indicators began trending downward during the latter half of 2001. Nonetheless, thanks to mortgage interest rates that have remained remarkably low during most of 2001, residential fixed investment was actually up by an annual rate of 2.4 percent as of 2001Q3. As shown in Figure 1.4., the average 30-year mortgage interest rate hovered around 7.0 percent for most of the year, fell below 6.5 percent during the fall, and has only recently started to climb. Housing starts, while still comparably high, continued to retreat from near-record levels.

The major pre-September 11 economic story of 2001 was the dramatic slowdown in business fixed investment. This important

Figure 1.4. Thirty-Year Fixed Mortgage Rate



Components of GDP, continued

component of GDP fell at an annual rate of 8.5 percent as of the third quarter of 2001, down dramatically from the 2000 increase of 9.9 percent. The retrenchment has been equally shared by the two major categories of equipment -- software and structures. The most marked declines have been observed in computer and communication equipment investment.

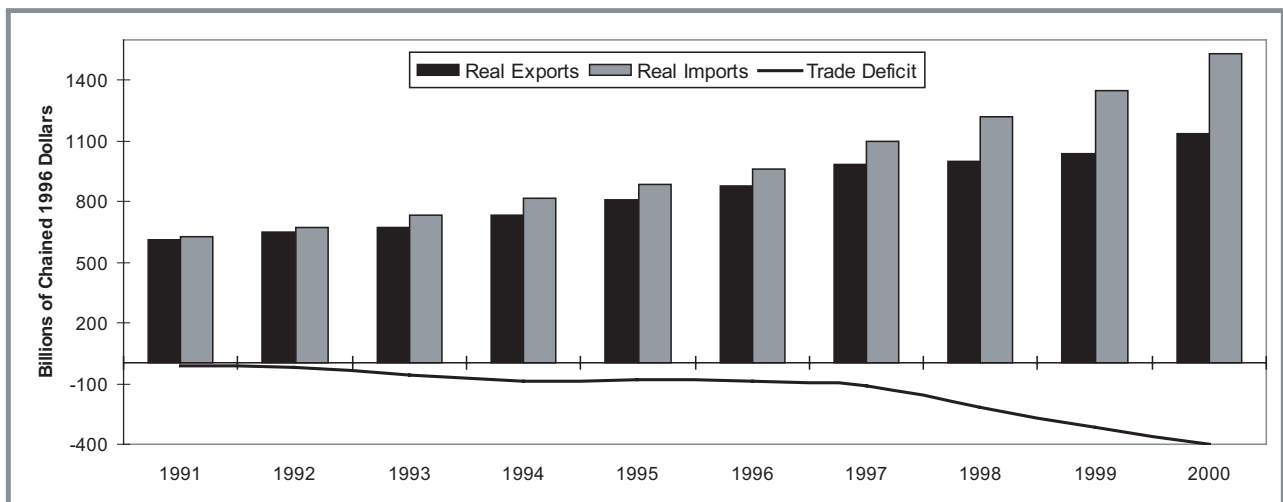
Government spending underwent substantial changes with the federal Treasury continuing to register surpluses that are large but revised downward in the wake of recent tax cuts and spending increases surrounding the events of September 11. Federal government spending increased at a 3.6 percent annual rate as of 2001Q3, while state and local spending decreased by 1.3 percent. Most states have balanced-budget provisions that, at least in principle, restrict spending increases during economic slowdowns.

As is typical in the U.S., the biggest drain on domestic economic growth came from the

The major pre-September 11 economic story of 2001 was the dramatic slowdown in business fixed investment.

international market, as trade imbalances continued to soar. Since spending on imports is included in consumption, it is subtracted from export spending in order to avoid double counting and to gauge the true level of export spending that contributes to U.S. economic growth. Unfortunately, since imports have dramatically exceeded exports in recent years (see Figure 1.5.), this usually involves a net subtraction from real GDP. On an annual basis, exports were down 18.8 percent as of 2001Q3 while imports were down 13.0 percent. Contributing to this was a continued increase in real exchange rates, which made imports even cheaper relative to domestic goods and services.

Figure 1.5. Exports and Imports



The U.S. Policy Response

Policy makers typically have two options for combating recession: they can use monetary policy to affect the money supply through manipulation of interest rates, or they can rely on fiscal policy to spur demand via tax cuts and increased government spending. Both have been used extensively in 2001. As noted, the Fed cut interest rates 11 times during 2001 in an effort to stabilize the economy. These actions were certainly helpful in reducing the magnitude of the current recession, especially in terms of enabling continued consumer spending at reduced but stable levels. However, even 11 rate cuts were not enough to completely mitigate the effects of the terrorist attacks, and in any event, the effects often lag many months after the rate cuts.

In early 2001, the federal government enacted one of the most expansive tax cuts in history, and an additional fiscal stimulus package may take shape in early 2002. To begin, marginal tax rates were set to be

dramatically reduced over the next ten years. In the first phase of that, nearly all taxpayers received an advance rebate check during the summer and fall of 2001, instantly enjoying increased spending power of \$300 to \$600 depending on filing status. Other key elements of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 include expanded child credits and education incentives, liberalized pension/IRA contribution amounts, and an estate tax repeal by 2010.

Congress failed to pass an additional fiscal stimulus package before adjourning in December of 2001 but will likely resume talks in the spring of 2002. Candidates for such measures include assistance for unemployed workers, health insurance subsidies, and acceleration of some of the tax rate cuts from EGTRRA. Such a package could potentially further reduce the recession's effect on consumers and businesses.

The U.S. Forecast

The current economic recession is expected to be mild and short-lived. Inflation-adjusted GDP will continue to decline through the first quarter of 2002 but will resume positive growth at an annual rate of 2.5 percent in 2002Q2 (see Figure 1.6.). Increases in consumer and government spending will offset less dramatic

slowdowns in business investment, residential housing, and international trade as shown in Figure 1.7. Inflation and unemployment will both increase, but only slightly. Each of these anticipated trends is discussed in more detail below.

Consumption and the Labor Market

As consumers react to lower oil prices, reduced stock market volatility, continued fiscal stimulus policy from the federal government, and further progress in the military efforts in Afghanistan, consumer spending should rebound. Nonetheless, consumption is not likely to increase significantly until the second quarter of 2002. Annual growth in consumption spending over the course of 2002 is expected to reach 1.3 percent. The CPI will accelerate slightly by 1.9 percent (2.4 percent for core inflation), but inflation will remain largely subdued.

Labor market conditions will continue to deteriorate through the middle of 2002. Specifically, civilian employment is expected to fall by one-half of one percent nationwide over the course of 2002, while the unemployment rate rises to 6.2 percent. An unfortunate side effect will be continued slow growth in wages (as measured by the employment cost index) at a rate of 2.8 percent. Productivity growth of 2.6 percent will at least partially offset any inflationary pressure from this wage growth.

Figure 1.6. Real GDP Growth (Annual Rate)

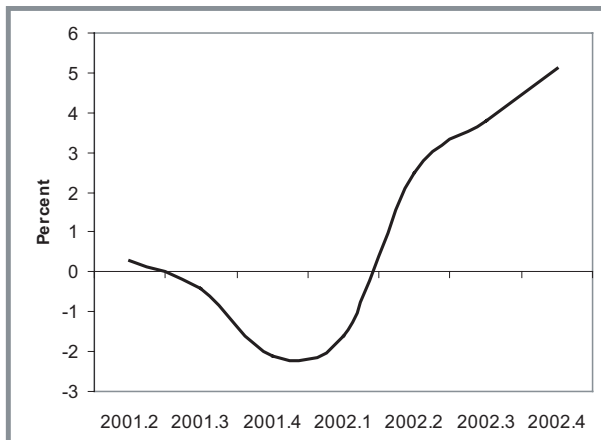
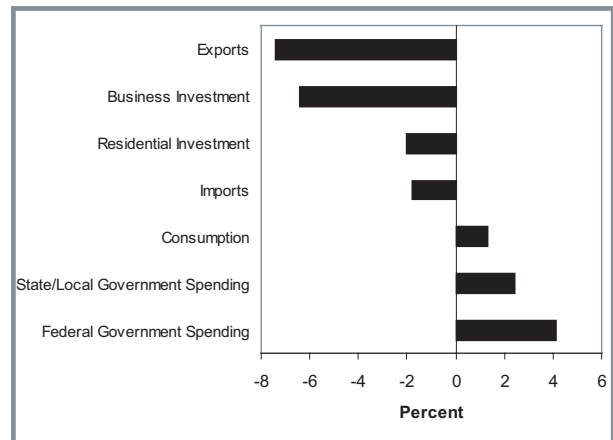


Figure 1.7. Expected Annual Percentage Growth in the Primary Components of Real GDP, 2002



Investment and Interest Rates

Residential and business investment will also continue to slow over the next year. As noted above, the national housing market had already begun a retreat from extreme peaks in previous years. Housing starts will rise slowly at an annual rate (SAAR) of 1.6 million units in 2002. As relatively good news for prospective homebuyers, the average effective 30-year fixed mortgage rate should remain low, averaging 6.5 percent for 2002.

Unfortunately, lagging consumer confidence and other risk factors will contribute to an overall slowdown in the housing market. Residential fixed investment is expected to fall by 2.0 percent in 2002. We should therefore

expect a slowdown of new housing-related purchases (e.g., furniture, fixtures, and appliances) due to reductions in the turnover of existing homes.

The contraction in business fixed investment will continue at a slower annual rate of 6.4 percent in 2002, with declines in computers, communications equipment, and structures equally sharing the blame. As economic growth picks up and the effects of fiscal policy play out in mid-2002, the federal funds rate is projected to begin a slow rise from a low point in early 2002. The prime rate will also bottom out in early 2002 at a rate of 5.0 percent before climbing slowly thereafter.

Government Spending

Due to the ongoing military activity, the recent tax cuts, and the expected enhanced fiscal stimulus package, expect strong growth in federal government spending of 4.1 percent in 2002. As a result, the federal government

will re-enter the world of deficit spending during 2002. State and local spending will also rise, but only at an annual rate of 2.4 percent due to funding constraints.

Net Exports

All signs indicate that it will be a number of years before the trade deficit improves and the current account balance makes a turn for the better. Despite falling export and import prices, inflation-adjusted exports will decline at an annual rate of 7.4 percent in 2002, while inflation-adjusted imports will fall at a slower rate of 1.8 percent. One hint of optimism on the international front is that foreign GDP is

expected to accelerate by 1.5 percent in industrial countries and 4.0 percent in developing countries in 2002. Increases in exchange rates in 2002 will be nearly identical to those experienced in 2001. The end result of the above is that the trade deficit will continue to be a drag on growth until stronger economic growth abroad enables sustained reductions in the U.S. trade deficit.

U.S. Forecast Summary and Conclusions

▶ Expect the current economic recession to be mild and short-lived and the recovery to be slow.

▶ Inflation-adjusted GDP will return to positive growth in the second quarter of 2002, but it will only increase at an annual rate of 0.4 percent over the course of the entire year.

▶ The increase will be fueled by increases in consumption spending (1.3 percent) and government spending at the federal (4.1 percent) and state and local (2.4 percent) levels.

▶ Business investment will fall by 6.4 percent while residential housing falls by 2.0 percent. Net exports will continue to be a drain on the domestic economy.

▶ The inflation rate will increase, but only to 1.9 percent.

▶ The unemployment rate will rise to 6.2 percent.

▶ Interest rates are likely to hit bottom in early 2002 and then gradually rise.

Endnotes

1. CBER bases its forecast on that provided by DRI-WEFA, Inc.

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The Tennessee Economy

Chapter Overview

The economic expansion that began in the early 1990s formally came to a close in the spring of last year. The National Bureau of Economic Research identified March 2001 as the national economy's turning point and hence the beginning of a recession. While much attribution has been given to the tragedy of September 11 as an explanation for the current slowdown, the state and national economies were showing clear signs of weakness dating back to the fall of 2000. The terrorist events simply amplified the forces working to slow the economy down. Fortunately it appears that the economy may be poised to rebound by the middle of 2002, making the current downturn a very short-lived event.

In this chapter of the *Economic Report to the Governor*, the economic outlook for Tennessee is presented. This includes both the short-term and long-term outlook for the overall state economy, as well as the short-term outlook for the state's agricultural sector. The short-term outlook calls for sluggish growth through the second quarter of 2002, with growth slowly accelerating as the year progresses. By 2004 the economy should return to its long-term growth path, barring any unforeseen economic shocks. The state economy could easily encounter some bumps in the road ahead. Investment spending has been weak and will likely remain so until the economy shows broader signs of recovery. International economic conditions are fragile, due to weaknesses in key nations including Germany, Japan and Argentina. Finally, there remain uncertainties regarding the economic consequences of military actions in various parts of the world. Domestic economic recovery could be easily derailed by these or other factors.

Recent Economic Trends

The state economy has performed reasonably well in recent years in terms of most broad barometers of economic activity, although the state's position vis-à-vis the nation has shown some deterioration. Nominal personal income advanced 6.0 percent in 2000 and is expected to have grown 4.7 percent in 2001,

trailing the nation in each year. Nonagricultural jobs were up 2.1 percent in 2000, with growth for 2001 expected to come in at the much lower rate of 0.5 percent. The state unemployment rate for 2001 is expected to be 4.3 percent, comparing favorably to the anticipated 4.8 percent rate for the nation.

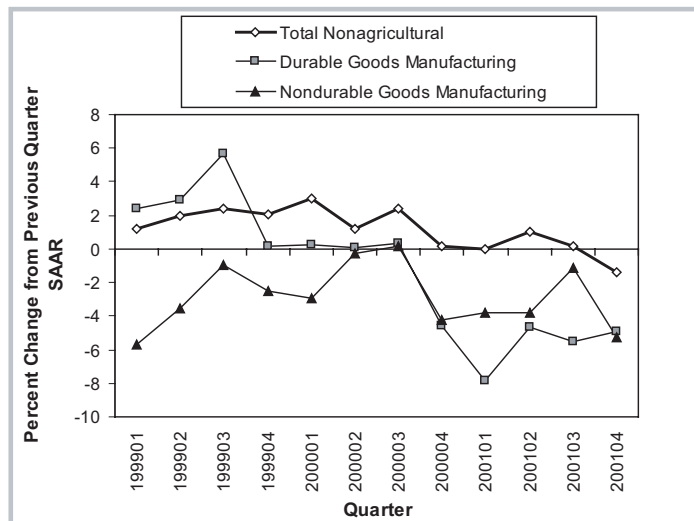
State Labor Markets

The slower rate of job creation in 2001 is largely attributable to the state's manufacturing sector. But the blame cannot be placed solely on the usual suspect -- nondurable goods manufacturing. On the heels of a 5.0 percent setback in 1999, job decay in nondurables was 1.8 percent in 2000, the sector's best performance since 1994. The rate of job loss is projected to have accelerated to nearly 3.0 percent in 2001. Enter durable goods manufacturing, a sector that has been a leader in helping to transform the state economy.

Following job growth of 2.5 percent in 1999 and 0.7 percent in 2000, projections call for job losses of 4.7 percent in 2001. Job losses were first observed in the final quarter of 2000, offering an early signal of the direction of the overall economy.

Figure 2.1. shows recent movements in jobs for nondurable goods and durable goods manufacturing, as well as for the total nonagricultural sector. In nondurable goods manufacturing, only the food, petroleum

Figure 2.1. Tennessee Job Growth, 1999 to 2001



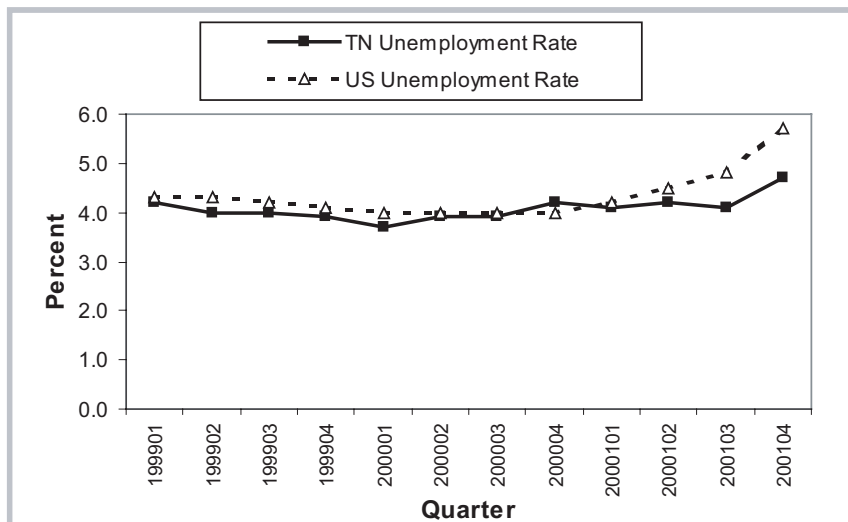
State Labor Markets, continued

refining, and rubber and plastics sectors showed growth in 2000; in 2001 only food and petroleum refining are expected to be in the black. Durable goods manufacturing fared somewhat better in 2000 with four broad sectors -- furniture and fixtures, primary metals, electrical machinery and miscellaneous manufacturing -- showing contraction. Unfortunately all of the broad component sectors of durable goods manufacturing will have contracted in 2001. Job growth has remained reasonably strong outside of manufacturing, supporting good rates of job creation, totaling 1.8 percent in 1999 and 2.1 percent in 2000. But job growth is projected to total only 0.5 percent for 2001. Despite the sore spot in manufacturing, other sectors -- notably construction, trade, services and TCPU

(transportation, communications and public utilities) -- will likely enjoy job growth rates in excess of 1.5 percent for 2001.

Tennessee has been able to engineer lower unemployment rates than the nation in recent years, as shown in Figure 2.2., although the margin is slim. The unemployment rate in Tennessee was only 4.1 percent in the third quarter of 2001, performing admirably in the face of weakening job growth and comparing well against a national rate of 4.8 percent. The number of unemployed people is expected to jump in both the fourth quarter of 2001 and the first quarter of 2002, leading to sharply higher unemployment rates for both the state and nation.

Figure 2.2. U.S. and Tennessee Unemployment Rates, 1999 to 2001



Personal Income and Taxable Sales

Total personal income growth has been stronger for the U.S. economy than for the state economy going back to 1996. After enjoying a full percentage point advantage over the state in 1999 and 2000, the national economy's winning margin will shrink to 0.3 percentage points in 2001. The state's slower rate of *total* personal income growth has been accompanied by still slower growth in *per capita* personal income relative to the nation. This has translated into widening disparities in relative well-being between the state and the nation. In 1998 Tennessee per capita income stood at

87.6 percent of the national average; by 2001 the state's relative standing is expected to slip further to 85.0 percent.

Nominal taxable sales have been on a roller coaster ride in recent years. On the heels of 0.4 percent growth in 1998, sales growth jumped 9.2 percent in 1999, then slid to 3.2 percent growth in 2000. In light of contractions in taxable sales in the first and third quarters of 2001, growth for the year as a whole is likely to be negative as well.

Short-Term Economic Outlook

The short-term economic outlook calls for sluggish economic activity well in to 2002. Most barometers of economic activity will show growth as opposed to contraction through 2002, indicating the mild nature of the current downturn. Personal income and gross state product will grow slowly, while year-over-year job losses will be experienced in the first and second quarters of 2002. Weakness in state labor markets will translate into a sharp increase in the number of unemployed people and hence the state rate of unemployment.

The Tennessee Leading Economic Index, a predictor of economic conditions six to nine months into the future, contracted in October 2001 at a 7.1 percent pace (SAAR). Both the Tennessee and U.S. leading indexes, shown in Figure 2.3., have been volatile in the past year. The U.S. index has shown about the same

number of advances as setbacks. October was the third consecutive month of contraction in the state's leading index. The index also contracted for three months in a row during the February-April window of Spring 2001. The leading indexes for the state's major metropolitan areas have been volatile for over a year as well, with one month's upward movement often negated by declines in the subsequent month. Together, the evidence from the leading index for the state as a whole, as well as the indexes for the state's major metropolitan areas, points to sustained economic volatility and little growth through the second quarter of 2002.

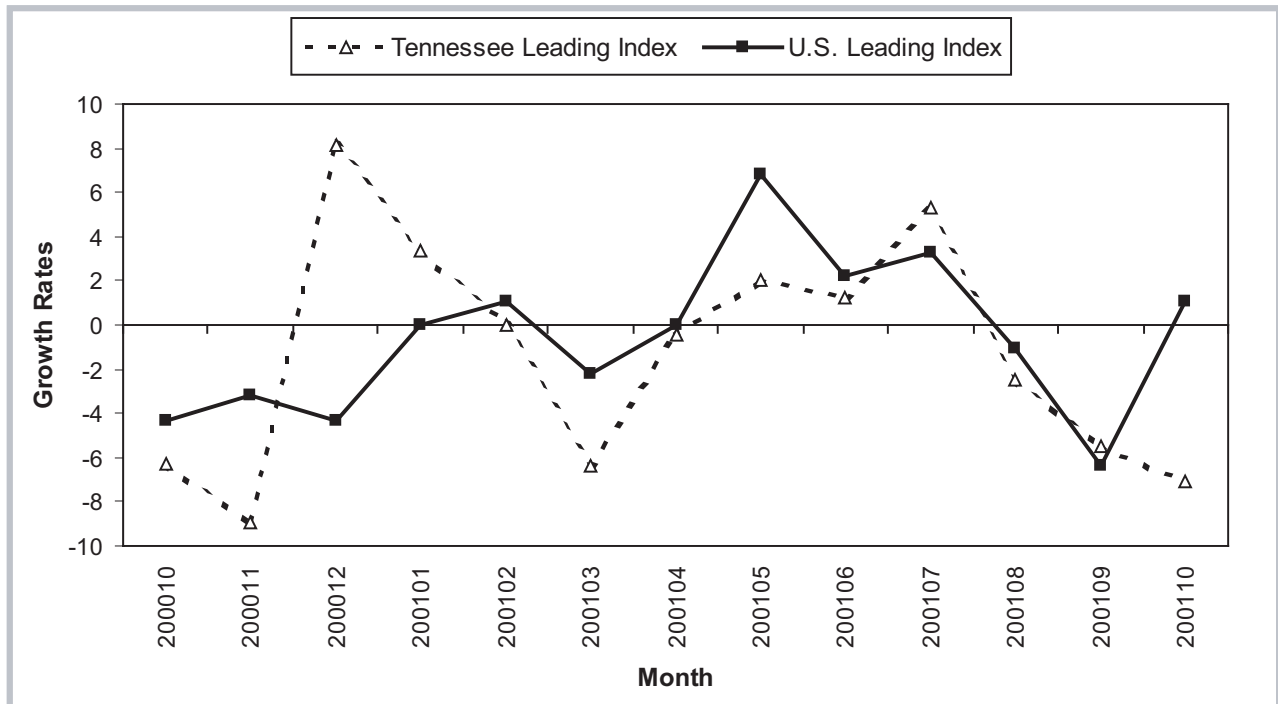
The Quarterly Tennessee Econometric Model offers more concrete and specific guidance on the expected path of the state economy, extending out through the fourth

Short-Term Economic Outlook, continued

The evidence from the leading index for the state as a whole, as well as the indexes for the state's major metropolitan areas, points to sustained economic volatility and little growth through the second quarter of 2002.

quarter of 2003. (The Annual Tennessee Econometric Model, which provides a long-term annual forecast, is discussed at greater length later in this chapter.) Table 2.1. provides a summary of the short-term forecast for both the state and the nation. Tennessee is expected to perform better than the nation in terms of income and job growth in 2002. Tennessee will sustain its lead over the nation in job growth in 2003 (1.5 percent versus 1.0 percent), but nominal income growth will lag the nation (5.2 percent versus 5.6 percent). The state will enjoy a lower unemployment rate than its national counterpart in both 2002 and 2003.

Figure 2.3. Tennessee and U.S. Leading Indexes



Short-Term Economic Outlook, continued

Table 2.1. Selected U.S. and Tennessee Economic Indicators

	SEASONALLY ADJUSTED													
	HISTORY				FORECAST - DATA								ANNUAL	
	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
US GDP (BIL96\$) SAAR.....	9341.7	9333.4	9284.3	9246.1	9303.6	9391.6	9510.1	9623.1	9736.8	9821.6	9926.9	9323.5	9362.8	9777.1
% CHG PREV QTR SAAR.....	0.31	-0.36	-2.09	-1.64	2.51	3.84	5.14	4.84	4.81	3.53	4.36	1.08	0.42	4.42
% CHG SAME QTR LAST YR.....	1.22	0.79	-0.21	-0.95	-0.41	0.62	2.43	4.08	4.66	4.58	4.38	1.08	0.42	4.42
US GDP (BIL\$) SAAR.....	10202.6	10247.7	10239.7	10235.6	10235.5	10465.5	10647.5	10837.9	11022.7	11185.3	11369.3	10207.9	10420.9	11103.8
% CHG PREV QTR SAAR.....	2.42	1.78	-0.31	-0.17	3.98	5.12	7.15	7.35	7.00	6.03	6.75	3.39	2.09	6.55
% CHG SAME QTR LAST YR.....	3.50	3.12	2.11	0.92	1.30	2.12	3.98	5.89	6.65	6.88	6.78	3.39	2.09	6.55
IMPLICIT DEFLATOR, GDP.....	109.2	109.8	110.3	110.7	111.1	111.4	112.0	112.6	113.2	113.9	114.5	109.5	111.3	113.6
% CHG PREV QTR SAAR.....	2.11	2.15	1.81	1.49	1.43	1.24	1.90	2.39	2.09	2.42	2.29	2.29	1.65	2.04
% CHG SAME QTR LAST YR.....	2.26	2.31	2.33	1.89	1.72	1.49	1.51	1.74	1.90	2.20	2.30	2.29	1.65	2.04
US PERS CONS DEFL (1996=100)....	109.6	109.5	110.1	110.4	110.9	111.4	112.0	112.7	113.3	114.0	114.7	109.6	111.2	113.7
% CHG PREV QTR SAAR.....	1.34	-0.38	2.31	1.22	1.72	1.64	2.33	2.33	2.28	2.56	2.49	1.94	1.45	2.23
% CHG SAME QTR LAST YR.....	2.22	1.52	1.61	1.12	1.21	1.72	1.73	2.00	2.14	2.37	2.41	1.94	1.45	2.23
TN PERSONAL INCOME (MIL96\$) SAAR	141290	141241	141506	143823	146007	144333	145388	148234	150218	148545	149462	141118	144888	149115
% CHG PREV QTR SAAR.....	2.46	-0.14	0.75	6.71	6.22	-4.51	2.96	8.06	5.46	-4.38	2.49	2.70	2.67	2.92
% CHG SAME QTR LAST YR.....	3.01	2.39	1.77	2.41	3.34	2.19	2.74	3.07	2.88	2.92	2.80	2.70	2.67	2.92
US PERSONAL INCOME (BIL96\$) SAAR	7952.0	8016.8	8000.6	8007.4	8026.4	8074.3	8129.8	8217.0	8296.4	8357.2	8424.1	7969.9	8059.5	8323.7
% CHG PREV QTR SAAR.....	2.13	3.30	-0.81	0.34	0.95	2.41	2.78	4.36	3.92	2.96	3.24	3.01	1.12	3.28
% CHG SAME QTR LAST YR.....	3.07	3.15	1.77	1.23	0.94	0.72	1.61	2.62	3.36	3.50	3.62	3.01	1.12	3.28
TN PERSONAL INCOME (MIL\$) SAAR..	154841	154639	155818	158851	161954	160748	162860	167005	170195	169368	171463	154673	161103	169508
% CHG PREV QTR SAAR.....	3.83	-0.52	3.09	8.02	8.04	-2.95	5.36	10.58	7.86	-1.93	5.04	4.68	4.16	5.22
% CHG SAME QTR LAST YR.....	5.30	3.95	3.41	3.56	4.59	3.95	4.52	5.13	5.09	5.36	5.28	4.68	4.16	5.22
US PERSONAL INCOME (BIL\$) SAAR..	8714.6	8777.3	8809.8	8844.2	8903.0	8992.6	9106.8	9257.5	9399.8	9528.7	9664.1	8735.5	8961.7	9462.5
% CHG PREV QTR SAAR.....	3.49	2.91	1.49	1.57	2.69	4.09	5.17	6.79	6.29	5.60	5.81	5.00	2.59	5.59
% CHG SAME QTR LAST YR.....	5.36	4.72	3.41	2.36	2.16	2.45	3.37	4.67	5.58	5.96	6.12	5.00	2.59	5.59
TN NONAGRIC JOBS (THOUS).....	2757.8	2758.8	2749.3	2742.0	2754.3	2768.4	2767.6	2776.0	2797.3	2813.1	2811.0	2754.1	2758.1	2799.4
% CHG PREV QTR SAAR.....	1.05	0.14	-1.37	-1.06	1.81	2.06	-0.11	1.22	3.10	2.29	-0.30	0.53	0.14	1.50
% CHG SAME QTR LAST YR.....	0.90	0.35	-0.05	-0.31	-0.13	0.35	0.67	1.24	1.56	1.62	1.57	0.53	0.14	1.50
US NONAGRIC JOBS (MIL).....	132.5	132.3	131.6	131.6	131.6	131.7	131.9	132.3	132.8	133.1	133.8	132.2	131.7	133.0
% CHG PREV QTR SAAR.....	-0.23	-0.43	-2.31	-0.05	0.04	0.52	0.65	0.97	1.47	1.18	1.99	0.37	-0.41	0.98
% CHG SAME QTR LAST YR.....	0.48	0.31	-0.52	-0.76	-0.69	-0.46	0.29	0.54	0.90	1.07	1.40	0.37	-0.41	0.98
TN UNEMPLOYMENT RATE (%).....	4.2	4.1	4.7	5.6	5.7	5.5	5.4	5.3	5.1	5.0	5.0	4.3	5.6	5.1
US UNEMPLOYMENT RATE (%).....	4.5	4.8	5.7	6.0	6.3	6.4	6.2	6.1	5.8	5.7	5.4	4.8	6.2	5.8
BANK PRIME INTEREST RATE (%)....	7.3	6.6	5.2	5.0	5.3	5.6	6.3	6.9	7.5	7.8	8.0	6.9	5.5	7.5
TN MFG JOBS (THOUS).....	491.3	486.6	480.4	476.7	474.6	470.0	471.1	473.8	474.6	473.8	471.7	488.8	473.1	473.5
% CHG PREV QTR SAAR.....	-4.33	-3.75	-5.06	-3.00	-1.80	-3.76	0.95	2.27	0.67	-0.61	-1.81	-3.97	-3.20	0.08
% CHG SAME QTR LAST YR.....	-3.70	-4.68	-4.84	-4.04	-3.41	-3.41	-1.92	-0.61	0.00	0.81	0.12	-3.97	-3.20	0.08
TN TAXABLE SALES (MIL96\$).....	17077	16681	17116	16974	16849	16537	17005	17262	17048	16719	17021	67988	67366	68049
% CHG PREV QTR SAAR.....	-0.88	-8.95	10.85	-3.27	-2.92	-7.20	11.79	6.18	-4.86	-7.50	7.44	-2.09	-0.92	1.01
% CHG SAME QTR LAST YR.....	-1.32	-3.42	0.28	-0.82	-1.33	-0.86	-0.65	1.69	1.18	1.10	0.10	-2.09	-0.92	1.01
TN TAXABLE SALES (MIL\$).....	18714	18263	18847	18748	18690	18418	19048	19448	19315	19062	19527	74519	74904	77351
% CHG PREV QTR SAAR.....	0.44	-9.30	13.41	-2.09	-1.24	-5.68	14.40	8.65	-2.70	-5.13	10.11	-0.18	0.52	3.27
% CHG SAME QTR LAST YR.....	0.87	-1.95	1.89	0.29	-0.13	0.85	1.07	3.73	3.35	3.50	2.51	-0.18	0.52	3.27
TN AVG ANNUAL WAGE, NONAG (96\$)..	29272	29158	29245	29744	30017	29540	29595	30271	30355	29887	29887	29202	29724	30100
% CHG PREV QTR SAAR.....	1.93	-1.55	1.20	7.00	3.73	-6.21	0.74	9.45	1.12	-6.03	-0.01	1.75	1.79	1.26
% CHG SAME QTR LAST YR.....	2.00	1.58	1.38	2.10	2.55	1.31	1.20	1.77	1.12	1.17	0.99	1.75	1.79	1.26
TN AVG ANNUAL WAGE, NONAG (\$)....	32080	31924	32203	32852	33296	32900	33151	34104	34392	34076	34286	32007	33050	34215
% CHG PREV QTR SAAR.....	3.29	-1.92	3.54	8.31	5.52	-4.68	3.10	12.00	3.42	-3.62	2.48	3.72	3.26	3.52
% CHG SAME QTR LAST YR.....	4.27	3.12	3.01	3.24	3.79	3.06	2.94	3.81	3.29	3.58	3.42	3.72	3.26	3.52

State Labor Markets

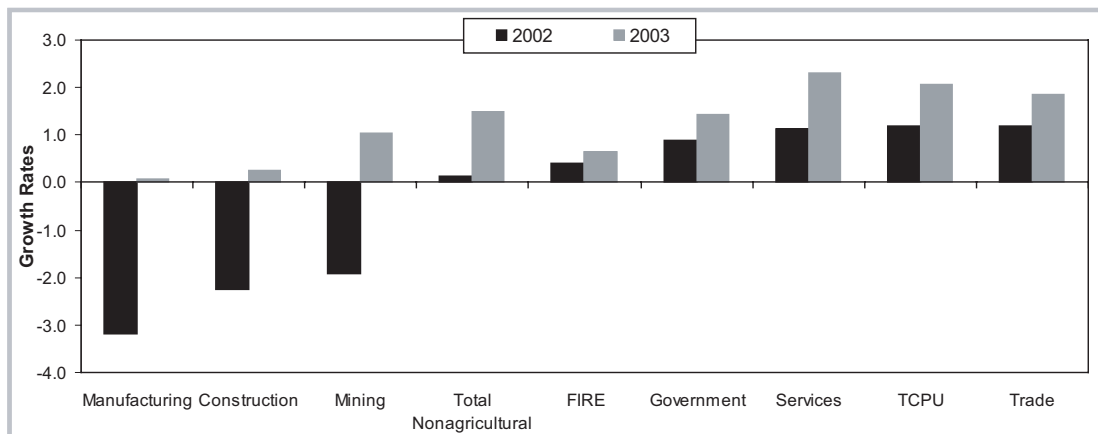
Nonagricultural job growth for the state economy, by broad industry sector, is shown in Figure 2.4, for both 2002 and 2003. Year-over-year job losses are projected for the first and second quarters of 2002, pulling down calendar-year growth to only 0.1 percent. (Job losses of 0.4 percent are forecast for the U.S. in 2002.) The trade, services and TCPU sectors will experience growth in excess of 1.0 percent, while finance, insurance and real estate (FIRE) will grow by 0.4 percent. Job losses are expected in mining and construction. Larger setbacks are expected in manufacturing in 2002, totaling 3.8 percent in durable goods manufacturing and 2.4 percent in nondurable goods manufacturing. Only instruments and lumber and wood will experience job growth in the durable goods sector. In nondurable goods manufacturing, job growth is anticipated in the food, tobacco, paper, printing and publishing, and rubber and plastics sectors, although the gains will be modest in all instances. Double-digit losses are likely in textiles and leather.

By the third quarter of the year, job growth is expected to return to the black.

Momentum will build as the year progresses, and 2003 should usher in stronger growth. Overall growth for 2003 is forecast at 1.5 percent, a substantial improvement over the current situation, but far from the economy's long-term trend. All broad sectors of the state economy will improve from 2002 to 2003. The strongest rates of growth are forecast for trade (1.9 percent), services (2.3 percent), and TCPU (2.1 percent). Manufacturing will eke out a 0.1 percent gain, as job growth in durable goods (1.6 percent) outweighs job losses in nondurable goods (2.0 percent).

Sharp spikes in the number of unemployed people are expected in the fourth quarter of 2001 and the first quarter of 2002. The number of unemployed people will start to shrink in the third quarter of 2002. The deterioration in labor market conditions in early 2002 will help push the annual unemployment rate to 5.6 percent. The U.S. unemployment rate for 2002 is forecast at 6.2 percent. By 2003 the unemployment rate for Tennessee should fall to 5.1 percent, versus 5.8 percent for the U.S.

Figure 2.4. Tennessee Nonagricultural Job Growth by Sector, 2002 and 2003



Income, Sales and Prices

Growth in nominal personal income will slow to 4.2 percent in 2002 due to relatively weak growth in wage and salary income. Despite nearly flat job growth for the year, wage and salary income is still expected to expand as a result of productivity gains and inflation. Wage and salary income growth will improve in 2003 as job growth strengthens, helping to lift overall income growth to 5.2 percent. Proprietors' income should grow 4.6 percent in 2002 and show improvement in 2003. Rent, interest and dividend income will grow 5.4 percent in 2002 and then slow slightly in 2003. On a fiscal year basis, nominal personal income should grow 3.9 percent in the current year, improving to 4.7 percent growth in 2002/03.

Nominal per capita personal income growth in Tennessee is likely to grow 3.0 percent in 2002, reflecting a substantial premium over the nation as a whole. Unfortunately, the state is projected to trail the nation in 2003, which will lead to further disparities between relative income in Tennessee versus the U.S.

Contraction in taxable sales can be expected as the economy muddles through the first half of 2002. Setbacks in taxable sales

are forecast for the first through the third quarters of the year, with a rebound in the fourth quarter, culminating in a calendar year growth of only 0.5 percent. Automobile dealer sales are expected to decline sharply in the first quarter of 2002, with the expectation that strong sales in the fourth quarter of 2001 stole sales from the current year. The contractions in the state's and nation's durable goods manufacturing sectors will push purchases from manufacturers and miscellaneous durable goods sales into the red. The slow recovery into 2003 will improve sales growth for the year to 3.3 percent. Essentially no growth is projected for taxable sales in the current fiscal year. Expect taxable sales growth of 2.3 percent in fiscal year 2002/03.

Low rates of inflation are expected to continue through the short-term forecast horizon. On the heels of a 2.3 percent increase in 2001, growth in the implicit deflator for gross domestic product will slow to 1.7 percent in 2002, then increase to 2.0 percent in 2003. Slower growth and lower inflation will support lower interest rates in 2002. The prime interest rate should fall from 6.9 percent in 2001 to 5.5 percent in 2002. The rebound in growth will push the prime interest rate to 7.5 percent in 2003.

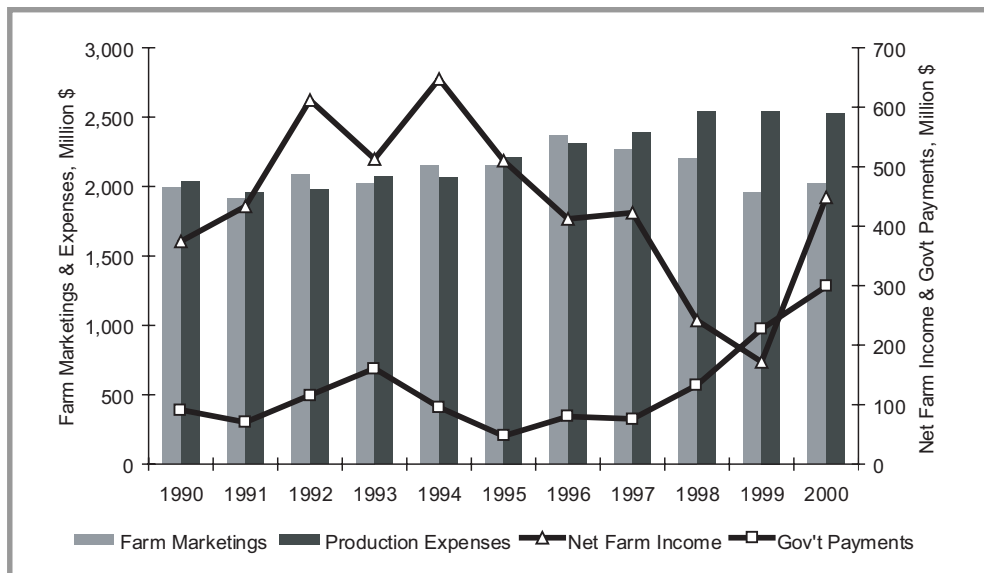
Overview and Prospects for Tennessee Agriculture

Tennessee Production Agriculture Review

Coming off of a record low year for agricultural income in 1999, Tennessee's agriculture sector rebounded considerably in 2000 (Figure 2.5). In 1999, net farm income in the state fell to \$172 million, and without government payments totaling \$227 million, net farm income would have shown a net loss of over \$55 million. This marked the first time since record keeping began in 1949 that direct government payments were necessary to allow

for a positive net farm income for Tennessee agriculture. Net farm income rose to \$449 million in 2000. While the increase in net farm income over the 1999 level was substantial, it was only 1.0 percent above the average net farm income level for 1990-1999. Total direct government payments to Tennessee farmers in 2000 totaled \$299 million; thus two of every three dollars in net farm income in the state were from direct government payments.

Figure 2.5. Tennessee Receipts from Farm Marketings, Production Expenses, Government Payments, and Net Farm Income, 1990-2000



Source: Tennessee Agricultural Statistics Service.

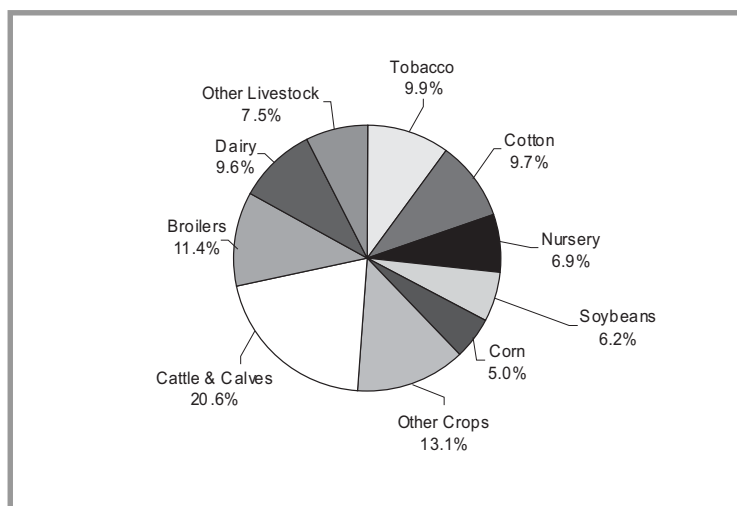
Tennessee Production Agriculture Review, continued

Much of the blame for low incomes in 2000 rests with continued depressed prices. Yields were much stronger in 2000, but prices continued at near-record low levels for many crops. Production expenses continued along an upward trend. If government payments had been at their projected level authorized in the 1996 farm bill, net farm income in Tennessee would have been only half the reported level.

Cash receipts from agricultural marketings in 2000 totaled \$2.02 billion, up just 3 percent from receipts in 1999 totaling \$1.96 billion (Figure 2.6). Livestock and crop receipts were nearly equal with crops contributing \$1.03 billion (51 percent) and livestock contributing \$990 million (49 percent). Cattle and calves led livestock receipts, contributing over \$416 million -- or more than

one in every five dollars of all agricultural receipts. Broilers contributed \$230 million, followed by dairy products, contributing \$193 million. Receipts from hogs were up more than 50 percent in 2000 to \$61 million, but were still more than 40 percent below their 1996 level. Although still the leading crop in 2000, tobacco receipts were down 8 percent compared to 1999 to just under \$200 million, their lowest level in more than a decade. Receipts from cotton were just behind tobacco receipts at \$196 million. For the second year in a row, nursery crops were the third leading cash crop generating over \$140 million, followed by soybeans (\$126 million) and corn (\$102 million). Floriculture crops were up nearly 15 percent in 2000 and if combined with nursery crops, would account for the largest share of crop cash receipts in Tennessee.

Figure 2.6. Tennessee Agricultural Cash Receipts from Farm Marketings, 2000



Source: Tennessee Agricultural Statistics Service.

Crop Outlook

Major Row Crops

Producers are anticipating excellent yields for Tennessee's major row crops in 2001. Forecasted yields for the state's 2001 corn crop are the highest on record (133 bushels per acre), while the latest projections for cotton indicate the highest yield since 1994 -- expected to average 690 pounds of lint per acre. Soybean yields are forecast at 35 bushels per acre, ten bushels above the 2000 crop that suffered drought conditions. Compared to 2000, production in 2001 is projected to be up by 13 percent for corn (to 75.8 million bushels), 23 percent for cotton (to 870,000 bales), and 28 percent for soybeans (to 36.8 million bushels). While higher production due to strong yields will boost agricultural income in Tennessee, continued low prices will dampen the impact on income. World cotton prices have suffered from global slackening of demand coinciding with rebounding world production. Current prices in late 2001 are down about 40 percent from late 2000. Corn, soybean and wheat prices are projected to remain near their 2000 levels, still considerably lower than their averages over the late-1990s.

Yields are also projected to be up for Tennessee tobaccos, at 2,000 pounds per acre for burley and a record 2,800 pounds per acre for dark-fired tobacco. Despite projections for higher tobacco yields, tobacco production for 2001 is forecast at 68 million pounds, which would be the smallest crop since 1989. The decline is due to a reduction in tobacco acreage of more than 10 percent. While the tobacco basic quota in Tennessee increased by about one-third in 2001, the effective quota decreased by 14 percent to just under 75 million pounds, leading to further reductions in tobacco acreage. The effective quota in Tennessee in 2001 was 60 percent lower than the 1998 level and nearly one-third less than the five-year average production level. Tobacco quotas are projected to be near the 2001 level in 2002, thus a rebound in tobacco production in Tennessee is not indicated.

Lower fuel and fertilizer costs and lower interest rates will benefit Tennessee net farm income in 2002 on the production cost side, although crop receipts are not likely to jump significantly as prices are expected to remain low and tobacco production will not recover significantly.

Nursery

Tennessee's first Nursery Production Survey of nine nursery categories (conducted by the Tennessee Agricultural Statistics Service) revealed that the state ranks sixth in the U.S. in total gross sales. Deciduous shade and flowering trees accounted for nearly half of total gross sales in the state, with Tennessee ranking fourth and third, respectively, in sales of deciduous shade and flowering trees. Propagation material accounted for 14 percent of all nursery sales. For 170 nursery operations

in the state with sales greater than \$100,000 in 2000, gross value of sales totaled \$124 million for sales of 12.5 million units. In addition to the 170 nursery operations with more than \$100,000 in gross sales, another 182 operations in the state reported sales of \$10,000 or more. These 352 nursery operations reported production area of 1.32 billion square feet, or just over 30 thousand acres. Growth in the green industry in Tennessee is projected to continue over the next three to five years.

Forest Products

While not formally included in the state's agricultural income statistics, forest products contribute significantly to the state's food and fiber economy. Income from the sale of timber in Tennessee has more than doubled over the last decade, topping \$420 million in 2000. Tennessee continues to be one of the nation's leading producers of quality hardwood lumber, leading the nation in production of hardwood flooring and pencils and second in the nation in hardwood lumber production. In 2000, Tennessee's forest resources produced sawlogs to manufacture approximately 934 million board feet of hardwood products and 194 million board feet of softwood lumber. In addition to sawlog production, Tennessee

produced over 800,000 cords of hardwood pulpwood and over 1 million cords of softwood pulpwood. The 1999 forest survey indicated that almost 55 percent of the total land area in Tennessee is forested, approximately 14.4 million acres. The trend toward increasing forested area is primarily due to reversion of farm lands to hardwood forest, with nearly 90 percent of Tennessee's forest classified as hardwood. Nonindustrial private individuals own 11 million acres of Tennessee's forest, or about 70 percent. Private ownership of forestland is shifting from farmers to absentee landowners, the number of landowners is increasing sharply, and average tract size is decreasing.

Livestock Outlook

The number of livestock operations in Tennessee has declined significantly over the last decade. Since 1991, the number of hog operations in Tennessee has fallen by more than 78 percent to just 1,500 operations. Dairy operations have also been reduced by more than 60 percent with just over 1,600 reported in 2000. Although not as dramatic as the reduction in hog and dairy operations, cattle operations have declined by 25 percent from 67,000 in 1991 to 50,000 in 2000. This downward trend is expected to continue, despite expectations for low feed grain prices and increasing demand. While the number of operations has dropped dramatically, the level of production has declined proportionately less.

Tennessee livestock producers have been making profits over the past year. Weakness in the U.S. economy will be felt in the livestock industry, as consumer incomes have been a strong factor in increasing demand for meat over the last few years, but it is too early to project the extent of the weakness. A continued decline in demand for beef is expected in the coming year, along with small increases in both pork and poultry. The trend toward contract hog production is continuing and stronger profits will likely lead to modest future expansion and slightly lower prices. The poultry industry will continue to see increasing profits as the trend toward strong exports continues. Wholesale broiler prices are likely to average in the upper \$0.50s to low \$0.60s per pound for 2002. The dairy industry has seen a surprising recovery in 2001 as milk prices increased. Predicted 2002 price levels should sustain the state's dairy industry although profit margins will likely be low. Production costs will remain low with cheap feed grains keeping the milk-feed price ratio high.

The U.S. cattle herd is declining slightly, continuing the downturn in the current cattle cycle. Following a six-year increase during the cattle cycle upturn, 2001 marks the fifth year of the downturn in the cattle cycle. There is no significant sign of cattle expansion in the nation. During the past two years, cattle prices have rallied while corn and feed grain prices have remained low. Strong slaughter cattle prices, with cheap feed, leads to expectations of strong feeder cattle prices in 2002. The cattle industry is poised to continue its dominance of the state's livestock sector in the near future. Continued depressed prices for feed grains and projections for continued low prices, barring unforeseen supply shifters such as major droughts, are holding a positive outlook for cattle and calves from the production cost side.

In 2001, a new Tennessee Beef Cattle Improvement Initiative was launched. This statewide effort focusing on improving the value, quality, and performance of the Tennessee beef cattle industry aims to add income in the Tennessee beef cattle industry without additional significant investment. The program includes major efforts in the areas of producer education and communication, management tools, marketing strategies, breeding and genetics, and herd health. The initiative is a collaborative effort of public and private partners including the Tennessee Department of Agriculture, The University of Tennessee, the Tennessee Farm Bureau, breed and cattlemen's associations, agribusinesses, and others. A focused priority in the beef cattle industry in Tennessee will further strengthen and promote this important sector of the state's agricultural economy.

Farm Bill Legislation Outlook

The 1996 Farm Bill marked a significant departure from previous farm bills. The 1996 legislation eliminated all farm program mechanisms that support or moderate farm prices or restrict or otherwise affect planted acreages. The 1996 Farm Bill was intended to be transition legislation -- transition from dependence on government commodity programs to dependence on a fully functioning market economy. The vehicle for transition in the legislation was a gradual reduction in direct payments to farmers over the seven-year life of the 1996 Farm Bill. But rather than declining government payments and movement toward market-induced stability and prosperity, we have witnessed prices and incomes at record or near-record lows and government expenditures at all-time highs. The legislation was budgeted to cost \$43.6 billion over seven years. By the end of the sixth year of the 1996 Farm Bill, costs had exceeded \$93 billion, farm prices were significantly lower than under previous legislation, and the U. S. Congress was in the process of writing a new farm bill to replace the 1996 Farm Bill.

At the time of this writing (December 2001), the Senate and House were considering separate farm bill legislation with several common threads. Both of the bills are expected

to cost in the vicinity of \$170 billion over the 2002-2011 period. In seeking to standardize the emergency Market Loss Assistance payments farmers have received over the last several years, the two bills allocate the money differently among producers of various crops. The House legislation is a ten-year farm bill while the Senate version runs for five. The Senate bill front-loads the costs into the first five years and leaves it to another time to re-budget the last five years. The Senate bill also spends a little more on conservation and has higher loan rates than the House.

Members in both chambers of Congress are trying to complete the writing of the new legislation in time to capture the \$170 billion allocated to agriculture in the 2002 budget resolution for the 2002-2011 period. There is concern in the agricultural community that with the current recession and with increased spending in the wake of September 11, the extra funds will not be available and agriculture may be limited to a \$95 billion baseline budget. Whether or not the White House will sign the legislation is uncertain. Instead, the administration has actively been calling for Congress to wait until 2002 to pass a farm bill.

Long-Term Outlook for Tennessee

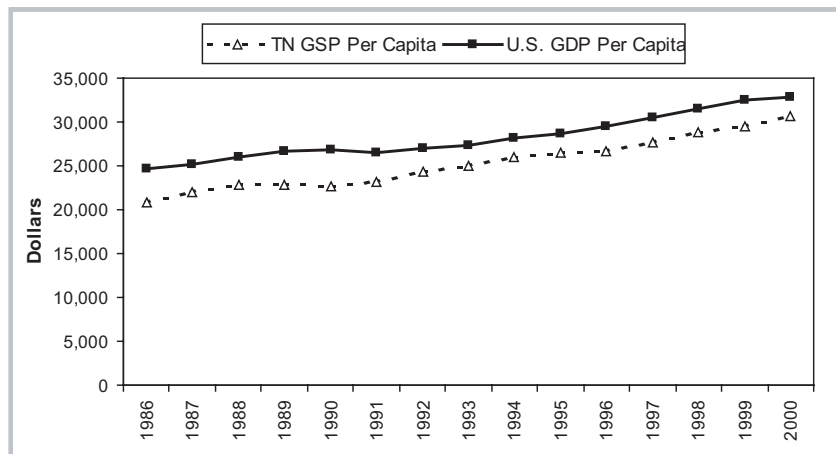
The focus of this section is on Tennessee's past economic performance and long-term economic growth prospects extending to 2010. Economic growth means sustained increases in the production of goods and services, employment, and income. Economic growth is clearly vital to improving the well-being of families in Tennessee and sustaining a strong tax base. Engineering strong growth is a challenge that calls for careful planning and a strong partnership between the private and public sectors.

Gross state product (GSP) is the broadest measure of output for the state economy, while gross domestic product (GDP) captures the value of goods and services produced by the national economy. Figure 2.7. illustrates levels of Tennessee inflation-adjusted GSP per capita and U.S. inflation-adjusted GDP per capita. (To distinguish between true economic expansion as opposed to growth in output due to price changes, GSP and GDP are adjusted

for inflation in 1996 chain-weighted dollars.) Historically, Tennessee's economic growth has followed the nation's growth path, including both expansions and contractions. One thing that is clear from Figure 2.7. is that economic well-being in Tennessee has consistently fallen below economic well-being of the nation as a whole. Tennessee made progress relative to the nation in the 1990s, but its progress stalled at the decade's end. In 1991 Tennessee's inflation-adjusted GSP per capita was only 87.1 percent of U.S. GDP per capita. Important gains were realized in the early 1990s, and by 1994 the gap between state GSP per capita and U.S. GDP per capita had narrowed to 91.2 percent. But by 1999 (the most recent year for which historical GSP data are available), the gap between the state and nation widened, and Tennessee's GSP per capita had fallen to 88.2 percent of the national average.

A part of these trends simply reflects the dynamics of the economic development process

Figure 2.7. Tennessee Inflation-Adjusted GSP and U.S. Inflation-Adjusted GDP Per Capita



Source: Bureau of Economic Analysis

Long-Term Outlook for Tennessee, continued

and is largely beyond the control of policymakers. However, some elements of economic development may be influenced by government's strategic planning and the policies it implements. State government pro-growth strategies -- ranging from education policy to targeted investments in infrastructure -- can help promote economic development, in turn increasing the well-being of Tennesseans and expanding the tax base. These programs have historically been underfunded in Tennessee.

In the long run, Tennessee's economic development depends on growth of the labor


force (both the number of workers and human capital embodied in these same workers), growth in private capital, public capital (i.e., infrastructure), technological changes and entrepreneurship. *Labor quality* changes through human capital development arising from formal education and training, as well as on-the-job experience. Capital changes through new investments, in particular new investments that embody modern technologies and support modern production processes. The qualitative dimension of public and private capital is every bit as important as human capital is to the workforce.

Tennessee's Labor Force and Human Capital


The labor force includes those who currently hold a job as well as unemployed people who are actively seeking employment. The labor force reflects the *number* of workers who can be used in producing goods and services. On the other hand, human capital is the workers' knowledge and skills used in production of goods and services. Every production process requires the presence of workers and a certain degree of human capital. Over time, as the Tennessee economy has developed, the skill component of the labor force has become increasingly important. Today the state is witnessing the loss of jobs in historically low-skilled sectors -- notably textiles, apparel and leather -- while at the same time emerging sectors such as transportation equipment are demanding frontier production techniques and skilled workers.

The main determinant of the number of available workers -- i.e., the sheer size of the

labor force -- is the state's population. Over the last 30 years, Tennessee's population growth has fluctuated considerably as shown in Figure 2.8. These fluctuations in Tennessee population have significantly impacted the size of the state's labor force and have in turn shaped Tennessee's employment growth. During the last 30 years, several factors such as relative job availability, earning potential and quality of life all have contributed to migration into, as well as out of, the state.



Today the state is witnessing the loss of jobs in historically low-skilled sectors.



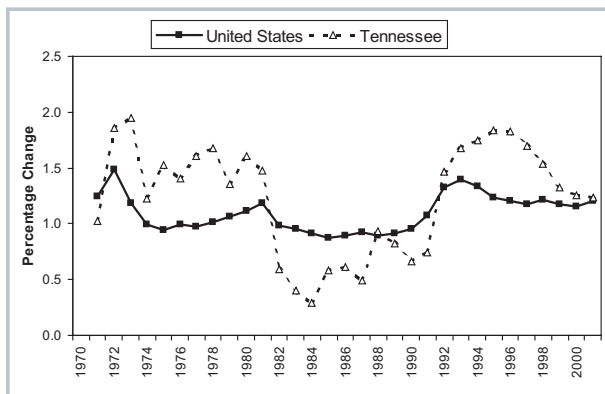
Tennessee's Labor Force and Human Capital, continued

The state economy endured considerable structural change during the 1980s that slowed economic growth and hence employment opportunities in many sectors. The growth of durable goods manufacturing in the mid-1980s attributed mostly to the emergence of a strong transportation equipment sector and gave rise to new advantages that supported new employment opportunities in the decade of the 1990s. These structural changes clearly have impacted the labor force and employment

growth, as well as the level and industrial mix of economic activity in Tennessee.

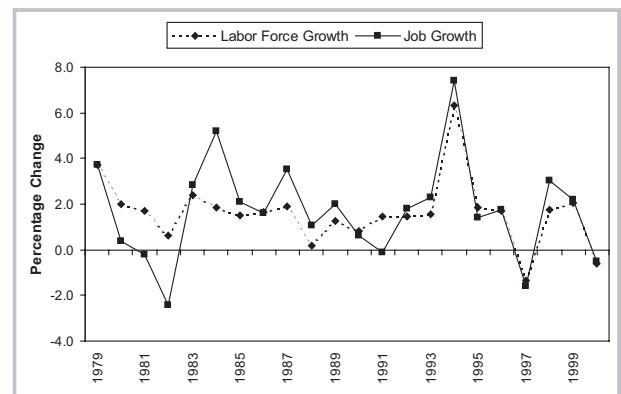
Job growth has mirrored movements in the overall labor force. Figure 2.9. illustrates Tennessee's civilian labor force and nonagricultural job growth from 1979-2000. Periods of strong job growth correspond to periods of national economic expansion, while periods of job contraction reflect national recessions.

Figure 2.8. U.S. and Tennessee Population Growth



Source: Bureau of Economic Analysis.

Figure 2.9. Job and Labor Force Growth in Tennessee



Source: Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development

Education and Government's Role in Enhancing Productivity

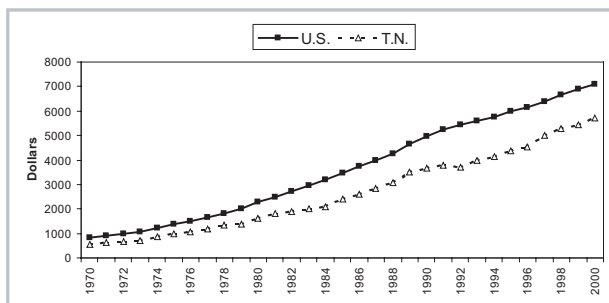
Education is an important means of promoting economic growth and improving the well-being of individuals. In much of Tennessee's period of post-World War II economic development, the state relied heavily on its pool of workers to support economic development. Many of these workers moved from employment on farms to jobs in other sectors of the economy, supporting the industrialization of the state economy. Much of Tennessee's early industrial growth was simply a reflection of the absorption of farm and underemployed workers into the industrial economy. The historical labor pool advantage has disappeared, as evidenced by the low unemployment rates of recent years.

In the future, Tennessee must rely more on skills as the state competes in the global economy. Investment in education is the way to improve the state's stock of human capital, the quality of the labor force and hence the

productivity of private sector. Promoting economy-wide productivity gains requires a partnership between the private sector, workers and state/local government.

Historically, Tennessee's public investment in education did not compare well with other states. Tennessee's limited resources and its *choice* to fund education at relatively modest levels are two main reasons for the state's low stock of human capital. The state has followed the nation's overall rising trend in education expenditures, but the spending gap remains significant. Figure 2.10. illustrates Tennessee's long-term funding pattern vis-à-vis the nation. The impact of the Tennessee Basic Education Program (BEP) in the early 1990s is significant and has helped keep the gap in spending from widening further. But it is frustrating that the state has spent so much money on education only to remain as much behind the nation as ten years ago.

Figure 2.10. Expenditures Per Pupil in Average Daily Attendance for Public Elementary and Secondary Schools, U.S. and Tennessee (nominal levels)



Source: U.S. Department of Education, National Center for Education Statistics, *State Education Facts: 1969-1999*, and *Revenues and Expenditures for Public Elementary and Secondary Schools*

The importance of skills and a high overall level of education cannot be emphasized enough since these are the key requirements in securing economic growth and development. Government's most fundamental task should be to promote investments in education in order to prepare Tennesseans for participation in the emerging knowledge-based economy. Following electrification of the region via TVA, it took the state's industrial sector five decades to fully modernize and move near the frontier of its regional and national competitors. Should Tennessee not make wise decisions today, it may similarly lag the nation in the development of the information economy.

Tennessee's Physical Capital

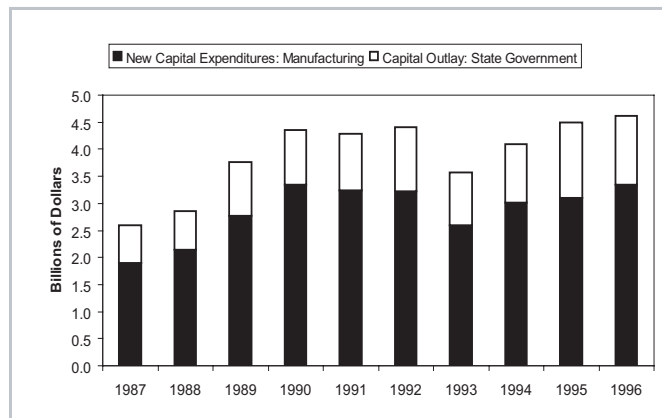
Private capital (including machines, buildings, computer equipment and software) and public infrastructure (e.g., roads, parks and school buildings) are used to support the process of economic growth and development and meet the needs of households.

New investments in private and public capital help raise Tennessee's overall capital stock and offer the promise of new technologies, production processes and management technologies that can promote productivity gains and competitiveness. The major determinant of private capital investment is the general business climate and the profitability of business operations in Tennessee. Education and infrastructure policies are important in influencing business climate; so are taxes. While low taxes are a strength, low taxes also translate into limited resources to support the investments that can make the state an attractive place to live and do business. The key is that taxes be high enough to allow for financing of important

services but low enough to make Tennessee a good place to do business. The major determinants of public capital investment are the availability of tax resources and state (such as highways) development policy.

Figure 2.11. shows the trend of Tennessee's private manufacturing and public capital investment going back to 1987. (The most recent data that breaks down the state's total capital investment between private and public sectors is given by year 1996.) The state's total capital investment increased from \$2.6 billion in 1987 to \$4.6 billion in 1996. Despite the overall increasing trend, Tennessee's total investment as a share of state personal income fails to reveal the same pattern, as shown in Figure 2.12. In 1987 Tennessee's total investment was 4.1 percent of personal income while in 1990 and 1996 this figure was 5.3 and 3.9 percent. So while investment is growing, it is actually a declining share of the overall state economy. This trend may limit the state's ability to grow in the years to come.

Figure 2.11. Nominal Expenditures on Capital Investment



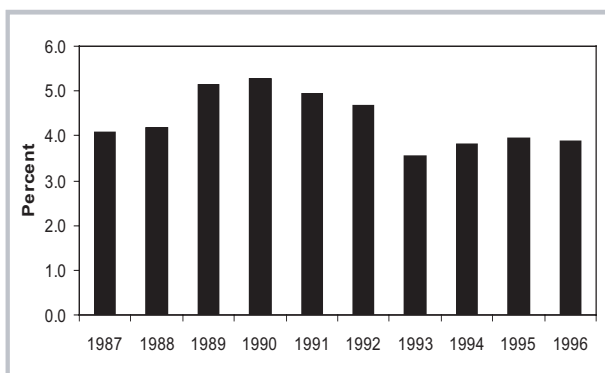
Source: *Annual Survey of Manufacturers, Central States, All Manufacturing Industries, Bureau of Economic Analysis.*

Tennessee's Entrepreneurship

Entrepreneurship corresponds to grassroots creation of firms and jobs within the economy; it is the effort used in organizing and coordinating production and engineering the sale of goods and services. Over the last 15 years, Tennessee has experienced a significant increase in the number of new business establishments in addition to improvement and growth of many existing firms. The state's business environment has appealed to many entrepreneurs who were willing to invest and organize their production in Tennessee and benefit from a growing population and expanding consumer purchasing power. In 1986, a total of 99,960 firms were registered in Tennessee, while in 1999 this number was 121,480, showing an increase of 21.5 percent.

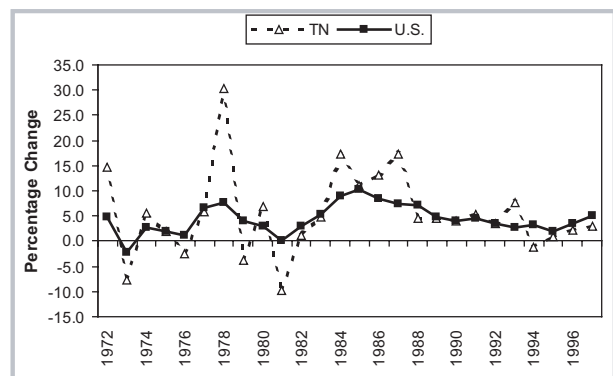
By employing emerging technologies, successful entrepreneurs can operate more efficiently and produce more output from the same level of inputs. Investment in new technologies, coupled with investments in education, are considered to be the key driving forces of economic growth. The combination of technology and human capital creates more effective inputs in production, which in turn enhances the economy's growth potential. The same combination offers workers the promise of higher earnings and a better ability to compete in the new economy. Figure 2.13. illustrates the growth of Tennessee and U.S. research and development expenditures. The recent trend where investment growth in the state is lagging investment growth for the nation as a whole is disappointing.

Figure 2.12. Expenditures on Capital Investment as a Share of Tennessee's Personal Income



Source: Annual Survey of Manufacturers, Central States, All Manufacturing Industries, Bureau of Economic Analysis.

Figure 2.13. Growth of Research and Development Expenditure for U.S. and Tennessee



Source: NSF, Web CASPAR

Long-Term Forecast for Tennessee

The following discussion presents the long-term trend forecast for the state economy through the year 2010, emphasizing impacts on output, employment, personal income, wages and salaries, and taxable sales. The

forecast assumes that the short-run cycle will run its course by the end of 2003, at which point the economy will return to its long-term growth path.

Output

Over the forecast period between 2001-2010, Tennessee's inflation-adjusted GSP is expected to grow at a compound annual growth rate (CAGR) of 3.4 percent. The annual growth rates will only slightly fluctuate from year to year due to the different performance of different sectors of the economy. Inflation-adjusted U.S. GDP is expected to grow at a slightly slower annual rate of 3.2 percent (CAGR). Despite somewhat stronger rates of growth, Tennessee is expected to stay behind the U.S. in the level of per capita output. In 2002 Tennessee's inflation-adjusted GSP per capita is expected to be \$29,852 while U.S. inflation-adjusted GDP per capita is expected to be \$33,308, which means state output per capita is expected to stand at 89.6 percent of the national average. By 2010, Tennessee's

inflation adjusted output per capita will have grown at a faster pace than the nation, placing it at 91.2 percent of the national average.

In the next 10 years, the dynamics of the economic development process will yield further structural change in the state economy as sectors grow at different rates. The compound annual growth of output in mining (7.2 percent), TCPU (3.9 percent), trade (3.6 percent) and FIRE (3.5 percent) is expected to outpace overall growth in state output. Output growth in other sectors, including manufacturing (3.3 percent), services (3.3 percent), construction (2.6 percent) and government (2.5 percent), is expected to lag overall GSP growth.

Labor Markets

In the next eight years, the overall size of Tennessee's civilian labor force pool is expected to increase at an annual pace of 1.2 percent (CAGR). The state unemployment rate is expected to decline as the economy reverts to its long-term trend. After averaging 4.3 percent in 2001 and 5.6 percent in 2002, the unemployment rate will fall to 3.8 percent in 2010. The overall labor force participation rate is expected to increase from 62.7 percent in 2001 to 63.1 percent in 2010.

In the next eight years, nonagricultural jobs are expected to grow at a 2.3 percent (CAGR) pace which is slightly slower than in the previous two decades (Figure 2.14.) This slight slowing in nonagricultural job growth is expected to correspond to a slowing in the state's population growth. However, the structural changes of Tennessee's economy are expected to continue and will be reflected in the sectoral employment illustrated in Figure 2.15. The service sector is expected to have

Labor Markets, continued

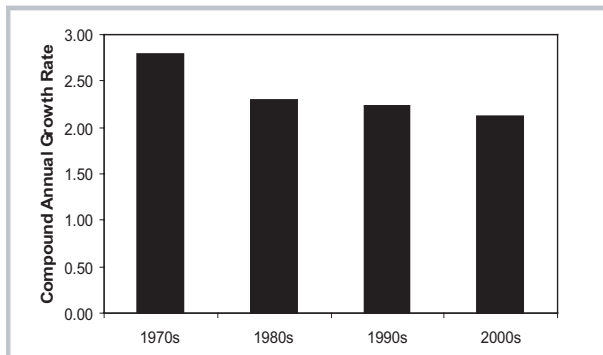
The state unemployment rate is expected to decline as the economy reverts to its long-term trend.

the strongest growth of all sectors (3.8 percent, CAGR) as it increases its dominance over the Tennessee economy. Strong growth is also expected in trade (2.7 percent), TCPU (2.3 percent), and construction (1.7 percent). Jobs

in manufacturing and government are expected to grow at somewhat lower rates.

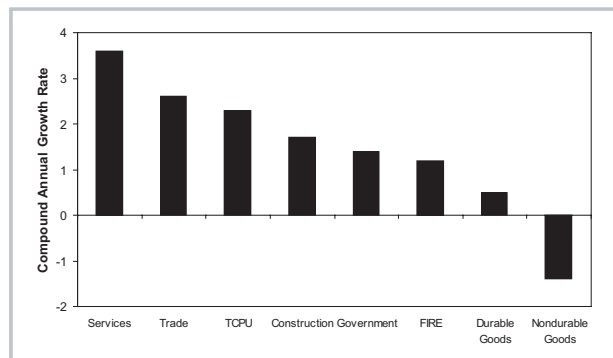
In the state's manufacturing sector, job growth in lumber and wood and furniture and fixtures is expected to be 3.1 and 2.8 percent (CAGR), respectively. On the other hand, jobs provided by textiles and apparel are expected to decline by 7.1 and 6.9 percent (CAGR), continuing their long-term decline. Similarly, jobs in the agricultural sector are expected to decline during the 2001-2010 period (2.2 percent).

Figure 2.14. Tennessee Total Nonagricultural Growth Rates by Decade



Source: Bureau of Labor Statistics, U.S. Department of Labor

Figure 2.15. Tennessee Employment Growth by Sector, 2000 to 2010



Personal Income

Tennessee inflation-adjusted personal income per capita is expected to grow at 2.5 percent (CAGR) through 2010. Over the same time period, the nation's inflation-adjusted personal income per capita is expected to grow at the slower pace of 1.5 percent. While Tennessee's personal income per capita is expected to stand at about 85 percent of the national average in 2001, it is projected to rise to 93.6 percent by 2010. This means that Tennessee will overcome the dismal trend started in the mid-1990s where the gap between the state and nation actually widened. Tennessee total inflation-adjusted personal income is expected to rise from \$141,123 million in 2001 to \$195,127 million in 2010, an increase of 3.7 percent (CAGR). The largest component of the state's personal income, inflation-

adjusted wages and salaries, is expected to grow at 3.6 percent (CAGR). Other personal income components -- proprietors' income and other labor income -- are expected to grow 5.8 and 3.6 percent (CAGR), respectively. The variations in the performance of specific sectors will translate in variations in annual wage and salary growth. Average annual real wage and salary for the entire nonagricultural sector are expected to grow at 1.2 percent (CAGR). Sectors like mining (2.0 percent), construction (1.8 percent), services (1.7 percent) and manufacturing (1.5 percent) are expected to experience above-average growth in wages and salaries. Tennessee's nominal average wage and salary amount is expected to grow from \$32,041 in 2001 to \$42,972 in 2010 -- an increase of 3.3 percent (CAGR).

Taxable Sales

Tennessee nominal taxable sales are expected to rise from \$74,492 million in 2001 to \$112,049 million in 2010 -- an increase of 4.6 percent (CAGR). The strongest growth in taxable sales is expected in automobile dealer sales (5.7 percent), eating and drinking places (5.5 percent), and transportation and

communications (4.0 percent). The state's taxable sales from liquor stores and purchases from manufacturers are expected to increase by 1.3 and 1.7 percent (CAGR), respectively. The state's inflation-adjusted per capita taxable sales are expected to grow at 1.4 percent (CAGR).

Tennessee's Short-Term Forecast Summary

▶ Tennessee nominal personal income will grow 4.2 percent in 2002, improving to 5.2 percent in 2003. On a fiscal year basis personal income is projected to rise 3.9 percent in the current year and 4.7 percent in 2002/03.

▶ Per capita personal income will grow more strongly in Tennessee than for the nation as a whole in 2002, but the state will trail the nation in 2003.

▶ Nonagricultural job growth will total only 0.1 percent in 2002, rebounding to 1.5 percent in 2003. The state will outperform the US in each year.

▶ The state rate of unemployment will jump to 5.6 percent in 2002 but will nonetheless compare favorably to the national rate of 6.2 percent. The unemployment rate will begin to fall in the third quarter of 2002.

▶ Nominal taxable sales are forecast to grow only 0.5 percent in 2002 and 3.3 percent in 2003. Sales growth in the current fiscal year will be flat while growth in 2002/03 is expected to total 2.3 percent.

Tennessee's Agriculture Sector Summary

▶ Producers are anticipating excellent yields for Tennessee's major row crops in 2001. Forecasted yields for the state's 2001 corn crop are the highest on record. The latest projections for cotton indicate the highest yield since 1994.

▶ Tobacco production in 2001 is expected to be the smallest crop since 1989.

▶ A downward trend is expected to continue in hog, dairy, and cattle operations.

▶ The cattle industry is poised to continue its dominance of the state's livestock sector in the near future.

Tennessee's Long-Term Forecast Summary

▶ Tennessee inflation-adjusted GSP is expected to grow by 3.4 percent (CAGR), while U.S. inflation-adjusted GDP is expected to grow at annual rate of 3.2 percent (CAGR). Tennessee inflation-adjusted per capita GSP will stand at 89.6 percent of the national average in 2002, rising to 91.2 percent in 2010.

▶ Tennessee inflation-adjusted personal income per capita is expected to grow at 2.5 percent (CAGR), while the nation's inflation-adjusted personal income per capita is expected to grow at 1.5 percent. The state's total real personal income is expected to rise from \$141,123 million in 2001 to \$195,127 million in 2010.

▶ Nonagricultural jobs are expected to grow at a 2.3 percent (CAGR) pace; services, trade, TCPU and construction are expected to perform better than the state average.

▶ Tennessee nominal taxable sales are expected to rise from \$74,492 million in 2001 to \$112,049 million in 2010, an increase of 4.6 percent (CAGR).

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Socioeconomic Profile: 1990 to 2000

Chapter Overview

The release of 2000 Census data by the U.S. Census Bureau indicates that a wave of demographic, employment, and social change is rippling across the state of Tennessee. In the wake of this wave of change lies the potential for significant effects on the state's economy. The significance of the demographic transformation is heightened by the tide of technological advances being made in the workplace, resulting in an economy comprised of new industries and jobs. Combined, the demographic and technological transformations are likely to have profound effects, forever changing the economic landscape of Tennessee.

The changing demographics in the state have many important implications for Tennessee, including changes in the labor force, shifts in competitive advantages, changes in the demand for public services, and modifications in the industrial structure of the economy. Articulating the patterns of demographic changes occurring across the state will provide important insights into the issues that policymakers and businesses will confront as the impact of the evolution ripples through the economy. Analysis of the newly-released data will provide business leaders and policymakers with key information regarding the state's current economy and its progress since 1990. In addition, careful evaluation will provide important insights into potential strengths and weaknesses of the state in terms of future economic development and growth. Providing an initial foray into these data is the purpose of the current chapter. The first part of the chapter provides a demographic profile of Tennessee from 1990 to 2000, accompanied by a discussion of the impacts of the changing demography on the economy of the state. The second half of the chapter focuses on labor market conditions, income levels, and the level of educational attainment of Tennesseans.

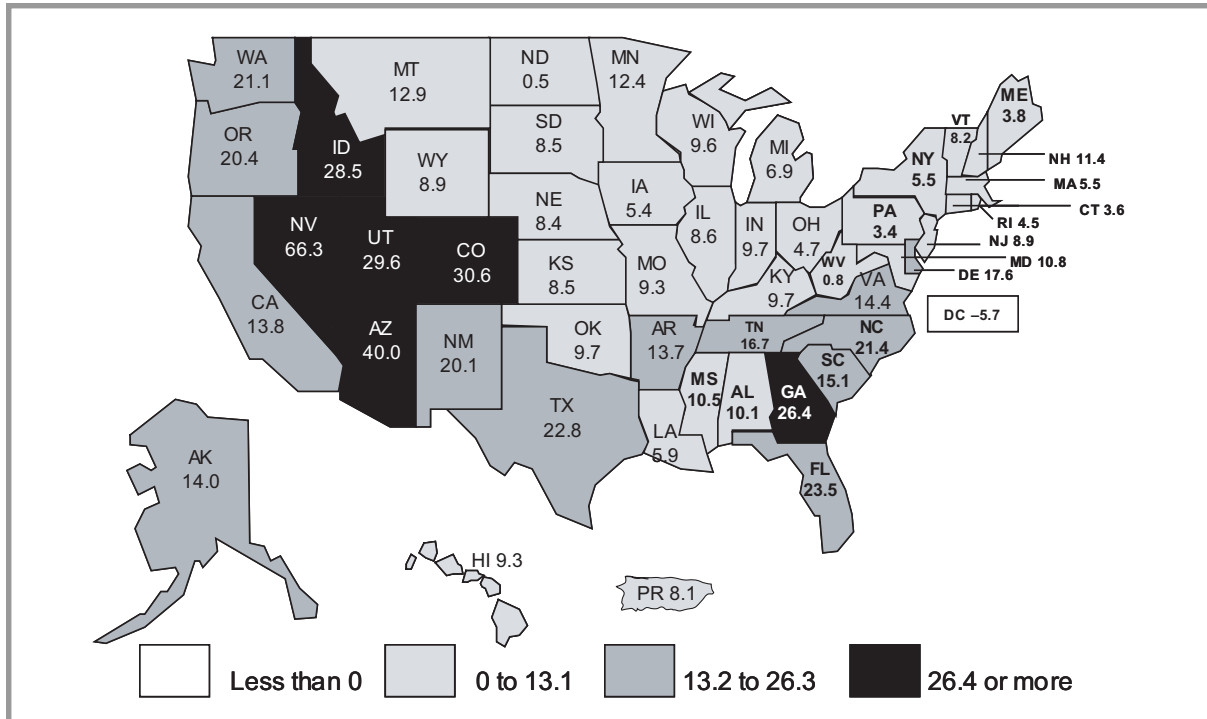
Tennessee's Population

Tennessee is the sixteenth most populous state in the U.S., up from eighteenth in 1990. It is estimated that there were nearly 5.7 million people residing in Tennessee in 2000, an increase of 16.7 percent or 812,098 residents since 1990. The population growth rate in the state outpaced the nation as a whole as evidenced by a national growth rate of 13.2 percent (see Figure 3.1.).¹

Table 3.1. displays the states ranked by population in 2000 as well as comparative data

for 1990. In terms of population change during the decade, Tennessee experienced the twelfth-largest numeric increase and the fourteenth-largest population percentage increase. California retained the top spot as the most populous state, while New York slipped a spot to third, allowing Texas to claim the number two position. The fastest growing state in the U.S. from 1990 to 2000 was Nevada as it expanded by an amazing 66.3 percent, increasing from a population of 1.2 million in 1990 to an estimated 2.0 million in 2000.

Figure 3.1. Percent Change in Resident Population for the 50 States, the District of Columbia, and Puerto Rico, 1990 to 2000



Source: U.S. Census Bureau, <http://www.census.gov>.

Table 3.1. States Ranked by Population, 2000

Rank	Area	Census Population		Change, 1990 to 2000	
		April 1, 2000	April 1, 1990	Numeric	Percent
1	California	33,871,648	29,760,021	4,111,627	13.8
2	Texas	20,851,820	16,986,510	3,865,310	22.8
3	New York	18,976,457	17,990,455	986,002	5.5
4	Florida	15,982,378	12,937,926	3,044,452	23.5
5	Illinois	12,419,293	11,430,602	988,691	8.6
6	Pennsylvania	12,281,054	11,881,643	399,411	3.4
7	Ohio	11,353,140	10,847,115	506,025	4.7
8	Michigan	9,938,444	9,295,297	643,147	6.9
9	New Jersey	8,414,350	7,730,188	684,162	8.9
10	Georgia	8,186,453	6,478,216	1,708,237	26.4
11	North Carolina	8,049,313	6,628,637	1,420,676	21.4
12	Virginia	7,078,515	6,187,358	891,157	14.4
13	Massachusetts	6,349,097	6,016,425	332,672	5.5
14	Indiana	6,080,485	5,544,159	536,326	9.7
15	Washington	5,894,121	4,866,692	1,027,429	21.1
16	Tennessee	5,689,283	4,877,185	812,098	16.7
17	Missouri	5,595,211	5,117,073	478,138	9.3
18	Wisconsin	5,363,675	4,891,769	471,906	9.6
19	Maryland	5,296,486	4,781,468	515,018	10.8
20	Arizona	5,130,632	3,665,228	1,465,404	10.0
21	Minnesota	4,919,479	4,375,099	544,380	12.4
22	Louisiana	4,468,976	4,219,973	249,003	5.9
23	Alabama	4,447,100	4,040,587	406,513	10.1
24	Colorado	4,301,261	3,294,394	1,006,867	30.6
25	Kentucky	4,041,769	3,685,296	356,473	9.7
26	South Carolina	4,012,012	3,486,703	525,309	15.1
27	Oklahoma	3,450,654	3,145,585	305,069	9.7
28	Oregon	3,421,399	2,842,321	579,078	20.4
29	Connecticut	3,405,565	3,287,116	118,449	3.6
30	Iowa	2,926,324	2,776,755	149,569	5.4
31	Mississippi	2,844,658	2,573,216	271,442	10.5
32	Kansas	2,688,418	2,477,574	210,844	8.5
33	Arkansas	2,673,400	2,350,725	322,675	13.7
34	Utah	2,233,169	1,722,850	510,319	29.6
35	Nevada	1,998,257	1,201,833	796,424	66.3
36	New Mexico	1,819,046	1,515,069	303,977	20.1
37	West Virginia	1,808,344	1,793,477	14,867	0.8
38	Nebraska	1,711,263	1,578,385	132,878	8.4
39	Idaho	1,293,953	1,006,749	287,204	28.5
40	Maine	1,274,923	1,227,928	46,995	3.8
41	New Hampshire	1,235,786	1,109,252	126,534	11.4
42	Hawaii	1,211,537	1,108,229	103,308	9.3
43	Rhode Island	1,048,319	1,003,464	44,855	4.5
44	Montana	902,195	799,065	103,130	12.9
45	Delaware	783,600	666,168	117,432	17.6
46	South Dakota	754,844	696,004	58,840	8.5
47	North Dakota	642,200	638,800	3,400	0.5
48	Alaska	626,932	550,043	76,889	14.0
49	Vermont	608,827	562,758	46,069	8.2
(NA)	District of Columbia	572,059	606,900	-34,841	-5.7
50	Wyoming	493,782	453,588	40,194	8.9
(NA)	United States	281,421,906	248,709,873	32,712,033	13.2

Source: U.S. Census Bureau, <http://factfinder.census.gov>.

Age Characteristics

There has been much discussion about the aging of America and the associated impacts on the economy. In 2000, the median age of Tennessee residents was 35.9 years compared to a median age of 33.5 years in 1990. This represents an increase of 2.4 years in median age for the state since 1990. By comparison, the median age for the U.S. in 2000 was 35.3 years, an increase of 2.5 years from the 1990 level of 32.8 years. Table 3.2. provides a breakdown of the population in Tennessee and the U.S. by age for 1990 and 2000. In general, the population of both the state and the nation has grown older as evidenced by a larger percentage of total population aged 45 and older. While the state’s population is generally older than the national average, Tennessee has a higher percentage of residents in the upper middle-aged range and lower at the extremes (i.e., under 20 and over 65). Overall, the biggest shift in terms of the age of Tennessee’s population during the last decade was the increase in the number of residents aged 45 to

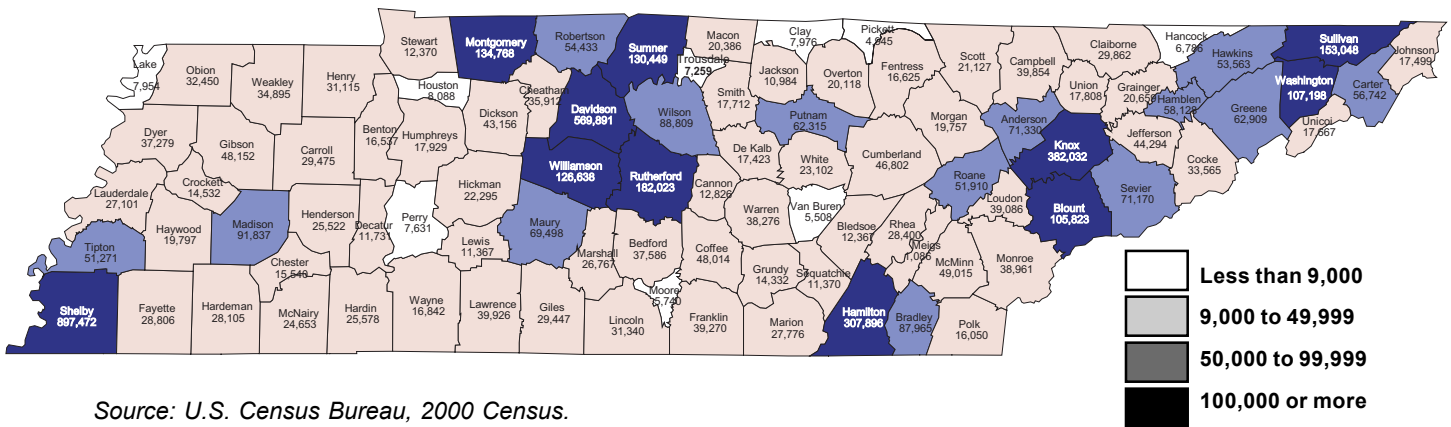
54 years combined with the decline in the percentage of residents under 24 years of age. This is likely the result of the aging of the baby-boom generation and the migration of the working-age population. Similarly, the decline in the percentage of individuals aged 21 to 24 is partially attributable to job-related migration patterns.

**Table 3.2. Population by Age:
Tennessee and the United States, 1990 and 2000**

Age Group	Tennessee		United States	
	2000	1990	2000	1990
20 years and under	28.9	29.8	30.0	30.3
21 to 24 years	5.4	5.9	5.3	6.0
25 to 44 years	30.2	31.8	30.2	32.5
45 to 54 years	19.4	15.4	19.1	14.5
55 to 59 years	5.2	4.5	4.8	4.2
60 to 64 years	4.2	4.4	3.8	4.3
Over 65 years	12.4	12.7	12.4	12.6

Source: U.S. Bureau of the Census, Census 2000 and Census 1990.

Figure 3.3. Numeric Population by County, 2000



Source: U.S. Census Bureau, 2000 Census.

Economic Implications of Age Characteristics

The economic effects of population growth have been a topic of much debate throughout the later half of the twentieth century. Most recently, the debate has focused on the contrasting effects of population growth on per capita income growth. Untangling the offsetting effects is at the core of the debate. On one hand, negative impacts of moderate population growth can arise from diminishing returns to capital, leading to a negative correlation between population growth and income growth. Conversely, induced innovation and feedback effects² can mean that population growth has a positive impact on economic growth. In Tennessee, strong investment in capital throughout the nineties has helped the state absorb the population growth without experiencing the negative impacts of diminishing returns. As a result, population growth has had a net positive effect on economic growth.

Understanding the underlying economic-demographic relationships of population growth requires articulation of the components of demographic changes. For example, growth rates of population by age group provide insight into the potential costs and benefits associated with population growth within a region. Traditionally, large percentages of total population under the age of 20 have been associated with lower rates of per capita income growth in the near future. The negative impacts of high birth rates on economic growth arise from the fact that younger populations represent resource-using dependents that have yet to contribute to the productivity of society. Similarly, the percentage of the population over the age of 65 has been found to negatively impact economic growth due to both a resource dependency effect and a negative labor force effect.³

The growth of population by age group played a significant role in the expansion of the state's economy during the nineties. The below average growth rate in population under age 20 and over age 65 minimized the negative effects of population growth associated with more dependent, public resource-consuming individuals. At the same time, the strong growth in persons aged 45 to 59 and still in their productive years has increased the favorable effects of population growth through their labor-force participation and private-sector consumption. Helping to maximize the positive impact of population growth is the fact that the fastest growing population group is also in the stage of life that is normally associated with lower demands for public resources.

Population growth also has important implications for government spending. Empirical studies have shown that increases in total population can lead to scale economies in both the provision and consumption of public or government-provided goods.⁴ However, scale economies are typically associated with populations that are much smaller than that of Tennessee. Increases in population can also have negative impacts on the size of government. Large percentages of the population comprised of either young or elderly individuals have been found to have a statistically significant and positive effect on government spending.⁵ Increases in the percentage of the population under the age of 19 will lead to an increase in government size primarily through the increased demand for education for school-age children. An increase in the percentage of the population over age 65 can lead to an expansion in the size of the public sector due to increased expenditures on transfer payments and medical

Economic Implications, continued

care. The trend in both young and elderly populations in Tennessee throughout the nineties was favorable to smaller increases in public spending.

However, what was good for the nineties may prove more costly in the future. If the state's population continues on the same trend,

the elderly dependency ratio is likely to increase with the aging of the population in their 50s, leading to reduced economic growth. Additionally, the fact that the population of people aged 20 to 24 and those aged 24 to 44 experienced below-average growth could lead to reductions in the size and quality of the state's labor force.

Population Density

Population density in Tennessee increased from 118.3 people per square mile to 138.0 people per square mile between 1990 and 2000. This represents, on average, an additional 19.7 people per square mile. In comparison, the population density for the U.S. as a whole increased from 70.3 people per square mile to 79.6 people per square mile.

From a policy perspective, the higher-than-average increase in population density has some potentially strong implications. First, higher population densities have long been associated with higher levels of economic growth, especially in industrialized countries.⁶ The underlying explanation for the positive effect of population density is the effect of urbanization. Higher population densities translate into higher degrees of urbanization, which lead to agglomeration economies and increased efficiency, thereby making higher levels of economic growth possible. For example, more consumers per square mile lead to a reduction in the market area that a retailer can efficiently serve. As a result, additional retailers will open in the region to serve the additional consumers, thus creating new jobs,

income and tax revenue. However, if population density continues to increase, economies of scale may give way to diseconomies of scale, leading to decreased output and economic growth. Fortunately, Tennessee is not in danger of that occurring in the foreseeable future since the diseconomies do not typically set in until population densities reach levels much beyond the state's current levels. Still, some cities within the state are more at risk for potential diseconomies or inefficiencies associated with rapidly growing population densities relative to others. For example, rapidly growing communities in Middle Tennessee may find themselves suffering from growing pains in terms of negative impacts on continued economic expansion due to dramatic increases in population densities during the last decade. The inability to fully absorb the additional pressures on the resources of the community will lead to a slowing or even reversing of the current economic expansion. However, even for these communities, it is likely to take several more decades of similarly strong population growth to reach the point of diseconomies.

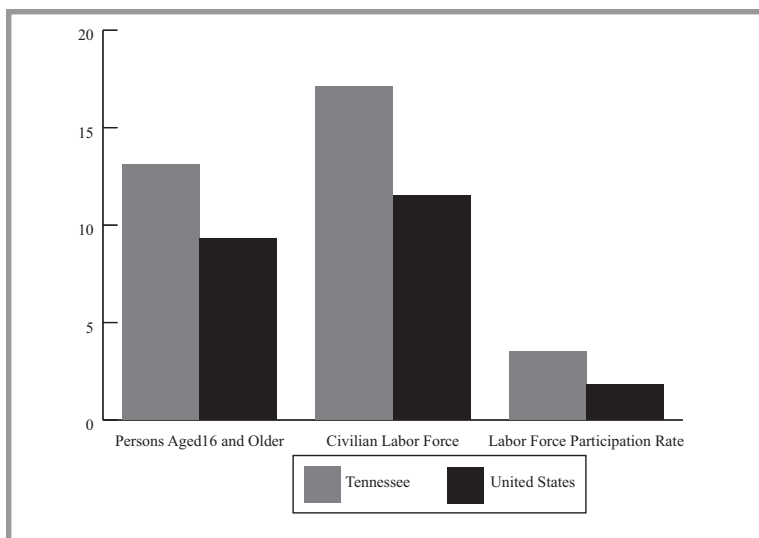
Tennessee's Labor Force

The term *labor force* refers to all those individuals over the age of 16 who are either employed, actively seeking work, or expecting a recall from a layoff. In Tennessee, there were an estimated 2,817,318 labor force participants in 2000.⁷ This represents a 17.1 percent increase (or 412,241 participants) in the state's labor force since 1990. In comparison, the total population of individuals aged 16 and older in Tennessee increased by only 13.2 percent from 1990 to 2000. As a result, the labor force participation rate, defined as the labor force divided by the total population over age 16, increased from 63.3 percent in 1990 to 65.5 percent in 2000. Comparison of changes in the state's labor force participation and the U.S. as a whole are depicted in Figure 3.4.

As can be seen, increases in both Tennessee's working age population and its labor force outpaced that of the nation. For example, Tennessee's labor force experienced a 17.1 percent increase compared to only 11.5

percent nationwide. The labor force is increased both by in-migration of workers and by increases in labor force participation. This could bode well for the state in terms of future economic development. For the last few years, the state's unemployment rate has remained below the national average, possibly signaling tight labor market conditions to prospective businesses, thus potentially impeding economic development. Expansion of the state's labor force is crucial in mitigating the potential negative effects of the persistently low unemployment rates that prevailed before the current recession. Despite the increase in the labor force participation rate, Tennessee continues to lag the nation. In 2000, the state's participation rate was 65.5 percent compared to a national average of 65.7 percent. The difference (0.2 percent) is significantly smaller than in 1990 when the state's rate was 63.3 percent compared to a national rate of 64.4 percent (a difference of 1.1 percent).

Figure 3.4. Labor Force and Participation Growth Rates, 1990 to 2000

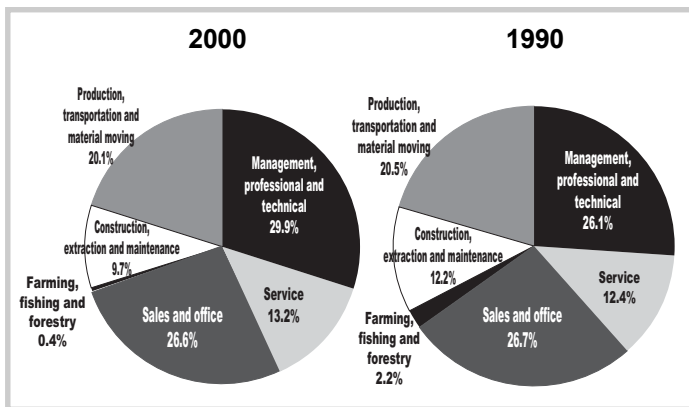


Source: U.S. Census Bureau, Supplementary Survey Data.

Employment by Occupation

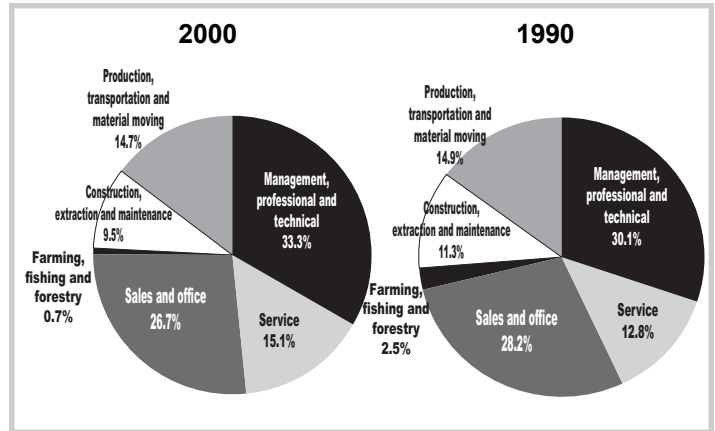
Analyzing the breakdown of employment in a region by occupational class provides a measure of the demand for labor by skills. Changes in the composition of employment by occupational class over time reflect shifts in the underlying economy, the needs of businesses and employers, and investments people make in their own stock of human capital. Figure 3.5. depicts Tennessee’s employment by occupational class in 1990 and 2000. The most notable change is in managerial, professional and technical jobs, which comprised 29.9 percent of the total jobs in the state in 2000, up from 26.1 percent in 1990. Despite the gains made, Tennessee continues to lag the nation as a whole in this category, as the percentage of comparable U.S. employment increased from 30.1 percent in 1990 to 33.3 percent in 2000 (see Figure 3.6.). However, the general patterns of employment change in the nation and the state were similar, as the sales and office; farming, fishing and forestry; construction, extraction and maintenance; and,

Figure 3.5. Tennessee Employment by Occupational Class, 1990 and 2000



Source: U.S. Census Bureau, 2000 Census Supplemental Survey Data and 1990 Census, Summary Tape File 3.

Figure 3.6. United States Employment by Occupational Class, 1990 and 2000



Source: U.S. Census Bureau, 2000 Census Supplemental Survey Data and 1990 Census, Summary Tape File 3.

production, transportation and material moving categories all comprised a smaller share of total employment in 2000 relative to 1990 for both the state and the nation.

Growth rates in the number of jobs by occupational classification for Tennessee and the U.S. for 1990 and 2000 are depicted in Figure 3.7. In Tennessee, employment in managerial, professional and technical occupations enjoyed the highest level of growth with a 34.7 percent increase from 1990 to 2000, compared to 24.7 percent growth at the national level. Employment in service jobs represented the second-fastest growing occupational class in Tennessee, increasing by 24.5 percent from 1990 to 2000. In comparison, service jobs were the fastest growing segment in the nation as a whole with a 33.2 percent expansion during the nineties. Two

Employment by Occupation, continued

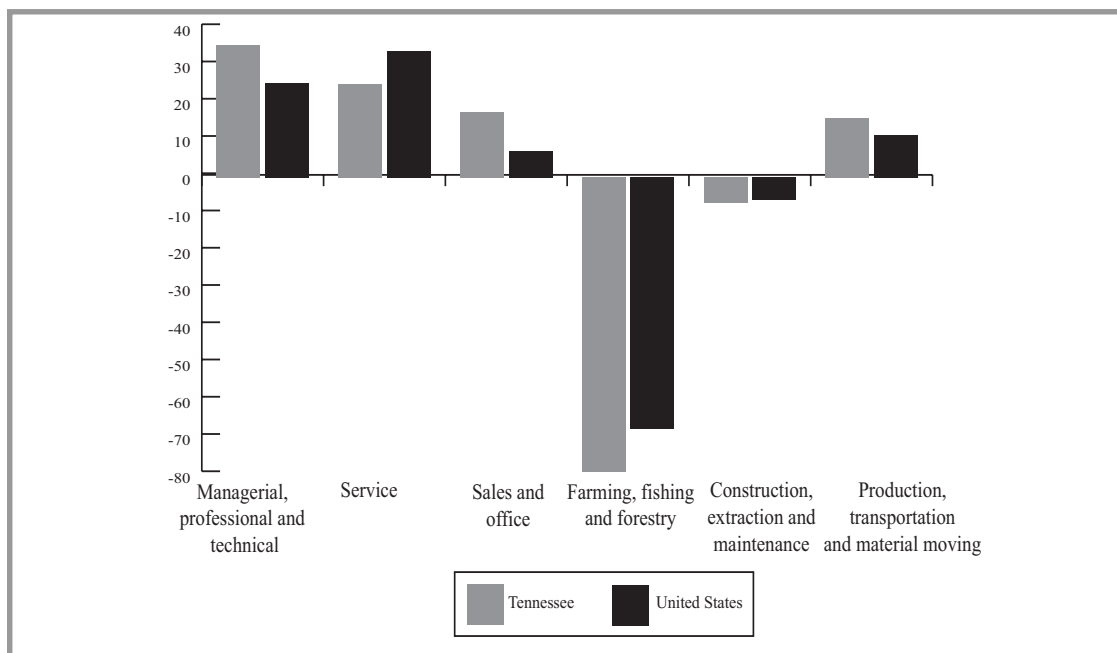
occupational classes -- farming, fishing and forestry and construction, extraction and maintenance -- sustained contractions at both the state and national level.

The growth in managerial, professional, and technical occupations suggests that the

The growth in managerial, professional, and technical occupations suggests that the state's labor force is becoming more skillful.

state's labor force is becoming more skilled. It also suggests that Tennessee must have a better-educated, higher-skilled, and technologically more-advanced workforce if this trend is to continue. Meeting this increasing demand hinges on more investment in public schools and higher education and partnerships with firms and workers. Failure to meet this challenge could lead to a competitive disadvantage for Tennessee in terms of business recruitment and retention. In other words, economic development hinges on the state's ability to provide a supply of workers with the skills and education necessary for today's higher-technology, service-oriented businesses.

Figure 3.7. Growth Rates in the Number of Jobs by Occupational Class, 1990 to 2000



Source: U.S. Census Bureau, 2000 Census Supplemental Survey Data and 1990 Census, Summary Tape File 3.

Employment by Industry

Examination of employment by industry supports the conclusion that Tennessee continues its gradual shift from a low-skill manufacturing-based economy to a higher technology, service-oriented economy. As can be seen in Table 3.3, business services, with a 106.7 percent increase, experienced the fastest rate of employment growth. However, it should be noted that business services include temporary employment agencies, which often supply lower-skilled labor. The second-fastest growing sector -- transportation -- experienced a robust 63.5 percent growth. Notable growth

was also recorded in more conventional sectors such as construction, retail trade, and wholesale trade. Finance, insurance and real estate, as well as the communication and utilities sectors, continued to record significant gains, establishing these industries as prominent sectors in the new industrial structure of the state's economy. Further evidencing the changes in the underlying economy was a notable decline in employment in the nondurable goods manufacturing sector combined with an increase in durable goods manufacturing employment. This comes as no

Table 3.3. Employment in Tennessee by Industry, 1990 and 2000

Industry	2000		1990		% Change
	Number	Percent	Number	Percent	
Business services	191,400	6.99	92,600	4.22	106.70
Transportation	144,400	5.27	88,300	4.03	63.53
Construction	127,100	4.64	92,400	4.21	37.55
Health services	199,400	7.28	154,600	7.05	28.98
Retail trade	493,800	18.04	387,900	17.69	27.30
Finance, insurance, real estate and leasing	103,600	3.78	82,500	3.76	25.58
Communication and utilities	33,400	1.22	28,100	1.28	18.86
Federal and local government	305,700	11.17	261,600	11.93	16.86
Wholesale trade	151,000	5.52	129,300	5.90	16.78
Personal services	26,500	0.97	23,900	1.09	10.88
All other industries	269,638	9.85	128,296	5.85	10.17
State government (education)	48,900	1.79	45,000	2.05	8.67
Hotels, motels, lodging	33,700	1.23	31,800	1.45	5.97
Manufacturing, durable	353,400	12.91	333,900	15.22	5.84
State government (non education)	44,700	1.63	44,800	2.04	-0.22
Manufacturing, nondurable	206,600	7.55	261,900	11.94	-21.11
Mining	4,200	0.15	6,200	0.28	-32.26
TOTAL	2,737,438	100.00	2,193,096	100.00	24.82

Source: Tennessee Department of Labor and Workforce Development.

Employment by Industry, continued

surprise as Tennessee witnessed the closing of many nondurable manufacturing plants, most notably textile, apparel, and leather firms, throughout the nineties. During the same time period, many manufacturers of durable goods, such as suppliers of automotive and marine parts, have located or expanded within the state. However, that trend is starting to reverse as the state has sustained contractions in the level of durable goods manufacturing employment in 2000 and 2001. The current contraction in durable goods manufacturing can be attributed to the downward turn in the state's economy and hopefully is not symptomatic of future declines.

Federal and local government employment in Tennessee grew by nearly 16.9 percent from 1990 to 2000. Further analysis of the data reveals that the growth at the state level was entirely attributed to growth in employment related to public education. More specifically, educational employment at the state level grew by 8.7 percent while non-educational state government employment

actually declined by 0.2 percent during the last decade. The decline in non-educational state government employment occurred despite the fact that total employment in Tennessee increased by more than 19.5 percent from 1990 to 2000. The reduction in the percentage of state employees (non-education) can be attributed to several factors, the most obvious of which are efficiency gains from increased computer automation and downsizing of staff due to budgetary limitations. Constraining the size of government can have both positive and negative effects on the state's economy. Reducing the size of government as a result of efficiency gains means that there are more resources available for private production and consumption and is likely to have positive impacts on the state's economy. However, it is plausible that reduction because of revenue shortages will impede economic development, especially if the reductions translate into the contraction of services important to business location decisions such as educational opportunities, quality of life attributes, infrastructure, and public safety.

Income Levels in Tennessee

The shifting in the economy is leading to increased demand for higher-skilled workers, which translates into higher-paying jobs for Tennesseans. As a result, median family income in the state increased by 49.8 percent from \$29,456 in 1990 to \$44,120 in 2000 compared to a 40.5 percent increase nationally.⁸ Of course a portion (64.2 percent) of the increase arose due to inflation. In order to gain an understanding of the actual increase in income in terms of increases in buying power, one should examine changes in real or inflation-adjusted income. Using the 2000 personal

income deflator calculated by the U.S. Bureau of Labor Statistics, the increase in real income in Tennessee from 1990 to 2000 was 13.5 percent, compared to an increase of 6.8 percent nationally.

Although median family income is often used as an indicator of income levels in a region, it is subject to many criticisms. The primary argument against its use is the fact that families differ so vastly within a region and the typical or average family is harder to define today than it was a couple of decades ago. For

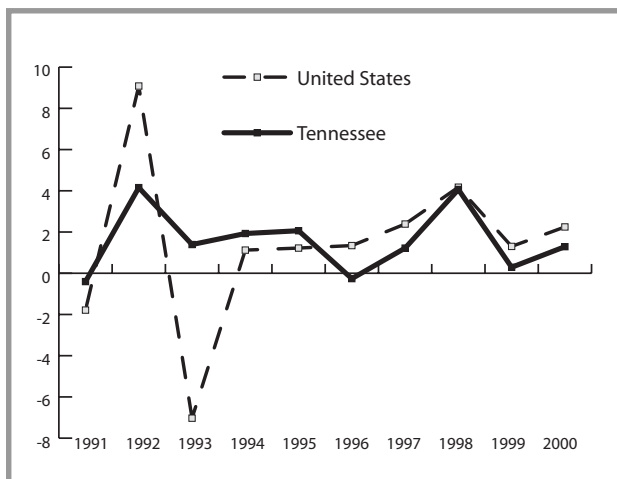
Income Levels, continued

example, the most commonly used measure is median income for a family of four comprised of two adults and two children. According to the 2000 Census, only 22.4 percent of the households in Tennessee are comprised of a two-parent family with any number of children under the age of 18⁹; therefore, even a smaller percentage of Tennessee households would be represented by two parents and two children. An alternative to using median family income is to use per capita income, which is the mean income computed for every man, woman and child in the state. Because the mean is influenced strongly by extreme values, caution should be exercised in using and interpreting mean income values for small subgroups of the population. However, as the population gets larger (e.g., at the state level), the influence of extreme values diminishes. Also limiting the effects of extreme upper income values is the fact that the definition of personal income used in the calculation of per capita income by the

U.S. Census and the U.S. Bureau of Economic Analysis does not include capital gains income.

Nominal per capita income in Tennessee increased from \$16,281 in 1990 to \$25,878 in 2000, representing a 53.8 percent expansion. Nationally, nominal per capita income grew by 50.4 percent from \$19,584 in 1990 to \$29,451 in 2000.¹⁰ Inflation-adjusted per capita income growth was 16.8 percent in Tennessee and 14.1 percent nationally from 1990 to 2000. Figure 3.8. depicts year-over-year growth in inflation-adjusted per capita income for the state and the nation from 1990 to 2000. With the exception of 1992, Tennessee led the country in per capita income growth for the first half of the nineties and then lagged the nation for the remainder of the decade. One reason for the lagging income growth in the latter part of the decade is the state's lack of success in attracting high technology industrial and service firms that characterize the new economy. Instead, these firms are locating in regions of the U.S. with a more highly trained and technologically advanced labor force. As a result, firms that require a labor force with less training and skill are relocating to the southeast, including Tennessee, in search of lower wages. While many of these firms represent improvements in terms of wages paid over the traditional nondurable goods manufacturers, they are not the premier employers of the new economy.

Figure 3.8. Year-over-Year Growth Rates in Inflation-adjusted Per Capita Income



Source: Author's calculations based on data from U.S. Bureau of Economic Analysis.

The increase in real income experienced in Tennessee during the last decade is the result of a prolonged economic expansion that brought many changes to the industrial and employment mix of the state. The fact that median family income increased faster in Tennessee relative to the nation can be primarily attributed to the significant gap in the level of income in the state

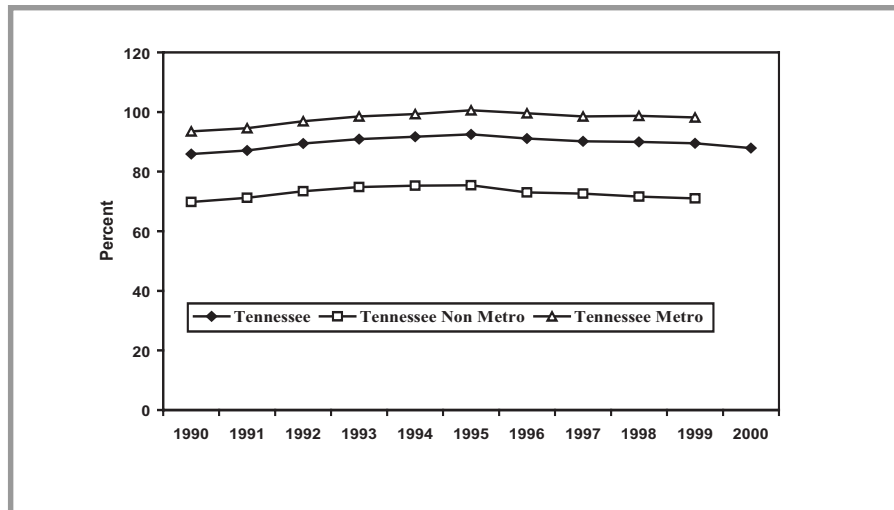
Income Levels, continued

Despite making gains, the gap in per capita income between Tennessee and the nation started widening during the latter half of the nineties as evidenced in Table 3.4, which displays per capita income in Tennessee and its counties as a percent of U.S. per capita income. Notable is the fact that the state was making progress in closing the income gap with the U.S. from 1990 to 1995. At that point, the trend reversed and the gains made in the first half of the nineties continued to erode throughout the remainder of the decade. In fact, 35 of the state's 95 counties had a lower per capita income index in 1999 than in 1990, indicating that they experienced an overall widening of the income gap between themselves and both the state and the U.S.

Figure 3.9 depicts the trend for the state and the metropolitan and non-metropolitan portions of the state. As can be seen, in 1995

per capita income in the metropolitan portion of the state was 100.6 percent of the U.S. average. By 1999, it had fallen to only 98.2 percent of the U.S. average. The non-metropolitan portion of the state followed a similar but more pronounced trend with the Tennessee-to-U.S. per capita income index falling from a high of 75.4 in 1995 to 71.0 in 1999. Even Williamson County, the wealthiest county in the state, experienced a decline in its per capita income index as it slipped from 137.8 in 1995 to 133.9 in 1999. The data represent the struggle Tennessee faces in closing the income gap between the state and the nation. The state must not only have faster growth in personal income relative to the nation, but it must sustain *substantially* faster growth in order to make real progress toward reducing the income differentials currently facing Tennessee.

Figure 3.9. Tennessee Per Capita Income as a Percent of U.S.



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 3.4. Tennessee Per Capita Income as a Percent of U.S. Per Capita Income

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Tennessee	85.9	87.1	89.4	90.9	91.7	92.5	91.1	90.2	90.0	89.5	87.9
Anderson	89.1	92.2	93.4	95.7	94.3	94.5	92.0	90.9	89.7	88.2	
Bedford	77.6	77.5	78.7	79.0	79.2	80.0	76.4	77.2	76.8	76.9	
Benton	72.6	76.7	72.1	74.1	75.6	75.2	71.3	71.1	68.9	68.0	
Bledsoe	56.0	56.2	58.4	61.1	61.9	61.1	62.5	63.8	64.2	64.4	
Blount	83.9	84.7	86.1	86.3	84.6	84.6	83.1	83.3	83.6	82.0	
Bradley	82.4	83.8	86.9	86.5	88.5	87.3	87.6	87.8	86.5	87.0	
Campbell	57.4	58.0	59.5	60.8	60.8	62.0	61.3	61.0	59.4	58.0	
Cannon	69.5	72.3	74.3	74.5	74.3	74.6	71.6	72.1	71.3	71.2	
Carroll	68.0	70.2	74.8	74.3	77.0	77.5	75.1	74.6	72.8	71.2	
Carter	63.4	65.3	66.2	66.4	65.2	66.2	64.9	65.2	64.2	63.2	
Cheatham	73.0	74.6	75.7	76.5	77.4	79.1	77.6	77.1	78.0	78.0	
Chester	55.4	57.2	59.5	61.1	62.2	64.6	62.9	64.7	64.8	64.9	
Claiborne	59.7	61.4	63.6	64.2	64.1	65.5	63.6	65.3	64.1	64.7	
Clay	61.6	65.1	67.8	68.9	71.7	70.2	63.9	62.5	61.9	61.9	
Cocke	59.2	62.0	65.0	66.3	63.5	63.9	62.5	63.0	63.4	62.7	
Coffee	84.9	85.0	87.8	87.5	85.5	83.9	82.1	82.2	81.3	79.8	
Crockett	72.0	75.5	80.8	76.6	82.5	79.3	79.9	78.0	74.8	72.9	
Cumberland	67.5	66.6	68.2	68.7	68.6	68.8	70.9	71.7	72.0	70.6	
Davidson	106.1	108.3	113.1	116.3	118.7	122.4	120.9	118.9	120.8	120.6	
Decatur	61.9	65.2	67.1	70.2	71.5	73.9	73.1	73.6	71.8	70.6	
DeKalb	73.4	75.0	78.2	81.2	79.7	76.7	76.0	74.7	72.5	70.7	
Dickson	76.3	76.5	78.1	80.2	82.4	82.9	81.3	82.0	79.8	79.2	
Dyer	79.0	79.0	82.6	82.6	84.8	84.0	82.8	81.0	78.3	77.2	
Fayette	64.8	67.2	69.2	72.9	77.1	77.4	76.6	76.4	74.2	72.8	
Fentress	56.4	60.8	63.8	66.6	65.2	64.1	64.6	65.1	63.6	62.6	
Franklin	69.8	71.3	73.4	74.1	74.6	75.0	74.3	75.4	75.3	74.0	
Gibson	73.9	75.7	80.0	79.5	82.8	82.3	80.3	78.8	76.2	74.7	
Giles	74.2	76.6	78.3	81.3	81.9	84.0	78.4	78.2	78.7	78.8	
Grainger	57.4	58.5	61.9	63.5	62.5	61.6	60.3	61.1	60.6	59.1	
Greene	73.7	74.2	74.8	76.2	75.3	76.6	76.0	75.5	77.3	78.5	
Grundy	54.7	56.8	57.8	60.7	59.0	61.1	61.8	62.6	61.2	62.2	
Hamblen	77.7	79.9	82.3	84.8	83.7	84.0	83.2	84.5	84.4	85.3	
Hamilton	99.8	99.5	101.6	104.2	104.0	105.0	104.9	103.5	103.3	103.9	
Hancock	45.5	47.7	48.9	47.9	47.9	49.0	46.6	48.5	47.2	46.8	
Hardeman	62.7	64.7	65.6	65.4	64.6	66.2	64.1	63.7	60.4	58.9	
Hardin	62.5	64.8	66.5	66.6	66.9	70.5	69.7	71.0	72.3	70.9	
Hawkins	71.6	73.2	74.7	73.3	70.9	72.9	72.1	71.0	69.0	68.1	
Haywood	63.7	66.1	70.3	67.5	72.5	70.0	70.7	70.0	69.0	67.6	
Henderson	66.7	68.6	69.5	72.6	74.4	73.3	73.5	76.0	74.1	72.5	
Henry	72.8	74.4	77.1	78.9	78.8	80.8	79.0	79.0	77.8	76.0	
Hickman	63.2	64.1	64.2	65.7	66.3	67.4	65.9	66.5	64.6	63.9	
Houston	60.0	62.4	61.8	65	64.0	63.0	61.9	59.5	59.1	58.1	
Humphreys	70.0	72.0	73.4	75.5	77.8	74.7	72.0	68.9	68.1	67.8	
Jackson	59.3	62.8	66.4	66.4	67.5	69.4	70.4	70.7	70.6	69.5	
Jefferson	71.1	71.7	72.9	71.6	71.0	70.1	67.8	67.5	66.9	65.3	
Johnson	53.2	52.1	53.1	54.3	52.0	51.2	49.4	51.1	51.4	51.4	
Knox	96.9	97.5	98.0	99.4	99.0	98.5	97.0	95.8	96.2	95.9	

Table 3.4. Tennessee Per Capita Income as a Percent of U.S. Per Capita Income, cont.

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Lake	54.0	53.2	55.6	51.7	50.6	48.1	48.5	45.6	42.3	44.0	
Lauderdale	60.9	61.6	64.9	64.3	64.8	63.7	65.1	67.2	64.8	63.9	
Lawrence	70.8	74.7	77.0	78.0	78.5	78.4	74.2	72.9	71.1	69.2	
Lewis	57.6	60.4	64.1	67.7	69.6	71.8	64.3	60.5	58.3	56.0	
Lincoln	73.7	73.0	76.4	76.9	78.1	77.2	74.3	73.4	73.0	73.1	
Loudon	80.0	80.8	82.2	85.5	85.1	85.9	84.1	84.1	84.8	84.9	
McMinn	73.4	72.9	73.4	74.3	73.7	72.5	71.0	71.4	71.1	71.4	
McNairy	65.6	67.0	69.0	69.0	69.0	69.9	69.1	70.5	70.2	69.1	
Macon	63.9	66.1	69.2	70.6	69.0	68.5	64.1	64.6	63.0	61.1	
Madison	85.2	83.9	86.8	88.0	90.7	90.6	90.7	91.2	91.3	90.8	
Marion	69.0	71.0	71.5	72.7	72.2	71.2	72.8	73.5	72.2	72.8	
Marshall	80.7	83.2	87.6	90.9	92.0	88.2	84.0	81.2	79.7	81.5	
Mauzy	78.0	80.6	83.1	95.0	102.7	110.9	83.0	78.4	76.0	76.0	
Meigs	64.0	64.1	64.7	64.3	63.0	61.7	60.9	61.4	58.9	57.9	
Monroe	61.5	64.0	65.7	67.5	68.9	68.7	66.7	65.8	65.0	64.2	
Montgomery	75.9	79.5	85.9	85.9	84.7	86.4	84.6	82.2	80.5	82.1	
Moore	72.6	69.9	71.3	74.1	72.6	75.1	71.6	71.4	71.2	69.5	
Morgan	51.5	54.4	55.9	56.8	56.7	54.3	54.8	55.4	54.0	53.1	
Obion	82.2	79.9	84.9	85.2	86.3	87.3	86.3	83.8	81.3	80.6	
Overton	57.4	59.0	61.3	62.7	61.7	63.8	62.1	62.4	61.6	60.2	
Perry	60.0	61.9	66.3	69.5	70.2	69.6	71.6	72.0	67.8	67.7	
Pickett	59.3	64.3	64.9	67.6	66.9	67.8	64.1	65.3	65.4	64.3	
Polk	61.9	64.2	66.9	68.2	67.8	67.2	68.2	67.5	66.8	66.8	
Putnam	78.6	80.6	82.2	84.2	84.5	83.8	82.8	81.7	82.0	81.9	
Rhea	68.0	66.7	67.8	69.1	67.0	65.5	63.3	62.4	61.9	62.8	
Roane	79.1	81.0	83.1	86.3	84.3	82.9	79.5	76.9	76.9	76.1	
Robertson	76.3	76.4	78.7	81.1	81.9	83.0	80.1	81.0	80.3	79.9	
Rutherford	87.1	88.3	93.3	92.3	93.8	94.4	91.6	91.7	89.0	89.0	
Scott	57.2	58.5	59.9	59.9	61.0	58.5	57.4	56.6	55.8	56.9	
Sequatchie	63.3	65.5	65.5	67.1	67.9	67.1	64.5	65.4	63.9	64.6	
Sevier	78.7	78.3	81.1	81.7	81.9	83.3	81.8	82.1	80.5	79.4	
Shelby	98.7	99.6	101.1	103.0	104.9	106.5	106.7	105.8	107.8	106.9	
Smith	73.6	75.4	76.9	78.2	77.9	77.3	75.0	74.2	73.1	70.8	
Stewart	63.0	65.6	63.0	68.3	70.4	67.3	65.0	62.0	60.3	59.9	
Sullivan	88.2	90.1	90.1	90.1	88.6	89.5	90.2	87.4	85.5	84.4	
Sumner	87.3	87.6	88.9	91.0	92.0	91.6	89.2	87.9	88.1	87.7	
Tipton	71.7	73.3	73.9	73.1	74.1	73.3	71.0	69.3	68.1	67.1	
Trousdale	60.7	62.9	65.9	65.9	65.7	65.2	60.3	60.6	60.8	60.7	
Unicoi	74.6	76.8	78.5	77.7	75.3	75.4	75.3	75.2	74.0	72.8	
Union	53.0	54.6	56.6	57.9	56.3	56.5	55.1	55.7	55.5	54.7	
Van Buren	51.3	51.9	52.6	53.9	54.0	54.4	55.3	56.3	58.5	58.8	
Warren	71.1	71.7	75.9	77.0	76.3	76.7	78.8	80.0	78.4	77.9	
Washington	83.5	84.9	87.5	87.2	87.3	87.0	86.8	85.8	85.0	83.5	
Wayne	57.9	61.1	61.8	63.0	61.8	60.6	57.4	56.4	55.4	55.1	
Weakley	69.9	71.8	74.3	74.9	75.9	76.2	75.8	73.9	71.9	70.0	
White	64.2	65.8	67.3	68.5	68.6	67.8	65.3	64.3	64.0	63.2	
Williamson	125.3	126.5	128.7	132.0	134.7	137.8	136.0	133.4	134.3	133.9	
Wilson	86.5	88.8	91.3	90.7	92.0	93.0	90.7	92.2	91.0	90.2	

Table 3.4. Tennessee Per Capita Income as a Percent of U.S. Per Capita Income, cont.

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Tennessee Metropolitan Portion	93.5	94.6	96.9	98.5	99.3	100.6	99.6	98.5	98.7	98.2	
Tennessee Nonmetropolitan Portion	69.8	71.2	73.4	74.8	75.3	75.4	73.0	72.6	71.6	71.0	
Chattanooga, TN-GA (MSA)	89.5	89.5	91.0	93.2	93.0	93.2	93.4	92.0	91.5	91.9	
Clarksville-Hopkinsville, TN-KY (MSA)	70.2	74.2	79.4	79.2	78.2	78.8	78.2	76.6	75.0	75.3	
Jackson, TN (MSA)	81.0	80.1	83.0	84.2	86.7	86.9	86.7	87.4	87.4	87.0	
Johnson City-Kingsport-Bristol, TN-VA (MSA)	78.7	80.4	81.4	81	80.2	80.8	80.7	79.6	78.3	77.5	
Knoxville, TN (MSA)	90.6	91.4	92.4	93.7	93.0	92.9	91.2	90.4	90.4	89.7	
Memphis, TN-AR-MS (MSA)	94.3	95.1	96.5	98.2	100.2	101.4	101.4	100.3	101.7	101.0	
Nashville, TN (MSA)	98.8	100.4	104.1	106.2	108.1	110.3	108.3	107.0	107.3	106.9	


Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Income Levels, continued

compared to the nation at the beginning of the decade. The below-national average wage levels in Tennessee have been a major factor influencing the expansion of employment in durable goods manufacturing, replacing many of the jobs in the shrinking nondurable manufacturing sector. As a result, real income levels in the state have risen. The downside to rising wages is that as the income levels in Tennessee approach the national average, the state's competitive advantage in attracting new firms that are simply seeking low wages erodes.



The continuing trend of income (and population) growth suggests that the demand for public services will continue to increase while growth in sales tax revenue declines.



As income in the state increases, spending patterns and preferences of residents can be expected to change. For example, as income increases, residents are likely to spend a larger portion of their income on services relative to goods. While sales of both services and goods

will increase in response to higher income levels, sales of services are likely to increase at a faster rate. From the state's perspective, the change in consumption patterns leads to slower sales tax revenue growth as the state experiences larger increases in the sale of nontaxable services relative to taxable goods.

Another well-documented outcome of increasing income levels is the corresponding increase in the demand for public services. Residents with more income generally demand more and better goods and services of every type including public services. For example, higher income states normally face pressure to provide better educational institutions and opportunities or better infrastructure. As a result of increased demand for public services, there will be upward pressure on state and local government expenditures. The continuing trend of income (and population) growth suggests that the demand for public services will continue to increase while growth in sales tax revenue will slow. Consequently, the budgetary problems experienced by the state in recent years are not likely to ease given Tennessee's current fiscal structure.

Poverty Levels

Based on the 2000 Census Supplemental Survey¹¹, the percentage of the population below the poverty level in Tennessee decreased from 15.7 percent to 14.2 percent from 1990 to 2000, representing a 9.6 percent decline.¹² In comparison, the percentage of individuals below the poverty level nationwide declined from 13.1 percent in 1990 to 12.5 percent in 2000, representing only a 4.6 percent decline at the national level. As can be seen in Table 3.5., despite the decrease in the percentage of the population living below poverty, Tennessee continues to have higher than average (national) rates for all age categories.

The general decline in the percentage of residents below the poverty level during the nineties was not necessarily the case across all age groups in Tennessee. Figure 3.10. depicts the growth rates in the percentage of individuals living in poverty from 1990 to 2000. There was a 7.1 percent increase in the percentage of related children under five that fell below the poverty level.¹³ Nationally, this

same group experienced a 2.0 percent decline. The remaining groups witnessed declines in their poverty rates in both Tennessee and the U.S.

Also notable is the fact that the population group experiencing the largest decline in the percentage below poverty is for individuals over age 65. This is likely the result of both the social security system and an increased awareness regarding the necessity of retirement savings. The trend is encouraging especially given that Tennessee and the nation are aging. Without proper planning and preparation, a large aging population could lead to the unfortunate social and economic problems

There was a 7.1 percent increase in the percentage of related children under five that fell below the poverty level.

Table 3.5. Percentage Below Poverty Level in Tennessee and the U.S.

Population Group	Tennessee			United States		
	2000	1990	% Change	2000	1990	% Change
Total population	14.2	15.7	-9.6	12.5	13.1	-4.6
Individuals over age 18	12.1	13.9	-12.9	10.8	11.3	-4.4
Individuals over age 65	13.9	20.9	-33.5	10.6	12.8	-17.2
Related Children						
Under age 18	19.7	20.7	-4.8	17.1	17.9	-4.5
Under age 5	25.6	23.9	7.1	19.7	20.1	-2.0
Age 5 to 17	17.6	19.5	-9.7	16.1	17.0	-5.3

Source: U.S. Census Bureau, Census 2000 Supplemental Survey Data and 1990 Census, Summary File Tape 3.

Poverty Levels, continued

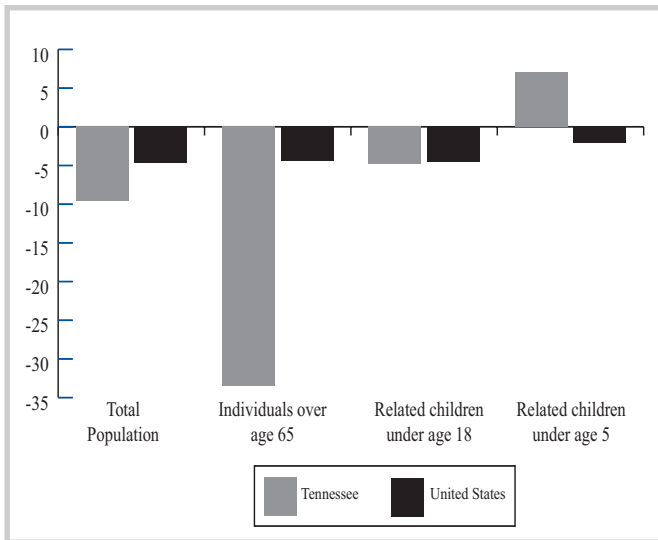
associated with having a significant number of the elderly living in poverty in the coming decades.

Tennessee experienced a 5.0 percent increase in the *number* of people living in poverty, despite the decline in the *percentage* of the population living in poverty. The state did make some headway in its fight against poverty as the number in poverty grew more slowly than the national average. Tennessee's poverty growth rates were lower than the national average for every population group with the exception of related children under age 18 (see Figure 3.11.). But, the only population group that witnessed a drop in the actual

number of people living below poverty was individuals over age 65. In Tennessee, there were 30,730 or 25.0 percent fewer people aged 65 and older living in poverty in 2000 compared to 1990.

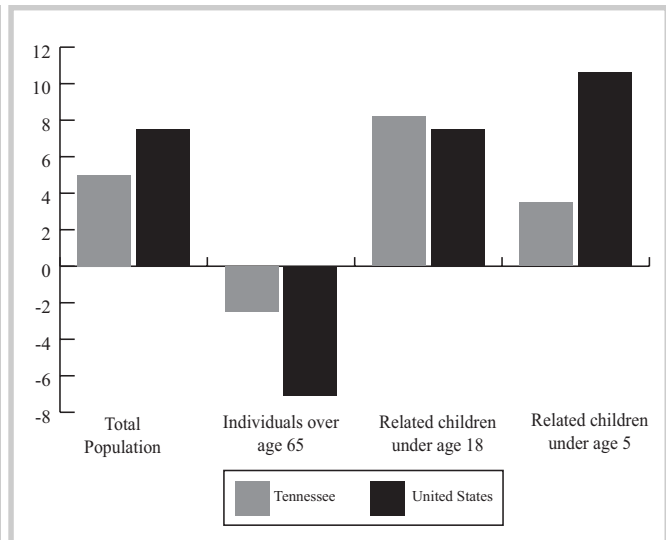
There were 20,289 more related children under age 18 living in poverty in 2000 than in 1990. This raises many concerns including potential effects on the educational attainment and future economic status of the young. In addition, there are concerns regarding the strain that growing populations of poor children will have on TennCare, Families First, and other low-income assistance programs.

Figure 3.10. Growth Rates in the Percentage of Population Living Below Poverty, 1990 to 2000



Source: U.S. Census Bureau, Supplemental Survey Data, 2000.

Figure 3.11. Growth Rates in the Number of Persons Living Below Poverty, 1990 to 2000



Source: U.S. Census Bureau, Census 2000 Supplementary Survey Data and 1990 Census, Summary File Tape 3.

Educational Attainment Levels in Tennessee

The 2000 Census data based on the 100 percent sample file for educational attainment levels will not be available until mid-2002. However, the U.S. Census produces annual estimates based on the Current Population Surveys (CPS) conducted in March of each year. In addition, the U.S. Census Bureau has released educational attainment data based on Census 2000 supplemental surveys taken once a month for twelve months. Because these data represent a relatively small sample of the population, it is possible for them to be significantly different from the 2000 Census data based on the 100 percent sample file. However, analysis of the available data will provide a glimpse at the general trend in educational attainment in Tennessee in comparison to the rest of the nation. Table 3.6 displays the results from the 1990 Census, the 2000 CPS, and the 2000 Census supplemental survey.

Even though there are significant differences in the CPS data and the Census 2000 supplemental survey data, both depict a positive trend in the level of educational attainment in Tennessee, the southeast, and the nation. Tennessee continues to lag the nation as a whole but the gap is getting smaller. In 1990, the state trailed the national average of percentage of persons age 25 and older with a high school diploma by 8.1 percent. According to the data, the gap was between 3.9 and 4.2 percent in 2000. Other states in the southeast made progress as well. Comparison between Tennessee and the remaining southeastern states is problematic based on currently

available data. For example, CPS data indicate that seven southeastern states including Arkansas, Florida, Georgia, Louisiana, Mississippi, South Carolina, and Virginia have a larger percentage of the population with high school diplomas. Additionally, Florida, Georgia, Louisiana, North Carolina, and Virginia have a higher percentage with a bachelor's degree or higher. However, the 2000 Census supplemental survey data indicate only four states -- Florida, Louisiana, South Carolina, and Virginia -- fare better than Tennessee in terms of percentage with a high school diploma. In comparison, six southeastern states had higher levels of educational attainment relative to Tennessee in 1990.

Despite the discrepancies, all data indicate that Tennessee has made positive advances in educational attainment levels. However, the state remains below the national average and about mid-range within the southeastern states. A labor force with below-average levels of education jeopardizes the competitive position of the state in terms of economic development. Low levels of education signal a low-skill, less-productive workforce, resulting in low wages and can result in weaker economic growth. In order to be able to compete for the jobs of the new service-oriented economy, Tennessee must make a commitment to the education of its labor force. Otherwise, the state will continue to attract businesses looking for low skills and average wage levels; businesses that are more likely to move overseas in the never-ending search for cheaper labor and lower production costs.

Educational Attainment Levels, continued

Table 3.6. Educational Attainment Levels of Persons Age 25 and Older, Tennessee and the Southeastern States, 1990 and 2000

Region	1990		2000 CPS		2000 Supplemental Survey	
	Percent with high school diploma	Percent with Bachelor's degree or higher	Percent with high school diploma	Percent with Bachelor's degree or higher	Percent with high school diploma	Percent with Bachelor's degree or higher
Tennessee	67.1	16.0	79.9	22.0	77.7	20.9
Alabama	66.9	15.7	77.5	20.4	76.1	20.2
Arkansas	66.3	13.3	81.7	18.4	77.5	16.7
Florida	74.4	18.3	84.0	22.8	81.9	23.2
Georgia	70.9	19.3	82.6	23.1	77.5	23.2
Kentucky	64.6	13.6	78.7	20.5	74.6	17.2
Louisiana	68.3	16.1	80.8	22.5	76.7	19.4
Mississippi	64.3	14.7	80.3	18.7	74.3	18.6
North Carolina	70.0	17.4	79.2	23.2	77.3	21.9
South Carolina	68.3	16.6	83.0	19.0	78.7	22.9
Virginia	75.2	24.5	86.6	31.9	82.6	30.3
West Virginia	66.0	12.3	77.1	15.3	75.2	14.1
United States	75.2	20.3	84.1	25.6	81.6	25.1

Source: U.S. Department of Commerce, U.S. Census Bureau, 1990 Census, 2000 Current Population Survey, and 2000 Census, Supplemental Survey.

Profile Summary and Conclusions

The myriad changes in the general demographic landscape in Tennessee between 1990 and 2000 has direct implications for all aspects of the state's economy. Changes in demographic characteristics of the population lead to changes in economic behavior. More specifically, individual tastes and preferences shift, due to the role that residents play as both consumers of goods and services and suppliers of labor and other factors of production. For example, the increase in the middle-aged population in Tennessee can be expected to lead to an increase in the demand for financial services and for retirement planning. The demographic trends Tennessee has experienced in the last decade are likely to continue, thus leading to the continuing evolution of the state's economy from a low-skill manufacturing-based economy to a more high-technology manufacturing and service-oriented economy.

In addition to shifting demands in the private sector, changing demographics also lead to shifts in the level and type of public services demanded. The allocation of public resources must be prioritized based on the changing needs and goals of the state's population. Demographic considerations should influence budgetary matters. For example, a growing and shifting population requires sufficient planning for infrastructure and educational needs. Understanding recent demographic trends and their effects on the state's economy and public sector is a key factor in understanding the investments necessary to ensure the continuing prosperity of the state of Tennessee.

The decade of the nineties was one of transition and significant economic gains for the state of Tennessee. Many goals were

accomplished including expanding the state's labor force, attracting new firms and industries to the region, and raising Tennessean's standard of living. Evidence of the expansion and diversification of the state's economy during the last decade can be found in the fact that the business services sector was the fastest growing sector in Tennessee in terms of employment. Meanwhile, traditional industries such as agriculture, forestry and fishing and nondurable goods manufacturing actually declined between 1990 and 2000.

Along with the shift in industrial structure came shifts in income levels. Tennesseans experienced significant gains in their standard of living during the nineties as real median household income increased by 13.5 percent. Similarly, real per capita income in Tennessee increased by 16.8 percent between 1990 and 2000. Unfortunately, not all income data were positive. While the percentage of the total population in Tennessee living below the poverty level declined over the last decade, the actual number of residents living in poverty increased by 5.0 percent. In addition, Tennessee has lost ground in recent years in terms of income growth relative to the nation as a whole, erasing a significant portion of the gains experienced in the early nineties.

The last decade provided many changes and challenges as Tennessee witnessed the closing of many long-time manufacturing plants across the state and the arrival of some new high-technology manufacturing firms. The healthcare industry prospered and numerous corporate headquarters relocated to the state. Through all the changes, Tennessee was able to adapt to the demand for a new kind of labor force as a result of labor in-migration and

Profile Summary and Conclusions, continued

workforce training and development. Continued economic development and expansion in Tennessee will hinge on the state's ability to meet increased educational and skill requirements of the new economy, be on the cutting edge of technological infrastructure, and provide a stable, business friendly environment. The state is already witnessing

declines in durable manufacturing employment in the first year of the new decade, hopefully only the result of a downturn in the business cycle and not a long-term trend. Nonetheless, the state cannot afford to delay investing in education and training in preparation for the jobs of the new economy.

Endnotes

1. U.S. Department of Commerce, Bureau of the Census, 2000 Census.
2. Feedback effects are measured in terms of increased output, income, and employment arising from the increased spending of an expanding population. As resident spending ripples through the state's economy, output and income increase, thus supporting a higher level of employment.
3. See Kelley, A.C. and R.M. Schmidt, 1994. "Population and Income Changes: Recent Evidence." World Bank Discussion Paper 249. Washington DC: World Bank, for a review of empirical findings.
4. See Kelley, A.C., 1976. "Demographic Change and the Size of the Government Sector," *Southern Economic Journal*, October: 1056-1066.
5. See Bun, Song Lee and Shuanglin Lin, 1994. "Government Size, Demographic Changes and Economic Growth," *International Economic Journal*, 8 (1): 91-106.
6. For a review of empirical findings, see Kelley, A.C., and R.M. Schmidt, 1994. "Population and Income Changes: Recent Evidence." World Bank Discussion Paper 249. Washington DC: World Bank.
7. The data presented throughout this report represent the civilian labor force and do not include individuals listed in the armed forces.
8. In compiling statistics on family median income, the U.S. Census sums the income of all family members age 15 and older. Median income divides the income distribution into two equal halves, one comprised of families with income greater than the median and the other comprised of families with income below the median.
9. Census 2000, Summary File 1, Profile of General Demographic Characteristics.
10. The data, obtained from the U.S. Bureau of Economic Analysis, incorporates the revised population estimates based on the 2000 Census.
11. The U.S. Census Bureau defines the threshold poverty level for a family of four as a pre-tax income of \$17,603 for 2000. This figure does not include non-money benefits such as food stamps and housing assistance. The threshold varies by the number and age of persons in the household.
12. Data for the Supplemental Survey are based on twelve monthly samples during 2000 and are released prior to the Census 2000, 100 percent data. This allows for an early release of data that otherwise would not be available for another 12 to 24 months. However, since this data is based on a sample, it is possible that the data reported in the Supplemental Surveys will differ from the data based on the actual Census survey.
13. Related children include the householder's own children and all other minor children in the household who are related to the householder by birth, marriage, or adoption.

Appendix

Appendix A: Forecast Data

Quarterly	A:2
Annual	A:23

Appendix B: Historical Data

Quarterly	A:43
Annual	A:64

TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS
SEASONALLY ADJUSTED

	FORECAST - DATA												ANNUAL		
	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003	
HISTORY															
US GDP (BIL96\$) SAAR.....	9341.7	9333.4	9284.3	9246.1	9303.6	9391.6	9510.1	9623.1	9736.8	9821.6	9926.9	9323.5	9362.8	9777.1	
% CHG PREV QTR SAAR.....	0.31	-0.36	-2.09	-1.64	2.51	3.84	5.14	4.84	4.81	3.53	4.36	1.08	0.42	4.42	
% CHG SAME QTR LAST YR.....	1.22	0.79	-0.21	-0.95	-0.41	0.62	2.43	4.08	4.66	4.58	4.38	1.08	0.42	4.42	
US GDP (BIL\$) SAAR.....	10202.6	10247.7	10239.6	10235.5	10335.5	10465.3	10647.5	10837.9	11022.7	11185.3	11369.5	10207.9	10420.9	11103.8	
% CHG PREV QTR SAAR.....	2.42	1.78	-0.31	-0.17	3.98	5.12	7.15	7.35	7.00	6.03	6.75	3.39	2.09	6.55	
% CHG SAME QTR LAST YR.....	3.50	3.12	2.11	0.92	1.30	2.12	3.98	5.89	6.65	6.88	6.78	3.39	2.09	6.55	
IMPLICIT DEFlator, GDP.....	109.2	109.8	110.3	110.7	111.1	111.4	112.0	112.6	113.2	113.9	114.5	109.5	111.3	113.6	
% CHG PREV QTR SAAR.....	2.11	2.15	1.81	1.49	1.43	1.24	1.90	2.39	2.09	2.42	2.29	2.29	1.65	2.04	
% CHG SAME QTR LAST YR.....	2.26	2.31	2.33	1.89	1.72	1.49	1.51	1.74	1.90	2.20	2.30	2.29	1.65	2.04	
US PERS CONS DEFL (1996=100).....	109.6	109.5	110.1	110.4	110.9	111.4	112.0	112.7	113.3	114.0	114.7	109.6	111.2	113.7	
% CHG PREV QTR SAAR.....	1.34	-0.38	2.31	1.22	1.72	1.64	2.33	2.33	2.28	2.56	2.49	1.94	1.45	2.23	
% CHG SAME QTR LAST YR.....	2.22	1.52	1.61	1.12	1.21	1.72	1.73	2.00	2.14	2.37	2.41	1.94	1.45	2.23	
TN PERSONAL INCOME (MIL96\$) SAAR.....	141290	141241	141506	143823	146007	144333	145388	148234	150218	148545	149462	141118	144888	149115	
% CHG PREV QTR SAAR.....	2.46	-0.14	0.75	6.71	6.22	-4.51	2.96	8.06	5.46	-4.38	2.49	2.70	2.67	2.92	
% CHG SAME QTR LAST YR.....	3.01	2.39	1.77	2.41	3.34	2.19	2.74	3.07	2.88	2.92	2.80	2.70	2.67	2.92	
US PERSONAL INCOME (BIL96\$) SAAR.....	7952.0	8016.8	8000.6	8007.4	8026.4	8074.3	8129.8	8217.0	8296.4	8357.2	8424.1	7969.9	8059.5	8323.7	
% CHG PREV QTR SAAR.....	2.13	3.30	-0.81	0.34	0.95	2.41	2.78	4.36	3.92	2.96	3.24	3.01	1.12	3.28	
% CHG SAME QTR LAST YR.....	3.07	3.15	1.77	1.23	0.94	0.72	1.61	2.62	3.36	3.50	3.62	3.01	1.12	3.28	
TN PERSONAL INCOME (MIL\$) SAAR.....	154841	154639	155818	158851	161954	160748	162860	167005	170195	169368	171463	154673	161103	169508	
% CHG PREV QTR SAAR.....	3.83	-0.52	3.09	8.02	8.04	-2.95	5.36	10.58	7.86	-1.93	5.04	4.68	4.16	5.22	
% CHG SAME QTR LAST YR.....	5.30	3.95	3.41	3.56	4.59	3.95	4.52	5.13	5.09	5.36	5.28	4.68	4.16	5.22	
US PERSONAL INCOME (BIL\$) SAAR.....	8714.6	8777.3	8809.8	8844.2	8903.0	8992.6	9106.8	9257.5	9399.8	9528.7	9664.1	8735.5	8961.7	9462.5	
% CHG PREV QTR SAAR.....	3.49	2.91	1.49	1.57	2.69	4.09	5.17	6.79	6.29	5.60	5.81	5.00	2.59	5.59	
% CHG SAME QTR LAST YR.....	5.36	4.72	3.41	2.36	2.16	2.45	3.37	4.67	5.58	5.96	6.12	5.00	2.59	5.59	
TN NONAGRIC JOBS (THOUS).....	2757.8	2758.8	2749.3	2742.0	2754.3	2768.4	2767.6	2776.0	2797.3	2813.1	2811.0	2754.1	2758.1	2799.4	
% CHG PREV QTR SAAR.....	1.05	0.14	-1.37	-1.06	1.81	2.06	-0.11	1.22	3.10	2.29	-0.30	0.53	0.14	1.50	
% CHG SAME QTR LAST YR.....	0.90	0.35	-0.05	-0.31	-0.13	0.35	0.67	1.24	1.56	1.62	1.57	0.53	0.14	1.50	
US NONAGRIC JOBS (MIL).....	132.5	132.3	131.6	131.6	131.6	131.7	131.9	132.3	132.8	133.1	133.8	132.2	131.7	133.0	
% CHG PREV QTR SAAR.....	-0.23	-0.43	-2.31	-0.05	0.04	0.52	0.65	0.97	1.47	1.18	1.99	0.37	-0.41	0.98	
% CHG SAME QTR LAST YR.....	0.48	0.31	-0.52	-0.76	-0.69	-0.46	0.29	0.54	0.90	1.07	1.40	0.37	-0.41	0.98	
TN UNEMPLOYMENT RATE (%).....	4.2	4.1	4.7	5.6	5.7	5.5	5.4	5.3	5.1	5.0	5.0	4.3	5.6	5.1	
US UNEMPLOYMENT RATE (%).....	4.5	4.8	5.7	6.0	6.3	6.4	6.2	6.1	5.8	5.7	5.4	4.8	6.2	5.8	
BANK PRIME INTEREST RATE (%).....	7.3	6.6	5.2	5.0	5.3	5.6	6.3	6.9	7.5	7.8	8.0	6.9	5.5	7.5	
TN MFG JOBS (THOUS).....	491.3	486.6	480.4	476.7	474.6	470.0	471.1	473.8	474.6	473.8	471.7	488.8	473.1	473.5	
% CHG PREV QTR SAAR.....	-4.33	-3.75	-5.06	-3.00	-1.80	-3.76	0.95	2.27	0.67	-0.61	-1.81	-3.97	-3.20	0.08	
% CHG SAME QTR LAST YR.....	-3.70	-4.68	-4.84	-4.04	-3.41	-3.41	-1.92	-0.61	0.00	0.81	0.12	-3.97	-3.20	0.08	

(CONTINUED ON NEXT PAGE)

TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS (CONT.)
 SEASONALLY ADJUSTED

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TN TAXABLE SALES (MIL96\$).....	17077	16681	17116	16974	16849	16537	17005	17262	17048	16719	17021	67988	67366	68049	
% CHG PREV QTR SAAR.....	-0.88	-8.95	10.85	-3.27	-2.92	-7.20	11.79	6.18	-4.86	-7.50	7.44	-2.09	-0.92	1.01	
% CHG SAME QTR LAST YR.....	-1.32	-3.42	0.28	-0.82	-1.33	-0.86	-0.65	1.69	1.18	1.10	0.10	-2.09	-0.92	1.01	
TN TAXABLE SALES (MIL\$).....	18714	18263	18847	18748	18690	18418	19048	19448	19315	19062	19527	74519	74904	77351	
% CHG PREV QTR SAAR.....	0.44	-9.30	13.41	-2.09	-1.24	-5.68	14.40	8.65	-2.70	-5.13	10.11	-0.18	0.52	3.27	
% CHG SAME QTR LAST YR.....	0.87	-1.95	1.89	0.29	-0.13	0.85	1.07	3.73	3.35	3.50	2.51	-0.18	0.52	3.27	
TN AVG ANNUAL WAGE, NONAG (96\$)..	29272	29158	29245	29744	30017	29540	29595	30271	30355	29887	29887	29202	29724	30100	
% CHG PREV QTR SAAR.....	1.93	-1.55	1.20	7.00	3.73	-6.21	0.74	9.45	1.12	-6.03	-0.01	1.75	1.79	1.26	
% CHG SAME QTR LAST YR.....	2.00	1.58	1.38	2.10	2.55	1.31	1.20	1.77	1.12	1.17	0.99	1.75	1.79	1.26	
TN AVG ANNUAL WAGE, NONAG (\$)....	32080	31924	32203	32852	33296	32900	33151	34104	34392	34076	34286	32007	33050	34215	
% CHG PREV QTR SAAR.....	3.29	-1.92	3.54	8.31	5.52	-4.68	3.10	12.00	3.42	-3.62	2.48	3.72	3.26	3.52	
% CHG SAME QTR LAST YR.....	4.27	3.12	3.01	3.24	3.79	3.06	2.94	3.81	3.29	3.58	3.42	3.72	3.26	3.52	

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TABLE 2: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 SELECTED PER CAPITA U.S. AND TENNESSEE ECONOMIC INDICATORS
 SEASONALLY ADJUSTED

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
US GDP (96\$) SAAR.....	33784	33684	33359	33111	33206	33409	33719	34007	34295	34480	34735	33664	33361	34379	
% CHG PREV QTR SAAR.....	-0.51	-1.17	-3.81	-2.94	1.15	2.47	3.76	3.46	3.43	2.17	3.00	0.19	-0.90	3.05	
% CHG SAME QTR LAST YR.....	0.38	-0.04	-1.26	-2.12	-1.71	-0.82	1.08	2.71	3.28	3.20	3.01	0.19	-0.90	3.05	
US GDP (\$) SAAR.....	36897	36984	36791	36653	36889	37229	37751	38299	38824	39267	39783	36856	37130	39043	
% CHG PREV QTR SAAR.....	1.58	0.95	-2.07	-1.50	2.60	3.73	5.73	5.94	5.59	4.64	5.36	2.48	0.74	5.15	
% CHG SAME QTR LAST YR.....	2.65	2.27	1.03	-0.27	-0.02	0.66	2.61	4.49	5.25	5.48	5.38	2.48	0.74	5.15	
TN PERSONAL INCOME (96\$) SAAR....	24514	24466	24434	24758	25057	24729	24831	25240	25499	25174	25249	24464	24844	25291	
% CHG PREV QTR SAAR.....	1.21	-0.79	-0.52	5.42	4.91	-5.13	1.65	6.75	4.17	-5.00	1.20	1.58	1.55	1.80	
% CHG SAME QTR LAST YR.....	1.89	1.28	0.66	1.30	2.21	1.08	1.63	1.95	1.76	1.80	1.68	1.58	1.55	1.80	
TN PERSONAL INCOME (\$) SAAR.....	26866	26787	26905	27345	27794	27542	27815	28436	28890	28703	28966	26813	27624	28749	
% CHG PREV QTR SAAR.....	2.56	-1.17	1.78	6.71	6.72	-3.57	4.03	9.24	6.54	-2.56	3.71	3.55	3.02	4.07	
% CHG SAME QTR LAST YR.....	4.16	2.82	2.28	2.43	3.45	2.82	3.38	3.99	3.95	4.22	4.14	3.55	3.02	4.07	
US PERSONAL INCOME (96\$) SAAR....	28758	28933	28746	28675	28647	28723	28825	29038	29222	29339	29476	28776	28718	29269	
% CHG PREV QTR SAAR.....	1.29	2.46	-2.55	-0.99	-0.39	1.06	1.42	2.99	2.56	1.61	1.89	2.11	-0.20	1.92	
% CHG SAME QTR LAST YR.....	2.22	2.31	0.69	0.03	-0.38	-0.72	0.27	1.26	2.00	2.14	2.26	2.11	-0.20	1.92	
US PERSONAL INCOME (\$) SAAR.....	31516	31677	31654	31672	31776	31990	32289	32715	33108	33451	33816	31540	31932	33272	
% CHG PREV QTR SAAR.....	2.64	2.07	-0.30	0.22	1.33	2.72	3.79	5.38	4.89	4.22	4.42	4.08	1.24	4.20	
% CHG SAME QTR LAST YR.....	4.49	3.86	2.31	1.15	0.83	0.99	2.01	3.29	4.19	4.57	4.73	4.08	1.24	4.20	
TN TAXABLE SALES (96\$).....	2963	2889	2955	2922	2892	2833	2904	2939	2894	2833	2875	11786	11551	11542	
% CHG PREV QTR SAAR.....	-2.09	-9.54	9.44	-4.44	-4.11	-7.80	10.38	4.89	-6.03	-8.10	6.08	-3.16	-1.99	-0.08	
% CHG SAME QTR LAST YR.....	-2.39	-4.47	-0.82	-1.90	-2.41	-1.94	-1.73	0.59	0.08	0.00	-0.99	-3.16	-1.99	-0.08	
TN TAXABLE SALES (\$).....	3247	3164	3254	3227	3207	3156	3253	3311	3279	3231	3299	12918	12844	13119	
% CHG PREV QTR SAAR.....	-0.79	-9.89	11.98	-3.27	-2.45	-6.29	12.95	7.33	-3.89	-5.74	8.72	-1.27	-0.58	2.15	
% CHG SAME QTR LAST YR.....	-0.23	-3.01	0.78	-0.80	-1.22	-0.25	-0.03	2.60	2.22	2.37	1.40	-1.27	-0.58	2.15	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 3: TENNESSEE PERSONAL INCOME BY COMPONENTS
 SEASONALLY ADJUSTED ANNUAL RATES
 MILLIONS OF 1996 DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL PERSONAL INCOME.....	141290	141241	141506	143823	146007	144333	145388	148234	150218	148545	149462	141118	144888	149115	
% CHG PREV QTR SAAR.....	2.46	-0.14	0.75	6.71	6.22	-4.51	2.96	8.06	5.46	-4.38	2.49	2.70	2.67	2.92	
% CHG SAME QTR LAST YR.....	3.01	2.39	1.77	2.41	3.34	2.19	2.74	3.07	2.88	2.92	2.80	2.70	2.67	2.92	
WAGES AND SALARIES.....	81534	81261	81230	82391	83521	82631	82769	84900	85789	84962	84907	81239	82828	85139	
% CHG PREV QTR SAAR.....	3.01	-1.33	-0.15	5.84	5.60	-4.19	0.67	10.70	4.25	-3.80	-0.26	2.31	1.96	2.79	
% CHG SAME QTR LAST YR.....	2.94	1.97	1.40	1.80	2.44	1.69	1.90	3.04	2.72	2.82	2.58	2.31	1.96	2.79	
OTHER LABOR INCOME.....	8745	8737	8972	8923	8847	8896	9320	9388	9240	9262	9672	8792	8996	9390	
% CHG PREV QTR SAAR.....	1.40	-0.37	11.21	-2.19	-3.34	2.20	20.48	2.94	-6.14	0.96	18.90	1.84	2.32	4.38	
% CHG SAME QTR LAST YR.....	1.76	0.65	3.22	2.39	1.17	1.82	3.87	5.21	4.44	4.12	3.78	1.84	2.32	4.38	
PROPRIETORS INCOME.....	14149	13979	13855	14234	14599	14595	14508	14989	15351	15308	15753	14000	14434	15350	
% CHG PREV QTR SAAR.....	3.81	-4.72	-3.50	11.39	10.65	-5.48	3.20	13.94	10.00	-1.10	12.13	1.22	3.10	6.35	
% CHG SAME QTR LAST YR.....	1.85	1.89	-0.21	1.54	3.18	2.97	4.72	5.31	5.15	6.35	8.58	1.22	3.10	6.35	
RENT INTEREST DIVIDENDS.....	21056	21290	21130	21617	22391	21825	22136	22147	22899	22279	22588	21178	21992	22478	
% CHG PREV QTR SAAR.....	-3.31	4.52	-2.98	9.54	15.10	-9.72	5.81	0.19	14.31	-10.40	5.65	0.44	3.85	2.21	
% CHG SAME QTR LAST YR.....	0.05	0.24	-1.35	1.80	6.34	2.51	4.76	2.45	2.27	2.08	2.04	0.44	3.85	2.21	
TRANSFER PAYMENTS.....	23129	23255	23582	24029	24114	23978	24064	24388	24604	24353	24197	23194	24046	24386	
% CHG PREV QTR SAAR.....	5.74	2.20	5.75	7.79	1.43	-2.24	1.44	5.49	3.60	-4.02	-2.55	7.22	3.68	1.41	
% CHG SAME QTR LAST YR.....	7.14	6.71	6.59	5.35	4.26	3.11	2.04	1.50	2.03	1.57	0.55	7.22	3.68	1.41	
LESS: PERS CONT FOR SOC INS.....	6242	6186	6161	6249	6331	6246	6250	6407	6483	6426	6448	6203	6269	6441	
% CHG PREV QTR SAAR.....	1.26	-3.56	-1.60	5.83	5.37	-5.27	0.25	10.46	4.81	-3.49	1.37	1.34	1.06	2.74	
% CHG SAME QTR LAST YR.....	1.97	0.96	0.66	0.42	1.42	0.97	1.44	2.54	2.40	2.88	3.16	1.34	1.06	2.74	
RESIDENCE ADJUSTMENT.....	-1081	-1096	-1103	-1122	-1133	-1146	-1160	-1171	-1183	-1194	-1206	-1083	-1140	-1188	
% CHG PREV QTR SAAR.....	12.03	5.52	2.49	7.33	4.02	4.61	4.70	3.85	4.20	4.05	3.88	2.91	5.33	4.21	
% CHG SAME QTR LAST YR.....	3.05	3.77	3.73	6.79	4.83	4.60	5.16	4.30	4.34	4.20	3.99	2.91	5.33	4.21	
PER CAPITA PERSONAL INCOME (\$)...	24514	24466	24434	24758	25057	24729	24831	25240	25499	25174	25249	24464	24844	25291	
% CHG PREV QTR SAAR.....	1.21	-0.79	-0.52	5.42	4.91	-5.13	1.65	6.75	4.17	-5.00	1.20	1.58	1.55	1.80	
% CHG SAME QTR LAST YR.....	1.89	1.28	0.66	1.30	2.21	1.08	1.63	1.95	1.76	1.80	1.68	1.58	1.55	1.80	

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TABLE 4: TENNESSEE PERSONAL INCOME BY COMPONENTS
SEASONALLY ADJUSTED ANNUAL RATES
MILLIONS OF CURRENT DOLLARS

	FORECAST - DATA												ANNUAL		
	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003	
HISTORY															
TOTAL PERSONAL INCOME.....	154841	154639	155818	158851	161954	160748	162860	167005	170195	169368	171463	154673	161103	169508	
% CHG PREV QTR SAAR.....	3.83	-0.52	3.09	8.02	8.04	-2.95	5.36	10.58	7.86	-1.93	5.04	4.68	4.16	5.22	
% CHG SAME QTR LAST YR.....	5.30	3.95	3.41	3.56	4.59	3.95	4.52	5.13	5.09	5.36	5.28	4.68	4.16	5.22	
WAGES AND SALARIES.....	89354	88970	89446	91001	92643	92029	92716	95651	97198	96872	97405	89043	92097	96782	
% CHG PREV QTR SAAR.....	4.38	-1.71	2.16	7.14	7.42	-2.63	3.02	13.28	6.63	-1.34	2.22	4.29	3.43	5.09	
% CHG SAME QTR LAST YR.....	5.23	3.52	3.03	2.94	3.68	3.44	3.66	5.11	4.92	5.26	5.06	4.29	3.43	5.09	
OTHER LABOR INCOME.....	9584	9566	9880	9855	9814	9907	10440	10576	10469	10561	11095	9637	10004	10675	
% CHG PREV QTR SAAR.....	2.76	-0.76	13.79	-1.00	-1.67	3.88	23.29	5.34	-4.00	3.55	21.85	3.81	3.81	6.71	
% CHG SAME QTR LAST YR.....	4.02	2.18	4.88	3.53	2.40	3.57	5.67	7.32	6.68	6.59	6.28	3.81	3.81	6.71	
PROPRIETORS INCOME.....	15506	15305	15256	15721	16193	16032	16252	16888	17392	17454	18072	15345	16049	17452	
% CHG PREV QTR SAAR.....	5.19	-5.08	-1.27	12.76	12.56	-3.93	5.61	16.59	12.50	1.43	14.92	3.18	4.59	8.74	
% CHG SAME QTR LAST YR.....	4.11	3.44	1.40	2.68	4.43	4.75	6.52	7.42	7.41	8.87	11.20	3.18	4.59	8.74	
RENT INTEREST DIVIDENDS.....	23076	23310	23267	23876	24836	24308	24796	24951	25945	25402	25912	23212	24454	25553	
% CHG PREV QTR SAAR.....	-2.02	4.12	-0.73	10.88	17.08	-8.24	8.28	2.52	16.91	-8.10	8.28	2.38	5.35	4.49	
% CHG SAME QTR LAST YR.....	2.27	1.76	0.24	2.94	7.63	4.28	6.57	4.50	4.46	4.50	4.50	2.38	5.35	4.49	
TRANSFER PAYMENTS.....	25347	25461	25968	26540	26748	26705	26956	27476	27877	27767	27758	25422	26737	27720	
% CHG PREV QTR SAAR.....	7.15	1.81	8.20	9.11	3.18	-0.64	3.81	7.95	5.95	-1.56	-0.12	9.29	5.17	3.67	
% CHG SAME QTR LAST YR.....	9.51	8.33	8.31	6.53	5.53	4.89	3.81	3.53	4.22	3.98	2.98	9.29	5.17	3.67	
LESS: PERS CONT FOR SOC INS.....	6841	6773	6784	6902	7023	6956	7001	7219	7345	7327	7397	6799	6971	7322	
% CHG PREV QTR SAAR.....	2.61	-3.93	0.68	7.12	7.18	-3.72	2.59	13.03	7.20	-1.01	3.89	3.30	2.53	5.04	
% CHG SAME QTR LAST YR.....	4.24	2.49	2.28	1.54	2.66	2.71	3.20	4.59	4.59	5.32	5.65	3.30	2.53	5.04	
RESIDENCE ADJUSTMENT.....	-1185	-1200	-1214	-1240	-1257	-1277	-1299	-1319	-1340	-1362	-1383	-1187	-1268	-1351	
% CHG PREV QTR SAAR.....	13.53	5.12	4.87	8.64	5.81	6.32	7.15	6.27	6.57	6.71	6.46	4.91	6.86	6.54	
% CHG SAME QTR LAST YR.....	5.33	5.34	5.40	7.98	6.10	6.40	6.98	6.39	6.58	6.68	6.50	4.91	6.86	6.54	
PER CAPITA PERSONAL INCOME (\$)...	26866	26787	26905	27345	27794	27542	27815	28436	28890	28703	28966	26813	27624	28749	
% CHG PREV QTR SAAR.....	2.56	-1.17	1.78	6.71	6.72	-3.57	4.03	9.24	6.54	-2.56	3.71	3.55	3.02	4.07	
% CHG SAME QTR LAST YR.....	4.16	2.82	2.28	2.43	3.45	2.82	3.38	3.99	3.95	4.22	4.14	3.55	3.02	4.07	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 5: TENNESSEE NONAGRICULTURAL EMPLOYMENT BY SECTOR
 THOUSANDS OF JOBS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL NONAGRICULTURAL.....	2760.6	2759.0	2774.2	2712.4	2757.0	2768.5	2792.9	2746.0	2800.0	2813.4	2836.7	2753.7	2757.7	2799.0	
% CHG SAME QTR LAST YR....	0.82	0.40	-0.04	-0.32	-0.13	0.34	0.68	1.24	1.56	1.62	1.57	0.59	0.15	1.50	
MINING.....	4.1	4.0	3.9	3.9	4.0	4.0	4.0	3.9	4.0	4.1	4.0	4.0	4.0	4.0	
% CHG SAME QTR LAST YR....	-1.60	-4.76	-4.68	-5.98	-3.40	1.01	1.08	1.11	1.09	1.03	0.94	-3.16	-1.87	1.04	
CONSTRUCTION.....	131.2	133.3	129.2	119.9	127.1	131.9	127.9	120.0	127.2	136.1	125.0	129.6	126.7	127.1	
% CHG SAME QTR LAST YR....	2.74	2.17	0.72	-3.82	-3.13	-1.03	-1.00	0.09	0.02	3.15	-2.24	1.94	-2.23	0.28	
MANUFACTURING.....	491.9	485.9	480.6	476.5	475.1	469.4	471.4	473.5	475.1	473.2	471.9	488.7	473.1	473.5	
% CHG SAME QTR LAST YR....	-3.66	-4.51	-4.84	-4.04	-3.41	-3.41	-1.92	-0.61	0.00	0.82	0.12	-3.87	-3.20	0.08	
DURABLE GOODS.....	290.8	285.1	282.2	278.8	278.1	274.9	276.6	279.3	281.6	282.5	282.3	288.0	277.1	281.4	
% CHG SAME QTR LAST YR....	-4.13	-5.48	-5.75	-5.14	-4.36	-3.60	-2.01	0.17	1.26	2.76	2.10	-4.58	-3.80	1.57	
NONDURABLE GOODS.....	201.2	200.8	198.4	197.7	197.1	194.5	194.8	194.3	193.5	190.7	189.6	200.7	196.0	192.0	
% CHG SAME QTR LAST YR....	-2.97	-3.10	-3.51	-2.43	-2.04	-3.14	-1.79	-1.71	-1.78	-1.93	-2.69	-2.82	-2.35	-2.03	
TRADE.....	654.0	659.7	669.7	644.9	658.0	668.2	685.0	659.0	672.4	677.9	696.3	656.2	664.0	676.4	
% CHG SAME QTR LAST YR....	1.96	1.87	0.92	0.57	0.61	1.29	2.29	2.18	2.18	1.46	1.64	1.74	1.20	1.86	
SERVICES.....	765.1	773.6	768.8	751.1	775.0	785.0	772.5	762.1	791.8	800.5	800.4	762.3	770.9	788.7	
% CHG SAME QTR LAST YR....	2.76	2.22	1.45	1.25	1.29	1.48	0.49	1.45	2.18	1.97	3.61	2.36	1.12	2.31	
FIN INS,REAL EST.....	131.0	131.4	131.2	130.0	130.8	132.7	132.0	131.6	132.5	132.8	131.9	130.8	131.4	132.2	
% CHG SAME QTR LAST YR....	-0.13	-0.33	0.02	0.12	-0.11	0.99	0.61	1.26	1.25	0.13	-0.07	-0.23	0.41	0.64	
TRANS,COMM,PUB UTIL.....	182.8	181.8	179.3	180.4	183.4	183.6	184.4	183.9	187.3	187.4	188.3	180.8	183.0	186.7	
% CHG SAME QTR LAST YR....	2.64	1.28	-0.29	0.55	0.33	1.02	2.84	1.94	2.13	2.07	2.14	1.71	1.18	2.07	
GOVERNMENT.....	400.4	389.5	411.6	405.8	403.6	393.8	415.9	412.0	409.7	401.4	418.9	401.2	404.7	410.5	
% CHG SAME QTR LAST YR....	0.04	0.16	1.47	0.60	0.78	1.11	1.03	1.55	1.52	1.92	0.73	0.48	0.88	1.42	
FEDERAL,CIVILIAN.....	55.1	54.3	54.2	55.0	55.6	54.5	54.6	55.3	55.9	54.9	54.9	54.4	54.9	55.3	
% CHG SAME QTR LAST YR....	-4.67	-3.38	1.09	1.67	0.84	0.36	0.73	0.61	0.60	0.62	0.61	-0.92	0.90	0.61	
STATE AND LOCAL.....	345.3	335.1	357.4	350.8	348.0	339.3	361.3	356.7	353.8	346.5	364.0	346.8	349.8	355.2	
% CHG SAME QTR LAST YR....	0.84	0.76	1.53	0.43	0.77	1.24	1.07	1.69	1.67	2.13	0.75	0.70	0.88	1.55	

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TABLE 6: TENNESSEE DURABLE GOODS MANUFACTURING EMPLOYMENT
THOUSANDS OF JOBS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL DURABLE GOODS.....	290.8	285.1	282.2	278.8	278.1	274.9	276.6	279.3	281.6	282.5	282.3	288.0	277.1	281.4	
% CHG SAME QTR LAST YR.....	-4.13	-5.48	-5.75	-5.14	-4.36	-3.60	-2.01	0.17	1.26	2.76	2.10	-4.58	-3.80	1.57	
LUMBER AND WOOD.....	22.9	23.1	23.5	23.2	23.6	24.1	23.9	23.7	24.4	25.2	24.2	23.1	23.7	24.4	
% CHG SAME QTR LAST YR.....	-4.97	-4.54	-0.93	1.53	3.05	4.08	1.48	2.01	3.20	4.82	1.35	-3.60	2.53	2.85	
FURNITURE AND FIXTURES.....	25.2	24.0	23.8	23.3	23.7	23.6	23.7	23.5	23.9	24.3	23.7	24.7	23.6	23.9	
% CHG SAME QTR LAST YR.....	-8.70	-11.53	-11.04	-9.58	-5.80	-1.86	-0.26	0.76	0.83	2.98	-0.03	-9.20	-4.50	1.13	
STONE,CLAY AND GLASS.....	17.0	16.9	16.5	16.0	16.3	16.3	16.4	16.4	16.4	16.7	16.8	16.8	16.8	16.7	
% CHG SAME QTR LAST YR.....	0.39	-1.17	-2.74	-5.10	-3.87	-3.48	-0.82	2.21	2.55	2.72	2.56	-0.88	-3.33	2.51	
PRIMARY METALS.....	16.7	16.4	16.3	16.2	16.1	16.0	16.0	16.2	16.3	16.2	16.4	16.6	16.1	16.3	
% CHG SAME QTR LAST YR.....	-6.34	-8.05	-6.66	-4.76	-3.78	-2.45	-1.48	0.08	1.03	1.70	2.07	-6.47	-3.14	1.22	
FABRICATED METALS.....	45.8	45.4	44.1	42.0	43.6	43.7	44.3	42.7	44.7	45.1	45.7	45.4	43.4	44.6	
% CHG SAME QTR LAST YR.....	-3.51	-4.09	-6.29	-9.17	-4.84	-3.73	0.55	1.71	2.62	3.23	3.14	-4.18	-4.36	2.68	
NONELECTRICAL MACHINERY.....	49.6	47.7	47.5	48.2	47.7	46.1	46.6	47.9	47.6	46.3	46.9	49.0	47.1	47.2	
% CHG SAME QTR LAST YR.....	-4.06	-6.96	-8.05	-5.52	-3.82	-3.20	-2.06	-0.52	-0.33	0.37	0.75	-5.12	-3.68	0.06	
ELECTRICAL MACHINERY.....	38.2	37.7	36.4	36.1	35.6	35.2	34.8	35.7	35.9	36.0	35.8	37.7	35.4	35.8	
% CHG SAME QTR LAST YR.....	-6.75	-6.68	-7.64	-6.32	-6.89	-6.70	-4.33	-1.32	0.77	2.45	2.88	-6.51	-6.08	1.18	
TRANSPORTATION EQUIPMENT.....	54.1	53.1	53.5	52.4	50.2	49.1	50.3	51.8	50.8	51.5	52.2	53.8	50.5	51.5	
% CHG SAME QTR LAST YR.....	-1.93	-3.57	-3.07	-3.46	-7.16	-7.66	-6.08	-1.27	1.14	4.99	3.77	-2.70	-6.08	2.10	
INSTRUMENTS.....	10.7	10.7	10.7	10.8	10.8	10.9	10.8	10.9	11.0	11.0	11.0	10.7	10.8	11.0	
% CHG SAME QTR LAST YR.....	-0.93	-0.31	-0.13	0.64	1.05	1.73	1.33	1.43	1.46	1.45	1.46	-0.65	1.19	1.45	
MISCELLANEOUS.....	10.5	10.1	10.0	10.4	10.4	10.0	9.8	10.4	10.4	9.9	9.7	10.3	10.2	10.1	
% CHG SAME QTR LAST YR.....	-1.56	-4.40	-5.50	-0.16	-1.18	-1.49	-1.57	-0.23	-0.10	-0.34	-0.77	-3.33	-1.09	-0.35	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 7: TENNESSEE NONDURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL NONDURABLE GOODS.....		201.2	200.8	198.4	197.7	197.1	194.5	194.8	194.3	193.5	190.7	189.6	200.7	196.0	192.0
% CHG SAME QTR LAST YR.....		-2.97	-3.10	-3.51	-2.43	-2.04	-3.14	-1.79	-1.71	-1.78	-1.93	-2.69	-2.82	-2.35	-2.03
FOOD.....		40.3	40.6	40.6	40.3	40.5	40.7	40.7	40.4	40.7	40.8	40.9	40.4	40.6	40.7
% CHG SAME QTR LAST YR.....		2.46	2.01	1.63	1.02	0.52	0.09	0.38	0.30	0.29	0.31	0.30	2.18	0.50	0.30
TOBACCO.....		1.0	1.0	1.1	1.1	1.0	1.0	1.1	1.1	1.0	1.0	1.1	1.0	1.1	1.1
% CHG SAME QTR LAST YR.....		-6.06	0.00	3.23	3.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3.08	0.84	0.00
TEXTILES.....		14.5	14.1	13.8	13.4	13.2	12.7	12.4	11.9	11.7	12.0	12.4	14.4	12.9	12.0
% CHG SAME QTR LAST YR.....		-8.02	-9.59	-10.67	-10.76	-9.25	-10.06	-10.36	-10.54	-11.41	-5.74	0.33	-8.18	-10.11	-6.98
APPAREL.....		19.7	19.2	19.0	18.2	17.1	18.5	17.6	16.7	15.9	16.9	16.9	19.5	17.8	16.6
% CHG SAME QTR LAST YR.....		-11.53	-11.40	-9.44	-9.90	-13.41	-3.71	-7.29	-8.17	-6.66	-8.43	-4.02	-11.13	-8.63	-6.85
PAPER.....		21.5	22.0	21.1	21.8	21.5	21.8	21.1	21.5	21.3	21.2	20.7	21.4	21.6	21.2
% CHG SAME QTR LAST YR.....		-1.08	-0.15	-2.26	3.35	0.01	-0.98	-0.17	-1.62	-0.65	-2.96	-1.84	-1.18	0.53	-1.77
PRINTING AND PUBLISHING.....		37.7	37.7	37.9	38.0	37.8	37.9	38.0	37.7	37.4	37.6	37.8	37.9	37.9	37.6
% CHG SAME QTR LAST YR.....		-2.16	-1.99	-1.53	-0.55	0.14	0.38	0.32	-0.77	-0.90	-0.78	-0.58	-1.34	0.07	-0.76
CHEMICALS.....		28.3	28.2	27.4	26.9	26.6	26.1	26.3	26.7	26.2	25.6	25.7	28.1	26.5	26.0
% CHG SAME QTR LAST YR.....		-1.05	-1.28	-3.81	-5.68	-5.91	-7.40	-4.01	-0.60	-1.74	-1.85	-2.63	-1.54	-5.76	-1.70
PETROLEUM REFINING.....		1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.3	1.2	1.2
% CHG SAME QTR LAST YR.....		0.00	0.00	-2.21	-10.48	-3.46	-0.15	0.92	-1.17	0.30	0.99	0.94	3.46	-3.34	0.30
RUBBER AND PLASTICS.....		33.8	33.6	33.5	34.2	35.5	32.1	34.1	34.8	35.8	32.2	30.8	33.9	34.0	33.4
% CHG SAME QTR LAST YR.....		-4.97	-5.70	-5.16	-0.65	5.02	-4.60	1.64	1.74	0.82	0.26	-9.68	-4.53	0.35	-1.72
LEATHER.....		3.0	3.0	2.7	2.6	2.6	2.5	2.2	2.2	2.3	2.2	2.1	2.9	2.5	2.2
% CHG SAME QTR LAST YR.....		-3.23	-2.20	-8.30	-9.55	-12.13	-16.81	-16.56	-14.46	-12.93	-10.92	-4.83	-5.27	-13.71	-11.03

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TABLE 8: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONAGRICULTURAL EMPLOYMENT BY SECTOR
 THOUSANDS OF SEASONALLY ADJUSTED JOBS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL NONAGRICULTURAL.....		2757.8	2758.8	2749.3	2742.0	2754.3	2768.4	2767.6	2776.0	2797.3	2813.1	2811.0	2754.1	2758.1	2799.4
% CHG PREV QTR SAAR.....		1.05	0.14	-1.37	-1.06	1.81	2.06	-0.11	1.22	3.10	2.29	-0.30	0.53	0.14	1.50
% CHG SAME QTR LAST YR....		0.90	0.35	-0.05	-0.31	-0.13	0.35	0.67	1.24	1.56	1.62	1.57	0.53	0.14	1.50
MINING.....		4.1	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	3.9	4.0
% CHG PREV QTR SAAR.....		-9.26	-15.41	0.83	0.99	1.09	1.13	1.13	1.08	1.00	0.90	0.79	-3.56	-1.91	1.04
% CHG SAME QTR LAST YR....		-1.61	-5.65	-4.68	-5.98	-3.40	1.01	1.08	1.11	1.09	1.03	0.94	-3.56	-1.91	1.04
CONSTRUCTION.....		130.1	129.0	127.7	126.7	126.0	127.7	126.4	126.8	126.1	131.7	123.6	129.7	126.7	127.1
% CHG PREV QTR SAAR.....		-4.96	-3.24	-4.03	-3.05	-2.21	5.46	-3.92	1.29	-2.47	19.28	-22.49	2.14	-2.26	0.26
% CHG SAME QTR LAST YR....		2.93	2.19	0.72	-3.82	-3.13	-1.03	-1.00	0.09	0.02	3.15	-2.24	2.14	-2.26	0.26
MANUFACTURING.....		491.3	486.6	480.4	476.7	474.6	470.0	471.1	473.8	474.6	473.8	471.7	488.8	473.1	473.5
% CHG PREV QTR SAAR.....		-4.33	-3.75	-5.06	-3.00	-1.80	-3.76	0.95	2.27	0.67	-0.61	-1.81	-3.97	-3.20	0.08
% CHG SAME QTR LAST YR....		-3.70	-4.68	-4.84	-4.04	-3.41	-3.41	-1.92	-0.61	0.00	0.81	0.12	-3.97	-3.20	0.08
DURABLE GOODS.....		290.0	285.9	282.3	278.4	277.3	275.6	276.6	278.9	280.8	283.2	282.4	287.9	277.0	281.3
% CHG PREV QTR SAAR.....		-4.69	-5.54	-4.93	-5.41	-1.54	-2.48	1.51	3.30	2.83	3.38	-1.08	-4.68	-3.80	1.57
% CHG SAME QTR LAST YR....		-4.24	-5.66	-5.75	-5.14	-4.37	-3.60	-2.01	0.17	1.27	2.75	2.09	-4.68	-3.80	1.57
NONDURABLE GOODS.....		201.3	200.7	198.0	198.3	197.2	194.4	194.5	194.9	193.7	190.7	189.3	200.8	196.1	192.1
% CHG PREV QTR SAAR.....		-3.81	-1.12	-5.26	0.53	-2.16	-5.55	0.15	0.81	-2.37	-6.19	-2.88	-2.93	-2.35	-2.03
% CHG SAME QTR LAST YR....		-2.93	-3.25	-3.50	-2.44	-2.03	-3.14	-1.79	-1.72	-1.77	-1.94	-2.69	-2.93	-2.35	-2.03
TRADE.....		656.3	657.6	656.9	657.2	660.3	666.1	672.0	671.6	674.7	675.9	683.1	656.1	663.9	676.3
% CHG PREV QTR SAAR.....		1.70	0.82	-0.42	0.18	1.88	3.57	3.58	-0.27	1.90	0.68	4.33	1.76	1.19	1.86
% CHG SAME QTR LAST YR....		2.14	1.74	0.92	0.57	0.61	1.29	2.29	2.18	2.18	1.46	1.64	1.76	1.19	1.86
SERVICES.....		761.3	768.5	766.1	762.3	771.1	779.8	769.9	773.4	787.9	795.2	797.6	762.2	770.8	788.5
% CHG PREV QTR SAAR.....		4.54	3.82	-1.21	-1.97	4.69	4.59	-5.00	1.85	7.71	3.76	1.24	2.16	1.12	2.30
% CHG SAME QTR LAST YR....		2.83	2.21	1.45	1.25	1.29	1.48	0.49	1.45	2.18	1.97	3.61	2.16	1.12	2.30
FIN, INS, REAL EST.....		130.8	130.6	131.3	130.6	130.7	131.9	132.1	132.3	132.3	132.1	132.0	130.8	131.3	132.2
% CHG PREV QTR SAAR.....		-1.03	-0.61	2.14	-2.01	0.10	3.85	0.57	0.55	0.09	-0.68	-0.22	-0.33	0.40	0.64
% CHG SAME QTR LAST YR....		-0.13	-0.51	0.02	0.12	-0.11	0.99	0.61	1.26	1.25	0.13	-0.07	-0.33	0.40	0.64
TRANS, COMM, PUB UTIL.....		182.6	181.5	178.4	182.3	183.2	183.3	183.5	185.8	187.1	187.4	187.4	181.0	183.1	186.9
% CHG PREV QTR SAAR.....		2.90	-2.46	-6.49	8.90	2.03	0.23	0.44	5.15	2.79	-0.03	0.71	1.63	1.18	2.07
% CHG SAME QTR LAST YR....		2.37	1.53	-0.29	0.55	0.33	1.02	2.84	1.94	2.13	2.07	2.14	1.63	1.18	2.07
GOVERNMENT.....		401.4	401.1	404.5	402.1	404.5	405.6	408.4	408.4	410.7	413.4	411.6	401.7	405.2	411.0
% CHG PREV QTR SAAR.....		1.64	-0.30	3.45	-2.30	2.38	1.03	3.08	-0.27	2.27	2.66	-1.68	0.54	0.88	1.43
% CHG SAME QTR LAST YR....		0.27	0.22	1.47	0.60	0.78	1.12	1.03	1.55	1.52	1.93	0.73	0.54	0.88	1.43
FEDERAL CIVILIAN.....		54.4	54.8	54.7	54.8	54.9	55.0	55.1	55.1	55.2	55.3	55.4	54.4	54.9	55.3
% CHG PREV QTR SAAR.....		4.02	2.47	-0.80	1.05	0.65	0.54	0.65	0.61	0.60	0.61	0.60	-0.96	0.89	0.61
% CHG SAME QTR LAST YR....		-4.84	-3.12	1.09	1.67	0.84	0.36	0.73	0.61	0.60	0.62	0.61	-0.96	0.89	0.61
STATE AND LOCAL.....		346.9	346.3	349.8	347.3	349.6	350.6	353.6	353.2	355.4	358.1	356.2	347.2	350.3	355.7
% CHG PREV QTR SAAR.....		1.28	-0.73	4.13	-2.81	2.65	1.11	3.47	-0.40	2.53	2.99	-2.02	0.78	0.88	1.56
% CHG SAME QTR LAST YR....		1.12	0.78	1.53	0.43	0.77	1.24	1.07	1.69	1.67	2.13	0.75	0.78	0.88	1.56
STATISTICAL DISCREPANCY.....		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CENTER FOR BUSINESS AND ECONOMIC RESEARCH, UT-KNOXVILLE.

TABLE 9: TENNESSEE DURABLE GOODS MANUFACTURING EMPLOYMENT
THOUSANDS OF SEASONALLY ADJUSTED JOBS

	FORECAST - DATA												ANNUAL		
	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003	
TOTAL DURABLE GOODS.....	290.0	285.9	282.3	278.4	277.3	275.6	276.6	278.9	280.8	283.2	282.4	287.9	277.0	281.3	
% CHG PREV QTR SAAR.....	-4.69	-5.54	-4.93	-5.41	-1.54	-2.48	1.51	3.30	2.83	3.38	-1.08	-4.68	-3.80	1.57	
% CHG SAME QTR LAST YR.....	-4.24	-5.66	-5.75	-5.14	-4.37	-3.60	-2.01	0.17	1.27	2.75	2.09	-4.68	-3.80	1.57	
LUMBER AND WOOD.....	22.9	23.0	23.5	23.5	23.6	24.0	23.9	23.9	24.3	25.1	24.2	23.1	23.7	24.4	
% CHG PREV QTR SAAR.....	-3.98	2.95	9.21	-1.58	1.92	7.11	-1.32	0.49	6.77	14.03	-13.75	-3.60	2.53	2.85	
% CHG SAME QTR LAST YR.....	-5.25	-4.43	-0.93	1.53	3.05	4.08	1.48	2.01	3.20	4.82	1.35	-3.60	2.53	2.85	
FURNITURE AND FIXTURES.....	25.1	24.1	23.8	23.4	23.6	23.7	23.6	23.6	23.8	24.4	23.7	24.7	23.6	23.9	
% CHG PREV QTR SAAR.....	-12.26	-14.08	-5.69	-5.97	3.37	1.19	0.60	-2.05	3.66	10.10	-10.64	-9.20	-4.50	1.14	
% CHG SAME QTR LAST YR.....	-8.40	-11.71	-11.04	-9.58	-5.80	-1.86	-0.26	0.76	0.66	2.98	-0.03	-9.20	-4.50	1.14	
STONE, CLAY AND GLASS.....	16.9	16.9	16.5	16.2	16.2	16.3	16.4	16.5	16.6	16.7	16.8	16.8	16.3	16.7	
% CHG PREV QTR SAAR.....	-3.86	0.00	-7.64	-8.65	1.19	1.67	2.94	3.07	2.54	2.31	2.31	-0.98	-3.33	2.51	
% CHG SAME QTR LAST YR.....	0.20	-0.98	-2.74	-5.10	-3.87	-3.48	-0.82	2.21	2.55	2.72	2.56	-0.98	-3.33	2.51	
PRIMARY METALS.....	16.7	16.4	16.2	16.1	16.0	16.0	16.0	16.1	16.2	16.3	16.3	16.6	16.0	16.2	
% CHG PREV QTR SAAR.....	-6.15	-6.25	-3.81	-2.79	-2.22	-0.96	0.07	3.52	1.55	1.71	1.53	-6.79	-3.14	1.22	
% CHG SAME QTR LAST YR.....	-6.72	-8.55	-6.66	-4.76	-3.78	-2.45	-1.48	0.08	1.03	1.70	2.07	-6.79	-3.14	1.22	
FABRICATED METALS.....	45.9	45.4	43.8	42.1	43.7	43.7	44.0	42.8	44.9	45.1	45.4	45.4	43.4	44.5	
% CHG PREV QTR SAAR.....	-3.13	-4.56	-13.42	-14.95	16.69	-0.04	3.05	-10.98	20.92	2.36	2.72	-4.23	-4.36	2.68	
% CHG SAME QTR LAST YR.....	-3.70	-4.29	-6.29	-9.17	-4.84	-3.73	0.55	1.71	2.62	3.23	3.14	-4.23	-4.36	2.68	
NONELECTRICAL MACHINERY.....	49.1	48.6	47.9	47.5	47.3	47.0	46.9	47.3	47.1	47.2	47.2	49.0	47.2	47.2	
% CHG PREV QTR SAAR.....	-8.96	-4.53	-5.56	-2.92	-2.24	-2.02	-1.05	3.34	-1.51	0.76	0.48	-5.01	-3.67	0.06	
% CHG SAME QTR LAST YR.....	-4.22	-6.48	-8.05	-5.52	-3.82	-3.20	-2.06	-0.52	-0.33	0.37	0.75	-5.01	-3.67	0.06	
ELECTRICAL MACHINERY.....	38.1	37.5	36.4	36.3	35.5	35.0	34.8	35.8	35.7	35.8	35.8	37.7	35.4	35.8	
% CHG PREV QTR SAAR.....	-6.06	-6.15	-11.03	-1.80	-8.34	-5.37	-1.65	11.17	-0.34	1.10	0.03	-6.94	-6.08	1.17	
% CHG SAME QTR LAST YR.....	-7.60	-6.87	-7.64	-6.32	-6.89	-6.70	-4.33	-1.32	0.77	2.45	2.88	-6.94	-6.08	1.17	
TRANSPORTATION EQUIPMENT.....	54.3	53.2	53.4	52.2	50.4	49.1	50.2	51.5	51.0	51.6	52.0	53.7	50.5	51.5	
% CHG PREV QTR SAAR.....	1.55	-7.64	1.39	-8.66	-13.15	-9.60	8.52	11.53	-4.37	4.96	3.60	-2.82	-6.09	2.11	
% CHG SAME QTR LAST YR.....	-1.53	-4.39	-3.07	-3.46	-7.16	-7.66	-6.08	-1.27	1.14	4.99	3.77	-2.82	-6.09	2.11	
INSTRUMENTS.....	10.7	10.6	10.7	10.8	10.8	10.9	10.9	11.0	11.0	11.0	11.0	10.7	10.8	11.0	
% CHG PREV QTR SAAR.....	-0.30	-1.17	3.01	1.06	1.33	1.54	1.40	1.45	1.46	1.46	1.47	-0.78	1.19	1.45	
% CHG SAME QTR LAST YR.....	-0.54	-1.13	-0.13	0.64	1.05	1.73	1.33	1.43	1.46	1.45	1.46	-0.78	1.19	1.45	
MISCELLANEOUS.....	10.4	10.1	10.0	10.4	10.3	10.0	9.8	10.4	10.3	9.9	9.8	10.2	10.1	10.1	
% CHG PREV QTR SAAR.....	-2.52	-9.87	-5.69	19.91	-6.43	-11.00	-6.00	26.60	-5.94	-11.85	-7.64	-3.33	-1.09	-0.35	
% CHG SAME QTR LAST YR.....	-1.27	-4.40	-5.50	-0.16	-1.18	-1.49	-1.57	-0.23	-0.10	-0.34	-0.77	-3.33	-1.09	-0.35	
STATISTICAL DISCREPANCY.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

CENTER FOR BUSINESS AND ECONOMIC RESEARCH, UT-KNOXVILLE.

TABLE 10: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF SEASONALLY ADJUSTED JOBS

	HISTORY												FORECAST - DATA												ANNUAL			
	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL NONDURABLE GOODS.....	201.3	200.7	198.0	198.3	197.2	194.4	194.5	194.9	193.7	190.7	189.3	200.8	196.1	192.1	201.3	200.7	198.0	198.3	197.2	194.4	194.5	194.9	193.7	190.7	189.3	200.8	196.1	192.1
% CHG PREV QTR SAAR.....	-3.81	-1.12	-5.26	0.53	-2.16	-5.55	0.15	0.81	-2.37	-6.19	-2.88	-2.93	-2.35	-2.03	-3.81	-1.12	-5.26	0.53	-2.16	-5.55	0.15	0.81	-2.37	-6.19	-2.88	-2.93	-2.35	-2.03
% CHG SAME QTR LAST YR.....	-2.93	-3.25	-3.50	-2.44	-2.03	-3.14	-1.79	-1.72	-1.77	-1.94	-2.69	-2.93	-2.35	-2.03	-2.93	-3.25	-3.50	-2.44	-2.03	-3.14	-1.79	-1.72	-1.77	-1.94	-2.69	-2.93	-2.35	-2.03
FOOD.....	40.4	40.6	40.5	40.5	40.6	40.6	40.6	40.6	40.7	40.7	40.8	40.4	40.6	40.7	40.4	40.6	40.5	40.5	40.6	40.6	40.6	40.7	40.7	40.7	40.8	40.4	40.6	40.7
% CHG PREV QTR SAAR.....	2.35	2.00	-0.84	0.62	0.35	0.24	0.33	0.30	0.30	0.30	0.29	2.05	0.50	0.30	2.35	2.00	-0.84	0.62	0.35	0.24	0.33	0.30	0.30	0.30	0.29	2.05	0.50	0.30
% CHG SAME QTR LAST YR.....	2.45	1.76	1.63	1.02	0.52	0.09	0.38	0.30	0.29	0.31	0.30	2.05	0.50	0.30	2.45	1.76	1.63	1.02	0.52	0.09	0.38	0.30	0.29	0.31	0.30	2.05	0.50	0.30
TOBACCO.....	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
% CHG PREV QTR SAAR.....	13.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00	13.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00	0.00
% CHG SAME QTR LAST YR.....	-5.88	3.23	3.23	3.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00	-5.88	3.23	3.23	3.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00	0.00
TEXTILES.....	14.4	14.2	13.8	13.4	13.1	12.7	12.4	12.0	11.6	12.0	12.4	14.4	12.9	12.0	14.4	14.2	13.8	13.4	13.1	12.7	12.4	12.0	11.6	12.0	12.4	14.4	12.9	12.0
% CHG PREV QTR SAAR.....	-15.78	-7.19	-9.54	-10.29	-9.93	-10.47	-10.74	-11.03	-13.39	14.75	14.59	-7.98	-10.11	-6.97	-15.78	-7.19	-9.54	-10.29	-9.93	-10.47	-10.74	-11.03	-13.39	14.75	14.59	-7.98	-10.11	-6.97
% CHG SAME QTR LAST YR.....	-7.87	-9.19	-10.67	-10.76	-9.25	-10.06	-10.36	-10.54	-11.41	-5.74	0.33	-7.98	-10.11	-6.97	-7.87	-9.19	-10.67	-10.76	-9.25	-10.06	-10.36	-10.54	-11.41	-5.74	0.33	-7.98	-10.11	-6.97
APPAREL.....	19.6	19.4	18.8	18.4	16.9	18.6	17.5	16.9	15.8	17.1	16.8	19.5	17.9	16.6	19.6	19.4	18.8	18.4	16.9	18.6	17.5	16.9	15.8	17.1	16.8	19.5	17.9	16.6
% CHG PREV QTR SAAR.....	-15.37	-4.03	-10.49	-9.37	-27.80	46.74	-23.06	-12.76	-22.95	35.95	-7.12	-11.37	-8.62	-6.86	-15.37	-4.03	-10.49	-9.37	-27.80	46.74	-23.06	-12.76	-22.95	35.95	-7.12	-11.37	-8.62	-6.86
% CHG SAME QTR LAST YR.....	-11.86	-11.97	-9.44	-9.90	-13.41	-3.71	-7.29	-8.17	-6.66	-8.43	-4.02	-11.37	-8.62	-6.86	-11.86	-11.97	-9.44	-9.90	-13.41	-3.71	-7.29	-8.17	-6.66	-8.43	-4.02	-11.37	-8.62	-6.86
PAPER.....	21.6	21.8	21.2	22.1	21.6	21.6	21.1	21.7	21.5	21.0	20.8	21.5	21.6	21.2	21.6	21.8	21.2	22.1	21.6	21.6	21.1	21.7	21.5	21.0	20.8	21.5	21.6	21.2
% CHG PREV QTR SAAR.....	4.44	4.39	-11.51	18.26	-8.43	0.35	-8.60	11.54	-4.75	-8.69	-4.30	-1.14	0.54	-1.77	4.44	4.39	-11.51	18.26	-8.43	0.35	-8.60	11.54	-4.75	-8.69	-4.30	-1.14	0.54	-1.77
% CHG SAME QTR LAST YR.....	-0.61	0.15	-2.26	3.35	0.01	-0.98	-0.17	-1.62	-0.65	-2.96	-1.84	-1.14	0.54	-1.77	-0.61	0.15	-2.26	3.35	0.01	-0.98	-0.17	-1.62	-0.65	-2.96	-1.84	-1.14	0.54	-1.77
PRINTING AND PUBLISHING.....	37.8	37.8	37.8	37.9	37.9	37.9	37.9	37.9	37.6	37.5	37.6	37.9	37.9	37.6	37.8	37.8	37.8	37.9	37.9	37.9	37.9	37.9	37.6	37.5	37.6	37.9	37.9	37.6
% CHG PREV QTR SAAR.....	-2.43	-0.70	0.47	0.47	0.33	0.25	0.25	-3.84	-0.20	0.75	1.05	-1.68	0.07	-0.76	-2.43	-0.70	0.47	0.47	0.33	0.25	0.25	-3.84	-0.20	0.75	1.05	-1.68	0.07	-0.76
% CHG SAME QTR LAST YR.....	-2.41	-2.07	-1.53	-0.55	0.14	0.38	0.32	-0.77	-0.90	-0.78	-0.58	-1.68	0.07	-0.76	-2.41	-2.07	-1.53	-0.55	0.14	0.38	0.32	-0.77	-0.90	-0.78	-0.58	-1.68	0.07	-0.76
CHEMICALS.....	28.3	28.1	27.4	26.9	26.6	26.0	26.3	26.7	26.2	25.6	25.6	28.1	26.5	26.0	28.3	28.1	27.4	26.9	26.6	26.0	26.3	26.7	26.2	25.6	25.6	28.1	26.5	26.0
% CHG PREV QTR SAAR.....	-2.68	-2.57	-9.83	-7.44	-3.61	-8.60	4.11	6.43	-7.95	-9.03	0.88	-1.62	-5.76	-1.70	-2.68	-2.57	-9.83	-7.44	-3.61	-8.60	4.11	6.43	-7.95	-9.03	0.88	-1.62	-5.76	-1.70
% CHG SAME QTR LAST YR.....	-0.86	-1.54	-3.81	-5.68	-5.91	-7.40	-4.01	-0.60	-1.74	-1.85	-2.63	-1.62	-5.76	-1.70	-0.86	-1.54	-3.81	-5.68	-5.91	-7.40	-4.01	-0.60	-1.74	-1.85	-2.63	-1.62	-5.76	-1.70
PETROLEUM REFINING.....	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.3	1.3	
% CHG PREV QTR SAAR.....	-25.65	-9.87	1.45	-5.53	0.56	3.15	5.86	-13.12	6.69	6.01	5.63	4.06	-3.47	0.27	-25.65	-9.87	1.45	-5.53	0.56	3.15	5.86	-13.12	6.69	6.01	5.63	4.06	-3.47	0.27
% CHG SAME QTR LAST YR.....	2.63	0.00	-2.21	-10.48	-3.46	-0.15	0.92	-1.17	0.30	0.99	0.94	4.06	-3.47	0.27	2.63	0.00	-2.21	-10.48	-3.46	-0.15	0.92	-1.17	0.30	0.99	0.94	4.06	-3.47	0.27
RUBBER AND PLASTICS.....	33.8	33.6	33.5	34.1	35.5	32.1	34.1	34.7	35.8	32.1	30.8	33.8	33.9	33.4	33.8	33.6	33.5	34.1	35.5	32.1	34.1	34.7	35.8	32.1	30.8	33.8	33.9	33.4
% CHG PREV QTR SAAR.....	-6.15	-2.53	-1.08	7.65	17.19	-33.63	27.44	8.08	13.02	-35.08	-16.09	-4.62	0.35	-1.72	-6.15	-2.53	-1.08	7.65	17.19	-33.63	27.44	8.08	13.02	-35.08	-16.09	-4.62	0.35	-1.72
% CHG SAME QTR LAST YR.....	-4.76	-5.95	-5.16	-0.65	5.02	-4.60	1.64	1.74	0.82	0.26	-9.68	-4.62	0.35	-1.72	-4.76	-5.95	-5.16	-0.65	5.02	-4.60	1.64	1.74	0.82	0.26	-9.68	-4.62	0.35	-1.72
LEATHER.....	3.0	3.0	2.7	2.6	2.5	2.2	2.2	2.3	2.3	2.2	2.1	2.9	2.5	2.2	3.0	3.0	2.7	2.6	2.5	2.2	2.2	2.3	2.3	2.2	2.1	2.9	2.5	2.2
% CHG PREV QTR SAAR.....	9.41	-4.37	-35.45	-0.89	-2.57	-23.16	-34.68	9.50	4.56	-15.81	-14.89	-5.25	-13.70	-11.04	9.41	-4.37	-35.45	-0.89	-2.57	-23.16	-34.68	9.50	4.56	-15.81	-14.89	-5.25	-13.70	-11.04
% CHG SAME QTR LAST YR.....	-4.26	-2.20	-8.30	-9.55	-12.13	-16.81	-16.56	-14.46	-12.93	-10.92	-4.83	-5.25	-13.70	-11.04	-4.26	-2.20	-8.30	-9.55	-12.13	-16.81	-16.56	-14.46	-12.93	-10.92	-4.83	-5.25	-13.70	-11.04
STATISTICAL DISCREPANCY.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 11: TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 1996 DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL NONAGRICULTURAL.....	29243	29156	28982	30068	29888	29538	29327	30601	30326	29884	29616	29208	29730	30107	
% CHG SAME QTR LAST YR....	2.08	1.52	1.37	2.10	2.55	1.31	1.19	1.77	1.13	1.17	0.99	1.69	1.79	1.27	
MINING.....	39838	42538	43287	44366	43859	43318	44577	45463	44549	43949	45258	41241	44030	44805	
% CHG SAME QTR LAST YR....	-10.57	5.29	11.82	12.89	10.09	1.83	2.98	2.47	1.58	1.46	1.53	1.60	6.76	1.76	
CONSTRUCTION.....	30663	30347	31183	33608	31731	31193	32007	34378	32404	31784	32602	31294	32134	32792	
% CHG SAME QTR LAST YR....	-4.76	-2.00	-1.60	1.90	3.48	2.79	2.64	2.29	2.12	1.90	1.86	-3.07	2.69	2.05	
MANUFACTURING.....	34490	34830	34890	35471	35413	35653	35636	35690	35711	35899	35840	34634	35543	35785	
% CHG SAME QTR LAST YR....	3.46	4.09	3.23	3.33	2.68	2.36	2.14	0.62	0.84	0.69	0.57	3.76	2.62	0.68	
DURABLE GOODS.....	34439	35274	35518	35826	36065	36577	36777	37006	37258	37726	37893	34875	36311	37471	
% CHG SAME QTR LAST YR....	2.21	4.34	2.89	4.55	4.72	3.69	3.55	3.29	3.31	3.14	3.03	3.25	4.12	3.19	
NONDURABLE GOODS.....	34564	34200	33996	34969	34493	34348	34016	33799	33461	33192	32782	34293	34457	33309	
% CHG SAME QTR LAST YR....	5.32	3.77	3.83	1.62	-0.20	0.43	0.06	-3.34	-2.99	-3.36	-3.63	4.56	0.48	-3.33	
TRADE.....	22268	22595	22274	22933	22893	22840	22334	23632	23276	23167	22631	22417	22750	23176	
% CHG SAME QTR LAST YR....	1.53	2.16	2.66	1.79	2.81	1.08	0.27	3.05	1.67	1.43	1.33	1.50	1.49	1.87	
SERVICES.....	28866	27451	27719	29445	29518	27930	28111	30285	29967	28453	28695	28314	28751	29350	
% CHG SAME QTR LAST YR....	5.01	2.04	1.84	0.78	2.26	1.75	1.41	2.85	1.52	1.87	2.08	3.11	1.55	2.08	
FIN,INS,REAL EST.....	40146	42295	42705	42687	42884	42201	43452	43682	43454	43031	43434	41205	42806	43401	
% CHG SAME QTR LAST YR....	-1.48	-0.04	2.31	7.59	6.82	-0.22	1.75	2.33	1.33	1.97	-0.04	0.65	3.89	1.39	
TRANS, COMM, PUB UTIL.....	35667	34919	34721	36439	35767	34575	34469	36083	35366	34127	34039	35402	35312	34904	
% CHG SAME QTR LAST YR....	-0.28	-2.88	-5.48	0.38	0.28	-0.99	-0.72	-0.98	-1.12	-1.30	-1.25	-2.07	-0.25	-1.16	
GOVERNMENT.....	27862	28908	27660	28159	28583	29508	28220	28617	29012	29875	28597	27949	28617	29025	
% CHG SAME QTR LAST YR....	2.61	2.44	2.44	2.89	2.59	2.08	2.03	1.63	1.50	1.25	1.34	2.24	2.39	1.42	
FEDERAL, CIVILIAN.....	44140	45201	45329	45450	44995	46043	46031	45936	45461	46464	46519	44672	45630	46095	
% CHG SAME QTR LAST YR....	10.18	7.88	5.15	3.26	1.94	1.86	1.55	1.07	1.04	0.92	1.06	6.72	2.14	1.02	
STATE AND LOCAL.....	25263	26266	24981	25448	25961	26850	25529	25930	26411	27249	25893	25325	25947	26371	
% CHG SAME QTR LAST YR....	1.16	1.40	1.76	2.66	2.76	2.22	2.19	1.89	1.73	1.48	1.43	1.19	2.46	1.63	

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TABLE 12: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 SEASONALLY ADJUSTED 1996 DOLLARS

	HISTORY	FORECAST - DATA												ANNUAL		
		200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003	
TOTAL NONAGRICULTURAL.....	29272	29158	29245	29744	30017	29540	29595	30271	30355	29887	29887	29202	29724	30100		
% CHG PREV QTR SAAR.....	1.93	-1.55	1.20	7.00	3.73	-6.21	0.74	9.45	1.12	-6.03	-0.01	1.75	1.79	1.26		
% CHG SAME QTR LAST YR....	2.00	1.58	1.38	2.10	2.55	1.31	1.20	1.77	1.12	1.17	0.99	1.75	1.79	1.26		
MINING.....	40164	43629	43287	43656	44218	44429	44577	44735	44915	45076	45258	41438	44220	44996		
% CHG PREV QTR SAAR.....	16.36	39.23	-3.10	3.45	5.25	1.92	1.34	1.43	1.61	1.44	1.63	2.02	6.71	1.75		
% CHG SAME QTR LAST YR....	-10.56	6.28	11.82	12.89	10.09	1.83	2.98	2.47	1.58	1.46	1.53	2.02	6.71	1.75		
CONSTRUCTION.....	30930	31342	31536	31797	32007	32216	32369	32525	32687	32827	32970	31253	32097	32752		
% CHG PREV QTR SAAR.....	-3.45	5.43	2.49	3.35	2.67	2.64	1.91	1.95	2.00	1.73	1.75	-3.24	2.70	2.04		
% CHG SAME QTR LAST YR....	-4.93	-2.02	-1.60	1.90	3.48	2.79	2.64	2.29	2.12	1.90	1.86	-3.24	2.70	2.04		
MANUFACTURING.....	34534	34780	34908	35451	35457	35603	35655	35673	35754	35849	35859	34633	35541	35784		
% CHG PREV QTR SAAR.....	2.66	2.88	1.48	6.37	0.06	1.66	0.59	0.20	0.91	1.07	0.11	3.87	2.62	0.68		
% CHG SAME QTR LAST YR....	3.50	4.27	3.23	3.33	2.67	2.36	2.14	0.62	0.84	0.69	0.57	3.87	2.62	0.68		
DURABLE GOODS.....	34530	35180	35507	35875	36162	36479	36765	37054	37357	37628	37883	34883	36320	37480		
% CHG PREV QTR SAAR.....	2.52	7.75	3.77	4.21	3.24	3.56	3.17	3.18	3.31	2.93	2.73	3.36	4.12	3.19		
% CHG SAME QTR LAST YR....	2.33	4.54	2.89	4.54	4.73	3.69	3.55	3.29	3.30	3.15	3.04	3.36	4.12	3.19		
NONDURABLE GOODS.....	34541	34212	34056	34857	34465	34360	34076	33696	33430	33206	32839	34277	34439	33293		
% CHG PREV QTR SAAR.....	2.86	-3.76	-1.81	9.75	-4.42	-1.21	-3.27	-4.39	-3.12	-2.65	-4.35	4.67	0.47	-3.33		
% CHG SAME QTR LAST YR....	5.27	3.92	3.83	1.63	-0.22	0.43	0.06	-3.33	-3.00	-3.36	-3.63	4.67	0.47	-3.33		
TRADE.....	22191	22665	22705	22504	22814	22911	22766	23190	23196	23239	23069	22417	22749	23173		
% CHG PREV QTR SAAR.....	1.51	8.82	0.70	-3.49	5.62	1.71	-2.50	7.65	0.10	0.75	-2.89	1.51	1.48	1.87		
% CHG SAME QTR LAST YR....	1.35	2.29	2.66	1.79	2.81	1.08	0.27	3.05	1.67	1.43	1.33	1.51	1.48	1.87		
SERVICES.....	29011	27633	27815	29014	29665	28116	28208	28841	30117	28642	28794	28312	28751	29348		
% CHG PREV QTR SAAR.....	3.10	-17.68	2.65	18.40	9.29	-19.31	1.32	25.25	3.75	-18.20	2.14	3.32	1.55	2.08		
% CHG SAME QTR LAST YR....	4.95	2.05	1.84	0.78	2.26	1.75	1.41	2.85	1.52	1.87	2.08	3.32	1.55	2.08		
FIN, INS, REAL EST.....	40197	42543	42662	42469	42939	42449	43408	43459	43510	43284	43390	41218	42816	43411		
% CHG PREV QTR SAAR.....	7.55	25.47	1.12	-1.79	4.50	-4.49	9.35	0.47	0.47	-2.06	0.98	0.75	3.88	1.39		
% CHG SAME QTR LAST YR....	-1.48	0.14	2.31	7.59	6.82	-0.22	1.75	2.33	1.33	1.97	-0.04	0.75	3.88	1.39		
TRANS, COMM, PUB UTIL.....	35700	34977	34889	36064	35799	34632	34636	35711	35399	34183	34204	35374	35283	34874		
% CHG PREV QTR SAAR.....	-2.53	-7.86	-1.01	14.17	-2.91	-12.42	0.04	13.01	-3.45	-13.05	0.24	-2.00	-0.26	-1.16		
% CHG SAME QTR LAST YR....	-0.02	-3.12	-5.48	0.38	0.28	-0.99	-0.72	-0.98	-1.12	-1.30	-1.25	-2.00	-0.26	-1.16		
GOVERNMENT.....	27797	28072	28148	28412	28517	28653	28719	28875	28944	29009	29102	27908	28575	28982		
% CHG PREV QTR SAAR.....	2.68	4.01	1.09	3.81	1.48	1.93	0.91	2.19	0.96	0.91	1.29	2.18	2.39	1.42		
% CHG SAME QTR LAST YR....	2.38	2.38	2.44	2.89	2.07	2.03	1.63	1.50	1.24	1.34	2.18	2.39	1.42	1.42		
FEDERAL, CIVILIAN.....	44708	44843	44938	45618	45573	45678	46107	46045	46097	46117	44667	45626	46092	46092		
% CHG PREV QTR SAAR.....	4.87	1.22	0.85	6.20	-0.39	0.92	-0.39	4.21	-0.53	0.45	0.18	6.79	2.15	1.02		
% CHG SAME QTR LAST YR....	10.37	7.60	5.15	3.26	1.94	1.86	1.55	1.07	1.04	0.92	1.06	6.79	2.15	1.02		
STATE AND LOCAL.....	25144	25419	25525	25698	25839	25984	26085	26185	26287	26370	26457	25280	25901	26325		
% CHG PREV QTR SAAR.....	1.79	4.45	1.67	2.74	2.21	2.27	1.56	1.54	1.57	1.27	1.33	1.11	2.46	1.63		
% CHG SAME QTR LAST YR....	0.88	1.38	1.76	2.66	2.76	2.22	2.19	1.89	1.73	1.48	1.43	1.11	2.46	1.63		

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TABLE 13: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 CURRENT DOLLARS

HISTORY	FORECAST - DATA												ANNUAL		
	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003	
TOTAL NONAGRICULTURAL.....	32048	31922	31914	33210	33264	32897	32851	34476	34359	34074	33976	32013	33055	34221	
% CHG SAME QTR LAST YR.....	4.34	3.06	3.00	3.24	3.79	3.06	2.94	3.81	3.29	3.58	3.42	3.66	3.26	3.53	
MINING.....	43659	46573	47665	49002	48649	48245	49934	51220	50474	50110	51920	45206	48957	50931	
% CHG SAME QTR LAST YR.....	-8.59	6.89	13.62	14.15	11.43	3.59	4.76	4.53	3.75	3.87	3.98	3.59	8.30	4.03	
CONSTRUCTION.....	33604	33225	34337	37119	35196	34740	35853	38731	36714	36240	37401	34298	35727	37271	
% CHG SAME QTR LAST YR.....	-2.64	-0.51	-0.02	3.04	4.74	4.56	4.41	4.34	4.31	4.32	4.32	-1.18	4.17	4.32	
MANUFACTURING.....	37798	38135	38418	39177	39281	39708	39919	40210	40460	40931	41116	37961	39521	40679	
% CHG SAME QTR LAST YR.....	5.75	5.67	4.90	4.49	3.92	4.13	3.91	2.64	3.00	3.08	3.00	5.77	4.11	2.93	
DURABLE GOODS.....	37742	38620	39110	39570	40004	40737	41197	41692	42213	43015	43471	38226	40377	42598	
% CHG SAME QTR LAST YR.....	4.48	5.92	4.54	5.71	5.99	5.48	5.33	5.36	5.52	5.59	5.52	5.25	5.63	5.50	
NONDURABLE GOODS.....	37879	37444	37434	38623	38261	38254	38104	38079	37911	37845	37608	37586	38311	37861	
% CHG SAME QTR LAST YR.....	7.66	5.35	5.50	2.76	1.01	2.16	1.79	-1.41	-0.91	-1.07	-1.30	6.58	1.93	-1.17	
TRADE.....	24404	24739	24527	25330	25393	25438	25018	26625	26372	26415	25962	24570	25295	26343	
% CHG SAME QTR LAST YR.....	3.78	3.71	4.31	2.93	4.05	2.83	2.00	5.11	3.85	3.84	3.77	3.48	2.95	4.14	
SERVICES.....	31635	30055	30523	32522	32742	31107	31489	34120	33953	32442	32919	31032	31965	33358	
% CHG SAME QTR LAST YR.....	7.34	3.60	3.48	1.91	3.50	3.50	3.17	4.91	3.70	4.29	4.54	5.11	3.01	4.36	
FIN, INS, REAL EST.....	43996	46307	47025	47148	47568	47001	48674	49214	49233	49063	49828	45166	47598	49335	
% CHG SAME QTR LAST YR.....	0.70	1.48	3.95	8.80	8.12	1.50	3.51	4.38	3.50	4.39	2.37	2.59	5.38	3.65	
TRANS, COMM, PUB UTIL.....	39088	38232	38232	40247	39673	38507	38611	40652	40070	38910	39049	38801	39260	39670	
% CHG SAME QTR LAST YR.....	1.94	-1.40	-3.96	1.50	1.50	0.72	0.99	1.01	1.00	1.05	1.14	-0.18	1.18	1.05	
GOVERNMENT.....	30534	31650	30457	31102	31705	32864	31611	32241	32870	34063	32806	30634	31820	32995	
% CHG SAME QTR LAST YR.....	4.89	4.00	4.09	4.04	3.83	3.83	3.79	3.66	3.68	3.65	3.78	4.22	3.87	3.69	
FEDERAL, CIVILIAN.....	48374	49489	49914	50199	49909	51279	51563	51753	51507	52978	53366	48963	50737	52401	
% CHG SAME QTR LAST YR.....	12.63	9.52	6.84	4.41	3.17	3.62	3.30	3.10	3.20	3.31	3.50	8.79	3.62	3.28	
STATE AND LOCAL.....	27686	28758	27508	28107	28796	29904	28597	29213	29924	31068	29705	27757	28851	29978	
% CHG SAME QTR LAST YR.....	3.41	2.94	3.40	3.81	4.01	3.99	3.96	3.94	3.91	3.89	3.87	3.15	3.94	3.90	

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TABLE 14 : TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 SEASONALLY ADJUSTED CURRENT DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL NONAGRICULTURAL.....		32080	31924	32203	32852	33296	32900	33151	34104	34392	34076	34286	32007	33050	34215
% CHG PREV QTR SAAR.....		3.29	-1.92	3.54	8.31	5.52	-4.68	3.10	12.00	3.42	-3.62	2.48	3.72	3.26	3.52
% CHG SAME QTR LAST YR....		4.27	3.12	3.01	3.24	3.79	3.06	2.94	3.81	3.29	3.58	3.42	3.72	3.26	3.52
MINING.....		44016	47768	47665	48218	49048	49482	49934	50400	50888	51395	51920	45422	49170	51151
% CHG PREV QTR SAAR.....		17.91	38.70	-0.85	4.72	7.06	3.59	3.71	3.79	3.93	4.04	4.16	4.01	8.25	4.03
% CHG SAME QTR LAST YR....		-8.58	7.89	13.62	14.15	11.43	3.59	4.76	4.53	3.75	3.87	3.98	4.01	8.25	4.03
CONSTRUCTION.....		33897	34316	34726	35119	35503	35880	36259	36644	37034	37429	37824	34255	35690	37233
% CHG PREV QTR SAAR.....		-2.16	5.03	4.87	4.61	4.44	4.32	4.29	4.32	4.32	4.34	4.29	-1.36	4.19	4.32
% CHG SAME QTR LAST YR....		-2.82	-0.53	-0.02	3.04	4.74	4.56	4.41	4.34	4.31	4.32	4.32	-1.36	4.19	4.32
MANUFACTURING.....		37847	38080	38439	39156	39329	39652	39940	40190	40509	40874	41137	37960	39519	40678
% CHG PREV QTR SAAR.....		4.03	2.49	3.83	7.67	1.78	3.32	2.94	2.53	3.21	3.66	2.60	5.88	4.11	2.93
% CHG SAME QTR LAST YR....		5.80	5.86	4.90	4.49	3.92	4.13	3.90	2.64	3.00	3.08	3.00	5.88	4.11	2.93
DURABLE GOODS.....		37841	38517	39098	39623	40112	40628	41184	41747	42325	42903	43459	38235	40387	42608
% CHG PREV QTR SAAR.....		3.89	7.33	6.17	5.49	5.02	5.25	5.58	5.58	5.66	5.57	5.29	5.35	5.63	5.50
% CHG SAME QTR LAST YR....		4.60	6.13	4.54	5.71	6.00	5.48	5.33	5.36	5.52	5.50	5.52	5.35	5.63	5.50
NONDURABLE GOODS.....		37854	37457	37500	38500	38229	38268	38171	37963	37876	37861	37673	37569	38292	37843
% CHG PREV QTR SAAR.....		4.24	-4.13	0.46	11.09	-2.78	0.40	-1.01	-2.16	-0.91	-0.15	-1.97	6.70	1.93	-1.17
% CHG SAME QTR LAST YR....		7.60	5.50	5.50	2.77	0.99	2.16	1.79	-1.39	-0.92	-1.06	-1.30	6.70	1.93	-1.17
TRADE.....		24320	24815	25001	24856	25306	25517	25502	26126	26280	26496	26465	24571	25295	26342
% CHG PREV QTR SAAR.....		2.86	8.40	3.03	-2.31	7.44	3.38	-0.22	10.15	2.38	3.33	-0.48	3.48	2.95	4.14
% CHG SAME QTR LAST YR....		3.60	3.84	4.31	2.93	4.05	2.93	2.00	5.11	3.85	3.84	3.77	3.48	2.95	4.14
SERVICES.....		31793	30254	30628	32046	32905	31313	31598	33620	34122	32657	33033	31030	31966	33358
% CHG PREV QTR SAAR.....		4.48	-18.00	5.03	19.84	11.17	-17.99	3.68	28.16	6.11	-16.10	4.68	5.32	3.01	4.36
% CHG SAME QTR LAST YR....		7.28	3.60	3.48	1.91	3.50	3.50	3.17	4.91	3.70	4.29	4.54	5.32	3.01	4.36
FIN,INS,REAL EST.....		44052	46579	46977	46907	47629	47277	48625	48963	49296	49352	49777	45180	47609	49347
% CHG PREV QTR SAAR.....		8.99	24.99	3.46	-0.59	6.30	-2.92	11.90	2.81	2.75	0.45	3.49	2.69	5.38	3.65
% CHG SAME QTR LAST YR....		0.70	1.67	3.95	8.80	8.12	1.50	3.51	4.38	3.50	4.39	2.37	2.69	5.38	3.65
TRANS,COMM,PUB UTIL.....		39124	38295	38417	39833	39709	38571	38798	40234	40106	38975	39239	38770	39228	39638
% CHG PREV QTR SAAR.....		-1.22	-8.21	1.28	15.57	-1.24	-10.98	2.38	15.64	-1.26	-10.82	2.74	-0.11	1.18	1.05
% CHG SAME QTR LAST YR....		2.20	-1.64	-3.96	1.50	1.50	0.72	0.99	1.01	1.00	1.05	1.14	-0.11	1.18	1.05
GOVERNMENT.....		30463	30734	30995	31381	31631	31912	32170	32531	32793	33076	33386	30589	31774	32946
% CHG PREV QTR SAAR.....		4.05	3.61	3.43	5.08	3.22	3.60	3.27	4.57	3.26	3.49	3.81	4.16	3.87	3.69
% CHG SAME QTR LAST YR....		4.66	3.94	4.09	4.04	3.83	3.83	3.79	3.66	3.67	3.65	3.78	4.16	3.87	3.69
FEDERAL, CIVILIAN.....		48996	49097	49483	50385	50551	50873	51118	51945	52169	52559	52906	48958	50732	52395
% CHG PREV QTR SAAR.....		6.27	0.83	3.18	7.49	1.32	2.58	1.94	6.64	1.73	3.02	2.67	8.86	3.62	3.28
% CHG SAME QTR LAST YR....		12.82	9.23	6.84	4.41	3.17	3.62	3.30	3.10	3.20	3.31	3.50	8.86	3.62	3.28
STATE AND LOCAL.....		27556	27830	28106	28383	28661	28940	29220	29501	29783	30066	30351	27709	28801	29925
% CHG PREV QTR SAAR.....		3.15	4.05	4.02	4.00	3.97	3.95	3.92	3.90	3.88	3.86	3.85	3.07	3.94	3.90
% CHG SAME QTR LAST YR....		3.12	2.92	3.40	3.81	4.01	3.99	3.96	3.94	3.91	3.89	3.87	3.07	3.94	3.90

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 15: TENNESSEE CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATE

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
CIVILIAN LABOR FORCE (THOUS)	2859	2893	2840	2862	2866	2900	2894	2853	2894	2924	2915	2856	2881	2897	
% CHG SAME QTR LAST YR.	3.35	2.45	-0.68	1.03	0.25	0.22	1.92	-0.33	0.95	0.85	0.74	2.07	0.85	0.55	
EMPLOYED PERSONS (THOUS)	2745	2772	2716	2688	2711	2736	2747	2690	2753	2772	2780	2734	2721	2749	
% CHG SAME QTR LAST YR.	3.02	2.33	-1.15	-0.65	-1.23	-1.28	1.17	0.07	1.56	1.31	1.19	1.72	-0.50	1.03	
UNEMPLOYED PERSONS (THOUS)	114	122	124	174	156	164	147	163	140	152	135	122	160	148	
% CHG SAME QTR LAST YR.	12.07	5.34	10.85	36.81	35.86	34.56	18.34	-6.51	-9.73	-6.87	-7.71	10.59	31.33	-7.66	
PARTICIPATION RATE (PERCENT)	62.8	63.5	62.1	62.4	62.3	63.0	62.6	61.5	62.2	62.8	62.4	62.7	62.6	62.2	
% CHG SAME QTR LAST YR.	2.24	1.35	-1.75	-0.05	-0.83	-0.85	0.82	-1.40	-0.14	-0.23	-0.34	0.98	-0.23	-0.53	
UNEMPLOYMENT RATE (PERCENT)	4.0	4.2	4.4	6.1	5.4	5.6	5.1	5.7	4.9	5.2	4.6	4.3	5.6	5.1	

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TABLE 16: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATE
 SEASONALLY ADJUSTED

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
CIVILIAN LABOR FORCE (THOUS).....	2869	2868	2826	2891	2878	2873	2882	2882	2905	2897	2902	2857	2881	2897	
% CHG PREV QTR SAAR.....	0.50	-0.18	-5.68	9.57	-1.78	-0.79	1.26	0.11	3.11	-0.98	0.64	2.10	0.84	0.54	
% CHG SAME QTR LAST YR.....	3.35	2.52	-0.65	0.91	0.33	0.18	1.97	-0.30	0.91	0.86	0.71	2.10	0.84	0.54	
EMPLOYED PERSONS (THOUS).....	2748	2751	2694	2729	2714	2716	2726	2730	2756	2751	2758	2735	2721	2749	
% CHG PREV QTR SAAR.....	0.24	0.41	-8.01	5.22	-2.10	0.21	1.49	0.71	3.86	-0.76	1.01	1.74	-0.51	1.03	
% CHG SAME QTR LAST YR.....	3.03	2.39	-1.15	-0.65	-1.23	-1.28	1.17	0.07	1.56	1.31	1.19	1.74	-0.51	1.03	
UNEMPLOYED PERSONS (THOUS).....	121	117	132	163	164	157	156	152	148	146	144	122	160	148	
% CHG PREV QTR SAAR.....	6.79	-12.97	62.89	131.43	3.83	-16.25	-2.56	-9.84	-9.76	-5.10	-6.04	10.85	31.05	-7.72	
% CHG SAME QTR LAST YR.....	11.41	5.75	10.85	36.81	35.86	34.56	18.34	-6.51	-9.73	-6.87	-7.71	10.85	31.05	-7.72	
PARTICIPATION RATE (PERCENT).....	63.0	62.9	61.8	63.1	62.6	62.4	62.4	62.2	62.5	62.2	62.1	62.7	62.6	62.3	
% CHG PREV QTR SAAR.....	-0.75	-0.70	-6.91	8.22	-3.00	-1.30	-0.06	-1.12	1.82	-1.49	-0.66	1.00	-0.24	-0.54	
% CHG SAME QTR LAST YR.....	2.24	1.42	-1.72	-0.18	-0.75	-0.90	0.88	-1.37	-0.17	-0.22	-0.37	1.00	-0.24	-0.54	
UNEMPLOYMENT RATE (PERCENT).....	4.2	4.1	4.7	5.6	5.7	5.5	5.4	5.3	5.1	5.0	5.0	4.3	5.6	5.1	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 17: TENNESSEE TAXABLE SALES
 MILLIONS OF 1996 DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL.....	17301	16875	18050	15628	17053	16713	17945	15908	17254	16888	17997	67954	67339	68047	
% CHG SAME QTR LAST YR.....	-1.43	-3.50	0.24	-0.63	-1.44	-0.96	-0.58	1.79	1.18	1.04	0.29	-2.03	-0.91	1.05	
AUTO DEALERS.....	1964	1969	1774	1836	1932	1872	1702	2048	2039	1852	1645	7563	7342	7584	
% CHG SAME QTR LAST YR.....	-4.36	-4.01	3.70	-1.03	-1.63	-4.94	-4.06	11.52	5.52	-1.07	-3.33	-3.06	-2.91	3.29	
PURCHASES FROM MANUFACTURERS..	962	898	916	726	826	781	809	675	783	768	774	3626	3142	3000	
% CHG SAME QTR LAST YR.....	-6.66	-11.25	-6.19	-14.51	-14.16	-13.01	-11.73	-7.00	-5.18	-1.72	-4.32	-7.11	-13.34	-4.52	
MISC DURABLE GOODS.....	3026	2768	2781	2489	2894	2768	2794	2510	2902	2703	2635	11188	10945	10750	
% CHG SAME QTR LAST YR.....	-3.25	-9.36	-5.14	-4.78	-4.37	-0.02	0.50	0.87	0.28	-2.34	-5.70	-7.32	-2.18	-1.78	
EATING AND DRINKING PLACES....	1499	1523	1440	1402	1540	1543	1465	1428	1570	1576	1497	5843	5950	6071	
% CHG SAME QTR LAST YR.....	0.47	2.09	1.72	1.52	2.73	1.34	1.68	1.85	1.96	2.11	2.23	1.28	1.82	2.04	
FOOD STORES.....	1837	1836	1975	1698	1800	1808	1950	1678	1780	1790	1935	7394	7257	7183	
% CHG SAME QTR LAST YR.....	-2.89	-2.35	-2.46	-2.78	-2.01	-1.53	-1.22	-1.18	-1.13	-0.97	-0.79	-2.22	-1.86	-1.01	
LIQUOR STORES.....	86	82	109	81	84	81	107	79	82	80	106	361	352	347	
% CHG SAME QTR LAST YR.....	0.78	-1.76	1.57	-3.14	-3.22	-1.60	-1.44	-1.52	-1.54	-1.53	-1.43	0.89	-2.30	-1.50	
HOTELS AND MOTELS.....	437	449	408	324	430	453	413	326	432	454	413	1631	1619	1626	
% CHG SAME QTR LAST YR.....	-2.77	-3.68	-5.54	-3.87	-1.69	0.97	1.03	0.72	0.54	0.28	0.21	-3.92	-0.73	0.42	
OTHER RETAIL AND SERVICE.....	4801	4677	5692	4473	4851	4693	5709	4545	4915	4899	6022	19602	19726	20380	
% CHG SAME QTR LAST YR.....	-2.19	-4.23	0.82	0.93	1.03	0.34	0.29	1.60	1.32	4.38	5.49	-1.78	0.63	3.32	
MISC NONDURABLE GOODS.....	1414	1346	1712	1379	1431	1349	1719	1368	1457	1374	1669	5835	5877	5867	
% CHG SAME QTR LAST YR.....	-1.00	-6.47	0.90	1.15	1.20	0.21	0.39	-0.80	1.82	1.86	-2.93	-0.86	0.72	-0.17	
TRANSPORTATION, COMMUNICATION..	1274	1326	1243	1221	1266	1365	1277	1251	1295	1392	1301	4911	5129	5238	
% CHG SAME QTR LAST YR.....	17.45	17.84	16.63	14.41	-0.65	2.89	2.76	2.44	2.26	1.98	1.90	12.73	4.44	2.14	
PER CAPITA (\$)	3002	2923	3117	2690	2927	2864	3065	2709	2929	2862	3040	11779	11545	11540	
% CHG SAME QTR LAST YR.....	-2.51	-4.55	-0.85	-1.72	-2.51	-2.04	-1.67	0.68	0.08	-0.05	-0.80	-3.10	-1.98	-0.05	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 18: TENNESSEE TAXABLE SALES
 MILLIONS OF SEASONALLY ADJUSTED 1996 DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL	17077	16681	17116	16974	16849	16537	17005	17262	17048	16719	17021	67988	67366	68049	
% CHG PREV QTR SAAR	-0.88	-8.95	10.85	-3.27	-2.92	-7.20	11.79	6.18	-4.86	-7.50	7.44	-2.09	-0.92	1.01	
% CHG SAME QTR LAST YR	-1.32	-3.42	0.28	-0.82	-1.33	-0.86	-0.65	1.69	1.18	1.10	0.10	-2.09	-0.92	1.01	
AUTO DEALERS	1868	1851	1979	1859	1837	1761	1899	2074	1938	1742	1836	7579	7356	7589	
% CHG PREV QTR SAAR	-2.74	-3.55	30.74	-22.10	-4.74	-15.64	35.34	42.24	-23.67	-34.82	23.40	-2.87	-2.94	3.17	
% CHG SAME QTR LAST YR	-4.39	-3.90	3.83	-1.13	-1.65	-4.89	-4.06	11.52	5.52	-1.07	-3.33	-2.87	-2.94	3.17	
PURCHASES FROM MANUFACTURERS	912	874	892	815	783	762	788	758	743	749	754	3634	3147	3003	
% CHG PREV QTR SAAR	-16.66	-15.66	8.51	-30.53	-14.66	-10.53	14.47	-14.41	-7.77	3.25	2.82	-7.02	-13.40	-4.60	
% CHG SAME QTR LAST YR	-6.69	-11.02	-6.12	-14.68	-14.17	-12.90	-11.73	-7.00	-5.18	-1.72	-4.32	-7.02	-13.40	-4.60	
MISC DURABLE GOODS	2857	2706	2764	2727	2736	2710	2777	2751	2743	2646	2619	11199	10950	10759	
% CHG PREV QTR SAAR	-2.11	-19.53	8.81	-5.22	1.31	-3.77	10.39	-3.79	-1.07	-13.42	-4.03	-7.52	-2.23	-1.74	
% CHG SAME QTR LAST YR	-3.01	-9.09	-5.21	-5.06	-4.24	0.14	0.50	0.87	0.28	-2.34	-5.70	-7.52	-2.23	-1.74	
EATING AND DRINKING PLACES	1452	1472	1466	1475	1492	1492	1491	1502	1521	1524	1524	5844	5949	6071	
% CHG PREV QTR SAAR	-0.68	5.71	-1.58	2.37	4.73	0.11	-0.42	3.07	5.18	0.69	0.06	1.27	1.81	2.04	
% CHG SAME QTR LAST YR	0.54	2.17	1.73	1.42	2.77	1.38	1.68	1.85	1.96	2.11	2.23	1.27	1.81	2.04	
FOOD STORES	1853	1844	1829	1819	1817	1815	1806	1797	1796	1798	1792	7396	7257	7183	
% CHG PREV QTR SAAR	-3.66	-2.00	-3.27	-2.17	-0.40	-0.30	-2.01	-2.00	-0.21	0.34	-1.27	-2.20	-1.88	-1.02	
% CHG SAME QTR LAST YR	-2.81	-2.37	-2.53	-2.78	-1.97	-1.54	-1.22	-1.18	-1.13	-0.97	-0.79	-2.20	-1.88	-1.02	
LIQUOR STORES	91	90	89	88	88	88	88	87	87	87	86	361	352	347	
% CHG PREV QTR SAAR	-0.59	-7.02	-2.92	-1.83	-0.93	-0.84	-2.14	-2.14	-1.02	-0.80	-1.75	0.82	-2.36	-1.50	
% CHG SAME QTR LAST YR	0.81	-1.82	1.53	-3.12	-3.21	-1.63	-1.44	-1.52	-1.54	-1.53	-1.43	0.82	-2.36	-1.50	
HOTELS AND MOTELS	411	401	402	403	404	405	406	406	407	407	407	1634	1619	1626	
% CHG PREV QTR SAAR	-8.78	-9.05	0.55	1.59	1.06	1.10	0.38	0.34	0.36	0.04	0.08	-3.98	-0.92	0.44	
% CHG SAME QTR LAST YR	-2.51	-3.49	-5.77	-4.06	-1.57	1.07	1.03	0.72	0.54	0.28	0.21	-3.98	-0.92	0.44	
OTHER RETAIL AND SERVICE	4897	4803	4952	4992	4947	4823	4966	5072	5012	5034	5239	19601	19727	20357	
% CHG PREV QTR SAAR	-4.20	-7.42	13.01	3.23	-3.57	-9.64	12.46	8.76	-4.66	1.81	17.29	-1.91	0.64	3.19	
% CHG SAME QTR LAST YR	-2.20	-4.10	0.82	0.86	1.02	0.41	0.29	1.60	1.32	4.38	5.49	-1.91	0.64	3.19	
MISC NONDURABLE GOODS	1451	1389	1485	1528	1468	1395	1491	1515	1495	1421	1447	5838	5881	5878	
% CHG PREV QTR SAAR	-15.40	-16.17	30.68	12.06	-14.74	-18.43	30.35	6.81	-5.37	-18.27	7.50	-0.88	0.74	-0.06	
% CHG SAME QTR LAST YR	-1.12	-6.01	0.89	0.95	1.15	0.46	0.39	-0.80	1.82	1.86	-2.93	-0.88	0.74	-0.06	
TRANSPORTATION, COMMUNICATION	1285	1251	1259	1269	1278	1287	1293	1300	1307	1312	1318	4902	5127	5237	
% CHG PREV QTR SAAR	81.05	-9.94	2.29	3.35	2.79	2.83	2.09	2.05	2.06	1.73	1.76	12.57	4.58	2.14	
% CHG SAME QTR LAST YR	17.70	17.66	16.31	14.58	-0.54	2.81	2.76	2.44	2.26	1.98	1.90	12.57	4.58	2.14	
PER CAPITA (\$)	2963	2889	2955	2922	2892	2833	2904	2939	2894	2833	2875	11786	11551	11542	
% CHG PREV QTR SAAR	-2.09	-9.54	9.44	-4.44	-4.11	-7.80	10.38	4.89	-6.03	-8.10	6.08	-3.16	-1.99	-0.08	
% CHG SAME QTR LAST YR	-2.39	-4.47	-0.82	-1.90	-2.41	-1.94	-1.73	0.59	0.08	0.00	-0.99	-3.16	-1.99	-0.08	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 19: TENNESSEE TAXABLE SALES
 MILLIONS OF CURRENT DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL.....		18960	18476	19876	17262	18915	18614	20101	17923	19548	19255	20647	74492	74892	77373
% CHG SAME QTR LAST YR.....		0.76	-2.04	1.85	0.48	-0.24	0.75	1.13	3.83	3.35	3.44	2.71	-0.14	0.54	3.31
AUTO DEALERS.....		2153	2156	1953	2028	2143	2085	1906	2307	2310	2112	1887	8289	8163	8616
% CHG SAME QTR LAST YR.....		-2.23	-2.55	5.37	0.08	-0.44	-3.30	-2.40	13.76	7.78	1.28	-1.00	-1.16	-1.52	5.55
PURCHASES FROM MANUFACTURERS.....		1055	983	1009	802	916	870	906	761	888	875	888	3975	3495	3412
% CHG SAME QTR LAST YR.....		-4.59	-9.91	-4.68	-13.55	-13.12	-11.51	-10.20	-5.13	-3.14	0.61	-2.01	-5.31	-12.08	-2.37
MISC DURABLE GOODS.....		3316	3031	3062	2749	3210	3082	3130	2828	3287	3082	3023	12263	12171	12221
% CHG SAME QTR LAST YR.....		-1.11	-7.99	-3.61	-3.72	-3.21	1.71	2.23	2.90	2.42	-0.02	-3.42	-5.52	-0.75	0.41
EATING AND DRINKING PLACES.....		1642	1668	1586	1548	1708	1719	1641	1609	1779	1797	1718	6405	6616	6902
% CHG SAME QTR LAST YR.....		2.70	3.64	3.36	2.65	3.98	3.09	3.43	3.89	4.15	4.53	4.70	3.24	3.30	4.32
FOOD STORES.....		2013	2010	2174	1875	1997	2014	2185	1890	2016	2041	2220	8106	8071	8168
% CHG SAME QTR LAST YR.....		-0.73	-0.86	-0.89	-1.69	-0.82	0.16	0.48	0.80	0.99	1.38	1.60	-0.34	-0.43	1.21
LIQUOR STORES.....		95	90	120	89	93	90	120	90	93	91	121	395	392	395
% CHG SAME QTR LAST YR.....		3.02	-0.26	3.21	-2.05	-2.05	0.09	0.26	0.46	0.57	0.81	0.95	2.82	-0.86	0.72
HOTELS AND MOTELS.....		479	491	450	358	477	505	462	367	490	518	474	1788	1801	1849
% CHG SAME QTR LAST YR.....		-0.61	-2.22	-4.02	-2.80	-0.50	2.71	2.78	2.74	2.70	2.66	2.62	-2.09	0.73	2.68
OTHER RETAIL AND SERVICE.....		5262	5121	6268	4941	5381	5227	6395	5120	5568	5585	6908	21491	21943	23183
% CHG SAME QTR LAST YR.....		-0.01	-2.78	2.44	2.06	2.26	2.07	2.02	3.64	3.49	6.86	8.03	0.11	2.10	5.65
MISC NONDURABLE GOODS.....		1550	1474	1885	1523	1587	1502	1925	1541	1651	1567	1914	6397	6538	6672
% CHG SAME QTR LAST YR.....		1.20	-5.05	2.53	2.28	2.43	1.94	2.13	1.18	4.00	4.28	-0.58	1.04	2.19	2.06
TRANSPORTATION, COMMUNICATION.....		1396	1452	1369	1348	1404	1520	1431	1409	1467	1587	1493	5383	5703	5956
% CHG SAME QTR LAST YR.....		20.05	19.63	18.51	15.69	0.56	4.67	4.54	4.49	4.45	4.40	4.36	14.92	5.96	4.42
PER CAPITA (\$)		3290	3200	3432	2971	3246	3189	3433	3052	3318	3263	3488	12912	12840	13121
% CHG SAME QTR LAST YR.....		-0.34	-3.10	0.74	-0.62	-1.33	-0.35	0.03	2.70	2.22	2.32	1.60	-1.23	-0.56	2.19

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 20: TENNESSEE TAXABLE SALES
 MILLIONS OF SEASONALLY ADJUSTED CURRENT DOLLARS

	FORECAST - DATA												ANNUAL		
	HISTORY	200102	200103	200104	200201	200202	200203	200204	200301	200302	200303	200304	2001	2002	2003
TOTAL.....	18714	18263	18847	18748	18690	18418	19048	19448	19315	19062	19527	74519	74904	77351	
% CHG PREV QTR SAAR.....	0.44	-9.30	13.41	-2.09	-1.24	-5.68	14.40	8.65	-2.70	-5.13	10.11	-0.18	0.52	3.27	
% CHG SAME QTR LAST YR.....	0.87	-1.95	1.89	0.29	-0.13	0.85	1.07	3.73	3.35	3.50	2.51	-0.18	0.52	3.27	
AUTO DEALERS.....	2047	2027	2179	2054	2038	1961	2127	2336	2196	1986	2106	8307	8179	8624	
% CHG PREV QTR SAAR.....	-1.44	-3.92	33.77	-21.15	-3.10	-14.26	38.50	45.55	-21.93	-33.15	26.47	-0.97	-1.54	5.44	
% CHG SAME QTR LAST YR.....	-2.26	-2.44	5.50	-0.03	-0.45	-3.25	-2.40	13.76	7.78	1.28	-1.00	-0.97	-1.54	5.44	
PURCHASES FROM MANUFACTURERS.....	1000	957	983	900	869	848	883	854	841	854	865	3983	3499	3413	
% CHG PREV QTR SAAR.....	-15.55	-15.98	11.02	-29.68	-13.19	-9.06	17.14	-12.41	-5.67	5.89	5.38	-5.22	-12.15	-2.46	
% CHG SAME QTR LAST YR.....	-4.62	-9.67	-4.61	-13.73	-13.13	-11.39	-10.20	-5.13	-3.14	0.61	-2.01	-5.22	-12.15	-2.46	
MISC DURABLE GOODS.....	3131	2963	3043	3012	3035	3018	3111	3099	3108	3017	3005	12274	12175	12229	
% CHG PREV QTR SAAR.....	-0.80	-19.84	11.33	-4.06	3.06	-2.19	12.96	-1.56	1.18	-11.20	-1.65	-5.70	-0.81	0.44	
% CHG SAME QTR LAST YR.....	-0.85	-7.71	-3.68	-4.00	-3.08	1.86	2.23	2.90	2.42	-0.02	-3.42	-5.70	-0.81	0.44	
EATING AND DRINKING PLACES.....	1591	1612	1614	1629	1655	1662	1670	1692	1723	1737	1748	6405	6615	6901	
% CHG PREV QTR SAAR.....	0.65	5.31	0.69	3.62	6.53	1.75	1.90	5.47	7.58	3.27	2.55	3.23	3.28	4.32	
% CHG SAME QTR LAST YR.....	2.77	3.72	3.37	2.55	4.02	3.13	3.43	3.89	4.15	4.53	4.70	3.23	3.28	4.32	
FOOD STORES.....	2031	2019	2014	2009	2015	2022	2023	2025	2035	2050	2056	8106	8069	8165	
% CHG PREV QTR SAAR.....	-2.37	-2.38	-1.03	-0.97	1.32	1.33	0.28	0.28	2.06	2.91	1.18	-0.30	-0.46	1.19	
% CHG SAME QTR LAST YR.....	-0.65	-0.88	-0.96	-1.69	-0.78	0.15	0.48	0.80	0.99	1.38	1.60	-0.30	-0.46	1.19	
LIQUOR STORES.....	100	98	98	98	98	98	98	98	98	99	99	396	392	395	
% CHG PREV QTR SAAR.....	0.74	-7.38	-0.67	-0.63	0.77	0.78	0.14	0.14	1.23	1.74	0.69	2.78	-0.95	0.70	
% CHG SAME QTR LAST YR.....	3.05	-0.33	3.16	-2.04	-2.03	0.06	0.26	0.46	0.57	0.81	0.95	2.78	-0.95	0.70	
HOTELS AND MOTELS.....	450	439	442	445	449	452	455	458	461	464	467	1791	1800	1848	
% CHG PREV QTR SAAR.....	-7.57	-9.40	2.87	2.83	2.79	2.76	2.72	2.68	2.64	2.61	2.57	-2.12	0.52	2.68	
% CHG SAME QTR LAST YR.....	-0.35	-2.02	-4.26	-2.98	-0.37	2.81	2.78	2.74	2.70	2.66	2.62	-2.12	0.52	2.68	
OTHER RETAIL AND SERVICE.....	5366	5259	5453	5513	5487	5371	5563	5714	5678	5740	6010	21484	21935	23142	
% CHG PREV QTR SAAR.....	-2.92	-7.78	15.62	4.50	-1.91	-8.16	15.09	11.29	-2.49	4.42	20.21	0.00	2.10	5.51	
% CHG SAME QTR LAST YR.....	-0.03	-2.64	2.45	1.98	2.25	2.14	2.02	3.64	3.49	6.86	8.03	0.00	2.10	5.51	
MISC NONDURABLE GOODS.....	1591	1520	1635	1687	1628	1554	1670	1707	1693	1620	1660	6399	6539	6681	
% CHG PREV QTR SAAR.....	-14.27	-16.49	33.70	13.43	-13.27	-17.10	33.39	9.29	-3.22	-16.18	10.18	1.04	2.19	2.17	
% CHG SAME QTR LAST YR.....	1.08	-4.58	2.52	2.08	2.37	2.19	2.13	1.18	4.00	4.28	-0.58	1.04	2.19	2.17	
TRANSPORTATION, COMMUNICATION..	1408	1370	1386	1402	1417	1433	1449	1465	1480	1496	1512	5374	5701	5953	
% CHG PREV QTR SAAR.....	83.47	-10.29	4.66	4.61	4.56	4.42	4.47	4.42	4.38	4.33	4.29	14.78	6.09	4.42	
% CHG SAME QTR LAST YR.....	20.32	19.44	18.18	15.86	0.67	4.59	4.54	4.49	4.45	4.40	4.36	14.78	6.09	4.42	
PER CAPITA (\$)	3247	3164	3254	3227	3207	3156	3253	3311	3279	3231	3299	12918	12844	13119	
% CHG PREV QTR SAAR.....	-0.79	-9.89	11.98	-3.27	-2.45	-6.29	12.95	7.33	-3.89	-5.74	8.72	-1.27	-0.58	2.15	
% CHG SAME QTR LAST YR.....	-0.23	-3.01	0.78	-0.80	-1.22	-0.25	-0.03	2.60	2.22	2.37	1.40	-1.27	-0.58	2.15	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
US GDP (BIL96\$)	9323.4	9363.3	9777.8	10151.9	10477.1	10793.4	11147.0	11536.9	11946.2	12361.7
PERCENTAGE CHANGE	1.07	0.43	4.43	3.83	3.20	3.02	3.28	3.50	3.55	3.48
TN GSP (MIL96\$)	171934.9	174090.1	178958.5	185439.8	192782.8	199851.9	207419.5	215025.8	223101.2	231420.1
PERCENTAGE CHANGE	1.42	1.25	2.80	3.62	3.96	3.67	3.79	3.67	3.76	3.73
US GDP (BIL\$)	10207.9	10420.9	11103.8	11802.5	12468.8	13165.6	13767.8	14389.7	15059.9	15785.9
PERCENTAGE CHANGE	3.39	2.09	6.55	6.29	5.64	5.59	4.57	4.52	4.66	4.82
TN GSP (MIL\$)	186944.1	193002.2	202644.0	214832.0	228416.2	242303.8	256556.7	271040.5	286733.4	303629.4
PERCENTAGE CHANGE	3.61	3.24	5.00	6.01	6.32	6.08	5.88	5.65	5.79	5.89
IMPLICIT DEFlator, GDP	109.5	111.3	113.6	116.3	119.0	122.0	123.5	124.7	126.1	127.7
PERCENTAGE CHANGE	2.29	1.65	2.04	2.38	2.37	2.49	1.26	0.98	1.07	1.30
IMPLICIT DEFlator, GSP	108.7	110.9	113.2	115.8	118.5	121.2	123.7	126.1	128.5	131.2
PERCENTAGE CHANGE	2.15	1.96	2.14	2.31	2.27	2.33	2.02	1.91	1.96	2.09
US PERS CONS DEFL (1996=100)	109.6	111.2	113.7	116.5	119.4	122.4	124.8	127.0	129.3	131.6
PERCENTAGE CHANGE	1.94	1.45	2.23	2.47	2.46	2.55	1.95	1.78	1.80	1.82
TN PERSONAL INCOME (MIL\$)	154678	161103	169508	179515	190503	202187	214775	228431	242116	256880
PERCENTAGE CHANGE	4.69	4.15	5.22	5.90	6.12	6.13	6.23	6.36	5.99	6.10
US PERSONAL INCOME (BIL\$)	8735.5	8961.7	9462.5	10007.7	10542.7	11115.1	11603.3	12139.4	12725.7	13370.5
PERCENTAGE CHANGE	5.00	2.59	5.59	5.76	5.35	5.43	4.39	4.62	4.83	5.07
TN PERSONAL INCOME (MIL96\$)	141123	144890	149116	154107	159609	165193	172114	179856	187268	195127
PERCENTAGE CHANGE	2.70	2.67	2.92	3.35	3.57	3.50	4.19	4.50	4.12	4.20
US PERSONAL INCOME (BIL96\$)	7970.0	8059.7	8324.2	8591.3	8832.9	9081.4	9298.6	9558.0	9842.9	10156.3
PERCENTAGE CHANGE	3.01	1.13	3.28	3.21	2.81	2.81	2.39	2.79	2.98	3.18
TN NONAGRIC JOBS (THOUS)	2753.7	2757.7	2799.0	2877.3	2961.0	3041.6	3132.1	3214.5	3295.7	3379.6
PERCENTAGE CHANGE	0.59	0.15	1.50	2.80	2.91	2.72	2.98	2.63	2.53	2.54
US NONAGRIC JOBS (MIL)	132.2	131.7	133.0	135.4	137.4	139.1	140.7	142.2	143.8	145.3
PERCENTAGE CHANGE	0.37	-0.41	0.98	1.81	1.50	1.22	1.13	1.11	1.08	1.06
TN UNEMPLOYMENT RATE (%)	4.3	5.6	5.1	4.7	4.4	4.2	4.0	3.9	3.9	3.8
US UNEMPLOYMENT RATE (%)	4.8	6.2	5.8	5.1	5.0	5.0	5.1	5.6	5.3	5.6
BANK PRIME INTEREST RATE (%)	6.9	5.5	7.5	8.0	8.0	8.0	7.9	7.8	7.7	7.6
TN MFG JOBS (THOUS)	488.7	473.1	473.5	476.1	478.7	481.6	485.4	490.0	493.4	497.1
PERCENTAGE CHANGE	-3.87	-3.20	0.08	0.57	0.53	0.61	0.79	0.95	0.69	0.74

(CONTINUED ON NEXT PAGE)

TABLE 1: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS (CONT.)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TN TAXABLE SALES (MIL\$).....	74492	74892	77373	82392	86614	91184	96256	101480	106578	112049
PERCENTAGE CHANGE.....	-0.14	0.54	3.31	6.49	5.12	5.28	5.56	5.43	5.02	5.13
TN TAXABLE SALES (MIL96\$).....	67964	67354	68065	70731	72568	74500	77137	79901	82434	85113
PERCENTAGE CHANGE.....	-2.04	-0.90	1.06	3.92	2.60	2.66	3.54	3.58	3.17	3.25
TN MFG OUTPUT/EMPLOYEE (THOUS96\$).....	75.1	77.1	79.5	81.9	84.7	87.5	90.3	93.1	96.0	99.1
PERCENTAGE CHANGE.....	2.55	2.67	3.09	3.11	3.32	3.33	3.21	3.10	3.10	3.26
TN AVERAGE ANNUAL WAGE, NONAG (\$).....	32014	33054	34219	35517	36813	38155	39350	40452	41665	42972
PERCENTAGE CHANGE.....	3.66	3.25	3.52	3.79	3.65	3.64	3.13	2.80	3.00	3.14
TN AVERAGE ANNUAL WAGE, NONAG (96\$) ..	29208	29727	30102	30490	30843	31174	31534	31850	32226	32642
PERCENTAGE CHANGE.....	1.69	1.78	1.26	1.29	1.16	1.07	1.16	1.00	1.18	1.29
TN TOTAL POPULATION (THOUS).....	5768	5832	5896	5961	6026	6092	6159	6227	6296	6365
PERCENTAGE CHANGE.....	1.10	1.10	1.10	1.10	1.10	1.09	1.10	1.10	1.10	1.10

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TABLE 2: TENNESSEE ECONOMETRIC MODEL, December 2001 UPDATE
 SELECTED PER CAPITA U.S. AND TENNESSEE ECONOMIC INDICATORS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TN GSP (96 \$)	29807	29852	30353	31110	31990	32804	33675	34530	35437	36358
PERCENTAGE CHANGE	0.32	0.15	1.68	2.49	2.83	2.54	2.65	2.54	2.63	2.60
TN GSP (\$)	32409	33095	34370	36041	37903	39772	41652	43525	45544	47703
PERCENTAGE CHANGE	2.48	2.12	3.85	4.86	5.17	4.93	4.73	4.50	4.64	4.74
US GDP (96 \$)	33648	33308	34326	35174	35828	36430	37061	37903	38873	39882
PERCENTAGE CHANGE	0.24	-1.01	3.06	2.47	1.86	1.68	1.73	2.27	2.56	2.60
US GDP (\$)	36841	37070	38981	40893	42639	44436	45775	47275	49005	50929
PERCENTAGE CHANGE	2.54	0.62	5.15	4.90	4.27	4.21	3.01	3.28	3.66	3.93
TN PERSONAL INCOME (96 \$)	24465	24845	25292	25853	26485	27115	27943	28882	29745	30656
PERCENTAGE CHANGE	1.58	1.55	1.80	2.22	2.44	2.38	3.05	3.36	2.99	3.06
TN PERSONAL INCOME (\$)	26815	27625	28750	30116	31612	33187	34869	36683	38457	40358
PERCENTAGE CHANGE	3.55	3.02	4.07	4.75	4.97	4.98	5.07	5.20	4.84	4.94
US PERSONAL INCOME (96 \$)	28764	28671	29223	29767	30206	30651	30916	31401	32028	32767
PERCENTAGE CHANGE	2.16	-0.32	1.92	1.86	1.47	1.48	0.86	1.57	2.00	2.31
US PERSONAL INCOME (\$)	31526	31880	33219	34675	36052	37515	38579	39882	41409	43137
PERCENTAGE CHANGE	4.14	1.12	4.20	4.38	3.97	4.06	2.83	3.38	3.83	4.17
TN TAXABLE SALES (96 \$)	11782	11550	11544	11866	12042	12229	12523	12831	13094	13372
PERCENTAGE CHANGE	-3.10	-1.98	-0.04	2.79	1.48	1.55	2.41	2.46	2.05	2.13
TN TAXABLE SALES (\$)	12914	12842	13123	13822	14373	14967	15627	16296	16929	17604
PERCENTAGE CHANGE	-1.22	-0.56	2.19	5.33	3.98	4.14	4.41	4.28	3.88	3.99

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 3: TENNESSEE PERSONAL INCOME BY COMPONENTS
 MILLIONS OF 1996 DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL PERSONAL INCOME.....	141123	144890	149116	154107	159609	165193	172114	179856	187268	195127
PERCENTAGE CHANGE.....	2.70	2.67	2.92	3.35	3.57	3.50	4.19	4.50	4.12	4.20
WAGES AND SALARIES.....	81244	82829	85139	88643	92278	95806	99803	103469	107352	111519
PERCENTAGE CHANGE.....	2.32	1.95	2.79	4.12	4.10	3.82	4.17	3.67	3.75	3.88
OTHER LABOR INCOME.....	8793	8997	9391	9728	10088	10458	10891	11368	11561	12051
PERCENTAGE CHANGE.....	1.84	2.33	4.38	3.59	3.70	3.66	4.14	4.38	1.70	4.23
PROPRIETORS INCOME.....	14000	14434	15352	16177	17062	17965	19033	20746	21877	23171
PERCENTAGE CHANGE.....	1.22	3.10	6.36	5.37	5.48	5.29	5.94	9.00	5.45	5.92
RENT INTEREST DIVIDENDS.....	21178	21993	22479	23255	24061	24871	25886	27072	28596	29909
PERCENTAGE CHANGE.....	0.43	3.85	2.21	3.45	3.47	3.36	4.08	4.58	5.63	4.59
TRANSFER PAYMENTS.....	23194	24046	24385	24246	24379	24668	25405	26464	27511	28531
PERCENTAGE CHANGE.....	7.21	3.67	1.41	-0.57	0.55	1.19	2.98	4.17	3.96	3.71
LESS: PERS CONT FOR SOC INS.....	6203	6269	6441	6706	6975	7240	7508	7804	8103	8458
PERCENTAGE CHANGE.....	1.34	1.06	2.74	4.12	4.01	3.79	3.71	3.93	3.84	4.38
RESIDENCE ADJUSTMENT.....	-1083	-1141	-1188	-1236	-1285	-1335	-1395	-1459	-1526	-1596
PERCENTAGE CHANGE.....	2.91	5.33	4.21	3.99	3.98	3.88	4.47	4.63	4.60	4.56
PER CAPITA PERSONAL INCOME (\$).....	24465	24845	25292	25853	26485	27115	27943	28882	29745	30656
PERCENTAGE CHANGE.....	1.58	1.55	1.80	2.22	2.44	2.38	3.05	3.36	2.99	3.06

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 4: TENNESSEE PERSONAL INCOME BY COMPONENTS
 MILLIONS OF CURRENT DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL PERSONAL INCOME	154678	161103	169508	179515	190503	202187	214775	228431	242116	256880
PERCENTAGE CHANGE	4.69	4.15	5.22	5.90	6.12	6.13	6.23	6.36	5.99	6.10
WAGES AND SALARIES	89048	92097	96782	103258	110139	117261	124540	131414	138794	146812
PERCENTAGE CHANGE	4.30	3.42	5.09	6.69	6.66	6.47	6.21	5.52	5.62	5.78
OTHER LABOR INCOME	9637	10004	10675	11332	12041	12800	13591	14438	14948	15865
PERCENTAGE CHANGE	3.81	3.81	6.71	6.15	6.26	6.30	6.18	6.23	3.53	6.14
PROPRIETORS INCOME	15345	16049	17452	18844	20365	21988	23750	26349	28284	30504
PERCENTAGE CHANGE	3.18	4.59	8.74	7.98	8.07	7.97	8.01	10.94	7.35	7.85
RENT INTEREST DIVIDENDS	23212	24454	25553	27089	28719	30440	32302	34384	36971	39374
PERCENTAGE CHANGE	2.38	5.35	4.49	6.01	6.02	5.99	6.12	6.44	7.53	6.50
TRANSFER PAYMENTS	25422	26737	27720	28244	29098	30192	31701	33611	35569	37561
PERCENTAGE CHANGE	9.29	5.17	3.67	1.89	3.02	3.76	5.00	6.03	5.82	5.60
LESS: PERS CONT FOR SOC INS	6799	6971	7322	7812	8325	8861	9369	9911	10477	11135
PERCENTAGE CHANGE	3.30	2.53	5.04	6.69	6.57	6.43	5.74	5.78	5.70	6.29
RESIDENCE ADJUSTMENT	-1187	-1268	-1351	-1440	-1534	-1634	-1740	-1853	-1974	-2101
PERCENTAGE CHANGE	4.91	6.86	6.54	6.57	6.54	6.53	6.51	6.49	6.48	6.47
PER CAPITA PERSONAL INCOME (\$)	26815	27625	28750	30116	31612	33187	34869	36683	38457	40358
PERCENTAGE CHANGE	3.55	3.02	4.07	4.75	4.97	4.98	5.07	5.20	4.84	4.94

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 5: TENNESSEE WAGE AND SALARY EMPLOYMENT BY SECTOR
 THOUSANDS OF JOBS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONAGRICULTURAL.....	2753.7	2757.7	2799.0	2877.3	2961.0	3041.6	3132.1	3214.5	3295.7	3379.6
PERCENTAGE CHANGE.....	0.59	0.15	1.50	2.80	2.91	2.72	2.98	2.63	2.53	2.54
MINING.....	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
PERCENTAGE CHANGE.....	-3.16	-1.87	1.04	0.67	0.22	-0.12	-0.23	-0.23	-0.29	-0.34
CONSTRUCTION.....	129.6	126.7	127.1	130.3	133.8	136.8	140.1	143.9	147.0	150.7
PERCENTAGE CHANGE.....	1.94	-2.23	0.28	2.59	2.63	2.30	2.36	2.72	2.19	2.51
MANUFACTURING.....	488.7	473.1	473.5	476.1	478.7	481.6	485.4	490.0	493.4	497.1
PERCENTAGE CHANGE.....	-3.87	-3.20	0.08	0.57	0.53	0.61	0.79	0.95	0.69	0.74
DURABLE GOODS.....	288.0	277.1	281.4	286.4	291.8	297.1	302.9	308.6	313.3	318.4
PERCENTAGE CHANGE.....	-4.58	-3.80	1.57	1.79	1.87	1.81	1.97	1.86	1.54	1.63
NONDURABLE GOODS.....	200.7	196.0	192.0	189.7	186.9	184.5	182.5	181.5	180.1	178.7
PERCENTAGE CHANGE.....	-2.82	-2.35	-2.03	-1.22	-1.49	-1.26	-1.11	-0.56	-0.74	-0.80
TRADE.....	656.2	664.0	676.4	702.1	732.7	752.8	776.1	797.6	817.8	835.9
PERCENTAGE CHANGE.....	1.74	1.20	1.86	3.79	4.37	2.74	3.09	2.78	2.53	2.21
SERVICES.....	762.3	770.9	788.7	824.0	856.6	898.0	940.4	980.1	1020.4	1062.6
PERCENTAGE CHANGE.....	2.36	1.12	2.31	4.47	3.96	4.82	4.73	4.22	4.12	4.13
FIN, INS, REAL EST.....	130.8	131.4	132.2	133.6	137.1	140.5	144.4	145.6	146.9	148.4
PERCENTAGE CHANGE.....	-0.23	0.41	0.64	1.03	2.63	2.49	2.80	0.78	0.93	1.05
TRANS, COMM, PUB UTIL.....	180.8	183.0	186.7	190.7	195.7	201.1	207.6	213.3	218.8	222.8
PERCENTAGE CHANGE.....	1.71	1.18	2.07	2.12	2.60	2.78	3.22	2.77	2.57	1.82
GOVERNMENT.....	401.2	404.7	410.5	416.5	422.5	426.7	434.1	440.0	447.3	458.0
PERCENTAGE CHANGE.....	0.48	0.88	1.42	1.47	1.43	1.01	1.74	1.34	1.67	2.40
FEDERAL, CIVILIAN.....	54.4	54.9	55.3	55.6	55.9	56.2	56.5	56.8	57.1	57.4
PERCENTAGE CHANGE.....	-0.92	0.90	0.61	0.60	0.58	0.56	0.55	0.53	0.52	0.51
STATE AND LOCAL.....	346.8	349.8	355.2	360.9	366.6	370.5	377.6	383.1	390.2	400.6
PERCENTAGE CHANGE.....	0.70	0.88	1.55	1.60	1.56	1.08	1.92	1.46	1.84	2.67
FARM.....	11.0	10.8	10.5	10.3	10.0	9.8	9.6	9.4	9.2	9.0
PERCENTAGE CHANGE.....	-7.15	-1.64	-2.94	-2.48	-2.06	-2.23	-2.45	-1.66	-2.82	-1.81

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 6: TENNESSEE DURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL DURABLE GOODS.....	288.0	277.1	281.4	286.4	291.8	297.1	302.9	308.6	313.3	318.4
PERCENTAGE CHANGE.....	-4.58	-3.80	1.57	1.79	1.87	1.81	1.97	1.86	1.54	1.63
LUMBER AND WOOD.....	23.1	23.7	24.4	25.5	26.4	27.5	28.8	29.5	29.9	30.4
PERCENTAGE CHANGE.....	-3.60	2.53	2.85	4.75	3.21	4.49	4.41	2.72	1.27	1.71
FURNITURE AND FIXTURES.....	24.7	23.6	23.9	25.2	26.5	28.0	29.3	29.9	31.0	31.8
PERCENTAGE CHANGE.....	-9.20	-4.50	1.13	5.74	4.98	5.57	4.70	2.26	3.60	2.48
STONE, CLAY AND GLASS.....	16.8	16.3	16.7	17.0	17.4	17.6	17.9	18.2	18.4	18.6
PERCENTAGE CHANGE.....	-0.88	-3.33	2.51	2.22	2.14	1.31	1.30	1.94	1.07	1.29
PRIMARY METALS.....	16.6	16.1	16.3	16.5	16.6	16.8	17.0	17.3	17.5	17.7
PERCENTAGE CHANGE.....	-6.47	-3.14	1.22	1.09	0.72	1.68	1.14	1.63	0.89	1.46
FABRICATED METALS.....	45.4	43.4	44.6	45.9	46.7	47.5	48.2	48.9	49.7	50.6
PERCENTAGE CHANGE.....	-4.18	-4.36	2.68	3.04	1.65	1.75	1.57	1.35	1.69	1.71
NONELECTRICAL MACHINERY.....	49.0	47.1	47.2	47.2	47.5	47.6	47.7	48.1	48.4	48.9
PERCENTAGE CHANGE.....	-5.12	-3.68	0.06	0.06	0.71	0.19	0.08	0.89	0.65	1.06
ELECTRICAL MACHINERY.....	37.7	35.4	35.8	35.3	35.6	35.9	36.6	37.8	38.1	38.5
PERCENTAGE CHANGE.....	-6.51	-6.08	1.18	-1.49	0.80	0.79	2.03	3.25	0.70	1.22
TRANSPORTATION EQUIPMENT.....	53.8	50.5	51.5	52.5	53.4	54.5	55.6	56.7	58.1	59.4
PERCENTAGE CHANGE.....	-2.70	-6.08	2.10	1.77	1.86	1.94	2.05	2.07	2.45	2.23
INSTRUMENTS.....	10.7	10.8	11.0	11.1	11.3	11.5	11.7	11.9	12.1	12.3
PERCENTAGE CHANGE.....	-0.65	1.19	1.45	1.48	1.52	1.56	1.59	1.63	1.67	1.71
MISCELLANEOUS.....	10.3	10.2	10.1	10.2	10.4	10.1	10.2	10.2	10.1	10.1
PERCENTAGE CHANGE.....	-3.33	-1.09	-0.35	0.37	2.69	-2.80	0.82	-0.31	-0.50	0.06

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 7: TENNESSEE NONDURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONDURABLE GOODS.....	200.7	196.0	192.0	189.7	186.9	184.5	182.5	181.5	180.1	178.7
PERCENTAGE CHANGE.....	-2.82	-2.35	-2.03	-1.22	-1.49	-1.26	-1.11	-0.56	-0.74	-0.80
FOOD.....	40.4	40.6	40.7	40.8	40.9	41.0	41.1	41.3	41.4	41.5
PERCENTAGE CHANGE.....	2.18	0.50	0.30	0.29	0.28	0.28	0.27	0.26	0.25	0.25
TOBACCO.....	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
PERCENTAGE CHANGE.....	-3.08	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TEXTILES.....	14.4	12.9	12.0	11.4	10.7	10.0	9.3	8.7	8.1	7.4
PERCENTAGE CHANGE.....	-8.18	-10.11	-6.98	-5.30	-6.01	-6.28	-7.13	-6.42	-7.25	-7.78
APPAREL.....	19.5	17.8	16.6	15.7	14.7	13.7	12.7	11.7	10.9	10.2
PERCENTAGE CHANGE.....	-11.13	-8.63	-6.85	-5.64	-6.19	-6.89	-6.88	-7.92	-7.38	-6.09
PAPER.....	21.4	21.6	21.2	19.9	19.8	19.7	19.8	20.0	20.0	19.9
PERCENTAGE CHANGE.....	-1.18	0.53	-1.77	-6.08	-0.28	-0.60	0.42	1.03	-0.03	-0.39
PRINTING AND PUBLISHING.....	37.9	37.9	37.6	38.0	37.6	37.6	37.6	37.6	37.6	37.5
PERCENTAGE CHANGE.....	-1.34	0.07	-0.76	1.02	-1.07	0.09	-0.02	-0.11	-0.04	-0.07
CHEMICALS.....	28.1	26.5	26.0	25.9	25.5	25.5	25.5	25.5	25.5	25.5
PERCENTAGE CHANGE.....	-1.54	-5.76	-1.70	-0.49	-1.48	-0.10	0.02	-0.13	0.01	-0.04
PETROLEUM REFINING.....	1.3	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4
PERCENTAGE CHANGE.....	3.46	-3.34	0.30	5.01	2.99	1.84	0.59	-0.44	-0.03	0.12
RUBBER AND PLASTICS.....	33.9	34.0	33.4	33.8	33.5	32.9	32.3	32.7	32.8	32.6
PERCENTAGE CHANGE.....	-4.53	0.35	-1.72	1.29	-1.08	-1.76	-1.58	1.14	0.12	-0.54
LEATHER.....	2.9	2.5	2.2	1.9	1.8	1.6	1.6	1.6	1.6	1.6
PERCENTAGE CHANGE.....	-5.27	-13.71	-11.03	-15.76	-5.73	-6.47	-3.95	-1.01	2.15	2.36

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TABLE 8: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 1996 DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONAGRICULTURAL.....	29208	29727	30102	30490	30843	31174	31534	31850	32226	32642
PERCENTAGE CHANGE.....	1.69	1.78	1.26	1.29	1.16	1.07	1.16	1.00	1.18	1.29
MINING.....	41210	44026	44798	45588	46272	46948	47385	47797	48421	49300
PERCENTAGE CHANGE.....	1.52	6.83	1.75	1.76	1.50	1.46	0.93	0.87	1.31	1.81
CONSTRUCTION.....	31268	32106	32753	33321	33814	34247	34844	35479	36124	36794
PERCENTAGE CHANGE.....	-3.05	2.68	2.02	1.73	1.48	1.28	1.74	1.82	1.82	1.85
MANUFACTURING.....	34631	35542	35785	36374	37166	37805	38453	39088	39357	39644
PERCENTAGE CHANGE.....	3.75	2.63	0.68	1.65	2.18	1.72	1.71	1.65	0.69	0.73
DURABLE GOODS.....	34866	36311	37476	38373	38954	39354	39784	40487	40629	40760
PERCENTAGE CHANGE.....	3.23	4.14	3.21	2.39	1.52	1.03	1.09	1.77	0.35	0.32
NONDURABLE GOODS.....	34293	34456	33307	33357	34375	35310	36243	36710	37145	37654
PERCENTAGE CHANGE.....	4.56	0.48	-3.33	0.15	3.05	2.72	2.64	1.29	1.18	1.37
TRADE.....	22416	22747	23170	23196	23338	23501	23722	23902	24201	24601
PERCENTAGE CHANGE.....	1.53	1.47	1.86	0.11	0.62	0.70	0.94	0.76	1.25	1.65
SERVICES.....	28303	28742	29336	30255	30576	30931	31348	31703	32275	32975
PERCENTAGE CHANGE.....	3.11	1.55	2.07	3.13	1.06	1.16	1.35	1.13	1.80	2.17
FIN,INS,REAL EST.....	41213	42808	43399	43497	43996	44546	45053	45267	45787	45394
PERCENTAGE CHANGE.....	0.64	3.87	1.38	0.22	1.15	1.25	1.14	0.48	1.15	-0.86
TRANS,COMM,PUB UTIL.....	35401	35304	34893	34752	35518	35746	35824	35853	35983	36184
PERCENTAGE CHANGE.....	-2.09	-0.27	-1.16	-0.40	2.20	0.64	0.22	0.08	0.36	0.56
GOVERNMENT.....	27941	28610	29019	29367	29715	30046	30403	30814	31206	31578
PERCENTAGE CHANGE.....	2.24	2.40	1.43	1.20	1.19	1.11	1.19	1.35	1.27	1.19
FEDERAL,CIVILIAN.....	44671	45627	46092	46618	47172	47738	47713	47868	48105	48505
PERCENTAGE CHANGE.....	6.80	2.14	1.02	1.14	1.19	1.20	-0.05	0.33	0.49	0.83
STATE AND LOCAL.....	25314	25938	26363	26710	27052	27361	27811	28284	28732	29152
PERCENTAGE CHANGE.....	1.19	2.46	1.64	1.32	1.28	1.14	1.65	1.70	1.58	1.46
AGRICULTURE.....	11736	11961	12252	12484	12660	12867	13117	13416	13746	14103
PERCENTAGE CHANGE.....	15.32	1.92	2.43	1.89	1.40	1.64	1.94	2.28	2.46	2.60

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TABLE 9: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 CURRENT DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONAGRICULTURAL.....	32014	33054	34219	35517	36813	38155	39350	40452	41665	42972
PERCENTAGE CHANGE.....	3.66	3.25	3.52	3.79	3.65	3.64	3.13	2.80	3.00	3.14
MINING.....	45168	48953	50924	53104	55229	57461	59130	60706	62603	64901
PERCENTAGE CHANGE.....	3.48	8.38	4.03	4.28	4.00	4.04	2.90	2.66	3.13	3.67
CONSTRUCTION.....	34272	35698	37232	38814	40359	41916	43481	45061	46705	48438
PERCENTAGE CHANGE.....	-1.17	4.16	4.30	4.25	3.98	3.86	3.73	3.63	3.65	3.71
MANUFACTURING.....	37957	39520	40679	42371	44360	46270	47984	49645	50884	52190
PERCENTAGE CHANGE.....	5.76	4.12	2.93	4.16	4.69	4.31	3.70	3.46	2.50	2.57
DURABLE GOODS.....	38215	40374	42600	44699	46494	48167	49645	51422	52529	53660
PERCENTAGE CHANGE.....	5.23	5.65	5.51	4.93	4.02	3.60	3.07	3.58	2.15	2.15
NONDURABLE GOODS.....	37587	38312	37862	38857	41028	43217	45226	46624	48024	49570
PERCENTAGE CHANGE.....	6.58	1.93	-1.17	2.63	5.59	5.34	4.65	3.09	3.00	3.22
TRADE.....	24570	25292	26339	27020	27856	28763	29601	30357	31289	32386
PERCENTAGE CHANGE.....	3.49	2.94	4.14	2.59	3.09	3.26	2.91	2.55	3.07	3.51
SERVICES.....	31022	31958	33348	35243	36495	37858	39118	40266	41728	43410
PERCENTAGE CHANGE.....	5.10	3.02	4.35	5.69	3.55	3.74	3.33	2.93	3.63	4.03
FIN, INS, REAL EST.....	45171	47599	49334	50668	52511	54522	56220	57493	59197	59760
PERCENTAGE CHANGE.....	2.59	5.37	3.65	2.70	3.64	3.83	3.11	2.26	2.96	0.95
TRANS, COMM, PUB UTIL.....	38801	39254	39665	40482	42393	43751	44703	45536	46521	47635
PERCENTAGE CHANGE.....	-0.19	1.17	1.05	2.06	4.72	3.20	2.18	1.86	2.16	2.39
GOVERNMENT.....	30624	31811	32988	34209	35467	36774	37939	39136	40346	41572
PERCENTAGE CHANGE.....	4.22	3.88	3.70	3.70	3.68	3.69	3.17	3.16	3.09	3.04
FEDERAL, CIVILIAN.....	48962	50732	52396	54303	56302	58429	59539	60797	62195	63856
PERCENTAGE CHANGE.....	8.88	3.62	3.28	3.64	3.68	3.78	1.90	2.11	2.30	2.67
STATE AND LOCAL.....	27746	28841	29968	31114	32289	33488	34705	35923	37147	38378
PERCENTAGE CHANGE.....	3.15	3.95	3.91	3.82	3.78	3.72	3.63	3.51	3.41	3.31
AGRICULTURE.....	12863	13300	13928	14543	15110	15749	16368	17040	17772	18566
PERCENTAGE CHANGE.....	17.49	3.39	4.72	4.41	3.90	4.23	3.93	4.11	4.30	4.47

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 10: TENNESSEE CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATE

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIVILIAN LABOR FORCE (THOUS)	2856	2881	2897	2923	2956	2993	3033	3075	3121	3167
PERCENTAGE CHANGE	2.07	0.85	0.55	0.92	1.11	1.27	1.32	1.39	1.50	1.48
EMPLOYED PERSONS (THOUS)	2734	2721	2749	2785	2826	2866	2911	2955	3000	3046
PERCENTAGE CHANGE	1.72	-0.50	1.03	1.30	1.47	1.44	1.57	1.51	1.52	1.53
UNEMPLOYED PERSONS (THOUS)	122	160	148	139	130	127	122	120	121	122
PERCENTAGE CHANGE	10.59	31.33	-7.66	-6.12	-6.16	-2.38	-4.17	-1.47	0.97	0.38
PARTICIPATION RATE (PERCENT)	62.7	62.6	62.3	62.1	62.2	62.3	62.4	62.6	62.9	63.1
PERCENTAGE CHANGE	0.97	-0.23	-0.53	-0.17	0.02	0.19	0.23	0.30	0.41	0.39
UNEMPLOYMENT RATE (PERCENT)	4.3	5.6	5.1	4.7	4.4	4.2	4.0	3.9	3.9	3.8

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 11: TENNESSEE TAXABLE SALES
 MILLIONS OF 1996 DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL.....	67964	67354	68065	70731	72568	74500	77137	79901	82434	85113
PERCENTAGE CHANGE.....	-2.04	-0.90	1.06	3.92	2.60	2.66	3.54	3.58	3.17	3.25
AUTO DEALERS.....	7562	7341	7580	8512	8774	8971	9206	9667	9999	10404
PERCENTAGE CHANGE.....	-3.04	-2.92	3.25	12.30	3.09	2.24	2.62	5.01	3.43	4.05
PURCHASES FROM MANUFACTURERS.....	3626	3143	3001	3086	3084	3061	3102	3189	3338	3500
PERCENTAGE CHANGE.....	-7.12	-13.33	-4.51	2.82	-0.06	-0.75	1.33	2.81	4.68	4.85
MISC DURABLE GOODS.....	11189	10946	10751	10797	11062	11334	11711	12153	12575	13000
PERCENTAGE CHANGE.....	-7.31	-2.17	-1.79	0.43	2.46	2.46	3.32	3.77	3.48	3.37
EATING AND DRINKING PLACES.....	5843	5950	6072	6236	6460	6685	6959	7266	7581	7896
PERCENTAGE CHANGE.....	1.28	1.83	2.04	2.71	3.58	3.48	4.10	4.41	4.34	4.16
FOOD STORES.....	7395	7258	7186	7152	7184	7209	7275	7361	7450	7526
PERCENTAGE CHANGE.....	-2.24	-1.85	-1.00	-0.47	0.45	0.35	0.92	1.18	1.20	1.02
LIQUOR STORES.....	361	352	347	343	341	338	337	337	337	337
PERCENTAGE CHANGE.....	0.86	-2.28	-1.49	-1.24	-0.70	-0.79	-0.21	0.01	0.01	-0.11
HOTELS AND MOTELS.....	1631	1620	1627	1628	1627	1622	1625	1629	1631	1631
PERCENTAGE CHANGE.....	-3.95	-0.70	0.43	0.06	-0.07	-0.28	0.18	0.24	0.12	-0.01
OTHER RETAIL AND SERVICE.....	19608	19734	20394	21609	22422	23552	24721	25704	26618	27613
PERCENTAGE CHANGE.....	-1.80	0.64	3.34	5.96	3.76	5.04	4.97	3.97	3.56	3.74
MISC NONDURABLE GOODS.....	5837	5880	5870	6005	6151	6276	6650	6944	7161	7378
PERCENTAGE CHANGE.....	-0.89	0.74	-0.17	2.31	2.43	2.02	5.96	4.43	3.11	3.03
TRANSPORTATION, COMMUNICATION.....	4911	5129	5239	5364	5463	5453	5550	5650	5743	5829
PERCENTAGE CHANGE.....	12.74	4.44	2.14	2.38	1.85	-0.20	1.78	1.81	1.65	1.48
PER CAPITA TOTAL TAXABLE SALES (\$)..	11782	11550	11544	11866	12042	12229	12523	12831	13094	13372
PERCENTAGE CHANGE.....	-3.10	-1.98	-0.04	2.79	1.48	1.55	2.41	2.46	2.05	2.13

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 12: TENNESSEE TAXABLE SALES
 MILLIONS OF CURRENT DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL.....	74492	74892	77373	82392	86614	91184	96256	101480	106578	112049
PERCENTAGE CHANGE.....	-0.14	0.54	3.31	6.49	5.12	5.28	5.56	5.43	5.02	5.13
AUTO DEALERS.....	8289	8163	8616	9915	10473	10980	11488	12278	12927	13696
PERCENTAGE CHANGE.....	-1.16	-1.52	5.55	15.07	5.63	4.84	4.63	6.88	5.28	5.95
PURCHASES FROM MANUFACTURERS.....	3975	3495	3412	3595	3681	3747	3871	4050	4316	4608
PERCENTAGE CHANGE.....	-5.31	-12.08	-2.37	5.36	2.41	1.78	3.31	4.64	6.56	6.76
MISC DURABLE GOODS.....	12263	12171	12221	12577	13203	13872	14614	15435	16259	17114
PERCENTAGE CHANGE.....	-5.52	-0.75	0.41	2.91	4.98	5.07	5.34	5.62	5.34	5.26
EATING AND DRINKING PLACES.....	6405	6616	6902	7265	7710	8181	8684	9228	9802	10395
PERCENTAGE CHANGE.....	3.24	3.30	4.32	5.25	6.13	6.11	6.14	6.27	6.22	6.06
FOOD STORES.....	8106	8071	8168	8331	8574	8823	9079	9350	9632	9908
PERCENTAGE CHANGE.....	-0.34	-0.43	1.21	1.99	2.92	2.90	2.89	2.98	3.02	2.86
LIQUOR STORES.....	395	392	395	399	406	414	421	428	436	443
PERCENTAGE CHANGE.....	2.82	-0.86	0.72	1.20	1.75	1.74	1.74	1.79	1.81	1.71
HOTELS AND MOTELS.....	1788	1801	1849	1896	1941	1985	2028	2069	2108	2147
PERCENTAGE CHANGE.....	-2.09	0.73	2.68	2.53	2.39	2.26	2.14	2.02	1.91	1.81
OTHER RETAIL AND SERVICE.....	21491	21943	23183	25172	26762	28826	30849	32646	34414	36352
PERCENTAGE CHANGE.....	0.11	2.10	5.65	8.58	6.32	7.71	7.02	5.83	5.42	5.63
MISC NONDURABLE GOODS.....	6397	6538	6672	6995	7342	7681	8298	8820	9258	9713
PERCENTAGE CHANGE.....	1.04	2.19	2.06	4.84	4.96	4.62	8.03	6.29	4.96	4.91
TRANSPORTATION COMMUNICATION.....	5383	5703	5956	6248	6521	6674	6925	7176	7426	7673
PERCENTAGE CHANGE.....	14.92	5.96	4.42	4.92	4.36	2.34	3.77	3.62	3.48	3.34
PER CAPITA TOTAL TAXABLE SALES (\$)...	12914	12842	13123	13822	14373	14967	15627	16296	16929	17604
PERCENTAGE CHANGE.....	-1.22	-0.56	2.19	5.33	3.98	4.14	4.41	4.28	3.88	3.99

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 13: TENNESSEE GROSS STATE PRODUCT BY SECTOR
 MILLIONS OF 1996 DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
GROSS STATE PRODUCT.....	171934.9	174090.1	178958.5	185439.8	192782.8	199851.9	207419.5	215025.8	223101.2	231420.1
PERCENTAGE CHANGE.....	1.42	1.25	2.80	3.62	3.96	3.67	3.79	3.67	3.76	3.73
MINING.....	539.7	566.5	615.4	666.5	723.7	780.8	839.0	896.2	954.0	1012.4
PERCENTAGE CHANGE.....	2.23	4.96	8.63	8.30	8.59	7.88	7.46	6.82	6.45	6.12
CONSTRUCTION.....	6746.5	6584.6	6634.9	6859.0	7093.9	7329.7	7575.0	7879.7	8170.6	8496.7
PERCENTAGE CHANGE.....	1.66	-2.40	0.76	3.38	3.42	3.32	3.35	4.02	3.69	3.99
MANUFACTURING.....	36696.6	36470.8	37626.0	39015.6	40525.9	42129.1	43823.7	45614.1	47354.9	49260.8
PERCENTAGE CHANGE.....	-1.42	-0.62	3.17	3.69	3.87	3.96	4.02	4.09	3.82	4.02
DURABLE GOODS.....	23552.2	23475.5	24687.7	25985.4	27388.3	28881.2	30490.5	32158.1	33788.2	35553.1
PERCENTAGE CHANGE.....	-1.53	-0.33	5.16	5.26	5.40	5.45	5.57	5.47	5.07	5.22
NONDURABLE GOODS.....	13144.4	12995.3	12938.3	13030.2	13137.6	13247.9	13333.2	13455.9	13566.7	13707.7
PERCENTAGE CHANGE.....	-1.22	-1.13	-0.44	0.71	0.82	0.84	0.64	0.92	0.82	1.04
TRADE.....	35453.3	36364.1	37365.0	39008.8	40850.7	42278.7	44044.7	45797.0	47490.6	48882.3
PERCENTAGE CHANGE.....	2.33	2.57	2.75	4.40	4.72	3.50	4.18	3.98	3.70	2.93
SERVICES.....	33156.7	33247.3	33931.6	35174.8	36393.3	37676.8	39241.5	40746.8	42370.2	44320.4
PERCENTAGE CHANGE.....	1.66	0.27	2.06	3.66	3.46	3.53	4.15	3.84	3.98	4.60
FINANCE, INSURANCE AND REAL ESTATE.....	24095.9	24711.3	25525.8	26336.2	27636.0	28908.4	30095.9	30745.5	31729.0	32822.1
PERCENTAGE CHANGE.....	1.12	2.55	3.30	3.17	4.94	4.60	4.11	2.16	3.20	3.45
TRANS., COMM., AND PUBLIC UTIL.....	14243.2	14585.7	15097.2	15646.1	16271.0	16971.3	17479.3	18349.1	19357.2	20149.1
PERCENTAGE CHANGE.....	4.79	2.40	3.51	3.64	3.99	4.30	2.99	4.98	5.49	4.09
GOVERNMENT.....	19071.2	19541.0	20057.2	20548.6	21025.9	21430.3	21890.8	22465.4	23046.1	23729.0
PERCENTAGE CHANGE.....	2.03	2.46	2.64	2.45	2.32	1.92	2.15	2.62	2.58	2.96
FEDERAL CIVILIAN.....	5478.9	5666.9	5842.5	6009.8	6184.5	6365.1	6490.9	6600.2	6706.2	6813.5
PERCENTAGE CHANGE.....	0.87	3.43	3.10	2.86	2.91	2.92	1.98	1.68	1.61	1.60
FEDERAL MILITARY.....	678.9	688.7	703.2	717.4	732.7	749.2	766.7	785.7	804.2	825.2
PERCENTAGE CHANGE.....	4.85	1.44	2.10	2.03	2.13	2.24	2.34	2.48	2.35	2.62
STATE AND LOCAL.....	12913.4	13185.4	13511.5	13821.4	14108.7	14316.1	14633.2	15079.5	15535.7	16090.3
PERCENTAGE CHANGE.....	2.38	2.11	2.47	2.29	2.08	1.47	2.22	3.05	3.03	3.57
AGRICULTURE.....	1931.7	2018.7	2105.4	2184.2	2262.4	2346.8	2429.6	2532.0	2628.6	2747.4
PERCENTAGE CHANGE.....	9.74	4.50	4.29	3.74	3.58	3.73	3.52	4.22	3.81	4.52
FARM.....	1182.7	1217.2	1248.1	1267.2	1281.2	1296.5	1304.6	1327.1	1337.4	1363.9
PERCENTAGE CHANGE.....	11.50	2.92	2.54	1.53	1.10	1.20	0.63	1.73	0.77	1.98
AG SERVICES, FORESTRY, FISHERIES.....	749.0	801.5	857.3	917.0	981.3	1050.3	1124.9	1204.9	1291.2	1383.5
PERCENTAGE CHANGE.....	7.08	7.01	6.96	6.97	7.01	7.04	7.10	7.10	7.16	7.15
PER CAPITA GROSS STATE PRODUCT (\$)	29807.0	29852.1	30353.1	31109.9	31989.9	32803.9	33674.8	34530.0	35436.9	36358.4
PERCENTAGE CHANGE.....	0.32	0.15	1.68	2.49	2.83	2.54	2.65	2.54	2.63	2.60

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 14: TENNESSEE DURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF 1996 DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL DURABLE GOODS.....	23952.2	23475.5	24687.7	25985.4	27388.3	28881.2	30490.5	32158.1	33788.2	35553.1
PERCENTAGE CHANGE.....	-1.53	-0.33	5.16	5.26	5.40	5.45	5.57	5.47	5.07	5.22
LUMBER AND WOOD PRODUCTS.....	1154.5	1226.5	1297.8	1391.9	1438.7	1509.3	1598.1	1671.4	1722.6	1783.3
PERCENTAGE CHANGE.....	0.97	6.24	5.81	7.25	3.37	4.91	5.88	4.59	3.07	3.53
FURNITURE AND FIXTURES.....	1165.9	1162.5	1217.8	1329.4	1415.3	1516.9	1629.0	1704.6	1781.2	1841.4
PERCENTAGE CHANGE.....	-5.34	-0.29	4.75	9.16	6.47	7.18	7.39	4.64	4.50	3.38
STONE, CLAY AND GLASS.....	1405.5	1398.0	1474.1	1549.1	1645.2	1713.0	1784.3	1887.1	1980.1	2014.2
PERCENTAGE CHANGE.....	1.83	-0.54	5.44	5.09	6.20	4.12	4.16	5.76	4.93	1.72
PRIMARY METALS.....	2074.9	2148.3	2211.7	2300.9	2384.9	2489.1	2592.2	2714.3	2821.4	2949.5
PERCENTAGE CHANGE.....	0.23	3.54	2.95	4.03	3.65	4.37	4.14	4.71	3.95	4.54
FABRICATED METAL PRODUCTS.....	3139.5	3093.0	3260.7	3413.8	3523.6	3648.0	3795.6	3930.8	4083.9	4161.9
PERCENTAGE CHANGE.....	0.49	-1.48	5.42	4.69	3.22	3.53	4.05	3.56	3.90	1.91
NONELECTRICAL MACHINERY.....	4320.1	4199.2	4343.8	4538.9	4764.8	5038.7	5203.9	5267.6	5370.4	5544.0
PERCENTAGE CHANGE.....	-6.22	-2.80	3.44	4.49	4.98	5.75	3.28	1.22	1.95	3.23
ELECTRICAL MACHINERY.....	3941.3	4153.5	4435.4	4687.9	5092.5	5512.6	6052.0	6773.1	7418.3	8217.0
PERCENTAGE CHANGE.....	4.44	5.38	6.79	5.69	8.63	8.25	9.78	11.92	9.53	10.77
TRANSPORTATION EQUIPMENT.....	5403.6	5133.9	5439.4	5723.1	6014.4	6328.8	6651.4	6958.0	7315.8	7707.3
PERCENTAGE CHANGE.....	-3.11	-4.99	5.95	5.22	5.09	5.23	5.10	4.61	5.14	5.35
INSTRUMENTS.....	411.6	451.8	499.1	537.9	579.5	618.5	664.9	708.0	736.1	763.8
PERCENTAGE CHANGE.....	7.78	9.78	10.46	7.78	7.73	6.74	7.50	6.49	3.96	3.77
MISCELLANEOUS DURABLE GOODS.....	535.4	508.8	507.9	512.5	529.3	506.3	519.1	543.3	558.3	570.8
PERCENTAGE CHANGE.....	-14.82	-4.97	-0.16	0.90	3.27	-4.34	2.53	4.67	2.75	2.24

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 15: TENNESSEE NONDURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF 1996 DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONDURABLE GOODS.....	13144.4	12995.3	12938.3	13030.2	13137.6	13247.9	13333.2	13455.9	13566.7	13707.7
PERCENTAGE CHANGE.....	-1.22	-1.13	-0.44	0.71	0.82	0.84	0.64	0.92	0.82	1.04
FOOD.....	3256.0	3320.4	3376.1	3433.8	3500.6	3535.1	3545.4	3526.4	3517.6	3595.3
PERCENTAGE CHANGE.....	3.56	1.98	1.68	1.71	1.94	0.98	0.29	-0.53	-0.25	2.21
TOBACCO.....	144.2	149.2	155.4	160.7	165.4	170.8	180.1	190.6	201.1	211.6
PERCENTAGE CHANGE.....	0.92	3.46	4.13	3.43	2.94	3.21	5.49	5.80	5.54	5.20
TEXTILES.....	642.6	591.3	565.8	549.1	529.3	488.5	450.8	414.9	379.0	362.5
PERCENTAGE CHANGE.....	-4.83	-7.98	-4.31	-2.94	-3.62	-7.71	-7.72	-7.96	-8.66	-4.35
APPAREL.....	470.6	402.5	357.0	321.3	294.5	271.6	249.7	219.6	195.4	183.5
PERCENTAGE CHANGE.....	-18.08	-14.48	-11.30	-9.99	-8.34	-7.77	-8.08	-12.07	-10.99	-6.11
PAPER.....	1537.5	1560.4	1547.6	1467.1	1488.9	1494.0	1515.6	1547.3	1576.8	1570.6
PERCENTAGE CHANGE.....	-0.25	1.49	-0.82	-5.20	1.49	0.34	1.44	2.09	1.90	-0.39
PRINTING AND PUBLISHING.....	1359.3	1388.4	1444.8	1532.5	1600.0	1686.8	1781.0	1860.5	1924.3	1989.9
PERCENTAGE CHANGE.....	-3.78	2.14	4.07	6.07	4.40	5.42	5.58	4.46	3.43	3.41
CHEMICALS.....	3561.8	3373.1	3272.9	3266.5	3217.0	3231.9	3214.2	3215.5	3217.2	3215.5
PERCENTAGE CHANGE.....	-1.06	-5.30	-2.97	-0.20	-1.52	0.46	-0.55	0.04	0.05	-0.05
PETROLEUM REFINING.....	249.8	242.5	244.5	258.0	267.3	273.7	276.7	276.4	278.8	279.1
PERCENTAGE CHANGE.....	4.00	-2.92	0.81	5.55	3.60	2.38	1.12	-0.11	0.86	0.12
RUBBER AND PLASTICS.....	1842.9	1897.1	1908.9	1984.0	2019.1	2042.3	2067.1	2151.3	2220.5	2241.8
PERCENTAGE CHANGE.....	-2.37	2.94	0.62	3.93	1.77	1.15	1.21	4.08	3.21	0.96
LEATHER.....	79.6	70.3	65.3	57.1	55.4	53.3	52.7	53.4	56.1	57.9
PERCENTAGE CHANGE.....	-9.35	-11.78	-7.11	-12.56	-2.89	-3.85	-1.08	1.40	4.94	3.18

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 16: TENNESSEE GROSS STATE PRODUCT BY SECTOR
 MILLIONS OF CURRENT DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
GROSS STATE PRODUCT.....	186944	193002	202644	214832	228416	242304	256557	271041	286733	303629
PERCENTAGE CHANGE.....	3.61	3.24	5.00	6.01	6.32	6.08	5.88	5.65	5.79	5.89
MINING.....	566	601	657	715	779	843	907	970	1034	1098
PERCENTAGE CHANGE.....	4.19	6.18	9.42	8.81	8.94	8.13	7.64	6.96	6.56	6.21
CONSTRUCTION.....	8645	8772	9176	9871	10629	11439	12269	13258	14297	15477
PERCENTAGE CHANGE.....	5.77	1.47	4.61	7.57	7.68	7.62	7.25	8.06	7.83	8.25
MANUFACTURING.....	35527	35571	37160	39173	41262	43477	45783	48105	50435	52892
PERCENTAGE CHANGE.....	-1.77	0.12	4.47	5.42	5.33	5.37	5.30	5.07	4.84	4.87
DURABLE GOODS.....	21475	21457	22769	24283	25852	27526	29287	30991	32688	34442
PERCENTAGE CHANGE.....	-2.03	-0.09	6.11	6.65	6.46	6.47	6.40	5.82	5.47	5.37
NONDURABLE GOODS.....	14052	14114	14392	14890	15410	15951	16496	17114	17747	18450
PERCENTAGE CHANGE.....	-1.36	0.44	1.97	3.46	3.49	3.51	3.42	3.75	3.70	3.96
TRADE.....	34191	35111	36131	37789	39645	41112	42874	44616	46307	47716
PERCENTAGE CHANGE.....	2.49	2.69	2.91	4.59	4.91	3.70	4.28	4.06	3.79	3.04
SERVICES.....	40201	41832	44367	47815	51422	55344	59767	64347	69379	75248
PERCENTAGE CHANGE.....	5.66	4.06	6.06	7.77	7.54	7.63	7.99	7.66	7.82	8.46
FINANCE, INSURANCE AND REAL ESTATE.....	27561	29013	30750	32564	35082	37693	40221	42019	44269	46706
PERCENTAGE CHANGE.....	3.95	5.27	5.99	5.90	7.73	7.44	6.71	4.47	5.35	5.50
TRANS., COMM., AND PUBLIC UTIL.....	16172	16627	17344	18160	19095	20152	20904	22142	23604	24862
PERCENTAGE CHANGE.....	8.46	2.81	4.31	4.70	5.15	5.53	3.73	5.92	6.60	5.33
GOVERNMENT.....	22346	23655	25152	26758	28431	30085	31583	33225	34943	37034
PERCENTAGE CHANGE.....	5.69	5.86	6.33	6.38	6.25	5.82	4.98	5.20	5.17	5.99
FEDERAL CIVILIAN.....	6215	6590	6965	7353	7761	8188	8555	8907	9256	9614
PERCENTAGE CHANGE.....	3.70	6.03	5.69	5.57	5.55	5.50	4.47	4.11	3.92	3.86
FEDERAL MILITARY.....	776	812	854	896	941	989	1038	1091	1145	1203
PERCENTAGE CHANGE.....	8.25	4.61	5.17	5.00	5.01	5.03	5.04	5.10	4.87	5.07
STATE AND LOCAL.....	15355	16254	17333	18508	19729	20908	21990	23226	24542	26218
PERCENTAGE CHANGE.....	6.39	5.85	6.64	6.78	6.60	5.98	5.18	5.62	5.66	6.83
AGRICULTURE.....	1736	1820	1905	1988	2070	2158	2249	2358	2467	2596
PERCENTAGE CHANGE.....	9.83	4.86	4.67	4.34	4.16	4.23	4.22	4.86	4.61	5.24
FARM.....	890	917	940	955	966	977	983	1000	1008	1028
PERCENTAGE CHANGE.....	11.61	2.96	2.58	1.57	1.11	1.19	0.62	1.73	0.78	2.00
AG SERVICES, FORESTRY, FISHERIES.....	845	903	965	1033	1105	1181	1266	1358	1459	1568
PERCENTAGE CHANGE.....	8.02	6.85	6.79	7.05	6.97	6.89	7.20	7.29	7.42	7.48
PER CAPITA GROSS STATE PRODUCT (\$)...	32409	33095	34370	36041	37903	39772	41652	43525	45544	47703
PERCENTAGE CHANGE.....	2.48	2.12	3.85	4.86	5.17	4.93	4.73	4.50	4.64	4.74

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TABLE 17: TENNESSEE DURABLE GOODS MANUFACTURING GROSS PRODUCT
MILLIONS OF CURRENT DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL DURABLE GOODS.....	21475	21457	22769	24283	25852	27526	29287	30991	32688	34442
PERCENTAGE CHANGE.....	-2.03	-0.09	6.11	6.65	6.46	6.47	6.40	5.82	5.47	5.37
LUMBER AND WOOD PRODUCTS.....	1346	1483	1628	1810	1939	2108	2312	2505	2673	2865
PERCENTAGE CHANGE.....	4.76	10.20	9.73	11.19	7.14	8.71	9.69	8.33	6.73	7.18
FURNITURE AND FIXTURES.....	1286	1280	1335	1450	1533	1629	1735	1796	1855	1891
PERCENTAGE CHANGE.....	-5.27	-0.50	4.34	8.56	5.73	6.31	6.46	3.56	3.23	1.94
STONE, CLAY AND GLASS.....	1408	1381	1448	1519	1613	1680	1754	1842	1906	1905
PERCENTAGE CHANGE.....	-1.19	-1.93	4.85	4.90	6.17	4.16	4.43	4.99	3.50	-0.09
PRIMARY METALS.....	1943	2045	2138	2258	2375	2514	2653	2814	2961	3132
PERCENTAGE CHANGE.....	1.96	5.25	4.58	5.62	5.17	5.83	5.54	6.06	5.23	5.78
FABRICATED METAL PRODUCTS.....	3580	3558	3816	4075	4289	4532	4783	5015	5276	5446
PERCENTAGE CHANGE.....	1.91	-0.61	7.25	6.78	5.26	5.67	5.54	4.85	5.21	3.22
NONELECTRICAL MACHINERY.....	3546	3649	3954	4288	4638	5022	5286	5432	5606	5843
PERCENTAGE CHANGE.....	0.14	2.91	8.36	8.45	8.15	8.29	5.25	2.77	3.19	4.23
ELECTRICAL MACHINERY.....	2396	2400	2436	2447	2526	2599	2713	2892	3028	3219
PERCENTAGE CHANGE.....	-0.75	0.18	1.50	0.44	3.23	2.89	4.39	6.63	4.69	6.30
TRANSPORTATION EQUIPMENT.....	4802	4416	4643	4935	5273	5645	6051	6466	6953	7497
PERCENTAGE CHANGE.....	-9.35	-8.04	5.14	6.29	6.85	7.06	7.18	6.87	7.53	7.83
INSTRUMENTS.....	572	667	785	901	1035	1179	1354	1541	1713	1902
PERCENTAGE CHANGE.....	14.56	16.76	17.57	14.83	14.87	13.92	14.81	13.81	11.19	11.06
MISCELLANEOUS DURABLE GOODS.....	597	577	585	600	632	618	647	688	717	743
PERCENTAGE CHANGE.....	-12.71	-3.26	1.36	2.62	5.33	-2.21	4.62	6.40	4.19	3.63

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TABLE 18: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF CURRENT DOLLARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONDURABLE GOODS.....	14052	14114	14392	14890	15410	15951	16496	17114	17747	18450
PERCENTAGE CHANGE.....	-1.36	0.44	1.97	3.46	3.49	3.51	3.42	3.75	3.70	3.96
FOOD.....	3313	3384	3474	3582	3708	3801	3860	3884	3918	4051
PERCENTAGE CHANGE.....	1.14	2.13	2.67	3.12	3.50	2.53	1.55	0.60	0.88	3.40
TOBACCO.....	361	363	374	389	408	432	472	520	573	633
PERCENTAGE CHANGE.....	-4.00	0.51	3.06	4.04	4.80	6.04	9.16	10.11	10.33	10.35
TEXTILES.....	722	669	643	628	608	564	522	483	443	425
PERCENTAGE CHANGE.....	-4.18	-7.44	-3.80	-2.45	-3.15	-7.28	-7.30	-7.57	-8.29	-3.97
APPAREL.....	473	388	334	296	269	248	227	199	176	163
PERCENTAGE CHANGE.....	-21.81	-18.05	-13.75	-11.38	-9.08	-8.16	-8.12	-12.42	-11.80	-7.33
PAPER.....	1632	1691	1712	1655	1713	1752	1810	1882	1952	1979
PERCENTAGE CHANGE.....	1.90	3.63	1.22	-3.30	3.48	2.27	3.35	3.96	3.73	1.35
PRINTING AND PUBLISHING.....	1772	1904	2092	2348	2594	2893	3234	3578	3922	4299
PERCENTAGE CHANGE.....	1.42	7.49	9.85	12.25	10.44	11.55	11.78	10.65	9.60	9.62
CHEMICALS.....	3455	3308	3303	3398	3428	3508	3548	3613	3685	3757
PERCENTAGE CHANGE.....	-3.42	-4.28	-0.14	2.89	0.88	2.33	1.14	1.84	2.00	1.96
PETROLEUM REFINING.....	271	282	302	334	359	380	394	402	414	423
PERCENTAGE CHANGE.....	17.01	4.38	6.82	10.66	7.65	5.71	3.73	2.09	2.89	2.09
RUBBER AND PLASTICS.....	1966	2048	2085	2193	2259	2311	2365	2489	2596	2649
PERCENTAGE CHANGE.....	-0.84	4.16	1.80	5.21	2.98	2.31	2.34	5.22	4.32	2.03
LEATHER.....	86	77	73	65	64	62	62	64	68	71
PERCENTAGE CHANGE.....	-8.12	-10.42	-5.64	-11.19	-1.40	-2.43	0.33	2.80	6.34	4.51

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS
 SEASONALLY ADJUSTED

	HISTORICAL - DATA										ANNUAL			
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000
US GDP (BIL96\$) SAAR.....	8733.5	8771.2	8871.5	9049.9	9102.5	9229.4	9260.1	9303.9	9334.5	9341.7	9333.4	8508.9	8856.5	9224.0
% CHG PREV QTR SAAR.....	3.06	1.74	4.65	8.29	2.34	5.69	1.34	1.91	1.32	0.31	-0.36	4.28	4.09	4.15
% CHG SAME QTR LAST YR.....	4.02	3.89	4.02	4.41	4.23	5.22	4.38	2.81	2.55	1.22	0.79	4.28	4.09	4.15
US GDP (BIL\$) SAAR.....	9093.1	9161.4	9297.4	9522.5	9668.7	9857.6	9937.5	10102.7	10102.7	10102.7	10102.7	8781.5	9268.6	9872.9
% CHG PREV QTR SAAR.....	4.92	3.04	6.07	10.04	6.28	8.05	3.28	3.69	4.62	2.42	1.78	5.57	5.55	6.52
% CHG SAME QTR LAST YR.....	5.39	5.34	5.45	5.99	6.33	7.60	6.88	5.31	4.89	3.50	3.12	5.57	5.55	6.52
IMPLICIT DEFATOR, GDP.....	104.1	104.4	104.8	105.2	106.2	106.8	107.3	107.8	108.6	109.2	109.8	103.2	104.6	107.0
% CHG PREV QTR SAAR.....	1.80	1.28	1.36	1.62	3.85	2.23	1.92	1.75	3.25	2.11	2.15	1.23	1.40	2.28
% CHG SAME QTR LAST YR.....	1.32	1.39	1.38	1.51	2.02	2.26	2.40	2.43	2.29	2.26	2.31	1.23	1.40	2.28
US PERS CONS DEFL (1996=100).....	103.9	104.4	105.0	105.6	106.7	107.2	107.8	108.4	109.2	109.6	109.5	103.0	104.7	107.5
% CHG PREV QTR SAAR.....	1.32	2.04	2.23	2.43	3.99	2.11	2.39	1.95	3.21	1.34	-0.38	1.07	1.64	2.67
% CHG SAME QTR LAST YR.....	1.27	1.53	1.75	2.01	2.67	2.69	2.73	2.61	2.41	2.22	1.52	1.07	1.64	2.67
TN PERSONAL INCOME (MIL96\$) SAAR.....	131640	132946	133692	134286	135503	137156	137941	139046	140434	141290	141241	130325	133141	137411
% CHG PREV QTR SAAR.....	-1.43	4.03	2.26	1.79	3.68	4.97	2.31	3.24	4.05	2.46	-0.14	5.90	2.16	3.21
% CHG SAME QTR LAST YR.....	3.05	2.07	1.91	1.64	2.93	3.17	3.18	3.55	3.64	3.01	2.39	5.90	2.16	3.21
US PERSONAL INCOME (BIL96\$) SAAR.....	7346.3	7393.8	7447.6	7517.2	7598.8	7714.7	7771.7	7861.7	7910.2	7952.0	8016.8	7207.2	7426.2	7736.7
% CHG PREV QTR SAAR.....	1.62	2.61	2.94	3.79	4.42	6.24	2.99	4.71	2.49	2.13	3.30	5.92	3.04	4.18
% CHG SAME QTR LAST YR.....	3.87	2.98	2.58	2.74	3.44	4.34	4.35	4.58	4.10	3.07	3.15	5.92	3.04	4.18
TN PERSONAL INCOME (MIL\$) SAAR.....	136749	138804	140354	141827	144519	147064	148765	150683	153393	154841	154639	134282	139434	147753
% CHG PREV QTR SAAR.....	-0.13	6.15	4.54	4.26	7.81	7.18	4.76	5.26	7.39	3.83	-0.52	7.03	3.84	5.97
% CHG SAME QTR LAST YR.....	4.36	3.63	3.69	3.68	5.68	5.94	5.99	6.24	6.14	5.30	3.95	7.03	3.84	5.97
US PERSONAL INCOME (BIL\$) SAAR.....	7631.4	7719.6	7818.7	7939.3	8104.4	8271.0	8381.5	8519.6	8640.2	8714.6	8777.3	7426.0	7777.3	8319.2
% CHG PREV QTR SAAR.....	2.97	4.70	5.23	6.32	8.58	8.48	5.45	6.75	5.78	3.49	2.91	7.05	4.73	6.97
% CHG SAME QTR LAST YR.....	5.19	4.56	4.38	4.80	6.20	7.14	7.20	7.31	6.61	5.36	4.72	7.05	4.73	6.97
TN NONAGRIC JOBS (THOUS).....	2663.5	2676.4	2692.0	2705.5	2725.4	2733.3	2749.3	2750.6	2750.6	2757.8	2758.8	2637.2	2684.4	2739.7
% CHG PREV QTR SAAR.....	1.22	1.95	2.36	2.02	2.97	1.16	2.36	0.19	0.00	1.05	0.14	2.06	1.79	2.06
% CHG SAME QTR LAST YR.....	1.76	1.64	1.87	1.89	2.32	2.13	2.13	1.67	0.93	0.90	0.35	2.06	1.79	2.06
US NONAGRIC JOBS (MIL).....	127.8	128.5	129.2	130.1	131.0	131.9	132.3	132.6	132.6	132.6	132.3	125.8	128.9	131.8
% CHG PREV QTR SAAR.....	2.55	2.30	2.24	2.78	2.72	2.68	0.22	1.02	0.90	-0.23	-0.43	2.58	2.43	2.22
% CHG SAME QTR LAST YR.....	2.44	2.39	2.41	2.47	2.51	2.61	2.10	1.66	1.20	0.48	0.31	2.58	2.43	2.22
TN UNEMPLOYMENT RATE (%).....	4.2	4.0	4.0	3.9	3.7	3.9	3.9	4.2	4.1	4.2	4.1	4.2	4.0	3.9
US UNEMPLOYMENT RATE (%).....	4.3	4.3	4.2	4.1	4.0	4.0	4.0	4.0	4.2	4.2	4.5	4.8	4.5	4.0
BANK PRIME INTEREST RATE (%).....	7.8	7.8	8.1	8.4	8.7	9.2	9.5	9.5	8.6	7.3	6.6	8.4	8.0	9.2
TN MFG JOBS (THOUS).....	509.0	509.2	512.9	511.7	510.3	510.2	510.5	504.8	496.8	491.3	486.6	514.3	510.7	508.9
% CHG PREV QTR SAAR.....	-1.09	0.18	2.91	-0.96	-1.06	-0.08	0.26	-4.44	-6.19	-4.33	-3.75	-0.65	-0.70	-0.34
% CHG SAME QTR LAST YR.....	-1.95	-1.56	0.50	0.25	0.26	0.19	-0.46	-1.35	-2.65	-3.70	-4.68	-0.65	-0.70	-0.34

(CONTINUED ON NEXT PAGE)

TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS (CONT.)
 SEASONALLY ADJUSTED

	HISTORICAL - DATA										ANNUAL			
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000
TN TAXABLE SALES (MIL96\$).....	17144	17137	17293	17494	17796	17305	17271	17069	17114	17077	16681	64299	69068	69441
% CHG PREV QTR SAAR.....	7.45	-0.17	3.70	4.72	7.08	-10.58	-0.79	-4.59	1.07	-0.88	-8.95	-0.72	7.42	0.54
% CHG SAME QTR LAST YR.....	14.80	4.92	6.80	3.89	3.80	0.98	-0.13	-2.43	-3.83	-1.32	-3.42	-0.72	7.42	0.54
TN TAXABLE SALES (MIL\$).....	17810	17892	18155	18476	18980	18553	18626	18498	18694	18714	18263	66257	72333	74657
% CHG PREV QTR SAAR.....	8.87	1.86	6.01	7.27	11.36	-8.69	1.58	-2.73	4.31	0.44	-9.30	0.35	9.17	3.21
% CHG SAME QTR LAST YR.....	16.26	6.53	8.67	5.97	6.57	3.69	2.60	0.12	-1.51	0.87	-1.95	0.35	9.17	3.21
TN AVG ANNUAL WAGE, NONAG (96\$) ..	28270	28638	28753	28701	28548	28697	28705	28847	29133	29272	29158	28024	28591	28699
% CHG PREV QTR SAAR.....	-0.62	5.32	1.61	-0.72	-2.12	2.11	0.11	1.99	4.02	1.93	-1.55	3.35	2.02	0.38
% CHG SAME QTR LAST YR.....	2.25	2.11	2.36	1.37	0.98	0.20	-0.17	0.51	2.05	2.00	1.58	3.35	2.02	0.38
TN AVG ANNUAL WAGE, NONAG (\$).....	29367	29900	30186	30313	30447	30766	30958	31261	31821	32080	31924	28875	29942	30858
% CHG PREV QTR SAAR.....	0.70	7.46	3.88	1.69	1.78	4.26	2.51	3.97	7.36	3.29	-1.92	4.45	3.69	3.06
% CHG SAME QTR LAST YR.....	3.55	3.68	4.15	3.40	3.68	2.90	2.56	3.13	4.51	4.27	3.12	4.45	3.69	3.06

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TABLE 2: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 SELECTED PER CAPITA U.S. AND TENNESSEE ECONOMIC INDICATORS
 SEASONALLY ADJUSTED

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
US GDP (96\$) SAAR.....	32184	32254	32554	33139	33262	33655	33697	33786	33827	33784	33684	31524	32533	33600	
% CHG PREV QTR SAAR.....	2.19	0.88	3.77	7.38	1.49	4.81	0.50	1.07	0.49	-0.51	-1.17	3.38	3.20	3.28	
% CHG SAME QTR LAST YR.....	3.12	3.00	3.14	3.53	3.35	4.34	3.51	1.95	1.70	0.38	-0.04	3.38	3.20	3.28	
US GDP (\$\$) SAAR.....	33509	33689	34117	34869	35331	35946	36162	36415	36752	36897	36984	32534	34046	35963	
% CHG PREV QTR SAAR.....	4.03	2.17	5.18	9.12	5.40	7.15	2.43	2.83	3.76	1.58	0.95	4.65	4.65	5.63	
% CHG SAME QTR LAST YR.....	4.49	4.44	4.56	5.09	5.44	6.70	5.99	4.43	4.02	2.65	2.27	4.65	4.65	5.63	
TN PERSONAL INCOME (96\$) SAAR.....	23449	23608	23668	23700	23842	24059	24157	24273	24441	24514	24466	23397	23606	24083	
% CHG PREV QTR SAAR.....	-2.65	2.74	1.01	0.55	2.41	3.69	1.64	1.94	2.79	1.21	-0.79	4.50	0.89	2.02	
% CHG SAME QTR LAST YR.....	1.75	0.80	0.65	0.39	1.67	1.91	2.07	2.42	2.51	1.89	1.28	4.50	0.89	2.02	
TN PERSONAL INCOME (\$) SAAR.....	24359	24648	24847	25031	25428	25794	26053	26305	26696	26866	26787	24108	24721	25895	
% CHG PREV QTR SAAR.....	-1.36	4.83	3.26	3.00	6.50	5.88	4.08	3.93	6.09	2.56	-1.17	5.62	2.55	4.75	
% CHG SAME QTR LAST YR.....	3.04	2.34	2.41	2.41	4.39	4.65	4.85	5.09	4.99	4.16	2.82	5.62	2.55	4.75	
US PERSONAL INCOME (96\$) SAAR.....	27072	27189	27329	27526	27767	28132	28281	28549	28666	28758	28933	26701	27279	28182	
% CHG PREV QTR SAAR.....	0.76	1.75	2.07	2.92	3.54	5.36	2.13	3.85	1.65	1.29	2.46	5.00	2.16	3.31	
% CHG SAME QTR LAST YR.....	2.98	2.10	1.71	1.87	2.57	3.47	3.48	3.71	3.24	2.22	2.31	5.00	2.16	3.31	
US PERSONAL INCOME (\$) SAAR.....	28123	28387	28691	29072	29615	30160	30500	30938	31311	31516	31677	27512	28568	30303	
% CHG PREV QTR SAAR.....	2.09	3.82	4.35	5.42	7.67	7.58	4.58	5.87	4.91	2.64	2.07	6.12	3.84	6.07	
% CHG SAME QTR LAST YR.....	4.29	3.67	3.49	3.91	5.31	6.25	6.31	6.42	5.73	4.49	3.86	6.12	3.84	6.07	
TN TAXABLE SALES (96\$) SAAR.....	3054	3043	3061	3087	3131	3036	3025	2980	2979	2963	2889	11543	12246	12171	
% CHG PREV QTR SAAR.....	6.12	-1.41	2.43	3.45	5.78	-11.67	-1.44	-5.80	-0.16	-2.09	-9.54	-2.04	6.09	-0.61	
% CHG SAME QTR LAST YR.....	13.35	3.61	5.48	2.61	2.53	-0.25	-1.20	-3.49	-4.87	-2.39	-4.47	-2.04	6.09	-0.61	
TN TAXABLE SALES (\$) SAAR.....	3172	3177	3214	3261	3340	3254	3262	3229	3253	3247	3164	11894	12825	13085	
% CHG PREV QTR SAAR.....	7.53	0.60	4.71	5.96	10.00	-9.81	0.92	-3.96	3.05	-0.79	-9.89	-0.99	7.82	2.03	
% CHG SAME QTR LAST YR.....	14.79	5.20	7.33	4.67	5.26	2.43	1.49	-0.97	-2.58	-0.23	-3.01	-0.99	7.82	2.03	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 3: TENNESSEE PERSONAL INCOME BY COMPONENTS
 SEASONALLY ADJUSTED ANNUAL RATES
 MILLIONS OF 1996 DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL PERSONAL INCOME.....	131640	132946	133692	134286	135503	137156	137941	139046	140434	141290	141241	130325	133141	137411	
% CHG PREV QTR SAAR.....	-1.43	4.03	2.26	1.79	3.68	4.97	2.31	3.24	4.05	2.46	-0.14	5.90	2.16	3.21	
% CHG SAME QTR LAST YR.....	3.05	2.07	1.91	1.64	2.93	3.17	3.18	3.55	3.64	3.01	2.39	5.90	2.16	3.21	
WAGES AND SALARIES.....	76061	77414	78160	78410	78599	79206	79693	80111	80933	81534	81261	74624	77511	79402	
% CHG PREV QTR SAAR.....	0.69	7.31	3.91	1.28	0.97	3.12	2.48	2.11	4.17	3.01	-1.33	5.48	3.87	2.44	
% CHG SAME QTR LAST YR.....	4.12	3.83	4.27	3.27	3.34	2.31	1.96	2.17	2.97	2.94	1.97	5.48	3.87	2.44	
OTHER LABOR INCOME.....	8490	8600	8643	8637	8568	8594	8681	8693	8715	8745	8737	8354	8593	8634	
% CHG PREV QTR SAAR.....	1.94	5.26	2.03	-0.29	-3.16	1.24	4.09	0.54	1.03	1.40	-0.37	0.90	2.85	0.48	
% CHG SAME QTR LAST YR.....	3.16	2.84	3.22	2.21	0.91	-0.07	0.43	0.64	1.71	1.76	0.65	0.90	2.85	0.48	
PROPRIETORS INCOME.....	12960	13302	13373	13495	13831	13892	13719	13884	14017	14149	13979	12649	13282	13832	
% CHG PREV QTR SAAR.....	-2.44	10.98	2.14	3.71	10.32	1.79	-4.88	4.89	3.90	3.81	-4.72	7.06	5.01	4.13	
% CHG SAME QTR LAST YR.....	5.50	6.26	4.87	3.49	6.72	4.44	2.59	2.88	1.35	1.85	1.89	7.06	5.01	4.13	
RENT INTEREST DIVIDENDS.....	20566	20228	20117	20239	20633	21046	21239	21419	21234	21056	21290	21198	20287	21085	
% CHG PREV QTR SAAR.....	-12.81	-6.42	-2.18	2.46	8.01	8.26	3.72	3.43	-3.41	-3.31	4.52	11.12	-4.30	3.93	
% CHG SAME QTR LAST YR.....	-0.04	-5.18	-6.88	-4.90	0.33	4.05	5.58	5.83	2.91	0.05	0.24	11.12	-4.30	3.93	
TRANSFER PAYMENTS.....	20547	20541	20583	20677	21027	21588	21792	22123	22808	23129	23255	20239	20587	21633	
% CHG PREV QTR SAAR.....	6.45	-0.11	0.83	1.83	6.95	11.12	3.83	6.23	12.97	5.74	2.20	3.73	1.72	5.08	
% CHG SAME QTR LAST YR.....	1.56	1.47	1.62	2.22	2.34	5.10	5.87	7.00	8.47	7.14	6.71	3.73	1.72	5.08	
LESS: PERS CONT FOR SOC INS.....	5987	6076	6113	6111	6115	6122	6127	6121	6223	6242	6186	5845	6072	6121	
% CHG PREV QTR SAAR.....	5.24	6.12	2.46	-0.17	0.28	0.42	0.37	-0.42	6.84	1.26	-3.56	4.66	3.88	0.81	
% CHG SAME QTR LAST YR.....	3.93	3.86	4.36	3.38	2.15	0.75	0.23	0.16	1.76	1.97	0.96	4.66	3.88	0.81	
RESIDENCE ADJUSTMENT.....	-997	-1062	-1071	-1061	-1040	-1049	-1056	-1063	-1051	-1081	-1096	-894	-1048	-1052	
% CHG PREV QTR SAAR.....	47.49	28.69	3.22	-3.41	-7.89	3.71	2.61	2.64	-4.45	12.03	5.52	14.09	17.20	0.40	
% CHG SAME QTR LAST YR.....	14.43	16.82	20.21	17.29	4.26	-1.21	-1.36	0.15	1.08	3.05	3.77	14.09	17.20	0.40	
PER CAPITA PERSONAL INCOME (\$)...	23449	23608	23668	23700	23842	24059	24157	24273	24441	24514	24466	23397	23606	24083	
% CHG PREV QTR SAAR.....	-2.65	2.74	1.01	0.55	2.41	3.69	1.64	1.94	2.79	1.21	-0.79	4.50	0.89	2.02	
% CHG SAME QTR LAST YR.....	1.75	0.80	0.65	0.39	1.67	1.91	2.07	2.42	2.51	1.89	1.28	4.50	0.89	2.02	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 4: TENNESSEE PERSONAL INCOME BY COMPONENTS
 SEASONALLY ADJUSTED ANNUAL RATES
 MILLIONS OF CURRENT DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL PERSONAL INCOME.....	136749	138804	140354	141827	144519	147046	148765	150683	153393	154841	154639	134282	139434	147753	
% CHG PREV QTR SAAR.....	-0.13	6.15	4.54	4.26	7.81	7.18	4.76	5.26	7.39	3.83	-0.52	7.03	3.84	5.97	
% CHG SAME QTR LAST YR.....	4.36	3.63	3.69	3.68	5.68	5.94	5.99	6.24	6.14	5.30	3.95	7.03	3.84	5.97	
WAGES AND SALARIES.....	79013	80825	82055	82813	83829	84917	85946	86815	88401	89354	88970	76890	81177	85377	
% CHG PREV QTR SAAR.....	2.02	9.49	6.23	3.75	5.00	5.29	4.94	4.11	7.51	4.38	-1.71	6.61	5.57	5.17	
% CHG SAME QTR LAST YR.....	5.44	5.43	6.10	5.34	6.10	5.06	4.74	4.83	5.45	5.23	3.52	6.61	5.57	5.17	
OTHER LABOR INCOME.....	8820	8979	9074	9122	9138	9214	9362	9420	9519	9584	9566	8608	8999	9284	
% CHG PREV QTR SAAR.....	3.29	7.41	4.30	2.13	0.70	3.37	6.58	2.50	4.27	2.76	-0.76	1.98	4.54	3.16	
% CHG SAME QTR LAST YR.....	4.47	4.42	5.02	4.26	3.61	2.62	3.17	3.27	4.17	4.02	2.18	1.98	4.54	3.16	
PROPRIETORS INCOME.....	13463	13888	14039	14253	14751	14894	14796	15046	15311	15506	15305	13033	13911	14872	
% CHG PREV QTR SAAR.....	-1.15	13.24	4.42	6.24	14.73	3.93	-2.61	6.93	7.23	5.19	-5.08	8.21	6.73	6.91	
% CHG SAME QTR LAST YR.....	6.84	7.89	6.70	5.56	9.57	7.24	5.39	5.56	3.80	4.11	3.44	8.21	6.73	6.91	
RENT INTEREST DIVIDENDS.....	21364	21119	21119	21376	22006	22564	22906	23212	23194	23076	23310	21842	21245	22672	
% CHG PREV QTR SAAR.....	-11.65	-4.51	0.00	4.96	12.32	10.54	6.20	5.45	-0.31	-2.02	4.12	12.30	-2.73	6.72	
% CHG SAME QTR LAST YR.....	1.23	-3.73	-5.25	-3.00	3.01	6.84	8.46	8.59	5.40	2.27	1.76	12.30	-2.73	6.72	
TRANSFER PAYMENTS.....	21344	21446	21609	21838	22426	23145	23502	23975	24913	25347	25461	20853	21559	23262	
% CHG PREV QTR SAAR.....	7.86	1.93	3.08	4.31	11.21	13.45	6.31	8.30	16.59	7.15	1.81	4.83	3.39	7.90	
% CHG SAME QTR LAST YR.....	2.85	3.03	3.40	4.27	5.07	7.92	8.76	9.79	11.09	9.51	8.33	4.83	3.39	7.90	
LESS: PERS CONT FOR SOC INS.....	6219	6344	6418	6454	6522	6563	6608	6633	6797	6841	6773	6022	6359	6582	
% CHG PREV QTR SAAR.....	6.63	8.29	4.75	2.26	4.28	2.54	2.77	1.52	10.26	2.61	-3.93	5.77	5.59	3.50	
% CHG SAME QTR LAST YR.....	5.25	5.45	6.19	5.46	4.87	3.45	2.96	2.77	4.22	4.24	2.49	5.77	5.59	3.50	
RESIDENCE ADJUSTMENT.....	-1036	-1109	-1124	-1121	-1109	-1125	-1139	-1152	-1148	-1185	-1200	-921	-1098	-1131	
% CHG PREV QTR SAAR.....	49.44	31.31	5.52	-1.06	-4.21	5.90	5.07	4.64	-1.38	13.53	5.12	15.30	19.13	3.08	
% CHG SAME QTR LAST YR.....	15.88	18.61	22.31	19.64	7.05	1.44	1.33	2.77	3.52	5.33	5.34	15.30	19.13	3.08	
PER CAPITA PERSONAL INCOME (\$)...	24359	24648	24847	25031	25428	25794	26053	26305	26696	26866	26787	24108	24721	25895	
% CHG PREV QTR SAAR.....	-1.36	4.83	3.26	3.00	6.50	5.88	4.08	3.93	6.09	2.56	-1.17	5.62	2.55	4.75	
% CHG SAME QTR LAST YR.....	3.04	2.34	2.41	2.41	4.39	4.65	4.85	5.09	4.99	4.16	2.82	5.62	2.55	4.75	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 5: TENNESSEE NONAGRICULTURAL EMPLOYMENT BY SECTOR
 THOUSANDS OF JOBS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL NONAGRICULTURAL.....	2628.4	2683.2	2698.4	2731.7	2688.7	2738.0	2748.0	2775.3	2721.0	2760.6	2759.0	2638.5	2685.4	2737.5	
% CHG SAME QTR LAST YR....	1.76	1.63	1.94	1.79	2.30	2.04	1.84	1.60	1.20	0.82	0.40	2.11	1.78	1.94	
MINING.....	4.2	4.3	4.4	4.2	4.2	4.2	4.2	4.1	4.1	4.1	4.0	4.3	4.3	4.2	
% CHG SAME QTR LAST YR....	-2.33	0.78	0.00	-3.08	-0.79	-3.85	-4.55	-2.38	-1.60	-1.60	-4.76	-4.76	-1.15	-2.92	
CONSTRUCTION.....	115.4	125.2	128.1	125.4	122.1	127.7	130.4	128.2	124.7	131.2	133.3	120.9	123.5	127.1	
% CHG SAME QTR LAST YR....	2.25	2.34	2.21	1.79	5.81	2.02	1.80	2.23	2.13	2.74	2.17	2.42	2.14	2.90	
MANUFACTURING.....	508.0	510.7	513.1	512.6	509.0	510.6	508.9	505.0	496.5	491.9	485.9	514.7	511.1	508.4	
% CHG SAME QTR LAST YR....	-1.96	-1.59	0.58	0.18	0.20	-0.01	-0.81	-1.48	-2.46	-3.66	-4.51	-0.55	-0.71	-0.53	
DURABLE GOODS.....	296.6	299.3	301.6	303.1	302.9	303.3	301.7	299.4	293.9	290.8	285.1	292.8	300.2	301.8	
% CHG SAME QTR LAST YR....	1.82	1.94	3.68	2.71	2.12	1.34	0.01	-1.22	-2.98	-4.13	-5.48	1.53	2.54	0.55	
NONDURABLE GOODS.....	211.4	211.4	211.4	209.5	206.1	207.3	207.2	205.6	202.6	201.2	200.8	222.0	210.9	206.6	
% CHG SAME QTR LAST YR....	-6.80	-6.18	-3.54	-3.28	-2.49	-1.92	-1.99	-1.85	-1.70	-2.97	-3.10	-3.18	-4.98	-2.06	
TRADE.....	614.6	626.1	633.7	649.0	627.1	641.5	647.5	663.5	641.3	654.0	659.7	620.5	630.8	644.9	
% CHG SAME QTR LAST YR....	1.70	1.24	1.65	2.07	2.03	2.45	2.19	2.24	2.26	1.96	1.87	1.69	1.67	2.23	
SERVICES.....	695.9	722.5	734.1	735.2	719.8	744.5	756.8	757.8	741.9	765.1	773.6	703.4	721.9	744.7	
% CHG SAME QTR LAST YR....	1.98	2.40	2.98	3.14	3.43	3.05	3.09	3.06	3.07	2.76	2.22	3.08	2.63	3.16	
FIN. INS. REAL EST.....	129.8	131.7	132.4	130.8	130.4	131.1	131.8	131.1	129.8	131.0	131.4	126.7	131.2	131.1	
% CHG SAME QTR LAST YR....	6.19	4.64	3.01	0.33	0.51	-0.41	-0.45	0.23	-0.49	-0.13	-0.33	5.50	3.49	-0.03	
TRANS, COMM, PUB UTIL.....	167.9	171.7	174.0	176.1	173.7	178.1	179.5	179.8	179.4	182.8	181.8	162.3	172.4	177.8	
% CHG SAME QTR LAST YR....	8.56	7.76	5.07	3.91	3.49	3.73	3.14	2.10	3.28	2.64	1.28	7.60	6.26	3.11	
GOVERNMENT.....	392.7	391.0	378.6	398.3	402.4	400.3	388.8	405.7	403.3	400.4	389.5	385.5	390.2	399.3	
% CHG SAME QTR LAST YR....	2.23	1.46	0.49	0.61	2.47	2.36	2.70	1.85	0.23	0.04	0.16	1.38	1.20	2.34	
FEDERAL, CIVILIAN.....	51.3	52.0	50.7	51.0	52.1	57.8	56.2	53.6	54.1	55.1	54.3	50.8	51.2	54.9	
% CHG SAME QTR LAST YR....	1.99	1.70	1.47	-1.99	1.56	11.29	10.99	5.17	3.84	-4.67	-3.38	-1.87	0.77	7.26	
STATE AND LOCAL.....	341.4	339.1	327.9	347.3	350.3	342.4	332.6	352.1	349.2	345.3	335.1	334.7	338.9	344.4	
% CHG SAME QTR LAST YR....	2.27	1.43	0.34	1.01	2.61	0.99	1.42	1.36	-0.30	0.84	0.76	1.89	1.26	1.60	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 6: TENNESSEE DURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL DURABLE GOODS.....	296.6	299.3	301.6	303.1	302.9	303.3	301.7	299.4	293.9	290.8	285.1	292.8	300.2	301.8	
% CHG SAME QTR LAST YR.....	1.82	1.94	3.68	2.71	2.12	1.34	0.01	-1.22	-2.98	-4.13	-5.48	1.53	2.54	0.55	
LUMBER AND WOOD.....	23.7	23.4	24.1	23.7	23.8	24.1	24.2	23.7	22.9	22.9	23.1	23.2	23.7	24.0	
% CHG SAME QTR LAST YR.....	4.11	0.86	2.85	1.14	0.70	3.28	0.69	0.28	-3.92	-4.97	-4.54	3.19	2.23	1.23	
FURNITURE AND FIXTURES.....	27.0	27.5	27.7	27.6	27.3	27.6	27.2	26.7	25.8	25.2	24.0	27.1	27.4	27.2	
% CHG SAME QTR LAST YR.....	-0.12	1.23	3.88	0.73	1.23	0.49	-1.81	-3.26	-5.61	-8.70	-11.53	-1.10	1.42	-0.85	
STONE, CLAY AND GLASS.....	16.1	16.7	16.9	16.9	16.9	16.9	17.1	17.0	16.9	17.0	16.9	16.2	16.7	17.0	
% CHG SAME QTR LAST YR.....	-0.21	2.24	3.89	5.19	4.75	1.20	0.98	0.59	0.00	0.39	-1.17	-1.37	2.77	1.85	
PRIMARY METALS.....	18.0	18.0	18.1	18.0	17.9	17.9	17.8	17.4	17.0	16.7	16.4	17.7	18.0	17.8	
% CHG SAME QTR LAST YR.....	1.51	1.12	2.46	0.94	-0.37	-0.92	-1.48	-2.97	-4.84	-6.34	-8.05	3.90	1.50	-1.43	
FABRICATED METALS.....	46.6	46.6	47.2	48.0	47.6	47.5	47.3	47.0	46.3	45.8	45.4	45.4	47.1	47.4	
% CHG SAME QTR LAST YR.....	3.94	3.33	4.34	3.38	2.29	1.86	0.14	-1.95	-2.87	-3.51	-4.09	3.73	3.75	0.57	
NONELECTRICAL MACHINERY.....	48.8	49.1	49.3	50.8	51.7	51.7	51.2	51.7	51.0	49.6	47.7	47.2	49.5	51.6	
% CHG SAME QTR LAST YR.....	4.65	2.72	6.86	5.69	5.94	5.29	3.92	1.77	-1.42	-4.06	-6.96	3.99	4.96	4.21	
ELECTRICAL MACHINERY.....	41.0	41.4	41.7	41.5	40.6	41.0	40.4	39.4	38.6	38.2	37.7	40.4	41.4	40.3	
% CHG SAME QTR LAST YR.....	3.10	3.42	2.71	0.40	-0.98	-0.89	-3.19	-5.14	-5.01	-6.75	-6.68	0.73	2.39	-2.56	
TRANSPORTATION EQUIPMENT.....	53.9	54.7	54.9	55.5	55.5	55.1	55.1	55.2	54.3	54.1	53.1	53.5	54.8	55.2	
% CHG SAME QTR LAST YR.....	-0.68	1.80	4.11	4.59	3.03	0.73	0.30	-0.48	-2.22	-1.93	-3.57	0.09	2.43	0.88	
INSTRUMENTS.....	10.8	10.8	10.8	10.6	10.8	10.8	10.7	10.7	10.7	10.7	10.7	11.2	10.8	10.8	
% CHG SAME QTR LAST YR.....	-3.85	-4.14	-4.14	-2.45	0.00	0.00	-0.62	0.31	-1.23	-0.93	-0.31	1.82	-3.65	-0.08	
MISCELLANEOUS.....	10.8	11.1	10.9	10.6	10.7	10.7	10.6	10.5	10.5	10.5	10.1	10.9	10.8	10.6	
% CHG SAME QTR LAST YR.....	-1.82	-0.60	0.00	-0.94	-0.93	-3.90	-2.75	-0.32	-1.88	-1.56	-4.40	-3.67	-0.84	-2.00	

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TABLE 7: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL NONDURABLE GOODS.....	211.4	211.4	211.4	209.5	206.1	207.3	207.2	205.6	202.6	201.2	200.8	222.0	210.9	206.6	
% CHG SAME QTR LAST YR.....	-6.80	-6.18	-3.54	-3.28	-2.49	-1.92	-1.99	-1.85	-1.70	-2.97	-3.10	-3.18	-4.98	-2.06	
FOOD.....	37.7	38.0	38.8	38.9	38.9	39.4	39.8	39.9	39.9	40.3	40.6	37.3	38.4	39.5	
% CHG SAME QTR LAST YR.....	3.48	1.51	3.28	2.55	3.09	3.60	2.66	2.57	2.66	2.46	2.01	4.14	2.70	2.98	
TOBACCO.....	1.3	1.0	1.0	1.0	1.2	1.1	1.0	1.0	1.1	1.0	1.0	1.2	1.1	1.1	
% CHG SAME QTR LAST YR.....	-2.56	-8.82	-9.09	-8.82	-5.26	6.45	0.00	0.00	-8.33	-6.06	0.00	4.48	-7.14	0.00	
TEXTILES.....	16.4	16.5	16.0	15.8	15.7	15.8	15.6	15.5	15.0	14.5	14.1	17.6	16.2	15.6	
% CHG SAME QTR LAST YR.....	-9.71	-7.84	-7.87	-5.75	-4.67	-4.05	-2.29	-2.32	-4.47	-8.02	-9.59	-5.39	-7.83	-3.35	
APPAREL.....	27.8	26.5	25.5	24.5	23.0	22.3	21.6	21.0	20.2	19.7	19.2	33.1	26.1	22.0	
% CHG SAME QTR LAST YR.....	-23.93	-24.41	-18.53	-17.12	-17.29	-16.08	-15.16	-14.54	-12.05	-11.53	-11.40	-13.29	-21.26	-15.81	
PAPER.....	21.7	22.2	22.6	22.0	21.4	21.7	22.1	21.6	21.1	21.5	22.0	21.9	22.1	21.7	
% CHG SAME QTR LAST YR.....	-0.46	1.37	1.80	1.23	-1.54	-2.11	-2.22	-1.67	-1.25	-1.08	-0.15	-0.64	0.99	-1.88	
PRINTING AND PUBLISHING.....	38.3	38.5	39.0	38.6	38.0	38.6	38.5	38.5	38.2	37.7	37.7	39.3	38.6	38.4	
% CHG SAME QTR LAST YR.....	-2.38	-2.20	-0.76	-2.36	-0.61	0.17	-1.20	-0.35	0.35	-2.16	-1.99	1.81	-1.93	-0.50	
CHEMICALS.....	30.0	29.9	29.7	29.3	28.5	28.6	28.6	28.5	28.5	28.3	28.2	32.6	29.7	28.5	
% CHG SAME QTR LAST YR.....	-12.04	-10.58	-7.39	-5.49	-4.89	-4.24	-3.71	-2.51	0.00	-1.05	-1.28	-8.70	-8.97	-3.85	
PETROLEUM REFINING.....	1.0	1.1	1.1	1.0	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.0	1.0	1.2	
% CHG SAME QTR LAST YR.....	-3.33	3.12	0.00	0.00	13.79	18.18	18.18	22.58	18.18	0.00	0.00	0.80	0.00	18.25	
RUBBER AND PLASTICS.....	34.2	34.6	34.7	35.0	35.3	35.5	35.7	35.4	34.5	33.8	33.6	34.5	34.6	35.5	
% CHG SAME QTR LAST YR.....	-2.01	-0.48	2.26	1.55	3.22	2.70	2.79	0.95	-2.27	-4.97	-5.70	0.75	0.31	2.41	
LEATHER.....	3.1	3.1	3.1	3.2	3.1	3.1	3.0	2.9	2.9	3.0	3.0	3.3	3.1	3.0	
% CHG SAME QTR LAST YR.....	-8.74	-6.00	-6.93	-3.06	0.00	-1.06	-3.19	-8.42	-7.45	-3.23	-2.20	-12.04	-6.22	-3.18	

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TABLE 8: TENNESSEE NONAGRICULTURAL EMPLOYMENT BY SECTOR
THOUSANDS OF SEASONALLY ADJUSTED JOBS

	HISTORICAL - DATA										ANNUAL			
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000
TOTAL NONAGRICULTURAL.....	2663.5	2676.4	2692.0	2705.5	2725.4	2733.3	2749.3	2750.6	2757.8	2758.8	2637.2	2684.4	2739.7	
% CHG PREV QTR SAAR.....	1.22	1.95	2.36	2.02	2.97	1.16	2.36	0.19	0.00	1.05	0.14	2.06	1.79	2.06
% CHG SAME QTR LAST YR....	1.76	1.64	1.87	1.89	2.32	2.13	2.13	1.67	0.90	0.35	2.06	1.79	2.06	
MINING.....	4.3	4.3	4.3	4.3	4.1	4.1	4.1	4.1	4.2	4.1	3.9	4.3	4.3	4.2
% CHG PREV QTR SAAR.....	0.00	0.00	0.00	-8.98	6.50	-11.93	0.00	-3.19	6.66	-9.26	-15.41	-4.95	-0.97	-2.73
% CHG SAME QTR LAST YR....	-2.27	0.78	0.00	-2.33	-0.78	-3.88	-3.88	-2.38	-2.34	-1.61	-5.65	-4.95	-0.97	-2.73
CONSTRUCTION.....	121.7	124.0	124.1	125.1	128.3	126.4	126.3	126.8	131.8	130.1	129.0	121.0	123.7	126.9
% CHG PREV QTR SAAR.....	-1.41	7.77	0.11	3.26	10.75	-5.79	-0.42	1.70	16.61	-4.96	-3.24	2.59	2.29	2.60
% CHG SAME QTR LAST YR....	2.01	2.37	2.39	2.37	5.39	1.91	1.77	1.39	2.70	2.93	2.19	2.59	2.29	2.60
MANUFACTURING.....	509.0	509.2	512.9	511.7	510.3	510.2	510.5	504.8	496.8	491.3	486.6	514.3	510.7	508.9
% CHG PREV QTR SAAR.....	-1.09	0.18	2.91	-0.96	-1.06	-0.08	0.26	-4.44	-6.19	-4.33	-3.75	-0.65	-0.70	-0.34
% CHG SAME QTR LAST YR....	-1.95	-1.56	0.50	0.25	0.26	0.19	-0.46	-1.35	-2.65	-3.70	-4.68	-0.65	-0.70	-0.34
DURABLE GOODS.....	296.2	298.4	302.5	302.6	302.8	302.8	303.1	299.5	293.5	290.0	285.9	292.5	299.9	302.1
% CHG PREV QTR SAAR.....	2.38	2.91	5.70	0.13	0.22	0.04	0.31	-4.58	-7.82	-4.69	-5.54	1.42	2.54	0.71
% CHG SAME QTR LAST YR....	1.86	1.99	3.56	2.76	2.22	1.50	0.18	-1.02	-3.07	-4.24	-5.66	1.42	2.54	0.71
NONDURABLE GOODS.....	212.8	210.9	210.4	209.0	207.5	207.4	207.5	205.2	203.3	201.3	200.7	221.8	210.8	206.9
% CHG PREV QTR SAAR.....	-5.68	-3.52	-0.95	-2.51	-2.90	-0.26	0.19	-4.24	-3.78	-3.81	-1.12	-3.25	-4.98	-1.83
% CHG SAME QTR LAST YR....	-6.80	-6.18	-3.60	-3.18	-2.48	-1.66	-1.38	-1.82	-2.04	-2.93	-3.25	-3.25	-4.98	-1.83
TRADE.....	626.7	627.3	632.0	635.9	639.2	642.6	646.4	650.9	653.5	656.3	657.6	620.1	630.5	644.8
% CHG PREV QTR SAAR.....	2.46	0.38	3.07	2.47	2.07	2.14	2.39	2.86	1.61	1.70	0.82	1.59	1.66	2.27
% CHG SAME QTR LAST YR....	1.70	1.26	1.60	2.09	1.99	2.44	2.27	2.36	2.25	2.14	1.74	1.59	1.66	2.27
SERVICES.....	711.3	718.0	724.9	731.8	736.9	740.4	751.8	755.2	752.9	761.3	768.5	702.9	721.5	746.1
% CHG PREV QTR SAAR.....	1.61	3.78	3.90	3.90	2.80	1.90	6.34	1.79	-1.20	4.54	3.82	3.04	2.65	3.40
% CHG SAME QTR LAST YR....	2.00	2.39	2.89	3.29	3.59	3.12	3.72	3.19	2.17	2.83	2.21	3.04	2.65	3.40
FIN, INS, REAL EST.....	130.8	131.4	131.5	131.0	131.4	131.0	131.3	131.3	130.5	130.8	130.6	126.7	131.2	131.2
% CHG PREV QTR SAAR.....	1.44	1.85	0.20	-1.31	1.12	-1.31	0.92	0.00	-2.42	1.03	-0.61	5.48	3.51	0.04
% CHG SAME QTR LAST YR....	6.11	4.62	2.95	0.54	0.46	-0.33	-0.15	0.18	-0.71	-0.13	-0.51	5.48	3.51	0.04
TRANS, COMM, PUB UTIL.....	170.2	172.3	173.1	174.6	176.1	178.4	178.7	179.0	181.3	182.6	181.5	162.2	172.6	178.1
% CHG PREV QTR SAAR.....	6.35	5.03	1.79	3.67	3.48	5.17	0.82	0.52	5.32	2.90	-2.46	7.62	6.37	3.19
% CHG SAME QTR LAST YR....	8.57	7.73	5.17	4.20	3.49	3.52	3.27	2.48	2.93	2.37	1.53	7.62	6.37	3.19
GOVERNMENT.....	389.5	389.9	389.3	391.2	398.9	400.3	400.2	398.6	399.7	401.4	401.1	385.6	390.0	399.5
% CHG PREV QTR SAAR.....	0.21	0.45	-0.58	1.93	8.14	1.38	-0.13	-1.52	1.11	1.64	-0.30	1.35	1.13	2.44
% CHG SAME QTR LAST YR....	2.22	1.47	0.37	0.50	2.43	2.67	2.78	1.90	0.20	0.27	0.22	1.35	1.13	2.44
FEDERAL, CIVILIAN.....	51.3	51.4	51.1	51.1	52.1	57.2	56.5	54.1	53.9	54.4	54.8	50.8	51.2	55.0
% CHG PREV QTR SAAR.....	-6.96	1.04	-2.82	0.00	8.07	45.66	-4.58	-16.34	-1.23	4.02	2.47	-1.98	0.75	7.32
% CHG SAME QTR LAST YR....	1.99	1.78	1.59	-2.23	1.49	11.21	10.70	5.87	3.52	-4.84	-3.12	-1.98	0.75	7.32
STATE AND LOCAL.....	338.2	338.5	338.3	340.1	346.9	343.1	343.6	344.6	345.8	346.9	346.3	334.8	338.8	344.5
% CHG PREV QTR SAAR.....	1.35	0.36	-0.24	2.23	8.16	-4.27	0.62	1.09	1.48	1.28	-0.73	1.88	1.19	1.71
% CHG SAME QTR LAST YR....	2.26	1.43	0.19	0.92	2.57	1.37	1.59	1.30	-0.30	1.12	0.78	1.88	1.19	1.71
STATISTICAL DISCREPANCY.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 9: TENNESSEE DURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF SEASONALLY ADJUSTED JOBS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL DURABLE GOODS.....	296.2	298.4	302.5	302.6	302.8	302.8	303.1	299.5	293.5	290.0	285.9	292.5	299.9	302.1	
% CHG PREV QTR SAAR.....	2.38	2.91	5.70	0.13	0.22	0.04	0.31	4.58	-7.82	-4.69	-5.54	1.42	2.54	0.71	
% CHG SAME QTR LAST YR.....	1.86	1.99	3.56	2.76	2.22	1.50	0.18	-1.02	-3.07	-4.24	-5.66	1.42	2.54	0.71	
LUMBER AND WOOD.....	23.9	23.4	23.8	23.7	24.0	24.1	24.1	23.8	23.1	22.9	23.0	23.2	23.7	24.0	
% CHG PREV QTR SAAR.....	8.22	-7.07	7.00	-1.67	4.57	2.24	-0.55	-5.42	-10.76	-3.98	2.95	3.12	2.41	1.19	
% CHG SAME QTR LAST YR.....	4.07	1.15	3.03	1.42	0.56	2.99	1.12	0.14	-3.75	-5.25	-4.43	3.12	2.41	1.19	
FURNITURE AND FIXTURES.....	27.1	27.3	27.7	27.5	27.5	27.4	27.3	26.7	25.9	25.1	24.1	27.0	27.4	27.2	
% CHG PREV QTR SAAR.....	-2.42	3.49	5.98	-3.79	0.00	-1.45	-0.49	-8.50	-11.90	-12.26	-14.08	-1.40	1.42	-0.67	
% CHG SAME QTR LAST YR.....	0.00	1.23	3.74	0.73	1.35	0.12	-1.44	-2.67	-5.70	-8.40	-11.71	-1.40	1.42	-0.67	
STONE,CLAY AND GLASS.....	16.3	16.6	16.8	16.9	17.1	16.8	17.0	17.0	17.0	16.9	16.9	16.2	16.6	17.0	
% CHG PREV QTR SAAR.....	4.20	7.57	4.91	2.40	4.82	-6.09	4.84	-0.78	0.79	-3.86	0.00	-1.52	2.67	2.05	
% CHG SAME QTR LAST YR.....	-0.20	2.26	3.92	4.75	4.91	1.41	1.39	0.59	-0.39	0.20	-0.98	-1.52	2.67	2.05	
PRIMARY METALS.....	17.9	18.0	18.1	18.0	17.9	17.9	17.9	17.4	16.9	16.7	16.4	17.7	18.0	17.8	
% CHG PREV QTR SAAR.....	2.27	2.25	2.24	-2.91	-2.21	0.00	1.50	-11.38	-10.30	-6.15	-6.25	3.65	1.50	-1.25	
% CHG SAME QTR LAST YR.....	1.51	1.12	2.45	0.94	-0.19	-0.74	-0.92	-3.15	-5.22	-6.72	-8.55	3.65	1.50	-1.25	
FABRICATED METALS.....	46.4	46.8	47.3	47.5	47.6	47.7	47.4	46.7	46.3	45.9	45.4	45.3	47.0	47.4	
% CHG PREV QTR SAAR.....	3.52	3.49	4.34	1.99	0.28	1.13	-2.22	-5.77	-3.66	-3.13	-4.56	3.54	3.69	0.74	
% CHG SAME QTR LAST YR.....	3.96	3.39	4.11	3.33	2.51	1.92	0.28	-1.68	-2.66	-3.70	-4.29	3.54	3.69	0.74	
NONELECTRICAL MACHINERY.....	47.9	48.7	50.5	51.0	50.9	51.3	51.9	52.1	50.3	49.1	48.6	47.2	49.5	51.5	
% CHG PREV QTR SAAR.....	-4.86	6.85	15.32	4.29	-0.78	3.18	5.03	1.03	-12.90	-8.96	-4.53	4.16	4.89	4.11	
% CHG SAME QTR LAST YR.....	4.89	3.03	6.47	5.15	6.26	5.34	2.91	2.09	-1.18	-4.22	-6.48	4.16	4.89	4.11	
ELECTRICAL MACHINERY.....	41.4	41.6	41.6	41.1	41.0	41.2	40.3	39.4	38.7	38.1	37.5	40.5	41.4	40.5	
% CHG PREV QTR SAAR.....	3.96	2.28	-0.32	-4.42	-0.65	1.96	-9.05	-8.02	-7.23	-6.06	-6.15	0.66	2.37	-2.21	
% CHG SAME QTR LAST YR.....	3.16	3.23	2.80	0.33	-0.81	-0.88	-3.13	-4.06	-5.69	-7.60	-6.87	0.66	2.37	-2.21	
TRANSPORTATION EQUIPMENT.....	53.8	54.3	55.1	55.5	55.3	55.1	55.7	55.1	54.1	54.3	53.2	53.3	54.7	55.3	
% CHG PREV QTR SAAR.....	7.80	3.94	6.27	3.02	-1.34	-1.49	3.94	-4.04	-7.15	1.55	-7.64	-0.05	2.52	1.16	
% CHG SAME QTR LAST YR.....	-0.71	1.75	3.87	5.24	2.93	1.56	1.00	-0.78	-2.27	-1.53	-4.39	-0.05	2.52	1.16	
INSTRUMENTS.....	10.8	10.7	10.8	10.7	10.8	10.7	10.8	10.7	10.7	10.7	10.6	11.1	10.7	10.8	
% CHG PREV QTR SAAR.....	-4.77	-4.43	2.58	-0.43	3.29	-3.37	1.20	-1.05	-1.98	-0.30	-1.17	1.68	-3.59	0.20	
% CHG SAME QTR LAST YR.....	-3.99	-4.19	-4.34	-1.81	0.21	0.48	0.14	-0.01	-1.32	-0.54	-1.13	1.68	-3.59	0.20	
MISCELLANEOUS.....	10.8	10.9	10.9	10.7	10.7	10.5	10.6	10.6	10.5	10.4	10.1	10.9	10.8	10.6	
% CHG PREV QTR SAAR.....	3.78	3.74	-2.42	-7.16	1.26	-6.09	2.56	-1.25	-3.73	-2.52	-9.87	-3.96	-0.76	-2.08	
% CHG SAME QTR LAST YR.....	-1.81	-0.61	0.00	-0.62	-1.23	-3.66	-2.45	-0.94	-2.18	-1.27	-4.40	-3.96	-0.76	-2.08	
STATISTICAL DISCREPANCY.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

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TABLE 10: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF SEASONALLY ADJUSTED JOBS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL NONDURABLE GOODS.....	212.8	210.9	210.4	209.0	207.5	207.4	207.5	205.2	203.3	201.3	200.7	221.8	210.8	206.9	
% CHG PREV QTR SAAR.....	-5.68	-3.52	-0.95	-2.51	-2.90	-0.26	0.19	-4.24	-3.78	-3.81	-1.12	-3.25	-4.98	-1.83	
% CHG SAME QTR LAST YR.....	-6.80	-6.18	-3.60	-3.18	-2.48	-1.66	-1.38	-1.82	-2.04	-2.93	-3.25	-3.25	-4.98	-1.83	
FOOD.....	38.0	38.0	38.4	38.8	39.2	39.4	39.9	39.8	40.1	40.4	40.6	37.3	38.3	39.6	
% CHG PREV QTR SAAR.....	2.13	0.35	4.27	3.51	4.55	2.06	4.82	-0.33	3.05	2.35	2.00	4.02	2.63	3.31	
% CHG SAME QTR LAST YR.....	3.45	1.42	3.13	2.56	3.16	3.59	3.73	2.75	2.38	2.45	1.76	4.02	2.63	3.31	
TOBACCO.....	1.1	1.1	1.1	1.0	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.2	1.1	1.1	
% CHG PREV QTR SAAR.....	12.68	-11.26	0.00	-22.13	13.54	27.44	-30.89	0.00	0.00	13.54	0.00	5.26	-6.43	-2.29	
% CHG SAME QTR LAST YR.....	-2.86	-8.33	-8.33	-6.06	-5.88	3.03	-6.06	0.00	-3.13	-5.88	3.23	5.26	-6.43	-2.29	
TEXTILES.....	16.5	16.3	16.0	15.9	15.7	15.7	15.6	15.5	15.1	14.4	14.2	17.6	16.2	15.6	
% CHG PREV QTR SAAR.....	-11.26	-3.98	-8.68	-1.66	-4.13	-1.68	-1.69	-3.38	-9.95	-15.78	-7.19	-5.42	-8.10	-3.45	
% CHG SAME QTR LAST YR.....	-9.67	-7.89	-8.24	-6.47	-4.65	-4.08	-2.30	-2.73	-4.24	-7.87	-9.19	-5.42	-8.10	-3.45	
APPAREL.....	27.8	26.2	25.7	24.4	23.2	22.2	22.0	20.8	20.4	19.6	19.4	33.0	26.0	22.0	
% CHG PREV QTR SAAR.....	-19.67	-21.49	-7.42	-18.30	-18.71	-16.16	-3.56	-20.10	-7.47	-15.37	-4.03	-13.49	-21.13	-15.33	
% CHG SAME QTR LAST YR.....	-23.95	-24.71	-17.80	-16.89	-16.65	-15.27	-14.40	-14.87	-12.07	-11.86	-11.97	-13.49	-21.13	-15.33	
PAPER.....	22.2	22.1	22.1	22.0	21.8	21.7	21.8	21.7	21.4	21.6	21.8	21.9	22.1	21.7	
% CHG PREV QTR SAAR.....	10.22	-1.20	-0.60	-1.80	-4.18	-0.61	1.23	-2.42	-5.42	4.44	4.39	-0.72	1.03	-1.66	
% CHG SAME QTR LAST YR.....	-0.60	1.37	1.84	1.54	-1.95	-1.81	-1.36	-1.52	-1.84	-0.61	0.15	-0.72	1.03	-1.66	
PRINTING AND PUBLISHING.....	38.5	38.6	38.7	38.4	38.3	38.8	38.6	38.4	38.1	37.8	37.8	39.3	38.6	38.5	
% CHG PREV QTR SAAR.....	-8.21	1.04	1.39	-3.06	-1.04	4.60	-2.05	-1.72	-3.43	-2.43	-0.70	1.83	-1.95	-0.13	
% CHG SAME QTR LAST YR.....	-2.37	-2.20	-0.94	-2.29	-0.43	0.43	-0.43	-0.09	-0.70	-2.41	-2.07	1.83	-1.95	-0.13	
CHEMICALS.....	30.2	29.7	29.6	29.2	28.6	28.6	28.6	28.6	28.5	28.3	28.1	32.6	29.7	28.6	
% CHG PREV QTR SAAR.....	-9.00	-5.50	-2.61	-4.47	-8.28	-0.49	0.16	-1.02	0.13	-2.68	-2.57	-8.71	-8.97	-3.77	
% CHG SAME QTR LAST YR.....	-11.95	-10.49	-7.62	-5.42	-5.24	-4.00	-3.33	-2.47	-0.30	-0.86	-1.54	-8.71	-8.97	-3.77	
PETROLEUM REFINING.....	1.0	1.1	1.0	1.1	1.2	1.3	1.3	1.3	1.4	1.3	1.3	1.0	1.1	1.3	
% CHG PREV QTR SAAR.....	0.00	28.41	-22.13	13.54	60.18	24.14	0.00	10.95	34.51	-25.65	-9.87	0.00	0.79	18.90	
% CHG SAME QTR LAST YR.....	-3.13	3.12	0.00	3.23	16.13	15.15	22.58	21.87	16.67	2.63	0.00	0.00	0.79	18.90	
RUBBER AND PLASTICS.....	34.3	34.5	34.6	35.0	35.3	35.5	35.7	35.3	34.4	33.8	33.6	34.5	34.6	35.5	
% CHG PREV QTR SAAR.....	-2.45	2.64	1.90	4.33	2.98	2.69	2.52	-4.34	-10.60	-6.15	-2.53	0.74	0.31	2.49	
% CHG SAME QTR LAST YR.....	-2.01	-0.33	2.08	1.57	2.96	2.97	3.13	0.92	-2.59	-4.76	-5.95	0.74	0.31	2.49	
LEATHER.....	3.1	3.1	3.1	3.2	3.1	3.1	3.0	2.9	2.9	3.0	3.0	3.3	3.1	3.0	
% CHG PREV QTR SAAR.....	-8.08	0.00	-4.19	8.88	-4.14	0.00	-12.17	-16.46	4.68	9.41	-4.37	-12.66	-6.00	-2.66	
% CHG SAME QTR LAST YR.....	-9.62	-6.00	-7.00	-1.04	0.00	0.00	-2.15	-8.42	-6.38	-4.26	-2.20	-12.66	-6.00	-2.66	
STATISTICAL DISCREPANCY.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

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TABLE 11: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 1996 DOLLARS

	HISTORICAL - DATA												ANNUAL		
	19901	19902	19903	19904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL NONAGRICULTURAL.....	28647	28566	28686	28426	28937	28648	28719	28590	29450	29243	29156	28012	28581	28724	
% CHG SAME QTR LAST YR....	2.25	2.12	2.29	1.47	1.01	0.29	0.12	0.58	1.77	2.08	1.52	3.30	2.03	0.50	
MINING.....	43777	40670	43297	41480	38705	44548	40401	38711	39300	39838	42538	45376	42306	40591	
% CHG SAME QTR LAST YR....	-11.42	-6.83	2.91	-10.52	-11.59	9.54	-6.69	-6.67	1.54	-10.57	5.29	5.69	-6.76	-4.05	
CONSTRUCTION.....	33610	32024	31327	32534	34289	32196	30966	31691	32981	30663	30347	31217	32374	32286	
% CHG SAME QTR LAST YR....	4.18	5.29	2.85	2.52	2.02	0.54	-1.15	-2.59	-3.81	-4.76	-2.00	3.51	3.70	-0.27	
MANUFACTURING.....	32639	33033	33667	33699	32916	33338	33462	33797	34327	34490	34830	32326	33259	33378	
% CHG SAME QTR LAST YR....	2.38	2.28	2.91	3.96	0.85	0.92	-0.61	0.29	4.29	3.46	4.09	2.04	2.89	0.36	
DURABLE GOODS.....	33238	33633	34330	34308	33081	33693	33808	34522	34269	34439	35274	32967	33877	33776	
% CHG SAME QTR LAST YR....	1.34	2.55	3.14	4.01	-0.47	0.18	-1.52	0.62	3.59	2.21	4.34	1.09	2.76	-0.30	
NONDURABLE GOODS.....	31799	32182	32721	32816	32673	32818	32958	32741	34411	34564	34200	31483	32379	32798	
% CHG SAME QTR LAST YR....	3.58	1.71	2.39	3.73	2.75	1.98	0.73	-0.23	5.32	5.32	3.77	3.21	2.85	1.29	
TRADE.....	22563	22619	22148	21752	22591	21933	22118	21696	22530	22268	22595	21561	22271	22085	
% CHG SAME QTR LAST YR....	4.09	4.73	2.91	1.41	0.12	-3.03	-0.14	-0.26	-0.27	1.53	2.16	4.69	3.29	-0.84	
SERVICES.....	27723	27020	26871	26956	28230	27489	26901	27219	29218	28866	27451	26861	27142	27460	
% CHG SAME QTR LAST YR....	1.82	1.17	0.93	0.26	1.83	1.74	0.11	0.98	3.50	5.01	2.04	3.75	1.05	1.17	
FIN, INS, REAL EST.....	37165	39275	38742	39781	38954	40750	42310	41743	39675	40146	42295	38837	38741	40939	
% CHG SAME QTR LAST YR....	-2.06	0.06	0.78	0.19	4.81	3.76	9.21	4.93	1.85	-1.48	-0.04	6.80	-0.25	5.67	
TRANS, COMM, PUB UTIL.....	36030	35876	36935	35554	36153	35766	35955	36735	36303	35667	34919	35340	36099	36152	
% CHG SAME QTR LAST YR....	0.58	1.64	5.91	0.53	0.34	-0.31	-2.66	3.32	0.41	-0.28	-2.88	1.15	2.15	0.15	
GOVERNMENT.....	27055	27056	28025	26917	26973	27153	28218	27001	27368	27862	28908	26917	27263	27336	
% CHG SAME QTR LAST YR....	2.51	0.04	1.26	1.37	-0.31	0.36	0.69	0.31	1.47	2.61	2.44	1.81	1.29	0.27	
FEDERAL, CIVILIAN.....	42840	42023	42469	42431	42363	40062	41899	43109	44016	44140	45201	42281	42441	41858	
% CHG SAME QTR LAST YR....	1.49	-0.49	-0.90	1.44	-1.11	-4.67	-1.34	1.60	3.90	10.18	7.88	2.68	0.38	-1.37	
STATE AND LOCAL.....	24684	24762	25793	24640	24684	24972	25905	24548	24789	25263	26266	24583	24970	25027	
% CHG SAME QTR LAST YR....	2.81	0.15	1.72	1.64	0.00	0.85	0.43	-0.37	0.43	1.16	1.40	1.94	1.57	0.23	

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TABLE 12: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 SEASONALLY ADJUSTED 1996 DOLLARS

	HISTORICAL - DATA										ANNUAL			
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000
TOTAL NONAGRICULTURAL.....	28270	28638	28753	28701	28548	28697	28705	28847	29133	29272	29158	28024	28591	28699
% CHG PREV QTR SAAR.....	-0.62	5.32	1.61	-0.72	-2.12	2.11	0.11	1.99	4.02	1.93	-1.55	3.35	2.02	0.38
% CHG SAME QTR LAST YR....	2.25	2.11	2.36	1.37	0.98	0.20	-0.17	0.51	2.05	2.00	1.58	3.35	2.02	0.38
MINING.....	42759	40985	44304	41480	37797	44907	41053	38711	38671	40164	43629	45514	42382	40617
% CHG PREV QTR SAAR.....	-29.83	-15.59	36.54	-23.16	-31.06	99.25	-30.16	-20.93	-0.41	16.36	39.23	5.84	-6.88	-4.16
% CHG SAME QTR LAST YR....	-11.47	-6.83	2.91	-11.21	-11.60	9.57	-7.34	-6.67	2.31	-10.56	6.28	5.84	-6.88	-4.16
CONSTRUCTION.....	31853	32325	32353	32629	32623	32535	31988	32050	31204	30930	31342	31184	32290	32299
% CHG PREV QTR SAAR.....	-1.95	6.06	0.36	3.45	-0.08	-1.07	-6.56	0.77	-10.15	-3.45	5.43	3.37	3.55	0.03
% CHG SAME QTR LAST YR....	4.42	5.27	2.66	1.93	2.42	0.65	-1.13	-1.78	-4.35	-4.93	-2.02	3.37	3.55	0.03
MANUFACTURING.....	32575	33128	33678	33760	32834	33366	33355	33815	34308	34534	34780	32353	33285	33342
% CHG PREV QTR SAAR.....	0.95	6.97	6.81	0.98	-10.53	6.64	-0.14	5.63	5.97	2.66	2.88	2.14	2.88	0.17
% CHG SAME QTR LAST YR....	2.38	2.25	2.99	3.88	0.80	0.72	-0.96	0.16	4.49	3.50	4.27	2.14	2.88	0.17
DURABLE GOODS.....	33282	33739	34228	34365	33095	33745	33652	34510	34315	34530	35180	32994	33903	33750
% CHG PREV QTR SAAR.....	2.75	5.60	5.93	1.61	-13.98	8.09	-1.10	10.60	-2.24	2.52	7.75	1.20	2.76	-0.45
% CHG SAME QTR LAST YR....	1.30	2.49	3.26	3.96	-0.56	0.02	-1.68	0.42	3.69	2.33	4.54	1.20	2.76	-0.45
NONDURABLE GOODS.....	31589	32263	32887	32885	32453	32813	32921	32800	34298	34541	34212	31513	32406	32747
% CHG PREV QTR SAAR.....	-1.82	8.81	7.96	-0.03	-5.15	4.52	1.32	-1.47	19.56	2.86	-3.76	3.30	2.84	1.05
% CHG SAME QTR LAST YR....	3.58	1.72	2.45	3.62	2.73	1.70	0.10	-0.26	5.69	5.27	3.92	3.30	2.84	1.05
TRADE.....	22129	22577	22206	22199	22165	21896	22158	22116	22109	22191	22665	21571	22278	22084
% CHG PREV QTR SAAR.....	4.34	8.35	-6.43	-0.12	-0.60	-4.78	4.88	-0.75	-0.14	1.51	8.82	4.79	3.28	-0.87
% CHG SAME QTR LAST YR....	4.09	4.71	2.96	1.38	0.16	-3.02	-0.21	-0.37	-0.26	1.35	2.29	4.79	3.28	-0.87
SERVICES.....	27120	27189	27213	27081	27574	27643	27078	27313	28790	29011	27633	26875	27151	27402
% CHG PREV QTR SAAR.....	1.03	1.03	0.36	-1.93	7.47	1.02	-7.93	3.51	23.45	3.10	-17.68	3.79	1.03	0.93
% CHG SAME QTR LAST YR....	1.80	1.18	1.02	0.11	1.67	1.67	-0.50	0.86	4.41	4.95	2.05	3.79	1.03	0.93
FIN, INS, REAL EST.....	36872	39354	39017	39720	38668	40802	42482	41701	39472	40197	42543	38841	38741	40913
% CHG PREV QTR SAAR.....	-25.79	29.78	-3.39	7.41	-10.19	23.97	17.51	-7.15	-19.72	7.55	25.47	6.83	-0.26	5.61
% CHG SAME QTR LAST YR....	-1.99	0.07	0.84	-0.02	4.87	3.68	8.88	4.99	2.08	-1.48	0.14	6.83	-0.26	5.61
TRANS, COMM, PUB UTIL.....	35536	35744	37135	35860	35661	35706	36102	36913	35929	35700	34977	35339	36069	36095
% CHG PREV QTR SAAR.....	-2.57	2.36	16.50	-13.04	-2.20	0.51	4.51	9.29	-10.24	-2.53	-7.86	1.10	2.07	0.07
% CHG SAME QTR LAST YR....	0.57	1.67	5.81	0.26	0.35	-0.11	-2.78	2.94	0.75	-0.02	-3.12	1.10	2.07	0.07
GOVERNMENT.....	27280	27135	27252	27405	27207	27150	27419	27477	27614	27797	28072	26905	27268	27313
% CHG PREV QTR SAAR.....	4.19	-2.11	1.75	2.26	-2.86	-0.83	4.01	0.86	2.01	2.68	4.01	1.83	1.35	0.17
% CHG SAME QTR LAST YR....	2.52	0.03	1.38	1.49	-0.27	0.06	0.61	0.26	1.50	2.38	2.38	1.83	1.83	0.17
FEDERAL, CIVILIAN.....	42840	42459	42137	42348	42391	40506	41677	42737	44179	44708	44843	42282	42446	41827
% CHG PREV QTR SAAR.....	12.04	-3.52	-3.00	2.02	0.41	-16.63	12.07	10.57	14.20	4.87	1.22	2.81	0.39	-1.46
% CHG SAME QTR LAST YR....	1.49	-0.57	-1.02	1.70	-1.05	-4.60	-1.09	0.92	4.22	10.37	7.60	2.81	0.39	-1.46
STATE AND LOCAL.....	24920	24806	25005	25162	24928	24924	25073	25083	25033	25144	25419	24571	24973	25002
% CHG PREV QTR SAAR.....	3.05	-1.81	3.25	2.52	-3.67	-0.07	2.42	0.16	-0.80	1.79	4.45	1.95	1.64	0.11
% CHG SAME QTR LAST YR....	2.82	0.15	1.87	1.73	0.03	0.47	0.27	-0.31	0.42	0.88	1.38	1.95	1.64	0.11

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TABLE 13: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 CURRENT DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL NONAGRICULTURAL.....	29759	29825	30115	30023	30862	30714	30973	30983	32167	32048	31922	28861	29930	30883	
% CHG SAME QTR LAST YR....	3.55	3.69	4.08	3.50	3.71	2.98	2.85	3.20	4.23	4.34	3.06	4.40	3.71	3.18	
MINING.....	45476	42462	45455	43810	41280	47760	43571	41951	42927	43659	46573	46748	44300	43641	
% CHG SAME QTR LAST YR....	-10.30	-5.40	4.71	-8.73	-9.23	12.48	-4.14	-4.24	3.99	-8.59	6.89	6.82	-5.23	-1.49	
CONSTRUCTION.....	34915	33435	32888	34361	36570	34517	33396	34344	36024	33604	33225	32163	33899	34707	
% CHG SAME QTR LAST YR....	5.50	6.90	4.64	4.58	4.74	3.24	1.55	-0.05	-1.49	-2.64	-0.51	4.61	5.40	2.38	
MANUFACTURING.....	33906	34488	35344	35591	35106	35742	36088	36625	37494	37798	38135	33307	34832	35890	
% CHG SAME QTR LAST YR....	3.68	3.85	4.71	6.04	3.54	3.64	2.10	2.91	6.80	5.75	5.67	3.13	4.58	3.04	
DURABLE GOODS.....	34527	35115	36040	36235	35282	36123	36461	37411	37431	37742	38620	33967	35480	36319	
% CHG SAME QTR LAST YR....	2.62	4.12	4.95	6.09	2.18	2.87	1.17	3.24	6.09	4.48	5.92	2.17	4.45	2.37	
NONDURABLE GOODS.....	33033	33600	34351	34659	34847	35185	35544	35482	37586	37879	37444	32439	33911	35265	
% CHG SAME QTR LAST YR....	4.90	3.28	4.18	5.81	5.49	4.72	3.47	2.37	7.86	7.66	5.35	4.31	4.54	3.99	
TRADE.....	23438	23616	23252	22973	24094	23515	23854	23512	24609	24404	24739	22214	23320	23744	
% CHG SAME QTR LAST YR....	5.41	6.34	4.71	3.44	2.80	-0.43	2.59	2.34	2.14	3.78	3.71	5.80	4.98	1.82	
SERVICES.....	28799	28210	28210	28470	30108	29471	29012	29497	31914	31635	30055	27675	28422	29522	
% CHG SAME QTR LAST YR....	3.11	2.73	2.70	2.27	4.55	4.47	2.84	3.61	6.00	7.34	3.60	4.86	2.70	3.87	
FIN, INS, REAL EST.....	38608	41005	40672	42015	41546	43688	45630	45236	43336	43996	46307	40016	40575	44025	
% CHG SAME QTR LAST YR....	-0.82	1.59	2.54	2.20	7.61	6.54	12.19	7.67	4.31	0.70	1.48	7.95	1.40	8.50	
TRANS, COMM, PUB UTIL.....	37429	37456	38776	37551	38559	38345	38776	39809	39653	39088	38232	36411	37803	38872	
% CHG SAME QTR LAST YR....	1.86	3.20	7.76	2.54	3.02	2.37	0.00	6.01	2.84	1.94	-1.40	2.22	3.82	2.83	
GOVERNMENT.....	28105	28248	29422	28428	28767	29111	30432	29260	29893	30534	31650	27733	28551	29393	
% CHG SAME QTR LAST YR....	3.81	1.58	3.03	3.41	2.36	3.05	3.43	2.93	3.91	4.89	4.00	2.89	2.95	2.95	
FEDERAL, CIVILIAN.....	44503	43874	44586	44814	45182	42951	45187	46716	48078	48374	49489	43563	44444	45009	
% CHG SAME QTR LAST YR....	2.78	1.04	0.83	3.48	1.53	-2.10	1.35	4.25	6.41	12.63	9.52	3.78	2.02	1.27	
STATE AND LOCAL.....	25641	25853	27079	26024	26326	26773	27937	26603	27076	27686	28758	25329	26149	26910	
% CHG SAME QTR LAST YR....	4.11	1.69	3.50	3.68	2.67	3.56	3.17	2.22	2.85	3.41	2.94	3.03	3.24	2.91	

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TABLE 14: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 SEASONALLY ADJUSTED CURRENT DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL NONAGRICULTURAL.....	29367	29900	30186	30313	30447	30766	30958	31261	31821	32080	31924	28875	29942	30858	
% CHG PREV QTR SAAR.....	0.70	7.46	3.88	1.69	3.42	4.26	2.51	3.97	7.36	4.29	-1.92	4.45	3.69	3.06	
% CHG SAME QTR LAST YR....	3.55	3.68	4.15	3.40	3.68	2.90	2.56	3.13	4.51	4.27	3.12	4.45	3.69	3.06	
MINING.....	44419	42791	46512	43810	40313	48145	44274	41951	42240	44016	47768	46893	44383	43671	
% CHG PREV QTR SAAR.....	-28.90	-13.87	39.59	-21.29	-28.31	103.45	-28.49	-19.39	2.78	17.91	38.70	6.97	-5.35	-1.60	
% CHG SAME QTR LAST YR....	-10.35	-5.40	4.71	-9.43	-9.24	12.51	-4.81	-4.24	4.78	-8.58	7.89	6.97	-5.35	-1.60	
CONSTRUCTION.....	33089	33749	33966	34462	34793	34881	34498	34732	34083	33897	34316	32132	33816	34726	
% CHG PREV QTR SAAR.....	-0.66	8.22	2.59	5.97	3.91	1.01	-4.32	2.73	-7.27	-2.16	5.03	4.47	5.24	2.69	
% CHG SAME QTR LAST YR....	5.75	6.88	4.45	3.98	5.15	3.36	1.57	0.78	-2.04	-2.82	-0.53	4.47	5.24	2.69	
MANUFACTURING.....	33839	34587	35356	35656	35019	35772	36645	37474	37847	38080	33335	34860	35852	35852	
% CHG PREV QTR SAAR.....	2.29	9.14	9.19	3.44	-6.96	8.89	2.25	7.69	9.37	4.03	2.49	3.23	4.57	2.85	
% CHG SAME QTR LAST YR....	3.68	3.82	4.79	5.97	3.49	3.43	1.74	2.77	7.01	5.80	5.86	3.23	4.57	2.85	
DURABLE GOODS.....	34574	35225	35933	36295	35297	36178	36292	37398	37482	37841	38517	33995	35507	36292	
% CHG PREV QTR SAAR.....	4.11	7.75	8.29	4.09	-10.55	10.36	1.27	12.76	0.90	3.89	7.33	2.28	4.45	2.21	
% CHG SAME QTR LAST YR....	2.58	4.07	5.07	6.04	2.09	2.71	1.00	3.04	6.19	4.60	6.13	2.28	4.45	2.21	
NONDURABLE GOODS.....	32815	33685	34525	34731	34612	35179	35504	35545	37463	37854	37457	32469	33939	35210	
% CHG PREV QTR SAAR.....	-0.52	11.03	10.36	2.41	-1.37	6.72	3.75	0.46	23.40	4.24	-4.13	4.40	4.53	3.74	
% CHG SAME QTR LAST YR....	4.90	3.28	4.24	5.70	5.48	4.44	2.84	2.34	8.24	7.60	5.50	4.40	4.53	3.74	
TRADE.....	22988	23572	23312	23446	23640	23475	23897	23967	24149	24320	24815	22226	23329	23745	
% CHG PREV QTR SAAR.....	5.72	10.55	-4.34	2.31	3.36	-2.77	7.39	1.18	3.07	2.86	8.40	5.90	4.96	1.78	
% CHG SAME QTR LAST YR....	5.41	6.32	4.76	3.42	2.84	-0.41	2.51	2.22	2.15	3.60	3.84	5.90	4.96	1.78	
SERVICES.....	28172	28387	28569	28602	29408	29637	29203	29599	31446	31793	30254	27691	28433	29462	
% CHG PREV QTR SAAR.....	2.36	3.08	2.59	0.46	11.76	3.14	-5.72	5.53	27.41	4.48	-18.00	4.90	2.68	3.62	
% CHG SAME QTR LAST YR....	3.09	2.74	2.79	2.12	4.39	4.40	2.22	3.48	6.93	7.28	3.60	4.90	2.68	3.62	
FIN, INS, REAL EST.....	38303	41088	40961	41951	41240	43744	45815	45190	43114	44052	46579	40021	40576	43998	
% CHG PREV QTR SAAR.....	-24.81	32.42	-1.23	10.03	-6.61	26.58	20.33	-5.34	-17.15	8.99	24.99	7.97	1.39	8.43	
% CHG SAME QTR LAST YR....	-0.75	1.61	2.60	1.99	7.67	6.46	11.85	7.72	4.54	0.70	1.67	7.97	1.39	8.43	
TRANS, COMM, PUB UTIL.....	36915	37319	38985	37874	38034	38281	38935	40002	39244	39124	38295	36411	37773	38813	
% CHG PREV QTR SAAR.....	-1.28	4.44	19.09	-10.92	1.70	2.62	7.02	11.42	-7.36	-1.22	-8.21	2.17	3.74	2.75	
% CHG SAME QTR LAST YR....	1.85	3.23	7.66	2.27	3.03	2.58	-0.13	5.62	3.18	2.20	-1.64	2.17	3.74	2.75	
GOVERNMENT.....	28339	28330	28610	28944	29017	29108	29570	29777	30163	30463	30734	27721	28556	29368	
% CHG PREV QTR SAAR.....	5.56	-0.12	4.01	4.75	1.01	1.26	6.50	2.82	5.29	4.05	3.61	2.92	3.01	2.84	
% CHG SAME QTR LAST YR....	3.82	1.56	3.15	3.53	2.39	2.75	3.35	2.88	3.95	4.66	3.94	2.92	3.01	2.84	
FEDERAL, CIVILIAN.....	44503	44329	44236	44726	45211	43427	44947	46313	48256	48996	49097	43563	44449	44974	
% CHG PREV QTR SAAR.....	13.52	-1.55	-0.84	4.50	4.41	-14.88	14.76	12.72	17.87	6.27	0.83	3.90	2.03	1.18	
% CHG SAME QTR LAST YR....	2.78	0.95	0.71	3.74	1.59	-2.04	1.61	3.55	6.73	12.82	9.23	3.90	2.03	1.18	
STATE AND LOCAL.....	25887	25899	26251	26575	26587	26721	27040	27182	27343	27556	27830	25317	26153	26883	
% CHG PREV QTR SAAR.....	4.41	0.19	5.55	5.02	0.18	2.04	4.87	2.11	2.39	3.15	4.05	3.04	3.30	2.79	
% CHG SAME QTR LAST YR....	4.12	1.69	3.65	3.77	2.70	3.17	3.01	2.28	2.84	3.12	2.92	3.04	3.30	2.79	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 15: TENNESSEE CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATE

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
CIVILIAN LABOR FORCE (THOUS)	2784	2815	2849	2815	2744	2766	2824	2859	2833	2859	2893	2760	2816	2798	
% CHG SAME QTR LAST YR.	3.41	2.72	1.88	0.18	-1.43	-1.71	-0.89	1.58	3.26	3.35	2.45	1.79	2.03	-0.61	
EMPLOYED PERSONS (THOUS)	2657	2707	2732	2713	2633	2664	2709	2747	2706	2745	2772	2644	2702	2688	
% CHG SAME QTR LAST YR.	3.73	2.87	1.93	0.40	-0.92	-1.57	-0.85	1.26	2.79	3.02	2.33	3.08	2.21	-0.52	
UNEMPLOYED PERSONS (THOUS)	127	108	118	101	111	102	116	112	127	114	122	116	113	110	
% CHG SAME QTR LAST YR.	-2.85	-0.85	0.69	-5.23	-12.11	-5.19	-1.97	10.30	14.41	12.07	5.34	-20.87	-2.04	-2.82	
PARTICIPATION RATE (PERCENT)	65.0	65.6	63.9	62.9	61.1	61.5	62.7	63.2	62.5	62.8	63.5	64.9	64.4	62.1	
% CHG SAME QTR LAST YR.	2.31	1.65	-2.73	-4.40	-5.98	-6.30	-1.94	0.49	2.15	2.24	1.35	0.64	-0.83	-3.48	
UNEMPLOYMENT RATE (PERCENT)	4.5	3.8	4.1	3.6	4.1	3.7	4.1	3.9	4.5	4.0	4.2	4.2	4.0	3.9	

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TABLE 16: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATE
 SEASONALLY ADJUSTED

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
CIVILIAN LABOR FORCE (THOUS).....	2815	2823	2823	2800	2776	2797	2844	2865	2869	2868	2759	2815	2798		
% CHG PREV QTR SAAR.....	2.85	1.17	-0.09	-3.17	-3.45	0.01	3.11	6.94	2.96	0.50	-0.18	1.74	2.03	-0.61	
% CHG SAME QTR LAST YR.....	3.39	2.73	1.89	0.17	-1.40	-1.69	-0.91	1.58	3.23	3.35	2.52	1.74	2.03	-0.61	
EMPLOYED PERSONS (THOUS).....	2697	2710	2710	2692	2673	2667	2687	2725	2746	2748	2751	2644	2702	2688	
% CHG PREV QTR SAAR.....	2.47	1.80	0.07	-2.70	-2.72	-0.85	2.95	5.89	3.11	0.24	0.41	3.03	2.21	-0.52	
% CHG SAME QTR LAST YR.....	3.68	2.87	1.94	0.39	-0.91	-1.56	-0.86	1.26	2.75	3.03	2.39	3.03	2.21	-0.52	
UNEMPLOYED PERSONS (THOUS).....	118	114	113	109	103	108	110	119	119	121	117	116	113	110	
% CHG PREV QTR SAAR.....	12.05	-12.61	-3.70	-14.01	-20.14	24.37	7.23	34.94	-0.28	6.79	-12.97	-20.92	-2.01	-2.80	
% CHG SAME QTR LAST YR.....	-2.82	-0.57	0.55	-5.11	-12.81	-4.77	-2.18	9.49	15.74	11.41	5.75	-20.92	-2.01	-2.80	
PARTICIPATION RATE (PERCENT).....	65.8	65.8	63.3	62.6	61.9	61.7	62.1	62.9	63.2	63.0	62.9	64.9	64.4	62.1	
% CHG PREV QTR SAAR.....	1.79	0.12	-14.33	-4.37	-4.64	-1.23	2.57	5.55	1.69	-0.75	-0.70	0.59	-0.82	-3.49	
% CHG SAME QTR LAST YR.....	2.29	1.66	-2.72	-4.41	-5.96	-6.28	-1.96	0.49	2.12	2.24	1.42	0.59	-0.82	-3.49	
UNEMPLOYMENT RATE (PERCENT).....	4.2	4.0	4.0	3.9	3.7	3.9	3.9	4.2	4.1	4.2	4.1	4.2	4.0	3.9	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 17: TENNESSEE TAXABLE SALES
 MILLIONS OF 1996 DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL.....	15647	17401	17572	18436	16317	17553	17488	18007	15728	17301	16875	64416	69056	69364	
% CHG SAME QTR LAST YR.....	15.32	4.84	6.55	3.81	4.28	0.87	-0.48	-2.33	-3.61	-1.43	-3.50	-0.60	7.20	0.45	
AUTO DEALERS.....	1851	2038	2097	1763	1886	2054	2052	1710	1855	1964	1969	6917	7748	7802	
% CHG SAME QTR LAST YR.....	22.02	5.86	13.13	8.73	7.31	0.79	-2.18	-2.98	-6.57	-4.36	-4.01	5.94	12.03	0.69	
PURCHASES FROM MANUFACTURERS..	923	1081	1011	1024	884	1031	1012	977	849	962	898	4148	4039	3904	
% CHG SAME QTR LAST YR.....	2.02	-0.83	-7.05	-3.93	-4.20	-4.64	0.15	-4.65	-3.88	-6.66	-11.25	-3.24	-2.64	-3.34	
MISC DURABLE GOODS.....	2720	3227	3161	3142	2959	3128	3054	2931	2614	3026	2768	10984	12251	12072	
% CHG SAME QTR LAST YR.....	25.93	8.89	9.29	5.89	8.80	-3.09	-3.39	-6.72	-11.68	-3.25	-9.36	-6.00	11.53	-1.46	
EATING AND DRINKING PLACES....	1317	1437	1445	1396	1370	1492	1492	1416	1381	1499	1523	5317	5595	5769	
% CHG SAME QTR LAST YR.....	12.16	3.83	3.04	2.94	3.98	3.80	3.25	1.42	0.84	0.47	2.09	3.94	5.24	3.11	
FOOD STORES.....	1770	1838	1886	2044	1766	1892	1880	2024	1746	1837	1836	7366	7538	7562	
% CHG SAME QTR LAST YR.....	6.67	1.24	2.06	0.06	-0.23	2.90	-0.29	-0.97	-1.10	-2.89	-2.35	0.33	2.34	0.32	
LIQUOR STORES.....	78	81	80	111	81	86	84	107	83	86	82	329	350	357	
% CHG SAME QTR LAST YR.....	8.55	3.03	5.79	8.22	3.88	6.11	4.01	-3.79	2.82	0.78	-1.76	0.20	6.49	1.99	
HOTELS AND MOTELS.....	335	435	474	428	350	450	466	432	337	437	449	1622	1672	1698	
% CHG SAME QTR LAST YR.....	9.16	1.07	3.04	0.82	4.31	3.27	-1.70	1.10	-3.75	-2.77	-3.68	1.50	3.10	1.52	
OTHER RETAIL AND SERVICE.....	4352	4814	4805	5749	4520	4909	4884	5646	4432	4801	4677	18626	19720	19958	
% CHG SAME QTR LAST YR.....	14.02	3.06	4.85	3.49	3.84	1.97	1.65	-1.80	-1.94	-2.19	-4.23	3.33	5.87	1.21	
MISC NONDURABLE GOODS.....	1324	1448	1407	1704	1322	1428	1439	1697	1363	1414	1346	5299	5884	5886	
% CHG SAME QTR LAST YR.....	34.08	8.22	4.33	4.96	-0.20	-1.34	2.24	-0.45	3.13	-1.00	-6.47	-1.82	11.05	0.03	
TRANSPORTATION, COMMUNICATION..	977	1002	1206	1073	1080	1085	1126	1066	1067	1274	1326	3809	4257	4356	
% CHG SAME QTR LAST YR.....	0.77	11.14	28.17	7.49	10.58	8.31	-6.63	-0.71	-1.19	17.45	17.84	-15.29	11.75	2.33	
PER CAPITA (\$).....	2787	3090	3111	3254	2871	3079	3063	3143	2737	3002	2923	11562	12242	12156	
% CHG SAME QTR LAST YR.....	13.87	3.53	5.24	2.53	3.00	-0.36	-1.55	-3.39	-4.65	-2.51	-4.55	-1.92	5.88	-0.70	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 18. TENNESSEE TAXABLE SALES
 MILLIONS OF SEASONALLY ADJUSTED 1996 DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL.....	17144	17137	17293	17494	17796	17305	17271	17069	17114	17077	16681	64299	69068	69441	
% CHG PREV QTR SAAR.....	7.45	-0.17	3.70	4.72	7.08	-10.58	-0.79	-4.59	1.07	-0.88	-8.95	-0.72	7.42	0.54	
% CHG SAME QTR LAST YR.....	14.80	4.92	6.80	3.89	3.80	0.98	-0.13	-2.43	-3.83	-1.32	-3.42	-0.72	7.42	0.54	
AUTO DEALERS.....	1886	1939	1968	1960	2017	1953	1926	1906	1881	1868	1851	6920	7753	7803	
% CHG PREV QTR SAAR.....	21.90	11.79	6.02	-1.59	12.21	-12.05	-5.50	-4.04	-5.25	-2.74	-3.55	5.83	12.04	0.65	
% CHG SAME QTR LAST YR.....	21.37	5.90	13.10	9.20	6.96	0.73	-2.12	-2.74	-6.76	-4.39	-3.90	5.83	12.04	0.65	
PURCHASES FROM MANUFACTURERS.....	1049	1027	977	996	998	978	983	951	955	912	874	4151	4048	3909	
% CHG PREV QTR SAAR.....	6.06	-8.22	-17.90	7.78	0.78	-7.65	2.00	-12.44	1.83	-16.66	-15.66	-3.20	-2.48	-3.44	
% CHG SAME QTR LAST YR.....	1.39	-0.97	-6.61	-3.66	-4.89	-4.74	0.57	-4.51	-4.27	-6.69	-11.02	-3.20	-2.48	-3.44	
MISC DURABLE GOODS.....	3034	3031	3063	3130	3272	2946	2976	2915	2872	2857	2706	10954	12259	12109	
% CHG PREV QTR SAAR.....	9.99	-0.31	4.28	8.99	19.37	-34.30	4.26	-7.94	-5.79	-2.11	-19.53	-6.12	11.91	-1.22	
% CHG SAME QTR LAST YR.....	24.64	9.24	10.08	5.66	7.84	-2.83	-2.84	-6.85	-12.21	-3.01	-9.09	-6.12	11.91	-1.22	
EATING AND DRINKING PLACES.....	1396	1388	1394	1421	1445	1444	1441	1441	1454	1452	1472	5316	5599	5771	
% CHG PREV QTR SAAR.....	4.93	-2.29	1.63	7.99	6.94	-0.30	-0.85	0.13	3.64	-0.68	5.71	3.83	5.32	3.06	
% CHG SAME QTR LAST YR.....	11.43	4.00	3.35	2.99	3.48	4.01	3.37	1.43	0.64	0.54	2.17	3.83	5.32	3.06	
FOOD STORES.....	1894	1850	1893	1897	1891	1907	1889	1876	1871	1853	1844	7350	7535	7563	
% CHG PREV QTR SAAR.....	-1.76	-8.97	9.65	0.79	-1.23	3.32	-3.76	-2.62	-1.18	-3.66	-2.00	0.27	2.51	0.37	
% CHG SAME QTR LAST YR.....	6.90	1.50	2.19	-0.29	-0.16	3.06	-0.25	-1.10	-1.09	-2.81	-2.37	0.27	2.51	0.37	
LIQUOR STORES.....	85	85	88	91	89	90	91	88	91	91	90	328	349	358	
% CHG PREV QTR SAAR.....	5.46	-0.15	10.72	17.07	-9.66	7.72	3.35	-15.10	18.42	-0.59	-7.02	0.03	6.41	2.47	
% CHG SAME QTR LAST YR.....	8.84	2.76	6.06	8.09	3.99	5.98	4.17	-3.87	2.86	0.81	-1.82	0.03	6.41	2.47	
HOTELS AND MOTELS.....	423	407	420	424	438	421	416	426	420	411	401	1620	1674	1702	
% CHG PREV QTR SAAR.....	-0.49	-15.00	14.15	3.47	14.47	-14.64	-5.34	10.67	-5.49	-8.78	-9.05	1.48	3.34	1.66	
% CHG SAME QTR LAST YR.....	8.20	1.36	4.14	-0.02	3.54	3.65	-1.09	0.59	-4.12	-2.51	-3.49	1.48	3.34	1.66	
OTHER RETAIL AND SERVICE.....	4886	4913	4915	5001	5055	5007	5008	4912	4949	4897	4803	18579	19715	19982	
% CHG PREV QTR SAAR.....	5.22	2.21	0.20	7.16	4.42	-3.78	0.12	-7.50	3.10	-4.20	-7.42	3.07	6.12	1.35	
% CHG SAME QTR LAST YR.....	13.44	3.00	5.09	3.66	3.46	1.91	1.89	-1.79	-2.10	-2.20	-4.10	3.07	6.12	1.35	
MISC NONDURABLE GOODS.....	1487	1490	1435	1479	1473	1468	1478	1472	1513	1451	1389	5268	5891	5890	
% CHG PREV QTR SAAR.....	24.69	0.83	-13.93	12.63	-1.45	-1.47	2.71	-1.58	11.80	-15.40	-16.17	-2.19	11.81	-0.01	
% CHG SAME QTR LAST YR.....	33.18	8.12	5.02	5.07	-0.93	-1.50	2.95	-0.46	2.72	-1.12	-6.01	-2.19	11.81	-0.01	
TRANSPORTATION, COMMUNICATION.....	1004	1007	1140	1096	1118	1091	1064	1082	1107	1285	1251	3813	4246	4355	
% CHG PREV QTR SAAR.....	-8.66	1.18	64.24	-14.45	8.12	-9.01	-9.80	7.13	9.71	81.05	-9.94	-14.95	11.36	2.57	
% CHG SAME QTR LAST YR.....	1.08	11.66	27.80	6.75	11.35	8.43	-6.66	-1.26	-0.90	17.70	17.66	-14.95	11.36	2.57	
PER CAPITA (\$).....	3054	3043	3061	3087	3131	3036	3025	2980	2979	2963	2889	11543	12246	12171	
% CHG PREV QTR SAAR.....	6.12	-1.41	2.43	3.45	5.78	-11.67	-1.44	-5.80	-0.16	-2.09	-9.54	-2.04	6.09	-0.61	
% CHG SAME QTR LAST YR.....	13.35	3.61	5.48	2.61	2.53	-0.25	-1.20	-3.49	-4.87	-2.39	-4.47	-2.04	6.09	-0.61	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 19: TENNESSEE TAXABLE SALES
 MILLIONS OF CURRENT DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL.....	16254	18167	18447	19472	17402	18818	18860	19514	17180	18960	18476	66389	72341	74595	
% CHG SAME QTR LAST YR.....	16.79	6.45	8.41	5.89	7.06	3.58	2.24	0.22	-1.28	0.76	-2.04	0.47	8.96	3.12	
AUTO DEALERS.....	1922	2127	2202	1862	2118	2202	2213	1854	2077	2153	2156	7127	8114	8386	
% CHG SAME QTR LAST YR.....	23.57	7.49	15.11	10.91	10.18	3.50	0.49	-0.46	-4.31	-2.23	-2.55	7.07	13.85	3.36	
PURCHASES FROM MANUFACTURERS..	958	1129	1061	1082	943	1105	1091	1058	928	1055	983	4274	4230	4198	
% CHG SAME QTR LAST YR.....	3.31	0.69	-5.43	-2.00	-1.65	-2.08	2.88	-2.16	-1.56	-4.59	-9.91	-2.22	-1.04	-0.76	
MISC DURABLE GOODS.....	2826	3369	3319	3319	3156	3353	3294	3177	2855	3316	3031	11321	12833	12980	
% CHG SAME QTR LAST YR.....	27.52	10.56	11.20	8.01	11.70	-0.49	-0.76	-4.29	-9.55	-1.11	-7.99	-4.99	13.36	1.14	
EATING AND DRINKING PLACES....	1368	1500	1517	1475	1461	1599	1609	1535	1508	1642	1668	5479	5860	6203	
% CHG SAME QTR LAST YR.....	13.58	5.43	4.84	5.01	6.76	6.59	6.07	4.06	3.27	2.70	3.64	5.06	6.96	5.86	
FOOD STORES.....	1839	1919	1980	2159	1883	2028	2028	2194	1908	2013	2010	7591	7897	8133	
% CHG SAME QTR LAST YR.....	8.02	2.79	3.85	2.07	2.44	5.67	2.43	1.61	1.29	-0.73	-0.86	1.41	4.03	3.00	
LIQUOR STORES.....	81	84	84	118	86	92	90	116	91	95	90	339	367	384	
% CHG SAME QTR LAST YR.....	9.92	4.61	7.64	10.39	6.65	8.96	6.85	-1.28	5.30	3.02	-0.26	1.28	8.28	4.69	
HOTELS AND MOTELS.....	348	455	497	452	373	482	502	468	368	479	491	1672	1752	1826	
% CHG SAME QTR LAST YR.....	10.54	2.62	4.84	2.84	7.09	6.05	0.98	3.73	-1.43	-0.61	-2.22	2.59	4.80	4.22	
OTHER RETAIL AND SERVICE.....	4521	5026	5044	6072	4820	5263	5267	6119	4841	5262	5121	19199	20663	21468	
% CHG SAME QTR LAST YR.....	15.46	4.64	6.68	5.57	6.61	4.71	4.42	0.76	0.42	-0.01	-2.78	4.44	7.63	3.90	
MISC NONDURABLE GOODS.....	1376	1511	1478	1800	1410	1531	1552	1839	1489	1550	1474	5462	6165	6332	
% CHG SAME QTR LAST YR.....	35.78	9.88	6.16	7.06	2.46	1.31	5.03	2.15	5.62	1.20	-5.05	-0.76	12.87	2.70	
TRANSPORTATION, COMMUNICATION..	1014	1046	1266	1134	1152	1163	1214	1155	1166	1396	1452	3925	4460	4684	
% CHG SAME QTR LAST YR.....	2.05	12.85	30.41	9.65	13.53	11.22	-4.09	1.88	1.19	20.05	19.63	-14.37	13.61	5.03	
PER CAPITA (\$)..	2895	3226	3266	3437	3062	3301	3303	3407	2990	3290	3200	11916	12824	13072	
% CHG SAME QTR LAST YR.....	15.31	5.12	7.08	4.59	5.75	2.32	1.14	-0.87	-2.35	-0.34	-3.10	-0.87	7.62	1.94	

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 20: TENNESSEE TAXABLE SALES
 MILLIONS OF SEASONALLY ADJUSTED CURRENT DOLLARS

	HISTORICAL - DATA												ANNUAL		
	199901	199902	199903	199904	200001	200002	200003	200004	200101	200102	200103	1998	1999	2000	
TOTAL.....	17810	17892	18155	18476	18980	18553	18626	18498	18694	18714	18263	66257	72333	74657	
% CHG PREV QTR SAAR.....	8.87	1.86	6.01	7.27	11.36	-8.69	1.58	-2.73	4.31	0.44	-9.30	0.35	9.17	3.21	
% CHG SAME QTR LAST YR.....	16.26	6.53	8.67	5.97	6.57	3.69	2.60	0.12	-1.51	0.87	-1.95	0.35	9.17	3.21	
AUTO DEALERS.....	1959	2025	2066	2070	2151	2094	2077	2066	2054	2047	2027	7130	8120	8389	
% CHG PREV QTR SAAR.....	23.52	14.07	8.38	0.81	16.69	-10.20	-3.24	-2.17	-2.21	-1.44	-3.92	6.97	13.87	3.31	
% CHG SAME QTR LAST YR.....	22.91	7.53	15.08	11.39	9.82	3.44	0.55	-0.20	-4.51	-2.26	-2.44	6.97	13.87	3.31	
PURCHASES FROM MANUFACTURERS..	1090	1072	1026	1052	1064	1048	1060	1030	1043	1000	957	4277	4239	4203	
% CHG PREV QTR SAAR.....	7.47	-6.36	-16.07	10.40	4.80	-5.70	4.45	-10.73	5.10	-15.55	-15.98	-2.18	-0.89	-0.85	
% CHG SAME QTR LAST YR.....	2.67	0.55	-4.98	-1.73	-2.35	-2.18	3.32	-2.03	-1.96	-4.62	-9.67	-2.18	-0.89	-0.85	
MISC DURABLE GOODS.....	3152	3165	3216	3306	3489	3158	3210	3159	3137	3131	2963	11289	12838	13017	
% CHG PREV QTR SAAR.....	11.45	1.72	6.61	11.64	24.14	-32.92	6.75	-6.15	-2.77	-0.80	-19.84	-5.11	13.73	1.39	
% CHG SAME QTR LAST YR.....	26.22	10.92	12.01	7.78	10.72	-0.22	-0.19	-4.43	-10.09	-0.85	-7.71	-5.11	13.73	1.39	
EATING AND DRINKING PLACES....	1450	1449	1463	1501	1541	1548	1554	1562	1588	1591	1612	5478	5864	6204	
% CHG PREV QTR SAAR.....	6.32	-0.30	3.89	10.62	11.21	1.80	1.52	2.08	6.96	0.65	5.31	4.95	7.04	5.81	
% CHG SAME QTR LAST YR.....	12.84	5.60	5.15	5.06	6.25	6.80	6.19	4.08	3.07	2.77	3.72	4.95	7.04	5.81	
FOOD STORES.....	1968	1932	1988	2004	2017	2044	2037	2033	2043	2031	2019	7574	7891	8131	
% CHG PREV QTR SAAR.....	-0.46	-7.12	12.09	3.25	2.71	5.50	-1.45	-0.72	2.00	-2.37	-2.38	1.35	4.19	3.05	
% CHG SAME QTR LAST YR.....	8.25	3.06	3.98	1.70	2.51	5.82	2.47	1.47	1.29	-0.65	-0.88	1.35	4.19	3.05	
LIQUOR STORES.....	89	89	92	96	95	97	98	95	100	100	98	338	366	385	
% CHG PREV QTR SAAR.....	6.85	1.89	13.18	19.92	-6.05	9.99	5.82	-13.44	22.21	0.74	-7.38	1.11	8.17	5.19	
% CHG SAME QTR LAST YR.....	10.22	4.34	7.92	10.25	6.76	8.82	7.01	-1.37	5.34	3.05	-0.33	1.11	8.17	5.19	
HOTELS AND MOTELS.....	440	424	441	448	468	452	448	462	459	450	439	1669	1753	1830	
% CHG PREV QTR SAAR.....	0.83	-13.26	16.70	5.98	19.03	-12.84	-3.07	12.83	-2.46	-7.57	-9.40	2.57	5.03	4.36	
% CHG SAME QTR LAST YR.....	9.57	2.92	5.96	1.98	6.30	6.43	1.61	3.21	-1.80	-0.35	-2.02	2.57	5.03	4.36	
OTHER RETAIL AND SERVICE.....	5076	5129	5160	5282	5392	5368	5401	5323	5406	5366	5259	19144	20647	21484	
% CHG PREV QTR SAAR.....	6.61	4.29	2.43	9.77	8.59	-1.76	2.52	-5.70	6.41	-2.92	-7.78	4.18	7.85	4.05	
% CHG SAME QTR LAST YR.....	14.88	4.58	6.92	5.74	6.23	4.65	4.67	0.77	0.27	-0.03	-2.64	4.18	7.85	4.05	
MISC NONDURABLE GOODS.....	1545	1556	1507	1562	1571	1574	1593	1595	1653	1591	1520	5429	6169	6333	
% CHG PREV QTR SAAR.....	26.34	2.89	-12.01	15.38	2.48	0.60	5.17	0.34	15.39	-14.27	-16.49	-1.13	13.61	2.66	
% CHG SAME QTR LAST YR.....	34.87	9.78	6.85	7.18	1.72	1.15	5.76	2.13	5.20	1.08	-4.58	-1.13	13.61	2.66	
TRANSPORTATION, COMMUNICATION..	1043	1051	1196	1157	1192	1170	1147	1173	1210	1408	1370	3928	4447	4682	
% CHG PREV QTR SAAR.....	-7.45	3.24	67.90	-12.37	12.43	-7.09	-7.64	9.22	13.23	83.47	-10.29	-14.04	13.21	5.27	
% CHG SAME QTR LAST YR.....	2.36	13.37	30.04	8.89	14.32	11.34	-4.11	1.31	1.50	20.32	19.44	-14.04	13.21	5.27	
PER CAPITA (\$)	3172	3177	3214	3261	3340	3254	3262	3229	3253	3247	3164	11894	12825	13085	
% CHG PREV QTR SAAR.....	7.53	0.60	4.71	5.96	10.00	-9.81	0.92	-3.96	3.05	-0.79	-9.89	-0.99	7.82	2.03	
% CHG SAME QTR LAST YR.....	14.79	5.20	7.33	4.67	5.26	2.43	1.49	-0.97	-2.58	-0.23	-3.01	-0.99	7.82	2.03	

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TABLE 1: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
US GDP (BIL96\$)	6677.0	6880.5	7063.0	7348.2	7544.1	7813.5	8159.8	8509.2	8857.0	9224.4
PERCENTAGE CHANGE	-0.46	3.05	2.65	4.04	2.67	3.57	4.43	4.28	4.09	4.15
TN GSP (MIL96\$)	114320.0	121959.0	127108.0	134440.0	138632.0	142051.0	149239.0	156398.0	161731.0	169523.3
PERCENTAGE CHANGE	3.46	6.68	4.22	5.77	3.12	2.47	5.06	4.80	3.41	4.82
US GDP (BIL\$)	5986.2	6319.0	6642.3	7054.3	7400.5	7813.2	8318.4	8781.5	9268.6	9872.9
PERCENTAGE CHANGE	3.15	5.56	5.12	6.20	4.91	5.58	6.47	5.57	5.55	6.52
TN GSP (MIL\$)	102049.0	111844.0	119758.0	129671.0	136821.0	142051.0	151738.0	161835.0	170085.0	180438.3
PERCENTAGE CHANGE	7.39	9.60	7.08	8.28	5.51	3.82	6.82	6.65	5.10	6.09
IMPLICIT DEFLATOR, GDP	89.7	91.8	94.0	96.0	98.1	100.0	101.9	103.2	104.6	107.0
PERCENTAGE CHANGE	3.63	2.44	2.40	2.08	2.18	1.93	1.95	1.23	1.40	2.28
IMPLICIT DEFLATOR, GSP	89.3	91.7	94.2	96.5	98.7	100.0	101.7	103.5	105.2	106.4
PERCENTAGE CHANGE	3.80	2.73	2.74	2.37	2.32	1.32	1.67	1.77	1.63	1.21
US PERS CONS DEFL (1996=100)	88.9	91.6	93.8	95.7	97.9	100.0	101.9	103.0	104.7	107.5
PERCENTAGE CHANGE	3.83	3.06	2.38	2.02	2.29	2.15	1.94	1.07	1.64	2.67
TN PERSONAL INCOME (MIL\$)	86582	94465	100394	106855	114260	119287	125456	134282	139434	147753
PERCENTAGE CHANGE	5.25	9.10	6.28	6.44	6.93	4.40	5.17	7.03	3.84	5.97
US PERSONAL INCOME (BIL\$)	5085.4	5390.4	5610.0	5888.0	6200.9	6547.4	6937.0	7426.0	7777.3	8319.2
PERCENTAGE CHANGE	3.71	6.00	4.07	4.96	5.31	5.59	5.95	7.05	4.73	6.97
TN PERSONAL INCOME (MIL96\$)	97385	103100	107024	111652	116712	119288	123065	130330	133147	137419
PERCENTAGE CHANGE	1.37	5.87	3.81	4.32	4.53	2.21	3.17	5.90	2.16	3.21
US PERSONAL INCOME (BIL96\$)	5719.8	5883.1	5980.5	6152.4	6334.0	6547.4	6804.8	7207.5	7426.6	7737.3
PERCENTAGE CHANGE	-0.11	2.85	1.65	2.88	2.95	3.37	3.93	5.92	3.04	4.18
TN NONAGRIC JOBS (THOUS)	2183.6	2245.0	2328.5	2423.0	2499.0	2533.4	2584.0	2638.4	2685.4	2737.5
PERCENTAGE CHANGE	-0.44	2.81	3.72	4.06	3.14	1.38	2.00	2.11	1.78	1.94
US NONAGRIC JOBS (MIL)	108.3	108.6	110.7	114.1	117.2	119.6	122.7	125.8	128.9	131.8
PERCENTAGE CHANGE	-1.05	0.31	1.94	3.11	2.67	2.05	2.58	2.58	2.43	2.22
TN UNEMPLOYMENT RATE (%)	6.7	6.4	5.7	4.8	5.2	5.2	5.4	4.2	4.0	3.9
US UNEMPLOYMENT RATE (%)	6.8	7.5	6.9	6.1	5.6	5.4	5.0	4.5	4.2	4.0
BANK PRIME INTEREST RATE (%)	8.5	6.3	6.0	7.1	8.8	8.3	8.4	8.4	8.0	9.2
TN MFG JOBS (THOUS)	502.7	514.5	528.4	538.9	538.9	519.3	517.6	514.7	511.1	508.4
PERCENTAGE CHANGE	-3.39	2.35	2.71	1.98	0.00	-3.64	-0.33	-0.55	-0.71	-0.53

(CONTINUED ON NEXT PAGE)

TABLE 1: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 1: SELECTED U.S. AND TENNESSEE ECONOMIC INDICATORS (CONT.)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TN TAXABLE SALES (MIL\$)	42650	45473	49112	53778	57943	60689	66079	66389	72341	74595
PERCENTAGE CHANGE	1.57	6.62	8.00	9.50	7.75	4.74	8.88	0.47	8.96	3.12
TN TAXABLE SALES (MIL96\$)	47971	49630	52355	56193	59187	60689	64819	64435	69079	69377
PERCENTAGE CHANGE	-2.17	3.46	5.49	7.33	5.33	2.54	6.80	-0.59	7.21	0.43
TN MFG OUTPUT/EMPLOYEE (THOUS96\$)	52.5	55.3	56.9	59.1	60.5	59.4	63.5	65.7	68.7	73.2
PERCENTAGE CHANGE	8.13	5.30	2.88	3.80	2.44	-1.93	6.93	3.51	4.56	6.58
TN AVERAGE ANNUAL WAGE, NONAG (\$)	22215	23424	23892	24635	25522	26364	27646	28862	29932	30883
PERCENTAGE CHANGE	4.43	5.44	2.00	3.11	3.60	3.30	4.86	4.40	3.71	3.18
TN AVERAGE ANNUAL WAGE, NONAG (96\$)	24986	25565	25470	25741	26070	26364	27119	28013	28583	28723
PERCENTAGE CHANGE	0.58	2.32	-0.37	1.06	1.28	1.13	2.86	3.30	2.03	0.49
TN TOTAL POPULATION (THOUS)	4963	5046	5134	5228	5323	5414	5497	5570	5640	5706
PERCENTAGE CHANGE	1.46	1.67	1.75	1.83	1.82	1.70	1.53	1.33	1.26	1.16

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TABLE 2: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 SELECTED PER CAPITA U.S. AND TENNESSEE ECONOMIC INDICATORS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TN GSP (96 \$)	23034	24171	24758	25715	26042	26239	27150	28078	28675	29712
PERCENTAGE CHANGE	1.97	4.93	2.43	3.86	1.27	0.76	3.47	3.42	2.13	3.62
TN GSP (\$)	20562	22166	23327	24803	25702	26239	27605	29054	30157	31625
PERCENTAGE CHANGE	5.85	7.80	5.24	6.33	3.62	2.09	5.21	5.25	3.79	4.87
US GDP (96 \$)	26446	26945	27367	28196	28676	29430	30463	31492	32501	33567
PERCENTAGE CHANGE	-1.52	1.88	1.57	3.03	1.70	2.63	3.51	3.38	3.20	3.28
US GDP (\$)	23710	24745	25737	27069	28131	29429	31054	32500	34011	35927
PERCENTAGE CHANGE	2.05	4.37	4.01	5.18	3.92	4.61	5.52	4.65	4.65	5.63
TN PERSONAL INCOME (96 \$)	19622	20433	20846	21357	21924	22034	22388	23398	23607	24085
PERCENTAGE CHANGE	-0.09	4.13	2.02	2.45	2.66	0.50	1.61	4.51	0.89	2.02
TN PERSONAL INCOME (\$)	17445	18722	19555	20439	21464	22034	22823	24108	24722	25897
PERCENTAGE CHANGE	3.73	7.32	4.45	4.52	5.01	2.66	3.58	5.63	2.55	4.75
US PERSONAL INCOME (96 \$)	22655	23039	23172	23608	24077	24661	25404	26674	27252	28155
PERCENTAGE CHANGE	-1.18	1.69	0.58	1.88	1.98	2.43	3.01	5.00	2.17	3.31
US PERSONAL INCOME (\$)	20142	21109	21737	22594	23571	24661	25897	27483	28539	30273
PERCENTAGE CHANGE	2.61	4.80	2.97	3.94	4.32	4.63	5.01	6.12	3.84	6.08
TN TAXABLE SALES (96 \$)	9666	9836	10198	10748	11118	11210	11792	11568	12248	12160
PERCENTAGE CHANGE	-3.58	1.76	3.68	5.40	3.44	0.83	5.19	-1.90	5.88	-0.72
TN TAXABLE SALES (\$)	8594	9012	9566	10287	10885	11210	12021	11919	12826	13074
PERCENTAGE CHANGE	0.11	4.87	6.15	7.53	5.82	2.99	7.23	-0.85	7.61	1.93

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 3: TENNESSEE PERSONAL INCOME BY COMPONENTS
 MILLIONS OF 1996 DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL PERSONAL INCOME.....	97385	103100	107024	111652	116712	119288	123065	130330	133147	137419
PERCENTAGE CHANGE.....	1.37	5.87	3.81	4.32	4.53	2.21	3.17	5.90	2.16	3.21
WAGES AND SALARIES.....	55378	58188	60087	63172	65939	67568	70749	74628	77517	79405
PERCENTAGE CHANGE.....	0.10	5.07	3.26	5.13	4.38	2.47	4.71	5.48	3.87	2.44
OTHER LABOR INCOME.....	7974	8633	9326	9978	9885	8931	8279	8354	8593	8634
PERCENTAGE CHANGE.....	3.07	8.27	8.03	6.99	-0.93	-9.65	-7.30	0.91	2.86	0.48
PROPRIETORS INCOME.....	7899	9102	9838	10011	10695	11391	11815	12649	13284	13832
PERCENTAGE CHANGE.....	1.42	15.23	8.09	1.76	6.83	6.51	3.72	7.06	5.01	4.13
RENT INTEREST DIVIDENDS.....	16457	16099	16102	16884	17688	18395	19079	21199	20287	21086
PERCENTAGE CHANGE.....	-1.89	-2.18	0.02	4.85	4.76	4.00	3.72	11.11	-4.30	3.94
TRANSFER PAYMENTS.....	14626	16039	16976	17314	18527	19031	19512	20239	20587	21635
PERCENTAGE CHANGE.....	9.81	9.66	5.84	1.99	7.01	2.72	2.53	3.73	1.72	5.09
LESS: PERS CONT FOR SOC INS.....	4299	4479	4706	5042	5292	5366	5585	5845	6072	6121
PERCENTAGE CHANGE.....	3.15	4.19	5.08	7.15	4.95	1.39	4.09	4.66	3.88	0.81
RESIDENCE ADJUSTMENT.....	-651	-482	-600	-664	-731	-662	-784	-894	-1048	-1052
PERCENTAGE CHANGE.....	-7.44	-26.01	24.56	10.68	9.98	-9.36	18.35	14.08	17.21	0.39
PER CAPITA PERSONAL INCOME (\$).....	19622	20433	20846	21357	21924	22034	22388	23398	23607	24085
PERCENTAGE CHANGE.....	-0.09	4.13	2.02	2.45	2.66	0.50	1.61	4.51	0.89	2.02

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 4: TENNESSEE PERSONAL INCOME BY COMPONENTS
 MILLIONS OF CURRENT DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL PERSONAL INCOME	86582	94465	100394	106855	114260	119287	125456	134282	139434	147753
PERCENTAGE CHANGE.....	5.25	9.10	6.28	6.44	6.93	4.40	5.17	7.03	3.84	5.97
WAGES AND SALARIES.....	49236	53315	56365	60458	64554	67568	72124	76890	81177	85377
PERCENTAGE CHANGE.....	3.93	8.28	5.72	7.26	6.77	4.67	6.74	6.61	5.57	5.17
OTHER LABOR INCOME.....	7089	7910	8749	9550	9678	8931	8440	8608	8999	9284
PERCENTAGE CHANGE.....	7.02	11.58	10.60	9.16	1.34	-7.71	-5.50	1.98	4.54	3.16
PROPRIETORS INCOME.....	7023	8339	9229	9581	10470	11391	12045	13033	13911	14872
PERCENTAGE CHANGE.....	5.30	18.75	10.67	3.82	9.28	8.79	5.74	8.21	6.73	6.91
RENT INTEREST DIVIDENDS.....	14632	14750	15105	16158	17316	18395	19449	21842	21245	22672
PERCENTAGE CHANGE.....	1.86	0.81	2.40	6.97	7.17	6.23	5.73	12.30	-2.73	6.72
TRANSFER PAYMENTS.....	13004	14696	15925	16570	18138	19031	19891	20853	21559	23262
PERCENTAGE CHANGE.....	14.02	13.01	8.36	4.05	9.46	4.92	4.52	4.83	3.39	7.90
LESS:PERS CONT FOR SOC INS.....	3822	4104	4415	4826	5181	5366	5694	6022	6359	6582
PERCENTAGE CHANGE.....	7.10	7.37	7.58	9.32	7.36	3.56	6.11	5.77	5.59	3.50
RESIDENCE ADJUSTMENT.....	-579	-442	-563	-636	-715	-662	-799	-921	-1098	-1131
PERCENTAGE CHANGE.....	-3.90	-23.75	27.52	12.92	12.50	-7.41	20.65	15.30	19.13	3.08
PER CAPITA PERSONAL INCOME (\$).....	17445	18722	19555	20439	21464	22034	22823	24108	24722	25897
PERCENTAGE CHANGE.....	3.73	7.32	4.45	4.52	5.01	2.66	3.58	5.63	2.55	4.75

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 5: TENNESSEE WAGE AND SALARY EMPLOYMENT BY SECTOR
 THOUSANDS OF JOBS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL NONAGRICULTURAL.....	2183.6	2245.0	2328.5	2423.0	2499.0	2533.4	2584.0	2638.4	2685.4	2737.5
PERCENTAGE CHANGE.....	-0.44	2.81	3.72	4.06	3.14	1.38	2.00	2.11	1.78	1.94
MINING.....	5.5	5.0	4.7	4.6	4.6	4.6	4.6	4.3	4.3	4.2
PERCENTAGE CHANGE.....	-10.30	-10.12	-5.55	-1.78	-0.36	0.73	-1.44	-4.76	-1.15	-2.92
CONSTRUCTION.....	86.5	88.3	94.3	101.0	108.8	113.1	118.1	120.9	123.5	127.1
PERCENTAGE CHANGE.....	-6.33	2.13	6.74	7.15	7.74	3.93	4.38	2.42	2.14	2.90
MANUFACTURING.....	502.7	514.5	528.4	538.9	538.9	519.3	517.6	514.7	511.1	508.4
PERCENTAGE CHANGE.....	-3.39	2.35	2.71	1.98	0.00	-3.64	-0.33	-0.55	-0.71	-0.53
DURABLE GOODS.....	248.6	257.3	269.6	281.7	288.0	284.8	288.3	292.7	300.2	301.8
PERCENTAGE CHANGE.....	-3.80	3.51	4.78	4.48	2.23	-1.11	1.24	1.53	2.54	0.55
NONDURABLE GOODS.....	254.1	257.2	258.8	257.2	250.9	234.5	229.3	222.0	210.9	206.6
PERCENTAGE CHANGE.....	-2.98	1.21	0.64	-0.61	-2.45	-6.55	-2.23	-3.18	-4.98	-2.06
TRADE.....	511.6	517.7	535.9	562.1	585.5	594.4	610.2	620.5	630.8	644.9
PERCENTAGE CHANGE.....	-1.09	1.19	3.53	4.89	4.15	1.53	2.66	1.69	1.67	2.23
SERVICES.....	505.2	541.1	572.4	603.8	638.0	658.7	682.4	703.4	721.9	744.7
PERCENTAGE CHANGE.....	3.88	7.10	5.78	5.48	5.66	3.25	3.59	3.08	2.63	3.16
FIN, INS, REAL EST.....	101.6	101.0	104.1	108.3	111.6	116.5	120.1	126.7	131.2	131.1
PERCENTAGE CHANGE.....	-1.44	-0.56	3.08	4.04	2.97	4.42	3.14	5.50	3.49	-0.03
TRANS, COMM, PUB UTIL.....	117.4	120.6	126.8	133.6	138.6	145.2	150.8	162.3	172.4	177.8
PERCENTAGE CHANGE.....	0.81	2.77	5.10	5.36	3.74	4.80	3.86	7.60	6.26	3.11
GOVERNMENT.....	353.2	356.9	362.0	370.7	373.1	381.6	380.3	385.5	390.2	399.3
PERCENTAGE CHANGE.....	0.49	1.05	1.43	2.42	0.66	2.28	-0.35	1.38	1.20	2.34
FEDERAL, CIVILIAN.....	61.7	58.4	55.7	55.3	54.4	54.1	51.8	50.8	51.2	54.9
PERCENTAGE CHANGE.....	-3.03	-5.38	-4.58	-0.76	-1.57	-0.47	-4.31	-1.87	0.77	7.26
STATE AND LOCAL.....	291.5	298.5	306.3	315.5	318.8	327.5	328.5	334.7	338.9	344.4
PERCENTAGE CHANGE.....	1.27	2.41	2.60	3.00	1.05	2.75	0.30	1.89	1.26	1.60
FARM.....	13.2	14.6	12.9	10.4	12.6	11.3	14.1	11.8	12.3	11.9
PERCENTAGE CHANGE.....	-15.86	10.83	-11.96	-19.24	20.73	-10.45	25.29	-16.62	4.40	-3.38

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TABLE 6: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE DURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL DURABLE GOODS.....	248.6	257.3	269.6	281.7	288.0	284.8	288.3	292.7	300.2	301.8
PERCENTAGE CHANGE.....	-3.80	3.51	4.78	4.48	2.23	-1.11	1.24	1.53	2.54	0.55
LUMBER AND WOOD.....	18.3	18.5	19.6	20.5	21.7	22.0	22.5	23.2	23.7	24.0
PERCENTAGE CHANGE.....	-9.40	0.91	6.13	4.59	5.77	1.19	2.32	3.19	2.23	1.23
FURNITURE AND FIXTURES.....	26.1	27.4	28.9	29.8	29.5	28.5	27.4	27.1	27.4	27.2
PERCENTAGE CHANGE.....	-3.57	4.88	5.56	2.97	-1.12	-3.37	-3.92	-1.10	1.42	-0.85
STONE, CLAY AND GLASS.....	13.5	14.1	15.2	16.1	16.2	16.5	16.4	16.2	16.7	17.0
PERCENTAGE CHANGE.....	-6.05	4.76	7.62	6.37	0.41	1.59	-0.20	-1.37	2.77	1.85
PRIMARY METALS.....	15.2	15.2	15.5	16.2	16.2	16.4	17.1	17.7	18.0	17.8
PERCENTAGE CHANGE.....	-2.68	0.33	2.30	3.97	0.36	1.18	4.01	3.90	1.50	-1.43
FABRICATED METALS.....	41.7	42.0	44.2	45.6	45.6	43.7	43.8	45.4	47.1	47.4
PERCENTAGE CHANGE.....	-3.44	0.86	5.25	3.15	0.04	-4.38	0.25	3.73	3.75	0.57
NONELECTRICAL MACHINERY.....	35.4	37.3	38.8	41.1	43.4	43.0	45.4	47.2	49.5	51.6
PERCENTAGE CHANGE.....	-7.26	5.40	4.18	5.99	5.59	-0.90	5.36	3.99	4.96	4.21
ELECTRICAL MACHINERY.....	35.5	35.8	37.4	39.3	40.3	40.3	40.2	40.4	41.4	40.3
PERCENTAGE CHANGE.....	-4.91	0.70	4.64	5.14	2.48	-0.06	-0.37	0.73	2.39	-2.56
TRANSPORTATION EQUIPMENT.....	41.3	45.3	48.0	51.0	52.5	52.2	53.4	53.5	54.8	55.2
PERCENTAGE CHANGE.....	4.87	9.67	6.09	6.21	2.96	-0.68	2.40	0.09	2.43	0.88
INSTRUMENTS.....	10.8	10.3	9.9	10.1	10.5	10.5	11.0	11.2	10.8	10.8
PERCENTAGE CHANGE.....	-1.97	-4.80	-3.25	1.76	4.46	-0.08	4.19	1.82	-3.65	-0.08
MISCELLANEOUS.....	10.9	11.5	11.9	11.8	11.9	11.8	11.3	10.9	10.8	10.6
PERCENTAGE CHANGE.....	-10.57	5.57	3.25	-0.56	0.56	-1.12	-3.68	-3.67	-0.84	-2.00

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TABLE 7: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING EMPLOYMENT
 THOUSANDS OF JOBS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL NONDURABLE GOODS	254.1	257.2	258.8	257.2	250.9	234.5	229.3	222.0	210.9	206.6
PERCENTAGE CHANGE	-2.98	1.21	0.64	-0.61	-2.45	-6.55	-2.23	-3.18	-4.98	-2.06
FOOD	37.3	36.5	37.4	37.3	36.8	35.5	35.9	37.3	38.4	39.5
PERCENTAGE CHANGE	-3.87	-1.92	2.35	-0.25	-1.32	-3.53	0.99	4.14	2.70	2.98
TOBACCO	1.3	1.2	1.2	1.2	1.2	1.1	1.1	1.2	1.1	1.1
PERCENTAGE CHANGE	-6.59	-5.13	-0.68	0.68	-4.05	-2.82	-2.90	4.48	-7.14	0.00
TEXTILES	20.2	20.7	21.9	22.2	20.8	19.4	18.6	17.6	16.2	15.6
PERCENTAGE CHANGE	-2.85	2.64	5.63	1.29	-6.09	-7.08	-4.13	-5.39	-7.83	-3.35
APPAREL	60.6	60.9	59.7	56.8	52.2	41.9	38.2	33.1	26.1	22.0
PERCENTAGE CHANGE	-5.59	0.37	-1.90	-4.91	-8.06	-19.81	-8.74	-13.29	-21.26	-15.81
PAPER	21.6	22.2	22.7	22.5	22.1	21.6	22.0	21.9	22.1	21.7
PERCENTAGE CHANGE	1.13	2.78	2.14	-0.88	-1.52	-2.41	2.05	-0.64	0.99	-1.88
PRINTING AND PUBLISHING	37.0	36.5	37.1	38.5	39.5	38.8	38.7	39.3	38.6	38.4
PERCENTAGE CHANGE	-1.62	-1.26	1.51	3.82	2.75	-1.79	-0.47	1.81	-1.93	-0.50
CHEMICALS	39.2	39.6	38.9	38.0	37.6	37.1	35.7	32.6	29.7	28.5
PERCENTAGE CHANGE	-1.30	0.98	-1.77	-2.25	-0.92	-1.35	-3.77	-8.70	-8.97	-3.85
PETROLEUM REFINING	0.9	0.7	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.2
PERCENTAGE CHANGE	-8.70	-15.24	4.49	9.68	8.82	10.81	1.63	0.80	0.00	18.25
RUBBER AND PLASTICS	27.7	30.2	30.9	32.9	33.8	33.6	34.3	34.5	34.6	35.5
PERCENTAGE CHANGE	-1.54	9.00	2.21	6.67	2.61	-0.39	1.83	0.75	0.31	2.41
LEATHER	8.4	8.6	8.4	7.0	5.9	4.4	3.8	3.3	3.1	3.0
PERCENTAGE CHANGE	-6.86	2.79	-2.90	-15.95	-16.13	-25.46	-13.28	-12.04	-6.22	-3.18

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TABLE 8: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 1996 DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL NONAGRICULTURAL.....	24986	25565	25470	25741	26070	26364	27119	28013	28583	28723
PERCENTAGE CHANGE.....	0.58	2.32	-0.37	1.06	1.28	1.13	2.86	3.30	2.03	0.49
MINING.....	31959	32962	34257	35436	36160	37960	42903	45356	42302	40594
PERCENTAGE CHANGE.....	-5.58	3.14	3.93	3.44	2.04	4.98	13.02	5.72	-6.73	-4.04
CONSTRUCTION.....	27173	27492	27408	27929	28401	28754	30134	31196	32346	32253
PERCENTAGE CHANGE.....	0.27	1.17	-0.30	1.90	1.69	1.24	4.80	3.52	3.69	-0.29
MANUFACTURING.....	28660	29666	29492	29805	30024	31024	31680	32324	33264	33378
PERCENTAGE CHANGE.....	2.39	3.51	-0.59	1.06	0.74	3.33	2.11	2.03	2.91	0.34
DURABLE GOODS.....	29815	30722	30711	31064	30988	31608	32613	32967	33885	33776
PERCENTAGE CHANGE.....	2.68	3.04	-0.04	1.15	-0.25	2.00	3.18	1.09	2.78	-0.32
NONDURABLE GOODS.....	27529	28610	28223	28425	28919	30314	30506	31476	32380	32798
PERCENTAGE CHANGE.....	2.12	3.93	-1.35	0.72	1.74	4.82	0.64	3.18	2.87	1.29
TRADE.....	18694	19489	19268	19503	19821	20086	20597	21560	22265	22079
PERCENTAGE CHANGE.....	1.31	4.25	-1.13	1.22	1.63	1.34	2.54	4.68	3.27	-0.83
SERVICES.....	24161	24600	24288	24262	24989	25068	25888	26858	27137	27451
PERCENTAGE CHANGE.....	-0.74	1.82	-1.27	-0.11	3.00	0.32	3.27	3.75	1.04	1.16
FIN, INS, REAL EST.....	29699	31611	32153	32215	32720	34368	36369	38854	38750	40951
PERCENTAGE CHANGE.....	3.08	6.44	1.72	0.19	1.57	5.04	5.82	6.83	-0.27	5.68
TRANS, COMM, PUB UTIL.....	33695	33898	33133	33698	33648	33110	34949	35337	36102	36157
PERCENTAGE CHANGE.....	-0.05	0.60	-2.26	1.70	-0.15	-1.60	5.56	1.11	2.17	0.15
GOVERNMENT.....	25159	24825	25423	26225	26407	26184	26433	26911	27256	27329
PERCENTAGE CHANGE.....	-1.06	-1.33	2.41	3.16	0.69	-0.85	0.95	1.81	1.28	0.27
FEDERAL, CIVILIAN.....	38211	38844	41238	42934	41832	42451	41174	42277	42438	41825
PERCENTAGE CHANGE.....	0.56	1.66	6.16	4.11	-2.57	1.48	-3.01	2.68	0.38	-1.44
STATE AND LOCAL.....	22398	22084	22548	23299	23775	23495	24109	24578	24962	25016
PERCENTAGE CHANGE.....	-1.11	-1.40	2.10	3.33	2.04	-1.18	2.61	1.94	1.56	0.22
AGRICULTURE.....	9878	8107	9656	11494	10018	10974	8957	11930	11535	10177
PERCENTAGE CHANGE.....	8.61	-17.92	19.11	19.03	-12.84	9.54	-18.38	33.19	-3.31	-11.77

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TABLE 9: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE AVERAGE ANNUAL WAGE AND SALARY RATE BY SECTOR
 CURRENT DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL NONAGRICULTURAL.....	22215	23424	23892	24635	25522	26364	27646	28862	29932	30883
PERCENTAGE CHANGE.....	4.43	5.44	2.00	3.11	3.60	3.30	4.86	4.40	3.71	3.18
MINING.....	28414	30202	32135	33913	35400	37960	43736	46731	44300	43647
PERCENTAGE CHANGE.....	-1.97	6.29	6.40	5.53	4.38	7.23	15.22	6.85	-5.20	-1.47
CONSTRUCTION.....	24159	25189	25710	26729	27804	28754	30720	32142	33873	34679
PERCENTAGE CHANGE.....	4.11	4.26	2.07	3.96	4.02	3.41	6.84	4.63	5.39	2.38
MANUFACTURING.....	25481	27182	27665	28524	29394	31024	32295	33304	34835	35889
PERCENTAGE CHANGE.....	6.31	6.68	1.78	3.10	3.05	5.54	4.10	3.12	4.60	3.03
DURABLE GOODS.....	26508	28149	28808	29729	30337	31608	33246	33967	35485	36316
PERCENTAGE CHANGE.....	6.61	6.19	2.34	3.20	2.04	4.19	5.18	2.17	4.47	2.34
NONDURABLE GOODS.....	24476	26214	26474	27204	28311	30313	31099	32430	33909	35265
PERCENTAGE CHANGE.....	6.02	7.10	0.99	2.76	4.07	7.07	2.59	4.28	4.56	4.00
TRADE.....	16621	17856	18074	18665	19405	20086	20997	22214	23316	23740
PERCENTAGE CHANGE.....	5.19	7.43	1.22	3.27	3.96	3.51	4.54	5.79	4.96	1.82
SERVICES.....	21481	22540	22783	23219	24464	25068	26391	27672	28418	29515
PERCENTAGE CHANGE.....	3.06	4.93	1.08	1.92	5.36	2.47	5.28	4.85	2.69	3.86
FIN, INS, REAL EST.....	26404	28963	30161	30831	32033	34368	37075	40032	40580	44031
PERCENTAGE CHANGE.....	7.03	9.69	4.14	2.22	3.90	7.29	7.88	7.97	1.37	8.50
TRANS, COMM, PUB UTIL.....	29957	31059	31081	32250	32941	33110	35628	36408	37807	38876
PERCENTAGE CHANGE.....	3.77	3.68	0.07	3.76	2.14	0.51	7.61	2.19	3.84	2.83
GOVERNMENT.....	22368	22746	23848	25099	25852	26184	26947	27727	28543	29384
PERCENTAGE CHANGE.....	2.73	1.69	4.85	5.24	3.00	1.28	2.92	2.89	2.94	2.95
FEDERAL, CIVILIAN.....	33972	35590	38683	41089	40953	42451	41974	43559	44441	44970
PERCENTAGE CHANGE.....	4.40	4.76	8.69	6.22	-0.33	3.66	-1.12	3.78	2.03	1.19
STATE AND LOCAL.....	19913	20235	21151	22298	23275	23495	24578	25323	26140	26897
PERCENTAGE CHANGE.....	2.67	1.62	4.53	5.42	4.39	0.94	4.61	3.03	3.23	2.90
AGRICULTURE.....	8778	7424	9074	10986	9801	10979	9138	12296	12074	10949
PERCENTAGE CHANGE.....	12.67	-15.42	22.22	21.07	-10.79	12.02	-16.77	34.56	-1.81	-9.32

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TABLE 10: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATE

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
CIVILIAN LABOR FORCE (THOUS)	2421	2455	2500	2665	2701	2744	2711	2760	2816	2798
PERCENTAGE CHANGE	1.41	1.42	1.83	6.56	1.36	1.60	-1.20	1.79	2.03	-0.61
EMPLOYED PERSONS (THOUS)	2258	2298	2357	2537	2561	2603	2565	2644	2702	2688
PERCENTAGE CHANGE	-0.15	1.76	2.57	7.66	0.93	1.64	-1.46	3.08	2.21	-0.52
UNEMPLOYED PERSONS (THOUS)	163	158	144	127	140	141	146	116	113	110
PERCENTAGE CHANGE	29.45	-3.20	-8.84	-11.33	9.94	0.87	3.46	-20.87	-2.04	-2.82
PARTICIPATION RATE (PERCENT)	62.5	62.3	62.3	65.1	64.8	64.6	62.7	62.9	63.2	62.1
PERCENTAGE CHANGE	-0.29	-0.24	0.02	4.46	-0.51	-0.36	-2.87	0.26	0.59	-1.75
UNEMPLOYMENT RATE (PERCENT)	6.7	6.4	5.7	4.8	5.2	5.2	5.4	4.2	4.0	3.9

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 11: TENNESSEE TAXABLE SALES
 MILLIONS OF 1996 DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL.....	47971	49630	52355	56193	59187	60689	64819	64435	69079	69377
PERCENTAGE CHANGE.....	-2.17	3.46	5.49	7.33	5.33	2.54	6.80	-0.59	7.21	0.43
AUTO DEALERS.....	4582	5038	5800	6359	6710	6606	6529	6917	7748	7799
PERCENTAGE CHANGE.....	-7.44	9.96	15.12	9.65	5.51	-1.55	-1.16	5.94	12.01	0.67
PURCHASES FROM MANUFACTURERS.....	3268	3265	3309	3671	3903	4158	4288	4149	4039	3904
PERCENTAGE CHANGE.....	-6.12	-0.09	1.35	10.94	6.33	6.52	3.14	-3.25	-2.64	-3.34
MISC DURABLE GOODS.....	7090	7515	8089	9420	10135	10382	11688	10988	12254	12072
PERCENTAGE CHANGE.....	-7.10	6.00	7.64	16.45	7.59	2.44	12.58	-5.99	11.53	-1.49
EATING AND DRINKING PLACES.....	3963	4114	4186	4578	4790	4944	5116	5318	5596	5769
PERCENTAGE CHANGE.....	0.41	3.81	1.76	9.35	4.64	3.21	3.48	3.95	5.23	3.10
FOOD STORES.....	7023	6980	6692	7158	7232	7308	7342	7368	7541	7564
PERCENTAGE CHANGE.....	-1.88	-0.61	-4.12	6.96	1.04	1.06	0.47	0.34	2.35	0.32
LIQUOR STORES.....	309	306	285	302	307	321	328	329	351	358
PERCENTAGE CHANGE.....	0.28	-0.95	-6.93	5.76	1.95	4.49	2.27	0.21	6.53	1.96
HOTELS AND MOTELS.....	1211	1328	1539	1418	1438	1491	1599	1623	1673	1698
PERCENTAGE CHANGE.....	0.96	9.65	15.95	-7.86	1.41	3.68	7.20	1.50	3.11	1.51
OTHER RETAIL AND SERVICE.....	13257	13809	14656	15622	16592	17233	18033	18634	19732	19967
PERCENTAGE CHANGE.....	0.85	4.17	6.13	6.59	6.21	3.86	4.64	3.33	5.89	1.19
MISC NONDURABLE GOODS.....	4387	4515	4445	4740	4904	4922	5399	5302	5887	5889
PERCENTAGE CHANGE.....	-1.60	2.92	-1.56	6.64	3.45	0.38	9.68	-1.81	11.05	0.03
TRANSPORTATION, COMMUNICATION.....	2882	2759	3353	2925	3175	3325	4497	3810	4258	4356
PERCENTAGE CHANGE.....	4.46	-4.25	21.54	-12.78	8.56	4.70	35.26	-15.28	11.78	2.29
PER CAPITA TOTAL TAXABLE SALES (\$)..	9666	9836	10198	10748	11118	11210	11792	11568	12248	12160
PERCENTAGE CHANGE.....	-3.58	1.76	3.68	5.40	3.44	0.83	5.19	-1.90	5.88	-0.72

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 12: TENNESSEE TAXABLE SALES
 MILLIONS OF CURRENT DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL.....	42650	45473	49112	53778	57943	60689	66079	66389	72341	74595
PERCENTAGE CHANGE.....	1.57	6.62	8.00	9.50	7.75	4.74	8.88	0.47	8.96	3.12
AUTO DEALERS.....	4073	4616	5440	6086	6569	6606	6656	7127	8114	8386
PERCENTAGE CHANGE.....	-3.90	13.32	17.86	11.87	7.93	0.56	0.76	7.07	13.85	3.36
PURCHASES FROM MANUFACTURERS.....	2905	2991	3104	3513	3821	4158	4371	4274	4230	4198
PERCENTAGE CHANGE.....	-2.53	2.96	3.76	13.18	8.77	8.80	5.15	-2.22	-1.04	-0.76
MISC DURABLE GOODS.....	6304	6886	7588	9015	9922	10381	11915	11321	12833	12980
PERCENTAGE CHANGE.....	-3.54	9.24	10.20	18.81	10.05	4.63	14.77	-4.99	13.36	1.14
EATING AND DRINKING PLACES.....	3523	3769	3927	4381	4689	4944	5215	5479	5860	6203
PERCENTAGE CHANGE.....	4.25	6.98	4.18	11.56	7.04	5.42	5.49	5.06	6.96	5.86
FOOD STORES.....	6244	6395	6278	6850	7080	7308	7485	7591	7897	8133
PERCENTAGE CHANGE.....	1.87	2.43	-1.84	9.12	3.35	3.22	2.42	1.41	4.03	3.00
LIQUOR STORES.....	275	281	267	289	301	321	335	339	367	384
PERCENTAGE CHANGE.....	4.12	2.08	-4.72	7.90	4.29	6.73	4.26	1.28	8.28	4.69
HOTELS AND MOTELS.....	1076	1216	1444	1357	1408	1491	1630	1672	1752	1826
PERCENTAGE CHANGE.....	4.82	13.00	18.71	-6.00	3.73	5.91	9.29	2.59	4.80	4.22
OTHER RETAIL AND SERVICE.....	11787	12653	13748	14951	16244	17233	18383	19199	20663	21468
PERCENTAGE CHANGE.....	4.71	7.35	8.66	8.75	8.65	6.09	6.68	4.44	7.63	3.90
MISC NONDURABLE GOODS.....	3901	4137	4170	4537	4801	4922	5504	5462	6165	6332
PERCENTAGE CHANGE.....	2.17	6.06	0.79	8.80	5.82	2.53	11.82	-0.76	12.87	2.70
TRANSPORTATION, COMMUNICATION.....	2562	2528	3146	2799	3109	3325	4584	3925	4460	4684
PERCENTAGE CHANGE.....	8.46	-1.32	24.43	-11.01	11.05	6.95	37.89	-14.37	13.61	5.03
PER CAPITA TOTAL TAXABLE SALES (\$)..	8594	9012	9566	10287	10885	11210	12021	11919	12826	13074
PERCENTAGE CHANGE.....	0.11	4.87	6.15	7.53	5.82	2.99	7.23	-0.85	7.61	1.93

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 13: TENNESSEE GROSS STATE PRODUCT BY SECTOR
 MILLIONS OF 1996 DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
GROSS STATE PRODUCT.....	114320.0	121959.0	127108.0	134440.0	138632.0	142051.0	149239.0	156398.0	161731.0	169523.3
PERCENTAGE CHANGE.....	3.46	6.68	4.22	5.77	3.12	2.47	5.06	4.80	3.41	4.82
MINING.....	374.0	382.0	347.0	359.0	383.0	427.0	471.0	513.0	512.0	528.0
PERCENTAGE CHANGE.....	-7.20	2.14	-9.16	3.46	6.69	11.49	10.30	8.92	-0.19	3.12
CONSTRUCTION.....	4114.0	4492.0	4904.0	5298.0	5654.0	5921.0	6134.0	6356.0	6472.0	6636.2
PERCENTAGE CHANGE.....	-5.14	9.19	9.17	8.03	6.72	4.72	3.60	3.62	1.83	2.54
MANUFACTURING.....	26413.0	28468.0	30081.0	31842.0	32617.0	30822.0	32852.0	33818.0	35112.0	37224.1
PERCENTAGE CHANGE.....	4.47	7.78	5.67	5.85	2.43	-5.50	6.59	2.94	3.83	6.02
DURABLE GOODS.....	12379.0	14037.0	15468.0	16429.0	17647.0	17541.0	18808.0	19985.0	21837.0	23918.0
PERCENTAGE CHANGE.....	6.15	13.39	10.19	6.21	7.41	-0.60	7.22	6.26	9.27	9.53
NONDURABLE GOODS.....	14161.0	14518.0	14659.0	15457.0	14979.0	13281.0	14045.0	13871.0	13436.0	13306.1
PERCENTAGE CHANGE.....	2.94	2.52	0.97	5.44	-3.09	-11.34	5.75	-1.24	-3.14	-0.97
TRADE.....	19222.0	20783.0	21565.0	23374.0	24244.0	26266.0	28871.0	31763.0	33563.0	34647.6
PERCENTAGE CHANGE.....	4.05	8.12	3.76	8.39	3.72	8.34	9.92	10.02	5.67	3.23
SERVICES.....	22391.0	24163.0	25482.0	26391.0	27924.0	28986.0	30046.0	30948.0	31288.0	32614.9
PERCENTAGE CHANGE.....	1.24	7.91	5.46	3.57	5.81	3.80	3.66	3.00	1.10	4.24
FINANCE, INSURANCE AND REAL ESTATE.....	15631.0	16237.0	16849.0	17514.0	18554.0	19436.0	20405.0	22067.0	22195.0	23828.7
PERCENTAGE CHANGE.....	3.64	3.88	3.77	3.95	5.94	4.75	4.99	8.15	0.58	7.36
TRANS., COMM., AND PUBLIC UTIL.....	8359.0	9216.0	9891.0	10677.0	10653.0	11427.0	11586.0	11700.0	13087.0	13591.9
PERCENTAGE CHANGE.....	8.49	10.25	7.32	7.95	-0.22	7.27	1.39	0.98	11.85	3.86
GOVERNMENT.....	16330.0	16478.0	16300.0	17064.0	16857.0	17194.0	17110.0	17595.0	17999.0	18691.8
PERCENTAGE CHANGE.....	2.52	0.91	-1.08	4.69	-1.21	2.00	-0.49	2.83	2.30	3.85
FEDERAL CIVILIAN.....	5308.0	5348.0	4977.0	5054.0	4619.0	4797.0	4741.0	5011.0	5127.0	5431.5
PERCENTAGE CHANGE.....	11.72	0.75	-6.94	1.55	-8.61	3.85	-1.17	5.70	2.31	5.94
FEDERAL MILITARY.....	973.0	910.0	880.0	889.0	833.0	778.0	560.0	561.0	598.0	647.5
PERCENTAGE CHANGE.....	-2.21	-6.47	-3.30	1.02	-6.30	-6.60	-28.02	0.18	6.60	8.27
STATE AND LOCAL.....	10077.0	10249.0	10459.0	11131.0	11405.0	11619.0	11807.0	12024.0	12275.0	12612.7
PERCENTAGE CHANGE.....	-1.04	1.71	2.05	6.43	2.46	1.88	1.62	1.84	2.09	2.75
AGRICULTURE.....	1695.0	1857.0	1753.0	1925.0	1772.0	1571.0	1815.0	1787.0	1739.0	1760.3
PERCENTAGE CHANGE.....	13.61	9.56	-5.60	9.81	-7.95	-11.34	15.53	-1.54	-2.69	1.22
FARM.....	1262.0	1414.0	1274.0	1448.0	1249.0	1020.0	1239.0	1136.0	1062.0	1060.7
PERCENTAGE CHANGE.....	16.10	12.04	-9.90	13.66	-13.74	-18.33	21.47	-8.31	-6.51	-0.12
AG SERVICES, FORESTRY, FISHERIES.....	448.0	460.0	491.0	496.0	529.0	551.0	581.0	639.0	650.0	699.5
PERCENTAGE CHANGE.....	6.41	2.68	6.74	1.02	6.65	4.16	5.44	9.98	1.72	7.62
PER CAPITA GROSS STATE PRODUCT (\$)...	23034.3	24170.8	24758.4	25715.3	26042.1	26239.0	27150.2	28078.1	28675.5	29712.2
PERCENTAGE CHANGE.....	1.97	4.93	2.43	3.86	1.27	0.76	3.47	3.42	2.13	3.62

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 14: TENNESSEE DURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF 1996 DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL DURABLE GOODS.....	12379.0	14037.0	15468.0	16429.0	17647.0	17541.0	18808.0	19985.0	21837.0	23918.0
PERCENTAGE CHANGE.....	6.15	13.39	10.19	6.21	7.41	-0.60	7.22	6.26	9.27	9.53
LUMBER AND WOOD PRODUCTS.....	800.0	785.0	751.0	922.0	1067.0	1088.0	967.0	1038.0	1076.0	1143.4
PERCENTAGE CHANGE.....	-8.26	-1.88	-4.33	22.77	15.73	1.97	-11.12	7.34	3.66	6.26
FURNITURE AND FIXTURES.....	879.0	967.0	1023.0	1008.0	949.0	979.0	938.0	870.0	884.0	1231.7
PERCENTAGE CHANGE.....	5.27	10.01	5.79	-1.47	-5.85	3.16	-4.19	-7.25	1.61	39.33
STONE, CLAY AND GLASS.....	658.0	759.0	817.0	918.0	993.0	995.0	1041.0	1052.0	1102.0	1380.3
PERCENTAGE CHANGE.....	-12.96	15.35	7.64	12.36	8.17	0.20	4.62	1.06	4.75	25.25
PRIMARY METALS.....	1262.0	1079.0	1351.0	1258.0	1259.0	1192.0	1418.0	1573.0	1949.0	2070.1
PERCENTAGE CHANGE.....	31.73	-14.50	25.21	-6.88	0.08	-5.32	18.96	10.93	23.90	6.21
FABRICATED METAL PRODUCTS.....	2285.0	2439.0	2583.0	2734.0	2846.0	2785.0	2948.0	2831.0	2974.0	3124.3
PERCENTAGE CHANGE.....	-0.39	6.74	5.90	5.85	4.10	-2.14	5.85	-3.97	5.05	5.05
NONELECTRICAL MACHINERY.....	1379.0	1982.0	2049.0	2048.0	2092.0	2386.0	2779.0	3489.0	4143.0	4606.7
PERCENTAGE CHANGE.....	-9.28	43.73	3.38	-0.05	2.15	14.05	16.47	25.55	18.74	11.19
ELECTRICAL MACHINERY.....	1233.0	1253.0	1276.0	1545.0	1854.0	2050.0	2527.0	2919.0	3495.0	3773.9
PERCENTAGE CHANGE.....	10.68	1.62	1.84	21.08	20.00	10.57	23.27	15.51	19.73	7.98
TRANSPORTATION EQUIPMENT.....	2535.0	3336.0	4434.0	4895.0	5335.0	4691.0	5116.0	5337.0	5562.0	5577.3
PERCENTAGE CHANGE.....	32.10	31.60	32.91	10.40	8.99	-12.07	9.06	4.32	4.22	0.28
INSTRUMENTS.....	818.0	776.0	625.0	483.0	525.0	553.0	274.0	327.0	313.0	381.9
PERCENTAGE CHANGE.....	8.63	-5.13	-19.46	-22.72	8.70	5.33	-50.45	19.34	-4.28	22.00
MISCELLANEOUS DURABLE GOODS.....	584.0	691.0	711.0	692.0	761.0	822.0	844.0	732.0	753.0	628.5
PERCENTAGE CHANGE.....	-0.34	18.32	2.89	-2.67	9.97	8.02	2.68	-13.27	2.87	-16.53

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TABLE 15: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF 1996 DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL NONDURABLE GOODS	14161.0	14518.0	14659.0	15457.0	14979.0	13281.0	14045.0	13871.0	13436.0	13306.1
PERCENTAGE CHANGE	2.94	2.52	0.97	5.44	-3.09	-11.34	5.75	-1.24	-3.14	-0.97
FOOD	3263.0	3091.0	3090.0	3282.0	3755.0	2700.0	2837.0	2924.0	3000.0	3143.9
PERCENTAGE CHANGE	9.72	-5.27	-0.03	6.21	14.41	-28.10	5.07	3.07	2.60	4.80
TOBACCO	96.0	82.0	89.0	139.0	166.0	173.0	184.0	153.0	125.0	142.9
PERCENTAGE CHANGE	-39.62	-14.58	8.54	56.18	19.42	4.22	6.36	-16.85	-18.30	14.34
TEXTILES	584.0	717.0	701.0	670.0	592.0	728.0	724.0	724.0	699.0	675.1
PERCENTAGE CHANGE	-6.86	22.77	-2.23	-4.42	-11.64	22.97	-0.55	0.00	-3.45	-3.41
APPAREL	1473.0	1502.0	1451.0	1430.0	1292.0	1019.0	1097.0	953.0	750.0	574.5
PERCENTAGE CHANGE	-3.28	1.97	-3.40	-1.45	-9.65	-21.13	7.65	-13.13	-21.30	-23.40
PAPER	1628.0	1690.0	1871.0	1655.0	1377.0	1454.0	1467.0	1490.0	1570.0	1541.3
PERCENTAGE CHANGE	11.20	3.81	10.71	-11.54	-16.80	5.59	0.89	1.57	5.37	-1.82
PRINTING AND PUBLISHING	1849.0	1824.0	1670.0	1636.0	1620.0	1533.0	1535.0	1450.0	1418.0	1412.6
PERCENTAGE CHANGE	-1.39	-1.35	-8.44	-2.04	-0.98	-5.37	0.13	-5.54	-2.21	-0.38
CHEMICALS	3724.0	3887.0	3927.0	4566.0	4172.0	3854.0	4107.0	4106.0	3725.0	3600.0
PERCENTAGE CHANGE	1.44	4.38	1.03	16.27	-8.63	-7.62	6.56	-0.02	-9.28	-3.35
PETROLEUM REFINING	92.0	105.0	103.0	96.0	97.0	137.0	111.0	162.0	202.0	240.2
PERCENTAGE CHANGE	2.22	14.13	-1.90	-6.80	1.04	41.24	-18.98	45.95	24.69	18.90
RUBBER AND PLASTICS	1280.0	1418.0	1597.0	1793.0	1771.0	1584.0	1896.0	1823.0	1891.0	1887.6
PERCENTAGE CHANGE	9.97	10.78	12.62	12.27	-1.23	-10.56	19.70	-3.85	3.73	-0.18
LEATHER	269.0	282.0	237.0	211.0	182.0	100.0	94.0	90.0	84.0	87.9
PERCENTAGE CHANGE	-11.80	4.83	-15.96	-10.97	-13.74	-45.05	-6.00	-4.26	-6.67	4.60

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 16: TENNESSEE GROSS STATE PRODUCT BY SECTOR
 MILLIONS OF CURRENT DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
GROSS STATE PRODUCT.....	102049	111844	119758	129671	136821	142051	151738	161835	170085	180438
PERCENTAGE CHANGE.....	7.39	9.60	7.08	8.28	5.51	3.82	6.82	6.65	5.10	6.09
MINING.....	389	387	330	353	390	427	477	499	510	543
PERCENTAGE CHANGE.....	-11.39	-0.51	-14.73	6.97	10.48	9.49	11.71	4.61	2.20	6.50
CONSTRUCTION.....	3562	3875	4372	4909	5479	5921	6390	6949	7462	8173
PERCENTAGE CHANGE.....	-4.02	8.79	12.83	12.28	11.61	8.07	7.92	8.75	7.38	9.53
MANUFACTURING.....	24977	27432	29306	31510	32370	30822	32690	33990	35392	36166
PERCENTAGE CHANGE.....	8.13	9.83	6.83	7.52	2.73	-4.78	6.06	3.98	4.12	2.19
DURABLE GOODS.....	12096	13954	15600	16778	17677	17541	18497	19237	20736	21921
PERCENTAGE CHANGE.....	8.99	15.36	11.80	7.55	5.36	-0.77	5.45	4.00	7.79	5.72
NONDURABLE GOODS.....	12881	13479	13706	14732	14694	13281	14193	14753	14656	14245
PERCENTAGE CHANGE.....	7.33	4.64	1.68	7.49	-0.26	-9.62	6.87	3.95	-0.66	-2.80
TRADE.....	18195	19813	21092	23401	24720	26266	28412	30469	32435	33360
PERCENTAGE CHANGE.....	6.46	8.89	6.46	10.95	5.64	6.25	8.17	7.24	6.45	2.85
SERVICES.....	18548	21130	23139	24744	27071	28986	31131	33346	35089	38049
PERCENTAGE CHANGE.....	7.08	13.92	9.51	6.94	9.40	7.07	7.40	7.12	5.23	8.43
FINANCE, INSURANCE AND REAL ESTATE.....	12945	14109	15110	16156	17857	19436	21258	23558	24019	26513
PERCENTAGE CHANGE.....	8.55	8.99	7.09	6.92	10.53	8.84	9.37	10.82	1.96	10.38
TRANS., COMM., AND PUBLIC UTIL.....	8221	9085	10025	10862	10938	11427	12103	12839	14141	14911
PERCENTAGE CHANGE.....	10.20	10.51	10.35	8.35	0.70	4.47	5.92	6.08	10.14	5.45
GOVERNMENT.....	13763	14417	14827	16052	16410	17194	17619	18583	19546	21143
PERCENTAGE CHANGE.....	9.22	4.75	2.84	8.26	2.23	4.78	2.47	5.47	5.18	8.17
FEDERAL CIVILIAN.....	4348	4515	4404	4637	4489	4797	4864	5226	5515	5994
PERCENTAGE CHANGE.....	23.52	3.84	-2.46	5.29	-3.19	6.86	1.40	7.44	5.53	8.68
FEDERAL MILITARY.....	830	834	807	822	786	778	572	581	640	717
PERCENTAGE CHANGE.....	1.47	0.48	-3.24	1.86	-4.38	-1.02	-26.48	1.57	10.15	12.00
STATE AND LOCAL.....	8584	9068	9616	10593	11136	11619	12182	12776	13392	14432
PERCENTAGE CHANGE.....	3.90	5.64	6.04	10.16	5.13	4.34	4.85	4.88	4.82	7.77
AGRICULTURE.....	1449	1595	1556	1685	1586	1571	1658	1602	1492	1580
PERCENTAGE CHANGE.....	5.31	10.08	-2.45	8.29	-5.88	-0.95	5.54	-3.38	-6.87	5.92
FARM.....	1079	1190	1093	1207	1070	1020	1056	915	742	798
PERCENTAGE CHANGE.....	4.96	10.29	-8.15	10.43	-11.35	-4.67	3.53	-13.35	-18.91	7.50
AG SERVICES, FORESTRY, FISHERIES.....	370	406	463	478	516	551	603	687	750	783
PERCENTAGE CHANGE.....	6.02	9.73	14.04	3.24	7.95	6.78	9.44	13.93	9.17	4.35
PER CAPITA GROSS STATE PRODUCT (\$)..	20562	22166	23327	24803	25702	26239	27605	29054	30157	31625
PERCENTAGE CHANGE.....	5.85	7.80	5.24	6.33	3.62	2.09	5.21	5.25	3.79	4.87

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TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TABLE 17: TENNESSEE DURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF CURRENT DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL DURABLE GOODS.....	12096	13954	15600	16778	17677	17541	18497	19237	20736	21921
PERCENTAGE CHANGE.....	8.99	15.36	11.80	7.55	5.36	-0.77	5.45	4.00	7.79	5.72
LUMBER AND WOOD PRODUCTS.....	588	641	726	944	1085	1088	1008	1086	1165	1285
PERCENTAGE CHANGE.....	-5.47	9.01	13.26	30.03	14.94	0.28	-7.35	7.74	7.27	10.28
FURNITURE AND FIXTURES.....	785	867	918	944	894	979	963	925	969	1358
PERCENTAGE CHANGE.....	9.33	10.45	5.88	2.83	-5.30	9.51	-1.63	-3.95	4.76	40.12
STONE, CLAY AND GLASS.....	585	673	742	873	980	995	1057	1117	1226	1425
PERCENTAGE CHANGE.....	-10.14	15.04	10.25	17.65	12.26	1.53	6.23	5.68	9.76	16.25
PRIMARY METALS.....	1175	977	1199	1185	1345	1192	1416	1556	1762	1905
PERCENTAGE CHANGE.....	23.95	-16.85	22.72	-1.17	13.50	-11.38	18.79	9.89	13.24	8.13
FABRICATED METAL PRODUCTS.....	2171	2347	2501	2633	2733	2785	2992	2992	3272	3513
PERCENTAGE CHANGE.....	3.83	8.11	6.56	5.28	3.80	1.90	7.43	0.00	9.36	7.37
NONELECTRICAL MACHINERY.....	1749	2440	2406	2322	2228	2386	2513	2815	3026	3541
PERCENTAGE CHANGE.....	-9.00	39.51	-1.39	-3.49	-4.05	7.09	5.32	12.02	7.50	17.03
ELECTRICAL MACHINERY.....	1878	1840	1817	2084	2115	2050	2301	2240	2355	2414
PERCENTAGE CHANGE.....	9.44	-2.02	-1.25	14.69	1.49	-3.07	12.24	-2.65	5.13	2.49
TRANSPORTATION EQUIPMENT.....	2005	2881	4068	4692	5086	4691	5097	5357	5777	5298
PERCENTAGE CHANGE.....	44.97	43.69	41.20	15.34	8.40	-7.77	8.65	5.10	7.84	-8.29
INSTRUMENTS.....	625	629	528	420	471	553	295	384	385	499
PERCENTAGE CHANGE.....	16.17	0.64	-16.06	-20.45	12.14	17.41	-46.65	30.17	0.26	29.59
MISCELLANEOUS DURABLE GOODS.....	535	657	695	680	740	822	856	765	799	683
PERCENTAGE CHANGE.....	5.11	22.80	5.78	-2.16	8.82	11.08	4.14	-10.63	4.44	-14.47

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TABLE 18: TENNESSEE ECONOMETRIC MODEL December 2001 UPDATE
 TENNESSEE NONDURABLE GOODS MANUFACTURING GROSS PRODUCT
 MILLIONS OF CURRENT DOLLARS

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
TOTAL NONDURABLE GOODS.....	12881	13479	13706	14732	14694	13281	14193	14753	14656	14245
PERCENTAGE CHANGE.....	7.33	4.64	1.68	7.49	-0.26	-9.62	6.87	3.95	-0.66	-2.80
FOOD.....	3030	2938	2901	3213	3412	2700	2959	3172	3368	3276
PERCENTAGE CHANGE.....	15.78	-3.04	-1.26	10.75	6.19	-20.87	9.59	7.20	6.18	-2.74
TOBACCO.....	107	118	118	134	160	173	204	225	356	376
PERCENTAGE CHANGE.....	-18.32	10.28	0.00	13.56	19.40	8.13	17.92	10.29	58.22	5.65
TEXTILES.....	574	719	695	638	566	728	747	777	773	754
PERCENTAGE CHANGE.....	-4.97	25.26	-3.34	-8.20	-11.29	28.62	2.61	4.02	-0.51	-2.45
APPAREL.....	1422	1484	1455	1436	1257	1019	1101	984	812	605
PERCENTAGE CHANGE.....	0.28	4.36	-1.95	-1.31	-12.47	-18.93	8.05	-10.63	-17.48	-25.46
PAPER.....	1355	1397	1448	1352	1554	1454	1355	1483	1596	1601
PERCENTAGE CHANGE.....	7.80	3.10	3.65	-6.63	14.94	-6.44	-6.81	9.45	7.62	0.34
PRINTING AND PUBLISHING.....	1417	1491	1449	1474	1468	1533	1619	1623	1665	1747
PERCENTAGE CHANGE.....	6.38	5.22	-2.82	1.73	-0.41	4.43	5.61	0.25	2.59	4.92
CHEMICALS.....	3285	3488	3648	4355	4251	3854	4120	4327	3894	3578
PERCENTAGE CHANGE.....	6.76	6.18	4.59	19.38	-2.39	-9.34	6.90	5.02	-10.01	-8.12
PETROLEUM REFINING.....	132	140	149	129	105	137	136	200	165	231
PERCENTAGE CHANGE.....	5.60	6.06	6.43	-13.42	-18.60	30.48	-0.73	47.06	-17.50	40.11
RUBBER AND PLASTICS.....	1308	1436	1615	1795	1739	1584	1856	1869	1937	1983
PERCENTAGE CHANGE.....	12.47	9.79	12.47	11.15	-3.12	-8.91	17.17	0.70	3.64	2.36
LEATHER.....	251	267	228	206	182	100	95	95	89	94
PERCENTAGE CHANGE.....	-9.71	6.37	-14.61	-9.65	-11.65	-45.05	-5.00	0.00	-6.32	5.44

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