# An Economic Report to the Governor of the State of Tennessee

## On the State's Economic Outlook

January 2004

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*Prepared by the*
Center for Business and Economic Research
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# Preface

This 2004 volume of *An Economic Report to the Governor of the State of Tennessee* is the twenty-eighth 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 first quarter of 2006 and annual forecast through 2013 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 Global Insight, Inc. Tennessee forecasts, current as of December 2003, are based on an array of assumptions, particularly at the national level, which are described in Chapter One. Chapter Two details evaluations for major sectors of the Tennessee economy, with an agriculture section provided by the University of Tennessee Agricultural Policy Analysis Center. Chapter Two also presents the long-run outlook and forecast for the state. Chapter Three provides an overview of our research efforts on Tennessee's welfare policies and outlines a number of important unanswered questions regarding the various impacts of welfare reform. Our intent with this welfare research is to inform legislators, policy-makers, and other interested readers about the importance of continued research on these questions.

The primary purpose of this annual volume — published, distributed, and financed through the Tennessee Department of Finance and Administration, 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
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# Contents

# Contents, *continued*

## Contents, Figures



## Contents, Tables

# Executive Summary

***The US Economy***

The slow, often erratic, recovery of 2002 continued in 2003 and actually showed signs of stability later in the year. Indeed, the 8.2 percent annual growth rate of inflation-adjusted gross domestic product (GDP) posted in the third quarter of 2003 was the fastest growth rate in 20 years. Strong labor productivity, low interest rates, and moderate inflation worked together to help businesses and consumers maintain relatively strong spending patterns. Additionally, the Federal Reserve Bank (Fed) cut interest rates once over the course of the past year and the full effects of broad federal tax cuts and increased government spending were finally felt throughout the economy.

All of this will likely help the economy maintain reasonably strong growth in 2004. Inflation-adjusted GDP is expected to continue strong growth at a 4.7 percent annual rate over the course of 2004. The increase will be fueled by increases in consumption spending (3.6 percent), business investment (10.2 percent), residential housing investment (3.0 percent) and government spending at the federal (5.6 percent) and state and local (1.5 percent) levels. Export growth will finally outpace import growth, allowing international trade to finally contribute to domestic economic growth. Inflation will remain quite low at a rate of 1.3 percent, while unemployment will retreat slightly to 5.7 percent.

***The Tennessee Economy: Short-Term Outlook***

Tennessee's economic conditions showed marked improvement in 2003 over 2002. There were some setbacks along the way, including an upward drift in the unemployment rate in the final months of the year. But all in all, 2003 was a better year for the economy than 2002. The state was able to orchestrate 0.2 percent nonagricultural job growth on the heels of a 0.8 percent decline in 2002. Particularly encouraging is the positive job growth that took place in the final three quarters of 2003. Overall job growth has been driven by growth in services, as the manufacturing sector continues to be battered by job losses. The situation for manufacturing has improved somewhat, with job decay in 2003 totaling 2.9 percent versus job losses in excess of 6 percent in the previous year. Job losses have been experienced rather broadly in the durable and nondurable goods sectors.

Given the jobs situation, it is somewhat surprising that the unemployment rate has not risen more sharply than it has. It is expected that the unemployment rate will average 5.2 percent for 2003, significantly better than the 6.0 rate projected for the national economy. The number of unemployed people has jumped sharply, but it appears that the worst is now behind us. On the heels of a 14.6 percent hike in 2001, the number of unemployed people grew by over 18 percent in 2002. The last year is expected to have produced a slight reduction in the number of unemployed people.

Personal income growth has suffered during the ongoing recession. Nominal personal income in Tennessee was up only 3.0 percent in 2002, marginally improving to 3.6 percent growth in 2003. Income growth in Tennessee did outstrip growth for the national economy in both years (2.7 and 3.2 percent). Wage and salary income and rent, interest and dividend income have placed a drag on overall income growth. Wages and salaries advanced only 2.1 percent and 3.0 percent in 2002 and 2003; rent, interest and dividend

# Executive Summary, *continued*

income was up 0.2 percent in 2002 and contracted at a 0.5 percent rate in 2003. Transfer payments, on the other hand, have risen sharply in the last two years, spiking by 9.3 percent in 2002 and by 7.3 percent in 2003. As goes total personal income, so goes per capita personal income. While per capita income grew only 2.1 percent and 2.6 percent in the last two years, the state was able to do better than its national counterpart.

Weak income growth has put a damper on taxable sales. (Sales tax revenue growth has been much stronger because of the rate increase enacted in the summer of 2002.) Taxable sales were up only 0.4 percent in 2002 and 2.9 percent in 2003.

Building on a firmer foundation established in 2003 and benefiting from the expectation of stronger growth for the national economy, the Tennessee economy should witness improved economic conditions through 2005. Non-agricultural jobs are to advance 1.2 percent in 2004 and 2.0 percent in the following year. The state's manufacturing sector will nonetheless continue to shed jobs in 2004 (down 1.0 percent) but enjoy a modest turnaround by 2005 (with 0.5 percent growth). The durable goods sector will see job growth in both years, while jobs in the nondurable goods sector will contract. Relatively strong growth will take place in the various service-producing sectors of the economy. Professional and business service jobs are expected to rise 3.5 percent in 2004 and 4.7 percent in 2005, while the other services sector will experience 3.4 percent growth in 2004 and 5.2 percent growth in 2005.

The unemployment rate will fall slowly as 2004 unfolds. Starting with an anticipated 5.4 percent rate in the first quarter of the year, the unemployment rate will drift down into 2006. The unemployment rate is expected to average 5.2 percent in 2004 and 4.7 percent in 2005. The number of unemployed people is projected to rise very slowly in 2004 then decline by nearly 10 percent in 2005. Tennessee's unemployment rate will fall below the nation's rate through the short-term forecast horizon.

Personal income growth will improve as wage and salary income, proprietors' income and rent, interest and dividend income all show renewed strength. Total personal income is expected to climb 5.0 percent in 2004 and 5.6 percent in 2005. Income growth will total 5.4 percent for the 2004/05 fiscal year. Per capita personal income will enjoy a similar rebound, advancing 3.5 percent in 2004 and 4.1 percent in 2005. Unfortunately, state per capita income growth is expected to lag the nation.

Taxable sales will show improved growth as income and job growth improves. Taxable sales growth should gain ground and record 4.0 percent and 4.8 percent growth in 2004 and 2005.

***The Situation and Outlook for Tennessee Agriculture***

Over 90,000 farms are located in Tennessee, ranking the state fourth in the nation in the number of farms. The majority of all farms (about 77 percent) are rather small, with receipts ranging between $1,000 and $10,000. Cash receipts for Tennessee farmers are dominated by cattle and calves (17.2 percent), followed by broilers (13.4 percent), and other crops (11.6 percent). Tennessee farmers have enjoyed growth from agricultural exports abroad, which totaled over

# Executive Summary, *continued*

$600 million in 2002. In terms of value, cotton is the largest category export, followed by soybeans and soy products.

It is expected that 2003 will be a good year for crop producers in the state, with exceptionally strong cotton, soybean, and corn yields anticipated. The current year could also be a good one for Tennessee crop producers, although much depends on weather and yields in other states and across the globe. The livestock situation was generally strong in 2003, although the year closed out on a negative note due to the identification of Mad Cow disease in the US. It is unclear at this point how markets will be influenced by this event. However it is likely that broiler producers will gain at the expense of cattle producers. The state's dairy industry continues to decline due to falling profitability from greater competition and rising costs.

***The Tennessee Economy: Long-Term Outlook***

Two of the most important long-term trends in Tennessee are the rapid growth in population and continued realignment of industry versus services in the state economy. The population in Tennessee grew by 2.1 million between 1960 and 2000 yielding a 59.5 percent cumulative growth rate and a compound annual growth rate of 1.2 percent. Williamson, Cheatham, Sumner, Rutherford and Wilson counties had the highest growth rates, while the lowest growth rates were in the relatively sparsely populated counties of Lake, Haywood, Hancock, Crockett and Gibson. The greatest numerical growth took place for those in the 35-44 age group, while the strongest percentage growth was in the 80 and over age bracket.

Recently completed population projections for the state suggest nearly 30 percent cumulative growth or a 1.1 percent compound annual growth rate in the population between 2000 and 2025. Total state population is forecast to be 7,559,532 in 2025. While all counties in the state will experience growth, the pattern of growth will continue to be uneven. Generally metropolitan counties will grow more rapidly than their non-metropolitan counterparts.

Economic transition continues unabated in Tennessee. An important consequence of the conversion from the old SIC (Standard Industrial Classification) system to the new NAICS (North American Industrial Classification System) is a sharp break in historical data series. Many data series now have very short historical lives (as with average wages) while others have yet to be developed and released (as with gross state product). The most striking feature to emerge from the new data accounting system is in fact an old story that has been told using SIC data, namely the long-run decline in the importance of manufacturing jobs to the state economy. The state economy has not been able to orchestrate positive net job growth in manufacturing since 1998. While jobs in durable goods manufacturing have increased since 1991 (up 1,600), job losses in nondurable goods manufacturing totaled nearly 70,000 by 2003. Over 48,000 jobs have been lost in the apparel sector alone.

As manufacturing has declined in relative importance, services have picked up the slack. The service-providing sectors in 2003 accounted for over 80 percent of all nonagricultural jobs in the state, as opposed to 73.7 percent in 1991. Professional and business services have shown the most rapid pace of growth and now account for well over 1 out of every 10 jobs in the state. Until new NAICS-based gross state product data

# Executive Summary, *continued*

become available, it will be impossible to gauge how output patterns have changed over time vis-à-vis jobs.

By some accounts, the state economy has outperformed its national counterpart since the early 1990s. Notably, the state has generally been able to maintain lower rates of unemployment during both good and bad economic times. But the state has done poorly in other dimensions — in particular per capita personal income. After rising relative to the nation in the early 1990s, per capita income in Tennessee actually fell relative to the US from 1995 through 2001. While slight improvement was realized in 2002, the gain was far short of making up for ground lost since 1995.

The state economy is expected to return to its long-term trend path of economic growth by the close of the short-term forecast horizon. Between 2004 and 2013 job growth is expected to total 2.1 percent (compound annual growth rate or CAGR). Job growth in manufacturing is projected to be positive over this period (0.6 percent, CAGR), with job growth in the durable goods sector more than offsetting job losses in the nondurable goods sector. At the same time, job growth in total manufacturing will fall well short of growth in the service-producing sector. By 2013 the service-producing sector will account for 82.2 percent of all nonagricultural jobs in Tennessee.

The state unemployment rate will move downward through the short-run and reach an annual average of 4.7 by 2005. Long-term expectations call for the rate to dip further and reach an annual low of 4.0 percent in 2011, a low last realized in 1999. The labor force will grow at a 1.3 percent rate (CAGR) between 2004 and 2013, strong growth but slower than the 1.4 percent pace of growth between 1991 and 2004.

Nominal personal income will advance at a rate of 6.1 percent (CAGR) between 2003 and 2013, a better performance than expected for the nation (5.8 percent CAGR). Influenced by the trend established in 1995, per capita income in Tennessee is expected to lose more ground when compared to the nation. Standing at 88.5 percent in 2004, per capita income in Tennessee will slip to 87.2 percent of the national average by 2013.

A return to full employment will restore growth in taxable sales for the state. Expect 5.1 percent growth (CAGR) in nominal taxable sales between 2004 and 2013. Other retail and services—the largest taxable sales category accounting for almost 30 percent of sales in 2003—will witness growth of 5.9 percent (CAGR).

***Welfare Policy Analysis in Tennessee: Recent Research and Unanswered Questions***

State welfare programs changed dramatically in 1996 with the imposition of time limits and work requirements. The original entitlement program (Aid to Families with Dependent Children, or AFDC) was replaced with a system of less restrictive block grants (Temporary Assistance to Needy Families, or TANF). With this important policy change has come a renewed effort to study and evaluate public assistance programs, toward the diverse goals of improving the efficient use of public funds, ensuring that families do not fall from welfare into poverty, and guaranteeing the safety, health, and education of these families' children.

# Executive Summary, *continued*

The new welfare policy system has raised a number of important questions. First, do time limits and work requirements change the patterns of welfare use? Are recipients more likely to spread their limited eligibility over a larger number of shorter spells, rather than remain on the program for one longer continuous spell? If so, what effects might this have on the well being of participants and their children? Are participants harmed by the imposition of time limits? Would needy families be removed from the program after 18 months, only to experience poverty or other socioeconomic hardships? Similarly, do work requirements force recipients to enter the workforce before they are ready? Do working parents spend less time with their children as a result? How do the new policies affect child well being?

This chapter provides an overview of our research efforts on these and other related questions regarding the various impacts of welfare reform. We begin by briefly describing the federal reform of 1996 and the most salient features of Tennessee's welfare program, Families First. We then discuss our recent research in this area, focusing on a number of published reports as well as projects that are currently in progress. The chapter closes with a discussion of several interesting, yet unanswered, questions regarding the effects of welfare policy changes.

# The US Economy

## In this chapter...



## 1.1. Introduction

The US economy finally turned the corner in late 2003, making the current prevailing economic theme one of guarded optimism. The slow, erratic recovery following the recession of 2001 continued last year, eventually showing signs of greater stability later in the year. Inflation-adjusted gross domestic product (GDP), perhaps the most widely used indicator of overall economic health, was growing at an annual rate of 8.2 percent as of the third quarter of 2003.[1] This growth rate, measured in the eighth quarter of the ongoing expansion, was the fastest in nearly 20 years.

This chapter is intended to provide a brief overview of the current economic situation for the nation along with a short-term forecast of things to come.[2] To summarize briefly in advance, the US economy appears to be in good health. Strong labor productivity, low interest rates, and moderate inflation have worked together to help businesses and consumers maintain relatively strong spending patterns. Also, the Federal Reserve Bank (Fed) cut interest rates once over the course of the past year and the full effects of broad federal tax cuts and increased government spending were finally felt throughout the economy.

Economic growth will continue, although at a slower rate, in 2004. Specifically, inflation-adjusted GDP is expected to rise at a 4.7 percent seasonally adjusted annual rate (SAAR). The sustainability of stronger economic growth will be ensured by continued health in consumer spending, business and residential investment, government spending at all levels, and, for the first time in many years, international trade.

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[1] *Unless otherwise noted, all growth rates in this chapter are seasonally adjusted annual rates (SAARs).*
[2] *CBER bases its forecast on a national forecast provided by Global Insight, Inc.*

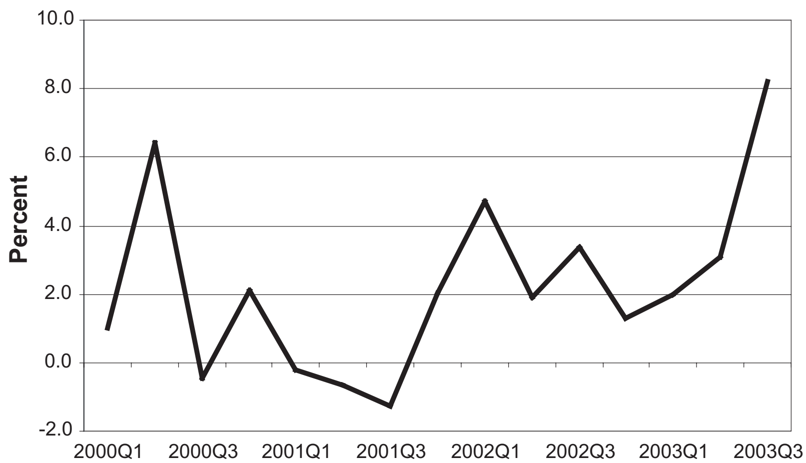
## 1.2. The Year in Review

Economists traditionally define a recession as at least two consecutive quarters of real GDP decline. As shown in Figure 1.1, Real GDP growth was negative for the first three quarters of 2001, and recently revised numbers reveal one quarter of negative growth in the third quarter of 2000.[3]

The Business Cycle Dating Committee at the National Bureau of Economic Research (NBER) has declared that the most recent economic recession began in March 2001 and ended in November 2001. To officially date the beginning and end of each recession, the NBER moves beyond GDP and examines other economic data. Two critical elements in the NBER's determination include total nonfarm employment and inflation-adjusted personal income after all government transfers (disposable personal income), shown in Figure 1.2. While total personal income has continued to grow since the 2001 recession, total employment has fallen. Job growth finally turned positive in August 2003, suggesting that the "jobless recovery" is no longer jobless. Nonetheless, manufacturing jobs fell for the 40th consecutive month in November 2003. While overall job growth is showing signs of improvement, the manufacturing sector continues to be a drag on employment.

How was economic growth possible in the face of continuing job losses? Quite simply, a shrinking number of workers were asked to do even more work. Worker productivity, measured in terms of output per hour, has increased dramatically in recent months, growing at a blistering 9.4 percent rate as of the third quarter of 2003 (see Figure 1.3). It is widely believed that such large increases in productivity are not sustainable, suggesting that employers will soon begin hiring more workers to ease the burden on their existing work forces.

**Figure 1.1. Inflation-Adjusted GDP Growth**

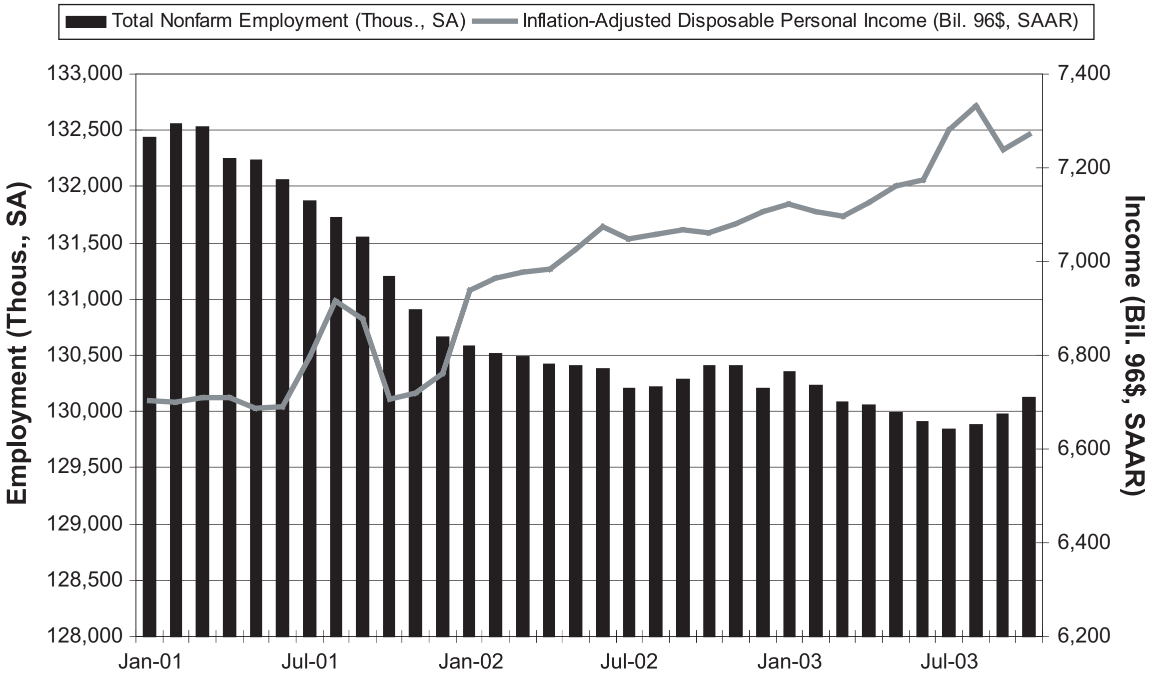



*Source: Bureau of Economic Analysis.*

[3] The Bureau of Economic Analysis (BEA) recently revised its inflation-adjusted economic data using 2000 as the base year. Earlier reports of inflation-adjusted GDP growth, which used 1996 as the base year, showed positive growth in all four quarters of 2000. The Global Insight macroeconomic forecast upon which this chapter is based was released before the BEA revision, and thus uses 1996 as the base year.

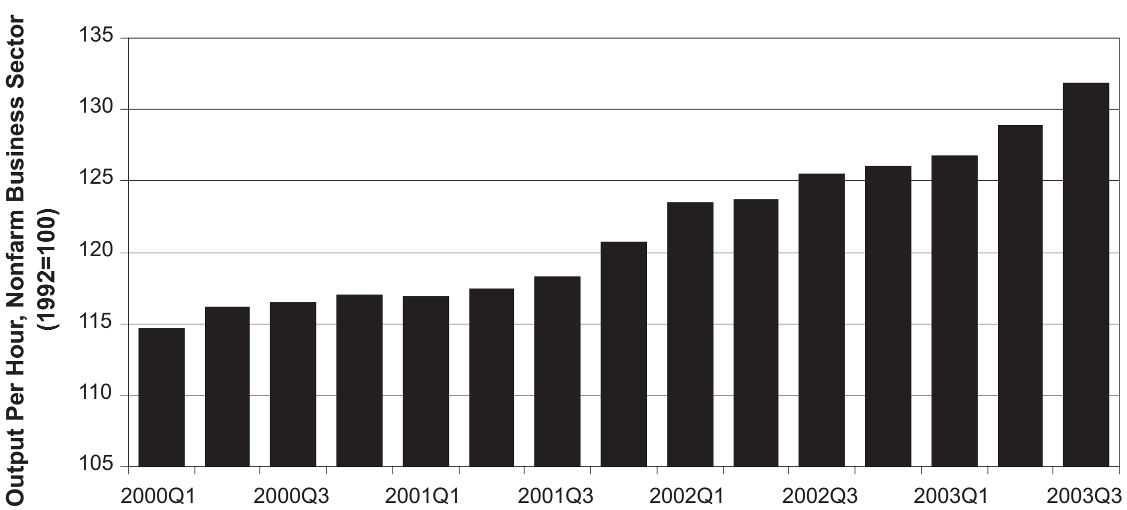
# 1.2. The Year in Review, *continued*

**Figure 1.2. Employment and Income**




*Source: Bureau of Labor Statistics and Bureau of Economic Analysis.*

**Figure 1.3. Worker Productivity**




*Source: Bureau of Labor Statistics.*

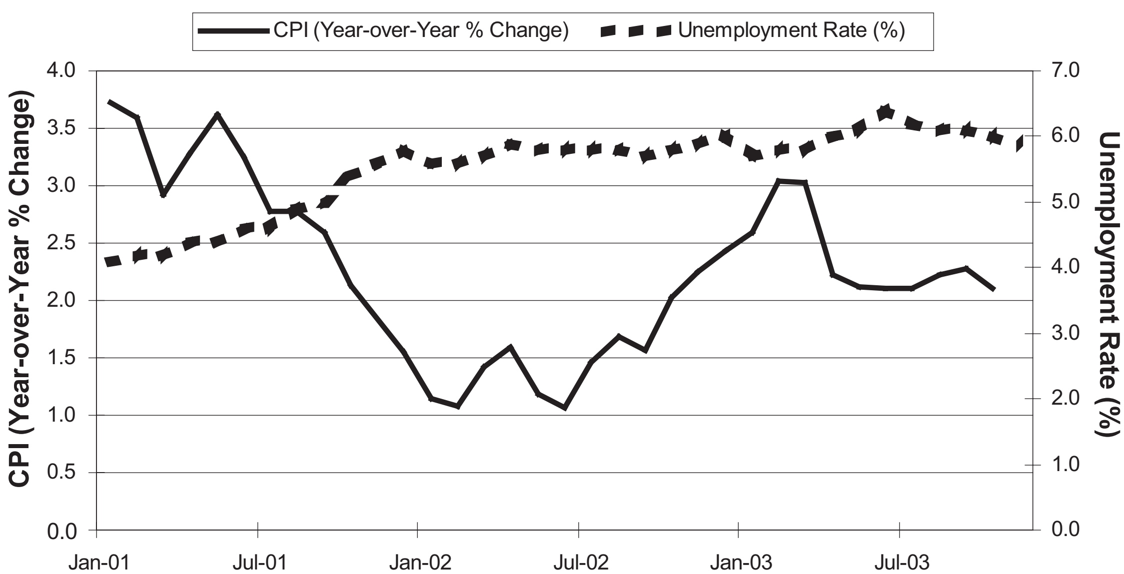
# 1.2. The Year in Review, *continued*

### *1.2.a. Inflation and Unemployment*

Figure 1.4 shows recent movements in two other 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 represents the general percentage increase in consumer prices, commonly referred to as inflation. 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 US. The CPI rose at an annual rate of 2.3 percent in 2003Q3, up from the 2001 increase of 1.6 percent but still below the conventionally acceptable rate of 3 percent. While prices grew slightly through 2002 and into 2003, a substantial reduction in inflation in the spring of 2003 raised fears of the possibility of widespread price reductions, or deflation.

**Figure 1.4. Inflation and Unemployment**



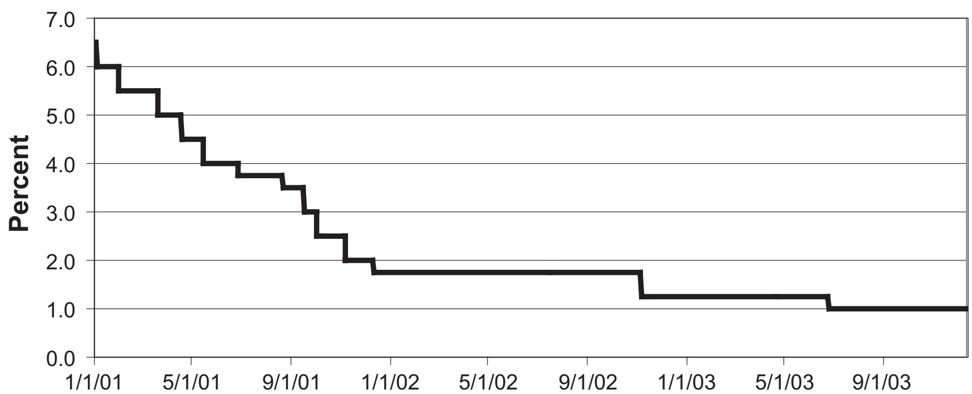

*Source: Bureau of Labor Statistics.*

# 1.2. The Year in Review, *continued*

Surprisingly, inflation remains largely in check despite a 45-year low federal funds target rate of 1 percent (see Figure 1.5).[4] Low interest rates make it easier and cheaper for consumers and businesses to borrow money to finance their purchases. As inflation fell rather quickly in the middle of 2003, the Fed cut interest rates in an attempt to increase overall demand and stem price reductions. This action appears to have worked.

The labor market showed continued signs of weakness in 2003 with the unemployment rate hovering around 6 percent throughout most of the year. Wage inflation, consequently, was subdued. The employment cost index, a popular leading indicator of inflationary pressure in the economy, rose by 4.2 percent on an annual basis through 2003Q3. This growth rate was up slightly from a 2002 increase of 3.8 percent. As noted above, worker productivity (output per hour of work) was up by 9.3 percent as of 2003Q3, a significant increase over the 2002 growth rate of 5.3 percent.

**Figure 1.5. Federal Funds Target Rate**




*Source: Federal Reserve Board of Governors.*

### *1.2.b. Components of GDP*

Inflation-adjusted US 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-

[4] The federal funds rate is the interest rate charged when banks borrow from each other, either to meet reserve requirements or short-term demands for cash, usually on an overnight basis. It is changed not directly by Fed policy, but indirectly through actions of the Federal Open Market Committee.

## 1.2. The Year in Review, *continued*

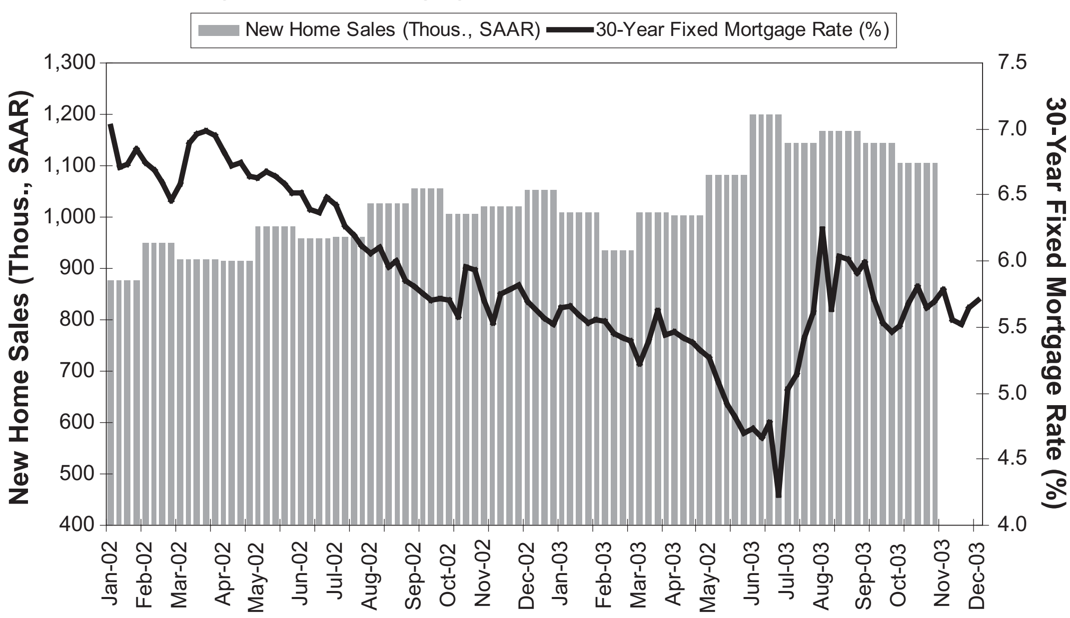
adjusted GDP, increased by an annual rate of 6.4 percent in 2003Q3. This was much stronger than the impressive 2002 growth rate of 3.1 percent. Federal tax cuts enacted in May 2003, which included $40 billion in individual tax relief for the latter half of 2003, surely helped to fuel this impressive consumption growth. Consumer purchases of big-ticket items, especially of new automobiles, remained surprisingly strong due to low interest rates and attractive yet seemingly unsustainable zero-percent financing offers from major manufacturers.

Spending on residential housing rebounded in 2003, thanks to mortgage interest rates that reached historic lows. Residential fixed investment was up by an astounding annual rate of 22.8 percent as of 2003Q3. As shown in Figure 1.6, the average 30-year mortgage interest rate started near 5.5 percent in early 2003, fell to an all-time low of nearly 4.2 percent in June, and then rose quickly before stabilizing around 5.7 percent.

Sales of new single-family homes followed nearly an opposite trend, rising when mortgage interest rates fell and vice versa. Strangely, though, new home sales continued to fall despite stabilizing—and still historically low—mortgage interest rates. This might be a reflection of the widely held expectation that mortgage interest rates are likely to rise, but only slowly, through 2004. Further, many homeowners either recently refinanced or moved into a new home and might have felt locked in at their new low mortgage rate.

The major economic story of 2001 and 2002—a dramatic slowdown in business fixed

**Figure 1.6. Mortgage Rates and New Home Sales**




*Source: US Census Bureau and Fannie Mae.*

## 1.2. The Year in Review, *continued*

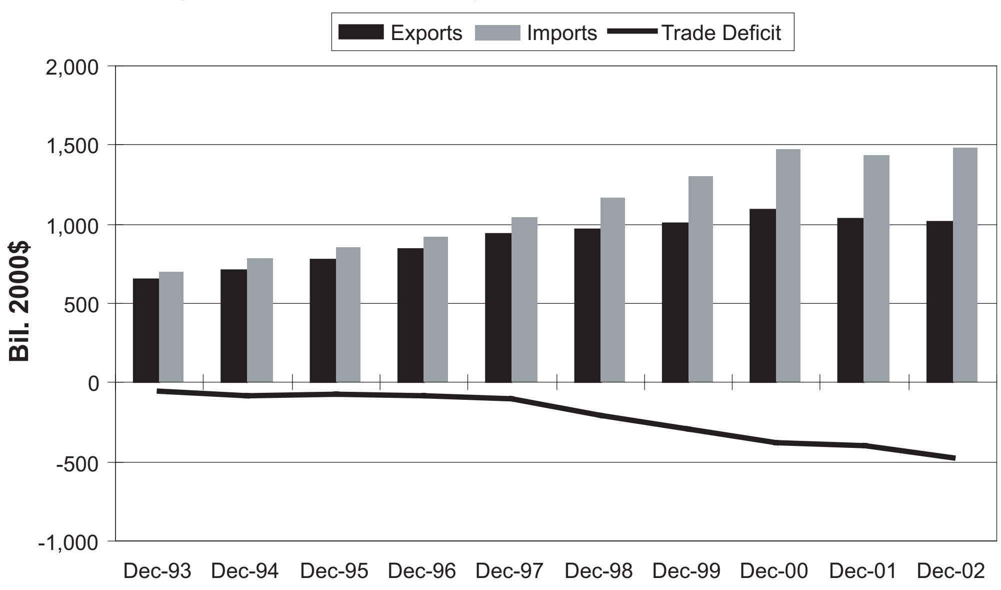
investment—finally ended in 2003. This important component of GDP rose at an annual rate of 14.0 percent as of the third quarter of 2003, up dramatically from the 2002 decrease of 5.7 percent. Purchases of equipment and software (18.4 percent) were more than strong enough to carry sluggish growth in investment in structures (0.2 percent).

Government spending fell by 0.4 percent at the federal level and rose by 2.3 percent at the state and local level as of 2003Q3. Both represent slowdowns from 2002 (7.5 and 2.8 percent, respectively), due to federal tax cuts and the well-documented fiscal strain at the state and local level.

The biggest drain on domestic economic growth has typically come from the international market. 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 US economic growth. Imports have exceeded exports in recent years (see Figure 1.7), involving a net subtraction from real GDP.

The tide seems to be turning, however, with export growth finally outpacing import growth. On an annual basis, exports were up 11.0 percent as of 2003Q3, while imports were up only 1.5 percent. Contributing to this was a dramatic reduction in real exchange rates, which made imports more expensive relative to domestic goods and services.

**Figure 1.7. Inflation-Adjusted Exports and Imports**




*Source: Bureau of Economic Analysis.*

## 1.3. The US Forecast

Economic growth will continue in 2004, although at much slower rates than those observed in late 2003. Inflation-adjusted GDP will grow by a respectable 4.7 percent annual rate. All segments of the economy are expected to increase, as shown in Figure 1.8. Inflation and unemployment will both fall slightly. Each of these anticipated trends is discussed in more detail below.

### *1.3.a. Consumption and the Labor Market*

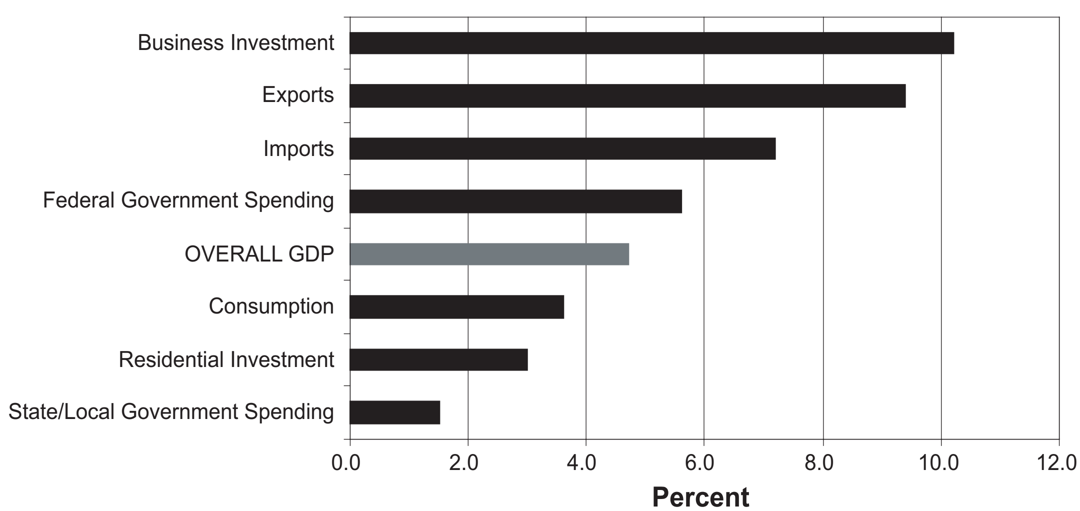
Annual growth in consumption spending over the course of 2004 is expected to reach 3.6 percent. The CPI will accelerate slightly by 1.3 percent, as inflation remains largely subdued. While recent consumption growth has been fueled by low interest rates, moderate inflation, widespread mortgage refinancing, and significant federal tax cuts, future growth will be based primarily on strength in the labor market.

Labor market conditions are expected to improve, if only slowly, through 2004. Specifically, civilian employment will rise by 1.6 percent nationwide over the course of 2004, while the unemployment rate falls to 5.7 percent. An unfortunate side effect will be continued slow growth in wages (as measured by the employment cost index) at a rate of 3.8 percent. The decline in manufacturing jobs will finally come to an end in 2004, although significant gains are not expected until 2005 at the earliest. Productivity growth of 3.5 percent will offset inflationary pressure from this wage growth. Personal income is expected to grow at a 5.0 percent annual rate in 2004.

### *1.3.b. Investment and Interest Rates*

Residential and business investment will continue to grow in 2004, with the slight slowdown on the residential side more than offset by robust growth on the business side. Beginning

**Figure 1.8. Expected Annual Percentage Growth in the Primary Components of Inflation-Adjusted GDP, 2004**




*Source: Global Insight, Inc.*

## 1.3. The US Forecast, *continued*

with residential fixed investment, housing starts will reach an annual rate of 1.809 million units in 2004. A contributing factor will be mortgage rates that rise only slightly, with the effective 30-year fixed mortgage rate averaging 6.44 percent and remaining under 7 percent for 2004. On net, residential fixed investment is expected to grow by 3.0 percent in 2004.

The recent contraction in business fixed investment will come to an end in 2003, leading to extraordinary growth of 10.2 percent expected in 2004. Growth in equipment and software will be particularly strong at 12.8 percent, driven primarily by spending on computers and peripherals. Businesses are still replacing the massive stock of computing equipment that was purchased in the build-up to the Y2K scare, which has become obsolete in the face of continuing technological advances.

Business investment in structures will grow, but only at an annual rate of 1.3 percent. Investment of all types will be aided by continued low interest rates. As economic growth continues to gather steam and the effects of fiscal policy play out in 2004, the federal funds rate is projected to begin a slow rise from the current low of 1 percent to a year-ending value of 1.75 percent. This action should be enough to stave off inflation but should not seriously dampen investment spending.

***1.3.c. Government Spending***

Due to the ongoing military activity and a general reluctance to cut non-defense spending, expect growth in federal government spending of 5.6 percent in 2004. As a result, the federal deficit will rise during 2004. State and local spending will also increase, but only at an annual rate of 1.5 percent due to flagging revenues and structural imbalances that continue to constrain budgets.

***1.3.d. Net Exports***

Inflation-adjusted exports will rise at an annual rate of 9.4 percent in 2004, while inflation-adjusted imports will rise at a slower rate of 7.2 percent. An expected reduction in exchange rates in 2004 will be helpful. The end result of all of this is that the trade deficit will become less of a drag on growth.

## 1.4. Alternative Scenarios

While uncertainty prevailed in the domain of macroeconomic forecasters a year ago, there exists widespread optimism that the current economic expansion will continue. Nonetheless, overall economic growth could be slower than the baseline forecast of 4.7 percent if a number of key risks materialize. Specifically, more rapid inflation and a rapidly declining dollar could lead to earlier interest rate increases, squelching consumer and investor confidence. Higher oil prices could have similar effects on the aggregate economy.

Alternatively, better-than-expected economic growth might result if productivity growth continues and businesses continue their recent investment spending. Such a scenario would likely involve lower rates of inflation, allowing interest rates to remain near the historic lows observed in 2003. The slight slowdown in the housing sector would not materialize as quickly. A final factor that would contribute to faster-than-expected growth is international trade, where the declining dollar leads to even faster growth in net exports.[5]

## 1.5. US Forecast Summary and Conclusions

- Expect the ongoing economic expansion to continue in 2004.
- Inflation-adjusted GDP will increase at an annual rate of 4.7 percent.
- The increase will be fueled by a rebound in business investment (10.2 percent).
- Consumption spending will grow by 3.6 percent.
- Residential housing investment will rise by 3.0 percent, while mortgage interest rates begin a slow, steady climb from historic lows.
- Government spending will grow at the federal (5.6 percent) and state and local (1.5 percent) levels.
- Export growth will outpace import growth.
- The inflation rate will slow to 1.3 percent.
- The unemployment rate will fall to 5.7 percent.
- Interest rates are likely to begin a gradual rise.

[5] It should be noted that the Tennessee forecast in Chapter 2 of this *Report* is based on the baseline forecasts and not either of these two alternatives. Should either alternative arise, the Tennessee forecast would shift in turn.

# The Tennessee Economy

## In this chapter...

## 2.1. Introduction

At the beginning of the new year, it looks as if the economy may have finally turned the corner and is poised to enjoy more broad-based growth than has taken place in the last several years. Particularly noteworthy is the expectation of stronger nonagricultural job growth and a slower pace of job contraction in the state's manufacturing sector. If expectations are realized, 2004 will show the strongest rate of job growth since 2000.

Before moving to the economic outlook for the state, here is a roadmap of what is to come in the remainder of the chapter. The chapter begins with a discussion of the new NAICS accounting system for economic data that is supplanting the familiar SIC system. The Tennessee Annual and Quarterly Econometric Models have been re-constructed using NAICS as opposed to SIC data, and this *Report* includes the inaugural estimates under the new accounting system. Recent trends and issues for the state economy are then addressed, followed by the short-term outlook for the state economy extending through 2006Q1. Next is a detailed overview of conditions and the short-term outlook for Tennessee's agricultural sector, drawing on the unique expertise of UT's Agricultural Policy Analysis Center. The final major section of this chapter provides the long-term economic outlook for the state through 2013. Included in this final section is a summary of recently completed population projections for the state out to 2025.

## 2.2. Recent Economic Trends

### *2.2.a. From SIC to NAICS*

Say hello to NAICS and say goodbye to SIC. Have you worked with economic data based on industry classifications like retail trade, financial services and manufacturing? If so you are probably already aware of the changes that are underway. In short, a major transformation is taking place in the way government and private sector data are being collected and reported. These changes have important implications for monitoring and forecasting a wide array of business and economic data series and will affect many in the private sector, public sector and academia. Most readers of this *Report* have some familiarity with data reported under the old Standard Industrial Classification or SIC system. The SIC system, which dates back to the 1930s, had seen only modest changes since its inception, most significantly changes made in 1987 that recognized the rapid growth that had taken place in the service sector of the economy. The realities of today — in particular a more service- and information-oriented economy and an increasingly integrated global economy — are why the old system has been eliminated.

Taking the place of the old SIC accounting system is the new North American Industrial Classification System, or NAICS. The Department of Labor (and its Bureau of Labor Statistics) and the Department of Commerce (and its Bureau of Economic Analysis) are now generally collecting and reporting economic data series under the new accounting regime. The NAICS accounting framework includes 1,170 industries and 565 service sectors; the SIC system included 1,004 industrial sectors and 416 service

## 2.2. Recent Economic Trends, *continued*

sectors. Of the more than 350 new sectors under NAICS, 250 are categorized as services. Noteworthy is the new six-digit classification system that allows for comparability across North America at the five-digit level. The finer level of detail afforded by the sixth digit of the system allows for unique country-specific classifications that go beyond the internationally comparable five digits. Comparability within North America — in large part because of NAFTA, which more closely links the economies of the US, Mexico and Canada — also translates into greater conformity with the international SIC system maintained by the UN.

The NAICS approach has a focus on *how* goods and services are produced, whereas the SIC system focused on *what* was produced. This lies at the roots of the new framework and translates into significant changes for specific data series. To illustrate what this means in practice, consider a couple of examples. Formerly, a manufacturing production facility and an affiliated corporate office would be categorized under the SIC system as a *manufacturing* enterprise. Under NAICS, the production facility would remain defined as *manufacturing*, while the corporate office would be classified as *management of companies and enterprises*. Similarly, warehousing and payroll activities of the manufacturing firm would have been deemed *manufacturing* under SIC, whereas under NAICS, warehousing would be classified *transportation and warehousing* and payroll would fall under *professional and technical services*. People who have made use of SIC data will have to learn about and adapt to these and other changes embedded in the new NAICS framework. In the private sector, accounting systems — particularly those tied to purchasing and supply-chain management — will need to be updated. Similarly, sales, earnings and profit forecasts may have been tied to SIC data, and these forecasting models will need to be updated. Other applications also will be affected by the new accounting system.

The new accounting framework as summarized by the Bureau of Labor Statistics is shown in Table 2.1. The broad headings of goods-producing and service-providing sectors highlight the new focus on service and information sectors and hence a greater balance vis-à-vis manufacturing. The two-digit subheadings shown in the figure can mask rather significant changes in the respective data series. In fact, from the titles alone many sectors look unaltered, including *manufacturing* (NAICS 31-3), *wholesale trade* (42) and *retail trade* (44-45). The reality is that virtually every sector *has* been affected by the new system, although the changes are most prominent in manufacturing.

Table 2.2 shows the sectors of the economy that have been influenced the most by the shift in accounting systems using data for the national economy. In SIC 57, furniture and home furnishing stores, only 44 percent of the jobs now lay in NAICS 442000, which has the exact same industry heading. Significant changes are not confined to manufacturing. For example, just under one-half of the jobs formerly classified as transportation services (SIC 47) are in the new category of support activities for transportation (NAICS 488000). These changes serve as a caution in interpreting NAICS data and making comparisons to the old SIC system.

## 2.2. Recent Economic Trends, *continued*

### Table 2.1. BLS Standard for Sector Aggregation Titles for NAICS

**Goods-Producing**

- Natural resources and mining
  - Sector 11 (Agriculture, forestry, fishing and hunting)
  - Sector 21 (Mining)
- Construction
  - Sector 23 (Construction)
- Manufacturing
  - Sector 31-33 (Manufacturing)

**Service-Providing**

- Trade, transportation, and utilities
  - Sector 42 (Wholesale trade)
  - Sector 44-45 (Retail trade)
  - Sector 48-49 (Transportation and warehousing)
  - Sector 22 (Utilities)
- Information
  - Sector 51 (Information)
- Financial activities
  - Sector 52 (Finance and insurance)
  - Sector 53 (Real estate and rental and leasing)
- Professional and business services
  - Sector 54 (Professional, scientific, and technical services)
  - Sector 55 (Management of companies and enterprises)
  - Sector 56 (Administrative and support and waste management and remediation services)
- Education and health services
  - Sector 61 (Education services)
  - Sector 62 (Health care and social assistance)
- Leisure and hospitality
  - Sector 71 (Arts, entertainment, and recreation)
  - Sector 72 (Accommodation and food services)
- Other services
  - Sector 81 (Other services, except public administration)
- Public administration
  - Sector 92 (Public administration)
- Unclassified
  - Sector 99 (Unclassified)

*Source: U.S. Department of Labor, Bureau of Labor Statistics, <www.bls.gov>.*

## 2.2. Recent Economic Trends, *continued*

### Table 2.2. Series Most Adversely Affected by NAICS Conversion (mapping based on employment shares of two-digit 1987 SICs)

| Old SIC Code | SIC Industry | New NAICS Code | NAICS Industry | Share of NAICS sector in old SIC |
|---|---|---|---|---|
| 07 | Agricultural services | 561000 | Administrative and support services | 58.2 |
| 16 | Heavy construction, except building | 237000 | Heavy and civil engineering construction | 86.6 |
| 33 | Primary metal industries | 331000 | Primary metal manufacturing | 87.6 |
| 34 | Fabricated metal products | 332000 | Fabricated metal product manufacturing | 88.4 |
| 35 | Industrial machinery and equipment | 333000 | Machinery manufacturing | 63.4 |
| 36 | Electronic and other electrical equipment | 334000 | Computer and electronic product mfg. | 59.3 |
| 37 | Transportation equipment | 336000 | Transportation equipment manufacturing | 92.8 |
| 38 | Instruments and related products | 334000 | Computer and electronic product mfg. | 56.1 |
| 20 | Food and kindred products | 311000 | Food manufacturing | 86.0 |
| 22 | Textile mill products | 313000 | Textile mills | 67.5 |
| 23 | Apparel and other textile products | 315000 | Apparel manufacturing | 65.0 |
| 26 | Paper and allied products | 322000 | Paper manufacturing | 90.6 |
| 27 | Printing and publishing | 511000 | Publishing industries, except Internet | 48.3 |
| 28 | Chemicals and allied products | 325000 | Chemical manufacturing | 87.8 |
| 32-3000 | Rubber and miscellaneous plastics products | 326000 | Plastics and rubber products mfg. | 88.9 |
| 40 | Railroad transportation | 488000 | Support activities for transportation | 80.8 |
| 41 | Local and interurban passenger transit | 485000 | Transit and ground passenger transportation | 78.0 |
| 42 | Trucking and warehousing | 484000 | Truck transportation | 74.6 |
| 44 | Water transportation | 488000 | Support activities for transportation | 47.5 |
| 45 | Transportation by air | 481000 | Air transportation | 48.6 |
| 47 | Transportation services | 488000 | Support activities for transportation | 49.7 |
| 48 | Communications | 517000 | Telecommunications | 76.5 |
| 49 | Electric, gas, and sanitary services | 221000 | Utilities | 70.1 |
| 50 | Wholesale trade, durable goods | 423000 | Merchant wholesalers, durable goods | 77.6 |
| 51 | Wholesale trade, nondurable goods | 424000 | Merchant wholesalers, nondurable goods | 73.6 |
| 54 | Food stores | 445000 | Food and beverage stores | 77.9 |
| 55 | Automotive dealers and service stations | 441000 | Motor vehicle and parts dealers | 72.2 |
| 57 | Furniture and home furnishings stores | 442000 | Furniture and home furnishings stores | 44.0 |
| 60 | Depository institutions | 522000 | Credit intermediation & related activities | 90.1 |
| 67 | Holding and other investment offices | 551000 | Management of companies & enterprises | 43.6 |
| 63 | Insurance carriers | 524000 | Insurance carriers and related activities | 91.0 |
| 65 | Real estate | 531000 | Real estate | 85.2 |
| 72 | Personal services | 812000 | Personal and laundry services | 76.9 |
| 73 | Business services | 561000 | Administrative and support services | 64.4 |
| 75 | Auto repair, services, and parking | 811000 | Repair and maintenance | 71.4 |
| 76 | Miscellaneous repair services | 811000 | Repair and maintenance | 77.9 |
| 80 | Health services | 621000 | Ambulatory health care services | 41.8 |
| 83 | Social services | 624000 | Social assistance | 62.8 |
| 87 | Engineering and management services | 541000 | Professional and technical services | 87.3 |
| 89 | Services, nec | 541000 | Professional and technical services | 53.2 |

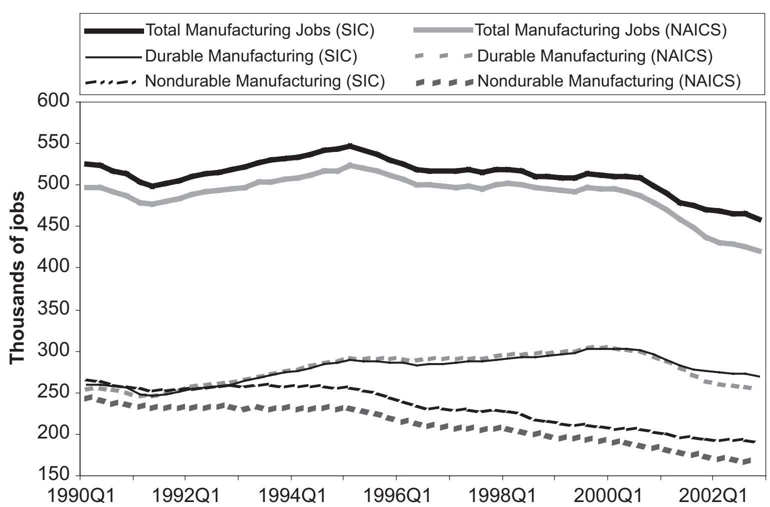
*Source: Global Insight, Inc.*

## 2.2. Recent Economic Trends, *continued*

Some of the implications of the new accounting system for Tennessee are shown in Figure 2.1 which focuses on affects for the state's manufacturing sector between 1990 and 2002. The total number of jobs in manufacturing under NAICS is well below the total under the SIC system. In 1990Q1 the difference amounted to 28,010 jobs; the spread increased to 38,160 jobs by the final quarter of 2002. Most of the change in the total is due to reclassifications affecting nondurable goods employment. Durable goods employment under NAICS more closely tracks employment under the SIC framework. At the same time, the SIC definition of durable goods manufacturing does produce a larger count of jobs than under NAICS in periods of weak economic growth (1990-91 and 2000-01). This pattern is likely a direct result of re-categorizing the sector based on *how* goods are produced. Under the SIC system, jobs directly related to production in corporate offices and warehousing were aligned with production jobs themselves (or more specifically, with *what was* produced). When the economy slowed and production workers lost jobs, the durable goods sector was buoyed by the presence of jobs in the related corporate offices and warehousing that did not slip to the extent that production jobs did. Now, under NAICS, it is easier to see the direct effect of slower economic conditions on production employment itself.

A difficult challenge in dealing with the transition in accounting systems is the break in data series and the brevity of some historical series under NAICS. For example, the last piece of historical data on gross state product (GSP) is 2001. But these estimates, reported on a SIC basis, were actually developed from NAICS data supplied by firms. NAICS-based GSP data will not be released by the Bureau of Economic Analysis until December 2004. (For this reason, the current *Economic Report to the Governor* will not present GSP data.) Historical data on jobs by NAICS sector are now available back to 1990, providing one of the longer historical data series. On the other hand, average wage data by sector are available only back to 2001Q1. Such a short history complicates efforts to provide an accurate short-run and long-run forecast of the same data series.

**Figure 2.1. Number of Manufacturing Jobs, NAICS vs. SIC, Tennessee, 1990 to 2002**



## 2.2. Recent Economic Trends, *continued*

***2.2.b. Recent Economic Conditions***

The so-called jobless recovery seems to be turning into a more sincere expansion as the state and nation were finally able to muster up some positive job growth in 2003. Tennessee did better than the US with the last three quarters of the year showing job gains. While there remain concerns about the sustainability and magnitude of job growth in 2004, at least there is some positive growth to build upon. The growth experienced through 2003 would be nothing to brag about were it not for job contraction in the previous two years. Despite conditions in the labor market, other indicators point to an expanding state economy. Personal income has been in the black in most recent quarters and is expected to have recorded 1.7 percent inflation-adjusted growth in 2003. Taxable sales should show 2.9 percent growth for the year, significant improvement over the weak 0.4 percent gain in 2002.

***2.2.c. State Labor Markets***

Figure 2.2 puts the current economic cycle in perspective, showing nonfarm employment for the state and national economies dating back to 1999Q1. The decline in jobs in late 2000 and early 2001 is illustrative of the consequences of the recession for state and national labor markets. The job situation has proven to be particularly acute in Tennessee as is evident in the figure, with jobs falling earlier and more precipitously than was the case for the nation. The state did turn the corner earlier than the US and has seen jobs drift upward — with some setbacks along the way — since early 2002. On a quarterly seasonally adjusted annual basis, 2002Q4 was the first period in recent history to witness positive job growth (0.2 percent) for the state economy.

A serious drag on job growth has been the manufacturing sector. While the recession and the weak subsequent expansion have aggravated the woes in manufacturing, the fact is that jobs have been in decline for quite some time, as discussed more fully below in the section on long-term trends. State job losses in manufacturing mounted in 2001 with a decline of 6.9 percent, followed by contraction of 6.1 percent in 2002. Reversing a well-established pattern from the 1990s, the durable goods sector performed more poorly than the nondurable goods sector in 2001 and 2002; durable goods manufacturing did better in 2003 than nondurable goods manufacturing, although both sectors saw jobs decline.

Not all sectors of the state economy have fared as poorly as manufacturing. In particular, most service sectors in the state showed growth in both 2002 and 2003. Job growth trends for broad NAICS sectors for 2002 and 2003 are illustrated in Figure 2.3. While jobs were down on net 0.8 percent in 2002, growth rebounded with a gain of 0.2 percent in 2003. Generally, sectors that showed contraction in 2002 performed a bit better in 2003, while the reverse was true of expanding sectors in moving from 2002 to 2003. Five sectors showed job losses in 2003, while six sectors showed expansion. All of the sectors experiencing positive job growth in 2003 were engaged in service production. Generally, professional and business services and education and health services have enjoyed the strongest rates of growth.

It is somewhat surprising that the unemployment rate has not risen more sharply than it has in the face of weak labor market

## 2.2. Recent Economic Trends, *continued*

**Figure 2.2. Total Seasonally Adjusted Nonfarm Employment, Tennessee and US (thousands)**

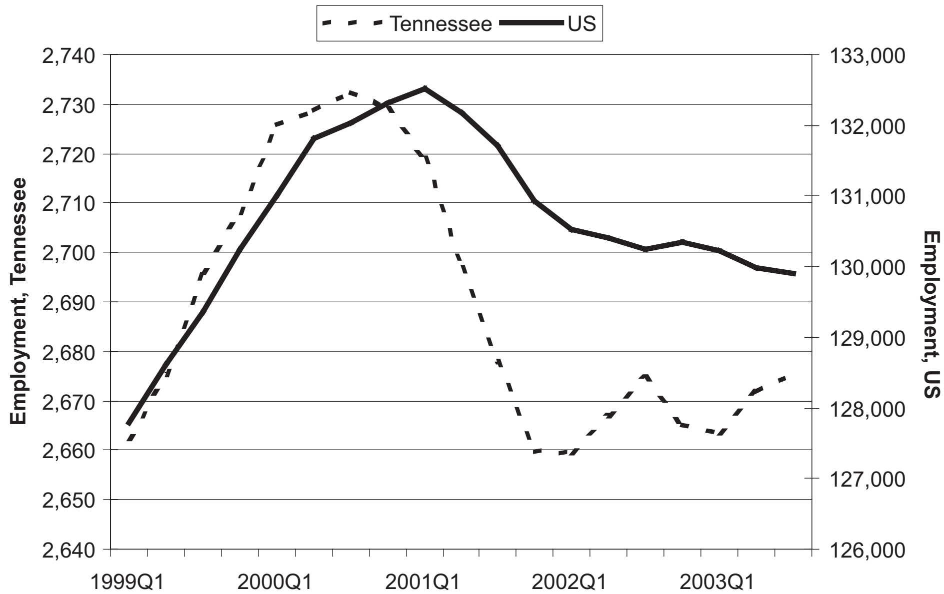
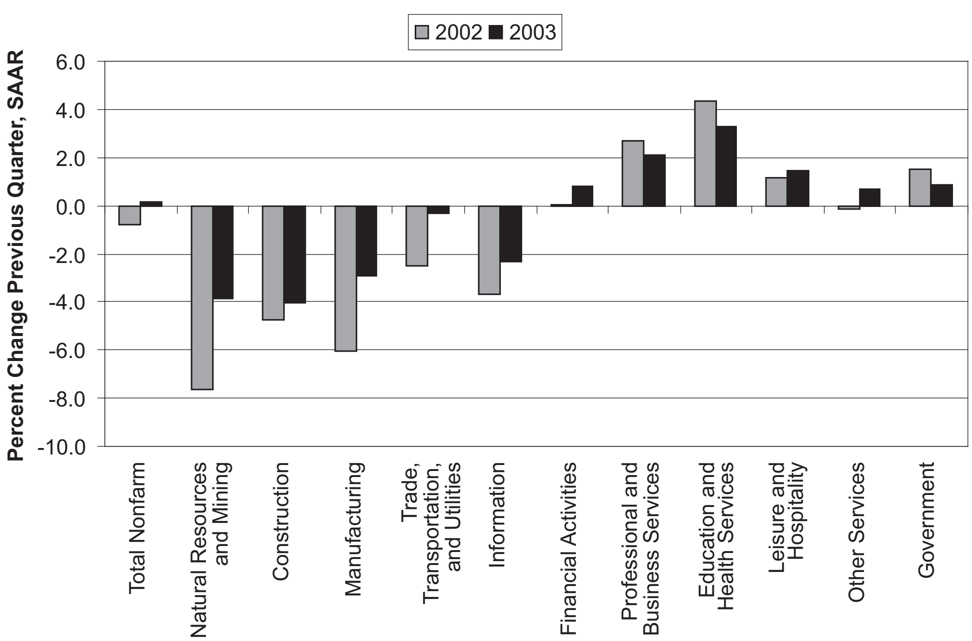


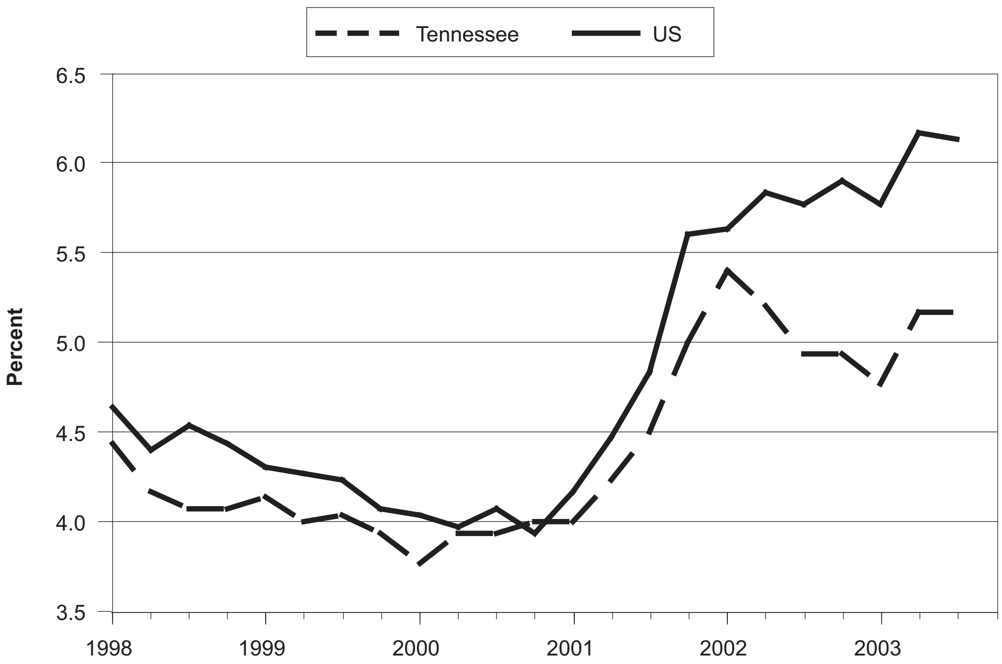

**Figure 2.3. Tennessee Nonfarm Employment by Sector, Seasonally Adjusted, 2002 and 2003**



## 2.2. Recent Economic Trends, *continued*

conditions. Standing at a recent low of 4.0 percent in 2001Q1, the state unemployment rate drifted upward quarter-by-quarter to 5.4 percent in 2002Q1, as shown in Figure 2.4. The unemployment rate then moved down to 4.7 percent in 2003Q1 before beginning another ascent. The state unemployment rate has generally done better than its national counterpart, averaging 5.1 percent in 2002 and 2003 versus 5.8 and 6.0 for the US.

**Figure 2.4. Quarterly Unemployment Rates, Tennessee and US**




### *2.2.d Income and Sales*

Inflation-adjusted personal income certainly took a hit from the recession and its aftermath, growing only 1.6 percent in 2002 and 1.7 percent in 2003; nominal personal income was up 3.0 percent and 3.6 percent in the same years. It should come as no surprise that wage and salary income has been a drag on overall personal income, given the job situation. Following 0.7 percent growth in 2002, wage and salary income growth accelerated to 1.0 percent in 2003 benefiting from a return to positive job growth. Proprietors' income was able to sustain positive growth in 2002 and 2003. Unfortunately, the same is not true of rent, interest and dividend income, which slipped 1.2 percent and 2.4 percent in the last two years. Transfer payments have risen sharply as a result of sluggish economic conditions, jumping 7.9 percent and 5.3 percent in 2002 and 2003.

The sluggish expansion has not been kind to taxable sales either. On the heels of only 0.4

## 2.2. Recent Economic Trends, *continued*

percent growth in 2002, sales did rebound some and showed (expected) 2.9 percent growth in 2003. The third quarter of 2003 reveals a sharp spike in sales (14.8 percent, SAAR) with a bit of a payback projected for 2003Q4 (a 6.9 percent decline, SAAR). Encouragement for the manufacturing sector is offered by improved sales in the purchases from manufacturers, miscellaneous durable goods, and miscellaneous nondurable goods sectors in 2003 over 2002.

### *2.2.e. Substate Economic Conditions*

There is wide variability in economic conditions across the state. Generally, metropolitan counties have performed better than their rural counterparts. With service jobs concentrated in metropolitan areas, these same places have benefited from service sector growth in recent recession and post-recession quarters. On the other hand, with manufacturing jobs concentrated outside metropolitan areas, rural areas have suffered disproportionately from recent (and long-term) declines in manufacturing employment.

The defined metropolitan statistical areas (MSAs) for the state have recently been updated. The former and current designations, as defined by the Office of Management and Budget are shown in Table 2.3. In 1996, there were seven MSAs in the state comprised of 27 Tennessee counties and 9 counties in adjacent states. The 2003 designations define 10 MSAs composed from 38 in-state and 11 out-of-state counties. The relative performance and standing of metropolitan versus nonmetropolitan counties is summarized in Table 2.4, based on these most recent definitions.

Generally, metropolitan statistical areas enjoy more favorable economic conditions than their nonmetropolitan counterparts. In 2001, per capita personal income averaged $29,618 in metropolitan areas versus only $20,862 for nonmetropolitan counties, reflecting a premium of nearly 42 percent for metropolitan Tennessee. Williamson County's per capita personal income of $41,524 comes in first place, while Lake County finds itself at the bottom of the state ranking with per capita income of only $13,306. Along with relatively high incomes in the metropolitan counties come low unemployment rates. Nonmetropolitan counties experienced an average unemployment rate of 6.7 percent in 2002, while metropolitan statistical areas had an average unemployment rate of 4.4 percent.

Metropolitan areas of Tennessee have also shown stronger growth over time in employment. Between 1995 and 2002, the metropolitan areas saw jobs grow by 11.2 percent. Nonmetropolitan areas have not been so fortunate. During the same time period, job growth totaled only 2.3 percent. Middle Tennessee has witnessed some of the strongest rates of job creation in the state. Notable are the 22.2 percent, 29.4 percent and 32.1 percent job gains in Montgomery, Rutherford and Williamson Counties. Tipton County in west Tennessee has experienced 25.8 percent growth and Union County in east Tennessee has experienced 24.6 percent growth. Thirty counties in the state have seen their job base erode since 1995. Job losses amounted to 33.6 percent in Clay County and 19.7 percent in Carroll County.

# 2.2. Recent Economic Trends, *continued*

### Table 2.3. Metropolitan Statistical Areas, 1996 and 2003 Designations

| 1996[1] | | | 2003[2] | | |
|---|---|---|---|---|---|
| **MSA** | **Counties in Tennessee** | **Counties in Other States** | **MSA** | **Counties in Tennessee** | **Counties in Other States** |
| Chattanooga | Hamilton | Catoosa, GA | Chattanooga | Hamilton | Catoosa, GA |
| | Marion | Dade, GA | | Marion | Dade, GA |
| | | Walker, GA | | **Sequatchie** | Walker, GA |
| Clarksville-Hopkinsville | Montgomery | Christian, KY | Clarksville | Montgomery | Christian, KY |
| | | | | **Stewart** | **Trigg, KY** |
| | | | **Cleveland** | **Bradley** | |
| | | | | **Polk** | |
| Jackson | Chester | | Jackson | Chester | |
| | Madison | | | Madison | |
| Johnson City-Kingsport-Bristol | Carter | **Scott, VA** | Johnson City | Carter | |
| | **Hawkins** | **Washington, VA** | | Unicoi | |
| | **Sullivan** | **Bristol City, VA**[3] | | Washington | |
| | Unicoi | | | | |
| | Washington | | | | |
| | | | **Kingsport-Bristol** | **Hawkins** | **Scott, VA** |
| | | | | **Sullivan** | |
| Knoxville | Anderson | | Knoxville | Anderson | |
| | Blount | | | Blount | |
| | Knox | | | Knox | |
| | Loudon | | | Loudon | |
| | **Sevier** | | | Union | |
| | Union | | | | |
| Memphis | Fayette | Crittenden, AR | Memphis | Fayette | Crittenden, AR |
| | Shelby | DeSoto, MS | | Shelby | Desoto, MS |
| | Tipton | | | Tipton | **Marshall, MS** |
| | | | | | **Tate, MS** |
| | | | | | **Tunica, MS** |
| | | | **Morristown** | **Grainger** | |
| | | | | **Hamblen** | |
| | | | | **Jefferson** | |

## 2.2. Recent Economic Trends, *continued*

### Table 2.3. Metropolitan Statistical Areas, 1996 and 2003 Designations, continued

| 1996[1] MSA | Counties in Tennessee | Counties in Other States | 2003[2] MSA | Counties in Tennessee | Counties in Other States |
|---|---|---|---|---|---|
| Nashville-Davidson | Cheatham | | Nashville-Davidson-**Murfreesboro** | **Cannon** | |
| | Davidson | | | Cheatham | |
| | Dickson | | | Davidson | |
| | Robertson | | | Dickson | |
| | Rutherford | | | **Hickman** | |
| | Sumner | | | **Macon** | |
| | Williamson | | | Robertson | |
| | Wilson | | | Rutherford | |
| | | | | **Smith** | |
| | | | | Sumner | |
| | | | | **Trousdale** | |
| | | | | Williamson | |
| | | | | Wilson | |

*__Bold__ indicates a change from the 1996 to the 2003 designations.

1. Metropolitan Statistical Areas as defined by the Office of Management and Budget, June 30, 1996.
2. Metropolitan Statistical Areas as defined by the Office of Management and Budget, June 6, 2003.
3. In Virginia, the cities are independent of counties.

In 2003, a new designation, *Micro*politan Statistical Area, was added. Twenty-one Tennessee counties and one Kentucky county form 17 Micropolitan Statistical Areas, including Athens (McMinn), Brownsville (Haywood), Columbia (Maury), Cookeville (Jackson, Overton, Putnam), Dyersburg (Dyer), Greeneville (Greene), Harriman (Roane), LaFollette (Campbell), Lawrenceburg (Lawrence), McMinnville (Warren), Newport (Cocke), Paris (Henry), Sevierville (Sevier), Shelbyville (Bedford), Tullahoma (Coffee, Franklin, Moore), and Union City (Obion, TN and Fulton, KY).

There are now five Combined Metropolitan Statistical Areas in Tennessee. CMSAs are combinations of Metropolitan and Micropolitan Statistical Areas, including Chattanooga-Cleveland-Athens, TN-GA; Johnson City-Kingsport-Bristol, TN-VA; Knoxville-Sevierville-LaFollette, TN; Morristown-Newport, TN; Nashville-Davidson-Murfreesboro-Columbia, TN.

## 2.2. Recent Economic Trends, *continued*

### Table 2.4. Economic Status of Metropolitan and Nonmetropolitan Areas

| Area | Per capita personal income 2001 dollars | Per capita personal income 1995-01 percent change | Employment 1995-02 percent change | Unemployment rate 2002 percent |
|---|---|---|---|---|
| **TENNESSEE** | 24,446 | 10.0 | 8.4 | 5.1 |
| **Metropolitan area** | 29,618 | 27.0 | 11.2 | 4.4 |
| **Nonmetropolitan area** | 20,862 | 19.3 | 2.3 | 6.7 |
| | | | | |
| **Chattanooga MSA*** | 27,213 | 25.7 | 7.3 | 4.0 |
| **Clarksville-Hopkinsville MSA*** | 23,017 | 25.2 | 22.2 | 4.7 |
| **Jackson MSA** | 24,674 | 23.7 | 13.6 | 5.6 |
| **Johnson City-Kingsport-Bristol MSA*** | 23,473 | 25.5 | 3.2 | 5.4 |
| **Knoxville MSA** | 27,330 | 25.9 | 12.0 | 3.5 |
| **Memphis MSA*** | 30,559 | 29.3 | 8.4 | 5.4 |
| **Nashville MSA** | 32,338 | 27.2 | 15.0 | 4.0 |

*Metropolitan per capita personal income amounts include income from counties outside Tennessee.

*Source: Bureau of Labor Statistics and Bureau of Economic Analysis.*

## 2.3. Short-Term Outlook

The short-term outlook calls for steadily improving economic conditions through 2004 and into 2005. Critical to sustaining expansion in Tennessee will be growth in the national economy and improved employment conditions. There are always risk factors associated with an economic expansion and the current cycle is no exception. But after four years of weak economic growth, the state and national economies appear to be well positioned for a move back towards full employment.

A summary of projected short-term trends for the state and national economies is provided in Table 2.5, while more detailed information is provided in the appendix to this *Report*. Income growth in Tennessee will surpass income growth for the US in 2004; the state will also enjoy a lower rate of unemployment. However, the US is expected to have stronger job growth (1.6 percent) than the state (1.2 percent) in 2004, as well as 2005. Income growth for the nation will also surpass growth for Tennessee in 2005, although by a slim margin.

***2.3.a. State Labor Markets***

Job growth in Tennessee is projected to trend upward through 2005Q4 as the expansion solidifies itself. Job growth for the US is expected to show sharper acceleration than Tennessee until the beginning of 2005 when the rate of growth will slow, as shown in Figure 2.5.

More detailed information on Tennessee's job outlook is offered in Figure 2.6 which shows projected growth by NAICS sector for 2004 and 2005. Overall job growth for the state is projected at 1.2 percent in 2004 and 2.0 percent in 2005. This reflects appreciable improvement over the 0.8 percent decline in 2002 and the anemic 0.2 rate of job creation in 2003. Generally, the service sectors will show expansion in both 2004 and 2005. Business and professional services and other services will enjoy the strongest rates of growth. The construction sector is expected to turn the corner and engineer positive job growth in the current year and next year. The last time the construction sector saw jobs expand was in 2000.

Prospects for the state's manufacturing sector should improve through the short-term forecast horizon. With only one exception (2005Q4) year-over-year job growth is expected to improve in each quarter of the short-term outlook. In the durable goods sector, both year-over-year and quarterly growth rates will return to the black in 2004Q3. Overall growth of 0.2 percent and 1.7 percent is anticipated in 2004 and 2005 for jobs in durable goods. Fortunes are not so positive in the nondurable goods sector, although the rate of job decline will slow somewhat in the quarters to come. Job losses totaling 2.8 percent are projected for the current year, improving to a 1.4 percent pace of job decay in 2005.

An improved job outlook will help put downward pressure on the state unemployment rate through 2005. The unemployment rate was expected to average 5.6 percent in 2003Q4, yielding an average for 2003 of 5.2 percent. While the same annual average is expected in 2004, the rate should generally fall as the year unfolds, reaching a low of 4.9 percent in 2004Q4. Expect the unemployment rate to fall further, yielding an average of 4.7 percent in 2005. The state will do well compared to its national counterpart. The US unemployment is projected to be 5.7 in 2004 and 5.4 in 2005.

# 2.3. Short-Term Outlook, *continued*

## Table 2.5. Selected US and Tennessee Economic Indicators, Seasonally Adjusted

December 2003

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| US GDP (Bil96$) SAAR………………… | 9629.4 | 9821.2 | 9905.2 | 10011.7 | 10121.8 | 10246.1 | 10355.1 | 10451.2 | 10538.6 | 10615.1 | 10689.0 | 10772.3 | 9439.9 | 9726.9 | 10183.7 |
| % Chg Prev Qtr SAAR……………..…. | 3.28 | 8.21 | 3.46 | 4.37 | 4.47 | 5.00 | 4.32 | 3.76 | 3.39 | 2.94 | 2.81 | 3.15 | 2.45 | 3.04 | 4.70 |
| % Chg Same Qtr Last Yr……….…….. | 2.52 | 3.54 | 4.07 | 4.81 | 5.11 | 4.33 | 4.54 | 4.39 | 4.12 | 3.60 | 3.22 | 3.07 | 2.45 | 3.04 | 4.70 |
| US GDP (Bil$) SAAR…………………..…. | 10802.7 | 11063.4 | 11202.3 | 11382.6 | 11551.5 | 11738.9 | 11913.1 | 12082.0 | 12233.4 | 12372.7 | 12512.7 | 12673.7 | 10446.3 | 10939.2 | 11646.5 |
| % Chg Prev Qtr SAAR……………..… | 4.35 | 10.01 | 5.12 | 6.59 | 6.07 | 6.65 | 6.07 | 5.79 | 5.11 | 4.64 | 4.60 | 5.24 | 3.61 | 4.72 | 6.47 |
| % Chg Same Qtr Last Yr………..…. | 4.10 | 5.30 | 5.79 | 6.49 | 6.93 | 6.11 | 6.34 | 6.14 | 5.90 | 5.40 | 5.03 | 4.90 | 3.61 | 4.72 | 6.47 |
| CHAINED PRICE INDEX, GDP (1996=1.0) | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 |
| % Chg Prev Qtr SAAR……………….... | 1.00 | 1.67 | 1.61 | 2.13 | 1.53 | 1.57 | 1.67 | 1.96 | 1.66 | 1.65 | 1.74 | 2.03 | 1.13 | 1.63 | 1.69 |
| % Chg Same Qtr Last Yr……….…….. | 1.54 | 1.70 | 1.66 | 1.60 | 1.73 | 1.71 | 1.72 | 1.68 | 1.71 | 1.74 | 1.75 | 1.77 | 1.13 | 1.63 | 1.69 |
| US PERS CONSUMP DEFL (1996=1.0).. | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.2 |
| % Chg Prev Qtr SAAR……………….. | 0.81 | 2.31 | 1.90 | 1.25 | 1.23 | 1.92 | 2.02 | 1.81 | 1.76 | 1.85 | 1.98 | 2.08 | 1.37 | 1.96 | 1.60 |
| % Chg Same Qtr Last Yr…………….. | 1.76 | 1.91 | 1.93 | 1.56 | 1.67 | 1.57 | 1.60 | 1.74 | 1.88 | 1.86 | 1.85 | 1.92 | 1.37 | 1.96 | 1.60 |
| TN PERSONAL INCOME (MIL96$) SAAR | 144839 | 145487 | 146639 | 148668 | 149881 | 150834 | 152164 | 154068 | 155374 | 156503 | 157573 | 158838 | 142904 | 145262 | 150387 |
| % Chg Prev Qtr SAAR……………… | 2.12 | 1.80 | 3.21 | 5.65 | 3.30 | 2.57 | 3.57 | 5.10 | 3.43 | 2.94 | 2.76 | 3.25 | 1.58 | 1.65 | 3.53 |
| % Chg Same Qtr Last Yr……….…….. | 1.13 | 1.73 | 2.26 | 3.18 | 3.48 | 3.68 | 3.77 | 3.63 | 3.66 | 3.76 | 3.55 | 3.10 | 1.58 | 1.65 | 3.53 |
| US PERSONAL INCOME (BIL96$) SAAR | 8113.9 | 8149.3 | 8204.3 | 8288.3 | 8368.0 | 8444.9 | 8529.5 | 8613.4 | 8692.2 | 8761.8 | 8826.1 | 8909.4 | 8033.3 | 8132.6 | 8407.7 |
| % Chg Prev Qtr SAAR……………….. | 2.56 | 1.76 | 2.72 | 4.16 | 3.90 | 3.73 | 4.07 | 3.99 | 3.71 | 3.24 | 2.97 | 3.83 | 1.34 | 1.24 | 3.38 |
| % Chg Same Qtr Last Yr……….…….. | 0.94 | 1.30 | 1.83 | 2.80 | 3.13 | 3.63 | 3.96 | 3.92 | 3.87 | 3.75 | 3.48 | 3.44 | 1.34 | 1.24 | 3.38 |
| TN PERSONAL INCOME (MIL$) SAAR.. | 163441 | 165146 | 166999 | 169694 | 171604 | 173532 | 175928 | 178957 | 181345 | 183572 | 185709 | 188137 | 158717 | 164461 | 172689 |
| % Chg Prev Qtr SAAR……………….. | 2.94 | 4.24 | 4.56 | 6.61 | 4.58 | 4.57 | 5.64 | 7.07 | 5.44 | 5.00 | 4.74 | 5.33 | 2.98 | 3.62 | 5.00 |
| % Chg Same Qtr Last Yr…………….. | 2.92 | 3.70 | 4.11 | 4.58 | 4.99 | 5.08 | 5.35 | 5.46 | 5.68 | 5.79 | 5.56 | 5.13 | 2.98 | 3.62 | 5.00 |
| US PERSONAL INCOME (BIL$) SAAR... | 9156.0 | 9248.6 | 9354.8 | 9480.1 | 9600.5 | 9734.9 | 9881.8 | 10023.7 | 10159.6 | 10287.8 | 10414.3 | 10566.7 | 8922.2 | 9209.9 | 9674.3 |
| % Chg Prev Qtr SAAR……………….. | 3.38 | 4.11 | 4.67 | 5.46 | 5.18 | 5.72 | 6.17 | 5.87 | 5.53 | 5.15 | 5.01 | 5.99 | 2.73 | 3.22 | 5.04 |
| % Chg Same Qtr Last Yr…………….. | 2.71 | 3.23 | 3.80 | 4.40 | 4.85 | 5.26 | 5.63 | 5.73 | 5.82 | 5.68 | 5.39 | 5.42 | 2.73 | 3.22 | 5.04 |
| TN NONFARM JOBS (THOUS)...……… | 2669.7 | 2674.6 | 2678.7 | 2694.4 | 2698.3 | 2709.6 | 2717.5 | 2736.7 | 2749.1 | 2767.4 | 2779.1 | 2794.8 | 2667.2 | 2671.9 | 2704.9 |
| % Chg Prev Qtr SAAR……………… | 0.72 | 0.74 | 0.61 | 2.37 | 0.59 | 1.68 | 1.17 | 2.86 | 1.81 | 2.70 | 1.70 | 2.28 | -0.80 | 0.18 | 1.24 |
| % Chg Same Qtr Last Yr………….... | 0.08 | 0.03 | 0.44 | 1.11 | 1.07 | 1.31 | 1.45 | 1.57 | 1.88 | 2.14 | 2.27 | 2.12 | -0.80 | 0.18 | 1.24 |
| US NONFARM JOBS (MIL)……………… | 130.0 | 129.9 | 130.2 | 130.8 | 131.7 | 132.6 | 133.5 | 134.3 | 135.1 | 135.7 | 136.2 | 136.6 | 130.4 | 130.1 | 132.1 |
| % Chg Prev Qtr SAAR……………… | -0.74 | -0.22 | 1.04 | 1.56 | 2.82 | 2.91 | 2.58 | 2.49 | 2.38 | 1.84 | 1.40 | 1.31 | -1.10 | -0.22 | 1.56 |
| % Chg Same Qtr Last Yr……….…….. | -0.32 | -0.25 | -0.07 | 0.41 | 1.29 | 2.08 | 2.47 | 2.70 | 2.59 | 2.32 | 2.03 | 1.73 | -1.10 | -0.22 | 1.56 |
| TN UNEMPLOYMENT RATE (%)……… | 5.2 | 5.2 | 5.6 | 5.4 | 5.4 | 5.2 | 4.9 | 4.6 | 4.7 | 4.7 | 4.6 | 4.4 | 5.1 | 5.2 | 5.2 |
| US UNEMPLOYMENT RATE (%)…..…. | 6.2 | 6.1 | 6.0 | 5.9 | 5.8 | 5.7 | 5.5 | 5.4 | 5.4 | 5.4 | 5.5 | 5.5 | 5.8 | 6.0 | 5.7 |
| BANK PRIME INTEREST RATE (%)……. | 4.2 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.2 | 4.4 | 4.8 | 5.0 | 5.3 | 5.3 | 4.7 | 4.1 | 4.1 |
| TN MFG JOBS (THOUS)…….………… | 415.0 | 413.1 | 411.0 | 409.8 | 410.2 | 410.3 | 410.1 | 411.4 | 412.3 | 412.7 | 412.3 | 413.7 | 426.6 | 414.2 | 410.1 |
| % Chg Prev Qtr SAAR……………… | -2.61 | -1.81 | -2.03 | -1.13 | 0.43 | 0.01 | -0.13 | 1.25 | 0.86 | 0.41 | -0.41 | 1.45 | -6.07 | -2.92 | -0.98 |
| % Chg Same Qtr Last Yr……….…….. | -3.25 | -2.83 | -2.48 | -1.89 | -1.14 | -0.68 | -0.20 | 0.39 | 0.50 | 0.59 | 0.52 | 0.57 | -6.07 | -2.92 | -0.98 |
| TN TAXABLE SALES (MIL96$)……….... | 16909 | 17398 | 17034 | 17129 | 17308 | 17662 | 17632 | 17691 | 17871 | 17997 | 18140 | 18160 | 67359 | 68006 | 69732 |
| % Chg Prev Qtr SAAR……………….. | 5.99 | 12.07 | -8.09 | 2.25 | 4.24 | 8.44 | -0.69 | 1.36 | 4.12 | 2.86 | 3.21 | 0.43 | -0.97 | 0.96 | 2.54 |
| % Chg Same Qtr Last Yr…………….. | -0.43 | 5.92 | 0.84 | 2.79 | 2.36 | 1.52 | 3.51 | 3.28 | 3.25 | 1.90 | 2.88 | 2.65 | -0.97 | 0.96 | 2.54 |
| TN TAXABLE SALES (MIL$)……………. | 19081 | 19749 | 19400 | 19552 | 19817 | 20320 | 20385 | 20549 | 20858 | 21110 | 21379 | 21509 | 74808 | 76996 | 80074 |
| % Chg Prev Qtr SAAR……………… | 6.84 | 14.76 | -6.89 | 3.18 | 5.52 | 10.56 | 1.29 | 3.26 | 6.14 | 4.92 | 5.20 | 2.45 | 0.39 | 2.93 | 4.00 |
| % Chg Same Qtr Last Yr……...…….. | 1.33 | 7.96 | 2.66 | 4.18 | 3.86 | 2.89 | 5.08 | 5.10 | 5.26 | 3.89 | 4.88 | 4.67 | 0.39 | 2.93 | 4.00 |
| TN AVG ANNUAL WAGE, NONFARM (96$) | 29853 | 29899 | 30003 | 30103 | 30294 | 30330 | 30444 | 30593 | 30731 | 30759 | 30742 | 30972 | 29661 | 29902 | 30293 |
| % Chg Prev Qtr SAAR……………… | 0.01 | 0.62 | 1.39 | 1.33 | 2.56 | 0.49 | 1.51 | 1.97 | 1.82 | 0.36 | -0.22 | 3.03 | 1.51 | 0.81 | 1.31 |
| % Chg Same Qtr Last Yr……...…….. | 0.36 | 1.17 | 1.30 | 0.84 | 1.48 | 1.44 | 1.47 | 1.63 | 1.44 | 1.41 | 0.98 | 1.24 | 1.51 | 0.81 | 1.31 |
| TN AVG ANNUAL WAGE, NONFARM ($) | 33687 | 33940 | 34169 | 34360 | 34684 | 34895 | 35199 | 35535 | 35868 | 36079 | 36231 | 36685 | 32943 | 33854 | 34784 |
| % Chg Prev Qtr SAAR……………… | 0.82 | 3.03 | 2.73 | 2.26 | 3.83 | 2.45 | 3.53 | 3.87 | 3.80 | 2.37 | 1.70 | 5.11 | 2.90 | 2.76 | 2.75 |
| % Chg Same Qtr Last Yr……...…….. | 2.13 | 3.12 | 3.13 | 2.20 | 2.96 | 2.81 | 3.01 | 3.42 | 3.41 | 3.39 | 2.93 | 3.24 | 2.90 | 2.76 | 2.75 |

Center for Business and Economic Research, The University of Tennessee — Tennessee Econometric Model

## 2.3. Short-Term Outlook, *continued*

**Figure 2.5. Tennessee and US Job Growth, Year-Over-Year**

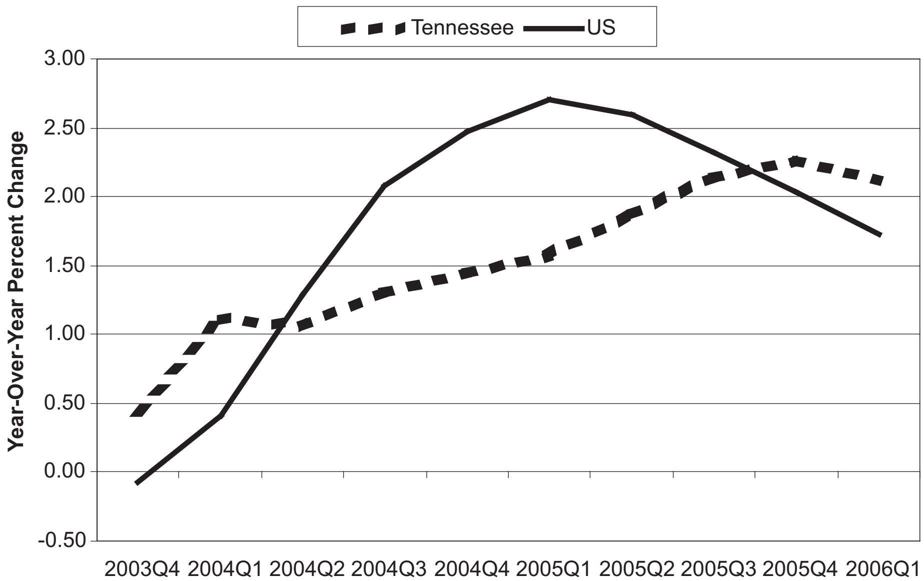
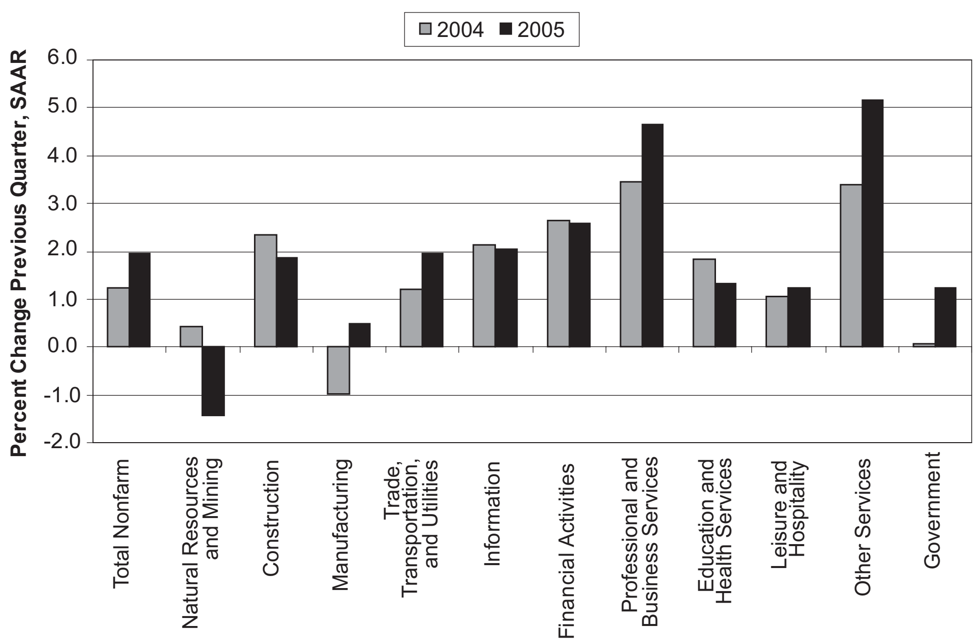



**Figure 2.6. Tennessee Nonfarm Employment by Sector, Seasonally Adjusted, 2004 and 2005**



## 2.3. Short-Term Outlook, *continued*

### *2.3.b. Income and Sales*

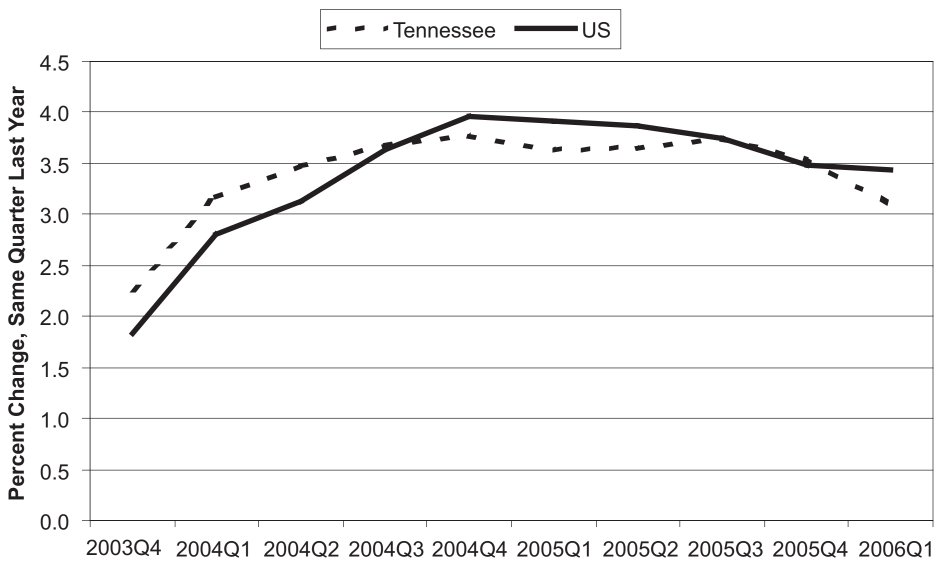
In tandem with stronger job growth will be improvement in personal income growth for the state and the nation. Figure 2.7 shows projected quarterly year-over-year growth in inflation-adjusted personal income for Tennessee and the US through 2006Q1. Personal income growth in Tennessee will surpass the 3.0 percent mark in 2004Q1, the first time growth has moved above this bar in many quarters. The state is expected to do better than the US until 2004Q4 when the nation's rate of growth will outstrip Tennessee's. On an annual basis, expect state inflation-adjusted personal income to advance 3.5 percent in 2004 and 3.7 percent in 2005.

Nominal personal income in the state is projected to grow 5.0 percent in 2004 and 5.6 percent in 2005. Growth in wage and salary income – due largely to stronger job growth – is the primary source of improved income growth. After growing only 2.1 percent in 2002 and 3.0 percent in 2003, wage and salary income is anticipated to grow 4.1 percent in 2004 and 5.3 percent in 2005. Proprietors' income and rent, interest and dividend income will also show marked improvement in 2004 and 2005.

Per capita personal income has done poorly in recent quarters and registered only 0.7 percent growth in 2003 (on an inflation-adjusted basis). Expect per capita income to drift upward until the first quarter of 2005, yielding growth of 2.1 percent in 2004. Slight improvement to 2.2 percent growth is anticipated for 2005. US per capita income will advance 2.5 percent and 2.9 percent in 2004 and 2005.

The slump in taxable sales should fade away as the short-run forecast horizon unfolds. Overall sales growth is projected to total 4.0 percent in 2004 and 4.8 percent in 2005. On a fiscal year basis, sales should be up 4.6 in 2004/05.

**Figure 2.7. Projected Inflation-Adjusted Personal Income Growth, Tennessee and US**



## 2.3. Short-Term Outlook, *continued*

### *2.3.c. Short-Term Forecast Summary*

- A new accounting system for economic data is supplanting the old, familiar Standard Industrial Classification (SIC) system. The new North American Industrial Classification System (NAICS) allows for greater conformity with accounting systems throughout the continent. The implementation of the new system means less history for most economic data series including jobs and average wages. The Tennessee Quarterly and Annual Econometric Models have both been restructured based on NAICS.
- Unlike the nation, Tennessee was able to engineer positive, albeit weak, job growth in 2003 (0.2 percent). The state's manufacturing sector suffered a 2.9 percent setback for the year, which was significant improvement over the 6.1 percent pace of job loss in 2002. Expect job growth to total 1.2 percent in 2004, as service sector growth overcomes additional job losses in manufacturing. The US will experience 1.6 percent job growth for the year.
- The state unemployment rate was expected to average 5.2 percent in 2003 compared with 6.0 percent for the US. The same state average will prevail in 2004, although the unemployment rate should generally fall as the year progresses.
- Nominal personal income growth will register 5.0 percent in 2004, up from the 3.6 percent rate of growth realized in 2003. Per capita income will grow at a 3.5 percent pace for the year, an improvement over 2.6 percent growth in 2003. Tennessee per capita income growth will lag the nation in both 2004 and 2005.
- Taxable sales growth will improve to 4.0 percent in 2004. Expect growth of 4.6 percent for the 2004/05 fiscal year.

# 2.4. Situation and Outlook for Tennessee Agriculture[5]

***2.4.a. Overview of Agriculture in Tennessee***

**Tennessee Farms.** Farming continues to dominate Tennessee's landscape with over 90,000 farms contributing to sales of crops, livestock, and forest products. Tennessee ranks fourth among all states in the number of farms (behind Texas, Iowa, and Missouri).[6] Total land in farms in Tennessee totals 11.7 million acres. Forty-four percent of the state's land area is farmland. The average size of all farms in Tennessee in 2002 was 130 acres.

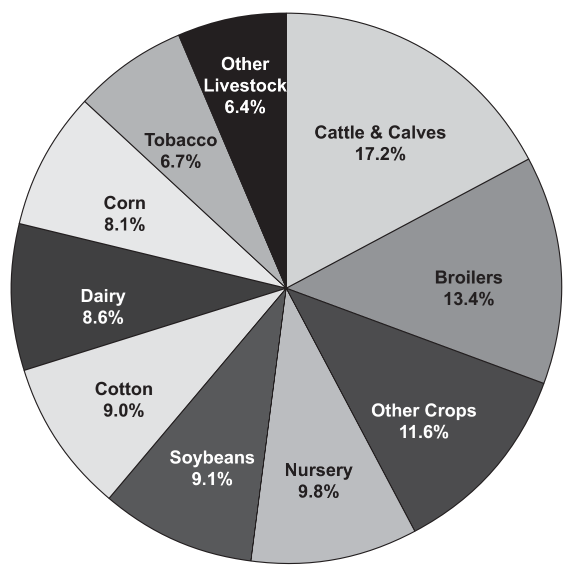
The vast majority of Tennessee farms—77 percent—reported agricultural sales between $1,000 and $9,999. Seventeen thousand farms (19 percent) reported agricultural sales between $10,000 and $99,999 while 4,000 of the state's 90,000 farms reported sales over $100,000. Farmland values have increased significantly in recent years. In 2003, agricultural land values in Tennessee reached $2,500 per acre, an increase of more than 28 percent over the last five years.

**Cash Receipts.** Tennessee's leading commodities include cattle and calves, broilers, nursery and floriculture products, soybeans, cotton, dairy products, corn, tobacco, fruits and vegetables, wheat, hay, and hogs. The state's top generators of cash receipts for 2002 are presented in Figure 2.8. The total value of cash receipts for all commodities in 2002 was $2.0 billion. In a flip-flop from the previous year, crops contributed 54 percent of agricultural receipts ($1.09 billion), while livestock commodities contributed 46 percent ($0.91 billion).

Over 17 percent of all agricultural receipts in Tennessee in 2002 were from cattle and calves, the dominant agricultural enterprise in the state. Another 13.4 percent of all receipts was contributed by sales of broilers and 8.6 percent was contributed by dairy products. Other livestock commodities (including hogs, eggs, and farm chickens, among others) contributed an additional $128 million or 6.4 percent of agricultural cash receipts.

Leading all Tennessee crops in cash receipts in 2002 was the greenhouse-nursery-floriculture industry, generating $196 million or nearly 10

**Figure 2.8. Tennessee Agricultural Cash Receipts, 2002**




[5] Authors are Assistant Professor Kelly J. Tiller, Blasingame Chair of Excellence Professor Daryll E. Ray, and Associate Professor Daniel G. De La Torre Ugarte from the Agricultural Policy Analysis Center, Department of Agricultural Economics, the University of Tennessee.

[6] According to the US Department of Agriculture (USDA) definition, a "farm" is any property with agricultural sales or intended sales totaling at least $1,000 per year.

## 2.4. Situation and Outlook for Agriculture, *continued*

percent of all agricultural receipts. Soybeans and cotton each generated about nine percent of all cash receipts, followed by corn ($163 million) and tobacco ($134 million). Tobacco has historically generated well over $200 million in cash receipts and been a leading cash crop. Recent quota cuts — more than 50 percent since 1998 — have resulted in significant declines in tobacco acreage and income. Other crops, including fruits and vegetables (tomatoes, snap beans, squash, peaches, and apples, among others), wheat, and hay generated an additional $232 million in crop cash receipts.

Forest products are also a significant source of income in Tennessee. More than 14 million acres of farm and non-farm forest lands produce over 900 million board feet of hardwood and over 100 million board feet of softwood lumber annually. This level of production ranks Tennessee as the second leading producer of hardwood lumber. Sales of timber generated $358 million from Tennessee forests in 2002.

**Agricultural Exports and Trade.** Agricultural exports continue to be a growing source of income for Tennessee's farmers. Exports of raw agricultural products attributed to Tennessee producers totaled more than $610 million in 2002. This was a 9 percent increase over 2001 exports and a 25 percent increase over export value in 2000. Leading Tennessee's export commodities was cotton, with exports valued at $96 million in 2002. Other leading exports included soybeans and soy products ($90 million), raw leaf tobacco ($82 million) and wheat ($82 million). All livestock and dairy exports totaled more than $76 million.

Over the last decade, US exports of agricultural commodities have increased by about 35 percent to over $53 billion. Over the same period, exports of nonagricultural products increased nearly 60 percent to $577 billion. While exports have increased briskly, rising US imports have outpaced export growth leading to a diminishing trade surplus in agriculture and a large trade deficit for nonagricultural products. The most recent trade balance (i.e., net exports, or total exports minus total imports) for agricultural products was just over $11 billion, down from a record trade surplus of $27 billion in 1996. The corresponding trade balance for nonagricultural products was a negative $536 billion, continuing two decades of movement from a trade surplus to a widening trade deficit.

#### *2.4.b. Crops Outlook*

Tennessee crop producers are anticipating bumper crops for 2003 with record or near-record yields for several major crops. The larger crop, coupled with modest price recovery in 2003, is a welcome change from low yields and very low prices experienced in several recent years. Soybeans, in particular, are expected to be a bright spot as yield pressures in major soybean states are pressuring prices higher. Tennessee is well positioned to take advantage of a record-yielding soybean crop at higher prices.

Corn production in Tennessee is forecast nearly 33 percent higher than 2002 (87.1 million bushels) and the highest level since 1920. The expected corn yield of 134 bushels per acre would set a new state record. Tennessee's soybean yield is also forecast to set a record at 40 bushels per acre. Soybean production is forecast at 46 million

## 2.4. Situation and Outlook for Agriculture, *continued*

bushels, 32 percent above a year ago. The state's cotton farmers are also expecting to set a yield record of 772 pounds per acre and to produce 860,000 bales, 5 percent above 2002. While Tennessee recorded higher wheat yields in 2003 (50 bushels per acre compared to 46 in 2002), wheat acreage declined 10 percent in 2003, resulting in a slight decline in wheat production in 2003.

The price outlook for major crops highlights the extent to which major world agricultural markets are becoming increasingly more integrated. Price movements early in 2004 are largely dependent on crop production reports from the Southern Hemisphere and export sales and shipments. Generally, US and global crop stocks are relatively low, holding price expectations relatively steady. Tennessee cash prices at 2003 year-end averaged in the mid-$2 per bushel range for corn, mid-$7 per bushel range for soybeans, and $3.75 per bushel range for wheat. Cotton prices unexpectedly dropped nearly $0.20 per pound in November and December following unexpected price increases earlier in the fall. Given record cotton export levels, another strong price rally is unexpected early in 2004.

Tight world stocks-to-use ratios for major grains and soybeans set the stage for dramatic price increases if production falls short of expectations. Current farm policy allows prices to plummet or skyrocket without bounds. Sharp and sustained price increases could be just as devastating for the long-term future of US agriculture as the record-low prices experienced between 1998 and 2001.

### *2.4.c. Livestock Outlook*

Ninety-eight percent of 2003 will be remembered as a very good year for the livestock industry. But it's the two percent at the tail-end of the year — the discovery of the first case of BSE or Mad Cow Disease in US cattle — that has the potential to cause cattle farmers' smiles to fade.

Tennessee's primary agricultural industry — cattle and calves — enjoyed strong price recovery early in 2003. High prices were sustained throughout the year with feeder cattle prices breaking $90 per hundredweight by fall. The outstanding forage production year experienced by Tennessee and the Southeast further improved cattle profitability. Several factors contributed to the strong price performance. Supplies declined in the spring supporting prices. Beef exports also increased, in large part due to discovery of BSE in Canadian cattle. US beef gained much of Canada's lost export market share when imports of Canadian beef were banned. By late-2003, cattle market fundamentals suggested continued price strength.

But uncertainty flooded the cattle market outlook instantly when the first case of Mad Cow Disease was suspected and later confirmed in a Washington state cow. More recent revelations that the affected cow was actually born in Canada have potential to mitigate some of the market reaction. The immediate price fallout was nearly a 20 percent plunge in cattle futures in less than one trading week.

Potential losses in Tennessee's cattle market related to BSE could be partially offset by gains in

## 2.4. Situation and Outlook for Agriculture, *continued*

Tennessee's second-leading agricultural industry: broilers. Tennessee's exports of poultry and poultry products increased from $28.7 million in 1999 to $37.6 million in 2002, a 31 percent increase. Potential bans on imports of US beef products coupled with a glut of domestic beef supplies could strengthen demand for US poultry products, similar to the Canadian poultry industry experience following their BSE outbreak in May 2003. With broiler prices already relatively strong, near the $0.60 per pound level, the price and production outlook appear positive.

Tennessee's dairy industry continued to shrink as the number of dairy farms declined to 784 in 2003, compared to 1,562 in 1991. Declining profitability is the primary contributor to the rapid dairy industry decline. Milk prices for much of 2003 continued at near record-low levels. Compounding the problem of low milk prices, production costs have continued to rise, further pressuring dairy farmers' cash flow situation. Lower farm-gate dairy prices have not been reflected at the consumer level, where retail milk prices have remained relatively flat while the dairy farmer's share of the consumer milk dollar has declined from about 50 cents to under 30 cents. Improvements in herd management and productivity are also a factor in Tennessee's dairy industry decline, where productivity gains generally favor large dairy operations (many milking thousands of heads and located in the West) over the generally small family operations typical in Tennessee. Increasing land values near metro areas are also contributing to the decline in dairy farms. Pressure to convert farmland to residential and industrial developments has mounted and non-farm land uses are even more appealing given the dismal outlook for price and profitability recovery in Tennessee's dairy industry over the next few years.

### *2.4.d. Trends and Concerns in Tennessee Agriculture*

The biological nature of agriculture and dependence on weather, disease outbreaks, and other factors outside a farmer's control mean that farmers operate under persistent uncertainty. In addition to the typical price and production uncertainty already discussed, a number of other trends and issues have the potential to influence the agriculture sector in Tennessee and beyond in the near to long term.

**Agroterrorism and Biosecurity Concerns.** As the US continually reassesses potential threats to national security, the food and feed system invariably emerges as a source of vulnerability. A number of measures have already been implemented to strengthen the security and dependability of our food supply. Additional measures are certain to follow, with uncertain impacts on producers and the agriculture sector. As one example, the USDA is in the process of developing the US Animal Identification Plan (USAIP) that will define the standards and framework for implementing a national animal identification system. The goals of the USAIP are to improve the traceability of US livestock to enhance the capability of animal health officials to accurately and effectively locate and trace individual animals and/or groups of animals within 48 hours should an animal health emergency arise.

## 2.4. Situation and Outlook for Agriculture, *continued*

**Genetically Modified (GMO) Products.** US exports of grains and oilseeds, especially to Europe, have been affected by safety concerns related to GMO products. US producers have continued to expand production of GMO crops. Efforts to address the GMO issue are likely to affect the US agriculture sector for years to come.

**Non-Traditional Crop Uses.** Domestic demands for industrial uses of traditional food/feed crops has continued to expand. As one example, US domestic demand for corn is increasing at a rate faster than population growth, primarily due to increasing corn demands for ethanol, high fructose syrup, and industrial uses.

**Dietary and Lifestyle Trends.** Recent popularity of high-protein and low-carbohydrate dietary trends has resulted in increased domestic demand for eggs and meat products. Consumers are also increasingly exhibiting preferences for organic food products and locally-grown products.

**Tobacco Quota Buyout.** Tobacco producers in Tennessee and other major tobacco states face continued uncertainty about the future of the federal tobacco program and a proposed tobacco quota buyout. The 2003 legislation session ended without a resolution to the issue, but legislators have indicated that the issue will again be on the table in 2004.

### *2.4.e. Tennessee Agriculture Situation and Outlook Summary*

- Tennessee ranks fourth in the US in the number of farms. Agricultural land averaged $2,500 per acre in 2003.
- Leading cash receipts for Tennessee farmers in 2002 was cattle and calves (17.2 percent of all receipts) followed by broilers (13.4 percent), other crops (11.6 percent), nurseries (9.8 percent), and soybeans (9.1 percent).
- The state's agricultural exports totaled more than $610 million in 2002, an increase of 9 percent over 2001.
- The crop outlook for 2003 and 2004 is very positive, particularly for cotton, corn, and soybeans.
- The cattle outlook is muddied by the identification of Mad Cow disease in a US cow near the end of 2003. The broiler outlook is positive for the year. Expect further deterioration in dairy production through 2004.

## 2.5. A Long-Term Perspective on Demographics and the Economy of Tennessee

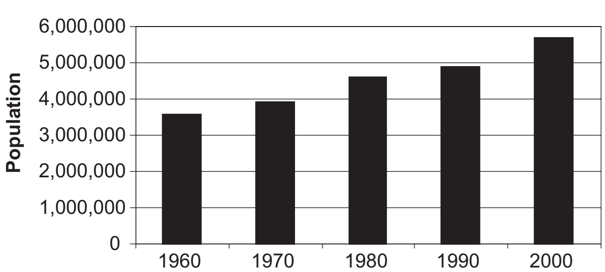
The short-term overview and outlook presented above emphasized the state's economic performance around the current short-run economic cycle. The focus here turns to long-term trends and the long-term forecast for Tennessee. This year we add a unique perspective as we present recently completed demographic projections extending to 2025, along with the traditional ten-year economic outlook. The first section below discusses population growth and population projections and includes a brief explanation of the model used for these projections. The second section presents the long-term economic overview and outlook.

### *2.5.a. Population and Demographic Change in Tennessee*

During the period 1960 to 2000, the population of Tennessee grew from 3,567,089 to 5,689,283, exhibiting an overall growth rate of 59.5 percent and a compound annual growth rate of 1.2 percent. Figure 2.9 shows the population levels for Tennessee for the past four decades.

Although the state's total population grew fairly rapidly during these four decades, individual counties experience wide variation in their growth rates. During this period, the five counties exhibiting the highest growth rates are Williamson (401 percent), Cheatham (281 percent), Sumner (260 percent), Rutherford (248 percent), and Wilson (221 percent). These five counties are located in middle Tennessee, which according to the population projections discussed below should continue to see strong growth. The five counties experiencing the lowest growth rates are Lake (-17.0 percent), Haywood (-15.0 percent), Hancock (-12.5 percent), Crockett (-0.4 percent), and Gibson (7.7 percent).

**Figure 2.9. Tennessee Population, 1960 to 2000**




*Source: US Census Bureau.*

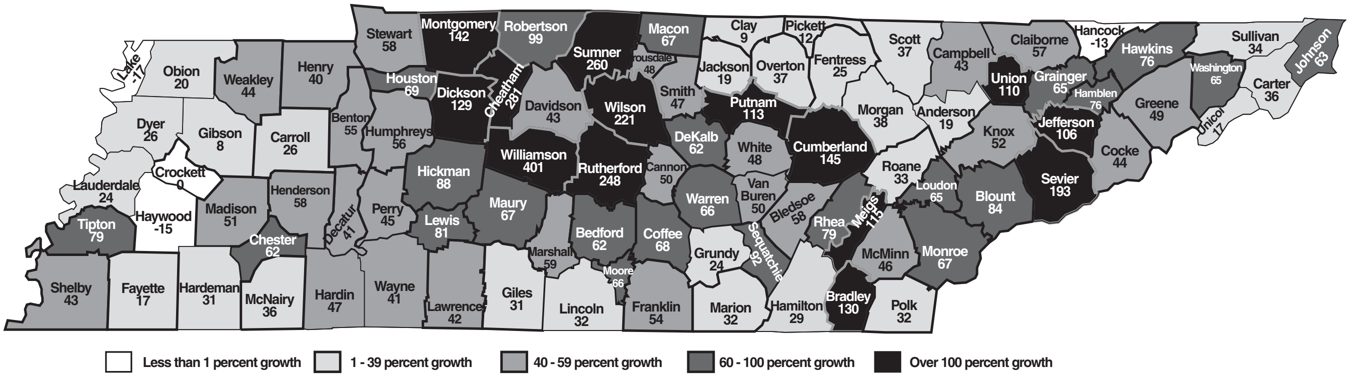
Figure 2.10 shows the percentage changes for all the counties in the state from 1960 to 2000. The percentage growth in the population of the MSAs (based on the new MSA designations discussed earlier in this chapter) ranged from 39 percent (Chattanooga MSA) to 106 percent (Nashville-Davidson MSA).

In terms of percentage growth, the segment of the population that grew most rapidly is the 80 and over age group for both males and females. In terms of numbers of people, the 35 to 44 age group for both males and females had the greatest increases. There do not appear to be any striking differences in the age or gender patterns between metro and non-metro counties.

While Tennessee has seen strong population growth, so have most states in the southeast. As can be seen in Table 2.6, between 1960 and 2000 Tennessee exhibited an average growth rate across decades of about 12.5 percent which mirrors the combined average of the southeastern states (12.8 percent) and is only slightly higher than the nearly 12 percent average growth rate of the United States. The southeastern states exhibit a wide range in their population growth. For example, Florida experienced a 3.0 percent growth rate (compound annual growth rate, or CAGR), while

## 2.5. A Long-Term Perspective, *continued*

**Figure 2.10. County Population Growth Rates, 1960 to 2000**




*Source: CBER.*

West Virginia saw population decline at a 0.1 percent rate.

The Center for Business and Economic Research developed population projections for the state of Tennessee in 2003. The projections were built on Census 2000 data and extend to 2025. The projections provide aggregate and age-gender detail for all counties and cities in the state. Figure 2.11 shows the projected total state population by five-year intervals out to 2025. The 2000 Census shows Tennessee's population to be 5,689,283, and the projections indicate a total population of 7,559,531 by 2025 yielding a growth rate of 32.9 percent or a CAGR of 1.1 percent.

In terms of percentage growth, the most rapidly growing segment of the population through 2025 is the 65 to 69 age group for both males and females. In terms of *numbers* of people, the most rapidly growing segment of the population is the 75 and over age group.

Wide variation in growth rates is expected for Tennessee cities and counties over the next 22 years, although all counties are expected to experience some positive growth. To place the projected trends in perspective, Figure 2.12 provides a summary map of county growth rates for the 2000-2025 period.

The five counties with the slowest projected total population growth are Hancock (2.4 percent), Haywood (4.0 percent), Morgan (4.1 percent),

**Table 2.6. Population Growth Rates for Tennessee, Southeastern States, and US, 1960 to 2000**

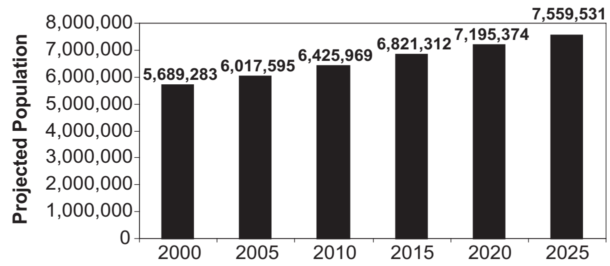
| | 1960s | 1970s | 1980s | 1990s |
|---|---|---|---|---|
| Alabama | 5.44 | 13.05 | 3.77 | 10.06 |
| Arkansas | 7.67 | 18.88 | 2.81 | 13.73 |
| Florida | 37.16 | 43.51 | 32.75 | 23.53 |
| Georgia | 16.35 | 19.08 | 18.58 | 26.37 |
| Kentucky | 6.01 | 13.66 | 0.67 | 9.67 |
| Louisiana | 11.90 | 15.40 | 0.33 | 5.90 |
| Mississippi | 1.78 | 13.70 | 2.09 | 10.55 |
| North Carolina | 11.59 | 15.68 | 12.70 | 21.43 |
| South Carolina | 8.73 | 20.50 | 11.69 | 15.07 |
| **Tennessee** | **10.06** | **16.94** | **6.23** | **16.65** |
| Virginia | 17.26 | 14.95 | 15.72 | 14.40 |
| West Virginia | -6.25 | 11.78 | -8.01 | 0.83 |
| **SE Average** | **10.64** | **18.09** | **8.28** | **14.02** |
| **US** | **13.37** | **11.43** | **9.78** | **13.15** |

*Source: US Census Bureau.*

## 2.5. A Long-Term Perspective, *continued*

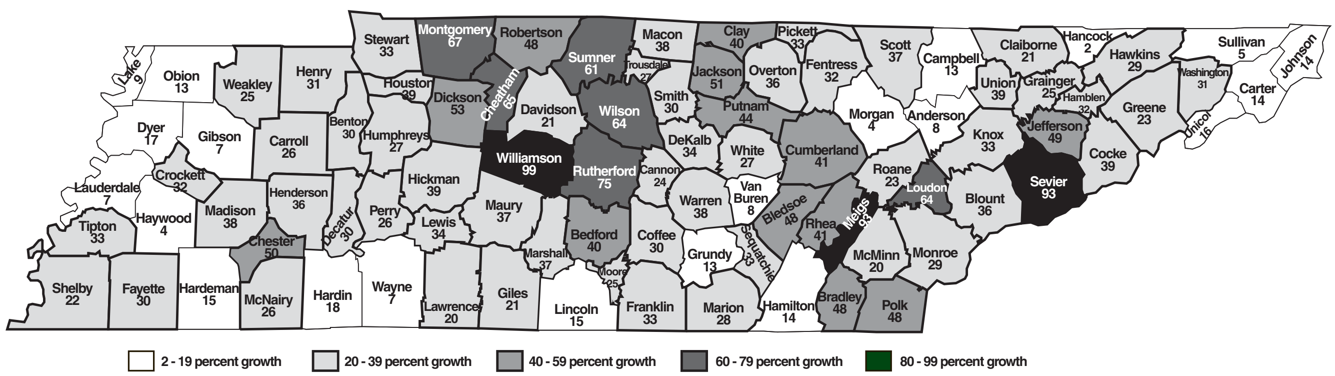
Sullivan (5.4 percent), and Lauderdale (7.1 percent). With the exception of Sullivan, all of these are relatively small, non-metropolitan counties. The five counties with the highest projected growth in population through 2025 are Williamson, Sevier, Meigs, Rutherford, and Montgomery. Williamson, Rutherford and Montgomery counties are metropolitan counties located in middle Tennessee where much of the state's recent growth has been concentrated. Sevier county, adjacent to the Great Smoky Mountains National Park, will continue its strong rate of growth buoyed in part by rapid growth in the tourism trade.

**Figure 2.11. Tennessee Projected Population Levels, 2000 to 2025**




*Source: CBER.*

**Figure 2.12. County Population Growth Rates, 2000 to 2025**




*Source: CBER.*

**A Synopsis of the Methodology behind CBER's Population Projections**

The population projections were developed using the cohort-component demographic model which consists of the "components" of population growth: births, deaths, and migration. The population is categorized by gender and five-year age groups and is carried forward at five-year intervals to the year 2025. Given assumptions about fertility rates and the migration and survival rates for each age and gender cohort between each five-year interval, the population estimates are obtained.

The county populations were projected first using the cohort-component method. The county estimates were summed to arrive at the state levels for total population and age-gender distributions of the population. The sub-county area population as a share of the calculated county population for each projection period is obtained using the exponential extrapolation method. Census 2000 provides the age-gender population at the sub-county level. The sub-county age-gender shares are applied to the sub-county population totals to allocate the population into the appropriate age-gender cohort. An important implication of this procedure is that the age-gender mix of the sub-county population is assumed to remain constant over the entire projection period.

More information on the population projections can be found on the web sites of the Center for Business and Economic Research <http://cber.bus.utk.edu> and the Tennessee Advisory Commission on Intergovernmental Relations <www.state.tn.us/tacir>, which funded the project.

## 2.5. A Long-Term Perspective, *continued*

***2.5.b. Long-Term Overview***

The state's short-term economic performance is driven primarily by international and national economic trends. When the national economy is booming, generally the state will enjoy strong economic growth. Similarly, when the national economy experiences sluggish growth — as is the case today — the state economy will perform relatively poorly. Long-term economic performance certainly is influenced by short-term business cycles. But other factors can be more important in fostering long-term prosperity. In particular, the educational attainment of the working-age population which creates productive workers (*human capital*), infrastructure that can support and accommodate economic growth (*infrastructure capital*), and the recruitment and retention of competitive business enterprises that use state-of-the art production technologies, whether they are service or manufacturing enterprises (*private capital*).

Capital, capital, capital. Education or human capital is important at all levels. Broadly, one can distinguish between education in support of the existing adult workforce and education focused on training workers and citizens of tomorrow. Tennessee has a difficult challenge in addressing the needs of displaced workers and supporting their engagement in the new economy. Educating the workforce of tomorrow is equally important to fostering economic growth and making the state an attractive place to live. Infrastructure capital means roads, telecommunications, water, parks, and so on that enable businesses to do their very best in the marketplace and can support quality of life. Investments in infrastructure capital need to be carefully evaluated to ensure the greatest return on the state's investment. Finally the state, in concert with local governments, must do all that is possible to attract and retain quality employers who pay good wages and offer fringe benefits, in particular health insurance, to employees. We need to recruit and retain the best and the brightest. The discussion that follows does not speak directly to issues of capital investment, as important as such investments are to the future of the state and its residents. But the ingredients for strong economic performance — capital, capital, capital — cannot be ignored nor neglected. Our investments today will dictate our economic prosperity tomorrow.

***2.5.c. Historical Trends***

The discussion of historical trends is compromised to some extent by the conversion from SIC to NAICS, as discussed in Section 2.2.a. Many economic data series under NAICS have short historical lives and other series — like gross state product — have yet to even be finalized. In what immediately follows, the emphasis falls on job trends under the new NAICS accounting system. Jobs data have one of the longer historical series and readers need to become accustomed to the NAICS data in order to monitor and gauge state versus national economic performance. Trends in income growth for Tennessee versus the nation are also discussed, with a focus on aggregate personal income and per capita personal income.

The troubles confronting manufacturing over the course of the current business cycle were discussed above. Much has been made of the recent declines in the national press, with fingers pointing to NAFTA and unfair trade with China, among others. But the ongoing recession has simply aggravated what is in reality a long-term decline in manufacturing jobs for the state and the nation. Figure 2.13 places the problem in

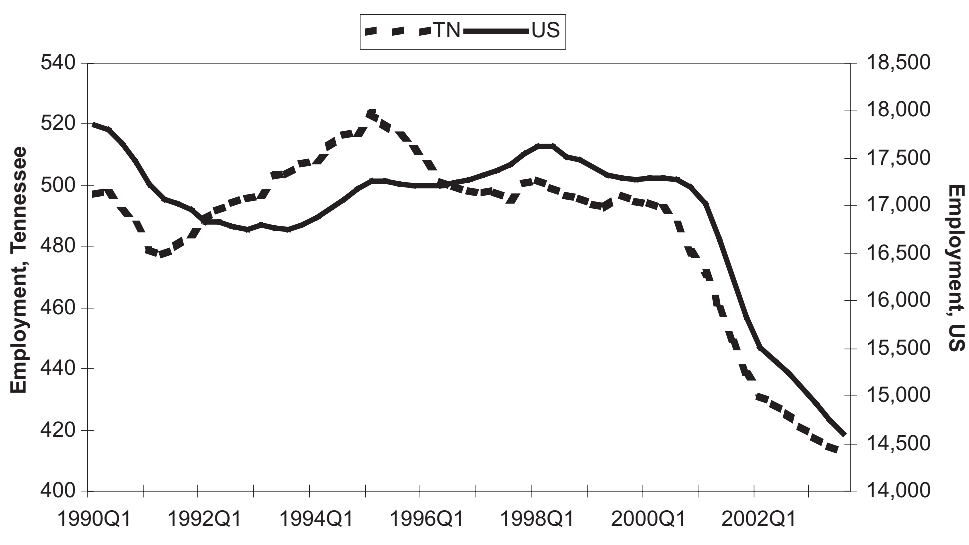
## 2.5. A Long-Term Perspective, *continued*

historical context, showing jobs in manufacturing for Tennessee and the US dating back to 1990Q1. Notable is the decline in jobs for the state's manufacturing sector that accelerated in 1995Q1. On an annual basis, the state has not engineered a net increase in manufacturing employment since 1998 (0.1 percent). The US was able to stave off decline until 1998 but since then has witnessed a similar pattern of job decline. While jobs have been declining, output in manufacturing has actually been rising as a result of productivity growth. It will be interesting to see NAICS-based gross state product data in December of 2004, to determine exactly what the consequences are for the output side of the manufacturing sector.

The decline in manufacturing jobs in Tennessee is due solely to contraction in the nondurable goods sector. Durable goods employment stood at 251,600 in 2003, up from 249,000 jobs in 1991. While this represents less than 2,000 jobs, it does reflect expansion rather than contraction. Over the same period, jobs in the nondurable goods sector fell from 231,300 to 162,500, for a loss of nearly 70,000 jobs. Within durable goods manufacturing, primary metals, fabricated metal products, computer and electronic products, electrical equipment and appliances, and furniture have all experienced job losses while other broad sub-sectors have enjoyed some degree of employment expansion. In the nondurable goods sector, only the food, beverage and tobacco, and plastics and rubber sectors experienced job expansion between 1991 and 2003. Textile mill jobs have been nearly cut in half (a loss of nearly 7,000 jobs) while 48,300 jobs have been lost in apparel leaving only 9,600 jobs in the state.

As the manufacturing sector has been battered, other sectors of the state economy have experienced more healthy rates of growth. Overall, nonagricultural job growth was 1.7 percent (CAGR) between 1991 and 2003 indicating strong underlying growth outside of manufacturing. Comparing 2003 with 1991 shows that only the natural resources and mining sector

**Figure 2.13. Seasonally-Adjusted Manufacturing Employment, Tennessee and US**



## 2.5. A Long-Term Perspective, *continued*

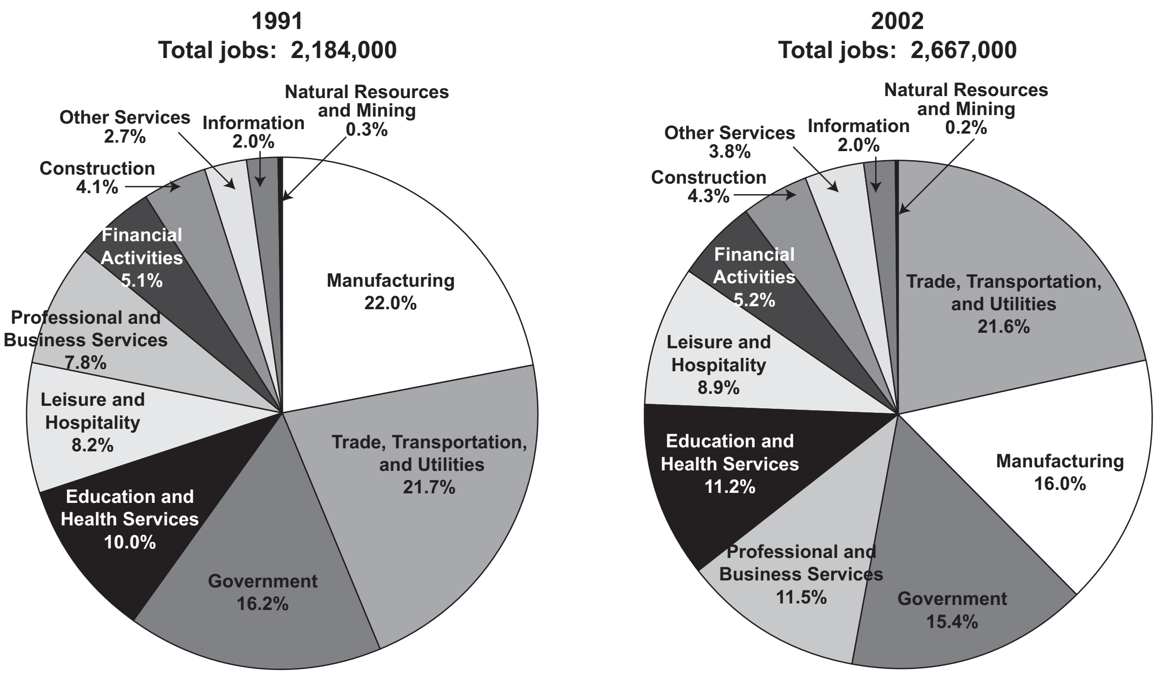
witnessed job losses (amounting to less than one thousand jobs). The strongest growth rates were realized in the various service sectors. The other services category is up 74.1 percent (a gain of over 43,000 jobs) and the business and professional services category is up 84.7 percent (a gain of almost 144,000 jobs).

Shifting fortunes across economic sectors is illustrated in Figure 2.14, which shows the distribution of jobs by NAICS sector for 1991 and 2002. Most notable in the figure is the relative decline in manufacturing jobs from 22.0 percent to 16.0 percent, reflecting net job losses in manufacturing and healthy job gains elsewhere in the economy. With the exception of information and trade, transportation and utilities, all service sectors showed growth in their share of the state job pie. Professional and business services grew from 7.8 percent of nonagricultural jobs to 11.5 percent of jobs in 2002.

Tennessee's unemployment rate fared well during most of the 1990s and in the early 2000s. The unemployment rate spiked to 6.7 percent in 1991 due to the recession, then drifted down to 4.8 percent in 1994. After moving into the 5 percent range in 1995, the unemployment rate was able to move back to 4.2 percent by 1998. With 1997 as an exception, the state has enjoyed a lower rate of unemployment than the nation going back to 1991.

The state's economic performance has by some measures, including the unemployment rate, been better than the nation. But the state has not done well in other areas, in particular its per capita

**Figure 2.14. Distribution of Nonagricultural Jobs, 1991 and 2002, NAICS Basis**



## 2.5. A Long-Term Perspective, *continued*

income growth. Tennessee per capita income relative to the US is shown in Figure 2.15 for the 1990–2002 period. After peaking in 1995, the state has seen its relative standing vis-à-vis the nation slip each year with the exception of 2002. Most components of personal income have slipped relative to the US, including most prominently per capita wages and salaries.

The situation for total nominal personal income is shown in Figure 2.16. The history for total personal income growth is similar to that for per capita personal income growth. Tennessee consistently outperformed the nation by a significant margin through the mid-1990s but has lagged the US since then with the exception of two years.

**Figure 2.15. Tennessee Per Capita Income as a Percent of US Per Capita Income, 1990 to 2002**

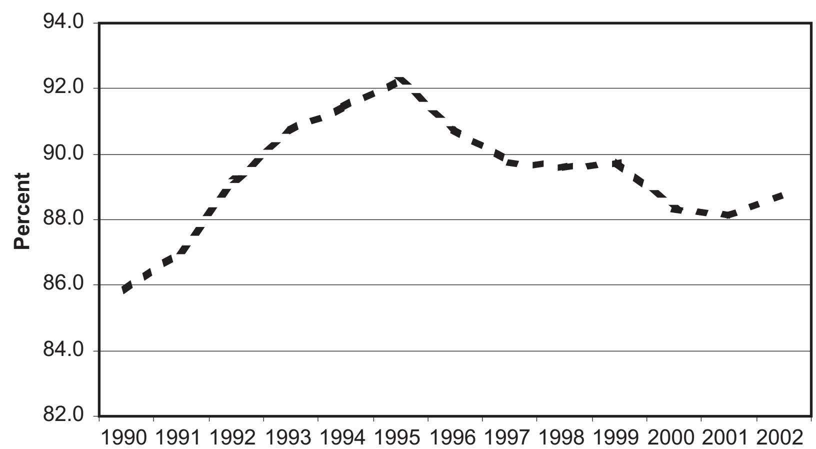
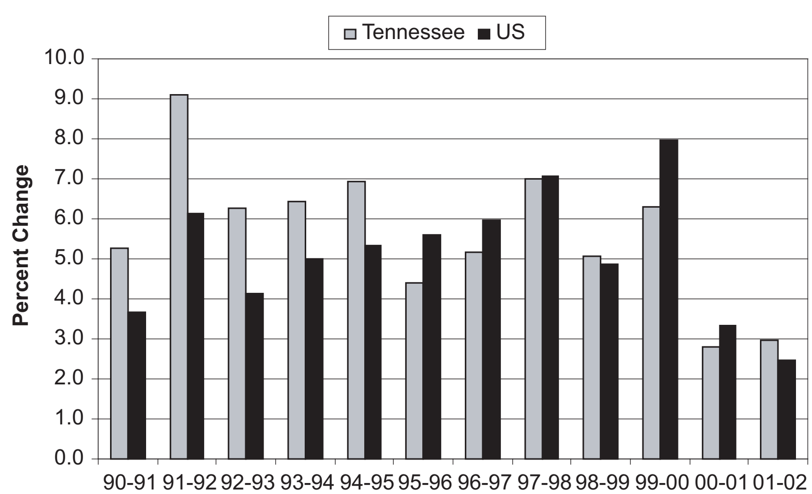



**Figure 2.16. Annual Growth in Total Personal Income, Tennessee and US**



## 2.6. Long-Term Outlook

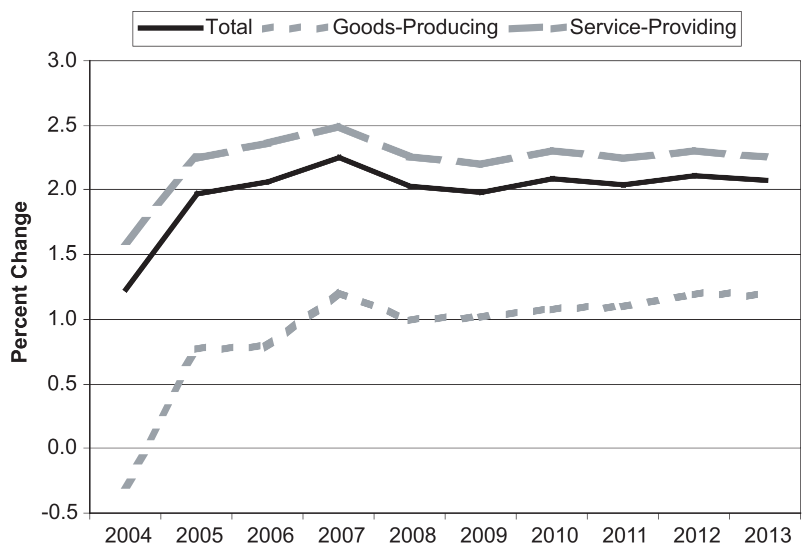
The long-term outlook captures the state economy's movement back to full employment and its expected trend performance to 2013. As is typical of a long-term forecast, there is no effort to estimate the timing of the next economic cycle, although one is likely to take place before the close of 2013. The long-term outlook calls for services to continue to grow as a share of total nonagricultural jobs. Inflation-adjusted personal income will grow at a 3.6 percent compound annual growth rate between 2004 and 2013.

### *2.6.a. State Labor Markets*

The rising tide of service sector growth versus job growth in goods-producing sectors is shown in Figure 2.17. Generally job growth will exceed 2 percent in the service-providing sector as opposed to growth rates hovering around 1.0 for the goods-producing sector. Total nonagricultural job growth will be 2.1 percent (CAGR) between 2004 and 2013. Service sector growth will be led by other services (5.2 percent, CAGR), and business and professional services (4.2 percent, CAGR) and education and health services (2.6 percent, CAGR). Manufacturing job growth is expected to be 0.6 percent (CAGR) as job growth in durable goods manufacturing more than offsets job losses in nondurable goods manufacturing. By 2013, service jobs will have grown to 82.2 percent of all jobs in the state versus 80.5 percent in 2004.

Additional detail on the expected fate of the state's manufacturing sector is offered in Figures 2.18 and 2.19. The first figure offers projected compound annual growth rates in durable goods manufacturing while the second provides the same detail for the nondurable goods sector out to 2013. Machinery and electrical equipment, appliances

**Figure 2.17. Tennessee Job Growth, Goods-Producing and Service-Providing Sectors, 2004 to 2013**



## 2.6. Long-Term Outlook, *continued*

and components will show the strongest rates of growth in the durable goods sector, while beverage and tobacco and food will be drivers in the nondurable goods sector. Textiles and apparel will continue to suffer. By 2013, it is expected that only 4,300 jobs will remain in textile mills, 2,200 jobs in textile product mills, and 2,100 jobs in apparel.

The state unemployment rate will drift down to 4.0 percent by 2011, reaching a low last realized in 1999. Tennessee's unemployment rate will compare favorably to its US counterpart throughout the long-term forecast horizon. After growing at a 1.5 percent rate (CAGR) between 1992 and 2003, the labor force is expected to grow more slowly at a 1.3 percent rate between 2004 and 2013. Growth in employed people will also slow, from 1.6 percent between 1992 and 2003, to 1.5 percent between 2004 and 2013.

### *2.6.b. Income and Sales*

Inflation-adjusted personal income will rise at a 3.6 percent (CAGR) between 2004 and 2013. Wage and salary income, which will account for 54.9 percent of personal income in 2004, will grow at the slightly slower rate of 3.3 percent over the same time period. Tennessee's inflation-adjusted per capita personal income is expected to advance at a 2.3 percent (CAGR) through 2013. Nominal personal income in Tennessee will grow at a 6.1 percent (CAGR) while income growth will be 5.8 percent for the US between 2004 and 2013. By 2013, Tennessee's per capita personal income will be 87.2 percent of the US average, as opposed to 88.5 percent in 2004.

The anticipated 6.1 percent (CAGR) increase in nominal personal income will buoy taxable sales growth for state retailers. Taxable sales should grow at a 5.1 percent (CAGR) through the long-term forecast horizon 2004–2013.

## 2.6. Long-Term Outlook, *continued*

**Figure 2.18. Projected Job Growth, Durable Goods Manufacturing, 2004 to 2013**

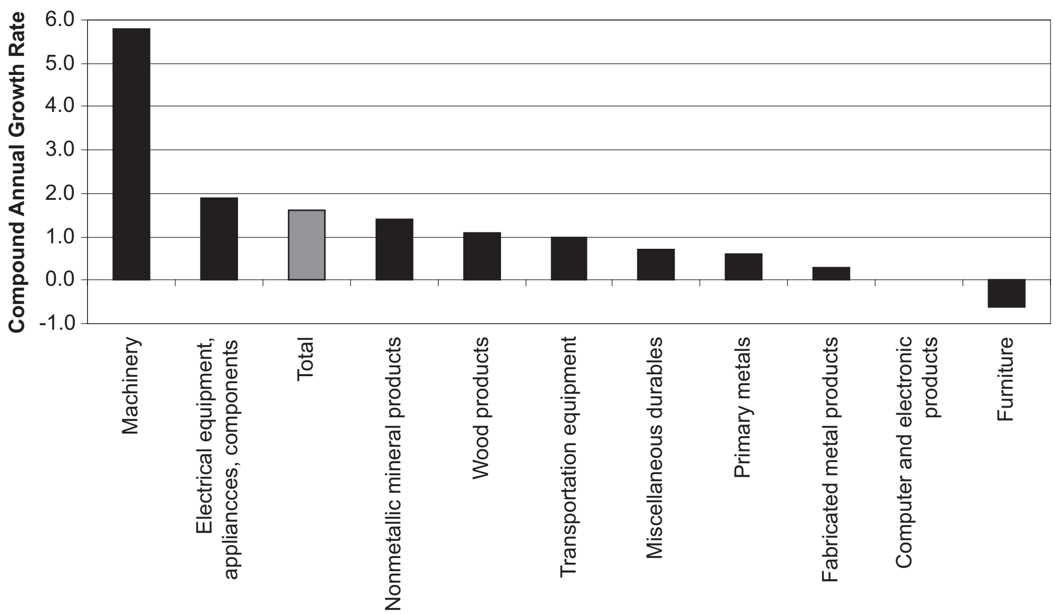
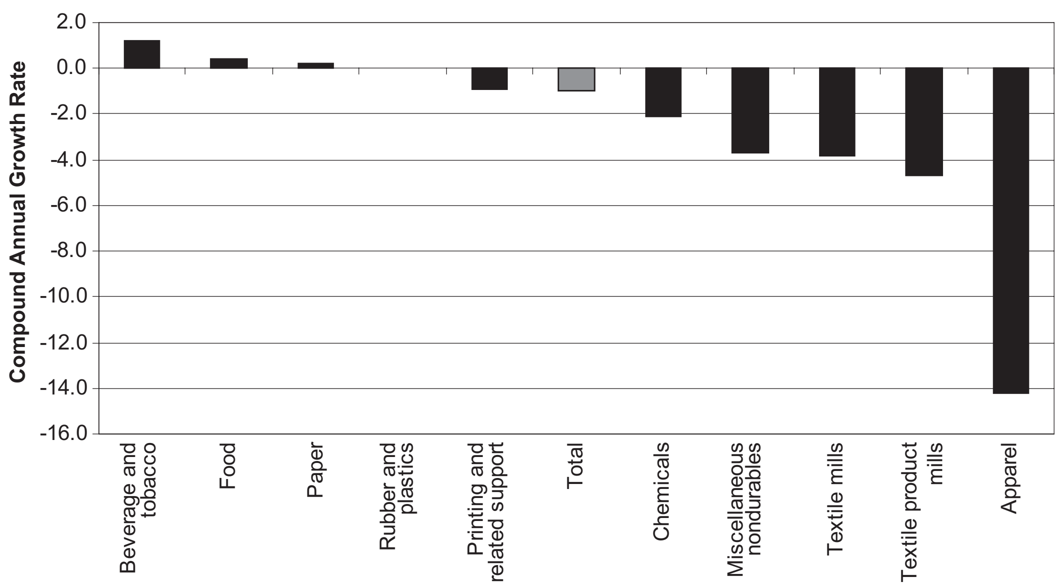



**Figure 2.19. Projected Job Growth, Nondurable Goods Manufacturing, 2004 to 2013**



# 2.6. Long-Term Outlook, *continued*

### *2.6.c. Long-Term Forecast Summary*

- The state has experienced significant changes in population and demographic structure since the 1960s. Between 1960 and 2000 Tennessee's population was up 59 percent. Growth in the state has mirrored average growth across the Southeast.
- The state population is expected to grow 32.0 percent between 2000 and 2025.
- Short-term economic trends in Tennessee are heavily influenced by the national economic environment. In the long-run, state growth is tied closely to human capital investments, infrastructure investments, and private sector investments in productive capital like computers and machinery.
- The state's manufacturing sector has lost jobs during every year going back to 1998. Over the long-term, net job gains in durable goods manufacturing have been insufficient to offset job losses in the nondurable goods sector. Expect manufacturing jobs to grow at only a 0.6 percent compound annual growth rate through 2013, with 1.6 percent growth in durable goods manufacturing more than offsetting 1.0 percent decline in the nondurable goods sector.
- As the manufacturing sector has struggled, the service sector of the economy has prospered. Accounting for 78 percent of jobs in 1991, services represented 80.5 percent of nonagricultural jobs in 2003 and will increase their dominance to 82.2 percent by 2013. Professional and business services and other services will enjoy the strongest rates of job growth.
- Per capita income in Tennessee has not fared well in recent years when compared to the nation. After peaking in 1995, state per capita income as a percent of US per capita income has generally declined. The differential will widen with time and by 2013, Tennessee's per capita personal income will be 87.2 percent of the US average as opposed to 88.5 percent in 2004.
- The state unemployment rate will fall below its national counterpart through the long-term forecast horizon.

# Welfare Policy Analysis in Tennessee: Recent Research and Unanswered Questions

## In this chapter...



## 3.1. Introduction

State welfare programs changed dramatically when President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, known widely as "welfare reform," in 1996. Replacing the original entitlement program (Aid to Families with Dependent Children, or AFDC) with a system of less restrictive block grants (Temporary Assistance to Needy Families, or TANF) has resulted in a network of state-specific welfare programs that vary dramatically across the country.

At its peak in 1994, 5 million families were on AFDC at a cost to federal, state, and local governments of $23 billion. The various policy changes inherent in TANF have enabled more than a 50 percent reduction in caseloads and a similar reduction in program costs. In 2001, just over 2 million families were on TANF at a cost of just over $10 billion.

With this important policy change has come a renewed effort to study and evaluate public assistance programs, toward the diverse goals of improving the efficient use of public funds, ensuring that families do not fall from welfare into poverty, and guaranteeing the safety, health, and education of these families' children. The Center

## 3.1. Introduction, *continued*

for Business and Economic Research at the University of Tennessee is proud to be at the forefront of welfare policy analysis, both in Tennessee and at the national level.

This chapter provides an overview of our research efforts to date and outlines a number of important unanswered questions regarding the various impacts of welfare reform. Our intent is to inform legislators, policymakers, and other interested readers about the importance of continued research on these questions. We begin by briefly describing the federal reform of 1996 and the most salient features of Tennessee's welfare program, Families First. We then discuss recent CBER research in this area, focusing on a number of published reports as well as projects that are currently in progress. Each section closes with a discussion of several interesting yet unanswered questions regarding the effects of welfare policy changes.

Our research has made use of two unique data sources. First, we have built and currently maintain a confidential in-house database (Admiral) of the complete history of monthly administrative records for every current and former Families First recipient. While these records provide a wealth of useful data at the individual and case level, administrative data systems are primarily intended for caseload management and verification purposes and not research and evaluation. They must therefore be supplemented with more detailed and useful survey data.

Researchers in CBER fortunately have access to the first four waves of an ongoing longitudinal survey of Families First recipients, the Family Assistance Longitudinal Survey (FALS). This survey is a collaborative effort of the Tennessee Department of Human Services and research organizations at the University of Memphis (the Bureau of Business and Economic Research/Center for Manpower Studies) and the University of Tennessee (the Social Work Office of Research and Public Service, the Center for Literacy Studies, and CBER). It has been administered approximately every six months since early 2001.

While the original FALS sample consisted of more than 2,500 active Families First cases, a significant number of these cases have exited the system. This rich data source therefore permits us to learn quite a bit about the individual experiences of welfare participants in Tennessee after they leave the Families First system.

## 3.2. The Federal Welfare Reform of 1996

On August 22, 1996, President Clinton signed into law the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), a comprehensive welfare reform plan that replaced a federally structured entitlement program with a block grant to the states. The new block grant system provides states with funding to support time-limited cash assistance programs for needy families. In this new regime, most recipients are required to participate in work or educational activities as long as they receive benefits. Of course, states are free to set their own policy rules within the federal guidelines.

The reasoning behind the replacement of the AFDC entitlement program with the TANF block grant was that TANF's emphasis on time limits and work requirements would provide needy families with incentives to find work—a dramatic change from the essentially unlimited assistance found in the AFDC program. It was hoped that such incentives would encourage those who could participate in the labor market to find employment, thus reducing the welfare rolls and allowing government funding to be spent only on those who truly lacked the marketable skills needed to participate in the labor market. In order to achieve these goals, the TANF block grants to Tennessee and other states include a number of common restrictions on the use of federal funds.

First, the head of each household receiving assistance must be engaged in a work activity within two years of receiving his or her first benefit payment. Second, each recipient has a 60-month lifetime limit, which means that no recipient may receive federally funded cash assistance for more than a combined total of 60 months over the course of his or her lifetime. These work requirements and time limits are intended to give recipients strong incentives for achieving not just employment, but self-sufficiency as well.

States are free to set stricter limits, and they may exempt up to 20 percent of their caseload from the 60-month limit each year. They are also permitted to use existing federal social service funds to provide non-cash benefits to families and to use state funds to provide cash assistance beyond the 60-month limit. Thus, the states have some degree of flexibility in how they set their time limits and how benefits are affected by those limits. Indeed, since the passage of welfare reform in 1996, states have experimented with a number of policies in an attempt to meet self-determined policy goals.

## 3.3. Welfare Reform in Tennessee

The Families First Act was passed by the Tennessee General Assembly on April 25, 1996, and signed by Governor Don Sundquist on May 13, 1996. This legislation created Families First, the program through which the TANF block grant is implemented in Tennessee. When the Families First Act was signed in Tennessee in 1996, PRWORA had not yet been passed at the federal level. Therefore, it was necessary for the state to obtain a waiver from the US Department of Health and Human Services under section 1115 of the Social Security Act. This waiver process gives the states flexibility to individualize their programs and experiment with new policies. The effective life of Tennessee's waiver runs from mid-1996 through June 30, 2007.

Tennessee requires 40 hours per week of participation in work and/or work preparation activities. Further, while federal guidelines require work within 24 months of receiving benefits, welfare recipients in Tennessee must meet their work requirement immediately upon entering the system. Allowable work activities may consist of full- or part-time work, educational activities that prepare recipients to find work, community service programs, or GED and post-secondary education. Individuals who function below the ninth grade level in either math or reading may enter Adult Basic Education (ABE) for up to 20 hours per week and are exempt from the 40-hour work requirement until testing at or above the ninth grade level.

In terms of time limits, any single period of eligibility for Families First benefits is limited to 18 months, and lifetime eligibility is limited to 60 months. Recipients must remain off Families First cash assistance for at least three months between each 18-month period. Tennessee's time limits and work requirements are relatively more strict than those laid out in federal guidelines. As such, every Families First participant is provided with a number of support services that are needed in order to successfully comply with work-related requirements of the program. Primary support services include child care, transportation, dental, and optical assistance.

In sum, despite broad consistency with federal guidelines, welfare reform has taken on a slightly different meaning in Tennessee. The differences between Families First and the TANF guidelines, the details of which are quite substantial, are fairly straightforward. Specifically, Families First participants must begin working, looking for work, or training for work immediately, not merely within the first 24 months of benefits. Despite this, allowable activities are more broadly defined in Tennessee, and the network of support services is much more extensive. Also, while the lifetime limit in Tennessee equals the federal limit of 60 months, each spell of eligibility on Families First can last no longer than 18 months. After accumulating 18 countable months of benefits, Families First recipients must leave the program for at least three months.

When these new policies were implemented, they raised a number of critical questions. First, would time limits and work requirements change the patterns of welfare use? Would recipients be more likely to spread their limited eligibility over a larger number of shorter spells, rather than remain on the program for one longer continuous spell? If so, what effects might this have on the well being of participants and their children? Would participants be harmed by the imposition of time limits? Would needy families be removed

## 3.3. Welfare Reform in Tennessee, *continued*

from the program after 18 months, only to experience poverty or other socioeconomic hardships? Similarly, would work requirements force recipients to enter the work force before they are ready? Would working parents spend less time with their children as a result? How would the new policies affect child well being? We discuss our recent research on these and other issues in the sections that follow.

## 3.4. Patterns of Welfare Use

The implementation of time limits and other program requirements can certainly affect the rates of welfare exit and reentry. Recognition of time limits by participants will increase the frequency of welfare exit—and reentry—as individuals attempt to maximize their current and future well being. In order to improve their own welfare, individuals may choose to use benefits only when they are needed the most, which may imply cycling on and off the welfare program.

However, it is not clear whether multiple short spells are generally better or worse than fewer long spells in terms of overall recipient well being. A return to welfare might suggest that the recipient is unable to maintain self-sufficiency for any lengthy period of time. Families who are more reliant on public assistance have a much more difficult time trying to leave the program permanently. A return to the welfare program may also result from the inability of the household head, or caretaker, to keep a steady job. This unemployment can be detrimental to the well being of the family due to lost earnings, valuable work experience, and on-the-job-training, as well as the deterioration of job skills while unemployed.

Despite all of this, reentry might not necessarily be bad for former recipients. Continual reentry might show that a recipient is making a good faith effort to leave the program. A temporary return to the welfare program might provide the needed help to attain permanent self-sufficiency. Finally, reentry may only represent a brief reliance on public assistance in the case of a temporary job loss or a reduction in earned income or hours worked.

It should be noted that the 1996 reforms might have caused a change in the general makeup of the welfare caseload. Even with the exemption of up to 20 percent of the caseload from the 60-month lifetime limit, time limits and work requirements might remove many of the long-term recipients from the rolls, thereby leading to an observed increase in reentry rates if the remaining participants are more likely to cycle on and off the program. Alternatively, the new welfare policies might remove many short-term recipients, leaving longer-term participants on the rolls. As such, reentry rates might fall as a result, simply due to the changing nature of the caseload.

Our analysis of reentry in the wake of welfare reform relied solely on administrative records. Of the 128,775 assistance groups in our sample who left the Families First program at least once between October 1996 and April 2001, 42,283 experienced at least one return. The

## 3.4. Patterns of Welfare Use, *continued*

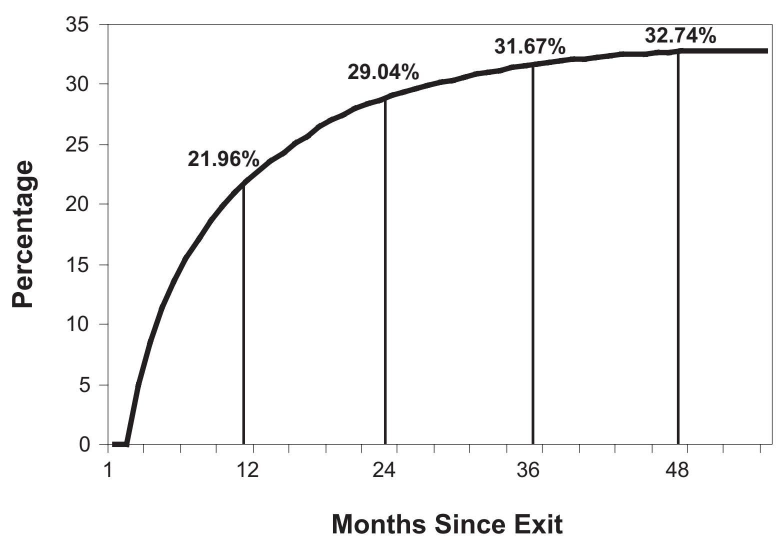
eventual cumulative reentry rate over the time period that we analyze, as shown graphically in Figure 3.1, was 32.8 percent. About 13.6 percent returned within six months and 22 percent returned within one year of leaving, suggesting that most of the eventual reentry occurs relatively soon after an exit.

We found that assistance groups with older or male caretakers were less likely to return than assistance groups with younger or female caretakers. Echoing all but a few of the earlier studies, we found that Blacks were much more likely than Whites to return, even after controlling for such things as education, earnings, and household size, among many other factors. Members of other non-White groups were less likely than Whites to return. An additional child (or other assistance group member) increased the probability of reentry. Earned income, unearned income, and the amount of the Families First benefit as of closure had either very small or imprecise effects.

We also found that assistance groups with younger youngest children were less likely to reenter relative to those whose youngest child was 13 or older. These results almost certainly stem from Tennessee's transitional benefits program, which provides up to 18 months of child care assistance for families with children who are either under age 13 or disabled after they leave the welfare rolls. Consequently, leavers with young children might be less likely to reenter, simply because they can continue to receive child care assistance for an extended period of time while off the program.

Divorced, separated, and single caretakers were more likely to reenter than were married caretakers. Those with less than a high school education were more likely to reenter than those with a high school education, while having some education beyond high school reduced the probability of reentry. The general theme that more education reduces reentry follows much of the earlier literature.

**Figure 3.1. Cumulative Families First Reentry Rates**




*Source: Admiral, CBER.*

## 3.4. Patterns of Welfare Use, *continued*

Surprisingly, the likelihood of reentry was found to fall when the local unemployment rate rose. We suspect that this might be at least partially driven by Tennessee's time limit policy, which permits an immediate extension if a recipient's county unemployment rate is more than twice the state average. In this case, program participants in high-unemployment counties might be less likely to leave the program in the first place.

After controlling for a number of other important factors, we find that having reached a time limit, having accumulated more lifetime months of benefits, or having worked at a job for pay upon leaving were all associated with higher rates of reentry.

Because our study provided some of the first findings that use post-reform administrative data, a number of questions remain unanswered. First, the economy performed remarkably well during most of our period of analysis. Reentry rates may have changed given recent economic fluctuations, although the direction and magnitude of any change is not clear. Second, Families First policies change regularly, and we have not yet been able to isolate the effects of various policy changes on reentry. Future research will need to consider more policy variables, such as exemptions from time limits or sanctions due to unfulfilled work requirements, or other potentially meaningful factors. Most importantly, future research should consider the effects of reentry or multiple program spells on important individual outcomes such as employment and earnings.

## 3.5. Time Limits

Of the many reform provisions designed to reduce welfare utilization and poverty, the most significant was the imposition of time limits on benefit receipt. With only a small number of exceptions, the first countable month under Tennessee's time limit policy was October 1996. Consequently, October 2001 was the earliest date that individuals could possibly be removed from the program as a result of reaching the 60-month time limit.

The imposition of short-term and lifetime limits on benefit receipt was originally intended to end patterns of lifetime welfare use and encourage recipients to enter the work force and become self-sufficient. Despite good intentions, the implementation of time limits also raised serious concerns about the ability of state welfare programs to adequately serve needy populations. Federal regulations limit the number of time limit exemptions to 20 percent of a state's caseload, therefore in some states a potentially large number of individuals who are not capable of self-sufficiency will be forced to leave the program. Although states have the authority to continue the provision of benefits using their own funds, many may be reluctant to do so because of budgetary issues.

A total of 190,813 assistance groups (AGs) participated in Families First from its inception through April 2001. Of these, 39,014 were still on

## 3.5. Time Limits, *continued*

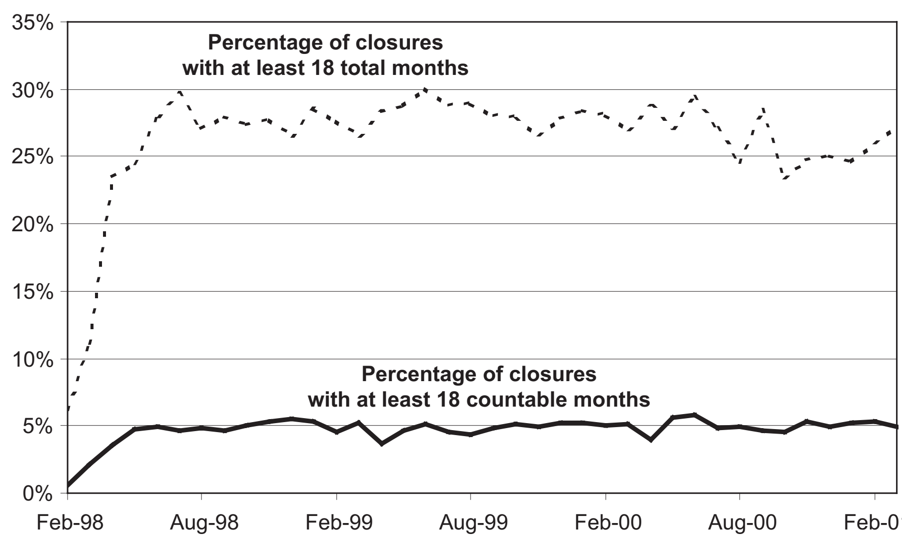
their first spell as of April 2001, while the remaining 151,799 had closed. Of those that closed, 48,092 (or 31.7 percent) reentered the program for a second spell, 14,758 of whom were still active as of April 2001. We were able to analyze a total of 193,338 closures from 151,799 unique AGs in our research on time limits.

In February 1998, one of the first possible months for a Families First AG to reach 18 countable months, only 21 cases were closed due to a time limit. This number increased quickly and has hovered between 120 and 200 per month. Our definition of time limit closures indicates that only about 3 percent of all case closures occurred as a result of a short-term time limit. Figure 3.2 presents these monthly totals as percentages of all closures and reveals a striking stability in both series. Those accumulating at least 18 total months were between 25 and 30 percent of all closures throughout the time period of our analysis. Similarly, those accumulating at least 18 countable months made up about 5 percent of all closures.

Of all cases that closed, 38.4 percent received at least one time limit exemption during their most recent spell. For these exempt cases, nearly 80 percent closed by the sixth countable month. Very few accumulated more than six months, primarily due to the exemption. Interestingly, the granting of an exemption did not necessarily translate into an inordinately long spell on Families First. Less than one-fourth of those who received an exemption (and eventually closed) accumulated more than 18 total months of benefits.

Those who met short-term time limits were more likely to be Black than those who did not meet time limits. This was partially due to the incidence of exemptions. Those who received

**Figure 3.2. Families First Closures with 18 or More Months as a Share of All Closures**




*Source: Admiral, CBER.*

## 3.5. Time Limits, *continued*

exemptions from time limits were slightly more likely to be Asian, Hispanic, or White, but the distributions very closely mirrored the overall ethnic distribution. Given that a case closed due to a time limit, those who received exemptions during the spell were more likely to Asian, Black, Hispanic, or some other race and less likely to be White than those that never received an exemption.

Overall, 14.2 percent of all cases that closed had caretakers with a ninth grade or lower education level; 11.1 percent had a tenth grade education; 13.1 percent had an eleventh grade education; and 48.9 percent had a twelfth grade education. Very few had more advanced education as indicated in our administrative data. In terms of time limit closures versus other closures, those who met time limits were more likely to have had twelfth grade or higher education of various forms. Those who closed for other reasons (before accumulating 18 countable months) were more likely to have had education below the twelfth grade level. Exemptions provide one possible explanation, as the distribution of education levels for those who received exemptions was very heavily skewed toward lower levels. Those who never received an exemption were much more likely to have had more education. Finally, time limit closures that received an exemption also had lower education levels on average than time limit closures that did not receive an exemption.

Cases that received exemptions typically had caretakers that were nearly six years older than those that did not receive exemptions. This did not translate into a substantial difference across time limit versus other closures—the average caretaker age was similar for both groups.

Very few Families First cases that closed—only about 4.8 percent—had male caretakers. Interestingly, cases that met time limits were much less likely to have male caretakers than those who closed for other reasons. Exempt cases were more likely to have male heads, however, which might have led to the lower likelihood of meeting a time limit.

Cases that closed due to time limits were much more likely to have been in the four urban counties (Shelby, Davidson, Hamilton, and Knox). Nearly two-thirds of all time-limit case closures but only about half of all closures were in urban districts, possibly as a result of the fact that most exemption recipients reside in rural districts.

A common perception is that those cases that are most likely to meet short-term time limits are the ones that cannot find or keep work. Indeed, only 28.3 percent of all case closures had caretakers that were participating in work activities during the last month of benefit receipt. However, more than 58 percent of all cases that closed due to a time limit had a caretaker that was participating in work activities. This is much higher than the 27 percent figure for those that closed for other reasons. Not surprisingly, caretakers in exempt cases were less likely to be participating in work activities.

The caretaker's marital status is also apparently related to the incidence of time limits and exemptions. In our population of case closures, those who met time limits were less likely to be divorced, married, separated, or widowed and more likely to be single than those who closed for other reasons. The breakdown of marital status by exemption status was nearly the

## 3.5. Time Limits, *continued*

reverse of this. Exempt cases were more likely to have married, divorced, or widowed caretakers and less likely to have separated or single caretakers.

Cases that closed due to time limits tended to have higher Families First benefits than those who closed for other reasons. As the benefit represents the price of leaving the program, this result is not at all surprising. Cases that met time limits tended to have more earned income and less unearned income than other cases, as did cases that did not receive exemptions. It is interesting to note that, among the time limit closures, the receipt of an exemption did not seem to be related to the benefit or income amounts.

To summarize, despite the dramatic change in welfare policy that time limits represent, they have not had an overly dramatic effect on welfare in Tennessee. Only about 3 percent of all Families First case closures between October 1996 and April 2001 were the result of short-term time limits, amounting to about 120 to 200 each month. Cases that reached short-term time limits were more likely to be Black, to have more education, and to live in urban areas than cases that closed for other reasons. Similarly, they were more likely to be working, to have more children, to be single, and to have higher benefit and earned income levels than others. Finally, families that received time limit exemptions had nearly the opposite characteristics.

Future research must further disentangle the processes by which time limits are reached and exemptions are granted. Specifically, multivariate analyses of these outcomes should be undertaken to more accurately gauge the effects of each characteristic independently of other important factors. More importantly, effort must be made to understand the effects of time limits on Tennessee's welfare recipients. The availability of survey data for those that leave Families First, either as a result of time limits or for other reasons, enables a more complete investigation of the effects of time limits on family well being. Also, a family may decide to leave Families First as a result of the time limit policy, but before actually reaching its time limit, simply to reserve benefits for future use. The extent to which this type of behavior has contributed to the dramatic caseload reduction of the 1990s is not yet fully understood.

## 3.6. Work Requirements

The imposition of work requirements was intended to encourage workforce participation, increase self sufficiency, reduce government expenditures on welfare, and ultimately lift needy families out of poverty. The work requirement is enforced through a system of sanctions, where benefits are reduced or terminated if work requirements are not met. In addition, various exemptions are included as a component of the welfare system to ensure that any recipient who is unable to work is not penalized.

Figure 3.3 presents an overview of work activity as of April 2001. As of April 2001, 85.2 percent of the relevant caseload was under a work requirement as determined by analysis of administrative records. Among these non-exempt individuals, 87.3 percent were engaged in a work

## 3.6. Work Requirements, *continued*

activity. For most of these respondents, their work activity was actual employment.

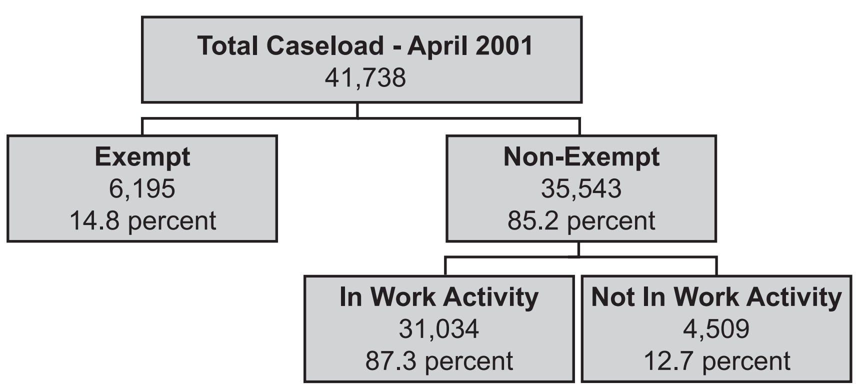
Analysis of administrative records and FALS survey data together revealed that significant numbers of welfare participants are engaged in work activities; compliance with work requirements seemed to be high. Nearly all survey respondents (over 95 percent) reported that they had participated in a work activity at some time while on the program. Additionally, survey data showed that over one-fourth of exempt individuals were engaged in work activities even though they were not required to do so. Employment, education, and training were all popular among those who participated in work activities. From survey data, we found that slightly less than one-half of program leavers were engaged in work activities, but among those who were, most were employed.

Only 43.2 percent of non-exempt individuals who were in a work activity were employed. Around the same percentage were in an educational activity. In addition, 40.5 percent were searching for a job. Nearly 30 percent of non-exempt individuals who were pursuing a work activity were engaged in a training activity at that time. Very few individuals were participating in a community service activity. Around 45 percent of those who were engaged in at least one work activity were recorded as being active in two or more work activities simultaneously in April 2001. The distribution of specific work activities has also remained fairly stable over time. Survey respondents who were on the program displayed roughly the same distribution of activity.

Administrative data showed that usually around 15 percent of the total caseload was exempt from work requirements and most exemptions were due to incapacitation, disability, and providing care for an ill person. We found generally that those who were not exempt from work requirements were slightly more likely to exit the program and less likely to reenter.

Our administrative data indicated that 18,908 distinct individuals received a sanction for noncompliance with work requirements between

**Figure 3.3. Work Activity**




*Source: Admiral, CBER.*

## 3.6. Work Requirements, *continued*

October 1996 and April 2001. This represented 14.3 percent of the total cumulative caseload during this same period of time. As shown in Figure 3.4, the number of sanctions was relatively high during the first year of the program but then declined sharply and has hovered roughly between 200 and 400 sanctions per month since. This amounts to less than 1 percent of the total caseload per month. Slightly over 89 percent of all individuals who ever received a sanction received only one. Most individuals who received a sanction did so in their first spell. Among those individuals, 43.7 percent eventually returned to Families First.

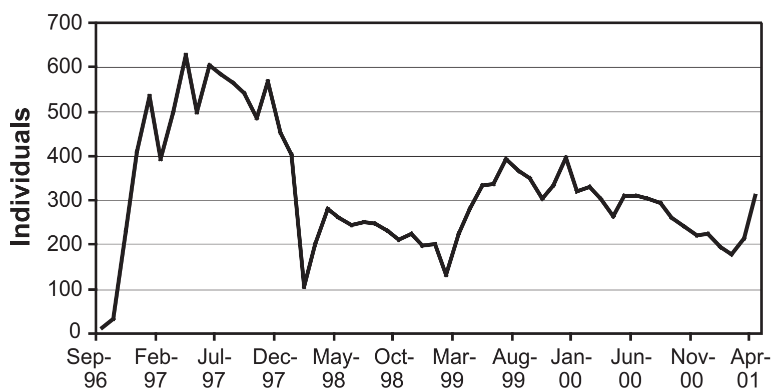
Survey data indicated that 31.9 percent of all respondents (just over 800 of the 2,548 individuals) in the first wave of the FALS reported that they had left Families First at least one time because they obtained either a job, a better job, or a raise. This amounts to 82.5 percent of those who left the program voluntarily.

We performed statistical tests to isolate the independent effects of a number of factors on the following three probabilities: the probability that individuals were exempt from work requirements as of April 2001; the probability that they had ever received a sanction for noncompliance, given that they were subject to a work requirement; and the probability that they returned to compliance following a sanction.

We found that individuals who had a high school diploma were more likely to have been exempt as of April 2001 than were those without a high school diploma. Additionally, rural residents, males, and those who were White, older, or married were all more likely to be exempt from work requirements. Conversely, those who earned more, worked more hours, or had ever reached a short-term time limit were less likely to have been exempt. The largest effect is associated with rural residence; those in rural counties were much more likely to have been exempt from work requirements than their urban counterparts, holding everything else in the model constant.

The analysis of sanction probabilities showed that high school graduates, those with

**Figure 3.4. Sanctions for Work Requirement Non-Compliance**




*Source: Admiral.*

## 3.6. Work Requirements, *continued*

more than a high school education, males, and White or married individuals were less likely to have ever received a sanction. In addition, people with higher earnings and those who worked more hours were less likely to have ever received a sanction. Conversely, rural residents, older individuals, and those who had ever reached a time limit were more likely to have ever been sanctioned. Again, rural residence had the largest effect on one's probability of receiving a sanction. Those in rural counties were much more likely to have ever received a sanction than were those in urban areas, even after controlling for the other factors in the model.

The probability of returning to compliance following a sanction was highest for those with less than a high school diploma, urban residents, females, non-Whites, younger, or nonmarried recipients. The strongest effects came from gender and race; being male or being White decreased one's probability of returning to compliance.

These results help us understand the incidence of work requirements, exemptions, and sanctions under Families First. However, much remains to be learned before we can fully understand to what extent work requirements have aided in encouraging workforce participation and, ultimately if they have aided needy families in achieving self-sufficiency. Future research will allow us to address this important issue. We also hope to investigate the experiences of individuals who left the program because of a sanction but did not return to compliance.

## 3.7. Child Well Being

When Families First was implemented in 1996, a major concern among policy makers and researchers was that imposing time limits and work requirements on welfare parents would unnecessarily harm children in the system. Fears of increased child poverty rates, diminished health and social well being, or reductions in educational outcomes weighed heavily on the minds of these individuals.

CBER researchers have built program histories for each of the children who participated in Families First between July 1997 and October 2001, as well as for their caretakers and other ineligible children in their households. These data reveal that Families First served 313,239 different children during this time period. Nearly one-third of these children accumulated six months or less on the program rolls. Only slightly more than 7 percent of welfare children five-years old or younger were actually born into the program.

Over 90 percent received Food Stamps or Medicaid/TennCare benefits while on the program. About one-third of all welfare children have ever exited and reentered the program. Only 8.6 percent of all welfare children in Tennessee were in AGs that reached a short-term (18-month) time limit during our period of analysis. Most children had caretakers that were subject to work

## 3.7. Child Well Being, *continued*

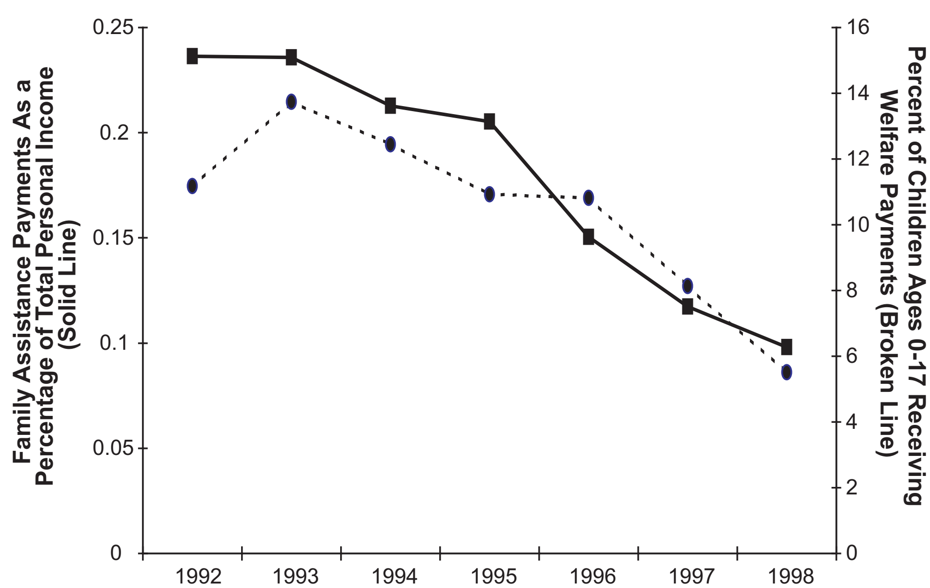
requirements (55 percent), while only 27.5 percent had caretakers that were ever exempt from work requirements, and only 17.5 percent were in child-only AGs.

Of the sweeping changes to welfare policy during the late 1990s, then, it appears that work requirements have affected more children than time limits have. Fortunately, parental work participation does not appear to have had a negative effect on child well being. Children of respondents who had never been exempt from work requirements were not necessarily worse off than other children according to our analysis.

Survey data indicated that welfare children were in good health, and their health had not deteriorated over time. Children in AGs who met time limits were more likely to have had a recent dentist visit and to have been up-to-date on their shots. However, they were also more likely to have skipped school or been suspended and were less likely to have had a recent well-child check-up. Welfare exit and reentry did not seem to have a discernible negative impact on child well being.

Analysis of county-level data from 1992 through 1998 showed that the percentage of children ages 17 and under who were receiving welfare payments and the value of welfare payments as a share of county personal income have both fallen during the 1990s. These series are shown in Figure 3.5. We estimated statistical models of the effects of these trends on a number of measures of child well being. Our list of outcomes included child abuse and neglect rates, infant mortality, juvenile court referrals, child death and poverty rates, adolescent pregnancy and

**Figure 3.5. County Averages of Key Child Welfare Measures**




*Source: Authors' calculations based on data provided by the US Bureau of Economic Analysis and Health Information Tennessee.*

## 3.7. Child Well Being, *continued*

birth rates, school dropout, attendance and retention rates, and a variety of value-added test scores.

We also controlled for such things as per capita personal income, average age, the unemployment rate, and the percentage of a county's residents who were either Black, Hispanic, or some other non-White race. In addition, for our analysis of education outcomes, we also controlled for student-to-teacher ratios, education expenditures per pupil, and the percentage of student enrollment that was receiving some form of special education.

Our first notable finding was that, after controlling for other factors, child welfare participation (i.e., the percent of children ages 17 and under receiving welfare payments) had no statistically discernible effect on all but two of our outcome measures. Specifically, this indicator exerted a positive effect on relative value-added test scores in science and social studies. As child welfare participation fell, value-added scores in these areas fell as a result. The measured effects were indeed quite small, however. A rather large 10-percent reduction in child-welfare participation, from the mean value of 10.6 percent to a new value of 9.5 percent (all else held constant), would reduce the average value-added score relative to the national norm by a minuscule 0.4 percent in either of these areas.

Our other measure of welfare participation, total welfare payments as a share of total personal income, had a positive and statistically significant effect on five of our outcome measures: the adolescent birth rate, the percent of children referred to juvenile courts, the child poverty rate, and relative value-added scores in reading and language arts. As welfare payments fell as a share of personal income, child well being improved in some areas (via lower adolescent birth rates, a lower percentage of children referred to juvenile courts, and lower child poverty rates) and worsened in others (via lower reading and language arts scores).

These effects were also quite small, however. A 10-percent reduction in welfare payments as a share of personal income, from a mean of around 0.18 percent to a new value of 0.16 percent (all else held constant), would reduce the adolescent birth rate by 1.12 percent and the percentage of children referred to juvenile courts by 1.63 percent. A similar change would also reduce child poverty by 2.18 percent— our largest measured effect in the presence of other control variables. In terms of education outcomes, a 10-percent reduction in welfare payments as a share of personal income would reduce relative value-added scores in reading and language arts, but only by a very small 0.69 and 0.48 percent, respectively.

To summarize, Families First has affected a large number of children in Tennessee since its inception. Despite fears that the welfare reforms enacted in 1996 would unnecessarily harm welfare children, available data do not support such a conclusion. In fact, time limits and work requirements might have actually enriched the well being of children in welfare families. As Tennessee provides a relatively generous array of support services, these results substantiate the earlier finding that programs with more work supports have more success in generating positive child outcomes.

## 3.7. Child Well Being, *continued*

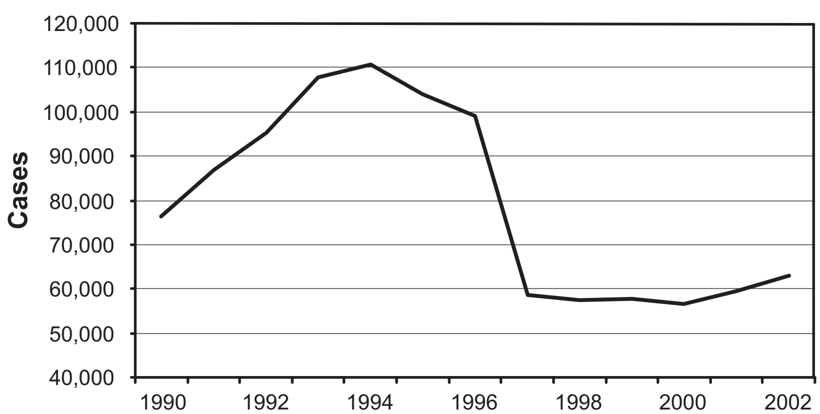
To be sure, much work remains to be done in this area. A large body of literature exists suggesting that the effects of various aspects of the home environment on child well being are sensitive to the age of the child. Thus, future waves of the FALS should be used to more carefully and thoroughly analyze the impact of various program elements on specific measures of child well being, using individual-level data. Further, children who have left the program should be compared with those who remain on the rolls, and they should be followed through time as they form their own families. Combining richer survey data on an individual basis with a multivariate approach will enable more conclusive statements about the effects of welfare and welfare reform on child well being.

## 3.8. Caseload Trends

As shown in Figure 3.6, welfare caseloads in Tennessee fell from a high of around 111,000 cases during the Aid for Families with Dependent Children (AFDC) program to just over 56,000 as part of the Families First program in 2000. Subsequently, caseloads began to rise, averaging 63,100 during 2002 and reaching 73,711 in September 2003 (not shown in the figure). This dramatic increase in caseloads has caught the attention of policymakers and analysts, leading many to question why the increase was so precipitous during what was a relatively mild economic slowdown.

CBER researchers recently undertook a study to identify the determinants of caseloads for the Families First program and to ascertain those factors that have led to an increase in caseloads during the past several years. The intent of this study was to examine the economic, demographic, and policy factors that are the underlying determinants of TANF caseloads, and then to use

**Figure 3.6. Average Monthly Families First Caseloads, 1990-2002**




*Source: Admiral.*

## 3.8. Caseload Trends, *continued*

this information to examine why caseloads have been rising in recent years.

A statistical model was developed using a panel of data on caseloads and their likely determinants for all 50 states for the years 1990 to 2000. It is necessary to use data for all states for many years in order to isolate how differing TANF policies and economic conditions have affected caseloads. The use of data prior to TANF (1997 and before) was necessary in order to examine how caseloads were affected by the transition from the AFDC program to Families First.

Our procedure estimates the effects of economic, demographic, and policy factors on state welfare caseloads (defined as a share of each state's population). This list of economic variables included the poverty rate, the average annual wage in the retail sector, median income, the rate of job growth, the share of non-agricultural jobs in the manufacturing, retail, and other services sectors, and the rate of growth of real US gross domestic product (GDP). Indicators for the year of each observation were also included to control for other macroeconomic factors at the national level, such as changes in inflation or tax policies. Demographic variables included the percent of the state's population between the ages of 0 and 14, 15 and 19, and 65 or over, and the percentage of those 25 and over with at least a high school diploma.

For policy variables, we considered each state's average welfare benefit amount, the size of the federal block grant and spending on child care (both measured per capita), indicators for the presence of diversion payment systems (one-time payments offered in many states to keep marginally-needy families off the welfare rolls), time limits of various lengths, immediate or near-immediate work requirements, the number of work requirement hours (including the number that must be spent on non-education activities), and an index of the number of allowable work activities.

Among the economic variables, caseloads (relative to the state's population) were found to have a statistically significant positive relationship with the state's share of population in poverty, the state's median income, and the average wage paid in the state's retail sector. These findings are consistent with the idea that TANF cases are larger when states have a potentially larger recipient group (because of a higher poverty rate). Also, states with higher income appear to be willing to engage in more redistribution through TANF.

Not surprisingly, caseloads were found to be negatively related to job growth, the share of jobs in the retail sector, and the percent of the population with a high school education. These findings indicate that a stronger economy and a better-educated work force result in fewer people seeking assistance through TANF programs. The retail sector is the primary source of jobs for TANF recipients, so caseloads fall when relatively more jobs are available in the retail sector. Retail wages appear to be a proxy for the different type of retail jobs available across states. The tendency for caseloads to rise with retail wages appears to evidence that higher paying retail jobs are less accessible to potential TANF recipients (particularly when considered across the states).

A number of policy factors were also found to be linked to caseloads, as shown in Table 3.1. TANF caseloads tended to be higher in states where the TANF block grant was larger, the maximum time limit was set longer, more of the

## 3.8. Caseload Trends, *continued*

work requirement had to be met with work rather than education, and the work requirement had to be met within three months of beginning TANF assistance. The results suggest that states offer more assistance, in terms of the number of recipients assisted, when the federal government provides a larger grant. Of course, the grant may be larger because the federal government expects larger recipient pools in the state. Longer time limits and a greater share of the work requirement in non-education activities are evidence of a less restrictive TANF program, and not surprisingly, less restrictive programs result in larger caseloads.

Thus, our statistical evidence indicated that states can lower their caseloads by imposing shorter time limits and allowing more of the work requirement to be met with education activities. The effects of an immediate or quick work requirement may be evidence that some people enter TANF expecting to receive the benefits while also being able to earn income from work. An example may be mothers who need TANF child care benefits in order to work.

**Table 3.1. Factors Affecting Caseloads**

**Factors Increasing Caseloads**

| | |
|---|---|
| Economic and Demographic Factors | Larger share of the population, 0-14 years* |
| | Higher share of the population in poverty |
| | Higher median income |
| | Higher manufacturing jobs share* |
| | Higher other service jobs* |
| | Higher retail job wages |
| Policy Factors | Larger per capita TANF block grant |
| | Longer time limits* |
| | Requiring more of the work requirement to be met with non-education hours |
| | Work requirements within 3 months |

**Factors Reducing Caseloads**

| | |
|---|---|
| Economic and Demographic Factors | Rapid job growth |
| | A greater share of the population with a high school education |
| | Higher retail jobs share |
| Policy Factors | Existence of diversion payments* |
| | Existence of interim time limit* |
| | Higher work requirement (more hours) |
| | Allowing more work requirement activities |

*These variables show a tendency for the indicated effect, but the variable is not statistically significant.

## 3.8. Caseload Trends, *continued*

Four policies directly reduce caseloads: existence of diversion payments, existence of interim time limits, higher work requirements, and more alternatives for meeting work requirements. The existence of diversion payments reduces caseloads, but costs of the diversion programs may result in lower savings in total program costs. States may allow up to 17 different activities to meet their work requirement; Tennessee permits 14 of these options. The results suggest that giving people more alternatives allows TANF recipients to develop the capacity to leave TANF more quickly.

The model did a very good job of explaining caseload trends in Tennessee between 1990 and 2000, so it is likely that the results can be used to accurately understand the more recent caseload trends. The deteriorating economy is probably the most important explanation for the caseload increase in 2001 and 2002. Specifically, lower job growth resulted in a large increase in caseloads. Also, retail sector jobs appeared to be less available to the Families First recipient group during these years. A limited set of data is available for the first part of 2003. Job growth is slightly better suggesting caseloads should have fallen to a small extent. However, the share of jobs in the retail sector and the recipient group's access to these jobs appear to have deteriorated again in 2003 and may help explain the caseload increase. Also, the recent reduction in manufacturing jobs may be playing a role. Further, Tennessee's population is up about 2.5 percent since 2000, and this explains some of the caseload increase.

Families First policy does not appear to have been a cause of the caseload increase during recent years. An obvious reason is that policy has not been altered significantly during the past several years, and any effects of policy on the overall caseload should have been felt earlier in the program.

Families First caseloads are significantly lower than they would be if Tennessee had adopted policies that are similar to those being implemented in a number of other states. A simulation revealed that Tennessee's caseload in 2002 is about 11,000 cases lower than it would otherwise have been because of the high work requirement, allowance of many alternatives for meeting the work requirement, a relatively low number of non-education hours to meet the work requirement, a binding interim time limit in Families First, and relatively low benefit payments.

The study concluded by noting that the best strategy for reducing Families First caseloads over the long term is to focus on the state's economy and its people. Stronger job growth and a greater pool of jobs that Families First recipients can compete for are very important to reducing the caseload, and these are factors that Tennessee can influence. Also, better education achievement will have a long and lasting effect on lowering caseloads.

## 3.9. Work in Progress

Members of the CBER research team are currently exploring a number of other interesting questions regarding the implementation of Families First in Tennessee. To begin, we are updating previous research on reentry and time limits using newer administrative data. Our findings on child well being are also being updated and extended in a new report that uses individual-level data from more recent FALS waves.

Work requirements are also being revisited this year, with particular attention given to the relative merits of work and education in terms of helping recipients become self-sufficient. Tennessee remains unique in its liberal provisions regarding the use of education and training as acceptable work requirement activities. However, little evidence is available regarding the relative impacts of work and education or training on measurable outcomes of interest such as employment, earnings, and poverty status.

We will soon be releasing a detailed analysis of the use of support services such as child care and transportation, along with an in-depth portrait of the post-program experiences of welfare leavers. Shorter reports, all based on survey data, will consider the effects of automobile access on employment outcomes, the incidence of poverty both during and after Families First participation, and the importance of marriage among welfare recipients.

Other work in progress is exploring the causes and effects of caseload fluctuations at the county level. Given that the welfare caseload fell by approximately 50 percent, with the remaining 50 percent required to work, it is important to examine how local labor markets have handled the changes. The sudden inflow of low-skill, low-wage labor might have placed upward pressure on unemployment rates. Wage rates might also have grown more slowly or perhaps declined as a result of the increase in labor supply.

## 3.10. Related Publications

For more details, consult the following CBER reports, which are available in electronic format at <http://cber.bus.utk.edu/welfare.htm>.

1. *Assessment of Families First Caseload Trends,* Center for Business and Economic Research, 2003.

2. *Work Requirements for Welfare Recipients,* Center for Business and Economic Research, 2003.

    Presented at the National Association for Welfare Research and Statistics Workshop in Albuquerque by John Deskins, 2002.

3. *Welfare Children in Tennessee: Who Are They and How Are They Doing?* Center for Business and Economic Research, 2003.

    Presented at the National Association for Welfare Research and Statistics Workshop in Albuquerque by Karie Barbour, 2002.

4. *An Analysis of Post-Reform Welfare Reentry in Tennessee,* Center for Business and Economic Research, 2001. (Revised version forthcoming in the *Southern Economic Journal).*

    Presented at the National Association for Welfare Research and Statistics Workshop in Baltimore by Karie Barbour, 2001.

5. *An Examination of Welfare Time Limits in Tennessee,* Center for Business and Economic Research, 2001.

    Presented at the National Association for Welfare Research and Statistics Workshop in Baltimore by Karie Barbour, 2001.

6. *Welfare Policies in Tennessee and Eight Neighboring States,* Center for Business and Economic Research, 2001.

7. *Welfare Reform in Tennessee: A Summary of Families First Policy,* Center for Business and Economic Research, 2001.

Contributing authors to this chapter and to the above reports are, alphabetically, Karie Barbour, Donald Bruce, John Deskins, William Fox, Brian Hill, Matthew Murray, Tami Richards, Ryan Russell, Angela Thacker, and Megan Watson.

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# Appendix

## Appendix A: Forecast Tables

## Appendix B: Historical Tables

# Appendix A

## In this section...

**Appendix A: Forecast Data**

| | | |
|---|---|---|
| Quarterly | QF1 to QF21 (2003Q3 to 2006Q1) |
| Annual | AF1 to AF20 (2003 to 2013) |

### Quarterly Forecast Tables



### Annual Forecast Tables

Center for Business and Economic Research

**Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| US GDP (Bil96$) SAAR………………………. | 9629.4 | 9821.2 | 9905.2 | 10011.7 | 10121.8 | 10246.1 | 10355.1 | 10451.2 | 10538.6 | 10615.1 | 10689.0 | 10772.3 | 9439.9 | 9726.9 | 10183.7 |
| % Chg Prev Qtr SAAR…………………. | 3.28 | 8.21 | 3.46 | 4.37 | 4.47 | 5.00 | 4.32 | 3.76 | 3.39 | 2.94 | 2.81 | 3.15 | 2.45 | 3.04 | 4.70 |
| % Chg Same Qtr Last Yr……………… | 2.52 | 3.54 | 4.07 | 4.81 | 5.11 | 4.33 | 4.54 | 4.39 | 4.12 | 3.60 | 3.22 | 3.07 | 2.45 | 3.04 | 4.70 |
| US GDP (Bil$) SAAR………………………… | 10802.7 | 11063.4 | 11202.3 | 11382.6 | 11551.5 | 11738.9 | 11913.1 | 12082.0 | 12233.4 | 12372.7 | 12512.7 | 12673.7 | 10446.3 | 10939.2 | 11646.5 |
| % Chg Prev Qtr SAAR…………………. | 4.35 | 10.01 | 5.12 | 6.59 | 6.07 | 6.65 | 6.07 | 5.79 | 5.11 | 4.64 | 4.60 | 5.24 | 3.61 | 4.72 | 6.47 |
| % Chg Same Qtr Last Yr……………… | 4.10 | 5.30 | 5.79 | 6.49 | 6.93 | 6.11 | 6.34 | 6.14 | 5.90 | 5.40 | 5.03 | 4.90 | 3.61 | 4.72 | 6.47 |
| CHAINED PRICE INDEX, GDP (1996=1.0) | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 |
| % Chg Prev Qtr SAAR…………………. | 1.00 | 1.67 | 1.61 | 2.13 | 1.53 | 1.57 | 1.67 | 1.96 | 1.66 | 1.65 | 1.74 | 2.03 | 1.13 | 1.63 | 1.69 |
| % Chg Same Qtr Last Yr……………… | 1.54 | 1.70 | 1.66 | 1.60 | 1.73 | 1.71 | 1.72 | 1.68 | 1.71 | 1.74 | 1.75 | 1.77 | 1.13 | 1.63 | 1.69 |
| US PERS CONSUMP DEFL (1996=1.0)….. | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.2 |
| % Chg Prev Qtr SAAR…………………. | 0.81 | 2.31 | 1.90 | 1.25 | 1.23 | 1.92 | 2.02 | 1.81 | 1.76 | 1.85 | 1.98 | 2.08 | 1.37 | 1.96 | 1.60 |
| % Chg Same Qtr Last Yr……………… | 1.76 | 1.91 | 1.93 | 1.56 | 1.67 | 1.57 | 1.60 | 1.74 | 1.88 | 1.86 | 1.85 | 1.92 | 1.37 | 1.96 | 1.60 |
| TN PERSONAL INCOME (MIL96$) SAAR… | 144839 | 145487 | 146639 | 148668 | 149881 | 150834 | 152164 | 154068 | 155374 | 156503 | 157573 | 158838 | 142904 | 145262 | 150387 |
| % Chg Prev Qtr SAAR…………………. | 2.12 | 1.80 | 3.21 | 5.65 | 3.30 | 2.57 | 3.57 | 5.10 | 3.43 | 2.94 | 2.76 | 3.25 | 1.58 | 1.65 | 3.53 |
| % Chg Same Qtr Last Yr……………… | 1.13 | 1.73 | 2.26 | 3.18 | 3.48 | 3.68 | 3.77 | 3.63 | 3.66 | 3.76 | 3.55 | 3.10 | 1.58 | 1.65 | 3.53 |
| US PERSONAL INCOME (BIL96$) SAAR… | 8113.9 | 8149.3 | 8204.3 | 8288.3 | 8368.0 | 8444.9 | 8529.5 | 8613.4 | 8692.2 | 8761.8 | 8826.1 | 8909.4 | 8033.3 | 8132.6 | 8407.7 |
| % Chg Prev Qtr SAAR…………………. | 2.56 | 1.76 | 2.72 | 4.16 | 3.90 | 3.73 | 4.07 | 3.99 | 3.71 | 3.24 | 2.97 | 3.83 | 1.34 | 1.24 | 3.38 |
| % Chg Same Qtr Last Yr……………… | 0.94 | 1.30 | 1.83 | 2.80 | 3.13 | 3.63 | 3.96 | 3.92 | 3.87 | 3.75 | 3.48 | 3.44 | 1.34 | 1.24 | 3.38 |
| TN PERSONAL INCOME (MIL$) SAAR…… | 163441 | 165146 | 166999 | 169694 | 171604 | 173532 | 175928 | 178957 | 181345 | 183572 | 185709 | 188137 | 158717 | 164461 | 172689 |
| % Chg Prev Qtr SAAR…………………. | 2.94 | 4.24 | 4.56 | 6.61 | 4.58 | 4.57 | 5.64 | 7.07 | 5.44 | 5.00 | 4.74 | 5.33 | 2.98 | 3.62 | 5.00 |
| % Chg Same Qtr Last Yr……………… | 2.92 | 3.70 | 4.11 | 4.58 | 4.99 | 5.08 | 5.35 | 5.46 | 5.68 | 5.79 | 5.56 | 5.13 | 2.98 | 3.62 | 5.00 |
| US PERSONAL INCOME (BIL$) SAAR……. | 9156.0 | 9248.6 | 9354.8 | 9480.1 | 9600.5 | 9734.9 | 9881.8 | 10023.7 | 10159.6 | 10287.8 | 10414.3 | 10566.7 | 8922.2 | 9209.9 | 9674.3 |
| % Chg Prev Qtr SAAR…………………. | 3.38 | 4.11 | 4.67 | 5.46 | 5.18 | 5.72 | 6.17 | 5.87 | 5.53 | 5.15 | 5.01 | 5.99 | 2.73 | 3.22 | 5.04 |
| % Chg Same Qtr Last Yr……………… | 2.71 | 3.23 | 3.80 | 4.40 | 4.85 | 5.26 | 5.63 | 5.73 | 5.82 | 5.68 | 5.39 | 5.42 | 2.73 | 3.22 | 5.04 |
| TN NONFARM JOBS (THOUS)……………. | 2669.7 | 2674.6 | 2678.7 | 2694.4 | 2698.3 | 2709.6 | 2717.5 | 2736.7 | 2749.1 | 2767.4 | 2779.1 | 2794.8 | 2667.2 | 2671.9 | 2704.9 |
| % Chg Prev Qtr SAAR…………………. | 0.72 | 0.74 | 0.61 | 2.37 | 0.59 | 1.68 | 1.17 | 2.86 | 1.81 | 2.70 | 1.70 | 2.28 | -0.80 | 0.18 | 1.24 |
| % Chg Same Qtr Last Yr……………… | 0.08 | 0.03 | 0.44 | 1.11 | 1.07 | 1.31 | 1.45 | 1.57 | 1.88 | 2.14 | 2.27 | 2.12 | -0.80 | 0.18 | 1.24 |
| US NONFARM JOBS (MIL)…………………. | 130.0 | 129.9 | 130.2 | 130.8 | 131.7 | 132.6 | 133.5 | 134.3 | 135.1 | 135.7 | 136.2 | 136.6 | 130.4 | 130.1 | 132.1 |
| % Chg Prev Qtr SAAR…………………. | -0.74 | -0.22 | 1.04 | 1.56 | 2.82 | 2.91 | 2.58 | 2.49 | 2.38 | 1.84 | 1.40 | 1.31 | -1.10 | -0.22 | 1.56 |
| % Chg Same Qtr Last Yr……………… | -0.32 | -0.25 | -0.07 | 0.41 | 1.29 | 2.08 | 2.47 | 2.70 | 2.59 | 2.32 | 2.03 | 1.73 | -1.10 | -0.22 | 1.56 |
| TN UNEMPLOYMENT RATE (%)…………. | 5.2 | 5.2 | 5.6 | 5.4 | 5.4 | 5.2 | 4.9 | 4.6 | 4.7 | 4.7 | 4.6 | 4.4 | 5.1 | 5.2 | 5.2 |
| US UNEMPLOYMENT RATE (%)…………. | 6.2 | 6.1 | 6.0 | 5.9 | 5.8 | 5.7 | 5.5 | 5.4 | 5.4 | 5.4 | 5.5 | 5.5 | 5.8 | 6.0 | 5.7 |
| BANK PRIME INTEREST RATE (%)………. | 4.2 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.2 | 4.4 | 4.8 | 5.0 | 5.3 | 5.3 | 4.7 | 4.1 | 4.1 |
| TN MFG JOBS (THOUS)……………………. | 415.0 | 413.1 | 411.0 | 409.8 | 410.2 | 410.3 | 410.1 | 411.4 | 412.3 | 412.7 | 412.3 | 413.7 | 426.6 | 414.2 | 410.1 |
| % Chg Prev Qtr SAAR…………………. | -2.61 | -1.81 | -2.03 | -1.13 | 0.43 | 0.01 | -0.13 | 1.25 | 0.86 | 0.41 | -0.41 | 1.45 | -6.07 | -2.92 | -0.98 |
| % Chg Same Qtr Last Yr……………… | -3.25 | -2.83 | -2.48 | -1.89 | -1.14 | -0.68 | -0.20 | 0.39 | 0.50 | 0.59 | 0.52 | 0.57 | -6.07 | -2.92 | -0.98 |

(CONTINUED ON NEXT PAGE)

**Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TN TAXABLE SALES (MIL96$)................ | 16909 | 17398 | 17034 | 17129 | 17308 | 17662 | 17632 | 17691 | 17871 | 17997 | 18140 | 18160 | 67359 | 68006 | 69732 |
| % Chg Prev Qtr SAAR..................... | 5.99 | 12.07 | -8.09 | 2.25 | 4.24 | 8.44 | -0.69 | 1.36 | 4.12 | 2.86 | 3.21 | 0.43 | -0.97 | 0.96 | 2.54 |
| % Chg Same Qtr Last Yr.................. | -0.43 | 5.92 | 0.84 | 2.79 | 2.36 | 1.52 | 3.51 | 3.28 | 3.25 | 1.90 | 2.88 | 2.65 | -0.97 | 0.96 | 2.54 |
| TN TAXABLE SALES (MIL$)................... | 19081 | 19749 | 19400 | 19552 | 19817 | 20320 | 20385 | 20549 | 20858 | 21110 | 21379 | 21509 | 74808 | 76996 | 80074 |
| % Chg Prev Qtr SAAR..................... | 6.84 | 14.76 | -6.89 | 3.18 | 5.52 | 10.56 | 1.29 | 3.26 | 6.14 | 4.92 | 5.20 | 2.45 | 0.39 | 2.93 | 4.00 |
| % Chg Same Qtr Last Yr.................. | 1.33 | 7.96 | 2.66 | 4.18 | 3.86 | 2.89 | 5.08 | 5.10 | 5.26 | 3.89 | 4.88 | 4.67 | 0.39 | 2.93 | 4.00 |
| TN AVG ANNUAL WAGE, NONFARM (96$) | 29853 | 29899 | 30003 | 30103 | 30294 | 30330 | 30444 | 30593 | 30731 | 30759 | 30742 | 30972 | 29661 | 29902 | 30293 |
| % Chg Prev Qtr SAAR..................... | 0.01 | 0.62 | 1.39 | 1.33 | 2.56 | 0.49 | 1.51 | 1.97 | 1.82 | 0.36 | -0.22 | 3.03 | 1.51 | 0.81 | 1.31 |
| % Chg Same Qtr Last Yr.................. | 0.36 | 1.17 | 1.30 | 0.84 | 1.48 | 1.44 | 1.47 | 1.63 | 1.44 | 1.41 | 0.98 | 1.24 | 1.51 | 0.81 | 1.31 |
| TN AVG ANNUAL WAGE, NONFARM ($) | 33687 | 33940 | 34169 | 34360 | 34684 | 34895 | 35199 | 35535 | 35868 | 36079 | 36231 | 36685 | 32943 | 33854 | 34784 |
| % Chg Prev Qtr SAAR..................... | 0.82 | 3.03 | 2.73 | 2.26 | 3.83 | 2.45 | 3.53 | 3.87 | 3.80 | 2.37 | 1.70 | 5.11 | 2.90 | 2.76 | 2.75 |
| % Chg Same Qtr Last Yr.................. | 2.13 | 3.12 | 3.13 | 2.20 | 2.96 | 2.81 | 3.01 | 3.42 | 3.41 | 3.39 | 2.93 | 3.24 | 2.90 | 2.76 | 2.75 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| US GDP (96$) SAAR............................... | 33048 | 33632 | 33846 | 34136 | 34437 | 34785 | 35080 | 35330 | 35550 | 35732 | 35905 | 36109 | 32672 | 33348 | 34610 |
| % Chg Prev Qtr SAAR...................... | 2.30 | 7.27 | 2.57 | 3.47 | 3.57 | 4.11 | 3.44 | 2.88 | 2.51 | 2.07 | 1.95 | 2.29 | 1.38 | 2.07 | 3.79 |
| % Chg Same Qtr Last Yr.................. | 1.54 | 2.57 | 3.12 | 3.88 | 4.20 | 3.43 | 3.65 | 3.50 | 3.23 | 2.72 | 2.35 | 2.20 | 1.38 | 2.07 | 3.79 |
| US GDP ($) SAAR.................................. | 37074 | 37886 | 38279 | 38810 | 39301 | 39853 | 40358 | 40843 | 41267 | 41649 | 42031 | 42482 | 36155 | 37504 | 39582 |
| % Chg Prev Qtr SAAR...................... | 3.35 | 9.05 | 4.21 | 5.67 | 5.15 | 5.74 | 5.16 | 4.89 | 4.22 | 3.75 | 3.72 | 4.36 | 2.53 | 3.73 | 5.54 |
| % Chg Same Qtr Last Yr.................. | 3.11 | 4.32 | 4.83 | 5.55 | 6.01 | 5.19 | 5.43 | 5.24 | 5.00 | 4.50 | 4.15 | 4.01 | 2.53 | 3.73 | 5.54 |
| TN PERSONAL INCOME (96$) SAAR........ | 24778 | 24798 | 24904 | 25157 | 25271 | 25339 | 25470 | 25695 | 25820 | 25922 | 26013 | 26136 | 24624 | 24794 | 25309 |
| % Chg Prev Qtr SAAR...................... | 1.28 | 0.33 | 1.72 | 4.13 | 1.82 | 1.08 | 2.08 | 3.59 | 1.95 | 1.59 | 1.42 | 1.91 | 0.73 | 0.69 | 2.08 |
| % Chg Same Qtr Last Yr.................. | 0.30 | 0.73 | 1.10 | 1.85 | 1.99 | 2.18 | 2.27 | 2.14 | 2.17 | 2.30 | 2.13 | 1.72 | 0.73 | 0.69 | 2.08 |
| US PERSONAL INCOME (96$) SAAR........ | 27847 | 27907 | 28034 | 28260 | 28470 | 28670 | 28895 | 29117 | 29321 | 29493 | 29647 | 29864 | 27804 | 27882 | 28574 |
| % Chg Prev Qtr SAAR...................... | 1.58 | 0.87 | 1.83 | 3.26 | 3.01 | 2.84 | 3.18 | 3.11 | 2.83 | 2.37 | 2.10 | 2.96 | 0.28 | 0.28 | 2.48 |
| % Chg Same Qtr Last Yr.................. | -0.03 | 0.35 | 0.90 | 1.88 | 2.24 | 2.73 | 3.07 | 3.03 | 2.99 | 2.87 | 2.60 | 2.56 | 0.28 | 0.28 | 2.48 |
| TN PERSONAL INCOME ($) SAAR........... | 27960 | 28149 | 28361 | 28715 | 28934 | 29152 | 29448 | 29846 | 30136 | 30405 | 30658 | 30958 | 27349 | 28071 | 29062 |
| % Chg Prev Qtr SAAR...................... | 2.10 | 2.73 | 3.05 | 5.08 | 3.08 | 3.06 | 4.12 | 5.53 | 3.93 | 3.63 | 3.37 | 3.96 | 2.11 | 2.64 | 3.53 |
| % Chg Same Qtr Last Yr.................. | 2.07 | 2.68 | 2.93 | 3.23 | 3.48 | 3.56 | 3.83 | 3.94 | 4.16 | 4.30 | 4.11 | 3.72 | 2.11 | 2.64 | 3.53 |
| US PERSONAL INCOME ($) SAAR........... | 31423 | 31672 | 31966 | 32324 | 32663 | 33050 | 33476 | 33885 | 34271 | 34630 | 34982 | 35420 | 30880 | 31575 | 32879 |
| % Chg Prev Qtr SAAR...................... | 2.40 | 3.20 | 3.77 | 4.55 | 4.27 | 4.82 | 5.27 | 4.97 | 4.64 | 4.26 | 4.13 | 5.10 | 1.66 | 2.25 | 4.13 |
| % Chg Same Qtr Last Yr.................. | 1.73 | 2.27 | 2.85 | 3.48 | 3.95 | 4.35 | 4.73 | 4.83 | 4.92 | 4.78 | 4.50 | 4.53 | 1.66 | 2.25 | 4.13 |
| TN TAXABLE SALES (96$)...................... | 2893 | 2965 | 2893 | 2899 | 2918 | 2967 | 2951 | 2951 | 2970 | 2981 | 2995 | 2988 | 11607 | 11608 | 11735 |
| % Chg Prev Qtr SAAR...................... | 5.12 | 10.45 | -9.42 | 0.78 | 2.74 | 6.87 | -2.12 | -0.10 | 2.63 | 1.51 | 1.87 | -0.88 | -1.80 | 0.00 | 1.10 |
| % Chg Same Qtr Last Yr.................. | -1.25 | 4.88 | -0.30 | 1.46 | 0.89 | 0.06 | 2.02 | 1.79 | 1.76 | 0.46 | 1.47 | 1.27 | -1.80 | 0.00 | 1.10 |
| TN TAXABLE SALES ($)......................... | 3264 | 3366 | 3295 | 3309 | 3341 | 3414 | 3412 | 3427 | 3466 | 3497 | 3529 | 3539 | 12891 | 13142 | 13476 |
| % Chg Prev Qtr SAAR...................... | 5.96 | 13.10 | -8.23 | 1.70 | 4.01 | 8.96 | -0.17 | 1.77 | 4.62 | 3.55 | 3.83 | 1.12 | -0.46 | 1.95 | 2.54 |
| % Chg Same Qtr Last Yr.................. | 0.49 | 6.90 | 1.50 | 2.84 | 2.36 | 1.41 | 3.57 | 3.59 | 3.74 | 2.43 | 3.44 | 3.27 | -0.46 | 1.95 | 2.54 |

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**Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TN PERSONAL INCOME……………..……. | 144839 | 145487 | 146639 | 148668 | 149881 | 150834 | 152164 | 154068 | 155374 | 156503 | 157573 | 158838 | 142904 | 145262 | 150387 |
| % Chg Prev Qtr SAAR……………. | 2.12 | 1.80 | 3.21 | 5.65 | 3.30 | 2.57 | 3.57 | 5.10 | 3.43 | 2.94 | 2.76 | 3.25 | 1.58 | 1.65 | 3.53 |
| % Chg Same Qtr Last Yr…………. | 1.13 | 1.73 | 2.26 | 3.18 | 3.48 | 3.68 | 3.77 | 3.63 | 3.66 | 3.76 | 3.55 | 3.10 | 1.58 | 1.65 | 3.53 |
| WAGES AND SALARIES……………… | 80280 | 80557 | 80965 | 81714 | 82358 | 82805 | 83362 | 84363 | 85128 | 85777 | 86097 | 87232 | 79681 | 80480 | 82560 |
| % Chg Prev Qtr SAAR……………. | 0.80 | 1.39 | 2.04 | 3.75 | 3.19 | 2.19 | 2.72 | 4.89 | 3.68 | 3.09 | 1.50 | 5.38 | 0.74 | 1.00 | 2.58 |
| % Chg Same Qtr Last Yr…………. | 0.44 | 1.21 | 1.79 | 1.99 | 2.59 | 2.79 | 2.96 | 3.24 | 3.36 | 3.59 | 3.28 | 3.40 | 0.74 | 1.00 | 2.58 |
| OTHER LABOR INCOME……………. | 10110 | 10257 | 10440 | 10642 | 10773 | 10906 | 11043 | 11208 | 11325 | 11455 | 11607 | 11766 | 9665 | 10209 | 10841 |
| % Chg Prev Qtr SAAR……………. | 3.30 | 5.96 | 7.32 | 7.99 | 5.00 | 5.02 | 5.11 | 6.14 | 4.22 | 4.70 | 5.41 | 5.60 | 6.77 | 5.62 | 6.19 |
| % Chg Same Qtr Last Yr…………. | 5.30 | 5.30 | 5.73 | 6.13 | 6.56 | 6.32 | 5.77 | 5.32 | 5.12 | 5.04 | 5.11 | 4.98 | 6.77 | 5.62 | 6.19 |
| PROPRIETORS INCOME……………. | 15640 | 16006 | 16157 | 16399 | 16573 | 16776 | 16933 | 17064 | 17309 | 17484 | 17609 | 17363 | 15337 | 15808 | 16670 |
| % Chg Prev Qtr SAAR……………. | 5.54 | 9.68 | 3.82 | 6.14 | 4.32 | 4.97 | 3.82 | 3.13 | 5.85 | 4.11 | 2.89 | -5.47 | 3.74 | 3.07 | 5.45 |
| % Chg Same Qtr Last Yr…………. | 2.33 | 4.07 | 4.02 | 6.27 | 5.97 | 4.81 | 4.81 | 4.06 | 4.44 | 4.22 | 3.99 | 1.75 | 3.74 | 3.07 | 5.45 |
| RENT, INTEREST, DIVIDENDS……… | 21220 | 21159 | 21435 | 21854 | 21955 | 21998 | 22414 | 22755 | 22948 | 22896 | 23349 | 23640 | 21795 | 21279 | 22055 |
| % Chg Prev Qtr SAAR……………. | -1.51 | -1.14 | 5.33 | 8.05 | 1.85 | 0.79 | 7.78 | 6.21 | 3.43 | -0.89 | 8.15 | 5.07 | -1.15 | -2.37 | 3.65 |
| % Chg Same Qtr Last Yr…………. | -3.76 | -3.03 | -0.55 | 2.60 | 3.46 | 3.97 | 4.57 | 4.12 | 4.52 | 4.08 | 4.17 | 3.89 | -1.15 | -2.37 | 3.65 |
| TRANSFER PAYMENTS……………… | 26244 | 26363 | 26612 | 27167 | 27455 | 27682 | 27855 | 28233 | 28324 | 28659 | 28797 | 28837 | 24952 | 26262 | 27539 |
| % Chg Prev Qtr SAAR……………. | 6.59 | 1.83 | 3.83 | 8.60 | 4.30 | 3.35 | 2.52 | 5.55 | 1.30 | 4.81 | 1.94 | 0.56 | 7.85 | 5.25 | 4.86 |
| % Chg Same Qtr Last Yr…………. | 5.38 | 5.48 | 4.69 | 5.18 | 4.61 | 5.00 | 4.67 | 3.93 | 3.17 | 3.53 | 3.38 | 2.14 | 7.85 | 5.25 | 4.86 |
| LESS: PERS CONT FOR SOC INS… | 6559 | 6513 | 6468 | 6471 | 6471 | 6455 | 6451 | 6450 | 6443 | 6442 | 6451 | 6457 | 6445 | 6520 | 6462 |
| % Chg Prev Qtr SAAR……………. | 1.16 | -2.74 | -2.75 | 0.19 | -0.02 | -0.96 | -0.24 | -0.06 | -0.42 | -0.07 | 0.51 | 0.39 | 3.46 | 1.16 | -0.89 |
| % Chg Same Qtr Last Yr…………. | 1.58 | 1.05 | 0.35 | -1.05 | -1.34 | -0.89 | -0.26 | -0.32 | -0.42 | -0.20 | -0.01 | 0.10 | 3.46 | 1.16 | -0.89 |
| RESIDENCE ADJUSTMENT………… | -2096 | -2342 | -2502 | -2637 | -2762 | -2878 | -2992 | -3105 | -3217 | -3327 | -3436 | -3544 | -2081 | -2257 | -2817 |
| % Chg Prev Qtr SAAR……………. | 1.41 | 55.94 | 30.29 | 23.40 | 20.23 | 17.91 | 16.80 | 16.06 | 15.19 | 14.40 | 13.84 | 13.13 | 72.56 | 8.49 | 24.80 |
| % Chg Same Qtr Last Yr…………. | 0.17 | 12.76 | 20.60 | 26.27 | 31.76 | 22.87 | 19.56 | 17.74 | 16.48 | 15.61 | 14.87 | 14.14 | 72.56 | 8.49 | 24.80 |
| PER CAPITA PERSONAL INCOME ($)… | 24778 | 24798 | 24904 | 25157 | 25271 | 25339 | 25470 | 25695 | 25820 | 25922 | 26013 | 26136 | 24624 | 24794 | 25309 |
| % Chg Prev Qtr SAAR……………. | 1.28 | 0.33 | 1.72 | 4.13 | 1.82 | 1.08 | 2.08 | 3.59 | 1.95 | 1.59 | 1.42 | 1.91 | 0.73 | 0.69 | 2.08 |
| % Chg Same Qtr Last Yr…………. | 0.30 | 0.73 | 1.10 | 1.85 | 1.99 | 2.18 | 2.27 | 2.14 | 2.17 | 2.30 | 2.13 | 1.72 | 0.73 | 0.69 | 2.08 |

**Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TN PERSONAL INCOME........................ | 163441 | 165146 | 166999 | 169694 | 171604 | 173532 | 175928 | 178957 | 181345 | 183572 | 185709 | 188137 | 158717 | 164461 | 172689 |
| % Chg Prev Qtr SAAR.................. | 2.94 | 4.24 | 4.56 | 6.61 | 4.58 | 4.57 | 5.64 | 7.07 | 5.44 | 5.00 | 4.74 | 5.33 | 2.98 | 3.62 | 5.00 |
| % Chg Same Qtr Last Yr............... | 2.92 | 3.70 | 4.11 | 4.58 | 4.99 | 5.08 | 5.35 | 5.46 | 5.68 | 5.79 | 5.56 | 5.13 | 2.98 | 3.62 | 5.00 |
| WAGES AND SALARIES................... | 90590 | 91442 | 92206 | 93271 | 94294 | 95266 | 96381 | 97991 | 99358 | 100613 | 101471 | 103323 | 88496 | 91117 | 94803 |
| % Chg Prev Qtr SAAR.................. | 1.61 | 3.82 | 3.38 | 4.70 | 4.46 | 4.19 | 4.76 | 6.85 | 5.70 | 5.15 | 3.45 | 7.50 | 2.12 | 2.96 | 4.05 |
| % Chg Same Qtr Last Yr............... | 2.21 | 3.16 | 3.63 | 3.37 | 4.09 | 4.18 | 4.53 | 5.06 | 5.37 | 5.61 | 5.28 | 5.44 | 2.12 | 2.96 | 4.05 |
| OTHER LABOR INCOME.................. | 11408 | 11643 | 11889 | 12148 | 12334 | 12547 | 12767 | 13019 | 13218 | 13437 | 13680 | 13937 | 10736 | 11558 | 12449 |
| % Chg Prev Qtr SAAR.................. | 4.14 | 8.50 | 8.73 | 8.97 | 6.29 | 7.07 | 7.21 | 8.13 | 6.24 | 6.80 | 7.44 | 7.73 | 8.24 | 7.66 | 7.71 |
| % Chg Same Qtr Last Yr............... | 7.16 | 7.34 | 7.64 | 7.57 | 8.12 | 7.76 | 7.38 | 7.17 | 7.16 | 7.09 | 7.15 | 7.05 | 8.24 | 7.66 | 7.71 |
| PROPRIETORS INCOME.................. | 17649 | 18169 | 18400 | 18718 | 18975 | 19300 | 19578 | 19821 | 20202 | 20508 | 20753 | 20566 | 17035 | 17899 | 19143 |
| % Chg Prev Qtr SAAR.................. | 6.39 | 12.31 | 5.18 | 7.11 | 5.61 | 7.02 | 5.89 | 5.06 | 7.91 | 6.20 | 4.87 | -3.56 | 5.17 | 5.07 | 6.95 |
| % Chg Same Qtr Last Yr............... | 4.13 | 6.08 | 5.90 | 7.71 | 7.52 | 6.23 | 6.40 | 5.89 | 6.46 | 6.26 | 6.00 | 3.76 | 5.17 | 5.07 | 6.95 |
| RENT, INTEREST, DIVIDENDS........... | 23945 | 24018 | 24411 | 24945 | 25137 | 25309 | 25915 | 26431 | 26783 | 26857 | 27519 | 28001 | 24206 | 24091 | 25326 |
| % Chg Prev Qtr SAAR.................. | -0.72 | 1.22 | 6.71 | 9.04 | 3.11 | 2.76 | 9.93 | 8.20 | 5.45 | 1.10 | 10.23 | 7.19 | 0.20 | -0.48 | 5.13 |
| % Chg Same Qtr Last Yr............... | -2.06 | -1.16 | 1.25 | 3.99 | 4.98 | 5.37 | 6.16 | 5.96 | 6.55 | 6.12 | 6.19 | 5.94 | 0.20 | -0.48 | 5.13 |
| TRANSFER PAYMENTS................... | 29615 | 29926 | 30307 | 31009 | 31434 | 31847 | 32205 | 32794 | 33059 | 33616 | 33939 | 34156 | 27715 | 29734 | 31624 |
| % Chg Prev Qtr SAAR.................. | 7.45 | 4.27 | 5.20 | 9.59 | 5.59 | 5.37 | 4.57 | 7.53 | 3.27 | 6.91 | 3.90 | 2.59 | 9.33 | 7.29 | 6.36 |
| % Chg Same Qtr Last Yr............... | 7.24 | 7.52 | 6.58 | 6.60 | 6.14 | 6.42 | 6.26 | 5.76 | 5.17 | 5.55 | 5.38 | 4.15 | 9.33 | 7.29 | 6.36 |
| LESS: PERS CONT FOR SOC INS...... | 7401 | 7393 | 7366 | 7386 | 7409 | 7427 | 7459 | 7492 | 7520 | 7556 | 7602 | 7648 | 7159 | 7381 | 7420 |
| % Chg Prev Qtr SAAR.................. | 1.97 | -0.41 | -1.47 | 1.10 | 1.21 | 0.97 | 1.75 | 1.80 | 1.51 | 1.94 | 2.45 | 2.42 | 4.87 | 3.11 | 0.52 |
| % Chg Same Qtr Last Yr............... | 3.37 | 3.00 | 2.16 | 0.29 | 0.10 | 0.45 | 1.26 | 1.43 | 1.51 | 1.75 | 1.93 | 2.08 | 4.87 | 3.11 | 0.52 |
| RESIDENCE ADJUSTMENT.............. | -2365 | -2659 | -2850 | -3010 | -3162 | -3311 | -3459 | -3607 | -3754 | -3902 | -4050 | -4198 | -2311 | -2556 | -3235 |
| % Chg Prev Qtr SAAR.................. | 2.23 | 59.68 | 32.00 | 24.53 | 21.72 | 20.21 | 19.13 | 18.23 | 17.43 | 16.70 | 16.03 | 15.41 | 74.92 | 10.63 | 26.57 |
| % Chg Same Qtr Last Yr............... | 1.94 | 14.94 | 22.77 | 27.99 | 33.69 | 24.53 | 21.38 | 19.81 | 18.74 | 17.87 | 17.09 | 16.39 | 74.92 | 10.63 | 26.57 |
| PER CAPITA PERSONAL INCOME ($)...... | 27960 | 28149 | 28361 | 28715 | 28934 | 29152 | 29448 | 29846 | 30136 | 30405 | 30658 | 30958 | 27349 | 28071 | 29062 |
| % Chg Prev Qtr SAAR.................. | 2.10 | 2.73 | 3.05 | 5.08 | 3.08 | 3.06 | 4.12 | 5.53 | 3.93 | 3.63 | 3.37 | 3.96 | 2.11 | 2.64 | 3.53 |
| % Chg Same Qtr Last Yr............... | 2.07 | 2.68 | 2.93 | 3.23 | 3.48 | 3.56 | 3.83 | 3.94 | 4.16 | 4.30 | 4.11 | 3.72 | 2.11 | 2.64 | 3.53 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONFARM | 2676.4 | 2677.3 | 2702.4 | 2665.0 | 2701.9 | 2711.6 | 2741.5 | 2706.9 | 2752.7 | 2769.6 | 2803.7 | 2764.3 | 2666.2 | 2673.2 | 2705.0 |
| % Chg Same Qtr Last Yr | 0.01 | 0.03 | 0.62 | 1.07 | 0.95 | 1.28 | 1.45 | 1.57 | 1.88 | 2.14 | 2.27 | 2.12 | -0.82 | 0.27 | 1.19 |
| NATURAL RESOURCES & MINING | 4.4 | 4.4 | 4.4 | 4.2 | 4.4 | 4.4 | 4.5 | 4.3 | 4.4 | 4.4 | 4.2 | 4.0 | 4.6 | 4.4 | 4.4 |
| % Chg Same Qtr Last Yr | -5.71 | -5.04 | -0.01 | -0.96 | 0.91 | 0.55 | 1.24 | 1.62 | -0.59 | -0.81 | -5.80 | -5.91 | -7.61 | -3.85 | 0.45 |
| CONSTRUCTION | 110.3 | 113.1 | 110.9 | 106.7 | 114.4 | 116.2 | 113.2 | 108.5 | 116.2 | 118.4 | 115.7 | 110.7 | 114.4 | 110.0 | 112.6 |
| % Chg Same Qtr Last Yr | -4.00 | -3.96 | -3.17 | 0.89 | 3.68 | 2.79 | 2.07 | 1.75 | 1.59 | 1.85 | 2.24 | 1.99 | -4.96 | -3.85 | 2.38 |
| MANUFACTURING | 415.7 | 414.6 | 410.8 | 407.7 | 411.0 | 411.8 | 409.9 | 409.3 | 413.1 | 414.2 | 412.0 | 411.6 | 426.6 | 414.2 | 410.1 |
| % Chg Same Qtr Last Yr | -3.25 | -2.81 | -2.49 | -1.91 | -1.12 | -0.68 | -0.21 | 0.39 | 0.51 | 0.59 | 0.51 | 0.57 | -6.07 | -2.93 | -0.98 |
| DURABLE GOODS | 253.0 | 250.9 | 249.6 | 249.3 | 252.7 | 253.3 | 253.2 | 253.7 | 257.1 | 257.4 | 256.9 | 257.9 | 258.9 | 251.6 | 252.1 |
| % Chg Same Qtr Last Yr | -2.88 | -3.13 | -2.64 | -1.50 | -0.13 | 0.93 | 1.44 | 1.80 | 1.74 | 1.62 | 1.47 | 1.63 | -6.59 | -2.81 | 0.18 |
| NONDURABLE GOODS | 162.7 | 163.6 | 161.2 | 158.4 | 158.3 | 158.5 | 156.8 | 155.5 | 156.0 | 156.8 | 155.1 | 153.8 | 167.7 | 162.5 | 158.0 |
| % Chg Same Qtr Last Yr | -3.82 | -2.33 | -2.26 | -2.53 | -2.66 | -3.14 | -2.77 | -1.83 | -1.47 | -1.05 | -1.04 | -1.15 | -5.26 | -3.11 | -2.78 |
| TRADE, TRANSPORTATION, UTILITIES | 569.5 | 574.6 | 590.7 | 571.8 | 573.4 | 578.6 | 598.1 | 579.7 | 585.8 | 591.5 | 610.5 | 590.5 | 575.3 | 574.6 | 580.5 |
| % Chg Same Qtr Last Yr | -0.59 | -0.21 | 1.22 | 1.43 | 0.68 | 0.70 | 1.25 | 1.38 | 2.16 | 2.22 | 2.07 | 1.86 | -2.52 | -0.11 | 1.01 |
| WHOLESALE TRADE | 127.3 | 128.3 | 127.8 | 127.4 | 128.2 | 129.2 | 129.6 | 130.2 | 131.3 | 132.5 | 132.9 | 132.6 | 126.2 | 127.5 | 128.6 |
| % Chg Same Qtr Last Yr | 1.35 | 1.08 | 0.44 | 0.61 | 0.73 | 0.67 | 1.43 | 2.19 | 2.36 | 2.52 | 2.49 | 1.84 | -1.03 | 1.05 | 0.86 |
| RETAIL TRADE | 308.8 | 311.8 | 321.5 | 308.5 | 311.4 | 312.5 | 323.2 | 311.5 | 317.1 | 319.3 | 330.4 | 318.8 | 311.3 | 311.6 | 313.9 |
| % Chg Same Qtr Last Yr | -0.40 | 0.49 | 1.18 | 1.36 | 0.85 | 0.20 | 0.54 | 0.98 | 1.84 | 2.20 | 2.22 | 2.33 | -2.46 | 0.11 | 0.73 |
| TRANSPORTATION & UTILITIES | 133.4 | 134.4 | 137.1 | 136.1 | 136.5 | 138.4 | 140.8 | 138.3 | 140.2 | 141.1 | 142.7 | 139.4 | 137.8 | 134.4 | 137.9 |
| % Chg Same Qtr Last Yr | -2.79 | -2.96 | -1.08 | 2.57 | 2.33 | 2.93 | 2.71 | 1.56 | 2.72 | 1.99 | 1.36 | 0.82 | -3.97 | -2.46 | 2.63 |
| INFORMATION | 52.2 | 51.9 | 52.4 | 52.3 | 52.8 | 53.4 | 54.5 | 53.6 | 54.0 | 54.5 | 55.2 | 54.7 | 53.6 | 52.2 | 53.3 |
| % Chg Same Qtr Last Yr | -2.91 | -2.38 | -1.53 | 0.41 | 1.21 | 2.94 | 3.97 | 2.44 | 2.27 | 2.09 | 1.32 | 2.04 | -3.35 | -2.64 | 2.13 |
| FINANCIAL ACTIVITIES | 139.7 | 139.8 | 141.1 | 140.8 | 143.5 | 143.7 | 145.2 | 143.9 | 147.8 | 147.6 | 148.7 | 146.7 | 138.7 | 139.6 | 143.3 |
| % Chg Same Qtr Last Yr | 0.05 | 0.17 | 2.27 | 2.08 | 2.72 | 2.82 | 2.91 | 2.25 | 2.96 | 2.72 | 2.42 | 1.93 | 0.14 | 0.68 | 2.64 |
| PROF & BUSINESS SERVICES | 312.5 | 315.8 | 319.8 | 320.3 | 321.8 | 325.8 | 330.3 | 333.0 | 335.1 | 344.5 | 346.0 | 346.8 | 306.5 | 313.7 | 324.6 |
| % Chg Same Qtr Last Yr | 1.37 | 1.33 | 2.52 | 4.36 | 2.99 | 3.19 | 3.27 | 3.97 | 4.13 | 5.74 | 4.77 | 4.15 | 2.48 | 2.35 | 3.45 |
| EDUC & HEALTH SERVICES | 307.8 | 309.4 | 309.8 | 310.7 | 313.4 | 315.1 | 315.3 | 315.5 | 317.1 | 318.7 | 319.9 | 320.5 | 297.9 | 308.0 | 313.6 |
| % Chg Same Qtr Last Yr | 4.01 | 3.10 | 1.76 | 1.88 | 1.80 | 1.87 | 1.78 | 1.54 | 1.19 | 1.14 | 1.45 | 1.59 | 4.24 | 3.38 | 1.83 |
| LEISURE & HOSPITALITY | 247.2 | 250.8 | 241.6 | 233.5 | 248.6 | 252.1 | 243.0 | 234.0 | 251.3 | 255.8 | 248.4 | 238.3 | 238.2 | 241.8 | 244.3 |
| % Chg Same Qtr Last Yr | 1.35 | 1.13 | 2.05 | 2.64 | 0.55 | 0.52 | 0.58 | 0.22 | 1.07 | 1.45 | 2.19 | 1.85 | 1.15 | 1.49 | 1.04 |
| OTHER SERVICES | 101.8 | 102.4 | 101.6 | 100.9 | 104.2 | 108.7 | 106.6 | 105.7 | 109.0 | 112.7 | 114.9 | 113.1 | 101.0 | 101.6 | 105.1 |
| % Chg Same Qtr Last Yr | 0.63 | 0.36 | 0.48 | 0.18 | 2.44 | 6.08 | 4.92 | 4.71 | 4.53 | 3.69 | 7.76 | 7.05 | -0.13 | 0.68 | 3.42 |
| GOVERNMENT | 415.4 | 400.6 | 419.2 | 416.1 | 414.4 | 401.8 | 421.0 | 419.4 | 419.0 | 407.3 | 428.2 | 427.3 | 409.4 | 413.2 | 413.3 |
| % Chg Same Qtr Last Yr | 0.96 | 0.86 | 0.69 | -0.31 | -0.24 | 0.29 | 0.42 | 0.79 | 1.11 | 1.38 | 1.71 | 1.88 | 1.55 | 0.92 | 0.04 |
| FEDERAL, CIVILIAN | 53.0 | 52.2 | 51.1 | 52.1 | 52.5 | 51.5 | 50.7 | 51.9 | 52.3 | 51.4 | 50.6 | 51.8 | 51.9 | 52.2 | 51.7 |
| % Chg Same Qtr Last Yr | 1.47 | 1.56 | -1.16 | -0.84 | -0.99 | -1.35 | -0.79 | -0.45 | -0.39 | -0.34 | -0.20 | -0.13 | 0.76 | 0.61 | -0.99 |
| STATE & LOCAL | 362.3 | 348.4 | 367.4 | 364.7 | 362.4 | 349.7 | 369.6 | 368.2 | 367.2 | 355.3 | 376.9 | 376.2 | 357.5 | 360.7 | 361.6 |
| % Chg Same Qtr Last Yr | 0.89 | 0.76 | 0.75 | -0.05 | 0.02 | 0.37 | 0.58 | 0.97 | 1.33 | 1.62 | 1.98 | 2.17 | 1.66 | 0.91 | 0.23 |

**Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL DURABLE GOODS | 253.0 | 250.9 | 249.6 | 249.3 | 252.7 | 253.3 | 253.2 | 253.7 | 257.1 | 257.4 | 256.9 | 257.9 | 258.9 | 251.6 | 252.1 |
| % Chg Same Qtr Last Yr | -2.88 | -3.13 | -2.64 | -1.50 | -0.13 | 0.93 | 1.44 | 1.80 | 1.74 | 1.62 | 1.47 | 1.63 | -0.07 | -0.03 | 0.00 |
| WOOD PRODUCTS | 17.4 | 17.5 | 17.2 | 17.1 | 17.4 | 17.6 | 17.3 | 17.0 | 17.2 | 17.5 | 17.3 | 17.1 | 17.6 | 17.4 | 17.3 |
| % Chg Same Qtr Last Yr | -0.19 | -2.05 | -2.21 | -1.11 | -0.02 | 0.35 | 0.17 | -0.69 | -1.15 | -0.63 | -0.03 | 0.50 | -0.02 | -0.01 | 0.00 |
| NONMETALLIC MINERAL PRODUCTS | 14.8 | 14.8 | 14.5 | 14.2 | 14.6 | 14.6 | 14.5 | 14.5 | 15.0 | 15.2 | 15.1 | 15.1 | 14.8 | 14.6 | 14.5 |
| % Chg Same Qtr Last Yr | -0.45 | -1.11 | -1.85 | -1.24 | -1.78 | -1.25 | 0.17 | 1.72 | 2.91 | 3.89 | 4.26 | 4.34 | -0.06 | -0.01 | -0.01 |
| PRIMARY METALS | 12.0 | 12.0 | 11.8 | 11.5 | 11.5 | 11.5 | 11.6 | 11.6 | 11.8 | 11.8 | 11.9 | 11.9 | 12.7 | 11.9 | 11.5 |
| % Chg Same Qtr Last Yr | -5.01 | -3.73 | -4.16 | -4.07 | -3.80 | -4.10 | -1.70 | 0.59 | 1.81 | 2.65 | 2.70 | 2.41 | -0.17 | -0.06 | -0.03 |
| FABRICATED METAL PRODUCTS | 41.2 | 40.8 | 40.6 | 40.5 | 40.5 | 40.5 | 40.3 | 40.1 | 40.2 | 40.2 | 40.0 | 40.0 | 41.4 | 41.0 | 40.4 |
| % Chg Same Qtr Last Yr | 0.00 | -2.08 | -1.79 | -2.22 | -1.81 | -0.82 | -0.74 | -0.77 | -0.67 | -0.57 | -0.63 | -0.31 | -0.04 | -0.01 | -0.01 |
| MACHINERY | 33.3 | 32.6 | 32.8 | 34.2 | 35.3 | 35.2 | 35.3 | 36.9 | 38.2 | 38.2 | 38.3 | 39.8 | 36.0 | 33.1 | 35.0 |
| % Chg Same Qtr Last Yr | -10.32 | -8.94 | -5.66 | 1.48 | 6.03 | 8.05 | 7.50 | 7.75 | 8.31 | 8.59 | 8.64 | 7.94 | -0.10 | -0.08 | 0.06 |
| COMPUTER & ELECTRONIC PRODUCTS | 12.3 | 12.2 | 12.1 | 12.0 | 12.5 | 12.7 | 12.8 | 12.4 | 12.4 | 12.2 | 12.0 | 12.1 | 13.0 | 12.2 | 12.5 |
| % Chg Same Qtr Last Yr | -8.23 | -5.41 | -2.78 | -0.39 | 2.12 | 4.16 | 5.35 | 3.02 | -0.72 | -3.96 | -5.69 | -2.31 | -0.15 | -0.07 | 0.03 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 23.6 | 23.1 | 22.9 | 22.7 | 23.4 | 23.8 | 23.9 | 23.9 | 24.4 | 24.6 | 24.7 | 24.8 | 24.6 | 23.3 | 23.5 |
| % Chg Same Qtr Last Yr | -5.34 | -5.20 | -3.94 | -2.88 | -0.82 | 3.14 | 4.19 | 5.44 | 4.07 | 3.26 | 3.44 | 3.76 | -0.07 | -0.06 | 0.01 |
| TRANSPORTATION EQUIPMENT | 60.6 | 60.3 | 60.3 | 59.8 | 60.1 | 60.3 | 60.6 | 60.2 | 60.2 | 60.0 | 59.9 | 59.6 | 60.4 | 60.6 | 60.2 |
| % Chg Same Qtr Last Yr | 0.61 | -0.50 | -1.64 | -2.37 | -0.83 | 0.00 | 0.45 | 0.58 | 0.18 | -0.57 | -1.11 | -0.96 | -0.03 | 0.00 | -0.01 |
| FURNITURE | 20.4 | 20.3 | 20.1 | 19.9 | 19.8 | 19.5 | 19.5 | 19.5 | 19.5 | 19.4 | 19.3 | 19.4 | 21.2 | 20.3 | 19.7 |
| % Chg Same Qtr Last Yr | -4.67 | -3.79 | -3.27 | -3.05 | -3.12 | -3.95 | -3.03 | -1.80 | -1.26 | -0.90 | -0.75 | -0.60 | -0.10 | -0.04 | -0.03 |
| MISCELLANEOUS DURABLE GOODS | 17.3 | 17.2 | 17.3 | 17.3 | 17.5 | 17.4 | 17.6 | 17.7 | 18.1 | 18.2 | 18.3 | 18.1 | 17.1 | 17.2 | 17.5 |
| % Chg Same Qtr Last Yr | 0.78 | 0.19 | 0.50 | 1.62 | 1.24 | 1.28 | 1.79 | 2.10 | 3.34 | 4.51 | 4.19 | 2.35 | -0.03 | 0.00 | 0.01 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONDURABLE GOODS | 162.7 | 163.6 | 161.2 | 158.4 | 158.3 | 158.5 | 156.8 | 155.5 | 156.0 | 156.8 | 155.1 | 153.8 | 167.7 | 162.5 | 158.0 |
| % Chg Same Qtr Last Yr | -3.82 | -2.33 | -2.26 | -2.53 | -2.66 | -3.14 | -2.77 | -1.83 | -1.47 | -1.05 | -1.04 | -1.15 | -5.26 | -3.11 | -2.78 |
| FOOD | 36.3 | 36.3 | 36.7 | 36.4 | 36.8 | 37.2 | 37.2 | 36.8 | 37.1 | 37.4 | 37.4 | 37.0 | 36.1 | 36.3 | 36.9 |
| % Chg Same Qtr Last Yr | 0.83 | 0.09 | 0.85 | 1.08 | 1.40 | 2.37 | 1.36 | 1.01 | 0.79 | 0.57 | 0.51 | 0.78 | 0.67 | 0.77 | 1.55 |
| BEVERAGE & TOBACCO | 6.4 | 6.5 | 6.4 | 6.3 | 6.3 | 6.4 | 6.3 | 6.3 | 6.4 | 6.4 | 6.3 | 6.4 | 6.4 | 6.4 | 6.3 |
| % Chg Same Qtr Last Yr | 0.00 | 0.52 | 1.95 | -0.34 | -0.53 | -0.86 | -0.25 | 1.11 | 0.65 | 0.57 | 0.14 | 1.10 | -2.18 | 0.09 | -0.50 |
| TEXTILE MILLS | 7.3 | 7.1 | 6.8 | 6.5 | 6.3 | 6.0 | 5.8 | 5.8 | 5.9 | 5.6 | 5.4 | 5.5 | 8.0 | 7.1 | 6.1 |
| % Chg Same Qtr Last Yr | -14.84 | -6.17 | -8.20 | -10.96 | -13.56 | -15.83 | -14.12 | -10.50 | -6.02 | -5.96 | -6.81 | -4.73 | -15.83 | -10.78 | -13.59 |
| TEXTILE PRODUCT MILLS | 3.7 | 3.7 | 3.5 | 3.4 | 3.5 | 3.4 | 3.4 | 3.3 | 3.3 | 3.3 | 3.2 | 3.0 | 3.7 | 3.6 | 3.4 |
| % Chg Same Qtr Last Yr | -2.65 | 0.00 | -2.78 | -3.43 | -5.89 | -6.84 | -3.43 | -4.09 | -3.98 | -4.19 | -5.33 | -6.95 | -8.96 | -3.36 | -4.93 |
| APPAREL | 9.6 | 9.7 | 9.1 | 8.8 | 8.4 | 8.1 | 7.8 | 7.6 | 7.3 | 6.9 | 6.7 | 6.2 | 11.6 | 9.6 | 8.3 |
| % Chg Same Qtr Last Yr | -22.58 | -12.39 | -9.75 | -12.30 | -12.27 | -16.11 | -14.55 | -13.64 | -13.44 | -14.96 | -14.30 | -18.06 | -23.51 | -16.86 | -13.79 |
| PAPER | 19.1 | 19.1 | 19.0 | 18.8 | 19.1 | 19.3 | 19.1 | 18.9 | 19.2 | 19.4 | 19.2 | 18.9 | 20.1 | 19.1 | 19.1 |
| % Chg Same Qtr Last Yr | -6.37 | -5.29 | -3.63 | -2.28 | 0.12 | 1.05 | 0.64 | 0.65 | 0.38 | 0.58 | 0.36 | 0.06 | -4.66 | -4.91 | -0.12 |
| PRINTING & RELATED SUPPORT | 20.1 | 20.6 | 20.3 | 19.4 | 19.1 | 19.2 | 19.0 | 18.7 | 18.7 | 19.3 | 19.1 | 18.8 | 20.5 | 20.3 | 19.2 |
| % Chg Same Qtr Last Yr | 0.50 | -0.16 | -1.85 | -4.01 | -4.91 | -6.74 | -6.56 | -3.27 | -2.12 | 0.50 | 0.69 | 0.51 | -7.87 | -0.91 | -5.56 |
| CHEMICALS | 28.1 | 28.2 | 27.6 | 27.3 | 27.0 | 27.2 | 26.9 | 26.8 | 26.6 | 26.8 | 26.6 | 26.5 | 28.2 | 28.0 | 27.1 |
| % Chg Same Qtr Last Yr | 0.36 | -0.70 | -1.92 | -2.61 | -3.71 | -3.69 | -2.52 | -1.80 | -1.58 | -1.16 | -1.22 | -1.32 | -2.90 | -0.77 | -3.14 |
| PLASTICS & RUBBER | 29.0 | 29.3 | 29.0 | 28.9 | 28.9 | 28.8 | 28.6 | 28.7 | 28.9 | 29.0 | 28.7 | 28.8 | 30.3 | 29.1 | 28.8 |
| % Chg Same Qtr Last Yr | -5.12 | -4.15 | -2.62 | -0.67 | -0.45 | -1.45 | -1.39 | -0.51 | -0.07 | 0.53 | 0.37 | 0.10 | -0.03 | -4.00 | -0.99 |
| MISCELLANEOUS NONDURABLE GOODS | 3.1 | 3.2 | 2.8 | 2.8 | 2.8 | 2.8 | 2.6 | 2.6 | 2.6 | 2.6 | 2.5 | 2.6 | 3.0 | 3.0 | 2.8 |
| % Chg Same Qtr Last Yr | 2.17 | 15.85 | -1.39 | -5.53 | -9.23 | -11.05 | -7.90 | -5.97 | -7.86 | -8.54 | -4.37 | -2.02 | -12.29 | 1.34 | -8.50 |

**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONFARM…… | 2669.7 | 2674.6 | 2678.7 | 2694.4 | 2698.3 | 2709.6 | 2717.5 | 2736.7 | 2749.1 | 2767.4 | 2779.1 | 2794.8 | 2667.2 | 2671.9 | 2704.9 |
| % Chg Prev Qtr SAAR…… | 0.72 | 0.74 | 0.61 | 2.37 | 0.59 | 1.68 | 1.17 | 2.86 | 1.81 | 2.70 | 1.70 | 2.28 | -0.80 | 0.18 | 1.24 |
| % Chg Same Qtr Last Yr…… | 0.08 | 0.03 | 0.44 | 1.11 | 1.07 | 1.31 | 1.45 | 1.57 | 1.88 | 2.14 | 2.27 | 2.12 | -0.80 | 0.18 | 1.24 |
| NATURAL RESOURCES & MINING…… | 4.4 | 4.3 | 4.4 | 4.4 | 4.4 | 4.3 | 4.5 | 4.4 | 4.4 | 4.3 | 4.2 | 4.2 | 4.6 | 4.4 | 4.4 |
| % Chg Prev Qtr SAAR…… | -3.28 | -4.63 | 11.79 | -6.66 | 4.08 | -5.87 | 14.89 | -5.24 | -4.71 | -6.71 | -6.51 | -5.69 | -7.63 | -3.85 | 0.43 |
| % Chg Same Qtr Last Yr…… | -5.77 | -5.03 | 0.01 | -0.95 | 0.88 | 0.55 | 1.24 | 1.62 | -0.59 | -0.81 | -5.80 | -5.91 | -7.63 | -3.85 | 0.43 |
| CONSTRUCTION…… | 108.8 | 109.8 | 110.6 | 111.7 | 112.8 | 112.9 | 112.9 | 113.7 | 114.6 | 115.0 | 115.5 | 115.9 | 114.6 | 110.0 | 112.6 |
| % Chg Prev Qtr SAAR…… | -6.80 | 3.85 | 2.97 | 3.97 | 3.92 | 0.36 | 0.11 | 2.68 | 3.28 | 1.38 | 1.65 | 1.64 | -4.76 | -4.03 | 2.35 |
| % Chg Same Qtr Last Yr…… | -4.39 | -4.08 | -3.17 | 0.89 | 3.68 | 2.79 | 2.07 | 1.75 | 1.59 | 1.85 | 2.24 | 1.99 | -4.76 | -4.03 | 2.35 |
| MANUFACTURING…… | 415.0 | 413.1 | 411.0 | 409.8 | 410.2 | 410.3 | 410.1 | 411.4 | 412.3 | 412.7 | 412.3 | 413.7 | 426.6 | 414.2 | 410.1 |
| % Chg Prev Qtr SAAR…… | -2.61 | -1.81 | -2.03 | -1.13 | 0.43 | 0.01 | -0.13 | 1.25 | 0.86 | 0.41 | -0.41 | 1.45 | -6.07 | -2.92 | -0.98 |
| % Chg Same Qtr Last Yr…… | -3.25 | -2.83 | -2.48 | -1.89 | -1.14 | -0.68 | -0.20 | 0.39 | 0.50 | 0.59 | 0.52 | 0.57 | -6.07 | -2.92 | -0.98 |
| DURABLE GOODS…… | 252.1 | 250.6 | 249.9 | 250.3 | 251.7 | 252.9 | 253.5 | 254.8 | 256.0 | 257.0 | 257.3 | 258.9 | 258.9 | 251.6 | 252.1 |
| % Chg Prev Qtr SAAR…… | -3.13 | -2.33 | -1.10 | 0.65 | 2.21 | 1.95 | 1.01 | 2.02 | 1.94 | 1.52 | 0.52 | 2.54 | -6.58 | -2.80 | 0.18 |
| % Chg Same Qtr Last Yr…… | -2.89 | -3.15 | -2.63 | -1.49 | -0.16 | 0.92 | 1.45 | 1.80 | 1.73 | 1.62 | 1.50 | 1.63 | -6.58 | -2.80 | 0.18 |
| NONDURABLE GOODS…… | 162.9 | 162.5 | 161.1 | 159.5 | 158.6 | 157.4 | 156.6 | 156.6 | 156.3 | 155.7 | 155.0 | 154.8 | 167.7 | 162.5 | 158.0 |
| % Chg Prev Qtr SAAR…… | -1.80 | -0.99 | -3.46 | -3.83 | -2.32 | -2.99 | -1.96 | 0.01 | -0.88 | -1.39 | -1.92 | -0.36 | -5.27 | -3.11 | -2.78 |
| % Chg Same Qtr Last Yr…… | -3.80 | -2.35 | -2.25 | -2.53 | -2.66 | -3.15 | -2.78 | -1.82 | -1.46 | -1.06 | -1.05 | -1.14 | -5.27 | -3.11 | -2.78 |
| TRADE, TRANSPORTATION, UTILITIES…. | 571.3 | 574.4 | 576.6 | 580.3 | 578.0 | 579.8 | 583.7 | 588.4 | 590.5 | 592.7 | 595.8 | 599.3 | 575.3 | 573.5 | 580.5 |
| % Chg Prev Qtr SAAR…… | -0.39 | 2.20 | 1.49 | 2.65 | -1.61 | 1.25 | 2.76 | 3.21 | 1.45 | 1.48 | 2.16 | 2.35 | -2.53 | -0.31 | 1.21 |
| % Chg Same Qtr Last Yr…… | -0.59 | -0.22 | 0.49 | 1.48 | 1.17 | 0.93 | 1.25 | 1.38 | 2.16 | 2.22 | 2.07 | 1.86 | -2.53 | -0.31 | 1.21 |
| WHOLESALE TRADE…… | 127.5 | 128.0 | 127.5 | 128.0 | 128.4 | 128.8 | 129.3 | 130.8 | 131.4 | 132.0 | 132.5 | 133.2 | 126.2 | 127.5 | 128.6 |
| % Chg Prev Qtr SAAR…… | 0.81 | 1.56 | -1.48 | 1.64 | 1.26 | 1.22 | 1.59 | 4.72 | 1.95 | 1.86 | 1.45 | 2.09 | -1.03 | 1.06 | 0.86 |
| % Chg Same Qtr Last Yr…… | 1.36 | 1.05 | 0.44 | 0.62 | 0.73 | 0.65 | 1.43 | 2.19 | 2.36 | 2.52 | 2.49 | 1.84 | -1.03 | 1.06 | 0.86 |
| RETAIL TRADE…… | 310.4 | 312.9 | 313.3 | 314.0 | 313.0 | 313.6 | 315.0 | 317.1 | 318.8 | 320.5 | 322.0 | 324.5 | 311.3 | 311.6 | 313.9 |
| % Chg Prev Qtr SAAR…… | 0.80 | 3.29 | 0.48 | 0.87 | -1.27 | 0.77 | 1.81 | 2.63 | 2.15 | 2.21 | 1.89 | 3.08 | -2.48 | 0.09 | 0.73 |
| % Chg Same Qtr Last Yr…… | -0.43 | 0.50 | 1.22 | 1.35 | 0.83 | 0.21 | 0.54 | 0.98 | 1.84 | 2.20 | 2.22 | 2.33 | -2.48 | 0.09 | 0.73 |
| TRANSPORTATION & UTILITIES…… | 133.4 | 133.5 | 135.8 | 138.3 | 136.6 | 137.4 | 139.4 | 140.5 | 140.3 | 140.1 | 141.3 | 141.7 | 137.8 | 134.4 | 137.9 |
| % Chg Prev Qtr SAAR…… | -4.17 | 0.28 | 6.82 | 7.84 | -4.97 | 2.37 | 6.08 | 3.11 | -0.57 | -0.53 | 3.48 | 0.96 | -3.97 | -2.47 | 2.63 |
| % Chg Same Qtr Last Yr…… | -2.73 | -3.03 | -1.10 | 2.58 | 2.36 | 2.89 | 2.71 | 1.56 | 2.72 | 1.99 | 1.36 | 0.82 | -3.97 | -2.47 | 2.63 |
| INFORMATION…… | 52.4 | 51.8 | 51.9 | 52.7 | 53.0 | 53.3 | 54.0 | 54.0 | 54.2 | 54.4 | 54.7 | 55.1 | 53.4 | 52.1 | 53.2 |
| % Chg Prev Qtr SAAR…… | -1.01 | -4.50 | 1.22 | 6.23 | 2.18 | 2.19 | 5.36 | 0.10 | 1.49 | 1.48 | 2.22 | 2.96 | -3.71 | -2.32 | 2.12 |
| % Chg Same Qtr Last Yr…… | -2.78 | -2.39 | -1.53 | 0.41 | 1.21 | 2.94 | 3.97 | 2.44 | 2.27 | 2.09 | 1.32 | 2.04 | -3.71 | -2.32 | 2.12 |
| FINANCIAL ACTIVITIES…… | 139.6 | 139.4 | 140.4 | 142.0 | 143.4 | 143.3 | 144.5 | 145.2 | 147.6 | 147.2 | 148.0 | 148.0 | 138.5 | 139.6 | 143.3 |
| % Chg Prev Qtr SAAR…… | 1.45 | -0.67 | 3.04 | 4.60 | 4.00 | -0.28 | 3.39 | 1.95 | 6.92 | -1.21 | 2.19 | 0.00 | 0.01 | 0.81 | 2.64 |
| % Chg Same Qtr Last Yr…… | 0.29 | 0.17 | 2.27 | 2.08 | 2.72 | 2.82 | 2.91 | 2.25 | 2.96 | 2.72 | 2.42 | 1.93 | 0.01 | 0.81 | 2.64 |
| PROF & BUSINESS SERVICES…… | 312.1 | 315.0 | 318.5 | 322.9 | 321.4 | 325.0 | 328.9 | 335.7 | 334.7 | 343.7 | 344.6 | 349.6 | 307.3 | 313.7 | 324.6 |
| % Chg Prev Qtr SAAR…… | 3.49 | 3.77 | 4.57 | 5.63 | -1.84 | 4.56 | 4.90 | 8.52 | -1.21 | 11.17 | 1.09 | 5.98 | 2.71 | 2.10 | 3.45 |
| % Chg Same Qtr Last Yr…… | 1.45 | 1.33 | 2.52 | 4.36 | 2.99 | 3.19 | 3.27 | 3.97 | 4.13 | 5.74 | 4.77 | 4.15 | 2.71 | 2.10 | 3.45 |

(CONTINUED ON NEXT PAGE)

**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| EDUC & HEALTH SERVICES | 307.9 | 309.0 | 309.5 | 311.3 | 313.4 | 314.8 | 315.0 | 316.1 | 317.1 | 318.4 | 319.6 | 321.1 | 298.2 | 308.0 | 313.6 |
| % Chg Prev Qtr SAAR | 3.04 | 1.52 | 0.62 | 2.34 | 2.72 | 1.80 | 0.26 | 1.40 | 1.29 | 1.60 | 1.50 | 1.96 | 4.34 | 3.28 | 1.83 |
| % Chg Same Qtr Last Yr | 3.93 | 3.11 | 1.76 | 1.88 | 1.80 | 1.87 | 1.78 | 1.54 | 1.19 | 1.14 | 1.45 | 1.59 | 4.34 | 3.28 | 1.83 |
| LEISURE & HOSPITALITY | 242.7 | 243.3 | 242.5 | 244.7 | 244.0 | 244.5 | 243.9 | 245.2 | 246.6 | 248.1 | 249.3 | 249.7 | 238.2 | 241.7 | 244.3 |
| % Chg Prev Qtr SAAR | 7.41 | 0.99 | -1.19 | 3.53 | -1.06 | 0.89 | -0.96 | 2.05 | 2.35 | 2.40 | 1.99 | 0.67 | 1.14 | 1.46 | 1.07 |
| % Chg Same Qtr Last Yr | 2.08 | 1.14 | 2.05 | 2.64 | 0.55 | 0.52 | 0.58 | 0.22 | 1.07 | 1.45 | 2.19 | 1.85 | 1.14 | 1.46 | 1.07 |
| OTHER SERVICES | 102.4 | 101.4 | 100.3 | 102.7 | 105.0 | 107.5 | 105.2 | 107.5 | 109.8 | 111.5 | 113.4 | 115.1 | 101.0 | 101.7 | 105.1 |
| % Chg Prev Qtr SAAR | -0.59 | -4.14 | -4.24 | 9.97 | 9.35 | 9.95 | -8.35 | 9.08 | 8.63 | 6.44 | 6.89 | 6.27 | -0.15 | 0.67 | 3.38 |
| % Chg Same Qtr Last Yr | 0.75 | 0.35 | 0.50 | 0.09 | 2.50 | 6.08 | 4.92 | 4.71 | 4.53 | 3.69 | 7.76 | 7.05 | -0.15 | 0.67 | 3.38 |
| GOVERNMENT | 413.2 | 413.2 | 412.9 | 411.9 | 412.7 | 413.9 | 414.7 | 415.2 | 417.3 | 419.6 | 421.8 | 423.0 | 409.4 | 413.0 | 413.3 |
| % Chg Prev Qtr SAAR | 0.59 | -0.04 | -0.24 | -0.96 | 0.77 | 1.11 | 0.78 | 0.49 | 2.08 | 2.19 | 2.11 | 1.15 | 1.54 | 0.87 | 0.08 |
| % Chg Same Qtr Last Yr | 0.96 | 0.87 | 0.51 | -0.16 | -0.12 | 0.17 | 0.42 | 0.79 | 1.11 | 1.38 | 1.71 | 1.88 | 1.54 | 0.87 | 0.08 |
| FEDERAL, CIVILIAN | 52.2 | 52.4 | 52.0 | 51.8 | 51.7 | 51.7 | 51.6 | 51.6 | 51.5 | 51.5 | 51.5 | 51.5 | 51.9 | 52.2 | 51.7 |
| % Chg Prev Qtr SAAR | -0.12 | 1.20 | -2.90 | -1.70 | -0.44 | -0.36 | -0.64 | -0.37 | -0.19 | -0.15 | -0.11 | -0.08 | 0.76 | 0.60 | -1.00 |
| % Chg Same Qtr Last Yr | 1.52 | 1.55 | -1.10 | -0.89 | -0.97 | -1.35 | -0.79 | -0.45 | -0.39 | -0.34 | -0.20 | -0.13 | 0.76 | 0.60 | -1.00 |
| STATE & LOCAL | 361.0 | 360.8 | 360.9 | 360.1 | 361.0 | 362.2 | 363.1 | 363.6 | 365.8 | 368.1 | 370.3 | 371.5 | 357.5 | 360.8 | 361.6 |
| % Chg Prev Qtr SAAR | 0.69 | -0.22 | 0.15 | -0.86 | 0.94 | 1.32 | 0.98 | 0.61 | 2.40 | 2.52 | 2.42 | 1.32 | 1.65 | 0.91 | 0.23 |
| % Chg Same Qtr Last Yr | 0.88 | 0.78 | 0.75 | -0.06 | 0.00 | 0.39 | 0.59 | 0.96 | 1.33 | 1.63 | 1.99 | 2.16 | 1.65 | 0.91 | 0.23 |
| STATISTICAL DISCREPANCY (% ) | 0.09 | 0.03 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.02 | -0.08 | 0.0 |

**Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** — **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL DURABLE GOODS | 252.1 | 250.6 | 249.9 | 250.3 | 251.7 | 252.9 | 253.5 | 254.8 | 256.0 | 257.0 | 257.3 | 258.9 | 258.9 | 251.6 | 252.1 |
| % Chg Prev Qtr SAAR | -3.13 | -2.33 | -1.10 | 0.65 | 2.21 | 1.95 | 1.01 | 2.02 | 1.94 | 1.52 | 0.52 | 2.54 | -6.58 | -2.80 | 0.18 |
| % Chg Same Qtr Last Yr | -2.89 | -3.15 | -2.63 | -1.49 | -0.16 | 0.92 | 1.45 | 1.80 | 1.73 | 1.62 | 1.50 | 1.63 | -6.58 | -2.80 | 0.18 |
| WOOD PRODUCTS | 17.4 | 17.3 | 17.2 | 17.3 | 17.4 | 17.3 | 17.2 | 17.2 | 17.2 | 17.2 | 17.2 | 17.3 | 17.6 | 17.4 | 17.3 |
| % Chg Prev Qtr SAAR | -2.51 | -3.21 | -1.78 | 3.24 | 1.71 | -1.64 | -2.52 | -0.26 | -0.15 | 0.42 | -0.11 | 1.86 | -1.60 | -1.16 | -0.16 |
| % Chg Same Qtr Last Yr | -0.24 | -2.03 | -2.20 | -1.10 | -0.05 | 0.36 | 0.17 | -0.69 | -1.15 | -0.63 | -0.03 | 0.50 | -1.60 | -1.16 | -0.16 |
| NONMETALLIC MINERAL PRODUCTS | 14.7 | 14.7 | 14.5 | 14.4 | 14.5 | 14.5 | 14.5 | 14.7 | 14.9 | 15.0 | 15.2 | 15.3 | 14.8 | 14.6 | 14.5 |
| % Chg Prev Qtr SAAR | 2.83 | -1.40 | -3.91 | -2.27 | 0.42 | 0.89 | 1.67 | 3.96 | 5.19 | 4.76 | 3.12 | 4.29 | -5.75 | -0.91 | -1.03 |
| % Chg Same Qtr Last Yr | -0.49 | -1.09 | -1.85 | -1.22 | -1.80 | -1.24 | 0.17 | 1.72 | 2.91 | 3.89 | 4.26 | 4.34 | -5.75 | -0.91 | -1.03 |
| PRIMARY METALS | 12.0 | 12.0 | 11.7 | 11.6 | 11.5 | 11.5 | 11.5 | 11.6 | 11.7 | 11.8 | 11.9 | 11.9 | 12.7 | 11.9 | 11.5 |
| % Chg Prev Qtr SAAR | -2.75 | 0.82 | -8.29 | -5.73 | -1.79 | -0.42 | 1.26 | 3.37 | 3.06 | 2.93 | 1.46 | 2.21 | -16.67 | -6.24 | -3.43 |
| % Chg Same Qtr Last Yr | -5.04 | -3.74 | -4.15 | -4.05 | -3.81 | -4.11 | -1.70 | 0.59 | 1.81 | 2.65 | 2.70 | 2.41 | -16.67 | -6.24 | -3.43 |
| FABRICATED METAL PRODUCTS | 41.2 | 40.8 | 40.6 | 40.5 | 40.5 | 40.4 | 40.3 | 40.2 | 40.2 | 40.2 | 40.0 | 40.1 | 41.4 | 41.0 | 40.4 |
| % Chg Prev Qtr SAAR | -1.81 | -4.43 | -1.51 | -1.00 | -0.35 | -0.49 | -1.10 | -1.15 | 0.07 | -0.10 | -1.34 | 0.13 | -4.25 | -0.93 | -1.41 |
| % Chg Same Qtr Last Yr | -0.04 | -2.12 | -1.74 | -2.20 | -1.83 | -0.84 | -0.74 | -0.77 | -0.67 | -0.57 | -0.63 | -0.31 | -4.25 | -0.93 | -1.41 |
| MACHINERY | 32.7 | 32.7 | 33.4 | 34.1 | 34.7 | 35.3 | 35.9 | 36.8 | 37.6 | 38.4 | 39.0 | 39.7 | 36.0 | 33.1 | 35.0 |
| % Chg Prev Qtr SAAR | -10.09 | -0.55 | 8.76 | 9.26 | 6.83 | 7.24 | 6.70 | 10.28 | 9.03 | 8.38 | 6.89 | 7.49 | -9.59 | -8.07 | 5.74 |
| % Chg Same Qtr Last Yr | -10.37 | -8.99 | -5.62 | 1.53 | 6.00 | 8.02 | 7.50 | 7.75 | 8.31 | 8.59 | 8.64 | 7.94 | -9.59 | -8.07 | 5.74 |
| COMPUTER & ELECTRONIC PRODUCTS | 12.2 | 12.2 | 12.0 | 12.2 | 12.5 | 12.7 | 12.7 | 12.6 | 12.4 | 12.2 | 12.0 | 12.3 | 13.0 | 12.2 | 12.5 |
| % Chg Prev Qtr SAAR | -0.15 | -2.42 | -4.58 | 5.95 | 10.03 | 5.85 | -0.19 | -3.12 | -5.09 | -7.30 | -7.19 | 11.51 | -14.85 | -6.64 | 2.79 |
| % Chg Same Qtr Last Yr | -8.32 | -5.40 | -2.73 | -0.38 | 2.07 | 4.17 | 5.35 | 3.02 | -0.72 | -3.96 | -5.69 | -2.31 | -14.85 | -6.64 | 2.79 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 23.6 | 23.0 | 22.9 | 22.8 | 23.4 | 23.8 | 23.9 | 24.1 | 24.3 | 24.5 | 24.7 | 25.0 | 24.6 | 23.3 | 23.5 |
| % Chg Prev Qtr SAAR | 0.45 | -8.58 | -1.86 | -1.28 | 9.16 | 7.00 | 2.20 | 3.57 | 3.59 | 3.71 | 2.90 | 4.87 | -6.55 | -5.53 | 0.87 |
| % Chg Same Qtr Last Yr | -5.37 | -5.20 | -3.91 | -2.88 | -0.84 | 3.14 | 4.19 | 5.44 | 4.07 | 3.26 | 3.44 | 3.76 | -6.55 | -5.53 | 0.87 |
| TRANSPORTATION EQUIPMENT | 60.6 | 60.4 | 60.1 | 60.0 | 60.1 | 60.4 | 60.4 | 60.3 | 60.2 | 60.0 | 59.7 | 59.7 | 60.4 | 60.6 | 60.2 |
| % Chg Prev Qtr SAAR | -5.08 | -1.54 | -1.75 | -0.98 | 0.94 | 1.80 | 0.05 | -0.48 | -0.62 | -1.23 | -2.11 | 0.15 | -3.05 | 0.36 | -0.70 |
| % Chg Same Qtr Last Yr | 0.60 | -0.52 | -1.64 | -2.35 | -0.84 | -0.01 | 0.45 | 0.58 | 0.18 | -0.57 | -1.11 | -0.96 | -3.05 | 0.36 | -0.70 |
| FURNITURE | 20.3 | 20.4 | 20.1 | 19.8 | 19.7 | 19.6 | 19.5 | 19.5 | 19.5 | 19.4 | 19.4 | 19.4 | 21.2 | 20.3 | 19.7 |
| % Chg Prev Qtr SAAR | -2.54 | 1.54 | -5.70 | -5.43 | -2.73 | -1.93 | -1.96 | -0.57 | -0.57 | -0.47 | -1.39 | 0.04 | -10.20 | -4.18 | -3.30 |
| % Chg Same Qtr Last Yr | -4.66 | -3.81 | -3.22 | -3.07 | -3.12 | -3.96 | -3.03 | -1.80 | -1.26 | -0.90 | -0.75 | -0.60 | -10.20 | -4.18 | -3.30 |
| MISCELLANEOUS DURABLE GOODS | 17.2 | 17.2 | 17.2 | 17.4 | 17.4 | 17.4 | 17.6 | 17.8 | 18.0 | 18.2 | 18.3 | 18.2 | 17.1 | 17.2 | 17.5 |
| % Chg Prev Qtr SAAR | 1.39 | -1.17 | 1.51 | 4.80 | -0.03 | -1.05 | 3.58 | 6.04 | 4.94 | 3.51 | 2.32 | -1.26 | -3.11 | 0.37 | 1.49 |
| % Chg Same Qtr Last Yr | 0.80 | 0.21 | 0.48 | 1.61 | 1.25 | 1.28 | 1.79 | 2.10 | 3.34 | 4.51 | 4.19 | 2.35 | -3.11 | 0.37 | 1.49 |

Center for Business and Economic Research, The University of Tennessee — Tennessee Econometric Model

**Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** — **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONDURABLE GOODS | 162.9 | 162.5 | 161.1 | 159.5 | 158.6 | 157.4 | 156.6 | 156.6 | 156.3 | 155.7 | 155.0 | 154.8 | 167.7 | 162.5 | 158.0 |
| % Chg Prev Qtr SAAR | -1.80 | -0.99 | -3.46 | -3.83 | -2.32 | -2.99 | -1.96 | 0.01 | -0.88 | -1.39 | -1.92 | -0.36 | -5.27 | -3.11 | -2.78 |
| % Chg Same Qtr Last Yr | -3.80 | -2.35 | -2.25 | -2.53 | -2.66 | -3.15 | -2.78 | -1.82 | -1.46 | -1.06 | -1.05 | -1.14 | -5.27 | -3.11 | -2.78 |
| FOOD | 36.4 | 36.1 | 36.4 | 36.8 | 36.9 | 37.0 | 36.9 | 37.2 | 37.2 | 37.2 | 37.1 | 37.5 | 36.1 | 36.3 | 36.9 |
| % Chg Prev Qtr SAAR | -0.02 | -2.92 | 3.18 | 4.29 | 1.09 | 0.98 | -0.86 | 2.85 | 0.22 | 0.11 | -1.10 | 3.97 | 0.68 | 0.77 | 1.55 |
| % Chg Same Qtr Last Yr | 0.78 | 0.10 | 0.87 | 1.09 | 1.37 | 2.38 | 1.36 | 1.01 | 0.79 | 0.57 | 0.51 | 0.78 | 0.68 | 0.77 | 1.55 |
| BEVERAGE & TOBACCO | 6.4 | 6.4 | 6.4 | 6.3 | 6.3 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 | 6.3 |
| % Chg Prev Qtr SAAR | 3.50 | 2.67 | -2.36 | -4.74 | 2.56 | 1.08 | 0.27 | 0.55 | 0.71 | 0.77 | -1.46 | 4.47 | -2.17 | 0.09 | -0.49 |
| % Chg Same Qtr Last Yr | 0.02 | 0.41 | 1.95 | -0.29 | -0.52 | -0.91 | -0.25 | 1.11 | 0.65 | 0.57 | 0.14 | 1.10 | -2.17 | 0.09 | -0.49 |
| TEXTILE MILLS | 7.1 | 7.1 | 6.9 | 6.5 | 6.2 | 6.0 | 5.9 | 5.8 | 5.8 | 5.6 | 5.5 | 5.6 | 8.0 | 7.1 | 6.1 |
| % Chg Prev Qtr SAAR | -10.49 | -0.86 | -14.04 | -17.73 | -20.41 | -10.74 | -6.92 | -2.97 | -3.25 | -10.50 | -10.22 | 5.96 | -15.86 | -10.77 | -13.60 |
| % Chg Same Qtr Last Yr | -14.87 | -6.13 | -8.16 | -10.99 | -13.57 | -15.81 | -14.12 | -10.50 | -6.02 | -5.96 | -6.81 | -4.73 | -15.86 | -10.77 | -13.60 |
| TEXTILE PRODUCT MILLS | 3.7 | 3.7 | 3.5 | 3.5 | 3.4 | 3.4 | 3.4 | 3.3 | 3.3 | 3.3 | 3.2 | 3.1 | 3.7 | 3.6 | 3.4 |
| % Chg Prev Qtr SAAR | 10.02 | 0.71 | -16.88 | -5.48 | -0.81 | -3.55 | -3.81 | -8.03 | -0.36 | -4.40 | -8.29 | -14.18 | -8.93 | -3.38 | -4.93 |
| % Chg Same Qtr Last Yr | -2.63 | -0.11 | -2.75 | -3.41 | -5.88 | -6.89 | -3.43 | -4.09 | -3.98 | -4.19 | -5.33 | -6.95 | -8.93 | -3.38 | -4.93 |
| APPAREL | 9.6 | 9.7 | 9.2 | 8.8 | 8.4 | 8.1 | 7.8 | 7.6 | 7.3 | 6.9 | 6.7 | 6.2 | 11.5 | 9.6 | 8.3 |
| % Chg Prev Qtr SAAR | -15.23 | 3.78 | -18.94 | -17.17 | -14.93 | -13.23 | -12.79 | -13.61 | -14.10 | -19.19 | -10.03 | -27.82 | -23.53 | -16.85 | -13.79 |
| % Chg Same Qtr Last Yr | -22.55 | -12.35 | -9.75 | -12.33 | -12.25 | -16.10 | -14.55 | -13.64 | -13.44 | -14.96 | -14.30 | -18.06 | -23.53 | -16.85 | -13.79 |
| PAPER | 19.1 | 18.8 | 19.0 | 19.1 | 19.1 | 19.0 | 19.1 | 19.2 | 19.2 | 19.1 | 19.2 | 19.2 | 20.1 | 19.1 | 19.1 |
| % Chg Prev Qtr SAAR | -8.39 | -5.58 | 4.00 | 1.31 | 0.97 | -1.89 | 2.23 | 1.37 | -0.12 | -1.12 | 1.34 | 0.15 | -4.67 | -4.91 | -0.13 |
| % Chg Same Qtr Last Yr | -6.38 | -5.24 | -3.65 | -2.29 | 0.11 | 1.07 | 0.64 | 0.65 | 0.38 | 0.58 | 0.36 | 0.06 | -4.67 | -4.91 | -0.13 |
| PRINTING & RELATED SUPPORT | 20.3 | 20.3 | 20.2 | 19.5 | 19.4 | 18.9 | 18.9 | 18.9 | 18.9 | 19.0 | 19.0 | 19.0 | 20.5 | 20.3 | 19.2 |
| % Chg Prev Qtr SAAR | -0.36 | -0.95 | -2.45 | -11.96 | -3.69 | -8.62 | -1.62 | 1.11 | 0.97 | 1.57 | -0.87 | 0.38 | -7.88 | -0.92 | -5.55 |
| % Chg Same Qtr Last Yr | 0.60 | -0.21 | -1.83 | -4.05 | -4.86 | -6.76 | -6.56 | -3.27 | -2.12 | 0.50 | 0.69 | 0.51 | -7.88 | -0.92 | -5.55 |
| CHEMICALS | 28.2 | 28.0 | 27.6 | 27.3 | 27.2 | 27.0 | 26.9 | 26.8 | 26.8 | 26.7 | 26.6 | 26.5 | 28.2 | 28.0 | 27.1 |
| % Chg Prev Qtr SAAR | 2.83 | -2.76 | -6.03 | -4.14 | -1.86 | -2.80 | -1.28 | -1.24 | -0.99 | -1.12 | -1.51 | -1.66 | -2.89 | -0.77 | -3.14 |
| % Chg Same Qtr Last Yr | 0.36 | -0.76 | -1.91 | -2.58 | -3.71 | -3.72 | -2.52 | -1.80 | -1.58 | -1.16 | -1.22 | -1.32 | -2.89 | -0.77 | -3.14 |
| PLASTICS & RUBBER | 29.0 | 29.2 | 29.1 | 28.9 | 28.8 | 28.7 | 28.7 | 28.8 | 28.8 | 28.9 | 28.8 | 28.8 | 30.3 | 29.1 | 28.8 |
| % Chg Prev Qtr SAAR | -1.90 | 2.57 | -0.70 | -2.55 | -1.10 | -1.47 | -0.45 | 0.97 | 0.67 | 0.95 | -1.09 | -0.14 | -0.03 | -4.00 | -0.99 |
| % Chg Same Qtr Last Yr | -5.14 | -4.17 | -2.58 | -0.66 | -0.46 | -1.46 | -1.39 | -0.51 | -0.07 | 0.53 | 0.37 | 0.10 | -0.03 | -4.00 | -0.99 |
| MISCELLANEOUS NONDURABLE GOODS | 3.1 | 3.2 | 2.8 | 2.8 | 2.8 | 2.8 | 2.6 | 2.6 | 2.6 | 2.6 | 2.5 | 2.6 | 3.0 | 3.0 | 2.8 |
| % Chg Prev Qtr SAAR | 15.16 | 9.85 | -34.72 | -3.83 | -1.56 | 1.44 | -25.08 | 4.51 | -9.24 | -1.54 | -10.46 | 15.20 | -12.28 | 1.27 | -8.49 |
| % Chg Same Qtr Last Yr | 2.18 | 15.95 | -1.39 | -5.60 | -9.23 | -11.02 | -7.90 | -5.97 | -7.86 | -8.54 | -4.37 | -2.02 | -12.28 | 1.27 | -8.49 |

**Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (1996 dollars)** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONFARM | 29777 | 29869 | 29740 | 30433 | 30262 | 30322 | 30172 | 30930 | 30687 | 30736 | 30467 | 31309 | 29675 | 29889 | 30297 |
| % Chg Same Qtr Last Yr | 0.43 | 1.17 | 1.11 | 0.88 | 1.63 | 1.52 | 1.45 | 1.64 | 1.41 | 1.36 | 0.98 | 1.22 | 1.55 | 0.72 | 1.37 |
| NATURAL RESOURCES & MINING | 32628 | 32403 | 33326 | 34659 | 33578 | 33394 | 34286 | 35574 | 34404 | 34211 | 35131 | 36437 | 31605 | 32550 | 33979 |
| % Chg Same Qtr Last Yr | -1.84 | 5.82 | 7.32 | 8.85 | 2.91 | 3.06 | 2.88 | 2.64 | 2.46 | 2.45 | 2.46 | 2.43 | -3.04 | 2.99 | 4.39 |
| CONSTRUCTION | 33109 | 32617 | 33608 | 34942 | 33124 | 32699 | 33704 | 35205 | 33315 | 32884 | 33900 | 35397 | 32830 | 33435 | 33617 |
| % Chg Same Qtr Last Yr | 1.04 | 2.82 | 4.53 | 1.55 | 0.04 | 0.25 | 0.28 | 0.75 | 0.58 | 0.56 | 0.58 | 0.55 | -0.39 | 1.85 | 0.54 |
| MANUFACTURING | 35506 | 35627 | 36054 | 36342 | 36224 | 36222 | 36563 | 37125 | 36938 | 37018 | 37310 | 38064 | 35096 | 35673 | 36338 |
| % Chg Same Qtr Last Yr | 1.15 | 1.96 | 2.13 | 2.36 | 2.02 | 1.67 | 1.41 | 2.16 | 1.97 | 2.20 | 2.04 | 2.53 | 3.48 | 1.65 | 1.86 |
| DURABLE GOODS | 34831 | 35093 | 35465 | 35680 | 35507 | 35656 | 36002 | 36503 | 36308 | 36463 | 36630 | 37422 | 34764 | 35054 | 35711 |
| % Chg Same Qtr Last Yr | -0.10 | 1.70 | 1.72 | 2.46 | 1.94 | 1.60 | 1.51 | 2.31 | 2.26 | 2.26 | 1.75 | 2.52 | 3.37 | 0.83 | 1.88 |
| NONDURABLE GOODS | 36555 | 36445 | 36966 | 37384 | 37367 | 37127 | 37469 | 38141 | 37976 | 37929 | 38435 | 39141 | 35607 | 36633 | 37337 |
| % Chg Same Qtr Last Yr | 3.06 | 2.34 | 2.73 | 2.24 | 2.22 | 1.87 | 1.36 | 2.03 | 1.63 | 2.16 | 2.58 | 2.62 | 3.60 | 2.88 | 1.92 |
| TRADE, TRANSPORTATION, UTILITIES | 29085 | 28966 | 28191 | 29667 | 29759 | 29679 | 28764 | 30257 | 30288 | 30175 | 29235 | 30710 | 28691 | 28906 | 29467 |
| % Chg Same Qtr Last Yr | 0.54 | 1.27 | -0.18 | 0.97 | 2.32 | 2.46 | 2.03 | 1.99 | 1.78 | 1.67 | 1.64 | 1.50 | 2.25 | 0.75 | 1.94 |
| WHOLESALE TRADE | 40230 | 40127 | 40311 | 40812 | 40871 | 40803 | 40928 | 41339 | 41326 | 41252 | 41386 | 41787 | 39587 | 40160 | 40854 |
| % Chg Same Qtr Last Yr | 1.05 | 1.37 | 3.39 | 2.10 | 1.59 | 1.69 | 1.53 | 1.29 | 1.11 | 1.10 | 1.12 | 1.08 | 2.08 | 1.45 | 1.73 |
| RETAIL TRADE | 21090 | 21069 | 20529 | 21532 | 21339 | 21345 | 20762 | 21725 | 21493 | 21496 | 20913 | 21875 | 21061 | 21011 | 21244 |
| % Chg Same Qtr Last Yr | -0.62 | 0.61 | -1.01 | 0.82 | 1.18 | 1.31 | 1.14 | 0.90 | 0.72 | 0.71 | 0.73 | 0.69 | 1.45 | -0.24 | 1.11 |
| TRANSPORTATION & UTILITIES | 36958 | 36629 | 35746 | 37607 | 37928 | 37806 | 36832 | 38975 | 39238 | 39108 | 38107 | 40309 | 35949 | 36754 | 37543 |
| % Chg Same Qtr Last Yr | 1.59 | 2.59 | 0.48 | -0.20 | 2.62 | 3.21 | 3.04 | 3.64 | 3.46 | 3.44 | 3.46 | 3.42 | 3.38 | 2.24 | 2.15 |
| INFORMATION | 37417 | 37301 | 37267 | 37887 | 38055 | 37817 | 37678 | 38532 | 38635 | 38388 | 38254 | 39107 | 35850 | 37305 | 37859 |
| % Chg Same Qtr Last Yr | 5.43 | 5.22 | 2.44 | 1.75 | 1.71 | 1.38 | 1.10 | 1.70 | 1.52 | 1.51 | 1.53 | 1.49 | 1.06 | 4.06 | 1.49 |
| FINANCIAL ACTIVITIES | 41810 | 41957 | 42224 | 42480 | 42562 | 42761 | 42965 | 43045 | 43330 | 43533 | 43456 | 44214 | 40325 | 41894 | 42692 |
| % Chg Same Qtr Last Yr | 4.84 | 4.70 | 3.64 | 2.15 | 1.80 | 1.92 | 1.76 | 1.33 | 1.81 | 1.80 | 1.14 | 2.71 | 0.46 | 3.89 | 1.91 |
| PROF & BUSINESS SERVICES | 29498 | 29356 | 29282 | 29690 | 29434 | 29450 | 29604 | 29967 | 29729 | 29525 | 29181 | 29639 | 30468 | 29505 | 29545 |
| % Chg Same Qtr Last Yr | -4.38 | -1.27 | -0.68 | -0.65 | -0.22 | 0.32 | 1.10 | 0.93 | 1.00 | 0.25 | -1.43 | -1.09 | -0.65 | -3.16 | 0.13 |
| EDUC & HEALTH SERVICES | 32620 | 32683 | 32879 | 33072 | 33313 | 33205 | 33345 | 33696 | 33777 | 33768 | 33784 | 34260 | 32125 | 32739 | 33234 |
| % Chg Same Qtr Last Yr | 1.83 | 1.74 | 2.08 | 0.91 | 2.12 | 1.60 | 1.42 | 1.89 | 1.39 | 1.70 | 1.32 | 1.68 | 2.10 | 1.91 | 1.51 |
| LEISURE & HOSPITALITY | 13485 | 13331 | 13839 | 14506 | 13631 | 13490 | 13980 | 14620 | 13714 | 13571 | 14067 | 14704 | 14144 | 14043 | 13902 |
| % Chg Same Qtr Last Yr | -2.34 | -1.00 | -1.87 | -6.52 | 1.09 | 1.19 | 1.03 | 0.79 | 0.61 | 0.60 | 0.62 | 0.58 | 3.87 | -0.71 | -1.00 |
| OTHER SERVICES | 23303 | 22871 | 22823 | 23590 | 23380 | 22956 | 22871 | 23584 | 23333 | 23154 | 22935 | 23607 | 23729 | 23089 | 23199 |
| % Chg Same Qtr Last Yr | -1.53 | -3.22 | -3.33 | 0.99 | 0.33 | 0.37 | 0.21 | -0.03 | -0.20 | 0.86 | 0.28 | 0.10 | 0.62 | -2.70 | 0.48 |
| GOVERNMENT | 28461 | 29598 | 28404 | 28689 | 28956 | 29934 | 28872 | 29161 | 29375 | 30357 | 29281 | 29560 | 28251 | 28641 | 29113 |
| % Chg Same Qtr Last Yr | 1.40 | 1.04 | 2.57 | 2.09 | 1.74 | 1.14 | 1.65 | 1.65 | 1.44 | 1.41 | 1.42 | 1.37 | 1.75 | 1.38 | 1.65 |
| FEDERAL, CIVILIAN | 45368 | 46395 | 47433 | 46350 | 46410 | 47289 | 48133 | 47429 | 47407 | 48299 | 49170 | 48433 | 43741 | 46006 | 47045 |
| % Chg Same Qtr Last Yr | 3.23 | 6.64 | 9.05 | 3.40 | 2.30 | 1.93 | 1.48 | 2.33 | 2.15 | 2.14 | 2.15 | 2.12 | 0.91 | 5.18 | 2.26 |
| STATE & LOCAL | 25986 | 27080 | 25817 | 26114 | 26386 | 27425 | 26291 | 26535 | 26764 | 27816 | 26672 | 26906 | 26003 | 26144 | 26554 |
| % Chg Same Qtr Last Yr | 0.89 | -0.36 | 1.43 | 1.64 | 1.54 | 1.27 | 1.84 | 1.61 | 1.43 | 1.43 | 1.45 | 1.40 | 2.05 | 0.54 | 1.57 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (1996 dollars)** December 2003

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONFARM | 29853 | 29899 | 30003 | 30103 | 30294 | 30330 | 30444 | 30593 | 30731 | 30759 | 30742 | 30972 | 29661 | 29902 | 30293 |
| % Chg Prev Qtr SAAR | 0.01 | 0.62 | 1.39 | 1.33 | 2.56 | 0.49 | 1.51 | 1.97 | 1.82 | 0.36 | -0.22 | 3.03 | 1.51 | 0.81 | 1.31 |
| % Chg Same Qtr Last Yr | 0.36 | 1.17 | 1.30 | 0.84 | 1.48 | 1.44 | 1.47 | 1.63 | 1.44 | 1.41 | 0.98 | 1.24 | 1.51 | 0.81 | 1.31 |
| NATURAL RESOURCES & MINING | 32915 | 33078 | 33331 | 33619 | 33883 | 34088 | 34292 | 34507 | 34716 | 34922 | 35137 | 35344 | 31602 | 32553 | 33971 |
| % Chg Prev Qtr SAAR | 28.92 | 2.00 | 3.09 | 3.50 | 3.17 | 2.45 | 2.41 | 2.53 | 2.45 | 2.40 | 2.48 | 2.38 | -3.01 | 3.01 | 4.35 |
| % Chg Same Qtr Last Yr | -1.78 | 5.81 | 7.29 | 8.84 | 2.94 | 3.05 | 2.88 | 2.64 | 2.46 | 2.45 | 2.46 | 2.43 | -3.01 | 3.01 | 4.35 |
| CONSTRUCTION | 33566 | 33577 | 33677 | 33364 | 33581 | 33662 | 33773 | 33615 | 33775 | 33852 | 33969 | 33799 | 32740 | 33418 | 33595 |
| % Chg Prev Qtr SAAR | 8.96 | 0.13 | 1.20 | -3.67 | 2.63 | 0.97 | 1.33 | -1.86 | 1.91 | 0.92 | 1.40 | -2.00 | -0.64 | 2.07 | 0.53 |
| % Chg Same Qtr Last Yr | 1.45 | 2.94 | 4.53 | 1.55 | 0.04 | 0.25 | 0.28 | 0.75 | 0.58 | 0.56 | 0.58 | 0.55 | -0.64 | 2.07 | 0.53 |
| MANUFACTURING | 35567 | 35756 | 36039 | 36158 | 36291 | 36355 | 36545 | 36937 | 37012 | 37153 | 37287 | 37871 | 35096 | 35673 | 36337 |
| % Chg Prev Qtr SAAR | 2.72 | 2.15 | 3.20 | 1.33 | 1.49 | 0.71 | 2.10 | 4.36 | 0.81 | 1.54 | 1.45 | 6.41 | 3.47 | 1.64 | 1.86 |
| % Chg Same Qtr Last Yr | 1.15 | 1.98 | 2.12 | 2.35 | 2.04 | 1.68 | 1.40 | 2.16 | 1.98 | 2.19 | 2.03 | 2.53 | 3.47 | 1.64 | 1.86 |
| DURABLE GOODS | 34961 | 35143 | 35420 | 35534 | 35649 | 35709 | 35951 | 36354 | 36459 | 36516 | 36571 | 37270 | 34765 | 35053 | 35711 |
| % Chg Prev Qtr SAAR | 3.19 | 2.10 | 3.19 | 1.30 | 1.30 | 0.67 | 2.74 | 4.56 | 1.16 | 0.63 | 0.60 | 7.87 | 3.37 | 0.83 | 1.88 |
| % Chg Same Qtr Last Yr | -0.09 | 1.72 | 1.70 | 2.44 | 1.97 | 1.61 | 1.50 | 2.31 | 2.27 | 2.26 | 1.72 | 2.52 | 3.37 | 0.83 | 1.88 |
| NONDURABLE GOODS | 36504 | 36702 | 36999 | 37136 | 37311 | 37394 | 37506 | 37885 | 37917 | 38205 | 38476 | 38875 | 35609 | 36632 | 37337 |
| % Chg Prev Qtr SAAR | 1.99 | 2.19 | 3.28 | 1.49 | 1.90 | 0.89 | 1.20 | 4.10 | 0.34 | 3.07 | 2.87 | 4.21 | 3.60 | 2.87 | 1.92 |
| % Chg Same Qtr Last Yr | 3.04 | 2.36 | 2.72 | 2.24 | 2.21 | 1.89 | 1.37 | 2.02 | 1.62 | 2.17 | 2.59 | 2.61 | 3.60 | 2.87 | 1.92 |
| TRADE, TRANSPORTATION, UTILITIES | 28990 | 28974 | 28884 | 29231 | 29520 | 29619 | 29471 | 29813 | 30045 | 30114 | 29953 | 30259 | 28687 | 28954 | 29460 |
| % Chg Prev Qtr SAAR | 0.34 | -0.22 | -1.24 | 4.90 | 4.01 | 1.34 | -1.97 | 4.71 | 3.16 | 0.92 | -2.12 | 4.15 | 2.24 | 0.93 | 1.75 |
| % Chg Same Qtr Last Yr | 0.54 | 1.28 | 0.54 | 0.92 | 1.83 | 2.22 | 2.03 | 1.99 | 1.78 | 1.67 | 1.64 | 1.50 | 2.24 | 0.93 | 1.75 |
| WHOLESALE TRADE | 40178 | 40245 | 40419 | 40634 | 40818 | 40930 | 41038 | 41159 | 41272 | 41381 | 41497 | 41604 | 39588 | 40161 | 40855 |
| % Chg Prev Qtr SAAR | 3.83 | 0.66 | 1.74 | 2.15 | 1.82 | 1.10 | 1.06 | 1.18 | 1.11 | 1.05 | 1.13 | 1.04 | 2.08 | 1.45 | 1.73 |
| % Chg Same Qtr Last Yr | 1.04 | 1.40 | 3.38 | 2.09 | 1.59 | 1.70 | 1.53 | 1.29 | 1.11 | 1.10 | 1.12 | 1.08 | 2.08 | 1.45 | 1.73 |
| RETAIL TRADE | 20980 | 20994 | 21064 | 21156 | 21231 | 21268 | 21304 | 21346 | 21384 | 21419 | 21458 | 21493 | 21056 | 21005 | 21240 |
| % Chg Prev Qtr SAAR | -0.01 | 0.27 | 1.34 | 1.75 | 1.42 | 0.71 | 0.67 | 0.79 | 0.72 | 0.66 | 0.74 | 0.65 | 1.46 | -0.24 | 1.12 |
| % Chg Same Qtr Last Yr | -0.59 | 0.61 | -1.04 | 0.84 | 1.20 | 1.31 | 1.14 | 0.90 | 0.72 | 0.71 | 0.73 | 0.69 | 1.46 | -0.24 | 1.12 |
| TRANSPORTATION & UTILITIES | 36939 | 36877 | 36101 | 37011 | 37896 | 38075 | 37198 | 38357 | 39206 | 39386 | 38485 | 39670 | 35950 | 36751 | 37545 |
| % Chg Prev Qtr SAAR | -1.60 | -0.67 | -8.16 | 10.47 | 9.92 | 1.91 | -8.91 | 13.06 | 9.15 | 1.86 | -8.84 | 12.89 | 3.36 | 2.23 | 2.16 |
| % Chg Same Qtr Last Yr | 1.52 | 2.66 | 0.49 | -0.21 | 2.59 | 3.25 | 3.04 | 3.64 | 3.46 | 3.44 | 3.46 | 3.42 | 3.36 | 2.23 | 2.16 |
| INFORMATION | 37298 | 37397 | 37597 | 37622 | 37934 | 37914 | 38011 | 38262 | 38512 | 38487 | 38592 | 38834 | 35981 | 37316 | 37870 |
| % Chg Prev Qtr SAAR | 3.56 | 1.07 | 2.15 | 0.27 | 3.36 | -0.21 | 1.03 | 2.67 | 2.64 | -0.26 | 1.10 | 2.52 | 1.44 | 3.71 | 1.48 |
| % Chg Same Qtr Last Yr | 5.29 | 5.22 | 2.44 | 1.75 | 1.71 | 1.38 | 1.10 | 1.70 | 1.52 | 1.51 | 1.53 | 1.49 | 1.44 | 3.71 | 1.48 |
| FINANCIAL ACTIVITIES | 41840 | 42077 | 42429 | 42114 | 42592 | 42884 | 43174 | 42674 | 43361 | 43658 | 43667 | 43832 | 40376 | 41893 | 42691 |
| % Chg Prev Qtr SAAR | 6.10 | 2.29 | 3.38 | -2.93 | 4.62 | 2.77 | 2.73 | -4.55 | 6.60 | 2.77 | 0.08 | 1.52 | 0.59 | 3.76 | 1.91 |
| % Chg Same Qtr Last Yr | 4.59 | 4.70 | 3.64 | 2.15 | 1.80 | 1.92 | 1.76 | 1.33 | 1.81 | 1.80 | 1.14 | 2.71 | 0.59 | 3.76 | 1.91 |
| PROF & BUSINESS SERVICES | 29539 | 29431 | 29401 | 29450 | 29475 | 29525 | 29725 | 29725 | 29770 | 29600 | 29300 | 29400 | 30382 | 29504 | 29544 |
| % Chg Prev Qtr SAAR | -1.41 | -1.46 | -0.40 | 0.67 | 0.34 | 0.68 | 2.74 | 0.00 | 0.61 | -2.26 | -3.99 | 1.37 | -0.92 | -2.89 | 0.14 |
| % Chg Same Qtr Last Yr | -4.45 | -1.28 | -0.68 | -0.65 | -0.22 | 0.32 | 1.10 | 0.93 | 1.00 | 0.25 | -1.43 | -1.09 | -0.92 | -2.89 | 0.14 |

(CONTINUED ON NEXT PAGE)

**Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (1996 dollars)** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| EDUC & HEALTH SERVICES………………. | 32616 | 32718 | 32907 | 33007 | 33309 | 33241 | 33374 | 33629 | 33773 | 33804 | 33814 | 34193 | 32093 | 32738 | 33233 |
| % Chg Prev Qtr SAAR………………… | -1.14 | 1.26 | 2.34 | 1.22 | 3.71 | -0.81 | 1.61 | 3.10 | 1.72 | 0.37 | 0.11 | 4.56 | 2.00 | 2.01 | 1.51 |
| % Chg Same Qtr Last Yr………………. | 1.91 | 1.73 | 2.08 | 0.91 | 2.12 | 1.60 | 1.42 | 1.89 | 1.39 | 1.70 | 1.32 | 1.68 | 2.00 | 2.01 | 1.51 |
| LEISURE & HOSPITALITY…………………. | 13738 | 13744 | 13786 | 13842 | 13887 | 13908 | 13928 | 13951 | 13972 | 13991 | 14013 | 14032 | 14120 | 14019 | 13891 |
| % Chg Prev Qtr SAAR………………… | -25.91 | 0.16 | 1.23 | 1.64 | 1.31 | 0.60 | 0.56 | 0.68 | 0.61 | 0.55 | 0.63 | 0.53 | 3.83 | -0.71 | -0.91 |
| % Chg Same Qtr Last Yr………………. | -3.03 | -1.01 | -1.87 | -6.52 | 1.09 | 1.19 | 1.03 | 0.79 | 0.61 | 0.60 | 0.62 | 0.58 | 3.83 | -0.71 | -0.91 |
| OTHER SERVICES………………………… | 23150 | 23113 | 23137 | 23184 | 23212 | 23200 | 23185 | 23178 | 23166 | 23400 | 23250 | 23200 | 23722 | 23084 | 23195 |
| % Chg Prev Qtr SAAR………………… | 3.76 | -0.65 | 0.42 | 0.82 | 0.50 | -0.21 | -0.25 | -0.13 | -0.21 | 4.11 | -2.54 | -0.86 | 0.61 | -2.69 | 0.48 |
| % Chg Same Qtr Last Yr………………. | -1.66 | -3.21 | -3.36 | 1.07 | 0.27 | 0.38 | 0.21 | -0.03 | -0.20 | 0.86 | 0.28 | 0.10 | 0.61 | -2.69 | 0.48 |
| GOVERNMENT……………………………… | 28609 | 28698 | 28838 | 28980 | 29073 | 29059 | 29313 | 29458 | 29493 | 29470 | 29728 | 29861 | 28238 | 28643 | 29106 |
| % Chg Prev Qtr SAAR………………… | 2.59 | 1.24 | 1.97 | 1.99 | 1.29 | -0.19 | 3.55 | 1.98 | 0.48 | -0.32 | 3.56 | 1.80 | 1.76 | 1.43 | 1.62 |
| % Chg Same Qtr Last Yr………………. | 1.41 | 1.03 | 2.75 | 1.95 | 1.62 | 1.26 | 1.65 | 1.65 | 1.44 | 1.41 | 1.42 | 1.37 | 1.76 | 1.43 | 1.62 |
| FEDERAL, CIVILIAN……………………… | 46058 | 46252 | 46570 | 46622 | 47104 | 47144 | 47257 | 47707 | 48116 | 48151 | 48275 | 48717 | 43736 | 45986 | 47032 |
| % Chg Prev Qtr SAAR………………… | 9.10 | 1.69 | 2.78 | 0.45 | 4.20 | 0.34 | 0.96 | 3.87 | 3.47 | 0.29 | 1.03 | 3.72 | 0.91 | 5.15 | 2.27 |
| % Chg Same Qtr Last Yr………………. | 3.18 | 6.64 | 8.98 | 3.45 | 2.27 | 1.93 | 1.48 | 2.33 | 2.15 | 2.14 | 2.15 | 2.12 | 0.91 | 5.15 | 2.27 |
| STATE & LOCAL…………………………… | 26084 | 26148 | 26282 | 26443 | 26489 | 26478 | 26763 | 26870 | 26870 | 26855 | 27149 | 27247 | 25988 | 26132 | 26543 |
| % Chg Prev Qtr SAAR………………… | 1.09 | 0.99 | 2.06 | 2.47 | 0.69 | -0.17 | 4.38 | 1.61 | -0.01 | -0.22 | 4.45 | 1.46 | 2.05 | 0.55 | 1.57 |
| % Chg Same Qtr Last Yr………………. | 0.91 | -0.38 | 1.43 | 1.65 | 1.55 | 1.26 | 1.83 | 1.61 | 1.44 | 1.42 | 1.44 | 1.40 | 2.05 | 0.55 | 1.57 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars)** **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONFARM | 33602 | 33905 | 33869 | 34737 | 34648 | 34885 | 34884 | 35927 | 35817 | 36052 | 35907 | 37084 | 32956 | 33838 | 34788 |
| % Chg Same Qtr Last Yr | 2.20 | 3.12 | 2.94 | 2.24 | 3.11 | 2.89 | 3.00 | 3.43 | 3.37 | 3.34 | 2.93 | 3.22 | 2.94 | 2.68 | 2.81 |
| NATURAL RESOURCES & MINING | 36818 | 36782 | 37953 | 39561 | 38445 | 38419 | 39641 | 41321 | 40155 | 40128 | 41404 | 43158 | 35099 | 36853 | 39016 |
| % Chg Same Qtr Last Yr | -0.11 | 7.86 | 9.26 | 10.32 | 4.42 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | -1.73 | 5.00 | 5.87 |
| CONSTRUCTION | 37362 | 37024 | 38275 | 39883 | 37925 | 37620 | 38968 | 40892 | 38884 | 38571 | 39953 | 41926 | 36455 | 37852 | 38599 |
| % Chg Same Qtr Last Yr | 2.82 | 4.81 | 6.42 | 2.93 | 1.51 | 1.61 | 1.81 | 2.53 | 2.53 | 2.53 | 2.53 | 2.53 | 0.96 | 3.83 | 1.97 |
| MANUFACTURING | 40066 | 40441 | 41060 | 41482 | 41474 | 41673 | 42273 | 43123 | 43112 | 43420 | 43972 | 45085 | 38979 | 40388 | 41725 |
| % Chg Same Qtr Last Yr | 2.93 | 3.93 | 3.97 | 3.74 | 3.51 | 3.05 | 2.95 | 3.96 | 3.95 | 4.19 | 4.02 | 4.55 | 4.89 | 3.62 | 3.31 |
| DURABLE GOODS | 39304 | 39835 | 40389 | 40726 | 40653 | 41021 | 41624 | 42400 | 42377 | 42769 | 43171 | 44325 | 38610 | 39687 | 41006 |
| % Chg Same Qtr Last Yr | 1.67 | 3.66 | 3.55 | 3.84 | 3.43 | 2.98 | 3.06 | 4.11 | 4.24 | 4.26 | 3.72 | 4.54 | 4.78 | 2.79 | 3.32 |
| NONDURABLE GOODS | 41250 | 41370 | 42099 | 42671 | 42782 | 42714 | 43321 | 44303 | 44323 | 44489 | 45298 | 46361 | 39548 | 41474 | 42872 |
| % Chg Same Qtr Last Yr | 4.88 | 4.32 | 4.59 | 3.63 | 3.71 | 3.25 | 2.90 | 3.82 | 3.60 | 4.15 | 4.56 | 4.65 | 5.03 | 4.87 | 3.37 |
| TRADE, TRANSPORTATION, UTILITIES | 32820 | 32880 | 32105 | 33863 | 34072 | 34145 | 33257 | 35145 | 35351 | 35394 | 34455 | 36375 | 31864 | 32724 | 33834 |
| % Chg Same Qtr Last Yr | 2.31 | 3.22 | 1.62 | 2.34 | 3.81 | 3.85 | 3.59 | 3.79 | 3.75 | 3.66 | 3.60 | 3.50 | 3.64 | 2.70 | 3.39 |
| WHOLESALE TRADE | 45397 | 45549 | 45908 | 46584 | 46794 | 46943 | 47320 | 48018 | 48234 | 48387 | 48776 | 49495 | 43965 | 45467 | 46910 |
| % Chg Same Qtr Last Yr | 2.83 | 3.33 | 5.25 | 3.48 | 3.08 | 3.06 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.47 | 3.42 | 3.17 |
| RETAIL TRADE | 23799 | 23916 | 23379 | 24577 | 24432 | 24557 | 24005 | 25235 | 25086 | 25214 | 24647 | 25910 | 23390 | 23786 | 24393 |
| % Chg Same Qtr Last Yr | 1.13 | 2.56 | 0.78 | 2.19 | 2.66 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.84 | 1.69 | 2.55 |
| TRANSPORTATION & UTILITIES | 41705 | 41578 | 40709 | 42926 | 43425 | 43495 | 42585 | 45271 | 45797 | 45872 | 44911 | 47745 | 39924 | 41608 | 43108 |
| % Chg Same Qtr Last Yr | 3.38 | 4.58 | 2.29 | 1.15 | 4.12 | 4.61 | 4.61 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 4.79 | 4.22 | 3.61 |
| INFORMATION | 42222 | 42342 | 42441 | 43245 | 43571 | 43507 | 43562 | 44756 | 45093 | 45028 | 45084 | 46320 | 39816 | 42234 | 43471 |
| % Chg Same Qtr Last Yr | 7.28 | 7.25 | 4.29 | 3.13 | 3.19 | 2.75 | 2.64 | 3.49 | 3.49 | 3.49 | 3.49 | 3.49 | 2.45 | 6.07 | 2.93 |
| FINANCIAL ACTIVITIES | 47180 | 47627 | 48086 | 48488 | 48730 | 49196 | 49676 | 49999 | 50573 | 51062 | 51216 | 52369 | 44787 | 47431 | 49023 |
| % Chg Same Qtr Last Yr | 6.69 | 6.72 | 5.51 | 3.54 | 3.29 | 3.30 | 3.31 | 3.12 | 3.78 | 3.79 | 3.10 | 4.74 | 1.83 | 5.90 | 3.36 |
| PROF & BUSINESS SERVICES | 33286 | 33323 | 33347 | 33889 | 33700 | 33882 | 34228 | 34808 | 34698 | 34632 | 34392 | 35107 | 33833 | 33403 | 33925 |
| % Chg Same Qtr Last Yr | -2.69 | 0.64 | 1.11 | 0.69 | 1.24 | 1.68 | 2.64 | 2.71 | 2.96 | 2.21 | 0.48 | 0.86 | 0.69 | -1.27 | 1.56 |
| EDUC & HEALTH SERVICES | 36809 | 37099 | 37443 | 37749 | 38141 | 38202 | 38552 | 39139 | 39423 | 39609 | 39817 | 40580 | 35680 | 37065 | 38161 |
| % Chg Same Qtr Last Yr | 3.63 | 3.71 | 3.92 | 2.28 | 3.62 | 2.97 | 2.96 | 3.68 | 3.36 | 3.68 | 3.28 | 3.68 | 3.50 | 3.88 | 2.96 |
| LEISURE & HOSPITALITY | 15216 | 15133 | 15760 | 16557 | 15606 | 15520 | 16164 | 16981 | 16007 | 15918 | 16578 | 17417 | 15706 | 15896 | 15962 |
| % Chg Same Qtr Last Yr | -0.62 | 0.91 | -0.10 | -5.25 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 5.28 | 1.21 | 0.42 |
| OTHER SERVICES | 26295 | 25961 | 25992 | 26926 | 26768 | 26410 | 26443 | 27394 | 27233 | 27158 | 27030 | 27961 | 26353 | 26139 | 26637 |
| % Chg Same Qtr Last Yr | 0.20 | -1.35 | -1.59 | 2.35 | 1.80 | 1.73 | 1.74 | 1.74 | 1.74 | 2.83 | 2.22 | 2.07 | 1.99 | -0.81 | 1.91 |
| GOVERNMENT | 32116 | 33598 | 32347 | 32746 | 33153 | 34439 | 33381 | 33872 | 34285 | 35608 | 34509 | 35013 | 31377 | 32427 | 33430 |
| % Chg Same Qtr Last Yr | 3.19 | 2.99 | 4.42 | 3.48 | 3.23 | 2.50 | 3.20 | 3.44 | 3.41 | 3.39 | 3.38 | 3.37 | 3.15 | 3.35 | 3.09 |
| FEDERAL, CIVILIAN | 51194 | 52664 | 54019 | 52905 | 53136 | 54405 | 55650 | 55091 | 55332 | 56653 | 57949 | 57367 | 48579 | 52090 | 54024 |
| % Chg Same Qtr Last Yr | 5.06 | 8.70 | 11.02 | 4.80 | 3.79 | 3.30 | 3.02 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 2.29 | 7.23 | 3.71 |
| STATE & LOCAL | 29324 | 30739 | 29401 | 29807 | 30210 | 31552 | 30397 | 30821 | 31238 | 32627 | 31434 | 31869 | 28880 | 29600 | 30492 |
| % Chg Same Qtr Last Yr | 2.67 | 1.56 | 3.26 | 3.02 | 3.02 | 2.64 | 3.39 | 3.40 | 3.40 | 3.41 | 3.41 | 3.40 | 3.44 | 2.49 | 3.01 |

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)** December 2003

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL NONFARM | 33687 | 33940 | 34169 | 34360 | 34684 | 34895 | 35199 | 35535 | 35868 | 36079 | 36231 | 36685 | 32943 | 33854 | 34784 |
| % Chg Prev Qtr SAAR | 0.82 | 3.03 | 2.73 | 2.26 | 3.83 | 2.45 | 3.53 | 3.87 | 3.80 | 2.37 | 1.70 | 5.11 | 2.90 | 2.76 | 2.75 |
| % Chg Same Qtr Last Yr | 2.13 | 3.12 | 3.13 | 2.20 | 2.96 | 2.81 | 3.01 | 3.42 | 3.41 | 3.39 | 2.93 | 3.24 | 2.90 | 2.76 | 2.75 |
| NATURAL RESOURCES & MINING | 37142 | 37548 | 37959 | 38374 | 38794 | 39218 | 39647 | 40081 | 40519 | 40963 | 41411 | 41864 | 35098 | 36859 | 39008 |
| % Chg Prev Qtr SAAR | 29.96 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | -1.68 | 5.02 | 5.83 |
| % Chg Same Qtr Last Yr | -0.05 | 7.86 | 9.23 | 10.31 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | 4.45 | -1.68 | 5.02 | 5.83 |
| CONSTRUCTION | 37877 | 38114 | 38353 | 38083 | 38448 | 38728 | 39048 | 39046 | 39420 | 39707 | 40035 | 40033 | 36361 | 37836 | 38576 |
| % Chg Prev Qtr SAAR | 9.84 | 2.53 | 2.53 | -2.79 | 3.89 | 2.94 | 3.35 | -0.02 | 3.89 | 2.94 | 3.35 | -0.02 | 0.72 | 4.06 | 1.96 |
| % Chg Same Qtr Last Yr | 3.24 | 4.93 | 6.42 | 2.93 | 1.51 | 1.61 | 1.81 | 2.53 | 2.53 | 2.53 | 2.53 | 2.53 | 0.72 | 4.06 | 1.96 |
| MANUFACTURING | 40134 | 40588 | 41042 | 41271 | 41551 | 41826 | 42252 | 42904 | 43198 | 43579 | 43945 | 44856 | 38980 | 40388 | 41725 |
| % Chg Prev Qtr SAAR | 3.55 | 4.60 | 4.55 | 2.25 | 2.74 | 2.67 | 4.14 | 6.31 | 2.77 | 3.58 | 3.40 | 8.56 | 4.89 | 3.61 | 3.31 |
| % Chg Same Qtr Last Yr | 2.93 | 3.96 | 3.96 | 3.73 | 3.53 | 3.05 | 2.95 | 3.96 | 3.96 | 4.19 | 4.01 | 4.55 | 4.89 | 3.61 | 3.31 |
| DURABLE GOODS | 39451 | 39892 | 40337 | 40559 | 40816 | 41083 | 41566 | 42227 | 42553 | 42832 | 43101 | 44146 | 38611 | 39686 | 41006 |
| % Chg Prev Qtr SAAR | 4.02 | 4.54 | 4.54 | 2.22 | 2.55 | 2.64 | 4.79 | 6.52 | 3.13 | 2.64 | 2.54 | 10.05 | 4.78 | 2.78 | 3.33 |
| % Chg Same Qtr Last Yr | 1.68 | 3.68 | 3.54 | 3.83 | 3.46 | 2.99 | 3.05 | 4.11 | 4.26 | 4.26 | 3.69 | 4.54 | 4.78 | 2.78 | 3.33 |
| NONDURABLE GOODS | 41192 | 41661 | 42136 | 42388 | 42719 | 43021 | 43364 | 44005 | 44255 | 44813 | 45346 | 46046 | 39551 | 41474 | 42873 |
| % Chg Prev Qtr SAAR | 2.81 | 4.64 | 4.64 | 2.41 | 3.16 | 2.86 | 3.22 | 6.05 | 2.29 | 5.14 | 4.85 | 6.31 | 5.03 | 4.86 | 3.37 |
| % Chg Same Qtr Last Yr | 4.86 | 4.34 | 4.58 | 3.62 | 3.71 | 3.26 | 2.91 | 3.82 | 3.60 | 4.16 | 4.57 | 4.64 | 5.03 | 4.86 | 3.37 |
| TRADE, TRANSPORTATION, UTILITIES | 32714 | 32890 | 32895 | 33366 | 33799 | 34076 | 34074 | 34629 | 35068 | 35323 | 35302 | 35841 | 31861 | 32780 | 33828 |
| % Chg Prev Qtr SAAR | 1.15 | 2.17 | 0.06 | 5.85 | 5.29 | 3.32 | -0.02 | 6.67 | 5.16 | 2.94 | -0.23 | 6.25 | 3.64 | 2.88 | 3.20 |
| % Chg Same Qtr Last Yr | 2.31 | 3.24 | 2.36 | 2.28 | 3.32 | 3.61 | 3.59 | 3.79 | 3.75 | 3.66 | 3.60 | 3.50 | 3.64 | 2.88 | 3.20 |
| WHOLESALE TRADE | 45339 | 45683 | 46031 | 46381 | 46733 | 47089 | 47447 | 47808 | 48171 | 48538 | 48907 | 49279 | 43966 | 45469 | 46913 |
| % Chg Prev Qtr SAAR | 4.67 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.47 | 3.42 | 3.17 |
| % Chg Same Qtr Last Yr | 2.82 | 3.36 | 5.24 | 3.47 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.08 | 3.47 | 3.42 | 3.17 |
| RETAIL TRADE | 23674 | 23831 | 23989 | 24148 | 24308 | 24469 | 24631 | 24794 | 24958 | 25124 | 25290 | 25458 | 23386 | 23780 | 24389 |
| % Chg Prev Qtr SAAR | 0.79 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.85 | 1.69 | 2.56 |
| % Chg Same Qtr Last Yr | 1.16 | 2.55 | 0.74 | 2.20 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.85 | 1.69 | 2.56 |
| TRANSPORTATION & UTILITIES | 41683 | 41860 | 41113 | 42245 | 43388 | 43805 | 43007 | 44553 | 45759 | 46199 | 45357 | 46987 | 39928 | 41606 | 43112 |
| % Chg Prev Qtr SAAR | -0.81 | 1.71 | -6.95 | 11.47 | 11.27 | 3.90 | -7.09 | 15.17 | 11.27 | 3.90 | -7.09 | 15.17 | 4.77 | 4.20 | 3.62 |
| % Chg Same Qtr Last Yr | 3.31 | 4.65 | 2.30 | 1.14 | 4.09 | 4.65 | 4.61 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 4.77 | 4.20 | 3.62 |
| INFORMATION | 42088 | 42451 | 42817 | 42943 | 43432 | 43619 | 43947 | 44444 | 44950 | 45144 | 45483 | 45997 | 39962 | 42248 | 43485 |
| % Chg Prev Qtr SAAR | 4.39 | 3.49 | 3.49 | 1.18 | 4.63 | 1.74 | 3.04 | 4.59 | 4.63 | 1.74 | 3.04 | 4.59 | 2.83 | 5.72 | 2.93 |
| % Chg Same Qtr Last Yr | 7.14 | 7.26 | 4.29 | 3.13 | 3.19 | 2.75 | 2.64 | 3.49 | 3.49 | 3.49 | 3.49 | 3.49 | 2.83 | 5.72 | 2.93 |
| FINANCIAL ACTIVITIES | 47213 | 47763 | 48320 | 48070 | 48765 | 49337 | 49917 | 49568 | 50609 | 51209 | 51464 | 51918 | 44844 | 47431 | 49022 |
| % Chg Prev Qtr SAAR | 6.95 | 4.74 | 4.74 | -2.05 | 5.91 | 4.78 | 4.78 | -2.77 | 8.67 | 4.83 | 2.01 | 3.57 | 1.96 | 5.77 | 3.36 |
| % Chg Same Qtr Last Yr | 6.43 | 6.72 | 5.51 | 3.54 | 3.29 | 3.30 | 3.31 | 3.12 | 3.78 | 3.79 | 3.10 | 4.74 | 1.96 | 5.77 | 3.36 |
| PROF & BUSINESS SERVICES | 33333 | 33408 | 33483 | 33615 | 33747 | 33968 | 34367 | 34527 | 34746 | 34720 | 34532 | 34823 | 33739 | 33402 | 33924 |
| % Chg Prev Qtr SAAR | -0.61 | 0.91 | 0.91 | 1.58 | 1.58 | 2.65 | 4.79 | 1.87 | 2.56 | -0.31 | -2.15 | 3.42 | 0.42 | -1.00 | 1.56 |
| % Chg Same Qtr Last Yr | -2.77 | 0.63 | 1.11 | 0.69 | 1.24 | 1.68 | 2.64 | 2.71 | 2.96 | 2.21 | 0.48 | 0.86 | 0.42 | -1.00 | 1.56 |

(CONTINUED ON NEXT PAGE)

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)** — **December 2003**

| | History | Forecast Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| EDUC & HEALTH SERVICES | 36805 | 37139 | 37476 | 37675 | 38137 | 38243 | 38586 | 39062 | 39418 | 39651 | 39852 | 40500 | 35644 | 37064 | 38160 |
| % Chg Prev Qtr SAAR | -0.34 | 3.68 | 3.68 | 2.14 | 4.99 | 1.12 | 3.64 | 5.03 | 3.70 | 2.38 | 2.04 | 6.67 | 3.39 | 3.98 | 2.96 |
| % Chg Same Qtr Last Yr | 3.71 | 3.69 | 3.92 | 2.28 | 3.62 | 2.97 | 2.96 | 3.68 | 3.36 | 3.68 | 3.28 | 3.68 | 3.39 | 3.98 | 2.96 |
| LEISURE & HOSPITALITY | 15503 | 15601 | 15700 | 15800 | 15900 | 16001 | 16103 | 16205 | 16308 | 16411 | 16516 | 16620 | 15681 | 15870 | 15951 |
| % Chg Prev Qtr SAAR | -25.31 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 5.24 | 1.21 | 0.51 |
| % Chg Same Qtr Last Yr | -1.32 | 0.90 | -0.10 | -5.25 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 5.24 | 1.21 | 0.51 |
| OTHER SERVICES | 26123 | 26236 | 26349 | 26463 | 26577 | 26691 | 26806 | 26922 | 27038 | 27447 | 27402 | 27480 | 26348 | 26135 | 26634 |
| % Chg Prev Qtr SAAR | 4.60 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 6.20 | -0.66 | 1.14 | 1.99 | -0.81 | 1.91 |
| % Chg Same Qtr Last Yr | 0.08 | -1.34 | -1.61 | 2.44 | 1.74 | 1.74 | 1.74 | 1.74 | 1.74 | 2.83 | 2.22 | 2.07 | 1.99 | -0.81 | 1.91 |
| GOVERNMENT | 32284 | 32576 | 32842 | 33079 | 33287 | 33432 | 33891 | 34216 | 34423 | 34567 | 35037 | 35369 | 31362 | 32429 | 33422 |
| % Chg Prev Qtr SAAR | 3.42 | 3.67 | 3.31 | 2.92 | 2.54 | 1.76 | 5.61 | 3.89 | 2.44 | 1.68 | 5.55 | 3.85 | 3.15 | 3.40 | 3.06 |
| % Chg Same Qtr Last Yr | 3.20 | 2.98 | 4.60 | 3.33 | 3.11 | 2.63 | 3.20 | 3.44 | 3.41 | 3.39 | 3.38 | 3.37 | 3.15 | 3.40 | 3.06 |
| FEDERAL, CIVILIAN | 51973 | 52502 | 53036 | 53216 | 53931 | 54238 | 54637 | 55414 | 56159 | 56479 | 56895 | 57704 | 48571 | 52066 | 54006 |
| % Chg Prev Qtr SAAR | 9.97 | 4.13 | 4.13 | 1.36 | 5.49 | 2.30 | 2.98 | 5.81 | 5.49 | 2.30 | 2.98 | 5.81 | 2.29 | 7.19 | 3.73 |
| % Chg Same Qtr Last Yr | 5.00 | 8.70 | 10.94 | 4.85 | 3.77 | 3.31 | 3.02 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 2.29 | 7.19 | 3.73 |
| STATE & LOCAL | 29434 | 29682 | 29931 | 30183 | 30328 | 30462 | 30943 | 31211 | 31361 | 31500 | 31996 | 32274 | 28864 | 29586 | 30479 |
| % Chg Prev Qtr SAAR | 1.90 | 3.41 | 3.41 | 3.41 | 1.94 | 1.78 | 6.46 | 3.51 | 1.94 | 1.78 | 6.46 | 3.51 | 3.45 | 2.50 | 3.02 |
| % Chg Same Qtr Last Yr | 2.69 | 1.55 | 3.26 | 3.03 | 3.04 | 2.63 | 3.38 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.45 | 2.50 | 3.02 |

**Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted** — **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| CIVILIAN LABOR FORCE (THOUS)...................... | 2901 | 2927 | 2899 | 2823 | 2946 | 2942 | 2925 | 2897 | 2946 | 2972 | 2964 | 2933 | 2926 | 2898 | 2909 |
| % Chg Same Qtr Last Yr............................ | -0.76 | -0.98 | -1.44 | -1.37 | 1.54 | 0.51 | 0.90 | 2.63 | 0.00 | 1.01 | 1.32 | 1.23 | 2.32 | -0.98 | 0.40 |
| EMPLOYED PERSONS (THOUS).................... | 2756 | 2775 | 2746 | 2656 | 2793 | 2788 | 2790 | 2751 | 2812 | 2832 | 2835 | 2793 | 2776 | 2748 | 2757 |
| % Chg Same Qtr Last Yr............................ | -0.72 | -1.21 | -2.09 | -2.15 | 1.36 | 0.45 | 1.62 | 3.57 | 0.68 | 1.57 | 1.62 | 1.53 | 1.57 | -1.03 | 0.33 |
| UNEMPLOYED PERSONS (THOUS)................ | 145 | 152 | 154 | 167 | 153 | 154 | 135 | 146 | 134 | 140 | 129 | 140 | 150 | 150 | 152 |
| % Chg Same Qtr Last Yr............................ | -1.44 | 3.50 | 11.88 | 13.00 | 5.00 | 1.59 | -11.85 | -12.31 | -12.37 | -9.15 | -4.83 | -4.38 | 18.48 | -0.15 | 1.79 |
| PARTICIPATION RATE (PERCENT)..................... | 62.3 | 62.6 | 61.8 | 59.9 | 62.3 | 61.9 | 61.4 | 60.5 | 61.3 | 61.6 | 61.2 | 60.4 | 64.1 | 62.1 | 61.4 |
| % Chg Same Qtr Last Yr............................ | -3.07 | -3.09 | -3.34 | -3.08 | -0.02 | -1.04 | -0.65 | 1.05 | -1.54 | -0.53 | -0.21 | -0.28 | 1.06 | -3.06 | -1.20 |
| UNEMPLOYMENT RATE (PERCENT).................. | 5.0 | 5.2 | 5.3 | 5.9 | 5.2 | 5.2 | 4.6 | 5.1 | 4.5 | 4.7 | 4.3 | 4.8 | 5.1 | 5.2 | 5.2 |

**Center for Business and Economic Research, The University of Tennessee** — **Tennessee Econometric Model**

**Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted** — **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| CIVILIAN LABOR FORCE (THOUS)………. | 2906 | 2902 | 2892 | 2849 | 2951 | 2917 | 2917 | 2926 | 2950 | 2946 | 2955 | 2963 | 2926 | 2898 | 2908 |
| % Chg Prev Qtr SAAR……………… | 0.53 | -0.13 | -0.34 | -1.49 | 3.57 | -1.15 | 0.01 | 0.31 | 0.82 | -0.13 | 0.30 | 0.26 | 2.32 | -0.99 | 0.37 |
| % Chg Same Qtr Last Yr…………… | -0.77 | -1.03 | -1.40 | -1.43 | 1.55 | 0.51 | 0.86 | 2.70 | -0.02 | 1.01 | 1.30 | 1.26 | 2.32 | -0.99 | 0.37 |
| EMPLOYED PERSONS (THOUS)……. | 2755 | 2752 | 2730 | 2694 | 2793 | 2765 | 2774 | 2790 | 2812 | 2808 | 2819 | 2833 | 2776 | 2748 | 2756 |
| % Chg Prev Qtr SAAR……………… | 0.07 | -0.11 | -0.81 | -1.32 | 3.66 | -1.00 | 0.34 | 0.58 | 0.77 | -0.12 | 0.39 | 0.49 | 1.57 | -1.03 | 0.32 |
| % Chg Same Qtr Last Yr…………… | -0.72 | -1.26 | -2.09 | -2.15 | 1.36 | 0.45 | 1.62 | 3.57 | 0.68 | 1.57 | 1.62 | 1.53 | 1.57 | -1.03 | 0.32 |
| UNEMPLOYED PERSONS (THOUS)…. | 150 | 150 | 162 | 155 | 158 | 152 | 143 | 136 | 138 | 138 | 136 | 130 | 150 | 150 | 152 |
| % Chg Prev Qtr SAAR……………… | 9.75 | -0.57 | 8.27 | -4.37 | 1.99 | -3.80 | -6.05 | -4.88 | 1.93 | -0.27 | -1.58 | -4.43 | 18.43 | -0.09 | 1.42 |
| % Chg Same Qtr Last Yr…………… | -1.51 | 3.50 | 11.88 | 13.00 | 5.00 | 1.59 | -11.85 | -12.31 | -12.37 | -9.15 | -4.83 | -4.38 | 18.43 | -0.09 | 1.42 |
| PARTICIPATION RATE (PERCENT)……… | 62.4 | 62.1 | 61.6 | 60.5 | 62.4 | 61.4 | 61.2 | 61.1 | 61.4 | 61.1 | 61.0 | 61.0 | 64.1 | 62.1 | 61.4 |
| % Chg Prev Qtr SAAR……………… | -0.05 | -0.52 | -0.73 | -1.87 | 3.17 | -1.54 | -0.38 | -0.08 | 0.43 | -0.50 | -0.08 | -0.11 | 1.06 | -3.06 | -1.23 |
| % Chg Same Qtr Last Yr…………… | -3.08 | -3.14 | -3.30 | -3.14 | -0.02 | -1.04 | -0.69 | 1.12 | -1.56 | -0.53 | -0.22 | -0.25 | 1.06 | -3.06 | -1.23 |
| UNEMPLOYMENT RATE (PERCENT)……. | 5.2 | 5.2 | 5.6 | 5.4 | 5.4 | 5.2 | 4.9 | 4.6 | 4.7 | 4.7 | 4.6 | 4.4 | 5.1 | 5.2 | 5.2 |

**Center for Business and Economic Research, The University of Tennessee** — **Tennessee Econometric Model**

**Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL TAXABLE SALES | 17161 | 17464 | 17996 | 15840 | 17563 | 17732 | 18620 | 16363 | 18133 | 18063 | 19160 | 16797 | 67328 | 68027 | 69755 |
| % Chg Same Qtr Last Yr | -0.31 | 5.82 | 0.86 | 2.82 | 2.34 | 1.53 | 3.47 | 3.30 | 3.24 | 1.87 | 2.90 | 2.65 | -0.94 | 1.04 | 2.54 |
| AUTO DEALERS | 2185 | 2315 | 1906 | 2037 | 2228 | 2388 | 2007 | 2134 | 2286 | 2448 | 2114 | 2206 | 7953 | 8324 | 8660 |
| % Chg Same Qtr Last Yr | 7.73 | 9.56 | -0.07 | 6.24 | 1.96 | 3.14 | 5.28 | 4.79 | 2.60 | 2.54 | 5.31 | 3.34 | 1.12 | 4.66 | 4.04 |
| PURCHASES FROM MANUFACTURERS | 864 | 887 | 821 | 708 | 811 | 826 | 826 | 681 | 792 | 741 | 770 | 677 | 3291 | 3340 | 3171 |
| % Chg Same Qtr Last Yr | -2.81 | 9.27 | -4.48 | -8.04 | -6.09 | -6.79 | 0.71 | -3.82 | -2.28 | -10.34 | -6.81 | -0.52 | -8.69 | 1.49 | -5.06 |
| MISC DURABLE GOODS | 2925 | 3000 | 2923 | 2621 | 3051 | 3036 | 3075 | 2760 | 3163 | 2990 | 3078 | 2762 | 11050 | 11304 | 11783 |
| % Chg Same Qtr Last Yr | -0.07 | 10.76 | 1.61 | 6.71 | 4.31 | 1.18 | 5.22 | 5.31 | 3.66 | -1.49 | 0.08 | 0.07 | -2.02 | 2.30 | 4.24 |
| EATING AND DRINKING PLACES | 1554 | 1585 | 1519 | 1501 | 1644 | 1661 | 1611 | 1594 | 1748 | 1768 | 1710 | 1680 | 5904 | 6078 | 6416 |
| % Chg Same Qtr Last Yr | 0.68 | 6.74 | 4.60 | 5.75 | 5.75 | 4.78 | 6.05 | 6.14 | 6.33 | 6.50 | 6.14 | 5.42 | 0.38 | 2.94 | 5.57 |
| FOOD STORES | 1563 | 1572 | 1694 | 1473 | 1566 | 1566 | 1693 | 1474 | 1653 | 1576 | 1723 | 1476 | 6844 | 6321 | 6297 |
| % Chg Same Qtr Last Yr | -12.10 | -5.93 | 0.11 | -1.33 | 0.19 | -0.39 | -0.05 | 0.11 | 5.58 | 0.63 | 1.82 | 0.14 | -7.31 | -7.64 | -0.38 |
| LIQUOR STORES | 92 | 88 | 118 | 91 | 95 | 90 | 120 | 92 | 96 | 91 | 121 | 93 | 367 | 384 | 396 |
| % Chg Same Qtr Last Yr | 4.27 | 6.65 | 7.39 | 6.23 | 2.88 | 2.06 | 1.17 | 0.93 | 0.75 | 1.27 | 0.98 | 1.94 | 1.31 | 4.69 | 2.91 |
| HOTELS AND MOTELS | 425 | 443 | 403 | 331 | 439 | 456 | 418 | 333 | 441 | 461 | 423 | 340 | 1600 | 1601 | 1643 |
| % Chg Same Qtr Last Yr | -1.45 | 0.76 | -1.25 | 0.01 | 3.39 | 2.94 | 3.75 | 0.61 | 0.35 | 1.10 | 1.22 | 2.21 | -1.66 | 0.07 | 2.66 |
| OTHER RETAIL AND SERVICE | 4836 | 4878 | 5723 | 4609 | 5070 | 5067 | 6030 | 4819 | 5274 | 5283 | 6304 | 5070 | 19540 | 19904 | 20776 |
| % Chg Same Qtr Last Yr | -0.53 | 6.58 | 2.28 | 3.19 | 4.82 | 3.88 | 5.36 | 4.55 | 4.03 | 4.26 | 4.54 | 5.21 | 0.11 | 1.87 | 4.38 |
| MISC NONDURABLE GOODS | 1316 | 1343 | 1609 | 1245 | 1311 | 1293 | 1564 | 1231 | 1305 | 1334 | 1619 | 1230 | 5632 | 5511 | 5413 |
| % Chg Same Qtr Last Yr | -3.51 | 1.46 | -2.37 | 0.23 | -0.38 | -3.76 | -2.84 | -1.10 | -0.46 | 3.20 | 3.51 | -0.11 | -1.96 | -2.15 | -1.79 |
| TRANSPORTATION, COMMUNICATION | 1401 | 1354 | 1279 | 1225 | 1349 | 1350 | 1276 | 1246 | 1376 | 1371 | 1299 | 1263 | 5146 | 5259 | 5200 |
| % Chg Same Qtr Last Yr | 7.48 | 4.74 | -1.00 | -0.03 | -3.68 | -0.30 | -0.27 | 1.69 | 2.01 | 1.54 | 1.78 | 1.35 | 9.50 | 2.21 | -1.13 |
| PER CAPITA ($) | 2936 | 2977 | 3056 | 2680 | 2961 | 2979 | 3117 | 2729 | 3013 | 2992 | 3163 | 2764 | 11601 | 11610 | 11737 |
| % Chg Same Qtr Last Yr | -1.14 | 4.78 | -0.28 | 1.50 | 0.87 | 0.07 | 1.98 | 1.81 | 1.76 | 0.44 | 1.49 | 1.28 | -1.77 | 0.08 | 1.10 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 1996 dollars)** — **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL TAXABLE SALES | 16909 | 17398 | 17034 | 17129 | 17308 | 17662 | 17632 | 17691 | 17871 | 17997 | 18140 | 18160 | 67359 | 68006 | 69732 |
| % Chg Prev Qtr SAAR | 5.99 | 12.07 | -8.09 | 2.25 | 4.24 | 8.44 | -0.69 | 1.36 | 4.12 | 2.86 | 3.21 | 0.43 | -0.97 | 0.96 | 2.54 |
| % Chg Same Qtr Last Yr | -0.43 | 5.92 | 0.84 | 2.79 | 2.36 | 1.52 | 3.51 | 3.28 | 3.25 | 1.90 | 2.88 | 2.65 | -0.97 | 0.96 | 2.54 |
| AUTO DEALERS | 2111 | 2170 | 2057 | 2098 | 2153 | 2238 | 2165 | 2199 | 2209 | 2295 | 2280 | 2272 | 7954 | 8313 | 8654 |
| % Chg Prev Qtr SAAR | 30.52 | 11.55 | -19.25 | 8.37 | 10.72 | 16.80 | -12.33 | 6.34 | 1.76 | 16.52 | -2.48 | -1.37 | 0.84 | 4.50 | 4.11 |
| % Chg Same Qtr Last Yr | 7.79 | 9.53 | -0.07 | 6.24 | 1.96 | 3.14 | 5.28 | 4.79 | 2.60 | 2.54 | 5.31 | 3.34 | 0.84 | 4.50 | 4.11 |
| PURCHASES FROM MANUFACTURERS | 824 | 869 | 796 | 786 | 774 | 810 | 801 | 756 | 756 | 726 | 747 | 752 | 3290 | 3344 | 3171 |
| % Chg Prev Qtr SAAR | -13.78 | 23.42 | -29.61 | -4.56 | -6.21 | 19.81 | -4.08 | -20.59 | -0.09 | -15.09 | 11.94 | 3.12 | -8.93 | 1.63 | -5.15 |
| % Chg Same Qtr Last Yr | -2.74 | 9.31 | -4.48 | -8.04 | -6.09 | -6.79 | 0.71 | -3.82 | -2.28 | -10.34 | -6.81 | -0.52 | -8.93 | 1.63 | -5.15 |
| MISC DURABLE GOODS | 2772 | 2985 | 2853 | 2869 | 2891 | 3020 | 3001 | 3021 | 2997 | 2975 | 3004 | 3023 | 11050 | 11298 | 11782 |
| % Chg Prev Qtr SAAR | 12.96 | 34.53 | -16.63 | 2.34 | 3.16 | 19.06 | -2.49 | 2.70 | -3.17 | -2.88 | 3.87 | 2.65 | -2.04 | 2.25 | 4.28 |
| % Chg Same Qtr Last Yr | -0.13 | 11.06 | 1.61 | 6.71 | 4.31 | 1.18 | 5.22 | 5.31 | 3.66 | -1.49 | 0.08 | 0.07 | -2.04 | 2.25 | 4.28 |
| EATING AND DRINKING PLACES | 1507 | 1538 | 1543 | 1574 | 1594 | 1612 | 1636 | 1670 | 1695 | 1717 | 1737 | 1761 | 5906 | 6077 | 6416 |
| % Chg Prev Qtr SAAR | 5.34 | 8.44 | 1.23 | 8.17 | 5.31 | 4.53 | 6.21 | 8.54 | 6.06 | 5.22 | 4.80 | 5.63 | 0.38 | 2.89 | 5.58 |
| % Chg Same Qtr Last Yr | 0.69 | 6.78 | 4.60 | 5.75 | 5.75 | 4.78 | 6.05 | 6.14 | 6.33 | 6.50 | 6.14 | 5.42 | 0.38 | 2.89 | 5.58 |
| FOOD STORES | 1571 | 1580 | 1580 | 1569 | 1574 | 1574 | 1580 | 1570 | 1662 | 1584 | 1608 | 1572 | 6861 | 6321 | 6296 |
| % Chg Prev Qtr SAAR | -4.62 | 2.39 | 0.03 | -2.95 | 1.37 | 0.05 | 1.38 | -2.32 | 25.41 | -17.44 | 6.29 | -8.63 | -7.12 | -7.87 | -0.40 |
| % Chg Same Qtr Last Yr | -12.09 | -5.93 | 0.11 | -1.33 | 0.19 | -0.39 | -0.05 | 0.11 | 5.58 | 0.63 | 1.82 | 0.14 | -7.12 | -7.87 | -0.40 |
| LIQUOR STORES | 96 | 97 | 98 | 98 | 99 | 99 | 99 | 99 | 100 | 100 | 100 | 101 | 367 | 384 | 395 |
| % Chg Prev Qtr SAAR | 15.33 | 4.02 | 4.31 | 1.78 | 1.46 | 0.74 | 0.70 | 0.82 | 0.75 | 2.84 | -0.48 | 4.73 | 1.39 | 4.45 | 3.05 |
| % Chg Same Qtr Last Yr | 4.12 | 6.78 | 7.39 | 6.23 | 2.88 | 2.06 | 1.17 | 0.93 | 0.75 | 1.27 | 0.98 | 1.94 | 1.39 | 4.45 | 3.05 |
| HOTELS AND MOTELS | 398 | 401 | 397 | 407 | 411 | 412 | 412 | 409 | 413 | 417 | 417 | 419 | 1599 | 1603 | 1643 |
| % Chg Prev Qtr SAAR | -8.77 | 3.04 | -3.41 | 10.19 | 4.19 | 1.25 | -0.32 | -2.57 | 3.12 | 4.32 | 0.14 | 1.30 | -1.86 | 0.21 | 2.51 |
| % Chg Same Qtr Last Yr | -1.49 | 0.91 | -1.25 | 0.01 | 3.39 | 2.94 | 3.75 | 0.61 | 0.35 | 1.10 | 1.22 | 2.21 | -1.86 | 0.21 | 2.51 |
| OTHER RETAIL AND SERVICE | 4924 | 5047 | 5010 | 5073 | 5162 | 5243 | 5279 | 5304 | 5370 | 5466 | 5518 | 5580 | 19547 | 19897 | 20756 |
| % Chg Prev Qtr SAAR | 0.67 | 10.31 | -2.88 | 5.12 | 7.20 | 6.40 | 2.79 | 1.90 | 5.09 | 7.33 | 3.92 | 4.55 | 0.10 | 1.79 | 4.32 |
| % Chg Same Qtr Last Yr | -0.55 | 6.68 | 2.28 | 3.19 | 4.82 | 3.88 | 5.36 | 4.55 | 4.03 | 4.26 | 4.54 | 5.21 | 0.10 | 1.79 | 4.32 |
| MISC NONDURABLE GOODS | 1355 | 1405 | 1392 | 1360 | 1350 | 1352 | 1352 | 1345 | 1344 | 1395 | 1400 | 1343 | 5631 | 5509 | 5414 |
| % Chg Prev Qtr SAAR | -0.31 | 15.35 | -3.58 | -8.98 | -2.71 | 0.49 | 0.16 | -2.29 | -0.19 | 16.10 | 1.40 | -15.26 | -2.22 | -2.17 | -1.71 |
| % Chg Same Qtr Last Yr | -3.45 | 1.57 | -2.37 | 0.23 | -0.38 | -3.76 | -2.84 | -1.10 | -0.46 | 3.20 | 3.51 | -0.11 | -2.22 | -2.17 | -1.71 |
| TRANSPORTATION, COMMUNICATION | 1350 | 1306 | 1309 | 1295 | 1300 | 1302 | 1305 | 1317 | 1326 | 1323 | 1329 | 1335 | 5152 | 5260 | 5203 |
| % Chg Prev Qtr SAAR | 17.73 | -12.20 | 0.75 | -4.11 | 1.46 | 0.82 | 0.86 | 3.64 | 2.76 | -1.02 | 1.81 | 1.89 | 9.93 | 2.10 | -1.09 |
| % Chg Same Qtr Last Yr | 6.76 | 5.35 | -1.00 | -0.03 | -3.68 | -0.30 | -0.27 | 1.69 | 2.01 | 1.54 | 1.78 | 1.35 | 9.93 | 2.10 | -1.09 |
| PER CAPITA ($) | 2893 | 2965 | 2893 | 2899 | 2918 | 2967 | 2951 | 2951 | 2970 | 2981 | 2995 | 2988 | 11607 | 11608 | 11735 |
| % Chg Prev Qtr SAAR | 5.12 | 10.45 | -9.42 | 0.78 | 2.74 | 6.87 | -2.12 | -0.10 | 2.63 | 1.51 | 1.87 | -0.88 | -1.80 | 0.00 | 1.10 |
| % Chg Same Qtr Last Yr | -1.25 | 4.88 | -0.30 | 1.46 | 0.89 | 0.06 | 2.02 | 1.79 | 1.76 | 0.46 | 1.47 | 1.27 | -1.80 | 0.00 | 1.10 |

**Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL TAXABLE SALES | 19365 | 19824 | 20494 | 18080 | 20109 | 20400 | 21528 | 19006 | 21164 | 21187 | 22582 | 19895 | 74793 | 77033 | 80117 |
| % Chg Same Qtr Last Yr | 1.44 | 7.86 | 2.68 | 4.21 | 3.84 | 2.90 | 5.04 | 5.12 | 5.25 | 3.86 | 4.89 | 4.68 | 0.43 | 2.99 | 4.00 |
| AUTO DEALERS | 2466 | 2628 | 2171 | 2325 | 2551 | 2747 | 2321 | 2479 | 2668 | 2872 | 2491 | 2612 | 8834 | 9424 | 9943 |
| % Chg Same Qtr Last Yr | 9.63 | 11.68 | 1.73 | 7.68 | 3.45 | 4.54 | 6.89 | 6.63 | 4.59 | 4.54 | 7.34 | 5.38 | 2.50 | 6.68 | 5.52 |
| PURCHASES FROM MANUFACTURERS | 974 | 1006 | 934 | 808 | 929 | 951 | 955 | 791 | 925 | 869 | 908 | 802 | 3657 | 3782 | 3643 |
| % Chg Same Qtr Last Yr | -1.10 | 11.38 | -2.75 | -6.80 | -4.72 | -5.53 | 2.24 | -2.12 | -0.39 | -8.59 | -5.01 | 1.44 | -7.42 | 3.43 | -3.69 |
| MISC DURABLE GOODS | 3300 | 3406 | 3329 | 2991 | 3493 | 3492 | 3556 | 3206 | 3691 | 3508 | 3627 | 3271 | 12276 | 12801 | 13533 |
| % Chg Same Qtr Last Yr | 1.69 | 12.90 | 3.44 | 8.16 | 5.84 | 2.54 | 6.82 | 7.17 | 5.67 | 0.43 | 2.02 | 2.04 | -0.67 | 4.28 | 5.72 |
| EATING AND DRINKING PLACES | 1754 | 1799 | 1730 | 1714 | 1882 | 1910 | 1862 | 1851 | 2040 | 2074 | 2015 | 1990 | 6558 | 6881 | 7368 |
| % Chg Same Qtr Last Yr | 2.45 | 8.81 | 6.48 | 7.19 | 7.29 | 6.20 | 7.66 | 8.01 | 8.39 | 8.58 | 8.20 | 7.50 | 1.75 | 4.94 | 7.08 |
| FOOD STORES | 1764 | 1784 | 1929 | 1681 | 1793 | 1801 | 1957 | 1713 | 1930 | 1848 | 2031 | 1749 | 7601 | 7158 | 7232 |
| % Chg Same Qtr Last Yr | -10.55 | -4.11 | 1.91 | 0.01 | 1.65 | 0.96 | 1.47 | 1.87 | 7.63 | 2.59 | 3.79 | 2.11 | -6.05 | -5.84 | 1.05 |
| LIQUOR STORES | 104 | 100 | 135 | 103 | 109 | 104 | 139 | 106 | 111 | 107 | 143 | 111 | 408 | 435 | 454 |
| % Chg Same Qtr Last Yr | 6.11 | 8.71 | 9.32 | 7.67 | 4.39 | 3.44 | 2.71 | 2.71 | 2.71 | 3.25 | 2.93 | 3.95 | 2.73 | 6.72 | 4.38 |
| HOTELS AND MOTELS | 479 | 502 | 459 | 377 | 503 | 524 | 484 | 386 | 514 | 540 | 499 | 403 | 1778 | 1813 | 1888 |
| % Chg Same Qtr Last Yr | 0.28 | 2.70 | 0.54 | 1.36 | 4.90 | 4.33 | 5.33 | 2.38 | 2.30 | 3.08 | 3.18 | 4.22 | -0.28 | 1.99 | 4.12 |
| OTHER RETAIL AND SERVICE | 5458 | 5537 | 6518 | 5261 | 5804 | 5829 | 6972 | 5597 | 6155 | 6196 | 7430 | 6006 | 21710 | 22543 | 23867 |
| % Chg Same Qtr Last Yr | 1.22 | 8.64 | 4.12 | 4.59 | 6.35 | 5.28 | 6.97 | 6.39 | 6.05 | 6.29 | 6.57 | 7.29 | 1.50 | 3.84 | 5.87 |
| MISC NONDURABLE GOODS | 1485 | 1525 | 1833 | 1421 | 1501 | 1487 | 1808 | 1430 | 1523 | 1565 | 1908 | 1457 | 6258 | 6242 | 6218 |
| % Chg Same Qtr Last Yr | -1.81 | 3.42 | -0.61 | 1.58 | 1.07 | -2.46 | -1.36 | 0.65 | 1.47 | 5.21 | 5.52 | 1.87 | -0.59 | -0.26 | -0.39 |
| TRANSPORTATION, COMMUNICATION | 1581 | 1537 | 1457 | 1398 | 1545 | 1553 | 1475 | 1447 | 1606 | 1608 | 1531 | 1495 | 5715 | 5955 | 5971 |
| % Chg Same Qtr Last Yr | 9.37 | 6.77 | 0.79 | 1.32 | -2.28 | 1.05 | 1.25 | 3.48 | 3.99 | 3.53 | 3.75 | 3.35 | 11.00 | 4.19 | 0.28 |
| PER CAPITA ($) | 3313 | 3379 | 3481 | 3060 | 3390 | 3427 | 3603 | 3170 | 3517 | 3509 | 3728 | 3274 | 12887 | 13146 | 13480 |
| % Chg Same Qtr Last Yr | 0.61 | 6.80 | 1.52 | 2.87 | 2.35 | 1.42 | 3.53 | 3.61 | 3.73 | 2.40 | 3.46 | 3.28 | -0.41 | 2.01 | 2.54 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | History | | Forecast Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003:2 | 2003:3 | 2003:4 | 2004:1 | 2004:2 | 2004:3 | 2004:4 | 2005:1 | 2005:2 | 2005:3 | 2005:4 | 2006:1 | 2002 | 2003 | 2004 |
| TOTAL TAXABLE SALES............................... | 19081 | 19749 | 19400 | 19552 | 19817 | 20320 | 20385 | 20549 | 20858 | 21110 | 21379 | 21509 | 74808 | 76996 | 80074 |
| % Chg Prev Qtr SAAR........................... | 6.84 | 14.76 | -6.89 | 3.18 | 5.52 | 10.56 | 1.29 | 3.26 | 6.14 | 4.92 | 5.20 | 2.45 | 0.39 | 2.93 | 4.00 |
| % Chg Same Qtr Last Yr........................ | 1.33 | 7.96 | 2.66 | 4.18 | 3.86 | 2.89 | 5.08 | 5.10 | 5.26 | 3.89 | 4.88 | 4.67 | 0.39 | 2.93 | 4.00 |
| AUTO DEALERS...................................... | 2382 | 2463 | 2342 | 2395 | 2465 | 2575 | 2504 | 2554 | 2578 | 2691 | 2687 | 2692 | 8835 | 9412 | 9938 |
| % Chg Prev Qtr SAAR........................... | 31.57 | 14.22 | -18.19 | 9.36 | 12.09 | 19.08 | -10.58 | 8.33 | 3.74 | 18.86 | -0.60 | 0.62 | 2.22 | 6.52 | 5.59 |
| % Chg Same Qtr Last Yr........................ | 9.69 | 11.65 | 1.73 | 7.68 | 3.45 | 4.54 | 6.89 | 6.63 | 4.59 | 4.54 | 7.34 | 5.38 | 2.22 | 6.52 | 5.59 |
| PURCHASES FROM MANUFACTURERS.... | 930 | 986 | 906 | 898 | 886 | 932 | 926 | 879 | 883 | 852 | 880 | 891 | 3654 | 3785 | 3642 |
| % Chg Prev Qtr SAAR........................... | -13.08 | 26.38 | -28.68 | -3.69 | -5.06 | 22.15 | -2.17 | -19.10 | 1.85 | -13.39 | 14.10 | 5.20 | -7.67 | 3.59 | -3.79 |
| % Chg Same Qtr Last Yr........................ | -1.02 | 11.43 | -2.75 | -6.80 | -4.72 | -5.53 | 2.24 | -2.12 | -0.39 | -8.59 | -5.01 | 1.44 | -7.67 | 3.59 | -3.79 |
| MISC DURABLE GOODS........................... | 3128 | 3389 | 3249 | 3275 | 3311 | 3475 | 3470 | 3510 | 3498 | 3490 | 3540 | 3581 | 12272 | 12793 | 13530 |
| % Chg Prev Qtr SAAR........................... | 13.87 | 37.75 | -15.54 | 3.28 | 4.43 | 21.38 | -0.55 | 4.62 | -1.28 | -0.94 | 5.86 | 4.72 | -0.69 | 4.24 | 5.76 |
| % Chg Same Qtr Last Yr........................ | 1.63 | 13.21 | 3.44 | 8.16 | 5.84 | 2.54 | 6.82 | 7.17 | 5.67 | 0.43 | 2.02 | 2.04 | -0.69 | 4.24 | 5.76 |
| EATING AND DRINKING PLACES.............. | 1701 | 1746 | 1757 | 1796 | 1825 | 1854 | 1892 | 1940 | 1978 | 2014 | 2047 | 2086 | 6559 | 6880 | 7368 |
| % Chg Prev Qtr SAAR........................... | 6.18 | 11.04 | 2.56 | 9.16 | 6.61 | 6.58 | 8.33 | 10.57 | 8.12 | 7.33 | 6.82 | 7.76 | 1.75 | 4.90 | 7.08 |
| % Chg Same Qtr Last Yr........................ | 2.47 | 8.84 | 6.48 | 7.19 | 7.29 | 6.20 | 7.66 | 8.01 | 8.39 | 8.58 | 8.20 | 7.50 | 1.75 | 4.90 | 7.08 |
| FOOD STORES....................................... | 1773 | 1794 | 1800 | 1790 | 1802 | 1811 | 1826 | 1824 | 1940 | 1858 | 1896 | 1863 | 7618 | 7157 | 7230 |
| % Chg Prev Qtr SAAR........................... | -3.86 | 4.84 | 1.35 | -2.06 | 2.62 | 2.01 | 3.40 | -0.49 | 27.85 | -15.78 | 8.33 | -6.78 | -5.88 | -6.06 | 1.02 |
| % Chg Same Qtr Last Yr........................ | -10.54 | -4.11 | 1.91 | 0.01 | 1.65 | 0.96 | 1.47 | 1.87 | 7.63 | 2.59 | 3.79 | 2.11 | -5.88 | -6.06 | 1.02 |
| LIQUOR STORES.................................... | 108 | 110 | 112 | 112 | 113 | 114 | 115 | 115 | 116 | 118 | 118 | 120 | 408 | 435 | 454 |
| % Chg Prev Qtr SAAR........................... | 16.26 | 6.52 | 5.68 | 2.71 | 2.71 | 2.71 | 2.71 | 2.71 | 2.71 | 4.90 | 1.44 | 6.85 | 2.77 | 6.49 | 4.51 |
| % Chg Same Qtr Last Yr........................ | 5.96 | 8.84 | 9.32 | 7.67 | 4.39 | 3.44 | 2.71 | 2.71 | 2.71 | 3.25 | 2.93 | 3.95 | 2.77 | 6.49 | 4.51 |
| HOTELS AND MOTELS............................. | 449 | 455 | 452 | 465 | 471 | 475 | 477 | 476 | 482 | 489 | 492 | 496 | 1776 | 1814 | 1887 |
| % Chg Prev Qtr SAAR........................... | -8.04 | 5.51 | -2.14 | 11.19 | 5.47 | 3.23 | 1.67 | -0.74 | 5.12 | 6.41 | 2.07 | 3.34 | -0.51 | 2.15 | 3.97 |
| % Chg Same Qtr Last Yr........................ | 0.24 | 2.86 | 0.54 | 1.36 | 4.90 | 4.33 | 5.33 | 2.38 | 2.30 | 3.08 | 3.18 | 4.22 | -0.51 | 2.15 | 3.97 |
| OTHER RETAIL AND SERVICE.................. | 5557 | 5729 | 5706 | 5790 | 5910 | 6031 | 6103 | 6160 | 6267 | 6411 | 6504 | 6609 | 21709 | 22528 | 23835 |
| % Chg Prev Qtr SAAR........................... | 1.48 | 12.95 | -1.60 | 6.08 | 8.52 | 8.48 | 4.84 | 3.81 | 7.14 | 9.48 | 5.92 | 6.66 | 1.47 | 3.77 | 5.80 |
| % Chg Same Qtr Last Yr........................ | 1.20 | 8.74 | 4.12 | 4.59 | 6.35 | 5.28 | 6.97 | 6.39 | 6.05 | 6.29 | 6.57 | 7.29 | 1.47 | 3.77 | 5.80 |
| MISC NONDURABLE GOODS.................... | 1530 | 1595 | 1585 | 1552 | 1546 | 1555 | 1564 | 1562 | 1569 | 1636 | 1650 | 1591 | 6254 | 6237 | 6217 |
| % Chg Prev Qtr SAAR........................... | 0.49 | 18.11 | -2.32 | -8.15 | -1.51 | 2.45 | 2.16 | -0.46 | 1.75 | 18.43 | 3.36 | -13.55 | -0.87 | -0.27 | -0.32 |
| % Chg Same Qtr Last Yr........................ | -1.75 | 3.53 | -0.61 | 1.58 | 1.07 | -2.46 | -1.36 | 0.65 | 1.47 | 5.21 | 5.52 | 1.87 | -0.87 | -0.27 | -0.32 |
| TRANSPORTATION, COMMUNICATION...... | 1523 | 1483 | 1491 | 1478 | 1488 | 1498 | 1509 | 1530 | 1548 | 1551 | 1566 | 1581 | 5722 | 5955 | 5974 |
| % Chg Prev Qtr SAAR........................... | 18.68 | -10.10 | 2.08 | -3.24 | 2.71 | 2.79 | 2.87 | 5.57 | 4.76 | 0.97 | 3.76 | 3.95 | 11.43 | 4.07 | 0.32 |
| % Chg Same Qtr Last Yr........................ | 8.65 | 7.38 | 0.79 | 1.32 | -2.28 | 1.05 | 1.25 | 3.48 | 3.99 | 3.53 | 3.75 | 3.35 | 11.43 | 4.07 | 0.32 |
| PER CAPITA ($)........................................... | 3264 | 3366 | 3295 | 3309 | 3341 | 3414 | 3412 | 3427 | 3466 | 3497 | 3529 | 3539 | 12891 | 13142 | 13476 |
| % Chg Prev Qtr SAAR........................... | 5.96 | 13.10 | -8.23 | 1.70 | 4.01 | 8.96 | -0.17 | 1.77 | 4.62 | 3.55 | 3.83 | 1.12 | -0.46 | 1.95 | 2.54 |
| % Chg Same Qtr Last Yr........................ | 0.49 | 6.90 | 1.50 | 2.84 | 2.36 | 1.41 | 3.57 | 3.59 | 3.74 | 2.43 | 3.44 | 3.27 | -0.46 | 1.95 | 2.54 |

**Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted** — **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| US GDP (Bil96$) SAAR | 9727 | 10184 | 10573 | 10919 | 11285 | 11599 | 11926 | 12259 | 12586 | 12952 | 13363 |
| Percentage Change | 3.04 | 4.70 | 3.83 | 3.27 | 3.34 | 2.78 | 2.82 | 2.79 | 2.67 | 2.91 | 3.17 |
| US GDP (Bil$) SAAR | 10939 | 11647 | 12300 | 12940 | 13668 | 14370 | 15120 | 15937 | 16808 | 17755 | 18817 |
| Percentage Change | 4.72 | 6.47 | 5.61 | 5.20 | 5.62 | 5.13 | 5.22 | 5.40 | 5.46 | 5.64 | 5.98 |
| CHAINED PRICE INDEX, GDP (1996=1.0) | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 |
| Percentage Change | 1.63 | 1.69 | 1.72 | 1.87 | 2.21 | 2.29 | 2.33 | 2.54 | 2.72 | 2.65 | 2.72 |
| US PERS CONSUMP DEFL (1996=1.0) | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| Percentage Change | 1.96 | 1.60 | 1.83 | 2.05 | 2.38 | 2.44 | 2.48 | 2.69 | 2.89 | 2.84 | 2.94 |
| TN PERSONAL INCOME (MIL96$) SAAR | 145262 | 150387 | 155879 | 161247 | 167377 | 173415 | 179837 | 186387 | 192859 | 199784 | 207213 |
| Percentage Change | 1.65 | 3.53 | 3.65 | 3.44 | 3.80 | 3.61 | 3.70 | 3.64 | 3.47 | 3.59 | 3.72 |
| US PERSONAL INCOME (BIL96$) SAAR | 8133 | 8408 | 8723 | 9033 | 9350 | 9643 | 9936 | 10214 | 10488 | 10810 | 11169 |
| Percentage Change | 1.24 | 3.38 | 3.75 | 3.55 | 3.51 | 3.13 | 3.04 | 2.79 | 2.68 | 3.07 | 3.32 |
| TN PERSONAL INCOME (MIL$) SAAR | 164461 | 172689 | 182396 | 192534 | 204207 | 216261 | 229447 | 243856 | 259445 | 276208 | 294352 |
| Percentage Change | 3.62 | 5.00 | 5.62 | 5.56 | 6.06 | 5.90 | 6.10 | 6.28 | 6.39 | 6.46 | 6.57 |
| US PERSONAL INCOME (BIL$) SAAR | 9210 | 9674 | 10221 | 10802 | 11448 | 12094 | 12771 | 13481 | 14242 | 15096 | 16057 |
| Percentage Change | 3.22 | 5.04 | 5.65 | 5.68 | 5.98 | 5.64 | 5.60 | 5.56 | 5.65 | 6.00 | 6.36 |
| TN NONFARM JOBS (THOUS) | 2671.9 | 2704.9 | 2758.1 | 2815.1 | 2878.5 | 2936.8 | 2995.0 | 3057.4 | 3119.9 | 3185.7 | 3251.7 |
| Percentage Change | 0.18 | 1.24 | 1.96 | 2.07 | 2.25 | 2.03 | 1.98 | 2.08 | 2.04 | 2.11 | 2.07 |
| US NONFARM JOBS (MIL) | 130.1 | 132.1 | 135.3 | 137.4 | 139.2 | 140.6 | 141.8 | 143.2 | 144.6 | 146.1 | 148.0 |
| Percentage Change | -0.22 | 1.56 | 2.41 | 1.51 | 1.38 | 0.98 | 0.88 | 0.96 | 0.96 | 1.03 | 1.32 |
| TN UNEMPLOYMENT RATE (%) | 5.2 | 5.2 | 4.7 | 4.3 | 4.2 | 4.1 | 4.1 | 4.1 | 4.0 | 4.0 | 4.0 |
| US UNEMPLOYMENT RATE (%) | 6.0 | 5.7 | 5.4 | 5.5 | 5.5 | 5.7 | 5.8 | 5.7 | 5.6 | 5.3 | 4.9 |
| BANK PRIME INTEREST RATE (%) | 4.1 | 4.1 | 4.9 | 5.4 | 6.1 | 7.1 | 8.3 | 8.5 | 8.5 | 8.5 | 8.5 |
| TN MFG JOBS (THOUS) | 414.2 | 410.1 | 412.2 | 414.2 | 417.2 | 420.0 | 422.6 | 425.8 | 428.8 | 431.5 | 434.6 |
| Percentage Change | -2.92 | -0.98 | 0.50 | 0.49 | 0.74 | 0.66 | 0.62 | 0.76 | 0.72 | 0.62 | 0.72 |
| TN TAXABLE SALES (MIL96$) | 68006 | 69732 | 71700 | 73776 | 75818 | 77891 | 79987 | 81933 | 83733 | 85708 | 87828 |
| Percentage Change | 0.96 | 2.54 | 2.82 | 2.89 | 2.77 | 2.73 | 2.69 | 2.43 | 2.20 | 2.36 | 2.47 |
| TN TAXABLE SALES (MIL$) | 76996 | 80074 | 83897 | 88094 | 92508 | 97156 | 102088 | 107246 | 112707 | 118571 | 124864 |
| Percentage Change | 2.93 | 4.00 | 4.77 | 5.00 | 5.01 | 5.02 | 5.08 | 5.05 | 5.09 | 5.20 | 5.31 |
| TN AVG ANNUAL WAGE, NONFARM (96$) | 29902 | 30293 | 30706 | 31126 | 31518 | 31896 | 32263 | 32634 | 32972 | 33370 | 33799 |
| Percentage Change | 0.81 | 1.31 | 1.36 | 1.37 | 1.26 | 1.20 | 1.15 | 1.15 | 1.03 | 1.21 | 1.28 |
| TN AVG ANNUAL WAGE, NONFARM ($) | 33854 | 34784 | 35928 | 37163 | 38451 | 39776 | 41162 | 42696 | 44354 | 46134 | 48010 |
| Percentage Change | 2.76 | 2.75 | 3.29 | 3.44 | 3.47 | 3.45 | 3.48 | 3.73 | 3.88 | 4.01 | 4.07 |

**Center for Business and Economic Research, The University of Tennessee** — **Tennessee Econometric Model**

**Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted** — **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| US GDP (96$) SAAR………………………… | 33348 | 34610 | 35630 | 36487 | 37394 | 38119 | 38876 | 39637 | 40367 | 41206 | 42168 |
| Percentage Change…………………… | 2.07 | 3.79 | 2.95 | 2.41 | 2.49 | 1.94 | 1.99 | 1.96 | 1.84 | 2.08 | 2.33 |
| US GDP ($) SAAR…………………………… | 37504 | 39582 | 41448 | 43239 | 45292 | 47226 | 49287 | 51530 | 53907 | 56484 | 59378 |
| Percentage Change…………………… | 3.73 | 5.54 | 4.71 | 4.32 | 4.75 | 4.27 | 4.36 | 4.55 | 4.61 | 4.78 | 5.12 |
| TN PERSONAL INCOME (96$) SAAR…….. | 24794 | 25309 | 25863 | 26402 | 27048 | 27659 | 28309 | 28963 | 29611 | 30310 | 31064 |
| Percentage Change…………………… | 0.69 | 2.08 | 2.19 | 2.08 | 2.45 | 2.26 | 2.35 | 2.31 | 2.24 | 2.36 | 2.49 |
| US PERSONAL INCOME (96$) SAAR…… | 27882 | 28574 | 29395 | 30184 | 30985 | 31692 | 32390 | 33025 | 33637 | 34389 | 35244 |
| Percentage Change…………………… | 0.28 | 2.48 | 2.87 | 2.68 | 2.65 | 2.28 | 2.20 | 1.96 | 1.85 | 2.24 | 2.49 |
| TN PERSONAL INCOME ($) SAAR………. | 28071 | 29062 | 30261 | 31524 | 32999 | 34491 | 36117 | 37893 | 39834 | 41904 | 44127 |
| Percentage Change…………………… | 2.64 | 3.53 | 4.13 | 4.17 | 4.68 | 4.52 | 4.71 | 4.92 | 5.12 | 5.20 | 5.30 |
| US PERSONAL INCOME ($) SAAR………. | 31575 | 32879 | 34443 | 36095 | 37935 | 39746 | 41629 | 43588 | 45679 | 48027 | 50669 |
| Percentage Change…………………… | 2.25 | 4.13 | 4.76 | 4.80 | 5.10 | 4.77 | 4.74 | 4.71 | 4.80 | 5.14 | 5.50 |
| TN TAXABLE SALES (96$)………………… | 11608 | 11735 | 11896 | 12079 | 12252 | 12421 | 12589 | 12729 | 12853 | 12999 | 13162 |
| Percentage Change…………………… | 0.00 | 1.10 | 1.37 | 1.54 | 1.43 | 1.39 | 1.35 | 1.12 | 0.97 | 1.14 | 1.25 |
| TN TAXABLE SALES ($)…………………… | 13142 | 13476 | 13919 | 14423 | 14948 | 15493 | 16066 | 16662 | 17300 | 17983 | 18712 |
| Percentage Change…………………… | 1.95 | 2.54 | 3.29 | 3.62 | 3.64 | 3.65 | 3.70 | 3.70 | 3.83 | 3.95 | 4.05 |

**Center for Business and Economic Research, The University of Tennessee** — **Tennessee Econometric Model**

**Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TN PERSONAL INCOME…………..……… | 145262 | 150387 | 155879 | 161247 | 167377 | 173415 | 179837 | 186387 | 192859 | 199784 | 207213 |
| Percentage Change………………….. | 1.65 | 3.53 | 3.65 | 3.44 | 3.80 | 3.61 | 3.70 | 3.64 | 3.47 | 3.59 | 3.72 |
| WAGES AND SALARIES………………. | 80480 | 82560 | 85341 | 88307 | 91443 | 94428 | 97420 | 100607 | 103739 | 107217 | 110856 |
| Percentage Change………………….. | 1.00 | 2.58 | 3.37 | 3.47 | 3.55 | 3.26 | 3.17 | 3.27 | 3.11 | 3.35 | 3.39 |
| OTHER LABOR INCOME……………… | 10209 | 10841 | 11399 | 11979 | 12563 | 13159 | 13785 | 14406 | 15002 | 15622 | 16287 |
| Percentage Change………………….. | 5.62 | 6.19 | 5.15 | 5.09 | 4.88 | 4.74 | 4.76 | 4.50 | 4.14 | 4.13 | 4.26 |
| PROPRIETORS INCOME……………… | 15808 | 16670 | 17367 | 17848 | 18634 | 19402 | 20264 | 21088 | 21949 | 22873 | 23862 |
| Percentage Change………………….. | 3.07 | 5.45 | 4.18 | 2.77 | 4.41 | 4.12 | 4.44 | 4.07 | 4.08 | 4.21 | 4.32 |
| RENT, INTEREST, DIVIDENDS………. | 21279 | 22055 | 22987 | 23837 | 24708 | 25700 | 26983 | 28062 | 28987 | 30039 | 31208 |
| Percentage Change………………….. | -2.37 | 3.65 | 4.22 | 3.70 | 3.65 | 4.01 | 4.99 | 4.00 | 3.30 | 3.63 | 3.89 |
| TRANSFER PAYMENTS………………. | 26262 | 27539 | 28503 | 29429 | 30582 | 31665 | 32687 | 33832 | 35026 | 36097 | 37262 |
| Percentage Change………………….. | 5.25 | 4.86 | 3.50 | 3.25 | 3.92 | 3.54 | 3.23 | 3.50 | 3.53 | 3.06 | 3.23 |
| LESS: PERS CONT FOR SOC INS…… | 6520 | 6462 | 6447 | 6452 | 6448 | 6448 | 6449 | 6425 | 6363 | 6301 | 6238 |
| Percentage Change………………….. | 1.16 | -0.89 | -0.24 | 0.09 | -0.07 | 0.01 | 0.01 | -0.37 | -0.95 | -0.98 | -1.00 |
| RESIDENCE ADJUSTMENT…………… | -2257 | -2817 | -3271 | -3701 | -4106 | -4491 | -4853 | -5184 | -5482 | -5761 | -6023 |
| Percentage Change………………….. | 8.49 | 24.80 | 16.12 | 13.13 | 10.96 | 9.37 | 8.06 | 6.83 | 5.73 | 5.10 | 4.55 |
| PER CAPITA PERSONAL INCOME ($)…… | 24794 | 25309 | 25863 | 26402 | 27048 | 27659 | 28309 | 28963 | 29611 | 30310 | 31064 |
| Percentage Change………………….. | 0.69 | 2.08 | 2.19 | 2.08 | 2.45 | 2.26 | 2.35 | 2.31 | 2.24 | 2.36 | 2.49 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TN PERSONAL INCOME………..……….. | 164461 | 172689 | 182396 | 192534 | 204207 | 216261 | 229447 | 243856 | 259445 | 276208 | 294352 |
| Percentage Change………………….. | 3.62 | 5.00 | 5.62 | 5.56 | 6.06 | 5.90 | 6.10 | 6.28 | 6.39 | 6.46 | 6.57 |
| WAGES AND SALARIES………………. | 91117 | 94803 | 99858 | 105439 | 111562 | 117758 | 124292 | 131626 | 139557 | 148228 | 157471 |
| Percentage Change………………….. | 2.96 | 4.05 | 5.33 | 5.59 | 5.81 | 5.55 | 5.55 | 5.90 | 6.03 | 6.21 | 6.24 |
| OTHER LABOR INCOME……………… | 11558 | 12449 | 13338 | 14303 | 15328 | 16411 | 17589 | 18849 | 20182 | 21598 | 23137 |
| Percentage Change………………….. | 7.66 | 7.71 | 7.14 | 7.24 | 7.16 | 7.07 | 7.18 | 7.16 | 7.07 | 7.02 | 7.12 |
| PROPRIETORS INCOME……………… | 17899 | 19143 | 20321 | 21312 | 22738 | 24195 | 25853 | 27589 | 29527 | 31623 | 33899 |
| Percentage Change………………….. | 5.07 | 6.95 | 6.15 | 4.88 | 6.69 | 6.41 | 6.85 | 6.72 | 7.03 | 7.10 | 7.20 |
| RENT, INTEREST, DIVIDENDS………. | 24091 | 25326 | 26897 | 28462 | 30143 | 32050 | 34427 | 36715 | 38994 | 41528 | 44331 |
| Percentage Change………………….. | -0.48 | 5.13 | 6.20 | 5.82 | 5.91 | 6.32 | 7.42 | 6.64 | 6.21 | 6.50 | 6.75 |
| TRANSFER PAYMENTS………………. | 29734 | 31624 | 33352 | 35140 | 37312 | 39489 | 41706 | 44266 | 47119 | 49906 | 52932 |
| Percentage Change………………….. | 7.29 | 6.36 | 5.46 | 5.36 | 6.18 | 5.84 | 5.61 | 6.14 | 6.45 | 5.91 | 6.06 |
| LESS: PERS CONT FOR SOC INS…… | 7381 | 7420 | 7543 | 7704 | 7866 | 8041 | 8227 | 8405 | 8560 | 8711 | 8861 |
| Percentage Change………………….. | 3.11 | 0.52 | 1.66 | 2.13 | 2.10 | 2.22 | 2.32 | 2.16 | 1.84 | 1.76 | 1.72 |
| RESIDENCE ADJUSTMENT…………… | -2556 | -3235 | -3828 | -4419 | -5010 | -5601 | -6192 | -6784 | -7375 | -7966 | -8557 |
| Percentage Change………………….. | 10.63 | 26.57 | 18.33 | 15.44 | 13.37 | 11.80 | 10.55 | 9.54 | 8.71 | 8.01 | 7.42 |
| PER CAPITA PERSONAL INCOME ($)…… | 28071 | 29062 | 30261 | 31524 | 32999 | 34491 | 36117 | 37893 | 39834 | 41904 | 44127 |
| Percentage Change………………….. | 2.64 | 3.53 | 4.13 | 4.17 | 4.68 | 4.52 | 4.71 | 4.92 | 5.12 | 5.20 | 5.30 |

**Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONFARM | 2673.2 | 2705.0 | 2758.2 | 2815.2 | 2878.7 | 2936.9 | 2995.1 | 3057.4 | 3120.0 | 3185.8 | 3251.8 |
| Percentage Change | 0.27 | 1.19 | 1.97 | 2.07 | 2.25 | 2.02 | 1.98 | 2.08 | 2.05 | 2.11 | 2.07 |
| NATURAL RESOURCES & MINING | 4.4 | 4.4 | 4.3 | 4.1 | 4.0 | 4.0 | 3.9 | 3.8 | 3.8 | 3.8 | 3.7 |
| Percentage Change | -3.85 | 0.45 | -1.44 | -5.26 | -1.50 | -1.34 | -2.04 | -1.77 | -0.60 | -1.40 | -2.16 |
| CONSTRUCTION | 110.0 | 112.6 | 114.7 | 117.1 | 120.6 | 123.3 | 126.3 | 129.2 | 132.4 | 136.6 | 140.2 |
| Percentage Change | -3.85 | 2.38 | 1.86 | 2.10 | 2.99 | 2.22 | 2.48 | 2.27 | 2.44 | 3.17 | 2.70 |
| MANUFACTURING | 414.2 | 410.1 | 412.2 | 414.2 | 417.2 | 420.0 | 422.6 | 425.8 | 428.8 | 431.5 | 434.6 |
| Percentage Change | -2.93 | -0.98 | 0.50 | 0.49 | 0.74 | 0.66 | 0.62 | 0.76 | 0.71 | 0.62 | 0.72 |
| DURABLE GOODS | 251.6 | 252.1 | 256.3 | 260.1 | 264.4 | 268.8 | 273.0 | 277.7 | 281.9 | 286.1 | 290.5 |
| Percentage Change | -2.81 | 0.18 | 1.66 | 1.51 | 1.64 | 1.65 | 1.58 | 1.72 | 1.52 | 1.47 | 1.54 |
| NONDURABLE GOODS | 162.5 | 158.0 | 155.9 | 154.1 | 152.8 | 151.2 | 149.6 | 148.1 | 146.9 | 145.4 | 144.1 |
| Percentage Change | -3.11 | -2.78 | -1.35 | -1.17 | -0.79 | -1.05 | -1.09 | -1.00 | -0.79 | -1.03 | -0.90 |
| TRADE, TRANSPORTATION, UTILITIES | 574.6 | 580.5 | 591.9 | 602.7 | 613.2 | 620.9 | 629.6 | 639.6 | 650.0 | 660.2 | 673.2 |
| Percentage Change | -0.11 | 1.01 | 1.96 | 1.83 | 1.75 | 1.25 | 1.40 | 1.58 | 1.64 | 1.56 | 1.97 |
| WHOLESALE TRADE | 127.5 | 128.6 | 131.7 | 134.1 | 136.0 | 137.4 | 139.0 | 141.3 | 143.8 | 146.2 | 149.0 |
| Percentage Change | 1.05 | 0.86 | 2.39 | 1.81 | 1.46 | 1.02 | 1.15 | 1.65 | 1.80 | 1.62 | 1.94 |
| RETAIL TRADE | 311.6 | 313.9 | 319.6 | 327.5 | 335.6 | 343.8 | 351.4 | 358.8 | 366.8 | 374.7 | 383.5 |
| Percentage Change | 0.11 | 0.73 | 1.81 | 2.47 | 2.49 | 2.42 | 2.23 | 2.10 | 2.23 | 2.15 | 2.34 |
| TRANSPORTATION & UTILITIES | 134.4 | 137.9 | 140.6 | 141.1 | 141.6 | 139.8 | 139.2 | 139.5 | 139.4 | 139.3 | 140.8 |
| Percentage Change | -2.46 | 2.63 | 1.90 | 0.40 | 0.30 | -1.28 | -0.41 | 0.20 | -0.04 | -0.04 | 1.01 |
| INFORMATION | 52.2 | 53.3 | 54.3 | 55.6 | 56.7 | 58.0 | 59.3 | 60.6 | 62.0 | 63.8 | 65.1 |
| Percentage Change | -2.64 | 2.13 | 2.02 | 2.33 | 2.04 | 2.16 | 2.35 | 2.10 | 2.37 | 2.83 | 2.14 |
| FINANCIAL ACTIVITIES | 139.6 | 143.3 | 147.0 | 149.6 | 152.6 | 155.8 | 157.9 | 159.9 | 162.0 | 164.0 | 166.1 |
| Percentage Change | 0.68 | 2.64 | 2.59 | 1.75 | 2.00 | 2.14 | 1.35 | 1.23 | 1.31 | 1.24 | 1.30 |
| PROF & BUSINESS SERVICES | 313.7 | 324.6 | 339.7 | 354.4 | 371.6 | 387.2 | 403.7 | 419.0 | 437.0 | 453.0 | 470.3 |
| Percentage Change | 2.35 | 3.45 | 4.66 | 4.34 | 4.86 | 4.20 | 4.25 | 3.79 | 4.29 | 3.68 | 3.82 |
| EDUC & HEALTH SERVICES | 308.0 | 313.6 | 317.8 | 324.2 | 332.4 | 339.5 | 347.2 | 356.8 | 366.2 | 381.5 | 393.7 |
| Percentage Change | 3.38 | 1.83 | 1.33 | 2.00 | 2.55 | 2.12 | 2.28 | 2.75 | 2.63 | 4.19 | 3.21 |
| LEISURE & HOSPITALITY | 241.8 | 244.3 | 247.3 | 251.2 | 255.9 | 260.2 | 265.2 | 270.2 | 275.1 | 279.5 | 283.6 |
| Percentage Change | 1.49 | 1.04 | 1.24 | 1.55 | 1.88 | 1.70 | 1.89 | 1.90 | 1.84 | 1.58 | 1.45 |
| OTHER SERVICES | 101.6 | 105.1 | 110.6 | 116.8 | 123.7 | 132.1 | 139.3 | 148.5 | 156.3 | 161.4 | 166.3 |
| Percentage Change | 0.68 | 3.42 | 5.17 | 5.68 | 5.87 | 6.80 | 5.45 | 6.61 | 5.24 | 3.25 | 3.07 |
| GOVERNMENT | 413.2 | 413.3 | 418.5 | 425.3 | 430.6 | 435.9 | 440.0 | 444.1 | 446.4 | 450.6 | 454.8 |
| Percentage Change | 0.92 | 0.04 | 1.25 | 1.64 | 1.24 | 1.23 | 0.94 | 0.94 | 0.52 | 0.94 | 0.94 |
| FEDERAL, CIVILIAN | 52.2 | 51.7 | 51.5 | 51.5 | 51.5 | 51.5 | 51.7 | 53.0 | 51.7 | 51.9 | 52.0 |
| Percentage Change | 0.61 | -0.99 | -0.35 | -0.08 | 0.01 | 0.06 | 0.42 | 2.50 | -2.43 | 0.28 | 0.28 |
| STATE & LOCAL | 360.7 | 361.6 | 366.9 | 373.8 | 379.1 | 384.3 | 388.2 | 391.1 | 394.6 | 398.7 | 402.8 |
| Percentage Change | 0.91 | 0.23 | 1.48 | 1.89 | 1.40 | 1.38 | 1.01 | 0.74 | 0.92 | 1.03 | 1.02 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL DURABLE GOODS | 251.6 | 252.1 | 256.3 | 260.1 | 264.4 | 268.8 | 273.0 | 277.7 | 281.9 | 286.1 | 290.5 |
| Percentage Change | -0.03 | 0.00 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.01 | 0.02 |
| WOOD PRODUCTS | 17.4 | 17.3 | 17.2 | 17.4 | 17.9 | 18.0 | 18.2 | 18.4 | 18.5 | 18.8 | 19.1 |
| Percentage Change | -0.01 | 0.00 | -0.01 | 0.01 | 0.03 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 |
| NONMETALLIC MINERAL PRODUCTS | 14.6 | 14.5 | 14.9 | 15.5 | 15.8 | 16.1 | 16.0 | 16.2 | 16.4 | 16.4 | 16.5 |
| Percentage Change | -0.01 | -0.01 | 0.03 | 0.04 | 0.02 | 0.01 | 0.00 | 0.01 | 0.02 | 0.00 | 0.01 |
| PRIMARY METALS | 11.9 | 11.5 | 11.8 | 11.9 | 11.9 | 11.9 | 11.9 | 12.0 | 12.0 | 12.1 | 12.1 |
| Percentage Change | -0.06 | -0.03 | 0.02 | 0.01 | -0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FABRICATED METAL PRODUCTS | 41.0 | 40.4 | 40.1 | 40.1 | 40.2 | 40.6 | 41.0 | 41.2 | 41.2 | 41.3 | 41.4 |
| Percentage Change | -0.01 | -0.01 | -0.01 | 0.00 | 0.00 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 |
| MACHINERY | 33.1 | 35.0 | 37.9 | 40.6 | 42.8 | 45.1 | 47.5 | 50.3 | 52.8 | 55.4 | 58.0 |
| Percentage Change | -0.08 | 0.06 | 0.08 | 0.07 | 0.05 | 0.05 | 0.05 | 0.06 | 0.05 | 0.05 | 0.05 |
| COMPUTER & ELECTRONIC PRODUCTS | 12.2 | 12.5 | 12.3 | 12.3 | 12.3 | 12.4 | 12.4 | 12.4 | 12.5 | 12.5 | 12.5 |
| Percentage Change | -0.07 | 0.03 | -0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 23.3 | 23.5 | 24.4 | 24.8 | 25.2 | 25.6 | 26.0 | 26.5 | 26.9 | 27.4 | 27.8 |
| Percentage Change | -0.06 | 0.01 | 0.04 | 0.02 | 0.02 | 0.02 | 0.01 | 0.02 | 0.01 | 0.02 | 0.01 |
| TRANSPORTATION EQUIPMENT | 60.6 | 60.2 | 60.1 | 60.0 | 60.9 | 61.9 | 62.8 | 63.6 | 64.3 | 65.0 | 65.8 |
| Percentage Change | 0.00 | -0.01 | 0.00 | 0.00 | 0.02 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 |
| FURNITURE | 20.3 | 19.7 | 19.4 | 19.3 | 19.1 | 19.0 | 18.9 | 18.8 | 18.8 | 18.7 | 18.7 |
| Percentage Change | -0.04 | -0.03 | -0.01 | -0.01 | -0.01 | -0.01 | 0.00 | -0.01 | 0.00 | -0.01 | 0.00 |
| MISCELLANEOUS DURABLE GOODS | 17.2 | 17.5 | 18.1 | 18.2 | 18.2 | 18.3 | 18.3 | 18.4 | 18.4 | 18.5 | 18.6 |
| Percentage Change | 0.00 | 0.01 | 0.04 | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONDURABLE GOODS | 162.5 | 158.0 | 155.9 | 154.1 | 152.8 | 151.2 | 149.6 | 148.1 | 146.9 | 145.4 | 144.1 |
| Percentage Change | -3.11 | -2.78 | -1.35 | -1.17 | -0.79 | -1.05 | -1.09 | -1.00 | -0.79 | -1.03 | -0.90 |
| FOOD | 36.3 | 36.9 | 37.2 | 37.4 | 37.7 | 37.8 | 38.0 | 38.1 | 38.1 | 38.2 | 38.2 |
| Percentage Change | 0.77 | 1.55 | 0.71 | 0.58 | 0.82 | 0.42 | 0.51 | 0.11 | -0.08 | 0.40 | 0.01 |
| BEVERAGE & TOBACCO | 6.4 | 6.3 | 6.4 | 6.5 | 6.5 | 6.6 | 6.7 | 6.7 | 6.8 | 6.9 | 7.0 |
| Percentage Change | 0.09 | -0.50 | 0.62 | 1.54 | 0.74 | 0.84 | 1.08 | 1.22 | 1.35 | 1.11 | 1.23 |
| TEXTILE MILLS | 7.1 | 6.1 | 5.7 | 5.4 | 5.2 | 5.0 | 4.8 | 4.8 | 4.7 | 4.5 | 4.3 |
| Percentage Change | -10.78 | -13.59 | -7.38 | -5.94 | -3.30 | -2.99 | -5.47 | 1.66 | -3.60 | -4.07 | -4.03 |
| TEXTILE PRODUCT MILLS | 3.6 | 3.4 | 3.3 | 3.0 | 2.9 | 2.8 | 2.7 | 2.6 | 2.4 | 2.4 | 2.2 |
| Percentage Change | -3.36 | -4.93 | -4.39 | -7.26 | -3.93 | -5.36 | -3.23 | -4.08 | -4.53 | -3.15 | -5.61 |
| APPAREL | 9.6 | 8.3 | 7.1 | 6.0 | 5.3 | 4.5 | 3.8 | 3.3 | 2.8 | 2.4 | 2.1 |
| Percentage Change | -16.86 | -13.79 | -14.07 | -16.10 | -12.01 | -14.65 | -14.37 | -14.36 | -14.35 | -14.28 | -14.09 |
| PAPER | 19.1 | 19.1 | 19.2 | 19.4 | 19.6 | 19.7 | 19.6 | 19.3 | 19.5 | 19.3 | 19.4 |
| Percentage Change | -4.91 | -0.12 | 0.49 | 0.93 | 1.07 | 0.42 | -0.14 | -1.42 | 0.92 | -0.98 | 0.29 |
| PRINTING & RELATED SUPPORT | 20.3 | 19.2 | 19.0 | 18.9 | 18.8 | 18.7 | 18.5 | 18.4 | 18.2 | 17.9 | 17.7 |
| Percentage Change | -0.91 | -5.56 | -1.06 | -0.34 | -0.63 | -0.52 | -0.79 | -0.98 | -0.86 | -1.47 | -1.50 |
| CHEMICALS | 28.0 | 27.1 | 26.7 | 26.3 | 25.7 | 25.2 | 24.6 | 24.0 | 23.5 | 22.9 | 22.4 |
| Percentage Change | -0.77 | -3.14 | -1.44 | -1.65 | -2.00 | -2.24 | -2.47 | -2.29 | -2.12 | -2.27 | -2.20 |
| PLASTICS & RUBBER | 29.1 | 28.8 | 28.8 | 28.7 | 28.7 | 28.6 | 28.6 | 28.6 | 28.7 | 28.7 | 28.8 |
| Percentage Change | -4.00 | -0.99 | 0.08 | -0.30 | -0.20 | -0.30 | -0.09 | 0.02 | 0.30 | 0.14 | 0.24 |
| MISCELLANEOUS NONDURABLE GOODS | 3.0 | 2.8 | 2.6 | 2.6 | 2.5 | 2.4 | 2.4 | 2.3 | 2.3 | 2.1 | 2.0 |
| Percentage Change | 1.34 | -8.50 | -6.73 | -0.46 | -2.38 | -2.46 | -3.36 | -0.86 | -3.14 | -5.14 | -4.68 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONFARM | 2671.9 | 2704.9 | 2758.1 | 2815.1 | 2878.5 | 2936.8 | 2995.0 | 3057.4 | 3119.9 | 3185.7 | 3251.7 |
| Percentage Change | 0.18 | 1.24 | 1.96 | 2.07 | 2.25 | 2.03 | 1.98 | 2.08 | 2.04 | 2.11 | 2.07 |
| NATURAL RESOURCES & MINING | 4.4 | 4.4 | 4.3 | 4.1 | 4.0 | 4.0 | 3.9 | 3.8 | 3.8 | 3.8 | 3.7 |
| Percentage Change | -3.85 | 0.43 | -1.43 | -5.27 | -1.52 | -1.34 | -2.04 | -1.77 | -0.60 | -1.39 | -2.16 |
| CONSTRUCTION | 110.0 | 112.6 | 114.7 | 117.1 | 120.6 | 123.3 | 126.4 | 129.2 | 132.3 | 136.5 | 140.3 |
| Percentage Change | -4.03 | 2.35 | 1.86 | 2.10 | 2.99 | 2.23 | 2.50 | 2.25 | 2.43 | 3.15 | 2.75 |
| MANUFACTURING | 414.2 | 410.1 | 412.2 | 414.2 | 417.2 | 420.0 | 422.6 | 425.8 | 428.8 | 431.5 | 434.6 |
| Percentage Change | -2.92 | -0.98 | 0.50 | 0.49 | 0.74 | 0.66 | 0.62 | 0.76 | 0.72 | 0.62 | 0.72 |
| DURABLE GOODS | 251.6 | 252.1 | 256.3 | 260.1 | 264.4 | 268.8 | 273.0 | 277.7 | 281.9 | 286.1 | 290.5 |
| Percentage Change | -2.80 | 0.18 | 1.66 | 1.51 | 1.64 | 1.65 | 1.58 | 1.72 | 1.52 | 1.47 | 1.54 |
| NONDURABLE GOODS | 162.5 | 158.0 | 155.9 | 154.1 | 152.8 | 151.2 | 149.6 | 148.1 | 146.9 | 145.4 | 144.1 |
| Percentage Change | -3.11 | -2.78 | -1.35 | -1.17 | -0.79 | -1.05 | -1.09 | -1.00 | -0.79 | -1.03 | -0.90 |
| TRADE, TRANSPORTATION, UTILITIES | 573.5 | 580.5 | 591.8 | 602.7 | 613.2 | 620.9 | 629.6 | 639.5 | 650.0 | 660.2 | 673.2 |
| Percentage Change | -0.31 | 1.21 | 1.96 | 1.83 | 1.75 | 1.25 | 1.40 | 1.58 | 1.64 | 1.56 | 1.97 |
| WHOLESALE TRADE | 127.5 | 128.6 | 131.7 | 134.1 | 136.0 | 137.4 | 139.0 | 141.3 | 143.8 | 146.2 | 149.0 |
| Percentage Change | 1.06 | 0.86 | 2.39 | 1.81 | 1.46 | 1.02 | 1.15 | 1.65 | 1.80 | 1.62 | 1.94 |
| RETAIL TRADE | 311.6 | 313.9 | 319.6 | 327.5 | 335.6 | 343.7 | 351.4 | 358.8 | 366.8 | 374.7 | 383.4 |
| Percentage Change | 0.09 | 0.73 | 1.81 | 2.47 | 2.49 | 2.42 | 2.23 | 2.10 | 2.23 | 2.15 | 2.34 |
| TRANSPORTATION & UTILITIES | 134.4 | 137.9 | 140.6 | 141.1 | 141.6 | 139.8 | 139.2 | 139.5 | 139.4 | 139.3 | 140.7 |
| Percentage Change | -2.47 | 2.63 | 1.90 | 0.40 | 0.31 | -1.28 | -0.41 | 0.20 | -0.04 | -0.05 | 1.02 |
| INFORMATION | 52.1 | 53.2 | 54.3 | 55.6 | 56.7 | 58.0 | 59.3 | 60.6 | 62.0 | 63.7 | 65.1 |
| Percentage Change | -2.32 | 2.12 | 2.03 | 2.32 | 2.05 | 2.16 | 2.35 | 2.10 | 2.37 | 2.83 | 2.14 |
| FINANCIAL ACTIVITIES | 139.6 | 143.3 | 147.0 | 149.6 | 152.6 | 155.8 | 158.0 | 159.9 | 162.0 | 164.0 | 166.1 |
| Percentage Change | 0.81 | 2.64 | 2.59 | 1.75 | 2.00 | 2.14 | 1.35 | 1.23 | 1.31 | 1.24 | 1.30 |
| PROF & BUSINESS SERVICES | 313.7 | 324.6 | 339.7 | 354.4 | 371.6 | 387.2 | 403.7 | 419.0 | 436.9 | 453.0 | 470.3 |
| Percentage Change | 2.10 | 3.45 | 4.65 | 4.34 | 4.86 | 4.19 | 4.25 | 3.79 | 4.28 | 3.69 | 3.82 |
| EDUC & HEALTH SERVICES | 308.0 | 313.6 | 317.8 | 324.2 | 332.4 | 339.5 | 347.3 | 356.8 | 366.2 | 381.5 | 393.8 |
| Percentage Change | 3.28 | 1.83 | 1.33 | 2.00 | 2.55 | 2.12 | 2.28 | 2.75 | 2.63 | 4.19 | 3.21 |
| LEISURE & HOSPITALITY | 241.7 | 244.3 | 247.3 | 251.1 | 255.8 | 260.2 | 265.1 | 270.3 | 275.1 | 279.5 | 283.5 |
| Percentage Change | 1.46 | 1.07 | 1.23 | 1.55 | 1.86 | 1.72 | 1.90 | 1.93 | 1.81 | 1.59 | 1.43 |
| OTHER SERVICES | 101.7 | 105.1 | 110.5 | 116.8 | 123.7 | 132.1 | 139.3 | 148.5 | 156.3 | 161.4 | 166.4 |
| Percentage Change | 0.67 | 3.38 | 5.17 | 5.69 | 5.86 | 6.81 | 5.45 | 6.61 | 5.26 | 3.26 | 3.09 |
| GOVERNMENT | 413.0 | 413.3 | 418.5 | 425.3 | 430.6 | 435.9 | 440.0 | 444.1 | 446.4 | 450.6 | 454.8 |
| Percentage Change | 0.87 | 0.08 | 1.25 | 1.64 | 1.23 | 1.23 | 0.94 | 0.94 | 0.52 | 0.94 | 0.94 |
| FEDERAL, CIVILIAN | 52.2 | 51.7 | 51.5 | 51.5 | 51.5 | 51.5 | 51.7 | 53.0 | 51.7 | 51.9 | 52.0 |
| Percentage Change | 0.60 | -1.00 | -0.35 | -0.08 | 0.01 | 0.06 | 0.43 | 2.47 | -2.41 | 0.28 | 0.28 |
| STATE & LOCAL | 360.8 | 361.6 | 366.9 | 373.8 | 379.1 | 384.3 | 388.2 | 391.1 | 394.7 | 398.7 | 402.8 |
| Percentage Change | 0.91 | 0.23 | 1.48 | 1.88 | 1.40 | 1.38 | 1.01 | 0.74 | 0.92 | 1.03 | 1.02 |

**Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL DURABLE GOODS | 251.6 | 252.1 | 256.3 | 260.1 | 264.4 | 268.8 | 273.0 | 277.7 | 281.9 | 286.1 | 290.5 |
| Percentage Change | -2.80 | 0.18 | 1.66 | 1.51 | 1.64 | 1.65 | 1.58 | 1.72 | 1.52 | 1.47 | 1.54 |
| WOOD PRODUCTS | 17.4 | 17.3 | 17.2 | 17.4 | 17.9 | 18.0 | 18.2 | 18.4 | 18.5 | 18.8 | 19.1 |
| Percentage Change | -1.16 | -0.16 | -0.63 | 1.15 | 2.91 | 0.61 | 0.89 | 0.88 | 1.01 | 1.15 | 1.77 |
| NONMETALLIC MINERAL PRODUCTS | 14.6 | 14.5 | 14.9 | 15.5 | 15.8 | 16.1 | 16.0 | 16.2 | 16.4 | 16.4 | 16.5 |
| Percentage Change | -0.91 | -1.03 | 3.20 | 3.71 | 2.18 | 1.38 | -0.46 | 1.10 | 1.51 | 0.12 | 0.72 |
| PRIMARY METALS | 11.9 | 11.5 | 11.8 | 11.9 | 11.9 | 11.9 | 11.9 | 12.0 | 12.0 | 12.1 | 12.1 |
| Percentage Change | -6.24 | -3.43 | 1.93 | 1.48 | -0.64 | 0.22 | 0.38 | 0.41 | 0.46 | 0.35 | 0.49 |
| FABRICATED METAL PRODUCTS | 41.0 | 40.4 | 40.1 | 40.1 | 40.2 | 40.6 | 41.0 | 41.2 | 41.2 | 41.3 | 41.4 |
| Percentage Change | -0.93 | -1.41 | -0.66 | -0.18 | 0.37 | 0.89 | 0.91 | 0.62 | -0.02 | 0.34 | 0.23 |
| MACHINERY | 33.1 | 35.0 | 37.9 | 40.6 | 42.8 | 45.1 | 47.5 | 50.3 | 52.8 | 55.4 | 58.0 |
| Percentage Change | -8.07 | 5.74 | 8.33 | 6.94 | 5.40 | 5.39 | 5.48 | 5.72 | 5.09 | 4.95 | 4.64 |
| COMPUTER & ELECTRONIC PRODUCTS | 12.2 | 12.5 | 12.3 | 12.3 | 12.3 | 12.4 | 12.4 | 12.4 | 12.5 | 12.5 | 12.5 |
| Percentage Change | -6.64 | 2.79 | -1.89 | 0.09 | 0.21 | 0.41 | 0.20 | 0.32 | 0.57 | -0.07 | 0.21 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 23.3 | 23.5 | 24.4 | 24.9 | 25.2 | 25.6 | 26.0 | 26.5 | 26.9 | 27.4 | 27.8 |
| Percentage Change | -5.53 | 0.87 | 4.04 | 1.81 | 1.50 | 1.59 | 1.46 | 1.92 | 1.42 | 1.96 | 1.49 |
| TRANSPORTATION EQUIPMENT | 60.6 | 60.2 | 60.1 | 60.0 | 60.9 | 61.9 | 62.8 | 63.6 | 64.3 | 65.0 | 65.8 |
| Percentage Change | 0.36 | -0.70 | -0.23 | -0.18 | 1.61 | 1.59 | 1.51 | 1.30 | 1.06 | 1.00 | 1.22 |
| FURNITURE | 20.3 | 19.7 | 19.4 | 19.3 | 19.1 | 19.0 | 18.9 | 18.8 | 18.8 | 18.7 | 18.7 |
| Percentage Change | -4.18 | -3.30 | -1.18 | -0.68 | -1.07 | -0.61 | -0.49 | -0.54 | 0.10 | -0.56 | -0.27 |
| MISCELLANEOUS DURABLE GOODS | 17.2 | 17.5 | 18.1 | 18.2 | 18.2 | 18.3 | 18.3 | 18.4 | 18.4 | 18.5 | 18.6 |
| Percentage Change | 0.37 | 1.49 | 3.54 | 0.87 | -0.04 | 0.22 | 0.19 | 0.51 | 0.24 | 0.38 | 0.27 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONDURABLE GOODS | 162.5 | 158.0 | 155.9 | 154.1 | 152.8 | 151.2 | 149.6 | 148.1 | 146.9 | 145.4 | 144.1 |
| Percentage Change | -3.11 | -2.78 | -1.35 | -1.17 | -0.79 | -1.05 | -1.09 | -1.00 | -0.79 | -1.03 | -0.90 |
| FOOD | 36.3 | 36.9 | 37.2 | 37.4 | 37.7 | 37.8 | 38.0 | 38.1 | 38.1 | 38.2 | 38.2 |
| Percentage Change | 0.77 | 1.55 | 0.72 | 0.58 | 0.82 | 0.42 | 0.51 | 0.11 | -0.08 | 0.40 | 0.01 |
| BEVERAGE & TOBACCO | 6.4 | 6.3 | 6.4 | 6.5 | 6.5 | 6.6 | 6.7 | 6.7 | 6.8 | 6.9 | 7.0 |
| Percentage Change | 0.09 | -0.49 | 0.62 | 1.54 | 0.74 | 0.84 | 1.08 | 1.22 | 1.35 | 1.11 | 1.23 |
| TEXTILE MILLS | 7.1 | 6.1 | 5.7 | 5.4 | 5.2 | 5.0 | 4.8 | 4.8 | 4.7 | 4.5 | 4.3 |
| Percentage Change | -10.77 | -13.60 | -7.39 | -5.91 | -3.31 | -2.99 | -5.47 | 1.67 | -3.60 | -4.06 | -4.03 |
| TEXTILE PRODUCT MILLS | 3.6 | 3.4 | 3.3 | 3.0 | 2.9 | 2.8 | 2.7 | 2.6 | 2.4 | 2.4 | 2.2 |
| Percentage Change | -3.38 | -4.93 | -4.39 | -7.25 | -3.93 | -5.36 | -3.23 | -4.09 | -4.53 | -3.16 | -5.60 |
| APPAREL | 9.6 | 8.3 | 7.1 | 6.0 | 5.3 | 4.5 | 3.8 | 3.3 | 2.8 | 2.4 | 2.1 |
| Percentage Change | -16.85 | -13.79 | -14.07 | -16.10 | -12.01 | -14.65 | -14.37 | -14.36 | -14.35 | -14.28 | -14.09 |
| PAPER | 19.1 | 19.1 | 19.2 | 19.4 | 19.6 | 19.7 | 19.6 | 19.3 | 19.5 | 19.3 | 19.4 |
| Percentage Change | -4.91 | -0.13 | 0.49 | 0.92 | 1.08 | 0.41 | -0.12 | -1.43 | 0.92 | -0.99 | 0.29 |
| PRINTING & RELATED SUPPORT | 20.3 | 19.2 | 19.0 | 18.9 | 18.8 | 18.7 | 18.5 | 18.4 | 18.2 | 17.9 | 17.7 |
| Percentage Change | -0.92 | -5.55 | -1.08 | -0.34 | -0.64 | -0.52 | -0.79 | -0.98 | -0.86 | -1.47 | -1.50 |
| CHEMICALS | 28.0 | 27.1 | 26.7 | 26.3 | 25.7 | 25.2 | 24.6 | 24.0 | 23.5 | 22.9 | 22.4 |
| Percentage Change | -0.77 | -3.14 | -1.44 | -1.65 | -2.00 | -2.24 | -2.47 | -2.29 | -2.12 | -2.27 | -2.20 |
| PLASTICS & RUBBER | 29.1 | 28.8 | 28.8 | 28.7 | 28.7 | 28.6 | 28.6 | 28.6 | 28.7 | 28.7 | 28.8 |
| Percentage Change | -4.00 | -0.99 | 0.08 | -0.30 | -0.20 | -0.30 | -0.09 | 0.02 | 0.30 | 0.14 | 0.24 |
| MISCELLANEOUS NONDURABLE GOODS | 3.0 | 2.8 | 2.6 | 2.6 | 2.5 | 2.4 | 2.4 | 2.3 | 2.3 | 2.1 | 2.0 |
| Percentage Change | 1.27 | -8.49 | -6.72 | -0.47 | -2.38 | -2.47 | -3.34 | -0.86 | -3.14 | -5.14 | -4.68 |

Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (1996 dollars) December 2003

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONFARM | 29889 | 30297 | 30705 | 31121 | 31510 | 31874 | 32227 | 32597 | 32930 | 33323 | 33744 |
| Percentage Change | 0.72 | 1.37 | 1.35 | 1.35 | 1.25 | 1.16 | 1.11 | 1.15 | 1.02 | 1.19 | 1.26 |
| NATURAL RESOURCES & MINING | 32550 | 33979 | 34830 | 35651 | 36443 | 37238 | 38062 | 39002 | 39991 | 40918 | 41903 |
| Percentage Change | 2.99 | 4.39 | 2.50 | 2.36 | 2.22 | 2.18 | 2.21 | 2.47 | 2.53 | 2.32 | 2.41 |
| CONSTRUCTION | 33435 | 33617 | 33826 | 33988 | 34217 | 34549 | 34797 | 35123 | 35513 | 35998 | 36415 |
| Percentage Change | 1.85 | 0.54 | 0.62 | 0.48 | 0.68 | 0.97 | 0.72 | 0.94 | 1.11 | 1.37 | 1.16 |
| MANUFACTURING | 35673 | 36338 | 37098 | 38010 | 38892 | 39779 | 40650 | 41471 | 42310 | 43288 | 44287 |
| Percentage Change | 1.65 | 1.86 | 2.09 | 2.46 | 2.32 | 2.28 | 2.19 | 2.02 | 2.02 | 2.31 | 2.31 |
| DURABLE GOODS | 35054 | 35711 | 36476 | 37370 | 38235 | 39105 | 39959 | 40781 | 41597 | 42575 | 43611 |
| Percentage Change | 0.83 | 1.88 | 2.14 | 2.45 | 2.31 | 2.28 | 2.18 | 2.06 | 2.00 | 2.35 | 2.43 |
| NONDURABLE GOODS | 36633 | 37337 | 38120 | 39090 | 40030 | 40977 | 41910 | 42765 | 43679 | 44690 | 45649 |
| Percentage Change | 2.88 | 1.92 | 2.10 | 2.54 | 2.40 | 2.37 | 2.28 | 2.04 | 2.14 | 2.31 | 2.15 |
| TRADE, TRANSPORTATION, UTILITIES | 28906 | 29467 | 29989 | 30401 | 30763 | 31067 | 31411 | 31778 | 32131 | 32485 | 32899 |
| Percentage Change | 0.75 | 1.94 | 1.77 | 1.37 | 1.19 | 0.99 | 1.11 | 1.17 | 1.11 | 1.10 | 1.27 |
| WHOLESALE TRADE | 40160 | 40854 | 41326 | 41745 | 42112 | 42466 | 42942 | 43457 | 44054 | 44618 | 45332 |
| Percentage Change | 1.45 | 1.73 | 1.16 | 1.01 | 0.88 | 0.84 | 1.12 | 1.20 | 1.37 | 1.28 | 1.60 |
| RETAIL TRADE | 21011 | 21244 | 21407 | 21540 | 21645 | 21742 | 21820 | 21896 | 21980 | 22074 | 22151 |
| Percentage Change | -0.24 | 1.11 | 0.76 | 0.62 | 0.49 | 0.45 | 0.36 | 0.35 | 0.39 | 0.42 | 0.35 |
| TRANSPORTATION & UTILITIES | 36754 | 37543 | 38857 | 40160 | 41451 | 42767 | 44087 | 45342 | 46508 | 47725 | 48987 |
| Percentage Change | 2.24 | 2.15 | 3.50 | 3.35 | 3.22 | 3.17 | 3.09 | 2.85 | 2.57 | 2.62 | 2.64 |
| INFORMATION | 37305 | 37859 | 38452 | 39000 | 39502 | 39996 | 40460 | 40908 | 41450 | 41936 | 42458 |
| Percentage Change | 4.06 | 1.49 | 1.57 | 1.42 | 1.29 | 1.25 | 1.16 | 1.11 | 1.33 | 1.17 | 1.24 |
| FINANCIAL ACTIVITIES | 41894 | 42692 | 43341 | 44487 | 45603 | 46728 | 47839 | 48863 | 49900 | 50920 | 52137 |
| Percentage Change | 3.89 | 1.91 | 1.52 | 2.64 | 2.51 | 2.47 | 2.38 | 2.14 | 2.12 | 2.05 | 2.39 |
| PROF & BUSINESS SERVICES | 29505 | 29545 | 29600 | 29669 | 29729 | 29778 | 29844 | 29925 | 29993 | 30043 | 30141 |
| Percentage Change | -3.16 | 0.13 | 0.19 | 0.23 | 0.20 | 0.16 | 0.22 | 0.27 | 0.23 | 0.17 | 0.33 |
| EDUC & HEALTH SERVICES | 32739 | 33234 | 33756 | 34299 | 34803 | 35301 | 35776 | 36426 | 36970 | 37565 | 38237 |
| Percentage Change | 1.91 | 1.51 | 1.57 | 1.61 | 1.47 | 1.43 | 1.34 | 1.82 | 1.49 | 1.61 | 1.79 |
| LEISURE & HOSPITALITY | 14043 | 13902 | 13993 | 14065 | 14118 | 14165 | 14201 | 14203 | 14236 | 14309 | 14362 |
| Percentage Change | -0.71 | -1.00 | 0.66 | 0.51 | 0.38 | 0.34 | 0.25 | 0.02 | 0.23 | 0.51 | 0.37 |
| OTHER SERVICES | 23089 | 23199 | 23251 | 23324 | 23429 | 23598 | 23705 | 23777 | 23839 | 23976 | 24062 |
| Percentage Change | -2.70 | 0.48 | 0.22 | 0.31 | 0.45 | 0.72 | 0.45 | 0.31 | 0.26 | 0.58 | 0.36 |
| GOVERNMENT | 28641 | 29113 | 29543 | 29935 | 30304 | 30666 | 31024 | 31370 | 31507 | 31726 | 31953 |
| Percentage Change | 1.38 | 1.65 | 1.48 | 1.32 | 1.23 | 1.20 | 1.17 | 1.12 | 0.44 | 0.69 | 0.72 |
| FEDERAL, CIVILIAN | 46006 | 47045 | 48076 | 49061 | 49998 | 50934 | 51842 | 52643 | 53314 | 54020 | 54747 |
| Percentage Change | 5.18 | 2.26 | 2.19 | 2.05 | 1.91 | 1.87 | 1.78 | 1.55 | 1.27 | 1.32 | 1.35 |
| STATE & LOCAL | 26144 | 26554 | 26946 | 27306 | 27634 | 27955 | 28255 | 28492 | 28654 | 28830 | 29015 |
| Percentage Change | 0.54 | 1.57 | 1.48 | 1.34 | 1.20 | 1.16 | 1.07 | 0.84 | 0.57 | 0.62 | 0.64 |

Center for Business and Economic Research, The University of Tennessee Tennessee Econometric Model

**Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (1996 dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONFARM | 29902 | 30293 | 30706 | 31126 | 31518 | 31896 | 32263 | 32634 | 32972 | 33370 | 33799 |
| Percentage Change | 0.81 | 1.31 | 1.36 | 1.37 | 1.26 | 1.20 | 1.15 | 1.15 | 1.03 | 1.21 | 1.28 |
| NATURAL RESOURCES & MINING | 32553 | 33971 | 34821 | 35641 | 36433 | 37228 | 38052 | 38989 | 39975 | 40903 | 41888 |
| Percentage Change | 3.01 | 4.35 | 2.50 | 2.36 | 2.22 | 2.18 | 2.21 | 2.46 | 2.53 | 2.32 | 2.41 |
| CONSTRUCTION | 33418 | 33595 | 33803 | 33964 | 34193 | 34523 | 34774 | 35099 | 35493 | 35978 | 36390 |
| Percentage Change | 2.07 | 0.53 | 0.62 | 0.48 | 0.67 | 0.97 | 0.73 | 0.93 | 1.12 | 1.37 | 1.15 |
| MANUFACTURING | 35673 | 36337 | 37097 | 38009 | 38892 | 39778 | 40649 | 41470 | 42309 | 43287 | 44286 |
| Percentage Change | 1.64 | 1.86 | 2.09 | 2.46 | 2.32 | 2.28 | 2.19 | 2.02 | 2.02 | 2.31 | 2.31 |
| DURABLE GOODS | 35053 | 35711 | 36475 | 37369 | 38234 | 39104 | 39959 | 40780 | 41597 | 42575 | 43610 |
| Percentage Change | 0.83 | 1.88 | 2.14 | 2.45 | 2.31 | 2.27 | 2.19 | 2.06 | 2.00 | 2.35 | 2.43 |
| NONDURABLE GOODS | 36632 | 37337 | 38121 | 39090 | 40030 | 40977 | 41910 | 42765 | 43678 | 44690 | 45649 |
| Percentage Change | 2.87 | 1.92 | 2.10 | 2.54 | 2.41 | 2.37 | 2.28 | 2.04 | 2.13 | 2.32 | 2.15 |
| TRADE, TRANSPORTATION, UTILITIES | 28954 | 29460 | 29981 | 30393 | 30755 | 31058 | 31403 | 31769 | 32121 | 32476 | 32890 |
| Percentage Change | 0.93 | 1.75 | 1.77 | 1.37 | 1.19 | 0.99 | 1.11 | 1.16 | 1.11 | 1.10 | 1.27 |
| WHOLESALE TRADE | 40161 | 40855 | 41327 | 41746 | 42113 | 42467 | 42944 | 43459 | 44056 | 44619 | 45334 |
| Percentage Change | 1.45 | 1.73 | 1.16 | 1.01 | 0.88 | 0.84 | 1.12 | 1.20 | 1.37 | 1.28 | 1.60 |
| RETAIL TRADE | 21005 | 21240 | 21402 | 21535 | 21640 | 21737 | 21815 | 21890 | 21974 | 22068 | 22145 |
| Percentage Change | -0.24 | 1.12 | 0.76 | 0.62 | 0.49 | 0.45 | 0.36 | 0.35 | 0.38 | 0.43 | 0.35 |
| TRANSPORTATION & UTILITIES | 36751 | 37545 | 38858 | 40161 | 41453 | 42769 | 44088 | 45343 | 46508 | 47726 | 48988 |
| Percentage Change | 2.23 | 2.16 | 3.50 | 3.35 | 3.22 | 3.17 | 3.08 | 2.85 | 2.57 | 2.62 | 2.64 |
| INFORMATION | 37316 | 37870 | 38464 | 39011 | 39514 | 40007 | 40471 | 40919 | 41462 | 41950 | 42469 |
| Percentage Change | 3.71 | 1.48 | 1.57 | 1.42 | 1.29 | 1.25 | 1.16 | 1.11 | 1.33 | 1.18 | 1.24 |
| FINANCIAL ACTIVITIES | 41893 | 42691 | 43340 | 44486 | 45601 | 46726 | 47837 | 48861 | 49899 | 50920 | 52136 |
| Percentage Change | 3.76 | 1.91 | 1.52 | 2.64 | 2.51 | 2.47 | 2.38 | 2.14 | 2.12 | 2.05 | 2.39 |
| PROF & BUSINESS SERVICES | 29504 | 29544 | 29599 | 29669 | 29729 | 29778 | 29844 | 29924 | 29992 | 30042 | 30140 |
| Percentage Change | -2.89 | 0.14 | 0.19 | 0.24 | 0.20 | 0.16 | 0.22 | 0.27 | 0.23 | 0.17 | 0.33 |
| EDUC & HEALTH SERVICES | 32738 | 33233 | 33755 | 34298 | 34802 | 35300 | 35774 | 36425 | 36969 | 37564 | 38235 |
| Percentage Change | 2.01 | 1.51 | 1.57 | 1.61 | 1.47 | 1.43 | 1.34 | 1.82 | 1.49 | 1.61 | 1.79 |
| LEISURE & HOSPITALITY | 14019 | 13891 | 13982 | 14054 | 14106 | 14154 | 14189 | 14192 | 14225 | 14300 | 14353 |
| Percentage Change | -0.71 | -0.91 | 0.65 | 0.51 | 0.38 | 0.34 | 0.25 | 0.02 | 0.23 | 0.53 | 0.37 |
| OTHER SERVICES | 23084 | 23195 | 23248 | 23320 | 23425 | 23597 | 23699 | 23775 | 23838 | 23978 | 24059 |
| Percentage Change | -2.69 | 0.48 | 0.23 | 0.31 | 0.45 | 0.73 | 0.43 | 0.32 | 0.26 | 0.59 | 0.34 |
| GOVERNMENT | 28643 | 29106 | 29537 | 29928 | 30297 | 30660 | 31017 | 31363 | 31500 | 31719 | 31947 |
| Percentage Change | 1.43 | 1.62 | 1.48 | 1.32 | 1.23 | 1.20 | 1.17 | 1.12 | 0.44 | 0.69 | 0.72 |
| FEDERAL, CIVILIAN | 45986 | 47032 | 48062 | 49047 | 49984 | 50920 | 51827 | 52629 | 53300 | 54005 | 54733 |
| Percentage Change | 5.15 | 2.27 | 2.19 | 2.05 | 1.91 | 1.87 | 1.78 | 1.55 | 1.28 | 1.32 | 1.35 |
| STATE & LOCAL | 26132 | 26543 | 26936 | 27296 | 27623 | 27944 | 28244 | 28481 | 28643 | 28819 | 29003 |
| Percentage Change | 0.55 | 1.57 | 1.48 | 1.34 | 1.20 | 1.16 | 1.07 | 0.84 | 0.57 | 0.62 | 0.64 |

**Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONFARM | 33838 | 34788 | 35926 | 37156 | 38440 | 39746 | 41114 | 42644 | 44296 | 46066 | 47930 |
| Percentage Change | 2.68 | 2.81 | 3.27 | 3.42 | 3.46 | 3.40 | 3.44 | 3.72 | 3.87 | 4.00 | 4.05 |
| NATURAL RESOURCES & MINING | 36853 | 39016 | 40752 | 42564 | 44458 | 46435 | 48558 | 51022 | 53790 | 56563 | 59516 |
| Percentage Change | 5.00 | 5.87 | 4.45 | 4.45 | 4.45 | 4.45 | 4.57 | 5.07 | 5.42 | 5.16 | 5.22 |
| CONSTRUCTION | 37852 | 38599 | 39575 | 40576 | 41740 | 43078 | 44390 | 45943 | 47770 | 49763 | 51722 |
| Percentage Change | 3.83 | 1.97 | 2.53 | 2.53 | 2.87 | 3.21 | 3.04 | 3.50 | 3.98 | 4.17 | 3.94 |
| MANUFACTURING | 40388 | 41725 | 43407 | 45382 | 47447 | 49606 | 51862 | 54256 | 56914 | 59842 | 62906 |
| Percentage Change | 3.62 | 3.31 | 4.03 | 4.55 | 4.55 | 4.55 | 4.55 | 4.62 | 4.90 | 5.14 | 5.12 |
| DURABLE GOODS | 39687 | 41006 | 42679 | 44618 | 46645 | 48765 | 50981 | 53354 | 55955 | 58857 | 61946 |
| Percentage Change | 2.79 | 3.32 | 4.08 | 4.54 | 4.54 | 4.54 | 4.54 | 4.66 | 4.88 | 5.19 | 5.25 |
| NONDURABLE GOODS | 41474 | 42872 | 44603 | 46672 | 48836 | 51100 | 53470 | 55949 | 58755 | 61781 | 64842 |
| Percentage Change | 4.87 | 3.37 | 4.04 | 4.64 | 4.64 | 4.64 | 4.64 | 4.64 | 5.01 | 5.15 | 4.95 |
| TRADE, TRANSPORTATION, UTILITIES | 32724 | 33834 | 35086 | 36294 | 37527 | 38738 | 40072 | 41570 | 43217 | 44905 | 46727 |
| Percentage Change | 2.70 | 3.39 | 3.70 | 3.44 | 3.40 | 3.23 | 3.44 | 3.74 | 3.96 | 3.91 | 4.06 |
| WHOLESALE TRADE | 45467 | 46910 | 48354 | 49841 | 51375 | 52956 | 54786 | 56854 | 59261 | 61682 | 64394 |
| Percentage Change | 3.42 | 3.17 | 3.08 | 3.08 | 3.08 | 3.08 | 3.46 | 3.77 | 4.23 | 4.08 | 4.40 |
| RETAIL TRADE | 23786 | 24393 | 25045 | 25716 | 26404 | 27110 | 27836 | 28643 | 29564 | 30513 | 31461 |
| Percentage Change | 1.69 | 2.55 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.90 | 3.22 | 3.21 | 3.11 |
| TRANSPORTATION & UTILITIES | 41608 | 43108 | 45463 | 47947 | 50567 | 53329 | 56243 | 59316 | 62557 | 65975 | 69579 |
| Percentage Change | 4.22 | 3.61 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 |
| INFORMATION | 42234 | 43471 | 44990 | 46563 | 48190 | 49874 | 51617 | 53517 | 55757 | 57976 | 60307 |
| Percentage Change | 6.07 | 2.93 | 3.49 | 3.49 | 3.49 | 3.49 | 3.49 | 3.68 | 4.19 | 3.98 | 4.02 |
| FINANCIAL ACTIVITIES | 47431 | 49023 | 50712 | 53117 | 55635 | 58272 | 61034 | 63928 | 67127 | 70400 | 74062 |
| Percentage Change | 5.90 | 3.36 | 3.45 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 5.01 | 4.88 | 5.20 |
| PROF & BUSINESS SERVICES | 33403 | 33925 | 34632 | 35424 | 36268 | 37133 | 38075 | 39149 | 40346 | 41533 | 42814 |
| Percentage Change | -1.27 | 1.56 | 2.09 | 2.28 | 2.38 | 2.39 | 2.54 | 2.82 | 3.06 | 2.94 | 3.09 |
| EDUC & HEALTH SERVICES | 37065 | 38161 | 39497 | 40951 | 42459 | 44022 | 45643 | 47657 | 49731 | 51929 | 54310 |
| Percentage Change | 3.88 | 2.96 | 3.50 | 3.68 | 3.68 | 3.68 | 3.68 | 4.41 | 4.35 | 4.42 | 4.58 |
| LEISURE & HOSPITALITY | 15896 | 15962 | 16371 | 16791 | 17221 | 17663 | 18116 | 18580 | 19148 | 19780 | 20399 |
| Percentage Change | 1.21 | 0.42 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 3.05 | 3.30 | 3.13 |
| OTHER SERVICES | 26139 | 26637 | 27204 | 27846 | 28580 | 29427 | 30239 | 31106 | 32067 | 33148 | 34177 |
| Percentage Change | -0.81 | 1.91 | 2.13 | 2.36 | 2.64 | 2.96 | 2.76 | 2.87 | 3.09 | 3.37 | 3.10 |
| GOVERNMENT | 32427 | 33430 | 34568 | 35742 | 36970 | 38243 | 39582 | 41042 | 42384 | 43861 | 45390 |
| Percentage Change | 3.35 | 3.09 | 3.41 | 3.39 | 3.44 | 3.44 | 3.50 | 3.69 | 3.27 | 3.49 | 3.49 |
| FEDERAL, CIVILIAN | 52090 | 54024 | 56256 | 58581 | 61001 | 63521 | 66146 | 68879 | 71725 | 74688 | 77774 |
| Percentage Change | 7.23 | 3.71 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 |
| STATE & LOCAL | 29600 | 30492 | 31530 | 32604 | 33714 | 34862 | 36049 | 37276 | 38546 | 39858 | 41216 |
| Percentage Change | 2.49 | 3.01 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 |

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)** **December 2003**

| | | Forecast Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL NONFARM | 33854 | 34784 | 35928 | 37163 | 38451 | 39776 | 41162 | 42696 | 44354 | 46134 | 48010 |
| Percentage Change | 2.76 | 2.75 | 3.29 | 3.44 | 3.47 | 3.45 | 3.48 | 3.73 | 3.88 | 4.01 | 4.07 |
| NATURAL RESOURCES & MINING | 36859 | 39008 | 40743 | 42556 | 44449 | 46426 | 48549 | 51008 | 53773 | 56547 | 59501 |
| Percentage Change | 5.02 | 5.83 | 4.45 | 4.45 | 4.45 | 4.45 | 4.57 | 5.07 | 5.42 | 5.16 | 5.22 |
| CONSTRUCTION | 37836 | 38576 | 39552 | 40552 | 41715 | 43051 | 44365 | 45918 | 47750 | 49741 | 51692 |
| Percentage Change | 4.06 | 1.96 | 2.53 | 2.53 | 2.87 | 3.20 | 3.05 | 3.50 | 3.99 | 4.17 | 3.92 |
| MANUFACTURING | 40388 | 41725 | 43407 | 45382 | 47447 | 49606 | 51861 | 54256 | 56914 | 59842 | 62906 |
| Percentage Change | 3.61 | 3.31 | 4.03 | 4.55 | 4.55 | 4.55 | 4.55 | 4.62 | 4.90 | 5.14 | 5.12 |
| DURABLE GOODS | 39686 | 41006 | 42678 | 44617 | 46645 | 48764 | 50980 | 53353 | 55955 | 58856 | 61945 |
| Percentage Change | 2.78 | 3.33 | 4.08 | 4.54 | 4.54 | 4.54 | 4.54 | 4.65 | 4.88 | 5.18 | 5.25 |
| NONDURABLE GOODS | 41474 | 42873 | 44605 | 46673 | 48837 | 51102 | 53471 | 55950 | 58755 | 61783 | 64844 |
| Percentage Change | 4.86 | 3.37 | 4.04 | 4.64 | 4.64 | 4.64 | 4.64 | 4.64 | 5.01 | 5.15 | 4.96 |
| TRADE, TRANSPORTATION, UTILITIES | 32780 | 33828 | 35080 | 36288 | 37520 | 38730 | 40065 | 41563 | 43209 | 44897 | 46719 |
| Percentage Change | 2.88 | 3.20 | 3.70 | 3.44 | 3.40 | 3.23 | 3.45 | 3.74 | 3.96 | 3.91 | 4.06 |
| WHOLESALE TRADE | 45469 | 46913 | 48356 | 49844 | 51377 | 52958 | 54789 | 56857 | 59264 | 61684 | 64397 |
| Percentage Change | 3.42 | 3.17 | 3.08 | 3.08 | 3.08 | 3.08 | 3.46 | 3.77 | 4.23 | 4.08 | 4.40 |
| RETAIL TRADE | 23780 | 24389 | 25042 | 25712 | 26400 | 27106 | 27832 | 28638 | 29559 | 30508 | 31455 |
| Percentage Change | 1.69 | 2.56 | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 2.90 | 3.21 | 3.21 | 3.11 |
| TRANSPORTATION & UTILITIES | 41606 | 43112 | 45467 | 47951 | 50571 | 53334 | 56248 | 59321 | 62562 | 65980 | 69585 |
| Percentage Change | 4.20 | 3.62 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 | 5.46 |
| INFORMATION | 42248 | 43485 | 45005 | 46578 | 48206 | 49891 | 51634 | 53534 | 55775 | 57997 | 60326 |
| Percentage Change | 5.72 | 2.93 | 3.49 | 3.49 | 3.49 | 3.49 | 3.49 | 3.68 | 4.19 | 3.98 | 4.02 |
| FINANCIAL ACTIVITIES | 47431 | 49022 | 50713 | 53117 | 55635 | 58272 | 61034 | 63928 | 67128 | 70401 | 74064 |
| Percentage Change | 5.77 | 3.36 | 3.45 | 4.74 | 4.74 | 4.74 | 4.74 | 4.74 | 5.01 | 4.88 | 5.20 |
| PROF & BUSINESS SERVICES | 33402 | 33924 | 34631 | 35424 | 36268 | 37133 | 38076 | 39149 | 40346 | 41532 | 42814 |
| Percentage Change | -1.00 | 1.56 | 2.08 | 2.29 | 2.38 | 2.38 | 2.54 | 2.82 | 3.06 | 2.94 | 3.09 |
| EDUC & HEALTH SERVICES | 37064 | 38160 | 39496 | 40950 | 42458 | 44021 | 45642 | 47657 | 49730 | 51928 | 54308 |
| Percentage Change | 3.98 | 2.96 | 3.50 | 3.68 | 3.68 | 3.68 | 3.68 | 4.41 | 4.35 | 4.42 | 4.58 |
| LEISURE & HOSPITALITY | 15870 | 15951 | 16360 | 16779 | 17209 | 17651 | 18103 | 18567 | 19135 | 19769 | 20388 |
| Percentage Change | 1.21 | 0.51 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 2.56 | 3.06 | 3.31 | 3.13 |
| OTHER SERVICES | 26135 | 26634 | 27202 | 27843 | 28578 | 29427 | 30234 | 31106 | 32068 | 33153 | 34176 |
| Percentage Change | -0.81 | 1.91 | 2.13 | 2.36 | 2.64 | 2.97 | 2.74 | 2.88 | 3.09 | 3.38 | 3.08 |
| GOVERNMENT | 32429 | 33422 | 34561 | 35734 | 36962 | 38234 | 39573 | 41032 | 42375 | 43851 | 45380 |
| Percentage Change | 3.40 | 3.06 | 3.41 | 3.39 | 3.44 | 3.44 | 3.50 | 3.69 | 3.27 | 3.49 | 3.49 |
| FEDERAL, CIVILIAN | 52066 | 54006 | 56237 | 58560 | 60980 | 63500 | 66123 | 68855 | 71700 | 74662 | 77747 |
| Percentage Change | 7.19 | 3.73 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 | 4.13 |
| STATE & LOCAL | 29586 | 30479 | 31517 | 32590 | 33700 | 34848 | 36034 | 37261 | 38530 | 39842 | 41199 |
| Percentage Change | 2.50 | 3.02 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 | 3.41 |

**Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| CIVILIAN LABOR FORCE (THOUS)………. | 2898 | 2909 | 2945 | 2982 | 3024 | 3066 | 3106 | 3149 | 3189 | 3234 | 3278 |
| Percentage Change………………….. | -0.98 | 0.40 | 1.22 | 1.26 | 1.43 | 1.37 | 1.30 | 1.39 | 1.29 | 1.39 | 1.37 |
| EMPLOYED PERSONS (THOUS)…….. | 2748 | 2757 | 2808 | 2852 | 2897 | 2940 | 2979 | 3021 | 3060 | 3103 | 3145 |
| Percentage Change………………….. | -1.03 | 0.33 | 1.84 | 1.59 | 1.59 | 1.48 | 1.33 | 1.39 | 1.31 | 1.38 | 1.36 |
| UNEMPLOYED PERSONS (THOUS)…. | 150 | 152 | 137 | 130 | 127 | 125 | 126 | 128 | 129 | 131 | 133 |
| Percentage Change………………….. | -0.15 | 1.79 | -9.86 | -5.44 | -2.22 | -1.23 | 0.53 | 1.30 | 0.98 | 1.49 | 1.57 |
| PARTICIPATION RATE (PERCENT)……… | 62.1 | 61.4 | 61.2 | 61.0 | 61.0 | 60.9 | 60.8 | 60.7 | 60.7 | 60.8 | 60.8 |
| Percentage Change………………….. | -3.06 | -1.20 | -0.32 | -0.24 | -0.07 | -0.12 | -0.20 | -0.07 | -0.02 | 0.10 | 0.08 |
| UNEMPLOYMENT RATE (PERCENT)……. | 5.2 | 5.2 | 4.7 | 4.4 | 4.2 | 4.1 | 4.1 | 4.1 | 4.0 | 4.0 | 4.1 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| CIVILIAN LABOR FORCE (THOUS)………. | 2898 | 2908 | 2944 | 2981 | 3024 | 3065 | 3105 | 3148 | 3189 | 3233 | 3278 |
| Percentage Change………………….. | -0.99 | 0.37 | 1.24 | 1.26 | 1.43 | 1.37 | 1.29 | 1.39 | 1.29 | 1.40 | 1.38 |
| EMPLOYED PERSONS (THOUS)…….. | 2748 | 2756 | 2807 | 2852 | 2897 | 2940 | 2979 | 3021 | 3060 | 3103 | 3145 |
| Percentage Change………………….. | -1.03 | 0.32 | 1.84 | 1.59 | 1.59 | 1.49 | 1.33 | 1.39 | 1.30 | 1.39 | 1.37 |
| UNEMPLOYED PERSONS (THOUS)…. | 150 | 152 | 137 | 130 | 127 | 125 | 126 | 127 | 129 | 131 | 133 |
| Percentage Change………………….. | -0.09 | 1.42 | -9.78 | -5.48 | -2.18 | -1.24 | 0.55 | 1.30 | 1.01 | 1.44 | 1.60 |
| PARTICIPATION RATE (PERCENT)……… | 62.1 | 61.4 | 61.2 | 61.0 | 61.0 | 60.9 | 60.8 | 60.7 | 60.7 | 60.8 | 60.8 |
| Percentage Change………………….. | -3.06 | -1.23 | -0.31 | -0.24 | -0.07 | -0.12 | -0.20 | -0.07 | -0.02 | 0.10 | 0.08 |
| UNEMPLOYMENT RATE (PERCENT)……. | 5.2 | 5.2 | 4.7 | 4.3 | 4.2 | 4.1 | 4.1 | 4.1 | 4.0 | 4.0 | 4.0 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL TAXABLE SALES | 68027 | 69755 | 71720 | 73832 | 75880 | 78008 | 80154 | 82122 | 83976 | 86047 | 88276 |
| Percentage Change | 1.04 | 2.54 | 2.82 | 2.94 | 2.77 | 2.80 | 2.75 | 2.45 | 2.26 | 2.47 | 2.59 |
| AUTO DEALERS | 8324 | 8660 | 8982 | 9253 | 9552 | 9866 | 10149 | 10414 | 10661 | 10928 | 11187 |
| Percentage Change | 4.66 | 4.04 | 3.73 | 3.01 | 3.24 | 3.28 | 2.88 | 2.61 | 2.37 | 2.50 | 2.37 |
| PURCHASES FROM MANUFACTURERS | 3340 | 3171 | 2984 | 3008 | 3007 | 3039 | 3039 | 3058 | 3067 | 3069 | 3058 |
| Percentage Change | 1.49 | -5.06 | -5.91 | 0.79 | -0.02 | 1.07 | -0.02 | 0.64 | 0.30 | 0.05 | -0.37 |
| MISC DURABLE GOODS | 11304 | 11783 | 11991 | 12332 | 12615 | 12921 | 13180 | 13458 | 13712 | 13896 | 14079 |
| Percentage Change | 2.30 | 4.24 | 1.76 | 2.85 | 2.30 | 2.42 | 2.01 | 2.11 | 1.88 | 1.34 | 1.32 |
| EATING AND DRINKING PLACES | 6078 | 6416 | 6820 | 7230 | 7715 | 8208 | 8751 | 9334 | 9949 | 10619 | 11354 |
| Percentage Change | 2.94 | 5.57 | 6.28 | 6.02 | 6.71 | 6.39 | 6.61 | 6.66 | 6.59 | 6.73 | 6.92 |
| FOOD STORES | 6321 | 6297 | 6427 | 6577 | 6715 | 6856 | 6860 | 6959 | 7032 | 6891 | 6904 |
| Percentage Change | -7.64 | -0.38 | 2.06 | 2.34 | 2.09 | 2.10 | 0.05 | 1.44 | 1.06 | -2.01 | 0.19 |
| LIQUOR STORES | 384 | 396 | 399 | 404 | 408 | 411 | 414 | 413 | 415 | 416 | 421 |
| Percentage Change | 4.69 | 2.91 | 0.98 | 1.08 | 0.94 | 0.93 | 0.68 | -0.18 | 0.31 | 0.21 | 1.22 |
| HOTELS AND MOTELS | 1601 | 1643 | 1657 | 1668 | 1675 | 1698 | 1713 | 1730 | 1718 | 1726 | 1715 |
| Percentage Change | 0.07 | 2.66 | 0.83 | 0.65 | 0.41 | 1.40 | 0.90 | 0.95 | -0.65 | 0.44 | -0.62 |
| OTHER RETAIL AND SERVICE | 19904 | 20776 | 21679 | 22599 | 23423 | 24219 | 25237 | 25923 | 26607 | 27586 | 28434 |
| Percentage Change | 1.87 | 4.38 | 4.35 | 4.24 | 3.65 | 3.40 | 4.20 | 2.72 | 2.64 | 3.68 | 3.07 |
| MISC NONDURABLE GOODS | 5511 | 5413 | 5489 | 5431 | 5418 | 5396 | 5380 | 5368 | 5336 | 5314 | 5338 |
| Percentage Change | -2.15 | -1.79 | 1.41 | -1.07 | -0.24 | -0.39 | -0.31 | -0.21 | -0.61 | -0.40 | 0.45 |
| TRANSPORTATION, COMMUNICATION | 5259 | 5200 | 5291 | 5330 | 5352 | 5393 | 5431 | 5463 | 5479 | 5603 | 5787 |
| Percentage Change | 2.21 | -1.13 | 1.76 | 0.73 | 0.41 | 0.77 | 0.70 | 0.60 | 0.29 | 2.27 | 3.27 |
| PER CAPITA ($) | 11610 | 11737 | 11897 | 12087 | 12260 | 12438 | 12613 | 12757 | 12889 | 13049 | 13227 |
| Percentage Change | 0.08 | 1.10 | 1.36 | 1.59 | 1.43 | 1.46 | 1.40 | 1.14 | 1.03 | 1.25 | 1.37 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL TAXABLE SALES | 68006 | 69732 | 71700 | 73776 | 75818 | 77891 | 79987 | 81933 | 83733 | 85708 | 87828 |
| Percentage Change | 0.96 | 2.54 | 2.82 | 2.89 | 2.77 | 2.73 | 2.69 | 2.43 | 2.20 | 2.36 | 2.47 |
| AUTO DEALERS | 8313 | 8654 | 8982 | 9252 | 9550 | 9853 | 10151 | 10415 | 10668 | 10923 | 11183 |
| Percentage Change | 4.50 | 4.11 | 3.79 | 3.00 | 3.22 | 3.18 | 3.03 | 2.60 | 2.43 | 2.39 | 2.38 |
| PURCHASES FROM MANUFACTURERS | 3344 | 3171 | 2985 | 3008 | 3006 | 3025 | 3023 | 3035 | 3040 | 3038 | 3022 |
| Percentage Change | 1.63 | -5.15 | -5.87 | 0.75 | -0.06 | 0.62 | -0.07 | 0.39 | 0.18 | -0.07 | -0.51 |
| MISC DURABLE GOODS | 11298 | 11782 | 11998 | 12332 | 12610 | 12903 | 13146 | 13409 | 13659 | 13829 | 13998 |
| Percentage Change | 2.25 | 4.28 | 1.83 | 2.78 | 2.26 | 2.32 | 1.88 | 2.00 | 1.87 | 1.24 | 1.23 |
| EATING AND DRINKING PLACES | 6077 | 6416 | 6819 | 7229 | 7714 | 8208 | 8751 | 9334 | 9948 | 10619 | 11354 |
| Percentage Change | 2.89 | 5.58 | 6.28 | 6.02 | 6.70 | 6.41 | 6.62 | 6.67 | 6.57 | 6.74 | 6.93 |
| FOOD STORES | 6321 | 6296 | 6424 | 6559 | 6699 | 6835 | 6848 | 6946 | 7020 | 6892 | 6905 |
| Percentage Change | -7.87 | -0.40 | 2.04 | 2.09 | 2.14 | 2.03 | 0.19 | 1.43 | 1.06 | -1.83 | 0.19 |
| LIQUOR STORES | 384 | 395 | 399 | 404 | 407 | 411 | 415 | 414 | 414 | 416 | 420 |
| Percentage Change | 4.45 | 3.05 | 0.98 | 1.12 | 0.87 | 0.98 | 0.81 | -0.28 | 0.21 | 0.37 | 1.04 |
| HOTELS AND MOTELS | 1603 | 1643 | 1656 | 1670 | 1673 | 1697 | 1713 | 1729 | 1718 | 1725 | 1714 |
| Percentage Change | 0.21 | 2.51 | 0.82 | 0.80 | 0.22 | 1.44 | 0.89 | 0.94 | -0.61 | 0.38 | -0.61 |
| OTHER RETAIL AND SERVICE | 19897 | 20756 | 21658 | 22569 | 23397 | 24175 | 25134 | 25828 | 26453 | 27354 | 28114 |
| Percentage Change | 1.79 | 4.32 | 4.34 | 4.21 | 3.67 | 3.33 | 3.97 | 2.76 | 2.42 | 3.41 | 2.78 |
| MISC NONDURABLE GOODS | 5509 | 5414 | 5484 | 5420 | 5406 | 5386 | 5371 | 5356 | 5330 | 5304 | 5326 |
| Percentage Change | -2.17 | -1.71 | 1.28 | -1.17 | -0.25 | -0.37 | -0.27 | -0.29 | -0.49 | -0.48 | 0.41 |
| TRANSPORTATION, COMMUNICATION | 5260 | 5203 | 5294 | 5334 | 5356 | 5397 | 5435 | 5468 | 5484 | 5609 | 5791 |
| Percentage Change | 2.10 | -1.09 | 1.75 | 0.76 | 0.40 | 0.77 | 0.71 | 0.61 | 0.29 | 2.28 | 3.24 |
| PER CAPITA ($) | 11608 | 11735 | 11896 | 12079 | 12252 | 12421 | 12589 | 12729 | 12853 | 12999 | 13162 |
| Percentage Change | 0.00 | 1.10 | 1.37 | 1.54 | 1.43 | 1.39 | 1.35 | 1.12 | 0.97 | 1.14 | 1.25 |

**Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL TAXABLE SALES | 77033 | 80117 | 83940 | 88183 | 92608 | 97328 | 102330 | 107527 | 113072 | 119079 | 125543 |
| Percentage Change | 2.99 | 4.00 | 4.77 | 5.06 | 5.02 | 5.10 | 5.14 | 5.08 | 5.16 | 5.31 | 5.43 |
| AUTO DEALERS | 9424 | 9943 | 10510 | 11047 | 11652 | 12302 | 12948 | 13623 | 14340 | 15105 | 15888 |
| Percentage Change | 6.68 | 5.52 | 5.70 | 5.11 | 5.48 | 5.58 | 5.26 | 5.21 | 5.26 | 5.33 | 5.18 |
| PURCHASES FROM MANUFACTURERS | 3782 | 3643 | 3492 | 3592 | 3670 | 3796 | 3884 | 4012 | 4140 | 4258 | 4362 |
| Percentage Change | 3.43 | -3.69 | -4.12 | 2.85 | 2.18 | 3.43 | 2.33 | 3.28 | 3.19 | 2.85 | 2.43 |
| MISC DURABLE GOODS | 12801 | 13533 | 14032 | 14729 | 15398 | 16125 | 16837 | 17640 | 18484 | 19256 | 20055 |
| Percentage Change | 4.28 | 5.72 | 3.69 | 4.97 | 4.55 | 4.72 | 4.42 | 4.77 | 4.78 | 4.18 | 4.15 |
| EATING AND DRINKING PLACES | 6881 | 7368 | 7980 | 8634 | 9414 | 10237 | 11167 | 12214 | 13386 | 14683 | 16131 |
| Percentage Change | 4.94 | 7.08 | 8.30 | 8.19 | 9.04 | 8.74 | 9.08 | 9.37 | 9.60 | 9.69 | 9.86 |
| FOOD STORES | 7158 | 7232 | 7522 | 7858 | 8196 | 8555 | 8756 | 9109 | 9465 | 9529 | 9809 |
| Percentage Change | -5.84 | 1.05 | 4.00 | 4.47 | 4.31 | 4.38 | 2.35 | 4.03 | 3.91 | 0.68 | 2.94 |
| LIQUOR STORES | 435 | 454 | 468 | 482 | 497 | 513 | 529 | 541 | 558 | 575 | 598 |
| Percentage Change | 6.72 | 4.38 | 2.90 | 3.14 | 3.15 | 3.17 | 3.01 | 2.37 | 3.15 | 2.97 | 4.02 |
| HOTELS AND MOTELS | 1813 | 1888 | 1940 | 1992 | 2044 | 2119 | 2188 | 2265 | 2314 | 2389 | 2439 |
| Percentage Change | 1.99 | 4.12 | 2.76 | 2.71 | 2.61 | 3.67 | 3.23 | 3.53 | 2.16 | 3.23 | 2.11 |
| OTHER RETAIL AND SERVICE | 22543 | 23867 | 25379 | 26997 | 28592 | 30220 | 32224 | 33945 | 35830 | 38184 | 40451 |
| Percentage Change | 3.84 | 5.87 | 6.33 | 6.38 | 5.91 | 5.70 | 6.63 | 5.34 | 5.55 | 6.57 | 5.94 |
| MISC NONDURABLE GOODS | 6242 | 6218 | 6426 | 6488 | 6613 | 6734 | 6868 | 7029 | 7183 | 7352 | 7588 |
| Percentage Change | -0.26 | -0.39 | 3.35 | 0.96 | 1.94 | 1.82 | 1.99 | 2.35 | 2.19 | 2.36 | 3.21 |
| TRANSPORTATION, COMMUNICATION | 5955 | 5971 | 6192 | 6364 | 6530 | 6726 | 6930 | 7149 | 7372 | 7748 | 8223 |
| Percentage Change | 4.19 | 0.28 | 3.69 | 2.79 | 2.60 | 3.00 | 3.03 | 3.17 | 3.12 | 5.10 | 6.13 |
| PER CAPITA ($) | 13146 | 13480 | 13924 | 14436 | 14962 | 15518 | 16102 | 16703 | 17354 | 18058 | 18811 |
| Percentage Change | 2.01 | 2.54 | 3.29 | 3.67 | 3.65 | 3.72 | 3.76 | 3.73 | 3.90 | 4.06 | 4.17 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL TAXABLE SALES | 76996 | 80074 | 83897 | 88094 | 92508 | 97156 | 102088 | 107246 | 112707 | 118571 | 124864 |
| Percentage Change | 2.93 | 4.00 | 4.77 | 5.00 | 5.01 | 5.02 | 5.08 | 5.05 | 5.09 | 5.20 | 5.31 |
| AUTO DEALERS | 9412 | 9938 | 10511 | 11047 | 11650 | 12287 | 12952 | 13625 | 14350 | 15099 | 15883 |
| Percentage Change | 6.52 | 5.59 | 5.76 | 5.10 | 5.46 | 5.47 | 5.41 | 5.20 | 5.32 | 5.22 | 5.19 |
| PURCHASES FROM MANUFACTURERS | 3785 | 3642 | 3493 | 3591 | 3668 | 3777 | 3863 | 3980 | 4102 | 4214 | 4310 |
| Percentage Change | 3.59 | -3.79 | -4.09 | 2.82 | 2.13 | 2.97 | 2.28 | 3.03 | 3.07 | 2.73 | 2.28 |
| MISC DURABLE GOODS | 12793 | 13530 | 14038 | 14726 | 15389 | 16100 | 16790 | 17571 | 18408 | 19159 | 19935 |
| Percentage Change | 4.24 | 5.76 | 3.75 | 4.90 | 4.51 | 4.62 | 4.29 | 4.65 | 4.76 | 4.08 | 4.05 |
| EATING AND DRINKING PLACES | 6880 | 7368 | 7979 | 8632 | 9411 | 10236 | 11166 | 12213 | 13383 | 14681 | 16129 |
| Percentage Change | 4.90 | 7.08 | 8.30 | 8.19 | 9.02 | 8.76 | 9.08 | 9.38 | 9.58 | 9.70 | 9.87 |
| FOOD STORES | 7157 | 7230 | 7517 | 7833 | 8175 | 8526 | 8739 | 9090 | 9446 | 9527 | 9808 |
| Percentage Change | -6.06 | 1.02 | 3.97 | 4.21 | 4.36 | 4.30 | 2.49 | 4.02 | 3.91 | 0.87 | 2.95 |
| LIQUOR STORES | 435 | 454 | 467 | 482 | 497 | 513 | 529 | 541 | 558 | 575 | 597 |
| Percentage Change | 6.49 | 4.51 | 2.90 | 3.18 | 3.08 | 3.22 | 3.13 | 2.26 | 3.05 | 3.14 | 3.83 |
| HOTELS AND MOTELS | 1814 | 1887 | 1938 | 1994 | 2042 | 2117 | 2186 | 2263 | 2313 | 2386 | 2436 |
| Percentage Change | 2.15 | 3.97 | 2.74 | 2.86 | 2.42 | 3.71 | 3.23 | 3.53 | 2.20 | 3.17 | 2.12 |
| OTHER RETAIL AND SERVICE | 22528 | 23835 | 25343 | 26948 | 28546 | 30151 | 32075 | 33800 | 35600 | 37840 | 39970 |
| Percentage Change | 3.77 | 5.80 | 6.33 | 6.34 | 5.93 | 5.62 | 6.38 | 5.38 | 5.33 | 6.29 | 5.63 |
| MISC NONDURABLE GOODS | 6237 | 6217 | 6417 | 6472 | 6596 | 6717 | 6854 | 7008 | 7170 | 7334 | 7567 |
| Percentage Change | -0.27 | -0.32 | 3.22 | 0.85 | 1.92 | 1.84 | 2.03 | 2.26 | 2.31 | 2.29 | 3.18 |
| TRANSPORTATION, COMMUNICATION | 5955 | 5974 | 6194 | 6369 | 6534 | 6730 | 6935 | 7155 | 7378 | 7755 | 8228 |
| Percentage Change | 4.07 | 0.32 | 3.69 | 2.82 | 2.59 | 3.00 | 3.04 | 3.18 | 3.12 | 5.11 | 6.10 |
| PER CAPITA ($) | 13142 | 13476 | 13919 | 14423 | 14948 | 15493 | 16066 | 16662 | 17300 | 17983 | 18712 |
| Percentage Change | 1.95 | 2.54 | 3.29 | 3.62 | 3.64 | 3.65 | 3.70 | 3.70 | 3.83 | 3.95 | 4.05 |

# Appendix B

## In this section...

**Appendix B: Historical Data**
- **Quarterly** QH1 to QH24 (2001Q1 to 2003Q2)
- **Annual** AH1 to AH20 (1993 to 2002)

### Quarterly History Tables



### Annual History Tables

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**Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted** — **December 2003**

| | Historical Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2000 | 2001 | 2002 |
| US GDP (Bil96$) SAAR | 9229.9 | 9193.1 | 9186.4 | 9248.8 | 9363.2 | 9392.4 | 9485.6 | 9518.2 | 9552.0 | 9629.4 | 9191.4 | 9214.5 | 9439.9 |
| % Chg Prev Qtr SAAR | -0.60 | -1.59 | -0.29 | 2.74 | 5.04 | 1.25 | 4.03 | 1.38 | 1.43 | 3.28 | 3.75 | 0.25 | 2.45 |
| % Chg Same Qtr Last Yr | 1.46 | -0.14 | -0.35 | 0.05 | 1.44 | 2.17 | 3.26 | 2.91 | 2.02 | 2.52 | 3.75 | 0.25 | 2.45 |
| US GDP (Bil$) SAAR | 10028.1 | 10049.9 | 10097.7 | 10152.9 | 10313.1 | 10376.9 | 10506.2 | 10588.8 | 10688.4 | 10802.7 | 9824.7 | 10082.2 | 10446.3 |
| % Chg Prev Qtr SAAR | 3.03 | 0.87 | 1.92 | 2.20 | 6.46 | 2.50 | 5.08 | 3.18 | 3.82 | 4.35 | 5.93 | 2.62 | 3.61 |
| % Chg Same Qtr Last Yr | 3.92 | 2.33 | 2.26 | 2.00 | 2.84 | 3.25 | 4.05 | 4.29 | 3.64 | 4.10 | 5.93 | 2.62 | 3.61 |
| CHAINED PRICE INDEX, GDP (1996=1.0) | 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 | 3.70 | 2.46 | 2.20 | -0.52 | 1.33 | 1.22 | 1.03 | 1.78 | 2.36 | 1.00 | 2.11 | 2.36 | 1.13 |
| % Chg Same Qtr Last Yr | 2.44 | 2.47 | 2.61 | 1.95 | 1.36 | 1.05 | 0.76 | 1.34 | 1.60 | 1.54 | 2.11 | 2.36 | 1.13 |
| US PERS CONSUMP DEFL (1996=1.0) | 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 | 3.33 | 1.81 | -0.07 | 0.81 | 1.10 | 2.74 | 1.72 | 1.82 | 2.72 | 0.81 | 2.54 | 2.02 | 1.37 |
| % Chg Same Qtr Last Yr | 2.47 | 2.36 | 1.82 | 1.46 | 0.91 | 1.14 | 1.59 | 1.84 | 2.25 | 1.76 | 2.54 | 2.02 | 1.37 |
| TN PERSONAL INCOME (MIL96$) SAAR | 140088 | 140399 | 141332 | 140887.7 | 141993 | 143217 | 143009 | 143397 | 144081 | 144839 | 139615 | 140677 | 142904 |
| % Chg Prev Qtr SAAR | -1.38 | 0.89 | 2.68 | -1.25 | 3.18 | 3.49 | -0.58 | 1.09 | 1.92 | 2.12 | 3.67 | 0.76 | 1.58 |
| % Chg Same Qtr Last Yr | 1.31 | 0.81 | 0.71 | 0.22 | 1.36 | 2.01 | 1.19 | 1.78 | 1.47 | 1.13 | 3.67 | 0.76 | 1.58 |
| US PERSONAL INCOME (BIL96$) SAAR | 7932.3 | 7913.3 | 7942.1 | 7921.4 | 7993.0 | 8038.8 | 8044.9 | 8056.6 | 8062.9 | 8113.9 | 7827.7 | 7927.3 | 8033.3 |
| % Chg Prev Qtr SAAR | 0.51 | -0.95 | 1.47 | -1.04 | 3.66 | 2.31 | 0.30 | 0.58 | 0.31 | 2.56 | 5.29 | 1.27 | 1.34 |
| % Chg Same Qtr Last Yr | 2.89 | 1.51 | 0.74 | -0.01 | 0.76 | 1.59 | 1.29 | 1.71 | 0.87 | 0.94 | 5.29 | 1.27 | 1.34 |
| TN PERSONAL INCOME (MIL$) SAAR | 152906 | 153934 | 154928 | 154751 | 156391 | 158810 | 159256 | 160411 | 162260 | 163441 | 149936 | 154130 | 158717 |
| % Chg Prev Qtr SAAR | 1.90 | 2.72 | 2.61 | -0.46 | 4.31 | 6.33 | 1.13 | 2.93 | 4.69 | 2.94 | 6.30 | 2.80 | 2.98 |
| % Chg Same Qtr Last Yr | 3.82 | 3.19 | 2.54 | 1.68 | 2.28 | 3.17 | 2.79 | 3.66 | 3.75 | 2.92 | 6.30 | 2.80 | 2.98 |
| US PERSONAL INCOME (BIL$) SAAR | 8658.1 | 8676.2 | 8706.2 | 8700.9 | 8803.4 | 8914.0 | 8958.9 | 9012.5 | 9080.2 | 9156.0 | 8406.6 | 8685.3 | 8922.2 |
| % Chg Prev Qtr SAAR | 3.86 | 0.84 | 1.39 | -0.24 | 4.80 | 5.12 | 2.03 | 2.42 | 3.03 | 3.38 | 7.96 | 3.32 | 2.73 |
| % Chg Same Qtr Last Yr | 5.44 | 3.90 | 2.57 | 1.45 | 1.68 | 2.74 | 2.90 | 3.58 | 3.14 | 2.71 | 7.96 | 3.32 | 2.73 |
| TN NONFARM JOBS (THOUS) | 2720.5 | 2697.6 | 2675.6 | 2660.5 | 2660.4 | 2667.6 | 2673.7 | 2667.0 | 2664.8 | 2669.7 | 2729.0 | 2688.6 | 2667.2 |
| % Chg Prev Qtr SAAR | -1.25 | -3.33 | -3.22 | -2.23 | -0.02 | 1.09 | 0.92 | -1.01 | -0.32 | 0.72 | 1.62 | -1.48 | -0.80 |
| % Chg Same Qtr Last Yr | -0.24 | -1.17 | -2.01 | -2.51 | -2.21 | -1.11 | -0.07 | 0.24 | 0.17 | 0.08 | 1.62 | -1.48 | -0.80 |
| US NONFARM JOBS (MIL) | 132.5 | 132.2 | 131.7 | 130.9 | 130.5 | 130.4 | 130.2 | 130.3 | 130.2 | 130.0 | 131.8 | 131.8 | 130.4 |
| % Chg Prev Qtr SAAR | 0.60 | -0.98 | -1.41 | -2.38 | -1.21 | -0.37 | -0.50 | 0.31 | -0.35 | -0.74 | 2.17 | 0.03 | -1.10 |
| % Chg Same Qtr Last Yr | 1.14 | 0.28 | -0.24 | -1.05 | -1.50 | -1.34 | -1.12 | -0.44 | -0.23 | -0.32 | 2.17 | 0.03 | -1.10 |
| TN UNEMPLOYMENT RATE (%) | 4.0 | 4.3 | 4.5 | 5.0 | 5.4 | 5.2 | 4.9 | 4.9 | 4.7 | 5.2 | 3.9 | 4.4 | 5.1 |
| US UNEMPLOYMENT RATE (%) | 4.2 | 4.5 | 4.8 | 5.6 | 5.6 | 5.8 | 5.8 | 5.9 | 5.8 | 6.2 | 4.0 | 4.8 | 5.8 |
| BANK PRIME INTEREST RATE (%) | 8.6 | 7.3 | 6.6 | 5.2 | 4.8 | 4.8 | 4.8 | 4.5 | 4.3 | 4.2 | 9.2 | 6.9 | 4.7 |
| TN MFG JOBS (THOUS) | 471.1 | 459.5 | 448.3 | 438.0 | 431.1 | 428.9 | 425.1 | 421.4 | 417.7 | 415.0 | 488.1 | 454.2 | 426.6 |
| % Chg Prev Qtr SAAR | -5.90 | -9.48 | -9.40 | -8.85 | -6.12 | -2.08 | -3.47 | -3.44 | -3.47 | -2.61 | -1.35 | -6.93 | -6.07 |
| % Chg Same Qtr Last Yr | -4.76 | -6.69 | -7.94 | -8.42 | -8.47 | -6.66 | -5.17 | -3.79 | -3.12 | -3.25 | -1.35 | -6.93 | -6.07 |

(CONTINUED ON NEXT PAGE)

**Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted** — **December 2003**

| | Historical Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2000 | 2001 | 2002 |
| TN TAXABLE SALES (MIL96$)................ | 17074 | 17055 | 16761 | 17127 | 17059 | 16981 | 16426 | 16892 | 16665 | 16909 | 69521 | 68017 | 67359 |
| % Chg Prev Qtr SAAR..................... | 0.70 | -0.43 | -6.73 | 9.04 | -1.57 | -1.82 | -12.46 | 11.85 | -5.28 | 5.99 | 0.67 | -2.16 | -0.97 |
| % Chg Same Qtr Last Yr.................. | -4.00 | -1.52 | -3.53 | 0.49 | -0.08 | -0.43 | -2.00 | -1.37 | -2.31 | -0.43 | 0.67 | -2.16 | -0.97 |
| TN TAXABLE SALES (MIL$)................... | 18636 | 18699 | 18373 | 18812 | 18789 | 18830 | 18292 | 18896 | 18767 | 19081 | 74651 | 74521 | 74808 |
| % Chg Prev Qtr SAAR..................... | 4.05 | 1.37 | -6.80 | 9.92 | -0.49 | 0.88 | -10.96 | 13.89 | -2.70 | 6.84 | 3.21 | -0.17 | 0.39 |
| % Chg Same Qtr Last Yr.................. | -1.62 | 0.80 | -1.78 | 1.96 | 0.82 | 0.70 | -0.44 | 0.45 | -0.12 | 1.33 | 3.21 | -0.17 | 0.39 |
| TN AVG ANNUAL WAGE, NONFARM (96$) | 28795 | 29094 | 29513 | 29478 | 29728 | 29745 | 29554 | 29618 | 29852 | 29853 | -- | 29220 | 29661 |
| % Chg Prev Qtr SAAR..................... | -- | 4.21 | 5.88 | -0.46 | 3.43 | 0.23 | -2.54 | 0.87 | 3.20 | 0.01 | -- | -- | 1.51 |
| % Chg Same Qtr Last Yr.................. | -- | -- | -- | -- | 3.24 | 2.24 | 0.14 | 0.48 | 0.42 | 0.36 | -- | -- | 1.51 |
| TN AVG ANNUAL WAGE, NONFARM ($) | 31430 | 31898 | 32352 | 32379 | 32742 | 32984 | 32912 | 33133 | 33619 | 33687 | -- | 32015 | 32943 |
| % Chg Prev Qtr SAAR..................... | -- | 6.10 | 5.81 | 0.34 | 4.57 | 2.98 | -0.87 | 2.71 | 6.00 | 0.82 | -- | -- | 2.90 |
| % Chg Same Qtr Last Yr.................. | -- | -- | -- | -- | 4.18 | 3.40 | 1.73 | 2.33 | 2.68 | 2.13 | -- | -- | 2.90 |

**Center for Business and Economic Research, The University of Tennessee** — **Tennessee Econometric Model**

**Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted** — **December 2003**

| | Historical Data | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2000 | 2001 | 2002 |
| US GDP (96$) SAAR | 32413 | 32195 | 32086 | 32218 | 32530 | 32545 | 32789 | 32823 | 32861 | 33048 | 32499 | 32228 | 32672 |
| % Chg Prev Qtr SAAR | -1.68 | -2.66 | -1.34 | 1.66 | 3.93 | 0.18 | 3.03 | 0.41 | 0.46 | 2.30 | 2.60 | -0.83 | 1.38 |
| % Chg Same Qtr Last Yr | 0.36 | -1.23 | -1.43 | -1.02 | 0.36 | 1.09 | 2.19 | 1.88 | 1.02 | 1.54 | 2.60 | -0.83 | 1.38 |
| US GDP ($) SAAR | 35215 | 35196 | 35269 | 35368 | 35830 | 35956 | 36317 | 36515 | 36770 | 37074 | 34738 | 35262 | 36155 |
| % Chg Prev Qtr SAAR | 1.91 | -0.23 | 0.84 | 1.12 | 5.34 | 1.41 | 4.08 | 2.20 | 2.83 | 3.35 | 4.76 | 1.51 | 2.53 |
| % Chg Same Qtr Last Yr | 2.80 | 1.22 | 1.15 | 0.91 | 1.75 | 2.16 | 2.97 | 3.24 | 2.62 | 3.11 | 4.76 | 1.51 | 2.53 |
| TN PERSONAL INCOME (96$) SAAR | 24430 | 24420 | 24531 | 24403 | 24544 | 24704 | 24617 | 24633 | 24699 | 24778 | 24547 | 24446 | 24624 |
| % Chg Prev Qtr SAAR | -2.41 | -0.16 | 1.83 | -2.07 | 2.32 | 2.64 | -1.40 | 0.25 | 1.08 | 1.28 | 0.60 | -0.41 | 0.73 |
| % Chg Same Qtr Last Yr | -0.39 | -0.24 | -0.29 | -0.72 | 0.47 | 1.16 | 0.35 | 0.94 | 0.63 | 0.30 | 0.60 | -0.41 | 0.73 |
| US PERSONAL INCOME (96$) SAAR | 27856 | 27713 | 27740 | 27594 | 27769 | 27854 | 27809 | 27783 | 27738 | 27847 | 27677 | 27725 | 27804 |
| % Chg Prev Qtr SAAR | -0.59 | -2.03 | 0.39 | -2.09 | 2.56 | 1.23 | -0.65 | -0.37 | -0.65 | 1.58 | 4.12 | 0.18 | 0.28 |
| % Chg Same Qtr Last Yr | 1.78 | 0.40 | -0.35 | -1.08 | -0.31 | 0.51 | 0.25 | 0.68 | -0.11 | -0.03 | 4.12 | 0.18 | 0.28 |
| TN PERSONAL INCOME ($) SAAR | 26665 | 26774 | 26891 | 26804 | 27032 | 27394 | 27414 | 27555 | 27815 | 27960 | 26360 | 26783 | 27349 |
| % Chg Prev Qtr SAAR | 0.84 | 1.65 | 1.76 | -1.28 | 3.45 | 5.46 | 0.29 | 2.08 | 3.83 | 2.10 | 3.15 | 1.60 | 2.11 |
| % Chg Same Qtr Last Yr | 2.07 | 2.11 | 1.52 | 0.73 | 1.38 | 2.32 | 1.94 | 2.80 | 2.90 | 2.07 | 3.15 | 1.60 | 2.11 |
| US PERSONAL INCOME ($) SAAR | 30404 | 30385 | 30409 | 30310 | 30585 | 30887 | 30968 | 31079 | 31237 | 31423 | 29723 | 30377 | 30880 |
| % Chg Prev Qtr SAAR | 2.73 | -0.26 | 0.32 | -1.30 | 3.69 | 4.01 | 1.05 | 1.44 | 2.05 | 2.40 | 6.76 | 2.20 | 1.66 |
| % Chg Same Qtr Last Yr | 4.29 | 2.77 | 1.46 | 0.36 | 0.59 | 1.65 | 1.84 | 2.54 | 2.13 | 1.73 | 6.76 | 2.20 | 1.66 |
| TN TAXABLE SALES (96$) | 2977 | 2966 | 2909 | 2967 | 2949 | 2929 | 2827 | 2902 | 2857 | 2893 | 12224 | 11820 | 11607 |
| % Chg Prev Qtr SAAR | -0.35 | -1.47 | -7.51 | 8.14 | -2.38 | -2.63 | -13.19 | 10.93 | -6.06 | 5.12 | -2.31 | -3.31 | -1.80 |
| % Chg Same Qtr Last Yr | -5.61 | -2.55 | -4.49 | -0.45 | -0.96 | -1.26 | -2.81 | -2.19 | -3.12 | -1.25 | -2.31 | -3.31 | -1.80 |
| TN TAXABLE SALES ($) | 3250 | 3252 | 3189 | 3259 | 3248 | 3248 | 3149 | 3246 | 3217 | 3264 | 13126 | 12950 | 12891 |
| % Chg Prev Qtr SAAR | 2.97 | 0.31 | -7.57 | 9.01 | -1.31 | 0.05 | -11.70 | 12.95 | -3.51 | 5.96 | 0.16 | -1.34 | -0.46 |
| % Chg Same Qtr Last Yr | -3.28 | -0.25 | -2.75 | 1.00 | -0.07 | -0.13 | -1.26 | -0.38 | -0.94 | 0.49 | 0.16 | -1.34 | -0.46 |

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**Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| TN PERSONAL INCOME……………..………. | 140088 | 140399 | 141332 | 140887.7 | 141993 | 143217 | 143009 | 143397 | 144081 | 144839 | 140677 | 142904 |
| % Chg Prev Qtr SAAR……………… | -1.38 | 0.89 | 2.68 | -1.25 | 3.18 | 3.49 | -0.58 | 1.09 | 1.92 | 2.12 | 0.76 | 1.58 |
| % Chg Same Qtr Last Yr…………… | 1.31 | 0.81 | 0.71 | 0.22 | 1.36 | 2.01 | 1.19 | 1.78 | 1.47 | 1.13 | 0.76 | 1.58 |
| WAGES AND SALARIES………………. | 78859 | 79010 | 79495 | 79002 | 79660 | 79927 | 79597 | 79539 | 80119 | 80280 | 79092 | 79681 |
| % Chg Prev Qtr SAAR……………… | -- | 0.77 | 2.47 | -2.45 | 3.37 | 1.35 | -1.64 | -0.29 | 2.95 | 0.80 | -- | 0.74 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | 1.01 | 1.16 | 0.13 | 0.68 | 0.58 | 0.44 | -- | 0.74 |
| OTHER LABOR INCOME……………… | 8914 | 9002 | 9122 | 9172 | 9446 | 9601 | 9740 | 9874 | 10028 | 10110 | 9053 | 9665 |
| % Chg Prev Qtr SAAR……………… | -- | 4.00 | 5.41 | 2.25 | 12.48 | 6.71 | 5.95 | 5.62 | 6.36 | 3.30 | -- | 6.77 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | 5.97 | 6.65 | 6.78 | 7.65 | 6.16 | 5.30 | -- | 6.77 |
| PROPRIETORS INCOME……………… | 14687 | 14772 | 14862 | 14813 | 15151 | 15285 | 15381 | 15532 | 15431 | 15640 | 14784 | 15337 |
| % Chg Prev Qtr SAAR……………… | -- | 2.33 | 2.47 | -1.31 | 9.43 | 3.59 | 2.53 | 4.00 | -2.58 | 5.54 | -- | 3.74 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | 3.16 | 3.47 | 3.49 | 4.85 | 1.85 | 2.33 | -- | 3.74 |
| RENT, INTEREST, DIVIDENDS………. | 22282 | 22061 | 22043 | 21807 | 21760 | 22048 | 21820 | 21553 | 21301 | 21220 | 22049 | 21795 |
| % Chg Prev Qtr SAAR……………… | -- | -3.91 | -0.32 | -4.22 | -0.87 | 5.42 | -4.08 | -4.81 | -4.60 | -1.51 | -- | -1.15 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | -2.35 | -0.06 | -1.01 | -1.17 | -2.11 | -3.76 | -- | -1.15 |
| TRANSFER PAYMENTS………………. | 22712 | 22964 | 23301 | 23566 | 24489 | 24904 | 24994 | 25421 | 25829 | 26244 | 23136 | 24952 |
| % Chg Prev Qtr SAAR……………… | -- | 4.52 | 6.00 | 4.62 | 16.61 | 6.95 | 1.47 | 7.00 | 6.58 | 6.59 | -- | 7.85 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | 7.82 | 8.44 | 7.27 | 7.87 | 5.47 | 5.38 | -- | 7.85 |
| LESS: PERS CONT FOR SOC INS…… | 6176 | 6213 | 6273 | 6257 | 6434 | 6457 | 6446 | 6445 | 6540 | 6559 | 6230 | 6445 |
| % Chg Prev Qtr SAAR……………… | -- | 2.43 | 3.95 | -1.03 | 11.76 | 1.46 | -0.70 | -0.03 | 6.00 | 1.16 | -- | 3.46 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | 4.17 | 3.93 | 2.75 | 3.00 | 1.65 | 1.58 | -- | 3.46 |
| RESIDENCE ADJUSTMENT………….. | -1191 | -1197 | -1219 | -1216 | -2078 | -2092 | -2077 | -2075 | -2088 | -2096 | -1206 | -2081 |
| % Chg Prev Qtr SAAR……………… | -- | 1.90 | 7.60 | -0.80 | 752.35 | 2.71 | -2.87 | -0.42 | 2.66 | 1.41 | -- | 72.56 |
| % Chg Same Qtr Last Yr…………… | -- | -- | -- | -- | 74.49 | 74.84 | 70.42 | 70.58 | 0.49 | 0.17 | -- | 72.56 |
| PER CAPITA PERSONAL INCOME ($)…… | 24430 | 24420 | 24531 | 24403 | 24544 | 24704 | 24617 | 24633 | 24699 | 24778 | 24446 | 24624 |
| % Chg Prev Qtr SAAR……………… | -2.41 | -0.16 | 1.83 | -2.07 | 2.32 | 2.64 | -1.40 | 0.25 | 1.08 | 1.28 | -0.41 | 0.73 |
| % Chg Same Qtr Last Yr…………… | -0.39 | -0.24 | -0.29 | -0.72 | 0.47 | 1.16 | 0.35 | 0.94 | 0.63 | 0.30 | -0.41 | 0.73 |

**Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| TN PERSONAL INCOME | 152906 | 153934 | 154928 | 154751 | 156391 | 158810 | 159256 | 160411 | 162260 | 163441 | 154130 | 158717 |
| % Chg Prev Qtr SAAR | 1.90 | 2.72 | 2.61 | -0.46 | 4.31 | 6.33 | 1.13 | 2.93 | 4.69 | 2.94 | 2.80 | 2.98 |
| % Chg Same Qtr Last Yr | 3.82 | 3.19 | 2.54 | 1.68 | 2.28 | 3.17 | 2.79 | 3.66 | 3.75 | 2.92 | 2.80 | 2.98 |
| WAGES AND SALARIES | 86075 | 86627 | 87142 | 86776 | 87737 | 88630 | 88640 | 88976 | 90228 | 90590 | 86655 | 88496 |
| % Chg Prev Qtr SAAR | -- | 2.59 | 2.40 | -1.67 | 4.50 | 4.13 | 0.05 | 1.52 | 5.75 | 1.61 | -- | 2.12 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.93 | 2.31 | 1.72 | 2.54 | 2.84 | 2.21 | -- | 2.12 |
| OTHER LABOR INCOME | 9730 | 9870 | 9999 | 10075 | 10404 | 10646 | 10847 | 11046 | 11293 | 11408 | 9919 | 10736 |
| % Chg Prev Qtr SAAR | -- | 5.88 | 5.33 | 3.08 | 13.72 | 9.63 | 7.77 | 7.54 | 9.25 | 4.14 | -- | 8.24 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 6.93 | 7.86 | 8.48 | 9.64 | 8.54 | 7.16 | -- | 8.24 |
| PROPRIETORS INCOME | 16031 | 16196 | 16292 | 16271 | 16687 | 16949 | 17128 | 17375 | 17378 | 17649 | 16198 | 17035 |
| % Chg Prev Qtr SAAR | -- | 4.18 | 2.39 | -0.51 | 10.63 | 6.43 | 4.29 | 5.89 | 0.07 | 6.39 | -- | 5.17 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.09 | 4.65 | 5.13 | 6.79 | 4.14 | 4.13 | -- | 5.17 |
| RENT, INTEREST, DIVIDENDS | 24321 | 24188 | 24164 | 23953 | 23966 | 24449 | 24299 | 24110 | 23988 | 23945 | 24157 | 24206 |
| % Chg Prev Qtr SAAR | -- | -2.17 | -0.40 | -3.45 | 0.22 | 8.31 | -2.43 | -3.08 | -2.01 | -0.72 | -- | 0.20 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | -1.46 | 1.08 | 0.56 | 0.66 | 0.09 | -2.06 | -- | 0.20 |
| TRANSFER PAYMENTS | 24790 | 25178 | 25543 | 25885 | 26972 | 27615 | 27834 | 28437 | 29088 | 29615 | 25349 | 27715 |
| % Chg Prev Qtr SAAR | -- | 6.41 | 5.93 | 5.46 | 17.89 | 9.88 | 3.21 | 8.95 | 9.48 | 7.45 | -- | 9.33 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 8.80 | 9.68 | 8.97 | 9.86 | 7.85 | 7.24 | -- | 9.33 |
| LESS: PERS CONT FOR SOC INS | 6741 | 6812 | 6877 | 6873 | 7086 | 7160 | 7178 | 7210 | 7365 | 7401 | 6826 | 7159 |
| % Chg Prev Qtr SAAR | -- | 4.28 | 3.87 | -0.23 | 12.98 | 4.24 | 1.01 | 1.80 | 8.88 | 1.97 | -- | 4.87 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.12 | 5.11 | 4.38 | 4.90 | 3.94 | 3.37 | -- | 4.87 |
| RESIDENCE ADJUSTMENT | -1300 | -1312 | -1336 | -1336 | -2289 | -2320 | -2313 | -2321 | -2352 | -2365 | -1321 | -2311 |
| % Chg Prev Qtr SAAR | -- | 3.74 | 7.52 | 0.00 | 761.70 | 5.53 | -1.20 | 1.39 | 5.45 | 2.23 | -- | 74.92 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 76.08 | 76.83 | 73.13 | 73.73 | 2.75 | 1.94 | -- | 74.92 |
| PER CAPITA PERSONAL INCOME ($) | 26665 | 26774 | 26891 | 26804 | 27032 | 27394 | 27414 | 27555 | 27815 | 27960 | 26783 | 27349 |
| % Chg Prev Qtr SAAR | 0.84 | 1.65 | 1.76 | -1.28 | 3.45 | 5.46 | 0.29 | 2.08 | 3.83 | 2.10 | 1.60 | 2.11 |
| % Chg Same Qtr Last Yr | 2.07 | 2.11 | 1.52 | 0.73 | 1.38 | 2.32 | 1.94 | 2.80 | 2.90 | 2.07 | 1.60 | 2.11 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | 2685.9 | 2705.6 | 2680.5 | 2681.0 | 2626.5 | 2676.1 | 2676.4 | 2685.6 | 2636.9 | 2676.4 | 2677.3 | 2728.9 | 2688.3 | 2666.2 |
| % Chg Same Qtr Last Yr | -0.23 | -1.16 | -2.00 | -2.55 | -2.21 | -1.09 | -0.15 | 0.17 | 0.39 | 0.01 | 0.03 | 1.62 | -1.49 | -0.82 |
| NATURAL RESOURCES & MINING | 4.9 | 5.0 | 5.0 | 4.8 | 4.5 | 4.7 | 4.6 | 4.4 | 4.3 | 4.4 | 4.4 | 5.1 | 4.9 | 4.6 |
| % Chg Same Qtr Last Yr | -5.81 | -3.23 | -3.85 | -3.97 | -8.22 | -6.67 | -7.33 | -8.28 | -4.48 | -5.71 | -5.04 | 0.16 | -4.21 | -7.61 |
| CONSTRUCTION | 117.0 | 122.5 | 122.9 | 119.0 | 110.4 | 114.9 | 117.7 | 114.5 | 105.7 | 110.3 | 113.1 | 125.7 | 120.4 | 114.4 |
| % Chg Same Qtr Last Yr | -4.57 | -4.10 | -4.23 | -4.11 | -5.64 | -6.20 | -4.20 | -3.78 | -4.26 | -4.00 | -3.96 | 2.12 | -4.25 | -4.96 |
| MANUFACTURING | 469.1 | 460.2 | 449.6 | 438.0 | 429.1 | 429.6 | 426.6 | 421.3 | 415.6 | 415.7 | 414.6 | 488.1 | 454.2 | 426.6 |
| % Chg Same Qtr Last Yr | -4.81 | -6.68 | -7.83 | -8.47 | -8.52 | -6.65 | -5.12 | -3.82 | -3.14 | -3.25 | -2.81 | -1.35 | -6.93 | -6.07 |
| DURABLE GOODS | 288.6 | 282.4 | 273.0 | 264.7 | 259.8 | 260.5 | 259.0 | 256.3 | 253.1 | 253.0 | 250.9 | 300.6 | 277.2 | 258.9 |
| % Chg Same Qtr Last Yr | -5.02 | -7.17 | -9.05 | -10.07 | -9.98 | -7.75 | -5.12 | -3.16 | -2.58 | -2.88 | -3.13 | -0.25 | -7.81 | -6.59 |
| NONDURABLE GOODS | 180.5 | 177.8 | 176.6 | 173.3 | 169.3 | 169.1 | 167.5 | 164.9 | 162.6 | 162.7 | 163.6 | 187.4 | 177.1 | 167.7 |
| % Chg Same Qtr Last Yr | -4.46 | -5.89 | -5.86 | -5.92 | -6.19 | -4.89 | -5.12 | -4.83 | -4.00 | -3.82 | -2.33 | -3.08 | -5.53 | -5.26 |
| TRADE, TRANSPORTATION, UTILITIES | 591.3 | 591.7 | 585.8 | 591.8 | 568.9 | 572.8 | 575.8 | 583.6 | 563.8 | 569.5 | 574.6 | 586.2 | 590.2 | 575.3 |
| % Chg Same Qtr Last Yr | 2.48 | 1.01 | -0.07 | -0.67 | -3.78 | -3.19 | -1.71 | -1.39 | -0.91 | -0.59 | -0.21 | 1.38 | 0.68 | -2.52 |
| WHOLESALE TRADE | 128.2 | 128.1 | 126.9 | 126.8 | 125.0 | 125.6 | 127.0 | 127.3 | 126.7 | 127.3 | 128.3 | 131.2 | 127.5 | 126.2 |
| % Chg Same Qtr Last Yr | -3.12 | -2.76 | -3.01 | -2.29 | -2.55 | -1.95 | 0.03 | 0.37 | 1.36 | 1.35 | 1.08 | -0.47 | -2.80 | -1.03 |
| RETAIL TRADE | 320.3 | 319.7 | 314.5 | 322.0 | 307.1 | 310.0 | 310.3 | 317.7 | 304.4 | 308.8 | 311.8 | 316.3 | 319.1 | 311.3 |
| % Chg Same Qtr Last Yr | 3.82 | 1.78 | -0.56 | -1.33 | -4.13 | -3.03 | -1.35 | -1.31 | -0.89 | -0.40 | 0.49 | 1.44 | 0.89 | -2.46 |
| TRANSPORTATION & UTILITIES | 142.7 | 143.9 | 144.4 | 143.1 | 136.9 | 137.2 | 138.5 | 138.6 | 132.7 | 133.4 | 134.4 | 138.7 | 143.5 | 137.8 |
| % Chg Same Qtr Last Yr | 4.88 | 2.84 | 3.79 | 2.39 | -4.09 | -4.63 | -4.04 | -3.12 | -3.02 | -2.79 | -2.96 | 3.05 | 3.46 | -3.97 |
| INFORMATION | 56.3 | 55.4 | 55.0 | 55.0 | 54.1 | 53.8 | 53.2 | 53.2 | 52.1 | 52.2 | 51.9 | 54.7 | 55.4 | 53.6 |
| % Chg Same Qtr Last Yr | 2.68 | 1.90 | 1.35 | -0.90 | -3.79 | -2.89 | -3.39 | -3.33 | -3.69 | -2.91 | -2.38 | 3.60 | 1.25 | -3.35 |
| FINANCIAL ACTIVITIES | 138.1 | 139.1 | 139.0 | 137.7 | 137.6 | 139.6 | 139.5 | 138.0 | 137.9 | 139.7 | 139.8 | 139.2 | 138.5 | 138.7 |
| % Chg Same Qtr Last Yr | -0.62 | -0.43 | -0.43 | -0.72 | -0.39 | 0.38 | 0.38 | 0.19 | 0.24 | 0.05 | 0.17 | -0.82 | -0.55 | 0.14 |
| PROF & BUSINESS SERVICES | 300.2 | 298.9 | 298.9 | 298.4 | 294.3 | 308.3 | 311.6 | 311.9 | 306.9 | 312.5 | 315.8 | 301.0 | 299.1 | 306.5 |
| % Chg Same Qtr Last Yr | 1.37 | -0.46 | -1.87 | -1.54 | -1.97 | 3.12 | 4.25 | 4.55 | 4.27 | 1.37 | 1.33 | 4.70 | -0.64 | 2.48 |
| EDUC & HEALTH SERVICES | 281.1 | 284.6 | 286.6 | 290.9 | 291.2 | 296.0 | 300.1 | 304.4 | 305.0 | 307.8 | 309.4 | 278.9 | 285.8 | 297.9 |
| % Chg Same Qtr Last Yr | 2.49 | 2.66 | 2.80 | 2.05 | 3.60 | 4.01 | 4.69 | 4.64 | 4.72 | 4.01 | 3.10 | 2.34 | 2.50 | 4.24 |
| LEISURE & HOSPITALITY | 222.6 | 242.1 | 244.2 | 233.2 | 224.2 | 243.9 | 248.0 | 236.8 | 227.5 | 247.2 | 250.8 | 233.4 | 235.5 | 238.2 |
| % Chg Same Qtr Last Yr | 1.88 | 1.69 | 0.25 | -0.04 | 0.72 | 0.77 | 1.56 | 1.53 | 1.46 | 1.35 | 1.13 | 3.00 | 0.92 | 1.15 |
| OTHER SERVICES | 100.6 | 102.3 | 101.2 | 100.3 | 99.5 | 101.1 | 102.1 | 101.2 | 100.7 | 101.8 | 102.4 | 117.6 | 101.1 | 101.0 |
| % Chg Same Qtr Last Yr | -8.19 | -10.68 | -15.03 | -21.17 | -1.09 | -1.17 | 0.86 | 0.90 | 1.27 | 0.63 | 0.36 | 3.01 | -14.04 | -0.13 |
| GOVERNMENT | 404.8 | 403.8 | 392.2 | 411.9 | 412.7 | 411.4 | 397.2 | 416.4 | 417.4 | 415.4 | 400.6 | 399.0 | 403.2 | 409.4 |
| % Chg Same Qtr Last Yr | 0.60 | 0.63 | 1.22 | 1.72 | 1.94 | 1.88 | 1.27 | 1.09 | 1.15 | 0.96 | 0.86 | 2.27 | 1.04 | 1.55 |
| FEDERAL, CIVILIAN | 51.6 | 51.9 | 51.4 | 51.2 | 52.2 | 52.3 | 51.4 | 51.7 | 52.5 | 53.0 | 52.2 | 53.6 | 51.5 | 51.9 |
| % Chg Same Qtr Last Yr | -1.02 | -10.32 | -4.70 | 0.99 | 1.29 | 0.77 | 0.13 | 0.85 | 0.57 | 1.47 | 1.56 | 4.72 | -3.98 | 0.76 |
| STATE & LOCAL | 353.2 | 351.9 | 340.8 | 360.6 | 360.4 | 359.1 | 345.7 | 364.7 | 364.9 | 362.3 | 348.4 | 345.4 | 351.7 | 357.5 |
| % Chg Same Qtr Last Yr | 0.84 | 2.48 | 2.18 | 1.83 | 2.04 | 2.05 | 1.44 | 1.13 | 1.23 | 0.89 | 0.76 | 1.90 | 1.82 | 1.66 |

**Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL DURABLE GOODS | 288.6 | 282.4 | 273.0 | 264.7 | 259.8 | 260.5 | 259.0 | 256.3 | 253.1 | 253.0 | 250.9 | 300.6 | 277.2 | 258.9 |
| % Chg Same Qtr Last Yr | -5.02 | -7.17 | -9.05 | -10.07 | -9.98 | -7.75 | -5.12 | -3.16 | -2.58 | -2.88 | -3.13 | 0.00 | -0.08 | -0.07 |
| WOOD PRODUCTS | 17.9 | 18.0 | 17.9 | 17.5 | 17.3 | 17.4 | 17.9 | 17.6 | 17.3 | 17.4 | 17.5 | 19.6 | 17.9 | 17.6 |
| % Chg Same Qtr Last Yr | -8.97 | -9.09 | -9.43 | -8.36 | -3.35 | -3.33 | -0.19 | 0.57 | -0.19 | -0.19 | -2.05 | 0.00 | -0.09 | -0.02 |
| NONMETALLIC MINERAL PRODUCTS | 15.7 | 15.9 | 15.6 | 15.4 | 14.4 | 14.9 | 15.0 | 14.8 | 14.4 | 14.8 | 14.8 | 16.2 | 15.7 | 14.8 |
| % Chg Same Qtr Last Yr | -3.48 | -3.05 | -3.50 | -3.14 | -8.07 | -6.29 | -4.26 | -4.32 | -0.23 | -0.45 | -1.11 | 0.02 | -0.03 | -0.06 |
| PRIMARY METALS | 16.5 | 15.9 | 15.2 | 13.6 | 13.6 | 12.6 | 12.5 | 12.3 | 12.0 | 12.0 | 12.0 | 17.3 | 15.3 | 12.7 |
| % Chg Same Qtr Last Yr | -4.98 | -9.33 | -12.33 | -20.31 | -17.94 | -20.38 | -17.58 | -9.80 | -11.55 | -5.01 | -3.73 | -0.02 | -0.12 | -0.17 |
| FABRICATED METAL PRODUCTS | 44.4 | 43.7 | 42.8 | 41.9 | 41.3 | 41.2 | 41.7 | 41.3 | 41.4 | 41.2 | 40.8 | 45.0 | 43.2 | 41.4 |
| % Chg Same Qtr Last Yr | -2.92 | -3.89 | -4.74 | -4.55 | -6.98 | -5.57 | -2.72 | -1.51 | 0.16 | 0.00 | -2.08 | -0.01 | -0.04 | -0.04 |
| MACHINERY | 42.5 | 41.8 | 38.8 | 36.5 | 36.4 | 37.1 | 35.8 | 34.8 | 33.7 | 33.3 | 32.6 | 43.1 | 39.9 | 36.0 |
| % Chg Same Qtr Last Yr | -2.82 | -4.64 | -9.56 | -13.37 | -14.29 | -11.09 | -7.65 | -4.66 | -7.33 | -10.32 | -8.94 | 0.01 | -0.08 | -0.10 |
| COMPUTER & ELECTRONIC PRODUCTS | 16.5 | 15.6 | 14.9 | 14.2 | 13.4 | 13.4 | 12.9 | 12.5 | 12.1 | 12.3 | 12.2 | 16.5 | 15.3 | 13.0 |
| % Chg Same Qtr Last Yr | 0.81 | -5.07 | -11.51 | -14.08 | -18.99 | -14.32 | -13.00 | -12.41 | -9.73 | -8.23 | -5.41 | 0.06 | -0.08 | -0.15 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 26.8 | 26.6 | 26.2 | 25.8 | 25.3 | 25.0 | 24.4 | 23.9 | 23.4 | 23.6 | 23.1 | 28.9 | 26.3 | 24.6 |
| % Chg Same Qtr Last Yr | -8.83 | -9.64 | -9.24 | -7.20 | -5.84 | -6.02 | -7.00 | -7.37 | -7.52 | -5.34 | -5.20 | -0.03 | -0.09 | -0.07 |
| TRANSPORTATION EQUIPMENT | 64.5 | 62.8 | 61.4 | 60.5 | 59.5 | 60.2 | 60.6 | 61.3 | 61.3 | 60.6 | 60.3 | 67.8 | 62.3 | 60.4 |
| % Chg Same Qtr Last Yr | -5.98 | -8.45 | -9.08 | -9.11 | -7.75 | -4.14 | -1.30 | 1.32 | 3.03 | 0.61 | -0.50 | 0.00 | -0.08 | -0.03 |
| FURNITURE | 25.6 | 24.2 | 22.7 | 22.0 | 21.6 | 21.4 | 21.1 | 20.8 | 20.5 | 20.4 | 20.3 | 27.3 | 23.6 | 21.2 |
| % Chg Same Qtr Last Yr | -7.68 | -13.14 | -15.93 | -17.21 | -15.86 | -11.55 | -6.90 | -5.46 | -4.95 | -4.67 | -3.79 | -0.01 | -0.13 | -0.10 |
| MISCELLANEOUS DURABLE GOODS | 18.1 | 18.0 | 17.5 | 17.2 | 17.0 | 17.2 | 17.2 | 17.2 | 17.0 | 17.3 | 17.2 | 18.8 | 17.7 | 17.1 |
| % Chg Same Qtr Last Yr | -4.24 | -4.94 | -7.08 | -7.84 | -5.72 | -4.27 | -1.90 | -0.39 | 0.00 | 0.78 | 0.19 | -0.01 | -0.06 | -0.03 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** — **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL NONDURABLE GOODS | 180.5 | 177.8 | 176.6 | 173.3 | 169.3 | 169.1 | 167.5 | 164.9 | 162.6 | 162.7 | 163.6 | 187.4 | 177.1 | 167.7 |
| % Chg Same Qtr Last Yr | -4.46 | -5.89 | -5.86 | -5.92 | -6.19 | -4.89 | -5.12 | -4.83 | -4.00 | -3.82 | -2.33 | -3.08 | -5.53 | -5.26 |
| FOOD | 35.0 | 35.6 | 36.3 | 36.4 | 35.5 | 36.0 | 36.3 | 36.4 | 36.0 | 36.3 | 36.3 | 34.4 | 35.8 | 36.1 |
| % Chg Same Qtr Last Yr | 2.44 | 4.20 | 4.72 | 5.51 | 1.52 | 1.22 | 0.09 | -0.09 | 1.31 | 0.83 | 0.09 | 0.86 | 4.22 | 0.67 |
| BEVERAGE & TOBACCO | 6.5 | 6.5 | 6.6 | 6.5 | 6.4 | 6.4 | 6.4 | 6.2 | 6.3 | 6.4 | 6.5 | 6.7 | 6.5 | 6.4 |
| % Chg Same Qtr Last Yr | -4.43 | -3.47 | -1.99 | -1.02 | -0.52 | -2.05 | -2.03 | -4.10 | -2.07 | 0.00 | 0.52 | 1.39 | -2.74 | -2.18 |
| TEXTILE MILLS | 10.3 | 10.0 | 9.1 | 8.6 | 8.4 | 8.5 | 7.6 | 7.4 | 7.3 | 7.3 | 7.1 | 11.3 | 9.5 | 8.0 |
| % Chg Same Qtr Last Yr | -9.65 | -13.58 | -20.47 | -22.12 | -18.45 | -14.38 | -16.54 | -13.62 | -13.10 | -14.84 | -6.17 | -5.56 | -16.40 | -15.83 |
| TEXTILE PRODUCT MILLS | 4.1 | 4.1 | 4.1 | 4.0 | 3.8 | 3.8 | 3.7 | 3.6 | 3.5 | 3.7 | 3.7 | 4.1 | 4.1 | 3.7 |
| % Chg Same Qtr Last Yr | 1.65 | 0.00 | 0.81 | 0.00 | -6.50 | -8.13 | -10.48 | -10.74 | -7.83 | -2.65 | 0.00 | -6.15 | 0.61 | -8.96 |
| APPAREL | 16.6 | 15.5 | 14.5 | 13.8 | 12.6 | 12.4 | 11.0 | 10.1 | 10.0 | 9.6 | 9.7 | 18.8 | 15.1 | 11.6 |
| % Chg Same Qtr Last Yr | -16.86 | -19.55 | -21.66 | -21.55 | -23.90 | -20.00 | -23.73 | -26.75 | -20.84 | -22.58 | -12.39 | -19.57 | -19.82 | -23.51 |
| PAPER | 21.1 | 21.1 | 21.3 | 20.8 | 20.1 | 20.4 | 20.2 | 19.7 | 19.2 | 19.1 | 19.1 | 21.3 | 21.1 | 20.1 |
| % Chg Same Qtr Last Yr | 1.28 | -0.16 | -2.44 | -2.35 | -4.59 | -3.47 | -5.47 | -5.13 | -4.31 | -6.37 | -5.29 | -0.62 | -0.94 | -4.66 |
| PRINTING & RELATED SUPPORT | 22.8 | 22.1 | 22.5 | 21.6 | 20.6 | 20.0 | 20.7 | 20.7 | 20.2 | 20.1 | 20.6 | 23.6 | 22.2 | 20.5 |
| % Chg Same Qtr Last Yr | -4.34 | -8.80 | -3.85 | -5.27 | -9.65 | -9.50 | -8.01 | -4.17 | -2.10 | 0.50 | -0.16 | -3.88 | -5.59 | -7.87 |
| CHEMICALS | 29.5 | 28.9 | 29.0 | 28.8 | 28.3 | 28.0 | 28.4 | 28.2 | 28.0 | 28.1 | 28.2 | 30.8 | 29.0 | 28.2 |
| % Chg Same Qtr Last Yr | -6.55 | -7.18 | -5.74 | -3.58 | -4.18 | -3.12 | -2.18 | -2.09 | -0.83 | 0.36 | -0.70 | -1.96 | -5.79 | -2.90 |
| PLASTICS & RUBBER | 31.3 | 30.6 | 29.9 | 29.5 | 30.3 | 30.6 | 30.5 | 29.8 | 29.1 | 29.0 | 29.3 | 32.4 | 30.3 | 30.3 |
| % Chg Same Qtr Last Yr | -2.90 | -5.66 | -6.76 | -9.87 | -3.09 | 0.11 | 2.23 | 0.79 | -4.07 | -5.12 | -4.15 | 2.81 | -6.31 | -0.03 |
| MISCELLANEOUS NONDURABLE GOODS | 3.4 | 3.5 | 3.4 | 3.3 | 3.2 | 3.1 | 2.7 | 2.9 | 2.9 | 3.1 | 3.2 | 4.1 | 3.4 | 3.0 |
| % Chg Same Qtr Last Yr | -19.05 | -17.97 | -19.84 | -13.16 | -4.90 | -12.38 | -18.81 | -13.13 | -9.28 | 2.17 | 15.85 | 0.00 | -17.61 | -12.29 |

**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | 2720.5 | 2697.6 | 2675.6 | 2660.5 | 2660.4 | 2667.6 | 2673.7 | 2667.0 | 2664.8 | 2669.7 | 2674.6 | 2729.0 | 2688.6 | 2667.2 |
| % Chg Prev Qtr SAAR | -1.25 | -3.33 | -3.22 | -2.23 | -0.02 | 1.09 | 0.92 | -1.01 | -0.32 | 0.72 | 0.74 | 1.62 | -1.48 | -0.80 |
| % Chg Same Qtr Last Yr | -0.24 | -1.17 | -2.01 | -2.51 | -2.21 | -1.11 | -0.07 | 0.24 | 0.17 | 0.08 | 0.03 | 1.62 | -1.48 | -0.80 |
| NATURAL RESOURCES & MINING | 5.0 | 5.0 | 4.9 | 4.8 | 4.6 | 4.6 | 4.5 | 4.4 | 4.4 | 4.4 | 4.3 | 5.1 | 4.9 | 4.6 |
| % Chg Prev Qtr SAAR | -0.77 | -3.62 | -5.61 | -5.39 | -17.38 | 2.19 | -7.55 | -9.12 | -2.96 | -3.28 | -4.63 | 0.18 | -4.24 | -7.63 |
| % Chg Same Qtr Last Yr | -5.78 | -3.39 | -3.84 | -3.87 | -8.17 | -6.82 | -7.30 | -8.23 | -4.46 | -5.77 | -5.03 | 0.18 | -4.24 | -7.63 |
| CONSTRUCTION | 122.6 | 121.3 | 119.3 | 118.2 | 115.9 | 113.8 | 114.5 | 114.3 | 110.7 | 108.8 | 109.8 | 125.7 | 120.3 | 114.6 |
| % Chg Prev Qtr SAAR | -2.57 | -4.28 | -6.44 | -3.42 | -7.66 | -7.05 | 2.48 | -0.81 | -11.81 | -6.80 | 3.85 | 2.12 | -4.29 | -4.76 |
| % Chg Same Qtr Last Yr | -4.59 | -4.06 | -4.31 | -4.19 | -5.46 | -6.16 | -4.00 | -3.35 | -4.46 | -4.39 | -4.08 | 2.12 | -4.29 | -4.76 |
| MANUFACTURING | 471.1 | 459.5 | 448.3 | 438.0 | 431.1 | 428.9 | 425.1 | 421.4 | 417.7 | 415.0 | 413.1 | 488.1 | 454.2 | 426.6 |
| % Chg Prev Qtr SAAR | -5.90 | -9.48 | -9.40 | -8.85 | -6.12 | -2.08 | -3.47 | -3.44 | -3.47 | -2.61 | -1.81 | -1.35 | -6.93 | -6.07 |
| % Chg Same Qtr Last Yr | -4.76 | -6.69 | -7.94 | -8.42 | -8.47 | -6.66 | -5.17 | -3.79 | -3.12 | -3.25 | -2.83 | -1.35 | -6.93 | -6.07 |
| DURABLE GOODS | 289.4 | 281.5 | 272.8 | 264.9 | 260.7 | 259.6 | 258.7 | 256.6 | 254.1 | 252.1 | 250.6 | 300.6 | 277.2 | 258.9 |
| % Chg Prev Qtr SAAR | -6.54 | -10.54 | -11.70 | -11.14 | -6.18 | -1.76 | -1.28 | -3.19 | -3.94 | -3.13 | -2.33 | -0.24 | -7.81 | -6.58 |
| % Chg Same Qtr Last Yr | -4.94 | -7.20 | -9.18 | -10.00 | -9.92 | -7.78 | -5.18 | -3.12 | -2.55 | -2.89 | -3.15 | -0.24 | -7.81 | -6.58 |
| NONDURABLE GOODS | 181.7 | 178.0 | 175.4 | 173.1 | 170.4 | 169.3 | 166.4 | 164.8 | 163.6 | 162.9 | 162.5 | 187.4 | 177.1 | 167.7 |
| % Chg Prev Qtr SAAR | -4.88 | -7.78 | -5.67 | -5.22 | -6.03 | -2.56 | -6.76 | -3.83 | -2.73 | -1.80 | -0.99 | -3.08 | -5.54 | -5.27 |
| % Chg Same Qtr Last Yr | -4.46 | -5.87 | -5.95 | -5.89 | -6.18 | -4.88 | -5.16 | -4.81 | -3.99 | -3.80 | -2.35 | -3.08 | -5.54 | -5.27 |
| TRADE, TRANSPORTATION, UTILITIES | 599.8 | 593.7 | 585.9 | 581.6 | 577.2 | 574.7 | 575.7 | 573.7 | 571.9 | 571.3 | 574.4 | 586.2 | 590.3 | 575.3 |
| % Chg Prev Qtr SAAR | 10.39 | -4.06 | -5.10 | -2.91 | -3.02 | -1.71 | 0.71 | -1.37 | -1.28 | -0.39 | 2.20 | 1.38 | 0.69 | -2.53 |
| % Chg Same Qtr Last Yr | 2.50 | 0.99 | -0.12 | -0.61 | -3.78 | -3.19 | -1.74 | -1.36 | -0.92 | -0.59 | -0.22 | 1.38 | 0.69 | -2.53 |
| WHOLESALE TRADE | 128.7 | 128.2 | 126.7 | 126.4 | 125.5 | 125.8 | 126.6 | 126.9 | 127.2 | 127.5 | 128.0 | 131.2 | 127.5 | 126.2 |
| % Chg Prev Qtr SAAR | -1.97 | -1.47 | -4.73 | -0.79 | -3.01 | 0.92 | 2.81 | 0.90 | 0.92 | 0.81 | 1.56 | -0.47 | -2.79 | -1.03 |
| % Chg Same Qtr Last Yr | -3.07 | -2.73 | -3.11 | -2.25 | -2.51 | -1.93 | -0.04 | 0.38 | 1.38 | 1.36 | 1.05 | -0.47 | -2.79 | -1.03 |
| RETAIL TRADE | 326.2 | 321.7 | 315.6 | 313.5 | 312.7 | 311.8 | 311.4 | 309.6 | 309.8 | 310.4 | 312.9 | 316.4 | 319.3 | 311.3 |
| % Chg Prev Qtr SAAR | 11.70 | -5.45 | -7.34 | -2.71 | -1.04 | -1.14 | -0.48 | -2.33 | 0.33 | 0.80 | 3.29 | 1.45 | 0.92 | -2.48 |
| % Chg Same Qtr Last Yr | 3.79 | 1.70 | -0.56 | -1.22 | -4.17 | -3.09 | -1.35 | -1.25 | -0.91 | -0.43 | 0.50 | 1.45 | 0.92 | -2.48 |
| TRANSPORTATION & UTILITIES | 144.9 | 143.7 | 143.6 | 141.7 | 139.0 | 137.2 | 137.7 | 137.3 | 134.9 | 133.4 | 133.5 | 138.7 | 143.5 | 137.8 |
| % Chg Prev Qtr SAAR | 19.73 | -3.16 | -0.30 | -5.19 | -7.32 | -5.26 | 1.51 | -1.27 | -6.79 | -4.17 | 0.28 | 3.05 | 3.47 | -3.97 |
| % Chg Same Qtr Last Yr | 4.94 | 2.91 | 3.70 | 2.32 | -4.03 | -4.55 | -4.12 | -3.15 | -3.01 | -2.73 | -3.03 | 3.05 | 3.47 | -3.97 |
| INFORMATION | 56.0 | 55.5 | 55.5 | 54.7 | 53.9 | 53.9 | 53.0 | 52.7 | 52.5 | 52.4 | 51.8 | 54.8 | 55.4 | 53.4 |
| % Chg Prev Qtr SAAR | 5.92 | -3.29 | -0.48 | -5.18 | -6.18 | 0.00 | -6.05 | -2.24 | -1.76 | -1.01 | -4.50 | 3.60 | 1.25 | -3.71 |
| % Chg Same Qtr Last Yr | 2.56 | 1.96 | 1.34 | -0.85 | -3.81 | -3.00 | -4.39 | -3.65 | -2.54 | -2.78 | -2.39 | 3.60 | 1.25 | -3.71 |
| FINANCIAL ACTIVITIES | 138.9 | 138.7 | 138.5 | 137.9 | 138.4 | 139.2 | 139.1 | 137.3 | 139.1 | 139.6 | 139.4 | 139.3 | 138.5 | 138.5 |
| % Chg Prev Qtr SAAR | -0.10 | -0.57 | -0.58 | -1.53 | 1.26 | 2.43 | -0.19 | -5.17 | 5.35 | 1.45 | -0.67 | -0.82 | -0.55 | 0.01 |
| % Chg Same Qtr Last Yr | -0.64 | -0.45 | -0.41 | -0.70 | -0.36 | 0.38 | 0.48 | -0.46 | 0.53 | 0.29 | 0.17 | -0.82 | -0.55 | 0.01 |
| PROF & BUSINESS SERVICES | 306.2 | 298.3 | 296.1 | 296.1 | 300.1 | 307.6 | 310.8 | 310.7 | 309.4 | 312.1 | 315.0 | 301.1 | 299.2 | 307.3 |
| % Chg Prev Qtr SAAR | 7.38 | -9.85 | -2.92 | 0.00 | 5.42 | 10.43 | 4.27 | -0.21 | -1.62 | 3.49 | 3.77 | 4.73 | -0.63 | 2.71 |
| % Chg Same Qtr Last Yr | 1.29 | -0.41 | -1.86 | -1.54 | -1.99 | 3.11 | 4.96 | 4.91 | 3.11 | 1.45 | 1.33 | 4.73 | -0.63 | 2.71 |

(CONTINUED ON NEXT PAGE)

**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:2 | 2000 | 2001 | 2002 |
| EDUC & HEALTH SERVICES………………. | 282.5 | 284.9 | 287.3 | 288.4 | 292.8 | 296.2 | 299.7 | 304.2 | 305.6 | 307.9 | 309.0 | 278.9 | 285.8 | 298.2 |
| % Chg Prev Qtr SAAR…………………… | 0.05 | 3.44 | 3.41 | 1.49 | 6.20 | 4.82 | 4.76 | 6.10 | 1.85 | 3.04 | 1.52 | 2.34 | 2.49 | 4.34 |
| % Chg Same Qtr Last Yr………………. | 2.50 | 2.60 | 2.77 | 2.09 | 3.62 | 3.97 | 4.30 | 5.47 | 4.37 | 3.93 | 3.11 | 2.34 | 2.49 | 4.34 |
| LEISURE & HOSPITALITY…………………. | 235.2 | 236.1 | 235.4 | 235.5 | 237.0 | 237.7 | 240.5 | 237.7 | 238.4 | 242.7 | 243.3 | 233.3 | 235.5 | 238.2 |
| % Chg Prev Qtr SAAR…………………… | -0.23 | 1.48 | -1.24 | 0.17 | 2.63 | 1.24 | 4.80 | -4.68 | 1.18 | 7.41 | 0.99 | 2.98 | 0.95 | 1.14 |
| % Chg Same Qtr Last Yr………………. | 1.89 | 1.65 | 0.24 | 0.04 | 0.75 | 0.69 | 2.20 | 0.93 | 0.58 | 2.08 | 1.14 | 2.98 | 0.95 | 1.14 |
| OTHER SERVICES…………………………… | 102.8 | 102.8 | 100.1 | 98.8 | 101.5 | 101.7 | 101.0 | 99.8 | 102.6 | 102.4 | 101.4 | 117.5 | 101.1 | 101.0 |
| % Chg Prev Qtr SAAR…………………… | -54.59 | 0.24 | -10.28 | -4.89 | 11.10 | 0.78 | -2.58 | -4.81 | 11.77 | -0.59 | -4.14 | 2.96 | -13.96 | -0.15 |
| % Chg Same Qtr Last Yr………………. | -8.22 | -10.66 | -15.09 | -21.05 | -1.27 | -1.14 | 0.92 | 0.94 | 1.09 | 0.75 | 0.35 | 2.96 | -13.96 | -0.15 |
| GOVERNMENT……………………………… | 400.4 | 401.8 | 404.4 | 406.3 | 408.0 | 409.3 | 409.6 | 410.8 | 412.6 | 413.2 | 413.2 | 399.0 | 403.2 | 409.4 |
| % Chg Prev Qtr SAAR…………………… | 1.20 | 1.36 | 2.59 | 1.95 | 1.68 | 1.26 | 0.30 | 1.20 | 1.76 | 0.59 | -0.04 | 2.26 | 1.05 | 1.54 |
| % Chg Same Qtr Last Yr………………. | 0.55 | 0.60 | 1.28 | 1.77 | 1.89 | 1.87 | 1.29 | 1.11 | 1.13 | 0.96 | 0.87 | 2.26 | 1.05 | 1.54 |
| FEDERAL, CIVILIAN……………………… | 51.4 | 51.0 | 51.6 | 52.1 | 52.0 | 51.5 | 51.6 | 52.6 | 52.3 | 52.2 | 52.4 | 53.6 | 51.5 | 51.9 |
| % Chg Prev Qtr SAAR…………………… | -0.60 | -2.99 | 4.49 | 3.89 | -0.52 | -4.18 | 1.08 | 7.92 | -2.52 | -0.12 | 1.20 | 4.68 | -3.94 | 0.76 |
| % Chg Same Qtr Last Yr………………. | -1.15 | -10.31 | -4.78 | 1.15 | 1.17 | 0.86 | 0.02 | 0.98 | 0.47 | 1.52 | 1.55 | 4.68 | -3.94 | 0.76 |
| STATE & LOCAL…………………………… | 349.0 | 350.8 | 352.8 | 354.2 | 356.0 | 357.8 | 358.0 | 358.2 | 360.4 | 361.0 | 360.8 | 345.4 | 351.7 | 357.5 |
| % Chg Prev Qtr SAAR…………………… | 1.47 | 2.01 | 2.32 | 1.67 | 2.00 | 2.07 | 0.19 | 0.26 | 2.40 | 0.69 | -0.22 | 1.89 | 1.83 | 1.65 |
| % Chg Same Qtr Last Yr………………. | 0.80 | 2.41 | 2.23 | 1.87 | 2.00 | 2.01 | 1.48 | 1.13 | 1.22 | 0.88 | 0.78 | 1.89 | 1.83 | 1.65 |
| STATISTICAL DISCREPANCY (% )…….. | -0.05 | -0.02 | 0.08 | -0.03 | -0.04 | -0.02 | 0.03 | -0.07 | -0.05 | 0.09 | 0.03 | 0.00 | -0.01 | -0.02 |

**Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL DURABLE GOODS | 289.4 | 281.5 | 272.8 | 264.9 | 260.7 | 259.6 | 258.7 | 256.6 | 254.1 | 252.1 | 250.6 | 300.6 | 277.2 | 258.9 |
| % Chg Prev Qtr SAAR | -6.54 | -10.54 | -11.70 | -11.14 | -6.18 | -1.76 | -1.28 | -3.19 | -3.94 | -3.13 | -2.33 | -0.24 | -7.81 | -6.58 |
| % Chg Same Qtr Last Yr | -4.94 | -7.20 | -9.18 | -10.00 | -9.92 | -7.78 | -5.18 | -3.12 | -2.55 | -2.89 | -3.15 | -0.24 | -7.81 | -6.58 |
| WOOD PRODUCTS | 18.2 | 18.1 | 17.7 | 17.5 | 17.6 | 17.5 | 17.6 | 17.6 | 17.5 | 17.4 | 17.3 | 19.6 | 17.9 | 17.6 |
| % Chg Prev Qtr SAAR | -17.77 | -1.86 | -8.64 | -4.22 | 1.85 | -2.27 | 4.07 | -1.11 | -1.26 | -2.51 | -3.21 | 0.45 | -8.97 | -1.60 |
| % Chg Same Qtr Last Yr | -9.01 | -9.03 | -9.50 | -8.33 | -3.29 | -3.39 | -0.20 | 0.60 | -0.17 | -0.24 | -2.03 | 0.45 | -8.97 | -1.60 |
| NONMETALLIC MINERAL PRODUCTS | 15.9 | 15.8 | 15.5 | 15.5 | 14.6 | 14.8 | 14.8 | 14.8 | 14.6 | 14.7 | 14.7 | 16.2 | 15.7 | 14.8 |
| % Chg Prev Qtr SAAR | -1.52 | -3.04 | -7.45 | -0.65 | -19.58 | 4.06 | 1.02 | -0.88 | -4.76 | 2.83 | -1.40 | 1.74 | -3.29 | -5.75 |
| % Chg Same Qtr Last Yr | -3.38 | -3.11 | -3.47 | -3.20 | -7.98 | -6.34 | -4.27 | -4.32 | -0.19 | -0.49 | -1.09 | 1.74 | -3.29 | -5.75 |
| PRIMARY METALS | 16.6 | 15.8 | 15.1 | 13.6 | 13.6 | 12.6 | 12.5 | 12.3 | 12.1 | 12.0 | 12.0 | 17.3 | 15.3 | 12.7 |
| % Chg Prev Qtr SAAR | -10.14 | -16.94 | -16.62 | -35.18 | 1.38 | -26.68 | -4.49 | -6.70 | -6.15 | -2.75 | 0.82 | -1.66 | -11.68 | -16.67 |
| % Chg Same Qtr Last Yr | -4.84 | -9.36 | -12.42 | -20.31 | -17.87 | -20.39 | -17.64 | -9.79 | -11.51 | -5.04 | -3.74 | -1.66 | -11.68 | -16.67 |
| FABRICATED METAL PRODUCTS | 44.4 | 43.7 | 42.8 | 41.9 | 41.3 | 41.2 | 41.6 | 41.3 | 41.4 | 41.2 | 40.8 | 45.0 | 43.2 | 41.4 |
| % Chg Prev Qtr SAAR | 5.07 | -5.93 | -7.87 | -8.28 | -5.51 | -0.88 | 3.95 | -3.01 | 0.85 | -1.81 | -4.43 | -1.28 | -4.02 | -4.25 |
| % Chg Same Qtr Last Yr | -2.78 | -4.04 | -4.87 | -4.40 | -6.90 | -5.68 | -2.79 | -1.42 | 0.20 | -0.04 | -2.12 | -1.28 | -4.02 | -4.25 |
| MACHINERY | 42.2 | 41.1 | 39.0 | 37.1 | 36.3 | 36.5 | 35.9 | 35.4 | 33.6 | 32.7 | 32.7 | 43.1 | 39.8 | 36.0 |
| % Chg Prev Qtr SAAR | -5.05 | -10.11 | -19.15 | -18.04 | -8.66 | 3.10 | -6.44 | -5.93 | -18.43 | -10.09 | -0.55 | 0.60 | -7.56 | -9.59 |
| % Chg Same Qtr Last Yr | -2.50 | -4.64 | -9.89 | -13.28 | -14.12 | -11.12 | -7.82 | -4.59 | -7.25 | -10.37 | -8.99 | 0.60 | -7.56 | -9.59 |
| COMPUTER & ELECTRONIC PRODUCTS | 16.7 | 15.6 | 14.8 | 14.1 | 13.6 | 13.4 | 12.9 | 12.4 | 12.2 | 12.2 | 12.2 | 16.5 | 15.3 | 13.0 |
| % Chg Prev Qtr SAAR | 9.15 | -24.32 | -19.59 | -17.24 | -14.40 | -6.07 | -13.89 | -14.65 | -3.72 | -0.15 | -2.42 | 6.47 | -7.45 | -14.85 |
| % Chg Same Qtr Last Yr | 0.90 | -5.30 | -11.56 | -13.89 | -18.97 | -14.47 | -13.00 | -12.32 | -9.71 | -8.32 | -5.40 | 6.47 | -7.45 | -14.85 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 27.0 | 26.5 | 26.1 | 25.7 | 25.4 | 24.9 | 24.3 | 23.9 | 23.5 | 23.6 | 23.0 | 28.9 | 26.3 | 24.6 |
| % Chg Prev Qtr SAAR | -9.65 | -7.22 | -5.56 | -5.86 | -4.58 | -8.33 | -9.26 | -7.00 | -5.42 | 0.45 | -8.58 | -3.15 | -8.74 | -6.55 |
| % Chg Same Qtr Last Yr | -8.75 | -9.74 | -9.32 | -7.09 | -5.81 | -6.09 | -7.03 | -7.31 | -7.51 | -5.37 | -5.20 | -3.15 | -8.74 | -6.55 |
| TRANSPORTATION EQUIPMENT | 64.5 | 62.8 | 61.5 | 60.3 | 59.6 | 60.2 | 60.7 | 61.1 | 61.4 | 60.6 | 60.4 | 67.8 | 62.3 | 60.4 |
| % Chg Prev Qtr SAAR | -10.52 | -10.15 | -8.11 | -7.58 | -4.88 | 4.61 | 2.96 | 2.83 | 1.92 | -5.08 | -1.54 | 0.00 | -8.15 | -3.05 |
| % Chg Same Qtr Last Yr | -5.94 | -8.40 | -9.18 | -9.10 | -7.70 | -4.12 | -1.36 | 1.31 | 3.08 | 0.60 | -0.52 | 0.00 | -8.15 | -3.05 |
| FURNITURE | 25.6 | 24.1 | 22.8 | 22.0 | 21.5 | 21.3 | 21.2 | 20.8 | 20.5 | 20.3 | 20.4 | 27.3 | 23.6 | 21.2 |
| % Chg Prev Qtr SAAR | -12.22 | -21.57 | -19.86 | -14.10 | -7.50 | -3.86 | -1.99 | -7.98 | -6.01 | -2.54 | 1.54 | -1.09 | -13.44 | -10.20 |
| % Chg Same Qtr Last Yr | -7.76 | -13.15 | -16.05 | -17.03 | -15.93 | -11.54 | -6.98 | -5.36 | -4.98 | -4.66 | -3.81 | -1.09 | -13.44 | -10.20 |
| MISCELLANEOUS DURABLE GOODS | 18.2 | 17.8 | 17.5 | 17.2 | 17.2 | 17.1 | 17.1 | 17.2 | 17.2 | 17.2 | 17.2 | 18.8 | 17.7 | 17.1 |
| % Chg Prev Qtr SAAR | -10.41 | -7.76 | -8.22 | -5.22 | -1.52 | -1.83 | 1.21 | 0.41 | 0.20 | 1.39 | -1.17 | -1.25 | -6.02 | -3.11 |
| % Chg Same Qtr Last Yr | -4.25 | -4.86 | -7.06 | -7.92 | -5.72 | -4.24 | -1.87 | -0.44 | -0.01 | 0.80 | 0.21 | -1.25 | -6.02 | -3.11 |

**Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL NONDURABLE GOODS | 181.7 | 178.0 | 175.4 | 173.1 | 170.4 | 169.3 | 166.4 | 164.8 | 163.6 | 162.9 | 162.5 | 187.4 | 177.1 | 167.7 |
| % Chg Prev Qtr SAAR | -4.88 | -7.78 | -5.67 | -5.22 | -6.03 | -2.56 | -6.76 | -3.83 | -2.73 | -1.80 | -0.99 | -3.08 | -5.54 | -5.27 |
| % Chg Same Qtr Last Yr | -4.46 | -5.87 | -5.95 | -5.89 | -6.18 | -4.88 | -5.16 | -4.81 | -3.99 | -3.80 | -2.35 | -3.08 | -5.54 | -5.27 |
| FOOD | 35.4 | 35.7 | 36.1 | 36.1 | 35.9 | 36.1 | 36.1 | 36.1 | 36.4 | 36.4 | 36.1 | 34.4 | 35.8 | 36.1 |
| % Chg Prev Qtr SAAR | 14.30 | 3.94 | 4.04 | 0.56 | -2.16 | 2.21 | -0.22 | 0.03 | 3.39 | -0.02 | -2.92 | 0.86 | 4.22 | 0.68 |
| % Chg Same Qtr Last Yr | 2.51 | 4.10 | 4.69 | 5.59 | 1.56 | 1.13 | 0.08 | -0.05 | 1.34 | 0.78 | 0.10 | 0.86 | 4.22 | 0.68 |
| BEVERAGE & TOBACCO | 6.5 | 6.5 | 6.5 | 6.5 | 6.4 | 6.4 | 6.4 | 6.3 | 6.3 | 6.4 | 6.4 | 6.7 | 6.5 | 6.4 |
| % Chg Prev Qtr SAAR | -7.31 | 1.99 | 1.98 | -0.53 | -4.67 | -4.55 | 1.08 | -8.09 | 4.11 | 3.50 | 2.67 | 1.39 | -2.73 | -2.17 |
| % Chg Same Qtr Last Yr | -4.22 | -3.34 | -2.26 | -1.04 | -0.34 | -1.98 | -2.20 | -4.12 | -1.98 | 0.02 | 0.41 | 1.39 | -2.73 | -2.17 |
| TEXTILE MILLS | 10.4 | 9.8 | 9.1 | 8.6 | 8.5 | 8.4 | 7.6 | 7.5 | 7.3 | 7.1 | 7.1 | 11.3 | 9.5 | 8.0 |
| % Chg Prev Qtr SAAR | -22.84 | -20.38 | -26.15 | -18.34 | -8.37 | -3.06 | -32.94 | -6.19 | -6.73 | -10.49 | -0.86 | -5.55 | -16.42 | -15.86 |
| % Chg Same Qtr Last Yr | -9.78 | -13.70 | -20.41 | -21.98 | -18.56 | -14.45 | -16.49 | -13.54 | -13.16 | -14.87 | -6.13 | -5.55 | -16.42 | -15.86 |
| TEXTILE PRODUCT MILLS | 4.1 | 4.1 | 4.1 | 4.0 | 3.9 | 3.8 | 3.7 | 3.6 | 3.6 | 3.7 | 3.7 | 4.1 | 4.1 | 3.7 |
| % Chg Prev Qtr SAAR | 11.09 | -4.11 | 1.46 | -7.27 | -14.57 | -11.48 | -9.05 | -7.49 | -2.88 | 10.02 | 0.71 | -6.16 | 0.63 | -8.93 |
| % Chg Same Qtr Last Yr | 2.00 | -0.04 | 0.52 | 0.05 | -6.30 | -8.16 | -10.64 | -10.69 | -7.78 | -2.63 | -0.11 | -6.16 | 0.63 | -8.93 |
| APPAREL | 16.6 | 15.4 | 14.5 | 13.9 | 12.6 | 12.4 | 11.0 | 10.2 | 10.0 | 9.6 | 9.7 | 18.8 | 15.1 | 11.5 |
| % Chg Prev Qtr SAAR | -21.71 | -25.67 | -22.80 | -15.30 | -31.59 | -7.79 | -36.71 | -27.88 | -6.99 | -15.23 | 3.78 | -19.59 | -19.83 | -23.53 |
| % Chg Same Qtr Last Yr | -17.05 | -19.38 | -21.73 | -21.46 | -24.07 | -19.86 | -23.75 | -26.75 | -20.90 | -22.55 | -12.35 | -19.59 | -19.83 | -23.53 |
| PAPER | 21.4 | 21.1 | 21.0 | 20.8 | 20.4 | 20.4 | 19.9 | 19.7 | 19.5 | 19.1 | 18.8 | 21.3 | 21.1 | 20.1 |
| % Chg Prev Qtr SAAR | 1.68 | -4.73 | -2.73 | -3.55 | -7.49 | -0.08 | -10.05 | -2.72 | -4.19 | -8.39 | -5.58 | -0.63 | -0.92 | -4.67 |
| % Chg Same Qtr Last Yr | 1.25 | -0.19 | -2.34 | -2.36 | -4.64 | -3.50 | -5.37 | -5.17 | -4.33 | -6.38 | -5.24 | -0.63 | -0.92 | -4.67 |
| PRINTING & RELATED SUPPORT | 23.1 | 22.3 | 22.1 | 21.4 | 20.8 | 20.2 | 20.3 | 20.5 | 20.4 | 20.3 | 20.3 | 23.6 | 22.2 | 20.5 |
| % Chg Prev Qtr SAAR | 7.73 | -12.32 | -3.27 | -11.98 | -11.02 | -10.92 | 2.27 | 4.16 | -3.52 | -0.36 | -0.95 | -3.87 | -5.61 | -7.88 |
| % Chg Same Qtr Last Yr | -4.50 | -8.62 | -3.89 | -5.30 | -9.72 | -9.36 | -8.09 | -4.14 | -2.18 | 0.60 | -0.21 | -3.87 | -5.61 | -7.88 |
| CHEMICALS | 29.5 | 29.0 | 28.9 | 28.7 | 28.3 | 28.1 | 28.3 | 28.1 | 28.0 | 28.2 | 28.0 | 30.8 | 29.0 | 28.2 |
| % Chg Prev Qtr SAAR | -4.39 | -5.41 | -1.78 | -2.44 | -6.53 | -1.72 | 1.72 | -1.56 | -1.47 | 2.83 | -2.76 | -1.96 | -5.78 | -2.89 |
| % Chg Same Qtr Last Yr | -6.40 | -7.18 | -5.94 | -3.51 | -4.06 | -3.14 | -2.29 | -2.07 | -0.77 | 0.36 | -0.76 | -1.96 | -5.78 | -2.89 |
| PLASTICS & RUBBER | 31.3 | 30.5 | 29.8 | 29.6 | 30.3 | 30.5 | 30.4 | 29.9 | 29.1 | 29.0 | 29.2 | 32.4 | 30.3 | 30.3 |
| % Chg Prev Qtr SAAR | -17.30 | -9.65 | -9.26 | -2.22 | 10.18 | 2.62 | -1.54 | -7.00 | -9.87 | -1.90 | 2.57 | 2.81 | -6.32 | -0.03 |
| % Chg Same Qtr Last Yr | -2.89 | -5.71 | -6.85 | -9.77 | -3.06 | 0.08 | 2.14 | 0.87 | -4.07 | -5.14 | -4.17 | 2.81 | -6.32 | -0.03 |
| MISCELLANEOUS NONDURABLE GOODS | 3.5 | 3.4 | 3.3 | 3.3 | 3.3 | 3.0 | 2.7 | 2.9 | 3.0 | 3.1 | 3.2 | 4.1 | 3.4 | 3.0 |
| % Chg Prev Qtr SAAR | -31.65 | -1.69 | -11.45 | -3.91 | -3.17 | -28.83 | -33.74 | 24.77 | 14.51 | 15.16 | 9.85 | -0.02 | -17.64 | -12.28 |
| % Chg Same Qtr Last Yr | -19.34 | -18.13 | -19.59 | -13.04 | -5.13 | -12.49 | -18.61 | -13.12 | -9.40 | 2.18 | 15.95 | -0.02 | -17.64 | -12.28 |

**Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| TOTAL NONFARM | 29166 | 29007 | 29459 | 29253 | 30111 | 29650 | 29525 | 29412 | 30169 | 29777 | 29221 | 29675 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.24 | 2.22 | 0.23 | 0.55 | 0.19 | 0.43 | -- | 1.55 |
| NATURAL RESOURCES & MINING | 32756 | 31193 | 30651 | 35789 | 31507 | 33238 | 30622 | 31052 | 31842 | 32628 | 32597 | 31605 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | -3.81 | 6.56 | -0.10 | -13.23 | 1.06 | -1.84 | -- | -3.04 |
| CONSTRUCTION | 34397 | 32716 | 32303 | 32423 | 34679 | 32768 | 31722 | 32150 | 34407 | 33109 | 32960 | 32830 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 0.82 | 0.16 | -1.80 | -0.84 | -0.78 | 1.04 | -- | -0.39 |
| MANUFACTURING | 33390 | 33508 | 34244 | 34525 | 35035 | 35102 | 34941 | 35304 | 35505 | 35506 | 33917 | 35096 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.93 | 4.76 | 2.04 | 2.26 | 1.34 | 1.15 | -- | 3.48 |
| DURABLE GOODS | 32813 | 33269 | 34000 | 34439 | 34819 | 34864 | 34507 | 34867 | 34825 | 34831 | 33630 | 34764 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 6.12 | 4.79 | 1.49 | 1.24 | 0.02 | -0.10 | -- | 3.37 |
| NONDURABLE GOODS | 34312 | 33886 | 34621 | 34657 | 35367 | 35468 | 35612 | 35983 | 36564 | 36555 | 34369 | 35607 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.07 | 4.67 | 2.86 | 3.83 | 3.38 | 3.06 | -- | 3.60 |
| TRADE, TRANSPORTATION, UTILITIES | 28051 | 28007 | 28404 | 27782 | 28990 | 28929 | 28603 | 28243 | 29383 | 29085 | 28061 | 28691 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.35 | 3.29 | 0.70 | 1.66 | 1.35 | 0.54 | -- | 2.25 |
| WHOLESALE TRADE | 38966 | 38726 | 38751 | 38678 | 39960 | 39813 | 39585 | 38991 | 39972 | 40230 | 38780 | 39587 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.55 | 2.81 | 2.15 | 0.81 | 0.03 | 1.05 | -- | 2.08 |
| RETAIL TRADE | 20835 | 20610 | 21268 | 20325 | 21343 | 21222 | 20940 | 20738 | 21356 | 21090 | 20760 | 21061 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.44 | 2.97 | -1.54 | 2.03 | 0.06 | -0.62 | -- | 1.45 |
| TRANSPORTATION & UTILITIES | 34438 | 34900 | 34855 | 34904 | 36134 | 36381 | 35703 | 35577 | 37684 | 36958 | 34774 | 35949 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.92 | 4.24 | 2.43 | 1.93 | 4.29 | 1.59 | -- | 3.38 |
| INFORMATION | 35594 | 34578 | 35523 | 36196 | 36077 | 35491 | 35452 | 36379 | 37233 | 37417 | 35473 | 35850 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.36 | 2.64 | -0.20 | 0.51 | 3.20 | 5.43 | -- | 1.06 |
| FINANCIAL ACTIVITIES | 39261 | 40457 | 39666 | 41184 | 40603 | 39881 | 40074 | 40742 | 41584 | 41810 | 40142 | 40325 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.42 | -1.42 | 1.03 | -1.07 | 2.42 | 4.84 | -- | 0.46 |
| PROF & BUSINESS SERVICES | 30555 | 30728 | 30825 | 30562 | 31807 | 30849 | 29734 | 29483 | 29885 | 29498 | 30667 | 30468 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.10 | 0.39 | -3.54 | -3.53 | -6.04 | -4.38 | -- | -0.65 |
| EDUC & HEALTH SERVICES | 31253 | 31228 | 31960 | 31418 | 32136 | 32033 | 32123 | 32209 | 32774 | 32620 | 31465 | 32125 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.83 | 2.58 | 0.51 | 2.52 | 1.99 | 1.83 | -- | 2.10 |
| LEISURE & HOSPITALITY | 14265 | 13225 | 13194 | 13781 | 15198 | 13808 | 13466 | 14102 | 15517 | 13485 | 13616 | 14144 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 6.54 | 4.41 | 2.06 | 2.33 | 2.10 | -2.34 | -- | 3.87 |
| OTHER SERVICES | 23586 | 23084 | 23698 | 23962 | 24007 | 23666 | 23631 | 23610 | 23360 | 23303 | 23583 | 23729 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.78 | 2.52 | -0.28 | -1.47 | -2.69 | -1.53 | -- | 0.62 |
| GOVERNMENT | 27116 | 27608 | 28912 | 27421 | 27951 | 28067 | 29293 | 27692 | 28100 | 28461 | 27764 | 28251 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.08 | 1.66 | 1.32 | 0.99 | 0.54 | 1.40 | -- | 1.75 |
| FEDERAL, CIVILIAN | 43528 | 43400 | 43759 | 42701 | 44012 | 43946 | 43508 | 43497 | 44826 | 45368 | 43347 | 43741 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.11 | 1.26 | -0.57 | 1.86 | 1.85 | 3.23 | -- | 0.91 |
| STATE & LOCAL | 24720 | 25281 | 26674 | 25250 | 25623 | 25756 | 27178 | 25453 | 25692 | 25986 | 25481 | 26003 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.65 | 1.88 | 1.89 | 0.80 | 0.27 | 0.89 | -- | 2.05 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (1996 dollars)** — **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| TOTAL NONFARM | 28796 | 29094 | 29512 | 29478 | 29728 | 29745 | 29554 | 29618 | 29852 | 29853 | 29220 | 29661 |
| % Chg Prev Qtr SAAR | -- | 4.20 | 5.87 | -0.45 | 3.43 | 0.24 | -2.55 | 0.87 | 3.19 | 0.02 | -- | 1.51 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.24 | 2.24 | 0.14 | 0.47 | 0.42 | 0.36 | -- | 1.51 |
| NATURAL RESOURCES & MINING | 31799 | 31399 | 31303 | 35824 | 30570 | 33511 | 31261 | 31066 | 30889 | 32915 | 32581 | 31602 |
| % Chg Prev Qtr SAAR | -- | -4.94 | -1.22 | 71.54 | -46.97 | 44.41 | -24.28 | -2.47 | -2.25 | 28.92 | -- | -3.01 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | -3.87 | 6.73 | -0.13 | -13.28 | 1.05 | -1.78 | -- | -3.01 |
| CONSTRUCTION | 32836 | 33048 | 33287 | 32633 | 33043 | 33085 | 32617 | 32216 | 32854 | 33566 | 32951 | 32740 |
| % Chg Prev Qtr SAAR | -- | 2.62 | 2.93 | -7.63 | 5.12 | 0.51 | -5.53 | -4.83 | 8.15 | 8.96 | -- | -0.64 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 0.63 | 0.11 | -2.01 | -1.28 | -0.57 | 1.45 | -- | -0.64 |
| MANUFACTURING | 33247 | 33563 | 34342 | 34524 | 34869 | 35163 | 35060 | 35292 | 35329 | 35567 | 33919 | 35096 |
| % Chg Prev Qtr SAAR | -- | 3.84 | 9.62 | 2.14 | 4.05 | 3.42 | -1.16 | 2.67 | 0.42 | 2.72 | -- | 3.47 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.88 | 4.77 | 2.09 | 2.22 | 1.32 | 1.15 | -- | 3.47 |
| DURABLE GOODS | 32717 | 33380 | 34020 | 34412 | 34693 | 34991 | 34549 | 34826 | 34688 | 34961 | 33632 | 34765 |
| % Chg Prev Qtr SAAR | -- | 8.36 | 7.89 | 4.69 | 3.30 | 3.49 | -4.96 | 3.25 | -1.58 | 3.19 | -- | 3.37 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 6.04 | 4.83 | 1.55 | 1.20 | -0.01 | -0.09 | -- | 3.37 |
| NONDURABLE GOODS | 34093 | 33851 | 34843 | 34695 | 35138 | 35427 | 35856 | 36018 | 36324 | 36504 | 34370 | 35609 |
| % Chg Prev Qtr SAAR | -- | -2.81 | 12.25 | -1.69 | 5.20 | 3.33 | 4.93 | 1.82 | 3.45 | 1.99 | -- | 3.60 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.06 | 4.66 | 2.91 | 3.81 | 3.38 | 3.04 | -- | 3.60 |
| TRADE, TRANSPORTATION, UTILITIES | 27650 | 27914 | 28400 | 28270 | 28577 | 28836 | 28608 | 28729 | 28966 | 28990 | 28058 | 28687 |
| % Chg Prev Qtr SAAR | -- | 3.88 | 7.14 | -1.82 | 4.42 | 3.68 | -3.12 | 1.70 | 3.35 | 0.34 | -- | 2.24 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.35 | 3.30 | 0.73 | 1.62 | 1.36 | 0.54 | -- | 2.24 |
| WHOLESALE TRADE | 38823 | 38687 | 38827 | 38791 | 39800 | 39764 | 39690 | 39098 | 39803 | 40178 | 38782 | 39588 |
| % Chg Prev Qtr SAAR | -- | -1.40 | 1.46 | -0.38 | 10.82 | -0.36 | -0.74 | -5.83 | 7.40 | 3.83 | -- | 2.08 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.51 | 2.78 | 2.22 | 0.79 | 0.01 | 1.04 | -- | 2.08 |
| RETAIL TRADE | 20458 | 20484 | 21194 | 20876 | 20964 | 21105 | 20868 | 21286 | 20981 | 20980 | 20753 | 21056 |
| % Chg Prev Qtr SAAR | -- | 0.51 | 14.60 | -5.86 | 1.69 | 2.72 | -4.43 | 8.27 | -5.62 | -0.01 | -- | 1.46 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.47 | 3.03 | -1.54 | 1.96 | 0.08 | -0.59 | -- | 1.46 |
| TRANSPORTATION & UTILITIES | 33919 | 34935 | 35038 | 35237 | 35567 | 36386 | 35920 | 35925 | 37089 | 36939 | 34782 | 35950 |
| % Chg Prev Qtr SAAR | -- | 12.52 | 1.18 | 2.30 | 3.80 | 9.53 | -5.02 | 0.05 | 13.59 | -1.60 | -- | 3.36 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.86 | 4.15 | 2.52 | 1.95 | 4.28 | 1.52 | -- | 3.36 |
| INFORMATION | 35763 | 34474 | 35245 | 36394 | 36256 | 35425 | 35541 | 36701 | 36973 | 37298 | 35469 | 35981 |
| % Chg Prev Qtr SAAR | -- | -13.66 | 9.26 | 13.69 | -1.52 | -8.85 | 1.32 | 13.71 | 3.00 | 3.56 | -- | 1.44 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.38 | 2.76 | 0.84 | 0.84 | 1.98 | 5.29 | -- | 1.44 |
| FINANCIAL ACTIVITIES | 39044 | 40583 | 39819 | 41114 | 40368 | 40005 | 40190 | 40940 | 41226 | 41840 | 40140 | 40376 |
| % Chg Prev Qtr SAAR | -- | 16.72 | -7.32 | 13.66 | -7.06 | -3.55 | 1.86 | 7.68 | 2.82 | 6.10 | -- | 0.59 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.39 | -1.42 | 0.93 | -0.42 | 2.12 | 4.59 | -- | 0.59 |
| PROF & BUSINESS SERVICES | 29963 | 30789 | 31116 | 30793 | 31199 | 30915 | 29811 | 29603 | 29644 | 29539 | 30665 | 30382 |
| % Chg Prev Qtr SAAR | -- | 11.50 | 4.31 | -4.10 | 5.38 | -3.58 | -13.54 | -2.76 | 0.55 | -1.41 | -- | -0.92 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.13 | 0.41 | -4.19 | -3.86 | -4.98 | -4.45 | -- | -0.92 |

(CONTINUED ON NEXT PAGE)

**Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| EDUC & HEALTH SERVICES………………………. | 31094 | 31187 | 31882 | 31694 | 31967 | 32004 | 32162 | 32237 | 32710 | 32616 | 31464 | 32093 |
| % Chg Prev Qtr SAAR……………………………. | -- | 1.21 | 9.21 | -2.34 | 3.49 | 0.46 | 1.98 | 0.94 | 5.99 | -1.14 | -- | 2.00 |
| % Chg Same Qtr Last Yr…………………………. | -- | -- | -- | -- | 2.81 | 2.62 | 0.88 | 1.71 | 2.32 | 1.91 | -- | 2.00 |
| LEISURE & HOSPITALITY……………………………. | 13499 | 13559 | 13689 | 13648 | 14378 | 14168 | 13884 | 14048 | 14808 | 13738 | 13599 | 14120 |
| % Chg Prev Qtr SAAR……………………………. | -- | 1.80 | 3.89 | -1.19 | 23.14 | -5.70 | -7.78 | 4.82 | 23.43 | -25.91 | -- | 3.83 |
| % Chg Same Qtr Last Yr…………………………. | -- | -- | -- | -- | 6.51 | 4.49 | 1.42 | 2.93 | 2.99 | -3.03 | -- | 3.83 |
| OTHER SERVICES……………………………………. | 23078 | 22970 | 23961 | 24307 | 23531 | 23540 | 23878 | 23940 | 22937 | 23150 | 23579 | 23722 |
| % Chg Prev Qtr SAAR……………………………. | -- | -1.86 | 18.42 | 5.90 | -12.17 | 0.15 | 5.88 | 1.04 | -15.73 | 3.76 | -- | 0.61 |
| % Chg Same Qtr Last Yr…………………………. | -- | -- | -- | -- | 1.96 | 2.48 | -0.35 | -1.51 | -2.52 | -1.66 | -- | 0.61 |
| GOVERNMENT…………………………………………. | 27412 | 27747 | 28042 | 27795 | 28270 | 28212 | 28405 | 28066 | 28427 | 28609 | 27749 | 28238 |
| % Chg Prev Qtr SAAR……………………………. | -- | 4.98 | 4.32 | -3.48 | 7.01 | -0.82 | 2.76 | -4.68 | 5.24 | 2.59 | -- | 1.76 |
| % Chg Same Qtr Last Yr…………………………. | -- | -- | -- | -- | 3.13 | 1.68 | 1.29 | 0.97 | 0.56 | 1.41 | -- | 1.76 |
| FEDERAL, CIVILIAN…………………………………. | 43661 | 44119 | 43575 | 42009 | 44201 | 44637 | 43371 | 42734 | 45066 | 46058 | 43341 | 43736 |
| % Chg Prev Qtr SAAR……………………………. | -- | 4.27 | -4.84 | -13.62 | 22.56 | 4.00 | -10.87 | -5.74 | 23.68 | 9.10 | -- | 0.91 |
| % Chg Same Qtr Last Yr…………………………. | -- | -- | -- | -- | 1.24 | 1.17 | -0.47 | 1.73 | 1.96 | 3.18 | -- | 0.91 |
| STATE & LOCAL………………………………………. | 25018 | 25366 | 25771 | 25706 | 25942 | 25850 | 26248 | 25913 | 26014 | 26084 | 25465 | 25988 |
| % Chg Prev Qtr SAAR……………………………. | -- | 5.67 | 6.55 | -1.01 | 3.74 | -1.42 | 6.29 | -5.01 | 1.57 | 1.09 | -- | 2.05 |
| % Chg Same Qtr Last Yr…………………………. | -- | -- | -- | -- | 3.69 | 1.91 | 1.85 | 0.81 | 0.28 | 0.91 | -- | 2.05 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| TOTAL NONFARM | 31835 | 31804 | 32292 | 32131 | 33164 | 32879 | 32879 | 32902 | 33975 | 33602 | 32016 | 32956 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.17 | 3.38 | 1.82 | 2.40 | 2.45 | 2.20 | -- | 2.94 |
| NATURAL RESOURCES & MINING | 35753 | 34200 | 33600 | 39310 | 34701 | 36857 | 34101 | 34737 | 35859 | 36818 | 35716 | 35099 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | -2.94 | 7.77 | 1.49 | -11.63 | 3.34 | -0.11 | -- | -1.73 |
| CONSTRUCTION | 37545 | 35869 | 35411 | 35613 | 38195 | 36336 | 35326 | 35965 | 38748 | 37362 | 36110 | 36455 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.73 | 1.30 | -0.24 | 0.99 | 1.45 | 2.82 | -- | 0.96 |
| MANUFACTURING | 36445 | 36738 | 37538 | 37922 | 38588 | 38924 | 38911 | 39493 | 39985 | 40066 | 37161 | 38979 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.88 | 5.95 | 3.66 | 4.14 | 3.62 | 2.93 | -- | 4.89 |
| DURABLE GOODS | 35815 | 36477 | 37271 | 37828 | 38350 | 38660 | 38427 | 39004 | 39219 | 39304 | 36848 | 38610 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 7.08 | 5.99 | 3.10 | 3.11 | 2.27 | 1.67 | -- | 4.78 |
| NONDURABLE GOODS | 37452 | 37153 | 37952 | 38067 | 38953 | 39330 | 39658 | 40253 | 41177 | 41250 | 37656 | 39548 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.01 | 5.86 | 4.50 | 5.74 | 5.71 | 4.88 | -- | 5.03 |
| TRADE, TRANSPORTATION, UTILITIES | 30617 | 30706 | 31137 | 30515 | 31930 | 32079 | 31853 | 31594 | 33090 | 32820 | 30744 | 31864 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.29 | 4.47 | 2.30 | 3.53 | 3.63 | 2.31 | -- | 3.64 |
| WHOLESALE TRADE | 42532 | 42459 | 42479 | 42484 | 44012 | 44148 | 44082 | 43617 | 45016 | 45397 | 42489 | 43965 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.48 | 3.98 | 3.77 | 2.67 | 2.28 | 2.83 | -- | 3.47 |
| RETAIL TRADE | 22742 | 22597 | 23314 | 22325 | 23507 | 23533 | 23319 | 23199 | 24050 | 23799 | 22745 | 23390 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.36 | 4.14 | 0.02 | 3.91 | 2.31 | 1.13 | -- | 2.84 |
| TRANSPORTATION & UTILITIES | 37589 | 38265 | 38208 | 38339 | 39798 | 40343 | 39759 | 39798 | 42438 | 41705 | 38100 | 39924 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.88 | 5.43 | 4.06 | 3.81 | 6.64 | 3.38 | -- | 4.79 |
| INFORMATION | 38851 | 37911 | 38940 | 39758 | 39735 | 39355 | 39480 | 40695 | 41931 | 42222 | 38865 | 39816 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.28 | 3.81 | 1.39 | 2.36 | 5.53 | 7.28 | -- | 2.45 |
| FINANCIAL ACTIVITIES | 42853 | 44357 | 43482 | 45236 | 44720 | 44223 | 44627 | 45576 | 46831 | 47180 | 43982 | 44787 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.36 | -0.30 | 2.63 | 0.75 | 4.72 | 6.69 | -- | 1.83 |
| PROF & BUSINESS SERVICES | 33351 | 33690 | 33790 | 33569 | 35032 | 34207 | 33113 | 32981 | 33656 | 33286 | 33600 | 33833 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.04 | 1.54 | -2.01 | -1.75 | -3.93 | -2.69 | -- | 0.69 |
| EDUC & HEALTH SERVICES | 34112 | 34238 | 35034 | 34510 | 35394 | 35521 | 35772 | 36031 | 36909 | 36809 | 34474 | 35680 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.76 | 3.75 | 2.11 | 4.41 | 4.28 | 3.63 | -- | 3.50 |
| LEISURE & HOSPITALITY | 15571 | 14500 | 14464 | 15137 | 16740 | 15312 | 14996 | 15775 | 17475 | 15216 | 14918 | 15706 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 7.51 | 5.60 | 3.68 | 4.21 | 4.39 | -0.62 | -- | 5.28 |
| OTHER SERVICES | 25744 | 25309 | 25978 | 26320 | 26441 | 26243 | 26316 | 26412 | 26307 | 26295 | 25838 | 26353 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.71 | 3.69 | 1.30 | 0.35 | -0.51 | 0.20 | -- | 1.99 |
| GOVERNMENT | 29597 | 30270 | 31693 | 30119 | 30785 | 31123 | 32621 | 30978 | 31646 | 32116 | 30420 | 31377 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.01 | 2.82 | 2.93 | 2.85 | 2.80 | 3.19 | -- | 3.15 |
| FEDERAL, CIVILIAN | 47511 | 47584 | 47969 | 46903 | 48475 | 48731 | 48451 | 48658 | 50482 | 51194 | 47492 | 48579 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.03 | 2.41 | 1.01 | 3.74 | 4.14 | 5.06 | -- | 2.29 |
| STATE & LOCAL | 26982 | 27718 | 29240 | 27735 | 28222 | 28560 | 30266 | 28473 | 28934 | 29324 | 27919 | 28880 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.59 | 3.04 | 3.51 | 2.66 | 2.52 | 2.67 | -- | 3.44 |

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| TOTAL NONFARM | 31430 | 31898 | 32352 | 32379 | 32742 | 32984 | 32912 | 33133 | 33619 | 33687 | 32015 | 32943 |
| % Chg Prev Qtr SAAR | -- | 6.10 | 5.81 | 0.34 | 4.57 | 2.98 | -0.87 | 2.71 | 6.00 | 0.82 | -- | 2.90 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.18 | 3.40 | 1.73 | 2.33 | 2.68 | 2.13 | -- | 2.90 |
| NATURAL RESOURCES & MINING | 34709 | 34426 | 34314 | 39349 | 33670 | 37160 | 34812 | 34752 | 34787 | 37142 | 35699 | 35098 |
| % Chg Prev Qtr SAAR | -- | -3.22 | -1.29 | 72.92 | -46.39 | 48.38 | -22.98 | -0.69 | 0.40 | 29.96 | -- | -1.68 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | -2.99 | 7.94 | 1.45 | -11.68 | 3.32 | -0.05 | -- | -1.68 |
| CONSTRUCTION | 35840 | 36234 | 36490 | 35844 | 36393 | 36687 | 36323 | 36039 | 36999 | 37877 | 36102 | 36361 |
| % Chg Prev Qtr SAAR | -- | 4.47 | 2.85 | -6.89 | 6.27 | 3.27 | -3.91 | -3.10 | 11.09 | 9.84 | -- | 0.72 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 1.54 | 1.25 | -0.46 | 0.54 | 1.66 | 3.24 | -- | 0.72 |
| MANUFACTURING | 36290 | 36798 | 37646 | 37921 | 38404 | 38992 | 39044 | 39480 | 39786 | 40134 | 37164 | 38980 |
| % Chg Prev Qtr SAAR | -- | 5.72 | 9.54 | 2.96 | 5.19 | 6.26 | 0.53 | 4.54 | 3.14 | 3.55 | -- | 4.89 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.83 | 5.96 | 3.71 | 4.11 | 3.60 | 2.93 | -- | 4.89 |
| DURABLE GOODS | 35710 | 36598 | 37293 | 37799 | 38210 | 38801 | 38474 | 38959 | 39064 | 39451 | 36850 | 38611 |
| % Chg Prev Qtr SAAR | -- | 10.32 | 7.81 | 5.54 | 4.43 | 6.33 | -3.33 | 5.13 | 1.09 | 4.02 | -- | 4.78 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 7.00 | 6.02 | 3.17 | 3.07 | 2.23 | 1.68 | -- | 4.78 |
| NONDURABLE GOODS | 37213 | 37114 | 38195 | 38109 | 38701 | 39284 | 39929 | 40291 | 40907 | 41192 | 37658 | 39551 |
| % Chg Prev Qtr SAAR | -- | -1.06 | 12.17 | -0.90 | 6.36 | 6.16 | 6.73 | 3.67 | 6.26 | 2.81 | -- | 5.03 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.00 | 5.85 | 4.54 | 5.73 | 5.70 | 4.86 | -- | 5.03 |
| TRADE, TRANSPORTATION, UTILITIES | 30180 | 30605 | 31132 | 31051 | 31474 | 31975 | 31858 | 32137 | 32621 | 32714 | 30742 | 31861 |
| % Chg Prev Qtr SAAR | -- | 5.76 | 7.06 | -1.03 | 5.56 | 6.52 | -1.46 | 3.55 | 6.15 | 1.15 | -- | 3.64 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.29 | 4.48 | 2.33 | 3.50 | 3.64 | 2.31 | -- | 3.64 |
| WHOLESALE TRADE | 42376 | 42416 | 42562 | 42608 | 43835 | 44093 | 44199 | 43737 | 44824 | 45339 | 42490 | 43966 |
| % Chg Prev Qtr SAAR | -- | 0.38 | 1.39 | 0.43 | 12.03 | 2.38 | 0.96 | -4.11 | 10.32 | 4.67 | -- | 3.47 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.44 | 3.95 | 3.85 | 2.65 | 2.26 | 2.82 | -- | 3.47 |
| RETAIL TRADE | 22330 | 22459 | 23233 | 22930 | 23089 | 23403 | 23238 | 23812 | 23628 | 23674 | 22738 | 23386 |
| % Chg Prev Qtr SAAR | -- | 2.33 | 14.52 | -5.11 | 2.80 | 5.54 | -2.79 | 10.24 | -3.06 | 0.79 | -- | 2.85 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.40 | 4.20 | 0.02 | 3.84 | 2.33 | 1.16 | -- | 2.85 |
| TRANSPORTATION & UTILITIES | 37023 | 38303 | 38408 | 38704 | 39174 | 40348 | 40001 | 40188 | 41768 | 41683 | 38110 | 39928 |
| % Chg Prev Qtr SAAR | -- | 14.56 | 1.11 | 3.12 | 4.94 | 12.54 | -3.39 | 1.88 | 16.68 | -0.81 | -- | 4.77 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.81 | 5.34 | 4.15 | 3.83 | 6.62 | 3.31 | -- | 4.77 |
| INFORMATION | 39036 | 37797 | 38636 | 39976 | 39932 | 39282 | 39579 | 41056 | 41638 | 42088 | 38861 | 39962 |
| % Chg Prev Qtr SAAR | -- | -12.10 | 9.18 | 14.61 | -0.44 | -6.35 | 3.06 | 15.78 | 5.80 | 4.39 | -- | 2.83 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.30 | 3.93 | 2.44 | 2.70 | 4.27 | 7.14 | -- | 2.83 |
| FINANCIAL ACTIVITIES | 42616 | 44495 | 43649 | 45159 | 44462 | 44361 | 44756 | 45798 | 46427 | 47213 | 43980 | 44844 |
| % Chg Prev Qtr SAAR | -- | 18.84 | -7.39 | 14.57 | -6.04 | -0.91 | 3.61 | 9.64 | 5.61 | 6.95 | -- | 1.96 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.33 | -0.30 | 2.53 | 1.41 | 4.42 | 6.43 | -- | 1.96 |
| PROF & BUSINESS SERVICES | 32704 | 33758 | 34110 | 33823 | 34362 | 34282 | 33198 | 33116 | 33384 | 33333 | 33599 | 33739 |
| % Chg Prev Qtr SAAR | -- | 13.52 | 4.24 | -3.32 | 6.54 | -0.94 | -12.06 | -0.98 | 3.28 | -0.61 | -- | 0.42 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 5.07 | 1.55 | -2.67 | -2.09 | -2.85 | -2.77 | -- | 0.42 |

(CONTINUED ON NEXT PAGE)

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)** **December 2003**

| | Historical Data | | | | | | | | | | Annual | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2001 | 2002 |
| EDUC & HEALTH SERVICES | 33939 | 34194 | 34949 | 34813 | 35209 | 35489 | 35816 | 36062 | 36836 | 36805 | 34474 | 35644 |
| % Chg Prev Qtr SAAR | -- | 3.03 | 9.13 | -1.55 | 4.63 | 3.22 | 3.74 | 2.78 | 8.87 | -0.34 | -- | 3.39 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 3.74 | 3.79 | 2.48 | 3.59 | 4.62 | 3.71 | -- | 3.39 |
| LEISURE & HOSPITALITY | 14734 | 14867 | 15006 | 14992 | 15835 | 15711 | 15461 | 15715 | 16676 | 15503 | 14900 | 15681 |
| % Chg Prev Qtr SAAR | -- | 3.64 | 3.81 | -0.40 | 24.49 | -3.11 | -6.20 | 6.73 | 26.79 | -25.31 | -- | 5.24 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 7.47 | 5.68 | 3.03 | 4.83 | 5.31 | -1.32 | -- | 5.24 |
| OTHER SERVICES | 25190 | 25184 | 26266 | 26699 | 25917 | 26103 | 26591 | 26780 | 25831 | 26123 | 25835 | 26348 |
| % Chg Prev Qtr SAAR | -- | -0.09 | 18.33 | 6.75 | -11.21 | 2.90 | 7.69 | 2.88 | -13.44 | 4.60 | -- | 1.99 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.89 | 3.65 | 1.24 | 0.31 | -0.33 | 0.08 | -- | 1.99 |
| GOVERNMENT | 29920 | 30422 | 30740 | 30530 | 31137 | 31284 | 31632 | 31396 | 32013 | 32284 | 30403 | 31362 |
| % Chg Prev Qtr SAAR | -- | 6.88 | 4.25 | -2.70 | 8.18 | 1.91 | 4.52 | -2.95 | 8.10 | 3.42 | -- | 3.15 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.07 | 2.83 | 2.90 | 2.84 | 2.82 | 3.20 | -- | 3.15 |
| FEDERAL, CIVILIAN | 47656 | 48372 | 47767 | 46143 | 48683 | 49497 | 48298 | 47805 | 50752 | 51973 | 47485 | 48571 |
| % Chg Prev Qtr SAAR | -- | 6.15 | -4.91 | -12.92 | 23.91 | 6.86 | -9.34 | -4.03 | 27.04 | 9.97 | -- | 2.29 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 2.16 | 2.33 | 1.11 | 3.60 | 4.25 | 5.00 | -- | 2.29 |
| STATE & LOCAL | 27308 | 27811 | 28250 | 28235 | 28573 | 28665 | 29230 | 28987 | 29296 | 29434 | 27901 | 28864 |
| % Chg Prev Qtr SAAR | -- | 7.58 | 6.47 | -0.22 | 4.88 | 1.29 | 8.12 | -3.27 | 4.33 | 1.90 | -- | 3.45 |
| % Chg Same Qtr Last Yr | -- | -- | -- | -- | 4.63 | 3.07 | 3.47 | 2.66 | 2.53 | 2.69 | -- | 3.45 |

**Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| CIVILIAN LABOR FORCE (THOUS)………. | 2814 | 2848 | 2885 | 2893 | 2884 | 2924 | 2956 | 2941 | 2862 | 2901 | 2927 | 2831 | 2860 | 2926 |
| % Chg Same Qtr Last Yr……………. | 0.58 | 0.84 | 1.00 | 1.61 | 2.49 | 2.67 | 2.45 | 1.68 | -0.75 | -0.76 | -0.98 | 0.56 | 1.01 | 2.32 |
| EMPLOYED PERSONS (THOUS)…….. | 2691 | 2732 | 2755 | 2756 | 2716 | 2776 | 2809 | 2804 | 2715 | 2756 | 2775 | 2721 | 2733 | 2776 |
| % Chg Same Qtr Last Yr……………. | 0.34 | 0.47 | 0.49 | 0.53 | 0.93 | 1.61 | 1.98 | 1.75 | -0.05 | -0.72 | -1.21 | 0.70 | 0.46 | 1.57 |
| UNEMPLOYED PERSONS (THOUS)…. | 123 | 116 | 130 | 137 | 168 | 148 | 147 | 137 | 148 | 145 | 152 | 110 | 126 | 150 |
| % Chg Same Qtr Last Yr……………. | 6.09 | 10.27 | 13.15 | 29.73 | 36.60 | 27.49 | 12.32 | 0.43 | -12.03 | -1.44 | 3.50 | -2.61 | 14.57 | 18.48 |
| PARTICIPATION RATE (PERCENT)……… | 62.6 | 63.2 | 63.9 | 63.9 | 63.5 | 64.3 | 64.6 | 63.9 | 61.8 | 62.3 | 62.6 | 63.7 | 63.4 | 64.1 |
| % Chg Same Qtr Last Yr……………. | -1.27 | -0.52 | -0.26 | 0.45 | 1.42 | 1.70 | 1.12 | 0.01 | -2.72 | -3.07 | -3.09 | -2.29 | -0.40 | 1.06 |
| UNEMPLOYMENT RATE (PERCENT)……. | 4.4 | 4.1 | 4.5 | 4.7 | 5.8 | 5.0 | 5.0 | 4.7 | 5.2 | 5.0 | 5.2 | 3.9 | 4.4 | 5.1 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted** | **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| CIVILIAN LABOR FORCE (THOUS)…………… | 2843 | 2852 | 2861 | 2884 | 2912 | 2928 | 2932 | 2933 | 2890 | 2906 | 2902 | 2832 | 2860 | 2926 |
| % Chg Prev Qtr SAAR …………………… | 0.18 | 0.35 | 0.31 | 0.79 | 0.98 | 0.55 | 0.13 | 0.03 | -1.46 | 0.53 | -0.13 | 0.56 | 1.01 | 2.32 |
| % Chg Same Qtr Last Yr………………… | 0.55 | 0.82 | 1.01 | 1.64 | 2.45 | 2.65 | 2.48 | 1.70 | -0.75 | -0.77 | -1.03 | 0.56 | 1.01 | 2.32 |
| EMPLOYED PERSONS (THOUS)………… | 2730 | 2731 | 2733 | 2740 | 2755 | 2775 | 2788 | 2788 | 2753 | 2755 | 2752 | 2721 | 2733 | 2776 |
| % Chg Prev Qtr SAAR …………………… | 0.17 | 0.06 | 0.08 | 0.24 | 0.54 | 0.75 | 0.44 | 0.03 | -1.26 | 0.07 | -0.11 | 0.70 | 0.46 | 1.57 |
| % Chg Same Qtr Last Yr………………… | 0.33 | 0.47 | 0.47 | 0.55 | 0.92 | 1.62 | 1.98 | 1.77 | -0.05 | -0.72 | -1.26 | 0.70 | 0.46 | 1.57 |
| UNEMPLOYED PERSONS (THOUS)……… | 113 | 121 | 128 | 144 | 158 | 153 | 145 | 145 | 137 | 150 | 150 | 110 | 127 | 150 |
| % Chg Prev Qtr SAAR …………………… | 0.37 | 7.24 | 5.53 | 12.66 | 9.33 | -3.05 | -5.38 | 0.17 | -5.31 | 9.75 | -0.57 | -2.58 | 14.58 | 18.43 |
| % Chg Same Qtr Last Yr………………… | 6.26 | 9.42 | 14.10 | 27.97 | 39.39 | 26.01 | 12.99 | 0.46 | -13.00 | -1.51 | 3.50 | -2.58 | 14.58 | 18.43 |
| PARTICIPATION RATE (PERCENT)…………. | 63.3 | 63.3 | 63.3 | 63.7 | 64.2 | 64.4 | 64.1 | 63.7 | 62.4 | 62.4 | 62.1 | 63.7 | 63.4 | 64.1 |
| % Chg Prev Qtr SAAR …………………… | -0.16 | 0.01 | 0.07 | 0.56 | 0.74 | 0.31 | -0.46 | -0.56 | -2.03 | -0.05 | -0.52 | -2.29 | -0.40 | 1.06 |
| % Chg Same Qtr Last Yr………………… | -1.30 | -0.54 | -0.25 | 0.48 | 1.38 | 1.69 | 1.15 | 0.03 | -2.72 | -3.08 | -3.14 | -2.29 | -0.40 | 1.06 |
| UNEMPLOYMENT RATE (PERCENT)………… | 4.0 | 4.3 | 4.5 | 5.0 | 5.4 | 5.2 | 4.9 | 4.9 | 4.7 | 5.2 | 5.2 | 3.9 | 4.4 | 5.1 |

**Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 15739 | 17293 | 16855 | 18078 | 15767 | 17215 | 16504 | 17842 | 15406 | 17161 | 17464 | 69449 | 67966 | 67328 |
| % Chg Same Qtr Last Yr | -3.66 | -1.57 | -3.78 | 0.29 | 0.17 | -0.45 | -2.08 | -1.31 | -2.29 | -0.31 | 5.82 | 0.58 | -2.14 | -0.94 |
| AUTO DEALERS | 1857 | 1963 | 1967 | 2078 | 1904 | 2028 | 2113 | 1908 | 1917 | 2185 | 2315 | 7811 | 7865 | 7953 |
| % Chg Same Qtr Last Yr | -6.62 | -4.49 | -4.29 | 21.35 | 2.55 | 3.31 | 7.42 | -8.18 | 0.68 | 7.73 | 9.56 | 0.82 | 0.69 | 1.12 |
| PURCHASES FROM MANUFACTURERS | 850 | 962 | 897 | 896 | 733 | 889 | 811 | 859 | 770 | 864 | 887 | 3908 | 3605 | 3291 |
| % Chg Same Qtr Last Yr | -3.94 | -6.79 | -11.51 | -8.37 | -13.83 | -7.63 | -9.54 | -4.11 | 5.06 | -2.81 | 9.27 | -3.22 | -7.77 | -8.69 |
| MISC DURABLE GOODS | 2616 | 3024 | 2765 | 2873 | 2538 | 2927 | 2709 | 2877 | 2456 | 2925 | 3000 | 12087 | 11278 | 11050 |
| % Chg Same Qtr Last Yr | -11.73 | -3.38 | -9.63 | -2.07 | -2.96 | -3.23 | -2.02 | 0.11 | -3.24 | -0.07 | 10.76 | -1.33 | -6.69 | -2.02 |
| EATING AND DRINKING PLACES | 1382 | 1498 | 1521 | 1481 | 1424 | 1544 | 1485 | 1452 | 1420 | 1554 | 1585 | 5776 | 5882 | 5904 |
| % Chg Same Qtr Last Yr | 0.78 | 0.34 | 1.79 | 4.46 | 3.02 | 3.07 | -2.41 | -1.94 | -0.27 | 0.68 | 6.74 | 3.24 | 1.83 | 0.38 |
| FOOD STORES | 1748 | 1836 | 1834 | 1966 | 1703 | 1778 | 1671 | 1692 | 1493 | 1563 | 1572 | 7572 | 7384 | 6844 |
| % Chg Same Qtr Last Yr | -1.16 | -3.02 | -2.63 | -2.99 | -2.54 | -3.16 | -8.89 | -13.95 | -12.37 | -12.10 | -5.93 | 0.45 | -2.48 | -7.31 |
| LIQUOR STORES | 83 | 86 | 82 | 111 | 86 | 88 | 83 | 110 | 85 | 92 | 88 | 358 | 362 | 367 |
| % Chg Same Qtr Last Yr | 2.76 | 0.64 | -2.04 | 3.25 | 2.63 | 2.33 | 1.05 | -0.27 | -0.26 | 4.27 | 6.65 | 2.12 | 1.28 | 1.31 |
| HOTELS AND MOTELS | 337 | 437 | 448 | 405 | 321 | 431 | 439 | 408 | 331 | 425 | 443 | 1700 | 1627 | 1600 |
| % Chg Same Qtr Last Yr | -3.81 | -2.90 | -3.96 | -6.51 | -4.65 | -1.41 | -1.95 | 0.89 | 2.85 | -1.45 | 0.76 | 1.65 | -4.29 | -1.66 |
| OTHER RETAIL AND SERVICE | 4435 | 4799 | 4671 | 5613 | 4505 | 4862 | 4577 | 5596 | 4467 | 4836 | 4878 | 19982 | 19518 | 19540 |
| % Chg Same Qtr Last Yr | -2.00 | -2.32 | -4.51 | -0.69 | 1.58 | 1.32 | -2.03 | -0.31 | -0.84 | -0.53 | 6.58 | 1.34 | -2.32 | 0.11 |
| MISC NONDURABLE GOODS | 1364 | 1413 | 1344 | 1623 | 1296 | 1364 | 1324 | 1649 | 1242 | 1316 | 1343 | 5893 | 5745 | 5632 |
| % Chg Same Qtr Last Yr | 3.07 | -1.14 | -6.74 | -4.42 | -5.02 | -3.47 | -1.51 | 1.55 | -4.14 | -3.51 | 1.46 | 0.16 | -2.51 | -1.96 |
| TRANSPORTATION, COMMUNICATION | 1068 | 1274 | 1325 | 1033 | 1258 | 1303 | 1293 | 1292 | 1226 | 1401 | 1354 | 4362 | 4699 | 5146 |
| % Chg Same Qtr Last Yr | -1.25 | 17.29 | 17.49 | -3.17 | 17.76 | 2.32 | -2.43 | 25.10 | -2.55 | 7.48 | 4.74 | 2.46 | 7.74 | 9.50 |
| PER CAPITA ($) | 2745 | 3008 | 2925 | 3131 | 2725 | 2969 | 2841 | 3065 | 2641 | 2936 | 2977 | 12208 | 11809 | 11601 |
| % Chg Same Qtr Last Yr | -5.28 | -2.59 | -4.74 | -0.64 | -0.71 | -1.28 | -2.89 | -2.12 | -3.10 | -1.14 | 4.78 | -2.39 | -3.27 | -1.77 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 17074 | 17055 | 16761 | 17127 | 17059 | 16981 | 16426 | 16892 | 16665 | 16909 | 17398 | 69521 | 68017 | 67359 |
| % Chg Prev Qtr SAAR | 0.70 | -0.43 | -6.73 | 9.04 | -1.57 | -1.82 | -12.46 | 11.85 | -5.28 | 5.99 | 12.07 | 0.67 | -2.16 | -0.97 |
| % Chg Same Qtr Last Yr | -4.00 | -1.52 | -3.53 | 0.49 | -0.08 | -0.43 | -2.00 | -1.37 | -2.31 | -0.43 | 5.92 | 0.67 | -2.16 | -0.97 |
| AUTO DEALERS | 1900 | 1893 | 1845 | 2250 | 1957 | 1959 | 1981 | 2058 | 1975 | 2111 | 2170 | 7800 | 7888 | 7954 |
| % Chg Prev Qtr SAAR | 7.32 | -1.61 | -9.64 | 121.14 | -42.78 | 0.32 | 4.62 | 16.56 | -15.18 | 30.52 | 11.55 | 0.77 | 1.13 | 0.84 |
| % Chg Same Qtr Last Yr | -6.34 | -4.26 | -4.26 | 20.52 | 2.99 | 3.49 | 7.35 | -8.53 | 0.93 | 7.79 | 9.53 | 0.77 | 1.13 | 0.84 |
| PURCHASES FROM MANUFACTURERS | 950 | 916 | 877 | 869 | 815 | 847 | 795 | 833 | 855 | 824 | 869 | 3914 | 3613 | 3290 |
| % Chg Prev Qtr SAAR | 0.95 | -13.78 | -15.87 | -3.56 | -22.65 | 16.76 | -22.65 | 20.72 | 11.15 | -13.78 | 23.42 | -3.32 | -7.69 | -8.93 |
| % Chg Same Qtr Last Yr | -4.55 | -6.67 | -11.25 | -8.33 | -14.23 | -7.48 | -9.40 | -4.17 | 4.92 | -2.74 | 9.31 | -3.32 | -7.69 | -8.93 |
| MISC DURABLE GOODS | 2871 | 2862 | 2736 | 2811 | 2779 | 2776 | 2688 | 2807 | 2689 | 2772 | 2985 | 12121 | 11280 | 11050 |
| % Chg Prev Qtr SAAR | -2.38 | -1.20 | -16.52 | 11.48 | -4.48 | -0.52 | -12.03 | 18.97 | -15.86 | 12.96 | 34.53 | -1.08 | -6.94 | -2.04 |
| % Chg Same Qtr Last Yr | -12.35 | -3.01 | -8.99 | -2.66 | -3.19 | -3.03 | -1.75 | -0.14 | -3.25 | -0.13 | 11.06 | -1.08 | -6.94 | -2.04 |
| EATING AND DRINKING PLACES | 1452 | 1451 | 1476 | 1505 | 1493 | 1497 | 1441 | 1475 | 1488 | 1507 | 1538 | 5778 | 5883 | 5906 |
| % Chg Prev Qtr SAAR | 3.24 | -0.26 | 6.96 | 8.08 | -3.10 | 1.16 | -14.25 | 9.94 | 3.51 | 5.34 | 8.44 | 3.20 | 1.82 | 0.38 |
| % Chg Same Qtr Last Yr | 0.47 | 0.43 | 1.95 | 4.45 | 2.81 | 3.18 | -2.37 | -1.95 | -0.32 | 0.69 | 6.78 | 3.20 | 1.82 | 0.38 |
| FOOD STORES | 1865 | 1845 | 1845 | 1833 | 1816 | 1787 | 1680 | 1579 | 1590 | 1571 | 1580 | 7573 | 7388 | 6861 |
| % Chg Prev Qtr SAAR | -4.69 | -4.28 | -0.04 | -2.49 | -3.77 | -6.11 | -21.92 | -22.00 | 2.80 | -4.62 | 2.39 | 0.50 | -2.44 | -7.12 |
| % Chg Same Qtr Last Yr | -1.25 | -2.99 | -2.64 | -2.89 | -2.66 | -3.13 | -8.93 | -13.87 | -12.44 | -12.09 | -5.93 | 0.50 | -2.44 | -7.12 |
| LIQUOR STORES | 91 | 90 | 90 | 91 | 93 | 92 | 91 | 91 | 93 | 96 | 97 | 358 | 362 | 367 |
| % Chg Prev Qtr SAAR | 12.66 | -2.08 | -2.43 | 7.05 | 7.58 | -3.38 | -5.94 | 1.97 | 6.26 | 15.33 | 4.02 | 2.58 | 1.12 | 1.39 |
| % Chg Same Qtr Last Yr | 2.68 | 0.35 | -2.01 | 3.61 | 2.42 | 2.08 | 1.15 | -0.08 | -0.38 | 4.12 | 6.78 | 2.58 | 1.12 | 1.39 |
| HOTELS AND MOTELS | 417 | 409 | 404 | 399 | 396 | 404 | 397 | 402 | 407 | 398 | 401 | 1704 | 1630 | 1599 |
| % Chg Prev Qtr SAAR | -9.48 | -7.76 | -4.75 | -4.86 | -2.92 | 7.94 | -6.44 | 5.31 | 4.76 | -8.77 | 3.04 | 1.78 | -4.36 | -1.86 |
| % Chg Same Qtr Last Yr | -4.51 | -2.71 | -3.43 | -6.74 | -5.09 | -1.29 | -1.73 | 0.80 | 2.74 | -1.49 | 0.91 | 1.78 | -4.36 | -1.86 |
| OTHER RETAIL AND SERVICE | 4909 | 4887 | 4824 | 4909 | 4966 | 4952 | 4731 | 4898 | 4916 | 4924 | 5047 | 20014 | 19528 | 19547 |
| % Chg Prev Qtr SAAR | -1.94 | -1.77 | -5.07 | 7.23 | 4.79 | -1.17 | -16.70 | 14.96 | 1.46 | 0.67 | 10.31 | 1.48 | -2.43 | 0.10 |
| % Chg Same Qtr Last Yr | -2.52 | -2.36 | -4.30 | -0.49 | 1.17 | 1.33 | -1.93 | -0.21 | -1.01 | -0.55 | 6.68 | 1.48 | -2.43 | 0.10 |
| MISC NONDURABLE GOODS | 1501 | 1453 | 1400 | 1405 | 1418 | 1404 | 1383 | 1426 | 1357 | 1355 | 1405 | 5898 | 5758 | 5631 |
| % Chg Prev Qtr SAAR | 8.22 | -12.09 | -13.92 | 1.51 | 3.79 | -3.93 | -5.83 | 12.96 | -18.05 | -0.31 | 15.35 | 0.13 | -2.38 | -2.22 |
| % Chg Same Qtr Last Yr | 2.32 | -1.18 | -6.07 | -4.51 | -5.51 | -3.39 | -1.19 | 1.48 | -4.34 | -3.45 | 1.57 | 0.13 | -2.38 | -2.22 |
| TRANSPORTATION, COMMUNICATION | 1118 | 1249 | 1265 | 1055 | 1326 | 1264 | 1240 | 1322 | 1296 | 1350 | 1306 | 4362 | 4687 | 5152 |
| % Chg Prev Qtr SAAR | 9.53 | 56.24 | 5.04 | -51.59 | 149.67 | -17.47 | -7.38 | 29.17 | -7.75 | 17.73 | -12.20 | 2.71 | 7.45 | 9.93 |
| % Chg Same Qtr Last Yr | -0.47 | 15.97 | 18.28 | -3.42 | 18.67 | 1.17 | -1.96 | 25.30 | -2.31 | 6.76 | 5.35 | 2.71 | 7.45 | 9.93 |
| PER CAPITA ($) | 2977 | 2966 | 2909 | 2967 | 2949 | 2929 | 2827 | 2902 | 2857 | 2893 | 2965 | 12224 | 11820 | 11607 |
| % Chg Prev Qtr SAAR | -0.35 | -1.47 | -7.51 | 8.14 | -2.38 | -2.63 | -13.19 | 10.93 | -6.06 | 5.12 | 10.45 | -2.31 | -3.31 | -1.80 |
| % Chg Same Qtr Last Yr | -5.61 | -2.55 | -4.49 | -0.45 | -0.96 | -1.26 | -2.81 | -2.19 | -3.12 | -1.25 | 4.88 | -2.31 | -3.31 | -1.80 |

## Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)

December 2003

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 17180 | 18960 | 18476 | 19857 | 17366 | 19089 | 18379 | 19959 | 17349 | 19365 | 19824 | 74595 | 74473 | 74793 |
| % Chg Same Qtr Last Yr | -1.28 | 0.76 | -2.04 | 1.76 | 1.08 | 0.68 | -0.52 | 0.51 | -0.09 | 1.44 | 7.86 | 3.12 | -0.16 | 0.43 |
| AUTO DEALERS | 2027 | 2153 | 2156 | 2282 | 2097 | 2249 | 2353 | 2134 | 2159 | 2466 | 2628 | 8386 | 8618 | 8834 |
| % Chg Same Qtr Last Yr | -4.31 | -2.23 | -2.55 | 23.13 | 3.48 | 4.49 | 9.13 | -6.49 | 2.95 | 9.63 | 11.68 | 3.36 | 2.76 | 2.50 |
| PURCHASES FROM MANUFACTURERS | 928 | 1055 | 983 | 984 | 807 | 985 | 904 | 961 | 867 | 974 | 1006 | 4198 | 3950 | 3657 |
| % Chg Same Qtr Last Yr | -1.56 | -4.59 | -9.91 | -7.03 | -13.05 | -6.58 | -8.11 | -2.35 | 7.43 | -1.10 | 11.38 | -0.76 | -5.91 | -7.42 |
| MISC DURABLE GOODS | 2855 | 3316 | 3031 | 3156 | 2796 | 3246 | 3017 | 3218 | 2766 | 3300 | 3406 | 12980 | 12358 | 12276 |
| % Chg Same Qtr Last Yr | -9.55 | -1.10 | -7.99 | -0.64 | -2.08 | -2.13 | -0.47 | 1.96 | -1.06 | 1.69 | 12.90 | 1.14 | -4.79 | -0.67 |
| EATING AND DRINKING PLACES | 1508 | 1642 | 1668 | 1627 | 1568 | 1712 | 1653 | 1624 | 1599 | 1754 | 1799 | 6203 | 6445 | 6558 |
| % Chg Same Qtr Last Yr | 3.27 | 2.70 | 3.64 | 5.99 | 3.95 | 4.25 | -0.86 | -0.13 | 1.97 | 2.45 | 8.81 | 5.86 | 3.89 | 1.75 |
| FOOD STORES | 1908 | 2013 | 2010 | 2159 | 1876 | 1972 | 1861 | 1892 | 1681 | 1764 | 1784 | 8133 | 8091 | 7601 |
| % Chg Same Qtr Last Yr | 1.29 | -0.73 | -0.86 | -1.57 | -1.65 | -2.06 | -7.44 | -12.37 | -10.40 | -10.55 | -4.11 | 3.00 | -0.52 | -6.05 |
| LIQUOR STORES | 91 | 95 | 90 | 122 | 94 | 98 | 92 | 123 | 96 | 104 | 100 | 384 | 397 | 408 |
| % Chg Same Qtr Last Yr | 5.30 | 3.02 | -0.26 | 4.76 | 3.57 | 3.49 | 2.65 | 1.57 | 1.98 | 6.11 | 8.71 | 4.69 | 3.29 | 2.73 |
| HOTELS AND MOTELS | 368 | 479 | 491 | 444 | 354 | 478 | 489 | 457 | 372 | 479 | 502 | 1826 | 1783 | 1778 |
| % Chg Same Qtr Last Yr | -1.43 | -0.61 | -2.22 | -5.14 | -3.79 | -0.29 | -0.39 | 2.75 | 5.17 | 0.28 | 2.70 | 4.22 | -2.38 | -0.28 |
| OTHER RETAIL AND SERVICE | 4841 | 5262 | 5121 | 6165 | 4962 | 5392 | 5097 | 6260 | 5031 | 5458 | 5537 | 21468 | 21389 | 21710 |
| % Chg Same Qtr Last Yr | 0.42 | -0.01 | -2.78 | 0.76 | 2.50 | 2.47 | -0.47 | 1.53 | 1.39 | 1.22 | 8.64 | 3.90 | -0.37 | 1.50 |
| MISC NONDURABLE GOODS | 1489 | 1550 | 1474 | 1783 | 1427 | 1513 | 1474 | 1844 | 1399 | 1485 | 1525 | 6332 | 6295 | 6258 |
| % Chg Same Qtr Last Yr | 5.62 | 1.20 | -5.05 | -3.03 | -4.15 | -2.37 | 0.05 | 3.42 | -1.98 | -1.81 | 3.42 | 2.70 | -0.58 | -0.59 |
| TRANSPORTATION, COMMUNICATION | 1166 | 1396 | 1452 | 1135 | 1385 | 1445 | 1439 | 1446 | 1380 | 1581 | 1537 | 4684 | 5149 | 5715 |
| % Chg Same Qtr Last Yr | 1.19 | 20.05 | 19.63 | -1.76 | 18.83 | 3.49 | -0.88 | 27.41 | -0.35 | 9.37 | 6.77 | 5.03 | 9.93 | 11.00 |
| PER CAPITA ($) | 2996 | 3298 | 3207 | 3439 | 3002 | 3293 | 3164 | 3429 | 2974 | 3313 | 3379 | 13113 | 12940 | 12887 |
| % Chg Same Qtr Last Yr | -2.94 | -0.30 | -3.01 | 0.81 | 0.19 | -0.15 | -1.35 | -0.32 | -0.92 | 0.61 | 6.80 | 0.08 | -1.32 | -0.41 |

Center for Business and Economic Research, The University of Tennessee

Tennessee Econometric Model

**Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Historical Data | | | | | | | | | | | Annual | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001:1 | 2001:2 | 2001:3 | 2001:4 | 2002:1 | 2002:2 | 2002:3 | 2002:4 | 2003:1 | 2003:2 | 2003:3 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 18636 | 18699 | 18373 | 18812 | 18789 | 18830 | 18292 | 18896 | 18767 | 19081 | 19749 | 74651 | 74521 | 74808 |
| % Chg Prev Qtr SAAR | 4.05 | 1.37 | -6.80 | 9.92 | -0.49 | 0.88 | -10.96 | 13.89 | -2.70 | 6.84 | 14.76 | 3.21 | -0.17 | 0.39 |
| % Chg Same Qtr Last Yr | -1.62 | 0.80 | -1.78 | 1.96 | 0.82 | 0.70 | -0.44 | 0.45 | -0.12 | 1.33 | 7.96 | 3.21 | -0.17 | 0.39 |
| AUTO DEALERS | 2074 | 2075 | 2023 | 2472 | 2155 | 2172 | 2206 | 2302 | 2224 | 2382 | 2463 | 8375 | 8643 | 8835 |
| % Chg Prev Qtr SAAR | 10.90 | 0.17 | -9.70 | 122.92 | -42.15 | 3.07 | 6.42 | 18.68 | -12.88 | 31.57 | 14.22 | 3.30 | 3.21 | 2.22 |
| % Chg Same Qtr Last Yr | -4.03 | -2.01 | -2.52 | 22.28 | 3.92 | 4.67 | 9.05 | -6.85 | 3.20 | 9.69 | 11.65 | 3.30 | 3.21 | 2.22 |
| PURCHASES FROM MANUFACTURERS | 1037 | 1004 | 962 | 955 | 898 | 940 | 885 | 932 | 963 | 930 | 986 | 4202 | 3958 | 3654 |
| % Chg Prev Qtr SAAR | 4.31 | -12.22 | -15.93 | -2.79 | -21.81 | 19.96 | -21.32 | 22.92 | 14.17 | -13.08 | 26.38 | -0.86 | -5.82 | -7.67 |
| % Chg Same Qtr Last Yr | -2.19 | -4.47 | -9.64 | -6.99 | -13.46 | -6.43 | -7.96 | -2.40 | 7.28 | -1.02 | 11.43 | -0.86 | -5.82 | -7.67 |
| MISC DURABLE GOODS | 3133 | 3138 | 2999 | 3088 | 3061 | 3078 | 2993 | 3140 | 3028 | 3128 | 3389 | 13013 | 12358 | 12272 |
| % Chg Prev Qtr SAAR | 0.88 | 0.59 | -16.58 | 12.38 | -3.44 | 2.21 | -10.52 | 21.14 | -13.57 | 13.87 | 37.75 | 1.40 | -5.03 | -0.69 |
| % Chg Same Qtr Last Yr | -10.18 | -0.72 | -7.34 | -1.24 | -2.32 | -1.92 | -0.19 | 1.70 | -1.08 | 1.63 | 13.21 | 1.40 | -5.03 | -0.69 |
| EATING AND DRINKING PLACES | 1585 | 1591 | 1618 | 1653 | 1644 | 1660 | 1604 | 1650 | 1676 | 1701 | 1746 | 6205 | 6446 | 6559 |
| % Chg Prev Qtr SAAR | 6.68 | 1.54 | 6.89 | 8.95 | -2.04 | 3.94 | -12.78 | 11.95 | 6.32 | 6.18 | 11.04 | 5.82 | 3.89 | 1.75 |
| % Chg Same Qtr Last Yr | 2.96 | 2.79 | 3.80 | 5.98 | 3.74 | 4.35 | -0.82 | -0.15 | 1.92 | 2.47 | 8.84 | 5.82 | 3.89 | 1.75 |
| FOOD STORES | 2036 | 2023 | 2022 | 2013 | 2000 | 1982 | 1871 | 1766 | 1790 | 1773 | 1794 | 8132 | 8094 | 7618 |
| % Chg Prev Qtr SAAR | -1.51 | -2.55 | -0.12 | -1.70 | -2.71 | -3.54 | -20.58 | -20.58 | 5.60 | -3.86 | 4.84 | 3.04 | -0.47 | -5.88 |
| % Chg Same Qtr Last Yr | 1.20 | -0.70 | -0.87 | -1.47 | -1.77 | -2.02 | -7.48 | -12.29 | -10.47 | -10.54 | -4.11 | 3.04 | -0.47 | -5.88 |
| LIQUOR STORES | 99 | 99 | 98 | 100 | 102 | 102 | 101 | 102 | 104 | 108 | 110 | 385 | 397 | 408 |
| % Chg Prev Qtr SAAR | 16.42 | -0.31 | -2.50 | 7.91 | 8.76 | -0.73 | -4.33 | 3.83 | 9.15 | 16.26 | 6.52 | 5.17 | 3.17 | 2.77 |
| % Chg Same Qtr Last Yr | 5.22 | 2.72 | -0.24 | 5.12 | 3.35 | 3.24 | 2.75 | 1.77 | 1.86 | 5.96 | 8.84 | 5.17 | 3.17 | 2.77 |
| HOTELS AND MOTELS | 456 | 448 | 443 | 438 | 436 | 448 | 442 | 450 | 458 | 449 | 455 | 1830 | 1785 | 1776 |
| % Chg Prev Qtr SAAR | -6.47 | -6.09 | -4.82 | -4.10 | -1.86 | 10.90 | -4.84 | 7.23 | 7.60 | -8.04 | 5.51 | 4.35 | -2.42 | -0.51 |
| % Chg Same Qtr Last Yr | -2.14 | -0.41 | -1.68 | -5.37 | -4.23 | -0.16 | -0.17 | 2.66 | 5.05 | 0.24 | 2.86 | 4.35 | -2.42 | -0.51 |
| OTHER RETAIL AND SERVICE | 5358 | 5358 | 5288 | 5392 | 5470 | 5491 | 5268 | 5480 | 5536 | 5557 | 5729 | 21492 | 21395 | 21709 |
| % Chg Prev Qtr SAAR | 1.33 | 0.01 | -5.14 | 8.09 | 5.94 | 1.54 | -15.27 | 17.05 | 4.21 | 1.48 | 12.95 | 4.05 | -0.45 | 1.47 |
| % Chg Same Qtr Last Yr | -0.10 | -0.06 | -2.57 | 0.96 | 2.09 | 2.48 | -0.37 | 1.63 | 1.22 | 1.20 | 8.74 | 4.05 | -0.45 | 1.47 |
| MISC NONDURABLE GOODS | 1638 | 1593 | 1534 | 1543 | 1562 | 1557 | 1540 | 1595 | 1528 | 1530 | 1595 | 6334 | 6309 | 6254 |
| % Chg Prev Qtr SAAR | 11.82 | -10.50 | -13.98 | 2.33 | 4.93 | -1.29 | -4.21 | 15.02 | -15.83 | 0.49 | 18.11 | 2.67 | -0.41 | -0.87 |
| % Chg Same Qtr Last Yr | 4.85 | 1.16 | -4.36 | -3.12 | -4.65 | -2.29 | 0.38 | 3.35 | -2.19 | -1.75 | 3.53 | 2.67 | -0.41 | -0.87 |
| TRANSPORTATION, COMMUNICATION | 1220 | 1370 | 1387 | 1159 | 1461 | 1402 | 1381 | 1479 | 1459 | 1523 | 1483 | 4684 | 5135 | 5722 |
| % Chg Prev Qtr SAAR | 13.18 | 59.07 | 4.96 | -51.20 | 152.41 | -15.21 | -5.79 | 31.52 | -5.25 | 18.68 | -10.10 | 5.28 | 9.63 | 11.43 |
| % Chg Same Qtr Last Yr | 2.00 | 18.71 | 20.43 | -2.01 | 19.75 | 2.32 | -0.41 | 27.61 | -0.11 | 8.65 | 7.38 | 5.28 | 9.63 | 11.43 |
| PER CAPITA ($) | 3250 | 3252 | 3189 | 3259 | 3248 | 3248 | 3149 | 3246 | 3217 | 3264 | 3366 | 13126 | 12950 | 12891 |
| % Chg Prev Qtr SAAR | 2.97 | 0.31 | -7.57 | 9.01 | -1.31 | 0.05 | -11.70 | 12.95 | -3.51 | 5.96 | 13.10 | 0.16 | -1.34 | -0.46 |
| % Chg Same Qtr Last Yr | -3.28 | -0.25 | -2.75 | 1.00 | -0.07 | -0.13 | -1.26 | -0.38 | -0.94 | 0.49 | 6.90 | 0.16 | -1.34 | -0.46 |

**Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| US GDP (Bil96$) SAAR................................... | 7063 | 7348 | 7544 | 7813 | 8159 | 8509 | 8859 | 9191 | 9215 | 9440 |
| Percentage Change................................. | 2.65 | 4.04 | 2.67 | 3.57 | 4.43 | 4.28 | 4.11 | 3.75 | 0.25 | 2.45 |
| US GDP (Bil$) SAAR...................................... | 6642 | 7054 | 7401 | 7813 | 8318 | 8782 | 9274 | 9825 | 10082 | 10446 |
| Percentage Change................................. | 5.12 | 6.20 | 4.91 | 5.58 | 6.47 | 5.57 | 5.61 | 5.93 | 2.62 | 3.61 |
| CHAINED PRICE INDEX, GDP (1996=1.0) | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 |
| Percentage Change................................. | 2.40 | 2.08 | 2.18 | 1.93 | 1.95 | 1.23 | 1.44 | 2.11 | 2.36 | 1.13 |
| US PERS CONSUMP DEFL (1996=1.0)............. | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 |
| Percentage Change................................. | 2.38 | 2.02 | 2.29 | 2.15 | 1.94 | 1.07 | 1.65 | 2.54 | 2.02 | 1.37 |
| TN PERSONAL INCOME (MIL96$) SAAR........ | 107016 | 111639 | 116708 | 119281 | 123060 | 130286 | 134670 | 139615 | 140677 | 142904 |
| Percentage Change................................. | 3.81 | 4.32 | 4.54 | 2.21 | 3.17 | 5.87 | 3.37 | 3.67 | 0.76 | 1.58 |
| US PERSONAL INCOME (BIL96$) SAAR........... | 5980 | 6152 | 6334 | 6547 | 6804 | 7207 | 7435 | 7828 | 7927 | 8033 |
| Percentage Change................................. | 1.66 | 2.87 | 2.96 | 3.37 | 3.93 | 5.92 | 3.15 | 5.29 | 1.27 | 1.34 |
| TN PERSONAL INCOME (MIL$) SAAR........... | 100394 | 106855 | 114260 | 119287 | 125457 | 134242 | 141046 | 149936 | 154130 | 158717 |
| Percentage Change................................. | 6.28 | 6.44 | 6.93 | 4.40 | 5.17 | 7.00 | 5.07 | 6.30 | 2.80 | 2.98 |
| US PERSONAL INCOME (BIL$) SAAR.......... | 5610 | 5888 | 6201 | 6547 | 6937 | 7426 | 7786 | 8407 | 8685 | 8922 |
| Percentage Change................................. | 4.07 | 4.96 | 5.31 | 5.59 | 5.95 | 7.05 | 4.85 | 7.96 | 3.32 | 2.73 |
| TN NONFARM JOBS (THOUS).......................... | 2328.4 | 2422.8 | 2498.7 | 2533.3 | 2584.0 | 2638.5 | 2685.4 | 2729.0 | 2688.6 | 2667.2 |
| Percentage Change................................. | 3.72 | 4.05 | 3.14 | 1.38 | 2.00 | 2.11 | 1.78 | 1.62 | -1.48 | -0.80 |
| US NONFARM JOBS (MIL).............................. | 110.8 | 114.3 | 117.3 | 119.7 | 122.8 | 125.9 | 129.0 | 131.8 | 131.8 | 130.4 |
| Percentage Change................................. | 1.95 | 3.10 | 2.65 | 2.04 | 2.56 | 2.57 | 2.44 | 2.17 | 0.03 | -1.10 |
| TN UNEMPLOYMENT RATE (%)...................... | 5.8 | 4.8 | 5.2 | 5.1 | 5.4 | 4.2 | 4.0 | 3.9 | 4.4 | 5.1 |
| US UNEMPLOYMENT RATE (%)...................... | 6.9 | 6.1 | 5.6 | 5.4 | 4.9 | 4.5 | 4.2 | 4.0 | 4.8 | 5.8 |
| BANK PRIME INTEREST RATE (%).................. | 6.0 | 7.1 | 8.8 | 8.3 | 8.4 | 8.4 | 8.0 | 9.2 | 6.9 | 4.7 |
| TN MFG JOBS (THOUS)................................. | 502.9 | 513.9 | 518.1 | 501.5 | 498.0 | 498.6 | 494.7 | 488.1 | 454.2 | 426.6 |
| Percentage Change................................. | 2.03 | 2.19 | 0.81 | -3.19 | -0.70 | 0.12 | -0.78 | -1.35 | -6.93 | -6.07 |
| TN TAXABLE SALES (MIL96$)......................... | 52257 | 56093 | 59159 | 60658 | 64768 | 64301 | 69059 | 69521 | 68017 | 67359 |
| Percentage Change................................. | 5.29 | 7.34 | 5.47 | 2.53 | 6.78 | -0.72 | 7.40 | 0.67 | -2.16 | -0.97 |
| TN TAXABLE SALES (MIL$)............................ | 49026 | 53693 | 57917 | 60661 | 66030 | 66259 | 72328 | 74651 | 74521 | 74808 |
| Percentage Change................................. | 7.81 | 9.52 | 7.87 | 4.74 | 8.85 | 0.35 | 9.16 | 3.21 | -0.17 | 0.39 |
| TN AVG ANNUAL WAGE, NONFARM (96$) | -- | -- | -- | -- | -- | -- | -- | -- | 29220 | 29661 |
| Percentage Change................................. | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.51 |
| TN AVG ANNUAL WAGE, NONFARM ($) | -- | -- | -- | -- | -- | -- | -- | -- | 32015 | 32943 |
| Percentage Change................................. | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.90 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| US GDP (96$) SAAR……………………………… | 27097 | 27851 | 28260 | 28929 | 29855 | 30773 | 31675 | 32499 | 32228 | 32672 |
| Percentage Change………………………… | 1.34 | 2.78 | 1.47 | 2.37 | 3.20 | 3.08 | 2.93 | 2.60 | -0.83 | 1.38 |
| US GDP ($) SAAR………………………………… | 25485 | 26739 | 27723 | 28929 | 30436 | 31759 | 33160 | 34738 | 35262 | 36155 |
| Percentage Change………………………… | 3.77 | 4.92 | 3.68 | 4.35 | 5.21 | 4.35 | 4.41 | 4.76 | 1.51 | 2.53 |
| TN PERSONAL INCOME (96$) SAAR…….. | 21000 | 21581 | 22230 | 22416 | 22854 | 23954 | 24401 | 24547 | 24446 | 24624 |
| Percentage Change………………………… | 2.33 | 2.76 | 3.01 | 0.83 | 1.95 | 4.82 | 1.87 | 0.60 | -0.41 | 0.73 |
| US PERSONAL INCOME (96$) SAAR………… | 22944 | 23318 | 23727 | 24241 | 24897 | 26065 | 26582 | 27677 | 27725 | 27804 |
| Percentage Change………………………… | 0.36 | 1.63 | 1.75 | 2.17 | 2.70 | 4.69 | 1.98 | 4.12 | 0.18 | 0.28 |
| TN PERSONAL INCOME ($) SAAR………… | 19700 | 20655 | 21764 | 22416 | 23298 | 24681 | 25555 | 26360 | 26783 | 27349 |
| Percentage Change………………………… | 4.77 | 4.85 | 5.37 | 3.00 | 3.93 | 5.93 | 3.54 | 3.15 | 1.60 | 2.11 |
| US PERSONAL INCOME ($) SAAR…………..… | 21524 | 22318 | 23229 | 24243 | 25382 | 26856 | 27841 | 29723 | 30377 | 30880 |
| Percentage Change………………………… | 2.74 | 3.69 | 4.08 | 4.36 | 4.70 | 5.81 | 3.66 | 6.76 | 2.20 | 1.66 |
| TN TAXABLE SALES (96$)……………………… | 10255 | 10843 | 11269 | 11399 | 12028 | 11821 | 12513 | 12224 | 11820 | 11607 |
| Percentage Change………………………… | 3.78 | 5.74 | 3.93 | 1.16 | 5.52 | -1.72 | 5.85 | -2.31 | -3.31 | -1.80 |
| TN TAXABLE SALES ($)………………………… | 9620 | 10379 | 11032 | 11399 | 12262 | 12181 | 13105 | 13126 | 12950 | 12891 |
| Percentage Change………………………… | 6.27 | 7.88 | 6.30 | 3.33 | 7.57 | -0.66 | 7.58 | 0.16 | -1.34 | -0.46 |

**Table 3: Tennessee Personal Income Components, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TN PERSONAL INCOME…………..……… | 145262 | 150387 | 155879 | 161247 | 167377 | 173415 | 179837 | 186387 | 192859 | 199784 | 207213 |
| Percentage Change………………… | 1.65 | 3.53 | 3.65 | 3.44 | 3.80 | 3.61 | 3.70 | 3.64 | 3.47 | 3.59 | 3.72 |
| WAGES AND SALARIES………………. | 80480 | 82560 | 85341 | 88307 | 91443 | 94428 | 97420 | 100607 | 103739 | 107217 | 110856 |
| Percentage Change………………… | 1.00 | 2.58 | 3.37 | 3.47 | 3.55 | 3.26 | 3.17 | 3.27 | 3.11 | 3.35 | 3.39 |
| OTHER LABOR INCOME……………… | 10209 | 10841 | 11399 | 11979 | 12563 | 13159 | 13785 | 14406 | 15002 | 15622 | 16287 |
| Percentage Change………………… | 5.62 | 6.19 | 5.15 | 5.09 | 4.88 | 4.74 | 4.76 | 4.50 | 4.14 | 4.13 | 4.26 |
| PROPRIETORS INCOME……………… | 15808 | 16670 | 17367 | 17848 | 18634 | 19402 | 20264 | 21088 | 21949 | 22873 | 23862 |
| Percentage Change………………… | 3.07 | 5.45 | 4.18 | 2.77 | 4.41 | 4.12 | 4.44 | 4.07 | 4.08 | 4.21 | 4.32 |
| RENT, INTEREST, DIVIDENDS………. | 21279 | 22055 | 22987 | 23837 | 24708 | 25700 | 26983 | 28062 | 28987 | 30039 | 31208 |
| Percentage Change………………… | -2.37 | 3.65 | 4.22 | 3.70 | 3.65 | 4.01 | 4.99 | 4.00 | 3.30 | 3.63 | 3.89 |
| TRANSFER PAYMENTS………………. | 26262 | 27539 | 28503 | 29429 | 30582 | 31665 | 32687 | 33832 | 35026 | 36097 | 37262 |
| Percentage Change………………… | 5.25 | 4.86 | 3.50 | 3.25 | 3.92 | 3.54 | 3.23 | 3.50 | 3.53 | 3.06 | 3.23 |
| LESS: PERS CONT FOR SOC INS…… | 6520 | 6462 | 6447 | 6452 | 6448 | 6448 | 6449 | 6425 | 6363 | 6301 | 6238 |
| Percentage Change………………… | 1.16 | -0.89 | -0.24 | 0.09 | -0.07 | 0.01 | 0.01 | -0.37 | -0.95 | -0.98 | -1.00 |
| RESIDENCE ADJUSTMENT…………… | -2257 | -2817 | -3271 | -3701 | -4106 | -4491 | -4853 | -5184 | -5482 | -5761 | -6023 |
| Percentage Change………………… | 8.49 | 24.80 | 16.12 | 13.13 | 10.96 | 9.37 | 8.06 | 6.83 | 5.73 | 5.10 | 4.55 |
| PER CAPITA PERSONAL INCOME ($)…… | 24794 | 25309 | 25863 | 26402 | 27048 | 27659 | 28309 | 28963 | 29611 | 30310 | 31064 |
| Percentage Change………………… | 0.69 | 2.08 | 2.19 | 2.08 | 2.45 | 2.26 | 2.35 | 2.31 | 2.24 | 2.36 | 2.49 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TN PERSONAL INCOME | 100394 | 106855 | 114260 | 119287 | 125457 | 134242 | 141046 | 149936 | 154130 | 158717 |
| Percentage Change | 6.28 | 6.44 | 6.93 | 4.40 | 5.17 | 7.00 | 5.07 | 6.30 | 2.80 | 2.98 |
| WAGES AND SALARIES | -- | -- | -- | -- | -- | -- | -- | -- | 86655 | 88496 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.12 |
| OTHER LABOR INCOME | -- | -- | -- | -- | -- | -- | -- | -- | 9919 | 10736 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 8.24 |
| PROPRIETORS INCOME | -- | -- | -- | -- | -- | -- | -- | -- | 16198 | 17035 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.17 |
| RENT, INTEREST, DIVIDENDS | -- | -- | -- | -- | -- | -- | -- | -- | 24157 | 24206 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.20 |
| TRANSFER PAYMENTS | -- | -- | -- | -- | -- | -- | -- | -- | 25349 | 27715 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 9.33 |
| LESS: PERS CONT FOR SOC INS | -- | -- | -- | -- | -- | -- | -- | -- | 6826 | 7159 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.87 |
| RESIDENCE ADJUSTMENT | -- | -- | -- | -- | -- | -- | -- | -- | -1321 | -2311 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 74.92 |
| PER CAPITA PERSONAL INCOME ($) | 19700 | 20655 | 21764 | 22416 | 23298 | 24681 | 25555 | 26360 | 26783 | 27349 |
| Percentage Change | 4.77 | 4.85 | 5.37 | 3.00 | 3.93 | 5.93 | 3.54 | 3.15 | 1.60 | 2.11 |

**Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | 2183.6 | 2245.0 | 2328.5 | 2423.0 | 2498.9 | 2533.3 | 2584.0 | 2638.4 | 2685.3 | 2728.9 | 2688.3 | 2666.2 |
| Percentage Change | -0.44 | 2.81 | 3.72 | 4.06 | 3.13 | 1.38 | 2.00 | 2.10 | 1.78 | 1.62 | -1.49 | -0.82 |
| NATURAL RESOURCES & MINING | 5.7 | 5.2 | 5.1 | 5.0 | 5.2 | 5.4 | 5.3 | 5.3 | 5.1 | 5.1 | 4.9 | 4.6 |
| Percentage Change | -10.32 | -7.82 | -2.72 | -0.49 | 3.97 | 2.38 | -1.55 | -0.16 | -2.69 | 0.16 | -4.21 | -7.61 |
| CONSTRUCTION | 88.5 | 90.5 | 95.7 | 101.9 | 109.7 | 113.8 | 118.1 | 121.4 | 123.1 | 125.7 | 120.4 | 114.4 |
| Percentage Change | -6.20 | 2.32 | 5.74 | 6.47 | 7.66 | 3.68 | 3.82 | 2.79 | 1.39 | 2.12 | -4.25 | -4.96 |
| MANUFACTURING | 480.3 | 492.8 | 502.8 | 513.8 | 518.0 | 501.5 | 498.0 | 498.6 | 494.7 | 488.1 | 454.2 | 426.6 |
| Percentage Change | -2.66 | 2.61 | 2.03 | 2.18 | 0.82 | -3.18 | -0.69 | 0.12 | -0.78 | -1.35 | -6.93 | -6.07 |
| DURABLE GOODS | 249.0 | 260.4 | 271.8 | 284.0 | 291.6 | 290.5 | 292.1 | 297.0 | 301.4 | 300.6 | 277.2 | 258.9 |
| Percentage Change | -2.08 | 4.58 | 4.35 | 4.50 | 2.68 | -0.37 | 0.54 | 1.68 | 1.47 | -0.25 | -7.81 | -6.59 |
| NONDURABLE GOODS | 231.3 | 232.4 | 231.1 | 229.8 | 226.4 | 211.0 | 206.0 | 201.6 | 193.4 | 187.4 | 177.1 | 167.7 |
| Percentage Change | -3.28 | 0.48 | -0.57 | -0.54 | -1.48 | -6.80 | -2.39 | -2.10 | -4.10 | -3.08 | -5.53 | -5.26 |
| TRADE, TRANSPORTATION, UTILITIES | 474.9 | 480.2 | 493.5 | 515.3 | 529.5 | 540.8 | 551.9 | 564.2 | 578.2 | 586.2 | 590.2 | 575.3 |
| Percentage Change | -1.01 | 1.12 | 2.77 | 4.40 | 2.77 | 2.14 | 2.05 | 2.23 | 2.48 | 1.38 | 0.68 | -2.52 |
| WHOLESALE TRADE | 113.3 | 113.0 | 114.5 | 118.9 | 122.6 | 123.9 | 128.1 | 130.7 | 131.8 | 131.2 | 127.5 | 126.2 |
| Percentage Change | -0.78 | -0.25 | 1.29 | 3.87 | 3.09 | 1.10 | 3.34 | 2.09 | 0.82 | -0.47 | -2.80 | -1.03 |
| RETAIL TRADE | 259.7 | 261.1 | 268.0 | 279.5 | 290.0 | 297.0 | 302.4 | 306.4 | 311.8 | 316.3 | 319.1 | 311.3 |
| Percentage Change | -1.94 | 0.54 | 2.64 | 4.28 | 3.74 | 2.43 | 1.79 | 1.35 | 1.77 | 1.44 | 0.89 | -2.46 |
| TRANSPORTATION & UTILITIES | 101.9 | 106.1 | 111.0 | 116.9 | 117.0 | 119.9 | 121.5 | 127.1 | 134.6 | 138.7 | 143.5 | 137.8 |
| Percentage Change | 1.15 | 4.15 | 4.66 | 5.24 | 0.10 | 2.49 | 1.36 | 4.57 | 5.93 | 3.05 | 3.46 | -3.97 |
| INFORMATION | 43.4 | 43.0 | 44.6 | 45.7 | 45.7 | 48.2 | 49.2 | 51.2 | 52.8 | 54.7 | 55.4 | 53.6 |
| Percentage Change | -2.36 | -0.90 | 3.72 | 2.54 | 0.04 | 5.43 | 2.14 | 3.91 | 3.29 | 3.60 | 1.25 | -3.35 |
| FINANCIAL ACTIVITIES | 111.1 | 111.7 | 115.1 | 119.1 | 122.6 | 127.7 | 131.5 | 136.6 | 140.4 | 139.2 | 138.5 | 138.7 |
| Percentage Change | -1.28 | 0.50 | 3.08 | 3.50 | 2.95 | 4.12 | 2.96 | 3.88 | 2.80 | -0.82 | -0.55 | 0.14 |
| PROF & BUSINESS SERVICES | 169.8 | 183.5 | 199.3 | 219.5 | 232.7 | 242.5 | 256.8 | 268.2 | 287.5 | 301.0 | 299.1 | 306.5 |
| Percentage Change | 2.55 | 8.07 | 8.63 | 10.14 | 5.99 | 4.24 | 5.86 | 4.46 | 7.19 | 4.70 | -0.64 | 2.48 |
| EDUC & HEALTH SERVICES | 218.7 | 229.3 | 239.6 | 247.2 | 257.0 | 260.2 | 267.2 | 272.7 | 272.5 | 278.9 | 285.8 | 297.9 |
| Percentage Change | 5.04 | 4.85 | 4.48 | 3.19 | 3.95 | 1.27 | 2.67 | 2.04 | -0.06 | 2.34 | 2.50 | 4.24 |
| LEISURE & HOSPITALITY | 179.8 | 184.6 | 196.3 | 206.8 | 215.0 | 218.4 | 220.0 | 223.4 | 226.6 | 233.4 | 235.5 | 238.2 |
| Percentage Change | 0.21 | 2.67 | 6.32 | 5.39 | 3.94 | 1.59 | 0.71 | 1.55 | 1.43 | 3.00 | 0.92 | 1.15 |
| OTHER SERVICES | 58.4 | 67.4 | 74.6 | 77.9 | 90.3 | 93.2 | 105.7 | 111.4 | 114.2 | 117.6 | 101.1 | 101.0 |
| Percentage Change | 0.92 | 15.37 | 10.68 | 4.41 | 15.93 | 3.15 | 13.51 | 5.31 | 2.52 | 3.01 | -14.04 | -0.13 |
| GOVERNMENT | 353.2 | 356.9 | 362.0 | 370.7 | 373.1 | 381.6 | 380.3 | 385.5 | 390.2 | 399.0 | 403.2 | 409.4 |
| Percentage Change | 0.49 | 1.05 | 1.43 | 2.42 | 0.66 | 2.28 | -0.35 | 1.38 | 1.20 | 2.27 | 1.04 | 1.55 |
| FEDERAL, CIVILIAN | 61.7 | 58.4 | 55.7 | 55.3 | 54.4 | 54.1 | 51.8 | 50.8 | 51.2 | 53.6 | 51.5 | 51.9 |
| Percentage Change | -3.03 | -5.38 | -4.58 | -0.76 | -1.57 | -0.47 | -4.31 | -1.87 | 0.77 | 4.72 | -3.98 | 0.76 |
| STATE & LOCAL | 291.5 | 298.5 | 306.3 | 315.5 | 318.8 | 327.5 | 328.5 | 334.7 | 338.9 | 345.4 | 351.7 | 357.5 |
| Percentage Change | 1.27 | 2.41 | 2.60 | 3.00 | 1.05 | 2.75 | 0.30 | 1.89 | 1.26 | 1.90 | 1.82 | 1.66 |

Center for Business and Economic Research, The University of Tennessee — Tennessee Econometric Model

**Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Forecast Data | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| TOTAL DURABLE GOODS | 251.6 | 252.1 | 256.3 | 260.1 | 264.4 | 268.8 | 273.0 | 277.7 | 281.9 | 286.1 | 290.5 |
| Percentage Change | -0.03 | 0.00 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.01 | 0.02 |
| WOOD PRODUCTS | 17.4 | 17.3 | 17.2 | 17.4 | 17.9 | 18.0 | 18.2 | 18.4 | 18.5 | 18.8 | 19.1 |
| Percentage Change | -0.01 | 0.00 | -0.01 | 0.01 | 0.03 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 |
| NONMETALLIC MINERAL PRODUCTS | 14.6 | 14.5 | 14.9 | 15.5 | 15.8 | 16.1 | 16.0 | 16.2 | 16.4 | 16.4 | 16.5 |
| Percentage Change | -0.01 | -0.01 | 0.03 | 0.04 | 0.02 | 0.01 | 0.00 | 0.01 | 0.02 | 0.00 | 0.01 |
| PRIMARY METALS | 11.9 | 11.5 | 11.8 | 11.9 | 11.9 | 11.9 | 11.9 | 12.0 | 12.0 | 12.1 | 12.1 |
| Percentage Change | -0.06 | -0.03 | 0.02 | 0.01 | -0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FABRICATED METAL PRODUCTS | 41.0 | 40.4 | 40.1 | 40.1 | 40.2 | 40.6 | 41.0 | 41.2 | 41.2 | 41.3 | 41.4 |
| Percentage Change | -0.01 | -0.01 | -0.01 | 0.00 | 0.00 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 |
| MACHINERY | 33.1 | 35.0 | 37.9 | 40.6 | 42.8 | 45.1 | 47.5 | 50.3 | 52.8 | 55.4 | 58.0 |
| Percentage Change | -0.08 | 0.06 | 0.08 | 0.07 | 0.05 | 0.05 | 0.05 | 0.06 | 0.05 | 0.05 | 0.05 |
| COMPUTER & ELECTRONIC PRODUCTS | 12.2 | 12.5 | 12.3 | 12.3 | 12.3 | 12.4 | 12.4 | 12.4 | 12.5 | 12.5 | 12.5 |
| Percentage Change | -0.07 | 0.03 | -0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 23.3 | 23.5 | 24.4 | 24.8 | 25.2 | 25.6 | 26.0 | 26.5 | 26.9 | 27.4 | 27.8 |
| Percentage Change | -0.06 | 0.01 | 0.04 | 0.02 | 0.02 | 0.02 | 0.01 | 0.02 | 0.01 | 0.02 | 0.01 |
| TRANSPORTATION EQUIPMENT | 60.6 | 60.2 | 60.1 | 60.0 | 60.9 | 61.9 | 62.8 | 63.6 | 64.3 | 65.0 | 65.8 |
| Percentage Change | 0.00 | -0.01 | 0.00 | 0.00 | 0.02 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 |
| FURNITURE | 20.3 | 19.7 | 19.4 | 19.3 | 19.1 | 19.0 | 18.9 | 18.8 | 18.8 | 18.7 | 18.7 |
| Percentage Change | -0.04 | -0.03 | -0.01 | -0.01 | -0.01 | -0.01 | 0.00 | -0.01 | 0.00 | -0.01 | 0.00 |
| MISCELLANEOUS DURABLE GOODS | 17.2 | 17.5 | 18.1 | 18.2 | 18.2 | 18.3 | 18.3 | 18.4 | 18.4 | 18.5 | 18.6 |
| Percentage Change | 0.00 | 0.01 | 0.04 | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONDURABLE GOODS | 231.3 | 232.4 | 231.1 | 229.8 | 226.4 | 211.0 | 206.0 | 201.6 | 193.4 | 187.4 | 177.1 | 167.7 |
| Percentage Change | -3.28 | 0.48 | -0.57 | -0.54 | -1.48 | -6.80 | -2.39 | -2.10 | -4.10 | -3.08 | -5.53 | -5.26 |
| FOOD | 33.6 | 32.9 | 33.3 | 33.2 | 32.5 | 31.3 | 31.7 | 33.2 | 34.1 | 34.4 | 35.8 | 36.1 |
| Percentage Change | -2.85 | -2.09 | 1.22 | -0.15 | -1.98 | -3.71 | 1.06 | 4.68 | 2.79 | 0.86 | 4.22 | 0.67 |
| BEVERAGE & TOBACCO | 5.5 | 5.4 | 5.7 | 5.9 | 6.0 | 6.0 | 6.1 | 6.5 | 6.6 | 6.7 | 6.5 | 6.4 |
| Percentage Change | -14.19 | -1.52 | 5.86 | 2.18 | 2.56 | 0.42 | 1.94 | 6.24 | 1.15 | 1.39 | -2.74 | -2.18 |
| TEXTILE MILLS | 14.0 | 14.3 | 14.6 | 15.4 | 14.8 | 13.6 | 13.2 | 13.0 | 12.0 | 11.3 | 9.5 | 8.0 |
| Percentage Change | 2.38 | 1.91 | 2.40 | 5.14 | -3.91 | -7.51 | -3.05 | -1.76 | -7.63 | -5.56 | -16.40 | -15.83 |
| TEXTILE PRODUCT MILLS | 4.9 | 4.6 | 4.7 | 4.7 | 4.6 | 4.5 | 4.8 | 4.9 | 4.3 | 4.1 | 4.1 | 3.7 |
| Percentage Change | -8.98 | -5.78 | 1.08 | 1.61 | -3.34 | -1.27 | 6.63 | 1.73 | -11.71 | -6.15 | 0.61 | -8.96 |
| APPAREL | 57.9 | 57.6 | 55.5 | 51.2 | 48.7 | 39.7 | 35.1 | 29.5 | 23.4 | 18.8 | 15.1 | 11.6 |
| Percentage Change | -6.66 | -0.52 | -3.73 | -7.74 | -4.89 | -18.44 | -11.59 | -16.01 | -20.55 | -19.57 | -19.82 | -23.51 |
| PAPER | 19.9 | 20.5 | 20.7 | 20.9 | 20.9 | 20.7 | 21.1 | 21.0 | 21.4 | 21.3 | 21.1 | 20.1 |
| Percentage Change | 1.27 | 3.36 | 0.97 | 0.76 | 0.24 | -1.04 | 1.81 | -0.32 | 1.86 | -0.62 | -0.94 | -4.66 |
| PRINTING & RELATED SUPPORT | 23.7 | 23.5 | 24.4 | 25.0 | 25.2 | 24.3 | 24.1 | 25.1 | 24.5 | 23.6 | 22.2 | 20.5 |
| Percentage Change | -4.32 | -0.53 | 3.61 | 2.63 | 0.60 | -3.51 | -0.69 | 3.87 | -2.20 | -3.88 | -5.59 | -7.87 |
| CHEMICALS | 36.6 | 37.1 | 36.8 | 35.6 | 35.5 | 34.6 | 34.1 | 32.5 | 31.4 | 30.8 | 29.0 | 28.2 |
| Percentage Change | -1.26 | 1.46 | -0.67 | -3.48 | -0.14 | -2.58 | -1.52 | -4.55 | -3.31 | -1.96 | -5.79 | -2.90 |
| PLASTICS & RUBBER | 26.3 | 27.3 | 28.1 | 30.3 | 31.6 | 30.8 | 31.0 | 31.6 | 31.5 | 32.4 | 30.3 | 30.3 |
| Percentage Change | 2.34 | 3.84 | 3.21 | 7.58 | 4.29 | -2.38 | 0.54 | 1.80 | -0.26 | 2.81 | -6.31 | -0.03 |
| MISCELLANEOUS NONDURABLE GOODS | 9.1 | 9.2 | 7.3 | 7.8 | 6.7 | 5.4 | 4.7 | 4.4 | 4.1 | 4.1 | 3.4 | 3.0 |
| Percentage Change | -9.59 | 1.28 | -21.21 | 6.76 | -13.95 | -19.58 | -11.78 | -6.33 | -7.32 | 0.00 | -17.61 | -12.29 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | 2183.7 | 2244.9 | 2328.4 | 2422.8 | 2498.7 | 2533.3 | 2584.0 | 2638.5 | 2685.4 | 2729.0 | 2688.6 | 2667.2 |
| Percentage Change | -0.44 | 2.81 | 3.72 | 4.05 | 3.14 | 1.38 | 2.00 | 2.11 | 1.78 | 1.62 | -1.48 | -0.80 |
| NATURAL RESOURCES & MINING | 5.7 | 5.2 | 5.1 | 5.0 | 5.2 | 5.4 | 5.3 | 5.3 | 5.1 | 5.1 | 4.9 | 4.6 |
| Percentage Change | -10.25 | -7.89 | -2.66 | -0.58 | 4.01 | 2.37 | -1.55 | -0.15 | -2.68 | 0.18 | -4.24 | -7.63 |
| CONSTRUCTION | 88.5 | 90.5 | 95.7 | 101.9 | 109.7 | 113.8 | 118.1 | 121.4 | 123.1 | 125.7 | 120.3 | 114.6 |
| Percentage Change | -6.19 | 2.33 | 5.71 | 6.51 | 7.66 | 3.72 | 3.81 | 2.79 | 1.39 | 2.12 | -4.29 | -4.76 |
| MANUFACTURING | 480.3 | 492.9 | 502.9 | 513.9 | 518.1 | 501.5 | 498.0 | 498.6 | 494.7 | 488.1 | 454.2 | 426.6 |
| Percentage Change | -2.66 | 2.61 | 2.03 | 2.19 | 0.81 | -3.19 | -0.70 | 0.12 | -0.78 | -1.35 | -6.93 | -6.07 |
| DURABLE GOODS | 249.0 | 260.5 | 271.8 | 284.0 | 291.6 | 290.5 | 292.0 | 297.0 | 301.4 | 300.6 | 277.2 | 258.9 |
| Percentage Change | -2.07 | 4.59 | 4.35 | 4.50 | 2.67 | -0.38 | 0.54 | 1.69 | 1.47 | -0.24 | -7.81 | -6.58 |
| NONDURABLE GOODS | 231.3 | 232.4 | 231.1 | 229.9 | 226.5 | 211.1 | 206.0 | 201.7 | 193.4 | 187.4 | 177.1 | 167.7 |
| Percentage Change | -3.28 | 0.47 | -0.57 | -0.53 | -1.48 | -6.80 | -2.41 | -2.10 | -4.10 | -3.08 | -5.54 | -5.27 |
| TRADE, TRANSPORTATION, UTILITIES | 474.9 | 480.2 | 493.5 | 515.2 | 529.5 | 540.8 | 551.9 | 564.2 | 578.2 | 586.2 | 590.3 | 575.3 |
| Percentage Change | -1.02 | 1.12 | 2.77 | 4.40 | 2.77 | 2.14 | 2.05 | 2.23 | 2.48 | 1.38 | 0.69 | -2.53 |
| WHOLESALE TRADE | 113.3 | 113.0 | 114.5 | 118.9 | 122.6 | 123.9 | 128.1 | 130.7 | 131.8 | 131.2 | 127.5 | 126.2 |
| Percentage Change | -0.78 | -0.24 | 1.29 | 3.87 | 3.09 | 1.10 | 3.33 | 2.08 | 0.81 | -0.47 | -2.79 | -1.03 |
| RETAIL TRADE | 259.7 | 261.1 | 268.0 | 279.5 | 289.9 | 297.0 | 302.3 | 306.4 | 311.8 | 316.4 | 319.3 | 311.3 |
| Percentage Change | -1.94 | 0.53 | 2.63 | 4.28 | 3.75 | 2.43 | 1.80 | 1.35 | 1.77 | 1.45 | 0.92 | -2.48 |
| TRANSPORTATION & UTILITIES | 101.9 | 106.1 | 111.0 | 116.9 | 117.0 | 119.9 | 121.5 | 127.1 | 134.6 | 138.7 | 143.5 | 137.8 |
| Percentage Change | 1.15 | 4.14 | 4.66 | 5.26 | 0.10 | 2.50 | 1.36 | 4.55 | 5.91 | 3.05 | 3.47 | -3.97 |
| INFORMATION | 43.4 | 43.0 | 44.6 | 45.7 | 45.7 | 48.2 | 49.2 | 51.2 | 52.9 | 54.8 | 55.4 | 53.4 |
| Percentage Change | -2.36 | -0.92 | 3.71 | 2.53 | 0.07 | 5.45 | 2.16 | 3.93 | 3.27 | 3.60 | 1.25 | -3.71 |
| FINANCIAL ACTIVITIES | 111.1 | 111.7 | 115.1 | 119.1 | 122.6 | 127.7 | 131.5 | 136.6 | 140.4 | 139.3 | 138.5 | 138.5 |
| Percentage Change | -1.27 | 0.50 | 3.08 | 3.50 | 2.96 | 4.12 | 2.96 | 3.89 | 2.79 | -0.82 | -0.55 | 0.01 |
| PROF & BUSINESS SERVICES | 169.8 | 183.4 | 199.2 | 219.4 | 232.6 | 242.5 | 256.7 | 268.2 | 287.5 | 301.1 | 299.2 | 307.3 |
| Percentage Change | 2.54 | 8.06 | 8.62 | 10.13 | 6.00 | 4.26 | 5.87 | 4.47 | 7.19 | 4.73 | -0.63 | 2.71 |
| EDUC & HEALTH SERVICES | 218.7 | 229.3 | 239.6 | 247.2 | 256.9 | 260.2 | 267.2 | 272.7 | 272.5 | 278.9 | 285.8 | 298.2 |
| Percentage Change | 5.05 | 4.84 | 4.49 | 3.18 | 3.95 | 1.27 | 2.68 | 2.06 | -0.06 | 2.34 | 2.49 | 4.34 |
| LEISURE & HOSPITALITY | 179.8 | 184.6 | 196.3 | 206.8 | 214.9 | 218.4 | 219.9 | 223.4 | 226.6 | 233.3 | 235.5 | 238.2 |
| Percentage Change | 0.25 | 2.67 | 6.31 | 5.37 | 3.93 | 1.59 | 0.72 | 1.56 | 1.44 | 2.98 | 0.95 | 1.14 |
| OTHER SERVICES | 58.4 | 67.3 | 74.6 | 77.9 | 90.3 | 93.1 | 105.7 | 111.3 | 114.2 | 117.5 | 101.1 | 101.0 |
| Percentage Change | 0.82 | 15.27 | 10.84 | 4.33 | 15.96 | 3.13 | 13.53 | 5.32 | 2.53 | 2.96 | -13.96 | -0.15 |
| GOVERNMENT | 353.2 | 356.8 | 361.9 | 370.6 | 373.1 | 381.7 | 380.3 | 385.6 | 390.2 | 399.0 | 403.2 | 409.4 |
| Percentage Change | 0.50 | 1.03 | 1.43 | 2.40 | 0.67 | 2.29 | -0.34 | 1.39 | 1.19 | 2.26 | 1.05 | 1.54 |
| FEDERAL, CIVILIAN | 61.7 | 58.4 | 55.7 | 55.3 | 54.4 | 54.1 | 51.8 | 50.9 | 51.2 | 53.6 | 51.5 | 51.9 |
| Percentage Change | -3.00 | -5.37 | -4.58 | -0.77 | -1.58 | -0.48 | -4.31 | -1.84 | 0.76 | 4.68 | -3.94 | 0.76 |
| STATE & LOCAL | 291.5 | 298.5 | 306.2 | 315.4 | 318.7 | 327.5 | 328.5 | 334.8 | 339.0 | 345.4 | 351.7 | 357.5 |
| Percentage Change | 1.27 | 2.39 | 2.61 | 2.98 | 1.06 | 2.76 | 0.31 | 1.90 | 1.26 | 1.89 | 1.83 | 1.65 |
| STATISTICAL DISCREPANCY (%) | 0.00 | 0.00 | 0.00 | -0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -0.01 | -0.02 |

**Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL DURABLE GOODS | 249.0 | 260.5 | 271.8 | 284.0 | 291.6 | 290.5 | 292.0 | 297.0 | 301.4 | 300.6 | 277.2 | 258.9 |
| Percentage Change | -2.07 | 4.59 | 4.35 | 4.50 | 2.67 | -0.38 | 0.54 | 1.69 | 1.47 | -0.24 | -7.81 | -6.58 |
| WOOD PRODUCTS | 15.5 | 15.8 | 16.5 | 17.3 | 18.4 | 18.8 | 19.6 | 20.5 | 19.5 | 19.6 | 17.9 | 17.6 |
| Percentage Change | -6.78 | 2.47 | 4.36 | 4.47 | 6.80 | 2.03 | 4.10 | 4.88 | -4.96 | 0.45 | -8.97 | -1.60 |
| NONMETALLIC MINERAL PRODUCTS | 13.6 | 13.8 | 15.0 | 15.7 | 15.8 | 15.6 | 15.4 | 15.4 | 15.9 | 16.2 | 15.7 | 14.8 |
| Percentage Change | -2.58 | 1.65 | 8.20 | 4.79 | 0.38 | -1.12 | -0.91 | 0.10 | 3.06 | 1.74 | -3.29 | -5.75 |
| PRIMARY METALS | 14.6 | 14.7 | 14.7 | 15.4 | 15.7 | 16.1 | 16.5 | 17.0 | 17.6 | 17.3 | 15.3 | 12.7 |
| Percentage Change | -2.82 | 0.81 | -0.28 | 4.60 | 2.01 | 2.49 | 2.79 | 3.27 | 3.32 | -1.66 | -11.68 | -16.67 |
| FABRICATED METAL PRODUCTS | 45.3 | 45.6 | 46.4 | 46.8 | 45.9 | 45.9 | 45.7 | 45.3 | 45.6 | 45.0 | 43.2 | 41.4 |
| Percentage Change | 0.50 | 0.69 | 1.73 | 0.81 | -1.92 | -0.10 | -0.31 | -0.95 | 0.69 | -1.28 | -4.02 | -4.25 |
| MACHINERY | 28.2 | 31.1 | 31.9 | 34.4 | 36.9 | 37.8 | 39.2 | 41.4 | 42.8 | 43.1 | 39.8 | 36.0 |
| Percentage Change | -4.55 | 10.37 | 2.30 | 7.97 | 7.36 | 2.24 | 3.90 | 5.47 | 3.54 | 0.60 | -7.56 | -9.59 |
| COMPUTER & ELECTRONIC PRODUCTS | 15.9 | 15.2 | 14.9 | 14.9 | 15.8 | 15.9 | 15.5 | 15.3 | 15.5 | 16.5 | 15.3 | 13.0 |
| Percentage Change | -5.25 | -4.48 | -1.59 | -0.01 | 5.93 | 0.64 | -2.34 | -1.66 | 1.67 | 6.47 | -7.45 | -14.85 |
| ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS | 24.5 | 25.3 | 26.3 | 28.4 | 29.2 | 29.1 | 29.3 | 29.8 | 29.8 | 28.9 | 26.3 | 24.6 |
| Percentage Change | -3.80 | 3.30 | 3.75 | 8.15 | 2.90 | -0.50 | 0.78 | 1.74 | 0.01 | -3.15 | -8.74 | -6.55 |
| TRANSPORTATION EQUIPMENT | 46.6 | 52.6 | 57.3 | 61.4 | 64.2 | 62.6 | 63.5 | 65.4 | 67.8 | 67.8 | 62.3 | 60.4 |
| Percentage Change | 3.86 | 12.82 | 8.93 | 7.15 | 4.68 | -2.60 | 1.44 | 3.09 | 3.69 | 0.00 | -8.15 | -3.05 |
| FURNITURE | 27.6 | 28.3 | 30.0 | 30.6 | 29.9 | 29.1 | 27.6 | 27.4 | 27.6 | 27.3 | 23.6 | 21.2 |
| Percentage Change | -3.30 | 2.33 | 5.98 | 2.19 | -2.48 | -2.76 | -5.18 | -0.53 | 0.74 | -1.09 | -13.44 | -10.20 |
| MISCELLANEOUS DURABLE GOODS | 17.2 | 18.0 | 18.9 | 19.2 | 19.8 | 19.8 | 19.7 | 19.4 | 19.1 | 18.8 | 17.7 | 17.1 |
| Percentage Change | -6.48 | 4.45 | 5.28 | 1.52 | 3.00 | 0.32 | -0.51 | -1.83 | -1.55 | -1.25 | -6.02 | -3.11 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs)** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONDURABLE GOODS | 231.3 | 232.4 | 231.1 | 229.9 | 226.5 | 211.1 | 206.0 | 201.7 | 193.4 | 187.4 | 177.1 | 167.7 |
| Percentage Change | -3.28 | 0.47 | -0.57 | -0.53 | -1.48 | -6.80 | -2.41 | -2.10 | -4.10 | -3.08 | -5.54 | -5.27 |
| FOOD | 33.6 | 32.8 | 33.3 | 33.2 | 32.6 | 31.3 | 31.7 | 33.1 | 34.1 | 34.4 | 35.8 | 36.1 |
| Percentage Change | -2.84 | -2.10 | 1.23 | -0.14 | -1.97 | -3.71 | 1.03 | 4.68 | 2.79 | 0.86 | 4.22 | 0.68 |
| BEVERAGE & TOBACCO | 5.5 | 5.4 | 5.7 | 5.9 | 6.0 | 6.0 | 6.1 | 6.5 | 6.6 | 6.7 | 6.5 | 6.4 |
| Percentage Change | -14.18 | -1.50 | 5.87 | 2.17 | 2.55 | 0.38 | 1.92 | 6.21 | 1.14 | 1.39 | -2.73 | -2.17 |
| TEXTILE MILLS | 14.0 | 14.3 | 14.6 | 15.3 | 14.7 | 13.6 | 13.2 | 13.0 | 12.0 | 11.3 | 9.5 | 8.0 |
| Percentage Change | 2.38 | 1.90 | 2.39 | 5.14 | -3.90 | -7.51 | -3.05 | -1.74 | -7.62 | -5.55 | -16.42 | -15.86 |
| TEXTILE PRODUCT MILLS | 4.9 | 4.6 | 4.7 | 4.7 | 4.6 | 4.5 | 4.8 | 4.9 | 4.3 | 4.1 | 4.1 | 3.7 |
| Percentage Change | -8.98 | -5.78 | 1.09 | 1.62 | -3.35 | -1.28 | 6.62 | 1.71 | -11.73 | -6.16 | 0.63 | -8.93 |
| APPAREL | 57.9 | 57.6 | 55.5 | 51.2 | 48.7 | 39.7 | 35.1 | 29.5 | 23.4 | 18.8 | 15.1 | 11.5 |
| Percentage Change | -6.67 | -0.51 | -3.73 | -7.74 | -4.87 | -18.45 | -11.59 | -16.00 | -20.54 | -19.59 | -19.83 | -23.53 |
| PAPER | 19.9 | 20.5 | 20.7 | 20.9 | 20.9 | 20.7 | 21.1 | 21.0 | 21.4 | 21.3 | 21.1 | 20.1 |
| Percentage Change | 1.27 | 3.36 | 0.97 | 0.76 | 0.25 | -1.04 | 1.80 | -0.30 | 1.87 | -0.63 | -0.92 | -4.67 |
| PRINTING & RELATED SUPPORT | 23.7 | 23.5 | 24.4 | 25.0 | 25.2 | 24.3 | 24.1 | 25.1 | 24.5 | 23.6 | 22.2 | 20.5 |
| Percentage Change | -4.31 | -0.53 | 3.61 | 2.64 | 0.62 | -3.47 | -0.72 | 3.88 | -2.21 | -3.87 | -5.61 | -7.88 |
| CHEMICALS | 36.6 | 37.1 | 36.8 | 35.6 | 35.5 | 34.6 | 34.1 | 32.5 | 31.4 | 30.8 | 29.0 | 28.2 |
| Percentage Change | -1.25 | 1.46 | -0.68 | -3.49 | -0.14 | -2.58 | -1.52 | -4.56 | -3.30 | -1.96 | -5.78 | -2.89 |
| PLASTICS & RUBBER | 26.3 | 27.3 | 28.1 | 30.3 | 31.6 | 30.8 | 31.0 | 31.6 | 31.5 | 32.4 | 30.3 | 30.3 |
| Percentage Change | 2.35 | 3.83 | 3.22 | 7.57 | 4.28 | -2.38 | 0.54 | 1.81 | -0.27 | 2.81 | -6.32 | -0.03 |
| MISCELLANEOUS NONDURABLE GOODS | 9.1 | 9.2 | 7.3 | 7.8 | 6.7 | 5.4 | 4.8 | 4.4 | 4.1 | 4.1 | 3.4 | 3.0 |
| Percentage Change | -9.66 | 1.25 | -21.26 | 7.04 | -14.00 | -19.61 | -11.78 | -6.45 | -7.28 | -0.02 | -17.64 | -12.28 |

**Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (1996** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | -- | -- | -- | -- | -- | -- | -- | -- | 29221 | 29675 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.55 |
| NATURAL RESOURCES & MINING | -- | -- | -- | -- | -- | -- | -- | -- | 32597 | 31605 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -3.04 |
| CONSTRUCTION | -- | -- | -- | -- | -- | -- | -- | -- | 32960 | 32830 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -0.39 |
| MANUFACTURING | -- | -- | -- | -- | -- | -- | -- | -- | 33917 | 35096 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.48 |
| DURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 33630 | 34764 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.37 |
| NONDURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 34369 | 35607 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.60 |
| TRADE, TRANSPORTATION, UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 28061 | 28691 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.25 |
| WHOLESALE TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 38780 | 39587 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.08 |
| RETAIL TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 20760 | 21061 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.45 |
| TRANSPORTATION & UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 34774 | 35949 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.38 |
| INFORMATION | -- | -- | -- | -- | -- | -- | -- | -- | 35473 | 35850 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.06 |
| FINANCIAL ACTIVITIES | -- | -- | -- | -- | -- | -- | -- | -- | 40142 | 40325 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.46 |
| PROF & BUSINESS SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 30667 | 30468 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -0.65 |
| EDUC & HEALTH SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 31465 | 32125 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.10 |
| LEISURE & HOSPITALITY | -- | -- | -- | -- | -- | -- | -- | -- | 13616 | 14144 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.87 |
| OTHER SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 23583 | 23729 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.62 |
| GOVERNMENT | -- | -- | -- | -- | -- | -- | -- | -- | 27764 | 28251 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.75 |
| FEDERAL, CIVILIAN | -- | -- | -- | -- | -- | -- | -- | -- | 43347 | 43741 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.91 |
| STATE & LOCAL | -- | -- | -- | -- | -- | -- | -- | -- | 25481 | 26003 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.05 |

**Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | -- | -- | -- | -- | -- | -- | -- | -- | 29220 | 29661 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.51 |
| NATURAL RESOURCES & MINING | -- | -- | -- | -- | -- | -- | -- | -- | 32581 | 31602 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -3.01 |
| CONSTRUCTION | -- | -- | -- | -- | -- | -- | -- | -- | 32951 | 32740 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -0.64 |
| MANUFACTURING | -- | -- | -- | -- | -- | -- | -- | -- | 33919 | 35096 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.47 |
| DURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 33632 | 34765 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.37 |
| NONDURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 34370 | 35609 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.60 |
| TRADE, TRANSPORTATION, UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 28058 | 28687 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.24 |
| WHOLESALE TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 38782 | 39588 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.08 |
| RETAIL TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 20753 | 21056 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.46 |
| TRANSPORTATION & UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 34782 | 35950 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.36 |
| INFORMATION | -- | -- | -- | -- | -- | -- | -- | -- | 35469 | 35981 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.44 |
| FINANCIAL ACTIVITIES | -- | -- | -- | -- | -- | -- | -- | -- | 40140 | 40376 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.59 |
| PROF & BUSINESS SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 30665 | 30382 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -0.92 |
| EDUC & HEALTH SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 31464 | 32093 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.00 |
| LEISURE & HOSPITALITY | -- | -- | -- | -- | -- | -- | -- | -- | 13599 | 14120 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.83 |
| OTHER SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 23579 | 23722 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.61 |
| GOVERNMENT | -- | -- | -- | -- | -- | -- | -- | -- | 27749 | 28238 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.76 |
| FEDERAL, CIVILIAN | -- | -- | -- | -- | -- | -- | -- | -- | 43341 | 43736 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.91 |
| STATE & LOCAL | -- | -- | -- | -- | -- | -- | -- | -- | 25465 | 25988 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.05 |

**Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars)** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | -- | -- | -- | -- | -- | -- | -- | -- | 32016 | 32956 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.94 |
| NATURAL RESOURCES & MINING | -- | -- | -- | -- | -- | -- | -- | -- | 35716 | 35099 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -1.73 |
| CONSTRUCTION | -- | -- | -- | -- | -- | -- | -- | -- | 36110 | 36455 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.96 |
| MANUFACTURING | -- | -- | -- | -- | -- | -- | -- | -- | 37161 | 38979 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.89 |
| DURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 36848 | 38610 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.78 |
| NONDURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 37656 | 39548 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.03 |
| TRADE, TRANSPORTATION, UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 30744 | 31864 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.64 |
| WHOLESALE TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 42489 | 43965 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.47 |
| RETAIL TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 22745 | 23390 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.84 |
| TRANSPORTATION & UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 38100 | 39924 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.79 |
| INFORMATION | -- | -- | -- | -- | -- | -- | -- | -- | 38865 | 39816 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.45 |
| FINANCIAL ACTIVITIES | -- | -- | -- | -- | -- | -- | -- | -- | 43982 | 44787 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.83 |
| PROF & BUSINESS SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 33600 | 33833 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.69 |
| EDUC & HEALTH SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 34474 | 35680 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.50 |
| LEISURE & HOSPITALITY | -- | -- | -- | -- | -- | -- | -- | -- | 14918 | 15706 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.28 |
| OTHER SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 25838 | 26353 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.99 |
| GOVERNMENT | -- | -- | -- | -- | -- | -- | -- | -- | 30420 | 31377 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.15 |
| FEDERAL, CIVILIAN | -- | -- | -- | -- | -- | -- | -- | -- | 47492 | 48579 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.29 |
| STATE & LOCAL | -- | -- | -- | -- | -- | -- | -- | -- | 27919 | 28880 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.44 |

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars)** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL NONFARM | -- | -- | -- | -- | -- | -- | -- | -- | 32015 | 32943 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.90 |
| NATURAL RESOURCES & MINING | -- | -- | -- | -- | -- | -- | -- | -- | 35699 | 35098 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | -1.68 |
| CONSTRUCTION | -- | -- | -- | -- | -- | -- | -- | -- | 36102 | 36361 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.72 |
| MANUFACTURING | -- | -- | -- | -- | -- | -- | -- | -- | 37164 | 38980 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.89 |
| DURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 36850 | 38611 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.78 |
| NONDURABLE GOODS | -- | -- | -- | -- | -- | -- | -- | -- | 37658 | 39551 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.03 |
| TRADE, TRANSPORTATION, UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 30742 | 31861 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.64 |
| WHOLESALE TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 42490 | 43966 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.47 |
| RETAIL TRADE | -- | -- | -- | -- | -- | -- | -- | -- | 22738 | 23386 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.85 |
| TRANSPORTATION & UTILITIES | -- | -- | -- | -- | -- | -- | -- | -- | 38110 | 39928 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 4.77 |
| INFORMATION | -- | -- | -- | -- | -- | -- | -- | -- | 38861 | 39962 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.83 |
| FINANCIAL ACTIVITIES | -- | -- | -- | -- | -- | -- | -- | -- | 43980 | 44844 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.96 |
| PROF & BUSINESS SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 33599 | 33739 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.42 |
| EDUC & HEALTH SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 34474 | 35644 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.39 |
| LEISURE & HOSPITALITY | -- | -- | -- | -- | -- | -- | -- | -- | 14900 | 15681 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.24 |
| OTHER SERVICES | -- | -- | -- | -- | -- | -- | -- | -- | 25835 | 26348 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1.99 |
| GOVERNMENT | -- | -- | -- | -- | -- | -- | -- | -- | 30403 | 31362 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.15 |
| FEDERAL, CIVILIAN | -- | -- | -- | -- | -- | -- | -- | -- | 47485 | 48571 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2.29 |
| STATE & LOCAL | -- | -- | -- | -- | -- | -- | -- | -- | 27901 | 28864 |
| Percentage Change | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3.45 |

**Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| CIVILIAN LABOR FORCE (THOUS)………. | 2421 | 2455 | 2500 | 2665 | 2701 | 2744 | 2711 | 2760 | 2816 | 2831 | 2860 | 2926 |
| Percentage Change…………………. | 1.41 | 1.42 | 1.83 | 6.56 | 1.36 | 1.60 | -1.20 | 1.79 | 2.03 | 0.56 | 1.01 | 2.32 |
| EMPLOYED PERSONS (THOUS)…….. | 2258 | 2298 | 2357 | 2537 | 2561 | 2603 | 2565 | 2644 | 2702 | 2721 | 2733 | 2776 |
| Percentage Change…………………. | -0.15 | 1.76 | 2.57 | 7.66 | 0.93 | 1.64 | -1.46 | 3.08 | 2.21 | 0.70 | 0.46 | 1.57 |
| UNEMPLOYED PERSONS (THOUS)…. | 163 | 158 | 144 | 127 | 140 | 141 | 146 | 116 | 113 | 110 | 126 | 150 |
| Percentage Change…………………. | 29.45 | -3.20 | -8.84 | -11.33 | 9.94 | 0.87 | 3.46 | -20.87 | -2.04 | -2.61 | 14.57 | 18.48 |
| PARTICIPATION RATE (PERCENT)……… | 62.7 | 62.8 | 63.1 | 66.2 | 66.1 | 66.1 | 64.4 | 64.8 | 65.1 | 63.7 | 63.4 | 64.1 |
| Percentage Change…………………. | -0.06 | 0.20 | 0.45 | 4.94 | -0.26 | 0.00 | -2.53 | 0.66 | 0.52 | -2.29 | -0.40 | 1.06 |
| UNEMPLOYMENT RATE (PERCENT)……. | 6.7 | 6.4 | 5.8 | 4.8 | 5.2 | 5.2 | 5.4 | 4.2 | 4.0 | 3.9 | 4.4 | 5.1 |

**Center for Business and Economic Research, The University of Tennessee** **Tennessee Econometric Model**

**Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted** **December 2003**

| | Historical Data | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| CIVILIAN LABOR FORCE (THOUS)................. | 2422 | 2457 | 2496 | 2654 | 2703 | 2749 | 2712 | 2760 | 2816 | 2832 | 2860 | 2926 |
| Percentage Change.............................. | 1.44 | 1.47 | 1.57 | 6.33 | 1.84 | 1.73 | -1.35 | 1.75 | 2.03 | 0.56 | 1.01 | 2.32 |
| EMPLOYED PERSONS (THOUS)................ | 2259 | 2299 | 2352 | 2527 | 2562 | 2608 | 2566 | 2644 | 2702 | 2721 | 2733 | 2776 |
| Percentage Change.............................. | -0.13 | 1.81 | 2.30 | 7.42 | 1.41 | 1.77 | -1.60 | 3.04 | 2.21 | 0.70 | 0.46 | 1.57 |
| UNEMPLOYED PERSONS (THOUS)........... | 163 | 158 | 144 | 127 | 140 | 142 | 146 | 116 | 113 | 110 | 127 | 150 |
| Percentage Change.............................. | 29.46 | -3.17 | -9.10 | -11.57 | 10.46 | 0.98 | 3.30 | -20.87 | -1.98 | -2.58 | 14.58 | 18.43 |
| PARTICIPATION RATE (PERCENT)................ | 62.7 | 62.9 | 63.0 | 66.0 | 66.1 | 66.2 | 64.4 | 64.8 | 65.1 | 63.7 | 63.4 | 64.1 |
| Percentage Change.............................. | -0.04 | 0.25 | 0.19 | 4.71 | 0.21 | 0.12 | -2.67 | 0.62 | 0.52 | -2.29 | -0.40 | 1.06 |
| UNEMPLOYMENT RATE (PERCENT).............. | 6.7 | 6.4 | 5.8 | 4.8 | 5.2 | 5.1 | 5.4 | 4.2 | 4.0 | 3.9 | 4.4 | 5.1 |

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 1996 dollars) December 2003

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 52333 | 56162 | 59168 | 60666 | 64804 | 64417 | 69051 | 69449 | 67966 | 67328 |
| Percentage Change | 5.49 | 7.32 | 5.35 | 2.53 | 6.82 | -0.60 | 7.19 | 0.58 | -2.14 | -0.94 |
| AUTO DEALERS | 5799 | 6359 | 6710 | 6607 | 6529 | 6917 | 7748 | 7811 | 7865 | 7953 |
| Percentage Change | 15.11 | 9.65 | 5.52 | -1.53 | -1.18 | 5.94 | 12.02 | 0.82 | 0.69 | 1.12 |
| PURCHASES FROM MANUFACTURERS | 3308 | 3668 | 3902 | 4155 | 4287 | 4148 | 4038 | 3908 | 3605 | 3291 |
| Percentage Change | 1.33 | 10.90 | 6.39 | 6.46 | 3.19 | -3.24 | -2.64 | -3.22 | -7.77 | -8.69 |
| MISC DURABLE GOODS | 8086 | 9415 | 10132 | 10378 | 11685 | 10984 | 12250 | 12087 | 11278 | 11050 |
| Percentage Change | 7.62 | 16.43 | 7.62 | 2.42 | 12.60 | -6.00 | 11.53 | -1.33 | -6.69 | -2.02 |
| EATING AND DRINKING PLACES | 4185 | 4576 | 4789 | 4943 | 5115 | 5317 | 5595 | 5776 | 5882 | 5904 |
| Percentage Change | 1.75 | 9.33 | 4.66 | 3.21 | 3.49 | 3.94 | 5.23 | 3.24 | 1.83 | 0.38 |
| FOOD STORES | 6691 | 7156 | 7230 | 7307 | 7341 | 7366 | 7538 | 7572 | 7384 | 6844 |
| Percentage Change | -4.13 | 6.95 | 1.03 | 1.06 | 0.48 | 0.33 | 2.33 | 0.45 | -2.48 | -7.31 |
| LIQUOR STORES | 285 | 301 | 307 | 321 | 328 | 329 | 350 | 358 | 362 | 367 |
| Percentage Change | -6.92 | 5.74 | 1.97 | 4.48 | 2.30 | 0.20 | 6.49 | 2.12 | 1.28 | 1.31 |
| HOTELS AND MOTELS | 1538 | 1417 | 1438 | 1490 | 1598 | 1622 | 1672 | 1700 | 1627 | 1600 |
| Percentage Change | 16.00 | -7.87 | 1.45 | 3.65 | 7.24 | 1.50 | 3.09 | 1.65 | -4.29 | -1.66 |
| OTHER RETAIL AND SERVICE | 14645 | 15609 | 16583 | 17222 | 18026 | 18626 | 19719 | 19982 | 19518 | 19540 |
| Percentage Change | 6.14 | 6.59 | 6.24 | 3.86 | 4.67 | 3.33 | 5.87 | 1.34 | -2.32 | 0.11 |
| MISC NONDURABLE GOODS | 4443 | 4737 | 4901 | 4919 | 5397 | 5299 | 5884 | 5893 | 5745 | 5632 |
| Percentage Change | -1.54 | 6.61 | 3.48 | 0.37 | 9.70 | -1.82 | 11.04 | 0.16 | -2.51 | -1.96 |
| TRANSPORTATION, COMMUNICATION | 3353 | 2924 | 3175 | 3324 | 4497 | 3809 | 4257 | 4362 | 4699 | 5146 |
| Percentage Change | 21.47 | -12.79 | 8.58 | 4.70 | 35.28 | -15.29 | 11.74 | 2.46 | 7.74 | 9.50 |
| PER CAPITA ($) | 10267 | 10854 | 11268 | 11398 | 12033 | 11841 | 12507 | 12208 | 11809 | 11601 |
| Percentage Change | 3.98 | 5.71 | 3.82 | 1.16 | 5.57 | -1.59 | 5.63 | -2.39 | -3.27 | -1.77 |

Center for Business and Economic Research, The University of Tennessee Tennessee Econometric Model

**Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 1996 dollars)** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 52257 | 56093 | 59159 | 60658 | 64768 | 64301 | 69059 | 69521 | 68017 | 67359 |
| Percentage Change | 5.29 | 7.34 | 5.47 | 2.53 | 6.78 | -0.72 | 7.40 | 0.67 | -2.16 | -0.97 |
| AUTO DEALERS | 5798 | 6364 | 6703 | 6614 | 6537 | 6915 | 7740 | 7800 | 7888 | 7954 |
| Percentage Change | 14.77 | 9.76 | 5.34 | -1.33 | -1.17 | 5.78 | 11.94 | 0.77 | 1.13 | 0.84 |
| PURCHASES FROM MANUFACTURERS | 3303 | 3656 | 3906 | 4141 | 4288 | 4151 | 4048 | 3914 | 3613 | 3290 |
| Percentage Change | 1.01 | 10.68 | 6.84 | 6.00 | 3.57 | -3.21 | -2.47 | -3.32 | -7.69 | -8.93 |
| MISC DURABLE GOODS | 8068 | 9393 | 10141 | 10379 | 11668 | 10952 | 12254 | 12121 | 11280 | 11050 |
| Percentage Change | 7.21 | 16.42 | 7.96 | 2.35 | 12.42 | -6.13 | 11.88 | -1.08 | -6.94 | -2.04 |
| EATING AND DRINKING PLACES | 4183 | 4574 | 4790 | 4944 | 5120 | 5316 | 5599 | 5778 | 5883 | 5906 |
| Percentage Change | 1.64 | 9.34 | 4.73 | 3.22 | 3.55 | 3.83 | 5.32 | 3.20 | 1.82 | 0.38 |
| FOOD STORES | 6687 | 7153 | 7219 | 7297 | 7332 | 7351 | 7535 | 7573 | 7388 | 6861 |
| Percentage Change | -4.26 | 6.96 | 0.93 | 1.08 | 0.47 | 0.27 | 2.50 | 0.50 | -2.44 | -7.12 |
| LIQUOR STORES | 285 | 301 | 307 | 321 | 328 | 328 | 349 | 358 | 362 | 367 |
| Percentage Change | -6.94 | 5.68 | 2.10 | 4.38 | 2.25 | 0.04 | 6.41 | 2.58 | 1.12 | 1.39 |
| HOTELS AND MOTELS | 1535 | 1418 | 1440 | 1484 | 1596 | 1620 | 1674 | 1704 | 1630 | 1599 |
| Percentage Change | 16.18 | -7.64 | 1.58 | 3.06 | 7.55 | 1.49 | 3.33 | 1.78 | -4.36 | -1.86 |
| OTHER RETAIL AND SERVICE | 14604 | 15587 | 16576 | 17235 | 18028 | 18584 | 19722 | 20014 | 19528 | 19547 |
| Percentage Change | 5.92 | 6.73 | 6.35 | 3.97 | 4.60 | 3.08 | 6.12 | 1.48 | -2.43 | 0.10 |
| MISC NONDURABLE GOODS | 4440 | 4724 | 4899 | 4917 | 5386 | 5270 | 5891 | 5898 | 5758 | 5631 |
| Percentage Change | -1.48 | 6.39 | 3.71 | 0.35 | 9.56 | -2.17 | 11.80 | 0.13 | -2.38 | -2.22 |
| TRANSPORTATION, COMMUNICATION | 3354 | 2925 | 3177 | 3326 | 4485 | 3814 | 4247 | 4362 | 4687 | 5152 |
| Percentage Change | 21.46 | -12.79 | 8.61 | 4.69 | 34.85 | -14.95 | 11.35 | 2.71 | 7.45 | 9.93 |
| PER CAPITA ($) | 10255 | 10843 | 11269 | 11399 | 12028 | 11821 | 12513 | 12224 | 11820 | 11607 |
| Percentage Change | 3.78 | 5.74 | 3.93 | 1.16 | 5.52 | -1.72 | 5.85 | -2.31 | -3.31 | -1.80 |

**Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)** **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 49112 | 53778 | 57943 | 60689 | 66078 | 66389 | 72341 | 74595 | 74473 | 74793 |
| Percentage Change | 8.00 | 9.50 | 7.75 | 4.74 | 8.88 | 0.47 | 8.96 | 3.12 | -0.16 | 0.43 |
| AUTO DEALERS | 5440 | 6086 | 6569 | 6606 | 6656 | 7127 | 8114 | 8386 | 8618 | 8834 |
| Percentage Change | 17.86 | 11.87 | 7.93 | 0.56 | 0.76 | 7.07 | 13.85 | 3.36 | 2.76 | 2.50 |
| PURCHASES FROM MANUFACTURERS | 3104 | 3513 | 3821 | 4158 | 4371 | 4274 | 4230 | 4198 | 3950 | 3657 |
| Percentage Change | 3.76 | 13.18 | 8.77 | 8.80 | 5.14 | -2.22 | -1.04 | -0.76 | -5.91 | -7.42 |
| MISC DURABLE GOODS | 7588 | 9015 | 9922 | 10381 | 11915 | 11321 | 12833 | 12980 | 12358 | 12276 |
| Percentage Change | 10.20 | 18.81 | 10.05 | 4.63 | 14.77 | -4.99 | 13.36 | 1.14 | -4.79 | -0.67 |
| EATING AND DRINKING PLACES | 3927 | 4381 | 4689 | 4944 | 5215 | 5479 | 5860 | 6203 | 6445 | 6558 |
| Percentage Change | 4.18 | 11.56 | 7.04 | 5.43 | 5.49 | 5.06 | 6.96 | 5.86 | 3.89 | 1.75 |
| FOOD STORES | 6278 | 6850 | 7080 | 7308 | 7485 | 7591 | 7897 | 8133 | 8091 | 7601 |
| Percentage Change | -1.84 | 9.12 | 3.35 | 3.22 | 2.42 | 1.41 | 4.03 | 3.00 | -0.52 | -6.05 |
| LIQUOR STORES | 267 | 289 | 301 | 321 | 335 | 339 | 367 | 384 | 397 | 408 |
| Percentage Change | -4.72 | 7.90 | 4.29 | 6.73 | 4.25 | 1.28 | 8.28 | 4.69 | 3.29 | 2.73 |
| HOTELS AND MOTELS | 1444 | 1357 | 1408 | 1491 | 1630 | 1672 | 1752 | 1826 | 1783 | 1778 |
| Percentage Change | 18.71 | -6.00 | 3.73 | 5.91 | 9.29 | 2.59 | 4.80 | 4.22 | -2.38 | -0.28 |
| OTHER RETAIL AND SERVICE | 13748 | 14951 | 16244 | 17233 | 18383 | 19199 | 20663 | 21468 | 21389 | 21710 |
| Percentage Change | 8.66 | 8.75 | 8.65 | 6.09 | 6.67 | 4.44 | 7.63 | 3.90 | -0.37 | 1.50 |
| MISC NONDURABLE GOODS | 4170 | 4537 | 4801 | 4922 | 5504 | 5462 | 6165 | 6332 | 6295 | 6258 |
| Percentage Change | 0.79 | 8.80 | 5.82 | 2.53 | 11.82 | -0.76 | 12.87 | 2.70 | -0.58 | -0.59 |
| TRANSPORTATION, COMMUNICATION | 3146 | 2799 | 3109 | 3325 | 4584 | 3925 | 4460 | 4684 | 5149 | 5715 |
| Percentage Change | 24.43 | -11.01 | 11.05 | 6.95 | 37.89 | -14.37 | 13.61 | 5.03 | 9.93 | 11.00 |
| PER CAPITA ($) | 9635 | 10393 | 11035 | 11403 | 12269 | 12204 | 13103 | 13113 | 12940 | 12887 |
| Percentage Change | 6.46 | 7.86 | 6.18 | 3.34 | 7.60 | -0.54 | 7.37 | 0.08 | -1.32 | -0.41 |

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**Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars)** — **December 2003**

| | Historical Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| TOTAL TAXABLE SALES | 49026 | 53693 | 57917 | 60661 | 66030 | 66259 | 72328 | 74651 | 74521 | 74808 |
| Percentage Change | 7.81 | 9.52 | 7.87 | 4.74 | 8.85 | 0.35 | 9.16 | 3.21 | -0.17 | 0.39 |
| AUTO DEALERS | 5440 | 6091 | 6562 | 6613 | 6664 | 7125 | 8107 | 8375 | 8643 | 8835 |
| Percentage Change | 17.51 | 11.98 | 7.74 | 0.77 | 0.77 | 6.92 | 13.78 | 3.30 | 3.21 | 2.22 |
| PURCHASES FROM MANUFACTURERS | 3099 | 3500 | 3824 | 4142 | 4372 | 4276 | 4239 | 4202 | 3958 | 3654 |
| Percentage Change | 3.44 | 12.95 | 9.24 | 8.33 | 5.55 | -2.19 | -0.88 | -0.86 | -5.82 | -7.67 |
| MISC DURABLE GOODS | 7570 | 8992 | 9927 | 10380 | 11896 | 11287 | 12834 | 13013 | 12358 | 12272 |
| Percentage Change | 9.79 | 18.79 | 10.40 | 4.56 | 14.60 | -5.12 | 13.70 | 1.40 | -5.03 | -0.69 |
| EATING AND DRINKING PLACES | 3925 | 4378 | 4690 | 4945 | 5220 | 5478 | 5864 | 6205 | 6446 | 6559 |
| Percentage Change | 4.06 | 11.56 | 7.12 | 5.43 | 5.56 | 4.94 | 7.05 | 5.82 | 3.89 | 1.75 |
| FOOD STORES | 6272 | 6845 | 7068 | 7297 | 7474 | 7575 | 7892 | 8132 | 8094 | 7618 |
| Percentage Change | -1.98 | 9.13 | 3.26 | 3.24 | 2.42 | 1.35 | 4.18 | 3.04 | -0.47 | -5.88 |
| LIQUOR STORES | 267 | 288 | 301 | 321 | 335 | 338 | 366 | 385 | 397 | 408 |
| Percentage Change | -4.72 | 7.82 | 4.45 | 6.62 | 4.23 | 1.12 | 8.17 | 5.17 | 3.17 | 2.77 |
| HOTELS AND MOTELS | 1440 | 1357 | 1410 | 1485 | 1627 | 1669 | 1753 | 1830 | 1785 | 1776 |
| Percentage Change | 18.91 | -5.77 | 3.88 | 5.32 | 9.62 | 2.58 | 5.03 | 4.35 | -2.42 | -0.51 |
| OTHER RETAIL AND SERVICE | 13702 | 14919 | 16229 | 17235 | 18379 | 19150 | 20655 | 21492 | 21395 | 21709 |
| Percentage Change | 8.46 | 8.88 | 8.78 | 6.20 | 6.64 | 4.19 | 7.86 | 4.05 | -0.45 | 1.47 |
| MISC NONDURABLE GOODS | 4165 | 4522 | 4796 | 4917 | 5492 | 5431 | 6169 | 6334 | 6309 | 6254 |
| Percentage Change | 0.86 | 8.56 | 6.07 | 2.51 | 11.70 | -1.11 | 13.61 | 2.67 | -0.41 | -0.87 |
| TRANSPORTATION, COMMUNICATION | 3146 | 2800 | 3110 | 3326 | 4572 | 3930 | 4449 | 4684 | 5135 | 5722 |
| Percentage Change | 24.41 | -11.01 | 11.08 | 6.95 | 37.45 | -14.04 | 13.21 | 5.28 | 9.63 | 11.43 |
| PER CAPITA ($) | 9620 | 10379 | 11032 | 11399 | 12262 | 12181 | 13105 | 13126 | 12950 | 12891 |
| Percentage Change | 6.27 | 7.88 | 6.30 | 3.33 | 7.57 | -0.66 | 7.58 | 0.16 | -1.34 | -0.46 |