AN ECONOMIC REPORT TO THE GOVERNOR OF THE STATE OF TENNESSEE

The State's Economic Outlook

January 2009

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Preface

This 2009 volume of An Economic Report to the Governor of the State of Tennessee is the thirty-third 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 2011 and annual forecast through 2018 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 IHS Global Insight, Inc. Tennessee forecasts, current as of January 2009, 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 Three presents the long-run outlook and forecast for the state. Chapter Four present long-range population projections for the state and its 95 counties.

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, the Tennessee Department of Labor and Workforce Development, and the Appalachian Regional Commission—is to provide wide public dissemination of the most-current possible economic analysis to planners and decision-makers in the public and private sectors.

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Executive Summary

The U.S. Economy

The U.S. economy has been in a recession since December of 2007 as the housing bubble deflates, access to credit has been extremely limited, and uncertainty and pessimism has made consumers and producers cut back. Inflation-adjusted gross domestic product (GDP), the most popular measure of economic activity, grew only 1.2 percent in 2008, the fourth consecutive year of slowing growth. Most sectors of the economy experienced either sluggish or negative growth. Consumption, which accounts for roughly two-thirds of GDP, grew only 0.3 percent, reflecting a decline of 4.3 percent in the consumption of durable goods such as appliances and automobiles. Residential fixed investment (housing) fell 21 percent in 2008, even larger than the 18 percent drop in 2007. Business investment grew at only 1.9 percent, buoyed by continued strong growth in structures. A weak dollar contributed to decreased imports (3.1 percent) and increased exports (6.4 percent). While inflation was a concern during the first half of the year, decreased demand has begun to push prices down. By December of 2008, the Consumer Price Index (CPI) was 0.1 percent lower than it was a year earlier. Falling prices and weak demand have caused employers to cut back, laying off workers and furloughing many more. Unemployment averaged 5.8 percent in 2008. Economic conditions deteriorated significantly as the year came to a close. In December, all 50 states saw their unemployment rates increase, the first time this happened since records have been kept.

Economic activity is projected to decrease over the course of 2009 as we endure one of the most severe recessions since the Great Depression. We expect inflation-adjusted GDP to decrease by 2.5 percent in 2009. All sectors are expected to shrink, highlighted by sharp reductions in investment by both households and businesses due to a substantial contraction in credit availability. Residential investment will shrink by another 21 percent while businesses reduce investment by 15 percent. Consumption spending will decrease by 0.9 percent as stagnant incomes, a weak labor market, and limited access to credit cause consumers to save. Weak economic conditions across the globe will reduce the flow of international trade as well. U.S. imports and exports are expected to decrease by 9.6 and 7.0 percent, respectively. Since interest rates are already extremely low, the federal government will look towards government spending to help boost the economy. As this report goes to print, a massive fiscal stimulus bill is being debated in Congress. Some form of increased spending will almost surely be passed. As such, we expect a large increase in government spending in 2009, with federal expenditures rising by 3.2 percent. Growth should resume in the middle of the year or by 2010 as credit markets begin to thaw and confidence in financial markets is renewed. Unfortunately, there are no signs of a turnaround at this early point of 2009.

The Tennessee Economy

Current Economic Conditions

Statewide economic conditions deteriorated markedly over the course of 2008. The unemployment rate rose, income growth slowed and jobs contracted for the year. The unemployment rate peaked at 7.9 percent in December and averaged 6.4 percent for the year; the unemployment rate stood at 4.7 percent in 2007. Nonfarm jobs fell 0.6 percent in 2008 compared to growth of 0.5 percent in the previous year. And nominal personal income saw growth of only 3.7 percent, about 70 percent of growth in the previous year. Based on the trajectory of the national economy, expect conditions to deteriorate further through at least the first half of the year.

Tennessee's unemployment rate rested at a recent low of 4.5 percent in the first quarter of 2007, but has drifted up each quarter since then. The number of unemployed people has surged in recent quarters, including a 79.9 percent increase in the second quarter of last year. Labor market weakness has contributed to a shrinking statewide labor force in the third quarter of last year and a falling labor force participation rate as the year progressed.

Not surprisingly, the rising unemployment rate has been accompanied by significant job losses. After growing in each quarter of 2007, seasonally-adjusted nonfarm jobs began contracting in the first quarter of 2008. Most broad sectors of the economy are now in decline, aside from education and health services and government. Setbacks in manufacturing have accounted for most of the overall nonfarm job losses.

Seasonally-adjusted personal income growth was in the red in the third and fourth quarters of 2008, the first time income has contracted in recent history (i.e., dating back to the second quarter of 2005). Wage and salary income is weakening as jobs contract, with overall wage and salary income falling in the second and fourth quarters of last year. As with overall personal income, there is no period in recent history with declines in wage and salary income.

As income growth has weakened, so to have taxable sales. After growing 4.1 percent in 2007, taxable sales declined 1.6 percent in 2008. The state's sales tax is performing worse than the national average, as is the case with the sales tax in many other states in the southeast.

Short-Term Economic Outlook

Tennessee's fate depends on the path taken by the global and national economies in the months ahead. Unfortunately, there is no sign of a bottom to the current cycle. To the contrary, by all accounts economic conditions are deteriorating at a more rapid pace. One good indicator is payroll employment for the national economy: 1.9 million of the 2.6 million jobs lost nationwide in 2008 were in the final four months of the year. A turnaround is expected in the third quarter as monetary policy, a second fiscal stimulus package and improved housing market conditions lift the economy from bottom. But there are concerns that the economy's rebound will be delayed until the end of the year or early 2010. Stronger statewide growth than that predicted here is possible, though highly unlikely given current conditions.

Nonfarm jobs in Tennessee are expected to fall at least 2.2 percent this year and be down 0.3 percent in 2010. The state's manufacturing sector will suffer a 6.0 percent setback in 2009 and further losses of 3.8 percent next year. The unemployment rate will rise steadily over the year and reach a peak of 9.8 percent in the first quarter of next year. The annualized unemployment rate will be 8.9 percent this year and 9.6 percent in 2010.

Nominal personal income will see growth of only 0.7 percent in 2009, improving to 2.8 percent growth next year. Because deflation is expected for this year, inflation-adjusted income will actually grow at a faster rate than nominal income. There is no modern precedent for this expected phenomenon. Nominal taxable sales will continue their slide, yielding a decline of 4.5 percent in 2009 and rebounding with 2.3 percent growth in 2010. On a fiscal year basis, taxable sales should fall 5.1 percent this fiscal year and shrink 0.1 percent in the 2009/10 fiscal year.

Long-Term Outlook

All eyes today are on the recession, looking for a bottom to the current downturn and a return to growth. Given the depth and breadth of the recession, this is no surprise. Short-run business cycles can have a significant impact on long-run economic growth. A good example is the early 1980s when the economy experienced back-to-back recessions. It took several years to eliminate the high levels of unemployment that were created as a result of these downturns. Long-term growth also depends fundamentally on growth in the labor force, the educational attainment levels of the workforce, private investments that businesses put into the production process and public infrastructure and services that help grease the skids for the economy. Education is especially important to economic wellbeing: Tennessee counties with well-educated adult populations enjoy lower rates of unemployment, higher rates of job creation and higher levels of per capita income than their more poorly-educated counterparts.

Tennessee's growth dating back to 1998 has lagged the nation's pace of growth, both in terms of jobs and personal income. Tennessee's per capita personal income has also fallen relative to the national average. These trends are expected to continue into 2018. The state will see jobs grow 0.7 percent while the nation will see 0.8 percent job growth between 2008 and 2018 (compound annual growth rates). Tennessee's personal income growth will also trail the nation's rate of income growth in the years ahead. Unemployment rates for the state and the nation will stay at stubbornly high levels for several years to come, an unfortunate legacy of the current recession.

A long view of U.S. economic history confirms that the Great Depression is in some ways comparable to the current U.S. recession. While we are not likely to see unemployment reach a quarter of the population, such as in the Great Depression, the loss of wealth seen in the credit crisis may be nearly as severe. The Federal Reserve has played a prominent role in each of the twentieth century recessions, but not always as a lifeline for markets. In fact, many recessions have been caused or worsened by restrictive monetary policy implemented by the Federal Reserve.

Increases in government spending have had inconsistent outcomes in periods of recession. The most effective anti-contraction spending has been financed with a federal budget deficit. In general, additional expenditures by the federal government financed through increased taxation have had a negative effect on the economy.

Perhaps the most important lesson of the recessions of the twentieth and twenty-first centuries is that each has resulted from a unique set of circumstances and has been resolved through a unique set of actions or inaction. However, the business cycle has proved to be an immovable feature of capitalism. As we move forward attempting to resolve the current credit crisis and accompanying recession, unique tools will once again be required to engineer an economic turnaround.

Population

The 2010 Census will determine over $3 trillion in federal government outlays over the next 10 years. Because official Census counts will be used by many federal agencies for distributing funds to state and other governments through the state, there are obvious and important financial consequences to ensuring all state residents are correctly tallied in 2010. The number and geographic distribution of the population can also have important political implications, since Census counts form the basis for allocating congressional seats. Clearly, the 2010 Census will be critical in establishing the number of people residing in the state of Tennessee.

While the Census provides a full count of the population every 10 years, it is also important to have estimates of what future population counts will be. In the coming years there are many demographic changes that will be facing Tennessee and the nation as a whole, including the aging of the Baby Boom generation, increases in life expectancy, changes in the fertility rate, and migration. Using population projections, we forecast the total population, by age and sex, for all counties in the state of Tennessee from 2000 to 2020.

The statewide population total for Tennessee in 2005 was just under 6 million people, making it the 16th most populous state in the U.S. including the District of Columbia. In 2010, the population is projected to be 6.2 million, rising to 6.8 million in 2020. While Tennessee is growing, the rate at which it has grown has changed. From 1990 to 2000 the annual rate of growth was 1.7 percent—slightly higher than the national average of 1.3 percent over the same time period. From 2000 to 2020, both the state and the nation's growth will slow to an annual rate of 1 percent. Compared to the 1990s when every county saw at least modest population gains, just over 20 percent of counties will see population declines between 2000 and 2020. The declines will mostly occur in the population under age 65; while only 2 counties in the state will see decreases in the over-65 population between 2000 and 2020, nearly 40 percent of counties will see declines in the under-18 population, and nearly 30 percent will see losses in the 18-64 age group. The changing age structure of the population will present unique opportunities and challenges for Tennessee in the next decade.

The U.S. Economy

In this chapter—

1.1. Introduction

1.2. The U.S. Economy: Year in Review
Components of GDP
Inflation and Prices
The Labor Market

1.3. The U.S. Forecast
Consumption and the Labor Market
Investment and Interest Rates
Government Spending
International Trade
Prices and Inflation

1.4 Alternative Scenarios

1.5 Forecast Summary and Conclusions

1.1. Introduction

The slumping U.S. economy continued its descent into 2009 as uncertainty in financial markets sapped the confidence of consumers, producers, and investors alike. In fact, the National Bureau of Economic Research, the organization officially responsible for determining the beginning and ending of recessions, confirmed what many suspected – that the U.S. economy was shrinking. More specifically, they determined that the economy had entered a recession in December of 2007 and has been in one ever since.

While there was certainly no shortage of dreary economic headlines throughout last year, the most notable were the collapse of several financial institutions, including investment banking giants Lehman Brothers and Bear Stearns and insurance conglomerate American International Group (AIG). At the heart of these failures was the continued turmoil in housing and real-estate related asset markets. Such events have shaken confidence in financial markets and drastically limited the availability of credit, making producers weary or unable to expand or, in many cases, even continue production. Consumers have also been affected by tighter lending, unable to secure mortgages and lines of credit for other big-ticket items such as automobiles and home appliances.

Policymakers have responded in a variety of ways. The Federal Reserve has dropped the federal funds rate to almost zero, attempting to spur investment and borrowing-fueled consumption. In order to stem the harmful spillover of failing banks into other sectors of

1.1. Introduction, continued

the economy, Congress has given the Treasury Department authority to purchase up to $700 billion of assets from failing financial institutions through the Troubled Asset Relief Program (TARP). So far, half of this money has been spent, while the Senate approved to release the second half on January 15, 2009. In order to encourage continued faith in the banking system, the Federal Deposit Insurance Corporation (FDIC) has increased its guarantee on individual deposit accounts from $100,000 to $250,000. While there has been no sign of recovery in the near-term, these policies may have prevented further economic collapse.

As this report goes to print, policymakers are also discussing the possibility of a massive fiscal stimulus bill, the cost of which may approach $1 trillion. While specific details of a final plan are unavailable at this point, it is likely to include tax cuts, programs aimed at homeowners at risk for foreclosure, investments in infrastructure, and transfers to state and local governments.

This chapter provides an overview of the nation's current economic situation as well as a short-term forecast of things to come.[1] As this goes to print, inflation-adjusted gross domestic product (GDP) is reported to have declined at an annual rate of only 3.8 percent in the fourth quarter of 2008, better than has been expected.[2] Unfortunately, the downward trend is expected to continue well into 2009, with minimal growth occurring in the second half of the year. Overall, the economy is expected to shrink by about 2.5 percent in 2009. The harmful effects of deflation (falling prices) combined with continued weakness in housing markets will drive down consumption and investment demand, leading to a 2.6 percent reduction in payroll employment and an unemployment rate of 8.5 percent. Strong growth should resume by the second half of 2010 as the housing market begins to rebound from its historic decline and credit markets unfreeze, once again giving producers and consumers sorely-needed access to funds.

1 CBER draws its U.S. forecast from IHS Global Insight, Inc.
2 Unless otherwise noted, all growth rates in this chapter are seasonally adjusted annual rates (SAARs).

1.2. The U.S. Economy: Year in Review

Gross Domestic Product (GDP) is the most widely-cited measure of economic activity. It measures the total production or value of goods and services produced and consumed in the country in a given period of time. For the first time since 2001, inflation-adjusted GDP fell at the end of 2007, ending a string of 24 consecutive quarters of growth (see Figure 1.1). While recovering from a recession in 2001, the economy grew at around 3 percent per year until mid-2006. Growth was sluggish for most of the subsequent twelve months. Output growth picked up briefly in the second and third quarters of 2007, but the economy has slipped considerably ever since. The third quarter of 2008 exhibited annualized inflation-adjusted GDP growth of -0.5 percent. The fourth quarter showed only a 3.8 percent setback, better than the 5.6 percent loss that was expected. However, all indications are that fourth quarter growth will be significantly less.

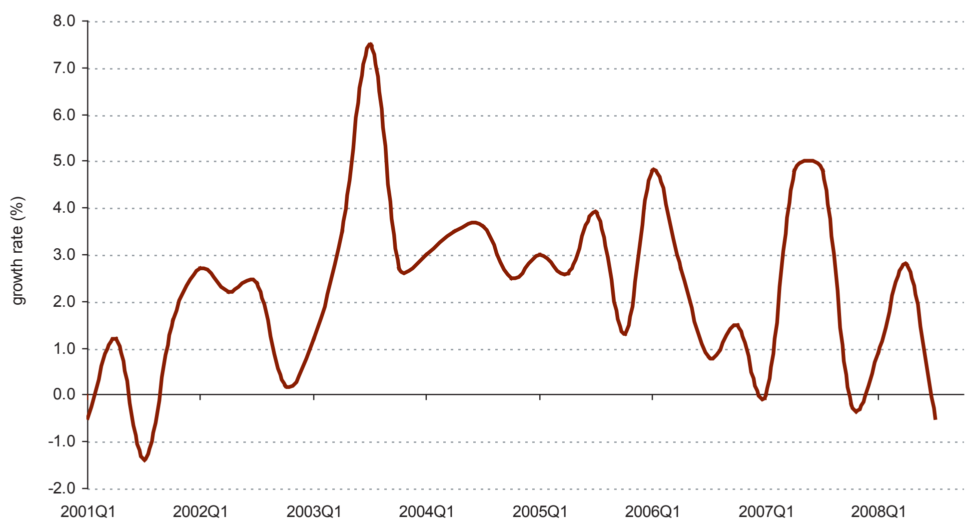
Consumer sentiment is at its lowest point since 1980 and data on retail sales for November and December show a sharp decline, dashing any hopes for a rebound driven by holiday shopping. In fact, fourth quarter GDP is expected to have decreased by an annualized 5.6 percent, the largest quarterly drop in almost thirty years. Overall, GDP is expected to have increased by only 1.2 percent in 2008, the smallest increase since 2001. Much of this gain can be attributed to fiscal policy actions such as the distribution of $375 billion in TARP funds and the tax rebates of last spring.

Components of GDP

By definition, GDP is the sum of spending by consumers on durable goods, non-durable goods, and services, investment spending (residential and non-residential construction, equipment, inventories, etc.), purchases by all levels of government, and net trade in international markets (exports minus imports). While we look to total GDP to draw broad conclusions on the overall status of the economy, it is extremely useful to look at these individual components to identify underlying trends and determine which sectors are contributing to growth, or decline, in the economy.

The largest component of GDP is consumption spending, which typically comprises about two-thirds of total GDP.

Figure 1.1. Inflation-Adjusted GDP Growth



Note: Seasonally-adjusted annual rate
Source: Bureau of Economic Analysis

1.2. The U.S. Economy: Year in Review, continued

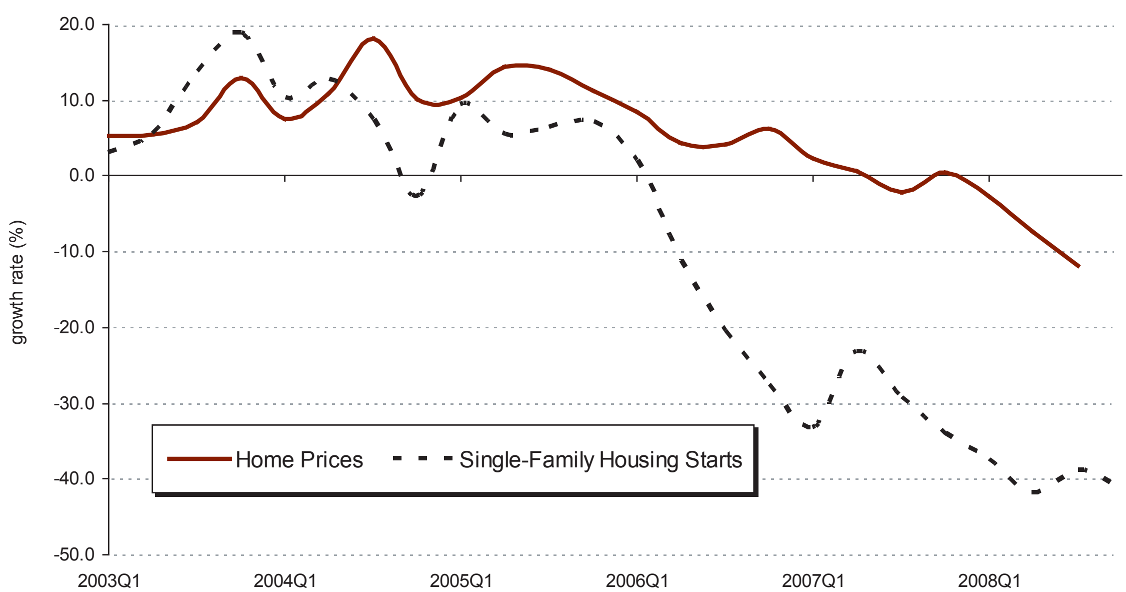
After growing roughly 3 percent per year from 2005 to 2007, inflation-adjusted consumption increased by only 0.3 percent in 2008. This is the slowest growth since 1991, another recession year. Much of the slowdown occurred in the second half of the year, with declines of 3.8 and 2.6 percent in the third and fourth quarters, respectively.

Consumption spending can be broken down further into three main categories: durables, non-durables, and services. Durable goods are things like appliances and automobiles while examples of non-durable goods are clothing and food. Although growth in all three categories was either flat or negative, it was the significant contraction in sales of durable goods that was most noteworthy, falling in every quarter of 2008. This is likely due to shaky consumer confidence and uncertainty regarding future economic conditions. Since durable goods tend to be large purchases, many households will avoid making these types of purchases if they are concerned about job security or future income in a shaky economy. This is particularly evident for automobile sales, which fell 18 percent in 2008, the largest drop since 1980.

All in all, spending on durable goods fell by 4.3 percent for the year. Sales of non-durable goods, which are typically more stable since many non-durable goods are considered necessities, even fell slightly (0.3 percent). Spending on services (haircuts, oil changes, etc.) grew by only 1.5 percent. Quite often, the last few months of the year provide a boost to end-of-year consumption figures as holiday shopping is in full swing. This was not the case in 2008, with total retail sales falling 8.2 and 9.8 percent in November and December, respectively, compared to the same months in 2007. These are the two largest year-over-year drops since those data began being collected in 1966.

Like consumption, investment can be separated into several categories, many of which experienced negative growth in 2008. Residential fixed investment (housing) decreased by 21 percent over the course

Figure 1.2. Home Prices and Housing Starts



Note: Series are seasonally-adjusted annual rates
Source: Census Bureau and Fannie Mae

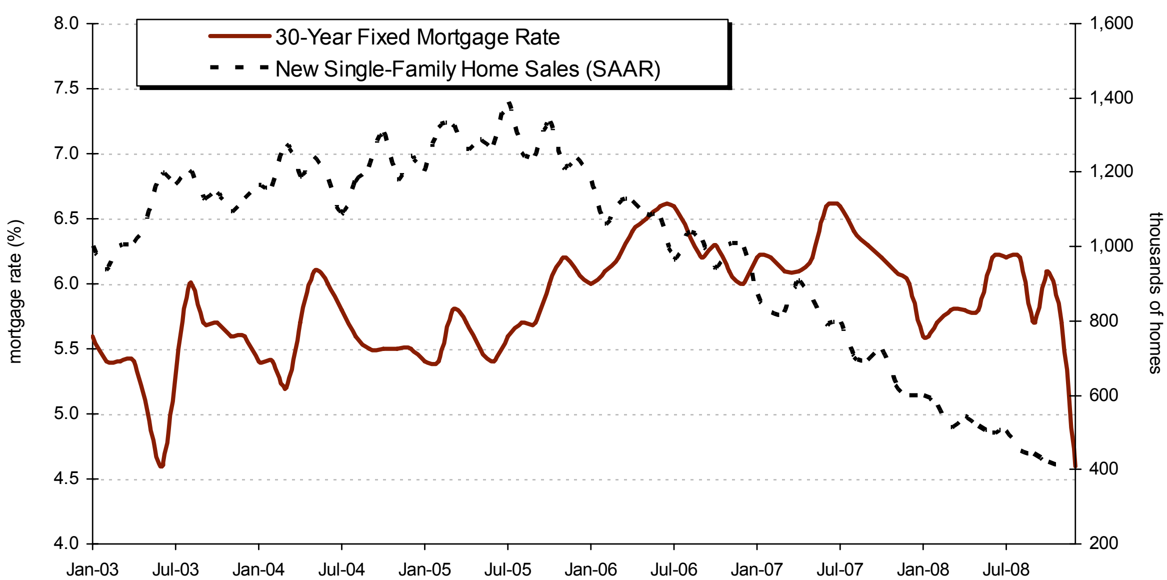
1.2. The U.S. Economy: Year in Review, continued

of the year, with every quarter displaying larger drops than the one before. Residential investment fell at an annual rate of almost 27 percent in the fourth quarter, the twelfth consecutive quarter of negative growth. Since this includes new housing construction, it is of no surprise that new housing starts have experienced an equally drastic decline, as shown in Figure 1.2. Housing starts are now at levels around one-third of their peak in the first quarter of 2006. As discussed in Chapter 2, the number of new building permits issued is down sharply in Tennessee as well.

Home values have also continued to plummet, falling at an annualized rate of almost 12 percent in the third quarter of 2008 (see Figure 1.2), the largest such drop in history. Continuing falls in housing prices and labor market uncertainty have caused potential first-time homebuyers to delay buying with the hope that prices will fall even further, despite historically low mortgage rates, which have fallen for much of the past year and a half. Further exacerbating the housing market situation is limited access to credit. Even those with relatively strong credit histories are finding it difficult to secure financing. Accordingly, the number of home sales has dropped consistently since the middle of 2005. Figure 1.3 shows the average rates on a 30-year fixed-rate mortgage as well as the number of home sales.

Although non-residential, or business, investment ended the year with positive growth of 1.8 percent, the trend is not encouraging. Business investment fell at an annual rate of over 18 percent in the fourth quarter of 2008, the largest such drop in over two decades. Much of this decrease is due to producers cutting back on purchases of equipment and software, which fell at an annual rate of 25.5 percent in the fourth quarter. The lone bright spot is the continued investment in business structures, which grew 11 percent in 2008. However, even this category of investment fell at an annual rate of 5.2 percent in the fourth quarter after three years of sustained strong growth. This does

Figure 1.3. Mortgage Rates and New Home Sales



Source: Census Bureau and Fannie Mae

1.2. The U.S. Economy: Year in Review, continued

not bode well for the construction industry now that investment in both residential and business structures is falling.

Government spending grew by an annualized 5.7 percent at the federal level and 1.2 percent at the state and local level in 2008. This represents a sharp increase in federal spending from 2007 (1.6 percent) and a reduction in state and local spending growth (2.3 percent). The growth at the federal level is likely due to increased borrowing to fund several new spending programs designed to combat the struggling economy as well as further increases in defense spending. Reductions in personal and corporate income and sales tax receipts have crippled the budgets of many sates and localities.

The trend of improving trade balances continued in 2008, with sales of U.S. goods to foreign markets growing faster than imports for the fourth consecutive year. More specifically, exports grew at 6.4 percent while imports actually fell for the first time since 2001, by 3.1 percent. Since spending by domestic consumers on imported goods is counted in consumption, it is subtracted from export sales in order to avoid double counting and accurately determine how international trade has contributed to economic activity. Historically, U.S. imports have exceeded exports, subtracting from GDP and hindering economic growth. Fortunately, strong export growth for the past several years has led to declining trade deficits, as shown in Figure 1.4. However, weak global demand along with an appreciating dollar has recently led to a decline in U.S. export activity, with exports falling at an annual rate of 21 percent in the fourth quarter of 2008. Exports had been a major source of domestic economic growth, with growth rates higher than that of overall GDP for much of the past five years.

Inflation and Prices

Inflation is commonly measured as the change in the Consumer Price Index (CPI) in one period compared to another. The CPI is designed to measure the cost of a typical market "basket" of goods and services that a typical household purchases. Figure 1.5 shows the monthly change in the CPI from the same month in the prior year. Prices began to rise quickly in the second half of 2007, with inflation rates reaching 5.5 percent in July, 2008. Much of this was due to skyrocketing energy, food, and commodity prices. This caused a great deal of concern for policymakers since maintaining low levels of inflation has been a primary goal of the Federal Reserve, which can influence inflation rates by controlling the nation's money supply and determining key interest rates.

As consumption and investment demand continued their dramatic retreat in the second half of 2008, prices have begun to fall. Annual inflation actually decreased in December, with the CPI 0.1 percent less than it was a year earlier, the first year-over-year drop since the 1950s. Prices have fallen every month since August, with the largest drop occurring from October to November.

While we typically welcome low rates of price growth, we want to avoid prolonged periods of falling prices, or deflation. If producers and consumers begin to expect prices to fall, then consumers will delay spending as long as possible in an attempt to buy at a later date when prices are lower. Similarly, producers will not make investments in capital equipment if they expect lower equipment prices in the future and also expect to receive a lower price for their products. Low demand for goods and decreased production can lead to rising unemployment and falling incomes as producers strive to cut costs and reduce inventory. This can become a vicious cycle of falling prices and incomes and rising unemployment. A recent example is Japan, which entered a deflationary period in the early 1990s, prompting a decade of stagnant growth.

Often it is useful to exclude some items from the CPI in order to determine which goods are driving the movement in overall prices. Figure

continued on page 9

1.2. The U.S. Economy: Year in Review, continued

The Credit Crunch

Perhaps the most significant economic event of 2008 was the so-called "credit crunch," when financial institutions, saddled with declining asset values, began to hoard cash rather than issue new loans in order to stay solvent. There is no single cause or simple explanation for how this came about. In some sense, the current state of credit markets and the financial industry in general is the result of a perfect storm of several trends, discussed in the following paragraphs.

Throughout the late 1990s and early 2000s, home prices rose at an unprecedented pace. As housing became less affordable, home buyers stretched their budgets and took out exotic mortgages in order purchase expensive homes. Since home value were rising, mortgage companies relaxed lending standards, issuing loans to borrowers with substandard credit ratings and requiring small down payments. After all, if the borrower defaulted the bank could repossess the home, which would be worth more than the balance due on the mortgage thanks to appreciation.

The past decade has also ushered in the prevalence of mortgage brokers. In the past, financial institutions that issued mortgages would typically own and service the loans throughout their lifetimes. Thus, they had every incentive to ensure the credit worthiness of those to whom they were lending money. Conversely, mortgage brokers issue loans and sell them to banks, greatly reducing the future repercussions of making a bad loan.

Companies that owned or originated mortgages often packaged them into bundles called mortgage-backed securities, selling them as investments to institutions such as pension funds, insurance companies, hedge funds, and banks. Since home values were rising, parties at each of level of this process did not closely examine these mortgages and accurately assess their risk. Companies such as Wachovia, Bear Stearns, Countrywide, and even Bank of America had billions of dollars worth of mortgages and mortgage-backed securities listed as assets on their balance sheets.

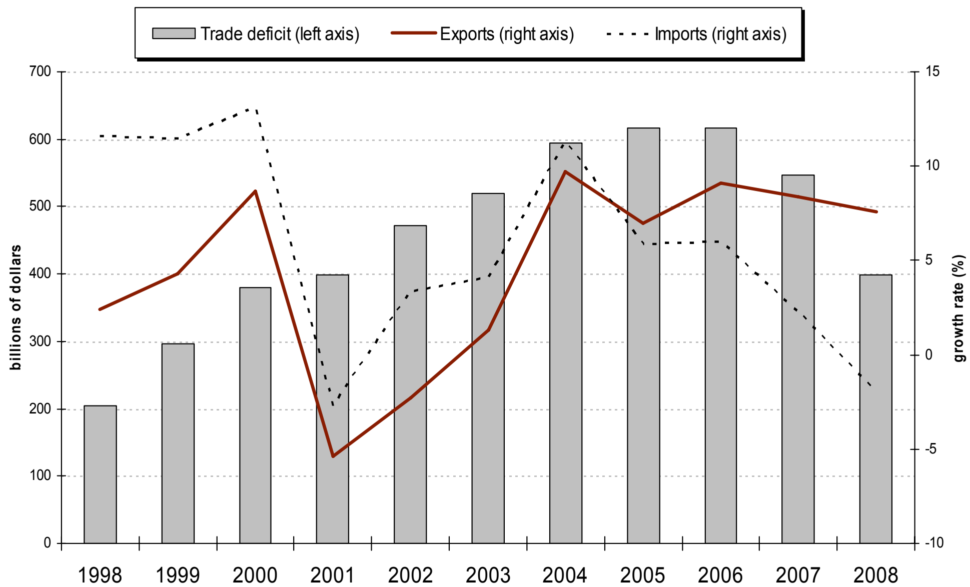
When home prices began to fall, the system unraveled. Subprime borrowers, homeowners who purchased homes they could not afford, and those with adjustable-rate mortgages facing interest rate hikes began to default on their payments at an alarming rate. These defaults decreased the value of mortgage-backed securities, which depend on homeowners' mortgage payments to generate income for the investor. Losses mounted as the value of these securities plummeted. In many cases, the quality of mortgages in the asset was unknown. This uncertainty combined with the high probability of increasing defaults due to further declines in home values essentially eliminated the market for mortgage-backed securities, leaving many firms stuck with worthless assets.

As the value of mortgage-backed securities fell, so did the strength of firms' balance sheets. These firms were saddled with bad assets that had stopped generating income, unable to secure funding due to lack of sufficient collateral. Since ownership of mortgage-backed securities was widespread, bank-to-bank lending activity decreased. Lenders could not be sure of repayment since the assets of borrowers were shrinking by the day. By the fall of 2008, bank-to-bank lending was almost nonexistent.

The credit freeze has spilled over into the broader economy as banks struggled with deteriorating balance sheets. For reasons outlined above, they could not borrow from other banks in order to make loans to firms or consumers. Instead of using the cash they had on hand to make loans, they held it in order to improve their balance sheets and maintain solvency. As a result, firms have been unable to secure credit for investment in capital equipment or to cover payroll, leading them to reduce production and lay off workers instead. Consumers, even those with good credit, have found it difficult to obtain financing for such things as going to college and purchasing automobiles, decreasing demand for many goods and services. This lack of available credit has contributed to the spiral of decreasing demand, falling prices, and shrinking production that we have witnessed over the past several quarters.

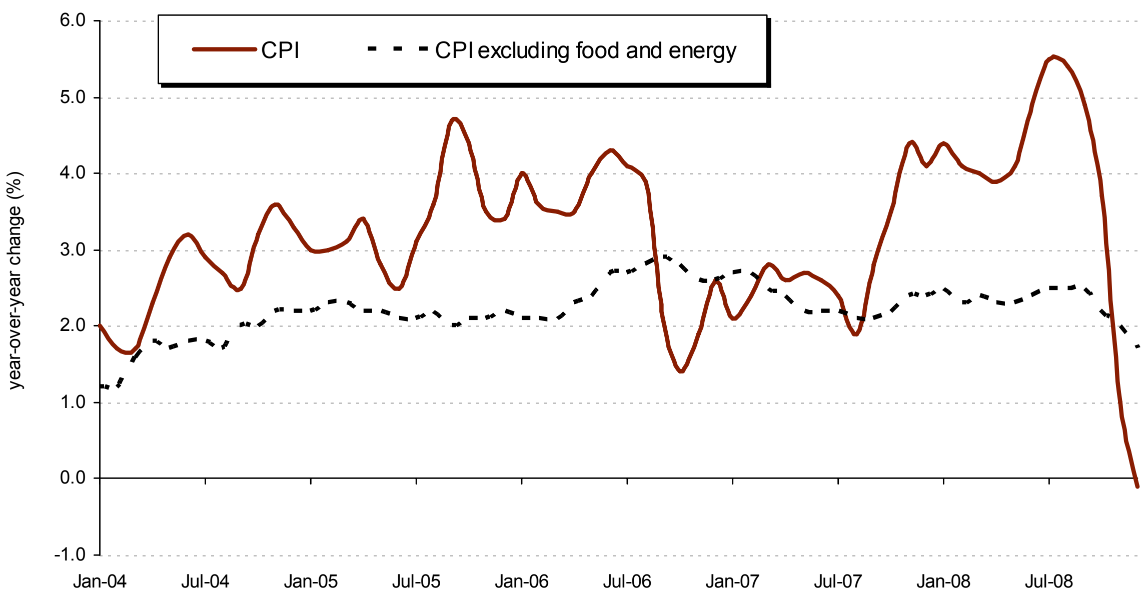
1.2. The U.S. Economy: Year in Review, continued

Figure 1.4. International Trade



Source: Bureau of Economic Analysis.

Figure 1.5. Inflation



Source: Bureau of Labor Statistics

1.2. The U.S. Economy: Year in Review, continued

1.5 also displays the change in price of a basket of goods that excludes food and energy, the prices of which can be particularly volatile. This is often referred to as core inflation. Once food and energy prices are removed, inflation appears to be much more stable and was in a more desirable range of 2 to 2.5 percent for 2008, dropping slightly as the year came to a close.

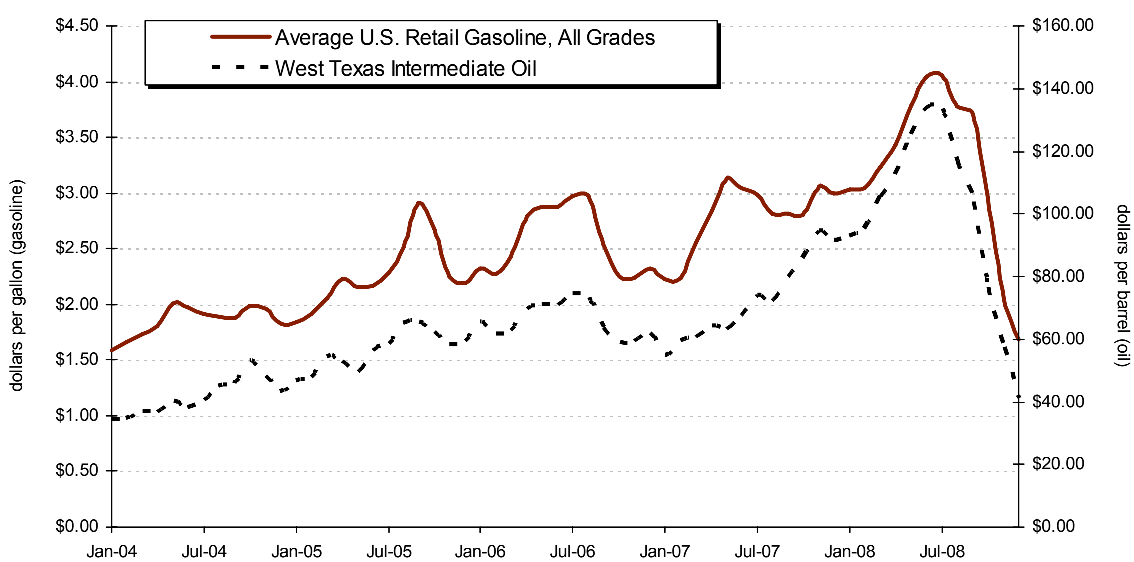
Since overall inflation is much lower than core inflation, we might expect the difference to be driven by energy and/or food prices. Figure 1.6 shows historical oil and gasoline prices. The price of oil has dropped from an average of about $134 per barrel in June of 2008 to about $40 per barrel in December as economic slowdown across the globe has tempered once-skyrocketing energy demand. Retail gasoline prices have followed in step, falling from an average of over $4.00 per gallon during the summer to under $1.70 at the end of the year.

The Labor Market

Underscoring the contraction of the U.S. economy has been a tumultuous labor market. Figure 1.7 shows the civilian unemployment rate, which measures the share of the national labor force that is out of work but actively seeking employment. Unemployment has risen steadily throughout the past year and a half, up from 4.4 percent in March of 2007 to currently over 7 percent. Even worse, the upward trend has become more severe over the past few months, with a rise from 6.2 percent in September to 7.2 in December. This is highest unemployment rate since the early-1990s. Unfortunately, unemployment rates tend to underestimate weakness in the labor market because many people who struggle to find jobs get discouraged and simply quit looking, dropping out of the labor force entirely. These people are not counted when calculating the unemployment rate. Further, workers whose hours are cut back are still counted as being employed, despite the reduction. Anecdotal evidence suggests a recent wave of furloughs, the scope of which seems unprecedented, contributing to labor market weakness.

Figure 1.7 also shows the unemployment rates of adult males and females aged 20 years and older. Historically, these groups

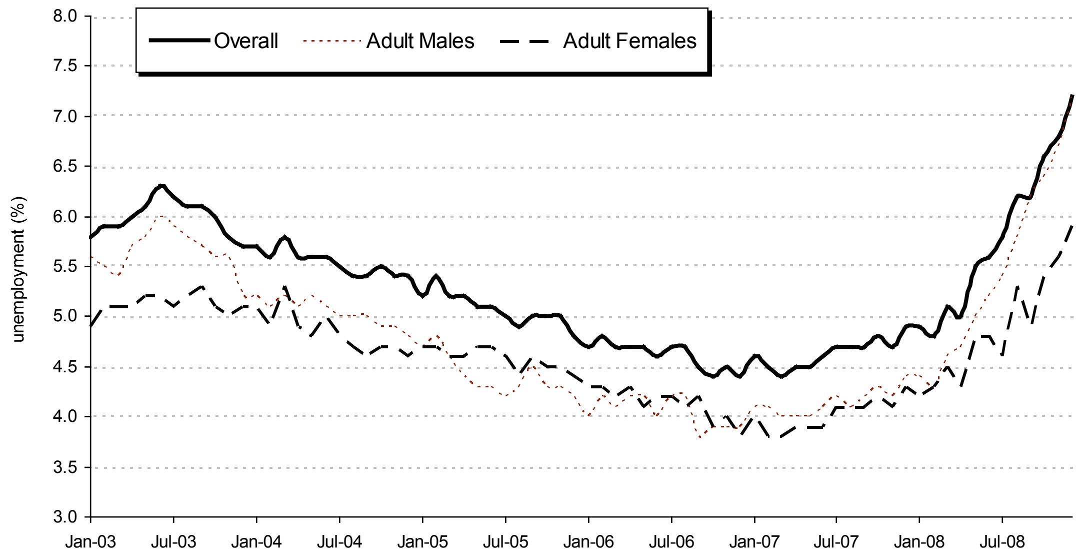
Figure 1.6. Average Gasoline and Oil Prices



Source: Energy Information Administration and the Federal Reserve Bank of St. Louis

1.2. The U.S. Economy: Year in Review, continued

Figure 1.7. Unemployment Rates



Note: Series is seasonally-adjusted
Source: Bureau of Labor Statistics

Figure 1.8. Employment Growth

Note: Series are seasonally-adjust annual rates
Source: Bureau of Labor Statistics

1.2. The U.S. Economy: Year in Review, continued

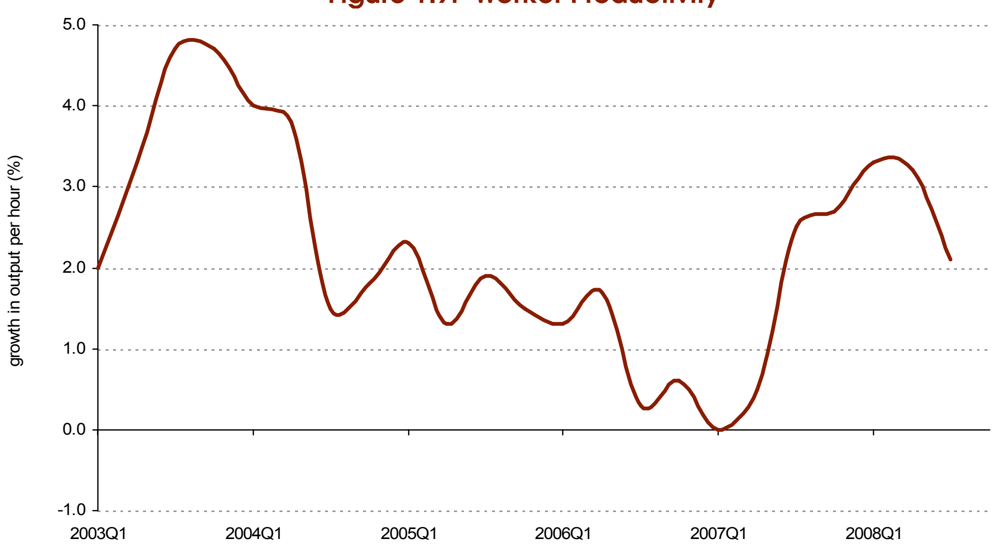
have had unemployment rates roughly 0.7 and 0.5 percentage points lower than overall unemployment, respectively. However, unemployment among adult males has risen much faster than that among women and the overall population, reaching 7.2 percent in December of 2008. This is likely due to the fact that sectors of the economy that are struggling more heavily, such as construction and the manufacturing of automobiles and heavy machinery employ a disproportional share of males.

It is no surprise that a rising unemployment rate corresponds to falling employment. Annualized employment growth, shown in Figure 1.8, has fallen since late 2005. However, non-farm payroll growth did not turn negative until 2008, and since that time the labor market has continued to contract. In fact, the economy has now shed jobs for twelve consecutive months. Total non-farm employment declined at an annual rate of 3.7 percent in the fourth quarter of the year, the largest quarterly drop since 1975. Overall, 2.6 million jobs were lost in 2008.

Goods-producing industries have shed the largest fraction of jobs, with employment decreasing at an annual rate of 9.2 percent in the fourth quarter of 2008 (see Figure 1.8). Employment in these industries has decreased for 10 consecutive quarters. Although manufacturing employment has been in steady decline since the late 1970s, an even greater share of recent job losses have come from that sector. Over the past decade, manufacturing jobs have decreased by over 4 million, which represents a 23 percent decline. There are 430,000 fewer manufacturing jobs at the end of 2008 than there were at the beginning of the year, which followed a drop of 275,000 jobs in 2007. Employment in service-based industries has decreased slightly less than in the overall economy, slipping into negative growth only in the second half of the year.

Figure 1.9 shows the change in average worker productivity over the past six years. Although employment has decreased sharply, worker productivity was relatively strong in 2008, growing at 2.6 percent, the highest level since 2004. Solid productivity gains have helped to offset the steady fall in manufacturing and overall employment. However, these gains have slowed considerably, with the third and fourth quarters exhibiting growth of only 1.3 and 0.4 percent, respectively.

Figure 1.9: Worker Productivity



Note: Seasonally-adjusted annual rate
Source: Bureau of Labor Statistics

1.3. The U.S. Forecast

The economy will continue its contraction at least through the first half of 2009, eventually generating slow, but positive, growth around mid-year. The major factors contributing to the turnaround will be thawing credit markets resulting from low interest rates and the continued injection of federal funds into the financial sector, stabilization in the housing market as low prices finally attract pent-up demand, and the passage of a massive federal stimulus bill. However, late-year gains will not be enough to offset significant declines in the first and second quarters. Inflation-adjusted GDP will decrease by 2.5 percent in 2009, leaving year-end growth in negative territory for the first time since 1991. This drop would be the largest since 1948, when inflation-adjusted GDP began being calculated. All broad sectors of the economy are expected to decline in the coming year, with the exception of government spending, as shown in Figure 1.10. Contributing to this decline will be falling consumer prices, further declines in housing markets, and extremely weak labor markets.

Consumption and the Labor Market

Labor market conditions are expected to deteriorate further in 2009, with employment falling by 2.6 percent, the largest drop in over a decade. This represents the elimination of about 3.5 million jobs, most of which are likely to be lost in manufacturing and other goods-producing industries, and will bring total employment back to 2005 levels. Most of this decline is expected occur in the early part of the year, with annualized declines in the first and second quarters of 4.1 and 2.8 percent, respectively. Declining payrolls will push the unemployment rate to almost 9 percent by the end of 2009, the highest since 1983.

Even those with job security will see their incomes stagnate, although positive gains in productivity will keep personal income growth from turning negative. Productivity is expected to increase by only 1.1 percent in 2009, less than half of what it was in 2008. Significant job losses combined with modest productivity gains will contribute to stagnant growth in personal income, which is expected to grow by less than 1 percent – the lowest since those data have been collected beginning in 1960. These factors, along with further declines in housing wealth, will take their toll on consumption spending as households cut back, particularly on bit-ticket purchases.

As a result, spending on durable goods is projected to decline by 6 percent, outpacing last year's decline of 4.3 percent. However, the entire decline is expected to be concentrated in the first quarter, with strong growth in the remainder of the year. Non-durable consumption will fall by less than 2 percent. Fortunately, consumption of services is expected to finish the year in the black, posting a small increase of 0.4 percent, with larger gains as the year progresses. Overall, consumption spending is expected to fall by 0.9 percent in 2009, the first outright annual decline since 1980.

The silver lining in the bleak consumption outlook for the coming year is that positive income growth, although small, combined with a significant decrease in consumption spending will lead to the highest savings rate in over fifteen years. The national saving rate has been decreasing steadily since the early 1980s. While this may to be just a short-term increase rather than a shift in long-term trend, a higher savings rate provides households with additional cushion against job or income loss and encourages long-term economic growth. Some of this will be out of necessity as a lack of credit availability will force some households to save in order to purchase large items.

Investment and Interest Rates

Retreating consumer demand combined with the threat of deflation will cause businesses to reduce their investment even further in 2009. Following the sharp decline in the fourth quarter of 2008, business investment is projected to decrease by over 15 percent in 2009. The largest decreases are anticipated to incur in the transportation equipment and industrial equipment sectors,

1.3. The U.S. Forecast, continued

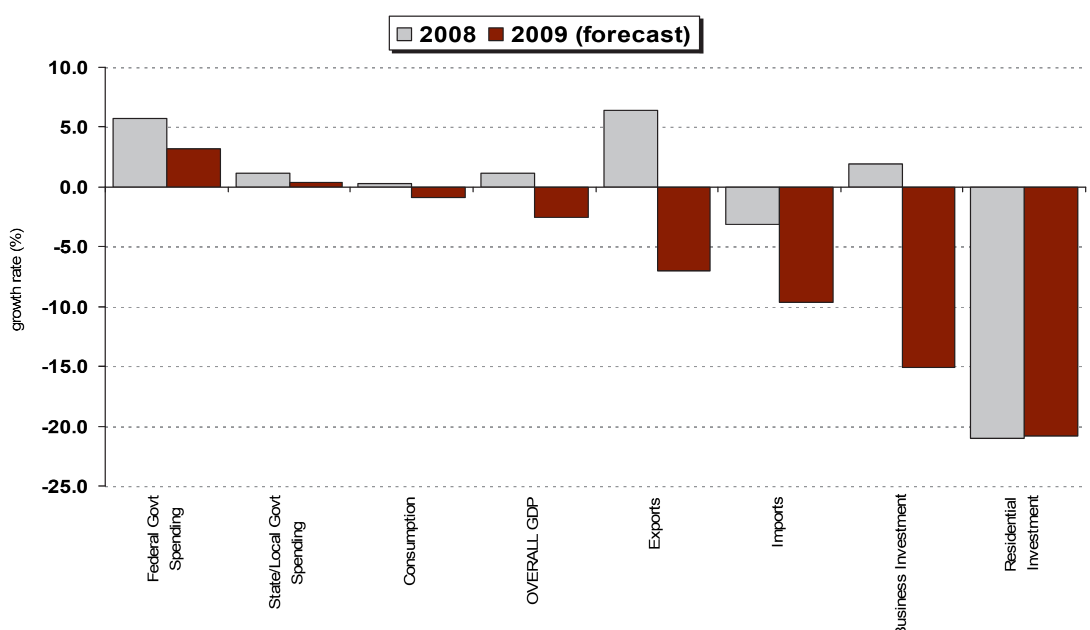
with annual declines of 44.1 and 21.8 percent, respectively. After several years of above-average growth, investment in non-residential structures is expected to fall by over 16 percent, putting further pressure on the construction industry.

Unfortunately, the housing market has yet to exhibit any signs of stabilization, the turnaround of which will be essential to support economic recovery. Residential fixed investment will fall in 2009 at almost the same rate as in 2008 – by 20.8 percent. This will mark the fourth year in a row of negative housing investment. Accordingly, new housing starts will decrease by a third, falling to levels 70 percent below the peak in 2005, with only 600,000 new units beginning construction. Sales of existing homes will fall by only 9 percent in the coming year, slightly less than the 14 percent drop in 2008, as the housing market continues to search for a bottom. This will occur despite mortgage rates falling further, staying around 5 percent throughout the year.

In times of weak investment demand, the Fed typically lowers interest rates in order to make borrowing cheaper. That is, firms can borrow money to invest in capital equipment or expand inventories at lower cost while consumers face lower rates on loans for homes and durable goods such as automobiles. However, the primary instrument through which the Fed influences interest rates, the federal funds rate, is almost zero. There is very little that the Fed can do at this point to encourage investment. The federal funds rate is expected to average only 0.13 percent for 2009, down an average of 1.9 percent in 2008.

Since there may be little room for monetary policy to help spur the economy, government officials have been discussing an increase in federal spending, with some funds being directed to financial institutions. As mentioned in the sidebar on the recent credit crunch, many banks are not issuing new loans, preventing both consumers and producers from borrowing even if they wished to do so. The hope is that infusing banks with new funds

Figure 1.10: Annual Growth in Primary Components of GDP



Source: IHS Global Insight, Inc. Executive Summary, January 2009

1.3. The U.S. Forecast, continued

will cause them to make more loans and spur investment.

Government Spending

Over the past few months, federal policymakers have discussed the possibility of a massive piece of legislation in the hope that it will provide a short-term boost to the economy. On January 15, the U.S. House of Representatives unveiled an $825 billion proposal that includes both tax cuts and increased government spending tentatively called the American Recovery and Reinvestment Act of 2009. Of that sum, $550 billion are for additional government spending, which would represent a little less than 6 percent of total GDP. The tax cuts are designed to leave households with more after-tax income, potentially boosting projected declines in consumption spending. There are a variety of spending provisions in the bill, including funding for infrastructure improvements such as upgrading the nation's electrical grid, highway maintenance, and spending on mass transit systems. Also proposed are increases in transfer programs such as the federal food stamp program, unemployment benefits, and Medicaid. Investments in the labor force and other knowledge-based capital include increasing federal grants for science and research, expanded financial aid for higher education, and transfers to local school districts.

As with all legislation intended to boost short-term economic activity, there is considerable debate on the proper structure and scope. In terms of priorities, each bit of increased spending carries with it important tradeoffs that must be considered. Consumer relief would likely mean significant spending on imports, which would not increase domestic demand and help stem job losses. Infrastructure projects often take years to get off the ground due to long lags between planning and implementation. There is also disagreement regarding the optimal size of such a bill. Some economists argue that the any short-run benefits are outweighed by the long-run budget implications of such a huge increase in public debt that must be paid back at some point, reducing future economic growth. Others have called for an even larger bill, arguing that $825 billion is not large enough to stabilize the economy.

Spending at the federal level is expected to grow in 2009 at a 3.2 percent rate. This is less than the 5.7 percent growth in 2008. If the proposed spending bill gets larger, expect growth rates to exceed this estimate. A large portion ($79 billion) of the proposed bill is transfers to state and local governments to help them combat sluggish tax revenue collections. Low tax collections caused by decreased economic activity in general will contribute to state and local government expenditure growth of only 0.4 percent.

International Trade

U.S. imports will continue to dominate exports in 2009, as has been the case over the past three decades, subtracting from economic growth. Both are expected to decrease in 2009, a symptom of deteriorating global economic conditions. However, the trade deficit will improve in 2009 thanks to imports falling more than exports. Just as a weak labor market will keep demand low for domestically-produced goods, demand for foreign products will shrink as well, decreasing imports by 9.6 percent. As a global economic slowdown reduces the incomes of foreign consumers, sales of U.S. goods on the international market (exports) will decrease by 7 percent. Combined, these two trends will result in a negative trade deficit and a drag on economic growth, but its impact will be smaller than it has been in several years.

Prices and Inflation

The period of declining prices witnessed over the last quarter of 2008 is expected to continue into 2009, falling throughout the first half of the year. Overall, prices are expected to fall by 2.2 percent in the coming year as higher unemployment and stagnant incomes place downward pressure on prices. Expect

1.3. The U.S. Forecast, continued

prices to rise slowly in the second half of the year as consumers regain confidence and the economy begins a slow recovery. One of the major factors keeping overall CPI low will be oil prices. West Texas Intermediate crude, currently at around $40 per barrel, will fall to under $30 per barrel in the middle of the year, reflecting weak global energy demand. Overall, oil will average about $34 per barrel for 2009. By 2010, modest inflation will return as low interest rates and the increasing availability of credit push up demand, leading to higher prices.

1.4. Alternative Scenarios

While the economy is projected to shrink by the largest amount in the post-war era, it could fall by even more. If more financial institutions go under, the financial crisis could become even more severe as the remaining banks try to fortify their balance sheets by holding reserves rather than lending. This would reduce both consumption and investment further than already anticipated, which would lead to larger job losses and higher unemployment. This more pessimistic scenario would involve more serious deflation, with a 3.2 percent drop in the CPI and unemployment of 8.8 percent. Overall, inflation-adjusted gross domestic product would fall by 3.5 percent. The probability of a more severe recession than the baseline forecast highlighted in this chapter stands at 20 percent.

Unfortunately, even the most optimistic scenario entails further economic contraction. If financial markets react positively to government policy and credit markets unfreeze, then the economy could begin to show early signs of stabilization. If lending resumes and prices don't fall as much as predicted, investment demand may not be as weak as in the baseline forecast. While residential and business investment still falls in this scenario, unemployment only reaches 8.1 percent in 2009 and prices drop 1.6 percent, leading GDP to fall by only 1.5 percent. The probability of a scenario such as this also stands at 20 percent.

1.5. Forecast Summary and Conclusions

Expect the current recession to continue through at least mid-2009 as producers scale back operations and reduce their workforces even further, consumers remain pessimistic about future incomes and diminishing housing equity, and banks limit access to lines of credit.

- Inflation-adjusted GDP will decrease by 2.5 percent in 2009, the largest drop since at least 1948, before returning to positive but below average growth in 2010
- The U.S. will enter a period of deflation, as the Consumer Price Index falls by 2.2 percent over the course of the 2009 before yielding to moderate inflation in 2010
- The housing market falls further, with 33 percent fewer new housing starts, 9 percent fewer sales of existing homes, and 21 percent less residential fixed investment
- Business investment will fall by about 15 percent as producers expect future price decreases
- Federal government spending will increase by 3.2 percent or more, depending on the final outcome of proposed legislation, while state and local spending will increase by only 0.4 percent
- Imports and exports will both fall (9.6 percent and 7 percent, respectively), but the trade deficit will improve despite remaining negative
- Unemployment will rise to 8.5 percent in 2009 with payroll employment declining by 2.6 percent before peaking above 9 percent in 2010

The Tennessee Economy: Short-Term Outlook

In this chapter—

2.1. Introduction

2.2. The Current Economic Environment
Housing
The Labor Market
Personal Income, Earnings and Sales
State Revenues

2.3. Short-Term Outlook
State Labor Markets
Personal Income, Earnings and Sales

2.4 Situation and Outlook for Tennessee Agriculture
Overview of Agriculture in Tennessee
Tennessee Agricultural Sector Outlook
Ag Sector Issues and Opportunities
Trade Negotiations and Agriculture
Farm Policy Issues

2.1. Introduction

What a difference a year makes. In January of 2008, most measures of economic activity were showing signs of a slowdown. But there were few if any indications that the economy was contracting. Now virtually every economic barometer is in decline. Job losses have occurred in each month of the year, the number of unemployed people has skyrocketed, and retail sales have collapsed. Following weak growth of 0.5 percent in 2007, nonfarm jobs in Tennessee fell at a 0.6 percent rate in 2008, with year-over-year setbacks mounting in each quarter of the year. The state unemployment rate averaged 4.7 percent in 2007, which now looks remarkable in contrast with the 6.4 percent rate for 2008. Taxable sales—which grew 4.1 percent last year—were down 1.6 percent in 2008. Tennessee's housing markets are a mess, with residential building permits in November of last year resting at 28.1 percent of the previous year's level.

Unfortunately, economic conditions will deteriorate further before growth is restored. Everything hinges on the national and global economies, each of which is in sharp decline. Economic conditions for the national economy are expected to show signs of improvement in the middle of 2009, though the path of recovery will be slow (see Chapter 1). The projected turnaround is based on three factors. First, the housing market is expected to bottom out and then slowly recover. Lower housing prices, along with a pent up demand for new housing and lower mortgage rates, will help enable recovery. A primary risk, however, is the current glut of unsold homes on the market and sustained tight lending standards. Second is the anticipation of a substantial fiscal stimulus program that will include some combination of tax cuts, increased infrastructure spending and aid to the states. Third is loose monetary policy and low interest

2.2. Introduction, continued

rates that are intended to spur both consumer and business spending. Unfortunately, there is a significant risk that the anticipated recovery will be delayed to the end of 2009 or the early part of 2010. At this date, there are simply no signs whatsoever that economic conditions have bottomed out.

The state's short-term outlook presented here does assume that the national economy can engineer a turnaround by the third quarter of 2009. Economic conditions in Tennessee should then slowly improve through 2010. Nonfarm jobs are expected to fall 2.2 percent this year and contract 0.3 percent in 2010. Nominal personal income will see growth of only 0.7 percent in 2009, benefiting from an unfortunate 8.6 percent increase in transfer payments. By the close of 2009, the state's unemployment rate will have surpassed the 9.0 mark and will ultimately reach 9.8 percent in the first quarter of 2010. This is the first time since 1983 that the quarterly unemployment rate will have jumped above 9.0 percent; the state rate averaged 11.5 percent in 1983. Taxable sales will be down 5.1 percent this fiscal year and slip 0.6 percent in the 2009/10 fiscal year.

2.2. The Current Economic Environment

Housing

It's not over yet. Many Tennesseans—perhaps most Tennesseans—do not think that the residential housing situation is as bad here as it is in other states. To some extent this is true, the state certainly did not see the price bubble pop like it has in California, Nevada or Florida—housing prices here did not skyrocket and then collapse. But recent residential building permit data suggest that the situation is now more dire in Tennessee than it is for the nation as a whole.

As shown in Table 2.1, building permits are down, and down sharply, in virtually all major cities across the state. For Tennessee as a whole, overall residential permits in November of 2008 were only 28.1 percent of their previous year's value. Residential permits for buildings that have 5 or more units are down by more than 80 percent from the previous year.

Permits issued in Memphis in November were only 13.4 percent of the count in November of 2007, the worst showing of any major city in Tennessee. Permits are up sharply in Jackson, reflecting a large increase in multi-unit permits (both 3-4 unit facilities and facilities with more than 5 units).

These figures are especially discouraging since they are a key leading indicator of construction activity. With permits in the fall of 2008 down so sharply, building activity will continue to contract through at least the early part of 2009. This in turn means fewer construction workers, lower building material and home furnishing sales, and further setbacks for the state and local sales tax. When residential construction activity does ultimately rebound, it will be building from an extraordinarily low base and will likely generate very strong rates of growth. But it will still take considerable time for the level of construction-related activity to return to pre-recession levels.

The Labor Market

The recession has wreaked havoc on labor markets across the state. The number of employed people fell in each quarter of 2008, and the civilian labor force contracted in the third and fourth quarters. After falling 7.4

continued on page 20

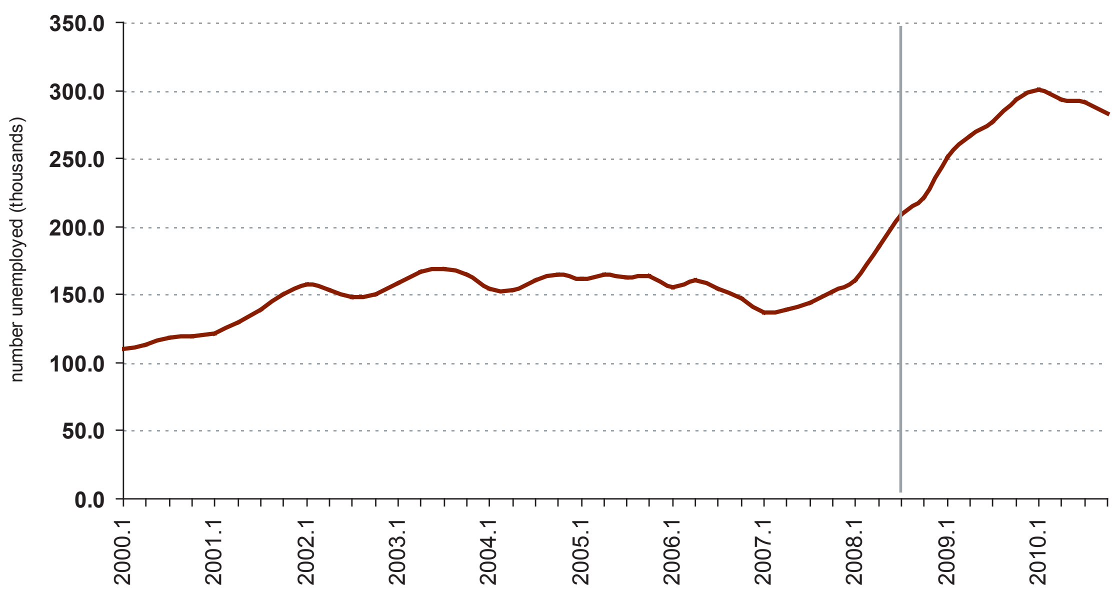
2.2. The Current Economic Environment, continued

Table 2.1. Residential Building Permits, November 2008 Relative to November 2007

	Total (%)	1 Unit (%)	2 Units (%)	3-4 Units (%)	5 or more units (%)
Tennessee and U.S.					
TN	28.1	35.6	27.3	49.2	18.8
U.S.	46.7	47.7	32.8	34.7	46.8
Major Cities					
Chattanooga	39.7	48.2			
Clarksville	34.4	26.9			
Cleveland	58.3	35.0			
Jackson	228.6	57.1			
Johnson City	86.5	37.8			
Kingsport-Bristol	42.6	62.5			
Knoxville	37.6	33.3			
Memphis	13.4	32.2			
Morristown	29.6	29.6			
Nashville-Davidson	28.5	44.2			

Source: U.S. Census Bureau.

Figure 2.1. Number of Unemployed People, Tennessee, 2000.1 to 2010.4
(seasonally adjusted)



Source: Bureau of Labor Statistics and CBER-UT.

2.2. The Current Economic Environment, continued

percent in 2007, the number of unemployed people surged in 2008 as shown in Figure 2.1. The second and third quarters of 2008 were especially grim, with the seasonally-adjusted count of unemployed people skyrocketing by 79.9 percent and 60.6 percent. For 2008 as a whole, the number of unemployed people grew by 51,000. Figure 2.1 indicates that the number of unemployed people is expected to continue to rise throughout 2009. The state unemployment rate averaged 4.7 percent in 2007, but increased over 2008 and reached a peak in December at 7.9 percent. The U.S. economy saw the unemployment rate rise to 7.2 percent in the December.

Figure 2.2 shows year-over-year changes in the nonseasonally-adjusted unemployment rate for Tennessee counties. The pattern of change is pervasive, with rate increases in all but Maury County and Fayette County. The largest rate increase occurred in Perry County, moving from 8.3 percent in November of 2007 to 18.8 percent in November of last year. A long list of counties—15 in total—saw unemployment rates jump to 10.0 percent or higher: Carroll (10.0 percent), Overton (10.1 percent), Haywood (10.2 percent), White (10.3 percent), Smith (10.5 percent), Fentress (10.7 percent), Henderson (10.7 percent), Lewis (10.7 percent), Lawrence (10.7 percent), Monroe (11.5 percent), Clay (11.7 percent), Pickett (12.9 percent), Lauderdale (14.1 percent), Scott (14.3 percent) and Perry (18.8 percent).

Labor market conditions have worsened

The Differential Impact of Unemployment Across People and Places

When looking across Tennessee's local labor markets, it is common to observe relatively lower rates of unemployment in metropolitan counties versus nonmetropolitan counties. It is certainly not an ironclad rule, but it is nonetheless a common pattern, especially for the state's larger metropolitan areas. In 2007, the statewide unemployment rate stood at 4.7 percent. The Chattanooga, Cleveland, Johnson City, Kingsport-Bristol, Knoxville and Nashville metropolitan areas all had unemployment rates below the state rate. On the other hand, the Clarksville, Jackson, Memphis and Morristown metropolitan areas had rates above 4.7 percent in 2007. Note that among the "big four" metropolitan areas, only Memphis had an unemployment rate above the state rate. While economic conditions have deteriorated sharply since 2007, metropolitan areas still tend to enjoy lower unemployment rates than their rural counterparts in this recessionary environment.

Unemployment rates vary with a fairly high degree of consistently across specific demographic groups of the population. While the overall unemployment rate was 4.7 percent in 2007, the unemployment rate for whites was 3.9 percent, for blacks 9.3 percent, for Asians 3.7 percent and for Hispanics 5.3 percent. With the exception of the Morristown area (where Hispanics enjoyed a lower unemployment rate than Asians), these patterns applied to all metropolitan areas of Tennessee in 2007.

Women in Tennessee experienced an unemployment rate of 5.1 percent in 2007, four-tenths of a percentage point above the statewide rate. In contrast, women workers nationwide experienced an unemployment rate of 4.5 percent in 2007 versus an overall unemployment rate of 4.6 percent. The rate of unemployment for women equaled or exceeded the overall unemployment rate in all metropolitan areas of the state. In only 16 of Tennessee's 95 counties did women experience an unemployment rate below the county average rate.

2.2. The Current Economic Environment, continued

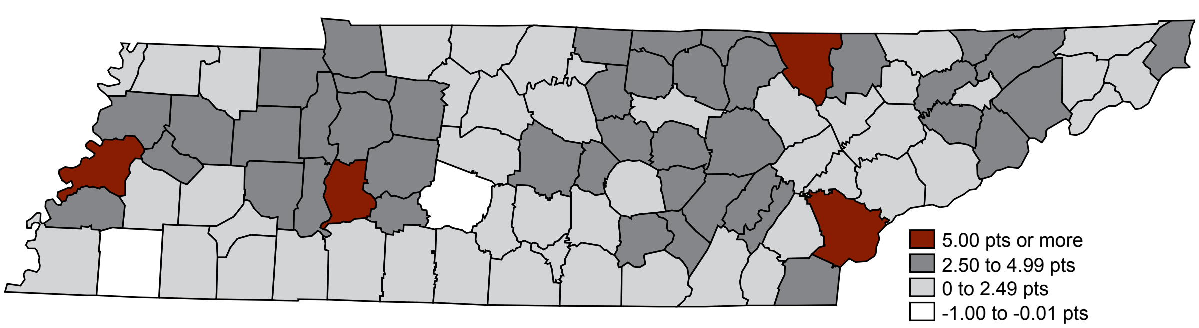
in most states. Figure 2.3 illustrates the deteriorating unemployment situation across the southeastern states. Not a single state in the region finds itself in better shape today than in 2007. While West Virginia has been able to hold on to its 4.6 percent unemployment rate, this will likely change as the recession deepens. South Carolina experienced the highest unemployment rate in November of 2008, 8.4 percent. Rate increases of 3 percentage points or more have afflicted North Carolina, Georgia, and Florida.

Job growth for the state and national economies has been trending down since early 2006 as shown in Figure 2.4. The outlook for 2009 is grim at best in light of the fact that there is no apparent deceleration in the pace of job losses. Nonfarm jobs in Tennessee suffered a 0.6 percent setback in 2008, compared to a 0.2 percent loss for the national economy. The last time the state experienced nonfarm job losses was in 2003 when jobs fell by 0.1 percent. The state's job losses totaled 15,500 for the year compared to 2.6 million for the U.S., with 1.9 million of the lost jobs for the nation being shed in just the final four months of the year. Few sectors of the state economy have been spared. For 2008 as a whole, jobs were up in wholesale trade, education and health services and government. By the fourth quarter, even wholesale trade was contracting.

Manufacturing saw job losses narrow in 2008, benefiting in part from a falling dollar in international currency markets. Following a 4.7 percent loss of jobs in 2007, job setbacks totaled 3.2 percent in 2008. Manufacturing jobs for the national economy were down 3.1 percent in 2008. Job losses in Tennessee accelerated in the last quarter of the year as global and domestic growth weakened and the dollar began to appreciate. For the year as a whole, manufacturing lost 12,200 positions, accounting for nearly 80 percent of total statewide nonfarm job losses. Manufacturing has shed jobs every year since 1998 when employment was up by an anemic 0.2 percent.

Every broad sector within both durable goods and nondurable goods manufacturing witnessed job losses in 2008. Generally the pain was more severe in the durable goods sector, where jobs fell 4.0 percent, than in nondurable goods, where jobs were down at the slower pace of 1.9 percent. Nondurable goods manufacturing eliminated 2,600 jobs in 2008, with the largest setback of 900 jobs taking place in plastics and rubber. In durable goods manufacturing, wood products, computers and electronics and furniture all had double digit losses. Transportation equipment—the largest broad subsector in manufacturing—lost 1,500 jobs for the year, with the losses mounting as the year came to a close. U.S. light vehicle

Figure 2.2. Change in Unemployment Rate, November 2007 to November 2008
(percentage points)
Tennessee: 1.9 pts



Data are not seasonally adjusted.
Source: Bureau of Labor Statistics.

2.2. The Current Economic Environment, continued

sales collapsed in the second half of the year, affecting production across the country. According to *Automotive News*, fourth quarter sales were off 34.7 percent. Chrysler fared the worst, with sales down 30.0 percent for the year and sales down 53.1 percent in December.

To put the state's fortunes in perspective, Figure 2.5 provides job growth figures for the southeastern states for 2007 as a whole and for 2008 through November compared to the same period in the previous year. Tennessee's employment growth in 2007 was one of the weakest performances within the region. Louisiana, North Carolina and South Carolina each recorded job gains in excess of 2.0 percent in 2007. But like the unemployment situation portrayed above, conditions generally weakened through 2008. In fact, for the year-over-year period through November of 2008, only two states—Louisiana and Virginia—posted job gains. Florida, which has fallen victim to the housing crunch, saw jobs fall 2.6 percent through November. Georgia and South Carolina also had job losses in excess of 2.0 percent.

Personal Income, Earnings and Sales

Nominal personal income registered growth of 3.7 percent in 2008, down from the 5.3 percent gain in 2007. Income for the nation expanded 6.1 percent 2007 but growth in 2008 was only 3.8 percent. Tennessee wage and salary income posted an increase of 2.4 percent in 2008, the weakest showing since 2001. Proprietors' income eked out a 1.5 percent gain after falling 0.9 percent in 2007. Rent, interest and dividend income was up 3.7 percent following a 9.4 percent spike in 2007. Transfer payments surged 9.2 percent in 2008, only slightly below the 9.6 percent jump in the previous year. Transfer payments would have been up more sharply if not for a 16.7 percent seasonally-adjusted fall in the third quarter of 2008.

Inflation-adjusted personal income advanced only 0.4 percent in 2008. In contrast, inflation-adjusted income grew 1.6 percent in 2001 (the last year the U.S. and state economies found themselves in recession) and 2002. Inflation-adjusted wage and salary income fell 0.9 percent in 2008; inflation-adjusted wages and salaries fell at the slower rate of 0.5 percent in 2001.

Nominal per capita personal income was up only 3.7 percent last year, well below the 4.2 percent increase in 2007. Inflation-adjusted per capita income slid 0.4 percent in 2008. During the recession year of 2001, inflation-adjusted per capita income was able to engineer very weak but positive growth.

The nominal average wage for the nonfarm state economy was up 2.9 percent in 2008, following growth of 4.1 percent in the previous year. Adjusting for inflation, the average wage was actually down 0.3 percent. Strong nominal earnings growth occurred in nondurable goods manufacturing (up 3.7 percent), professional and business services (up 7.0 percent), other services (up 5.4 percent) and government (up 5.2 percent). Adjusting for inflation, these four sectors were the only broad areas of the state economy to see growth. In 2008 the largest inflation-adjusted earnings loss was in transportation and utilities where the average wage slipped by 4.4 percent.

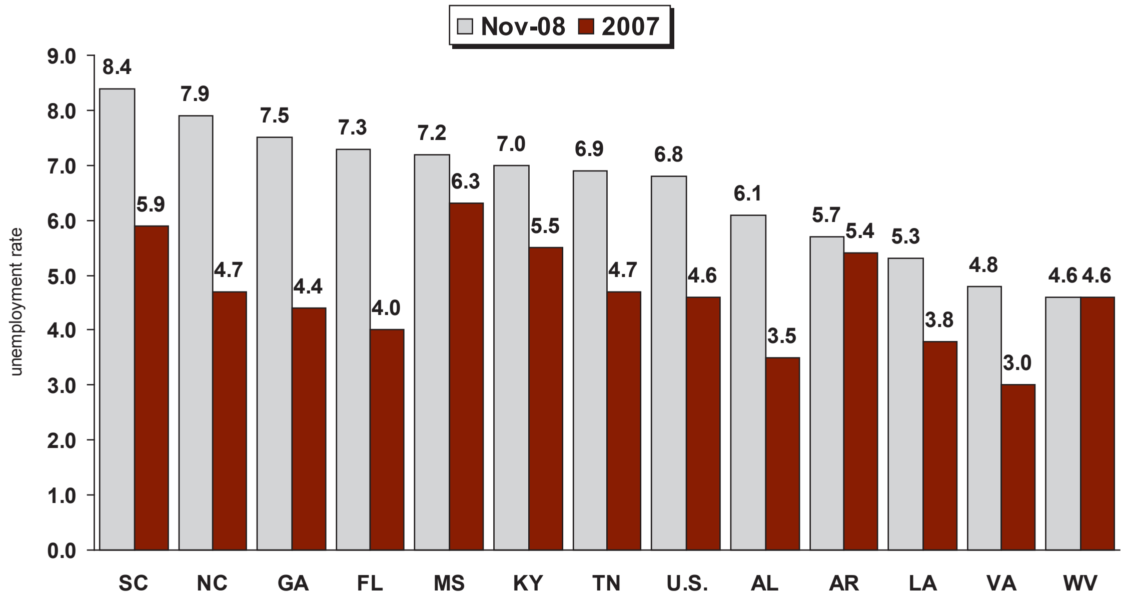
Taxable sales and sales tax collections weakened appreciably as 2008 unfolded. For the year as a whole, nominal taxable sales were down 1.6 percent, compared to growth of 4.1 percent in 2007; annual growth in taxable sales has been drifting down since 2005. Year-over-year sales tax collections were down 7.6 percent in October and down 10.3 percent in November.

Recent sales trends for some sectors are disturbing to say the least. Automobile dealer sales grew only 1.2 percent in 2007. But seasonally-adjusted quarterly sales declines have been present dating back to the first quarter of 2007. Seasonally-adjusted setbacks totaling 34.2 percent, 24.2 percent and 33.2 percent were registered in the second through fourth quarters of 2008. Purchases from manufacturers were off 15.5 percent in the

continued on page 24

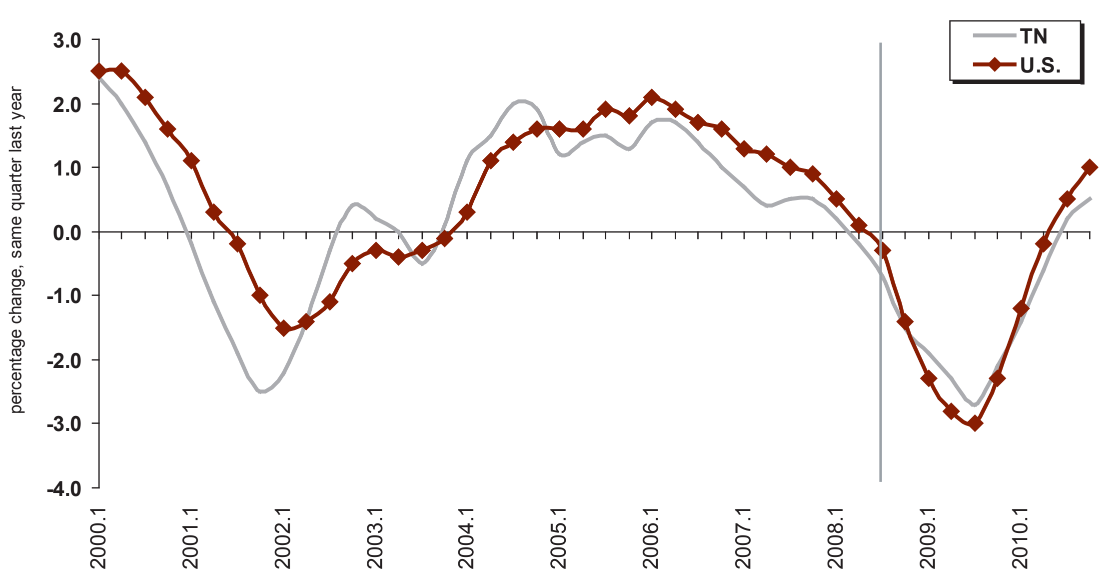
2.2. The Current Economic Environment, continued

Figure 2.3. Unemployment Rate, Southeastern States and U.S., Annual 2007 and November 2008



Source: Bureau of Labor Statistics.

Figure 2.4. Nonfarm Job Growth, 2000.1 to 2010.4
(seasonally adjusted)



Source: Bureau of Labor Statistics; IHS Global Insight, Inc.; and CBER-UT.

2.2. The Current Economic Environment, continued

third quarter and 12.5 percent in the fourth quarter of the year. Miscellaneous durable goods, hotels and motels, and transportation, communication and utilities each suffered double-digit sales losses in the third quarter of last year. In the fourth quarter, the only broad sectors that did not witness a double-digit loss were food stores, miscellaneous nondurable goods and transportation, communication and utilities.

State Revenues

The recession has devastated government finances from top to bottom. Projections by the Congressional Budget Office (CBO) suggest that the 10-year cumulative federal budget deficit could be anywhere between $2.3 trillion and $7.4 trillion, depending on the actions taken by the federal government (Williams 2009).[1] Most agree that higher deficits are warranted to help stimulate the economy. When the recession ends, however, the federal government will have plenty of work to do dealing not only with near-term deficits, but the huge deficits that loom on the longer-term horizon.

The impacts of a slumping economy have not only affected the finances of the federal government—state and local government finances have also suffered considerably. Recent local government revenue data are not available, but local sales taxes generally track state sales tax collections, suggesting that local governments across the state are confronting serious budget problems. Even local property taxes may be hurt through delinquencies and potentially lower appraised values; property tax revenue growth will certainly slow as residential and nonresidential building activity slows further.

According to Boyd and Dadayan (2009), year-over-year nominal state tax revenues increased in the third quarter of 2008 by only 3.2 percent.[2] In particular, personal income taxes increased by 2.1 percent and sales taxes increased by 3.0 percent, but corporate income taxes declined by 5.4 percent. As the economy has weakened, residents in all states have purchased fewer goods and services, and nonresidential investment is in a tailspin, resulting in slow growth in all tax collections. Figure 2.6 provides growth in nominal sales tax revenue from third quarter 2007 to third quarter 2008.

Inflation-adjusted year-over-year tax revenues declined in the third quarter of 2008 by approximately 0.6 percent overall (Boyd and Dadayan 2009). Expectations are that this is only the beginning of the downturn in state government finances because consumption of durable and nondurable goods continues to decline while layoffs are expected to increase and the housing market is expected to slump further (Boyd and Dadayan 2009). States that tapped into their rainy day funds early will face especially difficult challenges in the months ahead.

A major concern for states, aside from funding ongoing services, is the status of their unemployment insurance trust fund balances. According to the National Conference of State Legislatures (2008), five states are currently in danger of bankrupting their trust funds within the next three months.[3] In addition, 14 more states are expected to tap out their trust fund accounts within one year. As unemployment rates continue to rise, demand for unemployment insurance payments increase while fewer individuals are on the payroll to contribute to the trust funds. In Tennessee, this may become a serious concern

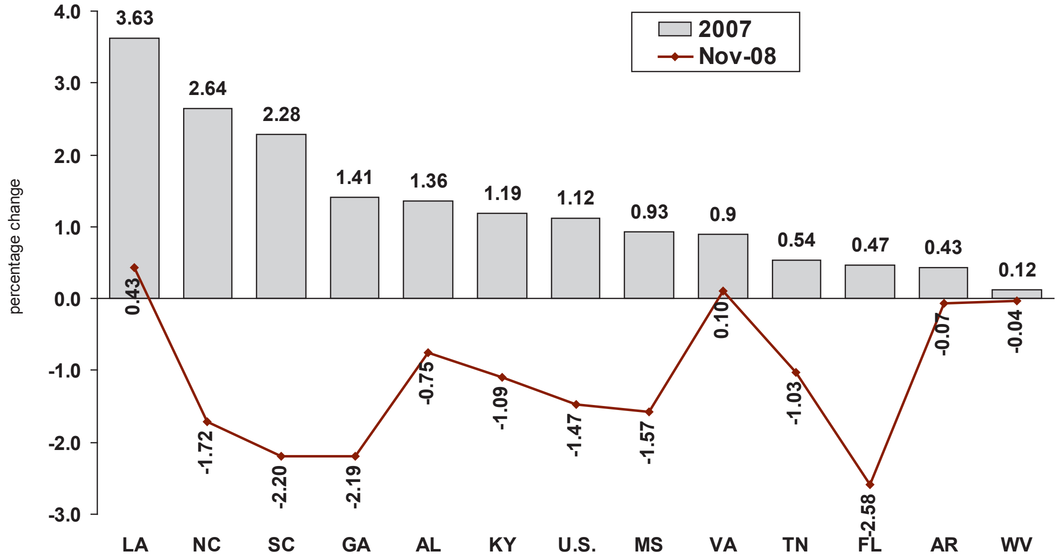
1 These numbers depend heavily on future decisions by President Obama and his administration regarding a variety of issues including the extension of the Bush tax cuts and the implementation of an Alternative Minimum Tax patch. See Williams, Roberton (January 2009). "President-Elect Obama's Tax and Stimulus Plans," Tax Policy Center. http://www.taxpolicycenter.org/UploadedPDF/411816_obamas_tax.pdf.

2 Early data indicate even less growth in state revenues for fourth quarter 2008. See Boyd, Donald J. and Lucy Dadayan January 2009). "State Revenue Report No. 74," The Nelson A. Rockefeller Institute of Government. http://www.rockinst.org/pdf/government_finance/state_revenue_report/2009-01-16-(74)-state_revenue_report_tax_revenue_falling_sharply.pdf.

3 See National Conference of State Legislatures (2008). "How are Unemployment Trust Funds in Your State?" http://www.ncsl.org/programs/press/2008/pr120808UETrustFunds.htm.

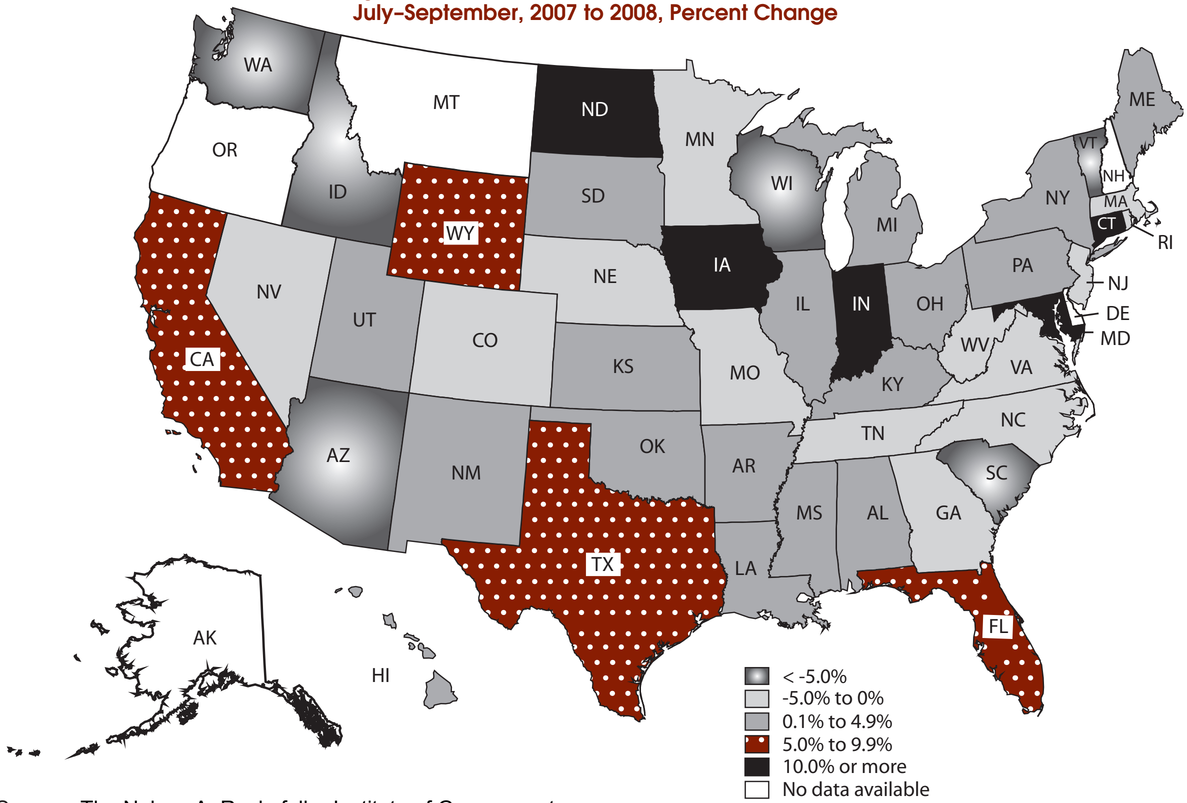
2.2. The Current Economic Environment, continued

Figure 2.5. Nonfarm Job Growth, Southeastern States and U.S., Annual 2006 to 2007 and Nov. 2007 to Nov. 2008



Source: Bureau of Labor Statistics.

Figure 2.6. Quarterly Sales Tax Revenue
July-September, 2007 to 2008, Percent Change



Source: The Nelson A. Rockefeller Institute of Government.

2.2. The Current Economic Environment, continued

before the close of the calendar year. From December 11, 2008 through December 31, 2008 alone, Tennessee's trust fund decreased by $38,525,305 (National Conference of State Legislatures 2008).

The southeast region, which includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, experienced a 1.0 percent decline in year-over-year third quarter nominal tax revenue in 2008 (Boyd and Dadayan 2009). More specifically, personal income taxes rose by only 0.7 percent, corporate income taxes declined by 18.5 percent and sales taxes increased by 1.2 percent. Sales tax revenues were particularly weak in South Carolina and West Virginia. These states witnessed a decline in sales tax revenues totaling 9.6 percent and 4.7 percent respectively.

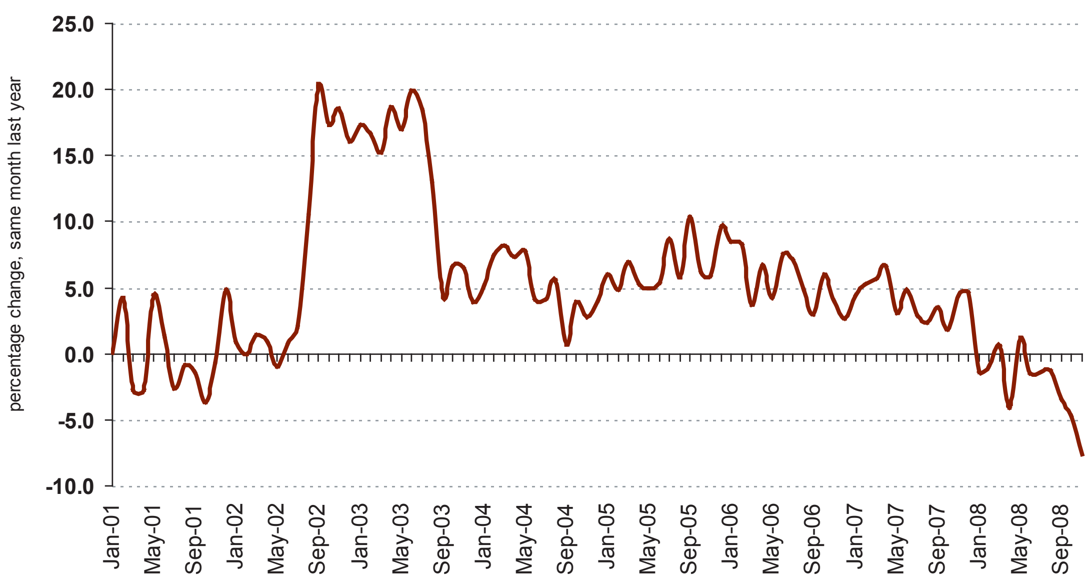
Among all eight regions in the U.S., the southeast's overall tax revenue performance was the weakest.[4] In fact, the southeast performed significantly worse than the national average in all three major revenue categories, lagging the national average by approximately 1.4 percent in personal income taxes, 13.1 percent in corporate income taxes, and 1.8 percent in sales taxes (Boyd and Dadayan 2009).

In Tennessee, the effects of the recession on state government finances are crystal clear, with year-over-year nominal tax revenue in the third quarter of 2008 declining by 4.2 percent. State corporate income tax revenue decreased by 25.2 percent and sales tax revenue decreased by 2.0 percent over the same period. In both categories, Tennessee had less growth than the nationwide growth in state taxes, lagging in corporate income tax revenue by 19.8 percent and lagging in sales tax revenue by 1.0 percent.

According to the UT Center for Business and Economic Research (2008), total tax collections in Tennessee declined by $74.7 million from December 2007 to December

4 However, only three states (out of six) in the Far West region were able to provide data for the analysis.

Figure 2.7. Sales and Use Tax Collections, Tennessee, January 2001 to November 2008



Source: Tennessee Department of Revenue, *Monthly Tax Collections*.

2.2. The Current Economic Environment, continued

2008, an 8.4 percent nominal decline.[5] Sales and use tax revenue decreased by 10.3 percent over this time, representing the worst decline in 47 years. Figure 2.7 illustrates the trend in Tennessee's monthly sales and use tax collections since the 2001 recession. After the last recession, there was an extended period of healthy sales tax collections, in part a result of strong building activity. However, since the end of 2007, trends in these collections have dropped significantly.

Since state governments are not allowed to go into debt, there are only three general ways to balance budgets in times of shortfalls—implementing budget cuts, imposing tax increases, or tapping into rainy day funds or other reserves. Overall, states have responded differently to the shortfalls in tax revenue. According to Johnson et al. (2008), Tennessee has focused most heavily on cutting spending.[6] Some residents will not receive hospitalization and other TennCare services. In addition, individuals with "intellectual disabilities" have lost many community-based services.

Governor Bredesen has also proposed a 6.0 percent hike in college and university tuition payments to help raise revenue to endure the recession. Along with these proposals, the Tennessee governor has cut the number of state employees by 2,000—a 5.0 percent decline.[7] Although Tennessee has imposed some active policies to help balance the state budget, many states have had to become even more aggressive in their techniques. For example, more than 20 states have cut K-12 spending and early education spending, something Governor Bredesen did not want to do even in time of recession. Many other states have also cut programs that are targeted towards poor citizens, such as programs aimed to provide affordable housing or services provided to abused or neglected children. Some states, like South Carolina and Maryland, have implemented furloughs, where some state employees are required to take days off without pay.

As a result of the economic downturn, President Obama has begun to develop the "American Recovery and Reinvestment Plan," a two year stimulus plan estimated to inject some $850 billion into the economy via government spending on infrastructure, tax cuts to lower and middle-class workers, and a significant amount of funds to help state and local governments balance their budgets. Each of these three components are expected to increase the demand for goods and services across the U.S.—government spending provides opportunities for companies to remain in production, tax cuts allow individuals to have more take-home income to spend, and federal government aid to the states allows states to remain fiscally stable.

According to Williams (2009), approximately $200 billion will be transferred from the federal government to state governments in order to help states balance their budgets, mainly by financing Medicaid health coverage. In providing these funds to state and local governments, President Obama will help states continue to provide essential services to their residents without imposing significant increases in taxes.

5 See Center for Business and Economic Research, University of Tennessee (December 2008). "Tennessee Department of Revenue Tax Collections." Note that December sales tax collections reflect economic activity from November sales.

6 See Johnson, Nicholas, Elizabeth Hudgins, and Jeremy Koulish (December 23, 2008). "Facing Deficits, Most States are Imposing Cuts that Hurt Vulnerable Residents," Center on Budget and Policy Priorities. http://www.cbpp.org/3-13-08sfp.htm.

7 According to Nicholas et al. (2008), approximately 1,500 of these employees have accepted a "buy-out" plan offered by Governor Bredesen to promote early retirement.

2.3. Short-Term Outlook

Tennessee's economic situation will deteriorate further before getting better. With the national economy now running in reverse, there is nothing that can be done to forestall more contraction in the state economy. As discussed at the beginning of this chapter, the national economy should see conditions improve in the third quarter. However, there are only downside risks in the quarters ahead.

Perhaps the best single indicator of the projected path of the state economy is the unemployment rate, which will rise steadily as 2009 unfolds and reach 9.8 percent in the first quarter of 2010. State job losses will mount to 2.2 percent in 2009 versus a 2.6 percent decline for the national economy. Even 2010 is expected to produce job losses in Tennessee, though the figures are modest. Real personal income in Tennessee will be up only 2.0 percent in 2009. A summary of the forecast is presented in Table 2.2.

State Labor Markets

The U.S. economy will see continued job losses in 2009 yielding contraction of 2.6 percent for the year. While seasonally-adjusted quarterly losses will ease as the year progresses, year-over-year losses will mount and then peak in the third quarter. The first two quarters of 2010 will also show year-over-year declines in employment. Tennessee is expected to follow this same general path. Nonfarm jobs in Tennessee will be down at least 2.2 percent in 2009 and down 0.3 percent in 2010.

The state's job outlook for broad sectors of the economy is illustrated in Figure 2.8. Education and health services, along with government, will be the only sectors to see growth this year. With year-over-year jobs in contraction in the first two quarters of 2010, there will be little opportunity to engineer job gains for the year as a whole. However, trade, transportation and utilities, and professional and business services will return to the black, while education and health services and government continue to enjoy job growth in 2010.

Manufacturing jobs will wither further both this year and next year. Tennessee will see manufacturing jobs contract 6.0 percent in 2009 and 3.8 percent in 2010. No quarter in the short-term outlook includes year-over-year or seasonally-adjusted job growth for the state's manufacturing sector. The durable goods sector—which generally is more cyclically sensitive than the nondurable goods sector—will experience job losses of 7.2 percent this year. Nondurable goods manufacturing will contract as well, but at the slower rate of 4.1 percent.

None of the broad subsectors of manufacturing will see growth in 2009. Wood products, computers and electronics, and furniture will all shrink by double digits. Wood products and furniture will continue to reel from the collapse of the housing market. Transportation equipment will experience a 10.0 percent loss in jobs, though things may be worse still if automobile sales do not pick up by mid year. Miscellaneous nondurable goods is the only subsector within nondurable goods manufacturing to anticipate double-digit job losses this year.

By the end of 2009, the state will have lost an additional 22,100 manufacturing jobs, including 16,300 in durable goods manufacturing and 5,700 in nondurable goods manufacturing. Manufacturing as a whole will account for only 12.7 percent on nonfarm jobs in Tennessee by the close of the year. In contrast, manufacturing represented 18.6 percent of nonfarm jobs in 1999.

The state unemployment rate will rise in each quarter of 2009 and reach 9.8 percent in the first quarter of next year. The U.S. unemployment rate also will drift upward over the course of the year, reaching its zenith of 9.2 percent in the first and second quarters of 2010. A weak recovery through 2010 will contribute to relatively high unemployment rates for this year and next year. Tennessee's unemployment rate will average 8.9 percent in 2009 compared to 8.5 percent for the U.S.

The labor force is projected to contract 0.2 percent in 2009, being driven down

2.3. Short-Term Outlook, continued

by a reduction in the number of employed people. The number of unemployed people in Tennessee will rise 40.3 percent this year, ahead of the 35.8 percent surge last year. Weak labor market conditions will contribute to a further reduction in the labor force participation rate.

Personal Income, Earnings and Sales

Nominal personal income growth will sag to 0.7 percent in 2009 under the weight of a 1.2 percent reduction in wage and salary income. Proprietors' income also will contract in 2009, falling 0.9 percent. Rent, interest and dividend income will decrease 0.2 percent. Transfer payments will jump 8.6 percent on the heels of a 9.2 percent spike in 2008. On a fiscal year basis, nominal personal income will be up 1.7 percent in 2008/09 and up 1.5 percent in 2009/10.

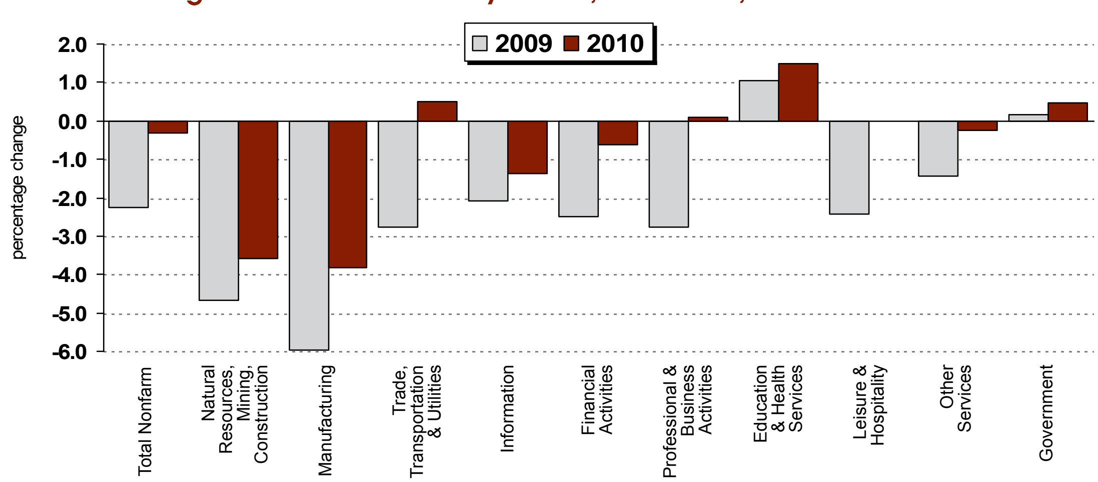
In most cases, inflation-adjusted growth rates are smaller than their nominal counterparts due to the presence of inflation. But a peculiar twist for this year will be stronger growth in inflation-adjusted income than nominal income, reflecting the prospect of deflation. Inflation-adjusted personal income should grow 1.9 percent in 2009.

The state's nominal average wage will grow only 1.1 percent this year, improving to 2.1 percent growth in 2010 when labor market conditions show broader-based improvement. Inflation-adjusted average earnings, on the other hand, will grow at the stronger rate of 2.3 percent in 2009. The explanation for stronger inflation-adjusted earnings growth is once again deflation. Workers will generally benefit in the near term from downward wage rigidity.

Taxable sales should see improvement by the third quarter when seasonally-adjusted growth returns to the black. But 2009 is still expected to see taxable sales fall 4.5 percent. On a fiscal year basis, sales should be down 5.1 percent this fiscal year and down 0.6 next fiscal year.

Automobile dealer sales will plummet 20.6 percent this year compared to a 15.1 percent fall last year. U.S. light vehicle sales are projected to come in somewhere in the vicinity of 10.3 million units in 2009, driving down sales. Sales will be lower still unless the credit freeze begins to thaw. Hotels and motels will see sales fall 8.7 percent as consumers cut back further on discretionary spending and gasoline prices continue their slow but steady ascent. The only broad sector expected to see sales gains is food stores. By 2010, all broad sales categories will show expansion.

Figure 2.8. Job Growth by Sector, Tennessee, 2009 and 2010



Source: CBER-UT.

2.3. Short-Term Outlook, continued

Table 2.2: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
US GDP (Bil2000$) SAAR	11727.4	11712.4	11545.2	11385.0	11332.5	11347.0	11393.0	11452.7	11561.6	11680.9	11772.1	11852.5	11657.7	11364.4	11616.8
% Chg Prev Qtr SAAR	2.83	-0.51	-5.59	-5.43	-1.83	0.51	1.63	2.11	3.86	4.19	3.16	2.76	1.16	-2.52	2.22
% Chg Same Qtr Last Yr	2.05	0.75	-0.65	-2.24	-3.37	-3.12	-1.32	0.59	2.02	2.94	3.33	3.49	1.16	-2.52	2.22
US GDP (Bil$) SAAR	14294.5	14412.8	14248.8	14071.9	14013.5	14076.7	14162.6	14287.6	14473.8	14680.2	14851.3	15024.8	14276.7	14081.2	14573.2
% Chg Prev Qtr SAAR	4.12	3.35	-4.47	-4.87	-1.65	1.81	2.47	3.58	5.32	5.83	4.74	4.76	3.40	-1.37	3.49
% Chg Same Qtr Last Yr	4.05	3.31	1.55	-0.56	-1.97	-2.33	-0.60	1.53	3.28	4.29	4.86	5.16	3.40	-1.37	3.49
TN PERSONAL INCOME (MIL2000$) SAAR	176472	173690	175997	178240	178847	178537	178873	179394	180000	180746	181312	182321	175350	178624	180363
% Chg Prev Qtr SAAR	2.84	-6.16	5.42	5.20	1.37	-0.69	0.76	1.17	1.36	1.67	1.26	2.25	0.42	1.87	0.97
% Chg Same Qtr Last Yr	1.37	-0.61	0.12	1.71	1.35	2.79	1.63	0.65	0.64	1.24	1.36	1.63	0.42	1.87	0.97
US PERSONAL INCOME (BIL2000$) SAAR	9998	9882	10027	10154	10169	10157	10159	10168	10201	10256	10294	10338	9963	10160	10230
% Chg Prev Qtr SAAR	2.21	-4.55	5.97	5.17	0.61	-0.49	0.10	0.33	1.33	2.18	1.49	1.71	0.51	1.98	0.69
% Chg Same Qtr Last Yr	1.25	-0.62	0.69	2.11	1.71	2.78	1.32	0.14	0.32	0.98	1.33	1.68	0.51	1.98	0.69
TN PERSONAL INCOME (MIL$) SAAR	214491	213710	213507	213679	214132	214641	215833	217564	219488	221676	223782	226703	213124	214571	220627
% Chg Prev Qtr SAAR	7.22	-1.45	-0.38	0.32	0.85	0.95	2.24	3.25	3.58	4.05	3.86	5.33	3.73	0.68	2.82
% Chg Same Qtr Last Yr	5.08	3.66	1.88	1.37	-0.17	0.44	1.09	1.82	2.50	3.28	3.68	4.20	3.73	0.68	2.82
US PERSONAL INCOME (BIL$) SAAR	12152	12159	12164	12173	12175	12211	12259	12331	12439	12579	12706	12855	12109	12204	12514
% Chg Prev Qtr SAAR	6.57	0.24	0.14	0.29	0.09	1.16	1.58	2.39	3.56	4.57	4.09	4.77	3.82	0.79	2.54
% Chg Same Qtr Last Yr	4.96	3.66	2.46	1.77	0.19	0.42	0.78	1.30	2.17	3.02	3.65	4.25	3.82	0.79	2.54
TN NONFARM JOBS (THOUS)	2787.7	2783.0	2759.7	2742.3	2724.8	2708.5	2702.0	2703.8	2707.8	2713.3	2716.8	2726.9	2781.8	2719.4	2710.4
% Chg Prev Qtr SAAR	-1.30	-0.68	-3.31	-2.49	-2.54	-2.36	-0.96	0.26	0.59	0.82	0.51	1.50	-0.55	-2.24	-0.33
% Chg Same Qtr Last Yr	-0.22	-0.66	-1.52	-1.95	-2.26	-2.67	-2.09	-1.41	-0.62	0.18	0.55	0.85	-0.55	-2.24	-0.33
US NONFARM JOBS (MIL)	137.7	137.3	136.2	134.8	133.8	133.2	133.1	133.1	133.5	134.0	134.4	135.0	137.3	133.7	133.8
% Chg Prev Qtr SAAR	-0.63	-1.07	-3.39	-4.05	-2.78	-1.66	-0.53	0.19	1.03	1.45	1.47	1.69	-0.25	-2.59	0.03
% Chg Same Qtr Last Yr	0.15	-0.31	-1.36	-2.30	-2.83	-2.98	-2.26	-1.20	-0.25	0.53	1.03	1.41	-0.25	-2.59	0.03
TN MFG JOBS (THOUS)	371.0	368.8	361.0	356.2	349.4	343.1	337.8	336.3	334.1	332.6	330.8	332.7	368.7	346.6	333.4
% Chg Prev Qtr SAAR	-3.04	-2.35	-8.25	-5.22	-7.41	-6.95	-6.06	-1.84	-2.59	-1.79	-2.07	2.34	-3.20	-5.98	-3.81
% Chg Same Qtr Last Yr	-2.40	-2.47	-4.12	-4.74	-5.83	-6.96	-6.41	-5.59	-4.38	-3.09	-2.07	-1.05	-3.20	-5.98	-3.81
US MFG JOBS (MIL)	13.6	13.4	13.1	12.7	12.4	12.0	11.8	11.7	11.6	11.6	11.7	11.8	13.5	12.2	11.7
% Chg Prev Qtr SAAR	-3.66	-4.07	-7.97	-11.60	-11.49	-10.78	-6.35	-3.88	-1.99	-0.16	2.41	3.14	-3.07	-9.05	-4.59
% Chg Same Qtr Last Yr	-2.47	-3.08	-4.64	-6.88	-8.83	-10.47	-10.08	-8.18	-5.81	-3.12	-0.93	0.83	-3.07	-9.05	-4.59
TN UNEMPLOYMENT RATE (%)	6.1	6.9	7.3	8.3	8.8	9.1	9.6	9.8	9.6	9.5	9.3	9.1	6.4	8.9	9.6
US UNEMPLOYMENT RATE (%)	5.3	6.0	6.8	7.6	8.4	8.8	9.1	9.2	9.2	9.0	8.9	8.7	5.8	8.5	9.1
CHAINED PRICE INDEX, GDP (2000=100.0)	122.0	123.1	123.4	123.6	123.7	124.1	124.3	124.8	125.2	125.7	126.2	126.8	122.5	123.9	125.4
% Chg Prev Qtr SAAR	1.12	3.94	0.93	0.59	0.19	1.30	0.82	1.43	1.40	1.57	1.53	1.94	2.26	1.12	1.24
% Chg Same Qtr Last Yr	2.02	2.63	2.15	1.63	1.40	0.75	0.72	0.93	1.24	1.31	1.49	1.61	2.26	1.12	1.24
US PERS CONSUMP DEFL (2000=100.0)	121.5	123.0	121.3	119.9	119.7	120.2	120.7	121.3	121.9	122.6	123.4	124.3	121.5	120.1	122.3
% Chg Prev Qtr SAAR	4.26	5.02	-5.50	-4.63	-0.51	1.66	1.47	2.05	2.20	2.34	2.57	3.01	3.30	-1.17	1.83
% Chg Same Qtr Last Yr	3.67	4.30	1.76	-0.33	-1.49	-2.29	-0.54	1.16	1.84	2.01	2.29	2.53	3.30	-1.17	1.83
CONSUMER PRICE INDEX,															
ALL-URBAN (82-84=1.000)	2.154	2.190	2.137	2.099	2.094	2.106	2.117	2.131	2.146	2.161	2.179	2.200	2.152	2.104	2.154
% Chg Prev Qtr SAAR	5.04	6.72	-9.30	-6.90	-0.92	2.21	2.10	2.72	2.84	2.85	3.36	3.98	3.80	-2.24	2.39
% Chg Same Qtr Last Yr	4.29	5.27	1.48	-1.36	-2.79	-3.83	-0.94	1.52	2.47	2.63	2.94	3.26	3.80	-2.24	2.39
BANK PRIME INTEREST RATE (%)	5.1	5.0	4.1	3.1	3.1	3.1	3.1	3.2	3.7	4.2	4.7	5.2	5.1	3.1	3.9
FEDERAL FUNDS RATE (% per annum)	2.087	1.940	0.513	0.125	0.125	0.125	0.125	0.187	0.677	1.187	1.713	2.203	1.929	0.125	0.941
30-YEAR FIXED MORTGAGE RATE (%)	6.1	6.3	5.9	4.9	4.9	4.9	5.1	5.2	5.4	5.7	5.9	6.1	6.0	5.0	5.5
TN TAXABLE SALES (MIL2000$)	19969	19254	18875	18873	18895	18832	18844	18871	18916	18983	19041	19118	78069	75444	75811
% Chg Prev Qtr SAAR	-0.05	-13.57	-7.64	-0.04	0.45	-1.32	0.25	0.58	0.95	1.43	1.23	1.61	-4.79	-3.36	0.49
% Chg Same Qtr Last Yr	-2.18	-6.06	-7.28	-5.50	-5.38	-2.19	-0.17	-0.01	0.11	0.80	1.05	1.31	-4.79	-3.36	0.49
TN TAXABLE SALES (MIL$)	24271	23690	22898	22626	22622	22640	22737	22886	23065	23282	23502	23772	94881	90626	92735
% Chg Prev Qtr SAAR	4.21	-9.23	-12.72	-4.67	-0.07	0.32	1.72	2.65	3.17	3.81	3.83	4.68	-1.64	-4.48	2.33
% Chg Same Qtr Last Yr	1.41	-2.02	-5.66	-5.81	-6.79	-4.43	-0.70	1.15	1.96	2.83	3.36	3.87	-1.64	-4.48	2.33
TN AVG ANNUAL WAGE, NONFARM (2000$)	33748	33528	34050	34544	34692	34663	34681	34705	34726	34739	34735	34699	33868	34645	34726
% Chg Prev Qtr SAAR	-4.56	-2.59	6.38	5.93	1.72	-0.34	0.20	0.28	0.24	0.15	-0.04	-0.42	-0.34	2.30	0.23
% Chg Same Qtr Last Yr	-0.46	-0.93	-0.64	1.17	2.80	3.39	1.85	0.46	0.10	0.22	0.16	-0.02	-0.34	2.30	0.23
TN AVG ANNUAL WAGE, NONFARM ($)	41019	41253	41307	41413	41537	41673	41847	42089	42344	42605	42872	43146	41162	41617	42477
% Chg Prev Qtr SAAR	-0.49	2.30	0.52	1.03	1.20	1.32	1.68	2.34	2.44	2.49	2.53	2.58	2.95	1.11	2.07
% Chg Same Qtr Last Yr	3.19	3.33	1.10	0.84	1.26	1.02	1.31	1.63	1.94	2.24	2.45	2.51	2.95	1.11	2.07

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

2.4. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture in Tennessee

Year in Review

In 2008, Tennessee began to recover from the 2007 drought with improved weather conditions for crop production. The lack of a late spring freeze allowed for a recovery in apple and peach production. Commercial apple production increased from 100,000 pounds in 2007 to 9 million pounds in 2008. Similarly peach production increased from no commercial production in 2007 to 3.8 million pounds in 2008.

Tennessee crop producers had the opportunity to benefit from a price increase that began to develop in April and May as farmers in the Midwest experienced delayed corn and soybean planting due to extensive flooding. The flooding combined with heavy futures trading by index funds that bought long in anticipation of a continued rise in commodity prices in general and crude oil in particular. Because these funds were required to maintain the distribution of commodities specified in their prospectus, as crude oil prices rose the funds continued to buy grain and oilseed contracts driving the price upward. The price of crude oil peaked during the first two weeks of July and went into a precipitous fall from a peak close of $144 per barrel to below $50 per barrel in late December. Heavy margin calls forced the liquidation not only of crude oil contracts but of the agricultural contracts, driving those prices downward as well. The sub-prime mortgage crisis that had been looming for months erupted into a full blown crisis in September putting additional downward pressure on agricultural products as consumer demand slackened.

Given its relative profitability, Tennessee farmers shifted acreage out of corn and cotton and into soybeans. Soybean harvested area increased by 450,000 acres while corn acreage fell by 155,000 acres and cotton lost 230,000 acres.

With improved weather conditions, Tennessee corn yields increased from 106 to 115 bushels per acre. The cotton yield increased by 62.0 percent from 565 pounds per acre to 917 pounds per acre in 2008. Soybeans also saw a dramatic recovery in yield jumping from a meager 19 bushels per acre in 2007, to 31 bushels per acre in 2008. Post-harvest rains in December will improve subsoil moisture for the 2009 crop, aiding the winter wheat crop that is already in the ground and providing favorable soil conditions for the planting of spring crops.

Tennessee's 2008 wheat production totaled 32.8 million bushels, more than three times the size of last year's crop. The higher production was the result of a near-record yield, 63 bushels per acre in 2008 vs. 41 bushels per acre in 2007, and harvested acreage (520,000 acres) that was double that of a year earlier.

Cattle producers who experienced pressure from the drought and high feed prices in 2007 found little relief as record high summer grain and oilseed prices counterbalanced improved pasture conditions. The combination of high input prices and a weakening economy continued to put pressure on beef and other meat animal producers during 2008.

Tennessee Agriculture

Agricultural activities account for 11.4 percent of Tennessee's economy with $44.2 billion in output. About 342,000 Tennesseans are employed by agriculture with 130,000 employed (both full and part time) in agriculture. In 2007 the number of farms in Tennessee declined to 79,000 while the land in farms remained constant at 11.4 million acres. About 40.0 percent of total land is in farmland, two-thirds of which is crop land. Nationally, Tennessee ranks sixth in the number of farms, 26th in the number of farm acres, and 43rd in average farm size.

Of the 79,000 farms in Tennessee, 57,500 have sales between $1,000 and $9,999. An additional 17,500 have sales between $10,000 and $99,999, with 1,950 having sales between $100,000 and $249,000. Twelve-hundred farms have sales between a quarter- and a half- million dollars, and only 850 farms have total sales of $500,000 and above. One

2.4. Situation and Outlook for Tennessee Agriculture, continued

percent of all farms in Tennessee have sales of $500,000 or more and yet these farms represent 14.0 percent of all Tennessee farmland.

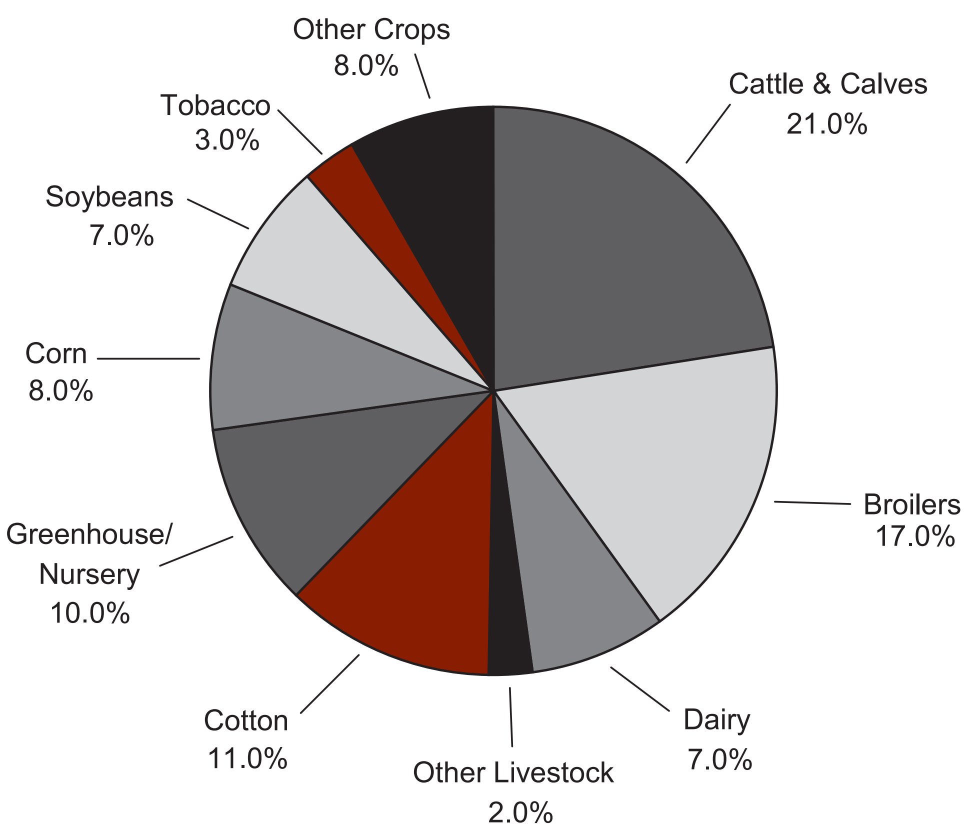
The average value of agricultural land and buildings in Tennessee in 2008 increased to $3,650 per acre, double the 1998 value of $1,810 per acre. The 2008 average value for cropland was $3,600 per acre while pasture was valued at $4,100 per acre. The cash rent per acre for cropland decreased to $65 per acre, down $2 from a year earlier. Cash rent for pasture increased $2 to $22 per acre.

Agricultural Products in Tennessee

Agriculture in Tennessee is quite varied. The state's top agricultural commodities, in terms of 2007 cash receipts, include cattle and calves, broilers, cotton, greenhouse/nursery, corn, dairy products, soybeans, tobacco, hay, hogs, wheat, tomatoes, eggs, snap beans, grain sorghum, apples, sheep and lambs, squash, honey, and farm chickens. In 2007, all agricultural commodities in Tennessee generated more than $2.7 billion in cash receipts, an increase over 2006 levels. Crops and livestock products continued to contribute nearly equally to Tennessee agricultural cash receipts.

Figure 2.9 shows the relative share of cash receipts by commodity. More than one-in-three dollars in agricultural market receipts in Tennessee is from cattle and calves ($582 million) or broilers ($454 million) with cash

Figure 2.9. Leading Tennessee Commodities for Cash Receipts, 2007



Source: Tennessee Agriculture 2006, Tennessee Agricultural Statistics Service.

2.4. Situation and Outlook for Tennessee Agriculture, continued

receipts up for cattle and calves by $101 million and broilers by $41 million. Cash receipts for dairy products increased in 2007 to $202 million from $148 million a year earlier. In 2007, cotton maintained its position as the leading cash crop with $308 million in receipts, down from $335 million the year before as acreage fell by 28.0 percent and prices increased. Nursery and greenhouse production brought in $273 million, the same as the three previous years. Corn receipts increased to $216 million from $152 million in 2006 in response to higher prices and additional acreage. Soybean receipts decreased to $196 million giving up 120,000 acres to corn in response to the relatively higher profitability of corn. Dairy products brought in $202 million—milk cow numbers and production were down while the price was up 43.0 percent from a year earlier. Cash receipts from tobacco fell to $81 million. Tennessee ranks second among all states in production equine and meat goats, fifth in snap beans and tomatoes, and sixth in tobacco.

Tennessee's 2007 agricultural exports fell by $159 when compared to the previous year. The sharpest decline was in cotton exports. Other major agricultural products losing export sales were soybeans and unmanufactured tobacco. The largest gain in exports was feed grains and products followed by poultry and products and then by wheat grains and products. Tennessee accounts for 1.0 percent of U.S. agricultural exports.

Tennessee Agricultural Sector Outlook

Farm Income

Net farm income for Tennessee farmers decreased from $632 million in 2006 to $363 million in 2007. The decrease in net farm income is primarily attributable to inventory adjustments due to the early freeze which was followed by a drought, reducing crop production. In 2006, 52.0 percent of Tennessee net farm income came from government payments. In 2007 direct government payments were $307 million—85.0 percent of net farm income.

The U.S.D.A. estimates that, nationally, net farm income for 2008 will be virtually identical to the 2007 level. The higher value of crop and livestock production, comparing 2008 with 2007, is projected to be offset by increased input costs. Short of a major weather-related production problem in 2009, farmers are unlikely to see crop prices as high as they were in 2007. This is a concern for crop farmers who face higher input prices. Profitability will depend on management of input costs and careful crop marketings. Livestock farmers will likely receive some relief from lower feed costs than they saw in 2008, but will continue to face pressure on sale prices.

Going into 2009, farmers are in a generally stable financial position compared to most other sectors of the economy. The debt-to-asset ratio is low for most farmers, putting them in a favorable position to weather the current economic crisis. The major concern will be the availability of credit to finance operational costs.

Crops Outlook

Corn production in 2008 fell by 13.0 percent from a year earlier. This decrease resulted from a 21.0 percent reduction in planted acres that was partially offset by an 8.5 percent increase in yield. While 2008 U.S. corn production was over 1 billion bushels lower than a year earlier, the midpoint of the projected season average price paid to farmers is 20 cents lower than for the 2007 crop. The lower prices result from weakened world and national economic conditions which have led the U.S.D.A. to project a reduction in total 2008 corn use by nearly 600 million bushels from a year earlier. Ending stocks for the 2008 crop are projected to be 1.5 billion bushels, slightly down from the prior year. The demand by ethanol plants for corn in 2009 is projected to grow more slowly as plant construction has been delayed and a number of existing plants were hurt by the high corn prices in the summer of 2007. The high price

2.4. Situation and Outlook for Tennessee Agriculture, continued

of corn, a major component of animal feed, led livestock producers to contract the size of their herds, reducing the projected feed demand for 2009. Corn exports are projected to be over 600 million bushels below a year earlier as total grain production in the rest of the world increased by 6.0 percent. This picture could change considerably if crude oil prices were to move upward from their late 2008 price of $50 a barrel, making ethanol more profitable. An increase in the price of oil would increase the demand for ethanol and thus the demand for corn, resulting in a higher season average price for the 2008/2009 corn crop.

Despite low carry-out stock levels for the 2008 U.S. crop, soybeans will face downward price pressures in 2009 due to abundant vegetable oil stocks coming from palm oil, sunflowerseed oil and rapeseed oil. Low crude oil prices also contributed to lower demand for soybean oil as a feedstock for biofuels. Higher feed wheat production in the rest of the world competes with soybean meal in protein markets and corn in the carbohydrate markets, reducing export demand for both these U.S. commodities. While 2008 soybean production in Brazil was lower than it was a year earlier, world supplies were up, led by increases in Argentina, China, and India. Weather, the relative price of soybeans to corn, and fertilizer costs will all factor into farmers' soybean planting decisions in the coming crop year.

The marketing of much of the wheat crop came before the fall in prices in mid-summer 2008, resulting in a season average price—a projected price midpoint of $6.70—that is well above the end of the calendar year market price levels. The 2008 U.S. harvest was over 400 million bushels above the 2007 harvest of 2.1 million bushels, resulting in an increase in projected year ending stock levels. The winter wheat crop that was planted in the fall of 2008 entered the winter dormancy period with 65.0 percent of the crop in good-to-excellent condition, well above the 44.0 percent of a year earlier.

Global wheat production was up 12.0 percent, limiting the 2008 crop year markets for U.S. wheat exports. With the increased production, world stock levels are projected to be higher going into the 2009 crop year.

With the global economic crisis, 2008/2009 global cotton mill use is projected to decrease by 5.5 percent from the 2007/2008 crop year and year ending stocks are projected to increase. Over the last two crop years U.S. cotton production has fallen from 21.6 million 480-pound bales to 13.6 million 480-pound bales as relative returns for corn and soybeans have been higher. The current prices are approaching the lows of the 2004/2005 period. A further softening of prices in late winter and early spring 2008 could result in further cuts in U.S. cotton production.

Tennessee farmers could see weak prices in 2009 if the economic crisis continues to soften demand for agricultural products. If input prices do not decline by a similar proportion, farmers could be caught in a cost-price squeeze, reducing farm profitability. Tennessee crop farmers could also see a tightening of credit requirements as major financial firms work to recover from losses related to the sub-prime home mortgage crisis.

<u>Livestock Outlook</u>

The U.S.D.A. projects 2009 U.S. beef production at 26.7 billion pounds, a level virtually identical with 2007 and only marginally above 2006 levels. Fed cattle prices at the end of 2008 were 9.0 percent below their high in August 2008, and wholesale cutout values were 15.0 percent below their July peak. The world financial crisis has put a damper on demand resulting in imports increasing slightly more than exports. While grain prices in 2009 are projected to be lower than in 2008, they are still above the prices cattle producers paid in 2005 and most of 2006. Beef and veal exports still remain below the 2003 level and the U.S. beef export market continues to be affected by the discovery of BSE in the U.S. herd.

Mandatory Country of Origin Labeling (COOL) will come into full effect in 2009. It is unclear whether or not it will result in a

2.4. Situation and Outlook for Tennessee Agriculture, continued

consumer preference for beef born, raised, and slaughtered in the U.S. A consumer preference for U.S. beef could result in lower imports and slightly higher prices for U.S. beef. U.S. per capita beef consumption is projected to be 62.4 pounds in 2009 compared to 63.0 pounds a year earlier.

Pork production for 2009 is projected to be slightly below 2008 levels as producers lowered the herd size in response to the high feed prices. Exports are projected to decline by slightly over 400 million pounds while imports increase marginally. Because most of the pork is produced in the U.S., COOL will probably have less impact on pork than on beef. The per capita consumption of pork in the U.S. in 2009 is projected to increase from 48.7 pounds to 49 pounds.

Given high feed costs and low margins, 2009 broiler production is projected to fall to 36.7 billion pounds from 37.1 billion pounds in 2008. Broiler exports are projected to drop by slightly more than 400 million pounds. Domestic per capita consumption of broilers is projected to fall from 84.4 pounds in 2008 to 84.2 pounds in 2009.

Milk prices are projected to be in the $15 per cwt (i.e. hundred-weight) range in 2009 well below 2008 prices that averaged $18.30 per cwt. Both imports and exports of milk are projected to decline in 2009.

Ag Sector Issues and Opportunities

<u>Biofuels</u>

With the state's comprehensive Biofuels Initiative well underway, opportunities for farm-based income and rural economic development related to the emerging bioeconomy are reasons for Tennessee farmers, landowners and communities to have bullish optimism. The University of Tennessee Biofuels Initiative (UTBI) is a comprehensive and integrated program designed to advance and facilitate the development of a commercial biomass energy industry in Tennessee. The UTBI is organized around four integrated objectives: (1) demonstrate the establishment of a dedicated biomass energy crop supply chain with Tennessee farmers to supply a cellulosic biorefinery; (2) demonstrate the pre-commercial production of ethanol from Tennessee-grown switchgrass and other biomass feedstocks; (3) establish in Tennessee premier long-term research and development capability in bioenergy and bioproducts; and (4) develop a viable, sustainable, long-term path to commercialization of cellulosic biofuels and energy crops in Tennessee. The University of Tennessee and its related entities and private partners working to implement the UT Biofuels Initiative have made tremendous progress toward realization of these ambitious objectives.

The first year of the Switchgrass Farmer Incentive Program has been a successful one, by all measures, under the leadership of The University of Tennessee Extension Service working closely with the farm community to develop and implement the program. The first 723 acres of switchgrass planted under contract with the University of Tennessee in 2008 were harvested with yields averaging just over two tons per acre, ranging from under one to over five tons per acre. Switchgrass yields in these fields are expected to triple over the next two years. The second round of contracting is underway, expected to enroll an additional 2,000 acres of switchgrass in the program in 2009, then add an additional 3,000 acres in 2010. A significant portion of the switchgrass produced in 2008 will contribute in some way to the switchgrass research program, for example, in harvesting studies, storage studies, pre-processing research, compositional analysis or conversion and utilization research. Switchgrass harvested in 2009 and beyond will be used in the demonstration scale biorefinery for cellulosic ethanol production and other green energy demonstration projects.

Construction is underway at the biorefinery site in the Niles Ferry Industrial Park in Vonore, for this first-of-its-kind facility designed to demonstrate and optimize the production of cellulosic ethanol from

2.4. Situation and Outlook for Tennessee Agriculture, continued

switchgrass and cob. The construction project, a partnership between Genera Energy LLC and DuPont Danisco Cellulosic Ethanol, LLC, is on track to produce Grassoline in the facility by December 2009. In addition to a 250,000 gallon pilot production facility, the project will also include a smaller scale process development unit (PDU) to enhance the research capabilities of the facilities. The facility is designed to maximize the research flexibility and capability for both biofuels and bioproducts from switchgrass and other biomass feedstocks. The pilot facility is scaled to generate valuable data (process, engineering, economic, technical) required for scale up to commercial biorefineries throughout the state.

Trade Negotiations and Agriculture

Trade has been an important outlet for agricultural production from colonial times to the present. With $770 million in agricultural exports, Tennessee farmers have a stake in the outcome of the current World Trade Organization (WTO) and the key concepts driving those negotiations.

Subsidies

One of the key objectives of some trade negotiators is the elimination of agricultural subsidies. They are operating under the assumption that with the elimination of subsidies, particularly in the U.S., the E.U., and Japan, the farmers who needed subsidies to survive—again those in the U.S., the E.U., and Japan—would reduce their production, prices would increase, and farmers in the rest of the world, particularly developing countries, would move in and capture those markets, thus raising the gross domestic product of those countries and lifting people out of poverty. In this case, would the advocates of the elimination of farm subsidies achieve their “increase-the-income-of-developing-country-farmers” and other objectives even if all impediments to completely free trade were eliminated in WTO trade negotiations?

If subsidies are the reason why cotton farmers in developing countries suffer from low cotton prices, then why are coffee prices so depressed from their peak two-and-a-half decades ago? The U.S. has no coffee subsidies. Likewise, for cocoa and tea, the U.S. has no subsidies and yet all three experience long periods of low prices, punctuated by price spikes brought on by short-term weather or demand-induced disruptions

The major reason why the prices of these crops and major U.S. crops have experienced periods of low prices is because there is little price responsiveness on either the supply or demand side. Low prices do not induce people to move from three to four meals a day and farmers are subject to long-term constraints that keep them producing even when prices are low. With low prices, farmers have every incentive to make up in volume what they have lost in price to maximize their income, as a result production will not shift enough in response to the absence of subsidies to significantly reduce supply and increase price.

As a result, trade negotiators may succeed in eliminating farm subsidies, but this will not eliminate the chronic price and income problems of crop agriculture in both tropical and temperate regions. It would take regulating supply to offset the extreme lack of market responsiveness when prices plummet.

What would occur with the elimination of subsidies would be a crash in land prices and other fixed resources in agriculture and production levels would largely continue but with somewhat of a change in the cast of players.

Market Access

While the key objective of developing-country negotiators is the elimination of subsidies, the focus of both U.S. and several other countries’ negotiators has been “market access.” The question here is will the advocates of market access get what they want if the trade negotiations open up market access?

To begin to answer this question it must be recognized that the U.S. is the residual supplier of storable commodities like corn,

2.4. Situation and Outlook for Tennessee Agriculture, continued

soybeans, wheat, and cotton. U.S. producers of these commodities get what is left over after our export competitors have cleared their last bushel or bale out of port.

The U.S. exports and year-ending stocks vary widely from year to year while our export competitors export whatever they produce that is not needed for their domestic consumption. Their ending stocks are typically driven down to minimal levels. Our stock levels vary, theirs vary much less.

Given that, the billions-of-dollars-worth-of-exports question is: Even if WTO negotiations resulted in substantial access to the agricultural markets of all countries, would the U.S. capture the markets? Or would our export competitors grab the lion's share of the export gain with the U.S. filling in gaps? All one has to do is look at soybean exports to China to see that risk in spades. Soybean exports to China have gone up dramatically, but most of the increase in exports to Asia has been captured by Brazil and Argentina.

Specialty crop and food product producers may experience some significant gain from the opening up of market access, but that gain will not be enjoyed by the Tennessee producers of cotton, wheat, corn, and soybeans

Peasant Producers

To the extent that developing countries increase their sales with increased market access, will the level of poverty in those countries be reduced? Or will those with access to capital be stimulated to purchase land of a large number of small land-holders to put together mega-industrial farms run by a small number of people? If that happens on a large scale in a relatively short period of time, what will those who sold their land do for a living when the sale receipts run out, as they inevitably will? What about those who have only traditional use rights to the land but no formal title? Will market access help them when their government gives the rights to the land to buyers from another country?

Without addressing issues like these, market access may be detrimental to the very people in developing countries that it is supposed to lift out of poverty. WTO may be stalled until it includes mechanisms that recognize the importance of peasant producers in the economic life of many nations.

Reserves and the Need to Manage Supply

Agricultural trade negotiators have not made any provision to account for the need for the world to have an agricultural production capacity that runs well ahead of population growth and demand from other uses. With an ever-growing population the world needs to continue to develop an agricultural production capacity that runs well ahead of demand. It just doesn't need to use it all the time. One way for WTO to do this is to reinvigorate the old "blue box" allowance of payments to farmers to establish reserves and manage supply through mechanisms appropriate to the crop under consideration.

Agricultural trade negotiators also ignore the needs for physical reserves of storable commodities. Current trade theory assumes that if country A runs short of a commodity, they don't need physical reserves because they can get it from country B, or C, or D. But occasionally a number of countries have production problems in the same crop year. A perfect example of this is 2007 when increased demand for corn for ethanol combined with wheat production problems in a number of countries, leading to a spike in grain and oilseed price, food riots in more than 25 countries and embargos by a number of exporters in order to protect their domestic consumers. Times like 2007 are when physical reserves are needed. Virtual reserves will not do.

Farm Policy Issues

The 2008 Farm Bill was adopted over the veto of the veto of President Bush. The administration wanted to see a more radical shift in U.S. farm policy that would lower expenditures and make it more compatible with the hoped for results of WTO trade negotiations. As passed by Congress, the new

2.4. Situation and Outlook for Tennessee Agriculture, continued

farm bill shows incremental change keeping both direct payments and the marketing loan program. Payment limitations were put in place for upper-income farmers and those not actively engaged in farming. Under the 2008 bill, farm payments were attached to an individual social security number and not to a farm.

Congress added a revenue based program called ACRE that farmers could opt into as a replacement for the Counter-Cyclical Payment (CCP) program. With higher prices in 2007 and 2008, the ACRE program could provide farmers with better income protection than the CCP. Once farmers enter the ACRE program they must remain in it for the duration of the five-year farm bill. The rulemaking for this program has been left for the new administration that will take office in January of 2009.

The new farm bill provided strong support for ethanol production and reaffirmed Congressional support for COOL, the implementation of which had been delayed by the administration for six years. It went into effect on September 30, 2008.

The Tennessee Economy: Long-Term Outlook

In this chapter—

3.1. Introduction

3.2. Economic Growth in Tennessee: 1998–2018
The Labor Force and Unemployment Rate
Employment
Personal Income and Gross Domestic Product

3.3. 20th Century Recessions and Effects on Tennessee
What is a Recession?
The Great Depression
Post-War Ripples
Stagflation and Oil Shocks
The Not-So-New Economy
Tennessee in Recession
What's Different about This Recession?

3.1. Introduction

This chapter takes a long-term view of economic growth. The first major section below considers Tennessee's growth from 1998 to the present, as well as the state's outlook extending to 2018. Between 1998 and 2008, inflation-adjusted personal income in Tennessee grew at a 2.3 percent compound annual growth rate, slower than the 2.6 percent rate of growth for the nation. Looking forward, the state's personal income is expected to see 2.2 percent growth between 2008 and 2018, while U.S. personal income will be up 2.7 percent. The national economy's pace of job creation surpassed Tennessee's rate of growth between 1998 and 2008, a pattern that is expected to repeat itself over the course of the next ten years.

The second major section of this chapter looks at the current recession from an historical perspective, placing it in the context of the Great Depression and the string of post-war recessions. Many observers today argue that the current recession will be the deepest and longest since the Great Depression. It is likely that this will in fact be the longest recession in the modern era. And while the recession will deepen further before growth is restored, not all measures of economic activity are expected to sink to new lows. For example, while the state and national unemployment rates will continue to rise, few expect them to move to the double-digit rates that prevailed in the early 1980s.

3.2 Economic Growth in Tennessee: 1998–2018

Today the economy finds itself mired in a serious recession, a short-run downturn in the business cycle. The causes of the recession are now crystal clear, having roots in the domestic subprime mortgage market and its collapse. When the rebound occurs later this year or in early 2010, the economy will progress for an unforeseen period of time, and then another surprise or shock will thrust the economy back into recession. These short-run booms and busts that characterize the business cycle are inherently unpredictable.

Longer-term periods of economic growth will often include one or more recessionary periods, depending on the specific time frame. While the boom and bust cycle of the economy affects long-term growth, other factors can be of equal or greater importance. Consider a business that has survived several economic downturns. Slower sales in a recession may have led to job losses and a loss of profit. But the business survived. Over the long term, the business's success likely depended more on the entrepreneurial talents of the management staff, the skills and adaptability of its of workers, and the technology and equipment used to produce its product. The firm also benefited from public infrastructure like roads and highways to get workers to its facility, to bring in inputs and raw materials to support the production process and to ship its product to its customers.

Regional, state and national economies are similar to a business. These economies each combine workers, technology, equipment, managers and public infrastructure to produce an array of goods and services. And like an individual business, these overall economies may suffer mightily under the weight of recession: some economies can literally collapse and reach bankruptcy like Iceland did last year.

Tennessee's historical pattern of growth relative to the nation and other states has been dictated largely by the rate of growth in the labor force, the educational attainment of the adult population, the technology and equipment that private businesses have used in their production processes, and our investments in an array of public infrastructure from roads to libraries to schools and parks. The future path of growth will be dictated by the same factors.

In the past ten years, Tennessee's growth has lagged the nation, suggesting that one or more of our ingredients to the growth process has lagged the nation. And the outlook extending to 2018 suggests that we will continue to lag the nation. So what is amiss? There is no easy answer, though there are some good candidates. One is the educational attainment of the state's adult population, which trails the nation. While educational investments have grown and educational outcomes have improved in Tennessee, the same is true of the nation as a whole, and our relative standing largely has been unaltered. This wasn't a major issue 30 years ago because our competition was largely confined to other states in the region where workers had similar levels of education. But workers in Tennessee today compete against workers across the globe, not just across the southeastern states.

Promoting stronger growth in Tennessee will require further investments in education and further advances in educational outcomes and learning. We will have to work hard to retain competitive businesses while at the same time seeking to recruit new businesses that can compete in the global marketplace. Public infrastructure, including amenities like parks, will also be important since workers and their families want to enjoy a strong quality of life.

The Labor Force and Unemployment Rate

The labor force includes those who are working as well as those who are actively seeking employment. Labor force growth is a primary determinant of overall economic growth, as measured by factors like personal income and gross domestic product (GDP). Developing countries often display very strong rates of economic growth due to rapid population growth (typically a reflection of high fertility rates rather than high migration rates) and the absorption of workers into

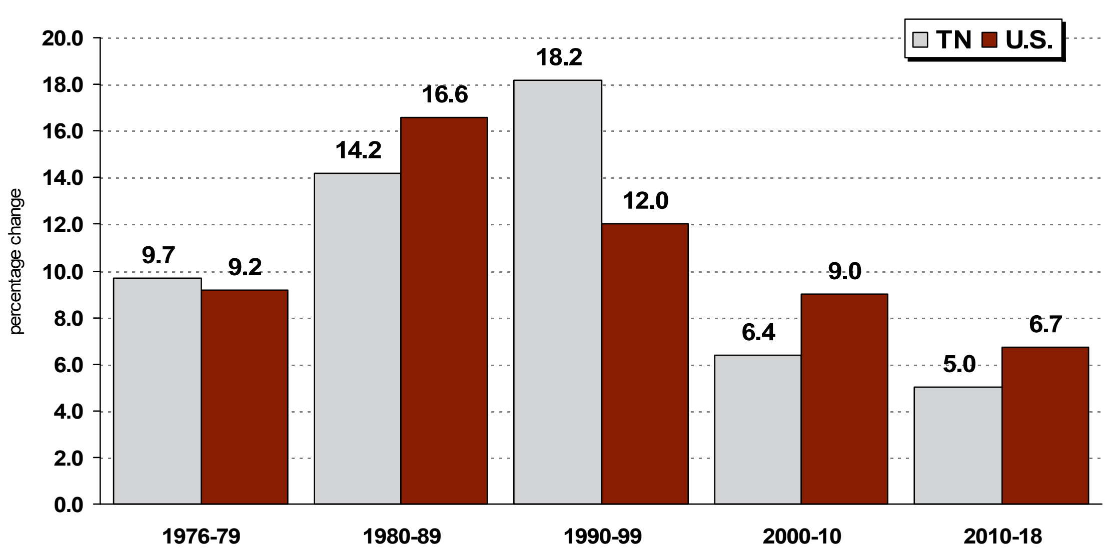
3.2 Economic Growth in Tennessee: 1998-2018, continued

the formal sector. A good example today is China. Even though the Chinese economy is slowing, it is still expanding at enviable rates estimated in the vicinity of 7.0 percent. There are, however, concerns in China that this slower pace of growth will be insufficient to absorb the many potential workers seeking employment and will ultimately lead to social unrest. Highly developed economies, on the other hand, often see slower economy-wide growth due to lower fertility rates which translate into lower rates of labor force growth. Both the national and state economies will see somewhat slower growth in the next decade as population and labor force growth rates slow (see Chapter 4). Slower rates of growth in the overall economy will not necessarily translate into lower levels of income for individuals or weaker earnings growth for workers.

Labor force growth rates for Tennessee and the U.S. are shown in Figure 3.1. The nation's labor force grew more rapidly than the state's in the 1980s, while the state did better than the nation in the 1990s. The current decade, as well as the next decade, should show the nation once again growing faster than Tennessee. This will translate into slower growth in personal income and GDP for Tennessee vis-à-vis the U.S.

Unemployment rates generally move along with the booms and busts of the business cycle. Peaks are often observed well after a recession has ended as the economy struggles to put people back to work. Troughs are typically observed at the end of a boom period, just prior to the economy slipping into recession. This is the pattern for the state and nation as shown in Figure 3.2. Unemployment rates drifted down through the 1990s and then bottomed out in 2000, just prior to the short-lived recession of 2001. But unemployment rates continued to rise until 2003, despite the fact that the recession ended in November of 2001. Unemployment rates then began to fall until 2007 when economic growth began to slow. The following year produced sharp increases in the number of unemployed people and in the unemployment rate. As can be

Figure 3.1. Labor Force Growth



Source: Bureau of Labor Statistics; IHS Global Insight, Inc.; and CBER-UT.

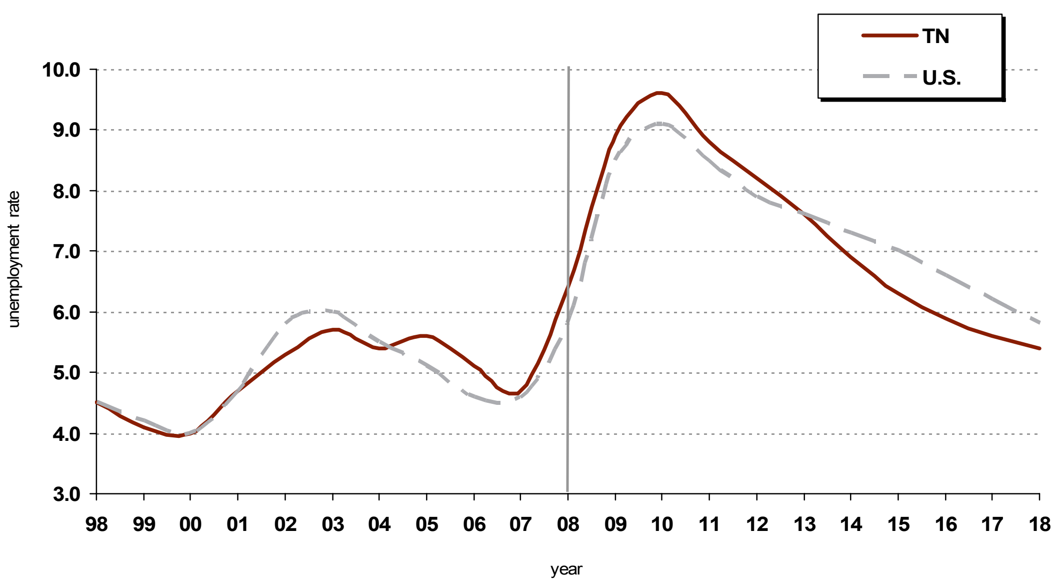
3.2 Economic Growth in Tennessee: 1998-2018, continued

seen from the figure, rates for the nation and state will rise at least into 2010. From 2010 forward, unemployment rates will slowly fall, but it will be many years before rates return to pre-recession levels. Similar to the post-recession 1980s, many workers will find that they no longer have marketable skills after the current recession ends. It will take some time to eliminate this structural unemployment.

While the business cycle has a significant influence on long-term unemployment rates, other factors will affect the unemployment rate at a given point in time for two different economies. For example, in the 1980s the state saw unemployment rates that were, with few exceptions, higher than unemployment rates for the nation, both during and after the twin recessions of the early 1980s. One explanation was the displacement of large numbers of manufacturing workers who found that their skills were outdated, translating into weak re-employment prospects in the recession's aftermath.

In Tennessee, a common pattern to observe is lower unemployment rates in metropolitan versus nonmetropolitan counties, in both good times and bad times. One explanation is that larger metropolitan counties tend to offer a greater number and diversity of job opportunities. Another explanation for unemployment rate differentials is the education and skill level of the workforce. Individuals with low levels of educational attainment generally experience a higher incidence of unemployment. This phenomenon can be observed as well at the county level in Tennessee. Figure 3.3 shows Tennessee's 95 counties broken up into five groups or quintiles based on the educational attainment level of the adult population measured by the share of adults with at least a bachelor's degree. The 1st quintile represents the 19 counties with the highest level of attainment, while the 5th quintile includes the 19 counties with the lowest levels of attainment. In 2007, the 1st quintile saw an average unemployment rate of 4.3 percent, below the 4.6 percent rate for the nation and the statewide rate of 4.7 percent. The 4th and 5th quintiles, on the other hand, each had average unemployment rates in excess of 6.0 percent.

Figure 3.2. Annual Unemployment Rate, 1998 to 2018



Source: Bureau of Labor Statistics; IHS Global Insight, Inc.; and CBER-UT.

3.2 Economic Growth in Tennessee: 1998-2018, continued

Employment

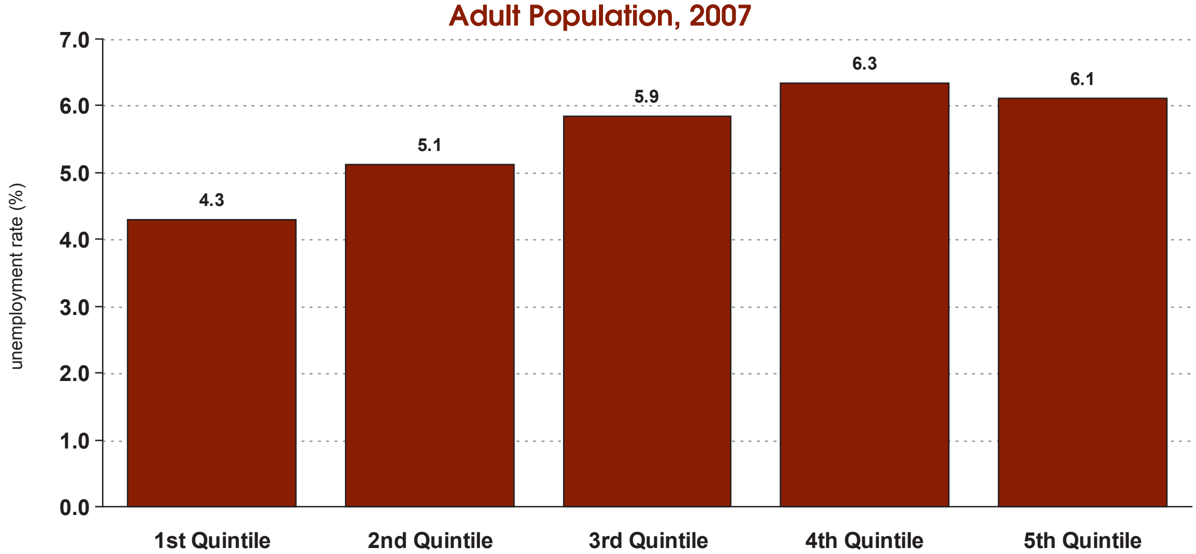
Ongoing economic transformation means the emergence of new products and services along with new jobs and occupations. Many of the jobs that have the greatest demand today did not even exist 10 years ago. Moreover, virtually all rapidly growing jobs and occupations require more formal education than the positions of yesterday. Individuals and economies that fail to make sound human capital—i.e. education—investments will find themselves lagging others. Tennessee's spending on elementary and secondary education has increased over time, but it has not improved relative to the national average. Attainment has improved as well, but the gap between the state and the nation has been sustained, not eliminated or reduced. These patterns suggest that the state will continue to trail the nation by many measures of economic well-being in the years ahead.

Between 1998 and 2008 the state economy saw jobs expand at a 0.5 percent compound annual growth rate (CAGR), while the nation created jobs at a 0.9 percent pace. Going forward, the U.S. economy will see a 0.8 percent rate of job growth compared to 0.7 percent for Tennessee (CAGRs).

The changing industry structure of the state economy is shown in Figure 3.4 for 1998, 2008 and 2018. The largest shifts have taken place in manufacturing, where employment has fallen from 19.1 percent of nonfarm employment to 13.3 percent in 2008. By 2018, manufacturing will account for just over one-in-ten jobs in Tennessee. (While the number and share of manufacturing workers will fall, output will grow at a 2.5 percent CAGR between 2008 and 2018.) The nation's manufacturing sector will represent 8.7 percent of nonfarm jobs by 2018. Both the state and nation will see fewer manufacturing jobs in 2018 than prevailed in 2008. The continued decline in manufacturing will place ever-increasing burdens on many of Tennessee's rural and semi-rural counties which continue to rely disproportionately on industrial activity.

The leisure and hospitality services sector will see an increased slice of the job pie

Figure 3.3. Average County Unemployment Rate, by Educational Attainment of County Adult Population, 2007



Source: U.S. Census Bureau; and Bureau of Economic Analysis.

3.2 Economic Growth in Tennessee: 1998-2018, continued

by 2018 as Tennessee continues to grow its tourism sector. Education and health services will also grow as a share of nonfarm employment, largely because of the aging of the population and the increased need for health care services. These jobs will tend to grow in and around the state's metropolitan counties, consistent with historical patterns of job growth.

Like the unemployment rates discussed above, overall employment growth in Tennessee tends to track employment for the national economy. Figure 3.5 displays the historical record and projections of employment growth out to 2018. Job losses associated with the current recession are expected to be deeper than the recession of 2001 as is clear from the figure. When the expansion begins, strong rates of growth are anticipated, building from low levels of employment. But in the years after 2012, employment growth for the state and the nation will slow below the rates of growth registered in 2004–2006 and in the 1990s. The reason is slower growth in population and the labor force.

Employment growth across Tennessee counties is correlated with the educational attainment of the adult population, similar to the pattern discussed above for the unemployment rate. As an illustration, Figure 3.6 places Tennessee counties into quintiles based on adult attainment levels, paralleling Figure 3.3 above. The top two quintiles, representing the 38 counties with the best-educated adult populations, each experienced 6.2 percent job growth between 2000 and 2007. The 3rd and 5th quintiles saw anemic growth, while the counties in the 4th quintile saw job losses.

Personal Income and Gross Domestic Product

Personal income accounted for almost 85 percent of U.S. GDP in 2008. In Tennessee, personal income stood at about 82 percent of state GDP. After being pummeled by the current recession, personal income growth in Tennessee will rebound with a 4.6 percent gain in 2011, very similar to the pace of growth expected for the nation. Between 2008 and 2018 personal income in Tennessee will be

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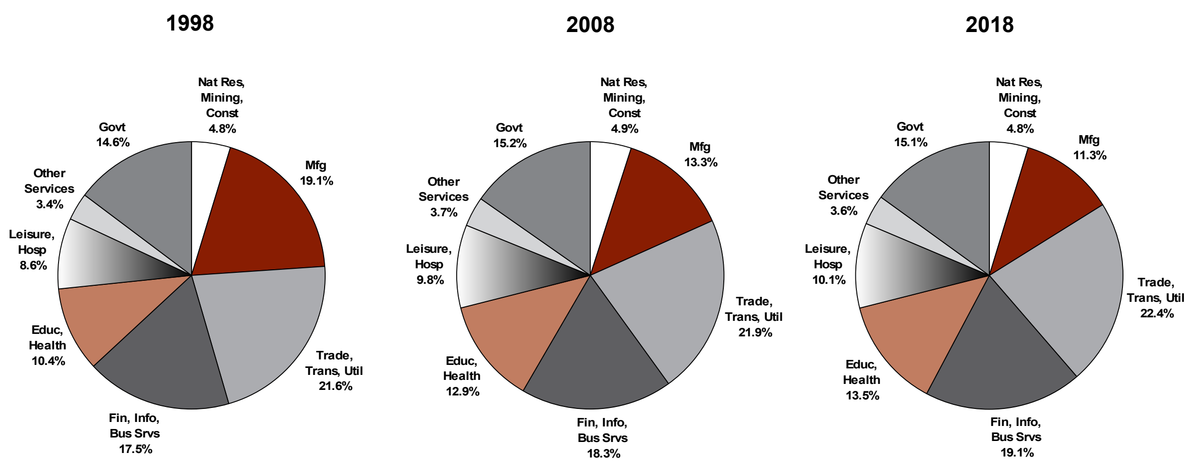
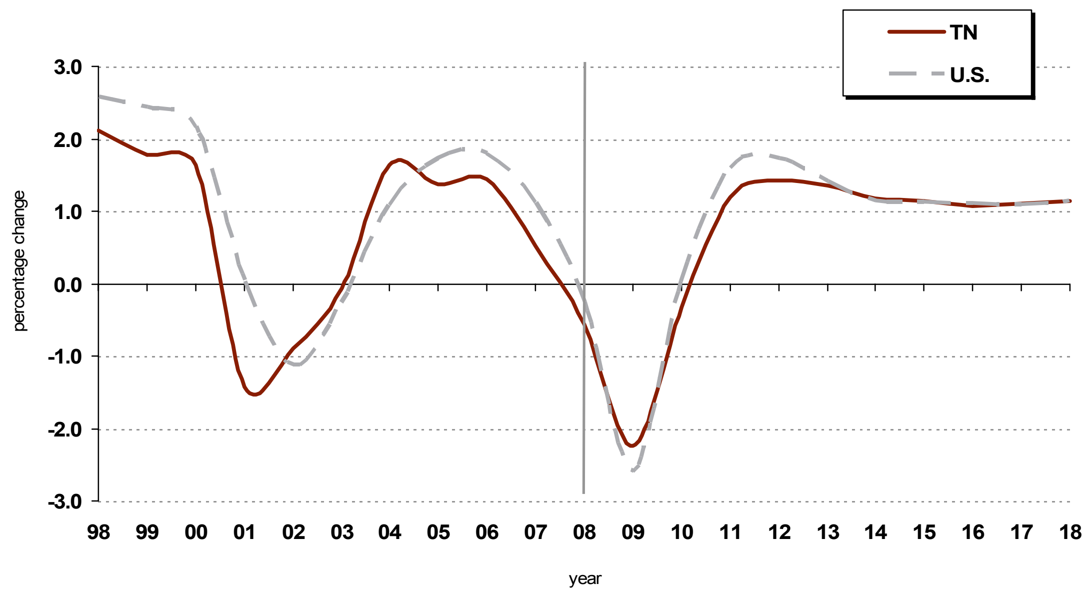
Figure 3.4. Distribution of Nonfarm Jobs, Tennessee



Source: Bureau of Labor Statistics and CBER-UT.

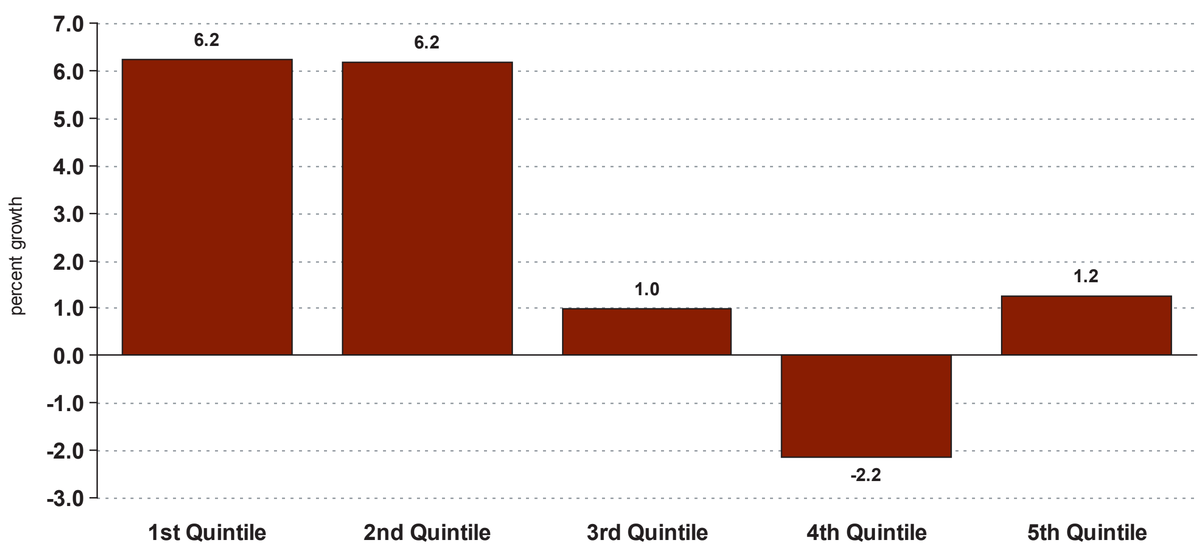
3.2 Economic Growth in Tennessee: 1998-2018, continued

Figure 3.5. Annual Nonfarm Job Growth, 1998 to 2018



Source: Bureau of Labor Statistics; IHS Global Insight, Inc.; and CBER-UT.

Figure 3.6. Average County Job Growth, by Educational Attainment of County Adult Population, 2000–2007



Source: U.S. Census Bureau; and Bureau of Labor Statistics.

3.2 Economic Growth in Tennessee: 1998-2018, continued

up at a 4.0 percent CAGR, compared to 4.5 percent for the U.S.

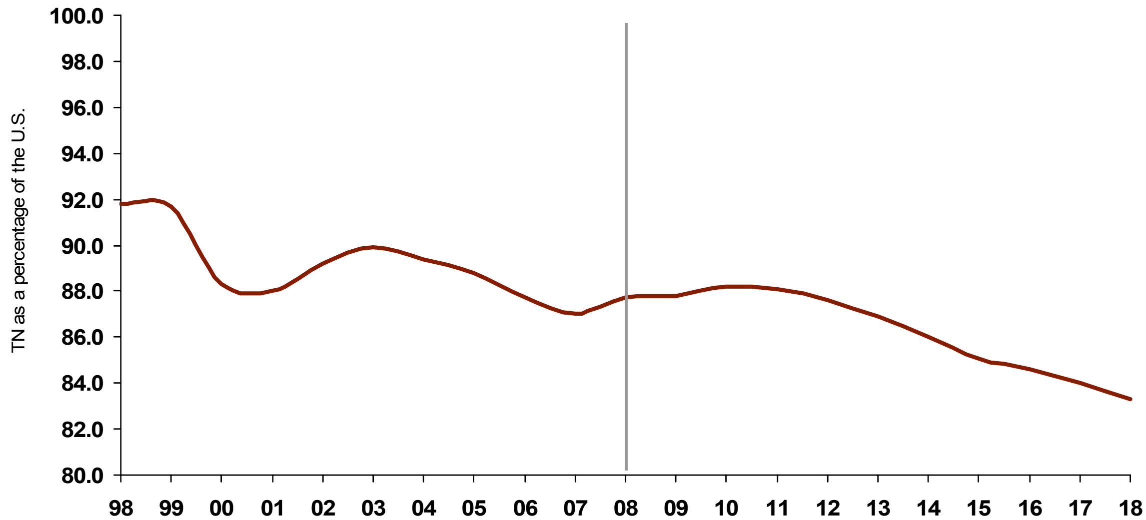
Tennessee per capita personal income is expected to grow more rapidly than the nation in the near term, but then return to its long-term pattern of weaker growth over the period extending to 2018 (see Figure 3.7). Transfer payments per capita and proprietors' income per capita are the only broad components of personal income that exceed the national average. Other categories, notably rent, interest and dividend income per capita and wage and salary income per capita, fall below the national average and will erode further through 2018. One explanation is the expectation of lagging levels of educational attainment for the state's population relative to the nation.

Individuals with higher levels of educational attainment generally earn higher incomes. So it should be no surprise that communities in Tennessee with a better educated adult workforce enjoy higher levels of per capita income. Figure 3.8 repeats the exercise conducted above by breaking out the state's 95 counties into quintiles based on the educational attainment levels of the adult population. In this instance, the focal point is per capita personal income for the five county groups. The pattern is clear and consistent, with county per capita income falling as county educational attainment falls. For the 19 counties with the best-educated adult population, per capita income stood at $32,906 in 2006, while the bottom 19 counties in terms of educational attainment had average per capita income of only $22,168, a difference of $10,738. To place the figures in context, statewide per capita income was $32,190 and U.S. per capita income was $36,699 in 2006.

Total output will contract in Tennessee and the U.S. in 2009, before rebounding in 2010. Inflation-adjusted state GPD is expected to fall 1.9 percent and U.S. GDP is expected to slip 2.5 percent in 2009. Both the state and nation will see positive GDP growth in 2010, with growth accelerating in 2011 as momentum from the expansion builds. Growth will then slow slightly as the economy returns to its trend growth. Tennessee inflation-adjusted GDP will be up nearly 2.3 percent and U.S. inflation-adjusted GDP will be up 2.3 percent (CAGRs) between 2008 and 2018. Both the state and nation will see slower growth in the next ten years than in the past ten years, in part a reflection of the current downturn and GDP setbacks expected for the current year.

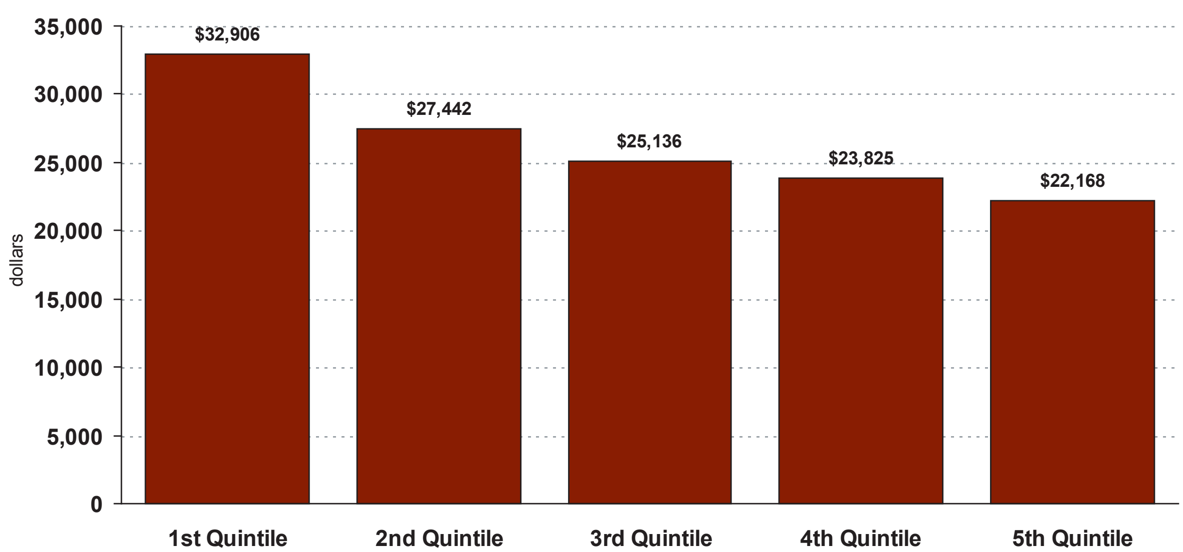
3.2 Economic Growth in Tennessee: 1998-2018, continued

Figure 3.7. Per Capita Personal Income, Tennessee as a Share of the U.S., 1998 to 2018



Source: Bureau of Economic Analysis; IHS Global Insight, Inc.; and CBER-UT.

Figure 3.8. Average Per Capita Income, by Educational Attainment of County Adult Population, 2000–2007



Source: U.S. Census Bureau; and Bureau of Labor Statistics.

3.3. 20th Century Recessions and Effects on Tennessee

What is a Recession?

When we think about recession, we are accustomed to hearing the loose definition of "two consecutive quarters of a decline in GDP." To the contrary, defining a recession is not nearly so simple. Turning points in the economy are officially tabulated by the National Bureau of Economic Research (NBER) Business Cycle Dating Committee (www.nber.org). That is to say, a group of economists determine when periods of recession begin and end. They define recession as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales." Clearly, recession is much broader than a two-quarter decline in GDP.

In choosing December 2007 as the first month of the current recession, the NBER Business Cycle Dating Committee recognized the ambiguity in GDP growth. In fact, GDP saw modest growth in the first two quarters of 2008. However, in broader terms, employment and inflation-adjusted personal income peaked in late 2007 and generally fell through 2008 despite some fluctuations. Multiple measures of manufacturing and production used by the NBER reached well-defined peaks between October and December 2007, leading to the determination that an economy-wide downturn was in effect from that month forward.

Table 3.1 shows the turning points of the economy beginning with the Great Depression in August 1929. The longest post-World War II recession lasted 16 months, while the Great Depression lasted 43 months, immediately followed by a second recession lasting another 13. It's important to note that a business cycle trough merely means that the economy has ceased "getting worse." It does not necessarily mean that the expansion is significant enough to relieve all economic woes. The Great Depression is an excellent example of this and is particularly noticeable in unemployment. Although the second recession ended in June 1938, unemployment did not fall below five percent until the early 1940s.

Table 3.1. Recessions 1929 to Present

Business Cycle Reference Dates		Length of Contraction (months)	Peak U.S. Unemployment Rate (seasonally adjusted)	Percent change in U.S. GDP (billions of $2000)
Peak	*Trough*			
August 1929	March 1933	43	24.9*	-26.5*
May 1937	June 1938	13	19.0*	-3.4*
February 1945	October 1945	8	1.9*	-1.1*
November 1948	October 1949	11	7.9	-1.7
July 1953	May 1954	10	5.9	-2
August 1957	April 1958	8	7.4	-3.2
April 1960	February 1961	10	6.9	-0.5
December 1969	November 1970	11	5.9	-0.2
November 1973	March 1975	16	8.6	-3.1
January 1980	July 1980	6	7.8	-2.2
July 1981	November 1982	16	10.8	-2.6
July 1990	March 1991	8	6.8	-1.3
March 2001	November 2001	8	5.5	0.3
December 2007				

Note: The period from a peak to a trough is a recession.
A * denotes that the calculation is based on annual data.
The peak unemployment during the official recession is used, although unemployment often peaks one or two months after the last official month of recession.

Source: National Bureau of Economic Research. http://www.nber.org/.

3.3. 20th Century Recessions and Effects on Tennessee, continued

The Great Depression

The Great Depression is still the subject of debate and discussion. The causes of the depression and its prolonged severity are numerous, and frighteningly similar to the current events in financial markets. Current Chairman of the Board of Governors of the Federal Reserve, Ben Bernanke, has contributed extensively to research regarding the economic and political causes of the Great Depression. This gives him a unique lens through which he views the current downturn.

The period of contraction did not officially begin with the stock market crash in October 1929. Rather, the initial recession that began in August 1929 came after a period of falling real estate values, which had been artificially inflated by speculation. The Roaring Twenties, as they are commonly known, were financed largely on debt and speculation and the belief that the stock market could not move in a downward direction. An economist, Irvin Fischer, famously said just days before the crash, "Stock prices have reached what looks like a permanently high plateau."

However, this was tragically untrue. The crash of the stock market in October 1929 led to a loss of billions of dollars in wealth in the economy. This financial loss caused fear about the economy and malaise in consumer spending. Over the next three years, this led to a devastating sequence of bank failures as one panic after another caused people to run to their bank and withdraw cash. The culmination of bank panics between 1930 and 1933 resulted in the failing of more than one third of U.S. commercial banks. It is now commonly observed that in this respect, the prolonged severity of the Great Depression was precipitated by the failure of the Federal Reserve System to serve in its intended capacity as lender of last resort. At the time, the Federal Reserve simply did not understand the profound negative impact that bank failures have on the money supply and economic activity.

If this story sounds familiar, that's because the causes of the Great Depression are very similar to the events leading up to the current economic crisis. In both situations, over-consumption financed by debt eventually precipitated a financial crisis resulting in the loss of billions of dollars in wealth. The key difference is the response by financial officials, such as Federal Reserve Chairman Ben Bernanke. Perhaps as a result of Bernanke's extensive studies of the Great Depression, the Federal Reserve has not failed to serve as lender of last result over the past 12 months. Rather, it has been proactive in heading off another painful and prolonged depression.

One lesson clearly learned from the Great Depression relates specifically to the financing of state and local governments. Because states and localities have to maintain a balanced budget, when revenues fall short they must immediately cut spending. This creates another blow to an economy in recession. During the 1930s, as states severely cut spending, important services were cut when they were most needed. As we move forward out of the current crisis, it is very important to support state and local governments to avoid a similar contraction in spending and suspension of important services.

The effect of government action in response to the severe economic contraction of the 1930s is a mixed bag. Although federal spending by the Hoover administration could have been effective in bolstering the economy, much of it was financed by burdensome income, estate, and corporate tax increases. If subsequent deficit spending by the Roosevelt administration did have a positive effect on economic growth, this was soon erased by the poor monetary policy of the Federal Reserve.

By 1935, the Federal Reserve had been granted the power to determine reserve requirements of commercial banks. Fearing excessive lending by banks and uncontrolled credit, they raised reserve requirements between August 1936 and May 1937. This act caused slow and eventual negative growth in the money supply which seized recovery from the recession of 1929–1933. In 1937, stocks saw a 50 percent crash in prices, and

3.3. 20th Century Recessions and Effects on Tennessee, continued

unemployment began to rise from its already-intolerable level of near 15 percent.

It is not clear that the "New Deal" implemented by President Roosevelt was the turning point in pulling the economy out of its slump. Most economists agree that the economy did not truly begin to grow at healthy rates until defense spending kicked up in response to the U.S. entry into World War II. Unemployment finally fell to comfortable levels as millions of men and women were employed by the war effort.

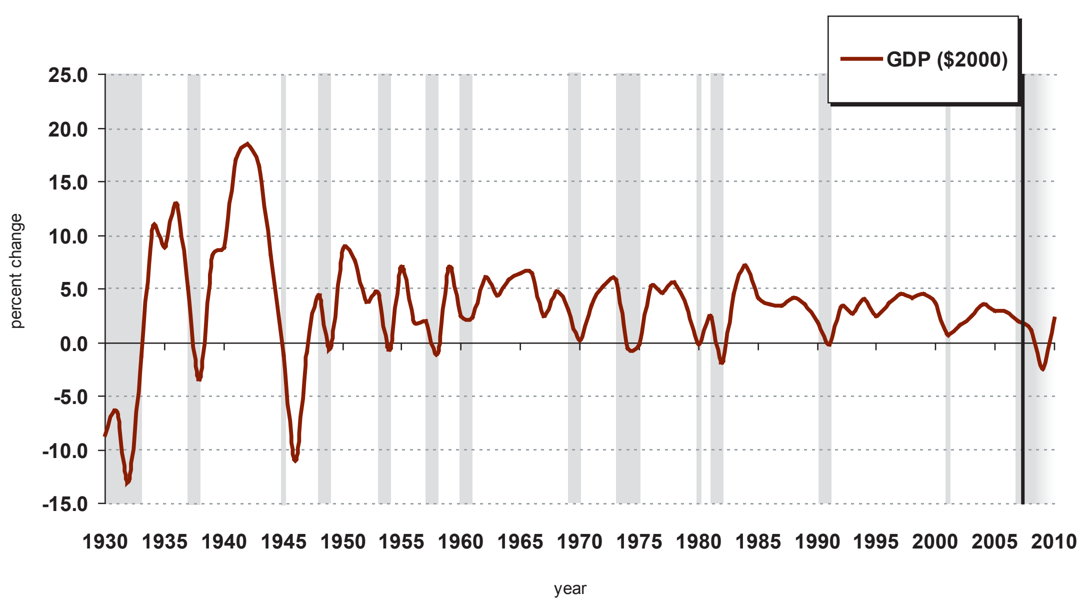
Post-War Ripples

For two and a half decades after the war, the U.S. enjoyed relatively stable growth. As would be expected, once the Second World War was won, defense spending fell and millions of military personnel re-entered the civilian workforce. This caused a significant jump in unemployment and concurrent shrinkage in GDP. While policy makers feared another major recession, the slump was relatively short, lasting only from February through October of 1945. Much of the reduced government spending was replaced by domestic spending on consumer durables, such as appliances and automobiles. Many women that entered the workforce during the war returned to duties at home, which eased fears of a spike in unemployment. The employment situation was also buoyed by the GI bill, which allowed many returning veterans to attend college.

The end of WWII also meant the end of some price and wage controls. Fears of inflation resulted in the Federal Reserve moving to tighten money supply in late 1948, which led to a mild recession (November 1948–October 1949). Entry into the Korean War marked a period of increased government spending. At the end of war, the U.S. economy saw another uptick in unemployment and fall in GDP, similar to the experiences after WWII. However, this recession, from July 1953 through May 1954, was also relatively mild.

Fears of inflation led the Federal Reserve to tighten money supply, again causing a short recession from August 1957 through April 1958. Each of these four minor post-

Figure 3.9. U.S. Inflation-Adjusted Annual Percent Change in GDP and Recessions



Note: Shaded areas are recessions as defined by the National Bureau of Economic Research.
Source: Bureau of Economic Analysis.

3.3. 20th Century Recessions and Effects on Tennessee, continued

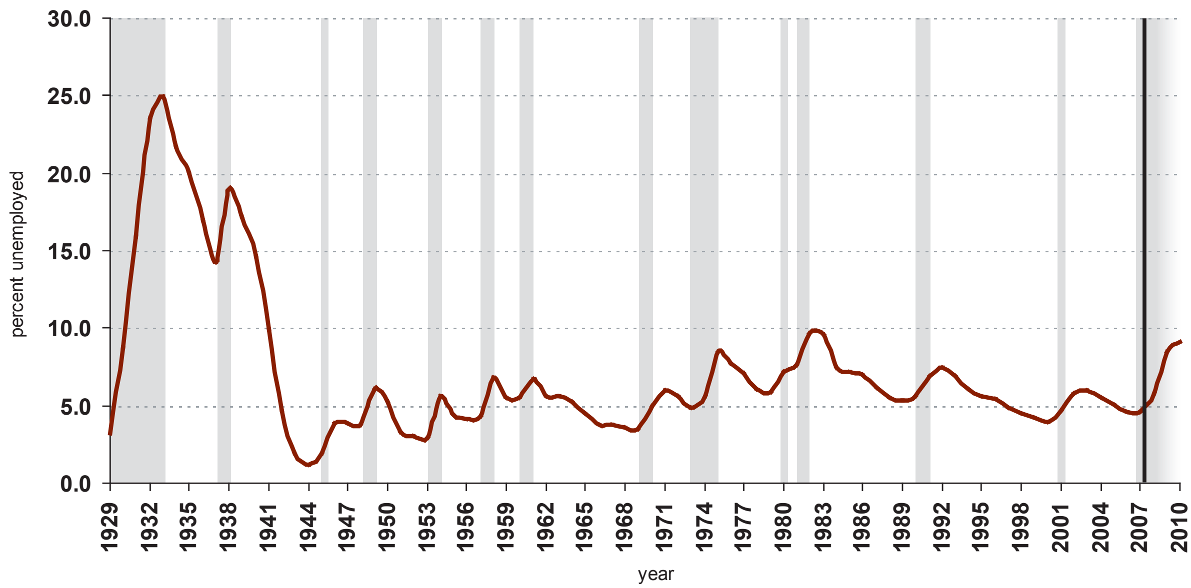
war recessions was in some way affected negatively by Federal Reserve policy to tighten money supply. Luckily, however, it did seem that they were beginning to learn from their mistakes during the Great Depression and during this post-war period. After another mild recession from April 1960 through February 1961 triggered by a steel strike, the U.S. economy saw unprecedented levels of growth through the 1960s.

Stagflation and Oil Shocks

The unprecedented growth of the 1960s was not without cost. During this period, inflation remained at uncomfortably high levels, reaching five percent by 1969. Much of the inflation was driven by an increase in government spending at a time when consumer spending was already strong. Efforts to curb consumer spending, such as a temporary tax increase, were unsuccessful at reducing inflation. Therefore, the Federal Reserve stepped in, reduced the money supply, and as we would expect, the economy entered a recession in December 1969 that lasted until 1970. Unfortunately, the reduction in monetary supply did not reduce inflation. Instead, the result was continued inflation and rising unemployment. The simultaneous increase in inflation and unemployment is called stagflation.

The Federal Reserve began to increase the money supply in 1970 to encourage growth in the economy, despite high inflation. It is likely that the decision to increase money supply during a period of inflation was political in nature. As soon as the election of 1972 was over, they began to reduce money supply. However, it was also during this period that the dollar came off the gold standard, which contributed to very fast growth in the money supply. By 1973, inflation-adjusted GDP growth was over five percent and inflation almost six percent. As the Federal Reserve slowed the growth of money in 1973, the economy did begin to slow down. Unfortunately, as this was occurring, OPEC decided to test its power to affect oil prices. In October 1973, OPEC imposed an oil embargo that caused the price of a barrel of oil to quadruple, from \$3 to \$12. (In 2008 dollars,

Figure 3.10. U.S. Unemployment



Note: Percent of civilian labor force that is unemployed, annual average, seasonally adjusted. Based on population aged16 years and over, except prior to 1948 which is 14 years and over. Shaded areas are recessions as defined by the National Bureau of Economic Research.
Source: Bureau of Labor Statistics, Current Population Survey. Prior to 1948, Census Bureau.

3.3. 20th Century Recessions and Effects on Tennessee, continued

that's an increase from about $14 to $57.) This event had broad-reaching and immediate consequences, as it increased the cost of production of almost every good consumed by Americans. The resulting inflation observed by the Federal Reserve spurred them to seize money growth and by November 1973, the economy entered a deep recession. By 1975, inflation stood at 12.1 percent, and unemployment reached 8.9 percent. The economy did not come out of recession until March 1975. Since the Federal Reserve began tightening the money supply eight months before the oil shock in October 1973, it's unclear which event had the greatest role in this prolonged recession, or whether both events created a perfect storm which slowed the economy so severely.

Recovery during the 1970s was anything but robust. Stagflation continued to plague the economy and puzzle policy-makers. In an effort to rein in inflation, the money supply remained tight, and credit controls were imposed by the Carter administration. In this environment, the economy was unable to sustain another spike in the price of oil caused by the Iranian Revolution. The recession was relatively short, lasting from January to July 1980, thanks in part to the Federal Reserve's recognition of its responsibility to quickly loosen the money supply.

In 1981, the Federal Reserve began a very specific program designed to drive down the inflation that had plagued the economy for more than a decade. It slowed the growth of money severely, causing unemployment to rise to a high of 10.8 percent. However, the policy was effective at reducing inflation, driving it down from 9.9 to 3.6 percent in two years. The recession ended in November 1982, and set the stage for a long period of growth.

The recession from July 1990 to March 1991 has many possible causes. The Gulf War led to an increase in oil prices, which the Federal Reserve saw as dangerous threat to inflation and reduced the growth of money. This, in combination with a global recession that meant fewer manufacturing exports, led to a decrease in output that was relatively mild.

The Not-So-New Economy

Following the Gulf War, consumer spending rebounded and the U.S. economy entered the longest expansion in history. Advances in information technology led to unprecedented growth in output. High levels of investment led to low unemployment rates. The remarkable nature of this expansion led many to believe that globalization and technological advances had led us to a new economic period, one in which business cycles would no longer plague sustained growth. This so-called "New Economy" was shown to be a mirage when the economy entered a recession in March 2001. Led mostly by the bursting of the dot-com bubble, it was exacerbated by accounting scandals which shook confidence in the market and financial systems, and by the events of September 11th. Still, the recession was a short one, ending in November 2001. It was also one of the most gradual downturns in history, as was the recovery.

Even though economists recognized that business cycles were still a part of the modern economy, many prescribed the theory of the "Great Moderation." That is to say, business cycle indicators are not as volatile as they used to be, therefore business cycles themselves will be milder. (For additional discussion on the Great Moderation, see the 2008 Economic Report to the Governor of the State of Tennessee.) The current recession will test even this theory.

Tennessee in Recession

Periods of recession bring special challenges to Tennessee. Because manufacturing is such a dominant component of Tennessee's economy, recessions have a big impact. And, unlike the Federal government, Tennessee must balance its budget each year. Therefore, when revenue falls as a result of recession, spending must also fall to the extent that sufficient funds have not been put aside to

3.3. 20th Century Recessions and Effects on Tennessee, continued

Federal Reserve System Policy Tools

The Federal Reserve System (Fed) was created by the Federal Reserve Act of 1913 to serve as a lender of last resort to commercial banks and to avert the bank panics and runs that had become fairly regular occurrences. The only policy tool immediately available to the Fed was the use of the discount rate, or the rate charged to member institutions for loans. However, the Great Depression prompted legislation to augment the powers of the Federal Reserve, giving it two additional monetary policy tools: open market operations and changes in reserve requirements (see below).

The modern Federal Reserve makes decisions based on a pre-determined federal funds rate, which since February 1994 is announced at the Federal Open Market Committee meeting each month. The federal funds rate is the short-term overnight interest rate charged between banks when they loan dollars to one another. Banks get these short-term loans when their reserves are lower than they need to be, and other banks offer the loans when they have excess reserves. The federal funds rate balances the supply and demand between banks in need of cash and banks with excess cash, and affects interest rates throughout the economy. This system began to falter in the fall of 2008 as banks became unwilling to lend cash to one another due to uncertainty about the value of mortgage-backed securities and the fear that loans would not be repaid. The Federal Reserve does not set the federal funds rate. It chooses a target rate and uses one or more of its policy tools to move the federal funds rate toward the pre-determined target.

- **Discount Rate** – This is the interest rate charged by the Federal Reserve to member banks for short-term loans. This is generally set one percentage point above the target federal funds rate, encouraging banks to borrow from one another first and effectively putting a ceiling on the federal funds rate. However, with the target rate currently set between zero and 0.25, there is little else the Federal Reserve can do with this tool to improve economic conditions.
- **Open Market Operations** – This tool involves the buying and selling of government securities on the open market. If the goal is to lower the federal funds rate, the Federal Reserve purchases securities from a bank. This puts more cash into the bank's reserves and makes it more likely to lend to other banks. As the total level of reserves held by banks rises, the federal funds rate falls. The reverse is true when the Federal Reserve sells securities on the open market. This is the most common tool used to affect the federal funds rate.
- **Changes in Reserve Requirements** – The Federal Reserve requires that a certain percentage of total deposits be held by the bank as cash. When more cash reserves are required, banks can lend less to other banks. This makes the federal funds rate rise.

These traditional tools may be exhausted as we enter this new era of severe recession since the Federal Reserve has already targeted a federal funds rate of between zero and 0.25. The Federal Reserve has tried new approaches to encourage lending, such as opening the discount window to non-bank financial institutions.

3.3. 20th Century Recessions and Effects on Tennessee, continued

smooth spending during economic slumps. In the past, states generally have held some reserves. In the last two to three decades most states, including Tennessee, have established a Rainy Day Fund specifically designated to help maintain government spending during times of decreased revenue.

All forms of tax revenue are sensitive to recession, but different kinds of recession affect different forms of tax revenue. For instance, the recession of 2001 was particularly hard on income taxes. Tennessee relies heavily on sales taxes, which can hurt total revenue significantly during recessions. At the same time, the need for state government services is counter-cyclical. That is to say, when the economy falters more people are in need of unemployment benefits, health-care subsidies, and job-training assistance, while at the same time revenues are falling.

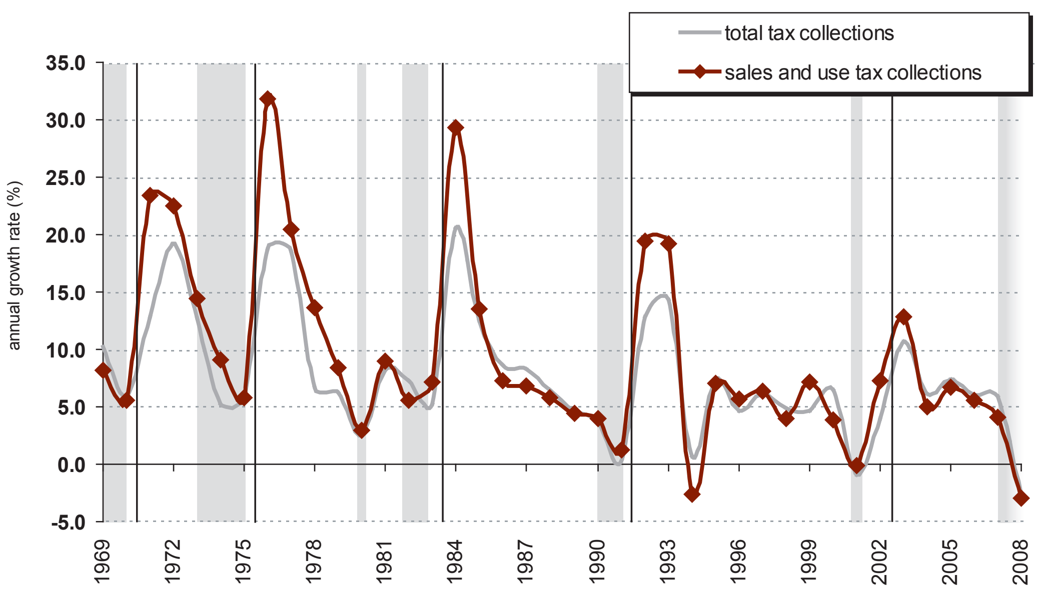
In Tennessee, this confluence of events often means an increase in the sales tax rate, which is counter to recovery from a recession. Without an increase in the sales tax rate, revenue levels recover very slowly after recession (see Figure 3.11). This is a dangerous cycle as we look at revenue in 2008 and 2009.

Figure 3.12 plots annual average unemployment rates in the U.S. and in Tennessee from 1976 through 2007. Just as each recession is unique, its effect on unemployment in Tennessee is different. The recession of the early 1980s was particularly hard for Tennessee's workers. With the current recession, we are likely to see unemployment reach levels not seen in three decades.

What's Different about This Recession?

Recessions are a natural part of the business cycle. Each recession has been caused by a unique set of circumstances, and recovery has come from different sources. However, the rise and fall of GDP growth, unemployment, investment, and other major economic indicators is inevitable. While the Federal Reserve has undoubtedly learned a lot over decades of monetary experimentation, there is still no panacea to mediate the business cycle.

Figure 3.11. Tennessee Tax Collections,1969 - 2008
(year-over-year growth)



Note: Annual totals. Vertical lines denote sales tax rate increases. Increases often take effect during a calendar year, causing elevated growth to persist for more than one year. Increases in 1976, 1985, and 2002 were 1 cent. Increases in 1971 and 1992 were half a cent.
Source: Tennessee Department of Revenue.

3.3. 20th Century Recessions and Effects on Tennessee, continued

Oil Prices and Recession

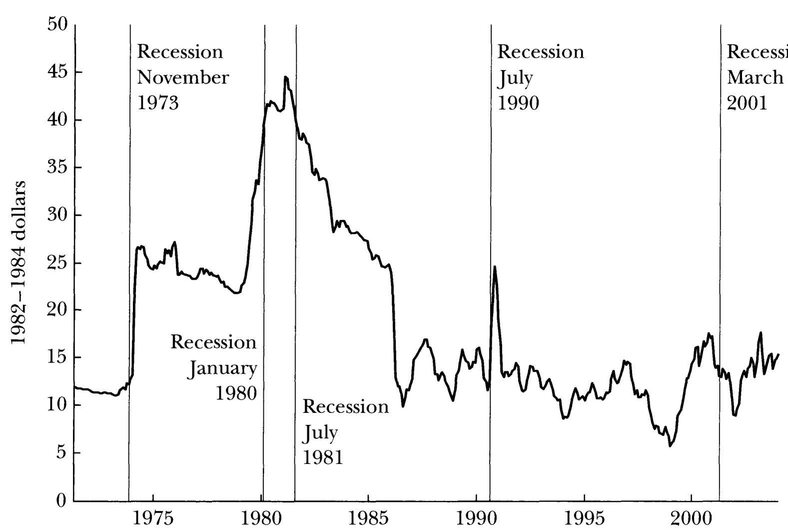
The relationship between the cost of oil and the business cycle has been the subject of substantial study and speculation in the last thirty years. The 1970s marked a plateau in domestic oil production capacity. As a result of continually increasing demand, the U.S. entered a period of growing dependence on foreign oil. This has caused an acute awareness of global political events, particularly relating to stability in oil-rich nations. Every meeting of OPEC (Organization of Petroleum Exporting Countries) is widely reported, despite mixed evidence that the cartel has been effective at controlling oil prices.

While the price of oil and the business cycle are not unrelated, there is mixed evidence that spikes in the price of oil are directly causal of business cycle contractions. The figure below shows the inflation-adjusted price of U.S. crude oil imports from the early 1970s through 2003, with recessions imposed as vertical lines. There is no obvious pattern between dramatic oil price increases and the commencement of a recession.

There are several theories that may help to explain how oil prices indirectly have a causal impact on the macro economy. For instance, the recession beginning in 1973 may have resulted from fiscal policy dictated by higher oil prices. As the price of oil drove overall price inflation, the Federal Reserve responded with monetary tightening, thereby inducing a recession. However, neither this explanation, nor any other, can fully explain the observed relationship between oil prices and the macro economy.

It is important to remember that every recession has been different and results from a "perfect storm" of multiple interrelated events. For example, the price of oil has certainly played a role in the current slowdown, but by no means precipitated the full economic blow of the financial crisis. Energy prices are generally a small enough percent of GDP that oil prices alone cannot explain the magnitude of production slowdowns observed in the recessions of the past 30 years.

Real Price of U.S. Crude Oil Imports and Recessions, 1971.3–2003.12



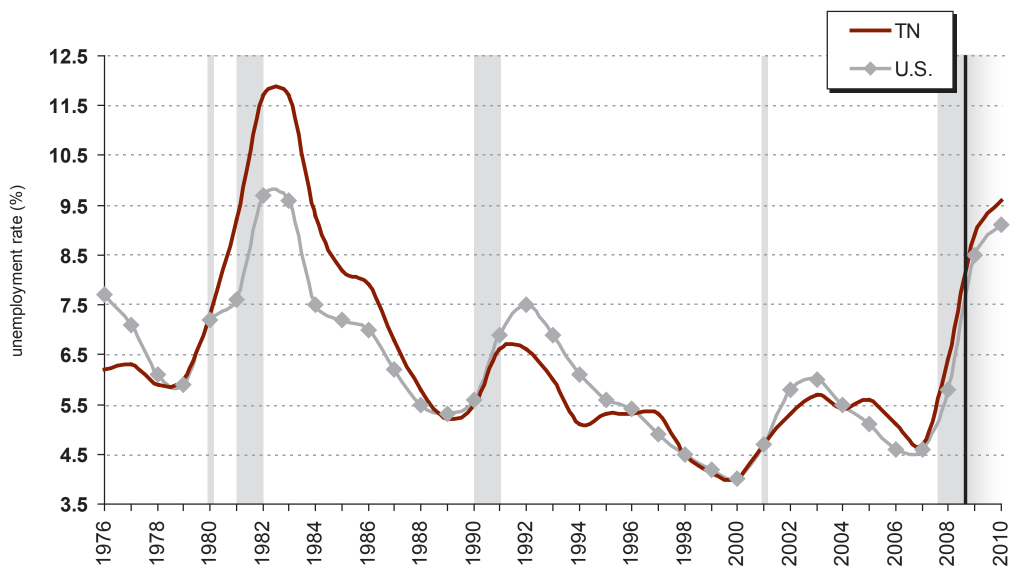
Source: Barsky, R., and Kilian, L. 2004. Oil and the Macroeconomy. *The Journal of Economic Perspectives*. Author's Source: Department of Energy, Federal Reserve Economic Database (FRED), and National Bureau of Economic Research. The oil price data are constructed as in Barsky and Kilian (2002). The oil price has been deflated by the U.S. CPI for urban consumers.

3.3. 20th Century Recessions and Effects on Tennessee, continued

As we face the most severe recession in at least half a century, some things have changed which make the challenges extraordinary. While the Great Depression took almost a year to drag down some European economies, the speed of the modern economy means that stock market crashes in New York may affect stock prices in Hong Kong in a matter of hours or minutes. Globalization means that we are more interdependent economically than ever before.

This recession is unique because of the unprecedented loss of wealth by ordinary individuals as housing and stock prices have tumbled (see Chapter 1), and the largest and proudest manufacturing industry, the automobile industry, has seen lowest-ever sales levels. Tools used by the Federal Reserve in past recession have been largely exhausted, and we are entering an era of policy making.

Figure 3.12. Annual Average Unemployment Rate (seasonally adjusted), 1976 to 2010



Source: Bureau of Labor Statistics.

3.3. 20th Century Recessions and Effects on Tennessee, continued

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Tennessee Population Trends: 2000-2020

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How the Census is Used

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Introductions
Population Projections Methodology
Population Trends in Tennessee
Conclusion

4.1 Introduction

The number of people officially tallied in every decennial Census is used for a multitude of purposes. Whether determining the number of hospital beds necessary for an aging population, teachers needed to staff local schools, demand for new roads or sewer capacity requirements, it is important to know how many people there are. There are also important financial implications of population counts; many federal programs use Census figures as a basis for distributing funds to state and local governments. The number and geographic distribution of the population can also have important political ramifications, with Census counts forming the basis for allocating Congressional seats. For all of these reasons, the 2010 Census will be critical in establishing the number of people residing in the state of Tennessee.

What changes can we expect since the 2000 Census? One way to find out is through the use of population projections. Using the 2000 Census as a baseline, we present here state and county-level population changes from 2000 to 2020. From Census counts in previous decades, we know there are a number of demographic concerns that our nation and state will face in the coming years. Some of the demographic issues that will need to be addressed are the aging of the Baby Boom generation, increases in life expectancy, trends in the number of children born in Tennessee, and changes in migration patterns.

This chapter is comprised of two sections. Section I provides an overview of the history, purpose, uses and importance of the 2010 Census. Section II explores one of the uses of the Census data – population projections. Following an overview of the uses of projections and an explanation of the methodology used to create them, we report state and county population trends from 2000 to 2020.

4.2 2010 Census

History

The decennial census was mandated by Article 1 Section 2 of the United States Constitution to provide a count of all residents of the country every ten years. The constitution directs the census counts to be the basis for allocating seats in Congress. States generally use the results to allocate seats in their legislatures as well. Cities and counties use census data to establish school districts, plan infrastructure networks and provide for the safety of their citizens. The Founding Fathers viewed the Census as a way to fulfill the precepts of "equal representation."

Since the first census was conducted in 1790, demographers and statisticians of all types have built on the data to produce estimates and projections for a broad range of activities. Over the years, the tools and techniques of statisticians have grown more sophisticated, leading to greater precision and details about the lives of Americans, Tennesseans—your neighbors. However, even the most sophisticated techniques can draw misleading conclusions if the original data are inaccurate. In this case the original data—the basis for decisions, analysis, funding, and a myriad of governmental and academic studies—is the decennial census.

How the Census is Used

The 2010 census will determine over $3 trillion in federal government outlays to states and other local governments nationwide over the next 10 years. Underrepresentation of any group or location remains in place for the duration—allocations are not generally reliant on estimates, only the full count provided in the decennial census. The same situation applies to electoral districts. In many cases those very populations that are underserved by governments in general (those less educated and in poverty) are undercounted and as a result underrepresented in elected bodies. This underrepresentation can lead to a decline in the fortunes of those communities that are not fully counted on April 1, 2010.

Because the American Community Survey collects detailed economic and demographic data on a continuing basis, the 2010 Census will contain ten questions on a short form. Questions concerning race and gender have been asked on every census since 1790. Age questions followed soon after in 1800. In the late 1800's, questions about home ownership and the relationship of household members to one another appeared. The remaining questions about Hispanic Origin and other administrative details are more recent.

Race data are required by federal programs promoting equal employment opportunity and are needed to assess racial disparities in health and access to care, among other uses. Under the Civil Rights Act, race is used to assess fairness of employment practices. Data about race are needed to monitor compliance with the Voting Rights Act by local jurisdictions.

The U.S. Departments of Education and Health and Human Services are required by statute to use gender data to fund, implement, and evaluate various social and welfare programs, such as the Special Supplemental Food Program for Women, Infants, and Children (WIC) and the Low-Income Home Energy Assistance Program (LIHEAP). Laws to promote equal employment opportunity for women also require census data on gender. The U.S. Department of Veterans Affairs must use census data to develop its state projections of veterans' facilities and benefits.

The Department of Education uses census age data in its formula for allotment to states. States and localities use census age data to optimize school construction, teacher staffing, and even school bus routes. Under the Voting Rights Act, data on the voting age population are required for legislative redistricting. The U.S. Department of Veterans Affairs uses age to develop its mandated state projections on the need for hospitals, nursing homes, cemeteries, domiciliary services, and other benefits for veterans.

Homeownership rates have served as an indicator of the nation's economy for decades. The data are an integral component of the formula used by the U.S. Department of

4.2 2010 Census, continued

Housing and Urban Development to establish Fair Market Rents and also are essential for the Federal Housing Authority's mortgage insurance program. The U.S. Department of Health and Human Services is required to profile the housing tenure of Low-Income Home Energy Assistance Program households. The Bureau of Economic Analysis uses this information along with other census data to prepare the value of housing services for the national and regional accounts. The rate of homeownership is one of the integral components used by the Department of Housing and Urban Development to establish Fair Market Rents for different localities throughout the country. This information is used to allocate Section 8 and other federal housing program subsidies that assist American families to afford decent, safe, and sanitary housing.

Information about changes in the composition of the American family, from the number of people living alone to the number of children living with only one parent, is essential for planning and carrying out a number of federal programs. In federally funded nutrition and education programs, how the money is spent hinges, at least partially, on census data about relationship. Local health agencies plan and administer programs promoting the well-being of families and children using information on relationship.

Hispanic origin is used in numerous programs and is vital in making policy decisions. These data are needed to determine compliance with provisions of antidiscrimination in employment and minority recruitment legislation. Under the Voting Rights Act, data about Hispanic origin are essential to ensure enforcement of bilingual election rules. Data about Hispanic origin are also used to monitor and enforce equal employment opportunities under the Civil Rights Act.

The importance of reliable counts in the 2010 Census cannot be overstated. Respondents can rest assured that the information will be secure. The answers to questions are kept confidential for 72 years from the date of the census. After 72 years have passed, the Census Bureau transfers the information to the National Archives and Records Administration where they are made available to the public, mainly for genealogy research—yet another long term benefit to consider when promoting Census participation in the community.

4.3 Population Projections

Introduction

While the Census can help us understand the current number of people residing within our state, county or municipality, planning for the future requires anticipating the number of people to be served at some distant point in time. Many of the issues facing Tennessee are those that will need to be addressed throughout the nation, including the aging of the Baby Boom generation, increases in life expectancy, changes in the fertility rate, and migration.

As the Baby Boom generation (those born between 1946 and 1964) enters retirement, paying attention to both the number and age structure of the population will become even more essential. While the employment, housing and consumption patterns of this generation have been important for decades, the additional issues that will arise as they exit the workforce will be numerous. Finding an adequate supply of replacement workers, meeting the health care needs of a larger population of older adults, and anticipating changing demands for retirement housing are just some of the challenges that will be facing the nation – and Tennessee – in the coming years.

Not only will the percentage of older Tennesseans increase, but so will their life expectancy. Nationally, life expectancy for men and women has increased for decades. Gains in longevity have been seen across almost all age groups – not only will infants born today live longer, on average, than babies born in previous years, but so will adults. Though Tennessee's life expectancy gains have lagged behind the rest of the United States, they have still generally increased over time. A larger older population, along with an increase in life expectancy, will present unique planning challenges to the state and local communities.

Although the Baby Boomers needs' will certainly demand attention, it is also important to keep a careful eye on the number of children born in Tennessee. To understand birth trends, it is necessary to consider the total fertility rate (TFR), or the number of children a woman will have over her entire lifetime. At a TFR equal to 2.1, the number of children born will roughly replace their parents, and in the absence of migration, population growth will be equal to zero. Beginning with a TFR of 1.9 in 1990, the statewide fertility rate decreased to a low of 1.8 in 1996, and has been consistently increasing ever since – in 2006, the TFR was just under 2.1. Many counties that experienced a TFR lower than the state average saw gains in population only due to migration to the county. If these migration patterns change, some counties may be facing declining public school enrollment, and all of the possible school consolidation and restructuring that accompanies a loss of the under-18 population.

Population Projections Methodology

A good population projection relies on two things; an accurate count of the number of people at the beginning of a projection period, and a way to reliably predict the components of population change - births, deaths and migration. The approach used to generate the population projections in this chapter is the cohort component method. The basis for this approach is the construction of the cohort - in this case, groups of individuals who were born within the same 5-year period, disaggregated by sex and county of residence. After determining the initial population counts, the cohort component method relies on age-specific fertility, mortality and migration rates to predict the components of population change - births, deaths and migration. This method relies on the fact that demographic events are age-dependent - for example, the probability of dying generally increases with age. To determine the total number of individuals in a county at the end of each projection period, the number of anticipated births, deaths and migrants - as predicted by the cohort-specific rates - are added to the initial population at the beginning of each projection period.

There are many sources required for implementing the cohort component model.

4.3 Population Projections, continued

For the baseline data, the 2000 Census was used to determine the initial number of individuals in eighteen separate 5-year age groups, from ages 0-4 to 85 and over, though some amendments are needed to account for special populations. In this chapter, special populations are comprised of students enrolled in college, and individuals residing in group quarters (including nursing homes and prisons). Fertility and mortality rates vary widely throughout the state. In order to choose the rate that best predicts the number of births and deaths within each county, a variety of rates were considered, and the one that best predicted the number of births and deaths from 2000 to 2004 was the rate selected for the rest of the projection period. For fertility, the rates that were considered were the average county-level fertility rates from 1990-1994, 1995-1999, and 2000-2004, and average state level rates from 1991-1993, 1994-1996, 1997-1999, 2000-2002, and 2003-2005. For mortality, three life table survival rates were considered: state data for Tennessee from 1989-1991 (the last year in which the United States' National Center for Health Statistics released state-level life tables), national data for the United States for 1999-2001 created by the National Center for Health Statistics, and state data released by the Tennessee Department Health for 1995.

The migration component is the most volatile data used in the cohort component model. Not only is migration data - disaggregated by age and county - difficult to obtain, but the historic data may very poorly predict future trends. This is especially true in our current economic climate, where job changes, housing foreclosures and decreasing house values could significantly alter migration patterns. For this chapter, future migration is predicted in two steps. First, the rate at which each age group migrates – relative to all other age groups in the county – is constructed. Future migrants are calculated using data from the 1990 and 2000 Census, and Census Population Estimates Program's chapter of migration trends from 2000 to 2004.

Population Trends in Tennessee

Statewide trends

The statewide population total for Tennessee in 2005 was just under 6 million people, the 16th most populous state in the United States and the District of Columbia. In 2010, the population is projected to be 6.2 million, rising to 6.8 million in 2020. While Tennessee is growing, the rate at which it has grown has changed. From 1990 to 2000 the annual rate of growth was 1.67 percent - higher than both the 0.95 percent growth rate from 2000 to 2010 and the 1.01 percent annual rate anticipated for 2010 to 2020. The state's annual growth rate from 1990 to 2000 was also higher than the national average, which was 1.3 percent. The national rate is projected to decline between 2000 and 2010, to 0.98 percent, and decline further from 2010 to 2020, to 0.87 percent. From 2000 to 2020, the percent of the national population residing in Tennessee will consistently remain at 2 percent.

As the Baby Boom generation ages, the age distribution of the state will change. In 1990 the percent of the population greater than 65 was approximately 13 percent. This figure dipped to 12 percent in 2000, but will increase to 16 percent by 2020. The annual rates of growth for the population over 65 between 1990 and 2020 reflect these increases. Between 1990 and 2000 the over-65 population grew by 1.4 percent, increasing to 1.8 percent from 2000 to 2010 and 3.3 percent between 2010 and 2020. Population growth for those under 18 was 1.5 percent, 0.6 percent and 0.7 percent over the same three decades, similar to the 1.8 percent, 0.9 percent and 0.7 percent growth in the 18 to 64 group. The total population, along with changes in the percentage of those aged 65 and older, is summarized in Figure 4.1.

Another way to consider the changing population structure is through the use of dependency ratios. In this case, the total dependency ratio is defined as the population

4.3 Population Projections, continued

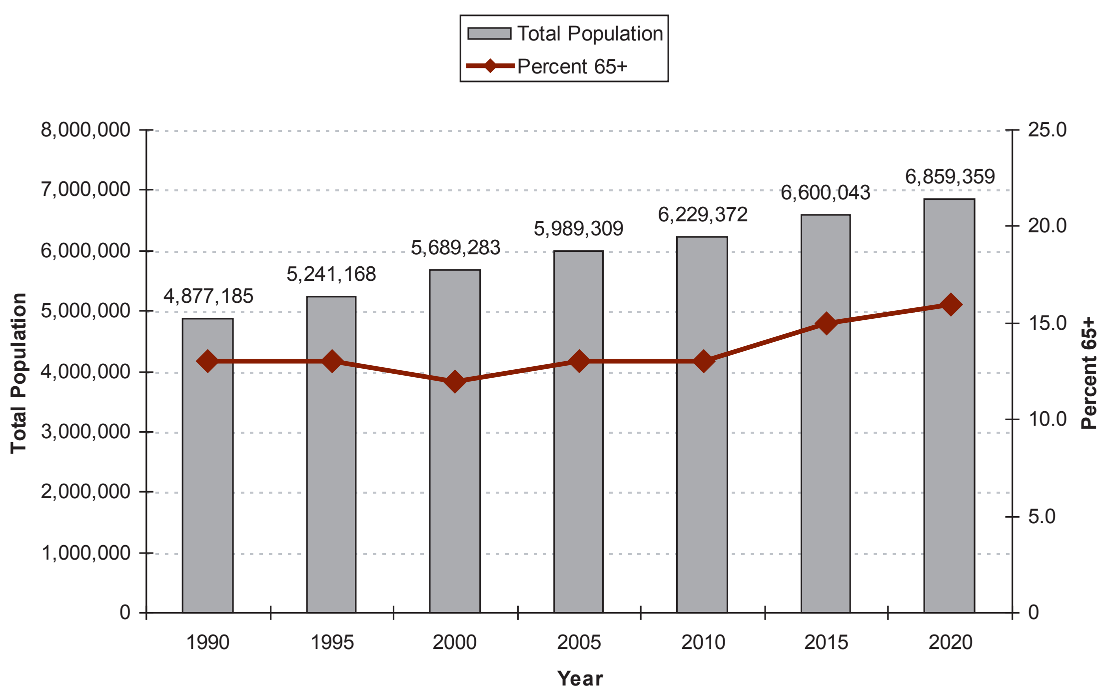
considered to be out of the labor force (the population under 16 or over 65 years of age) compared to the population in the labor force, per 100 persons. In 2000, the total dependency ratio was 52.1 – it will increase to 52.2 in 2010 and 57.1 in 2020. The component of the population most responsible for this growth is the elderly, not the youth. From 2000 to 2020 the child dependency ratio (the ratio of the under-16 population to the labor force population per 100 people) will decrease from 33.3 to 31.9, but the elderly dependency ratio (the ratio of the over-65 population to the labor force population per 100 people) will increase from 18.8 to 25.2. Age-related population changes are provided in Table 4.1.

County trends

While each county in the state of Tennessee saw population gains in the 1990s, if the current migration, fertility and mortality trends continue, some counties will experience population declines during the 2000s and 2010s. The total county population reported by the Census in 2000, the projected population for 2010 and 2020, and the population growth rate from 2000 to 2020 are reported in Table 4.2. In all, twenty-two counties are expected to have net population declines between 2000 and 2010, and twenty-three the following decade. Many of the counties that saw the largest net increase in population from 1990-2000 – Rutherford, Davidson, Knox and Williamson Counties – will continue to see similar growth in the future. In the 1990s, those counties that ranked at the bottom of the table in net change saw positive growth, whereas in the 2000s and 2010s counties experiencing the least change will record a net population loss. Between 2000 and 2020, Carroll, Lauderdale, Obion, Shelby, Sullivan and Weakley counties will record the largest population losses in the state. The highest and lowest ranked counties, in terms of total net population change, may be found in Table 4.3.

A somewhat different pattern emerges when

Figure 4.1. Total Population in Tennessee, with Percent of Population over 65



4.3 Population Projections, continued

Table 4.1. Age-related population characteristics from 2000 to 2020

Year	Percent of Population		Annual percent growth over previous decade				Dependency Ratios		
	Under 18	Over 65	Under 18	18 - 64	Over 65	Total Population	Total	Elderly	Child
2000	24.6%	12.4%	1.5%	1.8%	1.4%	1.7%	52.1	18.8	33.3
2010	23.8%	13.3%	0.6%	0.9%	1.8%	0.9%	52.2	20.2	32.0
2020	23.0%	16.0%	0.7%	0.7%	3.3%	1.0%	57.1	25.2	31.9

considering the percent of population change that will occur in the coming years. While Williamson and Rutherford counties still rank amongst the top five in terms of percent population change, so too do Sevier, Meigs, and Tipton counties between 1990-2000, and Fayette, Wilson and Bedford counties from 2000-2020. Of those counties that ranked the lowest in percent population change between 1990 and 2000, only Obion is continues to be in the bottom five between 2000 and 2020. It shares the lowest ranking with Pickett, Van Buren, Lake and Weakley between 2000 and 2010, and Polk, Lauderdale, Van Buren and Weakley the following decade. These rankings, and the percent population change, are listed in Table 4.4.

Population growth (and in some cases, decline), will not happen evenly across all age groups. In 2020, the average percent of the population age 65 and over is expected to be around 16 percent. However, the majority of counties in the state – almost three-quarters – will have greater than 16 percent of their population older than 65. The ten counties with the highest percentage of their population older than 65 are listed in Figure 4.2, along with the elderly dependency ratio. Cumberland County has the highest percent of their population over 65 and the highest elderly dependency ratio. For each county listed in Figure 4.2, over 20 percent of their population will be comprised of persons over 65.

Another way to measure the over-65 population is to calculate the rate at which this population group has been changing. Figure 4.3 shows the ten counties with the highest and lowest rates of population change for those over 65. While there are certainly differences in the percent of growth over the 20 year period, all counties but two will experience growth in this age group.

There are also notable differences in the share of each county's under 18 population. Figure 4.4. shows those counties with the highest percent of the population aged 18 and under in 2020, along with the child dependency ratio. Compared to the other six counties in the figure, Bedford, Williamson and Roberston counties have a higher percent of their population that is between 18 and 64. Only four counties – Lauderdale, Shelby, Bedford and Williamson – have the same or greater percent of their population under 18 than the state average. The large youth population in these counties significantly contributes to the total number of youth in the state.

The change in the under-18 population between 2000 and 2020 that counties can expect is found in Figure 4.5. Unlike the change in the over-65 population – which is due to increase in all but two counties – nearly forty percent will experience declines in the number of youth. This is largely attributable to falling fertility rates. At the state level, the fertility rate is high enough that births exceed deaths, allowing for natural increase even without the addition of migrants. Though many counties have experienced a recent increase in birth rates, these rates are still below what is needed to sustain population growth without additional migration.

4.3 Population Projections, continued

Table 4.2. Population projections for 2010 and 2020, with Census 2000 data

Location	Census 2000	Projected 2010	Projected 2020	Annual Percent Change 2000 to 2020
United States	281,421,906	308,935,581	335,804,546	1.0%
Tennessee	5,689,283	6,229,372	6,859,359	1.0%
Anderson	71,330	72,220	73,382	0.1%
Bedford	37,586	45,891	57,529	2.7%
Benton	16,537	16,098	15,784	-0.2%
Bledsoe	12,367	13,076	14,019	0.7%
Blount	105,823	123,830	151,018	2.1%
Bradley	87,965	95,755	104,536	0.9%
Campbell	39,854	41,212	43,379	0.4%
Cannon	12,826	13,446	14,317	0.6%
Carroll	29,475	28,620	28,398	-0.2%
Carter	56,742	60,732	67,605	1.0%
Cheatham	35,912	39,987	44,609	1.2%
Chester	15,540	16,093	16,661	0.4%
Claiborne	29,862	31,607	33,924	0.7%
Clay	7,976	7,969	8,097	0.1%
Cocke	33,565	35,858	39,289	0.9%
Coffee	48,014	53,078	60,017	1.2%
Crockett	14,532	14,160	13,573	-0.3%
Cumberland	46,802	54,251	65,343	2.0%
Davidson	569,891	641,948	736,606	1.5%
Decatur	11,731	11,283	10,975	-0.3%
Dekalb	17,423	19,038	21,579	1.2%
Dickson	43,156	48,096	54,281	1.3%
Dyer	37,279	37,831	37,735	0.1%
Fayette	28,806	38,848	54,051	4.4%
Fentress	16,625	17,371	18,342	0.5%
Franklin	39,270	41,779	45,531	0.8%
Gibson	48,152	48,054	48,684	0.1%
Giles	29,447	28,741	27,515	-0.3%
Grainger	20,659	23,274	26,761	1.5%
Greene	62,909	66,414	71,155	0.7%
Grundy	14,332	14,382	14,272	0.0%
Hamblen	58,128	61,368	64,053	0.5%
Hamilton	307,896	326,104	328,290	0.3%
Hancock	6,786	6,660	6,540	-0.2%
Hardeman	28,105	27,719	26,695	-0.3%
Hardin	25,578	25,953	26,590	0.2%
Hawkins	53,563	58,261	64,667	1.0%
Haywood	19,797	19,540	19,350	-0.1%
Henderson	25,522	26,691	27,999	0.5%
Henry	31,115	31,516	32,475	0.2%
Hickman	22,295	24,673	28,470	1.4%
Houston	8,088	7,853	7,506	-0.4%
Humphreys	17,929	17,952	17,764	0.0%
Jackson	10,984	11,100	11,606	0.3%
Jefferson	44,294	51,161	61,411	1.9%

4.3 Population Projections, continued

Table 4.2. Population projections for 2010 and 2020, with Census 2000 data, continued

Location	Census 2000	Projected 2010	Projected 2020	Annual Percent Change 2000 to 2020
Johnson	17,499	18,651	20,747	0.9%
Knox	382,032	425,233	471,912	1.2%
Lake	7,954	7,473	7,344	-0.4%
Lauderdale	27,101	26,250	24,078	-0.6%
Lawrence	39,926	41,485	42,825	0.4%
Lewis	11,367	11,425	11,471	0.0%
Lincoln	31,340	32,753	34,466	0.5%
Loudon	39,086	46,760	57,763	2.4%
Macon	20,386	22,170	24,848	1.1%
Madison	91,837	97,740	103,784	0.7%
Marion	27,776	27,827	27,504	0.0%
Marshall	26,767	29,231	32,323	1.0%
Maury	69,498	81,235	97,790	2.0%
McMinn	49,015	52,729	57,607	0.9%
McNairy	24,653	25,434	26,262	0.3%
Meigs	11,086	11,798	12,680	0.7%
Monroe	38,961	46,262	56,281	2.2%
Montgomery	134,768	154,663	167,895	1.2%
Moore	5,740	6,213	6,827	0.9%
Morgan	19,757	20,488	21,438	0.4%
Obion	32,450	31,094	28,034	-0.7%
Overton	20,118	20,813	21,963	0.5%
Perry	7,631	7,581	7,480	-0.1%
Pickett	4,945	4,747	4,544	-0.4%
Polk	16,050	15,453	14,199	-0.6%
Putnam	62,315	70,630	81,799	1.6%
Rhea	28,400	30,852	33,862	1.0%
Roane	51,910	53,550	56,776	0.5%
Robertson	54,433	64,972	78,938	2.3%
Rutherford	182,023	251,596	347,974	4.6%
Scott	21,127	22,173	22,890	0.4%
Sequatchie	11,370	13,848	17,243	2.6%
Sevier	71,170	86,374	106,928	2.5%
Shelby	897,472	910,776	875,972	-0.1%
Smith	17,712	19,104	20,968	0.9%
Stewart	12,370	13,168	14,032	0.7%
Sullivan	153,048	150,962	147,465	-0.2%
Sumner	130,449	155,925	190,388	2.3%
Tipton	51,271	58,187	66,124	1.4%
Trousdale	7,259	7,472	7,544	0.2%
Unicoi	17,667	17,663	18,252	0.2%
Union	17,808	19,546	21,844	1.1%
Van Buren	5,508	5,228	4,642	-0.8%
Warren	38,276	40,346	42,684	0.6%
Washington	107,198	116,527	128,443	1.0%
Wayne	16,842	16,782	16,820	0.0%
Weakley	34,895	31,686	25,974	-1.3%
White	23,102	25,282	28,620	1.2%
Williamson	126,638	174,485	241,933	4.6%
Wilson	88,809	109,234	136,792	2.7%

4.3 Population Projections, continued

Conclusion

Using population projections, we have a glimpse of how county population could continue to change over the next decade. The state of Tennessee will continue to see population gains, though over 20 percent of the state's counties will see population declines. These decreases will not occur evenly across all age groups. In almost all counties, increases in the over-65 population will continue due to the aging Baby Boom population, while many counties will experience declines in the percent of the population under 18. Knowing the net change in population, and the way this maps out across the age groups, can aid state, city and county leaders in their planning efforts. Counties experiencing overall growth may need to expand public utility capacity, housing or transportation systems. Areas that will have an aging population may benefit from more closely examining how anticipated changes in the number of students can impact public school funding, and how they will need to address the changing demands for healthcare .

There are several factors that could alter population counts. Recently, fertility rates have increased to their highest levels in over a decade, both at the state and national level. This is in contrast to the extremely low fertility rates of many developed nations, and it is unclear how long these high rates may continue. Mortality rates in Tennessee may also change in the coming decades. According to the Centers for Disease Control, Tennessee ranks third in the nation in terms of adult obesity in 2007, and in 2006 ranked sixth in the number of deaths attributable to smoking.[1] Because the leading causes of death in Tennessee – heart disease, stroke and cancer – are related to the behaviors associated with obesity and smoking, how these behaviors change may significantly impact future mortality rates.

Predicting future changes to migration is also a challenge, especially in the current economic climate. Declining house prices, rising unemployment and increasing foreclosures may all lead to decreasing migration, but some cities and counties have been impacted far more than others. In some cases, this might mean populations remain stable because potential migrants are not able to leave, resulting in population projections that would under-estimate the county total. Conversely, counties that have recently seen large outflows of migrants might suddenly have many fewer people able to move there, leading to over-estimates of the population. At least in the short term, the economy will no doubt impact migration in the state.

Although predicting fertility, mortality and migration changes is always difficult, population projections are only as good as the information used to create them. The data provided by the Census is critical in all aspects of planning, such as establishing state and federal funding guidelines, creating population projections, assessing future healthcare needs and planning future transportation projects. To make the Census as relevant and accurate as possible, it is imperative that each state resident is counted.

1 See Centers for Disease Control and Prevention, "Chronic Diseases: The Leading Cause of Death," http://www.cdc.gov/NCCDPHP/publications/factsheets/ChronicDisease/pdfs/Tennessee.pdf.

4.3 Population Projections, continued

Table 4.3. Counties ranked, from highest to lowest, by net population change

Rank	County	Change 1990-2000	Rank	County	Change 2000-2010	Rank	County	Change 2010-2020
1	Shelby	71,142	1	Davidson	72,057	1	Rutherford	96,379
2	Rutherford	63,453	2	Rutherford	69,573	2	Davidson	94,658
3	Davidson	59,107	3	Williamson	47,847	3	Williamson	67,448
4	Knox	46,283	4	Knox	43,201	4	Knox	46,679
5	Williamson	45,617	5	Sumner	25,476	5	Sumner	34,463
91	Obion	733	91	Lauderdale	-851	91	Lauderdale	-2172
92	Van Buren	662	92	Carroll	-855	92	Obion	-3060
93	Pickett	397	93	Obion	-1356	93	Sullivan	-3497
94	Haywood	360	94	Sullivan	-2086	94	Weakley	-5711
95	Hancock	47	95	Weakley	-3209	95	Shelby	-34804

Table 4.4. Counties ranked, from highest to lowest, by percent population change

Rank	County	Percent Change 1990-2000	Rank	County	Percent Change 2000-2010	Rank	County	Percent Change 2010-2020
1	Williamson	5630.3	1	Rutherford	27.7	1	Fayette	39.1
2	Rutherford	53.5	2	Williamson	27.4	2	Williamson	38.7
3	Sevier	39.4	3	Fayette	25.9	3	Rutherford	38.3
4	Meigs	38.0	4	Wilson	18.7	4	Bedford	25.4
5	Tipton	36.5	5	Bedford	18.1	5	Wilson	25.2
91	Anderson	4.5	91	Pickett	-4.2	91	Polk	-8.1
92	Gibson	4.0	92	Obion	-4.4	92	Lauderdale	-8.3
93	Obion	2.3	93	Van Buren	-5.4	93	Obion	-9.8
94	Haywood	1.9	94	Lake	-6.4	94	Van Buren	-11.2
95	Hancock	0.7	95	Weakley	-10.1	95	Weakley	-18.0

4.3 Population Projections, continued

Figure 4.2. Ten Counties with Highest Percent of Population Over 65 in 2020

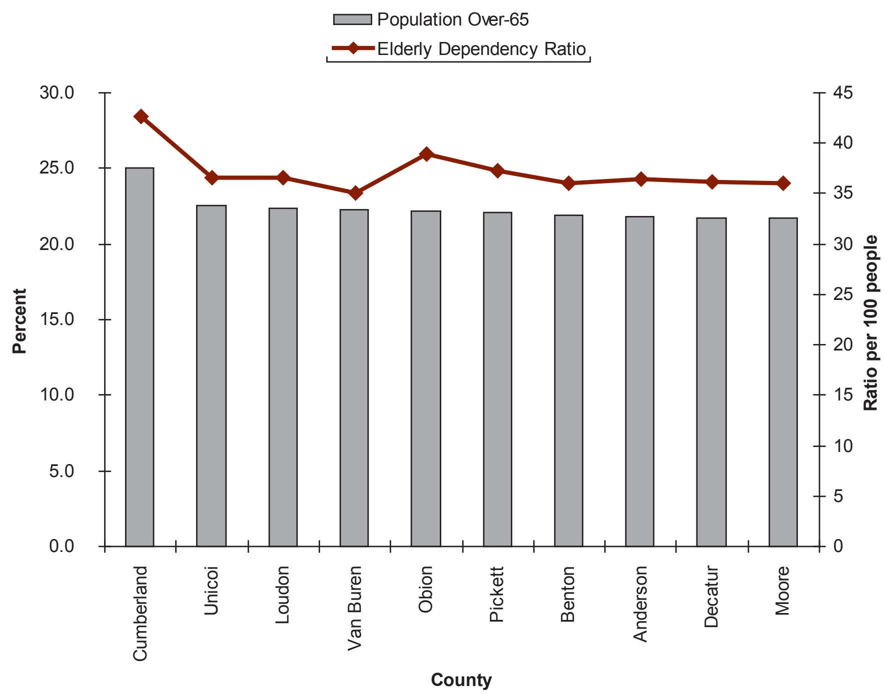
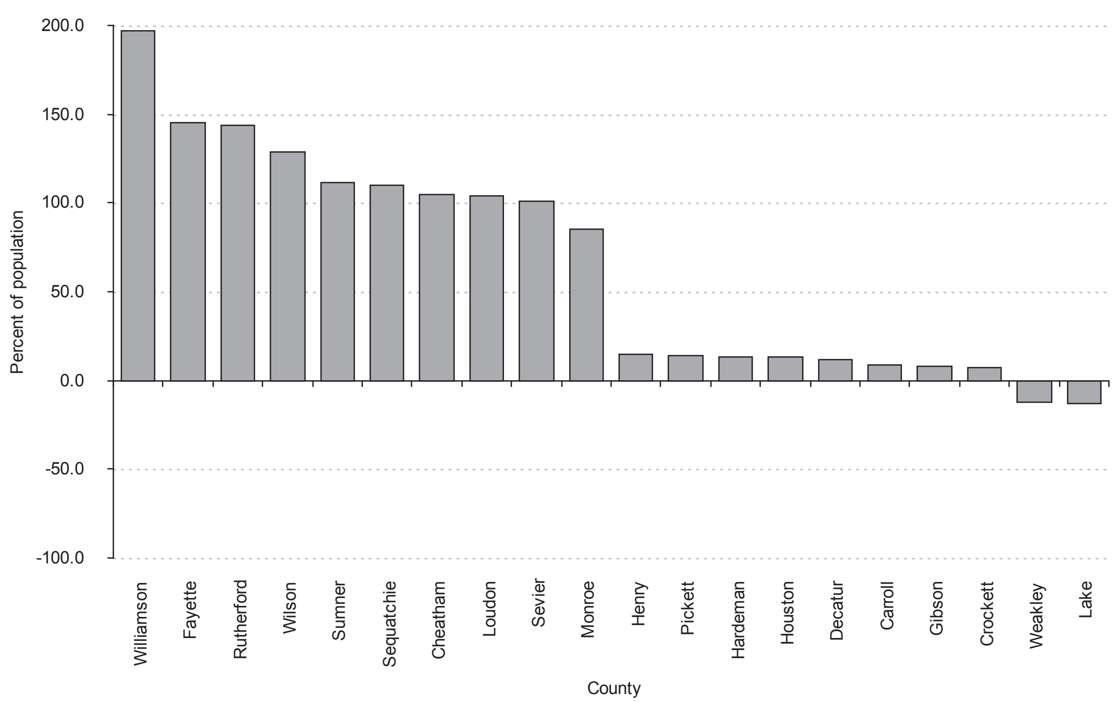
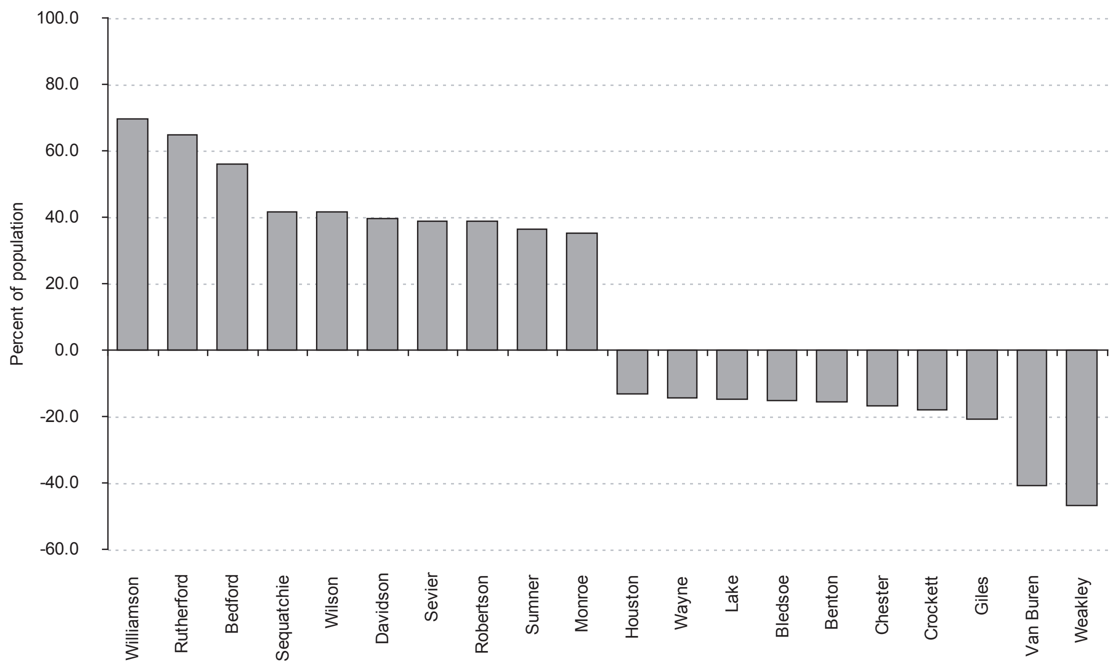


Figure 4.3. Counties with Highest and Lowest Percent Change in Over-65 Population, 2000 to 2020



4.3 Population Projections, continued

Figure 4.5. Counties with Highest and Lowest Percent Change in Under-18 Population, 2000 to 2020



Appendix A: Forecast Data

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Appendix A: Forecast Data

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
US GDP (Bil2000$) SAAR	11727.4	11712.4	11545.2	11385.0	11332.5	11347.0	11393.0	11452.7	11561.6	11680.9	11772.1	11852.5	11657.7	11364.4	11616.8
% Chg Prev Qtr SAAR	2.83	-0.51	-5.59	-5.43	-1.83	0.51	1.63	2.11	3.86	4.19	3.16	2.76	1.16	-2.52	2.22
% Chg Same Qtr Last Yr	2.05	0.75	-0.65	-2.24	-3.37	-3.12	-1.32	0.59	2.02	2.94	3.33	3.49	1.16	-2.52	2.22
US GDP (Bil$) SAAR	14294.5	14412.8	14248.8	14071.9	14013.5	14076.7	14162.6	14287.6	14473.8	14680.2	14851.3	15024.8	14276.7	14081.2	14573.2
% Chg Prev Qtr SAAR	4.12	3.35	-4.47	-4.87	-1.65	1.81	2.47	3.58	5.32	5.83	4.74	4.76	3.40	-1.37	3.49
% Chg Same Qtr Last Yr	4.05	3.31	1.55	-0.56	-1.97	-2.33	-0.60	1.53	3.28	4.29	4.86	5.16	3.40	-1.37	3.49
TN PERSONAL INCOME (MIL2000$) SAAR	176472	173690	175997	178240	178847	178537	178873	179394	180000	180746	181312	182321	175350	178624	180363
% Chg Prev Qtr SAAR	2.84	-6.16	5.42	5.20	1.37	-0.69	0.76	1.17	1.36	1.67	1.26	2.25	0.42	1.87	0.97
% Chg Same Qtr Last Yr	1.37	-0.61	0.12	1.71	1.35	2.79	1.63	0.65	0.64	1.24	1.36	1.63	0.42	1.87	0.97
US PERSONAL INCOME (BIL2000$) SAAR	9998	9882	10027	10154	10169	10157	10159	10168	10201	10256	10294	10338	9963	10160	10230
% Chg Prev Qtr SAAR	2.21	-4.55	5.97	5.17	0.61	-0.49	0.10	0.33	1.33	2.18	1.49	1.71	0.51	1.98	0.69
% Chg Same Qtr Last Yr	1.25	-0.62	0.69	2.11	1.71	2.78	1.32	0.14	0.32	0.98	1.33	1.68	0.51	1.98	0.69
TN PERSONAL INCOME (MIL$) SAAR	214491	213710	213507	213679	214132	214641	215833	217564	219488	221676	223782	226703	213124	214571	220627
% Chg Prev Qtr SAAR	7.22	-1.45	-0.38	0.32	0.85	0.95	2.24	3.25	3.58	4.05	3.86	5.33	3.73	0.68	2.82
% Chg Same Qtr Last Yr	5.08	3.66	1.88	1.37	-0.17	0.44	1.09	1.82	2.50	3.28	3.68	4.20	3.73	0.68	2.82
US PERSONAL INCOME (BIL$) SAAR	12152	12159	12164	12173	12175	12211	12259	12331	12439	12579	12706	12855	12109	12204	12514
% Chg Prev Qtr SAAR	6.57	0.24	0.14	0.29	0.09	1.16	1.58	2.39	3.56	4.57	4.09	4.77	3.82	0.79	2.54
% Chg Same Qtr Last Yr	4.96	3.66	2.46	1.77	0.19	0.42	0.78	1.30	2.17	3.02	3.65	4.25	3.82	0.79	2.54
TN NONFARM JOBS (THOUS)	2787.7	2783.0	2759.7	2742.3	2724.8	2708.5	2702.0	2703.8	2707.8	2713.3	2716.8	2726.9	2781.8	2719.4	2710.4
% Chg Prev Qtr SAAR	-1.30	-0.68	-3.31	-2.49	-2.54	-2.36	-0.96	0.26	0.59	0.82	0.51	1.50	-0.55	-2.24	-0.33
% Chg Same Qtr Last Yr	-0.22	-0.66	-1.52	-1.95	-2.26	-2.67	-2.09	-1.41	-0.62	0.18	0.55	0.85	-0.55	-2.24	-0.33
US NONFARM JOBS (MIL)	137.7	137.3	136.2	134.8	133.8	133.2	133.1	133.1	133.5	134.0	134.4	135.0	137.3	133.7	133.8
% Chg Prev Qtr SAAR	-0.63	-1.07	-3.39	-4.05	-2.78	-1.66	-0.53	0.19	1.03	1.45	1.47	1.69	-0.25	-2.59	0.03
% Chg Same Qtr Last Yr	0.15	-0.31	-1.36	-2.30	-2.83	-2.98	-2.26	-1.20	-0.25	0.53	1.03	1.41	-0.25	-2.59	0.03
TN MFG JOBS (THOUS)	371.0	368.8	361.0	356.2	349.4	343.1	337.8	336.3	334.1	332.6	330.8	332.7	368.7	346.6	333.4
% Chg Prev Qtr SAAR	-3.04	-2.35	-8.25	-5.22	-7.41	-6.95	-6.06	-1.84	-2.59	-1.79	-2.07	2.34	-3.20	-5.98	-3.81
% Chg Same Qtr Last Yr	-2.40	-2.47	-4.12	-4.74	-5.83	-6.96	-6.41	-5.59	-4.38	-3.09	-2.07	-1.05	-3.20	-5.98	-3.81
US MFG JOBS (MIL)	13.6	13.4	13.1	12.7	12.4	12.0	11.8	11.7	11.6	11.6	11.7	11.8	13.5	12.2	11.7
% Chg Prev Qtr SAAR	-3.66	-4.07	-7.97	-11.60	-11.49	-10.78	-6.35	-3.88	-1.99	-0.16	2.41	3.14	-3.07	-9.05	-4.59
% Chg Same Qtr Last Yr	-2.47	-3.08	-4.64	-6.88	-8.83	-10.47	-10.08	-8.18	-5.81	-3.12	-0.93	0.83	-3.07	-9.05	-4.59
TN UNEMPLOYMENT RATE (%)	6.1	6.9	7.3	8.3	8.8	9.1	9.6	9.8	9.6	9.5	9.3	9.1	6.4	8.9	9.6
US UNEMPLOYMENT RATE (%)	5.3	6.0	6.8	7.6	8.4	8.8	9.1	9.2	9.2	9.0	8.9	8.7	5.8	8.5	9.1

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
CHAINED PRICE INDEX, GDP (2000=100.0)……	122.0	123.1	123.4	123.6	123.7	124.1	124.3	124.8	125.2	125.7	126.2	126.8	122.5	123.9	125.4
% Chg Prev Qtr SAAR……	1.12	3.94	0.93	0.59	0.19	1.30	0.82	1.43	1.40	1.57	1.53	1.94	2.26	1.12	1.24
% Chg Same Qtr Last Yr……	2.02	2.63	2.15	1.63	1.40	0.75	0.72	0.93	1.24	1.31	1.49	1.61	2.26	1.12	1.24
US PERS CONSUMP DEFL (2000=100.0)……	121.5	123.0	121.3	119.9	119.7	120.2	120.7	121.3	121.9	122.6	123.4	124.3	121.5	120.1	122.3
% Chg Prev Qtr SAAR……	4.26	5.02	-5.50	-4.63	-0.51	1.66	1.47	2.05	2.20	2.34	2.57	3.01	3.30	-1.17	1.83
% Chg Same Qtr Last Yr……	3.67	4.30	1.76	-0.33	-1.49	-2.29	-0.54	1.16	1.84	2.01	2.29	2.53	3.30	-1.17	1.83
CONSUMER PRICE INDEX,															
ALL-URBAN (82-84=1.000)……	2.154	2.190	2.137	2.099	2.094	2.106	2.117	2.131	2.146	2.161	2.179	2.200	2.152	2.104	2.154
% Chg Prev Qtr SAAR……	5.04	6.72	-9.30	-6.90	-0.92	2.21	2.10	2.72	2.84	2.85	3.36	3.98	3.80	-2.24	2.39
% Chg Same Qtr Last Yr……	4.29	5.27	1.48	-1.36	-2.79	-3.83	-0.94	1.52	2.47	2.63	2.94	3.26	3.80	-2.24	2.39
BANK PRIME INTEREST RATE (%)……	5.1	5.0	4.1	3.1	3.1	3.1	3.1	3.2	3.7	4.2	4.7	5.2	5.1	3.1	3.9
FEDERAL FUNDS RATE (% per annum)……	2.087	1.940	0.513	0.125	0.125	0.125	0.125	0.187	0.677	1.187	1.713	2.203	1.929	0.125	0.941
30-YEAR FIXED MORTGAGE RATE (%)……	6.1	6.3	5.9	4.9	4.9	4.9	5.1	5.2	5.4	5.7	5.9	6.1	6.0	5.0	5.5
TN TAXABLE SALES (MIL2000$)……	19969	19254	18875	18873	18895	18832	18844	18871	18916	18983	19041	19118	78069	75444	75811
% Chg Prev Qtr SAAR……	-0.05	-13.57	-7.64	-0.04	0.45	-1.32	0.25	0.58	0.95	1.43	1.23	1.61	-4.79	-3.36	0.49
% Chg Same Qtr Last Yr……	-2.18	-6.06	-7.28	-5.50	-5.38	-2.19	-0.17	-0.01	0.11	0.80	1.05	1.31	-4.79	-3.36	0.49
TN TAXABLE SALES (MIL$)……	24271	23690	22898	22626	22622	22640	22737	22886	23065	23282	23502	23772	94881	90626	92735
% Chg Prev Qtr SAAR……	4.21	-9.23	-12.72	-4.67	-0.07	0.32	1.72	2.65	3.17	3.81	3.83	4.68	-1.64	-4.48	2.33
% Chg Same Qtr Last Yr……	1.41	-2.02	-5.66	-5.81	-6.79	-4.43	-0.70	1.15	1.96	2.83	3.36	3.87	-1.64	-4.48	2.33
TN AVG ANNUAL WAGE, NONFARM (2000$)……	33748	33528	34050	34544	34692	34663	34681	34705	34726	34739	34735	34699	33868	34645	34726
% Chg Prev Qtr SAAR……	-4.56	-2.59	6.38	5.93	1.72	-0.34	0.20	0.28	0.24	0.15	-0.04	-0.42	-0.34	2.30	0.23
% Chg Same Qtr Last Yr……	-0.46	-0.93	-0.64	1.17	2.80	3.39	1.85	0.46	0.10	0.22	0.16	-0.02	-0.34	2.30	0.23
TN AVG ANNUAL WAGE, NONFARM ($)……	41019	41253	41307	41413	41537	41673	41847	42089	42344	42605	42872	43146	41162	41617	42477
% Chg Prev Qtr SAAR……	-0.49	2.30	0.52	1.03	1.20	1.32	1.68	2.34	2.44	2.49	2.53	2.58	2.95	1.11	2.07
% Chg Same Qtr Last Yr……	3.19	3.33	1.10	0.84	1.26	1.02	1.31	1.63	1.94	2.24	2.45	2.51	2.95	1.11	2.07

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

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
US GDP (2000$) SAAR	38451	38309	37670	37057	36797	36754	36812	36915	37176	37469	37671	37838	38176	36855	37308
% Chg Prev Qtr SAAR	1.83	-1.47	-6.50	-6.35	-2.78	-0.47	0.64	1.12	2.85	3.19	2.17	1.78	0.18	-3.46	1.23
% Chg Same Qtr Last Yr	1.07	-0.23	-1.61	-3.19	-4.30	-4.06	-2.28	-0.38	1.03	1.95	2.33	2.50	0.18	-3.46	1.23
US GDP ($) SAAR	46868	47141	46492	45803	45502	45595	45762	46053	46540	47090	47524	47965	46753	45665	46803
% Chg Prev Qtr SAAR	3.11	2.35	-5.40	-5.80	-2.60	0.82	1.47	2.57	4.30	4.81	3.74	3.76	2.40	-2.33	2.49
% Chg Same Qtr Last Yr	3.05	2.31	0.57	-1.52	-2.92	-3.28	-1.57	0.55	2.28	3.28	3.85	4.15	2.40	-2.33	2.49
TN PERSONAL INCOME (2000$) SAAR	28834	28324	28644	28952	28994	28887	28884	28911	28952	29015	29022	29099	28623	28929	28975
% Chg Prev Qtr SAAR	2.03	-6.89	4.59	4.37	0.58	-1.47	-0.04	0.38	0.56	0.87	0.09	1.07	0.42	1.07	0.16
% Chg Same Qtr Last Yr	1.63	-0.22	-0.66	0.91	0.55	1.99	0.84	-0.14	-0.14	0.44	0.48	0.65	0.42	1.07	0.16
US PERSONAL INCOME (2000$) SAAR	32782	32323	32716	33050	33019	32898	32826	32773	32802	32900	32942	33003	32626	32948	32854
% Chg Prev Qtr SAAR	1.22	-5.48	4.94	4.15	-0.37	-1.45	-0.87	-0.65	0.35	1.19	0.52	0.74	-0.47	0.99	-0.28
% Chg Same Qtr Last Yr	0.27	-1.58	-0.29	1.12	0.72	1.78	0.34	-0.84	-0.66	0.00	0.35	0.70	-0.47	0.99	-0.28
TN PERSONAL INCOME ($) SAAR	35046	34850	34749	34708	34714	34728	34852	35063	35304	35586	35820	36182	34789	34751	35443
% Chg Prev Qtr SAAR	6.38	-2.22	-1.16	-0.46	0.06	0.17	1.44	2.44	2.77	3.23	2.66	4.11	3.72	-0.11	1.99
% Chg Same Qtr Last Yr	5.36	4.07	1.08	0.58	-0.95	-0.35	0.30	1.02	1.70	2.47	2.78	3.19	3.72	-0.11	1.99
US PERSONAL INCOME ($) SAAR	39844	39771	39688	39621	39533	39551	39609	39746	39998	40350	40658	41037	39654	39579	40189
% Chg Prev Qtr SAAR	5.53	-0.73	-0.83	-0.68	-0.88	0.18	0.59	1.39	2.56	3.56	3.10	3.77	2.82	-0.19	1.54
% Chg Same Qtr Last Yr	3.95	2.65	1.46	0.79	-0.78	-0.55	-0.20	0.32	1.18	2.02	2.65	3.25	2.82	-0.19	1.54
TN TAXABLE SALES (2000$)	3263	3140	3072	3066	3063	3047	3043	3041	3042	3047	3048	3051	12744	12219	12179
% Chg Prev Qtr SAAR	-0.83	-14.24	-8.36	-0.82	-0.34	-2.09	-0.54	-0.21	0.16	0.64	0.06	0.44	-4.78	-4.12	-0.32
% Chg Same Qtr Last Yr	-1.92	-5.69	-8.01	-6.24	-6.12	-2.96	-0.95	-0.80	-0.67	0.01	0.16	0.33	-4.78	-4.12	-0.32
TN TAXABLE SALES ($)	3966	3863	3727	3675	3667	3663	3672	3688	3710	3737	3762	3794	15488	14677	14897
% Chg Prev Qtr SAAR	3.39	-9.94	-13.40	-5.42	-0.85	-0.47	0.93	1.84	2.36	3.00	2.63	3.47	-1.64	-5.24	1.50
% Chg Same Qtr Last Yr	1.67	-1.63	-6.39	-6.55	-7.52	-5.18	-1.48	0.36	1.16	2.03	2.46	2.86	-1.64	-5.24	1.50

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2000 dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TN PERSONAL INCOME	176472	173690	175997	178240	178847	178537	178873	179394	180000	180746	181312	182321	175350	178624	180363
% Chg Prev Qtr SAAR	2.84	-6.16	5.42	5.20	1.37	-0.69	0.76	1.17	1.36	1.67	1.26	2.25	0.42	1.87	0.97
% Chg Same Qtr Last Yr	1.37	-0.61	0.12	1.71	1.35	2.79	1.63	0.65	0.64	1.24	1.36	1.63	0.42	1.87	0.97
WAGES AND SALARIES	94864	94097	94746	95482	95283	94642	94465	94593	94787	95015	95125	95375	94995	94968	94880
% Chg Prev Qtr SAAR	-5.73	-3.19	2.79	3.14	-0.83	-2.66	-0.75	0.54	0.82	0.97	0.46	1.06	-0.87	-0.03	-0.09
% Chg Same Qtr Last Yr	-0.67	-1.55	-2.12	-0.82	0.44	0.58	-0.30	-0.93	-0.52	0.39	0.70	0.83	-0.87	-0.03	-0.09
OTHER LABOR INCOME	21534	21336	21655	21913	21959	21878	21821	21843	21866	21932	21999	22083	21580	21893	21910
% Chg Prev Qtr SAAR	-4.73	-3.62	6.11	4.86	0.84	-1.47	-1.04	0.40	0.41	1.22	1.24	1.52	-0.40	1.45	0.08
% Chg Same Qtr Last Yr	-0.55	-1.37	-0.65	0.54	1.98	2.54	0.77	-0.32	-0.43	0.25	0.82	1.10	-0.40	1.45	0.08
PROPRIETORS INCOME	19031	18912	19214	19320	19238	19063	18934	18898	18889	18940	19011	19157	19078	19139	18934
% Chg Prev Qtr SAAR	-2.60	-2.47	6.53	2.24	-1.69	-3.59	-2.68	-0.74	-0.21	1.09	1.51	3.11	-1.72	0.32	-1.07
% Chg Same Qtr Last Yr	-1.78	-2.75	-1.07	0.86	1.09	0.80	-1.46	-2.18	-1.82	-0.65	0.41	1.37	-1.72	0.32	-1.07
RENT, INTEREST, DIVIDENDS	22269	22295	22464	22617	22589	22496	22472	22501	22543	22707	22844	22987	22313	22544	22649
% Chg Prev Qtr SAAR	0.86	0.46	3.07	2.75	-0.49	-1.63	-0.43	0.51	0.76	2.93	2.44	2.52	0.41	1.04	0.47
% Chg Same Qtr Last Yr	0.52	-0.81	0.16	1.78	1.44	0.90	0.04	-0.51	-0.20	0.93	1.65	2.16	0.41	1.04	0.47
TRANSFER PAYMENTS	34479	32542	33771	35161	36146	36837	37580	38120	38469	38718	38913	39416	33150	36431	38555
% Chg Prev Qtr SAAR	38.03	-20.65	15.98	17.51	11.68	7.87	8.31	5.88	3.71	2.61	2.03	5.28	5.68	9.90	5.83
% Chg Same Qtr Last Yr	10.41	3.48	7.63	10.53	4.83	13.20	11.28	8.42	6.43	5.11	3.55	3.40	5.68	9.90	5.83
LESS: PERS CONT FOR SOC INS	14747	14587	14934	15324	15438	15454	15476	15643	15641	15658	15680	15805	14806	15423	15656
% Chg Prev Qtr SAAR	-5.44	-4.27	9.86	10.85	3.01	0.40	0.59	4.40	-0.07	0.45	0.56	3.22	0.09	4.17	1.51
% Chg Same Qtr Last Yr	-0.04	-1.11	0.30	2.47	4.69	5.94	3.63	2.09	1.31	1.32	1.32	1.03	0.09	4.17	1.51
RESIDENCE ADJUSTMENT	-958	-905	-918	-929	-931	-927	-923	-918	-912	-906	-900	-892	-961	-927	-909
% Chg Prev Qtr SAAR	-33.58	-20.12	5.90	4.88	0.48	-1.71	-1.59	-2.19	-2.38	-2.57	-2.83	-3.30	-11.19	-3.46	-1.97
% Chg Same Qtr Last Yr	-9.96	-15.63	-20.07	-12.38	-2.83	2.34	0.48	-1.26	-1.97	-2.18	-2.49	-2.77	-11.19	-3.46	-1.97
PER CAPITA PERSONAL INCOME ($)	28834	28324	28644	28952	28994	28887	28884	28911	28952	29015	29022	29099	28623	28929	28975
% Chg Prev Qtr SAAR	2.03	-6.89	4.59	4.37	0.58	-1.47	-0.04	0.38	0.56	0.87	0.09	1.07	0.42	1.07	0.16
% Chg Same Qtr Last Yr	1.63	-0.22	-0.66	0.91	0.55	1.99	0.84	-0.14	-0.14	0.44	0.48	0.65	0.42	1.07	0.16

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TN PERSONAL INCOME	214491	213710	213507	213679	214132	214641	215833	217564	219488	221676	223782	226703	213124	214571	220627
% Chg Prev Qtr SAAR	7.22	-1.45	-0.38	0.32	0.85	0.95	2.24	3.25	3.58	4.05	3.86	5.33	3.73	0.68	2.82
% Chg Same Qtr Last Yr	5.08	3.66	1.88	1.37	-0.17	0.44	1.09	1.82	2.50	3.28	3.68	4.20	3.73	0.68	2.82
WAGES AND SALARIES	115301	115778	114940	114467	114082	113781	113984	114720	115581	116530	117406	118593	115455	114078	116059
% Chg Prev Qtr SAAR	-1.71	1.67	-2.86	-1.64	-1.34	-1.05	0.72	2.61	3.04	3.33	3.04	4.10	2.39	-1.19	1.74
% Chg Same Qtr Last Yr	2.97	2.68	-0.40	-1.15	-1.06	-1.72	-0.83	0.22	1.31	2.42	3.00	3.38	2.39	-1.19	1.74
OTHER LABOR INCOME	26173	26252	26270	26270	26292	26302	26330	26490	26662	26898	27153	27458	26228	26299	26801
% Chg Prev Qtr SAAR	-0.67	1.21	0.28	0.00	0.33	0.16	0.42	2.46	2.62	3.59	3.83	4.58	2.88	0.27	1.91
% Chg Same Qtr Last Yr	3.09	2.87	1.09	0.20	0.45	0.19	0.23	0.84	1.41	2.27	3.12	3.65	2.88	0.27	1.91
PROPRIETORS INCOME	23131	23270	23309	23162	23034	22918	22846	22919	23032	23229	23464	23821	23188	22990	23161
% Chg Prev Qtr SAAR	1.55	2.43	0.67	-2.50	-2.19	-2.00	-1.25	1.29	1.99	3.45	4.12	6.22	1.53	-0.85	0.75
% Chg Same Qtr Last Yr	1.82	1.43	0.67	0.52	-0.42	-1.51	-1.99	-1.05	-0.01	1.36	2.71	3.93	1.53	-0.85	0.75
RENT, INTEREST, DIVIDENDS	27067	27432	27252	27114	27046	27046	27116	27288	27489	27849	28195	28582	27120	27080	27705
% Chg Prev Qtr SAAR	5.15	5.50	-2.60	-2.01	-1.00	0.00	1.04	2.57	2.97	5.34	5.07	5.61	3.72	-0.15	2.31
% Chg Same Qtr Last Yr	4.21	3.45	1.91	1.44	-0.08	-1.41	-0.50	0.64	1.64	2.97	3.98	4.74	3.72	-0.15	2.31
TRANSFER PAYMENTS	41907	40040	40968	42152	43277	44286	45345	46231	46908	47485	48028	49011	40294	43765	47163
% Chg Prev Qtr SAAR	43.90	-16.66	9.60	12.07	11.11	9.66	9.91	8.05	5.99	5.01	4.65	8.45	9.17	8.61	7.76
% Chg Same Qtr Last Yr	14.46	7.92	9.52	10.17	3.27	10.61	10.68	9.68	8.39	7.22	5.92	6.01	9.17	8.61	7.76
LESS: PERS CONT FOR SOC INS	17924	17948	18117	18371	18484	18579	18674	18972	19072	19204	19353	19653	17994	18527	19150
% Chg Prev Qtr SAAR	-1.42	0.54	3.82	5.72	2.48	2.07	2.07	6.54	2.13	2.80	3.14	6.33	3.39	2.96	3.37
% Chg Same Qtr Last Yr	3.62	3.14	2.06	2.13	3.12	3.51	3.07	3.27	3.18	3.37	3.64	3.59	3.39	2.96	3.37
RESIDENCE ADJUSTMENT	-1164	-1114	-1114	-1114	-1114	-1114	-1114	-1113	-1112	-1112	-1111	-1110	-1167	-1114	-1112
% Chg Prev Qtr SAAR	-30.75	-16.11	0.08	0.02	-0.03	-0.08	-0.14	-0.19	-0.24	-0.29	-0.34	-0.38	-8.32	-4.55	-0.19
% Chg Same Qtr Last Yr	-6.66	-12.01	-18.67	-12.67	-4.28	0.00	-0.06	-0.11	-0.16	-0.21	-0.26	-0.31	-8.32	-4.55	-0.19
PER CAPITA PERSONAL INCOME ($)	35046	34850	34749	34708	34714	34728	34852	35063	35304	35586	35820	36182	34789	34751	35443
% Chg Prev Qtr SAAR	6.38	-2.22	-1.16	-0.46	0.06	0.17	1.44	2.44	2.77	3.23	2.66	4.11	3.72	-0.11	1.99
% Chg Same Qtr Last Yr	5.36	4.07	1.08	0.58	-0.95	-0.35	0.30	1.02	1.70	2.47	2.78	3.19	3.72	-0.11	1.99

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Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONFARM	2793.9	2787.8	2777.5	2714.0	2733.3	2710.8	2719.6	2676.0	2716.2	2715.4	2734.5	2698.7	2781.7	2719.4	2710.5
Percentage change	-0.18	-0.65	-1.53	-1.94	-2.17	-2.76	-2.08	-1.40	-0.63	0.17	0.55	0.85	-0.53	-2.24	-0.33
NATURAL RESOURCES, MINING AND CONSTRUCTION	139.3	140.8	136.2	129.8	133.8	133.0	128.1	122.4	128.2	129.4	126.0	122.4	137.6	131.2	126.5
Percentage change	0.36	-0.33	-1.81	-3.19	-4.00	-5.52	-5.94	-5.68	-4.16	-2.71	-1.69	0.03	-0.02	-4.67	-3.56
MANUFACTURING	371.70	369.23	360.88	355.20	349.99	343.54	337.72	335.36	334.64	332.94	330.70	331.85	368.6	346.6	333.4
Percentage change	-2.42	-2.48	-4.13	-4.71	-5.84	-6.96	-6.42	-5.59	-4.38	-3.09	-2.08	-1.05	-3.20	-5.98	-3.81
DURABLE GOODS	231.0	228.5	223.0	219.4	214.8	209.5	205.7	204.3	203.6	202.7	202.0	203.4	228.7	212.4	203.2
Percentage change	-3.12	-3.10	-4.81	-5.55	-7.00	-8.33	-7.76	-6.88	-5.22	-3.25	-1.79	-0.45	-4.01	-7.15	-4.33
NONDURABLE GOODS	140.73	140.70	137.84	135.82	135.20	134.03	131.98	131.08	131.06	130.24	128.65	128.49	139.9	134.3	130.3
Percentage change	-1.2	-1.5	-3.0	-3.3	-3.9	-4.7	-4.2	-3.5	-3.1	-2.8	-2.5	-2.0	-1.86	-4.06	-2.98
TRADE, TRANSPORTATION, UTILITIES	609.40	610.53	610.08	589.10	590.15	589.14	600.18	585.53	592.11	595.25	607.82	593.55	609.0	592.1	595.2
Percentage change	0.09	-0.05	-1.74	-2.82	-3.16	-3.50	-1.62	-0.61	0.33	1.04	1.27	1.37	-0.34	-2.78	0.51
WHOLESALE TRADE	133.90	134.33	132.83	130.91	131.35	131.29	130.57	129.26	130.57	131.12	131.27	130.81	133.5	131.0	130.6
Percentage change	0.53	0.37	-0.78	-1.50	-1.91	-2.27	-1.70	-1.26	-0.59	-0.13	0.54	1.20	0.28	-1.84	-0.36
RETAIL TRADE	328.7	329.3	331.6	317.3	317.0	315.3	324.9	315.3	318.5	319.1	328.9	318.8	329.3	318.6	320.4
Percentage change	0.03	0.08	-2.01	-3.09	-3.56	-4.26	-2.02	-0.64	0.45	1.21	1.23	1.13	-0.40	-3.23	0.57
TRANSPORTATION & UTILITIES	146.77	146.87	144.72	141.39	142.04	142.60	143.79	141.50	143.34	145.06	146.73	144.41	146.1	142.5	144.2
Percentage change	-0.2	-0.7	-2.7	-3.1	-3.2	-2.9	-0.6	0.1	0.9	1.7	2.0	2.1	-0.91	-2.46	1.19
INFORMATION	49.40	49.40	49.22	48.55	48.54	48.13	47.95	47.52	47.81	47.63	47.57	47.27	49.3	48.3	47.6
Percentage change	-0.80	-1.13	-1.37	-1.46	-1.74	-2.58	-2.58	-2.12	-1.51	-1.04	-0.79	-0.53	-0.80	-2.09	-1.37
FINANCIAL ACTIVITIES	142.60	142.20	141.46	139.15	138.61	138.36	138.08	136.88	137.59	138.01	138.26	137.19	142.1	138.6	137.7
Percentage change	-1.59	-1.89	-1.67	-2.14	-2.79	-2.70	-2.39	-1.63	-0.74	-0.26	0.13	0.23	-1.41	-2.51	-0.63
PROFESSIONAL & BUSINESS SERVICES	318.1	318.6	317.9	307.1	309.0	308.1	309.9	302.2	307.1	311.1	315.2	308.5	317.3	308.5	308.9
Percentage change	-0.67	-2.03	-3.45	-2.42	-2.85	-3.30	-2.51	-1.61	-0.62	0.97	1.71	2.10	-1.43	-2.77	0.11
EDUCATION & HEALTH SERVICES	356.60	358.17	361.86	359.50	361.09	360.84	363.85	362.50	365.98	367.66	370.52	368.88	357.7	361.3	366.7
Percentage change	2.4	1.8	1.8	1.6	1.3	0.7	0.5	0.8	1.4	1.9	1.8	1.8	2.12	1.02	1.48
LEISURE & HOSPITALITY	281.20	280.33	267.64	257.40	273.64	274.96	263.47	254.94	272.73	275.84	265.92	259.18	274.0	267.4	267.4
Percentage change	-0.20	-1.80	-2.61	-3.56	-2.69	-1.92	-1.56	-0.95	-0.33	0.32	0.93	1.66	-0.79	-2.43	0.00
OTHER SERVICES	103.90	103.17	102.50	101.37	102.67	101.61	100.37	99.78	102.03	101.82	101.41	101.26	103.0	101.5	101.3
Percentage change	-1.24	-0.42	0.33	-0.94	-1.18	-1.51	-2.08	-1.57	-0.62	0.21	1.04	1.48	-0.43	-1.43	-0.24
GOVERNMENT	421.7	415.3	429.7	426.8	425.9	413.1	429.9	428.9	428.0	415.7	431.1	428.5	423.0	423.9	426.0
Percentage change	0.36	0.26	0.17	0.40	0.98	-0.54	0.06	0.49	0.51	0.65	0.28	-0.09	0.39	0.23	0.48
FEDERAL, CIVILIAN	48.83	48.80	49.59	49.14	49.30	49.38	49.94	50.87	50.75	49.93	49.98	49.34	49.0	49.4	50.4
Percentage change	0.1	0.1	0.7	1.0	1.0	1.2	0.7	3.5	2.9	1.1	0.1	-3.0	0.11	0.96	1.90
STATE & LOCAL	372.90	366.53	381.10	377.33	373.63	365.97	381.00	377.69	374.34	368.11	382.19	378.86	374.3	374.5	375.6
Percentage change	0.40	0.28	0.38	0.23	0.19	-0.15	-0.03	0.10	0.19	0.58	0.31	0.31	0.49	0.06	0.29

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL DURABLE GOODS	231.0	228.5	223.0	219.4	214.8	209.5	205.7	204.3	203.6	202.7	202.0	203.4	228.7	212.4	203.2
% Chg Same Qtr Last Yr	-3.12	-3.10	-4.81	-5.55	-7.00	-8.33	-7.76	-6.88	-5.22	-3.25	-1.79	-0.45	-0.04	-0.07	-0.04
WOOD PRODUCTS	14.5	14.3	13.7	13.0	12.6	12.1	11.9	11.6	11.7	11.9	11.9	11.7	14.3	12.4	11.7
% Chg Same Qtr Last Yr	-10.68	-11.20	-12.33	-10.51	-13.12	-15.48	-13.25	-11.37	-7.16	-1.61	-0.02	0.99	-0.11	-0.13	-0.05
NONMETALLIC MINERALS	15.7	15.7	15.3	15.0	14.9	14.6	14.3	14.1	14.4	14.5	14.4	14.3	15.6	14.7	14.3
% Chg Same Qtr Last Yr	0.00	-0.21	-3.28	-4.76	-5.25	-7.36	-6.39	-5.88	-3.07	-0.73	0.48	1.41	-0.01	-0.06	-0.02
PRIMARY METALS	11.7	11.7	11.7	11.7	11.6	11.4	11.6	11.5	11.4	11.3	11.5	11.5	11.7	11.6	11.4
% Chg Same Qtr Last Yr	-0.56	0.57	-0.26	-0.60	-1.55	-2.57	-1.55	-1.58	-1.28	-0.77	-0.46	-0.14	0.00	-0.02	-0.01
FABRICATED METALS	40.2	40.3	39.4	39.4	39.0	39.0	38.2	38.3	38.1	37.9	37.3	37.7	40.1	38.9	37.9
% Chg Same Qtr Last Yr	-2.82	-2.74	-3.33	-2.71	-3.03	-3.21	-2.99	-2.74	-2.23	-2.79	-2.32	-1.50	-0.03	-0.03	-0.03
MACHINERY	31.6	31.4	30.2	31.1	30.4	29.4	28.2	29.1	29.0	28.8	28.0	29.3	31.2	29.8	28.7
% Chg Same Qtr Last Yr	-1.15	-0.53	-2.15	-1.91	-3.57	-6.20	-6.75	-6.26	-4.57	-2.19	-0.64	0.41	-0.02	-0.05	-0.03
COMPUTERS & ELECTRONICS	7.3	7.1	7.0	6.6	6.5	6.3	6.2	5.9	5.7	5.6	5.5	5.2	7.2	6.4	5.7
% Chg Same Qtr Last Yr	-10.66	-11.20	-10.00	-10.57	-10.88	-11.55	-11.65	-11.39	-11.26	-11.40	-11.46	-11.56	-0.11	-0.11	-0.11
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	21.1	21.0	20.8	20.5	20.3	20.0	19.7	19.6	19.4	19.3	19.3	19.3	21.0	20.1	19.4
% Chg Same Qtr Last Yr	-4.23	-4.26	-4.33	-2.98	-4.07	-4.81	-5.16	-4.56	-4.25	-3.22	-2.41	-1.16	-0.05	-0.04	-0.04
TRANSPORTATION EQUIPMENT	59.2	58.1	56.8	54.9	53.3	51.4	50.8	49.9	49.5	49.3	50.2	50.3	58.4	52.6	49.7
% Chg Same Qtr Last Yr	-0.39	-0.29	-4.03	-7.59	-10.05	-11.59	-10.53	-9.13	-7.11	-4.11	-1.33	0.92	-0.03	-0.10	-0.06
FURNITURE	14.7	14.0	13.4	12.8	12.4	11.8	11.5	11.4	11.4	11.2	11.2	11.2	14.3	12.1	11.3
% Chg Same Qtr Last Yr	-9.84	-11.23	-13.05	-14.20	-15.37	-15.73	-14.17	-11.57	-8.00	-4.76	-3.01	-1.76	-0.11	-0.15	-0.07
MISCELLANEOUS DURABLES	15.0	14.9	14.6	14.3	13.9	13.6	13.3	12.9	12.8	12.9	12.9	12.8	14.9	13.8	12.9
% Chg Same Qtr Last Yr	-3.02	-3.03	-4.20	-5.23	-7.16	-9.09	-9.16	-9.33	-7.65	-4.82	-3.17	-0.89	-0.03	-0.08	-0.06

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONDURABLE GOODS	140.7	140.7	137.8	135.8	135.2	134.0	132.0	131.1	131.1	130.2	128.7	128.5	139.9	134.3	130.3
% Chg Same Qtr Last Yr	-1.24	-1.47	-3.02	-3.33	-3.93	-4.74	-4.25	-3.49	-3.06	-2.83	-2.52	-1.97	-1.86	-4.06	-2.98
FOOD	32.6	32.5	32.4	32.1	31.9	31.9	32.1	32.0	32.0	32.0	32.2	32.0	32.5	32.0	32.0
% Chg Same Qtr Last Yr	0.10	-0.61	-1.06	-1.32	-2.11	-1.87	-1.02	-0.31	0.23	0.22	0.20	-0.04	-0.80	-1.58	0.08
BEVERAGE & TOBACCO	5.0	5.1	4.9	4.9	4.9	4.9	4.8	4.7	4.7	4.7	4.5	4.5	5.0	4.9	4.7
% Chg Same Qtr Last Yr	0.00	0.00	-3.12	-2.30	-2.15	-3.67	-2.99	-3.48	-3.97	-4.64	-5.36	-4.36	-0.95	-2.78	-4.35
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	15.0	14.8	14.6	14.4	14.2	14.0	13.8	13.8	13.6	13.4	13.2	13.2	14.8	14.1	13.5
% Chg Same Qtr Last Yr	-1.54	-1.11	-2.32	-3.34	-4.97	-5.82	-5.51	-3.87	-4.23	-4.00	-4.41	-4.50	-1.74	-4.91	-4.13
PAPER	16.9	17.0	16.5	16.1	16.2	16.2	15.7	15.7	15.9	16.2	15.8	15.7	16.8	16.1	15.9
% Chg Same Qtr Last Yr	-2.69	-3.22	-4.51	-4.09	-4.30	-4.64	-4.59	-2.93	-1.90	-0.38	0.72	0.03	-3.51	-4.40	-1.13
PRINTING & RELATED SUPPORT	16.7	16.9	16.5	15.9	15.9	16.2	15.9	15.1	15.0	15.1	14.8	14.6	16.7	16.0	15.0
% Chg Same Qtr Last Yr	-1.76	-3.25	-4.95	-4.94	-4.87	-4.24	-3.58	-4.97	-5.75	-6.81	-6.62	-3.37	-2.89	-4.41	-6.04
CHEMICALS	26.5	26.4	26.0	26.1	26.1	25.6	25.2	25.2	25.0	24.6	24.2	24.4	26.3	25.7	24.8
% Chg Same Qtr Last Yr	-0.13	0.00	-0.77	-1.18	-1.82	-2.98	-3.33	-3.48	-3.86	-3.85	-3.74	-3.30	-0.29	-2.32	-3.73
PLASTICS & RUBBER	25.9	25.9	24.9	24.2	24.0	23.3	22.7	22.6	23.0	22.6	22.2	22.4	25.6	23.6	22.6
% Chg Same Qtr Last Yr	-2.88	-2.14	-5.96	-6.66	-7.18	-9.74	-8.77	-6.52	-4.25	-3.37	-2.27	-1.22	-3.28	-8.08	-4.14
MISCELLANEOUS NONDURABLE GOODS	2.1	2.1	2.0	2.1	2.0	1.9	1.9	1.9	1.8	1.8	1.7	1.8	2.1	2.0	1.8
% Chg Same Qtr Last Yr	0.00	-1.54	-1.28	-3.72	-5.62	-9.54	-8.69	-8.09	-8.46	-7.26	-7.29	-7.01	-1.10	-6.88	-7.79

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONFARM	2787.7	2783.0	2759.7	2742.3	2724.8	2708.5	2702.0	2703.8	2707.8	2713.3	2716.8	2726.9	2781.8	2719.4	2710.4
% Chg Prev Qtr SAAR	-1.30	-0.68	-3.31	-2.49	-2.54	-2.36	-0.96	0.26	0.59	0.82	0.51	1.50	-0.55	-2.24	-0.33
% Chg Same Qtr Last Yr	-0.22	-0.66	-1.52	-1.95	-2.26	-2.67	-2.09	-1.41	-0.62	0.18	0.55	0.85	-0.55	-2.24	-0.33
NATURAL RESOURCES, MINING & CONSTRUCTION	137.7	137.5	136.5	134.2	132.2	129.9	128.4	126.6	126.7	126.4	126.2	126.6	137.6	131.2	126.5
% Chg Prev Qtr SAAR	-2.76	-0.58	-2.94	-6.41	-5.94	-6.76	-4.65	-5.36	0.26	-0.98	-0.60	1.43	-0.06	-4.66	-3.59
% Chg Same Qtr Last Yr	0.07	-0.34	-1.81	-3.19	-4.00	-5.52	-5.94	-5.68	-4.16	-2.71	-1.69	0.03	-0.06	-4.66	-3.59
MANUFACTURING	371.0	368.8	361.0	356.2	349.4	343.1	337.8	336.3	334.1	332.6	330.8	332.7	368.7	346.6	333.4
% Chg Prev Qtr SAAR	-3.04	-2.35	-8.25	-5.22	-7.41	-6.95	-6.06	-1.84	-2.59	-1.79	-2.07	2.34	-3.20	-5.98	-3.81
% Chg Same Qtr Last Yr	-2.40	-2.47	-4.12	-4.74	-5.83	-6.96	-6.41	-5.59	-4.38	-3.09	-2.07	-1.05	-3.20	-5.98	-3.81
DURABLE GOODS	230.6	228.6	223.2	219.5	214.5	209.6	205.9	204.3	203.3	202.8	202.2	203.4	228.7	212.4	203.2
% Chg Prev Qtr SAAR	-3.14	-3.35	-9.22	-6.50	-8.79	-8.79	-6.87	-2.98	-2.05	-1.01	-1.09	2.39	-4.01	-7.15	-4.33
% Chg Same Qtr Last Yr	-3.09	-3.08	-4.79	-5.58	-6.99	-8.33	-7.74	-6.89	-5.22	-3.25	-1.79	-0.45	-4.01	-7.15	-4.33
NONDURABLE GOODS	140.4	140.2	137.8	136.7	134.9	133.5	131.9	131.9	130.8	129.8	128.6	129.3	140.0	134.3	130.3
% Chg Prev Qtr SAAR	-2.88	-0.70	-6.65	-3.12	-5.16	-3.95	-4.78	-0.02	-3.42	-3.00	-3.60	2.26	-1.86	-4.07	-2.98
% Chg Same Qtr Last Yr	-1.24	-1.45	-3.00	-3.36	-3.93	-4.73	-4.26	-3.50	-3.06	-2.82	-2.52	-1.97	-1.86	-4.07	-2.98
TRADE, TRANSPORTATION, UTILITIES	611.4	611.3	600.3	595.7	592.3	589.9	590.5	592.1	594.3	596.1	598.0	600.2	608.9	592.1	595.1
% Chg Prev Qtr SAAR	-0.77	-0.04	-7.05	-2.98	-2.28	-1.59	0.39	1.09	1.46	1.21	1.33	1.49	-0.37	-2.75	0.51
% Chg Same Qtr Last Yr	0.09	-0.04	-1.87	-2.75	-3.12	-3.50	-1.62	-0.61	0.33	1.04	1.27	1.37	-0.37	-2.75	0.51
WHOLESALE TRADE	133.7	133.9	132.6	131.8	131.1	130.8	130.4	130.1	130.4	130.6	131.1	131.7	133.5	131.0	130.6
% Chg Prev Qtr SAAR	-0.33	0.50	-3.58	-2.51	-2.00	-0.99	-1.29	-0.77	0.68	0.89	1.35	1.88	0.28	-1.84	-0.36
% Chg Same Qtr Last Yr	0.53	0.36	-0.77	-1.49	-1.91	-2.27	-1.70	-1.26	-0.59	-0.13	0.54	1.20	0.28	-1.84	-0.36
RETAIL TRADE	330.4	331.1	324.4	321.1	318.6	317.0	317.8	319.0	320.1	320.9	321.7	322.6	329.3	318.6	320.4
% Chg Prev Qtr SAAR	-1.13	0.88	-7.92	-4.03	-2.97	-2.02	1.00	1.51	1.35	0.98	1.07	1.13	-0.39	-3.24	0.56
% Chg Same Qtr Last Yr	0.02	0.08	-1.98	-3.11	-3.56	-4.26	-2.02	-0.64	0.45	1.21	1.23	1.13	-0.39	-3.24	0.56
TRANSPORTATION & UTILITIES	147.3	146.3	143.2	142.9	142.5	142.1	142.3	143.0	143.8	144.6	145.2	145.9	146.1	142.5	144.2
% Chg Prev Qtr SAAR	-0.34	-2.57	-8.19	-1.00	-0.97	-1.19	0.60	1.88	2.42	2.00	1.87	1.94	-0.90	-2.47	1.19
% Chg Same Qtr Last Yr	-0.17	-0.68	-2.66	-3.08	-3.23	-2.89	-0.64	0.07	0.92	1.72	2.04	2.06	-0.90	-2.47	1.19
INFORMATION	49.3	49.4	49.2	48.7	48.4	48.2	47.9	47.7	47.7	47.7	47.5	47.4	49.3	48.3	47.6
% Chg Prev Qtr SAAR	-1.34	1.36	-2.00	-3.79	-2.47	-2.04	-2.00	-1.99	0.00	-0.17	-1.00	-0.94	-0.70	-2.09	-1.37
% Chg Same Qtr Last Yr	-0.40	-1.20	-1.37	-1.46	-1.74	-2.58	-2.58	-2.12	-1.51	-1.04	-0.79	-0.53	-0.70	-2.09	-1.37
FINANCIAL ACTIVITIES	142.7	141.8	141.0	139.9	138.7	138.0	137.6	137.7	137.7	137.6	137.8	138.0	142.1	138.6	137.7
% Chg Prev Qtr SAAR	-0.93	-2.41	-2.23	-3.00	-3.54	-2.02	-0.99	0.06	0.00	-0.10	0.57	0.44	-1.39	-2.51	-0.63
% Chg Same Qtr Last Yr	-1.45	-1.89	-1.67	-2.14	-2.79	-2.70	-2.39	-1.63	-0.74	-0.26	0.13	0.23	-1.39	-2.51	-0.63

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
PROFESSIONAL & BUSINESS SERVICES…	318.5	317.3	314.2	311.8	309.4	306.8	306.4	306.8	307.5	309.8	311.6	313.2	317.4	308.6	308.9
% Chg Prev Qtr SAAR…………………….	-1.29	-1.50	-3.79	-3.10	-2.98	-3.34	-0.60	0.51	1.00	3.01	2.34	2.06	-1.56	-2.77	0.10
% Chg Same Qtr Last Yr…………………	-0.94	-2.04	-3.45	-2.42	-2.85	-3.30	-2.51	-1.61	-0.62	0.97	1.71	2.10	-1.56	-2.77	0.10
EDUCATION & HEALTH SERVICES………..	356.5	358.5	360.2	361.0	361.0	361.1	362.2	364.0	365.8	368.0	368.8	370.4	357.6	361.3	366.7
% Chg Prev Qtr SAAR…………………….	1.17	2.26	1.94	0.85	0.00	0.21	1.14	2.00	2.07	2.35	0.92	1.70	2.07	1.03	1.48
% Chg Same Qtr Last Yr…………………	2.27	1.80	1.78	1.55	1.26	0.75	0.55	0.84	1.35	1.89	1.83	1.76	2.07	1.03	1.48
LEISURE & HOSPITALITY…………………….	274.9	272.1	270.6	268.6	267.5	266.8	266.4	266.0	266.7	267.7	268.9	270.4	274.0	267.3	267.3
% Chg Prev Qtr SAAR…………………….	-4.98	-4.11	-2.15	-2.98	-1.50	-1.03	-0.70	-0.58	1.00	1.59	1.72	2.34	-0.80	-2.44	-0.01
% Chg Same Qtr Last Yr…………………	-0.17	-1.86	-2.61	-3.56	-2.69	-1.92	-1.56	-0.95	-0.33	0.32	0.93	1.66	-0.80	-2.44	-0.01
OTHER SERVICES…………………………….	103.0	102.8	102.9	102.3	101.7	101.2	100.7	100.7	101.1	101.5	101.8	102.2	103.0	101.5	101.3
% Chg Prev Qtr SAAR…………………….	-1.16	-0.65	0.27	-2.21	-2.12	-1.97	-2.00	-0.16	1.69	1.34	1.29	1.59	-0.47	-1.43	-0.24
% Chg Same Qtr Last Yr…………………	-1.34	-0.42	0.33	-0.94	-1.18	-1.51	-2.08	-1.57	-0.62	0.21	1.04	1.48	-0.47	-1.43	-0.24
GOVERNMENT…………………………………	422.8	423.5	423.9	424.0	424.1	423.4	424.1	426.1	426.3	426.1	425.3	425.7	423.2	423.9	425.9
% Chg Prev Qtr SAAR…………………….	0.23	0.59	0.39	0.10	0.13	-0.71	0.71	1.85	0.20	-0.17	-0.73	0.35	0.45	0.17	0.48
% Chg Same Qtr Last Yr…………………	0.39	0.19	0.41	0.33	0.30	-0.02	0.06	0.49	0.51	0.65	0.28	-0.09	0.45	0.17	0.48
FEDERAL, CIVILIAN…………………………	48.9	48.8	49.3	49.3	49.4	49.4	49.6	51.1	50.8	50.0	49.7	49.5	49.0	49.4	50.4
% Chg Prev Qtr SAAR…………………….	0.48	-0.46	3.45	0.60	0.37	0.30	1.59	12.35	-1.94	-6.64	-2.49	-0.89	0.12	0.97	1.91
% Chg Same Qtr Last Yr…………………	0.10	0.02	0.60	1.01	0.98	1.17	0.71	3.53	2.93	1.11	0.07	-3.01	0.12	0.97	1.91
STATE & LOCAL…………………………….	373.9	374.6	374.6	374.6	374.7	373.9	374.5	375.0	375.4	376.1	375.7	376.1	374.2	374.5	375.6
% Chg Prev Qtr SAAR…………………….	0.20	0.72	0.00	0.03	0.10	-0.84	0.60	0.52	0.49	0.73	-0.49	0.52	0.49	0.06	0.29
% Chg Same Qtr Last Yr…………………	0.42	0.22	0.38	0.24	0.21	-0.18	-0.03	0.09	0.19	0.58	0.31	0.31	0.49	0.06	0.29
STATISTICAL DISCREPANCY (%)……….	0.00	0.00	–	–	–	–	–	–	–	–	–	–	–	–	–

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

Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL DURABLE GOODS	230.6	228.6	223.2	219.5	214.5	209.6	205.9	204.3	203.3	202.8	202.2	203.4	228.7	212.4	203.2
% Chg Prev Qtr SAAR	-3.14	-3.35	-9.22	-6.50	-8.79	-8.79	-6.87	-2.98	-2.05	-1.01	-1.09	2.39	-4.01	-7.15	-4.33
% Chg Same Qtr Last Yr	-3.09	-3.08	-4.79	-5.58	-6.99	-8.33	-7.74	-6.89	-5.22	-3.25	-1.79	-0.45	-4.01	-7.15	-4.33
WOOD PRODUCTS	14.5	14.1	13.6	13.3	12.6	11.9	11.8	11.7	11.7	11.7	11.8	11.9	14.3	12.4	11.7
% Chg Prev Qtr SAAR	-7.45	-10.61	-14.62	-9.20	-17.79	-19.95	-5.22	-1.07	-1.02	0.98	1.05	2.98	-11.43	-13.06	-5.25
% Chg Same Qtr Last Yr	-10.67	-11.21	-12.34	-10.51	-13.12	-15.49	-13.25	-11.37	-7.16	-1.61	-0.02	0.99	-11.43	-13.06	-5.25
NONMETALLIC MINERALS	15.6	15.6	15.3	15.2	14.8	14.5	14.3	14.3	14.3	14.4	14.4	14.5	15.6	14.7	14.3
% Chg Prev Qtr SAAR	-8.19	0.30	-8.73	-2.18	-9.90	-8.49	-4.78	-0.03	1.35	0.66	-0.05	3.73	-0.51	-5.93	-2.35
% Chg Same Qtr Last Yr	0.05	-0.23	-3.29	-4.78	-5.23	-7.37	-6.39	-5.88	-3.07	-0.73	0.48	1.41	-0.51	-5.93	-2.35
PRIMARY METALS	11.8	11.8	11.7	11.7	11.6	11.5	11.5	11.5	11.4	11.4	11.5	11.5	11.7	11.6	11.4
% Chg Prev Qtr SAAR	0.76	0.82	-2.77	-1.20	-3.04	-3.10	1.19	-1.32	-1.85	-1.08	2.47	-0.04	-0.41	-1.56	-1.02
% Chg Same Qtr Last Yr	-0.59	0.65	-0.26	-0.61	-1.56	-2.53	-1.55	-1.58	-1.28	-0.77	-0.46	-0.14	-0.41	-1.56	-1.02
FABRICATED METALS	40.3	40.1	39.6	39.3	39.1	38.8	38.4	38.3	38.2	37.8	37.5	37.7	40.1	38.9	37.9
% Chg Prev Qtr SAAR	-1.41	-1.41	-5.57	-2.42	-2.54	-2.35	-4.63	-1.41	-0.50	-4.54	-2.77	1.94	-3.31	-2.98	-2.52
% Chg Same Qtr Last Yr	-2.77	-2.78	-3.32	-2.72	-3.00	-3.23	-2.99	-2.74	-2.24	-2.79	-2.32	-1.50	-3.31	-2.98	-2.52
MACHINERY	31.2	31.4	31.0	30.7	30.1	29.4	28.9	28.8	28.7	28.8	28.7	28.9	31.2	29.8	28.7
% Chg Prev Qtr SAAR	-1.71	2.10	-4.79	-3.27	-7.86	-8.93	-6.84	-1.22	-1.03	0.50	-0.80	3.02	-1.73	-4.61	-3.47
% Chg Same Qtr Last Yr	-1.04	-0.60	-2.11	-1.95	-3.52	-6.24	-6.75	-6.26	-4.57	-2.19	-0.64	0.41	-1.73	-4.61	-3.47
COMPUTERS & ELECTRONICS	7.3	7.1	6.9	6.7	6.5	6.3	6.1	5.9	5.8	5.6	5.4	5.3	7.2	6.4	5.7
% Chg Prev Qtr SAAR	-10.80	-8.56	-11.29	-11.73	-11.91	-11.20	-11.77	-10.69	-11.38	-11.74	-12.01	-11.12	-10.77	-11.16	-11.38
% Chg Same Qtr Last Yr	-10.67	-11.16	-9.97	-10.60	-10.88	-11.53	-11.65	-11.39	-11.26	-11.40	-11.46	-11.56	-10.77	-11.16	-11.38
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	21.1	21.0	20.8	20.5	20.3	20.0	19.7	19.6	19.4	19.4	19.2	19.4	21.0	20.1	19.4
% Chg Prev Qtr SAAR	-0.59	-1.94	-5.19	-4.12	-4.99	-4.93	-6.58	-1.65	-3.77	-0.79	-3.41	3.50	-4.62	-4.25	-3.62
% Chg Same Qtr Last Yr	-4.24	-4.25	-4.33	-2.98	-4.07	-4.81	-5.16	-4.56	-4.25	-3.22	-2.41	-1.16	-4.62	-4.25	-3.62
TRANSPORTATION EQUIPMENT	59.3	58.6	56.4	54.8	53.3	51.8	50.4	49.8	49.5	49.7	49.8	50.2	58.4	52.6	49.7
% Chg Prev Qtr SAAR	-0.15	-4.73	-14.19	-10.77	-10.17	-11.05	-10.12	-5.06	-1.91	1.01	0.76	3.90	-2.61	-9.92	-5.51
% Chg Same Qtr Last Yr	-0.36	-0.23	-4.06	-7.62	-10.03	-11.56	-10.53	-9.13	-7.11	-4.11	-1.33	0.92	-2.61	-9.92	-5.51
FURNITURE	14.5	14.0	13.4	12.9	12.3	11.8	11.5	11.4	11.3	11.3	11.2	11.2	14.3	12.1	11.3
% Chg Prev Qtr SAAR	-12.50	-13.55	-16.14	-14.60	-17.21	-14.84	-9.86	-3.78	-3.01	-2.20	-3.05	1.28	-10.77	-14.87	-6.98
% Chg Same Qtr Last Yr	-9.87	-11.18	-13.04	-14.21	-15.39	-15.71	-14.17	-11.57	-8.00	-4.76	-3.01	-1.76	-10.77	-14.87	-6.98
MISCELLANEOUS DURABLES	15.0	14.9	14.6	14.4	13.9	13.5	13.3	13.0	12.8	12.9	12.9	12.9	14.9	13.8	12.9
% Chg Prev Qtr SAAR	-5.39	-2.85	-6.13	-6.49	-12.86	-10.67	-6.44	-7.20	-6.22	0.80	0.21	1.85	-3.15	-7.64	-6.31
% Chg Same Qtr Last Yr	-3.01	-3.01	-4.22	-5.23	-7.16	-9.08	-9.16	-9.33	-7.65	-4.82	-3.17	-0.89	-3.15	-7.64	-6.31

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Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONDURABLE GOODS	140.4	140.2	137.8	136.7	134.9	133.5	131.9	131.9	130.8	129.8	128.6	129.3	140.0	134.3	130.3
% Chg Prev Qtr SAAR	-2.88	-0.70	-6.65	-3.12	-5.16	-3.95	-4.78	-0.02	-3.42	-3.00	-3.60	2.26	-1.86	-4.07	-2.98
% Chg Same Qtr Last Yr	-1.24	-1.45	-3.00	-3.36	-3.93	-4.73	-4.26	-3.50	-3.06	-2.82	-2.52	-1.97	-1.86	-4.07	-2.98
FOOD	32.6	32.6	32.3	32.1	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.5	32.0	32.0
% Chg Prev Qtr SAAR	1.02	-0.90	-3.20	-2.31	-2.00	0.18	0.09	0.50	0.13	0.15	0.00	-0.43	-0.80	-1.58	0.08
% Chg Same Qtr Last Yr	0.11	-0.56	-1.05	-1.36	-2.10	-1.84	-1.02	-0.31	0.23	0.22	0.20	-0.04	-0.80	-1.58	0.08
BEVERAGE & TOBACCO	5.0	5.0	5.0	4.9	4.9	4.8	4.8	4.8	4.7	4.6	4.5	4.6	5.0	4.9	4.7
% Chg Prev Qtr SAAR	-4.76	2.09	-6.05	-0.34	-4.05	-4.06	-3.45	-2.34	-5.99	-6.71	-6.33	1.85	-0.95	-2.77	-4.35
% Chg Same Qtr Last Yr	0.01	0.04	-3.11	-2.32	-2.14	-3.65	-2.99	-3.48	-3.97	-4.64	-5.36	-4.36	-0.95	-2.77	-4.35
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	14.9	14.8	14.6	14.5	14.2	14.0	13.8	13.9	13.6	13.4	13.2	13.3	14.8	14.1	13.5
% Chg Prev Qtr SAAR	-1.74	-1.41	-6.94	-3.25	-8.01	-5.01	-5.72	3.67	-9.38	-4.10	-7.32	3.28	-1.74	-4.90	-4.12
% Chg Same Qtr Last Yr	-1.47	-1.11	-2.35	-3.36	-4.94	-5.82	-5.51	-3.87	-4.23	-4.00	-4.41	-4.50	-1.74	-4.90	-4.12
PAPER	16.9	16.8	16.5	16.4	16.2	16.0	15.7	15.9	15.9	15.9	15.8	15.9	16.8	16.1	15.9
% Chg Prev Qtr SAAR	-3.83	-3.49	-7.17	-1.87	-4.63	-4.73	-7.06	5.14	-0.52	1.31	-2.88	2.29	-3.51	-4.41	-1.14
% Chg Same Qtr Last Yr	-2.71	-3.18	-4.49	-4.11	-4.31	-4.62	-4.59	-2.93	-1.90	-0.38	0.72	0.03	-3.51	-4.41	-1.14
PRINTING & RELATED SUPPORT	16.9	16.6	16.3	16.2	16.0	15.9	15.7	15.4	15.1	14.8	14.7	14.9	16.7	16.0	15.0
% Chg Prev Qtr SAAR	-4.62	-5.35	-8.33	-1.53	-4.06	-2.90	-5.78	-7.09	-7.17	-7.19	-5.01	6.55	-2.88	-4.42	-6.03
% Chg Same Qtr Last Yr	-1.72	-3.25	-4.92	-4.99	-4.85	-4.24	-3.58	-4.97	-5.75	-6.81	-6.62	-3.37	-2.88	-4.42	-6.03
CHEMICALS	26.4	26.5	26.1	26.1	25.9	25.7	25.2	25.2	24.9	24.7	24.3	24.4	26.3	25.7	24.8
% Chg Prev Qtr SAAR	-0.41	0.79	-4.97	-0.02	-2.97	-3.89	-6.34	-0.64	-4.49	-3.85	-5.91	1.19	-0.29	-2.32	-3.73
% Chg Same Qtr Last Yr	-0.13	0.00	-0.77	-1.18	-1.82	-2.98	-3.33	-3.48	-3.86	-3.85	-3.74	-3.30	-0.29	-2.32	-3.73
PLASTICS & RUBBER	25.6	25.8	25.0	24.4	23.7	23.3	22.8	22.8	22.7	22.5	22.3	22.6	25.6	23.6	22.6
% Chg Prev Qtr SAAR	-8.69	2.70	-10.92	-9.10	-10.86	-8.05	-7.03	0.21	-1.88	-4.63	-2.74	4.61	-3.28	-8.08	-4.14
% Chg Same Qtr Last Yr	-2.94	-2.15	-5.92	-6.65	-7.21	-9.74	-8.77	-6.52	-4.25	-3.37	-2.28	-1.22	-3.28	-8.08	-4.14
MISCELLANEOUS NONDURABLE GOODS	2.1	2.1	2.1	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.7	2.1	2.0	1.8
% Chg Prev Qtr SAAR	-0.62	2.40	-8.70	-8.22	-7.40	-13.80	-5.11	-5.77	-8.89	-9.20	-5.21	-4.63	-1.12	-6.93	-7.79
% Chg Same Qtr Last Yr	0.07	-1.60	-0.99	-3.91	-5.59	-9.57	-8.69	-8.09	-8.46	-7.26	-7.29	-7.01	-1.12	-6.93	-7.79

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

Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2000 dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONFARM	33674	33470	33832	34906	34584	34635	34456	35066	34617	34712	34509	35062	33870	34645	34726
% Chg Same Qtr Last Yr	-0.50	-0.94	-0.64	1.16	2.70	3.48	1.85	0.46	0.10	0.22	0.15	-0.01	-0.36	2.29	0.23
NATURAL RESOURCES, MINING & CONSTRUCTION	36829	36172	37681	39459	37842	37370	38330	39637	37905	37490	38458	39670	37444	38250	38372
% Chg Same Qtr Last Yr	0.52	-1.43	-2.92	0.93	2.75	3.31	1.72	0.45	0.16	0.32	0.33	0.08	-0.63	2.15	0.32
MANUFACTURING	38897	38630	39346	40016	40000	39986	40037	40081	39909	39962	40026	40081	39314	40010	39995
% Chg Same Qtr Last Yr	-2.22	-1.70	-0.94	-0.91	2.83	3.51	1.76	0.16	-0.23	-0.06	-0.03	0.00	-0.84	1.77	-0.04
DURABLE GOODS	37859	37644	38289	38814	38887	38920	38936	38883	38841	38925	38932	38855	38043	38889	38895
% Chg Same Qtr Last Yr	-2.35	-1.96	-1.23	1.14	2.72	3.39	1.69	0.18	-0.12	0.01	-0.01	-0.07	-1.74	2.23	0.02
NONDURABLE GOODS	40601	40233	41057	41957	41768	41653	41754	41948	41569	41576	41743	42021	41396	41783	41709
% Chg Same Qtr Last Yr	-2.10	-1.36	-0.56	-3.97	2.87	3.53	1.70	-0.02	-0.48	-0.18	-0.03	0.17	0.46	0.94	-0.18
TRADE, TRANSPORTATION, UTILITIES	31513	31041	31004	32338	32258	32187	31618	32497	32271	32226	31675	32536	31417	32100	32167
% Chg Same Qtr Last Yr	-3.91	-3.93	-1.95	0.71	2.36	3.69	1.98	0.49	0.04	0.12	0.18	0.12	-2.87	2.18	0.21
WHOLESALE TRADE	46422	45812	46565	47581	47415	47347	47535	47993	47693	47678	47839	48230	46432	47470	47801
% Chg Same Qtr Last Yr	-2.39	-2.43	-2.00	1.39	2.14	3.35	2.08	0.87	0.59	0.70	0.64	0.49	-2.09	2.23	0.70
RETAIL TRADE	22397	22131	21851	22914	22862	22869	22262	23015	22847	22868	22247	22984	22306	22727	22744
% Chg Same Qtr Last Yr	-2.43	-4.23	-1.39	0.31	2.08	3.33	1.88	0.44	-0.07	0.00	-0.07	-0.14	-2.37	1.89	0.08
TRANSPORTATION & UTILITIES	38327	37508	37897	39259	39151	38822	38513	39355	39100	38835	38552	39297	38285	38936	38960
% Chg Same Qtr Last Yr	-7.44	-5.12	-2.44	-0.37	2.15	3.50	1.63	0.24	-0.13	0.03	0.10	-0.15	-4.37	1.70	0.06
INFORMATION	43769	43730	44483	45398	45405	45557	45661	45944	45744	45960	45932	46099	44133	45505	45895
% Chg Same Qtr Last Yr	3.26	-0.94	-4.15	1.90	3.74	4.18	2.65	1.20	0.75	0.88	0.59	0.34	0.07	3.11	0.86
FINANCIAL ACTIVITIES	49942	49193	49174	50201	50137	49927	49937	50375	50263	50223	50296	50780	49597	50050	50289
% Chg Same Qtr Last Yr	3.18	0.03	-1.65	0.24	0.39	1.49	1.55	0.35	0.25	0.59	0.72	0.80	0.13	0.91	0.48
PROFESSIONAL & BUSINESS SERVICES	37867	37600	37998	39637	39292	39060	38776	39914	39445	39284	39027	40069	38157	39191	39417
% Chg Same Qtr Last Yr	2.66	2.21	2.76	1.21	3.76	3.88	2.05	0.70	0.39	0.57	0.65	0.39	3.45	2.71	0.58
EDUCATION & HEALTH SERVICES	35189	35083	35478	36345	36411	36486	36387	36751	36621	36684	36482	36754	35254	36407	36634
% Chg Same Qtr Last Yr	-0.89	-1.30	-0.56	3.07	3.47	4.00	2.56	1.12	0.58	0.54	0.26	0.01	-1.25	3.27	0.62
LEISURE & HOSPITALITY	15554	15325	16248	17011	16012	15902	16596	17147	16081	15970	16634	17143	15965	16380	16458
% Chg Same Qtr Last Yr	-1.96	-1.42	-5.57	1.66	2.95	3.77	2.14	0.80	0.43	0.42	0.23	-0.02	-2.88	2.60	0.47
OTHER SERVICES	30883	30984	31650	32210	31774	31918	32130	32245	31594	31683	31808	31846	31225	32008	31833
% Chg Same Qtr Last Yr	2.56	2.62	1.16	2.63	2.89	3.01	1.52	0.11	-0.57	-0.74	-1.00	-1.24	2.03	2.51	-0.55
GOVERNMENT	32792	33243	32730	33448	33680	34620	33398	33723	33825	34778	33460	33643	32885	33787	33947
% Chg Same Qtr Last Yr	1.50	0.92	1.94	2.05	2.71	4.14	2.04	0.82	0.43	0.46	0.18	-0.24	1.86	2.74	0.47
FEDERAL, CIVILIAN	53189	52895	53494	54941	55149	55079	54648	55143	55065	55053	54658	55184	53245	54954	54980
% Chg Same Qtr Last Yr	-0.84	-0.94	2.01	2.88	3.68	4.13	2.16	0.37	-0.15	-0.05	0.02	0.08	-0.34	3.21	0.05
STATE & LOCAL	30121	30626	29941	30680	31112	31644	30524	30870	31211	31812	30599	30868	30199	30990	31123
% Chg Same Qtr Last Yr	2.09	1.38	1.60	1.90	3.29	3.32	1.95	0.62	0.32	0.53	0.24	-0.01	2.35	2.62	0.43

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONFARM	33748	33528	34050	34544	34692	34663	34681	34705	34726	34739	34735	34699	33868	34645	34726
% Chg Prev Qtr SAAR	-4.56	-2.59	6.38	5.93	1.72	-0.34	0.20	0.28	0.24	0.15	-0.04	-0.42	-0.34	2.30	0.23
% Chg Same Qtr Last Yr	-0.46	-0.93	-0.64	1.17	2.80	3.39	1.85	0.46	0.10	0.22	0.16	-0.02	-0.34	2.30	0.23
NATURAL RESOURCES, MINING & CONSTRUCTION	37266	37031	37608	38141	38291	38258	38256	38313	38354	38381	38384	38345	37424	38236	38358
% Chg Prev Qtr SAAR	-5.43	-2.49	6.38	5.78	1.59	-0.35	-0.01	0.59	0.43	0.28	0.04	-0.41	-0.60	2.17	0.32
% Chg Same Qtr Last Yr	0.81	-1.42	-2.92	0.93	2.75	3.31	1.72	0.45	0.16	0.32	0.33	0.08	-0.60	2.17	0.32
MANUFACTURING	38969	38674	39337	39907	40070	40032	40025	39973	39979	40008	40012	39975	39310	40009	39993
% Chg Prev Qtr SAAR	-12.22	-3.00	7.04	5.93	1.64	-0.38	-0.07	-0.51	0.06	0.29	0.04	-0.37	-0.85	1.78	-0.04
% Chg Same Qtr Last Yr	-2.24	-1.71	-0.95	-0.88	2.83	3.51	1.75	0.17	-0.23	-0.06	-0.03	0.00	-0.85	1.78	-0.04
DURABLE GOODS	37920	37625	38265	38798	38944	38903	38904	38871	38898	38910	38899	38844	38040	38887	38894
% Chg Prev Qtr SAAR	-4.41	-3.07	6.97	5.70	1.51	-0.42	0.02	-0.34	0.28	0.12	-0.11	-0.56	-1.74	2.23	0.02
% Chg Same Qtr Last Yr	-2.38	-1.97	-1.25	1.17	2.70	3.40	1.67	0.19	-0.12	0.02	-0.01	-0.07	-1.74	2.23	0.02
NONDURABLE GOODS	40692	40383	41073	41688	41860	41803	41774	41682	41660	41724	41763	41754	41387	41781	41707
% Chg Prev Qtr SAAR	-22.71	-3.00	7.01	6.13	1.66	-0.54	-0.28	-0.88	-0.20	0.61	0.37	-0.09	0.45	0.95	-0.18
% Chg Same Qtr Last Yr	-2.10	-1.38	-0.57	-3.94	2.87	3.52	1.71	-0.02	-0.48	-0.19	-0.03	0.17	0.45	0.95	-0.18
TRADE, TRANSPORTATION, UTILITIES	31410	31001	31511	31978	32140	32143	32136	32135	32153	32182	32194	32173	31424	32099	32166
% Chg Prev Qtr SAAR	-4.51	-5.11	6.75	6.05	2.05	0.04	-0.10	-0.01	0.23	0.36	0.15	-0.25	-2.83	2.15	0.21
% Chg Same Qtr Last Yr	-3.90	-3.94	-1.82	0.64	2.32	3.69	1.98	0.49	0.04	0.12	0.18	0.12	-2.83	2.15	0.21
WHOLESALE TRADE	46497	45977	46632	47262	47492	47522	47603	47672	47771	47854	47908	47907	46431	47470	47801
% Chg Prev Qtr SAAR	-1.02	-4.40	5.82	5.52	1.96	0.25	0.69	0.58	0.83	0.70	0.45	-0.01	-2.09	2.24	0.70
% Chg Same Qtr Last Yr	-2.39	-2.41	-2.01	1.38	2.14	3.36	2.08	0.87	0.59	0.70	0.64	0.49	-2.09	2.24	0.70
RETAIL TRADE	22284	22011	22336	22644	22747	22744	22756	22744	22732	22743	22741	22714	22300	22723	22740
% Chg Prev Qtr SAAR	-5.00	-4.80	6.04	5.63	1.82	-0.05	0.21	-0.21	-0.22	0.20	-0.04	-0.48	-2.36	1.89	0.08
% Chg Same Qtr Last Yr	-2.43	-4.23	-1.42	0.33	2.08	3.33	1.88	0.44	-0.07	0.00	-0.07	-0.14	-2.36	1.89	0.08
TRANSPORTATION & UTILITIES	38190	37644	38287	38850	39014	38955	38910	38944	38964	38968	38949	38887	38278	38932	38956
% Chg Prev Qtr SAAR	-7.97	-5.60	7.01	6.01	1.70	-0.60	-0.47	0.35	0.20	0.05	-0.19	-0.64	-4.37	1.71	0.06
% Chg Same Qtr Last Yr	-7.43	-5.15	-2.44	-0.36	2.16	3.48	1.63	0.24	-0.13	0.03	0.10	-0.15	-4.37	1.71	0.06
INFORMATION	43887	43700	44512	45245	45528	45527	45691	45789	45868	45929	45962	45944	44125	45498	45887
% Chg Prev Qtr SAAR	-4.54	-1.69	7.64	6.75	2.52	-0.01	1.45	0.86	0.69	0.53	0.29	-0.16	-0.03	3.11	0.86
% Chg Same Qtr Last Yr	2.84	-0.87	-4.15	1.90	3.74	4.18	2.65	1.20	0.75	0.88	0.59	0.34	-0.03	3.11	0.86
FINANCIAL ACTIVITIES	49918	49332	49334	49920	50113	50068	50099	50093	50239	50365	50459	50496	49596	50050	50289
% Chg Prev Qtr SAAR	0.95	-4.62	0.02	4.84	1.56	-0.36	0.25	-0.05	1.17	1.00	0.75	0.29	0.12	0.92	0.48
% Chg Same Qtr Last Yr	3.04	0.04	-1.65	0.24	0.39	1.49	1.55	0.35	0.25	0.59	0.72	0.80	0.12	0.92	0.48

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
PROFESSIONAL & BUSINESS SERVICES…	37815	37758	38441	39046	39239	39224	39229	39318	39391	39449	39482	39471	38149	39184	39410
% Chg Prev Qtr SAAR……	-7.70	-0.61	7.44	6.44	1.99	-0.16	0.06	0.91	0.75	0.59	0.34	-0.11	3.59	2.72	0.58
% Chg Same Qtr Last Yr……	2.95	2.22	2.76	1.21	3.76	3.88	2.05	0.70	0.39	0.57	0.65	0.39	3.59	2.72	0.58
EDUCATION & HEALTH SERVICES……	35203	35054	35642	36198	36425	36455	36555	36602	36635	36653	36650	36606	35255	36408	36635
% Chg Prev Qtr SAAR……	0.94	-1.68	6.88	6.39	2.52	0.34	1.10	0.52	0.36	0.20	-0.04	-0.48	-1.20	3.27	0.62
% Chg Same Qtr Last Yr……	-0.80	-1.28	-0.56	3.07	3.47	4.00	2.56	1.12	0.58	0.54	0.26	0.01	-1.20	3.27	0.62
LEISURE & HOSPITALITY……	15908	15791	16071	16304	16377	16385	16415	16435	16448	16455	16452	16431	15952	16370	16447
% Chg Prev Qtr SAAR……	-3.20	-2.92	7.29	5.93	1.81	0.20	0.73	0.48	0.32	0.17	-0.07	-0.52	-2.83	2.62	0.47
% Chg Same Qtr Last Yr……	-1.99	-1.35	-5.57	1.66	2.95	3.77	2.14	0.80	0.43	0.42	0.23	-0.02	-2.83	2.62	0.47
OTHER SERVICES……	31163	31094	31537	31919	32062	32032	32016	31954	31881	31796	31694	31558	31224	32007	31831
% Chg Prev Qtr SAAR……	0.81	-0.87	5.82	4.93	1.80	-0.38	-0.20	-0.77	-0.91	-1.05	-1.28	-1.71	2.07	2.51	-0.55
% Chg Same Qtr Last Yr……	2.67	2.62	1.16	2.63	2.89	3.01	1.52	0.11	-0.57	-0.73	-1.00	-1.24	2.07	2.51	-0.55
GOVERNMENT……	32707	32605	33178	33672	33819	33780	33856	33949	33964	33934	33919	33869	32866	33782	33942
% Chg Prev Qtr SAAR……	-3.18	-1.24	7.22	6.09	1.76	-0.47	0.91	1.10	0.18	-0.35	-0.18	-0.59	1.81	2.79	0.47
% Chg Same Qtr Last Yr……	1.48	0.98	1.70	2.12	3.40	3.60	2.04	0.82	0.43	0.46	0.18	-0.24	1.81	2.79	0.47
FEDERAL, CIVILIAN……	53114	52845	53847	54719	55061	55041	55009	54920	54978	55015	55019	54961	53253	54957	54983
% Chg Prev Qtr SAAR……	-0.70	-2.01	7.81	6.63	2.52	-0.15	-0.23	-0.65	0.42	0.27	0.03	-0.42	-0.34	3.20	0.05
% Chg Same Qtr Last Yr……	-0.87	-0.90	2.06	2.84	3.67	4.16	2.16	0.37	-0.15	-0.05	0.02	0.08	-0.34	3.20	0.05
STATE & LOCAL……	30038	29966	30460	30900	31020	30970	31054	31093	31119	31134	31130	31091	30198	30986	31119
% Chg Prev Qtr SAAR……	-3.77	-0.95	6.76	5.91	1.56	-0.65	1.09	0.50	0.34	0.19	-0.05	-0.50	2.35	2.61	0.43
% Chg Same Qtr Last Yr……	2.07	1.44	1.60	1.89	3.27	3.35	1.95	0.62	0.32	0.53	0.24	-0.01	2.35	2.61	0.43

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

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONFARM	40928	41182	41043	41846	41407	41639	41576	42527	42212	42573	42593	43597	41164	41617	42476
% Chg Same Qtr Last Yr	3.15	3.32	1.11	0.82	1.17	1.11	1.30	1.63	1.94	2.24	2.45	2.52	2.93	1.10	2.06
NATURAL RESOURCES, MINING & CONSTRUCTION	44763	44506	45712	47305	45308	44927	46250	48071	46220	45979	47466	49327	45502	45947	46934
% Chg Same Qtr Last Yr	4.20	2.81	-1.22	0.59	1.22	0.94	1.18	1.62	2.01	2.34	2.63	2.61	2.63	0.98	2.15
MANUFACTURING	47277	47531	47732	47972	47892	48072	48310	48609	48665	49012	49401	49838	47778	48062	48922
% Chg Same Qtr Last Yr	1.36	2.53	0.80	-1.24	1.30	1.14	1.21	1.33	1.61	1.95	2.26	2.53	2.42	0.59	1.79
DURABLE GOODS	46015	46317	46450	46531	46559	46790	46981	47156	47362	47740	48052	48314	46236	46716	47577
% Chg Same Qtr Last Yr	1.23	2.26	0.50	0.80	1.18	1.02	1.14	1.34	1.72	2.03	2.28	2.45	1.50	1.04	1.84
NONDURABLE GOODS	49349	49502	49807	50299	50009	50076	50382	50873	50689	50991	51521	52250	50303	50191	51018
% Chg Same Qtr Last Yr	1.49	2.88	1.19	-4.29	1.34	1.16	1.15	1.14	1.36	1.83	2.26	2.71	3.76	-0.22	1.65
TRADE, TRANSPORTATION, UTILITIES	38302	38193	37612	38768	38622	38696	38151	39411	39350	39523	39095	40456	38182	38559	39345
% Chg Same Qtr Last Yr	-0.38	0.20	-0.23	0.37	0.84	1.32	1.43	1.66	1.89	2.14	2.47	2.65	0.34	0.99	2.04
WHOLESALE TRADE	56423	56367	56489	57042	56770	56922	57357	58205	58156	58474	59045	59971	56432	57023	58470
% Chg Same Qtr Last Yr	1.19	1.76	-0.28	1.05	0.62	0.98	1.54	2.04	2.44	2.73	2.94	3.03	1.14	1.05	2.54
RETAIL TRADE	27223	27231	26508	27470	27373	27493	26862	27912	27860	28046	27458	28579	27110	27299	27819
% Chg Same Qtr Last Yr	1.15	-0.11	0.34	-0.03	0.55	0.96	1.33	1.61	1.78	2.01	2.22	2.39	0.87	0.70	1.90
TRANSPORTATION & UTILITIES	46584	46151	45973	47065	46875	46673	46470	47728	47678	47629	47582	48863	46527	46771	47654
% Chg Same Qtr Last Yr	-4.05	-1.04	-0.73	-0.71	0.62	1.13	1.08	1.41	1.71	2.05	2.39	2.38	-1.21	0.52	1.89
INFORMATION	53198	53806	53963	54424	54363	54770	55095	55719	55779	56367	56691	57321	53638	54663	56139
% Chg Same Qtr Last Yr	7.04	3.32	-2.47	1.56	2.19	1.79	2.10	2.38	2.61	2.92	2.90	2.87	3.34	1.91	2.70
FINANCIAL ACTIVITIES	60701	60527	59654	60182	60028	60023	60255	61093	61289	61596	62077	63141	60281	60122	61514
% Chg Same Qtr Last Yr	6.96	4.33	0.07	-0.10	-1.11	-0.83	1.01	1.51	2.10	2.62	3.02	3.35	3.44	-0.26	2.31
PROFESSIONAL & BUSINESS SERVICES	46025	46263	46096	47518	47044	46958	46789	48406	48098	48179	48168	49823	46373	47077	48213
% Chg Same Qtr Last Yr	6.42	6.61	4.57	0.87	2.22	1.50	1.50	1.87	2.24	2.60	2.95	2.93	6.85	1.52	2.41
EDUCATION & HEALTH SERVICES	42771	43167	43040	43571	43594	43864	43906	44570	44655	44991	45027	45701	42848	43734	44811
% Chg Same Qtr Last Yr	2.75	2.95	1.18	2.72	1.93	1.61	2.01	2.29	2.43	2.57	2.55	2.54	2.02	2.07	2.46
LEISURE & HOSPITALITY	18905	18856	19711	20393	19171	19118	20025	20795	19609	19586	20530	21316	19400	19677	20130
% Chg Same Qtr Last Yr	1.64	2.82	-3.91	1.32	1.41	1.39	1.59	1.97	2.28	2.45	2.52	2.50	0.30	1.43	2.30
OTHER SERVICES	37536	38123	38396	38614	38042	38372	38770	39106	38525	38858	39258	39598	37951	38450	38937
% Chg Same Qtr Last Yr	6.32	7.03	2.93	2.29	1.35	0.65	0.97	1.27	1.27	1.27	1.26	1.26	5.39	1.31	1.27
GOVERNMENT	39857	40902	39705	40098	40325	41621	40300	40898	41245	42654	41298	41833	39972	40586	41524
% Chg Same Qtr Last Yr	5.22	5.26	3.73	1.71	1.17	1.76	1.50	2.00	2.28	2.48	2.48	2.29	5.23	1.54	2.31
FEDERAL, CIVILIAN	64648	65082	64896	65865	66029	66217	65940	66875	67146	67520	67461	68618	64715	66013	67250
% Chg Same Qtr Last Yr	2.80	3.31	3.80	2.54	2.14	1.74	1.61	1.53	1.69	1.97	2.31	2.61	2.96	2.01	1.87
STATE & LOCAL	36610	37683	36322	36780	37250	38044	36831	37438	38058	39015	37766	38382	36708	37226	38069
% Chg Same Qtr Last Yr	5.83	5.74	3.38	1.56	1.75	0.96	1.40	1.79	2.17	2.55	2.54	2.52	5.72	1.41	2.27

Center for Business and Economic Research, University of Tennessee

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL NONFARM	41019	41253	41307	41413	41537	41673	41847	42089	42344	42605	42872	43146	41162	41617	42477
% Chg Prev Qtr SAAR	-0.49	2.30	0.52	1.03	1.20	1.32	1.68	2.34	2.44	2.49	2.53	2.58	2.95	1.11	2.07
% Chg Same Qtr Last Yr	3.19	3.33	1.10	0.84	1.26	1.02	1.31	1.63	1.94	2.24	2.45	2.51	2.95	1.11	2.07
NATURAL RESOURCES, MINING & CONSTRUCTION	45294	45564	45624	45724	45846	45994	46161	46465	46768	47072	47375	47679	45484	45931	46920
% Chg Prev Qtr SAAR	-1.40	2.40	0.53	0.88	1.07	1.30	1.46	2.66	2.64	2.62	2.60	2.59	2.67	0.98	2.15
% Chg Same Qtr Last Yr	4.50	2.82	-1.22	0.59	1.22	0.94	1.18	1.62	2.01	2.34	2.63	2.61	2.67	0.98	2.15
MANUFACTURING	47364	47584	47720	47842	47975	48127	48295	48479	48750	49068	49384	49706	47774	48060	48920
% Chg Prev Qtr SAAR	-8.48	1.87	1.15	1.02	1.12	1.27	1.41	1.53	2.26	2.63	2.61	2.63	2.41	0.60	1.79
% Chg Same Qtr Last Yr	1.34	2.51	0.79	-1.21	1.29	1.14	1.21	1.33	1.61	1.95	2.25	2.53	2.41	0.60	1.79
DURABLE GOODS	46089	46295	46420	46512	46627	46770	46943	47141	47431	47721	48010	48300	46233	46713	47576
% Chg Prev Qtr SAAR	-0.33	1.80	1.09	0.80	0.99	1.23	1.49	1.70	2.48	2.46	2.45	2.43	1.50	1.04	1.85
% Chg Same Qtr Last Yr	1.20	2.24	0.49	0.83	1.17	1.03	1.13	1.35	1.72	2.03	2.27	2.46	1.50	1.04	1.85
NONDURABLE GOODS	49459	49688	49827	49977	50119	50257	50406	50550	50800	51172	51545	51918	50294	50190	51017
% Chg Prev Qtr SAAR	-19.42	1.87	1.12	1.21	1.14	1.11	1.19	1.15	1.99	2.97	2.94	2.92	3.74	-0.21	1.65
% Chg Same Qtr Last Yr	1.49	2.86	1.17	-4.26	1.33	1.14	1.16	1.15	1.36	1.82	2.26	2.71	3.74	-0.21	1.65
TRADE, TRANSPORTATION, UTILITIES	38177	38144	38227	38336	38481	38643	38776	38972	39207	39469	39735	40005	38192	38559	39346
% Chg Prev Qtr SAAR	-0.44	-0.35	0.88	1.14	1.52	1.70	1.38	2.04	2.43	2.71	2.72	2.75	0.38	0.96	2.04
% Chg Same Qtr Last Yr	-0.38	0.19	-0.10	0.30	0.80	1.31	1.43	1.66	1.89	2.14	2.47	2.65	0.38	0.96	2.04
WHOLESALE TRADE	56514	56570	56570	56659	56862	57132	57439	57815	58251	58690	59130	59569	56432	57023	58471
% Chg Prev Qtr SAAR	3.19	0.40	0.00	0.63	1.44	1.91	2.17	2.64	3.05	3.05	3.03	3.01	1.14	1.05	2.54
% Chg Same Qtr Last Yr	1.19	1.78	-0.29	1.05	0.62	0.99	1.54	2.04	2.44	2.73	2.94	3.03	1.14	1.05	2.54
RETAIL TRADE	27084	27083	27097	27147	27235	27344	27458	27584	27719	27893	28068	28243	27103	27296	27816
% Chg Prev Qtr SAAR	-0.95	-0.02	0.21	0.74	1.30	1.61	1.69	1.84	1.97	2.54	2.53	2.51	0.86	0.71	1.91
% Chg Same Qtr Last Yr	1.15	-0.11	0.31	-0.01	0.56	0.96	1.33	1.61	1.78	2.01	2.22	2.39	0.86	0.71	1.91
TRANSPORTATION & UTILITIES	46418	46318	46448	46574	46711	46833	46950	47231	47511	47792	48073	48354	46521	46767	47652
% Chg Prev Qtr SAAR	-4.05	-0.86	1.13	1.09	1.18	1.05	1.00	2.41	2.40	2.39	2.37	2.36	-1.21	0.53	1.89
% Chg Same Qtr Last Yr	-4.04	-1.08	-0.73	-0.70	0.63	1.11	1.08	1.41	1.71	2.05	2.39	2.38	-1.21	0.53	1.89
INFORMATION	53342	53769	53999	54240	54510	54733	55132	55531	55930	56329	56729	57128	53629	54654	56130
% Chg Prev Qtr SAAR	-0.47	3.24	1.72	1.80	2.00	1.65	2.95	2.93	2.91	2.88	2.86	2.84	3.24	1.91	2.70
% Chg Same Qtr Last Yr	6.61	3.39	-2.47	1.56	2.19	1.79	2.10	2.38	2.61	2.92	2.90	2.87	3.24	1.91	2.70
FINANCIAL ACTIVITIES	60673	60698	59848	59845	60000	60193	60451	60751	61261	61770	62279	62788	60280	60122	61515
% Chg Prev Qtr SAAR	5.25	0.17	-5.48	-0.02	1.04	1.29	1.73	2.00	3.40	3.37	3.34	3.31	3.43	-0.26	2.32
% Chg Same Qtr Last Yr	6.82	4.34	0.07	-0.10	-1.11	-0.83	1.01	1.51	2.10	2.62	3.02	3.35	3.43	-0.26	2.32

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
PROFESSIONAL & BUSINESS SERVICES…	45962	46458	46634	46809	46980	47156	47335	47684	48033	48382	48731	49080	46365	47070	48207
% Chg Prev Qtr SAAR……	-3.76	4.38	1.53	1.51	1.47	1.50	1.53	2.98	2.96	2.94	2.92	2.89	6.99	1.52	2.42
% Chg Same Qtr Last Yr……	6.72	6.61	4.57	0.87	2.22	1.50	1.50	1.87	2.24	2.60	2.95	2.93	6.99	1.52	2.42
EDUCATION & HEALTH SERVICES……	42787	43131	43238	43395	43611	43827	44109	44390	44672	44953	45235	45517	42850	43735	44813
% Chg Prev Qtr SAAR……	5.24	3.26	1.00	1.46	2.00	2.00	2.59	2.58	2.56	2.55	2.53	2.51	2.07	2.07	2.46
% Chg Same Qtr Last Yr……	2.83	2.97	1.18	2.72	1.93	1.61	2.01	2.29	2.43	2.57	2.55	2.54	2.07	2.07	2.46
LEISURE & HOSPITALITY……	19336	19429	19496	19546	19608	19699	19807	19932	20056	20181	20306	20431	19388	19665	20119
% Chg Prev Qtr SAAR……	0.92	1.95	1.39	1.02	1.29	1.86	2.21	2.54	2.53	2.51	2.50	2.48	0.36	1.43	2.31
% Chg Same Qtr Last Yr……	1.60	2.89	-3.91	1.32	1.41	1.39	1.59	1.97	2.28	2.45	2.52	2.50	0.36	1.43	2.31
OTHER SERVICES……	37876	38259	38259	38265	38387	38509	38631	38753	38874	38996	39118	39240	37950	38448	38935
% Chg Prev Qtr SAAR……	5.10	4.10	0.00	0.07	1.28	1.28	1.27	1.27	1.26	1.26	1.26	1.25	5.44	1.31	1.27
% Chg Same Qtr Last Yr……	6.44	7.03	2.93	2.29	1.35	0.65	0.97	1.27	1.27	1.27	1.26	1.26	5.44	1.31	1.27
GOVERNMENT……	39753	40118	40250	40367	40492	40611	40852	41173	41415	41618	41864	42114	39945	40580	41518
% Chg Prev Qtr SAAR……	0.94	3.72	1.32	1.17	1.24	1.18	2.40	3.18	2.38	1.98	2.38	2.41	5.16	1.59	2.31
% Chg Same Qtr Last Yr……	5.20	5.32	3.49	1.78	1.86	1.23	1.50	2.00	2.28	2.48	2.48	2.29	5.16	1.59	2.31
FEDERAL, CIVILIAN……	64557	65020	65324	65598	65924	66171	66375	66605	67039	67473	67906	68340	64725	66017	67256
% Chg Prev Qtr SAAR……	3.53	2.90	1.88	1.69	2.00	1.51	1.24	1.39	2.63	2.61	2.60	2.58	2.96	2.00	1.88
% Chg Same Qtr Last Yr……	2.76	3.37	3.86	2.50	2.12	1.77	1.61	1.53	1.69	1.97	2.31	2.61	2.96	2.00	1.88
STATE & LOCAL……	36509	36870	36952	37044	37140	37233	37471	37708	37946	38184	38422	38660	36703	37222	38065
% Chg Prev Qtr SAAR……	0.33	4.02	0.89	1.00	1.04	1.00	2.58	2.56	2.55	2.53	2.51	2.50	5.72	1.41	2.27
% Chg Same Qtr Last Yr……	5.81	5.80	3.38	1.55	1.73	0.98	1.40	1.79	2.17	2.55	2.54	2.52	5.72	1.41	2.27

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
CIVILIAN LABOR FORCE (THOUS)................	3057	3061	3048	3016	3042	3060	3059	3043	3051	3079	3062	3040	3049	3044	3059
% Chg Same Qtr Last Yr......................	1.14	0.16	-0.52	-0.43	-0.48	-0.04	0.35	0.89	0.30	0.61	0.11	-0.08	0.40	-0.15	0.47
EMPLOYED PERSONS (THOUS)..............	2875	2852	2830	2746	2780	2783	2770	2721	2764	2787	2784	2742	2854	2770	2764
% Chg Same Qtr Last Yr......................	-0.60	-2.08	-2.89	-3.88	-3.28	-2.43	-2.13	-0.93	-0.61	0.15	0.50	0.78	-1.39	-2.94	-0.22
UNEMPLOYED PERSONS (THOUS)..........	182	209	218	270	261	277	289	322	287	292	279	298	195	274	295
% Chg Same Qtr Last Yr......................	39.70	45.43	45.56	56.85	43.74	32.57	32.58	19.36	9.90	5.27	-3.63	-7.40	36.57	40.52	7.49
PARTICIPATION RATE (PERCENT)...............	63.4	63.4	63.0	62.1	62.5	62.8	62.6	62.1	62.1	62.6	62.0	61.4	63.2	62.5	62.2
% Chg Same Qtr Last Yr......................	1.53	0.71	-1.44	-1.35	-1.40	-0.96	-0.57	-0.04	-0.63	-0.31	-0.88	-1.13	0.46	-1.07	-0.47
UNEMPLOYMENT RATE (PERCENT)............	5.9	6.8	7.2	8.9	8.6	9.1	9.5	10.6	9.4	9.5	9.1	9.8	6.4	9.0	9.6

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted — **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
CIVILIAN LABOR FORCE (THOUS)…………	3058	3040	3039	3035	3045	3040	3051	3058	3055	3058	3054	3057	3049	3043	3056
% Chg Prev Qtr SAAR…………………	0.22	-2.31	-0.18	-0.51	1.32	-0.74	1.54	0.91	-0.43	0.45	-0.52	0.43	0.39	-0.19	0.44
% Chg Same Qtr Last Yr………………	0.98	-0.13	-0.48	-0.70	-0.43	-0.03	0.40	0.75	0.32	0.61	0.10	-0.02	0.39	-0.19	0.44
EMPLOYED PERSONS (THOUS)……….	2873	2831	2817	2784	2778	2763	2757	2758	2762	2767	2771	2780	2854	2771	2764
% Chg Prev Qtr SAAR…………………	-3.23	-5.61	-1.96	-4.70	-0.78	-2.26	-0.74	0.09	0.52	0.73	0.65	1.23	-1.36	-2.94	-0.23
% Chg Same Qtr Last Yr………………	-0.59	-2.38	-2.89	-3.88	-3.28	-2.43	-2.13	-0.93	-0.61	0.15	0.50	0.78	-1.36	-2.94	-0.23
UNEMPLOYED PERSONS (THOUS)……	186	209	222	251	267	277	294	300	293	292	283	278	194	272	292
% Chg Prev Qtr SAAR…………………	79.89	60.55	26.48	65.70	26.86	16.17	26.54	8.85	-8.83	-2.22	-11.10	-7.24	35.78	40.26	7.26
% Chg Same Qtr Last Yr………………	33.54	45.18	45.56	56.85	43.74	32.57	32.58	19.36	9.90	5.27	-3.63	-7.40	35.78	40.26	7.26
PARTICIPATION RATE (PERCENT)………..	63.5	62.9	62.8	62.5	62.6	62.3	62.4	62.4	62.2	62.1	61.9	61.8	63.2	62.5	62.2
% Chg Prev Qtr SAAR…………………	-0.70	-3.21	-1.10	-1.42	0.39	-1.65	0.61	-0.02	-1.35	-0.47	-1.70	-0.76	0.45	-1.11	-0.50
% Chg Same Qtr Last Yr………………	1.37	0.42	-1.39	-1.61	-1.34	-0.95	-0.52	-0.17	-0.61	-0.31	-0.89	-1.07	0.45	-1.11	-0.50
UNEMPLOYMENT RATE (PERCENT)………	6.1	6.9	7.3	8.3	8.8	9.1	9.6	9.8	9.6	9.5	9.3	9.1	6.4	8.9	9.6

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2000 dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL TAXABLE SALES	20151	19122	20058	17659	19042	18680	20057	17658	19060	18830	20263	17891	78032	75438	75811
% Chg Same Qtr Last Yr	-2.28	-6.29	-6.92	-5.57	-5.50	-2.31	0.00	-0.01	0.10	0.80	1.03	1.32	-4.81	-3.32	0.49
AUTO DEALERS	1780	1674	1318	1314	1388	1410	1212	1298	1403	1460	1282	1400	6639	5324	5442
% Chg Same Qtr Last Yr	-15.52	-21.44	-26.96	-29.68	-22.02	-15.75	-8.00	-1.19	1.05	3.54	5.74	7.89	-17.73	-19.81	2.22
PURCHASES FROM MANUFACTURERS	982	922	959	840	915	902	956	831	908	900	953	829	3740	3613	3592
% Chg Same Qtr Last Yr	-0.45	-8.65	-9.59	-4.09	-6.80	-2.24	-0.35	-1.11	-0.80	-0.17	-0.29	-0.27	-7.21	-3.39	-0.58
MISC DURABLE GOODS	3669	3378	3326	2937	3331	3168	3192	2890	3299	3172	3202	2896	13640	12629	12562
% Chg Same Qtr Last Yr	-6.71	-9.00	-9.52	-10.10	-9.22	-6.20	-4.01	-1.60	-0.96	0.11	0.29	0.23	-7.95	-7.41	-0.52
EATING AND DRINKING PLACES	1912	1856	1780	1759	1869	1854	1808	1766	1879	1878	1841	1802	7391	7290	7364
% Chg Same Qtr Last Yr	-0.67	-4.53	-4.76	-4.57	-2.25	-0.11	1.59	0.43	0.52	1.28	1.82	2.05	-2.08	-1.37	1.01
FOOD STORES	1931	1954	2055	1840	1960	2004	2088	1840	1951	1998	2079	1833	7502	7892	7869
% Chg Same Qtr Last Yr	4.20	-0.04	-1.18	17.85	1.51	2.53	1.58	0.02	-0.45	-0.28	-0.40	-0.39	-1.82	5.19	-0.28
LIQUOR STORES	126	122	151	119	125	121	154	120	125	122	155	122	521	519	523
% Chg Same Qtr Last Yr	3.06	3.91	1.22	-2.10	-0.69	-0.97	1.44	0.73	0.61	1.04	1.02	1.22	3.17	-0.46	0.86
HOTELS AND MOTELS	507	497	452	367	469	473	437	356	460	472	439	358	1882	1746	1728
% Chg Same Qtr Last Yr	-5.56	-9.68	-11.38	-13.94	-7.48	-4.93	-3.22	-3.07	-1.82	-0.02	0.43	0.55	-6.04	-7.25	-1.03
OTHER RETAIL AND SERVICE	5953	5608	6596	5423	5804	5643	6764	5497	5867	5724	6861	5591	23693	23634	23949
% Chg Same Qtr Last Yr	0.72	-3.45	-3.69	-2.04	-2.50	0.63	2.54	1.36	1.08	1.43	1.45	1.71	-2.10	-0.25	1.34
MISC NONDURABLE GOODS	1574	1518	1861	1507	1542	1512	1872	1505	1544	1522	1892	1524	6513	6433	6462
% Chg Same Qtr Last Yr	0.90	-2.49	-3.67	-3.39	-2.03	-0.38	0.59	-0.13	0.09	0.67	1.05	1.25	-1.79	-1.22	0.45
TRANSPORTATION, COMMUNICATION	1717	1594	1559	1554	1638	1594	1574	1555	1624	1581	1558	1537	6511	6359	6318
% Chg Same Qtr Last Yr	1.78	-1.76	-3.69	-5.38	-4.58	0.01	0.96	0.08	-0.88	-0.78	-1.00	-1.16	-0.23	-2.33	-0.65
PER CAPITA ($)	3293	3118	3264	2868	3087	3022	3239	2846	3066	3023	3243	2856	12737	12217	12178
% Chg Same Qtr Last Yr	-2.02	-5.91	-7.65	-6.31	-6.24	-3.08	-0.79	-0.79	-0.69	0.01	0.14	0.34	-4.82	-4.09	-0.32

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Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL TAXABLE SALES	19969	19254	18875	18873	18895	18832	18844	18871	18916	18983	19041	19118	78069	75444	75811
% Chg Prev Qtr SAAR	-0.05	-13.57	-7.64	-0.04	0.45	-1.32	0.25	0.58	0.95	1.43	1.23	1.61	-4.79	-3.36	0.49
% Chg Same Qtr Last Yr	-2.18	-6.06	-7.28	-5.50	-5.38	-2.19	-0.17	-0.01	0.11	0.80	1.05	1.31	-4.79	-3.36	0.49
AUTO DEALERS	1706	1572	1442	1346	1330	1325	1326	1330	1344	1371	1403	1435	6633	5327	5448
% Chg Prev Qtr SAAR	-36.86	-27.83	-29.27	-24.12	-4.55	-1.63	0.54	0.99	4.40	8.43	9.36	9.48	-17.82	-19.70	2.27
% Chg Same Qtr Last Yr	-15.65	-21.20	-26.96	-29.68	-22.02	-15.75	-8.00	-1.19	1.05	3.54	5.74	7.89	-17.82	-19.70	2.27
PURCHASES FROM MANUFACTURERS	972	920	903	909	906	900	900	899	899	898	897	897	3744	3615	3593
% Chg Prev Qtr SAAR	10.44	-19.57	-7.36	2.81	-1.51	-2.64	0.04	-0.32	-0.24	-0.18	-0.44	-0.22	-7.21	-3.44	-0.60
% Chg Same Qtr Last Yr	-0.57	-8.49	-9.59	-4.09	-6.80	-2.24	-0.35	-1.11	-0.80	-0.17	-0.29	-0.27	-7.21	-3.44	-0.60
MISC DURABLE GOODS	3491	3347	3267	3189	3169	3140	3136	3138	3139	3143	3145	3145	13651	12633	12564
% Chg Prev Qtr SAAR	-6.21	-15.46	-9.24	-9.24	-2.47	-3.64	-0.47	0.21	0.12	0.59	0.23	-0.01	-7.92	-7.46	-0.54
% Chg Same Qtr Last Yr	-6.82	-8.87	-9.52	-10.10	-9.22	-6.20	-4.01	-1.60	-0.96	0.11	0.29	0.23	-7.92	-7.46	-0.54
EATING AND DRINKING PLACES	1869	1824	1792	1820	1827	1823	1821	1828	1836	1846	1854	1866	7393	7290	7364
% Chg Prev Qtr SAAR	-7.81	-9.19	-6.91	6.41	1.52	-0.98	-0.44	1.66	1.86	2.05	1.71	2.59	-2.03	-1.39	1.01
% Chg Same Qtr Last Yr	-0.64	-4.52	-4.76	-4.57	-2.25	-0.11	1.59	0.43	0.52	1.28	1.82	2.05	-2.03	-1.39	1.01
FOOD STORES	1947	1923	1941	1969	1977	1972	1972	1969	1968	1966	1964	1962	7482	7889	7867
% Chg Prev Qtr SAAR	84.48	-4.87	3.74	5.95	1.54	-0.98	-0.05	-0.42	-0.34	-0.30	-0.55	-0.37	-1.99	5.44	-0.28
% Chg Same Qtr Last Yr	4.18	-0.22	-1.18	17.85	1.51	2.53	1.58	0.02	-0.45	-0.28	-0.40	-0.39	-1.99	5.44	-0.28
LIQUOR STORES	131	131	128	129	130	130	130	130	131	131	131	132	522	519	523
% Chg Prev Qtr SAAR	-4.12	0.65	-8.23	3.73	1.54	-0.49	1.04	0.82	1.06	1.25	0.96	1.63	3.27	-0.59	0.85
% Chg Same Qtr Last Yr	3.02	3.90	1.22	-2.10	-0.69	-0.97	1.44	0.73	0.61	1.04	1.02	1.22	3.27	-0.59	0.85
HOTELS AND MOTELS	475	455	445	445	440	432	431	431	432	432	433	434	1892	1748	1728
% Chg Prev Qtr SAAR	-28.54	-16.11	-8.24	-0.29	-4.55	-6.45	-1.45	0.30	0.47	0.60	0.33	0.79	-5.47	-7.63	-1.14
% Chg Same Qtr Last Yr	-5.57	-9.58	-11.38	-13.94	-7.48	-4.93	-3.22	-3.07	-1.82	-0.02	0.43	0.55	-5.47	-7.63	-1.14
OTHER RETAIL AND SERVICE	6061	5877	5787	5872	5910	5914	5934	5952	5974	5999	6020	6053	23720	23630	23944
% Chg Prev Qtr SAAR	4.56	-11.59	-5.98	5.95	2.61	0.31	1.36	1.19	1.48	1.71	1.41	2.22	-2.03	-0.38	1.33
% Chg Same Qtr Last Yr	0.70	-3.38	-3.69	-2.04	-2.50	0.63	2.54	1.36	1.08	1.43	1.45	1.71	-2.03	-0.38	1.33
MISC NONDURABLE GOODS	1645	1614	1596	1611	1612	1607	1605	1609	1613	1618	1622	1629	6522	6435	6462
% Chg Prev Qtr SAAR	-5.28	-7.43	-4.30	3.81	0.18	-1.05	-0.50	0.84	1.08	1.27	0.99	1.66	-1.68	-1.33	0.42
% Chg Same Qtr Last Yr	0.91	-2.37	-3.67	-3.39	-2.03	-0.38	0.59	-0.13	0.09	0.67	1.05	1.25	-1.68	-1.33	0.42
TRANSPORTATION, COMMUNICATION	1672	1590	1574	1584	1596	1590	1589	1585	1581	1578	1573	1567	6510	6359	6318
% Chg Prev Qtr SAAR	-0.46	-18.23	-3.97	2.56	2.94	-1.33	-0.27	-0.96	-0.96	-0.91	-1.16	-1.63	-0.27	-2.33	-0.64
% Chg Same Qtr Last Yr	2.08	-1.86	-3.69	-5.38	-4.58	0.01	0.96	0.08	-0.88	-0.78	-1.00	-1.16	-0.27	-2.33	-0.64
PER CAPITA ($)	3263	3140	3072	3066	3063	3047	3043	3041	3042	3047	3048	3051	12744	12219	12179
% Chg Prev Qtr SAAR	-0.83	-14.24	-8.36	-0.82	-0.34	-2.09	-0.54	-0.21	0.16	0.64	0.06	0.44	-4.78	-4.12	-0.32
% Chg Same Qtr Last Yr	-1.92	-5.69	-8.01	-6.24	-6.12	-2.96	-0.95	-0.80	-0.67	0.01	0.16	0.33	-4.78	-4.12	-0.32

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL TAXABLE SALES	24492	23528	24333	21170	22799	22458	24202	21415	23242	23094	25009	22247	94847	90628	92759
% Chg Same Qtr Last Yr	1.30	-2.26	-5.29	-5.89	-6.91	-4.55	-0.54	1.16	1.94	2.83	3.34	3.89	-1.69	-4.45	2.35
AUTO DEALERS	2164	2059	1598	1575	1662	1695	1463	1574	1710	1791	1582	1741	8068	6395	6657
% Chg Same Qtr Last Yr	-12.42	-18.06	-25.68	-29.91	-23.19	-17.68	-8.50	-0.04	2.91	5.63	8.16	10.62	-15.00	-20.74	4.11
PURCHASES FROM MANUFACTURERS	1194	1135	1164	1007	1096	1084	1154	1008	1107	1104	1177	1030	4546	4341	4396
% Chg Same Qtr Last Yr	3.20	-4.72	-8.00	-4.41	-8.19	-4.48	-0.88	0.04	1.03	1.84	1.99	2.25	-4.16	-4.52	1.26
MISC DURABLE GOODS	4460	4156	4035	3521	3988	3809	3852	3505	4023	3890	3952	3601	16580	15170	15369
% Chg Same Qtr Last Yr	-3.29	-5.09	-7.93	-10.40	-10.57	-8.35	-4.52	-0.46	0.87	2.13	2.58	2.76	-4.91	-8.50	1.31
EATING AND DRINKING PLACES	2324	2284	2159	2108	2238	2229	2182	2142	2291	2303	2272	2241	8984	8757	9008
% Chg Same Qtr Last Yr	2.97	-0.43	-3.09	-4.89	-3.71	-2.40	1.04	1.60	2.37	3.32	4.15	4.63	1.15	-2.52	2.87
FOOD STORES	2347	2405	2493	2205	2347	2409	2519	2232	2379	2451	2567	2279	9123	9481	9628
% Chg Same Qtr Last Yr	8.02	4.26	0.55	17.46	-0.01	0.18	1.04	1.18	1.39	1.73	1.88	2.13	1.42	3.92	1.56
LIQUOR STORES	153	150	184	143	149	146	185	146	153	150	191	151	633	623	640
% Chg Same Qtr Last Yr	6.84	8.38	3.00	-2.43	-2.17	-3.24	0.90	1.90	2.46	3.08	3.33	3.78	6.48	-1.59	2.74
HOTELS AND MOTELS	616	612	548	440	561	568	528	431	561	579	542	445	2288	2097	2114
% Chg Same Qtr Last Yr	-2.10	-5.80	-9.83	-14.23	-8.87	-7.11	-3.74	-1.95	-0.01	1.99	2.72	3.09	-2.96	-8.37	0.81
OTHER RETAIL AND SERVICE	7236	6900	8002	6501	6950	6784	8161	6667	7154	7020	8469	6952	28796	28396	29309
% Chg Same Qtr Last Yr	4.41	0.71	-2.00	-2.37	-3.95	-1.68	1.99	2.54	2.95	3.48	3.77	4.28	1.07	-1.39	3.22
MISC NONDURABLE GOODS	1913	1867	2258	1806	1847	1817	2259	1825	1882	1867	2335	1894	7915	7730	7909
% Chg Same Qtr Last Yr	4.59	1.70	-1.98	-3.72	-3.49	-2.66	0.05	1.03	1.94	2.70	3.36	3.81	1.37	-2.34	2.32
TRANSPORTATION, COMMUNICATION	2086	1961	1891	1863	1961	1916	1899	1886	1980	1939	1923	1911	7914	7639	7728
% Chg Same Qtr Last Yr	5.52	2.47	-2.00	-5.69	-6.00	-2.28	0.42	1.24	0.95	1.22	1.27	1.33	3.06	-3.47	1.17
PER CAPITA ($)	4002	3837	3960	3439	3696	3634	3908	3451	3738	3707	4003	3551	15481	14676	14900
% Chg Same Qtr Last Yr	1.57	-1.87	-6.03	-6.62	-7.64	-5.30	-1.32	0.36	1.14	2.03	2.43	2.88	-1.70	-5.20	1.52

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

Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2009**

	History		Forecast Data										Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2008	2009	2010
TOTAL TAXABLE SALES	24271	23690	22898	22626	22622	22640	22737	22886	23065	23282	23502	23772	94881	90626	92735
% Chg Prev Qtr SAAR	4.21	-9.23	-12.72	-4.67	-0.07	0.32	1.72	2.65	3.17	3.81	3.83	4.68	-1.64	-4.48	2.33
% Chg Same Qtr Last Yr	1.41	-2.02	-5.66	-5.81	-6.79	-4.43	-0.70	1.15	1.96	2.83	3.36	3.87	-1.64	-4.48	2.33
AUTO DEALERS	2073	1934	1749	1613	1592	1592	1600	1613	1639	1682	1731	1784	8058	6399	6664
% Chg Prev Qtr SAAR	-34.17	-24.21	-33.16	-27.63	-5.04	0.00	2.02	3.06	6.69	10.96	12.16	12.77	-15.14	-20.60	4.16
% Chg Same Qtr Last Yr	-12.55	-17.81	-25.68	-29.91	-23.19	-17.68	-8.50	-0.04	2.91	5.63	8.16	10.62	-15.14	-20.60	4.16
PURCHASES FROM MANUFACTURERS	1181	1133	1095	1090	1085	1082	1086	1091	1096	1102	1107	1115	4550	4342	4395
% Chg Prev Qtr SAAR	15.14	-15.53	-12.46	-1.95	-2.01	-1.03	1.51	1.73	1.96	2.16	2.12	2.79	-4.14	-4.56	1.22
% Chg Same Qtr Last Yr	3.08	-4.56	-8.00	-4.41	-8.19	-4.48	-0.88	0.04	1.03	1.84	1.99	2.25	-4.14	-4.56	1.22
MISC DURABLE GOODS	4243	4118	3963	3823	3794	3774	3784	3805	3827	3855	3882	3910	16590	15175	15369
% Chg Prev Qtr SAAR	-2.22	-11.22	-14.23	-13.44	-2.97	-2.04	1.00	2.27	2.32	2.94	2.80	3.00	-4.88	-8.53	1.28
% Chg Same Qtr Last Yr	-3.41	-4.95	-7.93	-10.40	-10.57	-8.35	-4.52	-0.46	0.87	2.13	2.58	2.76	-4.88	-8.53	1.28
EATING AND DRINKING PLACES	2272	2245	2174	2182	2187	2191	2197	2217	2239	2264	2288	2320	8985	8757	9008
% Chg Prev Qtr SAAR	-3.88	-4.63	-12.03	1.48	1.00	0.66	1.03	3.74	4.10	4.44	4.32	5.68	1.19	-2.53	2.86
% Chg Same Qtr Last Yr	3.00	-0.41	-3.09	-4.89	-3.71	-2.40	1.04	1.60	2.37	3.32	4.15	4.63	1.19	-2.53	2.86
FOOD STORES	2367	2366	2355	2361	2367	2370	2379	2389	2399	2412	2424	2439	9097	9477	9623
% Chg Prev Qtr SAAR	92.34	-0.10	-1.97	1.04	1.02	0.66	1.42	1.63	1.85	2.03	2.00	2.63	1.27	4.17	1.55
% Chg Same Qtr Last Yr	7.99	4.07	0.55	17.46	-0.01	0.18	1.04	1.18	1.39	1.73	1.88	2.13	1.27	4.17	1.55
LIQUOR STORES	159	161	155	155	155	156	157	158	159	161	162	164	634	623	640
% Chg Prev Qtr SAAR	-0.04	5.70	-13.28	-1.08	1.02	1.16	2.53	2.89	3.28	3.62	3.55	4.69	6.68	-1.75	2.69
% Chg Same Qtr Last Yr	6.80	8.37	3.00	-2.43	-2.17	-3.24	0.90	1.90	2.46	3.08	3.33	3.78	6.68	-1.75	2.69
HOTELS AND MOTELS	578	560	540	533	526	520	520	523	526	530	534	539	2299	2099	2113
% Chg Prev Qtr SAAR	-25.49	-11.90	-13.29	-4.91	-5.04	-4.90	0.00	2.36	2.68	2.95	2.90	3.83	-2.38	-8.68	0.67
% Chg Same Qtr Last Yr	-2.11	-5.69	-9.83	-14.23	-8.87	-7.11	-3.74	-1.95	-0.01	1.99	2.72	3.09	-2.38	-8.68	0.67
OTHER RETAIL AND SERVICE	7367	7232	7021	7039	7076	7110	7160	7218	7284	7357	7430	7527	28829	28385	29290
% Chg Prev Qtr SAAR	9.01	-7.15	-11.15	1.04	2.09	1.97	2.85	3.26	3.71	4.09	4.02	5.30	1.20	-1.54	3.19
% Chg Same Qtr Last Yr	4.39	0.78	-2.00	-2.37	-3.95	-1.68	1.99	2.54	2.95	3.48	3.77	4.28	1.20	-1.54	3.19
MISC NONDURABLE GOODS	1999	1985	1936	1931	1930	1932	1937	1951	1967	1985	2002	2025	7926	7730	7905
% Chg Prev Qtr SAAR	-1.25	-2.79	-9.57	-1.00	-0.33	0.59	0.97	2.91	3.31	3.64	3.58	4.72	1.57	-2.48	2.26
% Chg Same Qtr Last Yr	4.61	1.83	-1.98	-3.72	-3.49	-2.66	0.05	1.03	1.94	2.70	3.36	3.81	1.57	-2.48	2.26
TRANSPORTATION, COMMUNICATION	2032	1956	1910	1899	1910	1912	1917	1923	1928	1935	1942	1948	7912	7639	7728
% Chg Prev Qtr SAAR	3.78	-14.13	-9.25	-2.19	2.41	0.30	1.20	1.07	1.22	1.41	1.38	1.33	3.01	-3.46	1.17
% Chg Same Qtr Last Yr	5.82	2.36	-2.00	-5.69	-6.00	-2.28	0.42	1.24	0.95	1.22	1.27	1.33	3.01	-3.46	1.17
PER CAPITA ($)	3966	3863	3727	3675	3667	3663	3672	3688	3710	3737	3762	3794	15488	14677	14897
% Chg Prev Qtr SAAR	3.39	-9.94	-13.40	-5.42	-0.85	-0.47	0.93	1.84	2.36	3.00	2.63	3.47	-1.64	-5.24	1.50
% Chg Same Qtr Last Yr	1.67	-1.63	-6.39	-6.55	-7.52	-5.18	-1.48	0.36	1.16	2.03	2.46	2.86	-1.64	-5.24	1.50

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

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
US GDP (Bil2000$) SAAR	11657.7	11364.4	11616.8	11985.6	12326.5	12633.6	12965.1	13332.7	13719.4	14126.9	14571.2
Percentage change	1.16	-2.52	2.22	3.17	2.84	2.49	2.62	2.83	2.90	2.97	3.14
US GDP (Bil$) SAAR	14276.7	14081.2	14573.2	15278.5	15990.2	16738.6	17568.9	18453.3	19365.8	20322.8	21357.3
Percentage change	3.40	-1.37	3.49	4.84	4.66	4.68	4.96	5.03	4.94	4.94	5.09
TN PERSONAL INCOME (MIL2000$) SAAR	175350	178624	180363	183827	188261	192596	197194	202437	207570	212588	218005
Percentage change	0.42	1.87	0.97	1.92	2.41	2.30	2.39	2.66	2.54	2.42	2.55
US PERSONAL INCOME (BIL2000$) SAAR	9963	10160	10230	10422	10718	11025	11387	11791	12186	12588	13038
Percentage change	0.51	1.98	0.69	1.88	2.83	2.87	3.28	3.55	3.34	3.30	3.57
TN PERSONAL INCOME (MIL$) SAAR	213124	214571	220627	230698	241191	252211	263732	275790	288166	300805	314316
Percentage change	3.73	0.68	2.82	4.56	4.55	4.57	4.57	4.57	4.49	4.39	4.49
US PERSONAL INCOME (BIL$) SAAR	12109	12204	12514	13080	13731	14438	15229	16064	16917	17812	18798
Percentage change	3.82	0.79	2.54	4.52	4.98	5.15	5.48	5.48	5.31	5.29	5.53
TN NONFARM JOBS (THOUS)	2781.8	2719.4	2710.4	2742.8	2781.7	2819.6	2852.8	2885.7	2916.5	2949.0	2982.6
Percentage change	-0.55	-2.24	-0.33	1.19	1.42	1.36	1.18	1.15	1.07	1.11	1.14
US NONFARM JOBS (MIL)	137.3	133.7	133.8	135.9	138.2	140.2	141.8	143.4	145.0	146.5	148.2
Percentage change	-0.25	-2.59	0.03	1.61	1.72	1.41	1.14	1.12	1.10	1.09	1.15
TN MFG JOBS (THOUS)	368.7	346.6	333.4	333.1	336.3	339.4	339.5	339.0	338.5	338.4	338.5
Percentage change	-3.20	-5.98	-3.81	-0.09	0.97	0.91	0.02	-0.14	-0.15	-0.03	0.04
US MFG JOBS (MIL)	13.5	12.2	11.7	12.0	12.3	12.6	12.7	12.7	12.8	12.8	12.8
Percentage change	-3.07	-9.05	-4.59	2.47	3.17	2.11	0.83	0.26	0.24	0.20	0.14
TN UNEMPLOYMENT RATE (%)	6.4	8.9	9.6	8.8	8.2	7.6	6.9	6.3	5.9	5.6	5.4
US UNEMPLOYMENT RATE (%)	5.8	8.5	9.1	8.5	7.9	7.6	7.3	7.0	6.6	6.2	5.8
CHAINED PRICE INDEX, GDP (2000=100.0)	122.5	123.9	125.4	127.5	129.7	132.5	135.5	138.4	141.2	143.9	146.6
Percentage change	2.26	1.12	1.24	1.61	1.76	2.14	2.28	2.14	1.99	1.91	1.89
US PERS CONSUMP DEFL (2000=100.0)	121.5	120.1	122.3	125.5	128.1	130.9	133.7	136.2	138.8	141.5	144.2
Percentage change	3.30	-1.17	1.83	2.59	2.09	2.21	2.13	1.86	1.90	1.92	1.89
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.152	2.104	2.154	2.226	2.282	2.338	2.392	2.440	2.491	2.544	2.597
Percentage change	3.80	-2.24	2.39	3.35	2.49	2.48	2.31	1.98	2.09	2.12	2.10
BANK PRIME INTEREST RATE (%)	5.1	3.1	3.9	6.3	7.8	7.7	7.7	7.7	7.7	7.7	7.7
FEDERAL FUNDS RATE (% per annum)	1.929	0.125	0.941	3.338	4.750	4.750	4.750	4.750	4.750	4.750	4.750
30-YEAR FIXED MORTGAGE RATE (%)	6.0	5.0	5.5	6.6	7.1	7.1	7.1	7.1	7.1	7.1	7.1
TN TAXABLE SALES (MIL2000$)	78069	75444	75811	77167	79177	80773	82489	84492	86436	88313	90309
Percentage change	-4.79	-3.36	0.49	1.79	2.60	2.01	2.13	2.43	2.30	2.17	2.26
TN TAXABLE SALES (MIL$)	94881	90626	92735	96843	101439	105774	110323	115107	119998	124960	130205
Percentage change	-1.64	-4.48	2.33	4.43	4.75	4.27	4.30	4.34	4.25	4.13	4.20
TN AVG ANNUAL WAGE, NONFARM (2000$)	33868	34645	34726	34708	34873	34959	35056	35219	35352	35459	35560
Percentage change	-0.34	2.30	0.23	-0.05	0.48	0.25	0.28	0.47	0.38	0.30	0.28
TN AVG ANNUAL WAGE, NONFARM ($)	41162	41617	42477	43556	44677	45778	46883	47979	49077	50172	51268
Percentage change	2.95	1.11	2.07	2.54	2.57	2.47	2.41	2.34	2.29	2.23	2.18

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators — **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
US GDP (2000$) SAAR	38176	36855	37308	38125	38834	39421	40068	40810	41594	42424	43345
Percentage change	0.18	-3.46	1.23	2.19	1.86	1.51	1.64	1.85	1.92	1.99	2.17
US GDP ($) SAAR	46753	45665	46803	48599	50376	52229	54296	56484	58713	61030	63531
Percentage change	2.40	-2.33	2.49	3.84	3.66	3.68	3.96	4.03	3.95	3.95	4.10
TN PERSONAL INCOME (2000$) SAAR	28623	28929	28975	29212	29573	29906	30268	30723	31238	31747	32306
Percentage change	0.42	1.07	0.16	0.82	1.23	1.13	1.21	1.50	1.68	1.63	1.76
US PERSONAL INCOME (2000$) SAAR	32626	32948	32854	33153	33765	34401	35191	36093	36944	37802	38783
Percentage change	-0.47	0.99	-0.28	0.91	1.85	1.88	2.30	2.56	2.36	2.32	2.59
TN PERSONAL INCOME ($) SAAR	34789	34751	35443	36660	37886	39162	40480	41855	43366	44921	46578
Percentage change	3.72	-0.11	1.99	3.43	3.35	3.37	3.37	3.40	3.61	3.58	3.69
US PERSONAL INCOME ($) SAAR	39654	39579	40189	41606	43259	45049	47066	49171	51289	53490	55917
Percentage change	2.82	-0.19	1.54	3.53	3.97	4.14	4.48	4.47	4.31	4.29	4.54
TN TAXABLE SALES (2000$)	12744	12219	12179	12263	12437	12542	12662	12823	13008	13188	13383
Percentage change	-4.78	-4.12	-0.32	0.69	1.43	0.84	0.95	1.28	1.44	1.39	1.48
TN TAXABLE SALES ($)	15488	14677	14897	15389	15934	16424	16934	17469	18059	18661	19295
Percentage change	-1.64	-5.24	1.50	3.30	3.54	3.08	3.10	3.16	3.37	3.34	3.40

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

Table 3: Tennessee Personal Income Components (millions of 2000 dollars) — **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TN PERSONAL INCOME	175350	178624	180363	183827	188261	192596	197194	202437	207570	212588	218005
Percentage change	0.42	1.87	0.97	1.92	2.41	2.30	2.39	2.66	2.54	2.42	2.55
WAGES AND SALARIES	94995	94968	94880	95951	97764	99325	100763	102389	103863	105328	106819
Percentage change	-0.87	-0.03	-0.09	1.13	1.89	1.60	1.45	1.61	1.44	1.41	1.42
OTHER LABOR INCOME	21580	21893	21910	22216	22854	23511	24224	24996	25737	26480	27284
Percentage change	-0.40	1.45	0.08	1.40	2.87	2.88	3.03	3.19	2.96	2.89	3.03
PROPRIETORS INCOME	19078	19139	18934	19380	19941	20511	21230	22069	22910	23741	24662
Percentage change	-1.72	0.32	-1.07	2.36	2.89	2.86	3.50	3.95	3.81	3.63	3.88
RENT, INTEREST, DIVIDENDS	22313	22544	22649	23173	23566	23829	24143	24631	25138	25595	26111
Percentage change	0.41	1.04	0.47	2.32	1.69	1.12	1.32	2.02	2.06	1.82	2.02
TRANSFER PAYMENTS	33150	36431	38555	39815	41070	42537	44125	45840	47574	49241	51052
Percentage change	5.68	9.90	5.83	3.27	3.15	3.57	3.73	3.89	3.78	3.50	3.68
LESS: PERS CONT FOR SOC INS	14806	15423	15656	15826	16074	16282	16480	16701	16890	17058	17208
Percentage change	0.09	4.17	1.51	1.09	1.56	1.30	1.22	1.34	1.13	1.00	0.88
RESIDENCE ADJUSTMENT	-961	-927	-909	-883	-860	-835	-810	-787	-763	-739	-714
Percentage change	-11.19	-3.46	-1.97	-2.90	-2.60	-2.88	-2.96	-2.86	-3.04	-3.19	-3.30
PER CAPITA PERSONAL INCOME ($)	28623	28929	28975	29212	29573	29906	30268	30723	31238	31747	32306
Percentage change	0.42	1.07	0.16	0.82	1.23	1.13	1.21	1.50	1.68	1.63	1.76

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Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TN PERSONAL INCOME	213124	214571	220627	230698	241191	252211	263732	275790	288166	300805	314316
Percentage change	3.73	0.68	2.82	4.56	4.55	4.57	4.57	4.57	4.49	4.39	4.49
WAGES AND SALARIES	115455	114078	116059	120415	125249	130068	134761	139487	144189	149033	154006
Percentage change	2.39	-1.19	1.74	3.75	4.01	3.85	3.61	3.51	3.37	3.36	3.34
OTHER LABOR INCOME	26228	26299	26801	27880	29280	30789	32398	34053	35730	37469	39337
Percentage change	2.88	0.27	1.91	4.03	5.02	5.15	5.23	5.11	4.92	4.87	4.99
PROPRIETORS INCOME	23188	22990	23161	24322	25547	26860	28394	30065	31807	33593	35558
Percentage change	1.53	-0.85	0.75	5.01	5.04	5.14	5.71	5.89	5.79	5.62	5.85
RENT, INTEREST, DIVIDENDS	27120	27080	27705	29082	30191	31204	32289	33556	34899	36216	37646
Percentage change	3.72	-0.15	2.31	4.97	3.81	3.36	3.48	3.93	4.00	3.77	3.95
TRANSFER PAYMENTS	40294	43765	47163	49967	52617	55704	59015	62452	66048	69675	73607
Percentage change	9.17	8.61	7.76	5.95	5.30	5.87	5.94	5.82	5.76	5.49	5.64
LESS: PERS CONT FOR SOC INS	17994	18527	19150	19861	20593	21321	22041	22751	23447	24136	24809
Percentage change	3.39	2.96	3.37	3.71	3.68	3.54	3.37	3.22	3.06	2.94	2.79
RESIDENCE ADJUSTMENT	-1167	-1114	-1112	-1108	-1101	-1093	-1084	-1072	-1059	-1045	-1030
Percentage change	-8.32	-4.55	-0.19	-0.38	-0.56	-0.73	-0.89	-1.05	-1.19	-1.33	-1.47
PER CAPITA PERSONAL INCOME ($)	34789	34751	35443	36660	37886	39162	40480	41855	43366	44921	46578
Percentage change	3.72	-0.11	1.99	3.43	3.35	3.37	3.37	3.40	3.61	3.58	3.69

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Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL NONFARM	2781.8	2719.4	2710.4	2742.8	2781.7	2819.6	2852.8	2885.7	2916.5	2949.0	2982.6
Percentage change	-0.55	-2.24	-0.33	1.19	1.42	1.36	1.18	1.15	1.07	1.11	1.14
NATURAL RESOURCES, MINING & CONSTRUCTION	137.6	131.2	126.5	128.1	132.1	134.4	136.3	138.3	140.2	142.1	144.2
Percentage change	-0.06	-4.66	-3.59	1.32	3.06	1.78	1.43	1.43	1.40	1.31	1.53
MANUFACTURING	368.7	346.6	333.4	333.1	336.3	339.4	339.5	339.0	338.5	338.4	338.5
Percentage change	-3.20	-5.98	-3.81	-0.09	0.97	0.91	0.02	-0.14	-0.15	-0.03	0.04
DURABLE GOODS	228.7	212.4	203.2	204.7	207.3	210.2	211.5	212.2	212.9	213.8	214.9
Percentage change	-4.01	-7.15	-4.33	0.76	1.27	1.39	0.62	0.34	0.32	0.43	0.50
NONDURABLE GOODS	140.0	134.3	130.3	128.4	129.0	129.2	128.0	126.8	125.6	124.6	123.7
Percentage change	-1.86	-4.07	-2.98	-1.41	0.49	0.13	-0.98	-0.92	-0.92	-0.82	-0.75
TRADE, TRANSPORTATION, UTILITIES	608.9	592.1	595.1	603.7	612.6	622.3	631.3	640.8	650.0	659.6	669.2
Percentage change	-0.37	-2.75	0.51	1.45	1.47	1.59	1.44	1.51	1.43	1.48	1.46
WHOLESALE TRADE	133.5	131.0	130.6	132.6	134.7	136.8	138.6	140.6	142.4	144.1	145.8
Percentage change	0.28	-1.84	-0.36	1.60	1.55	1.56	1.29	1.49	1.24	1.21	1.17
RETAIL TRADE	329.3	318.6	320.4	324.0	328.5	333.6	338.3	343.5	348.3	353.6	358.8
Percentage change	-0.39	-3.24	0.56	1.13	1.38	1.54	1.42	1.52	1.40	1.53	1.48
TRANSPORTATION & UTILITIES	146.1	142.5	144.2	147.1	149.4	151.9	154.4	156.8	159.3	161.9	164.6
Percentage change	-0.90	-2.47	1.19	2.01	1.57	1.72	1.64	1.51	1.65	1.60	1.66
INFORMATION	49.3	48.3	47.6	47.2	47.7	48.3	48.8	49.6	50.2	50.8	51.5
Percentage change	-0.70	-2.09	-1.37	-0.82	1.01	1.25	1.09	1.44	1.33	1.25	1.22
FINANCIAL ACTIVITIES	142.1	138.6	137.7	138.6	139.8	140.4	141.2	142.5	143.6	145.1	146.5
Percentage change	-1.39	-2.51	-0.63	0.68	0.83	0.46	0.57	0.88	0.81	1.04	0.96
PROFESSIONAL & BUSINESS SERVICES	317.4	308.6	308.9	317.0	326.2	333.8	342.8	350.0	356.9	364.0	371.5
Percentage change	-1.56	-2.77	0.10	2.60	2.91	2.35	2.69	2.09	1.97	2.01	2.05
EDUCATION & HEALTH SERVICES	357.6	361.3	366.7	373.1	377.7	381.7	385.7	390.0	394.6	398.9	403.1
Percentage change	2.07	1.03	1.48	1.76	1.22	1.06	1.05	1.13	1.16	1.11	1.05
LEISURE & HOSPITALITY	274.0	267.3	267.3	273.2	276.5	280.4	283.6	287.6	291.6	295.9	300.1
Percentage change	-0.80	-2.44	-0.01	2.21	1.22	1.40	1.13	1.42	1.37	1.48	1.43
OTHER SERVICES	103.0	101.5	101.3	102.7	103.3	103.9	104.4	105.0	105.5	106.0	106.5
Percentage change	-0.47	-1.43	-0.24	1.46	0.53	0.55	0.57	0.53	0.49	0.43	0.54
GOVERNMENT	423.2	423.9	425.9	425.9	429.5	434.9	439.1	443.0	445.5	448.2	451.4
Percentage change	0.45	0.17	0.48	-0.01	0.85	1.26	0.97	0.87	0.58	0.61	0.71
FEDERAL, CIVILIAN	49.0	49.4	50.4	49.5	49.4	49.4	49.4	49.5	49.5	49.5	49.5
Percentage change	0.12	0.97	1.91	-1.80	-0.21	0.01	0.09	0.06	0.03	0.01	0.00
STATE & LOCAL	374.2	374.5	375.6	376.4	380.2	385.6	389.7	393.5	396.0	398.8	402.0
Percentage change	0.49	0.06	0.29	0.24	0.99	1.42	1.08	0.97	0.65	0.69	0.80

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Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL DURABLE GOODS………	228.7	212.4	203.2	204.7	207.3	210.2	211.5	212.2	212.9	213.8	214.9
Percentage change………	-4.01	-7.15	-4.33	0.76	1.27	1.39	0.62	0.34	0.32	0.43	0.50
WOOD PRODUCTS………	14.3	12.4	11.7	11.9	12.0	12.1	12.2	12.3	12.4	12.5	12.6
Percentage change………	-11.43	-13.06	-5.25	1.71	0.58	0.67	0.59	0.82	0.73	0.80	0.91
NONMETALLIC MINERALS………	15.6	14.7	14.3	14.6	14.8	14.9	15.0	15.2	15.3	15.5	15.6
Percentage change………	-0.51	-5.93	-2.35	1.81	1.07	0.95	0.92	0.94	0.89	1.06	0.95
PRIMARY METALS………	11.7	11.6	11.4	11.4	11.7	11.9	12.1	12.1	12.0	12.0	12.0
Percentage change………	-0.41	-1.56	-1.02	0.04	2.10	1.99	1.89	-0.25	-0.59	-0.30	-0.25
FABRICATED METALS………	40.1	38.9	37.9	37.9	38.4	38.8	39.3	39.9	40.4	40.9	41.4
Percentage change………	-3.31	-2.98	-2.52	-0.13	1.49	0.99	1.32	1.44	1.20	1.24	1.37
MACHINERY………	31.2	29.8	28.7	29.1	29.3	29.5	29.7	30.0	30.3	30.5	30.8
Percentage change………	-1.73	-4.61	-3.47	1.17	0.75	0.75	0.75	0.81	0.94	0.91	0.76
COMPUTERS & ELECTRONICS………	7.2	6.4	5.7	5.0	4.6	4.2	3.8	3.5	3.2	2.9	2.7
Percentage change………	-10.77	-11.16	-11.38	-11.15	-9.17	-8.44	-8.53	-8.73	-8.77	-8.97	-8.71
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS………	21.0	20.1	19.4	19.4	19.8	20.5	20.7	20.6	20.6	20.7	20.8
Percentage change………	-4.62	-4.25	-3.62	0.19	2.09	3.38	0.87	-0.37	0.08	0.35	0.33
TRANSPORTATION EQUIPMENT………	58.4	52.6	49.7	51.1	52.1	53.2	53.8	54.3	54.8	55.3	55.8
Percentage change………	-2.61	-9.92	-5.51	2.76	2.01	2.16	1.02	0.97	0.90	0.90	0.94
FURNITURE………	14.3	12.1	11.3	11.2	11.4	11.5	11.4	11.1	10.8	10.6	10.5
Percentage change………	-10.77	-14.87	-6.98	-0.44	1.03	1.40	-0.80	-2.52	-2.60	-2.02	-1.60
MISCELLANEOUS DURABLES………	14.9	13.8	12.9	13.0	13.2	13.5	13.4	13.2	13.1	12.9	12.8
Percentage change………	-3.15	-7.64	-6.31	0.53	2.03	1.98	-0.92	-1.00	-1.11	-1.05	-0.99

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Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) — **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL NONDURABLE GOODS	140.0	134.3	130.3	128.4	129.0	129.2	128.0	126.8	125.6	124.6	123.7
Percentage change	-1.86	-4.07	-2.98	-1.41	0.49	0.13	-0.98	-0.92	-0.92	-0.82	-0.75
FOOD	32.5	32.0	32.0	32.0	32.4	32.7	32.9	33.1	33.3	33.5	33.6
Percentage change	-0.80	-1.58	0.08	0.01	1.06	1.15	0.57	0.59	0.56	0.49	0.51
BEVERAGE & TOBACCO	5.0	4.9	4.7	4.5	4.6	4.5	4.5	4.5	4.5	4.5	4.6
Percentage change	-0.95	-2.77	-4.35	-2.73	0.93	-0.77	-0.44	-0.25	-0.04	0.48	0.57
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	14.8	14.1	13.5	12.9	12.3	11.6	11.1	10.4	9.8	9.3	8.8
Percentage change	-1.74	-4.90	-4.12	-4.48	-4.65	-5.39	-5.00	-5.49	-5.87	-5.72	-5.63
PAPER	16.8	16.1	15.9	15.9	16.1	16.2	16.0	15.9	15.8	15.7	15.6
Percentage change	-3.51	-4.41	-1.14	-0.06	1.33	0.92	-1.21	-0.71	-0.52	-0.78	-0.80
PRINTING & RELATED SUPPORT	16.7	16.0	15.0	14.6	14.7	14.7	14.4	14.1	13.8	13.6	13.4
Percentage change	-2.88	-4.42	-6.03	-2.69	0.80	0.13	-2.14	-2.35	-2.33	-1.39	-1.03
CHEMICALS	26.3	25.7	24.8	24.2	24.5	24.5	24.1	23.7	23.3	22.9	22.5
Percentage change	-0.29	-2.32	-3.73	-2.31	1.03	0.07	-1.49	-1.57	-1.67	-1.72	-1.77
PLASTICS & RUBBER	25.6	23.6	22.6	22.6	22.8	23.1	23.2	23.4	23.5	23.6	23.7
Percentage change	-3.28	-8.08	-4.14	-0.11	1.10	1.33	0.40	0.66	0.57	0.53	0.53
MISCELLANEOUS NONDURABLE GOODS	2.1	2.0	1.8	1.7	1.7	1.7	1.7	1.6	1.5	1.5	1.4
Percentage change	-1.12	-6.93	-7.79	-5.62	0.96	0.52	-3.51	-4.36	-4.29	-3.67	-4.12

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2000 dollars) **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL NONFARM	33868	34645	34726	34708	34873	34959	35056	35219	35352	35459	35560
Percentage change	-0.34	2.30	0.23	-0.05	0.48	0.25	0.28	0.47	0.38	0.30	0.28
NATURAL RESOURCES, MINING & CONSTRUCTION	37424	38236	38358	38356	38520	38613	38716	38899	39047	39169	39283
Percentage change	-0.60	2.17	0.32	0.00	0.43	0.24	0.27	0.47	0.38	0.31	0.29
MANUFACTURING	39310	40009	39993	39984	40165	40267	40374	40567	40722	40847	40964
Percentage change	-0.85	1.78	-0.04	-0.02	0.45	0.25	0.27	0.48	0.38	0.31	0.29
DURABLE GOODS	38040	38887	38894	38834	38945	38986	39039	39175	39278	39355	39427
Percentage change	-1.74	2.23	0.02	-0.15	0.28	0.11	0.14	0.35	0.26	0.20	0.18
NONDURABLE GOODS	41387	41781	41707	41816	42125	42350	42582	42896	43169	43408	43635
Percentage change	0.45	0.95	-0.18	0.26	0.74	0.54	0.55	0.74	0.64	0.55	0.52
TRADE, TRANSPORTATION, UTILITIES	31424	32099	32166	32202	32361	32454	32550	32713	32846	32947	33043
Percentage change	-2.83	2.15	0.21	0.11	0.49	0.29	0.30	0.50	0.41	0.31	0.29
WHOLESALE TRADE	46431	47470	47801	47993	48384	48679	48978	49372	49716	50021	50310
Percentage change	-2.09	2.24	0.70	0.40	0.82	0.61	0.61	0.80	0.70	0.61	0.58
RETAIL TRADE	22300	22723	22740	22714	22796	22835	22882	22976	23050	23109	23164
Percentage change	-2.36	1.89	0.08	-0.11	0.36	0.17	0.20	0.41	0.32	0.26	0.24
TRANSPORTATION & UTILITIES	38278	38932	38956	38867	38949	38963	38990	39101	39180	39235	39284
Percentage change	-4.37	1.71	0.06	-0.23	0.21	0.04	0.07	0.28	0.20	0.14	0.13
INFORMATION	44125	45498	45887	45999	46305	46521	46744	47061	47332	47567	47790
Percentage change	-0.03	3.11	0.86	0.24	0.66	0.47	0.48	0.68	0.58	0.50	0.47
FINANCIAL ACTIVITIES	49596	50050	50289	50641	51196	51643	52089	52631	53115	53552	53970
Percentage change	0.12	0.92	0.48	0.70	1.10	0.87	0.86	1.04	0.92	0.82	0.78
PROFESSIONAL & BUSINESS SERVICES	38149	39184	39410	39526	39808	40011	40220	40509	40758	40975	41181
Percentage change	3.59	2.72	0.58	0.29	0.71	0.51	0.52	0.72	0.61	0.53	0.50
EDUCATION & HEALTH SERVICES	35255	36408	36635	36607	36738	36802	36876	37028	37148	37243	37332
Percentage change	-1.20	3.27	0.62	-0.08	0.36	0.17	0.20	0.41	0.32	0.26	0.24
LEISURE & HOSPITALITY	15952	16370	16447	16429	16483	16507	16536	16600	16649	16688	16724
Percentage change	-2.83	2.62	0.47	-0.11	0.33	0.15	0.17	0.39	0.30	0.23	0.22
OTHER SERVICES	31224	32007	31831	31415	31153	30850	30571	30369	30153	29928	29710
Percentage change	2.07	2.51	-0.55	-1.31	-0.83	-0.97	-0.91	-0.66	-0.71	-0.74	-0.73
GOVERNMENT	32866	33782	33942	33865	33957	33983	34028	34146	34242	34313	34376
Percentage change	1.81	2.79	0.47	-0.23	0.27	0.07	0.13	0.35	0.28	0.21	0.18
FEDERAL, CIVILIAN	53253	54957	54983	54976	55207	55336	55479	55738	55947	56118	56278
Percentage change	-0.34	3.20	0.05	-0.01	0.42	0.23	0.26	0.47	0.38	0.31	0.29
STATE & LOCAL	30198	30986	31119	31090	31197	31248	31307	31433	31531	31608	31680
Percentage change	2.35	2.61	0.43	-0.09	0.34	0.16	0.19	0.40	0.31	0.25	0.23

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL NONFARM	41162	41617	42477	43556	44677	45778	46883	47979	49077	50172	51268
Percentage change	2.95	1.11	2.07	2.54	2.57	2.47	2.41	2.34	2.29	2.23	2.18
NATURAL RESOURCES, MINING & CONSTRUCTION	45484	45931	46920	48134	49349	50563	51778	52992	54207	55421	56635
Percentage change	2.67	0.98	2.15	2.59	2.52	2.46	2.40	2.35	2.29	2.24	2.19
MANUFACTURING	47774	48060	48920	50177	51456	52729	53996	55264	56531	57796	59059
Percentage change	2.41	0.60	1.79	2.57	2.55	2.47	2.40	2.35	2.29	2.24	2.19
DURABLE GOODS	46233	46713	47576	48734	49893	51051	52210	53368	54527	55685	56844
Percentage change	1.50	1.04	1.85	2.43	2.38	2.32	2.27	2.22	2.17	2.12	2.08
NONDURABLE GOODS	50294	50190	51017	52477	53967	55457	56948	58438	59929	61419	62910
Percentage change	3.74	-0.21	1.65	2.86	2.84	2.76	2.69	2.62	2.55	2.49	2.43
TRADE, TRANSPORTATION, UTILITIES	38192	38559	39346	40412	41458	42498	43532	44565	45597	46617	47638
Percentage change	0.38	0.96	2.04	2.71	2.59	2.51	2.43	2.37	2.32	2.24	2.19
WHOLESALE TRADE	56432	57023	58471	60228	61986	63744	65502	67260	69018	70776	72534
Percentage change	1.14	1.05	2.54	3.01	2.92	2.84	2.76	2.68	2.61	2.55	2.48
RETAIL TRADE	27103	27296	27816	28505	29204	29903	30601	31300	31999	32698	33397
Percentage change	0.86	0.71	1.91	2.48	2.45	2.39	2.34	2.28	2.23	2.18	2.14
TRANSPORTATION & UTILITIES	46521	46767	47652	48775	49898	51021	52145	53268	54391	55514	56637
Percentage change	-1.21	0.53	1.89	2.36	2.30	2.25	2.20	2.15	2.11	2.07	2.02
INFORMATION	53629	54654	56130	57726	59322	60919	62515	64111	65708	67304	68900
Percentage change	3.24	1.91	2.70	2.84	2.77	2.69	2.62	2.55	2.49	2.43	2.37
FINANCIAL ACTIVITIES	60280	60122	61515	63552	65589	67626	69663	71700	73736	75773	77810
Percentage change	3.43	-0.26	2.32	3.31	3.21	3.11	3.01	2.92	2.84	2.76	2.69
PROFESSIONAL & BUSINESS SERVICES	46365	47070	48207	49603	50999	52394	53790	55186	56581	57977	59373
Percentage change	6.99	1.52	2.42	2.90	2.81	2.74	2.66	2.59	2.53	2.47	2.41
EDUCATION & HEALTH SERVICES	42850	43735	44813	45939	47065	48191	49318	50444	51570	52697	53823
Percentage change	2.07	2.07	2.46	2.51	2.45	2.39	2.34	2.28	2.23	2.18	2.14
LEISURE & HOSPITALITY	19388	19665	20119	20618	21117	21616	22115	22614	23113	23612	24111
Percentage change	0.36	1.43	2.31	2.48	2.42	2.36	2.31	2.26	2.21	2.16	2.11
OTHER SERVICES	37950	38448	38935	39423	39910	40397	40884	41371	41859	42346	42833
Percentage change	5.44	1.31	1.27	1.25	1.24	1.22	1.21	1.19	1.18	1.16	1.15
GOVERNMENT	39945	40580	41518	42498	43503	44499	45508	46518	47536	48551	49561
Percentage change	5.16	1.59	2.31	2.36	2.36	2.29	2.27	2.22	2.19	2.14	2.08
FEDERAL, CIVILIAN	64725	66017	67256	68991	70726	72461	74197	75932	77667	79402	81138
Percentage change	2.96	2.00	1.88	2.58	2.52	2.45	2.39	2.34	2.29	2.23	2.19
STATE & LOCAL	36703	37222	38065	39016	39967	40919	41870	42821	43772	44723	45675
Percentage change	5.72	1.41	2.27	2.50	2.44	2.38	2.32	2.27	2.22	2.17	2.13

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate — **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CIVILIAN LABOR FORCE (THOUS)...........	3049	3043	3056	3065	3129	3153	3165	3172	3182	3195	3210
Percentage change..........................	0.39	-0.19	0.44	0.28	2.08	0.77	0.38	0.22	0.33	0.39	0.47
EMPLOYED PERSONS (THOUS)..........	2854	2771	2764	2795	2872	2912	2945	2970	2993	3015	3037
Percentage change..........................	-1.36	-2.94	-0.23	1.11	2.74	1.40	1.14	0.86	0.78	0.73	0.71
UNEMPLOYED PERSONS (THOUS)......	194	272	292	270	257	241	220	201	189	179	173
Percentage change..........................	35.78	40.26	7.26	-7.62	-4.73	-6.29	-8.76	-8.37	-6.37	-4.93	-3.53
PARTICIPATION RATE (PERCENT)..........	63.2	62.5	62.2	61.6	62.2	61.9	61.4	60.9	60.9	61.0	61.3
Percentage change..........................	0.45	-1.11	-0.50	-0.86	0.87	-0.41	-0.80	-0.90	0.01	0.27	0.35
UNEMPLOYMENT RATE (PERCENT)........	6.4	8.9	9.6	8.8	8.2	7.6	6.9	6.3	5.9	5.6	5.4

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Table 11: Tennessee Taxable Sales (millions of 2000 dollars) **January 2009**

	Forecast Data										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL TAXABLE SALES	78069	75444	75811	77167	79177	80773	82489	84492	86436	88313	90309
Percentage change	-4.79	-3.36	0.49	1.79	2.60	2.01	2.13	2.43	2.30	2.17	2.26
AUTO DEALERS	6633	5327	5448	5818	6061	6169	6268	6389	6500	6580	6658
Percentage change	-17.82	-19.70	2.27	6.80	4.17	1.79	1.61	1.93	1.73	1.23	1.19
PURCHASES FROM MANUFACTURERS	3744	3615	3593	3588	3680	3759	3862	3957	4048	4149	4245
Percentage change	-7.21	-3.44	-0.60	-0.15	2.56	2.16	2.73	2.45	2.30	2.50	2.31
MISC DURABLE GOODS	13651	12633	12564	12901	13432	13788	14164	14591	15014	15430	15877
Percentage change	-7.92	-7.46	-0.54	2.68	4.12	2.66	2.72	3.02	2.90	2.77	2.90
EATING AND DRINKING PLACES	7393	7290	7364	7536	7788	7987	8194	8432	8667	8896	9144
Percentage change	-2.03	-1.39	1.01	2.33	3.36	2.55	2.60	2.90	2.79	2.65	2.78
FOOD STORES	7482	7889	7867	7845	7857	7859	7867	7896	7920	7938	7962
Percentage change	-1.99	5.44	-0.28	-0.28	0.15	0.03	0.10	0.37	0.30	0.23	0.30
LIQUOR STORES	522	519	523	531	541	550	560	571	583	594	606
Percentage change	3.27	-0.59	0.85	1.47	1.86	1.73	1.80	2.09	1.99	1.88	1.99
HOTELS AND MOTELS	1892	1748	1728	1740	1791	1828	1869	1920	1970	2018	2074
Percentage change	-5.47	-7.63	-1.14	0.74	2.91	2.07	2.24	2.70	2.63	2.40	2.80
OTHER RETAIL AND SERVICE	23720	23630	23944	24422	25001	25562	26152	26832	27502	28153	28855
Percentage change	-2.03	-0.38	1.33	1.99	2.37	2.24	2.31	2.60	2.49	2.37	2.49
MISC NONDURABLE GOODS	6522	6435	6462	6559	6683	6801	6926	7072	7215	7352	7501
Percentage change	-1.68	-1.33	0.42	1.50	1.89	1.76	1.83	2.12	2.02	1.90	2.02
TRANSPORTATION, COMMUNICATION	6510	6359	6318	6228	6344	6469	6627	6831	7018	7204	7388
Percentage change	-0.27	-2.33	-0.64	-1.43	1.86	1.98	2.44	3.08	2.74	2.65	2.54
PER CAPITA ($)	12744	12219	12179	12263	12437	12542	12662	12823	13008	13188	13383
Percentage change	-4.78	-4.12	-0.32	0.69	1.43	0.84	0.95	1.28	1.44	1.39	1.48

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Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2009**

		Forecast Data									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL TAXABLE SALES	94881	90626	92735	96843	101439	105774	110323	115107	119998	124960	130205
Percentage change	-1.64	-4.48	2.33	4.43	4.75	4.27	4.30	4.34	4.25	4.13	4.20
AUTO DEALERS	8058	6399	6664	7302	7765	8078	8383	8704	9023	9310	9599
Percentage change	-15.14	-20.60	4.16	9.56	6.34	4.03	3.78	3.83	3.67	3.17	3.11
PURCHASES FROM MANUFACTURERS	4550	4342	4395	4503	4715	4923	5165	5391	5620	5871	6120
Percentage change	-4.14	-4.56	1.22	2.44	4.70	4.42	4.92	4.37	4.24	4.47	4.25
MISC DURABLE GOODS	16590	15175	15369	16191	17208	18056	18943	19878	20844	21833	22892
Percentage change	-4.88	-8.53	1.28	5.35	6.28	4.93	4.91	4.94	4.86	4.74	4.85
EATING AND DRINKING PLACES	8985	8757	9008	9457	9978	10459	10960	11487	12032	12588	13183
Percentage change	1.19	-2.53	2.86	4.99	5.51	4.81	4.79	4.81	4.74	4.62	4.73
FOOD STORES	9097	9477	9623	9845	10066	10291	10521	10757	10994	11231	11479
Percentage change	1.27	4.17	1.55	2.31	2.24	2.24	2.23	2.24	2.21	2.16	2.21
LIQUOR STORES	634	623	640	666	692	720	749	779	809	840	873
Percentage change	6.68	-1.75	2.69	4.10	3.99	3.99	3.97	3.99	3.93	3.83	3.92
HOTELS AND MOTELS	2299	2099	2113	2184	2295	2394	2500	2615	2735	2855	2990
Percentage change	-2.38	-8.68	0.67	3.35	5.06	4.33	4.42	4.61	4.59	4.37	4.75
OTHER RETAIL AND SERVICE	28829	28385	29290	30649	32031	33474	34977	36555	38180	39835	41602
Percentage change	1.20	-1.54	3.19	4.64	4.51	4.51	4.49	4.51	4.44	4.33	4.44
MISC NONDURABLE GOODS	7926	7730	7905	8232	8562	8906	9262	9635	10016	10403	10815
Percentage change	1.57	-2.48	2.26	4.14	4.02	4.02	4.00	4.02	3.96	3.86	3.95
TRANSPORTATION, COMMUNICATION	7912	7639	7728	7815	8127	8472	8864	9307	9743	10194	10651
Percentage change	3.01	-3.46	1.17	1.13	4.00	4.24	4.62	5.00	4.69	4.62	4.49
PER CAPITA ($)	15488	14677	14897	15389	15934	16424	16934	17469	18059	18661	19295
Percentage change	-1.64	-5.24	1.50	3.30	3.54	3.08	3.10	3.16	3.37	3.34	3.40

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Table 13: Tennessee Gross Domestic Product by Sector (millions of 2000 dollars) **January 2009**

	Forecast Data											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GROSS DOMESTIC PRODUCT	211,593	214,402	210,287	212,683	219,900	226,636	233,349	240,246	247,459	254,774	261,512	268,177
Percentage change	1.06	1.33	-1.92	1.14	3.39	3.06	2.96	2.96	3.00	2.96	2.64	2.55
AGRICULTURE, FORESTRY, FISHING & HUNTING	1,258	1,401	1,357	1,424	1,522	1,611	1,691	1,773	1,861	1,953	2,031	2,112
Percentage change	-4.76	11.35	-3.11	4.93	6.89	5.84	4.94	4.88	4.95	4.96	3.95	4.01
MINING	345	366	350	338	335	331	328	324	321	315	312	306
Percentage change	-11.08	6.08	-4.48	-3.37	-0.93	-1.06	-0.98	-1.03	-1.00	-1.97	-1.06	-1.93
CONSTRUCTION	5,839	5,893	5,428	5,324	5,270	5,305	5,411	5,515	5,616	5,726	5,786	5,850
Percentage change	-12.45	0.93	-7.89	-1.91	-1.02	0.66	2.00	1.92	1.83	1.96	1.05	1.10
MANUFACTURING	41,114	40,922	39,366	39,183	41,317	43,268	44,897	46,500	48,015	49,567	51,145	52,623
Percentage change	-1.04	-0.47	-3.80	-0.46	5.45	4.72	3.77	3.57	3.26	3.23	3.18	2.89
DURABLE GOODS	27,932	27,749	26,606	26,577	28,569	30,229	31,619	33,051	34,381	35,752	37,184	38,653
Percentage change	-0.46	-0.65	-4.12	-0.11	7.50	5.81	4.60	4.53	4.02	3.99	4.00	3.95
NONDURABLE GOODS	13,183	13,173	12,759	12,606	12,748	13,039	13,278	13,449	13,634	13,814	13,961	13,970
Percentage change	-2.25	-0.08	-3.14	-1.20	1.12	2.28	1.84	1.28	1.38	1.32	1.06	0.07
TRADE, TRANSPORTATION, UTILITIES	47,588	48,802	47,604	48,532	50,245	51,443	52,712	53,925	55,303	56,656	57,868	59,108
Percentage change	3.18	2.55	-2.45	1.95	3.53	2.38	2.47	2.30	2.56	2.45	2.14	2.14
WHOLESALE TRADE	14,296	14,651	14,573	14,707	15,215	15,655	16,108	16,531	16,998	17,435	17,784	18,145
Percentage change	-0.74	2.48	-0.53	0.92	3.45	2.89	2.90	2.62	2.83	2.57	2.00	2.03
RETAIL TRADE	21,245	21,923	21,046	21,480	22,337	22,793	23,278	23,716	24,212	24,725	25,237	25,749
Percentage change	7.07	3.19	-4.00	2.06	3.99	2.04	2.13	1.88	2.09	2.12	2.07	2.03
TRANSPORTATION & UTILITIES	12,047	12,228	11,984	12,344	12,693	12,996	13,326	13,679	14,093	14,496	14,847	15,214
Percentage change	1.44	1.50	-1.99	3.00	2.83	2.38	2.54	2.65	3.03	2.86	2.42	2.47
INFORMATION	9,619	10,465	10,568	10,885	11,840	12,880	14,045	15,432	16,859	18,398	20,043	21,636
Percentage change	5.33	8.80	0.98	3.00	8.78	8.78	9.05	9.87	9.25	9.13	8.94	7.95
FINANCIAL ACTIVITIES	31,278	31,348	30,561	30,872	31,596	32,385	33,072	33,811	34,674	35,532	36,246	36,946
Percentage change	0.74	0.22	-2.51	1.02	2.35	2.50	2.12	2.24	2.55	2.48	2.01	1.93
PROFESSIONAL & BUSINESS SERVICES	22,506	22,604	22,393	22,844	23,655	24,568	25,545	26,577	27,645	28,724	29,539	30,423
Percentage change	3.40	0.43	-0.93	2.01	3.55	3.86	3.98	4.04	4.02	3.90	2.84	2.99
EDUCATION & HEALTH SERVICES	19,165	19,679	19,990	20,397	20,870	21,242	21,585	21,931	22,301	22,685	23,041	23,386
Percentage change	2.83	2.68	1.58	2.04	2.32	1.78	1.62	1.60	1.69	1.72	1.57	1.50
LEISURE & HOSPITALITY	8,238	8,160	7,848	7,836	7,997	8,082	8,182	8,262	8,366	8,468	8,592	8,712
Percentage change	0.56	-0.94	-3.82	-0.16	2.05	1.06	1.25	0.97	1.27	1.21	1.47	1.39
OTHER SERVICES	4,790	4,759	4,654	4,633	4,690	4,705	4,720	4,736	4,751	4,763	4,773	4,789
Percentage change	0.21	-0.66	-2.19	-0.46	1.24	0.31	0.33	0.34	0.30	0.27	0.21	0.32
GOVERNMENT	19,852	20,004	20,167	20,415	20,563	20,817	21,158	21,459	21,747	21,987	22,136	22,287
Percentage change	0.42	0.76	0.82	1.23	0.72	1.24	1.64	1.42	1.34	1.10	0.68	0.68
FEDERAL	5,220	5,171	5,166	5,209	5,157	5,092	5,039	4,991	4,942	4,891	4,840	4,789
Percentage change	-1.38	-0.94	-0.10	0.83	-1.00	-1.25	-1.04	-0.96	-0.99	-1.02	-1.04	-1.05
STATE & LOCAL	14,632	14,833	15,001	15,206	15,406	15,725	16,119	16,468	16,806	17,096	17,296	17,498
Percentage change	1.08	1.37	1.13	1.37	1.31	2.07	2.51	2.16	2.05	1.73	1.17	1.17

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Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2000 dollars) **January 2009**

	Forecast Data											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
DURABLE GOODS	27932	27749	26606	26577	28569	30229	31619	33051	34381	35752	37184	38653
Percentage change	-0.46	-0.65	-4.12	-0.11	7.50	5.81	4.60	4.53	4.02	3.99	4.00	3.95
WOOD PRODUCTS	930	852	766	751	759	767	776	784	794	803	813	824
Percentage change	-5.12	-8.40	-10.11	-1.97	1.19	1.02	1.11	1.02	1.27	1.17	1.24	1.36
NONMETALLIC MINERAL PRODUCTS	1194	1185	1113	1084	1102	1122	1142	1162	1182	1202	1221	1240
Percentage change	-2.78	-0.71	-6.13	-2.54	1.60	1.86	1.74	1.72	1.74	1.68	1.61	1.54
PRIMARY METALS	1094	1135	1101	1123	1145	1167	1189	1211	1232	1253	1272	1292
Percentage change	1.50	3.73	-2.95	2.00	1.91	1.94	1.86	1.86	1.73	1.67	1.59	1.53
FABRICATED METAL PRODUCTS	3594	3554	3479	3468	3542	3676	3796	3933	4018	4098	4180	4264
Percentage change	0.73	-1.12	-2.09	-0.32	2.13	3.78	3.27	3.60	2.15	2.01	2.00	2.00
MACHINERY	3122	3156	3062	3100	3290	3323	3390	3463	3530	3600	3675	3730
Percentage change	0.28	1.09	-2.97	1.24	6.13	1.00	2.03	2.14	1.95	1.98	2.07	1.50
COMPUTER & ELECTRONIC PRODUCTS	5314	5157	4950	5049	5804	6507	7162	7866	8559	9273	10082	10955
Percentage change	-2.02	-2.97	-4.00	1.99	14.96	12.11	10.07	9.82	8.81	8.35	8.72	8.66
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS	2219	2208	2140	2152	2249	2340	2433	2508	2582	2644	2701	2755
Percentage change	-0.77	-0.49	-3.06	0.55	4.53	4.03	3.97	3.08	2.94	2.41	2.17	1.98
TRANSPORTATION EQUIPMENT	8314	8395	8017	7933	8717	9329	9700	10068	10410	10787	11129	11463
Percentage change	1.23	0.97	-4.50	-1.05	9.89	7.02	3.97	3.80	3.40	3.62	3.17	3.00
FURNITURE	584	522	446	415	414	419	426	423	413	403	396	390
Percentage change	-9.80	-10.61	-14.72	-6.81	-0.26	1.21	1.58	-0.62	-2.35	-2.43	-1.85	-1.42
MISCELLANEOUS DURABLE GOODS	1566	1586	1532	1501	1546	1578	1606	1634	1662	1689	1715	1741
Percentage change	-0.42	1.28	-3.42	-2.01	2.95	2.11	1.73	1.80	1.69	1.64	1.50	1.51

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Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2000 dollars) **January 2009**

					Forecast Data							
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NONDURABLE GOODS	13,183	13,173	12,759	12,606	12,748	13,039	13,278	13,449	13,634	13,814	13,961	13,970
Percentage change	-2.25	-0.08	-3.14	-1.20	1.12	2.28	1.84	1.28	1.38	1.32	1.06	0.07
FOOD & BEVERAGE & TOBACCO	4,200	4,242	4,201	4,201	4,264	4,387	4,475	4,563	4,669	4,778	4,863	4,951
Percentage change	-2.14	0.99	-0.95	0.00	1.48	2.89	2.00	1.98	2.32	2.32	1.79	1.80
TEXTILE MILLS & TEXTILE PRODUCT MILLS	598	591	575	574	573	573	573	572	572	572	571	571
Percentage change	-3.00	-1.01	-2.82	-0.18	-0.05	0.00	-0.09	-0.11	-0.13	-0.01	-0.07	0.00
APPAREL	374	361	340	319	307	294	284	276	266	256	248	241
Percentage change	-4.47	-3.53	-5.93	-6.00	-4.04	-3.97	-3.42	-3.02	-3.52	-3.92	-2.86	-3.00
PAPER	2,115	2,073	1,991	1,991	2,067	2,109	2,151	2,186	2,219	2,248	2,272	2,295
Percentage change	-1.94	-2.00	-3.95	0.00	3.80	2.05	2.00	1.61	1.53	1.32	1.05	1.00
PRINTING & RELATED SUPPORT	1,314	1,322	1,289	1,255	1,265	1,290	1,315	1,333	1,349	1,365	1,378	1,254
Percentage change	-0.09	0.59	-2.47	-2.66	0.81	1.96	2.00	1.38	1.15	1.18	0.97	-9.00
CHEMICALS	2,570	2,625	2,547	2,512	2,514	2,602	2,668	2,692	2,714	2,734	2,750	2,765
Percentage change	-1.95	2.15	-2.96	-1.38	0.07	3.50	2.52	0.91	0.84	0.73	0.58	0.53
PLASTICS & RUBBER	1871.61	1819.75	1681.53	1620.42	1627.17	1653.75	1684.62	1700.24	1720.48	1739.41	1757.84	1776.47
Percentage change	-4.02	-2.77	-7.60	-3.63	0.42	1.63	1.87	0.93	1.19	1.10	1.06	1.06
MISCELLANEOUS NONDURABLE GOODS	140.14	138.78	134.42	133.11	131.61	129.84	127.84	126.02	124.35	122.33	120.03	117.63
Percentage change	-2.00	-0.97	-3.14	-0.98	-1.12	-1.35	-1.54	-1.42	-1.33	-1.62	-1.88	-2.00

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Appendix B: Historical Data

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Appendix B: Historical Data

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
US GDP (Bil2000$) SAAR	10946.1	11050.0	11086.1	11217.3	11291.7	11314.1	11356.4	11357.8	11491.4	11625.7	11620.7	11646.0	11727.4	11712.4	10989.5	11294.9	11523.9
% Chg Prev Qtr SAAR	2.61	3.85	1.31	4.82	2.68	0.80	1.50	0.05	4.79	4.76	-0.17	0.87	2.83	-0.51	2.94	2.78	2.03
% Chg Same Qtr Last Yr	2.93	2.99	2.68	3.14	3.16	2.39	2.44	1.25	1.77	2.75	2.33	2.54	2.05	0.75	2.94	2.78	2.03
US GDP (Bil$) SAAR	12297.5	12538.2	12696.4	12959.6	13134.1	13249.6	13370.1	13510.9	13737.5	13950.6	14031.2	14150.8	14294.5	14412.8	12421.9	13178.4	13807.6
% Chg Prev Qtr SAAR	4.76	8.06	5.14	8.55	5.50	3.56	3.69	4.28	6.88	6.35	2.33	3.45	4.12	3.35	6.30	6.09	4.77
% Chg Same Qtr Last Yr	5.92	6.44	6.26	6.62	6.80	5.67	5.31	4.25	4.59	5.29	4.94	4.74	4.05	3.31	6.30	6.09	4.77
TN PERSONAL INCOME (MIL2000$) SAAR	164190	165309	166089	168122	169918	169990	172849	173855	174094	174763	175782	175242	176472	173690	164662	170220	174623
% Chg Prev Qtr SAAR	2.80	2.75	1.90	4.99	4.34	0.17	6.90	2.35	0.55	1.55	2.35	-1.22	2.84	-6.16	2.21	3.38	2.59
% Chg Same Qtr Last Yr	2.58	2.13	1.78	3.11	3.49	2.83	4.07	3.41	2.46	2.81	1.70	0.80	1.37	-0.61	2.21	3.38	2.59
US PERSONAL INCOME (BIL2000$) SAAR	9185	9173	9339	9492	9531	9582	9740	9873	9875	9944	9958	9944	9998	9882	9203	9587	9912
% Chg Prev Qtr SAAR	3.07	-0.52	7.42	6.75	1.65	2.16	6.77	5.57	0.05	2.83	0.59	-0.58	2.21	-4.55	2.56	4.17	3.40
% Chg Same Qtr Last Yr	3.18	2.05	2.02	4.13	3.77	4.46	4.30	4.01	3.60	3.77	2.24	0.71	1.25	-0.62	2.56	4.17	3.40
TN PERSONAL INCOME (MIL$) SAAR	182056	185424	187828	190955	194554	196136	199189	202023	204118	206166	209567	210786	214491	213710	183745	195209	205469
% Chg Prev Qtr SAAR	5.42	7.61	5.29	6.83	7.75	3.29	6.37	5.81	4.21	4.07	6.76	2.35	7.22	-1.45	5.22	6.24	5.26
% Chg Same Qtr Last Yr	5.14	5.39	5.10	6.28	6.86	5.78	6.05	5.80	4.92	5.11	5.21	4.34	5.08	3.66	5.22	6.24	5.26
US PERSONAL INCOME (BIL$) SAAR	10184	10289	10561	10782	10913	11056	11225	11473	11578	11730	11872	11961	12152	12159	10270	10994	11663
% Chg Prev Qtr SAAR	5.69	4.18	11.00	8.62	4.97	5.34	6.24	9.15	3.69	5.39	4.92	3.01	6.57	0.24	5.58	7.05	6.09
% Chg Same Qtr Last Yr	5.76	5.30	5.34	7.34	7.16	7.45	6.28	6.41	6.09	6.10	5.77	4.25	4.96	3.66	5.58	7.05	6.09
TN NONFARM JOBS (THOUS)	2737.3	2750.1	2758.9	2773.1	2782.7	2787.7	2787.2	2791.6	2793.9	2801.4	2802.3	2796.9	2787.7	2783.0	2743.0	2782.7	2797.3
% Chg Prev Qtr SAAR	1.71	1.87	1.29	2.08	1.39	0.72	-0.08	0.63	0.33	1.08	0.13	-0.78	-1.30	-0.68	1.37	1.45	0.52
% Chg Same Qtr Last Yr	1.40	1.52	1.30	1.74	1.66	1.37	1.02	0.67	0.40	0.49	0.54	0.19	-0.22	-0.66	1.37	1.45	0.52
US NONFARM JOBS (MIL)	133.3	134.1	134.7	135.4	135.8	136.4	136.8	137.2	137.5	137.8	138.0	137.9	137.7	137.3	133.7	136.1	137.6
% Chg Prev Qtr SAAR	2.08	2.36	1.62	2.16	1.36	1.52	1.28	1.16	0.92	0.75	0.79	-0.33	-0.63	-1.07	1.73	1.79	1.12
% Chg Same Qtr Last Yr	1.58	1.88	1.84	2.06	1.87	1.67	1.58	1.33	1.22	1.03	0.91	0.53	0.15	-0.31	1.73	1.79	1.12
TN MFG JOBS (THOUS)	410.1	407.4	405.8	405.0	402.5	398.5	391.7	388.8	380.1	378.1	376.5	373.9	371.0	368.8	408.8	399.4	380.9
% Chg Prev Qtr SAAR	-1.77	-2.57	-1.62	-0.73	-2.51	-3.88	-6.63	-2.99	-8.60	-2.07	-1.76	-2.71	-3.04	-2.35	-0.73	-2.29	-4.65
% Chg Same Qtr Last Yr	-0.58	-1.39	-1.42	-1.67	-1.86	-2.19	-3.46	-4.02	-5.55	-5.11	-3.90	-3.83	-2.40	-2.47	-0.73	-2.29	-4.65
US MFG JOBS (MIL)	14.2	14.2	14.2	14.2	14.2	14.2	14.1	14.0	13.9	13.9	13.8	13.7	13.6	13.4	14.2	14.2	13.9
% Chg Prev Qtr SAAR	-0.76	-1.12	0.07	0.25	-0.23	-1.22	-2.77	-2.09	-2.21	-1.64	-1.79	-2.79	-3.66	-4.07	-0.62	-0.48	-1.94
% Chg Same Qtr Last Yr	-0.62	-0.98	-0.75	-0.39	-0.26	-0.29	-1.00	-1.58	-2.07	-2.18	-1.93	-2.11	-2.47	-3.08	-0.62	-0.48	-1.94
TN UNEMPLOYMENT RATE (%)	5.6	5.5	5.5	5.2	5.3	5.1	4.9	4.5	4.6	4.7	5.0	5.2	6.1	6.9	5.6	5.1	4.7
US UNEMPLOYMENT RATE (%)	5.1	5.0	4.9	4.7	4.7	4.6	4.4	4.5	4.5	4.7	4.8	4.9	5.3	6.0	5.1	4.6	4.6

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
CHAINED PRICE INDEX, GDP (2000=100.0)…	112.4	113.5	114.5	115.5	116.3	117.1	117.7	118.9	119.5	120.0	120.8	121.6	122.0	123.1	113.0	116.7	119.8
% Chg Prev Qtr SAAR………	2.09	4.08	3.75	3.54	2.73	2.75	2.18	4.11	2.02	1.52	2.84	2.63	1.12	3.94	3.27	3.22	2.69
% Chg Same Qtr Last Yr………	2.91	3.35	3.49	3.36	3.52	3.19	2.80	2.94	2.76	2.45	2.62	2.25	2.02	2.63	3.27	3.22	2.69
US PERS CONSUMP DEFL (2000=100.0)…….	110.9	112.2	113.1	113.6	114.5	115.4	115.2	116.2	117.2	118.0	119.2	120.3	121.5	123.0	111.6	114.7	117.7
% Chg Prev Qtr SAAR………	2.54	4.72	3.33	1.75	3.27	3.12	-0.49	3.38	3.64	2.49	4.31	3.61	4.26	5.02	2.94	2.77	2.60
% Chg Same Qtr Last Yr………	2.50	3.19	3.26	3.08	3.26	2.86	1.90	2.31	2.40	2.24	3.45	3.51	3.67	4.30	2.94	2.77	2.60
CONSUMER PRICE INDEX,																	
ALL-URBAN (82-84=1.000)………	1.936	1.966	1.986	1.994	2.013	2.032	2.024	2.043	2.066	2.080	2.106	2.128	2.154	2.190	1.953	2.016	2.073
% Chg Prev Qtr SAAR………	2.80	6.34	3.99	1.76	3.73	3.90	-1.50	3.68	4.57	2.78	5.03	4.33	5.04	6.72	3.37	3.23	2.86
% Chg Same Qtr Last Yr………	2.91	3.80	3.76	3.71	3.94	3.34	1.95	2.42	2.63	2.36	4.01	4.17	4.29	5.27	3.37	3.23	2.86
BANK PRIME INTEREST RATE (%)…………	5.9	6.4	7.0	7.4	7.9	8.3	8.3	8.3	8.3	8.2	7.5	6.2	5.1	5.0	6.2	8.0	8.1
FEDERAL FUNDS RATE (% per annum)………	2.943	3.460	3.980	4.457	4.907	5.247	5.247	5.257	5.250	5.073	4.497	3.177	2.087	1.940	3.213	4.964	5.019
30-YEAR FIXED MORTGAGE RATE (%)………	5.7	5.8	6.2	6.2	6.6	6.6	6.3	6.2	6.3	6.5	6.2	5.9	6.1	6.3	5.9	6.4	6.3
TN TAXABLE SALES (MIL2000$)………	19655	19884	20060	19992	20183	20203	20451	20725	20413	20496	20358	19971	19969	19254	79109	80829	81992
% Chg Prev Qtr SAAR………	2.99	4.74	3.59	-1.34	3.88	0.39	5.01	5.46	-5.88	1.64	-2.67	-7.39	-0.05	-13.57	3.67	2.17	1.44
% Chg Same Qtr Last Yr………	3.79	4.06	4.31	2.47	2.69	1.60	1.95	3.67	1.14	1.45	-0.45	-3.64	-2.18	-6.06	3.67	2.17	1.44
TN TAXABLE SALES (MIL$)………	21794	22303	22685	22707	23109	23310	23568	24083	23933	24179	24271	24022	24271	23690	88280	92694	96466
% Chg Prev Qtr SAAR………	5.61	9.68	7.03	0.38	7.28	3.52	4.49	9.03	-2.46	4.18	1.52	-4.04	4.21	-9.23	6.72	5.00	4.07
% Chg Same Qtr Last Yr………	6.38	7.38	7.71	5.62	6.04	4.51	3.89	6.06	3.57	3.73	2.98	-0.25	1.41	-2.02	6.72	5.00	4.07
TN AVG ANNUAL WAGE, NONFARM (2000$)..	32779	32892	32869	33183	33368	33252	34111	33909	33903	33844	34270	34144	33748	33528	32834	33479	33982
% Chg Prev Qtr SAAR………	-0.21	1.38	-0.29	3.88	2.25	-1.38	10.75	-2.35	-0.07	-0.71	5.13	-1.46	-4.56	-2.59	-0.06	1.96	1.50
% Chg Same Qtr Last Yr………	0.14	-0.76	-0.24	1.18	1.80	1.09	3.78	2.19	1.60	1.78	0.46	0.69	-0.46	-0.93	-0.06	1.96	1.50
TN AVG ANNUAL WAGE, NONFARM ($)…….	36346	36895	37171	37690	38206	38366	39310	39403	39750	39925	40857	41070	41019	41253	36637	38393	39984
% Chg Prev Qtr SAAR………	2.33	6.17	3.03	5.70	5.59	1.69	10.20	0.96	3.57	1.77	9.67	2.10	-0.49	2.30	2.88	4.79	4.14
% Chg Same Qtr Last Yr………	2.64	2.41	3.01	4.30	5.12	3.99	5.75	4.55	4.04	4.06	3.94	4.23	3.19	3.33	2.88	4.79	4.14

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
US GDP (2000$) SAAR	36939	37191	37227	37589	37745	37715	37766	37694	38045	38398	38288	38278	38451	38309	37037	37704	38107
% Chg Prev Qtr SAAR	1.65	2.75	0.40	3.95	1.67	-0.31	0.54	-0.76	3.78	3.75	-1.14	-0.11	1.83	-1.47	1.99	1.80	1.07
% Chg Same Qtr Last Yr	1.99	2.04	1.74	2.18	2.18	1.41	1.45	0.28	0.80	1.81	1.38	1.55	1.07	-0.23	1.99	1.80	1.07
US GDP ($) SAAR	41499	42199	42635	43428	43904	44167	44463	44840	45482	46076	46230	46511	46868	47141	41864	43991	45658
% Chg Prev Qtr SAAR	3.78	6.92	4.19	7.65	4.45	2.42	2.70	3.44	5.85	5.33	1.34	2.45	3.11	2.35	5.32	5.08	3.79
% Chg Same Qtr Last Yr	4.95	5.46	5.28	5.62	5.79	4.66	4.29	3.25	3.59	4.32	3.97	3.73	3.05	2.31	5.32	5.08	3.79
TN PERSONAL INCOME (2000$) SAAR	27503	27601	27632	27871	28069	27982	28357	28427	28371	28386	28835	28690	28834	28324	27534	28070	28505
% Chg Prev Qtr SAAR	1.48	1.43	0.46	3.51	2.87	-1.23	5.47	0.99	-0.78	0.20	6.48	-2.00	2.03	-6.89	0.94	1.95	1.55
% Chg Same Qtr Last Yr	1.33	0.81	0.44	1.71	2.06	1.38	2.62	1.99	1.08	1.44	1.68	0.92	1.63	-0.22	0.94	1.95	1.55
US PERSONAL INCOME (2000$) SAAR	30996	30873	31359	31809	31860	31942	32392	32768	32692	32842	32810	32682	32782	32323	31016	32002	32778
% Chg Prev Qtr SAAR	2.10	-1.58	6.45	5.86	0.64	1.03	5.75	4.72	-0.92	1.84	-0.39	-1.55	1.22	-5.48	1.62	3.18	2.43
% Chg Same Qtr Last Yr	2.24	1.11	1.08	3.16	2.79	3.46	3.29	3.01	2.61	2.82	1.29	-0.26	0.27	-1.58	1.62	3.18	2.43
TN PERSONAL INCOME ($) SAAR	30495	30959	31249	31656	32139	32286	32679	33033	33264	33486	34377	34509	35046	34850	30724	32190	33540
% Chg Prev Qtr SAAR	4.06	6.23	3.80	5.32	6.24	1.84	4.95	4.41	2.83	2.70	11.07	1.55	6.38	-2.22	3.91	4.77	4.19
% Chg Same Qtr Last Yr	3.87	4.03	3.71	4.85	5.39	4.29	4.58	4.35	3.50	3.72	5.20	4.47	5.36	4.07	3.91	4.77	4.19
US PERSONAL INCOME ($) SAAR	34369	34630	35464	36129	36480	36855	37328	38077	38330	38743	39116	39311	39844	39771	34611	36699	38568
% Chg Prev Qtr SAAR	4.70	3.07	9.99	7.72	3.94	4.18	5.23	8.27	2.69	4.38	3.91	2.01	5.53	-0.73	4.61	6.03	5.09
% Chg Same Qtr Last Yr	4.79	4.33	4.37	6.34	6.14	6.43	5.26	5.39	5.07	5.12	4.79	3.24	3.95	2.65	4.61	6.03	5.09
TN TAXABLE SALES (2000$)	3292	3320	3337	3314	3334	3326	3355	3389	3327	3329	3339	3270	3263	3140	13228	13329	13384
% Chg Prev Qtr SAAR	1.66	3.39	2.12	-2.74	2.42	-1.02	3.61	4.06	-7.13	0.30	1.25	-8.11	-0.83	-14.24	2.38	0.76	0.41
% Chg Same Qtr Last Yr	2.52	2.72	2.93	1.08	1.27	0.17	0.54	2.25	-0.22	0.11	-0.47	-3.52	-1.92	-5.69	2.38	0.76	0.41
TN TAXABLE SALES ($)	3651	3724	3774	3764	3818	3837	3866	3938	3900	3927	3981	3933	3966	3863	14761	15285	15747
% Chg Prev Qtr SAAR	4.25	8.28	5.52	-1.03	5.77	2.07	3.10	7.58	-3.75	2.80	5.61	-4.79	3.39	-9.94	5.39	3.55	3.02
% Chg Same Qtr Last Yr	5.08	5.99	6.29	4.20	4.57	3.04	2.45	4.61	2.17	2.35	2.97	-0.13	1.67	-1.63	5.39	3.55	3.02

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2000 dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TN PERSONAL INCOME……………………	164190	165309	166089	168122	169918	169990	172849	173855	174094	174763	175782	175242	176472	173690	164662	170220	174623
% Chg Prev Qtr SAAR………………	2.80	2.75	1.90	4.99	4.34	0.17	6.90	2.35	0.55	1.55	2.35	-1.22	2.84	-6.16	2.21	3.38	2.59
% Chg Same Qtr Last Yr……………	2.58	2.13	1.78	3.11	3.49	2.83	4.07	3.41	2.46	2.81	1.70	0.80	1.37	-0.61	2.21	3.38	2.59
WAGES AND SALARIES…………………	90538	91258	91480	92827	93647	93487	95879	95440	95501	95582	96798	96273	94864	94097	90874	93960	95830
% Chg Prev Qtr SAAR………………	1.41	3.22	0.98	6.02	3.58	-0.68	10.64	-1.82	0.26	0.34	5.19	-2.15	-5.73	-3.19	1.30	3.40	1.99
% Chg Same Qtr Last Yr……………	1.53	0.74	1.04	2.89	3.43	2.44	4.81	2.81	1.98	2.24	0.96	0.87	-0.67	-1.55	1.30	3.40	1.99
OTHER LABOR INCOME………………	21309	21376	21368	21378	21619	21543	21905	21581	21654	21633	21797	21796	21534	21336	21325	21611	21666
% Chg Prev Qtr SAAR………………	1.20	1.26	-0.15	0.18	4.60	-1.41	6.90	-5.78	1.35	-0.38	3.06	-0.01	-4.73	-3.62	0.78	1.34	0.25
% Chg Same Qtr Last Yr……………	1.35	0.17	-0.07	0.62	1.46	0.78	2.51	0.95	0.16	0.42	-0.49	0.99	-0.55	-1.37	0.78	1.34	0.25
PROPRIETORS INCOME………………	19481	20054	20074	20113	20244	19935	20058	19402	19376	19447	19421	19156	19031	18912	19733	20087	19411
% Chg Prev Qtr SAAR………………	3.29	12.29	0.39	0.78	2.64	-5.97	2.50	-12.45	-0.55	1.48	-0.52	-5.34	-2.60	-2.47	4.39	1.79	-3.36
% Chg Same Qtr Last Yr……………	3.66	5.13	4.10	4.08	3.91	-0.59	-0.08	-3.53	-4.29	-2.45	-3.18	-1.27	-1.78	-2.75	4.39	1.79	-3.36
RENT, INTEREST, DIVIDENDS……….	18863	18988	19497	20334	20766	21043	21204	21827	22153	22477	22429	22222	22269	22295	19003	20837	22222
% Chg Prev Qtr SAAR………………	4.33	2.66	11.17	18.30	8.79	5.45	3.08	12.28	6.12	5.97	-0.85	-3.65	0.86	0.46	0.97	9.65	6.65
% Chg Same Qtr Last Yr……………	1.92	1.90	0.46	8.94	10.09	10.83	8.75	7.34	6.68	6.81	5.78	1.81	0.52	-0.81	0.97	9.65	6.65
TRANSFER PAYMENTS……………….	29255	28965	28982	28967	29270	29520	29748	31421	31228	31449	31376	31810	34479	32542	29008	29376	31369
% Chg Prev Qtr SAAR………………	6.04	-3.90	0.22	-0.20	4.25	3.45	3.13	24.47	-2.44	2.87	-0.92	5.64	38.03	-20.65	3.87	1.27	6.78
% Chg Same Qtr Last Yr……………	4.82	4.20	3.32	0.48	0.05	1.91	2.64	8.47	6.69	6.54	5.48	1.24	10.41	3.48	3.87	1.27	6.78
LESS: PERS CONT FOR SOC INS……	14131	14188	14183	14461	14563	14493	14814	14776	14753	14750	14890	14955	14747	14587	14153	14583	14792
% Chg Prev Qtr SAAR………………	0.59	1.60	-0.14	8.09	2.84	-1.90	9.15	-1.01	-0.63	-0.06	3.84	1.75	-5.44	-4.27	1.37	3.03	1.44
% Chg Same Qtr Last Yr……………	1.64	0.73	1.08	2.48	3.05	2.15	4.45	2.18	1.31	1.78	0.52	1.21	-0.04	-1.11	1.37	3.03	1.44
RESIDENCE ADJUSTMENT…………..	-1124	-1143	-1129	-1034	-1066	-1045	-1132	-1040	-1064	-1073	-1149	-1061	-958	-905	-1128	-1069	-1082
% Chg Prev Qtr SAAR………………	3.03	7.01	-4.72	-29.80	13.29	-7.70	37.36	-28.53	9.20	3.65	31.47	-27.37	-33.58	-20.12	-22.18	-5.20	1.16
% Chg Same Qtr Last Yr……………	-22.37	-23.02	-22.02	-7.33	-5.10	-8.55	0.21	0.66	-0.26	2.67	1.55	1.96	-9.96	-15.63	-22.18	-5.20	1.16
PER CAPITA PERSONAL INCOME ($)……	27503	27601	27632	27871	28069	27982	28357	28427	28371	28386	28835	28690	28834	28324	27534	28070	28505
% Chg Prev Qtr SAAR………………	1.48	1.43	0.46	3.51	2.87	-1.23	5.47	0.99	-0.78	0.20	6.48	-2.00	2.03	-6.89	0.94	1.95	1.55
% Chg Same Qtr Last Yr……………	1.33	0.81	0.44	1.71	2.06	1.38	2.62	1.99	1.08	1.44	1.68	0.92	1.63	-0.22	0.94	1.95	1.55

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TN PERSONAL INCOME	182056	185424	187828	190955	194554	196136	199189	202023	204118	206166	209567	210786	214491	213710	183745	195209	205469
% Chg Prev Qtr SAAR	5.42	7.61	5.29	6.83	7.75	3.29	6.37	5.81	4.21	4.07	6.76	2.35	7.22	-1.45	5.22	6.24	5.26
% Chg Same Qtr Last Yr	5.14	5.39	5.10	6.28	6.86	5.78	6.05	5.80	4.92	5.11	5.21	4.34	5.08	3.66	5.22	6.24	5.26
WAGES AND SALARIES	100389	102362	103454	105434	107225	107866	110490	110903	111971	112757	115402	115800	115301	115778	101404	107754	112758
% Chg Prev Qtr SAAR	3.99	8.10	4.34	7.88	6.97	2.41	10.09	1.50	3.91	2.84	9.72	1.39	-1.71	1.67	4.28	6.26	4.64
% Chg Same Qtr Last Yr	4.07	3.95	4.33	6.06	6.81	5.38	6.80	5.19	4.43	4.53	4.45	4.42	2.97	2.68	4.28	6.26	4.64
OTHER LABOR INCOME	23628	23977	24165	24281	24754	24856	25243	25078	25388	25520	25986	26217	26173	26252	23795	24784	25493
% Chg Prev Qtr SAAR	3.78	6.04	3.17	1.93	8.02	1.66	6.37	-2.59	5.04	2.10	7.51	3.60	-0.67	1.21	3.74	4.15	2.86
% Chg Same Qtr Last Yr	3.88	3.37	3.19	3.72	4.77	3.67	4.46	3.28	2.56	2.67	2.94	4.54	3.09	2.87	3.74	4.15	2.86
PROPRIETORS INCOME	21601	22494	22701	22844	23179	23001	23115	22546	22717	22941	23154	23042	23131	23270	22022	23035	22840
% Chg Prev Qtr SAAR	5.91	17.59	3.73	2.54	6.00	-3.04	2.00	-9.49	3.07	4.00	3.77	-1.92	1.55	2.43	7.47	4.60	-0.85
% Chg Same Qtr Last Yr	6.25	8.48	7.49	7.28	7.31	2.25	1.82	-1.30	-1.99	-0.26	0.17	2.20	1.82	1.43	7.47	4.60	-0.85
RENT, INTEREST, DIVIDENDS	20916	21298	22049	23095	23777	24280	24435	25363	25974	26516	26740	26729	27067	27432	21207	23897	26148
% Chg Prev Qtr SAAR	6.98	7.51	14.87	20.37	12.35	8.73	2.58	16.08	9.99	8.61	3.42	-0.16	5.15	5.50	3.95	12.68	9.42
% Chg Same Qtr Last Yr	4.47	5.15	3.73	12.30	13.68	14.00	10.82	9.82	9.24	9.21	9.43	5.39	4.21	3.45	3.95	12.68	9.42
TRANSFER PAYMENTS	32438	32490	32775	32901	33514	34060	34281	36512	36613	37100	37407	38262	41907	40040	32367	33689	36908
% Chg Prev Qtr SAAR	8.73	0.64	3.56	1.55	7.66	6.68	2.62	28.69	1.11	5.43	3.35	9.46	43.90	-16.66	6.93	4.08	9.56
% Chg Same Qtr Last Yr	7.44	7.53	6.69	3.57	3.32	4.83	4.59	10.98	9.25	8.93	9.12	4.79	14.46	7.92	6.93	4.08	9.56
LESS: PERS CONT FOR SOC INS	15669	15914	16039	16425	16674	16722	17071	17170	17297	17401	17752	17988	17924	17948	15793	16723	17405
% Chg Prev Qtr SAAR	3.15	6.40	3.18	9.98	6.20	1.16	8.61	2.34	2.99	2.43	8.32	5.42	-1.42	0.54	4.35	5.89	4.08
% Chg Same Qtr Last Yr	4.18	3.95	4.37	5.64	6.41	5.08	6.43	4.54	3.74	4.06	3.99	4.76	3.62	3.14	4.35	5.89	4.08
RESIDENCE ADJUSTMENT	-1246	-1282	-1277	-1174	-1221	-1206	-1304	-1209	-1247	-1266	-1370	-1276	-1164	-1114	-1259	-1226	-1273
% Chg Prev Qtr SAAR	5.65	12.07	-1.55	-28.57	17.00	-4.82	36.69	-26.11	13.18	6.24	37.13	-24.75	-30.75	-16.11	-19.89	-2.56	3.81
% Chg Same Qtr Last Yr	-20.43	-20.57	-19.48	-4.48	-2.01	-5.93	2.11	2.98	2.13	4.98	5.06	5.54	-6.66	-12.01	-19.89	-2.56	3.81
PER CAPITA PERSONAL INCOME ($)	30495	30959	31249	31656	32139	32286	32679	33033	33264	33486	34377	34509	35046	34850	30724	32190	33540
% Chg Prev Qtr SAAR	4.06	6.23	3.80	5.32	6.24	1.84	4.95	4.41	2.83	2.70	11.07	1.55	6.38	-2.22	3.91	4.77	4.19
% Chg Same Qtr Last Yr	3.87	4.03	3.71	4.85	5.39	4.29	4.58	4.35	3.50	3.72	5.20	4.47	5.36	4.07	3.91	4.77	4.19

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Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONFARM……	2743.2	2753.9	2780.0	2742.4	2788.1	2792.3	2807.9	2760.9	2799.0	2805.9	2820.5	2767.6	2793.9	2787.8	2743.1	2782.7	2796.6
Percentage change……	1.38	1.55	1.28	1.75	1.64	1.39	1.00	0.67	0.39	0.49	0.45	0.24	-0.18	-0.65	1.37	1.44	0.50
NATURAL RESOURCES, MINING AND CONSTRUCTION……	124.2	129.2	129.2	128.3	135.6	138.1	135.6	131.7	138.8	141.2	138.7	134.0	139.3	140.8	125.2	134.4	137.6
Percentage change……	1.31	3.91	6.31	8.45	9.18	6.91	4.93	2.62	2.38	2.24	2.31	1.80	0.36	-0.33	3.37	7.33	2.39
MANUFACTURING……	411.1	408.2	405.9	403.4	403.4	399.1	391.8	387.4	380.9	378.6	376.4	372.8	371.7	369.2	408.8	399.4	380.9
Percentage change……	-0.57	-1.43	-1.45	-1.59	-1.87	-2.23	-3.47	-3.95	-5.57	-5.12	-3.92	-3.79	-2.42	-2.48	-0.73	-2.29	-4.64
DURABLE GOODS……	256.4	253.8	252.5	252.9	253.4	251.9	248.9	244.5	238.4	235.8	234.3	232.3	231.0	228.5	254.6	251.8	238.3
Percentage change……	0.63	-0.73	-1.01	-1.11	-1.14	-0.74	-1.41	-3.32	-5.93	-6.38	-5.88	-5.00	-3.12	-3.10	0.23	-1.10	-5.37
NONDURABLE GOODS……	154.7	154.4	153.4	150.5	149.9	147.2	142.9	142.9	142.5	142.8	142.1	140.5	140.7	140.7	154.2	147.6	142.6
Percentage change……	-2.50	-2.57	-2.17	-2.40	-3.08	-4.68	-6.87	-5.01	-4.96	-2.97	-0.51	-1.70	-1.24	-1.47	-2.28	-4.25	-3.40
TRADE, TRANSPORTATION, UTILITIES……	595.1	600.5	611.8	598.9	605.5	606.8	617.8	603.8	608.8	610.8	620.9	606.2	609.4	610.5	598.0	607.3	611.1
Percentage change……	1.95	2.36	1.27	2.42	1.76	1.06	0.98	0.82	0.54	0.66	0.50	0.39	0.09	-0.05	1.74	1.54	0.63
WHOLESALE TRADE……	130.4	130.7	131.1	130.7	132.2	132.8	132.5	131.6	133.2	133.8	133.9	132.9	133.9	134.3	130.3	132.0	133.1
Percentage change……	2.11	1.37	0.92	1.32	1.35	1.63	1.07	0.69	0.78	0.75	1.06	1.01	0.53	0.37	1.76	1.34	0.82
RETAIL TRADE……	323.1	324.0	333.1	322.9	326.8	326.5	336.6	326.3	328.6	329.1	338.4	327.4	328.7	329.3	324.3	328.2	330.6
Percentage change……	2.07	2.18	0.74	1.88	1.12	0.78	1.05	1.05	0.57	0.79	0.51	0.34	0.03	0.08	1.51	1.21	0.73
TRANSPORTATION & UTILITIES……	141.5	145.8	147.6	145.3	146.6	147.5	148.7	146.0	147.0	147.9	148.7	145.9	146.8	146.9	143.5	147.0	147.4
Percentage change……	1.51	3.70	2.83	4.66	3.58	1.17	0.72	0.44	0.27	0.29	-0.02	-0.07	-0.16	-0.72	2.23	2.49	0.24
INFORMATION……	49.7	49.1	49.1	49.2	50.1	49.3	49.7	49.2	49.8	50.0	49.9	49.3	49.4	49.4	49.4	49.6	49.7
Percentage change……	0.27	0.07	-0.61	-0.87	0.74	0.34	1.22	-0.07	-0.53	1.35	0.34	0.14	-0.80	-1.13	-0.19	0.35	0.27
FINANCIAL ACTIVITIES……	143.5	144.0	143.8	142.9	143.7	143.9	143.6	142.9	144.9	144.9	143.9	142.2	142.6	142.2	143.3	143.5	144.1
Percentage change……	1.44	1.19	0.33	0.80	0.09	-0.09	-0.09	-0.05	0.86	0.74	0.16	-0.47	-1.59	-1.89	0.95	0.17	0.43
PROFESSIONAL & BUSINESS SERVICES……	309.7	314.3	322.7	312.4	317.3	320.4	326.1	313.1	320.2	325.2	329.3	314.8	318.1	318.6	312.6	319.0	322.0
Percentage change……	3.27	3.02	2.93	2.81	2.43	1.94	1.05	0.25	0.92	1.50	0.98	0.52	-0.67	-2.03	3.34	2.04	0.92
EDUCATION & HEALTH SERVICES……	329.4	331.9	335.1	334.5	339.5	342.2	346.4	345.3	348.4	351.8	355.5	354.0	356.6	358.2	330.3	340.7	350.2
Percentage change……	3.29	3.03	2.84	3.00	3.06	3.11	3.38	3.23	2.63	2.79	2.63	2.53	2.35	1.82	2.96	3.14	2.82
LEISURE & HOSPITALITY……	268.3	271.7	261.5	256.6	275.2	279.2	269.5	262.8	281.8	285.5	274.8	266.9	281.2	280.3	262.0	270.1	276.2
Percentage change……	3.70	3.32	3.02	4.04	2.57	2.77	3.06	2.42	2.37	2.23	1.97	1.57	-0.20	-1.80	3.31	3.09	2.25
OTHER SERVICES……	101.7	101.1	100.1	99.6	102.2	102.9	102.3	102.7	105.2	103.6	102.2	102.3	103.9	103.2	100.7	101.8	103.4
Percentage change……	-0.55	-0.85	-0.73	-0.40	0.52	1.78	2.13	3.11	2.90	0.71	-0.10	-0.39	-1.24	-0.42	-0.94	1.01	1.65
GOVERNMENT……	410.5	403.9	420.8	416.6	415.7	410.3	425.1	422.0	420.2	414.3	428.9	425.1	421.7	415.3	412.7	416.9	421.3
Percentage change……	-1.14	0.18	0.02	0.24	1.27	1.58	1.03	1.28	1.08	0.97	0.90	0.75	0.36	0.26	-0.61	1.02	1.06
FEDERAL, CIVILIAN……	49.3	49.2	49.3	48.5	48.5	49.0	49.4	48.8	48.8	48.8	49.3	48.7	48.8	48.8	49.2	48.8	48.9
Percentage change……	-2.63	-0.87	-0.20	-1.15	-1.62	-0.47	0.14	0.69	0.62	-0.41	-0.20	-0.34	0.07	0.07	-1.91	-0.78	0.17
STATE & LOCAL……	361.2	354.7	371.5	368.1	367.2	361.3	375.7	373.1	371.4	365.5	379.7	376.5	372.9	366.5	363.5	368.1	372.4
Percentage change……	-0.93	0.33	0.04	0.43	1.66	1.86	1.15	1.36	1.14	1.15	1.05	0.89	0.40	0.28	-0.43	1.27	1.17

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL DURABLE GOODS	256.4	253.8	252.5	252.9	253.4	251.9	248.9	244.5	238.4	235.8	234.3	232.3	231.0	228.5	254.6	251.8	238.3
% Chg Same Qtr Last Yr	0.63	-0.73	-1.01	-1.11	-1.14	-0.74	-1.41	-3.32	-5.93	-6.38	-5.88	-5.00	-3.12	-3.10	0.00	-0.01	-0.05
WOOD PRODUCTS	17.7	17.8	18.0	17.9	18.1	18.1	17.5	16.5	16.2	16.1	15.6	14.6	14.5	14.3	17.8	17.9	16.1
% Chg Same Qtr Last Yr	1.53	-0.56	1.88	2.09	2.64	1.88	-2.77	-8.01	-10.48	-11.23	-11.03	-11.54	-10.68	-11.20	0.02	0.01	-0.10
NONMETALLIC MINERALS	16.0	16.1	16.1	16.0	16.3	16.3	15.9	15.5	15.7	15.8	15.8	15.8	15.7	15.7	16.0	16.1	15.7
% Chg Same Qtr Last Yr	1.05	2.11	2.76	3.22	1.46	1.04	-1.45	-3.12	-3.48	-3.07	-0.63	1.50	0.00	-0.21	0.02	0.01	-0.03
PRIMARY METALS	11.9	12.0	11.9	11.8	11.8	11.8	11.9	11.9	11.8	11.7	11.8	11.8	11.7	11.7	12.0	11.8	11.8
% Chg Same Qtr Last Yr	-1.92	-1.91	-1.10	-3.01	-1.12	-1.94	0.00	1.13	0.00	-0.85	-1.40	-1.40	-0.56	0.57	-0.01	-0.02	0.00
FABRICATED METALS	42.8	42.7	42.8	43.7	43.6	43.7	42.9	42.3	41.4	41.4	40.8	40.5	40.2	40.3	42.6	43.5	41.5
% Chg Same Qtr Last Yr	2.48	2.23	2.39	3.47	1.95	2.26	0.16	-3.13	-5.05	-5.19	-4.90	-4.33	-2.82	-2.74	0.02	0.02	-0.05
MACHINERY	35.0	33.8	32.4	34.0	33.9	33.2	31.9	32.7	31.9	31.5	30.9	31.7	31.6	31.4	33.9	33.2	31.8
% Chg Same Qtr Last Yr	-0.29	-1.36	-3.86	-1.26	-3.15	-1.78	-1.65	-3.82	-5.71	-5.02	-3.03	-3.06	-1.15	-0.53	-0.01	-0.02	-0.04
COMPUTERS & ELECTRONICS	10.5	10.2	10.1	9.6	9.4	9.1	8.9	8.4	8.1	8.0	7.8	7.4	7.3	7.1	10.4	9.3	8.1
% Chg Same Qtr Last Yr	-6.53	-10.29	-11.14	-12.20	-10.16	-10.82	-11.88	-12.85	-13.78	-11.40	-12.36	-11.16	-10.66	-11.20	-0.08	-0.11	-0.13
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	23.5	23.1	23.4	23.3	23.4	23.1	22.9	22.4	22.1	21.9	21.8	21.1	21.1	21.0	23.5	23.2	22.0
% Chg Same Qtr Last Yr	2.92	-0.57	-1.13	-2.51	-0.57	-0.29	-2.00	-4.00	-5.70	-4.91	-4.95	-5.65	-4.23	-4.26	0.02	-0.01	-0.05
TRANSPORTATION EQUIPMENT	64.4	63.5	63.7	63.2	63.4	63.9	64.3	62.9	59.4	58.3	59.2	59.4	59.2	58.1	63.9	63.7	59.9
% Chg Same Qtr Last Yr	2.99	-0.37	-0.83	-1.30	-1.45	0.74	0.99	-0.58	-6.31	-8.86	-7.98	-5.57	-0.39	-0.29	0.02	0.00	-0.06
FURNITURE	19.3	19.2	18.8	18.3	18.2	17.4	17.0	16.5	16.3	15.7	15.4	15.0	14.7	14.0	19.2	17.7	16.0
% Chg Same Qtr Last Yr	-2.69	-1.71	-3.25	-6.46	-5.36	-9.38	-9.73	-10.18	-10.79	-9.58	-9.22	-9.11	-9.84	-11.23	-0.02	-0.08	-0.10
MISCELLANEOUS DURABLES	15.3	15.4	15.2	15.0	15.3	15.4	15.7	15.4	15.4	15.4	15.3	15.1	15.0	14.9	15.3	15.3	15.4
% Chg Same Qtr Last Yr	-4.96	-2.94	-1.30	-2.18	-0.43	0.00	3.29	3.12	1.09	0.00	-2.76	-2.38	-3.02	-3.03	-0.04	0.00	0.00

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Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONDURABLE GOODS	154.7	154.4	153.4	150.5	149.9	147.2	142.9	142.9	142.5	142.8	142.1	140.5	140.7	140.7	154.2	147.6	142.6
% Chg Same Qtr Last Yr	-2.50	-2.57	-2.17	-2.40	-3.08	-4.68	-6.87	-5.01	-4.96	-2.97	-0.51	-1.70	-1.24	-1.47	-2.28	-4.25	-3.40
FOOD	34.2	34.6	34.9	34.7	34.3	33.5	33.4	33.0	32.6	32.7	32.8	32.5	32.6	32.5	34.3	34.0	32.8
% Chg Same Qtr Last Yr	-2.38	-0.19	1.75	3.68	0.19	-3.27	-4.30	-4.89	-4.86	-2.39	-1.90	-1.61	0.10	-0.61	-1.37	-0.97	-3.53
BEVERAGE & TOBACCO	5.5	5.5	5.4	5.2	5.3	5.2	5.0	5.1	5.0	5.1	5.1	5.0	5.0	5.1	5.4	5.2	5.1
% Chg Same Qtr Last Yr	-7.34	-4.62	-0.61	-1.87	-2.44	-5.45	-7.41	-3.18	-5.63	-2.56	1.33	-0.66	0.00	0.00	-5.79	-4.30	-2.57
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	18.3	17.7	17.6	16.7	16.3	15.9	15.6	15.2	15.2	15.0	14.9	14.9	15.0	14.8	18.0	16.1	15.1
% Chg Same Qtr Last Yr	-8.67	-8.12	-5.72	-9.57	-10.77	-10.53	-11.39	-9.18	-6.75	-5.46	-4.07	-1.98	-1.54	-1.11	-7.37	-10.55	-6.41
PAPER	18.9	19.1	18.8	18.3	18.5	18.5	17.9	17.5	17.4	17.6	17.3	16.8	16.9	17.0	18.9	18.3	17.4
% Chg Same Qtr Last Yr	1.07	-0.17	-0.18	-3.35	-1.77	-3.14	-4.61	-4.55	-6.29	-5.04	-3.72	-3.63	-2.69	-3.22	0.71	-3.21	-4.91
PRINTING & RELATED SUPPORT	18.8	18.9	18.6	17.8	17.7	17.9	17.6	17.0	17.0	17.4	17.3	16.8	16.7	16.9	18.8	17.7	17.2
% Chg Same Qtr Last Yr	-3.75	-5.50	-6.21	-4.64	-6.19	-5.29	-5.55	-4.31	-3.77	-2.61	-1.52	-1.57	-1.76	-3.25	-4.38	-5.42	-3.05
CHEMICALS	27.5	26.9	26.6	26.3	26.4	26.2	26.3	26.5	26.6	26.4	26.2	26.4	26.5	26.4	27.2	26.3	26.4
% Chg Same Qtr Last Yr	-1.20	-1.70	-2.56	-4.83	-3.88	-2.72	-1.00	0.89	0.63	0.76	-0.38	-0.25	-0.13	0.00	-1.75	-3.13	0.48
PLASTICS & RUBBER	29.4	29.4	29.3	29.0	29.0	27.7	24.9	26.5	26.6	26.4	26.5	25.9	25.9	25.9	29.3	27.6	26.5
% Chg Same Qtr Last Yr	2.09	0.46	-1.01	-0.91	-1.25	-5.79	-15.13	-8.52	-8.16	-4.46	6.43	-2.14	-2.88	-2.14	1.47	-5.77	-4.04
MISCELLANEOUS NONDURABLE GOODS	2.2	2.2	2.2	2.5	2.4	2.3	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.1	2.3	2.3	2.1
% Chg Same Qtr Last Yr	-23.86	-24.14	-22.35	1.37	8.96	4.55	-1.52	-12.16	-13.70	-5.80	-4.62	-1.54	0.00	-1.54	-20.23	3.31	-9.25

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) — **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONFARM	2737.3	2750.1	2758.9	2773.1	2782.7	2787.7	2787.2	2791.6	2793.9	2801.4	2802.3	2796.9	2787.7	2783.0	2743.0	2782.7	2797.3
% Chg Prev Qtr SAAR	1.71	1.87	1.29	2.08	1.39	0.72	-0.08	0.63	0.33	1.08	0.13	-0.78	-1.30	-0.68	1.37	1.45	0.52
% Chg Same Qtr Last Yr	1.40	1.52	1.30	1.74	1.66	1.37	1.02	0.67	0.40	0.49	0.54	0.19	-0.22	-0.66	1.37	1.45	0.52
NATURAL RESOURCES, MINING & CONSTRUCTION	123.0	126.0	129.1	132.8	134.4	135.0	135.5	136.1	137.6	138.0	139.0	138.7	137.7	137.5	125.3	134.4	137.7
% Chg Prev Qtr SAAR	0.11	10.36	9.98	11.97	5.01	1.80	1.59	1.68	4.48	1.07	3.03	-0.96	-2.76	-0.58	3.36	7.33	2.41
% Chg Same Qtr Last Yr	1.35	4.05	6.40	8.00	9.30	7.11	5.01	2.51	2.38	2.20	2.56	1.89	0.07	-0.34	3.36	7.33	2.41
MANUFACTURING	410.1	407.4	405.8	405.0	402.5	398.5	391.7	388.8	380.1	378.1	376.5	373.9	371.0	368.8	408.8	399.4	380.9
% Chg Prev Qtr SAAR	-1.77	-2.57	-1.62	-0.73	-2.51	-3.88	-6.63	-2.99	-8.60	-2.07	-1.76	-2.71	-3.04	-2.35	-0.73	-2.29	-4.65
% Chg Same Qtr Last Yr	-0.58	-1.39	-1.42	-1.67	-1.86	-2.19	-3.46	-4.02	-5.55	-5.11	-3.90	-3.83	-2.40	-2.47	-0.73	-2.29	-4.65
DURABLE GOODS	255.6	253.8	252.6	253.4	252.9	252.0	249.0	244.8	237.9	235.9	234.4	232.4	230.6	228.6	254.6	251.8	238.3
% Chg Prev Qtr SAAR	-1.23	-2.90	-1.85	1.27	-0.84	-1.39	-4.61	-6.60	-10.74	-3.37	-2.51	-3.33	-3.14	-3.35	0.23	-1.10	-5.37
% Chg Same Qtr Last Yr	0.68	-0.71	-1.00	-1.19	-1.09	-0.71	-1.41	-3.39	-5.89	-6.37	-5.86	-5.05	-3.09	-3.08	0.23	-1.10	-5.37
NONDURABLE GOODS	154.4	153.7	153.2	151.7	149.6	146.5	142.7	144.0	142.2	142.2	142.1	141.4	140.4	140.2	154.2	147.6	142.6
% Chg Prev Qtr SAAR	-2.66	-2.02	-1.23	-3.95	-5.25	-7.98	-10.03	3.54	-4.87	0.15	-0.51	-1.69	-2.88	-0.70	-2.27	-4.26	-3.40
% Chg Same Qtr Last Yr	-2.59	-2.50	-2.11	-2.47	-3.13	-4.63	-6.83	-5.07	-4.97	-2.94	-0.47	-1.75	-1.24	-1.45	-2.27	-4.26	-3.40
TRADE, TRANSPORTATION, UTILITIES	597.3	601.2	602.2	605.6	607.6	607.6	608.4	610.3	610.9	611.6	611.7	612.6	611.4	611.3	598.1	607.3	611.1
% Chg Prev Qtr SAAR	3.90	2.66	0.61	2.32	1.35	-0.04	0.56	1.26	0.34	0.48	0.09	0.55	-0.77	-0.04	1.74	1.55	0.63
% Chg Same Qtr Last Yr	1.92	2.36	1.36	2.36	1.73	1.06	1.04	0.78	0.53	0.66	0.54	0.36	0.09	-0.04	1.74	1.55	0.63
WHOLESALE TRADE	130.2	130.4	130.8	131.5	131.9	132.4	132.2	132.4	133.0	133.4	133.7	133.8	133.7	133.9	130.3	132.0	133.1
% Chg Prev Qtr SAAR	1.28	0.53	1.25	2.31	1.27	1.51	-0.62	0.63	1.65	1.18	0.86	0.40	-0.33	0.50	1.76	1.34	0.82
% Chg Same Qtr Last Yr	2.09	1.30	0.99	1.34	1.34	1.58	1.11	0.70	0.79	0.71	1.08	1.02	0.53	0.36	1.76	1.34	0.82
RETAIL TRADE	325.0	325.8	325.2	327.1	328.5	328.3	329.0	330.4	330.3	330.9	330.9	331.4	330.4	331.1	324.3	328.2	330.6
% Chg Prev Qtr SAAR	4.61	0.99	-0.71	2.38	1.68	-0.22	0.83	1.64	-0.03	0.65	0.05	0.54	-1.13	0.88	1.51	1.20	0.72
% Chg Same Qtr Last Yr	2.03	2.17	0.87	1.80	1.08	0.78	1.16	0.98	0.55	0.77	0.58	0.30	0.02	0.08	1.51	1.20	0.72
TRANSPORTATION & UTILITIES	142.1	145.1	146.1	146.9	147.2	146.8	147.2	147.6	147.5	147.3	147.2	147.4	147.3	146.3	143.4	147.0	147.4
% Chg Prev Qtr SAAR	4.71	8.59	3.03	2.20	0.68	-1.01	1.01	0.98	-0.01	-0.55	-0.52	0.73	-0.34	-2.57	2.23	2.50	0.24
% Chg Same Qtr Last Yr	1.52	3.75	2.82	4.61	3.58	1.22	0.72	0.41	0.24	0.36	-0.03	-0.09	-0.17	-0.68	2.23	2.50	0.24
INFORMATION	49.5	49.5	48.9	49.4	49.8	49.6	49.6	49.3	49.5	50.0	49.9	49.4	49.3	49.4	49.4	49.6	49.7
% Chg Prev Qtr SAAR	-1.86	-0.27	-4.24	3.59	3.56	-1.60	0.00	-2.13	1.09	4.66	-1.33	-3.43	-1.34	1.36	-0.19	0.37	0.17
% Chg Same Qtr Last Yr	0.07	0.13	-0.54	-0.74	0.61	0.27	1.36	-0.07	-0.67	0.87	0.54	0.20	-0.40	-1.20	-0.19	0.37	0.17
FINANCIAL ACTIVITIES	143.4	143.5	143.5	143.9	143.5	143.3	143.4	143.8	144.8	144.5	143.4	143.0	142.7	141.8	143.3	143.5	144.1
% Chg Prev Qtr SAAR	2.26	0.37	-0.09	1.03	-1.02	-0.46	0.19	1.12	2.72	-0.64	-3.10	-1.11	-0.93	-2.41	0.95	0.19	0.42
% Chg Same Qtr Last Yr	1.44	1.17	0.33	0.89	0.07	-0.14	-0.07	-0.05	0.88	0.84	0.00	-0.56	-1.45	-1.89	0.95	0.19	0.42

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
PROFESSIONAL & BUSINESS SERVICES…	310.9	313.2	317.1	317.9	318.6	319.3	320.1	318.9	321.5	323.9	325.5	319.5	318.5	317.3	312.5	319.0	322.4
% Chg Prev Qtr SAAR……	2.66	2.95	5.07	0.97	0.88	0.92	1.05	-1.57	3.39	2.98	1.95	-7.10	-1.29	-1.50	3.34	2.06	1.09
% Chg Same Qtr Last Yr……	3.29	3.04	2.81	2.90	2.45	1.95	0.96	0.31	0.93	1.44	1.67	0.21	-0.94	-2.04	3.34	2.06	1.09
EDUCATION & HEALTH SERVICES……	329.6	331.9	333.3	336.0	339.7	342.2	344.7	347.0	348.6	352.1	353.9	355.4	356.5	358.5	330.3	340.7	350.4
% Chg Prev Qtr SAAR……	4.28	2.82	1.74	3.28	4.40	2.98	3.03	2.62	1.86	4.16	2.02	1.74	1.17	2.26	2.96	3.15	2.86
% Chg Same Qtr Last Yr……	3.28	2.99	2.86	3.03	3.05	3.09	3.42	3.25	2.62	2.91	2.66	2.44	2.27	1.80	2.96	3.15	2.86
LEISURE & HOSPITALITY……	262.0	263.4	264.5	268.3	268.8	270.9	272.5	274.5	275.4	277.2	277.8	278.5	274.9	272.1	262.1	270.1	276.2
% Chg Prev Qtr SAAR……	5.47	2.15	1.73	5.92	0.75	3.06	2.48	2.87	1.37	2.69	0.87	0.91	-4.98	-4.11	3.31	3.07	2.25
% Chg Same Qtr Last Yr……	3.79	3.43	3.05	3.80	2.62	2.85	3.04	2.29	2.44	2.35	1.94	1.46	-0.17	-1.86	3.31	3.07	2.25
OTHER SERVICES……	101.0	100.5	100.5	100.6	101.5	102.3	102.7	103.7	104.4	103.2	102.5	103.3	103.0	102.8	100.7	101.8	103.5
% Chg Prev Qtr SAAR……	0.13	-2.10	0.13	0.27	3.76	3.06	1.71	3.95	2.60	-4.27	-2.68	2.89	-1.16	-0.65	-0.98	1.02	1.67
% Chg Same Qtr Last Yr……	-0.62	-0.92	-0.63	-0.40	0.50	1.79	2.19	3.12	2.82	0.95	-0.16	-0.42	-1.34	-0.42	-0.98	1.02	1.67
GOVERNMENT……	410.6	413.4	414.1	413.7	416.4	419.1	418.4	419.2	421.2	422.6	422.1	422.6	422.8	423.5	412.6	416.9	421.3
% Chg Prev Qtr SAAR……	-1.78	2.81	0.61	-0.36	2.60	2.67	-0.71	0.84	1.89	1.36	-0.46	0.42	0.23	0.59	-0.60	1.03	1.06
% Chg Same Qtr Last Yr……	-0.98	-0.04	0.01	0.31	1.41	1.37	1.04	1.34	1.17	0.84	0.90	0.80	0.39	0.19	-0.60	1.03	1.06
FEDERAL, CIVILIAN……	49.2	49.4	49.1	48.6	48.5	49.1	49.1	49.0	48.9	48.8	49.0	48.8	48.9	48.8	49.2	48.8	48.9
% Chg Prev Qtr SAAR……	1.40	1.37	-1.96	-4.52	-0.56	4.85	0.30	-1.17	-0.96	-0.12	1.07	-1.00	0.48	-0.46	-1.89	-0.76	0.19
% Chg Same Qtr Last Yr……	-2.38	-1.01	-0.49	-0.96	-1.44	-0.61	-0.04	0.83	0.73	-0.49	-0.30	-0.26	0.10	0.02	-1.89	-0.76	0.19
STATE & LOCAL……	361.4	364.1	364.9	365.1	367.9	370.0	369.3	370.3	372.4	373.8	373.2	373.7	373.9	374.6	363.4	368.1	372.4
% Chg Prev Qtr SAAR……	-2.20	3.01	0.96	0.21	3.03	2.39	-0.84	1.10	2.27	1.55	-0.66	0.61	0.20	0.72	-0.43	1.28	1.18
% Chg Same Qtr Last Yr……	-0.79	0.09	0.07	0.48	1.80	1.64	1.19	1.41	1.22	1.02	1.06	0.94	0.42	0.22	-0.43	1.28	1.18
STATISTICAL DISCREPANCY (%)……	0.02	-0.03	0.01	0.00	0.04	-0.04	0.01	-0.01	0.04	-0.08	-0.02	0.00	0.11	-0.09	0.00	0.00	-0.02

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Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL DURABLE GOODS	255.6	253.8	252.6	253.4	252.9	252.0	249.0	244.8	237.9	235.9	234.4	232.4	230.6	228.6	254.6	251.8	238.3
% Chg Prev Qtr SAAR	-1.23	-2.90	-1.85	1.27	-0.84	-1.39	-4.61	-6.60	-10.74	-3.37	-2.51	-3.33	-3.14	-3.35	0.23	-1.10	-5.37
% Chg Same Qtr Last Yr	0.68	-0.71	-1.00	-1.19	-1.09	-0.71	-1.41	-3.39	-5.89	-6.37	-5.86	-5.05	-3.09	-3.08	0.23	-1.10	-5.37
WOOD PRODUCTS	17.7	17.6	17.9	18.2	18.2	17.9	17.4	16.7	16.3	15.9	15.5	14.8	14.5	14.1	17.8	17.9	16.1
% Chg Prev Qtr SAAR	-2.28	-3.10	7.79	6.60	-0.60	-5.52	-10.73	-14.56	-10.98	-8.43	-10.12	-16.40	-7.45	-10.61	1.93	0.95	-10.18
% Chg Same Qtr Last Yr	1.46	-0.51	1.87	2.13	2.57	1.92	-2.77	-8.00	-10.51	-11.20	-11.05	-11.53	-10.67	-11.21	1.93	0.95	-10.18
NONMETALLIC MINERALS	15.9	16.0	16.1	16.2	16.2	16.2	15.9	15.7	15.6	15.7	15.8	16.0	15.6	15.6	16.0	16.1	15.7
% Chg Prev Qtr SAAR	4.50	1.70	3.69	2.66	-1.94	-0.03	-6.34	-4.32	-2.88	1.43	3.38	4.08	-8.19	0.30	1.75	1.05	-2.59
% Chg Same Qtr Last Yr	1.10	2.16	2.75	3.13	1.51	1.07	-1.47	-3.19	-3.42	-3.07	-0.65	1.47	0.05	-0.23	1.75	1.05	-2.59
PRIMARY METALS	12.0	12.0	11.9	11.8	11.8	11.8	11.9	11.9	11.8	11.7	11.7	11.7	11.8	11.8	12.0	11.8	11.8
% Chg Prev Qtr SAAR	-6.40	2.20	-4.51	-3.63	1.69	-1.02	3.27	0.35	-2.56	-4.08	0.83	0.20	0.76	0.82	-0.96	-1.54	-0.29
% Chg Same Qtr Last Yr	-1.91	-1.87	-1.03	-3.14	-1.11	-1.90	0.04	1.06	-0.02	-0.80	-1.39	-1.42	-0.59	0.65	-0.96	-1.54	-0.29
FABRICATED METALS	42.8	42.6	43.0	43.6	43.6	43.6	43.0	42.3	41.4	41.3	40.9	40.4	40.3	40.1	42.6	43.5	41.5
% Chg Prev Qtr SAAR	5.49	-1.14	3.17	6.42	-0.25	-0.33	-4.89	-6.89	-7.69	-1.36	-3.45	-4.80	-1.41	-1.41	2.25	1.95	-4.56
% Chg Same Qtr Last Yr	2.52	2.19	2.42	3.44	2.01	2.21	0.16	-3.13	-4.99	-5.24	-4.88	-4.35	-2.77	-2.78	2.25	1.95	-4.56
MACHINERY	34.4	33.9	33.1	33.7	33.4	33.3	32.6	32.3	31.5	31.6	31.6	31.3	31.2	31.4	33.9	33.2	31.8
% Chg Prev Qtr SAAR	2.22	-4.96	-9.25	6.98	-3.67	-1.18	-7.73	-3.13	-9.80	0.32	1.20	-3.90	-1.71	2.10	-1.15	-1.97	-4.41
% Chg Same Qtr Last Yr	-0.04	-1.55	-3.73	-1.45	-2.90	-1.95	-1.54	-3.96	-5.52	-5.17	-2.95	-3.14	-1.04	-0.60	-1.15	-1.97	-4.41
COMPUTERS & ELECTRONICS	10.5	10.2	9.9	9.7	9.5	9.1	8.8	8.5	8.2	8.0	7.7	7.5	7.3	7.1	10.4	9.3	8.1
% Chg Prev Qtr SAAR	-18.65	-13.94	-8.18	-8.43	-9.74	-16.54	-12.08	-13.52	-13.00	-6.53	-15.90	-9.19	-10.80	-8.56	-7.49	-11.28	-12.63
% Chg Same Qtr Last Yr	-6.49	-10.25	-11.04	-12.41	-10.10	-10.79	-11.75	-13.01	-13.80	-11.33	-12.31	-11.23	-10.67	-11.16	-7.49	-11.28	-12.63
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	23.5	23.2	23.3	23.4	23.4	23.1	22.8	22.4	22.1	22.0	21.7	21.2	21.1	21.0	23.5	23.2	22.0
% Chg Prev Qtr SAAR	-6.84	-6.43	2.30	1.27	0.74	-5.14	-4.78	-6.59	-6.34	-1.88	-4.89	-9.36	-0.59	-1.94	1.66	-1.35	-4.89
% Chg Same Qtr Last Yr	2.90	-0.50	-1.16	-2.52	-0.59	-0.25	-2.02	-3.98	-5.71	-4.91	-4.94	-5.65	-4.24	-4.25	1.66	-1.35	-4.89
TRANSPORTATION EQUIPMENT	64.4	63.8	63.3	63.3	63.5	64.3	63.9	62.8	59.5	58.7	58.8	59.3	59.3	58.6	63.9	63.7	59.9
% Chg Prev Qtr SAAR	1.25	-3.69	-2.84	-0.31	1.32	5.60	-2.82	-6.39	-19.64	-5.23	0.36	3.80	-0.15	-4.73	1.59	-0.26	-5.95
% Chg Same Qtr Last Yr	3.06	-0.22	-0.93	-1.42	-1.40	0.90	0.90	-0.67	-6.27	-8.77	-8.03	-5.62	-0.36	-0.23	1.59	-0.26	-5.95
FURNITURE	19.2	19.2	18.8	18.4	18.1	17.4	17.0	16.5	16.1	15.8	15.4	15.0	14.5	14.0	19.2	17.7	16.0
% Chg Prev Qtr SAAR	-10.58	1.29	-8.29	-7.88	-6.85	-13.94	-9.84	-10.11	-9.59	-8.35	-8.73	-9.84	-12.50	-13.55	-2.03	-7.72	-9.96
% Chg Same Qtr Last Yr	-2.88	-1.63	-3.18	-6.47	-5.51	-9.28	-9.67	-10.22	-10.89	-9.48	-9.20	-9.13	-9.87	-11.18	-2.03	-7.72	-9.96
MISCELLANEOUS DURABLES	15.3	15.3	15.2	15.1	15.2	15.3	15.7	15.5	15.4	15.3	15.3	15.2	15.0	14.9	15.3	15.3	15.4
% Chg Prev Qtr SAAR	-2.50	0.15	-2.44	-3.91	4.98	1.67	10.58	-4.15	-2.88	-2.84	-1.31	-2.45	-5.39	-2.85	-3.82	0.16	0.34
% Chg Same Qtr Last Yr	-4.88	-2.97	-1.36	-2.18	-0.36	0.02	3.20	3.13	1.14	0.00	-2.80	-2.37	-3.01	-3.01	-3.82	0.16	0.34

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Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONDURABLE GOODS	154.4	153.7	153.2	151.7	149.6	146.5	142.7	144.0	142.2	142.2	142.1	141.4	140.4	140.2	154.2	147.6	142.6
% Chg Prev Qtr SAAR	-2.66	-2.02	-1.23	-3.95	-5.25	-7.98	-10.03	3.54	-4.87	0.15	-0.51	-1.69	-2.88	-0.70	-2.27	-4.26	-3.40
% Chg Same Qtr Last Yr	-2.59	-2.50	-2.11	-2.47	-3.13	-4.63	-6.83	-5.07	-4.97	-2.94	-0.47	-1.75	-1.24	-1.45	-2.27	-4.26	-3.40
FOOD	34.2	34.6	34.8	34.9	34.3	33.5	33.3	33.1	32.6	32.7	32.6	32.6	32.6	32.6	34.3	34.0	32.8
% Chg Prev Qtr SAAR	6.80	4.61	1.66	1.19	-6.46	-8.59	-2.93	-1.82	-6.08	1.81	-1.26	-1.08	1.02	-0.90	-1.38	-0.97	-3.54
% Chg Same Qtr Last Yr	-2.44	-0.04	1.80	3.54	0.16	-3.16	-4.27	-4.99	-4.89	-2.30	-1.88	-1.69	0.11	-0.56	-1.38	-0.97	-3.54
BEVERAGE & TOBACCO	5.4	5.5	5.4	5.3	5.3	5.2	5.0	5.1	5.0	5.0	5.1	5.1	5.0	5.0	5.4	5.2	5.1
% Chg Prev Qtr SAAR	5.05	1.36	-0.89	-12.22	2.46	-10.33	-8.73	4.66	-7.42	1.99	6.76	-3.53	-4.76	2.09	-5.79	-4.31	-2.56
% Chg Same Qtr Last Yr	-7.48	-4.67	-0.46	-1.89	-2.50	-5.44	-7.37	-3.21	-5.63	-2.55	1.35	-0.70	0.01	0.04	-5.79	-4.31	-2.56
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	18.1	17.7	17.6	16.8	16.2	15.9	15.6	15.3	15.1	15.0	14.9	15.0	14.9	14.8	18.0	16.1	15.1
% Chg Prev Qtr SAAR	-10.18	-9.09	-2.78	-16.19	-14.17	-7.91	-7.25	-7.54	-3.93	-2.84	-2.12	0.86	-1.74	-1.41	-7.37	-10.55	-6.42
% Chg Same Qtr Last Yr	-8.63	-8.00	-5.78	-9.68	-10.70	-10.42	-11.46	-9.26	-6.67	-5.41	-4.13	-2.02	-1.47	-1.11	-7.37	-10.55	-6.42
PAPER	18.9	18.8	18.8	18.6	18.6	18.2	17.9	17.7	17.4	17.3	17.2	17.1	16.9	16.8	18.9	18.3	17.4
% Chg Prev Qtr SAAR	-7.34	-1.98	-1.20	-3.31	-0.54	-7.12	-7.13	-3.51	-7.54	-1.62	-1.96	-3.42	-3.83	-3.49	0.73	-3.22	-4.92
% Chg Same Qtr Last Yr	1.07	-0.13	-0.09	-3.49	-1.76	-3.08	-4.57	-4.61	-6.34	-4.98	-3.69	-3.66	-2.71	-3.18	0.73	-3.22	-4.92
PRINTING & RELATED SUPPORT	19.0	18.6	18.4	18.2	17.8	17.7	17.4	17.4	17.2	17.2	17.1	17.1	16.9	16.6	18.8	17.7	17.2
% Chg Prev Qtr SAAR	-1.28	-7.23	-5.59	-4.61	-7.30	-3.57	-6.36	-0.39	-4.40	0.81	-1.74	-1.24	-4.62	-5.35	-4.33	-5.41	-3.07
% Chg Same Qtr Last Yr	-3.78	-5.46	-6.19	-4.70	-6.19	-5.28	-5.47	-4.44	-3.70	-2.63	-1.45	-1.66	-1.72	-3.25	-4.33	-5.41	-3.07
CHEMICALS	27.4	27.0	26.7	26.3	26.3	26.2	26.4	26.5	26.4	26.5	26.3	26.4	26.4	26.5	27.2	26.3	26.4
% Chg Prev Qtr SAAR	-3.75	-5.84	-4.17	-5.83	0.07	-0.54	2.70	1.17	-0.90	0.25	-1.99	1.65	-0.41	0.79	-1.75	-3.14	0.46
% Chg Same Qtr Last Yr	-1.37	-1.58	-2.47	-4.90	-3.97	-2.65	-0.95	0.84	0.60	0.80	-0.37	-0.25	-0.13	0.00	-1.75	-3.14	0.46
PLASTICS & RUBBER	29.1	29.3	29.4	29.2	28.7	27.6	25.0	26.7	26.4	26.3	26.6	26.2	25.6	25.8	29.3	27.6	26.5
% Chg Prev Qtr SAAR	-3.78	1.83	1.78	-2.71	-6.28	-15.21	-32.75	31.55	-5.52	-0.58	4.23	-6.22	-8.69	2.70	1.48	-5.77	-4.03
% Chg Same Qtr Last Yr	1.88	0.42	-0.97	-0.75	-1.40	-5.82	-15.08	-8.43	-8.25	-4.52	6.53	-2.11	-2.94	-2.15	1.48	-5.77	-4.03
MISCELLANEOUS NONDURABLE GOODS	2.2	2.2	2.2	2.5	2.4	2.3	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.1	2.3	2.3	2.1
% Chg Prev Qtr SAAR	-29.49	-7.13	-0.49	58.58	-3.87	-22.20	-17.86	-5.27	-8.32	9.51	-10.91	3.43	-0.62	2.40	-20.22	3.30	-9.30
% Chg Same Qtr Last Yr	-23.93	-24.24	-21.76	0.83	8.95	4.23	-0.65	-12.66	-13.69	-5.99	-4.06	-1.93	0.07	-1.60	-20.22	3.30	-9.30

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Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2000 dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONFARM	32709	32847	32619	33555	33304	33198	33859	34287	33841	33789	34049	34506	33674	33470	32836	33479	33991
% Chg Same Qtr Last Yr	0.16	-0.79	-0.22	1.17	1.82	1.07	3.80	2.18	1.61	1.78	0.56	0.64	-0.50	-0.94	-0.06	1.96	1.53
NATURAL RESOURCES, MINING & CONSTRUCTION	34935	34778	34971	37502	35579	34992	38006	38575	36639	36696	38815	39096	36829	36172	35108	36520	37682
% Chg Same Qtr Last Yr	3.03	3.05	1.51	4.90	1.84	0.62	8.68	2.86	2.98	4.87	2.13	1.35	0.52	-1.43	1.96	4.02	3.18
MANUFACTURING	38370	38658	38819	39232	38982	38932	39982	39797	39781	39297	39718	40381	38897	38630	38632	39282	39649
% Chg Same Qtr Last Yr	-1.22	-1.72	-1.42	1.43	1.59	0.71	3.00	1.44	2.05	0.94	-0.66	1.47	-2.22	-1.70	-0.92	1.68	0.93
DURABLE GOODS	37634	38051	38000	38378	38483	38218	39126	38932	38771	38395	38767	38378	37859	37644	37917	38551	38716
% Chg Same Qtr Last Yr	-0.48	-1.59	-1.70	1.04	2.26	0.44	2.96	1.44	0.75	0.46	-0.92	-1.42	-2.35	-1.96	-0.97	1.67	0.43
NONDURABLE GOODS	39590	39656	40166	40667	39826	40153	41473	41278	41472	40787	41286	43693	40601	40233	39812	40529	41206
% Chg Same Qtr Last Yr	-2.24	-1.88	-0.94	2.09	0.60	1.25	3.25	1.50	4.13	1.58	-0.45	5.85	-2.10	-1.36	-0.76	1.80	1.67
TRADE, TRANSPORTATION, UTILITIES	31591	31771	31038	32152	31783	31805	32067	32654	32793	32311	31621	32110	31513	31041	31549	31952	32345
% Chg Same Qtr Last Yr	0.99	0.48	0.71	1.12	0.61	0.11	3.31	1.56	3.18	1.59	-1.39	-1.66	-3.91	-3.93	0.86	1.28	1.23
WHOLESALE TRADE	44837	45701	45351	46768	46316	46482	47827	47664	47557	46953	47514	46930	46422	45812	45232	46848	47422
% Chg Same Qtr Last Yr	1.26	1.49	0.66	3.84	3.30	1.71	5.46	1.91	2.68	1.01	-0.66	-1.54	-2.39	-2.43	1.04	3.57	1.22
RETAIL TRADE	22643	22442	21907	22683	22467	22431	22321	23161	22956	23109	22159	22844	22397	22131	22442	22475	22846
% Chg Same Qtr Last Yr	0.86	-0.48	0.21	-0.41	-0.78	-0.05	1.89	2.11	2.17	3.03	-0.72	-1.37	-2.43	-4.23	0.47	0.15	1.65
TRANSPORTATION & UTILITIES	39813	40014	38938	40049	39445	39339	40091	40344	41410	39532	38846	39407	38327	37508	39713	39731	40033
% Chg Same Qtr Last Yr	0.98	0.60	0.95	-0.10	-0.93	-1.69	2.96	0.74	4.98	0.49	-3.11	-2.32	-7.44	-5.12	0.98	0.04	0.76
INFORMATION	40448	40735	37506	42400	42511	41823	45802	43466	42388	44143	46411	44550	43769	43730	39649	43134	44102
% Chg Same Qtr Last Yr	2.11	1.45	-7.41	6.25	5.10	2.67	22.12	2.51	-0.29	5.55	1.33	2.49	3.26	-0.94	-0.88	8.79	2.24
FINANCIAL ACTIVITIES	45051	45276	46456	47510	47320	48218	49450	50544	48402	49176	50001	50081	49942	49193	45711	48125	49531
% Chg Same Qtr Last Yr	-3.29	-3.69	-0.90	3.14	5.04	6.50	6.44	6.39	2.29	1.99	1.11	-0.92	3.18	0.03	-2.34	5.28	2.92
PROFESSIONAL & BUSINESS SERVICES	34321	34352	33373	35593	35723	34667	35731	36893	36887	36786	36976	39164	37867	37600	34250	35428	36885
% Chg Same Qtr Last Yr	0.52	-0.42	-0.24	1.83	4.09	0.92	7.06	3.65	3.26	6.11	3.49	6.16	2.66	2.21	0.28	3.44	4.11
EDUCATION & HEALTH SERVICES	35637	35097	35062	35336	35998	35158	35231	36066	35504	35544	35679	35263	35189	35083	35289	35431	35698
% Chg Same Qtr Last Yr	3.20	0.37	0.25	-0.07	1.01	0.18	0.48	2.07	-1.37	1.10	1.27	-2.23	-0.89	-1.30	1.42	0.40	0.75
LEISURE & HOSPITALITY	15316	15255	16086	16660	15552	15969	16563	17142	15865	15545	17206	16733	15554	15325	15760	16186	16439
% Chg Same Qtr Last Yr	-0.25	0.08	0.85	1.68	1.54	4.68	2.97	2.89	2.01	-2.66	3.88	-2.38	-1.96	-1.42	-0.34	2.70	1.56
OTHER SERVICES	29406	30001	30484	30840	30575	30197	30912	30818	30111	30192	31288	31384	30883	30984	29955	30631	30602
% Chg Same Qtr Last Yr	-2.66	-0.35	2.02	3.04	3.98	0.65	1.40	-0.07	-1.52	-0.01	1.22	1.84	2.56	2.62	-1.30	2.26	-0.09
GOVERNMENT	31351	32087	31181	31125	31691	32467	31955	31780	32308	32940	32108	32775	32792	33243	31515	31809	32284
% Chg Same Qtr Last Yr	-0.04	-2.13	0.53	-1.00	1.08	1.18	2.48	2.10	1.95	1.46	0.48	3.13	1.50	0.92	-0.04	0.93	1.49
FEDERAL, CIVILIAN	52374	52096	51585	52971	52726	52568	52277	54225	53639	53399	52438	53401	53189	52895	52220	52635	53425
% Chg Same Qtr Last Yr	-0.25	-0.29	-0.04	0.28	0.67	0.91	1.34	2.37	1.73	1.58	0.31	-1.52	-0.84	-0.94	0.27	0.80	1.50
STATE & LOCAL	28482	29312	28473	28247	28913	29743	29285	28843	29505	30210	29469	30109	30121	30626	28711	29047	29507
% Chg Same Qtr Last Yr	0.19	-2.46	0.69	-1.16	1.51	1.47	2.85	2.11	2.05	1.57	0.63	4.39	2.09	1.38	0.03	1.17	1.58

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONFARM	32779	32892	32869	33183	33368	33252	34111	33909	33903	33844	34270	34144	33748	33528	32834	33479	33982
% Chg Prev Qtr SAAR	-0.21	1.38	-0.29	3.88	2.25	-1.38	10.75	-2.35	-0.07	-0.71	5.13	-1.46	-4.56	-2.59	-0.06	1.96	1.50
% Chg Same Qtr Last Yr	0.14	-0.76	-0.24	1.18	1.80	1.09	3.78	2.19	1.60	1.78	0.46	0.69	-0.46	-0.93	-0.06	1.96	1.50
NATURAL RESOURCES, MINING & CONSTRUCTION	35285	35651	35016	36241	35897	35804	38025	37319	36968	37565	38741	37789	37266	37031	35089	36492	37648
% Chg Prev Qtr SAAR	10.67	4.22	-6.94	14.74	-3.74	-1.03	27.22	-7.22	-3.71	6.62	13.12	-9.47	-5.43	-2.49	1.99	4.00	3.17
% Chg Same Qtr Last Yr	2.99	2.93	1.41	5.34	1.73	0.43	8.59	2.98	2.98	4.92	1.88	1.26	0.81	-1.42	1.99	4.00	3.17
MANUFACTURING	38462	38728	38831	39070	39069	38986	39989	39661	39862	39348	39715	40260	38969	38674	38628	39278	39646
% Chg Prev Qtr SAAR	-0.29	2.80	1.07	2.49	-0.01	-0.85	10.69	-3.24	2.05	-5.06	3.78	5.61	-12.22	-3.00	-0.92	1.69	0.94
% Chg Same Qtr Last Yr	-1.21	-1.76	-1.44	1.51	1.58	0.67	2.98	1.51	2.03	0.93	-0.69	1.51	-2.24	-1.71	-0.92	1.69	0.94
DURABLE GOODS	37741	38050	37987	38305	38572	38208	39113	38884	38844	38382	38748	38349	37920	37625	37914	38549	38714
% Chg Prev Qtr SAAR	-1.45	3.32	-0.66	3.39	2.82	-3.72	9.82	-2.33	-0.40	-4.68	3.87	-4.05	-4.41	-3.07	-0.97	1.68	0.43
% Chg Same Qtr Last Yr	-0.53	-1.61	-1.70	1.12	2.20	0.41	2.96	1.51	0.71	0.46	-0.93	-1.37	-2.38	-1.97	-0.97	1.68	0.43
NONDURABLE GOODS	39655	39847	40223	40349	39909	40324	41516	40983	41566	40950	41310	43400	40692	40383	39806	40525	41202
% Chg Prev Qtr SAAR	1.61	1.95	3.82	1.26	-4.29	4.22	12.35	-5.04	5.81	-5.80	3.56	21.82	-22.71	-3.00	-0.77	1.81	1.67
% Chg Same Qtr Last Yr	-2.15	-1.95	-1.00	2.16	0.64	1.20	3.21	1.57	4.15	1.55	-0.50	5.90	-2.10	-1.38	-0.77	1.81	1.67
TRADE, TRANSPORTATION, UTILITIES	31472	31731	31537	31795	31672	31766	32560	32305	32684	32271	32095	31775	31410	31001	31542	31948	32339
% Chg Prev Qtr SAAR	0.56	3.33	-2.41	3.31	-1.54	1.18	10.39	-3.10	4.78	-4.97	-2.16	-3.94	-4.51	-5.11	0.86	1.29	1.22
% Chg Same Qtr Last Yr	1.02	0.49	0.63	1.17	0.64	0.11	3.24	1.60	3.20	1.59	-1.43	-1.64	-3.90	-3.94	0.86	1.29	1.22
WHOLESALE TRADE	44906	45816	45451	46463	46395	46621	47912	47349	47634	47114	47587	46617	46497	45977	45231	46848	47421
% Chg Prev Qtr SAAR	1.39	8.36	-3.15	9.21	-0.58	1.96	11.55	-4.62	2.43	-4.29	4.08	-7.91	-1.02	-4.40	1.04	3.57	1.22
% Chg Same Qtr Last Yr	1.28	1.56	0.60	3.82	3.32	1.76	5.42	1.91	2.67	1.06	-0.68	-1.55	-2.39	-2.41	1.04	3.57	1.22
RETAIL TRADE	22513	22315	22439	22389	22348	22306	22838	22877	22838	22983	22658	22571	22284	22011	22432	22470	22839
% Chg Prev Qtr SAAR	0.90	-3.47	2.24	-0.90	-0.72	-0.76	9.89	0.69	-0.69	2.58	-5.54	-1.53	-5.00	-4.80	0.47	0.17	1.64
% Chg Same Qtr Last Yr	0.91	-0.48	0.07	-0.33	-0.73	-0.04	1.78	2.18	2.19	3.04	-0.79	-1.34	-2.43	-4.23	0.47	0.17	1.64
TRANSPORTATION & UTILITIES	39653	40218	39334	39610	39285	39520	40501	39911	41256	39690	39245	38992	38190	37644	39709	39729	40025
% Chg Prev Qtr SAAR	0.25	5.82	-8.51	2.84	-3.24	2.42	10.31	-5.71	14.18	-14.34	-4.41	-2.56	-7.97	-5.60	0.97	0.05	0.75
% Chg Same Qtr Last Yr	0.96	0.55	0.96	-0.05	-0.93	-1.74	2.97	0.76	5.02	0.43	-3.10	-2.30	-7.43	-5.15	0.97	0.05	0.75
INFORMATION	40611	40461	37659	42286	42739	41570	45925	43348	42674	44084	46442	44400	43887	43700	39646	43130	44137
% Chg Prev Qtr SAAR	7.82	-1.47	-24.95	58.96	4.36	-10.50	48.96	-20.62	-6.08	13.88	23.17	-16.46	-4.54	-1.69	-0.89	8.79	2.34
% Chg Same Qtr Last Yr	2.32	1.39	-7.47	6.10	5.24	2.74	21.95	2.51	-0.15	6.05	1.13	2.43	2.84	-0.87	-0.89	8.79	2.34
FINANCIAL ACTIVITIES	45093	45423	46542	47202	47375	48398	49530	50216	48447	49312	50163	49801	49918	49332	45716	48126	49535
% Chg Prev Qtr SAAR	-6.06	2.95	10.23	5.79	1.48	8.92	9.69	5.65	-13.37	7.34	7.08	-2.86	0.95	-4.62	-2.34	5.27	2.93
% Chg Same Qtr Last Yr	-3.29	-3.67	-0.90	3.05	5.06	6.55	6.42	6.39	2.26	1.89	1.28	-0.83	3.04	0.04	-2.34	5.27	2.93

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
PROFESSIONAL & BUSINESS SERVICES…	34188	34477	33959	34977	35577	34790	36393	36229	36734	36938	37408	38580	37815	37758	34251	35434	36827
% Chg Prev Qtr SAAR……………………	-2.22	3.42	-5.87	12.54	7.04	-8.56	19.74	-1.79	5.69	2.24	5.19	13.14	-7.70	-0.61	0.28	3.45	3.93
% Chg Same Qtr Last Yr…………………	0.50	-0.44	-0.12	1.74	4.06	0.91	7.17	3.58	3.25	6.17	2.79	6.49	2.95	2.22	0.28	3.45	3.93
EDUCATION & HEALTH SERVICES…………	35615	35097	35247	35172	35977	35165	35404	35889	35487	35507	35843	35121	35203	35054	35291	35430	35682
% Chg Prev Qtr SAAR……………………	4.72	-5.70	1.73	-0.86	9.48	-8.73	2.75	5.59	-4.41	0.22	3.84	-7.82	0.94	-1.68	1.42	0.39	0.71
% Chg Same Qtr Last Yr…………………	3.21	0.41	0.23	-0.10	1.02	0.19	0.45	2.04	-1.36	0.97	1.24	-2.14	-0.80	-1.28	1.42	0.39	0.71
LEISURE & HOSPITALITY……………………	15688	15737	15903	15930	15922	16462	16379	16411	16231	16007	17018	16038	15908	15791	15740	16173	16417
% Chg Prev Qtr SAAR……………………	1.50	1.25	4.29	0.67	-0.19	14.28	-2.02	0.78	-4.31	-5.42	27.77	-21.12	-3.20	-2.92	-0.34	2.75	1.51
% Chg Same Qtr Last Yr…………………	-0.34	-0.02	0.82	1.92	1.49	4.61	2.99	3.02	1.94	-2.77	3.90	-2.27	-1.99	-1.35	-0.34	2.75	1.51
OTHER SERVICES……………………………	29610	30180	30373	30554	30796	30374	30781	30531	30352	30300	31176	31100	31163	31094	29954	30626	30590
% Chg Prev Qtr SAAR……………………	-0.59	7.92	2.58	2.41	3.21	-5.37	5.48	-3.22	-2.33	-0.68	12.08	-0.98	0.81	-0.87	-1.26	2.24	-0.12
% Chg Same Qtr Last Yr…………………	-2.59	-0.28	1.91	3.04	4.01	0.64	1.35	-0.08	-1.44	-0.24	1.28	1.86	2.67	2.62	-1.26	2.24	-0.12
GOVERNMENT…………………………………	31345	31349	31685	31346	31641	31784	32469	31987	32230	32288	32624	32972	32707	32605	31516	31810	32282
% Chg Prev Qtr SAAR……………………	-4.23	0.05	4.35	-4.21	3.81	1.82	8.90	-5.80	3.08	0.72	4.23	4.34	-3.18	-1.24	-0.02	0.93	1.48
% Chg Same Qtr Last Yr…………………	-0.20	-1.91	0.54	-1.07	0.94	1.39	2.47	2.04	1.86	1.59	0.48	3.08	1.48	0.98	-0.02	0.93	1.48
FEDERAL, CIVILIAN………………………	52470	51908	51760	52896	52726	52449	52545	54073	53582	53322	52759	53208	53114	52845	52248	52654	53434
% Chg Prev Qtr SAAR……………………	-2.88	-4.21	-1.14	9.08	-1.28	-2.09	0.74	12.15	-3.59	-1.92	-4.16	3.45	-0.70	-2.01	0.26	0.78	1.48
% Chg Same Qtr Last Yr…………………	-0.51	-0.16	0.25	0.08	0.49	1.04	1.52	2.23	1.62	1.66	0.41	-1.60	-0.87	-0.90	0.26	0.78	1.48
STATE & LOCAL……………………………	28469	28561	28982	28480	28861	29043	29798	29066	29429	29540	29982	30328	30038	29966	28710	29045	29504
% Chg Prev Qtr SAAR……………………	-4.90	1.30	6.04	-6.76	5.46	2.55	10.81	-9.47	5.09	1.51	6.12	4.70	-3.77	-0.95	0.06	1.17	1.58
% Chg Same Qtr Last Yr…………………	0.04	-2.23	0.66	-1.21	1.38	1.69	2.81	2.06	1.97	1.71	0.62	4.34	2.07	1.44	0.06	1.17	1.58

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Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONFARM	36268	36843	36889	38112	38132	38304	39019	39842	39678	39861	40593	41504	40928	41182	36637	38392	39993
% Chg Same Qtr Last Yr	2.66	2.38	3.03	4.28	5.14	3.97	5.77	4.54	4.05	4.06	4.03	4.17	3.15	3.32	2.88	4.79	4.17
NATURAL RESOURCES, MINING & CONSTRUCTION	38736	39009	39549	42595	40737	40374	43798	44825	42958	43290	46276	47026	44763	44506	39171	41876	44337
% Chg Same Qtr Last Yr	5.60	6.34	4.81	8.13	5.17	3.50	10.74	5.23	5.45	7.22	5.66	4.91	4.20	2.81	4.97	6.91	5.88
MANUFACTURING	42545	43362	43900	44560	44634	44920	46075	46245	46642	46359	47352	48572	47277	47531	43107	45047	46650
% Chg Same Qtr Last Yr	1.25	1.41	1.80	4.55	4.91	3.59	4.95	3.78	4.50	3.20	2.77	5.03	1.36	2.53	1.99	4.50	3.56
DURABLE GOODS	41729	42681	42974	43590	44063	44097	45088	45239	45457	45295	46219	46162	46015	46317	42309	44210	45552
% Chg Same Qtr Last Yr	2.01	1.55	1.50	4.15	5.59	3.32	4.92	3.78	3.16	2.72	2.51	2.04	1.23	2.26	1.94	4.49	3.04
NONDURABLE GOODS	43898	44482	45424	46190	45600	46328	47793	47966	48625	48116	49221	52555	49349	49502	44424	46478	48482
% Chg Same Qtr Last Yr	0.20	1.25	2.29	5.23	3.88	4.15	5.22	3.85	6.63	3.86	2.99	9.57	1.49	2.88	2.16	4.62	4.31
TRADE, TRANSPORTATION, UTILITIES	35028	35637	35101	36519	36391	36697	36954	37944	38449	38117	37699	38623	38302	38193	35201	36640	38052
% Chg Same Qtr Last Yr	3.51	3.68	4.00	4.23	3.89	2.97	5.28	3.90	5.65	3.87	2.02	1.79	-0.38	0.20	3.83	4.09	3.85
WHOLESALE TRADE	49716	51262	51287	53120	53032	53631	55116	55386	55758	55390	56646	56448	56423	56367	50473	53725	55795
% Chg Same Qtr Last Yr	3.79	4.73	3.94	7.04	6.67	4.62	7.47	4.27	5.14	3.28	2.78	1.92	1.19	1.76	4.01	6.44	3.85
RETAIL TRADE	25107	25172	24774	25763	25725	25881	25722	26914	26914	27262	26418	27477	27223	27231	25038	25773	26877
% Chg Same Qtr Last Yr	3.38	2.69	3.47	2.66	2.46	2.81	3.83	4.47	4.62	5.34	2.70	2.09	1.15	-0.11	3.42	2.94	4.28
TRANSPORTATION & UTILITIES	44145	44883	44035	45489	45164	45390	46200	46881	48551	46636	46312	47399	46584	46151	44309	45561	47095
% Chg Same Qtr Last Yr	3.50	3.81	4.24	2.98	2.31	1.13	4.92	3.06	7.50	2.75	0.24	1.11	-4.05	-1.04	3.95	2.83	3.37
INFORMATION	44849	45692	42415	48158	48675	48256	52782	50508	49699	52075	55331	53586	53198	53806	44232	49468	51903
% Chg Same Qtr Last Yr	4.66	4.69	-4.39	9.52	8.53	5.61	24.44	4.88	2.10	7.91	4.83	6.09	7.04	3.32	2.01	11.84	4.92
FINANCIAL ACTIVITIES	49954	50785	52537	53962	54181	55635	56985	58733	56749	58013	59611	60239	60701	60527	51007	55191	58277
% Chg Same Qtr Last Yr	-0.88	-0.62	2.33	6.32	8.46	9.55	8.47	8.84	4.74	4.27	4.61	2.56	6.96	4.33	0.54	8.20	5.59
PROFESSIONAL & BUSINESS SERVICES	38055	38532	37742	40427	40903	39999	41176	42870	43248	43397	44083	47108	46025	46263	38211	40626	43399
% Chg Same Qtr Last Yr	3.03	2.76	3.01	4.97	7.48	3.81	9.10	6.04	5.73	8.49	7.06	9.89	6.42	6.61	3.22	6.32	6.83
EDUCATION & HEALTH SERVICES	39514	39367	39651	40136	41218	40566	40599	41910	41627	41931	42536	42415	42771	43167	39374	40630	42001
% Chg Same Qtr Last Yr	5.78	3.56	3.51	3.01	4.31	3.04	2.39	4.42	0.99	3.37	4.77	1.21	2.75	2.95	4.40	3.19	3.38
LEISURE & HOSPITALITY	16983	17111	18191	18923	17807	18425	19087	19919	18600	18338	20513	20127	18905	18856	17585	18561	19343
% Chg Same Qtr Last Yr	2.25	3.27	4.14	4.82	4.85	7.68	4.93	5.26	4.46	-0.47	7.47	1.05	1.64	2.82	2.60	5.55	4.21
OTHER SERVICES	32606	33651	34474	35028	35008	34841	35623	35811	35304	35618	37302	37749	37536	38123	33427	35125	36009
% Chg Same Qtr Last Yr	-0.23	2.82	5.34	6.21	7.37	3.54	3.33	2.23	0.85	2.23	4.71	5.41	6.32	7.03	1.62	5.08	2.52
GOVERNMENT	34762	35991	35262	35352	36286	37460	36824	36929	37880	38859	38279	39423	39857	40902	35165	36481	37987
% Chg Same Qtr Last Yr	2.45	0.99	3.80	2.05	4.38	4.08	4.43	4.46	4.39	3.73	3.95	6.75	5.22	5.26	2.90	3.74	4.13
FEDERAL, CIVILIAN	58073	58435	58337	60165	60371	60654	60243	63010	62889	62994	62517	64233	64648	65082	58263	60358	62853
% Chg Same Qtr Last Yr	2.24	2.88	3.22	3.36	3.96	3.80	3.27	4.73	4.17	3.86	3.77	1.94	2.80	3.31	3.22	3.60	4.13
STATE & LOCAL	31581	32878	32199	32083	33105	34317	33747	33516	34593	35639	35133	36216	36610	37683	32037	33313	34720
% Chg Same Qtr Last Yr	2.69	0.65	3.97	1.89	4.82	4.38	4.81	4.47	4.50	3.85	4.11	8.05	5.83	5.74	2.97	3.98	4.22

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

January 2009

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL NONFARM	36346	36895	37171	37690	38206	38366	39310	39403	39750	39925	40857	41070	41019	41253	36637	38393	39984
% Chg Prev Qtr SAAR	2.33	6.17	3.03	5.70	5.59	1.69	10.20	0.96	3.57	1.77	9.67	2.10	-0.49	2.30	2.88	4.79	4.14
% Chg Same Qtr Last Yr	2.64	2.41	3.01	4.30	5.12	3.99	5.75	4.55	4.04	4.06	3.94	4.23	3.19	3.33	2.88	4.79	4.14
NATURAL RESOURCES, MINING & CONSTRUCTION	39124	39989	39600	41162	41101	41311	43819	43365	43343	44315	46187	45454	45294	45564	39155	41849	44303
% Chg Prev Qtr SAAR	13.48	9.14	-3.84	16.74	-0.59	2.06	26.59	-4.08	-0.20	9.28	18.00	-6.20	-1.40	2.40	4.99	6.88	5.86
% Chg Same Qtr Last Yr	5.56	6.21	4.72	8.59	5.05	3.31	10.66	5.35	5.45	7.27	5.40	4.82	4.50	2.82	4.99	6.88	5.86
MANUFACTURING	42647	43440	43914	44376	44734	44983	46082	46087	46737	46418	47348	48426	47364	47584	43103	45044	46647
% Chg Prev Qtr SAAR	2.24	7.65	4.43	4.28	3.26	2.24	10.14	0.04	5.76	-2.70	8.25	9.42	-8.48	1.87	1.99	4.50	3.56
% Chg Same Qtr Last Yr	1.25	1.37	1.77	4.64	4.89	3.55	4.94	3.85	4.48	3.19	2.75	5.08	1.34	2.51	1.99	4.50	3.56
DURABLE GOODS	41847	42680	42959	43507	44164	44085	45074	45184	45544	45279	46195	46127	46089	46295	42306	44207	45550
% Chg Prev Qtr SAAR	1.05	8.20	2.64	5.20	6.18	-0.72	9.28	0.98	3.23	-2.31	8.34	-0.58	-0.33	1.80	1.94	4.49	3.04
% Chg Same Qtr Last Yr	1.96	1.53	1.50	4.24	5.54	3.29	4.92	3.85	3.12	2.71	2.49	2.09	1.20	2.24	1.94	4.49	3.04
NONDURABLE GOODS	43970	44696	45487	45829	45696	46527	47842	47623	48734	48308	49250	52202	49459	49688	44418	46473	48479
% Chg Prev Qtr SAAR	4.19	6.77	7.27	3.04	-1.16	7.47	11.80	-1.82	9.67	-3.45	8.03	26.23	-19.42	1.87	2.14	4.63	4.31
% Chg Same Qtr Last Yr	0.29	1.18	2.22	5.30	3.93	4.10	5.18	3.91	6.65	3.83	2.94	9.62	1.49	2.86	2.14	4.63	4.31
TRADE, TRANSPORTATION, UTILITIES	34897	35592	35665	36114	36264	36651	37522	37539	38321	38070	38264	38220	38177	38144	35196	36638	38049
% Chg Prev Qtr SAAR	3.12	8.21	0.83	5.12	1.68	4.34	9.85	0.18	8.59	-2.60	2.06	-0.46	-0.44	-0.35	3.83	4.10	3.85
% Chg Same Qtr Last Yr	3.54	3.69	3.91	4.28	3.92	2.98	5.21	3.95	5.67	3.87	1.98	1.81	-0.38	0.19	3.83	4.10	3.85
WHOLESALE TRADE	49793	51391	51400	52773	53122	53792	55214	55021	55849	55580	56734	56072	56514	56570	50474	53725	55796
% Chg Prev Qtr SAAR	3.96	13.47	0.07	11.12	2.67	5.14	11.00	-1.39	6.16	-1.91	8.56	-4.58	3.19	0.40	4.02	6.44	3.85
% Chg Same Qtr Last Yr	3.81	4.80	3.87	7.02	6.69	4.67	7.42	4.26	5.13	3.32	2.75	1.91	1.19	1.78	4.02	6.44	3.85
RETAIL TRADE	24963	25030	25376	25429	25588	25736	26318	26584	26776	27113	27013	27149	27084	27083	25030	25768	26872
% Chg Prev Qtr SAAR	3.47	1.09	5.64	0.84	2.52	2.34	9.35	4.10	2.93	5.13	-1.47	2.03	-0.95	-0.02	3.42	2.95	4.28
% Chg Same Qtr Last Yr	3.43	2.70	3.33	2.74	2.51	2.82	3.71	4.54	4.64	5.35	2.64	2.13	1.15	-0.11	3.42	2.95	4.28
TRANSPORTATION & UTILITIES	43968	45112	44482	44989	44981	45599	46673	46377	48371	46822	46788	46900	46418	46318	44307	45561	47090
% Chg Prev Qtr SAAR	2.80	10.82	-5.47	4.64	-0.07	5.61	9.76	-2.51	18.34	-12.21	-0.29	0.96	-4.05	-0.86	3.94	2.83	3.36
% Chg Same Qtr Last Yr	3.49	3.76	4.25	3.03	2.30	1.08	4.93	3.08	7.54	2.68	0.25	1.13	-4.04	-1.08	3.94	2.83	3.36
INFORMATION	45030	45384	42589	48028	48936	47964	52923	50372	50034	52005	55368	53405	53342	53769	44229	49463	51945
% Chg Prev Qtr SAAR	10.56	3.18	-22.45	61.74	7.77	-7.71	48.23	-17.94	-2.66	16.72	28.48	-13.44	-0.47	3.24	2.00	11.83	5.02
% Chg Same Qtr Last Yr	4.87	4.62	-4.45	9.37	8.67	5.68	24.27	4.88	2.24	8.43	4.62	6.02	6.61	3.39	2.00	11.83	5.02
FINANCIAL ACTIVITIES	50000	50950	52634	53612	54244	55842	57078	58352	56802	58173	59805	59902	60673	60698	51013	55194	58283
% Chg Prev Qtr SAAR	-3.67	7.82	13.89	7.64	4.80	12.31	9.15	9.23	-10.21	10.01	11.70	0.65	5.25	0.17	0.54	8.19	5.60
% Chg Same Qtr Last Yr	-0.88	-0.60	2.33	6.23	8.49	9.60	8.44	8.84	4.72	4.18	4.78	2.66	6.82	4.34	0.54	8.19	5.60

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
PROFESSIONAL & BUSINESS SERVICES…	37908	38672	38404	39727	40736	40141	41939	42099	43069	43575	44598	46405	45962	46458	38217	40636	43335
% Chg Prev Qtr SAAR……………………	0.27	8.30	-2.74	14.51	10.54	-5.71	19.16	1.54	9.54	4.79	9.72	17.23	-3.76	4.38	3.22	6.33	6.64
% Chg Same Qtr Last Yr…………………	3.01	2.73	3.14	4.87	7.46	3.80	9.20	5.97	5.73	8.56	6.34	10.23	6.72	6.61	3.22	6.33	6.64
EDUCATION & HEALTH SERVICES…………	39490	39367	39861	39948	41193	40574	40800	41704	41608	41888	42732	42244	42787	43131	39378	40629	41983
% Chg Prev Qtr SAAR……………………	7.39	-1.24	5.11	0.88	13.06	-5.88	2.25	9.17	-0.92	2.72	8.32	-4.49	5.24	3.26	4.40	3.18	3.33
% Chg Same Qtr Last Yr…………………	5.79	3.61	3.50	2.98	4.31	3.06	2.35	4.40	1.01	3.24	4.74	1.29	2.83	2.97	4.40	3.18	3.33
LEISURE & HOSPITALITY……………………	17395	17652	17985	18093	18231	18995	18875	19070	19031	18883	20289	19291	19336	19429	17564	18548	19318
% Chg Prev Qtr SAAR……………………	4.08	6.04	7.75	2.43	3.07	17.85	-2.50	4.20	-0.82	-3.06	33.28	-18.27	0.92	1.95	2.61	5.61	4.15
% Chg Same Qtr Last Yr…………………	2.15	3.16	4.11	5.06	4.80	7.60	4.95	5.40	4.39	-0.59	7.49	1.16	1.60	2.89	2.61	5.61	4.15
OTHER SERVICES……………………………	32832	33852	34348	34703	35261	35046	35472	35477	35586	35744	37168	37408	37876	38259	33427	35121	35994
% Chg Prev Qtr SAAR……………………	1.94	13.02	5.99	4.20	6.59	-2.42	4.96	0.06	1.23	1.79	16.91	2.60	5.10	4.10	1.66	5.07	2.49
% Chg Same Qtr Last Yr…………………	-0.16	2.90	5.23	6.21	7.40	3.53	3.27	2.23	0.92	1.99	4.78	5.44	6.44	7.03	1.66	5.07	2.49
GOVERNMENT…………………………………	34756	35164	35832	35603	36228	36673	37416	37169	37789	38090	38894	39660	39753	40118	35166	36480	37985
% Chg Prev Qtr SAAR……………………	-1.79	4.78	7.82	-2.53	7.21	5.00	8.36	-2.62	6.83	3.22	8.72	8.11	0.94	3.72	2.92	3.74	4.13
% Chg Same Qtr Last Yr…………………	2.29	1.22	3.81	1.98	4.24	4.29	4.42	4.40	4.31	3.86	3.95	6.70	5.20	5.32	2.92	3.74	4.13
FEDERAL, CIVILIAN…………………………	58179	58225	58535	60080	60371	60516	60553	62834	62822	62903	62899	64000	64557	65020	58294	60380	62865
% Chg Prev Qtr SAAR……………………	-0.41	0.31	2.15	10.99	1.95	0.96	0.24	15.94	-0.08	0.52	-0.03	7.19	3.53	2.90	3.20	3.58	4.12
% Chg Same Qtr Last Yr…………………	1.97	3.02	3.51	3.16	3.77	3.94	3.45	4.58	4.06	3.94	3.87	1.86	2.76	3.37	3.20	3.58	4.12
STATE & LOCAL……………………………	31566	32036	32776	32348	33045	33510	34339	33775	34504	34848	35744	36479	36509	36870	32036	33311	34718
% Chg Prev Qtr SAAR……………………	-2.48	6.09	9.56	-5.12	8.91	5.75	10.27	-6.41	8.92	4.04	10.70	8.48	0.33	4.02	3.00	3.98	4.22
% Chg Same Qtr Last Yr…………………	2.54	0.89	3.94	1.83	4.68	4.60	4.77	4.41	4.42	3.99	4.09	8.01	5.81	5.80	3.00	3.98	4.22

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
CIVILIAN LABOR FORCE (THOUS).............	2928	2957	2978	2959	3005	3033	3036	3004	3022	3056	3065	3029	3057	3061	2939	3008	3037
% Chg Same Qtr Last Yr..................	1.13	1.25	1.71	2.30	2.65	2.55	1.95	1.50	0.56	0.78	0.94	0.84	1.14	0.16	1.10	2.36	0.94
EMPLOYED PERSONS (THOUS)...........	2766	2800	2822	2793	2848	2877	2898	2856	2892	2913	2915	2857	2875	2852	2776	2854	2894
% Chg Same Qtr Last Yr..................	0.67	1.34	1.97	2.86	2.96	2.76	2.71	2.26	1.55	1.23	0.57	0.05	-0.60	-2.08	0.98	2.82	1.39
UNEMPLOYED PERSONS (THOUS).......	162	158	156	167	157	156	138	148	130	144	150	172	182	209	163	154	143
% Chg Same Qtr Last Yr..................	9.63	-0.29	-2.72	-6.26	-2.60	-1.20	-11.84	-11.21	-17.29	-7.62	8.84	16.11	39.70	45.43	3.18	-5.47	-7.39
PARTICIPATION RATE (PERCENT)............	62.4	62.8	63.0	62.4	63.1	63.4	63.2	62.3	62.5	62.9	63.9	63.0	63.4	63.4	62.5	63.0	62.9
% Chg Same Qtr Last Yr..................	-0.24	-0.19	0.24	0.79	1.11	0.98	0.38	-0.07	-1.00	-0.79	1.01	1.07	1.53	0.71	-0.29	0.81	-0.21
UNEMPLOYMENT RATE (PERCENT)..........	5.5	5.3	5.2	5.6	5.2	5.1	4.5	4.9	4.3	4.7	4.9	5.7	5.9	6.8	5.6	5.1	4.7

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
CIVILIAN LABOR FORCE (THOUS)………	2930	2945	2965	2984	3010	3020	3020	3020	3029	3044	3054	3057	3058	3040	2939	3008	3037
% Chg Prev Qtr SAAR………	1.90	2.06	2.71	2.58	3.56	1.35	0.04	0.00	1.14	2.10	1.22	0.38	0.22	-2.31	1.10	2.36	0.94
% Chg Same Qtr Last Yr………	1.06	1.36	1.59	2.31	2.72	2.54	1.87	1.22	0.63	0.81	1.11	1.21	0.98	-0.13	1.10	2.36	0.94
EMPLOYED PERSONS (THOUS)………	2765	2782	2801	2828	2850	2865	2873	2883	2890	2900	2901	2896	2873	2831	2776	2854	2894
% Chg Prev Qtr SAAR………	1.54	2.52	2.77	3.88	3.09	2.18	1.14	1.44	0.87	1.51	0.13	-0.71	-3.23	-5.61	0.98	2.82	1.39
% Chg Same Qtr Last Yr………	0.71	1.35	1.72	2.68	3.07	2.98	2.57	1.96	1.40	1.24	0.98	0.45	-0.59	-2.38	0.98	2.82	1.39
UNEMPLOYED PERSONS (THOUS)……	165	163	163	156	160	155	147	137	139	144	152	160	186	209	163	154	143
% Chg Prev Qtr SAAR………	8.18	-5.45	1.58	-17.90	12.26	-12.70	-18.71	-25.20	6.99	14.91	25.17	22.90	79.89	60.55	3.18	-5.47	-7.39
% Chg Same Qtr Last Yr………	7.36	1.62	-0.63	-3.90	-3.00	-4.92	-10.07	-12.14	-13.19	-7.02	3.58	17.27	33.54	45.18	3.18	-5.47	-7.39
PARTICIPATION RATE (PERCENT)………	62.4	62.5	62.7	62.9	63.2	63.2	62.9	62.7	62.6	62.7	63.7	63.6	63.5	62.9	62.5	63.0	62.9
% Chg Prev Qtr SAAR………	0.46	0.61	1.13	1.01	1.98	-0.20	-1.53	-1.57	-0.44	0.52	6.37	-0.55	-0.70	-3.21	-0.29	0.81	-0.22
% Chg Same Qtr Last Yr………	-0.30	-0.08	0.12	0.80	1.18	0.97	0.30	-0.34	-0.93	-0.76	1.18	1.44	1.37	0.42	-0.29	0.81	-0.22
UNEMPLOYMENT RATE (PERCENT)………	5.6	5.5	5.5	5.2	5.3	5.1	4.9	4.5	4.6	4.7	5.0	5.2	6.1	6.9	5.6	5.1	4.7

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2000 dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL TAXABLE SALES	19838	19883	21211	18685	20377	20163	21615	19397	20621	20406	21549	18701	20151	19122	79124	80841	81973
% Chg Same Qtr Last Yr	3.73	3.93	4.36	2.71	2.72	1.41	1.91	3.81	1.20	1.20	-0.31	-3.59	-2.28	-6.29	3.71	2.17	1.40
AUTO DEALERS	2225	2318	1809	1915	2143	2197	1918	2029	2107	2131	1804	1868	1780	1674	8456	8173	8070
% Chg Same Qtr Last Yr	0.97	-1.75	-9.94	-9.05	-3.67	-5.21	6.05	5.95	-1.68	-3.03	-5.96	-7.92	-15.52	-21.44	-2.84	-3.35	-1.26
PURCHASES FROM MANUFACTURERS	1092	1091	1159	965	1031	1022	1063	973	987	1010	1061	876	982	922	4311	4082	4031
% Chg Same Qtr Last Yr	17.18	9.53	13.25	-0.43	-5.56	-6.27	-8.28	0.79	-4.34	-1.22	-0.17	-9.97	-0.45	-8.65	12.50	-5.32	-1.26
MISC DURABLE GOODS	3614	3654	3769	3421	3952	3808	3826	3497	3933	3712	3676	3267	3669	3378	14199	15008	14818
% Chg Same Qtr Last Yr	6.60	9.30	11.51	8.18	9.36	4.22	1.54	2.22	-0.47	-2.54	-3.94	-6.59	-6.71	-9.00	8.54	5.70	-1.27
EATING AND DRINKING PLACES	1849	1805	1781	1753	1862	1879	1884	1810	1925	1944	1869	1843	1912	1856	7134	7379	7548
% Chg Same Qtr Last Yr	6.38	2.02	3.19	3.21	0.71	4.14	5.77	3.21	3.38	3.46	-0.82	1.84	-0.67	-4.53	3.74	3.44	2.29
FOOD STORES	1811	1840	1948	1716	1834	1846	1947	1752	1853	1955	2080	1561	1931	1954	7344	7343	7641
% Chg Same Qtr Last Yr	-0.43	0.88	-0.30	-1.68	1.24	0.33	0.00	2.13	1.06	5.94	6.80	-10.91	4.20	-0.04	0.30	-0.01	4.06
LIQUOR STORES	106	104	136	107	114	114	143	116	122	118	150	122	126	122	444	478	505
% Chg Same Qtr Last Yr	7.08	4.42	6.20	9.21	7.42	9.18	5.15	8.13	7.11	3.52	4.62	5.06	3.06	3.91	5.11	7.53	5.74
HOTELS AND MOTELS	491	505	469	396	502	532	505	406	537	550	510	426	507	497	1833	1935	2003
% Chg Same Qtr Last Yr	7.40	4.77	5.84	7.69	2.33	5.20	7.60	2.54	6.84	3.52	0.97	4.96	-5.56	-9.68	5.65	5.54	3.52
OTHER RETAIL AND SERVICE	5662	5514	6622	5357	5774	5630	6882	5633	5911	5808	6849	5536	5953	5608	23088	23643	24200
% Chg Same Qtr Last Yr	3.63	2.34	3.81	1.25	1.99	2.11	3.92	5.16	2.36	3.15	-0.47	-1.72	0.72	-3.45	3.28	2.40	2.36
MISC NONDURABLE GOODS	1498	1507	1881	1457	1546	1505	1892	1582	1560	1556	1932	1560	1574	1518	6337	6400	6631
% Chg Same Qtr Last Yr	3.32	4.32	6.22	0.32	3.23	-0.15	0.63	8.64	0.92	3.42	2.10	-1.44	0.90	-2.49	4.64	0.99	3.61
TRANSPORTATION, COMMUNICATION	1492	1546	1638	1598	1619	1630	1554	1599	1686	1622	1619	1642	1717	1594	5977	6401	6526
% Chg Same Qtr Last Yr	-5.23	8.36	8.29	22.78	8.54	5.44	-5.12	0.08	4.17	-0.49	4.16	2.71	1.78	-1.76	1.15	7.09	1.96
PER CAPITA ($)	3323	3320	3529	3098	3366	3319	3546	3172	3361	3314	3535	3062	3293	3118	13229	13329	13381
% Chg Same Qtr Last Yr	2.47	2.59	2.98	1.33	1.30	-0.02	0.49	2.39	-0.17	-0.14	-0.32	-3.47	-2.02	-5.91	2.42	0.76	0.39

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Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL TAXABLE SALES	19655	19884	20060	19992	20183	20203	20451	20725	20413	20496	20358	19971	19969	19254	79109	80829	81992
% Chg Prev Qtr SAAR	2.99	4.74	3.59	-1.34	3.88	0.39	5.01	5.46	-5.88	1.64	-2.67	-7.39	-0.05	-13.57	3.67	2.17	1.44
% Chg Same Qtr Last Yr	3.79	4.06	4.31	2.47	2.69	1.60	1.95	3.67	1.14	1.45	-0.45	-3.64	-2.18	-6.06	3.67	2.17	1.44
AUTO DEALERS	2147	2152	1976	1971	2062	2048	2100	2081	2022	1995	1974	1913	1706	1572	8448	8180	8072
% Chg Prev Qtr SAAR	-4.67	1.02	-29.01	-0.93	19.69	-2.69	10.56	-3.56	-10.80	-5.23	-4.19	-11.69	-36.86	-27.83	-3.00	-3.17	-1.32
% Chg Same Qtr Last Yr	0.61	-1.50	-9.71	-9.28	-3.97	-4.86	6.28	5.56	-1.92	-2.56	-5.99	-8.04	-15.65	-21.20	-3.00	-3.17	-1.32
PURCHASES FROM MANUFACTURERS	1084	1080	1096	1042	1025	1015	1002	1052	978	1006	999	948	972	920	4308	4083	4035
% Chg Prev Qtr SAAR	14.82	-1.45	5.73	-18.27	-6.39	-3.55	-5.27	21.83	-25.57	12.11	-2.78	-18.79	10.44	-19.57	12.49	-5.21	-1.19
% Chg Same Qtr Last Yr	17.71	9.55	13.08	-0.56	-5.51	-6.02	-8.56	1.03	-4.59	-0.94	-0.29	-9.91	-0.57	-8.49	12.49	-5.21	-1.19
MISC DURABLE GOODS	3454	3600	3700	3718	3774	3756	3761	3797	3746	3673	3611	3547	3491	3347	14199	15009	14826
% Chg Prev Qtr SAAR	0.93	18.01	11.58	1.99	6.13	-1.80	0.52	3.79	-5.20	-7.60	-6.61	-6.86	-6.21	-15.46	8.51	5.71	-1.22
% Chg Same Qtr Last Yr	6.69	9.20	11.84	7.90	9.26	4.36	1.67	2.12	-0.73	-2.23	-4.01	-6.57	-6.82	-8.87	8.51	5.71	-1.22
EATING AND DRINKING PLACES	1804	1769	1797	1817	1818	1845	1899	1873	1881	1911	1882	1907	1869	1824	7133	7379	7546
% Chg Prev Qtr SAAR	9.87	-7.54	6.49	4.42	0.33	5.98	12.34	-5.44	1.72	6.49	-5.95	5.57	-7.81	-9.19	3.72	3.45	2.26
% Chg Same Qtr Last Yr	6.54	2.17	3.06	3.09	0.78	4.28	5.68	3.09	3.45	3.57	-0.93	1.84	-0.64	-4.52	3.72	3.45	2.26
FOOD STORES	1826	1826	1833	1831	1850	1825	1836	1873	1869	1927	1964	1671	1947	1923	7346	7342	7634
% Chg Prev Qtr SAAR	-7.04	-0.03	1.49	-0.55	4.23	-5.21	2.53	8.26	-0.85	13.01	7.85	-47.62	84.48	-4.87	0.31	-0.06	3.98
% Chg Same Qtr Last Yr	-0.50	0.50	-0.01	-1.59	1.27	-0.07	0.19	2.33	1.06	5.60	6.95	-10.80	4.18	-0.22	0.31	-0.06	3.98
LIQUOR STORES	110	112	114	117	118	122	121	126	127	126	127	132	131	131	443	478	505
% Chg Prev Qtr SAAR	13.26	6.20	8.96	7.87	6.44	12.27	-3.75	17.92	3.35	-2.71	1.87	18.54	-4.12	0.65	4.99	7.68	5.77
% Chg Same Qtr Last Yr	7.12	3.87	6.72	9.04	7.36	8.87	5.54	7.92	7.12	3.35	4.83	4.97	3.02	3.90	4.99	7.68	5.77
HOTELS AND MOTELS	461	460	463	482	471	485	498	493	503	503	502	517	475	455	1831	1935	2001
% Chg Prev Qtr SAAR	11.69	-0.77	2.81	17.00	-8.25	12.01	11.20	-3.90	8.66	-0.21	-0.54	12.10	-28.54	-16.11	5.55	5.67	3.41
% Chg Same Qtr Last Yr	7.45	4.97	5.78	7.46	2.30	5.45	7.53	2.37	6.79	3.75	0.90	4.86	-5.57	-9.58	5.55	5.67	3.41
OTHER RETAIL AND SERVICE	5773	5754	5812	5808	5885	5887	6041	6101	6019	6083	6009	5994	6061	5877	23089	23620	24212
% Chg Prev Qtr SAAR	1.57	-1.28	4.09	-0.29	5.44	0.08	10.88	4.09	-5.30	4.33	-4.76	-1.01	4.56	-11.59	3.25	2.30	2.51
% Chg Same Qtr Last Yr	3.61	2.53	3.89	1.00	1.95	2.30	3.93	5.05	2.27	3.34	-0.52	-1.76	0.70	-3.38	3.25	2.30	2.51
MISC NONDURABLE GOODS	1561	1591	1615	1563	1615	1593	1624	1694	1630	1653	1657	1667	1645	1614	6333	6395	6633
% Chg Prev Qtr SAAR	-0.94	7.85	6.22	-12.32	13.91	-5.21	7.96	18.21	-14.16	5.62	0.99	2.63	-5.28	-7.43	4.58	0.99	3.71
% Chg Same Qtr Last Yr	3.58	4.63	6.14	-0.12	3.43	0.14	0.55	8.35	0.95	3.72	2.00	-1.54	0.91	-2.37	4.58	0.99	3.71
TRANSPORTATION, COMMUNICATION	1435	1539	1654	1645	1566	1627	1569	1635	1638	1620	1634	1674	1672	1590	5980	6407	6528
% Chg Prev Qtr SAAR	26.59	32.43	33.39	-2.10	-17.99	16.56	-13.39	17.92	0.66	-4.29	3.56	10.07	-0.46	-18.23	1.13	7.14	1.89
% Chg Same Qtr Last Yr	-4.77	8.91	8.23	21.64	9.13	5.70	-5.11	-0.60	4.63	-0.40	4.15	2.37	2.08	-1.86	1.13	7.14	1.89
PER CAPITA ($)	3292	3320	3337	3314	3334	3326	3355	3389	3327	3329	3339	3270	3263	3140	13228	13329	13384
% Chg Prev Qtr SAAR	1.66	3.39	2.12	-2.74	2.42	-1.02	3.61	4.06	-7.13	0.30	1.25	-8.11	-0.83	-14.24	2.38	0.76	0.41
% Chg Same Qtr Last Yr	2.52	2.72	2.93	1.08	1.27	0.17	0.54	2.25	-0.22	0.11	-0.47	-3.52	-1.92	-5.69	2.38	0.76	0.41

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL TAXABLE SALES	21997	22303	23987	21223	23332	23264	24909	22540	24177	24072	25690	22494	24492	23528	88331	92728	96480
% Chg Same Qtr Last Yr	6.32	7.24	7.76	5.88	6.07	4.31	3.84	6.21	3.62	3.47	3.14	-0.21	1.30	-2.26	6.78	4.98	4.05
AUTO DEALERS	2467	2600	2045	2175	2454	2535	2210	2357	2470	2513	2150	2247	2164	2059	9432	9374	9492
% Chg Same Qtr Last Yr	3.50	1.38	-7.01	-6.25	-0.53	-2.50	8.07	8.40	0.68	-0.85	-2.71	-4.68	-12.42	-18.06	-0.01	-0.62	1.26
PURCHASES FROM MANUFACTURERS	1211	1223	1311	1097	1181	1179	1225	1131	1157	1191	1265	1054	1194	1135	4813	4682	4744
% Chg Same Qtr Last Yr	20.11	13.02	16.94	2.64	-2.48	-3.59	-6.53	3.12	-2.05	1.00	3.28	-6.80	3.20	-4.72	15.83	-2.73	1.32
MISC DURABLE GOODS	4007	4099	4262	3886	4525	4394	4410	4064	4612	4379	4382	3929	4460	4156	15852	17215	17436
% Chg Same Qtr Last Yr	9.26	12.79	15.14	11.51	12.93	7.20	3.47	4.58	1.92	-0.35	-0.62	-3.31	-3.29	-5.09	11.76	8.59	1.29
EATING AND DRINKING PLACES	2050	2024	2015	1991	2132	2168	2171	2103	2257	2294	2228	2217	2324	2284	7961	8463	8881
% Chg Same Qtr Last Yr	9.03	5.27	6.55	6.39	3.99	7.12	7.78	5.59	5.86	5.78	2.61	5.42	2.97	-0.43	6.79	6.31	4.94
FOOD STORES	2008	2063	2202	1949	2100	2130	2244	2036	2173	2307	2480	1878	2347	2405	8197	8422	8996
% Chg Same Qtr Last Yr	2.05	4.09	2.95	1.34	4.54	3.21	1.90	4.48	3.49	8.31	10.49	-7.79	8.02	4.26	3.26	2.75	6.80
LIQUOR STORES	117	117	154	122	130	131	165	135	143	139	178	147	153	150	496	548	595
% Chg Same Qtr Last Yr	9.75	7.75	9.66	12.57	10.92	12.31	7.15	10.63	9.68	5.84	8.24	8.75	6.84	8.38	8.24	10.44	8.54
HOTELS AND MOTELS	544	567	531	450	575	613	582	472	629	649	608	513	616	612	2047	2220	2358
% Chg Same Qtr Last Yr	10.08	8.11	9.28	11.01	5.67	8.22	9.64	4.91	9.41	5.84	4.46	8.65	-2.10	-5.80	8.77	8.46	6.22
OTHER RETAIL AND SERVICE	6278	6185	7489	6084	6612	6496	7930	6546	6930	6851	8165	6659	7236	6900	25781	27123	28492
% Chg Same Qtr Last Yr	6.22	5.61	7.19	4.37	5.32	5.04	5.90	7.59	4.81	5.46	2.96	1.73	4.41	0.71	6.34	5.20	5.05
MISC NONDURABLE GOODS	1661	1691	2127	1655	1770	1736	2181	1839	1829	1836	2304	1876	1913	1867	7078	7342	7808
% Chg Same Qtr Last Yr	5.90	7.64	9.68	3.41	6.60	2.71	2.54	11.14	3.34	5.74	5.63	2.02	4.59	1.70	7.74	3.73	6.35
TRANSPORTATION, COMMUNICATION	1654	1734	1852	1815	1854	1881	1791	1858	1977	1914	1930	1975	2086	1961	6674	7340	7679
% Chg Same Qtr Last Yr	-2.86	11.81	11.82	26.56	12.08	8.46	-3.32	2.39	6.67	1.75	7.76	6.31	5.52	2.47	4.19	9.98	4.62
PER CAPITA ($)	3685	3724	3991	3518	3854	3830	4087	3686	3940	3910	4214	3683	4002	3837	14768	15289	15750
% Chg Same Qtr Last Yr	5.03	5.86	6.34	4.45	4.60	2.84	2.40	4.75	2.23	2.10	3.12	-0.08	1.57	-1.87	5.44	3.53	3.02

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Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2009**

	Historical Data														Annual		
	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2005	2006	2007
TOTAL TAXABLE SALES	21794	22303	22685	22707	23109	23310	23568	24083	23933	24179	24271	24022	24271	23690	88280	92694	96466
% Chg Prev Qtr SAAR	5.61	9.68	7.03	0.38	7.28	3.52	4.49	9.03	-2.46	4.18	1.52	-4.04	4.21	-9.23	6.72	5.00	4.07
% Chg Same Qtr Last Yr	6.38	7.38	7.71	5.62	6.04	4.51	3.89	6.06	3.57	3.73	2.98	-0.25	1.41	-2.02	6.72	5.00	4.07
AUTO DEALERS	2380	2414	2234	2239	2361	2363	2420	2418	2371	2354	2353	2302	2073	1934	9423	9382	9496
% Chg Prev Qtr SAAR	-2.25	5.79	-26.65	0.81	23.61	0.34	10.01	-0.30	-7.56	-2.87	-0.06	-8.50	-34.17	-24.21	-0.17	-0.44	1.21
% Chg Same Qtr Last Yr	3.12	1.64	-6.77	-6.49	-0.84	-2.14	8.30	8.00	0.43	-0.38	-2.74	-4.81	-12.55	-17.81	-0.17	-0.44	1.21
PURCHASES FROM MANUFACTURERS	1202	1212	1239	1183	1173	1172	1154	1223	1146	1187	1191	1140	1181	1133	4807	4682	4746
% Chg Prev Qtr SAAR	17.74	3.20	9.25	-16.84	-3.33	-0.55	-5.73	25.95	-22.86	14.90	1.41	-15.86	15.14	-15.53	15.80	-2.60	1.37
% Chg Same Qtr Last Yr	20.66	13.04	16.76	2.50	-2.43	-3.32	-6.82	3.37	-2.31	1.28	3.15	-6.74	3.08	-4.56	15.80	-2.60	1.37
MISC DURABLE GOODS	3829	4038	4184	4223	4321	4334	4335	4412	4392	4333	4305	4266	4243	4118	15848	17212	17441
% Chg Prev Qtr SAAR	3.50	23.58	15.29	3.77	9.61	1.26	0.03	7.30	-1.75	-5.30	-2.59	-3.50	-2.22	-11.22	11.73	8.61	1.33
% Chg Same Qtr Last Yr	9.35	12.68	15.49	11.22	12.83	7.35	3.60	4.47	1.66	-0.03	-0.69	-3.29	-3.41	-4.95	11.73	8.61	1.33
EATING AND DRINKING PLACES	2001	1984	2032	2064	2082	2129	2189	2176	2205	2254	2243	2294	2272	2245	7959	8463	8879
% Chg Prev Qtr SAAR	12.66	-3.17	10.03	6.25	3.61	9.28	11.79	-2.24	5.43	9.14	-1.89	9.38	-3.88	-4.63	6.77	6.33	4.92
% Chg Same Qtr Last Yr	9.20	5.42	6.41	6.27	4.07	7.26	7.69	5.47	5.93	5.89	2.49	5.41	3.00	-0.41	6.77	6.33	4.92
FOOD STORES	2025	2049	2073	2079	2118	2106	2116	2177	2192	2274	2342	2010	2367	2366	8196	8419	8984
% Chg Prev Qtr SAAR	-4.67	4.69	4.87	1.19	7.64	-2.25	2.02	11.92	2.76	15.82	12.49	-45.72	92.34	-0.10	3.26	2.72	6.70
% Chg Same Qtr Last Yr	1.99	3.71	3.25	1.45	4.57	2.80	2.09	4.69	3.49	7.97	10.64	-7.67	7.99	4.07	3.26	2.72	6.70
LIQUOR STORES	122	126	129	132	136	141	139	146	149	149	151	159	159	161	495	548	594
% Chg Prev Qtr SAAR	16.14	11.22	12.59	9.76	9.93	15.76	-4.23	21.91	7.11	-0.29	6.26	22.83	-0.04	5.70	8.09	10.65	8.52
% Chg Same Qtr Last Yr	9.79	7.18	10.20	12.40	10.87	11.98	7.55	10.41	9.69	5.67	8.45	8.66	6.80	8.37	8.09	10.65	8.52
HOTELS AND MOTELS	511	516	524	547	540	559	574	573	590	593	599	622	578	560	2044	2220	2355
% Chg Prev Qtr SAAR	14.53	3.92	6.23	19.05	-5.24	15.50	10.65	-0.65	12.61	2.28	3.75	16.16	-25.49	-11.90	8.66	8.60	6.10
% Chg Same Qtr Last Yr	10.13	8.32	9.23	10.77	5.64	8.47	9.58	4.73	9.35	6.08	4.38	8.54	-2.11	-5.69	8.66	8.60	6.10
OTHER RETAIL AND SERVICE	6401	6454	6573	6597	6739	6792	6961	7090	7057	7176	7164	7210	7367	7232	25764	27088	28487
% Chg Prev Qtr SAAR	4.15	3.39	7.55	1.46	8.89	3.20	10.34	7.61	-1.85	6.92	-0.65	2.56	9.01	-7.15	6.29	5.14	5.16
% Chg Same Qtr Last Yr	6.20	5.80	7.28	4.11	5.28	5.23	5.91	7.48	4.72	5.65	2.92	1.69	4.39	0.78	6.29	5.14	5.16
MISC NONDURABLE GOODS	1731	1785	1827	1775	1849	1838	1872	1968	1911	1950	1975	2006	1999	1985	7067	7334	7804
% Chg Prev Qtr SAAR	1.58	12.95	9.76	-10.78	17.64	-2.25	7.43	22.21	-11.03	8.25	5.35	6.33	-1.25	-2.79	7.66	3.78	6.40
% Chg Same Qtr Last Yr	6.16	7.96	9.60	2.95	6.80	3.01	2.46	10.85	3.37	6.04	5.52	1.92	4.61	1.83	7.66	3.78	6.40
TRANSPORTATION, COMMUNICATION	1591	1726	1870	1869	1793	1877	1808	1900	1920	1911	1948	2014	2032	1956	6677	7346	7680
% Chg Prev Qtr SAAR	29.81	38.69	37.83	-0.39	-15.31	20.20	-13.81	21.91	4.33	-1.91	8.02	14.05	3.78	-14.13	4.18	10.02	4.55
% Chg Same Qtr Last Yr	-2.39	12.38	11.75	25.39	12.69	8.73	-3.31	1.70	7.14	1.83	7.75	5.96	5.82	2.36	4.18	10.02	4.55
PER CAPITA ($)	3651	3724	3774	3764	3818	3837	3866	3938	3900	3927	3981	3933	3966	3863	14761	15285	15747
% Chg Prev Qtr SAAR	4.25	8.28	5.52	-1.03	5.77	2.07	3.10	7.58	-3.75	2.80	5.61	-4.79	3.39	-9.94	5.39	3.55	3.02
% Chg Same Qtr Last Yr	5.08	5.99	6.29	4.20	4.57	3.04	2.45	4.61	2.17	2.35	2.97	-0.13	1.67	-1.63	5.39	3.55	3.02

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

January 2009

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
US GDP (Bil2000$) SAAR	8328.9	8703.5	9066.9	9470.4	9817.0	9890.7	10048.9	10301.1	10675.7	10989.5	11294.9	11523.9
Percentage change	3.70	4.50	4.18	4.45	3.66	0.75	1.60	2.51	3.64	2.94	2.78	2.03
US GDP (Bil$) SAAR	7816.8	8304.3	8747.0	9268.4	9817.0	10128.0	10469.6	10960.8	11685.9	12421.9	13178.4	13807.6
Percentage change	5.67	6.24	5.33	5.96	5.92	3.17	3.37	4.69	6.62	6.30	6.09	4.77
TN PERSONAL INCOME (MIL2000$) SAAR	126532	131086	139212	143875	148830	151248	153728	156630	161104	164662	170220	174623
Percentage change	2.73	3.60	6.20	3.35	3.44	1.62	1.64	1.89	2.86	2.21	3.38	2.59
US PERSONAL INCOME (BIL2000$) SAAR	6970	7269	7734	7996	8429	8545	8578	8678	8973	9203	9587	9912
Percentage change	3.75	4.29	6.39	3.39	5.42	1.37	0.39	1.16	3.41	2.56	4.17	3.40
TN PERSONAL INCOME (MIL$) SAAR	118374	124699	133620	140395	148834	154416	159173	165402	174636	183745	195209	205469
Percentage change	4.95	5.34	7.15	5.07	6.01	3.75	3.08	3.91	5.58	5.22	6.24	5.26
US PERSONAL INCOME (BIL$) SAAR	6521	6915	7423	7802	8430	8724	8882	9164	9727	10270	10994	11663
Percentage change	5.99	6.05	7.34	5.11	8.04	3.49	1.81	3.17	6.15	5.58	7.05	6.09
TN NONFARM JOBS (THOUS)	2532.0	2582.7	2637.1	2684.0	2727.6	2688.5	2664.4	2662.7	2706.0	2743.0	2782.7	2797.3
Percentage change	1.38	2.00	2.11	1.78	1.63	-1.43	-0.90	-0.07	1.63	1.37	1.45	0.52
US NONFARM JOBS (MIL)	119.7	122.8	125.9	129.0	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6
Percentage change	2.04	2.56	2.57	2.44	2.17	0.03	-1.13	-0.26	1.09	1.73	1.79	1.12
TN MFG JOBS (THOUS)	507.0	503.0	503.8	499.8	493.0	454.2	428.5	413.3	411.8	408.8	399.4	380.9
Percentage change	-3.18	-0.78	0.15	-0.78	-1.36	-7.87	-5.66	-3.56	-0.35	-0.73	-2.29	-4.65
US MFG JOBS (MIL)	17.2	17.4	17.6	17.3	17.3	16.4	15.3	14.5	14.3	14.2	14.2	13.9
Percentage change	-0.04	1.05	0.81	-1.35	-0.33	-4.78	-7.20	-4.90	-1.33	-0.62	-0.48	-1.94
TN UNEMPLOYMENT RATE (%)	5.3	5.3	4.5	4.1	4.0	4.7	5.3	5.7	5.4	5.6	5.1	4.7
US UNEMPLOYMENT RATE (%)	5.4	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6
CHAINED PRICE INDEX, GDP (2000=100.0)	93.9	95.4	96.5	97.9	100.0	102.4	104.2	106.4	109.5	113.0	116.7	119.8
Percentage change	1.89	1.66	1.11	1.44	2.18	2.40	1.75	2.13	2.87	3.27	3.22	2.69
US PERS CONSUMP DEFL (2000=100.0)	93.5	95.1	96.0	97.6	100.0	102.1	103.5	105.6	108.4	111.6	114.7	117.7
Percentage change	2.15	1.69	0.90	1.66	2.49	2.09	1.42	1.98	2.65	2.94	2.77	2.60
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	1.569	1.605	1.630	1.666	1.722	1.770	1.799	1.840	1.889	1.953	2.016	2.073
Percentage change	2.94	2.34	1.55	2.19	3.37	2.82	1.60	2.30	2.67	3.37	3.23	2.86
BANK PRIME INTEREST RATE (%)	8.3	8.4	8.4	8.0	9.2	6.9	4.7	4.1	4.3	6.2	8.0	8.1
FEDERAL FUNDS RATE (% per annum)	5.298	5.460	5.353	4.970	6.236	3.888	1.667	1.128	1.349	3.213	4.964	5.019
30-YEAR FIXED MORTGAGE RATE (%)	7.8	7.6	6.9	7.4	8.1	7.0	6.5	5.8	5.8	5.9	6.4	6.3
TN TAXABLE SALES (MIL2000$)	64842	69411	69026	74120	74660	73006	72890	74568	76312	79109	80829	81992
Percentage change	2.53	7.05	-0.55	7.38	0.73	-2.22	-0.16	2.30	2.34	3.67	2.17	1.44
TN TAXABLE SALES (MIL$)	60661	66029	66258	72326	74655	74534	75472	78748	82718	88280	92694	96466
Percentage change	4.74	8.85	0.35	9.16	3.22	-0.16	1.26	4.34	5.04	6.72	5.00	4.07
TN AVG ANNUAL WAGE, NONFARM (2000$)	28217	29079	30116	30750	31047	31327	31929	32363	32853	32834	33479	33982
Percentage change	1.10	3.05	3.57	2.11	0.96	0.90	1.92	1.36	1.51	-0.06	1.96	1.50
TN AVG ANNUAL WAGE, NONFARM ($)	26398	27662	28906	30006	31047	31984	33059	34175	35611	36637	38393	39984
Percentage change	3.28	4.79	4.50	3.80	3.47	3.02	3.36	3.38	4.20	2.88	4.79	4.14

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
US GDP (2000$) SAAR	30835	31838	32785	33855	34712	34615	34824	35362	36313	37037	37704	38107
Percentage change	2.50	3.25	2.98	3.26	2.53	-0.28	0.60	1.55	2.69	1.99	1.80	1.07
US GDP ($) SAAR	28939	30378	31629	33133	34713	35445	36282	37627	39749	41864	43991	45658
Percentage change	4.44	4.97	4.12	4.76	4.77	2.11	2.36	3.71	5.64	5.32	5.08	3.79
TN PERSONAL INCOME (2000$) SAAR	23855	24412	25657	26221	26320	26325	26522	26786	27278	27534	28070	28505
Percentage change	1.32	2.33	5.10	2.20	0.38	0.02	0.75	0.99	1.84	0.94	1.95	1.55
US PERSONAL INCOME (2000$) SAAR	25804	26592	27965	28584	29806	29906	29727	29789	30522	31016	32002	32778
Percentage change	2.55	3.05	5.16	2.22	4.27	0.34	-0.60	0.21	2.46	1.62	3.18	2.43
TN PERSONAL INCOME ($) SAAR	22317	23222	24626	25586	26319	26877	27461	28286	29569	30724	32190	33540
Percentage change	3.50	4.06	6.05	3.90	2.87	2.12	2.18	3.00	4.54	3.91	4.77	4.19
US PERSONAL INCOME ($) SAAR	24140	25296	26841	27893	29807	30532	30780	31457	33087	34611	36699	38568
Percentage change	4.76	4.79	6.11	3.92	6.86	2.43	0.81	2.20	5.18	4.61	6.03	5.09
TN TAXABLE SALES (2000$)	12225	12926	12721	13509	13205	12707	12575	12752	12921	13228	13329	13384
Percentage change	1.11	5.74	-1.59	6.19	-2.25	-3.77	-1.04	1.40	1.33	2.38	0.76	0.41
TN TAXABLE SALES ($)	11436	12296	12211	13181	13204	12973	13021	13467	14006	14761	15285	15747
Percentage change	3.29	7.52	-0.69	7.95	0.17	-1.75	0.37	3.42	4.00	5.39	3.55	3.02

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Table 3: Tennessee Personal Income Components (millions of 2000 dollars) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TN PERSONAL INCOME	126532	131086	139212	143875	148830	151248	153728	156630	161104	164662	170220	174623
Percentage change	2.73	3.60	6.20	3.35	3.44	1.62	1.64	1.89	2.86	2.21	3.38	2.59
WAGES AND SALARIES	72090	75622	79974	83113	85279	84841	85770	86982	89707	90874	93960	95830
Percentage change	2.42	4.90	5.75	3.93	2.61	-0.51	1.09	1.41	3.13	1.30	3.40	1.99
OTHER LABOR INCOME	14877	14814	15540	16249	16734	17131	19304	20683	21160	21325	21611	21666
Percentage change	-3.02	-0.42	4.90	4.56	2.99	2.38	12.68	7.14	2.31	0.78	1.34	0.25
PROPRIETORS INCOME	12066	12495	13834	14895	15201	16778	17070	17300	18903	19733	20087	19411
Percentage change	7.19	3.55	10.72	7.67	2.06	10.37	1.74	1.34	9.27	4.39	1.79	-3.36
RENT, INTEREST, DIVIDENDS	19476	20333	21907	21662	22658	22151	20226	19479	18820	19003	20837	22222
Percentage change	4.75	4.40	7.74	-1.12	4.60	-2.24	-8.69	-3.69	-3.38	0.97	9.65	6.65
TRANSFER PAYMENTS	19830	20307	21166	21779	23063	24633	26020	27085	27926	29008	29376	31369
Percentage change	2.80	2.40	4.23	2.90	5.89	6.81	5.63	4.09	3.11	3.87	1.27	6.78
LESS: PERS CONT FOR SOC INS	11025	11501	12075	12507	12650	12800	13189	13522	13962	14153	14583	14792
Percentage change	1.39	4.32	4.98	3.58	1.14	1.19	3.04	2.52	3.26	1.37	3.03	1.44
RESIDENCE ADJUSTMENT	-783	-983	-1134	-1317	-1456	-1486	-1473	-1377	-1449	-1128	-1069	-1082
Percentage change	-5.30	25.59	15.30	16.11	10.60	2.07	-0.92	-6.46	5.22	-22.18	-5.20	1.16
PER CAPITA PERSONAL INCOME ($)	23855	24412	25657	26221	26320	26325	26522	26786	27278	27534	28070	28505
Percentage change	1.32	2.33	5.10	2.20	0.38	0.02	0.75	0.99	1.84	0.94	1.95	1.55

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Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TN PERSONAL INCOME………….………	118374	124699	133620	140395	148834	154416	159173	165402	174636	183745	195209	205469
Percentage change…………………	4.95	5.34	7.15	5.07	6.01	3.75	3.08	3.91	5.58	5.22	6.24	5.26
WAGES AND SALARIES……………	67443	71938	76761	81104	85279	86617	88807	91854	97241	101404	107754	112758
Percentage change…………………	4.63	6.67	6.70	5.66	5.15	1.57	2.53	3.43	5.87	4.28	6.26	4.64
OTHER LABOR INCOME……………	13917	14092	14916	15856	16734	17491	19991	21842	22938	23795	24784	25493
Percentage change…………………	-0.93	1.26	5.84	6.31	5.54	4.52	14.29	9.26	5.02	3.74	4.15	2.86
PROPRIETORS INCOME……………	11289	11886	13279	14535	15202	17130	17676	18270	20492	22022	23035	22840
Percentage change…………………	9.50	5.29	11.72	9.46	4.59	12.68	3.19	3.36	12.16	7.47	4.60	-0.85
RENT, INTEREST, DIVIDENDS………	18221	19343	21026	21138	22659	22614	20939	20569	20401	21207	23897	26148
Percentage change…………………	7.01	6.16	8.70	0.53	7.19	-0.20	-7.41	-1.76	-0.82	3.95	12.68	9.42
TRANSFER PAYMENTS………………	18551	19317	20316	21252	23065	25150	26942	28602	30270	32367	33689	36908
Percentage change…………………	5.02	4.13	5.17	4.61	8.53	9.04	7.12	6.16	5.83	6.93	4.08	9.56
LESS: PERS CONT FOR SOC INS….	10314	10941	11590	12204	12650	13069	13657	14279	15135	15793	16723	17405
Percentage change…………………	3.57	6.08	5.93	5.30	3.65	3.31	4.50	4.56	5.99	4.35	5.89	4.08
RESIDENCE ADJUSTMENT………….	-733	-936	-1088	-1285	-1456	-1517	-1525	-1455	-1571	-1259	-1226	-1273
Percentage change…………………	-3.27	27.71	16.33	18.06	13.33	4.21	0.49	-4.61	8.01	-19.89	-2.56	3.81
PER CAPITA PERSONAL INCOME ($)….	22317	23222	24626	25586	26319	26877	27461	28286	29569	30724	32190	33540
Percentage change…………………	3.50	4.06	6.05	3.90	2.87	2.12	2.18	3.00	4.54	3.91	4.77	4.19

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Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL NONFARM	2532.0	2582.7	2637.1	2684.0	2727.6	2688.5	2664.4	2662.7	2706.0	2743.0	2782.7	2797.3
Percentage change	1.38	2.00	2.11	1.78	1.63	-1.43	-0.90	-0.07	1.63	1.37	1.45	0.52
NATURAL RESOURCES, MINING & CONSTRUCTION	119.2	123.4	126.7	128.3	130.9	125.3	119.5	119.6	121.2	125.3	134.4	137.7
Percentage change	3.65	3.59	2.66	1.22	2.04	-4.25	-4.63	0.09	1.30	3.36	7.33	2.41
MANUFACTURING	507.0	503.0	503.8	499.8	493.0	454.2	428.5	413.3	411.8	408.8	399.4	380.9
Percentage change	-3.18	-0.78	0.15	-0.78	-1.36	-7.87	-5.66	-3.56	-0.35	-0.73	-2.29	-4.65
DURABLE GOODS	293.7	295.0	300.1	304.5	303.8	277.2	259.0	250.9	254.0	254.6	251.8	238.3
Percentage change	-0.38	0.47	1.71	1.47	-0.25	-8.76	-6.54	-3.15	1.25	0.23	-1.10	-5.37
NONDURABLE GOODS	213.3	208.0	203.7	195.3	189.3	177.1	169.5	162.4	157.8	154.2	147.6	142.6
Percentage change	-6.79	-2.50	-2.08	-4.10	-3.10	-6.45	-4.29	-4.19	-2.81	-2.27	-4.26	-3.40
TRADE, TRANSPORTATION, UTILITIES	546.5	557.2	569.9	584.1	592.9	590.3	576.8	578.7	587.9	598.1	607.3	611.1
Percentage change	2.18	1.95	2.27	2.51	1.50	-0.44	-2.28	0.34	1.58	1.74	1.55	0.63
WHOLESALE TRADE	125.7	129.7	132.4	133.5	132.9	127.5	126.5	126.6	128.0	130.3	132.0	133.1
Percentage change	1.08	3.22	2.11	0.80	-0.46	-4.04	-0.79	0.03	1.17	1.76	1.34	0.82
RETAIL TRADE	299.7	304.8	309.1	314.7	320.0	319.3	312.2	313.2	319.5	324.3	328.2	330.6
Percentage change	2.50	1.69	1.41	1.82	1.67	-0.21	-2.21	0.31	2.01	1.51	1.20	0.72
TRANSPORTATION & UTILITIES	121.2	122.7	128.3	135.9	140.0	143.5	138.1	139.0	140.3	143.4	147.0	147.4
Percentage change	2.54	1.27	4.58	5.93	3.02	2.47	-3.79	0.67	0.97	2.23	2.50	0.24
INFORMATION	48.7	49.7	51.7	53.4	55.3	55.4	53.3	51.2	49.5	49.4	49.6	49.7
Percentage change	5.37	2.12	3.94	3.24	3.59	0.27	-3.76	-4.06	-3.27	-0.19	0.37	0.17
FINANCIAL ACTIVITIES	129.1	132.7	138.0	141.9	140.6	138.5	138.1	139.8	141.9	143.3	143.5	144.1
Percentage change	4.16	2.82	3.96	2.83	-0.85	-1.53	-0.26	1.21	1.50	0.95	0.19	0.42
PROFESSIONAL & BUSINESS SERVICES	245.1	259.3	271.0	290.5	304.0	299.1	296.4	287.4	302.4	312.5	319.0	322.4
Percentage change	4.29	5.79	4.50	7.18	4.66	-1.61	-0.90	-3.05	5.23	3.34	2.06	1.09
EDUCATION & HEALTH SERVICES	263.0	269.8	275.3	275.2	281.6	285.8	300.1	312.8	320.8	330.3	340.7	350.4
Percentage change	1.27	2.59	2.06	-0.06	2.34	1.49	4.99	4.22	2.56	2.96	3.15	2.86
LEISURE & HOSPITALITY	216.7	222.1	225.5	228.8	235.7	235.6	239.8	246.7	253.7	262.1	270.1	276.2
Percentage change	1.59	2.45	1.56	1.47	2.99	-0.06	1.79	2.87	2.84	3.31	3.07	2.25
OTHER SERVICES	75.0	85.1	89.7	91.9	94.6	101.1	101.6	102.2	101.7	100.7	101.8	103.5
Percentage change	3.22	13.46	5.33	2.53	2.94	6.86	0.48	0.61	-0.49	-0.98	1.02	1.67
GOVERNMENT	381.6	380.3	385.6	390.2	399.0	403.2	410.2	411.0	415.1	412.6	416.9	421.3
Percentage change	2.29	-0.35	1.39	1.18	2.26	1.04	1.75	0.20	1.00	-0.60	1.03	1.06
FEDERAL, CIVILIAN	54.1	51.8	50.9	51.2	53.6	51.5	51.8	51.2	50.1	49.2	48.8	48.9
Percentage change	-0.48	-4.31	-1.84	0.75	4.68	-3.97	0.57	-1.13	-2.09	-1.89	-0.76	0.19
STATE & LOCAL	327.5	328.5	334.8	338.9	345.4	351.7	358.4	359.8	365.0	363.4	368.1	372.4
Percentage change	2.76	0.31	1.90	1.25	1.89	1.82	1.92	0.39	1.44	-0.43	1.28	1.18
STATISTICAL DISCREPANCY (%)	-0.05	-0.05	-0.05	-0.05	-0.05	0.00	0.00	0.00	0.00	0.00	0.00	-0.02

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Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL DURABLE GOODS	293.7	295.0	300.1	304.5	303.8	277.2	259.0	250.9	254.0	254.6	251.8	238.3
Percentage change	-0.38	0.47	1.71	1.47	-0.25	-8.76	-6.54	-3.15	1.25	0.23	-1.10	-5.37
WOOD PRODUCTS	19.0	19.8	20.7	19.7	19.8	17.8	17.6	16.7	17.4	17.8	17.9	16.1
Percentage change	2.01	4.05	4.83	-4.92	0.45	-9.89	-1.58	-4.74	4.07	1.93	0.95	-10.18
NONMETALLIC MINERALS	15.8	15.6	15.6	16.1	16.4	15.7	15.1	15.6	15.7	16.0	16.1	15.7
Percentage change	-1.11	-1.06	0.21	3.07	1.73	-4.47	-3.41	2.93	0.65	1.75	1.05	-2.59
PRIMARY METALS	16.3	16.7	17.2	17.8	17.5	15.3	12.6	11.8	12.1	12.0	11.8	11.8
Percentage change	2.46	2.75	3.23	3.28	-1.64	-12.67	-17.38	-6.73	2.90	-0.96	-1.54	-0.29
FABRICATED METALS	46.4	46.2	45.8	46.1	45.5	43.2	41.4	41.4	41.7	42.6	43.5	41.5
Percentage change	-0.10	-0.40	-0.88	0.72	-1.39	-4.94	-4.13	-0.04	0.67	2.25	1.95	-4.56
MACHINERY	38.2	39.6	41.8	43.3	43.5	39.9	35.9	33.2	34.3	33.9	33.2	31.8
Percentage change	2.21	3.86	5.42	3.53	0.60	-8.43	-9.85	-7.52	3.21	-1.15	-1.97	-4.41
COMPUTERS & ELECTRONICS	16.1	15.7	15.5	15.7	16.7	15.3	12.9	11.7	11.3	10.4	9.3	8.1
Percentage change	0.64	-2.57	-1.43	1.51	6.56	-8.54	-15.65	-9.60	-3.40	-7.49	-11.28	-12.63
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	29.4	29.6	30.1	30.1	29.2	26.3	25.0	23.6	23.1	23.5	23.2	22.0
Percentage change	-0.50	0.77	1.72	0.01	-3.12	-9.68	-4.94	-5.65	-2.20	1.66	-1.35	-4.89
TRANSPORTATION EQUIPMENT	63.2	64.1	66.1	68.5	68.5	62.3	60.0	60.2	62.9	63.9	63.7	59.9
Percentage change	-2.58	1.33	3.14	3.69	0.00	-9.08	-3.68	0.27	4.53	1.59	-0.26	-5.95
FURNITURE	29.4	27.8	27.7	27.9	27.6	23.6	21.3	19.9	19.6	19.2	17.7	16.0
Percentage change	-2.74	-5.13	-0.53	0.73	-1.07	-14.37	-9.92	-6.58	-1.33	-2.03	-7.72	-9.96
MISCELLANEOUS DURABLES	20.0	19.9	19.6	19.3	19.0	17.7	17.1	16.8	15.9	15.3	15.3	15.4
Percentage change	0.31	-0.50	-1.81	-1.52	-1.24	-7.00	-3.40	-1.76	-5.21	-3.82	0.16	0.34

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Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL NONDURABLE GOODS	213.3	208.0	203.7	195.3	189.3	177.1	169.5	162.4	157.8	154.2	147.6	142.6
Percentage change	-6.79	-2.50	-2.08	-4.10	-3.10	-6.45	-4.29	-4.19	-2.81	-2.27	-4.26	-3.40
FOOD	31.7	32.0	33.5	34.4	34.7	35.8	36.0	35.9	34.8	34.3	34.0	32.8
Percentage change	-3.81	0.99	4.69	2.81	0.85	3.22	0.61	-0.43	-3.04	-1.38	-0.97	-3.54
BEVERAGE & TOBACCO	6.1	6.2	6.6	6.7	6.8	6.5	6.4	6.1	5.8	5.4	5.2	5.1
Percentage change	0.37	1.89	6.11	1.12	1.37	-4.16	-2.03	-3.77	-6.12	-5.79	-4.31	-2.56
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	57.9	53.1	47.4	39.7	34.2	28.7	24.5	21.3	19.4	18.0	16.1	15.1
Percentage change	-14.92	-8.16	-10.86	-16.10	-13.88	-16.24	-14.54	-12.94	-8.84	-7.37	-10.55	-6.42
PAPER	20.9	21.3	21.2	21.6	21.5	21.1	20.4	19.6	18.8	18.9	18.3	17.4
Percentage change	-1.03	1.78	-0.31	1.85	-0.63	-1.84	-3.29	-4.02	-3.92	0.73	-3.22	-4.92
PRINTING & RELATED SUPPORT	24.6	24.3	25.3	24.8	23.8	22.2	20.5	19.9	19.6	18.8	17.7	17.2
Percentage change	-3.36	-1.09	4.15	-2.29	-4.04	-6.42	-7.78	-3.16	-1.22	-4.33	-5.41	-3.07
CHEMICALS	35.0	34.4	32.8	31.7	31.1	29.0	28.5	28.6	27.6	27.2	26.3	26.4
Percentage change	-2.55	-1.79	-4.52	-3.27	-1.94	-6.69	-1.95	0.36	-3.29	-1.75	-3.14	0.46
PLASTICS & RUBBER	31.2	31.3	31.9	31.8	32.7	30.3	30.0	28.2	28.9	29.3	27.6	26.5
Percentage change	-2.35	0.21	2.01	-0.26	2.80	-7.40	-1.03	-6.14	2.60	1.48	-5.77	-4.03
MISCELLANEOUS NONDURABLE GOODS	5.9	5.4	4.9	4.5	4.5	3.4	3.2	2.8	2.8	2.3	2.3	2.1
Percentage change	-19.22	-9.68	-8.47	-8.13	-1.31	-23.95	-6.36	-10.47	0.05	-20.22	3.30	-9.30

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2000 dollars) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL NONFARM	28217	29079	30116	30750	31047	31327	31929	32363	32853	32834	33479	33982
Percentage change	1.10	3.05	3.57	2.11	0.96	0.90	1.92	1.36	1.51	-0.06	1.96	1.50
NATURAL RESOURCES, MINING & CONSTRUCTION	30690	32440	33381	34524	34601	34755	34402	34600	34404	35089	36492	37648
Percentage change	0.88	5.70	2.90	3.42	0.22	0.45	-1.02	0.57	-0.56	1.99	4.00	3.17
MANUFACTURING	32952	34048	34686	35552	35913	36268	37577	38215	38986	38628	39278	39646
Percentage change	3.03	3.32	1.87	2.50	1.01	0.99	3.61	1.70	2.02	-0.92	1.69	0.94
DURABLE GOODS	33558	34609	34827	35871	36040	35889	37362	37707	38286	37914	38549	38714
Percentage change	2.24	3.13	0.63	3.00	0.47	-0.42	4.10	0.92	1.54	-0.97	1.68	0.43
NONDURABLE GOODS	32116	33251	34479	35054	35709	36865	37907	38999	40115	39806	40525	41202
Percentage change	3.93	3.53	3.70	1.67	1.87	3.24	2.82	2.88	2.86	-0.77	1.81	1.67
TRADE, TRANSPORTATION, UTILITIES	26602	27695	29354	30339	30391	29966	30603	30880	31272	31542	31948	32339
Percentage change	0.47	4.11	5.99	3.36	0.17	-1.40	2.13	0.90	1.27	0.86	1.29	1.22
WHOLESALE TRADE	34495	35983	37693	39642	40946	41573	42262	43175	44766	45231	46848	47421
Percentage change	-1.09	4.31	4.75	5.17	3.29	1.53	1.66	2.16	3.68	1.04	3.57	1.22
RETAIL TRADE	19819	20390	21841	22536	22442	22023	22454	22509	22328	22432	22470	22839
Percentage change	1.66	2.88	7.12	3.19	-0.42	-1.87	1.96	0.25	-0.80	0.47	0.17	1.64
TRANSPORTATION & UTILITIES	35196	37076	38843	39270	38538	37329	38354	38552	39328	39709	39729	40025
Percentage change	0.80	5.34	4.76	1.10	-1.86	-3.14	2.75	0.51	2.01	0.97	0.05	0.75
INFORMATION	33796	34885	35829	36141	37295	37964	38279	38747	40002	39646	43130	44137
Percentage change	2.29	3.22	2.70	0.87	3.19	1.79	0.83	1.22	3.24	-0.89	8.79	2.34
FINANCIAL ACTIVITIES	34072	36306	38833	39319	41399	42909	43369	45745	46812	45716	48126	49535
Percentage change	4.56	6.56	6.96	1.25	5.29	3.65	1.07	5.48	2.33	-2.34	5.27	2.93
PROFESSIONAL & BUSINESS SERVICES	27434	28170	30039	30395	31029	32608	33305	33736	34157	34251	35434	36827
Percentage change	1.74	2.68	6.63	1.18	2.09	5.09	2.14	1.30	1.25	0.28	3.45	3.93
EDUCATION & HEALTH SERVICES	29857	30804	31048	31627	32281	33136	33591	33776	34796	35291	35430	35682
Percentage change	0.06	3.17	0.79	1.87	2.07	2.65	1.37	0.55	3.02	1.42	0.39	0.71
LEISURE & HOSPITALITY	13715	14575	15049	15527	15181	15219	15562	15763	15793	15740	16173	16417
Percentage change	-0.89	6.27	3.26	3.18	-2.23	0.25	2.25	1.29	0.19	-0.34	2.75	1.51
OTHER SERVICES	30174	27670	28489	28384	28414	27340	28910	29462	30337	29954	30626	30590
Percentage change	1.84	-8.30	2.96	-0.37	0.10	-3.78	5.74	1.91	2.97	-1.26	2.24	-0.12
GOVERNMENT	28007	28346	28903	29254	29493	29970	30600	31215	31522	31516	31810	32282
Percentage change	-0.85	1.21	1.97	1.21	0.82	1.62	2.10	2.01	0.98	-0.02	0.93	1.48
FEDERAL, CIVILIAN	45415	44190	45459	45365	46241	47018	48237	50059	52113	52248	52654	53434
Percentage change	1.48	-2.70	2.87	-0.21	1.93	1.68	2.59	3.78	4.10	0.26	0.78	1.48
STATE & LOCAL	25130	25846	26390	26818	26902	27473	28052	28533	28693	28710	29045	29504
Percentage change	-1.18	2.85	2.11	1.62	0.31	2.12	2.11	1.72	0.56	0.06	1.17	1.58

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL NONFARM	26398	27662	28906	30006	31047	31984	33059	34175	35611	36637	38393	39984
Percentage change	3.28	4.79	4.50	3.80	3.47	3.02	3.36	3.38	4.20	2.88	4.79	4.14
NATURAL RESOURCES, MINING & CONSTRUCTION	28713	30860	32040	33686	34599	35483	35616	36537	37292	39155	41849	44303
Percentage change	3.06	7.48	3.82	5.14	2.71	2.56	0.37	2.58	2.07	4.99	6.88	5.86
MANUFACTURING	30827	32388	33292	34693	35913	37027	38909	40356	42262	43103	45044	46647
Percentage change	5.24	5.07	2.79	4.21	3.52	3.10	5.08	3.72	4.72	1.99	4.50	3.56
DURABLE GOODS	31394	32923	33428	35004	36039	36641	38685	39820	41502	42306	44207	45550
Percentage change	4.44	4.87	1.53	4.72	2.96	1.67	5.58	2.93	4.22	1.94	4.49	3.04
NONDURABLE GOODS	30044	31630	33094	34205	35710	37635	39250	41184	43488	44418	46473	48479
Percentage change	6.16	5.28	4.63	3.36	4.40	5.39	4.29	4.93	5.59	2.14	4.63	4.31
TRADE, TRANSPORTATION, UTILITIES	24887	26345	28175	29605	30390	30594	31686	32609	33898	35196	36638	38049
Percentage change	2.64	5.86	6.94	5.08	2.65	0.67	3.57	2.91	3.95	3.83	4.10	3.85
WHOLESALE TRADE	32272	34230	36179	38684	40948	42441	43756	45593	48525	50474	53725	55796
Percentage change	1.04	6.07	5.69	6.92	5.85	3.65	3.10	4.20	6.43	4.02	6.44	3.85
RETAIL TRADE	18541	19396	20963	21990	22441	22485	23248	23770	24203	25030	25768	26872
Percentage change	3.85	4.61	8.08	4.90	2.05	0.19	3.39	2.24	1.82	3.42	2.95	4.28
TRANSPORTATION & UTILITIES	32928	35269	37282	38320	38536	38111	39713	40711	42628	44307	45561	47090
Percentage change	2.98	7.11	5.71	2.78	0.56	-1.10	4.20	2.51	4.71	3.94	2.83	3.36
INFORMATION	31619	33186	34386	35270	37295	38760	39636	40915	43362	44229	49463	51945
Percentage change	4.50	4.95	3.62	2.57	5.74	3.93	2.26	3.23	5.98	2.00	11.83	5.02
FINANCIAL ACTIVITIES	31877	34538	37270	38366	41408	43810	44903	48306	50742	51013	55194	58283
Percentage change	6.81	8.35	7.91	2.94	7.93	5.80	2.50	7.58	5.04	0.54	8.19	5.60
PROFESSIONAL & BUSINESS SERVICES	25664	26797	28832	29659	31032	33293	34485	35626	37024	38217	40636	43335
Percentage change	3.93	4.41	7.59	2.87	4.63	7.29	3.58	3.31	3.92	3.22	6.33	6.64
EDUCATION & HEALTH SERVICES	27932	29301	29799	30860	32280	33830	34780	35668	37718	39378	40629	41983
Percentage change	2.22	4.90	1.70	3.56	4.60	4.80	2.81	2.55	5.75	4.40	3.18	3.33
LEISURE & HOSPITALITY	12831	13865	14444	15150	15179	15539	16113	16646	17118	17564	18548	19318
Percentage change	1.25	8.06	4.17	4.89	0.19	2.37	3.69	3.31	2.84	2.61	5.61	4.15
OTHER SERVICES	28224	26321	27344	27697	28406	27914	29937	31110	32879	33427	35121	35994
Percentage change	4.04	-6.74	3.89	1.29	2.56	-1.73	7.25	3.92	5.69	1.66	5.07	2.49
GOVERNMENT	26203	26964	27741	28544	29494	30598	31684	32963	34169	35166	36480	37985
Percentage change	1.30	2.90	2.88	2.90	3.33	3.74	3.55	4.04	3.66	2.92	3.74	4.13
FEDERAL, CIVILIAN	42483	42034	43629	44261	46248	47999	49941	52861	56485	58294	60380	62865
Percentage change	3.67	-1.06	3.79	1.45	4.49	3.79	4.05	5.85	6.86	3.20	3.58	4.12
STATE & LOCAL	23511	24586	25329	26168	26902	28049	29045	30131	31103	32036	33311	34718
Percentage change	0.97	4.57	3.02	3.31	2.81	4.26	3.55	3.74	3.22	3.00	3.98	4.22

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate — **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
CIVILIAN LABOR FORCE (THOUS)………..	2758	2788	2812	2839	2872	2864	2867	2896	2907	2939	3008	3037
Percentage change………………………	1.48	1.09	0.84	0.96	1.16	-0.28	0.13	1.01	0.37	1.10	2.36	0.94
EMPLOYED PERSONS (THOUS)……….	2611	2640	2685	2722	2756	2729	2715	2731	2749	2776	2854	2894
Percentage change………………………	1.44	1.11	1.71	1.38	1.26	-1.01	-0.50	0.60	0.63	0.98	2.82	1.39
UNEMPLOYED PERSONS (THOUS)……	147	148	127	117	115	135	152	165	158	163	154	143
Percentage change………………………	2.31	0.66	-14.69	-7.85	-1.35	17.34	12.68	8.31	-3.93	3.18	-5.47	-7.39
PARTICIPATION RATE (PERCENT)……….	66.7	66.4	66.2	66.0	64.9	63.7	63.1	63.2	62.7	62.5	63.0	62.9
Percentage change………………………	-0.15	-0.33	-0.32	-0.25	-1.67	-1.92	-0.88	0.06	-0.74	-0.29	0.81	-0.22
UNEMPLOYMENT RATE (PERCENT)……..	5.3	5.3	4.5	4.1	4.0	4.7	5.3	5.7	5.4	5.6	5.1	4.7

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Table 11: Tennessee Taxable Sales (millions of 2000 dollars) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL TAXABLE SALES	64842	69411	69026	74120	74660	73006	72890	74568	76312	79109	80829	81992
Percentage change	2.53	7.05	-0.55	7.38	0.73	-2.22	-0.16	2.30	2.34	3.67	2.17	1.44
AUTO DEALERS	7070	7005	7424	8311	8379	8469	8533	8929	8708	8448	8180	8072
Percentage change	-1.34	-0.92	5.98	11.94	0.81	1.08	0.75	4.65	-2.47	-3.00	-3.17	-1.32
PURCHASES FROM MANUFACTURERS	4426	4596	4455	4344	4202	3876	3527	3725	3830	4308	4083	4035
Percentage change	5.99	3.83	-3.05	-2.50	-3.28	-7.76	-9.00	5.61	2.81	12.49	-5.21	-1.19
MISC DURABLE GOODS	11095	12504	11757	13151	13016	12106	11852	12207	13085	14199	15009	14826
Percentage change	2.35	12.70	-5.97	11.85	-1.03	-6.99	-2.10	3.00	7.19	8.51	5.71	-1.22
EATING AND DRINKING PLACES	5285	5487	5707	6009	6205	6314	6340	6546	6877	7133	7379	7546
Percentage change	3.21	3.81	4.00	5.30	3.26	1.75	0.41	3.25	5.06	3.72	3.45	2.26
FOOD STORES	7800	7857	7891	8086	8132	7929	7710	7436	7323	7346	7342	7634
Percentage change	1.08	0.73	0.43	2.47	0.56	-2.49	-2.76	-3.56	-1.52	0.31	-0.06	3.98
LIQUOR STORES	343	352	352	375	385	389	394	410	422	443	478	505
Percentage change	4.38	2.51	0.21	6.39	2.64	1.05	1.32	4.09	2.98	4.99	7.68	5.77
HOTELS AND MOTELS	1587	1711	1739	1797	1830	1749	1716	1724	1735	1831	1935	2001
Percentage change	3.06	7.82	1.66	3.32	1.83	-4.42	-1.90	0.49	0.64	5.55	5.67	3.41
OTHER RETAIL AND SERVICE	18424	19320	19949	21167	21494	20962	21243	21944	22363	23089	23620	24212
Percentage change	3.97	4.87	3.26	6.10	1.55	-2.48	1.34	3.30	1.91	3.25	2.30	2.51
MISC NONDURABLE GOODS	5256	5772	5657	6323	6335	6181	6048	5949	6056	6333	6395	6633
Percentage change	0.35	9.83	-2.01	11.78	0.18	-2.42	-2.16	-1.63	1.79	4.58	0.99	3.71
TRANSPORTATION, COMMUNICATION	3555	4806	4094	4558	4684	5030	5527	5698	5913	5980	6407	6528
Percentage change	4.69	35.19	-14.83	11.34	2.77	7.40	9.88	3.09	3.77	1.13	7.14	1.89
PER CAPITA ($)	12225	12926	12721	13509	13205	12707	12575	12752	12921	13228	13329	13384
Percentage change	1.11	5.74	-1.59	6.19	-2.25	-3.77	-1.04	1.40	1.33	2.38	0.76	0.41

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Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2009**

	Historical Data											
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL TAXABLE SALES	60661	66029	66258	72326	74655	74534	75472	78748	82718	88280	92694	96466
Percentage change	4.74	8.85	0.35	9.16	3.22	-0.16	1.26	4.34	5.04	6.72	5.00	4.07
AUTO DEALERS	6613	6664	7127	8110	8377	8648	8836	9430	9439	9423	9382	9496
Percentage change	0.77	0.77	6.94	13.80	3.30	3.23	2.18	6.72	0.10	-0.17	-0.44	1.21
PURCHASES FROM MANUFACTURERS	4142	4372	4276	4238	4201	3956	3652	3934	4151	4807	4682	4746
Percentage change	8.33	5.54	-2.19	-0.89	-0.87	-5.83	-7.69	7.72	5.52	15.80	-2.60	1.37
MISC DURABLE GOODS	10380	11896	11287	12833	13013	12359	12272	12893	14183	15848	17212	17441
Percentage change	4.56	14.60	-5.12	13.70	1.40	-5.02	-0.71	5.06	10.01	11.73	8.61	1.33
EATING AND DRINKING PLACES	4945	5220	5478	5864	6205	6446	6564	6913	7455	7959	8463	8879
Percentage change	5.43	5.56	4.95	7.04	5.83	3.89	1.83	5.31	7.84	6.77	6.33	4.92
FOOD STORES	7297	7474	7574	7891	8132	8095	7983	7852	7937	8196	8419	8984
Percentage change	3.25	2.43	1.35	4.17	3.06	-0.45	-1.38	-1.64	1.09	3.26	2.72	6.70
LIQUOR STORES	321	335	338	366	385	397	408	433	458	495	548	594
Percentage change	6.62	4.23	1.12	8.17	5.17	3.16	2.76	6.17	5.71	8.09	10.65	8.52
HOTELS AND MOTELS	1485	1627	1669	1753	1830	1785	1777	1821	1881	2044	2220	2355
Percentage change	5.32	9.62	2.58	5.03	4.36	-2.42	-0.50	2.48	3.31	8.66	8.60	6.10
OTHER RETAIL AND SERVICE	17235	18379	19149	20654	21493	21401	21996	23174	24240	25764	27088	28487
Percentage change	6.20	6.64	4.19	7.86	4.06	-0.43	2.78	5.35	4.60	6.29	5.14	5.16
MISC NONDURABLE GOODS	4917	5492	5430	6169	6335	6310	6262	6282	6564	7067	7334	7804
Percentage change	2.51	11.69	-1.12	13.61	2.68	-0.39	-0.76	0.33	4.48	7.66	3.78	6.40
TRANSPORTATION, COMMUNICATION	3326	4571	3929	4449	4684	5136	5723	6017	6410	6677	7346	7680
Percentage change	6.95	37.44	-14.05	13.22	5.29	9.66	11.43	5.15	6.52	4.18	10.02	4.55
PER CAPITA ($)	11436	12296	12211	13181	13204	12973	13021	13467	14006	14761	15285	15747
Percentage change	3.29	7.52	-0.69	7.95	0.17	-1.75	0.37	3.42	4.00	5.39	3.55	3.02

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Table 13: Tennessee Gross Domestic Product by Sector (millions of 2000 dollars) **January 2009**

	Historical Data										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GROSS DOMESTIC PRODUCT	–	163,264	168,297	173,604	174,849	176,481	183,593	189,967	199,532	203,497	209,371
Percentage change	–	–	3.08	3.15	0.72	0.93	4.03	3.47	5.04	1.99	2.89
AGRICULTURE, FORESTRY, FISHING & HUNTING	–	1,044	928	862	1,182	1,132	1,021	1,256	1,208	1,257	1,321
Percentage change	–	–	-11.11	-7.11	37.12	-4.23	-9.81	23.02	-3.82	4.06	5.09
MINING	–	359	404	467	468	438	413	383	390	413	388
Percentage change	–	–	12.53	15.59	0.21	-6.41	-5.71	-7.26	1.83	5.90	-6.05
CONSTRUCTION	–	7,607	7,809	7,889	7,781	7,228	6,890	6,822	6,698	6,976	6,669
Percentage change	–	–	2.66	1.02	-1.37	-7.11	-4.68	-0.99	-1.82	4.15	-4.40
MANUFACTURING	–	32,781	33,065	33,662	33,151	32,521	34,906	37,355	41,592	41,103	41,547
Percentage change	–	–	0.87	1.81	-1.52	-1.90	7.33	7.02	11.34	-1.18	1.08
DURABLE GOODS	–	18,449	18,941	19,794	19,287	19,166	21,154	24,253	26,697	27,250	28,061
Percentage change	–	–	2.67	4.50	-2.56	-0.63	10.37	14.65	10.08	2.07	2.98
NONDURABLE GOODS	–	14,332	14,124	13,868	13,864	13,355	13,752	13,102	14,895	13,853	13,486
Percentage change	–	–	-1.45	-1.81	-0.03	-3.67	2.97	-4.73	13.68	-7.00	-2.65
TRADE, TRANSPORTATION, UTILITIES	–	32,581	34,594	36,766	36,758	37,715	38,818	40,353	42,466	44,460	46,121
Percentage change	–	–	6.18	6.28	-0.02	2.60	2.92	3.95	5.24	4.70	3.74
WHOLESALE TRADE	–	10,645	11,739	12,464	12,009	12,726	13,086	13,521	14,043	14,134	14,403
Percentage change	–	–	10.28	6.18	-3.65	5.97	2.83	3.32	3.86	0.65	1.90
RETAIL TRADE	–	13,413	13,942	14,746	14,931	15,650	16,022	16,920	17,526	18,876	19,842
Percentage change	–	–	3.94	5.77	1.25	4.82	2.38	5.60	3.58	7.70	5.12
TRANSPORTATION & UTILITIES	–	8,523	8,913	9,556	9,818	9,339	9,710	9,912	10,897	11,450	11,876
Percentage change	–	–	4.58	7.21	2.74	-4.88	3.97	2.08	9.94	5.07	3.72
INFORMATION	–	4,017	4,338	4,670	5,167	5,588	6,260	6,490	7,094	8,057	9,132
Percentage change	–	–	7.99	7.65	10.64	8.15	12.03	3.67	9.31	13.57	13.34
FINANCIAL ACTIVITIES	–	24,843	25,667	26,781	27,887	29,243	29,523	29,904	30,349	30,046	31,048
Percentage change	–	–	3.32	4.34	4.13	4.86	0.96	1.29	1.49	-1.00	3.33
PROFESSIONAL & BUSINESS SERVICES	–	15,014	15,683	16,398	16,687	17,112	17,817	18,688	19,964	20,889	21,766
Percentage change	–	–	4.46	4.56	1.76	2.55	4.12	4.89	6.83	4.63	4.20
EDUCATION & HEALTH SERVICES	–	14,070	13,914	13,945	14,288	14,820	15,743	16,469	17,501	18,002	18,638
Percentage change	–	–	-1.11	0.22	2.46	3.72	6.23	4.61	6.27	2.86	3.53
LEISURE & HOSPITALITY	–	6,840	7,087	7,187	7,171	6,979	7,247	7,582	7,741	7,910	8,192
Percentage change	–	–	3.61	1.41	-0.22	-2.68	3.84	4.62	2.10	2.18	3.57
OTHER SERVICES	–	4,888	5,030	4,895	4,790	4,654	4,714	4,890	4,896	4,807	4,780
Percentage change	–	–	2.91	-2.68	-2.15	-2.84	1.29	3.73	0.12	-1.82	-0.56
GOVERNMENT	–	19,220	19,778	20,082	19,519	19,051	20,241	19,775	19,633	19,577	19,769
Percentage change	–	–	2.90	1.54	-2.80	-2.40	6.25	-2.30	-0.72	-0.29	0.98
FEDERAL	–	6,047	6,245	6,154	5,617	4,672	5,593	5,590	5,407	5,270	5,293
Percentage change	–	–	3.27	-1.46	-8.73	-16.82	19.71	-0.05	-3.27	-2.53	0.44
STATE & LOCAL	–	13,173	13,533	13,928	13,902	14,379	14,648	14,185	14,226	14,307	14,476
Percentage change	–	–	2.73	2.92	-0.19	3.43	1.87	-3.16	0.29	0.57	1.18

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Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2000 dollars) **January 2009**

	Historical Data										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2007
DURABLE GOODS	–	18449	18941	19794	19287	19166	21154	24253	26697	27250	28061
Percentage change	–	–	2.67	4.50	-2.56	-0.63	10.37	14.65	10.08	2.07	2.98
WOOD PRODUCTS	–	811	910	888	883	818	888	796	858	858	980
Percentage change	–	–	12.21	-2.42	-0.56	-7.36	8.56	-10.36	7.79	0.00	14.22
NONMETALLIC MINERAL PRODUCTS	–	1249	1326	1315	1336	1190	1268	1405	1529	1347	1228
Percentage change	–	–	6.16	-0.83	1.60	-10.93	6.55	10.80	8.83	-11.90	-8.83
PRIMARY METALS	–	1225	1326	1783	1192	1237	1199	972	1168	1108	1078
Percentage change	–	–	8.24	34.46	-33.15	3.78	-3.07	-18.93	20.16	-5.14	-2.71
FABRICATED METAL PRODUCTS	–	3160	3016	3309	3145	2853	2841	2948	3387	3257	3568
Percentage change	–	–	-4.56	9.71	-4.96	-9.28	-0.42	3.77	14.89	-3.84	9.55
MACHINERY	–	2495	3001	2989	2871	2884	2860	3024	2946	3362	3113
Percentage change	–	–	20.28	-0.40	-3.95	0.45	-0.83	5.73	-2.58	14.12	-7.41
COMPUTER & ELECTRONIC PRODUCTS	–	255	373	463	728	1951	2527	4546	5897	5595	5424
Percentage change	–	–	46.27	24.13	57.24	167.99	29.52	79.90	29.72	-5.12	-3.06
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS	–	2087	1835	1863	1836	1854	2391	2459	2421	2472	2236
Percentage change	–	–	-12.07	1.53	-1.45	0.98	28.96	2.84	-1.55	2.11	-9.55
TRANSPORTATION EQUIPMENT	–	4716	4783	4609	4756	4085	4892	5695	6102	6951	8213
Percentage change	–	–	1.42	-3.64	3.19	-14.11	19.76	16.41	7.15	13.91	18.16
FURNITURE	–	1057	1048	1063	1062	820	934	953	832	718	648
Percentage change	–	–	-0.85	1.43	-0.09	-22.79	13.90	2.03	-12.70	-13.70	-9.75
MISCELLANEOUS DURABLE GOODS	–	1394	1323	1512	1478	1474	1354	1455	1557	1582	1573
Percentage change	–	–	-5.09	14.29	-2.25	-0.27	-8.14	7.46	7.01	1.61	-0.57

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Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2000 dollars) **January 2009**

	Historical Data										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
NONDURABLE GOODS	–	14,332	14,124	13,868	13,864	13,355	13,752	13,102	14,895	13,853	13,486
Percentage change	–	–	-1.45	-1.81	-0.03	-3.67	2.97	-4.73	13.68	-7.00	-2.65
FOOD & BEVERAGE & TOBACCO	–	3,610	3,728	3,799	3,849	3,833	4,261	3,938	4,268	4,245	4,292
Percentage change	–	–	3.27	1.90	1.32	-0.42	11.17	-7.58	8.38	-0.54	1.11
TEXTILE MILLS & TEXTILE PRODUCT MILLS	–	756	778	718	738	697	630	783	689	615	616
Percentage change	–	–	2.91	-7.71	2.79	-5.56	-9.61	24.29	-12.01	-10.74	0.16
APPAREL	–	1,123	1,020	719	700	575	603	511	472	427	392
Percentage change	–	–	-9.17	-29.51	-2.64	-17.86	4.87	-15.26	-7.63	-9.53	-8.20
PAPER	–	1,809	1,810	1,836	1,659	1,738	1,822	1,945	1,983	2,175	2,157
Percentage change	–	–	0.06	1.44	-9.64	4.76	4.83	6.75	1.95	9.68	-0.83
PRINTING & RELATED SUPPORT	–	1,330	1,321	1,277	1,308	1,159	1,178	1,252	1,279	1,278	1,315
Percentage change	–	–	-0.68	-3.33	2.43	-11.39	1.64	6.28	2.16	-0.08	2.90
CHEMICALS	–	3,459	3,284	3,212	2,997	3,038	2,801	2,261	3,697	2,749	2,621
Percentage change	–	–	-5.06	-2.19	-6.69	1.37	-7.80	-19.28	63.51	-25.64	-4.66
PLASTICS & RUBBER	–	2140.00	2065.00	2162.00	2138.00	1913.00	2120.00	2137.00	2242.00	2155.00	1950.00
Percentage change	–	–	-3.50	4.70	-1.11	-10.52	10.82	0.80	4.91	-3.88	-9.51
MISCELLANEOUS NONDURABLE GOODS	–	105.00	118.00	145.00	475.00	402.00	337.00	275.00	265.00	209.00	143.00
Percentage change	–	–	12.38	22.88	227.59	-15.37	-16.17	-18.40	-3.64	-21.13	-31.58

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