

**AN ECONOMIC REPORT
TO THE GOVERNOR
OF THE STATE OF **TENNESSEE****

The State's Economic Outlook

January

2010

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Center for Business and Economic Research

Prepared by the
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An Economic Report to the Governor of the State of Tennessee

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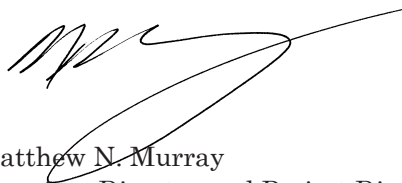
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Preface

This 2010 volume of An Economic Report to the Governor of the State of Tennessee is the 34th 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 2012 and annual forecast through 2019 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 2010, 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 discusses the future of Tennessee's transportation equipment sector.

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.



Matthew N. Murray
Associate Director and Project Director
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Executive Summary

The U.S. Economy

The U.S. exhibited some weak-to-moderate signs of recovery during 2009 from the recession that began in December 2007. Although some sectors of the economy reflect little or no improvement, other sectors have begun to rebound. Gross domestic product (GDP) growth has hit its trough and finally turned positive at 2.2 percent for the third quarter of 2009 and will in excess of 5.0 percent in the fourth quarter.¹ Consumer spending growth also turned weakly positive in the third quarter of 2009. This growth was driven in part by increased automobile sales from the Cash for Clunkers program. Consumer sentiment remained relatively flat through 2009, but fourth quarter holiday retail sales grew moderately over 2008 sales. Residential investment was boosted in the third quarter of 2009 by the tax credit for first time home buyers. Single-family construction and new housing starts grew at annualized rates of 73.0 percent and 89.0 percent, respectively, in the third quarter of 2009. However, multi-family construction continued to plummet throughout 2009. Business investment also showed little sign of improvement. The commercial real estate industry suffered throughout 2009, causing investments in business structures to decline every quarter of 2009. The only bright spot in business investment was in software and equipment, which showed positive growth in the third quarter of 2009. These investments, along with ongoing job losses, have led to a surge in productivity.

Federal government spending revitalized the economy and boosted GDP some in 2009 thanks to stimulus funds and increased defense spending. State and local governments, on the other hand, struggled with budget issues during 2009 forcing them to restrict spending. Foreign trade flows show promising signs of recovery as both imports and exports grew during the third and fourth quarters of

1 All growth rates are seasonally-adjusted annual rates unless otherwise noted (SAARs).

2009. Inflation has not yet emerged as a short-term threat but remains a long-term concern given the scope of liquidity in the financial system. There are signs the Federal Reserve is beginning to unwind its unprecedented intervention. The Federal Reserve maintained interest rates throughout 2009 at a level very close to 0.0 percent. The labor market continued to lag other sectors of the economy in recovery during 2009. The unemployment rate was 9.6 percent for the third quarter of 2009, although it climbed to 10.0 percent in December.

Although growth is expected to be slow and gradual in the quarters ahead, the U.S. will see stronger signs of recovery in 2010 and GDP is expected to grow 2.6 percent.² All major components of GDP are expected to begin showing positive growth with the exception of business investment. Employment will see seasonally-adjusted gains in three out of four quarters in 2010, but jobs will still be down 0.5 percent compared to 2009. The unemployment rate will average 10.1 percent for 2010 and remain above 9 percent into 2011. Consumer sentiment will improve during 2010, and total consumption will grow by 2.1 percent. Nevertheless, consumption will not be a major driver of recovery in 2010. Residential investment will improve thanks to the extension of the tax credit for first time home buyers, improved lending conditions and falling home prices. Business investment in structures will continue its decline although business investment in software and equipment will be up 8.0 percent over 2009. Federal government spending will grow 4.1 percent, driven by federal spending for stimulus and defense, while state and local spending will be up only 0.4 percent. Imports and exports will continue to grow in 2010, although imports will grow at a slightly faster rate than exports.

2 CBER draws its U.S. forecast and global forecasts from IHS Global Insight, Inc.

There is little if any upside growth potential over the short-term forecast horizon. The economy remains fragile and the lack of robust job gains will sharply limit growth from the consumer side of the economy's ledger. While analysts will likely conclude the recession ended sometime in the summer of 2009, many

measures of economic activity—especially employment and the unemployment rate—continued to deteriorate as 2009 came to a close. It will take several years for the level of economic activity to return to where it stood before the recession hit.

The Tennessee Economy

Current Economic Conditions

The state economy is finally starting to show signs of movement away from the bottom of the current business cycle. Unfortunately what this means is slower rates of economic decline—broad-based economic growth has yet to emerge in Tennessee. The recession that began in December 2007 has now had more than two years to wreak havoc on the state economy. It will take well over two years for the economy to fully rebound.

The first quarter of 2009 was nothing less than a disaster for state labor markets. Nonfarm jobs fell at a 6.7 percent seasonally-adjusted rate, while employment in natural resources, mining and construction fell 33.2 percent, and manufacturing jobs were down by 18.6 percent. For the year as a whole, employment was down 4.0 percent, while more than 150,000 jobs have been lost since the start of the recession. The unemployment rate did fall from 10.5 percent in October to 10.2 percent in November, but then climbed to 10.9 percent in December. We are now into the fourth consecutive quarter with a statewide unemployment rate in excess of 10 percent. In contrast, the state unemployment rate stood at 5.3 percent in the fourth quarter of 2007. The number of unemployed people has nearly doubled since the start of the recession.

Nominal personal income has continued to grow in the face of a contracting economy, although 2009 will likely produce an anemic gain of only 0.2 percent. Wage and salary income, other labor income, proprietors' income and rent, interest and dividend income all

contracted for the year. Average earnings were stagnant for the year. On the other hand, transfer payments surged 11.7 percent on the heels of a sharp 9.1 percent increase in 2008.

Taxable sales and state sales tax revenue continue to contract, though now at somewhat lower rates of year-over-year decline. Taxable sales were down 2.2 percent in 2008 and will likely fall a further 7.6 percent in 2009. To illustrate the depth of the problem, taxable sales in 2009 were below the level of sales recorded in 2005. Tennessee's sales tax performed worse than the national average in the third quarter of 2009.

Short-Term Economic Outlook

The state economy should begin seeing improvement in economic conditions as 2010 unfolds. However, a strong and vigorous rebound is not expected. Even if rapid growth does emerge—a V-shaped expansion—it would be at least two years before economic conditions return to their pre-recession levels.

The labor market is expected to see a slow recovery. The state unemployment rate will likely average 10.4 percent this year and remain stuck above 10 percent through 2011. This will translate into more than 300,000 unemployed people in Tennessee in 2010 and 2011 and put sustained pressure on the state's unemployment insurance trust fund. Should the employment rate fall lower, it will reflect a contracting labor force rather than stronger job growth.

Nonfarm employment will see its first seasonally-adjusted quarterly gain this year

since the fourth quarter of 2007. But nonfarm jobs are still expected to fall 0.5 percent for the year. The only broad sectors expected to see job growth are wholesale trade, professional and business services, education and health services and government. Stronger but below-trend job growth of 0.8 percent will materialize in 2011. Durable goods manufacturing jobs are expected to see modest growth in 2011, a short-lived and partial rebound from the depths of the recession; nondurable goods employment will continue to contract. Durable goods manufacturing employment is not expected to fully recover from the losses that have occurred over this long contraction.

A slower rate of job loss, along with the expectation of a rising average wage, should produce 2.5 percent growth in wage and salary income in 2010. Other labor income, proprietors' income and rent, interest and dividend income, are also expected to grow for the year. Transfer payments will increase 8.1 percent in 2010, below the rates of growth of the prior two years. Nominal personal income should advance 2.1 percent in 2010, improving to 3.5 percent growth in 2011. On a fiscal year basis, nominal personal income should be up 1.2 percent in fiscal year 2009/10 and up 2.8 percent rate in fiscal year 2010/11.

The severely depressed level of taxable sales along with the emergence of economic expansion will support improved sales activity in future quarters. Seasonally-adjusted quarterly sales should move into the black for the final quarter of 2009, though year-over-year sales will still be down by more than 3 percent. For the year as a whole, taxable sales should advance 2.1 percent in 2010, substantial improvement over the 7.6 percent loss last year. On a fiscal year basis, taxable sales are expected to fall 2.5 percent in the current fiscal year before recording a 3.3 percent gain in the 2010/11 fiscal year.

TN Agriculture Outlook

Agricultural and agriculturally-related activities account for 11.4 percent of Tennessee's economy with \$44.2 billion in output. About 40 percent of Tennessee's land base is in farmland, two-thirds of which is cropland. Good moisture levels in 2009

resulted in increased soybean, corn, hay, and cotton production. Tobacco production and winter wheat production both fell. While 2009 crop prices did not hit the highs seen in 2008, they were sufficient to ensure profitability in the crop sector. Livestock producers on the other hand, faced serious profitability problems as the result of higher crop prices which increased feed costs.

As the result of bountiful fall rains, the outlook for planting 2010 crops looks good. The big issue for crop farmers in 2010 will be price, as the market is currently on the downward side of a price spike that peaked in 2008. Timely marketing of the 2010 crop as well as the remainder of the 2009 crop will be the key to profitability. Livestock producers have reduced animal numbers and it remains to be seen if the reduction is large enough to restore profitability to the sector.

Long-Term Outlook

Most recessions are relatively short in duration and have modest effects on long-term patterns of economic performance. The Great Recession is an exception. The recession that began in December 2007 has been the longest and deepest economic downturn since the Great Depression. While the recession has now likely ended, many measures of economic performance—including employment and unemployment—continue to show deterioration. The crumbling economy has taken levels of economic activity to unprecedented lows. One example is nonfarm employment in Tennessee: employment levels that prevailed in 2009 were below the levels of employment that prevailed in 1999. Because of the severely depressed levels of economic activity, a full recovery will not take place until after the close of the short-run cyclical forecast horizon that extends to the first quarter of 2012.

The recession that has run amok on the economy has had a similarly devastating impact on sales tax collections, as well as overall revenue collections. State revenue collections reached their pre-recession peak in the 2007/08 fiscal year. Since that time, sales tax collections have eroded sharply, though the rate of decline is showing signs of easing.

Revenues are not expected to surpass their pre-recession peak until the 2012/13 fiscal year. In the meantime, the state will find that federal stimulus funds in support of the budget will have been exhausted.

Nonfarm employment in Tennessee is expected to grow at a 1.0 percent compound annual growth rate between 2009 and 2019. Growth over this extended period of time will be depressed by the expectation of job losses in 2010 and subpar growth in 2011. Manufacturing will see some modest gains in 2011 and 2012 but will not recover the jobs lost in the current cycle. Manufacturing will see job erosion in each year after 2012. Professional and business services and education and health services will enjoy the strongest rate of job growth over the long-term forecast horizon.

Tennessee's unemployment rate stood at 4.1 percent in 1999 and fell to 4.0 percent the following year. By the fourth quarter of 2007—corresponding to the onset of the recession—the state unemployment rate had

drifted to 5.3 percent. The scope of job loss and the slow pace of economic expansion from the trough of the recession are expected to yield unemployment rates in excess of 10 percent in 2010 and 2011. The state unemployment rate is expected to remain stubbornly high for several years to come, not falling below 7 percent until 2016. Large numbers of Tennesseans will remain “structurally unemployed” as their skills will not mesh well with the skill requirements of employers.

Personal income growth in Tennessee lagged the nation between 1999 and 2009. The long-run forecast indicates that same pattern will emerge in the years out to 2019. Per capita income in Tennessee will fall as a share of U.S. per capita personal income as well. Inflation-adjusted state gross domestic product in Tennessee will grow at a 3.1 percent compound annual growth between 2009 and 2019. This is a significant improvement over the record dating back to 1999 and reflects, in part, the recession of 2001 and the recession that began in 2007 which has dampened historical growth.

The Future of the U.S. Automobile Industry

Tennessee made a significant effort in the 1980s to expand its transportation equipment sector and had two major successes with the recruitment of the Nissan and Saturn assembly facilities. These assembly plants, along with their ring of suppliers, created thousands of new high-paying jobs for Tennesseans. Automobile parts manufacture and assembly, along with the production of other forms of transportation equipment, ultimately yielded 68,500 jobs at its employment zenith in 2000. Employment in the state's transportation sector has subsequently declined, though output—aside from recession years—has continued to expand as a result of productivity gains.

The current environment certainly appears grim, with the national downturn in the automobile industry, and the recent closures of the Peterbilt and former Saturn production facilities in Tennessee. But there are bright

spots as well for the state's transportation equipment sector. Nissan will be building its zero emissions *Leaf* car in Rutherford County, while Volkswagen will soon begin production at its new facility in Hamilton County. Despite some growing pains, Tennessee has successfully moved from a small player to a major player in the national arena.

The automobile industry will undergo rapid change in the years ahead due to shifting demographics and consumer preferences and technological change. The industry will continue to shift away from a narrow focus on low costs to value added and value creation. Tennessee will need to offer a highly-skilled workforce and complements to the design, production and assembly processes (like research and development capacity) to maintain and support this important industry cluster.

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 National Bureau of Economic Research (NBER), the organization responsible for dating business cycles in the U.S., determined that a peak of economic activity occurred in December 2007. This peak represents the end of a period of economic growth in the U.S. that began in November 2001 and also represents the beginning of the current recession. This is the first global recession since World War II, and the downturn has affected every sector of the economy and virtually every country in the world. Severe problems in housing markets, consumer spending, employment, financial markets, and credit lending have persisted internationally as well as domestically.

Many countries, including the U.S., have responded with aggressive fiscal stimulus programs and equally aggressive monetary policies. Although NBER has not officially announced the end of the recession, the

consensus is that they will do so sometime in 2010 and deem the recession over sometime in the middle of 2009. Some economic indicators point toward the beginning of a recovery, both globally and in the U.S. Asia is beginning to show rapid growth, and Europe has begun recovery as well. In the U.S., gross domestic product (GDP) has hit its trough and showed growth in the third and fourth quarters of 2009. Although employment continues to contract, business construction remains in a slump, and credit is still tight, there are some signs of a rebound. Monthly employment losses are narrowing, consumption is showing slow signs of improvement, and residential investment has been boosted by the tax credit for first-time homebuyers (FTHC). The turn in the inventory cycle has also boosted GDP, and exports and imports are both gaining momentum quickly.

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

Although NBER relies on a variety of economic activity measures, one of the most important is U.S. GDP. Gross domestic product measures the total output of the country, or in other words, the total value of all goods and services produced and consumed in the country during a specified period.

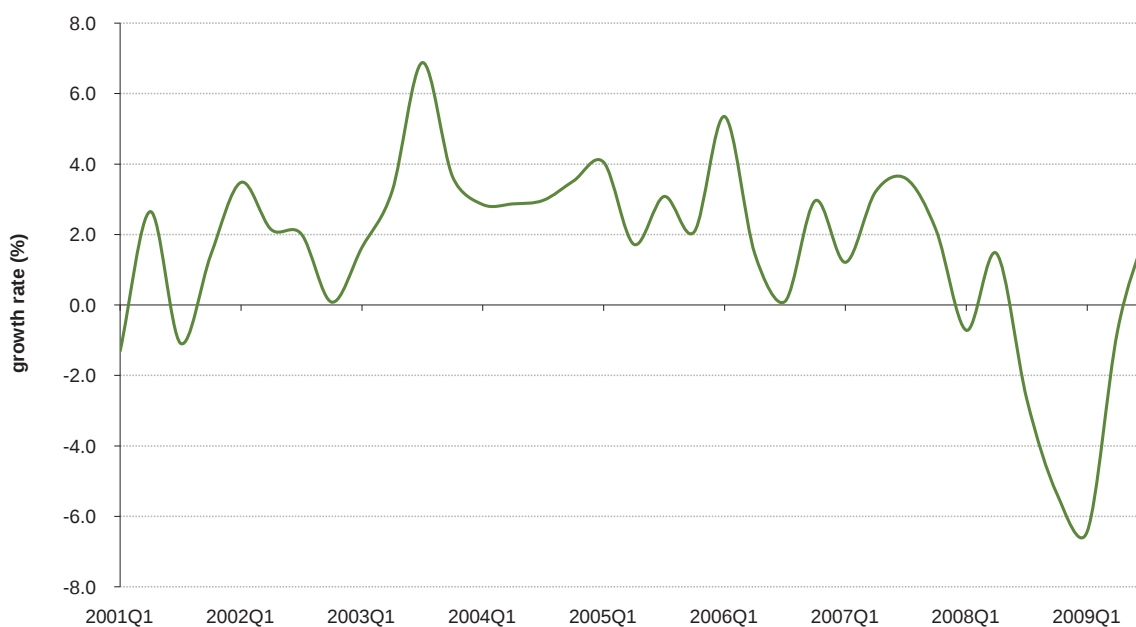
Figure 1.1 shows seasonally-adjusted quarterly GDP growth. While the economy has generally been contracting since the third quarter of 2008, GDP has reached the bottom in the current cycle. Annualized growth turned positive at 2.2 percent for the third quarter of 2009 (following two disheartening downward revisions), and the fourth quarter should have ended on a positive note with growth of 5.1 percent. (While 5.1 percent was the anticipated growth rate, preliminary figures show a 5.7 percent gain for the fourth quarter.) The growth from quarter to quarter also depicts a promising future—at least in terms of output.

Components of GDP

Gross domestic product is the sum of consumer spending, investment, government spending, and net trade in international markets. Consider each in turn.

Prior to the recession, inflation-adjusted consumer spending grew at an annualized rate of between 1.0 percent and 6.5 percent every quarter since the beginning of 2001. In the first quarter of 2008, however, consumer spending declined for the first time at an annualized rate of 0.6 percent, and the drop continued through the end of 2008. In the first half of 2009, consumer spending remained relatively flat with growth of 0.6 percent in the first quarter and a decline of 0.9 percent in the second. However, consumer spending appears to have strengthened some in the third quarter, when seasonally-adjusted growth was positive at 2.8 percent. Growth will likely be slow or flat over the near term since unemployment is still a major issue, jobs

Figure 1.1. Inflation-Adjusted GDP Growth



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

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

continue to contract and consumers continue to restrain spending due to uncertainty about future income and the difficulty of obtaining credit.

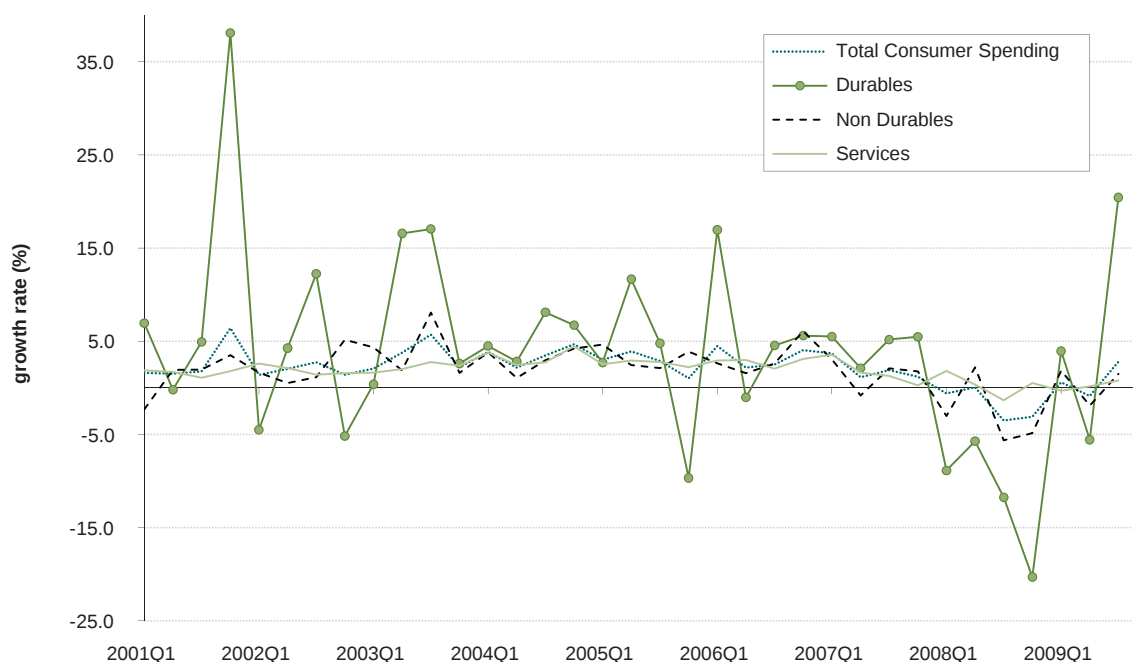
Consumer spending includes expenditures on durable goods, non-durable goods, and services. As shown in Figure 1.2, although spending on services has remained relatively stable (which is common during a recession), all three categories of consumer spending have recently experienced downward trends and negative growth. Holiday retail sales (excluding automobiles, gasoline, and food services) grew about 1.5 percent above last year's holiday season. Certainly this growth is disappointing, but is better than the decline experienced by retailers in 2008. Consumer sentiment hit its lowest point since 1980 in the fourth quarter of 2008—just one of a string of records set by the recession. Sentiment has improved during 2009 at a snail-like pace, with the first quarter showing only a 1.0 percent

improvement over the low experienced in the last quarter of 2008. In the second quarter, consumer sentiment finally showed some substantial improvement over the previous quarter, but then stagnated again in the third quarter of 2009.

Not surprisingly, spending on durable goods has suffered the most, likely due to the lack of confidence in the economy, a weak labor market and tight credit. Consumers tend to spend more conservatively on goods such as automobiles and appliances in bad economic times. Nondurable goods, like clothing, gasoline, and food, are less susceptible to changes in consumption levels because they generally represent necessities.

Durable goods spending declined at an annualized rate of more than 20.0 percent in the last quarter of 2008. The first part of 2009 saw small growth of 3.9 percent, and then spending fell in the second quarter, contributing to the decline in total consumer

Figure 1.2. Inflation-Adjusted Consumer Spending Growth



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

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

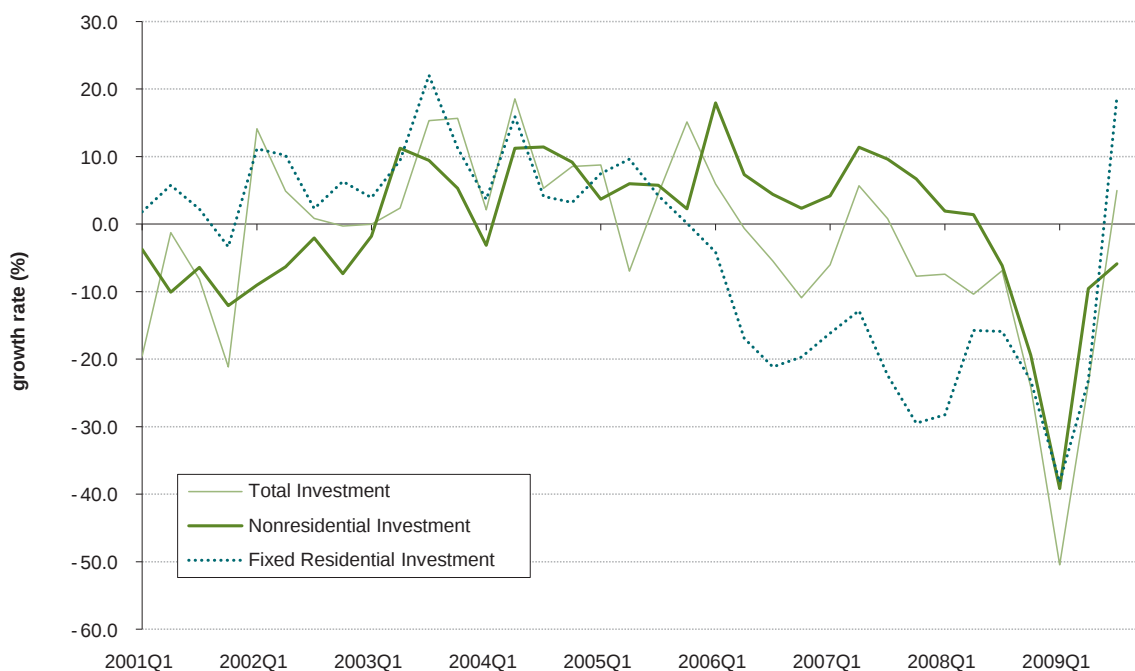
spending. This dip in durable goods spending is likely due in large part to the dramatic declines in automobile sales relative to prior years. For example, the second quarter of 2009 showed auto sales down 36.8 percent from the second quarter of 2008. However, auto sales jumped 42.3 percent from the second quarter of 2009 to the third quarter, due in part to incentives created by the Car Allowance Rebate System (Cash for Clunkers). This \$3 billion program allowed consumers to get up to \$4,500 in credit vouchers for the purchase of a new more fuel-efficient car in exchange for trading in an eligible “gas guzzler.” According to the U.S. government’s website for the program, Cash for Clunkers helped consumers purchase more than 700,000 new vehicles from July 24 to August 24, 2009. The result was an annualized growth rate of 20.4 percent for spending on durable goods in the third quarter of 2009. However, third quarter vehicle output would have been relatively high anyways because producers had already cut

production so low prior to the third quarter. Regardless, we can expect that growth in the next few quarters will fail to match the growth of the third quarter of 2009 given the absence of similar incentives.

Spending on nondurable goods did not experience the same growth path as durables. In fact the third quarter of 2009 experienced only a 1.5 percent annualized growth rate, better than the decline of almost 2.0 percent in the second quarter, but still rebounding only very weakly. With the exception of the additional spending on vehicles spurred by the Cash for Clunkers program, total consumption continues to lag other economic indicators. Consumers remain cautious about the future outlook. More importantly, incomes are low due to job loss and credit is difficult to obtain.

The investment category of GDP is comprised of residential fixed investment (housing), non-residential (business) investment, and changes in business inventories. As shown in Figure 1.3,

Figure 1.3. Inflation-Adjusted Investment Growth



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

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

annualized growth rates for residential fixed investment collapsed over the course of the recession, but were actually weakening well before the onset of the recession. In 2009, the economy experienced the most drastic quarterly annualized declines in residential investment since 1980. The third quarter of 2009 finally produced annualized growth in residential investment of 18.9 percent driven mostly by the increased demand from the FTHC.

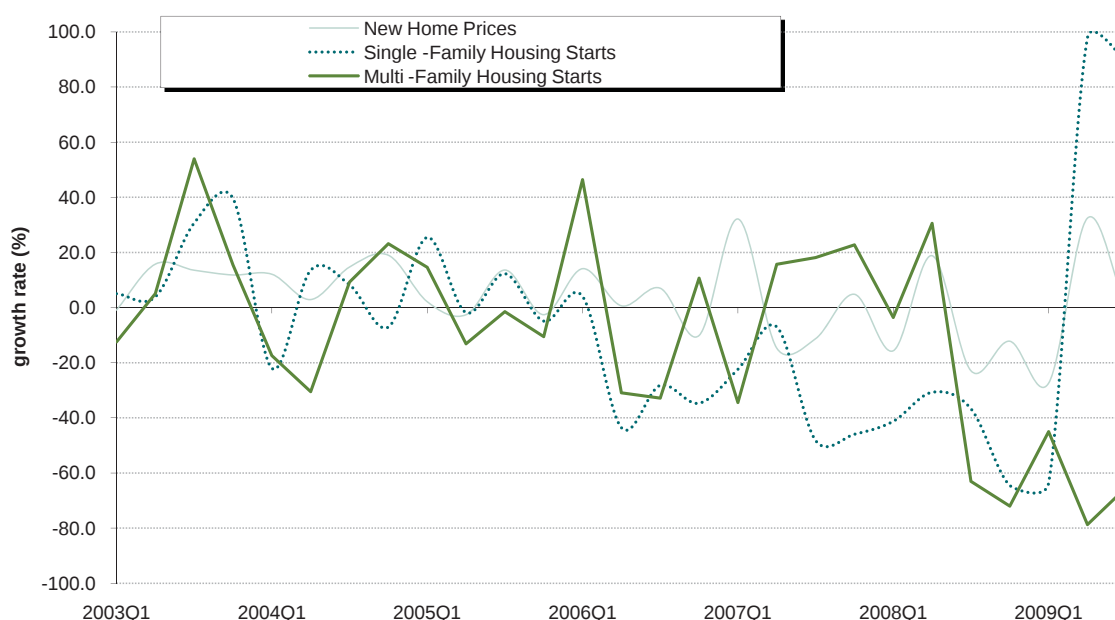
Homebuilders have been unable to sustain previous levels of construction due to financing constraints as well as the lack of demand driven by the glut of houses already on the market and the consolidation of households into fewer homes. Both single-family construction and multi-family construction have experienced double-digit annualized declines almost every quarter since the second quarter of 2007. The single-family sector, however, has begun to rebound with a 73.0 percent annualized growth rate in the third

quarter of 2009—the first positive growth since 2005.

But construction of multi-family units continues to plummet and is not likely to recover any time soon. The annualized decline in the third quarter of 2009 alone was 50.9 percent. One effect of the FTHC is that it has turned many previous renters into homebuyers, so that demand for rentable units is down from previous years. This phenomenon, on top of the general crash in the housing markets and credit restrictions, has resulted in an extremely weak multi-family housing industry.

The lack of investment in residential construction is directly linked to the number of new housing starts. Housing starts in 2009 came in at 556,000 units compared to the pre-recession peak of 2.1 million in 2005. Although the FTHC spurred housing purchases during 2009, it mostly affected purchases of single-family existing homes. As shown in Figure 1.4, it appears single-family housing starts are

Figure 1.4. New Home Prices and Housing Starts



Note: Seasonally-adjusted annual rate of growth.
Source: Census Bureau.

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

experiencing a turnaround. After plummeting almost 64.0 percent in the first quarter of 2009, single-family starts grew at an annualized rate of 98.0 percent and 89.0 percent in the second and third quarters, respectively. Because these growth rates were driven by the tax credit, they do not necessarily indicate a recovery in the housing market. This housing activity represents a shifting of activity from future periods induced by the tax credit, so a payback will probably occur in the coming quarters.

As shown in Figure 1.4, not surprisingly, new housing starts of multi-family units did not get the boost during 2009 from the tax credit that single-family starts received. In fact, annualized growth rates for multi-family starts in the second and third quarters of 2009 were negative 78.7 percent and negative 65.2 percent, respectively. Again, the evidence in all sectors points toward a gradual recovery in single-family construction and starts but a severely suffering multi-family housing industry.

Business investment also dropped at double-digit rates during the first part of 2009, and while there has been some improvement in terms of lower rates of decline there is little evidence of a robust turnaround. Annualized growth in both business structures and business investment in equipment and software continued to be negative in 2009 although software and equipment investment growth finally turned positive in the third quarter of 2009. Investment in business structures dropped another 18.0 percent in the third quarter of 2009. The business structures category includes commercial real estate which continues to exhibit severe declines. With the large amounts of excess commercial space on the market, tight credit markets, and weak consumer demand, commercial real estate has dropped at annualized rates of greater than 30.0 percent every quarter beginning in the last quarter of 2008. The lack of investment in structures, both residential and nonresidential, mixed with state budget problems, has led to a suffering U.S. construction industry. Although stimulus funds allocated toward construction

has helped some, the industry continues to experience drastic job loss and unemployment.

The third component of investment is changes in business inventories. Inventories were an important component of the economy for 2009. Businesses have been shrinking their inventories in the recession, but as inventories flatten out, GDP will grow. Inventory decumulation occurred in the first three quarters of 2009, but appears to have slowed, indicating that perhaps the cycle is turning around.

Total government spending is up from 2008 although the growth rates have slowed during 2009. The growth comes largely from the federal government where spending increased in part due to the American Recovery and Reinvestment Act of 2009 (stimulus act) as well as Trouble Asset Relief Program (TARP) funds that were spent during 2008 and 2009. The federal government also increased defense spending in 2009 relative to 2008. The federal government deficit has been aggravated by waning tax collections. State and local governments, on the other hand, have shown only minimal or negative annualized growth in spending since the fourth quarter of 2008. Because of lower incomes and consumer spending, state revenues have suffered tremendously, leaving most state governments without resources to expend. The second quarter of 2009 showed a seasonally-adjusted 3.9 percent increase in state and local spending, benefiting largely from federal stimulus funds. However, in the third quarter of 2009, spending was down again by 0.6 percent. Once the economy shows stronger signs of recovery and incomes and spending are revitalized, state and local revenues should regain momentum. However, revenues will not be restored to pre-recession levels until 2012 or 2013. In the interim, stimulus funds will run dry. Ultimately the federal government will have to rein in spending and raise taxes.

Foreign trade flows represent one of the most promising indicators of a recovery. Both imports and exports plummeted in the first quarter of 2009 and finally grew in the third

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

quarter due to slowly-improving U.S. and Asian economies. Imports and exports had experienced negative annualized growth until the third quarter of 2009 when they both exhibited double-digit annualized growth rates. The difference between exports and imports is the trade balance and represents a subtraction from GDP when there is a deficit, i.e. imports exceed exports. As shown in Figure 1.5, imports commonly exceed exports in the U.S. However, the growth in the trade deficit began to flatten out in 2004 and has subsequently decreased due to exports growing at a faster rate than imports. Surprisingly, exports grew at a faster rate than imports in the fourth quarter of 2009, meaning that net trade will add to GDP. Exports have been boosted by the weak U.S. dollar as well as the recovery in Asia and Europe while imports have grown because of the slowly revitalizing U.S. economy.

Inflation and Prices

The Consumer Price Index (CPI) is the most common measure of inflation. The CPI measures the cost of a typical market basket of consumer goods and services over some specified time period, relative to a base period. Figure 1.6 shows the percentage change in the CPI from the same month in the prior year. As shown, prices have continued to rise through January of 2009. Since then there has been deflation in the face of collapsing consumption and investment demand.

The Federal Reserve, which is in charge of determining the federal funds interest rate and controlling the U.S. money supply, has set and maintained the federal funds rate in the 0.0 to 0.25 percent range. Maintaining such low interest rates makes it less costly for consumers and business to finance their purchases and thus drives up demand for consumption and investment, which in

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Figure 1.5. International Trade



Source: Bureau of Economic Analysis.

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

The Housing Market

As shown in the figure below, the single-family housing market is finally showing weak signs of stabilization, with sales of single-family existing homes during the last three quarters of 2009 showing the first positive seasonally-adjusted growth since the third quarter of 2008. And single-family new housing starts are on the rise as well. The FTHC certainly boosted the single-family market as did prevailing low home prices (Figure 1.4) and low mortgage rates (see figure below).

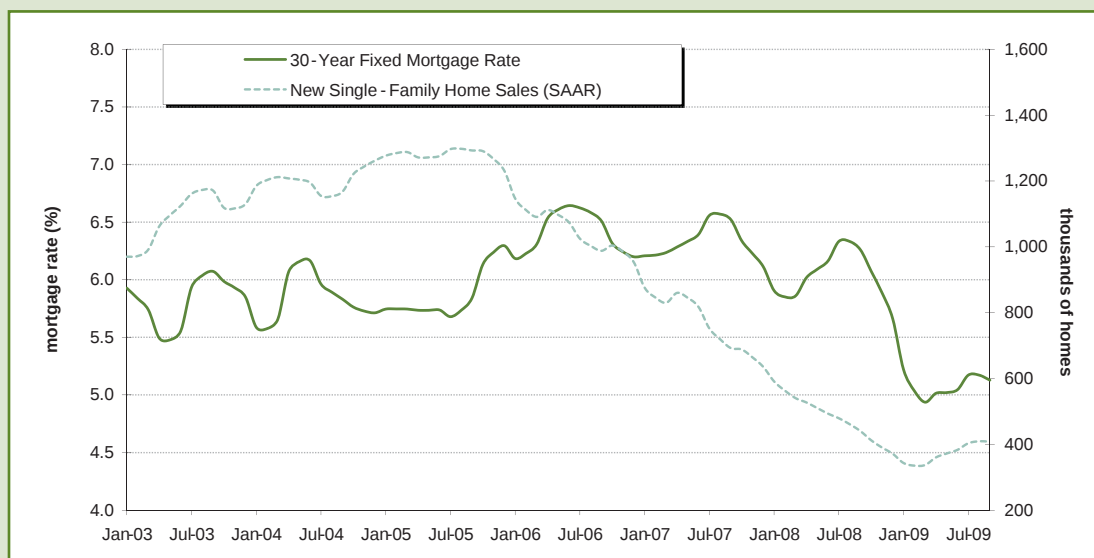
The market for multi-family housing is another story. During the third quarter of 2009, sales of existing multi-family units grew at an annualized rate of 140 percent, likely due to the FTHC. Nevertheless, this growth will probably not be sustained once the credit runs out and the payback period begins. Even worse, new starts of multi-family units continue to spiral downward with negative growth rates reaching 65.0 percent for the third quarter of 2009.

The “housing bubble” that began in the early part of this decade and then began to “burst” in 2005 as interest rates started rising and housing prices started flattening out, continues to impact housing starts, sales, and prices. Despite the extremely low levels of housing starts, the inventory of available homes that swelled due to widespread foreclosures and rapid new construction by homebuilders has not yet been absorbed due to consumer uncertainty, low incomes, job loss, and the lack of available credit. Also, household formation remains at low levels since immigration has slowed and many people are choosing to live in multi-family households to save money (or have been forced to do so because of foreclosures or lack of credit). This low level of household formation perpetuates the problems associated with excess inventory of homes on the market.

Housing prices have probably not hit rock bottom. However, as shown in Figure 1.4, the tax credit has helped some to stabilize prices since the increase in demand induced by the credit will keep prices higher than they would have otherwise been. Late in 2009, prices began to decline again partly due to the expiration of the first wave of the FTHC.

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Mortgage Rates and New Home Sales



Source: Census Bureau and Freddie Mac.

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

The Housing Market, continued

Nevertheless, these lower prices and the FTHC have induced home purchasing, although the credit mainly affected sales of existing homes. The credit certainly improved residential investment for the third quarter of 2009 and shrunk the size of the backlog of unsold homes; however, the surge in home sales really represents a shifting of home sales from later periods, so a payback is inevitable. Housing starts were also improved in the second and third quarters of 2009 due to the tax credit, although starts slowed again in the fourth quarter because of the payback.

In November, Congress extended the credit through April 2010 and expanded it to include certain eligible repeat homebuyers. As a result, the payback from the first credit will be tempered by the shifting of home sales from the second half of 2010 into the first half. So we can expect single-family home sales to continue its growth, although there will be a payback in the latter half of 2010. Also, new housing starts should improve in 2010 since the backlog of unsold homes will decline quickly thanks to the tax credit. Additionally, the low household formation rate should begin to reverse once jobs recover and incomes strengthen, generating even more demand for homes.

turn drives up prices resulting in inflation. Inflation is usually a concern when interest rates remain at such unprecedented low levels. However, even with some commodity prices rising, inflation has not emerged as a problem for 2009 likely due to the difficulty in obtaining credit and businesses' excess capacity, which has caused consumer demand and business investment to remain relatively low.

For the short term inflation does not appear to be an imminent threat, although deflation might be. A period of deflation began in February 2009 when the change in CPI relative to February 2008 was actually negative. This deflation continued through the third quarter of 2009. Even when measured on an annual basis, 2009 likely ended with a CPI below the CPI registered in 2008. Declining prices are a concern if producers and consumers expect prices to continue a downward trend since they will postpone investment and spending in hopes of obtaining even lower prices. This reduced investment and consumption will drag on the economy and extend the negative recessionary impacts.

Netting food and energy prices from the

CPI yields the "core CPI." As shown in Figure 1.6, core CPI remains in an inflationary cycle and in a more stable pattern than overall CPI, suggesting that perhaps the falling prices are largely in the food and energy sectors. Indeed, Figure 1.7 confirms that both gasoline and oil prices have been on a downward trend since the beginning of 2009. These downward movements have been significant.

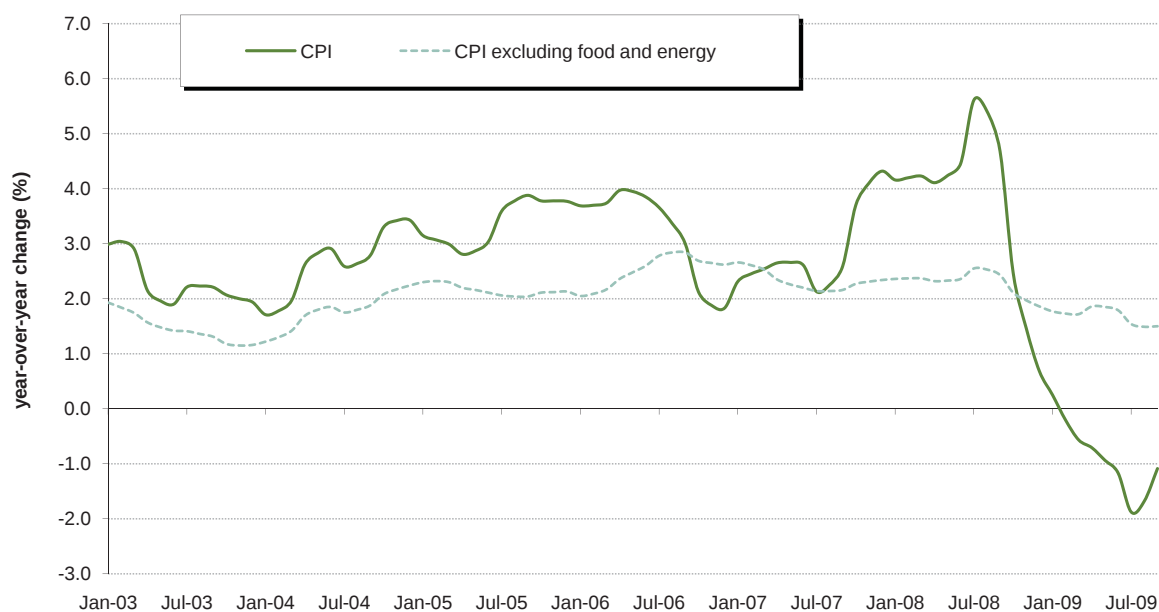
The Labor Market

Although the labor market continues to lag in the recovery, the rate of job loss slowed in the third quarter of 2009. A January 2010 news release by the Bureau of Labor Statistics (BLS) announced the job loss for December 2009 was 85,000 jobs, much less than the hundreds of thousands that were lost each month in recent years, but still above analysts' expectations. The unemployment rate, which measures the share of the national labor force that is out of work but actively seeking employment, jumped from 6.1 percent in the third quarter of 2008 to 9.6 for the third quarter of 2009; December's rate tallied 10.0 percent. Although an increase in the

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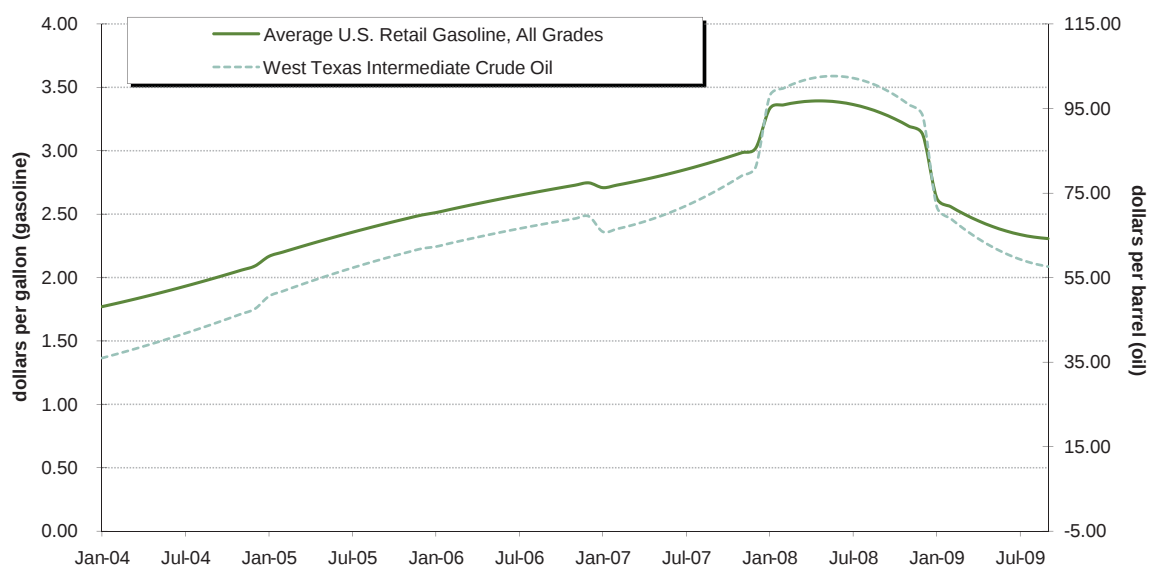
1.2. The U.S. Economy: Year in Review, continued

Figure 1.6. Inflation



Source: Bureau of Labor Statistics.

Figure 1.7. Average Gasoline and Oil Prices



Source: Investors Business Daily and Bureau of Labor Statistics.

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

unemployment rate certainly represents bad news, it is likely approaching its cyclical peak.

Men have been disproportionately affected by the recession and there are now more female workers in the labor market than men. Male workers also continue to maintain higher unemployment rates than women. According to the BLS, the female unemployment rate for December 2009 was 8.2 percent, while unemployment for men ended the year at 10.2 percent. Unemployment for blacks and Hispanics remains particularly severe, reaching 16.2 and 12.9 percent, respectively, in December 2009 as compared to unemployment for whites of 9.0 percent. Also, workers with better levels of educational attainment enjoy relatively lower rates of unemployment.

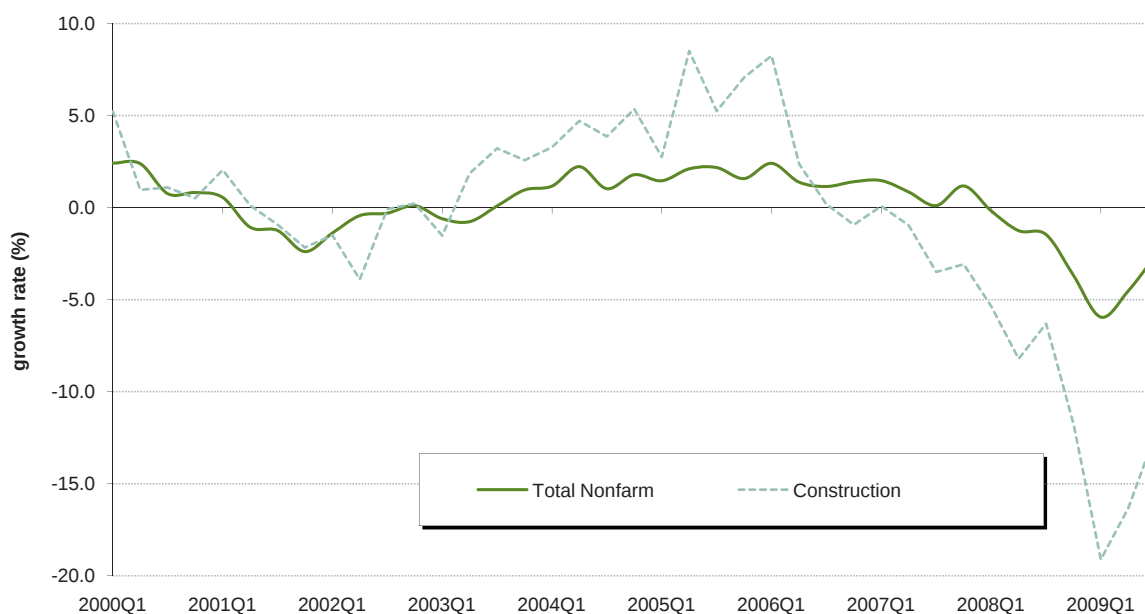
Workers who would like a job but are not currently seeking employment and workers who are part-time but would prefer to be full-time are considered underemployed. While there is no broad measure that captures all forms of underemployment, the most

encompassing statistic for underemployment, which includes the two aforementioned groups, ended the year at 17.3 percent. This figure has been above 17.0 percent since September of 2009.

Figure 1.8 shows annualized employment growth for total nonfarm jobs as well as the construction industry. Although total nonfarm employment has experienced negative seasonally-adjusted growth since the first quarter of 2008, the downward trend finally reversed in the third quarter of 2009 with a negative annualized growth rate of only 2.6 percent as compared to the 4.5 and 6.0 percent negative annualized growth rates in the previous two quarters.

The construction industry has been especially hard-hit in the area of employment with annualized growth rates reaching negative 19.0 percent in the first quarter of 2009. A January BLS news release announced that employment in this industry has fallen by 1.6 million since the beginning of the recession.

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

The good news is that employment appears to have hit its trough, even in this industry, as shown in Figure 1.8. Although growth continues to be negative, the rate of decline is definitely slowing.

The nation's manufacturing sector has also been hit hard by the recession. After falling 3.3 percent in 2008, manufacturing employment plummeted 10.8 percent in 2009. Seasonally-adjusted third quarter losses narrowed to 7.2 percent following a 14.0 percent setback in the previous quarter. At the close of third quarter, the U.S. had seen more than two million manufacturing jobs lost since the start of the recession.

Interestingly, employers have been slower to rehire than is typical after a recession. This phenomenon is due, at least in part, to efficiency gains and worker productivity improvements. Although corporate profits are on the rebound, businesses have not yet returned to pre-recession hiring levels because of adaptations to the recession involving cutting costs and improving efficiency. Uncertainty over the robustness of the

expansion will continue to delay hiring for at least another quarter or two. Employment of temporary workers is picking up which offers a good signal regarding future hiring prospects. However, many businesses have learned that they can get by without as many workers relative to before the start of the recession, a factor that may dampen future job gains.

Figure 1.9 shows the growth in quarterly worker productivity from the same quarter over the previous year. Even though employment has remained low, productivity has grown dramatically since the beginning of 2009. In fact, the third quarter of 2009 saw productivity increase almost 4.0 percent over the third quarter of 2008. These efficiency gains are certainly good for U.S. businesses in being able to compete globally and earn higher rates of return on their investments. And the cost savings have allowed U.S. firms to build up cash reserves that will eventually be used for investment, spurring economic growth. However, the improved productivity has also allowed businesses to delay rehiring, which hurts consumer markets and spending.

Figure 1.9. Worker Productivity



Source: Bureau of Labor Statistics.

1.3. The U.S. Forecast

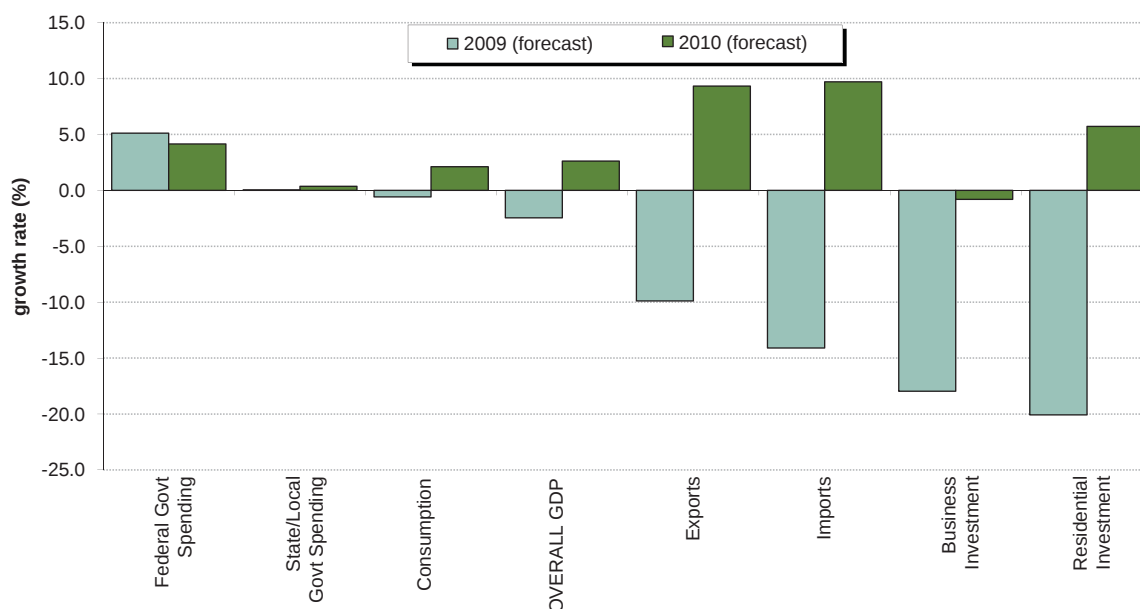
Although it will take years before the U.S. and the global economies have fully recovered, 2010 will represent a moderate turnaround in the economy. Inflation-adjusted GDP for the U.S. economy is expected to expand 2.6 percent for the year. The fourth quarter of 2009 represented a second quarter of growth for the U.S., and the economy will continue this path in 2010, albeit at a slower pace. As shown in Figure 1.10, all broad sectors of the economy are expected to begin showing positive growth with the exception of business investment, which will lag the other GDP components. Federal government spending was already experiencing positive growth during 2009 thanks to the stimulus bill and defense spending. However, economic support from the stimulus plan and other federal fiscal initiatives will begin to slow, with stimulus funds expiring at the end of the 2010/11 federal fiscal year. Imports and exports are both expected to continue to perform well thanks to the gradually improving U.S. economy as well as international recoveries. Residential

investment is also expected to grow because of the FTHC and the gradual stabilization of the housing markets. Consumption will grow but only at relatively low levels and will contribute little to GDP in 2010 as individuals continue to suffer job loss, unemployment, and lack of available credit. State and local government spending will remain weak. More spending will occur once other sectors of the economy improve and states revenues are revitalized.

Consumption and the Labor Market

Labor market conditions depend on how far businesses can take their cost savings and productivity gains before having to rehire again. Companies are probably getting close to the point where new workers must be hired. Although productivity will continue to grow, with 2010 expected to see about a 3.3 percent gain over the 2009 productivity levels, it should grow at a much slower pace as companies begin to rehire. The diminishing rate of job loss towards the end of 2009 suggests that companies will begin to rehire

Figure 1.10. Annual Growth in Primary Components of GDP



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

1.3. The U.S. Forecast, continued

again in the beginning of 2010.

In fact, employment growth is expected to turn positive in the first quarter of 2010, with a seasonally-adjusted gain of 0.2 percent. Unfortunately, year-over-year jobs will still be down almost 2 percent in the first quarter reflecting the severity of 2009's losses. The U.S. Census Bureau will hire a large number of workers for the year, but this will provide only a temporary boost. Annual employment will be down for the year in 2010 relative to

2009, but the losses will tally only 0.5 percent compared to a 3.7 percent setback last year. Employment growth in the construction industry will continue to be negative, but will slow relative to the negative growth experienced in 2009. Manufacturing jobs will be down 3.1 percent for the year. Overall, annual nonfarm payrolls will not return to pre-recession (2007) levels until 2013.

Despite the gradual growth in employment, the unemployment rate is expected to

Global Recovery

The Great Recession, as it has been called, was the first global recession since World War II. Economies all over the world have been impacted severely, but recovery has begun for most parts of the world. World trade is finally turning around and although inflation-adjusted world GDP declined 2.0 percent in 2009, it is expected to grow 2.8 percent in 2010.

Although consumers remain cautious and global unemployment is still a major issue, the financial markets are gradually improving. Credit remains tight globally and probably will continue to be restricted for some time. Inflation will remain low for several years as will interest rates. Also, the fiscal stimulus employed by many countries to boost the economy will slow down in the near future since such higher levels of government spending cannot be sustained for too long without tax increases. Nevertheless, the global economy is certainly on the rebound. Unfortunately, for many regions the recovery might not feel very strong or obvious for several years.

Asia seems to be expanding the most, driven mostly by its emerging markets and by China's rapid recovery and growth. The Chinese government engaged in aggressive stimulus policies and spending which boosted its economy, especially in the third quarter of 2009. In addition, manufacturing in China is on the rebound. However, given that much of the growth in China was driven by government spending rather than improvements in fundamental economic activity, China's recovery will begin to slow after 2010. China's GDP will grow 9.8 percent in 2010. Japan has begun to recover thanks to, at least in part, its strong export performance. However, the recession was especially deep for Japan, and deflation continues to be a problem. Japan's GDP is expected to grow only 0.8 percent during 2010.

Most of the European countries have also begun to recover, but will likely do so gradually. Europe faces several of the same issues hampering U.S. growth including a very tight credit market, high unemployment, a suffering housing market, and cautious consumer spending. Also, some countries in Europe, including Iceland, Ireland, and Spain, will continue to experience economic contraction into 2010. Overall, GDP in the Eurozone is expected to grow 0.9 percent in 2010.

Because Japan and Europe both experienced deeper recessions than the U.S., recovery in the U.S. will likely outpace recovery there. Also, Canada will be slower to recover than the U.S., but will eventually rebound thanks to its exports and will experience GDP growth of 2.2 percent in 2010. Once the U.S. economy strengthens and consumer spending grows, demand for Mexico's exports will rebound, strengthening the Mexican recovery. Emerging markets, especially those in Asia, will experience stronger, more rapid recoveries than the U.S.

1.3. The U.S. Forecast, continued

average 10.1 percent for 2010 since many former discouraged workers (those who left the workforce) will rejoin the workforce and start looking for jobs again. Although the unemployment rate will fall in future years, the 4.6 percent annual rate experienced in 2006 and 2007 will not likely recur for many years. In fact, predictions hold the annual unemployment rate above 6.0 percent at least through 2017.

Consumer spending will certainly not drive the recovery but will improve weakly in 2010. The gradually improving job market will help boost incomes, allowing consumers to spend more and save more. (The savings rate has been increasing and should reach 4.7 percent this year.) Consumer sentiment is expected to grow 11.1 percent, and total consumption will grow by 2.1 percent in 2010, mostly driven by increases in spending on durable goods. Spending on durable goods will increase about 5.1 percent while nondurables will grow by about 2.3 percent. Durable goods will experience more growth since spending in this category follows swings in the economy more than spending on nondurable goods. Once consumer incomes and jobs stabilize, consumers can begin to make these larger purchases, including automobiles. However, new auto sales will not return to pre-recession peak levels until the first quarter of 2012.

Investment and Interest Rates

Residential investment will continue to improve thanks to the FTHC, low prices and low mortgage rates. Because the glut of excess housing on the market is now declining quickly, 2010 should see a boost of new housing starts of about 42.3 percent over 2009 (but driven almost completely by single-family units). Multi-family housing starts will remain dismal in 2010. Overall residential investment is expected to grow 5.7 percent. Construction of single-family units will grow almost 38.0 percent, while multi-family construction will be down 47.0 percent. Interestingly, although annual multi-family starts will return to pre-recession peak levels by 2015, annual single-

family starts are not expected to return to pre-recession peak levels any time within this forecast period, which ends in 2019. Average mortgage rates and new home prices will trend upward, while average existing home prices will be down by less than 1.0 percent.

Business investment in 2010 will continue its downward spiral but at a slower pace than 2009. While investment in business structures will continue to plummet, investments in software and equipment will exhibit strong growth. The result is that total nonresidential investment is expected to be down 0.8 percent relative to 2009. Business structures investment will be down 17.8 percent from 2009 and is not expected to hit its trough until the second half of 2010. Within structures investment, the subcategory of commercial real estate will continue to be particularly hard hit, dropping 23.6 percent. However, equipment and software investments will cushion the blow because businesses have excess cash from severe cost cutting and will need to spend on replacement investments. Software and equipment investments will be up 8.0 percent over 2009. Transportation equipment, and especially light vehicles, will experience the most growth at 43.5 percent and 73.2 percent, respectively, over 2009.

Changes in business inventories are expected to be a strong contributor to GDP in coming quarters since the rate of decumulation is slowing. However, boosts from the inventory cycle do not represent permanent contributors to economic growth.

Generally, the Federal Reserve can lower interest rates to encourage investment through borrowing. However, given that the federal funds rate is near zero already, there is very little they can do to encourage new investments in construction. The Federal Reserve has engaged in “quantitative easing,” i.e. the purchase of government debt and other assets like mortgage-backed securities, to help improve liquidity and ultimately lending. This increased liquidity has not, in fact, made it into the economy. The Federal Reserve will now begin the process of removing much of its

1.3. The U.S. Forecast, continued

assets from its balance sheets, a process that will likely take several years. Interest rates will likely remain near zero percent until late in the third quarter of 2010. While some are concerned that keeping rates so low will induce inflation, raising rates too soon could cause the recession to deepen or at least continue longer than it would have otherwise, similar to the effects experienced during the Great Depression when rates were increased. The Federal Reserve will raise rates when it can be sure the economy has finally turned around. In the near term, there is simply too little spending pressure to cause inflation to spike.

Government Spending

Government spending is expected to grow 1.9 percent in 2010, driven almost entirely by federal government spending. State and local governments will continue to face decreasing revenues and limited financing options, leaving them with little room for spending. Total federal government spending will increase by about 4.1 percent because of defense spending as well as continued support for the 2009 stimulus bill. The stimulus bill alone is expected to add 1.3 percentage points to GDP growth in 2010. Defense spending is expected to grow 3.3 percent in 2010 due in part to the additional 30,000 troops to be sent to Afghanistan, while nondefense federal spending will increase 6.0 percent. Although Congress has worked on a healthcare reform bill that may increase Medicaid and other

spending, the effects will be small (based on current versions of the bill) until 2014, when several of the major insurance provisions take effect.

International Trade

As the U.S. and other countries recover, both imports and exports are expected to grow in 2010, although imports will grow at a slightly faster rate of 9.7 percent as compared to export growth of 9.3 percent. The net effect will be to increase the trade deficit, but only marginally so since the third quarter of 2009 saw a decrease to the deficit as exports actually outpaced imports. This addition to the trade deficit will pull GDP down slightly, but nevertheless represents an improving U.S. and global economy.

Prices and Inflation

While 2009 represented a period of deflation at 0.3 percent, prices should begin to rise again in 2010. Inflation will be about 1.7 percent with core inflation actually down from 2009 at about 1.5 percent for 2010. This increase in prices will be driven partly by energy with both oil and gasoline prices growing about 10.3 percent over 2009 prices. While inflation is not an imminent threat, it is a concern going forward as noted above. The Federal Reserve will likely begin to raise the federal funds rate late in the third quarter of 2010, after unemployment reaches its peak.

1.4. Alternative Scenarios

Given the current economic environment, one could easily invoke the old saying that “we are not out of the woods yet.” Some economists are still not ruling out the possibility of a double-dip or “W” shaped recovery, meaning current improvements may only be a precursor to another economic contraction before a more permanent recovery is reached. Even if GDP has truly hit its trough and remains on an upward path, there are several situations that could cause the recovery to be weaker than expected. If the Federal Reserve raises interest rates too soon, we could see a repeat of mistakes made after the Great Depression, and weaker growth or outright economic contraction. Also, even though oil demand has not been up, prices have risen. If prices increase too dramatically, the U.S. will see the effects on both consumption and investment. There is an additional risk that the positive signs we see in the housing market are driven

only by the FTHC, and that once this credit expires the housing market could plummet again. Even under this pessimistic scenario, GDP is expected to grow in 2010, but only by 0.9 percent. The probability of a pessimistic forecast based on these events is only 20.0 percent, but is enough to make the risk a real one.

There also remains a 20.0 percent chance that this forecast has underestimated the strength of the recovery. First, if foreign countries, especially in Asia, experience strong recoveries, the U.S. will reap the benefits in export growth. Also, consumers and businesses alike have remained cautious even during the beginning of the recovery. This reluctance to spend and invest has resulted in pent-up demand that might be released sooner than expected. A forecast accounting for these possible situations predicts GDP growth in 2010 of 4.3 percent.

1.5. Forecast Summary and Conclusions

Recovery has begun and should continue through 2010 although many sectors of the economy will continue to rebound only at a weak pace.

- Inflation-adjusted GDP will increase 2.6 percent in 2010.
- Consumption and consumer sentiment will improve weakly during the year as consumers gain confidence and job loss slows, but will not represent a major driver of the recovery.
- Companies will begin to rehire and employment will improve. However, the unemployment rate will average 10.1 percent in 2010 since many workers who had left the workforce will return when hiring strengthens.
- Residential investment and the housing market will remain stable and grow thanks to the extension of the FTHC, although a payback will occur later in 2010.
- Business investment in equipment and software will continue to surge while investment in commercial structures will continue to plummet.
- Exports and imports will surge as the U.S. and foreign economies emerge from the recession.

The Tennessee Economy: Short-Term Outlook

In this chapter—

2.1. Introduction

2.2. The Current Economic Environment

2.3. State Tax Revenues

2.4. Short-Term Outlook

2.5. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture in Tennessee
Tennessee Agricultural Sector Outlook
Ag Sector Issues and Opportunities

2.1. Introduction

It appears that the worst of the current economic saga is now history. The state's rate of job loss is finally showing signs of easing and sales tax revenue losses are narrowing. The improvement in economic conditions is good news, but it is clear from the statistics that it will be a long road to a full recovery and a return to pre-recession conditions. While rates of economic decline have narrowed, we are still not seeing broad-based signs of economic growth.

As 2009 began to unfold, economic conditions in Tennessee and across the country were unraveling at an unprecedented pace. The U.S. economy contracted sharply at a 6.4 percent seasonally-adjusted rate in the first quarter. Nonresidential fixed investment and residential investment each collapsed, falling 39.2 percent and 38.2 percent on a seasonally-adjusted basis. As the recession's grip on the

global economy reached further and further, exports fell 29.9 percent and imports fell 36.4 percent. It is no surprise that some feared another depression.

Tennessee saw seasonally-adjusted job losses in each quarter of 2008. And while these quarterly losses got progressively worse, the 6.7 percent rate of job loss in the first quarter of 2009 was nothing less than a shock. The seasonally-adjusted job loss in natural resources, mining and construction tallied 33.2 percent while manufacturing jobs spiraled down at an 18.6 percent pace. Nominal personal income in Tennessee engineered an anemic seasonally-adjusted gain of 0.3 percent in the first quarter only because transfer payments skyrocketed 21.9 percent.

As 2009 came to a close, the national economy was finally expanding again, with gross domestic product (GDP) advancing in

2.2. Introduction, continued

both the third and fourth quarters. The back-to-back downward revisions to the initial third quarter GDP figure was a reminder of how fragile the economy was. The employment loss situation did improve over the year. But unfortunately the national economy continued to shed jobs as the year closed out with a setback of 85,000 in December. Year-over-year job losses in Tennessee remained pronounced but had narrowed to 3.3 percent in December. Output growth has been sustained in the face of job losses through rather dramatic increases in worker productivity. Businesses that survive the current economic cycle will be much better prepared to compete in the global marketplace.

The Great Recession has been long and deep, and its effects will be felt for years to come. Perhaps the best illustration of the severity of the problem is the labor market. Tennessee

unemployment rates are expected to remain in double digits through 2011. And it will be 2014 or 2015 before nonfarm employment in Tennessee returns to its pre-recession peak. But the problems extend well beyond the labor market to encompass virtually every facet of the economy.

The first seasonally-adjusted quarterly employment gains since 2007 should be seen this year. Tennessee nonfarm employment is nonetheless expected to fall 0.5 percent in 2010—the same setback as that of the national economy. Nominal personal income in Tennessee will see 2.1 percent growth this year, improving on the 0.2 percent rate of growth registered in 2009. On a fiscal year basis, Tennessee personal income will grow 1.2 percent in fiscal year 2009/10, while taxable sales will fall 2.5 percent.

2.2. The Current Economic Environment

While economic conditions are showing marginal improvement, the Tennessee economy is stuck in a deep hole. The national recession began in the fourth quarter (December) of 2007, which corresponds to the peak of employment in the expansion that dated back to 2001. By the fourth quarter of 2009, Tennessee had lost 5.6 percent of its nonfarm jobs, or 157,430 positions. Only the education and health services and government sectors were able to sustain job gains over this period. Over one-third of the job losses—57,120 positions—have come from the manufacturing sector alone. Another 39,419 jobs have been shed in the natural resources, mining and construction sectors. Within manufacturing, every broad sector has experienced job erosion.

The dismal employment picture for the national economy is portrayed in Figure 2.1 which shows job losses between December

2007, the beginning of the recession, and December 2009, the most recent month for which state-level data are available. U.S. nonfarm employment losses have totaled 5.2 percent for the period shown. Nevada has seen the sharpest rate of job decline (10.7 percent) while Arizona runs a close second with job losses of 9.8 percent. Michigan has also experienced job losses in excess of 9 percent. The only states to see job gains were North Dakota (1.5 percent) and Alaska (0.4 percent). Most states in the southeast have had a higher rate of job loss than the nation as a whole.

Figure 2.2 takes a closer look at the employment situation across Tennessee counties using data on workers covered by the state's unemployment insurance system. Perry County lost 26.9 percent of its jobs between the start of the recession and June of last year (the most recent month for which county employment data are available). Two

2.2. The Current Economic Environment, continued

counties—McNairy and Sequatchie—lost more than 19 percent of their job base over the same time period. Only thirteen counties produced job gains, led by Polk County where jobs were up a surprising 16.5 percent.

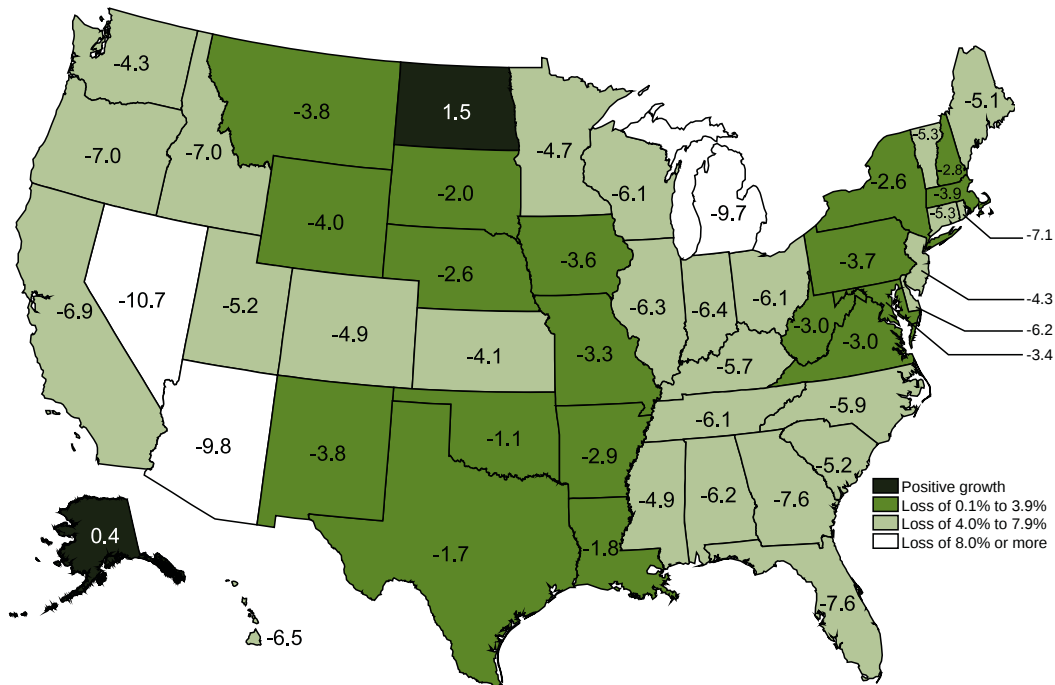
Tennessee's unemployment rate stood at 5.3 percent in the fourth quarter of 2007. The recent quarterly peak occurred in the third quarter of 2009 when the unemployment rate reached 10.7 percent. In the last quarter of 2009, the monthly unemployment rate initially appeared to be improving after inching down from 10.5 percent in October to 10.2 percent in November. Preliminary data for December has the unemployment rate spiking to 10.9 percent. Given the weak employment situation, it is possible that the state unemployment rate will rise further in the months ahead before eventually receding.

The rising unemployment rate reflects a dramatic increase in the number of unemployed people. The number of unemployed people actually started to rise in the second quarter of 2007 well in advance of the recession. By the fourth quarter of 2007 the number of unemployed people reached 160,000. The fourth quarter of 2009 is likely to reveal 315,000 unemployed people across Tennessee, a 129.9 percent increase over the figure that prevailed in the first quarter of 2007. Weak employment prospects have led to a shrinking labor force participation rate, which has fallen by more than 2 percentage points since the start of the recession.

Every state in the country has experienced a rising seasonally-adjusted unemployment rate since the beginning of the recession. Figure 2.3 illustrates the situation that prevailed

continued on page 23

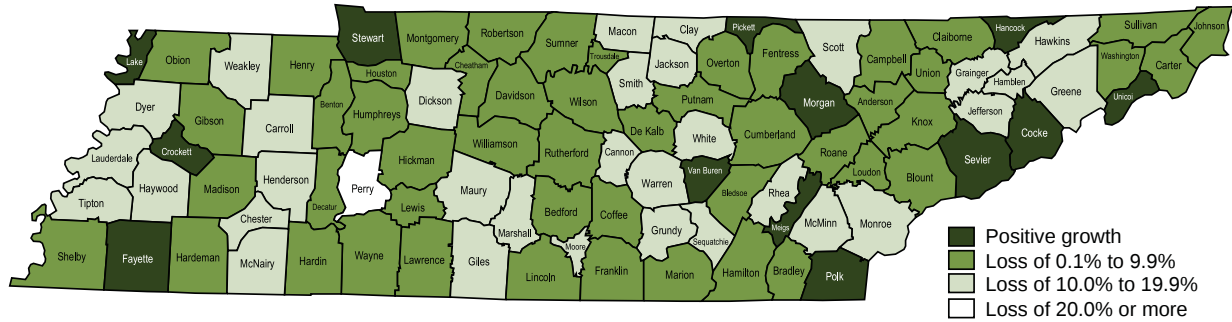
Figure 2.1. Only Two States Have Seen Job Growth Since the Start of the Recession
(Total nonfarm employment growth December 2007 to December 2009, percent)



Note: Growth rate for the U.S.: -5.2%
Source: Bureau of Labor Statistics.

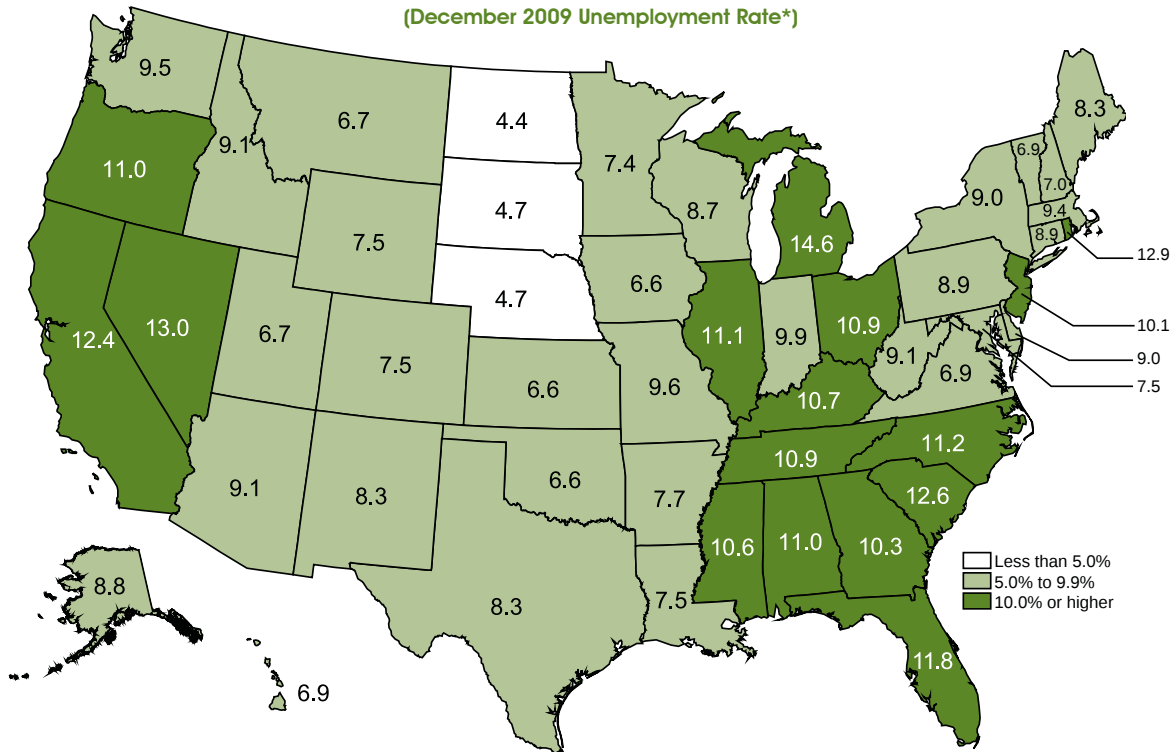
2.2. The Current Economic Environment, continued

Figure 2.2. Some Counties Have Continued to Grow Since the Beginning of the Recession
(Total covered employment growth December 2007 to June 2009, percent)



Note: Total employment covered by the state unemployment insurance program (includes private and government owned establishments).
Source: Bureau of Labor Statistics.

Figure 2.3. Unemployment Rates on the Rise
(December 2009 Unemployment Rate*)



*seasonally adjusted.
Note: December 2009 U.S. Unemployment Rate: 10.0%
Source: Bureau of Labor Statistics.

2.2. The Current Economic Environment, continued

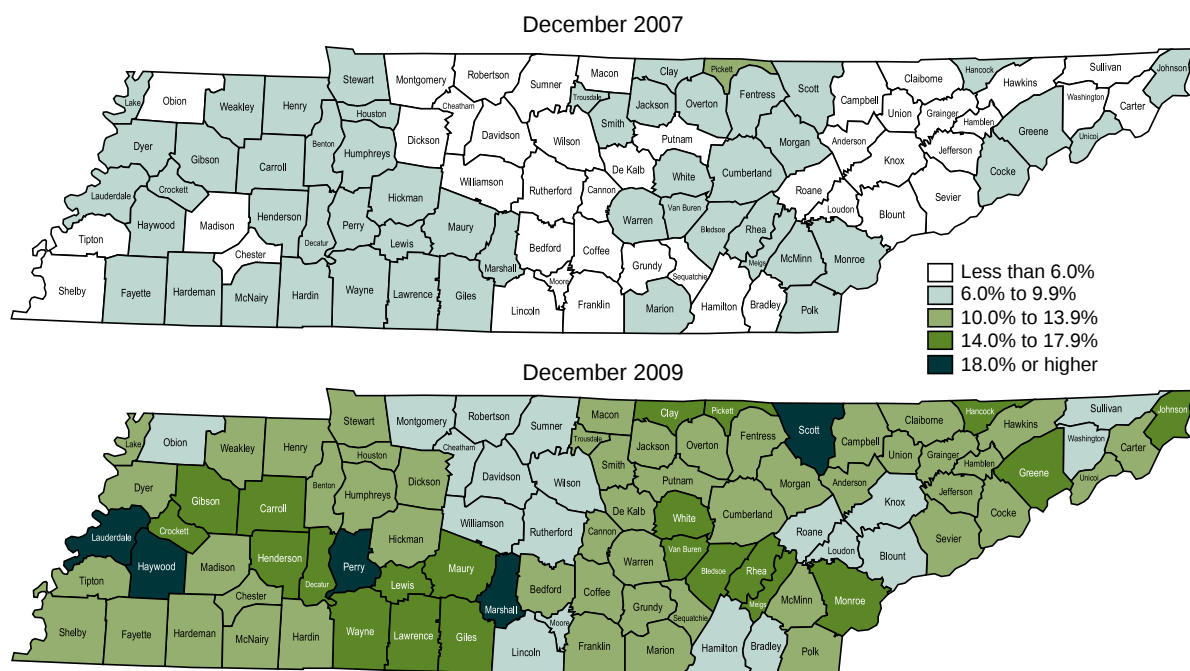
in December of 2009. North Dakota, South Dakota and Nebraska enjoyed the lowest unemployment rates of 4.4 percent, 4.7 percent and 4.7 percent respectively. Sixteen states had unemployment rates in excess of 10 percent for the month, led by Michigan at 14.6 percent. Twenty-three states have seen their unemployment rates double compared to December 2007. Tennessee's 10.9 percent unemployment rate was up 105.7 percent over the 5.3 percent rate that prevailed in December 2007.

Like the states, every one of Tennessee's counties has experienced a rising unemployment rate since the start of the recession. Hancock County's rate has jumped 11.1 percentage points since December 2007, while Lauderdale County's rate is up

10.7 percentage points. Figure 2.4 shows nonseasonally-adjusted county unemployment rates for December 2007 and December, 2009. To help frame the figures, the statewide nonseasonally-adjusted rate stood at 10.6 percent in December while the seasonally-adjusted rate was 10.9 percent. Lauderdale County and Marshall County had the highest monthly rate (18.9 percent) followed by Scott County (18.8 percent), Haywood County (18.5 percent), and Perry County (18.0 percent). Seventy-six counties had unemployment rates of 10 percent or greater for the month. Lincoln County enjoyed the lowest unemployment rate, 7.1 percent.

Nominal personal income in Tennessee has held up surprisingly well in recent quarters. Unfortunately, the source of this growth has

**Figure 2.4. No County Has Been Spared
(Monthly Unemployment Rate*)**



*Not seasonally adjusted.

Source: Bureau of Labor Statistics.

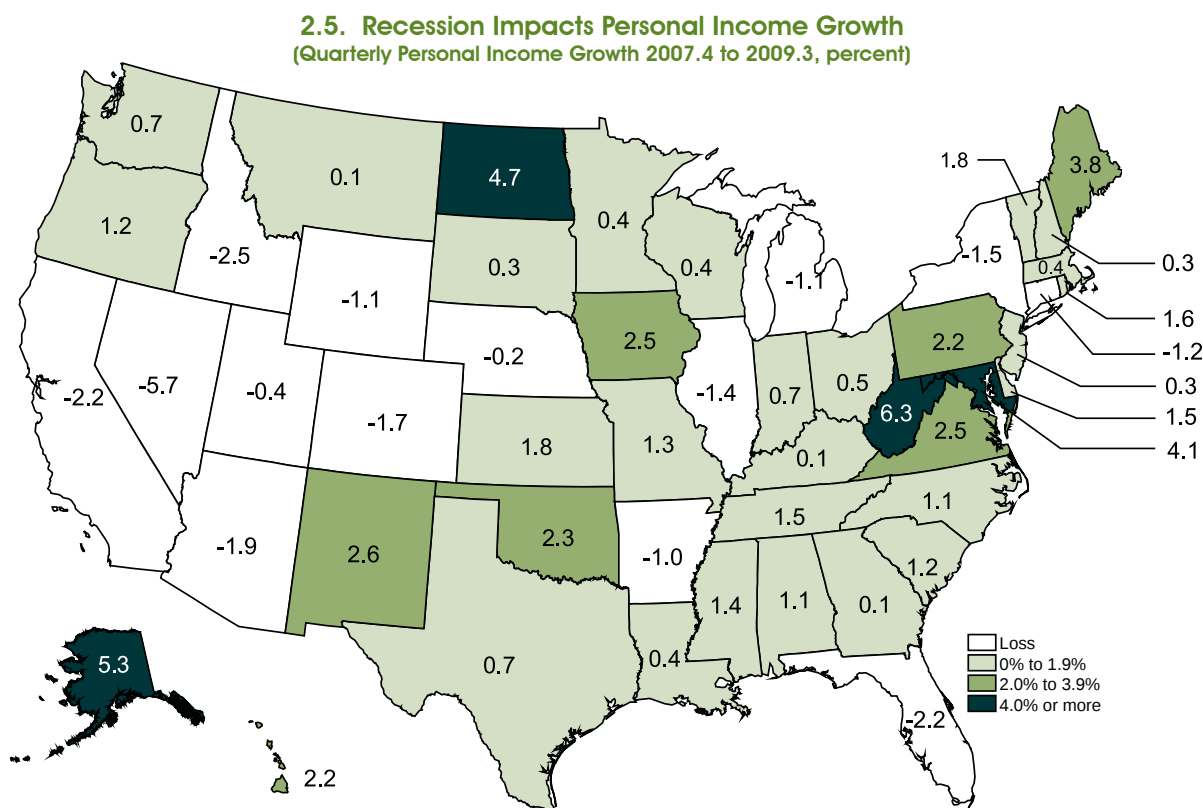
2.2. The Current Economic Environment, continued

been surging transfer payments. Transfer payments grew 9.5 percent in 2007 while personal income advanced 5.3 percent; transfer payments climbed an additional 9.1 percent in 2008 while personal income growth slowed to 3.1 percent. The good news in 2008 was that all broad components of personal income stayed in the black for the year. Last year was a reversal of fortunes, with wage and salary income, other labor income, proprietors' income and rent, interest and dividend income all contracting. Transfer payments, on the other hand, jumped 11.7 percent for the year.

Wage and salary income, which accounts for just over one-half of all personal income, has suffered under the weight of falling nonfarm employment. After growing just 1.6 percent in 2008, it is anticipated that wage and salary income will be down 3.9

percent in 2009. The first quarter of 2009 alone produced a devastating setback of 11.7 percent. Preliminary data for the first quarter suggested an 11.4 percent increase in the average wage, but revised data released in December show a more realistic 5.7 percent loss. The declining average wage, along with significant job losses, conspired to yield the 11.7 percent loss in wage and salary income in the first quarter.

While Tennessee has been able to sustain some growth in personal income, a good number of states have not been so fortunate (see Figure 2.5). Between the fourth quarter of 2007 and the third quarter of 2009, the U.S. experienced a slight personal income drop of 0.1 percent. This dip was driven by 14 states which witnessed a contraction in personal income. The largest setback was in the



Note: Growth in U.S. personal income: -0.1%
 Source: Bureau of Economic Analysis.

2.2. The Current Economic Environment, continued

relatively small state of Nevada where income fell 5.7 percent; Nevada accounted for less than 1 percent of U.S. personal income in the third quarter of 2009. Florida and California had much larger setbacks of 2.2 percent. These two states together accounted for 18.8 percent of U.S. personal income in the third quarter. States with relatively robust income growth include Alaska (5.3 percent), Maryland (4.1 percent), North Dakota (4.7 percent) and West Virginia (6.3 percent). Tennessee personal income advanced 1.5 percent for the period shown. Only 14 states have performed better than Tennessee since the fourth quarter of 2007.

Taxable sales and state sales tax revenue have performed miserably over the past two years. Following 4.1 percent growth in 2007, taxable sales fell 2.2 percent in 2008, closing the year with a 16.8 percent seasonally-adjusted quarterly loss. Automobile dealer sales led the way in 2008, falling 16.5 percent. The first three quarters of 2009 also produced seasonally-adjusted losses in total taxable sales, though there is the expectation of a small seasonally-adjusted gain for the fourth quarter of 2009. Despite this expected improvement, year-over-year sales will still likely fall in the fourth quarter.

Automobile dealer sales, which accounted for over 8 percent of taxable sales in 2008, finally produced seasonally-adjusted gains in the second and third quarters of 2009. Purchases from manufacturers, miscellaneous durable goods, liquor stores and other retail and services each showed seasonally-adjusted growth in the third quarter. However, on a year-over-year basis, only liquor stores sales were up in the third quarter.

Residential housing permits for the nation and state are finally showing year-over-year growth as shown in Figure 2.6. Total building permits have also grown, but were barely above previous year levels in November 2009. Despite the turnaround, the levels of permitting activity remain at very depressed levels (see Figure 2.7).

For Tennessee, single family permits totaled 807 in November of last year. In sharp contrast, permits tallied 2,986 in November, 2005; 2,616 in November, 2006; and 1,350 in November, 2007. Even if November, 2009, showed 200 percent growth in permits, single family permits would still be below their pre-recession November peak. These figures highlight the depth of the recession and the time it will take to fully restore economic growth.

2.3. State Tax Revenues

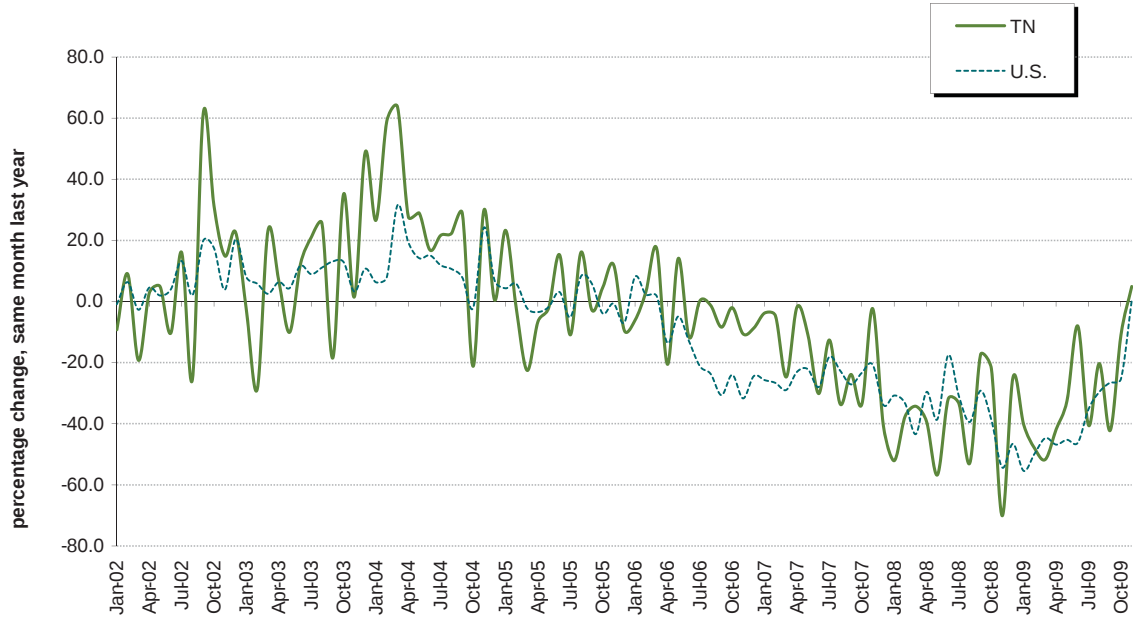
As typically occurs, the economic decline resulted in falling tax revenues for the federal government and the individual states. In May, the American Institute for Economic Research released a study showing that year-over-year nominal federal tax revenues dropped \$138 billion, or 34 percent, in April 2009. This decrease represented the largest April revenue decline since 1981—another recession year. In August, the Congressional Budget Office (CBO) provided the federal Budget and Economic Outlook. Figure 2.8, which is drawn from that report, shows the historical imbalance between receipts and

expenditures as well as a significant peak in outlays and a trough in revenues in 2009. Given the large current outlays, Congress voted in December 2009 to raise the limit on national debt by \$290 billion. While CBO projects that the federal deficit in 2010 will be less than in 2009, the 2010 deficit still remains high at \$1.4 trillion with projected deficits through 2019.¹ The cumulative deficit over the 2010-2019 projection period—which builds on the outstanding level of federal debt—is

¹ United States Congressional Budget Office, "The Budget and Economic Outlook: An Update," August 2009. Retrieved from <http://www.cbo.gov/ftpdocs/105xx/doc10521/08-25-BudgetUpdate.pdf>

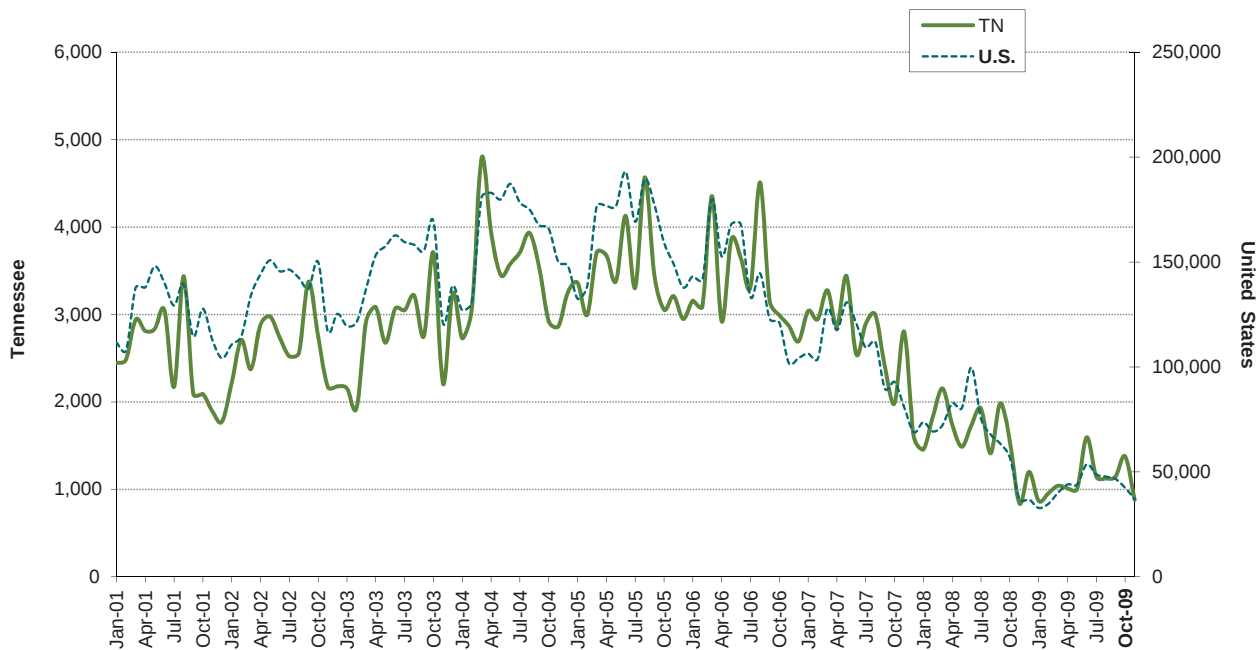
2.3. State Tax Revenues, continued

Figure 2.6. Year-Over-Year Building Permits Back in the Black
(Monthly building permit growth for single-family units, January 2002 to November 2009, percent)



Source: SOCDs Building Permits Database, <http://socds.huduser.org/permits/index.html>

Figure 2.7. Monthly Building Permits, All Units, January 2001 to November 2009



Source: <http://socds.huduser.org/permits/index.html>

2.3. State Tax Revenues, continued

\$7.1 trillion. Although many argue deficit spending is the appropriate remedy to mitigate the recession, there are growing concerns over the deficits looming on the fiscal horizon. Increasingly, discussion is focused on reining in federal government debt, though doing so will be difficult and require both spending cuts and tax increases. There is specific discussion regarding formation of a deficit-reduction commission to provide insight and guidance on difficult topics including cutting Social Security and Medicare and increasing taxes.

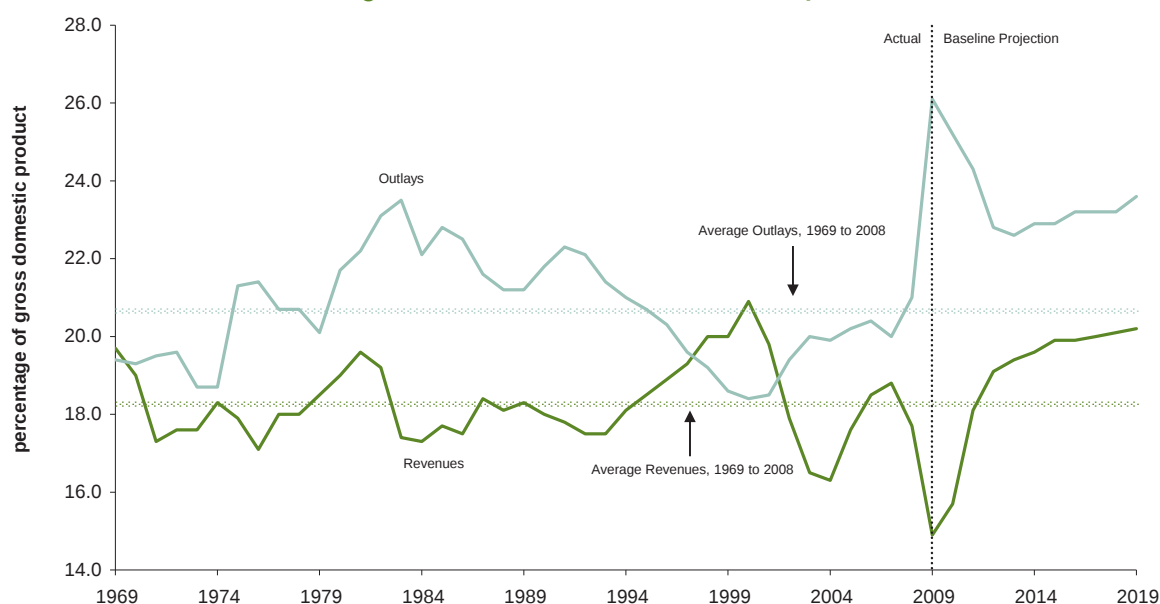
State and local governments have had their own fiscal problems to address. However, state and local governments cannot run deficits to fund ongoing operational expenditures, and many have cut spending, raised taxes and drawn down rainy day funds to maintain budget balance. The fiscal stimulus package and its support for the states has helped stave off more aggressive actions. Currently, 48 states have addressed budget shortfalls before the current fiscal year 2009/10 budget adoption or are facing mid-year shortfalls with budget gaps totaling \$190 billion or 28 percent of state

general fund budget. Figure 2.9 shows the budget gaps relative to state general funds. Of the \$190 billion in budget gaps, \$31.5 billion occurred in 35 states due to mid-year gaps. California and Arizona are the only states with budget gaps greater than 50 percent of the state general fund budget, 56.2 percent and 53.0 percent, respectively.²

In addition to states dealing with current fiscal-year budget issues, 40 states anticipate deficits in fiscal year 2010/11 totaling \$92.3 billion in shortfalls. These shortfalls represent approximately 15.6 percent of the fiscal year 2009/10 general fund budget. Nevada and Illinois currently top the budget gaps with estimated deficits of 43.4 percent and 34.3 percent of the fiscal year 2009/10 general fund budget (McNichol and Johnson 2009). Concerns are mounting daily on how the states will be able to respond when fiscal stimulus funds are exhausted.

2 E. McNichol and N. Johnson, "Recession Continues to Batter State Budgets: State Responses Could Slow Recovery," Center on Budget and Policy Priorities, November 19, 2009. Retrieved from <http://www.cbpp.org/cms/index.cfm?fa=view&id=1283>

Figure 2.8. Total Revenues and Outlays



Source: Congressional Budget Office based on data from the Office of Management and Budget.

2.3. State Tax Revenues, continued

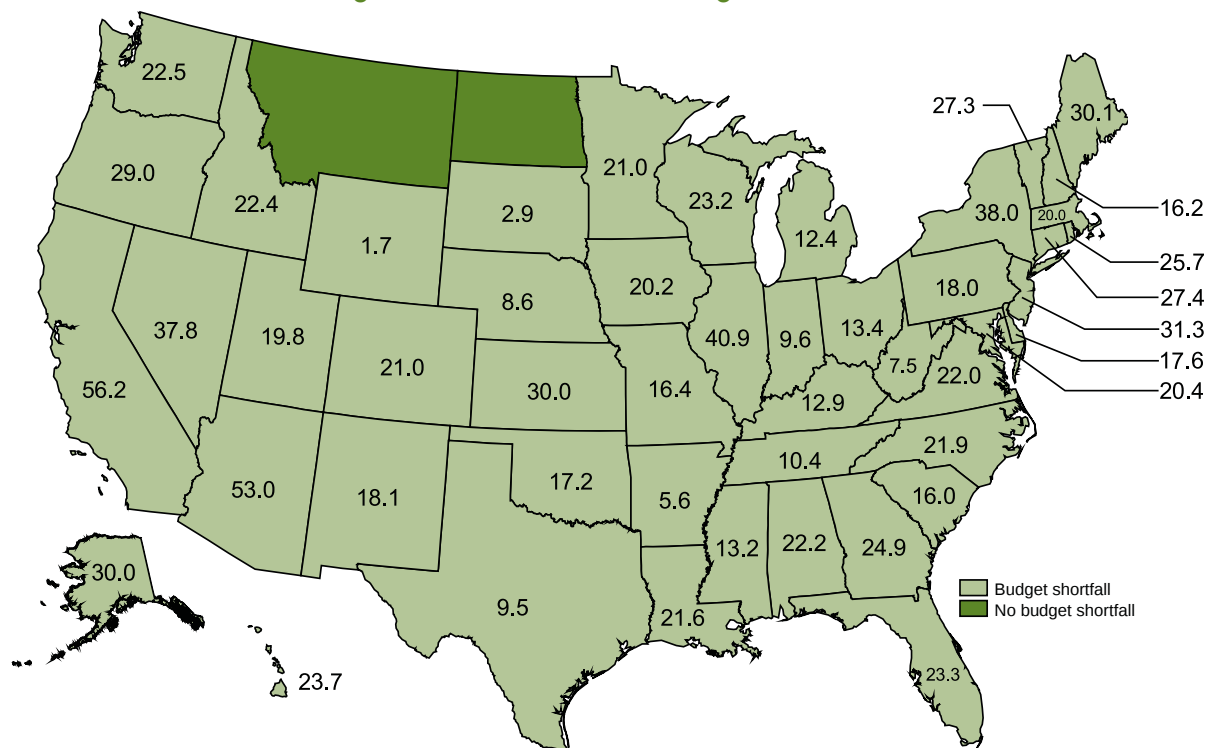
According to Dadayan and Boyd (2010),³ year-over-year nominal state tax revenues decreased in the third quarter of 2009 by 10.9 percent. Sales tax and personal income tax revenues both declined for the fourth consecutive quarter. Using current data combined with historical data from the U.S. Census Bureau, the first three quarters of 2009 marked the largest decline in state tax collections at least since 1963. Specifically, personal income taxes declined by 11.8 percent, sales taxes by 8.9 percent, and corporate income taxes by a dramatic 22.6 percent.

Inflation-adjusted year-over-year tax revenues declined 12.5 percent on average over the last four quarters. In comparison

to the 1.4 percent average growth of last year and the 1.6 percent growth two years ago, this recent downward trend highlights the severity of the budget problem faced by most states. Preliminary data for the fourth quarter of calendar year 2009 indicate that fiscal conditions remain weak. Based on data from 38 states for October and November, year-over-year nominal tax revenues declined 5.4 percent (Dadayan and Boyd 2010). States continue to seek measures to balance their budgets, including across-the-board budget cuts, tax increases, rainy day funds, furloughs, and agency consolidations. While the recession may be closing for the national economy, the future of state finances remains uncertain with many states still unsure when positive revenue growth will return.

3 L. Dadayan and D. J. Boyd, "State Tax Revenue Report No. 78," The Nelson A. Rockefeller Institute of Government, January 2010. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2010-01-07-SRR_78.pdf

Figure 2.9. 48 States Face Budget Shortfalls



Note: Includes states with shortfalls in Fiscal Year 2009/10. Budget shortfall percentage compares the budget shortfall to the general fund budget.
Source: McNichol and Johnson, Center on Budget and Policy Priorities, 2009.

2.3. State Tax Revenues, continued

While state tax revenues declined sharply, local tax collections experienced modest growth of 0.7 percent during the third quarter of 2009 (Dadayan and Boyd 2010). Local sales tax revenue declined 8.4 percent in the third quarter of 2009. With many states relying on property tax collections, revenues rose 3.3 percent in the third quarter of 2009. However, year-over-year nominal property tax revenues increased only 0.5 percent. As property tax assessment values continue to catch up with falling residential and commercial real-estate values, there will be increased downward pressure on property tax revenues.⁴ As local governments rely most heavily on property tax

revenues, these declines have the potential to seriously impact local government finances in the years ahead.

The southeast region, which includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, experienced a 7.5 percent decline in year-over-year nominal tax revenues in the third quarter of 2009. In particular, personal income taxes fell by 10.3 percent, corporate income taxes declined by 7.0 percent, and sales taxes decreased by 8.9 percent. Although the southeast area saw declining tax revenues, the decrease was less negative than the national average for personal and corporate income taxes and equal to the national average for sales taxes. In fact, the

4 C. Dougherty, "State, Local Tax Revenues Decline 7 Percent," *The Wall Street Journal*, December 30, 2009. Retrieved from http://online.wsj.com/article/SB126212283240009387.html?mod=WSJ_hpp_MIDDLTopStories

Figure 2.10. Tennessee Sales and Use Annual Tax Revenue Collections, 2000-2011



Note: Fiscal Years 2009/10 and 2010/11 are based on estimates.

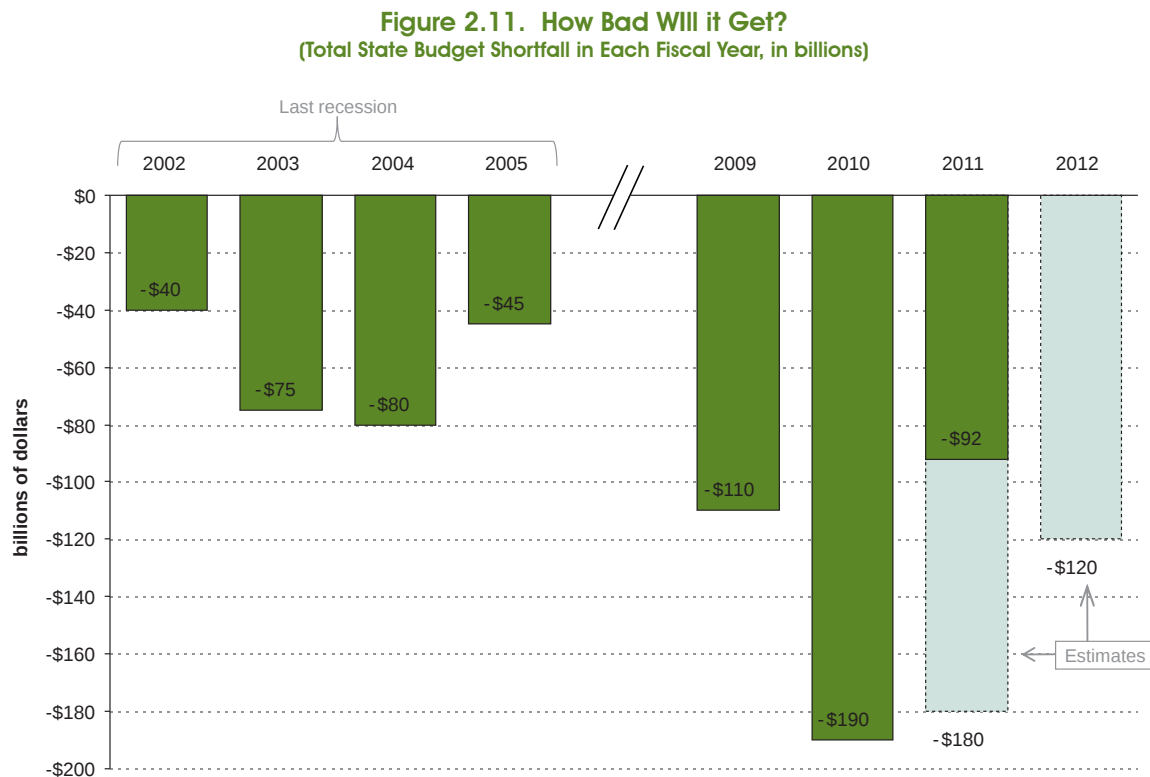
Source: Tennessee Department of Revenue, Annual Tax Collections and UT Center for Business and Economic Research Annual Forecast.

2.3. State Tax Revenues, continued

southeast area had the least negative overall decline when compared to the other seven regions of the country (Dadayan and Boyd 2010).

The recession continues to impact tax revenues in Tennessee. Year-over-year nominal tax revenue declined 5.7 percent in the third quarter of 2009. Hall income tax and sales tax revenues declined 29.5 percent and 9.5 percent, respectfully, over the same period. In both categories, Tennessee experienced less growth than the nationwide growth in state taxes, lagging in personal income tax revenue by 17.7 percent and lagging in sales tax revenue by 0.6 percent. On the other hand, Tennessee showed year-over-year nominal corporate income tax revenue growth of 8.2 percent in the third quarter of 2009.

According to the UT Center for Business and Economic Research (2009), total tax collections in Tennessee declined by \$44.4 million, or a 5.5 percent nominal decrease, from December 2008 to December 2009. However, from December 2007 to December 2009 tax revenues fell 13.4 percent. While sales and use tax collections decreased 2.9 percent over one year, revenues are 12.9 percent below December 2007. Prior to the recession, Tennessee tax collections peaked in fiscal year 2007/08 with total collections of \$11.1 billion. Cyclical projections indicate that Tennessee will not exceed its 2007/08 peak by fiscal year 2010/11 as shown in Figure 2.10. (See Chapter 3 for a discussion of the long-run outlook for state revenue in Tennessee.)



Source: Center on Budget and Policy Priorities (CBPP) survey.

2.3. State Tax Revenues, continued

While the recession has ended, broad-based economic growth has yet to be restored. Based on historical experience and the likelihood of an anemic recovery, the pressures on Tennessee and other states will continue to mount in the quarters ahead. Figure 2.11 evaluates the size and duration of the budget shortfalls during the recession of the first part of the decade to the shortfalls of the current recession (McNichol and Johnson 2009). As

with many of the recessions, state fiscal and budgetary problems lasted for several years after the recession ended. While this analysis is done for all states, Tennessee's outlook is no different with revenues not reaching the pre-recession collection peak by fiscal year 2010/11. The fiscal problems confronting the states will be aggravated at the end of the 2010/11 federal fiscal year when stimulus funds are eliminated.

2.4. Short-Term Outlook

As the performance of the national economy improves, positive ripples should begin to emerge in Tennessee in the quarters ahead. There has been considerable chatter about the nature of the national expansion, in particular, whether this will prove to be a U-shaped, V-shaped or "checkmark" recovery. Regardless of the pattern that occurs, one thing is certain—it will be several years before the economy regains the ground that has been lost in the current cycle. The state unemployment rate is not expected to slip below 10 percent until the first quarter of 2012. If this projection is realized, it will mean 11 quarters in row with an unemployment rate in excess of 10 percent. And by the final quarter of 2012, nonfarm employment in Tennessee will lag the pre-recession peak that occurred in the fourth quarter of 2007. The punchline is that even if the economy sees strong rates of growth in the months and quarters ahead—a V-shaped recovery—it will still take considerable time to return the economy to full employment. A summary of the short-term economic outlook is provided in Table 2.1.

Seasonally-adjusted nonfarm job growth should turn positive by the second quarter of the year. However, as shown in Figure 2.12, 2010 is still expected to yield statewide job losses of 0.5 percent, the same pace of job decay for the nation as a whole. The employment outlook will brighten into 2011 and ultimately

produce a calendar year gain of 0.8 percent.

Manufacturing will experience a 3.3 percent employment loss in 2010, marking significant improvement over the 10.9 percent setback last year. While small employment gains are expected for 2011 and 2012, these represent only partial recovery from the deep setbacks of the current business cycle—manufacturing employment in Tennessee will never return to its pre-recession peak and will see ongoing erosion in 2013 and beyond (see Chapter 3).

Employment in nondurable goods manufacturing is projected to decline 2.1 percent in 2010 and fall an additional 0.9 percent in 2011. The only broad subsector of nondurable goods manufacturing that is expected to see growth in 2010 is food production. The weakest performances will be seen in miscellaneous nondurable goods (down 9.1 percent), printing and related production (down 5.9 percent) and textile mills and textile products (down 4.2 percent).

Durable goods manufacturing will experience job losses totaling 4.1 percent this year, substantial improvement from the 12.9 percent pace of job loss last year. Unfortunately, all broad components of durable goods manufacturing will endure job losses in 2010. Positive growth will re-emerge in 2010 with an expected job gain of 1.1 percent. Employment in transportation equipment will begin to show healthy growth

2.4. Short-Term Outlook, continued

toward the end of 2010 as Volkswagen gears up production capacity in the Chattanooga area and as the nation's automobile sector rebounds from its near-collapse.

Sectors expected to see job growth in 2010 include wholesale trade (up 0.1 percent), professional and business services (up 1.4 percent), education and health services (up 2.1 percent) and government (up 2.1 percent). Federal government employment will see a large short-term boost from the hiring of Census workers in the second quarter of the year. Payback will come in 2011 with a relatively large loss of federal government employees.

The state and national unemployment rates are expected to remain stubbornly high over the short-term forecast horizon. The situation will parallel the 1980s when back-to-back recessions created large numbers of

structurally unemployed individuals; i.e., individuals with skills that were no longer valued in the labor market. The civilian labor force will begin to grow again in the second quarter of the year. But the weak seasonally-adjusted quarterly rates of growth will not be strong enough to produce a calendar-year gain.

The number of unemployed people is expected to remain stagnant at just over 310,000 throughout 2010 before slowly trending down at the end of the year and through 2011. The state unemployment rate will average 10.4 percent for the year compared to 10.1 percent for the nation. Tennessee's unemployment rate will improve to 10.2 percent in 2011 versus 9.5 percent for the U.S.

Nominal personal income will advance 2.1 percent in 2010, improving to 3.5 percent growth in 2011. Personal income growth

Figure 2.12. Employment Prospects Pick Up in 2010 and 2011
(Tennessee Nonfarm Job Growth by Sector, 2010 and 2011, percent)



Source: CBER-UT.

2.4. Short-Term Outlook, continued

Table 2.1. Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
US GDP (Bil2005\$) SAAR.....	12901.5	12973.0	13136.5	13216.4	13283.3	13360.5	13433.6	13516.0	13616.3	13732.2	13848.6	13991.3	12984.1	13323.5	13678.3
% Chg Prev Qtr SAAR.....	-0.74	2.24	5.14	2.45	2.04	2.35	2.21	2.48	3.00	3.45	3.43	4.19	-2.46	2.61	2.66
% Chg Same Qtr Last Yr.....	-3.83	-2.64	-0.04	2.25	2.96	2.99	2.26	2.27	2.51	2.78	3.09	3.52	-2.46	2.61	2.66
US GDP (Bil\$) SAAR.....	14151.2	14242.1	14441.7	14582.1	14701.2	14844.9	14983.7	15152.9	15318.0	15507.5	15690.2	15919.8	14253.2	14778.0	15417.1
% Chg Prev Qtr SAAR.....	-0.75	2.59	5.72	3.95	3.31	3.97	3.79	4.59	4.43	5.04	4.79	5.98	-1.30	3.68	4.33
% Chg Same Qtr Last Yr.....	-2.39	-2.09	0.66	2.85	3.89	4.23	3.75	3.91	4.20	4.46	4.72	5.06	-1.30	3.68	4.33
TN PERSONAL INCOME (MIL2005\$) SAAR...	200480	199836	197902	198873	201029	200812	201274	202170	203283	204598	206148	207464	199401	200497	204049
% Chg Prev Qtr SAAR.....	2.21	-1.28	-3.81	1.98	4.41	-0.43	0.92	1.79	2.22	2.61	3.06	2.58	0.01	0.55	1.77
% Chg Same Qtr Last Yr.....	-0.26	1.11	-0.31	-0.26	0.27	0.49	1.70	1.66	1.12	1.89	2.42	2.62	0.01	0.55	1.77
US PERSONAL INCOME (BIL2005\$) SAAR...	11073	11035	11067	11171	11280	11355	11405	11433	11496	11572	11659	11775	11049	11303	11540
% Chg Prev Qtr SAAR.....	1.88	-1.38	1.20	3.80	3.97	2.68	1.77	0.99	2.20	2.69	3.03	4.04	-1.57	2.30	2.10
% Chg Same Qtr Last Yr.....	-1.80	-0.96	-1.52	1.36	1.87	2.91	3.05	2.35	1.91	1.91	2.23	2.99	-1.57	2.30	2.10
TN PERSONAL INCOME (MIL\$) SAAR.....	218150	218916	218236	219583	222420	223173	224630	226668	228868	231424	234043	236442	217884	222451	230251
% Chg Prev Qtr SAAR.....	3.59	1.41	-1.24	2.49	5.27	1.36	2.64	3.68	3.94	4.54	4.60	4.16	0.24	2.10	3.51
% Chg Same Qtr Last Yr.....	-0.44	0.45	0.99	1.55	1.96	1.94	2.93	3.23	2.90	3.70	4.19	4.31	0.24	2.10	3.51
US PERSONAL INCOME (BIL\$) SAAR.....	12049	12084	12196	12330	12474	12609	12719	12814	12939	13086	13234	13419	12070	12533	13018
% Chg Prev Qtr SAAR.....	3.26	1.17	3.76	4.48	4.75	4.40	3.51	3.05	3.94	4.63	4.59	5.71	-1.38	3.83	3.87
% Chg Same Qtr Last Yr.....	-1.99	-1.65	-0.31	3.16	3.53	4.35	4.29	3.92	3.72	3.78	4.05	4.72	-1.38	3.83	3.87
TN NONFARM JOBS (THOUS).....	2662.5	2652.6	2649.2	2646.1	2660.2	2650.5	2650.5	2658.4	2668.2	2677.6	2687.8	2697.9	2664.8	2651.8	2673.0
% Chg Prev Qtr SAAR.....	-4.72	-1.48	-0.51	-0.46	2.15	-1.46	0.01	1.19	1.48	1.43	1.53	1.51	-4.04	-0.49	0.80
% Chg Same Qtr Last Yr.....	-4.61	-4.19	-3.38	-1.81	-0.09	-0.08	0.05	0.46	0.30	1.02	1.41	1.49	-4.04	-0.49	0.80
US NONFARM JOBS (MIL).....	132.1	131.3	131.0	131.0	131.4	131.4	131.6	132.1	132.9	133.8	134.7	135.7	132.0	131.4	133.4
% Chg Prev Qtr SAAR.....	-4.52	-2.59	-0.86	0.15	1.23	-0.11	0.61	1.50	2.41	2.78	2.72	2.91	-3.68	-0.49	1.52
% Chg Same Qtr Last Yr.....	-3.92	-4.19	-3.50	-1.97	-0.53	0.10	0.47	0.80	1.10	1.82	2.35	2.71	-3.68	-0.49	1.52
TN MFG JOBS (THOUS).....	320.7	320.2	316.7	313.9	311.6	310.5	311.1	311.7	312.4	312.9	313.6	314.2	322.4	311.8	312.6
% Chg Prev Qtr SAAR.....	-12.84	-0.64	-4.26	-3.47	-2.94	-1.39	0.81	0.69	0.90	0.76	0.88	0.74	-10.91	-3.28	0.28
% Chg Same Qtr Last Yr.....	-12.56	-11.08	-9.35	-5.41	-2.84	-3.02	-1.76	-0.72	0.25	0.79	0.80	0.82	-10.91	-3.28	0.28
US MFG JOBS (MIL).....	12.0	11.8	11.7	11.6	11.6	11.6	11.7	11.7	11.8	11.9	12.1	12.2	12.0	11.6	11.9
% Chg Prev Qtr SAAR.....	-13.97	-7.19	-4.43	-0.98	-1.62	-0.47	3.55	1.17	2.70	4.55	5.57	4.63	-10.76	-3.10	2.21
% Chg Same Qtr Last Yr.....	-11.38	-11.97	-10.79	-6.77	-3.59	-1.88	0.10	0.64	1.72	2.98	3.48	4.36	-10.76	-3.10	2.21
TN UNEMPLOYMENT RATE (%).....	10.5	10.7	10.5	10.4	10.4	10.4	10.4	10.3	10.2	10.1	10.0	9.9	10.2	10.4	10.2
US UNEMPLOYMENT RATE (%).....	9.3	9.6	10.1	10.2	10.0	10.1	10.0	9.8	9.6	9.4	9.2	8.9	9.3	10.1	9.5
CHAINED PRICE INDEX, GDP (2005=100.0)...	109.7	109.8	109.9	110.3	110.7	111.1	111.5	112.1	112.5	112.9	113.3	113.8	109.8	110.9	112.7
% Chg Prev Qtr SAAR.....	-0.02	0.39	0.63	1.46	1.24	1.58	1.55	2.07	1.39	1.54	1.32	1.73	1.17	1.06	1.62
% Chg Same Qtr Last Yr.....	1.48	0.58	0.72	0.61	0.93	1.23	1.46	1.61	1.65	1.64	1.58	1.49	1.17	1.06	1.62
US PERS CONSUMP DEFL (2005=100.0).....	108.8	109.5	110.2	110.4	110.6	111.0	111.5	112.1	112.6	113.1	113.5	114.0	109.2	110.9	112.8
% Chg Prev Qtr SAAR.....	1.35	2.58	2.53	0.66	0.75	1.68	1.71	2.03	1.70	1.88	1.51	1.61	0.19	1.50	1.73
% Chg Same Qtr Last Yr.....	-0.19	-0.69	1.23	1.78	1.63	1.40	1.20	1.54	1.78	1.83	1.78	1.68	0.19	1.50	1.73
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000).....	2.133	2.152	2.170	2.173	2.176	2.186	2.196	2.209	2.221	2.234	2.244	2.255	2.146	2.183	2.227
% Chg Prev Qtr SAAR.....	1.33	3.60	3.38	0.49	0.63	1.76	1.92	2.32	2.15	2.38	1.89	1.93	-0.31	1.74	2.02
% Chg Same Qtr Last Yr.....	-0.94	-1.55	1.46	2.19	2.01	1.56	1.20	1.66	2.04	2.19	2.19	2.09	-0.31	1.74	2.02
BANK PRIME INTEREST RATE (%).....	3.3	3.3	3.3	3.3	3.3	3.3	3.5	4.0	4.4	4.9	5.5	6.0	3.3	3.3	4.7
FEDERAL FUNDS RATE (% per annum).....	0.180	0.157	0.121	0.123	0.125	0.182	0.547	0.963	1.428	1.934	2.465	2.955	0.160	0.244	1.697
30-YEAR FIXED MORTGAGE RATE (%).....	5.0	5.2	4.9	5.0	5.1	5.2	5.3	5.4	5.4	5.6	5.8	6.0	5.0	5.1	5.5
TN TAXABLE SALES (MIL2005\$).....	20013	19739	19760	19899	20017	20091	20162	20245	20351	20458	20585	20769	79746	80169	81640
% Chg Prev Qtr SAAR.....	-4.28	-5.36	0.42	2.85	2.40	1.48	1.41	1.66	2.12	2.12	2.50	3.62	-7.84	0.53	1.83
% Chg Same Qtr Last Yr.....	-9.98	-7.55	-4.34	-1.65	0.02	1.78	2.03	1.74	1.67	1.83	2.10	2.59	-7.84	0.53	1.83
TN TAXABLE SALES (MIL\$).....	21777	21624	21790	21971	22147	22328	22501	22698	22913	23141	23371	23670	87135	88948	92122
% Chg Prev Qtr SAAR.....	-2.98	-2.79	3.11	3.37	3.24	3.31	3.13	3.55	3.84	4.04	4.03	5.22	-7.63	2.08	3.57
% Chg Same Qtr Last Yr.....	-10.15	-8.16	-3.09	0.13	1.70	3.26	3.26	3.31	3.46	3.64	3.86	4.28	-7.63	2.08	3.57
TN AVG ANNUAL WAGE, NONFARM (2005\$)	37261	37260	37368	37623	37909	37886	37925	37997	38093	38171	38288	38390	37268	37836	38137
% Chg Prev Qtr SAAR.....	0.86	-0.01	1.17	2.75	3.07	-0.24	0.41	0.76	1.01	0.83	1.23	1.07	-0.21	1.52	0.80
% Chg Same Qtr Last Yr.....	0.30	0.38	-0.59	1.19	1.74	1.68	1.49	0.99	0.48	0.75	0.96	1.03	-0.21	1.52	0.80
TN AVG ANNUAL WAGE, NONFARM (\$)	40545	40818	41208	41541	41943	42105	42325	42601	42887	43176	43469	43752	40723	41978	43033
% Chg Prev Qtr SAAR.....	2.22	2.72	3.88	3.27	3.92	1.56	2.11	2.63	2.71	2.72	2.74	2.63	0.02	3.08	2.51
% Chg Same Qtr Last Yr.....	0.11	-0.28	0.71	3.02	3.45	3.15	2.71	2.55	2.25	2.54	2.70	2.70	0.02	3.08	2.51

2.4. Short-Term Outlook, continued

for the national economy will be 3.8 percent in 2010 and 3.9 percent in 2011. Transfer payments in Tennessee will continue to grow at a more rapid pace than personal income through 2011. Tennessee wage and salary income should advance 2.5 percent in 2010 as wage gains overwhelm the small contraction in employment that is projected for the year. Proprietors' income should see growth of only 1.0 percent in 2010 following a 4.3 percent setback in 2009. Rent, interest and dividend income will be up 1.1 percent for the year. On a fiscal year basis, expect personal income to grow only 1.2 percent in 2009/10, improving to a 2.8 percent rate of growth in 2010/11.

Nominal taxable sales are expected to improve slowly and steadily in the quarters ahead consistent with the expected modest pace of economic expansion. Stronger growth spurts are a possibility if housing

construction and/or automobile sales see a sharp turnaround. The year will produce the first annual gain in taxable sales since 2007 with growth of 2.1 percent. Sales growth will accelerate to 3.6 percent in 2011. Note that taxable sales in 2011 will still fall below the level of sales registered in 2006. On a fiscal year basis, taxable sales are expected to fall 2.5 percent in the current fiscal year before recording a 3.3 percent gain in the 2010/11 fiscal year.

All categories of taxable sales will see improvement in 2010, aside from food stores which will not fully recover from a 10.3 percent seasonally-adjusted loss in the third quarter of last year. By 2011, all categories of taxable sales will have finally returned to the black. Automobile dealer sales will gain momentum with growth rates above the overall rate of growth of taxable sales in both 2010 and 2011.

2.5. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture in Tennessee

Year in Review

In 2009, an above average rainfall resulted in good pasturage for livestock producers and excellent moisture for crop production. Given its relative profitability, Tennessee farmers shifted acreage out of corn and into soybeans. Soybean harvested area increased by 70 thousand acres while corn acreage fell by 40 thousand acres. Cotton remained stable at 280 thousand acres. Acreage used for hay production increased by 50 thousand acres to 1.9 million acres.

Despite a wet spring and fall, Tennessee corn yields increased from 118 to 139 bushels per acre. Potential quality issues with the 2009 crop will not be fully identified until early in 2010. The cotton yield increased from 909 pounds per acre to 926 pounds per acre in 2009. Soybeans continued to recover from

the 2007 drought with yield jumping from a meager 19 bushels per acre in 2007 to 34 bushels per acre in 2008 to a preliminary estimate of 41 bushels per acre in 2009.

Steady autumn rains followed by post-harvest rains in December ensure adequate subsoil moisture for the 2010 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 2009 wheat production totaled 17.34 million bushels, just over half the size of last year's crop. The lower production was the result of a drop in yield of 8 bushels per acre to 51 bushels per acre in 2009 and reduced acreage. The drop in acreage has been attributed to lower prices at planting time in the fall of 2008 compared to 2007. The decline in yield was the result of persistent spring rains that caused disease that prevented the wheat crop from reaching its full potential.

2.5. Situation and Outlook for Tennessee Agriculture, continued

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 directly employed (both full and part-time) in agricultural production. In 2008 the number of farms in Tennessee was 79,000, 500 below prior year levels, and the land in farms fell to 10.9 million acres. About 40 percent of Tennessee's land base is in farmland, two-thirds of which is crop land. Nationally, Tennessee ranks 8th in the number of farms, 27th in the number of farm acres, and 44th in average farm size.

In 2008, 10,000 of the principal farm operators were female while 69,300 were male. The average age of principal operators was 58. Of all farm operators, 112,200 were white, 1,322 were African American, 1,127 were of more than one race, 733 were Hispanic, 595 were native American, 151 were Asian, and 21 were Pacific Islanders.

Of the 79,000 farms in Tennessee, 55,900 have sales between \$1,000 and \$9,999. An additional 19,100 have sales between \$10,000 and \$99,999, with 1,650 having sales between \$100,000 and \$249,999. Nine-hundred and fifty farms have sales between a quarter and a half million dollars and 1,400 farms have total sales of \$500,000 and above. One percent of all farms in Tennessee have sales of \$500,000 or more and yet these farms represent 16 percent of all Tennessee farmland.

The average value of agricultural land and buildings in Tennessee in 2009 fell to \$3,300 per acre. The 2008 average value for cropland was \$3,270 per acre while pasture was valued at \$3,650 per acre. The cash rent per acre for both cropland and pasture remained steady at \$68.50 and \$22.00 per acre respectively.

Agricultural Products in Tennessee

Agriculture in Tennessee is quite varied. The state's top agricultural commodities, in terms of 2008 cash receipts, include cattle and calves, broilers, soybeans, corn, greenhouse/nursery, wheat, dairy products, cotton, hay,

tobacco, eggs, hogs, tomatoes, snap beans, grain sorghum, peaches, sheep and lambs, farm chickens, apples, and squash. In 2008, all agricultural commodities in Tennessee generated more than \$3.1 billion in cash receipts, a \$400 million increase over 2007 levels. Livestock products contributed 57 percent to Tennessee agricultural cash receipts, while crops accounted for the remaining 43 percent.

Figure 2.13 shows the relative share of cash receipts by commodity. More than one-in-every three dollars in agricultural market receipts in Tennessee is from cattle and calves (\$534 million) or broilers (\$458 million) with cash receipts down for cattle and calves by \$48 million and up for broilers by \$4 million. With high prices and a 410 thousand acreage increase, soybeans displaced cotton as the leading cash crop with \$373 million in cash receipts, well above 2007's \$196 million. Corn closely trailed soybeans with \$340 million in cash receipts, up \$17 million from the year before. Nursery and greenhouse production brought in \$292 million, \$14 million more than the previous year. Wheat provided \$214 million to Tennessee's farm cash receipts as the result of an increase in harvested acres, yield, and price. Cash receipts for dairy products decreased in 2008 to \$191 million from \$202 million a year earlier. In 2008, cotton, with \$189 million in cash receipts, lost its position as the leading cash crop, down from \$308 million from the year before as acreage fell by 45 percent and prices fell by 10 percent. An increase in hay prices and acreage resulted in a contribution of \$111 million to the Tennessee farm economy. Cash receipts from tobacco increased to \$100 million. Tennessee ranks second among all states in meat goat production, third in tobacco, fourth in tomatoes, fifth in snap beans, sixth in equine and other hay, eighth in cotton and farm numbers and ninth in beef cows.

Tennessee's 2008 agricultural exports increased by 585 million when compared to the previous year. All agricultural sectors contributed to the increase with soybeans

2.5. Situation and Outlook for Tennessee Agriculture, continued

leading the way with an increase of \$245 million. Wheat and wheat products showed an increase of \$153 million to \$225.1 million in exports. Feed grains contributed \$35 million toward the increase in the export of Tennessee agricultural products. Tennessee accounts for just over 1 percent of US agricultural exports.

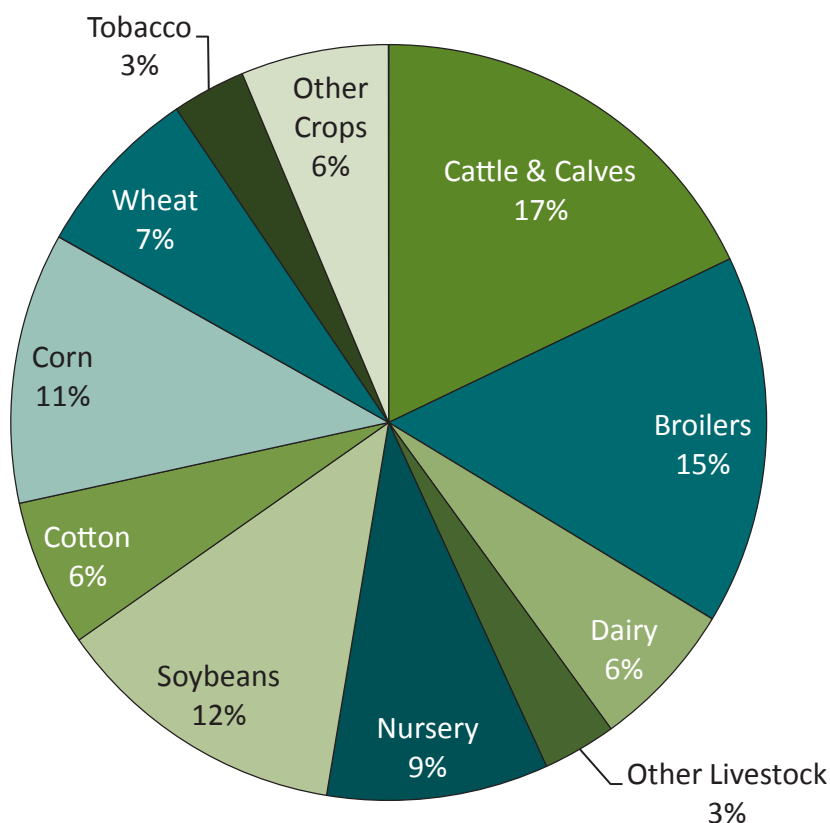
Tennessee Agricultural Sector Outlook

Farm Income

In September 2009, 2007 net farm income for Tennessee farmers was revised downward from \$375 million to \$163 million due to lower

agricultural sector income than estimated and higher than estimated costs of purchased inputs. The estimated net farm income for Tennessee farmers increased from the revised \$163 million in 2007 to \$621 million in 2008. The increase was primarily due to a significant increase in the value of crop production as the result of a sharp increase in crop prices in the first half of 2008 with prices moderating at well above recent historical levels in the second half of the year. In 2006, 52 percent of Tennessee net farm income came from government payments. In 2007, direct government payments were \$307 million—188 percent of net farm income. The September

Figure 2.13. Leading Tennessee Commodities for Cash Receipts, 2008



Source: Tennessee Agriculture 2009, Tennessee Agricultural Statistics Service.

2.5. Situation and Outlook for Tennessee Agriculture, continued

2009 estimates for 2008 indicate that direct government payments will be 36 percent of net farm income.

The USDA national forecast for 2009 net farm income is \$57 billion, \$20 billion below the 2008 estimate of \$87.1 billion and \$6 billion below the average for the prior ten years. The reductions are due to lower earnings in both grain and animal production as the result of prices that have remained below their 2008 highs. During 2009, Tennessee had adequate moisture for crops which for the most part boosted production and potential profits.

As the economic crisis that began in 2008 continues to be felt in 2010 in terms of lower consumer demand for higher-end agricultural products, farmers will continue to face a cost-profit squeeze with higher input prices and lower prices for their production. Producers in the animal sector have been reducing their production levels in hopes of bringing the farmgate price back above production costs. This reduced supply has the potential to spark a return to profitability for many of these producers. Going into the 2010 production cycle, farmers in Tennessee have adequate sub-soil moisture for the planting of crops in the spring.

Crops Outlook

Corn production in the U.S. during 2009 increased by 9 percent from 2008 levels as the result of a slight increase in acreage and a record setting 165.2 bushels per acre. The planting of the crop was delayed by a wet spring in the Midwest with a significant portion of the crop being planted after the optimal date for maximum yields, driving up futures prices in the late spring. Prices then fell until fall when markets became concerned about the slow maturation of the crop. Some corn in the Midwest had not reached physiological maturity when the first killing frost hit, resulting in low test weight corn. In addition, weather conditions have delayed the harvesting of some corn fields beyond the end of the 2009 calendar

year. Despite these problems the USDA has projected that the 2009 crop will be 1.1 billion bushels larger than the 12.1 billion bushels harvested in 2008. USDA January 2010 projections balance this increase with a 524 million bushel increase in corn use for ethanol production, a 192 million bushel increase in exports, and a 304 million bushel increase in feed usage when compared to 2008-2009 crop year usage. As a result, the projected 2009-2010 year-ending stocks for corn were 91 million bushels larger than the previous year. For the 2009-2010 season, average corn prices are projected to be some 36 cents lower than in the 2008-2009 crop year. If the long-only index funds return to the commodities market, fundamentals could be a less important factor in price determination, otherwise corn prices will depend heavily on whether or not the increase in ethanol, feed, and exports hold up as projected.

U.S. soybean production in 2009 was 13 percent higher than a year earlier as the result of increased acreage and yield. Wet weather that delayed the planting and maturation of the crop provided the moisture that was needed for increased yields. The delayed planting and slow crop maturation boosted prices until it became apparent to the markets that the U.S. crop would exceed expectations, leading to harvest time price lows. Since harvest, prices have increased as traders await an indication of the size of the 2009-2010 South American soybean crop and the level of continued imports by China. At the present time China accounts for 53 percent of all raw soybeans in world trade. Together, the U.S., Brazil, and Argentina account for over 80 percent of world soybean production and nearly 90 percent of world soybean exports. Any change either in Chinese import levels, or South American soybean production, will have a significant impact on the world price of soybeans. While the USDA projects larger world and U.S. soybean year-ending stock levels, they also project the U.S. season average soybean price to fall within the range of \$8.90 to \$10.40 per bushel. Prices in that

2.5. Situation and Outlook for Tennessee Agriculture, continued

range would be good for Tennessee soybean producers but would result in continued high feed costs for poultry, dairy, pork and beef producers.

Harvested wheat acreage for the 2009-2010 crop year was 4.8 million acres smaller than the previous year and the yield was off by half a bushel per acre resulting in a 283 million bushel drop in production. On the demand side, exports were off by 190 million bushels and feed and residual fell by 88 million bushels. Reduced demand, coupled with a slight increase in imports, resulted in an increase in carryover stocks of 76 million bushels. Continuing a long slide in wheat prices, the USDA projects a season average price received by farmers of \$4.85, well below the 2008/2009 crop year average of \$6.78. The weather that provided harvest problems for corn and soybeans also affected wheat plantings. Nationally the winter wheat seeded area is down 14 percent from the previous year. Unusually low plantings would suggest higher prices in the 2010-2011 wheat crop years which begins June 1, 2010, but with year-ending stock levels at 48.6 percent of the 2009-2010 crop year utilization, prices are likely to trend downward in the coming year.

While foreign wheat production was on a par with a year earlier, 2009-2010 foreign stocks continue to rise as demand leveled off after meeting needs left over from the weather-induced short crop of 2007-2008.

With the global economic crisis, 2008-2009 global cotton mill use decreased by 10 percent from the 2007-2008 crop year while year-ending stocks are projected to decrease on lower production. Despite lower stocks the 2008-2009 average farm price fell 11.5 cents per pound. Cotton production in 2009-2010 decreased by 6 million 480 pound bales while demand increased by a little over 3 million bales resulting in lower year-ending stocks and higher farm-gate prices. Current U.S. production is now 12.5 million bales, down from 19.2 million bales in the 2007/2008 crop year.

The domestic crisis will continue to affect Tennessee farmers, both in the price they receive for their crops and the opportunities they have for earning off-farm income.

Livestock Outlook

The USDA projects 2010 U.S. beef production at 25.6 billion pounds, 0.5 billion pounds below 2009 production and 1.1 billion pounds below 2008 production. U.S. per capita consumption of beef for 2010 is projected to fall to 59.6 pounds, 0.8 pounds less than 2009. Despite mandatory Country-Of-Origin-Labeling (COOL), beef imports increased by 93 million pounds to 2.795 billion pounds. On the other side of the ledger, exports increased by 179 million pounds to 2.04 billion pounds. Beef exports are still recovering from the aftershocks of finding bovine spongiform encephalopathy in the U.S. herd in late 20003.

In the face of serious profitability pressure, pork production is expected to decline in 2010 by 367 million pounds to 22.655 billion pounds. USDA projects imports to increase from 841 million pounds in 2009 to 900 million pounds in 2010, an increase of 59 million pounds. Exports are projected to increase 349 million pounds to 4.5 billion pounds in 2010. The U.S. per capita consumption of pork is projected to fall from 49.9 pounds in 2009 to 47.7 pounds in 2010.

Broiler production is expected to rebound back to a level near that of 2008 as feed costs continue to abate and domestic demand recovers to pre-recession levels. Broiler imports are relatively small and a decrease of 2 million pounds brings broiler imports to 80 million pounds. Exports are more robust with levels expected to increase by 60 million pounds to 705 million pounds. Unlike with the red meats, 2010 US consumption of broilers is expected to increase to 81.6 pounds per capita up from 79.7 pounds in 2009.

Milk prices are projected to be in the \$16 per hundred weight range in early 2009, well above \$12 a year earlier.

2.5. Situation and Outlook for Tennessee Agriculture, continued

Ag Sector Issues and Opportunities

Biofuels

The University of Tennessee Institute of Agriculture (UTIA) has a long history in renewable, biobased energy and products research and education. As many as 20 years ago researchers were examining alternative energy crops and more recently UT Agricultural Research has enjoyed recognition as one of five regional Sun Grant Centers and as a cooperator in Biosucceed, a partnership for training a workforce for burgeoning biofuels industries.

Now with the lead role in the Tennessee Biofuels Initiative, an innovative research and business model that will position the state as a leader in the nation's efforts toward commercially viable biofuels production, the UT Institute of Agriculture is among the nation's top-tier academic institutions working on solutions for the nation's energy needs.

The Initiative is partnering the research capabilities of UT, Oak Ridge National Laboratory and DuPont Danisco with farmers and landowners in Tennessee with the goal of producing cellulosic ethanol as a transportation fuel, initially from a biorefinery in East Tennessee. The facility will focus on research necessary to refine the conversion process, optimize the use of local farm and forest resources and generally improve the overall process to allow commercial scale-up throughout the state. The principal product will be an economically and environmentally sustainable alternative fuel that has the potential to replace 30 percent of Tennessee's gasoline consumption.

China and U.S. Agriculture

It would not be a stretch to assert that Chinese imports have driven the recent growth in soybean production and exports by the U.S., Brazil, and Argentina. Between 1995 and 2009, Chinese imports of soybeans grew by 1.459 billion bushels (from 29 million bushels to 1.488 billion bushels) while the rest of the nations of world increased their imports by 183

million bushels (from 1.168 to 1.351 billion).

When it comes to decade-long growth rates and the size of those recently experienced by Chinese soybean imports, it is always dangerous to extrapolate such rates years and decades into the future. In this case, it is likely even more dangerous to make continued high-growth assumptions because it is China we are talking about.

China's imports of soybeans stand in contrast to its behavior in virtually all other major agricultural commodity markets. In the case of grains, China exports more than it imports, shipping between 1 and 2 percent of its major-grain crops out of port in 2009. While not trying to suggest that we understand the spectrum of considerations that influence the behavior of the Chinese in agricultural markets, we do think it is important to understand the use of grains and soybeans in China.

Rice is one of the traditional mainstays of the Chinese diet and virtually all of the 136 million tons of production (2009) is used either for food, seed, or additions to carryover stocks. Less than 5 percent of China's 115 million tonnes of wheat production is used for animal feed, with the rest used for food, seed, and changes in carryover stocks. Wheat is primarily grown for food and production has increased from 102 million tons in 1995 to 115 million tons in 2009.

Corn production has increased over the 1995-2009 period by 43 million tons to 155 million tons with the proportion of corn production used for animal feed increasing over time. Corn production now exceeds that of rice by 19 million tons.

Soybean production is significantly smaller than the three major grains coming in at 14.5 million tons, just 1 million ton more than was produced in 1995. Over that period the use of soybeans for human food has increased 5.6 million tons to 8.8 million tons. The use of soybeans for crush has increased from 7.5 million tons in 1995 to 44.1 million tons in 2009, an increase of 488 percent. Most of the meal that resulted from the crush was used for

2.5. Situation and Outlook for Tennessee Agriculture, continued

animal feed with the oil being used for human consumption.

The increase in the use of corn and soybean meal for animal feed has supported a 38 percent and 68 percent increase in the production of pork and broilers, respectively, over the 1995-2009 period.

Looking over the last 15 years, the data suggest that the Chinese have focused on self-sufficiency in rice, wheat, and corn production to the exclusion of soybeans. In addition, the data show that the Chinese have used increases in corn production and soybean imports to increase their production of pork and poultry, maintaining a near self-sufficiency in the production of those meats.

The future of soybean imports by China depends upon the willingness of its leaders to continue that pattern. Another key issue is whether or not the increase in Chinese imports will keep pace with net production increases—production in excess of domestic demand—in the U.S., Brazil, and Argentina. Just as soybean producers have benefitted from increasing Chinese soybean imports over the last 15 years, they could face price pressures if future increases do not keep up with the growth in supply. A movement on the part of the Chinese to focus on increasing domestic soybean production could be problematic for the three major soybean exporters.

The data also suggest that a significant increase in the level of imports of pork and poultry would require a change in current public policy. U.S. pork and poultry producers hope changes in Chinese trade policies will result in larger markets for them. In the long term, if large quantities of U.S. pork and poultry are imported by China, it most likely will be because China believes it is in China's long-run best interest to do

Tobacco

In October of 2004, the U.S. Congress approved and the President signed into law H.R. 4520, the “American Jobs Creation Act of 2004.” To most, the legislation represents significant corporate tax reform, but also

included was the Fair and Equitable Tobacco Reform Act (FETRA), most commonly referred to as “the tobacco buyout.” The tobacco buyout completely changed the way tobacco is produced and sold in the U.S. through the elimination of the federal tobacco program that had been in place for more than 65 years. The USDA was responsible for administering the program and kept detailed information about who was growing tobacco, where it was grown, and the amount and value of tobacco produced and sold.

Today, limited information is available about the quantity and value of tobacco production. The Center for Tobacco Grower Research (CTGR) was created in 2007 to address this need by contributing timely and reliable information in the areas of tobacco production, economics, and markets to support the sustainability of U.S. production of burley, flue-cured, dark and other types of tobacco. The CTGR has a database of over 8,600 former and current tobacco growers (and is growing) from 14 different states that volunteered to help provide vital information about current and future tobacco production and marketing. Annual surveys and research with current and former tobacco growers will provide new information and insights on the changes occurring in the tobacco industry. This new information will be made available to current and future tobacco growers, agricultural organizations and leadership, manufacturers, and others interested in tobacco production issues. The CTGR is housed in the Department of Agricultural and Resource Economics at the University of Tennessee, Knoxville.

The Possibility of Generic Glyphosate-resistant Soybeans and Policy Issues

In 2008, soybeans were the number one crop in Tennessee in terms of cash receipts. Most of those soybeans contained the *Roundup Ready* gene that allowed them to survive a dousing of the weed killer while effectively clearing the field of competing weeds. For farmers on lighter soils who have to use no-till agriculture, this has been a life-saver. As

2.5. Situation and Outlook for Tennessee Agriculture, continued

the *Roundup Ready* patent is set to expire in 2014, farmers will face some choices and some risks they have not had since 1995. The following analysis examines the implications of this change for farmers, policy makers, and companies alike.

The impending loss of Monsanto's patent on its *Roundup Ready* soybean in 2014 raises a number of important policy issues in addition to those raised in DuPont's anti-trust case against Monsanto and the opening of an antitrust investigation of Monsanto by the US Department of Justice. Monsanto's *Roundup Ready* genetics is used in 90 percent of all soybeans grown in the U.S. Other major crops containing the *Roundup Ready* genetics are corn and cotton.

One of the contractual obligations farmers accepted in buying *Roundup Ready* soybeans was a prohibition on the saving of seed as had been common among soybean farmers before the advent of the technology. In addition to paying a higher price for the seed, farmers pay a technology fee.

Monsanto was able to achieve the 90 percent utilization rate in part by licensing the technology to competing seed firms, subject to contractual obligations. The lawsuit between Monsanto and DuPont involved a restriction in the contract between the two parties that did not allow DuPont to use the *Roundup Ready* gene in its Optimum GAT line of seeds.

In that case, the court narrowly ruled that DuPont violated its contract with Monsanto. At the same time it allowed DuPont's antitrust case to move forward. That part of the lawsuit alleges that by restricting other seed producers from combining the *Roundup Ready* technology with their own genetic technology Monsanto is engaged in anti-competitive behavior.

These issues get more complicated with Monsanto losing its patent protection in a couple of years. To protect itself, Monsanto has created *Roundup Ready 2 Yield* using the same glyphosate-tolerant property but inserting it in a different location in the soybean gene. Monsanto is beginning to work to persuade its licensees to begin switching to the new

technology—covered by a new patent—before its old patent runs out.

While the regulatory environment for the production of generic medicines is clear when a drug patent runs out, no such set of rules is in place for the production of a generic glyphosate-tolerant—undoubtedly "*Roundup Ready*" will remain a trademark of Monsanto so those who produce a generic will not be able to use that term—soybean let alone any other genetically modified organism (GMO).

In the absence of public policy in this area, the company is free to initially determine the rules. This will undoubtedly spark lawsuits in addition to DuPont's.

Below is a sampling of the issues that need to be clarified with regard to saving glyphosate-tolerant soybeans by farmers or its production by other seed firms:

- While farmers would be allowed to save *Roundup Ready* seed, will they be able to find seed that is not "stacked with other patented traits?" This possibility, which was identified in a National Public Radio (NPR) January 12, 2010 story, would be a problem for farmers but less so for seed companies who want to produce a generic glyphosate-tolerant seed. On the other hand, will seed companies go to the trouble of producing a generic glyphosate-tolerant seed knowing that once farmers buy it, farmers could/will tap their soybean granaries for seed from then on?

- In obtaining permission to sell seeds with the *Roundup Ready* trait in them, Monsanto had to provide a large amount of technical data to federal agencies. As NPR says, "generic providers would probably still need access to Monsanto's proprietary data to get federal approval to sell the *Roundup Ready* trait.

- "They'd also need closely held technical data to update licenses that keep the trait legal in big, important markets like China and the EU," NPR reports.

- Monsanto has indicated that they will not enforce some of the other patents they have on technology that is necessary to insert the *Roundup Ready* gene in the seed gene, but how far does that go? Could Monsanto change

2.5. Situation and Outlook for Tennessee Agriculture, continued

its mind? Could Monsanto put limits on those other “process” technologies in the *Roundup Ready 1* trait when used in combination with additional traits developed by others?

- If a farmer does manage to find glyphosate tolerant soybean seeds that are not stacked with other patented genes, how will they prove to Monsanto that they are using seeds with the *Roundup Ready 1* trait and not the *Roundup Ready 2* trait, especially if they try the new trait and decide to go back to the earlier technology?

- After the patent runs out, can farmers sell some of their *Roundup Ready* soybean seeds to their neighbors who have never used the technology?

The permutations of potential issues seem endless in the absence of a clear set of public policies.

In coming years a large number of seed technologies will lose their patent protection. It would seem that a well thought out set of publicly developed rules and regulations is preferable to those announced by a private firm. This could provide protection for seed firms and farmers alike.

The Tennessee Economy: Long-Term Outlook

In this chapter—

3.1. Introduction

3.2. A Retrospective and Prospective Look at State Government Revenue

Historical Growth in Tax Collections

The Outlook for State Tax Collections

3.3. Employment Outlook

3.4. Unemployment and Population

3.5. Personal Income and Taxable Sales

3.6. State Gross Domestic Product

3.1. Introduction

Previous chapters of this report have considered the short-term cyclical performance of the national and state economies. This chapter takes a longer-term view with a focus on state tax revenues and the state economy. The first major section examines the state's revenue situation, framed by a look back to fiscal year 1969/70, with projections extending to fiscal year 2018/19. This topic is especially timely given the length and depth of the recession and its impacts on revenues—impacts that will extend well beyond the short-term cyclical economic outlook horizon presented in Chapter 2. Subsequent sections consider the economy using historical data and projections for the period 1999 to 2019. Included are discussions of trends on employment, unemployment, population, personal income and state gross domestic product.

To place the chapter in perspective, it is important to recognize that short-term cycles tend to be affected by unique events

and shocks like the oil embargo of the 1970s, the dot-com bust of the late 1990s and the subprime mortgage and financial market meltdown of the current business cycle. The trend outlook to 2019 that is presented here does not include a forecast of future business cycles since they are inherently unpredictable. But history likely will repeat itself, and there will probably be at least one economic downturn before the close of 2019.

Long-term economic growth and development is influenced by the ups and downs of the business cycle. But of equal if not greater importance in the long run is growth in the economy's underlying foundation or capacity—what economists refer to as the “factors of production.” There is nothing particularly fancy or abstract about these so-called factors of production. To the contrary, they have considerable intuitive appeal and are typically the focus of practical public policies that are intended to spur economic growth. At a broad level they include the size

3.1. Introduction, continued

of the labor force, the human capital skills embodied in workers, technology, private sector capital investments and public sector capital; (e.g., transportation infrastructure). All else the same, growth in any of these inputs will help foster stronger economic growth for the state and its residents.

The ramifications of the recent recession will necessarily ripple well into 2012 and 2013,

which extends beyond the 10 quarter short-term outlook of Chapter 2. Employment will struggle to recover, the unemployment rate will remain stubbornly high and tax revenues will need years before being restored to pre-recession levels. By 2013 and 2014, most measures of economic growth will be restored to pre-recession levels.

3.2. A Retrospective and Prospective Look at State Government Revenue

Tennessee state government derives revenue from several broad sources including taxes, intergovernmental aid from the federal government and various charges and miscellaneous fees paid by individuals and businesses. Over one-third of *total revenue* represents intergovernmental aid which contributes to the support of a wide array of state programs, notably Families First and TennCare. Federal government taxpayers in Tennessee and other states are the source of this funding. Nearly one-half of total state revenue comes from taxes, most of which are paid by state residents and businesses. Of this amount, more than one-half is generated from the state sales and use tax. Selective excise taxes like levies on tobacco products represent another important but more modest revenue source. The corporate excise and franchise taxes—the former a tax on corporate profits and the latter a tax on corporate wealth or property—now account for less than 10 percent of total revenue in Tennessee.

A look at *own-source tax revenue* highlights the state's dependence on various sales and excise taxes. The 2009/10 state budget document indicates that for the 2008/09 fiscal year almost 63 percent of state tax revenue came from the sales tax, with the tobacco, beer and alcoholic beverage taxes contributing 3.7 percent, motor vehicle levies 2.5 percent and gasoline taxes another 8.1 percent. The franchise and excise taxes together accounted for only 12.9 percent of tax revenue, while the

income and inheritance taxes generated only 2.9 percent of tax revenue.

Historical Growth in Tax Collections

Nominal state tax collections have climbed steadily since 1970, with the exceptions of the aftermath of the short-lived recession of 2001 and the most recent recession (see Figure 3.1). In the 1969/70 fiscal year, nominal tax revenues tallied \$658.0 million compared to a peak of \$11,117.6 million in the 2007/08 fiscal year. Per capita tax burdens have grown over time in Tennessee but have been sustained below the national and southeastern state averages.

Revenue growth over this long window of time can be broadly attributed to two factors: growth in economic activity (including more workers, more personal income and more business activity) and policy changes (including higher tax rates and expansions of tax bases). Of course some policies have been implemented that have reduced tax revenue, like the reduced rate of sales tax applied to grocery store food. Figure 3.2 shows actual historical collections and also illustrates what would have happened to state tax revenues absent major tax rate changes—"adjusted revenues as a share of personal income." Just over 44 percent of the overall increase in revenues from fiscal year 1969/70 to the revenue peak in 2007/08 is the result of major policy changes (like sales tax rate increases) with 55.8 percent of revenue growth coming

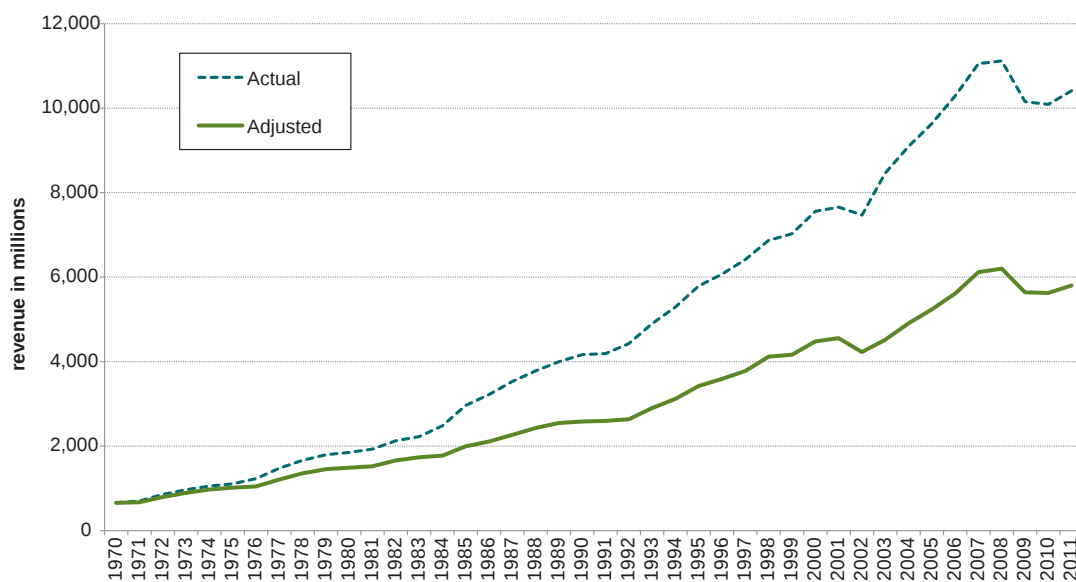
3.2 A Retrospective and Prospective Look at State Government Revenue, continued

from increased economic activity. Policy changes thus accounted for roughly \$4,916.4 million in revenue in 2007/08. To place this figure in perspective, in the same year the state appropriated \$3,756.8 million for elementary and secondary education alone.

Since the 1969/70 fiscal year the state has increased a number of levies including the franchise, excise, privilege and alcoholic beverage taxes. But the primary source of increased state tax revenue has been higher state sales tax rates. The state sales tax rate stood at 3.0 percent in 1970 and was increased to 3.5 percent in 1971. As shown in Figure 3.3, sales tax rates have been stepped forward since the early 1970s reaching the current general rate of 7.0 percent. (Grocery store food is currently taxed at the lower rate of 5.5 percent.) It is important to note that each of the sales tax rate increases was implemented within one year of a national recession. When economic activity has declined during a recession, there has been an incomplete post-recession rebound in tax collections absent an increase in the sales tax rate.

Despite increases in the sales tax rate, sales tax revenues have not kept pace with economic growth. Several factors are at play in explaining this phenomenon. First is the increased share of economic activity that is taking place within the service sector over time. In practice, the state sales tax falls on the sale of tangible goods unless the transaction is deemed to be exempt; services are subject to sales taxation only if enumerated for tax purposes. As services have grown as a component of household consumption, the effective sales tax base has in turn been narrowed. Second are legislated exemptions including the lower rate applied to food purchases which have also eroded the effective sales tax base. Many of these sales tax exemptions—in particular those which apply to business-to-business transactions—are appropriate means of reducing business tax burdens and supporting interstate tax competitiveness, but they nonetheless lead to lower revenue collections. Final factors include border shopping and remote sales such as catalog and Internet purchases. While

Figure 3.1. Total Tennessee State Tax Collections, Actual and Adjusted for Tax Rate Changes, 1969/70–2010/11



3.2. A Retrospective and Prospective Look at State Government Revenue, continued

remote purchases are in principal subject to the state use tax, noncompliance on the part of businesses and final consumers is believed to be significant.

Overall state tax collections rose at a 7.7 percent compound annual growth rate (CAGR) between 1969/70 and 2007/08. The same time period yielded nominal personal income growth of 7.9 percent CAGR. The slightly higher rate of income growth has allowed taxes as a share of personal income to fall over time as shown in Figure 3.2. Absent major rate increases, “adjusted” revenues relative to personal income would have fallen considerably further. As shown in the figure, net of rate increases, Tennessee state government as a share of private sector activity would have fallen by nearly 50 percent.

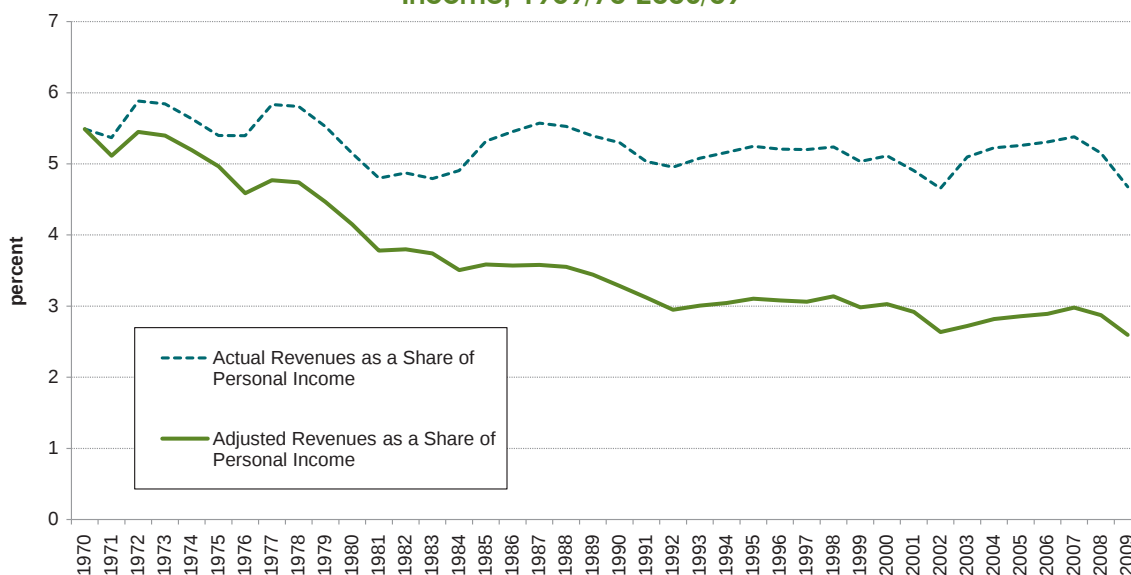
The Outlook for State Tax Collections

The short-run cyclical and long-run trend outlook for state revenues is illustrated in Figure 3.4. The cyclical outlook shows how revenues are expected to rebound from the bottom of the current recession (see Chapter

2); the trend outlook simply captures the pattern of revenue growth assuming future revenues respond to economic (i.e. personal income) growth as they have in the past. Two scenarios are presented for the trend outlook. The first, corresponding to stronger growth, assumes that revenues will grow in future years as they have in the past, inclusive of rate increases. This “policy change” view assumes that in future years the state chooses to adjust rates and bases commensurate with historical experience. The second outlook with weaker revenue growth assumes that revenues in future years grow as they have historically, but absent major rate changes.¹ This can be referred to as the “policy neutral” perspective. Also included in the figure is the implied revenue burden as a share of personal income for each of the two revenue scenarios.

1 Historical data on rate-adjusted and unadjusted fiscal-year revenue growth relative to fiscal-year growth in total state personal income for the period 1970 to 2008 provides the basis for the extrapolations. The former measure is a simple trend elasticity measure while the latter is a measure of revenue buoyancy. Long-term projections of fiscal-year state personal income are then applied to the elasticity and buoyancy measures to produce the simple trends reported in Figure 3.4.

Figure 3.2. Actual and Adjusted Total Tennessee Tax Collections as a Share of Personal Income, 1969/70-2008/09



3.2. A Retrospective and Prospective Look at State Government Revenue, continued

Note that under both scenarios total state tax revenue is projected to return to its pre-recession peak in fiscal year 2012/13. The difference in revenue is modest: \$11.3 billion under the policy neutral assumption and \$11.4 billion under the policy change scenario. But by 2018/19, the revenue differences across the two scenarios are more significant. Under the policy neutral assumption, revenues would

total \$13.5 billion. In contrast, under the policy change assumption revenues would total \$14.3 billion.

Even under the policy change assumption revenue growth does not respond fully to changes in personal income. In other words, if personal income grows 5 percent in a year, revenues would grow by less than 5 percent. As a result, the size of state government

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Structural Deficits

Analysts and policymakers who study government finances have coined the phrase structural deficit to describe the situation where there is a long-term imbalance between revenues and expenditures. The U.S. federal government, along with many other central governments around the world, have significant structural deficits and rising cumulative debt burdens. Primary concerns include annual debt service costs, upward pressure on interest rates and the potential reticence of individuals, businesses and foreign nations to purchase government debt. Structural deficits are a long-run phenomenon, not simply a reflection of short-term imbalances due to recession. But recessions can aggravate the problem as has been the case with the current cycle.

The notion of a structural deficit is clearest in the context of central government fiscal policy where one can observe annual deficits and cumulative debt burdens. State governments, on the other hand, must generally align current operating expenditures against revenues. So in practice—aside from special accounts like rainy day funds and capital funds—states must balance their budgets annually. Nonetheless, analysts have applied the concept of structural deficits to the states.¹

In the state context, structural deficits arise when the anticipated future costs of maintaining service provision exceed the amount of revenue that will be generated absent tax policy changes. Key is the assumption of “maintenance of service delivery” and how this is measured in practice. One approach would be to assume that future spending needs as a share of the economy will bear a close resemblance to historical spending needs as a share of state economic activity. Figure 3.2 illustrates this with actual historical revenues as a share of state personal income. If one accepts this as Tennessee’s desired size of state government, the state’s structural deficit is then the difference between actual revenues as a share of income versus adjusted revenues as a share of personal income. Only by raising tax rates has this size of government been sustained over time. This simply means that Tennesseans have historically wanted state government to be about 5 to 6 percent of state personal income. Of course, it may be the case going forward that Tennesseans want to see spending curtailed and the size of state government reduced. Ultimately this depends on the preferences of the electorate.

¹ See, for example, Andrew Reschovsky, “Wisconsin’s Structural Deficit,” *State Tax Notes*, August 12, 2002, pp. 525-530.

3.2. A Retrospective and Prospective Look at State Government Revenue, continued

Figure 3.3. State Sales Tax Rate Increases

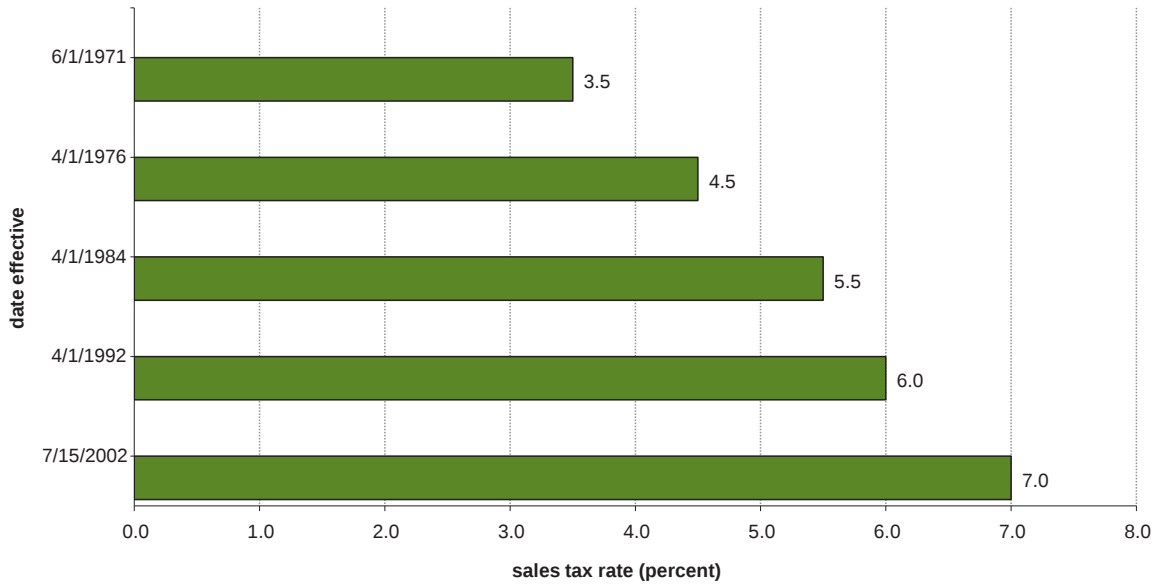
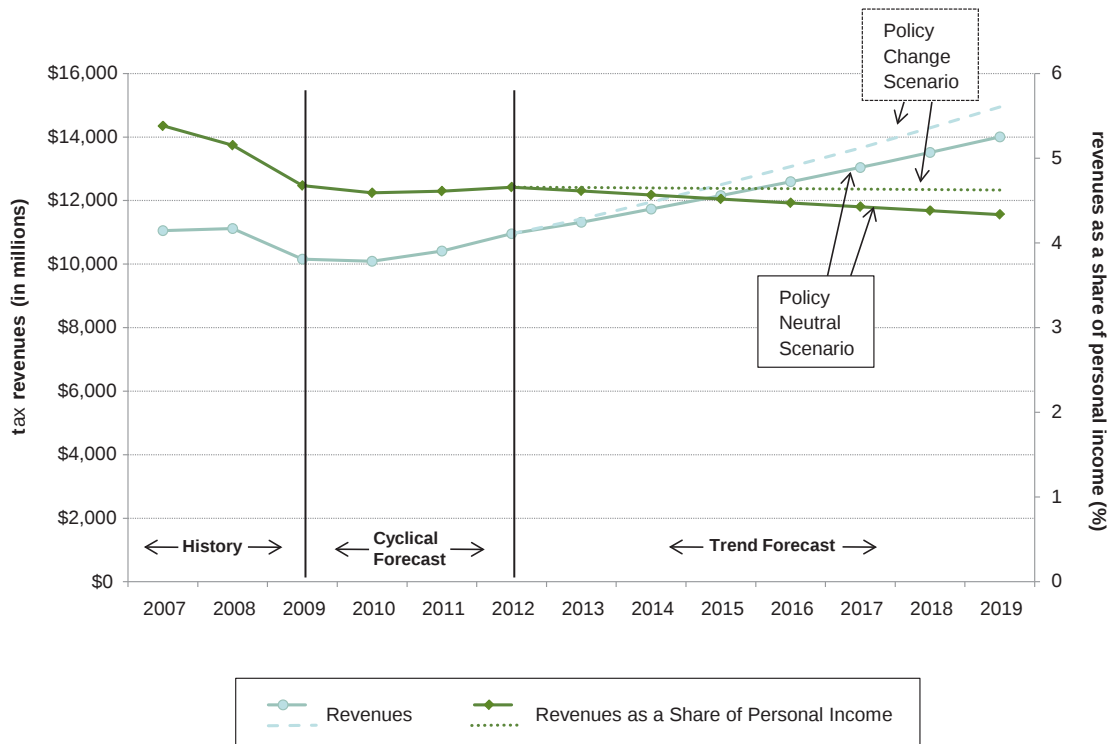


Figure 3.4. Total State Tax Revenues and Revenues as a Share of Personal Income, 2007-2019



3.2. A Retrospective and Prospective Look at State Government Revenue, continued

relative to the private sector economy declines under both policy scenarios. By fiscal year 2018/19 taxes as a share of personal income are 4.6 percent under the policy change assumption and 4.3 percent under the policy neutral assumption. In each case, revenues as

a share of personal income are projected to be lower than any time since 1970. These trend projections are only intended to be suggestive of what might transpire in the years ahead. The ultimate outcome will depend on choices made by the governor and the legislature.

3.3. Employment Outlook

Nonfarm employment in Tennessee fell slightly from 1999 to 2009 while employment for the national economy grew at an anemic 0.2 percent compound annual growth rate. The lackluster performance over this period is attributable to the slowdown that gripped the economy in 2007 and the fact that 1999 was a near-peak of a business cycle. Consistent with this historical experience, nonfarm job growth in Tennessee will trail the nation over most years of the long-term outlook horizon (see Figure 3.5). The U.S. is expected to recover more manufacturing jobs than Tennessee when the rebound gathers momentum. However, following this brief period of job gains, both the state and nation will see further erosion of manufacturing employment.

Jobs in the manufacturing sector have been in steady decline since the 1990s, with the pace of job loss accelerating sharply during the recession. In 1999, there were 499,800 manufacturing jobs in Tennessee, but by 2009 employment had fallen by 177,400 to 322,400. The U.S. saw manufacturing employment fall by 5.3 million over the same period.

Manufacturing jobs have fallen significantly as a share of overall employment for both the state and the nation (see Figure 3.6). Manufacturing accounted for 18.6 percent of nonfarm employment in Tennessee in 1999; by 2009 only about one in ten jobs were in manufacturing. The U.S. economy has been somewhat less dependent on manufacturing than Tennessee but has seen a similar slide

in manufacturing's role in employing nonfarm workers. The good news is that manufacturing output has continued to grow (aside from the recession) despite the broad-based setbacks in employment, a sign of productivity growth.

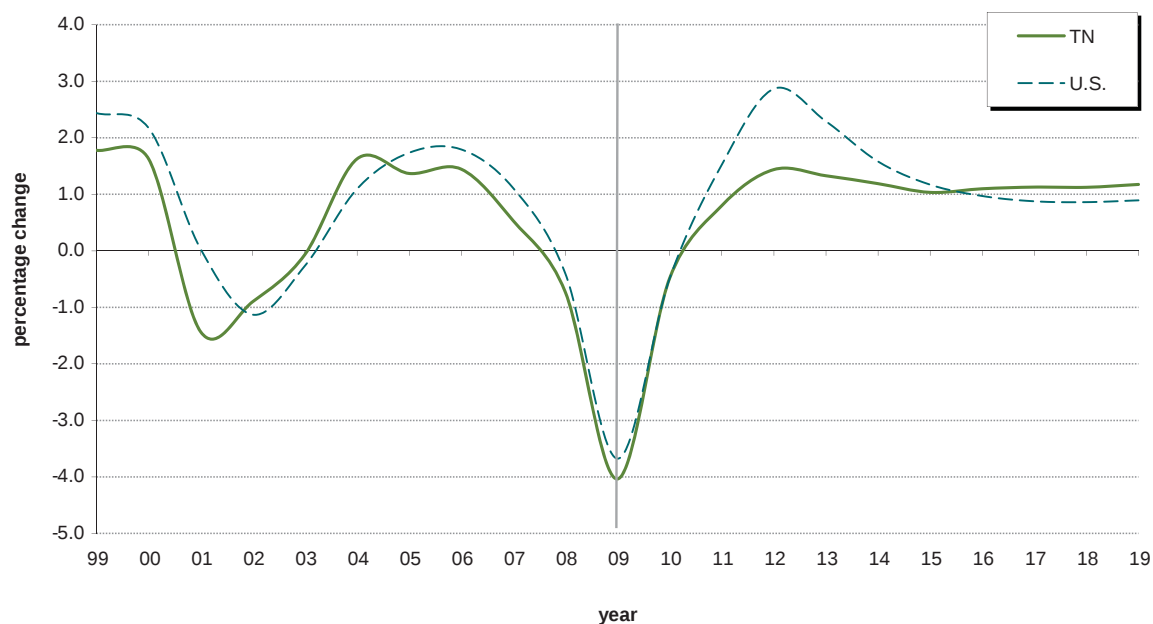
Employment growth patterns vary considerably across counties in Tennessee as shown in Figure 3.7, which provides historical county-level data through 2008, the most recent year for which data are available for individual counties. (These data reflect where people work, not necessarily where people live.) Forty-six counties lost employment between 1999 and 2008. The strongest growth took place in and around Knoxville, Memphis and Nashville. Eleven counties were able to engineer job gains in excess of 20 percent over the period shown. Williamson County topped the charts with covered employment growth of 59.3 percent, while Loudon County came in second with job gains of 41.3 percent.

Table 3.1 provides detail on the state's employment history and the economic outlook extending to 2019. Many broad sectors of the economy have seen employment contract relative to 1999. However, there are a number of exceptions, including professional and business services, education and health services, leisure and hospitality services, other services and state and local government. The strongest growth rate has been in education and health services, a sector that has even performed reasonably well over the current business cycle.

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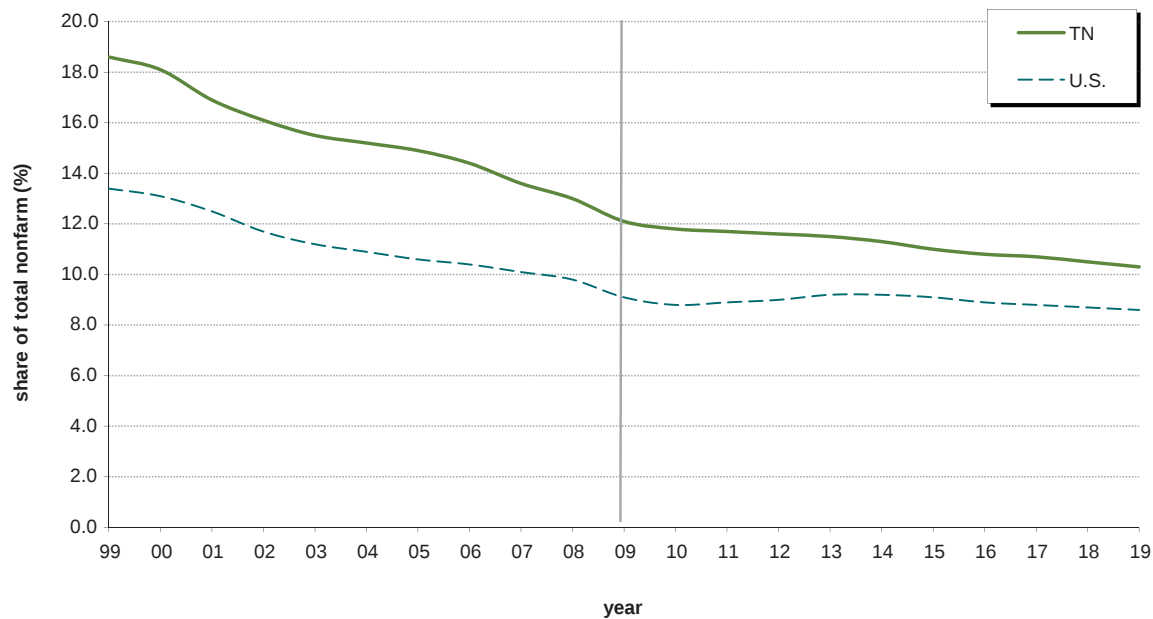
3.3. Employment Outlook, continued

Figure 3.5. Annual Nonfarm Job Growth, 1999 to 2019



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

Figure 3.6. Manufacturing Employment as a Share of Total Nonfarm Employment, 1999 to 2019



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

3.3. Employment Outlook, continued

Table 3.1. Tennessee Nonfarm Employment Sector (thousands of jobs)

	Employment			Growth Rate (%)*	
	1999	2009	2019	1999 to 2009	2009 to 2019
Total Nonfarm.....	2684.0	2664.8	2938.0	-0.1	1.0
Natural Resources, Mining & Construction.....	128.3	107.4	112.1	-1.8	0.4
Manufacturing.....	499.8	322.4	301.9	-4.3	-0.7
Durable Goods.....	304.5	193.4	188.5	-4.4	-0.3
Nondurable Goods.....	195.3	128.9	113.4	-4.1	-1.3
Trade, Transportation, Utilities.....	584.1	573.5	650.1	-0.2	1.3
Wholesale Trade.....	133.5	126.1	145.4	-0.6	1.4
Retail Trade.....	314.7	312.5	351.6	-0.1	1.2
Transportation & Utilities.....	135.9	134.9	153.0	-0.1	1.3
Information.....	53.4	46.8	52.1	-1.3	1.1
Financial Activities.....	141.9	137.8	145.6	-0.3	0.6
Professional & Business Services.....	290.5	307.2	388.2	0.6	2.4
Education & Health Services.....	275.2	366.6	443.9	2.9	1.9
Leisure & Hospitality.....	228.8	270.7	297.8	1.7	1.0
Other Services.....	91.9	100.8	104.4	0.9	0.3
Government.....	390.2	431.6	442.0	1.0	0.2
Federal, Civilian.....	51.2	50.2	50.0	-0.2	0.0
State & Local.....	338.9	381.4	392.0	1.2	0.3

*compound annual growth rate

Source: Bureau of Labor Statistics and CBER-UT.

Table 3.2. Tennessee Manufacturing Employment (thousands of jobs)

	Employment			Growth Rate (%)*	
	1999	2009	2019	1999 to 2009	2009 to 2019
Total Durable Goods.....	304.5	193.4	188.5	-4.4	-0.3
Wood Products.....	19.7	12.0	11.2	-4.9	-0.7
Nonmetallic Minerals.....	16.1	13.1	12.4	-2.1	-0.6
Primary Metals.....	17.8	9.9	9.8	-5.7	-0.1
Fabricated Metals.....	46.1	35.4	34.6	-2.6	-0.2
Machinery.....	43.3	28.8	29.3	-4.0	0.2
Computers & Electronics.....	15.7	6.5	4.1	-8.5	-4.6
Electrical Equipment, Appliances & Components.....	30.1	18.6	17.4	-4.7	-0.7
Transportation Equipment.....	68.5	43.3	47.7	-4.5	1.0
Furniture.....	27.9	12.2	8.7	-7.9	-3.3
Miscellaneous Durables.....	19.3	13.6	13.5	-3.4	-0.1
Total Nondurable Goods.....	195.3	128.9	113.4	-4.1	-1.3
Food.....	34.4	30.3	31.1	-1.3	0.3
Beverage & Tobacco.....	6.7	4.6	4.0	-3.7	-1.4
Textile Mills, Textile Mill Products & Apparel.....	39.7	13.0	7.7	-10.6	-5.1
Paper.....	21.6	16.1	14.1	-2.9	-1.3
Printing & Related Support.....	24.8	14.0	10.3	-5.6	-3.0
Chemicals.....	31.7	26.0	22.0	-2.0	-1.7
Plastics & Rubber.....	31.8	22.8	22.9	-3.3	0.0
Miscellaneous Nondurable Goods.....	4.5	2.2	1.3	-7.0	-5.2

*compound annual growth rate

Source: Bureau of Labor Statistics and CBER-UT.

3.3. Employment Outlook, continued

Looking forward, it is anticipated that Tennessee will see nonfarm employment grow at a 1.0 percent compound annual growth rate between 2009 and 2019. Aside from manufacturing (see below), all other broad sectors of the economy are expected to see employment expand over the long term. Professional and business services will grow at the fastest pace, followed by education and health services.

Detail on the performance of the manufacturing sector is presented in Table 3.2. Employment in durable goods was down at a 4.4 percent compound annual growth

rate while employment in nondurable goods declined 4.1 percent from 1999 to 2009. All subsectors within manufacturing have been in decline. Textiles-related activity has seen the sharpest rate of decline with jobs falling 10.6 percent.

While manufacturing jobs will see some growth in 2011 and 2012, contraction will take place in subsequent years producing a 0.7 percent setback for the 2009–2019 window. Machinery, transportation equipment, food, and plastics and rubber will each see some job growth by 2019.

3.4. Unemployment and Population

The state unemployment rate has generally hovered around the national unemployment rate dating back to 1999; in five of these years the state rate has surpassed the national average. Rates have increased appreciably over the course of the current business cycle from the relatively low levels that prevailed just a couple of years ago. For the fourth quarter of 2009, the state unemployment rate was 10.5 percent and the national rate was 10.1 percent. In 2001—corresponding to the previous recession—both the state and national unemployment rates had only climbed to 4.7 percent. Rates did creep up in 2002, but never came close to the double-digit mark.

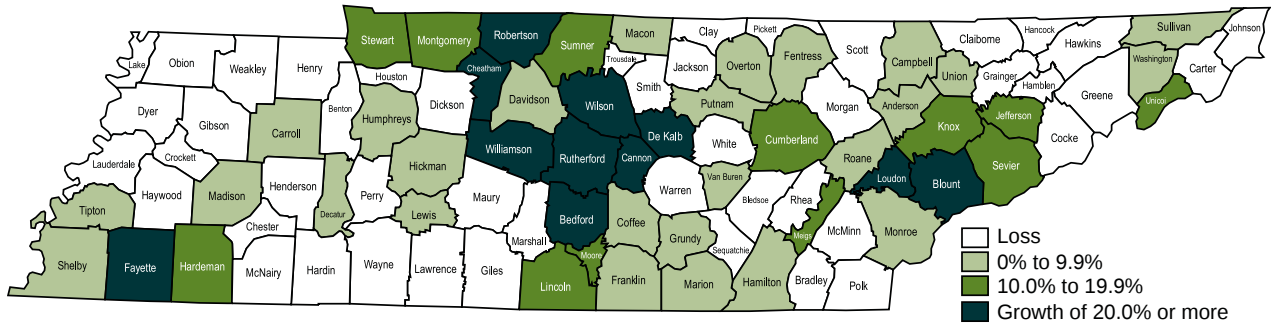
Between 1999 and 2008, the state unemployment rate averaged 5.1 percent, slightly higher than its national counterpart (5.0 percent). Figure 3.8 shows which Tennessee counties have experienced average annual unemployment rates in excess of the state average. Only 24 counties enjoyed average rates below the state average for the period shown. With only one exception (Putnam County), all of these counties are centered around one of the state's metropolitan areas.

The long-term unemployment outlook is portrayed in Figure 3.9 for both the state and the nation. Over each of the years of the outlook the state rate is expected to rest above the national rate, though the differences are modest. Because of the severity of the recession and the expected slow pace of job recovery in the aftermath of the recession, the state unemployment rate will not slip below 10 percent until 2012. A faster fall in the unemployment is possible, but if this happens it will likely reflect a shrinking labor force rather than a healthier job market.

Employment and unemployment patterns over the short-run course of the business cycle are driven by the up and down nature of the cycle. Over the longer term, population change will have a greater effect on the overall level of employment and economic activity. Between 1999 and 2009, Tennessee's population grew by 13.3 percent, or 1.3 percent on a compound annual basis. The population of the U.S. grew at the slower rate of 11.5 percent, reflecting a compound annual growth rate of 1.1 percent. These figures are especially striking in light of the lack of job creation in the last decade for both the state and the nation.

3.4. Unemployment and Population, continued

Figure 3.7. Total Covered Employment Growth, 1999 to 2008



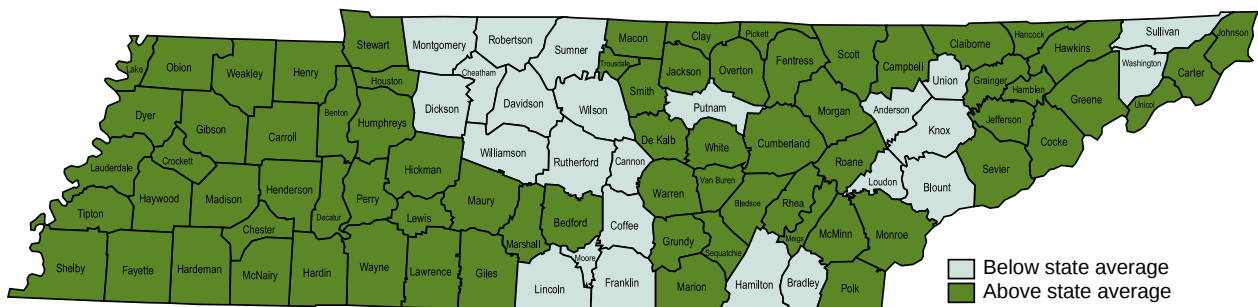
Tennessee average: 3.6%

U.S. average: 6.1%

*Total employment covered by the state unemployment insurance program (includes private and government owned establishments).

Source: Bureau of Labor Statistics.

Figure 3.8. Average Annual Unemployment Rate, 1999 to 2008



Tennessee average: 5.1%

U.S. average: 5.0%

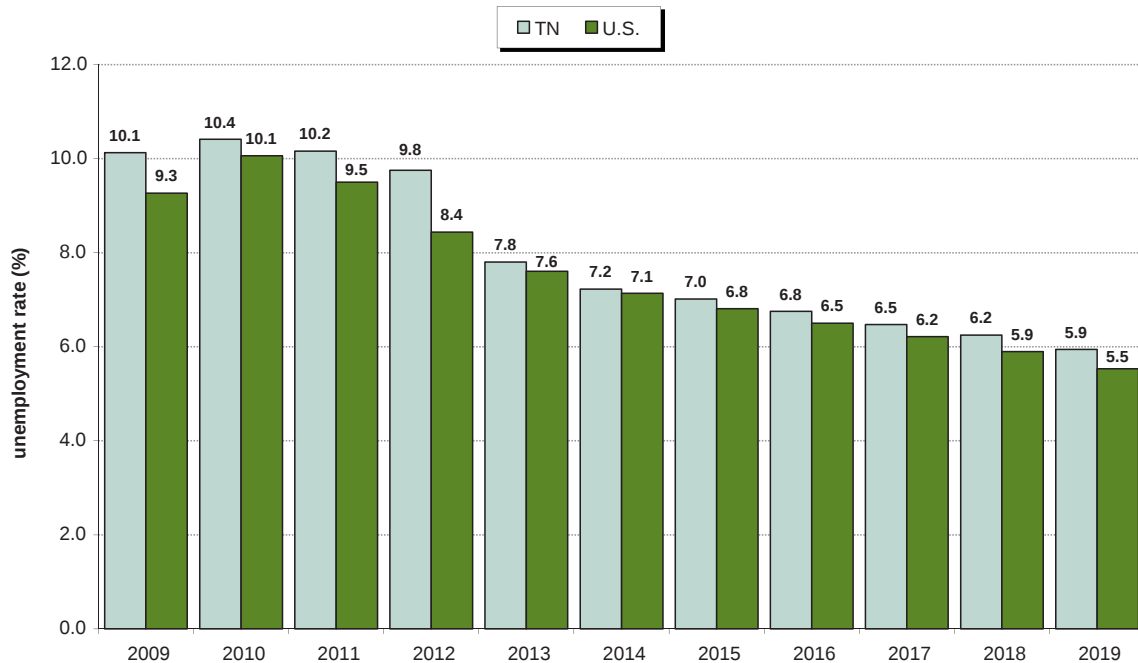
Source: Bureau of Labor Statistics.

3.4. Unemployment and Population, continued

County population growth is shown in Figure 3.10. While 46 counties lost employment over the slightly longer period extending to 2009, only 6 counties experienced population contraction between 1999 and 2008. Job growth and population growth tend to go hand in hand, even in a sluggish economic environment, so it is no surprise that the

regions centered around Knoxville, Memphis and Nashville have seen the strongest rates of job and population growth. While job growth in Williamson County surpassed all other counties in the last ten years, Rutherford County had the highest rate of population growth (45.5 percent).

Figure 3.9. Annual Unemployment Rate, 2009 to 2019



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

3.5. Personal Income and Taxable Sales

Personal income growth will slowly improve as the recovery takes hold and by 2012 will break the 4 percent mark for the first time since 2007. Between 2009 and 2019, personal income in Tennessee is expected to advance at a 4.3 percent compound annual growth rate, matching the rate of growth recorded between 1999 and 2009. Income growth for the nation surpassed income growth in Tennessee between 1999 and 2009, a pattern that will be sustained between 2009 and 2019.

Tennessee per capita income stood at about 90 percent of the national average in 2009. However, per capita income growth between 1999 and 2009 has trailed the nation, and the state has moved down from 92 percent of the national average in 1999 to 90 percent in 2009. The gap between U.S. and Tennessee per capita personal income is expected to widen further by 2019.

The average nonfarm wage in Tennessee will see somewhat weaker growth out to 2019 than was realized dating back to 1999. (The inflation-adjusted average wage will see growth below 1 percent in most years of the long-term forecast window.) Wage and salary income, on the other hand, will do better in the years ahead relative to the record dating back to 1999. Despite slower average wage growth, the state will see job growth between now and 2019, while nonfarm employment actually contracted between 1999 and 2009.

Calendar year taxable sales will not exceed their pre-recession peak (2007) until 2013. Nominal taxable sales should grow at a 4.0 percent compound annual growth rate between 2009 and 2019. This is much stronger than the 1.9 percent rate of growth that took place between 1999 and 2009.

3.6. State and Gross Domestic Product

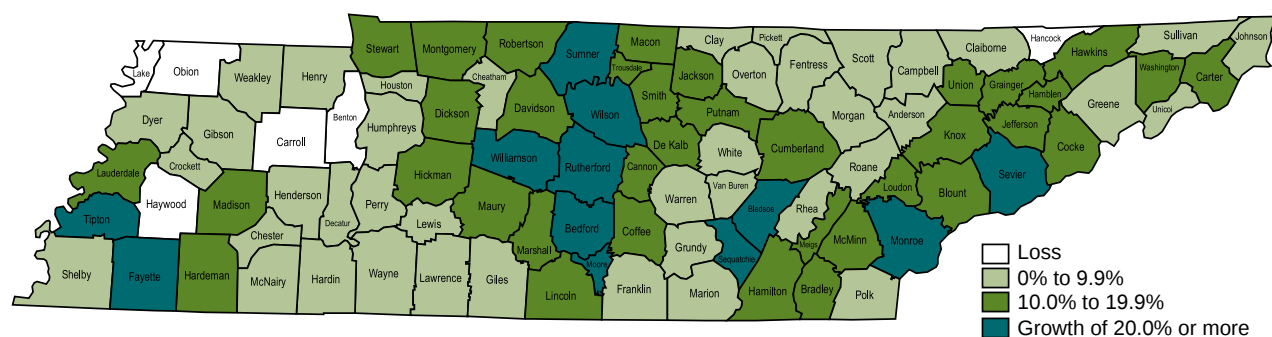
Because of the recession which weakened state gross domestic product (SGDP), stronger output growth will be seen over the forecast horizon than took place dating back to 1999. Output growth will accelerate in 2010, 2011 and 2012 and then return to somewhat slower trend growth in the following years.

Table 3.3 provides a synopsis of the long-run outlook for SGPD. In reviewing the figures, keep in mind that the historical record includes two recessions that have served to dampen the growth in output. Manufacturing

will see especially healthy rates of growth within both the durable and nondurable goods sectors despite the expectation of significant job losses. The productivity gains in the state's manufacturing sector have been pronounced. For example, in 2008 the manufacturing sector shed 4.8 percent of its job base, while output expanded 3.1 percent. Outside of manufacturing, the information sector is expected to enjoy the strongest rate of output growth.

3.6. State and Gross Domestic Product, continued

Figure 3.10. Population Growth, 1999 to 2008



Tennessee average: 13.3%
U.S. average: 11.5%
Source: Census Bureau.

Table 3.3. Tennessee Inflation-Adjusted Gross Domestic Product by Sector

	Level (millions of 2000 dollars)			Compound annual growth rate (percent)	
	History	Forecast			
	1999	2009	2019	1999-2009	2009-2019
Real Gross State Product.....	173,604	213,789	291,356	2.10	3.14
Agriculture, Forestry, Fishing & Hunting.....	862	965	1,140	1.14	1.67
Mining.....	467	316	307	-3.82	-0.30
Construction.....	7,889	4,295	4,105	-5.90	-0.45
Manufacturing.....	33,662	43,572	71,855	2.61	5.13
Durable Goods.....	19,794	30,136	55,953	4.29	6.38
Nondurable Goods.....	13,868	13,436	15,903	-0.32	1.70
Trade, Transportation, Utilities.....	36,766	46,147	59,436	2.30	2.56
Wholesale trade.....	12,464	13,965	18,600	1.14	2.91
Retail trade.....	14,746	21,469	27,689	3.83	2.58
Transportation & utilities.....	9,556	10,713	13,146	1.15	2.07
Information.....	4,670	10,289	19,435	8.22	6.57
Financial Activities.....	26,781	30,570	37,501	1.33	2.06
Professional & Business Services.....	16,398	23,735	34,869	3.77	3.92
Education & Health Services.....	13,945	20,123	25,563	3.74	2.42
Leisure & Hospitality.....	7,187	8,337	9,761	1.50	1.59
Other Services.....	4,895	4,888	5,272	-0.02	0.76
Government.....	20,082	20,551	22,112	0.23	0.73
Federal.....	6,154	5,273	4,723	-1.53	-1.10
State & local.....	13,928	15,278	17,390	0.93	1.30

Source: Bureau of Economic Analysis and CBER-UT.

The Future of the U.S. Automobile Industry

In this chapter—

4.1. Introduction

4.2. Same as it Ever Was

4.3. Rise and Fall of the U.S. Automobile Industry

4.4. The Future of the U.S. Automobile Industry

*Increasing Flexibility: Situational Awareness and
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The Changing Face of Cost Structures*

4.5. Future Technologies

*Composite Materials for Automobile Bodies
Nanotechnology and Automobiles
Artificial Intelligence Making Automobiles Smarter
The Electric Automobile
The Outlook*

4.6. Future Trends and Product Demand

Demographic Shifts and the Impact of Demand

4.7. Labor and Workers

*More Automobiles—Fewer Jobs?
We're Not in Detroit Anymore*

4.8. Taking a Global View

4.9. Conclusion

4.1. Introduction

Tennessee made a significant effort in the 1980s to expand its transportation equipment sector in order to create jobs and expand the tax base. Two major successes were the recruitment of the Nissan and Saturn assembly facilities to middle Tennessee. Along with the ring of suppliers, many thousands of new high-paying jobs were created in the state.¹ Automobile parts manufacture and

assembly became the core of the transportation equipment sector in the eyes of the public. But transportation equipment and its linkages to an often common supplier base has included heavy trucks, aerospace and a vibrant boat cluster with a large presence in east Tennessee.

M. N. Murray, D. T. Mayes and K. Hoffman, "A Profile of the Automobile Sector in the U.S. and Southeastern States," University of Tennessee, Center for Business and Economic Research, 1999.

M. N. Murray and P. Dowell, "Examining Supply Gaps and Surpluses in the Automotive Cluster in Tennessee," University of Tennessee, Center for Business and Economic Research, 1999.

1 M. N. Murray, P. Dowell and D. T. Mayes, "The Location Decision of Automotive Suppliers in Tennessee and the Southeast," University of Tennessee, Center for Business and Economic Research, 1999.

4.1. Introduction, continued

Employment in the state's transportation equipment sector peaked at 68,500 in 2000 prior to a recession. While jobs slowly eroded after 2000, output grew significantly aside from recession year 2001 and the current downturn. The recession that began in December 2007, has had a devastating effect on employment in Tennessee's transportation equipment sector with the number of jobs falling to just over 43,000 in 2009. The closure of the Peterbilt and former Saturn plants is symptomatic of the scope of the problems confronting the state's ailing transportation equipment sector.

As dire as things appear to be, the transportation equipment and automobile clusters have had significant positive impacts on Tennessee since the 1980s, and these impacts have laid the foundation for the emergence of a new and potentially more vibrant cluster for the future. Nissan and Saturn were assembly facilities that fit well with the development scheme of southern states like Tennessee which sought to attract branch manufacturing plants. Ultimately, Nissan decided to move its North American headquarters from southern California to Williamson County, TN. The landscape of the industry was beginning to change in an important way. In addition, Volkswagen

announced plans to build a new assembly facility in Hamilton County. Nissan also plans to manufacture high-technology lithium-ion batteries and assemble its new zero-emission Leaf passenger car in middle Tennessee.

Transportation equipment and automobile assembly clusters will experience dramatic changes as markets shift and new technologies develop. To maintain and support further development of the industry, Tennessee will need to meet the demand for technical support and a skilled labor force for private industry research, development, and production. If Tennessee cannot offer these essential elements, the industry will migrate elsewhere—just as it migrated from its birthplace in Michigan to the southern states. This migration occurred largely because of the South's cost advantages. These cost advantages must become value advantages if Tennessee wants to secure a lasting place in the design and production of vehicles of the future.

This chapter provides an overview of some of the issues that will shape the nature of the industry in the years ahead. We offer no clear answers but instead provide food for thought on the likely path of product and industry transformation. The recurrent theme is change, change, change.

4.2. Same as it Ever Was

Henry Ford would be shocked to know that we still drive his beloved Model T. More than 100 years since Ford Motor Company began mass production of its first automobile, we essentially drive the same vehicle. The Model T used an internal combustion engine to power steel axles, which rotated rubber wheels, and rolled the automobile down the road. Are cars that have been produced in the last 20 years any different? Companies certainly have added technology into the automobile, and

alternatives to the internal combustion engine are emerging. Automatic transmissions, anti-lock brake systems, and air bags are only a portion of the automobile industry's innovations that we now take for granted. Roadways have also improved in quality and safety. However, when it comes to the basic nature of an automobile, what differs now from vehicles 100 years ago?

To put this question into perspective, think about aviation. The Wright brothers

4.2. Same as it Ever Was, continued

successfully invented controlled flight in 1903, and 66 years later the U.S. put a man on the moon. Henry Ford began mass producing the Model T in 1908. In the late 1990s and early 2000s, automobile companies, forced by popular opinion, began to develop alternatives to the internal combustion engine. The aviation industry created an entire world of flight in less than 70 years, and 100 years since the automobile's introduction, we still putter around in gas-fueled metal boxes. We needed automobiles for transportation, and we did not require much more. They served their purpose, and we were happy with them. Although the automobile is now faster, sleeker, and available in colors other than black, its essence is, in many ways, the same now as it was in the early 1900s.

Today's automobile production and assembly is also very similar to its origins (though this is changing). Henry Ford invented the assembly line and revolutionized all aspects of production. While the technology has changed, we still use assembly lines to put together automobiles. Parts are shipped from an outside source, either from a branch within the company or another company. The parts are then pieced together to create a full, working automobile. Automobiles have many parts, and most of these parts must be assembled individually, either before or after they go into the automobile. Every aspect of this piecing together must be performed by a person or an automated machine. The process is still an assembly line, albeit a much more advanced and less labor-intensive version than the lines of Henry Ford's era. Assembly still uses rubber tires, steel reinforced bodies, and (most importantly) a combustion engine—like automobiles themselves, assembly is still essentially the same.

A primary difference between automobile production of the early 1900s and today is the location of automobile assembly. For nearly 80 years, Detroit was the hub of the U.S. automobile industry, housing all of America's "Big Three" (Ford, General Motors, and Chrysler). Over time, manufacturers moved

parts and assembly plants out of Detroit to cheaper locales overseas and in the southern U.S., including Tennessee. General Motors (GM) has moved plants across the U.S. and to Mexico and has major investments in other regions of the world, including China. GM currently has over \$15 billion invested in outsourced information technology (IT) alone.² Ford and Chrysler have made similar decisions. It makes sense from a business perspective—it's cheaper for automobile companies to assemble parts and finished products in areas with lower labor cost structures than Detroit.

You cannot blame U.S. automobile manufacturers for using this model. It worked very well for years, especially when there was little foreign penetration of the domestic market, and American consumers happily purchased union-made products. Even more recently, the automobile market spent millions on consumer market research and produced what American consumers wanted: large, fuel-inefficient cars, trucks and sport utility vehicles (SUVs). Some place blame on U.S. automobile manufacturers for not making the type of automobiles we now want. However, manufacturers made the type of automobiles we wanted for over 90 years. Should the industry have anticipated the recent transformation in the global industry? Yes, but this conclusion benefits from 20:20 hindsight.

Consumer tastes have changed rapidly. The growing fear of environmental issues, coupled with spiking oil prices, shifted demand quickly, and U.S. automobile manufacturers did not have time to respond. Suddenly, instead of demanding large gas-guzzling SUVs, the U.S. wanted a small, efficient economy car. This was not what U.S. automobile manufacturers had focused on, and they were unprepared for the fall-out. At the same time, foreign automobile manufacturers, especially the Asian-based companies, bolstered by a long-

² J. N. Hoover, "GM's Massive Outsourcing Deal Up and Running," *InformationWeek*, September 11, 2006. Retrieved from <http://www.informationweek.com/news/global-cio/showArticle.jhtml?articleID=192701131>

4.2. Same as it Ever Was, continued

standing tradition of making small, fuel-efficient automobiles, were there to pick up the slack. Asian companies made these automobiles because that is what the Asian population demanded. The majority of Asian companies' consumers lived in congested, urban areas and needed small cars.

It was not only shifting tastes that devastated the industry, it was a collapse in sales for virtually every automobile manufacturer due to the depths of the recession. Recent domestic and global trends suggest that a new business model will emerge for the future. Automobile companies must change the way they do business, since it appears that the old model has ceased to work. Everything from the way a car is brought to market, to the materials used in production, will likely change. The automobile industry of the future will have little in common with the current industry. This means that much of the capital investment made in Tennessee, along with some of the human capital skills embodied in workers, may be rendered obsolete. The automobile industry is already seeing a sharp increase in the amount of technology used in automobile production and in the automobile itself. This high-tech production requires less reliance on low-skilled labor and an increased reliance on high-skilled labor. This transaction will continue for three reasons. First, automobile manufacturers, particularly U.S. manufacturers, will have to change in order to survive. An increased focus on creating value in the production chain will naturally lead to greater reliance on state-of-the-art technologies. Second, we are witnessing a dramatic upward swing in technological innovation, and generally it is natural to expect this to have an equally dramatic impact on the design and nature of the automobile. Finally, people appear to be demanding a different type of automobile

experience that includes improved fuel economy, less impact on the environment, and the latest technology.

This shapes the scope of the following discussion. What will U.S. automobile manufacturers do differently in the future? What types of technology will be utilized in automobiles? What type of car will people demand in the future? How will labor's role in the production process change? Where will parts be produced and cars be assembled? The discussion below focuses on production, technology, demand, labor, and global trends that will be industry-wide and industry-changing. Trends such as inventory controls, process controls, and cost structure changes will change the production process. Additionally, technology trends like electric and hydrogen engines, composite materials for bodies, and the emergence of nanotechnology will make the cars we drive smarter (and perhaps make the cars themselves, some futurists might argue). Demand trends, including demographic and preference shifts, will affect the use of public transportation and private automobile use. Labor's role will also be considered. If large, sweeping trends change the automobile industry, the way labor is used will also change. Henry Ford relied on a repetitive assembly line with an unskilled labor working. That model is dead. Global issues, such as competition and oil price trends, will round out the discussion. The goal of this discussion is to paint a picture of what the U.S. and Tennessee automobile industries will look like in the decades to come. Much of this discussion is inherently speculative, including the nature of the "Car of the Future" and America's transportation network. The discussion starts with the end—namely, the recent unraveling of the U.S. automobile industry.

4.3. Rise and Fall of the U.S. Automobile Industry

When Henry Ford set out to make an automobile for the masses, he did so with the following in mind: He wanted the car to be inexpensive to make and to purchase, large enough to transport a family, and cheap enough for his own workers to buy it. Ford truly hoped to create the great American family car, and he did. With the advent of the assembly line for mass production Ford Motor Company cranked out more than 10,000 Model T's in 1909 alone. In 1920, Ford produced just under 1 million automobiles and approximately 2 million automobiles in 1924. It has been speculated that in 1918, one-half of all automobiles on the road were Model T's.³ GM was created in 1908 as a holding company to Buick. Comprised of multiple brands, each with multiple automobile types, GM quickly rose to prominence in the early automobile era. Soon after in 1925, the Chrysler corporation was created, and quickly became one of the Big Three, along with Ford and GM. A unique aspect of the Big Three was that they were all headquartered and had production facilities in or around Detroit, which would ultimately be dubbed the Motor City. The Motor City is now in an economic and fiscal free fall.

To speak of the rise of the U.S. automobile industry without discussing it in terms of the Big Three would be misleading. Ford, GM, and Chrysler *were* the U.S. automobile industry for the better part of the 20th century. Distinguished for their size and business model, the Big Three's brands ruled the market. In 1960, the U.S. population was about 180 million, and the number of non-commercial automobiles on the road was around 74 million. At the time, the Big Three held an 85-percent market share of U.S. sales, and imports were seldom seen on the road. Twenty years later, in 1980, the population was 227 million and 156 million automobiles were on the road. The Big Three then held a 73-percent market share. In that short period of time, the number of automobiles on the road more than doubled. The Big Three grew but

lost market share. Today there are more than 250 million automobiles in use in the U.S. alone, and the Big Three controls 45 percent of the U.S. market share.⁴ In less than 50 years, the Big Three lost 40 percent of its market share.

The 1980s saw the rise of the automobile sector in Tennessee. Automobiles had long been produced in the southern U.S. but not on a scale that paralleled production in places like Michigan. Ford established a pick-up truck assembly facility in 1925 in Virginia). Nissan and Saturn located assembly facilities in Tennessee, which in turn created a supplier network that ultimately employed thousands of workers in the state. The migration to the South continued, notably including an array of transplants such as Toyota, Mercedes Benz, and BMW. Automobile parts manufacture and assembly, along with truck production, boat production and aerospace production, helped foster a vibrant cluster in Tennessee.

The loss in market share has almost entirely been taken by three large Asian-based manufacturers. Honda, Toyota, and Nissan held a 25-percent market share of U.S. automobile sales in 1999. That number grew to 36 percent in 2005. Currently nearly one-half (47 percent) of total U.S. market share is controlled by Asian manufacturers.⁵ Others, like Kia and Hyundai, are also gaining ground.

What is to blame for the sharp decline in domestic market share? The answers may be a bit more elusive than the popular press admits. Some point to labor issues, mostly unions, as being the crux of the issue. Some feel that demands for wage, pension, and health insurance benefits hobbled the Big Three by raising costs and limiting flexibility. This in turn hampered prospects for competing with foreign manufacturers. It is true that the Big Three were all highly unionized companies. Unions certainly served an important role in

3 H. Ford and S. Crowther, *My Life and Work* (Montana: Kessinger Publishing Company, 2003).

4 U.S. Department of Transportation, Federal Highway Administration, "Highway Statistics," 2007. Retrieved from <http://www.fhwa.dot.gov/pubstats.html>

5 C. Schweinsberg, "Asians Inch Closer to 50% Share of U.S. Vehicle Market," *Wards Auto*, January 8, 2010. Retrieved from http://wardsauto.com/ar/asians_closer_50_100108/

4.3. Rise and Fall of the U.S. Automobile Industry, continued

the early boom of the industrial revolution by promoting workplace safety, limiting hours of work, and raising earnings above a subsistent level. Eventually global competition exposed the high labor costs and rigidities associated with unionization in the automobile industry. It appears that the Big Three have trimmed labor and legacy costs, putting them in a better position to compete.

Competition was also key, as noted previously. Freer trade and voluntary export restrictions brought an influx of foreign producers to the domestic market. In the 1970s, the U.S. government decided to lift substantial import taxes and tariffs on foreign companies in certain industries. The automobile industry happened to be one of these groups. At the same time, foreign producers—notably the Japanese—were encouraged to limit their exports to the U.S. The response was to transplant production facilities in the U.S. With the transplants came important innovations that began to unravel the Henry Ford production model, including just-in-time inventory systems and team-production processes. Both of these were brought to Tennessee with Nissan. Just-in-time inventory offered assurance that Tennessee would be home to a large number of suppliers. The market works in the other direction as well. It is important to note that U.S. automobile manufacturers themselves have large presences in many other countries.

Ford motor company has a substantial presence in India and is currently set to become one of the main providers of transit in the country.⁶ GM has a large presence in Europe and Asia. In each of these instances, our transplants abroad are doing well.

While Asian manufacturers turned to just-in-time production and put their focus squarely on quality control, the U.S. manufacturers focused mostly on in-car technology and marketing. Again, in-car technology was what people wanted, from compact disc (CD) players to global positioning systems (GPS). Added to the mix was a global price shock in oil at a time when the main business model of U.S. manufacturers was built around the larger profit margins of SUVs. This shock was followed by a recession rivaled only by the Great Depression. U.S. manufacturers realized they could make a higher profit on an SUV than an economy car. The oil price shock happened quickly and unraveled the SUV market. A global recession began in December 2007, and by June 1, 2009, GM, which was once the largest and most profitable automobile manufacturer in the world, filed for Chapter 11 Bankruptcy.⁷ The U.S. automobile industry had truly fallen. Will it survive?

6 Ford Motor Company, "Ford India opens an all-new dealership in Patna – Priyadarshi Ford," *Sulekha.com*, 1999. Retrieved from <http://cars.sulekha.com/ford/singlepress/1557.htm>

7 C. Isidore, "GM Bankruptcy, End of an Era," *CNN Money*, June 1, 2009. Retrieved from http://money.cnn.com/2009/06/01/news/companies/gm_bankruptcy/index.htm

4.4. The Future of the U.S. Automobile Industry

The current downturn, along with longer-term forces, will cause the automobile industry to see rapid and long-lasting changes. It is not merely the type of car produced that will change, but also the way in which decisions are made regarding how, when, where, and what to produce. It certainly is not a question of "if" the U.S. automobile industry

will change—the industry must change. Everything must be rethought, recast, and retooled. The complexities of the industry present challenges. Many steps must be taken before an automobile is ready for the market. Research and development plays an important role in the type of car that is manufactured. Automobile manufacturers spend considerable

4.4. The Future of the U.S. Automobile Industry, confined

resources trying to figure out exactly what people want in an automobile. Once a decision about the needs and wants of the consumers has been made, an idea is developed.

Production of that idea must begin with concept models and designs, many of which never see the showroom. Once a design and model are given the green light, the large-scale production process begins. The number of automobiles made is then decided by arduous market research. Chrysler learned this lesson years ago when it parked unpurchased inventories in wholesaler lots for months prior to sale. Assembly is the final stage of production. Parts are usually manufactured outside the main assembly plant and shipped for final production. Everything must be shipped in, from pieces of pressed sheet metal and exhaust pipes to glass for windshields and side windows. On any given day, Ford Motor Company can produce 8,000–10,000 cars. With a production run of 236 days, Ford can produce up to 2 million cars a year, worldwide.⁸ Parts supply has been outsourced in order to promote competition and cost savings. This puts parts suppliers in a precarious situation since they must live contract to contract.

The future of the U.S. automobile will be characterized by increased flexibility in all aspects of the business enterprise. This includes shorter time frames for the design-to-production stage and increased reliance on skilled labor and adaptive capital facilities. Just-in-time inventory systems ultimately may be linked to just-in-time production schedules.

Increasing Flexibility: Situational Awareness and Increasing Automation

What happens if you build it and nobody comes? This might have characterized the U.S. automobile industry at the onset of the recession. The Big Three are currently scrutinizing every aspect of their affairs in an attempt to create a better business model. One obvious avenue of change will be in the overall flexibility of a large, complicated automobile company. Think about flexibility

⁸ Ford Motor Company, "Production Statistics," *Ford Motor Company Annual Report*, 2008.

for the automobile industry as the ability to react to change or disruption in the market. This change could be demand shifts, supplier shocks, and global market shocks. Becoming flexible is of paramount importance due to the volatility of the automobile market itself. Take, for example, America's shift from large, gas-guzzling automobiles to small, fuel-efficient cars. The Big Three were not flexible enough in their production processes to reduce the losses that occurred from shifting demands. They would take a hit from shifting tastes and higher fuel prices, but this hit could have been mitigated with better planning. The ability to switch quickly across product lines will help ensure that automobile manufacturers bring to market the automobiles that people demand in a more timely fashion.

Automobile manufacturers will attempt to increase flexibility in two ways: greater reliance on Situational Awareness (SA) and increasing the automation that occurs in their plants. Both of these processes, if used properly, should allow automobile manufacturers to quickly realize market shocks and to quickly bring to market the cars that fall in line with these market shocks.

SA is defined as being aware of what is happening around you in order to understand how information, events, and your own actions will impact your goals and objectives. In other words, pay close attention to the surrounding environment in order to make sound business decisions. While this may seem obvious, it also seems clear that the domestic industry lost touch with the world around it. A heavier focus on SA will enable automobile manufacturers to better predict demand shifts, cost changes, and global economic issues, all of which played a large role in the downturn of the industry. SA's emergence in such fields as aviation, military strategy, and power plant operations proves that it's not only a worthwhile means of betterment, but it is also likely to become a part of strategy for firms outside the automobile industry.

Possibly the most important reason for a rise in U.S. automobile manufacturers utilizing

4.4. The Future of the U.S. Automobile Industry, continued

SA will be quality control. Industry experts and consultants estimate that 85 percent of all quality control issues are caused by human error.⁹ This might include incorrectly installing a part, not taking the necessary steps to ensure safe and efficient production, or a lack of double checking job performance. Prior to the current downturn, the focus of most domestic automobile SA was on the demand side of the market. However, as the quality of U.S.-made automobiles came into question, SA shifted toward cost and quality. American automobile manufacturers appear to be learning the lesson and are now producing high-quality vehicles.

Automation made it possible for people like Henry Ford to change the world with their ideas. Be it stackers used to sort metal or computerized robots used to assemble portions of the automobile, automation has always been used by firms to assist in the production of automobiles. Not only will this continue in the future, it will grow. In another effort to increase the flexibility of production processes, manufacturers will invest heavily in automation processes to give them the ability to quickly switch production lines. In the end, SA produces a car that people want.

Consider rapidly-changing consumer tastes. Assume that the firm has successfully figured out what this shift will be—what's next? At present, with low amounts of flexible automation, the firm would have to stop current production. New or upgraded equipment would be needed. Current employees might need new training, or better-skilled employees might be hired. Updated supplier contracts for new parts with new materials would be required. All of this assumes a new design for the car itself. The future trend will be computerized machinery with the capability to produce multiple types of cars with minimal retooling. In turn, this requires a workforce that is well trained and highly flexible.

9 Future Media Situational Awareness Training, "Unclear and Present Danger: Situational Awareness at Every Level," *Future Media Training Resources*, 2009. Retrieved From http://www.futuremedia.com.au/product_detail.cfm?id=183&catid=9,11,16,32

Ford has already taken a step to make this a reality. Within its plant near Chennai, India, Ford has made a \$500-million dollar investment into the automation of the plant. The investment has three goals: increase the amount of possible production within the plant, increase the hourly capacity of on-line automobiles per hour, and increase the amount of quality control on every automobile produced in the plant. The investment will allow the plant to double its annual production of automobiles, from 100,000 a year to 200,000, and increase hourly capacity from 14 to 34 automobiles. The investment means that the plant is over 30 percent automated, which means that 30 percent of all processes in the plant do not require human interaction.¹⁰

One of the things to recognize about these investments is that they take place in a country with relatively low labor costs. Recall that one of the reasons the U.S. automobile industry moved to the southern states was favorable labor costs. An important paradigm shift will be the increased focus on quality and value rather than low costs. Low-cost land, low-cost labor, and tax incentives will be less important to attracting the industry in the future than in the past.

The Changing Face of Cost Structures

In the end, the single greatest threat to the automobile industry was and continues to be cost. Firms need to completely reshape their cost structures if they intend to be viable in the market. Firms will attack cost savings from several directions. One category, for example, is inventory carrying costs, or the cost associated with component parts in warehouses and unsold cars sitting on wholesaler or retailer lots. Another category is shipping costs, including the costs of shipping component parts and the cost of shipping the final product.

Inventory costs for retailers were especially high during the current downturn due to

10 Ford Motor Company, "Volume-Ready: \$500 Million Expansion of Ford's Integrated Manufacturing Facility Near Chennai," *Ford India*, November 25, 2009. Retrieved from http://media.ford.com/article_display.cfm?article_id=30913

4.4. The Future of the U.S. Automobile Industry, continued

the sheer number of cars sitting on lots. Aggravating the problem was limited financing available to retailers to cover their costs. When a car sits on a lot, a cost is incurred on the assembler because more time passes before a return is seen on the investment. Through an investment in new technology and automation, firms will be able to know exactly when a particular car comes off a lot or a part comes off a rack. Firms will be able to immediately update inventories to reflect such changes. This will reduce the amount of carrying cost associated with sending excess cars and parts to lots and assembly plants. Companies like Rockwell Automation are built around increasing the automation and competitive advantage of manufacturers. They were formed on the premise that manufacturers need a more real-time relationship with component parts partners. Building and installing hardware and software enables real-time relationships such as the one between Rockwell Automation and Mercedes-Benz.¹¹

A real-time final product inventory structure similar to just-in-time inventory for component parts will emerge in the future. This type of inventory structure has been limited by the prevalence of “showroom buyers,” i.e., the people who go to a lot only to look at a car. Showrooms are costly and dealer commissions take a share of the markup associated with such face-to-face purchasing. Conceivably in the future customers will purchase a made-to-order car online. Ford, Honda, and Toyota all offer this services on their new cars. Customers go online, choose the car’s specs, purchase it, and the automobile is shipped to a lot for pick up. This may sound like a surprising and unlikely shopping experience, but this model has worked well for Dell Computer. Similar trends are occurring in most types of commerce making the shift a very real possibility for automobiles as well. At some point, we may see the demise of the

new car dealership entirely, or perhaps the industry will morph into a model similar to Apple, allowing customers to preview prototypes and place an order. Holographic imaging and other emerging technologies may make this much more realistic than it sounds today.

The just-in-time inventory system was used by Toyota to become a dominant global auto firm.¹² This type of control measure will likely be copied by the industry as a whole. The transition proved to be relatively easy for Toyota by linking its updated assembly facilities with a newly-formed supplier network. This has not been as easy for entrenched U.S. assembly facilities with established parts suppliers located in pre-existing locations. Just-in-time inventory is a process whereby electronic signals are used to communicate between different nodes when a new part is needed to be made or shipped. In other words, a specific part will not be shipped until it is required in the production process. This greatly cuts down on the total inventory cost by decreasing the inefficiency associated with backed-up orders. Inventory control systems have greatly benefitted from the increase in automation and high-speed communications.

An important, established pattern is to locate component part plants near assembly plants. Nearby locations enable a firm to reduce inventory and shipping costs. As GM, Ford, and Chrysler start rebuilding their production plants, a smart option will be to locate new component plants near major assembly plants. Expect more automobile manufacturers to put this method into practice. An important example is Volkswagen, which will co-locate some of its component part plants near its new assembly facility in Hamilton County.¹³ It is important

11 Rockwell Automation, “Public Attitudes on Manufacturing Technology and Automation,” *Rockwell Automation Report*, 2010. Retrieved from <http://www.rockwellautomation.com/news/get/ManufacturingSurvey.pdf>

12 Japan-101 Information Resource, “Just in Time, or JIT, Toyotas Manufacturing Technique,” Toyota Information Resource, 2009. Retrieved from http://www.japan-101.com/business/just_in_time.htm

13 Tennessee Anytime, “Tennessee Firm Awarded \$147 million Contract with Volkswagen,” *Tennessee Anytime Newsroom*, April 2, 2009. Retrieved from <http://news.tennesseeanytime.org/node/1181>

4.4. The Future of the U.S. Automobile Industry, continued

to note that shipping costs have actually served as a safeguard for American automobile assembly firms in that it has shielded them from a complete foreign takeover of the

American market. Foreign firms find that shipping automobiles overseas to America is very costly. This is one explanation for the growth in foreign brand transplants in the U.S.

4.5. Future Technologies

It is impossible to discuss the future of the automobile industry without considering emerging innovations. The automotive industry is one that is built on innovation, though changes tend to be incremental rather than revolutionary. Initially, the very idea of an automobile was revolutionary because it was a movement away from horse-powered transportation. Not since the advent of the internal combustion engine has the automotive industry experienced ground-breaking innovation. Consumers are ready for a revolutionary innovation in the industry, and this should happen soon. With the amount of money poured into innovation, it is understandable that the nation has great expectations for future possibilities. Future innovations for the industry include electric and zero emission automobiles, composite body materials, and nanotechnology.

Composite Materials for Automobile Bodies

Tennessee was part of a major innovation when Saturn began using composites. Potential buyers might remember dealers kicking the sides of yet-to-be-sold vehicles to illustrate their durability. Some of the more fascinating near-term innovations will be on the automobile's exterior. Automobile bodies are generally constructed with two types of material, steel or aluminum, or some varying combination of the two materials. The bodies of cars are not just for appearance; they are extremely important to the overall performance and safety of an automobile. Bodies made of steel are costly to repair and tend to be very heavy, causing a significant decrease in fuel efficiency. At the same

time, heavy bodies make a car safer in the event of an accident. There is a significant trade off between the two. Given current materials, a light, fuel-efficient automobile that is not necessarily safe when subject to major damage, but this will change rapidly. Progress is being made with lower-quality titanium and advanced composites. Some emerging composites can recognize a structural compromise and repair themselves. These materials will first be used in aircraft and then in automobiles.

Much like the electric automobile, using composite materials is not an original idea. In fact, NASA has been using composite materials in space shuttle design for decades. Texton Aerostructures in Tennessee has used advanced composites in the construction of airplane wings for years. The light material made it possible for more efficient space launch while decreasing the likelihood of damage. Racing automobiles have also taken advantage of composite materials' light weight and durability. So why have we not seen widespread adoption of composite materials in consumer automobiles? Cost is the primary issue. The components of composite materials and the high cost of labor make the product very expensive. This, however, is likely to become a thing of the past. Major automobile manufacturers are currently teaming up with Oak Ridge National Laboratory in Oak Ridge, TN, to create a cost-effective composite material for automobile use.¹⁴ Others are conducting similar research.

¹⁴ Oak Ridge National Laboratory, "ORNL Receives Recovery Act Funding for Carbon Fiber Research Center," December 4, 2009. Retrieved from http://www.ornl.gov/info/press_releases/get_press_release.cfm?ReleaseNumber=mr20091204-00

4.5. Future Technologies, continued

The Lighter Side

The primary interest of automobile manufacturers is composite materials such as carbon fiber that are used to make automobiles lighter and stronger. Lighter means better efficiency, and stronger means fewer injuries and deaths each year. Automobile manufacturers have turned to Oak Ridge National Laboratory to help make carbon fiber less costly. On December 4, 2009, ORNL was given \$34.7 million from the U.S. stimulus package, to create the Carbon Fiber Technology Center whose purpose will be to explore and push the frontiers of carbon fiber and its uses in automobiles.

Image © 2009 Oak Ridge National Laboratories.



Once composite materials, such as carbon fiber, are made cost effective, all forms of transportation will take advantage of the lower costs. The materials make the car more fuel efficient and safer. Imagine a car half the weight of current cars but twice as strong. A consequence, explored later in this chapter, will be the decline of the traditional metal-based industries that have supported automobile parts production and vehicle repair.

Nanotechnology and Automobiles

Automobile ownership has its share of hazards and pains. Foggy windshields and the bright lights created by passing drivers can obstruct vision. It can be difficult to discern a dark spot on the road as water or ice. Scratched paint and dented fenders are expensive to repair. These will all become bothers of the past. Nanotechnology is a science of controlling matter on the atomic level and thus molecular level. If atomic-level control is possible, virtually anything can be changed. Color, shape, strength, weight, and even performance can all be enhanced with the use of nanotechnology. Nanotechnology may seem like a futuristic application of science,

but surprisingly, clothing manufacturer Eddie Bauer uses a type of nanotechnology to make a line of stain resistant khakis.¹⁵ Nanotechnology also is the foundation for many new sunscreens for the body. Nanobots are being developed to address blood disorders.

What enhancements are most likely to affect car buyers? In the future, windshield wipers or car de-foggers may become obsolete. With a simple application of a nanotechnology process, automobile manufacturers will make windshields and windows perfectly smooth, completely resistant to any material. Imagine the safety advances this would create. The same goes for bright lights, such as the sun and passing motorists. Nanotechnology will create “smart windows” that can sense and block the sun and passing bright lights. Scratch resistant paint is also on the horizon. Nanotechnology changes the atomic makeup of a material to make these advances a possibility.

Combining composite materials with nanotechnology will create efficiency and safety gains. New products will emerge, new

¹⁵ AZoNanotechnology, “Nanotech Fabrics Used In Eddie Bauer Range Including UPF Sun Protection,” *AZoNano.com: The A to Z of Nanotechnology*, April 20, 2004. Retrieved from <http://www.azonano.com/details.asp?ArticleID=789>

4.5. Future Technologies, continued

firms will sprout up and new jobs will be created. On the other hand, some products will become obsolete, firms will be shuttered, and workers will lose jobs. Built-in sensors will be able to notify the driver of the exact road conditions. Cars will be able to sense excessive rain or ice, giving the driver better control and safety. Technology will also assist drivers in traffic, monitoring how close they are to other vehicles and letting them know when to speed up or slow down. Artificial intelligence will be an important complement to other new technologies in adopting this type of application.

One of the most interesting uses of nanotechnology in automobiles is the ability to self-repair if damage occurs. A minor fender-bender may produce no lasting damage to a car. In actuality, the material will fix itself. Nanotechnology used to repair rips in airplane bodies is already in development. The applications are especially beneficial in areas of the plane that are difficult to inspect. While more costly to manufacture,

this type of innovation will save consumers from costly repairs and time spent at a body shop. Of course, this will change the entire vehicle repair services and parts market. Ford recently stated that it expects nanotechnology to impact 70 percent of the materials in its automobiles.¹⁶

Artificial Intelligence Making Automobiles Smarter

When most people consider Artificial Intelligence (AI) they view it in terms of what scientists have dubbed the “Hollywood Effect.” In this view, AI is seen as sophisticated robots, autonomous machines that run amok and take over the world. In reality, automobile developers use AI for basic applications that we take for granted, ranging from anti-lock braking systems to air bags. Many new applications are now in development, including systems that monitor the road and inform the driver of dangerous conditions. Both GM and

¹⁶ U.S. News & World Report, “Coming by 2015: Nanotech Cars,” *U.S. News & World Report: Rankings and Reviews, Automotive*, April 17, 2008. Retrieved from <http://usnews.rankingsandreviews.com/cars-trucks/daily-news/080417-120437/>

Seeds of Change

A consumer walks into an automobile dealership. They decide which automobile they want, but instead of being handed keys, they are presented with a packet of seeds. The consumer goes home, plants these seeds, and some time later the car has grown to full size. As odd as this may seem, some scientists believe that nanotechnology will allow for this type of event to occur.

Since the idea of nanotechnology is to manipulate the atoms of a particular object, people could feasibly tell the object what to become. BMW recently presented this as an example of nanotechnology.

Image © 2010 BMW Corporation.



4.5. Future Technologies, continued

BMW have made large investments into such systems.¹⁷

AI is also used in diagnostic systems. Traditional automobiles suffer from inefficiency in fuel use and emissions. These inefficiencies are a by-product of combustion and are not used to power the car. Developers are using AI to create smarter engines that reduce or eliminate this inefficiency. A “smart” chip, or neural network computing chip, becomes the brain of the engine, monitoring performance. This chip mimics the human brain by making decisions based on performance standards. The chip’s built-in intelligent perception continuously monitors and adjusts the engine for peak efficiency. It turns the engine into a thinking computer, allowing it to make performance-based decisions. Ford is working with NASA to develop these chips and foresees intelligent engines that will increase the efficiency and reduce emissions created by current engine design.¹⁸

What is most interesting about the neural network computing chip is its ability to learn through experience and improve its functionality. This will reduce software updates and thus reduce costs. A recent study by the University of Portsmouth found that AI in engines will be able to increase fuel efficiency from 40 to 100 miles per gallon. The smarter engine also will have fewer maintenance issues. While up-front costs are higher, long-term costs could be greatly reduced.

AI can also improve hybrid and electric automobiles by reducing inefficient allocation of power and increasing the distance capability of electric automobiles. It will also increase horsepower in electric automobiles, allowing speed comparable to current internal combustion engines.

More futuristic AI applications have the ability to completely revolutionize the way

we drive cars—though humans might not physically drive the car of the future. Imagine a car that can sense a sleepy driver by monitoring their heartbeat. Not only would the defensive system emit an alarm to awaken the driver, but briefly control the car and drive it to the side of the road. This application is now in development. Technology could also properly maneuver a car through icy or wet road conditions. Many accidents are caused by driver error, such as over-correction or swerving. Technology is being developed to sense if the automobile is out of control, calculate the surrounding environment, and bring the vehicle under control. This technology is for the Equilibrium concept tasked with creating an intelligent automobile that can be completely personalized for its owner.¹⁹ Only the owner will be able to drive the automobile because it will read biological signals and only start if the driver is present. This technology extends to anti-theft devices that will keep the automobile from opening unless the correct driver is standing nearby.

The Defense Advanced Research Projects Agency (DARPA) has sponsored several Grand Challenge events to promote development of “autonomous” cars that do not require a human driver. The first challenge offered a \$1 million prize to the winner. While DARPA’s interest is in military applications, the same technologies will ultimately migrate to the private sector.

AI extends beyond the vehicle to road monitoring and traffic control systems. A basic AI application would improve the functionality of traffic signals, reducing vehicle accidents and waiting times. These systems will blend with vehicle-based systems, allowing cars to drive autonomously in congested areas. The importance of blended applications cannot be overstated. Roadways are expensive to build and cannot be built fast enough to reduce congestion. With future AI-based systems, more vehicles will be able to travel roadways in

17 D. Buss, “New Warning Systems Save Drivers from Themselves,” *Edmunds Automotive*, 2009. Retrieved from <http://www.edmunds.com/ownership/safety/articles/121842/article.html>

18 BNET, “Artificial Intelligence,” *BNET Business Library*, 2009. Retrieved from http://findarticles.com/p/articles/mi_qa3828/is_199812/ai_n8818570/

19 K. Barry, “Equilibrium Concept Has Cars With Artificial Intelligence and Individuality,” *Automotto*, August 31, 2009. Retrieved from <http://www.automotto.org/entry/equilibrium-concept-has-cars-with-artificial-intelligence-and-individuality/>

4.5. Future Technologies, continued

tight configurations and under safer conditions than with independent drivers.

The Electric Automobile

The idea of an electric car is certainly not futuristic, but the full adoption thereof is. An electric motor is nothing new. In 1832, Scottish inventor Robert Anderson created the first electrified carriage made out of non-rechargeable primary cells. By 1900, 28 percent of the 1,049 cars produced in the U.S. were electric. Electric automobiles represented one-third of automobiles on New York City, Boston, and Chicago roads. Generally unpopular due to a lack of horsepower and distance capabilities, the electric automobile faded into obscurity.

In the following decades, major automobile manufacturers did not make large-scale investments into the electric option. Even oil price shocks in the early 1970s created no support for electric automobiles. Most advances in electric automobiles originated from small, start-up companies hoping to persuade larger manufacturers to adopt the idea. In 1988, GM agreed to fund research and development of electric automobiles. In 1997, Toyota unveiled the Prius, the world's first commercially available, mass-produced hybrid automobile. Running on a combination of gasoline and electricity, the Prius increased miles per gallon efficiency.

By the early 2000s, most large, company programs focusing on the development of electric automobiles were scaled back or discontinued. But by 2008, under immense consumer pressure due to sky-rocketing oil prices, manufacturers restarted programs to create electric automobiles. In 2009, the American Recovery and Reinvestment Act directed more than \$2 billion into the research and development of an all-electric automobile. In 2009, Nissan announced that the Leaf, a 100 percent electric car, would soon be available for purchase. Chevrolet followed suit, announcing the Volt.²⁰

²⁰ PBS, "Timeline: A History of the Electric Car," *Now on PBS*, October 10, 2009. Retrieved from <http://www.pbs.org/now/shows/223/electric-car-timeline.html>

The previously mentioned events illustrate a number of things. First it must be acknowledged that the reason U.S. manufacturers did not seek large-scale production of electric automobiles was due to a lack of demand from consumers. Second, we have yet to see a full-scale adoption of electric automobiles due to a lack of availability and limited "refueling" options. Lastly, if given enough pressure, both globally and domestically U.S. automobile manufacturers will invest and create innovative products.

The electric car is a short-term innovation with firms like Nissan and Chevrolet already planning to produce electric automobiles. A car with zero emissions is light years ahead of where we were 15 years ago. Electric automobiles have several benefits—from reduction in pollutants, to a reduced dependence on foreign oil, these automobiles solve many of today's automobile issues. Though some believe that the internal combustion engine has decades left on the road, there will likely be a massive push toward ownership of electric automobiles. Even if the electric automobile does become the staple of commuter travel, there will still be a need for the internal combustion engine, due to legacy investments (especially in regards to heavy freight and towing). Currently over 30 companies are devoted solely to the production of electric automobiles, and many of the major automobile manufacturers have jumped on board as well. As far as predicting the future, this one is rather easy: The electric automobile will be the new superstar.

One issue with electric automobiles is their power source. With current distance capabilities of less than 150 miles per charge, what will drivers do if they need a quick charge while on the road? Electric charging stations will soon emerge. Some of these stations will resemble filling stations and others will be available at points of convenience like restaurants and parking meters. There are approximately 500 electric charging stations in the U.S., many located in California and many in parking facilities. This may signal a future

4.5. Future Technologies, continued

without the traditional gas stations. Drivers pay a fee for a parking garage and charge the car while it was parked. Charging is relatively cheap compared to gas, but the up-front and maintenance costs of battery-operated vehicles still place them at an overall disadvantage.²¹

Electric automobiles' current lack of popularity also results from limited distance capacity on a single charge. An electric automobile is limited in this respect, but long distance travel is not the current purpose of an electric automobile—they are now designed for the daily commute. Estimates indicate that the average worker commutes 33 miles daily between work and home. Given this estimate an electric automobile will satisfy more than 75 percent of all U.S. workers' daily commute needs.²²

With the advantages that electric automobiles have over gasoline-powered cars, it is no surprise that their popularity is rising. GM estimates that electric automobiles will account for over 20 percent of its total U.S. sales by 2020.²³ This increase in popularity should continue, and the number of electric automobiles will be increase significantly over the next 50 years. The benefits are just too great to ignore. This will lead to the emergence of new producers and jobs, and the loss of established businesses and jobs in old-line sectors of the transportation equipment cluster.

The Outlook

This discussion attempts to paint only a general picture of the future of personal transportation. Automobiles will likely be smaller than current models but safer, too. Vehicle size will grow as enabled by technology, and at some point, electric cars (and even tractor

Bright Automotive

Founded in 2008, on the premise of “Decarbonizing Transportation” Bright Automotive is comprised of automotive entrepreneurs and electric battery engineers whose mission is to bring efficient hybrid and electric automobiles to the world. Located in Anderson, IN, Bright Automotive was launched from the Rocky Mountain Institute (RMI) with the help of industry leaders such as Alcoa, Google.com, Johnson Controls, and the Turner Foundation. Their automobile, the IDEA (pictured below), was developed and launched in mid 2009, and is currently ready for mass production. Bright Automotive is ready to annually produce 50,000 hybrid electric automobiles, which are considerably more efficient than current hybrid-electric models. A typical 50-mile daily commute would yield about 150 miles per gallon. The vehicle is fitted with some of the latest automobile technology, including touch screens, a home-office passenger seat, and light-weight sturdy bodies that allow for both safety and fuel economy. Bright Automotive may lead a wave of small start-up companies creating the future of the automobile industry. With its focus on both the economy and the environment, Bright Automotive may be ahead of the curve.

For more information visit <http://www.brightautomotive.com>.
Image is property of Bright Automotive, ©2009 Bright Automotive.



21 U.S. Department of Energy, “DOE Hydrogen Program Announces Fuel Cell Power Model for Financial Analysis,” *U.S. Department of Energy Hydrogen Program*, December 4, 2009. Retrieved from http://www.hydrogen.energy.gov/news_20091204.html

22 K. Clark, “New Benefit: Help from Commuting Costs,” *U.S. News & World Report*, September 24, 2005. Retrieved from <http://www.usnews.com/usnews/biztech/articles/050924/24career.htm>

23 General Motors, “GM to be First Major U.S. Automaker to Manufacture Electric Motors,” *General Motors Report*, January 26, 2010. Retrieved from http://www.gm.com/corporate/responsibility/environment/news/2010/electric_motors_012610.jsp

4.5. Future Technologies, continued

trailers) will be the norm. The number of traffic fatalities will decrease for two reasons. First, the carbon fibers and other materials used to produce the bodies will be significantly stronger than current materials. Second, in-car technology, along with smart traffic control systems, will assist the driver. It is safe to say that automobiles will be much smarter. The innovations of the future will ultimately be viewed the way we currently view standard options like safety belts and air bags.

The imminent increase in the number of electric automobiles on the roads will create large reductions in the emissions from internal combustion engines. With growing demand from both domestic and global consumers, automobile manufacturers will begin to create

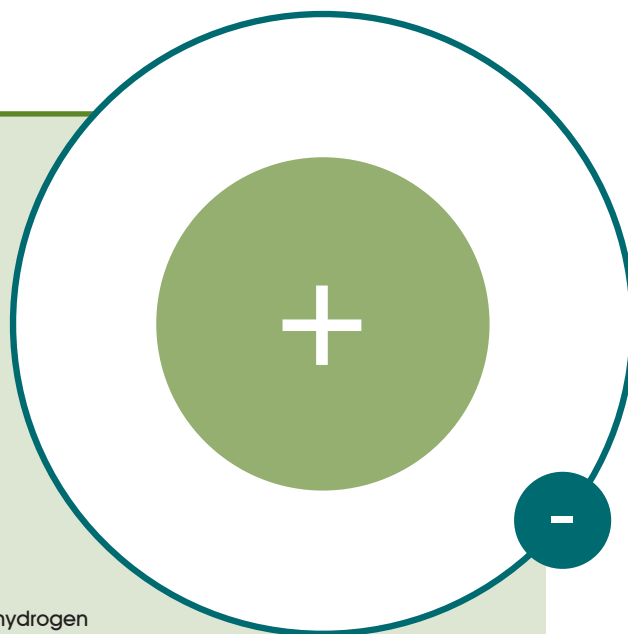
greener automobiles, reducing the carbon footprint of an entire nation. Electric cars will also enable automobile manufacturers to adhere to corporate average fuel economy (CAFE) standards, and make life in large dense cities much more appealing due to a reduction in emissions. Overall the future appears bright for the automobile industry, even given the current downturn. If anything, the current downturn will force U.S. automobile manufacturers to become more in touch with both domestic and global market issues. Some are looking beyond electric cars to vehicles fueled by other power sources like hydrogen. These are serious discussions compared to where we stood just 10 years ago.

The Hydrogen Alternative

Hydrogen fuel has long been viewed as a possible alternative to gasoline- and electric-powered vehicles. However, there are many lingering doubts about the feasibility of large-scale hydrogen fuel adoption, especially given the ongoing use and development of electric vehicles. Like electric cars, a positive aspect of hydrogen fuel is the potential for significant reduction of carbon dioxide emissions. Hydrogen fuel has its weaknesses as well, including low energy extraction, the need for high-weight holding tanks, high costs of storage, and the inefficient production process to create hydrogen fuel. While there is no established nationwide refueling network for either electric or hydrogen cars, electricity is widely available across urban and rural America.

In 2008, top executives at GM and Toyota expressed doubts regarding the feasibility of hydrogen-fueled automobiles in the short term and have urged manufacturers to focus on electric automobiles as an alternative fuel source. Whether we will ever see wide usage of hydrogen fuel automobiles remains uncertain. Based on current trends, the answer is no. However, some scientists feel we just need to become more efficient in our production, storage, and use of hydrogen as a fuel source. Hydrogen may be a long-term innovation, and may, like the electric automobile, be seen as the superstar of the industry many decades from now.

Source: "GM, Toyota Doubtful on Fuel Cell's Mass Use," *The Wall Street Journal*, March 5, 2008.



4.6. Future Trends and Product Demand

There is much speculation about the future of the demand side of the industry. Some of this is easily resolved. We will be older, live in more densely populated areas, and have smaller families. Aside from these basic factors are consumer tastes which tend to be fickle and hard to predict. Demographics and preference shifts are the two most salient aspects of future demand for automobiles. Demographic shifts are important because where people live and why explains how they plan to transport themselves. Preference shifts are not completely disconnected from demographics but illustrate a different question: What type of automobile will consumers want in the future?

Demographic Shifts and the Impact on Demand

Demographic shifts go a long way in telling us what the future may hold. If we can reasonably speculate where people will live, we can better understand what type of transportation they will demand. If people choose to move to large cities, reliance on automobile transportation will diminish. People would be more inclined to walk and use mass transit, and they would likely demand smaller vehicles.

The largest, most obvious change on the horizon is the retirement of the baby boom generation. If history repeats itself, many retirees will move away from cities, giving rise to an increased need for automobiles. However, recent trends indicate a significant movement into urban areas, so it is unclear where the new retirees will reside. Baby boomers represent an older consumer with particular values for an automobile. They value comfort over utility, which tilts the balance away from compact and sub-compact cars toward mid-sized to large vehicles. Complicated forces will be at play in the years ahead. Older consumers have seen the recent run up in fuel prices and likely realize that higher prices will be a mainstay. Many who have retired or are soon to retire have seen their wealth fall with the stock market

and housing prices. If a newfound frugality emerges, smaller cars will be in high demand.

Every slice of the consumer market poses unique challenges in anticipating the nature of product demand. For example, the current generation of college graduates is more likely to move to large cities than was the case with their parents. This younger generation will place a premium on fuel efficiency, low environmental impact, and affordability. Unlike their parents and grandparents who often used cars for entertainment and escape value, the younger generation will treat automobiles as utilitarian transportation to get to and from work and play. The cars that this generation will demand will be smaller with fewer frills—aside from the latest technology. The urban environment that affords access to public transportation and walking and biking trails means fewer cars demanded.

There are other segments of the population that automobile manufacturers will need to consider. The large group of consumers falling between the boomers and current college graduates is very diverse. Those with a family will place a high value on safety (which in the near-term means a larger vehicle) and in-car entertainment. Automobile manufacturers are trying to keep in touch with professionals who have a significant willingness to pay for a product that delivers valuable services. Examples include the integration of communication and computer technology. Satellite radio receivers, cell phones, e-mail/text messaging, GPS systems, and so on are now converging into single devices. We have seen this type of technology creep into cars, with voice recognition and Microsoft Sync in Ford automobiles, but the future will take it a step further. People will have the ability to remotely access their home or work computer from their car by just saying the right command. Text messages will be read to drivers. Meetings will be held on the road. This is already happening, but technology convergence will make these applications more efficient.

4.6. Future Trends and Product Demand, continued

Owning a car is expensive. Multi-year leasing is also expensive and requires a significant up-front payment. A new shift in demand may entail moving away from car ownership. Programs such as ZipCar offer alternatives to expensive automobile ownership and long-term leasing. ZipCar offers consumers the ability to “borrow” a car for a daily fee, and an annual membership fee. Consumers sign up and, after an automobile background check, can pick up the car and use it with gas and insurance included.²⁴

While broad demographic trends like the retirement of the baby boom generation are easy to predict, it is more difficult to identify how these patterns will affect the demand for automobiles. However,

²⁴ Zip Cars, “Zip Car: How it Works,” [zipcar.com](http://www.zipcar.com), 2010. Retrieved from <http://www.zipcar.com/how/>

automobile manufacturers must monitor these patterns. One thing is certain, tastes will continue to change and diverge across different segments of the population. This will require tremendous flexibility on the part of automobile manufacturers in order to satisfy consumers. The recent recession exposed some of the consequences of a multiplicity of product lines, with long-standing brands like Pontiac and Saab falling by the wayside along with more recent entrants like Saturn. But some of these lines, like Pontiac, were not that different from other products sourced in Detroit. New, flexible production systems will create diversity in automobile assembly at a lower cost than the historically differentiated and rigid platforms used for vehicle production.

4.7. Labor and Workers

Historically, labor has been at the core of automobile production. Henry Ford shocked his competitors by granting substantial pay raises that created loyalty to the firm and enabled his workers to purchase the very cars they made. Labor remains important today. The Big Three continue to address legacy costs related to labor (pensions and health insurance for retirees), and unions were at the center of the attack on the industry when requests were made for financial assistance from the federal government. The enormous incentives granted by states and localities to newly-locating assembly facilities partly reflect the returns that would accrue from expanded payrolls and high-paying jobs.

How will the future transformation of the industry affect labor? Two things are certain. There will be fewer workers linked to parts manufacture and vehicle assembly as technology advances, and those who secure employment in the industry will have to be well educated in order to do their job.

More Automobiles—Fewer Jobs?

Automation has long been a boon for manufacturers and a bust for lower skilled workers. The automobile industry is especially fond of automation due to the high costs and human error of assembly. While computers and machines need maintenance and upgrades, they do not use increasingly expensive health care, rely on pensions, or engage in coordinated work stoppages. At the same time that more technology is integrated in automobiles, more technology will be used in the production of automobiles. Low-skilled labor was displaced in the industry by basic machinery that could move faster, work without fatigue, and produce fewer defects. Modern computer-assisted machinery and automation is now displacing workers with advanced skills. The progression is clear from the historical experience—assembly workers and machinists made the cars of the past, and computer analysts and robotic technology make the cars of today in the most advanced assembly plants. The future will require fewer

4.7. Labor and Workers, continued

workers still, but more output will be produced as the workforce declines.

As previously noted, the industry once pursued a strategy of producing at low cost. But this paradigm shifted to a focus on value. Value in a labor context means high productivity relative to wage and other employment costs. The automobile industry will focus more on high value added from its labor pool, both to compete but also to simply produce a car with the latest technology. Firms will pursue closer relationships with trade schools, community colleges and universities and offer scholarships and other inducements to attract workers in the fields of computers, nanotechnology, and robotics. Ford

already sponsors many college initiatives.²⁵ These programs help ensure manufacturers such as Ford that students are studying exactly what the firm is researching, be it electric automobiles, composite materials, or other frontier applications.

We're Not in Detroit Anymore

A considerable share of automobile manufacturing took place in and around Detroit for the better part of 80 years. However, due in part to high labor costs and rigidities created by unions, the upper

²⁵ Ford Motor Company, "Ford Motor Company Awards \$100,000 in Scholarships to Student Entrepreneurs," *Ford.com*, May 5, 2009. Retrieved from <http://www.ford.com/about-ford/news-announcements/featured-stories/featured-stories-detail/hbcu-business-classic>

From The Jetsons ...

Created in 1962, *The Jetsons* was an American cartoon airing on the ABC television network. Giving us a glimpse into the future, the show was set in 2062 and featured flying automobiles like the one pictured to the right. The flying car was only a cartoon adaptation, but it was widely believed to be the future of personal transportation.



... to the SkyCar

The "SkyCar" (pictured to the left) is the brainchild of Moller International. Founded in 1983, with the purpose of creating a viable flying car, Moller International fully believes in a future with flying automobiles. Moller International is currently taking deposits for "SkyCars." The FAA has not approved these vehicles for use, so consumers may want to wait before buying their own.

The Jetsons image is property of Hanna-Barbera, ©2010 Hanna-Barbera. SkyCar image is property of Moller International, ©2009 Moller International.

4.7. Labor and Workers, continued

Midwest became less attractive to automobile manufacturers, and they began to move new plants elsewhere. At the same time, foreign producers have sought out locations in low-costs areas, including Tennessee.

The movement of the industry to the Southeast was largely cost driven, though location also played a role. As automobile manufacturers of the future look for new places to locate their plants, where will they go? Right-to-work states will continue to offer a more flexible workforce than the traditional union shop (though the “traditional” union establishment will likely undergo transformation), so southern states like Tennessee will remain attractive. Land costs

remain low in the South, as do construction costs so this advantage will be sustained as well.²⁶

More important in the future will be linkages to a skilled workforce, institutions of higher learning, and vibrant centers of research and development. Regional community colleges and technology centers along with facilities like Oak Ridge National Laboratory that have cooperative agreements with the University of Tennessee, represent the types of assets the industry of tomorrow will demand.

26 K. Hill and E. Brahmst, “The Auto Industry Moving South: An Examination of Trends,” *Center for Automotive Research*, December 15, 2003. Retrieved from <http://www.cargroup.org/pdfs/North-SouthPaper.PDF>

4.8. Taking a Global View

When Henry Ford began producing the Model T, there was a large number of small domestic competitors, but there was no competition from abroad. Some 70 years later, the U.S. economy saw significant inroads from foreign-produced and foreign-transplant assemblers. Today GM and Ford have successful markets outside the U.S. Ford has a significant presence in Brazil, Europe, and India, while GM has entered the Chinese market. Good for Ford and GM. The U.S. market has matured while global demand in South America and Asia, in particular, is rising at a dramatic pace.

Global competition has been good for the American consumer and offered new opportunities for battered domestic manufacturers. Perhaps the domestic industry learned some important lessons. They have reduced legacy costs, enabling them to compete on the levels of cost and quality. And they have a keener sense of what must happen in order to survive and ultimately thrive in the new global marketplace. It is highly unlikely that the U.S. automobile industry will ever reach the pinnacle role it held in the 1960s and the 1970s when “what was good for GM was good for the U.S.”

4.9. Conclusion

The discussion presented here is not intended to offer clear answers about the future of the automobile industry in Tennessee and the U.S. Instead the goal is to illustrate possible future trends and how they might alter the industry and its economic development potential for the state. Tennessee's automobile and general transportation equipment cluster has proven to be a boon to economic development in the state. And the returns continue to pour in, as with the new Volkswagen facility in Hamilton County. Given these investments and assets, attention needs to be turned to the future of the industry. Someday we may drive a variant of the flying car George Jetson drove.

Technology and change are perhaps the two most important facets of the future automobile industry. This will create new opportunities for new product development, thus creating new businesses and jobs. Capturing these investments and jobs will require a strong business climate, a highly-skilled workforce, and linkages to advanced research facilities. As new developments arise, old-line industries and businesses will decline. Should the electric car be widely adopted by consumers, the supply chain up to and including the internal combustion engine will be severely disrupted. Similarly, the emergence of new composite materials for vehicle bodies will disrupt the old-line steel stamping sector. Change will create opportunities for those who pursue them.

Appendix A: Forecast Data

In this section...

Appendix A: Forecast Data

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
US GDP (Bil2005\$) SAAR.....	12901.5	12973.0	13136.5	13216.4	13283.3	13360.5	13433.6	13516.0	13616.3	13732.2	13848.6	13991.3	12984.1	13323.5	13678.3
% Chg Prev Qtr SAAR.....	-0.74	2.24	5.14	2.45	2.04	2.35	2.21	2.48	3.00	3.45	3.43	4.19	-2.46	2.61	2.66
% Chg Same Qtr Last Yr.....	-3.83	-2.64	-0.04	2.25	2.96	2.99	2.26	2.27	2.51	2.78	3.09	3.52	-2.46	2.61	2.66
US GDP (Bil\$) SAAR.....	14151.2	14242.1	14441.7	14582.1	14701.2	14844.9	14983.7	15152.9	15318.0	15507.5	15690.2	15919.8	14253.2	14778.0	15417.1
% Chg Prev Qtr SAAR.....	-0.75	2.59	5.72	3.95	3.31	3.97	3.79	4.59	4.43	5.04	4.79	5.98	-1.30	3.68	4.33
% Chg Same Qtr Last Yr.....	-2.39	-2.09	0.66	2.85	3.89	4.23	3.75	3.91	4.20	4.46	4.72	5.06	-1.30	3.68	4.33
TN PERSONAL INCOME (MIL2005\$) SAAR.....	200480	199836	197902	198873	201029	200812	201274	202170	203283	204598	206148	207464	199401	200497	204049
% Chg Prev Qtr SAAR.....	2.21	-1.28	-3.81	1.98	4.41	-0.43	0.92	1.79	2.22	2.61	3.06	2.58	0.01	0.55	1.77
% Chg Same Qtr Last Yr.....	-0.26	1.11	-0.31	-0.26	0.27	0.49	1.70	1.66	1.12	1.89	2.42	2.62	0.01	0.55	1.77
US PERSONAL INCOME (BIL2005\$) SAAR.....	11073	11035	11067	11171	11280	11355	11405	11433	11496	11572	11659	11775	11049	11303	11540
% Chg Prev Qtr SAAR.....	1.88	-1.38	1.20	3.80	3.97	2.68	1.77	0.99	2.20	2.69	3.03	4.04	-1.57	2.30	2.10
% Chg Same Qtr Last Yr.....	-1.80	-0.96	-1.52	1.36	1.87	2.91	3.05	2.35	1.91	1.91	2.23	2.99	-1.57	2.30	2.10
TN PERSONAL INCOME (MIL\$) SAAR.....	218150	218916	218236	219583	222420	223173	224630	226668	228868	231424	234043	236442	217884	222451	230251
% Chg Prev Qtr SAAR.....	3.59	1.41	-1.24	2.49	5.27	1.36	2.64	3.68	3.94	4.54	4.60	4.16	0.24	2.10	3.51
% Chg Same Qtr Last Yr.....	-0.44	0.45	0.99	1.55	1.96	1.94	2.93	3.23	2.90	3.70	4.19	4.31	0.24	2.10	3.51
US PERSONAL INCOME (BIL\$) SAAR.....	12049	12084	12196	12330	12474	12609	12719	12814	12939	13086	13234	13419	12070	12533	13018
% Chg Prev Qtr SAAR.....	3.26	1.17	3.76	4.48	4.75	4.40	3.51	3.05	3.94	4.63	4.59	5.71	-1.38	3.83	3.87
% Chg Same Qtr Last Yr.....	-1.99	-1.65	-0.31	3.16	3.53	4.35	4.29	3.92	3.72	3.78	4.05	4.72	-1.38	3.83	3.87
TN NONFARM JOBS (THOUS).....	2662.5	2652.6	2649.2	2646.1	2660.2	2650.5	2650.5	2658.4	2668.2	2677.6	2687.8	2697.9	2664.8	2651.8	2673.0
% Chg Prev Qtr SAAR.....	-4.72	-1.48	-0.51	-0.46	2.15	-1.46	0.01	1.19	1.48	1.43	1.53	1.51	-4.04	-0.49	0.80
% Chg Same Qtr Last Yr.....	-4.61	-4.19	-3.38	-1.81	-0.09	-0.08	0.05	0.46	0.30	1.02	1.41	1.49	-4.04	-0.49	0.80
US NONFARM JOBS (MIL).....	132.1	131.3	131.0	131.0	131.4	131.4	131.6	132.1	132.9	133.8	134.7	135.7	132.0	131.4	133.4
% Chg Prev Qtr SAAR.....	-4.52	-2.59	-0.86	0.15	1.23	-0.11	0.61	1.50	2.41	2.78	2.72	2.91	-3.68	-0.49	1.52
% Chg Same Qtr Last Yr.....	-3.92	-4.19	-3.50	-1.97	-0.53	0.10	0.47	0.80	1.10	1.82	2.35	2.71	-3.68	-0.49	1.52
TN MFG JOBS (THOUS).....	320.7	320.2	316.7	313.9	311.6	310.5	311.1	311.7	312.4	312.9	313.6	314.2	322.4	311.8	312.6
% Chg Prev Qtr SAAR.....	-12.84	-0.64	-4.26	-3.47	-2.94	-1.39	0.81	0.69	0.90	0.76	0.88	0.74	-10.91	-3.28	0.28
% Chg Same Qtr Last Yr.....	-12.56	-11.08	-9.35	-5.41	-2.84	-3.02	-1.76	-0.72	0.25	0.79	0.80	0.82	-10.91	-3.28	0.28
US MFG JOBS (MIL).....	12.0	11.8	11.7	11.6	11.6	11.6	11.7	11.7	11.8	11.9	12.1	12.2	12.0	11.6	11.9
% Chg Prev Qtr SAAR.....	-13.97	-7.19	-4.43	-0.98	-1.62	-0.47	3.55	1.17	2.70	4.55	5.57	4.63	-10.76	-3.10	2.21
% Chg Same Qtr Last Yr.....	-11.38	-11.97	-10.79	-6.77	-3.59	-1.88	0.10	0.64	1.72	2.98	3.48	4.36	-10.76	-3.10	2.21
TN UNEMPLOYMENT RATE (%).....	10.5	10.7	10.5	10.4	10.4	10.4	10.4	10.3	10.2	10.1	10.0	9.9	10.2	10.4	10.2
US UNEMPLOYMENT RATE (%).....	9.3	9.6	10.1	10.2	10.0	10.1	10.0	9.8	9.6	9.4	9.2	8.9	9.3	10.1	9.5

(CONTINUED ON NEXT PAGE)

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

January 2010

	History		Forecast Data										Annual			
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2008	2009	2010	2011
CHAINED PRICE INDEX, GDP (2005=100.0).....	109.7	109.8	109.9	110.3	110.7	111.1	111.5	112.1	112.5	112.9	113.3	113.8	108.5	109.8	110.9	112.7
% Chg Prev Qtr SAAR.....	-0.02	0.39	0.63	1.46	1.24	1.58	1.55	2.07	1.39	1.54	1.32	1.73	2.13	1.17	1.06	1.62
% Chg Same Qtr Last Yr.....	1.48	0.58	0.72	0.61	0.93	1.23	1.46	1.61	1.65	1.64	1.58	1.49	2.13	1.17	1.06	1.62
US PERS CONSUMP DEFL (2005=100.0).....	108.8	109.5	110.2	110.4	110.6	111.0	111.5	112.1	112.6	113.1	113.5	114.0	109.0	109.2	110.9	112.8
% Chg Prev Qtr SAAR.....	1.35	2.58	2.53	0.66	0.75	1.68	1.71	2.03	1.70	1.88	1.51	1.61	3.34	0.19	1.50	1.73
% Chg Same Qtr Last Yr.....	-0.19	-0.69	1.23	1.78	1.63	1.40	1.20	1.54	1.78	1.83	1.78	1.68	3.34	0.19	1.50	1.73
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000).....	2.133	2.152	2.170	2.173	2.176	2.186	2.196	2.209	2.221	2.234	2.244	2.255	2.152	2.146	2.183	2.227
% Chg Prev Qtr SAAR.....	1.33	3.60	3.38	0.49	0.63	1.76	1.92	2.32	2.15	2.38	1.89	1.93	3.80	-0.31	1.74	2.02
% Chg Same Qtr Last Yr.....	-0.94	-1.55	1.46	2.19	2.01	1.56	1.20	1.66	2.04	2.19	2.19	2.09	3.80	-0.31	1.74	2.02
BANK PRIME INTEREST RATE (%).....	3.3	3.3	3.3	3.3	3.3	3.3	3.5	4.0	4.4	4.9	5.5	6.0	5.1	3.3	3.3	4.7
FEDERAL FUNDS RATE (% per annum).....	0.180	0.157	0.121	0.123	0.125	0.182	0.547	0.963	1.428	1.934	2.465	2.955	1.928	0.160	0.244	1.697
30-YEAR FIXED MORTGAGE RATE (%).....	5.0	5.2	4.9	5.0	5.1	5.2	5.3	5.4	5.4	5.6	5.8	6.0	6.0	5.0	5.1	5.5
TN TAXABLE SALES (MIL2005\$).....	20013	19739	19760	19899	20017	20091	20162	20245	20351	20458	20585	20769	86529	79746	80169	81640
% Chg Prev Qtr SAAR.....	-4.28	-5.36	0.42	2.85	2.40	1.48	1.41	1.66	2.12	2.12	2.50	3.62	-5.39	-7.84	0.53	1.83
% Chg Same Qtr Last Yr.....	-9.98	-7.55	-4.34	-1.65	0.02	1.78	2.03	1.74	1.67	1.83	2.10	2.59	-5.39	-7.84	0.53	1.83
TN TAXABLE SALES (MIL\$).....	21777	21624	21790	21971	22147	22328	22501	22698	22913	23141	23371	23670	94335	87135	88948	92122
% Chg Prev Qtr SAAR.....	-2.98	-2.79	3.11	3.37	3.24	3.31	3.13	3.55	3.84	4.04	4.03	5.22	-2.23	-7.63	2.08	3.57
% Chg Same Qtr Last Yr.....	-10.15	-8.16	-3.09	0.13	1.70	3.26	3.26	3.31	3.46	3.64	3.86	4.28	-2.23	-7.63	2.08	3.57
TN AVG ANNUAL WAGE, NONFARM (2005\$).....	37261	37260	37368	37623	37909	37886	37925	37997	38093	38171	38288	38390	37345	37268	37836	38137
% Chg Prev Qtr SAAR.....	0.86	-0.01	1.17	2.75	3.07	-0.24	0.41	0.76	1.01	0.83	1.23	1.07	-0.97	-0.21	1.52	0.80
% Chg Same Qtr Last Yr.....	0.30	0.38	-0.59	1.19	1.74	1.68	1.49	0.99	0.48	0.75	0.96	1.03	-0.97	-0.21	1.52	0.80
TN AVG ANNUAL WAGE, NONFARM (\$).....	40545	40818	41208	41541	41943	42105	42325	42601	42887	43176	43469	43752	40716	40723	41978	43033
% Chg Prev Qtr SAAR.....	2.22	2.72	3.88	3.27	3.92	1.56	2.11	2.63	2.71	2.72	2.74	2.63	2.34	0.02	3.08	2.51
% Chg Same Qtr Last Yr.....	0.11	-0.28	0.71	3.02	3.45	3.15	2.71	2.55	2.25	2.54	2.70	2.70	2.34	0.02	3.08	2.51

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
US GDP (2005\$) SAAR.....	41961	42090	42516	42670	42782	42927	43058	43218	43435	43700	43964	44310	42177	42860	43580
% Chg Prev Qtr SAAR.....	-1.70	1.24	4.11	1.46	1.05	1.36	1.23	1.50	2.02	2.46	2.44	3.19	-3.41	1.62	1.68
% Chg Same Qtr Last Yr.....	-4.76	-3.58	-1.01	1.26	1.96	1.99	1.27	1.28	1.53	1.80	2.10	2.53	-3.41	1.62	1.68
US GDP (\$) SAAR.....	46025	46208	46740	47080	47349	47696	48027	48452	48863	49349	49810	50418	46300	47539	49120
% Chg Prev Qtr SAAR.....	-1.72	1.59	4.69	2.94	2.31	2.97	2.80	3.60	3.44	4.04	3.79	4.97	-2.26	2.68	3.33
% Chg Same Qtr Last Yr.....	-3.34	-3.05	-0.32	1.85	2.88	3.22	2.75	2.92	3.20	3.47	3.71	4.06	-2.26	2.68	3.33
TN PERSONAL INCOME (2005\$) SAAR.....	32501	32333	31957	32051	32334	32236	32217	32267	32351	32467	32618	32731	32294	32210	32425
% Chg Prev Qtr SAAR.....	1.41	-2.05	-4.57	1.18	3.59	-1.21	-0.24	0.62	1.05	1.44	1.87	1.40	-0.77	-0.26	0.67
% Chg Same Qtr Last Yr.....	-1.04	0.32	-1.09	-1.04	-0.51	-0.30	0.81	0.67	0.05	0.71	1.24	1.44	-0.77	-0.26	0.67
US PERSONAL INCOME (2005\$) SAAR.....	36013	35801	35820	36067	36331	36484	36556	36559	36670	36826	37013	37291	35892	36360	36768
% Chg Prev Qtr SAAR.....	0.89	-2.34	0.21	2.79	2.96	1.69	0.79	0.03	1.22	1.71	2.05	3.04	-2.52	1.31	1.12
% Chg Same Qtr Last Yr.....	-2.75	-1.93	-2.48	0.37	0.88	1.91	2.06	1.36	0.93	0.94	1.25	2.00	-2.52	1.31	1.12
TN PERSONAL INCOME (\$) SAAR.....	35365	35420	35240	35388	35775	35826	35955	36177	36423	36723	37031	37303	35287	35736	36589
% Chg Prev Qtr SAAR.....	2.78	0.62	-2.01	1.69	4.45	0.57	1.45	2.49	2.75	3.35	3.40	2.96	-0.55	1.27	2.39
% Chg Same Qtr Last Yr.....	-1.22	-0.34	0.20	0.75	1.16	1.15	2.03	2.23	1.81	2.51	2.99	3.11	-0.55	1.27	2.39
US PERSONAL INCOME (\$) SAAR.....	39187	39205	39472	39810	40177	40514	40766	40975	41274	41643	42012	42497	39209	40318	41477
% Chg Prev Qtr SAAR.....	2.25	0.18	2.75	3.47	3.74	3.40	2.52	2.06	2.95	3.63	3.59	4.70	-2.33	2.83	2.88
% Chg Same Qtr Last Yr.....	-2.94	-2.61	-1.28	2.16	2.52	3.34	3.28	2.93	2.73	2.79	3.06	3.71	-2.33	2.83	2.88
TN TAXABLE SALES (2005\$).....	3244	3194	3191	3207	3220	3225	3227	3231	3239	3246	3257	3277	12916	12879	12973
% Chg Prev Qtr SAAR.....	-5.03	-6.10	-0.37	2.04	1.60	0.69	0.24	0.49	0.95	0.95	1.32	2.43	-8.56	-0.28	0.73
% Chg Same Qtr Last Yr.....	-10.68	-8.28	-5.09	-2.42	-0.76	0.98	1.14	0.75	0.59	0.66	0.93	1.41	-8.56	-0.28	0.73
TN TAXABLE SALES (\$).....	3530	3499	3519	3541	3562	3584	3602	3623	3646	3672	3698	3734	14112	14289	14639
% Chg Prev Qtr SAAR.....	-3.74	-3.54	2.30	2.56	2.44	2.50	1.94	2.36	2.65	2.85	2.83	4.01	-8.36	1.26	2.45
% Chg Same Qtr Last Yr.....	-10.85	-8.88	-3.85	-0.65	0.90	2.45	2.36	2.31	2.36	2.45	2.67	3.08	-8.36	1.26	2.45

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars)

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TN PERSONAL INCOME.....	200480	199836	197902	198873	201029	200812	201274	202170	203283	204598	206148	207464	199401	200497	204049
% Chg Prev Qtr SAAR.....	2.21	-1.28	-3.81	1.98	4.41	-0.43	0.92	1.79	2.22	2.61	3.06	2.58	0.01	0.55	1.77
% Chg Same Qtr Last Yr.....	-0.26	1.11	-0.31	-0.26	0.27	0.49	1.70	1.66	1.12	1.89	2.42	2.62	0.01	0.55	1.77
WAGES AND SALARIES.....	100191	99828	99921	100403	101697	101269	101376	101866	102496	103067	103771	104435	100278	101186	102800
% Chg Prev Qtr SAAR.....	-3.82	-1.44	0.37	1.94	5.26	-1.67	0.42	1.95	2.49	2.25	2.76	2.58	-4.13	0.91	1.59
% Chg Same Qtr Last Yr.....	-4.20	-3.69	-3.90	-0.76	1.50	1.44	1.46	1.46	0.79	1.78	2.36	2.52	-4.13	0.91	1.59
OTHER LABOR INCOME.....	23654	23582	23514	23637	23759	23815	23869	23929	23973	24118	24247	24354	23628	23770	24067
% Chg Prev Qtr SAAR.....	-1.79	-1.21	-1.15	2.11	2.08	0.94	0.92	1.01	0.74	2.45	2.15	1.78	-0.81	0.60	1.25
% Chg Same Qtr Last Yr.....	-0.57	-0.19	-1.29	-0.52	0.44	0.99	1.51	1.23	0.90	1.27	1.58	1.78	-0.81	0.60	1.25
PROPRIETORS INCOME.....	23021	23136	23000	23024	23024	22956	22975	23011	23131	23250	23380	23519	23125	22995	23193
% Chg Prev Qtr SAAR.....	-5.40	2.01	-2.33	0.42	0.00	-1.17	0.32	0.63	2.11	2.06	2.25	2.40	-4.48	-0.56	0.86
% Chg Same Qtr Last Yr.....	-5.24	-4.04	-3.43	-1.37	0.01	-0.78	-0.11	-0.06	0.47	1.28	1.76	2.21	-4.48	-0.56	0.86
RENT, INTEREST, DIVIDENDS.....	25393	25320	25324	25203	25328	25400	25472	25520	25540	25699	25934	26108	25470	25351	25673
% Chg Prev Qtr SAAR.....	-6.77	-1.14	0.06	-1.90	2.00	1.15	1.14	0.75	0.31	2.51	3.70	2.71	-5.36	-0.47	1.27
% Chg Same Qtr Last Yr.....	-5.49	-5.79	-5.53	-2.47	-0.26	0.31	0.59	1.26	0.84	1.18	1.81	2.30	-5.36	-0.47	1.27
TRANSFER PAYMENTS.....	42255	41891	42514	43386	44229	44476	44764	45079	45409	45740	46130	46485	41525	44214	45590
% Chg Prev Qtr SAAR.....	31.77	-3.40	6.08	8.45	8.00	2.25	2.61	2.85	2.96	2.95	3.45	3.11	11.41	6.48	3.11
% Chg Same Qtr Last Yr.....	8.66	14.33	13.68	10.01	4.67	6.17	5.29	3.90	2.67	2.84	3.05	3.12	11.41	6.48	3.11
LESS: PERS CONT FOR SOC INS....	15992	15934	15923	16074	16159	16209	16261	16346	16399	16441	16503	16604	15991	16176	16422
% Chg Prev Qtr SAAR.....	-3.08	-1.44	-0.27	3.85	2.12	1.26	1.28	2.11	1.30	1.04	1.51	2.46	-2.53	1.15	1.52
% Chg Same Qtr Last Yr.....	-2.40	-2.16	-2.75	-0.27	1.04	1.73	2.12	1.69	1.49	1.43	1.49	1.58	-2.53	1.15	1.52
RESIDENCE ADJUSTMENT.....	1957	2011	-448	-705	-849	-896	-920	-890	-868	-835	-810	-833	1367	-843	-851
% Chg Prev Qtr SAAR.....	1.88	11.39	-99.75	511.67	110.44	23.60	11.51	-12.61	-9.64	-14.32	-11.26	11.55	-232.92	-161.64	0.94
% Chg Same Qtr Last Yr.....	-288.02	-303.45	-51.67	-136.19	-143.39	-144.53	105.24	26.18	2.14	-6.80	-11.97	-6.43	-232.92	-161.64	0.94
PER CAPITA PERSONAL INCOME (\$)...	32501	32333	31957	32051	32334	32236	32217	32267	32351	32467	32618	32731	32294	32210	32425
% Chg Prev Qtr SAAR.....	1.41	-2.05	-4.57	1.18	3.59	-1.21	-0.24	0.62	1.05	1.44	1.87	1.40	-0.77	-0.26	0.67
% Chg Same Qtr Last Yr.....	-1.04	0.32	-1.09	-1.04	-0.51	-0.30	0.81	0.67	0.05	0.71	1.24	1.44	-0.77	-0.26	0.67

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars)**January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TN PERSONAL INCOME.....	218150	218916	218236	219583	222420	223173	224630	226668	228868	231424	234043	236442	217884	222451	230251
% Chg Prev Qtr SAAR.....	3.59	1.41	-1.24	2.49	5.27	1.36	2.64	3.68	3.94	4.54	4.60	4.16	0.24	2.10	3.51
% Chg Same Qtr Last Yr.....	-0.44	0.45	0.99	1.55	1.96	1.94	2.93	3.23	2.90	3.70	4.19	4.31	0.24	2.10	3.51
WAGES AND SALARIES.....	109022	109360	110188	110858	112519	112546	113139	114210	115396	116581	117813	119022	109572	112265	116000
% Chg Prev Qtr SAAR.....	-2.52	1.25	3.06	2.46	6.13	0.10	2.12	3.84	4.22	4.17	4.29	4.17	-3.91	2.46	3.33
% Chg Same Qtr Last Yr.....	-4.38	-4.33	-2.65	1.04	3.21	2.91	2.68	3.02	2.56	3.59	4.13	4.21	-3.91	2.46	3.33
OTHER LABOR INCOME.....	25739	25834	25930	26099	26287	26467	26639	26829	26990	27280	27528	27756	25818	26373	27157
% Chg Prev Qtr SAAR.....	-0.46	1.48	1.50	2.62	2.92	2.76	2.63	2.88	2.43	4.37	3.68	3.35	-0.59	2.15	2.97
% Chg Same Qtr Last Yr.....	-0.76	-0.84	0.00	1.28	2.13	2.45	2.73	2.80	2.67	3.08	3.34	3.46	-0.59	2.15	2.97
PROPRIETORS INCOME.....	25050	25345	25363	25422	25474	25513	25641	25799	26043	26298	26543	26804	25268	25512	26171
% Chg Prev Qtr SAAR.....	-4.12	4.79	0.29	0.92	0.82	0.61	2.02	2.50	3.82	3.98	3.78	3.99	-4.26	0.97	2.58
% Chg Same Qtr Last Yr.....	-5.42	-4.68	-2.17	0.42	1.69	0.66	1.09	1.49	2.23	3.08	3.52	3.89	-4.26	0.97	2.58
RENT, INTEREST, DIVIDENDS.....	27631	27738	27926	27827	28023	28229	28428	28613	28755	29069	29443	29754	27830	28127	28970
% Chg Prev Qtr SAAR.....	-5.51	1.56	2.74	-1.41	2.84	2.97	2.86	2.62	2.00	4.44	5.25	4.30	-5.15	1.07	3.00
% Chg Same Qtr Last Yr.....	-5.67	-6.41	-4.29	-0.71	1.42	1.77	1.80	2.82	2.61	2.98	3.57	3.99	-5.15	1.07	3.00
TRANSFER PAYMENTS.....	45979	45891	46883	47904	48935	49429	49958	50542	51124	51737	52372	52977	45381	49056	51444
% Chg Prev Qtr SAAR.....	33.55	-0.76	8.93	9.00	8.90	4.10	4.35	4.76	4.69	4.88	5.00	4.71	11.67	8.10	4.87
% Chg Same Qtr Last Yr.....	8.45	13.58	15.17	12.00	6.43	7.71	6.56	5.51	4.47	4.67	4.83	4.82	11.67	8.10	4.87
LESS: PERS CONT FOR SOC INS.....	17401	17455	17559	17748	17878	18014	18148	18327	18463	18597	18736	18923	17474	17947	18531
% Chg Prev Qtr SAAR.....	-1.77	1.25	2.41	4.37	2.96	3.08	3.00	4.01	3.00	2.94	3.03	4.04	-2.31	2.71	3.25
% Chg Same Qtr Last Yr.....	-2.59	-2.81	-1.49	1.54	2.74	3.20	3.35	3.26	3.27	3.24	3.24	3.25	-2.31	2.71	3.25
RESIDENCE ADJUSTMENT.....	2130	2203	-494	-779	-940	-995	-1027	-998	-977	-944	-920	-949	1488	-935	-960
% Chg Prev Qtr SAAR.....	3.26	14.43	-99.75	514.75	112.18	25.83	13.41	-10.98	-8.12	-12.71	-9.93	13.27	-232.73	-162.86	2.61
% Chg Same Qtr Last Yr.....	-287.67	-302.11	-51.04	-136.85	-144.12	-145.18	107.71	28.13	3.94	-5.14	-10.45	-4.89	-232.73	-162.86	2.61
PER CAPITA PERSONAL INCOME (\$)......	35365	35420	35240	35388	35775	35826	35955	36177	36423	36723	37031	37303	35287	35736	36589
% Chg Prev Qtr SAAR.....	2.78	0.62	-2.01	1.69	4.45	0.57	1.45	2.49	2.75	3.35	3.40	2.96	-0.55	1.27	2.39
% Chg Same Qtr Last Yr.....	-1.22	-0.34	0.20	0.75	1.16	1.15	2.03	2.23	1.81	2.51	2.99	3.11	-0.55	1.27	2.39

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONFARM.....	2666.2	2656.0	2669.1	2617.8	2666.3	2652.3	2670.5	2629.9	2674.3	2679.9	2708.0	2668.8	2664.5	2651.7	2673.0
% Chg Same Qtr Last Yr.....	-4.63	-4.18	-3.38	-1.84	0.00	-0.14	0.05	0.46	0.30	1.04	1.40	1.48	-4.02	-0.48	0.80
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	110.3	106.5	99.9	94.6	97.7	97.1	95.0	91.8	96.8	98.4	96.9	94.4	107.3	96.1	96.0
% Chg Same Qtr Last Yr.....	-19.42	-21.13	-22.34	-15.86	-11.42	-8.81	-4.90	-3.00	-0.87	1.32	2.02	2.84	-19.58	-10.42	-0.12
MANUFACTURING.....	320.93	321.33	316.81	312.52	311.78	311.62	311.24	310.29	312.54	314.06	313.72	312.85	322.4	311.8	312.7
% Chg Same Qtr Last Yr.....	-12.57	-11.05	-9.35	-5.41	-2.85	-3.02	-1.76	-0.71	0.25	0.78	0.80	0.83	-10.90	-3.28	0.28
DURABLE GOODS.....	191.9	193.1	188.7	186.6	185.1	185.1	185.2	185.9	187.0	188.5	188.6	189.2	193.4	185.5	187.5
% Chg Same Qtr Last Yr.....	-15.04	-12.67	-11.20	-6.73	-3.53	-4.13	-1.87	-0.39	1.05	1.85	1.85	1.79	-12.86	-4.10	1.09
NONDURABLE GOODS.....	129.07	128.27	128.08	125.92	126.68	126.53	126.04	124.41	125.50	125.55	125.10	123.65	128.9	126.3	125.1
% Chg Same Qtr Last Yr.....	-8.6	-8.5	-6.5	-3.4	-1.8	-1.4	-1.6	-1.2	-0.9	-0.8	-0.7	-0.6	-7.79	-2.05	-0.91
TRADE, TRANSPORTATION, UTILITIES.....	573.57	570.00	574.86	558.59	563.58	564.33	574.03	560.41	568.01	571.32	583.69	571.40	573.5	565.1	570.9
% Chg Same Qtr Last Yr.....	-4.89	-4.90	-3.79	-2.94	-1.74	-0.99	-0.14	0.33	0.79	1.24	1.68	1.96	-4.60	-1.46	1.01
WHOLESALE TRADE.....	125.57	125.77	125.83	125.04	126.22	126.73	126.85	125.73	127.34	128.48	129.29	128.90	126.1	126.2	127.7
% Chg Same Qtr Last Yr.....	-5.73	-5.37	-4.19	-1.75	0.52	0.77	0.81	0.55	0.89	1.37	1.92	2.52	-4.87	0.08	1.19
RETAIL TRADE.....	313.2	310.4	314.6	303.1	305.3	304.6	314.2	305.4	308.7	308.6	319.5	311.2	312.4	306.8	310.5
% Chg Same Qtr Last Yr.....	-4.03	-4.20	-3.11	-2.71	-2.52	-1.86	-0.11	0.75	1.13	1.29	1.68	1.91	-4.10	-1.80	1.22
TRANSPORTATION & UTILITIES.....	134.83	133.83	134.29	131.72	132.08	131.85	132.80	130.57	131.94	133.13	134.75	132.60	134.9	132.1	132.6
% Chg Same Qtr Last Yr.....	-6.1	-6.1	-5.1	-3.6	-2.0	-1.5	-1.1	-0.9	-0.1	1.0	1.5	1.6	-5.53	-2.08	0.37
INFORMATION.....	46.93	46.30	46.57	46.05	46.44	46.59	46.89	46.52	47.03	47.33	47.65	47.19	46.8	46.5	47.1
% Chg Same Qtr Last Yr.....	-8.39	-7.15	-5.08	-2.97	-1.04	0.62	0.68	1.02	1.27	1.60	1.62	1.44	-6.94	-0.69	1.38
FINANCIAL ACTIVITIES.....	138.13	136.80	137.41	136.40	137.35	137.51	137.78	136.72	137.85	138.37	138.92	138.04	137.8	137.3	138.0
% Chg Same Qtr Last Yr.....	-5.04	-5.70	-4.97	-1.66	-0.57	0.52	0.26	0.23	0.37	0.62	0.83	0.97	-4.99	-0.37	0.51
PROFESSIONAL & BUSINESS SERVICES.....	304.4	305.0	314.2	303.7	309.9	313.8	318.7	309.7	316.9	322.3	328.1	318.4	307.2	311.6	319.2
% Chg Same Qtr Last Yr.....	-6.31	-5.25	-1.80	-0.52	1.83	2.91	1.44	1.97	2.24	2.69	2.94	2.81	-4.46	1.41	2.47
EDUCATION & HEALTH SERVICES.....	364.93	365.30	372.54	370.90	373.47	374.59	377.73	376.55	381.06	383.42	386.61	384.96	366.6	374.2	381.9
% Chg Same Qtr Last Yr.....	2.4	2.2	2.3	2.0	2.3	2.5	1.4	1.5	2.0	2.4	2.4	2.2	2.48	2.07	2.07
LEISURE & HOSPITALITY.....	275.93	279.70	265.42	257.64	273.54	275.85	266.59	260.21	277.09	279.83	270.85	264.63	270.7	268.4	272.0
% Chg Same Qtr Last Yr.....	-1.74	-0.93	-2.78	-1.63	-0.87	-1.38	0.44	1.00	1.30	1.44	1.60	1.70	-1.73	-0.86	1.34
OTHER SERVICES.....	102.13	100.80	99.67	99.14	101.05	100.71	100.08	99.85	102.02	101.92	101.34	101.12	100.8	100.2	101.3
% Chg Same Qtr Last Yr.....	-3.34	-2.36	-1.51	-1.42	-1.06	-0.09	0.41	0.72	0.96	1.20	1.25	1.27	-2.71	-0.54	1.03
GOVERNMENT.....	429.0	424.3	441.7	438.2	451.5	430.2	442.5	437.8	435.0	422.9	440.3	435.7	431.4	440.6	434.0
% Chg Same Qtr Last Yr.....	1.12	1.89	1.60	1.72	5.25	1.39	0.18	-0.09	-3.67	-1.68	-0.51	-0.48	1.25	2.12	-1.50
FEDERAL, CIVILIAN.....	50.07	50.90	50.88	51.16	66.84	57.36	51.64	51.22	51.10	51.14	51.00	50.48	50.2	56.7	51.1
% Chg Same Qtr Last Yr.....	1.9	3.2	3.0	4.7	33.5	12.7	1.5	0.1	-23.6	-10.8	-1.2	-1.4	2.04	13.10	-9.93
STATE & LOCAL.....	378.93	373.37	391.46	387.03	381.99	375.18	391.46	386.55	381.24	373.99	389.84	385.21	381.4	383.9	382.9
% Chg Same Qtr Last Yr.....	1.02	1.71	1.57	1.34	0.81	0.49	0.00	-0.12	-0.20	-0.32	-0.41	-0.35	1.18	0.66	-0.26

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL DURABLE GOODS.....	191.9	193.1	188.7	186.6	185.1	185.1	185.2	185.9	187.0	188.5	188.6	189.2	193.4	185.5	187.5
% Chg Same Qtr Last Yr.....	-15.04	-12.67	-11.20	-6.73	-3.53	-4.13	-1.87	-0.39	1.05	1.85	1.85	1.79	-0.13	-0.04	0.01
WOOD PRODUCTS.....	11.9	12.0	11.6	11.1	11.0	11.1	11.0	10.8	10.9	11.1	11.2	10.9	12.0	11.0	11.0
% Chg Same Qtr Last Yr.....	-18.31	-15.73	-14.95	-10.84	-7.75	-7.29	-4.55	-2.42	-0.67	0.09	1.03	1.26	-0.17	-0.08	0.00
NONMETALLIC MINERALS.....	13.3	13.1	12.5	12.1	12.3	12.3	12.2	12.0	12.3	12.4	12.4	12.2	13.1	12.2	12.3
% Chg Same Qtr Last Yr.....	-9.75	-9.84	-12.34	-9.69	-7.50	-6.42	-2.00	-0.75	0.07	0.59	1.06	1.57	-0.10	-0.06	0.00
PRIMARY METALS.....	9.8	9.9	9.9	9.8	9.7	9.7	9.7	9.7	9.6	9.7	9.8	9.8	10.0	9.7	9.7
% Chg Same Qtr Last Yr.....	-12.76	-10.51	-7.47	-3.17	-1.51	-2.54	-2.12	-1.85	-0.20	0.54	0.74	0.99	-0.11	-0.02	0.00
FABRICATED METALS.....	34.8	35.4	34.9	34.8	34.1	34.2	33.9	34.0	34.0	34.4	34.3	34.5	35.4	34.2	34.2
% Chg Same Qtr Last Yr.....	-13.58	-10.99	-8.81	-4.75	-1.90	-3.32	-2.76	-2.15	-0.52	0.74	1.23	1.46	-0.11	-0.03	0.00
MACHINERY.....	29.0	28.8	27.6	28.1	27.7	27.0	26.5	27.5	27.7	27.5	27.2	28.1	28.8	27.3	27.5
% Chg Same Qtr Last Yr.....	-8.91	-6.69	-7.89	-6.29	-4.42	-6.30	-3.76	-1.83	-0.05	1.74	2.36	2.17	-0.08	-0.05	0.01
COMPUTERS & ELECTRONICS.....	6.5	6.5	6.3	6.1	5.9	5.9	5.8	5.5	5.4	5.4	5.3	5.1	6.5	5.9	5.4
% Chg Same Qtr Last Yr.....	-16.02	-11.71	-10.86	-9.09	-8.15	-10.43	-8.26	-8.79	-8.83	-8.20	-8.13	-7.07	-0.13	-0.09	-0.08
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	18.4	18.4	18.3	18.1	18.0	17.9	18.0	17.9	17.9	18.0	18.1	18.0	18.6	18.0	18.0
% Chg Same Qtr Last Yr.....	-11.54	-10.37	-8.72	-6.67	-2.41	-2.66	-1.75	-0.97	-0.47	0.25	0.51	0.76	-0.10	-0.03	0.00
TRANSPORTATION EQUIPMENT.....	42.3	43.3	42.7	42.3	42.2	42.9	44.0	44.6	45.3	45.9	46.4	46.6	43.3	42.9	45.6
% Chg Same Qtr Last Yr.....	-23.12	-19.13	-15.69	-6.01	-0.20	-0.82	3.00	5.63	7.23	7.02	5.36	4.31	-0.19	-0.01	0.06
FURNITURE.....	12.3	12.0	11.7	11.3	11.1	10.9	10.9	10.8	10.8	10.9	10.9	10.9	12.2	11.1	10.9
% Chg Same Qtr Last Yr.....	-16.55	-16.05	-14.67	-11.34	-9.31	-9.17	-6.73	-5.02	-2.51	-0.51	0.26	0.97	-0.16	-0.09	-0.02
MISCELLANEOUS DURABLE GOODS.....	13.7	13.6	13.3	13.0	13.1	13.2	13.1	13.0	13.2	13.2	13.1	13.0	13.6	13.1	13.1
% Chg Same Qtr Last Yr.....	-8.89	-8.13	-6.98	-5.97	-4.14	-2.85	-1.55	-0.21	0.40	0.36	0.37	0.29	-0.08	-0.04	0.00

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONDURABLE GOODS.....	129.1	128.3	128.1	125.9	126.7	126.5	126.0	124.4	125.5	125.5	125.1	123.7	128.9	126.3	125.1
% Chg Same Qtr Last Yr.....	-8.61	-8.49	-6.49	-3.39	-1.85	-1.35	-1.59	-1.20	-0.93	-0.78	-0.74	-0.61	-7.79	-2.05	-0.91
FOOD.....	30.3	30.0	30.6	30.4	30.5	30.4	30.6	30.3	30.5	30.4	30.6	30.4	30.3	30.5	30.5
% Chg Same Qtr Last Yr.....	-6.39	-6.55	-3.42	0.12	0.72	1.61	-0.01	-0.22	-0.07	-0.06	-0.05	0.14	-5.52	0.61	-0.10
BEVERAGE & TOBACCO.....	4.7	4.6	4.4	4.4	4.5	4.5	4.4	4.4	4.5	4.4	4.4	4.3	4.6	4.4	4.4
% Chg Same Qtr Last Yr.....	-7.89	-8.67	-8.28	-5.73	-4.03	-2.15	-0.23	-0.28	-0.47	-0.72	-0.92	-1.02	-8.03	-3.08	-0.60
TEXTILE MILLS, TEXTILE MILL															
PRODUCTS & APPAREL.....	13.0	12.8	12.8	12.5	12.5	12.4	12.4	12.0	12.0	11.9	11.8	11.5	13.0	12.5	11.9
% Chg Same Qtr Last Yr.....	-13.14	-13.93	-11.53	-7.02	-3.47	-2.59	-3.68	-4.19	-4.22	-4.33	-4.31	-4.46	-11.86	-4.23	-4.26
PAPER.....	16.3	16.1	15.8	15.4	15.7	15.9	15.6	15.4	15.7	15.9	15.6	15.4	16.1	15.7	15.7
% Chg Same Qtr Last Yr.....	-5.97	-6.56	-5.80	-4.65	-3.46	-1.55	-0.89	0.08	0.13	-0.10	-0.06	-0.11	-5.91	-2.65	0.01
PRINTING & RELATED SUPPORT.....	14.0	13.9	13.7	13.1	13.1	13.2	13.1	12.6	12.6	12.8	12.6	12.1	14.0	13.1	12.7
% Chg Same Qtr Last Yr.....	-12.13	-12.42	-11.10	-8.07	-6.43	-4.48	-4.59	-4.08	-3.76	-3.43	-3.46	-3.66	-11.67	-5.92	-3.68
CHEMICALS.....	26.2	25.8	25.8	25.6	25.5	25.3	25.3	25.2	25.4	25.3	25.4	25.4	26.0	25.4	25.3
% Chg Same Qtr Last Yr.....	-5.53	-5.95	-4.68	-2.57	-2.50	-2.07	-1.86	-1.36	-0.56	0.28	0.55	0.89	-5.16	-2.25	-0.28
PLASTICS & RUBBER.....	23.0	22.2	22.6	22.5	22.9	22.7	22.7	22.5	23.0	22.8	22.7	22.6	22.8	22.7	22.8
% Chg Same Qtr Last Yr.....	-11.44	-12.71	-8.61	-3.87	-0.20	2.35	0.41	0.29	0.17	0.22	0.20	0.38	-11.03	-0.37	0.22
MISCELLANEOUS NONDURABLE GOODS.....	1.7	3.0	2.4	2.0	1.9	2.1	2.0	1.9	1.9	2.0	1.9	1.9	2.2	2.0	1.9
% Chg Same Qtr Last Yr.....	-13.56	28.99	16.77	13.93	11.93	-30.36	-16.81	-4.79	-1.45	-2.40	-3.45	-2.81	5.69	-9.66	-3.04

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONFARM.....	2662.5	2652.6	2649.2	2646.1	2660.2	2650.5	2650.5	2658.4	2668.2	2677.6	2687.8	2697.9	2664.8	2651.8	2673.0
% Chg Prev Qtr SAAR.....	-4.72	-1.48	-0.51	-0.46	2.15	-1.46	0.01	1.19	1.48	1.43	1.53	1.51	-4.04	-0.49	0.80
% Chg Same Qtr Last Yr.....	-4.61	-4.19	-3.38	-1.81	-0.09	-0.08	0.05	0.46	0.30	1.02	1.41	1.49	-4.04	-0.49	0.80
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	108.9	104.2	100.0	97.9	96.4	95.0	95.1	95.0	95.6	96.3	97.0	97.7	107.4	96.1	96.0
% Chg Prev Qtr SAAR.....	-23.39	-16.08	-15.24	-8.02	-5.91	-5.73	0.25	-0.42	2.63	2.86	3.07	2.79	-19.60	-10.47	-0.15
% Chg Same Qtr Last Yr.....	-19.62	-21.16	-22.34	-15.86	-11.42	-8.81	-4.90	-3.00	-0.87	1.32	2.02	2.84	-19.60	-10.47	-0.15
MANUFACTURING.....	320.7	320.2	316.7	313.9	311.6	310.5	311.1	311.7	312.4	312.9	313.6	314.2	322.4	311.8	312.6
% Chg Prev Qtr SAAR.....	-12.84	-0.64	-4.26	-3.47	-2.94	-1.39	0.81	0.69	0.90	0.76	0.88	0.74	-10.91	-3.28	0.28
% Chg Same Qtr Last Yr.....	-12.56	-11.08	-9.35	-5.41	-2.84	-3.02	-1.76	-0.72	0.25	0.79	0.80	0.82	-10.91	-3.28	0.28
DURABLE GOODS.....	191.9	192.5	188.9	186.9	185.2	184.5	185.4	186.2	187.1	187.9	188.8	189.5	193.4	185.5	187.5
% Chg Prev Qtr SAAR.....	-15.94	1.24	-7.23	-4.17	-3.67	-1.44	1.89	1.77	2.05	1.71	1.87	1.51	-12.87	-4.11	1.09
% Chg Same Qtr Last Yr.....	-15.03	-12.70	-11.19	-6.74	-3.50	-4.15	-1.88	-0.39	1.05	1.85	1.85	1.78	-12.87	-4.11	1.09
NONDURABLE GOODS.....	128.8	127.7	127.8	127.0	126.4	126.0	125.8	125.5	125.2	125.0	124.8	124.7	128.9	126.3	125.1
% Chg Prev Qtr SAAR.....	-7.93	-3.39	0.35	-2.44	-1.85	-1.30	-0.75	-0.89	-0.79	-0.66	-0.60	-0.42	-7.80	-2.05	-0.91
% Chg Same Qtr Last Yr.....	-8.61	-8.52	-6.49	-3.40	-1.84	-1.32	-1.59	-1.20	-0.93	-0.77	-0.74	-0.62	-7.80	-2.05	-0.91
TRADE, TRANSPORTATION, UTILITIES.....	575.0	571.6	566.4	565.3	565.0	564.8	565.5	567.1	569.4	571.8	575.1	578.2	573.5	565.2	570.9
% Chg Prev Qtr SAAR.....	-4.13	-2.36	-3.62	-0.78	-0.19	-0.11	0.51	1.10	1.66	1.69	2.29	2.21	-4.61	-1.46	1.01
% Chg Same Qtr Last Yr.....	-4.90	-4.88	-3.81	-2.73	-1.75	-1.19	-0.14	0.33	0.79	1.24	1.68	1.96	-4.61	-1.46	1.01
WHOLESALE TRADE.....	125.5	125.3	125.5	125.9	126.2	126.3	126.5	126.6	127.3	128.0	128.9	129.8	126.1	126.2	127.7
% Chg Prev Qtr SAAR.....	-7.95	-0.51	0.43	1.32	0.88	0.43	0.61	0.29	2.24	2.38	2.81	2.66	-4.87	0.08	1.19
% Chg Same Qtr Last Yr.....	-5.72	-5.38	-4.19	-1.75	0.53	0.76	0.81	0.55	0.89	1.37	1.92	2.52	-4.87	0.08	1.19
RETAIL TRADE.....	314.3	312.8	307.9	306.4	306.4	307.0	307.5	308.7	309.9	311.0	312.7	314.6	312.5	306.8	310.5
% Chg Prev Qtr SAAR.....	-0.81	-1.94	-6.13	-1.96	0.03	0.81	0.69	1.49	1.54	1.46	2.21	2.42	-4.10	-1.81	1.21
% Chg Same Qtr Last Yr.....	-4.04	-4.18	-3.10	-2.73	-2.53	-1.85	-0.11	0.75	1.13	1.29	1.68	1.91	-4.10	-1.81	1.21
TRANSPORTATION & UTILITIES.....	135.2	133.5	133.0	133.0	132.4	131.5	131.5	131.8	132.3	132.8	133.5	133.9	134.9	132.1	132.6
% Chg Prev Qtr SAAR.....	-7.96	-5.02	-1.42	0.00	-1.69	-2.72	-0.02	0.98	1.39	1.57	1.95	1.30	-5.53	-2.08	0.36
% Chg Same Qtr Last Yr.....	-6.08	-6.02	-5.09	-3.65	-2.05	-1.46	-1.12	-0.87	-0.11	0.98	1.47	1.55	-5.53	-2.08	0.36
INFORMATION.....	46.9	46.2	46.4	46.4	46.4	46.5	46.7	46.9	47.0	47.3	47.4	47.6	46.8	46.5	47.1
% Chg Prev Qtr SAAR.....	-7.58	-5.57	1.02	0.52	0.00	0.93	1.27	1.89	1.00	2.24	1.36	1.15	-6.85	-0.70	1.38
% Chg Same Qtr Last Yr.....	-7.92	-7.78	-5.08	-2.97	-1.04	0.62	0.68	1.02	1.27	1.60	1.62	1.44	-6.85	-0.70	1.38
FINANCIAL ACTIVITIES.....	138.1	136.6	137.0	137.2	137.3	137.3	137.3	137.5	137.8	138.1	138.5	138.8	137.8	137.3	138.0
% Chg Prev Qtr SAAR.....	-3.96	-4.28	1.19	0.53	0.37	0.00	0.16	0.40	0.92	1.01	0.99	0.97	-4.98	-0.37	0.51
% Chg Same Qtr Last Yr.....	-4.93	-5.69	-4.97	-1.66	-0.57	0.52	0.26	0.23	0.37	0.62	0.83	0.97	-4.98	-0.37	0.51

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
PROFESSIONAL & BUSINESS SERVICES...	305.5	303.2	309.0	309.7	311.1	312.0	313.5	315.8	318.0	320.4	322.7	324.7	307.2	311.6	319.2
% Chg Prev Qtr SAAR.....	-7.29	-2.98	7.96	0.85	1.79	1.21	1.90	3.00	2.86	3.00	2.91	2.48	-4.51	1.40	2.46
% Chg Same Qtr Last Yr.....	-6.24	-5.51	-1.80	-0.52	1.83	2.91	1.44	1.97	2.24	2.69	2.94	2.81	-4.51	1.40	2.46
EDUCATION & HEALTH SERVICES.....	364.9	365.3	371.0	372.5	373.5	374.6	376.1	378.2	381.1	383.5	385.0	386.6	366.6	374.2	381.9
% Chg Prev Qtr SAAR.....	-0.29	0.44	6.32	1.70	1.01	1.24	1.63	2.21	3.05	2.54	1.61	1.74	2.43	2.07	2.07
% Chg Same Qtr Last Yr.....	2.22	2.23	2.28	2.01	2.34	2.54	1.39	1.52	2.03	2.36	2.35	2.23	2.43	2.07	2.07
LEISURE & HOSPITALITY.....	270.4	272.1	268.0	267.9	268.1	268.4	269.2	270.5	271.6	272.2	273.5	275.1	270.7	268.4	272.0
% Chg Prev Qtr SAAR.....	-2.71	2.49	-5.88	-0.21	0.33	0.40	1.25	2.03	1.52	0.98	1.87	2.43	-1.79	-0.86	1.34
% Chg Same Qtr Last Yr.....	-1.49	-0.96	-2.78	-1.63	-0.87	-1.38	0.44	1.00	1.30	1.44	1.60	1.70	-1.79	-0.86	1.34
OTHER SERVICES.....	101.2	100.3	100.1	100.1	100.1	100.2	100.5	100.8	101.1	101.4	101.8	102.1	100.8	100.2	101.3
% Chg Prev Qtr SAAR.....	-1.31	-3.64	-0.53	-0.18	0.16	0.20	1.47	1.05	1.12	1.16	1.68	1.14	-2.67	-0.54	1.03
% Chg Same Qtr Last Yr.....	-3.37	-2.37	-1.51	-1.42	-1.06	-0.09	0.41	0.72	0.96	1.20	1.25	1.27	-2.67	-0.54	1.03
GOVERNMENT.....	430.9	432.9	434.7	435.3	450.8	441.2	435.4	434.9	434.2	433.7	433.2	432.8	431.6	440.7	434.0
% Chg Prev Qtr SAAR.....	2.88	1.89	1.61	0.58	15.00	-8.27	-5.09	-0.47	-0.61	-0.47	-0.49	-0.34	1.29	2.10	-1.51
% Chg Same Qtr Last Yr.....	1.14	1.88	1.74	1.74	4.61	1.90	0.18	-0.09	-3.67	-1.68	-0.51	-0.48	1.29	2.10	-1.51
FEDERAL, CIVILIAN.....	50.1	50.8	50.7	51.4	66.9	57.2	51.5	51.5	51.2	51.0	50.8	50.7	50.2	56.7	51.1
% Chg Prev Qtr SAAR.....	8.82	5.09	-0.38	5.52	187.64	-46.71	-34.42	-0.08	-2.20	-1.39	-1.21	-0.94	2.04	13.10	-9.93
% Chg Same Qtr Last Yr.....	1.91	3.20	3.00	4.71	33.51	12.67	1.49	0.11	-23.55	-10.84	-1.22	-1.44	2.04	13.10	-9.93
STATE & LOCAL.....	380.8	382.2	384.0	383.9	383.8	384.0	384.0	383.5	383.1	382.7	382.4	382.1	381.4	383.9	382.9
% Chg Prev Qtr SAAR.....	2.12	1.47	1.88	-0.06	-0.06	0.13	0.00	-0.52	-0.40	-0.35	-0.39	-0.26	1.19	0.65	-0.26
% Chg Same Qtr Last Yr.....	1.04	1.71	1.57	1.35	0.80	0.47	0.00	-0.11	-0.20	-0.32	-0.42	-0.35	1.19	0.65	-0.26
STATISTICAL DISCREPANCY (%).....	0.12	-0.03	-	-	-	-	-	-	-	-	-	-	-	-	-

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL DURABLE GOODS.....	191.9	192.5	188.9	186.9	185.2	184.5	185.4	186.2	187.1	187.9	188.8	189.5	193.4	185.5	187.5
% Chg Prev Qtr SAAR.....	-15.94	1.24	-7.23	-4.17	-3.67	-1.44	1.89	1.77	2.05	1.71	1.87	1.51	-12.87	-4.11	1.09
% Chg Same Qtr Last Yr.....	-15.03	-12.70	-11.19	-6.74	-3.50	-4.15	-1.88	-0.39	1.05	1.85	1.85	1.78	-12.87	-4.11	1.09
WOOD PRODUCTS.....	12.0	11.9	11.5	11.2	11.0	11.0	10.9	10.9	11.0	11.0	11.0	11.1	12.0	11.0	11.0
% Chg Prev Qtr SAAR.....	-17.97	-3.82	-12.88	-8.03	-5.97	-2.00	-2.04	0.43	0.95	1.04	1.71	1.33	-16.77	-7.68	-0.51
% Chg Same Qtr Last Yr.....	-18.28	-15.75	-14.98	-10.83	-7.74	-7.30	-4.55	-2.42	-0.67	0.09	1.03	1.26	-16.77	-7.68	-0.51
NONMETALLIC MINERALS.....	13.2	13.0	12.4	12.3	12.2	12.2	12.2	12.2	12.2	12.3	12.3	12.4	13.1	12.2	12.3
% Chg Prev Qtr SAAR.....	-11.02	-5.38	-16.88	-4.94	-1.99	-1.00	0.02	0.00	1.26	1.08	1.91	2.02	-10.42	-6.49	0.24
% Chg Same Qtr Last Yr.....	-9.72	-9.84	-12.35	-9.69	-7.48	-6.43	-2.00	-0.75	0.07	0.59	1.06	1.57	-10.42	-6.49	0.24
PRIMARY METALS.....	9.9	9.9	9.9	9.8	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.8	9.9	9.7	9.7
% Chg Prev Qtr SAAR.....	-11.72	2.39	-1.60	-1.07	-5.55	-1.93	0.18	0.00	0.96	1.03	0.99	0.98	-10.57	-2.34	-0.20
% Chg Same Qtr Last Yr.....	-12.75	-10.55	-7.49	-3.15	-1.50	-2.55	-2.12	-1.85	-0.20	0.54	0.74	0.99	-10.57	-2.34	-0.20
FABRICATED METALS.....	34.9	35.2	34.9	34.8	34.2	34.0	34.0	34.0	34.1	34.2	34.4	34.5	35.4	34.2	34.2
% Chg Prev Qtr SAAR.....	-16.49	3.04	-2.41	-1.95	-5.99	-3.00	0.01	0.50	0.47	1.98	2.00	1.39	-10.72	-3.20	-0.19
% Chg Same Qtr Last Yr.....	-13.53	-11.04	-8.82	-4.74	-1.88	-3.35	-2.76	-2.15	-0.52	0.74	1.23	1.46	-10.72	-3.20	-0.19
MACHINERY.....	28.6	28.9	28.1	27.7	27.4	27.1	27.1	27.2	27.4	27.6	27.7	27.8	28.8	27.3	27.5
% Chg Prev Qtr SAAR.....	-12.49	4.05	-10.14	-5.87	-5.03	-4.07	0.02	1.93	2.05	3.00	2.47	1.16	-7.58	-5.21	0.54
% Chg Same Qtr Last Yr.....	-8.84	-6.70	-7.90	-6.32	-4.38	-6.31	-3.76	-1.83	-0.05	1.74	2.36	2.17	-7.58	-5.21	0.54
COMPUTERS & ELECTRONICS.....	6.5	6.5	6.2	6.1	6.0	5.8	5.7	5.6	5.4	5.4	5.3	5.2	6.5	5.9	5.4
% Chg Prev Qtr SAAR.....	-13.56	1.77	-15.57	-8.00	-10.00	-8.04	-6.96	-10.13	-10.14	-5.47	-6.70	-5.91	-13.27	-9.00	-8.49
% Chg Same Qtr Last Yr.....	-16.03	-11.77	-10.82	-9.08	-8.16	-10.46	-8.26	-8.79	-8.83	-8.20	-8.13	-7.07	-13.27	-9.00	-8.49
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	18.5	18.4	18.2	18.1	18.0	17.9	17.9	17.9	17.9	18.0	18.0	18.1	18.6	18.0	18.0
% Chg Prev Qtr SAAR.....	-18.08	-0.68	-3.82	-3.00	-2.01	-1.92	-0.04	0.11	0.00	0.93	1.02	1.09	-9.61	-3.42	-0.17
% Chg Same Qtr Last Yr.....	-11.50	-10.43	-8.74	-6.66	-2.38	-2.69	-1.75	-0.97	-0.47	0.25	0.51	0.76	-9.61	-3.42	-0.17
TRANSPORTATION EQUIPMENT.....	42.5	43.2	42.6	42.3	42.4	42.8	43.9	44.7	45.5	45.8	46.2	46.6	43.3	42.9	45.6
% Chg Prev Qtr SAAR.....	-20.64	6.69	-5.28	-2.69	0.97	3.84	10.31	7.64	7.23	3.03	3.62	3.41	-19.40	-1.08	6.30
% Chg Same Qtr Last Yr.....	-23.09	-19.19	-15.68	-6.01	-0.18	-0.85	3.00	5.63	7.23	7.02	5.36	4.31	-19.40	-1.08	6.30
FURNITURE.....	12.3	12.0	11.6	11.4	11.1	10.9	10.9	10.8	10.8	10.9	10.9	10.9	12.2	11.1	10.9
% Chg Prev Qtr SAAR.....	-16.81	-7.45	-11.87	-8.86	-9.00	-6.89	-2.01	-1.98	1.01	0.97	1.09	0.81	-15.74	-9.19	-1.98
% Chg Same Qtr Last Yr.....	-16.56	-16.05	-14.68	-11.32	-9.31	-9.17	-6.73	-5.02	-2.51	-0.51	0.26	0.97	-15.74	-9.19	-1.98
MISCELLANEOUS DURABLE GOODS.....	13.6	13.5	13.3	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.6	13.1	13.1
% Chg Prev Qtr SAAR.....	-9.26	-4.90	-4.83	-4.82	-2.00	0.35	0.35	0.50	0.39	0.21	0.40	0.18	-7.90	-3.66	0.23
% Chg Same Qtr Last Yr.....	-8.89	-8.12	-6.98	-5.97	-4.15	-2.85	-1.55	-0.21	0.40	0.36	0.37	0.29	-7.90	-3.66	0.23

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONDURABLE GOODS.....	128.8	127.7	127.8	127.0	126.4	126.0	125.8	125.5	125.2	125.0	124.8	124.7	128.9	126.3	125.1
% Chg Prev Qtr SAAR.....	-7.93	-3.39	0.35	-2.44	-1.85	-1.30	-0.75	-0.89	-0.79	-0.66	-0.60	-0.42	-7.80	-2.05	-0.91
% Chg Same Qtr Last Yr.....	-8.61	-8.52	-6.49	-3.40	-1.84	-1.32	-1.59	-1.20	-0.93	-0.77	-0.74	-0.62	-7.80	-2.05	-0.91
FOOD.....	30.3	30.0	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.4	30.5	30.5	30.3	30.5	30.5
% Chg Prev Qtr SAAR.....	-2.98	-3.61	6.81	0.54	-0.55	-0.19	0.18	-0.31	0.04	-0.13	0.20	0.44	-5.53	0.60	-0.10
% Chg Same Qtr Last Yr.....	-6.38	-6.54	-3.42	0.11	0.73	1.61	-0.01	-0.22	-0.07	-0.06	-0.05	0.14	-5.53	0.60	-0.10
BEVERAGE & TOBACCO.....	4.6	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.6	4.4	4.4
% Chg Prev Qtr SAAR.....	-7.51	-7.53	-7.54	-0.22	-0.50	-0.07	-0.12	-0.41	-1.29	-1.05	-0.93	-0.80	-8.03	-3.08	-0.60
% Chg Same Qtr Last Yr.....	-7.86	-8.64	-8.31	-5.75	-4.01	-2.13	-0.23	-0.28	-0.47	-0.72	-0.92	-1.02	-8.03	-3.08	-0.60
TEXTILE MILLS, TEXTILE MILL															
PRODUCTS & APPAREL.....	13.0	12.7	12.7	12.7	12.5	12.4	12.3	12.1	12.0	11.9	11.7	11.6	13.0	12.5	11.9
% Chg Prev Qtr SAAR.....	-17.26	-7.56	-0.09	-2.14	-3.88	-4.26	-4.43	-4.20	-4.00	-4.69	-4.34	-4.80	-11.85	-4.23	-4.26
% Chg Same Qtr Last Yr.....	-13.11	-13.96	-11.57	-7.01	-3.46	-2.61	-3.68	-4.19	-4.22	-4.33	-4.31	-4.46	-11.85	-4.23	-4.26
PAPER.....	16.2	15.9	15.8	15.6	15.7	15.7	15.7	15.7	15.7	15.7	15.6	15.6	16.1	15.7	15.7
% Chg Prev Qtr SAAR.....	-4.63	-7.16	-3.07	-3.72	0.20	0.51	-0.49	0.12	0.38	-0.42	-0.33	-0.08	-5.90	-2.66	0.01
% Chg Same Qtr Last Yr.....	-6.01	-6.54	-5.79	-4.66	-3.47	-1.54	-0.89	0.08	0.13	-0.10	-0.06	-0.11	-5.90	-2.66	0.01
PRINTING & RELATED SUPPORT.....	14.1	13.7	13.6	13.4	13.2	13.0	12.9	12.8	12.7	12.6	12.5	12.4	14.0	13.1	12.7
% Chg Prev Qtr SAAR.....	-11.56	-12.50	-2.94	-5.05	-4.91	-5.00	-3.40	-3.00	-3.63	-3.70	-3.53	-3.79	-11.67	-5.94	-3.69
% Chg Same Qtr Last Yr.....	-12.11	-12.42	-11.08	-8.10	-6.42	-4.48	-4.59	-4.08	-3.76	-3.43	-3.46	-3.66	-11.67	-5.94	-3.69
CHEMICALS.....	26.1	25.8	25.8	25.6	25.4	25.3	25.3	25.3	25.3	25.4	25.4	25.5	26.0	25.4	25.3
% Chg Prev Qtr SAAR.....	-3.31	-3.86	-1.03	-2.02	-3.05	-2.20	-0.14	0.00	0.11	1.17	0.91	1.39	-5.16	-2.25	-0.28
% Chg Same Qtr Last Yr.....	-5.51	-5.97	-4.69	-2.56	-2.50	-2.08	-1.86	-1.36	-0.56	0.28	0.55	0.89	-5.16	-2.25	-0.28
PLASTICS & RUBBER.....	22.7	22.2	22.7	22.7	22.7	22.7	22.7	22.7	22.7	22.8	22.8	22.8	22.8	22.7	22.8
% Chg Prev Qtr SAAR.....	-13.47	-9.26	8.56	0.16	0.48	0.48	0.50	-0.29	0.00	0.69	0.42	0.40	-11.02	-0.38	0.22
% Chg Same Qtr Last Yr.....	-11.46	-12.69	-8.60	-3.88	-0.22	2.36	0.41	0.29	0.17	0.22	0.20	0.38	-11.02	-0.38	0.22
MISCELLANEOUS NONDURABLE GOODS...	1.8	2.8	2.4	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	2.2	2.0	1.9
% Chg Prev Qtr SAAR.....	-10.00	577.62	-51.27	-43.08	-16.11	-0.09	0.37	-2.34	-3.68	-3.91	-3.88	0.28	5.14	-9.12	-3.05
% Chg Same Qtr Last Yr.....	-13.36	28.24	16.94	14.04	12.06	-30.56	-16.81	-4.79	-1.45	-2.40	-3.45	-2.81	5.14	-9.12	-3.05

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Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2005 dollars) January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONFARM.....	37209	37213	37090	38030	37822	37859	37641	38408	38005	38139	38002	38808	37271	37838	38139
% Chg Same Qtr Last Yr.....	0.32	0.37	-0.59	1.21	1.65	1.74	1.49	0.99	0.49	0.74	0.96	1.04	-0.22	1.52	0.79
NATURAL RESOURCES, MINING															
AND CONSTRUCTION.....	43197	42959	43455	44606	42761	42468	43565	45105	43141	42829	43950	45531	43699	43350	43756
% Chg Same Qtr Last Yr.....	6.06	5.54	3.55	-1.28	-1.01	-1.14	0.25	1.12	0.89	0.85	0.88	0.94	5.05	-0.80	0.94
MANUFACTURING.....	43136	42762	43447	44491	44470	44430	44672	44962	44833	44771	45030	45345	42745	44516	44899
% Chg Same Qtr Last Yr.....	-0.54	-3.35	-1.75	6.86	3.09	3.90	2.82	1.06	0.81	0.77	0.80	0.85	-3.14	4.14	0.86
DURABLE GOODS.....	41508	40960	42027	43127	43247	43158	43412	43503	43529	43424	43696	43811	41209	43236	43538
% Chg Same Qtr Last Yr.....	-2.58	-7.74	-2.68	6.90	4.19	5.37	3.30	0.87	0.65	0.62	0.65	0.71	-4.76	4.92	0.70
NONDURABLE GOODS.....	45556	45476	45538	46512	46258	46289	46522	47143	46776	46794	47043	47692	45049	46395	46939
% Chg Same Qtr Last Yr.....	2.16	3.35	-0.62	6.62	1.54	1.79	2.16	1.36	1.12	1.09	1.12	1.17	-1.01	2.99	1.17
TRADE, TRANSPORTATION, UTILITIES.....	34011	33999	33708	35077	34904	34894	34421	35403	35155	35166	34708	35731	34127	34824	35108
% Chg Same Qtr Last Yr.....	-2.92	-1.26	-2.80	0.82	2.62	2.63	2.11	0.93	0.72	0.78	0.84	0.93	-2.31	2.04	0.82
WHOLESALE TRADE.....	50419	49755	50182	51338	51247	51247	51441	52080	51867	51845	52057	52732	50508	51318	51962
% Chg Same Qtr Last Yr.....	-2.13	-1.89	-2.63	-0.65	1.64	3.00	2.51	1.44	1.21	1.17	1.20	1.25	-1.84	1.61	1.25
RETAIL TRADE.....	23553	23656	23155	24235	24163	24302	23643	24452	24325	24457	23802	24632	23625	24086	24259
% Chg Same Qtr Last Yr.....	-3.46	-1.12	-2.06	0.41	2.59	2.73	2.11	0.90	0.67	0.64	0.67	0.73	-2.28	1.95	0.72
TRANSPORTATION & UTILITIES.....	43021	43182	43028	44248	44109	43948	43702	44609	44369	44192	43961	44901	43148	44002	44283
% Chg Same Qtr Last Yr.....	-2.04	0.09	-3.01	2.05	2.53	1.77	1.57	0.82	0.59	0.56	0.59	0.66	-2.24	1.98	0.64
INFORMATION.....	48639	48816	48450	49020	48857	48949	48925	49657	49377	49452	49442	50210	48691	48937	49482
% Chg Same Qtr Last Yr.....	5.83	1.57	-3.44	0.33	0.45	0.27	0.98	1.30	1.07	1.03	1.06	1.12	1.93	0.51	1.11
FINANCIAL ACTIVITIES.....	54288	55264	54882	55441	55451	55588	55719	56402	56278	56392	56539	57261	54998	55550	56403
% Chg Same Qtr Last Yr.....	2.01	5.65	5.13	-0.21	2.14	0.59	1.53	1.73	1.49	1.45	1.47	1.52	4.17	1.00	1.54
PROFESSIONAL & BUSINESS SERVICES.....	41882	41699	41379	43170	42783	42576	42336	44076	43613	43390	43178	44978	41827	42716	43564
% Chg Same Qtr Last Yr.....	3.47	4.56	0.08	1.94	2.15	2.10	2.31	2.10	1.94	1.91	1.99	2.05	2.02	2.13	1.99
EDUCATION & HEALTH SERVICES.....	39600	39870	39649	40138	40137	40219	40132	40549	40457	40525	40451	40896	39685	40157	40496
% Chg Same Qtr Last Yr.....	1.27	1.30	0.95	1.31	1.36	0.88	1.22	1.03	0.80	0.76	0.79	0.86	1.15	1.19	0.84
LEISURE & HOSPITALITY.....	17525	17317	17870	18377	17397	17301	17995	18559	17530	17427	18132	18712	17777	17768	17912
% Chg Same Qtr Last Yr.....	-1.11	-1.45	-1.55	-0.10	-0.73	-0.09	0.70	0.99	0.76	0.73	0.76	0.82	-2.00	-0.05	0.81
OTHER SERVICES.....	34759	35327	35629	35954	35365	35503	35875	36079	35439	35584	35992	36218	35213	35674	35774
% Chg Same Qtr Last Yr.....	1.53	2.07	-1.13	2.33	1.74	0.50	0.69	0.35	0.21	0.23	0.33	0.39	0.83	1.31	0.28
GOVERNMENT.....	36653	36848	35428	35869	36910	37319	35504	35869	36070	37056	35639	36066	36300	36401	36159
% Chg Same Qtr Last Yr.....	1.67	0.76	0.40	-1.11	0.70	1.28	0.21	0.00	-2.27	-0.71	0.38	0.55	1.08	0.28	-0.66
FEDERAL, CIVILIAN.....	59967	60133	59970	60652	60630	60393	60565	61210	61231	61135	61323	62043	60052	60560	61225
% Chg Same Qtr Last Yr.....	2.53	4.75	3.89	0.86	1.10	0.43	0.99	0.92	0.99	1.23	1.25	1.36	3.05	0.85	1.10
STATE & LOCAL.....	33572	33674	32184	32593	33018	33556	32145	32514	32946	33545	32226	32663	33162	32828	32808
% Chg Same Qtr Last Yr.....	1.39	-0.29	-0.70	-1.88	-1.65	-0.35	-0.12	-0.24	-0.22	-0.03	0.25	0.46	0.50	-1.01	-0.06

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars)

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONFARM.....	37261	37260	37368	37623	37909	37886	37925	37997	38093	38171	38288	38390	37268	37836	38137
% Chg Prev Qtr SAAR.....	0.86	-0.01	1.17	2.75	3.07	-0.24	0.41	0.76	1.01	0.83	1.23	1.07	-0.21	1.52	0.80
% Chg Same Qtr Last Yr.....	0.30	0.38	-0.59	1.19	1.74	1.68	1.49	0.99	0.48	0.75	0.96	1.03	-0.21	1.52	0.80
NATURAL RESOURCES, MINING															
AND CONSTRUCTION.....	43752	43908	43398	43111	43311	43405	43509	43594	43696	43775	43893	44005	43682	43334	43739
% Chg Prev Qtr SAAR.....	0.76	1.43	-4.56	-2.62	1.87	0.87	0.96	0.78	0.94	0.73	1.09	1.02	5.14	-0.80	0.94
% Chg Same Qtr Last Yr.....	6.32	5.58	3.55	-1.28	-1.01	-1.14	0.25	1.12	0.89	0.85	0.88	0.94	5.14	-0.80	0.94
MANUFACTURING.....	43170	42918	43461	44293	44498	44590	44687	44765	44859	44931	45044	45150	42750	44517	44900
% Chg Prev Qtr SAAR.....	17.66	-2.31	5.16	7.88	1.86	0.84	0.87	0.70	0.85	0.64	1.01	0.95	-3.13	4.13	0.86
% Chg Same Qtr Last Yr.....	-0.55	-3.31	-1.75	6.86	3.08	3.90	2.82	1.06	0.81	0.76	0.80	0.86	-3.13	4.13	0.86
DURABLE GOODS.....	41502	41082	41988	43056	43229	43296	43374	43433	43509	43562	43655	43742	41211	43239	43540
% Chg Prev Qtr SAAR.....	12.78	-3.98	9.11	10.57	1.61	0.63	0.72	0.54	0.70	0.49	0.86	0.80	-4.76	4.92	0.70
% Chg Same Qtr Last Yr.....	-2.60	-7.71	-2.69	6.91	4.16	5.39	3.30	0.87	0.65	0.61	0.65	0.71	-4.76	4.92	0.70
NONDURABLE GOODS.....	45655	45685	45640	46115	46356	46485	46623	46741	46878	46989	47143	47289	45056	46395	46938
% Chg Prev Qtr SAAR.....	24.23	0.26	-0.39	4.22	2.11	1.11	1.20	1.02	1.17	0.95	1.32	1.25	-0.97	2.97	1.17
% Chg Same Qtr Last Yr.....	2.16	3.38	-0.62	6.64	1.54	1.75	2.15	1.36	1.12	1.08	1.11	1.17	-0.97	2.97	1.17
TRADE, TRANSPORTATION, UTILITIES.....	33924	33904	34214	34663	34817	34864	34937	34986	35068	35135	35229	35310	34124	34820	35104
% Chg Prev Qtr SAAR.....	-6.03	-0.24	3.71	5.36	1.78	0.55	0.84	0.56	0.94	0.77	1.08	0.92	-2.30	2.04	0.82
% Chg Same Qtr Last Yr.....	-2.91	-1.28	-2.78	0.60	2.63	2.83	2.11	0.93	0.72	0.78	0.84	0.93	-2.30	2.04	0.82
WHOLESALE TRADE.....	50445	49924	50325	50992	51271	51424	51588	51729	51890	52024	52205	52377	50505	51319	51962
% Chg Prev Qtr SAAR.....	-6.69	-4.07	3.25	5.41	2.20	1.20	1.28	1.10	1.25	1.03	1.40	1.33	-1.85	1.61	1.25
% Chg Same Qtr Last Yr.....	-2.14	-1.88	-2.63	-0.65	1.64	3.00	2.51	1.44	1.21	1.17	1.20	1.25	-1.85	1.61	1.25
RETAIL TRADE.....	23466	23476	23660	23977	24075	24114	24159	24193	24236	24268	24321	24370	23619	24081	24254
% Chg Prev Qtr SAAR.....	-6.68	0.16	3.18	5.47	1.64	0.65	0.74	0.57	0.72	0.51	0.88	0.82	-2.28	1.96	0.72
% Chg Same Qtr Last Yr.....	-3.46	-1.14	-2.07	0.43	2.60	2.72	2.11	0.90	0.67	0.64	0.67	0.73	-2.28	1.96	0.72
TRANSPORTATION & UTILITIES.....	42901	43296	43445	43822	43991	44053	44126	44179	44250	44298	44387	44469	43145	43998	44279
% Chg Prev Qtr SAAR.....	-0.33	3.73	1.38	3.52	1.55	0.57	0.66	0.49	0.64	0.44	0.80	0.74	-2.24	1.98	0.64
% Chg Same Qtr Last Yr.....	-2.01	0.04	-3.01	2.06	2.54	1.75	1.57	0.82	0.59	0.56	0.59	0.66	-2.24	1.98	0.64
INFORMATION.....	48674	48887	48682	48644	48891	49020	49158	49276	49412	49523	49678	49826	48681	48928	49472
% Chg Prev Qtr SAAR.....	1.59	1.76	-1.67	-0.31	2.05	1.05	1.14	0.96	1.11	0.90	1.26	1.19	1.84	0.51	1.11
% Chg Same Qtr Last Yr.....	5.29	2.26	-3.44	0.33	0.45	0.27	0.98	1.30	1.07	1.03	1.06	1.12	1.84	0.51	1.11
FINANCIAL ACTIVITIES.....	54315	55359	55060	55136	55477	55683	55900	56092	56305	56488	56722	56946	54996	55549	56402
% Chg Prev Qtr SAAR.....	-6.62	7.91	-2.14	0.56	2.50	1.49	1.57	1.38	1.53	1.31	1.67	1.59	4.16	1.00	1.54
% Chg Same Qtr Last Yr.....	1.89	5.63	5.13	-0.21	2.14	0.59	1.53	1.73	1.49	1.45	1.47	1.52	4.16	1.00	1.54

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars)**January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
PROFESSIONAL & BUSINESS SERVICES...	41731	41947	42072	42343	42629	42828	43044	43231	43456	43648	43901	44116	41822	42711	43559
% Chg Prev Qtr SAAR.....	1.88	2.08	1.20	2.60	2.73	1.89	2.03	1.75	2.09	1.78	2.34	1.97	2.07	2.13	1.99
% Chg Same Qtr Last Yr.....	3.39	4.84	0.08	1.94	2.15	2.10	2.31	2.10	1.94	1.91	1.99	2.05	2.07	2.13	1.99
EDUCATION & HEALTH SERVICES.....	39600	39866	39816	39962	40137	40215	40302	40372	40457	40521	40622	40717	39682	40154	40493
% Chg Prev Qtr SAAR.....	1.56	2.72	-0.50	1.47	1.77	0.78	0.87	0.69	0.85	0.64	1.00	0.94	1.21	1.19	0.84
% Chg Same Qtr Last Yr.....	1.46	1.30	0.95	1.31	1.36	0.88	1.22	1.03	0.80	0.76	0.79	0.86	1.21	1.19	0.84
LEISURE & HOSPITALITY.....	17882	17801	17697	17675	17751	17784	17821	17850	17887	17914	17957	17997	17768	17758	17902
% Chg Prev Qtr SAAR.....	4.32	-1.80	-2.30	-0.50	1.73	0.74	0.83	0.66	0.81	0.60	0.97	0.90	-1.92	-0.06	0.81
% Chg Same Qtr Last Yr.....	-1.36	-1.43	-1.55	-0.10	-0.73	-0.09	0.70	0.99	0.76	0.73	0.76	0.82	-1.92	-0.06	0.81
OTHER SERVICES.....	35080	35515	35466	35612	35691	35691	35710	35736	35766	35773	35827	35873	35216	35676	35775
% Chg Prev Qtr SAAR.....	3.25	5.06	-0.56	1.66	0.90	0.00	0.21	0.29	0.34	0.08	0.61	0.52	0.80	1.31	0.28
% Chg Same Qtr Last Yr.....	1.56	2.08	-1.13	2.33	1.74	0.50	0.69	0.35	0.21	0.23	0.33	0.39	0.80	1.31	0.28
GOVERNMENT.....	36490	36110	36005	36107	36970	36390	36082	36106	36129	36133	36219	36304	36281	36387	36147
% Chg Prev Qtr SAAR.....	-0.30	-4.10	-1.16	1.13	9.91	-6.13	-3.35	0.27	0.25	0.04	0.96	0.94	1.04	0.29	-0.66
% Chg Same Qtr Last Yr.....	1.65	0.77	0.26	-1.13	1.32	0.77	0.21	0.00	-2.27	-0.71	0.38	0.55	1.04	0.29	-0.66
FEDERAL, CIVILIAN.....	59886	60297	60168	60370	60543	60571	60765	60926	61144	61315	61525	61755	60055	60562	61227
% Chg Prev Qtr SAAR.....	0.12	2.78	-0.86	1.35	1.15	0.19	1.28	1.06	1.44	1.12	1.38	1.50	3.05	0.84	1.10
% Chg Same Qtr Last Yr.....	2.51	4.79	3.89	0.84	1.10	0.45	0.99	0.92	0.99	1.23	1.25	1.36	3.05	0.84	1.10
STATE & LOCAL.....	33410	32898	32814	32858	32860	32788	32773	32776	32788	32778	32855	32927	33153	32820	32799
% Chg Prev Qtr SAAR.....	-0.98	-5.99	-1.02	0.54	0.01	-0.86	-0.18	0.03	0.15	-0.12	0.94	0.87	0.49	-1.01	-0.06
% Chg Same Qtr Last Yr.....	1.37	-0.29	-0.70	-1.89	-1.65	-0.33	-0.12	-0.25	-0.22	-0.03	0.25	0.46	0.49	-1.01	-0.06

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONFARM.....	40488	40766	40901	41990	41846	42075	42009	43063	42789	43139	43144	44229	40726	41980	43034
% Chg Same Qtr Last Yr.....	0.13	-0.29	0.71	3.05	3.35	3.21	2.71	2.55	2.25	2.53	2.70	2.71	0.00	3.08	2.51
NATURAL RESOURCES, MINING															
AND CONSTRUCTION.....	47004	47061	47920	49251	47311	47197	48620	50571	48571	48445	49898	51891	47746	48095	49371
% Chg Same Qtr Last Yr.....	5.85	4.85	4.90	0.51	0.65	0.29	1.46	2.68	2.66	2.64	2.63	2.61	5.29	0.73	2.65
MANUFACTURING.....	46938	46845	47911	49124	49202	49377	49855	50411	50475	50641	51124	51679	46712	49390	50663
% Chg Same Qtr Last Yr.....	-0.73	-3.98	-0.46	8.79	4.82	5.40	4.06	2.62	2.59	2.56	2.54	2.52	-2.92	5.73	2.58
DURABLE GOODS.....	45167	44871	46345	47618	47848	47964	48450	48775	49007	49118	49608	49931	45033	47970	49127
% Chg Same Qtr Last Yr.....	-2.76	-8.35	-1.41	8.84	5.94	6.90	4.54	2.43	2.42	2.40	2.39	2.37	-4.55	6.52	2.41
NONDURABLE GOODS.....	49571	49818	50217	51356	51180	51443	51920	52855	52663	52929	53409	54354	49229	51475	52964
% Chg Same Qtr Last Yr.....	1.97	2.67	0.67	8.55	3.25	3.26	3.39	2.92	2.90	2.89	2.87	2.83	-0.76	4.56	2.89
TRADE, TRANSPORTATION, UTILITIES.....	37009	37246	37172	38730	38618	38780	38415	39693	39580	39776	39405	40722	37289	38636	39614
% Chg Same Qtr Last Yr.....	-3.10	-1.91	-1.53	2.65	4.35	4.12	3.34	2.49	2.49	2.57	2.58	2.59	-2.09	3.61	2.53
WHOLESALE TRADE.....	54863	54506	55339	56684	56700	56954	57410	58391	58395	58643	59101	60097	55187	56937	58632
% Chg Same Qtr Last Yr.....	-2.32	-2.53	-1.36	1.15	3.35	4.49	3.74	3.01	2.99	2.97	2.94	2.92	-1.63	3.17	2.98
RETAIL TRADE.....	25629	25915	25534	26758	26734	27008	26386	27415	27386	27663	27022	28072	25813	26722	27372
% Chg Same Qtr Last Yr.....	-3.65	-1.77	-0.78	2.23	4.31	4.22	3.34	2.46	2.44	2.43	2.41	2.40	-2.07	3.52	2.43
TRANSPORTATION & UTILITIES.....	46813	47305	47449	48856	48803	48842	48773	50015	49953	49986	49910	51173	47147	48818	49966
% Chg Same Qtr Last Yr.....	-2.22	-0.57	-1.74	3.90	4.25	3.25	2.79	2.37	2.36	2.34	2.33	2.32	-2.01	3.54	2.35
INFORMATION.....	52926	53477	53429	54124	54055	54400	54602	55674	55592	55935	56132	57224	53204	54295	55833
% Chg Same Qtr Last Yr.....	5.63	0.90	-2.18	2.15	2.13	1.72	2.20	2.86	2.84	2.82	2.80	2.78	2.15	2.05	2.83
FINANCIAL ACTIVITIES.....	59073	60541	60521	61214	61351	61778	62185	63237	63361	63786	64190	65259	60097	61632	63643
% Chg Same Qtr Last Yr.....	1.82	4.95	6.50	1.60	3.86	2.04	2.75	3.30	3.28	3.25	3.22	3.20	4.41	2.55	3.26
PROFESSIONAL & BUSINESS SERVICES.....	45573	45680	45631	47666	47335	47317	47248	49417	49102	49079	49021	51261	45703	47392	49155
% Chg Same Qtr Last Yr.....	3.27	3.87	1.38	3.79	3.87	3.58	3.54	3.67	3.73	3.72	3.75	3.73	2.26	3.69	3.72
EDUCATION & HEALTH SERVICES.....	43090	43676	43723	44317	44408	44698	44789	45463	45549	45838	45925	46608	43364	44553	45694
% Chg Same Qtr Last Yr.....	1.08	0.63	2.27	3.14	3.06	2.34	2.44	2.58	2.57	2.55	2.54	2.52	1.38	2.74	2.56
LEISURE & HOSPITALITY.....	19070	18970	19706	20291	19249	19228	20083	20808	19736	19712	20586	21326	19424	19713	20211
% Chg Same Qtr Last Yr.....	-1.30	-2.10	-0.26	1.71	0.94	1.36	1.91	2.55	2.53	2.52	2.50	2.49	-1.77	1.48	2.53
OTHER SERVICES.....	37823	38700	39290	39698	39128	39456	40038	40451	39900	40249	40863	41277	38479	39580	40366
% Chg Same Qtr Last Yr.....	1.33	1.40	0.16	4.18	3.45	1.95	1.90	1.90	1.97	2.01	2.06	2.04	1.06	2.86	1.98
GOVERNMENT.....	39883	40366	39069	39605	40838	41475	39623	40216	40610	41914	40462	41103	39664	40385	40800
% Chg Same Qtr Last Yr.....	1.47	0.10	1.71	0.68	2.39	2.75	1.42	1.54	-0.56	1.06	2.12	2.21	1.29	1.82	1.03
FEDERAL, CIVILIAN.....	65253	65874	66132	66967	67081	67119	67593	68627	68938	69151	69621	70709	65619	67190	69084
% Chg Same Qtr Last Yr.....	2.33	4.06	5.25	2.68	2.80	1.89	2.21	2.48	2.77	3.03	3.00	3.03	3.29	2.39	2.82
STATE & LOCAL.....	36531	36889	35491	35987	36532	37292	35876	36454	37092	37943	36586	37225	36234	36422	37019
% Chg Same Qtr Last Yr.....	1.20	-0.94	0.59	-0.11	0.00	1.09	1.08	1.30	1.53	1.75	1.98	2.11	0.70	0.52	1.64

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL NONFARM.....	40545	40818	41208	41541	41943	42105	42325	42601	42887	43176	43469	43752	40723	41978	43033
% Chg Prev Qtr SAAR.....	2.22	2.72	3.88	3.27	3.92	1.56	2.11	2.63	2.71	2.72	2.74	2.63	0.02	3.08	2.51
% Chg Same Qtr Last Yr.....	0.11	-0.28	0.71	3.02	3.45	3.15	2.71	2.55	2.25	2.54	2.70	2.70	0.02	3.08	2.51
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	47609	48100	47857	47601	47920	48238	48557	48876	49195	49514	49833	50152	47731	48079	49355
% Chg Prev Qtr SAAR.....	2.13	4.19	-2.00	-2.13	2.71	2.69	2.67	2.65	2.64	2.62	2.60	2.58	5.37	0.73	2.65
% Chg Same Qtr Last Yr.....	6.12	4.89	4.90	0.51	0.65	0.29	1.46	2.68	2.66	2.64	2.63	2.61	5.37	0.73	2.65
MANUFACTURING.....	46975	47015	47927	48906	49233	49556	49873	50189	50505	50822	51139	51456	46717	49392	50664
% Chg Prev Qtr SAAR.....	19.25	0.35	7.98	8.42	2.70	2.65	2.58	2.56	2.54	2.53	2.51	2.51	-2.91	5.72	2.58
% Chg Same Qtr Last Yr.....	-0.74	-3.95	-0.47	8.80	4.81	5.40	4.06	2.62	2.59	2.56	2.54	2.52	-2.91	5.72	2.58
DURABLE GOODS.....	45160	45005	46302	47540	47829	48118	48407	48696	48985	49274	49563	49852	45035	47973	49129
% Chg Prev Qtr SAAR.....	14.31	-1.37	12.03	11.13	2.45	2.44	2.42	2.41	2.40	2.38	2.37	2.35	-4.55	6.52	2.41
% Chg Same Qtr Last Yr.....	-2.78	-8.31	-1.42	8.85	5.91	6.92	4.55	2.43	2.42	2.40	2.39	2.37	-4.55	6.52	2.41
NONDURABLE GOODS.....	49679	50047	50330	50917	51289	51661	52033	52406	52778	53150	53522	53894	49238	51475	52964
% Chg Prev Qtr SAAR.....	25.91	2.99	2.28	4.75	2.96	2.93	2.91	2.89	2.87	2.85	2.83	2.81	-0.73	4.54	2.89
% Chg Same Qtr Last Yr.....	1.96	2.70	0.67	8.57	3.24	3.23	3.38	2.92	2.90	2.88	2.86	2.84	-0.73	4.54	2.89
TRADE, TRANSPORTATION, UTILITIES.....	36914	37141	37730	38273	38521	38746	38991	39225	39481	39742	39996	40242	37288	38633	39611
% Chg Prev Qtr SAAR.....	-4.76	2.48	6.49	5.89	2.62	2.36	2.55	2.43	2.64	2.66	2.59	2.48	-2.08	3.61	2.53
% Chg Same Qtr Last Yr.....	-3.09	-1.93	-1.51	2.43	4.35	4.32	3.34	2.49	2.49	2.57	2.58	2.59	-2.08	3.61	2.53
WHOLESALE TRADE.....	54892	54691	55496	56302	56726	57150	57574	57998	58421	58845	59269	59693	55186	56938	58633
% Chg Prev Qtr SAAR.....	-5.43	-1.46	6.02	5.94	3.05	3.02	3.00	2.98	2.96	2.93	2.91	2.89	-1.63	3.18	2.98
% Chg Same Qtr Last Yr.....	-2.33	-2.52	-1.36	1.15	3.34	4.50	3.74	3.01	2.99	2.97	2.94	2.92	-1.63	3.18	2.98
RETAIL TRADE.....	25534	25717	26091	26474	26637	26799	26962	27124	27287	27449	27612	27774	25809	26718	27368
% Chg Prev Qtr SAAR.....	-5.41	2.89	5.95	6.00	2.48	2.46	2.45	2.43	2.42	2.40	2.39	2.38	-2.06	3.52	2.43
% Chg Same Qtr Last Yr.....	-3.64	-1.79	-0.79	2.25	4.32	4.21	3.34	2.46	2.44	2.43	2.41	2.40	-2.06	3.52	2.43
TRANSPORTATION & UTILITIES.....	46682	47430	47909	48385	48672	48959	49246	49533	49820	50106	50393	50680	47146	48816	49963
% Chg Prev Qtr SAAR.....	1.02	6.56	4.10	4.04	2.39	2.38	2.36	2.35	2.34	2.32	2.31	2.30	-2.01	3.54	2.35
% Chg Same Qtr Last Yr.....	-2.20	-0.62	-1.74	3.91	4.26	3.22	2.79	2.37	2.36	2.34	2.33	2.32	-2.01	3.54	2.35
INFORMATION.....	52964	53554	53684	53709	54094	54478	54863	55247	55632	56016	56401	56785	53195	54286	55824
% Chg Prev Qtr SAAR.....	2.96	4.54	0.97	0.19	2.89	2.87	2.85	2.83	2.81	2.79	2.77	2.75	2.06	2.05	2.83
% Chg Same Qtr Last Yr.....	5.09	1.58	-2.18	2.15	2.13	1.72	2.20	2.86	2.84	2.82	2.80	2.78	2.06	2.05	2.83
FINANCIAL ACTIVITIES.....	59102	60644	60717	60878	61381	61883	62386	62889	63392	63895	64397	64900	60096	61632	63643
% Chg Prev Qtr SAAR.....	-5.36	10.86	0.48	1.06	3.34	3.32	3.29	3.26	3.24	3.21	3.19	3.16	4.40	2.56	3.26
% Chg Same Qtr Last Yr.....	1.70	4.94	6.50	1.60	3.86	2.04	2.75	3.30	3.28	3.25	3.22	3.20	4.40	2.56	3.26

(CONTINUED ON NEXT PAGE)

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
PROFESSIONAL & BUSINESS SERVICES...	45409	45952	46394	46752	47165	47598	48039	48470	48925	49371	49842	50278	45700	47388	49152
% Chg Prev Qtr SAAR.....	3.26	4.86	3.91	3.12	3.58	3.72	3.76	3.64	3.81	3.69	3.87	3.55	2.31	3.69	3.72
% Chg Same Qtr Last Yr.....	3.20	4.15	1.38	3.79	3.87	3.58	3.54	3.67	3.73	3.72	3.75	3.73	2.31	3.69	3.72
EDUCATION & HEALTH SERVICES.....	43090	43672	43907	44123	44408	44693	44979	45264	45549	45834	46119	46404	43362	44551	45691
% Chg Prev Qtr SAAR.....	2.94	5.52	2.17	1.98	2.61	2.59	2.58	2.56	2.54	2.53	2.51	2.50	1.43	2.74	2.56
% Chg Same Qtr Last Yr.....	1.27	0.63	2.27	3.14	3.06	2.34	2.44	2.58	2.57	2.55	2.54	2.52	1.43	2.74	2.56
LEISURE & HOSPITALITY.....	19458	19500	19516	19516	19640	19765	19889	20013	20138	20262	20387	20511	19416	19702	20200
% Chg Prev Qtr SAAR.....	5.73	0.88	0.32	0.00	2.57	2.56	2.54	2.53	2.51	2.49	2.48	2.46	-1.70	1.48	2.53
% Chg Same Qtr Last Yr.....	-1.55	-2.08	-0.26	1.71	0.94	1.36	1.91	2.55	2.53	2.52	2.50	2.49	-1.70	1.48	2.53
OTHER SERVICES.....	38172	38906	39110	39320	39489	39666	39854	40066	40268	40463	40675	40884	38482	39582	40368
% Chg Prev Qtr SAAR.....	4.64	7.92	2.11	2.17	1.73	1.80	1.91	2.15	2.03	1.96	2.11	2.07	1.02	2.86	1.99
% Chg Same Qtr Last Yr.....	1.37	1.41	0.16	4.18	3.45	1.95	1.90	1.90	1.97	2.01	2.06	2.04	1.02	2.86	1.99
GOVERNMENT.....	39707	39558	39705	39867	40904	40442	40269	40482	40677	40871	41121	41375	39643	40370	40787
% Chg Prev Qtr SAAR.....	1.05	-1.49	1.49	1.64	10.82	-4.44	-1.71	2.13	1.94	1.92	2.47	2.50	1.26	1.83	1.03
% Chg Same Qtr Last Yr.....	1.46	0.11	1.57	0.67	3.02	2.23	1.42	1.54	-0.56	1.06	2.12	2.21	1.26	1.83	1.03
FEDERAL, CIVILIAN.....	65164	66055	66350	66656	66986	67316	67816	68309	68840	69354	69850	70380	65624	67193	69088
% Chg Prev Qtr SAAR.....	1.47	5.58	1.80	1.86	1.99	1.99	3.00	2.94	3.15	3.02	2.89	3.07	3.29	2.39	2.82
% Chg Same Qtr Last Yr.....	2.32	4.10	5.25	2.66	2.79	1.91	2.21	2.48	2.77	3.03	3.00	3.03	3.29	2.39	2.82
STATE & LOCAL.....	36355	36039	36185	36280	36356	36439	36576	36748	36915	37076	37301	37526	36225	36413	37010
% Chg Prev Qtr SAAR.....	0.36	-3.43	1.64	1.05	0.84	0.92	1.51	1.89	1.83	1.76	2.45	2.43	0.71	0.52	1.64
% Chg Same Qtr Last Yr.....	1.18	-0.95	0.59	-0.12	0.00	1.11	1.08	1.29	1.54	1.75	1.98	2.12	0.71	0.52	1.64

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted**January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
CIVILIAN LABOR FORCE (THOUS).....	3038	3032	2979	2960	2987	3011	2986	2974	3003	3030	3011	3000	3016	2986	3005
% Chg Same Qtr Last Yr.....	-0.24	-0.98	-2.13	-1.85	-1.68	-0.71	0.24	0.49	0.54	0.65	0.86	0.87	-0.83	-1.00	0.63
EMPLOYED PERSONS (THOUS).....	2723	2712	2673	2635	2677	2699	2684	2652	2699	2726	2717	2686	2709	2674	2698
% Chg Same Qtr Last Yr.....	-4.89	-5.07	-5.52	-3.41	-1.68	-0.47	0.41	0.64	0.80	1.00	1.25	1.32	-4.82	-1.30	0.92
UNEMPLOYED PERSONS (THOUS).....	314	320	306	325	309	312	302	323	304	305	294	313	307	312	306
% Chg Same Qtr Last Yr.....	72.99	55.82	42.63	12.95	-1.71	-2.67	-1.21	-0.71	-1.64	-2.35	-2.60	-2.85	57.33	1.60	-1.81
PARTICIPATION RATE (PERCENT).....	62.4	62.2	61.0	60.4	60.8	61.2	60.5	60.1	60.5	60.9	60.3	59.9	61.9	60.7	60.4
% Chg Same Qtr Last Yr.....	-1.16	-1.89	-3.03	-2.75	-2.59	-1.62	-0.75	-0.57	-0.58	-0.54	-0.33	-0.33	-1.74	-1.93	-0.50
UNEMPLOYMENT RATE (PERCENT).....	10.4	10.6	10.3	11.0	10.4	10.4	10.1	10.8	10.1	10.0	9.8	10.5	10.2	10.5	10.2

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted**January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
CIVILIAN LABOR FORCE (THOUS).....	3040	3013	2985	2983	2988	2992	2992	2998	3005	3011	3018	3024	3020	2989	3008
% Chg Prev Qtr SAAR.....	-0.26	-3.47	-3.61	-0.32	0.74	0.42	0.10	0.72	0.92	0.84	0.91	0.88	-0.71	-1.03	0.63
% Chg Same Qtr Last Yr.....	-0.08	-0.97	-2.04	-1.93	-1.68	-0.71	0.24	0.50	0.54	0.65	0.85	0.89	-0.71	-1.03	0.63
EMPLOYED PERSONS (THOUS).....	2722	2692	2671	2672	2676	2679	2682	2689	2697	2706	2715	2724	2713	2677	2702
% Chg Prev Qtr SAAR.....	-6.22	-4.32	-3.12	0.13	0.68	0.46	0.35	1.05	1.32	1.26	1.36	1.33	-4.69	-1.31	0.92
% Chg Same Qtr Last Yr.....	-4.60	-5.16	-5.52	-3.41	-1.68	-0.47	0.41	0.64	0.80	1.00	1.25	1.32	-4.69	-1.31	0.92
UNEMPLOYED PERSONS (THOUS).....	318	321	315	311	312	312	311	309	307	305	303	300	307	312	306
% Chg Prev Qtr SAAR.....	76.62	4.10	-7.66	-4.12	1.28	0.07	-2.00	-2.14	-2.47	-2.80	-3.00	-3.12	57.39	1.46	-1.83
% Chg Same Qtr Last Yr.....	68.15	57.55	42.63	12.95	-1.71	-2.67	-1.21	-0.71	-1.64	-2.35	-2.60	-2.85	57.39	1.46	-1.83
PARTICIPATION RATE (PERCENT).....	62.5	61.8	61.1	60.9	60.9	60.8	60.6	60.6	60.5	60.5	60.4	60.4	62.0	60.8	60.5
% Chg Prev Qtr SAAR.....	-1.17	-4.35	-4.50	-1.24	-0.18	-0.50	-1.08	-0.47	-0.26	-0.35	-0.29	-0.31	-1.62	-1.96	-0.51
% Chg Same Qtr Last Yr.....	-1.00	-1.88	-2.94	-2.83	-2.59	-1.62	-0.75	-0.56	-0.58	-0.54	-0.34	-0.30	-1.62	-1.96	-0.51
UNEMPLOYMENT RATE (PERCENT).....	10.5	10.7	10.5	10.4	10.4	10.4	10.4	10.3	10.2	10.1	10.0	9.9	10.2	10.4	10.2

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2005 dollars)

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL TAXABLE SALES.....	20202	19713	20895	18609	20207	20061	21310	18931	20547	20432	21755	19422	79738	80188	81666
% Chg Same Qtr Last Yr.....	-10.08	-7.61	-4.31	-1.69	0.03	1.77	1.99	1.73	1.68	1.85	2.09	2.59	-7.79	0.56	1.84
AUTO DEALERS.....	1575	1703	1355	1482	1595	1676	1416	1543	1658	1738	1462	1630	6076	6169	6401
% Chg Same Qtr Last Yr.....	-20.63	-8.82	-0.95	2.63	1.26	-1.58	4.53	4.16	3.94	3.69	3.22	5.59	-16.77	1.52	3.76
PURCHASES FROM MANUFACTURERS....	801	827	871	747	837	862	904	769	856	877	922	787	3217	3350	3424
% Chg Same Qtr Last Yr.....	-26.84	-19.65	-14.34	4.08	4.45	4.23	3.77	2.90	2.27	1.72	2.03	2.28	-21.86	4.13	2.20
MISC DURABLE GOODS.....	3288	3191	3164	2877	3350	3263	3254	2955	3440	3360	3352	3050	12537	12744	13107
% Chg Same Qtr Last Yr.....	-19.62	-15.34	-9.03	-0.57	1.88	2.27	2.82	2.70	2.69	2.96	3.04	3.21	-16.29	1.65	2.85
EATING AND DRINKING PLACES.....	2077	2041	1985	1977	2103	2105	2044	2023	2153	2165	2110	2090	8087	8229	8452
% Chg Same Qtr Last Yr.....	-2.58	-1.44	0.15	-0.32	1.27	3.10	2.95	2.34	2.36	2.88	3.26	3.30	-1.84	1.75	2.71
FOOD STORES.....	2135	2133	2217	1960	2078	2141	2227	1961	2072	2143	2236	1975	8553	8406	8411
% Chg Same Qtr Last Yr.....	-0.82	-2.18	-5.82	-5.20	-2.68	0.38	0.44	0.08	-0.31	0.08	0.39	0.72	1.49	-1.72	0.07
LIQUOR STORES.....	145	142	178	144	150	147	184	148	154	151	189	152	603	625	642
% Chg Same Qtr Last Yr.....	3.23	4.05	4.03	4.13	4.00	3.61	3.45	2.80	2.52	2.62	2.62	2.74	3.31	3.78	2.64
HOTELS AND MOTELS.....	492	501	468	381	492	507	477	388	501	518	487	398	1856	1858	1894
% Chg Same Qtr Last Yr.....	-12.91	-9.72	-9.49	-3.44	0.03	1.34	1.82	1.75	1.78	2.02	2.12	2.53	-12.12	0.10	1.93
OTHER RETAIL AND SERVICE.....	6117	5959	7052	5779	6200	6099	7218	5888	6318	6203	7379	6045	24949	25296	25787
% Chg Same Qtr Last Yr.....	-7.83	-4.77	-2.56	-0.74	1.36	2.36	2.35	1.89	1.89	1.70	2.23	2.67	-5.13	1.39	1.94
MISC NONDURABLE GOODS.....	1657	1599	1941	1555	1596	1568	1918	1551	1606	1589	1953	1581	6782	6637	6699
% Chg Same Qtr Last Yr.....	-5.59	-5.57	-1.89	-1.93	-3.70	-1.93	-1.16	-0.26	0.66	1.34	1.81	1.99	-5.33	-2.14	0.94
TRANSPORTATION, COMMUNICATION.....	1915	1617	1663	1708	1806	1693	1669	1705	1790	1689	1665	1714	7079	6876	6849
% Chg Same Qtr Last Yr.....	0.06	-9.03	-4.02	-9.30	-5.67	4.66	0.33	-0.17	-0.89	-0.23	-0.21	0.51	-2.42	-2.87	-0.38
PER CAPITA (\$)	3275	3189	3374	2999	3250	3220	3411	3021	3270	3242	3442	3064	12913	12881	12976
% Chg Same Qtr Last Yr.....	-10.78	-8.33	-5.06	-2.46	-0.76	0.97	1.09	0.75	0.60	0.68	0.92	1.41	-8.51	-0.25	0.74

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Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2005 dollars)

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL TAXABLE SALES.....	20013	19739	19760	19899	20017	20091	20162	20245	20351	20458	20585	20769	79746	80169	81640
% Chg Prev Qtr SAAR.....	-4.28	-5.36	0.42	2.85	2.40	1.48	1.41	1.66	2.12	2.12	2.50	3.62	-7.84	0.53	1.83
% Chg Same Qtr Last Yr.....	-9.98	-7.55	-4.34	-1.65	0.02	1.78	2.03	1.74	1.67	1.83	2.10	2.59	-7.84	0.53	1.83
AUTO DEALERS.....	1515	1574	1502	1518	1534	1549	1570	1581	1594	1607	1620	1670	6070	6171	6403
% Chg Prev Qtr SAAR.....	10.00	16.66	-17.25	4.46	4.27	4.10	5.29	3.01	3.37	3.12	3.40	12.78	-16.68	1.67	3.75
% Chg Same Qtr Last Yr.....	-20.61	-8.75	-0.95	2.63	1.26	-1.58	4.53	4.16	3.94	3.69	3.22	5.59	-16.68	1.67	3.75
PURCHASES FROM MANUFACTURERS....	799	808	815	825	834	843	845	849	853	857	863	868	3214	3347	3422
% Chg Prev Qtr SAAR.....	3.06	4.99	3.16	5.11	4.54	4.13	1.35	1.64	1.97	1.92	2.58	2.64	-22.07	4.13	2.23
% Chg Same Qtr Last Yr.....	-26.82	-19.80	-14.34	4.08	4.45	4.23	3.77	2.90	2.27	1.72	2.03	2.28	-22.07	4.13	2.23
MISC DURABLE GOODS.....	3119	3122	3128	3152	3177	3193	3216	3238	3263	3287	3314	3342	12540	12739	13102
% Chg Prev Qtr SAAR.....	-6.40	0.43	0.78	3.15	3.18	1.98	2.96	2.68	3.14	3.06	3.27	3.39	-16.37	1.59	2.85
% Chg Same Qtr Last Yr.....	-19.73	-15.37	-9.03	-0.57	1.88	2.27	2.82	2.70	2.69	2.96	3.04	3.21	-16.37	1.59	2.85
EATING AND DRINKING PLACES.....	2029	1999	2013	2039	2055	2061	2072	2087	2104	2120	2140	2156	8087	8228	8451
% Chg Prev Qtr SAAR.....	-3.23	-5.80	2.79	5.37	3.11	1.18	2.19	2.89	3.19	3.25	3.69	3.08	-1.86	1.74	2.71
% Chg Same Qtr Last Yr.....	-2.52	-1.49	0.15	-0.32	1.27	3.10	2.95	2.34	2.36	2.88	3.26	3.30	-1.86	1.74	2.71
FOOD STORES.....	2165	2093	2090	2097	2107	2101	2099	2099	2101	2103	2107	2114	8560	8404	8409
% Chg Prev Qtr SAAR.....	-8.27	-12.68	-0.65	1.49	1.90	-1.20	-0.39	0.01	0.35	0.36	0.82	1.33	1.86	-1.82	0.06
% Chg Same Qtr Last Yr.....	-0.79	-2.31	-5.82	-5.20	-2.68	0.38	0.44	0.08	-0.31	0.08	0.39	0.72	1.86	-1.82	0.06
LIQUOR STORES.....	150	151	153	154	156	157	158	159	160	161	162	163	602	625	642
% Chg Prev Qtr SAAR.....	4.55	3.74	3.19	5.05	4.03	2.19	2.57	2.42	2.90	2.57	2.61	2.89	3.21	3.80	2.64
% Chg Same Qtr Last Yr.....	3.24	4.05	4.03	4.13	4.00	3.61	3.45	2.80	2.52	2.62	2.62	2.74	3.21	3.80	2.64
HOTELS AND MOTELS.....	463	459	459	461	464	465	467	469	472	474	477	481	1859	1857	1893
% Chg Prev Qtr SAAR.....	-11.45	-3.95	0.17	2.02	2.01	1.18	2.09	1.72	2.14	2.14	2.47	3.35	-12.38	-0.10	1.92
% Chg Same Qtr Last Yr.....	-12.89	-9.67	-9.49	-3.44	0.03	1.34	1.82	1.75	1.78	2.02	2.12	2.53	-12.38	-0.10	1.92
OTHER RETAIL AND SERVICE.....	6218	6204	6216	6269	6302	6350	6362	6388	6422	6458	6504	6558	24953	25284	25772
% Chg Prev Qtr SAAR.....	-6.04	-0.89	0.76	3.48	2.14	3.07	0.74	1.63	2.13	2.32	2.86	3.37	-5.24	1.32	1.93
% Chg Same Qtr Last Yr.....	-7.83	-4.83	-2.56	-0.74	1.36	2.36	2.35	1.89	1.89	1.70	2.23	2.67	-5.24	1.32	1.93
MISC NONDURABLE GOODS.....	1722	1688	1676	1666	1658	1655	1657	1662	1669	1677	1687	1695	6785	6637	6696
% Chg Prev Qtr SAAR.....	5.44	-7.76	-2.61	-2.35	-1.94	-0.81	0.49	1.27	1.73	1.87	2.39	1.97	-5.55	-2.19	0.89
% Chg Same Qtr Last Yr.....	-5.61	-5.58	-1.89	-1.93	-3.70	-1.93	-1.16	-0.26	0.66	1.34	1.81	1.99	-5.55	-2.19	0.89
TRANSPORTATION, COMMUNICATION.....	1834	1641	1709	1716	1729	1717	1715	1713	1714	1713	1711	1722	7075	6877	6852
% Chg Prev Qtr SAAR.....	-11.73	-35.87	17.79	1.49	3.26	-2.79	-0.53	-0.51	0.31	-0.21	-0.46	2.42	-2.52	-2.80	-0.38
% Chg Same Qtr Last Yr.....	-0.07	-8.76	-4.02	-9.30	-5.67	4.66	0.33	-0.17	-0.89	-0.23	-0.21	0.51	-2.52	-2.80	-0.38
PER CAPITA (\$).....	3244	3194	3191	3207	3220	3225	3227	3231	3239	3246	3257	3277	12916	12879	12973
% Chg Prev Qtr SAAR.....	-5.03	-6.10	-0.37	2.04	1.60	0.69	0.24	0.49	0.95	0.95	1.32	2.43	-8.56	-0.28	0.73
% Chg Same Qtr Last Yr.....	-10.68	-8.28	-5.09	-2.42	-0.76	0.98	1.14	0.75	0.59	0.66	0.93	1.41	-8.56	-0.28	0.73

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)**January 2010**

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL TAXABLE SALES.....	21982	21595	23041	20547	22358	22295	23783	21225	23133	23111	24699	22134	87147	88983	92169
% Chg Same Qtr Last Yr.....	-10.25	-8.22	-3.06	0.09	1.71	3.24	3.22	3.30	3.47	3.66	3.85	4.28	-7.57	2.11	3.58
AUTO DEALERS.....	1714	1866	1494	1636	1765	1863	1580	1730	1867	1966	1659	1857	6639	6844	7222
% Chg Same Qtr Last Yr.....	-20.78	-9.42	0.34	4.49	2.96	-0.15	5.79	5.77	5.77	5.54	5.01	7.33	-16.58	3.08	5.53
PURCHASES FROM MANUFACTURERS....	872	906	960	825	926	958	1009	862	963	992	1047	896	3517	3717	3864
% Chg Same Qtr Last Yr.....	-26.98	-20.17	-13.22	5.96	6.20	5.74	5.02	4.49	4.06	3.53	3.79	3.96	-21.66	5.71	3.95
MISC DURABLE GOODS.....	3578	3495	3490	3177	3706	3626	3631	3313	3873	3800	3806	3476	13701	14141	14792
% Chg Same Qtr Last Yr.....	-19.78	-15.90	-7.85	1.23	3.59	3.75	4.06	4.29	4.50	4.79	4.82	4.92	-16.11	3.21	4.61
EATING AND DRINKING PLACES.....	2260	2236	2189	2183	2327	2339	2281	2269	2423	2449	2396	2382	8836	9130	9537
% Chg Same Qtr Last Yr.....	-2.77	-2.09	1.46	1.48	2.97	4.59	4.19	3.92	4.16	4.71	5.04	5.01	-1.63	3.32	4.46
FOOD STORES.....	2323	2337	2445	2164	2299	2380	2485	2199	2332	2424	2538	2251	9347	9328	9493
% Chg Same Qtr Last Yr.....	-1.01	-2.82	-4.59	-3.48	-1.04	1.83	1.65	1.62	1.45	1.86	2.12	2.38	1.68	-0.20	1.77
LIQUOR STORES.....	157	155	196	159	166	163	206	166	173	171	215	173	659	694	725
% Chg Same Qtr Last Yr.....	3.04	3.37	5.39	6.02	5.75	5.11	4.70	4.39	4.32	4.44	4.40	4.44	3.60	5.35	4.39
HOTELS AND MOTELS.....	535	548	517	421	545	564	532	435	564	586	553	453	2029	2062	2137
% Chg Same Qtr Last Yr.....	-13.07	-10.32	-8.31	-1.70	1.71	2.81	3.05	3.32	3.57	3.84	3.88	4.22	-11.94	1.63	3.67
OTHER RETAIL AND SERVICE.....	6656	6528	7776	6380	6860	6778	8055	6602	7113	7016	8377	6890	27274	28074	29108
% Chg Same Qtr Last Yr.....	-8.01	-5.39	-1.29	1.06	3.06	3.84	3.59	3.47	3.68	3.51	4.00	4.36	-4.88	2.93	3.68
MISC NONDURABLE GOODS.....	1803	1752	2140	1716	1765	1743	2141	1738	1808	1797	2217	1802	7414	7365	7562
% Chg Same Qtr Last Yr.....	-5.77	-6.19	-0.61	-0.16	-2.08	-0.51	0.03	1.28	2.43	3.14	3.57	3.67	-5.07	-0.65	2.66
TRANSPORTATION, COMMUNICATION.....	2084	1772	1834	1886	1998	1881	1862	1912	2016	1910	1890	1953	7732	7628	7728
% Chg Same Qtr Last Yr.....	-0.13	-9.63	-2.77	-7.66	-4.09	6.18	1.54	1.38	0.86	1.54	1.51	2.17	-2.24	-1.34	1.31
PER CAPITA (\$)	3564	3494	3721	3311	3596	3579	3807	3388	3681	3667	3908	3492	14113	14293	14644
% Chg Same Qtr Last Yr.....	-10.95	-8.94	-3.82	-0.69	0.91	2.43	2.31	2.30	2.37	2.47	2.66	3.08	-8.30	1.28	2.46

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

January 2010

	History		Forecast Data										Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2009	2010	2011
TOTAL TAXABLE SALES.....	21777	21624	21790	21971	22147	22328	22501	22698	22913	23141	23371	23670	87135	88948	92122
% Chg Prev Qtr SAAR.....	-2.98	-2.79	3.11	3.37	3.24	3.31	3.13	3.55	3.84	4.04	4.03	5.22	-7.63	2.08	3.57
% Chg Same Qtr Last Yr.....	-10.15	-8.16	-3.09	0.13	1.70	3.26	3.26	3.31	3.46	3.64	3.86	4.28	-7.63	2.08	3.57
AUTO DEALERS.....	1648	1725	1656	1676	1697	1722	1752	1773	1795	1817	1839	1903	6633	6847	7225
% Chg Prev Qtr SAAR.....	11.49	19.84	-15.03	4.99	5.13	5.97	7.08	4.92	5.11	5.06	4.94	14.52	-16.45	3.23	5.52
% Chg Same Qtr Last Yr.....	-20.76	-9.35	0.34	4.49	2.96	-0.15	5.79	5.77	5.77	5.54	5.01	7.33	-16.45	3.23	5.52
PURCHASES FROM MANUFACTURERS....	869	886	898	911	923	936	944	952	960	969	979	989	3513	3714	3861
% Chg Prev Qtr SAAR.....	4.45	7.86	5.93	5.64	5.40	6.00	3.07	3.53	3.68	3.84	4.11	4.23	-21.88	5.73	3.96
% Chg Same Qtr Last Yr.....	-26.96	-20.33	-13.22	5.96	6.20	5.74	5.02	4.49	4.06	3.53	3.79	3.96	-21.88	5.73	3.96
MISC DURABLE GOODS.....	3394	3420	3450	3481	3515	3548	3589	3630	3673	3718	3762	3808	13702	14134	14784
% Chg Prev Qtr SAAR.....	-5.14	3.17	3.48	3.67	4.03	3.82	4.71	4.59	4.87	5.00	4.81	4.99	-16.18	3.15	4.60
% Chg Same Qtr Last Yr.....	-19.88	-15.92	-7.85	1.23	3.59	3.75	4.06	4.29	4.50	4.79	4.82	4.92	-16.18	3.15	4.60
EATING AND DRINKING PLACES.....	2208	2190	2220	2252	2274	2291	2313	2340	2368	2398	2429	2457	8837	9129	9536
% Chg Prev Qtr SAAR.....	-1.92	-3.24	5.54	5.90	3.96	3.00	3.92	4.80	4.93	5.19	5.24	4.67	-1.64	3.31	4.46
% Chg Same Qtr Last Yr.....	-2.71	-2.14	1.46	1.48	2.97	4.59	4.19	3.92	4.16	4.71	5.04	5.01	-1.64	3.31	4.46
FOOD STORES.....	2356	2293	2304	2316	2331	2335	2342	2353	2365	2378	2392	2409	9353	9325	9489
% Chg Prev Qtr SAAR.....	-7.03	-10.30	2.01	2.00	2.74	0.58	1.30	1.87	2.04	2.25	2.32	2.90	2.04	-0.30	1.76
% Chg Same Qtr Last Yr.....	-0.98	-2.95	-4.59	-3.48	-1.04	1.83	1.65	1.62	1.45	1.86	2.12	2.38	2.04	-0.30	1.76
LIQUOR STORES.....	163	166	168	171	173	174	176	178	180	182	184	186	658	693	724
% Chg Prev Qtr SAAR.....	5.97	6.56	5.96	5.58	4.89	4.03	4.31	4.32	4.63	4.50	4.14	4.48	3.44	5.39	4.39
% Chg Same Qtr Last Yr.....	3.04	3.37	5.39	6.02	5.75	5.11	4.70	4.39	4.32	4.44	4.40	4.44	3.44	5.39	4.39
HOTELS AND MOTELS.....	504	503	506	509	513	517	522	526	531	537	542	548	2031	2061	2136
% Chg Prev Qtr SAAR.....	-10.25	-1.33	2.86	2.53	2.85	3.00	3.82	3.61	3.86	4.06	4.00	4.95	-12.17	1.45	3.65
% Chg Same Qtr Last Yr.....	-13.06	-10.26	-8.31	-1.70	1.71	2.81	3.05	3.32	3.57	3.84	3.88	4.22	-12.17	1.45	3.65
OTHER RETAIL AND SERVICE.....	6766	6796	6854	6922	6973	7057	7100	7162	7230	7305	7384	7474	27266	28052	29081
% Chg Prev Qtr SAAR.....	-4.77	1.81	3.46	4.00	2.98	4.93	2.45	3.52	3.85	4.24	4.39	4.97	-5.03	2.88	3.67
% Chg Same Qtr Last Yr.....	-8.00	-5.46	-1.29	1.06	3.06	3.84	3.59	3.47	3.68	3.51	4.00	4.36	-5.03	2.88	3.67
MISC NONDURABLE GOODS.....	1874	1849	1849	1840	1835	1839	1849	1864	1879	1897	1915	1932	7414	7363	7555
% Chg Prev Qtr SAAR.....	6.87	-5.25	0.00	-1.86	-1.13	0.98	2.19	3.14	3.44	3.79	3.92	3.54	-5.33	-0.68	2.61
% Chg Same Qtr Last Yr.....	-5.79	-6.20	-0.61	-0.16	-2.08	-0.51	0.03	1.28	2.43	3.14	3.57	3.67	-5.33	-0.68	2.61
TRANSPORTATION, COMMUNICATION.....	1995	1797	1885	1894	1914	1908	1914	1920	1930	1938	1943	1962	7729	7630	7731
% Chg Prev Qtr SAAR.....	-10.53	-34.12	20.95	2.00	4.12	-1.04	1.15	1.34	2.00	1.67	1.03	4.00	-2.33	-1.28	1.32
% Chg Same Qtr Last Yr.....	-0.26	-9.36	-2.77	-7.66	-4.09	6.18	1.54	1.38	0.86	1.54	1.51	2.17	-2.33	-1.28	1.32
PER CAPITA (\$).....	3530	3499	3519	3541	3562	3584	3602	3623	3646	3672	3698	3734	14112	14289	14639
% Chg Prev Qtr SAAR.....	-3.74	-3.54	2.30	2.56	2.44	2.50	1.94	2.36	2.65	2.85	2.83	4.01	-8.36	1.26	2.45
% Chg Same Qtr Last Yr.....	-10.85	-8.88	-3.85	-0.65	0.90	2.45	2.36	2.31	2.36	2.45	2.67	3.08	-8.36	1.26	2.45

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
US GDP (Bil2005\$) SAAR.....	12984.1	13323.5	13678.3	14194.3	14612.1	15022.8	15409.8	15800.5	16191.8	16615.3	17069.7
Percentage change.....	-2.46	2.61	2.66	3.77	2.94	2.81	2.58	2.54	2.48	2.62	2.73
US GDP (Bil\$) SAAR.....	14253.2	14778.0	15417.1	16234.5	17020.2	17816.1	18615.7	19435.7	20288.8	21207.7	22178.5
Percentage change.....	-1.30	3.68	4.33	5.30	4.84	4.68	4.49	4.40	4.39	4.53	4.58
TN PERSONAL INCOME (MIL2005\$) SAAR.....	199401	200497	204049	209456	215528	221916	228211	234215	240621	247257	254248
Percentage change.....	0.01	0.55	1.77	2.65	2.90	2.96	2.84	2.63	2.74	2.76	2.83
US PERSONAL INCOME (BIL2005\$) SAAR.....	11049	11303	11540	11958	12364	12862	13300	13734	14133	14561	15032
Percentage change.....	-1.57	2.30	2.10	3.62	3.39	4.03	3.40	3.26	2.90	3.03	3.23
TN PERSONAL INCOME (MIL\$) SAAR.....	217884	222451	230251	240041	251062	263005	275444	287986	301501	315712	330507
Percentage change.....	0.24	2.10	3.51	4.25	4.59	4.76	4.73	4.55	4.69	4.71	4.69
US PERSONAL INCOME (BIL\$) SAAR.....	12070	12533	13018	13703	14425	15270	16090	16940	17775	18670	19631
Percentage change.....	-1.38	3.83	3.87	5.26	5.27	5.86	5.37	5.28	4.93	5.04	5.15
TN NONFARM JOBS (THOUS).....	2664.8	2651.8	2673.0	2711.4	2747.4	2780.1	2808.8	2839.6	2871.7	2903.9	2938.0
Percentage change.....	-4.04	-0.49	0.80	1.44	1.33	1.19	1.03	1.10	1.13	1.12	1.17
US NONFARM JOBS (MIL).....	132.0	131.4	133.4	137.2	140.3	142.5	144.2	145.6	146.9	148.2	149.5
Percentage change.....	-3.68	-0.49	1.52	2.87	2.29	1.58	1.17	0.97	0.88	0.86	0.89
TN MFG JOBS (THOUS).....	322.4	311.8	312.6	314.9	314.7	313.3	310.3	308.0	306.1	304.1	301.9
Percentage change.....	-10.91	-3.28	0.28	0.73	-0.07	-0.44	-0.97	-0.74	-0.60	-0.66	-0.73
US MFG JOBS (MIL).....	12.0	11.6	11.9	12.4	12.9	13.1	13.1	12.9	12.9	12.9	12.8
Percentage change.....	-10.76	-3.10	2.21	4.47	3.86	1.44	0.00	-0.83	-0.52	-0.18	-0.45
TN UNEMPLOYMENT RATE (%).....	10.2	10.4	10.2	9.8	7.8	7.2	7.0	6.8	6.5	6.2	5.9
US UNEMPLOYMENT RATE (%).....	9.3	10.1	9.5	8.4	7.6	7.1	6.8	6.5	6.2	5.9	5.5
CHAINED PRICE INDEX, GDP (2005=100.0).....	109.8	110.9	112.7	114.4	116.5	118.6	120.8	123.0	125.3	127.6	129.9
Percentage change.....	1.17	1.06	1.62	1.47	1.84	1.81	1.87	1.82	1.87	1.86	1.79
US PERS CONSUMP DEFL (2005=100.0).....	109.2	110.9	112.8	114.6	116.7	118.7	121.0	123.3	125.8	128.2	130.6
Percentage change.....	0.19	1.50	1.73	1.58	1.81	1.75	1.90	1.95	1.97	1.95	1.85
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000).....	2.146	2.183	2.227	2.270	2.316	2.361	2.410	2.459	2.507	2.557	2.604
Percentage change.....	-0.31	1.74	2.02	1.93	2.04	1.94	2.05	2.03	1.99	1.96	1.86
BANK PRIME INTEREST RATE (%).....	3.3	3.3	4.7	6.3	6.6	7.6	7.8	7.7	7.7	7.7	7.7
FEDERAL FUNDS RATE (% per annum).....	0.160	0.244	1.697	3.344	3.554	4.594	4.750	4.750	4.750	4.750	4.750
30-YEAR FIXED MORTGAGE RATE (%).....	5.0	5.1	5.5	6.1	6.3	7.1	7.1	7.1	7.1	7.1	7.1
TN TAXABLE SALES (MIL2005\$).....	79746	80169	81640	84155	86418	88585	90799	92974	95061	97286	99602
Percentage change.....	-7.84	0.53	1.83	3.08	2.69	2.51	2.50	2.40	2.24	2.34	2.38
TN TAXABLE SALES (MIL\$).....	87135	88948	92122	96445	100665	104987	109591	114318	119111	124220	129476
Percentage change.....	-7.63	2.08	3.57	4.69	4.38	4.29	4.39	4.31	4.19	4.29	4.23
TN AVG ANNUAL WAGE, NONFARM (2005\$).....	37268	37836	38137	38554	38911	39221	39486	39736	39970	40201	40462
Percentage change.....	-0.21	1.52	0.80	1.09	0.93	0.80	0.68	0.63	0.59	0.58	0.65
TN AVG ANNUAL WAGE, NONFARM (\$).....	40723	41978	43033	44183	45325	46482	47657	48858	50081	51329	52597
Percentage change.....	0.02	3.08	2.51	2.67	2.58	2.55	2.53	2.52	2.50	2.49	2.47

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
US GDP (2005\$) SAAR.....	42177	42860	43580	44791	45667	46501	47242	47978	48699	49501	50376
Percentage change.....	-3.41	1.62	1.68	2.78	1.96	1.83	1.59	1.56	1.50	1.65	1.77
US GDP (\$) SAAR.....	46300	47539	49120	51229	53193	55147	57071	59017	61022	63182	65453
Percentage change.....	-2.26	2.68	3.33	4.29	3.83	3.67	3.49	3.41	3.40	3.54	3.59
TN PERSONAL INCOME (2005\$) SAAR.....	32294	32210	32425	32902	33467	34063	34635	35248	35934	36641	37388
Percentage change.....	-0.77	-0.26	0.67	1.47	1.72	1.78	1.68	1.77	1.95	1.97	2.04
US PERSONAL INCOME (2005\$) SAAR.....	35892	36360	36768	37733	38640	39813	40774	41704	42507	43379	44361
Percentage change.....	-2.52	1.31	1.12	2.63	2.40	3.04	2.42	2.28	1.93	2.05	2.26
TN PERSONAL INCOME (\$) SAAR.....	35287	35736	36589	37706	38984	40369	41802	43339	45025	46785	48602
Percentage change.....	-0.55	1.27	2.39	3.05	3.39	3.55	3.55	3.68	3.89	3.91	3.88
US PERSONAL INCOME (\$) SAAR.....	39209	40318	41477	43240	45082	47265	49328	51438	53460	55623	57936
Percentage change.....	-2.33	2.83	2.88	4.25	4.26	4.84	4.36	4.28	3.93	4.05	4.16
TN TAXABLE SALES (2005\$).....	12916	12879	12973	13219	13419	13597	13780	13992	14196	14417	14647
Percentage change.....	-8.56	-0.28	0.73	1.90	1.51	1.33	1.35	1.54	1.46	1.56	1.59
TN TAXABLE SALES (\$).....	14112	14289	14639	15150	15631	16115	16632	17204	17788	18408	19040
Percentage change.....	-8.36	1.26	2.45	3.49	3.18	3.09	3.21	3.44	3.39	3.49	3.43

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Table 3: Tennessee Personal Income Components (millions of 2005 dollars)**January 2010**

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TN PERSONAL INCOME.....	199401	200497	204049	209456	215528	221916	228211	234215	240621	247257	254248
Percentage change.....	0.01	0.55	1.77	2.65	2.90	2.96	2.84	2.63	2.74	2.76	2.83
WAGES AND SALARIES.....	100278	101186	102800	105404	107780	109918	111794	113725	115670	117632	119775
Percentage change.....	-4.13	0.91	1.59	2.53	2.25	1.98	1.71	1.73	1.71	1.70	1.82
OTHER LABOR INCOME.....	23628	23770	24067	24546	25309	26077	26859	27544	28196	28906	29671
Percentage change.....	-0.81	0.60	1.25	1.99	3.11	3.03	3.00	2.55	2.37	2.52	2.65
PROPRIETORS INCOME.....	23125	22995	23193	23710	24579	25483	26350	27286	28253	29249	30307
Percentage change.....	-4.48	-0.56	0.86	2.23	3.67	3.68	3.40	3.55	3.54	3.53	3.61
RENT, INTEREST, DIVIDENDS.....	25470	25351	25673	26351	27221	28080	28912	29627	30416	31238	31913
Percentage change.....	-5.36	-0.47	1.27	2.64	3.30	3.15	2.96	2.47	2.66	2.70	2.16
TRANSFER PAYMENTS.....	41525	44214	45590	46945	48533	50607	52883	55023	57483	60038	62811
Percentage change.....	11.41	6.48	3.11	2.97	3.38	4.27	4.50	4.05	4.47	4.45	4.62
LESS: PERS CONT FOR SOC INS.....	15991	16176	16422	16697	17128	17517	17890	18301	18707	19133	19573
Percentage change.....	-2.53	1.15	1.52	1.67	2.58	2.27	2.13	2.30	2.21	2.28	2.30
RESIDENCE ADJUSTMENT.....	1367	-843	-851	-804	-767	-732	-697	-689	-690	-673	-656
Percentage change.....	-232.92	-161.64	0.94	-5.46	-4.64	-4.56	-4.70	-1.28	0.23	-2.55	-2.48
PER CAPITA PERSONAL INCOME (\$).....	32294	32210	32425	32902	33467	34063	34635	35248	35934	36641	37388
Percentage change.....	-0.77	-0.26	0.67	1.47	1.72	1.78	1.68	1.77	1.95	1.97	2.04

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TN PERSONAL INCOME.....	217884	222451	230251	240041	251062	263005	275444	287986	301501	315712	330507
Percentage change.....	0.24	2.10	3.51	4.25	4.59	4.76	4.73	4.55	4.69	4.71	4.69
WAGES AND SALARIES.....	109572	112265	116000	120795	125548	130269	134930	139832	144934	150198	155698
Percentage change.....	-3.91	2.46	3.33	4.13	3.93	3.76	3.58	3.63	3.65	3.63	3.66
OTHER LABOR INCOME.....	25818	26373	27157	28130	29482	30906	32418	33867	35330	36909	38570
Percentage change.....	-0.59	2.15	2.97	3.59	4.81	4.83	4.89	4.47	4.32	4.47	4.50
PROPRIETORS INCOME.....	25268	25512	26171	27172	28632	30201	31805	33550	35401	37348	39397
Percentage change.....	-4.26	0.97	2.58	3.83	5.37	5.48	5.31	5.49	5.52	5.50	5.49
RENT, INTEREST, DIVIDENDS.....	27830	28127	28970	30199	31709	33279	34896	36429	38112	39886	41485
Percentage change.....	-5.15	1.07	3.00	4.24	5.00	4.95	4.86	4.39	4.62	4.65	4.01
TRANSFER PAYMENTS.....	45381	49056	51444	53800	56535	59978	63830	67656	72028	76661	81652
Percentage change.....	11.67	8.10	4.87	4.58	5.08	6.09	6.42	6.00	6.46	6.43	6.51
LESS: PERS CONT FOR SOC INS.....	17474	17947	18531	19135	19952	20760	21592	22503	23440	24430	25444
Percentage change.....	-2.31	2.71	3.25	3.26	4.27	4.05	4.01	4.22	4.16	4.23	4.15
RESIDENCE ADJUSTMENT.....	1488	-935	-960	-921	-893	-867	-842	-847	-865	-859	-852
Percentage change.....	-232.73	-162.86	2.61	-3.98	-3.07	-2.90	-2.94	0.57	2.14	-0.69	-0.72
PER CAPITA PERSONAL INCOME (\$).....	35287	35736	36589	37706	38984	40369	41802	43339	45025	46785	48602
Percentage change.....	-0.55	1.27	2.39	3.05	3.39	3.55	3.55	3.68	3.89	3.91	3.88

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL NONFARM.....	2664.5	2651.7	2673.0	2711.4	2747.4	2780.1	2808.8	2839.7	2871.7	2903.9	2938.1
Percentage change.....	-4.02	-0.48	0.80	1.44	1.33	1.19	1.03	1.10	1.13	1.12	1.17
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	107.3	96.1	96.0	98.8	101.5	103.8	106.0	107.4	108.8	110.5	112.1
Percentage change.....	-19.58	-10.42	-0.12	2.93	2.80	2.26	2.04	1.38	1.28	1.59	1.45
MANUFACTURING.....	322.4	311.8	312.7	314.9	314.7	313.3	310.3	308.0	306.1	304.1	301.9
Percentage change.....	-10.90	-3.28	0.28	0.73	-0.07	-0.44	-0.97	-0.74	-0.60	-0.66	-0.73
DURABLE GOODS.....	193.4	185.5	187.5	190.6	191.9	192.0	190.5	189.8	189.5	189.0	188.6
Percentage change.....	-12.86	-4.10	1.09	1.63	0.68	0.08	-0.78	-0.39	-0.16	-0.25	-0.25
NONDURABLE GOODS.....	128.9	126.3	125.1	124.4	122.8	121.3	119.7	118.2	116.6	115.1	113.4
Percentage change.....	-7.79	-2.05	-0.91	-0.62	-1.23	-1.26	-1.27	-1.30	-1.31	-1.33	-1.51
TRADE, TRANSPORTATION, UTILITIES.....	573.5	565.1	570.9	582.2	593.4	603.1	610.9	620.2	629.8	639.1	650.1
Percentage change.....	-4.60	-1.46	1.01	1.99	1.92	1.63	1.30	1.53	1.54	1.48	1.71
WHOLESALE TRADE.....	126.1	126.2	127.7	130.9	133.5	136.2	138.1	140.0	141.6	143.4	145.4
Percentage change.....	-4.87	0.08	1.19	2.48	2.02	2.04	1.38	1.34	1.19	1.22	1.43
RETAIL TRADE.....	312.4	306.8	310.5	316.7	322.7	327.2	331.1	335.9	340.9	345.6	351.6
Percentage change.....	-4.10	-1.80	1.22	2.00	1.89	1.39	1.20	1.44	1.49	1.37	1.74
TRANSPORTATION & UTILITIES.....	134.9	132.1	132.6	134.6	137.1	139.6	141.6	144.3	147.2	150.1	153.0
Percentage change.....	-5.53	-2.08	0.37	1.51	1.89	1.81	1.44	1.90	2.00	1.99	1.93
INFORMATION.....	46.8	46.5	47.1	47.8	48.4	49.0	49.6	50.3	50.9	51.4	52.1
Percentage change.....	-6.94	-0.69	1.38	1.41	1.22	1.20	1.36	1.42	1.07	1.11	1.20
FINANCIAL ACTIVITIES.....	137.8	137.3	138.0	139.2	140.3	141.1	141.8	142.8	143.6	144.7	145.6
Percentage change.....	-4.99	-0.37	0.51	0.86	0.85	0.51	0.54	0.67	0.62	0.71	0.67
PROFESSIONAL & BUSINESS SERVICES...	307.2	311.6	319.2	327.5	337.1	344.7	351.5	360.1	369.6	378.9	388.2
Percentage change.....	-4.46	1.41	2.47	2.60	2.90	2.26	1.96	2.45	2.66	2.50	2.47
EDUCATION & HEALTH SERVICES.....	366.6	374.2	381.9	389.0	396.2	403.7	411.1	419.2	427.3	435.5	443.8
Percentage change.....	2.48	2.07	2.07	1.86	1.86	1.89	1.84	1.95	1.94	1.92	1.92
LEISURE & HOSPITALITY.....	270.7	268.4	272.0	277.3	282.3	285.5	288.0	290.7	293.2	295.5	297.9
Percentage change.....	-1.73	-0.86	1.34	1.93	1.80	1.16	0.84	0.96	0.85	0.78	0.81
OTHER SERVICES.....	100.8	100.2	101.3	102.5	103.5	104.1	104.4	104.3	104.3	104.3	104.4
Percentage change.....	-2.71	-0.54	1.03	1.20	1.01	0.50	0.33	-0.10	-0.03	0.08	0.02
GOVERNMENT.....	431.4	440.6	434.0	432.2	430.0	431.8	435.3	436.7	438.1	439.9	441.9
Percentage change.....	1.25	2.12	-1.50	-0.41	-0.51	0.43	0.80	0.33	0.31	0.42	0.47
FEDERAL, CIVILIAN.....	50.2	56.7	51.1	50.6	50.3	50.2	50.1	50.0	50.0	50.0	50.0
Percentage change.....	2.04	13.10	-9.93	-1.07	-0.56	-0.26	-0.16	-0.10	-0.06	-0.03	-0.02
STATE & LOCAL.....	381.4	383.9	382.9	381.7	379.7	381.7	385.2	386.7	388.1	390.0	392.0
Percentage change.....	1.18	0.66	-0.26	-0.32	-0.51	0.52	0.93	0.38	0.36	0.48	0.53

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL DURABLE GOODS.....	193.4	185.5	187.5	190.6	191.9	192.0	190.5	189.8	189.5	189.0	188.5
Percentage change.....	-12.87	-4.11	1.09	1.63	0.68	0.08	-0.78	-0.39	-0.16	-0.25	-0.25
WOOD PRODUCTS.....	12.0	11.0	11.0	11.1	11.2	11.2	11.2	11.3	11.2	11.2	11.2
Percentage change.....	-16.77	-7.68	-0.51	1.33	0.57	0.12	-0.24	0.70	-0.50	-0.27	-0.21
NONMETALLIC MINERALS.....	13.1	12.2	12.3	12.5	12.5	12.6	12.5	12.4	12.4	12.4	12.4
Percentage change.....	-10.42	-6.49	0.24	1.64	0.59	0.17	-0.55	-0.88	-0.21	0.31	-0.31
PRIMARY METALS.....	9.9	9.7	9.7	9.8	9.9	10.0	9.9	9.8	9.8	9.8	9.8
Percentage change.....	-10.57	-2.34	-0.20	1.10	1.08	0.83	-0.59	-0.85	-0.15	0.07	-0.01
FABRICATED METALS.....	35.4	34.2	34.2	34.7	34.9	35.1	35.1	35.1	35.0	34.7	34.6
Percentage change.....	-10.72	-3.20	-0.19	1.42	0.61	0.48	0.20	0.07	-0.44	-0.75	-0.51
MACHINERY.....	28.8	27.3	27.5	27.9	28.3	28.3	28.1	28.3	28.7	29.0	29.3
Percentage change.....	-7.58	-5.21	0.54	1.75	1.14	0.15	-0.68	0.80	1.38	0.91	0.93
COMPUTERS & ELECTRONICS.....	6.5	5.9	5.4	5.1	4.9	4.8	4.6	4.5	4.3	4.2	4.1
Percentage change.....	-13.27	-9.00	-8.49	-5.87	-3.04	-2.99	-3.96	-3.04	-2.97	-2.92	-3.02
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	18.6	18.0	18.0	18.1	18.3	18.3	17.9	17.7	17.6	17.6	17.4
Percentage change.....	-9.61	-3.42	-0.17	0.95	0.73	0.20	-1.98	-1.54	-0.40	-0.21	-1.02
TRANSPORTATION EQUIPMENT.....	43.3	42.9	45.6	47.2	48.0	48.3	47.9	47.8	47.8	47.7	47.7
Percentage change.....	-19.40	-1.08	6.30	3.61	1.65	0.66	-0.81	-0.29	-0.03	-0.20	0.05
FURNITURE.....	12.2	11.1	10.9	11.0	10.6	10.2	9.9	9.5	9.2	9.0	8.7
Percentage change.....	-15.74	-9.19	-1.98	0.93	-2.98	-4.00	-3.36	-3.69	-2.81	-2.99	-2.47
MISCELLANEOUS DURABLE GOODS.....	13.6	13.1	13.1	13.2	13.3	13.3	13.4	13.4	13.5	13.5	13.5
Percentage change.....	-7.90	-3.66	0.23	0.31	0.71	0.40	0.49	0.34	0.34	0.37	0.02

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL NONDURABLE GOODS.....	128.9	126.3	125.1	124.4	122.8	121.3	119.7	118.2	116.6	115.1	113.4
Percentage change.....	-7.80	-2.05	-0.91	-0.62	-1.23	-1.26	-1.27	-1.30	-1.31	-1.33	-1.51
FOOD.....	30.3	30.5	30.5	30.5	30.6	30.7	30.8	30.9	31.0	31.1	31.1
Percentage change.....	-5.53	0.60	-0.10	0.13	0.26	0.34	0.28	0.37	0.42	0.33	0.03
BEVERAGE & TOBACCO.....	4.6	4.4	4.4	4.4	4.3	4.2	4.2	4.1	4.1	4.0	4.0
Percentage change.....	-8.03	-3.08	-0.60	-1.02	-1.39	-1.53	-1.46	-1.30	-1.01	-0.97	-1.52
TEXTILE MILLS, TEXTILE MILL											
PRODUCTS & APPAREL.....	13.0	12.5	11.9	11.4	10.8	10.2	9.7	9.1	8.6	8.2	7.7
Percentage change.....	-11.85	-4.23	-4.26	-4.60	-5.35	-5.24	-5.24	-5.45	-5.48	-5.41	-5.56
PAPER.....	16.1	15.7	15.7	15.6	15.4	15.2	15.0	14.8	14.6	14.3	14.1
Percentage change.....	-5.90	-2.66	0.01	-0.20	-1.34	-1.20	-1.31	-1.70	-1.45	-1.63	-1.63
PRINTING & RELATED SUPPORT.....	14.0	13.1	12.7	12.2	11.7	11.4	11.1	10.9	10.7	10.5	10.3
Percentage change.....	-11.67	-5.94	-3.69	-3.74	-3.61	-2.85	-2.37	-2.01	-1.99	-1.96	-2.00
CHEMICALS.....	26.0	25.4	25.3	25.6	25.1	24.5	24.0	23.5	23.0	22.5	22.0
Percentage change.....	-5.16	-2.25	-0.28	0.97	-2.09	-2.14	-2.15	-2.14	-2.13	-2.13	-2.16
PLASTICS & RUBBER.....	22.8	22.7	22.8	22.8	23.2	23.3	23.3	23.3	23.2	23.1	22.9
Percentage change.....	-11.02	-0.38	0.22	0.28	1.50	0.53	0.22	-0.07	-0.50	-0.48	-0.96
MISCELLANEOUS NONDURABLE GOODS...	2.2	2.0	1.9	1.9	1.8	1.7	1.6	1.5	1.5	1.4	1.3
Percentage change.....	5.14	-9.12	-3.05	-1.30	-5.07	-5.18	-5.23	-5.03	-5.58	-6.41	-5.89

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2005 dollars)

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL NONFARM.....	37268	37836	38137	38554	38911	39221	39486	39736	39970	40201	40462
Percentage change.....	-0.21	1.52	0.80	1.09	0.93	0.80	0.68	0.63	0.59	0.58	0.65
NATURAL RESOURCES, MINING											
AND CONSTRUCTION.....	43682	43334	43739	44180	44561	44874	45120	45328	45499	45648	45819
Percentage change.....	5.14	-0.80	0.94	1.01	0.86	0.70	0.55	0.46	0.38	0.33	0.37
MANUFACTURING.....	42750	44517	44900	45315	45670	45960	46189	46375	46520	46643	46786
Percentage change.....	-3.13	4.13	0.86	0.92	0.78	0.64	0.50	0.40	0.31	0.27	0.31
DURABLE GOODS.....	41211	43239	43540	43879	44162	44381	44537	44659	44746	44816	44910
Percentage change.....	-4.76	4.92	0.70	0.78	0.65	0.50	0.35	0.27	0.20	0.16	0.21
NONDURABLE GOODS.....	45056	46395	46938	47515	48025	48460	48818	49131	49401	49644	49908
Percentage change.....	-0.97	2.97	1.17	1.23	1.07	0.90	0.74	0.64	0.55	0.49	0.53
TRADE, TRANSPORTATION, UTILITIES.....	34124	34820	35104	35445	35735	36002	36193	36347	36465	36591	36749
Percentage change.....	-2.30	2.04	0.82	0.97	0.82	0.75	0.53	0.43	0.32	0.35	0.43
WHOLESALE TRADE.....	50505	51319	51962	52642	53247	53765	54199	54581	54913	55215	55539
Percentage change.....	-1.85	1.61	1.25	1.31	1.15	0.97	0.81	0.70	0.61	0.55	0.59
RETAIL TRADE.....	23619	24081	24254	24449	24612	24739	24830	24902	24956	25029	25120
Percentage change.....	-2.28	1.96	0.72	0.80	0.67	0.52	0.37	0.29	0.21	0.30	0.36
TRANSPORTATION & UTILITIES.....	43145	43998	44279	44599	44863	45063	45200	45302	45370	45422	45615
Percentage change.....	-2.24	1.98	0.64	0.72	0.59	0.45	0.30	0.23	0.15	0.11	0.43
INFORMATION.....	48681	48928	49472	50054	50565	50997	51350	51656	52013	52360	52769
Percentage change.....	1.84	0.51	1.11	1.18	1.02	0.85	0.69	0.60	0.69	0.67	0.78
FINANCIAL ACTIVITIES.....	54996	55549	56402	57290	58090	58793	59459	60162	60807	61491	62227
Percentage change.....	4.16	1.00	1.54	1.57	1.40	1.21	1.13	1.18	1.07	1.13	1.20
PROFESSIONAL & BUSINESS SERVICES...	41822	42711	43559	44452	45166	45863	46582	47288	48016	48718	49498
Percentage change.....	2.07	2.13	1.99	2.05	1.61	1.54	1.57	1.51	1.54	1.46	1.60
EDUCATION & HEALTH SERVICES.....	39682	40154	40493	40866	41184	41441	41638	41799	41928	42038	42169
Percentage change.....	1.21	1.19	0.84	0.92	0.78	0.62	0.47	0.39	0.31	0.26	0.31
LEISURE & HOSPITALITY.....	17768	17758	17902	18061	18196	18305	18386	18453	18521	18595	18687
Percentage change.....	-1.92	-0.06	0.81	0.89	0.75	0.60	0.45	0.36	0.37	0.40	0.50
OTHER SERVICES.....	35216	35676	35775	35955	36030	36057	36043	36039	36054	36055	36097
Percentage change.....	0.80	1.31	0.28	0.50	0.21	0.07	-0.04	-0.01	0.04	0.00	0.12
GOVERNMENT.....	36281	36387	36147	36437	36735	36956	37122	37284	37414	37536	37676
Percentage change.....	1.04	0.29	-0.66	0.80	0.82	0.60	0.45	0.44	0.35	0.33	0.37
FEDERAL, CIVILIAN.....	60055	60562	61227	62086	62853	63520	64171	64845	65419	66068	66755
Percentage change.....	3.05	0.84	1.10	1.40	1.24	1.06	1.02	1.05	0.88	0.99	1.04
STATE & LOCAL.....	33153	32820	32799	33039	33277	33466	33606	33719	33806	33879	33969
Percentage change.....	0.49	-1.01	-0.06	0.73	0.72	0.57	0.42	0.34	0.26	0.22	0.27

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL NONFARM.....	40723	41978	43033	44183	45325	46482	47657	48858	50081	51329	52597
Percentage change.....	0.02	3.08	2.51	2.67	2.58	2.55	2.53	2.52	2.50	2.49	2.47
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	47731	48079	49355	50630	51906	53182	54457	55733	57009	58284	59560
Percentage change.....	5.37	0.73	2.65	2.58	2.52	2.46	2.40	2.34	2.29	2.24	2.19
MANUFACTURING.....	46717	49392	50664	51931	53198	54468	55747	57020	58288	59555	60817
Percentage change.....	-2.91	5.72	2.58	2.50	2.44	2.39	2.35	2.28	2.22	2.17	2.12
DURABLE GOODS.....	45035	47973	49129	50285	51441	52597	53753	54910	56066	57222	58378
Percentage change.....	-4.55	6.52	2.41	2.35	2.30	2.25	2.20	2.15	2.11	2.06	2.02
NONDURABLE GOODS.....	49238	51475	52964	54453	55942	57431	58920	60409	61897	63386	64875
Percentage change.....	-0.73	4.54	2.89	2.81	2.73	2.66	2.59	2.53	2.46	2.41	2.35
TRADE, TRANSPORTATION, UTILITIES.....	37288	38633	39611	40620	41625	42666	43682	44690	45689	46719	47770
Percentage change.....	-2.08	3.61	2.53	2.55	2.48	2.50	2.38	2.31	2.24	2.26	2.25
WHOLESALE TRADE.....	55186	56938	58633	60328	62024	63719	65414	67109	68804	70500	72195
Percentage change.....	-1.63	3.18	2.98	2.89	2.81	2.73	2.66	2.59	2.53	2.46	2.40
RETAIL TRADE.....	25809	26718	27368	28018	28668	29318	29968	30618	31269	31958	32653
Percentage change.....	-2.06	3.52	2.43	2.38	2.32	2.27	2.22	2.17	2.12	2.20	2.18
TRANSPORTATION & UTILITIES.....	47146	48816	49963	51110	52258	53405	54553	55700	56847	57995	59295
Percentage change.....	-2.01	3.54	2.35	2.30	2.24	2.20	2.15	2.10	2.06	2.02	2.24
INFORMATION.....	53195	54286	55824	57362	58900	60438	61976	63513	65171	66854	68594
Percentage change.....	2.06	2.05	2.83	2.75	2.68	2.61	2.54	2.48	2.61	2.58	2.60
FINANCIAL ACTIVITIES.....	60096	61632	63643	65655	67666	69677	71764	73972	76190	78514	80889
Percentage change.....	4.40	2.56	3.26	3.16	3.06	2.97	3.00	3.08	3.00	3.05	3.02
PROFESSIONAL & BUSINESS SERVICES...	45700	47388	49152	50943	52611	54354	56222	58143	60163	62205	64344
Percentage change.....	2.31	3.69	3.72	3.64	3.28	3.31	3.44	3.42	3.47	3.40	3.44
EDUCATION & HEALTH SERVICES.....	43362	44551	45691	46832	47973	49113	50254	51394	52535	53675	54816
Percentage change.....	1.43	2.74	2.56	2.50	2.44	2.38	2.32	2.27	2.22	2.17	2.12
LEISURE & HOSPITALITY.....	19416	19702	20200	20698	21195	21693	22191	22689	23206	23742	24291
Percentage change.....	-1.70	1.48	2.53	2.46	2.40	2.35	2.29	2.24	2.28	2.31	2.31
OTHER SERVICES.....	38482	39582	40368	41205	41968	42731	43501	44311	45174	46035	46922
Percentage change.....	1.02	2.86	1.99	2.07	1.85	1.82	1.80	1.86	1.95	1.91	1.93
GOVERNMENT.....	39643	40370	40787	41757	42790	43797	44803	45842	46878	47926	48974
Percentage change.....	1.26	1.83	1.03	2.38	2.47	2.35	2.30	2.32	2.26	2.24	2.19
FEDERAL, CIVILIAN.....	65624	67193	69088	71151	73214	75279	77450	79731	81969	84358	86775
Percentage change.....	3.29	2.39	2.82	2.99	2.90	2.82	2.88	2.94	2.81	2.91	2.87
STATE & LOCAL.....	36225	36413	37010	37863	38762	39661	40560	41459	42358	43257	44156
Percentage change.....	0.71	0.52	1.64	2.30	2.37	2.32	2.27	2.22	2.17	2.12	2.08

Table 10: Tennessee Civilian Labor Force and Unemployment Rate

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CIVILIAN LABOR FORCE (THOUS).....	3020	2989	3008	3032	3003	3010	3029	3048	3066	3088	3106
Percentage change.....	-0.71	-1.03	0.63	0.81	-0.96	0.26	0.63	0.61	0.59	0.72	0.58
EMPLOYED PERSONS (THOUS).....	2713	2677	2702	2736	2768	2793	2817	2842	2867	2895	2922
Percentage change.....	-4.69	-1.31	0.92	1.27	1.18	0.88	0.86	0.89	0.89	0.97	0.92
UNEMPLOYED PERSONS (THOUS).....	307	312	306	296	235	218	213	206	199	193	184
Percentage change.....	57.39	1.46	-1.83	-3.23	-20.76	-7.12	-2.33	-3.14	-3.56	-2.98	-4.51
PARTICIPATION RATE (PERCENT).....	62.0	60.8	60.5	60.3	59.0	58.4	58.1	58.3	58.6	58.9	59.2
Percentage change.....	-1.62	-1.96	-0.51	-0.38	-2.13	-0.93	-0.49	0.29	0.47	0.60	0.46
UNEMPLOYMENT RATE (PERCENT).....	10.2	10.4	10.2	9.8	7.8	7.2	7.0	6.8	6.5	6.2	5.9

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Table 11: Tennessee Taxable Sales (millions of 2005 dollars)

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL TAXABLE SALES.....	79746	80169	81640	84155	86418	88585	90799	92974	95061	97286	99602
Percentage change.....	-7.84	0.53	1.83	3.08	2.69	2.51	2.50	2.40	2.24	2.34	2.38
AUTO DEALERS.....	6070	6171	6403	6933	7237	7379	7540	7705	7884	8089	8275
Percentage change.....	-16.68	1.67	3.75	8.28	4.38	1.97	2.17	2.19	2.32	2.60	2.31
PURCHASES FROM MANUFACTURERS....	3214	3347	3422	3475	3523	3574	3618	3662	3708	3752	3801
Percentage change.....	-22.07	4.13	2.23	1.57	1.37	1.45	1.23	1.21	1.25	1.20	1.31
MISC DURABLE GOODS.....	12540	12739	13102	13595	13955	14346	14778	15176	15475	15814	16173
Percentage change.....	-16.37	1.59	2.85	3.76	2.65	2.80	3.01	2.69	1.97	2.19	2.26
EATING AND DRINKING PLACES.....	8087	8228	8451	8718	8990	9273	9551	9819	10110	10410	10725
Percentage change.....	-1.86	1.74	2.71	3.17	3.11	3.15	3.00	2.81	2.96	2.97	3.03
FOOD STORES.....	8560	8404	8409	8499	8611	8720	8819	8904	8975	9060	9151
Percentage change.....	1.86	-1.82	0.06	1.06	1.32	1.26	1.14	0.97	0.79	0.95	1.00
LIQUOR STORES.....	602	625	642	658	673	690	706	720	736	753	770
Percentage change.....	3.21	3.80	2.64	2.51	2.35	2.50	2.30	2.08	2.20	2.21	2.27
HOTELS AND MOTELS.....	1859	1857	1893	1940	1987	2037	2087	2134	2183	2234	2287
Percentage change.....	-12.38	-0.10	1.92	2.50	2.40	2.54	2.41	2.26	2.33	2.32	2.40
OTHER RETAIL AND SERVICE.....	24953	25284	25772	26558	27390	28235	29093	29947	30809	31726	32681
Percentage change.....	-5.24	1.32	1.93	3.05	3.13	3.09	3.04	2.93	2.88	2.98	3.01
MISC NONDURABLE GOODS.....	6785	6637	6696	6830	6986	7150	7309	7467	7628	7793	7972
Percentage change.....	-5.55	-2.19	0.89	2.01	2.28	2.34	2.22	2.16	2.16	2.16	2.30
TRANSPORTATION, COMMUNICATION.....	7075	6877	6852	6949	7066	7181	7299	7440	7553	7656	7767
Percentage change.....	-2.52	-2.80	-0.38	1.42	1.69	1.62	1.65	1.93	1.51	1.36	1.46
PER CAPITA (\$).....	12916	12879	12973	13219	13419	13597	13780	13992	14196	14417	14647
Percentage change.....	-8.56	-0.28	0.73	1.90	1.51	1.33	1.35	1.54	1.46	1.56	1.59

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

January 2010

	Forecast Data										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL TAXABLE SALES.....	87135	88948	92122	96445	100665	104987	109591	114318	119111	124220	129476
Percentage change.....	-7.63	2.08	3.57	4.69	4.38	4.29	4.39	4.31	4.19	4.29	4.23
AUTO DEALERS.....	6633	6847	7225	7946	8430	8745	9100	9473	9878	10328	10757
Percentage change.....	-16.45	3.23	5.52	9.98	6.09	3.74	4.06	4.10	4.27	4.56	4.15
PURCHASES FROM MANUFACTURERS....	3513	3714	3861	3983	4104	4236	4367	4503	4646	4791	4941
Percentage change.....	-21.88	5.73	3.96	3.16	3.04	3.22	3.09	3.11	3.18	3.12	3.14
MISC DURABLE GOODS.....	13702	14134	14784	15580	16256	17002	17836	18660	19391	20193	21023
Percentage change.....	-16.18	3.15	4.60	5.38	4.34	4.59	4.91	4.62	3.91	4.14	4.11
EATING AND DRINKING PLACES.....	8837	9129	9536	9991	10472	10990	11527	12074	12668	13292	13942
Percentage change.....	-1.64	3.31	4.46	4.77	4.81	4.95	4.89	4.74	4.92	4.93	4.89
FOOD STORES.....	9353	9325	9489	9740	10031	10334	10644	10948	11246	11568	11895
Percentage change.....	2.04	-0.30	1.76	2.64	2.99	3.02	3.00	2.86	2.71	2.87	2.83
LIQUOR STORES.....	658	693	724	754	784	818	852	886	923	961	1001
Percentage change.....	3.44	5.39	4.39	4.11	4.03	4.28	4.18	4.00	4.15	4.15	4.12
HOTELS AND MOTELS.....	2031	2061	2136	2224	2314	2415	2518	2623	2736	2852	2974
Percentage change.....	-12.17	1.45	3.65	4.10	4.08	4.33	4.30	4.17	4.28	4.27	4.25
OTHER RETAIL AND SERVICE.....	27266	28052	29081	30437	31905	33464	35115	36822	38604	40510	42484
Percentage change.....	-5.03	2.88	3.67	4.66	4.82	4.88	4.93	4.86	4.84	4.94	4.87
MISC NONDURABLE GOODS.....	7414	7363	7555	7827	8138	8474	8821	9181	9557	9950	10363
Percentage change.....	-5.33	-0.68	2.61	3.60	3.97	4.13	4.10	4.07	4.10	4.11	4.15
TRANSPORTATION, COMMUNICATION.....	7729	7630	7731	7964	8231	8511	8810	9148	9464	9775	10097
Percentage change.....	-2.33	-1.28	1.32	3.01	3.36	3.39	3.52	3.84	3.45	3.29	3.29
PER CAPITA (\$).....	14112	14289	14639	15150	15631	16115	16632	17204	17788	18408	19040
Percentage change.....	-8.36	1.26	2.45	3.49	3.18	3.09	3.21	3.44	3.39	3.49	3.43

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

January 2010

	Forecast Data											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GROSS DOMESTIC PRODUCT.....	217,151	213,789	219,009	226,705	236,035	243,632	251,039	258,308	265,927	273,868	282,393	291,356
Percentage change.....	1.48	-1.55	2.44	3.51	4.12	3.22	3.04	2.90	2.95	2.99	3.11	3.17
AGRICULTURE, FORESTRY, FISHING & HUNTING.....	950	965	984	999	1,019	1,035	1,055	1,069	1,085	1,101	1,123	1,140
Percentage change.....	-5.92	1.57	2.00	1.49	2.04	1.51	1.97	1.32	1.50	1.47	2.00	1.45
MINING.....	329	316	323	326	330	330	330	325	321	316	311	307
Percentage change.....	-9.26	-4.00	2.08	1.12	1.17	0.05	0.00	-1.49	-1.44	-1.50	-1.42	-1.45
CONSTRUCTION.....	5,532	4,295	3,950	3,808	3,866	3,943	4,060	4,080	4,086	4,095	4,102	4,105
Percentage change.....	-6.61	-22.37	-8.03	-3.59	1.51	2.00	2.96	0.50	0.14	0.23	0.17	0.08
MANUFACTURING.....	45,091	43,572	45,499	48,672	52,077	54,893	57,293	59,609	62,168	65,061	68,287	71,855
Percentage change.....	3.10	-3.37	4.42	6.97	6.99	5.41	4.37	4.04	4.29	4.65	4.96	5.23
DURABLE GOODS.....	31,050	30,136	31,932	34,776	37,837	40,388	42,570	44,661	46,995	49,654	52,630	55,953
Percentage change.....	4.09	-2.94	5.96	8.90	8.80	6.74	5.40	4.91	5.23	5.66	5.99	6.31
NONDURABLE GOODS.....	14,041	13,436	13,567	13,896	14,240	14,505	14,723	14,947	15,173	15,408	15,656	15,903
Percentage change.....	0.98	-4.31	0.97	2.43	2.47	1.86	1.50	1.53	1.51	1.55	1.62	1.57
TRADE, TRANSPORTATION, UTILITIES.....	46,968	46,147	46,503	48,134	50,368	51,836	53,233	54,477	55,760	56,956	58,198	59,436
Percentage change.....	-1.30	-1.75	0.77	3.51	4.64	2.92	2.69	2.34	2.35	2.15	2.18	2.13
WHOLESALE TRADE.....	14,262	13,965	14,386	14,984	15,806	16,281	16,775	17,169	17,567	17,892	18,246	18,600
Percentage change.....	-1.39	-2.08	3.02	4.15	5.49	3.01	3.03	2.35	2.32	1.85	1.98	1.94
RETAIL TRADE.....	21,500	21,469	21,501	22,368	23,486	24,212	24,832	25,396	25,985	26,551	27,122	27,689
Percentage change.....	-1.04	-0.14	0.15	4.03	5.00	3.09	2.56	2.27	2.32	2.18	2.15	2.09
TRANSPORTATION & UTILITIES.....	11,206	10,713	10,616	10,782	11,076	11,343	11,626	11,912	12,208	12,513	12,830	13,146
Percentage change.....	-1.70	-4.40	-0.91	1.57	2.72	2.41	2.50	2.46	2.48	2.50	2.53	2.47
INFORMATION.....	9,808	10,289	11,101	12,071	13,130	13,835	14,639	15,506	16,433	17,419	18,392	19,435
Percentage change.....	6.03	4.91	7.89	8.74	8.77	5.37	5.81	5.92	5.98	6.00	5.59	5.67
FINANCIAL ACTIVITIES.....	31,715	30,570	30,900	31,580	32,316	33,065	33,796	34,470	35,205	35,938	36,719	37,501
Percentage change.....	1.58	-3.61	1.08	2.20	2.33	2.32	2.21	2.00	2.13	2.08	2.18	2.13
PROFESSIONAL & BUSINESS SERVICES....	23,500	23,735	24,530	25,615	26,783	27,819	28,907	30,063	31,205	32,335	33,603	34,869
Percentage change.....	4.66	1.00	3.35	4.42	4.56	3.87	3.91	4.00	3.80	3.62	3.92	3.77
EDUCATION & HEALTH SERVICES.....	19,636	20,123	20,639	21,166	21,664	22,172	22,699	23,229	23,797	24,375	24,962	25,563
Percentage change.....	2.73	2.48	2.56	2.56	2.35	2.35	2.38	2.33	2.45	2.43	2.41	2.41
LEISURE & HOSPITALITY.....	8,483	8,337	8,266	8,476	8,641	8,798	8,902	9,067	9,246	9,418	9,586	9,761
Percentage change.....	-0.27	-1.71	-0.85	2.54	1.95	1.81	1.18	1.86	1.97	1.86	1.79	1.82
OTHER SERVICES.....	4,937	4,888	4,868	4,925	4,992	5,050	5,082	5,106	5,132	5,178	5,221	5,272
Percentage change.....	-0.22	-1.00	-0.40	1.18	1.35	1.16	0.65	0.47	0.50	0.91	0.83	0.96
GOVERNMENT.....	20,201	20,551	21,445	20,930	20,850	20,857	21,044	21,307	21,490	21,675	21,887	22,112
Percentage change.....	1.62	1.73	4.35	-2.40	-0.38	0.03	0.90	1.25	0.86	0.86	0.98	1.03
FEDERAL.....	5,222	5,273	5,900	5,258	5,147	5,064	4,998	4,937	4,880	4,826	4,774	4,723
Percentage change.....	-0.24	0.96	11.90	-10.88	-2.11	-1.61	-1.31	-1.22	-1.15	-1.11	-1.08	-1.08
STATE & LOCAL.....	14,979	15,278	15,545	15,672	15,703	15,792	16,046	16,370	16,610	16,849	17,113	17,390
Percentage change.....	2.29	2.00	1.74	0.82	0.20	0.57	1.61	2.02	1.47	1.44	1.57	1.61

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

January 2010

	Forecast Data											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
DURABLE GOODS.....	31050	30136	31932	34776	37837	40388	42570	44661	46995	49654	52630	55953
Percentage change.....	4.09	-2.94	5.96	8.90	8.80	6.74	5.40	4.91	5.23	5.66	5.99	6.31
WOOD PRODUCTS.....	843	726	694	714	721	729	731	734	735	736	737	738
Percentage change.....	-7.67	-13.87	-4.46	2.96	1.00	1.06	0.29	0.38	0.19	0.15	0.08	0.16
NONMETALLIC MINERAL PRODUCTS.....	1145	1027	961	964	981	997	1015	1033	1051	1070	1091	1110
Percentage change.....	-6.04	-10.36	-6.41	0.32	1.71	1.66	1.84	1.75	1.71	1.83	1.99	1.74
PRIMARY METALS.....	1100	1025	1042	1063	1080	1099	1121	1140	1159	1182	1202	1225
Percentage change.....	-1.17	-6.84	1.72	1.95	1.60	1.78	2.00	1.74	1.67	2.00	1.63	1.94
FABRICATED METAL PRODUCTS.....	3410	3114	3084	3148	3180	3209	3234	3256	3284	3345	3411	3471
Percentage change.....	-2.39	-8.68	-0.99	2.10	1.00	0.91	0.78	0.69	0.86	1.84	1.98	1.76
MACHINERY.....	3059	2952	2921	3066	3120	3180	3230	3285	3326	3388	3434	3482
Percentage change.....	1.76	-3.50	-1.03	4.97	1.75	1.91	1.58	1.71	1.25	1.86	1.37	1.39
COMPUTER & ELECTRONIC PRODUCTS.....	7898	9084	10482	11712	13036	14542	16234	17878	19766	21905	24369	27194
Percentage change.....	24.95	15.02	15.38	11.74	11.30	11.56	11.63	10.13	10.56	10.82	11.25	11.59
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS.....	2614	2505	2566	2665	2799	2937	3001	3067	3134	3197	3272	3337
Percentage change.....	-1.04	-4.14	2.42	3.86	5.05	4.91	2.20	2.17	2.20	2.00	2.34	2.00
TRANSPORTATION EQUIPMENT.....	8661	7530	8035	9213	10592	11337	11617	11848	12089	12345	12592	12840
Percentage change.....	-1.13	-13.05	6.71	14.66	14.96	7.04	2.47	1.99	2.03	2.12	2.00	1.97
FURNITURE.....	615	526	485	482	494	486	476	467	456	450	443	434
Percentage change.....	-8.34	-14.50	-7.85	-0.53	2.42	-1.56	-2.00	-1.93	-2.27	-1.37	-1.56	-2.03
MISCELLANEOUS DURABLE GOODS.....	1705	1647	1663	1748	1835	1872	1911	1953	1994	2035	2079	2121
Percentage change.....	0.76	-3.42	1.02	5.10	4.98	2.01	2.07	2.18	2.12	2.07	2.15	2.03

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Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2000 dollars)**January 2010**

	Forecast Data											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NONDURABLE GOODS.....	14,041	13,436	13,567	13,896	14,240	14,505	14,723	14,947	15,173	15,408	15,656	15,903
Percentage change.....	0.98	-4.31	0.97	2.43	2.47	1.86	1.50	1.53	1.51	1.55	1.62	1.57
FOOD & BEVERAGE & TOBACCO.....	4,585	4,431	4,520	4,632	4,726	4,855	4,947	5,046	5,143	5,241	5,348	5,455
Percentage change.....	0.82	-3.36	2.00	2.49	2.04	2.71	1.90	2.00	1.93	1.91	2.03	2.00
TEXTILE MILLS & TEXTILE PRODUCT MILLS....	604	594	600	605	608	612	617	622	625	628	632	635
Percentage change.....	0.00	-1.61	0.91	0.87	0.50	0.65	0.78	0.79	0.55	0.51	0.59	0.43
APPAREL.....	374	344	333	323	315	304	294	285	275	265	256	247
Percentage change.....	-0.07	-8.03	-3.00	-3.00	-2.62	-3.39	-3.27	-3.27	-3.49	-3.52	-3.45	-3.60
PAPER.....	2,024	1,969	1,982	2,050	2,115	2,158	2,205	2,250	2,296	2,343	2,394	2,445
Percentage change.....	1.57	-2.71	0.66	3.41	3.19	2.02	2.16	2.04	2.04	2.09	2.17	2.12
PRINTING & RELATED SUPPORT.....	1,304	1,197	1,185	1,186	1,197	1,209	1,221	1,239	1,262	1,286	1,310	1,335
Percentage change.....	-3.01	-8.18	-1.00	0.11	0.95	1.00	0.99	1.48	1.85	1.87	1.90	1.86
CHEMICALS.....	3,277	3,222	3,265	3,376	3,511	3,564	3,616	3,668	3,722	3,777	3,832	3,887
Percentage change.....	5.60	-1.68	1.34	3.39	4.00	1.51	1.46	1.45	1.46	1.47	1.47	1.44
PLASTICS & RUBBER.....	1785.40	1596.87	1599.29	1639.43	1680.09	1714.21	1732.38	1745.40	1755.17	1769.56	1784.60	1797.81
Percentage change.....	-3.28	-10.56	0.15	2.51	2.48	2.03	1.06	0.75	0.56	0.82	0.85	0.74
MISCELLANEOUS NONDURABLE GOODS.....	88.28	82.11	82.43	84.43	86.58	88.59	90.68	92.64	94.96	97.18	99.32	101.57
Percentage change.....	-5.08	-6.99	0.40	2.42	2.55	2.32	2.36	2.16	2.50	2.34	2.20	2.27

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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 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:3	2009:3	2006	2007	2008
US GDP (Bil2005\$) SAAR.....	12962.5	12965.9	13060.7	13099.9	13204.0	13321.1	13391.2	13366.9	13415.3	13324.6	13141.9	12925.4	12901.5	12973.0	12976.3	13254.1	13312.2
% Chg Prev Qtr SAAR.....	1.45	0.10	2.96	1.21	3.22	3.59	2.12	-0.72	1.46	-2.68	-5.37	-6.43	-0.74	2.24	2.67	2.14	0.44
% Chg Same Qtr Last Yr.....	2.98	2.23	2.45	1.42	1.86	2.74	2.53	2.04	1.60	0.03	-1.86	-3.30	-3.83	-2.64	2.67	2.14	0.44
US GDP (Bil\$) SAAR.....	13347.8	13452.9	13611.5	13795.6	13997.2	14179.9	14337.9	14373.9	14497.8	14546.7	14347.3	14178.0	14151.2	14242.1	13398.9	14077.7	14441.4
% Chg Prev Qtr SAAR.....	5.08	3.19	4.80	5.52	5.97	5.32	4.53	1.01	3.49	1.36	-5.37	-4.64	-0.75	2.59	6.02	5.07	2.58
% Chg Same Qtr Last Yr.....	6.64	5.58	5.39	4.64	4.87	5.40	5.34	4.19	3.58	2.59	0.07	-1.36	-2.39	-2.09	6.02	5.07	2.58
TN PERSONAL INCOME (MIL2005\$) SAAR.....	194596	194612	198001	197912	199414	200436	201553	200356	200993	197637	198516	199388	200480	199836	194809	199829	199376
% Chg Prev Qtr SAAR.....	5.46	0.03	7.15	-0.18	3.07	2.07	2.25	-2.36	1.28	-6.51	1.79	1.77	2.21	-1.28	3.83	2.58	-0.23
% Chg Same Qtr Last Yr.....	3.87	3.39	4.84	3.07	2.48	2.99	1.79	1.23	0.79	-1.40	-1.51	-0.48	-0.26	1.11	3.83	2.58	-0.23
US PERSONAL INCOME (BIL2005\$) SAAR.....	10924	10973	11137	11230	11252	11303	11308	11245	11276	11142	11238	11021	11073	11035	10966	11273	11225
% Chg Prev Qtr SAAR.....	3.45	1.82	6.13	3.35	0.81	1.83	0.17	-2.20	1.08	-4.66	3.50	-7.50	1.88	-1.38	4.59	2.80	-0.43
% Chg Same Qtr Last Yr.....	4.51	4.25	5.12	3.68	3.01	3.01	1.53	0.14	0.21	-1.43	-0.62	-1.99	-1.80	-0.96	4.59	2.80	-0.43
TN PERSONAL INCOME (MIL\$) SAAR.....	199591	201065	204531	206323	209532	211823	215672	216332	219125	217940	216095	216234	218150	218916	200169	210838	217373
% Chg Prev Qtr SAAR.....	8.66	2.99	7.08	3.55	6.37	4.45	7.47	1.23	5.27	-2.15	-3.34	0.26	3.59	1.41	6.68	5.33	3.10
% Chg Same Qtr Last Yr.....	7.21	6.30	6.82	5.54	4.98	5.35	5.45	4.85	4.58	2.89	0.20	-0.05	-0.44	0.45	6.68	5.33	3.10
US PERSONAL INCOME (BIL\$) SAAR.....	11204	11337	11505	11707	11823	11946	12100	12142	12293	12287	12234	11953	12049	12084	11268	11894	12239
% Chg Prev Qtr SAAR.....	6.59	4.83	6.06	7.21	4.04	4.20	5.28	1.39	5.06	-0.20	-1.72	-8.87	3.26	1.17	7.46	5.56	2.90
% Chg Same Qtr Last Yr.....	7.87	7.18	7.11	6.17	5.53	5.37	5.18	3.72	3.97	2.85	1.10	-1.56	-1.99	-1.65	7.46	5.56	2.90
TN NONFARM JOBS (THOUS).....	2783.0	2788.2	2786.0	2791.8	2790.4	2800.8	2806.6	2805.8	2791.1	2768.6	2741.9	2694.9	2662.5	2652.6	2782.6	2797.4	2776.8
% Chg Prev Qtr SAAR.....	1.41	0.74	-0.31	0.84	-0.21	1.50	0.84	-0.12	-2.07	-3.18	-3.81	-6.68	-4.72	-1.48	1.44	0.53	-0.73
% Chg Same Qtr Last Yr.....	1.65	1.37	1.01	0.67	0.26	0.45	0.74	0.50	0.03	-1.15	-2.31	-3.95	-4.61	-4.19	1.44	0.53	-0.73
US NONFARM JOBS (MIL).....	135.9	136.3	136.8	137.3	137.6	137.6	138.0	137.9	137.5	137.0	135.7	133.7	132.1	131.3	136.1	137.6	137.0
% Chg Prev Qtr SAAR.....	1.39	1.15	1.41	1.47	0.85	0.11	1.18	-0.17	-1.25	-1.46	-3.68	-5.95	-4.52	-2.59	1.79	1.11	-0.41
% Chg Same Qtr Last Yr.....	1.89	1.63	1.59	1.35	1.22	0.96	0.90	0.49	-0.03	-0.43	-1.65	-3.10	-3.92	-4.19	1.79	1.11	-0.41
TN MFG JOBS (THOUS).....	402.6	398.0	391.6	389.2	380.7	376.1	373.8	371.2	366.7	360.1	349.4	331.9	320.7	320.2	399.4	380.0	361.8
% Chg Prev Qtr SAAR.....	-2.67	-4.48	-6.31	-2.41	-8.47	-4.78	-2.37	-2.80	-4.70	-7.10	-11.36	-18.56	-12.84	-0.64	-2.29	-4.87	-4.77
% Chg Same Qtr Last Yr.....	-1.83	-2.24	-3.47	-3.98	-5.45	-5.52	-4.54	-4.64	-3.67	-4.26	-6.54	-10.59	-12.56	-11.08	-2.29	-4.87	-4.77
US MFG JOBS (MIL).....	14.2	14.2	14.1	14.0	13.9	13.8	13.8	13.7	13.5	13.4	13.1	12.5	12.0	11.8	14.2	13.9	13.4
% Chg Prev Qtr SAAR.....	-0.24	-1.56	-2.67	-1.75	-2.32	-2.28	-1.61	-2.42	-4.14	-4.68	-9.37	-17.00	-13.97	-7.19	-0.48	-1.97	-3.29
% Chg Same Qtr Last Yr.....	-0.24	-0.31	-0.99	-1.56	-2.08	-2.26	-1.99	-2.16	-2.62	-3.22	-5.19	-8.95	-11.38	-11.97	-0.48	-1.97	-3.29
TN UNEMPLOYMENT RATE (%).....	5.4	5.2	4.9	4.6	4.6	4.9	5.3	5.5	6.2	6.7	7.2	9.1	10.5	10.7	5.2	4.8	6.4
US UNEMPLOYMENT RATE (%).....	4.7	4.6	4.4	4.5	4.5	4.7	4.8	4.9	5.4	6.1	6.9	8.1	9.3	9.6	4.6	4.6	5.8

(CONTINUED ON NEXT PAGE)

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

January 2010

	Historical Data															Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:3	2009:3	2006	2007	2008	
CHAINED PRICE INDEX, GDP (2005=100.0).....	103.0	103.8	104.2	105.3	106.0	106.5	107.1	107.6	108.1	109.1	109.2	109.7	109.7	109.8	103.3	106.2	108.5	
% Chg Prev Qtr SAAR.....	3.61	3.08	1.84	4.25	2.68	1.65	2.32	1.90	1.81	4.02	0.09	1.87	-0.02	0.39	3.26	2.87	2.13	
% Chg Same Qtr Last Yr.....	3.55	3.28	2.89	3.19	2.96	2.60	2.72	2.14	1.92	2.51	1.95	1.94	1.48	0.58	3.26	2.87	2.13	
US PERS CONSUMP DEFL (2005=100.0).....	102.6	103.3	103.3	104.3	105.1	105.7	107.0	108.0	109.0	110.3	108.9	108.4	108.8	109.5	102.7	105.5	109.0	
% Chg Prev Qtr SAAR.....	3.04	2.95	-0.07	3.74	3.20	2.33	5.11	3.67	3.94	4.67	-5.05	-1.48	1.35	2.58	2.75	2.68	3.34	
% Chg Same Qtr Last Yr.....	3.21	2.81	1.89	2.40	2.44	2.29	3.59	3.57	3.76	4.35	1.73	0.44	-0.19	-0.69	2.75	2.68	3.34	
CONSUMER PRICE INDEX,																		
ALL-URBAN (82-84=1.000).....	2.012	2.030	2.025	2.044	2.065	2.077	2.107	2.130	2.154	2.186	2.139	2.126	2.133	2.152	2.016	2.073	2.152	
% Chg Prev Qtr SAAR.....	3.38	3.63	-1.05	3.86	4.20	2.35	5.77	4.50	4.49	6.20	-8.34	-2.37	1.33	3.60	3.22	2.86	3.80	
% Chg Same Qtr Last Yr.....	3.92	3.34	1.95	2.44	2.64	2.32	4.04	4.20	4.27	5.23	1.53	-0.18	-0.94	-1.55	3.22	2.86	3.80	
BANK PRIME INTEREST RATE (%).....	7.9	8.3	8.3	8.3	8.3	8.2	7.5	6.2	5.1	5.0	4.1	3.3	3.3	3.3	8.0	8.1	5.1	
FEDERAL FUNDS RATE (% per annum).....	4.907	5.247	5.247	5.257	5.250	5.073	4.497	3.177	2.087	1.940	0.507	0.183	0.180	0.157	4.964	5.019	1.928	
30-YEAR FIXED MORTGAGE RATE (%).....	6.6	6.6	6.3	6.2	6.3	6.5	6.2	5.9	6.1	6.3	5.9	5.1	5.0	5.2	6.4	6.3	6.0	
TN TAXABLE SALES (MIL2005\$).....	22517	22473	22895	23147	22755	22753	22800	22289	22231	21352	20657	20233	20013	19739	90221	91455	86529	
% Chg Prev Qtr SAAR.....	3.29	-0.78	7.72	4.47	-6.60	-0.04	0.83	-8.67	-1.04	-14.90	-12.40	-7.95	-4.28	-5.36	2.20	1.37	-5.39	
% Chg Same Qtr Last Yr.....	2.71	1.50	2.11	3.63	1.06	1.24	-0.41	-3.71	-2.30	-6.16	-9.40	-9.22	-9.98	-7.55	2.20	1.37	-5.39	
TN TAXABLE SALES (MIL\$).....	23095	23218	23650	24131	23910	24046	24397	24067	24237	23546	22486	21943	21777	21624	92702	96483	94335	
% Chg Prev Qtr SAAR.....	6.42	2.15	7.65	8.38	-3.61	2.29	5.98	-5.31	2.86	-10.93	-16.82	-9.32	-2.98	-2.79	5.00	4.08	-2.23	
% Chg Same Qtr Last Yr.....	6.01	4.35	4.04	6.12	3.53	3.56	3.16	-0.27	1.37	-2.08	-7.83	-8.82	-10.15	-8.16	5.00	4.08	-2.23	
TN AVG ANNUAL WAGE, NONFARM (2005\$).....	37114	36926	37834	37624	37779	37559	37881	37524	37149	37117	37589	37181	37261	37260	37162	37711	37345	
% Chg Prev Qtr SAAR.....	3.73	-2.01	10.20	-2.20	1.66	-2.31	3.47	-3.71	-3.93	-0.35	5.18	-4.27	0.86	-0.01	2.01	1.48	-0.97	
% Chg Same Qtr Last Yr.....	1.86	1.13	4.20	2.31	1.79	1.71	0.12	-0.26	-1.67	-1.18	-0.77	-0.91	0.30	0.38	2.01	1.48	-0.97	
TN AVG ANNUAL WAGE, NONFARM (\$).....	38066	38150	39081	39223	39696	39693	40534	40516	40501	40930	40917	40323	40545	40818	38184	39786	40716	
% Chg Prev Qtr SAAR.....	6.88	0.89	10.12	1.45	4.92	-0.03	8.75	-0.18	-0.15	4.31	-0.12	-5.69	2.22	2.72	4.82	4.20	2.34	
% Chg Same Qtr Last Yr.....	5.14	3.97	6.17	4.76	4.28	4.04	3.72	3.30	2.03	3.12	0.95	-0.48	0.11	-0.28	4.82	4.20	2.34	

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
US GDP (2005\$) SAAR.....	43387	43278	43489	43525	43763	44035	44166	43999	44059	43655	42952	42141	41961	42090	43372	43873	43665
% Chg Prev Qtr SAAR.....	0.50	-1.00	1.96	0.32	2.21	2.51	1.19	-1.50	0.55	-3.62	-6.29	-7.34	-1.70	1.24	1.71	1.15	-0.47
% Chg Same Qtr Last Yr.....	2.02	1.27	1.46	0.44	0.87	1.75	1.56	1.09	0.68	-0.86	-2.75	-4.22	-4.76	-3.58	1.71	1.15	-0.47
US GDP (\$) SAAR.....	44676	44904	45323	45836	46392	46874	47288	47313	47615	47659	46891	46225	46025	46208	44785	46599	47369
% Chg Prev Qtr SAAR.....	4.09	2.05	3.79	4.60	4.94	4.22	3.58	0.21	2.57	0.37	-6.29	-5.56	-1.72	1.59	5.02	4.05	1.65
% Chg Same Qtr Last Yr.....	5.65	4.59	4.38	3.63	3.84	4.39	4.33	3.22	2.63	1.67	-0.84	-2.30	-3.34	-3.05	5.02	4.05	1.65
TN PERSONAL INCOME (2005\$) SAAR.....	32146	32035	32484	32361	32498	32556	33062	32801	32841	32229	32309	32387	32501	32333	32125	32619	32545
% Chg Prev Qtr SAAR.....	3.98	-1.37	5.72	-1.51	1.70	0.72	6.37	-3.12	0.49	-7.24	0.99	0.97	1.41	-2.05	2.39	1.54	-0.23
% Chg Same Qtr Last Yr.....	2.44	1.94	3.38	1.65	1.09	1.62	1.78	1.36	1.06	-1.00	-2.28	-1.26	-1.04	0.32	2.39	1.54	-0.23
US PERSONAL INCOME (2005\$) SAAR.....	36562	36626	37085	37311	37295	37366	37296	37016	37032	36504	36730	35934	36013	35801	36654	37317	36820
% Chg Prev Qtr SAAR.....	2.47	0.70	5.11	2.45	-0.17	0.76	-0.75	-2.97	0.18	-5.59	2.50	-8.39	0.89	-2.34	3.61	1.81	-1.33
% Chg Same Qtr Last Yr.....	3.54	3.27	4.11	2.67	2.00	2.02	0.57	-0.79	-0.70	-2.31	-1.52	-2.92	-2.75	-1.93	3.61	1.81	-1.33
TN PERSONAL INCOME (\$) SAAR.....	32971	33098	33555	33736	34146	34405	35378	35417	35804	35540	35170	35123	35365	35420	33008	34416	35483
% Chg Prev Qtr SAAR.....	7.13	1.54	5.65	2.17	4.96	3.06	11.80	0.44	4.44	-2.91	-4.10	-0.53	2.78	0.62	5.21	4.27	3.10
% Chg Same Qtr Last Yr.....	5.73	4.80	5.34	4.10	3.56	3.95	5.43	4.98	4.85	3.30	-0.59	-0.83	-1.22	-0.34	5.21	4.27	3.10
US PERSONAL INCOME (\$) SAAR.....	37501	37841	38308	38896	39187	39488	39908	39967	40373	40254	39983	38970	39187	39205	37663	39371	40144
% Chg Prev Qtr SAAR.....	5.59	3.68	5.03	6.28	3.03	3.11	4.32	0.60	4.12	-1.17	-2.67	-9.75	2.25	0.18	6.45	4.54	1.96
% Chg Same Qtr Last Yr.....	6.87	6.17	6.08	5.14	4.50	4.35	4.18	2.75	3.03	1.94	0.19	-2.50	-2.94	-2.61	6.45	4.54	1.96
TN TAXABLE SALES (2005\$).....	3720	3699	3756	3785	3708	3696	3740	3649	3632	3482	3362	3287	3244	3194	14878	14929	14125
% Chg Prev Qtr SAAR.....	1.83	-2.17	6.28	3.08	-7.84	-1.36	4.90	-9.38	-1.81	-15.57	-13.09	-8.67	-5.03	-6.10	0.79	0.34	-5.38
% Chg Same Qtr Last Yr.....	1.29	0.07	0.69	2.21	-0.31	-0.10	-0.43	-3.59	-2.05	-5.78	-10.11	-9.93	-10.68	-8.28	0.79	0.34	-5.38
TN TAXABLE SALES (\$).....	3815	3822	3880	3946	3896	3906	4002	3940	3960	3840	3660	3564	3530	3499	15287	15750	15399
% Chg Prev Qtr SAAR.....	4.92	0.72	6.21	6.93	-4.89	0.94	10.25	-6.06	2.05	-11.62	-17.47	-10.03	-3.74	-3.54	3.55	3.03	-2.22
% Chg Same Qtr Last Yr.....	4.54	2.88	2.60	4.67	2.13	2.19	3.14	-0.14	1.63	-1.69	-8.56	-9.54	-10.85	-8.88	3.55	3.03	-2.22

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars)

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TN PERSONAL INCOME.....	194596	194612	198001	197912	199414	200436	201553	200356	200993	197637	198516	199388	200480	199836	194809	199829	199376
% Chg Prev Qtr SAAR.....	5.46	0.03	7.15	-0.18	3.07	2.07	2.25	-2.36	1.28	-6.51	1.79	1.77	2.21	-1.28	3.83	2.58	-0.23
% Chg Same Qtr Last Yr.....	3.87	3.39	4.84	3.07	2.48	2.99	1.79	1.23	0.79	-1.40	-1.51	-0.48	-0.26	1.11	3.83	2.58	-0.23
WAGES AND SALARIES.....	104151	103814	106276	105922	106302	106080	107193	106176	104579	103656	103978	101172	100191	99828	104277	106374	104597
% Chg Prev Qtr SAAR.....	5.09	-1.29	9.83	-1.32	1.44	-0.84	4.27	-3.74	-5.88	-3.48	1.25	-10.36	-3.82	-1.44	3.45	2.01	-1.67
% Chg Same Qtr Last Yr.....	3.51	2.49	5.21	2.97	2.07	2.18	0.86	0.24	-1.62	-2.28	-3.00	-4.71	-4.20	-3.69	3.45	2.01	-1.67
OTHER LABOR INCOME.....	23712	23477	23835	23641	23875	23940	24133	24044	23789	23627	23822	23761	23654	23582	23658	23897	23820
% Chg Prev Qtr SAAR.....	1.77	-3.92	6.25	-3.21	4.01	1.10	3.26	-1.46	-4.17	-2.70	3.34	-1.01	-1.79	-1.21	-0.74	1.01	-0.32
% Chg Same Qtr Last Yr.....	-0.76	-1.95	0.37	0.14	0.68	1.97	1.25	1.70	-0.36	-1.31	-1.29	-1.17	-0.57	-0.19	-0.74	1.01	-0.32
PROPRIETORS INCOME.....	26638	26325	26541	25108	24971	24757	24569	24614	24294	24111	23816	23343	23021	23136	26516	24851	24209
% Chg Prev Qtr SAAR.....	1.17	-4.62	3.32	-19.91	-2.16	-3.39	-3.00	0.74	-5.10	-2.98	-4.80	-7.72	-5.40	2.01	3.47	-6.28	-2.58
% Chg Same Qtr Last Yr.....	4.99	2.19	2.06	-5.47	-6.26	-5.96	-7.43	-1.97	-2.71	-2.61	-3.06	-5.17	-5.24	-4.04	3.47	-6.28	-2.58
RENT, INTEREST, DIVIDENDS.....	24478	25053	25408	25958	26863	27652	27770	27097	26869	26877	26805	25842	25393	25320	24570	27061	26912
% Chg Prev Qtr SAAR.....	20.97	9.74	5.79	8.94	14.70	12.28	1.71	-9.34	-3.33	0.12	-1.06	-13.62	-6.77	-1.14	12.33	10.14	-0.55
% Chg Same Qtr Last Yr.....	13.27	14.83	11.70	11.22	9.74	10.37	9.30	4.39	0.02	-2.80	-3.47	-4.63	-5.49	-5.79	12.33	10.14	-0.55
TRANSFER PAYMENTS.....	32989	33146	33524	34843	35039	35622	35760	36162	38889	36641	37397	39439	42255	41891	33132	35316	37272
% Chg Prev Qtr SAAR.....	1.45	1.91	4.65	16.69	2.27	6.83	1.56	4.58	33.74	-21.19	8.52	23.69	31.77	-3.40	1.71	6.59	5.54
% Chg Same Qtr Last Yr.....	0.18	1.87	3.63	6.00	6.21	7.47	6.67	3.79	10.99	2.86	4.58	9.06	8.66	14.33	1.71	6.59	5.54
LESS: PERS CONT FOR SOC INS....	16258	16124	16418	16376	16398	16376	16571	16581	16385	16286	16374	16117	15992	15934	16238	16430	16406
% Chg Prev Qtr SAAR.....	2.65	-3.24	7.48	-1.01	0.54	-0.54	4.86	0.23	-4.64	-2.39	2.18	-6.13	-3.08	-1.44	2.50	1.18	-0.14
% Chg Same Qtr Last Yr.....	2.71	1.59	3.96	1.39	0.86	1.56	0.94	1.25	-0.08	-0.55	-1.19	-2.80	-2.40	-2.16	2.50	1.18	-0.14
RESIDENCE ADJUSTMENT.....	-1115	-1079	-1165	-1186	-1238	-1238	-1300	-1157	-1041	-988	-928	1948	1957	2011	-1107	-1240	-1029
% Chg Prev Qtr SAAR.....	18.20	-12.35	35.60	7.42	18.95	-0.16	21.69	-37.30	-34.39	-18.74	-22.36	1844.48	1.88	11.39	-10.82	12.02	-17.08
% Chg Same Qtr Last Yr.....	-10.83	-14.20	-3.86	10.83	11.01	14.68	11.62	-2.43	-15.92	-20.14	-28.62	-268.43	-288.02	-303.45	-10.82	12.02	-17.08
PER CAPITA PERSONAL INCOME (\$)...	32146	32035	32484	32361	32498	32556	33062	32801	32841	32229	32309	32387	32501	32333	32125	32619	32545
% Chg Prev Qtr SAAR.....	3.98	-1.37	5.72	-1.51	1.70	0.72	6.37	-3.12	0.49	-7.24	0.99	0.97	1.41	-2.05	2.39	1.54	-0.23
% Chg Same Qtr Last Yr.....	2.44	1.94	3.38	1.65	1.09	1.62	1.78	1.36	1.06	-1.00	-2.28	-1.26	-1.04	0.32	2.39	1.54	-0.23

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars)**January 2010**

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TN PERSONAL INCOME.....	199591	201065	204531	206323	209532	211823	215672	216332	219125	217940	216095	216234	218150	218916	200169	210838	217373
% Chg Prev Qtr SAAR.....	8.66	2.99	7.08	3.55	6.37	4.45	7.47	1.23	5.27	-2.15	-3.34	0.26	3.59	1.41	6.68	5.33	3.10
% Chg Same Qtr Last Yr.....	7.21	6.30	6.82	5.54	4.98	5.35	5.45	4.85	4.58	2.89	0.20	-0.05	-0.44	0.45	6.68	5.33	3.10
WAGES AND SALARIES.....	106825	107256	109781	110424	111696	112106	114702	114642	114013	114305	113185	109720	109022	109360	107146	112232	114036
% Chg Prev Qtr SAAR.....	8.28	1.62	9.75	2.36	4.69	1.48	9.59	-0.21	-2.18	1.03	-3.86	-11.69	-2.52	1.25	6.30	4.75	1.61
% Chg Same Qtr Last Yr.....	6.84	5.36	7.20	5.44	4.56	4.52	4.48	3.82	2.07	1.96	-1.32	-4.29	-4.38	-4.33	6.30	4.75	1.61
OTHER LABOR INCOME.....	24321	24255	24621	24646	25086	25300	25823	25961	25935	26054	25931	25769	25739	25834	24308	25214	25970
% Chg Prev Qtr SAAR.....	4.86	-1.08	6.17	0.41	7.33	3.46	8.53	2.15	-0.40	1.85	-1.88	-2.48	-0.46	1.48	1.99	3.73	3.00
% Chg Same Qtr Last Yr.....	2.43	0.81	2.27	2.55	3.15	4.31	4.88	5.34	3.38	2.98	0.42	-0.74	-0.76	-0.84	1.99	3.73	3.00
PROPRIETORS INCOME.....	27322	27198	27416	26175	26238	26163	26290	26577	26486	26588	25925	25315	25050	25345	27244	26217	26394
% Chg Prev Qtr SAAR.....	4.24	-1.80	3.24	-16.91	0.97	-1.14	1.96	4.44	-1.36	1.55	-9.61	-9.08	-4.12	4.79	6.30	-3.77	0.68
% Chg Same Qtr Last Yr.....	8.36	5.06	4.00	-3.20	-3.97	-3.81	-4.11	1.54	0.95	1.62	-1.39	-4.75	-5.42	-4.68	6.30	-3.77	0.68
RENT, INTEREST, DIVIDENDS.....	25106	25884	26246	27061	28226	29223	29715	29258	29293	29638	29179	28025	27631	27738	25249	28556	29342
% Chg Prev Qtr SAAR.....	24.64	12.98	5.71	13.01	18.36	14.90	6.91	-6.01	0.48	4.79	-6.05	-14.91	-5.51	1.56	15.41	13.10	2.75
% Chg Same Qtr Last Yr.....	16.91	18.06	13.82	13.89	12.43	12.90	13.22	8.12	3.78	1.42	-1.80	-4.21	-5.67	-6.41	15.41	13.10	2.75
TRANSFER PAYMENTS.....	33836	34245	34630	36324	36817	37646	38265	39046	42397	40405	40709	42771	45979	45891	34044	37263	40639
% Chg Prev Qtr SAAR.....	4.53	4.92	4.57	21.05	5.54	9.32	6.74	8.42	39.01	-17.51	3.04	21.85	33.55	-0.76	4.51	9.46	9.06
% Chg Same Qtr Last Yr.....	3.40	4.73	5.59	8.55	8.81	9.93	10.50	7.49	15.16	7.33	6.39	9.54	8.45	13.58	4.51	9.46	9.06
LESS: PERS CONT FOR SOC INS....	16675	16659	16959	17072	17230	17306	17732	17903	17863	17959	17824	17479	17401	17455	16684	17335	17887
% Chg Prev Qtr SAAR.....	5.76	-0.38	7.40	2.69	3.75	1.78	10.22	3.91	-0.89	2.17	-2.97	-7.52	-1.77	1.25	5.32	3.90	3.19
% Chg Same Qtr Last Yr.....	6.01	4.45	5.93	3.83	3.33	3.88	4.56	4.87	3.67	3.77	0.52	-2.37	-2.59	-2.81	5.32	3.90	3.19
RESIDENCE ADJUSTMENT.....	-1144	-1115	-1203	-1236	-1301	-1308	-1391	-1249	-1135	-1090	-1010	2113	2130	2203	-1138	-1309	-1121
% Chg Prev Qtr SAAR.....	21.78	-9.76	35.51	11.43	22.75	2.17	27.90	-35.00	-31.81	-14.94	-26.28	1815.63	3.26	14.43	-8.36	15.05	-14.36
% Chg Same Qtr Last Yr.....	-7.96	-11.79	-2.04	13.50	13.72	17.31	15.63	1.05	-12.76	-16.67	-27.39	-269.18	-287.67	-302.11	-8.36	15.05	-14.36
PER CAPITA PERSONAL INCOME (\$)...	32971	33098	33555	33736	34146	34405	35378	35417	35804	35540	35170	35123	35365	35420	33008	34416	35483
% Chg Prev Qtr SAAR.....	7.13	1.54	5.65	2.17	4.96	3.06	11.80	0.44	4.44	-2.91	-4.10	-0.53	2.78	0.62	5.21	4.27	3.10
% Chg Same Qtr Last Yr.....	5.73	4.80	5.34	4.10	3.56	3.95	5.43	4.98	4.85	3.30	-0.59	-0.83	-1.22	-0.34	5.21	4.27	3.10

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL NONFARM.....	2788.1	2792.3	2807.9	2760.9	2795.1	2805.1	2828.6	2774.8	2795.6	2771.7	2762.5	2666.7	2666.2	2656.0	2782.7	2797.4	2776.2
% Chg Same Qtr Last Yr.....	1.64	1.39	1.00	0.67	0.25	0.46	0.74	0.50	0.02	-1.19	-2.34	-3.89	-4.63	-4.18	1.44	0.53	-0.76
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	135.6	138.1	135.6	131.7	138.9	141.1	139.8	133.1	136.8	135.0	128.6	112.5	110.3	106.5	134.4	137.9	133.4
% Chg Same Qtr Last Yr.....	9.18	6.91	4.93	2.62	2.41	2.17	3.10	1.09	-1.46	-4.32	-8.04	-15.50	-19.42	-21.13	7.33	2.57	-3.25
MANUFACTURING.....	403.4	399.1	391.8	387.4	381.2	377.2	374.0	369.5	367.1	361.2	349.5	330.4	320.9	321.3	399.4	380.0	361.8
% Chg Same Qtr Last Yr.....	-1.87	-2.23	-3.47	-3.95	-5.50	-5.48	-4.55	-4.63	-3.71	-4.23	-6.54	-10.58	-12.57	-11.05	-2.29	-4.87	-4.77
DURABLE GOODS.....	253.4	251.9	248.9	244.5	238.7	234.1	231.2	228.5	225.8	221.1	212.5	200.1	191.9	193.1	251.8	237.1	222.0
% Chg Same Qtr Last Yr.....	-1.14	-0.74	-1.41	-3.32	-5.83	-7.08	-7.11	-6.53	-5.38	-5.55	-8.09	-12.46	-15.04	-12.67	-1.10	-5.83	-6.38
NONDURABLE GOODS.....	149.9	147.2	142.9	142.9	142.5	143.1	142.7	141.0	141.2	140.2	137.0	130.3	129.1	128.3	147.6	142.8	139.8
% Chg Same Qtr Last Yr.....	-3.08	-4.68	-6.87	-5.01	-4.94	-2.74	-0.09	-1.38	-0.91	-2.07	-4.04	-7.54	-8.61	-8.49	-4.25	-3.23	-2.10
TRADE, TRANSPORTATION, UTILITIES.....	605.5	606.8	617.8	603.8	608.3	608.9	621.0	604.6	603.1	599.4	597.5	575.5	573.6	570.0	607.3	610.5	601.2
% Chg Same Qtr Last Yr.....	1.76	1.06	0.98	0.82	0.46	0.34	0.52	0.13	-0.87	-1.56	-3.78	-4.81	-4.89	-4.90	1.54	0.54	-1.53
WHOLESALE TRADE.....	132.2	132.8	132.5	131.6	133.0	133.4	133.9	132.8	133.2	132.9	131.3	127.3	125.6	125.8	132.0	133.0	132.6
% Chg Same Qtr Last Yr.....	1.35	1.63	1.07	0.69	0.66	0.43	1.06	0.96	0.13	-0.37	-1.89	-4.19	-5.73	-5.37	1.34	0.71	-0.30
RETAIL TRADE.....	326.8	326.5	336.6	326.3	328.4	327.9	339.6	328.1	326.3	324.0	324.7	311.6	313.2	310.4	328.2	330.5	325.8
% Chg Same Qtr Last Yr.....	1.12	0.78	1.05	1.05	0.50	0.42	0.88	0.54	-0.63	-1.18	-4.39	-5.03	-4.03	-4.20	1.21	0.71	-1.44
TRANSPORTATION & UTILITIES.....	146.6	147.5	148.7	146.0	146.9	147.6	147.6	143.7	143.5	142.5	141.5	136.7	134.8	133.8	147.0	147.0	142.8
% Chg Same Qtr Last Yr.....	3.58	1.17	0.72	0.44	0.20	0.07	-0.76	-1.53	-2.29	-3.48	-4.11	-4.89	-6.06	-6.06	2.49	-0.02	-2.86
INFORMATION.....	50.1	49.3	49.7	49.2	50.0	50.6	51.2	51.1	51.2	49.9	49.1	47.5	46.9	46.3	49.6	50.3	50.3
% Chg Same Qtr Last Yr.....	0.74	0.34	1.22	-0.07	-0.07	2.70	2.95	3.79	2.40	-1.51	-4.17	-7.05	-8.39	-7.15	0.35	1.38	0.08
FINANCIAL ACTIVITIES.....	143.7	143.9	143.6	142.9	145.0	145.8	145.7	144.9	145.5	145.1	144.6	138.7	138.1	136.8	143.5	144.8	145.0
% Chg Same Qtr Last Yr.....	0.09	-0.09	-0.09	-0.05	0.90	1.32	1.44	1.40	0.34	-0.48	-0.75	-4.26	-5.04	-5.70	0.17	0.91	0.12
PROFESSIONAL & BUSINESS SERVICES...	317.3	320.4	326.1	313.1	320.0	325.7	331.5	319.5	324.9	321.9	320.0	305.3	304.4	305.0	319.0	322.6	321.6
% Chg Same Qtr Last Yr.....	2.43	1.94	1.05	0.25	0.85	1.63	1.68	2.04	1.53	-1.17	-3.49	-4.44	-6.31	-5.25	2.04	1.11	-0.32
EDUCATION & HEALTH SERVICES.....	339.5	342.2	346.4	345.3	347.7	352.1	354.4	352.9	356.3	357.3	364.2	363.6	364.9	365.3	340.7	349.9	357.7
% Chg Same Qtr Last Yr.....	3.06	3.11	3.38	3.23	2.42	2.89	2.30	2.22	2.49	1.48	2.77	3.02	2.41	2.23	3.14	2.71	2.24
LEISURE & HOSPITALITY.....	275.2	279.2	269.5	262.8	281.9	285.3	275.2	265.8	280.8	282.3	273.0	261.9	275.9	279.7	270.1	276.3	275.5
% Chg Same Qtr Last Yr.....	2.57	2.77	3.06	2.42	2.42	2.16	2.12	1.15	-0.38	-1.03	-0.80	-1.47	-1.74	-0.93	3.09	2.28	-0.29
OTHER SERVICES.....	102.2	102.9	102.3	102.7	105.1	104.3	103.9	104.3	105.7	103.2	101.2	100.6	102.1	100.8	101.8	104.0	103.6
% Chg Same Qtr Last Yr.....	0.52	1.78	2.13	3.11	2.77	1.36	1.56	1.52	0.57	-0.99	-2.57	-3.58	-3.34	-2.36	1.01	2.19	-0.37
GOVERNMENT.....	415.7	410.3	425.1	422.0	417.1	414.2	431.9	429.1	424.2	416.4	434.8	430.8	429.0	424.3	416.9	421.3	426.1
% Chg Same Qtr Last Yr.....	1.27	1.58	1.03	1.28	0.33	0.94	1.61	1.68	1.72	0.54	0.66	0.40	1.12	1.89	1.02	1.04	1.15
FEDERAL, CIVILIAN.....	48.5	49.0	49.4	48.8	48.8	48.8	48.7	48.9	49.1	49.3	49.4	48.9	50.1	50.9	48.8	48.8	49.2
% Chg Same Qtr Last Yr.....	-1.62	-0.47	0.14	0.69	0.62	-0.41	-1.35	0.07	0.68	1.09	1.44	0.00	1.90	3.25	-0.78	-0.12	0.82
STATE & LOCAL.....	367.2	361.3	375.7	373.1	368.3	365.4	383.2	380.2	375.1	367.1	385.4	381.9	378.9	373.4	368.1	372.5	377.0
% Chg Same Qtr Last Yr.....	1.66	1.86	1.15	1.36	0.29	1.13	2.00	1.89	1.86	0.47	0.57	0.45	1.02	1.71	1.27	1.20	1.19

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2010**

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL DURABLE GOODS.....	253.4	251.9	248.9	244.5	238.7	234.1	231.2	228.5	225.8	221.1	212.5	200.1	191.9	193.1	251.8	237.1	222.0
% Chg Same Qtr Last Yr.....	-1.14	-0.74	-1.41	-3.32	-5.83	-7.08	-7.11	-6.53	-5.38	-5.55	-8.09	-12.46	-15.04	-12.67	-0.01	-0.06	-0.06
WOOD PRODUCTS.....	18.1	18.1	17.5	16.5	16.2	16.0	15.7	15.1	14.6	14.2	13.6	12.4	11.9	12.0	17.9	16.1	14.4
% Chg Same Qtr Last Yr.....	2.64	1.88	-2.77	-8.01	-10.48	-11.60	-10.46	-8.30	-10.27	-11.25	-13.38	-17.88	-18.31	-15.73	0.01	-0.10	-0.11
NONMETALLIC MINERALS.....	16.3	16.3	15.9	15.5	15.7	15.6	15.4	14.9	14.7	14.6	14.2	13.4	13.3	13.1	16.1	15.6	14.6
% Chg Same Qtr Last Yr.....	1.46	1.04	-1.45	-3.12	-3.48	-4.30	-3.14	-4.08	-6.37	-6.42	-7.58	-9.84	-9.75	-9.84	0.01	-0.04	-0.06
PRIMARY METALS.....	11.8	11.8	11.9	11.9	11.8	11.6	11.6	11.5	11.2	11.1	10.7	10.2	9.8	9.9	11.8	11.7	11.1
% Chg Same Qtr Last Yr.....	-1.12	-1.94	0.00	1.13	-0.28	-1.13	-3.07	-3.91	-4.53	-4.58	-7.49	-11.34	-12.76	-10.51	-0.02	-0.01	-0.05
FABRICATED METALS.....	43.6	43.7	42.9	42.3	41.4	41.3	41.1	40.3	40.3	39.7	38.2	36.5	34.8	35.4	43.5	41.5	39.6
% Chg Same Qtr Last Yr.....	1.95	2.26	0.16	-3.13	-4.97	-5.49	-4.20	-4.80	-2.82	-3.79	-6.90	-9.43	-13.58	-10.99	0.02	-0.04	-0.05
MACHINERY.....	33.9	33.2	31.9	32.7	32.4	31.6	31.3	32.1	31.8	30.9	29.9	29.9	29.0	28.8	33.2	32.0	31.2
% Chg Same Qtr Last Yr.....	-3.15	-1.78	-1.65	-3.82	-4.23	-4.72	-1.88	-1.73	-1.95	-2.32	-4.26	-6.85	-8.91	-6.69	-0.02	-0.04	-0.03
COMPUTERS & ELECTRONICS.....	9.4	9.1	8.9	8.4	8.1	8.0	7.8	7.8	7.7	7.4	7.1	6.7	6.5	6.5	9.3	8.1	7.5
% Chg Same Qtr Last Yr.....	-10.16	-10.82	-11.88	-12.85	-13.78	-11.40	-11.99	-7.17	-5.33	-7.88	-9.79	-14.16	-16.02	-11.71	-0.11	-0.13	-0.08
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.4	23.1	22.9	22.4	22.1	21.9	21.9	21.0	20.8	20.6	20.1	19.4	18.4	18.4	23.2	22.1	20.6
% Chg Same Qtr Last Yr.....	-0.57	-0.29	-2.00	-4.00	-5.56	-4.91	-4.22	-6.25	-5.88	-6.23	-8.36	-7.78	-11.54	-10.37	-0.01	-0.05	-0.07
TRANSPORTATION EQUIPMENT.....	63.4	63.9	64.3	62.9	59.2	56.7	55.8	55.7	55.1	53.5	50.7	45.0	42.3	43.3	63.7	58.6	53.8
% Chg Same Qtr Last Yr.....	-1.45	0.74	0.99	-0.58	-6.67	-11.26	-13.32	-11.35	-6.98	-5.70	-9.09	-19.32	-23.12	-19.13	0.00	-0.08	-0.08
FURNITURE.....	18.2	17.4	17.0	16.5	16.2	15.8	15.6	15.1	14.7	14.3	13.7	12.8	12.3	12.0	17.7	16.0	14.5
% Chg Same Qtr Last Yr.....	-5.36	-9.38	-9.73	-10.18	-10.97	-9.20	-8.43	-8.10	-9.45	-9.28	-11.99	-15.64	-16.55	-16.05	-0.08	-0.10	-0.10
MISCELLANEOUS DURABLE GOODS.....	15.3	15.4	15.7	15.4	15.4	15.4	15.1	15.0	15.0	14.8	14.3	13.9	13.7	13.6	15.3	15.4	14.8
% Chg Same Qtr Last Yr.....	-0.43	0.00	3.29	3.12	1.09	0.22	-3.61	-2.81	-2.81	-4.32	-5.73	-7.56	-8.89	-8.13	0.00	0.00	-0.04

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL NONDURABLE GOODS.....	149.9	147.2	142.9	142.9	142.5	143.1	142.7	141.0	141.2	140.2	137.0	130.3	129.1	128.3	147.6	142.8	139.8
% Chg Same Qtr Last Yr.....	-3.08	-4.68	-6.87	-5.01	-4.94	-2.74	-0.09	-1.38	-0.91	-2.07	-4.04	-7.54	-8.61	-8.49	-4.25	-3.23	-2.10
FOOD.....	34.3	33.5	33.4	33.0	32.5	32.6	32.6	32.2	32.3	32.1	31.7	30.4	30.3	30.0	34.0	32.7	32.1
% Chg Same Qtr Last Yr.....	0.19	-3.27	-4.30	-4.89	-5.06	-2.79	-2.50	-2.52	-0.61	-1.54	-2.66	-5.69	-6.39	-6.55	-0.97	-3.83	-1.84
BEVERAGE & TOBACCO.....	5.3	5.2	5.0	5.1	5.0	5.1	5.1	5.0	5.1	5.0	4.8	4.7	4.7	4.6	5.2	5.1	5.0
% Chg Same Qtr Last Yr.....	-2.44	-5.45	-7.41	-3.18	-5.63	-2.56	1.33	-0.66	0.66	-1.32	-4.61	-7.28	-7.89	-8.67	-4.30	-2.57	-1.48
TEXTILE MILLS, TEXTILE MILL																	
PRODUCTS & APPAREL.....	16.3	15.9	15.6	15.2	15.1	15.0	15.0	14.8	15.0	14.8	14.5	13.5	13.0	12.8	16.1	15.1	14.8
% Chg Same Qtr Last Yr.....	-10.77	-10.53	-11.39	-9.18	-7.16	-5.46	-3.43	-2.64	-1.10	-1.11	-3.55	-8.80	-13.14	-13.93	-10.55	-6.36	-2.10
PAPER.....	18.5	18.5	17.9	17.5	17.4	17.6	17.2	17.1	17.3	17.3	16.7	16.2	16.3	16.1	18.3	17.4	17.1
% Chg Same Qtr Last Yr.....	-1.77	-3.14	-4.61	-4.55	-6.12	-5.22	-4.28	-2.29	-0.57	-1.71	-2.52	-5.27	-5.97	-6.56	-3.21	-5.05	-1.77
PRINTING & RELATED SUPPORT.....	17.7	17.9	17.6	17.0	16.9	17.2	16.7	16.1	15.9	15.8	15.4	14.3	14.0	13.9	17.7	16.9	15.8
% Chg Same Qtr Last Yr.....	-6.19	-5.29	-5.55	-4.31	-4.53	-3.91	-5.30	-5.68	-5.53	-7.95	-7.60	-11.00	-12.13	-12.42	-5.42	-4.51	-6.69
CHEMICALS.....	26.4	26.2	26.3	26.5	26.8	27.0	27.4	27.5	27.7	27.4	27.0	26.2	26.2	25.8	26.3	26.9	27.4
% Chg Same Qtr Last Yr.....	-3.88	-2.72	-1.00	0.89	1.52	3.05	3.92	3.65	3.48	1.60	-1.22	-4.49	-5.53	-5.95	-3.13	2.34	1.86
PLASTICS & RUBBER.....	29.0	27.7	24.9	26.5	26.7	26.6	26.7	26.3	25.9	25.4	24.7	23.4	23.0	22.2	27.6	26.6	25.6
% Chg Same Qtr Last Yr.....	-1.25	-5.79	-15.13	-8.52	-8.05	-3.98	7.51	-0.63	-2.75	-4.27	-7.48	-11.27	-11.44	-12.71	-5.77	-3.65	-3.79
MISCELLANEOUS NONDURABLE GOODS.....	2.4	2.3	2.2	2.2	2.1	2.2	2.1	2.0	2.0	2.3	2.0	1.8	1.7	3.0	2.3	2.1	2.1
% Chg Same Qtr Last Yr.....	8.96	4.55	-1.52	-12.16	-13.70	-5.80	-1.54	-6.15	-6.35	6.15	-4.69	-13.11	-13.56	28.99	3.31	-8.54	-2.72

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Tennessee Econometric Model

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

January 2010

	Historical Data															Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008	
TOTAL NONFARM.....	2783.0	2788.2	2786.0	2791.8	2790.4	2800.8	2806.6	2805.8	2791.1	2768.6	2741.9	2694.9	2662.5	2652.6	2782.6	2797.4	2776.8	
% Chg Prev Qtr SAAR.....	1.41	0.74	-0.31	0.84	-0.21	1.50	0.84	-0.12	-2.07	-3.18	-3.81	-6.68	-4.72	-1.48	1.44	0.53	-0.73	
% Chg Same Qtr Last Yr.....	1.65	1.37	1.01	0.67	0.26	0.45	0.74	0.50	0.03	-1.15	-2.31	-3.95	-4.61	-4.19	1.44	0.53	-0.73	
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	134.3	135.2	135.2	136.3	137.5	138.2	139.4	137.8	135.4	132.2	128.7	116.4	108.9	104.2	134.4	137.9	133.5	
% Chg Prev Qtr SAAR.....	3.97	2.71	0.20	3.29	3.37	2.25	3.42	-4.61	-6.60	-9.30	-9.99	-33.23	-23.39	-16.08	7.33	2.57	-3.14	
% Chg Same Qtr Last Yr.....	9.13	7.08	4.94	2.53	2.38	2.27	3.08	1.05	-1.48	-4.39	-7.65	-15.53	-19.62	-21.16	7.33	2.57	-3.14	
MANUFACTURING.....	402.6	398.0	391.6	389.2	380.7	376.1	373.8	371.2	366.7	360.1	349.4	331.9	320.7	320.2	399.4	380.0	361.8	
% Chg Prev Qtr SAAR.....	-2.67	-4.48	-6.31	-2.41	-8.47	-4.78	-2.37	-2.80	-4.70	-7.10	-11.36	-18.56	-12.84	-0.64	-2.29	-4.87	-4.77	
% Chg Same Qtr Last Yr.....	-1.83	-2.24	-3.47	-3.98	-5.45	-5.52	-4.54	-4.64	-3.67	-4.26	-6.54	-10.59	-12.56	-11.08	-2.29	-4.87	-4.77	
DURABLE GOODS.....	253.0	251.6	249.1	245.0	238.5	233.6	231.4	229.0	225.8	220.5	212.7	200.4	191.9	192.5	251.8	237.1	222.0	
% Chg Prev Qtr SAAR.....	-0.80	-2.20	-3.91	-6.43	-10.21	-7.95	-3.67	-4.19	-5.35	-9.12	-13.39	-21.20	-15.94	1.24	-1.10	-5.83	-6.38	
% Chg Same Qtr Last Yr.....	-1.05	-0.79	-1.41	-3.36	-5.74	-7.15	-7.10	-6.54	-5.30	-5.61	-8.08	-12.47	-15.03	-12.70	-1.10	-5.83	-6.38	
NONDURABLE GOODS.....	149.6	146.5	142.5	144.2	142.2	142.5	142.4	142.2	140.9	139.6	136.7	131.5	128.8	127.7	147.6	142.8	139.8	
% Chg Prev Qtr SAAR.....	-5.72	-8.24	-10.33	4.91	-5.46	0.73	-0.22	-0.50	-3.64	-3.79	-8.08	-14.32	-7.93	-3.39	-4.25	-3.24	-2.10	
% Chg Same Qtr Last Yr.....	-3.12	-4.64	-6.87	-5.02	-4.95	-2.71	-0.08	-1.39	-0.92	-2.05	-4.04	-7.56	-8.61	-8.52	-4.25	-3.24	-2.10	
TRADE, TRANSPORTATION, UTILITIES.....	607.5	608.0	608.4	610.1	610.1	610.2	611.8	610.7	604.6	600.9	588.8	581.1	575.0	571.6	607.3	610.6	601.3	
% Chg Prev Qtr SAAR.....	1.37	0.33	0.24	1.13	0.00	0.08	1.06	-0.77	-3.88	-2.45	-7.81	-5.12	-4.13	-2.36	1.55	0.53	-1.52	
% Chg Same Qtr Last Yr.....	1.71	1.09	1.05	0.77	0.43	0.36	0.57	0.09	-0.89	-1.53	-3.76	-4.84	-4.90	-4.88	1.55	0.53	-1.52	
WHOLESALE TRADE.....	132.0	132.5	132.1	132.4	132.9	133.0	133.5	133.7	133.1	132.5	131.0	128.1	125.5	125.3	132.0	133.0	132.6	
% Chg Prev Qtr SAAR.....	1.49	1.47	-1.11	0.96	1.48	0.21	1.54	0.69	-1.82	-1.95	-4.45	-8.39	-7.95	-0.51	1.34	0.70	-0.29	
% Chg Same Qtr Last Yr.....	1.36	1.59	1.08	0.70	0.69	0.38	1.05	0.98	0.15	-0.39	-1.90	-4.19	-5.72	-5.38	1.34	0.70	-0.29	
RETAIL TRADE.....	328.3	328.7	329.0	330.2	329.8	330.2	332.2	331.8	327.6	326.4	317.7	315.0	314.3	312.8	328.3	330.6	325.9	
% Chg Prev Qtr SAAR.....	1.63	0.49	0.32	1.42	-0.46	0.52	2.42	-0.53	-4.95	-1.39	-10.25	-3.42	-0.81	-1.94	1.20	0.70	-1.43	
% Chg Same Qtr Last Yr.....	1.04	0.82	1.18	0.96	0.44	0.45	0.97	0.48	-0.67	-1.15	-4.36	-5.06	-4.04	-4.18	1.20	0.70	-1.43	
TRANSPORTATION & UTILITIES.....	147.2	146.8	147.3	147.5	147.4	147.0	146.2	145.2	144.0	142.0	140.1	138.0	135.2	133.5	147.0	147.0	142.8	
% Chg Prev Qtr SAAR.....	0.68	-1.03	1.28	0.65	-0.28	-1.00	-2.38	-2.64	-3.29	-5.29	-5.20	-5.85	-7.96	-5.02	2.51	-0.01	-2.85	
% Chg Same Qtr Last Yr.....	3.57	1.23	0.73	0.39	0.15	0.16	-0.76	-1.58	-2.33	-3.41	-4.11	-4.91	-6.08	-6.02	2.51	-0.01	-2.85	
INFORMATION.....	49.8	49.6	49.6	49.3	49.8	50.9	51.0	51.2	50.9	50.1	48.8	47.8	46.9	46.2	49.6	50.3	50.3	
% Chg Prev Qtr SAAR.....	4.12	-2.12	0.00	-1.87	3.56	9.43	1.05	1.31	-2.07	-6.14	-9.98	-7.94	-7.58	-5.57	0.34	1.38	0.03	
% Chg Same Qtr Last Yr.....	0.61	0.34	1.29	0.00	-0.13	2.69	2.96	3.78	2.34	-1.51	-4.31	-6.58	-7.92	-7.78	0.34	1.38	0.03	
FINANCIAL ACTIVITIES.....	143.5	143.3	143.4	143.8	144.8	145.2	145.5	145.8	145.2	144.8	144.1	139.5	138.1	136.6	143.5	144.8	145.0	
% Chg Prev Qtr SAAR.....	-1.02	-0.37	0.28	0.93	2.81	1.30	0.74	0.83	-1.55	-1.19	-1.83	-12.34	-3.96	-4.28	0.17	0.91	0.12	
% Chg Same Qtr Last Yr.....	0.07	-0.12	-0.07	-0.05	0.91	1.33	1.44	1.41	0.32	-0.30	-0.94	-4.34	-4.93	-5.69	0.17	0.91	0.12	

(CONTINUED ON NEXT PAGE)

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
PROFESSIONAL & BUSINESS SERVICES...	318.3	319.4	320.2	319.1	321.0	324.6	325.5	325.7	325.8	320.8	314.7	311.3	305.5	303.2	319.0	322.5	321.8
% Chg Prev Qtr SAAR.....	0.38	1.30	1.05	-1.41	2.40	4.61	1.16	0.20	0.12	-5.96	-7.43	-4.25	-7.29	-2.98	2.07	1.12	-0.24
% Chg Same Qtr Last Yr.....	2.42	1.97	0.98	0.32	0.83	1.64	1.67	2.08	1.51	-1.16	-3.33	-4.42	-6.24	-5.51	2.07	1.12	-0.24
EDUCATION & HEALTH SERVICES.....	339.9	341.9	344.7	346.9	348.2	351.7	352.7	354.6	357.0	357.4	362.7	365.2	364.9	365.3	340.6	349.9	357.9
% Chg Prev Qtr SAAR.....	4.81	2.37	3.28	2.54	1.55	4.08	1.14	2.17	2.73	0.41	6.10	2.79	-0.29	0.44	3.14	2.71	2.30
% Chg Same Qtr Last Yr.....	3.07	3.05	3.41	3.24	2.43	2.86	2.32	2.23	2.53	1.61	2.84	2.99	2.22	2.23	3.14	2.71	2.30
LEISURE & HOSPITALITY.....	268.8	271.0	272.3	274.6	275.5	277.1	278.0	277.6	274.5	274.7	275.7	272.3	270.4	272.1	270.1	276.3	275.6
% Chg Prev Qtr SAAR.....	0.65	3.21	1.98	3.37	1.42	2.24	1.31	-0.53	-4.35	0.29	1.37	-4.80	-2.71	2.49	3.08	2.28	-0.24
% Chg Same Qtr Last Yr.....	2.65	2.83	3.01	2.30	2.49	2.25	2.08	1.10	-0.36	-0.84	-0.83	-1.91	-1.49	-0.96	3.08	2.28	-0.24
OTHER SERVICES.....	101.4	102.4	102.7	103.6	104.2	103.8	104.4	105.1	104.7	102.7	101.7	101.5	101.2	100.3	101.8	104.0	103.6
% Chg Prev Qtr SAAR.....	3.77	4.14	1.18	3.28	2.47	-1.40	2.20	2.71	-1.39	-7.54	-3.96	-0.52	-1.31	-3.64	1.01	2.20	-0.43
% Chg Same Qtr Last Yr.....	0.40	1.86	2.22	3.09	2.76	1.37	1.62	1.48	0.51	-1.09	-2.62	-3.39	-3.37	-2.37	1.01	2.20	-0.43
GOVERNMENT.....	416.8	419.4	417.8	419.0	418.6	422.9	424.4	426.2	426.1	424.9	427.2	427.9	430.9	432.9	416.9	421.2	426.1
% Chg Prev Qtr SAAR.....	3.26	2.46	-1.44	1.10	-0.33	4.14	1.43	1.66	-0.10	-1.05	2.19	0.59	2.88	1.89	1.03	1.05	1.15
% Chg Same Qtr Last Yr.....	1.45	1.39	1.00	1.33	0.44	0.84	1.57	1.71	1.77	0.48	0.67	0.40	1.14	1.88	1.03	1.05	1.15
FEDERAL, CIVILIAN.....	48.5	49.0	49.2	49.0	48.8	48.7	48.5	49.1	49.2	49.2	49.2	49.1	50.1	50.8	48.8	48.8	49.2
% Chg Prev Qtr SAAR.....	-0.75	4.23	1.99	-2.00	-1.15	-1.07	-1.39	4.47	1.02	-0.06	0.41	-1.21	8.82	5.09	-0.76	-0.11	0.83
% Chg Same Qtr Last Yr.....	-1.45	-0.69	0.04	0.83	0.73	-0.57	-1.40	0.18	0.73	0.99	1.44	0.03	1.91	3.20	-0.76	-0.11	0.83
STATE & LOCAL.....	368.3	370.4	368.6	370.0	369.8	374.2	375.9	377.1	376.9	375.8	378.0	378.8	380.8	382.2	368.1	372.5	376.9
% Chg Prev Qtr SAAR.....	3.81	2.23	-1.89	1.52	-0.22	4.84	1.80	1.30	-0.24	-1.18	2.42	0.82	2.12	1.47	1.28	1.20	1.20
% Chg Same Qtr Last Yr.....	1.84	1.68	1.13	1.40	0.40	1.03	1.97	1.91	1.91	0.41	0.57	0.45	1.04	1.71	1.28	1.20	1.20
STATISTICAL DISCREPANCY (%).....	0.00	-0.03	-0.01	0.04	0.00	-0.04	0.00	0.05	0.00	-0.03	-0.04	-0.06	0.12	-0.03	0.00	0.00	-0.01

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 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL DURABLE GOODS.....	253.0	251.6	249.1	245.0	238.5	233.6	231.4	229.0	225.8	220.5	212.7	200.4	191.9	192.5	251.8	237.1	222.0
% Chg Prev Qtr SAAR.....	-0.80	-2.20	-3.91	-6.43	-10.21	-7.95	-3.67	-4.19	-5.35	-9.12	-13.39	-21.20	-15.94	1.24	-1.10	-5.83	-6.38
% Chg Same Qtr Last Yr.....	-1.05	-0.79	-1.41	-3.36	-5.74	-7.15	-7.10	-6.54	-5.30	-5.61	-8.08	-12.47	-15.03	-12.70	-1.10	-5.83	-6.38
WOOD PRODUCTS.....	18.2	17.9	17.4	16.7	16.3	15.9	15.6	15.3	14.6	14.1	13.5	12.6	12.0	11.9	17.9	16.1	14.4
% Chg Prev Qtr SAAR.....	0.80	-5.74	-11.34	-15.19	-9.04	-10.63	-7.20	-6.23	-16.31	-14.85	-15.98	-23.98	-17.97	-3.82	0.95	-10.14	-10.74
% Chg Same Qtr Last Yr.....	2.67	1.94	-2.83	-8.06	-10.39	-11.58	-10.56	-8.29	-10.18	-11.26	-13.44	-17.86	-18.28	-15.75	0.95	-10.14	-10.74
NONMETALLIC MINERALS.....	16.2	16.2	15.9	15.7	15.6	15.5	15.4	15.1	14.6	14.5	14.2	13.6	13.2	13.0	16.1	15.5	14.6
% Chg Prev Qtr SAAR.....	-2.18	-0.28	-6.55	-3.53	-2.95	-4.24	-2.12	-6.97	-11.55	-4.85	-6.94	-15.67	-11.02	-5.38	1.05	-3.52	-6.10
% Chg Same Qtr Last Yr.....	1.55	1.05	-1.52	-3.16	-3.35	-4.33	-3.21	-4.09	-6.29	-6.44	-7.61	-9.85	-9.72	-9.84	1.05	-3.52	-6.10
PRIMARY METALS.....	11.8	11.8	11.9	11.9	11.8	11.6	11.5	11.5	11.3	11.1	10.7	10.2	9.9	9.9	11.8	11.7	11.1
% Chg Prev Qtr SAAR.....	1.80	-2.75	4.82	0.74	-3.43	-6.66	-2.75	-2.68	-5.72	-7.33	-13.98	-17.64	-11.72	2.39	-1.54	-0.85	-5.12
% Chg Same Qtr Last Yr.....	-1.02	-2.05	0.05	1.12	-0.21	-1.23	-3.06	-3.90	-4.47	-4.64	-7.52	-11.30	-12.75	-10.55	-1.54	-0.85	-5.12
FABRICATED METALS.....	43.6	43.6	43.0	42.3	41.5	41.1	41.2	40.3	40.4	39.5	38.3	36.5	34.9	35.2	43.5	41.5	39.6
% Chg Prev Qtr SAAR.....	-0.51	-0.38	-5.08	-6.26	-7.57	-3.45	0.53	-8.29	0.64	-8.03	-11.57	-17.70	-16.49	3.04	1.95	-4.45	-4.57
% Chg Same Qtr Last Yr.....	2.04	2.17	0.12	-3.09	-4.86	-5.60	-4.24	-4.76	-2.71	-3.89	-6.92	-9.41	-13.53	-11.04	1.95	-4.45	-4.57
MACHINERY.....	33.3	33.3	32.5	32.4	32.0	31.7	31.9	31.8	31.4	31.0	30.6	29.6	28.6	28.9	33.2	32.0	31.2
% Chg Prev Qtr SAAR.....	-4.90	0.31	-9.25	-1.79	-5.07	-2.97	2.48	-1.69	-4.84	-5.18	-5.36	-12.05	-12.49	4.05	-1.97	-3.68	-2.57
% Chg Same Qtr Last Yr.....	-2.93	-1.87	-1.62	-3.98	-4.02	-4.81	-1.87	-1.85	-1.79	-2.35	-4.28	-6.91	-8.84	-6.70	-1.97	-3.68	-2.57
COMPUTERS & ELECTRONICS.....	9.5	9.1	8.8	8.4	8.2	8.0	7.8	7.8	7.7	7.4	7.0	6.7	6.5	6.5	9.3	8.1	7.5
% Chg Prev Qtr SAAR.....	-9.74	-16.30	-11.12	-14.69	-13.10	-6.59	-12.63	4.23	-5.56	-16.54	-19.11	-14.83	-13.56	1.77	-11.28	-12.54	-7.53
% Chg Same Qtr Last Yr.....	-10.13	-10.85	-11.66	-13.00	-13.82	-11.43	-11.80	-7.27	-5.33	-7.95	-9.71	-14.15	-16.03	-11.77	-11.28	-12.54	-7.53
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.4	23.1	22.8	22.4	22.1	22.0	21.8	21.0	20.9	20.6	20.0	19.4	18.5	18.4	23.2	22.1	20.6
% Chg Prev Qtr SAAR.....	1.16	-5.44	-5.32	-6.11	-5.08	-3.40	-2.32	-13.72	-3.33	-5.32	-10.78	-11.34	-18.08	-0.68	-1.35	-4.67	-6.67
% Chg Same Qtr Last Yr.....	-0.52	-0.28	-2.06	-3.97	-5.49	-4.98	-4.24	-6.24	-5.81	-6.28	-8.38	-7.76	-11.50	-10.43	-1.35	-4.67	-6.67
TRANSPORTATION EQUIPMENT.....	63.5	64.0	64.1	62.9	59.3	56.7	55.6	55.8	55.2	53.4	50.5	45.0	42.5	43.2	63.7	58.6	53.8
% Chg Prev Qtr SAAR.....	1.22	3.12	0.56	-7.01	-20.98	-16.51	-7.91	1.68	-3.90	-12.48	-20.07	-36.97	-20.64	6.69	-0.27	-7.99	-8.34
% Chg Same Qtr Last Yr.....	-1.34	0.65	1.01	-0.60	-6.57	-11.37	-13.30	-11.34	-6.90	-5.79	-9.07	-19.32	-23.09	-19.19	-0.27	-7.99	-8.34
FURNITURE.....	18.2	17.4	17.0	16.5	16.2	15.8	15.5	15.2	14.7	14.3	13.7	12.8	12.3	12.0	17.7	16.0	14.5
% Chg Prev Qtr SAAR.....	-4.34	-17.03	-9.57	-9.31	-7.64	-10.25	-6.61	-7.74	-13.00	-9.67	-17.37	-21.91	-16.81	-7.45	-7.71	-9.73	-9.67
% Chg Same Qtr Last Yr.....	-5.36	-9.40	-9.72	-10.18	-10.96	-9.20	-8.46	-8.07	-9.43	-9.29	-12.02	-15.61	-16.56	-16.05	-7.71	-9.73	-9.67
MISCELLANEOUS DURABLE GOODS.....	15.2	15.3	15.7	15.6	15.4	15.3	15.2	15.1	15.0	14.7	14.3	14.0	13.6	13.5	15.3	15.4	14.8
% Chg Prev Qtr SAAR.....	4.26	1.35	12.33	-4.60	-3.83	-2.19	-3.75	-1.47	-3.81	-8.06	-9.40	-8.84	-9.26	-4.90	0.16	0.17	-3.91
% Chg Same Qtr Last Yr.....	-0.40	-0.03	3.27	3.16	1.09	0.20	-3.60	-2.82	-2.81	-4.30	-5.74	-7.55	-8.89	-8.12	0.16	0.17	-3.91

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL NONDURABLE GOODS.....	149.6	146.5	142.5	144.2	142.2	142.5	142.4	142.2	140.9	139.6	136.7	131.5	128.8	127.7	147.6	142.8	139.8
% Chg Prev Qtr SAAR.....	-5.72	-8.24	-10.33	4.91	-5.46	0.73	-0.22	-0.50	-3.64	-3.79	-8.08	-14.32	-7.93	-3.39	-4.25	-3.24	-2.10
% Chg Same Qtr Last Yr.....	-3.12	-4.64	-6.87	-5.02	-4.95	-2.71	-0.08	-1.39	-0.92	-2.05	-4.04	-7.56	-8.61	-8.52	-4.25	-3.24	-2.10
FOOD.....	34.3	33.5	33.3	33.2	32.5	32.6	32.4	32.3	32.3	32.1	31.6	30.5	30.3	30.0	34.0	32.7	32.1
% Chg Prev Qtr SAAR.....	-7.32	-8.81	-2.69	-0.78	-7.83	0.63	-1.79	-1.07	-0.20	-2.93	-6.34	-12.91	-2.98	-3.61	-0.96	-3.84	-1.84
% Chg Same Qtr Last Yr.....	0.15	-3.19	-4.27	-4.96	-5.09	-2.72	-2.49	-2.57	-0.61	-1.50	-2.67	-5.72	-6.38	-6.54	-0.96	-3.84	-1.84
BEVERAGE & TOBACCO.....	5.3	5.2	5.0	5.1	5.0	5.0	5.1	5.1	5.0	5.0	4.9	4.7	4.6	4.5	5.2	5.1	5.0
% Chg Prev Qtr SAAR.....	0.09	-9.91	-9.70	8.22	-10.19	3.05	5.06	0.13	-5.35	-4.34	-8.87	-10.61	-7.51	-7.53	-4.30	-2.55	-1.48
% Chg Same Qtr Last Yr.....	-2.57	-5.41	-7.44	-3.11	-5.70	-2.48	1.28	-0.67	0.64	-1.21	-4.66	-7.33	-7.86	-8.64	-4.30	-2.55	-1.48
TEXTILE MILLS, TEXTILE MILL																	
PRODUCTS & APPAREL.....	16.2	15.8	15.5	15.3	15.1	15.0	14.9	14.9	14.9	14.8	14.4	13.6	13.0	12.7	16.1	15.1	14.8
% Chg Prev Qtr SAAR.....	-14.25	-9.47	-8.30	-4.30	-5.91	-3.28	-0.80	-0.33	0.51	-3.86	-10.45	-19.97	-17.26	-7.56	-10.55	-6.37	-2.09
% Chg Same Qtr Last Yr.....	-10.63	-10.47	-11.59	-9.15	-7.02	-5.46	-3.59	-2.60	-0.98	-1.13	-3.63	-8.78	-13.11	-13.96	-10.55	-6.37	-2.09
PAPER.....	18.5	18.2	18.0	17.7	17.4	17.3	17.2	17.3	17.3	17.0	16.8	16.4	16.2	15.9	18.3	17.4	17.1
% Chg Prev Qtr SAAR.....	-1.31	-6.22	-6.16	-4.65	-8.00	-1.48	-2.57	3.06	-1.70	-5.03	-6.09	-8.22	-4.63	-7.16	-3.22	-5.05	-1.79
% Chg Same Qtr Last Yr.....	-1.87	-3.04	-4.51	-4.61	-6.27	-5.10	-4.21	-2.33	-0.70	-1.61	-2.51	-5.29	-6.01	-6.54	-3.22	-5.05	-1.79
PRINTING & RELATED SUPPORT.....	17.8	17.6	17.4	17.4	17.0	16.9	16.5	16.4	16.1	15.6	15.2	14.6	14.1	13.7	17.7	16.9	15.8
% Chg Prev Qtr SAAR.....	-8.17	-3.86	-5.21	-0.41	-8.30	-1.59	-10.16	-2.79	-7.29	-11.26	-8.66	-16.76	-11.56	-12.50	-5.41	-4.52	-6.68
% Chg Same Qtr Last Yr.....	-6.22	-5.31	-5.41	-4.45	-4.49	-3.93	-5.21	-5.78	-5.52	-7.93	-7.55	-11.07	-12.11	-12.42	-5.41	-4.52	-6.68
CHEMICALS.....	26.3	26.2	26.4	26.6	26.7	27.0	27.4	27.5	27.6	27.5	27.0	26.3	26.1	25.8	26.3	26.9	27.4
% Chg Prev Qtr SAAR.....	-0.48	-0.86	1.83	3.25	1.77	5.52	5.02	2.49	1.00	-1.98	-6.25	-10.29	-3.31	-3.86	-3.14	2.34	1.86
% Chg Same Qtr Last Yr.....	-3.97	-2.65	-1.04	0.92	1.49	3.08	3.88	3.68	3.49	1.60	-1.24	-4.48	-5.51	-5.97	-3.14	2.34	1.86
PLASTICS & RUBBER.....	28.8	27.6	24.9	26.7	26.4	26.5	26.8	26.6	25.7	25.4	24.8	23.6	22.7	22.2	27.6	26.6	25.6
% Chg Prev Qtr SAAR.....	-5.71	-14.85	-33.89	32.43	-4.44	1.70	3.81	-3.20	-12.73	-4.04	-9.58	-18.14	-13.47	-9.26	-5.77	-3.64	-3.78
% Chg Same Qtr Last Yr.....	-1.38	-5.74	-15.16	-8.44	-8.13	-3.96	7.51	-0.59	-2.82	-4.22	-7.47	-11.27	-11.46	-12.69	-5.77	-3.64	-3.78
MISCELLANEOUS NONDURABLE GOODS...	2.5	2.3	2.1	2.2	2.1	2.1	2.1	2.1	2.0	2.2	2.0	1.8	1.8	2.8	2.3	2.1	2.1
% Chg Prev Qtr SAAR.....	-4.12	-29.76	-19.95	11.34	-8.83	-8.14	2.39	-8.49	-8.24	41.19	-29.53	-37.07	-10.00	577.62	3.33	-8.61	-2.81
% Chg Same Qtr Last Yr.....	9.65	3.33	-1.14	-11.98	-13.08	-7.05	-1.15	-5.88	-5.73	4.96	-4.40	-12.94	-13.36	28.24	3.33	-8.61	-2.81

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Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2005 dollars)

	Historical Data															Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008	
TOTAL NONFARM.....	37046	36872	37538	38045	37715	37501	37586	37943	37090	37076	37309	37574	37209	37213	37162	37712	37354	
% Chg Same Qtr Last Yr.....	1.88	1.11	4.21	2.30	1.81	1.71	0.13	-0.27	-1.66	-1.13	-0.74	-0.97	0.32	0.37	2.01	1.48	-0.95	
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	40027	39120	42414	43042	41347	40932	42890	42988	40730	40704	41965	45184	43197	42959	40862	42052	41597	
% Chg Same Qtr Last Yr.....	2.09	0.44	9.23	2.76	3.30	4.63	1.12	-0.12	-1.49	-0.56	-2.16	5.11	6.06	5.54	4.23	2.91	-1.08	
MANUFACTURING.....	43466	43466	44450	44179	44325	44011	44324	44691	43371	44243	44219	41636	43136	42762	43728	44210	44131	
% Chg Same Qtr Last Yr.....	1.54	0.74	3.62	1.49	1.97	1.25	-0.28	1.16	-2.15	0.53	-0.24	-6.83	-0.54	-3.35	1.71	1.10	-0.18	
DURABLE GOODS.....	42972	42624	43489	43454	43262	43086	43531	42888	42607	44397	43185	40342	41508	40960	42961	43333	43269	
% Chg Same Qtr Last Yr.....	2.29	0.36	3.45	1.62	0.67	1.08	0.10	-1.30	-1.51	3.04	-0.80	-5.94	-2.58	-7.74	1.75	0.87	-0.15	
NONDURABLE GOODS.....	44303	44907	46125	45420	46105	45523	45609	47613	44592	44001	45823	43624	45556	45476	45040	45664	45507	
% Chg Same Qtr Last Yr.....	0.38	1.47	4.11	1.33	4.07	1.37	-1.12	4.83	-3.28	-3.34	0.47	-8.38	2.16	3.35	1.75	1.39	-0.34	
TRADE, TRANSPORTATION, UTILITIES....	35313	35288	35603	36277	36431	35931	35000	35589	35033	34433	34679	34791	34011	33999	35439	35910	34933	
% Chg Same Qtr Last Yr.....	0.68	0.41	4.07	2.04	3.17	1.82	-1.69	-1.90	-3.84	-4.17	-0.92	-2.24	-2.92	-1.26	1.41	1.33	-2.72	
WHOLESALE TRADE.....	51468	51269	53159	52932	53182	51887	52610	52062	51516	50712	51538	51674	50419	49755	51885	52653	51457	
% Chg Same Qtr Last Yr.....	3.53	1.89	6.04	2.49	3.33	1.21	-1.03	-1.64	-3.13	-2.27	-2.04	-0.75	-2.13	-1.89	3.70	1.48	-2.27	
RETAIL TRADE.....	24669	24638	24481	25452	25213	25400	24170	24741	24398	23925	23641	24135	23553	23656	24662	25059	24176	
% Chg Same Qtr Last Yr.....	-0.63	0.13	2.40	2.38	2.20	3.09	-1.27	-2.79	-3.23	-5.81	-2.19	-2.45	-3.46	-1.12	0.30	1.61	-3.52	
TRANSPORTATION & UTILITIES.....	44472	44471	45142	45462	46342	44902	43951	45124	43916	43144	44362	43359	43021	43182	44731	45164	44136	
% Chg Same Qtr Last Yr.....	-1.14	-1.08	4.20	1.39	4.20	0.97	-2.64	-0.74	-5.23	-3.91	0.93	-3.91	-2.04	0.09	0.14	0.97	-2.28	
INFORMATION.....	48625	47315	50941	49599	48258	48328	48954	46882	45958	48064	50176	48857	48639	48816	48671	48785	47770	
% Chg Same Qtr Last Yr.....	6.03	2.38	21.00	3.75	-0.76	2.14	-3.90	-5.48	-4.76	-0.55	2.50	4.21	5.83	1.57	8.72	0.23	-2.08	
FINANCIAL ACTIVITIES.....	52214	53217	54458	55721	53498	53892	54411	53453	53219	52310	52203	55558	54288	55264	53126	54381	52796	
% Chg Same Qtr Last Yr.....	5.15	6.19	6.31	5.90	2.46	1.27	-0.09	-4.07	-0.52	-2.94	-4.06	3.94	2.01	5.65	5.26	2.36	-2.91	
PROFESSIONAL & BUSINESS SERVICES.....	38978	38020	39101	40215	40372	40445	40208	42291	40477	39881	41347	42349	41882	41699	38698	40310	40999	
% Chg Same Qtr Last Yr.....	4.38	1.40	7.67	3.94	3.57	6.38	2.83	5.16	0.26	-1.40	2.83	0.14	3.47	4.56	3.69	4.17	1.71	
EDUCATION & HEALTH SERVICES.....	39738	38729	38750	39518	39260	39120	39420	39192	39101	39359	39275	39620	39600	39870	39032	39329	39232	
% Chg Same Qtr Last Yr.....	1.24	-0.19	0.17	1.56	-1.20	1.01	1.73	-0.82	-0.40	0.61	-0.37	1.09	1.27	1.30	0.32	0.76	-0.25	
LEISURE & HOSPITALITY.....	17669	18150	18772	19548	18214	17809	19557	19115	17722	17573	18151	18396	17525	17317	18348	18782	18140	
% Chg Same Qtr Last Yr.....	0.63	4.64	4.13	3.97	3.08	-1.87	4.18	-2.22	-2.70	-1.33	-7.19	-3.76	-1.11	-1.45	2.37	2.36	-3.42	
OTHER SERVICES.....	34275	34062	34817	34678	33887	33960	34739	34808	34236	34610	36038	35135	34759	35327	34400	34316	34923	
% Chg Same Qtr Last Yr.....	3.37	1.22	2.89	0.67	-1.13	-0.30	-0.22	0.38	1.03	1.92	3.74	0.94	1.53	2.07	2.25	-0.25	1.77	
GOVERNMENT.....	35570	36058	35503	35576	36410	36386	35377	35745	36052	36570	35288	36272	36653	36848	35503	35937	35914	
% Chg Same Qtr Last Yr.....	1.21	1.01	2.54	1.99	2.36	0.91	-0.35	0.47	-0.98	0.51	-0.25	1.47	1.67	0.76	0.97	1.22	-0.07	
FEDERAL, CIVILIAN.....	58860	58786	58280	60481	59930	59549	59027	59473	58489	57409	57723	60137	59967	60133	58721	59747	58273	
% Chg Same Qtr Last Yr.....	0.55	1.31	1.81	2.58	1.82	1.30	1.28	-1.67	-2.41	-3.59	-2.21	1.12	2.53	4.75	0.76	1.75	-2.47	
STATE & LOCAL.....	32494	32977	32510	32317	33293	33295	32372	32695	33113	33771	32413	33219	33572	33674	32423	32819	32998	
% Chg Same Qtr Last Yr.....	1.70	1.16	2.81	1.91	2.46	0.96	-0.43	1.17	-0.54	1.43	0.13	1.60	1.39	-0.29	1.22	1.22	0.54	

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars)

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL NONFARM.....	37114	36926	37834	37624	37779	37559	37881	37524	37149	37117	37589	37181	37261	37260	37162	37711	37345
% Chg Prev Qtr SAAR.....	3.73	-2.01	10.20	-2.20	1.66	-2.31	3.47	-3.71	-3.93	-0.35	5.18	-4.27	0.86	-0.01	2.01	1.48	-0.97
% Chg Same Qtr Last Yr.....	1.86	1.13	4.20	2.31	1.79	1.71	0.12	-0.26	-1.67	-1.18	-0.77	-0.91	0.30	0.38	2.01	1.48	-0.97
NATURAL RESOURCES, MINING																	
AND CONSTRUCTION.....	40425	39979	42529	41568	41768	41790	43013	41532	41151	41587	41910	43669	43752	43908	40837	42035	41545
% Chg Prev Qtr SAAR.....	0.08	-4.34	28.06	-8.73	1.93	0.22	12.22	-13.07	-3.62	4.30	3.15	17.88	0.76	1.43	4.20	2.93	-1.17
% Chg Same Qtr Last Yr.....	2.14	0.29	9.22	2.85	3.32	4.53	1.14	-0.09	-1.48	-0.49	-2.56	5.15	6.32	5.58	4.20	2.93	-1.17
MANUFACTURING.....	43546	43577	44472	43976	44383	44142	44341	44488	43408	44388	44236	41450	43170	42918	43728	44211	44130
% Chg Prev Qtr SAAR.....	2.14	0.29	8.46	-4.39	3.75	-2.15	1.81	1.33	-9.36	9.34	-1.36	-22.91	17.66	-2.31	1.72	1.10	-0.18
% Chg Same Qtr Last Yr.....	1.49	0.76	3.62	1.52	1.92	1.30	-0.29	1.16	-2.20	0.56	-0.24	-6.83	-0.55	-3.31	1.72	1.10	-0.18
DURABLE GOODS.....	43048	42677	43462	43368	43297	43175	43497	42810	42608	44513	43149	40272	41502	41082	42962	43334	43270
% Chg Prev Qtr SAAR.....	3.69	-3.40	7.56	-0.87	-0.66	-1.12	3.02	-6.17	-1.88	19.12	-11.70	-24.12	12.78	-3.98	1.76	0.87	-0.15
% Chg Same Qtr Last Yr.....	2.20	0.42	3.44	1.66	0.58	1.17	0.08	-1.29	-1.59	3.10	-0.80	-5.93	-2.60	-7.71	1.76	0.87	-0.15
NONDURABLE GOODS.....	44388	45124	46236	45008	46203	45728	45713	47189	44691	44190	45927	43245	45655	45685	45040	45663	45499
% Chg Prev Qtr SAAR.....	-0.20	6.79	10.23	-10.20	11.05	-4.05	-0.14	13.56	-19.55	-4.41	16.67	-21.39	24.23	0.26	1.76	1.38	-0.36
% Chg Same Qtr Last Yr.....	0.42	1.43	4.11	1.35	4.09	1.34	-1.13	4.85	-3.27	-3.36	0.47	-8.36	2.16	3.38	1.76	1.38	-0.36
TRADE, TRANSPORTATION, UTILITIES.....	35198	35219	36154	35904	36326	35851	35526	35238	34941	34344	35192	34456	33924	33904	35435	35902	34929
% Chg Prev Qtr SAAR.....	0.35	0.24	11.05	-2.74	4.78	-5.13	-3.57	-3.21	-3.32	-6.66	10.25	-8.12	-6.03	-0.24	1.42	1.32	-2.71
% Chg Same Qtr Last Yr.....	0.73	0.38	4.00	2.10	3.21	1.79	-1.74	-1.86	-3.81	-4.20	-0.94	-2.22	-2.91	-1.28	1.42	1.32	-2.71
WHOLESALE TRADE.....	51533	51404	53300	52586	53228	52048	52755	51714	51549	50879	51683	51327	50445	49924	51888	52654	51456
% Chg Prev Qtr SAAR.....	1.72	-0.99	15.59	-5.25	4.97	-8.58	5.54	-7.66	-1.27	-5.10	6.47	-2.73	-6.69	-4.07	3.71	1.48	-2.28
% Chg Same Qtr Last Yr.....	3.52	1.93	6.03	2.48	3.29	1.25	-1.02	-1.66	-3.15	-2.25	-2.03	-0.75	-2.14	-1.88	3.71	1.48	-2.28
RETAIL TRADE.....	24552	24470	25049	25155	25108	25220	24709	24467	24306	23747	24161	23875	23466	23476	24655	25048	24170
% Chg Prev Qtr SAAR.....	0.06	-1.32	9.81	1.69	-0.75	1.81	-7.87	-3.87	-2.60	-8.88	7.15	-4.65	-6.68	0.16	0.32	1.60	-3.50
% Chg Same Qtr Last Yr.....	-0.55	0.09	2.27	2.47	2.26	3.07	-1.36	-2.74	-3.19	-5.84	-2.22	-2.42	-3.46	-1.14	0.32	1.60	-3.50
TRANSPORTATION & UTILITIES.....	44297	44683	45581	44987	46183	45074	44376	44674	43782	43278	44791	42937	42901	43296	44728	45155	44131
% Chg Prev Qtr SAAR.....	-0.49	3.53	8.29	-5.11	11.06	-9.26	-6.05	2.72	-7.75	-4.53	14.74	-15.56	-0.33	3.73	0.15	0.95	-2.27
% Chg Same Qtr Last Yr.....	-1.13	-1.14	4.19	1.44	4.26	0.88	-2.64	-0.70	-5.20	-3.99	0.94	-3.89	-2.01	0.04	0.15	0.95	-2.27
INFORMATION.....	48853	47061	51112	49465	48516	48074	49113	46760	46229	47808	50416	48482	48674	48887	48683	48792	47803
% Chg Prev Qtr SAAR.....	9.96	-13.89	39.14	-12.28	-7.46	-3.59	8.93	-17.84	-4.46	14.38	23.67	-14.48	1.59	1.76	8.75	0.22	-2.03
% Chg Same Qtr Last Yr.....	6.17	2.38	20.91	3.68	-0.69	2.15	-3.91	-5.47	-4.71	-0.55	2.65	3.68	5.29	2.26	8.75	0.22	-2.03
FINANCIAL ACTIVITIES.....	52287	53415	54534	55372	53572	54090	54486	53111	53305	52406	52372	55253	54315	55359	53130	54380	52798
% Chg Prev Qtr SAAR.....	0.01	8.91	8.65	6.29	-12.38	3.92	2.96	-9.72	1.47	-6.57	-0.26	23.88	-6.62	7.91	5.27	2.35	-2.91
% Chg Same Qtr Last Yr.....	5.17	6.22	6.29	5.90	2.46	1.26	-0.09	-4.08	-0.50	-3.11	-3.88	4.03	1.89	5.63	5.27	2.35	-2.91

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars)

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
PROFESSIONAL & BUSINESS SERVICES...	38848	38147	39817	39468	40246	40578	40949	41490	40361	40009	42039	41537	41731	41947	38704	40310	40975
% Chg Prev Qtr SAAR.....	9.20	-7.02	18.69	-3.47	8.12	3.35	3.70	5.40	-10.45	-3.44	21.88	-4.69	1.88	2.08	3.70	4.15	1.65
% Chg Same Qtr Last Yr.....	4.39	1.38	7.75	3.86	3.60	6.37	2.84	5.13	0.29	-1.40	2.66	0.11	3.39	4.84	3.70	4.15	1.65
EDUCATION & HEALTH SERVICES.....	39683	38763	38945	39335	39200	39168	39610	39007	39028	39355	39441	39446	39600	39866	39032	39328	39208
% Chg Prev Qtr SAAR.....	10.14	-8.96	1.89	4.07	-1.37	-0.32	4.59	-5.95	0.21	3.39	0.88	0.05	1.56	2.72	0.32	0.76	-0.31
% Chg Same Qtr Last Yr.....	1.23	-0.13	0.15	1.54	-1.22	1.04	1.71	-0.83	-0.44	0.48	-0.43	1.13	1.46	1.30	0.32	0.76	-0.31
LEISURE & HOSPITALITY.....	18090	18703	18579	18708	18635	18336	19362	18303	18129	18059	17975	17693	17882	17801	18336	18760	18116
% Chg Prev Qtr SAAR.....	2.62	14.27	-2.62	2.81	-1.57	-6.25	24.32	-20.15	-3.74	-1.54	-1.83	-6.13	4.32	-1.80	2.43	2.31	-3.43
% Chg Same Qtr Last Yr.....	0.56	4.58	4.18	4.09	3.01	-1.96	4.21	-2.17	-2.71	-1.51	-7.16	-3.33	-1.36	-1.43	2.43	2.31	-3.43
OTHER SERVICES.....	34557	34206	34658	34399	34168	34101	34562	34543	34542	34790	35873	34801	35080	35515	34396	34308	34937
% Chg Prev Qtr SAAR.....	4.71	-4.00	5.40	-2.96	-2.65	-0.78	5.51	-0.21	-0.02	2.91	13.04	-11.43	3.25	5.06	2.25	-0.26	1.83
% Chg Same Qtr Last Yr.....	3.50	1.14	2.80	0.69	-1.12	-0.31	-0.28	0.42	1.09	2.02	3.79	0.75	1.56	2.08	2.25	-0.26	1.83
GOVERNMENT.....	35474	35278	36119	35829	36273	35634	36004	35988	35897	35835	35913	36518	36490	36110	35505	35935	35908
% Chg Prev Qtr SAAR.....	3.77	-2.19	9.88	-3.17	5.05	-6.86	4.22	-0.17	-1.01	-0.69	0.87	6.92	-0.30	-4.10	0.97	1.21	-0.07
% Chg Same Qtr Last Yr.....	1.04	1.20	2.57	1.94	2.25	1.01	-0.32	0.45	-1.04	0.56	-0.25	1.47	1.65	0.77	0.97	1.21	-0.07
FEDERAL, CIVILIAN.....	58883	58763	58445	60301	59885	59624	59227	59227	58417	57542	57914	59868	59886	60297	58740	59759	58275
% Chg Prev Qtr SAAR.....	0.10	-0.81	-2.14	13.32	-2.73	-1.73	-2.64	0.01	-5.36	-5.86	2.61	14.19	0.12	2.78	0.75	1.74	-2.48
% Chg Same Qtr Last Yr.....	0.37	1.53	1.91	2.43	1.70	1.46	1.34	-1.78	-2.45	-3.49	-2.22	1.08	2.51	4.79	0.75	1.74	-2.48
STATE & LOCAL.....	32393	32172	33137	32590	33155	32512	33005	32964	32957	32994	33047	33492	33410	32898	32423	32815	32991
% Chg Prev Qtr SAAR.....	5.14	-2.70	12.56	-6.45	7.12	-7.54	6.21	-0.49	-0.09	0.44	0.64	5.50	-0.98	-5.99	1.22	1.21	0.53
% Chg Same Qtr Last Yr.....	1.52	1.35	2.83	1.88	2.35	1.06	-0.40	1.15	-0.60	1.48	0.13	1.60	1.37	-0.29	1.22	1.21	0.53

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

January 2010

	Historical Data															Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008	
TOTAL NONFARM.....	37997	38095	38776	39662	39629	39632	40219	40968	40436	40885	40612	40748	40488	40766	38182	39785	40725	
% Chg Same Qtr Last Yr.....	5.16	3.95	6.18	4.76	4.30	4.03	3.72	3.29	2.04	3.16	0.98	-0.54	0.13	-0.29	4.82	4.20	2.36	
NATURAL RESOURCES, MINING																		
AND CONSTRUCTION.....	41055	40417	43813	44871	43445	43257	45894	46416	44404	44885	45681	49001	47004	47061	41982	44367	45347	
% Chg Same Qtr Last Yr.....	5.37	3.26	11.30	5.23	5.82	7.03	4.75	3.44	2.21	3.76	-0.47	5.57	5.85	4.85	7.09	5.68	2.21	
MANUFACTURING.....	44582	44907	45916	46057	46574	46511	47429	48254	47283	48788	48134	45154	46938	46845	44930	46643	48115	
% Chg Same Qtr Last Yr.....	4.80	3.57	5.59	3.93	4.47	3.57	3.30	4.77	1.52	4.90	1.49	-6.42	-0.73	-3.98	4.51	3.81	3.16	
DURABLE GOODS.....	44075	44037	44924	45301	45457	45534	46581	46308	46450	48958	47009	43750	45167	44871	44142	45718	47181	
% Chg Same Qtr Last Yr.....	5.58	3.18	5.41	4.07	3.14	3.40	3.69	2.22	2.19	7.52	0.92	-5.52	-2.76	-8.35	4.55	3.57	3.20	
NONDURABLE GOODS.....	45440	46396	47646	47351	48445	48109	48804	51409	48615	48521	49881	47309	49571	49818	46278	48177	49606	
% Chg Same Qtr Last Yr.....	3.60	4.32	6.08	3.77	6.61	3.69	2.43	8.57	0.35	0.86	2.21	-7.97	1.97	2.67	4.55	4.10	2.97	
TRADE, TRANSPORTATION, UTILITIES....	36219	36458	36777	37818	38280	37972	37452	38427	38193	37970	37750	37730	37009	37246	36412	37881	38085	
% Chg Same Qtr Last Yr.....	3.91	3.23	6.04	4.49	5.69	4.15	1.83	1.61	-0.23	-0.01	0.80	-1.81	-3.10	-1.91	4.20	4.03	0.54	
WHOLESALE TRADE.....	52789	52969	54912	55181	55881	54835	56295	56213	56164	55922	56102	56040	54863	54506	53312	55548	56100	
% Chg Same Qtr Last Yr.....	6.86	4.75	8.05	4.95	5.86	3.52	2.52	1.87	0.51	1.98	-0.34	-0.31	-2.32	-2.53	6.55	4.19	0.99	
RETAIL TRADE.....	25302	25455	25289	26534	26492	26843	25863	26714	26599	26383	25735	26174	25629	25915	25339	26433	26357	
% Chg Same Qtr Last Yr.....	2.56	2.94	4.34	4.84	4.70	5.45	2.27	0.68	0.40	-1.72	-0.50	-2.02	-3.65	-1.77	3.07	4.32	-0.29	
TRANSPORTATION & UTILITIES.....	45614	45946	46631	47394	48693	47453	47030	48722	47877	47576	48290	47023	46813	47305	45959	47642	48116	
% Chg Same Qtr Last Yr.....	2.04	1.70	6.17	3.83	6.75	3.28	0.86	2.80	-1.68	0.26	2.68	-3.49	-2.22	-0.57	2.91	3.66	0.99	
INFORMATION.....	49874	48884	52621	51707	50706	51073	52383	50620	50104	53001	54620	52985	52926	53477	50011	51467	52086	
% Chg Same Qtr Last Yr.....	9.44	5.25	23.29	6.25	1.67	4.48	-0.45	-2.10	-1.19	3.78	4.27	4.67	5.63	0.90	11.74	2.91	1.20	
FINANCIAL ACTIVITIES.....	53555	54981	56254	58089	56213	56954	58222	57715	58020	57684	56826	60252	59073	60541	54588	57370	57561	
% Chg Same Qtr Last Yr.....	8.53	9.17	8.32	8.45	4.96	3.59	3.50	-0.64	3.21	1.28	-2.40	4.40	1.82	4.95	8.16	5.09	0.33	
PROFESSIONAL & BUSINESS SERVICES.....	39979	39281	40391	41925	42420	42743	43024	45663	44129	43978	45008	45927	45573	45680	39760	42528	44694	
% Chg Same Qtr Last Yr.....	7.73	4.25	9.71	6.44	6.11	8.81	6.52	8.92	4.03	2.89	4.61	0.58	3.27	3.87	6.55	6.96	5.09	
EDUCATION & HEALTH SERVICES.....	40758	40014	40028	41197	41252	41342	42181	42317	42629	43402	42753	42968	43090	43676	40103	41493	42775	
% Chg Same Qtr Last Yr.....	4.50	2.62	2.07	4.00	1.21	3.32	5.38	2.72	3.34	4.98	1.36	1.54	1.08	0.63	3.07	3.47	3.09	
LEISURE & HOSPITALITY.....	18123	18751	19391	20379	19138	18821	20927	20640	19321	19378	19758	19950	19070	18970	18852	19816	19774	
% Chg Same Qtr Last Yr.....	3.86	7.57	6.11	6.47	5.60	0.37	7.92	1.28	0.96	2.96	-5.58	-3.34	-1.30	-2.10	5.20	5.12	-0.21	
OTHER SERVICES.....	35155	35191	35965	36152	35606	35889	37173	37584	37325	38166	39229	38104	37823	38700	35345	36205	38076	
% Chg Same Qtr Last Yr.....	6.69	4.06	4.84	3.09	1.28	1.98	3.36	3.96	4.83	6.35	5.53	1.38	1.33	1.40	5.06	2.43	5.17	
GOVERNMENT.....	36483	37253	36674	37088	38258	38453	37855	38595	39304	40327	38413	39337	39883	40366	36480	37914	39160	
% Chg Same Qtr Last Yr.....	4.47	3.85	4.48	4.44	4.86	3.22	3.22	4.06	2.73	4.87	1.47	1.92	1.47	0.10	3.75	3.93	3.29	
FEDERAL, CIVILIAN.....	60371	60735	60203	63051	62971	62932	63162	64216	63765	63306	62834	65218	65253	65874	60332	63029	63530	
% Chg Same Qtr Last Yr.....	3.78	4.15	3.74	5.05	4.31	3.62	4.92	1.85	1.26	0.59	-0.52	1.56	2.33	4.06	3.54	4.47	0.79	
STATE & LOCAL.....	33328	34071	33582	33690	34983	35186	34639	35302	36100	37241	35283	36025	36531	36889	33316	34625	35981	
% Chg Same Qtr Last Yr.....	4.97	4.00	4.76	4.36	4.97	3.27	3.15	4.79	3.19	5.84	1.86	2.05	1.20	-0.94	4.01	3.93	3.92	

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Tennessee Econometric Model

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL NONFARM.....	38066	38150	39081	39223	39696	39693	40534	40516	40501	40930	40917	40323	40545	40818	38184	39786	40716
% Chg Prev Qtr SAAR.....	6.88	0.89	10.12	1.45	4.92	-0.03	8.75	-0.18	-0.15	4.31	-0.12	-5.69	2.22	2.72	4.82	4.20	2.34
% Chg Same Qtr Last Yr.....	5.14	3.97	6.17	4.76	4.28	4.04	3.72	3.30	2.03	3.12	0.95	-0.48	0.11	-0.28	4.82	4.20	2.34
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	41462	41305	43931	43335	43887	44164	46026	44844	44863	45859	45621	47359	47609	48100	41961	44353	45297
% Chg Prev Qtr SAAR.....	3.11	-1.51	27.97	-5.32	5.19	2.55	17.95	-9.88	0.17	9.17	-2.05	16.13	2.13	4.19	7.07	5.70	2.13
% Chg Same Qtr Last Yr.....	5.42	3.10	11.29	5.32	5.85	6.92	4.77	3.48	2.22	3.84	-0.88	5.61	6.12	4.89	7.07	5.70	2.13
MANUFACTURING.....	44664	45022	45938	45845	46635	46650	47447	48036	47324	48948	48153	44952	46975	47015	44930	46644	48115
% Chg Prev Qtr SAAR.....	5.24	3.25	8.39	-0.81	7.07	0.13	7.01	5.05	-5.79	14.45	-6.34	-24.05	19.25	0.35	4.51	3.81	3.15
% Chg Same Qtr Last Yr.....	4.75	3.58	5.58	3.96	4.41	3.62	3.29	4.78	1.48	4.92	1.49	-6.42	-0.74	-3.95	4.51	3.81	3.15
DURABLE GOODS.....	44153	44093	44896	45211	45493	45628	46544	46224	46451	49086	46970	43675	45160	45005	44142	45719	47183
% Chg Prev Qtr SAAR.....	6.83	-0.54	7.49	2.84	2.52	1.19	8.28	-2.73	1.98	24.69	-16.16	-25.24	14.31	-1.37	4.56	3.57	3.20
% Chg Same Qtr Last Yr.....	5.48	3.24	5.41	4.10	3.04	3.48	3.67	2.24	2.11	7.58	0.91	-5.51	-2.78	-8.31	4.56	3.57	3.20
NONDURABLE GOODS.....	45528	46620	47761	46921	48548	48326	48915	50952	48723	48730	49994	46898	49679	50047	46280	48178	49600
% Chg Prev Qtr SAAR.....	2.83	9.95	10.15	-6.85	14.60	-1.81	4.96	17.73	-16.39	0.06	10.79	-22.56	25.91	2.99	4.55	4.10	2.95
% Chg Same Qtr Last Yr.....	3.65	4.27	6.09	3.78	6.63	3.66	2.42	8.59	0.36	0.84	2.21	-7.96	1.96	2.70	4.55	4.10	2.95
TRADE, TRANSPORTATION, UTILITIES.....	36101	36387	37347	37430	38169	37887	38015	38047	38093	37872	38309	37367	36914	37141	36409	37875	38080
% Chg Prev Qtr SAAR.....	3.39	3.20	10.98	0.90	8.13	-2.92	1.35	0.34	0.48	-2.30	4.69	-9.48	-4.76	2.48	4.22	4.03	0.54
% Chg Same Qtr Last Yr.....	3.96	3.20	5.97	4.55	5.73	4.12	1.79	1.65	-0.20	-0.04	0.77	-1.79	-3.09	-1.93	4.22	4.03	0.54
WHOLESALE TRADE.....	52855	53109	55058	54821	55929	55005	56450	55837	56199	56106	56260	55663	54892	54691	53315	55551	56101
% Chg Prev Qtr SAAR.....	4.81	1.93	15.51	-1.71	8.33	-6.44	10.93	-4.27	2.62	-0.66	1.10	-4.17	-5.43	-1.46	6.55	4.19	0.99
% Chg Same Qtr Last Yr.....	6.85	4.80	8.04	4.94	5.81	3.57	2.53	1.85	0.48	2.00	-0.34	-0.31	-2.33	-2.52	6.55	4.19	0.99
RETAIL TRADE.....	25182	25282	25876	26224	26381	26653	26440	26417	26499	26187	26300	25892	25534	25717	25332	26425	26351
% Chg Prev Qtr SAAR.....	3.10	1.59	9.74	5.49	2.43	4.18	-3.16	-0.34	1.24	-4.62	1.74	-6.06	-5.41	2.89	3.08	4.31	-0.28
% Chg Same Qtr Last Yr.....	2.65	2.90	4.21	4.94	4.76	5.43	2.18	0.74	0.44	-1.75	-0.53	-1.99	-3.64	-1.79	3.08	4.31	-0.28
TRANSPORTATION & UTILITIES.....	45434	46164	47084	46899	48526	47635	47484	48236	47732	47724	48757	46564	46682	47430	45958	47636	48112
% Chg Prev Qtr SAAR.....	2.54	6.59	8.21	-1.56	14.61	-7.15	-1.26	6.49	-4.12	-0.07	8.95	-16.81	1.02	6.56	2.92	3.65	1.00
% Chg Same Qtr Last Yr.....	2.04	1.63	6.17	3.87	6.81	3.18	0.85	2.85	-1.64	0.19	2.68	-3.47	-2.20	-0.62	2.92	3.65	1.00
INFORMATION.....	50107	48621	52798	51568	50978	50806	52554	50488	50399	52719	54881	52578	52964	53554	50023	51476	52122
% Chg Prev Qtr SAAR.....	13.29	-11.34	39.04	-9.00	-4.50	-1.35	14.49	-14.82	-0.70	19.73	17.43	-15.75	2.96	4.54	11.77	2.90	1.25
% Chg Same Qtr Last Yr.....	9.58	5.25	23.20	6.18	1.74	4.49	-0.46	-2.09	-1.14	3.77	4.43	4.14	5.09	1.58	11.77	2.90	1.25
FINANCIAL ACTIVITIES.....	53629	55186	56333	57725	56291	57163	58302	57346	58113	57790	57010	59921	59102	60644	54594	57370	57565
% Chg Prev Qtr SAAR.....	3.05	12.13	8.57	10.26	-9.58	6.35	8.21	-6.40	5.46	-2.21	-5.29	22.05	-5.36	10.86	8.16	5.09	0.34
% Chg Same Qtr Last Yr.....	8.55	9.20	8.30	8.45	4.96	3.58	3.50	-0.66	3.24	1.10	-2.22	4.49	1.70	4.94	8.16	5.09	0.34

(CONTINUED ON NEXT PAGE)

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
PROFESSIONAL & BUSINESS SERVICES...	39845	39412	41131	41145	42288	42884	43817	44799	44002	44119	45761	45047	45409	45952	39769	42533	44670
% Chg Prev Qtr SAAR.....	12.51	-4.27	18.61	0.14	11.58	5.75	9.00	9.27	-6.92	1.07	15.73	-6.10	3.26	4.86	6.56	6.95	5.02
% Chg Same Qtr Last Yr.....	7.74	4.22	9.79	6.35	6.13	8.81	6.53	8.88	4.05	2.88	4.44	0.55	3.20	4.15	6.56	6.95	5.02
EDUCATION & HEALTH SERVICES.....	40702	40049	40229	41007	41189	41393	42384	42118	42549	43398	42934	42779	43090	43672	40104	41493	42750
% Chg Prev Qtr SAAR.....	13.48	-6.27	1.81	7.96	1.79	2.00	9.93	-2.49	4.16	8.22	-4.21	-1.43	2.94	5.52	3.07	3.46	3.03
% Chg Same Qtr Last Yr.....	4.48	2.67	2.04	3.99	1.20	3.36	5.36	2.71	3.30	4.84	1.30	1.57	1.27	0.63	3.07	3.46	3.03
LEISURE & HOSPITALITY.....	18554	19323	19192	19503	19580	19378	20718	19762	19764	19914	19567	19188	19458	19500	18842	19795	19752
% Chg Prev Qtr SAAR.....	5.74	17.64	-2.69	6.65	1.58	-4.07	30.67	-17.22	0.04	3.06	-6.79	-7.52	5.73	0.88	5.25	5.06	-0.22
% Chg Same Qtr Last Yr.....	3.79	7.51	6.15	6.59	5.53	0.28	7.95	1.33	0.94	2.77	-5.56	-2.90	-1.55	-2.08	5.25	5.06	-0.22
OTHER SERVICES.....	35444	35340	35801	35861	35902	36039	36983	37298	37658	38364	39049	37741	38172	38906	35341	36196	38092
% Chg Prev Qtr SAAR.....	7.88	-1.17	5.33	0.67	0.46	1.53	10.90	3.45	3.91	7.72	7.34	-12.74	4.64	7.92	5.06	2.42	5.24
% Chg Same Qtr Last Yr.....	6.83	3.98	4.75	3.11	1.29	1.98	3.30	4.01	4.89	6.45	5.59	1.19	1.37	1.41	5.06	2.42	5.24
GOVERNMENT.....	36385	36448	37310	37352	38114	37658	38526	38858	39135	39517	39093	39603	39707	39558	36481	37912	39151
% Chg Prev Qtr SAAR.....	6.92	0.69	9.81	0.44	8.41	-4.69	9.54	3.49	2.88	3.95	-4.22	5.33	1.05	-1.49	3.75	3.92	3.27
% Chg Same Qtr Last Yr.....	4.28	4.04	4.51	4.39	4.75	3.32	3.26	4.03	2.68	4.93	1.47	1.92	1.46	0.11	3.75	3.92	3.27
FEDERAL, CIVILIAN.....	60394	60711	60373	62864	62924	63011	63375	63950	63687	63453	63043	64926	65164	66055	60352	63043	63533
% Chg Prev Qtr SAAR.....	3.13	2.12	-2.21	17.55	0.38	0.56	2.33	3.68	-1.64	-1.46	-2.56	12.50	1.47	5.58	3.53	4.46	0.78
% Chg Same Qtr Last Yr.....	3.59	4.38	3.84	4.90	4.19	3.79	4.97	1.73	1.21	0.70	-0.52	1.53	2.32	4.10	3.53	4.46	0.78
STATE & LOCAL.....	33225	33239	34230	33975	34837	34359	35317	35593	35930	36383	35973	36322	36355	36039	33315	34622	35970
% Chg Prev Qtr SAAR.....	8.33	0.17	12.48	-2.96	10.55	-5.38	11.64	3.16	3.85	5.14	-4.43	3.93	0.36	-3.43	4.01	3.92	3.89
% Chg Same Qtr Last Yr.....	4.79	4.19	4.78	4.32	4.85	3.37	3.18	4.76	3.14	5.89	1.86	2.05	1.18	-0.95	4.01	3.92	3.89

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted**January 2010**

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
CIVILIAN LABOR FORCE (THOUS).....	2997	3022	3023	2986	2997	3029	3041	3014	3045	3062	3044	3015	3038	3032	2999	3013	3041
% Chg Same Qtr Last Yr.....	2.52	2.36	1.68	1.13	-0.01	0.21	0.62	0.93	1.60	1.11	0.08	0.05	-0.24	-0.98	2.19	0.49	0.93
EMPLOYED PERSONS (THOUS).....	2839	2866	2884	2837	2865	2882	2886	2835	2863	2857	2829	2728	2723	2712	2844	2868	2846
% Chg Same Qtr Last Yr.....	2.80	2.54	2.40	1.86	0.92	0.56	0.05	-0.07	-0.07	-0.88	-1.96	-3.79	-4.89	-5.07	2.62	0.84	-0.75
UNEMPLOYED PERSONS (THOUS).....	158	156	138	149	132	147	156	179	182	206	214	288	314	320	155	146	195
% Chg Same Qtr Last Yr.....	-2.23	-0.76	-11.31	-10.90	-16.78	-6.12	12.44	20.01	38.04	40.04	37.80	60.78	72.99	55.82	-5.07	-5.99	33.87
PARTICIPATION RATE (PERCENT).....	62.9	63.2	63.0	62.0	61.9	62.4	63.4	62.7	63.2	63.4	62.9	62.1	62.4	62.2	62.8	62.4	63.0
% Chg Same Qtr Last Yr.....	0.98	0.80	0.12	-0.43	-1.56	-1.35	0.68	1.16	2.00	1.66	-0.84	-0.87	-1.16	-1.89	0.64	-0.67	0.98
UNEMPLOYMENT RATE (PERCENT).....	5.3	5.2	4.6	5.0	4.4	4.8	5.1	5.9	6.0	6.7	7.0	9.5	10.4	10.6	5.2	4.8	6.4

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
CIVILIAN LABOR FORCE (THOUS).....	3002	3010	3006	3003	3003	3017	3031	3033	3042	3042	3047	3041	3040	3013	3013	3041	3023
% Chg Prev Qtr SAAR.....	3.47	1.11	-0.62	-0.36	-0.08	1.94	1.86	0.34	1.12	0.04	0.68	-0.78	-0.26	-3.47	0.49	0.93	-0.61
% Chg Same Qtr Last Yr.....	2.58	2.36	1.62	0.88	0.01	0.22	0.84	1.01	1.31	0.84	0.54	0.26	-0.08	-0.97	0.49	0.93	-0.61
EMPLOYED PERSONS (THOUS).....	2841	2855	2858	2866	2863	2870	2871	2866	2853	2839	2827	2766	2722	2692	2868	2846	2717
% Chg Prev Qtr SAAR.....	2.99	1.91	0.49	1.11	-0.43	0.98	0.11	-0.69	-1.80	-2.01	-1.63	-8.35	-6.22	-4.32	0.84	-0.75	-4.54
% Chg Same Qtr Last Yr.....	2.89	2.76	2.29	1.62	0.77	0.54	0.44	-0.01	-0.35	-1.10	-1.53	-3.49	-4.60	-5.16	0.84	-0.75	-4.54
UNEMPLOYED PERSONS (THOUS).....	161	156	147	137	139	147	160	168	189	204	221	276	318	321	146	195	306
% Chg Prev Qtr SAAR.....	12.27	-12.33	-19.45	-25.81	7.49	23.33	41.07	20.01	61.76	35.08	37.45	143.79	76.62	4.10	-5.99	33.87	56.64
% Chg Same Qtr Last Yr.....	-2.50	-4.47	-9.89	-12.42	-13.37	-5.66	8.53	22.40	35.56	38.68	37.78	64.49	68.15	57.55	-5.99	33.87	56.64
PARTICIPATION RATE (PERCENT).....	63.0	63.0	62.6	62.3	62.1	62.1	63.2	63.1	63.1	63.0	62.9	62.7	62.5	61.8	62.4	63.0	62.1
% Chg Prev Qtr SAAR.....	1.88	-0.43	-2.18	-1.92	-1.63	0.36	7.05	-0.59	0.19	-0.88	-0.25	-1.69	-1.17	-4.35	-0.67	0.98	-1.53
% Chg Same Qtr Last Yr.....	1.04	0.80	0.05	-0.67	-1.54	-1.35	0.90	1.24	1.71	1.39	-0.38	-0.66	-1.00	-1.88	-0.67	0.98	-1.53
UNEMPLOYMENT RATE (PERCENT).....	5.4	5.2	4.9	4.6	4.6	4.9	5.3	5.5	6.2	6.7	7.2	9.1	10.5	10.7	4.8	6.4	10.1

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2005 dollars)

January 2010

	Historical Data															Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008	
TOTAL TAXABLE SALES.....	22748	22518	24114	21621	23010	22778	24009	20833	22466	21337	21836	18929	20202	19713	90226	91418	86471	
% Chg Same Qtr Last Yr.....	2.77	1.46	1.91	3.72	1.15	1.16	-0.44	-3.65	-2.36	-6.33	-9.05	-9.14	-10.08	-7.61	2.20	1.32	-5.41	
AUTO DEALERS.....	2392	2454	2140	2261	2351	2378	2010	2081	1985	1868	1368	1444	1575	1703	9122	9000	7301	
% Chg Same Qtr Last Yr.....	-3.63	-5.16	6.06	5.85	-1.72	-3.07	-6.08	-7.97	-15.59	-21.47	-31.95	-30.62	-20.63	-8.82	-3.33	-1.33	-18.88	
PURCHASES FROM MANUFACTURERS....	1151	1142	1186	1085	1101	1127	1182	976	1095	1029	1017	718	801	827	4556	4495	4117	
% Chg Same Qtr Last Yr.....	-5.51	-6.22	-8.27	0.70	-4.38	-1.26	-0.30	-10.02	-0.53	-8.69	-14.01	-26.43	-26.84	-19.65	-5.29	-1.34	-8.41	
MISC DURABLE GOODS.....	4412	4253	4269	3898	4389	4143	4095	3639	4091	3769	3479	2894	3288	3191	16751	16526	14977	
% Chg Same Qtr Last Yr.....	9.41	4.28	1.54	2.12	-0.51	-2.58	-4.07	-6.65	-6.79	-9.04	-15.06	-20.48	-19.62	-15.34	5.73	-1.34	-9.37	
EATING AND DRINKING PLACES.....	2079	2099	2102	2017	2148	2170	2082	2053	2132	2071	1982	1984	2077	2041	8236	8417	8238	
% Chg Same Qtr Last Yr.....	0.76	4.20	5.78	3.11	3.34	3.41	-0.95	1.78	-0.76	-4.57	-4.79	-3.38	-2.58	-1.44	3.46	2.21	-2.13	
FOOD STORES.....	2047	2061	2173	1953	2068	2183	2317	1739	2153	2181	2354	2067	2135	2133	8195	8521	8427	
% Chg Same Qtr Last Yr.....	1.29	0.39	0.00	2.03	1.02	5.89	6.66	-10.97	4.11	-0.08	1.59	18.86	-0.82	-2.18	0.01	3.98	-1.11	
LIQUOR STORES.....	127	127	159	129	136	131	167	136	140	136	171	138	145	142	533	563	583	
% Chg Same Qtr Last Yr.....	7.47	9.24	5.16	8.03	7.07	3.48	4.49	5.00	2.97	3.87	2.75	1.72	3.23	4.05	7.56	5.66	3.58	
HOTELS AND MOTELS.....	561	594	563	453	599	614	568	475	565	555	518	395	492	501	2160	2234	2112	
% Chg Same Qtr Last Yr.....	2.38	5.26	7.60	2.45	6.80	3.48	0.84	4.90	-5.65	-9.72	-8.91	-16.86	-12.91	-9.72	5.57	3.44	-5.46	
OTHER RETAIL AND SERVICE.....	6446	6288	7677	6279	6595	6483	7631	6167	6637	6257	7237	5821	6117	5959	26388	26988	26297	
% Chg Same Qtr Last Yr.....	2.04	2.17	3.93	5.06	2.31	3.10	-0.60	-1.78	0.63	-3.49	-5.17	-5.60	-7.83	-4.77	2.43	2.27	-2.56	
MISC NONDURABLE GOODS.....	1726	1681	2111	1764	1741	1737	2153	1738	1755	1693	1978	1585	1657	1599	7143	7395	7164	
% Chg Same Qtr Last Yr.....	3.28	-0.10	0.64	8.53	0.88	3.38	1.97	-1.50	0.81	-2.53	-8.12	-8.76	-5.59	-5.57	1.01	3.53	-3.12	
TRANSPORTATION, COMMUNICATION.....	1807	1820	1734	1782	1882	1811	1803	1829	1914	1778	1733	1883	1915	1617	7144	7278	7254	
% Chg Same Qtr Last Yr.....	8.59	5.50	-5.12	-0.02	4.13	-0.53	4.02	2.65	1.70	-1.80	-3.91	2.94	0.06	-9.03	7.12	1.88	-0.33	
PER CAPITA (\$).....	3758	3707	3956	3535	3750	3700	3938	3411	3671	3479	3554	3075	3275	3189	14877	14923	14115	
% Chg Same Qtr Last Yr.....	1.35	0.03	0.50	2.30	-0.21	-0.19	-0.45	-3.53	-2.11	-5.95	-9.76	-9.85	-10.78	-8.33	0.79	0.31	-5.42	

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Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2005 dollars)

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL TAXABLE SALES.....	22517	22473	22895	23147	22755	22753	22800	22289	22231	21352	20657	20233	20013	19739	90221	91455	86529
% Chg Prev Qtr SAAR.....	3.29	-0.78	7.72	4.47	-6.60	-0.04	0.83	-8.67	-1.04	-14.90	-12.40	-7.95	-4.28	-5.36	2.20	1.37	-5.39
% Chg Same Qtr Last Yr.....	2.71	1.50	2.11	3.63	1.06	1.24	-0.41	-3.71	-2.30	-6.16	-9.40	-9.22	-9.98	-7.55	2.20	1.37	-5.39
AUTO DEALERS.....	2306	2263	2362	2326	2263	2195	2225	2136	1908	1725	1516	1479	1515	1574	9135	9009	7285
% Chg Prev Qtr SAAR.....	19.92	-7.40	18.72	-5.94	-10.44	-11.37	5.56	-15.16	-36.25	-33.17	-40.39	-9.36	10.00	16.66	-3.11	-1.38	-19.13
% Chg Same Qtr Last Yr.....	-3.85	-5.21	6.66	5.52	-1.90	-2.97	-5.78	-8.18	-15.66	-21.41	-31.87	-30.73	-20.61	-8.75	-3.11	-1.38	-19.13
PURCHASES FROM MANUFACTURERS.....	1148	1122	1114	1188	1097	1106	1108	1074	1091	1008	951	793	799	808	4556	4499	4125
% Chg Prev Qtr SAAR.....	-7.76	-8.74	-2.97	29.47	-27.27	3.21	0.66	-11.47	6.42	-27.22	-20.73	-51.77	3.06	4.99	-5.17	-1.25	-8.31
% Chg Same Qtr Last Yr.....	-5.30	-6.38	-8.69	1.41	-4.44	-1.46	-0.55	-9.56	-0.53	-8.85	-14.13	-26.23	-26.82	-19.80	-5.17	-1.25	-8.31
MISC DURABLE GOODS.....	4211	4169	4210	4256	4177	4059	4044	3982	3885	3689	3439	3171	3119	3122	16750	16536	14995
% Chg Prev Qtr SAAR.....	4.87	-3.95	4.05	4.40	-7.20	-10.82	-1.47	-5.99	-9.40	-18.72	-24.49	-27.72	-6.40	0.43	5.74	-1.28	-9.32
% Chg Same Qtr Last Yr.....	9.29	4.07	1.83	2.28	-0.80	-2.63	-3.95	-6.43	-6.99	-9.12	-14.97	-20.38	-19.73	-15.37	5.74	-1.28	-9.32
EATING AND DRINKING PLACES.....	2028	2056	2129	2085	2097	2127	2110	2119	2082	2029	2010	2046	2029	1999	8238	8418	8240
% Chg Prev Qtr SAAR.....	0.45	5.50	15.01	-8.01	2.38	5.75	-3.09	1.80	-6.91	-9.70	-3.78	7.37	-3.23	-5.80	3.48	2.18	-2.11
% Chg Same Qtr Last Yr.....	0.79	4.29	5.85	2.90	3.39	3.45	-0.88	1.66	-0.73	-4.57	-4.74	-3.46	-2.52	-1.49	3.48	2.18	-2.11
FOOD STORES.....	2072	2035	2045	2086	2095	2149	2183	1860	2182	2142	2219	2212	2165	2093	8194	8513	8404
% Chg Prev Qtr SAAR.....	6.29	-6.94	1.91	8.32	1.59	10.80	6.46	-47.30	89.59	-7.12	15.03	-1.15	-8.27	-12.68	-0.02	3.89	-1.28
% Chg Same Qtr Last Yr.....	1.43	-0.02	0.13	2.22	1.07	5.58	6.74	-10.85	4.19	-0.30	1.64	18.95	-0.79	-2.31	-0.02	3.89	-1.28
LIQUOR STORES.....	132	136	136	140	141	140	142	146	145	145	147	148	150	151	533	563	583
% Chg Prev Qtr SAAR.....	6.71	12.66	-0.82	12.44	4.61	-2.88	6.40	11.03	-2.28	0.52	3.28	4.64	4.55	3.74	7.69	5.68	3.59
% Chg Same Qtr Last Yr.....	7.39	8.83	5.80	7.60	7.07	3.17	5.00	4.67	2.90	3.79	3.02	1.51	3.24	4.05	7.69	5.68	3.59
HOTELS AND MOTELS.....	528	542	554	548	564	562	558	575	532	508	507	478	463	459	2159	2231	2122
% Chg Prev Qtr SAAR.....	-5.95	11.11	9.71	-4.59	12.17	-1.45	-2.92	12.79	-26.51	-16.95	-0.60	-21.25	-11.45	-3.95	5.70	3.33	-4.90
% Chg Same Qtr Last Yr.....	2.44	5.51	7.42	2.27	6.87	3.72	0.59	4.89	-5.63	-9.58	-9.05	-16.86	-12.89	-9.67	5.70	3.33	-4.90
OTHER RETAIL AND SERVICE.....	6561	6555	6757	6814	6704	6759	6723	6690	6746	6519	6379	6316	6218	6204	26362	27001	26334
% Chg Prev Qtr SAAR.....	4.45	-0.36	12.90	3.47	-6.33	3.33	-2.13	-1.95	3.40	-12.79	-8.33	-3.91	-6.04	-0.89	2.32	2.42	-2.47
% Chg Same Qtr Last Yr.....	1.96	2.21	4.06	5.01	2.19	3.12	-0.50	-1.83	0.63	-3.55	-5.12	-5.59	-7.83	-4.83	2.32	2.42	-2.47
MISC NONDURABLE GOODS.....	1798	1771	1821	1894	1811	1833	1859	1863	1824	1787	1709	1699	1722	1688	7137	7396	7184
% Chg Prev Qtr SAAR.....	11.88	-5.89	11.82	17.08	-16.34	4.76	5.84	1.02	-8.13	-7.87	-16.46	-2.17	5.44	-7.76	1.01	3.64	-2.88
% Chg Same Qtr Last Yr.....	3.36	0.02	0.72	8.36	0.76	3.50	2.09	-1.61	0.72	-2.47	-8.07	-8.81	-5.61	-5.58	1.01	3.64	-2.88
TRANSPORTATION, COMMUNICATION.....	1734	1826	1769	1810	1806	1824	1849	1844	1835	1798	1781	1892	1834	1641	7158	7289	7258
% Chg Prev Qtr SAAR.....	-19.38	23.15	-12.04	9.82	-0.88	3.86	5.68	-1.09	-1.96	-7.72	-3.79	27.25	-11.73	-35.87	7.16	1.84	-0.43
% Chg Same Qtr Last Yr.....	8.84	6.05	-4.72	-1.04	4.20	-0.14	4.55	1.85	1.57	-1.39	-3.68	2.59	-0.07	-8.76	7.16	1.84	-0.43
PER CAPITA (\$)......	3720	3699	3756	3785	3708	3696	3740	3649	3632	3482	3362	3287	3244	3194	14878	14929	14125
% Chg Prev Qtr SAAR.....	1.83	-2.17	6.28	3.08	-7.84	-1.36	4.90	-9.38	-1.81	-15.57	-13.09	-8.67	-5.03	-6.10	0.79	0.34	-5.38
% Chg Same Qtr Last Yr.....	1.29	0.07	0.69	2.21	-0.31	-0.10	-0.43	-3.59	-2.05	-5.78	-10.11	-9.93	-10.68	-8.28	0.79	0.34	-5.38

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars)**January 2010**

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL TAXABLE SALES.....	23332	23264	24909	22540	24177	24072	25690	22494	24492	23528	23770	20528	21982	21595	92728	96480	94284
% Chg Same Qtr Last Yr.....	6.07	4.31	3.84	6.21	3.62	3.47	3.14	-0.21	1.30	-2.26	-7.48	-8.74	-10.25	-8.22	4.98	4.05	-2.28
AUTO DEALERS.....	2454	2535	2210	2357	2470	2513	2150	2247	2164	2059	1489	1566	1714	1866	9374	9492	7959
% Chg Same Qtr Last Yr.....	-0.53	-2.50	8.07	8.40	0.68	-0.85	-2.71	-4.68	-12.42	-18.06	-30.77	-30.32	-20.78	-9.42	-0.62	1.26	-16.15
PURCHASES FROM MANUFACTURERS.....	1181	1179	1225	1131	1157	1191	1265	1054	1194	1135	1107	779	872	906	4682	4744	4489
% Chg Same Qtr Last Yr.....	-2.48	-3.59	-6.53	3.12	-2.05	1.00	3.28	-6.80	3.20	-4.72	-12.52	-26.11	-26.98	-20.17	-2.73	1.32	-5.37
MISC DURABLE GOODS.....	4525	4394	4410	4064	4612	4379	4382	3929	4460	4156	3787	3138	3578	3495	17215	17436	16332
% Chg Same Qtr Last Yr.....	12.93	7.20	3.47	4.58	1.92	-0.35	-0.62	-3.31	-3.29	-5.09	-13.59	-20.13	-19.78	-15.90	8.59	1.29	-6.33
EATING AND DRINKING PLACES.....	2132	2168	2171	2103	2257	2294	2228	2217	2324	2284	2158	2151	2260	2236	8463	8881	8983
% Chg Same Qtr Last Yr.....	3.99	7.12	7.78	5.59	5.86	5.78	2.61	5.42	2.97	-0.43	-3.14	-2.96	-2.77	-2.09	6.31	4.94	1.14
FOOD STORES.....	2100	2130	2244	2036	2173	2307	2480	1878	2347	2405	2563	2242	2323	2337	8422	8996	9192
% Chg Same Qtr Last Yr.....	4.54	3.21	1.90	4.48	3.49	8.31	10.49	-7.79	8.02	4.26	3.35	19.38	-1.01	-2.82	2.75	6.80	2.19
LIQUOR STORES.....	130	131	165	135	143	139	178	147	153	150	186	150	157	155	548	595	636
% Chg Same Qtr Last Yr.....	10.92	12.31	7.15	10.63	9.68	5.84	8.24	8.75	6.84	8.38	4.53	2.17	3.04	3.37	10.44	8.54	6.94
HOTELS AND MOTELS.....	575	613	582	472	629	649	608	513	616	612	563	428	535	548	2220	2358	2304
% Chg Same Qtr Last Yr.....	5.67	8.22	9.64	4.91	9.41	5.84	4.46	8.65	-2.10	-5.80	-7.34	-16.50	-13.07	-10.32	8.46	6.22	-2.32
OTHER RETAIL AND SERVICE.....	6612	6496	7930	6546	6930	6851	8165	6659	7236	6900	7878	6313	6656	6528	27123	28492	28671
% Chg Same Qtr Last Yr.....	5.32	5.04	5.90	7.59	4.81	5.46	2.96	1.73	4.41	0.71	-3.53	-5.19	-8.01	-5.39	5.20	5.05	0.63
MISC NONDURABLE GOODS.....	1770	1736	2181	1839	1829	1836	2304	1876	1913	1867	2153	1719	1803	1752	7342	7808	7810
% Chg Same Qtr Last Yr.....	6.60	2.71	2.54	11.14	3.34	5.74	5.63	2.02	4.59	1.70	-6.53	-8.36	-5.77	-6.19	3.73	6.35	0.03
TRANSPORTATION, COMMUNICATION.....	1854	1881	1791	1858	1977	1914	1930	1975	2086	1961	1886	2042	2084	1772	7340	7679	7909
% Chg Same Qtr Last Yr.....	12.08	8.46	-3.32	2.39	6.67	1.75	7.76	6.31	5.52	2.47	-2.25	3.39	-0.13	-9.63	9.98	4.62	3.00
PER CAPITA (\$)......	3854	3830	4087	3686	3940	3910	4214	3683	4002	3837	3869	3334	3564	3494	15289	15750	15390
% Chg Same Qtr Last Yr.....	4.60	2.84	2.40	4.75	2.23	2.10	3.12	-0.08	1.57	-1.87	-8.20	-9.45	-10.95	-8.94	3.53	3.02	-2.28

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

January 2010

	Historical Data														Annual		
	2006:2	2006:3	2006:4	2007:1	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2006	2007	2008
TOTAL TAXABLE SALES.....	23095	23218	23650	24131	23910	24046	24397	24067	24237	23546	22486	21943	21777	21624	92702	96483	94335
% Chg Prev Qtr SAAR.....	6.42	2.15	7.65	8.38	-3.61	2.29	5.98	-5.31	2.86	-10.93	-16.82	-9.32	-2.98	-2.79	5.00	4.08	-2.23
% Chg Same Qtr Last Yr.....	6.01	4.35	4.04	6.12	3.53	3.56	3.16	-0.27	1.37	-2.08	-7.83	-8.82	-10.15	-8.16	5.00	4.08	-2.23
AUTO DEALERS.....	2366	2338	2440	2425	2377	2320	2381	2306	2080	1903	1650	1604	1648	1725	9387	9503	7939
% Chg Prev Qtr SAAR.....	23.56	-4.67	18.63	-2.42	-7.58	-9.30	10.95	-12.05	-33.74	-30.05	-43.40	-10.70	11.49	19.84	-0.41	1.24	-16.46
% Chg Same Qtr Last Yr.....	-0.76	-2.55	8.68	8.06	0.49	-0.75	-2.40	-4.90	-12.49	-17.99	-30.69	-30.43	-20.76	-9.35	-0.41	1.24	-16.46
PURCHASES FROM MANUFACTURERS.....	1178	1159	1150	1239	1153	1169	1185	1160	1190	1111	1035	860	869	886	4680	4745	4497
% Chg Prev Qtr SAAR.....	-4.96	-6.04	-3.03	34.31	-24.94	5.61	5.80	-8.22	10.61	-23.82	-24.73	-52.48	4.45	7.86	-2.59	1.39	-5.24
% Chg Same Qtr Last Yr.....	-2.26	-3.75	-6.96	3.85	-2.10	0.80	3.02	-6.33	3.20	-4.89	-12.65	-25.91	-26.96	-20.33	-2.59	1.39	-5.24
MISC DURABLE GOODS.....	4319	4307	4349	4437	4389	4290	4327	4300	4236	4068	3743	3439	3394	3420	17211	17442	16346
% Chg Prev Qtr SAAR.....	8.06	-1.11	3.98	8.30	-4.24	-8.74	3.56	-2.53	-5.84	-14.92	-28.30	-28.79	-5.14	3.17	8.61	1.35	-6.28
% Chg Same Qtr Last Yr.....	12.80	6.99	3.76	4.74	1.62	-0.40	-0.50	-3.09	-3.49	-5.17	-13.50	-20.03	-19.88	-15.92	8.61	1.35	-6.28
EATING AND DRINKING PLACES.....	2080	2124	2199	2173	2203	2247	2258	2288	2270	2238	2188	2219	2208	2190	8465	8882	8984
% Chg Prev Qtr SAAR.....	3.50	8.62	14.93	-4.57	5.66	8.22	1.86	5.54	-3.24	-5.48	-8.63	5.78	-1.92	-3.24	6.33	4.92	1.15
% Chg Same Qtr Last Yr.....	4.03	7.22	7.86	5.38	5.92	5.82	2.67	5.29	3.00	-0.42	-3.09	-3.04	-2.71	-2.14	6.33	4.92	1.15
FOOD STORES.....	2126	2103	2113	2175	2201	2271	2336	2008	2379	2363	2415	2399	2356	2293	8419	8983	9165
% Chg Prev Qtr SAAR.....	9.51	-4.19	1.84	12.37	4.84	13.38	11.90	-45.37	97.05	-2.78	9.23	-2.61	-7.03	-10.30	2.73	6.70	2.03
% Chg Same Qtr Last Yr.....	4.69	2.79	2.03	4.68	3.54	8.00	10.57	-7.67	8.11	4.03	3.40	19.48	-0.98	-2.95	2.73	6.70	2.03
LIQUOR STORES.....	135	140	140	146	148	148	152	158	158	160	160	161	163	166	548	594	636
% Chg Prev Qtr SAAR.....	9.95	15.99	-0.89	16.64	7.96	-0.61	11.83	15.10	1.57	5.22	-1.93	3.09	5.97	6.56	10.63	8.51	7.05
% Chg Same Qtr Last Yr.....	10.85	11.88	7.80	10.19	9.69	5.53	8.77	8.41	6.77	8.30	4.80	1.95	3.04	3.37	10.63	8.51	7.05
HOTELS AND MOTELS.....	541	560	573	571	592	594	597	621	580	560	552	518	504	503	2219	2354	2313
% Chg Prev Qtr SAAR.....	-3.10	14.39	9.63	-1.02	15.76	0.85	2.04	16.93	-23.62	-13.06	-5.61	-22.42	-10.25	-1.33	8.59	6.10	-1.75
% Chg Same Qtr Last Yr.....	5.73	8.48	9.45	4.73	9.49	6.09	4.20	8.64	-2.09	-5.66	-7.48	-16.49	-13.06	-10.26	8.59	6.10	-1.75
OTHER RETAIL AND SERVICE.....	6729	6772	6979	7104	7044	7143	7194	7223	7355	7189	6944	6849	6766	6796	27087	28485	28710
% Chg Prev Qtr SAAR.....	7.62	2.59	12.82	7.34	-3.33	5.74	2.86	1.65	7.47	-8.71	-12.96	-5.33	-4.77	1.81	5.14	5.16	0.79
% Chg Same Qtr Last Yr.....	5.23	5.08	6.04	7.53	4.68	5.48	3.07	1.68	4.41	0.64	-3.48	-5.18	-8.00	-5.46	5.14	5.16	0.79
MISC NONDURABLE GOODS.....	1844	1829	1881	1974	1903	1937	1989	2012	1989	1971	1860	1843	1874	1849	7333	7803	7832
% Chg Prev Qtr SAAR.....	15.27	-3.11	11.74	21.46	-13.67	7.21	11.24	4.73	-4.52	-3.57	-20.68	-3.63	6.87	-5.25	3.77	6.41	0.37
% Chg Same Qtr Last Yr.....	6.68	2.83	2.63	10.96	3.22	5.87	5.75	1.90	4.50	1.77	-6.48	-8.40	-5.79	-6.20	3.77	6.41	0.37
TRANSPORTATION, COMMUNICATION.....	1778	1887	1827	1887	1898	1927	1978	1991	2000	1983	1939	2051	1995	1797	7354	7691	7913
% Chg Prev Qtr SAAR.....	-16.93	26.79	-12.10	13.92	2.29	6.28	11.08	2.54	1.90	-3.41	-8.65	25.37	-10.53	-34.12	10.02	4.58	2.89
% Chg Same Qtr Last Yr.....	12.33	9.03	-2.92	1.34	6.75	2.14	8.30	5.49	5.39	2.90	-2.01	3.04	-0.26	-9.36	10.02	4.58	2.89
PER CAPITA (\$).....	3815	3822	3880	3946	3896	3906	4002	3940	3960	3840	3660	3564	3530	3499	15287	15750	15399
% Chg Prev Qtr SAAR.....	4.92	0.72	6.21	6.93	-4.89	0.94	10.25	-6.06	2.05	-11.62	-17.47	-10.03	-3.74	-3.54	3.55	3.03	-2.22
% Chg Same Qtr Last Yr.....	4.54	2.88	2.60	4.67	2.13	2.19	3.14	-0.14	1.63	-1.69	-8.56	-9.54	-10.85	-8.88	3.55	3.03	-2.22

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
US GDP (Bil2005\$) SAAR.....	9854.4	10283.5	10779.9	11226.0	11347.2	11553.0	11840.7	12263.8	12638.4	12976.3	13254.1	13312.2
Percentage change.....	4.46	4.36	4.83	4.14	1.08	1.81	2.49	3.57	3.05	2.67	2.14	0.44
US GDP (Bil\$) SAAR.....	8332.4	8793.5	9353.5	9951.5	10286.2	10642.3	11142.2	11867.8	12638.4	13398.9	14077.7	14441.4
Percentage change.....	6.30	5.53	6.37	6.39	3.36	3.46	4.70	6.51	6.49	6.02	5.07	2.58
TN PERSONAL INCOME (MIL2005\$) SAAR.....	148310	158046	163298	169552	173159	175986	179435	184298	187622	194809	199829	199376
Percentage change.....	3.69	6.56	3.32	3.83	2.13	1.63	1.96	2.71	1.80	3.83	2.58	-0.23
US PERSONAL INCOME (BIL2005\$) SAAR.....	8198	8729	9030	9534	9710	9770	9911	10233	10485	10966	11273	11225
Percentage change.....	4.26	6.48	3.45	5.57	1.85	0.62	1.44	3.26	2.46	4.59	2.80	-0.43
TN PERSONAL INCOME (MIL\$) SAAR.....	126654	136254	143053	152225	158421	163204	169791	178961	187633	200169	210838	217373
Percentage change.....	5.63	7.58	4.99	6.41	4.07	3.02	4.04	5.40	4.85	6.68	5.33	3.10
US PERSONAL INCOME (BIL\$) SAAR.....	7001	7525	7911	8559	8883	9060	9378	9937	10486	11268	11894	12239
Percentage change.....	6.21	7.49	5.12	8.20	3.78	1.99	3.51	5.96	5.52	7.46	5.56	2.90
TN NONFARM JOBS (THOUS).....	2582.7	2637.1	2684.0	2727.6	2688.5	2664.4	2662.7	2706.0	2743.0	2782.6	2797.4	2776.8
Percentage change.....	2.00	2.11	1.78	1.63	-1.43	-0.90	-0.06	1.63	1.37	1.44	0.53	-0.73
US NONFARM JOBS (MIL).....	122.8	125.9	129.0	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6	137.0
Percentage change.....	2.56	2.57	2.44	2.17	0.03	-1.13	-0.26	1.09	1.73	1.79	1.11	-0.41
TN MFG JOBS (THOUS).....	503.0	503.8	499.8	493.0	454.2	428.5	413.2	411.8	408.8	399.4	380.0	361.8
Percentage change.....	-0.78	0.15	-0.78	-1.36	-7.87	-5.66	-3.56	-0.35	-0.74	-2.29	-4.87	-4.77
US MFG JOBS (MIL).....	17.4	17.6	17.3	17.3	16.4	15.3	14.5	14.3	14.2	14.2	13.9	13.4
Percentage change.....	1.05	0.81	-1.35	-0.33	-4.78	-7.20	-4.90	-1.34	-0.62	-0.48	-1.97	-3.29
TN UNEMPLOYMENT RATE (%).....	5.3	4.5	4.1	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.8	6.4
US UNEMPLOYMENT RATE (%).....	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6	5.8
CHAINED PRICE INDEX, GDP (2005=100.0).....	84.6	85.5	86.8	88.6	90.7	92.1	94.1	96.8	100.0	103.3	106.2	108.5
Percentage change.....	1.77	1.13	1.47	2.17	2.26	1.61	2.16	2.84	3.34	3.26	2.87	2.13
US PERS CONSUMP DEFL (2005=100.0).....	85.4	86.2	87.6	89.8	91.5	92.7	94.6	97.1	100.0	102.7	105.5	109.0
Percentage change.....	1.87	0.95	1.61	2.49	1.91	1.36	2.03	2.62	2.99	2.75	2.68	3.34
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000).....	1.605	1.630	1.666	1.722	1.770	1.799	1.840	1.889	1.953	2.016	2.073	2.152
Percentage change.....	2.34	1.55	2.19	3.37	2.82	1.60	2.30	2.67	3.38	3.22	2.86	3.80
BANK PRIME INTEREST RATE (%).....	8.4	8.4	8.0	9.2	6.9	4.7	4.1	4.3	6.2	8.0	8.1	5.1
FEDERAL FUNDS RATE (% per annum).....	5.460	5.353	4.970	6.236	3.888	1.667	1.128	1.349	3.213	4.964	5.019	1.928
30-YEAR FIXED MORTGAGE RATE (%).....	7.6	6.9	7.4	8.1	7.0	6.5	5.8	5.8	5.9	6.4	6.3	6.0
TN TAXABLE SALES (MIL2005\$).....	77318	76849	82564	83162	81468	81384	83218	85189	88276	90221	91455	86529
Percentage change.....	6.85	-0.61	7.44	0.72	-2.04	-0.10	2.25	2.37	3.62	2.20	1.37	-5.39
TN TAXABLE SALES (MIL\$).....	66029	66258	72327	74655	74534	75472	78749	82719	88286	92702	96483	94335
Percentage change.....	8.85	0.35	9.16	3.22	-0.16	1.26	4.34	5.04	6.73	5.00	4.08	-2.23
TN AVG ANNUAL WAGE, NONFARM (2005\$).....	32238	33369	34044	34380	34786	35484	35922	36489	36428	37162	37711	37345
Percentage change.....	2.93	3.51	2.02	0.99	1.18	2.01	1.24	1.58	-0.17	2.01	1.48	-0.97
TN AVG ANNUAL WAGE, NONFARM (\$).....	27530	28767	29822	30865	31826	32906	33991	35432	36428	38184	39786	40716
Percentage change.....	4.85	4.49	3.67	3.50	3.11	3.39	3.30	4.24	2.81	4.82	4.20	2.34

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
US GDP (2005\$) SAAR.....	36048	37185	38536	39698	39724	40060	40682	41758	42643	43372	43873	43665
Percentage change.....	3.21	3.15	3.64	3.02	0.07	0.85	1.55	2.65	2.12	1.71	1.15	-0.47
US GDP (\$) SAAR.....	30480	31797	33437	35191	36010	36902	38282	40409	42643	44785	46599	47369
Percentage change.....	5.04	4.32	5.16	5.25	2.33	2.48	3.74	5.56	5.53	5.02	4.05	1.65
TN PERSONAL INCOME (2005\$) SAAR.....	27619	29128	29761	29984	30139	30362	30686	31205	31374	32125	32619	32545
Percentage change.....	2.43	5.46	2.17	0.75	0.52	0.74	1.07	1.69	0.54	2.39	1.54	-0.23
US PERSONAL INCOME (2005\$) SAAR.....	29988	31564	32283	33713	33992	33877	34051	34844	35377	36654	37317	36820
Percentage change.....	3.02	5.26	2.28	4.43	0.83	-0.34	0.51	2.33	1.53	3.61	1.81	-1.33
TN PERSONAL INCOME (\$) SAAR.....	23586	25112	26070	26919	27574	28157	29036	30301	31374	33008	34416	35483
Percentage change.....	4.34	6.47	3.82	3.25	2.43	2.11	3.12	4.36	3.54	5.21	4.27	3.10
US PERSONAL INCOME (\$) SAAR.....	25609	27211	28280	30269	31099	31416	32221	33836	35380	37663	39371	40144
Percentage change.....	4.94	6.26	3.93	7.03	2.74	1.02	2.56	5.01	4.56	6.45	4.54	1.96
TN TAXABLE SALES (2005\$).....	14398	14163	15047	14709	14180	14041	14231	14424	14761	14878	14929	14125
Percentage change.....	5.54	-1.64	6.25	-2.25	-3.60	-0.98	1.35	1.36	2.33	0.79	0.34	-5.38
TN TAXABLE SALES (\$).....	12296	12211	13181	13204	12973	13021	13467	14006	14762	15287	15750	15399
Percentage change.....	7.52	-0.69	7.95	0.17	-1.75	0.37	3.42	4.00	5.40	3.55	3.03	-2.22

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Table 3: Tennessee Personal Income Components (millions of 2005 dollars)

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TN PERSONAL INCOME.....	148310	158046	163298	169552	173159	175986	179435	184298	187622	194809	199829	199376
Percentage change.....	3.69	6.56	3.32	3.83	2.13	1.63	1.96	2.71	1.80	3.83	2.58	-0.23
WAGES AND SALARIES.....	83802	88567	91972	94386	94145	95277	96513	99608	100795	104277	106374	104597
Percentage change.....	4.78	5.69	3.84	2.62	-0.25	1.20	1.30	3.21	1.19	3.45	2.01	-1.67
OTHER LABOR INCOME.....	16516	17398	18037	18642	19513	21093	23224	23344	23834	23658	23897	23820
Percentage change.....	-0.50	5.34	3.67	3.36	4.67	8.10	10.10	0.51	2.10	-0.74	1.01	-0.32
PROPRIETORS INCOME.....	15917	18191	19564	20771	22715	23675	23766	25521	25627	26516	24851	24209
Percentage change.....	6.04	14.29	7.55	6.17	9.36	4.23	0.38	7.38	0.42	3.47	-6.28	-2.58
RENT, INTEREST, DIVIDENDS.....	23248	25121	24982	26000	25445	23272	22368	21637	21874	24570	27061	26912
Percentage change.....	4.21	8.06	-0.56	4.08	-2.13	-8.54	-3.89	-3.27	1.09	12.33	10.14	-0.55
TRANSFER PAYMENTS.....	22795	23590	24276	25720	27512	29185	30300	31379	32576	33132	35316	37272
Percentage change.....	2.04	3.49	2.91	5.95	6.97	6.08	3.82	3.56	3.82	1.71	6.59	5.54
LESS: PERS CONT FOR SOC INS....	12899	13583	14108	14389	14562	14959	15253	15652	15842	16238	16430	16406
Percentage change.....	4.29	5.30	3.86	2.00	1.20	2.72	1.96	2.62	1.21	2.50	1.18	-0.14
RESIDENCE ADJUSTMENT.....	-1068	-1237	-1424	-1577	-1609	-1558	-1484	-1538	-1242	-1107	-1240	-1029
Percentage change.....	26.45	15.90	15.06	10.76	2.04	-3.19	-4.71	3.60	-19.26	-10.82	12.02	-17.08
PER CAPITA PERSONAL INCOME (\$)...	27619	29128	29761	29984	30139	30362	30686	31205	31374	32125	32619	32545
Percentage change.....	2.43	5.46	2.17	0.75	0.52	0.74	1.07	1.69	0.54	2.39	1.54	-0.23

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TN PERSONAL INCOME.....	126654	136254	143053	152225	158421	163204	169791	178961	187633	200169	210838	217373
Percentage change.....	5.63	7.58	4.99	6.41	4.07	3.02	4.04	5.40	4.85	6.68	5.33	3.10
WAGES AND SALARIES.....	71565	76354	80569	84737	86132	88355	91326	96724	100799	107146	112232	114036
Percentage change.....	6.73	6.69	5.52	5.17	1.65	2.58	3.36	5.91	4.21	6.30	4.75	1.61
OTHER LABOR INCOME.....	14104	14999	15801	16737	17853	19564	21977	22666	23834	24308	25214	25970
Percentage change.....	1.36	6.35	5.34	5.93	6.66	9.59	12.33	3.14	5.15	1.99	3.73	3.00
PROPRIETORS INCOME.....	13593	15684	17140	18649	20781	21957	22490	24783	25630	27244	26217	26394
Percentage change.....	8.01	15.38	9.28	8.81	11.43	5.66	2.43	10.20	3.42	6.30	-3.77	0.68
RENT, INTEREST, DIVIDENDS.....	19854	21657	21884	23342	23279	21578	21164	21010	21879	25249	28556	29342
Percentage change.....	6.15	9.09	1.05	6.66	-0.27	-7.31	-1.92	-0.73	4.14	15.41	13.10	2.75
TRANSFER PAYMENTS.....	19467	20337	21265	23093	25171	27066	28672	30469	32575	34044	37263	40639
Percentage change.....	3.95	4.47	4.57	8.59	9.00	7.53	5.93	6.27	6.91	4.51	9.46	9.06
LESS: PERS CONT FOR SOC INS....	11016	11710	12358	12918	13323	13872	14433	15198	15842	16684	17335	17887
Percentage change.....	6.24	6.30	5.54	4.53	3.13	4.12	4.04	5.30	4.24	5.32	3.90	3.19
RESIDENCE ADJUSTMENT.....	-912	-1067	-1247	-1416	-1472	-1445	-1405	-1493	-1242	-1138	-1309	-1121
Percentage change.....	28.82	17.00	16.92	13.51	3.99	-1.87	-2.77	6.30	-16.86	-8.36	15.05	-14.36
PER CAPITA PERSONAL INCOME (\$)...	23586	25112	26070	26919	27574	28157	29036	30301	31374	33008	34416	35483
Percentage change.....	4.34	6.47	3.82	3.25	2.43	2.11	3.12	4.36	3.54	5.21	4.27	3.10

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL NONFARM.....	2582.7	2637.1	2684.0	2727.6	2688.3	2664.4	2662.7	2706.1	2743.1	2782.7	2797.4	2776.2
Percentage change.....	2.00	2.10	1.78	1.63	-1.44	-0.89	-0.07	1.63	1.37	1.44	0.53	-0.76
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	123.4	126.7	128.2	130.8	125.3	119.5	119.6	121.2	125.2	134.4	137.9	133.4
Percentage change.....	3.57	2.67	1.22	2.04	-4.25	-4.61	0.08	1.30	3.37	7.33	2.57	-3.25
MANUFACTURING.....	503.1	503.8	499.9	493.1	454.2	428.5	413.2	411.8	408.8	399.4	380.0	361.8
Percentage change.....	-0.77	0.14	-0.78	-1.37	-7.88	-5.66	-3.57	-0.34	-0.73	-2.29	-4.87	-4.77
DURABLE GOODS.....	295.1	300.1	304.6	303.8	277.2	259.0	250.9	254.0	254.6	251.8	237.1	222.0
Percentage change.....	0.48	1.71	1.47	-0.25	-8.76	-6.54	-3.15	1.25	0.23	-1.10	-5.83	-6.38
NONDURABLE GOODS.....	208.0	203.7	195.3	189.3	177.1	169.5	162.3	157.8	154.2	147.6	142.8	139.8
Percentage change.....	-2.48	-2.08	-4.10	-3.10	-6.45	-4.29	-4.20	-2.81	-2.28	-4.25	-3.23	-2.10
TRADE, TRANSPORTATION, UTILITIES.....	557.2	569.9	584.2	592.9	590.2	576.8	578.7	587.8	598.0	607.3	610.5	601.2
Percentage change.....	1.95	2.27	2.51	1.49	-0.46	-2.27	0.34	1.58	1.74	1.54	0.54	-1.53
WHOLESALE TRADE.....	129.7	132.4	133.5	132.9	127.5	126.5	126.6	128.0	130.3	132.0	133.0	132.6
Percentage change.....	3.22	2.11	0.81	-0.46	-4.04	-0.78	0.03	1.17	1.76	1.34	0.71	-0.30
RETAIL TRADE.....	304.8	309.1	314.7	319.9	319.1	312.2	313.2	319.5	324.3	328.2	330.5	325.8
Percentage change.....	1.68	1.41	1.81	1.66	-0.25	-2.18	0.32	2.01	1.51	1.21	0.71	-1.44
TRANSPORTATION & UTILITIES.....	122.7	128.3	135.9	140.1	143.5	138.1	139.0	140.3	143.5	147.0	147.0	142.8
Percentage change.....	1.27	4.60	5.94	3.02	2.46	-3.79	0.66	0.97	2.23	2.49	-0.02	-2.86
INFORMATION.....	49.7	51.7	53.4	55.3	55.4	53.3	51.2	49.5	49.4	49.6	50.3	50.3
Percentage change.....	2.12	3.89	3.26	3.61	0.27	-3.76	-4.06	-3.27	-0.19	0.35	1.38	0.08
FINANCIAL ACTIVITIES.....	132.7	138.0	141.8	140.6	138.5	138.1	139.8	141.9	143.3	143.5	144.8	145.0
Percentage change.....	2.83	3.94	2.81	-0.86	-1.52	-0.24	1.21	1.51	0.95	0.17	0.91	0.12
PROFESSIONAL & BUSINESS SERVICES...	259.3	270.9	290.4	304.0	299.1	296.5	287.5	302.5	312.6	319.0	322.6	321.6
Percentage change.....	5.76	4.49	7.18	4.67	-1.60	-0.89	-3.03	5.24	3.34	2.04	1.11	-0.32
EDUCATION & HEALTH SERVICES.....	269.8	275.4	275.2	281.6	285.8	300.1	312.8	320.8	330.3	340.7	349.9	357.7
Percentage change.....	2.59	2.05	-0.06	2.34	1.49	4.99	4.22	2.56	2.96	3.14	2.71	2.24
LEISURE & HOSPITALITY.....	222.1	225.6	228.9	235.7	235.5	239.8	246.6	253.7	262.0	270.1	276.3	275.5
Percentage change.....	2.48	1.58	1.44	2.99	-0.08	1.80	2.86	2.85	3.31	3.09	2.28	-0.29
OTHER SERVICES.....	85.1	89.7	91.9	94.7	101.1	101.6	102.2	101.7	100.7	101.8	104.0	103.6
Percentage change.....	13.43	5.35	2.53	2.97	6.81	0.50	0.56	-0.46	-0.94	1.01	2.19	-0.37
GOVERNMENT.....	380.3	385.5	390.2	399.0	403.2	410.3	411.1	415.2	412.7	416.9	421.3	426.1
Percentage change.....	-0.35	1.38	1.20	2.27	1.04	1.76	0.21	1.00	-0.61	1.02	1.04	1.15
FEDERAL, CIVILIAN.....	51.8	50.8	51.2	53.6	51.5	51.8	51.3	50.2	49.2	48.8	48.8	49.2
Percentage change.....	-4.31	-1.87	0.77	4.72	-3.98	0.60	-1.09	-2.10	-1.91	-0.78	-0.12	0.82
STATE & LOCAL.....	328.5	334.7	338.9	345.4	351.7	358.4	359.9	365.1	363.5	368.1	372.5	377.0
Percentage change.....	0.30	1.89	1.26	1.90	1.82	1.93	0.40	1.44	-0.43	1.27	1.20	1.19

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL DURABLE GOODS.....	295.0	300.1	304.5	303.8	277.2	259.0	250.9	254.0	254.6	251.8	237.1	222.0
Percentage change.....	0.47	1.71	1.47	-0.25	-8.76	-6.54	-3.15	1.25	0.22	-1.10	-5.83	-6.38
WOOD PRODUCTS.....	19.8	20.7	19.7	19.8	17.8	17.6	16.7	17.4	17.7	17.9	16.1	14.4
Percentage change.....	4.05	4.83	-4.92	0.45	-9.89	-1.58	-4.74	4.07	1.92	0.95	-10.14	-10.74
NONMETALLIC MINERALS.....	15.6	15.6	16.1	16.4	15.7	15.1	15.6	15.7	15.9	16.1	15.5	14.6
Percentage change.....	-1.06	0.21	3.07	1.73	-4.47	-3.41	2.93	0.64	1.74	1.05	-3.52	-6.10
PRIMARY METALS.....	16.7	17.2	17.8	17.5	15.3	12.6	11.8	12.1	12.0	11.8	11.7	11.1
Percentage change.....	2.75	3.23	3.28	-1.64	-12.67	-17.38	-6.73	2.90	-0.97	-1.54	-0.85	-5.12
FABRICATED METALS.....	46.2	45.8	46.1	45.5	43.2	41.4	41.4	41.7	42.6	43.5	41.5	39.6
Percentage change.....	-0.40	-0.88	0.72	-1.39	-4.94	-4.13	-0.04	0.67	2.25	1.95	-4.45	-4.57
MACHINERY.....	39.6	41.8	43.3	43.5	39.9	35.9	33.2	34.3	33.9	33.2	32.0	31.2
Percentage change.....	3.86	5.42	3.53	0.60	-8.43	-9.85	-7.52	3.21	-1.14	-1.97	-3.68	-2.57
COMPUTERS & ELECTRONICS.....	15.7	15.5	15.7	16.7	15.3	12.9	11.7	11.3	10.4	9.3	8.1	7.5
Percentage change.....	-2.57	-1.43	1.51	6.56	-8.54	-15.65	-9.59	-3.40	-7.49	-11.28	-12.54	-7.53
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	29.6	30.1	30.1	29.2	26.3	25.0	23.6	23.1	23.5	23.2	22.1	20.6
Percentage change.....	0.77	1.72	0.01	-3.12	-9.68	-4.94	-5.65	-2.21	1.66	-1.35	-4.67	-6.67
TRANSPORTATION EQUIPMENT.....	64.1	66.1	68.5	68.5	62.3	60.0	60.2	62.9	63.9	63.7	58.6	53.8
Percentage change.....	1.33	3.14	3.69	0.00	-9.08	-3.68	0.27	4.53	1.59	-0.27	-7.99	-8.34
FURNITURE.....	27.8	27.7	27.9	27.6	23.6	21.3	19.9	19.6	19.2	17.7	16.0	14.5
Percentage change.....	-5.13	-0.53	0.73	-1.07	-14.37	-9.92	-6.58	-1.34	-2.04	-7.71	-9.73	-9.67
MISCELLANEOUS DURABLE GOODS.....	19.9	19.6	19.3	19.0	17.7	17.1	16.8	15.9	15.3	15.3	15.4	14.8
Percentage change.....	-0.50	-1.81	-1.52	-1.24	-7.00	-3.40	-1.75	-5.21	-3.82	0.16	0.17	-3.91

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL NONDURABLE GOODS.....	208.0	203.7	195.3	189.3	177.1	169.5	162.3	157.8	154.2	147.6	142.8	139.8
Percentage change.....	-2.50	-2.08	-4.10	-3.10	-6.45	-4.29	-4.19	-2.81	-2.28	-4.25	-3.24	-2.10
FOOD.....	32.0	33.5	34.4	34.7	35.8	36.0	35.9	34.8	34.3	34.0	32.7	32.1
Percentage change.....	0.99	4.69	2.81	0.85	3.22	0.61	-0.43	-3.04	-1.38	-0.96	-3.84	-1.84
BEVERAGE & TOBACCO.....	6.2	6.6	6.7	6.8	6.5	6.4	6.1	5.8	5.4	5.2	5.1	5.0
Percentage change.....	1.89	6.11	1.12	1.37	-4.16	-2.03	-3.77	-6.12	-5.79	-4.30	-2.55	-1.48
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL.....	53.1	47.4	39.7	34.2	28.7	24.5	21.3	19.4	18.0	16.1	15.1	14.8
Percentage change.....	-8.16	-10.86	-16.10	-13.88	-16.25	-14.55	-12.94	-8.85	-7.37	-10.55	-6.37	-2.09
PAPER.....	21.3	21.2	21.6	21.5	21.1	20.4	19.6	18.8	18.9	18.3	17.4	17.1
Percentage change.....	1.78	-0.31	1.85	-0.63	-1.84	-3.29	-4.02	-3.92	0.73	-3.22	-5.05	-1.79
PRINTING & RELATED SUPPORT.....	24.3	25.3	24.8	23.8	22.2	20.5	19.9	19.6	18.8	17.7	16.9	15.8
Percentage change.....	-1.09	4.15	-2.29	-4.04	-6.42	-7.77	-3.16	-1.21	-4.33	-5.41	-4.52	-6.68
CHEMICALS.....	34.4	32.8	31.7	31.1	29.0	28.5	28.6	27.6	27.2	26.3	26.9	27.4
Percentage change.....	-1.79	-4.52	-3.27	-1.94	-6.69	-1.95	0.36	-3.29	-1.75	-3.14	2.34	1.86
PLASTICS & RUBBER.....	31.3	31.9	31.8	32.7	30.3	30.0	28.2	28.9	29.3	27.6	26.6	25.6
Percentage change.....	0.21	2.01	-0.26	2.80	-7.40	-1.03	-6.14	2.60	1.47	-5.77	-3.64	-3.78
MISCELLANEOUS NONDURABLE GOODS...	5.4	4.9	4.5	4.5	3.4	3.2	2.8	2.8	2.3	2.3	2.1	2.1
Percentage change.....	-9.68	-8.47	-8.13	-1.31	-23.95	-6.38	-10.48	0.00	-20.24	3.33	-8.61	-2.81

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Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2005 dollars)

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL NONFARM.....	32238	33369	34044	34380	34786	35484	35922	36489	36428	37162	37711	37345
Percentage change.....	2.93	3.51	2.02	0.99	1.18	2.01	1.24	1.58	-0.17	2.01	1.48	-0.97
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	36007	36909	38055	38188	38595	38327	38679	38554	39189	40837	42035	41545
Percentage change.....	5.60	2.50	3.11	0.35	1.06	-0.69	0.92	-0.32	1.65	4.20	2.93	-1.17
MANUFACTURING.....	37915	38515	39471	39837	40316	41765	42420	43301	42990	43728	44211	44130
Percentage change.....	3.19	1.58	2.48	0.93	1.20	3.59	1.57	2.08	-0.72	1.72	1.10	-0.18
DURABLE GOODS.....	38569	38705	39872	39998	39916	41549	41901	42553	42220	42962	43334	43270
Percentage change.....	2.98	0.35	3.02	0.32	-0.20	4.09	0.85	1.56	-0.78	1.76	0.87	-0.15
NONDURABLE GOODS.....	36987	38238	38844	39578	40943	42096	43222	44510	44262	45040	45663	45499
Percentage change.....	3.41	3.38	1.59	1.89	3.45	2.81	2.68	2.98	-0.56	1.76	1.38	-0.36
TRADE, TRANSPORTATION, UTILITIES.....	30710	32461	33481	33600	33207	33933	34227	34692	34937	35435	35902	34929
Percentage change.....	3.99	5.70	3.14	0.36	-1.17	2.19	0.87	1.36	0.71	1.42	1.32	-2.71
WHOLESALE TRADE.....	39936	41676	43792	45258	46095	46878	47820	49604	50034	51888	52654	51456
Percentage change.....	4.17	4.36	5.08	3.35	1.85	1.70	2.01	3.73	0.87	3.71	1.48	-2.28
RETAIL TRADE.....	22413	23956	24590	24609	24147	24626	24691	24511	24575	24655	25048	24170
Percentage change.....	2.80	6.88	2.65	0.08	-1.88	1.99	0.26	-0.73	0.26	0.32	1.60	-3.50
TRANSPORTATION & UTILITIES.....	41563	43435	43940	43084	41914	43122	43346	44269	44659	44728	45155	44131
Percentage change.....	5.19	4.50	1.16	-1.95	-2.72	2.88	0.52	2.13	0.88	0.15	0.95	-2.27
INFORMATION.....	39043	39957	40239	41528	42329	42618	43143	44545	44765	48683	48792	47803
Percentage change.....	3.07	2.34	0.70	3.20	1.93	0.68	1.23	3.25	0.49	8.75	0.22	-2.03
FINANCIAL ACTIVITIES.....	40337	43014	43526	45822	47591	48090	50684	51908	50471	53130	54380	52798
Percentage change.....	6.41	6.64	1.19	5.28	3.86	1.05	5.39	2.42	-2.77	5.27	2.35	-2.91
PROFESSIONAL & BUSINESS SERVICES...	30805	32795	33199	33941	35765	36587	36886	37422	37323	38704	40310	40975
Percentage change.....	2.74	6.46	1.23	2.24	5.37	2.30	0.82	1.45	-0.26	3.70	4.15	1.65
EDUCATION & HEALTH SERVICES.....	33706	33956	34554	35201	36347	36944	37132	38321	38908	39032	39328	39208
Percentage change.....	3.04	0.74	1.76	1.87	3.26	1.64	0.51	3.20	1.53	0.32	0.76	-0.31
LEISURE & HOSPITALITY.....	16244	17257	17824	17449	17588	17977	18055	17995	17902	18336	18760	18116
Percentage change.....	6.23	6.24	3.29	-2.10	0.80	2.21	0.44	-0.33	-0.52	2.43	2.31	-3.43
OTHER SERVICES.....	31024	32170	32005	32056	30844	32646	33257	34251	33638	34396	34308	34937
Percentage change.....	-8.39	3.69	-0.51	0.16	-3.78	5.84	1.87	2.99	-1.79	2.25	-0.26	1.83
GOVERNMENT.....	31580	32186	32590	32856	33455	34174	34842	35196	35164	35505	35935	35908
Percentage change.....	1.02	1.92	1.25	0.82	1.82	2.15	1.96	1.01	-0.09	0.97	1.21	-0.07
FEDERAL, CIVILIAN.....	49237	50636	50560	51526	52491	53888	55896	58196	58304	58740	59759	58275
Percentage change.....	-2.89	2.84	-0.15	1.91	1.87	2.66	3.73	4.12	0.18	0.75	1.74	-2.48
STATE & LOCAL.....	28794	29386	29873	29968	30667	31324	31846	32035	32031	32423	32815	32991
Percentage change.....	2.66	2.05	1.66	0.32	2.33	2.14	1.66	0.59	-0.01	1.22	1.21	0.53

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2010**

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL NONFARM.....	27530	28767	29822	30865	31826	32906	33991	35432	36428	38184	39786	40716
Percentage change.....	4.85	4.49	3.67	3.50	3.11	3.39	3.30	4.24	2.81	4.82	4.20	2.34
NATURAL RESOURCES, MINING AND CONSTRUCTION.....	30750	31820	33334	34283	35309	35539	36600	37435	39191	41961	44353	45297
Percentage change.....	7.57	3.48	4.76	2.85	2.99	0.65	2.98	2.28	4.69	7.07	5.70	2.13
MANUFACTURING.....	32378	33204	34578	35763	36885	38731	40141	42049	42990	44930	46644	48115
Percentage change.....	5.12	2.55	4.14	3.43	3.14	5.01	3.64	4.75	2.24	4.51	3.81	3.15
DURABLE GOODS.....	32937	33367	34929	35907	36520	38531	39649	41321	42219	44142	45719	47183
Percentage change.....	4.91	1.31	4.68	2.80	1.71	5.51	2.90	4.21	2.17	4.56	3.57	3.20
NONDURABLE GOODS.....	31586	32965	34027	35533	37459	39038	40900	43224	44264	46280	48178	49600
Percentage change.....	5.34	4.37	3.22	4.43	5.42	4.22	4.77	5.68	2.41	4.55	4.10	2.95
TRADE, TRANSPORTATION, UTILITIES.....	26226	27985	29329	30164	30381	31468	32388	33687	34936	36409	37875	38080
Percentage change.....	5.94	6.71	4.80	2.85	0.72	3.58	2.92	4.01	3.71	4.22	4.03	0.54
WHOLESALE TRADE.....	34106	35929	38362	40633	42171	43471	45251	48167	50036	53315	55551	56101
Percentage change.....	6.12	5.35	6.77	5.92	3.79	3.08	4.09	6.45	3.88	6.55	4.19	0.99
RETAIL TRADE.....	19140	20653	21540	22093	22092	22837	23364	23801	24574	25332	26425	26351
Percentage change.....	4.72	7.90	4.29	2.57	0.00	3.37	2.31	1.87	3.25	3.08	4.31	-0.28
TRANSPORTATION & UTILITIES.....	35493	37446	38492	38678	38347	39989	41016	42985	44656	45958	47636	48112
Percentage change.....	7.15	5.50	2.79	0.48	-0.85	4.28	2.57	4.80	3.89	2.92	3.65	1.00
INFORMATION.....	33342	34445	35252	37282	38727	39523	40821	43252	44755	50023	51476	52122
Percentage change.....	4.99	3.31	2.34	5.76	3.88	2.06	3.28	5.96	3.48	11.77	2.90	1.25
FINANCIAL ACTIVITIES.....	34448	37080	38127	41148	43540	44596	47958	50404	50475	54594	57370	57565
Percentage change.....	8.39	7.64	2.82	7.92	5.81	2.43	7.54	5.10	0.14	8.16	5.09	0.34
PROFESSIONAL & BUSINESS SERVICES...	26307	28273	29082	30475	32722	33930	34904	36336	37321	39769	42533	44670
Percentage change.....	4.66	7.47	2.86	4.79	7.37	3.69	2.87	4.10	2.71	6.56	6.95	5.02
EDUCATION & HEALTH SERVICES.....	28783	29272	30268	31601	33254	34260	35137	37210	38908	40104	41493	42750
Percentage change.....	4.96	1.70	3.40	4.41	5.23	3.03	2.56	5.90	4.56	3.07	3.46	3.03
LEISURE & HOSPITALITY.....	13873	14877	15612	15663	16092	16670	17085	17473	17901	18842	19795	19752
Percentage change.....	8.23	7.24	4.94	0.33	2.74	3.59	2.49	2.27	2.45	5.25	5.06	-0.22
OTHER SERVICES.....	26493	27734	28036	28770	28219	30278	31467	33255	33639	35341	36196	38092
Percentage change.....	-6.66	4.68	1.09	2.62	-1.91	7.30	3.93	5.68	1.16	5.06	2.42	5.24
GOVERNMENT.....	26968	27747	28548	29498	30609	31690	32969	34175	35162	36481	37912	39151
Percentage change.....	2.90	2.89	2.89	3.33	3.77	3.53	4.04	3.66	2.89	3.75	3.92	3.27
FEDERAL, CIVILIAN.....	42044	43650	44286	46267	48023	49965	52890	56504	58296	60352	63043	63533
Percentage change.....	-1.08	3.82	1.46	4.47	3.79	4.04	5.85	6.83	3.17	3.53	4.46	0.78
STATE & LOCAL.....	24589	25333	26169	26904	28058	29049	30133	31107	32031	33315	34622	35970
Percentage change.....	4.57	3.02	3.30	2.81	4.29	3.53	3.74	3.23	2.97	4.01	3.92	3.89

Table 10: Tennessee Civilian Labor Force and Unemployment Rate

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CIVILIAN LABOR FORCE (THOUS).....	2788	2812	2839	2872	2864	2867	2896	2904	2935	2999	3013	3041
Percentage change.....	1.09	0.84	0.96	1.16	-0.28	0.13	1.01	0.28	1.04	2.19	0.49	0.93
EMPLOYED PERSONS (THOUS).....	2640	2685	2722	2756	2729	2715	2731	2746	2771	2844	2868	2846
Percentage change.....	1.11	1.71	1.38	1.26	-1.01	-0.50	0.60	0.54	0.91	2.62	0.84	-0.75
UNEMPLOYED PERSONS (THOUS).....	148	127	117	115	135	152	165	158	163	155	146	195
Percentage change.....	0.66	-14.69	-7.85	-1.35	17.34	12.68	8.31	-4.04	3.33	-5.07	-5.99	33.87
PARTICIPATION RATE (PERCENT).....	66.4	66.2	66.0	64.9	63.7	63.1	63.2	62.6	62.4	62.8	62.4	63.0
Percentage change.....	-0.33	-0.32	-0.25	-1.67	-1.92	-0.88	0.06	-0.83	-0.35	0.64	-0.67	0.98
UNEMPLOYMENT RATE (PERCENT).....	5.3	4.5	4.1	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.8	6.4

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Table 11: Tennessee Taxable Sales (millions of 2005 dollars)

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL TAXABLE SALES.....	77318	76849	82564	83162	81468	81384	83218	85189	88276	90221	91455	86529
Percentage change.....	6.85	-0.61	7.44	0.72	-2.04	-0.10	2.25	2.37	3.62	2.20	1.37	-5.39
AUTO DEALERS.....	7803	8266	9258	9333	9452	9527	9965	9722	9428	9135	9009	7285
Percentage change.....	-1.10	5.93	12.00	0.81	1.27	0.79	4.60	-2.44	-3.02	-3.11	-1.38	-19.13
PURCHASES FROM MANUFACTURERS....	5119	4960	4839	4680	4325	3938	4156	4274	4804	4556	4499	4125
Percentage change.....	3.64	-3.10	-2.45	-3.28	-7.59	-8.94	5.54	2.83	12.40	-5.17	-1.25	-8.31
MISC DURABLE GOODS.....	13929	13090	14649	14498	13509	13233	13623	14606	15842	16750	16536	14995
Percentage change.....	12.50	-6.02	11.91	-1.03	-6.82	-2.05	2.95	7.22	8.46	5.74	-1.28	-9.32
EATING AND DRINKING PLACES.....	6112	6353	6694	6912	7046	7079	7306	7678	7961	8238	8418	8240
Percentage change.....	3.62	3.95	5.35	3.26	1.94	0.47	3.21	5.09	3.69	3.48	2.18	-2.11
FOOD STORES.....	8752	8785	9008	9057	8848	8609	8298	8174	8196	8194	8513	8404
Percentage change.....	0.54	0.38	2.53	0.55	-2.31	-2.70	-3.61	-1.49	0.26	-0.02	3.89	-1.28
LIQUOR STORES.....	392	392	418	429	434	440	458	472	495	533	563	583
Percentage change.....	2.32	0.16	6.45	2.63	1.23	1.38	4.04	3.02	4.95	7.69	5.68	3.59
HOTELS AND MOTELS.....	1906	1936	2001	2038	1952	1916	1924	1937	2043	2159	2231	2122
Percentage change.....	7.63	1.60	3.37	1.83	-4.24	-1.84	0.43	0.66	5.48	5.70	3.33	-4.90
OTHER RETAIL AND SERVICE.....	21522	22210	23578	23942	23391	23718	24489	24964	25763	26362	27001	26334
Percentage change.....	4.68	3.20	6.16	1.54	-2.30	1.40	3.25	1.94	3.20	2.32	2.42	-2.47
MISC NONDURABLE GOODS.....	6430	6298	7043	7056	6897	6752	6639	6760	7066	7137	7396	7184
Percentage change.....	9.63	-2.06	11.84	0.18	-2.25	-2.10	-1.68	1.82	4.53	1.01	3.64	-2.88
TRANSPORTATION, COMMUNICATION.....	5353	4558	5077	5217	5614	6172	6360	6603	6679	7158	7289	7258
Percentage change.....	34.94	-14.87	11.40	2.76	7.60	9.94	3.05	3.81	1.16	7.16	1.84	-0.43
PER CAPITA (\$)	14398	14163	15047	14709	14180	14041	14231	14424	14761	14878	14929	14125
Percentage change.....	5.54	-1.64	6.25	-2.25	-3.60	-0.98	1.35	1.36	2.33	0.79	0.34	-5.38

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

January 2010

	Historical Data											
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
TOTAL TAXABLE SALES.....	66029	66258	72327	74655	74534	75472	78749	82719	88286	92702	96483	94335
Percentage change.....	8.85	0.35	9.16	3.22	-0.16	1.26	4.34	5.04	6.73	5.00	4.08	-2.23
AUTO DEALERS.....	6664	7127	8110	8378	8648	8836	9430	9440	9425	9387	9503	7939
Percentage change.....	0.77	6.94	13.80	3.30	3.23	2.17	6.72	0.10	-0.16	-0.41	1.24	-16.46
PURCHASES FROM MANUFACTURERS....	4372	4276	4238	4201	3956	3652	3933	4150	4805	4680	4745	4497
Percentage change.....	5.54	-2.19	-0.90	-0.87	-5.83	-7.70	7.71	5.52	15.76	-2.59	1.39	-5.24
MISC DURABLE GOODS.....	11896	11287	12833	13013	12359	12272	12893	14183	15846	17211	17442	16346
Percentage change.....	14.60	-5.12	13.70	1.40	-5.02	-0.71	5.06	10.01	11.73	8.61	1.35	-6.28
EATING AND DRINKING PLACES.....	5220	5478	5864	6205	6446	6564	6914	7456	7961	8465	8882	8984
Percentage change.....	5.56	4.95	7.04	5.83	3.89	1.83	5.32	7.84	6.78	6.33	4.92	1.15
FOOD STORES.....	7474	7574	7891	8131	8095	7983	7851	7937	8195	8419	8983	9165
Percentage change.....	2.42	1.34	4.18	3.05	-0.45	-1.38	-1.65	1.09	3.26	2.73	6.70	2.03
LIQUOR STORES.....	335	338	366	385	397	408	433	458	495	548	594	636
Percentage change.....	4.23	1.12	8.17	5.17	3.16	2.76	6.17	5.72	8.11	10.63	8.51	7.05
HOTELS AND MOTELS.....	1627	1669	1753	1830	1785	1777	1821	1881	2043	2219	2354	2313
Percentage change.....	9.62	2.58	5.03	4.36	-2.42	-0.49	2.47	3.30	8.64	8.59	6.10	-1.75
OTHER RETAIL AND SERVICE.....	18379	19149	20654	21493	21400	21996	23174	24240	25764	27087	28485	28710
Percentage change.....	6.64	4.19	7.86	4.06	-0.43	2.78	5.36	4.60	6.29	5.14	5.16	0.79
MISC NONDURABLE GOODS.....	5492	5430	6170	6335	6310	6262	6282	6564	7067	7333	7803	7832
Percentage change.....	11.69	-1.12	13.61	2.68	-0.39	-0.76	0.33	4.48	7.66	3.77	6.41	0.37
TRANSPORTATION, COMMUNICATION.....	4571	3929	4449	4684	5136	5723	6018	6411	6685	7354	7691	7913
Percentage change.....	37.44	-14.05	13.22	5.29	9.66	11.43	5.16	6.53	4.26	10.02	4.58	2.89
PER CAPITA (\$).....	12296	12211	13181	13204	12973	13021	13467	14006	14762	15287	15750	15399
Percentage change.....	7.52	-0.69	7.95	0.17	-1.75	0.37	3.42	4.00	5.40	3.55	3.03	-2.22

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

January 2010

	Historical Data										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GROSS DOMESTIC PRODUCT.....	163264	168,297	173,604	174,849	176,481	183,593	189,967	199,532	203,757	210,052	213,994
Percentage change.....	—	3.08	3.15	0.72	0.93	4.03	3.47	5.04	2.12	3.09	1.88
AGRICULTURE, FORESTRY, FISHING & HUNTING.....	1044	928	862	1,182	1,132	1,021	1,256	1,208	1,449	1,401	1,010
Percentage change.....	—	-11.11	-7.11	37.12	-4.23	-9.81	23.02	-3.82	19.95	-3.31	-27.91
MINING.....	359	404	467	468	438	413	383	390	396	373	363
Percentage change.....	—	12.53	15.59	0.21	-6.41	-5.71	-7.26	1.83	1.54	-5.81	-2.68
CONSTRUCTION.....	7607	7,809	7,889	7,781	7,228	6,890	6,822	6,698	6,642	6,602	5,924
Percentage change.....	—	2.66	1.02	-1.37	-7.11	-4.68	-0.99	-1.82	-0.84	-0.60	-10.27
MANUFACTURING.....	32781	33,065	33,662	33,151	32,521	34,906	37,355	41,592	41,336	43,194	43,735
Percentage change.....	—	0.87	1.81	-1.52	-1.90	7.33	7.02	11.34	-0.62	4.49	1.25
DURABLE GOODS.....	18449	18,941	19,794	19,287	19,166	21,154	24,253	26,697	27,664	29,298	29,830
Percentage change.....	—	2.67	4.50	-2.56	-0.63	10.37	14.65	10.08	3.62	5.91	1.82
NONDURABLE GOODS.....	14332	14,124	13,868	13,864	13,355	13,752	13,102	14,895	13,672	13,896	13,905
Percentage change.....	—	-1.45	-1.81	-0.03	-3.67	2.97	-4.73	13.68	-8.21	1.64	0.06
TRADE, TRANSPORTATION, UTILITIES.....	32581	34,594	36,766	36,758	37,715	38,818	40,353	42,466	44,890	46,321	47,588
Percentage change.....	—	6.18	6.28	-0.02	2.60	2.92	3.95	5.24	5.71	3.19	2.74
WHOLESALE TRADE.....	10645	11,739	12,464	12,009	12,726	13,086	13,521	14,043	14,335	14,470	14,463
Percentage change.....	—	10.28	6.18	-3.65	5.97	2.83	3.32	3.86	2.08	0.94	-0.05
RETAIL TRADE.....	13413	13,942	14,746	14,931	15,650	16,022	16,920	17,526	19,334	20,431	21,726
Percentage change.....	—	3.94	5.77	1.25	4.82	2.38	5.60	3.58	10.32	5.67	6.34
TRANSPORTATION & UTILITIES.....	8523	8,913	9,556	9,818	9,339	9,710	9,912	10,897	11,221	11,420	11,399
Percentage change.....	—	4.58	7.21	2.74	-4.88	3.97	2.08	9.94	2.97	1.77	-0.18
INFORMATION.....	4017	4,338	4,670	5,167	5,588	6,260	6,490	7,094	7,845	8,584	9,250
Percentage change.....	—	7.99	7.65	10.64	8.15	12.03	3.67	9.31	10.59	9.42	7.76
FINANCIAL ACTIVITIES.....	24843	25,667	26,781	27,887	29,243	29,523	29,904	30,349	29,950	30,332	31,223
Percentage change.....	—	3.32	4.34	4.13	4.86	0.96	1.29	1.49	-1.31	1.28	2.94
PROFESSIONAL & BUSINESS SERVICES....	15014	15,683	16,398	16,687	17,112	17,817	18,688	19,964	20,844	21,521	22,454
Percentage change.....	—	4.46	4.56	1.76	2.55	4.12	4.89	6.83	4.41	3.25	4.34
EDUCATION & HEALTH SERVICES.....	14070	13,914	13,945	14,288	14,820	15,743	16,469	17,501	18,035	18,792	19,114
Percentage change.....	—	-1.11	0.22	2.46	3.72	6.23	4.61	6.27	3.05	4.20	1.71
LEISURE & HOSPITALITY.....	6840	7,087	7,187	7,171	6,979	7,247	7,582	7,741	7,940	8,282	8,506
Percentage change.....	—	3.61	1.41	-0.22	-2.68	3.84	4.62	2.10	2.57	4.31	2.70
OTHER SERVICES.....	4888	5,030	4,895	4,790	4,654	4,714	4,890	4,896	4,916	4,965	4,948
Percentage change.....	—	2.91	-2.68	-2.15	-2.84	1.29	3.73	0.12	0.41	1.00	-0.34
GOVERNMENT.....	19220	19,778	20,082	19,519	19,051	20,241	19,775	19,633	19,514	19,685	19,879
Percentage change.....	—	2.90	1.54	-2.80	-2.40	6.25	-2.30	-0.72	-0.61	0.88	0.99
FEDERAL.....	6047	6,245	6,154	5,617	4,672	5,593	5,590	5,407	5,282	5,266	5,235
Percentage change.....	—	3.27	-1.46	-8.73	-16.82	19.71	-0.05	-3.27	-2.31	-0.30	-0.59
STATE & LOCAL.....	13173	13,533	13,928	13,902	14,379	14,648	14,185	14,226	14,232	14,419	14,644
Percentage change.....	—	2.73	2.92	-0.19	3.43	1.87	-3.16	0.29	0.04	1.31	1.56

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

January 2010

	Historical Data										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
DURABLE GOODS.....	18449	18941	19794	19287	19166	21154	24253	26697	27664	29298	29830
Percentage change.....	—	2.67	4.50	-2.56	-0.63	10.37	14.65	10.08	3.62	5.91	1.82
WOOD PRODUCTS.....	811	910	888	883	818	888	796	858	889	877	913
Percentage change.....	—	12.21	-2.42	-0.56	-7.36	8.56	-10.36	7.79	3.61	-1.35	4.10
NONMETALLIC MINERAL PRODUCTS.....	1249	1326	1315	1336	1190	1268	1405	1529	1350	1268	1219
Percentage change.....	—	6.16	-0.83	1.60	-10.93	6.55	10.80	8.83	-11.71	-6.07	-3.86
PRIMARY METALS.....	1225	1326	1783	1192	1237	1199	972	1168	1109	1124	1113
Percentage change.....	—	8.24	34.46	-33.15	3.78	-3.07	-18.93	20.16	-5.05	1.35	-0.98
FABRICATED METAL PRODUCTS.....	3160	3016	3309	3145	2853	2841	2948	3387	3235	3554	3494
Percentage change.....	—	-4.56	9.71	-4.96	-9.28	-0.42	3.77	14.89	-4.49	9.86	-1.69
MACHINERY.....	2495	3001	2989	2871	2884	2860	3024	2946	3316	3084	3006
Percentage change.....	—	20.28	-0.40	-3.95	0.45	-0.83	5.73	-2.58	12.56	-7.00	-2.53
COMPUTER & ELECTRONIC PRODUCTS.....	255	373	463	728	1951	2527	4546	5897	5712	5626	6321
Percentage change.....	—	46.27	24.13	57.24	167.99	29.52	79.90	29.72	-3.14	-1.51	12.35
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS.....	2087	1835	1863	1836	1854	2391	2459	2421	2582	2726	2641
Percentage change.....	—	-12.07	1.53	-1.45	0.98	28.96	2.84	-1.55	6.65	5.58	-3.12
TRANSPORTATION EQUIPMENT.....	4716	4783	4609	4756	4085	4892	5695	6102	7077	8639	8760
Percentage change.....	—	1.42	-3.64	3.19	-14.11	19.76	16.41	7.15	15.98	22.07	1.40
FURNITURE.....	1057	1048	1063	1062	820	934	953	832	767	734	671
Percentage change.....	—	-0.85	1.43	-0.09	-22.79	13.90	2.03	-12.70	-7.81	-4.30	-8.58
MISCELLANEOUS DURABLE GOODS.....	1394	1323	1512	1478	1474	1354	1455	1557	1627	1666	1692
Percentage change.....	—	-5.09	14.29	-2.25	-0.27	-8.14	7.46	7.01	4.50	2.40	1.56

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

January 2010

	Historical Data										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NONDURABLE GOODS.....	14,332	14,124	13,868	13,864	13,355	13,752	13,102	14,895	13,672	13,896	13,905
Percentage change.....	—	-1.45	-1.81	-0.03	-3.67	2.97	-4.73	13.68	-8.21	1.64	0.06
FOOD & BEVERAGE & TOBACCO.....	3,610	3,728	3,799	3,849	3,833	4,261	3,938	4,268	4,128	4,278	4,548
Percentage change.....	—	3.27	1.90	1.32	-0.42	11.17	-7.58	8.38	-3.28	3.63	6.31
TEXTILE MILLS & TEXTILE PRODUCT MILLS.....	756	778	718	738	697	630	783	689	672	694	604
Percentage change.....	—	2.91	-7.71	2.79	-5.56	-9.61	24.29	-12.01	-2.47	3.27	-12.97
APPAREL.....	1,123	1,020	719	700	575	603	511	472	434	376	374
Percentage change.....	—	-9.17	-29.51	-2.64	-17.86	4.87	-15.26	-7.63	-8.05	-13.36	-0.53
PAPER.....	1,809	1,810	1,836	1,659	1,738	1,822	1,945	1,983	2,081	2,383	1,993
Percentage change.....	—	0.06	1.44	-9.64	4.76	4.83	6.75	1.95	4.94	14.51	-16.37
PRINTING & RELATED SUPPORT.....	1,330	1,321	1,277	1,308	1,159	1,178	1,252	1,279	1,315	1,362	1,344
Percentage change.....	—	-0.68	-3.33	2.43	-11.39	1.64	6.28	2.16	2.81	3.57	-1.32
CHEMICALS.....	3,459	3,284	3,212	2,997	3,038	2,801	2,261	3,697	2,791	3,005	3,103
Percentage change.....	—	-5.06	-2.19	-6.69	1.37	-7.80	-19.28	63.51	-24.51	7.67	3.26
PLASTICS & RUBBER.....	2140.00	2065.00	2162.00	2138.00	1913.00	2120.00	2137.00	2242.00	2065.00	1673.00	1846.00
Percentage change.....	—	-3.50	4.70	-1.11	-10.52	10.82	0.80	4.91	-7.89	-18.98	10.34
MISCELLANEOUS NONDURABLE GOODS.....	105.00	118.00	145.00	475.00	402.00	337.00	275.00	265.00	186.00	125.00	93.00
Percentage change.....	—	12.38	22.88	227.59	-15.37	-16.17	-18.40	-3.64	-29.81	-32.80	-25.60

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