AN ECONOMIC REPORT TO THE GOVERNOR OF THE STATE OF TENNESSEE

THE STATE'S ECONOMIC OUTLOOK
JANUARY **2011**

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PREFACE

This 2011 volume of An Economic Report to the Governor of the State of Tennessee is the thirty-fifth 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 2013 and annual forecast through 2020 represent the collective judgment of the staff of the University of Tennessee's Center for Business and Economic Research in conjunction with the Quarterly and Annual Tennessee Econometric Models. The national forecasts were prepared by Global Insight, Inc. Tennessee forecasts, current as of January 2011, 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 provides a discussion of the importance of transportation infrastructure to the state and its economic development.

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

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EXECUTIVE SUMMARY

The U.S. Economy

The U.S. economy has been on the recovery path since mid-2009. The robust growth in the beginning of 2010 cooled down mid-year before picking up again in the second half of the year. Inflation-adjusted gross domestic product (GDP) is expected to grow 3.2 percent in 2010. The mid-year relapse caused the consumer sentiment index to drop to 67.7 in October of 2010 (1996=100). This is about 20.0 index-points below its 2001-2007 mean value. Total consumption expenditures grow only by 1.8 percent for the year. Spending on durable goods has been strong throughout 2010, with overall growth of 7.7 percent. Spending on nondurables stood at 2.8 percent which is in line with its long-term pattern. In the services category, spending has been unusually weak with a growth rate of only 0.5 percent. Nonresidential fixed investment grew at a 5.2 percent rate, improvement from a 17.1 percent decline the previous year. The growth in this sector was buoyed by a solid recovery in the equipment and software category (up by 14.8 percent), but was driven down by continued fall in business structures (down by 14.5). Residential fixed investment (housing) declined by 3.2 percent due the housing glut driven by slow employment growth and a low housing formation rate. Relative to last year's drop of 22.9 percent, the slower rate of decline in this sector is a sign that the housing market may stabilize. Government spending increased by only 1.2 percent, largely due to the fall in state and local expenditures. A weakening dollar and growth in major trading partners boosted export growth. Exports are expected to have grown 11.9 percent in 2010.

Total nonfarm employment is expected to fall by 0.5 percent in 2010. In the second half of the year, employment data unexpectedly worsened slightly. The insufficient growth in employment translated into a higher unemployment rate. Unemployment first stayed stable at 9.6 percent, but then jumped to 9.8 percent in November 2010. Inflation based on consumer price index (CPI) has been erratic due to the fluctuations in energy and food prices. However, core CPI inflation (excluding food and energy) has stayed at low levels for an extended period of time and a recent downward trend is worrisome. At current rate of around 1.0 percent, declining inflation, known as disinflation, increases the risks of turning into deflation or an outright fall in prices. Given high unemployment and low inflation, as well as a federal funds rate that is pegged near zero, the Federal Reserve announced its intent to engage in another round of "quantitative easing." Through its open-market operations, the Fed plans to purchase additional longer-term Treasury securities to bring long-term interest rates down.

Economic growth is forecast at 3.2 percent in 2011. All major components of GDP are expected to produce positive growth. Consumer spending is projected to increase by 3.2 percent. Spending on durables and nondurables will continue to grow at similar magnitudes as in 2010, while spending on services is expected to improve to 2.4 percent. Nonresidential fixed investment will grow 8.6 percent, while investment in business structures is expected to fall further by 7.6 percent. Relative to 2010, the decline in business structures investments is slowing down as the prospects of economic recovery improves. Headline CPI inflation is projected at 1.6 percent, while core CPI inflation (excluding food and energy) will stabilize at 1.2 percent in 2011. At these low rates, deflation will be the main concern in 2011. Growth in exports will ease to 8.7 percent as global growth slows down in 2011. Government spending will flatten out as some overseas contingency operations wind down in 2011. As such, federal government spending is expected to increase by a mere 0.5 percent, while state and local spending will essentially be flat with only 0.1 a percent increase next year. An additional $860 billion fiscal stimulus package signed in December is expected to boost spending and stimulate job creation. Despite improvements in employment prospects and the overall economic outlook, unemployment will remain high at 9.3 percent in 2011. Because unemployment typically lags other indicators, it is projected to remain high for several years into the economic expansion.

The Tennessee Economy

The last year was a bit of roller coaster ride, with decent growth in the first quarter followed by more sluggish growth that raised concerns of a double-dip recession. The double-dip never materialized and the state economy enjoyed its strongest showing since the onset of the recession. Growth was admittedly sluggish compared to previous post-recession expansions, but there was nonetheless something good to talk about for a change. The third quarter of the year produced the first year-over-year gain in employment and the unemployment rate had fallen to 9.4 percent by the close of 2010. To put the gains in perspective, at the close of 2009 there were mounting concerns that the state unemployment rate would climb above 11 percent. An unemployment rate of that magnitude is now highly unlikely given the emerging momentum of the state and national economies.

Despite improved economic conditions, the Tennessee economy nonetheless saw jobs fall 0.5 percent in 2010 with a comparable setback for the nation. All in all, much welcomed improvement from the 5.6 percent pace of job losses in 2009. The state's manufacturing sector experienced another 1.8 percent loss in employment in 2010 on the heels of a 14.2 percent withering in 2009. Like the overall nonfarm sector, manufacturing witnessed year-over-year employment gains in the third quarter of 2010. Inflation-adjusted personal income, which fell 1.7 percent in 2009, rebounded with 2.3 percent growth last year. As the economy has showed signs of renewed strength, so too have sales tax collections, having advanced for nine consecutive months.

Most measures of economic activity—including employment and taxable sales—remain well below their pre-recession peaks. For some sectors of the economy, like residential housing, pre-recession levels of activity were artificially inflated. The state and national economies are embarked upon a fundamental restructuring that will take many years to full resolve. Taxable sales will not fully rebound until at least fiscal year 2013/14, employment will not recover until 2014 and the unemployment rate will remain elevated above its pre-recession low through the decade. But growth is underway and should be sustained into 2013.

The forecast for Tennessee calls for nonfarm employment to grow 1.3 percent in 2011 with manufacturing jobs expected to rise 1.4 percent. The state unemployment rate will drift down yielding an annual average of 9.1 percent in 2011, falling to 8.8 percent in 2012. Nominal personal income will advance 4.5 percent for the year with inflation-adjusted personal income coming in at 3.3 percent—the difference reflecting expectations of modest inflation through the near-term outlook horizon. Taxable sales should see 4.3 percent growth in fiscal year 2010/11 and 4.7 percent growth in fiscal year 2011/12.

TN Agriculture Outlook

A combination of excessive drought in some areas of Tennessee and torrential rains in others provided a challenge for farmers in 2010. As a result the Tennessee production of corn and soybeans were below 2009 levels while cotton production increased. In 2009 agriculture-related activities accounted for 10.5 percent of Tennessee's economy. Because of high crop prices in 2009, crop production accounted for 60 percent of Tennessee agricultural receipts while livestock accounted for 40 percent. Usually crops and livestock each account for 50 percent of farm receipts. With a change in agricultural policy in 1996 intended to make agriculture more market oriented, Tennessee net farm income has become more dependent upon federal farm program payments. Over the ten year period, 2000-2009, direct government payments accounted for 50.2 percent of net farm income in Tennessee compared to 19.5 percent for the 1990-1999 period. If the high crop prices seen in late 2010 continue into 2011, it could be another good year for Tennessee crop farmers, but will put pressure on the livestock sector as higher crop prices increase input costs for livestock producers. Tennessee's investment in biofuel research continues to hold out promise for agriculture's future and put Tennessee at the forefront of the production of renewable energy. Tobacco production continues to be affected by lower smoking rates and is not as profitable as it once was. It is expected that Congress will begin work on the 2012 Farm Bill, late in 2011. More than in the past, budget constraints will be a major driver in the process.

Long-Term Outlook

Long-term forecasts generally focus on the expected trend performance of the economy rather than the outlook for short-term fluctuations of the business cycle. The reason is that traditional recessions are fairly short in duration and have modest effects on long-term patterns of performance. The Great Recession, however, has proven to be unique. In this recent recession, a series of short-term events and outcomes, including growing federal debt and a surplus of pre-recession construction, will persist creating long-term consequences for national and state economic performance. Some measures of economic activity (like the unemployment rate) will take years to recover, while others like (such as housing starts) may not fully rebound even by the end of the decade. Nonfarm employment, which is now growing, will not return to pre-recessionary levels until 2014. While the economic outlook to 2020 is largely positive, the national and state economies will undergo a slow and long period of adjustment and transformation in the years ahead.

Ongoing economic restructuring means the emergence of new products and services along with new jobs and occupations. Many of the jobs in greatest demand today simply did not exist 10 years ago within Tennessee. Nonfarm employment is expected to grow at a 1.3 percent compound annual growth rate from 2010 to 2020. Manufacturing will see some modest gains in employment in 2011, 2012 and 2013, but these gains will not erase the losses experienced over the course of the recession. By 2014 the state's manufacturing will return to its trend pattern of ongoing job losses. Professional and business services along with health and education services are expected to realize the strongest rate of job growth over the long-term horizon.

Tennessee's unemployment rate was 4.0 percent in 2000. While the 2010 annual average was 10.0 percent, by December the rate had fallen to 9.4 percent. However, unemployment is expected to remain elevated for many years to come. Large numbers of individuals in Tennessee and across the country will remain "structurally unemployed" because their skill set does not match the skills requirements of employers. There is also the practical challenge of absorbing large numbers of discouraged workers, underemployed workers and new entrants to the full-time work pool.

Nominal personal income in Tennessee is expected to grow at a 4.9 percent compound annual growth rate between 2010 and 2020 compared to slightly higher 5.0 percent growth for the nation. Tennessee per capita income should grow 4.1 percent over the same time period while U.S. per capita income will rise at a 4.0 percent rate. Because per capita income in Tennessee lags the nation, there will be no convergence of per capita incomes over the course of the decade.

Passenger and Freight Mobility in Tennessee: An Economic and Policy Overview

Tennessee's passenger and freight transportation networks are a fundamental and highly functional element within the state's economy. These assets provide mobility to residents and visitors, facilitate local and regional commerce, and efficiently connect Tennesseans to an ever more global market place. Moreover, in the course of accomplishing these outcomes, the transportation sector (and associated manufacturing) directly provides tens of thousands of jobs and nearly a billion dollars in annual incomes to Tennessee residents. Unarguably, the state's roadway system is its chief transportation asset, but Tennessee also benefits from commercial airline, freight railroad, and inland navigation services that (at least collectively) are rivaled by few other states.

Preserving this high degree of personal and commercial mobility is increasingly difficult. A growing population and relatively robust state economy demand continual increases in transportation capacity that must be achieved without sacrificing environmental quality or compromising other community goals. Also, the fuel-based revenue streams used to support transportation infrastructure are both increasingly volatile and less predictable, so that the fiscal environment is, at best, fragile. Thankfully, these transportation challenges are no more extreme in Tennessee than elsewhere. Nonetheless, preserving a desirable degree of mobility will require continued vigilance and active public policy initiatives.

CHAPTER 1: THE U.S. ECONOMY

In this chapter—

1.1. Introduction

The turnaround in the U.S. economy that started in the second half of 2009 continued through 2010 and into 2011. The growth rate of inflation-adjusted gross domestic product (GDP) was positive throughout 2010 with the fourth quarter expected to be quite healthy. The strong growth in the beginning of 2010 year cooled down mid-year, indicating that the economic recovery was still fragile and raising fears of a double-dip recession that never materialized. The Great Recession has been the longest downturn since the Great Depression and has left some sectors deeply depressed. A good example is the housing market which remains in a substantial trough.

After disappointing growth of 1.7 percent in the second quarter, the economy gained modest momentum in the second half of 2010. As the year progressed, recovery accelerated again in the third quarter with stronger growth emerging in the fourth quarter. All in all, however, the modest growth and weak employment gains could not bring down the unemployment rate. Fortunately, the U.S. unemployment rate finally dipped in December.

Although economic recovery faltered some in 2010, growth will be moderate and more stable in 2011. Consumer spending and employment will improve over the year while a weakening dollar and global recovery will boost the export sector. As the economic expansion solidifies, businesses will rehire, higher incomes and household formation will ease the glut in the housing market, and consumer spending will expand. The unemployment rate will drop gradually, however, and remain high through 2011 and 2012. Expect inflation-adjusted GDP to rise 3.2 percent in 2011 and 2.9 percent in 2012.

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

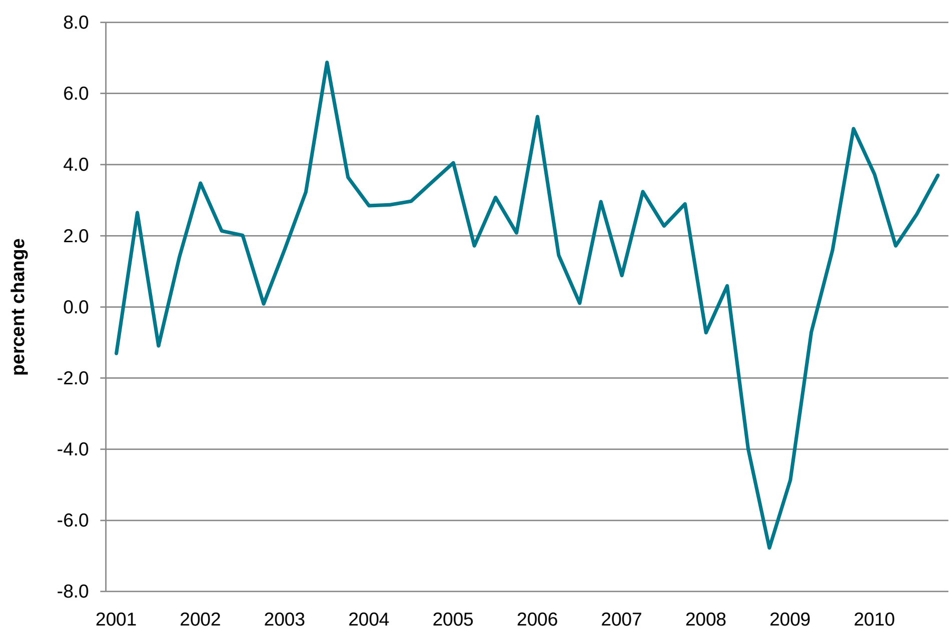
The National Bureau of Economic Research's (NBER) business cycle dating committee officially announced that the recession ended in June 2009. This date represents the trough of the business cycle and the beginning of a period of economic expansion. The Great Recession, which began in December 2007, lasted 18 months, making it the longest downturn since World War II. Although the trough in economic activity occurred in June 2009 and inflation-adjusted GDP growth picked up in the third quarter of 2009, the economy lost some momentum in the second quarter of 2010 (Figure 1.1). Weak demand and excess capacity has kept the unemployment rate high.

However, fourth quarter indicators for 2010 are projected to be much stronger because of the expected improvements coming from the labor market and marginal gains in consumer sentiment. Holiday shopping is expected to have increased by more than 5.0 percent year-on-year in nominal terms. Overall, inflation-adjusted GDP growth in 2010 is expected to come in at 2.9 percent. While the fourth quarter improvements are likely to continue into 2011 and beyond, the recovery is still fragile.

Components of GDP

By far the largest component of total GDP is consumer spending which accounts for two-thirds of total spending in the economy. A high jobless rate, tight credit conditions, losses in household wealth and higher savings rates have made households more hesitant in their spending habits. University of Michigan's consumer sentiment index remained unchanged during the first two quarters of 2010, indicating grim job and income prospects for the year ahead. Although consumers believed the economic recovery was on its way, the weak economic outlook caused the consumer sentiment index to drop to 68.2 in

Figure 1.1. Inflation-Adjusted GDP Growth Remains Sluggish Compared to Previous Expansions



Note: Seasonally adjusted at annual rates.
Source: Bureau of Economic Analysis.

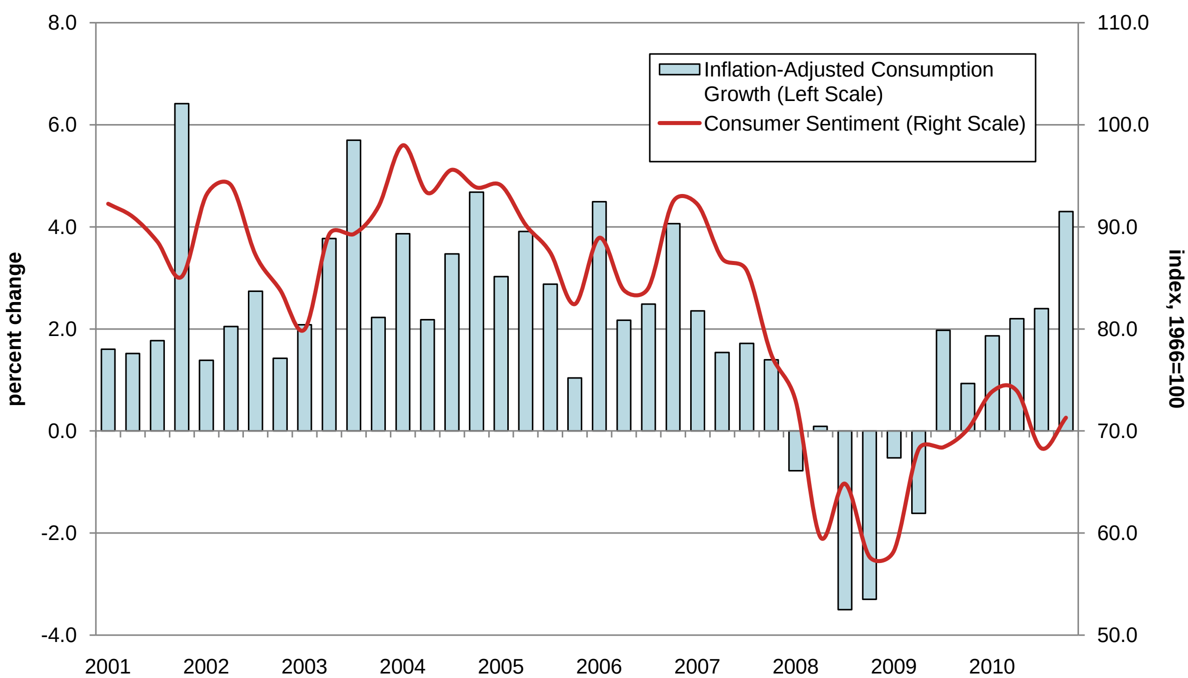
1.2. The U.S. Economy: Year in Review, continued

September and to 67.7 in October (1966=100). This is about 20.0 index-points below its 2001-2007 average value. However, sentiment has gradually improved in anticipation of further economic recovery and the index increased to 71.6 in November and to 74.5 in December.

Consumer spending remains constrained by the factors noted above, along with modest gains in income. In 2010 household spending began growing at a moderate pace with a projected increase of 4.3 percent in the last quarter of 2010, up from 2.4 percent a quarter earlier (seasonally-adjusted annual rates). (See Figure 1.2.) After some faltering during 2009, inflation-adjusted consumer spending on durable goods will climb 7.7 percent in 2010. Spending on big ticket items increased at an annual rate of 8.8 percent in the first quarter, 6.8 percent in the second quarter, 7.6 percent in the third quarter, and is projected to increase by 21.9 percent in the final quarter of 2010. Consumer spending on durables has been surprisingly strong given low consumer confidence and credit constraints (See Figure 1.3). In this category, light vehicle sales, furniture and household equipment, and computer and software sales have been trending higher over 2010. One explanation for the relatively strong growth rates is that many categories of sales are at very depressed levels.

In the services category, spending remained weak in 2010. Consumer spending on services typically stays stable during recessions as in normal times, but inflation-adjusted services spending barely grew by just 0.1 percent in the first quarter of 2010. The third quarter annualized growth rate of 1.6 percent is expected to be followed by just 1.3 percent growth in the fourth quarter. The spending pattern on services reveals that consumers cut back spending on recreational and financial services.

Figure 1.2. Consumers Spending Remains Subdued



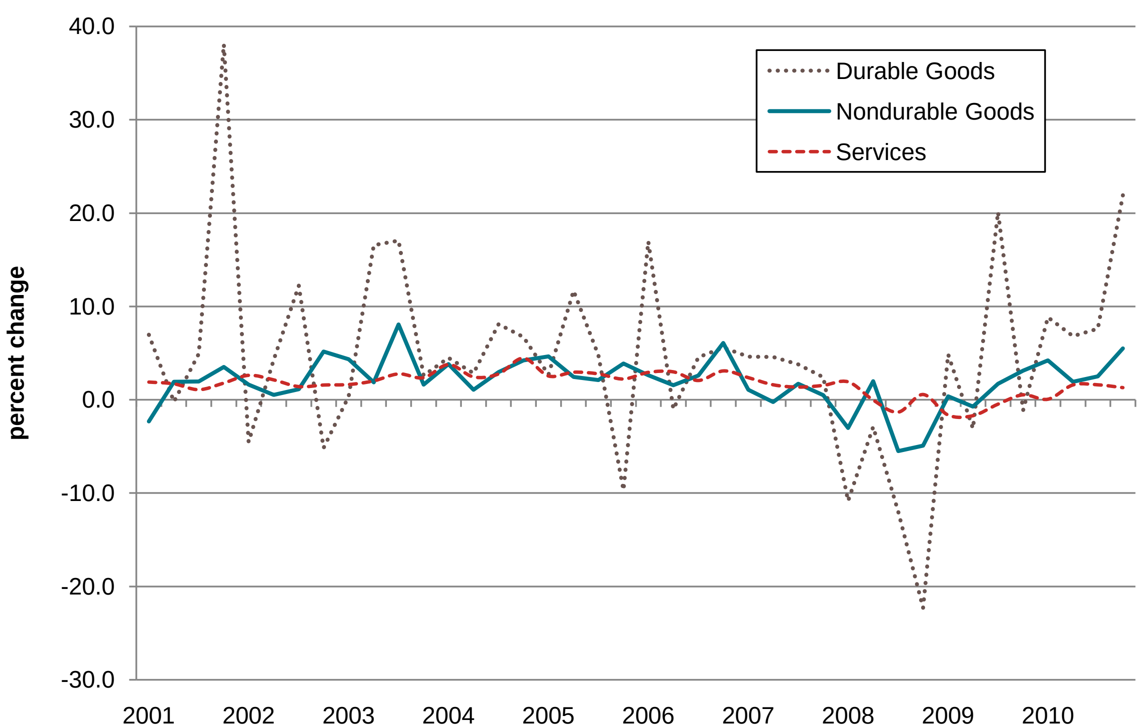
Note: Consumption growth is seasonally adjusted at annual rates.
Source: Bureau of Economic Analysis, Reuters/University of Michigan Surveys of Consumers, IHS Global Insight.

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

Inflation-adjusted consumption of nondurables rose by 4.2 percent in the first quarter of 2010 followed by 1.9 percent growth in the second, 2.5 percent growth in the third, and 5.5 percent growth in the fourth quarter. After a weak performance during 2009, consumer spending on nondurable goods is now in line with its long-run pattern. The better performance in the nondurables category is largely due to improved spending on food and beverages, and clothing and footwear. Household spending on clothing and footwear is the strongest since 2005 and was running at about 5.7 percent in 2010, up from a 4.4 percent decline in 2009.

The investment component of GDP includes three broad categories: residential fixed investment, nonresidential (business) fixed investment and changes in business inventories. In the residential fixed investment category, the effect of the expiration of first-time home buyer tax credit on housing sales was significant. The annualized percent change in inflation-adjusted residential fixed investment in the third quarter fell by 27.3 percent, a sharp fall from a 25.6 percent increase in the second quarter. The sustained housing glut is driven by slow employment growth and low household formation rates. Despite falling housing prices nationwide, home sales remain sluggish. The Federal Housing Finance Agency (FHFA) house purchase price is expected to fall by 2.6 percent in 2010, while the FHFA housing price index will fall by another 4.4 percent on a year-on-year basis. However, recent data show that housing starts may be stabilizing (Figure 1.4). At 590,000 units, housing starts are up from 554,000 units in 2009 though still below pre-2009 levels. Of the total, multi-family housing starts at about 113,000 units are still low by historical standards, while single-family

Figure 1.3. Inflation-Adjusted Consumer Spending on Durables Has Been Relatively Strong



Note: Seasonally adjusted at annual rates.
Source: Bureau of Economic Analysis.

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

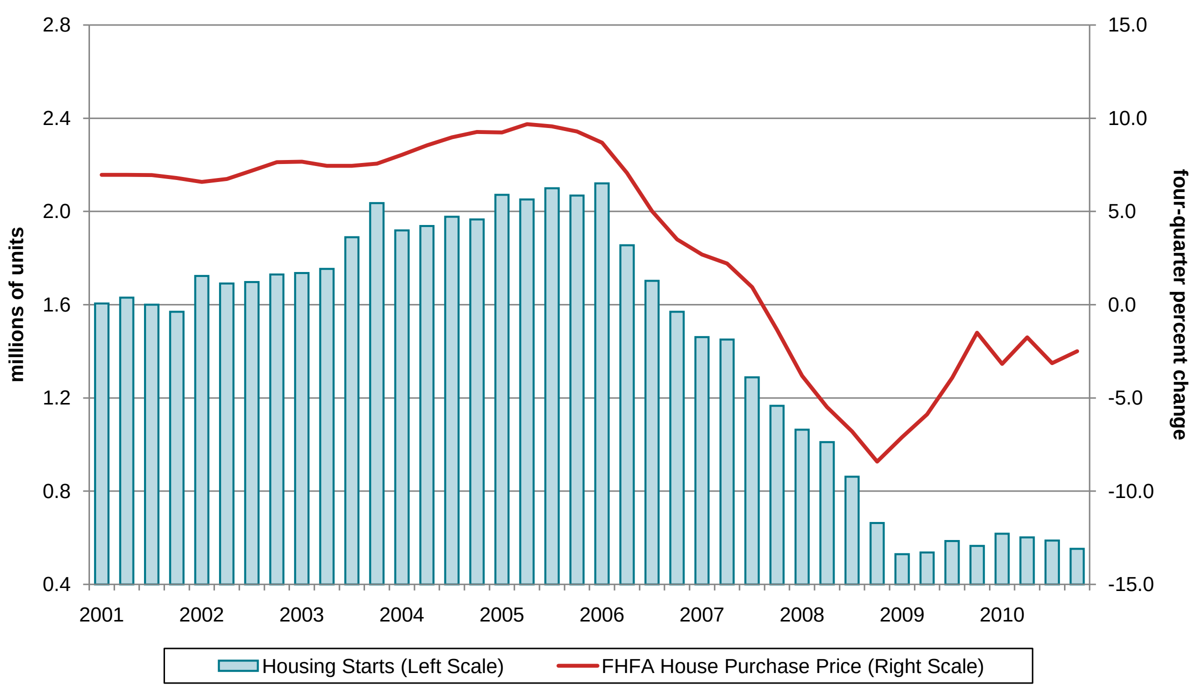
housing starts at 477,000 units are up from 442,000 units in 2009. It appears that the housing market has finally bottomed out. But it is a deep trough. The expected 590,000 starts in 2010 are dramatically lower than the 2.1 million starts in 2005. Of course, in hindsight the figures from 2005 reflect an economy that was unsustainable.

Inflation-adjusted business fixed investment picked up in 2010 with an expected annual increase of 5.2 percent, a significant jump from 17.1 percent setback in 2009. Strong spending on equipment and software contributed the most to this surge. Equipment and software spending by business grew by more than 20.0 percent during the first two quarters, by 15.4 percent in the third quarter, and by 1.1 percent in the fourth quarter. In this category, firm purchases of transportation equipment, which was hit the hardest by the Great Recession, showed very solid growth: 61.1 percent annually compared to a 51.5 percent decline in 2009 and a 23.0 percent decline in the previous year. This indicates that businesses have made a concerted effort to address their replacement needs neglected during the recession. This strong replacement investment is partly to blame for the low rate of re-hiring.

Not all business investment categories showed steep improvement. In particular, the declining pattern in business structure spending has not yet been reversed reflecting excess capacity in the face of weak final demand. Inflation-adjusted spending on business structures dropped by 17.8 percent in the beginning of 2010, following a 29.2 percent decline in the last quarter of 2009. Quarterly spending on structures has been negative since 2008 and positive growth is not likely to resume until 2012 given the weak business outlook in manufacturing and other sectors.

In the inventory investment category, businesses have been shrinking their inventories since the recession began. This

Figure 1.4. Housing Starts Flattening Out



Note: Housing starts are seasonally adjusted at annual rates.
Source: Census Bureau, Federal Housing Finance Agency.

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

pattern was reversed in 2010. Businesses have been accumulating inventories throughout 2010, a clear indication of improved business confidence and an economy that is finally turning around.

Inflation-adjusted total government expenditures rose by only 1.2 percent in 2010. The federal budget deficit (on a unified basis) fell to $1.294 trillion or $121.5 billion lower than 2009's record of $1.416 trillion. The budget situation has been hurt by falling revenues and higher spending. Lower outlays in 2010 are largely due to the cost savings from the three financial crisis programs: Troubled Asset Relief Program (TARP) and assistance to Freddie Mac and Fannie Mae. Both defense and nondefense spending, in inflation-adjusted terms, rose by 4.3 and 6.2 percent, respectively, while overall federal government spending in 2010 was 4.9 percent higher relative to 2009. Despite fiscal stimulus, state and local expenditures continue to decline due to the sharp fall in tax revenues. Inflation-adjusted expenditures in 2009 decreased by 0.9 percent and in 2010 it fell further by another 1.2 percent. The fall in state and local expenditures was driven by a steep decline in investment spending in the first quarter of 2010. The spending levels stabilized in the subsequent quarters as the federal government extended $26 billion in additional aid as capital spending benefited from the American Recovery and Reinvestment Act.

Net exports (exports minus imports) are the final component of GDP. Export growth throughout 2010 remained solid, as it had been since growth reemerged in the third quarter of 2009. Inflation-adjusted value of exports is expected to increase by 11.9 percent in 2010. Improvement in export volume growth is supported by economic expansions in emerging markets and a weak dollar (Figure 1.5). On the imports side, growth has been strong since the third quarter of 2009. However, recent data indicate that growth is likely to slow down in the second half of the 2010 due to the weak domestic demand and the fact that businesses have replenished their inventory stocks.

Inflation and Prices

Inflation, as measured by the consumer price index (CPI), has been erratic, with soaring prices in 2008 and plunging prices in 2009 (Figure 1.6). More recent monthly data show the CPI trending lower and lower. Because the CPI headline inflation measure includes food and energy prices, it has been volatile, especially since the start of the recession. As can be seen from Figure 1.7, the volatility in inflation is mainly driven by the erratic pattern in energy prices. As such, the Federal Reserve has focused more on core inflation, which excludes food and energy prices, in making its monetary policy. With low wage inflation and core inflation nearing 1.0 percent, the Fed's main concern is the risk of ongoing disinflation turning into deflation (i.e. an overall fall in prices). Falling prices negatively influence consumer and producer expectations, which in turn lead to lower demand and investment—buyers will delay purchases as they await still lower prices in the future. Because the economic outlook is weak and the danger of the economy plunging into outright deflation is high, the Federal Open Market Committee (FOMC) announced at its November meeting to purchase an additional $600 billion of Treasury securities through the second quarter of 2011 (see Box). Quantitative easing (QE2) has proven to be controversial but is consistent with the Federal Reserve's Congressionally-given dual mandate of promoting price stability and full employment. The QE2 program is intended to lower long-term interest rates and weaken the dollar, which should help speed up domestic economic recovery. However, the sovereign debt problem in Europe may drive interest rates and the dollar back up.

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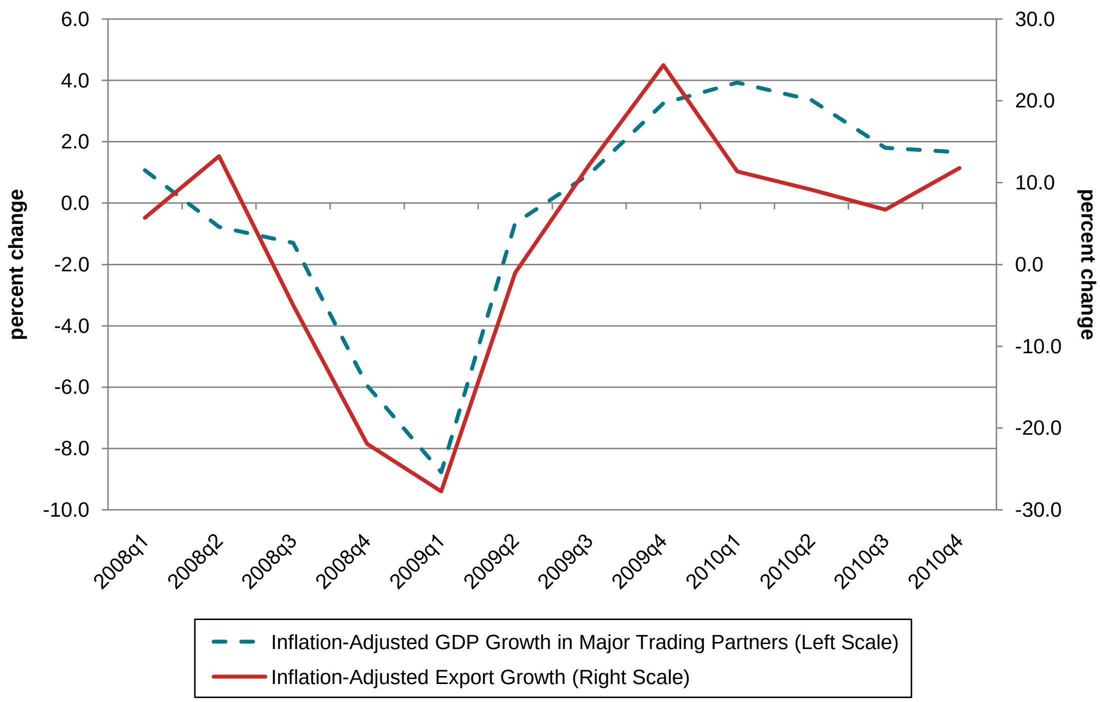
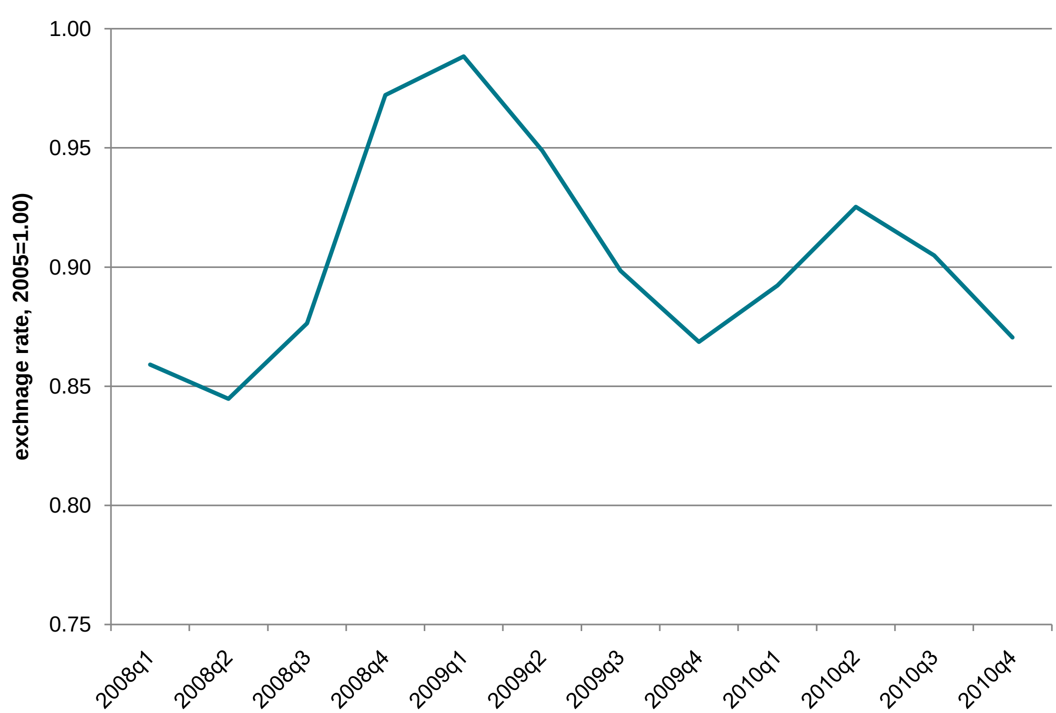
1.2. The U.S. Economy: Year in Review, continued

Figure 1.5. Export Growth Boosted by Foreign Economic Growth…



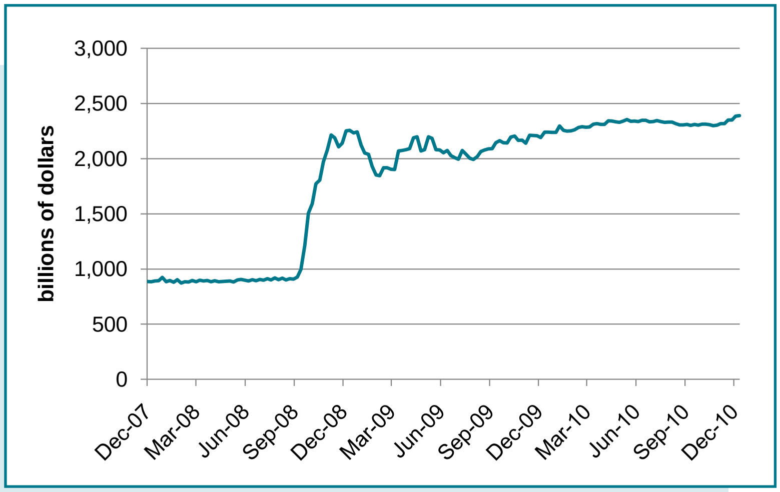
Note: Seasonally adjusted at annual rates.
Source: Bureau of economic Analysis, IHS Global Insight.

…And a Weaker Dollar



Note: U.S. trade-weighted exchange rate.
Source: IHS Global Insight.

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



Total Federal Reserve Assets (in billions of $)

What Is QE2 and How Does the Federal Reserve Influence the Economy?

In normal times, the Fed buys and sells short-term debt to influence the federal funds rate – its usual monetary policy tool. With the federal funds rate already near zero, this policy instrument is of no further use. So the Fed has supplemented its conventional monetary policy tool with a less familiar one: buying long-term assets to reduce longer-term interest rates, a strategy dubbed quantitative easing (QE). By lowering interest rates and changing inflationary expectations, QE is expected to lead to economic stimulus and avert deflation. Technically, the two policy instruments—trading short-term debt and long-term debt—are similar. In the first case, the Fed purchases and sells short-term Treasury securities to fine-tune the federal funds rate to affect short-term rates. Under QE, it buys long-term Treasury securities and/or other types of assets to lower long-term rates. Because the market for long-term securities is very large, the Fed has to buy assets in larger quantities. While in the first case the Fed can directly observe the federal funds rate that it manipulates, in the case of QE it is difficult to disentangle how much of a change in long-term interest rates is due to Fed actions.

By purchasing long-term securities, the Fed will drive down their yields, which decreases longer-term interest rates in the economy. Lower interest rates and inflationary expectations discourage saving: households will want to spend now instead of sitting on cash. Lower rates may also make housing more affordable, and help more homeowners to refinance. For businesses, lower costs of borrowing and cheap credit are incentives to invest. Lower interest rates also weaken the exchange value of a currency. The weak dollar will help domestic exporters be more competitive in international markets. When interest rates are low stock prices will increase, boosting wealth and profits.

The first round of QE occurred in 2008 and 2009 during the depths of the financial crisis. In November 2008 the Fed announced the purchase of $600 billion of assets related to housing obligations of government-sponsored enterprises and mortgage-backed securities of Fannie Mae, Freddie Mac, and Ginnie Mae. In March 2009 it expanded the target to $1.7 trillion, of which up to $300 billion was longer-term Treasury securities. Since the recession the Fed's balance sheet has grown significantly (see Figure). As was expected, the pumping of $1.7 trillion into the banking system was followed by a drop in long-term interest rates. The Fed claims the QE1 worked as was expected by lowering long-term interest rates and easing financial conditions.

Given the fiscal constraints of the federal government, the Fed's policies have not been enough to pull the economy out of the ditch. The unemployment rate climbed to 9.8 percent in November 2010, sending fears that the economic recovery was stalling. Moreover, declining inflation has raised concerns that the economy might suffer from outright deflation, and if this occurred, it would be difficult to get out of the deflation trap as the Japanese experience shows. Given its dual mandate of promoting full employment and low inflation, the Federal Open Market

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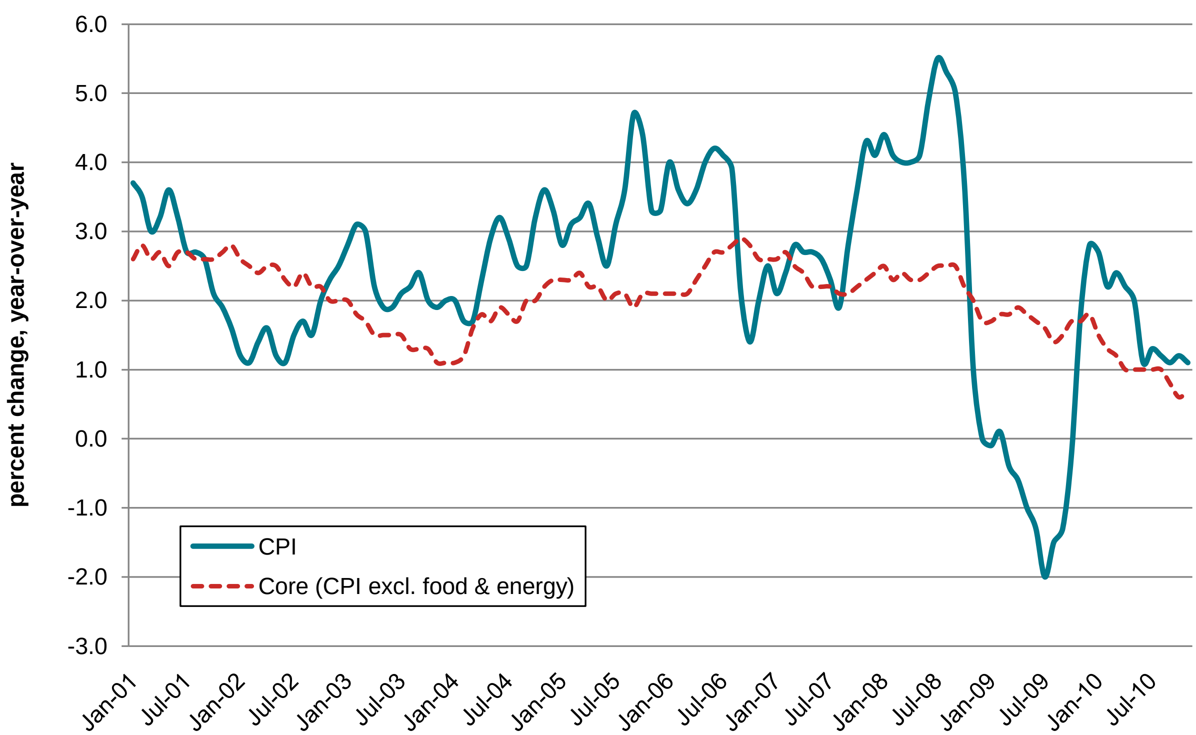
1.2. The U.S. Economy: Year in Review, continued

What Is QE2 and How Does the Federal Reserve Influence the Economy?, continued

Committee (FOMC), the Fed's monetary policymaking committee, announced in its November 2010 meeting another bout of QE to promote growth. QE2 involves the purchase of an additional $600 billion in longer-term Treasury securities through June 2011. The Fed will continue to reinvest repayments of principal on its security holdings, which is expected to be between $250 billion to $300 billion over the same period. Taken together, this would be equivalent to about $110 billion of purchases per month. While the Fed claims the QE1 was successful, there is some disagreement regarding the influence and risks of QE2 both inside and outside the Fed.

Some members of the Fed argue that QE2 will be ineffective because the economy is in a liquidity trap, in which additional pumping of money into the economy is not going to help lower interest rates. Even if it succeeded in lowering rates, some point out that banks are not extending loans even though they already have sufficient liquidity. Other critics are worried that the Fed might not be able to respond quickly to surging inflation by withdrawing the money it injected. If inflation picks up down the road that will further soften the already weak dollar. Other countries may intervene in the market to prevent their currency from appreciating further, leading to "currency wars". However, the Fed dismisses most of the criticisms. It recognizes the risks the QE2 carries and asserts that the regular review of policy allows the Fed to adjust the policy.

Figure 1.6. Inflation Trends Lower



Note: Seasonally adjusted.
Source: Bureau of Labor Statistics.

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

The Labor Market

As can be seen from Figure 1.8, employment is still a concern with over 7.4 million jobs lost in the recession and nonfarm employment growth still sluggish. With temporary Census payrolls gone, total nonfarm payroll was down by 24,000 in September. A solid improvement in October payroll employment (up 172,000) was followed by a mediocre improvement in November (up 39,000) and stronger growth still in December. Total nonfarm employment is expected to fall by 0.5 percent in 2010 relative to 2009. However, on a quarter-by-quarter basis, private employment growth is edging up and private payrolls will have grown by over 1 million in 2010. The construction industry, the hardest hit by the recession, continued to experience the biggest decline in employment in the private sector, down by 15.7 percent in 2009 and 7.0 percent in 2010. State and local governments faced intense budgetary pressure in 2010 and payrolls were reduced by 1.1 percent for the year.

The disappointing employment situation has translated into higher national unemployment rates. Although job growth resumed in 2010, it was not enough to keep the unemployment rate down. As a result, the unemployment rate (the ratio of unemployed people to the total labor force) has been revised upwards to 9.7 percent in the fourth quarter of 2010 from the 9.6 percent rate of the third quarter. The ratio of unemployed persons to job openings was 1.8 when the recession began in December of 2007; this ratio jumped to 5.8 when the recession ended in June of 2009 (Figure 1.9). Although the ratio has trended downward since the end of the recession and job openings in October 2010 are 44.0 percent higher than the series low in July 2009, uncertainty in the economic outlook and higher worker productivity are making businesses reluctant to increase hiring.

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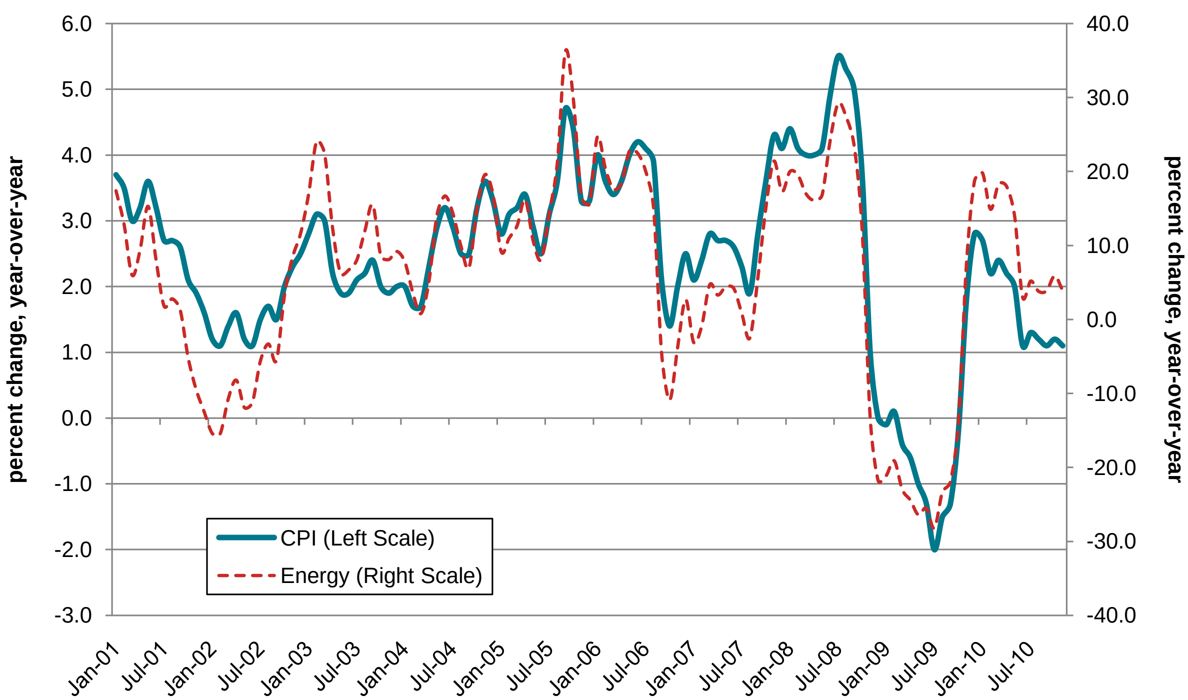
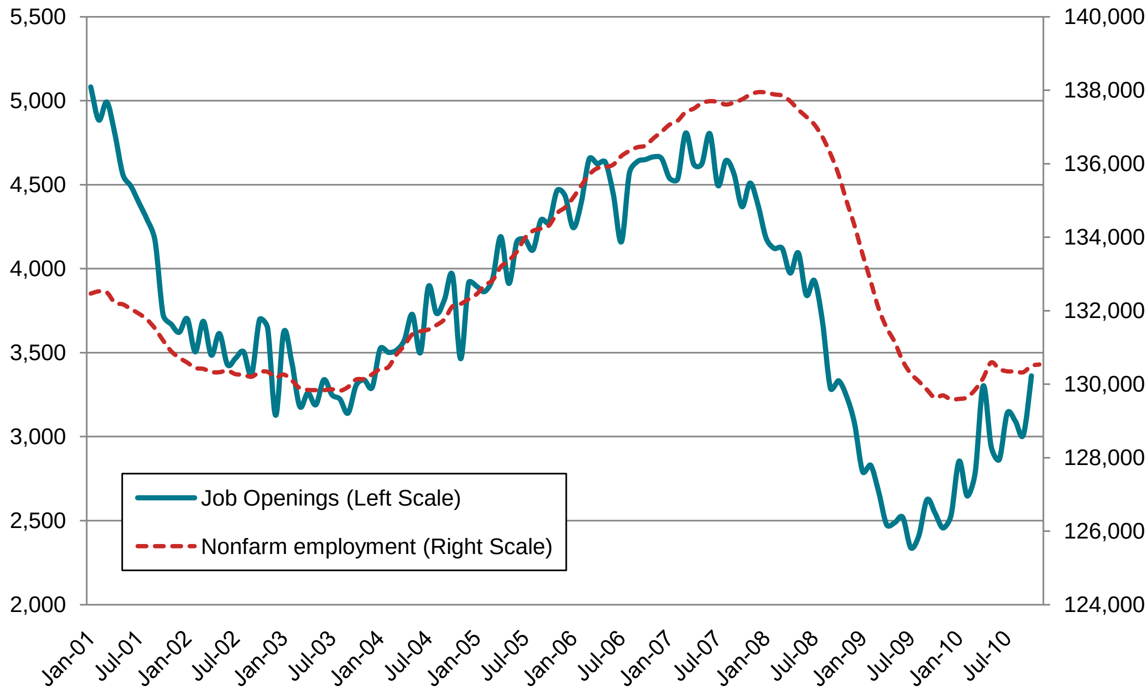
Figure 1.7. Volatility in Headline Inflation is Driven by Energy Prices



Note: Seasonally adjusted.
Source: Bureau of Labor Statistics.

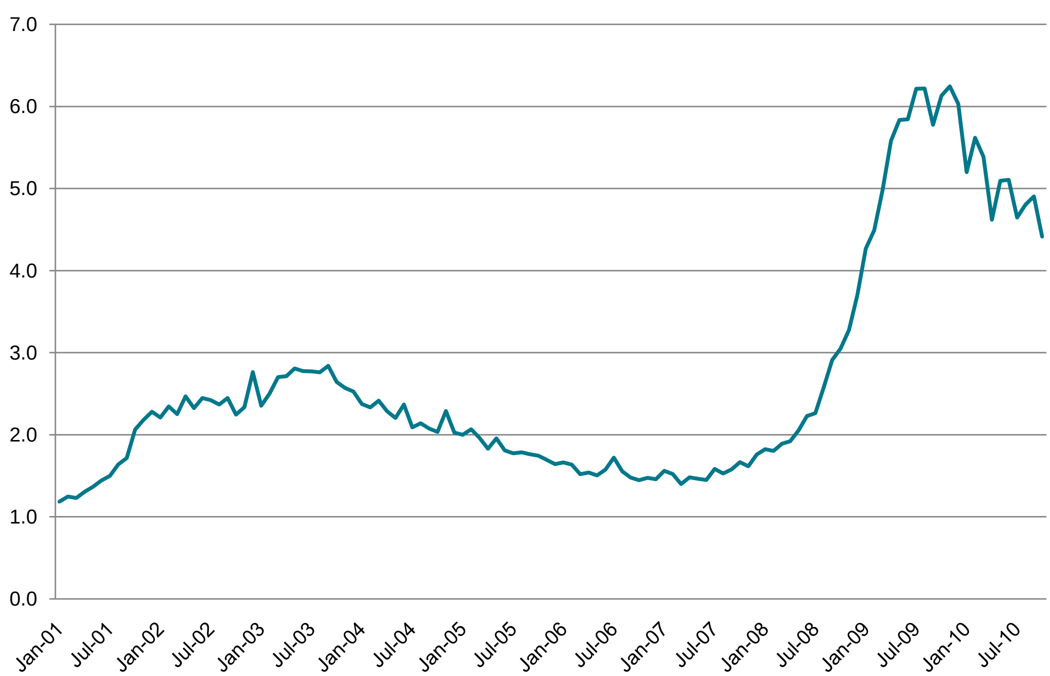
1.2. The U.S. Economy: Year in Review, continued

Figure 1.8. Employment Slowly Bottoming Out (in thousands)



Note: Seasonally adjusted.
Source: Bureau of Labor Statistics.

Figure 1.9. Number Unemployed per Job Opening Finally Trending Downward



Note: Seasonally adjusted.
Source: Bureau of Labor Statistics.

1.3. The U.S. Forecast

Economic growth will continue through 2011 and 2012 with only a small risk of another economic slowdown. The new package of tax cuts and extended unemployment insurance benefits, negotiated between the administration and Congress, will boost growth in 2011. Of these provisions, the extension of unemployment benefits for an additional year will generate the biggest bang for the buck, while tax cuts will have a smaller multiplier effect because much of reduction in taxes will translate into higher savings. Growth will help improve business confidence and market demand so that businesses will accelerate hiring. Thanks to job growth, incomes and the household formation rate will rise, which will help boost the lagging housing sector, while swelling consumer confidence will help lift spending. The rise in consumer spending will prop up hiring even more. The additional stimulus will hopefully help the economy to advance to a self-sustaining, market-driven growth path. In the baseline outlook scenario, inflation-adjusted GDP is forecast to rise 3.2 percent in 2011 and 2.9 percent in 2012. Due to the tax incentives business equipment spending is expected to show strong growth, while spending on nonresidential buildings is likely to bottom out in 2011. Export growth will be boosted thanks to the weaker dollar and the economic recovery in major trading partner countries.

Consumption and the Labor Market

It is a chicken-egg problem. Businesses need to see consumer demand grow before hiring returns in force while consumers need jobs and incomes to support higher spending. Inflation-adjusted consumer spending will slow down during the first quarter as holiday sales end. However, on a year-on-year basis spending will grow by 3.2 percent in 2011, up from 1.8 percent in 2010. As such, job growth will be gradual, at least during the first half of the next year. Because businesses typically do not sharply increase hiring after the economy evolves into expansion, job openings and employment are not likely to reach their pre-recession levels until 2013. The biggest boost to total nonfarm employment, which is forecast at 1.4 percent, will come from the wholesale trade (2.8 percent), transportation and warehousing (4.5 percent), professional and business services (4.4 percent), and education and health care services (2.3 percent) sectors. On the other hand, employment in the construction sector will fall by another 1.6 percent in 2011 and positive growth will not resume until 2012 and then from very depressed levels. Thanks to the additional fiscal stimulus and QE2, the unemployment rate in 2011 is forecast at 9.3 percent. Because the recovery will be slow and unemployment typically lags other indicators, high unemployment rates will stay even several years after the economic recovery is underway. In fact, the pre-recession unemployment rate (4.6 percent) is not going to come back any time soon, perhaps not even in the decade.

The consumer sentiment index is projected to rise by 7.0 percent, from an index of 71.8 in 2010 to 76.9 in 2011, but remain very low by historical standards. Nevertheless, the gain in consumer sentiment will improve consumer spending next year. Growth in inflation-adjusted total consumption expenditures is expected to be back up to an annualized 3.2 percent rate relative to only 1.8 percent in 2010. Growth in consumer spending will be driven by steady growth in durable goods spending. Spending on durables generally leads the recovery, especially in its early stages, as consumers seek to satisfy their pent-up demands. While inflation-adjusted consumer spending on big ticket items will slow down for the first quarter of 2011 (2.2 percent), it will show solid growth again in the subsequent quarters (7.1, 7.7, and 8.9 percent). Consumer spending on nondurables, adjusted for inflation, will edge up to 3.3 percent, which is in line with its long run pattern. Consumer spending on services, after lackluster spending in 2010, is expected to grow at a rate of 2.4 percent next year.

1.3. The U.S. Forecast, continued

Investment and Interest Rates

Growth in inflation-adjusted residential fixed investment on a year-on-year basis is projected to turn positive for the first time since 2005. The growth rate of 2.7 percent from deeply depressed levels is too modest, posing downside risk for 2011. However, as the recovery accelerates, growth in residential fixed investment will be sustained in the second and subsequent quarters of 2011, reaching double-digits (12.0, 15.6, and 22.3 percent, seasonally-adjusted rates). Although the housing market is still deeply depressed, next year's housing starts are forecast at 685,000 units, up from 590,000 in 2010. The gradual increase in housing starts is explained by gradually improving job growth and rising household formation rates. However, annualized housing starts are not expected to return to pre-recession levels for many years to come. The FHFA house price index (purchase only) is expected to fall again in 2011 by 4.4 percent because of continued glut in the housing market.

On the business fixed investment side, the overall picture shows a continued upward trend. Growth will progress at an annualized rate of 8.6 percent for the year, slight improvement over 2010 (5.2 percent). However, the picture looks mixed across the different categories of business fixed investment. Equipment and software spending will continue to show robust growth (up by 14.7 percent), while the outlook for business structures looks poor (down by 7.6 percent). The large drop in the business structures category will be driven by steep declines in the manufacturing (down by 21.8 percent) and power and communications industries (down by 9.8 percent) with slower setbacks in other sectors.

Lower interest rates are one of the factors that helps stimulate investment. However, when economic activity is weak or sluggish, low interest rates may be insufficient to spur investment. In such circumstances, business confidence and the outlook for consumer demand may trump the importance of low interest rates. Profits are pointing upward, many businesses are flush with cash and the Federal Funds interest rate is near zero and expected to hold at that level until 2012. Yet business investment in structures continues to contract because of excess capacity and weak near-term outlook for final demand. Moreover, there is additional uncertainty as consumer prices show a slower rate of ascent. Part of the goal of the Federal Reserve's announced intention to purchase an additional $600 billion in government securities is to change inflationary expectations while also driving down long-term interest rates. This interest rate effect from quantitative easing will be small, only around 0.1-0.2 percentage points. However, the Fed might scale back the amount of QE2 given the recently passed additional fiscal stimulus by the Congress.

Government Spending

The $860 billion stimulus package signed by President Obama at the end of 2010 includes a 2.0 percentage point payroll tax cut for a year, estate tax reduction, an extension of Bush-era tax cuts for another two years, and an extension of unemployment insurance benefits through 2011. The package will stimulate economic growth, but due to large deficits ($1.4 trillion in 2011) the federal government's fiscal options have become increasingly constrained. Inflation-adjusted federal government spending will flatten out with a projected 0.5 percent increase in 2011. This slowdown is driven by the dynamics of defense spending which is expected to peak in 2011. With some overseas contingency operations winding down, defense spending will increase by only 0.6 percent in 2011, but on a quarter-by-quarter basis, it will fall and continue to fall for several years after. Nondefense spending is forecast to increase by only 0.5 percent because of a freeze in federal government civilian pay. State and local government expenditures will essentially be flat with an expected increase of only 0.1 percent in 2011.

1.3. The U.S. Forecast, continued

International Trade

A mild growth slowdown among the U.S.'s key trading partners in 2011 will dampen export growth. However, given the weak dollar, which will increase the competitiveness of U.S. goods and services, the growth in exports, in inflation adjusted terms, will only ease to 8.7 percent in 2011 from 11.9 percent in 2010. Growth will be seen across all major export categories, with capital goods continuing to show solid growth for the second consecutive year (13.6 percent). On the other hand, given weak domestic demand, imports will grow at a moderate pace, 7.2 percent in 2011 relative to 12.8 percent in 2010. Import growth is driven, as in 2010, by capital good purchases as firms continue to replenish their inventories, albeit at slower pace. Because growth in exports will overtake the growth in imports in 2011, trade will be seen as a boost to domestic growth rather than a drag as in 2010.

Prices and Inflation

The current rate of core CPI inflation—a critical measure the Federal Reserve relies in its monetary policy considerations—is at a dangerously low 1.0 percent annualized rate. At this rate, the risk of the economy plunging into Japanese-type deflation is considerably higher. However, core inflation is expected to pick up in 2011, stabilizing at 1.2 percent year-on-year. Headline CPI inflation will move slightly lower (1.6 percent) in 2011, against 1.7 percent in 2010. In its December meeting, the FOMC confirmed its intention of purchasing $600 billion longer-term Treasury securities as noted above, which is equal to $75 billion per month, in order to stimulate the economic recovery and help keep the inflation at levels consistent with its mandate. This means the Federal Reserve is concerned about the risk of deflation and stepping up efforts to prevent that from happening. House prices will see another drop in 2011 and oil prices will average about $88/barrel.

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Deficit and Debt Reduction Commissions

The federal budget has not been in balance since 2001, a near-singular event in modern history. Deep fiscal stress exacerbated by the Great Recession has resulted in federal debt reaching 62.2 percent of GDP in 2010, a substantial rise from 33.3 percent in 2001. Although the deficit problem will ease as revenues increase during the economic expansion, the current fiscal situation is unsustainable and government will have to continue borrowing to make up the difference between revenues and faster rising spending. According to Congressional Budget Office estimates, the debt will gallop to nearly 100 percent of GDP by 2020 assuming future outlays grow with GDP and the 2001/2003 tax cuts are continued. Unless the fiscal situation is corrected, federal debt of this magnitude will be a drag on the economy and expose the nation to external risks. In order to address the looming fiscal challenges, two separate deficit and debt-reduction groups were created to identify policies to bring the nation into a fiscal course that is sustainable over the long run.

The National Commission on Fiscal Responsibility and Reform, created by President Obama and led by Erskine Bowles and Alan Simpson, was charged with presenting policy recommendations to balance the primary federal budget (i.e. excluding interest payments on the debt) by 2015 and to improve the long-run fiscal outlook. The 18 member bipartisan commission's 11-7 vote in December 2010 to approve the plan came just three votes short of sending the recommendations to Congress for consideration. The Bowles and Simpson plan calls for spending cuts and tax system overhaul that would cut the deficit by $4 trillion through 2020, reduce the deficit to 2.3 percent of GDP by 2015, and stabilize and reduce debt to 60 percent of GDP by 2023.

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1.3. The U.S. Forecast, continued

Deficit and Debt Reduction Commissions, continued

The package would cap revenues at 20.6 percent of GDP and spending at 21.8 percent of GDP by 2020 (both at 21.0 percent by 2035), reduce income and corporate tax rates, and substantially cut spending levels. In particular, in the tax reform arena, the plan would enact three lower-income tax rates (8 percent, 14 percent and 23 percent), reduce the top income tax rate to between 23.0-29.0 percent from current top rate of 35.0 percent, eliminate virtually all tax expenditures for individuals, and abolish the alternative minimum tax. It will also cut the corporate tax rate to a single rate between 23.0 and 29.0 percent (the current top rate being 35.0 percent) and eliminate special subsidies to different industries. The lower corporate tax rate, along with the proposed exemption of active foreign-source profits from domestic tax, as they claim, will improve the competitiveness and attractiveness of U.S. businesses.

On the spending side, the Bowles-Simpson plan would eliminate or reduce low priority programs both in security and non-security areas, impose a three-year pay freeze on federal employees and cut the government workforce by 10.0 percent. To control spending growth on Medicare and Medicaid, the package proposes to raise copayments, reform malpractice law and physician payments, and limit federal health care cost growth to GDP plus 1.0 percent. The plan would also decrease spending on Social Security by increasing the retirement age to 68 by 2050 and to 69 by 2075.

Another deficit and debt reduction task force, launched by Bipartisan Policy Center and led by Pete Domenici and Alice Rivlin, prepared their version of a package of spending cuts and revenue increases to reduce long-term debt. If implemented, it will balance the primary budget by 2014 and stabilize the debt below 60.0 percent of GDP by 2020. The Domenici-Rivlin plan reduces spending to 23.0 percent of GDP with revenues capped at 21.4 percent of GDP by 2020, higher target levels than the Bowles-Simpson plan proposes. In the Bowles and Simpson plan about 1/3 of cost savings for 2012-2020 come from revenue increases and the rest from spending cuts, while in the Domenici and Rivlin plan deficit reduction will be achieved by roughly half of its savings coming from spending cuts and half from revenue increases.

The Domenici and Rivlin package proposes to contain Medicare and Medicaid costs by increasing premiums and copayments, limiting per-beneficiary cost growth, reforming malpractice law, freezing defense and non-defense discretionary spending for four-five years by eliminating ineffective programs. However, their health care proposal is more controversial than the Bowles and Simpson plan because of the proposed substantial hike in Medicare premiums and cost-sharing expenses (deductibles and coinsurance). If enacted, the plan will raise Medicare Part B premiums from 25.0 to 35.0 percent of total program costs. This is about a $500 increase a year according to the Center on Budget and Policy Priorities. The plan also calls for a transition to “premium support” starting in 2018, by charging higher premiums if costs rise faster. Alternatively, beneficiaries can opt out for a private plan, which is effectively equivalent to a voucher system. As for Social Security reform, the plan recommends gradually increasing the taxable base and switching to an alternative measure of inflation (which captures changes in consumer spending patterns, and hence does not overstate overall inflation) in indexing benefits each year. Because of the expected increase in life expectancy, the Domenici and Rivlin plan would reduce the replacement rates for future beneficiaries, so that retirees will receive smaller monthly benefits but for longer periods of time.

On the revenue side, the recommendations are similar in spirit to the Bowles-Simpson plan but less regressive. In particular, the proposed package would cut individual income tax rates and establish just two brackets, 15.0 percent and 27.0 percent. It would reduce the corporate income tax rate to 27.0 percent and eliminate almost all tax deductions for individuals and corporations. Also, the plan recommends enacting a payroll tax holiday for 2011, which they claim will help revive the economy and create up to seven million new jobs. Perhaps the most distinguishing feature of the plan is the proposal to enact a new national tax – Debt Reduction Sales Tax (DRST) of 6.5 percent – aimed, along with the spending reductions, at balancing the budget and reducing the national debt to a sustainable level.

1.4. Alternative Scenarios

In the baseline scenario presented here and used to drive the Tennessee forecast presented in chapter 2, the economy will continue to grow at moderate pace in 2011 after a bit of a roller-coaster ride in 2010. Gradual growth in incomes and consumer spending will reinforce each other as the labor market gradually improves. On the downside, the weak housing market and credit constraints will dampen the recovery.

While the recovery is on the way, the odds that it will falter are 20.0 percent. In this pessimistic scenario, the economy slips into a second recession. This scenario assumes lower consumer spending and investment due to weak consumer confidence and tight credit. Global growth slows down, the housing market remains depressed and the labor market deteriorates. The Eurozone sovereign debt problem deteriorates and sends the euro sliding against the dollar. The stronger dollar will reduce U.S. competitiveness, further dragging down the economy. Inflation-adjusted GDP grows at a mere 0.3 percent (annualized) rate under this scenario.

1.5. Forecast Summary and Conclusions

In the optimistic scenario (20.0 percent probability), the boost to growth from stimulative fiscal policy and quantitative easing will be more pronounced improving the odds of a vibrant recovery. The economy easily recovers from the recession and enters a phase of self-sustaining expansion. The accelerating recovery causes prices to rise more rapidly and CPI inflation moves higher in 2011 (2.0 percent). Inflation-adjusted GDP grows at or above 4.0 percent in 2011. This scenario also assumes faster global growth and a weaker dollar, which should boost the export volume.

- Inflation-adjusted GDP is forecast to grow at an annualized rate of 3.2 percent.
- Job growth will be gradual, at least for the first half of the year, and the unemployment rate is forecast at 9.3 percent.
- As consumer sentiment gradually improves, inflation-adjusted consumer spending will rise 3.2 percent. The rebound is fueled by higher spending on durable goods.
- Growth in fixed business investment will continue to trend upward, with equipment and software growth offsetting continued weakness in structures.
- Improvements in the housing market will be sluggish and housing starts will not attain their pre-recession levels any time in the near future.
- The new $860 billion fiscal stimulus package that includes a range of tax cuts and unemployment insurance benefit extensions will speed up the pace of recovery.
- Economic recovery in the U.S.'s major trading partners and a weak dollar will boost export growth.
- Deflation rather than inflation will be the main concern in the near term as the core inflation is falling to an uncomfortably low 1.0-2.0 percent.

CHAPTER 2: THE TENNESSEE ECONOMY: SHORT-TERM OUTLOOK

In this chapter—

2.1. Introduction

As Tennessee entered 2010 the state saw modest and preliminary indications of an economy that was on the mend. The first quarter of the year produced a much welcomed seasonally-adjusted employment gain of 0.2 percent. In normal times this would be a very poor showing from the state labor market. However, this was the first seasonally-adjusted gain in employment dating back to the first quarter of 2008. By the third quarter of 2010 the state had posted its first *year-over-year* employment gain since early 2008. November ushered in further good news as the state unemployment rate came in at 9.4 percent, well below the 10.7 percent rate of just a year ago; the state unemployment rate held steady at 9.4 percent in December. Nonfarm employment was up 1.0 percent on a year-over-year basis in November offering additional hope of better economic conditions ahead. The state's fiscal situation also has seen significant improvement with nine consecutive months of year-over-year growth in sales tax revenue. The short-term forecast for Tennessee presented below points to continued improvement in economic conditions into 2013.

The tepid economic growth that is finally emerging in Tennessee is building on the longest and deepest economic downturn in modern history. Aggravating the situation is the fact that some measures of economic activity, including residential housing, were artificially inflated at the peak of the last business cycle. Unlike most recessions, the Great Recession that began in 2007 and ended in 2009 will have a significant impact on economic performance for many years to come. (This is discussed in Chapter 3 where the long-term economic outlook is presented for the state extending out to 2020.) Nonfarm employment will not return to its pre-recessionary peak until 2014, and the unemployment rate will remain elevated for several years to come. The decade ahead will represent a period of significant adjustment and restructuring for both the state and national economies.

The near-term outlook for the state is largely positive, tempered by expectations of relatively modest rates of expansion compared

2.2. Introduction, continued

to recovery from other historical recessions. Encouraging are upward revisions to third quarter U.S. gross domestic product (GDP) data and the anticipation of a strong fourth quarter showing for the national economy. Nonfarm employment in Tennessee is expected to advance 1.3 percent in 2011, the first annual gain since 2007 when jobs were up at an anemic 0.5 percent pace. The only broad sectors expected to see employment losses in 2011 are information, financial activities and government. After averaging 10.0 percent in 2010, the unemployment rate will slip to 9.1 percent in 2011 and fall further to 8.8 percent in 2012. The state's economic performance will generally mirror the pattern expected for the national economy in the quarters ahead.

2.2. The Current Economic Environment

The last several years have had a devastating effect on the national and state economies but conditions are now improving, albeit slowly. Nonfarm job losses in Tennessee were a staggering 5.6 percent in 2009 while 2010 is expected to show a setback of only 0.5 percent. The national economy had a similar experience with jobs falling 4.3 percent in 2009 and then slipping only 0.5 percent in 2010. From the onset of the recession in the fourth quarter of 2007 to the final quarter of 2010, the state lost 189,300 nonfarm jobs. Nearly 70 thousand jobs were shed within the state's manufacturing sector alone. Every broad sector of the state economy witnessed job losses over this period of time except the education and health services sector and the government sector (though government employment will be down in 2011).

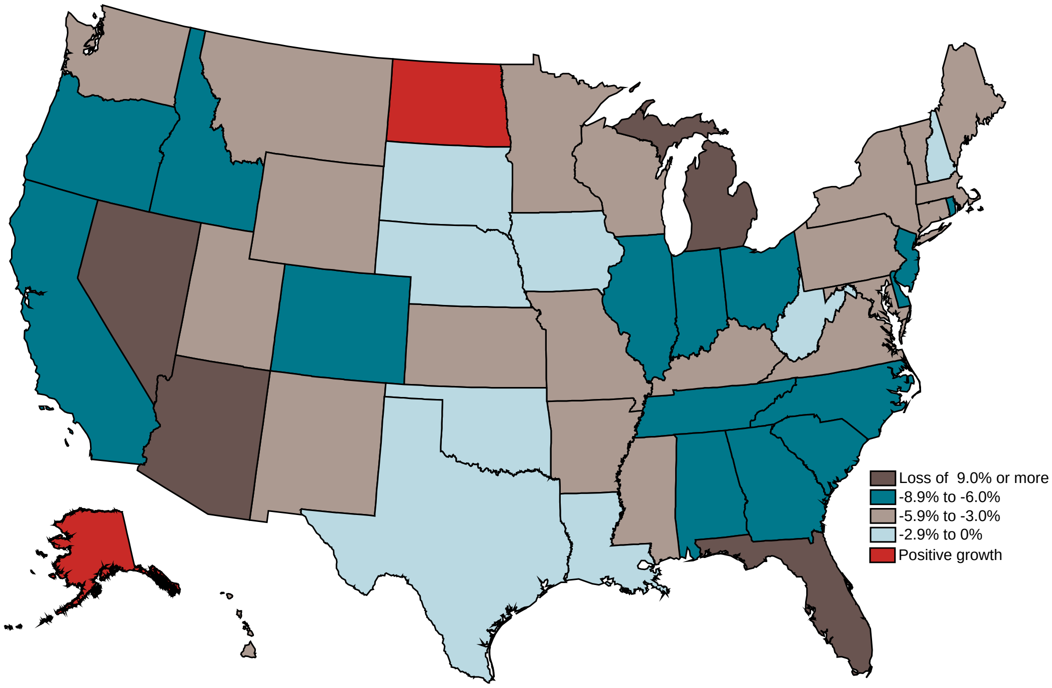
Between December, 2007 (the start of the recession) and November, 2010, the nation lost 7.4 million jobs reflecting 5.4 percent of total employment. (See Figure 2.1.) North Dakota and Alaska were the only states to post employment gains over this period of time. The situation in Nevada has been especially dire with nearly 15 percent of the employment base evaporating since the onset of the recession. Arizona, Florida and Michigan have endured losses in excess of 9 percent. Tennessee performed worse than the southeast and the nation with job losses of 6.6 percent.

Tennessee's natural resources and construction sector experienced a 17.3 percent drop in employment in 2009 as building activity retrenched; 2010 will show improvement but jobs will still fall 6.4 percent. Manufacturing employment was down 5.0 percent in 2008 worsening to a 14.2 percent setback in 2009; job losses in 2010 are expected to be only 1.8 percent. The education and health services sector was able to engineer a 2.3 percent gain in 2009 while the rest of the labor market was tumbling. The strength in education and health services was one of the factors that helped the state's larger metropolitan areas enjoy lower rates of overall economic decline relative to their rural counterparts over the course of the business cycle. (Rural counties in Tennessee tend to rely disproportionately on manufacturing employment, while metropolitan areas tend to have a larger share of economic activity in service sectors.)

The employment situation has been grim across the state but especially grim in rural communities. Year-over-year job trends for Tennessee counties are reported in Figure 2.2 using the most recently available data for the month of March. Thirteen Tennessee counties had employment losses in excess of 5 percent for this single twelve-month period. However, 33 counties also enjoyed year-over-year job gains. Maury County had the largest job losses (down 12.2 percent) while tiny Lake County had the strongest gains (up 7.1 percent). The situation has likely improved since March given the stronger statewide labor market that emerged over the course of 2010.

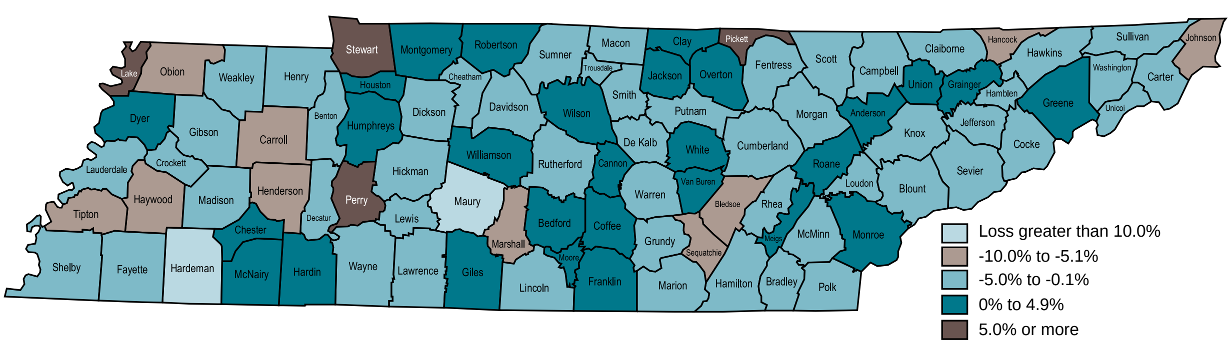
2.2. The Current Economic Environment, continued

Figure 2.1. Most States Have Lost Jobs Since the Start of the Recession
(December 2007 to November 2010 growth)



Source: Bureau of Labor Statistics.

Figure 2.2. One-Third of Tennessee Counties Have Experienced Job Growth
(March 2009 to March 2010)



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

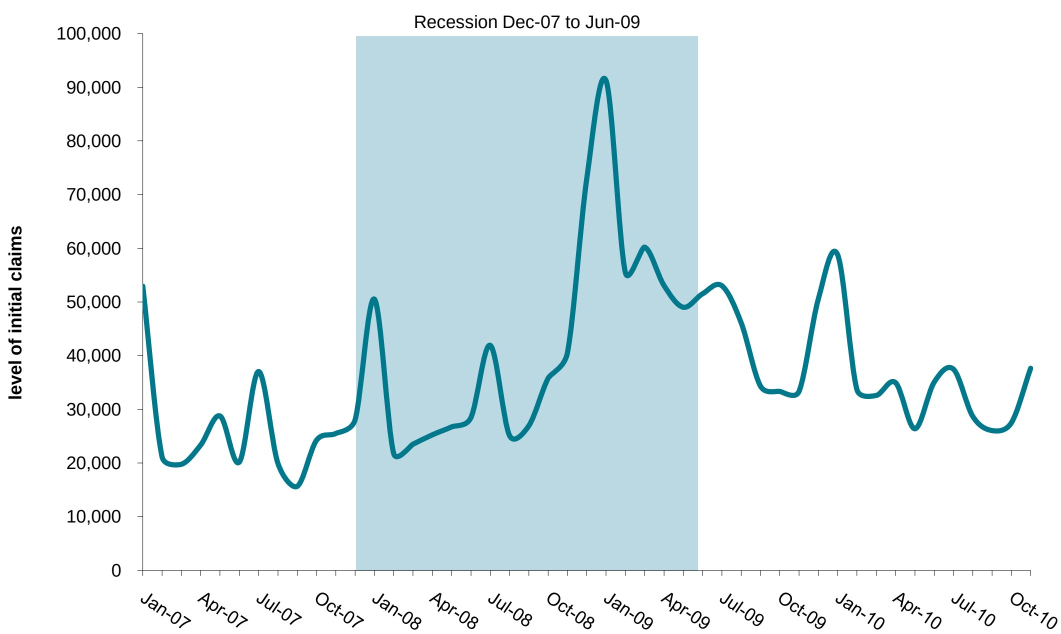
2.2. The Current Economic Environment, continued

Tennessee's seasonally-adjusted unemployment rate peaked at 10.9 percent in June, July and August of 2009. With a bit of back pedaling along the way, the state's unemployment rate has edged down since then reaching a 9.4 percent low in November and December of last year. The 2009 annual average of 10.5 percent was the highest unemployment rate since 1983 (11.7 percent) and 1.2 percentage points above the national rate. However, unlike the situation in Tennessee, the U.S. unemployment rate drifted up over the second half of 2010 and stood at 9.8 percent in November.

The overall labor force—employed people and unemployed people—was up in 2010 following a 1.0 percent setback in 2009. Job losses and limited hiring caused the number of employed people to fall 1.0 percent in 2008 with a subsequent 5.0 percent free fall in 2009. Fortunately, the situation reversed itself in each quarter of 2010 yielding annual growth of 1.1 percent.

The number of unemployed people skyrocketed 38.9 percent in 2008 followed by a further spike of 54.1 percent in 2009. When the recession began in the fourth quarter of 2007 there were 164,000 unemployed people in Tennessee, but by the third quarter of 2009, the number had climbed to 327,000. There has been some much-welcomed relief since then though the figures remain elevated. Notably, the state's November employment release showed a 9.9 percent year-over-year decline in the number of unemployed people. As shown in Figure 2.3, initial claims for unemployment insurance have fallen from their recessionary peak but remain elevated compared to the pre-recession period.

Figure 2.3. Initial Claims for Tennessee Unemployment Insurance Fall from Their Peak



Source: Bureau of Labor Statistics.

2.2. The Current Economic Environment, continued

Beyond the Unemployment Rate

The unemployment rate is an important measure of the health of an economy. The Bureau of Labor Statistics (BLS) defines the baseline unemployment rate as the number of unemployed workers divided by the total labor force of the economy—be it city, state, or country. Unemployed workers are those who are 16 years or older, willing and able to work, currently jobless, *but seeking employment.* The labor force is the total number of currently employed and unemployed workers in the economy. On the surface this seems like a reasonable measure of the unemployed, but there are facets of unemployment not entirely captured by the standard unemployment rate that is familiar to most people.

Of particular concern are those workers who are currently unemployed, were seeking employment at one time, but have since stopped searching because of the bleak hiring outlook. These so-called "discouraged workers" add a layer of complexity to understanding the full measure of the unemployed. Even though they are jobless, discouraged workers are not a part of the calculation of the baseline unemployment rate. The BLS defines discouraged workers as those who have sought work in the past 12 months but have not looked for a job over the past four weeks. This definition echoes two important features of an unhealthy economy: fewer jobs and diminished confidence. As the length of time between jobs increases for unemployed workers, their confidence in finding work falls, and the likelihood that they stop seeking employment rises.

The number of discouraged workers can be significant. For example, the U.S. baseline unemployment rate was 9.7 percent in the third quarter of 2010, but by including discouraged workers the rate rises to 10.3 percent. Tennessee had a baseline unemployment rate of 9.8 percent, but when discouraged workers are included, the unemployment rises to 10.4 percent. The rates in Mississippi and South Carolina, 11.6 and 10.8 respectively, rise a full percentage point when discouraged workers are included.[1] These figures show a significant difference in unemployment between baseline rate measures and measures that include discouraged workers.

A second issue with unemployment reporting is that of *under*employment. Workers are considered to be underemployed if one of the following three criteria hold: their attained skill is above the skill level required to perform their current job, they wish to work more hours than they are currently allowed, or they are employed but not working due to legal or seasonal reasons. Workers who satisfy any of the three criteria are considered employed by the baseline unemployment calculation, however their productive capabilities are significantly diminished by their underemployment. The BLS measures the percentage of workers who are currently working part-time but wish to work full-time, illustrating the second criteria listed above. When you consider workers who are currently underemployed (with respect to the hours they work) and add them to the baseline unemployment rate for the U.S., the rate increases by 5.7 percentage points; for Tennessee the rate increases by 5.2 percentage points. Underemployed workers represent another portion of the workforce that suffers in an economic decline and reflects further forgone output for the economy as a whole.

A third facet underlying differing unemployment rates is the differential burden for workers with varying levels of educational attainment. The BLS breaks up the workforce into four categories: those with less than a high school education, those with a high school diploma (or equivalent), those with some college or an associate's degree, and those with at least a bachelor's degree (including graduate degrees). As of November 2010, the current national unemployment rate for workers with at least a bachelor's degree was 5.1 percent. The rate for workers with some college or an associate's degree was 8.7 percent, and for workers with just a high school diploma, the rate was 10.0 percent. Workers with no high school diploma had an unemployment rate of 15.7 percent.[2]

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1 *"Local Areal Unemployment Statistics: Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2009 through Third Quarter of 2010 Averages,"* retrieved from the Bureau of Labor Statistics, December 20, 2010.

2 "*Economic News Release: Table A-4, Seasonally Adjusted Rates,*" retrieved from the Bureau of Labor Statistics, December 20, 2010.

2.2. The Current Economic Environment, continued

Year-over-year changes in non-seasonally adjusted unemployment rates for Tennessee counties for November 2010 are reported in Figure 2.4. As dire as the unemployment situation is across Tennessee, there was marked improvement in 2010 relative to the depths of 2009. In fact, only five counties—Maury, Montgomery, Pickett, Scott and Stewart—saw unemployment rates rise on a year-over-year basis. The largest reductions in the unemployment rate occurred in Henderson and Smith counties where rates are down 4.3 and 5.0 percentage points.

Personal income captures all forms of income individuals earn on a residence-adjusted basis. For example, if a person lives in Georgia and earns income in Tennessee, that income is assigned to Georgia and vice versa. The same is true of individual counties in Tennessee as well as other states—income is assigned to the place of individual residence, not where the person works. Total personal income is a good measure of the size of an economy while per capita personal income is a good measure of relative prosperity and the economic wellbeing of people.

Per capita income in Tennessee continues to lag the nation, falling below 90 percent of the national average. There are significant differences in per capita income across the state's 95 counties as shown in Figure 2.5. Only three counties in the state had per capita incomes above $40,000 in 2008: Davidson, Shelby and Williamson. On the other hand, 18 counties had per capita incomes below $25,000 which is only about 61 percent of national per capita income.

A general and consistent pattern that emerges regarding the economic wellbeing of counties is that those places with a better educated populace enjoy higher levels of per capita income and lower unemployment rates. Figure 2.6 reports data on county educational attainment from the American Community Survey sampling waves across 2005-2009. A comparison of Figure 2.6 against Figures 2.4 and 2.5 demonstrates a relatively tight negative correlation between adult educational

Education

There is growing awareness of the importance of education to the economic wellbeing of people and places. A recent report by CEOs for Cities seeks to document some of the benefits that accrue to cities when they invest more in the human capital skills of their residents. An important general conclusion is that "education drives metro prosperity."

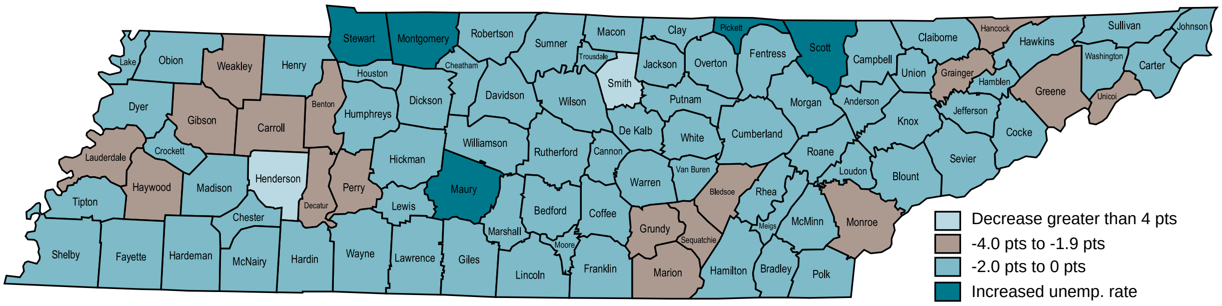
Some key findings from the report include the following:

- Human capital—the education and training of the workforce—is a key determinant of urban prosperity.
- Cities with higher levels of education not only have higher incomes but faster rates of income growth.
- For cities, each 2 percent increase in the fraction of the population with a college degree was associated with a 1 percent increase in personal income growth in the 1990s.
- Cities with higher levels of educational attainment are better able to deal with economic shocks.
- Economists estimate that each 10 percent increase in the fraction of a region's population with a four-year degree has the effect of increasing wages 8 percent at every education level.
- The cross-sectional data for the largest metropolitan areas suggest that in 2006, each additional percentage point improvement in aggregate adult four-year college attainment was associated with a $763 increase in annual regional per capita income.

For more information see http://www.ceosforcities.org/files/City_DividendsFINAL.pdf

2.2. The Current Economic Environment, continued

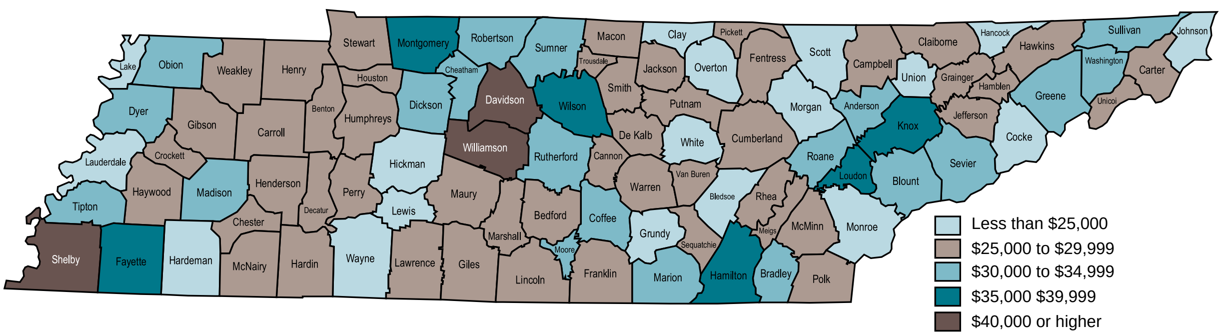
Figure 2.4. Tennessee Counties See Unemployment Rates Trend Down



Note: 12-month change (in points) in the county unemployment rate, November 2009 to November 2010.
Data are not seasonally adjusted.
Source: Bureau of Labor Statistics.

Figure 2.5. Per Capita Personal Income is Lower Than the U.S. Average in Most Counties

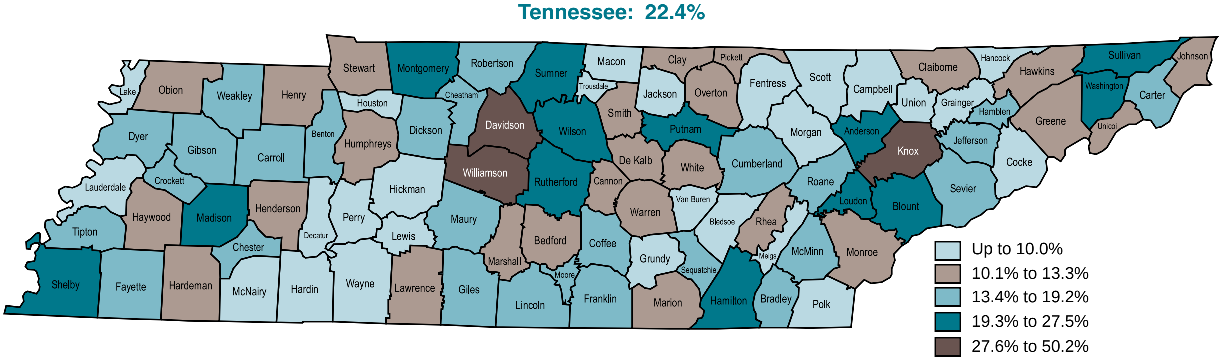
Tennessee: $34,833
U.S.: $40,673



Note: Annual data for 2008 in current dollars.
Source: Bureau of Economic Analysis.

Figure 2.6. Higher Levels of Educational Attainment Mean Greater Economic Prosperity
(Percentage of Population 25 Years and Older with Bachelor's Degree or Higher)

Tennessee: 22.4%



Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates.

2.2. The Current Economic Environment, continued

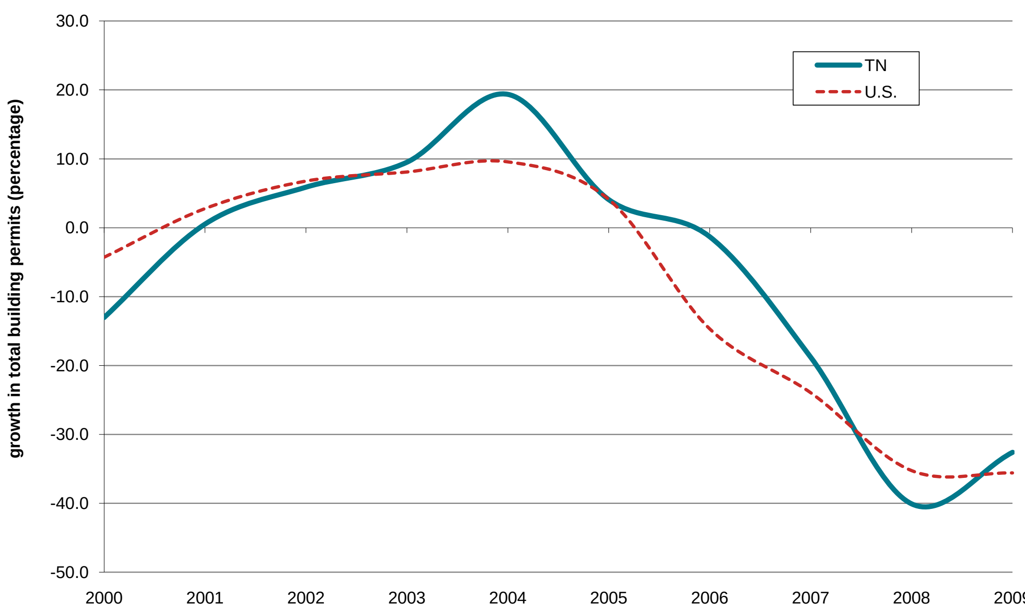
attainment and unemployment rates and a positive correlation between educational attainment and per capita income.

The 22.4 percent statewide average reported in Figure 2.6 applies to 2009, while the data for individual counties is for the five-year interval 2005 to 2009. Although the state-level and county-level are not directly comparable because of the different years, it is nonetheless striking that 84 counties have educational attainment levels that lagged the 2009 statewide figure. Twenty-six counties report that 10 percent or less of the adult population has a bachelor's or more advanced degree. Educational attainment levels are rising in Tennessee, but because the same is true for the nation as a whole, Tennessee's relative position among the states remains largely unaltered.

The worst appears to be over for the state's construction sector. But a deep hole remains to be filled. Building permits for the state and nation continue to contract, as shown in Figure 2.7, but the rate of decline has slowed for the U.S. and reversed itself in Tennessee. The cumulative setbacks since the trends moved into the red are quite pronounced with more than three years in a row of contraction in Tennessee.

Loans in foreclosure also appear to have turned the corner for both the U.S. and Tennessee (see Figure 2.8). Foreclosure rates are expected to remain elevated with an additional spike likely to take place in the first quarter of 2011. Loans in foreclosure ultimately lead to more houses on the market, depressing construction activity and prices. This means less construction sector employment, fewer building material purchases and downward pressure on taxable sales and sales tax collections. But the situation does appear to be improving from the depths of the recession.

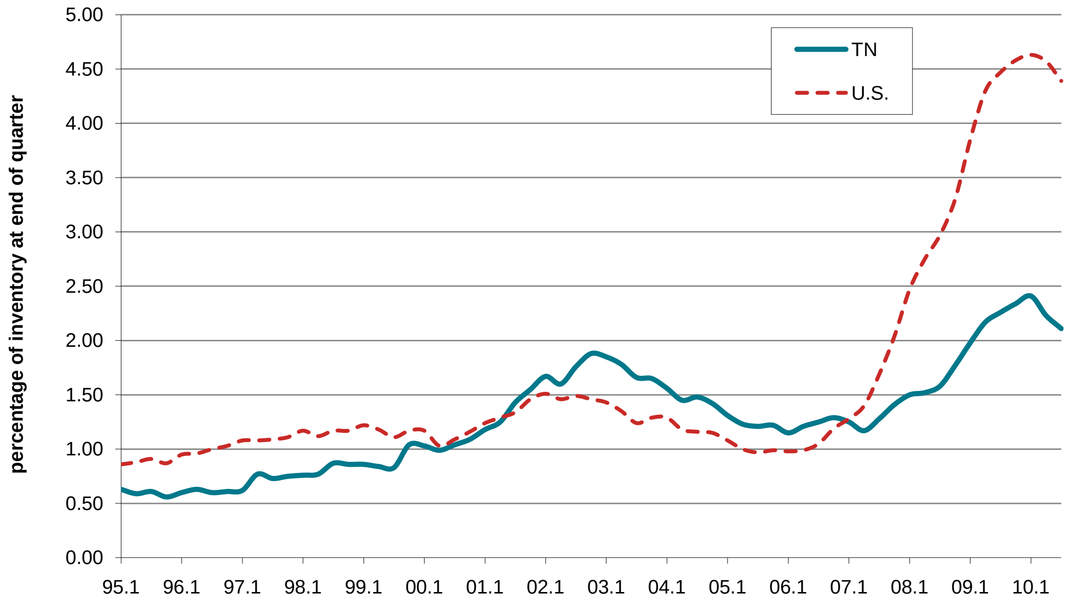
Figure 2.7. Tennessee Building Permits Have Finally Turned the Corner, But Remain in the Red



Source: U.S. Department of Housing and Urban Development, State of the Cities Data Systems (SOCDS) Building Permits Database.

2.2. The Current Economic Environment, continued

Figure 2.8. Loans In Foreclosure Finally Beginning to Slow



Source: Mortgage Bankers Association, National Delinquency Survey

2.3. Fiscal Update

After two of the worst fiscal years since World War II, the states are finally starting to see improvement in revenue performance. For the nation as a whole, state tax collections were positive for three consecutive quarters in 2010, and growth is now expected to continue through fiscal year 2010/11 and beyond. While state revenues are growing, they have a long way to go to reach the pre-recession peaks of 2008.[1] The situation for America's cities continues to be grave, with the National League of Cities reporting that property tax revenues are now in decline because of falling property values. The performance of the property tax lags other revenue sources because of the time delay in putting new property values on assessment roles.[2] This pattern suggests ongoing pressures for cities and counties in Tennessee until the property tax base stabilizes.

The sluggish recovery due to the severe recession caused general fund revenues and spending of the states to decline over fiscal 2008/09 and 2009/10. General fund revenues and spending are both forecast to have positive growth in fiscal 2010/11, 4.4 percent and 5.3 percent, but will remain below pre-recession levels by 6.5 percent and 6.1 percent, as shown in Figure 2.9. Looking a year ahead, funding from the American Recovery and Reinvestment Act of 2009 (ARRA) will no longer be available

1 Dadayan, L. & D. Boyd. (November 30, 2010). "State Tax Revenues Rebound Further, Growing For Third Straight Quarter," *State Revenue Flash Report.* The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2010-11-30-State_Revenue_Flash.pdf.

2 National League of Cities Research Brief on America's Cities, "City Fiscal Conditions in 2010," October, 2010. Retrieved from http://www.nlc.org/ASSETS/AE26793318A645C795C9CD11DAB3B39B/RB_CityFiscalConditions2010.pdf.

2.3. Fiscal Update, continued

in fiscal 2011/12, putting states in a position of tight budgets with pressures to raise taxes and impose further spending cuts.[3]

The southeast region (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia) saw conditions very similar to the nation over 2010. Total state tax revenues in the third quarter of 2010 grew at a rate just above the national average on a year-over-year basis. At 4.1 percent growth, the southeast was one of seven regions above the national average of 3.9 percent growth. The U.S., the southeast, and many of the southeastern states had positive total tax revenue growth in the third quarter, as shown in Figure 2.10.

The southeastern region was just below the national average and in the bottom half of the regional rankings in growth for the major tax revenue categories. Sales tax revenues were 3.8 percent above last year in the southeast while the national average was 4.1 percent. The personal income tax showed 4.2 percent year-on-year growth in the third quarter, compared to the nation's 4.7 percent growth. Corporate income tax revenue growth rates were volatile across the board due to varying times for tax payment remittance. The southeastern region was below the national average seeing a 3.6 percent decline in corporate tax revenues in comparison to the nation's 2.5 percent decline.[4]

While Tennessee, much like the southeast and the nation, saw promising collections in the second-half of 2010, revenue levels are still below collections from fiscal year 2007/08. November 2010 was the first November with positive revenue growth since 2007 and the fifth consecutive month of year-over-year growth in 2010. Total tax revenue collections grew 3.4 percent over 2009 but were still $87.7 million below the pre-recession levels of November 2007.

Tennessee sales and use tax collections also grew in November, the first November with positive growth since the start of the recession. Moreover, November was the eighth consecutive month of positive sales tax growth, as shown in Figure 2.11. November 2010 sales tax collections grew 4.4 percent year-over-year but were still $44.0 million below collections of November 2007 (see Figure 2.12). Recent data for December show further growth in revenue.

Tennessee Department of Revenue tax collections for the fiscal year through November 2010 totaled $3,191.6 million, representing a 4.5 percent increase over last year, but $204.9 million under pre-recession levels. Year-to-date sales tax revenues increased 4.0 percent, but sales tax collections were still down $179.2 million in comparison with 2007. The Hall income tax experienced 15.5 percent growth over the same time period in 2009, but this tax category is $3.0 million under pre-recession levels.

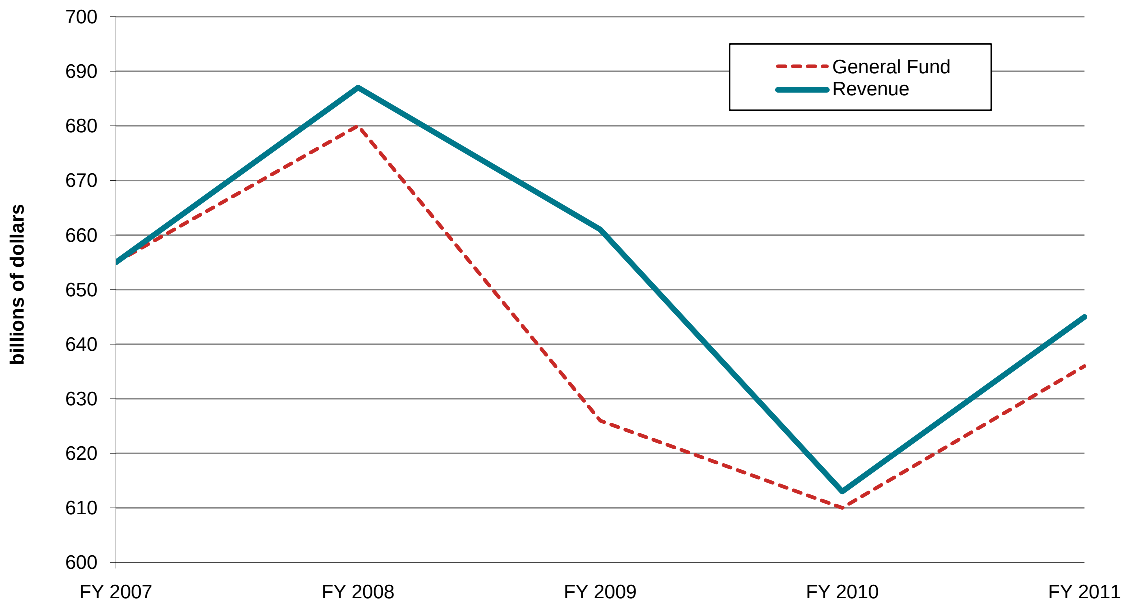
Tennessee and states across the nation are finally experiencing positive revenue growth but this growth is emerging very slowly. Revenues in Tennessee are forecast to continue to expand but will not likely reach pre-recession levels until at least fiscal 2012/13.

3 The National Association of State Budget Offices. (November 19, 2010). "As State Spending and Revenue Remains Well Below Pre-Recession levels, Some States Approach a Cliff in 2012," *Preliminary Summary NGA/NASBO Fall 2010 Fiscal Survey of States.* Retrieved from http://www.nasbo.org/LinkClick.aspx?fileticket=wJKroFj6QDA%3D&tabid=38.

4 Dadayan, L. & D. Boyd. (November 30, 2010). "State Tax Revenues Rebound Further, Growing For Third Straight Quarter," *State Revenue Flash Report.* The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2010-11-30-State_Revenue_Flash.pdf.

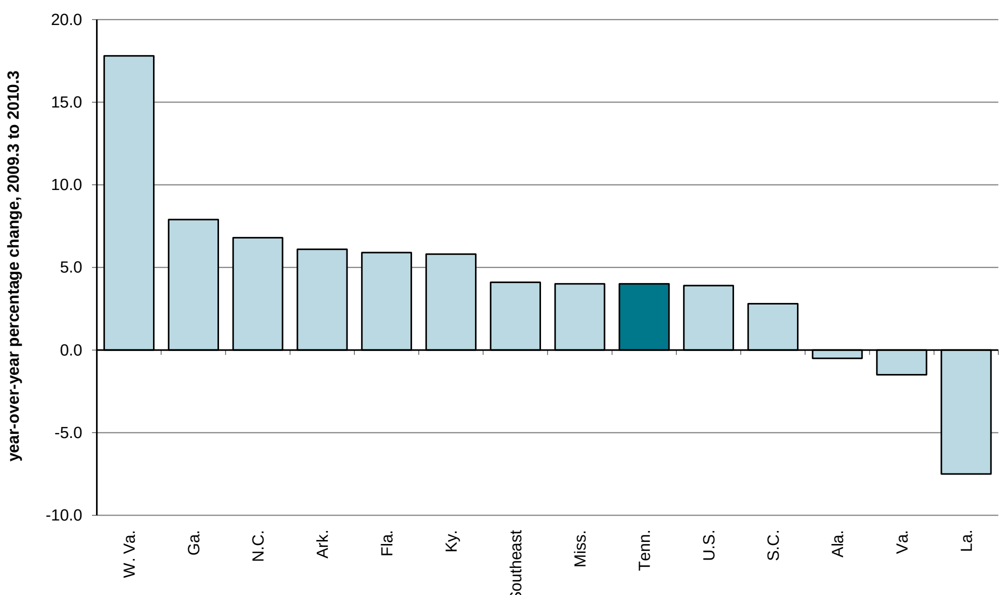
2.3. Fiscal Update, continued

Figure 2.9. General Fund Revenue and Spending Will Begin to Rebound in 2011



Note: Data are for all states. FY 2007, 2008 and 2009 are actual. FY 2010 is preliminary actual. FY 2011 is enacted.
Source: The National Association of State Budget Officers, Preliminary Summary NGA/NASBO Fall 2010 Fiscal Survey of States. November 19, 2010.

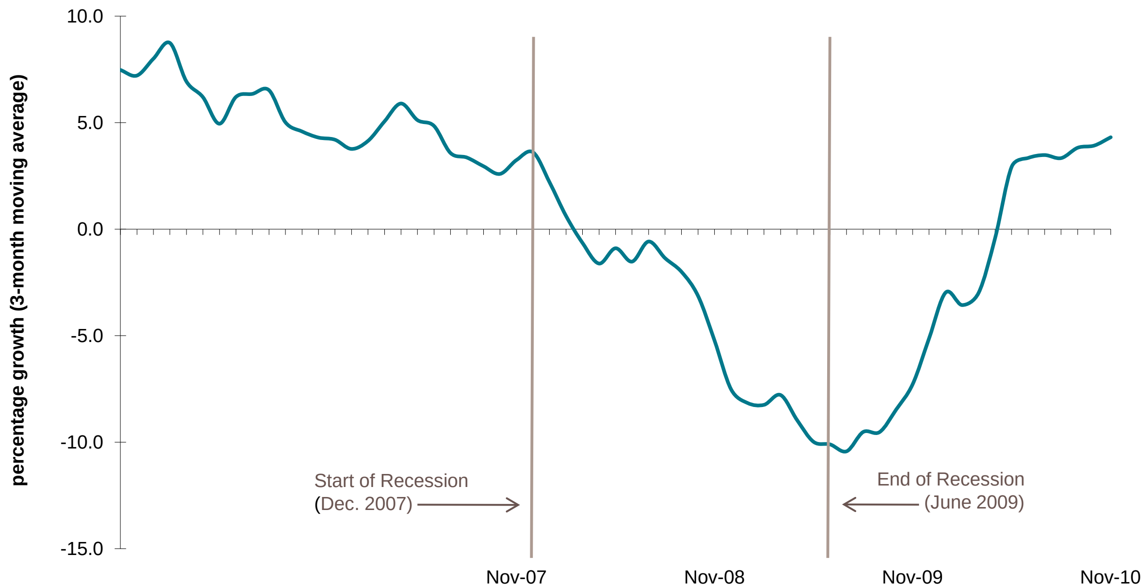
Figure 2.10. Nine of the Twelve Southeastern States Experienced Positive Revenue Growth in the Third Quarter of 2010



Source: The Nelson A. Rockefeller Institute of Government.

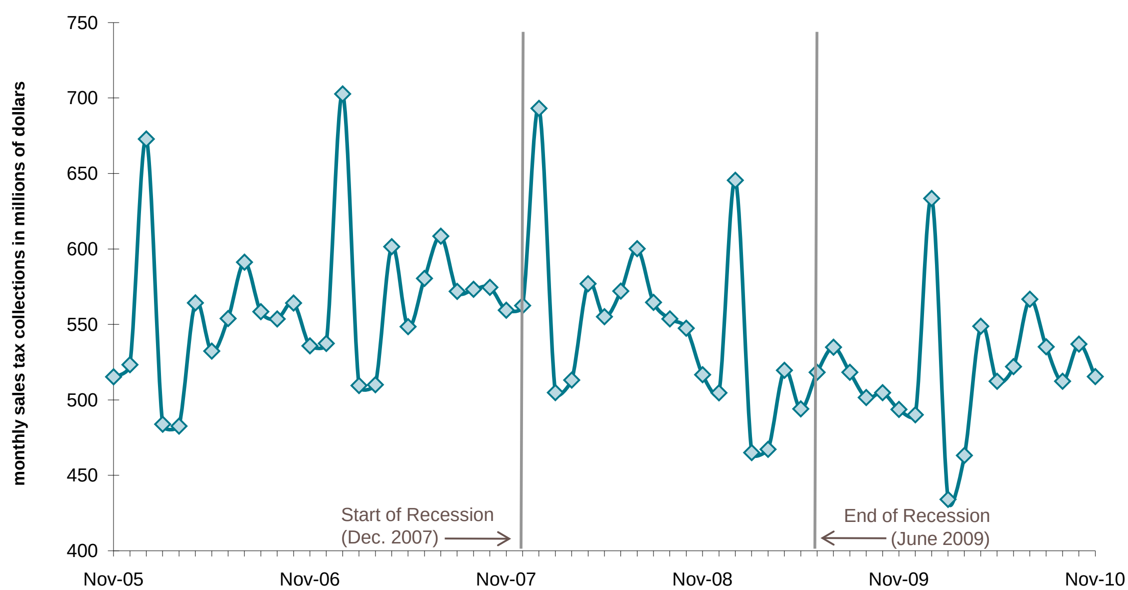
2.3. Fiscal Update, continued

Figure 2.11. Sales Tax Revenue Growth is Positive for the Eighth Consecutive Month



Source: Tennessee Department of Revenue.

Figure 2.12. Tennessee Sales Tax Revenue Levels are Still Below Pre-recession Levels



Source: Tennessee Department of Revenue.

2.4. Short-Term Outlook

Economic conditions will show slow and steady improvement throughout the short-term forecast horizon that extends through the first quarter of 2013. Employment growth will accelerate, the unemployment rate will edge down and sales tax revenues will move close to a full recovery from their pre-recession peak. A summary of the economic outlook is presented in Table 2.1.

The state and national employment outlook for 2011 is especially bright compared to recent years with expectations of the strongest annual performance since 2006. Nonfarm employment in Tennessee is projected to

What is a Green Job?

There has been much talk in recent years of the "green economy" and "green jobs." But these concepts often have been used loosely with little concrete understanding of what they mean and how they are defined. The Bureau of Labor Statistics (BLS) has now developed a definition of "green jobs" for use in data collection and analysis covering two planned surveys.[1] This definition will aid in the collection of helpful information regarding the level of green economic activity taking place in the U.S. and Tennessee.

There are two general categories that describe broadly what will count as a green job, and jobs will be considered green if they fall into either one of the categories.[2]

- Jobs in businesses that produce goods or provide services that benefit the environment or conserve natural resources.
- Jobs in which workers' duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources.

The first category refers to any job within a company that provides a good or service explicitly used for the benefit and conservation of the environment. An example would be an administrative assistant at a business that manufactures low wattage light bulbs. The second category refers to any job for which the purpose is to improve or maintain the environmental impact of the business. An example would be a researcher employed by a manufacturer of shoes to study cutting-edge ways to lessen waste by the manufacturer. Each category above is further broken down into subcategories. The subcategories are identical with only one exception: the exclusion of 5) from the second category.

1. Energy from renewable sources considers any electricity, heat, or fuel created from a renewable source. These include solar, wind, biomass, geothermal, ocean, hydropower, and landfill energies.
2. Energy efficiency refers to increasing the energy efficiency of products or businesses such as equipment, appliances, vehicles, etc.
3. Pollution reduction and removal, greenhouse gas reduction, and recycling and reuse includes the abatement of hazardous materials, non-greenhouse energy, composting, and waste water refinement, as well as any other effort to reduce pollution.
4. Natural resource conservation refers to organic agriculture, sustainable forestry, land management, soil management, and storm-water management. Also included is any other effort to conserve natural resources.
5. Environmental compliance, education and training, and public awareness considers the enforcement and education of environmental business policies.

1 "Measuring Green Jobs", The Bureau of Labor Statistics, retrieved from www.bls.gov/green on December 15th, 2010.
2 The BLS acknowledges that between the two surveys, some jobs may be counted twice.

2.4. Short-Term Outlook, continued

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

	History		Forecast Data										Annual		
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011
US GDP (Bil2005$) SAAR..........................	13194.9	13278.5	13399.6	13526.4	13630.6	13712.4	13823.2	13895.1	14000.1	14115.7	14248.8	14330.0	12880.6	13253.0	13673.2
% Chg Prev Qtr SAAR...........................	1.72	2.56	3.70	3.84	3.12	2.42	3.27	2.10	3.06	3.34	3.82	2.30	-2.63	2.89	3.17
% Chg Same Qtr Last Yr........................	3.00	3.25	2.92	2.95	3.30	3.27	3.16	2.73	2.71	2.94	3.08	3.13	-2.63	2.89	3.17
US GDP (Bil$) SAAR................................	14578.7	14745.1	14876.0	15083.1	15230.3	15357.7	15524.7	15660.5	15826.7	16014.5	16227.6	16392.2	14119.1	14661.6	15298.9
% Chg Prev Qtr SAAR...........................	3.71	4.64	3.60	5.69	3.96	3.39	4.42	3.55	4.31	4.83	5.43	4.12	-1.74	3.84	4.35
% Chg Same Qtr Last Yr........................	3.88	4.47	4.19	4.41	4.47	4.15	4.36	3.83	3.92	4.28	4.53	4.67	-1.74	3.84	4.35
TN PERSONAL INCOME (MIL2005$) SAAR...	201900	202649	203941	205624	207636	209408	210934	212407	214017	215557	217078	218253	197348	201850	208400
% Chg Prev Qtr SAAR...........................	6.15	1.49	2.57	3.34	3.97	3.46	2.95	2.82	3.07	2.91	2.85	2.18	-1.74	2.28	3.25
% Chg Same Qtr Last Yr........................	1.60	3.33	3.66	3.38	2.84	3.34	3.43	3.30	3.07	2.94	2.91	2.75	-1.74	2.28	3.25
US PERSONAL INCOME (BIL2005$) SAAR...	11288	11334	11389	11568	11660	11740	11815	11768	11851	11937	12032	12100	11144	11287	11696
% Chg Prev Qtr SAAR...........................	5.56	1.65	1.95	6.42	3.24	2.74	2.59	-1.58	2.85	2.94	3.22	2.28	-1.92	1.29	3.62
% Chg Same Qtr Last Yr........................	0.65	2.12	2.67	3.87	3.30	3.57	3.74	1.73	1.63	1.68	1.84	2.82	-1.92	1.29	3.62
TN PERSONAL INCOME (MIL$) SAAR.........	223883	225289	227669	230253	233027	235795	238398	241065	243830	246591	249415	251905	215612	224358	234368
% Chg Prev Qtr SAAR...........................	6.10	2.54	4.29	4.62	4.91	4.84	4.49	4.55	4.67	4.61	4.66	4.05	-1.56	4.06	4.46
% Chg Same Qtr Last Yr........................	3.54	4.82	4.89	4.38	4.08	4.66	4.71	4.70	4.64	4.58	4.62	4.50	-1.56	4.06	4.46
US PERSONAL INCOME (BIL$) SAAR..........	12517	12593	12712	12954	13096	13231	13367	13369	13515	13670	13839	13981	12175	12543	13162
% Chg Prev Qtr SAAR...........................	5.51	2.44	3.83	7.85	4.46	4.19	4.18	0.05	4.45	4.67	5.03	4.16	-1.75	3.02	4.94
% Chg Same Qtr Last Yr........................	2.57	3.53	3.86	4.89	4.62	5.07	5.16	3.20	3.20	3.32	3.53	4.58	-1.75	3.02	4.94
TN NONFARM JOBS (THOUS)....................	2614.5	2607.0	2614.2	2622.8	2634.7	2646.8	2659.8	2671.5	2684.3	2697.4	2710.0	2721.9	2619.0	2606.9	2641.0
% Chg Prev Qtr SAAR...........................	3.56	-1.15	1.11	1.33	1.83	1.84	1.98	1.78	1.92	1.96	1.89	1.77	-5.61	-0.46	1.31
% Chg Same Qtr Last Yr........................	-0.22	0.43	0.92	1.20	0.77	1.53	1.74	1.86	1.88	1.91	1.89	1.89	-5.61	-0.46	1.31
US NONFARM JOBS (MIL).........................	130.4	130.3	130.6	131.1	131.7	132.4	133.1	133.7	134.4	135.0	135.8	136.4	130.9	130.3	132.1
% Chg Prev Qtr SAAR...........................	2.16	-0.15	0.71	1.48	1.99	2.05	2.15	1.93	1.93	2.04	2.27	1.81	-4.29	-0.50	1.38
% Chg Same Qtr Last Yr........................	-0.55	0.21	0.72	1.05	1.00	1.56	1.92	2.03	2.01	2.01	2.04	2.01	-4.29	-0.50	1.38
TN MFG JOBS (THOUS)............................	304.3	305.0	306.2	307.0	307.8	308.9	310.0	311.2	312.4	313.5	314.6	315.5	309.7	304.1	308.4
% Chg Prev Qtr SAAR...........................	4.53	0.96	1.56	1.07	1.08	1.43	1.35	1.57	1.52	1.54	1.38	1.17	-14.19	-1.81	1.42
% Chg Same Qtr Last Yr........................	-1.59	0.78	1.73	2.02	1.17	1.28	1.23	1.36	1.47	1.49	1.50	1.40	-14.19	-1.81	1.42
US MFG JOBS (MIL)..................................	11.7	11.7	11.7	11.7	11.8	11.9	12.0	12.1	12.2	12.2	12.3	12.4	11.9	11.6	11.8
% Chg Prev Qtr SAAR...........................	2.91	0.98	-1.05	0.68	4.20	3.15	2.27	3.49	3.18	2.40	2.77	4.38	-11.32	-2.03	1.59
% Chg Same Qtr Last Yr........................	-2.20	0.00	0.86	0.87	1.19	1.73	2.57	3.28	3.02	2.83	2.96	3.18	-11.32	-2.03	1.59
TN UNEMPLOYMENT RATE (%)................	10.3	9.6	9.4	9.3	9.2	9.1	9.0	9.0	8.9	8.8	8.7	8.5	10.5	10.0	9.1
US UNEMPLOYMENT RATE (%)................	9.7	9.6	9.7	9.5	9.4	9.2	9.1	9.0	8.8	8.7	8.5	8.3	9.3	9.7	9.3
CHAINED PRICE INDEX, GDP (2005=100.0).	110.5	111.1	111.0	111.5	111.7	112.0	112.3	112.7	113.0	113.5	113.9	114.4	109.6	110.6	111.9
% Chg Prev Qtr SAAR...........................	1.93	2.10	-0.15	1.78	0.82	0.94	1.11	1.42	1.22	1.44	1.54	1.78	0.94	0.92	1.14
% Chg Same Qtr Last Yr........................	0.85	1.19	1.21	1.41	1.13	0.84	1.16	1.07	1.17	1.30	1.41	1.49	0.94	0.92	1.14
US PERS CONSUMP DEFL (2005=100.0).....	110.9	111.1	111.6	112.0	112.3	112.7	113.1	113.6	114.0	114.5	115.0	115.5	109.3	111.1	112.5
% Chg Prev Qtr SAAR...........................	-0.05	0.77	1.84	1.34	1.18	1.41	1.55	1.66	1.56	1.68	1.75	1.84	0.18	1.71	1.27
% Chg Same Qtr Last Yr........................	1.91	1.37	1.16	0.98	1.28	1.44	1.37	1.45	1.54	1.61	1.66	1.71	0.18	1.71	1.27
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)......................	2.172	2.180	2.195	2.202	2.209	2.219	2.229	2.240	2.251	2.262	2.274	2.285	2.145	2.181	2.215
% Chg Prev Qtr SAAR...........................	-0.72	1.47	2.65	1.36	1.32	1.70	1.91	2.01	1.86	2.00	2.09	2.10	-0.32	1.65	1.55
% Chg Same Qtr Last Yr........................	1.77	1.22	1.23	1.19	1.70	1.76	1.57	1.73	1.87	1.94	1.99	2.01	-0.32	1.65	1.55
BANK PRIME INTEREST RATE (%).............	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.7	4.6	5.5	6.2	3.3	3.3	3.3
FEDERAL FUNDS RATE (% per annum).......	0.193	0.187	0.189	0.167	0.160	0.161	0.200	0.272	0.720	1.593	2.523	3.223	0.160	0.176	0.172
30-YEAR FIXED MORTGAGE RATE (%).......	4.9	4.4	4.4	4.8	4.7	4.7	4.8	4.8	4.8	4.9	5.4	5.9	5.0	4.7	4.7
TN TAXABLE SALES (MIL2005$)................	20276	20085	20437	20683	20917	21032	21153	21308	21472	21637	21787	21933	79929	80595	83785
% Chg Prev Qtr SAAR...........................	10.04	-3.71	7.20	4.91	4.59	2.23	2.32	2.96	3.12	3.11	2.80	2.71	-7.60	0.83	3.96
% Chg Same Qtr Last Yr........................	1.43	1.84	2.57	4.48	3.16	4.72	3.50	3.02	2.66	2.87	3.00	2.93	-7.60	0.83	3.96
TN TAXABLE SALES (MIL$).......................	22484	22329	22815	23161	23474	23683	23907	24183	24463	24752	25032	25315	87324	89582	94225
% Chg Prev Qtr SAAR...........................	9.99	-2.72	8.99	6.20	5.53	3.60	3.85	4.69	4.72	4.81	4.60	4.59	-7.43	2.59	5.18
% Chg Same Qtr Last Yr........................	3.36	3.30	3.78	5.49	4.41	6.06	4.79	4.41	4.21	4.52	4.71	4.68	-7.43	2.59	5.18
TN AVG ANNUAL WAGE, NONFARM (2005$)	38098	38407	38456	38573	38705	38827	38945	39061	39177	39300	39420	39549	37515	38189	38762
% Chg Prev Qtr SAAR...........................	3.27	3.29	0.51	1.22	1.37	1.26	1.23	1.19	1.19	1.26	1.23	1.31	0.44	1.80	1.50
% Chg Same Qtr Last Yr........................	0.99	2.59	2.05	2.07	1.59	1.09	1.27	1.26	1.22	1.22	1.22	1.25	0.44	1.80	1.50
TN AVG ANNUAL WAGE, NONFARM ($)......	42246	42698	42931	43193	43438	43719	44016	44331	44634	44958	45293	45647	40989	42447	43592
% Chg Prev Qtr SAAR...........................	3.23	4.35	2.20	2.47	2.28	2.62	2.74	2.90	2.76	2.93	3.01	3.17	0.63	3.56	2.70
% Chg Same Qtr Last Yr........................	2.92	4.06	3.26	3.06	2.82	2.39	2.53	2.63	2.75	2.83	2.90	2.97	0.63	3.56	2.70

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

2.4. Short-Term Outlook, continued

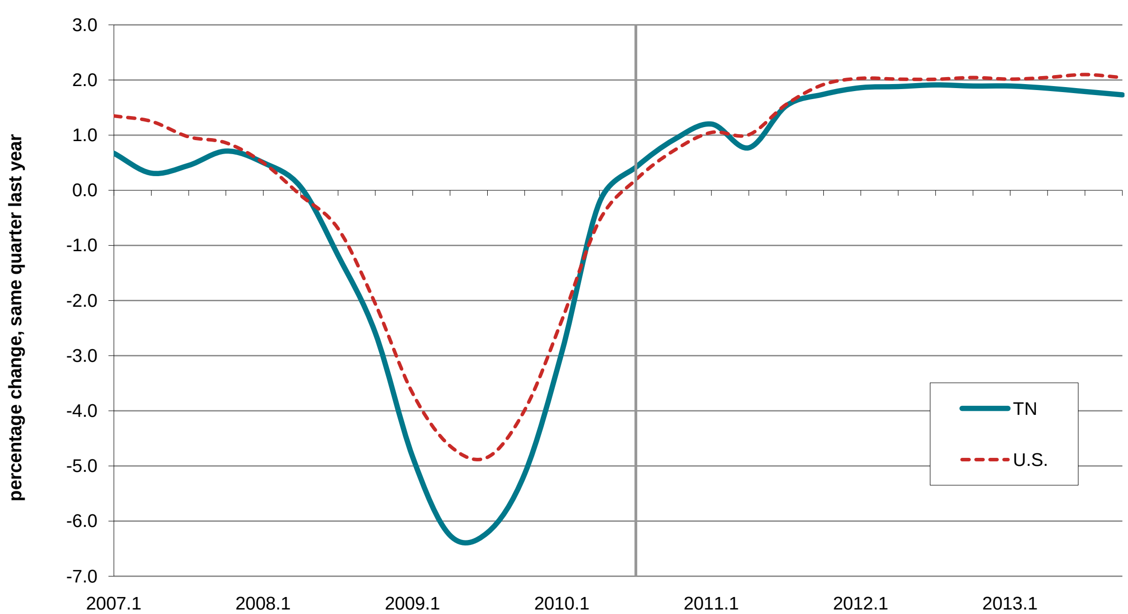
rise 1.3 percent for the year with growth accelerating to 1.9 percent in 2012. The U.S. economy should engineer employment gains of 1.4 percent this year and 2.0 percent next year. However, employment levels will not return to pre-recession peaks until 2014, a good illustration of how serious the recession was. The employment outlook for Tennessee and the U.S. is summarized in Figure 2.13.

A more detailed perspective on the job outlook for Tennessee is provided in Figure 2.14 where information is presented for broad sectors of the state economy for 2011 and 2012. Most components of the state economy will see job growth this year and next year, with professional and business services taking the lead position. Other services along with education and health services also will enjoy strong rates of growth in both 2011 and 2012. Leisure and hospitality services and trade, transportation and utilities will see job growth accelerate in 2012 as the economy stabilizes further.

Manufacturing will see its first annual back-to-back jobs gains since the late 1990s as jobs are projected to rise 1.4 percent this year and 1.5 percent in 2012. Slower but still positive growth is anticipated for 2013. Unfortunately, these employment gains will only represent a partial recovery of the job losses that took place over the course of the recession. Moreover, by 2014 manufacturing employment in Tennessee will revert to its long-term downward trend with further setbacks in employment expected through the decade. Despite the employment losses, output in the state's manufacturing sector will continue to expand due to productivity gains (see Chapter 3).

Employment in durable goods manufacturing should be up 2.3 percent this year and 2.1 percent in 2012,

Figure 2.13. Nonfarm Job Growth in 2011 Will Have It's Best Showing Since 2006
(seasonally adjusted)



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

2.4. Short-Term Outlook, continued

while employment in nondurable goods manufacturing will advance at slower rates of 0.2 percent and 0.6 percent. This differential performance across the two broad components of manufacturing reflects the steeper losses that have taken place in the cyclically-sensitive durable goods sector and its more vibrant response to an improved economic climate.

All subsectors within durable goods manufacturing will experience job growth in 2011 with the exception of wood products and furniture (both suffering from continued weakness in construction and home furnishing purchases) and computers and electronics (where longer-term employment losses are being offset by dramatic productivity gains).

The New Economy

In a recent report released by the Ewing Marion Kauffman Foundation and the Information Technology and Innovation Foundation (ITIF), Tennessee is ranked 41st in the U.S. in progressing toward the so-called New Economy.[1] The 2010 State New Economy Index defines the New Economy as one that is knowledge-based, globalized, entrepreneurial, IT-driven, innovation based, and what will most likely define the global economy in the coming years. The index uses 26 indicators to help capture each state's movement in five categories: knowledge jobs, globalization, economic dynamism, transformation to a digital economy, and technological innovation capacity. For example, the indicators comprising knowledge jobs include the employment of information technology (IT) professionals, the educational attainment of the workforce, immigration of knowledge workers, employment in high-value-added manufacturing sectors, and employment in high-wage traded services. Using the five broad categories, the index ranks states based on their scores relative to the national average in each category. The 2010 report follows from four previous reports conducted in 1999, 2002, 2007, and 2008 which have allowed for the refinement of both study methods and data collection. What these rankings illustrate is an estimation of each state's movement towards a more highly-technological and highly-global economy.

Tennessee's latest ranking of 41st in the U.S. is largely a reflection of the state's historical economic legacy and dependence on low-skilled jobs in the industrial sector. Unfortunately, Tennessee's standing has weakened as the state's ranking has fallen five spots since 2007. Regionally, Tennessee ranks 6th out of the 12 states in the Southeast, which houses the four lowest ranked states in the U.S., Alabama, Arkansas, West Virginia, and Mississippi (47th, 48th, 49th, and 50th respectively).

A closer look at Tennessee's ranking with respect to individual indicators reveals the areas where the state is relatively weak. Tennessee is in the bottom ten in the U.S. in managerial, professional, and technical jobs, workforce education, migration of U.S. knowledge workers, job churning, inventor patents, online population, online agriculture, scientists and engineers, and patents. These poor rankings indicate the state's low status within the broadly-defined technology sector. Two particular areas in which Tennessee struggles is job churning and workforce education, ranked 49th and 44th respectively. Job churning is defined as the number of new startups and business failures combined as a share of the total firms in each state. Workforce education is defined as the educational attainment, beyond high school, of the workforce. The combination of few startups and low educational attainment of the workforce has hindered Tennessee in its progress in the rankings. Nevertheless, while the ranking for patents is still low at 41, the state was one of the top five movers in this particular category, rising six spots since 2007.

There are several categories where Tennessee is relatively strong. Tennessee is in the top 15 of the U.S. in foreign direct investment, IPO's (initial public offerings), entrepreneurial activity, E-government, and non-industry investment in R&D. Of note is non-industry investment in R&D where Tennessee is ranked 8th; the state was a top 5 mover in the entrepreneurial activity indicator jumping from 41st to 15th from 2007 to 2010.

1 T*he 2010 State New Economy Index: Benchmarking Economic Transformation in the States*, Information Technology and Innovation Foundation and The Kauffman Foundation, November 2010.

2.4. Short-Term Outlook, continued

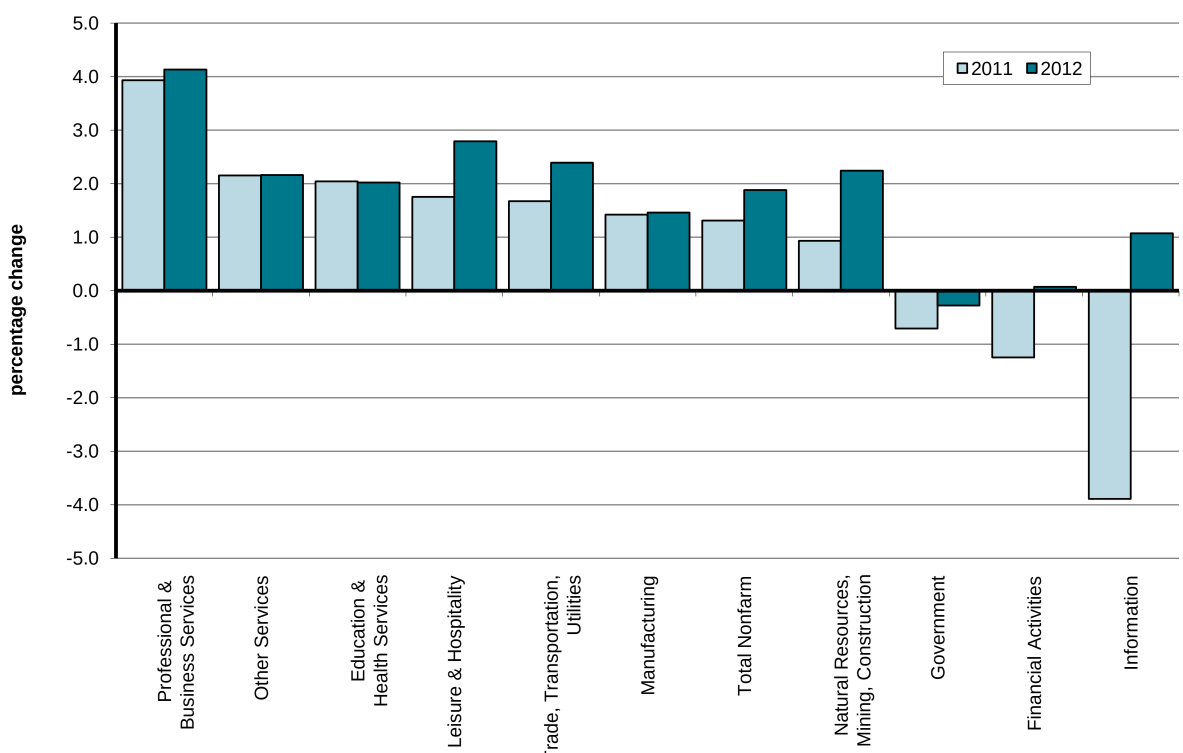
The transportation equipment sector will grow by 5.4 percent in 2011 as automobile sales and production accelerate from their deep trough.

The rather weak employment gains in nondurable goods manufacturing this year will roughly match the performance of 2010 but stand head and shoulders above the 8.5 percent job setback in 2009. Employment in the food, beverage and tobacco, chemicals, plastics and rubber, and miscellaneous subsectors should expand in 2011, while jobs will be shed in textiles, printing and related support, and paper subsectors.

The unemployment rate in Tennessee is expected to average 10.0 percent in 2010 and then fall to 9.0 percent by the final quarter of 2011 yielding an annual average of 9.1 percent for the year. The national unemployment will likely average 9.7 percent in 2010 and 9.3 percent in 2011. Unemployment rates will continue to trend down through 2013 but remain high by historical standards.

Improvement in the unemployment rate will be slow for a number of reasons. First is the slow pace of job creation that is expected to continue in the quarters ahead. Second is the large number of people who have become "discouraged workers" and have opted out of the labor force. As hiring begins to pick up and job prospects improve, many of these individuals will return to the labor market in search of employment and will initially be counted as unemployed workers. Third is the expectation of higher levels of "structural unemployment" in the aftermath of the recession. Those who suffer from structural unemployment have education, training and skills that are no longer (or at least

Figure 2.14. Most Sectors of the Tennessee Economy will Enjoy Job Growth in 2011 and 2012



Source: CBER-UT.

2.4. Short-Term Outlook, continued

lesser) valued by employers. The longer people are unemployed, the greater is the degree of human capital atrophy relative to the needs of businesses. The length of the recession and the large numbers of long-term unemployed people suggest that the structural unemployment problem will loom large for many years to come. Finally, many people find themselves immobile in the face of a weak housing market. The challenges one encounters in selling a home to pursue job opportunities elsewhere will limit the flexibility of the labor market in matching workers with prospective employers.

The labor force will grow by 0.5 percent in 2010 after a 1.0 percent decline in the previous year. Weakness in 2009 was driven by a sharp decline in the number of employed people. As hiring continues to pick up, the number of employed people will grow at a more robust pace. Growth in employed people should tally 2.6 percent in 2011 and then slow to a more sustainable pace of 1.3 percent in 2012.

The number of unemployed people will slowly fall in the quarters ahead producing an annual decline of 7.0 percent in 2011 and a 2.6 percent decline in 2012. By the final quarter of 2012 there will be 271 thousand unemployed Tennesseans compared to 164 thousand in the fourth quarter of 2007 when the recession began.

Nominal personal income is expected to grow 4.5 percent in Tennessee this year compared to 4.9 percent growth for the U.S. Tennessee's growth will accelerate in 2012 as employment growth improves thus pushing wage and salary income forward at a more robust rate. Proprietors' income should show especially healthy growth of 6.3 percent in 2011, building on strong 5.3 percent growth in 2010. Transfer payment growth will continue to slow in 2011, 2012 and 2013, but growth rates will nonetheless exceed the overall rate of growth for state personal income. Personal income growth for fiscal year 2011/12 is expected to be 3.0 percent.

After two consecutive years of decline, nominal taxable sales finally showed 2.6 percent growth in calendar year 2010. Sales should pick up and produce growth of 5.2 percent in 2011 and growth of 4.5 percent in 2012. Automobile sales recovered some ground in 2010 with a 12.3 percent gain, and an expected 9.0 percent gain is on the horizon for 2011. However, quarterly automobile sales will remain below their peak into 2013. A rebound in employment and earnings will contribute to healthy gains in purchases from manufacturers and miscellaneous durable goods. On a fiscal year basis, taxable sales are expected to grow 4.3 percent in 2010/11 and improve to 4.7 percent growth in 2011/12.

2.5. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture in Tennessee

2010 Year in Review

In 2010, farmers faced torrential rains and flooding in west and middle Tennessee in early May followed by a string of hot, dry days that in the end negatively affected crop yields. As a result, the drought and excessive heat made farmers in Knox, Sumner and adjoining counties eligible for Federal Disaster assistance including eligibility to apply for low-interest loans and supplemental farm payments through their local U.S. Department of Agriculture (USDA) Farm Service Agency.

Tennessee farmers reduced soybean and wheat acres by a combined 1.27 million acres while increasing corn and cotton by a half-a-million acres. Tennessee production of corn, soybeans and wheat were below 2009 levels,

2.5. Situation and Outlook for Tennessee Agriculture, continued

while cotton production increased. Acreage used for hay production remained steady at 1.9 million acres.

Tennessee corn yields slipped from 2009's record 148 bushels per acre to a more typical preliminary estimate of 115 bushels per acre. The 2010 preliminary cotton yield estimates are for 905 pounds/acre compared to a final 2009 yield of 843 pounds/acre. Soybeans yields for 2010 slid to a preliminary estimate of 32 bushels/acre from a phenomenal 45 bushels per acre in 2009. Unlike other row crops, cotton responded well to the additional heat as yields increased by 62 pounds over the previous year resulting in a projected yield of 905 pounds/acre. Combined with a significant acreage increase cotton production was up 48 percent over 2009, resulting in a total production of 730,000 bales.

While some areas of the state were experiencing shortages in topsoil and subsoil moisture in early November 2010, if precipitation continues to fall throughout the winter and early spring, the fields should be in good condition for planting the 2011 crop.

Tennessee's 2010 estimated wheat production totaled 9.54 million bushels, just 30 percent of the 2008 crop. The lower production was primarily the result of a decrease in harvested acres, dropping from 520,000 acres in 2008 to 190,000 acres in 2010. By early November, when the last Crop Progress Report was issued, 82 percent of the Tennessee winter wheat crop had been planted, compared to the five year average of 67 percent.

Tennessee Agriculture

Agricultural activities account for 10.5 percent of Tennessee's economy with $51.4 billion in output. About 347,000 Tennesseans are employed by agriculture with 127,000 directly employed (both full and part-time) in agricultural production. In 2009 the number of farms in Tennessee was 78,700, a loss of 300 farms from the previous year, while the land in farms remained constant at 10.9 million acres. Over 41 percent of Tennessee's land base is in farmland, 55 percent 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. The state's top five agricultural commodities, in 2009, were soybeans, broilers, cattle and calves, greenhouse/nursery, and corn. These five production areas account for nearly 70 percent of cash receipts from farm marketings. Crops accounted for 60 percent of farm cash receipts, with livestock and products accounting for the remaining 40 percent. In most years crop and livestock receipts are closer to each other. The increase in 2009 was due to high crop prices for most of the year.

Of the 78,700 farms in Tennessee, 56,100 have sales between $1,000 and $9,999. An additional 18,400 have sales between $10,000 and $99,999, with 1,600 having sales between $100,000 and $249,000. There are 1,100 farms that have sales between a quarter and a half million dollars and 1,500 farms that have total sales of $500,000 and above. Two percent of all farms in Tennessee have sales of $500,000 or more and yet these farms represent 16.5 percent of all Tennessee farmland.

The average value of agricultural land and buildings in Tennessee in 2010 increased to $3,450 per acre. The 2010 average value for cropland was $3,400 per acre while pasture was valued at $3,600 per acre. The cash rent per acre for cropland increased by $5/acre to $78/acre while pasture dropped by $1/acre to $19.00 per acre.

Agricultural Products in Tennessee

Agriculture in Tennessee is quite varied. The state's top 20 agricultural commodities, in terms of 2009 cash receipts, include soybeans, broilers, cattle and calves, greenhouse/nursery, corn, cotton, dairy products, tobacco, wheat, hay, tomatoes, hogs, eggs, snap beans, apples, sheep and lambs, aquaculture, farm chickens, squash, and honey. In 2009, all agricultural commodities in Tennessee generated more than $2.8 billion in cash receipts, a slight decrease over 2008 levels.

Figure 2.15 shows the relative share of cash receipts by commodity. Nearly 20 percent

2.5. Situation and Outlook for Tennessee Agriculture, continued

of Tennessee 2009 farm cash receipts came from the sale of soybeans. Soybean income benefitted from increases in acreage, yield and price, a rare combination. Cash receipts from tobacco increased to $100 million. Tennessee ranks second among all states in meat goat production; third in tobacco; fifth in tomatoes, snap beans, and hay; sixth in equine; seventh in cotton; and ninth in beef cows.

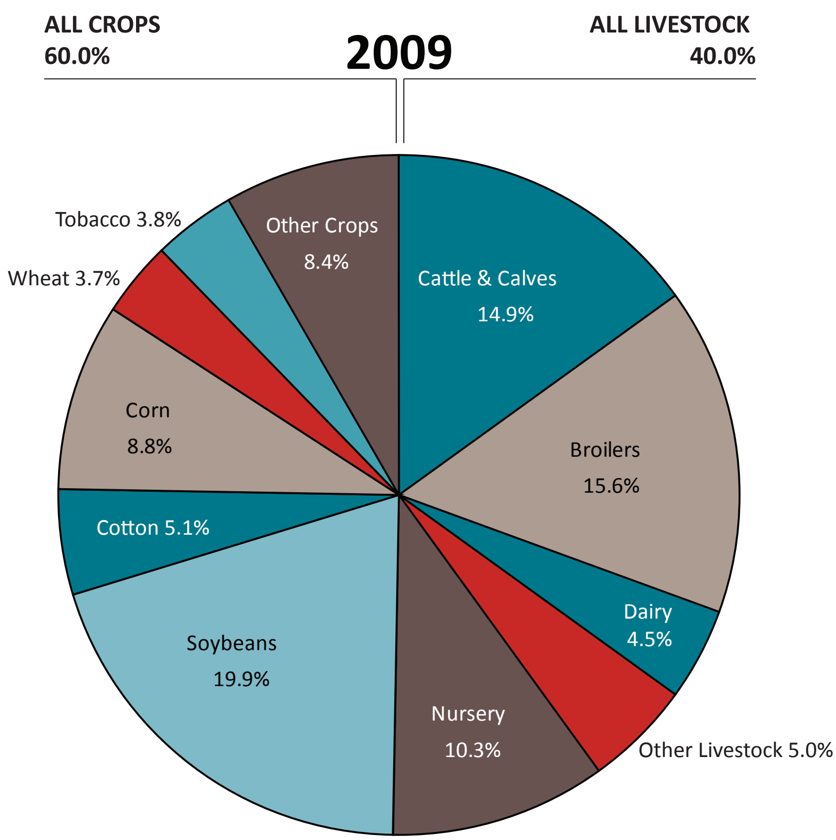
Tennessee's 2009 agricultural exports of $1.2 billion were $159 million lower than the value of agricultural exports in 2008. This was consistent with total U.S. exports of agricultural products which fell by $19 billion to $96.6 billion. Tennessee's agricultural exports were 1 percent of the total value of U.S. agricultural exports.

Tennessee Agricultural Sector Outlook

Farm Income

Tennessee net farm income for 2009 is projected to be $613 million, $78 million more than 2008 as the result of lower input costs. By way of comparison, Tennessee net farm income in 2000 was $590 million, a difference of 4 percent. Of the $613 million for 2009, 43 percent or $265 million was the result direct government payments from federal farm programs. Figure 2.16 shows the importance of federal farm programs to the bottom line of Tennessee farmers. Excluding direct government payments, Tennessee farm income over the last ten years would have been considerably lower than it was, with a loss of

Figure 2.15. Leading Tennessee Commodities for Cash Receipts, 2009



Source: Tennessee Agriculture 2010, Tennessee Agricultural Statistics Service.

2.5. Situation and Outlook for Tennessee Agriculture, continued

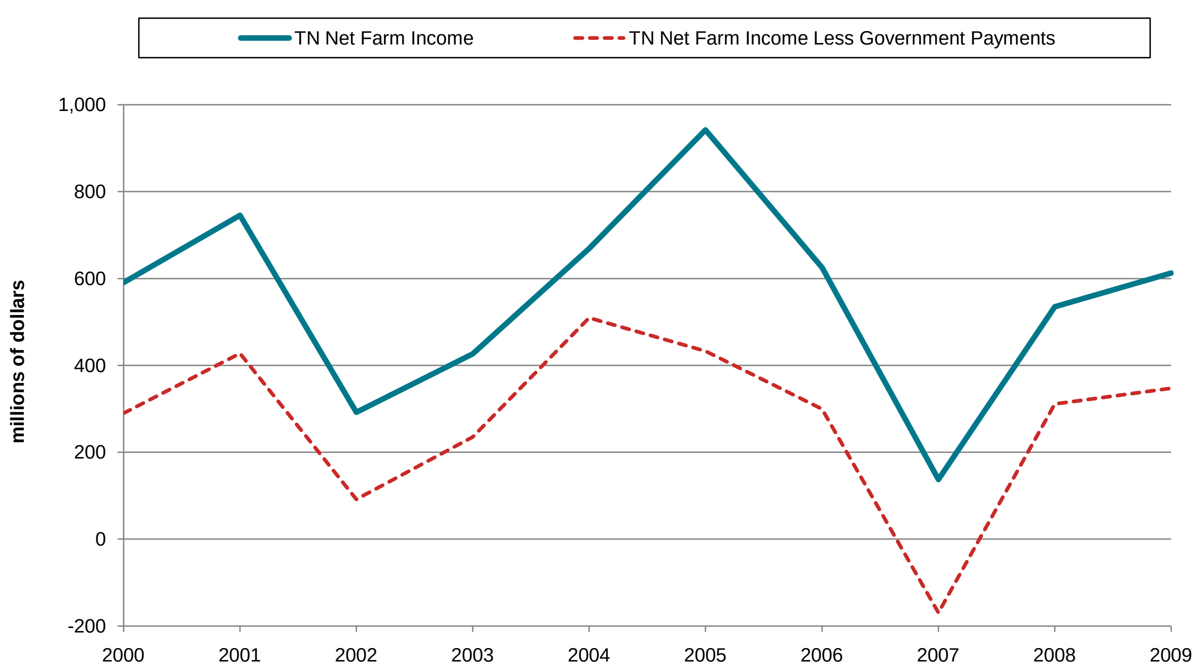
$169 million in 2007. Over the ten year period, 2000-2009, direct government payments accounted for 50.2 percent of net farm income in Tennessee compared to 19.5 percent for the 1990-1999 period. The increase in the role of government payments is the result of the 1996 change in the direction of farm programs away from supply management programs that support farm commodity prices and toward more market-oriented policies that support income rather than prices.

The USDA national forecast for 2010 net farm income is $92.5 billion, $23.4 billion above the 2009 estimate of $69.1 billion. The increase is the result of higher income for both crops and livestock. Crops benefitted from continued higher prices, while cattle producers saw gains from higher prices as well.

Crops Outlook

Corn—Despite a small increase in acreage, 2010 corn production in the U.S. decreased by 4.5 percent from 2009 levels as the result of a 10 bushel/acre drop in yields. Excellent spring planting weather resulted in the expectation of record yields and prices declined. Heavy localized rains and extremely hot dry weather in other areas during the critical pollination and fill phases of corn maturation resulted in expectations that the crop would fall short of the 2009 record yield and led to an increase in corn prices. The November 2010 projections for U.S. corn production is 12.54 billion bushels, 57 million bushels below 2009 production. In addition, feed utilization for the 2010 crop year is expected to increase by 141 million bushels and ethanol production is projected to

Figure 2.16. Tennessee Net Farm Income and Tennessee Net Farm Income Less Government Payments



Source: Tennessee Agriculture 2010, Tennessee Agricultural Statistics Service.

2.5. Situation and Outlook for Tennessee Agriculture, continued

use an additional 242 million bushels of corn. As a result year ending stocks are expected to decline to a very tight 827 million bushels for a year-ending stocks-to-use ratio of 6.2 percent. Historically stocks-to-use ratios in the 5 to 6 percent range have resulted in significantly higher corn prices. The November 2010 USDA midpoint projection for the season average price of corn for the 2010 crop year is $5.20, or $1.65 above the estimated season average price for the 2009 corn crop. Depending on the price of oil and the behavior of long-only index funds, prices could be higher than the USDA projection. The world supply of coarse grains—corn and its feed substitutes: sorghum, barley, oats, rye, millet and mixed grains—is not nearly as tight as corn in the U.S. The projected 2010 crop year, world, year-ending, stocks-to-use ratio for coarse grains is 14.3 percent down 3.7 percentage points from 2009. The bulk of the decline is the result of the short crop in the U.S. International trade typically accounts for 10-11 percent of the annual utilization of coarse grains.

Soybeans—U.S. soybean production in 2010 was marginally higher (one-half of one percent) than a year earlier as the result of a slight increase in acreage and a one-half bushel decline in yield. The weather that was problematic for corn matched up better with the soybean growing cycle resulting in a soybean yield that was just one-half bushel off the 2009 record for a total production of 3.375 billion bushels. For the 2010 crop year U.S. soybean crush is projected to decline by 87 million bushels while exports are projected to increase by 69 million bushels. The 2010 year-ending stocks-to-use ratio for soybeans is projected to increase by 1 percentage point to 5.5 percent. Unlike with corn, the soybean year-ending stocks-to-use ratio is historically in the single digits. The world soybean year-ending stocks-to-use ratio is projected to be 7.9 percent, slightly below 2009 levels, but within the expected range. Including soybeans, soybean meal, and soybean oil, the USDA projects that 55.6 percent of the 2010 soybean crop will be exported. The midrange of the projected 2010 crop year farmgate price for U.S. soybeans is $11.45, or $1.86 higher than last year. The higher price is the result of pressure from higher corn prices and the need for soybeans to compete with corn for acreage.

Wheat—Harvested wheat acreage for the 2010/2011 crop year was 5.6 million acres smaller than the previous year and the yield was up by 1.9 bushels/acre, resulting in total production of all classes of wheat of 2.208 billion bushels. This is 10 million bushels lower than in the 2009/2010 crop year. The domestic use of wheat is projected to increase marginally, while exports increase by 369 million bushels—a 41.9 percent increase from a year earlier. The U.S. domestic food use of wheat consumes 38.4 percent of the crop, while exports use 51.1 percent. The remainder is seed, feed, and residual. The year-ending stocks-to-use ratio is projected at 34.7 percent, 13.7 percentage points lower than a year earlier. The 2010/2011 stocks-to-use ratio is well within the historical range. The season average U.S. farmgate price for wheat in the 2010/2011 crop year is projected to be $5.40, or 63 cents higher than in 2009/2010. The lower wheat price relative to corn and soybeans would suggest that wheat harvested acreage in 2011 will be lower than in 2010. World wheat production in the 2010/2011 crop year is projected to be 330 million bushels lower than in 2009/2010 while consumption is expect to increase by 350 million bushels, resulting in a lower stocks-to-use ratio for the world.

Cotton—On stronger 2009 crop year prices, U.S. cotton producers increased their harvested acres by 3.4 million acres. Coupled with this increase in acres, the yield improved by 44 pounds per acre, resulting in a 6.3 million bale (480 pound) increase in production from the previous year. This is over a 50 percent increase in U.S. production. With exports accounting for 80 percent of the U.S. crop, international demand is essential to maintaining a profitable price in the U.S.

Lower world cotton output in 2009 combined with increased mill demand resulted in higher farmgate prices for U.S. farmers. For the 2010

2.5. Situation and Outlook for Tennessee Agriculture, continued

crop year, demand is projected to surpass production by 1.6 million bales, resulting in the expectation of higher cotton prices for another year. The midrange of price expectations for the 2010 crop year is 80 cent/pound, 17.1 cents higher than a year earlier.

Livestock Outlook

Beef—The USDA projects 2011 U.S. beef production at 25.8 billion pounds, 400 million pounds below 2010 production and 500 million pounds below 2009 production. U.S. per capita consumption of beef for 2011 is projected to fall to 57.8 pounds, 1.3 pounds less than 2010. Beef imports in 2011 are projected to increase by 72 million pounds to 2.54 billion pounds, 86 million pounds less than in 2009. Exports are projected to fall by 43 million pounds to 2.27 billion pounds, or 335 million pounds more than in 2009.

Pork production is expected to increase in 2011 by 325 million pounds to 22.581 billion pounds, 439 million pounds less than in 2009. USDA projects imports to increase from 868 million pounds in 2010 to 895 million pounds in 2011, an increase of 27 million pounds, or 61 million pounds more than in 2009. Exports are projected to increase 304 million pounds to 4.675 billion pounds in 2011, an increase of 580 million pounds over 2009. The U.S. per capita consumption of pork is projected to fall from 47 pounds in 2010 to 46.7 pounds in 2011.

Broiler production in 2010 is expected to increase by 532 million pounds to 36.752 billion pounds, 1.621 billion pounds above 2009 production levels. Broiler imports are relatively small and an increase of 13 million pounds brings broiler imports to 96 million pounds. Exports in 2011 are expected to decrease by 35 million pounds to 660 million pounds. Unlike red meats, 2011 U.S. consumption of broilers is expected to increase to 83.1 pounds per capita up from 82.8 pounds per capita in 2010.

Milk prices are projected to be in the $16.50 per cwt range in 2011.

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 long 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 private industrial partners with farmers and landowners in Tennessee with the goal of producing cellulosic ethanol as a transportation fuel, initially from a 2-5 million-gallon-per-year 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 our gasoline consumption.

A May 2010 report by the University of Tennessee Office of Bioenergy Programs and the U.S. Endowment for Forestry and Communities Inc. reviews the current state of research and development of technologies for utilizing wood for the production of energy. The peer-reviewed report entitled "Wood to

2.5. Situation and Outlook for Tennessee Agriculture, continued

Energy: A State of the Science and Technology" characterizes industry process designs, stage of development or commercialization, and suitability for the marketplace. It also provides an analysis of market sustainability, including opportunities and barriers, of wood to energy production.

Wood is the most important source of renewable energy in the U.S. and is a primary source of fuel for much of the world. Whether wood is used for a simple campfire or in sophisticated processes such as producing ethanol, it has a number of inherent advantages that ensure it will continue to be an important biofuel in the future. "As we and our partners consider how best to invest in and support the woody biomass industry—both that associated with the traditional forest products industry as well as the emerging alternative energy sector—it is vitally important that we have a sound understanding of the current state of the science and technology," said Carlton Owen, President & CEO of the Endowment. "This report should aid in providing that foundation and the accompanying Wood2Energy database, will ensure a more accurate picture of where things are currently happening."

Dr. Sam Jackson, a researcher with the UT Office of Bioenergy Programs and leader of the Wood2Energy Project adds that renewable fuels industries will continue to include wood energy in their business models. "Wood is a dominant biomass source and will play a critical role in expanding bioenergy availability in the future," he said.

The Wood2Energy project and report was developed by the University of Tennessee Office of Bioenergy Programs with funding from the U.S. Endowment for Forestry and Communities, American Forest and Paper Association, Forest Products Association of Canada as well as the respective federal natural resources agencies from the U.S. and Canada—the USDA Forest Service and Natural Resources Canada. Additional assistance was provided by the Sun Grant Initiative, for which the University of Tennessee AgResearch program manages the Southeastern Regional Sun Grant Center.

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 represented 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. CTGR has a database of over 8,600 former and current tobacco growers from 14 different states who 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.

In 2004, the year of the tobacco buyout, burley was grown on 24,000 acres in

2.5. Situation and Outlook for Tennessee Agriculture, continued

Tennessee and the total production was 46 million pounds. By 2009, burley acreage had fallen to 14,000 acres with a production of 27 million pounds. Cash receipts from the sale of tobacco were $80.8 million in 2008. The decline in tobacco production is the result of a combination of increased regulation and lower demand as the impact of smoking cessation programs.

2012 Farm Bill

The 2010 election will undoubtedly make a difference in the shape of the 2012 Farm Bill. Before November 2, 2010, House Agriculture Committee Chair Colin Peterson (D-MN) wanted to write the new farm bill in 2011. In the new Congress, he will be the ranking member and Frank Lucas (R-OK), who will be the new Agriculture Committee Chair, has indicated that he prefers 2012.

The Senate Agriculture Committee will have a new chair, as a result of Arkansas Democrat Blanche Lincoln's loss in her bid for re-election. Because the Democrats retained control of the Senate, albeit by a smaller margin, they will have to appoint a new chair.

In addition to Lucas' desire to move slowly on writing a new farm bill, as a result of the election, at least 20 of the 46 members of the House Agriculture Committee will be new, both to the House and the Committee. The new members will face a steep learning curve in order to become conversant in the arcane details of the farm bill and the many programs it encompasses. If for no other reason than that, it would be unrealistic to expect to see legislation move quickly through the committee.

While Peterson is a known quantity when it comes to writing a farm bill, it will take some time to have a clear vision of the approach Lucas will bring to the process. In the past, Lucas has been more partisan than Peterson. How this will play out as he tries to fashion the kind of coalition that is needed to pass a farm bill is yet to be determined.

One thing Lucas has been clear about is that he strongly supports direct payments and has given no indication that he would be willing to divert some of that money to other programs like insurance.

Talking about money, that could be a problem in writing new legislation for a number of reasons. First, current prices are high and if they stay that way until the March 2012 the 10-year projection of the cost of continuing current programs—called the baseline—will be low, leaving the farm bill folks with a smaller pot of money to divide up among the many programs.

Second, long-time chief economist of the House Agriculture Committee, Craig Jagger, has identified at least 37 current programs or provisions that have no baseline funding after 2012. These programs include: the EQIP program which provides funds to help farmers come into compliance with environmental regulations; the Wetlands Reserve program, the Grasslands Reserve program, the McGovern-Dole International Food for Education and Child Nutrition program, and the SURE permanent disaster assistance program (it has no funding after 2011). Jagger estimates that it would take $9-$10 billion to fund these programs over ten years.

Under the current "pay as you go rules," to fund these programs Congress has to find a funding offset. That means that money will have to be taken from another program or the program will not be funded. As Jagger says, "you essentially are looking at robbing Peter to pay Paul."

Third, many of the funding gimmicks that were used to fund 2008 Farm Bill programs—note 2008 was also a year with high commodity prices and a relatively low baseline—have been used up and are not available for the new legislation.

Fourth, concern over deficit reduction may result in spending reduction targets being given to all committees. So, in addition to a lower baseline, and $10 billion in unfunded programs, the agriculture committees may have to contend with an additional reduction in the money they have to fund the many programs in the farm bill.

2.5. Situation and Outlook for Tennessee Agriculture, continued

As if that weren't enough, the recently adopted FMAP/Education jobs law was funded by using $12 billion over the next 10 years from the food stamps program; and the child nutrition bill, now before Congress, may also use food stamp funding as an offset for its costs. That will leave the nutrition portion of the farm bill also short of money.

While one cannot predict what Congress will do, one can be confident in predicting that the next two years will be a nail-biter for farmers.

CHAPTER 3: THE TENNESSEE ECONOMY: LONG-TERM OUTLOOK

In this chapter—

3.1. Introduction

Today, the U.S. and Tennessee are beginning to rebound from the most severe recession in the last half century. While recessions are a natural part of the business cycle, the length and depth of the current cycle has been unprecedented. Economic expansion is now taking hold, though unemployment is high and many sectors of the economy remain fragile. Factors causing persistent effects of the recession that ended in June of 2009 are related to circumstances rendering it vastly different from typical recessions. These same factors will have long-term and lingering effects on the economy.

The economy is nonetheless poised to grow over the next decade. Looking forward, nonfarm jobs within Tennessee are projected to grow at a 1.3 percent compound annual growth rate (CAGR) from 2010 to 2020. The unemployment rate is projected to decline to 5.3 percent in Tennessee and 5.2 percent for the U.S. by 2020. U.S. inflation-adjusted gross domestic product (GDP) is expected to grow 2.9 percent while Tennessee state GDP is expected to grow 2.8 between 2010 and 2020. These growth rates are below historical trend values.

This chapter is organized as follows: the next section places the Great Recession in historical context while the subsequent section draws out in greater detail some of the long-term consequences and uncertainties created by the recession. The last section of the chapter provides a discussion of the long-term outlook for Tennessee framed by the state's long-term history and growth prospects for the national economy.

3.2. Framing the Recent Recession

Each recession is unique. For example, the back-to-back recessions of the early 1980s began with the decision of monetary policymakers to raise interest rates in order to control inflation. The increase in interest rates stifled investment, curbed construction spending, and reduced durable good purchases. This led to a fall in GDP, lost jobs, and a rise in unemployment. Once inflation was under control, the Federal Reserve (Fed) lowered interest rates, and the economy (as well as employment) ultimately rebounded.

The Great Recession has proven to be dramatically different from the 1980s and other economic downturns. It was born out of regulatory failures and unsound lending practices that led to a housing bubble and a financial market collapse. The events rendered an unprecedented loss of wealth by individuals as housing and stock prices tumbled. Due to the dramatic loss of wealth, the ensuing loss of confidence and massive job setbacks, consumer spending, investment, and residential construction all declined. As demand fell, firms responded by slashing production causing a fall in GDP and rising unemployment.

Since January 2009 the federal government has employed unprecedented monetary and fiscal policies in an attempt to moderate job loss and reignite economic growth. The Fed, which controls monetary policy, has cut interest rates to historical lows and has taken a variety of other steps including support of non-bank financial institutions and other firms. The U.S. Congress, using its fiscal powers, passed a substantial stimulus package known as the American Recovery and Reinvestment Act (ARRA), as well as other initiatives like the Troubled Asset Relief Program (TARP). Despite these efforts which would be effective catalysts to increased demand in a typical recession, consumer spending has not rebounded, and firms are still not producing and hiring at anything close to normal levels.

There are several facets of this recession that have limited the effectiveness and scope of fiscal and monetary policy. These are discussed in detail in the next section. The importance of these factors goes beyond the fledgling expansion currently underway. Long-term forecasts like that presented in this chapter generally focus on the expected trend performance of the economy rather than the outlook for short-term fluctuations of the business cycle. However, in the current context these short-term influences—and their persistence—will have long-term consequences for national and state economic performance. While the outlook to 2020 is positive, the slow recovery means a long period of adjustment and transformation before the economy does in fact return to its trend pattern of growth. Unfortunately, some measures of economic activity like the unemployment rate will take years to recover, while others such as housing starts may not fully rebound even by the end of the decade.

3.3. Persisting and Lingering Effects from the Recession: Uncharted Territory

The current recession is much different than those previously encountered in recent decades. In most cycles, the economy bottoms out and returns to the pre-recessionary trend relatively quickly. This recession, however, is unique in that a variety of factors will contribute to persistent and lingering effects of the cycle well beyond the end-date of the recession itself. While the short-term economic outlook into 2013 is discussed in earlier

3.3. Persisting and Lingering Effects from the Recession: Uncharted Territory, continued

chapters of this report, many of these impacts will ripple well beyond 2013, affecting the state and national economies through much of the decade. It is certainly not a "gloom and doom outlook," but it is an outlook clouded by more uncertainty than is typically the case.

Two contributors to the slow recovery are the circumstances and consequences surrounding monetary and fiscal policy. Monetary and fiscal policies are the tools that the Fed and the federal government have to stimulate the economy. The Fed traditionally chooses a target Federal Funds Rate and uses policy tools (the purchase or sale of bonds) to manipulate the rate toward the target. Through its impacts on interest rates, the Fed can influence private sector borrowing and spending. By the time the current recession had firmly gripped the economy, interest rates had already been reduced to low levels. The Fed continually cut the target interest rate to record lows to increase bank lending and expand the money supply. But due to more cautionary lending practices, the expanded monetary base has remained in reserve instead of finding its way into the hands of businesses and consumers. With tighter credit restrictions, the Fed has limited additional power to stimulate the economy through the reduction of interest rates. (See Chapter 1 for a discussion of the Fed's ongoing quantitative easy program that is intended to lower long-term interest rates.)

The Fed has already wound down many of the initiatives that were introduced to forestall steeper and deeper economic decline if not financial market collapse. But as the economy recovers further, the Fed will have to address its huge balance sheet of bank reserves to help keep inflation in check. These are uncharted waters. The Fed may be compelled to act quickly by raising interest rates which will, in turn, slow economic growth. There are many critics of the Fed who fear rapidly rising inflation, and they have long clamored for rate increases. Rates will ultimately rise, but the timing will be critical to balancing a still-fragile recovery against inflationary risks. It will be many years before the Fed winds down all of its recession-related programs.

Fiscal policy over the course of the business cycle has been criticized for aggravating the deficit and the nation's accumulation of debt. Increased government spending was intended to fill a private sector vacuum by increasing final demand in the economy, which in the short run serves to diminish the fall in GDP, limit employment losses and temper increases in the unemployment rate. Decreasing government spending, on the other hand, equates to fiscal tightening, which in the short run lowers spending and therefore GDP, along with other measures of economic activity. While the deficit is a critical issue facing the economy, fiscal tightening too early in the recovery process could do severe damage to the emerging expansion absent stronger private sector forces. Policymakers face an ugly trade-off between sustaining high spending to stimulate the economy versus fiscal retrenchment to reduce the deficit that would weaken near-term growth.

The nation's rising debt will continue to play a role in future policy decisions through 2020, thus having long-term consequences for economic performance. After the recovery is well established, the U.S. will have to grapple with what now appears to be near-impossible decisions on how much to cut government spending and how much to raise taxes. Given the magnitude of the gap between revenues and expenditures, it will not prove practical to close the deficit using only tax increases or only spending cuts. Regardless of the path taken, federal government fiscal policy will become a drag on economic growth through the current decade.

A third reason contributing to the persistence of impacts from the recession is the legacy of pre-recession construction. New residential housing construction will remain stifled in many regions due to previous overbuilding. A recovery in the housing sector normally helps lead the economy out of the

3.3. Persisting and Lingering Effects from the Recession: Uncharted Territory, continued

trough of the business cycle in traditional recessions. However, in this recession, housing starts remain suppressed at very low levels. The burst of the housing bubble left an excess supply of housing that still has not been eliminated, including foreclosed property reclaimed by banks.

In addition to the excess housing stock, there is also excess plant capacity and commercial space available for businesses. Business fixed investment in structures continues to fall with spending down 20.4 percent in 2009, 14.5 percent in 2010, and further setbacks expected in 2011. Investment in structures is not expected to even begin to see a meaningful rebound until 2013. This investment pattern will have ongoing effects on construction activity and employment. At the same time, investment in equipment and software was strong in 2010, and the same is expected next year. This equipment investment, given the slack demand for goods and services, is likely replacing the need for many additional workers. This same investment will contribute to the persistence of high unemployment rates for several years to come.

A fourth consideration is the way in which the financial crisis that precipitated the recession has impacted consumer behavior. The crisis has triggered an increase in household saving and less reliance on credit. Similar to attitudes seen following the Great Depression, individuals are choosing to save to replenish savings accounts and retirement funds in addition to paying off debt. Unfortunately, higher saving rates hinder the economy's recovery in the short run because consumer spending is lower; lower spending reduces demand for goods and services, firm production remains depressed and there is less need to add workers. An important question is whether or not consumer behavior has undergone a fundamental shift toward increased frugality. (In 2005 the personal savings rate was 1.4 percent, but in 2010 it had jumped to 5.8 percent.) In the long run this will be good for household finances, economy-wide savings rates and investment. But an increased savings rate will diminish consumption spending and weaken economic growth in the near-term.

A fifth factor giving rise to the persistence of recession impacts is the crippling effect of the recession on state and local government finances. Property tax revenues decline with falling property values, and sales tax revenues are diminished with weakened consumer and construction spending. While tax revenues decline in a recession, the demand for state and local government services is counter-cyclical. When the economy falters, more people are in need of unemployment benefits, health care subsidies, welfare relief and job training assistance. In order to balance their budgets, state and local governments have reduced employment despite federal stimulus funds that will largely evaporate in fiscal year 2011. Once the recovery fully takes hold, states and localities will face pent-up demand for infrastructure investments and restoration of services that had been cut or eliminated over the course of the Great Recession. It will take many years to restore fiscal health to the budgets of states and localities.

Neither Tennessee nor the nation operates in a vacuum with the fate of the domestic market being hampered by the fragile global marketplace. Vulnerability, as demonstrated by debt crises in Greece and Ireland, and more recent problems in Portugal, certainly has not assisted the U.S. recovery. Exports were growing in the first two quarters of 2010, but they have been severely affected by lackluster growth in Europe. The events in Europe have contributed to the ongoing crisis of confidence with uncertain consequences for the future path of global growth. This uncertainty could create a post-recessionary hangover that lingers for years.

The set of issues presented here are largely unique on their own, but especially unique as a package that could have long-term effects on economic growth in the U.S. and Tennessee. Slow and now steady growth

3.3. Persisting and Lingering Effects from the Recession: Uncharted Territory, continued

is finally emerging. However, the economy will not return to trend as quickly as in past recessions. The state and national economies face unique challenges in the coming decade in the aftermath of the Great Recession.

3.4. Long-Term Retrospective and Prospective Outlook for Tennessee

The outlook for the U.S. and Tennessee moving toward 2020 is generally optimistic although framed by the series of uncertainties and lingering effects of the recession discussed above. While the short-term outlook presented in Chapters 1 and 2 focuses primarily on fluctuations within the business cycle, the long-term outlook presented below concentrates on trend patterns of economic growth. Economic growth will continue to trend upward, but the legacy of the recession and changes in the demographic composition of the population will mean a somewhat slower growth trajectory than the historical record. Some components of the economy, like national housing starts, may not recover to their pre-recessionary levels even by 2020.

Ingredients Supporting Long-Term Growth

A region's long-term economic growth potential depends on the economy's ability to produce and sell goods and services. For a state like Tennessee, exports to other states and to countries around the world are most important in supporting in-state job creation. Key inputs to the production process include the size of the labor force, education and skill levels of the workforce, private capital investment in productive capacity, and public infrastructure capital like roads, schools and parks. Technology is also important, especially for businesses, since this can have an influential effect on productivity and global competitiveness. These inputs all determine the amount of goods and services that the state economy can produce. Fostering the growth of these inputs affects the economy's productive capacity and expansion trajectory. This in turn affects the well-being of Tennesseans and the fiscal health of the public sector. Tennessee's future growth will be determined by market forces and public policies that affect all of these ingredients of the growth process.

In the past, Tennessee's growth has often fallen behind the nation suggesting that one or more components of growth in Tennessee trail the nation. Primary explanations include a lower labor force participation rate and lower educational attainment of Tennessee's adult population and workforce. In the face of the latter challenge, Tennessee has taken significant steps to improve its education pipeline, including passage of the *Complete College Tennessee Act*. Steps such as this will have to be sustained in order to retain competitive businesses, while at the same time striving to recruit new businesses that can be successful at a global level. While Tennessee's educational investments have grown and educational outcomes have improved, the U.S. has also made strides forward in these same areas.

Figure 3.1 shows educational attainment gains for the U.S. and Tennessee from 2000 to 2009. The first panel of Figure 3.1 depicts the percentage of the population that holds a high school degree or a more advanced level of educational attainment. Both the state and nation displayed gains from 2000 to 2009, with Tennessee showing some modest improvement relative to nation. The second panel of Figure 3.1 illustrates the percentage of the population with a bachelor's degree or greater. Again, the U.S. and Tennessee both demonstrated gains

3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

from 2000 to 2009, but Tennessee's standing relative to the nation is largely unaltered. Together, Tennessee's standing in comparison to the U.S. remains virtually unaltered meaning the state's relative attractiveness in terms of workforce quality is largely the same today as a decade ago. This points to the need to continue to push for further advancements in the years ahead.

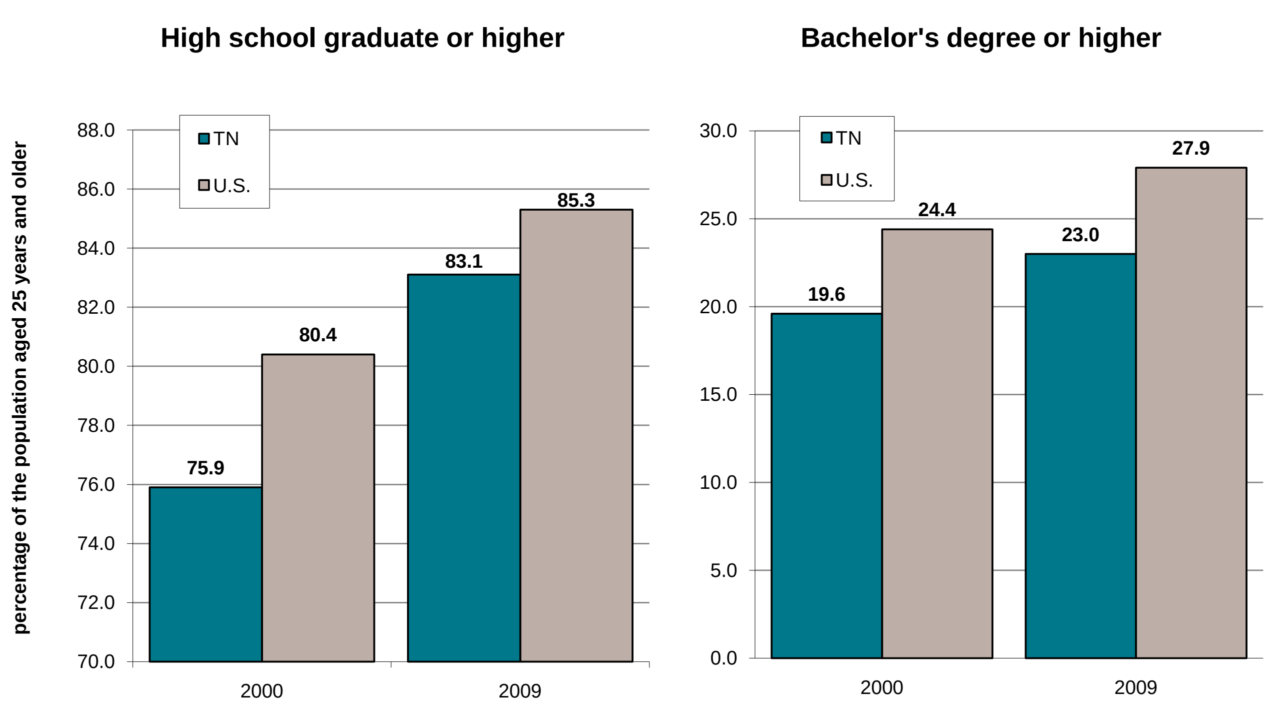
Formal education is an important component of a quality workforce. A few decades ago, educational attainment was not as much of an issue for the state because competition was largely localized within the southeast region where education levels of workers were largely similar. Today, however, workers in the U.S. and Tennessee not only compete with surrounding regions, but against workers across the world. Promoting stronger growth within Tennessee requires not only further financial investments in education but also ensuring those investments translate into improved educational outcomes and improved success in the labor market.

Jobs and the Unemployment Rate

Ongoing economic restructuring means the emergence of new products and services along with new jobs and occupations. But restructuring also means the demise of some economic activity and the elimination of some jobs. Many of the jobs (and occupations) in greatest demand today simply did not exist 10 years ago both in the U.S. and Tennessee.

Table 3.1 shows the historical and projected compound annual growth rates (CAGRs) for Tennessee's broad nonfarm employment sectors. Overall growth in nonfarm jobs in

Figure 3.1. Educational Attainment Rises for Tennessee and U.S.



Source: U.S. Census Bureau.

3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

Tennessee was negative from 2000 to 2010, a rather remarkable phenomenon. But 2000 was a near-peak of the business cycle (with a recession in 2001), while 2010 was just one year past the trough of the Great Recession and a year of continued job setbacks for the state. Manufacturing fared the worst with job losses totaling 5.3 percent (CAGR). Education and health services, which were largely unscathed by the recession, showed growth of 2.9 percent (CAGR).

Overall nonfarm employment in Tennessee is expected to grow at 1.3 percent CAGR between 2010 and 2020. Sectors which are expected to grow the fastest are professional and business services (up 3.3 percent, CAGR), natural resources, mining and construction (1.9 percent, CAGR) and education and health services (up 1.8 percent, CAGR). Despite the strong growth in natural resources, mining and construction, employment levels in 2020 will nonetheless lag levels of employment in 2000. While manufacturing will see some near-term job gains, employment will return to its trend pattern of decline producing net contraction in employment between 2010 and 2020.

The changing industry structure is depicted in Figure 3.2 for 2000, 2010, and 2020. Education and health services will also grow from 14.3 percent of nonfarm jobs in 2010 to 15.1 percent of jobs in 2020, building on dramatic growth in the past decade. Health services will become particularly important with the aging of the population. Finance, information and business services also will experience a significant growing share of the job pie, as will leisure and hospitality services.

Table 3.1. Tennessee Nonfarm Employment by Sector

	Level			Growth Rate (%)*	
	2000	2010	2020	2000 to 2010	2010 to 2020
Total Nonfarm	**2,727.7**	**2,606.9**	**2,967.4**	**-0.45**	**1.30**
Natural Resources, Mining & Construction	130.9	102.4	123.5	-2.42	1.89
Manufacturing	493.0	304.1	294.3	-4.72	-0.33
Durable Goods	303.8	175.7	180.2	-5.33	0.25
Nondurable Goods	189.3	128.4	114.1	-3.80	-1.17
Trade, Transportation, Utilities	592.9	554.9	633.9	-0.66	1.34
Wholesale Trade	132.9	119.5	139.0	-1.05	1.52
Retail Trade	320.0	311.5	348.0	-0.27	1.11
Transportation & Utilities	140.0	123.9	146.9	-1.22	1.72
Information	55.3	44.7	48.2	-2.10	0.75
Financial Activities	140.6	137.0	138.4	-0.26	0.10
Professional & Business Services	304.0	299.6	415.8	-0.15	3.33
Education & Health Services	281.6	373.8	447.9	2.87	1.83
Leisure & Hospitality	235.7	259.0	304.5	0.95	1.63
Other Services	94.6	101.7	114.7	0.73	1.20
Government	399.0	429.6	446.3	0.74	0.38
Federal, Civilian	53.6	51.5	45.9	-0.40	-1.15
State & Local	345.4	378.1	400.4	0.91	0.58

Note: employment level data is seasonally adjusted in thousands

*compound annual growth rate

Source: Bureau of Labor Statistics and CBER-UT.

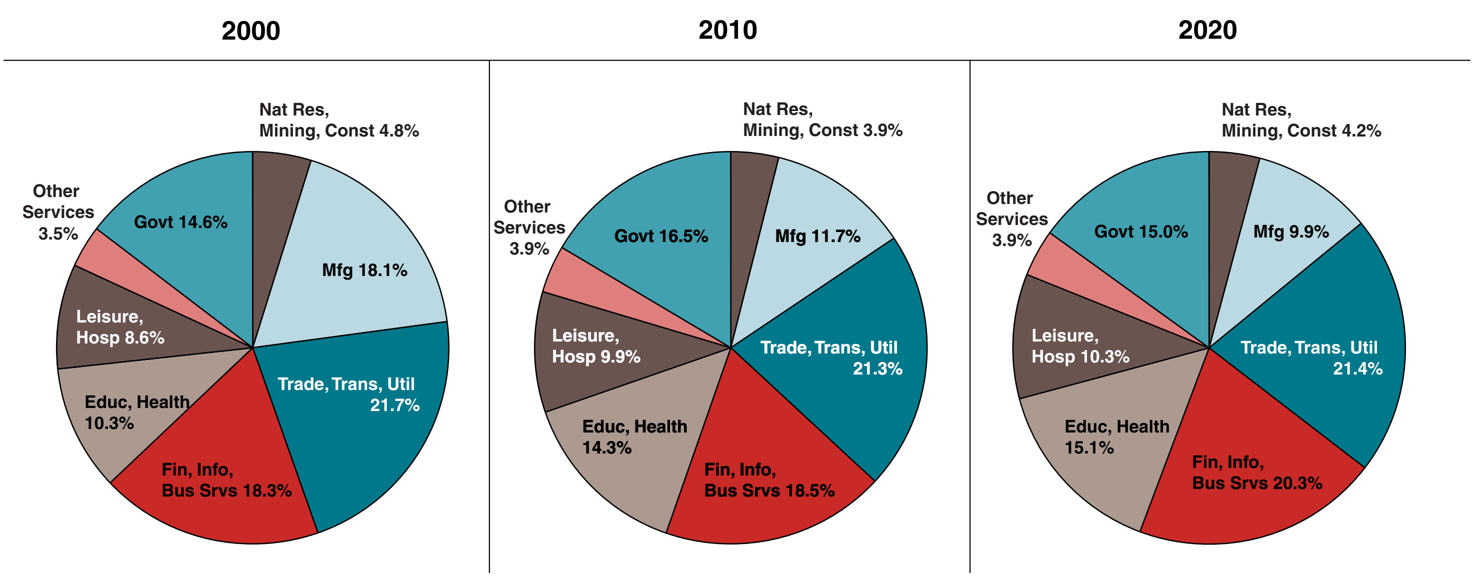
3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

Manufacturing's dominant role in supporting jobs in the Tennessee economy has steadily eroded since the 1960s. The Great Recession led to an expedited rate of job loss that will never be fully replaced. There will be some near-term gains as workers who were laid off are re-hired, but then manufacturing employment will start to contract again beginning in 2014. As depicted in Figure 3.2, manufacturing accounted for 18.1 percent of non-farm jobs in 2000. By 2010, the trend decline in employment coupled with recession-induced setbacks pushed manufacturing down to only 11.7 percent of jobs. In 2020, the manufacturing sector will comprise only 9.9 percent of the total distribution of nonfarm jobs.

Unemployment fluctuates counter-cyclically with the business cycle. In good times when GDP is advancing at a healthy pace, unemployment is low. As the business cycle bottoms out, the unemployment rate climbs to high levels. In 2000, just before the onset of the 2001 recession, the state unemployment rate was only 4.0 percent; in 2007, unemployment in the U.S. and Tennessee was under 5 percent. Following the start of the recession in December 2007, unemployment increased to great heights. In 2010, Tennessee's unemployment rate averaged nearly 10 percent which was higher than the national rate of 9.6 percent. Looking forward, the annual unemployment rate in both the U.S. and Tennessee will continue to slowly decline but remain elevated through the decade (see Figure 3.3.)

There are several reasons why unemployment rates will remain relatively high. First, there are a growing number of displaced workers who have been unemployed for a long period of time. These individuals will find it increasingly difficult to match their eroding skill levels with the skill requirements of businesses. Second, many baby boomers have delayed retirement due to the wealth shocks they incurred because of the recession. By holding on to their jobs, new entrants to the labor market will find it difficult to secure

Figure 3.2. Distribution of Nonfarm Jobs in Tennessee Continues to Evolve



Source: Bureau of Labor Statistics and CBER-UT.

3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

employment. Third is the sluggish pace of hiring and the prolonged period of time it will take to clear the current backlog of unemployed, underemployed, and discouraged workers.

Output, Personal Income and Prices

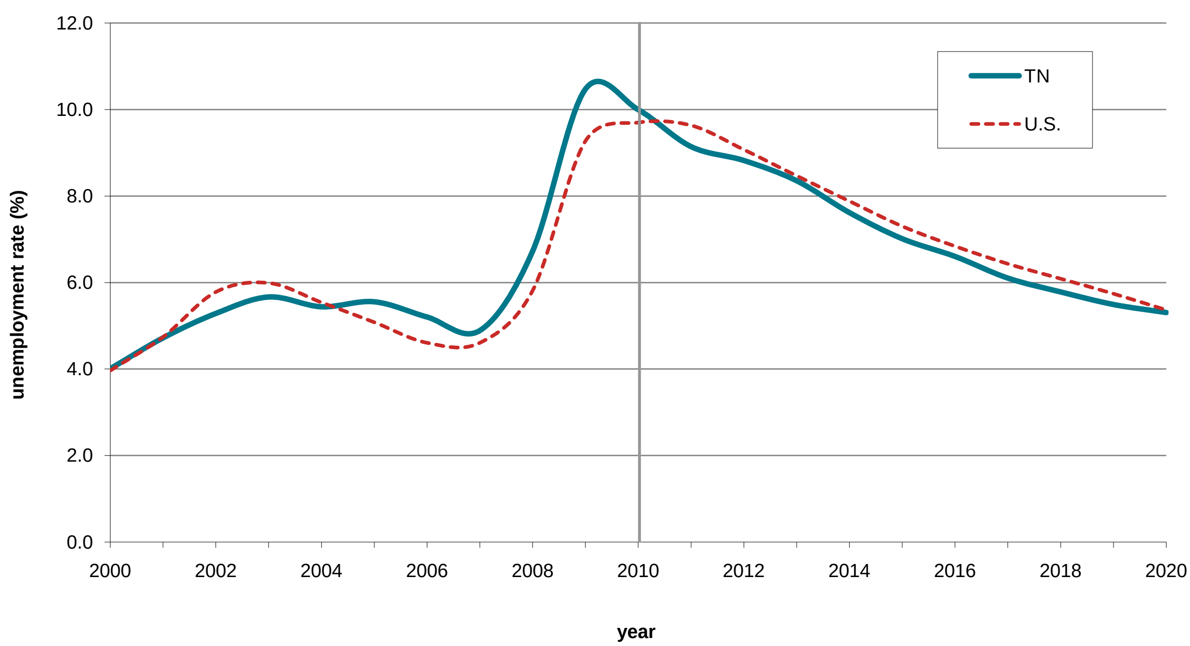
Over the next 10 years, inflation-adjusted state GDP is projected to grow at a 2.8 percent compound annual growth rate, slightly below the rate of growth of output for the nation. Tennessee's projected rate of growth is well above the historical record between 2000 and 2010, a time frame that includes two recessions. Exceptionally strong growth is expected in manufacturing, though this is largely due to durable goods and the computer and electronics sector. This same sector enjoyed unprecedented compound annual output growth of 36.5 percent between 2000 and 2010 while at the same time shedding almost two-thirds of 2000 employment.

Transportation equipment will also see healthy growth reflecting a rebound from the recession and new in-state producers like Volkswagen. Despite employment losses, the state's manufacturing sector will account for a rising share of state GDP by 2020 reflecting strong gains in productivity.

Nominal personal income will grow at a 4.9 percent compound annual growth rate by 2020, well above the historical record from 2000 to 2010. Part of the explanation is lower rates of inflation in the years ahead relative to the decade of the 2000s. Inflation-adjusted personal income in Tennessee will be up 3.0 percent between 2010 and 2020. Transfer payments will be the most rapidly-growing component of personal income, followed by proprietors' income (5.3 percent) and other labor income (4.7 percent).

Nominal per capita income in Tennessee stood at $35,541 in 2010 while national per capita income was $40,353. Tennessee

Figure 3.3. Tennessee and U.S. Unemployment Rates Will Remain Elevated through the Recession



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

3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

per capita income fell as a share of the national average between 2003 and 2008 before recovering some over the course of the recession. Further improvement is expected through 2012 when the state's relative position vis a vis the nation is expected to stabilize. By 2020, per capita income in Tennessee will total $53,217 or 89.5 percent of the national average.

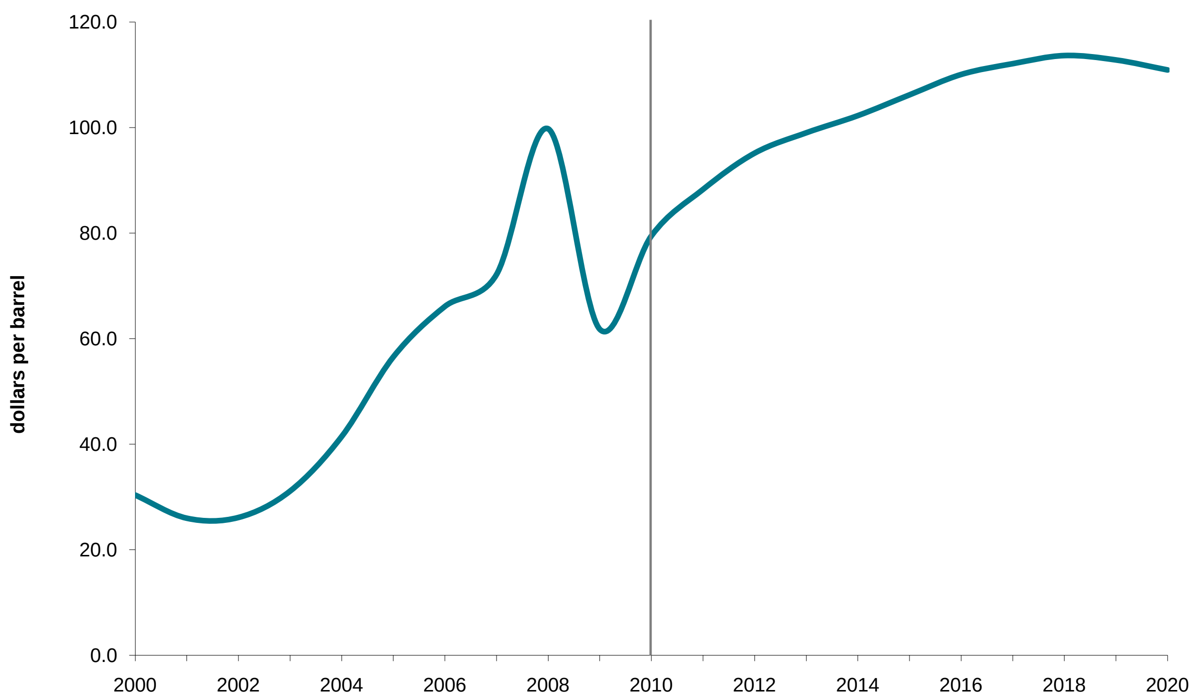
Over the long run, inflation is a largely a monetary policy phenomenon. The baseline forecast presented here assumes that the Fed will be effective in reining in future inflation. The Consumer Price Index, the most-commonly used gauge of inflation, is expected to increase by only 1.7 percent in 2011. Consumer prices are then expected to hover in the 2 percent range for the remainder of the decade.

Some products can have an influential effect on inflation by virtue of their importance to the overall economy. Included are commodity prices in general and energy prices in particular. As shown in Figure 3.4, petroleum prices rose steadily in the first half of the decade of the 2000s before spiking during the onset of the recession; oil prices then tumbled before rebounding in 2009. With worldwide demand steadily increasing, prices will continue to trend upward. Scarcity tends to bid up the price of energy encouraging the pursuit of energy-saving technologies and new energy sources. But these are long-term responses—expect energy prices to climb steadily over the course of the decade.

Tennessee's Aging Population

The aging baby boom generation is creating dramatic demographic change in the U.S. and Tennessee. In 2000, about one out every eight Tennesseans was 65 years or older.

Figure 3.4. Average Price of West Texas Intermediate Crude Expected to Climb



Source: IHS Global Insight, Inc.

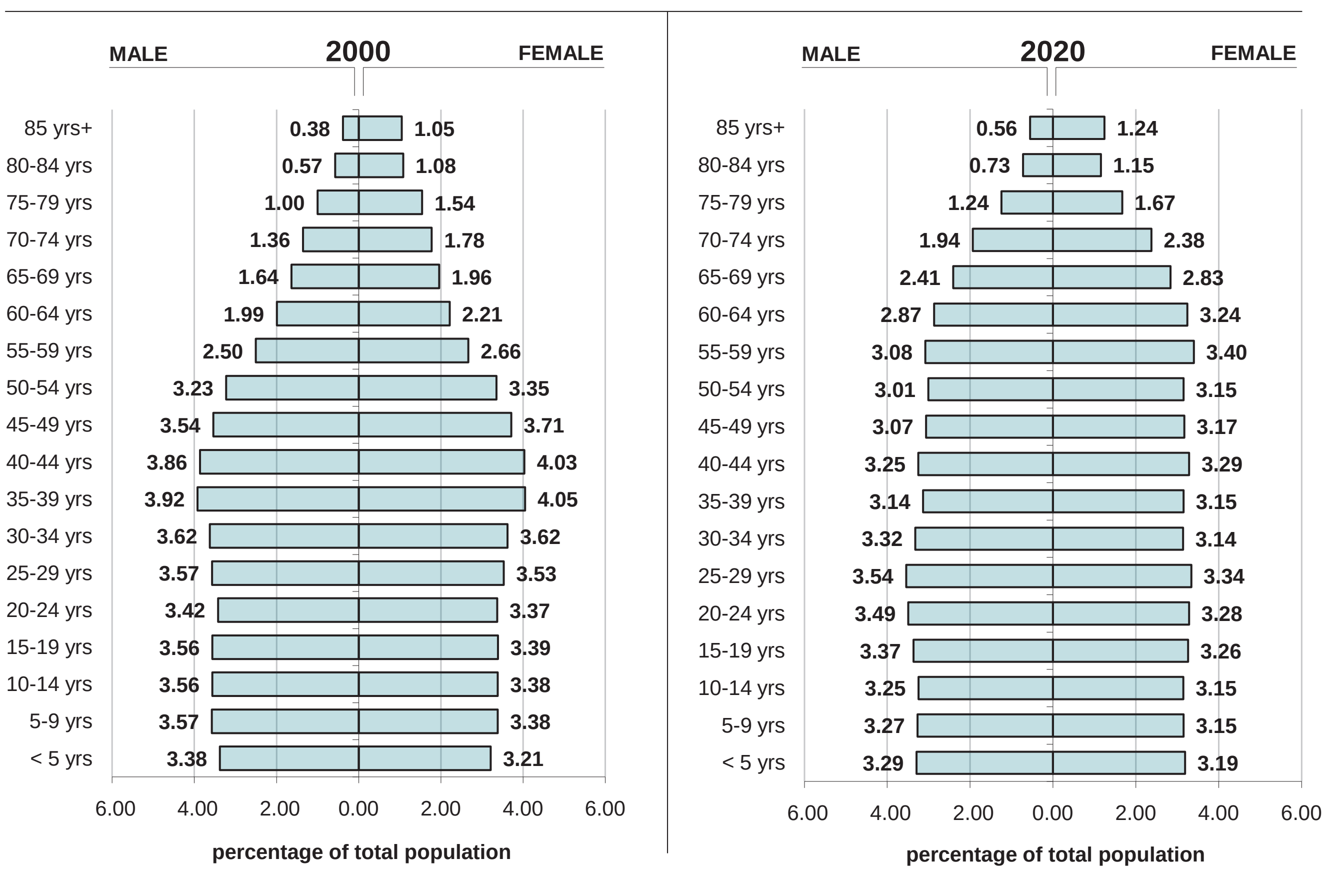
3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

By 2020, CBER estimates that about one of every six Tennesseans will be 65 years or older (see Figure 3.5). This older age profile will have many economic, social and political consequences for the coming years. Notably it will create increased burdens on the health care delivery system and translate into a smaller labor force. The current recession adds additional uncertainty, however, as it comes at a critical time just before retirement for many baby boomers. Many of these individuals will have delayed their retirement, but ultimately they will retire and withdraw from the workforce. The recent changes in the labor, housing and financial markets will likely have permanent impacts on many baby boomers well into their retirement years.

The increasing life span of Americans will mean more healthy years for most adults rather than unhealthy years, but the aging process will ultimately place pressures on Medicare (health care for the aged) and Medicaid (health care for the poor). The longer life span will also have important implications for Social Security since it means a longer benefit-payout period. It is likely that retirement ages will be increased to diminish the pressures on the Social Security Trust Fund.

Most elderly prefer to live in their own home

Figure 3.5. Tennessee's Population is Aging



Source: U.S. Census Bureau and CBER-UT.

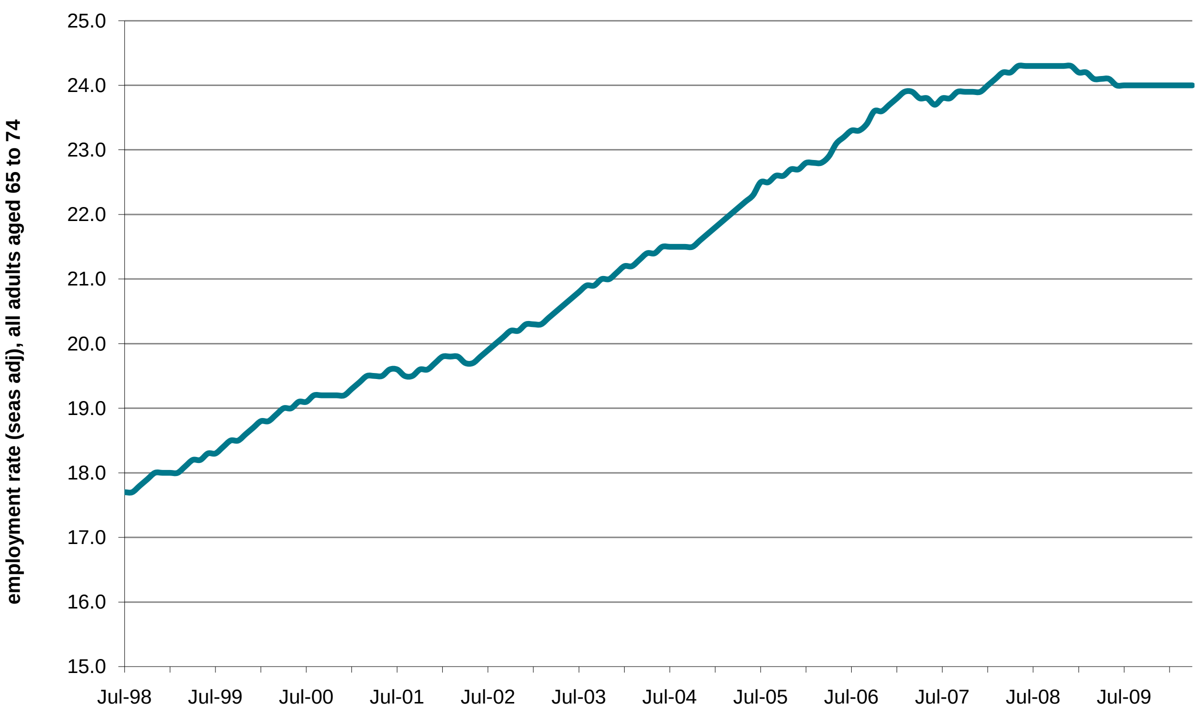
3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

as long as possible. This is called "aging in place." Compared to the rest of the nation, this will create somewhat unique problems for Tennessee, since many of the elderly here live in rural areas. In fact there are many rural regions across the state that have become highly attractive locations for retirees. Unfortunately, most are not in immediate proximity to large health care service clusters. In addition, many of the homes that the elderly reside in are older and are often energy inefficient, in poor condition and costly to maintain. This will exacerbate the health and economic problems of older persons in Tennessee. It may make sense to actively encourage these persons to take advantage of federally-funded initiatives promoting energy efficiency and home modification.

It is usually assumed in public discourse that persons retire at age 65 or 66, if not sooner. This is no longer true. The fraction of persons aged 65 to 75 who are employed has risen steadily since the 1990s (Figure 3.6), so that now 24 percent of all Americans in this age group are employed. The rising employment of older persons will present both opportunities and challenges for the American labor force in coming decades. First, labor forecasts based on the dependency ratio—the ratio of the number of persons ages 65 and older divided by the number in the 16 to 64 age group—will exaggerate the true number of those who have exited the labor force. The rising number of older workers will partially dampen previously expected labor shortages.

This rising number of older workers will

Figure 3.6. Employment Rate of the Aged Has Steadily Grown



Source: U.S. Census Bureau, Current Population Survey.

3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

present challenges as well. Labor contracts may need to be readjusted in order to accommodate part-time work for older persons. Also, older workers are often paid more than their younger workers, even if productivity declines. At times, employers may feel the urgency to keep these workers as the general supply of labor declines. During downturns in the business cycle, however, older workers may be among the first to lose their job, and unemployment may affect older workers more severely in the future. Finally, it is unknown why the employment rate of older workers is rising in the first place. One simple explanation is that the relative health status of the aged has improved and longevity has increased giving rise to more healthy years of potential work. Alternatively, if the increase is a response to increasing need, then this suggests that there are yet unidentified social and economic problems for elderly persons.

It is still difficult to assess the impact of the Great Recession on those who will retire in the near future. The recession dealt a blow to wealth through declines in both house prices and financial markets. Better data will be available next year when the triennial Survey of Consumer Finances is released by the Federal Reserve Board, but preliminary estimates of the relationship between the recession and baby boomers have been prepared by the Center for Economic and Policy Research. According to that study, baby boomers have seen their wealth drop by 45 to 50 percent between 2004 and 2009. Much of this is due to the decline in the housing market. The drop in house prices has impacted baby boomers at all income levels. About one in five may have less than 6 percent equity in their homes; i.e., they would need to bring cash to close on a house sale today, compared to one in ten who would have had to do so in 2004. While housing prices are no longer in free fall, they are not yet rising, and will probably not rise to pre-recessionary levels any time soon. Baby boomers may find themselves financially unprepared for retirement. In addition, many baby boomers are approaching retirement with little wealth outside of Social Security. Proposals to scale back Social Security and Medicare are unrealistic, and if successful, will guarantee that many baby boomers experience recession-related hardships into their retirement years, and any general economic recovery will probably skip over many retiring baby boomers.

CHAPTER 4: PASSENGER AND FREIGHT MOBILITY IN TENNESSEE: AN ECONOMIC AND POLICY OVERVIEW

In this chapter—

4.1. Introduction

Within any economy, there are four dominant elements – **(1)** the supply, education, employment, and compensation of labor, **(2)** the availability and relative price of capital (buildings, equipment, computers) **(3)** the physical environment, including climate, terrain, and access to both energy and non-energy resources, and **(4)** a system of transportation and communications for moving people, goods, and information. Nearly all economic policy is designed to seize on the strengths or remedy deficits in one of these core areas. It is, however, Tennessee's ability to physically move both passengers and freight that is the focus of the current chapter.

The transportation setting is laden with both opportunities and complexities. Tennessee's current and attainable transport capacity is a readily identifiable asset within efforts to bring jobs and incomes to the state's growing population. Few other states are better positioned. However, this opportunity comes with three notable challenges. First, to capture the potential benefits associated with the movement of people and goods, planners and policy-makers must understand how transportation works – both within the narrowly defined passenger and freight

4.1. Introduction, continued

movement sectors and within the broader economy. This understanding must extend to markets and populations that are, increasingly, thousands of miles away. Also, while understanding past economic realities is useful, maintaining a forward-looking vantage and a certain amount of flexibility is also critical to the transportation policy process.

The second challenge is to efficiently accommodate transport demands, while protecting the other attributes that define the quality of life in Tennessee communities. In some cases, this may mean segregating transportation activities from other aspects of community life. In other instances, it is necessary to carefully integrate mobility *within* communities in ways that simultaneously ensure efficient movement and preserve community "livability."

Finally, Tennessee transportation programs and policies cannot escape the increasingly harsh fiscal realities that compound the difficulty of sustaining adequate transportation. Federal transport policy is currently gridlocked by the inadequacy of existing funding steams and the inability to identify sufficient forward-looking alternatives. Similarly, it is increasingly difficult for state governments to match federal resources where these are available and to undertake initiatives that have no federal component.

4.2. Transportation Networks, Use and Economic Importance

Setting the Stage

Transportation activities are tightly woven within the basic fabric of both daily life and regional commerce. They are integral to nearly everything we do. Furthermore, the overwhelming majority of transportation is affected with an ease and efficiency that leaves it completely unworthy of attention. Within Tennessee, we generate tens of millions of passenger trips and freight movements daily, but only under extraordinary circumstances – usually when someone or something fails – do transportation activities become our central focus.

Similarly, seemingly distinct elements are routinely combined to provide a single transport event (an end-to-end passenger or freight movement). Even something as simple as a trip to work can require driving, parking, transit, and a walk to the workplace, while a locally purchased pair of tennis shoes probably traveled thousands of miles by three or more distinct transport modes in order to span the distance between manufacturer and retailer. Generally, the integration of distinct transportation resources goes unnoticed if all components function properly.

These successes are the culmination of myriad interactions between vehicle manufacturers, passenger and freight service providers, builders, and public sector planners and policy-makers.

Policy and Planning Notes

The jurisdictional authority of state planners and policy-makers varies greatly from one transport mode to the next. Historically, state-level authorities have had their greatest power in the development, construction, and maintenance of roadways and this outcome is largely true today. The federal government retains substantial control over airline, railroad, and navigation facilities and operations. Still, state-level policy makers have an important role in guiding federal policy toward all transport modes and in assuring that all modal alternatives have efficient interconnectivity and community access via Tennessee's roadway system.

4.2. Transportation Networks, Use and Economic Importance, continued

Tennessee's Transport Networks and Their Uses

Recognizing and attending to the highly integrated nature of transportation resources is essential to successful transportation planning. At the same time, manageability sometimes requires the segregation of specific modes and/or uses for data gathering and limited analytical purposes. This is the course followed here.

Roadways

Tennessee's roadway network is at the core of both passenger and freight transport within the state. Basic characteristics of this network are summarized in Table 4.1. [1] Several points are worth noting. First, the amount of highway infrastructure per capita in Tennessee is very consistent with the national average. In very rural or very urbanized states, this is not the case. Second, based on the two performance measures considered here – the roadway condition rating and the percentage of bridges judged to be structurally adequate – Tennessee is measurably ahead of the national average. Finally, the data indicate that nationally, a higher percentage of roads are owned by either the state in question or the federal government than is the case in Tennessee. Readers are left to reach their own conclusions about whether the correlation between infrastructure condition and ownership is coincidental.

In 2009, this roadway network accommodated approximately 70 billion vehicle miles of travel that included both passenger vehicles and commercial trucks. Representative segment-specific roadway volumes vary immensely from several thousand vehicles per hour on busy urban Interstates to one or two vehicle every two or three minutes on quiet local roadways. On average, trucks account for between five and 15 percent of all vehicle miles. However, because of their size, they consume a disproportionately large amount of capacity and inflict measurably greater roadway damage.

1 A full set of state-level data is available in *State Transportation Statistics: 2009*, US Department of Transportation, Research and Innovative Technology Administration, Washington, DC, 2009.

Table 4.1. Tennessee Roadways are its Transportation Backbone

	Tennessee	United States
Interstate (miles)	1,105	46,751
(Miles Per Capita X 1,000)	0.17550	0.15228
Arterials (miles)	9,215	412,037
(Miles Per Capita X 1,000)	1.46357	1.34211
Collectors (miles)	17,873	794,684
(Miles Per Capita X 1,000)	2.83867	2.58849
Local (miles)	63,982	2,789,306
(Miles Per Capita X 1,000)	10.16192	9.08549
Percent Rated Good or Very Good	63.9%	40.6%
Percent State-Owned	15.1%	19.3%
Percent Federally Owned	1.4%	3.3%
Number of Bridges	19,939	601,126
Bridges per Mile	0.2163	0.1487
Percent Structurally Obsolete	6.2%	11.8%

4.2. Transportation Networks, Use and Economic Importance, continued

Most vehicle trips are relatively short. In Tennessee, the average commute to work is by car, over a 15 mile route that takes approximately 24 minutes. Average truck hauls range from 40 miles for private truck movements to approximately 550 miles for truck-load common motor carriage. By virtue of its location within the greater geographic highway network, roughly 60 percent of all trucks observed on Tennessee roadways have neither their origin nor destination within the state, but instead represent "pass-through" traffic.

Airline Travel and Air Freight

Tennessee is home to five commercially served airports – Memphis, Nashville, Knoxville, Chattanooga, and the Tri-Cities. Traffic and operational characteristics for these facilities is summarized in Table 4.2. There is very little that is surprising in this table's values. FedEx operations at Memphis are readily apparent in the annual freight tonnage and daily operations tallies. Otherwise, traffic volumes are consistent with variations in populations observed among the metro communities served.

Passenger Railroad Operations

Currently, Tennessee has minimal passenger railroad operations. Amtrak operates one daily train in each direction between Chicago and New Orleans that makes stops in both Dyersburg and Memphis and commuter rail operations link Lebanon, Mount Juliet and a number of intermediate points with Nashville's city center.

In keeping with the recent resurgence in passenger rail planning, the Tennessee Department of Transportation (TDOT) has just completed an update to the passenger rail portion of its State Rail Plan. This update carefully examines available alternatives for creating both high-speed and traditional passenger rail corridors serving a number of Tennessee's communities. However, there are no immediate plans to carry these efforts beyond the planning stage.

Freight Railroads

Of the seven Class I railroads currently operating in the U.S., six maintain trackage and facilities in Tennessee. Only the Canadian Pacific does not have a presence in the state. This said three of the six (BNSF, Kansas City Southern, and Union Pacific) each operate less than 20 miles of Tennessee trackage and the Canadian National operates less than 200 route miles within the state. Most in-state railroad track is owned and operated by the nation's two dominant eastern carriers CSX Transportation (CSXT) and Norfolk Southern (NS). Both CSXT and NS operate roughly 1,000 miles of railroad within Tennessee's borders.

A substantial amount of rail traffic to and from the state enters through the rail gateways of Memphis and Chattanooga (via Atlanta). Four of the six Class I's serving Tennessee (BNSF, CN, CSX, and NS) operate major terminal facilities in Memphis and a fifth (UP) operates a large intermodal terminal nearby in Marian, Arkansas. Only the KCS lacks a Memphis presence. At the eastern end of the state, where CSXT and NS dominate, each carrier operates multiple terminal facilities in Atlanta and both funnel millions of tons annually over routes that converge and diverge at Chattanooga.[2]

2 In addition to facilities in Memphis and Chattanooga, CSXT operates classification yards in both Nashville and Erwin, Tennessee and an intermodal terminal at Nashville. NS operates a classification yard at Knoxville and has announced plans for a new intermodal facility also to be located in east Tennessee.

Policy and Planning Notes

The current trend among both airlines and regulators is toward consolidation of commercial activity at a smaller number of somewhat larger regional airports. This trend will be particularly important as federal authorities develop and implement the "next generation" of GPS-based air traffic control. While these activities fall outside state jurisdictions, individual airports and groups of airport users are likely to seek state-level for support for a variety of positions.

4.2. Transportation Networks, Use and Economic Importance, continued

Table 4.2. FedEx Operations Color Air Traffic Figures

	Memphis (MEM)	Nashville (BNA)	Knoxville (TYS)	Chattanooga (CHA)	Tri-Cities (TRI)
Daily Operations	915	477	283	154	140
Non-Stop Destinations	90	48	22	8	6
Annual Boardings	5,054,191	4,385,780	811,379	311,399	217,783
Annual Airfreight (tons)	9,464,365	177,883	NQ[1]	NQ	NQ
Max Runway Length (feet)	11,120	11,030	9,005	7,400	8,000
Airport Airspace Class[2]	B	C	C	D	D

[1] NQ denotes "Non-Qualifying," an indication that annual freight volumes fall below the threshold above which records are reported.
[2] Airspace classifications are based on the altitude below which aircraft fall under the direct control of controllers, as well as the range of both required and available instrument procedures. Generally, they denote both capacity and traffic volumes.

Finally, in addition to Tennessee's Class I rail carriers. The state is also served by 22 short-line carriers that operate a total of more than 800 miles of track. Unlike the Class I railroads, Tennessee's DOT provides annual funding to short-line carriers that is used to improve both bridge and track quality. This funding is distributed via locally created and administered rail authorities that interact with TDOT on an ongoing basis. The whole of this process creates a fiscal linkage between the state and the short-lines that does not exist with the Class I railroads.[3]

Table 4.3 summarizes rail traffic that originates or terminates in Tennessee. Inbound shipment volumes (primarily coal) roughly double outbound traffic. Intermodal shipping has grown substantially within state and is expected to increase even more rapidly over the coming decades as both international and domestic container movements to and from the state increase. As discussed further below, access to price-competitive intermodally-shipped imports is likely to remain an important interest area for policy-makers and planners.

3 For a very thorough description of Tennessee short-line railroad operations see, *Short-Lines Across Tennessee: Short-Line Railroad Directory*, Multi-Modal Division, Tennessee Department of Transportation, November 2005.

In addition to coal and intermodal movements, freight rail continues to play an important role in the agricultural sector, serving as both a source of and an outlet for farm products and many of the chemicals that are used in the growing and processing sectors. Paper and paper products also depend notably on rail service. Finally, rail traffic volumes are rounded out by the movement of building products such as wood and lumber, concrete and its components, and the stone, sand, and gravel often used as base products.

Policy and Planning Notes

Tennessee is one of five states that has formally supported Norfolk Southern (NS) improvements to the Crescent Corridor – a network of freight rail lines connecting the mid-Atlantic region with various locations in the south and southeast. These improvements are intended to divert domestic truck traffic from the Interstate system to the rail-truck intermodal routing. Within the context of this initiative, NS is working with the state to develop new intermodal truck-rail facilities in Fayette County, near Memphis, and in Jefferson County, near Knoxville.

4.2. Transportation Networks, Use and Economic Importance, continued

Table 4.3. Intermodal and Coal Dominate Tennessee Railroad Traffic

Commodity	Originating Traffic	Terminating Traffic
Intermodal Shipments	2,760,560	2,893,840
Farm Products	731,440	4,361,288
Coal	1,299,528	10,018,051
Stone and Gravel	-------	988,496
Food Products	1,871,728	3,895,812
Lumber and Wood Products	-------	1,084,720
Pulp, Paper and Paper Products	1,416,264	1,380,700
Chemicals	1,612,640	4,743,216
Concrete, Cement, etc.	1,798,136	-------
Scrap Materials	793,876	-------
Other Commodities	3,207,080	4,018,514
TOTAL	**15,491,252**	**33,384,637**

Commercial Navigation

Tennessee's western border is largely formed by the lower Mississippi River which is a free-flowing waterway, typically supporting 30-barge freight tows.[4] Commercial navigation is also available on the Tennessee and Cumberland Rivers. However, navigation (and other river uses) is supported by navigation structures (primarily locks and dams) that help maintain channel depths by creating reservoirs that are also referred to as pools. The presence of these navigation structures, combined with channel width, causes tow sizes to become increasingly smaller as shipment on either river system move upstream, away from their confluence with the Ohio River. Table 4.4 provides information describing the lock and lock performance on both the Tennessee and the Cumberland.

Planning, construction, and river operations on the Mississippi River fall strictly under the control of the U.S. Army Corps of Engineers (Corps). On the Tennessee and Cumberland Rivers, these responsibilities are divided between the Corps and the Tennessee Valley Authority (TVA). Vessel requirements and operations on all three rivers are controlled by the U.S. Coast Guard. Accordingly, the primary role of state policies is to inform the federal decision-makers and influence land-side accesses and uses.

The Economic Importance of Transportation

Individual mobility and the movement of goods are integral to all we do. Thus, the quality of life for all Tennesseans, as well as the vitality of commerce depends on available, safe, and affordable transportation. The dollar values of the various types of transportation, sets of transportation users, and transportation service characteristics evidenced within the state can be measured in many different ways.

4 In actuality, the border is formed by what *once was* the course of the Mississippi. Consequently, natural course changes in the river have isolated small portions of Arkansas and Kentucky in what appears to be Tennessee and small portions of Tennessee in what appears to be Arkansas and Kentucky. This outcome is common throughout the inland navigation and results in some very interesting jurisdictional issues.

4.2. Transportation Networks, Use and Economic Importance, continued

Table 4.4. Infrastructure Is Critical to Navigation on the Tennessee and Cumberland Rivers

Project Name	River Mile	Main Chamber Size (feet)	Average Lift (feet)	Typical Delay (minutes)	Typical Annual Freight (tons)
Tennessee River					
Kentucky	22.4	600X110	63	263	32.0
Pickwick	206.7	1000X110		32	19.6
Wilson	259.4	600X110	96	130	12.8
Wheeler	274.9	600X110	45	43	12.6
Guntersville	349.0	600X110	35	32	8.7
Nickajack	424.7	600X110	39	<30	4.9
Chickamauga	471.0	360X60	50	85	2.3
Watts Bar	529.9	360X60	60	49	1.6
Fort Loudon	602.3	360X60	72	<30	0.6
Cumberland River					
Barkley	30.6	800X110	57	<30	3.6
Cheatham	148.7	800X110	26	<30	8.4
Old Hickory	216.2	428X84	60	<30	3.6

In the aggregate the dollar results are large. Each year, Tennessee households spend roughly $25 billion (18 percent of available income) on the purchase of transportation goods and services. Of this amount, the vast majority (93 percent) is spent to purchase, service, fuel, and insure automobiles. Tennessee businesses also spend to buy transportation (and related) services. These business expenditures total roughly $8 billion annually. Finally, Tennesseans *produce* transportation vehicles, vehicle accessories, and vehicle parts. Each year, the total value added within this category is roughly $18 billion (six percent) of the state's annual $250 billion Gross Domestic Product.

The Value of Passenger Vehicle Transport

Each day in Tennessee, passenger vehicles produce roughly 172 million Vehicle Miles Traveled (VMT).[5] Of this amount, slightly less than 20 percent (34 million) represent trips to and from work. Another 26 percent (45 million VMT) is made up of household errands and recreational travel. On average, each of the vehicle trips that contribute to these totals includes a driver and 0.59 passengers. Combining these figures, Tennessee drivers accrue something like 275 million passenger vehicle miles per day.

Converting passenger miles to a corresponding value for roadway improvements requires an assumption and the application of an arbitrarily determined value. However, as speculative as this may seem, it is equally instructive. If we assume that the average vehicle speed is 34 mph. (the average value for work-related travel

5 The data here do not account for passenger vehicles operated by drivers from other states. Similarly, they do not account for the miles driven by Tennesseans in other states.

4.2. Transportation Networks, Use and Economic Importance, continued

in Tennessee) *and if we assume the value of occupants' time equals $10 per hour*, each one-percent reduction in vehicle total travel times can generate $300 million in annual savings to Tennessee drivers and passengers.

The Value of Freight Transportation

Unlike passenger transport, freight movement in Tennessee is not wholly dominated by highway activity. Motor carriage still accounts for the great majority of freight moved when freight is measured by its value. However, when tons are substituted as the output measure, the division of shares between truck and rail is somewhat more balanced. Finally, commercial navigation is also an important contributor to freight movements in Tennessee. Freight shares by both measures are included in Table 4.5.

Table 4.5. Trucks Dominate Freight Movements

	Value (2007 $millions)	Tons (2007 thousands)
INBOUND Interstate		
Truck	161,564	74,372
Rail	14,733	33,387
Barge	3,246	9,522
OUTBOUND Interstate		
Truck	293,210	114,756
Rail	8,141	15,491
Barge	1275	5782
Intrastate Tennessee		
Truck	104,259	249,548
Rail	846	810
Barge	201	374

Table 4.6 disaggregates estimated total business transportation and warehousing expenditures by industrial sector and also provides an estimate of transportation's importance relative to other production inputs.[6] These data offer no surprises.

6 These values were developed based national Bureau of Economic Analysis (BEA) Input-Output tables that relate output production to input usage. National numbers were adjusted to reflect state-specific variations as identified within location quotients.

Transportation and related expenditures are relatively high in industries where physical inputs and outputs are most important and low in industries where this is not the case.

The Metro – Rural Contrast

Whether discussing passenger or freight transportation, it is clear that the demand for transportation infrastructure and its corresponding use are both highly correlated with where people live and work. Passenger movement is highly localized and freight carriage is more localized than is commonly perceived. To the extent that transport networks transit lightly populated areas it is only because such routings are necessary to connect places where residential and commercial activities are more plentiful.

Within Tennessee, there are nine Metropolitan Statistical Areas (MSA's) that consist of 38 Tennessee counties and a handful of counties in Arkansas, Kentucky, Georgia, Mississippi, and Virginia. Focusing on the Tennessee counties, 72 percent of the state's population and 78 percent of its income reside within these metro areas. Even restricting the calculations to the nine core MSA counties (Shelby, Davidson, Knox, etc.), metro centers account for half (48 percent) of the state's population and half (52 percent) of its incomes.

From a physical standpoint, half of the transportation demand within the state resides in areas that occupy only about 11 percent of the land area or, conversely, less than 30 percent of the demand factors associated with transportation are located in areas that occupy more than 60 percent of Tennessee's physical jurisdiction.

The concentration of local demands in metro areas is compounded by their frequent role as network junction points, the presence of pass-through traffic that neither originates nor terminates in the state, and the need to move freight traffic from one mode to another at such locations. The sum of these effects is a need for transportation infrastructure development in metro areas that is vastly greater than any corresponding need in more rural communities.

4.2. Transportation Networks, Use and Economic Importance, continued

Table 4.6. Transportation Is an Important Business Input

Industrial Sector	Transportation / Warehousing Expenditures (2009 $millions)	Percentage of Total Sector Input Expenditures
Ag., Forestry, Etc.	47.62	4.1%
Mining	24.66	3.5%
Utilities	88.86	7.4%
Construction	230.35	2.4%
Manufacturing	1,510.92	3.7%
Wholesale Trade	949.59	5.6%
Retail Trade	979.57	4.8%
Transport and Warehousing	1,687.01	13.2%
Information	199.62	2.4%
Financial Sector	276.54	0.7%
Prof. and Busn. Services	568.98	2.0%
Education, Health Care, Etc.	332.84	1.3%
Arts, Rec, Food and Lodging	185.6	1.7%
Other Private Sector Services	122.79	1.8%
Government Services	672.47	2.4%
TOTAL / AVERAGE	**7,877.42**	**3.8%**

Rural policy-makers counter that improved transportation capacity is needed to spur rural economic development. However careful examination suggests that nearly all rural areas have local transportation facilities that are more than adequate to meet foreseeable demands.[7] Moreover, evidence suggests that the addition of transportation infrastructure, in the absence of other productive inputs, has very little impact on either jobs or incomes in rural communities. Finally, the reliability impacts of metro area congestion on traffic to and from rural communities are likely to be at least as important to rural economic development as any localized issues. Quite simply, improved network mobility in metropolitan settings, enhances transportation efficiency in *all* Tennessee communities, both large and small.

7 To a large extent the adequacy of rural transportation infrastructures is the direct result of previous state actions that have improved highway access through the *County Seat Connector Initiative* and through the state's short-line rail programs.

Policy and Planning Notes

The relationship between available transportation and rural economic conditions is complex. First, there is mounting evidence that transportation improvements, in isolation, have little or no positive influence on economic outcomes. Moreover, congestion in metro areas can substantially disrupt transportation to and from nearby rural communities. Together, these outcomes suggest that any focus on improving rural transportation infrastructure that detracts from metropolitan mobility may hurt rural areas far more than it helps them. This conclusion, however, certainly does not have universal acceptance.

4.3. Tennessee's Transport Networks—Projects, Policies and Funding

Setting the Stage from a State Perspective

From a practical standpoint, TDOT is the nexus for most transportation policy and policy implementation. Roadway transport is paramount to both passenger and freight mobility within the state and TDOT directly influences the planning, construction, operation, and maintenance of nearly every important roadway segment.[8] Even in the case of non-highway modes, where federal influence prevails, TDOT is typically the venue in which federal guidance for aviation, rail carriage, and barge transportation is integrated into the plans that most greatly impact specific Tennessee communities.

While TDOT is at the center of transportation planning and implementation, it does not dominate these processes. Instead, its role is divided between instigator and facilitator. Very clearly, numerous infrastructure and policy initiatives emerge directly from TDOT monitoring and planning activities. However, just as often TDOT work reflects a response to externally developed programs as expressed by either the federal government or by more locally-focused regional planning groups. This pivotal role is depicted graphically in Figure 4.1.

The Federal Influence

The daily concerns of most Tennesseans tend to focus on local transportation needs – getting to and from work or school, getting building materials delivered to a job site, etc. In reality, however, our well-being is equally if not more greatly influenced by the ability to connect the state's communities and regions to the remainder of the continent and to the global markets that lie beyond. Assuring the availability and affordability of this greater connectivity is the responsibility of the federal government. Additionally, it is the federal government that has assumed the primary role in developing and enforcing the standards deemed necessary to environmental quality and public safety. The execution of the tasks that result from these responsibilities colors nearly every aspect of local and regional transportation decision-making within the state.

Roadway Network Design and Funding

Roughly one-third of every dollar spent on roadway construction and maintenance in Tennessee is derived through federal revenue streams – primarily fuel taxes. In providing these funds, the federal government also provides guidance regarding both the nature and extent of resulting highway projects. In the case of the Interstate System and its component roadways, this guidance is relatively strict. However, federal influence on both the location and nature of roadways financed under other portions of the federal highway program are less restrictive and subject to considerably greater state and local input

Non-Highway Networks and Operations

The federal government has historically been willing to share jurisdictional control of roadway network design and operations with state and local governments. This has been far less the case with non-highway modes. Instead, the federal government has maintained strict control over airspace, airports, railroad infrastructure, and inland navigation structures and operations.

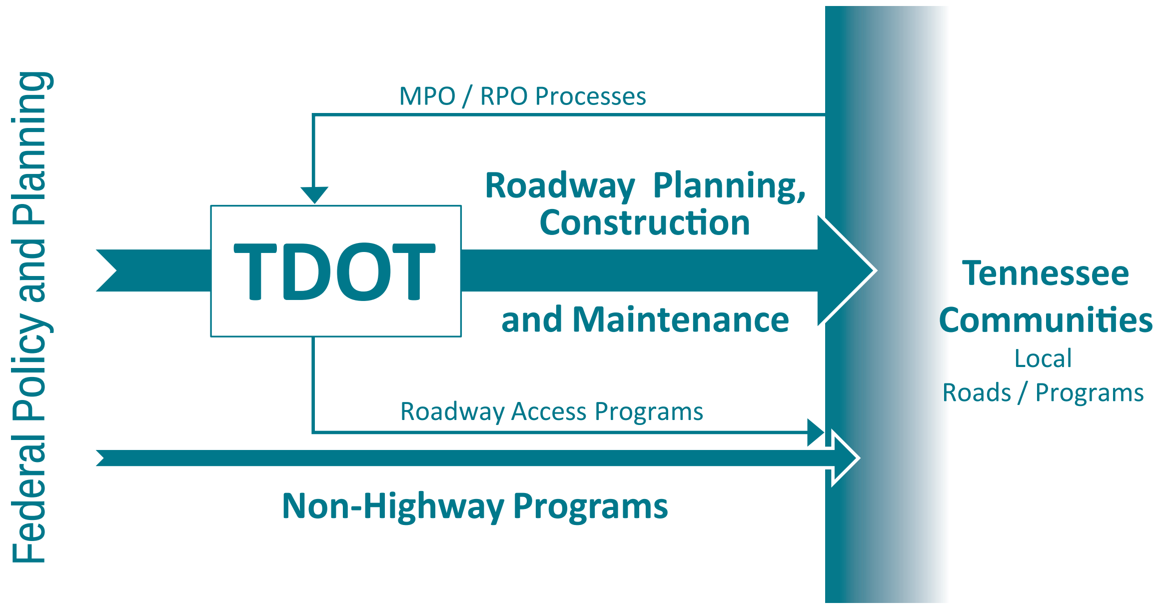
Airspace, airport development, related ground operations, pilot licensing, and aircraft maintenance are all tightly controlled by the Federal Aviation Administration (FAA). Other than offering input into the development and maintenance of smaller, general aviation (GA) airports and providing highway and transit access to larger, commercially served airports, the state has little jurisdiction.

The same is generally true of commercial inland navigation. The scope, scale, and operations of navigation facilities (principally, locks and dams) remain under the direct control of the U.S. Army Corps of Engineers, while river operations fall under the

8 As noted above, local jurisdictions plan, build, and operate many miles of local roadways. However, TDOT provides a significant amount of local planning and maintenance assistance through its Local Planning and Assistance Program (LTAP).

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

Figure 4.1. TDOT Is the Nexus for Transportation Policy and Practice



jurisdiction of the U.S. Coast Guard. State influence on Tennessee's navigable rivers has been restricted almost entirely to the land-side development of port facilities and necessary highway access.[9]

Railroad infrastructure and operations provide something of a contrast. In nearly all cases, railroads are privately held firms that historically have been tightly regulated by the federal government through the Federal Railroad Administration (FRA – infrastructure and equipment safety regulations) and the Surface Transportation Board (STB – economic regulations). Thus, similar to aviation and commercial navigation, there was no immediate role for state government. However, this pattern has changed notably over the past generation.

First, railroad deregulation during the 1970s and 1980s lead to a number of short-line "spin-offs" that are largely *intrastate* in their operations. Tennessee has embraced these small railroads through its TDOT-administered short-line programs which provide a modest amount of funding on an annual basis through regionally-created rail authorities.

More recently, the larger (Class I) railroads have enlisted and received direct state support for the development of improved freight infrastructures.[10] For example, Tennessee has joined with four other eastern and southeastern states in support of the *Crescent Corridor* initiative – a series of improvements planned by Norfolk Southern to enhance intermodal truck-rail connectivity between the northeast and deep south. In some instances, state support has been limited to highway access, grade crossing improvements,

9 The exception to this outcome lies in TVA. TVA's primary mission is increasingly limited to the generation and distribution of electric power. However, it also directly controls water releases on the Tennessee and Cumberland Rivers in support of commercial navigation, recreation, and flood control. TVA is a federally-created, quasi-federal entity that does not fit easily into the traditional jurisdictional taxonomy.

10 Railroad "Class" is determined by the STB based on annual operating revenues. Currently, the Class I threshold is set at $250 million per year.

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

and terminal developments. In other cases (particularly in Virginia), states have provided grant funds to affect line-haul track segment improvements. Overall Crescent Corridor improvements, including two new Tennessee intermodal terminals in Fayette and Jefferson County are depicted in Figure 4.2.

Vehicle Safety and Emissions Standards and Enforcement

The federal government establishes minimum safety and emission standards for nearly all transportation vehicles. In the case of passenger vehicles and on-road trucks, Tennessee participates in the enforcement of these standards. For all other transportation vehicles (aircraft, locomotives, rail cars, commercial vessels, etc.) safety and emission standards are enforced by the federal government only.

General Environmental Standards and Enforcement

The development of transportation infrastructures and the operation of transportation vehicles over these infrastructures has observable impacts on air quality, water quality and animal habitats. Evaluating the extent of these impacts within the permitting process and imposing mitigation measures is largely the responsibility of the federal government via the Environmental Protection Agency's enforcement of the National Environmental Protection Act, the Clean Water Act, etc. However, the state of Tennessee is expected to participate as a full partner in these efforts.

Metropolitan and Rural Community Influences

The federal statute that authorizes highway grant funding for individual states also requires that these states engage both metropolitan and rural planning organizations within the highway planning process. In the case of metropolitan planning, the statute actually segregates a certain amount of funds for metro spending. Metropolitan Planning Organizations (MPO's) develop requests as a part of their Transportation Investment Plans (TIP's). These plans are then included in state's aggregation of requests contained in the State Transportation Investment Plan (STIP). Rural Planning Organizations do not have the direct capacity to program funding for future projects. However, their needs (as often documented in TDOT-sponsored studies) are evaluated with other proposed highway projects, based on the same criteria applied to internally generated TDOT proposals.

Whether rural or metropolitan, local communities are very sensitive to their treatment within the transportation planning process. Thus, in addition to federally-mandated community involvement, Tennessee's legislature will, from time to time, directly intervene. The current "County Seat Connector" program mandating four-lane highway access to each of Tennessee's 95 county seats is a powerful example of direct legislative engagement on the behalf of community advocates.

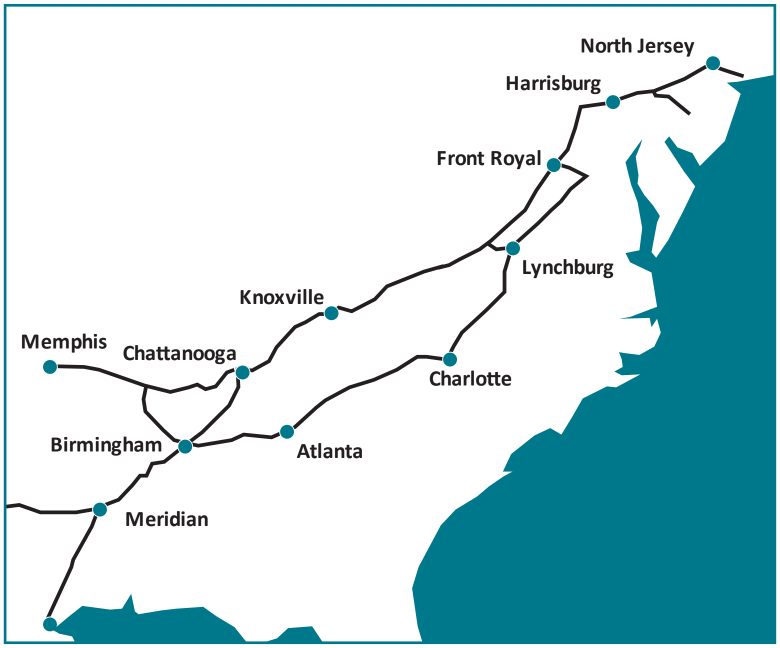
Policy and Planning Notes

While the federal government adopts authorizing legislation roughly once each decade, this legislation generally fails to reflect any long-range, comprehensive transportation policy. Instead, it is oriented toward system funding and other specific transport-related topics that are, for the moment, judged as important (the environment, transport security, intermodal freight, etc.).

Currently, a new round of federal policy and funding is overdue. Speculation suggests that it will continue the federal emphasis on intermodal transport, focus on multi-state "corridor" analyses, and relative project benefits and costs. This latter tact is aimed at addressing some of the difficult fiscal realities that have been ignored by earlier legislation.

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

Figure 4.2. Crescent Corridor



A Summary of the Fiscal Setting

In very rough terms, the state of Tennessee and its local communities spent about $2.5 billion on roadway construction and maintenance in 2007. Of this sum, approximately $1 billion was federal funds returned through federal fuel tax collections, while the remaining $1.5 billion was state money developed almost exclusively through state-imposed vehicle fuel taxes and vehicle registration fees. Of the total, approximately $1.2 reflected revenues and planned expenditures from earlier budget years. A stylized summary of transportation revenues and expenditures for 2007 – 2008, excluding the carry-over amounts, is provided Table 4.7

These data prompt three preliminary, but extremely important points. First, depending on how one accounts for the federal portion of Tennessee's annual roadway expenditures, non-roadway spending accounts for only three - five percent of the state's annual total budget outlays. Thus, while transportation infrastructure is critical to the well-being of all Tennesseans, it comes with a relatively modest price tag compared to other spending

Policy and Planning Notes

This chapter makes reference to the "County Seat Connector" (CTC) initiative as an example of direct legislative guidance within Tennessee's transportation planning processes.

The CTC program is a generation-long effort to see that the county seat within each Tennessee county has efficient and reliable highway access. To date, TDOT has constructed (or is currently developing) connectors in 75 of 95 counties. Unfortunately, a number of the remaining connectors where no work has occurred are in areas where challenging terrain will result in extremely costly construction efforts. Accordingly, TDOT, with the legislature's advice, is further exploring available alternatives.

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

Next, unlike many state's Tennessee does not routinely incur bonded debt in order to undertake highway infrastructure projects. This practice is dubbed, "Pay As You Go." (PAYGO)[11] It is deliberate policy with clear outcomes. Finally, combining Table 4.7 data with other expenditure information, leads to the inescapable conclusion that Tennessee's fiscal support for transportation is almost exclusively confined to roadway construction and maintenance. Annual expenditures for aviation, rail, waterway, or intermodal infrastructure projects total less than five percent of the amount spent on roadways each year.

Table 4.8 outlines the ways in which TDOT disbursed federally provided highway funds in 2007. It also provides a limited comparison to the averages across all other states. Again, there are two immediately obvious observations that reflect long-standing underlying philosophies.

First, the percentage of total disbursements targeted toward capital spending on state-administered roadways is measurably higher in Tennessee (compared to the national average). This difference is very similar in magnitude to the proportion of federal funds that Tennessee does not use to support construction-related debt (8.1 percent v. 8.9 percent). Thus, this difference reflects the Pay-As-You-Go-policy.

Table 4.8 also reflects a Tennessee approach toward local roadways that varies measurably from many other states. TDOT's direct expenditures for local roads and streets are very nearly zero, whereas, other state DOT's spend considerable amounts. Conversely, the percentage of federal funds that TDOT grants to local governments for their own disposition

11 The Pay- As-You-Go philosophy that governs roadway construction in Tennessee is the direct result of a barely-survived fiscal catastrophe in the 1930's that was directly attributable to state bonding for the purpose of roadway construction. This said, the state does retain bonding *authority* that plays a role in TDOT's budgeting and cash management process.

Table 4.7. A Sample of Transportation Revenues and Expenditures (2007-2008)

Expenditures	Combined Federal And State Expenditure	Precent of Total
Total Administration Expenses	$145,625,000	8%
State-Only Construction	$87,763,000	5%
Mas Transit Projects	$144,225,000	8%
Total Federal-Aid Construction	$1,197,116,200	69%
TOTAL D.O.T. (2007-2008)	**$1,747,240,200**	100%
Revenues		
Highway User Taxes	$662,800,000	38%
Misc. Dept. Revenues	$19,800,000	1%
Fund Balance & Reserves	$12,000,000	1%
Bond Authorization	$83,800,000	5%
Transportation Equity Fund	$47,000,000	3%
Transfer to General Fund	$0	0%
Transfer from General Fund	$15,061,200	1%
Federal Funding	$906,779,000	52%
TOTAL REVENUE	**$1,747,240,200**	100%

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

is half-again greater than the national average. This suggests Tennessee policy favors some degree of local autonomy over more centralized control.

The final table within this section (Table 4.9) divides expenditures between rural and metropolitan areas.[12] These data suggest that capital expenditure aggregations based on this distinction point to a fairly even distribution of capital expenditures and a division of maintenance expenditures that is heavily weighted toward rural areas.

Examples of Major Initiatives

On any day, there are several hundred transportation projects at various stages of planning, development, or construction within the state. Most of these projects are relatively small and are distributed (more or less) evenly across the state. At the same time, observers can usually find a handful of larger, ongoing initiatives that quite understandably dominate public attention. These larger projects are generally intended to address long-standing and significant mobility or safety concerns. By virtue of their small number and large budgets, these large projects may appear to favor one region or another. However, an examination of large project selection over time suggests that they are also evenly distributed across the state's major regions.

Projects At or Near Completion

Perhaps the most visible roadway project to be recently completed was *SmartFIX40*.[13] This Knoxville area project involved lane additions and modernization to I-40 between I-275 and the Cherry Street exit. The project added one through lane in each direction to I-40 bringing it to a total of six lanes. Auxiliary lanes also were added between I-275 and James White Parkway and between Broadway and Cherry Street. Hall of Fame Drive was reconstructed as part of the project as a new four-lane city street. The project lasted from July 2005

12 For the purposes of this table, data were aggregated to reflect the rural – metro distinction used elsewhere within the current chapter. Areas with a population of 50,000 or greater were treated as metropolitan, while areas with a population of less than 50,000 were treated as rural.

13 Not only was this project visible, TDOT worked tirelessly to garner public input, respond to that input in the design and execution of the project, and keep the public informed regarding progress. The result was that a potentially disruptive project was conceived, undertaken, and completed with an absolute minimum of public inconvenience.

Table 4.8. TDOT Disbursements of Federal Funds (2007)

Purpose	Disbursement ($thousands)	Percent of Total (Tennessee)	Percent of Total (US Average
Capital Spending – State Administered Roads	930,209	56.1%	48.0%
Capital Spending – Local Roads and Streets	21,367	1.3%	4.0%
Maintenance Spending – State Administered Roads	246,227	14.9%	15.4%
Maintenance Spending – Local Roads and Streets	-	0.0%	0.4%
Administration, Research, and Planning	143,910	8.7%	6.3%
Highway Law Enforcement	36,880	2.2%	5.9%
Interest Paid	-	0.0%	4.6%
Sinking Funds (Payments and Receipts)	-	0.0%	3.3%
Bond Refunding	-	0.0%	1.0%
Grants to Local Governments	278,900	16.8%	11.2%
TOTAL	**1,657,493**		

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

Table 4.9. Rural / Metro Expenditures (2007) Are Evenly Divided

	Interstate	Other Principal Arterial	Minor Arterial	Major Collector	Minor Collector	TOTAL
CAPITAL EXPENDITURES ($thousands)						
Rural	51,444	173,522	223,845	61,705	4,192	514,708
Metropolitan	158,001	-	142,765	132,408	12,847	446,021
TOTAL	**209,445**	**173,522**	**366,610**	**194,113**	**17,039**	**960,729**
MAINTENANCE EXPENDITURES ($thousands)						
Rural	37,805	60,488	95,773	7,561	-	201,627
Metropolitan	25,203	-	10,081	15,122	-	50,406
TOTAL	**63,008**	**60,488**	**105,854**	**22,683**	**-**	**252,033**

through June 2009 during which time I-40 in downtown Knoxville was completely closed for 13 months to allow for an accelerated project schedule. The total estimated project cost was $190 million, making this the single largest modernization effort in TDOT's history. In addition to the improvements that were a direct part of SmartFIX, significant advance improvements were made to I-640 in Knoxville so that it could effectively serve as a detour during I-40's closure.

A series of I-40 – Briley Parkway interchange improvements immediately east of Nashville also represent the completion of a significant TDOT initiative. Briley Parkway provides access to the Opry Mills complex and several other destinations; it also serves as an effective bypass to Interstate routings through downtown Nashville. By virtue of its importance, the I-40 – Briley interchange must accommodate more than 40,000 vehicles each day. Historically, deficiencies in the capacity of this interchange have contributed to delayed travel for the more than 100,000 vehicles that use I-40 in this area each day. The Briley improvements include two large fly-overs and other improved connections, as well as interchange improvements at Briley Parkway – Elm Hill Pike interchange that were necessary to assure smooth Briley traffic flows to and from I-40.

At the western end of Tennessee, TDOT, in partnership with Arkansas' Department of Transportation, is well under way in its $175 million seismic retrofit of the I-40, Hernando DeSoto Bridge. Upon completion, the retrofit (which includes both pier modifications and the installation of seismic expansion joints) is designed to ensure that the bridge and its approaches will be capable of withstanding an earthquake of a 7.7 (or less) magnitude. The partnering states are responsible for 80 percent of the total costs

The projects noted above have received considerable visibility via both local and national media. However, they represent only three examples of numerous (albeit, smaller) highway projects to recently be completed. A representative list includes **(Region 1)** additional I-40 construction near Knoxville and work on US-25E; **(Region 2)** I-75 construction north of Chattanooga, US 27 construction north of Dayton, modifications of US-64 in Lincoln County, and US-70 construction near Dowelltown; **(Region 3)** I-65 improvements in the area of SR-273, I-24 construction between SR-10 and US-231, I-40 work in the vicinity of Briley Parkway, the completion of the Waverly

4.3. Tennessee's Transport Networks—Projects, Policies and Funding, continued

bypass between Cooley Ave. and Hughey Lane, US-70 reconstruction in Lebanon, US-43 construction in Lawrenceburg and near Loretto, US-64 work between Waynesboro and the Natchez Trace Parkway, and more than a dozen state highway projects; and **(Region 4)** I-40 expansions near Jackson, I-240 improvements in southwest Memphis, US-72 expansion between the Mississippi state line and SR-385 (I-269), US-51 construction near Covington, US-70/79 work near the Danny Thomas Parkway, US-64 improvements in McNairy, Hardin, and Wayne Counties, US 45 construction in Jackson, and US 412 work in Lexington.

4.4. Looking Toward the Horizon

Distinguishing Between the Short-Run and the Long-Run

Most major transportation infrastructures will last for at least 20 years without any need for major redesign or rehabilitation. Given that the lead time for such projects is often ten years, planners and policy-makers must routinely try to look 30 years or more into the future when evaluating the worthiness of a large proposed project. For this reason, major transportation projects rely on a great deal of speculation about future economic and demographic conditions.

In most cases, absent major construction, there are usually incremental measures that can provide some relief to transportation users faced with declining mobility. These short-run fixes are, however, often quickly exhausted, leading to further incremental improvements in a succession of "band-aids" and a general sense of frustration among users who want a permanent solution.

Unfortunately for road-weary motorists, airline passengers, or commuters, the economics are squarely in favor of finding and executing short-run, smaller-scale solutions to transportation infrastructure problems. This is true for four reasons. First, the costs of large-scale infrastructure improvements are themselves large and these costs are very nearly immediate. Second, virtually no benefits from a large-scale project can accrue until that project is completed and open to use. Annulling a project, once design and construction have commenced, usually results in a complete waste of any expended funds. Next, project benefits accrue over the life of the infrastructure and that is generally a long time. Finally, large-scale infrastructure projects can, by their very presence, change the future demographic and economic circumstances that underlie the assessment of future infrastructure benefits. Thus, the "but if" component of forecasting future use and resulting benefits often becomes an important part of the discussion.

In order for a proposed, large-scale transportation infrastructure project to move forward, it must overcome each of these issues in a political environment where increasing demands for public resources compete for available resources.

Population Growth, Global Trade and Other Long-Run Factors

As the preceding section makes clear, it is certainly tempting and sometimes prudent to forego long-lived infrastructure investments when and where it is possible. Nonetheless, incremental transportation capacity improvements are exhaustible. Eventually we will be called on to undertake the difficult forecasts and analyses needed to justify large-scale transportation infrastructure

4.4. Looking Toward the Horizon, continued

improvements. Each specific project requires its own unique research design. Still, there are a handful of forward-looking questions that impact the evaluation of nearly every major transportation proposal within the foreseeable future. These questions include –

- Will the demographic trends favoring growing populations in the south and southeastern U.S. continue and, if so, how should Tennessee prepare for sustained population increases?
- When the growth in global commerce as a component within Tennessee's economy resumes as the world economy recovers from recession, what will increased international trade require of Tennessee's transportation networks?
- Both in terms of international and domestic freight traffic, how important is intermodal truck-rail transportation and what does its continued growth mean to transportation planners and practitioners in Tennessee?
- Will the confounding volatility in global petroleum prices continue to hamstring our ability to forecast fuel prices and, if so, how will this affect the demand for and ability to fund transportation infrastructures?
- What will be the form and extent of future safety, security, environmental, and community livability standards as they apply to transportation in Tennessee?

Without necessarily offering any answers, the text that follows attempts to more clearly frame these questions.

State and Regional Population Growth

Table 4.10 provides 2010 population estimates and 2030 population forecasts for Tennessee and nine surrounding states. Tennessee's projected population growth rate is slightly greater than both the weighted 10-state average growth rate and the weighted national growth rate. Moreover, there are similar results for the nearby states located to the east, along the eastern seaboard. However, estimated population growth in Alabama, Arkansas, Kentucky, Mississippi, and Missouri is forecasted to be lower than both the Tennessee value and the weighted regional average. This result should be recalled as the discussion turns toward import growth.

International Trade, Intermodal Transport, and Trade-Related Transport Demands

TDOT's recently updated Statewide Freight Plan carefully considers international trade growth, the role of trade within the Tennessee economy, and ways in which this trade is likely to affect the demand for transportation facilities over the coming decades. The TDOT analysis makes several relevant points. First, the demand for imported consumer goods is largely population driven.

The relatively strong population growth projected for Tennessee – particularly in its metropolitan areas – therefore suggests that the need to move import shipments into the state will also grow faster than average. The TDOT report also suggests that import freight traffic is particularly important to the Tennessee economy. Overall import volumes

Policy and Planning Notes

Policy-makers and planners are often scolded for applying band-aids before deciding to undertake major transportation initiatives. However, the approach of exhausting incremental remedies before approving a large infrastructure project is often the most responsible reaction to the difficult conditions inherent in publicly creating transportation capacity.

Transportation infrastructures are expensive and last a long time so that the costs of building something that is unnecessary are much greater than the costs of modestly delaying the construction of a good project. Moreover, while private markets directly discipline an overeager investor who acts prematurely, in a public setting, it is taxpayers who bear the risk of acting too quickly.

4.4. Looking Toward the Horizon, continued

are relatively high, but when these are adjusted to reflect differences in workforce size, Tennessee ranks fifth nationally in the annual value of per-worker imports.

Whether the issue is the import of intermediate goods for Tennessee producers or the import of consumer products necessary to support a growing population, the freight flows that support this import traffic are likely to change within the coming years. In 2014, improvements to the Panama Canal are scheduled to be complete. At that point, the size of the container vessels that can transit the Canal will triple. This, in turn is projected to significantly increase the volume of Asian containers that cross eastern U.S. ports. There is much conjecture regarding which specific ports will see the greatest traffic increases, but there is at least some sense that, for Tennessee-bound traffic, Charleston and Savannah will see the greatest increases. If this speculation is correct, it will measurably increase the freight traffic that enters the state via the Atlanta-Chattanooga gateway. It is also likely that a smaller amount of Tennessee-destined import traffic will enter the U.S. via the Port of Mobile en route to destinations in western Tennessee.

Finally, while population forecasts for Tennessee and its eastern neighbors are stronger than average, the strongest population growth is projected for Texas and other parts of the southwest. Much of the increased freight traffic necessary to service a rapidly growing Texas economy will be to and from the west coast. Also, the Port of Houston, already one of the nation's busiest container ports, is expected to continue its rapid growth. However, to the extent that traffic to and from Texas is routed over east coast ports, much of this traffic will traverse Tennessee, both by truck and by rail. This possibility, combined with increased freight demands within Tennessee, places particular importance on efforts to develop intermodal facilities and to preserve fluid traffic movements on I-40 between Knoxville and Memphis.

Intermodal freight transportation is a phrase applied to any multi-modal freight combination in which modal identities become

Table 4.10. Tennessee's Projected Population Growth Is Strong

State	Estimated 2010 Population	Estimated 2030 Population	Estimated Percentage Change
Alabama	4,596,330	4,874,243	6.0%
Arkansas	2,875,039	3,240,208	12.7%
Georgia	9,589,080	2,017,838	25.3%
Kentucky	4,265,117	4,554,998	6.8%
Mississippi	2,971,412	3,092,410	4.1%
Missouri	5,922,078	6,430,173	8.6%
North Carolina	9,345,823	2,227,739	30.8%
South Carolina	4,446,704	5,148,569	15.8%
Tennessee	**6,230,852**	**7,380,634**	**18.5%**
Virginia	8,010,245	9,825,019	22.7%
10-State Tot / Avg.	**58,252,680**	**8,791,831**	**18.1%**
National Average			**17.7%**

Source: Interim State Population Projections, 2005, US Census Bureau, Population Division, Internet Release Date: April 21, 2005. http://www.census.gov/population/www/projections/projectionsagesex.html.

4.4. Looking Toward the Horizon, continued

less important than the efficient movement of a shipment from its ultimate origin to its final destination. In practical terms, however, those who refer to "intermodal" transport are almost always envisioning truck-rail combinations where the local convenience of motor carriage is combined with the line-haul efficiency of railroads to provide freight services that look and feel like trucking, but are available at a measurably lower unit cost.

Further, it is impossible to discuss intermodal's history without referencing the growth of global commerce. Global commerce (as we now know it) would not exist without intermodal transportation and, at the same time, it is the need to move goods internationally that has introduced most American businesses to the concept of truck-rail intermodal transport. It is the international movement of goods that lead to huge new private investments in intermodal terminals. And it is trade-related traffic that spawned more than a decade of double-digit intermodal traffic growth in the U.S. Somewhat more recently, American shippers have learned to effectively apply the lessons from international shipping to domestic goods movements.[14] However, it is the link between global markets and intermodal shipping that will be recounted by historians.

Petroleum Prices

Without question, the long-run course of petroleum and petroleum product prices is the greatest wildcard facing Tennessee transportation planners and policy-makers. Substantial changes in petroleum prices would affect overall traffic volumes, modal splits, and the cost of building and maintaining infrastructure. Figure 4.3 provides two separate looks at fuel prices. The first panel of this figure tracks the price forecasts proffered by the U.S. Department of Energy's Energy Information Administration (EIA). The second panel depicts gasoline prices on a weekly basis both before and after the terrorist attacks in 2001.

Current petroleum prices are tracking between the midrange and upper EIA forecast levels. At the same time, it is clear that since 2001, petroleum and petroleum product prices have become much more volatile. The result is a future for petroleum prices that is nearly impossible to forecast with any degree of comfort. Moreover, it is unlikely that alternatively-fueled vehicles will play a significant role in either passenger or freight transportation for at least a generation (20-30 years). Thus, there is no realistic way to shield Tennessee's population from the potential impacts on both transport demand and supply that would result from an unanticipated disturbance in petroleum prices. The only possible counsel is for policy-makers to never fully discount the seemingly impossible when it comes to future petroleum prices changes and the demands they would place on state government.

Public Welfare – Safety and Security

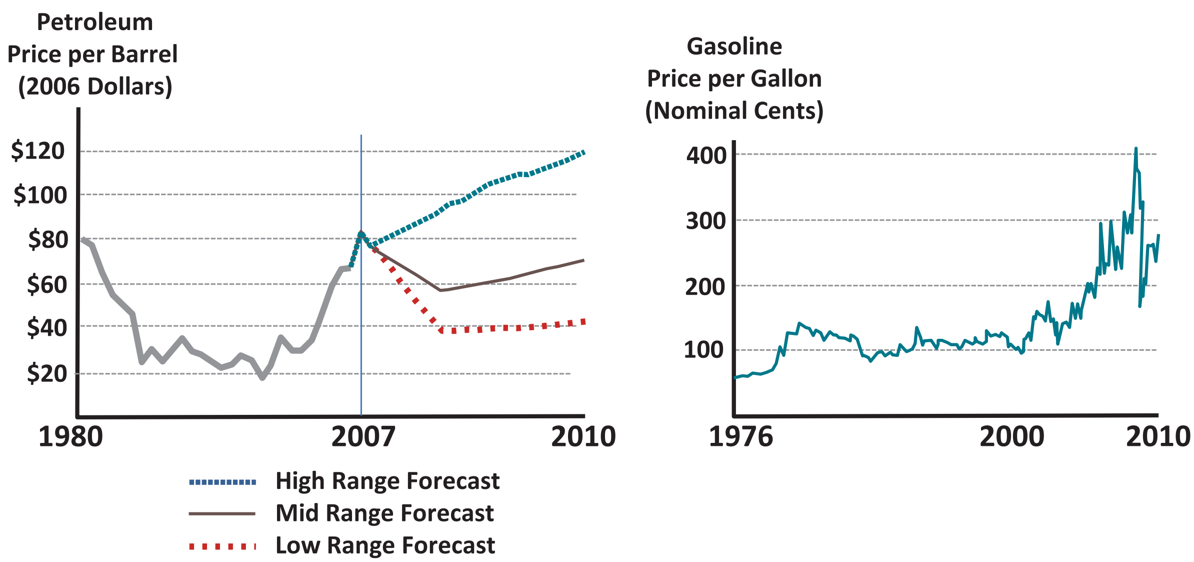
While fuel prices are largely unpredictable, the current trend toward safer, more secure, environmentally- and community-friendly transportation is both observable and likely to continue without change. This pattern certainly reflects a federal, top-down set of priorities. However, it is also echoes the at-home attitudes of most Tennesseans. Mobility is critical, but it cannot be maintained at *any* cost.

An emphasis on transportation safety is not new; state efforts (and resulting records) date to 1950. However, much as with other transportation topics, state-sponsored safety activities are heavily weighted toward highway transport. Safety efforts fall within three categories – enforcement, facility design and maintenance, and user education. These areas are administered by the Tennessee Department of Safety (TDOS), Department of Transportation (TDOT), and Governor's Highway Safety Office (GHSO), respectively.

14 The discussion above describes Tennessee's participation in the *Crescent Corridor* initiative. Crescent is one of the first major efforts to extend the benefits of intermodal shipping to a broader range of domestic freight customers by developing a truck-competitive intermodal alternative for domestic shippers in the eastern U.S.

4.4. Looking Toward the Horizon, continued

Figure 4.3. Fuel Prices Are Unpredictable



As noted, vehicle safety standards (and to a large degree, enforcement) fall within the jurisdiction of the federal government.

Attributing results to specific activities is beyond the scope of the current analysis. However, the sum result of the state-sponsored efforts is a dramatic drop in the rate of fatalities per hundred million Vehicle Miles Traveled. In 2009, this rate for Tennessee motorists, passengers, and pedestrians was only 1.40, or roughly 17 percent of the rate (8.28) recorded in 1950.

From a fiscal standpoint, nearly all funding for infrastructure safety activities has its source in federal pass-through dollars. Federal funding for all programs totals roughly $50 million annually or roughly seven percent of total federal transportation spending within the state. Of this sum, roughly half passes through directly to Tennessee communities for community-initiated programs.

Transportation security is, for the most part, not a state issue. Most transportation-related security efforts are focused on commercial passenger transport or the movement of freight. Moreover, much of the security emphasis in both areas is related to non-highway transport modes where rule-making falls directly under federal jurisdiction. The most visible exception to this pattern is in the area of disaster response. Both community planners and first responders have been encouraged to now prepare for the aftermath of security breaches as well as natural disasters. Tennessee, like most states, has cooperated in these efforts, with much of the necessary coordination coming through state-level authorities.

Public Welfare – the Environment and the Quality of Life

Just as Tennesseans want transportation that is safe and reasonably secure, they also demand increasingly improved environmental outcomes and a system of transportation that blends well with broader community goals.

Environmental standards are imposed through a variety of federal statutes governing air quality, water quality, the protection of fish and wildlife habitat, etc. and there is significant federal enforcement by the US Environmental Protection Administration

4.4. Looking Toward the Horizon, continued

(EPA). However, state agencies are expected to be vigilant partners in the enforcement process and, in particular, TDOT is expected to comply with all applicable environmental standards and practices in its design and construction of transportation infrastructures – primarily roadways.

Environmental compliance requires resources – both time and money – that were unnecessary when public policy allowed for the relative neglect of environmental outcomes. The exact magnitude of these additional costs varies widely, depending on project scale, scope, and location. Still, FHWA studies on the topic suggest that the overall cost increase attributable to environmental compliance ranges between 10 and 20 percent of project totals. This is true with respect to time *and* funding. Most of these costs are incurred in the planning and design stage, while the impacts on right-of-way acquisition and project construction are somewhat smaller.

Over the past two generations, planners and policy-makers have come to understand and, as necessary, quantify the basic environmental outcomes related to transportation infrastructure and its use. This has not always been easy and involves processes that are still not completely free of controversy. Thus, it is with some hesitancy that the same analysts are now learning to address an additional set of community concerns. These concerns center on "livability" issues that extend beyond traditional environmental outcomes.

Specifically, while nearly everyone accepts that the development, maintenance, and use of transportation caries realities that impact both community aesthetics and the convenience of daily life, populations are increasingly demanding that these costs be explicitly considered within the transportation process so that they can be minimized, mitigated and, where necessary, justly imposed on varying segments of the population. More than anything else, this has increased the attention to land-use planning. It has also lead to the integration of additional concepts including "context sensitive design," "environmental equity," and infrastructure recycling.[15]

Infrastructure Costs and Fiscal Realities

For most Tennessee families and businesses, good transportation depends on the ability to build and maintain good roads. A brief sketch of TDOT expenditures during 2007 was presented above, wherein roughly half of all money spent went for new roadway construction and half went toward the maintenance of existing structures. Prior sections also describe current roadway outcomes (quality and performance) within the state that are clearly superior to roads found in many other places. The challenge for Tennessee's transportation planners and policy-makers is to sustain this relative advantage going-forward.

Policy and Planning Notes

Among targeted environmental outcomes, air quality goals have proven the most elusive. Very few variable factors affect air quality more than the operation of transportation equipment, particularly in metropolitan areas. However, by its nature, air quality is also heavily impacted by atmospheric conditions that vary greatly based on time-of-day, season, and geographic attributes. Thus, finding and implementing air quality policies that are both effective and transportation-friendly has been difficult

Further, while federal funding is available through the Congestion Mitigation and Air Quality (CMAQ) program administered by U.S. DOT, use of these funds generally reduces the dollars that are available for alternative transportation purposes and has, therefore, not been widespread.

15 *Context Sensitive Design* involves developing infrastructures that detract as little as possible from historic or aesthetic nature of the surrounding community. It also indirectly implies scaling infrastructure so that it does not dominate the local landscape. *Environmental Equity* is a related concept through which the "negatives" associated with infrastructure development are not disproportionately imposed on those segments of the population who are least prepared to resist them. Both context sensitive design and environmental equity provide incentives to reuse or "recycle" infrastructures where doing so does not preclude the achievement of safety or capacity goals.

4.4. Looking Toward the Horizon, continued

The Nature and Scale of the Challenge

Money for roadway maintenance comes from three essential sources. Roughly one-third of funding flows to the state through federal fuel tax revenues. Two-thirds of the available funds come from the state and are developed though fuel taxes and vehicle registration fees. These fees make up 20 percent of the available state funds. Thus, combined federal and state fuel tax revenues account for roughly two-thirds of the state's annual roadway budget. Simplified representative figures similar to the values above are provided in Table 4.11.[16]

Table 4.11. Representative Budget Values

Revenues From	Dollars ($billions)	Percent of Total
Federal Funds	1.08	40%
State Gas	0.73	27%
Vehicle Registration	0.32	12%
Other State Fees	0.41	15%
Total Funds	**2.70**	**100%**

Both the federal and state fuel taxes are levied as excise taxes where the tax base is the number of gallons of fuel purchased rather than a sales type (i.e. ad valorem) tax where revenues are based on the value of the tax base. This distinction has profound implications for roadway funding. Fuel price increases are invariably accompanied by reduced consumption. In the case of a sales-based tax, the implication of a fuel price increase on fuel tax consumption is unclear (prices increase, gallons decrease, revenue impacts are indeterminate). However, when fuel taxes are levied against physical fuel quantities, an increase in fuel prices *will* cause fuel tax revenues to decline. The same outcome is true with respect to fuel conservation. Any success in reducing fuel consumption *will* lead to relative declines in fuel-based excise revenues. Thus, two-thirds of the revenue stream depicted above is, at best, vulnerable.

This outcome is exacerbated by the relationship between fuel prices and roadway construction costs. Roads paved with asphalt require large volumes of a petroleum-based product. Similarly, the production of concrete is very energy-intensive. Roadway construction also requires large quantities of stone and sand which require large amounts of fuel to quarry and transport. Finally, roadway construction equipment is fuel-intensive in its use. Thus, any increase in fuel prices that diminishes available revenues, simultaneously leads to measurable increases in roadway construction and maintenance costs.

This confounding set of outcomes is not new to transportation planners and policy-makers. It has been the topic of thousands of hours of discussions and, perhaps, ten times as many pages of published research. There are, however, only two meaningful conclusions. First, there is no easy, politically acceptable solution. Second, the ability to remedy the foreseeable highway revenue shortfall through frugality and increased productivity is nearly exhausted.

Choosing Among Difficult Alternatives

The arithmetic is not difficult. In Tennessee's case, the sum value of the revenue shortfall over the next 25 years is between $10 and $30 billion depending on the level of desired new construction, maintenance costs and changes in fuel consumption. There is no scenario that preserves current levels of mobility with the number of dollars that will be available. Thus, a difficult choice (or combination of choices) *will* be made by current and future state leadership.

The first choice is to preserve the status quo in terms of revenue development and simply live with the consequence of diminished mobility. In a sense, this alternative is partially self-correcting. The unwelcome increases in congestion, travel times, and safety outcomes will, unquestionably lead to increased fuel consumption and corresponding

16 The budget values provided in Table 4.7 reflect only annual revenues and expenditures planned from those revenues. The stylized budget values portrayed in Table 4.11 include the Table 4.7 values PLUS budget revenue carry-overs and planned expenditures from previous year budgets.

4.4. Looking Toward the Horizon, continued

fuel tax collections. This is, of course, completely counter to nearly every other goal established for the state's transportation policy. It will harm commerce, diminish the quality of community life, and retard environmental efforts.

The second alternative is to look to either the federal government or future generations of Tennesseans for a funding remedy. Readers will recall, however, that federal highway revenues are also derived through fuel excise taxes, so that competition for federal highway funds is also likely to increase. Furthermore, Tennessee has an 80 year history of rejecting bond financing for highway construction, let alone maintenance.

The final alternative to the looming funding shortfall is to revise the revenue instruments used to generate necessary funds. This course is also replete with difficulties. The simplest remedy would be to increase the rates applied under the current system of fuel excise taxes. Eliminating the foreseeable revenue deficits would require an increase of approximately five cents per gallon on both gasoline and diesel fuel for on-road vehicles. Fuel tax rates in Tennessee were last increased in 1977 and have been a routine topic of policy discussion for at least two decades. So far, however, this avenue has not been vigorously pursued.

A second, more radical course, would involve changing the fuel tax base from the currently used purchased quantity to one of two alternatives. The simplest of these would convert the excise tax to a sales-based tax. This would help insulate the fuels-based revenue stream from increased fuel prices, but it would also amplify the pain suffered by Tennessee motor fuel users under such price increases.

An even more radical course involves substituting vehicle miles traveled as the base for fuel taxes. This has the advantage of automatically dampening the revenue impacts of fuel conservation. However, in some sense, it also diminishes the rewards to individual conservation efforts and, perhaps, more importantly, a VMT-based fuel tax would be significantly more difficult to collect.

Policy and Planning Notes

The "pay-as-you-go" strategy which largely limits bonded debt as a means of financing transportation infrastructure before the needed cash is in hand is a policy deeply rooted in the state's decision-making culture.

If planners can adequately anticipate future transportation needs and corresponding strategies and if policy-makers make decisions based on that information, "pay-as-you-go" unnecessarily slows the state's response to foreseeable change, thereby measurably inconveniencing users and hampering commerce. Alternatively, "pay-as-you-go" may protect the state from ill-advised debt in situations where planning is incomplete, political considerations weigh heavily in decision-making, or circumstances are too volatile for long-term investment decisions.

A middle course might make bonded funding more readily available, but only in situations where a strictly determined set of planning criteria have been satisfied. However, even this relatively moderate course may be difficult to achieve given the topic's political history.

4.5. Concluding Thoughts

Each generation takes in hand what it is given, looks as well into the future as possible and acts with all the resources and imagination it has to make it easier to move people and freight where they need to go. It is fortunate that the world of transportation planning is very forgiving. Those mistakes that cannot be readily concealed are usually quickly forgotten.

Conclusions based on the information contained herein include –

- Tennessee begins with robust passenger and freight transportation networks that span modes and make global access as easy and efficient as they are for any location in the interior U.S.;
- Tennessee's economy – particularly in metropolitan areas and particularly in relation to imported intermediate goods – is dependent on continued, affordable mobility and global connectivity;
- The dichotomy between rural and metropolitan needs is substantial. There is, however, no evidence suggesting that transportation resources in rural communities are particularly lacking or that additional investments in rural transportation infrastructure will result in measurable new prosperity;
- Currently observable trends regarding population growth and the growth of international commerce will continue to place new demands on transportation resources within the state;
- Tennessee cannot be made immune to the vast uncertainties that owe to volatile fuel availability, pricing, and use;
- Tennessee's reliance on a "pay-as-you-go" system of finance and leanings toward relative local autonomy have left it better positioned than states that have relied more heavily on bonded debt and adopted a more centralized transportation planning role; and
- The fiscal verities that face all states (and the nation as a whole) are no less real in Tennessee. The issue of adequate financing will not be avoided for another generation.

There is no pending calamity, no need for urgent reform. There is simply very important work to be continued and vigilance to be maintained. There are more needs and wants than resources will afford and difficult choices to be made. Certainly, however, this circumstance does not distinguish transportation planning and policy from other areas of concern within the state. To the contrary, the leadership exerted over transportation decision-making has helped to ensure that transportation is not an arena in which the state is lacking or where Herculean reforms are required.

Policy and Planning Notes

Regardless of the transportation topic, fuel prices, availability, and usage seem to be the 800 pound gorilla in every room. Unforeseeable changes in fuel prices, particularly if they are sustained, can radically alter demands for both passenger and freight transportation, affect vehicle designs and usage, alter household migration and, confer or diminish individual, regional, and even national wealth on a large scale.

Within the current discussion, fuel prices and usage patterns simply confound the ability to plan and finance roadway construction and maintenance. A simple (and almost never-discussed) alternative would be to abandon fuel-based taxes as a form of highway financing in favor of a more general, more stable revenue source. It is, however, difficult to imagine the discussions that would surround any such proposal.

APPENDIX A: FORECAST DATA

In this section—

Appendix A: Forecast Data

Quarterly pages 2–25 (2010:4 to 2013:1)
Annual pages 26–40 (2010 to 2020)

Quarterly Forecast Tables

Annual Forecast Tables

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
US GDP (Bil2005$) SAAR……………………….	13194.9	13278.5	13399.6	13526.4	13630.6	13712.4	13823.2	13895.1	14000.1	14115.7	14248.8	14330.0	12880.6	13253.0	13673.2	14064.9
% Chg Prev Qtr SAAR……………………….	1.72	2.56	3.70	3.84	3.12	2.42	3.27	2.10	3.06	3.34	3.82	2.30	-2.63	2.89	3.17	2.87
% Chg Same Qtr Last Yr…………………….	3.00	3.25	2.92	2.95	3.30	3.27	3.16	2.73	2.71	2.94	3.08	3.13	-2.63	2.89	3.17	2.87
US GDP (Bil$) SAAR…………………………….	14578.7	14745.1	14876.0	15083.1	15230.3	15357.7	15524.7	15660.5	15826.7	16014.5	16227.6	16392.2	14119.1	14661.6	15298.9	15932.3
% Chg Prev Qtr SAAR……………………….	3.71	4.64	3.60	5.69	3.96	3.39	4.42	3.55	4.31	4.83	5.43	4.12	-1.74	3.84	4.35	4.14
% Chg Same Qtr Last Yr…………………….	3.88	4.47	4.19	4.41	4.47	4.15	4.36	3.83	3.92	4.28	4.53	4.67	-1.74	3.84	4.35	4.14
TN PERSONAL INCOME (MIL2005$) SAAR….	201900	202649	203941	205624	207636	209408	210934	212407	214017	215557	217078	218253	197348	201850	208400	214765
% Chg Prev Qtr SAAR……………………….	6.15	1.49	2.57	3.34	3.97	3.46	2.95	2.82	3.07	2.91	2.85	2.18	-1.74	2.28	3.25	3.05
% Chg Same Qtr Last Yr…………………….	1.60	3.33	3.66	3.38	2.84	3.34	3.43	3.30	3.07	2.94	2.91	2.75	-1.74	2.28	3.25	3.05
US PERSONAL INCOME (BIL2005$) SAAR….	11288	11334	11389	11568	11660	11740	11815	11768	11851	11937	12032	12100	11144	11287	11696	11897
% Chg Prev Qtr SAAR……………………….	5.56	1.65	1.95	6.42	3.24	2.74	2.59	-1.58	2.85	2.94	3.22	2.28	-1.92	1.29	3.62	1.72
% Chg Same Qtr Last Yr…………………….	0.65	2.12	2.67	3.87	3.30	3.57	3.74	1.73	1.63	1.68	1.84	2.82	-1.92	1.29	3.62	1.72
TN PERSONAL INCOME (MIL$) SAAR……….	223883	225289	227669	230253	233027	235795	238398	241065	243830	246591	249415	251905	215612	224358	234368	245225
% Chg Prev Qtr SAAR……………………….	6.10	2.54	4.29	4.62	4.91	4.84	4.49	4.55	4.67	4.61	4.66	4.05	-1.56	4.06	4.46	4.63
% Chg Same Qtr Last Yr…………………….	3.54	4.82	4.89	4.38	4.08	4.66	4.71	4.70	4.64	4.58	4.62	4.50	-1.56	4.06	4.46	4.63
US PERSONAL INCOME (BIL$) SAAR……….	12517	12593	12712	12954	13096	13231	13367	13369	13515	13670	13839	13981	12175	12543	13162	13598
% Chg Prev Qtr SAAR……………………….	5.51	2.44	3.83	7.85	4.46	4.19	4.18	0.05	4.45	4.67	5.03	4.16	-1.75	3.02	4.94	3.32
% Chg Same Qtr Last Yr…………………….	2.57	3.53	3.86	4.89	4.62	5.07	5.16	3.20	3.20	3.32	3.53	4.58	-1.75	3.02	4.94	3.32
TN NONFARM JOBS (THOUS)…………………	2614.5	2607.0	2614.2	2622.8	2634.7	2646.8	2659.8	2671.5	2684.3	2697.4	2710.0	2721.9	2619.0	2606.9	2641.0	2690.8
% Chg Prev Qtr SAAR……………………….	3.56	-1.15	1.11	1.33	1.83	1.84	1.98	1.78	1.92	1.96	1.89	1.77	-5.61	-0.46	1.31	1.88
% Chg Same Qtr Last Yr…………………….	-0.22	0.43	0.92	1.20	0.77	1.53	1.74	1.86	1.88	1.91	1.89	1.89	-5.61	-0.46	1.31	1.88
US NONFARM JOBS (MIL)…………………….	130.4	130.3	130.6	131.1	131.7	132.4	133.1	133.7	134.4	135.0	135.8	136.4	130.9	130.3	132.1	134.7
% Chg Prev Qtr SAAR……………………….	2.16	-0.15	0.71	1.48	1.99	2.05	2.15	1.93	1.93	2.04	2.27	1.81	-4.29	-0.50	1.38	2.02
% Chg Same Qtr Last Yr…………………….	-0.55	0.21	0.72	1.05	1.00	1.56	1.92	2.03	2.01	2.01	2.04	2.01	-4.29	-0.50	1.38	2.02
TN MFG JOBS (THOUS)……………………….	304.3	305.0	306.2	307.0	307.8	308.9	310.0	311.2	312.4	313.5	314.6	315.5	309.7	304.1	308.4	312.9
% Chg Prev Qtr SAAR……………………….	4.53	0.96	1.56	1.07	1.08	1.43	1.35	1.57	1.52	1.54	1.38	1.17	-14.19	-1.81	1.42	1.46
% Chg Same Qtr Last Yr…………………….	-1.59	0.78	1.73	2.02	1.17	1.28	1.23	1.36	1.47	1.49	1.50	1.40	-14.19	-1.81	1.42	1.46
US MFG JOBS (MIL)…………………………….	11.7	11.7	11.7	11.7	11.8	11.9	12.0	12.1	12.2	12.2	12.3	12.4	11.9	11.6	11.8	12.2
% Chg Prev Qtr SAAR……………………….	2.91	0.98	-1.05	0.68	4.20	3.15	2.27	3.49	3.18	2.40	2.77	4.38	-11.32	-2.03	1.59	3.02
% Chg Same Qtr Last Yr…………………….	-2.20	0.00	0.86	0.87	1.19	1.73	2.57	3.28	3.02	2.83	2.96	3.18	-11.32	-2.03	1.59	3.02
TN UNEMPLOYMENT RATE (%)……………….	10.3	9.6	9.4	9.3	9.2	9.1	9.0	9.0	8.9	8.8	8.7	8.5	10.5	10.0	9.1	8.8
US UNEMPLOYMENT RATE (%)……………….	9.7	9.6	9.7	9.5	9.4	9.2	9.1	9.0	8.8	8.7	8.5	8.3	9.3	9.7	9.3	8.7

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
CHAINED PRICE INDEX, GDP																
(2005=100.0)………….......................…	110.5	111.1	111.0	111.5	111.7	112.0	112.3	112.7	113.0	113.5	113.9	114.4	109.6	110.6	111.9	113.3
% Chg Prev Qtr SAAR………………………	1.93	2.10	-0.15	1.78	0.82	0.94	1.11	1.42	1.22	1.44	1.54	1.78	0.94	0.92	1.14	1.24
% Chg Same Qtr Last Yr……………………	0.85	1.19	1.21	1.41	1.13	0.84	1.16	1.07	1.17	1.30	1.41	1.49	0.94	0.92	1.14	1.24
US PERS CONSUMP DEFL (2005=100.0)……	110.9	111.1	111.6	112.0	112.3	112.7	113.1	113.6	114.0	114.5	115.0	115.5	109.3	111.1	112.5	114.3
% Chg Prev Qtr SAAR………………………	-0.05	0.77	1.84	1.34	1.18	1.41	1.55	1.66	1.56	1.68	1.75	1.84	0.18	1.71	1.27	1.57
% Chg Same Qtr Last Yr……………………	1.91	1.37	1.16	0.98	1.28	1.44	1.37	1.45	1.54	1.61	1.66	1.71	0.18	1.71	1.27	1.57
CONSUMER PRICE INDEX,																
ALL-URBAN (82-84=1.000)…………………	2.172	2.180	2.195	2.202	2.209	2.219	2.229	2.240	2.251	2.262	2.274	2.285	2.145	2.181	2.215	2.257
% Chg Prev Qtr SAAR………………………	-0.72	1.47	2.65	1.36	1.32	1.70	1.91	2.01	1.86	2.00	2.09	2.10	-0.32	1.65	1.55	1.88
% Chg Same Qtr Last Yr……………………	1.77	1.22	1.23	1.19	1.70	1.76	1.57	1.73	1.87	1.94	1.99	2.01	-0.32	1.65	1.55	1.88
BANK PRIME INTEREST RATE (%)……………	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.7	4.6	5.5	6.2	3.3	3.3	3.3	4.3
FEDERAL FUNDS RATE (% per annum)………	0.193	0.187	0.189	0.167	0.160	0.161	0.200	0.272	0.720	1.593	2.523	3.223	0.160	0.176	0.172	1.277
30-YEAR FIXED MORTGAGE RATE (%)……..	4.9	4.4	4.4	4.8	4.7	4.7	4.8	4.8	4.8	4.9	5.4	5.9	5.0	4.7	4.7	5.0
TN TAXABLE SALES (MIL2005$)……………	20276	20085	20437	20683	20917	21032	21153	21308	21472	21637	21787	21933	79929	80595	83785	86204
% Chg Prev Qtr SAAR………………………	10.04	-3.71	7.20	4.91	4.59	2.23	2.32	2.96	3.12	3.11	2.80	2.71	-7.60	0.83	3.96	2.89
% Chg Same Qtr Last Yr……………………	1.43	1.84	2.57	4.48	3.16	4.72	3.50	3.02	2.66	2.87	3.00	2.93	-7.60	0.83	3.96	2.89
TN TAXABLE SALES (MIL$)……………………	22484	22329	22815	23161	23474	23683	23907	24183	24463	24752	25032	25315	87324	89582	94225	98430
% Chg Prev Qtr SAAR………………………	9.99	-2.72	8.99	6.20	5.53	3.60	3.85	4.69	4.72	4.81	4.60	4.59	-7.43	2.59	5.18	4.46
% Chg Same Qtr Last Yr……………………	3.36	3.30	3.78	5.49	4.41	6.06	4.79	4.41	4.21	4.52	4.71	4.68	-7.43	2.59	5.18	4.46
TN AVG ANNUAL WAGE, NONFARM																
(2005$)…………….........................……....	38098	38407	38456	38573	38705	38827	38945	39061	39177	39300	39420	39549	37515	38189	38762	39239
% Chg Prev Qtr SAAR………………………	3.27	3.29	0.51	1.22	1.37	1.26	1.23	1.19	1.19	1.26	1.23	1.31	0.44	1.80	1.50	1.23
% Chg Same Qtr Last Yr……………………	0.99	2.59	2.05	2.07	1.59	1.09	1.27	1.26	1.22	1.22	1.22	1.25	0.44	1.80	1.50	1.23
TN AVG ANNUAL WAGE, NONFARM ($)……..	42246	42698	42931	43193	43438	43719	44016	44331	44634	44958	45293	45647	40989	42447	43592	44804
% Chg Prev Qtr SAAR………………………	3.23	4.35	2.20	2.47	2.28	2.62	2.74	2.90	2.76	2.93	3.01	3.17	0.63	3.56	2.70	2.78
% Chg Same Qtr Last Yr……………………	2.92	4.06	3.26	3.06	2.82	2.39	2.53	2.63	2.75	2.83	2.90	2.97	0.63	3.56	2.70	2.78

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
US GDP (2005$) SAAR	42501	42667	42953	43256	43484	43640	43887	44009	44235	44493	44804	44952	41842	42637	43568	44386
% Chg Prev Qtr SAAR	0.73	1.57	2.71	2.85	2.13	1.44	2.28	1.12	2.07	2.35	2.83	1.32	-3.48	1.90	2.18	1.88
% Chg Same Qtr Last Yr	2.00	2.25	1.93	1.96	2.31	2.28	2.17	1.74	1.73	1.95	2.09	2.14	-3.48	1.90	2.18	1.88
US GDP ($) SAAR	46958	47380	47686	48234	48588	48877	49289	49601	50007	50478	51027	51420	45865	47168	48748	50280
% Chg Prev Qtr SAAR	2.71	3.64	2.61	4.68	2.97	2.40	3.42	2.55	3.31	3.83	4.42	3.12	-2.59	2.84	3.35	3.14
% Chg Same Qtr Last Yr	2.87	3.45	3.19	3.40	3.47	3.16	3.36	2.83	2.92	3.28	3.52	3.67	-2.59	2.84	3.35	3.14
TN PERSONAL INCOME (2005$) SAAR	32020	32054	32200	32408	32666	32885	33065	33236	33428	33608	33784	33906	31565	31976	32756	33514
% Chg Prev Qtr SAAR	5.04	0.43	1.84	2.60	3.23	2.72	2.21	2.08	2.33	2.17	2.11	1.45	-2.48	1.30	2.44	2.31
% Chg Same Qtr Last Yr	0.63	2.25	2.66	2.46	2.02	2.59	2.69	2.56	2.33	2.20	2.17	2.01	-2.48	1.30	2.44	2.31
US PERSONAL INCOME (2005$) SAAR	36359	36420	36509	36992	37199	37362	37511	37272	37444	37626	37834	37956	36199	36312	37267	37544
% Chg Prev Qtr SAAR	4.54	0.68	0.97	5.40	2.26	1.76	1.61	-2.53	1.86	1.96	2.23	1.30	-2.77	0.31	2.63	0.75
% Chg Same Qtr Last Yr	-0.33	1.13	1.68	2.88	2.31	2.58	2.75	0.76	0.66	0.71	0.86	1.84	-2.77	0.31	2.63	0.75
TN PERSONAL INCOME ($) SAAR	35506	35635	35947	36289	36660	37029	37371	37721	38085	38447	38817	39134	34486	35541	36837	38267
% Chg Prev Qtr SAAR	4.99	1.46	3.54	3.87	4.15	4.09	3.74	3.80	3.92	3.86	3.91	3.31	-2.30	3.06	3.65	3.88
% Chg Same Qtr Last Yr	2.55	3.72	3.87	3.46	3.25	3.91	3.96	3.94	3.88	3.83	3.87	3.75	-2.30	3.06	3.65	3.88
US PERSONAL INCOME ($) SAAR	40318	40464	40747	41425	41779	42108	42439	42343	42703	43089	43516	43855	39549	40353	41939	42914
% Chg Prev Qtr SAAR	4.49	1.46	2.83	6.82	3.46	3.19	3.18	-0.91	3.44	3.67	4.02	3.16	-2.60	2.03	3.93	2.32
% Chg Same Qtr Last Yr	1.57	2.52	2.86	3.88	3.62	4.06	4.15	2.22	2.21	2.33	2.54	3.57	-2.60	2.03	3.93	2.32
TN TAXABLE SALES (2005$)	3216	3177	3227	3260	3291	3303	3316	3334	3354	3373	3391	3407	12784	12767	13169	13452
% Chg Prev Qtr SAAR	8.89	-4.72	6.42	4.15	3.84	1.50	1.58	2.22	2.38	2.37	2.06	1.97	-8.30	-0.13	3.15	2.15
% Chg Same Qtr Last Yr	0.46	0.77	1.57	3.56	2.33	3.96	2.76	2.28	1.92	2.14	2.26	2.19	-8.30	-0.13	3.15	2.15
TN TAXABLE SALES ($)	3566	3532	3602	3650	3693	3719	3748	3784	3821	3859	3896	3933	13967	14191	14810	15360
% Chg Prev Qtr SAAR	8.84	-3.74	8.21	5.44	4.77	2.86	3.10	3.94	3.97	4.06	3.85	3.84	-8.14	1.60	4.36	3.71
% Chg Same Qtr Last Yr	2.38	2.22	2.77	4.56	3.57	5.30	4.04	3.66	3.46	3.77	3.95	3.93	-8.14	1.60	4.36	3.71

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TN PERSONAL INCOME………...…….	201900	202649	203941	205624	207636	209408	210934	212407	214017	215557	217078	218253	197348	201850	208400	214765
% Chg Prev Qtr SAAR…………….	6.15	1.49	2.57	3.34	3.97	3.46	2.95	2.82	3.07	2.91	2.85	2.18	-1.74	2.28	3.25	3.05
% Chg Same Qtr Last Yr………….	1.60	3.33	3.66	3.38	2.84	3.34	3.43	3.30	3.07	2.94	2.91	2.75	-1.74	2.28	3.25	3.05
WAGES AND SALARIES…………….	100589	101075	101453	102055	102865	103656	104478	105247	106059	106905	107732	108553	99216	100514	103263	106486
% Chg Prev Qtr SAAR…………….	6.84	1.95	1.50	2.40	3.21	3.11	3.21	2.98	3.12	3.23	3.13	3.08	-5.12	1.31	2.74	3.12
% Chg Same Qtr Last Yr………….	0.77	2.98	2.93	3.15	2.26	2.55	2.98	3.13	3.11	3.13	3.11	3.14	-5.12	1.31	2.74	3.12
OTHER LABOR INCOME…………….	25032	25120	25274	25429	25620	25788	25895	25978	26080	26166	26339	26475	24281	25051	25683	26141
% Chg Prev Qtr SAAR…………….	4.20	1.40	2.48	2.47	3.04	2.65	1.66	1.30	1.57	1.34	2.67	2.08	1.75	3.17	2.52	1.78
% Chg Same Qtr Last Yr………….	2.72	4.11	3.62	2.63	2.35	2.66	2.46	2.16	1.79	1.47	1.72	1.91	1.75	3.17	2.52	1.78
PROPRIETORS INCOME…………….	22587	22555	22819	23240	23623	23864	23890	24142	24427	24663	24889	25093	21761	22522	23654	24530
% Chg Prev Qtr SAAR…………….	8.59	-0.56	4.76	7.60	6.76	4.14	0.43	4.29	4.81	3.93	3.71	3.31	-7.64	3.50	5.03	3.70
% Chg Same Qtr Last Yr………….	4.43	4.03	5.06	5.04	4.59	5.80	4.69	3.88	3.40	3.35	4.18	3.94	-7.64	3.50	5.03	3.70
RENT, INTEREST, DIVIDENDS………	27008	26760	26730	26773	26842	26879	26912	26927	26958	26989	26992	27042	27145	26852	26851	26967
% Chg Prev Qtr SAAR…………….	1.45	-3.62	-0.46	0.65	1.03	0.56	0.50	0.21	0.47	0.46	0.04	0.74	-4.86	-1.08	0.00	0.43
% Chg Same Qtr Last Yr………….	-0.96	-0.37	0.07	-0.51	-0.62	0.44	0.68	0.57	0.43	0.41	0.30	0.43	-4.86	-1.08	0.00	0.43
TRANSFER PAYMENTS…………….	43765	44290	44669	45228	45841	46402	46964	47501	47899	48260	48577	48878	41573	43922	46109	48059
% Chg Prev Qtr SAAR…………….	7.65	4.89	3.47	5.10	5.53	4.99	4.93	4.65	3.39	3.05	2.66	2.50	10.71	5.65	4.98	4.23
% Chg Same Qtr Last Yr………….	3.33	6.03	6.43	5.27	4.74	4.77	5.14	5.02	4.49	4.00	3.44	2.90	10.71	5.65	4.98	4.23
LESS: PERS CONT FOR SOC INS….	16669	16740	16595	16692	16748	16773	16797	16978	16995	17019	17043	17377	16161	16602	16752	17009
% Chg Prev Qtr SAAR…………….	6.60	1.71	-3.42	2.35	1.36	0.60	0.56	4.39	0.40	0.58	0.55	8.09	-1.71	2.73	0.91	1.53
% Chg Same Qtr Last Yr………….	2.62	4.37	2.79	1.75	0.47	0.20	1.22	1.71	1.47	1.47	1.46	2.35	-1.71	2.73	0.91	1.53
RESIDENCE ADJUSTMENT………….	-412	-411	-408	-409	-407	-409	-407	-410	-410	-408	-409	-411	-467	-409	-408	-409
% Chg Prev Qtr SAAR…………….	6.42	-1.02	-2.72	0.86	-1.93	1.76	-1.41	2.22	0.65	-2.06	0.70	1.96	-41.26	-12.31	-0.28	0.28
% Chg Same Qtr Last Yr………….	-13.76	-6.33	-15.33	0.83	-1.21	-0.53	-0.19	0.14	0.79	-0.17	0.37	0.30	-41.26	-12.31	-0.28	0.28
PER CAPITA PERSONAL INCOME ($)….	32020	32054	32200	32408	32666	32885	33065	33236	33428	33608	33784	33906	31565	31976	32756	33514
% Chg Prev Qtr SAAR…………….	5.04	0.43	1.84	2.60	3.23	2.72	2.21	2.08	2.33	2.17	2.11	1.45	-2.48	1.30	2.44	2.31
% Chg Same Qtr Last Yr………….	0.63	2.25	2.66	2.46	2.02	2.59	2.69	2.56	2.33	2.20	2.17	2.01	-2.48	1.30	2.44	2.31

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TN PERSONAL INCOME…………..………	223883	225289	227669	230253	233027	235795	238398	241065	243830	246591	249415	251905	215612	224358	234368	245225
% Chg Prev Qtr SAAR………………	6.10	2.54	4.29	4.62	4.91	4.84	4.49	4.55	4.67	4.61	4.66	4.05	-1.56	4.06	4.46	4.63
% Chg Same Qtr Last Yr…………..	3.54	4.82	4.89	4.38	4.08	4.66	4.71	4.70	4.64	4.58	4.62	4.50	-1.56	4.06	4.46	4.63
WAGES AND SALARIES………………	111541	112367	113257	114279	115444	116718	118081	119447	120833	122297	123780	125291	108395	111722	116130	121589
% Chg Prev Qtr SAAR………………	6.79	3.00	3.20	3.66	4.14	4.49	4.75	4.71	4.72	4.93	4.94	4.97	-4.95	3.07	3.95	4.70
% Chg Same Qtr Last Yr…………..	2.69	4.46	4.15	4.15	3.50	3.87	4.26	4.52	4.67	4.78	4.83	4.89	-4.95	3.07	3.95	4.70
OTHER LABOR INCOME………………	27758	27926	28215	28475	28753	29038	29266	29483	29713	29934	30263	30557	26529	27844	28883	29848
% Chg Prev Qtr SAAR………………	4.15	2.44	4.20	3.74	3.97	4.02	3.18	3.00	3.15	3.01	4.47	3.95	1.94	4.96	3.73	3.34
% Chg Same Qtr Last Yr…………..	4.68	5.60	4.84	3.63	3.59	3.98	3.73	3.54	3.34	3.08	3.41	3.64	1.94	4.96	3.73	3.34
PROPRIETORS INCOME…………….	25046	25075	25474	26024	26512	26871	27000	27399	27829	28214	28597	28962	23775	25033	26602	28010
% Chg Prev Qtr SAAR………………	8.54	0.46	6.51	8.93	7.72	5.53	1.93	6.04	6.43	5.65	5.53	5.20	-7.46	5.29	6.27	5.29
% Chg Same Qtr Last Yr…………..	6.42	5.52	6.30	6.06	5.85	7.16	5.99	5.28	4.97	5.00	5.91	5.70	-7.46	5.29	6.27	5.29
RENT, INTEREST, DIVIDENDS………	29949	29750	29840	29980	30124	30266	30416	30560	30714	30875	31013	31212	29655	29846	30196	30790
% Chg Prev Qtr SAAR………………	1.40	-2.63	1.21	1.89	1.94	1.90	2.00	1.90	2.03	2.12	1.80	2.59	-4.70	0.64	1.17	1.97
% Chg Same Qtr Last Yr…………..	0.93	1.06	1.25	0.45	0.58	1.73	1.93	1.93	1.96	2.01	1.96	2.13	-4.70	0.64	1.17	1.97
TRANSFER PAYMENTS………………	48530	49238	49866	50645	51447	52249	53079	53909	54571	55208	55813	56415	45426	48821	51855	54875
% Chg Prev Qtr SAAR………………	7.60	5.96	5.20	6.40	6.48	6.39	6.50	6.41	5.00	4.75	4.46	4.38	10.92	7.47	6.22	5.82
% Chg Same Qtr Last Yr…………..	5.30	7.55	7.68	6.29	6.01	6.12	6.44	6.44	6.07	5.66	5.15	4.65	10.92	7.47	6.22	5.82
LESS: PERS CONT FOR SOC INS….	18484	18610	18526	18691	18796	18887	18984	19269	19362	19470	19581	20057	17657	18453	18839	19420
% Chg Prev Qtr SAAR………………	6.55	2.75	-1.80	3.62	2.27	1.95	2.06	6.14	1.96	2.24	2.32	10.07	-1.53	4.51	2.09	3.08
% Chg Same Qtr Last Yr…………..	4.58	5.86	4.00	2.74	1.69	1.49	2.47	3.09	3.01	3.08	3.15	4.09	-1.53	4.51	2.09	3.08
RESIDENCE ADJUSTMENT………….	-457	-457	-456	-458	-457	-460	-461	-465	-468	-467	-470	-474	-510	-455	-459	-467
% Chg Prev Qtr SAAR………………	6.37	0.00	-1.09	2.10	-1.05	3.12	0.06	3.94	2.21	-0.44	2.47	3.83	-41.13	-10.80	0.89	1.82
% Chg Same Qtr Last Yr…………..	-12.12	-4.99	-14.33	1.81	-0.02	0.75	1.04	1.50	2.32	1.43	2.03	2.01	-41.13	-10.80	0.89	1.82
PER CAPITA PERSONAL INCOME ($)….	35506	35635	35947	36289	36660	37029	37371	37721	38085	38447	38817	39134	34486	35541	36837	38267
% Chg Prev Qtr SAAR………………	4.99	1.46	3.54	3.87	4.15	4.09	3.74	3.80	3.92	3.86	3.91	3.31	-2.30	3.06	3.65	3.88
% Chg Same Qtr Last Yr…………..	2.55	3.72	3.87	3.46	3.25	3.91	3.96	3.94	3.88	3.83	3.87	3.75	-2.30	3.06	3.65	3.88

Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONFARM	2612.7	2610.1	2637.6	2593.2	2636.4	2651.3	2683.6	2641.1	2686.0	2702.3	2734.4	2690.6	2618.9	2606.3	2641.1	2690.9
% Chg Same Qtr Last Yr	-0.28	0.37	0.85	1.11	0.91	1.58	1.74	1.84	1.88	1.92	1.89	1.87	-5.62	-0.48	1.34	1.8848
NATURAL RESOURCES, MINING & CONSTRUCTION	103.8	104.8	103.4	97.9	103.5	106.6	105.5	99.9	105.6	109.1	108.2	103.0	109.5	102.4	103.4	105.7
% Chg Same Qtr Last Yr	-6.04	-5.02	-1.70	0.26	-0.27	1.73	2.04	2.05	2.08	2.31	2.53	3.03	-17.31	-6.45	0.95	2.2451
MANUFACTURING	303.5	305.6	307.4	306.1	307.0	309.5	311.1	310.2	311.5	314.2	315.8	314.6	309.7	304.1	308.4	312.9
% Chg Same Qtr Last Yr	-1.62	0.69	1.76	2.05	1.15	1.29	1.23	1.36	1.47	1.49	1.50	1.40	-14.19	-1.81	1.43	1.456
DURABLE GOODS	174.7	176.9	178.4	178.3	178.7	180.5	181.7	181.8	182.4	184.3	185.6	185.6	181.6	175.7	179.8	183.5
% Chg Same Qtr Last Yr	-3.34	0.04	1.98	3.17	2.30	2.06	1.82	1.98	2.08	2.10	2.15	2.11	-17.79	-3.22	2.33	2.0771
NONDURABLE GOODS	128.9	128.7	128.9	127.8	128.3	129.0	129.5	128.4	129.1	129.8	130.2	128.9	128.2	128.4	128.6	129.4
% Chg Same Qtr Last Yr	0.81	1.61	1.47	0.54	-0.41	0.22	0.42	0.50	0.62	0.65	0.59	0.40	-8.52	0.18	0.19	0.5879
TRADE, TRANSPORTATION, UTILITIES	553.5	555.5	566.5	552.7	560.6	566.0	577.5	564.9	574.2	580.0	591.6	577.7	558.9	554.9	564.2	577.7
% Chg Same Qtr Last Yr	-0.64	0.11	1.60	1.55	1.28	1.90	1.94	2.20	2.42	2.47	2.45	2.28	-6.87	-0.70	1.67	2.3877
WHOLESALE TRADE	119.8	120.4	120.8	120.2	121.8	123.0	123.8	123.6	125.8	127.2	128.0	127.5	120.9	119.5	122.2	126.2
% Chg Same Qtr Last Yr	-1.45	0.61	1.86	2.56	1.64	2.12	2.50	2.87	3.27	3.48	3.42	3.12	-8.16	-1.16	2.20	3.2657
RETAIL TRADE	310.0	310.9	320.6	310.8	313.6	316.0	326.0	316.9	320.2	322.5	332.6	322.8	307.2	311.5	316.6	323.0
% Chg Same Qtr Last Yr	1.81	1.66	2.98	2.05	1.16	1.63	1.71	1.94	2.09	2.05	2.01	1.87	-5.56	1.40	1.64	2.0221
TRANSPORTATION & UTILITIES	123.7	124.2	125.2	123.1	124.5	126.4	127.7	125.8	127.5	129.6	131.1	128.9	130.7	123.9	125.4	128.5
% Chg Same Qtr Last Yr	-5.57	-4.02	-1.93	0.49	0.68	1.77	2.00	2.18	2.43	2.55	2.63	2.49	-8.65	-5.22	1.24	2.4538
INFORMATION	45.4	43.6	43.2	42.7	42.9	43.0	43.2	43.0	43.3	43.5	43.9	43.7	47.2	44.7	43.0	43.4
% Chg Same Qtr Last Yr	-4.29	-6.57	-6.32	-8.24	-5.53	-1.43	0.07	0.52	0.94	1.25	1.55	1.82	-6.48	-5.39	-3.88	1.0677
FINANCIAL ACTIVITIES	136.9	137.2	136.8	134.7	135.3	135.6	135.5	134.2	135.2	135.9	136.2	135.4	140.4	137.0	135.3	135.4
% Chg Same Qtr Last Yr	-2.75	-1.88	-1.92	-1.72	-1.22	-1.16	-0.88	-0.40	-0.03	0.23	0.50	0.89	-3.20	-2.42	-1.25	0.0751
PROFESSIONAL & BUSINESS SERVICES	300.0	300.6	308.9	300.4	308.0	313.9	323.3	313.8	320.3	326.8	336.2	325.9	293.0	299.6	311.4	324.3
% Chg Same Qtr Last Yr	3.03	4.16	4.36	3.97	2.67	4.42	4.66	4.47	3.99	4.10	3.98	3.87	-8.75	2.25	3.94	4.129
EDUCATION & HEALTH SERVICES	371.6	373.5	378.0	376.9	380.0	381.9	386.9	385.5	387.9	389.1	393.8	392.6	366.7	373.8	381.4	389.1
% Chg Same Qtr Last Yr	1.70	2.00	1.26	1.32	2.25	2.23	2.35	2.28	2.10	1.91	1.79	1.84	2.21	1.93	2.04	2.018
LEISURE & HOSPITALITY	265.2	266.0	256.9	249.7	267.8	272.9	263.9	256.7	275.5	280.4	271.0	263.8	263.2	259.0	263.6	270.9
% Chg Same Qtr Last Yr	-2.13	-1.15	-0.30	0.79	0.95	2.56	2.70	2.80	2.89	2.77	2.70	2.77	-3.85	-1.61	1.76	2.7868
OTHER SERVICES	102.7	102.6	101.9	102.2	104.6	104.4	104.4	104.8	107.0	106.6	106.3	106.6	102.2	101.7	103.9	106.2
% Chg Same Qtr Last Yr	-0.52	0.10	0.87	2.59	1.85	1.76	2.40	2.49	2.27	2.10	1.79	1.68	-2.22	-0.42	2.15	2.1576
GOVERNMENT	429.9	420.6	434.7	429.8	426.7	417.5	432.3	428.1	425.4	416.6	431.4	427.3	428.1	429.1	426.6	425.4
% Chg Same Qtr Last Yr	1.19	0.45	-0.57	-0.27	-0.74	-0.74	-0.56	-0.39	-0.32	-0.21	-0.20	-0.20	0.09	0.22	-0.58	-0.283
FEDERAL, CIVILIAN	56.5	51.7	48.2	48.1	48.5	48.2	48.1	47.7	47.9	47.5	47.4	47.1	50.0	51.6	48.2	47.6
% Chg Same Qtr Last Yr	11.30	4.09	-3.59	-3.49	-14.15	-6.75	-0.26	-0.82	-1.17	-1.44	-1.48	-1.22	1.25	3.14	-6.47	-1.228
STATE & LOCAL	373.5	368.9	388.8	382.7	375.2	368.9	386.4	381.4	374.4	368.7	386.3	381.1	378.1	378.1	378.3	377.7
% Chg Same Qtr Last Yr	-0.18	-0.05	0.41	0.41	0.46	0.00	-0.60	-0.34	-0.21	-0.06	-0.04	-0.06	-0.06	-0.02	0.06	-0.163

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL DURABLE GOODS	174.7	176.9	178.4	178.3	178.7	180.5	181.7	181.8	182.4	184.3	185.6	185.6	181.6	175.7	179.8	183.5
% Chg Same Qtr Last Yr	-3.34	0.04	1.98	3.17	2.30	2.06	1.82	1.98	2.08	2.10	2.15	2.11	-0.18	-0.03	0.02	0.02
WOOD PRODUCTS	10.8	10.9	10.9	10.5	10.7	10.9	11.0	10.7	10.9	11.2	11.3	11.0	11.3	10.8	10.8	11.0
% Chg Same Qtr Last Yr	-3.00	-3.26	-1.89	-0.99	-0.93	0.55	0.95	1.33	1.85	2.34	2.72	2.96	-0.21	-0.05	0.00	0.02
NONMETALLIC MINERAL PRODUCTS	10.6	10.7	10.7	10.5	10.7	10.9	10.9	10.8	11.0	11.2	11.2	11.1	11.5	10.7	10.8	11.1
% Chg Same Qtr Last Yr	-8.33	-6.69	-2.13	-0.22	1.09	2.04	1.79	2.29	2.68	2.62	2.57	2.47	-0.19	-0.08	0.01	0.03
PRIMARY METALS	8.8	8.8	9.1	9.1	8.9	9.0	9.3	9.3	9.2	9.2	9.5	9.5	9.0	8.9	9.1	9.3
% Chg Same Qtr Last Yr	0.00	3.53	3.64	2.30	1.31	2.27	2.22	2.36	2.46	2.43	2.39	2.32	-0.19	-0.01	0.02	0.02
FABRICATED METAL PRODUCTS	34.4	35.3	35.7	35.6	35.5	36.1	36.4	36.3	36.3	36.8	37.2	36.9	33.7	34.8	35.9	36.6
% Chg Same Qtr Last Yr	3.20	7.52	7.30	4.87	3.25	2.31	2.04	2.07	2.06	2.04	2.02	1.74	-0.15	0.03	0.03	0.02
MACHINERY	25.6	26.0	26.3	26.8	26.9	26.9	26.7	27.2	27.2	27.2	27.1	27.7	26.0	25.7	26.8	27.2
% Chg Same Qtr Last Yr	-2.17	3.31	5.89	8.10	5.22	3.17	1.46	1.44	1.22	1.28	1.52	1.56	-0.17	-0.01	0.04	0.01
COMPUTER & ELECTRONIC PRODUCTS	5.4	5.3	5.1	5.0	4.8	4.7	4.6	4.4	4.3	4.2	4.1	4.0	6.2	5.3	4.8	4.3
% Chg Same Qtr Last Yr	-15.71	-12.71	-10.80	-10.02	-10.13	-10.61	-10.97	-10.72	-10.34	-10.96	-11.02	-10.95	-0.16	-0.14	-0.10	-0.11
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	17.4	17.8	18.0	18.1	17.9	18.2	18.4	18.4	18.3	18.5	18.8	18.8	17.9	17.7	18.1	18.5
% Chg Same Qtr Last Yr	-3.16	3.29	4.37	3.50	3.10	2.00	2.01	2.02	2.01	2.00	2.00	1.99	-0.13	-0.01	0.03	0.02
TRANSPORTATION EQUIPMENT	37.7	38.3	38.9	39.3	39.7	40.2	40.7	41.1	41.5	42.0	42.5	42.8	40.1	37.9	40.0	41.8
% Chg Same Qtr Last Yr	-4.40	-2.55	0.83	6.62	5.29	5.10	4.76	4.60	4.52	4.49	4.35	4.26	-0.24	-0.05	0.05	0.04
FURNITURE	9.6	9.4	9.2	9.0	9.0	9.1	9.1	9.0	9.0	9.2	9.2	9.1	10.8	9.5	9.1	9.1
% Chg Same Qtr Last Yr	-11.66	-10.16	-8.73	-7.68	-6.21	-3.35	-1.50	-0.31	0.29	0.39	0.76	1.13	-0.24	-0.12	-0.05	0.00
MISCELLANEOUS DURABLE GOODS	14.4	14.5	14.5	14.4	14.5	14.6	14.6	14.5	14.7	14.8	14.9	14.8	14.9	14.4	14.5	14.7
% Chg Same Qtr Last Yr	-4.42	-0.91	0.86	-0.08	0.27	0.68	0.85	1.35	1.82	1.82	1.76	1.74	-0.04	-0.03	0.00	0.02

Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONDURABLE GOODS	128.9	128.7	128.9	127.8	128.3	129.0	129.5	128.4	129.1	129.8	130.2	128.9	128.2	128.4	128.6	129.4
% Chg Same Qtr Last Yr	0.81	1.61	1.47	0.54	-0.41	0.22	0.42	0.50	0.62	0.65	0.59	0.40	-8.52	0.18	0.19	0.59
FOOD	32.5	32.7	32.9	32.6	32.7	33.0	33.2	32.9	33.0	33.3	33.5	33.2	32.4	32.6	32.9	33.2
% Chg Same Qtr Last Yr	1.04	0.72	1.17	1.03	0.61	0.79	0.83	0.87	0.90	0.98	0.94	0.78	-0.31	0.76	0.81	0.92
BEVERAGE & TOBACCO	5.2	5.2	5.1	5.1	5.2	5.2	5.1	5.1	5.2	5.2	5.1	5.1	5.1	5.1	5.1	5.2
% Chg Same Qtr Last Yr	1.31	0.65	0.48	0.93	-0.20	0.14	1.00	0.47	0.38	0.38	0.42	0.36	0.33	0.45	0.46	0.41
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	11.9	12.1	12.1	11.8	11.9	12.0	11.9	11.6	11.8	11.9	11.8	11.4	12.7	12.0	11.9	11.8
% Chg Same Qtr Last Yr	-5.31	-3.45	-2.75	-1.24	-0.04	-0.95	-1.45	-1.38	-1.20	-1.01	-0.78	-1.23	-14.28	-5.15	-0.92	-1.09
PAPER	15.6	15.8	15.5	15.3	15.4	15.7	15.5	15.3	15.6	15.8	15.6	15.5	16.2	15.6	15.5	15.6
% Chg Same Qtr Last Yr	-2.70	-3.27	-2.53	-1.50	-1.04	-0.50	-0.06	0.48	0.77	0.80	0.81	0.72	-6.14	-3.46	-0.77	0.72
PRINTING & RELATED SUPPORT	12.1	11.8	11.7	11.5	11.5	11.5	11.5	11.2	11.2	11.2	11.2	10.9	13.4	11.9	11.5	11.2
% Chg Same Qtr Last Yr	-11.46	-9.44	-7.57	-5.50	-5.03	-2.70	-1.63	-1.94	-2.21	-2.45	-2.88	-3.25	-14.20	-11.14	-3.74	-2.37
CHEMICALS	25.2	25.3	25.4	25.3	25.4	25.6	25.7	25.7	25.8	26.0	26.0	26.0	25.8	25.3	25.5	25.9
% Chg Same Qtr Last Yr	-2.20	-0.78	-0.20	0.72	0.98	1.18	1.21	1.33	1.37	1.39	1.35	1.20	-6.27	-2.05	1.02	1.36
PLASTICS & RUBBER	19.8	19.5	19.5	19.4	19.6	19.7	19.8	19.7	20.0	20.1	20.2	20.0	20.4	19.6	19.6	20.0
% Chg Same Qtr Last Yr	-4.05	-2.18	-0.14	-1.51	-1.00	1.27	1.40	1.65	2.23	2.16	1.94	1.59	-19.69	-4.07	0.03	2.00
MISCELLANEOUS NONDURABLE GOODS	6.6	6.3	6.7	6.9	6.6	6.2	6.7	6.9	6.6	6.2	6.7	6.9	2.2	6.3	6.6	6.6
% Chg Same Qtr Last Yr	243.10	276.00	93.44	26.96	0.12	-0.28	0.14	-0.25	-0.43	-0.18	-0.05	0.20	14.10	181.34	5.85	-0.23

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

Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONFARM……	2614.5	2607.0	2614.2	2622.8	2634.7	2646.8	2659.8	2671.5	2684.3	2697.4	2710.0	2721.9	2619.0	2606.9	2641.0	2690.8
% Chg Prev Qtr SAAR……	3.56	-1.15	1.11	1.33	1.83	1.84	1.98	1.78	1.92	1.96	1.89	1.77	-5.61	-0.46	1.31	1.88
% Chg Same Qtr Last Yr……	-0.22	0.43	0.92	1.20	0.77	1.53	1.74	1.86	1.88	1.91	1.89	1.89	-5.61	-0.46	1.31	1.88
NATURAL RESOURCES, MINING AND CONSTRUCTION……	103.4	101.9	102.1	102.6	103.2	103.7	104.2	104.7	105.3	106.0	106.8	107.8	109.5	102.4	103.4	105.7
% Chg Prev Qtr SAAR……	4.51	-5.80	0.66	1.96	2.31	1.98	1.91	2.00	2.44	2.88	2.79	4.04	-17.27	-6.43	0.93	2.24
% Chg Same Qtr Last Yr……	-6.20	-4.71	-1.70	0.26	-0.27	1.73	2.04	2.05	2.08	2.31	2.53	3.03	-17.27	-6.43	0.93	2.24
MANUFACTURING……	304.3	305.0	306.2	307.0	307.8	308.9	310.0	311.2	312.4	313.5	314.6	315.5	309.7	304.1	308.4	312.9
% Chg Prev Qtr SAAR……	4.53	0.96	1.56	1.07	1.08	1.43	1.35	1.57	1.52	1.54	1.38	1.17	-14.19	-1.81	1.42	1.46
% Chg Same Qtr Last Yr……	-1.59	0.78	1.73	2.02	1.17	1.28	1.23	1.36	1.47	1.49	1.50	1.40	-14.19	-1.81	1.42	1.46
DURABLE GOODS……	175.2	176.6	177.9	178.5	179.3	180.2	181.1	182.1	183.0	184.0	185.0	185.9	181.5	175.7	179.8	183.5
% Chg Prev Qtr SAAR……	5.08	3.19	2.93	1.45	1.71	2.14	1.97	2.08	2.12	2.22	2.17	1.95	-17.79	-3.22	2.33	2.08
% Chg Same Qtr Last Yr……	-3.29	0.03	1.96	3.16	2.32	2.06	1.82	1.98	2.08	2.10	2.15	2.12	-17.79	-3.22	2.33	2.08
NONDURABLE GOODS……	129.1	128.4	128.3	128.5	128.5	128.7	128.8	129.1	129.3	129.5	129.6	129.6	128.2	128.4	128.6	129.4
% Chg Prev Qtr SAAR……	3.77	-2.01	-0.31	0.54	0.21	0.46	0.48	0.85	0.68	0.57	0.26	0.07	-8.51	0.19	0.18	0.59
% Chg Same Qtr Last Yr……	0.83	1.83	1.42	0.48	-0.40	0.22	0.42	0.50	0.62	0.65	0.59	0.40	-8.51	0.19	0.18	0.59
TRADE, TRANSPORTATION, UTILITIES……	556.1	555.8	557.9	559.9	562.6	565.6	568.7	572.2	576.2	579.6	582.7	585.2	558.9	554.9	564.2	577.6
% Chg Prev Qtr SAAR……	4.56	-0.21	1.52	1.41	1.95	2.15	2.27	2.42	2.85	2.36	2.18	1.73	-6.88	-0.72	1.67	2.39
% Chg Same Qtr Last Yr……	-0.62	0.09	1.61	1.81	1.17	1.76	1.94	2.20	2.42	2.47	2.45	2.28	-6.88	-0.72	1.67	2.39
WHOLESALE TRADE……	119.8	120.0	120.4	121.0	121.8	122.5	123.4	124.5	125.7	126.8	127.6	128.4	120.9	119.5	122.2	126.2
% Chg Prev Qtr SAAR……	6.23	0.61	1.53	1.97	2.49	2.50	3.03	3.48	4.08	3.35	2.79	2.29	-8.16	-1.17	2.20	3.26
% Chg Same Qtr Last Yr……	-1.44	0.61	1.85	2.56	1.65	2.12	2.50	2.87	3.27	3.48	3.42	3.12	-8.16	-1.17	2.20	3.26
RETAIL TRADE……	312.1	312.3	313.6	314.4	315.7	317.3	318.9	320.5	322.3	323.8	325.3	326.5	307.2	311.5	316.6	323.0
% Chg Prev Qtr SAAR……	5.31	0.30	1.63	1.04	1.73	2.06	2.01	1.97	2.31	1.93	1.82	1.43	-5.58	1.38	1.64	2.02
% Chg Same Qtr Last Yr……	1.83	1.62	2.98	2.05	1.17	1.61	1.71	1.94	2.09	2.05	2.01	1.87	-5.58	1.38	1.64	2.02
TRANSPORTATION & UTILITIES……	124.2	123.5	123.9	124.5	125.1	125.7	126.4	127.2	128.1	128.9	129.7	130.4	130.7	123.9	125.4	128.5
% Chg Prev Qtr SAAR……	1.18	-2.25	1.24	1.81	2.00	2.02	2.19	2.53	3.00	2.49	2.52	1.94	-8.64	-5.24	1.23	2.45
% Chg Same Qtr Last Yr……	-5.56	-4.03	-1.93	0.48	0.69	1.77	2.00	2.18	2.43	2.55	2.63	2.49	-8.64	-5.24	1.23	2.45
INFORMATION……	45.4	43.6	43.0	42.9	42.9	43.0	43.1	43.2	43.3	43.5	43.7	44.0	47.2	44.7	43.0	43.4
% Chg Prev Qtr SAAR……	-11.18	-15.19	-5.11	-0.80	-0.24	0.53	0.80	0.98	1.47	1.76	2.00	2.05	-6.56	-5.28	-3.89	1.07
% Chg Same Qtr Last Yr……	-4.08	-6.84	-6.32	-8.24	-5.53	-1.43	0.07	0.52	0.94	1.25	1.55	1.82	-6.56	-5.28	-3.89	1.07
FINANCIAL ACTIVITIES……	137.0	136.7	136.3	135.7	135.3	135.2	135.1	135.1	135.3	135.5	135.8	136.3	140.3	137.0	135.3	135.4
% Chg Prev Qtr SAAR……	-2.96	-0.78	-1.18	-1.95	-0.97	-0.52	-0.07	-0.05	0.53	0.50	1.03	1.52	-3.24	-2.36	-1.25	0.07
% Chg Same Qtr Last Yr……	-2.58	-1.91	-1.92	-1.72	-1.22	-1.16	-0.88	-0.40	-0.03	0.23	0.50	0.89	-3.24	-2.36	-1.25	0.07

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
PROFESSIONAL & BUSINESS SERVICES…	301.8	299.9	302.5	305.7	309.9	313.1	316.6	319.4	322.2	326.0	329.2	331.7	293.1	299.6	311.3	324.2
% Chg Prev Qtr SAAR……………………	10.94	-2.54	3.52	4.39	5.50	4.29	4.49	3.60	3.57	4.76	3.98	3.16	-8.70	2.19	3.93	4.13
% Chg Same Qtr Last Yr…………………	3.19	4.27	4.36	3.97	2.67	4.42	4.66	4.47	3.99	4.10	3.98	3.87	-8.70	2.19	3.93	4.13
EDUCATION & HEALTH SERVICES…………	371.7	374.3	376.1	377.9	380.1	382.6	385.0	386.5	388.1	389.9	391.9	393.6	366.8	373.8	381.4	389.1
% Chg Prev Qtr SAAR……………………	-1.32	2.79	1.99	1.88	2.34	2.70	2.49	1.59	1.63	1.93	2.00	1.80	2.25	1.90	2.04	2.02
% Chg Same Qtr Last Yr…………………	1.60	2.19	1.26	1.32	2.25	2.23	2.35	2.28	2.10	1.91	1.79	1.84	2.25	1.90	2.04	2.02
LEISURE & HOSPITALITY……………………	260.0	257.8	259.4	260.8	262.5	264.4	266.4	268.1	270.1	271.8	273.6	275.5	263.1	259.0	263.5	270.9
% Chg Prev Qtr SAAR……………………	1.97	-3.29	2.42	2.18	2.63	3.02	2.98	2.56	3.00	2.53	2.70	2.84	-3.88	-1.58	1.75	2.79
% Chg Same Qtr Last Yr…………………	-1.78	-1.29	-0.30	0.79	0.95	2.56	2.70	2.80	2.89	2.77	2.70	2.77	-3.88	-1.58	1.75	2.79
OTHER SERVICES……………………………	101.8	102.4	102.4	103.0	103.6	104.2	104.9	105.5	106.0	106.4	106.8	107.3	102.2	101.7	103.9	106.2
% Chg Prev Qtr SAAR……………………	5.70	2.51	0.18	2.05	2.67	2.18	2.72	2.38	1.79	1.50	1.50	1.93	-2.22	-0.43	2.15	2.16
% Chg Same Qtr Last Yr…………………	-0.52	0.23	0.87	2.59	1.85	1.76	2.40	2.49	2.27	2.10	1.79	1.68	-2.22	-0.43	2.15	2.16
GOVERNMENT…………………………………	433.0	429.5	428.2	427.4	426.8	426.1	425.8	425.7	425.5	425.2	425.0	424.9	428.1	429.6	426.5	425.3
% Chg Prev Qtr SAAR……………………	5.12	-3.16	-1.22	-0.77	-0.52	-0.72	-0.23	-0.10	-0.24	-0.29	-0.17	-0.08	0.09	0.35	-0.71	-0.28
% Chg Same Qtr Last Yr…………………	1.20	0.45	-0.07	-0.06	-1.42	-0.81	-0.56	-0.39	-0.32	-0.21	-0.20	-0.20	0.09	0.35	-0.71	-0.28
FEDERAL, CIVILIAN…………………………	56.2	51.7	48.2	48.3	48.2	48.2	48.1	47.9	47.7	47.5	47.4	47.3	50.0	51.5	48.2	47.6
% Chg Prev Qtr SAAR……………………	59.07	-28.35	-24.18	0.37	-0.50	-0.08	-0.81	-1.88	-1.89	-1.15	-1.01	-0.84	1.25	3.12	-6.46	-1.23
% Chg Same Qtr Last Yr…………………	11.23	4.13	-3.56	-3.49	-14.17	-6.73	-0.26	-0.82	-1.17	-1.44	-1.48	-1.22	1.25	3.12	-6.46	-1.23
STATE & LOCAL……………………………	376.8	377.8	380.0	379.1	378.6	377.9	377.7	377.8	377.8	377.6	377.6	377.6	378.1	378.1	378.3	377.7
% Chg Prev Qtr SAAR……………………	-0.83	1.10	2.28	-0.92	-0.52	-0.80	-0.16	0.13	-0.03	-0.18	-0.07	0.01	-0.06	-0.02	0.07	-0.16
% Chg Same Qtr Last Yr…………………	-0.14	-0.04	0.39	0.40	0.48	0.00	-0.60	-0.34	-0.21	-0.06	-0.04	-0.07	-0.06	-0.02	0.07	-0.16
STATISTICAL DISCREPANCY (%)………	0.17	0.01	–	–	–	–	–	–	–	–	–	–	-0.03	–	–	–

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 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL DURABLE GOODS………………….	175.2	176.6	177.9	178.5	179.3	180.2	181.1	182.1	183.0	184.0	185.0	185.9	181.5	175.7	179.8	183.5
% Chg Prev Qtr SAAR…………………	5.08	3.19	2.93	1.45	1.71	2.14	1.97	2.08	2.12	2.22	2.17	1.95	-17.79	-3.22	2.33	2.08
% Chg Same Qtr Last Yr………………	-3.29	0.03	1.96	3.16	2.32	2.06	1.82	1.98	2.08	2.10	2.15	2.12	-17.79	-3.22	2.33	2.08
WOOD PRODUCTS………………………	10.9	10.7	10.7	10.7	10.8	10.8	10.8	10.9	11.0	11.0	11.1	11.2	11.3	10.8	10.8	11.0
% Chg Prev Qtr SAAR…………………	0.49	-4.57	-0.21	0.50	0.79	1.02	1.49	2.03	2.88	2.96	3.00	3.01	-20.90	-4.55	-0.10	2.06
% Chg Same Qtr Last Yr………………	-2.94	-3.31	-1.94	-0.97	-0.90	0.52	0.95	1.33	1.85	2.34	2.72	2.96	-20.90	-4.55	-0.10	2.06
NONMETALLIC MINERALS…………….	10.6	10.6	10.7	10.7	10.7	10.8	10.9	11.0	11.0	11.1	11.2	11.2	11.5	10.7	10.8	11.1
% Chg Prev Qtr SAAR…………………	-3.97	-0.70	3.49	0.54	1.14	2.98	2.53	2.54	2.68	2.75	2.31	2.14	-18.95	-7.68	1.18	2.54
% Chg Same Qtr Last Yr………………	-8.31	-6.71	-2.15	-0.20	1.10	2.03	1.79	2.29	2.68	2.62	2.57	2.47	-18.95	-7.68	1.18	2.54
PRIMARY METALS……………………….	8.9	8.9	9.0	9.0	9.0	9.1	9.1	9.2	9.3	9.3	9.4	9.4	9.0	8.9	9.1	9.3
% Chg Prev Qtr SAAR…………………	5.62	-1.27	2.79	1.96	2.00	2.42	2.50	2.51	2.40	2.33	2.34	2.23	-19.24	-1.23	2.03	2.41
% Chg Same Qtr Last Yr………………	0.09	3.58	3.59	2.25	1.36	2.29	2.22	2.36	2.46	2.43	2.39	2.32	-19.24	-1.23	2.03	2.41
FABRICATED METALS…………………..	34.7	35.2	35.4	35.6	35.8	36.0	36.2	36.4	36.5	36.7	36.9	37.0	33.7	34.8	35.9	36.6
% Chg Prev Qtr SAAR…………………	8.60	5.97	3.20	1.96	2.00	2.08	2.13	2.05	1.99	1.99	2.04	0.95	-15.07	3.18	3.11	2.05
% Chg Same Qtr Last Yr………………	3.24	7.52	7.23	4.90	3.27	2.31	2.04	2.06	2.06	2.04	2.02	1.74	-15.07	3.18	3.11	2.05
MACHINERY……………………………….	25.5	26.1	26.6	26.7	26.8	26.9	26.9	27.1	27.1	27.2	27.4	27.5	26.0	25.7	26.8	27.2
% Chg Prev Qtr SAAR…………………	13.48	9.64	7.96	1.73	1.96	1.13	1.01	1.68	1.07	1.35	2.00	1.84	-16.57	-1.30	4.43	1.37
% Chg Same Qtr Last Yr………………	-2.08	3.28	5.82	8.12	5.26	3.16	1.46	1.44	1.22	1.28	1.52	1.56	-16.57	-1.30	4.43	1.37
COMPUTERS & ELECTRONICS……….	5.4	5.3	5.1	5.0	4.8	4.7	4.6	4.4	4.3	4.2	4.1	4.0	6.2	5.3	4.8	4.3
% Chg Prev Qtr SAAR…………………	-12.02	-6.78	-9.84	-11.56	-12.29	-8.70	-11.29	-10.57	-10.76	-11.20	-11.53	-10.30	-16.29	-14.43	-10.44	-10.75
% Chg Same Qtr Last Yr………………	-15.72	-12.71	-10.71	-10.07	-10.14	-10.61	-10.97	-10.72	-10.34	-10.96	-11.02	-10.95	-16.29	-14.43	-10.44	-10.75
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS………………………….	17.5	17.8	17.9	18.0	18.1	18.2	18.3	18.4	18.4	18.5	18.6	18.7	17.9	17.7	18.1	18.5
% Chg Prev Qtr SAAR…………………	3.27	6.75	1.95	1.99	2.01	1.99	2.05	2.03	1.98	1.95	2.04	2.01	-12.89	-1.37	2.65	2.01
% Chg Same Qtr Last Yr………………	-3.07	3.26	4.37	3.47	3.15	1.98	2.01	2.02	2.01	2.00	2.00	2.00	-12.89	-1.37	2.65	2.01
TRANSPORTATION EQUIP…………….	37.8	38.3	38.8	39.3	39.7	40.2	40.7	41.1	41.5	42.0	42.4	42.8	40.1	37.9	40.0	41.8
% Chg Prev Qtr SAAR…………………	10.38	5.52	5.95	4.83	4.81	4.73	4.68	4.20	4.47	4.60	4.15	3.83	-23.60	-5.47	5.43	4.49
% Chg Same Qtr Last Yr………………	-4.41	-2.58	0.85	6.65	5.28	5.08	4.76	4.60	4.52	4.49	4.35	4.26	-23.60	-5.47	5.43	4.49
FURNITURE……………………………….	9.6	9.4	9.2	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.2	10.8	9.5	9.1	9.1
% Chg Prev Qtr SAAR…………………	-8.06	-10.44	-7.46	-4.65	-1.91	0.67	-0.01	0.03	0.49	1.04	1.47	1.53	-23.98	-12.07	-4.74	0.28
% Chg Same Qtr Last Yr………………	-11.59	-10.23	-8.75	-7.67	-6.17	-3.39	-1.50	-0.31	0.29	0.39	0.76	1.13	-23.98	-12.07	-4.74	0.28
MISCELLANEOUS DURABLES…………	14.4	14.4	14.5	14.5	14.5	14.5	14.6	14.6	14.7	14.8	14.8	14.9	14.9	14.4	14.5	14.7
% Chg Prev Qtr SAAR…………………	-1.34	0.34	0.61	0.00	0.17	2.00	1.26	1.97	2.05	1.99	1.04	1.89	-4.12	-2.89	0.43	1.69
% Chg Same Qtr Last Yr………………	-4.40	-0.89	0.86	-0.10	0.28	0.69	0.85	1.35	1.82	1.82	1.76	1.74	-4.12	-2.89	0.43	1.69

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONDURABLE GOODS…………………	129.1	128.4	128.3	128.5	128.5	128.7	128.8	129.1	129.3	129.5	129.6	129.6	128.2	128.4	128.6	129.4
% Chg Prev Qtr SAAR………………………	3.77	-2.01	-0.31	0.54	0.21	0.46	0.48	0.85	0.68	0.57	0.26	0.07	-8.51	0.19	0.18	0.59
% Chg Same Qtr Last Yr……………………	0.83	1.83	1.42	0.48	-0.40	0.22	0.42	0.50	0.62	0.65	0.59	0.40	-8.51	0.19	0.18	0.59
FOOD……………………………………………	32.7	32.7	32.7	32.8	32.9	32.9	33.0	33.1	33.2	33.2	33.3	33.3	32.4	32.6	32.9	33.2
% Chg Prev Qtr SAAR………………………	2.74	0.15	0.50	0.84	0.98	0.74	0.77	0.99	1.10	1.04	0.61	0.36	-0.31	0.76	0.82	0.92
% Chg Same Qtr Last Yr……………………	1.05	0.67	1.15	1.05	0.62	0.76	0.83	0.87	0.90	0.98	0.94	0.78	-0.31	0.76	0.82	0.92
BEVERAGE & TOBACCO……………………	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.1	5.1	5.1	5.2
% Chg Prev Qtr SAAR………………………	5.48	-0.75	-3.00	2.13	0.97	0.52	0.39	0.00	0.60	0.55	0.55	-0.26	0.33	0.44	0.46	0.41
% Chg Same Qtr Last Yr……………………	1.34	0.64	0.47	0.91	-0.18	0.14	1.00	0.47	0.38	0.38	0.42	0.36	0.33	0.44	0.46	0.41
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	11.9	12.0	12.0	12.0	11.9	11.9	11.8	11.8	11.8	11.8	11.7	11.7	12.7	12.0	11.9	11.8
% Chg Prev Qtr SAAR………………………	-5.84	2.40	-0.26	-0.91	-1.29	-1.51	-2.08	-0.62	-0.60	-0.74	-1.14	-2.42	-14.25	-5.17	-0.92	-1.09
% Chg Same Qtr Last Yr……………………	-5.27	-3.54	-2.77	-1.20	-0.02	-0.99	-1.45	-1.38	-1.20	-1.01	-0.78	-1.23	-14.25	-5.17	-0.92	-1.09
PAPER……………………………………………	15.6	15.6	15.5	15.5	15.5	15.5	15.5	15.6	15.6	15.6	15.6	15.7	16.2	15.6	15.5	15.6
% Chg Prev Qtr SAAR………………………	-2.39	-1.64	-0.98	-1.02	-0.46	0.50	0.75	1.14	0.69	0.61	0.80	0.78	-6.14	-3.46	-0.78	0.72
% Chg Same Qtr Last Yr……………………	-2.68	-3.26	-2.53	-1.51	-1.03	-0.49	-0.06	0.48	0.77	0.80	0.81	0.72	-6.14	-3.46	-0.78	0.72
PRINTING & RELATED SUPPORT…………	12.1	11.8	11.6	11.6	11.5	11.5	11.4	11.4	11.3	11.2	11.1	11.0	13.5	11.9	11.5	11.2
% Chg Prev Qtr SAAR………………………	-3.94	-11.49	-5.77	-0.62	-2.00	-2.02	-1.89	-1.84	-3.09	-2.98	-3.61	-3.30	-14.20	-11.17	-3.75	-2.37
% Chg Same Qtr Last Yr……………………	-11.52	-9.30	-7.57	-5.54	-5.06	-2.62	-1.63	-1.94	-2.21	-2.45	-2.88	-3.25	-14.20	-11.17	-3.75	-2.37
CHEMICALS……………………………………	25.2	25.3	25.3	25.4	25.5	25.6	25.6	25.7	25.8	25.9	26.0	26.0	25.8	25.3	25.5	25.9
% Chg Prev Qtr SAAR………………………	0.09	0.75	1.05	1.02	1.19	1.37	1.28	1.49	1.34	1.45	1.14	0.87	-6.26	-2.06	1.03	1.36
% Chg Same Qtr Last Yr……………………	-2.16	-0.82	-0.21	0.73	1.00	1.16	1.21	1.33	1.37	1.39	1.35	1.20	-6.26	-2.06	1.03	1.36
PLASTICS & RUBBER………………………	19.7	19.4	19.4	19.5	19.5	19.6	19.7	19.9	20.0	20.1	20.1	20.2	20.4	19.6	19.6	20.0
% Chg Prev Qtr SAAR………………………	-2.03	-6.78	1.19	1.78	0.29	1.72	1.82	2.78	2.59	1.46	0.94	1.37	-19.68	-4.09	0.04	1.99
% Chg Same Qtr Last Yr……………………	-3.94	-2.22	-0.19	-1.52	-0.94	1.25	1.40	1.65	2.23	2.16	1.94	1.59	-19.68	-4.09	0.04	1.99
MISCELLANEOUS NONDURABLE GOODS..	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	2.2	6.3	6.6	6.6
% Chg Prev Qtr SAAR………………………	157.52	-0.18	-0.29	0.82	-0.01	-0.39	0.16	-0.76	-0.72	0.59	0.70	0.24	13.77	182.61	5.65	-0.23
% Chg Same Qtr Last Yr……………………	242.88	278.37	93.04	26.79	0.08	0.03	0.14	-0.25	-0.43	-0.18	-0.05	0.20	13.77	182.61	5.65	-0.23

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

Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2005 dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONFARM	38126	38361	38115	39014	38680	38760	38599	39511	39152	39228	39070	40010	37514	38198	38763	39240
% Chg Same Qtr Last Yr	1.06	2.64	2.13	2.16	1.45	1.04	1.27	1.28	1.22	1.21	1.22	1.26	0.44	1.82	1.48	1.23
NATURAL RESOURCES, MINING AND CONSTRUCTION	42967	42615	43490	46308	44209	43223	43983	46802	44645	43641	44394	47214	41393	43176	44431	44870
% Chg Same Qtr Last Yr	3.53	5.25	8.43	6.13	2.89	1.43	1.13	1.07	0.99	0.97	0.93	0.88	-1.17	4.31	2.91	0.99
MANUFACTURING	45971	46044	46122	46599	46751	46685	46744	47212	47339	47265	47320	47840	44619	46032	46695	47284
% Chg Same Qtr Last Yr	1.57	3.55	0.38	1.32	1.70	1.39	1.35	1.31	1.26	1.24	1.23	1.33	0.92	3.17	1.44	1.26
DURABLE GOODS	46896	46923	47070	47428	47704	47616	47697	48064	48288	48176	48249	48633	43987	46713	47611	48194
% Chg Same Qtr Last Yr	5.69	7.51	2.55	3.19	1.72	1.48	1.33	1.34	1.22	1.18	1.16	1.18	1.15	6.20	1.92	1.22
NONDURABLE GOODS	44717	44836	44810	45442	45424	45381	45406	46005	45998	45972	45996	46700	45522	45098	45413	45993
% Chg Same Qtr Last Yr	-3.86	-1.70	-2.60	-1.27	1.58	1.22	1.33	1.24	1.26	1.30	1.30	1.51	0.34	-0.93	0.70	1.28
TRADE, TRANSPORTATION, UTILITIES	35731	35567	34645	35716	35498	35453	35067	36180	35966	35943	35550	36657	34773	35303	35433	35910
% Chg Same Qtr Last Yr	1.87	3.40	0.53	1.27	-0.65	-0.32	1.22	1.30	1.32	1.38	1.38	1.32	-0.75	1.52	0.37	1.35
WHOLESALE TRADE	50925	51169	51348	52019	51834	51811	52019	52694	52474	52533	52803	53552	51474	51297	51920	52626
% Chg Same Qtr Last Yr	-1.00	-0.28	0.39	0.52	1.78	1.26	1.31	1.30	1.24	1.39	1.51	1.63	-0.71	-0.34	1.21	1.36
RETAIL TRADE	25265	24746	23343	24148	24081	24061	23479	24319	24251	24236	23638	24471	24220	24460	23942	24111
% Chg Same Qtr Last Yr	3.59	2.92	-2.68	-1.37	-4.69	-2.77	0.59	0.71	0.71	0.73	0.67	0.62	0.08	0.99	-2.11	0.70
TRANSPORTATION & UTILITIES	47247	47532	47451	48602	48477	48212	48204	49415	49292	48979	48918	50043	44129	47137	48374	49151
% Chg Same Qtr Last Yr	5.61	9.97	6.62	4.93	2.60	1.43	1.59	1.67	1.68	1.59	1.48	1.27	-0.17	6.82	2.63	1.61
INFORMATION	48169	50525	50497	51169	51188	51331	51266	51880	51813	51926	51852	52502	47403	49153	51238	51868
% Chg Same Qtr Last Yr	1.77	4.58	6.48	7.90	6.27	1.59	1.52	1.39	1.22	1.16	1.14	1.20	-0.29	3.69	4.24	1.23
FINANCIAL ACTIVITIES	53582	54613	54779	55563	55525	55558	55798	56551	56408	56383	56578	57307	52752	53932	55611	56480
% Chg Same Qtr Last Yr	1.40	3.88	3.76	5.32	3.63	1.73	1.86	1.78	1.59	1.49	1.40	1.34	-0.04	2.24	3.11	1.56
PROFESSIONAL & BUSINESS SERVICES	44126	44667	44255	46228	45894	45680	45035	47028	46658	46471	45829	47804	42758	44483	45709	46496
% Chg Same Qtr Last Yr	2.25	4.60	4.29	2.99	4.01	2.27	1.76	1.73	1.66	1.73	1.76	1.65	4.16	4.03	2.76	1.72
EDUCATION & HEALTH SERVICES	40118	40268	40290	40692	40707	40897	40720	41152	41193	41379	41217	41662	39939	40146	40754	41235
% Chg Same Qtr Last Yr	0.27	0.43	1.77	1.96	1.47	1.56	1.07	1.13	1.19	1.18	1.22	1.24	2.03	0.52	1.51	1.18
LEISURE & HOSPITALITY	18462	18576	19443	20152	18956	18779	19602	20322	19121	18943	19781	20496	18189	18956	19372	19542
% Chg Same Qtr Last Yr	3.72	4.87	5.08	4.18	2.67	1.09	0.82	0.84	0.87	0.87	0.92	0.86	-0.18	4.22	2.20	0.87
OTHER SERVICES	33076	33313	33422	33656	33264	33657	33985	34117	33601	33911	34211	34335	34341	33475	33640	33960
% Chg Same Qtr Last Yr	-3.16	-2.54	-3.67	-1.27	0.57	1.03	1.68	1.37	1.01	0.76	0.67	0.64	0.28	-2.52	0.49	0.95
GOVERNMENT	35946	36392	35107	35515	35810	36654	35479	35884	36174	36985	35776	36284	35885	35712	35864	36205
% Chg Same Qtr Last Yr	-1.70	-0.10	1.36	0.32	-0.38	0.72	1.06	1.04	1.02	0.90	0.84	1.11	0.46	-0.48	0.43	0.95
FEDERAL, CIVILIAN	53166	56980	58370	58745	58436	59040	59367	59838	59566	60167	60505	60981	58856	56713	58897	60019
% Chg Same Qtr Last Yr	-9.53	-2.80	0.66	0.70	9.91	3.62	1.71	1.86	1.93	1.91	1.92	1.91	1.42	-3.64	3.85	1.90
STATE & LOCAL	33342	33507	32016	32504	33181	33767	32299	32797	33478	34038	32532	33137	32850	32817	32938	33211
% Chg Same Qtr Last Yr	-0.64	0.20	1.25	0.31	-0.48	0.77	0.88	0.90	0.89	0.80	0.72	1.04	0.11	-0.10	0.37	0.83

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONFARM……	38098	38407	38456	38573	38705	38827	38945	39061	39177	39300	39420	39549	37515	38189	38762	39239
% Chg Prev Qtr SAAR……	3.27	3.29	0.51	1.22	1.37	1.26	1.23	1.19	1.19	1.26	1.23	1.31	0.44	1.80	1.50	1.23
% Chg Same Qtr Last Yr……	0.99	2.59	2.05	2.07	1.59	1.09	1.27	1.26	1.22	1.22	1.22	1.25	0.44	1.80	1.50	1.23
NATURAL RESOURCES, MINING AND CONSTRUCTION……	43106	43828	44049	44211	44351	44453	44548	44682	44788	44883	44964	45076	41401	43160	44391	44829
% Chg Prev Qtr SAAR……	14.66	6.87	2.03	1.48	1.28	0.92	0.85	1.21	0.96	0.85	0.73	1.00	-1.18	4.25	2.85	0.99
% Chg Same Qtr Last Yr……	3.71	4.91	8.43	6.13	2.89	1.43	1.13	1.07	0.99	0.97	0.93	0.88	-1.18	4.25	2.85	0.99
MANUFACTURING……	45858	46133	46298	46454	46628	46775	46922	47066	47214	47357	47500	47693	44626	46030	46695	47284
% Chg Prev Qtr SAAR……	0.22	2.42	1.44	1.35	1.51	1.27	1.26	1.23	1.26	1.22	1.22	1.64	0.93	3.15	1.44	1.26
% Chg Same Qtr Last Yr……	1.54	3.46	0.41	1.36	1.68	1.39	1.35	1.32	1.26	1.24	1.23	1.33	0.93	3.15	1.44	1.26
DURABLE GOODS……	46747	47002	47214	47360	47544	47699	47844	47995	48126	48260	48399	48563	43993	46714	47612	48195
% Chg Prev Qtr SAAR……	7.66	2.19	1.82	1.24	1.57	1.31	1.22	1.27	1.09	1.12	1.16	1.36	1.15	6.19	1.92	1.22
% Chg Same Qtr Last Yr……	5.64	7.52	2.57	3.20	1.71	1.48	1.33	1.34	1.22	1.17	1.16	1.18	1.15	6.19	1.92	1.22
NONDURABLE GOODS……	44650	44938	45027	45194	45349	45481	45625	45755	45923	46074	46217	46446	45527	45091	45412	45992
% Chg Prev Qtr SAAR……	-9.29	2.61	0.80	1.49	1.38	1.17	1.27	1.14	1.48	1.32	1.25	2.00	0.36	-0.96	0.71	1.28
% Chg Same Qtr Last Yr……	-3.89	-1.91	-2.56	-1.22	1.57	1.21	1.33	1.24	1.26	1.30	1.30	1.51	0.36	-0.96	0.71	1.28
TRADE, TRANSPORTATION, UTILITIES……	35568	35549	35177	35260	35376	35482	35606	35719	35843	35974	36096	36190	34771	35300	35431	35908
% Chg Prev Qtr SAAR……	7.80	-0.21	-4.12	0.95	1.33	1.20	1.40	1.28	1.40	1.47	1.37	1.04	-0.74	1.52	0.37	1.35
% Chg Same Qtr Last Yr……	1.85	3.42	0.53	1.01	-0.54	-0.19	1.22	1.30	1.32	1.38	1.38	1.32	-0.74	1.52	0.37	1.35
WHOLESALE TRADE……	50948	51356	51498	51655	51854	52002	52171	52326	52495	52727	52957	53178	51474	51297	51921	52626
% Chg Prev Qtr SAAR……	-3.39	3.24	1.11	1.23	1.55	1.15	1.30	1.19	1.30	1.78	1.76	1.68	-0.71	-0.34	1.21	1.36
% Chg Same Qtr Last Yr……	-1.01	-0.28	0.40	0.52	1.78	1.26	1.31	1.30	1.24	1.39	1.51	1.63	-0.71	-0.34	1.21	1.36
RETAIL TRADE……	25102	24636	23864	23875	23922	23958	24004	24045	24092	24132	24166	24194	24218	24452	23940	24109
% Chg Prev Qtr SAAR……	15.61	-7.22	-11.95	0.18	0.78	0.61	0.77	0.67	0.79	0.68	0.56	0.47	0.10	0.97	-2.10	0.70
% Chg Same Qtr Last Yr……	3.57	2.96	-2.68	-1.37	-4.70	-2.75	0.59	0.71	0.71	0.73	0.67	0.62	0.10	0.97	-2.10	0.70
TRANSPORTATION & UTILITIES……	47026	47785	47940	48074	48248	48472	48701	48879	49060	49243	49421	49499	44128	47141	48374	49151
% Chg Prev Qtr SAAR……	11.03	6.61	1.30	1.13	1.45	1.87	1.90	1.47	1.49	1.50	1.46	0.63	-0.16	6.83	2.62	1.61
% Chg Same Qtr Last Yr……	5.60	9.98	6.62	4.94	2.60	1.44	1.59	1.67	1.68	1.59	1.48	1.27	-0.16	6.83	2.62	1.61
INFORMATION……	48134	50525	50717	50913	51150	51331	51489	51621	51775	51926	52077	52241	47437	49140	51221	51850
% Chg Prev Qtr SAAR……	8.29	21.40	1.53	1.56	1.87	1.42	1.24	1.03	1.20	1.17	1.17	1.26	-0.21	3.59	4.23	1.23
% Chg Same Qtr Last Yr……	1.55	4.88	6.48	7.90	6.27	1.59	1.52	1.39	1.22	1.16	1.14	1.20	-0.21	3.59	4.23	1.23
FINANCIAL ACTIVITIES……	53556	54799	54949	55187	55498	55747	55972	56168	56380	56576	56754	56919	52776	53925	55601	56470
% Chg Prev Qtr SAAR……	9.14	9.62	1.10	1.74	2.27	1.81	1.62	1.41	1.52	1.40	1.27	1.17	0.01	2.18	3.11	1.56
% Chg Same Qtr Last Yr……	1.23	3.91	3.76	5.32	3.63	1.73	1.86	1.78	1.59	1.49	1.40	1.34	0.01	2.18	3.11	1.56

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
PROFESSIONAL & BUSINESS SERVICES…	43862	44776	45197	45416	45620	45792	45993	46201	46379	46584	46804	46964	42748	44483	45705	46492
% Chg Prev Qtr SAAR………	-2.11	8.60	3.81	1.95	1.81	1.52	1.77	1.82	1.55	1.78	1.90	1.37	4.13	4.06	2.75	1.72
% Chg Same Qtr Last Yr………	2.10	4.49	4.29	2.99	4.01	2.27	1.76	1.73	1.66	1.73	1.76	1.65	4.13	4.06	2.75	1.72
EDUCATION & HEALTH SERVICES…………	40104	40186	40485	40586	40693	40813	40917	41045	41178	41295	41417	41554	39923	40145	40752	41234
% Chg Prev Qtr SAAR………	3.04	0.82	3.02	1.00	1.05	1.19	1.02	1.26	1.30	1.14	1.19	1.33	1.99	0.55	1.51	1.18
% Chg Same Qtr Last Yr………	0.37	0.25	1.77	1.96	1.47	1.56	1.07	1.13	1.19	1.18	1.22	1.24	1.99	0.55	1.51	1.18
LEISURE & HOSPITALITY………	18834	19167	19258	19298	19338	19377	19416	19460	19505	19545	19594	19628	18185	18946	19357	19526
% Chg Prev Qtr SAAR………	6.88	7.26	1.92	0.83	0.82	0.81	0.81	0.92	0.93	0.82	1.00	0.69	-0.09	4.18	2.17	0.87
% Chg Same Qtr Last Yr………	3.34	5.01	5.08	4.18	2.67	1.09	0.82	0.84	0.87	0.87	0.92	0.86	-0.09	4.18	2.17	0.87
OTHER SERVICES………	33390	33389	33257	33421	33580	33733	33817	33879	33920	33989	34043	34096	34338	33472	33638	33958
% Chg Prev Qtr SAAR………	-5.35	-0.02	-1.57	1.99	1.91	1.84	1.00	0.73	0.49	0.81	0.64	0.62	0.28	-2.52	0.50	0.95
% Chg Same Qtr Last Yr………	-3.16	-2.66	-3.67	-1.27	0.57	1.03	1.68	1.37	1.01	0.76	0.67	0.64	0.28	-2.52	0.50	0.95
GOVERNMENT………	35691	35637	35637	35714	35802	35919	36014	36085	36166	36244	36316	36487	35876	35660	35862	36203
% Chg Prev Qtr SAAR………	0.16	-0.60	0.00	0.87	0.99	1.32	1.07	0.79	0.89	0.87	0.79	1.91	0.45	-0.60	0.57	0.95
% Chg Same Qtr Last Yr………	-1.71	-0.10	0.86	0.10	0.31	0.79	1.06	1.04	1.02	0.90	0.84	1.11	0.45	-0.60	0.57	0.95
FEDERAL, CIVILIAN………	53421	56976	58316	58502	58735	59025	59313	59591	59870	60151	60450	60729	58850	56702	58894	60016
% Chg Prev Qtr SAAR………	-28.50	29.39	9.75	1.28	1.60	1.99	1.96	1.89	1.89	1.89	2.00	1.86	1.42	-3.65	3.87	1.90
% Chg Same Qtr Last Yr………	-9.47	-2.83	0.62	0.70	9.95	3.60	1.71	1.86	1.93	1.91	1.92	1.91	1.42	-3.65	3.87	1.90
STATE & LOCAL………	33046	32717	32757	32811	32880	32970	33046	33106	33175	33235	33285	33450	32839	32806	32927	33200
% Chg Prev Qtr SAAR………	4.23	-3.93	0.49	0.66	0.85	1.10	0.92	0.72	0.84	0.73	0.61	1.99	0.10	-0.10	0.37	0.83
% Chg Same Qtr Last Yr………	-0.68	0.19	1.28	0.32	-0.50	0.77	0.88	0.90	0.89	0.80	0.72	1.04	0.10	-0.10	0.37	0.83

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONFARM……………………………	42277	42647	42550	43687	43410	43644	43625	44842	44605	44876	44890	46179	40986	42457	43591	44803
% Chg Same Qtr Last Yr……………….	2.99	4.11	3.33	3.15	2.68	2.34	2.53	2.65	2.75	2.82	2.90	2.98	0.62	3.59	2.67	2.78
NATURAL RESOURCES, MINING AND CONSTRUCTION……………………	47645	47376	48550	51855	49615	48670	49709	53116	50864	49924	51007	54495	45216	47990	49962	51228
% Chg Same Qtr Last Yr……………….	5.51	6.76	9.71	7.16	4.13	2.73	2.39	2.43	2.52	2.58	2.61	2.60	-0.99	6.14	4.11	2.53
MANUFACTURING……………………………	50976	51188	51488	52180	52468	52568	52830	53581	53933	54070	54369	55217	48757	51164	52511	53988
% Chg Same Qtr Last Yr……………….	3.51	5.03	1.57	2.31	2.93	2.70	2.61	2.68	2.79	2.86	2.91	3.05	1.13	4.94	2.63	2.81
DURABLE GOODS…………………………	52002	52165	52546	53109	53538	53616	53907	54548	55014	55112	55436	56131	48068	51921	53542	55028
% Chg Same Qtr Last Yr……………….	7.71	9.05	3.76	4.19	2.95	2.78	2.59	2.71	2.76	2.79	2.84	2.90	1.35	8.02	3.12	2.77
NONDURABLE GOODS………………….	49586	49845	50024	50885	50979	51100	51318	52212	52406	52591	52848	53900	49740	50125	51070	52514
% Chg Same Qtr Last Yr……………….	-2.03	-0.29	-1.45	-0.32	2.81	2.52	2.59	2.61	2.80	2.92	2.98	3.23	0.55	0.77	1.89	2.83
TRADE, TRANSPORTATION, UTILITIES….	39622	39541	38675	39994	39839	39920	39633	41062	40976	41118	40846	42309	37990	39238	39846	41001
% Chg Same Qtr Last Yr……………….	3.81	4.89	1.72	2.25	0.55	0.96	2.48	2.67	2.85	3.00	3.06	3.04	-0.57	3.29	1.55	2.90
WHOLESALE TRADE……………………	56470	56885	57322	58249	58172	58340	58791	59803	59784	60097	60669	61810	56237	57016	58388	60088
% Chg Same Qtr Last Yr……………….	0.89	1.15	1.58	1.50	3.01	2.56	2.56	2.67	2.77	3.01	3.19	3.36	-0.53	1.39	2.41	2.91
RETAIL TRADE……………………………	28016	27510	26058	27040	27025	27093	26536	27600	27630	27726	27159	28244	26460	27185	26924	27529
% Chg Same Qtr Last Yr……………….	5.57	4.40	-1.53	-0.42	-3.54	-1.52	1.83	2.07	2.24	2.33	2.34	2.33	0.26	2.74	-0.96	2.25
TRANSPORTATION & UTILITIES……….	52391	52842	52972	54424	54405	54288	54481	56083	56159	56031	56205	57759	48214	52393	54399	56119
% Chg Same Qtr Last Yr……………….	7.63	11.55	7.88	5.95	3.84	2.74	2.85	3.05	3.22	3.21	3.16	2.99	0.02	8.67	3.83	3.16
INFORMATION………………………………	53414	56170	56373	57297	57447	57799	57940	58880	59031	59402	59576	60598	51794	54637	57621	59222
% Chg Same Qtr Last Yr……………….	3.71	6.08	7.73	8.95	7.55	2.90	2.78	2.76	2.76	2.77	2.82	2.92	-0.10	5.49	5.46	2.78
FINANCIAL ACTIVITIES…………………….	59416	60714	61152	62218	62315	62559	63063	64181	64265	64501	65006	66143	57635	59947	62539	64488
% Chg Same Qtr Last Yr……………….	3.33	5.37	4.98	6.35	4.88	3.04	3.12	3.15	3.13	3.11	3.08	3.06	0.15	4.01	4.32	3.12
PROFESSIONAL & BUSINESS SERVICES.	48930	49657	49404	51765	51506	51437	50899	53373	53157	53161	52656	55174	46715	49443	51402	53087
% Chg Same Qtr Last Yr……………….	4.20	6.10	5.52	3.99	5.26	3.58	3.02	3.11	3.21	3.35	3.45	3.38	4.36	5.84	3.96	3.28
EDUCATION & HEALTH SERVICES……….	44486	44767	44978	45566	45685	46051	46021	46704	46931	47337	47357	48086	43635	44622	45831	47082
% Chg Same Qtr Last Yr……………….	2.19	1.87	2.97	2.95	2.70	2.87	2.32	2.50	2.73	2.79	2.90	2.96	2.21	2.26	2.71	2.73
LEISURE & HOSPITALITY………………….	20473	20652	21705	22566	21274	21146	22154	23063	21784	21670	22728	23657	19872	21070	21785	22311
% Chg Same Qtr Last Yr……………….	5.70	6.37	6.32	5.20	3.92	2.39	2.07	2.20	2.40	2.48	2.59	2.57	0.03	6.03	3.39	2.42
OTHER SERVICES……………………………	36677	37035	37310	37687	37332	37898	38409	38720	38282	38794	39308	39629	37522	37207	37831	38776
% Chg Same Qtr Last Yr……………….	-1.31	-1.14	-2.54	-0.31	1.78	2.33	2.95	2.74	2.55	2.36	2.34	2.35	0.48	-0.84	1.68	2.50
GOVERNMENT………………………………	39860	40458	39191	39769	40189	41272	40098	40726	41213	42310	41105	41879	39203	39692	40332	41338
% Chg Same Qtr Last Yr……………….	0.18	1.34	2.56	1.29	0.83	2.01	2.31	2.41	2.55	2.51	2.51	2.83	0.62	1.25	1.61	2.49
FEDERAL, CIVILIAN………………………	58955	63346	65161	65782	65582	66480	67097	67912	67863	68829	69519	70384	64299	63039	66235	68531
% Chg Same Qtr Last Yr……………….	-7.80	-1.40	1.85	1.68	11.24	4.95	2.97	3.24	3.48	3.53	3.61	3.64	1.61	-1.96	5.07	3.47
STATE & LOCAL……………………………	36973	37251	35741	36397	37239	38022	36504	37222	38142	38939	37379	38247	35887	36475	37040	37920
% Chg Same Qtr Last Yr……………….	1.26	1.64	2.45	1.29	0.72	2.07	2.13	2.27	2.42	2.41	2.40	2.75	0.28	1.64	1.55	2.38

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) January 2011

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL NONFARM……	42246	42698	42931	43193	43438	43719	44016	44331	44634	44958	45293	45647	40989	42447	43592	44804
% Chg Prev Qtr SAAR……	3.23	4.35	2.20	2.47	2.28	2.62	2.74	2.90	2.76	2.93	3.01	3.17	0.63	3.56	2.70	2.78
% Chg Same Qtr Last Yr……	2.92	4.06	3.26	3.06	2.82	2.39	2.53	2.63	2.75	2.83	2.90	2.97	0.63	3.56	2.70	2.78
NATURAL RESOURCES, MINING & CONSTRUCTION……	47799	48724	49174	49506	49775	50055	50348	50710	51028	51345	51662	52026	45231	47974	49921	51186
% Chg Prev Qtr SAAR……	14.60	7.97	3.74	2.73	2.19	2.27	2.36	2.91	2.53	2.51	2.49	2.85	-1.00	6.06	4.06	2.53
% Chg Same Qtr Last Yr……	5.69	6.42	9.71	7.16	4.13	2.73	2.39	2.43	2.52	2.58	2.61	2.60	-1.00	6.06	4.06	2.53
MANUFACTURING……	50851	51287	51684	52018	52330	52670	53031	53416	53791	54175	54576	55047	48765	51163	52512	53989
% Chg Prev Qtr SAAR……	0.18	3.48	3.14	2.61	2.42	2.62	2.77	2.93	2.84	2.89	2.99	3.50	1.13	4.92	2.64	2.81
% Chg Same Qtr Last Yr……	3.48	4.95	1.60	2.34	2.91	2.70	2.61	2.69	2.79	2.86	2.91	3.05	1.13	4.92	2.64	2.81
DURABLE GOODS……	51837	52253	52707	53033	53358	53710	54074	54471	54830	55208	55609	56051	48075	51923	53544	55029
% Chg Prev Qtr SAAR……	7.61	3.24	3.53	2.49	2.48	2.66	2.73	2.97	2.66	2.79	2.94	3.22	1.35	8.00	3.12	2.77
% Chg Same Qtr Last Yr……	7.66	9.06	3.78	4.20	2.93	2.79	2.59	2.71	2.76	2.79	2.84	2.90	1.35	8.00	3.12	2.77
NONDURABLE GOODS……	49511	49958	50266	50607	50895	51213	51565	51928	52320	52707	53102	53608	49747	50118	51070	52514
% Chg Prev Qtr SAAR……	-9.33	3.66	2.49	2.74	2.29	2.52	2.78	2.84	3.06	2.99	3.03	3.87	0.57	0.75	1.90	2.83
% Chg Same Qtr Last Yr……	-2.05	-0.51	-1.41	-0.26	2.80	2.51	2.58	2.61	2.80	2.92	2.98	3.24	0.57	0.75	1.90	2.83
TRADE, TRANSPORTATION, UTILITIES……	39440	39520	39269	39484	39703	39953	40242	40538	40836	41153	41473	41770	37990	39235	39845	41000
% Chg Prev Qtr SAAR……	7.74	0.81	-2.51	2.20	2.24	2.55	2.92	2.98	2.97	3.14	3.15	2.89	-0.56	3.28	1.55	2.90
% Chg Same Qtr Last Yr……	3.79	4.90	1.72	1.99	0.66	1.10	2.48	2.67	2.85	3.00	3.06	3.04	-0.56	3.28	1.55	2.90
WHOLESALE TRADE……	56495	57093	57489	57842	58195	58555	58963	59385	59808	60318	60846	61378	56238	57017	58389	60089
% Chg Prev Qtr SAAR……	-3.43	4.30	2.80	2.48	2.46	2.50	2.82	2.90	2.87	3.46	3.55	3.54	-0.53	1.38	2.41	2.91
% Chg Same Qtr Last Yr……	0.88	1.16	1.58	1.49	3.01	2.56	2.56	2.67	2.77	3.01	3.19	3.36	-0.53	1.38	2.41	2.91
RETAIL TRADE……	27835	27388	26641	26735	26847	26977	27130	27289	27448	27607	27766	27925	26460	27178	26922	27527
% Chg Prev Qtr SAAR……	15.56	-6.27	-10.47	1.42	1.69	1.95	2.28	2.37	2.35	2.34	2.32	2.31	0.29	2.71	-0.94	2.25
% Chg Same Qtr Last Yr……	5.54	4.43	-1.53	-0.42	-3.55	-1.50	1.83	2.07	2.24	2.33	2.34	2.33	0.29	2.71	-0.94	2.25
TRANSPORTATION & UTILITIES……	52147	53124	53517	53833	54148	54580	55041	55473	55894	56332	56783	57132	48216	52399	54400	56121
% Chg Prev Qtr SAAR……	10.97	7.71	3.00	2.38	2.36	3.23	3.42	3.18	3.07	3.18	3.24	2.48	0.03	8.67	3.82	3.16
% Chg Same Qtr Last Yr……	7.62	11.56	7.88	5.96	3.84	2.74	2.85	3.05	3.22	3.21	3.16	2.99	0.03	8.67	3.82	3.16
INFORMATION……	53375	56170	56618	57012	57405	57799	58193	58586	58988	59402	59835	60296	51832	54623	57602	59203
% Chg Prev Qtr SAAR……	8.24	22.65	3.23	2.81	2.79	2.77	2.75	2.73	2.77	2.84	2.95	3.12	-0.02	5.39	5.45	2.78
% Chg Same Qtr Last Yr……	3.49	6.38	7.73	8.95	7.55	2.90	2.78	2.76	2.76	2.77	2.82	2.92	-0.02	5.39	5.45	2.78
FINANCIAL ACTIVITIES……	59387	60922	61343	61798	62285	62772	63260	63747	64234	64721	65209	65696	57662	59940	62529	64478
% Chg Prev Qtr SAAR……	9.09	10.74	2.79	3.00	3.19	3.17	3.14	3.12	3.09	3.07	3.05	3.02	0.21	3.95	4.32	3.12
% Chg Same Qtr Last Yr……	3.16	5.40	4.98	6.35	4.88	3.04	3.12	3.15	3.13	3.11	3.08	3.06	0.21	3.95	4.32	3.12

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Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
PROFESSIONAL & BUSINESS SERVICES…	48638	49779	50456	50855	51198	51562	51982	52435	52840	53291	53776	54205	46709	49444	51400	53086
% Chg Prev Qtr SAAR……………………	-2.16	9.72	5.55	3.21	2.73	2.87	3.29	3.53	3.13	3.46	3.69	3.23	4.34	5.85	3.95	3.28
% Chg Same Qtr Last Yr…………………	4.05	5.99	5.52	3.99	5.26	3.58	3.02	3.11	3.21	3.35	3.45	3.38	4.34	5.85	3.95	3.28
EDUCATION & HEALTH SERVICES…………	44470	44675	45196	45448	45669	45956	46244	46583	46914	47240	47587	47961	43619	44621	45829	47081
% Chg Prev Qtr SAAR……………………	2.99	1.86	4.74	2.25	1.96	2.54	2.53	2.96	2.87	2.81	2.97	3.19	2.17	2.30	2.71	2.73
% Chg Same Qtr Last Yr…………………	2.28	1.68	2.97	2.95	2.70	2.87	2.32	2.50	2.73	2.79	2.90	2.96	2.17	2.30	2.71	2.73
LEISURE & HOSPITALITY……………………	20885	21308	21499	21610	21702	21818	21944	22086	22223	22359	22513	22654	19869	21059	21769	22295
% Chg Prev Qtr SAAR……………………	6.83	8.37	3.63	2.07	1.73	2.16	2.32	2.62	2.50	2.48	2.77	2.54	0.11	5.99	3.37	2.42
% Chg Same Qtr Last Yr…………………	5.32	6.52	6.32	5.20	3.92	2.39	2.07	2.20	2.40	2.48	2.59	2.57	0.11	5.99	3.37	2.42
OTHER SERVICES……………………………	37026	37119	37127	37425	37686	37984	38220	38450	38645	38882	39114	39353	37518	37203	37829	38773
% Chg Prev Qtr SAAR……………………	-5.39	1.01	0.08	3.25	2.83	3.20	2.51	2.42	2.05	2.47	2.41	2.46	0.47	-0.84	1.68	2.50
% Chg Same Qtr Last Yr…………………	-1.31	-1.27	-2.54	-0.31	1.78	2.33	2.95	2.74	2.55	2.36	2.34	2.35	0.47	-0.84	1.68	2.50
GOVERNMENT…………………………………	39577	39618	39783	39991	40180	40445	40704	40954	41204	41462	41725	42113	39194	39636	40330	41336
% Chg Prev Qtr SAAR……………………	0.11	0.42	1.67	2.11	1.90	2.67	2.58	2.48	2.46	2.53	2.56	3.77	0.62	1.13	1.75	2.49
% Chg Same Qtr Last Yr…………………	0.17	1.33	2.05	1.08	1.52	2.09	2.31	2.41	2.55	2.51	2.51	2.83	0.62	1.13	1.75	2.49
FEDERAL, CIVILIAN…………………………	59238	63341	65101	65509	65918	66463	67035	67631	68211	68812	69455	70093	64293	63027	66231	68527
% Chg Prev Qtr SAAR……………………	-28.54	30.72	11.59	2.53	2.52	3.35	3.49	3.60	3.47	3.57	3.79	3.73	1.61	-1.97	5.08	3.47
% Chg Same Qtr Last Yr…………………	-7.74	-1.44	1.81	1.68	11.28	4.93	2.97	3.24	3.48	3.53	3.61	3.64	1.61	-1.97	5.08	3.47
STATE & LOCAL………………………………	36644	36372	36568	36741	36901	37125	37349	37572	37796	38020	38243	38608	35876	36464	37029	37908
% Chg Prev Qtr SAAR……………………	4.18	-2.94	2.17	1.90	1.76	2.45	2.43	2.42	2.40	2.39	2.37	3.86	0.28	1.64	1.55	2.37
% Chg Same Qtr Last Yr…………………	1.22	1.63	2.47	1.29	0.70	2.07	2.13	2.26	2.42	2.41	2.40	2.76	0.28	1.64	1.55	2.37

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

Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted — **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
CIVILIAN LABOR FORCE (THOUS)……………	3033	3067	3078	3059	3084	3119	3102	3084	3113	3150	3135	3111	3020	3041	3091	3121
% Chg Same Qtr Last Yr…………………	0.08	1.22	2.60	2.43	1.69	1.69	0.78	0.82	0.94	1.00	1.05	0.89	-0.99	0.70	1.64	0.95
EMPLOYED PERSONS (THOUS)……………	2728	2777	2796	2764	2808	2839	2830	2796	2844	2877	2871	2835	2703	2739	2810	2847
% Chg Same Qtr Last Yr…………………	0.68	2.73	4.04	4.11	2.93	2.22	1.23	1.18	1.27	1.35	1.42	1.37	-5.03	1.33	2.60	1.31
UNEMPLOYED PERSONS (THOUS)…………	305	289	282	295	276	280	272	287	269	273	264	277	317	302	281	273
% Chg Same Qtr Last Yr…………………	-4.96	-11.31	-9.74	-11.01	-9.40	-3.37	-3.63	-2.55	-2.40	-2.52	-2.90	-3.76	55.25	-4.74	-7.05	-2.59
PARTICIPATION RATE (PERCENT)……………	60.9	61.4	61.6	61.1	61.5	62.0	61.6	61.1	61.6	62.2	61.8	61.2	61.2	61.0	61.5	61.7
% Chg Same Qtr Last Yr…………………	-0.87	0.16	1.62	1.54	0.89	0.98	0.07	0.11	0.22	0.28	0.32	0.17	-1.75	-0.27	0.87	0.23
UNEMPLOYMENT RATE (PERCENT)…………	10.0	9.4	9.2	9.6	8.9	9.0	8.8	9.3	8.7	8.7	8.4	8.9	10.5	9.9	9.1	8.8

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
CIVILIAN LABOR FORCE (THOUS)…………	3034	3038	3072	3077	3084	3089	3096	3103	3113	3120	3128	3131	3020	3036	3087	3116
% Chg Prev Qtr SAAR…………………	4.21	0.58	4.57	0.70	0.85	0.67	0.85	0.97	1.25	0.92	1.00	0.49	-1.00	0.54	1.65	0.95
% Chg Same Qtr Last Yr………………	0.11	0.91	2.56	2.50	1.66	1.68	0.77	0.84	0.93	1.00	1.03	0.91	-1.00	0.54	1.65	0.95
EMPLOYED PERSONS (THOUS)……….	2721	2747	2782	2792	2801	2808	2816	2825	2836	2846	2856	2864	2704	2733	2804	2841
% Chg Prev Qtr SAAR…………………	5.94	3.83	5.22	1.50	1.22	1.00	1.19	1.32	1.58	1.31	1.49	1.11	-4.97	1.07	2.61	1.31
% Chg Same Qtr Last Yr………………	0.56	2.36	4.04	4.11	2.93	2.22	1.23	1.18	1.27	1.35	1.42	1.37	-4.97	1.07	2.61	1.31
UNEMPLOYED PERSONS (THOUS)……	312	291	290	285	283	281	280	278	276	274	271	267	316	303	282	275
% Chg Prev Qtr SAAR…………………	-9.44	-24.65	-1.45	-6.73	-2.70	-2.51	-2.51	-2.48	-2.11	-2.99	-4.00	-5.89	54.10	-4.05	-7.00	-2.59
% Chg Same Qtr Last Yr………………	-3.65	-10.98	-9.74	-11.01	-9.40	-3.37	-3.63	-2.55	-2.40	-2.52	-2.90	-3.76	54.10	-4.05	-7.00	-2.59
PARTICIPATION RATE (PERCENT)……….	60.9	60.9	61.4	61.4	61.5	61.4	61.5	61.5	61.6	61.6	61.7	61.6	61.2	60.9	61.5	61.6
% Chg Prev Qtr SAAR…………………	3.12	-0.47	3.83	0.00	0.15	-0.03	0.12	0.25	0.52	0.20	0.27	-0.23	-1.75	-0.42	0.87	0.23
% Chg Same Qtr Last Yr………………	-0.84	-0.14	1.57	1.60	0.86	0.98	0.06	0.12	0.22	0.27	0.31	0.19	-1.75	-0.42	0.87	0.23
UNEMPLOYMENT RATE (PERCENT)………	10.3	9.6	9.4	9.3	9.2	9.1	9.0	9.0	8.9	8.8	8.7	8.5	10.5	10.0	9.1	8.8

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

Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2005 dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL TAXABLE SALES…………………………	20503	20084	21557	19321	21159	21044	22294	19904	21723	21655	22950	20489	79898	80633	83818	86233
% Chg Same Qtr Last Yr……………………	1.49	1.93	2.48	4.50	3.20	4.78	3.42	3.02	2.66	2.91	2.94	2.94	-7.58	0.92	3.95	2.88
AUTO DEALERS………………………………	1802	1826	1547	1728	1894	2006	1687	1866	2031	2151	1805	1984	6153	6795	7316	7854
% Chg Same Qtr Last Yr……………………	14.38	7.26	8.25	6.68	5.11	9.89	9.04	8.00	7.26	7.20	7.00	6.29	-15.69	10.44	7.66	7.36
PURCHASES FROM MANUFACTURERS….	858	841	900	761	882	906	959	805	924	951	1006	846	3196	3288	3508	3686
% Chg Same Qtr Last Yr……………………	7.07	1.73	6.01	10.46	2.81	7.73	6.54	5.78	4.77	4.94	4.96	5.11	-22.35	2.88	6.69	5.09
MISC DURABLE GOODS………………………	3557	3347	3363	3068	3636	3550	3521	3177	3723	3643	3624	3281	12576	13081	13774	14167
% Chg Same Qtr Last Yr……………………	8.16	4.95	5.07	9.02	2.23	6.05	4.69	3.54	2.40	2.63	2.93	3.26	-16.01	4.01	5.30	2.85
EATING AND DRINKING PLACES…………	2089	2098	2059	2051	2183	2176	2106	2091	2219	2226	2168	2156	8101	8202	8517	8704
% Chg Same Qtr Last Yr……………………	0.58	2.82	3.09	4.84	4.54	3.73	2.27	1.92	1.62	2.29	2.96	3.11	-1.64	1.25	3.84	2.20
FOOD STORES………………………………	2105	2133	2278	2008	2126	2193	2312	2037	2150	2217	2333	2052	8599	8506	8639	8738
% Chg Same Qtr Last Yr……………………	-1.40	0.03	0.75	0.94	0.96	2.82	1.51	1.44	1.14	1.12	0.91	0.72	2.06	-1.08	1.57	1.14
LIQUOR STORES……………………………	149	146	182	146	153	150	188	151	157	154	192	155	602	616	637	654
% Chg Same Qtr Last Yr……………………	3.15	2.90	2.84	5.03	2.62	2.76	3.03	3.02	2.82	2.71	2.65	2.77	3.16	2.41	3.32	2.79
HOTELS AND MOTELS………………………	494	508	480	391	502	519	492	402	516	532	504	411	1861	1870	1903	1953
% Chg Same Qtr Last Yr……………………	0.47	1.48	1.35	0.67	1.49	2.14	2.54	2.82	2.75	2.52	2.40	2.24	-11.85	0.48	1.77	2.61
OTHER RETAIL AND SERVICE……………	6148	6013	7119	5821	6260	6135	7262	5940	6397	6291	7455	6094	24951	24999	25478	26083
% Chg Same Qtr Last Yr……………………	0.50	0.95	1.01	1.80	1.81	2.03	2.02	2.04	2.19	2.55	2.66	2.59	-5.10	0.19	1.92	2.38
MISC NONDURABLE GOODS……………….	1712	1626	1999	1647	1735	1715	2101	1722	1807	1777	2166	1772	6778	6947	7198	7472
% Chg Same Qtr Last Yr……………………	3.29	1.72	3.28	2.24	1.36	5.50	5.12	4.52	4.17	3.62	3.10	2.90	-5.36	2.50	3.61	3.81
TRANSPORTATION, COMMUNICATION……	1590	1548	1630	1699	1790	1694	1666	1715	1799	1713	1695	1740	7083	6330	6849	6922
% Chg Same Qtr Last Yr……………………	-16.99	-4.26	-2.09	8.71	12.58	9.47	2.21	0.93	0.53	1.12	1.73	1.50	-2.33	-10.63	8.20	1.07
PER CAPITA ($)……………………………………	3252	3177	3404	3045	3329	3305	3495	3115	3393	3376	3572	3183	12778	12772	13173	13456
% Chg Same Qtr Last Yr……………………	0.52	0.86	1.49	3.58	2.38	4.02	2.68	2.28	1.93	2.17	2.20	2.20	-8.28	-0.05	3.14	2.14

Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2005 dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL TAXABLE SALES………………………….	20276	20085	20437	20683	20917	21032	21153	21308	21472	21637	21787	21933	79929	80595	83785	86204
% Chg Prev Qtr SAAR………………………	10.04	-3.71	7.20	4.91	4.59	2.23	2.32	2.96	3.12	3.11	2.80	2.71	-7.60	0.83	3.96	2.89
% Chg Same Qtr Last Yr……………………	1.43	1.84	2.57	4.48	3.16	4.72	3.50	3.02	2.66	2.87	3.00	2.93	-7.60	0.83	3.96	2.89
AUTO DEALERS……………………………….	1725	1682	1727	1771	1813	1848	1884	1913	1945	1982	2015	2033	6157	6795	7317	7855
% Chg Prev Qtr SAAR………………………	16.45	-9.56	11.18	10.59	9.78	8.02	7.81	6.41	6.80	7.78	7.02	3.61	-15.48	10.36	7.68	7.36
% Chg Same Qtr Last Yr……………………	14.48	7.08	8.25	6.68	5.11	9.89	9.04	8.00	7.26	7.20	7.00	6.29	-15.48	10.36	7.68	7.36
PURCHASES FROM MANUFACTURERS….	849	819	839	855	873	883	893	904	914	926	938	950	3196	3280	3503	3682
% Chg Prev Qtr SAAR………………………	44.75	-13.13	9.76	7.87	8.63	4.74	4.96	4.84	4.56	5.42	5.02	5.44	-22.50	2.66	6.80	5.11
% Chg Same Qtr Last Yr……………………	6.92	1.65	6.01	10.46	2.81	7.74	6.54	5.78	4.77	4.94	4.96	5.11	-22.50	2.66	6.80	5.11
MISC DURABLE GOODS………………………	3369	3266	3322	3380	3444	3464	3478	3499	3527	3555	3579	3613	12581	13056	13765	14160
% Chg Prev Qtr SAAR………………………	39.52	-11.68	7.00	7.16	7.87	2.29	1.61	2.52	3.21	3.21	2.80	3.83	-16.08	3.78	5.43	2.87
% Chg Same Qtr Last Yr……………………	8.11	4.84	5.07	9.02	2.23	6.05	4.69	3.54	2.40	2.63	2.93	3.26	-16.08	3.78	5.43	2.87
EATING AND DRINKING PLACES…………..	2039	2058	2090	2112	2132	2135	2137	2153	2166	2184	2200	2220	8103	8202	8516	8703
% Chg Prev Qtr SAAR………………………	4.91	3.82	6.26	4.40	3.70	0.65	0.40	2.99	2.46	3.35	3.06	3.59	-1.65	1.22	3.83	2.20
% Chg Same Qtr Last Yr……………………	0.56	2.84	3.09	4.84	4.54	3.73	2.27	1.92	1.62	2.29	2.96	3.11	-1.65	1.22	3.83	2.20
FOOD STORES……………………………….	2137	2103	2138	2147	2158	2163	2170	2178	2183	2187	2190	2194	8605	8506	8638	8738
% Chg Prev Qtr SAAR………………………	1.96	-6.21	6.72	1.72	2.06	0.85	1.41	1.42	0.88	0.76	0.58	0.66	2.43	-1.15	1.55	1.15
% Chg Same Qtr Last Yr……………………	-1.37	0.05	0.75	0.94	0.96	2.82	1.51	1.44	1.14	1.12	0.91	0.72	2.43	-1.15	1.55	1.15
LIQUOR STORES…………………………….	154	155	156	157	159	160	161	162	163	164	165	166	602	616	636	654
% Chg Prev Qtr SAAR………………………	13.73	2.55	1.67	2.63	3.64	3.12	2.71	2.61	2.83	2.69	2.46	3.11	3.12	2.35	3.35	2.80
% Chg Same Qtr Last Yr……………………	3.13	2.90	2.84	5.03	2.62	2.76	3.03	3.02	2.82	2.71	2.65	2.77	3.12	2.35	3.35	2.80
HOTELS AND MOTELS………………………	467	467	469	471	474	477	481	484	487	489	492	495	1863	1870	1902	1952
% Chg Prev Qtr SAAR………………………	-0.81	0.41	1.21	1.88	2.48	3.00	2.79	3.01	2.20	2.08	2.32	2.35	-12.14	0.37	1.71	2.62
% Chg Same Qtr Last Yr……………………	0.48	1.55	1.35	0.67	1.49	2.14	2.54	2.82	2.75	2.52	2.40	2.24	-12.14	0.37	1.71	2.62
OTHER RETAIL AND SERVICE……………..	6244	6251	6283	6322	6357	6377	6409	6451	6496	6540	6580	6618	24960	24988	25466	26067
% Chg Prev Qtr SAAR………………………	2.17	0.42	2.07	2.53	2.22	1.29	2.02	2.62	2.85	2.70	2.47	2.32	-5.19	0.11	1.91	2.36
% Chg Same Qtr Last Yr……………………	0.48	0.89	1.01	1.80	1.81	2.03	2.02	2.04	2.19	2.55	2.66	2.59	-5.19	0.11	1.91	2.36
MISC NONDURABLE GOODS……………….	1765	1715	1739	1765	1789	1809	1828	1845	1864	1875	1884	1898	6782	6945	7191	7468
% Chg Prev Qtr SAAR………………………	9.40	-10.99	5.67	6.19	5.69	4.46	4.14	3.79	4.29	2.28	2.06	2.98	-5.56	2.40	3.54	3.85
% Chg Same Qtr Last Yr……………………	3.24	1.68	3.28	2.24	1.36	5.50	5.12	4.52	4.17	3.62	3.10	2.90	-5.56	2.40	3.54	3.85
TRANSPORTATION, COMMUNICATION……	1526	1568	1676	1703	1718	1716	1713	1719	1727	1736	1742	1745	7081	6337	6851	6925
% Chg Prev Qtr SAAR………………………	-9.96	11.37	30.50	6.74	3.55	-0.44	-0.81	1.50	1.89	1.94	1.59	0.61	-2.40	-10.51	8.11	1.08
% Chg Same Qtr Last Yr……………………	-17.10	-4.04	-2.09	8.71	12.58	9.47	2.21	0.93	0.53	1.12	1.73	1.50	-2.40	-10.51	8.11	1.08
PER CAPITA ($)…………………………………….	3216	3177	3227	3260	3291	3303	3316	3334	3354	3373	3391	3407	12784	12767	13169	13452
% Chg Prev Qtr SAAR………………………	8.89	-4.72	6.42	4.15	3.84	1.50	1.58	2.22	2.38	2.37	2.06	1.97	-8.30	-0.13	3.15	2.15
% Chg Same Qtr Last Yr……………………	0.46	0.77	1.57	3.56	2.33	3.96	2.76	2.28	1.92	2.14	2.26	2.19	-8.30	-0.13	3.15	2.15

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Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL TAXABLE SALES……………………………	22735	22328	24065	21635	23747	23695	25197	22590	24749	24773	26369	23648	87315	89633	94275	98481
% Chg Same Qtr Last Yr……………………	3.42	3.40	3.69	5.52	4.45	6.12	4.70	4.41	4.22	4.55	4.65	4.68	-7.39	2.65	5.18	4.46
AUTO DEALERS…………………………………	1998	2030	1727	1935	2126	2259	1907	2118	2314	2460	2074	2289	6722	7552	8227	8967
% Chg Same Qtr Last Yr……………………	16.56	8.81	9.52	7.71	6.39	11.30	10.40	9.46	8.88	8.91	8.78	8.10	-15.53	12.33	8.94	9.00
PURCHASES FROM MANUFACTURERS….	951	935	1005	852	990	1020	1084	914	1053	1088	1156	977	3493	3655	3946	4210
% Chg Same Qtr Last Yr……………………	9.12	3.19	7.26	11.53	4.05	9.12	7.86	7.21	6.36	6.62	6.70	6.89	-22.19	4.63	7.96	6.70
MISC DURABLE GOODS………………………	3944	3721	3754	3436	4081	3997	3979	3606	4242	4168	4164	3786	13743	14540	15492	16179
% Chg Same Qtr Last Yr……………………	10.22	6.46	6.31	10.08	3.47	7.42	5.99	4.94	3.96	4.27	4.64	5.01	-15.85	5.80	6.55	4.43
EATING AND DRINKING PLACES…………..	2316	2332	2299	2297	2450	2450	2380	2373	2528	2547	2491	2488	8851	9117	9578	9938
% Chg Same Qtr Last Yr……………………	2.50	4.29	4.31	5.86	5.80	5.06	3.54	3.30	3.16	3.92	4.67	4.86	-1.47	3.00	5.06	3.76
FOOD STORES…………………………………	2335	2371	2543	2249	2386	2469	2614	2312	2449	2537	2681	2368	9397	9455	9717	9979
% Chg Same Qtr Last Yr……………………	0.48	1.46	1.94	1.92	2.19	4.14	2.77	2.81	2.68	2.73	2.58	2.43	2.22	0.62	2.77	2.70
LIQUOR STORES………………………………	165	162	203	164	172	169	212	171	179	176	221	179	658	685	716	747
% Chg Same Qtr Last Yr……………………	5.12	4.38	4.06	6.05	3.86	4.08	4.30	4.41	4.38	4.35	4.35	4.52	3.43	4.15	4.54	4.37
HOTELS AND MOTELS………………………	548	565	535	438	563	584	556	456	587	608	579	474	2034	2079	2141	2230
% Chg Same Qtr Last Yr……………………	2.39	2.93	2.55	1.65	2.72	3.45	3.81	4.21	4.31	4.15	4.10	3.97	-11.70	2.19	2.98	4.19
OTHER RETAIL AND SERVICE……………..	6818	6685	7947	6519	7025	6908	8208	6741	7288	7197	8566	7033	27273	27791	28659	29792
% Chg Same Qtr Last Yr……………………	2.42	2.40	2.20	2.79	3.04	3.34	3.28	3.42	3.74	4.18	4.36	4.33	-4.88	1.90	3.12	3.95
MISC NONDURABLE GOODS……………….	1898	1807	2231	1845	1947	1931	2375	1954	2059	2033	2489	2045	7409	7723	8098	8535
% Chg Same Qtr Last Yr……………………	5.27	3.18	4.50	3.23	2.59	6.86	6.42	5.93	5.75	5.28	4.81	4.65	-5.13	4.24	4.84	5.40
TRANSPORTATION, COMMUNICATION……	1763	1721	1820	1902	2008	1908	1883	1946	2050	1960	1948	2009	7735	7036	7702	7903
% Chg Same Qtr Last Yr……………………	-15.41	-2.89	-0.94	9.77	13.94	10.88	3.48	2.30	2.05	2.74	3.42	3.23	-2.19	-9.03	9.46	2.62
PER CAPITA ($)………………………………………	3606	3532	3800	3410	3736	3721	3950	3535	3866	3862	4104	3674	13964	14197	14817	15367
% Chg Same Qtr Last Yr……………………	2.44	2.31	2.69	4.58	3.61	5.36	3.95	3.66	3.47	3.80	3.90	3.93	-8.09	1.67	4.36	3.71

Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2011**

	History		Forecast Data										Annual			
	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2009	2010	2011	2012
TOTAL TAXABLE SALES	22484	22329	22815	23161	23474	23683	23907	24183	24463	24752	25032	25315	87324	89582	94225	98430
% Chg Prev Qtr SAAR	9.99	-2.72	8.99	6.20	5.53	3.60	3.85	4.69	4.72	4.81	4.60	4.59	-7.43	2.59	5.18	4.46
% Chg Same Qtr Last Yr	3.36	3.30	3.78	5.49	4.41	6.06	4.79	4.41	4.21	4.52	4.71	4.68	-7.43	2.59	5.18	4.46
AUTO DEALERS	1913	1870	1928	1984	2035	2081	2129	2171	2216	2267	2316	2347	6729	7553	8229	8969
% Chg Prev Qtr SAAR	16.40	-8.63	13.04	11.96	10.77	9.46	9.42	8.20	8.46	9.56	8.90	5.51	-15.27	12.25	8.95	9.00
% Chg Same Qtr Last Yr	16.67	8.61	9.52	7.71	6.39	11.30	10.40	9.46	8.88	8.91	8.78	8.10	-15.27	12.25	8.95	9.00
PURCHASES FROM MANUFACTURERS	941	911	936	957	979	994	1010	1026	1042	1060	1077	1097	3491	3646	3940	4205
% Chg Prev Qtr SAAR	44.69	-12.24	11.60	9.20	9.61	6.14	6.53	6.60	6.18	7.16	6.86	7.37	-22.36	4.44	8.06	6.72
% Chg Same Qtr Last Yr	8.96	3.11	7.26	11.53	4.05	9.12	7.86	7.21	6.36	6.62	6.70	6.89	-22.36	4.44	8.06	6.72
MISC DURABLE GOODS	3736	3631	3708	3784	3865	3900	3930	3971	4018	4067	4113	4170	13745	14512	15480	16169
% Chg Prev Qtr SAAR	39.46	-10.78	8.79	8.48	8.84	3.65	3.13	4.24	4.81	4.91	4.60	5.73	-15.91	5.58	6.67	4.45
% Chg Same Qtr Last Yr	10.17	6.34	6.31	10.08	3.47	7.42	5.99	4.94	3.96	4.27	4.64	5.01	-15.91	5.58	6.67	4.45
EATING AND DRINKING PLACES	2261	2288	2333	2365	2392	2404	2415	2443	2468	2498	2528	2562	8853	9116	9577	9938
% Chg Prev Qtr SAAR	4.86	4.89	8.04	5.69	4.63	1.99	1.90	4.72	4.05	5.06	4.87	5.49	-1.46	2.97	5.05	3.77
% Chg Same Qtr Last Yr	2.48	4.32	4.31	5.86	5.80	5.07	3.54	3.30	3.16	3.92	4.67	4.86	-1.46	2.97	5.05	3.77
FOOD STORES	2370	2338	2387	2404	2422	2435	2453	2472	2487	2502	2516	2532	9401	9454	9714	9977
% Chg Prev Qtr SAAR	1.91	-5.25	8.51	2.98	2.98	2.20	2.93	3.13	2.44	2.42	2.35	2.51	2.57	0.57	2.75	2.70
% Chg Same Qtr Last Yr	0.52	1.49	1.94	1.92	2.19	4.14	2.77	2.81	2.68	2.73	2.58	2.43	2.57	0.57	2.75	2.70
LIQUOR STORES	171	173	174	176	178	180	182	184	186	188	190	192	657	684	716	747
% Chg Prev Qtr SAAR	13.68	3.60	3.37	3.90	4.57	4.50	4.24	4.33	4.43	4.39	4.26	5.00	3.31	4.12	4.56	4.37
% Chg Same Qtr Last Yr	5.10	4.38	4.06	6.05	3.86	4.08	4.30	4.41	4.38	4.35	4.35	4.52	3.31	4.12	4.56	4.37
HOTELS AND MOTELS	518	519	523	527	532	537	543	549	555	560	565	571	2036	2079	2139	2229
% Chg Prev Qtr SAAR	-0.85	1.44	2.91	3.14	3.40	4.37	4.33	4.74	3.79	3.76	4.12	4.23	-11.96	2.11	2.91	4.19
% Chg Same Qtr Last Yr	2.40	3.01	2.55	1.65	2.72	3.45	3.81	4.21	4.31	4.15	4.10	3.97	-11.96	2.11	2.91	4.19
OTHER RETAIL AND SERVICE	6924	6949	7014	7079	7134	7181	7244	7321	7401	7481	7560	7638	27269	27774	28639	29764
% Chg Prev Qtr SAAR	2.13	1.46	3.78	3.80	3.14	2.64	3.55	4.34	4.44	4.40	4.27	4.20	-5.02	1.85	3.11	3.93
% Chg Same Qtr Last Yr	2.40	2.34	2.20	2.79	3.04	3.34	3.28	3.42	3.74	4.18	4.36	4.33	-5.02	1.85	3.11	3.93
MISC NONDURABLE GOODS	1958	1906	1941	1976	2008	2037	2066	2094	2124	2145	2165	2191	7410	7719	8087	8527
% Chg Prev Qtr SAAR	9.35	-10.07	7.44	7.50	6.64	5.85	5.70	5.54	5.91	3.97	3.85	4.87	-5.39	4.18	4.77	5.44
% Chg Same Qtr Last Yr	5.21	3.14	4.50	3.23	2.59	6.86	6.42	5.93	5.75	5.28	4.81	4.65	-5.39	4.18	4.77	5.44
TRANSPORTATION, COMMUNICATION	1692	1743	1871	1907	1928	1933	1936	1951	1968	1985	2002	2014	7734	7044	7704	7907
% Chg Prev Qtr SAAR	-10.00	12.51	32.69	8.06	4.48	0.89	0.67	3.21	3.47	3.62	3.37	2.45	-2.25	-8.92	9.38	2.63
% Chg Same Qtr Last Yr	-15.52	-2.66	-0.94	9.77	13.94	10.88	3.48	2.30	2.05	2.74	3.42	3.23	-2.25	-8.92	9.38	2.63
PER CAPITA ($)	3566	3532	3602	3650	3693	3719	3748	3784	3821	3859	3896	3933	13967	14191	14810	15360
% Chg Prev Qtr SAAR	8.84	-3.74	8.21	5.44	4.77	2.86	3.10	3.94	3.97	4.06	3.85	3.84	-8.14	1.60	4.36	3.71
% Chg Same Qtr Last Yr	2.38	2.22	2.77	4.56	3.57	5.30	4.04	3.66	3.46	3.77	3.95	3.93	-8.14	1.60	4.36	3.71

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Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
US GDP (Bil2005$) SAAR	13253.0	13673.2	14064.9	14499.7	14979.9	15426.8	15855.9	16269.3	16679.6	17114.6	17566.7
Percentage change	2.89	3.17	2.87	3.09	3.31	2.98	2.78	2.61	2.52	2.61	2.64
US GDP (Bil$) SAAR	14661.6	15298.9	15932.3	16679.3	17555.3	18422.5	19280.1	20148.9	21047.2	21988.9	22984.7
Percentage change	3.84	4.35	4.14	4.69	5.25	4.94	4.66	4.51	4.46	4.47	4.53
TN PERSONAL INCOME (MIL2005$) SAAR	201850	208400	214765	220620	227293	234317	241365	248705	255767	263425	271453
Percentage change	2.28	3.25	3.05	2.73	3.02	3.09	3.01	3.04	2.84	2.99	3.05
US PERSONAL INCOME (BIL2005$) SAAR	11287	11696	11897	12235	12661	13088	13530	13927	14315	14739	15200
Percentage change	1.29	3.62	1.72	2.84	3.48	3.37	3.38	2.94	2.79	2.96	3.12
TN PERSONAL INCOME (MIL$) SAAR	224358	234368	245225	256304	269332	283360	297840	313162	328831	345334	362677
Percentage change	4.06	4.46	4.63	4.52	5.08	5.21	5.11	5.14	5.00	5.02	5.02
US PERSONAL INCOME (BIL$) SAAR	12543	13162	13598	14229	15024	15854	16727	17570	18438	19357	20344
Percentage change	3.02	4.94	3.32	4.64	5.58	5.53	5.51	5.04	4.94	4.98	5.10
TN NONFARM JOBS (THOUS)	2606.9	2641.0	2690.8	2739.6	2778.6	2815.7	2852.0	2883.7	2911.7	2939.3	2967.4
Percentage change	-0.46	1.31	1.88	1.81	1.42	1.33	1.29	1.11	0.97	0.95	0.96
US NONFARM JOBS (MIL)	130.3	132.1	134.7	137.5	140.3	142.6	144.6	146.3	147.6	148.8	150.1
Percentage change	-0.50	1.38	2.02	2.05	2.03	1.70	1.40	1.11	0.89	0.81	0.88
TN MFG JOBS (THOUS)	304.1	308.4	312.9	316.8	316.6	314.7	311.0	306.8	302.7	298.4	294.3
Percentage change	-1.81	1.42	1.46	1.23	-0.06	-0.59	-1.18	-1.34	-1.35	-1.41	-1.39
US MFG JOBS (MIL)	11.6	11.8	12.2	12.5	12.7	12.8	12.8	12.8	12.9	12.9	12.8
Percentage change	-2.03	1.59	3.02	2.95	1.35	0.96	-0.09	-0.02	0.23	0.00	-0.42
TN UNEMPLOYMENT RATE (%)	10.0	9.1	8.8	8.4	7.6	7.0	6.6	6.1	5.8	5.5	5.3
US UNEMPLOYMENT RATE (%)	9.7	9.3	8.7	8.1	7.3	6.7	6.3	6.0	5.8	5.5	5.2
CHAINED PRICE INDEX, GDP (2005=100.0)	110.6	111.9	113.3	115.0	117.2	119.4	121.6	123.8	126.2	128.5	130.8
Percentage change	0.92	1.14	1.24	1.55	1.88	1.90	1.82	1.85	1.89	1.82	1.84
US PERS CONSUMP DEFL (2005=100.0)	111.1	112.5	114.3	116.3	118.7	121.1	123.6	126.1	128.8	131.3	133.8
Percentage change	1.71	1.27	1.57	1.75	2.03	2.09	2.06	2.04	2.10	1.96	1.91
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.181	2.215	2.257	2.302	2.353	2.406	2.457	2.508	2.562	2.613	2.664
Percentage change	1.65	1.55	1.88	2.01	2.22	2.23	2.13	2.09	2.16	1.99	1.93
BANK PRIME INTEREST RATE (%)	3.3	3.3	4.3	6.4	6.6	7.7	7.7	7.7	7.7	7.7	7.7
FEDERAL FUNDS RATE (% per annum)	0.176	0.172	1.277	3.431	3.622	4.681	4.750	4.750	4.750	4.750	4.750
30-YEAR FIXED MORTGAGE RATE (%)	4.7	4.7	5.0	6.1	6.2	7.1	7.1	7.1	7.1	7.1	7.1
TN TAXABLE SALES (MIL2005$)	80595	83785	86204	88660	90945	93436	95637	97792	99819	102038	104346
Percentage change	0.83	3.96	2.89	2.85	2.58	2.74	2.36	2.25	2.07	2.22	2.26
TN TAXABLE SALES (MIL$)	89582	94225	98430	102999	107765	112992	118013	123137	128334	133764	139413
Percentage change	2.59	5.18	4.46	4.64	4.63	4.85	4.44	4.34	4.22	4.23	4.22
TN AVG ANNUAL WAGE, NONFARM (2005$)	38189	38762	39239	39767	40272	40776	41327	41873	42437	43016	43618
Percentage change	1.80	1.50	1.23	1.34	1.27	1.25	1.35	1.32	1.35	1.36	1.40
TN AVG ANNUAL WAGE, NONFARM ($)	42447	43592	44804	46198	47720	49310	50996	52725	54559	56390	58275
Percentage change	3.56	2.70	2.78	3.11	3.30	3.33	3.42	3.39	3.48	3.36	3.34

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
US GDP (2005$) SAAR………………………	42637	43568	44386	45320	46372	47298	48150	48937	49696	50513	51362
Percentage change................................	1.90	2.18	1.88	2.10	2.32	2.00	1.80	1.63	1.55	1.64	1.68
US GDP ($) SAAR………………………………	47168	48748	50280	52132	54344	56483	58549	60606	62709	64899	67204
Percentage change................................	2.84	3.35	3.14	3.68	4.24	3.94	3.66	3.51	3.47	3.49	3.55
TN PERSONAL INCOME (2005$) SAAR……	31976	32756	33514	34181	34962	35782	36570	37381	38136	38964	39832
Percentage change................................	1.30	2.44	2.31	1.99	2.29	2.34	2.20	2.22	2.02	2.17	2.23
US PERSONAL INCOME (2005$) SAAR……	36312	37267	37544	38241	39195	40127	41087	41892	42651	43502	44442
Percentage change................................	0.31	2.63	0.75	1.86	2.49	2.38	2.39	1.96	1.81	1.99	2.16
TN PERSONAL INCOME ($) SAAR…………	35541	36837	38267	39709	41428	43270	45125	47069	49029	51079	53217
Percentage change................................	3.06	3.65	3.88	3.77	4.33	4.45	4.29	4.31	4.17	4.18	4.19
US PERSONAL INCOME ($) SAAR…………	40353	41939	42914	44474	46508	48609	50797	52848	54936	57130	59482
Percentage change................................	2.03	3.93	2.32	3.64	4.57	4.52	4.50	4.04	3.95	3.99	4.12
TN TAXABLE SALES (2005$)…………………	12767	13169	13452	13736	13989	14268	14490	14698	14883	15093	15311
Percentage change................................	-0.13	3.15	2.15	2.11	1.84	2.00	1.55	1.44	1.26	1.41	1.45
TN TAXABLE SALES ($)………………………	14191	14810	15360	15958	16576	17254	17880	18508	19135	19786	20457
Percentage change................................	1.60	4.36	3.71	3.89	3.88	4.09	3.63	3.51	3.39	3.40	3.39

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Table 3: Tennessee Personal Income Components (millions of 2005 dollars) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TN PERSONAL INCOME………….……………	201850	208400	214765	220620	227293	234317	241365	248705	255767	263425	271453
Percentage change………………………	2.28	3.25	3.05	2.73	3.02	3.09	3.01	3.04	2.84	2.99	3.05
WAGES AND SALARIES……………………	100514	103263	106486	109853	112813	115728	118783	121670	124485	127362	130360
Percentage change………………………	1.31	2.74	3.12	3.16	2.69	2.58	2.64	2.43	2.31	2.31	2.35
OTHER LABOR INCOME……………………	25051	25683	26141	26733	27467	28236	29082	30031	30987	32008	33102
Percentage change………………………	3.17	2.52	1.78	2.27	2.75	2.80	3.00	3.26	3.18	3.29	3.42
PROPRIETORS INCOME……………………	22522	23654	24530	25371	26120	26868	27674	28510	29402	30271	31241
Percentage change………………………	3.50	5.03	3.70	3.43	2.95	2.86	3.00	3.02	3.13	2.96	3.20
RENT, INTEREST, DIVIDENDS……………	26852	26851	26967	27147	27953	28994	29837	30658	31508	32447	33421
Percentage change………………………	-1.08	0.00	0.43	0.67	2.97	3.72	2.91	2.75	2.77	2.98	3.00
TRANSFER PAYMENTS……………………	43922	46109	48059	49316	51013	52756	54569	56683	58547	60837	63160
Percentage change………………………	5.65	4.98	4.23	2.61	3.44	3.42	3.44	3.87	3.29	3.91	3.82
LESS: PERS CONT FOR SOC INS……….	16602	16752	17009	17389	17686	17900	18235	18514	18841	19179	19511
Percentage change………………………	2.73	0.91	1.53	2.24	1.71	1.21	1.87	1.53	1.77	1.79	1.74
RESIDENCE ADJUSTMENT………………	-409	-408	-409	-411	-387	-365	-346	-333	-321	-320	-319
Percentage change………………………	-12.31	-0.28	0.28	0.30	-5.63	-5.91	-5.17	-3.59	-3.54	-0.44	-0.30
PER CAPITA PERSONAL INCOME ($)……….	31976	32756	33514	34181	34962	35782	36570	37381	38136	38964	39832
Percentage change………………………	1.30	2.44	2.31	1.99	2.29	2.34	2.20	2.22	2.02	2.17	2.23

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Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TN PERSONAL INCOME………....………….	224358	234368	245225	256304	269332	283360	297840	313162	328831	345334	362677
Percentage change……………………….	4.06	4.46	4.63	4.52	5.08	5.21	5.11	5.14	5.00	5.02	5.02
WAGES AND SALARIES…………………….	111722	116130	121589	127622	133678	139950	146576	153204	160048	166963	174168
Percentage change……………………….	3.07	3.95	4.70	4.96	4.75	4.69	4.73	4.52	4.47	4.32	4.32
OTHER LABOR INCOME………………….	27844	28883	29848	31057	32547	34146	35887	37814	39839	41960	44226
Percentage change……………………….	4.96	3.73	3.34	4.05	4.80	4.91	5.10	5.37	5.35	5.32	5.40
PROPRIETORS INCOME………………….	25033	26602	28010	29475	30951	32491	34149	35899	37801	39684	41741
Percentage change……………………….	5.29	6.27	5.29	5.23	5.01	4.98	5.10	5.12	5.30	4.98	5.18
RENT, INTEREST, DIVIDENDS……………	29846	30196	30790	31537	33122	35061	36816	38602	40507	42533	44650
Percentage change……………………….	0.64	1.17	1.97	2.42	5.03	5.85	5.01	4.85	4.94	5.00	4.98
TRANSFER PAYMENTS…………………….	48821	51855	54875	57292	60448	63798	67338	71374	75274	79755	84387
Percentage change……………………….	7.47	6.22	5.82	4.40	5.51	5.54	5.55	5.99	5.46	5.95	5.81
LESS: PERS CONT FOR SOC INS……….	18453	18839	19420	20201	20956	21645	22500	23312	24223	25141	26068
Percentage change……………………….	4.51	2.09	3.08	4.02	3.74	3.29	3.95	3.61	3.91	3.79	3.68
RESIDENCE ADJUSTMENT……………….	-455	-459	-467	-477	-459	-441	-427	-420	-413	-420	-426
Percentage change……………………….	-10.80	0.89	1.82	2.05	-3.75	-3.97	-3.23	-1.62	-1.51	1.52	1.61
PER CAPITA PERSONAL INCOME ($)……….	35541	36837	38267	39709	41428	43270	45125	47069	49029	51079	53217
Percentage change……………………….	3.06	3.65	3.88	3.77	4.33	4.45	4.29	4.31	4.17	4.18	4.19

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Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL NONFARM	2606.3	2641.1	2690.9	2739.7	2778.7	2815.8	2852.1	2883.8	2911.8	2939.5	2967.6
Percentage change	-0.48	1.34	1.88	1.81	1.42	1.33	1.29	1.11	0.97	0.95	0.96
NATURAL RESOURCES, MINING & CONSTRUCTION	102.4	103.4	105.7	109.2	111.5	113.7	115.9	118.2	120.0	121.7	123.5
Percentage change	-6.45	0.95	2.25	3.29	2.13	1.98	1.95	1.99	1.46	1.43	1.50
MANUFACTURING	304.1	308.4	312.9	316.8	316.6	314.7	311.0	306.8	302.7	298.4	294.3
Percentage change	-1.81	1.43	1.46	1.23	-0.06	-0.59	-1.18	-1.34	-1.35	-1.41	-1.39
DURABLE GOODS	175.7	179.8	183.5	187.2	189.0	189.5	188.2	186.2	184.2	182.1	180.2
Percentage change	-3.22	2.33	2.08	2.00	0.97	0.28	-0.72	-1.05	-1.09	-1.13	-1.06
NONDURABLE GOODS	128.4	128.6	129.4	129.6	127.6	125.2	122.8	120.6	118.5	116.3	114.1
Percentage change	0.18	0.19	0.59	0.12	-1.54	-1.87	-1.87	-1.78	-1.76	-1.85	-1.90
TRADE, TRANSPORTATION, UTILITIES	554.9	564.2	577.7	589.1	597.1	605.4	612.8	619.4	624.6	629.2	633.9
Percentage change	-0.70	1.67	2.39	1.98	1.35	1.39	1.23	1.07	0.84	0.74	0.75
WHOLESALE TRADE	119.5	122.2	126.2	129.6	131.5	132.7	134.2	135.6	136.8	137.9	139.0
Percentage change	-1.16	2.20	3.27	2.70	1.47	0.95	1.10	1.02	0.91	0.80	0.82
RETAIL TRADE	311.5	316.6	323.0	328.2	332.2	337.1	340.8	343.9	345.6	347.0	348.0
Percentage change	1.40	1.64	2.02	1.62	1.22	1.47	1.09	0.92	0.48	0.40	0.31
TRANSPORTATION & UTILITIES	123.9	125.4	128.5	131.3	133.4	135.6	137.9	139.9	142.2	144.4	146.9
Percentage change	-5.22	1.24	2.45	2.18	1.58	1.62	1.70	1.50	1.63	1.52	1.76
INFORMATION	44.7	43.0	43.4	44.2	44.9	45.6	46.3	46.8	47.3	47.7	48.2
Percentage change	-5.39	-3.88	1.07	1.80	1.50	1.74	1.35	1.13	1.00	0.96	0.97
FINANCIAL ACTIVITIES	137.0	135.3	135.4	137.0	137.5	137.9	138.3	138.6	138.6	138.5	138.4
Percentage change	-2.42	-1.25	0.08	1.22	0.35	0.31	0.24	0.21	0.05	-0.11	-0.10
PROFESSIONAL & BUSINESS SERVICES	299.6	311.4	324.3	335.9	346.1	356.5	368.8	380.3	391.4	403.5	415.9
Percentage change	2.25	3.94	4.13	3.60	3.04	3.00	3.45	3.11	2.93	3.08	3.07
EDUCATION & HEALTH SERVICES	373.8	381.4	389.1	396.4	403.7	410.9	419.3	426.0	432.8	440.4	447.9
Percentage change	1.93	2.04	2.02	1.89	1.82	1.79	2.04	1.61	1.60	1.74	1.70
LEISURE & HOSPITALITY	259.0	263.6	270.9	278.4	284.0	289.1	293.4	297.0	299.9	302.3	304.5
Percentage change	-1.61	1.76	2.79	2.77	2.00	1.82	1.47	1.24	0.99	0.79	0.72
OTHER SERVICES	101.7	103.9	106.2	107.9	108.9	109.8	110.8	111.7	112.7	113.6	114.7
Percentage change	-0.42	2.15	2.16	1.65	0.89	0.80	0.92	0.86	0.89	0.81	0.93
GOVERNMENT	429.1	426.6	425.4	424.8	428.5	432.1	435.6	439.0	441.8	444.1	446.4
Percentage change	0.22	-0.58	-0.28	-0.14	0.89	0.84	0.80	0.78	0.64	0.53	0.50
FEDERAL, CIVILIAN	51.6	48.2	47.6	47.2	46.8	46.6	46.5	46.3	46.2	46.1	45.9
Percentage change	3.14	-6.47	-1.23	-0.98	-0.67	-0.42	-0.22	-0.49	-0.28	-0.23	-0.36
STATE & LOCAL	378.1	378.3	377.7	377.6	381.6	385.4	389.0	392.6	395.5	398.0	400.4
Percentage change	-0.02	0.06	-0.16	-0.03	1.08	0.99	0.92	0.93	0.75	0.62	0.60

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Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL DURABLE GOODS………………….	175.7	179.8	183.5	187.2	189.0	189.5	188.2	186.2	184.2	182.1	180.2
Percentage change……………………	-3.22	2.33	2.08	2.00	0.97	0.28	-0.72	-1.05	-1.09	-1.13	-1.06
WOOD PRODUCTS………………………	10.8	10.8	11.0	11.3	11.5	11.7	11.7	11.6	11.5	11.5	11.4
Percentage change……………………	-4.55	-0.10	2.06	2.93	1.98	1.00	-0.06	-0.46	-0.57	-0.49	-0.65
NONMETALLIC MINERALS………………	10.7	10.8	11.1	11.3	11.5	11.6	11.5	11.5	11.4	11.3	11.1
Percentage change……………………	-7.68	1.18	2.54	2.41	1.51	0.50	-0.06	-0.55	-0.97	-0.99	-1.08
PRIMARY METALS………………………	8.9	9.1	9.3	9.5	9.6	9.7	9.6	9.6	9.5	9.4	9.4
Percentage change……………………	-1.23	2.03	2.41	2.23	1.60	0.06	-0.59	-0.27	-0.52	-0.89	-0.75
FABRICATED METALS…………………..	34.8	35.9	36.6	37.1	37.5	37.9	38.1	38.1	38.1	38.1	38.1
Percentage change……………………	3.18	3.11	2.05	1.38	1.04	0.97	0.49	0.08	0.11	-0.04	0.03
MACHINERY………………………………	25.7	26.8	27.2	27.7	27.8	27.8	27.5	26.9	26.2	25.6	25.1
Percentage change……………………	-1.30	4.43	1.37	1.74	0.50	-0.02	-0.97	-2.41	-2.52	-2.22	-2.08
COMPUTERS & ELECTRONICS……….	5.3	4.8	4.3	3.8	3.6	3.4	3.2	3.0	2.8	2.7	2.5
Percentage change……………………	-14.43	-10.44	-10.75	-10.76	-5.95	-5.31	-5.60	-5.26	-6.02	-5.83	-5.24
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS…………………………	17.7	18.1	18.5	18.9	19.0	18.8	18.5	18.2	17.8	17.5	17.2
Percentage change……………………	-1.37	2.65	2.01	2.00	0.82	-1.32	-1.54	-1.49	-2.04	-1.98	-1.85
TRANSPORTATION EQUIPMENT………	37.9	40.0	41.8	43.4	44.3	45.0	44.5	44.0	43.6	43.2	42.7
Percentage change……………………	-5.47	5.43	4.49	3.83	2.19	1.54	-1.00	-1.19	-0.97	-0.95	-1.02
FURNITURE………………………………	9.5	9.1	9.1	9.2	9.0	8.8	8.6	8.3	8.1	7.8	7.6
Percentage change……………………	-12.07	-4.74	0.28	1.29	-2.28	-2.28	-2.78	-2.99	-2.51	-3.07	-2.60
MISCELLANEOUS DURABLES…………	14.4	14.5	14.7	15.0	15.1	15.0	15.0	15.0	15.1	15.0	15.0
Percentage change……………………	-2.89	0.43	1.69	1.87	0.49	-0.32	-0.29	0.18	0.17	-0.27	-0.19

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Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL NONDURABLE GOODS	128.4	128.6	129.4	129.6	127.6	125.2	122.8	120.6	118.5	116.3	114.1
Percentage change	0.19	0.18	0.59	0.12	-1.54	-1.87	-1.87	-1.78	-1.76	-1.85	-1.90
FOOD	32.6	32.9	33.2	33.4	33.4	33.5	33.5	33.4	33.3	33.2	33.2
Percentage change	0.76	0.82	0.92	0.52	0.18	0.19	0.10	-0.41	-0.36	-0.11	-0.05
BEVERAGE & TOBACCO	5.1	5.1	5.2	5.1	5.1	5.0	5.0	4.9	4.9	4.9	4.8
Percentage change	0.44	0.46	0.41	-0.10	-0.98	-1.41	-1.02	-0.65	-0.49	-1.25	-1.63
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	12.0	11.9	11.8	11.5	10.7	9.9	9.2	8.5	7.8	7.2	6.7
Percentage change	-5.17	-0.92	-1.09	-2.07	-7.07	-7.52	-7.54	-7.55	-7.51	-7.45	-7.67
PAPER	15.6	15.5	15.6	15.7	15.5	15.2	14.9	14.7	14.4	14.2	14.0
Percentage change	-3.46	-0.78	0.72	0.77	-1.52	-1.85	-1.63	-1.63	-1.81	-1.77	-1.56
PRINTING & RELATED SUPPORT	11.9	11.5	11.2	10.8	10.4	10.0	9.7	9.5	9.3	9.1	8.9
Percentage change	-11.17	-3.75	-2.37	-3.37	-4.02	-3.96	-3.40	-1.90	-1.97	-2.01	-1.94
CHEMICALS	25.3	25.5	25.9	26.1	25.9	25.5	24.9	24.4	23.8	23.3	22.8
Percentage change	-2.06	1.03	1.36	0.98	-0.80	-1.49	-2.26	-2.26	-2.27	-2.28	-2.25
PLASTICS & RUBBER	19.6	19.6	20.0	20.2	20.2	20.0	19.9	19.9	19.8	19.6	19.3
Percentage change	-4.09	0.04	1.99	1.13	-0.26	-0.67	-0.49	-0.21	-0.28	-1.17	-1.71
MISCELLANEOUS NONDURABLE GOODS	6.3	6.6	6.6	6.6	6.4	6.0	5.7	5.4	5.1	4.8	4.5
Percentage change	182.61	5.65	-0.23	0.21	-3.88	-5.56	-5.14	-5.15	-5.15	-5.62	-6.28

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2005 dollars) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL NONFARM……	38189	38762	39239	39767	40272	40776	41327	41873	42437	43016	43618
Percentage change……	1.80	1.50	1.23	1.34	1.27	1.25	1.35	1.32	1.35	1.36	1.40
NATURAL RESOURCES, MINING AND CONSTRUCTION……	43160	44391	44829	45270	45755	46297	46821	47363	47931	48494	49031
Percentage change……	4.25	2.85	0.99	0.98	1.07	1.18	1.13	1.16	1.20	1.17	1.11
MANUFACTURING……	46030	46695	47284	47991	48635	49279	50015	50758	51444	52105	52866
Percentage change……	3.15	1.44	1.26	1.50	1.34	1.32	1.49	1.49	1.35	1.28	1.46
DURABLE GOODS……	46714	47612	48195	48820	49377	49875	50537	51230	51793	52324	52984
Percentage change……	6.19	1.92	1.22	1.30	1.14	1.01	1.33	1.37	1.10	1.03	1.26
NONDURABLE GOODS……	45091	45412	45992	46793	47536	48378	49215	50030	50903	51763	52680
Percentage change……	-0.96	0.71	1.28	1.74	1.59	1.77	1.73	1.66	1.74	1.69	1.77
TRADE, TRANSPORTATION, UTILITIES……	35300	35431	35908	36370	36770	37131	37551	37964	38383	38864	39361
Percentage change……	1.52	0.37	1.35	1.29	1.10	0.98	1.13	1.10	1.10	1.25	1.28
WHOLESALE TRADE……	51297	51921	52626	53609	54585	55622	56701	57801	58915	60077	61225
Percentage change……	-0.34	1.21	1.36	1.87	1.82	1.90	1.94	1.94	1.93	1.97	1.91
RETAIL TRADE……	24452	23940	24109	24243	24353	24437	24514	24580	24620	24684	24750
Percentage change……	0.97	-2.10	0.70	0.56	0.45	0.35	0.31	0.27	0.16	0.26	0.27
TRANSPORTATION & UTILITIES……	47141	48374	49151	49670	50137	50588	51135	51641	52075	52679	53284
Percentage change……	6.83	2.62	1.61	1.06	0.94	0.90	1.08	0.99	0.84	1.16	1.15
INFORMATION……	49140	51221	51850	52712	53933	55227	56260	57408	58641	59761	61062
Percentage change……	3.59	4.23	1.23	1.66	2.32	2.40	1.87	2.04	2.15	1.91	2.18
FINANCIAL ACTIVITIES……	53925	55601	56470	57349	58393	59350	60416	61437	62475	63499	64623
Percentage change……	2.18	3.11	1.56	1.56	1.82	1.64	1.79	1.69	1.69	1.64	1.77
PROFESSIONAL & BUSINESS SERVICES…	44483	45705	46492	47368	48334	49310	50306	51292	52318	53340	54401
Percentage change……	4.06	2.75	1.72	1.88	2.04	2.02	2.02	1.96	2.00	1.95	1.99
EDUCATION & HEALTH SERVICES……	40145	40752	41234	41726	42156	42607	43093	43545	44064	44557	45047
Percentage change……	0.55	1.51	1.18	1.19	1.03	1.07	1.14	1.05	1.19	1.12	1.10
LEISURE & HOSPITALITY……	18946	19357	19526	19735	19948	20150	20384	20596	20833	21042	21223
Percentage change……	4.18	2.17	0.87	1.07	1.08	1.01	1.16	1.04	1.15	1.00	0.86
OTHER SERVICES……	33472	33638	33958	34196	34450	34671	34934	35219	35501	35733	35963
Percentage change……	-2.52	0.50	0.95	0.70	0.74	0.64	0.76	0.81	0.80	0.66	0.64
GOVERNMENT……	35660	35862	36203	36610	36960	37347	37757	38173	38570	39014	39438
Percentage change……	-0.60	0.57	0.95	1.13	0.95	1.05	1.10	1.10	1.04	1.15	1.09
FEDERAL, CIVILIAN……	56702	58894	60016	61153	62266	63418	64629	65915	67214	68457	69785
Percentage change……	-3.65	3.87	1.90	1.89	1.82	1.85	1.91	1.99	1.97	1.85	1.94
STATE & LOCAL……	32806	32927	33200	33545	33854	34192	34541	34900	35225	35605	35958
Percentage change……	-0.10	0.37	0.83	1.04	0.92	1.00	1.02	1.04	0.93	1.08	0.99

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Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL NONFARM	42447	43592	44804	46198	47720	49310	50996	52725	54559	56390	58275
Percentage change	3.56	2.70	2.78	3.11	3.30	3.33	3.42	3.39	3.48	3.36	3.34
NATURAL RESOURCES, MINING & CONSTRUCTION	47974	49921	51186	52591	54217	55986	57775	59637	61622	63571	65506
Percentage change	6.06	4.06	2.53	2.74	3.09	3.26	3.20	3.22	3.33	3.16	3.05
MANUFACTURING	51163	52512	53989	55752	57629	59592	61716	63912	66139	68305	70631
Percentage change	4.92	2.64	2.81	3.27	3.37	3.41	3.56	3.56	3.48	3.27	3.40
DURABLE GOODS	51923	53544	55029	56715	58508	60312	62360	64506	66587	68591	70788
Percentage change	8.00	3.12	2.77	3.06	3.16	3.08	3.40	3.44	3.23	3.01	3.20
NONDURABLE GOODS	50118	51070	52514	54361	56327	58503	60729	62996	65443	67857	70382
Percentage change	0.75	1.90	2.83	3.52	3.62	3.86	3.81	3.73	3.88	3.69	3.72
TRADE, TRANSPORTATION, UTILITIES	39235	39845	41000	42252	43570	44901	46336	47803	49347	50947	52588
Percentage change	3.28	1.55	2.90	3.05	3.12	3.05	3.20	3.16	3.23	3.24	3.22
WHOLESALE TRADE	57017	58389	60089	62279	64680	67263	69967	72781	75745	78757	81799
Percentage change	1.38	2.41	2.91	3.64	3.85	3.99	4.02	4.02	4.07	3.98	3.86
RETAIL TRADE	27178	26922	27527	28163	28856	29551	30249	30949	31652	32358	33066
Percentage change	2.71	-0.94	2.25	2.31	2.46	2.41	2.36	2.32	2.27	2.23	2.19
TRANSPORTATION & UTILITIES	52399	54400	56121	57703	59409	61175	63098	65023	66949	69057	71190
Percentage change	8.67	3.82	3.16	2.82	2.96	2.97	3.14	3.05	2.96	3.15	3.09
INFORMATION	54623	57602	59203	61238	63907	66786	69423	72286	75392	78342	81582
Percentage change	5.39	5.45	2.78	3.44	4.36	4.50	3.95	4.12	4.30	3.91	4.14
FINANCIAL ACTIVITIES	59940	62529	64478	66624	69192	71772	74550	77358	80321	83242	86339
Percentage change	3.95	4.32	3.12	3.33	3.85	3.73	3.87	3.77	3.83	3.64	3.72
PROFESSIONAL & BUSINESS SERVICES	49444	51400	53086	55029	57273	59631	62077	64586	67264	69925	72683
Percentage change	5.85	3.95	3.28	3.66	4.08	4.12	4.10	4.04	4.15	3.96	3.94
EDUCATION & HEALTH SERVICES	44621	45829	47081	48474	49952	51524	53175	54830	56650	58410	60185
Percentage change	2.30	2.71	2.73	2.96	3.05	3.15	3.20	3.11	3.32	3.11	3.04
LEISURE & HOSPITALITY	21059	21769	22295	22927	23637	24367	25152	25933	26784	27584	28354
Percentage change	5.99	3.37	2.42	2.83	3.10	3.09	3.22	3.10	3.28	2.98	2.79
OTHER SERVICES	37203	37829	38773	39726	40821	41927	43107	44345	45641	46842	48047
Percentage change	-0.84	1.68	2.50	2.46	2.76	2.71	2.81	2.87	2.92	2.63	2.57
GOVERNMENT	39636	40330	41336	42531	43795	45163	46590	48065	49587	51144	52690
Percentage change	1.13	1.75	2.49	2.89	2.97	3.12	3.16	3.17	3.16	3.14	3.02
FEDERAL, CIVILIAN	63027	66231	68527	71043	73781	76690	79750	82998	86414	89742	93236
Percentage change	-1.97	5.08	3.47	3.67	3.85	3.94	3.99	4.07	4.12	3.85	3.89
STATE & LOCAL	36464	37029	37908	38970	40114	41348	42622	43945	45287	46675	48041
Percentage change	1.64	1.55	2.37	2.80	2.94	3.08	3.08	3.10	3.05	3.07	2.93

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Table 10: Tennessee Civilian Labor Force and Unemployment Rate **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CIVILIAN LABOR FORCE (THOUS)……….	3036	3087	3116	3139	3156	3177	3201	3219	3243	3266	3288
Percentage change…………………….	0.54	1.65	0.95	0.76	0.54	0.64	0.77	0.56	0.76	0.71	0.65
EMPLOYED PERSONS (THOUS)……….	2733	2804	2841	2877	2916	2954	2990	3023	3056	3087	3113
Percentage change…………………….	1.07	2.61	1.31	1.27	1.35	1.30	1.21	1.10	1.10	1.02	0.85
UNEMPLOYED PERSONS (THOUS)……	303	282	275	262	240	223	211	196	188	179	174
Percentage change…………………….	-4.05	-7.00	-2.59	-4.60	-8.33	-7.33	-5.12	-7.07	-4.52	-4.35	-2.75
PARTICIPATION RATE (PERCENT)……….	60.9	61.5	61.6	61.6	61.5	61.5	61.4	61.3	61.3	61.2	61.1
Percentage change…………………….	-0.42	0.87	0.23	0.03	-0.18	-0.07	-0.03	-0.24	-0.05	-0.09	-0.15
UNEMPLOYMENT RATE (PERCENT)…….	10.0	9.1	8.8	8.4	7.6	7.0	6.6	6.1	5.8	5.5	5.3

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Table 11: Tennessee Taxable Sales (millions of 2005 dollars) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL TAXABLE SALES…………………………	80595	83785	86204	88660	90945	93436	95637	97792	99819	102038	104346
Percentage change………..…………………	0.83	3.96	2.89	2.85	2.58	2.74	2.36	2.25	2.07	2.22	2.26
AUTO DEALERS………………………………	6795	7317	7855	8262	8587	8837	9012	9116	9240	9379	9526
Percentage change………..…………………	10.36	7.68	7.36	5.19	3.92	2.92	1.97	1.16	1.36	1.50	1.57
PURCHASES FROM MANUFACTURERS….	3280	3503	3682	3877	3943	4002	4065	4119	4179	4245	4310
Percentage change………..…………………	2.66	6.80	5.11	5.29	1.70	1.49	1.57	1.35	1.44	1.60	1.51
MISC DURABLE GOODS……………………	13056	13765	14160	14647	15162	15900	16398	16956	17433	17953	18495
Percentage change………..…………………	3.78	5.43	2.87	3.44	3.51	4.87	3.13	3.40	2.82	2.98	3.02
EATING AND DRINKING PLACES…………	8202	8516	8703	9001	9288	9589	9888	10197	10493	10814	11149
Percentage change………..…………………	1.22	3.83	2.20	3.42	3.18	3.25	3.12	3.12	2.90	3.06	3.10
FOOD STORES………………………………	8506	8638	8738	8795	8844	8894	8979	9025	9058	9105	9156
Percentage change………..…………………	-1.15	1.55	1.15	0.66	0.56	0.56	0.96	0.51	0.37	0.52	0.56
LIQUOR STORES……………………………	616	636	654	674	691	710	728	746	764	783	803
Percentage change………..…………………	2.35	3.35	2.80	3.00	2.60	2.66	2.55	2.55	2.35	2.50	2.55
HOTELS AND MOTELS………………………	1870	1902	1952	1996	2035	2074	2114	2157	2200	2245	2292
Percentage change………..…………………	0.37	1.71	2.62	2.24	1.96	1.92	1.95	2.03	1.99	2.02	2.11
OTHER RETAIL AND SERVICE……………	24988	25466	26067	26721	27420	28152	28873	29613	30312	31075	31870
Percentage change………..…………………	0.11	1.91	2.36	2.51	2.61	2.67	2.56	2.56	2.36	2.52	2.56
MISC NONDURABLE GOODS………………	6945	7191	7468	7674	7840	8013	8183	8356	8516	8693	8878
Percentage change………..…………………	2.40	3.54	3.85	2.76	2.16	2.21	2.11	2.11	1.92	2.08	2.12
TRANSPORTATION, COMMUNICATION……	6337	6851	6925	7011	7136	7265	7397	7507	7624	7747	7867
Percentage change………..…………………	-10.51	8.11	1.08	1.25	1.77	1.82	1.81	1.49	1.55	1.61	1.55
PER CAPITA ($)……………………………………	12767	13169	13452	13736	13989	14268	14490	14698	14883	15093	15311
Percentage change………..…………………	-0.13	3.15	2.15	2.11	1.84	2.00	1.55	1.44	1.26	1.41	1.45

Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2011**

	Forecast Data										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL TAXABLE SALES………………………….	89582	94225	98430	102999	107765	112992	118013	123137	128334	133764	139413
Percentage change…………………………	2.59	5.18	4.46	4.64	4.63	4.85	4.44	4.34	4.22	4.23	4.22
AUTO DEALERS……………………………….	7553	8229	8969	9599	10175	10687	11120	11479	11880	12295	12728
Percentage change…………………………	12.25	8.95	9.00	7.02	6.00	5.03	4.05	3.23	3.50	3.49	3.52
PURCHASES FROM MANUFACTURERS….	3646	3940	4205	4504	4672	4840	5016	5187	5373	5566	5758
Percentage change…………………………	4.44	8.06	6.72	7.12	3.73	3.58	3.64	3.42	3.58	3.59	3.46
MISC DURABLE GOODS…………………….	14512	15480	16169	17017	17966	19228	20235	21350	22414	23535	24711
Percentage change…………………………	5.58	6.67	4.45	5.24	5.58	7.02	5.24	5.51	4.98	5.00	5.00
EATING AND DRINKING PLACES………….	9116	9577	9938	10457	11006	11596	12202	12840	13490	14176	14896
Percentage change…………………………	2.97	5.05	3.77	5.23	5.25	5.37	5.22	5.23	5.06	5.09	5.08
FOOD STORES……………………………….	9454	9714	9977	10217	10479	10755	11080	11363	11645	11935	12232
Percentage change…………………………	0.57	2.75	2.70	2.41	2.56	2.63	3.02	2.56	2.48	2.49	2.49
LIQUOR STORES…………………………….	684	716	747	783	819	858	898	940	982	1026	1073
Percentage change…………………………	4.12	4.56	4.37	4.80	4.65	4.77	4.64	4.64	4.50	4.52	4.51
HOTELS AND MOTELS……………………….	2079	2139	2229	2319	2411	2508	2609	2716	2829	2942	3062
Percentage change…………………………	2.11	2.91	4.19	4.02	3.99	4.01	4.03	4.11	4.14	4.02	4.07
OTHER RETAIL AND SERVICE…………….	27774	28639	29764	31043	32491	34044	35629	37288	38970	40736	42580
Percentage change…………………………	1.85	3.11	3.93	4.30	4.66	4.78	4.65	4.66	4.51	4.53	4.53
MISC NONDURABLE GOODS……………….	7719	8087	8527	8915	9290	9691	10097	10521	10949	11397	11862
Percentage change…………………………	4.18	4.77	5.44	4.56	4.21	4.31	4.20	4.20	4.07	4.09	4.08
TRANSPORTATION, COMMUNICATION……	7044	7704	7907	8145	8455	8786	9128	9453	9802	10155	10511
Percentage change…………………………	-8.92	9.38	2.63	3.02	3.80	3.91	3.89	3.56	3.69	3.61	3.50
PER CAPITA ($)………………………………	14191	14810	15360	15958	16576	17254	17880	18508	19135	19786	20457
Percentage change…………………………	1.60	4.36	3.71	3.89	3.88	4.09	3.63	3.51	3.39	3.40	3.39

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Table 13: Tennessee Gross Domestic Product by Sector (millions of 2005 dollars) **January 2011**

	Forecast Data											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GROSS DOMESTIC PRODUCT	224,998	228,407	234,592	242,124	249,651	256,935	264,226	271,606	278,985	286,165	293,329	300,347
Percentage change	-3.16	1.52	2.71	3.21	3.11	2.92	2.84	2.79	2.72	2.57	2.50	2.39
AGRICULTURE, FORESTRY, FISHING & HUNTING	1,284	1,308	1,335	1,361	1,386	1,411	1,437	1,464	1,493	1,515	1,537	1,561
Percentage change	2.22	1.91	2.03	1.96	1.83	1.79	1.85	1.87	1.98	1.47	1.50	1.52
MINING	182	186	189	190	187	184	181	177	174	171	169	165
Percentage change	-2.14	2.06	1.54	0.97	-1.60	-1.83	-1.73	-1.91	-1.67	-1.69	-1.69	-1.87
CONSTRUCTION	6,570	5,946	5,806	5,865	5,923	5,891	5,811	5,731	5,588	5,458	5,338	5,230
Percentage change	-20.01	-9.50	-2.35	1.01	0.99	-0.53	-1.36	-1.38	-2.50	-2.33	-2.19	-2.02
MANUFACTURING	37,333	38,623	41,055	43,340	45,520	47,647	49,778	51,942	54,211	56,592	59,040	61,406
Percentage change	-5.02	3.45	6.30	5.57	5.03	4.67	4.47	4.35	4.37	4.39	4.33	4.01
DURABLE GOODS	23,409	24,591	26,757	28,752	30,704	32,610	34,558	36,528	38,606	40,814	43,085	45,297
Percentage change	-5.12	5.05	8.81	7.46	6.79	6.21	5.97	5.70	5.69	5.72	5.56	5.13
NONDURABLE GOODS	13,924	14,032	14,299	14,589	14,816	15,037	15,220	15,414	15,605	15,777	15,955	16,110
Percentage change	-4.86	0.77	1.90	2.03	1.56	1.49	1.22	1.27	1.24	1.10	1.13	0.97
TRADE, TRANSPORTATION, UTILITIES	44,863	45,376	46,811	48,274	49,732	51,225	52,572	53,939	55,340	56,500	57,544	58,533
Percentage change	-3.87	1.14	3.16	3.12	3.02	3.00	2.63	2.60	2.60	2.10	1.85	1.72
WHOLESALE TRADE	14,851	15,015	15,624	16,242	16,748	17,266	17,669	18,135	18,676	19,096	19,484	19,873
Percentage change	-4.21	1.10	4.06	3.95	3.12	3.09	2.34	2.64	2.98	2.25	2.03	2.00
RETAIL TRADE	17,302	17,775	18,305	18,854	19,411	19,993	20,554	21,051	21,525	21,850	22,162	22,428
Percentage change	-4.32	2.74	2.98	3.00	2.96	3.00	2.80	2.42	2.25	1.51	1.43	1.20
TRANSPORTATION & UTILITIES	12,709	12,586	12,882	13,178	13,572	13,966	14,348	14,753	15,139	15,554	15,898	16,232
Percentage change	-2.85	-0.97	2.35	2.30	2.99	2.90	2.74	2.82	2.62	2.75	2.21	2.10
INFORMATION	8,409	8,498	8,838	9,279	9,802	10,361	10,948	11,561	12,209	12,807	13,381	13,931
Percentage change	-0.11	1.06	4.00	4.99	5.64	5.70	5.66	5.60	5.61	4.90	4.48	4.11
FINANCIAL ACTIVITIES	38,820	38,734	39,113	39,895	40,705	41,560	42,391	43,247	44,104	45,119	46,026	46,951
Percentage change	-1.02	-0.22	0.98	2.00	2.03	2.10	2.00	2.02	1.98	2.30	2.01	2.01
PROFESSIONAL & BUSINESS SERVICES	23,385	24,360	25,793	27,362	28,877	30,177	31,524	32,848	34,073	35,089	36,194	37,305
Percentage change	-7.04	4.17	5.88	6.08	5.54	4.50	4.47	4.20	3.73	2.98	3.15	3.07
EDUCATION & HEALTH SERVICES	23,066	23,571	24,170	24,767	25,394	26,018	26,673	27,339	28,016	28,724	29,468	30,195
Percentage change	2.47	2.19	2.54	2.47	2.53	2.45	2.52	2.50	2.48	2.53	2.59	2.47
LEISURE & HOSPITALITY	9,611	9,471	9,653	9,845	10,041	10,259	10,462	10,633	10,793	10,955	11,121	11,287
Percentage change	-3.69	-1.45	1.93	1.99	1.99	2.16	1.98	1.64	1.50	1.50	1.52	1.49
OTHER SERVICES	6,802	6,814	6,957	7,096	7,236	7,344	7,415	7,491	7,560	7,620	7,681	7,742
Percentage change	-1.64	0.17	2.10	2.01	1.96	1.50	0.97	1.03	0.92	0.79	0.80	0.80
GOVERNMENT	24,673	25,520	24,871	24,849	24,847	24,858	25,034	25,232	25,423	25,614	25,829	26,039
Percentage change	0.71	3.43	-2.54	-0.09	-0.01	0.05	0.70	0.79	0.76	0.75	0.84	0.81
FEDERAL	6,456	7,112	6,329	6,167	6,025	5,905	5,802	5,712	5,608	5,518	5,432	5,340
Percentage change	-0.10	10.16	-11.02	-2.55	-2.30	-1.99	-1.75	-1.55	-1.82	-1.61	-1.57	-1.69
STATE & LOCAL	18,217	18,408	18,542	18,681	18,821	18,953	19,232	19,520	19,815	20,096	20,398	20,700
Percentage change	1.00	1.05	0.73	0.75	0.75	0.70	1.47	1.50	1.51	1.42	1.50	1.48

Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2011**

	Forecast Data											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
DURABLE GOODS	23409	24591	26757	28752	30704	32610	34558	36528	38606	40814	43085	45297
Percentage change	-5.12	5.05	8.81	7.46	6.79	6.21	5.97	5.70	5.69	5.72	5.56	5.13
WOOD PRODUCTS	1109	1054	1096	1129	1150	1168	1177	1185	1193	1201	1208	1214
Percentage change	-6.13	-4.97	4.00	3.02	1.86	1.59	0.76	0.71	0.67	0.65	0.59	0.51
NONMETALLIC MINERAL PRODUCTS	733	702	710	718	732	747	760	775	788	798	808	819
Percentage change	-19.85	-4.11	1.02	1.21	1.98	1.94	1.76	1.95	1.72	1.29	1.29	1.32
PRIMARY METALS	659	619	625	631	638	641	637	634	631	628	625	622
Percentage change	-20.12	-6.00	0.89	0.90	1.09	0.47	-0.50	-0.53	-0.46	-0.51	-0.48	-0.49
FABRICATED METAL PRODUCTS	3139	3233	3426	3526	3605	3673	3740	3790	3826	3862	3894	3928
Percentage change	-6.96	2.99	5.97	2.91	2.24	1.89	1.83	1.35	0.93	0.96	0.81	0.87
MACHINERY	2571	2467	2568	2655	2708	2750	2791	2833	2867	2899	2933	2968
Percentage change	-13.48	-4.04	4.10	3.40	1.99	1.54	1.49	1.51	1.22	1.10	1.18	1.20
COMPUTER & ELECTRONIC PRODUCTS	6435	7724	8897	10037	11217	12455	13890	15394	17114	18996	20960	22859
Percentage change	20.06	20.02	15.19	12.82	11.75	11.04	11.52	10.83	11.17	11.00	10.34	9.06
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS	2196	2239	2328	2409	2498	2587	2678	2759	2840	2919	2997	3071
Percentage change	-7.65	1.97	3.95	3.50	3.70	3.53	3.54	3.03	2.91	2.79	2.66	2.50
TRANSPORTATION EQUIPMENT	4070	4049	4532	4986	5385	5706	5934	6142	6270	6395	6505	6629
Percentage change	-19.60	-0.53	11.94	10.00	8.01	5.96	4.00	3.50	2.08	2.00	1.72	1.90
FURNITURE	459	407	391	396	404	398	390	382	374	364	356	346
Percentage change	-23.35	-11.31	-3.93	1.13	2.14	-1.47	-2.04	-1.97	-2.17	-2.56	-2.26	-3.00
MISCELLANEOUS DURABLE GOODS	2038	2097	2185	2265	2367	2487	2561	2633	2704	2752	2799	2841
Percentage change	1.54	2.88	4.20	3.70	4.49	5.04	2.99	2.82	2.67	1.78	1.71	1.50

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Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2011**

	Forecast Data											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NONDURABLE GOODS……………………………	13,924	14,032	14,299	14,589	14,816	15,037	15,220	15,414	15,605	15,777	15,955	16,110
Percentage change…………………………………	-4.86	0.77	1.90	2.03	1.56	1.49	1.22	1.27	1.24	1.10	1.13	0.97
FOOD & BEVERAGE & TOBACCO......................	5,268	5,427	5,579	5,728	5,896	6,055	6,193	6,344	6,490	6,633	6,781	6,916
Percentage change…………………………………	-2.06	3.01	2.80	2.68	2.93	2.70	2.27	2.44	2.31	2.20	2.23	2.00
TEXTILE MILLS & TEXTILE PRODUCT MILLS....	495	492	489	486	472	459	447	437	427	414	404	393
Percentage change…………………………………	-5.92	-0.52	-0.61	-0.72	-2.80	-2.89	-2.54	-2.17	-2.38	-2.97	-2.55	-2.67
APPAREL……………………………………………	323	318	310	302	295	284	272	261	250	239	229	219
Percentage change…………………………………	-11.19	-1.74	-2.46	-2.53	-2.37	-3.74	-4.18	-4.21	-4.22	-4.18	-4.12	-4.34
PAPER………………………………………………	2,152	2,170	2,249	2,316	2,385	2,453	2,514	2,583	2,651	2,707	2,766	2,821
Percentage change…………………………………	-1.98	0.82	3.63	3.00	2.96	2.84	2.50	2.74	2.63	2.11	2.19	2.00
PRINTING & RELATED SUPPORT………………	944	908	862	873	886	899	913	926	938	949	960	970
Percentage change…………………………………	-7.06	-3.89	-5.00	1.21	1.49	1.53	1.52	1.41	1.30	1.26	1.11	1.03
CHEMICALS…………………………………………	2,694	2,698	2,753	2,796	2,771	2,753	2,729	2,702	2,679	2,657	2,633	2,610
Percentage change…………………………………	-4.14	0.17	2.05	1.53	-0.90	-0.65	-0.87	-1.00	-0.84	-0.80	-0.91	-0.87
PLASTICS & RUBBER……………………………	1,570	1,532	1,559	1,582	1,596	1,614	1,631	1,639	1,648	1,655	1,662	1,661
Percentage change…………………………………	-18.30	-2.41	1.76	1.47	0.88	1.09	1.04	0.53	0.51	0.45	0.40	-0.01
MISCELLANEOUS NONDURABLE GOODS…….	477	487	497	506	516	521	523	524	524	523	520	518
Percentage change…………………………………	12.88	2.04	1.96	1.80	1.95	1.04	0.36	0.17	0.02	-0.23	-0.41	-0.50

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APPENDIX B: HISTORICAL DATA

In this section—

Appendix B: Historical Data

Quarterly	pages 42–65	(2007:2 to 20010:3)
Annual	pages 66–80	(1998 to 2009)

Quarterly History Tables

Annual History Tables

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
US GDP (Bil2005$) SAAR	13194.1	13268.5	13363.5	13339.2	13359.0	13223.5	12993.7	12832.6	12810.0	12860.8	13019.0	13138.8	13194.9	13278.5	13228.9	13228.9	12880.6
% Chg Prev Qtr SAAR	3.24	2.27	2.89	-0.73	0.60	-4.00	-6.77	-4.87	-0.70	1.60	5.01	3.73	1.72	2.56	1.95	0.00	-2.63
% Chg Same Qtr Last Yr	1.79	2.33	2.32	1.91	1.25	-0.34	-2.77	-3.80	-4.11	-2.74	0.19	2.39	3.00	3.25	1.95	0.00	-2.63
US GDP (Bil$) SAAR	14008.2	14158.2	14291.3	14328.4	14471.8	14484.9	14191.2	14049.7	14034.5	14114.7	14277.3	14446.4	14578.7	14745.1	14061.8	14369.1	14119.1
% Chg Prev Qtr SAAR	6.50	4.35	3.81	1.04	4.06	0.36	-7.87	-3.93	-0.43	2.31	4.69	4.82	3.71	4.64	4.95	2.19	-1.74
% Chg Same Qtr Last Yr	4.95	5.24	4.99	3.91	3.31	2.31	-0.70	-1.95	-3.02	-2.56	0.61	2.82	3.88	4.47	4.95	2.19	-1.74
TN PERSONAL INCOME (MIL2005$) SAAR	199418	200000	201781	202277	202376	198963	199730	197823	198723	196113	196732	198909	201900	202649	199968	200836	197348
% Chg Prev Qtr SAAR	1.51	1.17	3.61	0.99	0.20	-6.58	1.55	-3.77	1.83	-5.15	1.27	4.50	6.15	1.49	2.62	0.43	-1.74
% Chg Same Qtr Last Yr	2.45	2.74	1.88	1.81	1.48	-0.52	-1.02	-2.20	-1.80	-1.43	-1.50	0.55	1.60	3.33	2.62	0.43	-1.74
US PERSONAL INCOME (BIL2005$) SAAR	11253	11298	11356	11394	11413	11278	11364	11167	11215	11099	11093	11136	11288	11334	11284	11362	11144
% Chg Prev Qtr SAAR	0.80	1.61	2.07	1.36	0.65	-4.64	3.08	-6.73	1.73	-4.09	-0.21	1.58	5.56	1.65	2.90	0.69	-1.92
% Chg Same Qtr Last Yr	3.01	2.96	1.96	1.46	1.42	-0.18	0.07	-1.99	-1.73	-1.59	-2.38	-0.28	0.65	2.12	2.90	0.69	-1.92
TN PERSONAL INCOME (MIL$) SAAR	209812	211626	215742	218366	220964	219590	217178	214222	216231	214936	217060	220592	223883	225289	211104	219025	215612
% Chg Prev Qtr SAAR	5.07	3.50	8.01	4.95	4.84	-2.46	-4.32	-5.33	3.80	-2.37	4.01	6.67	6.10	2.54	5.43	3.75	-1.56
% Chg Same Qtr Last Yr	5.09	5.22	5.45	5.37	5.32	3.76	0.67	-1.90	-2.14	-2.12	-0.05	2.97	3.54	4.82	5.43	3.75	-1.56
US PERSONAL INCOME (BIL$) SAAR	11839	11954	12141	12300	12461	12447	12356	12093	12203	12164	12239	12350	12517	12593	11912	12391	12175
% Chg Prev Qtr SAAR	4.33	3.96	6.41	5.34	5.32	-0.45	-2.88	-8.25	3.70	-1.29	2.49	3.69	5.51	2.44	5.72	4.02	-1.75
% Chg Same Qtr Last Yr	5.67	5.45	5.53	5.00	5.25	4.12	1.77	-1.68	-2.07	-2.27	-0.95	2.13	2.57	3.53	5.72	4.02	-1.75
TN NONFARM JOBS (THOUS)	2793.5	2800.8	2803.5	2805.4	2795.2	2767.8	2730.9	2669.6	2620.2	2595.9	2590.4	2591.8	2614.5	2607.0	2797.3	2774.8	2619.0
% Chg Prev Qtr SAAR	0.29	1.05	0.40	0.27	-1.45	-3.86	-5.23	-8.68	-7.20	-3.65	-0.85	0.21	3.56	-1.15	0.53	-0.80	-5.61
% Chg Same Qtr Last Yr	0.31	0.45	0.71	0.50	0.06	-1.18	-2.59	-4.84	-6.26	-6.21	-5.14	-2.92	-0.22	0.43	0.53	-0.80	-5.61
US NONFARM JOBS (MIL)	137.6	137.7	137.9	137.9	137.5	136.7	135.0	132.8	131.1	130.1	129.6	129.7	130.4	130.3	137.6	136.8	130.9
% Chg Prev Qtr SAAR	1.18	0.11	0.60	0.10	-1.17	-2.28	-4.83	-6.38	-5.03	-3.12	-1.34	0.18	2.16	-0.15	1.10	-0.59	-4.29
% Chg Same Qtr Last Yr	1.25	0.97	0.86	0.50	-0.09	-0.69	-2.06	-3.69	-4.64	-4.84	-3.98	-2.35	-0.55	0.21	1.10	-0.59	-4.29
TN MFG JOBS (THOUS)	381.2	376.4	373.1	370.9	367.9	359.2	345.8	326.0	309.2	302.7	301.0	300.9	304.3	305.0	379.9	360.9	309.7
% Chg Prev Qtr SAAR	-7.70	-5.00	-3.43	-2.38	-3.14	-9.19	-14.12	-20.93	-19.13	-8.17	-2.21	-0.05	4.53	0.96	-4.87	-5.00	-14.19
% Chg Same Qtr Last Yr	-5.39	-5.50	-4.61	-4.65	-3.49	-4.57	-7.33	-12.09	-15.97	-15.73	-12.95	-7.70	-1.59	0.78	-4.87	-5.00	-14.19
US MFG JOBS (MIL)	13.9	13.8	13.7	13.7	13.6	13.4	13.0	12.4	11.9	11.7	11.6	11.6	11.7	11.7	13.9	13.4	11.9
% Chg Prev Qtr SAAR	-1.65	-2.70	-2.81	-1.52	-3.43	-5.95	-10.89	-17.40	-14.02	-7.61	-4.40	0.65	2.91	0.98	-1.97	-3.43	-11.32
% Chg Same Qtr Last Yr	-2.00	-2.25	-2.08	-2.17	-2.62	-3.44	-5.52	-9.58	-12.17	-12.56	-11.01	-6.50	-2.20	0.00	-1.97	-3.43	-11.32
TN UNEMPLOYMENT RATE (%)	4.6	4.9	5.4	5.7	6.3	7.0	8.0	9.6	10.7	10.9	10.7	10.7	10.3	9.6	4.9	6.7	10.5
US UNEMPLOYMENT RATE (%)	4.5	4.6	4.8	5.0	5.3	6.0	7.0	8.2	9.3	9.6	10.0	9.7	9.7	9.6	4.6	5.8	9.3

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
CHAINED PRICE INDEX, GDP																	
((2005=100.0)…………..........................	106.2	106.7	106.9	107.5	108.3	109.5	109.2	109.5	109.6	109.8	109.7	110.0	110.5	111.1	106.3	108.6	109.6
% Chg Prev Qtr SAAR……………………..	3.16	1.98	0.87	1.94	3.17	4.48	-1.21	1.14	0.33	0.75	-0.24	0.97	1.93	2.10	2.94	2.16	0.94
% Chg Same Qtr Last Yr…………………..	3.12	2.84	2.59	1.98	1.98	2.60	2.07	1.87	1.16	0.25	0.49	0.45	0.85	1.19	2.94	2.16	0.94
US PERS CONSUMP DEFL (2005=100.0)….	105.2	105.8	106.9	108.0	109.2	110.4	108.7	108.3	108.8	109.6	110.3	110.9	110.9	111.1	105.6	109.1	109.3
% Chg Prev Qtr SAAR……………………..	3.50	2.30	4.25	3.93	4.64	4.40	-5.78	-1.63	1.93	2.93	2.71	2.08	-0.05	0.77	2.74	3.31	0.18
% Chg Same Qtr Last Yr…………………..	2.58	2.42	3.51	3.49	3.78	4.30	1.70	0.31	-0.34	-0.70	1.47	2.41	1.91	1.37	2.74	3.31	0.18
CONSUMER PRICE INDEX,																	
ALL-URBAN (82-84=1.000)……………….	2.067	2.079	2.104	2.128	2.156	2.189	2.137	2.125	2.135	2.154	2.168	2.176	2.172	2.180	2.073	2.152	2.145
% Chg Prev Qtr SAAR……………………..	4.69	2.48	4.84	4.66	5.24	6.37	-9.19	-2.24	1.86	3.69	2.62	1.53	-0.72	1.47	2.87	3.82	-0.32
% Chg Same Qtr Last Yr…………………..	2.67	2.35	4.01	4.16	4.30	5.27	1.56	-0.16	-0.97	-1.60	1.46	2.42	1.77	1.22	2.87	3.82	-0.32
BANK PRIME INTEREST RATE (%)………..	8.3	8.2	7.5	6.2	5.1	5.0	4.1	3.3	3.3	3.3	3.3	3.3	3.3	3.3	8.1	5.1	3.3
FEDERAL FUNDS RATE (% per annum)……	5.250	5.073	4.497	3.177	2.087	1.940	0.507	0.183	0.180	0.157	0.120	0.133	0.193	0.187	5.019	1.928	0.160
30-YEAR FIXED MORTGAGE RATE (%)……	6.3	6.5	6.2	5.9	6.1	6.3	5.9	5.1	5.0	5.2	4.9	5.0	4.9	4.4	6.3	6.0	5.0
TN TAXABLE SALES (MIL2005$)……………	22720	22723	22812	22315	22184	21329	20677	20289	19991	19723	19926	19797	20276	20085	91404	86506	79929
% Chg Prev Qtr SAAR……………………..	-7.21	0.04	1.59	-8.44	-2.32	-14.54	-11.68	-7.30	-5.75	-5.26	4.18	-2.57	10.04	-3.71	1.31	-5.36	-7.60
% Chg Same Qtr Last Yr…………………..	0.89	1.12	-0.32	-3.60	-2.36	-6.13	-9.36	-9.08	-9.89	-7.53	-3.63	-2.43	1.43	1.84	1.31	-5.36	-7.60
TN TAXABLE SALES (MIL$)…………………	23904	24043	24391	24090	24222	23541	22484	21971	21752	21616	21985	21955	22484	22329	96486	94336	87324
% Chg Prev Qtr SAAR……………………..	-3.96	2.35	5.90	-4.84	2.21	-10.78	-16.79	-8.81	-3.93	-2.49	7.00	-0.54	9.99	-2.72	4.08	-2.23	-7.43
% Chg Same Qtr Last Yr…………………..	3.49	3.56	3.17	-0.24	1.33	-2.09	-7.82	-8.79	-10.20	-8.18	-2.22	-0.07	3.36	3.30	4.08	-2.23	-7.43
TN AVG ANNUAL WAGE, NONFARM																	
(2005$)…………….....................................	37698	37542	37959	37789	37137	37049	37431	37212	37724	37440	37683	37793	38098	38407	37726	37351	37515
% Chg Prev Qtr SAAR……………………..	-0.06	-1.64	4.51	-1.78	-6.72	-0.94	4.18	-2.31	5.61	-2.98	2.62	1.17	3.27	3.29	1.51	-0.99	0.44
% Chg Same Qtr Last Yr…………………..	1.64	1.67	0.25	0.22	-1.49	-1.31	-1.39	-1.52	1.58	1.05	0.67	1.56	0.99	2.59	1.51	-0.99	0.44
TN AVG ANNUAL WAGE, NONFARM ($)…..	39663	39725	40585	40794	40548	40890	40701	40297	41048	41033	41577	41913	42246	42698	39826	40733	40989
% Chg Prev Qtr SAAR……………………..	3.43	0.63	8.95	2.08	-2.40	3.42	-1.84	-3.91	7.66	-0.14	5.40	3.27	3.23	4.35	4.29	2.28	0.63
% Chg Same Qtr Last Yr…………………..	4.26	4.13	3.77	3.72	2.23	2.93	0.28	-1.22	1.23	0.35	2.15	4.01	2.92	4.06	4.29	2.28	0.63

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
US GDP (2005$) SAAR……………………….	43689	43818	44030	43862	43829	43277	42434	41829	41667	41730	42140	42424	42501	42667	43747	43349	41842
% Chg Prev Qtr SAAR……………………	2.22	1.19	1.95	-1.52	-0.30	-4.94	-7.57	-5.58	-1.54	0.61	3.99	2.72	0.73	1.57	0.94	-0.91	-3.48
% Chg Same Qtr Last Yr……………….	0.77	1.33	1.33	0.95	0.32	-1.24	-3.62	-4.64	-4.93	-3.58	-0.69	1.42	2.00	2.25	0.94	-0.91	-3.48
US GDP ($) SAAR…………………………….	46384	46757	47087	47115	47480	47405	46345	45796	45650	45798	46212	46646	46958	47380	46502	47086	45865
% Chg Prev Qtr SAAR……………………	5.44	3.25	2.86	0.23	3.14	-0.63	-8.65	-4.65	-1.27	1.31	3.67	3.80	2.71	3.64	3.92	1.26	-2.59
% Chg Same Qtr Last Yr……………….	3.90	4.21	3.98	2.93	2.36	1.39	-1.58	-2.80	-3.86	-3.39	-0.29	1.85	2.87	3.45	3.92	1.26	-2.59
TN PERSONAL INCOME (2005$) SAAR…….	32537	32525	32727	32720	32649	32014	32085	31726	31818	31349	31365	31629	32020	32054	32578	32367	31565
% Chg Prev Qtr SAAR……………………	0.18	-0.15	2.51	-0.08	-0.86	-7.56	0.88	-4.39	1.17	-5.77	0.20	3.40	5.04	0.43	1.27	-0.65	-2.48
% Chg Same Qtr Last Yr……………….	1.08	1.39	0.61	0.61	0.34	-1.57	-1.96	-3.04	-2.55	-2.08	-2.24	-0.31	0.63	2.25	1.27	-0.65	-2.48
US PERSONAL INCOME (2005$) SAAR……	37260	37310	37415	37466	37443	36909	37111	36401	36480	36012	35905	35958	36359	36420	37316	37232	36199
% Chg Prev Qtr SAAR……………………	-0.20	0.54	1.13	0.55	-0.24	-5.58	2.20	-7.43	0.87	-5.03	-1.19	0.59	4.54	0.68	1.89	-0.22	-2.77
% Chg Same Qtr Last Yr……………….	1.99	1.95	0.97	0.50	0.49	-1.07	-0.81	-2.84	-2.57	-2.43	-3.25	-1.22	-0.33	1.13	1.89	-0.22	-2.77
TN PERSONAL INCOME ($) SAAR…………	34233	34416	34991	35323	35648	35333	34887	34356	34622	34358	34606	35076	35506	35635	34391	35298	34486
% Chg Prev Qtr SAAR……………………	3.69	2.15	6.86	3.84	3.74	-3.49	-4.95	-5.95	3.13	-3.01	2.92	5.55	4.99	1.46	4.05	2.64	-2.30
% Chg Same Qtr Last Yr……………….	3.69	3.84	4.13	4.12	4.13	2.67	-0.30	-2.74	-2.88	-2.76	-0.81	2.10	2.55	3.72	4.05	2.64	-2.30
US PERSONAL INCOME ($) SAAR…………	39201	39479	40004	40446	40883	40736	40353	39419	39694	39469	39615	39878	40318	40464	39393	40604	39549
% Chg Prev Qtr SAAR……………………	3.29	2.86	5.43	4.50	4.38	-1.43	-3.71	-8.94	2.82	-2.25	1.49	2.68	4.49	1.46	4.68	3.07	-2.60
% Chg Same Qtr Last Yr……………….	4.62	4.41	4.51	4.01	4.29	3.18	0.87	-2.54	-2.91	-3.11	-1.83	1.16	1.57	2.52	4.68	3.07	-2.60
TN TAXABLE SALES (2005$)……………….	3707	3695	3700	3610	3579	3432	3322	3254	3201	3153	3177	3148	3216	3177	14892	13942	12784
% Chg Prev Qtr SAAR……………………	-8.43	-1.27	0.51	-9.41	-3.35	-15.44	-12.26	-7.90	-6.37	-5.88	3.08	-3.59	8.89	-4.72	-0.02	-6.38	-8.30
% Chg Same Qtr Last Yr……………….	-0.46	-0.21	-1.57	-4.75	-3.45	-7.12	-10.23	-9.85	-10.57	-8.14	-4.36	-3.26	0.46	0.77	-0.02	-6.38	-8.30
TN TAXABLE SALES ($)………………………	3900	3910	3956	3897	3908	3788	3612	3524	3483	3455	3505	3491	3566	3532	15719	15204	13967
% Chg Prev Qtr SAAR……………………	-5.22	1.01	4.78	-5.85	1.13	-11.72	-17.33	-9.40	-4.55	-3.12	5.88	-1.59	8.84	-3.74	2.72	-3.28	-8.14
% Chg Same Qtr Last Yr……………….	2.11	2.20	1.89	-1.42	0.19	-3.13	-8.70	-9.57	-10.87	-8.78	-2.95	-0.93	2.38	2.22	2.72	-3.28	-8.14

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Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:3	2010:1	2010:2	2010:3	2007	2008	2009
TN PERSONAL INCOME…………………	199418	200000	201781	202277	202376	198963	199730	197823	198723	196113	196732	198909	201900	202649	199968	200836	197348
% Chg Prev Qtr SAAR………………	1.51	1.17	3.61	0.99	0.20	-6.58	1.55	-3.77	1.83	-5.15	1.27	4.50	6.15	1.49	2.62	0.43	-1.74
% Chg Same Qtr Last Yr…………..	2.45	2.74	1.88	1.81	1.48	-0.52	-1.02	-2.20	-1.80	-1.43	-1.50	0.55	1.60	3.33	2.62	0.43	-1.74
WAGES AND SALARIES…………….	106212	106052	107314	106929	104727	103467	103156	100332	99820	98148	98563	98940	100589	101075	106431	104570	99216
% Chg Prev Qtr SAAR………………	0.25	-0.60	4.84	-1.43	-7.99	-4.73	-1.19	-10.51	-2.03	-6.53	1.70	1.54	6.84	1.95	2.07	-1.75	-5.12
% Chg Same Qtr Last Yr…………..	1.98	2.16	0.98	0.74	-1.40	-2.44	-3.87	-6.17	-4.69	-5.14	-4.45	-1.39	0.77	2.98	2.07	-1.75	-5.12
OTHER LABOR INCOME………………	23444	23419	23715	23848	23705	23754	24146	24235	24370	24128	24392	24776	25032	25120	23525	23863	24281
% Chg Prev Qtr SAAR………………	-1.32	-0.43	5.16	2.26	-2.38	0.84	6.75	1.49	2.25	-3.91	4.44	6.46	4.20	1.40	-0.56	1.44	1.75
% Chg Same Qtr Last Yr…………..	-1.13	-0.25	-0.50	1.39	1.11	1.43	1.82	1.62	2.81	1.57	1.02	2.23	2.72	4.11	-0.56	1.44	1.75
PROPRIETORS INCOME…………….	24859	24207	23927	24336	23812	23271	22821	22011	21629	21682	21721	22126	22587	22555	24603	23560	21761
% Chg Prev Qtr SAAR………………	-8.55	-10.09	-4.55	7.03	-8.34	-8.77	-7.52	-13.46	-6.76	0.97	0.71	7.68	8.59	-0.56	-7.21	-4.24	-7.64
% Chg Same Qtr Last Yr…………..	-6.68	-8.05	-9.85	-4.27	-4.21	-3.86	-4.62	-9.55	-9.17	-6.83	-4.82	0.52	4.43	4.03	-7.21	-4.24	-7.64
RENT, INTEREST, DIVIDENDS………	27238	28068	28471	28408	28308	28681	28725	27739	27270	26860	26711	26911	27008	26760	27451	28530	27145
% Chg Prev Qtr SAAR………………	19.96	12.76	5.86	-0.88	-1.41	5.37	0.61	-13.03	-6.61	-5.87	-2.20	3.04	1.45	-3.62	11.73	3.93	-4.86
% Chg Same Qtr Last Yr…………..	11.28	12.03	12.06	9.15	3.93	2.18	0.89	-2.35	-3.67	-6.35	-7.01	-2.98	-0.96	-0.37	11.73	3.93	-4.86
TRANSFER PAYMENTS………………	35179	35714	36069	36387	39041	36845	37929	40191	42356	41773	41972	42965	43765	44290	35516	37551	41573
% Chg Prev Qtr SAAR………………	0.91	6.22	4.04	3.57	32.53	-20.67	12.30	26.07	23.35	-5.40	1.92	9.81	7.65	4.89	7.19	5.73	10.71
% Chg Same Qtr Last Yr…………..	6.64	7.75	7.59	3.67	10.98	3.17	5.16	10.46	8.49	13.37	10.66	6.90	3.33	6.03	7.19	5.73	10.71
LESS: PERS CONT FOR SOC INS….	16472	16425	16625	16685	16408	16307	16372	16218	16244	16040	16145	16405	16669	16740	16516	16443	16161
% Chg Prev Qtr SAAR………………	-1.62	-1.14	4.95	1.46	-6.48	-2.45	1.61	-3.71	0.65	-4.94	2.65	6.60	6.60	1.71	1.71	-0.44	-1.71
% Chg Same Qtr Last Yr…………..	1.32	1.87	1.26	0.88	-0.39	-0.72	-1.52	-2.80	-1.00	-1.64	-1.39	1.15	2.62	4.37	1.71	-0.44	-1.71
RESIDENCE ADJUSTMENT…………	-1041	-1035	-1090	-947	-807	-749	-676	-468	-478	-439	-482	-406	-412	-411	-1042	-795	-467
% Chg Prev Qtr SAAR………………	15.15	-2.25	22.91	-43.01	-47.23	-25.63	-33.78	-76.98	8.56	-28.87	45.70	-49.85	6.42	-1.02	-0.81	-23.77	-41.26
% Chg Same Qtr Last Yr…………..	-1.71	1.15	-1.61	-5.77	-22.47	-27.59	-37.96	-50.55	-40.77	-41.43	-28.67	-13.33	-13.76	-6.33	-0.81	-23.77	-41.26
PER CAPITA PERSONAL INCOME ($)….	32537	32525	32727	32720	32649	32014	32085	31726	31818	31349	31365	31629	32020	32054	32578	32367	31565
% Chg Prev Qtr SAAR………………	0.18	-0.15	2.51	-0.08	-0.86	-7.56	0.88	-4.39	1.17	-5.77	0.20	3.40	5.04	0.43	1.27	-0.65	-2.48
% Chg Same Qtr Last Yr…………..	1.08	1.39	0.61	0.61	0.34	-1.57	-1.96	-3.04	-2.55	-2.08	-2.24	-0.31	0.63	2.25	1.27	-0.65	-2.48

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TN PERSONAL INCOME……………………	209812	211626	215742	218366	220964	219590	217178	214222	216231	214936	217060	220592	223883	225289	211104	219025	215612
% Chg Prev Qtr SAAR………………	5.07	3.50	8.01	4.95	4.84	-2.46	-4.32	-5.33	3.80	-2.37	4.01	6.67	6.10	2.54	5.43	3.75	-1.56
% Chg Same Qtr Last Yr……………	5.09	5.22	5.45	5.37	5.32	3.76	0.67	-1.90	-2.14	-2.12	-0.05	2.97	3.54	4.82	5.43	3.75	-1.56
WAGES AND SALARIES……………….	111748	112217	114739	115434	114346	114193	112168	108650	108614	107568	108747	109725	111541	112367	112357	114035	108395
% Chg Prev Qtr SAAR………………	3.76	1.69	9.30	2.44	-3.72	-0.53	-6.91	-11.97	-0.13	-3.80	4.46	3.65	6.79	3.00	4.86	1.49	-4.95
% Chg Same Qtr Last Yr……………	4.61	4.63	4.52	4.26	2.32	1.76	-2.24	-5.88	-5.01	-5.80	-3.05	0.99	2.69	4.46	4.86	1.49	-4.95
OTHER LABOR INCOME………………	24666	24780	25356	25745	25882	26217	26255	26244	26517	26444	26912	27477	27758	27926	24835	26025	26529
% Chg Prev Qtr SAAR………………	2.14	1.86	9.63	6.28	2.15	5.28	0.58	-0.17	4.23	-1.10	7.27	8.67	4.15	2.44	2.17	4.79	1.94
% Chg Same Qtr Last Yr……………	1.42	2.16	2.99	4.93	4.93	5.80	3.55	1.94	2.45	0.87	2.50	4.70	4.68	5.60	2.17	4.79	1.94
PROPRIETORS INCOME………………	26155	25614	25582	26272	25999	25684	24815	23836	23535	23763	23965	24538	25046	25075	25967	25693	23775
% Chg Prev Qtr SAAR………………	-5.35	-8.02	-0.50	11.23	-4.09	-4.76	-12.86	-14.87	-4.96	3.93	3.44	9.91	8.54	0.46	-4.69	-1.06	-7.46
% Chg Same Qtr Last Yr……………	-4.27	-5.82	-6.69	-0.92	-0.60	0.27	-3.00	-9.27	-9.48	-7.48	-3.43	2.95	6.42	5.52	-4.69	-1.06	-7.46
RENT, INTEREST, DIVIDENDS……….	28658	29700	30441	30668	30908	31654	31234	30039	29672	29438	29471	29845	29949	29750	28987	31116	29655
% Chg Prev Qtr SAAR………………	24.16	15.36	10.36	3.02	3.17	10.01	-5.20	-14.45	-4.80	-3.12	0.45	5.17	1.40	-2.63	14.80	7.34	-4.70
% Chg Same Qtr Last Yr……………	14.15	14.74	15.98	12.96	7.85	6.58	2.61	-2.05	-4.00	-7.00	-5.64	-0.65	0.93	1.06	14.80	7.34	-4.70
TRANSFER PAYMENTS……………….	37013	37790	38565	39281	42627	40665	41243	43523	46088	45782	46309	47649	48530	49238	37495	40954	45426
% Chg Prev Qtr SAAR………………	4.44	8.67	8.46	7.64	38.68	-17.18	5.81	24.02	25.74	-2.63	4.68	12.09	7.60	5.96	10.14	9.22	10.92
% Chg Same Qtr Last Yr……………	9.39	10.35	11.36	7.29	15.17	7.61	6.94	10.80	8.12	12.58	12.28	9.48	5.30	7.55	10.14	9.22	10.92
LESS: PERS CONT FOR SOC INS……	17331	17380	17775	18012	17915	17997	17802	17562	17675	17579	17813	18193	18484	18610	17435	17932	17657
% Chg Prev Qtr SAAR………………	1.82	1.14	9.41	5.44	-2.14	1.84	-4.26	-5.28	2.60	-2.15	5.43	8.81	6.55	2.75	4.50	2.85	-1.53
% Chg Same Qtr Last Yr……………	3.93	4.33	4.81	4.40	3.37	3.55	0.15	-2.50	-1.34	-2.32	0.06	3.59	4.58	5.86	4.50	2.85	-1.53
RESIDENCE ADJUSTMENT……………	-1095	-1095	-1165	-1022	-881	-827	-735	-507	-520	-481	-532	-450	-457	-457	-1101	-866	-510
% Chg Prev Qtr SAAR………………	19.18	0.00	28.13	-40.78	-44.78	-22.35	-37.61	-77.36	10.66	-26.79	49.65	-48.81	6.37	0.00	1.92	-21.30	-41.13
% Chg Same Qtr Last Yr……………	0.83	3.60	1.84	-2.48	-19.54	-24.47	-36.91	-50.39	-40.98	-41.84	-27.62	-11.24	-12.12	-4.99	1.92	-21.30	-41.13
PER CAPITA PERSONAL INCOME ($)……	34233	34416	34991	35323	35648	35333	34887	34356	34622	34358	34606	35076	35506	35635	34391	35298	34486
% Chg Prev Qtr SAAR………………	3.69	2.15	6.86	3.84	3.74	-3.49	-4.95	-5.95	3.13	-3.01	2.92	5.55	4.99	1.46	4.05	2.64	-2.30
% Chg Same Qtr Last Yr……………	3.69	3.84	4.13	4.12	4.13	2.67	-0.30	-2.74	-2.88	-2.76	-0.81	2.10	2.55	3.72	4.05	2.64	-2.30

Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONFARM	2795.1	2805.1	2828.6	2774.8	2795.6	2772.3	2756.6	2639.7	2620.0	2600.5	2615.5	2564.8	2612.7	2610.1	2797.4	2774.8	2618.9
% Chg Same Qtr Last Yr	0.25	0.46	0.74	0.50	0.02	-1.17	-2.55	-4.87	-6.28	-6.20	-5.12	-2.84	-0.28	0.37	0.53	-0.81	-5.62
NATURAL RESOURCES, MINING & CONSTRUCTION	138.9	141.1	139.8	133.1	135.4	134.1	126.8	111.9	110.4	110.3	105.2	97.7	103.8	104.8	137.9	132.4	109.5
% Chg Same Qtr Last Yr	2.41	2.17	3.10	1.09	-2.50	-4.96	-9.28	-15.93	-18.44	-17.74	-17.08	-12.72	-6.04	-5.02	2.57	-3.99	-17.31
MANUFACTURING	381.2	377.2	374.0	369.5	367.5	360.0	346.8	324.8	308.5	303.5	302.0	299.9	303.5	305.6	380.0	361.0	309.7
% Chg Same Qtr Last Yr	-5.50	-5.48	-4.55	-4.63	-3.60	-4.55	-7.26	-12.10	-16.04	-15.70	-12.91	-7.67	-1.62	0.69	-4.87	-5.00	-14.19
DURABLE GOODS	238.7	234.1	231.2	228.5	226.1	219.6	209.2	193.7	180.7	176.8	175.0	172.8	174.7	176.9	237.1	220.9	181.6
% Chg Same Qtr Last Yr	-5.83	-7.08	-7.11	-6.53	-5.27	-6.19	-9.53	-15.24	-20.08	-19.46	-16.36	-10.79	-3.34	0.04	-5.83	-6.86	-17.79
NONDURABLE GOODS	142.5	143.1	142.7	141.0	141.4	140.5	137.6	131.1	127.8	126.7	127.1	127.1	128.9	128.7	142.8	140.1	128.2
% Chg Same Qtr Last Yr	-4.94	-2.74	-0.09	-1.38	-0.82	-1.86	-3.60	-7.00	-9.57	-9.82	-7.66	-3.05	0.81	1.61	-3.23	-1.91	-8.52
TRADE, TRANSPORTATION, UTILITIES	608.3	608.9	621.0	604.6	602.3	598.1	595.4	566.0	557.1	554.9	557.5	544.3	553.5	555.5	610.5	600.1	558.9
% Chg Same Qtr Last Yr	0.46	0.34	0.52	0.13	-0.99	-1.77	-4.13	-6.40	-7.50	-7.22	-6.36	-3.83	-0.64	0.11	0.54	-1.70	-6.87
WHOLESALE TRADE	133.0	133.4	133.9	132.8	132.8	131.8	129.3	123.9	121.6	119.7	118.6	117.2	119.8	120.4	133.0	131.7	120.9
% Chg Same Qtr Last Yr	0.66	0.43	1.06	0.96	-0.18	-1.20	-3.39	-6.70	-8.43	-9.21	-8.32	-5.46	-1.45	0.61	0.71	-0.96	-8.16
RETAIL TRADE	328.4	327.9	339.6	328.1	325.7	322.8	324.6	307.2	304.5	305.8	311.3	304.6	310.0	310.9	330.5	325.3	307.2
% Chg Same Qtr Last Yr	0.50	0.42	0.88	0.54	-0.81	-1.54	-4.41	-6.36	-6.51	-5.27	-4.11	-0.86	1.81	1.66	0.71	-1.58	-5.56
TRANSPORTATION & UTILITIES	146.9	147.6	147.6	143.7	143.8	143.5	141.4	134.8	131.0	129.4	127.7	122.5	123.7	124.2	147.0	143.1	130.7
% Chg Same Qtr Last Yr	0.20	0.07	-0.76	-1.53	-2.13	-2.80	-4.16	-6.19	-8.90	-9.80	-9.73	-9.12	-5.57	-4.02	-0.02	-2.66	-8.65
INFORMATION	50.0	50.6	51.2	51.1	51.1	50.3	49.6	48.7	47.4	46.7	46.1	46.6	45.4	43.6	50.3	50.5	47.2
% Chg Same Qtr Last Yr	-0.07	2.70	2.95	3.79	2.07	-0.66	-3.06	-4.57	-7.11	-7.22	-7.05	-4.45	-4.29	-6.57	1.38	0.50	-6.48
FINANCIAL ACTIVITIES	145.0	145.8	145.7	144.9	145.7	145.5	144.1	141.5	140.8	139.8	139.4	137.1	136.9	137.2	144.8	145.0	140.4
% Chg Same Qtr Last Yr	0.90	1.32	1.44	1.40	0.48	-0.21	-1.08	-2.32	-3.34	-3.87	-3.26	-3.11	-2.75	-1.88	0.91	0.14	-3.20
PROFESSIONAL & BUSINESS SERVICES	320.0	325.7	331.5	319.5	325.5	320.4	319.0	296.3	291.2	288.6	296.0	288.9	300.0	300.6	322.6	321.1	293.0
% Chg Same Qtr Last Yr	0.85	1.63	1.68	2.04	1.73	-1.63	-3.79	-7.28	-10.55	-9.92	-7.20	-2.49	3.03	4.16	1.11	-0.46	-8.75
EDUCATION & HEALTH SERVICES	347.7	352.1	354.4	352.9	356.9	359.9	365.3	361.9	365.4	366.2	373.3	372.0	371.6	373.5	349.9	358.8	366.7
% Chg Same Qtr Last Yr	2.42	2.89	2.30	2.22	2.65	2.20	3.09	2.53	2.39	1.76	2.17	2.80	1.70	2.00	2.71	2.54	2.21
LEISURE & HOSPITALITY	281.9	285.3	275.2	265.8	281.3	281.0	267.0	255.1	271.0	269.1	257.7	247.8	265.2	266.0	276.3	273.8	263.2
% Chg Same Qtr Last Yr	2.42	2.16	2.12	1.15	-0.21	-1.50	-2.99	-4.03	-3.66	-4.22	-3.47	-2.87	-2.13	-1.15	2.28	-0.91	-3.85
OTHER SERVICES	105.1	104.3	103.9	104.3	105.7	104.6	103.4	101.8	103.3	102.5	101.1	99.7	102.7	102.6	104.0	104.5	102.2
% Chg Same Qtr Last Yr	2.77	1.36	1.56	1.52	0.63	0.29	-0.45	-2.36	-2.33	-1.94	-2.26	-2.13	-0.52	0.10	2.19	0.50	-2.22
GOVERNMENT	417.1	414.2	431.9	429.1	424.3	418.5	439.1	431.7	424.9	418.8	437.2	431.0	429.9	420.6	421.3	427.8	428.1
% Chg Same Qtr Last Yr	0.33	0.94	1.61	1.68	1.73	1.05	1.67	0.61	0.13	0.06	-0.45	-0.17	1.19	0.45	1.04	1.53	0.09
FEDERAL, CIVILIAN	48.8	48.8	48.7	48.9	49.1	49.7	49.8	49.5	50.7	49.7	50.0	49.8	56.5	51.7	48.8	49.4	50.0
% Chg Same Qtr Last Yr	0.62	-0.41	-1.35	0.07	0.68	1.85	2.26	1.36	3.26	0.00	0.40	0.61	11.30	4.09	-0.12	1.21	1.25
STATE & LOCAL	368.3	365.4	383.2	380.2	375.2	368.8	389.3	382.2	374.1	369.1	387.2	381.1	373.5	368.9	372.5	378.4	378.1
% Chg Same Qtr Last Yr	0.29	1.13	2.00	1.89	1.87	0.94	1.59	0.52	-0.28	0.07	-0.56	-0.27	-0.18	-0.05	1.20	1.58	-0.06

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL DURABLE GOODS………………………….	238.7	234.1	231.2	228.5	226.1	219.6	209.2	193.7	180.7	176.8	175.0	172.8	174.7	176.9	237.1	220.9	181.6
% Chg Same Qtr Last Yr…………………….	-5.83	-7.08	-7.11	-6.53	-5.27	-6.19	-9.53	-15.24	-20.08	-19.46	-16.36	-10.79	-3.34	0.04	-0.06	-0.07	-0.18
WOOD PRODUCTS…………………………….	16.2	16.0	15.7	15.1	14.6	14.2	13.3	11.8	11.1	11.2	11.1	10.6	10.8	10.9	16.1	14.3	11.3
% Chg Same Qtr Last Yr…………………….	-10.48	-11.60	-10.46	-8.30	-10.27	-11.46	-15.29	-22.08	-23.80	-20.71	-16.54	-9.63	-3.00	-3.26	-0.10	-0.11	-0.21
NONMETALLIC MINERAL PRODUCTS………	15.7	15.6	15.4	14.9	14.6	14.1	13.4	12.1	11.6	11.5	11.0	10.6	10.6	10.7	15.6	14.2	11.5
% Chg Same Qtr Last Yr…………………….	-3.48	-4.30	-3.14	-4.08	-7.01	-9.42	-13.20	-18.57	-20.55	-18.68	-17.96	-12.91	-8.33	-6.69	-0.04	-0.08	-0.19
PRIMARY METALS…………………………….	11.8	11.6	11.6	11.5	11.2	11.1	10.8	9.9	8.8	8.5	8.7	8.9	8.8	8.8	11.7	11.1	9.0
% Chg Same Qtr Last Yr…………………….	-0.28	-1.13	-3.07	-3.91	-4.53	-4.58	-6.92	-13.37	-21.36	-23.42	-18.89	-10.74	0.00	3.53	-0.01	-0.05	-0.19
FABRICATED METAL PRODUCTS………….	41.4	41.3	41.1	40.3	40.3	39.9	38.4	35.6	33.3	32.8	33.3	33.9	34.4	35.3	41.5	39.7	33.7
% Chg Same Qtr Last Yr…………………….	-4.97	-5.49	-4.20	-4.80	-2.65	-3.47	-6.41	-11.75	-17.36	-17.73	-13.44	-4.69	3.20	7.52	-0.04	-0.04	-0.15
MACHINERY…………………………………….	32.4	31.6	31.3	32.1	31.9	31.0	29.8	28.0	26.1	25.2	24.8	24.8	25.6	26.0	32.0	31.2	26.0
% Chg Same Qtr Last Yr…………………….	-4.23	-4.72	-1.88	-1.73	-1.54	-2.11	-4.69	-12.97	-18.16	-18.62	-16.67	-11.20	-2.17	3.31	-0.04	-0.02	-0.17
COMPUTER & ELECTRONIC PRODUCTS….	8.1	8.0	7.8	7.8	7.6	7.3	7.0	6.7	6.4	6.0	5.7	5.5	5.4	5.3	8.1	7.4	6.2
% Chg Same Qtr Last Yr…………………….	-13.78	-11.40	-11.99	-7.17	-6.15	-8.71	-11.06	-13.30	-16.59	-17.73	-17.70	-17.82	-15.71	-12.71	-0.13	-0.08	-0.16
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS………………………………	22.1	21.9	21.9	21.0	20.6	20.6	20.0	19.2	17.9	17.2	17.3	17.5	17.4	17.8	22.1	20.6	17.9
% Chg Same Qtr Last Yr…………………….	-5.56	-4.91	-4.22	-6.25	-6.64	-6.23	-8.66	-8.57	-13.09	-16.21	-13.81	-9.03	-3.16	3.29	-0.05	-0.07	-0.13
TRANSPORTATION EQUIPMENT……………	59.2	56.7	55.8	55.7	55.2	51.6	47.5	43.2	39.4	39.3	38.6	36.8	37.7	38.3	58.6	52.5	40.1
% Chg Same Qtr Last Yr…………………….	-6.67	-11.26	-13.32	-11.35	-6.76	-9.05	-14.82	-22.49	-28.56	-23.90	-18.81	-14.74	-4.40	-2.55	-0.08	-0.10	-0.24
FURNITURE…………………………………….	16.2	15.8	15.6	15.1	14.6	14.2	13.0	11.8	10.9	10.5	10.1	9.8	9.6	9.4	16.0	14.2	10.8
% Chg Same Qtr Last Yr…………………….	-10.97	-9.20	-8.43	-8.10	-10.06	-10.13	-16.27	-22.03	-25.57	-26.06	-22.25	-16.95	-11.66	-10.16	-0.10	-0.11	-0.24
MISCELLANEOUS DURABLE GOODS………	15.4	15.4	15.1	15.0	15.4	15.7	16.0	15.4	15.1	14.6	14.4	14.4	14.4	14.5	15.4	15.5	14.9
% Chg Same Qtr Last Yr…………………….	1.09	0.22	-3.61	-2.81	-0.43	1.51	5.73	2.67	-1.74	-6.81	-10.21	-6.71	-4.42	-0.91	0.00	0.01	-0.04

Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONDURABLE GOODS	142.5	143.1	142.7	141.0	141.4	140.5	137.6	131.1	127.8	126.7	127.1	127.1	128.9	128.7	142.8	140.1	128.2
% Chg Same Qtr Last Yr	-4.94	-2.74	-0.09	-1.38	-0.82	-1.86	-3.60	-7.00	-9.57	-9.82	-7.66	-3.05	0.81	1.61	-3.23	-1.91	-8.52
FOOD	32.5	32.6	32.6	32.2	32.3	32.5	32.9	32.3	32.2	32.5	32.6	32.3	32.5	32.7	32.7	32.5	32.4
% Chg Same Qtr Last Yr	-5.06	-2.79	-2.50	-2.52	-0.72	-0.10	0.92	0.21	-0.41	-0.10	-0.91	0.10	1.04	0.72	-3.83	-0.61	-0.31
BEVERAGE & TOBACCO	5.0	5.1	5.1	5.0	5.1	5.1	5.0	5.1	5.1	5.1	5.0	5.0	5.2	5.2	5.1	5.1	5.1
% Chg Same Qtr Last Yr	-5.62	-2.56	1.33	-0.66	1.32	0.66	-0.66	0.66	0.00	0.65	0.00	-0.66	1.31	0.65	-2.57	0.16	0.33
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	15.1	15.0	15.0	14.8	15.1	14.9	14.2	13.1	12.6	12.6	12.4	11.9	11.9	12.1	15.1	14.8	12.7
% Chg Same Qtr Last Yr	-7.16	-5.46	-3.43	-2.64	0.00	-0.44	-5.32	-11.51	-16.96	-15.85	-12.65	-8.93	-5.31	-3.45	-6.36	-2.10	-14.28
PAPER	17.4	17.6	17.2	17.1	17.4	17.4	17.0	16.4	16.0	16.3	15.9	15.5	15.6	15.8	17.4	17.2	16.2
% Chg Same Qtr Last Yr	-6.12	-5.22	-4.28	-2.29	-0.19	-0.76	-0.78	-4.10	-7.68	-6.31	-6.46	-5.30	-2.70	-3.27	-5.05	-1.01	-6.14
PRINTING & RELATED SUPPORT	16.9	17.2	16.7	16.1	15.9	15.5	15.3	14.4	13.7	13.1	12.7	12.1	12.1	11.8	16.9	15.7	13.4
% Chg Same Qtr Last Yr	-4.53	-3.91	-5.30	-5.68	-5.93	-10.08	-8.40	-10.58	-13.87	-15.52	-17.03	-15.55	-11.46	-9.44	-4.51	-7.53	-14.20
CHEMICALS	26.8	27.0	27.4	27.5	27.7	27.7	27.2	26.4	25.8	25.5	25.4	25.1	25.2	25.3	26.9	27.5	25.8
% Chg Same Qtr Last Yr	1.52	3.05	3.92	3.65	3.48	2.47	-0.73	-3.76	-7.09	-7.83	-6.38	-4.92	-2.20	-0.78	2.34	2.20	-6.27
PLASTICS & RUBBER	26.7	26.6	26.7	26.3	25.9	25.4	24.1	21.7	20.6	19.9	19.5	19.7	19.8	19.5	26.6	25.4	20.4
% Chg Same Qtr Last Yr	-8.05	-3.98	7.51	-0.63	-3.00	-4.27	-9.73	-17.59	-20.36	-21.76	-19.06	-9.37	-4.05	-2.18	-3.65	-4.41	-19.69
MISCELLANEOUS NONDURABLE GOODS	2.1	2.2	2.1	2.0	2.0	1.9	1.9	1.8	1.9	1.7	3.5	5.4	6.6	6.3	2.1	2.0	2.2
% Chg Same Qtr Last Yr	-13.70	-5.80	-1.54	-6.15	-4.76	-12.31	-12.50	-9.84	-3.33	-12.28	85.71	196.36	243.10	276.00	-8.54	-8.95	14.10

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

Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) January 2011

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONFARM…………………………………	2793.5	2800.8	2803.5	2805.4	2795.2	2767.8	2730.9	2669.6	2620.2	2595.9	2590.4	2591.8	2614.5	2607.0	2797.3	2774.8	2619.0
% Chg Prev Qtr SAAR……………………	0.29	1.05	0.40	0.27	-1.45	-3.86	-5.23	-8.68	-7.20	-3.65	-0.85	0.21	3.56	-1.15	0.53	-0.80	-5.61
% Chg Same Qtr Last Yr………………	0.31	0.45	0.71	0.50	0.06	-1.18	-2.59	-4.84	-6.26	-6.21	-5.14	-2.92	-0.22	0.43	0.53	-0.80	-5.61
NATURAL RESOURCES, MINING AND CONSTRUCTION………………………	138.30	137.97	138.70	137.90	135.07	130.83	125.50	116.83	110.27	106.93	103.83	102.3	103.43	101.9	137.83	132.33	109.47
% Chg Prev Qtr SAAR……………………	5.90	-0.96	2.14	-2.29	-7.97	-11.96	-15.34	-24.89	-20.66	-11.55	-11.10	-5.78	4.51	-5.80	2.57	-3.99	-17.27
% Chg Same Qtr Last Yr………………	2.62	2.15	2.94	1.15	-2.34	-5.17	-9.52	-15.28	-18.36	-18.27	-17.26	-12.44	-6.20	-4.71	2.57	-3.99	-17.27
MANUFACTURING……………………………	381.2	376.4	373.1	370.9	367.9	359.2	345.8	326.0	309.2	302.7	301.0	300.9	304.3	305.0	379.9	360.9	309.7
% Chg Prev Qtr SAAR……………………	-7.70	-5.00	-3.43	-2.38	-3.14	-9.19	-14.12	-20.93	-19.13	-8.17	-2.21	-0.05	4.53	0.96	-4.87	-5.00	-14.19
% Chg Same Qtr Last Yr………………	-5.39	-5.50	-4.61	-4.65	-3.49	-4.57	-7.33	-12.09	-15.97	-15.73	-12.95	-7.70	-1.59	0.78	-4.87	-5.00	-14.19
DURABLE GOODS…………………………	238.7	233.9	230.9	228.8	226.5	219.3	208.7	194.0	181.2	176.6	174.5	173.1	175.2	176.6	237.1	220.8	181.5
% Chg Prev Qtr SAAR……………………	-9.64	-7.85	-5.09	-3.48	-4.05	-12.03	-18.03	-25.39	-23.87	-9.83	-4.66	-3.18	5.08	3.19	-5.83	-6.86	-17.79
% Chg Same Qtr Last Yr………………	-5.69	-7.12	-7.18	-6.55	-5.13	-6.23	-9.60	-15.24	-20.00	-19.50	-16.40	-10.78	-3.29	0.03	-5.83	-6.86	-17.79
NONDURABLE GOODS……………………	142.5	142.5	142.3	142.0	141.5	139.8	137.1	132.1	128.0	126.1	126.5	127.9	129.1	128.4	142.8	140.1	128.2
% Chg Prev Qtr SAAR……………………	-4.32	-0.08	-0.65	-0.57	-1.65	-4.51	-7.70	-13.77	-11.79	-5.79	1.28	4.39	3.77	-2.01	-3.24	-1.91	-8.51
% Chg Same Qtr Last Yr………………	-4.88	-2.72	-0.13	-1.42	-0.74	-1.86	-3.65	-7.02	-9.51	-9.82	-7.70	-3.18	0.83	1.83	-3.24	-1.91	-8.51
TRADE, TRANSPORTATION, UTILITIES……	610.8	609.5	611.6	611.0	604.8	598.5	586.5	571.8	559.6	555.3	549.1	549.9	556.1	555.8	610.5	600.2	558.9
% Chg Prev Qtr SAAR……………………	0.32	-0.89	1.41	-0.40	-3.96	-4.09	-7.82	-9.63	-8.31	-3.03	-4.39	0.61	4.56	-0.21	0.53	-1.69	-6.88
% Chg Same Qtr Last Yr………………	0.47	0.31	0.57	0.11	-0.98	-1.79	-4.10	-6.41	-7.49	-7.23	-6.38	-3.83	-0.62	0.09	0.53	-1.69	-6.88
WHOLESALE TRADE………………………	132.9	133.0	133.5	133.7	132.7	131.4	129.0	124.8	121.5	119.2	118.2	118.0	119.8	120.0	133.0	131.7	120.9
% Chg Prev Qtr SAAR……………………	1.48	0.20	1.64	0.64	-3.05	-4.00	-7.03	-12.39	-10.02	-7.34	-3.35	-0.82	6.2292	0.6068	0.70	-0.95	-8.16
% Chg Same Qtr Last Yr………………	0.69	0.38	1.05	0.99	-0.16	-1.22	-3.40	-6.69	-8.41	-9.22	-8.34	-5.45	-1.444	0.6053	0.70	-0.95	-8.16
RETAIL TRADE……………………………	330.3	329.7	332.0	331.9	327.7	324.5	317.5	310.7	306.5	307.3	304.5	308.0	312.1	312.3	330.6	325.4	307.2
% Chg Prev Qtr SAAR……………………	0.06	-0.81	2.84	-0.10	-4.96	-3.88	-8.32	-8.28	-5.37	1.11	-3.62	4.77	5.31	0.30	0.70	-1.56	-5.58
% Chg Same Qtr Last Yr………………	0.51	0.37	0.97	0.49	-0.80	-1.57	-4.36	-6.38	-6.49	-5.29	-4.10	-0.86	1.83	1.62	0.70	-1.56	-5.58
TRANSPORTATION & UTILITIES…………	147.6	146.8	146.1	145.3	144.4	142.7	140.0	136.3	131.6	128.7	126.4	123.9	124.2	123.5	147.0	143.1	130.7
% Chg Prev Qtr SAAR……………………	-0.14	-2.04	-1.97	-2.04	-2.46	-4.65	-7.39	-10.11	-13.24	-8.34	-7.14	-7.64	1.18	-2.25	-0.01	-2.65	-8.64
% Chg Same Qtr Last Yr………………	0.20	0.10	-0.77	-1.55	-2.13	-2.79	-4.16	-6.20	-8.90	-9.80	-9.74	-9.13	-5.56	-4.03	-0.01	-2.65	-8.64
INFORMATION…………………………………	49.9	50.8	51.0	51.1	51.0	50.5	49.5	48.7	47.4	46.8	45.9	46.8	45.4	43.6	50.3	50.5	47.2
% Chg Prev Qtr SAAR……………………	5.24	7.41	1.32	1.05	-1.04	-3.86	-7.94	-5.80	-10.75	-4.70	-7.20	7.76	-11.18	-15.19	1.38	0.51	-6.56
% Chg Same Qtr Last Yr………………	0.00	2.69	2.89	3.72	2.14	-0.66	-3.01	-4.69	-7.12	-7.33	-7.14	-3.97	-4.08	-6.84	1.38	0.51	-6.56
FINANCIAL ACTIVITIES………………………	144.8	145.2	145.6	145.7	145.4	145.0	144.0	142.3	140.6	139.4	139.0	138.0	137.0	136.7	144.8	145.0	140.3
% Chg Prev Qtr SAAR……………………	3.10	1.20	0.92	0.37	-0.73	-1.28	-2.55	-4.73	-4.60	-3.46	-1.14	-2.75	-2.96	-0.78	0.90	0.14	-3.24
% Chg Same Qtr Last Yr………………	0.88	1.30	1.46	1.39	0.44	-0.18	-1.05	-2.33	-3.30	-3.84	-3.49	-3.00	-2.58	-1.91	0.90	0.14	-3.24

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
PROFESSIONAL & BUSINESS SERVICES…	321.3	324.6	325.0	325.9	326.8	319.4	312.3	302.6	292.5	287.6	289.8	294.1	301.8	299.9	322.5	321.1	293.1
% Chg Prev Qtr SAAR……………………	2.57	4.26	0.49	1.03	1.11	-8.76	-8.52	-11.86	-12.78	-6.49	3.14	5.97	10.94	-2.54	1.13	-0.45	-8.70
% Chg Same Qtr Last Yr…………………	0.85	1.65	1.64	2.08	1.71	-1.62	-3.91	-7.13	-10.50	-9.95	-7.20	-2.83	3.19	4.27	1.13	-0.45	-8.70
EDUCATION & HEALTH SERVICES…………	348.1	352.0	352.4	354.7	357.3	359.9	363.1	363.6	365.9	366.3	371.5	373.0	371.7	374.3	349.9	358.7	366.8
% Chg Prev Qtr SAAR……………………	1.31	4.56	0.53	2.56	3.00	2.90	3.64	0.59	2.48	0.44	5.80	1.63	-1.32	2.79	2.72	2.54	2.25
% Chg Same Qtr Last Yr…………………	2.43	2.89	2.29	2.23	2.65	2.24	3.03	2.53	2.40	1.78	2.30	2.57	1.60	2.19	2.72	2.54	2.25
LEISURE & HOSPITALITY……………………	275.5	277.3	278.1	277.2	275.0	273.0	269.8	266.5	264.7	261.2	260.2	258.7	260.0	257.8	276.3	273.8	263.1
% Chg Prev Qtr SAAR……………………	1.86	2.59	1.11	-1.19	-3.18	-2.83	-4.70	-4.76	-2.67	-5.19	-1.57	-2.19	1.97	-3.29	2.28	-0.92	-3.88
% Chg Same Qtr Last Yr…………………	2.50	2.27	2.08	1.08	-0.19	-1.54	-2.98	-3.87	-3.75	-4.33	-3.56	-2.91	-1.78	-1.29	2.28	-0.92	-3.88
OTHER SERVICES……………………………	104.2	103.9	104.3	105.2	104.8	104.2	103.8	102.7	102.3	102.2	101.6	100.4	101.8	102.4	104.0	104.5	102.2
% Chg Prev Qtr SAAR……………………	2.34	-1.27	1.81	3.50	-1.76	-2.27	-1.27	-4.30	-1.55	-0.52	-2.33	-4.64	5.70	2.51	2.21	0.48	-2.22
% Chg Same Qtr Last Yr…………………	2.76	1.40	1.59	1.58	0.54	0.29	-0.48	-2.41	-2.35	-1.92	-2.18	-2.27	-0.52	0.23	2.21	0.48	-2.22
GOVERNMENT…………………………………	419.3	423.1	423.7	425.8	427.1	427.3	430.6	428.4	427.9	427.6	428.5	427.6	433.0	429.5	421.2	427.7	428.1
% Chg Prev Qtr SAAR……………………	0.49	3.69	0.57	2.02	1.17	0.25	3.06	-2.01	-0.50	-0.22	0.84	-0.82	5.12	-3.16	1.05	1.54	0.09
% Chg Same Qtr Last Yr…………………	0.50	0.86	1.52	1.68	1.85	1.00	1.62	0.60	0.18	0.07	-0.48	-0.18	1.20	0.45	1.05	1.54	0.09
FEDERAL, CIVILIAN………………………	48.7	48.8	48.6	49.1	49.0	49.6	49.8	49.7	50.5	49.7	50.0	50.0	56.2	51.7	48.8	49.4	50.0
% Chg Prev Qtr SAAR……………………	-1.99	0.28	-0.86	3.39	-0.55	5.44	1.25	-0.47	6.47	-6.72	3.06	0.09	59.07	-28.35	-0.11	1.23	1.25
% Chg Same Qtr Last Yr…………………	0.59	-0.50	-1.32	0.19	0.55	1.82	2.36	1.39	3.13	0.02	0.47	0.61	11.23	4.13	-0.11	1.23	1.25
STATE & LOCAL……………………………	370.6	374.4	375.1	376.8	378.1	377.7	380.8	378.7	377.3	378.0	378.5	377.6	376.8	377.8	372.5	378.3	378.1
% Chg Prev Qtr SAAR……………………	0.82	4.14	0.75	1.84	1.40	-0.40	3.30	-2.20	-1.39	0.68	0.55	-0.94	-0.83	1.10	1.20	1.58	-0.06
% Chg Same Qtr Last Yr…………………	0.48	1.04	1.90	1.88	2.03	0.89	1.53	0.50	-0.20	0.07	-0.60	-0.28	-0.14	-0.04	1.20	1.58	-0.06
STATISTICAL DISCREPANCY (%)………	0.02	0.00	0.01	-0.03	0.03	-0.01	0.03	-0.05	0.03	-0.02	-0.09	-0.09	0.17	0.01	0.00	0.00	-0.03

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 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL DURABLE GOODS………………….	238.7	233.9	230.9	228.8	226.5	219.3	208.7	194.0	181.2	176.6	174.5	173.1	175.2	176.6	237.1	220.8	181.5
% Chg Prev Qtr SAAR…………………	-9.64	-7.85	-5.09	-3.48	-4.05	-12.03	-18.03	-25.39	-23.87	-9.83	-4.66	-3.18	5.08	3.19	-5.83	-6.86	-17.79
% Chg Same Qtr Last Yr……………..	-5.69	-7.12	-7.18	-6.55	-5.13	-6.23	-9.60	-15.24	-20.00	-19.50	-16.40	-10.78	-3.29	0.03	-5.83	-6.86	-17.79
WOOD PRODUCTS………………………	16.3	15.8	15.5	15.4	14.7	14.0	13.1	12.0	11.2	11.1	10.9	10.8	10.9	10.7	16.1	14.3	11.3
% Chg Prev Qtr SAAR…………………	-9.50	-11.72	-7.61	-3.59	-17.13	-16.91	-23.01	-30.10	-24.33	-3.12	-5.67	-3.38	0.49	-4.57	-10.14	-11.24	-20.90
% Chg Same Qtr Last Yr……………..	-10.36	-11.62	-10.68	-8.15	-10.15	-11.50	-15.45	-21.98	-23.73	-20.74	-16.62	-9.59	-2.94	-3.31	-10.14	-11.24	-20.90
NONMETALLIC MINERALS……………..	15.6	15.4	15.4	15.1	14.6	14.0	13.3	12.3	11.6	11.4	10.9	10.7	10.6	10.6	15.5	14.2	11.5
% Chg Prev Qtr SAAR…………………	-2.78	-4.93	-2.02	-6.36	-13.84	-15.09	-17.45	-27.09	-21.74	-7.34	-14.48	-7.11	-3.97	-0.70	-3.52	-8.39	-18.95
% Chg Same Qtr Last Yr……………..	-3.32	-4.38	-3.25	-4.03	-6.89	-9.48	-13.28	-18.54	-20.47	-18.72	-18.00	-12.88	-8.31	-6.71	-3.52	-8.39	-18.95
PRIMARY METALS……………………….	11.8	11.7	11.5	11.4	11.3	11.2	10.7	9.9	8.9	8.6	8.6	8.8	8.9	8.9	11.7	11.1	9.0
% Chg Prev Qtr SAAR…………………	-1.28	-4.85	-7.25	-2.79	-2.69	-4.59	-17.53	-26.76	-33.44	-13.94	2.76	7.43	5.62	-1.27	-0.85	-4.97	-19.24
% Chg Same Qtr Last Yr……………..	-0.15	-0.92	-3.25	-4.07	-4.41	-4.35	-7.12	-13.46	-21.30	-23.30	-18.97	-10.82	0.09	3.58	-0.85	-4.97	-19.24
FABRICATED METALS…………………..	41.6	41.2	40.9	40.3	40.6	39.8	38.2	35.6	33.6	32.7	33.1	34.0	34.7	35.2	41.5	39.7	33.7
% Chg Prev Qtr SAAR…………………	-6.85	-3.56	-2.63	-5.94	2.52	-7.66	-14.54	-24.85	-20.90	-9.93	4.30	11.33	8.60	5.97	-4.45	-4.32	-15.07
% Chg Same Qtr Last Yr……………..	-4.76	-5.54	-4.41	-4.76	-2.45	-3.50	-6.60	-11.70	-17.24	-17.75	-13.55	-4.63	3.24	7.52	-4.45	-4.32	-15.07
MACHINERY………………………………	32.1	31.7	31.7	31.9	31.7	31.0	30.2	27.8	26.0	25.2	25.1	24.7	25.5	26.1	32.0	31.2	26.0
% Chg Prev Qtr SAAR…………………	-4.51	-4.52	0.05	2.21	-2.47	-8.22	-10.68	-28.12	-23.15	-11.39	-2.04	-6.66	13.48	9.64	-3.69	-2.51	-16.57
% Chg Same Qtr Last Yr……………..	-3.87	-4.85	-2.11	-1.74	-1.22	-2.19	-4.92	-12.93	-17.97	-18.69	-16.79	-11.17	-2.08	3.28	-3.69	-2.51	-16.57
COMPUTERS & ELECTRONICS……….	8.1	8.0	7.8	7.8	7.6	7.3	7.0	6.7	6.4	6.0	5.7	5.5	5.4	5.3	8.1	7.4	6.2
% Chg Prev Qtr SAAR…………………	-12.43	-5.24	-10.66	-1.02	-7.85	-14.80	-18.44	-12.37	-20.87	-19.01	-17.64	-14.04	-12.02	-6.78	-12.54	-8.27	-16.29
% Chg Same Qtr Last Yr……………..	-13.92	-11.36	-11.60	-7.45	-6.26	-8.72	-10.78	-13.45	-16.68	-17.73	-17.53	-17.92	-15.72	-12.71	-12.54	-8.27	-16.29
ELECTRICAL EQUIPMENT, APPLIANCES																	
& COMPONENTS…………………………	22.2	22.0	21.8	20.9	20.8	20.6	19.9	19.1	18.1	17.3	17.2	17.4	17.5	17.8	22.1	20.6	17.9
% Chg Prev Qtr SAAR…………………	-3.12	-3.73	-3.29	-14.86	-3.34	-2.97	-12.98	-14.76	-20.08	-17.09	-2.33	5.57	3.27	6.75	-4.67	-6.94	-12.89
% Chg Same Qtr Last Yr……………..	-5.37	-4.95	-4.25	-6.39	-6.44	-6.26	-8.70	-8.67	-12.91	-16.27	-13.82	-9.08	-3.07	3.26	-4.67	-6.94	-12.89
TRANSPORTATION EQUIPMENT………	59.2	56.9	55.6	55.7	55.3	51.7	47.4	43.2	39.5	39.3	38.5	36.8	37.8	38.3	58.6	52.5	40.1
% Chg Prev Qtr SAAR…………………	-20.93	-15.04	-8.47	0.40	-2.92	-23.59	-29.28	-31.06	-30.00	-2.19	-7.77	-16.16	10.38	5.52	-8.00	-10.46	-23.60
% Chg Same Qtr Last Yr……………..	-6.63	-11.33	-13.29	-11.36	-6.69	-9.14	-14.81	-22.45	-28.54	-23.99	-18.77	-14.70	-4.41	-2.58	-8.00	-10.46	-23.60
FURNITURE………………………………	16.3	15.7	15.5	15.2	14.6	14.1	13.0	11.9	10.9	10.5	10.1	9.9	9.6	9.4	16.0	14.2	10.8
% Chg Prev Qtr SAAR…………………	-6.42	-12.10	-5.95	-7.66	-13.88	-13.05	-29.11	-30.24	-28.41	-15.72	-13.32	-9.02	-8.06	-10.44	-9.73	-11.07	-23.98
% Chg Same Qtr Last Yr……………..	-10.87	-9.28	-8.48	-8.07	-9.96	-10.20	-16.33	-21.99	-25.51	-26.09	-22.28	-16.95	-11.59	-10.23	-9.73	-11.07	-23.98
MISCELLANEOUS DURABLES…………	15.4	15.4	15.1	15.1	15.3	15.6	16.0	15.5	15.1	14.6	14.3	14.5	14.4	14.4	15.4	15.5	14.9
% Chg Prev Qtr SAAR…………………	-3.72	-1.06	-6.83	0.43	6.25	7.11	9.14	-10.71	-10.68	-13.15	-6.17	3.89	-1.34	0.34	0.18	0.97	-4.12
% Chg Same Qtr Last Yr……………..	1.11	0.30	-3.70	-2.83	-0.41	1.59	5.68	2.62	-1.73	-6.75	-10.21	-6.75	-4.40	-0.89	0.18	0.97	-4.12

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONDURABLE GOODS………………….	142.5	142.5	142.3	142.0	141.5	139.8	137.1	132.1	128.0	126.1	126.5	127.9	129.1	128.4	142.8	140.1	128.2
% Chg Prev Qtr SAAR………………………	-4.32	-0.08	-0.65	-0.57	-1.65	-4.51	-7.70	-13.77	-11.79	-5.79	1.28	4.39	3.77	-2.01	-3.24	-1.91	-8.51
% Chg Same Qtr Last Yr…………………..	-4.88	-2.72	-0.13	-1.42	-0.74	-1.86	-3.65	-7.02	-9.51	-9.82	-7.70	-3.18	0.83	1.83	-3.24	-1.91	-8.51
FOOD……………………………………………	32.6	32.5	32.4	32.3	32.4	32.5	32.6	32.4	32.3	32.4	32.3	32.4	32.7	32.7	32.7	32.5	32.4
% Chg Prev Qtr SAAR………………………	-6.08	-1.06	-2.18	-0.72	1.54	0.79	1.88	-3.16	-0.88	1.67	-1.37	1.22	2.74	0.15	-3.84	-0.62	-0.31
% Chg Same Qtr Last Yr…………………..	-4.99	-2.77	-2.56	-2.54	-0.62	-0.15	0.87	0.24	-0.36	-0.14	-0.95	0.15	1.05	0.67	-3.84	-0.62	-0.31
BEVERAGE & TOBACCO…………………….	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
% Chg Prev Qtr SAAR………………………	-8.57	2.23	6.33	-2.33	-0.45	-0.50	0.44	3.05	-2.72	2.03	-2.33	0.35	5.48	-0.75	-2.55	0.15	0.33
% Chg Same Qtr Last Yr…………………..	-5.64	-2.53	1.34	-0.74	1.39	0.71	-0.72	0.62	0.05	0.68	-0.03	-0.69	1.34	0.64	-2.55	0.15	0.33
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL…………………….	15.1	14.9	14.9	15.0	15.1	14.8	14.1	13.3	12.6	12.4	12.3	12.1	11.9	12.0	15.1	14.8	12.7
% Chg Prev Qtr SAAR………………………	-6.68	-5.23	0.80	1.38	4.20	-8.52	-17.30	-21.73	-19.26	-4.75	-3.40	-7.05	-5.84	2.40	-6.37	-2.09	-14.25
% Chg Same Qtr Last Yr…………………..	-6.95	-5.64	-3.60	-2.50	0.23	-0.65	-5.45	-11.37	-16.85	-16.00	-12.68	-8.84	-5.27	-3.54	-6.37	-2.09	-14.25
PAPER……………………………………………	17.4	17.3	17.2	17.3	17.4	17.2	17.0	16.6	16.1	16.1	15.9	15.7	15.6	15.6	17.4	17.2	16.2
% Chg Prev Qtr SAAR………………………	-6.92	-2.89	-2.99	3.66	1.70	-5.05	-3.24	-9.54	-12.55	0.72	-3.91	-5.05	-2.39	-1.64	-5.05	-1.02	-6.14
% Chg Same Qtr Last Yr…………………..	-6.15	-5.15	-4.26	-2.36	-0.17	-0.73	-0.80	-4.12	-7.67	-6.30	-6.46	-5.32	-2.68	-3.26	-5.05	-1.02	-6.14
PRINTING & RELATED SUPPORT………….	17.0	17.0	16.5	16.3	16.0	15.3	15.1	14.5	13.7	13.0	12.6	12.3	12.1	11.8	17.0	15.7	13.5
% Chg Prev Qtr SAAR………………………	-7.70	1.16	-11.44	-5.35	-7.92	-14.53	-5.24	-14.88	-20.50	-19.85	-12.63	-8.89	-3.94	-11.49	-4.51	-7.53	-14.20
% Chg Same Qtr Last Yr…………………..	-4.57	-3.73	-5.17	-5.94	-6.00	-9.88	-8.34	-10.74	-13.96	-15.33	-17.03	-15.61	-11.52	-9.30	-4.51	-7.53	-14.20
CHEMICALS……………………………………	26.7	27.0	27.3	27.5	27.7	27.7	27.1	26.5	25.8	25.5	25.4	25.2	25.2	25.3	26.9	27.5	25.8
% Chg Prev Qtr SAAR………………………	3.00	3.87	5.05	2.84	2.65	-0.84	-7.52	-8.71	-10.68	-4.56	-1.41	-2.70	0.09	0.75	2.34	2.20	-6.26
% Chg Same Qtr Last Yr…………………..	1.59	3.01	3.83	3.69	3.60	2.40	-0.81	-3.72	-7.01	-7.89	-6.41	-4.90	-2.16	-0.82	2.34	2.20	-6.26
PLASTICS & RUBBER………………………..	26.5	26.5	26.7	26.6	25.8	25.3	24.1	21.9	20.5	19.8	19.5	19.8	19.7	19.4	26.6	25.4	20.4
% Chg Prev Qtr SAAR………………………	-3.08	-0.82	3.68	-2.08	-11.72	-6.32	-18.26	-31.91	-22.44	-13.16	-6.80	7.40	-2.03	-6.78	-3.65	-4.40	-19.68
% Chg Same Qtr Last Yr…………………..	-7.97	-4.03	7.42	-0.61	-2.90	-4.28	-9.80	-17.63	-20.25	-21.75	-19.14	-9.39	-3.94	-2.22	-3.65	-4.40	-19.68
MISCELLANEOUS NONDURABLE GOODS..	2.1	2.2	2.1	2.0	2.0	2.0	1.9	1.8	1.9	1.8	3.4	5.2	6.6	6.6	2.1	2.0	2.2
% Chg Prev Qtr SAAR………………………	-3.97	22.81	-16.00	-25.17	6.22	-6.59	-21.88	-16.93	42.22	-32.69	1371.69	441.81	157.52	-0.18	-8.54	-9.01	13.77
% Chg Same Qtr Last Yr…………………..	-13.84	-4.64	-1.48	-7.21	-4.84	-11.13	-12.73	-10.42	-3.64	-11.22	84.96	195.58	242.88	278.37	-8.54	-9.01	13.77

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

Table 11: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2005 dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONFARM……	37676	37484	37622	38206	37131	36989	37081	37634	37727	37374	37321	38190	38126	38361	37726	37352	37514
% Chg Same Qtr Last Yr……	1.70	1.66	0.22	0.22	-1.45	-1.32	-1.44	-1.49	1.60	1.04	0.65	1.48	1.06	2.64	1.52	-0.99	0.44
NATURAL RESOURCES, MINING AND CONSTRUCTION……	41443	41055	42509	43588	41607	40597	41736	43474	41502	40489	40109	43633	42967	42615	42050	41882	41393
% Chg Same Qtr Last Yr……	3.54	4.94	0.23	0.92	0.40	-1.11	-1.82	-0.26	-0.25	-0.27	-3.90	0.37	3.53	5.25	2.91	-0.40	-1.17
MANUFACTURING……	44122	43635	44473	45108	43413	44227	44095	42806	45259	44467	45946	45990	45971	46044	44166	44211	44619
% Chg Same Qtr Last Yr……	1.51	0.39	0.05	1.52	-1.61	1.36	-0.85	-5.10	4.25	0.54	4.20	7.44	1.57	3.55	1.00	0.10	0.92
DURABLE GOODS……	43085	42645	43777	43452	42683	44274	43539	42029	44370	43647	45901	45962	46896	46923	43307	43487	43987
% Chg Same Qtr Last Yr……	0.26	0.05	0.66	-0.62	-0.93	3.82	-0.54	-3.27	3.95	-1.42	5.43	9.36	5.69	7.51	0.81	0.41	1.15
NONDURABLE GOODS……	45858	45255	45600	47792	44580	44153	44940	43954	46515	45612	46007	46029	44717	44836	45590	45366	45522
% Chg Same Qtr Last Yr……	3.51	0.77	-1.14	4.70	-2.79	-2.43	-1.45	-8.03	4.34	3.30	2.37	4.72	-3.86	-1.70	1.22	-0.49	0.34
TRADE, TRANSPORTATION, UTILITIES….	36393	35953	35028	35690	35187	34690	34574	35157	35077	34397	34460	35269	35731	35567	35901	35036	34773
% Chg Same Qtr Last Yr……	3.06	1.88	-1.61	-1.49	-3.31	-3.51	-1.30	-1.50	-0.31	-0.84	-0.33	0.32	1.87	3.40	1.30	-2.41	-0.75
WHOLESALE TRADE……	53263	51908	52449	52337	51856	51415	51766	51994	51439	51314	51147	51747	50925	51169	52676	51843	51474
% Chg Same Qtr Last Yr……	3.49	1.25	-1.33	-1.41	-2.64	-0.95	-1.30	-0.65	-0.80	-0.20	-1.20	-0.47	-1.00	-0.28	1.52	-1.58	-0.71
RETAIL TRADE……	25191	25383	24241	24712	24485	24013	23590	24460	24390	24043	23985	24484	25265	24746	25041	24200	24220
% Chg Same Qtr Last Yr……	2.12	3.02	-0.98	-2.51	-2.81	-5.40	-2.69	-1.02	-0.39	0.12	1.68	0.10	3.59	2.92	1.54	-3.36	0.08
TRANSPORTATION & UTILITIES……	46158	45012	44050	45364	44040	43350	44067	44051	44735	43224	44506	46317	47247	47532	45144	44205	44129
% Chg Same Qtr Last Yr……	3.79	1.22	-2.42	0.02	-4.59	-3.69	0.04	-2.89	1.58	-0.29	1.00	5.14	5.61	9.97	0.92	-2.08	-0.17
INFORMATION……	48422	48211	48646	47816	46577	47159	48620	46539	47334	48313	47426	47422	48169	50525	48761	47543	47403
% Chg Same Qtr Last Yr……	-0.42	1.89	-4.50	-3.92	-3.81	-2.18	-0.05	-2.67	1.62	2.45	-2.46	1.90	1.77	4.58	0.18	-2.50	-0.29
FINANCIAL ACTIVITIES……	53284	53598	54596	54914	53217	51648	51313	52796	52844	52573	52795	52754	53582	54613	54349	52773	52752
% Chg Same Qtr Last Yr……	2.05	0.72	0.25	-1.79	-0.13	-3.64	-6.01	-3.86	-0.70	1.79	2.89	-0.08	1.40	3.88	2.30	-2.90	-0.04
PROFESSIONAL & BUSINESS SERVICES.	40331	40488	40068	42572	40529	40099	41003	42740	43154	42703	42436	44886	44126	44667	40285	41050	42758
% Chg Same Qtr Last Yr……	3.47	6.49	2.47	5.76	0.49	-0.96	2.33	0.39	6.48	6.50	3.50	5.02	2.25	4.60	4.10	1.90	4.16
EDUCATION & HEALTH SERVICES……	39195	39149	39565	39259	39025	39076	39220	40062	40008	40095	39589	39908	40118	40268	39355	39145	39939
% Chg Same Qtr Last Yr……	-1.37	1.08	2.10	-0.64	-0.43	-0.19	-0.87	2.05	2.52	2.61	0.94	-0.39	0.27	0.43	0.83	-0.53	2.03
LEISURE & HOSPITALITY……	18611	18294	20164	19467	17676	17438	18302	18737	17801	17714	18503	19343	18462	18576	19220	18221	18189
% Chg Same Qtr Last Yr……	5.33	0.80	7.41	-1.73	-5.03	-4.68	-9.23	-3.75	0.71	1.58	1.10	3.24	3.72	4.87	4.75	-5.20	-0.18
OTHER SERVICES……	33625	33618	34326	34646	33938	33767	34625	34332	34157	34180	34696	34090	33076	33313	33991	34244	34341
% Chg Same Qtr Last Yr……	-1.90	-1.30	-1.41	0.73	0.93	0.44	0.87	-0.91	0.64	1.22	0.21	-0.71	-3.16	-2.54	-1.19	0.74	0.28
GOVERNMENT……	36285	36350	35250	35702	35860	36329	34993	35909	36567	36428	34635	35401	35946	36392	35887	35721	35885
% Chg Same Qtr Last Yr……	2.01	0.81	-0.71	0.11	-1.17	-0.06	-0.73	0.58	1.97	0.27	-1.02	-1.41	-1.70	-0.10	1.08	-0.46	0.46
FEDERAL, CIVILIAN……	60125	59572	58691	59446	58308	56918	57451	60049	58765	58622	57988	58336	53166	56980	59708	58031	58856
% Chg Same Qtr Last Yr……	2.15	1.34	0.70	-1.65	-3.02	-4.45	-2.11	1.01	0.78	2.99	0.93	-2.85	-9.53	-2.80	1.68	-2.81	1.42
STATE & LOCAL……	33126	33251	32271	32650	32920	33557	32120	32780	33557	33442	31620	32403	33342	33507	32767	32812	32850
% Chg Same Qtr Last Yr……	1.95	0.83	-0.74	0.71	-0.62	0.92	-0.47	0.40	1.94	-0.34	-1.56	-1.15	-0.64	0.20	1.06	0.14	0.11

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) January 2011

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONFARM……	37698	37542	37959	37789	37137	37049	37431	37212	37724	37440	37683	37793	38098	38407	37726	37351	37515
% Chg Prev Qtr SAAR……	-0.06	-1.64	4.51	-1.78	-6.72	-0.94	4.18	-2.31	5.61	-2.98	2.62	1.17	3.27	3.29	1.51	-0.99	0.44
% Chg Same Qtr Last Yr……	1.64	1.67	0.25	0.22	-1.49	-1.31	-1.39	-1.52	1.58	1.05	0.67	1.56	0.99	2.59	1.51	-0.99	0.44
NATURAL RESOURCES, MINING AND CONSTRUCTION……	41613	41997	42847	42071	41709	41621	42180	41638	41565	41776	40624	41656	43106	43828	42042	41895	41401
% Chg Prev Qtr SAAR……	-0.96	3.74	8.34	-7.05	-3.39	-0.84	5.47	-5.04	-0.70	2.05	-10.58	10.56	14.66	6.87	2.91	-0.35	-1.18
% Chg Same Qtr Last Yr……	3.32	4.97	0.37	0.86	0.23	-0.89	-1.56	-1.03	-0.35	0.37	-3.69	0.04	3.71	4.91	2.91	-0.35	-1.18
MANUFACTURING……	44117	43729	44573	44939	43357	44333	44227	42643	45163	44590	46107	45832	45858	46133	44170	44214	44626
% Chg Prev Qtr SAAR……	-1.28	-3.47	7.95	3.33	-13.36	9.31	-0.95	-13.58	25.82	-4.98	14.32	-2.37	0.22	2.42	1.00	0.10	0.93
% Chg Same Qtr Last Yr……	1.40	0.41	0.11	1.54	-1.72	1.38	-0.78	-5.11	4.17	0.58	4.25	7.48	1.54	3.46	1.00	0.10	0.93
DURABLE GOODS……	43073	42675	43846	43394	42611	44320	43643	41972	44251	43715	46033	45892	46747	47002	43313	43492	43993
% Chg Prev Qtr SAAR……	-5.25	-3.65	11.44	-4.06	-7.03	17.04	-5.98	-14.46	23.56	-4.76	22.96	-1.22	7.66	2.19	0.81	0.41	1.15
% Chg Same Qtr Last Yr……	0.12	0.10	0.74	-0.60	-1.07	3.86	-0.46	-3.28	3.85	-1.37	5.48	9.34	5.64	7.52	0.81	0.41	1.15
NONDURABLE GOODS……	45865	45461	45754	47428	44551	44352	45117	43628	46454	45815	46210	45751	44650	44938	45590	45362	45527
% Chg Prev Qtr SAAR……	5.27	-3.48	2.60	15.46	-22.14	-1.77	7.08	-12.56	28.54	-5.39	3.50	-3.92	-9.29	2.61	1.22	-0.50	0.36
% Chg Same Qtr Last Yr……	3.45	0.75	-1.10	4.74	-2.86	-2.44	-1.39	-8.01	4.27	3.30	2.42	4.87	-3.89	-1.91	1.22	-0.50	0.36
TRADE, TRANSPORTATION, UTILITIES……	36246	35918	35570	35321	35040	34664	35100	34797	34923	34374	34991	34906	35568	35549	35894	35031	34771
% Chg Prev Qtr SAAR……	4.56	-3.56	-3.83	-2.77	-3.14	-4.23	5.13	-3.41	1.46	-6.14	7.37	-0.96	7.80	-0.21	1.29	-2.40	-0.74
% Chg Same Qtr Last Yr……	3.05	1.91	-1.66	-1.46	-3.33	-3.49	-1.32	-1.48	-0.33	-0.84	-0.31	0.32	1.85	3.42	1.29	-2.40	-0.74
WHOLESALE TRADE……	53312	52072	52586	51985	51895	51589	51907	51639	51466	51498	51293	51389	50948	51356	52677	51844	51474
% Chg Prev Qtr SAAR……	4.41	-8.98	4.00	-4.49	-0.69	-2.33	2.49	-2.05	-1.33	0.25	-1.58	0.74	-3.39	3.24	1.52	-1.58	-0.71
% Chg Same Qtr Last Yr……	3.45	1.30	-1.33	-1.43	-2.66	-0.93	-1.29	-0.67	-0.83	-0.18	-1.18	-0.48	-1.01	-0.28	1.52	-1.58	-0.71
RETAIL TRADE……	25044	25244	24797	24426	24337	23892	24119	24183	24237	23928	24522	24208	25102	24636	25032	24194	24218
% Chg Prev Qtr SAAR……	0.00	3.24	-6.90	-5.86	-1.45	-7.12	3.87	1.06	0.90	-5.00	10.30	-5.03	15.61	-7.22	1.53	-3.35	0.10
% Chg Same Qtr Last Yr……	2.11	3.07	-1.07	-2.47	-2.82	-5.36	-2.73	-0.99	-0.41	0.15	1.67	0.10	3.57	2.96	1.53	-3.35	0.10
TRANSPORTATION & UTILITIES……	45950	45255	44498	44867	43839	43578	44518	43570	44532	43449	44963	45813	47026	47785	45138	44200	44128
% Chg Prev Qtr SAAR……	10.18	-5.91	-6.53	3.35	-8.85	-2.36	8.91	-8.24	9.12	-9.38	14.69	7.78	11.03	6.61	0.91	-2.08	-0.16
% Chg Same Qtr Last Yr……	3.79	1.19	-2.41	0.04	-4.59	-3.71	0.04	-2.89	1.58	-0.30	1.00	5.15	5.60	9.98	0.91	-2.08	-0.16
INFORMATION……	48519	48022	48837	47753	46638	46972	48784	46539	47400	48175	47633	47185	48134	50525	48760	47537	47437
% Chg Prev Qtr SAAR……	-8.91	-4.04	6.96	-8.58	-9.02	2.90	16.35	-17.18	7.61	6.70	-4.43	-3.70	8.29	21.40	0.18	-2.51	-0.21
% Chg Same Qtr Last Yr……	-0.48	1.90	-4.45	-3.85	-3.88	-2.19	-0.11	-2.54	1.63	2.56	-2.36	1.39	1.55	4.88	0.18	-2.51	-0.21
FINANCIAL ACTIVITIES……	53345	53795	54646	54600	53303	51827	51348	52500	52907	52736	52959	52397	53556	54799	54345	52769	52776
% Chg Prev Qtr SAAR……	-15.21	3.42	6.48	-0.33	-9.17	-10.63	-3.64	9.27	3.14	-1.29	1.70	-4.18	9.14	9.62	2.30	-2.90	0.01
% Chg Same Qtr Last Yr……	2.07	0.74	0.23	-1.78	-0.08	-3.66	-6.03	-3.85	-0.74	1.76	3.14	-0.19	1.23	3.91	2.30	-2.90	0.01

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
PROFESSIONAL & BUSINESS SERVICES…	40167	40617	40869	41744	40372	40224	41873	41840	42962	42852	43339	44097	43862	44776	40284	41053	42748
% Chg Prev Qtr SAAR……………………	7.10	4.55	2.51	8.84	-12.51	-1.46	17.44	-0.32	11.16	-1.03	4.63	7.18	-2.11	8.60	4.07	1.91	4.13
% Chg Same Qtr Last Yr…………………	3.47	6.47	2.51	5.72	0.51	-0.97	2.46	0.23	6.42	6.53	3.50	5.39	2.10	4.49	4.07	1.91	4.13
EDUCATION & HEALTH SERVICES………..	39150	39167	39786	39067	38978	39076	39461	39868	39957	40088	39780	39804	40104	40186	39356	39146	39923
% Chg Prev Qtr SAAR……………………	-1.73	0.18	6.47	-7.03	-0.91	1.01	4.00	4.19	0.90	1.31	-3.03	0.24	3.04	0.82	0.82	-0.53	1.99
% Chg Same Qtr Last Yr…………………	-1.38	1.08	2.11	-0.65	-0.44	-0.23	-0.82	2.05	2.51	2.59	0.81	-0.16	0.37	0.25	0.82	-0.53	1.99
LEISURE & HOSPITALITY……………………	19041	18819	19956	18665	18081	17947	18112	17935	18224	18252	18328	18523	18834	19167	19199	18201	18185
% Chg Prev Qtr SAAR……………………	1.30	-4.58	26.43	-23.48	-11.93	-2.94	3.75	-3.86	6.61	0.61	1.67	4.33	6.88	7.26	4.71	-5.20	-0.09
% Chg Same Qtr Last Yr…………………	5.25	0.68	7.45	-1.66	-5.04	-4.64	-9.24	-3.91	0.79	1.70	1.19	3.28	3.34	5.01	4.71	-5.20	-0.09
OTHER SERVICES……………………………	33905	33748	34172	34339	34251	33897	34481	34043	34479	34303	34526	33852	33390	33389	33983	34242	34338
% Chg Prev Qtr SAAR……………………	-2.37	-1.84	5.13	1.96	-1.01	-4.07	7.06	-4.99	5.23	-2.03	2.62	-7.58	-5.35	-0.02	-1.21	0.76	0.28
% Chg Same Qtr Last Yr…………………	-1.89	-1.34	-1.43	0.67	1.02	0.44	0.90	-0.86	0.67	1.20	0.13	-0.56	-3.16	-2.66	-1.21	0.76	0.28
GOVERNMENT…………………………………	36092	35581	35934	35973	35627	35577	35688	36185	36311	35673	35334	35677	35691	35637	35885	35716	35876
% Chg Prev Qtr SAAR……………………	1.78	-5.54	4.02	0.44	-3.79	-0.56	1.25	5.69	1.40	-6.85	-3.75	3.94	0.16	-0.60	1.07	-0.47	0.45
% Chg Same Qtr Last Yr…………………	1.84	0.89	-0.63	0.11	-1.29	-0.01	-0.68	0.59	1.92	0.27	-0.99	-1.41	-1.71	-0.10	1.07	-0.47	0.45
FEDERAL, CIVILIAN…………………………	60223	59587	58752	59217	58479	56945	57455	59801	59008	58637	57954	58095	53421	56976	59711	58024	58850
% Chg Prev Qtr SAAR……………………	-0.39	-4.16	-5.49	3.20	-4.89	-10.09	3.63	17.36	-5.20	-2.49	-4.58	0.98	-28.50	29.39	1.67	-2.83	1.42
% Chg Same Qtr Last Yr…………………	2.18	1.44	0.67	-1.77	-2.90	-4.43	-2.21	0.99	0.90	2.97	0.87	-2.85	-9.47	-2.83	1.67	-2.83	1.42
STATE & LOCAL……………………………	32919	32455	32974	32947	32666	32769	32842	33083	33272	32656	32344	32706	33046	32717	32764	32806	32839
% Chg Prev Qtr SAAR……………………	2.59	-5.52	6.56	-0.33	-3.36	1.26	0.89	2.97	2.30	-7.20	-3.77	4.55	4.23	-3.93	1.05	0.13	0.10
% Chg Same Qtr Last Yr…………………	1.75	0.91	-0.64	0.73	-0.77	0.97	-0.40	0.41	1.86	-0.34	-1.52	-1.14	-0.68	0.19	1.05	0.13	0.10

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONFARM	39640	39663	40225	41244	40542	40823	40321	40754	41051	40961	41177	42353	42277	42647	39823	40733	40986
% Chg Same Qtr Last Yr	4.32	4.12	3.74	3.72	2.27	2.93	0.24	-1.19	1.26	0.34	2.12	3.92	2.99	4.11	4.30	2.28	0.62
NATURAL RESOURCES, MINING AND CONSTRUCTION	43603	43441	45451	47055	45428	44806	45382	47078	45158	44375	44254	48389	47645	47376	44387	45668	45216
% Chg Same Qtr Last Yr	6.21	7.48	3.74	4.44	4.19	3.14	-0.15	0.05	-0.59	-0.96	-2.49	2.79	5.51	6.76	5.73	2.89	-0.99
MANUFACTURING	46422	46172	47550	48696	47400	48812	47947	46355	49246	48735	50693	51004	50976	51188	46623	48214	48757
% Chg Same Qtr Last Yr	4.13	2.82	3.56	5.06	2.11	5.72	0.84	-4.81	3.89	-0.16	5.73	10.03	3.51	5.03	3.77	3.41	1.13
DURABLE GOODS	45331	45124	46806	46908	46603	48864	47342	45514	48279	47836	50644	50972	52002	52165	45717	47429	48068
% Chg Same Qtr Last Yr	2.85	2.47	4.19	2.85	2.81	8.29	1.15	-2.97	3.60	-2.10	6.97	11.99	7.71	9.05	3.57	3.75	1.35
NONDURABLE GOODS	48248	47885	48755	51594	48675	48730	48866	47597	50613	49989	50761	51046	49586	49845	48126	49466	49740
% Chg Same Qtr Last Yr	6.18	3.21	2.33	8.35	0.88	1.76	0.23	-7.75	3.98	2.58	3.88	7.25	-2.03	-0.29	3.99	2.78	0.55
TRADE, TRANSPORTATION, UTILITIES	38290	38043	37452	38529	38419	38286	37595	38071	38167	37699	38021	39113	39622	39541	37894	38207	37990
% Chg Same Qtr Last Yr	5.72	4.35	1.83	1.96	0.34	0.64	0.38	-1.19	-0.66	-1.53	1.13	2.74	3.81	4.89	4.07	0.83	-0.57
WHOLESALE TRADE	56039	54925	56078	56499	56619	56745	56289	56304	55970	56240	56432	57388	56470	56885	55603	56538	56237
% Chg Same Qtr Last Yr	6.15	3.69	2.12	2.04	1.04	3.31	0.38	-0.34	-1.15	-0.89	0.26	1.93	0.89	1.15	4.30	1.68	-0.53
RETAIL TRADE	26504	26858	25919	26678	26734	26503	25650	26488	26539	26351	26463	27153	28016	27510	26431	26391	26460
% Chg Same Qtr Last Yr	4.75	5.51	2.49	0.89	0.86	-1.32	-1.03	-0.71	-0.73	-0.57	3.17	2.51	5.57	4.40	4.31	-0.15	0.26
TRANSPORTATION & UTILITIES	48564	47629	47097	48973	48085	47844	47917	47703	48677	47372	49104	51366	52391	52842	47650	48204	48214
% Chg Same Qtr Last Yr	6.47	3.66	1.00	3.51	-0.99	0.45	1.74	-2.59	1.23	-0.99	2.48	7.68	7.63	11.55	3.68	1.16	0.02
INFORMATION	50946	51014	52012	51619	50855	52048	52868	50397	51504	52950	52327	52591	53414	56170	51471	51847	51794
% Chg Same Qtr Last Yr	2.15	4.36	-1.16	-0.56	-0.18	2.03	1.65	-2.37	1.28	1.73	-1.02	4.35	3.71	6.08	2.92	0.73	-0.10
FINANCIAL ACTIVITIES	56061	56714	58373	59282	58105	57003	55796	57173	57500	57619	58250	58505	59416	60714	57369	57546	57635
% Chg Same Qtr Last Yr	4.68	3.15	3.77	1.64	3.65	0.51	-4.42	-3.56	-1.04	1.08	4.40	2.33	3.33	5.37	5.09	0.31	0.15
PROFESSIONAL & BUSINESS SERVICES	42433	42841	42840	45958	44252	44256	44585	46283	46956	46802	46821	49778	48930	49657	42526	44762	46715
% Chg Same Qtr Last Yr	6.14	9.06	6.07	9.45	4.29	3.30	4.07	0.71	6.11	5.75	5.02	7.55	4.20	6.10	6.96	5.26	4.36
EDUCATION & HEALTH SERVICES	41238	41425	42302	42382	42610	43127	42646	43383	43533	43943	43679	44258	44486	44767	41545	42691	43635
% Chg Same Qtr Last Yr	1.18	3.53	5.68	2.83	3.33	4.11	0.81	2.36	2.17	1.89	2.42	2.02	2.19	1.87	3.60	2.76	2.21
LEISURE & HOSPITALITY	19581	19357	21559	21016	19300	19246	19901	20290	19369	19414	20415	21452	20473	20652	20291	19866	19872
% Chg Same Qtr Last Yr	8.05	3.23	11.18	1.70	-1.44	-0.58	-7.69	-3.45	0.36	0.88	2.58	5.72	5.70	6.37	7.63	-2.09	0.03
OTHER SERVICES	35378	35572	36701	37402	37055	37268	37650	37178	37166	37461	38282	37806	36677	37035	35882	37344	37522
% Chg Same Qtr Last Yr	0.63	1.08	2.05	4.24	4.74	4.77	2.59	-0.60	0.30	0.52	1.68	1.69	-1.31	-1.14	1.52	4.07	0.48
GOVERNMENT	38176	38463	37689	38542	39154	40096	38050	38886	39789	39924	38214	39261	39860	40458	37882	38960	39203
% Chg Same Qtr Last Yr	4.64	3.25	2.77	3.61	2.56	4.25	0.96	0.89	1.62	-0.43	0.43	0.96	0.18	1.34	3.84	2.85	0.62
FEDERAL, CIVILIAN	63258	63035	62752	64175	63664	62819	62470	65027	63942	64248	63980	64696	58955	63346	63024	63282	64299
% Chg Same Qtr Last Yr	4.78	3.79	4.23	1.78	0.64	-0.34	-0.45	1.33	0.44	2.28	2.42	-0.51	-7.80	-1.40	4.46	0.41	1.61
STATE & LOCAL	34852	35183	34504	35247	35944	37036	34926	35498	36514	36651	34887	35935	36973	37251	34589	35788	35887
% Chg Same Qtr Last Yr	4.57	3.26	2.74	4.23	3.13	5.26	1.22	0.71	1.58	-1.04	-0.11	1.23	1.26	1.64	3.82	3.47	0.28

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

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL NONFARM	39663	39725	40585	40794	40548	40890	40701	40297	41048	41033	41577	41913	42246	42698	39826	40733	40989
% Chg Prev Qtr SAAR	3.43	0.63	8.95	2.08	-2.40	3.42	-1.84	-3.91	7.66	-0.14	5.40	3.27	3.23	4.35	4.29	2.28	0.63
% Chg Same Qtr Last Yr	4.26	4.13	3.77	3.72	2.23	2.93	0.28	-1.22	1.23	0.35	2.15	4.01	2.92	4.06	4.29	2.28	0.63
NATURAL RESOURCES, MINING & CONSTRUCTION	43782	44438	45811	45417	45540	45936	45865	45090	45227	45786	44822	46197	47799	48724	44386	45690	45231
% Chg Prev Qtr SAAR	2.51	6.14	12.94	-3.40	1.09	3.52	-0.62	-6.59	1.22	5.03	-8.16	12.85	14.60	7.97	5.74	2.94	-1.00
% Chg Same Qtr Last Yr	5.99	7.51	3.89	4.38	4.02	3.37	0.12	-0.72	-0.69	-0.33	-2.27	2.46	5.69	6.42	5.74	2.94	-1.00
MANUFACTURING	46416	46271	47657	48514	47339	48929	48091	46178	49142	48870	50872	50828	50851	51287	46628	48218	48765
% Chg Prev Qtr SAAR	2.18	-1.25	12.53	7.38	-9.34	14.12	-6.68	-14.99	28.26	-2.20	17.42	-0.34	0.18	3.48	3.77	3.41	1.13
% Chg Same Qtr Last Yr	4.01	2.84	3.62	5.08	1.99	5.74	0.91	-4.81	3.81	-0.12	5.78	10.07	3.48	4.95	3.77	3.41	1.13
DURABLE GOODS	45318	45155	46879	46846	46525	48915	47455	45451	48150	47911	50789	50895	51837	52253	45723	47435	48075
% Chg Prev Qtr SAAR	-1.93	-1.43	16.17	-0.29	-2.71	22.19	-11.41	-15.85	25.95	-1.97	26.29	0.83	7.61	3.24	3.57	3.74	1.35
% Chg Same Qtr Last Yr	2.70	2.52	4.27	2.87	2.66	8.33	1.23	-2.98	3.49	-2.05	7.03	11.98	7.66	9.06	3.57	3.74	1.35
NONDURABLE GOODS	48256	48103	48920	51200	48643	48950	49058	47245	50547	50212	50985	50738	49511	49958	48128	49463	49747
% Chg Prev Qtr SAAR	8.95	-1.26	6.96	20.00	-18.53	2.55	0.88	-13.99	31.03	-2.62	6.30	-1.93	-9.33	3.66	3.99	2.77	0.57
% Chg Same Qtr Last Yr	6.12	3.18	2.36	8.40	0.80	1.76	0.28	-7.73	3.91	2.58	3.93	7.39	-2.05	-0.51	3.99	2.77	0.57
TRADE, TRANSPORTATION, UTILITIES	38135	38006	38031	38130	38259	38258	38166	37681	38000	37673	38606	38712	39440	39520	37890	38203	37990
% Chg Prev Qtr SAAR	8.22	-1.34	0.26	1.05	1.36	-0.01	-0.95	-4.99	3.42	-3.39	10.28	1.09	7.74	0.81	4.06	0.83	-0.56
% Chg Same Qtr Last Yr	5.70	4.38	1.79	1.98	0.33	0.66	0.36	-1.18	-0.68	-1.53	1.15	2.73	3.79	4.90	4.06	0.83	-0.56
WHOLESALE TRADE	56090	55099	56224	56120	56661	56938	56442	55920	56000	56441	56593	56990	56495	57093	55607	56540	56238
% Chg Prev Qtr SAAR	8.06	-6.88	8.42	-0.74	3.92	1.96	-3.44	-3.65	0.58	3.18	1.09	2.84	-3.43	4.30	4.30	1.68	-0.53
% Chg Same Qtr Last Yr	6.12	3.75	2.13	2.01	1.02	3.34	0.39	-0.36	-1.17	-0.87	0.27	1.91	0.88	1.16	4.30	1.68	-0.53
RETAIL TRADE	26349	26712	26513	26369	26573	26369	26226	26188	26373	26225	27056	26847	27835	27388	26424	26384	26460
% Chg Prev Qtr SAAR	3.50	5.62	-2.94	-2.16	3.12	-3.04	-2.14	-0.58	2.85	-2.22	13.28	-3.06	15.56	-6.27	4.31	-0.15	0.29
% Chg Same Qtr Last Yr	4.74	5.56	2.40	0.94	0.85	-1.29	-1.08	-0.69	-0.75	-0.54	3.16	2.51	5.54	4.43	4.31	-0.15	0.29
TRANSPORTATION & UTILITIES	48345	47886	47577	48435	47866	48096	48407	47182	48455	47619	49609	50807	52147	53124	47648	48201	48216
% Chg Prev Qtr SAAR	14.03	-3.74	-2.56	7.41	-4.62	1.93	2.61	-9.74	11.23	-6.73	17.79	10.01	10.97	7.71	3.67	1.16	0.03
% Chg Same Qtr Last Yr	6.47	3.63	1.01	3.53	-0.99	0.44	1.74	-2.59	1.23	-0.99	2.48	7.68	7.62	11.56	3.67	1.16	0.03
INFORMATION	51048	50813	52216	51551	50922	51842	53046	50397	51576	52799	52554	52329	53375	56170	51471	51840	51832
% Chg Prev Qtr SAAR	-5.72	-1.83	11.51	-4.99	-4.80	7.43	9.62	-18.53	9.70	9.83	-1.84	-1.70	8.24	22.65	2.91	0.72	-0.02
% Chg Same Qtr Last Yr	2.08	4.37	-1.10	-0.49	-0.25	2.02	1.59	-2.24	1.29	1.85	-0.93	3.83	3.49	6.38	2.91	0.72	-0.02
FINANCIAL ACTIVITIES	56126	56922	58427	58943	58198	57199	55834	56852	57568	57798	58432	58109	59387	60922	57366	57544	57662
% Chg Prev Qtr SAAR	-12.25	5.80	11.00	3.58	-4.96	-6.69	-9.21	7.49	5.14	1.60	4.46	-2.19	9.09	10.74	5.09	0.31	0.21
% Chg Same Qtr Last Yr	4.70	3.17	3.74	1.65	3.69	0.49	-4.44	-3.55	-1.08	1.05	4.65	2.21	3.16	5.40	5.09	0.31	0.21

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Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
PROFESSIONAL & BUSINESS SERVICES…	42261	42978	43697	45064	44080	44394	45531	45309	46747	46965	47817	48904	48638	49779	42530	44768	46709
% Chg Prev Qtr SAAR……………………	10.85	6.96	6.86	13.12	-8.45	2.88	10.65	-1.94	13.31	1.87	7.46	9.41	-2.16	9.72	6.93	5.26	4.34
% Chg Same Qtr Last Yr…………………	6.14	9.05	6.11	9.42	4.31	3.30	4.20	0.54	6.05	5.79	5.02	7.93	4.05	5.99	6.93	5.26	4.34
EDUCATION & HEALTH SERVICES…………	41190	41444	42539	42175	42558	43127	42908	43173	43478	43935	43891	44143	44470	44675	41547	42692	43619
% Chg Prev Qtr SAAR……………………	1.71	2.49	10.99	-3.38	3.68	5.46	-2.01	2.49	2.86	4.28	-0.40	2.32	2.99	1.86	3.59	2.76	2.17
% Chg Same Qtr Last Yr…………………	1.16	3.52	5.69	2.82	3.32	4.06	0.87	2.37	2.16	1.87	2.29	2.25	2.28	1.68	3.59	2.76	2.17
LEISURE & HOSPITALITY……………………	20034	19913	21337	20149	19742	19807	19695	19422	19830	20004	20222	20542	20885	21308	20271	19848	19869
% Chg Prev Qtr SAAR……………………	4.85	-2.38	31.80	-20.47	-7.84	1.33	-2.25	-5.42	8.67	3.55	4.43	6.50	6.83	8.37	7.59	-2.08	0.11
% Chg Same Qtr Last Yr…………………	7.96	3.12	11.21	1.77	-1.46	-0.53	-7.69	-3.61	0.45	0.99	2.68	5.77	5.32	6.52	7.59	-2.08	0.11
OTHER SERVICES……………………………	35672	35709	36537	37070	37397	37411	37493	36865	37517	37595	38093	37542	37026	37119	35874	37343	37518
% Chg Prev Qtr SAAR……………………	1.05	0.42	9.60	5.97	3.58	0.15	0.88	-6.53	7.27	0.84	5.40	-5.66	-5.39	1.01	1.50	4.09	0.47
% Chg Same Qtr Last Yr…………………	0.64	1.04	2.02	4.19	4.84	4.77	2.62	-0.55	0.32	0.49	1.60	1.84	-1.31	-1.27	1.50	4.09	0.47
GOVERNMENT…………………………………	37973	37650	38420	38834	38900	39266	38806	39185	39510	39097	38985	39566	39577	39618	37881	38951	39194
% Chg Prev Qtr SAAR……………………	5.34	-3.36	8.44	4.38	0.67	3.82	-4.60	3.96	3.36	-4.12	-1.14	6.09	0.11	0.42	3.83	2.83	0.62
% Chg Same Qtr Last Yr…………………	4.47	3.33	2.86	3.61	2.44	4.29	1.00	0.90	1.57	-0.43	0.46	0.97	0.17	1.33	3.83	2.83	0.62
FEDERAL, CIVILIAN…………………………	63362	63051	62817	63927	63851	62849	62474	64758	64207	64265	63942	64428	59238	63341	63028	63275	64293
% Chg Prev Qtr SAAR……………………	3.09	-1.95	-1.47	7.25	-0.47	-6.13	-2.37	15.45	-3.37	0.36	-1.99	3.08	-28.54	30.72	4.45	0.39	1.61
% Chg Same Qtr Last Yr…………………	4.81	3.89	4.20	1.66	0.77	-0.32	-0.55	1.30	0.56	2.25	2.35	-0.51	-7.74	-1.44	4.45	0.39	1.61
STATE & LOCAL……………………………	34635	34341	35256	35567	35667	36166	35711	35826	36203	35790	35686	36271	36644	36372	34588	35778	35876
% Chg Prev Qtr SAAR……………………	6.18	-3.35	11.08	3.58	1.12	5.72	-4.94	1.30	4.28	-4.49	-1.16	6.72	4.18	-2.94	3.81	3.44	0.28
% Chg Same Qtr Last Yr…………………	4.37	3.35	2.84	4.24	2.98	5.31	1.29	0.73	1.51	-1.04	-0.07	1.24	1.22	1.63	3.81	3.44	0.28

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Table 15: Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
CIVILIAN LABOR FORCE (THOUS)…………	3008	3038	3045	3019	3052	3072	3058	3019	3031	3030	3000	2986	3033	3067	3022	3050	3020
% Chg Same Qtr Last Yr……………….	-0.03	0.15	0.48	0.75	1.45	1.15	0.42	0.00	-0.70	-1.39	-1.87	-1.10	0.08	1.22	0.43	0.94	-0.99
EMPLOYED PERSONS (THOUS)………..	2874	2888	2887	2836	2864	2858	2826	2711	2710	2703	2687	2655	2728	2777	2874	2846	2703
% Chg Same Qtr Last Yr……………….	0.86	0.43	-0.15	-0.33	-0.34	-1.05	-2.10	-4.41	-5.37	-5.40	-4.92	-2.08	0.68	2.73	0.73	-0.96	-5.03
UNEMPLOYED PERSONS (THOUS)…….	135	149	158	183	188	215	231	308	321	326	313	331	305	289	148	204	317
% Chg Same Qtr Last Yr……………….	-15.87	-5.08	13.61	21.14	39.51	43.71	46.47	68.35	70.46	52.10	35.42	7.52	-4.96	-11.31	-5.08	37.74	55.25
PARTICIPATION RATE (PERCENT)………..	62.2	62.6	62.6	61.9	62.4	62.6	62.2	61.3	61.4	61.3	60.6	60.1	60.9	61.4	62.4	62.3	61.2
% Chg Same Qtr Last Yr……………….	-1.56	-1.38	-0.95	-0.59	0.20	0.01	-0.60	-0.89	-1.46	-2.03	-2.61	-1.94	-0.87	0.16	-1.07	-0.24	-1.75
UNEMPLOYMENT RATE (PERCENT)……….	4.5	4.9	5.2	6.1	6.2	7.0	7.6	10.2	10.6	10.8	10.4	11.1	10.0	9.4	4.9	6.7	10.5

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Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
CIVILIAN LABOR FORCE (THOUS)…………	3011	3017	3038	3048	3051	3052	3052	3045	3030	3010	2995	3002	3034	3038	3022	3051	3020
% Chg Prev Qtr SAAR……………………	-1.57	0.84	2.80	1.35	0.37	0.18	-0.05	-0.84	-1.98	-2.57	-1.98	0.94	4.21	0.58	0.43	0.95	-1.00
% Chg Same Qtr Last Yr…………………	0.09	0.11	0.51	0.84	1.33	1.17	0.46	-0.09	-0.68	-1.37	-1.85	-1.41	0.11	0.91	0.43	0.95	-1.00
EMPLOYED PERSONS (THOUS)……….	2872	2868	2874	2875	2859	2839	2809	2753	2706	2683	2674	2682	2721	2747	2874	2845	2704
% Chg Prev Qtr SAAR……………………	-1.41	-0.66	0.88	0.12	-2.15	-2.76	-4.25	-7.71	-6.64	-3.27	-1.39	1.21	5.94	3.83	0.76	-1.00	-4.97
% Chg Same Qtr Last Yr…………………	0.97	0.38	-0.07	-0.27	-0.46	-0.99	-2.27	-4.24	-5.36	-5.49	-4.79	-2.57	0.56	2.36	0.76	-1.00	-4.97
UNEMPLOYED PERSONS (THOUS)……	138	149	164	173	192	213	243	293	324	327	321	320	312	291	148	205	316
% Chg Prev Qtr SAAR……………………	-4.88	35.97	45.30	24.97	49.54	52.61	70.10	109.37	50.99	3.42	-6.76	-1.31	-9.44	-24.65	-5.58	38.85	54.10
% Chg Same Qtr Last Yr…………………	-15.19	-4.80	11.90	23.79	38.62	42.68	48.41	68.85	69.25	53.56	32.14	9.49	-3.65	-10.98	-5.58	38.85	54.10
PARTICIPATION RATE (PERCENT)……….	62.3	62.2	62.4	62.5	62.3	62.2	62.1	61.9	61.4	60.9	60.5	60.5	60.9	60.9	62.4	62.3	61.2
% Chg Prev Qtr SAAR……………………	-3.06	-0.69	1.63	0.21	-0.77	-0.94	-0.71	-1.49	-2.61	-3.21	-3.01	-0.12	3.12	-0.47	-1.07	-0.23	-1.75
% Chg Same Qtr Last Yr…………………	-1.43	-1.42	-0.92	-0.49	0.09	0.03	-0.55	-0.98	-1.44	-2.01	-2.58	-2.25	-0.84	-0.14	-1.07	-0.23	-1.75
UNEMPLOYMENT RATE (PERCENT)……..	4.6	4.9	5.4	5.7	6.3	7.0	8.0	9.6	10.7	10.9	10.7	10.7	10.3	9.6	4.9	6.7	10.5

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Table 17: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2005 dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL TAXABLE SALES………………………….	22980	22750	24028	20837	22432	21318	21860	18957	20203	19704	21035	18489	20503	20084	91366	86447	79898
% Chg Same Qtr Last Yr……………………	1.02	1.03	-0.36	-3.57	-2.38	-6.29	-9.02	-9.02	-9.94	-7.57	-3.77	-2.47	1.49	1.93	1.26	-5.38	-7.58
AUTO DEALERS………………………………	2348	2375	2011	2081	1982	1866	1369	1446	1575	1702	1429	1620	1802	1826	8995	7298	6153
% Chg Same Qtr Last Yr……………………	-1.85	-3.19	-6.00	-7.90	-15.61	-21.44	-31.93	-30.54	-20.51	-8.78	4.41	12.04	14.38	7.26	-1.40	-18.86	-15.69
PURCHASES FROM MANUFACTURERS….	1099	1126	1183	976	1093	1028	1018	719	801	827	849	689	858	841	4492	4116	3196
% Chg Same Qtr Last Yr……………………	-4.51	-1.38	-0.22	-9.95	-0.55	-8.65	-13.98	-26.34	-26.73	-19.61	-16.59	-4.19	7.07	1.73	-1.39	-8.39	-22.35
MISC DURABLE GOODS………………………	4383	4138	4099	3640	4085	3765	3482	2898	3288	3189	3200	2814	3557	3347	16516	14973	12576
% Chg Same Qtr Last Yr……………………	-0.65	-2.70	-3.99	-6.57	-6.81	-9.01	-15.03	-20.38	-19.50	-15.31	-8.10	-2.89	8.16	4.95	-1.40	-9.34	-16.01
EATING AND DRINKING PLACES…………	2145	2168	2084	2053	2128	2069	1985	1986	2077	2040	1997	1956	2089	2098	8412	8236	8101
% Chg Same Qtr Last Yr……………………	3.20	3.28	-0.87	1.86	-0.78	-4.53	-4.76	-3.26	-2.43	-1.40	0.64	-1.52	0.58	2.82	2.15	-2.10	-1.64
FOOD STORES…………………………………	2065	2180	2319	1739	2150	2179	2357	2070	2135	2132	2261	1989	2105	2133	8517	8425	8599
% Chg Same Qtr Last Yr……………………	0.89	5.76	6.75	-10.90	4.09	-0.04	1.62	19.01	-0.67	-2.14	-4.07	-3.90	-1.40	0.03	3.92	-1.08	2.06
LIQUOR STORES………………………………	136	131	167	136	140	136	171	138	145	142	177	139	149	146	563	583	602
% Chg Same Qtr Last Yr……………………	6.93	3.35	4.57	5.08	2.95	3.91	2.78	1.85	3.39	4.10	3.28	0.57	3.15	2.90	5.60	3.61	3.16
HOTELS AND MOTELS……………………….	598	614	569	475	564	554	518	395	492	500	473	388	494	508	2233	2111	1861
% Chg Same Qtr Last Yr……………………	6.66	3.35	0.92	4.98	-5.67	-9.69	-8.89	-16.75	-12.77	-9.69	-8.67	-1.82	0.47	1.48	3.38	-5.43	-11.85
OTHER RETAIL AND SERVICE…………….	6587	6475	7637	6168	6627	6251	7245	5830	6117	5956	7048	5719	6148	6013	26974	26291	24951
% Chg Same Qtr Last Yr……………………	2.18	2.97	-0.52	-1.71	0.61	-3.45	-5.14	-5.48	-7.69	-4.73	-2.72	-1.91	0.50	0.95	2.22	-2.53	-5.10
MISC NONDURABLE GOODS……………….	1739	1735	2155	1738	1752	1692	1980	1588	1657	1598	1935	1611	1712	1626	7391	7162	6778
% Chg Same Qtr Last Yr……………………	0.75	3.25	2.05	-1.42	0.79	-2.49	-8.09	-8.65	-5.45	-5.54	-2.26	1.49	3.29	1.72	3.48	-3.10	-5.36
TRANSPORTATION, COMMUNICATION……	1879	1808	1805	1830	1911	1777	1735	1886	1915	1617	1665	1563	1590	1548	7274	7252	7083
% Chg Same Qtr Last Yr……………………	3.99	-0.65	4.11	2.73	1.68	-1.76	-3.88	3.07	0.22	-9.00	-4.01	-17.15	-16.99	-4.26	1.82	-0.30	-2.33
PER CAPITA ($)……………………………………	3749	3700	3897	3371	3619	3430	3512	3040	3235	3150	3354	2940	3252	3177	14884	13931	12778
% Chg Same Qtr Last Yr……………………	-0.33	-0.30	-1.60	-4.72	-3.48	-7.28	-9.89	-9.80	-10.62	-8.18	-4.50	-3.30	0.52	0.86	-0.06	-6.40	-8.28

Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2005 dollars) January 2011

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL TAXABLE SALES………………………….	22720	22723	22812	22315	22184	21329	20677	20289	19991	19723	19926	19797	20276	20085	91404	86506	79929
% Chg Prev Qtr SAAR………..……………	-7.21	0.04	1.59	-8.44	-2.32	-14.54	-11.68	-7.30	-5.75	-5.26	4.18	-2.57	10.04	-3.71	1.31	-5.36	-7.60
% Chg Same Qtr Last Yr…………………..	0.89	1.12	-0.32	-3.60	-2.36	-6.13	-9.36	-9.08	-9.89	-7.53	-3.63	-2.43	1.43	1.84	1.31	-5.36	-7.60
AUTO DEALERS……………………………….	2254	2191	2234	2139	1897	1722	1526	1484	1507	1571	1596	1660	1725	1682	9006	7285	6157
% Chg Prev Qtr SAAR………..……………	-12.02	-10.78	8.15	-15.89	-38.15	-32.13	-38.34	-10.65	6.37	18.18	6.45	17.25	16.45	-9.56	-1.42	-19.11	-15.48
% Chg Same Qtr Last Yr…………………..	-2.19	-3.10	-5.55	-8.08	-15.83	-21.39	-31.69	-30.65	-20.58	-8.77	4.57	11.92	14.48	7.08	-1.42	-19.11	-15.48
PURCHASES FROM MANUFACTURERS….	1094	1102	1106	1084	1086	1004	949	805	794	806	791	774	849	819	4496	4124	3196
% Chg Prev Qtr SAAR………..……………	-29.56	3.01	1.35	-7.57	0.60	-26.80	-20.35	-48.29	-5.29	6.30	-7.21	-8.48	44.75	-13.13	-1.29	-8.29	-22.50
% Chg Same Qtr Last Yr…………………..	-4.70	-1.63	-0.51	-9.20	-0.74	-8.86	-14.19	-25.79	-26.90	-19.75	-16.63	-3.84	6.92	1.65	-1.29	-8.29	-22.50
MISC DURABLE GOODS…………………….	4172	4053	4041	3993	3877	3683	3437	3188	3116	3115	3161	3100	3369	3266	16526	14991	12581
% Chg Prev Qtr SAAR………..……………	-8.08	-10.91	-1.16	-4.66	-11.09	-18.57	-24.19	-25.96	-8.71	-0.13	6.03	-7.54	39.52	-11.68	-1.34	-9.29	-16.08
% Chg Same Qtr Last Yr…………………..	-0.96	-2.77	-3.89	-6.27	-7.05	-9.12	-14.95	-20.16	-19.63	-15.42	-8.02	-2.77	8.11	4.84	-1.34	-9.29	-16.08
EATING AND DRINKING PLACES…………..	2094	2126	2110	2119	2077	2031	2012	2047	2028	2001	2027	2015	2039	2058	8413	8239	8103
% Chg Prev Qtr SAAR………..……………	2.10	6.38	-2.97	1.64	-7.62	-8.74	-3.60	7.19	-3.76	-5.08	5.21	-2.39	4.91	3.82	2.12	-2.07	-1.65
% Chg Same Qtr Last Yr…………………..	3.24	3.36	-0.81	1.73	-0.78	-4.51	-4.66	-3.39	-2.40	-1.43	0.74	-1.58	0.56	2.84	2.12	-2.07	-1.65
FOOD STORES………………………………….	2093	2151	2180	1858	2181	2148	2213	2214	2167	2102	2122	2127	2137	2103	8508	8401	8605
% Chg Prev Qtr SAAR………..……………	1.85	11.56	5.37	-47.18	89.93	-5.95	12.65	0.08	-8.13	-11.41	3.76	0.98	1.96	-6.21	3.83	-1.26	2.43
% Chg Same Qtr Last Yr…………………..	0.96	5.57	6.72	-10.83	4.21	-0.15	1.54	19.13	-0.65	-2.13	-4.12	-3.90	-1.37	0.05	3.83	-1.26	2.43
LIQUOR STORES………………………………	141	140	142	146	145	145	147	149	150	151	152	150	154	155	563	583	602
% Chg Prev Qtr SAAR………..……………	3.69	-2.96	7.43	11.63	-3.95	0.89	4.29	5.79	2.55	3.47	1.90	-5.65	13.73	2.55	5.62	3.62	3.12
% Chg Same Qtr Last Yr…………………..	6.89	3.02	5.10	4.81	2.82	3.83	3.06	1.68	3.36	4.02	3.42	0.50	3.13	2.90	5.62	3.62	3.12
HOTELS AND MOTELS……………………….	564	562	557	573	532	509	507	476	465	460	462	468	467	467	2230	2121	1863
% Chg Prev Qtr SAAR………..……………	13.37	-1.17	-3.22	11.65	-25.70	-16.32	-1.52	-21.96	-9.62	-3.76	1.99	4.68	-0.81	0.41	3.26	-4.88	-12.14
% Chg Same Qtr Last Yr…………………..	6.79	3.66	0.61	4.89	-5.62	-9.47	-9.07	-16.86	-12.69	-9.58	-8.78	-1.83	0.48	1.55	3.26	-4.88	-12.14
OTHER RETAIL AND SERVICE………………	6695	6750	6728	6694	6734	6511	6388	6330	6214	6195	6220	6211	6244	6251	26985	26326	24960
% Chg Prev Qtr SAAR………..……………	-6.72	3.37	-1.33	-2.02	2.45	-12.64	-7.34	-3.54	-7.15	-1.21	1.59	-0.59	2.17	0.42	2.36	-2.44	-5.19
% Chg Same Qtr Last Yr…………………..	2.04	2.97	-0.40	-1.74	0.59	-3.55	-5.06	-5.43	-7.72	-4.84	-2.63	-1.89	0.48	0.89	2.36	-2.44	-5.19
MISC NONDURABLE GOODS……………….	1804	1830	1866	1864	1813	1785	1719	1702	1710	1687	1683	1726	1765	1715	7394	7182	6782
% Chg Prev Qtr SAAR………..……………	-17.81	5.91	8.12	-0.34	-10.54	-6.02	-13.99	-3.87	1.85	-5.38	-0.75	10.57	9.40	-10.99	3.58	-2.87	-5.56
% Chg Same Qtr Last Yr…………………..	0.45	3.38	2.36	-1.59	0.52	-2.44	-7.86	-8.69	-5.68	-5.52	-2.08	1.41	3.24	1.68	3.58	-2.87	-5.56
TRANSPORTATION, COMMUNICATION……	1811	1817	1848	1844	1840	1791	1780	1894	1841	1634	1712	1567	1526	1568	7284	7255	7081
% Chg Prev Qtr SAAR………..……………	0.53	1.45	6.95	-0.94	-0.66	-10.30	-2.49	28.29	-10.77	-37.99	20.45	-29.78	-9.96	11.37	1.78	-0.39	-2.40
% Chg Same Qtr Last Yr…………………..	4.20	-0.39	4.60	1.95	1.65	-1.43	-3.68	2.75	0.03	-8.79	-3.84	-17.29	-17.10	-4.04	1.78	-0.39	-2.40
PER CAPITA ($)…………………………………….	3707	3695	3700	3610	3579	3432	3322	3254	3201	3153	3177	3148	3216	3177	14892	13942	12784
% Chg Prev Qtr SAAR………..……………	-8.43	-1.27	0.51	-9.41	-3.35	-15.44	-12.26	-7.90	-6.37	-5.88	3.08	-3.59	8.89	-4.72	-0.02	-6.38	-8.30
% Chg Same Qtr Last Yr…………………..	-0.46	-0.21	-1.57	-4.75	-3.45	-7.12	-10.23	-9.85	-10.57	-8.14	-4.36	-3.26	0.46	0.77	-0.02	-6.38	-8.30

Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL TAXABLE SALES……………………………	24177	24072	25690	22494	24492	23528	23770	20528	21982	21595	23209	20504	22735	22328	96480	94284	87315
% Chg Same Qtr Last Yr……………………	3.62	3.47	3.14	-0.21	1.30	-2.26	-7.48	-8.74	-10.25	-8.22	-2.36	-0.12	3.42	3.40	4.05	-2.28	-7.39
AUTO DEALERS………………………………	2470	2513	2150	2247	2164	2059	1489	1566	1714	1866	1577	1796	1998	2030	9492	7959	6722
% Chg Same Qtr Last Yr……………………	0.68	-0.85	-2.71	-4.68	-12.42	-18.06	-30.77	-30.32	-20.78	-9.42	5.94	14.74	16.56	8.81	1.26	-16.15	-15.53
PURCHASES FROM MANUFACTURERS….	1157	1191	1265	1054	1194	1135	1107	779	872	906	937	764	951	935	4744	4489	3493
% Chg Same Qtr Last Yr……………………	-2.05	1.00	3.28	-6.80	3.20	-4.72	-12.52	-26.11	-26.98	-20.17	-15.37	-1.87	9.12	3.19	1.32	-5.37	-22.19
MISC DURABLE GOODS………………………	4612	4379	4382	3929	4460	4156	3787	3138	3578	3495	3531	3121	3944	3721	17436	16332	13743
% Chg Same Qtr Last Yr……………………	1.92	-0.35	-0.62	-3.31	-3.29	-5.09	-13.59	-20.13	-19.78	-15.90	-6.75	-0.55	10.22	6.46	1.29	-6.33	-15.85
EATING AND DRINKING PLACES…………..	2257	2294	2228	2217	2324	2284	2158	2151	2260	2236	2204	2170	2316	2332	8881	8983	8851
% Chg Same Qtr Last Yr……………………	5.86	5.78	2.61	5.42	2.97	-0.43	-3.14	-2.96	-2.77	-2.09	2.12	0.86	2.50	4.29	4.94	1.14	-1.47
FOOD STORES………………………………	2173	2307	2480	1878	2347	2405	2563	2242	2323	2337	2495	2206	2335	2371	8996	9192	9397
% Chg Same Qtr Last Yr……………………	3.49	8.31	10.49	-7.79	8.02	4.26	3.35	19.38	-1.01	-2.82	-2.66	-1.58	0.48	1.46	6.80	2.19	2.22
LIQUOR STORES……………………………	143	139	178	147	153	150	186	150	157	155	195	154	165	162	595	636	658
% Chg Same Qtr Last Yr……………………	9.68	5.84	8.24	8.75	6.84	8.38	4.53	2.17	3.04	3.37	4.80	2.99	5.12	4.38	8.54	6.94	3.43
HOTELS AND MOTELS………………………	629	649	608	513	616	612	563	428	535	548	522	431	548	565	2358	2304	2034
% Chg Same Qtr Last Yr……………………	9.41	5.84	4.46	8.65	-2.10	-5.80	-7.34	-16.50	-13.07	-10.32	-7.32	0.55	2.39	2.93	6.22	-2.32	-11.70
OTHER RETAIL AND SERVICE…………….	6930	6851	8165	6659	7236	6900	7878	6313	6656	6528	7776	6342	6818	6685	28492	28671	27273
% Chg Same Qtr Last Yr……………………	4.81	5.46	2.96	1.73	4.41	0.71	-3.53	-5.19	-8.01	-5.39	-1.29	0.45	2.42	2.40	5.05	0.63	-4.88
MISC NONDURABLE GOODS……………….	1829	1836	2304	1876	1913	1867	2153	1719	1803	1752	2135	1787	1898	1807	7808	7810	7409
% Chg Same Qtr Last Yr……………………	3.34	5.74	5.63	2.02	4.59	1.70	-6.53	-8.36	-5.77	-6.19	-0.83	3.94	5.27	3.18	6.35	0.03	-5.13
TRANSPORTATION, COMMUNICATION……	1977	1914	1930	1975	2086	1961	1886	2042	2084	1772	1837	1733	1763	1721	7679	7909	7735
% Chg Same Qtr Last Yr……………………	6.67	1.75	7.76	6.31	5.52	2.47	-2.25	3.39	-0.13	-9.63	-2.60	-15.15	-15.41	-2.89	4.62	3.00	-2.19
PER CAPITA ($)……………………………………	3945	3915	4167	3639	3951	3786	3818	3292	3520	3452	3700	3260	3606	3532	15716	15194	13964
% Chg Same Qtr Last Yr……………………	2.24	2.11	1.85	-1.39	0.17	-3.29	-8.36	-9.52	-10.92	-8.82	-3.09	-0.97	2.44	2.31	2.68	-3.32	-8.09

Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2011**

	Historical Data														Annual		
	2007:2	2007:3	2007:4	2008:1	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2007	2008	2009
TOTAL TAXABLE SALES………………………….	23904	24043	24391	24090	24222	23541	22484	21971	21752	21616	21985	21955	22484	22329	96486	94336	87324
% Chg Prev Qtr SAAR………………………	-3.96	2.35	5.90	-4.84	2.21	-10.78	-16.79	-8.81	-3.93	-2.49	7.00	-0.54	9.99	-2.72	4.08	-2.23	-7.43
% Chg Same Qtr Last Yr…………………..	3.49	3.56	3.17	-0.24	1.33	-2.09	-7.82	-8.79	-10.20	-8.18	-2.22	-0.07	3.36	3.30	4.08	-2.23	-7.43
AUTO DEALERS………………………………	2372	2318	2389	2310	2072	1901	1659	1607	1639	1722	1761	1842	1913	1870	9506	7941	6729
% Chg Prev Qtr SAAR………………………	-8.94	-8.72	12.74	-12.59	-35.28	-29.14	-41.91	-12.10	8.43	21.64	9.33	19.68	16.40	-8.63	1.25	-16.46	-15.27
% Chg Same Qtr Last Yr…………………..	0.33	-0.76	-2.24	-4.87	-12.65	-18.01	-30.53	-30.44	-20.86	-9.41	6.11	14.62	16.67	8.61	1.25	-16.46	-15.27
PURCHASES FROM MANUFACTURERS….	1151	1166	1182	1171	1186	1109	1032	871	864	883	873	858	941	911	4745	4497	3491
% Chg Prev Qtr SAAR………………………	-27.09	5.38	5.66	-3.94	5.27	-23.58	-24.95	-49.14	-3.46	9.41	-4.69	-6.59	44.69	-12.24	1.40	-5.24	-22.36
% Chg Same Qtr Last Yr…………………..	-2.24	0.75	2.98	-6.03	3.01	-4.94	-12.73	-25.56	-27.15	-20.31	-15.41	-1.52	8.96	3.11	1.40	-5.24	-22.36
MISC DURABLE GOODS…………………….	4389	4288	4321	4311	4234	4065	3737	3452	3391	3414	3488	3438	3736	3631	17442	16347	13745
% Chg Prev Qtr SAAR………………………	-4.86	-8.86	3.04	-0.91	-6.97	-14.99	-28.57	-27.17	-6.94	2.79	8.91	-5.63	39.46	-10.78	1.35	-6.28	-15.91
% Chg Same Qtr Last Yr…………………..	1.60	-0.42	-0.52	-3.00	-3.54	-5.21	-13.50	-19.91	-19.91	-16.01	-6.67	-0.42	10.17	6.34	1.35	-6.28	-15.91
EATING AND DRINKING PLACES………….	2203	2250	2256	2288	2268	2241	2188	2217	2206	2193	2236	2234	2261	2288	8882	8985	8853
% Chg Prev Qtr SAAR………………………	5.68	8.83	1.15	5.63	-3.33	-4.72	-9.17	5.44	-1.90	-2.30	8.06	-0.36	4.86	4.89	4.92	1.16	-1.46
% Chg Same Qtr Last Yr…………………..	5.90	5.86	2.67	5.29	2.97	-0.40	-3.04	-3.09	-2.73	-2.12	2.22	0.79	2.48	4.32	4.92	1.16	-1.46
FOOD STORES…………………………………	2202	2276	2330	2006	2382	2371	2406	2397	2358	2304	2341	2359	2370	2338	8983	9165	9401
% Chg Prev Qtr SAAR………………………	5.41	14.13	9.84	-45.10	98.74	-1.81	6.14	-1.55	-6.36	-8.81	6.57	3.08	1.91	-5.25	6.70	2.03	2.57
% Chg Same Qtr Last Yr…………………..	3.56	8.12	10.46	-7.71	8.14	4.15	3.26	19.50	-0.99	-2.81	-2.71	-1.59	0.52	1.49	6.70	2.03	2.57
LIQUOR STORES………………………………	148	148	152	158	158	160	160	161	163	166	167	166	171	173	594	636	657
% Chg Prev Qtr SAAR………………………	7.31	-0.72	11.99	16.01	0.51	5.33	-1.74	4.07	4.53	6.50	4.66	-3.70	13.68	3.60	8.51	7.05	3.31
% Chg Same Qtr Last Yr…………………..	9.65	5.51	8.78	8.47	6.70	8.29	4.81	2.00	3.01	3.29	4.93	2.92	5.10	4.38	8.51	7.05	3.31
HOTELS AND MOTELS……………………….	593	595	596	619	581	562	551	516	505	504	510	519	518	519	2354	2312	2036
% Chg Prev Qtr SAAR………………………	17.34	1.11	0.89	16.03	-22.25	-12.64	-7.22	-23.23	-7.87	-0.94	4.76	6.85	-0.85	1.44	6.09	-1.76	-11.96
% Chg Same Qtr Last Yr…………………..	9.54	6.17	4.13	8.56	-2.06	-5.57	-7.53	-16.60	-12.99	-10.21	-7.44	0.53	2.40	3.01	6.09	-1.76	-11.96
OTHER RETAIL AND SERVICE…………….	7044	7143	7193	7226	7353	7186	6946	6855	6762	6790	6863	6888	6924	6949	28486	28710	27269
% Chg Prev Qtr SAAR………………………	-3.46	5.76	2.86	1.83	7.20	-8.79	-12.70	-5.11	-5.35	1.69	4.35	1.47	2.13	1.46	5.16	0.79	-5.02
% Chg Same Qtr Last Yr…………………..	4.67	5.46	3.09	1.69	4.39	0.60	-3.44	-5.13	-8.04	-5.51	-1.20	0.47	2.40	2.34	5.16	0.79	-5.02
MISC NONDURABLE GOODS……………….	1898	1936	1995	2013	1980	1970	1869	1843	1861	1848	1857	1914	1958	1906	7805	7832	7410
% Chg Prev Qtr SAAR………………………	-14.94	8.35	12.71	3.58	-6.39	-1.89	-18.96	-5.44	3.82	-2.61	1.94	12.87	9.35	-10.07	6.42	0.34	-5.39
% Chg Same Qtr Last Yr…………………..	3.04	5.87	5.94	1.85	4.32	1.76	-6.30	-8.41	-6.01	-6.18	-0.64	3.85	5.21	3.14	6.42	0.34	-5.39
TRANSPORTATION, COMMUNICATION……	1905	1923	1976	1990	2010	1977	1935	2051	2003	1791	1888	1738	1692	1743	7690	7912	7734
% Chg Prev Qtr SAAR………………………	4.05	3.78	11.49	2.95	3.95	-6.35	-8.12	26.20	-9.05	-36.17	23.71	-28.33	-10.00	12.51	4.59	2.89	-2.25
% Chg Same Qtr Last Yr…………………..	6.89	2.02	8.27	5.51	5.49	2.81	-2.04	3.07	-0.31	-9.42	-2.43	-15.30	-15.52	-2.66	4.59	2.89	-2.25
PER CAPITA ($)…………………………………….	3900	3910	3956	3897	3908	3788	3612	3524	3483	3455	3505	3491	3566	3532	15719	15204	13967
% Chg Prev Qtr SAAR………………………	-5.22	1.01	4.78	-5.85	1.13	-11.72	-17.33	-9.40	-4.55	-3.12	5.88	-1.59	8.84	-3.74	2.72	-3.28	-8.14
% Chg Same Qtr Last Yr…………………..	2.11	2.20	1.89	-1.42	0.19	-3.13	-8.70	-9.57	-10.87	-8.78	-2.95	-0.93	2.38	2.22	2.72	-3.28	-8.14

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
US GDP (Bil2005$) SAAR	10283.5	10779.9	11226.0	11347.2	11553.0	11840.7	12263.8	12638.4	12976.3	13228.9	13228.9	12880.6
Percentage change	4.36	4.83	4.14	1.08	1.81	2.49	3.57	3.05	2.67	1.95	0.00	-2.63
US GDP (Bil$) SAAR	8793.5	9353.5	9951.5	10286.2	10642.3	11142.2	11867.8	12638.4	13398.9	14061.8	14369.1	14119.1
Percentage change	5.53	6.37	6.39	3.36	3.46	4.70	6.51	6.49	6.02	4.95	2.19	-1.74
TN PERSONAL INCOME (MIL2005$) SAAR	158046	163298	169552	173183	176011	179475	184350	187669	194865	199968	200836	197348
Percentage change	6.56	3.32	3.83	2.14	1.63	1.97	2.72	1.80	3.83	2.62	0.43	-1.74
US PERSONAL INCOME (BIL2005$) SAAR	8729	9030	9534	9710	9770	9911	10233	10485	10966	11284	11362	11144
Percentage change	6.48	3.45	5.57	1.85	0.62	1.44	3.26	2.46	4.59	2.90	0.69	-1.92
TN PERSONAL INCOME (MIL$) SAAR	136254	143053	152225	158443	163227	169829	179011	187680	200227	211104	219025	215612
Percentage change	7.58	4.99	6.41	4.08	3.02	4.04	5.41	4.84	6.69	5.43	3.75	-1.56
US PERSONAL INCOME (BIL$) SAAR	7525	7911	8559	8883	9060	9378	9937	10486	11268	11912	12391	12175
Percentage change	7.49	5.12	8.20	3.78	1.99	3.51	5.96	5.52	7.46	5.72	4.02	-1.75
TN NONFARM JOBS (THOUS)	2637.2	2684.0	2727.7	2688.5	2664.4	2662.7	2706.0	2742.9	2782.5	2797.3	2774.8	2619.0
Percentage change	2.11	1.78	1.63	-1.44	-0.89	-0.06	1.62	1.37	1.44	0.53	-0.80	-5.61
US NONFARM JOBS (MIL)	125.9	129.0	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6	136.8	130.9
Percentage change	2.57	2.44	2.17	0.03	-1.13	-0.26	1.09	1.73	1.79	1.10	-0.59	-4.29
TN MFG JOBS (THOUS)	503.8	499.8	493.0	454.2	428.5	413.2	411.8	408.8	399.4	379.9	360.9	309.7
Percentage change	0.15	-0.78	-1.36	-7.87	-5.66	-3.56	-0.35	-0.74	-2.29	-4.87	-5.00	-14.19
US MFG JOBS (MIL)	17.6	17.3	17.3	16.4	15.3	14.5	14.3	14.2	14.2	13.9	13.4	11.9
Percentage change	0.81	-1.35	-0.33	-4.78	-7.20	-4.90	-1.34	-0.62	-0.48	-1.97	-3.43	-11.32
TN UNEMPLOYMENT RATE (%)	4.5	4.2	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.9	6.7	10.5
US UNEMPLOYMENT RATE (%)	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3
CHAINED PRICE INDEX, GDP (2005=100.0)	85.5	86.8	88.6	90.7	92.1	94.1	96.8	100.0	103.3	106.3	108.6	109.6
Percentage change	1.13	1.47	2.17	2.26	1.61	2.16	2.84	3.34	3.26	2.94	2.16	0.94
US PERS CONSUMP DEFL (2005=100.0)	86.2	87.6	89.8	91.5	92.7	94.6	97.1	100.0	102.7	105.6	109.1	109.3
Percentage change	0.95	1.61	2.49	1.91	1.36	2.03	2.62	2.99	2.75	2.74	3.31	0.18
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	1.630	1.666	1.722	1.770	1.799	1.840	1.889	1.953	2.016	2.073	2.152	2.145
Percentage change	1.55	2.19	3.37	2.82	1.60	2.30	2.67	3.37	3.22	2.87	3.82	-0.32
BANK PRIME INTEREST RATE (%)	8.4	8.0	9.2	6.9	4.7	4.1	4.3	6.2	8.0	8.1	5.1	3.3
FEDERAL FUNDS RATE (% per annum)	5.353	4.970	6.236	3.888	1.667	1.128	1.349	3.213	4.964	5.019	1.928	0.160
30-YEAR FIXED MORTGAGE RATE (%)	6.9	7.4	8.1	7.0	6.5	5.8	5.8	5.9	6.4	6.3	6.0	5.0
TN TAXABLE SALES (MIL2005$)	76849	82564	83162	81467	81383	83217	85188	88275	90221	91404	86506	79929
Percentage change	-0.61	7.44	0.72	-2.04	-0.10	2.25	2.37	3.62	2.20	1.31	-5.36	-7.60
TN TAXABLE SALES (MIL$)	66257	72327	74655	74533	75472	78748	82718	88284	92702	96486	94336	87324
Percentage change	0.35	9.16	3.22	-0.16	1.26	4.34	5.04	6.73	5.00	4.08	-2.23	-7.43
TN AVG ANNUAL WAGE, NONFARM (2005$)	33368	34044	34380	34786	35483	35922	36490	36429	37164	37726	37351	37515
Percentage change	3.51	2.03	0.99	1.18	2.00	1.24	1.58	-0.17	2.02	1.51	-0.99	0.44
TN AVG ANNUAL WAGE, NONFARM ($)	28767	29822	30865	31826	32905	33991	35432	36429	38186	39826	40733	40989
Percentage change	4.49	3.67	3.50	3.11	3.39	3.30	4.24	2.81	4.82	4.29	2.28	0.63

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
US GDP (2005$) SAAR……………………….	37185	38536	39697	39718	40049	40665	41735	42615	43338	43747	43349	41842
Percentage change................................	3.15	3.64	3.01	0.05	0.83	1.54	2.63	2.11	1.70	0.94	-0.91	-3.48
US GDP ($) SAAR…………………………….	31797	33437	35190	36004	36892	38266	40388	42615	44749	46502	47086	45865
Percentage change................................	4.32	5.16	5.24	2.31	2.47	3.72	5.54	5.51	5.01	3.92	1.26	-2.59
TN PERSONAL INCOME (2005$) SAAR……	29128	29761	29985	30149	30380	30712	31240	31413	32169	32578	32367	31565
Percentage change................................	5.46	2.17	0.75	0.55	0.77	1.09	1.72	0.55	2.41	1.27	-0.65	-2.48
US PERSONAL INCOME (2005$) SAAR……	31564	32283	33713	33986	33867	34037	34825	35354	36625	37316	37232	36199
Percentage change................................	5.26	2.28	4.43	0.81	-0.35	0.50	2.32	1.52	3.60	1.89	-0.22	-2.77
TN PERSONAL INCOME ($) SAAR…………	25112	26070	26919	27583	28173	29061	30335	31413	33053	34391	35298	34486
Percentage change................................	6.47	3.82	3.26	2.47	2.14	3.15	4.38	3.56	5.22	4.05	2.64	-2.30
US PERSONAL INCOME ($) SAAR…………	27211	28280	30268	31094	31407	32208	33818	35357	37633	39393	40604	39549
Percentage change................................	6.26	3.93	7.03	2.73	1.01	2.55	5.00	4.55	6.44	4.68	3.07	-2.60
TN TAXABLE SALES (2005$)…………………	14163	15047	14709	14182	14047	14240	14436	14776	14894	14892	13942	12784
Percentage change................................	-1.64	6.25	-2.25	-3.58	-0.96	1.37	1.38	2.35	0.80	-0.02	-6.38	-8.30
TN TAXABLE SALES ($)………………………	12210	13181	13204	12975	13026	13475	14017	14777	15303	15719	15204	13967
Percentage change................................	-0.69	7.95	0.17	-1.73	0.39	3.44	4.03	5.42	3.56	2.72	-3.28	-8.14

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Table 3: Tennessee Personal Income Components (millions of 2005 dollars) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TN PERSONAL INCOME………..………	158046	163298	169552	173183	176011	179475	184350	187669	194865	199968	200836	197348
Percentage change…………………	6.56	3.32	3.83	2.14	1.63	1.97	2.72	1.80	3.83	2.62	0.43	-1.74
WAGES AND SALARIES………………	88567	91972	94386	94145	95277	96513	99608	100795	104277	106431	104570	99216
Percentage change…………………	5.69	3.84	2.62	-0.25	1.20	1.30	3.21	1.19	3.45	2.07	-1.75	-5.12
OTHER LABOR INCOME………………	17398	18037	18642	19513	21093	23224	23344	23834	23658	23525	23863	24281
Percentage change…………………	5.34	3.67	3.36	4.67	8.10	10.10	0.51	2.10	-0.74	-0.56	1.44	1.75
PROPRIETORS INCOME………………	18191	19564	20771	22715	23675	23766	25521	25627	26516	24603	23560	21761
Percentage change…………………	14.29	7.55	6.17	9.36	4.23	0.38	7.38	0.42	3.47	-7.21	-4.24	-7.64
RENT, INTEREST, DIVIDENDS………	25121	24982	26000	25445	23272	22368	21637	21874	24570	27451	28530	27145
Percentage change…………………	8.06	-0.56	4.08	-2.13	-8.54	-3.89	-3.27	1.09	12.33	11.73	3.93	-4.86
TRANSFER PAYMENTS………………	23590	24276	25720	27512	29185	30300	31379	32576	33132	35516	37551	41573
Percentage change…………………	3.49	2.91	5.95	6.97	6.08	3.82	3.56	3.82	1.71	7.19	5.73	10.71
LESS: PERS CONT FOR SOC INS….	13583	14108	14389	14562	14959	15253	15652	15842	16238	16516	16443	16161
Percentage change…………………	5.30	3.86	2.00	1.20	2.72	1.96	2.62	1.21	2.50	1.71	-0.44	-1.71
RESIDENCE ADJUSTMENT…………	-1237	-1424	-1577	-1585	-1532	-1444	-1486	-1195	-1051	-1042	-795	-467
Percentage change…………………	15.90	15.06	10.76	0.53	-3.34	-5.79	2.92	-19.60	-12.02	-0.81	-23.77	-41.26
PER CAPITA PERSONAL INCOME ($)….	29128	29761	29985	30149	30380	30712	31240	31413	32169	32578	32367	31565
Percentage change…………………	5.46	2.17	0.75	0.55	0.77	1.09	1.72	0.55	2.41	1.27	-0.65	-2.48

Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TN PERSONAL INCOME……………..………	136254	143053	152225	158443	163227	169829	179011	187680	200227	211104	219025	215612
Percentage change…………………	7.58	4.99	6.41	4.08	3.02	4.04	5.41	4.84	6.69	5.43	3.75	-1.56
WAGES AND SALARIES………………	76354	80569	84737	86132	88355	91326	96724	100799	107146	112357	114035	108395
Percentage change…………………	6.69	5.52	5.17	1.65	2.58	3.36	5.91	4.21	6.30	4.86	1.49	-4.95
OTHER LABOR INCOME………………	14999	15801	16737	17853	19564	21977	22666	23834	24308	24835	26025	26529
Percentage change…………………	6.35	5.34	5.93	6.66	9.59	12.33	3.14	5.15	1.99	2.17	4.79	1.94
PROPRIETORS INCOME………………	15684	17140	18649	20781	21957	22490	24783	25630	27244	25967	25693	23775
Percentage change…………………	15.38	9.28	8.81	11.43	5.66	2.43	10.20	3.42	6.30	-4.69	-1.06	-7.46
RENT, INTEREST, DIVIDENDS………	21657	21884	23342	23279	21578	21164	21010	21879	25249	28987	31116	29655
Percentage change…………………	9.09	1.05	6.66	-0.27	-7.31	-1.92	-0.73	4.14	15.41	14.80	7.34	-4.70
TRANSFER PAYMENTS………………	20337	21265	23093	25171	27066	28672	30469	32575	34044	37495	40954	45426
Percentage change…………………	4.47	4.57	8.59	9.00	7.53	5.93	6.27	6.91	4.51	10.14	9.22	10.92
LESS: PERS CONT FOR SOC INS….	11710	12358	12918	13323	13872	14433	15198	15842	16684	17435	17932	17657
Percentage change…………………	6.30	5.54	4.53	3.13	4.12	4.04	5.30	4.24	5.32	4.50	2.85	-1.53
RESIDENCE ADJUSTMENT………….	-1067	-1247	-1416	-1451	-1421	-1366	-1443	-1195	-1080	-1101	-866	-510
Percentage change…………………	17.00	16.92	13.51	2.45	-2.02	-3.87	5.60	-17.21	-9.59	1.92	-21.30	-41.13
PER CAPITA PERSONAL INCOME ($)….	25112	26070	26919	27583	28173	29061	30335	31413	33053	34391	35298	34486
Percentage change…………………	6.47	3.82	3.26	2.47	2.14	3.15	4.38	3.56	5.22	4.05	2.64	-2.30

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Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL NONFARM…………………………………………………	2637.1	2684.0	2727.6	2688.3	2664.4	2662.7	2706.1	2743.1	2782.7	2797.4	2774.8	2618.9
Percentage change..	2.10	1.78	1.63	-1.44	-0.89	-0.07	1.63	1.37	1.44	0.53	-0.81	-5.62
NATURAL RESOURCES, MINING & CONSTRUCTION…	126.7	128.2	130.8	125.3	119.5	119.6	121.2	125.2	134.4	137.9	132.4	109.5
Percentage change..	2.67	1.22	2.04	-4.25	-4.61	0.08	1.30	3.37	7.33	2.57	-3.99	-17.31
MANUFACTURING……………………………………………	503.8	499.9	493.0	454.2	428.5	413.2	411.8	408.8	399.4	380.0	361.0	309.7
Percentage change..	0.14	-0.78	-1.37	-7.88	-5.66	-3.57	-0.34	-0.73	-2.29	-4.87	-5.00	-14.19
DURABLE GOODS……………………………………	300.1	304.6	303.8	277.2	259.0	250.9	254.0	254.6	251.8	237.1	220.9	181.6
Percentage change..	1.71	1.47	-0.25	-8.76	-6.54	-3.15	1.25	0.23	-1.10	-5.83	-6.86	-17.79
NONDURABLE GOODS…………………………..	203.7	195.3	189.3	177.1	169.5	162.3	157.8	154.2	147.6	142.8	140.1	128.2
Percentage change..	-2.08	-4.10	-3.10	-6.45	-4.29	-4.20	-2.81	-2.28	-4.25	-3.23	-1.91	-8.52
TRADE, TRANSPORTATION, UTILITIES…………	569.9	584.2	592.9	590.2	576.8	578.7	587.8	598.0	607.3	610.5	600.1	558.9
Percentage change..	2.27	2.51	1.49	-0.46	-2.27	0.34	1.58	1.74	1.54	0.54	-1.70	-6.87
WHOLESALE TRADE……………………………………	132.4	133.5	132.9	127.5	126.5	126.6	128.0	130.3	132.0	133.0	131.7	120.9
Percentage change..	2.11	0.81	-0.46	-4.04	-0.78	0.03	1.17	1.76	1.34	0.71	-0.96	-8.16
RETAIL TRADE……………………………………………	309.1	314.7	319.9	319.1	312.2	313.2	319.5	324.3	328.2	330.5	325.3	307.2
Percentage change..	1.41	1.81	1.66	-0.25	-2.18	0.32	2.01	1.51	1.21	0.71	-1.58	-5.56
TRANSPORTATION & UTILITIES………………………	128.3	135.9	140.1	143.5	138.1	139.0	140.3	143.5	147.0	147.0	143.1	130.7
Percentage change..	4.60	5.94	3.02	2.46	-3.79	0.66	0.97	2.23	2.49	-0.02	-2.66	-8.65
INFORMATION………………………………………………	51.7	53.4	55.3	55.4	53.3	51.2	49.5	49.4	49.6	50.3	50.5	47.2
Percentage change..	3.89	3.26	3.61	0.27	-3.76	-4.06	-3.27	-0.19	0.35	1.38	0.50	-6.48
FINANCIAL ACTIVITIES………………………………	138.0	141.8	140.6	138.5	138.1	139.8	141.9	143.3	143.5	144.8	145.0	140.4
Percentage change..	3.94	2.81	-0.86	-1.52	-0.24	1.21	1.51	0.95	0.17	0.91	0.14	-3.20
PROFESSIONAL & BUSINESS SERVICES………………	270.9	290.4	304.0	299.1	296.5	287.5	302.5	312.6	319.0	322.6	321.1	293.0
Percentage change..	4.49	7.18	4.67	-1.60	-0.89	-3.03	5.24	3.34	2.04	1.11	-0.46	-8.75
EDUCATION & HEALTH SERVICES………………………..	275.4	275.2	281.6	285.8	300.1	312.8	320.8	330.3	340.6	349.9	358.8	366.7
Percentage change..	2.05	-0.06	2.34	1.49	4.99	4.22	2.56	2.96	3.14	2.71	2.54	2.21
LEISURE & HOSPITALITY…………………………………	225.6	228.9	235.7	235.5	239.8	246.6	253.7	262.0	270.1	276.3	273.8	263.2
Percentage change..	1.58	1.44	2.99	-0.08	1.80	2.86	2.85	3.31	3.09	2.28	-0.91	-3.85
OTHER SERVICES…………………………………………	89.7	91.9	94.7	101.1	101.6	102.2	101.7	100.7	101.8	104.0	104.5	102.2
Percentage change..	5.35	2.53	2.97	6.81	0.50	0.56	-0.46	-0.94	1.01	2.19	0.50	-2.22
GOVERNMENT………………………………………………	385.5	390.2	399.0	403.2	410.3	411.1	415.2	412.7	416.9	421.3	427.8	428.1
Percentage change..	1.38	1.20	2.27	1.04	1.76	0.21	1.00	-0.61	1.02	1.04	1.53	0.09
FEDERAL, CIVILIAN………………………………………..	50.8	51.2	53.6	51.5	51.8	51.2	50.2	49.2	48.8	48.8	49.4	50.0
Percentage change..	-1.87	0.77	4.72	-3.98	0.60	-1.09	-2.10	-1.91	-0.78	-0.12	1.21	1.25
STATE & LOCAL………………………………………….	334.7	338.9	345.4	351.7	358.4	359.9	365.1	363.5	368.1	372.5	378.4	378.1
Percentage change..	1.89	1.26	1.90	1.82	1.93	0.40	1.44	-0.43	1.27	1.20	1.58	-0.06

Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL DURABLE GOODS……………………	300.1	304.5	303.8	277.2	259.0	250.9	254.0	254.6	251.8	237.1	220.8	181.5
Percentage change……………………	1.71	1.47	-0.25	-8.76	-6.54	-3.15	1.25	0.22	-1.11	-5.83	-6.86	-17.79
WOOD PRODUCTS………………………	20.7	19.7	19.8	17.8	17.6	16.7	17.4	17.7	17.9	16.1	14.3	11.3
Percentage change……………………	4.83	-4.92	0.45	-9.89	-1.58	-4.74	4.07	1.91	0.94	-10.14	-11.24	-20.90
NONMETALLIC MINERALS………………	15.6	16.1	16.4	15.7	15.1	15.6	15.7	15.9	16.1	15.5	14.2	11.5
Percentage change……………………	0.21	3.07	1.73	-4.47	-3.41	2.93	0.64	1.74	1.04	-3.52	-8.39	-18.95
PRIMARY METALS………………………	17.2	17.8	17.5	15.3	12.6	11.8	12.1	12.0	11.8	11.7	11.1	9.0
Percentage change……………………	3.23	3.28	-1.64	-12.67	-17.38	-6.73	2.90	-0.96	-1.54	-0.85	-4.97	-19.24
FABRICATED METALS…………………..	45.8	46.1	45.5	43.2	41.4	41.4	41.7	42.6	43.5	41.5	39.7	33.7
Percentage change……………………	-0.88	0.72	-1.39	-4.94	-4.13	-0.04	0.67	2.24	1.94	-4.45	-4.32	-15.07
MACHINERY………………………………	41.8	43.3	43.5	39.9	35.9	33.2	34.3	33.9	33.2	32.0	31.2	26.0
Percentage change……………………	5.42	3.53	0.60	-8.43	-9.86	-7.52	3.21	-1.16	-1.98	-3.69	-2.51	-16.57
COMPUTERS & ELECTRONICS……….	15.5	15.7	16.7	15.3	12.9	11.7	11.3	10.4	9.3	8.1	7.4	6.2
Percentage change……………………	-1.43	1.51	6.56	-8.54	-15.65	-9.59	-3.39	-7.48	-11.27	-12.54	-8.27	-16.29
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS……………………….	30.1	30.1	29.2	26.3	25.0	23.6	23.1	23.5	23.2	22.1	20.6	17.9
Percentage change……………………	1.72	0.01	-3.12	-9.68	-4.94	-5.65	-2.21	1.66	-1.35	-4.67	-6.94	-12.89
TRANSPORTATION EQUIPMENT………	66.1	68.5	68.5	62.3	60.0	60.2	62.9	63.9	63.7	58.6	52.5	40.1
Percentage change……………………	3.14	3.69	0.00	-9.08	-3.68	0.28	4.53	1.59	-0.27	-8.00	-10.46	-23.60
FURNITURE………………………………	27.7	27.9	27.6	23.6	21.3	19.9	19.6	19.2	17.7	16.0	14.2	10.8
Percentage change……………………	-0.53	0.73	-1.07	-14.37	-9.92	-6.59	-1.34	-2.04	-7.71	-9.73	-11.07	-23.98
MISCELLANEOUS DURABLES…………	19.6	19.3	19.0	17.7	17.1	16.8	15.9	15.3	15.3	15.4	15.5	14.9
Percentage change……………………	-1.81	-1.52	-1.24	-7.00	-3.40	-1.76	-5.21	-3.83	0.16	0.18	0.97	-4.12

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Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL NONDURABLE GOODS…………………	203.7	195.3	189.3	177.1	169.5	162.3	157.8	154.2	147.6	142.8	140.1	128.2
Percentage change…………………………	-2.08	-4.10	-3.10	-6.45	-4.29	-4.19	-2.82	-2.28	-4.25	-3.24	-1.91	-8.51
FOOD……………………………………………	33.5	34.4	34.7	35.8	36.0	35.9	34.8	34.3	34.0	32.7	32.5	32.4
Percentage change…………………………	4.69	2.81	0.85	3.22	0.61	-0.43	-3.04	-1.38	-0.97	-3.84	-0.62	-0.31
BEVERAGE & TOBACCO……………………	6.6	6.7	6.8	6.5	6.4	6.1	5.8	5.4	5.2	5.1	5.1	5.1
Percentage change…………………………	6.11	1.12	1.37	-4.16	-2.03	-3.77	-6.12	-5.79	-4.31	-2.55	0.15	0.33
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	47.4	39.7	34.2	28.7	24.5	21.3	19.4	18.0	16.1	15.1	14.8	12.7
Percentage change…………………………	-10.86	-16.10	-13.88	-16.25	-14.55	-12.94	-8.85	-7.38	-10.56	-6.37	-2.09	-14.25
PAPER……………………………………………	21.2	21.6	21.5	21.1	20.4	19.6	18.8	18.9	18.3	17.4	17.2	16.2
Percentage change…………………………	-0.31	1.85	-0.63	-1.84	-3.29	-4.02	-3.92	0.73	-3.23	-5.05	-1.02	-6.14
PRINTING & RELATED SUPPORT…………	25.3	24.8	23.8	22.2	20.5	19.9	19.6	18.8	17.8	17.0	15.7	13.5
Percentage change…………………………	4.15	-2.29	-4.04	-6.42	-7.77	-3.16	-1.21	-4.32	-5.40	-4.51	-7.53	-14.20
CHEMICALS……………………………………	32.8	31.7	31.1	29.0	28.5	28.6	27.6	27.2	26.3	26.9	27.5	25.8
Percentage change…………………………	-4.52	-3.27	-1.94	-6.69	-1.95	0.36	-3.29	-1.75	-3.15	2.34	2.20	-6.26
PLASTICS & RUBBER………………………	31.9	31.8	32.7	30.3	30.0	28.2	28.9	29.3	27.6	26.6	25.4	20.4
Percentage change…………………………	2.01	-0.26	2.80	-7.40	-1.03	-6.14	2.60	1.46	-5.76	-3.65	-4.40	-19.68
MISCELLANEOUS NONDURABLE GOODS..	4.9	4.5	4.5	3.4	3.2	2.8	2.8	2.3	2.3	2.1	2.0	2.2
Percentage change…………………………	-8.46	-8.13	-1.28	-23.95	-6.36	-10.48	0.02	-20.22	3.35	-8.54	-9.01	13.77

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2005 dollars) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL NONFARM………………………………….	33368	34044	34380	34786	35483	35922	36490	36429	37164	37726	37351	37515
Percentage change…………………………	3.51	2.03	0.99	1.18	2.00	1.24	1.58	-0.17	2.02	1.51	-0.99	0.44
NATURAL RESOURCES, MINING AND CONSTRUCTION………………………	36909	38055	38188	38595	38327	38679	38554	39194	40852	42042	41895	41401
Percentage change…………………………	2.50	3.11	0.35	1.06	-0.69	0.92	-0.32	1.66	4.23	2.91	-0.35	-1.18
MANUFACTURING…………………………….	38515	39471	39836	40316	41765	42420	43302	42991	43730	44170	44214	44626
Percentage change…………………………	1.58	2.48	0.92	1.20	3.59	1.57	2.08	-0.72	1.72	1.00	0.10	0.93
DURABLE GOODS………………………….	38705	39872	39998	39916	41549	41901	42553	42221	42965	43313	43492	43993
Percentage change…………………………	0.35	3.02	0.32	-0.20	4.09	0.85	1.56	-0.78	1.76	0.81	0.41	1.15
NONDURABLE GOODS……………………	38238	38844	39578	40943	42095	43222	44510	44263	45042	45590	45362	45527
Percentage change…………………………	3.38	1.59	1.89	3.45	2.81	2.68	2.98	-0.55	1.76	1.22	-0.50	0.36
TRADE, TRANSPORTATION, UTILITIES……	32461	33481	33600	33207	33934	34228	34693	34938	35436	35894	35031	34771
Percentage change…………………………	5.70	3.14	0.36	-1.17	2.19	0.87	1.36	0.71	1.43	1.29	-2.40	-0.74
WHOLESALE TRADE………………………	41676	43792	45258	46095	46878	47820	49603	50033	51887	52677	51844	51474
Percentage change…………………………	4.36	5.08	3.35	1.85	1.70	2.01	3.73	0.87	3.71	1.52	-1.58	-0.71
RETAIL TRADE…………………………….	23956	24590	24609	24147	24627	24691	24512	24576	24656	25032	24194	24218
Percentage change…………………………	6.88	2.65	0.08	-1.88	1.99	0.26	-0.73	0.26	0.32	1.53	-3.35	0.10
TRANSPORTATION & UTILITIES…………	43435	43940	43084	41914	43122	43346	44270	44661	44731	45138	44200	44128
Percentage change…………………………	4.50	1.16	-1.95	-2.72	2.88	0.52	2.13	0.88	0.16	0.91	-2.08	-0.16
INFORMATION………………………………….	39957	40239	41528	42329	42618	43143	44545	44756	48675	48760	47537	47437
Percentage change…………………………	2.34	0.70	3.20	1.93	0.68	1.23	3.25	0.48	8.75	0.18	-2.51	-0.21
FINANCIAL ACTIVITIES………………………	43012	43524	45825	47594	48087	50678	51908	50474	53124	54345	52769	52776
Percentage change…………………………	6.65	1.19	5.29	3.86	1.04	5.39	2.43	-2.76	5.25	2.30	-2.90	0.01
PROFESSIONAL & BUSINESS SERVICES…	32795	33199	33941	35765	36587	36886	37422	37320	38709	40284	41053	42748
Percentage change…………………………	6.46	1.23	2.24	5.37	2.30	0.82	1.45	-0.27	3.72	4.07	1.91	4.13
EDUCATION & HEALTH SERVICES…………	33959	34556	35202	36348	36941	37130	38325	38909	39036	39356	39146	39923
Percentage change…………………………	0.74	1.76	1.87	3.26	1.63	0.51	3.22	1.52	0.33	0.82	-0.53	1.99
LEISURE & HOSPITALITY……………………	17252	17823	17448	17589	17975	18054	17993	17902	18335	19199	18201	18185
Percentage change…………………………	6.20	3.31	-2.11	0.81	2.19	0.44	-0.34	-0.51	2.42	4.71	-5.20	-0.09
OTHER SERVICES…………………………….	32170	32005	32056	30844	32646	33257	34251	33641	34398	33983	34242	34338
Percentage change…………………………	3.69	-0.51	0.16	-3.78	5.84	1.87	2.99	-1.78	2.25	-1.21	0.76	0.28
GOVERNMENT………………………………….	32186	32590	32856	33455	34174	34843	35196	35165	35506	35885	35716	35876
Percentage change…………………………	1.92	1.25	0.82	1.82	2.15	1.96	1.02	-0.09	0.97	1.07	-0.47	0.45
FEDERAL, CIVILIAN…………………………	50636	50560	51526	52491	53887	55895	58195	58300	58732	59711	58024	58850
Percentage change…………………………	2.84	-0.15	1.91	1.87	2.66	3.73	4.11	0.18	0.74	1.67	-2.83	1.42
STATE & LOCAL…………………………….	29386	29873	29968	30667	31325	31846	32036	32033	32425	32764	32806	32839
Percentage change…………………………	2.05	1.66	0.32	2.33	2.14	1.67	0.60	-0.01	1.23	1.05	0.13	0.10

Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL NONFARM	28767	29822	30865	31826	32905	33991	35432	36429	38186	39826	40733	40989
Percentage change	4.49	3.67	3.50	3.11	3.39	3.30	4.24	2.81	4.82	4.29	2.28	0.63
NATURAL RESOURCES, MINING & CONSTRUCTION	31820	33334	34283	35309	35539	36600	37435	39196	41976	44386	45690	45231
Percentage change	3.48	4.76	2.85	2.99	0.65	2.98	2.28	4.71	7.09	5.74	2.94	-1.00
MANUFACTURING	33204	34578	35763	36885	38731	40141	42049	42991	44933	46628	48218	48765
Percentage change	2.55	4.14	3.43	3.14	5.01	3.64	4.75	2.24	4.52	3.77	3.41	1.13
DURABLE GOODS	33368	34929	35907	36520	38530	39649	41321	42220	44146	45723	47435	48075
Percentage change	1.31	4.68	2.80	1.71	5.51	2.90	4.22	2.18	4.56	3.57	3.74	1.35
NONDURABLE GOODS	32966	34027	35533	37458	39038	40900	43224	44265	46282	48128	49463	49747
Percentage change	4.37	3.22	4.43	5.42	4.22	4.77	5.68	2.41	4.56	3.99	2.77	0.57
TRADE, TRANSPORTATION, UTILITIES	27985	29329	30164	30381	31468	32388	33687	34938	36411	37890	38203	37990
Percentage change	6.71	4.80	2.85	0.72	3.58	2.93	4.01	3.71	4.22	4.06	0.83	-0.56
WHOLESALE TRADE	35929	38362	40633	42171	43471	45250	48167	50036	53315	55607	56540	56238
Percentage change	5.35	6.77	5.92	3.79	3.08	4.09	6.45	3.88	6.55	4.30	1.68	-0.53
RETAIL TRADE	20653	21540	22093	22092	22837	23364	23801	24576	25333	26424	26384	26460
Percentage change	7.90	4.29	2.57	0.00	3.37	2.31	1.87	3.25	3.08	4.31	-0.15	0.29
TRANSPORTATION & UTILITIES	37446	38492	38678	38347	39990	41017	42986	44658	45962	47648	48201	48216
Percentage change	5.50	2.79	0.48	-0.85	4.28	2.57	4.80	3.89	2.92	3.67	1.16	0.03
INFORMATION	34445	35252	37282	38727	39523	40821	43252	44747	50015	51471	51840	51832
Percentage change	3.31	2.34	5.76	3.88	2.06	3.28	5.96	3.46	11.77	2.91	0.72	-0.02
FINANCIAL ACTIVITIES	37078	38124	41151	43543	44593	47953	50404	50478	54588	57366	57544	57662
Percentage change	7.65	2.82	7.94	5.81	2.41	7.53	5.11	0.15	8.14	5.09	0.31	0.21
PROFESSIONAL & BUSINESS SERVICES	28273	29082	30475	32722	33930	34904	36336	37319	39774	42530	44768	46709
Percentage change	7.47	2.86	4.79	7.37	3.69	2.87	4.10	2.71	6.58	6.93	5.26	4.34
EDUCATION & HEALTH SERVICES	29275	30269	31602	33255	34257	35135	37214	38909	40108	41547	42692	43619
Percentage change	1.71	3.39	4.41	5.23	3.01	2.56	5.92	4.55	3.08	3.59	2.76	2.17
LEISURE & HOSPITALITY	14873	15612	15662	16093	16669	17084	17470	17901	18840	20271	19848	19869
Percentage change	7.20	4.97	0.32	2.75	3.58	2.49	2.26	2.47	5.25	7.59	-2.08	0.11
OTHER SERVICES	27734	28036	28770	28219	30278	31467	33255	33642	35344	35874	37343	37518
Percentage change	4.68	1.09	2.62	-1.91	7.30	3.93	5.68	1.16	5.06	1.50	4.09	0.47
GOVERNMENT	27747	28548	29498	30609	31690	32969	34176	35164	36482	37881	38951	39194
Percentage change	2.89	2.89	3.33	3.77	3.53	4.04	3.66	2.89	3.75	3.83	2.83	0.62
FEDERAL, CIVILIAN	43650	44286	46267	48022	49965	52889	56502	58293	60344	63028	63275	64293
Percentage change	3.82	1.46	4.47	3.79	4.04	5.85	6.83	3.17	3.52	4.45	0.39	1.61
STATE & LOCAL	25333	26169	26904	28058	29049	30134	31108	32032	33317	34588	35778	35876
Percentage change	3.02	3.30	2.81	4.29	3.53	3.74	3.23	2.97	4.01	3.81	3.44	0.28

Table 10: Tennessee Civilian Labor Force and Unemployment Rate **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CIVILIAN LABOR FORCE (THOUS)……….	2821	2849	2877	2869	2878	2899	2909	2943	3009	3022	3051	3020
Percentage change…………………….	0.72	1.00	0.98	-0.26	0.29	0.72	0.36	1.15	2.26	0.43	0.95	-1.00
EMPLOYED PERSONS (THOUS)……….	2694	2730	2762	2734	2726	2734	2751	2779	2852	2874	2845	2704
Percentage change…………………….	1.60	1.36	1.14	-1.00	-0.31	0.32	0.60	1.03	2.64	0.76	-1.00	-4.97
UNEMPLOYED PERSONS (THOUS)……	127	119	115	135	152	164	158	163	157	148	205	316
Percentage change…………………….	-14.86	-6.68	-2.84	17.38	12.40	7.98	-3.64	3.28	-4.23	-5.58	38.85	54.10
PARTICIPATION RATE (PERCENT)……….	66.4	66.3	65.1	63.8	63.4	63.2	62.8	62.6	63.1	62.4	62.3	61.2
Percentage change…………………….	-0.44	-0.21	-1.84	-1.89	-0.70	-0.22	-0.74	-0.23	0.72	-1.07	-0.23	-1.75
UNEMPLOYMENT RATE (PERCENT)…….	4.5	4.2	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.9	6.7	10.5

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Table 11: Tennessee Taxable Sales (millions of 2005 dollars) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL TAXABLE SALES……………………………	76849	82564	83162	81467	81383	83217	85188	88275	90221	91404	86506	79929
Percentage change…………………………	-0.61	7.44	0.72	-2.04	-0.10	2.25	2.37	3.62	2.20	1.31	-5.36	-7.60
AUTO DEALERS………………………………	8266	9258	9333	9452	9527	9965	9722	9428	9136	9006	7285	6157
Percentage change…………………………	5.93	12.00	0.81	1.27	0.79	4.60	-2.44	-3.02	-3.09	-1.42	-19.11	-15.48
PURCHASES FROM MANUFACTURERS….	4960	4839	4680	4325	3938	4156	4274	4803	4555	4496	4124	3196
Percentage change…………………………	-3.10	-2.45	-3.28	-7.59	-8.94	5.54	2.83	12.39	-5.17	-1.29	-8.29	-22.50
MISC DURABLE GOODS……………………	13090	14649	14498	13509	13233	13623	14606	15841	16750	16526	14991	12581
Percentage change…………………………	-6.02	11.91	-1.03	-6.82	-2.05	2.95	7.22	8.45	5.74	-1.34	-9.29	-16.08
EATING AND DRINKING PLACES………….	6353	6694	6912	7046	7079	7306	7678	7961	8238	8413	8239	8103
Percentage change…………………………	3.95	5.35	3.26	1.94	0.47	3.20	5.09	3.69	3.48	2.12	-2.07	-1.65
FOOD STORES………………………………	8785	9008	9058	8848	8609	8298	8174	8196	8194	8508	8401	8605
Percentage change…………………………	0.38	2.53	0.55	-2.31	-2.70	-3.61	-1.49	0.26	-0.03	3.83	-1.26	2.43
LIQUOR STORES……………………………	392	418	429	434	440	458	472	495	533	563	583	602
Percentage change…………………………	0.16	6.45	2.63	1.23	1.38	4.04	3.01	4.95	7.69	5.62	3.62	3.12
HOTELS AND MOTELS………………………	1936	2002	2038	1952	1916	1924	1937	2043	2159	2230	2121	1863
Percentage change…………………………	1.60	3.37	1.83	-4.24	-1.83	0.43	0.66	5.48	5.69	3.26	-4.88	-12.14
OTHER RETAIL AND SERVICE…………….	22210	23578	23942	23391	23718	24489	24964	25763	26362	26985	26326	24960
Percentage change…………………………	3.20	6.16	1.54	-2.30	1.40	3.25	1.94	3.20	2.32	2.36	-2.44	-5.19
MISC NONDURABLE GOODS……………….	6298	7043	7056	6897	6752	6639	6760	7066	7138	7394	7182	6782
Percentage change…………………………	-2.06	11.84	0.18	-2.25	-2.11	-1.68	1.82	4.54	1.01	3.58	-2.87	-5.56
TRANSPORTATION, COMMUNICATION……	4558	5077	5217	5614	6172	6360	6602	6679	7156	7284	7255	7081
Percentage change…………………………	-14.87	11.40	2.76	7.60	9.94	3.05	3.81	1.16	7.15	1.78	-0.39	-2.40
PER CAPITA ($)……………………………………	14163	15047	14709	14182	14047	14240	14436	14776	14894	14892	13942	12784
Percentage change…………………………	-1.64	6.25	-2.25	-3.58	-0.96	1.37	1.38	2.35	0.80	-0.02	-6.38	-8.30

Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2011**

	Historical Data											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TOTAL TAXABLE SALES…………………………	66257	72327	74655	74533	75472	78748	82718	88284	92702	96486	94336	87324
Percentage change…………………………	0.35	9.16	3.22	-0.16	1.26	4.34	5.04	6.73	5.00	4.08	-2.23	-7.43
AUTO DEALERS………………………………	7127	8110	8378	8648	8836	9430	9440	9425	9388	9506	7941	6729
Percentage change…………………………	6.94	13.80	3.30	3.23	2.17	6.72	0.10	-0.15	-0.39	1.25	-16.46	-15.27
PURCHASES FROM MANUFACTURERS….	4276	4238	4201	3956	3652	3933	4150	4804	4680	4745	4497	3491
Percentage change…………………………	-2.19	-0.89	-0.87	-5.83	-7.70	7.70	5.51	15.75	-2.59	1.40	-5.24	-22.36
MISC DURABLE GOODS……………………	11287	12833	13013	12359	12271	12892	14183	15845	17210	17442	16347	13745
Percentage change…………………………	-5.12	13.70	1.40	-5.02	-0.71	5.06	10.01	11.72	8.61	1.35	-6.28	-15.91
EATING AND DRINKING PLACES………….	5478	5864	6205	6446	6564	6914	7456	7961	8465	8882	8985	8853
Percentage change…………………………	4.95	7.04	5.83	3.89	1.83	5.32	7.84	6.78	6.33	4.92	1.16	-1.46
FOOD STORES………………………………	7574	7891	8132	8095	7983	7851	7937	8196	8419	8983	9165	9401
Percentage change…………………………	1.35	4.18	3.05	-0.45	-1.38	-1.65	1.09	3.26	2.72	6.70	2.03	2.57
LIQUOR STORES……………………………	338	366	385	397	408	433	458	495	548	594	636	657
Percentage change…………………………	1.12	8.17	5.17	3.16	2.76	6.17	5.71	8.10	10.63	8.51	7.05	3.31
HOTELS AND MOTELS………………………	1669	1753	1830	1785	1777	1821	1881	2043	2219	2354	2312	2036
Percentage change…………………………	2.58	5.03	4.36	-2.42	-0.49	2.47	3.30	8.64	8.59	6.09	-1.76	-11.96
OTHER RETAIL AND SERVICE………………	19149	20654	21493	21400	21996	23174	24240	25764	27087	28486	28710	27269
Percentage change…………………………	4.19	7.86	4.06	-0.43	2.78	5.36	4.60	6.29	5.14	5.16	0.79	-5.02
MISC NONDURABLE GOODS…………………	5430	6170	6335	6310	6261	6282	6564	7067	7334	7805	7832	7410
Percentage change…………………………	-1.12	13.61	2.68	-0.39	-0.77	0.33	4.48	7.67	3.78	6.42	0.34	-5.39
TRANSPORTATION, COMMUNICATION……	3929	4449	4684	5136	5723	6018	6411	6684	7352	7690	7912	7734
Percentage change…………………………	-14.05	13.22	5.29	9.66	11.43	5.16	6.53	4.25	10.00	4.59	2.89	-2.25
PER CAPITA ($)……………………………………	12210	13181	13204	12975	13026	13475	14017	14777	15303	15719	15204	13967
Percentage change…………………………	-0.69	7.95	0.17	-1.73	0.39	3.44	4.03	5.42	3.56	2.72	-3.28	-8.14

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Table 13: Tennessee Gross Domestic Product by Sector (millions of 2005 dollars) **January 2011**

	Historical Data										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GROSS DOMESTIC PRODUCT	192,401	199,525	200,838	202,372	207,780	211,601	219,772	224,524	230,711	231,230	232,330
Percentage change	3.83	3.70	0.66	0.76	2.67	1.84	3.86	2.16	2.76	0.22	0.48
AGRICULTURE, FORESTRY, FISHING & HUNTING	984	882	1,179	1,212	1,095	1,303	1,314	1,398	1,443	906	1,256
Percentage change	-9.64	-10.37	33.67	2.80	-9.65	19.00	0.84	6.39	3.22	-37.21	38.63
MINING	709	875	833	782	743	661	510	341	275	195	186
Percentage change	15.47	23.41	-4.80	-6.12	-4.99	-11.04	-22.84	-33.14	-19.35	-29.09	-4.62
CONSTRUCTION	11,072	11,165	11,860	10,993	9,848	9,731	9,468	9,149	9,127	8,746	8,214
Percentage change	-0.27	0.84	6.22	-7.31	-10.42	-1.19	-2.70	-3.37	-0.24	-4.17	-6.08
MANUFACTURING	32,842	34,183	33,520	32,442	33,590	34,681	39,059	39,261	40,146	39,227	39,308
Percentage change	-0.44	4.08	-1.94	-3.22	3.54	3.25	12.62	0.52	2.25	-2.29	0.21
DURABLE GOODS	18,698	19,805	18,590	17,658	19,099	20,763	23,309	24,525	25,114	22,935	24,672
Percentage change	0.47	5.92	-6.13	-5.01	8.16	8.71	12.26	5.22	2.40	-8.68	7.57
NONDURABLE GOODS	14,144	14,378	14,930	14,784	14,491	13,918	15,750	14,736	15,032	16,292	14,636
Percentage change	-1.61	1.65	3.84	-0.98	-1.98	-3.95	13.16	-6.44	2.01	8.38	-10.16
TRADE, TRANSPORTATION, UTILITIES	37,167	38,782	39,853	39,996	40,831	42,909	44,843	46,247	47,404	48,311	46,669
Percentage change	7.93	4.35	2.76	0.36	2.09	5.09	4.51	3.13	2.50	1.91	-3.40
WHOLESALE TRADE	11,102	11,789	12,411	12,879	13,175	14,114	15,057	14,993	15,419	15,689	15,504
Percentage change	14.69	6.19	5.28	3.77	2.30	7.13	6.68	-0.43	2.84	1.75	-1.18
RETAIL TRADE	15,835	16,188	16,207	16,483	16,961	17,547	17,662	18,283	18,592	19,146	18,083
Percentage change	7.48	2.23	0.12	1.70	2.90	3.45	0.66	3.52	1.69	2.98	-5.55
TRANSPORTATION & UTILITIES	10,230	10,805	11,235	10,634	10,695	11,248	12,124	12,971	13,393	13,476	13,082
Percentage change	2.06	5.62	3.98	-5.35	0.57	5.17	7.79	6.99	3.25	0.62	-2.92
INFORMATION	4,330	4,560	4,514	5,072	5,871	6,042	6,619	7,333	7,860	8,296	8,418
Percentage change	5.66	5.31	-1.01	12.36	15.75	2.91	9.55	10.79	7.19	5.55	1.47
FINANCIAL ACTIVITIES	29,779	31,491	32,889	35,400	35,203	35,168	34,564	34,833	35,839	37,512	39,221
Percentage change	5.38	5.75	4.44	7.63	-0.56	-0.10	-1.72	0.78	2.89	4.67	4.56
PROFESSIONAL & BUSINESS SERVICES	18,051	18,624	18,545	19,813	20,915	21,592	22,618	23,079	23,729	24,463	25,155
Percentage change	8.03	3.17	-0.42	6.84	5.56	3.24	4.75	2.04	2.82	3.09	2.83
EDUCATION & HEALTH SERVICES	17,623	18,075	17,296	17,732	18,599	19,214	20,153	20,555	21,377	21,833	22,510
Percentage change	1.12	2.56	-4.31	2.52	4.89	3.31	4.89	1.99	4.00	2.13	3.10
LEISURE & HOSPITALITY	8,150	8,627	8,866	8,789	9,175	9,428	9,667	9,842	10,181	10,367	9,979
Percentage change	2.28	5.85	2.77	-0.87	4.39	2.76	2.54	1.81	3.44	1.83	-3.74
OTHER SERVICES	6,935	7,165	7,114	6,412	6,646	6,685	6,766	6,629	6,765	6,897	6,915
Percentage change	6.17	3.32	-0.71	-9.87	3.65	0.59	1.21	-2.02	2.05	1.95	0.26
GOVERNMENT	24,759	25,096	24,369	23,729	25,264	24,187	24,191	25,857	26,565	24,477	24,499
Percentage change	2.85	1.36	-2.90	-2.63	6.47	-4.26	0.02	6.89	2.74	-7.86	0.09
FEDERAL	8,106	7,940	7,269	6,050	7,270	7,302	7,129	6,938	7,032	6,798	6,463
Percentage change	3.94	-2.05	-8.45	-16.77	20.17	0.44	-2.37	-2.68	1.35	-3.33	-4.93
STATE & LOCAL	16,653	17,156	17,100	17,679	17,994	16,885	17,062	18,919	19,533	17,679	18,036
Percentage change	2.33	3.02	-0.33	3.39	1.78	-6.16	1.05	10.88	3.25	-9.49	2.02

Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2011**

	Historical Data										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
DURABLE GOODS..........	18698	19805	18590	17658	19099	20763	23309	24525	25114	22935	24672
Percentage change..........	0.47	5.92	-6.13	-5.01	8.16	8.71	12.26	5.22	2.40	-8.68	7.57
WOOD PRODUCTS..........	1025	919	903	829	920	816	842	893	936	1094	1181
Percentage change..........	12.64	-10.34	-1.74	-8.19	10.98	-11.30	3.19	6.06	4.82	16.88	7.95
NONMETALLIC MINERAL PRODUCTS..........	1267	1265	1219	1143	1198	1341	1421	1244	1054	1065	914
Percentage change..........	7.46	-0.16	-3.64	-6.23	4.81	11.94	5.97	-12.46	-15.27	1.04	-14.18
PRIMARY METALS..........	1876	2675	1737	1627	1617	1278	1421	1343	1230	944	825
Percentage change..........	8.94	42.59	-35.07	-6.33	-0.61	-20.96	11.19	-5.49	-8.41	-23.25	-12.61
FABRICATED METAL PRODUCTS..........	3288	3344	3176	2965	2958	3095	3599	3412	3695	3597	3374
Percentage change..........	-10.07	1.70	-5.02	-6.64	-0.24	4.63	16.28	-5.20	8.29	-2.65	-6.20
MACHINERY..........	3184	3236	2974	2864	2831	2974	2888	3301	3044	2603	2971
Percentage change..........	19.43	1.63	-8.10	-3.70	-1.15	5.05	-2.89	14.30	-7.79	-14.49	14.14
COMPUTER & ELECTRONIC PRODUCTS..........	169	199	345	833	1255	2298	3341	3361	3216	3794	5360
Percentage change..........	46.96	17.75	73.37	141.45	50.66	83.11	45.39	0.60	-4.31	17.97	41.28
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS..........	1533	1598	1598	1534	1921	2013	2022	2197	2317	1900	2378
Percentage change..........	-26.16	4.24	0.00	-4.01	25.23	4.79	0.45	8.65	5.46	-18.00	25.16
TRANSPORTATION EQUIPMENT..........	3936	3812	3928	3449	4001	4585	5306	6304	7101	5271	5063
Percentage change..........	4.40	-3.15	3.04	-12.19	16.00	14.60	15.73	18.81	12.64	-25.77	-3.95
FURNITURE..........	1104	1157	1157	880	961	885	858	787	764	720	599
Percentage change..........	-0.09	4.80	0.00	-23.94	9.20	-7.91	-3.05	-8.28	-2.92	-5.76	-16.81
MISCELLANEOUS DURABLE GOODS..........	1316	1600	1553	1534	1437	1478	1611	1683	1757	1947	2007
Percentage change..........	-6.73	21.58	-2.94	-1.22	-6.32	2.85	9.00	4.47	4.40	10.81	3.08

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Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2011**

	Historical Data										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
NONDURABLE GOODS	14,144	14,378	14,930	14,784	14,491	13,918	15,750	14,736	15,032	16,292	14,636
Percentage change	-1.61	1.65	3.84	-0.98	-1.98	-3.95	13.16	-6.44	2.01	8.38	-10.16
FOOD & BEVERAGE & TOBACCO	4,145	4,376	4,337	4,327	4,726	4,511	4,579	4,822	5,396	6,247	5,379
Percentage change	3.88	5.57	-0.89	-0.23	9.22	-4.55	1.51	5.31	11.90	15.77	-13.89
TEXTILE MILLS & TEXTILE PRODUCT MILLS	796	744	755	772	685	666	786	656	652	644	526
Percentage change	7.71	-6.53	1.48	2.25	-11.27	-2.77	18.02	-16.54	-0.61	-1.23	-18.32
APPAREL	876	583	542	439	482	422	413	364	316	344	364
Percentage change	-8.46	-33.45	-7.03	-19.00	9.79	-12.45	-2.13	-11.86	-13.19	8.86	5.81
PAPER	1,717	1,849	1,718	1,779	1,811	1,836	2,003	2,074	2,232	1,969	2,196
Percentage change	-0.29	7.69	-7.08	3.55	1.80	1.38	9.10	3.54	7.62	-11.78	11.53
PRINTING & RELATED SUPPORT	1,054	970	988	932	1,004	1,054	1,070	1,063	1,054	1,030	1,016
Percentage change	-2.59	-7.97	1.86	-5.67	7.73	4.98	1.52	-0.65	-0.85	-2.28	-1.36
CHEMICALS	3,198	3,391	3,179	3,228	2,886	2,336	3,807	2,925	3,165	3,373	2,810
Percentage change	-9.30	6.04	-6.25	1.54	-10.59	-19.06	62.97	-23.17	8.21	6.57	-16.69
PLASTICS & RUBBER	2,044	2,119	2,083	1,880	2,064	2,089	2,141	1,988	1,653	2,041	1,922
Percentage change	-1.11	3.67	-1.70	-9.75	9.79	1.21	2.49	-7.15	-16.85	23.47	-5.83
MISCELLANEOUS NONDURABLE GOODS	314	346	1,328	1,427	833	1,004	951	844	564	644	423
Percentage change	7	10.19	283.82	7.45	-41.63	20.53	-5.28	-11.25	-33.18	14.18	-34.32

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