AN ECONOMIC REPORT TO THE GOVERNOR OF THE STATE OF TENNESSEE

THE STATE'S ECONOMIC OUTLOOK
JANUARY

2012

AN ECONOMIC REPORT TO THE GOVERNOR OF THE STATE OF TENNESSEE

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

PREPARED BY THE

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

IN COOPERATION WITH THE

Appalachian Regional Commission
Tennessee Department of Finance and Administration
Tennessee Department of Economic and Community Development
Tennessee Department of Revenue
and
Tennessee Department of Labor and Workforce Development
Nashville, Tennessee

THE STATE'S ECONOMIC OUTLOOK JANUARY 2012

CONTRIBUTORS

An Economic Report to the Governor of the State of Tennessee

AUTHORS

UT Center for Business and Economic Research
Matthew N. Murray, *Associate Director and Project Director*
William F. Fox, *Director*
Celeste K. Carruthers, *Assistant Professor of Economics*
Vickie C. Cunningham, *Research Associate*
J. Randy Gustafson, *Research Associate*
Melissa O. Reynolds, *Research Associate*
Angela R. Thacker, *Research Associate*
Ahiteme N. Houndonougbo, *Graduate Research Assistant*
Shukhrat Musinov, *Graduate Research Assistant*

UT Department of Agricultural Economics
Harwood D. Schaffer, *Research Associate Professor, Agricultural Policy Analysis Center*
Daryll E. Ray, *Blasingame Chair of Excellence Professor, Professor and Director of the Agricultural Policy Analysis Center*
Patricia McDaniels, *UTIA Marketing and Communications Services*

PROJECT SUPPORT STAFF

UT Center for Business and Economic Research
Betty A. Drinnen, *Administrative Specialist*
Carrie B. McCamey, *Communications Coordinator*
Laura Ogle-Graham, *Business Manager*

The preparation of this report was financed in part by the following agencies: the Tennessee Department of Finance and Administration, the 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.

UT Publication Authorization Number R01-1493-229-006-12.

PREFACE

This 2012 volume of An Economic Report to the Governor of the State of Tennessee is the thirty-sixth in a series of annual reports compiled in response to requests by state government officials for assistance in achieving greater interdepartmental consistency in planning and budgeting efforts sensitive to the overall economic environment. Both short-term, or business cycle-sensitive forecasts, and longer-term, or trend forecasts, are provided in this report.

The quarterly state forecast through the first quarter of 2014 and annual forecast through 2021 represent the collective judgment of the staff of the University of Tennessee's Center for Business and Economic Research in conjunction with the Quarterly and Annual Tennessee Econometric Models. The national forecasts were prepared by IHS Global Insight, Inc. Tennessee forecasts, current as of January 2012, 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 higher education progression and graduation from Tennessee universities and colleges.

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

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

CONTENTS

FIGURES AND TABLES

EXECUTIVE SUMMARY

The U.S. Economy

The U.S. economy continues to recover from the worst recession since the Great Depression. The recovery has not been smooth. Despite initial optimism, the first two quarters of 2011 experienced sluggish economic growth, but the expansion was back up again in late 2011. Political gridlock in tackling the nation's fiscal problems contributed to falling consumer and business confidence over the year. Nevertheless, decent employment gains placed the economy on firmer footing in the second half of the year. Revival in the manufacturing sector has been especially important for the improvement in the overall growth with pent-up demand powering purchases of domestic durables and light vehicles. Consumer spending on nondurables decelerated from 2.9 percent in 2010 to 1.7 percent in 2011, while spending on services rose 1.4 percent at annual rates. Inflation-adjusted private business investment grew at an annual rate of 8.7 percent in 2011, the boost largely due to companies addressing their replacement needs neglected during the recession. On the residential fixed investment side, the recovery continues from deeply depressed levels, but a major revival in the housing sector is not expected until 2013. The fiscal policy was tight during 2011, at all levels. Growth in exports once again outpaced that of imports growth, adding to growth in 2011. Inflation-adjusted GDP (gross domestic product) growth in the fourth quarter came in at 3.4 percent, a considerable improvement from disappointingly low growth in the 0.4 to 1.3 percent range posted during the first half of the year.

Firmer employment data and higher private sector confidence in late 2011 is partially attributed for the fall in the unemployment rate to 8.5 percent in close of 2011. Some of the drop in the unemployment rate, however, was driven by lower labor force participation rates, which is not a good sign. Headline inflation picked up during the first half of 2011, but weaker consumer demand and declining energy prices caused it to decelerate during the second half. Overall for the year, the inflation rate stood at 3.1 percent annual rate.

Looking ahead to the 2012 outlook as the economic recovery solidifies, we expect the expansion to continue, albeit at a modest pace. With the payroll tax cut and emergency unemployment insurance benefits now largely anticipated to be extended for another year, the main downside risks for the domestic economy continue to come from the Eurozone sovereign debt crisis and the risk of rising gasoline prices. Given these influences, along with the slowing of world demand and ongoing tight credit in the U.S., inflation-adjusted GDP growth in 2012 is expected to come in at 2.0 percent.

Despite firmer domestic data in late 2011, consumers will remain cautious in their spending habits. Overall, the inflation-adjusted consumer spending in 2012 is forecast at 2.2 percent. Because a major revival in consumer spending is not expected, the labor market conditions will improve modestly, and the unemployment rate will drop to 8.8 percent in 2012. The private business investment outlook for 2012 is mixed. Overall investment growth will decelerate from 8.7 percent in 2011 to 5.3 percent in 2012, with healthy investment continuing in equipment and software while investment in structures continues to struggle. Fiscal policy will stay tight in 2012 with a combination of higher revenues and spending cuts helping to bring the federal deficit down to $1.1 trillion. On the international trade side of GDP, export growth will continue to dominate import growth, adding to overall output growth.

The Tennessee Economy

The Short-Term Economic Outlook

Early expectations for strong economic growth in 2011 failed to materialized, though the year did end on a high note. Personal income growth slowed in the first three quarters of the year and rebounded with a 5.2 percent seasonally-adjusted gain in the fourth quarter. Personal income was up 4.8 percent in 2011, improvement from the 4.2 percent rate of growth in 2010 and the significant 2.9 percent setback in 2009. First quarter employment rose 1.3 percent, but was followed by a seasonally-adjusted loss in the second quarter and a weak showing in the third quarter. The fourth quarter offered welcomed relief by producing a turnaround that supported a 1.0 percent pace of job creation for the year. Last year was the first year since 2008 that the state and national economies were able to engineer nonfarm job gains. Notably, the state and national economies saw manufacturing employment expand in 2011 as well—the first year of growth since the 1990s.

Despite the job gains, the unemployment rate has remained stubbornly high. After peaking at 10.8 percent in the third quarter of 2009, Tennessee's unemployment rate has struggled to sustain downward momentum. On a quarterly basis the unemployment rate drifted down in the last three quarters of 2009 and in 2010. But the unemployment rate inched back up in the first three quarters of 2011. The fourth quarter, however, brought additional relief when the unemployment rate fell to 9.3 percent. For the year as a whole, 2011 yielded significant increases in employed people and the labor force, but only a small increase in the number of unemployed people.

Improved growth in personal income and employment has helped buoy taxable sales and state and local sales tax revenue. Taxable sales experienced back-to-back losses in 2008 and 2009 before rebounding with weak 2.5 percent growth in 2010. Sales growth in 2011 improved to 6.1 percent, the strongest showing since 2005. Hotels and motels, along with purchases from manufacturers and automobile dealer sales were especially strong.

The economic outlook for Tennessee calls for conditions to improve further in 2012 and 2013, assuming nothing derails the path of growth for the nation. Nonfarm employment should see 1.3 percent growth this year and 1.6 percent growth in 2013, roughly in line with employment growth for the nation. Manufacturing employment will be up 1.5 percent in 2012 with growth in durable goods manufacturing offsetting declines in the nondurable goods sector. The unemployment rate will remain elevated but drift down below 9 percent by year's end. The state's annualized unemployment rate is expected to come in at 8.9 percent in 2012, slightly ahead of its national counterpart.

Personal income is expected to continue to grow at relatively decent rates in 2012 and 2013, buoyed by strong growth in proprietors' income. Taxable sales growth will slow but remain strong compared to the period of the Great Recession and its immediate aftermath.

The 2010 Census: The Changing Face of Tennessee

The 2010 Census is complete and most data have been released. Tennessee grew at a faster pace than the nation as a whole, achieving an 11.5 percent increase in population as compared with a 9.7 percent rise for the U.S. since Census 2000. The 2010 U.S. Census had only 10 questions about age, gender, race, ethnicity, family status, and type of dwelling. As a result, the decennial census provides relatively little information about our nation apart from those elements mandated by law for redistricting purposes. To find other information about Americans, for example income, education, health insurance status, and housing costs, one must turn to the American Community

Survey (ACS). With ACS data releases every year, a much more current set of estimates exists to meet the needs of policymakers, researchers, journalists, teachers, students, businesses, and non-governmental organizations.

There are a number of findings from the Census that are especially noteworthy. First, Williamson and Rutherford Counties, two exurbs of Nashville, were the fastest growing counties in the state, expanding by 44.7 and 44.3 percent respectively. Haywood County in rural west Tennessee was the slowest growing, losing 5.1 percent of its population over the decade. Second, the vast majority of the 7.0 percent increase in the number of children in Tennessee was made up of individuals of Hispanic origin. Third, the 65-plus cohort of Tennesseans increased at a 21.3 percent rate, more than double the 10.2 percent increase in the under-65 population. Finally, median household income in Tennessee, the southern U.S., and the nation as a whole peaked in 2008. Tennessee's median was $43,610 in 2008, dropping to $41,461 in 2010.

In many ways, Tennessee mirrors national trends in economics and demographics. Tennessee has grown older, slightly poorer, and more Hispanic over the past few years. With a few exceptions, most of our neighboring states are also older, slightly poorer, and more Hispanic. Economic growth should reverse the temporary slide in incomes, but there is no reversing the aging and diversification of the population. With the first baby-boomer having reached retirement age on January 1, 2011, the share of the 65 and older population is expected to exceed 20.0 percent of the total population over the coming decades. Tennessee's white-alone, non-Hispanic population declined 3.6 percentage points over the decade to 75.6 percent of the total population. If Tennessee follows national trends, this rate of decline should accelerate to 4.0 to 5.0 percent in the decades to come.

The Long-Term Economic Outlook

Most recessions have only a short-term impact on economic growth. The Great Recession, however, will prove to be an exception, as some lingering effects ripple through the entire decade. Employment will take two or three years to fully recover to pre-recession levels, but other measures of economic activity, like the unemployment rate, may not fully rebound within the decade.

Long-term trend economic growth tends to be influenced more by long-term factors like the growth of the population and the labor force. Labor force growth, along with growth in productivity, will be the primary determinant of how fast employment, income and gross state product grow. The expected slowing of labor force growth in the years ahead will lead to somewhat lower growth in overall economic activity. Standards of living and quality of life need not be sacrificed over a slower economy-wide growth trajectory. However, sustaining and improving quality of life will require investments that lead to greater productivity and thus higher worker earnings and incomes.

Tennessee is expected to see relatively strong growth in the decade to come, especially in comparison to the weak growth that characterized the last decade that included two recessions. Nonfarm employment is expected to grow at a 1.3 percent compound annual growth rate between 2012 and 2021. Manufacturing employment will see employment gains through 2014 before reverting back to a trend-decline in employment; the near-term job gains in manufacturing will be insufficient to offset all of the employment losses over the course of the Great Recession. The state unemployment rate, like its national counterpart, will remain elevated throughout the decade. By 2021, the state and national unemployment rates will have drifted down to below 5 percent, but these rates will exceed the lows established prior to the last recession.

The Transition from College to Career in Tennessee

The Tennessee economy's ability to compete with the rest of the U.S. and the world crucially depends on the state's ability to develop and retain a highly skilled labor force. Tennessee's two-year and four-year institutions of higher education are key components of the state's strategy to create and sustain an amply-skilled labor force. In 2011 we initiated a series of studies for HCM Strategists, The Gates Foundation, and the Tennessee Higher Education Commission (THEC) on the determinants of student success in college and beyond.[1] This chapter summarizes some of the results of these studies, focusing on student transitions from Tennessee public institutions of higher education to the Tennessee workforce.

We undertake a careful analysis of all students who began as first-time freshmen at any one of the state's *public* institutions of higher education in 2002 for the 2002/2003 school year and in 2003 for school year 2003/04.[2] We explore a series of important outcomes for these students, including their:

- persistence through college
- degree completion
- likelihood of working in the Tennessee economy and
- earnings if they are working in the Tennessee economy.

Each student's experience is tracked across campuses (if they chose to attend another school) and into the labor force. Thus, we follow students who begin at each campus to determine whether they obtained a degree at their initial campus or at any other public or private school in Tennessee or elsewhere in the nation. We analyze student education and work experience outcomes through the end of calendar year 2010 for both cohorts (2002 and 2003 first-time freshmen) of students. Selected findings include the following:

1. 72 percent of two-year college entrants and 45 percent of four-year college entrants failed to earn a degree by the spring of 2010.
2. Degree recipients had higher ACT scores than noncompleters, and higher ACT scores were associated with higher earnings after college.
3. Degree recipients came from neighborhoods that were more affluent and less diverse than those of noncompleters.
4. The vast majority of bachelor's degree recipients finished college within 150% of normal time (six years). Associate's degree recipients were less expeditious.
5. Four-year college noncompleters were close to minimum degree requirements, in terms of credits and semesters, but tended to stay in college just two-thirds as long as bachelor's degree recipients.
6. Degree recipients earned nearly $10,000 more than noncompleters seven years after entering college.
7. The short-term returns to college persistence (i.e., the earnings premium for additional semesters enrolled) were positive for noncompleters but negative for degree recipients, indicating that persistence could be a good signal in the absence of a degree but excessive alongside a degree.

The report begins with a discussion of data used in this study as well as descriptive statistics for 2002 and 2003 first-time freshmen in Tennessee. This is followed by a summary of statistical analyses that explain which characteristics are most closely linked to workforce participation and earnings shortly after college. The last section offers conclusions, policy implications, and opportunities for additional research.

[1] See Carruthers, Celeste K., William F. Fox, Matthew N. Murray, and Angela R. Thacker. "Educational Outcomes for Students Attending Tennessee Higher Education Institutions," (forthcoming) prepared for the Tennessee Higher Education Commission; and Carruthers, Celeste K., William F. Fox, Matthew N. Murray, Grant Thrall, and David Wright, "College Participation, Persistence, Graduation, and Labor Market Outcomes: An Input-Adjusted Framework for Assessing the Effectiveness of Tennessee's Higher Education Institutions," (forthcoming), prepared for the Context for Success Project, an initiative of HCM Strategists and the Gates Foundation.

[2] Students are regarded as beginning in 2002 if they are first-time enrollees in the summer or fall of 2002. Students in 2003 are defined in a similar manner. Students who are dual-enrolled while in high school are considered first-time enrollees when they begin higher education after graduation from high school.

CHAPTER 1: THE U.S. ECONOMY

In this chapter—

1.1. Introduction

Economic recovery in 2011 was slower than was expected just a year ago. The lingering problems in the nation's housing sector did not help. Political gridlock in tackling some of the nation's most pressing problems lowered the private sector's confidence in government's ability to solve the economy's problems. Other problems also plagued the economy over the year reducing growth rates to well below expectations. The economic picture began improving during the third quarter, and it became clear that the U.S. economy was finding a firmer footing. The year came to a close with a stronger-than-expected fourth quarter on almost all economic fronts. Consumer confidence advanced, residential housing took some small steps forward and manufacturing was on the rebound. Overall for the year, recovery has been modest mostly due to the slow recovery in the first half of the year and cautious consumer spending and firm investment. The economic slowdown in the Eurozone and subsequent contraction of demand for U.S.-produced goods hurt the earnings of exporting companies, but not seriously enough to push the U.S. economy into another recession.

The economy's expansion in late 2011 raises expectations regarding economic growth prospects for 2012 and 2013. Growth will accelerate this year and next year and produce the strongest periods of employment expansion since before the recession. With domestic risks subsiding, the biggest threats to the domestic economy emanate from the Eurozone sovereign debt crisis and weaker world growth, and the potential for a spike in petroleum prices. The odds of another recession stand at about 30 percent. But each day that goes by without an adverse shock reduces these near-term odds.

Inflation-adjusted gross domestic product (GDP) is expected to rise 2.0 percent in 2012 and 2.4 percent in 2013 compared to growth

1.1. Introduction, continued

of just 1.8 percent in 2011. Growth will be led by nonresidential fixed investment, consumer durables (including light vehicles) and exports (despite weakness in the Eurozone). Most notably, nonresidential fixed investment is expected to produce back-to-back gains, reversing six consecutive years of setbacks. Nonfarm employment will be up 1.2 percent this year and 1.6 percent next year, ultimately yielding some downward pressure on the nation's unemployment rate. Interest rates are expected to remain at unprecedented lows and inflation should remain subdued.

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

After deceleration in the first half of 2011, economic growth was back up again in the second half of the year. Inflation-adjusted GDP growth was 1.8 percent in the third quarter and 3.4 percent in the fourth quarter, an improvement from disappointingly low growth rates of 0.4 and 1.3 percent during the first half of the year (Figure 1.1). Overall, inflation-adjusted GDP growth in 2011 is expected to come in at 1.8 percent compared to 3.0 percent growth in 2010 and a 3.5 percent contraction in 2009. Declining gasoline prices in late 2011 and the 2.0 percent payroll tax holiday have played positive roles in stabilizing the recovery, as has strong nonresidential fixed investment.

The unemployment rate finally dropped from 9.0 percent to 8.9 percent in October and 8.5 percent in December – the lowest point since February 2009. Although the unemployment rate is gradually trending lower and December added 200,000 jobs, part of the decline in the unemployment rate came from a reduction in the labor force. A reduction in the labor force is a signal of bleak job prospects that cause individuals to withdraw from the job-search process. The 200,000 job figure for December is roughly in line with what is needed to absorb workers into the ranks of the employed and put sustained downward pressure on the unemployment rate. It is too early to conclude whether the economy is in fact back to a sustained job creation rate, especially since there are still 6.4 million fewer jobs than there were in late 2007. But clearly things are moving in the right direction.

Revival in the manufacturing sector has been especially important for the improvement in growth. Despite the economic hurdles in the rest of the world, the economic picture for the U.S. manufacturing sector improved in 2011. The Institute for Supply Management's December purchasing manager's index showed continued expansion in the U.S. manufacturing sector for the 29th consecutive month. Also, U.S. light vehicle sales were powered by pent-up domestic demand as well as a revival of the Japanese economy after the earthquake in March 2011. Manufacturing will enjoy several years of growth, but this growth will not erase all of the jobs losses attributable to the Great Recession.

Components of GDP

To get a better picture of overall economic health, GDP can be analyzed by its broad components: (1) personal consumption expenditures, (2) residential and nonresidential fixed investment, (3) government spending and (4) exports less imports. By far, the largest component of total GDP is consumer spending, which accounts for about two-thirds of total spending in the economy. Despite the weak labor market and slower growth in personal income, holiday sales increased 5.0 percent on a year-on-year basis in current dollars, providing an additional year-end boost to retail sales. Despite firmer economic data, the uncertainty in government policies caused consumers and businesses to remain cautious in their spending habits. The difficulties encountered in August in raising the federal debt ceiling and the

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

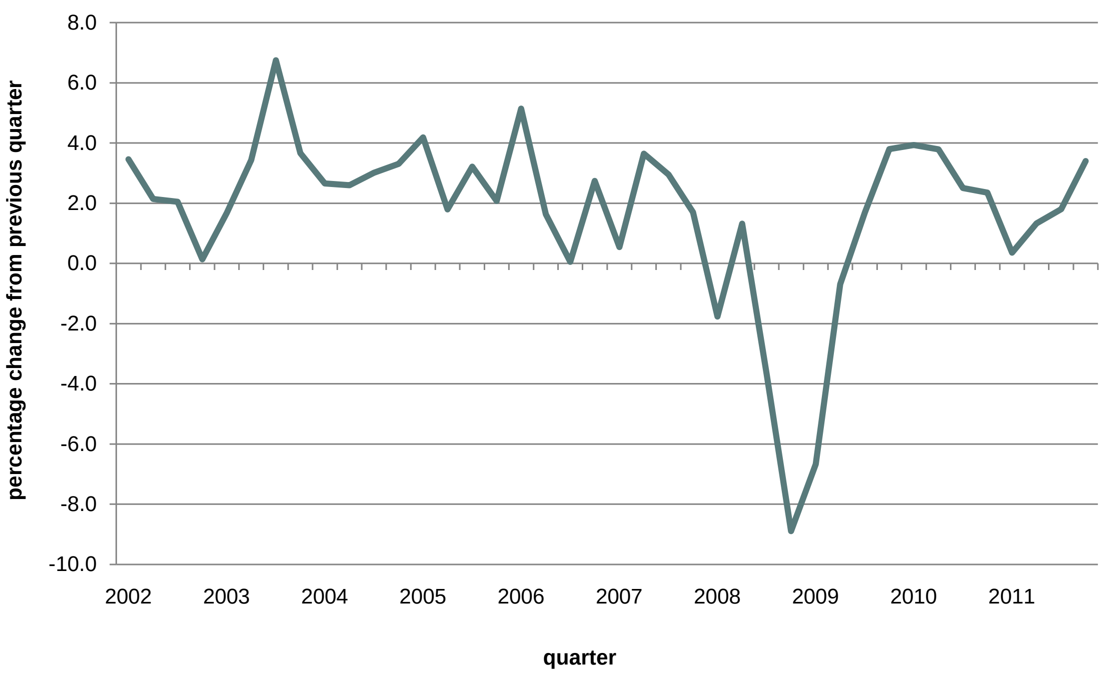
failure to come to terms with long-term budget imbalances caused consumer sentiment to dip in August. Consumer sentiment began improving slowly in September and improved through the end of the year (Figure 1.2).

Consumer purchases of big ticket items had a strong performance for the second consecutive year with solid growth of 8.3 percent in 2011. Pent-up demand, along with the payroll tax holiday and lower saving rates, provided additional cash needed for working households to spend on durables, notably vehicles. Vehicle sales for 2011 are expected to reach nearly 12.8 million units, up from 11.5 million units in 2010, though still much lower than pre-recession sales of 16.0 million units. On the nondurables side, consumption slowed down in the second quarter, yielding a mere 1.7 percent rise for the year. Consumer spending on services is still weak with only 1.4 percent growth forecast for 2011. Overall, the lack of solid foundation for better consumer sentiment hindered the spending recovery in 2011.

The investment component of GDP includes two broad categories: residential fixed investment and nonresidential (business) fixed investment (including structures, equipment and computer hardware and software). Spending on residential fixed investment fell by 22.2 percent in 2009, by 4.3 percent in 2010, and is projected to decline another 1.7 percent in 2011. However, residential fixed investment did grow in the final three quarters of 2011, albeit at a modest pace from the deep and prolonged trough. In the face of weak job growth, a major revival in housing starts is not expected until well into 2013. Housing starts, which bottomed out at 554,000 units in 2009, are expected to see 19 percent growth in 2012 and 34 percent growth in 2013.

On the business fixed investment side, firm investments grew at an annual rate of 8.7 percent in 2011, up from the 2010 growth rate of 4.4 percent, as businesses made a concerted effort to

Figure 1.1. Inflation-Adjusted GDP Growth Expected to Rebound



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

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

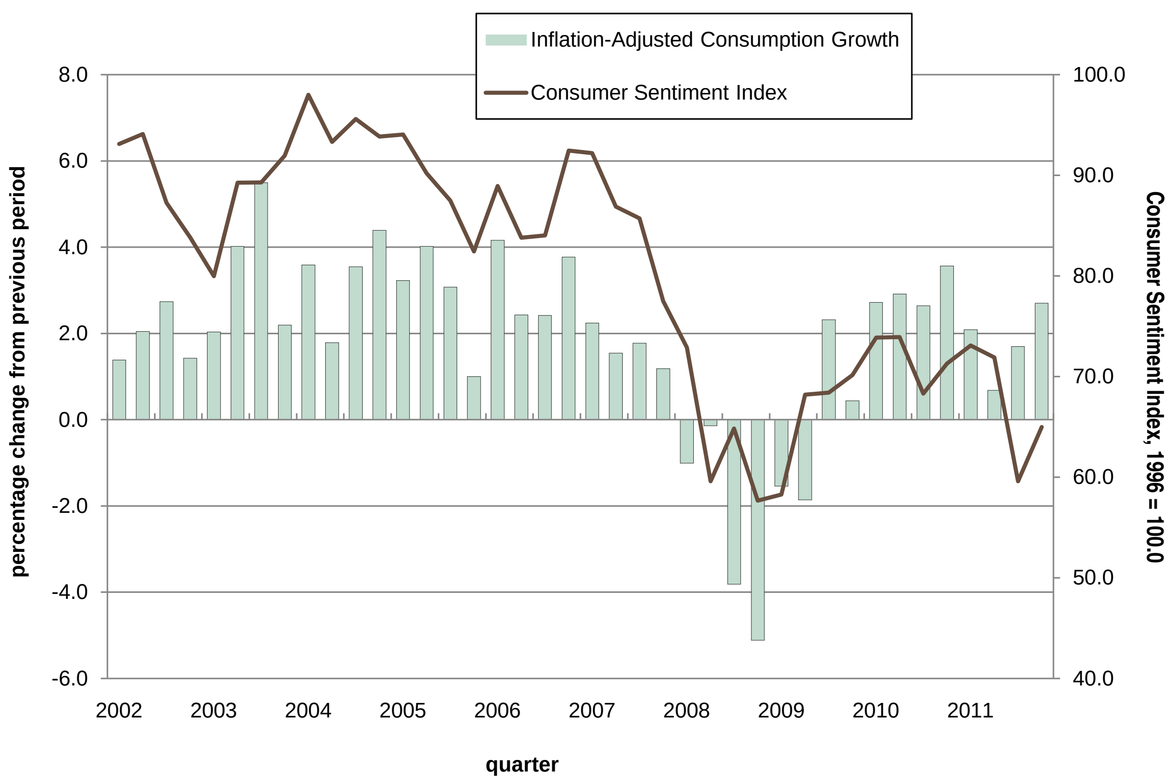
address replacement needs neglected during the slump. Equipment software investments advanced 10.0 percent for the year. This was driven in part by the temporary bonus depreciation allowance and full expensing of capital expenditures in 2011 as part of the stimulus measures agreed to in late 2010. Spending on business structures is expected to come in at 5.2 percent in 2011, a significant improvement from the 15.8 percent drop in 2010. Nevertheless, the modest pattern of spending on business structures during 2011 means the recovery is not yet fully solidified.

The third component of GDP is government purchases of goods and services. Federal spending became tighter as fiscal stimulus money started to wind down in fiscal year 2010-2011. Also, as federal support has faded, local governments have increasingly relied on spending cuts rather than tax increases to balance their budgets. As a result, both federal and state and local fiscal policies were contractionary during 2011, with federal spending down 1.8 percent and state and local spending down 2.2 percent. These spending reductions impose a fiscal drag on overall economic growth.

Net exports (exports minus imports) are the final component of GDP. Export growth, though not as strong as in 2010, dominated import growth in 2011, helping to ease longstanding trade imbalances. Inflation-adjusted exports are expected to rise 6.9 percent in 2011, partly boosted by a weaker dollar against the euro. On the imports side, growth is forecast to be moderate at 4.8 percent, well below export growth (Figure 1.3).

continued on page 6

Figure 1.2. Consumer Sentiment and Spending Growth Restrained



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

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

Fiscal Policy and Multipliers

As the federal government engaged in fiscal stimulus in the face of the Great Recession, many questions arose as to the effectiveness of government spending in stimulating economic activity. These questions center in part around fiscal "multipliers" which measure the impact of a change in government spending or taxes on overall economic activity (e.g., gross domestic product or national income). Fiscal policy can have effects beyond the initial impact of changes in taxes or spending. For example, an income tax cut initially results in greater disposable income which can lead to an increase in consumption spending, which in turn might create more jobs in industries that experience greater demand, increasing income further and hence further increasing consumption, and so on. So the resulting increase in aggregate output (and consequently national income it creates) might be greater than the budgetary cost of the tax reduction. The multiplier effect of a change in government spending on aggregate output can be analyzed in a similar fashion. However, the mechanisms of how tax and spending policies impact economic activity differ.

Additional spending on government purchases of goods and services would boost aggregate output directly, while the direct impact of transfers and reductions in taxes would depend on the induced consumption or investment. For example, government purchases of goods and services would directly increase aggregate output and have ripple effects through the spending process. Instead, if an individual is given a tax reduction, some of this reduction in taxes will lead to increased savings, and some will be spent giving rise to a multiplier effect. If the policy goal is to increase spending, then in principle spending increases and higher transfer payments will tend to have a greater simulative impact on the economy than will tax cuts.

In general, how well fiscal stimulus works during recessions is still debated by economists, but the consensus view is that fiscal stimulus can influence aggregate economic activity—at least in the midst of a recession. A recent survey of research on fiscal multipliers for a temporary deficit-financed increase in government purchases (i.e. spending that is not accompanied by an increase in taxes) shows that the bulk of the estimates imply the multiplier is probably between 0.8 and 1.5. (See Valerie Ramey, "Can Government Purchases Stimulate the Economy?" *Journal of Economic Literature,* 2011.) A multiplier that is equal to 1.0 means that for every $1.00 in additional stimulus, aggregate output increases by $1.00, so the value of a multiplier in the 0.8-1.5 range translates into an increase in GDP of $0.80-1.50 per dollar of total budgetary cost. Multipliers can have values near zero if, for example, higher government spending crowds out private sector investment due to higher interest rates. This is an unlikely scenario for the economic environment of the Great Recession.

In a weak economy, most analysts seem to agree that fiscal multipliers are small but positive with no significant crowding out. Policies that are the most cost effective would have the largest effects on the nation's output and employment per dollar of budgetary cost. Such policies could be those that are timely and targeted toward consumers who would be most likely to spend the additional disposable income (e.g., households with low income, unemployed, liquidity constrained consumers, etc.) or ones that reduce the marginal cost of hiring to businesses. In particular, emergency unemployment insurance benefits would be an example of an initiative that would provide a significant short-run spending effect on the macroeconomy.

The Congressional Budget Office has estimated the economic effects of a mixture of policy options. (See Douglas W. Elmendorf, "Policies for Increasing Economic Growth and Employment in 2012 and 2013," Testimony before the United States Senate Committee on the Budget on November 15, 2011.) The estimates show that extending emergency unemployment insurance benefits by another year would expand (cumulatively in 2012) national output by $0.40 (lower end estimate) to $1.50 (upper end estimate) per dollar of total budgetary cost. Extension of the reduction in employees' portion of the payroll tax from 6.2 to 4.2 percent until January 2013 would raise the 2012 national income by $0.10 to $0.60 per dollar of budgetary costs. Because a significant portion of this after-tax income would likely be saved rather than spent, its multiplier effect would be smaller. The policy is estimated to support creation of 1 to 5 years of full-time equivalent employment in 2012 per million dollars of total budgetary cost. Although both policies are highly anticipated to get a full year extension, not extending them beyond February 2012 when they expire, would knock as much as 0.6 percentage points off gross domestic product growth. The key tradeoff confronting policymakers is whether the stimulative effect of fiscal policy is sufficiently large to warrant additional deficit spending.

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

Inflation and Prices

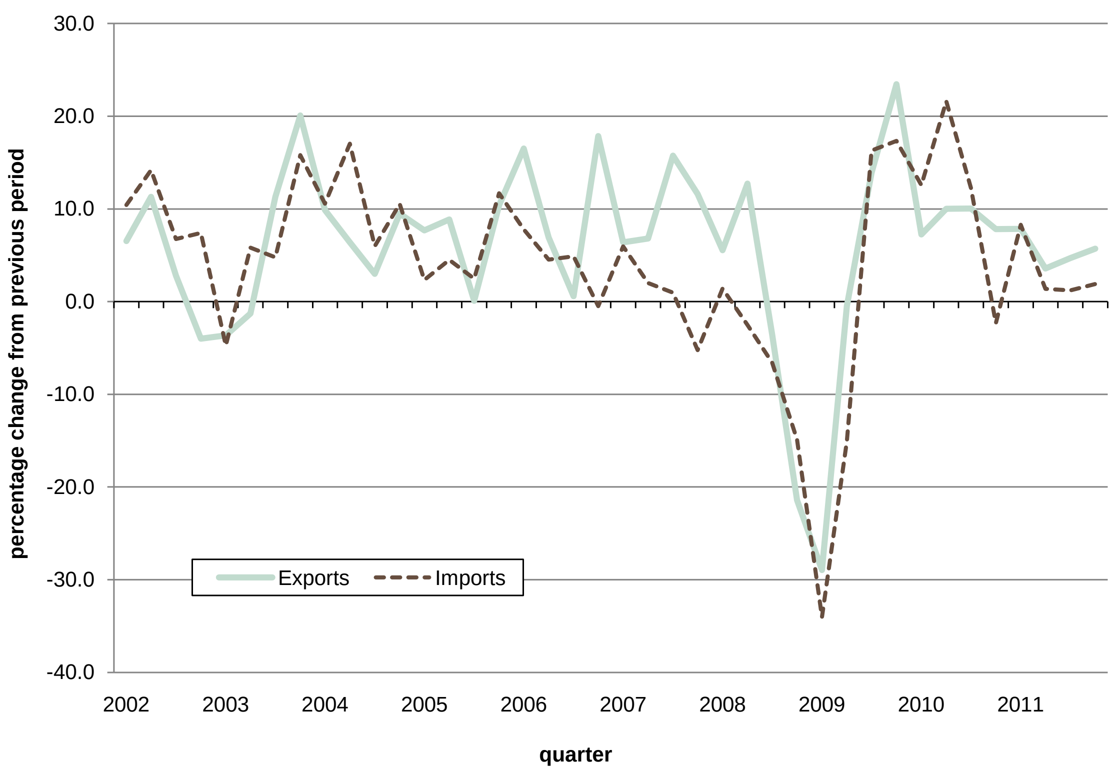
Headline inflation, as measured by the consumer price index (CPI), picked up in 2011, jumping from 1.6 percent in 2010 to 3.1 percent on a year-on-year basis. The run-up in inflation was partly caused by higher gasoline and food prices. The inflation rate peaked in September (3.9 percent) and has been trending lower due to weaker worldwide demand for commodities and a pullback in gasoline prices in late 2011. The average gasoline price exceeded $4.00 per gallon in May of 2011, but averaged $3.35 per gallon in December—a 16.5 percent drop within just 6 months.

Core inflation, which excludes the volatile food and energy sectors and which is closely watched by the Federal Reserve in setting interest rates, also picked up in 2011 and was at a 2.2 percent annual rate in December. With global demand weakening and inflationary pressures waning, inflation is not a concern to the Federal Reserve. While the Federal Reserve's balance sheet has increased significantly in the last couple of years, lending and borrowing remain restrained yielding no upward pressure on the price level.

The Labor Market

Labor market conditions improved modestly last year, particularly in the last quarter of 2011. Total nonfarm employment increased by 200,000 in December compared to a 100,000 job gain in November. One-fourth of the gains in December payrolls came from warehousing and transportation sectors. About 42,000 jobs were created in the couriers and messengers industry due to increased seasonal hiring. Government

Figure 1.3. Exports Maintain Momentum While Import Gains are Slowing



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

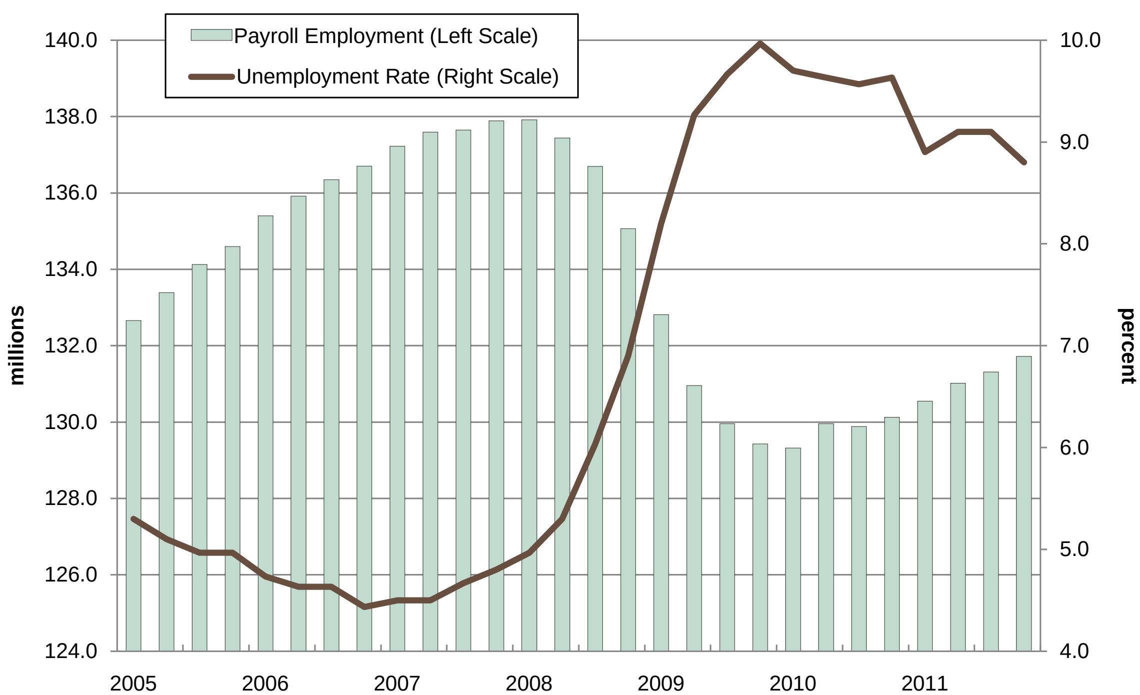
1.2. The U.S. Economy: Year in Review, continued

employment, on the other hand, was down for the month. Overall, 2011 payrolls rose 1.6 million, of which 240,000 jobs were added in retail trade and 315,000 jobs were added in health care sector.

The fall in the unemployment rate during 2011 was welcomed but driven in part by a lower labor force participation rate. This is not a good sign for the labor market as some of the discouraged unemployed ceased to search for work, consequently dropping out of the labor force. The ratio of the unemployed to business job openings, a proxy for how hard it is to find work, peaked at a level close to 7.0 in July 2009 and has since been trending downward. Of the 13.1 million Americans who were unemployed in December, there were about 4 unemployed individuals competing for every job opening. The locational and skills mismatch of the unemployed relative to the new job openings has caused the ratio to ease only slowly while some of those discouraged jobless simply exited the labor market. Nevertheless, the new job opening rates are the best since 2008. There were about 3.3 million new positions in October, up from 2.9 million for the same period in 2010.

The unemployment rate dropped to 8.9 percent in October, to 8.7 percent in November, and continued to trend down to 8.5 percent in December (Figure 1.4). A combination of both a fall in the labor force and persistent gains in employment helped to bring down the jobless rate and the number unemployed. For the year as a whole, nonfarm payrolls were up by 1.0 percent—a modest but positive improvement over 2010 (down 0.7 percent). Sectors that remained in negative territory are construction, information and financial activities, and government.

Figure 1.4. Payroll Gains are Slow, Modestly Trimming Unemployment



Note: Seasonally adjusted at annual rates.
Source: Bureau of Labor Statistics.

1.3. The U.S. Forecast

Looking to the 2012 outlook, with much better fourth quarter data, the odds of the national economy slipping into a recession has subsided. The biggest threats to the U.S. economy emanate from the Eurozone sovereign debt problem and the Middle East because of Iran's threats to shipping. Depending on the extent of a Eurozone debt problem, Europe may enter a mild or even deep recession, if it has not already slipped into contraction (see the adjacent discussion of the Eurozone Sovereign Debt Crisis). At home, while emergency unemployment insurance benefits and payroll tax cuts are widely expected to be extended until 2013, uncertainties regarding the fate of the nation's rising debt means that investment and spending and consequently economic growth will be more modest in 2012 than would otherwise be the case. Inflation-adjusted GDP in 2012 will grow at a modest 2.0 percent pace followed by stronger 2.4 percent growth in 2013.

Consumption and the Labor Market

Despite lower personal income growth during 2011, consumer spending accelerated late in the year. Higher spending in the last quarter of 2011 was supported, in part, by a falling savings rate. However, while the savings rate has increased since the onset of the recession, it remains low. As a result, it is unlikely that households will continue to rely on their pool of savings to support their spending needs. Expect personal income to rise at an annual rate of 3.4 percent in 2012, down from 4.7 percent in 2011. A combination of modest personal income growth and a retrenchment in the savings rate might slow down consumption spending somewhat during the first half of the year. Given the continued slack in the housing market and labor market, consumer spending on big ticket items will fall slightly to 6.3 percent, down from 8.3 percent in 2011. Spending on big ticket items, which tends to be much more procyclical than the other components of consumption spending, will falter some during the first two quarters of 2012, but pent-up demand will invigorate purchases later in the year.

Inflation-adjusted spending on purchases of nondurables will roughly stay the same as in 2011 (a 1.8 percent gain), while the services sector should recover modestly as consumers start using some of the services they neglected in the past several years. In addition, the expected extension of the payroll tax holiday and emergency unemployment insurance benefits for another year will provide households with additional cash to spend. Overall, inflation-adjusted consumer spending is forecast to be up at a 2.2 percent annualized rate, which is not a strong boost for a consumption-spending recovery since a major revival in the job market is not expected until 2013 and 2014.

The labor market is expected to add approximately 1.5 to 1.7 million jobs in 2012. This is not adequate to fully turn the economy around given there are 6.4 million fewer jobs than there were before the Great Recession. In 2012, sectors expected to experience relatively stronger payroll gains are professional and business services, health care services, and the leisure and hospitality industries, all with expected growth rates of above 2.0 percent. However, payroll growth is expected to remain in the red in construction, information, and government sectors. Given the expected improvement but still subpar performance of the labor market, the jobless rate will fall slowly to 8.8 percent in 2012, down from 9.0 percent in 2011.

Investment and Interest Rates

Lower interest rates are one of the factors that helps stimulate investment and consumer spending. In light of a modest recovery and inflation rates that are trending down, the Federal Reserve is expected to keep the federal funds rate near zero through 2013. The Fed might step in with another round of quantitative easing (QE3) of similar size as QE2 ($600 billion) if macroeconomic conditions worsen to warrant such action. A goal of quantitative easing is to put downward pressure on long-term interest rates and increase the incentive to purchase assets. Any additional quantitative easing would likely have only small effects and face serious political opposition.

The outlook for nonresidential investment in

continued on page 10

1.3. The U.S. Forecast, continued

Eurozone Sovereign Debt Crisis

A failure or refusal of the government of a sovereign country to pay back its debt in full is called a sovereign default. A sovereign debt crisis arises when government faces soaring interest rates to borrow, as there is a risk that a sovereign country may fail to meet its debt obligations. The roots of the sovereign debt crisis in the European Union are complex: easy credit conditions that encouraged high-risk lending and borrowing, globalization of finances, deregulation of banks, and real estate bubbles. The accessibility of easy credit led Greece, Spain, and Ireland to rely heavily on external debt to fund domestic debts. Greece has taken advantage of low interest rates and a strong euro to borrow heavily to fund its deficit and to lift consumer spending. Ireland and Spain have borrowed to invest in their booming real estate markets, which eventually turned into a bubble that burst. After the extent of Greece's debt was revealed in October 2009 ($400 billion), interest rates soared, not only for borrowing by Greece, but by Spain, Portugal, and Ireland as well.

To prevent spillover and contagion of the debt crisis into the rest of Europe, a series of austerity measures have been put together to help the troubled economies on the continent. In the spring of 2010, the EU/IMF rescue package totaling €110 was extended to Greece to prevent it from defaulting and to stop the contagion to other countries in Europe. Soon after, the European Financial Stability Fund (EFSF) was set up to extend financial assistance to Eurozone countries in financial difficulty. Greece has agreed to implement a series of austerity measures that include severe fiscal tightening. Ireland and Portugal have also received bail-out money to stop the crisis from becoming a contagion. However, the austerity measures failed to stop investor confidence from plummeting. Spending cuts and tax hikes tipped the countries into a recession, making it even harder to achieve the debt and deficit targets. In the fall of 2010, the debt crisis renewed and interest rates began soaring again. In 2011 it became clear that there was a need for a second bail-out package, and Eurozone leaders reached an agreement on a rescue package where private banks agreed to write-off 50.0 percent of debt owed by Greece. The EFSF has been increased from €750 billion to €1.0 trillion in order to restore investor confidence and preserve financial stability in Europe.

The sovereign debt crisis has wider implications beyond Europe. Banks will be less willing to lend money or simply refuse to make new loans to businesses and households thereby worsening the pressure on the economy. While countries outside the Eurozone may have benefited from the short-term inflow of capital, the potential breakup of the Eurozone (and possible exit of Greece) would send shockwaves through financial systems worldwide. Over the past few months, the possibility of Europe double-dipping into recession has greatly increased; it is conceivable that Europe is now in recession. The U.S. will probably avoid a recession unless there is calamity on the continent. Regardless, the credit squeeze in the Eurozone economy and the dollar moving higher than the euro in foreign exchange markets will lower U.S. exports to and increase imports from the Eurozone, slowing down the domestic recovery.

Remedies to the sovereign debt crisis so far have had only modest short-term results; many blame this outcome on political procrastination and the failure to implement programs of sufficient size. Part of the dilemma is the austerity measures designed to cut back government debt levels in the Eurozone may risk sending them into deeper recession. While it may be too late to save Europe from a recession, comprehensive action is needed to assuage markets and to prevent deeper economic turmoil. In late 2011, European leaders agreed to create the European Stability Mechanism to bail out struggling countries. The European Central Bank (ECB) has also stepped up its efforts by providing banks with additional money needed for their borrowing needs. Some have argued these measures may not be adequate to satisfy investors and the so-called *bond vigilantes*.

1.3. The U.S. Forecast, continued

2012 is mixed but reasonably strong with overall growth of 5.3 percent anticipated; this is slower than the 8.7 percent pace of 2011. Firms have made dramatic investments in equipment and software in recent years to meet their replacement needs, though additional structural capacity has not been warranted due to weak aggregate demand. Full expensing of asset purchases in 2011 did not have a strong impact on capital expenditures, which means the effect of the 50.0 percent bonus depreciation subsidy in 2012 will be marginal, at best. Nonetheless, investment in equipment and software should increase 6.7 percent in 2012. On the other hand, investment in structures will advance only 1.7 percent. Equipment and software investment will accelerate in 2013 while investment in structures slows to only 0.9 percent.

On the residential fixed investment side, the housing market is on a fledgling path of recovery. The growth rate of 7.7 percent from deeply depressed levels and negative growth of 1.7 percent in 2011 has been highly inadequate in removing the glut in the housing sector. In 2012 housing starts are expected to improve to 726,000 units, up from 610,000 units in 2011, mostly driven by multifamily housing starts. Existing home sales should continue to rebound in 2012 and 2013. Although existing homes are not counted in official GDP as they are not new production, an upturn in existing home sales is an indication of additional consumer demand given a more favorable lending environment, falling housing prices and improvements in the labor market.

Government Spending

Tight fiscal policy will continue to be a drag on overall economic growth in 2012. As a consequence of spending cuts at the federal, state and local levels, tight fiscal policy will knock about 0.5 percentage points off the 2012 GDP growth rate. The ongoing policy gridlock in addressing deficit and debt reduction will sustain market uncertainty and anxiety. Without further action in the 2012 election year, automatic spending cuts of $1.2 trillion will take effect in 2013, the Bush tax cuts will expire and the payroll tax holiday will go away. Together these policies could take as much as 2 percentage points off GDP growth. The current outlook calls for government spending to shrink by 2.4 percent in 2012.

On the federal spending side, inflation-adjusted expenditures are forecast to decline 2.5 percent in 2012. Much of the reduction is expected to come from defense spending reflecting overseas contingency operations winding down (down 2.9 percent). The budget cuts on purchases of nondefense goods and services are forecast at 1.8 percent in calendar 2012. With 2012 federal revenues forecast at 17.6 percent of GDP and spending at 24.1 percent of GDP, the 2012 federal deficit will moderate to $1.0 trillion, which is lower by $270 billion than it was 2011.

International Trade

Due to the Eurozone debt crisis and the subsequent economic slowdown in Europe and China, both inflation-adjusted exports and imports of goods and services will grow at slower paces than in 2011. Economic repercussions of weakening demand in Europe will likely push the U.S. dollar higher, which will cause the U.S. exports to become relatively more expensive. As a result, expect export growth to moderate at 4.0 percent in 2012, down from 6.9 percent in 2011. Import growth is expected to slow down slightly from 4.8 percent in 2011 to 3.2 percent in calendar 2012. Despite the slower pace of growth in international trade, export growth will continue to dominate import growth, and therefore the trade deficit will not be a drag on overall growth in the near term.

Prices and Inflation

Inflationary pressures will continue to ease in 2012 after picking up in early 2011 due to rising food and commodity prices. With world demand expected to remain weak, on a year-on-year basis, headline inflation will pull back to 1.5 percent and core inflation, which excludes volatile energy and food prices, will ease to 1.6 percent in 2012. Producer prices for finished goods should dip to an annualized 0.6 percent rate, down from 6.0 percent in 2011. All in all, weak consumer demand and lower inflationary expectations mean that inflation will not be a concern in 2012 and 2013. The Fed will closely watch core inflation to identify any risks of inflation for the economy.

1.4. Alternative Scenarios

Better third and fourth quarter data on manufacturing, consumer spending and sentiment, and private business investment have diminished the recessionary risks from domestic sources. The biggest immediate threat to the U.S. economy is posed by the Eurozone debt crisis and a possible further slowdown in the global economy. In the baseline scenario presented here, the economy will continue to grow at a modest pace in 2012. GDP growth will trail output growth in 2010 but exceed growth in 2011. Employment growth will be positive for the second year in a row.

In the pessimistic alternative, the odds of the U.S. economy slipping into a recession are 30.0 percent. Under this scenario, the Eurozone sovereign debt problem worsens, resulting in severe recession in its member countries. Greece, the weakest country in the Eurozone and the most affected by the crisis, exits the Eurozone. At home, the Eurozone crisis results in credit tightening as financial institutions retrench from their global exposure. The subsequent fall in private sector confidence and the credit crunch sends the U.S. economy into a mild recession.

In the optimistic scenario (10.0 percent probability), private sector confidence surges in the first quarter of 2012 and the Eurozone leaders and the European Central Bank step up their efforts to stabilize the financial markets. This optimistic case assumes a stronger housing market recovery, which together with growing global demand, invigorates the domestic economy.

1.5. Forecast Summary and Conclusions

Expect economic recovery to continue in 2012 and 2013 despite the risks from the Eurozone and the rest of the world.

- Inflation-adjusted GDP will increase at an annualized rate of 2.0 percent in 2012 improving to 2.4 percent growth in 2013.
- Job growth will be modest at 1.2 percent with the unemployment rate forecast at 8.8 percent in 2012. A major revival in the job market is not expected to occur in 2012.
- Inflation-adjusted consumer spending is expected to rise 2.2 percent on a year-on-year basis and retrench to 2.0 percent growth in 2013.
- Growth in private business investment will decelerate to a 5.3 percent annualized rate for the year.
- Residential fixed investment growth turns positive in 2012 for the first time since 2005 (7.7 percent), but the recovery will be modest.
- Fiscal policy will remain contractionary, with an extra fiscal drag worth of around 0.5 percent of GDP.
- Slower global growth and a Eurozone sovereign debt crisis will push the U.S. dollar higher, hurting U.S. exports.
- Inflationary pressures continue easing, with headline inflation falling to 1.5 percent in 2012.

CHAPTER 2: THE TENNESSEE ECONOMY: SHORT-TERM OUTLOOK

In this chapter—

2.1. Introduction

The optimistic outlook for last year that prevailed in the beginning of 2011 never materialized in the form of a strong economic rebound for the state or the nation. The earthquake and tsunami in Japan disrupted the automotive supply chain causing ripples across the globe. Political gridlock in Europe delayed the day of reckoning in dealing with the sovereign debt crisis, exacerbating the ongoing crisis of confidence and pushing the Eurozone to the brink of recession. The U.S. experienced its own political gridlock over the federal government's debt ceiling in the summer. Together these and other events conspired to produce a year of anemic growth for the national economy that in turn impacted the Tennessee economy. However, the economy appears to have closed out 2011 with a fairly strong head of steam. This momentum offers the hope of 2012 being a relatively strong year of growth.

Nonfarm employment in Tennessee saw a 1.0 percent gain in 2011 after jobs declined 0.3 percent in 2010; job growth in 2011 mirrored the pace of job growth for the nation. The state also saw the unemployment rate fall over the course of the year, though the improvement was modest. Personal income growth accelerated, benefiting from strong growth in proprietors' income. And the state's fiscal situation was shored up by a long string of gains in taxable sales and sales tax collections. So while 2011 was not a banner year, there were still noticeable gains especially as the year came to a close. The state economy has a long way to go to overcome the setbacks of the last recession, but it is finally on the right track.

The short-term outlook for Tennessee calls for economic growth to accelerate in 2012 and 2013, with further gains in employment (including manufacturing) and continued reductions in the unemployment rate. Unfortunately, employment

2.1. Introduction, continued

levels in 2013 will still be below pre-recessionary peaks, and the unemployment rate will remain elevated, offering a clear picture of the depths and severity of the recession that ended in the summer of 2009. The economy still confronts serious challenges, none direr than the residential housing market. The backlog of pressures and imbalances from the recession will affect the economy's performance for the foreseeable future. Nonetheless, relatively strong economic growth is on the immediate horizon.

2.2. The Current Economic Environment

Like the nation, the state economy has struggled to engineer strong and consistent growth in recent quarters. Many forces have worked against a stronger rebound in economic activity, including the housing market. Property values continue to fall and foreclosures are again on the rise after a bit of a respite in 2011. But Tennessee is doing slightly better than the nation as a whole. For example, total building permits in November of 2011 were 80.9 percent of the level that prevailed in December 2007 for Tennessee versus 65.6 percent for the nation. Further improvement in the housing market will be critical to broader economic stabilization and recovery.

Most sectors of the state economy were able to reverse the pattern of job losses established in 2008, 2009 and 2010 with employment gains in 2011. Natural resources, mining and construction employment was up 4.9 percent last year compared to a 4.2 percent setback in the previous year. Manufacturing rebounded with a 0.8 percent gain in 2011, the first time the industrial sector has been able to add jobs dating back to the 1990s. Wholesale trade, transportation and utilities, financial activities, leisure and hospitality services and other services also moved employment into the black. The net result was a 1.0 percent gain in employment for the state economy.

Table 2.1 places the job situation in Tennessee in the context of other states within the southeast. No matter how one slices the data, the recession has left lasting scars on labor markets across the state and region. As of November, 2011, not a single state within the southeastern region had seen employment levels rebound to where they stood at the onset of the recession in December, 2007. For the nation as a whole, employment is still down 4.6 percent from the beginning of the recession. Within the region, Louisiana had the best showing with a small employment gain, though this is a reflection of the impacts of population loss and subsequent recovery from hurricane disaster. West Virginia experienced the second-strongest recovery, with only a net loss of 0.7 percent of its jobs by last November. The largest setback has been in Florida where employment has slipped 8.4 percent. Tennessee's employment level was down 5.3 percent relative to the start of the recession.

Table 2.1. Total Nonfarm Employment Growth Struggles to Rebound

	Monthly Level (thous)		Percentage
Area	Dec-07	Nov-11	change
UNITED STATES	137,983.0	131,700.0	-4.55
Alabama	2,015.2	1,870.6	-7.18
Arkansas	1,206.8	1,177.7	-2.41
Florida	7,952.7	7,281.7	-8.44
Georgia	4,149.8	3,810.6	-8.17
Kentucky	1,868.9	1,802.1	-3.57
Louisiana	1,935.8	1,936.8	0.05
Mississippi	1,158.7	1,104.8	-4.65
North Carolina	4,171.8	3,876.8	-7.07
South Carolina	1,949.7	1,839.4	-5.66
Tennessee	2,805.2	2,656.1	-5.32
Virginia	3,764.6	3,652.0	-2.99
West Virginia	760.3	755.0	-0.70

Note: Seasonally adjusted
Source: Bureau of Labor Statistics.

2.2. The Current Economic Environment, continued

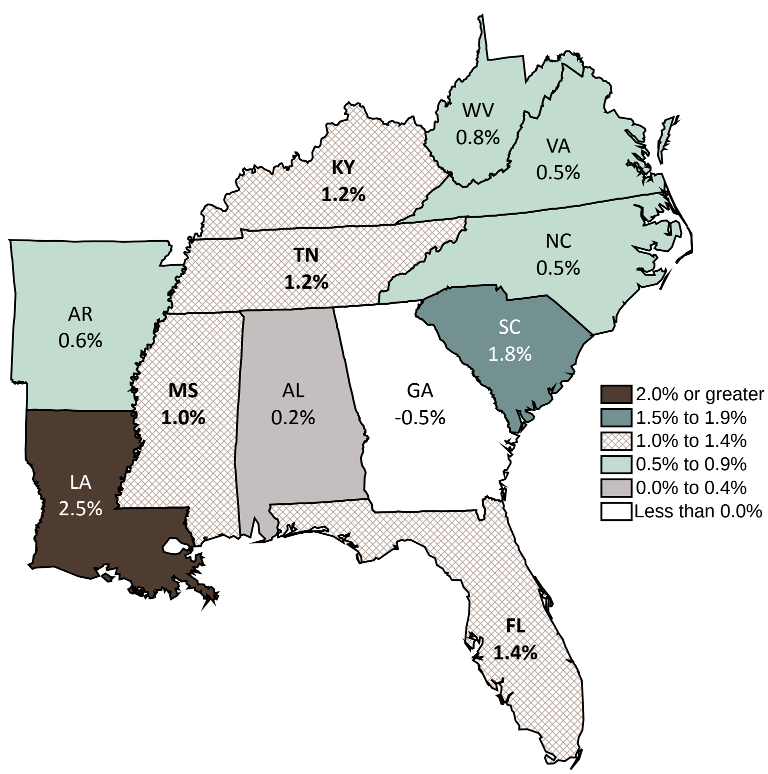
A more recent picture of the employment situation in the southeast is portrayed in Figure 2.1 for year-over-year November 2011 versus November 2010. This is illustrative of the recent turnaround in employment, but along with Table 2.1 shows how deep the job losses were over previous quarters since full recovery has not been realized. With the exception of Georgia which experienced a 0.5 percent setback, all states in the southeast enjoyed employment gains. Tennessee edged out the national average, but only by a margin of one-hundredth of a percentage point. Louisiana, South Carolina and Florida also exceeded the rate of employment growth for the nation.

Tennessee, the southeastern states and the nation as a whole have all endured deep employment losses in manufacturing over the course of the recession. For the nation, the losses exceeded 2.2 million between the fourth quarter of 2007 and the first quarter of 2010; small employment gains have since taken place. Well over 616,000 manufacturing jobs were shed over the same period within the Southeast. Tennessee lost nearly 78,000 manufacturing jobs between the fourth quarter of 2007 and the fourth quarter of the 2010 when recession-related losses bottomed out. Industrial employment for the nation, state and region as a whole has grown since finding the trough in 2010.

Unfortunately, the most recent employment data for Tennessee counties is June, 2011. Figure 2.2 presents year-over-year employment figures for counties for June of last year. Statewide

Figure 2.1. Total Nonfarm Employment Growth Shows Wide Variation Across the Southeast
(Year-over-year percentage change, November 2010 to November 2011)

U.S. Average Growth: 1.2%



Source: Bureau of Labor Statistics.

2.2. The Current Economic Environment, continued

employment was up 1.3 percent compared to 0.9 percent growth for the nation. Forty counties witnessed declining payrolls, while 55 counties experienced employment growth. Dyer and Hancock Counties had the largest setbacks, with employment plummeting 15.9 percent and 13.6 percent. Henderson County and Dickson County led the state with employment gains of 16.4 percent and 9.1 percent.

Tennessee's quarterly unemployment rate over the current business cycle peaked at 10.8 percent in the third quarter of 2009; the nation's unemployment rate peaked the next quarter at 10.0 percent. There has been some improvement since then, but unemployment rates remain unacceptably high. Labor market prospects were so bleak in 2009 that the state's civilian labor force actually declined. In the same year the number of employed people fell by 4.2 percent and the number of unemployed people skyrocketed 56.3 percent. Each of these measures enjoyed a turnaround in 2010. The labor force experienced strong growth of nearly 2.0 percent in 2011, and the number of employed people grew at a healthy 2.1 percent pace. Unfortunately, the ranks of the unemployed grew, but only 0.3 percent. The fourth quarter of 2011 is expected to produce an unemployment rate of 9.1 percent for Tennessee versus 8.8 percent for the nation.

Tennessee's plight is shared by the nation, and all states within the southeast which have seen their unemployment rates rise sharply and remain elevated above pre-recession rates (see Table 2.2). The national rate of unemployment was only 5.0 percent in December, 2007, but stood at 8.7 percent in November, an increase of 3.7 percentage points. The smallest percentage

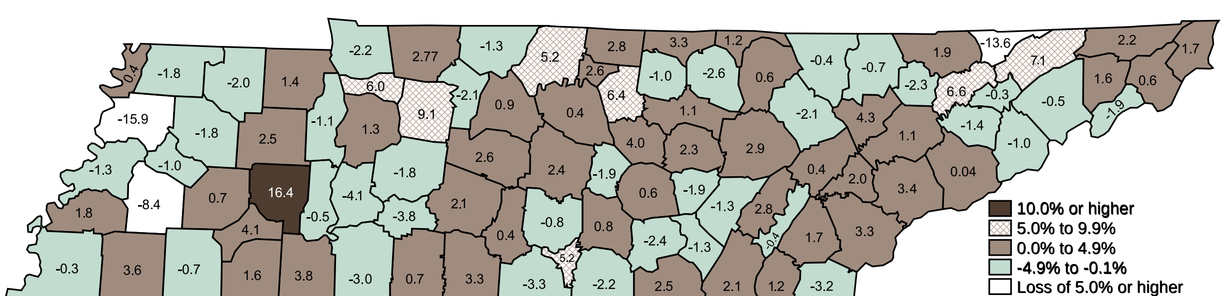
Table 2.2. Unemployment Rates Remain Elevated

Area	Monthly Rate (%) Dec-07	Monthly Rate (%) Nov-11	Numeric increase (pts)
UNITED STATES	5.0	8.7	3.7
Alabama	3.8	8.7	4.9
Arkansas	5.1	8.0	2.9
Florida	4.7	10.0	5.3
Georgia	5.2	9.9	4.7
Kentucky	5.6	9.4	3.8
Louisiana	3.7	6.9	3.2
Mississippi	6.1	10.5	4.4
North Carolina	5.0	10.0	5.0
South Carolina	5.5	9.9	4.4
Tennessee	5.4	9.1	3.7
Virginia	3.3	6.2	2.9
West Virginia	4.1	7.9	3.8

Note: seasonally adjusted
Source: Bureau of Labor Statistics.

Figure 2.2. Many Counties Have Seen Growth in Total Covered Employment
(Year-over-year percentage change, June 2010 to June 2011)

Tennessee: 1.3%
U.S.: 0.9%



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

2.2. The Current Economic Environment, continued

point increases in the unemployment rate have been in Arkansas and Virginia, up 2.9 points. The largest increase occurred in Florida (up 5.3 points) where the unemployment rate was 10.0 percent in November. Tennessee's unemployment rate rose from 5.4 percent to 9.1 percent. Long-term projections (see Chapter 3) indicate that Tennessee's unemployment rate, like the national unemployment rate, will remain elevated above 5.4 percent throughout the remainder of the decade.

Nominal personal income in Tennessee suffered a 2.5 percent setback in 2009 before recovering with 4.2 percent growth in 2010. Wage and salary income, proprietors' income and rent, interest and dividend income all experienced large losses in 2009. Personal income should advance 4.8 percent in 2011 buoyed by growth in proprietors' income and rent, interest and dividend income in excess of 5 percent. Wage and salary income is expected to be up 3.3 percent, and transfer payments are projected to rise 4.2 percent. The inflation-adjusted average wage will have contracted slightly over the course of 2011.

Quarterly taxable sales contracted in both 2008 and 2009. Some improvement was seen in 2010 when nominal sales moved upward at a 2.5 percent pace. Sales growth was generally strong in each quarter of 2011, with the fourth quarter showing exceptionally strong seasonally-adjusted growth of 11.0 percent and year-over-year growth of 7.3 percent. For calendar year 2011, sales are projected to be up 6.1 percent. Leading the growth in sales have been hotels and motels (14.2 percent), purchases from manufacturers (11.2 percent) and automobile dealers (9.0 percent).

Automotive Industry in Tennessee Begins Rebound in Earnest

The transportation equipment sector in Tennessee was severely battered by the Great Recession and the dramatic slump in light vehicle sales. But the sector is now growing again, benefiting from the resurgence in older investments made in the state, as well as visible new investments from Volkswagen, Nissan and General Motors (GM). For the second consecutive year, Tennessee took the top spot in the country in 2011 for Automotive Manufacturing Strength by Business Facilities, a national economic development publication. This top ranking confirms a new surge in the automotive industry in Tennessee. Back in 2009, GM put on standby its Spring Hill facility as part of its bankruptcy plan, rendering the future of the 3,000 employees at the plant uncertain. The plant was home to the Saturn brand for almost 20 years. The fading of the brand, combined with a litany of other problems forced the company to end many other brands, shut down a dozen facilities and put three, including the Spring Hill plant, on standby. Significant investments were made in the facility, but these investments were not initially made operational.

In 2011, GM announced a plan to reopen the Spring Hill facility and convert it to an ultra-flexible plant that would serve as an overflow source of production for vehicles that it is already building in other factories. The concept is meant to be a new approach to efficiency that will allow the carmaker to handle peak demand for highly-demanded vehicles without spending precious capital on new factories that would be underutilized for considerable periods of time. The company plans to invest $61 million in Spring Hill for the flexible operation which is scheduled to begin production of the currently hot-selling Chevrolet Equinox in the second half of 2012. GM expects to build about 40,000 vehicles a year in its flexible operation and an estimated 700 jobs will be created. In addition, GM announced a second investment of $183 million for future midsize vehicles to be built at Spring Hill for the 2015 model year. This second investment is estimated to create nearly 1,200 jobs.

The automotive industry in Tennessee received some good news from Nissan last year with the selection of Decherd as the site to produce electric motors for the Nissan Leaf EV. When the new assembly line is completed, the plant will have the

continued on page 18

2.2. The Current Economic Environment, continued

Automotive Industry in Tennessee Begins Rebound in Earnest, continued

capacity to produce about 200,000 battery modules and up to 150,000 electric motors annually for Nissan Leafs. The Leafs will also be built at the company's Smyrna plant. In January, Nissan announced that it had struck a deal with Mercedes Benz to produce as many as 250,000 engines at its Decherd plant with production beginning in 2014. More good news came from Volkswagen, the latest carmaker to move to the Tennessee, with expectations for production of as many as 150,000 vehicles per year at its newly-built plant in Chattanooga. The opening of the 2-million-square-foot facility in May 2011 marked the return of the German carmaker 23 years after it closed its last U.S. production plant in Pennsylvania. At full employment, the Chattanooga facility will employ directly about 2,000 people.

In addition to the jobs directly created by the state's premier manufacturers and assemblers, the revival of the automotive industry in Tennessee also benefits the state in terms opportunities for automotive suppliers that manufacture the myriad components that go into each vehicle. The automotive industry is believed to have one of the highest economic multiplier effects in the manufacturing sector, i.e. the number of jobs created outside the plant relative to those created inside the plant. For instance, Volkswagen's Chattanooga facility is estimated to generate 11,000 indirect positions at local suppliers and other businesses that depend directly and indirectly on the plant. The state now has four assembly plants and nearly 1,000 major automotive suppliers. As the U.S. economy continues to recover from the recession, the recent surge in the automotive industry in Tennessee provides some welcomed relief.

2.3. Fiscal Update

Growth is finally occurring in state government tax revenues and general fund expenditures in Tennessee and other states, but very little activity has been restored to pre-recession levels. The declines seen in state general fund revenues across the states during fiscal years 2009 and 2010 were harsh enough to keep the gains in fiscal years 2011and (projected) 2012 below the 2008 level by $21 billion.[1]

A National Perspective

Aggregate state tax revenues for the American states have continued a positive trend over the past two years. The second quarter 2011 versus 2010 revealed positive growth in all four major revenue categories: personal income, corporate income, sales, and total tax revenues. While total state tax collections were up 10.8 percent versus the second quarter of 2010, comparing fiscal year 2010/11 relative to 2007/08 shows that tax collections were still down across the board; personal income tax collections were down 7.2 percent, sales taxes were down 2.8 percent, and total tax revenues were down 2.8 percent.[2] States that reported third quarter (July-September 2011) revenues early showed continued, yet slower growth than in the previous quarters. Total tax revenues were up 7.3 percent for third quarter 2011 versus third quarter 2010, and sales saw 3.9 percent growth. The sales tax is the only of the four main taxes to have higher percentage growth than the second quarter numbers. Personal income tax collections grew 9.2 percent, and corporate income taxes grew 5.2 percent. While the national average of total tax collections have grown for seven consecutive

[1] The National Association of State Budget Officers. (November 28, 2011). "Summary: Fall 2011 Fiscal Survey of States." Retrieved from http://www.nasbo.org/LinkClick.aspx?fileticket=6ClGbU33u%2fw%3d&tabid=38.

[2] Dadayan, Lucy and Robert B. Ward. (October 2011). "PIT, Overall Tax Revenues Show Strong Growth in Second Quarter." *The Nelson A. Rockefeller Institute of Government*. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2011-10-26-SRR_85.pdf.

2.3. Fiscal Update, continued

months and have finally reached pre-recession levels, the majority of states have not quite attained the growth needed to reach those levels.[3]

Local tax revenues are seeing a dimmer light at the end of the tunnel than state revenues. Local revenues were strong through the recession, buoyed by the temporary stability of the property tax. But local governments across the country are now feeling the effects of the downturn in the economy due largely to the decline in property tax revenue from falling property values. Property taxes are the main contender in local tax collections, making up about two-thirds of total local collections over the past twenty years, and tend to have a lagged response time to declines in the economy compared to income, sales, and corporate tax revenues. Due to stagnant or falling housing prices, as well as weaknesses in other property categories, local collections across the states were down 1.0 percent in the second quarter of 2011, the third consecutive quarter of decline.[4]

According to the S&P/Case-Shiller index, residential property values are down and have further to fall. The Great Depression is the only other time period to have seen falls such as this. Since the peak in 2006, property values have fallen 31 percent.[5] Over the past year, property values in 20 cities fell 3.8 percent (year ending August 2010 to 2011) and fell 3.6 percent in September 2011 over September 2010. [6] Most recently, the National Association of Realtors reported October home sales were up 1.4 percent from September, but the median sales price over October 2010 was down 4.7 percent. Unfortunately, this is not the end of the downward trend. A survey done by the Dow Jones Newswires reported economists expecting home sales to fall another 2.2 percent.[7] Goldman Sachs analysts expect the Case-Shiller home price index to fall another 2.5 percent before we hit rock bottom, 3.5 percent just in the second half of 2012 for 20 metropolitan areas.[8]

National totals of state and local property tax revenue reflect the housing price declines and weaknesses in other property categories. The Census Bureau shows property tax revenues falling 0.9 percent in the first quarter of 2011 and 1.6 percent in the second quarter, and growing 1.0 in the third quarter (all year-over-year rates).[9] The silver lining is that state and local property tax collections seem to be moving a positive direction.

Tennessee and the Southeastern States

State property tax revenues in the southeastern region (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia) fell 4.3 percent from 2009 to 2010. North Carolina and Tennessee are the only two states in the southeast without a state-level property tax, though like the other states in the region, they do enable local property taxes. The data show the southeastern states growing 10.4 percent in local property tax collections from 2008 to 2009, another illustration of the housing market lagging behind current economic trends.[10]

Recently the housing price index for the east south central region (Kentucky, Tennessee, Mississippi, and Alabama) fell 2.8 percent in the third quarter of 2011 over 2010 and fell by more than 4.0 percent in the three previous quarters. The south Atlantic states (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North

[3] Dadayan, Lucy and Robert B. Ward. (December 8, 2011). "States Post Another Strong Quarter in Tax Collections." T*he Nelson A. Rockefeller Institute of Government*. Retrieved from http://www.rockinst.org/newsroom/data_alerts/2011/12-08.aspx.

[4] Dadayan, Lucy and Robert B. Ward. (October 2011). "PIT, Overall Tax Revenues Show Strong Growth in Second Quarter." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2011-10-26-SRR_85.pdf.

[5] Shenn, Jody and Tom Keene. (November 14, 2011). "Home Prices in U.S. May Drop 8%, Pimco's Simon Says: Tom Keene." Retrieved from http://www.bloomberg.com/news/print/2011-11-14/home-prices-in-u-s-may-drop-8-pimco-s-simon.html.

[6] Kowalski, Alex. (November 29, 2011). "Home Prices in 20 U.S. Cities Fall more Than Forecast, Case-Shiller Says." Retrieved from http://www.bloomberg.com/news/print/2011-11-29/home-prices-in-20-u-s-cities-fell-more-than-forecast-in-year-to-september.html.

[7] Wotapka, Dawn. (November 21, 2011). "Behind the Numbers: Thankful for Existing-Home Sales." Wall Street Journal. Retrieved from http://blogs.wsj.com/developments/2011/11/21/behind-the-numbers-thankful-for-existing-home-sales/tab/print/.

[8] Zibel, Alan. (December 5, 2011). "Goldman: Housing Market Bottom Is Really, Finally (Almost) Here." *Wall Street Journal*. http://blogs.wsj.com/developments/2011/12/05/goldman-housing-market-bottom-is-really-finally-almost-here/tab/print/.

[9] Data retrieved from "National Totals of State and Local Tax Revenue, by Type of Tax" table on U.S. Census Bureau. http://www2.census.gov/govs/qtax/2011/q2t1.pdf.

[10] Data retrieved from "State Government Tax Collections" table on U.S. Census Bureau. http://www.census.gov/govs/statetax/.

2.3. Fiscal Update, continued

Carolina, South Carolina, Georgia, and Florida) experienced steeper drops – down 4.3 percent in the third quarter of 2011 and down by more than 7.0 percent in the two preceding quarters (see Figure 2.3).[11]

While property taxes across the country are seeing declines, fiscal year 2010/11 data show the southeastern region with total tax revenue growth of 5.0 percent over 2010. While this appears healthy and is a welcomed turnaround, the southeast is the slowest growing of the regions. Sales tax collections were up 4.4 percent, just 0.2 below the national average. Personal income tax collections enjoyed 8.9 percent growth. The third quarter of 2011 versus the same quarter in 2010 shows total tax revenues for the southeast growing at 6.5 percent. Sales taxes grew 3.1 percent over third quarter of 2010 and personal income taxes grew 7.8 percent.[12]

Tennessee, however, faired a bit better. Sales tax collections were up 6.0 in the third quarter 2011 over 2010, growing faster than the southeastern average and the nation as a whole. Total revenues grew 4.0 percent – moving the opposite direction from the nation and the southeast in comparison with the second quarter growth rates.[13]

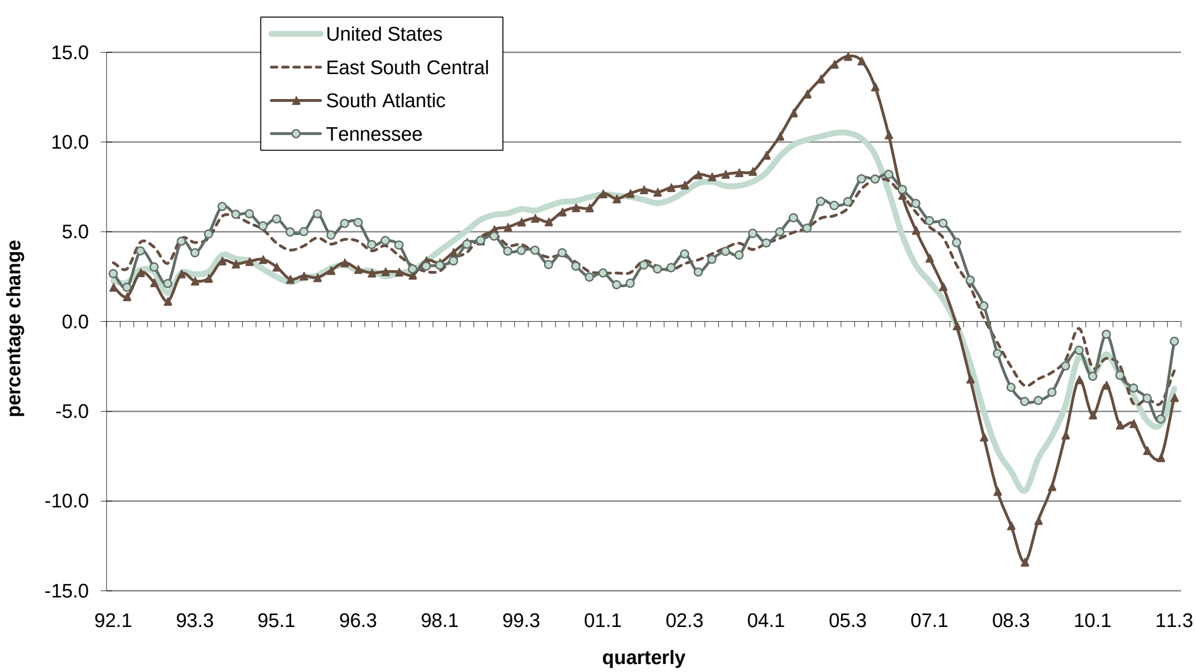
[11] Data retrieved from "Regional HPI Data" tables on Federal Housing Finance Agency. http://fhfa.gov/Default.aspx?Page=214.

[12] Dadayan, Lucy and Robert B. Ward. (December 8, 2011). "States Post Another Strong Quarter in Tax Collections." *The Nelson A. Rockefeller Institute of Government*. Retrieved from http://www.rockinst.org/newsroom/data_alerts/2011/12-08.aspx

[13] Dadayan, Lucy and Robert B. Ward. (December 8, 2011). "States Post Another Strong Quarter in Tax Collections." *The Nelson A. Rockefeller Institute of Government*. Retrieved from http://www.rockinst.org/newsroom/data_alerts/2011/12-08.aspx

Figure 2.3. House Price Indexes Still on the Decline

(four-quarter percentage change in seasonally adjusted house price indexes)



Source: Federal Housing Finance Agency.

2.3. Fiscal Update, continued

Tennessee's collections came in very strong at the end of the calendar year. December 2011 collections totaled $965.7 million, growing 16.5 percent over December 2010. December brought good news in the form of high revenue levels as shown in Figure 2.4. Tennessee's total monthly collections finally reached pre-recession levels for the month of December. Sales and use tax revenues were positive for the second consecutive December but were still slightly below pre-recession levels. Franchise and excise tax collections are volatile and brought in an uncharacteristically large $105.8 million, 69.9 percent above December 2010, due to the timing of quarterly payments and audits. Fiscal year-to-date 2011/12 compared to 2010/11 is demonstrating an upward trend with the majority of revenue categories coming in over expectations and with positive growth rates. In particular, sales collections for the year so far are $163.8 million above last year-to-date.[14]

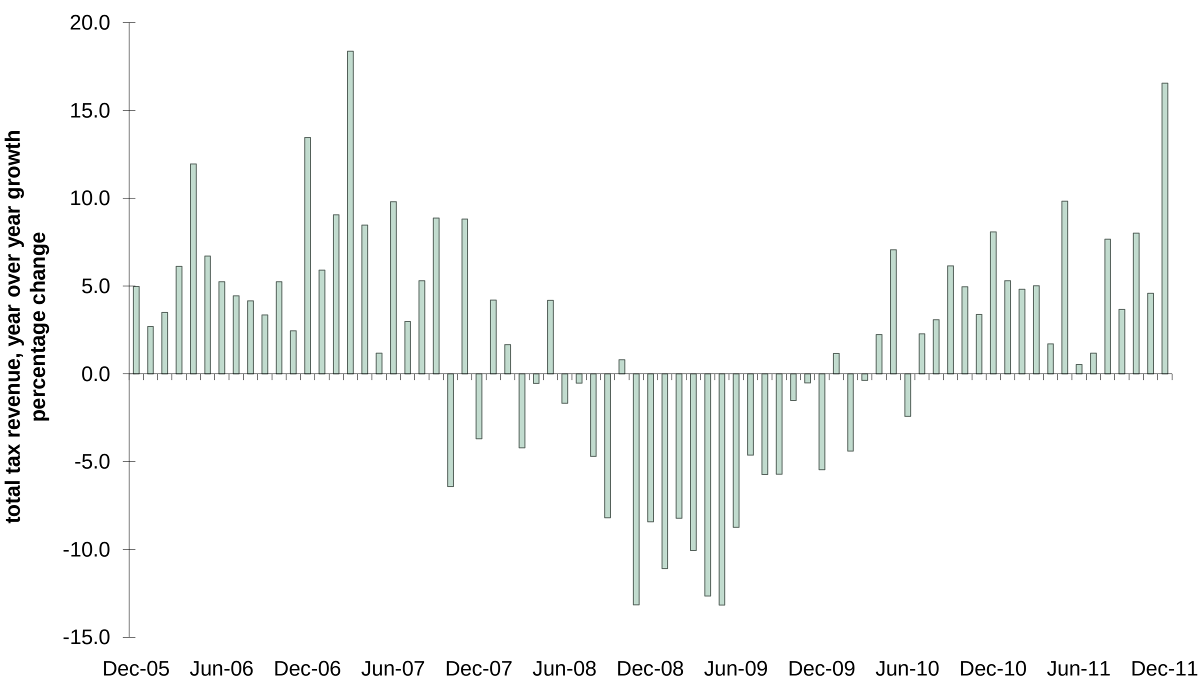
Unfortunately the emerging recovery in state revenues does not apply to home values or local property tax collections in Tennessee. The house price index for Tennessee in the third quarter of 2011 was down 1.1 percent over 2010 and hit a record bottom in the second quarter of 2011 with a 5.4 percent decline.[15] Several counties in Tennessee have experienced real property value declines over the past year, including Humphreys, DeKalb, Jackson, Meigs, Sevier, and Wilson.[16]

[14] Data retrieved from the Tennessee Department of Revenue.

[15] Data retrieved from "State HPI Data" tables on Federal Housing Finance Agency. http://fhfa.gov/Default.aspx?Page=215.

[16] Associated Press. (August 10, 2011). "Real property values drop in Sevier, 5 more counties." *Volunteer TV*. Retrieved from: http://www.volunteertv.com/news/headlines/Real_property_values_drop_in_Sevier_5_more_counties_127454978.html.

Figure 2.4. December Tax Collections Reach Pre-Recession Levels but Recovery is Not Over



Source: Tennessee Department of Revenue.

2.3. Fiscal Update, continued

Amazon Deal Sustains Job Creation and Offers Promise of Future Tax Collections

In October 2011, Amazon reached a deal with Tennessee to collect sales tax on goods it ships to its customers in the state starting January 1, 2014. Amazon announced that it will build two new fulfillment centers in Rutherford and Wilson Counties. These two facilities come in addition to the three recently-completed Amazon distribution centers in Chattanooga, Bradley and Wilson counties. The Amazon sales tax issue is a specific case of the much broader problem of sales tax collection by *remote vendors*. The U.S. Supreme Court reaffirmed in 1992, in the *Quill v. North Dakota* case, that retailers are exempt from collecting sales tax in states where they have no nexus as measured by physical presence. Physical presence includes retail stores, offices, warehouses and employment. The ruling by the Supreme Court was specific to catalog mail-order firms, but it has been generalized to ecommerce. In Amazon's case, the facilities located in Tennessee are owned by affiliates.

During the last two decades, ecommerce has become more popular, and the volume of remote sales has dramatically increased. Ecommerce sales have grown from $926.0 billion in 1999 to $2.7 trillion in 2009.[1] Ecommerce as a share of total sales in the U.S. has increased from 9.8 percent to 23.2 percent over the same period. More importantly, this trend is expected to continue as new technologies emerge. Plus, younger generations are more technology-oriented than older generations. As a result, states will lose increasing amounts of sales tax revenue due to non-collection of sales tax on ecommerce transactions. A recent study projected the revenue loss by all states and local governments to reach $11.4 billion by 2012. For Tennessee, the estimated state and local sales tax revenue loss is estimated to increase from $250 million in 2009 to $410 billion in 2012.[2]

In light of the physical-presence nexus standard, there is a real incentive for retailers to relocate and/or find loopholes in the interpretation of nexus in order to be exempted from the obligation to collect sales tax from consumers. As a response, many states have recently passed new laws with a broader interpretation of the term "physical presence." Marketing affiliates are now considered as sufficient to establish nexus in many states; Amazon cut ties with its marketing affiliates in many states that passed similar "Amazon" laws, including North Carolina, Alabama, Illinois and Colorado. The main argument by those who oppose ecommerce tax collection is that, given the heterogeneity and the complexity of state and local tax rules, requiring remote sellers to collect sales tax for all taxing jurisdictions would place an onerous and thus unconstitutional burden on them and jeopardize interstate trade. However, recent computer software developments have solved many of the practical issues associated with keeping up with tax rules that vary across states and localities, including different tax rates and definitions of the tax base. Furthermore, many online retailers without a direct physical presence have already started collecting sales taxes for states and local government nationwide. Amazon itself is now offering a new service called "tax collection service." Amazon calculates and collects the sales tax on each order for the subscribing sellers on its marketplace and charges a fee for the service. The recent developments in the Amazon battle against the states tend to suggest that it will ultimately collect sales taxes for all states. Amazon has cut a deal with California to start collecting sales tax for them in September 2012. A four-year exemption deal is being negotiated with Texas and involves a new distribution center in the state.

The uncertainties and ambiguities regarding nexus for remote sellers would become irrelevant if Congress passed a federal law mandating sales tax collection based on economic presence or market penetration. But in the near term the agreement with Amazon will provide for tax collection in the future along with securing many new jobs for the state. The new distribution facilities are estimated to add 2,000 new positions to the existing 1,500 Amazon jobs in Tennessee. These figures do not include seasonal and part-time jobs. The state certainly loses revenues in the short term, but in the long term it wins in terms of job creation and tax collections.

[1] U.S. Census Bureau e-Stats reports (March 2002 and May 2011).

[2] See Donald Bruce, William Fox and LeAnn Luna, "State and Local Government Revenue Losses from Electronic Commerce," Center for Business and Economic Research, The University of Tennessee, April 13, 2009.

2.4. Short-Term Outlook

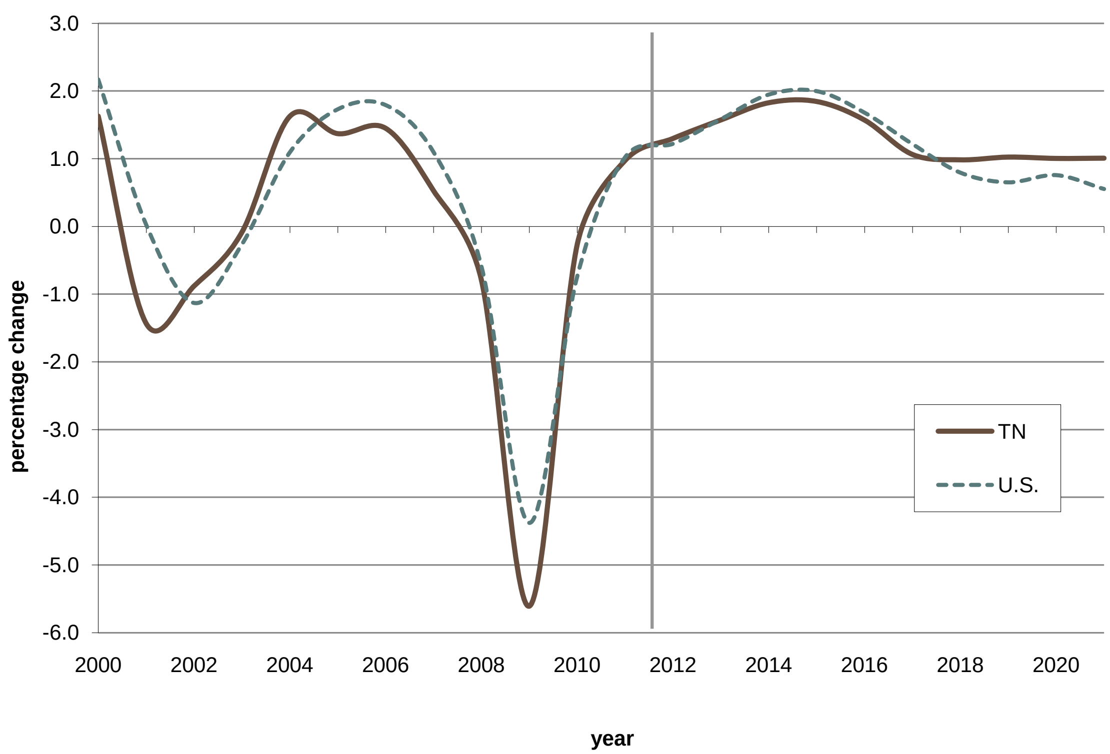
As is always the case, the path of progress for the state economy will hinge largely on the performance of the national economy in the quarters ahead. Expectations of respectable growth for the U.S. economy should help pull the Tennessee economy further out of the deep ruts of the Great Recession. There are ongoing risk factors that could slow or derail the fledgling expansion, most notably the slowdown in economic growth in the Eurozone and the threat of rising gasoline prices. At this point it appears that a serious global contagion will not emerge to push the national and state economies off course. Instead expect 2012 and 2013 to be the strongest years of growth in several years by many measures of economic activity including employment.

The near-term outlook for the Tennessee economy extending to the first quarter of 2014 is summarized in Table 2.3. The state economy is expected to see growth that is quite similar to the outlook for the nation. Nonfarm employment in Tennessee is expected to be up 1.3 percent in 2012 and 1.6 percent in 2013. Nominal personal income should grow 4.7 percent this year, improving to 4.9 percent growth in the following year. After averaging 9.6 percent in 2011, expect the unemployment rate to dip to 8.4 percent in 2013.

The nonfarm employment outlook for the state and nation is presented in Figure 2.5. The trends are roughly similar, with only slight differences on a quarterly basis. Tennessee's nonfarm employment growth will edge out the national rate of growth by a small margin in 2012 and match the nation's 1.6 percent rate of growth in 2013. The state's projected level of employment in 2013—2,714,200 jobs—falls short of the level of

continued on page 25

Figure 2.5. Employment Expected to Show Healthy Gains



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

2.4. Short-Term Outlook, continued

Table 2.3. Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

	History		Forecast Data										Annual		
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2011	2012	2013
US GDP (Bil2005$) SAAR……	13271.8	13331.6	13442.1	13510.1	13548.8	13595.6	13663.9	13744.4	13846.9	13951.9	14069.4	14186.4	13318.4	13579.6	13903.2
% Chg Prev Qtr SAAR……	1.33	1.81	3.36	2.04	1.15	1.39	2.02	2.38	3.02	3.07	3.41	3.37	1.76	1.96	2.38
% Chg Same Qtr Last Yr……	1.63	1.46	1.71	2.13	2.09	1.98	1.65	1.73	2.20	2.62	2.97	3.22	1.76	1.96	2.38
US GDP (Bil$) SAAR……	15012.8	15176.1	15317.6	15453.6	15516.2	15618.5	15731.9	15875.6	16044.6	16221.6	16418.5	16625.3	15093.6	15580.0	16140.1
% Chg Prev Qtr SAAR……	3.96	4.42	3.78	3.60	1.63	2.66	2.94	3.70	4.33	4.49	4.94	5.14	3.90	3.22	3.59
% Chg Same Qtr Last Yr……	3.77	3.91	3.81	3.94	3.35	2.92	2.70	2.73	3.41	3.86	4.36	4.72	3.90	3.22	3.59
TN PERSONAL INCOME (MIL2005$) SAAR.	204786	203754	206043	208707	210696	212314	214000	215467	217486	219464	221524	223237	204583	211429	218485
% Chg Prev Qtr SAAR……	2.05	-2.00	4.57	5.27	3.87	3.11	3.22	2.77	3.80	3.69	3.81	3.13	2.30	3.35	3.34
% Chg Same Qtr Last Yr……	2.46	1.30	1.92	2.43	2.89	4.20	3.86	3.24	3.22	3.37	3.52	3.61	2.30	3.35	3.34
US PERSONAL INCOME (BIL2005$) SAAR.	11398	11353	11406	11516	11610	11667	11742	11780	11851	11919	11988	12105	11388	11634	11884
% Chg Prev Qtr SAAR……	0.11	-1.55	1.88	3.90	3.32	1.97	2.59	1.30	2.43	2.32	2.35	3.95	2.26	2.16	2.15
% Chg Same Qtr Last Yr……	2.52	1.32	1.27	1.07	1.87	2.76	2.94	2.29	2.07	2.16	2.10	2.76	2.26	2.16	2.15
TN PERSONAL INCOME (MIL$) SAAR……	232772	232925	235908	239565	242265	245042	247736	250451	253877	257323	260885	264169	232832	243652	255634
% Chg Prev Qtr SAAR……	5.42	0.26	5.22	6.35	4.59	4.66	4.47	4.46	5.59	5.54	5.65	5.13	4.78	4.65	4.92
% Chg Same Qtr Last Yr……	5.05	4.20	4.50	4.28	4.08	5.20	5.01	4.54	4.79	5.01	5.31	5.48	4.78	4.65	4.92
US PERSONAL INCOME (BIL$) SAAR……	12955	12980	13057	13213	13339	13462	13589	13687	13831	13975	14121	14324	12960	13401	13903
% Chg Prev Qtr SAAR……	3.42	0.75	2.42	4.87	3.85	3.73	3.85	2.91	4.26	4.23	4.25	5.87	4.74	3.40	3.75
% Chg Same Qtr Last Yr……	5.11	4.23	3.81	2.85	2.96	3.71	4.07	3.59	3.69	3.81	3.91	4.65	4.74	3.40	3.75
TN NONFARM JOBS (THOUS)……	2629.6	2634.3	2658.1	2662.8	2668.9	2674.8	2682.4	2694.7	2707.3	2720.4	2734.5	2745.9	2638.0	2672.2	2714.2
% Chg Prev Qtr SAAR……	-0.06	0.72	3.68	0.70	0.92	0.89	1.13	1.85	1.89	1.94	2.10	1.68	0.97	1.30	1.57
% Chg Same Qtr Last Yr……	0.51	0.68	1.41	1.25	1.50	1.54	0.91	1.20	1.44	1.70	1.94	1.90	0.97	1.30	1.57
US NONFARM JOBS (MIL)……	131.0	131.3	131.7	132.1	132.5	132.9	133.5	134.0	134.5	135.2	135.8	136.4	131.1	132.8	134.9
% Chg Prev Qtr SAAR……	1.44	0.91	1.24	1.27	1.12	1.25	1.63	1.55	1.72	1.84	1.84	1.94	1.02	1.22	1.59
% Chg Same Qtr Last Yr……	0.82	1.10	1.22	1.21	1.13	1.22	1.32	1.39	1.54	1.68	1.74	1.83	1.02	1.22	1.59
TN MFG JOBS (THOUS)……	300.9	300.7	302.0	303.0	304.0	305.1	305.8	306.7	307.6	308.4	309.4	310.0	300.1	304.5	308.0
% Chg Prev Qtr SAAR……	5.83	-0.21	1.78	1.25	1.34	1.45	0.96	1.17	1.18	1.05	1.25	0.81	0.75	1.47	1.17
% Chg Same Qtr Last Yr……	0.40	0.70	2.14	2.14	1.04	1.46	1.25	1.23	1.19	1.09	1.16	1.07	0.75	1.47	1.17
US MFG JOBS (MIL)……	11.7	11.8	11.8	11.8	11.9	11.9	12.0	12.0	12.0	12.1	12.1	12.2	11.7	11.9	12.1
% Chg Prev Qtr SAAR……	2.18	1.53	0.21	1.13	2.67	0.79	1.91	0.85	2.21	1.43	1.68	1.86	1.68	1.36	1.53
% Chg Same Qtr Last Yr……	1.57	1.72	1.82	1.26	1.38	1.19	1.62	1.55	1.44	1.60	1.54	1.79	1.68	1.36	1.53
TN UNEMPLOYMENT RATE (%)……	9.7	9.8	9.1	9.2	9.0	8.7	8.7	8.5	8.4	8.4	8.3	8.0	9.5	8.9	8.4
US UNEMPLOYMENT RATE (%)……	9.1	9.1	8.8	8.7	8.8	8.8	8.8	8.7	8.7	8.5	8.4	8.2	9.0	8.8	8.6
CHAINED PRICE INDEX, GDP															
(2005=100.0)……	113.1	113.8	114.0	114.4	114.5	114.9	115.1	115.5	115.9	116.3	116.7	117.2	113.3	114.7	116.1
% Chg Prev Qtr SAAR……	2.52	2.57	0.50	1.53	0.47	1.26	0.89	1.30	1.27	1.38	1.48	1.71	2.08	1.25	1.18
% Chg Same Qtr Last Yr……	2.10	2.38	2.02	1.78	1.26	0.94	1.04	0.98	1.18	1.21	1.36	1.46	2.08	1.25	1.18
US PERS CONSUMP DEFL (2005=100.0)…	113.7	114.3	114.5	114.7	114.9	115.4	115.7	116.2	116.7	117.2	117.8	118.3	113.8	115.2	117.0
% Chg Prev Qtr SAAR……	3.30	2.34	0.53	0.93	0.51	1.73	1.23	1.59	1.79	1.87	1.85	1.84	2.42	1.21	1.56
% Chg Same Qtr Last Yr……	2.53	2.87	2.51	1.77	1.07	0.92	1.10	1.26	1.59	1.62	1.78	1.84	2.42	1.21	1.56
CONSUMER PRICE INDEX,															
ALL-URBAN (82-84=1.000)……	2.245	2.262	2.268	2.273	2.275	2.288	2.296	2.307	2.319	2.331	2.343	2.353	2.249	2.283	2.325
% Chg Prev Qtr SAAR……	4.09	3.07	0.97	0.92	0.38	2.27	1.45	1.87	2.09	2.11	2.03	1.88	3.15	1.49	1.83
% Chg Same Qtr Last Yr……	3.33	3.75	3.33	2.26	1.33	1.13	1.25	1.49	1.92	1.88	2.02	2.03	3.15	1.49	1.83
BANK PRIME INTEREST RATE (%)……	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.5	3.3	3.3	3.3
FEDERAL FUNDS RATE (% per annum)……	0.093	0.083	0.074	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.124	0.473	0.102	0.100	0.106
30-YEAR FIXED MORTGAGE RATE (%)……	4.7	4.3	4.0	3.9	4.0	4.2	4.2	4.3	4.4	4.5	4.7	4.9	4.5	4.1	4.5
TN TAXABLE SALES (MIL2005$)……	20766	20817	21333	21533	21746	21898	22051	22184	22377	22551	22736	22961	83429	87227	89848
% Chg Prev Qtr SAAR……	5.01	0.97	10.29	3.81	4.01	2.81	2.83	2.43	3.54	3.14	3.32	4.02	3.55	4.55	3.00
% Chg Same Qtr Last Yr……	2.69	3.50	4.64	4.97	4.72	5.19	3.36	3.02	2.90	2.99	3.11	3.51	3.55	4.55	3.00
TN TAXABLE SALES (MIL$)……	23604	23797	24425	24717	25004	25273	25527	25785	26122	26441	26776	27172	94955	100521	105125
% Chg Prev Qtr SAAR……	8.48	3.31	10.98	4.87	4.73	4.37	4.08	4.11	5.32	4.99	5.16	6.04	6.07	5.86	4.58
% Chg Same Qtr Last Yr……	5.29	6.46	7.29	6.87	5.93	6.20	4.51	4.32	4.47	4.62	4.89	5.38	6.07	5.86	4.58
TN AVG ANNUAL WAGE, NONFARM															
(2005$)……	38210	38053	38221	38419	38598	38704	38837	38962	39077	39194	39311	39425	38127	38639	39136
% Chg Prev Qtr SAAR……	1.98	-1.63	1.77	2.09	1.88	1.10	1.38	1.29	1.19	1.20	1.20	1.16	-0.03	1.34	1.28
% Chg Same Qtr Last Yr……	0.13	-0.52	-0.05	1.04	1.02	1.71	1.61	1.41	1.24	1.27	1.22	1.19	-0.03	1.34	1.28
TN AVG ANNUAL WAGE, NONFARM ($)……	43432	43501	43760	44099	44382	44670	44959	45288	45616	45955	46296	46654	43391	44528	45789
% Chg Prev Qtr SAAR……	5.35	0.64	2.40	3.13	2.59	2.63	2.61	2.96	2.93	3.01	3.00	3.12	2.39	2.62	2.83
% Chg Same Qtr Last Yr……	2.66	2.33	2.48	2.87	2.19	2.69	2.74	2.70	2.78	2.88	2.97	3.02	2.39	2.62	2.83

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

2.4. Short-Term Outlook, continued

employment that prevailed in 2005, well before the onset of the recession.

Most broad sectors of the state economy will enjoy job growth over the short-term outlook horizon. Exceptions include nondurable goods manufacturing and the federal government sectors in 2012 and 2013 and the information sector in 2012. The natural resources, mining and construction sector will see especially strong growth as it continues its rebound that produced a 4.9 percent gain in jobs in 2011. Professional and business services are also expected to see strong growth this year and next year.

Manufacturing will experience additional job gains in 2012 and 2013, with employment advancing at 1.5 and 1.2 percent rates. Strong growth in durable goods manufacturing will swamp continued job losses in the nondurable goods sector. The transportation equipment sector will see the strongest rates of growth, buoyed by new investments in Tennessee and resurgence in automobile sales. Strong-than-projected growth in light vehicle sales for the nation would translate into still stronger rates of job growth in Tennessee. Nationwide light vehicle sales stood at 16.95 million units in 2005 and bottomed out at 10.4 million units in 2009; sales are projected to increase to 13.32 million units in 2012 and 14.73 million units in 2013.

Fabricated metals and machinery are also expected to grow at very healthy rates in the durable goods sector. On the other hand, textiles-related employment, printing, chemicals and miscellaneous nondurable goods will each

continued on page 27

Rising Income Disparities in the U.S.

Various movements arose in the U.S. and around the world in 2011 to protest against the increasing concentration of income and wealth. The most notable domestic movements began in September 2011 with "Occupy Wall Street," where people from different demographic segments, including students, job seekers and workers, gathered at Zuccotti Park in New York City's Wall Street financial district. The occupy movements continue to draw considerable attention to the issue of income inequalities in the U.S. Their famous slogan, "We are the 99," aims to focus on the fact that a large and growing portion of national wealth is owned by a handful of people representing only 1 percent of the population.

A recent study released by the Congressional Budget Office (CBO) in October 2011 confirms that the income disparity in the U.S. has indeed risen in the past three decades. Longer-term evidence points to rising inequality dating back to the end of the Great Depression. According to the CBO report, which covers the period from 1979 to 2007, the share of federal after-tax household income going to the top 1 percent of earners has more than doubled, reaching 17 percent of all income in 2007. The share going to the top 20 percent of earners has increased from 43 percent to 53 percent. In the meantime, the middle and low income groups have all seen their shares shrink. The population in the lowest income quintile (the bottom 20 percent) received 7 percent of after-tax household income in 1979. By 2007, their share dropped to just 5 percent. Figure 2.6 shows that the top 1 percent of earners have seen their real after-tax income grow by 275 percent from 1979 to 2007 while the low and middle income groups have experienced an increase of less than 50 percent.

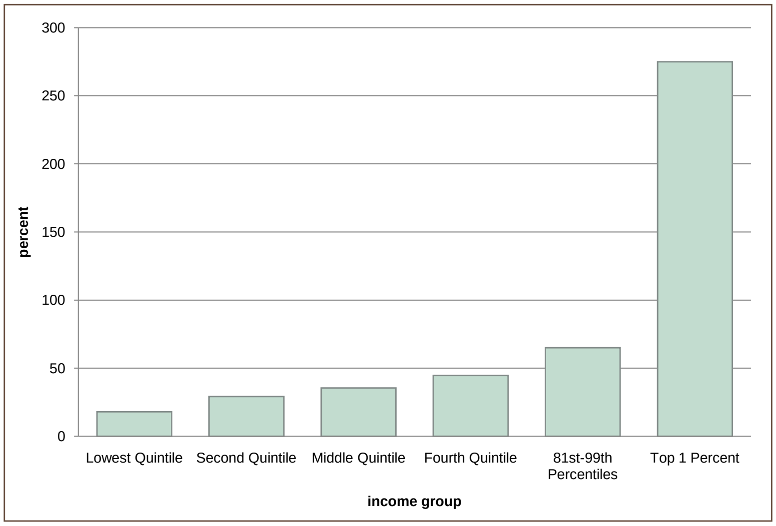
The exact reasons for the observed explosion at the top of the income distribution are still unclear. Some of the explanations suggested by researchers include changes in the structure of executive compensation, emergence of bigger and more complex firms and increased scale of financial sector activities. As these trends emerge at the top, middle and lower income workers are seeing stagnant or falling inflation-adjusted earnings. The CBO report attributes the rise in income concentration to the changes that occurred within the four components of market income between 1979 and 2007.

continued on page 26

2.4. Short-Term Outlook, continued

Rising Income Disparities in the U.S., continued

Figure 2.6. Growth in Inflation-Adjusted After-Tax Income from 1979 to 2007 Concentrated at the Top of the Income Distribution



Source: Congressional Budget Office

On one hand, labor and capital incomes are more evenly distributed than business income and capital gains; capital gains being the most concentrated market income. On the other hand, the share of labor and capital incomes in total market income has decreased while the share of capital gains and business income has increased. The result is a sharp rise in market income disparity.

The redistributive effect of federal taxes and transfers contribute to slightly mitigating the amplitude of pre-tax income inequalities. In 2007, the dispersion of income after federal taxes and transfers was 20 percent less than the dispersion of market income before tax and transfers. However, over time, changes in government transfers and federal taxes have also contributed to an increase in the dispersion of after-tax income. The dispersion in market income before tax and transfers increased by about 25 percent between 1979 and 2007, while the dispersion of after-tax income went up by 33 percent over the same period. Still, the top earners are the largest contributors to federal tax revenue, both in terms of their effective tax rate and their share of total federal tax liabilities. In 2007, the 20 percent of the population that earned the most paid almost 70 percent of total federal income taxes, up from 56 percent in 1979. The 40 percent of the population that earned the least contributed less than 5 percent of federal income tax liabilities in 2007, down from 9.3 percent in 1979. Effective federal tax rates have decreased slightly for all income groups over the period.

Compared to other developed countries, the U.S. ranks among the top in terms of income inequality. According to a report published by the Secretary-General of the OECD in 2008, out of the 30 OECD countries, only Portugal, Turkey and Mexico have a higher inequality index than the U.S. As measured by the study, Denmark, Sweden and Luxembourg are the top three most equal societies.

The occupy movements that debuted in 2011 illustrate the growing concern in the U.S. over income inequality. Meanwhile, there is a sharp division among the public and political leaders as to how to achieve greater equality. Some propose an overhaul of the tax code that will essentially translate into more taxes on the rich. Opponents argue that doing so will put too high a burden on the so called “job creators” and hurt the economy as a whole in terms of growth and job creation. Alternatives include pursuit of policies like further investments in education to increase the pre-tax incomes of those in the middle and lower income categories. More needs to be known about the causes of rising income inequality before clearly-directed policy can be designed and implemented.

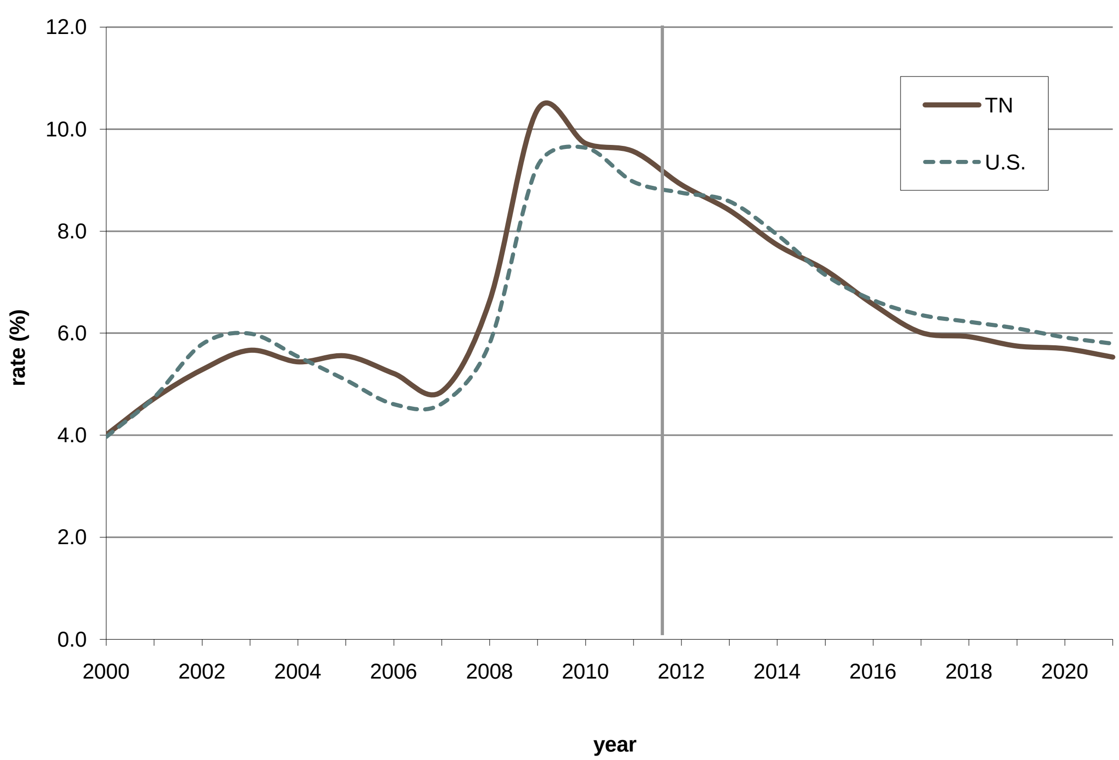
2.4. Short-Term Outlook, continued

contract in 2012 and 2013 within the nondurable goods sector. If the projections presented here come to fruition, this will be the first time since the 1990s that manufacturing will be able to engineer three consecutive years of employment gains. Unfortunately, as discussed in more detail in Chapter 3, manufacturing will revert to trend and see employment losses return in 2015. The job gains of 2011-2014 will be significant, but they will not replace the job losses that transpired over the course of the recession. The national and state unemployment rates are expected to remain elevated for many years to come. The job losses that occurred over the recession were nothing less than staggering, and it will take a considerable period of time to re-absorb these individuals into the workforce. In addition there have been large numbers of new entrants to the labor force—including high school and college graduates—who have yet to find gainful employment. Finally, there are the millions of workers nationwide who are underemployed and would like to work more hours but are unable to do so at this time. Together this is a recipe for high unemployment rates throughout the decade.

Figure 2.7 shows the expected path for quarterly state and national unemployment rates through 2013. For perspective, Tennessee's unemployment rate should average 9.6 percent in 2011 versus 9.0 percent for the U.S. The national unemployment rate is expected to see a very small increase in early 2012 as improved employment prospects draw discouraged workers back into the labor force. Tennessee, which unlike the nation has

Figure 2.7. Unemployment Rates Improve Slowly

Annual Unemployment Rate, 2000 to 2021



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

2.4. Short-Term Outlook, continued

generally seen the labor force expand rather than contract in recent quarters, should be able to avoid this outcome. The state unemployment rate is expected to slip to 8.3 percent in the final quarter of 2013. Tennessee's falling unemployment rate will be accompanied by a steady reduction in the number unemployed people and strong growth in the number of employed people.

Nominal personal income should advance 4.7 percent in 2012 and 4.9 percent in 2013. Wage and salary income will be up 3.9 percent and 4.4 percent in 2012 and 2013, benefiting from a combination of healthy job growth and respectable growth in the nominal average wage. Proprietors' income will be up 5.6 percent this year followed by 6.0 percent growth next year. Unfortunately, transfer payments are expected to rise 5.1 percent and 6.1 percent this year and next year. Per capita personal income will be up nearly 4.0 percent in 2012 and show 4.2 percent growth in 2013.

Taxable sales are projected to continue to rise at fairly robust rates in response to improving job prospects, higher incomes, stronger automobile sales and a modest rebound in the residential housing market. Automobile dealer sales, for example, are projected to increase 11.5 percent this year and 10.7 percent in 2013.

2.5. Situation and Outlook for Tennessee Agriculture[17]

Overview of Agriculture in Tennessee

2011 Year in Review

In 2011, cold temperatures and early rains delayed crop planting by as much as a couple of weeks because fields remained too wet for soil preparation and planting. The wet weather also required an application of fungicide by wheat farmers in order to combat the threat posed by the damp, cold conditions in late April and early May. While the early rains delayed spring work, they resulted in levels of subsoil moisture that were needed when the weather turned hot and dry in the middle of August.

Pasturage and hay production benefitted from the spring rains, although the first cutting of hay for many farmers was delayed a week or more. By late July, pasture growth was at a standstill as the result of the lack of adequate moisture with some farmers resorting to feeding hay to their cattle during August's hot, dry weather. In early September, cattle producers in east and middle Tennessee benefited from a good soaking by remnants of tropical storm Lee. In the September/October period, 75 percent of the state's pastures were in fair to good condition.

Good seeding conditions in fall 2010, excellent spring moisture levels, timely disease control by producers, and warm sunny harvest conditions provided Tennessee wheat producers with a record 69 bushels per acre yield, surpassing 2006's 64 bushels per acre. With 69 bushels per acre and an increase in harvested acreage of 130,000 acres to 310,000 acres, Tennessee wheat production more than doubled from 9.5 million bushels in 2009 to 21.4 million bushels in 2010.

Tennessee corn production in 2011 was the second highest since the state's farmers produced 106.6 million bushels on 3.9 million acres in 1917. Given significantly higher yields—27.5 bu./ac. in 1917 vs. 130.0 bu./ac. in 2011—Tennessee's 2011 corn farmers produced 99.3 million bushels on 730 thousand acres. The 2011 production was given a boost from adequate subsoil moisture and timely rains in the critical pollination period. The corn acreage harvested in 2011 increased 90,000 acres from the previous year.

[17] Harwood D. Schaffer (Research Associate Professor, Agricultural Policy Analysis Center) and Daryll E. Ray (Blasingame Chair of Excellence, Professor and Director of the Agricultural Policy Analysis Center) authored this section. Patricia McDaniels also contributed to this section.

2.5. Situation and Outlook for Tennessee Agriculture, continued

High cotton prices during the period when farmers were allocating their 2011 acreage resulted in an increase in cotton plantings of 105,000 acres to 495,000 acres of which only 5,000 were left unharvested. The cotton yield benefitted from a combination of mid-summer heat units, adequate moisture, and timely pest control on the part of farmers, resulting in a yield of 823 lbs./ac. The 2011 production of 840,000 480-pound bales was the seventh largest in Tennessee history with the record of 1.4 million bales being set in 2006.

Giving up acreage to both corn and cotton, soybeans were planted on 1.3 million acres. The weather timing with regard to soybean plant maturation was not as favorable as it was to the other two crops, resulting in a relatively low yield of 34 bu./ac. and total state production of 42.5 million bushels.

The final "Tennessee Crop Weather" report (Nov. 20, 2011) indicates that 93 percent of the 2012 winter wheat crop had been planted by that time, compared to a five year average of 88 percent, and 83 percent of the crop was in good or excellent condition. Topsoil moisture levels across the state were 76 percent adequate and 17 percent surplus as of mid-November 2011. Subsoil moisture was in excellent shape as well with 78 percent of the areas reporting adequate moisture and 5 percent surplus. Regular rains between mid-November and the end of the year will provide for adequate moisture availability for the emerging winter wheat crop and the planting of spring crops.

The average value of agricultural land and buildings in Tennessee in 2011 increased to $3,650 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 $1/acre to $79/acre while pasture remained steady at $19.00 per acre.

Tennessee Agriculture - 2010

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 78,300, a loss of 400 farms, while the land in farms remained constant at 10.9 million acres. This change reflects a long-term trend of farm consolidation in Tennessee. 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. In 2010, the state's top five agricultural commodities were cattle and calves; soybeans; broilers; greenhouse/nursery; and corn. These five production areas account for nearly 70 percent of cash receipts from farm marketings. Crops accounted for 57 percent of farm cash receipts, with livestock and products accounting of the remaining 43 percent. In most years, crop and livestock receipts are closer to each other. The difference in 2010 was due to high crop prices for most of the year.

Of the 78,300 farms in Tennessee, 55,500 have sales between $1,000 and $9,999. An additional 18,700 have sales between $10,000 and $99,999, with 1,600 having sales between $100,000 and $249,000. There are 1,050 farms that have sales between a quarter- and a half-million dollars and 1,450 farms with 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.

Agricultural Products in Tennessee

Agriculture in Tennessee is quite varied. The state's top 20 agricultural commodities, in terms of 2010 value of receipts, include cattle and calves; soybeans; broilers; greenhouse/nursery; corn; cotton; dairy products; tobacco; hay; tomatoes; hogs; wheat; eggs; snap beans; apples; sheep and lambs; farm chickens; squash; honey; and wool. In 2010, all agricultural commodities in Tennessee generated more than $2.8 billion in cash receipts, an increase of 10 percent over 2009 levels.

Figure 2.8 shows the relative share of cash receipts by commodity. The value of agricultural sector production in Tennessee in 2010 was $3.92 billion, nearly the same as a year earlier. Cash

2.5. Situation and Outlook for Tennessee Agriculture, continued

receipts from tobacco declined slightly to $97.4 million. In 2009 Tennessee ranked second among all states in meat goat production; third in tobacco; third in tomatoes; fifth in other hay and snap beans; sixth in equine; eighth in cotton and farm numbers; ninth in beef cows, and thirteenth in broilers.

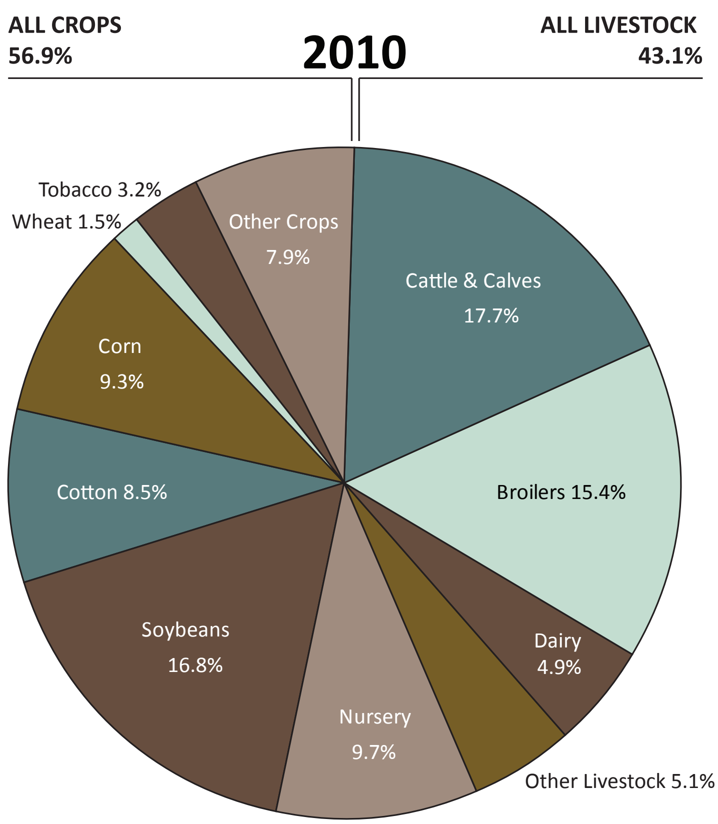
Tennessee's 2010 agricultural exports of $980 million were $65 million lower than the value of agricultural exports in 2009. By way of contrast, U.S. exports of agricultural products increased by $12 billion to $108.7 billion. Tennessee's agricultural exports were less than 1 percent of the total value of U.S. agricultural exports.

Tennessee Agricultural Sector Outlook

Farm Income

Tennessee net farm income for 2010 is projected to be $458 million, $159 million lower than 2009 primarily as the result of a $108 million decrease in government payments. By way of comparison, Tennessee net farm income in 2000 was $590 million, a decline of 23 percent over the 11-year period. Of the $613 million in net farm income for 2009, 42 percent or $262 million was the result direct government payments from federal farm programs. In 2010 with the decrease, U.S. government farm program payments accounted for only 33.5 percent of Tennessee net farm

Figure 2.8. Leading Tennessee Commodities for Cash Receipts, 2010



Source: Tennessee Agriculture Quick Facts, November 2011, USDA National Agricultural Statistics Service, Tennessee Field Office

2.5. Situation and Outlook for Tennessee Agriculture, continued

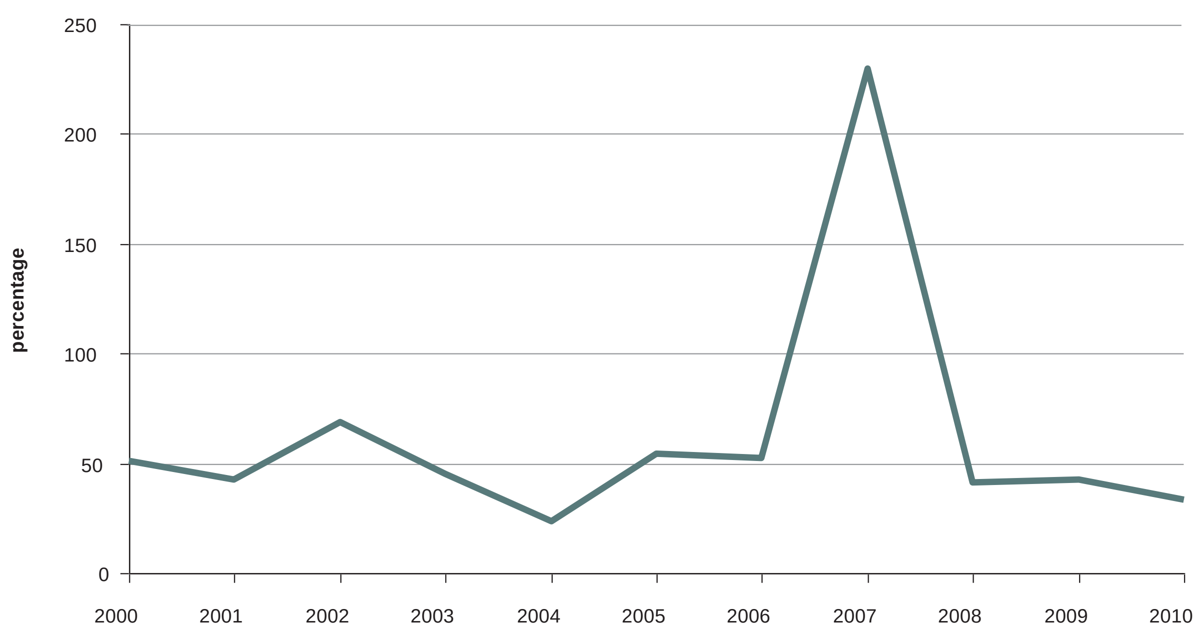
income. Figure 2.9 shows the percentage of net farm income in Tennessee attributable to federal farm program payments for the 2000-2010 period. Excluding direct government payments, Tennessee farm income over the last ten years would have been considerably lower than it was, with a loss of $169 million in 2007. Over the period 2000-2010, direct federal farm program payments accounted for 48.8 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 and risk-management policies that end up supporting income rather than prices. The possible elimination of the direct payment program in the 2012 Farm Bill could have a significant impact on net farm income in Tennessee.

The USDA national forecast for 2011 net farm income is $100.9 billion, $21.8 billion above the 2010 estimate of $79.1 billion and well above the 2000-2010 ten-year average of 67.4 billion. The increase is the result of higher income for both crops and livestock. Crops benefitted from continued higher prices and cattle producers saw gains from higher prices as well.

Crops Outlook

Corn - Despite a 2.5 million increase in harvested acres, 2011 corn production in the U.S. decreased marginally from 2010 levels as the result of a 5.6 bushel/acre drop in yields. Delayed spring planting due to rains and flooding and hot, dry summer-weather resulted in the reduced yield. The January 2012 projections for U.S. 2011 crop-year corn production is 12.36 billion bushels, 88 million bushels below 2010 production. In addition, feed utilization for the 2011 crop year is expected to decline by 193 million bushels and corn used for ethanol production is projected to remain steady at 5.0 billion bushels as the result of higher corn prices and the end of the ethanol blender's credit.

Figure 2.9. U.S. Government Farm Program Payments as a Percentage of Tennessee Net Farm Income



2.5. Situation and Outlook for Tennessee Agriculture, continued

Year-ending stocks are expected to decline to a very tight 846 million bushels for a carry-out stocks-to-use ratio of 6.6 percent. Historically stocks-to-use ratios in the 5 to 6 percent range have resulted in significantly higher corn prices and this year is no exception. The January 2012 USDA midpoint projection for the season average price of corn for the 2011 crop year is $6.20, $1.02 above the estimated season average price for the 2010 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 16.1 percent, nearly identical to the levels in 2010.

Soybeans – U.S. soybean production in 2011 was 273 million bushels lower than a year earlier as the result of a 2 bushel/acre decline in yield. Nationally, the weather problems encountered by corn affected soybean production as well. For the 2011 crop year, U.S. soybean crush is projected to decline by 33 million bushels and exports are projected to decrease by 226 million bushels. The 2010 year-ending stocks-to-use ratio for soybeans is projected to increase to 9.1 percent, a relatively high level for soybeans. Including soybeans, soybean meal, and soybean oil, the USDA projects that 61.6 percent of the 2011 soybean crop will be exported. The midrange of the projected 2011 crop year farmgate price for U.S. soybeans is $11.70, $0.40 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 2011 crop year was 1.9 million acres smaller than the previous year and the yield was down by 2.6 bushels/acre, resulting in total production of all classes of wheat of 2 billion bushels. This is 200 million bushels lower than a year earlier. The domestic use of wheat is projected to increase by 34 million bushels, while exports decline by 339 million bushels. The U.S. domestic food use of wheat consumes 44.2 percent of the crop, while exports use 45.0 percent. The remainder is seed, feed, and residual. The use of wheat for feed is not significant in the U.S. compared to other nations. The year-ending stocks-to-use ratio is projected at 41.2 percent. The 2011 projected stocks-to-use ratio is well within the historical range. The season average U.S. farmgate price for wheat in the 2011 crop year is projected to be $7.20, 50 cents higher than in 2010. The lower wheat price relative to corn and soybeans would suggest that wheat harvested acreage in 2012 will be lower than in 2011. World wheat production in the 2011 crop year is projected to be 1.5 billion bushels higher than in 2010 while consumption is expect to increase less than that, resulting in a higher stocks-to-use ratio for the world.

Cotton - On stronger 2010 crop year prices, U.S. cotton producers increased their planted acres by 3.8 million acres. Weather problems during the growing season resulted in farmers harvesting 9.75 million acres, nearly a million acres less than the previous year. The weather that resulted in a reduction in harvested acres also cut the yield to 772 pounds per acre, down from 812 pounds per acre a year earlier. The result was a 2.43 million bale (480 pounds) decrease in production from the previous year. With exports accounting for 75 percent of the U.S. crop, international demand is essential to maintaining a profitable price in the U.S. USDA projects that the 2011 season average farmgate price for cotton will be 90 cents per pound, up 8.5 cents from a year earlier.

Livestock Outlook

Beef - The USDA projects 2012 U.S. beef production at 24.97 billion pounds, 1.2 billion pounds below 2011 production and 1.3 billion pounds below 2010 production. U.S. per capita consumption of beef for 2012 is projected to fall to 54.1 pounds, 3.3 pounds less than 2011. Beef imports in 2011 are projected to increase by 38 million pounds to 2.09 billion pounds, but 207 million pounds less than in 2010. Exports are projected to fall marginally.

Pork - Pork production is expected to increase

2.5. Situation and Outlook for Tennessee Agriculture, continued

in 2011 by 431 million pounds to 23.209 billion pounds. USDA projects imports to decrease from 800 million pounds in 2011 to 785 million pounds in 2012. Exports are projected to increase marginally. The U.S. per capita consumption of pork is projected to increase from 45.8 pounds in 2011 to 46.5 pounds in 2012.

Broilers - Broiler production in 2012 is expected to decrease by 735 million pounds to 36.109 billion pounds, as the result of tighter margins for the integrators. Broiler imports are relatively small and an increase of 3 million pounds brings broiler imports to 104 million pounds. Exports in 2012 are expected to increase by 38 million pounds to 7.0 billion pounds. U.S. consumption of broilers is expected to decrease to 79.6 pounds per capita, a reversal in a market that has seen a steady increase in per capita consumption over the last decade.

Milk - Milk prices are projected to be in the $18.70 per cwt. range in 2012.

Ag Sector Issues and Opportunities

UT Center for Renewable Carbon

The Center for Renewable Carbon, a program of the University of Tennessee Institute of Agriculture, has been named by the USDA as a recipient of one of five coordinated agricultural research projects to support the development of sustainable regional bioenergy production systems.

The $15 million award, made through a highly competitive process, creates the Southeast Partnership for Integrated Biomass Supply Systems (IBSS). Dr. Tim Rials, director of the CRC, will coordinate the efforts of a team of scientists from UT and several collaborating institutions throughout the Southeast.

"This award is a perfect example of why the Center for Renewable Carbon was created," said University of Tennessee President Joe DiPietro. "It pulls together a number of people, internal and external to the University, to collaborate on multiple, important goals toward the objective of commercializing cellulosic renewable biofuels. Having this kind of grant will allow us further progress toward achieving that objective, sooner rather than later."

The team will develop sustainable feedstock production systems for dedicated energy crops, specifically switchgrass and woody biomass. The crops will provide an affordable and reliable supply of biomass with characteristics optimal for conversion to advanced "drop in" biofuels. The IBSS Partnership will also incorporate innovative outreach methods to increase public awareness of key aspects of bioenergy, including information generated from new environmental measures designed to equip landowners and community interest groups with metrics for effective decision-making regarding the new biofuels industry.

In addition to Rials, the scientists and institutions forming the core of the IBSS Partnership include Dr. Steve Kelley, of the Department of Forest Biomaterials at North Carolina State University; Dr. Steve Taylor, of the Department of Biosystems Engineering and the Center for Bioenergy and Bioproducts, Auburn University; Dr. Maud Hinchee of ArborGen, Inc. in Summerville, South Carolina; Dr. Steve Bobzin, Ceres, Inc.; and Dr. Bill Hubbard with the University of Georgia.

The Center for Bioenergy Sustainability and the BioEnergy Science Center at Oak Ridge National Laboratory are also key partners in the broader research and education program, along with scientists at Tuskegee University, Alabama A&M University, the University of Georgia and Fort Valley State University.

"The 48-member team brings extensive experience in biomass production and conversion science, a long history of education and outreach, and a proven track record of advancing the region's biofuels industry," said Rials.

UT will receive a total of $5 million over the course of five years for its contributions to the overall effort.

Dr. Rials contends that the Southeast IBBS partnership is an ideal candidate for the award. "The country needs to invest in the Southeast for the production of biofuels. In 2010 the USDA Biofuels Strategic Production report estimated that the Southeast will be the leading region for

2.5. Situation and Outlook for Tennessee Agriculture, continued

biofuels production because we have the most robust growing season in the U.S.," he said. "In addition, our region can produce a variety of biomass feedstocks including dedicated crops such as switchgrass and sorghum, along with dedicated woody crops and forest residues."

The IBSS partnership has multiple goals. "We are ultimately focused on demonstrating the production of advanced biofuels from sustainable sources of lignocellulosic biomass," Rials said. "We will focus on perennial switchgrass and annual sorghum; and short-rotation woody crops like eucalyptus and pine. Each dedicated crop has inherent performance and cost advantages for specific conversion technologies, so one of our goals will be to match the economic and environmental performance of each feedstock with a preferred conversion platform."

Dr. Rials also says a goal of the partnership is to reduce the risks associated with growing, harvesting, storing, and converting biomass by developing genetically superior bioenergy crops, improved and environmentally sound production practices, and better harvesting and processing logistics that balance economic, social, and environmental sustainability factors.

2012 Farm Bill

The failure of the supercommittee of the U.S. Congress to come to an agreement on a 10 year deficit reduction package puts the crafting of the 2012—or will it now be 2013—Farm Bill back into the hands of the members of the House and Senate agriculture committees. As long as the six Republicans and six Democrats on the Joint Select Committee on Deficit Reduction—the supercommittee's official name—were attempting to come to a workable compromise between reduced spending and enhanced revenue, the fate of the farm bill was in their hands.

And like any good card player, the supercommittee held its cards close to the vest so as to keep from becoming embroiled in the competing interests that usually shape the farm bill. The process was to accept input from stakeholders and the leadership of the two agriculture committees and then craft legislation that would meet the farm bill's share of the deficit reduction package. Once the whole package—including both domestic and military spending—was put together, the committee could release it, knowing that its proposal had to be voted up or down with no amendments.

The result of this process was a farm bill that was being written in secret by 12 legislators, an activity that has been described as undemocratic. With the failure of the supercommittee, the agriculture budget is slated for mandatory cuts in funding, an action that will reduce the money available for farm programs. Indications in early 2012 suggest that Direct Payments, a feature of farm programs since 1996 that costs about $5 billion a year, will be eliminated and greater emphasis will be put on risk-management programs like crop and/or revenue insurance. With the political polarization in Washington, finding an agreement on agriculture may be difficult before the fall elections.

Unless an agreement is reached on the overall budget before then, the failure of the supercommittee triggers automatic spending cuts of $1.2 trillion over 10 years beginning with the 2013 fiscal year. It is expected that agriculture's share of that will be $15 billion over the 10 years, which is less than the $23 billion in savings that leadership of the House and Senate agriculture committees offered to the Joint Select Committee on Deficit Reduction. The question is where will the money come from: nutrition programs, major crop programs including crop insurance, conservation, specialty crops? And, what about those three dozen or so programs without baseline funding? At this point everything is up for grabs.

There is another messy detail. The current legislation expires on September 30, 2012 and without some continuing resolution, the farm program reverts to the 1949 legislation. We have heard that threat before and mostly what it does is goad Congress into doing something, as very few members want to face what in today's world would be an expensive program with provisions written for another time and set of circumstances.

CHAPTER 3: THE TENNESSEE ECONOMY: LONG-TERM OUTLOOK

In this chapter—

3.1. Introduction

This chapter takes a long look back in time and an equally long look forward, tracing out key changes in the demographic and economic profile of Tennessee. The first major section below explores the changing face of Tennessee, as captured by the latest U.S. Census. The second major section focuses on the economic performance of the state dating back to 1999 and the long-term economic outlook extending to 2021. More information on the U.S. Census and the implications for Tennessee can be found on the website of the Center for Business and Economic Research (www.cber.bus.utk.edu); detailed tables on historical and projected long-term trends for the state economy can be found in the Appendices to this *Economic Report to the Governor*.

3.2. The 2010 Census: The Changing Face of Tennessee

The 2010 Census in Tennessee was a success on many fronts. The participation rate increased by four percentage points over the 2000 Census to 76.0 percent, a rate higher than the national average of 74.0 percent. The results of the 2010 census were likewise impressive, with Tennessee's 10-year population growth of 11.5 percent outpacing the nation's 9.7 percent average state growth rate. Another way to frame the 2010 census is in the context of the last 100 years of population change.

3.2. The 2010 Census: The Changing Face of Tennessee, continued

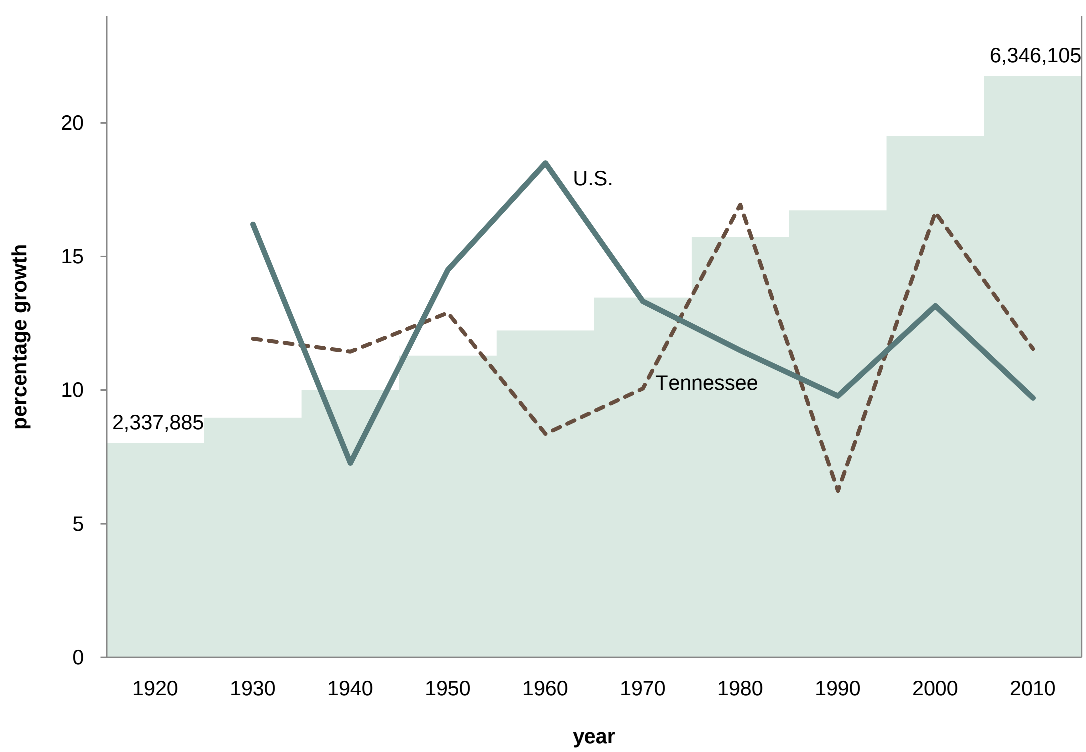
Figure 3.1 shows the results of the last 10 censuses in Tennessee (vertical bars) and the growth rates of both the U.S. and Tennessee between those censuses (lines). Intercensal growth has ranged from 16.9 percent in 1980 to 6.2 percent in 1990. Tennessee's most recent 11.5 percent growth rate is on par with the long-term growth rate of 11.7 percent. For the entire U.S. the long-term growth rate is slightly higher at 12.6 percent.

Annual population growth was not constant over the most recent ten-year period reflecting changing economic dynamics over the decade. Changes in the population can be explained by two factors: natural increase and net migration, both from abroad and from other states. The natural increase in population—the surplus of births over deaths—varies slightly but has remained fairly close to 25,000 people per year in Tennessee. According to vital statistics from the Tennessee Department of Health, the peak year for natural increases was 2007 with 29,861 more births than deaths. Net migration, on the other hand, varies significantly according to variations in the economic cycle. Positive net migration results from more people moving into the state than moving out.

Estimates of net migration peaked in 2006 at 67,000. By 2011, net migration had contracted to 24,275, a reflection of the legacy of the Great Recession. Migrants from abroad declined significantly, dropping from 11,600 to 7,600. However, the decline in net migrants from other states in the U.S. fell more precipitously from 55,800 to 16,700. Migration generally slows when job creation slows or declines. In the current business cycle, home ownership has also locked people in to their place of residence thereby constraining mobility.

County-level growth rates varied widely with the two fastest growing counties, Williamson and Rutherford, growing 44.7 percent and 44.3 percent.

Figure 3.1. 100 Years of Tennessee and U.S. Population Growth



Source: U.S. Census Bureau.

3.2. The 2010 Census: The Changing Face of Tennessee, continued

The American Community Survey

The 2010 U.S. Census form asked 10 questions about age, gender, race, ethnicity, family status, and type of dwelling. As a result, the decennial census contains relatively little information about our nation—only those elements mandated by law for redistricting purposes. To find other information about Americans, including income, education, health insurance status, and housing costs, one must turn to the American Community Survey (ACS). The Census Bureau created the American Community Survey on a limited basis in 2001 to collect information from households around the country. By 2005 the ACS had grown to the point where it was comparable to previous decennial census long forms in terms of questions that are asked. Today, we have ACS data for every political jurisdiction in the country as well as census-defined geographies like tracts and block groups. Zip-code level data are forthcoming, tentatively scheduled for 2013 and beyond. With ACS data releases every year, a much more current and reliable set of estimates exists to meet the needs of policy makers, researchers, journalists, teachers, students, businesses, and non-governmental organizations. However, caution should be exercised in using the ACS since some of the sample sizes are small. More information about the American Community Survey is available online at http://www.census.gov/acs/www/.

Several counties, including Haywood, Grundy, Carroll, Hardeman, Obion, Lake, Clay and Benton lost population over the decade. Figure 3.2 shows the growth of population in the 95 counties in Tennessee. It is readily apparent that the middle Tennessee area surrounding Nashville experienced the greatest growth. In fact, 11 counties in middle Tennessee accounted for over half the growth of the entire state: Rutherford, Davidson, Williamson Montgomery, Sumner, Wilson, Robertson, Maury, Bedford, and Dickson. Another pocket of growth appears to be centered on Knoxville with Knox, Sevier, Blount and Loudon Counties growing by over 95,000 people.

Children

If the future of Tennessee rests with its children, the state faces a mixed bag of trends. The growth rate from 2000 to 2010 was much lower for children than for the population as a whole, coming in at 7.0 percent. However, this growth rate compares quite favorably with the national rate of just 2.6 percent for children. Of the 97,480 more children in Tennessee in 2010 compared to 2000, 69,154 or 71.0 percent of them were of Hispanic origin. In the U.S., the non-Hispanic, under-18 population actually decreased by 2.9 million (4.8 percent) from 2000 to 2010. The 38.8 percent increase in the number of Hispanic children over that period bolstered the nation's growth rate of the under-18 population to 2.6 percent.

As illustrated in Figure 3.3, 38 counties experienced a net loss of the under-18 population. On the one hand, a decline in the under-18 population would ease the strain on local government education budgets. On the other hand, however, without a fresh cohort of future workers entering the labor force in coming years, some of these same local communities will encounter even greater strains resulting from weak economic growth.

Hispanics

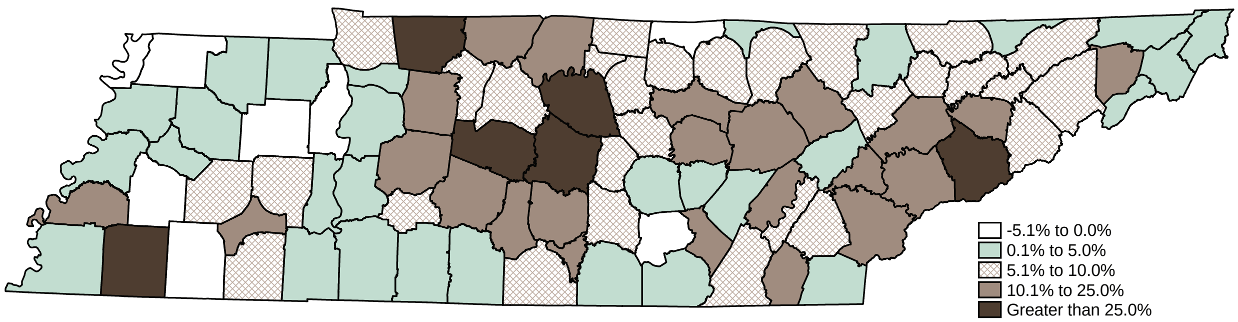
Changes in the Hispanic[1] population over the past 10 years offer yet another glimpse into the future. The Hispanic population experienced growth between 2000 and 2010 in all 50 states and the District of Columbia. The Hispanic population in eight states in the south (Alabama, Arkansas, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, and Tennessee) and

[1] Note: Hispanic origin is considered an ethnicity, not a race. Hispanics may be of any race.

3.2. The 2010 Census: The Changing Face of Tennessee, continued

Figure 3.2. Tennessee Population Growth Largely around Urban Centers

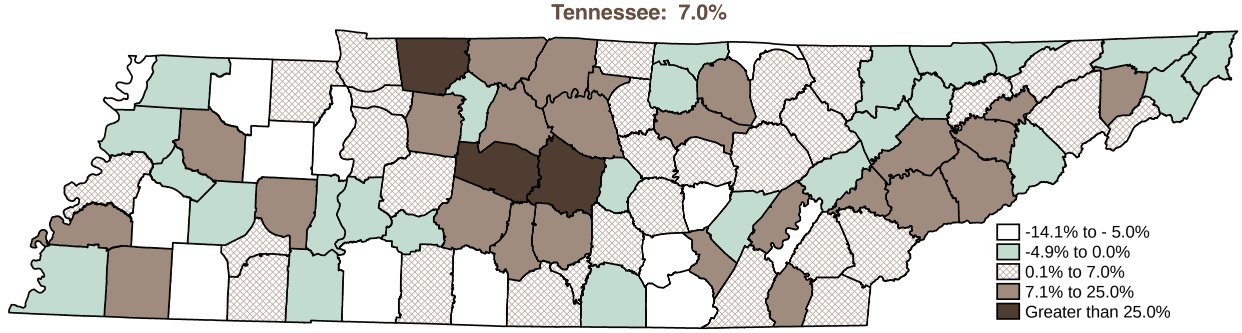
(Percentage change, Census 2000 to Census 2010)
Tennessee: 11.5%



Source: U.S. Census Bureau..

Figure 3.3. Uneven Population Growth among Children under Age 18

(Percentage change, Census 2000 to Census 2010)
Tennessee: 7.0%



Source: U.S. Census Bureau.

South Dakota more than doubled in size between 2000 and 2010. However, even with this large growth, the percentage of Hispanics in 2010 for each of these states remained less than 9.0 percent, far below the national level of 16.0 percent. The Hispanic population in South Carolina grew the fastest, increasing from 95,000 in 2000 to 236,000 in 2010 (148.0 percent). Alabama showed the second-fastest rate of growth at 145.0 percent, increasing from 76,000 to 186,000. The Hispanic population in Tennessee posted a growth rate of 134.0 percent, increasing from 123,838 to 290,059.

Nationally, Hispanics accounted for over half of the increase in the total population from 2000 to 2010. In Tennessee that portion was over 25.0 percent. Tennessee Hispanics make up only one-half of 1 percent of the nation's total Hispanic population—California and Texas contain the most by far. The latter states' combined Hispanic population is over 46.0 percent of the nation's total. In Tennessee, as in 40 other states in the U.S., the majority of Hispanics originated in Mexico.

3.2. The 2010 Census: The Changing Face of Tennessee, continued

The increasing Hispanic population has two principle dimensions. Immigration from both outside the U.S. and from other states is the first. These immigrants are overwhelmingly represented by men and women of child-bearing and rearing age. Once settled here, the second dimension of population growth comes into play. On average, Hispanics display cultural norms that lead to larger families than most other large segments of the population, especially the white, non-Hispanic population. Thus, despite the recent drop-off in immigration due to recessionary effects on construction and other sectors with largely Hispanic workforces, growth in Hispanic populations in Tennessee and across the rest of the nation will continue to have a tremendous impact on our future through natural growth forces. Figure 3.4 shows the geographic distribution of Hispanics in Tennessee. For a detailed look at Hispanics in Tennessee, see the CBER report, "Profile of the Hispanic Population in Tennessee."

Population-Winners and Losers

With two exceptions, the six fastest growing counties in Tennessee from the 2000 Census to the 2010 Census are in middle Tennessee. Also with two exceptions, the seven counties with negative growth are in west Tennessee.

Growing Counties	
Sevier County	26.3%
Montgomery County	27.9%
Wilson County	28.4%
Fayette County	33.4%
Rutherford County	44.3%
Williamson County	44.7%

Declining Counties	
Haywood County	-5.1%
Grundy County	-4.4%
Carroll County	-3.2%
Hardeman County	-3.0%
Obion County	-2.0%
Lake County	-1.5%
Clay County	-1.4%

The Older Population

The older population in Tennessee grew at an astounding 21.3 percent rate from 2000 to 2010. This outpaces the U.S. 2000 to 2010 growth rate of 15.1 percent by a wide margin. Both Tennessee and the U.S. experienced growth rates for the 65 and older age group that were lower than total population growth from 1990 to 2000. For Tennessee, total growth was 16.7 percent and its 65-plus population grew at 13.7 percent. These trends were evident despite the fact that the baby boom generation did not begin to enter the 65-plus cohort until 2011. The proportion of the population aged 65 and older in Tennessee is 13.4 percent, compared to a national proportion of 13.0 percent. However, in the 85 years and older category, Tennessee lags the U.S. as a whole with 1.6 percent of Tennesseans in that age group while 1.8 percent of the nation as a whole is 85 years or older. There are 82 counties in Tennessee with a larger proportion of people 65 years and older than the national average. Cumberland County has the highest proportion of any county in the state (26.0 percent).

Nationally, 3.1 percent of the 65 and older population reside in skilled nursing care facilities, including 2.1 percent who are males and 3.9 percent who are females. In Tennessee, the overall percentage is 3.9 percent, reflecting 2.7 percent males and 4.7 percent females. Tennessee exhibits a broad geographic distribution of the older population. Figure 3.4 shows the 65 and older population by Census block throughout the state. Darker areas, showing higher concentrations of older people, are fairly evenly disbursed. Retirement communities notwithstanding, this is a case of people remaining in place as they age. Figure 3.5 also shows the locations of medical/surgical hospitals licensed by the Tennessee Department of Health. Approximately 98.0 percent of the over-65 population lives within a 15 mile radius of a hospital.

In Tennessee there were 940 people 100 years old or older in 2010. That translates to 1 out

3.2. The 2010 Census: The Changing Face of Tennessee, continued

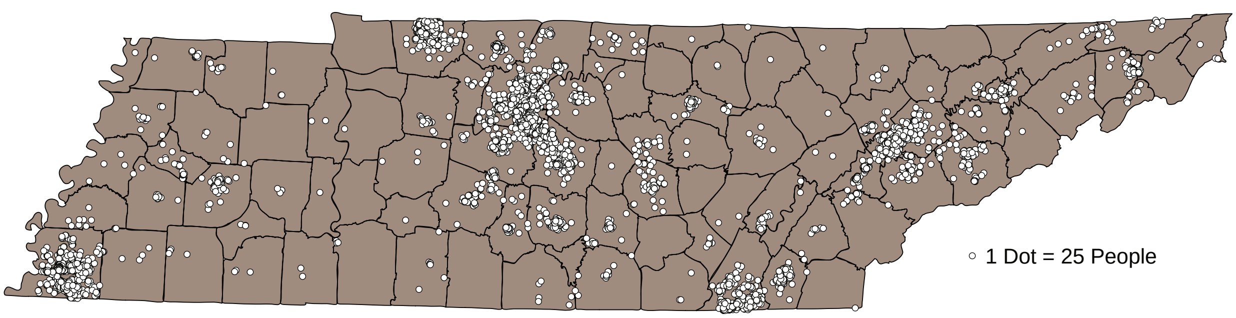
of 6,751 people in the state. For the U.S. as a whole, that ratio was 1 out of 5,786 people. Thus while Tennessee's 65-and-older population is relatively larger than the U.S. average, the very-old population is less remarkable by national standards.

Labor Force

A primary determinant of economy-wide growth is the growth in the labor force. As the nation's population ages and the growth in the labor force slows, so too will the pace of overall economic growth for the state and the nation. Data from the Bureau of Labor Statistics show Tennessee's labor force expanding 6.4 percent from 2000 to 2010, with the entire expansion effectively taking place between 2002 and 2008. The Tennessee labor force was virtually unchanged between 2000 and 2002 and again between 2008 and 2010, periods that reflect the influence of recession. For the nation, the 2000 to 2010 labor force growth rate was 7.8 percent. The 10-year growth of the labor force in the South (defined as a 17-state region: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia) was 11.0 percent,

Figure 3.4. 2010 Hispanic Population Density

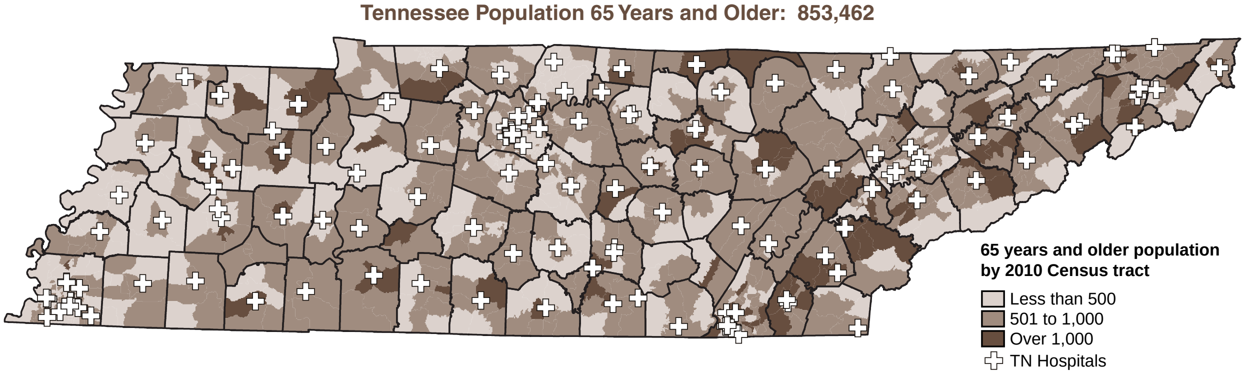
Tennessee Hispanic Population: 290,059



Source: U.S. Census Bureau.

Figure 3.5. 98 Percent of Seniors Live within 15 Miles of a Hospital

Tennessee Population 65 Years and Older: 853,462



Source: U.S. Census Bureau and the Tennessee Department of Health.

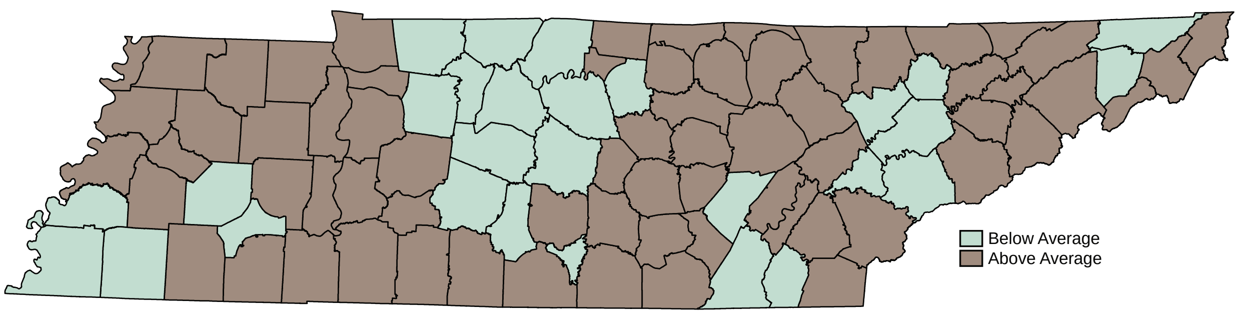
3.2. The 2010 Census: The Changing Face of Tennessee, continued

second only to the West's 11.9 percent rate of growth.

While Tennessee's labor force grew modestly over the decade, the growth was not even across all areas of the state. Thirty-six counties in Tennessee showed a net loss of workforce over the decade. Of those 36 counties, 32 counties had an unemployment rate that was higher than the Tennessee average of 4.2 percent over the 1998-2000 period. Generally speaking, higher unemployment suggests a weakness in employment prospects; weak employment prospects lead workers to either move to areas with greater promise or drop out of the labor force altogether. The darker areas in Figures 3.6 and 3.7 show the geographic correlation of the higher-than-average unemployment rates and the shrinking labor force over the 2000 to 2010 period. Of course, not all areas with high unemployment had a shrinking labor force in subsequent years, but almost all counties with shrinking labor forces had higher than average unemployment in prior years. The only exceptions were Bledsoe, Marshall, Maury, and Shelby Counties—all within a half percent of the statewide average unemployment from 1998 to 2000.

Figure 3.6. Higher Than Average Unemployment Leads to...

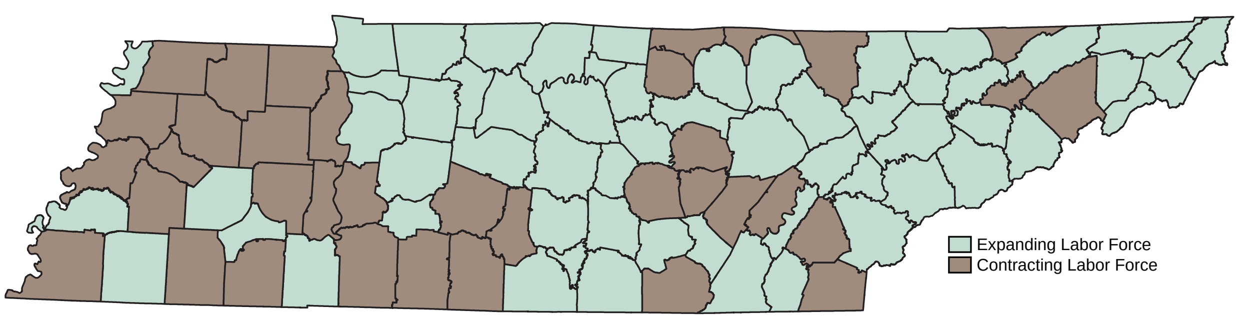
(Average unemployment rate by county, 1998 to 2000)
Tennessee: 4.2%



Source: Bureau of Labor Statistics.

Figure 3.7. ...a Shrinking Labor Force

(Average growth in labor force by county, 2000 to 2010)



Source: Bureau of Labor Statistics.

3.2. The 2010 Census: The Changing Face of Tennessee, continued

Rutherford and Williamson Counties experienced the largest rate of growth in labor force, concurrent with the state's highest growth in total population. The two counties were also among the five lowest with respect to average unemployment rates from 1998 to 2000.

The working age population in Tennessee, defined as persons 16 years and older, grew over twice as fast as the labor force, expanding 13.0 percent from 2000 to 2010. A smaller subset of the working age population, those between the ages of 18 and 64 grew at an 11.4 percent pace.

Income and Poverty Estimates

The Small Area Income and Poverty Estimates (SAIPE) program at the U.S. Census Bureau provides a wealth of data at the county level for all 50 states and the District of Columbia. The SAIPE program uses a synthesis of survey data and administrative data, such as federal income tax returns and SNAP/Food Stamp beneficiary records, to provide robust estimates of poverty rates and median household income. Figure 3.8 shows median household income peaked in 2008 for Tennessee, the U.S., and the South. Note that incomes in 2010 have yet to exceed 2007 levels. In 2010 Tennessee's median household income of $41,461 ranked 12th out of the 17 southern states.

County-level median household income in Tennessee varies tremendously and the spread from highest to lowest has increased over the past decade. In 2010, median incomes ranged from $24,891 in Hancock County to $82,273 in Williamson County—an income spread of $57,382. In 2000, Hancock County median household income was $20,849 while in Williamson County it was $72,031, for a spread of $51,182. Wilson County was the second highest in median household income at $56,270 in 2010.

Figure 3.9 shows aggregate household income distributed over 1,474 census tracts in Tennessee, including 936 Census tracts with total household income under $100 million and 4 census tracts with total income of over $500 million. Two of the four high-income census tracts are located in Germantown and Collierville in Shelby County while Belle Meade and the Spring Hill-Thompson Station area contain one each. A typical census tract contains approximately 1,700 to 1,800 households.

Poverty rates exhibited similar trends with the U.S. and south both seeing higher percentages of people in poverty in 2010 than in 2000. In the U.S. poverty rates climbed significantly from 11.3 percent to 15.3 percent (Figure 3.10). The south saw a substantial rise from 13.2 to 17.1 percent. Tennessee experienced an even more dramatic climb, from 12.6 percent to 17.8 percent. Two-thirds of the counties in Tennessee had poverty rates higher than the statewide rate of 17.8 percent in 2010. The highest was Lake County at 40.4 percent, followed by Cocke County at 31.9 percent. Williamson County experienced the lowest poverty rate at 6.4 percent.

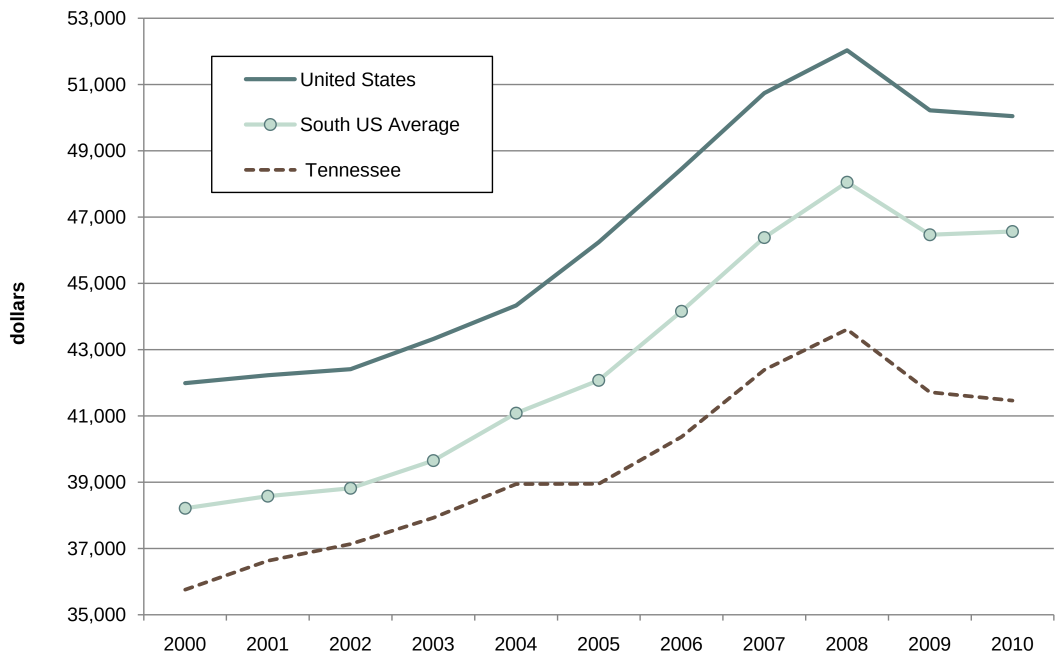
Educational attainment has a strong correlation with economic wellbeing and poverty in both Tennessee and the U.S. Not surprisingly, those families headed by a person with more education are less likely to be in poverty. In Tennessee, 28.3 percent of families headed by a person with less

The State Data Center

The University of Tennessee Center for Business and Economic Research is an official State Data Center (SDC) initially designated by the Census Bureau in 1980. The SDC program was introduced in 1978 to provide an effective vehicle for the dissemination of information and data produced by the Census Bureau to state and local governments and the broader data user community. With most data now delivered by the internet, the SDC network has evolved into an entity more akin to a data consultancy than a data repository. In addition to data products, SDCs provide training and technical assistance in the use of data for research, administration, planning and decision-making to local governments, the business community, researchers, and other interested data users. For more information regarding Tennessee State Data Center activities and outreach, check online at http://cber.bus.utk.edu/tnsdc/sdcmain.htm.

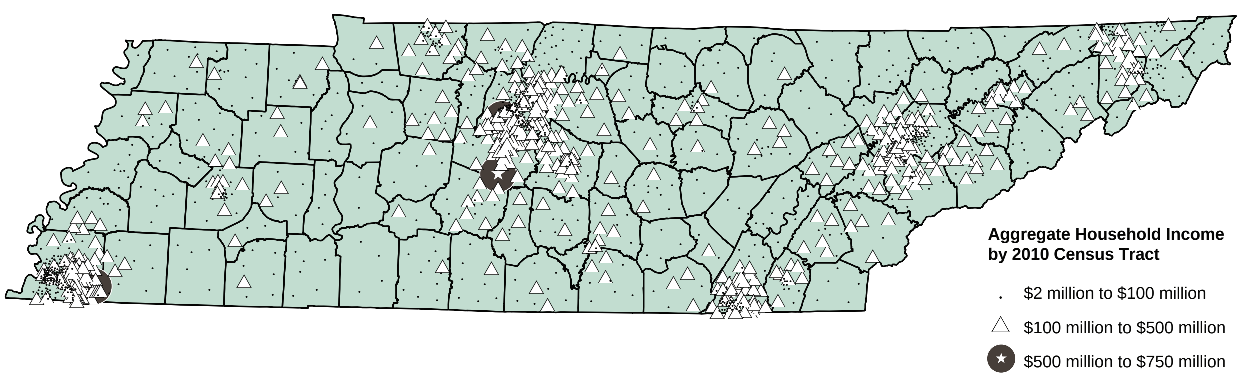
3.2. The 2010 Census: The Changing Face of Tennessee, continued

Figure 3.8. Median Houshold Income Peaked in 2008



Source: U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE).

Figure 3.9. $145 Billion of Household Income Clustered in Metro Areas



Source: U.S. Census Bureau, 2006-2010 American Community Survey.

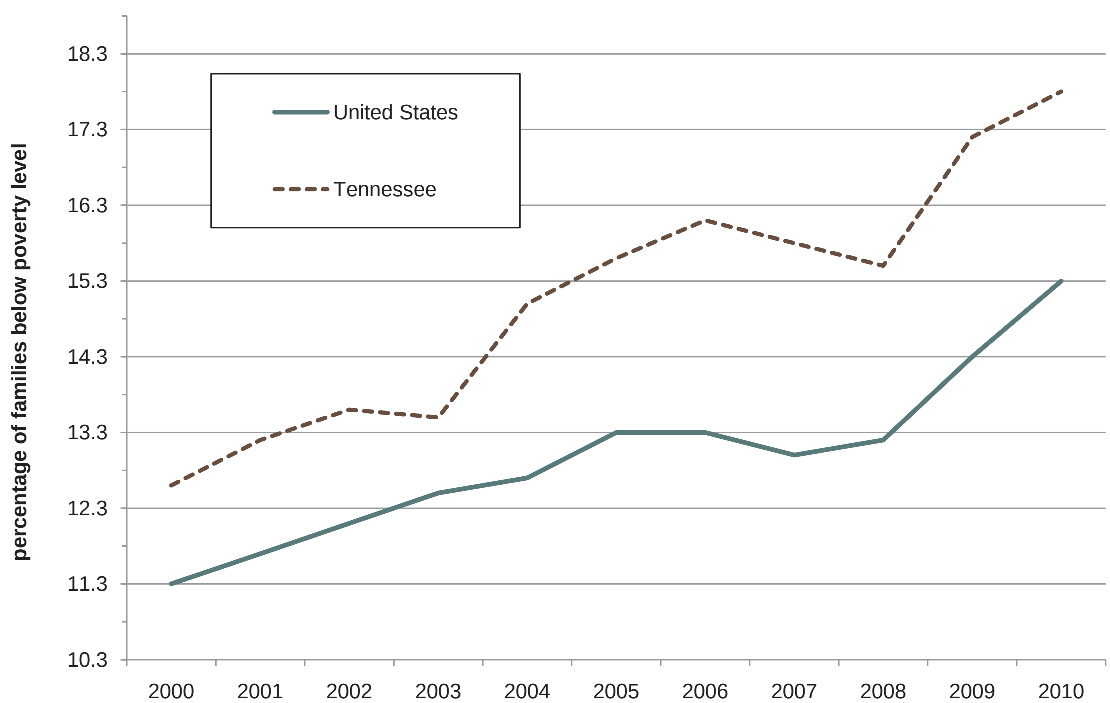
3.2. The 2010 Census: The Changing Face of Tennessee, continued

than a high school education were living in poverty, while only 3.2 percent of those with a bachelor's degree or higher were in poverty. Perhaps the most interesting aspect of the influence of education on poverty is that the proportions were very similar on the national level. For families of the college-educated, 2.9 percent were in poverty as were 28.2 percent of the families headed by a person with less than a high school education. The difference in poverty rates, 13.4 percent of families in Tennessee versus 11.3 percent nationally, is largely explained by the fact that Tennessee has a relatively larger portion of its population without a high school degree and a relatively smaller portion with college degrees. Additional information is available from the Census Bureau's Small Area Income and Poverty Estimates program: http://www.census.gov//did/www/saipe/.

Health Insurance

Health insurance coverage in Tennessee has changed dramatically when compared to national averages over the past decade. Data regarding health insurance coverage can be found in the Current Population Survey, Annual Social and Economic Supplement. A person who responds *yes* had coverage at any point during the year. Private insurance includes coverage provided by an employer or union as well as directly purchased individual policies. Public insurance includes Medicare, Medicaid (or equivalent) and military coverage through the Veterans Administration or TRICARE. In the past few years, Tennessee has moved from significantly better than the U.S. with respect to health insurance coverage in 2002 to only slightly better in 2010. Figure 3.11 illustrates the yearly changes in persons not covered by health

Figure 3.10. Tennessee and U.S. Family Poverty Rates Inch Up Over Decade



Source: U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE).

3.2. The 2010 Census: The Changing Face of Tennessee, continued

Measuring Poverty

Official poverty rates are based on a simple formula developed in the early 1960s. The formula defines the poverty level as 3 times the minimum cost of feeding the family. In other words, poverty thresholds were solely dependent on family size. Yearly adjustments to poverty thresholds were based on the Consumer Price Index. Cash income was compared to the thresholds to determine whether a family lived above or below the poverty line. Recognizing that changes in the composition of both the American family and the American workforce were undermining official poverty rates, Congress, in 1990, authorized the National Academy of Sciences to undertake a study of poverty measures in the U.S. Based on the recommendations of that report, the Census Bureau began collecting data and reporting comparisons of additional inputs to the poverty measures. These reports and recommendations evolved into what in 2010 was named the Supplemental Poverty Measure. The new measure is not intended to replace the official poverty rate, but it is expected to give a more nuanced picture of poverty in America.

From the outset, it was apparent that the 1960s nuclear family was not a valid starting point. Foster children and children of cohabiting adults were added to the definition of "family." Rather than a rough measure of 3 times food costs, the supplemental poverty thresholds reflect the actual costs of food, clothing, shelter, and utilities plus a 20 percent additional allowance for household supplies, personal care, etc. The actual costs of food, clothing, shelter and utilities are derived from a 5-year rolling sample of the Bureau of Labor Statistics' Consumer Expenditure Survey. Regional variations in the cost of housing were also incorporated into the new measure. Finally, income was redefined to account for the complex nature of resources available to the modern family. Cash income (including wages and other income plus unemployment insurance benefits, TANF assistance, etc.) plus the value of in-kind benefits from SNAP, WIC, and housing and utilities assistance programs make up the majority of the new income measure. Adjustments to income include whether the family owns or rents its residence; income, payroll and property taxes; childcare costs incurred by mothers in the workforce; health insurance; medical savings accounts; and out-of-pocket medical expenses.

Comparisons of the 2010 official and supplemental poverty rates for the entire U.S. show a slightly higher rate of poverty in the supplemental measure: 16.0 percent versus 15.2 percent for the official rate. The supplemental measure shows a much larger estimate of the "near poor," those families with incomes ranging from 100 to 200 percent of poverty. More significant differences are apparent in subgroups of the population. The supplemental poverty measure finds fewer children and more older people in poverty than does the official measure. Also, the lower cost of living in the south tends to reduce the supplemental measure for southern states. The sample size is too small to report accurate state-level results, but Tennessee would presumably benefit from its relatively low cost of living. Federal budget limitations are jeopardizing future work on this measure, but current information is available from the Census Bureau's publication, "The Research Supplemental Poverty Measure: 2010" (http://www.census.gov/hhes/povmeas/methodology/supplemental/research/Short_ResearchSPM2010.pdf.)

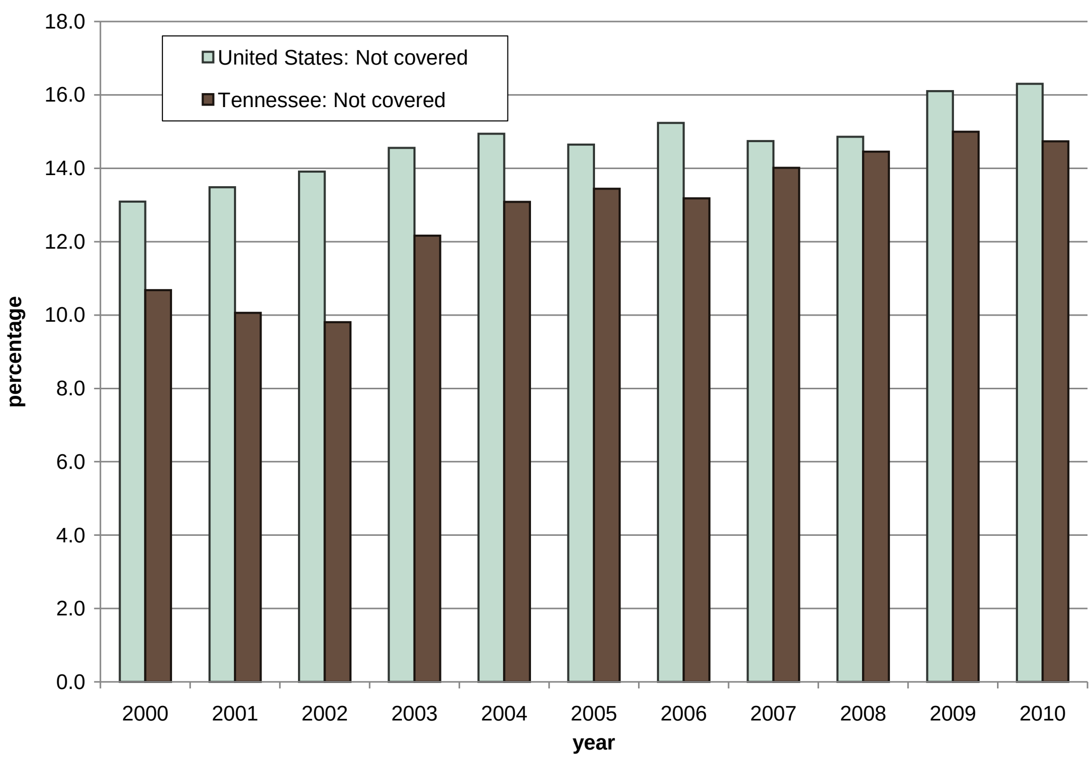
insurance for both the U.S. and Tennessee over the decade. The percentage of individuals covered by public insurance in Tennessee has generally been greater than the U.S. as a whole and has risen from around 30.0 percent at the beginning of the decade to 35.0 percent at the end of the decade (Figure 3.12). Private insurance coverage has taken an opposite and more significant track over the same period. Private insurance covered around 70.0 percent of insured individuals seven to ten years ago while more recently it accounted for only around 60.0 percent. Additional information on health insurance coverage is available at the US Census Bureau's main Health Insurance site: http://www.census.gov/hhes/www/hlthins/hlthins.html and at the Small Area Health

3.2. The 2010 Census: The Changing Face of Tennessee, continued

Insurance Estimates site (for county-level data), http://www.census.gov//did/www/sahie/index.html.

In many ways, Tennessee mirrors national trends in economics and demographics. Tennessee has grown older, slightly poorer, and more Hispanic over the past few years. With a few exceptions, most of our neighboring states are also older, slightly poorer, and more Hispanic as well. Economic growth should reverse the temporary slide in incomes, but there is no reversing the aging and diversification of the population. With the first baby-boomer having reached retirement age January 1, 2011, the share of the 65 and older population is expected to exceed 20.0 percent of the total population over the coming decades. Tennessee's white-alone, non-Hispanic population declined 3.6 percentage points over the decade to 75.6 percent of the total population. If Tennessee follows national trends, this rate of decline should accelerate in the decades to come. According to the U.S. Census Bureau publication, "Projections of the Population by Net International Migration Series, Race, and Hispanic Origin for the United States: 2010 to 2050," the white-only share of the total U.S. population will decline approximately 4.0 to 5.0 percent each decade for the next four decades—reaching 50.8 percent in 2050.

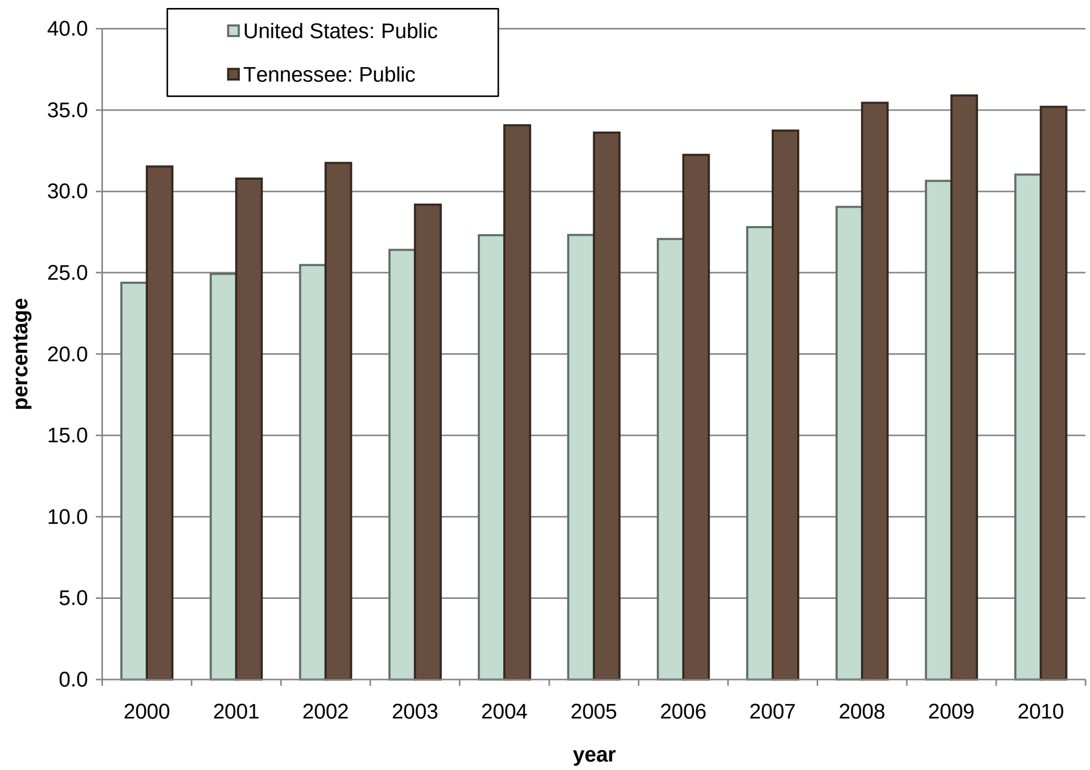
Figure 3.11. Tennesseans Not Covered by Health Insurance on the Upswing



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

3.2. The 2010 Census: The Changing Face of Tennessee, continued

Figure 3.12. Tennessee Exhibits Higher Rate of Publicly Funded Health Insurance



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

3.3. Long-Term Retrospective and Prospective Outlook for Tennessee

Most business cycles come and go and have only short-term effects on the trajectory of economic growth. The Great Recession is an exception to this rule. Having started in December, 2007 and ended in the summer of 2009, the last recession continues to influence national and state economic growth. The reason is rooted in the source of the recession: financial and housing market collapse. The collateral damage—including massive employment losses and a highly-elevated unemployment rate—has been sustained well beyond the close of the recession. There will be a series of lasting effects of the Great Recession throughout the decade of the 2010s. Employment will not fully rebound for several years to come, and even by the close of the decade, unemployment rates will sit above pre-recession levels. Housing starts for the nation may not fully rebound to pre-recession levels by 2020.

Long-term *trend* economic growth is primarily affected by growth in the labor force, along with investments in infrastructure capital, private productive capital and human capital investments in the workforce that enhance productivity. All of these factors will continue to influence Tennessee's growth in the next ten years. But the recession will

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

continue to play a role, although this will diminish as time passes. The expected slowdown in labor force growth will emerge at the close of the decade as a critical factor influencing slower economy-wide growth. Slower growth in the overall economy need not translate into lower individual incomes or earnings, or a diminished quality of life.

As discussed in Chapter 2, Tennessee is expected to see relatively strong economic growth in 2012 and 2013. This growth is expected to be sustained in 2014 and 2015 as the economy moves closer to a restoration of pre-recession levels of an array of economic barometers. Further improvements in the state's transportation equipment sector in response to stronger national demand will be a key ingredient to growth. The expected rebound in residential housing, which is expected to begin in earnest in 2013, will be a more important engine of economic growth because housing has such important linkages throughout the economy.

The long-term forecast is presented in Table 3.1. Tennessee's long-term outlook calls for nonfarm employment to advance at a 1.3 percent compound annual growth rate (CAGR) between 2012 and 2021, slightly better than the projected performance of the nation. This is in sharp contrast to the historical record of the last decade where employment levels in Tennessee have fallen as a result of two recessions. Manufacturing will enjoy a near-term rebound in employment, but then slip back into long-term decline in 2015. The state unemployment rate will trend down from 8.9 percent in 2012 to 5.5 percent in 2021. This is well above the 4.9 percent rate of unemployment that prevailed in 2007 when the recession began.

The Labor Market

Nonfarm employment in Tennessee stood at 2,727,700 in 2000 but hit bottom at 2,612,600 in 2010 after the close the recent recession reflecting the loss of over 115,000 jobs. While there has been some job growth since 2010, the state is far from a complete employment recovery. A comparison of employment levels in 2000 versus 2011 shows that most sectors of the economy have experienced losses. The exceptions are confined to professional and business services, education and health services, leisure and hospitality services, other services and government.

Manufacturing has seen a precipitous fall in both the state and national economies. Tennessee manufacturing employment stood at 493,000 in 2000 but had fallen to 300,100 in 2011with substantial setbacks in both durable and nondurable goods. One of the biggest losers in durable goods manufacturing has been machinery where employment has fallen by 17,300. A bigger loser still has been transportation equipment which has shed nearly 30,000 jobs, many of which can be attributed to impacts of the last recession and the dramatic slump in automobile sales. In nondurable goods manufacturing, textiles-related activity has lost 23,300 jobs, printing is down 13,000 jobs and plastics and rubber is down 12,800 jobs.

The employment losses have been widespread across the state as shown in Figure 3.13. Of the state's 95 counties, only 26 have been able to support job gains over this long window of time. The largest gains occurred in Williamson (59.1 percent), Fayette (42.9 percent) and Loudon (31.5 percent) Counties, while the largest setbacks were in Bledsoe and Perry Counties where employment fell by more than 50 percent.

The employment losses in manufacturing have been staggering as shown in Figure 3.14. Statewide the employment losses tallied 37.8 percent compared to a 32.5 percent decline for the nation. Only five counties were able to engineer employment gains. Bledsoe County was battered the hardest with a loss of 91.4 percent of its manufacturing employment base. Twenty-nine counties saw manufacturing employment fall by more than 50 percent between 2000 and the second quarter of 2011.

The grim historical record on employment for the state and nation is matched by an equally grim record for unemployed people and the unemployment rate. Both Tennessee and the U.S. enjoyed unemployment rates of 4.0 percent in 2000. Unemployment rates jumped in response

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

Table 3.1. Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
US GDP (Bil2005$) SAAR	13318.4	13579.6	13903.2	14382.8	14862.0	15284.4	15684.4	16054.3	16447.0	16867.9	17270.3
Percentage change	1.76	1.96	2.38	3.45	3.33	2.84	2.62	2.36	2.45	2.56	2.39
US GDP (Bil$) SAAR	15093.6	15580.0	16140.1	16969.6	17863.9	18709.8	19548.1	20358.5	21197.7	22089.9	22990.7
Percentage change	3.90	3.22	3.59	5.14	5.27	4.74	4.48	4.15	4.12	4.21	4.08
TN PERSONAL INCOME (MIL2005$) SAAR	204583	211429	218485	225756	233130	240630	248010	255459	263299	271207	279048
Percentage change	2.30	3.35	3.34	3.33	3.27	3.22	3.07	3.00	3.07	3.00	2.89
US PERSONAL INCOME (BIL2005$) SAAR	11388	11634	11884	12256	12655	13055	13418	13788	14166	14567	14930
Percentage change	2.26	2.16	2.15	3.13	3.26	3.15	2.78	2.76	2.74	2.83	2.49
TN PERSONAL INCOME (MIL$) SAAR	232832	243652	255634	269269	283604	298174	312875	328101	344034	360358	377643
Percentage change	4.78	4.65	4.92	5.33	5.32	5.14	4.93	4.87	4.86	4.75	4.80
US PERSONAL INCOME (BIL$) SAAR	12960	13401	13903	14607	15371	16154	16905	17686	18485	19330	20183
Percentage change	4.74	3.40	3.75	5.06	5.23	5.09	4.65	4.62	4.52	4.57	4.41
TN NONFARM JOBS (THOUS)	2638.0	2672.2	2714.2	2763.8	2814.7	2858.9	2889.3	2917.7	2947.5	2977.1	3007.1
Percentage change	0.97	1.30	1.57	1.83	1.84	1.57	1.06	0.98	1.02	1.00	1.01
US NONFARM JOBS (MIL)	131.1	132.8	134.9	137.5	140.2	142.6	144.3	145.5	146.4	147.5	148.3
Percentage change	1.02	1.22	1.59	1.95	2.00	1.68	1.22	0.79	0.65	0.76	0.55
TN MFG JOBS (THOUS)	300.1	304.5	308.0	310.8	309.8	306.9	303.0	299.0	295.0	290.6	286.8
Percentage change	0.75	1.47	1.17	0.91	-0.32	-0.94	-1.28	-1.31	-1.35	-1.51	-1.30
US MFG JOBS (MIL)	11.7	11.9	12.1	12.3	12.6	12.7	12.7	12.7	12.7	12.7	12.7
Percentage change	1.68	1.36	1.53	1.93	2.08	1.05	0.25	0.04	0.07	-0.25	0.04
TN UNEMPLOYMENT RATE (%)	9.5	8.9	8.4	7.7	7.2	6.6	6.0	5.9	5.7	5.7	5.5
US UNEMPLOYMENT RATE (%)	9.0	8.8	8.6	7.9	7.1	6.6	6.4	6.2	6.1	5.9	5.8
CHAINED PRICE INDEX, GDP (2005=100.0)	113.3	114.7	116.1	118.0	120.2	122.4	124.6	126.8	128.9	131.0	133.1
Percentage change	2.08	1.25	1.18	1.63	1.88	1.84	1.82	1.75	1.64	1.61	1.65
US PERSONAL CONSUMPTION DEFLATOR (2005=100.0)	113.8	115.2	117.0	119.2	121.5	123.7	126.0	128.3	130.5	132.7	135.2
Percentage change	2.42	1.21	1.56	1.87	1.91	1.88	1.82	1.81	1.73	1.70	1.88
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.249	2.283	2.325	2.372	2.419	2.465	2.509	2.554	2.597	2.640	2.693
Percentage change	3.15	1.49	1.83	2.01	2.01	1.90	1.78	1.78	1.71	1.66	2.01
BANK PRIME INTEREST RATE (%)	3.3	3.3	3.3	4.2	6.3	7.0	7.0	7.0	7.0	7.0	7.0
FEDERAL FUNDS RATE (% per annum)	0.102	0.100	0.106	1.231	3.271	4.000	4.000	4.000	4.000	4.000	4.000
30-YEAR FIXED MORTGAGE RATE (%)	4.5	4.1	4.5	5.1	6.1	6.4	6.4	6.4	6.4	6.4	6.4
TN TAXABLE SALES (MIL2005$)	83429	87227	89848	92670	95134	97587	99969	102306	104777	107267	109610
Percentage change	3.55	4.55	3.00	3.14	2.66	2.58	2.44	2.34	2.41	2.38	2.18
TN TAXABLE SALES (MIL$)	94955	100521	105125	110530	115730	120924	126114	131398	136904	142527	148338
Percentage change	6.07	5.86	4.58	5.14	4.71	4.49	4.29	4.19	4.19	4.11	4.08
TN AVG ANNUAL WAGE, NONFARM (2005$)	38127	38639	39136	39597	40108	40678	41259	41834	42422	43021	43544
Percentage change	-0.03	1.34	1.28	1.18	1.29	1.42	1.43	1.39	1.41	1.41	1.22
TN AVG ANNUAL WAGE, NONFARM ($)	43391	44528	45789	47227	48791	50405	52049	53728	55428	57161	58929
Percentage change	2.39	2.62	2.83	3.14	3.31	3.31	3.26	3.23	3.16	3.13	3.09

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

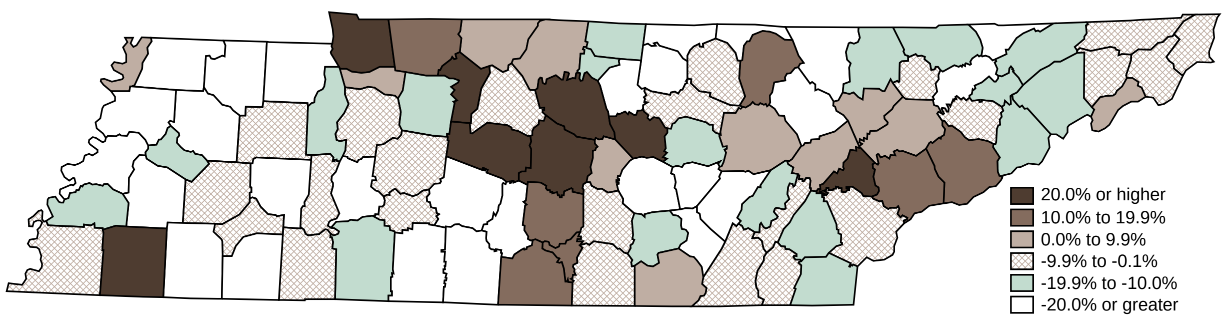
3.3. Long-Term Retrospective and Prospective Outlook for Tennessee, continued

to the short-lived 2001 recession and then were sustained in roughly in the 5 percent range through mid-decade before slipping under 5 percent. The Great Recession caused Tennessee's annualized unemployment rate to peak at 10.4 percent in 2009; the national unemployment rate peaked at 9.6 percent in 2010. No county in Tennessee has been spared from a rising unemployment rate over the business cycle.

While employment is down and unemployment rates are up in Tennessee, the civilian labor force has with few exceptions—2001 and 2009—shown growth in the past decade. However, the number of employed people in 2012 will be only slightly

Figure 3.13. Private Employment Loses Ground, 2000 to 2nd Quarter 2011

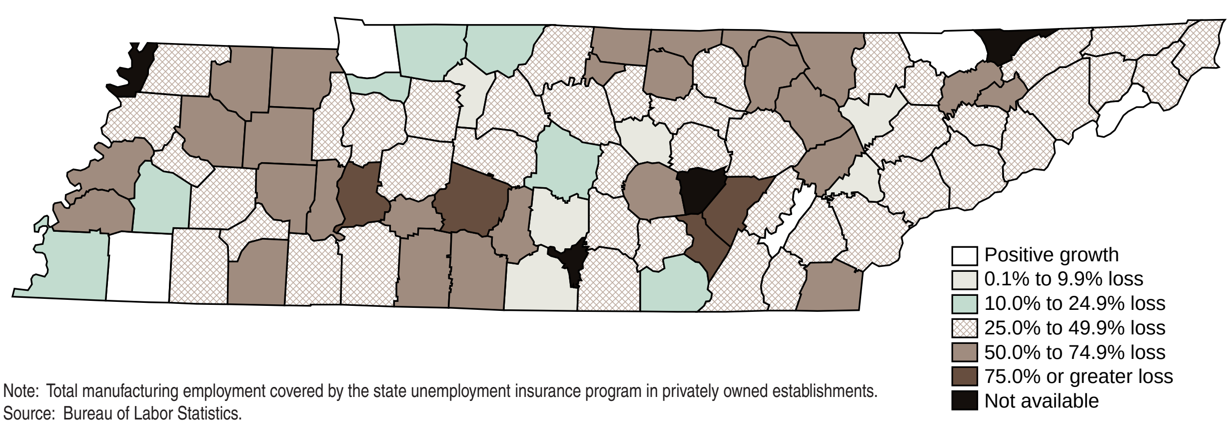
Tennessee: -4.4%
U.S.: -1.6%



Note: Total employment covered by the state unemployment insurance program in privately owned establishments.
Source: Bureau of Labor Statistics.

Figure 3.14. Private Manufacturing Employment Collapses Between 2000 and 2nd Quarter 2011

Tennessee: -37.8%
U.S.: -32.5%



Note: Total manufacturing employment covered by the state unemployment insurance program in privately owned establishments.
Source: Bureau of Labor Statistics.

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

above the number of employed people in 2000. The number of unemployed people, on the other hand, has skyrocketed from 115,000 in 2000 to 298,000 in 2011 with only slight improvement expected in 2012.

Nonfarm employment in Tennessee is expected to see growth in excess of 1 percent in each year through 2017. By 2015, employment levels will have been restored to their pre-recession (2007) peak. Employment growth will then slow as a result of completion of much of the rebound from recession and slower growth in the labor force. Professional and business services will lead the state in employment growth with gains above 3 percent in 2014 and beyond. Federal government employment is projected to fall in each year of the long-term forecast window as efforts are made to reduce the deficit and limit the growth of spending.

Manufacturing will enjoy four years of growth (2011-2014) before reverting to trend and shedding employment. The huge losses attributable to the recession will not be fully restored before manufacturing returns to contraction. Durable goods employment will fare better than nondurable goods employment with decent job gains through 2014 as nondurable goods employment contracts; in 2015 and beyond, the rate of decay in durable goods will not be as pronounced as the rate of decay in nondurable goods.

Tennessee's unemployment rate is expected to fall below 9 percent in 2012, then fall below 8 percent in 2014 and finally rest below 7 percent in 2016. By 2021 the state unemployment rate will have drifted down to 5.5 percent compared to the national rate of 5.8 percent. The number of unemployed people takes many years to fall significantly as a result of the huge backlog of unemployed, underemployed and discouraged workers, and new entrants to the labor market who will be searching for employment. Labor force growth will trend down in the latter part of the decade as the population ages.

Income, Earnings and Output

Nominal personal income saw growth throughout the decade of the 2000s with the exception of 2009 when income fell 2.9 percent; inflation-adjusted income fell 3.1 percent in the same year. Other labor income saw rapid growth in the first half of the decade, but growth slowed appreciably as the decade came to a close. Proprietors' income also did well in the 2000-2004 window, but saw contraction in 2007 through 2009. Rent, interest and dividend income behaved erratically, either enjoying strong growth or in some cases large setbacks like the 15.8 percent contraction in 2009. Transfer payments were up strongly every year.

Nominal per capita personal income experienced its only loss of the decade in 2009 when it fell 3.6 percent. The U.S. displayed a similar pattern though income fell more precipitously at a 5.1 percent pace in 2009. Tennessee's per capita income stood at 92.2 percent of the national average in 1999. However, by 2010 per capita income in Tennessee had slipped to 88.3 percent of the national average.

Wage and salary income, which is the largest component of personal income, generally follows the overall movement of employment. The nominal average wage across all sectors appeared to perform reasonably well during the 2000s. However, the inflation-adjusted average wage was down in 2005 and 2008.

Tennessee inflation-adjusted gross domestic product (GDP) avoided contraction in the midst of the recession of 2001, but was unable to avoid contraction in 2009. The U.S. experienced a similar fate in 2001 but experienced output setbacks in both 2008 and 2009. (Tennessee's gain in 2008 was meager at 0.2 percent). Because of the two recessions in the last decade, output growth was not particularly strong. However, during the years of expansion in the 2000s, there were some rather remarkable achievements. For example, output in durable goods manufacturing was up 26.3 percent between 2002 and 2006 (for a compound annual

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

growth rate of 7.1 percent); during the same period of time, employment in durable goods manufacturing fell by 29,100 jobs. Together this signals the dramatic gains in productivity that have been achieved within the state's manufacturing sector.

Nominal personal income in Tennessee will see marginal improvement through mid-decade. Growth will then slow as the economy reverts to long-term trend. Income growth will nonetheless exceed 4 percent throughout the decade and into the 2020s. Proprietors' income and transfer payments are expected to experience the strongest rates of growth.

Tennessee nominal per capita personal income will be up at a 4.2 percent CAGR between 2012 and 2021 versus 3.7 percent for the nation. The state's relatively stronger performance will help narrow the gap between state and national per capita income.

Inflation-adjusted state GDP is expected to see especially healthy growth in excess of 3 percent in the 2012 to 2015 window as the state economy rebuilds from the deep trough created by the last recession. The manufacturing sector will enjoy stronger growth still, in part a reflection of the near-collapse in output from the recession—manufacturing output fell 15.6 percent in 2009 alone. Growth in output will slow in the latter part of the decade as the economy returns to trend output growth.

CHAPTER 4: THE TRANSITION FROM COLLEGE TO CAREER IN TENNESSEE

In this chapter—

4.1. Characteristics of College Completers and Non-Completers

The Tennessee economy's ability to compete with the rest of the U.S. and the world depends crucially on the state's ability to develop and retain a highly skilled labor force. The state's two-year and four-year institutions of higher education are key components of the state's strategy to create and sustain an amply-skilled labor force. In 2011 we initiated a series of studies for HCM Strategists, The Gates Foundation, and the Tennessee Higher Education Commission (THEC) on the determinants of student success in college and beyond.[1] This chapter summarizes some of the results of these studies, focusing on student transitions from Tennessee public institutions of higher education to the Tennessee workforce.

Data on education experiences in Tennessee public institutions of higher education were obtained from THEC administrative files. Data on workforce experience and earnings through calendar year 2010 were obtained from the Tennessee Department of Labor and Workforce Development's unemployment insurance records.[2] We must emphasize that results only reflect the initial effects of education and graduation on earnings and workforce participation because many graduates can only be observed for a few working

[1] See Carruthers, Celeste K., William F. Fox, Matthew N. Murray, and Angela R. Thacker. "Educational Outcomes for Students Attending Tennessee Higher Education Institutions," (forthcoming) prepared for the Tennessee Higher Education Commission and Carruthers, Celeste K., William F. Fox, Matthew N. Murray, Grant Thrall, and David Wright, ``College Participation, Persistence, Graduation, and Labor Market Outcomes: An Input-Adjusted Framework for Assessing the Effectiveness of Tennessee's Higher Education Institutions," (forthcoming), prepared for the Context for Success Project, an initiative of HCM Strategists and the Gates Foundation.

[2] We are only able to examine workers who are in the Tennessee unemployment insurance system, which primarily applies to people who work for an employer and excludes people who work for themselves. Farm workers are also generally excluded. Approximately 89 percent of the state's workers are covered by the unemployment system, so we underestimate the share of graduates working in the state since we are unable to see these uncovered workers.

4.1. Characteristics of College Completers and Non-Completers, continued

years after graduation. Thus, the earnings and work data tend to represent the beginning of work life and are not necessarily indicative of the career earnings profiles.[3] Also, our analysis is limited to students who began higher education in Tennessee. We are not analyzing the outcomes of students who did not go to college or who attended institutions outside of Tennessee.

The 2002 cohort had a total of 24,630 first-time college freshmen, including 14,625 in four-year schools and 10,005 in two-year schools. The 2003 cohort had 24,485 students, with 14,041 from four-year schools and 10,444 from two-year schools.

We divide students into four groups: those earning a bachelor's degree, those earning an associate's degree, those who stay in school for a brief period of time (defined as one semester for those entering two-year schools and two semesters for those entering four-year schools), and those staying in school longer but failing to earn a degree (henceforth, "extended non-completers"). The present discussion is focused on attributes of these four groups overall, but our related work examines student characteristics and completion outcomes across campuses as well. We find that 72 percent of Tennessee's two-year college entrants and 45 percent of four-year college entrants failed to complete a degree by the spring of 2010, seven to eight years after their initial enrollment and the last term for which we have data. Just less than 12 percent of all college-going students left after one term. Among all two-year college entrants in the 2002 and 2003 cohorts, 15 percent ultimately received an associate's degree, and 13 percent received a bachelor's degree. Among four-year college entrants, associate's degree receipt was very rare, and 53 percent received a bachelor's degree.

Students Entering Two-Year Schools

Table 1 summarizes student characteristics by completion/non-completion category. We find that nearly 60 percent of students entering Tennessee's two-year colleges were female. A little less than four-fifths of students entering two-year schools from each cohort were white, more than one-sixth were African-American and the remainder was composed of small percentages of other ethnic groups. White students were somewhat better represented among degree recipients than they were among all two-year entrants, meaning that white students were slightly more likely to go on to earn a bachelor's degree or an associate's degree.

We measure age both in terms of student's actual age upon entering college and whether they were adults when entering college. In agreement with Tennessee's new funding formula for higher education institutions, we define adult students to be those who were at least 25 years old at the time of enrollment. Overall, two-year college students were almost 21 years old, on average, when they began, and about one-seventh were considered adults when they started. Students who ultimately earned a bachelor's degree tended to enter college slightly younger than students who earned an associate's degree. First-time adult freshmen had a higher propensity to attend only one semester, and the average age of one-term students was also high.[4]

Administrative data systems were evolving around the time these students entered college, and accordingly, ACT data are closer to comprehensive for the 2003 entering cohort.[5] For this group of students, the average two-year college entrant scored 18.5 on the ACT. Those who went on to earn a bachelor's degree had the highest average ACT (20.2), followed by those obtaining an associate's degree (19.4). Extended non-completers earned 17.9 points, on average, and single-term non-completers typically earned just 17.4 points.

We mapped each student's pre-college address to 2000 U.S. Census records, and Table 2 describes characteristics of the neighborhoods these students originated from.[6] Non-completers tended to come from more racially and ethnically diverse neighborhoods with lower shares of married households and lower median incomes. Bachelor's

[3] Age-earnings profiles vary systematically for different degrees, levels of educational attainment and across an individual's lifespan.

[4] This finding may be partly the result of older students being more likely to take a specific certificate program or other type of training with no intention of earning a degree.

[5] Additionally, many students entering two-year colleges did not take the ACT.

[6] We thank Grant Thrall, retired Professor of Geography at the University of Florida, for matching student addresses with 2000 U.S. Census data.

Table 4.1. First-Time Freshmen Entering Two-Year Colleges in 2002 and 2003

	Non-Completers				Completers					
	Single-Term		Multi-Term		Associates		Bachelors		Total	
Student Characteristic	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort
Male (%)	45.6	44.6	41.2	41.4	33.9	35.9	43.6	42.3	40.8	41.1
White (%)	78.0	72.4	74.7	74.2	85.7	85.4	86.7	89.1	78.4	77.4
Black (%)	18.4	23.8	21.7	21.7	10.2	10.1	9.1	5.5	17.8	18.3
Other race/ethnicity (%)	2.4	2.6	2.4	2.7	2.6	3.3	3.0	4.3	2.5	3.0
Hispanic (%)	1.2	1.2	1.2	1.4	1.6	1.1	1.3	1.1	1.3	1.3
Age as entering freshman	21.8	22.2	20.8	20.8	20.9	21.0	19.3	19.2	20.7	20.8
Older than 25 as entering freshman (%)	18.9	22.6	13.7	13.9	15.1	15.3	5.4	4.8	13.3	14.1
Composite ACT	20.4	17.4	17.8	17.9	19.1	19.4	20.0	20.2	18.6	18.5
Distance in miles between home and college*	24.9	27.9	30.9	32.8	29.6	29.7	36.5	31.7	30.8	31.5

* Where home addresses were missing, high school zip codes were used to calculate the distance between home and college.

Table 4.2. First-Time Freshmen Entering Two-Year Colleges in 2002 and 2003

	Non-Completers				Completers					
	Single-Term		Multi-Term		Associates		Bachelors		Total	
Characteristics of Students' Pre-College Neighborhoods, as of the 2000 U.S. Census	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort
White (%)	78.7	76.6	79.6	79.9	86.4	87.1	86.9	89.5	81.5	81.7
Black (%)	18.0	20.2	17.2	16.8	10.6	10.0	9.9	7.6	15.2	15.2
Hispanic (%)	2.3	2.1	2.1	2.1	1.9	1.9	2.0	1.7	2.1	2.0
Foreign born (%)	2.6	2.5	2.6	2.6	2.3	2.3	2.5	2.3	2.5	2.5
Median age	36.1	35.8	36.0	36.1	36.7	36.7	36.6	37.0	36.2	36.3
Married households (%)	52.0	51.2	52.7	53.4	56.0	56.9	56.9	58.6	53.7	54.2
Rural households (%)	36.4	33.9	33.9	35.3	41.7	42.8	40.5	43.9	36.3	37.2
Owner-occupied housing unit with mortgage (%)	62.5	64.1	64.3	64.7	63.6	63.9	64.2	64.2	64.0	64.5
Moved to this housing unit since 1995 (%)	45.3	46.1	46.1	46.0	45.0	44.8	45.2	44.8	45.7	45.7
Housing unit built in 1990 or later (%)	22.6	22.6	24.1	24.4	25.3	26.2	26.5	28.4	24.4	24.9
Employed (% 16 and over)	58.0	57.9	59.1	59.3	59.4	59.9	60.2	60.4	59.2	59.3
Women in labor force (% of total population)	29.6	30.0	30.0	30.1	29.5	29.6	29.9	29.7	29.9	30.0
Median income (1000s)	35.6	35.9	37.6	38.1	38.0	38.6	39.6	40.4	37.7	38.2
Income below poverty line (%)	15.2	15.5	14.1	13.8	12.8	12.5	12.2	11.6	13.8	13.6
Low income (median income <=36,000 with home Census block group)	43.5	69.8	46.5	52.5	46.9	48.9	46.1	44.7	46.2	53.3
2000-2010 compounded per capita income growth rate*	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.1	2.1
2000-2010 compounded population growth rate*	1.0	0.9	1.0	1.1	1.1	1.2	1.3	1.4	1.1	1.1

* Compound growth rates were calculated using the 2000 Census and 2010 Census estimates as of July 2011.

4.1. Characteristics of College Completers and Non-Completers, continued

degree recipients came from higher-income neighborhoods than associate's degree recipients, although the difference was small on average. About one-half of all two-year college entrants were from neighborhoods where the median household income was less than $36,000, which is the threshold for low-income supplements to Tennessee's lottery-funded HOPE scholarship. Statewide, the median household income was $36,800 as of the 2000 U.S. Census, 36 percent of households were in rural areas, and 80 percent of the population was white, non-Hispanic. Thus, Tennessee's two-year college entrants came from areas that closely resembled a typical Tennessee neighborhood but tended to be slightly more affluent and less diverse.

Students Entering Four-Year Schools

Table 3 reports characteristics of students entering four-year schools. Both entering classes were slightly over one-half female, slightly less than three-fourths white, about one-fifth black, and a little over one percent Hispanic. Students entering four-year schools were much more likely to be male or black than their two-year counterparts. Much like two-year college entrants, white students were somewhat more likely to receive a bachelor's degree.

The typical four-year college student was 19 years of age when he or she entered as a first-time freshman, with less than three percent of students considered to be adults when they first entered four-year schools (compared with 13-14 percent for two-year schools). Adult students were better-represented among noncompleters than degree recipients, meaning that they were less likely to graduate than more traditional college freshmen. Students in both cohorts averaged 22 points on the ACT exam, with bachelor's degree recipients scoring 23 points on average and single-term noncompleters scoring around 20 points. The average student entered a campus that was less than 100 miles from their home. Those who attended college for one year or less tended to be closer to home than extended non-completers and degree recipients.

Table 4 summarizes features of the pre-college neighborhoods students came from as of the 2000 U.S. Census. Relative to the state as a whole, four-year college students came from neighborhoods that were 9 percentage points less likely to be rural and where the median income was about $7,000 higher. Much like two-year college entrants, four-year entrants who ultimately completed a degree tended to come from neighborhoods with higher incomes and higher shares of white, married, and/or owner-occupied households.

Graduation and Time to Degree

Table 5 summarizes the typical duration of college enrollment for degree completers who began college in 2002 or 2003. About 20 – 23 percent of students entering two-year colleges ultimately earned as associate's degree, and 13 percent ultimately earned a bachelor's degree. These figures include 793 students (7.9%) from the 2002 cohort and 689 (6.6%) from the 2003 cohort who received both an associate's *and* a bachelor's degree. Among four-year college entrants, 53 percent earned a bachelor's degree within the window of time we observe, and 3 percent earned an associate's degree.

Although community colleges are widely known as "two-year" institutions, and other colleges and universities are known as "four-year" institutions, many students do not obtain an associate's degree within two years or a bachelor's degree within four years. Two years for an associate's degree or four years for a bachelor's degree is called "100% of normal time." Longer durations include 150% of normal time (that is, three years for an associate's or six years for a bachelor's degree) and 200% of normal time (four and eight years, respectively). Table 5 lists the percent of college enrollees who completed degrees within 100-200% of normal time or more. Only 4 percent of two-year college entrants received an associate's degree within 100% of normal time, and an even smaller share received a bachelor's degree within four years (which almost always entailed transferring to a four-year college or university). Degree completion rates for two-year entrants rose steadily thereafter, well past 200% of normal time. Degree receipt was more

Table 4.3. First-Time Freshmen Entering Four-Year Colleges in 2002 and 2003

	Non-Completers				Completers					
	Single-Term		Multi-Term		Associates		Bachelors		Total	
Student Characteristic	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort
Male (%)	49.5	47.9	49.1	47.8	37.9	41.2	41.7	43.1	45.0	45.2
White (%)	70.6	68.9	69.2	68.4	89.0	86.2	78.3	77.7	74.7	73.7
Black (%)	22.7	24.8	24.9	26.0	8.1	11.1	16.7	17.1	20.0	20.9
Other race/ethnicity (%)	4.7	4.4	4.2	4.1	1.8	2.4	3.6	3.9	3.9	4.0
Hispanic (%)	1.9	1.8	1.6	1.5	1.2	0.3	1.3	1.3	1.5	1.4
Age as entering freshman	19.4	19.6	19.0	19.0	18.6	18.6	18.5	18.5	18.8	18.8
Older than 25 as entering freshman (%)	5.8	6.2	3.3	3.6	1.5	1.7	0.8	0.8	2.2	2.4
Composite ACT	20.2	20.5	21.2	21.1	21.6	21.4	22.9	23.0	22.4	22.1
Distance in miles between home and college*	55.5	58.1	76.1	76.6	77.3	63.6	96.3	94.8	84.7	83.5

* Where home addresses were missing, high school zip codes were used to calculate the distance between home and college.

Table 4.4. First-Time Freshmen Entering Four-Year Colleges in 2002 and 2003

	Non-Completers				Completers					
	Single-Term		Multi-Term		Associates		Bachelors		Total	
Characteristics of Students' Pre-College Neighborhoods, as of the 2000 U.S. Census	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort
White (%)	79.1	77.1	78.4	78.0	85.1	85.3	82.8	82.6	81.0	80.5
Black (%)	17.1	18.9	17.3	18.0	11.3	11.6	13.1	13.4	14.9	15.6
Hispanic (%)	2.6	2.6	2.7	2.4	2.4	1.8	2.3	2.2	2.5	2.3
Foreign born (%)	2.9	3.0	3.6	3.3	2.5	2.4	3.5	3.3	3.4	3.3
Median age	35.7	35.4	35.3	35.4	36.4	36.6	35.8	36.0	35.6	35.7
Married households (%)	53.3	51.8	53.3	53.1	57.2	57.5	55.8	56.4	54.7	54.7
Rural households (%)	34.6	32.0	26.4	25.2	35.0	36.1	25.7	26.8	27.1	27.1
Owner-occupied housing unit with mortgage (%)	66.1	65.9	68.7	68.7	66.2	67.5	69.8	69.5	69.0	68.7
Moved to this housing unit since 1995 (%)	47.3	47.7	49.7	49.6	47.3	46.4	50.0	49.2	49.6	49.1
Housing unit built in 1990 or later (%)	25.4	24.0	26.8	26.4	27.8	28.9	29.4	28.7	28.1	27.4
Employed (% 16 and over)	59.4	58.9	61.2	61.2	60.3	61.1	62.7	62.3	61.8	61.4
Women in labor force (% of total population)	30.3	30.3	31.1	31.2	29.8	30.5	31.3	31.0	31.1	31.0
Median income (1000s)	38.6	37.9	42.2	42.5	41.7	42.4	45.5	46.4	43.6	44.0
Income below poverty line (%)	13.6	14.2	12.2	12.1	11.4	10.8	10.7	10.5	11.5	11.5
Low income (median income <=36,000 with home Census block group)	21.9	72.4	35.2	41.1	39.4	38.1	32.9	34.0	32.7	41.3
2000-2010 compounded per capita income growth rate*	1.2	1.1	1.4	1.4	1.6	1.5	1.6	1.6	1.5	1.4
2000-2010 compounded population growth rate*	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2

* Compound growth rates were calculated using the 2000 Census and 2010 Census estimates as of July 2011.

4.1. Characteristics of College Completers and Non-Completers, continued

common and more expeditious among four-year college entrants. One-fifth earned a bachelor's degree within four years, rising to nearly one half within six years.

How Close Were Noncompleters to Graduation?

Given the high share of students who left college without a degree, the question of how close they came to graduation arises. Although we do not assess student progress through detailed degree requirements, we can readily observe how noncompleters compared to degree recipients in terms of credits earned and semesters enrolled. This section focuses on four-year college entrants, but qualitative persistence patterns are similar for two-year college entrants.

Figure 1 illustrates the number of cumulative college credits earned by single-term noncompleters, extended noncompleters, and bachelor's degree recipients. Obviously, students who left college after no more than one academic year were quite far from graduation, earning a small share of the credits earned by degree recipients. On average, we find that extended noncompleters earned 40 – 43 percent fewer credits than degree recipients, which indicates that noncompleters were relatively far behind graduates in terms of college persistence. But with 89 – 92 cumulative credits, extended noncompleters were not far from the 120-credit benchmark that colleges typically require for bachelor's degree receipt.

Figure 2 illustrates the total number of fall and spring semesters students attended, by degree status. Extended noncompleters enrolled for seven semesters, on average, which is just one semester shy of 100% of the normal time to degree. By that measure, noncompleters exhibited lengthy college persistence. But bachelor's degree recipients tended to enroll for 10 – 11 semesters (i.e., about 150% of normal time). So if graduates are a reliable indication of how long it *usually* takes to earn a degree, extended noncompleters typically persisted for about two-thirds as long as they needed to.

Table 4.5. Time to Degree Completion for First-Time Freshmen

	Two-Year		Four-Year		All Entering	
	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort	2002 Cohort	2003 Cohort
Associate's obtained in …						
100% time (%)	4.3	4.1	0.1	0.0	1.8	1.8
150% time (%)	11.5	11.2	0.7	0.4	5.1	5.0
200% time (%)	16.2	15.4	1.2	1.1	7.3	7.2
by Spring 2010 (%)	22.5	20.1	3.2	2.7	11.1	10.1
Bachelor's obtained in …						
100% time (%)	2.1	2.2	19.2	20.1	12.2	12.4
150% time (%)	10.2	10.7	47.8	49.2	32.5	32.7
175% time (%)	12.3	12.3	51.5	52.2	35.6	35.1
200% time (%)	13.4	-	53.3	-	37.1	-

For bachelor's degrees, Spring 2010 is 200% time for the 2002 cohort and 175% time for the 2003 cohort.
For associate's degree, Spring 2010 is 400% time for the 2002 cohort and 350% time for the 2003 cohort.
Students who obtained both degrees are included in the statistics for both associate's and bachelor's degrees.
Percentages are cumulatives within degree.

4.1. Characteristics of College Completers and Non-Completers, continued

Figure 4.1. Extended Noncompleters Earned 40 - 43 Percent Fewer Credits Than Bachelor's Degree Recipients

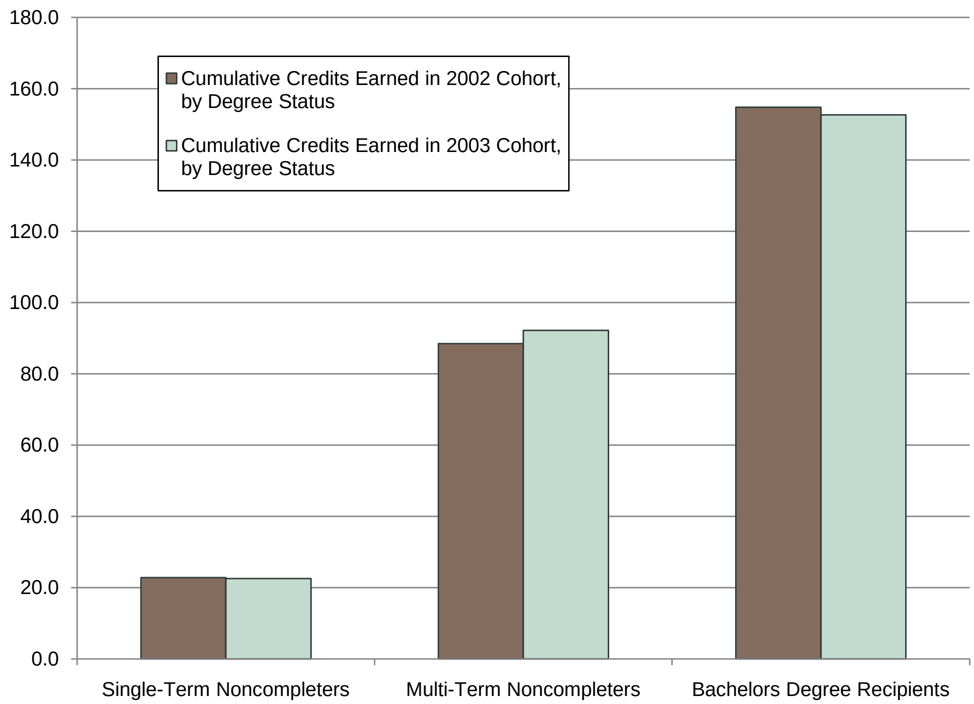
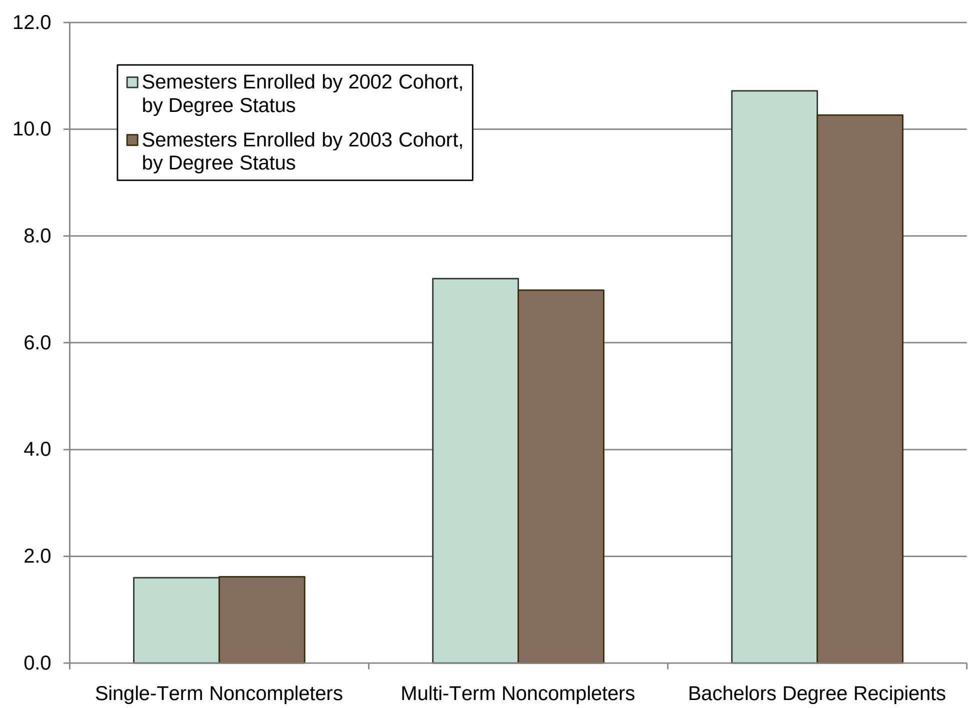


Figure 4.2. Extended Noncompleters Enrolled for 32 - 33 Percent Fewer Semesters Than Bachelor's Degree Recipients



4.2. From College to Career

Employment of those Entering Two-Year Schools

The previous section demonstrated that if often takes several years to complete a degree, so accordingly, we examine employment outcomes seven or more years after beginning school. This allows sufficient time for almost all students who will receive a degree to do so and still permits a brief window to see work experience. We limit our focus to students who had left college – with or without a degree – by January of 2009 for the 2002 entering cohort or January of 2010 for the 2003 cohort. Figure 3 reports the percentage of these groups employed in Tennessee seven years after starting college, by degree status. Two salient conclusions emerge. First, students who completed a degree were more likely to have Tennessee earnings seven years after entering college. And second, the effects of the 2008-2009 recession and its aftermath are evident in significantly lower labor force participation for the 2003 cohort. Compared to students who entered college just one year earlier, members of the 2003 cohort were much less likely to have Tennessee wages seven years after starting college.

Figure 4 plots average inflation-adjusted earnings seven years after starting college, by cohort and degree status. Again, we see lower wages for the later cohort and we also find that degree completers had much stronger employment outcomes, earning close to $10,000 more than noncompleters. We expect the annual returns to education to increase for these students as time goes on and more data become available. Interestingly, associate's degree recipients earned slightly more than bachelor's degree recipients. This is partly due to the fact that associate's degree recipients tended to finish college earlier than bachelor's degree recipients, and therefore, they had more time in the labor market to find work and accumulate earnings. Our ongoing research in this area will assess longer-term earnings differentials across degree types.

Employment of those Entering Four-Year Schools

Figure 5 plots the share of four-year college entrants who had Tennessee wages seven years after starting college, by degree status and cohort. Echoing our findings for two-yearn enrollees, degree recipients were much more likely to be working than noncompleters, and the later cohort had lower labor force participation rates regardless of degree completion. Figure 6 plots average inflation-adjusted earnings for 2002 and 2003 four-year college entrants, by degree status and cohort. Once again, we find that degree recipients earned about $10,000 more than non-completers.

Figures 3–6 illustrate the economic returns to degree completion, but also the returns to persistence through college. Recall that "single-term noncompleters," are students who stayed no more than one semester in a community college or one academic year in a four-year college. Even though single-term noncompleters had more time out of college than any other group, and presumably more time to work, they tended to earn no more than other noncompleters, and they earned much less than degree recipients.

Student Characteristics and Employment Outcomes: Regression Analysis

Summary statistics and figures allow us to see the characteristics of incoming students and examine how average student characteristics appear to be related to degree completion and labor outcomes. However, simple statistics only permit us to relate these outcomes to one student characteristic at a time when many factors influence degree completion, employment, and earnings, and these factors are often correlated and interdependent. Thus, we use multivariate regression analysis to decompose the effects of degree completion and different student characteristics on labor market participation and earnings in Tennessee.

First, we estimate the relationship between student characteristics and labor outcomes for all students. Student characteristics include pre-college variables summarized in Tables 1 and 3 (gender, demographics, age, ACT, and distance

4.2. From College to Career, continued

Figure 4.3. Degree Completers are More Likely to be Working in Tennessee Seven Years After Entering a Community College

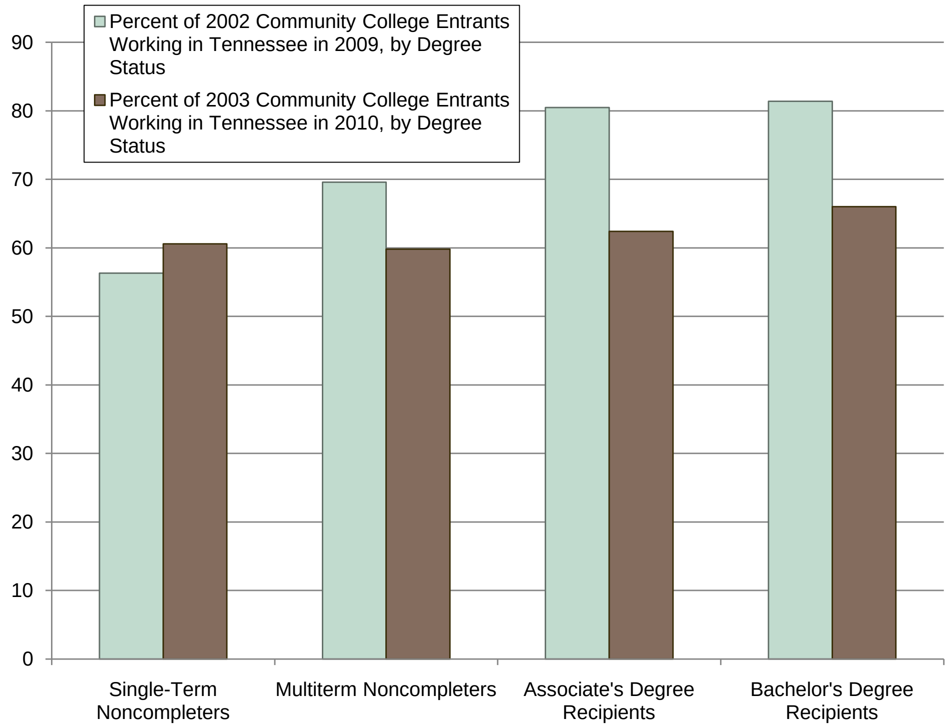
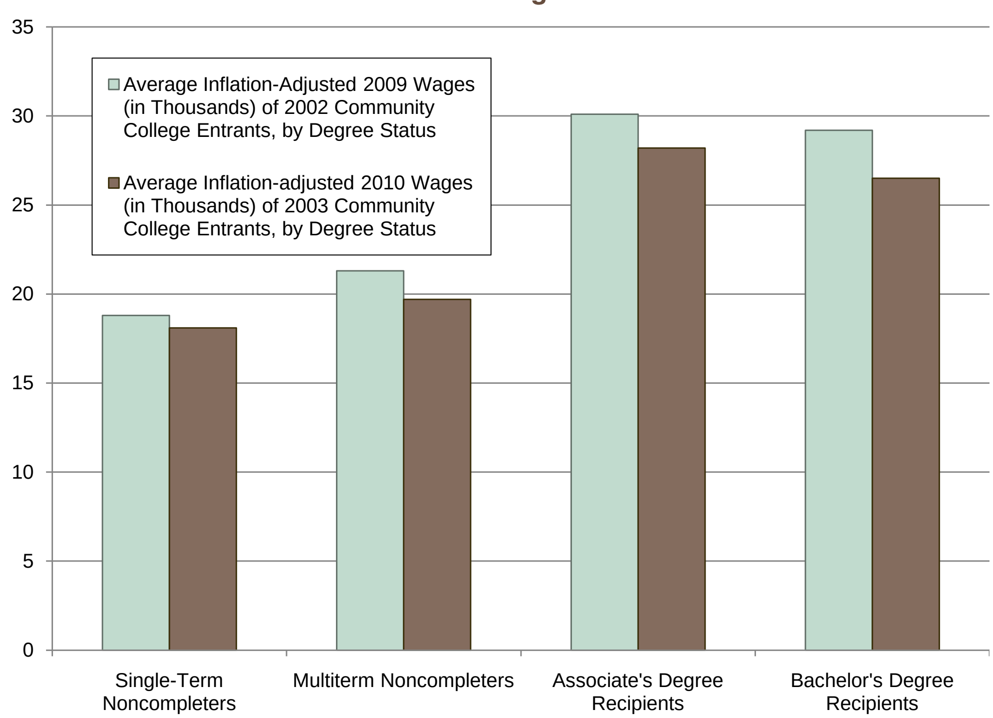


Figure 4.4. Degree Completers Earn Higher Wages Seven Years After Entering a Community College



4.2. From College to Career, continued

Figure 4.5. Degree Completers are More Likely to be Working in Tennessee Seven Years After Entering a Four-Year College or University

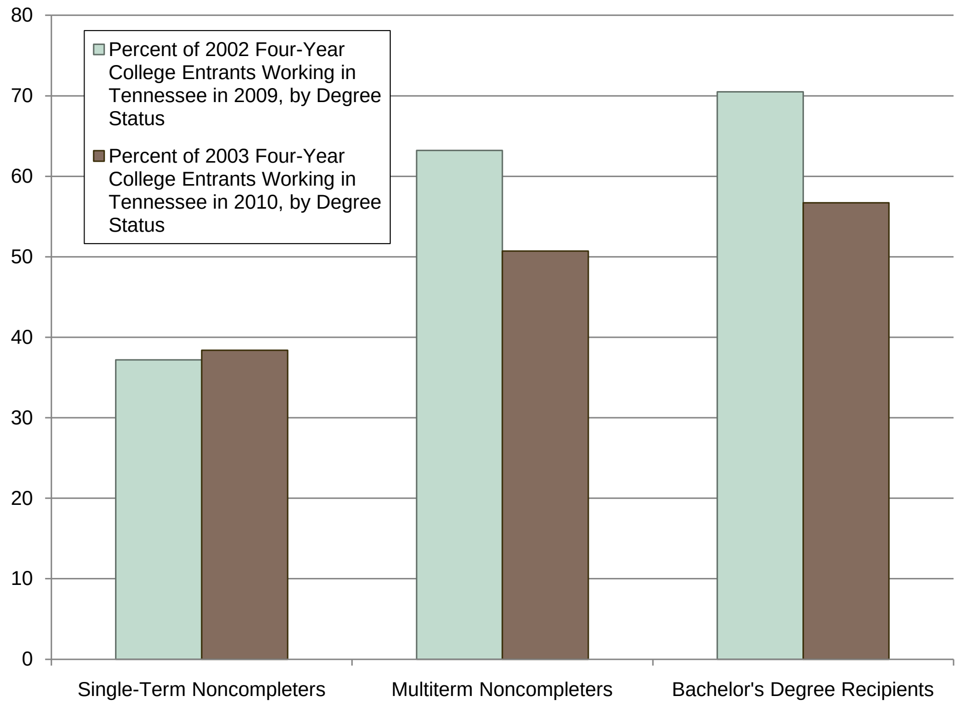
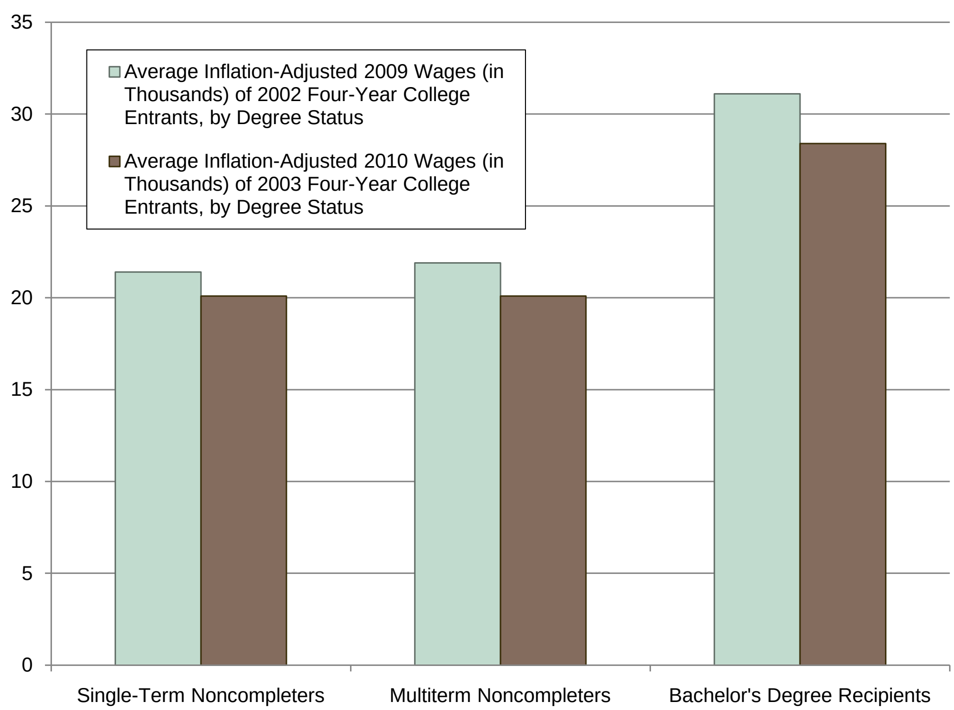


Figure 4.6. Degree Completers Earn Higher Wages Seven Years After Entering a Four-Year College or University



4.2. From College to Career, continued

from home) as well as the type of college a student attended (two-year or four-year) and the length of time it took him or her to complete a degree (if one was completed at all). Additionally, we control for whether a student came from a low-income neighborhood[7] and whether a student transferred from a community college to a four-year college or university in the state.

So that we may have ample time to observe employment outcomes, we limit the analysis to members of the 2002 cohort who left college (with a degree or as a non-completer) by January 1, 2009. Note that all student characteristics are based on their values at the time of college entry (fall 2002) and all time periods are measured from the starting year of the cohort. The analysis cannot account for students who left Tennessee to work elsewhere and only includes those who work for employers covered by the state unemployment insurance system. It is important to remember that the likelihood of being employed and the wages earned are functions of both sides of the labor market. Characteristics of students and their achievements may affect their choices of majors and whether and where (in or out of Tennessee) they wish to work. These same characteristics may influence employers' willingness to hire people and the wages they will pay based on expectations of worker productivity.

This discussion focuses on two labor market outcomes: Tennessee employment seven years after entering college (2009) and average Tennessee wages in that year, adjusted for inflation. We also note the effect of education outcomes on full-time employment and earnings in 2009.[8]

We find that a number of pre-college student characteristics are linked to the propensity to work as well as earnings. Among individuals with Tennessee earnings, each additional point on the ACT was associated with $137 in additional 2009 earnings. We observe interesting gender gaps in labor force participation and earnings. Males were 3.0 percentage points less likely to work, other things equal, yet working males earned nearly $3,000 more than females, on average. White students were 5.5 percentage points more likely to work than other ethnic groups, and they tended to earn $2,183 more. Holding everything else equal, higher age upon college entry in 2002 reduced the likelihood of 2009 employment but had no significant effect on wages. Students who lived in lower-income neighborhoods before college went on to earn $1,157 less than their more advantaged peers. Those who went to school farther away from home were generally less likely to be working in 2009, suggesting weaker linkages to statewide labor market.

Education experience and college completion are strongly linked to work-force participation and earnings. Students who first entered two-year schools in 2002 were more likely to be employed seven years later, regardless of their achievements. This could reflect those students who were already employed upon entry to a two-year school in pursuit of training or an academic award. Students who started in a two-year school and transferred to a four-year school were *less* likely to be working in 2009, relative to the rest of their cohort in two-year schools. Regressions estimate wages and the likelihood of working in 2009 for several paths through college, and results illustrate how labor outcomes for each path compare to that of extended noncompleters who persist more than one semester in a community college or more than one academic year in a four-year school. Relative to these extended noncompleters, single-term noncompleters were 5.2 percentage points less likely to work and they earned $1,572 less in 2009 wages. Many of these single-term students may have had no intention of pursuing a degree and were instead simply seeking the consumption value of college-level coursework. Or, it may be the case that the returns to college persistence are steep. Enrolling for a short spell in college may send a negative signal to employers.

We find evidence of meaningful returns to degree completion. People who earned an associate's degree were more likely to work fulltime

[7] In agreement with Tables 2 and 4, low-income neighborhoods are defined as areas where the median income was less than $36,000 as of the 2000 U.S. Census.

[8] Full-time employment is defined as receiving at least full-time minimum wage for the fourth quarter of calendar year 2009. Full-time quarterly wages are annualized.

4.2. From College to Career, continued

than extended non-completers, but the evidence does not suggest that earning an associate's degree faster (i.e. less than 200 percent time) is more strongly linked to employment. This finding may reflect working individuals who are pursuing employment-related education and training but are not in a position to study full time. That is to say, students who pursue an associate's degree while working tend to take longer to complete a degree, but they are also more likely to have Tennessee wages after completing college. Students who completed a bachelor's degree within four years had the highest wage premium overall, typically earning $13,034 more than extended noncompleters.

The Returns to College Persistence: Regression Analysis

The above analysis shows that completers had higher earnings than those who failed to complete, regardless of whether they pursued a two-year or a four-year degree. This is consistent with a wealth of research supporting the "sheepskin effects" of degree receipt, in that college completers earn more than students who persisted in college – sometimes as long as degree recipients – but nonetheless failed to leave with a degree. If the returns to higher education are largely sheepskin effects, then students with no intention of finishing college (or insufficient skills to do so) may be better off in the workforce. It may be the case, however, that noncompleters can send a positive signal to future employers by persisting longer in college. In the absence of a degree, college persistence may reflect accumulated skills and intangible qualities like commitment that employers value. On the other hand, spending more time in college can be a poor signal to employers if additional semesters appear to be excessive or due to low grades.[9] In this section we divide the 2002 cohort into subsamples according to where they started college (in a two-year or four-year school) and whether they completed a degree. Then for each subsample of students, we estimate the effect of an additional semester in college on calendar year 2009 earnings, controlling for observable student characteristics. It is important to keep in mind that since the regressions compare people from the same group in terms of graduation outcomes, the analyses are not comparing college students with people who did not enter higher education, nor are they comparing two-year graduates to four-year graduates. Also, people who lost their job prior to 2009 or chose not to take a job in Tennessee are omitted from the earnings analysis, at least in part because we do not know whether their absence from the Tennessee labor force was voluntary.

The emphasis here is on the effects of additional education (i.e., semesters enrolled) on the earnings of people *within* the different groups of completers and non-completers: selected findings are presented in Table 6. Results generally indicate that for noncompleters who started in two-year colleges, employers valued college persistence. For each additional semester in college, a two-year college noncompleter earned $668 higher earnings in 2009, and noncompleters who transferred to a four-year school earned even more. Noncompleters who started in four-year schools did not gain a significant sum for each additional semester, although additional analysis in the full report to THEC indicates that college persistence significantly increased the likelihood of having any Tennessee wages in 2009 – 2010 and increased 2010 wages as well.

Interestingly, the returns to college persistence as measured by the number of semesters enrolled were significantly negative for students who left college with an associate's or bachelor's degree. This suggests that employers emphasize the credential of a degree more than the amount of school *per se*. Indeed, employers may see excess semesters as a signal that students are not efficient at getting work done. It is also possible that some of those taking additional coursework were doing so because they did not see good post-education labor market opportunities.

[9] See Flores-Lagunes, A., and A. Light. "Interpreting Degree Effects in Returns to Education." *Journal of Human Resources* 45 (2010): 439-467.

4.3. Conclusions, Policy Implications, and Future Research

To date, this series of studies is the most comprehensive of its kind regarding the determinants of program completion and subsequent employment and earnings by students in Tennessee public postsecondary education. In addition to presenting a wealth of descriptive information on progression, dropout, and graduation patterns, our research validates the State of Tennessee's recent emphasis on college completion and student retention. As evidenced by Figures 4 and 6, degree recipients earn nearly $10,000 more than noncompleters seven years after completing college. Furthermore, our extended analyses of the returns to college persistence indicate that noncompleters can benefit from spending additional time in college. Unfortunately, achieving timely degree receipt appears to be a challenge for students, and extended stays in college can send a negative signal to employers. We find evidence suggesting that employers value degree receipt more than they value the amount of school *per se*.

This research also validates the public higher education funding formula committee's emphasis on two student subpopulations of compelling interest to Tennessee – adults and low-income students. Summary statistics suggest that graduation rates were relatively low for adults, and that they were more likely to have very short spells in college. Further, the analysis indicates that a sustained policy emphasis on low income students is warranted. Coming from a low-income neighborhood is associated with a lower likelihood of degree receipt, and subsequently, lower earnings after college.

The findings summarized here present several opportunities for additional research. First, our analyses accounted only for student characteristics in predicting college completion and post-college labor force participation and earnings. Our related research indicates that some institutions are more effective than others in advancing these outcomes. Additional work is necessary to identify specific institutional characteristics and practices that lead to variance in effectiveness across campuses. Second, we were limited to examining very near-term labor market outcomes of college graduates who chose to work for Tennessee employers covered by unemployment insurance (representing approximately 89 percent of Tennessee workers). Future work will trace the wage returns to higher education over a longer period of time, and for a more comprehensive set of workers. Finally, our ongoing and future research will examine the effect of particular policies (for example, Tennessee Education Lottery scholarships) on college completion and labor market outcomes.

APPENDIX A: FORECAST DATA

In this section—

Appendix A: Forecast Data

Quarterly	pages 2–25 (2011:4 to 2014:1)
Annual	pages 26–40 (2011 to 2021)

Quarterly Forecast Tables

Annual Forecast Tables

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
US GDP (Bil2005$) SAAR……………………….	13271.8	13331.6	13442.1	13510.1	13548.8	13595.6	13663.9	13744.4	13846.9	13951.9	14069.4	14186.4	13088.0	13318.4	13579.6	13903.2
% Chg Prev Qtr SAAR……………………….	1.33	1.81	3.36	2.04	1.15	1.39	2.02	2.38	3.02	3.07	3.41	3.37	3.03	1.76	1.96	2.38
% Chg Same Qtr Last Yr…………………….	1.63	1.46	1.71	2.13	2.09	1.98	1.65	1.73	2.20	2.62	2.97	3.22	3.03	1.76	1.96	2.38
US GDP (Bil$) SAAR…………………………….	15012.8	15176.1	15317.6	15453.6	15516.2	15618.5	15731.9	15875.6	16044.6	16221.6	16418.5	16625.3	14526.6	15093.6	15580.0	16140.1
% Chg Prev Qtr SAAR……………………….	3.96	4.42	3.78	3.60	1.63	2.66	2.94	3.70	4.33	4.49	4.94	5.14	4.22	3.90	3.22	3.59
% Chg Same Qtr Last Yr…………………….	3.77	3.91	3.81	3.94	3.35	2.92	2.70	2.73	3.41	3.86	4.36	4.72	4.22	3.90	3.22	3.59
TN PERSONAL INCOME (MIL2005$) SAAR….	204786	203754	206043	208707	210696	212314	214000	215467	217486	219464	221524	223237	199977	204583	211429	218485
% Chg Prev Qtr SAAR……………………….	2.05	-2.00	4.57	5.27	3.87	3.11	3.22	2.77	3.80	3.69	3.81	3.13	2.41	2.30	3.35	3.34
% Chg Same Qtr Last Yr…………………….	2.46	1.30	1.92	2.43	2.89	4.20	3.86	3.24	3.22	3.37	3.52	3.61	2.41	2.30	3.35	3.34
US PERSONAL INCOME (BIL2005$) SAAR….	11398	11353	11406	11516	11610	11667	11742	11780	11851	11919	11988	12105	11136	11388	11634	11884
% Chg Prev Qtr SAAR……………………….	0.11	-1.55	1.88	3.90	3.32	1.97	2.59	1.30	2.43	2.32	2.35	3.95	1.89	2.26	2.16	2.15
% Chg Same Qtr Last Yr…………………….	2.52	1.32	1.27	1.07	1.87	2.76	2.94	2.29	2.07	2.16	2.10	2.76	1.89	2.26	2.16	2.15
TN PERSONAL INCOME (MIL$) SAAR……….	232772	232925	235908	239565	242265	245042	247736	250451	253877	257323	260885	264169	222204	232832	243652	255634
% Chg Prev Qtr SAAR……………………….	5.42	0.26	5.22	6.35	4.59	4.66	4.47	4.46	5.59	5.54	5.65	5.13	4.24	4.78	4.65	4.92
% Chg Same Qtr Last Yr…………………….	5.05	4.20	4.50	4.28	4.08	5.20	5.01	4.54	4.79	5.01	5.31	5.48	4.24	4.78	4.65	4.92
US PERSONAL INCOME (BIL$) SAAR……….	12955	12980	13057	13213	13339	13462	13589	13687	13831	13975	14121	14324	12374	12960	13401	13903
% Chg Prev Qtr SAAR……………………….	3.42	0.75	2.42	4.87	3.85	3.73	3.85	2.91	4.26	4.23	4.25	5.87	3.72	4.74	3.40	3.75
% Chg Same Qtr Last Yr…………………….	5.11	4.23	3.81	2.85	2.96	3.71	4.07	3.59	3.69	3.81	3.91	4.65	3.72	4.74	3.40	3.75
TN NONFARM JOBS (THOUS)…………………	2629.6	2634.3	2658.1	2662.8	2668.9	2674.8	2682.4	2694.7	2707.3	2720.4	2734.5	2745.9	2612.6	2638.0	2672.2	2714.2
% Chg Prev Qtr SAAR……………………….	-0.06	0.72	3.68	0.70	0.92	0.89	1.13	1.85	1.89	1.94	2.10	1.68	-0.27	0.97	1.30	1.57
% Chg Same Qtr Last Yr…………………….	0.51	0.68	1.41	1.25	1.50	1.54	0.91	1.20	1.44	1.70	1.94	1.90	-0.27	0.97	1.30	1.57
US NONFARM JOBS (MIL)………………………	131.0	131.3	131.7	132.1	132.5	132.9	133.5	134.0	134.5	135.2	135.8	136.4	129.8	131.1	132.8	134.9
% Chg Prev Qtr SAAR……………………….	1.44	0.91	1.24	1.27	1.12	1.25	1.63	1.55	1.72	1.84	1.84	1.94	-0.74	1.02	1.22	1.59
% Chg Same Qtr Last Yr…………………….	0.82	1.10	1.22	1.21	1.13	1.22	1.32	1.39	1.54	1.68	1.74	1.83	-0.74	1.02	1.22	1.59
TN MFG JOBS (THOUS)…………………………	300.9	300.7	302.0	303.0	304.0	305.1	305.8	306.7	307.6	308.4	309.4	310.0	297.8	300.1	304.5	308.0
% Chg Prev Qtr SAAR……………………….	5.83	-0.21	1.78	1.25	1.34	1.45	0.96	1.17	1.18	1.05	1.25	0.81	-3.68	0.75	1.47	1.17
% Chg Same Qtr Last Yr…………………….	0.40	0.70	2.14	2.14	1.04	1.46	1.25	1.23	1.19	1.09	1.16	1.07	-3.68	0.75	1.47	1.17
US MFG JOBS (MIL)…………………………….	11.7	11.8	11.8	11.8	11.9	11.9	12.0	12.0	12.0	12.1	12.1	12.2	11.5	11.7	11.9	12.1
% Chg Prev Qtr SAAR……………………….	2.18	1.53	0.21	1.13	2.67	0.79	1.91	0.85	2.21	1.43	1.68	1.86	-2.69	1.68	1.36	1.53
% Chg Same Qtr Last Yr…………………….	1.57	1.72	1.82	1.26	1.38	1.19	1.62	1.55	1.44	1.60	1.54	1.79	-2.69	1.68	1.36	1.53
TN UNEMPLOYMENT RATE (%)………………	9.7	9.8	9.1	9.2	9.0	8.7	8.7	8.5	8.4	8.4	8.3	8.0	9.7	9.5	8.9	8.4
US UNEMPLOYMENT RATE (%)………………	9.1	9.1	8.8	8.7	8.8	8.8	8.8	8.7	8.7	8.5	8.4	8.2	9.6	9.0	8.8	8.6

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2012**

	History		Forecast Data									
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1
CHAINED PRICE INDEX, GDP												
(2005=100.0)………….......................…	113.1	113.8	114.0	114.4	114.5	114.9	115.1	115.5	115.9	116.3	116.7	117.2
% Chg Prev Qtr SAAR………………………	2.52	2.57	0.50	1.53	0.47	1.26	0.89	1.30	1.27	1.38	1.48	1.71
% Chg Same Qtr Last Yr…………………….	2.10	2.38	2.02	1.78	1.26	0.94	1.04	0.98	1.18	1.21	1.36	1.46
US PERS CONSUMP DEFL (2005=100.0)…….	113.7	114.3	114.5	114.7	114.9	115.4	115.7	116.2	116.7	117.2	117.8	118.3
% Chg Prev Qtr SAAR………………………	3.30	2.34	0.53	0.93	0.51	1.73	1.23	1.59	1.79	1.87	1.85	1.84
% Chg Same Qtr Last Yr…………………….	2.53	2.87	2.51	1.77	1.07	0.92	1.10	1.26	1.59	1.62	1.78	1.84
CONSUMER PRICE INDEX,												
ALL-URBAN (82-84=1.000)………………….	2.245	2.262	2.268	2.273	2.275	2.288	2.296	2.307	2.319	2.331	2.343	2.353
% Chg Prev Qtr SAAR………………………	4.09	3.07	0.97	0.92	0.38	2.27	1.45	1.87	2.09	2.11	2.03	1.88
% Chg Same Qtr Last Yr…………………….	3.33	3.75	3.33	2.26	1.33	1.13	1.25	1.49	1.92	1.88	2.02	2.03
BANK PRIME INTEREST RATE (%)……………	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.5
FEDERAL FUNDS RATE (% per annum)………	0.093	0.083	0.074	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.124	0.473
30-YEAR FIXED MORTGAGE RATE (%)………	4.7	4.3	4.0	3.9	4.0	4.2	4.2	4.3	4.4	4.5	4.7	4.9
TN TAXABLE SALES (MIL2005$)………………	20766	20817	21333	21533	21746	21898	22051	22184	22377	22551	22736	22961
% Chg Prev Qtr SAAR………………………	5.01	0.97	10.29	3.81	4.01	2.81	2.83	2.43	3.54	3.14	3.32	4.02
% Chg Same Qtr Last Yr…………………….	2.69	3.50	4.64	4.97	4.72	5.19	3.36	3.02	2.90	2.99	3.11	3.51
TN TAXABLE SALES (MIL$)……………………	23604	23797	24425	24717	25004	25273	25527	25785	26122	26441	26776	27172
% Chg Prev Qtr SAAR………………………	8.48	3.31	10.98	4.87	4.73	4.37	4.08	4.11	5.32	4.99	5.16	6.04
% Chg Same Qtr Last Yr…………………….	5.29	6.46	7.29	6.87	5.93	6.20	4.51	4.32	4.47	4.62	4.89	5.38
TN AVG ANNUAL WAGE, NONFARM												
(2005$)…………….........................….......	38210	38053	38221	38419	38598	38704	38837	38962	39077	39194	39311	39425
% Chg Prev Qtr SAAR………………………	1.98	-1.63	1.77	2.09	1.88	1.10	1.38	1.29	1.19	1.20	1.20	1.16
% Chg Same Qtr Last Yr…………………….	0.13	-0.52	-0.05	1.04	1.02	1.71	1.61	1.41	1.24	1.27	1.22	1.19
TN AVG ANNUAL WAGE, NONFARM ($)……..	43432	43501	43760	44099	44382	44670	44959	45288	45616	45955	46296	46654
% Chg Prev Qtr SAAR………………………	5.35	0.64	2.40	3.13	2.59	2.63	2.61	2.96	2.93	3.01	3.00	3.12
% Chg Same Qtr Last Yr…………………….	2.66	2.33	2.48	2.87	2.19	2.69	2.74	2.70	2.78	2.88	2.97	3.02

	Annual			
	2010	2011	2012	2013
CHAINED PRICE INDEX, GDP				
(2005=100.0)………….......................…	111.0	113.3	114.7	116.1
% Chg Prev Qtr SAAR………………………	1.16	2.08	1.25	1.18
% Chg Same Qtr Last Yr…………………….	1.16	2.08	1.25	1.18
US PERS CONSUMP DEFL (2005=100.0)…….	111.1	113.8	115.2	117.0
% Chg Prev Qtr SAAR………………………	1.78	2.42	1.21	1.56
% Chg Same Qtr Last Yr…………………….	1.78	2.42	1.21	1.56
CONSUMER PRICE INDEX,				
ALL-URBAN (82-84=1.000)………………….	2.181	2.249	2.283	2.325
% Chg Prev Qtr SAAR………………………	1.65	3.15	1.49	1.83
% Chg Same Qtr Last Yr…………………….	1.65	3.15	1.49	1.83
BANK PRIME INTEREST RATE (%)……………	3.3	3.3	3.3	3.3
FEDERAL FUNDS RATE (% per annum)………	0.175	0.102	0.100	0.106
30-YEAR FIXED MORTGAGE RATE (%)………	4.7	4.5	4.1	4.5
TN TAXABLE SALES (MIL2005$)………………	80568	83429	87227	89848
% Chg Prev Qtr SAAR………………………	0.72	3.55	4.55	3.00
% Chg Same Qtr Last Yr…………………….	0.72	3.55	4.55	3.00
TN TAXABLE SALES (MIL$)……………………	89523	94955	100521	105125
% Chg Prev Qtr SAAR………………………	2.52	6.07	5.86	4.58
% Chg Same Qtr Last Yr…………………….	2.52	6.07	5.86	4.58
TN AVG ANNUAL WAGE, NONFARM				
(2005$)…………….........................….......	38139	38127	38639	39136
% Chg Prev Qtr SAAR………………………	1.69	-0.03	1.34	1.28
% Chg Same Qtr Last Yr…………………….	1.69	-0.03	1.34	1.28
TN AVG ANNUAL WAGE, NONFARM ($)……..	42377	43391	44528	45789
% Chg Prev Qtr SAAR………………………	3.50	2.39	2.62	2.83
% Chg Same Qtr Last Yr…………………….	3.50	2.39	2.62	2.83

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

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
US GDP (2005$) SAAR	42395	42483	42732	42845	42864	42909	43020	43170	43387	43610	43872	44130	42157	42492	42910	43510
% Chg Prev Qtr SAAR	0.37	0.84	2.37	1.06	0.18	0.42	1.04	1.39	2.03	2.08	2.42	2.37	2.15	0.79	0.98	1.40
% Chg Same Qtr Last Yr	0.66	0.49	0.74	1.15	1.11	1.00	0.67	0.76	1.22	1.63	1.98	2.22	2.15	0.79	0.98	1.40
US GDP ($) SAAR	47956	48361	48695	49009	49088	49293	49531	49863	50273	50705	51197	51717	46791	48156	49231	50511
% Chg Prev Qtr SAAR	2.97	3.42	2.79	2.60	0.65	1.68	1.95	2.71	3.33	3.48	3.94	4.13	3.32	2.92	2.23	2.60
% Chg Same Qtr Last Yr	2.77	2.91	2.82	2.94	2.36	1.93	1.72	1.74	2.41	2.86	3.36	3.72	3.32	2.92	2.23	2.60
TN PERSONAL INCOME (2005$) SAAR	32217	31998	32299	32657	32909	33102	33305	33473	33726	33972	34229	34431	31679	32156	32994	33850
% Chg Prev Qtr SAAR	1.32	-2.70	3.82	4.52	3.12	2.37	2.47	2.03	3.06	2.94	3.06	2.39	1.43	1.51	2.60	2.60
% Chg Same Qtr Last Yr	1.64	0.58	1.19	1.70	2.15	3.45	3.12	2.50	2.48	2.63	2.77	2.86	1.43	1.51	2.60	2.60
US PERSONAL INCOME (2005$) SAAR	36408	36179	36260	36521	36732	36822	36969	36999	37132	37255	37383	37656	35869	36333	36761	37193
% Chg Prev Qtr SAAR	-0.84	-2.49	0.90	2.90	2.33	0.99	1.61	0.33	1.44	1.33	1.37	2.95	1.02	1.29	1.18	1.17
% Chg Same Qtr Last Yr	1.54	0.35	0.30	0.10	0.89	1.78	1.95	1.31	1.09	1.18	1.12	1.77	1.02	1.29	1.18	1.17
TN PERSONAL INCOME ($) SAAR	36620	36579	36980	37486	37840	38205	38556	38908	39369	39832	40311	40744	35200	36596	38022	39605
% Chg Prev Qtr SAAR	4.66	-0.45	4.46	5.58	3.84	3.91	3.72	3.71	4.83	4.78	4.89	4.38	3.25	3.97	3.90	4.16
% Chg Same Qtr Last Yr	4.21	3.46	3.75	3.54	3.33	4.45	4.26	3.79	4.04	4.26	4.55	4.72	3.25	3.97	3.90	4.16
US PERSONAL INCOME ($) SAAR	41384	41362	41509	41904	42200	42486	42786	42990	43336	43682	44033	44557	39856	41348	42345	43511
% Chg Prev Qtr SAAR	2.43	-0.21	1.43	3.86	2.85	2.74	2.86	1.93	3.26	3.23	3.25	4.85	2.83	3.74	2.41	2.76
% Chg Same Qtr Last Yr	4.10	3.23	2.82	1.87	1.97	2.72	3.07	2.59	2.69	2.82	2.91	3.65	2.83	3.74	2.41	2.76
TN TAXABLE SALES (2005$)	3267	3269	3344	3369	3397	3414	3432	3446	3470	3491	3513	3541	12763	13113	13612	13920
% Chg Prev Qtr SAAR	4.26	0.25	9.50	3.06	3.27	2.08	2.09	1.70	2.80	2.40	2.58	3.28	-0.25	2.74	3.80	2.27
% Chg Same Qtr Last Yr	1.87	2.75	3.89	4.22	3.97	4.44	2.62	2.28	2.16	2.25	2.37	2.76	-0.25	2.74	3.80	2.27
TN TAXABLE SALES ($)	3713	3737	3829	3868	3906	3940	3973	4006	4051	4093	4137	4191	14182	14925	15686	16287
% Chg Prev Qtr SAAR	7.70	2.57	10.18	4.11	3.98	3.62	3.33	3.37	4.57	4.24	4.40	5.28	1.53	5.24	5.10	3.83
% Chg Same Qtr Last Yr	4.44	5.70	6.52	6.10	5.17	5.44	3.76	3.57	3.72	3.87	4.14	4.62	1.53	5.24	5.10	3.83

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

Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TN PERSONAL INCOME………..………	204786	203754	206043	208707	210696	212314	214000	215467	217486	219464	221524	223237	199977	204583	211429	218485
% Chg Prev Qtr SAAR………………	2.05	-2.00	4.57	5.27	3.87	3.11	3.22	2.77	3.80	3.69	3.81	3.13	2.41	2.30	3.35	3.34
% Chg Same Qtr Last Yr…………..	2.46	1.30	1.92	2.43	2.89	4.20	3.86	3.24	3.22	3.37	3.52	3.61	2.41	2.30	3.35	3.34
WAGES AND SALARIES………………	101396	101135	102492	103193	103911	104425	105076	105893	106699	107528	108407	109167	100595	101493	104151	107132
% Chg Prev Qtr SAAR………………	1.78	-1.03	5.48	2.76	2.81	1.99	2.52	3.15	3.08	3.14	3.31	2.84	1.39	0.89	2.62	2.86
% Chg Same Qtr Last Yr…………..	0.60	0.10	1.30	2.22	2.48	3.25	2.52	2.62	2.68	2.97	3.17	3.09	1.39	0.89	2.62	2.86
OTHER LABOR INCOME………………	24223	24068	24205	24353	24562	24764	24943	25093	25233	25386	25553	25704	24329	24180	24655	25316
% Chg Prev Qtr SAAR………………	-0.04	-2.53	2.29	2.46	3.48	3.33	2.92	2.44	2.24	2.45	2.67	2.38	0.56	-0.61	1.96	2.68
% Chg Same Qtr Last Yr…………..	-0.75	-0.93	-0.24	0.53	1.40	2.89	3.05	3.04	2.73	2.51	2.45	2.43	0.56	-0.61	1.96	2.68
PROPRIETORS INCOME…………….	23149	23193	23484	23769	24077	24333	24568	24839	25125	25385	25644	25898	22513	23200	24186	25248
% Chg Prev Qtr SAAR………………	3.11	0.75	5.12	4.95	5.28	4.32	3.92	4.48	4.70	4.21	4.14	4.02	4.11	3.05	4.25	4.39
% Chg Same Qtr Last Yr…………..	2.55	1.47	2.20	3.47	4.00	4.92	4.62	4.50	4.36	4.33	4.38	4.26	4.11	3.05	4.25	4.39
RENT, INTEREST, DIVIDENDS………	25571	25325	25370	25567	25787	25955	26144	26371	26613	26852	27093	27325	24732	25398	25863	26732
% Chg Prev Qtr SAAR………………	3.97	-3.80	0.71	3.14	3.48	2.63	2.95	3.52	3.72	3.64	3.65	3.46	-1.25	2.69	1.83	3.36
% Chg Same Qtr Last Yr…………..	2.78	2.75	2.47	0.96	0.84	2.49	3.05	3.15	3.20	3.46	3.63	3.62	-1.25	2.69	1.83	3.36
TRANSFER PAYMENTS………………	45458	45003	45538	46196	46793	47298	47769	48330	48879	49400	49926	50271	44525	45303	47014	49134
% Chg Prev Qtr SAAR………………	2.19	-3.94	4.84	5.91	5.27	4.38	4.05	4.78	4.62	4.33	4.33	2.79	6.43	1.75	3.78	4.51
% Chg Same Qtr Last Yr…………..	3.28	0.09	-0.24	2.18	2.94	5.10	4.90	4.62	4.46	4.45	4.52	4.02	6.43	1.75	3.78	4.51
LESS: PERS CONT FOR SOC INS….	14496	14453	14531	13859	13921	13949	13991	14550	14557	14582	14597	14631	16175	14477	13930	14572
% Chg Prev Qtr SAAR………………	1.85	-1.19	2.19	-17.25	1.80	0.82	1.20	16.98	0.17	0.68	0.44	0.93	0.11	-10.49	-3.78	4.60
% Chg Same Qtr Last Yr…………..	-10.80	-10.48	-9.74	-3.95	-3.97	-3.48	-3.72	4.99	4.57	4.53	4.33	0.56	0.11	-10.49	-3.78	4.60
RESIDENCE ADJUSTMENT………….	-516	-517	-515	-511	-513	-511	-509	-509	-506	-506	-502	-497	-542	-513	-511	-506
% Chg Prev Qtr SAAR………………	9.67	1.12	-1.80	-2.73	1.25	-0.94	-1.93	0.13	-2.42	0.24	-3.62	-3.53	9.45	-5.44	-0.33	-1.03
% Chg Same Qtr Last Yr…………..	-4.26	-1.79	-8.78	1.45	-0.55	-1.06	-1.10	-0.38	-1.29	-1.00	-1.43	-2.34	9.45	-5.44	-0.33	-1.03
PER CAPITA PERSONAL INCOME ($)….	32217	31998	32299	32657	32909	33102	33305	33473	33726	33972	34229	34431	31679	32156	32994	33850
% Chg Prev Qtr SAAR………………	1.32	-2.70	3.82	4.52	3.12	2.37	2.47	2.03	3.06	2.94	3.06	2.39	1.43	1.51	2.60	2.60
% Chg Same Qtr Last Yr…………..	1.64	0.58	1.19	1.70	2.15	3.45	3.12	2.50	2.48	2.63	2.77	2.86	1.43	1.51	2.60	2.60

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

Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TN PERSONAL INCOME………...…….	232772	232925	235908	239565	242265	245042	247736	250451	253877	257323	260885	264169	222204	232832	243652	255634
% Chg Prev Qtr SAAR………………	5.42	0.26	5.22	6.35	4.59	4.66	4.47	4.46	5.59	5.54	5.65	5.13	4.24	4.78	4.65	4.92
% Chg Same Qtr Last Yr…………..	5.05	4.20	4.50	4.28	4.08	5.20	5.01	4.54	4.79	5.01	5.31	5.48	4.24	4.78	4.65	4.92
WAGES AND SALARIES………………	115253	115614	117348	118450	119480	120523	121641	123087	124553	126078	127669	129184	111775	115508	120023	125346
% Chg Prev Qtr SAAR………………	5.14	1.26	6.14	3.81	3.53	3.54	3.76	4.84	4.85	4.99	5.14	4.83	3.20	3.34	3.91	4.43
% Chg Same Qtr Last Yr…………..	3.14	2.96	3.86	4.07	3.67	4.25	3.66	3.91	4.25	4.61	4.96	4.95	3.20	3.34	3.91	4.43
OTHER LABOR INCOME………………	27533	27514	27713	27953	28242	28581	28875	29168	29455	29765	30094	30417	27033	27518	28413	29620
% Chg Prev Qtr SAAR………………	3.26	-0.28	2.93	3.51	4.20	4.89	4.17	4.12	4.00	4.28	4.49	4.37	2.35	1.80	3.25	4.25
% Chg Same Qtr Last Yr…………..	1.76	1.91	2.29	2.34	2.58	3.88	4.19	4.34	4.29	4.14	4.22	4.28	2.35	1.80	3.25	4.25
PROPRIETORS INCOME…………….	26313	26513	26888	27283	27684	28084	28441	28872	29329	29765	30200	30647	25016	26404	27873	29541
% Chg Prev Qtr SAAR………………	6.52	3.08	5.77	6.02	6.00	5.90	5.19	6.20	6.49	6.07	5.99	6.04	5.96	5.55	5.56	5.99
% Chg Same Qtr Last Yr…………..	5.15	4.37	4.78	5.34	5.21	5.92	5.78	5.82	5.94	5.99	6.19	6.15	5.96	5.55	5.56	5.99
RENT, INTEREST, DIVIDENDS………	29066	28951	29048	29347	29651	29956	30265	30653	31066	31484	31907	32335	27480	28904	29805	31277
% Chg Prev Qtr SAAR………………	7.40	-1.57	1.34	4.19	4.20	4.18	4.20	5.22	5.50	5.49	5.49	5.47	0.53	5.18	3.12	4.94
% Chg Same Qtr Last Yr…………..	5.38	5.69	5.05	2.79	2.01	3.47	4.19	4.45	4.77	5.10	5.42	5.49	0.53	5.18	3.12	4.94
TRANSFER PAYMENTS……………….	51670	51446	52138	53026	53805	54589	55300	56177	57058	57922	58797	59489	49475	51558	54180	57489
% Chg Prev Qtr SAAR………………	5.56	-1.72	5.49	6.99	6.00	5.96	5.31	6.50	6.42	6.20	6.18	4.79	8.32	4.21	5.09	6.11
% Chg Same Qtr Last Yr…………..	5.89	2.95	2.28	4.02	4.13	6.11	6.06	5.94	6.05	6.11	6.32	5.90	8.32	4.21	5.09	6.11
LESS: PERS CONT FOR SOC INS….	16477	16522	16637	15908	16007	16100	16197	16913	16993	17097	17191	17314	17972	16476	16053	17048
% Chg Prev Qtr SAAR………………	5.21	1.10	2.82	-16.41	2.50	2.34	2.43	18.90	1.90	2.48	2.22	2.89	1.90	-8.32	-2.57	6.20
% Chg Same Qtr Last Yr…………..	-8.54	-7.91	-7.46	-2.22	-2.85	-2.56	-2.65	6.32	6.16	6.19	6.14	2.37	1.90	-8.32	-2.57	6.20
RESIDENCE ADJUSTMENT………….	-586	-591	-589	-587	-590	-590	-589	-592	-591	-594	-591	-588	-603	-584	-589	-592
% Chg Prev Qtr SAAR………………	13.29	3.46	-1.19	-1.74	1.95	0.56	-0.74	1.77	-0.74	2.03	-1.91	-1.65	11.42	-3.14	0.92	0.48
% Chg Same Qtr Last Yr…………..	-1.84	1.03	-6.47	3.28	0.60	-0.11	0.00	0.88	0.21	0.57	0.28	-0.58	11.42	-3.14	0.92	0.48
PER CAPITA PERSONAL INCOME ($)….	36620	36579	36980	37486	37840	38205	38556	38908	39369	39832	40311	40744	35200	36596	38022	39605
% Chg Prev Qtr SAAR………………	4.66	-0.45	4.46	5.58	3.84	3.91	3.72	3.71	4.83	4.78	4.89	4.38	3.25	3.97	3.90	4.16
% Chg Same Qtr Last Yr…………..	4.21	3.46	3.75	3.54	3.33	4.45	4.26	3.79	4.04	4.26	4.55	4.72	3.25	3.97	3.90	4.16

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

Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONFARM	2631.9	2638.4	2684.1	2629.7	2671.2	2679.0	2708.5	2661.1	2709.6	2724.8	2761.3	2711.5	2612.5	2638.0	2672.1	2714.2
% Chg Same Qtr Last Yr	0.54	0.81	1.41	1.24	1.49	1.54	0.91	1.19	1.44	1.71	1.95	1.89	-0.28	0.98	1.29	1.574
NATURAL RESOURCES, MINING & CONSTRUCTION	109.8	113.9	113.8	107.6	113.8	116.8	116.7	110.6	117.3	120.7	120.7	114.3	105.4	110.5	113.7	117.3
% Chg Same Qtr Last Yr	3.52	4.59	4.75	3.03	3.71	2.55	2.53	2.76	3.06	3.27	3.49	3.38	-4.02	4.79	2.94	3.1545
MANUFACTURING	300.3	301.9	303.2	301.2	303.4	306.3	307.0	304.9	307.0	309.6	310.6	308.2	297.8	300.1	304.5	308.0
% Chg Same Qtr Last Yr	0.39	0.71	2.14	2.15	1.03	1.45	1.25	1.24	1.18	1.09	1.16	1.08	-3.67	0.75	1.47	1.1677
DURABLE GOODS	177.1	179.7	181.2	180.7	181.9	184.3	185.6	185.2	186.4	188.8	190.3	189.8	175.2	178.4	183.1	187.7
% Chg Same Qtr Last Yr	0.84	1.79	3.11	2.88	2.71	2.56	2.44	2.50	2.49	2.42	2.57	2.43	-3.66	1.85	2.64	2.4937
NONDURABLE GOODS	123.2	122.2	122.1	120.5	121.5	122.0	121.4	119.7	120.5	120.8	120.2	118.5	122.7	121.6	121.3	120.3
% Chg Same Qtr Last Yr	-0.24	-0.84	0.74	1.08	-1.38	-0.18	-0.51	-0.65	-0.77	-0.93	-0.99	-1.02	-3.70	-0.83	-0.26	-0.834
TRADE, TRANSPORTATION, UTILITIES	557.8	554.4	565.9	552.2	559.9	562.3	571.6	558.9	568.3	572.6	583.8	570.4	554.7	557.4	561.5	570.9
% Chg Same Qtr Last Yr	1.12	-0.26	0.13	0.17	0.37	1.42	0.99	1.21	1.50	1.84	2.15	2.06	-0.86	0.49	0.74	1.6767
WHOLESALE TRADE	119.2	118.9	117.6	116.7	118.9	120.0	121.1	120.1	122.2	123.2	124.4	123.4	117.4	118.6	119.2	122.5
% Chg Same Qtr Last Yr	1.42	1.22	-0.32	-1.51	-0.26	0.99	2.98	2.87	2.76	2.66	2.69	2.78	-2.75	0.96	0.54	2.7419
RETAIL TRADE	304.1	301.1	310.5	300.5	304.4	304.8	311.3	302.3	307.4	309.2	317.0	307.3	306.5	303.9	305.3	309.0
% Chg Same Qtr Last Yr	-0.53	-1.87	-0.48	0.23	0.11	1.23	0.25	0.59	0.97	1.42	1.83	1.65	-0.18	-0.84	0.45	1.2107
TRANSPORTATION & UTILITIES	134.5	134.4	137.8	134.9	136.6	137.4	139.1	136.5	138.7	140.2	142.4	139.7	130.8	134.9	137.0	139.5
% Chg Same Qtr Last Yr	4.78	2.15	1.92	1.53	1.53	2.23	0.95	1.16	1.58	2.04	2.36	2.34	-0.70	3.17	1.56	1.7898
INFORMATION	44.1	43.8	44.3	43.7	44.1	44.0	44.7	44.2	44.7	44.8	45.7	45.1	44.9	44.3	44.1	44.8
% Chg Same Qtr Last Yr	-1.56	-1.13	-1.24	-2.59	0.11	0.31	0.77	0.94	1.38	1.80	2.29	2.17	-4.24	-1.44	-0.36	1.6065
FINANCIAL ACTIVITIES	138.2	139.4	139.5	138.1	139.0	140.0	140.2	139.1	140.3	141.6	142.2	141.2	137.8	138.5	139.3	140.8
% Chg Same Qtr Last Yr	0.14	1.04	1.45	0.94	0.61	0.43	0.49	0.71	0.96	1.15	1.42	1.50	-2.01	0.52	0.61	1.0614
PROFESSIONAL & BUSINESS SERVICES	307.6	313.7	331.0	317.6	322.2	324.7	335.1	323.9	330.8	335.0	347.4	335.8	304.6	313.8	324.9	334.3
% Chg Same Qtr Last Yr	1.06	3.07	4.86	4.81	4.77	3.49	1.25	1.97	2.65	3.17	3.67	3.67	3.64	3.02	3.53	2.8775
EDUCATION & HEALTH SERVICES	379.0	378.5	386.6	384.3	385.6	386.1	392.0	390.7	392.5	393.9	400.0	398.6	372.9	380.7	387.0	394.3
% Chg Same Qtr Last Yr	2.17	1.40	1.94	1.51	1.76	2.02	1.40	1.66	1.77	2.02	2.04	2.03	1.91	2.08	1.67	1.8713
LEISURE & HOSPITALITY	271.6	272.8	262.8	253.8	272.1	275.6	265.7	257.8	276.7	281.0	272.1	263.8	261.9	264.7	266.8	271.9
% Chg Same Qtr Last Yr	1.14	1.34	1.02	0.86	0.20	1.02	1.11	1.58	1.70	1.97	2.39	2.33	-0.60	1.07	0.79	1.9138
OTHER SERVICES	101.6	101.3	101.9	100.9	103.0	102.3	101.9	101.5	104.0	103.9	103.9	103.4	100.5	100.8	102.0	103.4
% Chg Same Qtr Last Yr	0.46	0.00	1.46	2.57	1.30	1.00	0.05	0.62	1.05	1.53	1.98	1.81	-1.49	0.30	1.22	1.2962
GOVERNMENT	422.1	418.5	435.0	430.3	428.0	420.9	433.7	429.6	428.0	421.7	434.8	430.7	431.9	427.3	428.2	428.5
% Chg Same Qtr Last Yr	-2.61	-0.82	-0.72	-0.75	1.40	0.56	-0.31	-0.16	-0.01	0.19	0.26	0.26	0.80	-1.07	0.21	0.0685
FEDERAL, CIVILIAN	49.6	49.2	48.2	48.3	49.9	49.0	47.8	47.8	49.3	48.3	47.0	47.0	52.1	49.1	48.7	48.1
% Chg Same Qtr Last Yr	-12.73	-5.57	-2.92	-2.51	0.69	-0.36	-0.84	-1.00	-1.22	-1.42	-1.59	-1.72	3.97	-5.79	-0.75	-1.307
STATE & LOCAL	372.5	369.4	386.9	382.0	378.1	371.9	386.0	381.8	378.6	373.4	387.9	383.7	379.8	378.2	379.5	380.4
% Chg Same Qtr Last Yr	-1.09	-0.15	-0.43	-0.52	1.49	0.69	-0.25	-0.06	0.15	0.39	0.49	0.51	0.37	-0.42	0.34	0.2449

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

Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL DURABLE GOODS	177.1	179.7	181.2	180.7	181.9	184.3	185.6	185.2	186.4	188.8	190.3	189.8	175.2	178.4	183.1	187.7
% Chg Same Qtr Last Yr	0.84	1.79	3.11	2.88	2.71	2.56	2.44	2.50	2.49	2.42	2.57	2.43	-0.04	0.02	0.03	0.02
WOOD PRODUCTS	10.5	10.7	10.6	10.3	10.5	10.7	10.7	10.4	10.5	10.8	10.7	10.4	10.8	10.6	10.6	10.6
% Chg Same Qtr Last Yr	-3.96	-2.43	-0.29	-0.32	-0.24	0.39	0.26	0.25	0.32	0.28	0.40	0.44	-0.04	-0.03	0.00	0.00
NONMETALLIC MINERAL PRODUCTS	10.6	10.6	10.4	10.2	10.4	10.5	10.4	10.1	10.3	10.5	10.4	10.2	11.2	10.6	10.4	10.3
% Chg Same Qtr Last Yr	-7.00	-7.83	-6.73	-4.51	-2.31	-1.03	-0.52	-0.81	-0.55	0.10	0.22	0.51	-0.03	-0.06	-0.02	0.00
PRIMARY METALS	9.1	9.2	9.3	9.3	9.2	9.3	9.4	9.4	9.4	9.5	9.7	9.7	8.8	9.1	9.3	9.5
% Chg Same Qtr Last Yr	4.20	2.23	4.90	3.23	0.99	1.09	0.61	1.42	2.14	2.85	3.50	2.94	-0.03	0.04	0.01	0.02
FABRICATED METAL PRODUCTS	33.4	34.3	34.7	34.5	34.7	35.3	35.6	35.4	35.6	36.2	36.6	36.4	32.9	33.9	35.0	36.0
% Chg Same Qtr Last Yr	1.21	3.52	5.01	4.27	3.96	2.84	2.66	2.61	2.69	2.76	2.91	2.79	-0.02	0.03	0.03	0.03
MACHINERY	26.3	26.3	26.6	26.9	27.2	27.2	27.5	27.8	28.1	27.9	28.2	28.5	24.7	26.2	27.2	28.0
% Chg Same Qtr Last Yr	5.35	6.77	7.06	5.25	3.47	3.56	3.46	3.33	3.21	2.42	2.56	2.49	-0.05	0.06	0.04	0.03
COMPUTER & ELECTRONIC PRODUCTS	5.3	5.3	5.2	5.2	5.1	5.0	4.9	4.8	4.7	4.7	4.6	4.5	5.7	5.3	5.0	4.7
% Chg Same Qtr Last Yr	-7.02	-5.95	-5.37	-2.91	-4.06	-5.14	-6.84	-6.93	-7.03	-6.50	-6.23	-6.25	-0.09	-0.07	-0.05	-0.07
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	16.6	16.5	16.7	16.5	16.5	16.8	16.9	16.7	16.7	17.0	17.2	16.9	16.8	16.6	16.7	16.9
% Chg Same Qtr Last Yr	-0.80	-3.31	-1.49	-1.20	-0.39	1.44	1.30	1.48	1.49	1.50	1.50	1.39	-0.06	-0.01	0.00	0.01
TRANSPORTATION EQUIPMENT	41.6	43.1	43.9	44.4	44.9	46.1	46.9	47.4	47.8	48.8	49.7	50.1	39.7	42.4	45.6	48.5
% Chg Same Qtr Last Yr	5.14	7.66	8.89	8.65	8.13	6.91	6.76	6.77	6.42	6.01	6.02	5.56	-0.02	0.07	0.08	0.06
FURNITURE	9.0	9.1	8.9	8.8	8.7	8.8	8.7	8.5	8.5	8.6	8.5	8.4	9.7	9.1	8.7	8.5
% Chg Same Qtr Last Yr	-8.47	-6.85	-5.87	-6.05	-3.20	-3.20	-3.19	-3.25	-2.90	-2.33	-1.89	-1.47	-0.10	-0.06	-0.04	-0.03
MISCELLANEOUS DURABLE GOODS	14.8	14.7	14.7	14.6	14.7	14.7	14.7	14.6	14.8	14.7	14.8	14.6	14.8	14.7	14.7	14.7
% Chg Same Qtr Last Yr	-0.45	-1.34	-0.50	-0.63	-0.45	0.04	0.04	0.26	0.18	0.16	0.16	0.10	-0.01	-0.01	0.00	0.00

Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONDURABLE GOODS	123.2	122.2	122.1	120.5	121.5	122.0	121.4	119.7	120.5	120.8	120.2	118.5	122.7	121.6	121.3	120.3
% Chg Same Qtr Last Yr	-0.24	-0.84	0.74	1.08	-1.38	-0.18	-0.51	-0.65	-0.77	-0.93	-0.99	-1.02	-3.70	-0.83	-0.26	-0.83
FOOD	32.8	33.0	33.4	33.0	33.2	33.4	33.4	33.1	33.2	33.3	33.4	33.0	32.1	32.7	33.3	33.2
% Chg Same Qtr Last Yr	1.86	2.70	4.67	4.90	1.11	1.13	0.02	0.06	-0.01	-0.08	-0.14	-0.16	-0.70	1.81	1.75	-0.04
BEVERAGE & TOBACCO	5.1	5.2	5.1	5.0	5.1	5.2	5.1	5.0	5.1	5.2	5.1	5.1	5.0	5.1	5.1	5.1
% Chg Same Qtr Last Yr	0.66	1.31	2.06	3.06	0.96	-0.15	-0.17	-0.10	-0.11	0.05	0.04	0.11	-0.99	0.51	0.90	-0.03
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	11.0	10.9	10.8	10.5	10.6	10.5	10.4	10.1	10.2	10.1	10.0	9.7	11.6	10.9	10.5	10.1
% Chg Same Qtr Last Yr	-7.54	-4.68	-3.29	-3.82	-3.59	-3.16	-3.54	-3.82	-4.18	-4.23	-4.17	-4.18	-7.63	-5.96	-3.53	-4.10
PAPER	15.4	15.7	15.3	15.0	15.3	15.6	15.3	15.0	15.2	15.5	15.1	14.8	15.6	15.3	15.3	15.2
% Chg Same Qtr Last Yr	-2.54	-2.08	0.49	2.06	-0.64	-0.27	-0.47	-0.56	-0.48	-1.01	-1.01	-0.95	-3.35	-2.23	0.15	-0.77
PRINTING & RELATED SUPPORT	10.9	10.8	10.8	10.6	10.7	10.6	10.5	10.3	10.3	10.2	10.1	9.8	11.7	10.8	10.6	10.2
% Chg Same Qtr Last Yr	-8.66	-6.61	-3.49	-0.94	-2.06	-2.14	-2.49	-3.26	-3.35	-3.97	-4.21	-4.40	-12.12	-7.34	-1.91	-3.69
CHEMICALS	25.2	25.2	25.1	24.9	24.9	24.8	24.7	24.4	24.3	24.2	24.1	23.8	25.3	25.2	24.8	24.3
% Chg Same Qtr Last Yr	-0.39	-0.92	-0.51	-0.67	-1.49	-1.61	-1.93	-2.09	-2.19	-2.16	-2.14	-2.18	-1.87	-0.69	-1.43	-2.14
PLASTICS & RUBBER	20.8	19.7	19.6	19.5	19.9	20.1	20.3	20.1	20.5	20.6	20.7	20.5	19.6	19.9	19.9	20.5
% Chg Same Qtr Last Yr	6.13	-1.34	-0.18	-1.09	-4.12	2.38	3.22	3.08	2.73	2.49	2.25	2.12	-3.72	1.53	0.04	2.63
MISCELLANEOUS NONDURABLE GOODS	2.0	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.8	1.8
% Chg Same Qtr Last Yr	17.65	10.00	9.14	11.70	-8.14	-1.78	-2.41	-2.64	-2.74	-2.67	-2.84	-2.80	-4.72	8.74	-0.67	-2.72

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 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONFARM……	2629.6	2634.3	2658.1	2662.8	2668.9	2674.8	2682.4	2694.7	2707.3	2720.4	2734.5	2745.9	2612.6	2638.0	2672.2	2714.2
% Chg Prev Qtr SAAR……	-0.06	0.72	3.68	0.70	0.92	0.89	1.13	1.85	1.89	1.94	2.10	1.68	-0.27	0.97	1.30	1.57
% Chg Same Qtr Last Yr……	0.51	0.68	1.41	1.25	1.50	1.54	0.91	1.20	1.44	1.70	1.94	1.90	-0.27	0.97	1.30	1.57
NATURAL RESOURCES, MINING AND CONSTRUCTION……	109.3	111.2	112.0	112.7	113.3	114.1	114.8	115.8	116.8	117.8	118.8	119.7	105.3	110.5	113.7	117.3
% Chg Prev Qtr SAAR……	-0.37	7.40	2.69	2.53	2.30	2.67	2.61	3.46	3.50	3.52	3.50	2.99	-4.18	4.88	2.95	3.15
% Chg Same Qtr Last Yr……	2.95	5.04	4.75	3.03	3.71	2.55	2.53	2.76	3.06	3.27	3.50	3.38	-4.18	4.88	2.95	3.15
MANUFACTURING……	300.9	300.7	302.0	303.0	304.0	305.1	305.8	306.7	307.6	308.4	309.4	310.0	297.8	300.1	304.5	308.0
% Chg Prev Qtr SAAR……	5.83	-0.21	1.78	1.25	1.34	1.45	0.96	1.17	1.18	1.05	1.25	0.81	-3.68	0.75	1.47	1.17
% Chg Same Qtr Last Yr……	0.40	0.70	2.14	2.14	1.04	1.46	1.25	1.23	1.19	1.09	1.16	1.07	-3.68	0.75	1.47	1.17
DURABLE GOODS……	177.7	179.2	180.4	181.4	182.6	183.8	184.8	186.0	187.1	188.2	189.5	190.5	175.2	178.4	183.1	187.7
% Chg Prev Qtr SAAR……	3.12	3.22	2.72	2.39	2.51	2.65	2.20	2.61	2.51	2.37	2.79	2.05	-3.66	1.86	2.64	2.49
% Chg Same Qtr Last Yr……	0.85	1.78	3.11	2.86	2.71	2.57	2.44	2.49	2.49	2.42	2.57	2.43	-3.66	1.86	2.64	2.49
NONDURABLE GOODS……	123.1	121.5	121.7	121.5	121.4	121.3	121.1	120.7	120.5	120.2	119.9	119.5	122.7	121.6	121.3	120.3
% Chg Prev Qtr SAAR……	9.91	-5.00	0.41	-0.44	-0.38	-0.33	-0.90	-0.99	-0.85	-0.98	-1.13	-1.12	-3.71	-0.83	-0.26	-0.83
% Chg Same Qtr Last Yr……	-0.25	-0.85	0.74	1.08	-1.38	-0.18	-0.51	-0.65	-0.77	-0.93	-0.99	-1.02	-3.71	-0.83	-0.26	-0.83
TRADE, TRANSPORTATION, UTILITIES……	559.0	554.5	558.3	559.8	561.1	562.4	563.9	566.6	569.5	572.7	576.0	578.2	554.9	557.7	561.8	571.2
% Chg Prev Qtr SAAR……	0.14	-3.20	2.80	1.03	0.96	0.90	1.07	1.91	2.11	2.25	2.31	1.58	-0.79	0.50	0.74	1.67
% Chg Same Qtr Last Yr……	0.88	-0.27	0.13	0.17	0.37	1.42	0.99	1.21	1.50	1.84	2.15	2.06	-0.79	0.50	0.74	1.67
WHOLESALE TRADE……	119.1	118.6	117.1	118.0	118.8	119.7	120.6	121.3	122.1	122.9	123.8	124.7	117.4	118.6	119.3	122.5
% Chg Prev Qtr SAAR……	-2.10	-1.89	-4.88	3.00	2.96	3.11	2.86	2.55	2.51	2.70	2.99	2.92	-2.75	1.06	0.54	2.74
% Chg Same Qtr Last Yr……	1.36	1.28	-0.32	-1.51	-0.26	0.99	2.98	2.87	2.76	2.66	2.69	2.78	-2.75	1.06	0.54	2.74
RETAIL TRADE……	305.0	301.7	304.9	305.1	305.3	305.4	305.7	306.9	308.3	309.7	311.3	312.0	306.8	304.0	305.4	309.1
% Chg Prev Qtr SAAR……	0.75	-4.26	4.36	0.24	0.28	0.10	0.37	1.63	1.80	1.89	2.02	0.91	-0.05	-0.91	0.45	1.21
% Chg Same Qtr Last Yr……	-0.83	-2.01	-0.48	0.23	0.11	1.23	0.25	0.59	0.97	1.42	1.83	1.65	-0.05	-0.91	0.45	1.21
TRANSPORTATION & UTILITIES……	134.9	134.2	136.3	136.7	137.0	137.2	137.6	138.3	139.1	140.0	140.8	141.5	130.7	135.0	137.1	139.6
% Chg Prev Qtr SAAR……	0.79	-1.96	6.32	1.14	0.78	0.80	1.07	1.99	2.45	2.67	2.34	1.90	-0.72	3.29	1.56	1.79
% Chg Same Qtr Last Yr……	4.52	2.44	1.92	1.53	1.53	2.23	0.95	1.16	1.58	2.04	2.36	2.34	-0.72	3.29	1.56	1.79
INFORMATION……	44.0	44.0	43.8	44.0	44.1	44.1	44.2	44.4	44.7	44.9	45.2	45.4	44.8	44.3	44.1	44.8
% Chg Prev Qtr SAAR……	-9.93	-0.30	-1.36	1.66	0.46	0.50	0.47	2.36	2.20	2.19	2.40	1.89	-4.44	-1.27	-0.37	1.60
% Chg Same Qtr Last Yr……	-1.71	-1.12	-1.24	-2.59	0.11	0.31	0.77	0.94	1.38	1.80	2.29	2.17	-4.44	-1.27	-0.37	1.60
FINANCIAL ACTIVITIES……	138.4	138.8	138.9	139.0	139.2	139.4	139.6	140.0	140.5	141.0	141.5	142.1	137.5	138.4	139.3	140.8
% Chg Prev Qtr SAAR……	1.85	1.26	0.27	0.41	0.50	0.53	0.50	1.32	1.50	1.28	1.59	1.64	-2.13	0.67	0.62	1.06
% Chg Same Qtr Last Yr……	0.51	0.99	1.46	0.94	0.61	0.43	0.48	0.71	0.96	1.15	1.42	1.50	-2.13	0.67	0.62	1.06

(CONTINUED ON NEXT PAGE)

Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) — **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
PROFESSIONAL & BUSINESS SERVICES….	309.4	314.3	323.0	323.4	324.1	325.2	327.0	329.8	332.7	335.6	339.0	341.9	304.4	313.8	324.9	334.3
% Chg Prev Qtr SAAR……………………	1.04	6.49	11.58	0.50	0.89	1.40	2.20	3.41	3.60	3.49	4.20	3.39	3.55	3.07	3.55	2.87
% Chg Same Qtr Last Yr…………………	1.34	2.97	4.86	4.81	4.77	3.49	1.25	1.97	2.65	3.17	3.67	3.67	3.55	3.07	3.55	2.87
EDUCATION & HEALTH SERVICES…………	379.7	379.8	383.9	385.0	386.4	387.5	389.3	391.4	393.3	395.3	397.3	399.3	372.8	380.7	387.1	394.3
% Chg Prev Qtr SAAR……………………	0.49	0.07	4.42	1.11	1.50	1.09	1.92	2.13	1.94	2.08	2.00	2.10	1.91	2.12	1.67	1.87
% Chg Same Qtr Last Yr…………………	2.30	1.71	1.94	1.51	1.76	2.02	1.40	1.66	1.77	2.02	2.04	2.03	1.91	2.12	1.67	1.87
LEISURE & HOSPITALITY……………………	266.1	264.6	265.0	265.4	266.6	267.3	268.0	269.6	271.2	272.6	274.4	275.8	261.6	264.7	266.8	271.9
% Chg Prev Qtr SAAR……………………	4.64	-2.19	0.61	0.49	1.94	1.03	1.00	2.37	2.40	2.11	2.70	2.10	-0.66	1.19	0.80	1.91
% Chg Same Qtr Last Yr…………………	1.63	1.26	1.02	0.86	0.20	1.02	1.11	1.58	1.70	1.97	2.39	2.33	-0.66	1.19	0.80	1.91
OTHER SERVICES……………………………	100.7	101.0	102.0	102.0	102.0	102.0	102.1	102.6	103.1	103.6	104.1	104.5	100.4	100.8	102.0	103.4
% Chg Prev Qtr SAAR……………………	5.19	1.33	4.03	-0.20	0.11	0.11	0.19	2.07	1.86	2.00	2.00	1.38	-1.58	0.37	1.22	1.30
% Chg Same Qtr Last Yr…………………	0.40	0.40	1.46	2.57	1.30	1.00	0.05	0.62	1.05	1.53	1.98	1.81	-1.58	0.37	1.22	1.30
GOVERNMENT…………………………………	422.1	425.3	429.1	428.6	428.0	427.7	427.7	427.9	428.0	428.5	428.8	429.0	432.9	427.1	428.0	428.3
% Chg Prev Qtr SAAR……………………	-8.69	3.07	3.59	-0.48	-0.51	-0.29	0.03	0.13	0.09	0.50	0.31	0.12	1.02	-1.34	0.22	0.07
% Chg Same Qtr Last Yr…………………	-3.00	-1.86	-0.72	-0.75	1.40	0.56	-0.31	-0.16	-0.01	0.19	0.26	0.26	1.02	-1.34	0.22	0.07
FEDERAL, CIVILIAN…………………………	48.4	48.8	48.9	48.8	48.8	48.7	48.5	48.4	48.2	48.0	47.8	47.5	52.4	49.1	48.7	48.1
% Chg Prev Qtr SAAR……………………	-12.66	3.34	0.80	-0.70	-0.63	-0.89	-1.12	-1.36	-1.53	-1.67	-1.79	-1.91	4.39	-6.26	-0.77	-1.31
% Chg Same Qtr Last Yr…………………	-13.51	-7.28	-2.92	-2.51	0.69	-0.36	-0.84	-1.00	-1.22	-1.42	-1.59	-1.72	4.39	-6.26	-0.77	-1.31
STATE & LOCAL……………………………	373.7	376.5	380.1	379.7	379.2	379.0	379.2	379.5	379.8	380.5	381.1	381.4	380.5	378.0	379.3	380.2
% Chg Prev Qtr SAAR……………………	-8.16	3.03	3.96	-0.45	-0.50	-0.21	0.18	0.32	0.30	0.78	0.58	0.38	0.57	-0.66	0.35	0.25
% Chg Same Qtr Last Yr…………………	-1.45	-1.11	-0.43	-0.52	1.49	0.68	-0.25	-0.05	0.15	0.39	0.49	0.51	0.57	-0.66	0.35	0.25
STATISTICAL DISCREPANCY (%)………	0.04	-0.05	–	–	–	–	–	–	–	–	–	–	0.00	–	–	–

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

Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL DURABLE GOODS……………………	177.7	179.2	180.4	181.4	182.6	183.8	184.8	186.0	187.1	188.2	189.5	190.5	175.2	178.4	183.1	187.7
% Chg Prev Qtr SAAR…………………	3.12	3.22	2.72	2.39	2.51	2.65	2.20	2.61	2.51	2.37	2.79	2.05	-3.66	1.86	2.64	2.49
% Chg Same Qtr Last Yr……………..	0.85	1.78	3.11	2.86	2.71	2.57	2.44	2.49	2.49	2.42	2.57	2.43	-3.66	1.86	2.64	2.49
WOOD PRODUCTS………………………	10.6	10.5	10.5	10.5	10.5	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.8	10.5	10.6	10.6
% Chg Prev Qtr SAAR…………………	-0.12	-2.03	0.55	0.33	0.20	0.48	0.05	0.26	0.51	0.32	0.50	0.43	-4.29	-2.55	0.02	0.31
% Chg Same Qtr Last Yr……………..	-3.96	-2.49	-0.29	-0.32	-0.24	0.39	0.26	0.25	0.32	0.28	0.40	0.44	-4.29	-2.55	0.02	0.31
NONMETALLIC MINERALS……………..	10.6	10.4	10.4	10.4	10.4	10.3	10.3	10.3	10.3	10.4	10.4	10.4	11.2	10.6	10.4	10.3
% Chg Prev Qtr SAAR…………………	-9.28	-6.95	-2.01	0.53	-0.63	-2.00	0.03	-0.63	0.44	0.57	0.50	0.52	-2.71	-5.72	-2.12	-0.26
% Chg Same Qtr Last Yr……………..	-6.97	-7.91	-6.73	-4.51	-2.31	-1.03	-0.52	-0.81	-0.55	0.10	0.22	0.51	-2.71	-5.72	-2.12	-0.26
PRIMARY METALS……………………….	9.2	9.2	9.2	9.3	9.3	9.3	9.3	9.4	9.5	9.5	9.6	9.7	8.8	9.1	9.3	9.5
% Chg Prev Qtr SAAR…………………	9.81	0.33	2.87	0.19	0.60	0.71	0.94	3.47	3.49	3.54	3.50	1.23	-2.77	3.99	1.47	2.48
% Chg Same Qtr Last Yr……………..	4.21	2.22	4.90	3.23	0.99	1.09	0.61	1.42	2.14	2.85	3.50	2.94	-2.77	3.99	1.47	2.48
FABRICATED METALS…………………..	33.6	34.2	34.5	34.7	34.9	35.1	35.4	35.6	35.8	36.1	36.4	36.6	32.9	33.9	35.0	36.0
% Chg Prev Qtr SAAR…………………	3.82	7.17	3.46	2.71	2.55	2.63	2.76	2.50	2.88	2.91	3.34	2.02	-2.08	2.88	3.42	2.74
% Chg Same Qtr Last Yr……………..	1.24	3.51	5.01	4.27	3.96	2.84	2.66	2.61	2.69	2.76	2.91	2.79	-2.08	2.88	3.42	2.74
MACHINERY………………………………	26.1	26.4	26.6	26.8	27.0	27.4	27.6	27.7	27.9	28.0	28.3	28.4	24.7	26.2	27.2	28.0
% Chg Prev Qtr SAAR…………………	10.26	5.01	2.94	2.98	2.98	5.38	2.52	2.48	2.51	2.18	3.07	2.20	-5.03	5.98	3.93	2.88
% Chg Same Qtr Last Yr……………..	5.38	6.76	7.06	5.25	3.47	3.56	3.46	3.33	3.21	2.42	2.56	2.49	-5.03	5.98	3.93	2.88
COMPUTERS & ELECTRONICS………..	5.3	5.3	5.2	5.2	5.1	5.0	4.9	4.8	4.7	4.7	4.6	4.5	5.7	5.3	5.0	4.7
% Chg Prev Qtr SAAR…………………	-2.29	-2.88	-0.76	-5.64	-6.85	-7.16	-7.71	-5.99	-7.25	-5.01	-6.67	-6.05	-9.24	-6.62	-4.73	-6.68
% Chg Same Qtr Last Yr……………..	-7.03	-5.92	-5.37	-2.91	-4.06	-5.14	-6.84	-6.93	-7.03	-6.50	-6.23	-6.25	-9.24	-6.62	-4.73	-6.68
ELECTRICAL EQUIPMENT, APPLIANCES																
& COMPONENTS…………………………	16.7	16.5	16.5	16.6	16.6	16.7	16.8	16.8	16.9	16.9	17.0	17.0	16.8	16.6	16.7	16.9
% Chg Prev Qtr SAAR…………………	-1.78	-5.63	2.08	0.72	1.47	1.49	1.51	1.46	1.51	1.53	1.51	1.00	-5.65	-0.97	0.28	1.49
% Chg Same Qtr Last Yr……………..	-0.78	-3.36	-1.49	-1.20	-0.39	1.44	1.30	1.48	1.49	1.50	1.50	1.39	-5.65	-0.97	0.28	1.49
TRANSPORTATION EQUIP………………	41.8	43.0	43.7	44.4	45.2	46.0	46.7	47.5	48.1	48.8	49.5	50.1	39.7	42.4	45.6	48.5
% Chg Prev Qtr SAAR…………………	9.24	12.01	6.56	6.89	7.13	7.04	5.97	6.95	5.71	5.41	6.03	5.10	-1.83	6.68	7.59	6.30
% Chg Same Qtr Last Yr……………..	5.18	7.59	8.89	8.65	8.13	6.91	6.76	6.77	6.42	6.01	6.02	5.56	-1.83	6.68	7.59	6.30
FURNITURE……………………………….	9.1	9.0	8.9	8.9	8.8	8.7	8.6	8.6	8.5	8.5	8.5	8.4	9.7	9.1	8.7	8.5
% Chg Prev Qtr SAAR…………………	-13.84	-3.97	-3.04	-2.87	-2.91	-3.98	-3.00	-3.09	-1.50	-1.72	-1.22	-1.45	-9.75	-6.49	-3.93	-2.59
% Chg Same Qtr Last Yr……………..	-8.41	-6.91	-5.87	-6.05	-3.20	-3.20	-3.19	-3.25	-2.90	-2.33	-1.89	-1.47	-9.75	-6.49	-3.93	-2.59
MISCELLANEOUS DURABLES…………	14.8	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.8	14.7	14.7	14.7
% Chg Prev Qtr SAAR…………………	0.20	-2.45	0.00	-0.23	0.91	-0.52	0.02	0.65	0.58	-0.62	0.03	0.41	-1.51	-0.63	-0.25	0.19
% Chg Same Qtr Last Yr……………..	-0.47	-1.29	-0.50	-0.63	-0.45	0.04	0.04	0.26	0.18	0.16	0.16	0.10	-1.51	-0.63	-0.25	0.19

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONDURABLE GOODS………………….	123.1	121.5	121.7	121.5	121.4	121.3	121.1	120.7	120.5	120.2	119.9	119.5	122.7	121.6	121.3	120.3
% Chg Prev Qtr SAAR………………………	9.91	-5.00	0.41	-0.44	-0.38	-0.33	-0.90	-0.99	-0.85	-0.98	-1.13	-1.12	-3.71	-0.83	-0.26	-0.83
% Chg Same Qtr Last Yr……………………	-0.25	-0.85	0.74	1.08	-1.38	-0.18	-0.51	-0.65	-0.77	-0.93	-0.99	-1.02	-3.71	-0.83	-0.26	-0.83
FOOD……………………………………………	32.9	32.9	33.3	33.2	33.2	33.3	33.3	33.3	33.2	33.2	33.2	33.2	32.1	32.7	33.3	33.2
% Chg Prev Qtr SAAR………………………	16.05	0.09	4.44	-0.20	0.18	0.17	-0.05	-0.06	-0.08	-0.14	-0.27	-0.16	-0.69	1.80	1.76	-0.04
% Chg Same Qtr Last Yr……………………	1.84	2.67	4.67	4.90	1.11	1.13	0.02	0.06	-0.01	-0.08	-0.14	-0.16	-0.69	1.80	1.76	-0.04
BEVERAGE & TOBACCO……………………	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.0	5.0	5.1	5.1
% Chg Prev Qtr SAAR………………………	8.53	4.11	0.31	-0.48	-0.02	-0.42	0.26	-0.21	-0.08	0.24	0.23	0.05	-0.98	0.50	0.91	-0.03
% Chg Same Qtr Last Yr……………………	0.68	1.23	2.06	3.06	0.96	-0.15	-0.17	-0.10	-0.11	0.05	0.04	0.11	-0.98	0.50	0.91	-0.03
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	11.0	10.8	10.7	10.7	10.6	10.5	10.4	10.3	10.1	10.0	9.9	9.8	11.6	10.9	10.5	10.1
% Chg Prev Qtr SAAR………………………	-3.56	-5.46	-3.01	-3.24	-2.62	-3.76	-4.54	-4.37	-4.05	-3.96	-4.32	-4.41	-7.64	-5.97	-3.53	-4.10
% Chg Same Qtr Last Yr……………………	-7.56	-4.66	-3.29	-3.82	-3.59	-3.16	-3.54	-3.82	-4.18	-4.23	-4.17	-4.18	-7.64	-5.97	-3.53	-4.10
PAPER……………………………………………	15.4	15.4	15.4	15.3	15.3	15.3	15.3	15.2	15.2	15.2	15.1	15.1	15.6	15.3	15.3	15.2
% Chg Prev Qtr SAAR………………………	10.19	-0.35	-0.20	-1.00	-1.00	1.15	-1.03	-1.33	-0.69	-0.99	-1.03	-1.07	-3.37	-2.24	0.16	-0.76
% Chg Same Qtr Last Yr……………………	-2.55	-2.13	0.49	2.06	-0.64	-0.27	-0.47	-0.56	-0.48	-1.01	-1.01	-0.95	-3.37	-2.24	0.16	-0.76
PRINTING & RELATED SUPPORT………….	10.9	10.8	10.7	10.7	10.6	10.6	10.5	10.4	10.3	10.2	10.0	9.9	11.7	10.8	10.6	10.2
% Chg Prev Qtr SAAR………………………	1.03	-1.13	-2.61	-0.99	-3.49	-1.46	-4.00	-4.05	-3.85	-3.97	-4.97	-4.81	-12.15	-7.35	-1.91	-3.69
% Chg Same Qtr Last Yr……………………	-8.74	-6.51	-3.49	-0.94	-2.06	-2.14	-2.49	-3.26	-3.35	-3.97	-4.21	-4.40	-12.15	-7.35	-1.91	-3.69
CHEMICALS…………………………………….	25.3	25.1	25.1	25.0	24.9	24.7	24.6	24.5	24.3	24.2	24.1	23.9	25.3	25.2	24.8	24.3
% Chg Prev Qtr SAAR………………………	1.65	-1.83	-0.96	-1.48	-1.69	-2.32	-2.24	-2.11	-2.09	-2.18	-2.16	-2.27	-1.87	-0.68	-1.43	-2.14
% Chg Same Qtr Last Yr……………………	-0.38	-0.93	-0.51	-0.67	-1.49	-1.61	-1.93	-2.09	-2.19	-2.16	-2.14	-2.18	-1.87	-0.68	-1.43	-2.14
PLASTICS & RUBBER……………………….	20.7	19.6	19.5	19.7	19.9	20.0	20.2	20.3	20.4	20.5	20.6	20.7	19.6	19.9	19.9	20.5
% Chg Prev Qtr SAAR………………………	17.67	-20.77	-0.36	3.04	3.90	3.00	2.95	2.49	2.50	2.01	2.00	1.97	-3.74	1.54	0.03	2.64
% Chg Same Qtr Last Yr……………………	6.18	-1.36	-0.18	-1.09	-4.12	2.38	3.22	3.08	2.73	2.49	2.25	2.12	-3.74	1.54	0.03	2.64
MISCELLANEOUS NONDURABLE GOODS..	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.8	1.8
% Chg Prev Qtr SAAR………………………	113.79	-25.74	0.25	-2.19	-2.20	-2.94	-2.32	-3.09	-2.62	-2.64	-2.99	-2.96	-4.71	8.74	-0.64	-2.72
% Chg Same Qtr Last Yr……………………	17.50	10.09	9.14	11.70	-8.14	-1.78	-2.41	-2.64	-2.74	-2.67	-2.84	-2.80	-4.71	8.74	-0.64	-2.72

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 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONFARM	38176	37994	37852	38901	38565	38643	38462	39453	39044	39130	38931	39926	38142	38130	38643	39140
% Chg Same Qtr Last Yr	0.10	-0.65	-0.05	1.05	1.02	1.71	1.61	1.42	1.24	1.26	1.22	1.20	1.72	-0.03	1.35	1.29
NATURAL RESOURCES, MINING AND CONSTRUCTION	42239	40708	40911	44058	42069	41362	41822	44647	42600	41964	42468	45312	41983	41598	42328	42920
% Chg Same Qtr Last Yr	-1.31	-1.26	2.40	3.59	-0.40	1.61	2.23	1.34	1.26	1.46	1.54	1.49	1.60	-0.92	1.76	1.40
MANUFACTURING	46446	45955	46135	46817	46933	46836	47069	47662	47595	47407	47512	48091	46882	46687	46914	47544
% Chg Same Qtr Last Yr	-0.66	-1.68	-2.43	-2.90	1.05	1.92	2.02	1.80	1.41	1.22	0.94	0.90	4.72	-0.41	0.48	1.34
DURABLE GOODS	45419	44689	44808	45317	45529	45349	45448	45945	46037	45815	45842	46290	45967	45386	45411	45910
% Chg Same Qtr Last Yr	-2.18	-2.93	-1.92	-2.81	0.24	1.48	1.43	1.39	1.12	1.03	0.87	0.75	4.48	-1.26	0.06	1.10
NONDURABLE GOODS	47922	47818	48105	49068	49036	49084	49545	50319	50005	49895	50156	50977	48192	48599	49183	50094
% Chg Same Qtr Last Yr	1.49	0.15	-3.01	-2.94	2.32	2.65	2.99	2.55	1.98	1.65	1.23	1.31	5.09	0.85	1.20	1.85
TRADE, TRANSPORTATION, UTILITIES	35581	35572	35146	36215	35987	36029	35674	36785	36476	36512	36131	37246	35314	35501	35976	36476
% Chg Same Qtr Last Yr	-0.63	-0.17	1.43	1.43	1.14	1.28	1.50	1.57	1.36	1.34	1.28	1.25	1.48	0.53	1.34	1.39
WHOLESALE TRADE	51753	51617	51732	52645	52338	52420	52537	53487	53055	53119	53205	54170	52099	51754	52485	53216
% Chg Same Qtr Last Yr	-0.02	-3.06	0.46	1.41	1.13	1.56	1.56	1.60	1.37	1.33	1.27	1.28	1.24	-0.66	1.41	1.39
RETAIL TRADE	24761	24785	24379	25265	25059	25083	24654	25550	25293	25315	24862	25744	24808	24788	25015	25255
% Chg Same Qtr Last Yr	-3.01	0.03	0.38	0.15	1.20	1.21	1.13	1.13	0.93	0.92	0.84	0.76	1.89	-0.08	0.92	0.96
TRANSPORTATION & UTILITIES	45709	45549	45254	46388	46108	45989	45664	46968	46652	46601	46316	47590	44868	45348	46037	46634
% Chg Same Qtr Last Yr	0.09	0.69	3.16	3.36	0.87	0.97	0.91	1.25	1.18	1.33	1.43	1.32	2.25	1.07	1.52	1.30
INFORMATION	50011	48434	47347	48698	48578	48941	48385	49414	49200	49583	48991	50031	48033	48286	48651	49297
% Chg Same Qtr Last Yr	3.81	-1.67	0.60	2.85	-2.86	1.05	2.19	1.47	1.28	1.31	1.25	1.25	1.86	0.53	0.76	1.33
FINANCIAL ACTIVITIES	53862	53025	54759	56275	56320	56224	56460	57368	57326	57301	57632	58574	55296	54327	56320	57407
% Chg Same Qtr Last Yr	-1.15	-4.56	-3.78	1.11	4.56	6.03	3.11	1.94	1.79	1.92	2.08	2.10	4.87	-1.75	3.67	1.93
PROFESSIONAL & BUSINESS SERVICES	44299	43758	42872	44967	44669	44637	43667	45719	45321	45277	44253	46333	43176	43828	44485	45143
% Chg Same Qtr Last Yr	2.60	2.02	0.97	1.31	0.83	2.01	1.85	1.67	1.46	1.43	1.34	1.34	1.45	1.51	1.50	1.48
EDUCATION & HEALTH SERVICES	39770	40172	39617	40071	40259	40412	40120	40627	40766	40959	40650	41109	39954	39594	40216	40750
% Chg Same Qtr Last Yr	-0.47	0.82	-0.17	3.23	1.23	0.60	1.27	1.39	1.26	1.35	1.32	1.18	-0.26	-0.90	1.57	1.33
LEISURE & HOSPITALITY	18142	18060	18920	19762	18601	18457	19245	19996	18785	18651	19453	20214	18825	18633	19016	19221
% Chg Same Qtr Last Yr	-0.71	-1.28	-2.61	1.81	2.53	2.20	1.72	1.19	0.99	1.05	1.08	1.09	4.43	-1.02	2.06	1.08
OTHER SERVICES	34781	34962	35235	35632	34992	35231	35440	35791	35105	35345	35544	35875	34361	35266	35324	35446
% Chg Same Qtr Last Yr	3.15	-0.35	2.21	-1.25	0.61	0.77	0.58	0.44	0.32	0.32	0.29	0.24	0.16	2.63	0.17	0.35
GOVERNMENT	36108	36058	35070	35479	35708	36297	35263	35690	35917	36576	35571	35986	35826	35652	35687	35938
% Chg Same Qtr Last Yr	0.28	-1.91	-0.01	0.30	-1.11	0.66	0.55	0.59	0.58	0.77	0.87	0.83	-0.11	-0.48	0.10	0.70
FEDERAL, CIVILIAN	63187	62751	64543	64527	62623	63813	65493	65360	63323	64535	66221	66117	60480	63472	64114	64860
% Chg Same Qtr Last Yr	11.61	2.89	1.74	1.77	-0.89	1.69	1.47	1.29	1.12	1.13	1.11	1.16	3.00	4.95	1.01	1.16
STATE & LOCAL	32505	32505	31398	31806	32156	32672	31518	31974	32350	32961	31850	32294	32463	32041	32038	32284
% Chg Same Qtr Last Yr	-1.21	-2.53	-0.17	0.16	-1.07	0.52	0.38	0.53	0.60	0.88	1.05	1.00	-1.15	-1.30	-0.01	0.77

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

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) — January 2012

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONFARM	38210	38053	38221	38419	38598	38704	38837	38962	39077	39194	39311	39425	38139	38127	38639	39136
% Chg Prev Qtr SAAR	1.98	-1.63	1.77	2.09	1.88	1.10	1.38	1.29	1.19	1.20	1.20	1.16	1.69	-0.03	1.34	1.28
% Chg Same Qtr Last Yr	0.13	-0.52	-0.05	1.04	1.02	1.71	1.61	1.41	1.24	1.27	1.22	1.19	1.69	-0.03	1.34	1.28
NATURAL RESOURCES, MINING AND CONSTRUCTION	42432	41696	41575	42071	42262	42366	42500	42633	42795	42983	43156	43268	41976	41579	42300	42892
% Chg Prev Qtr SAAR	19.14	-6.76	-1.16	4.86	1.83	0.99	1.27	1.26	1.53	1.77	1.62	1.04	1.65	-0.94	1.73	1.40
% Chg Same Qtr Last Yr	-0.76	-1.68	2.40	3.59	-0.40	1.61	2.23	1.34	1.26	1.46	1.54	1.49	1.65	-0.94	1.73	1.40
MANUFACTURING	46354	46144	46318	46541	46837	47026	47256	47384	47496	47597	47702	47815	46884	46685	46915	47545
% Chg Prev Qtr SAAR	-12.46	-1.81	1.52	1.94	2.58	1.62	1.97	1.09	0.95	0.86	0.88	0.95	4.71	-0.42	0.49	1.34
% Chg Same Qtr Last Yr	-0.67	-1.67	-2.43	-2.88	1.04	1.91	2.02	1.81	1.41	1.22	0.94	0.91	4.71	-0.42	0.49	1.34
DURABLE GOODS	45255	44833	45007	45141	45363	45492	45650	45770	45869	45958	46047	46117	45968	45383	45412	45911
% Chg Prev Qtr SAAR	-9.81	-3.68	1.56	1.20	1.98	1.14	1.40	1.05	0.87	0.78	0.78	0.61	4.46	-1.27	0.06	1.10
% Chg Same Qtr Last Yr	-2.20	-2.92	-1.92	-2.79	0.24	1.47	1.43	1.39	1.11	1.02	0.87	0.76	4.46	-1.27	0.06	1.10
NONDURABLE GOODS	47941	48075	48261	48630	49054	49348	49706	49870	50023	50165	50318	50522	48194	48594	49184	50094
% Chg Prev Qtr SAAR	-16.15	1.12	1.56	3.09	3.53	2.42	2.93	1.33	1.23	1.14	1.23	1.63	5.07	0.83	1.21	1.85
% Chg Same Qtr Last Yr	1.50	0.16	-3.01	-2.93	2.32	2.65	2.99	2.55	1.97	1.65	1.23	1.31	5.07	0.83	1.21	1.85
TRADE, TRANSPORTATION, UTILITIES	35505	35568	35625	35725	35909	36024	36161	36286	36398	36507	36623	36741	35296	35479	35955	36454
% Chg Prev Qtr SAAR	3.28	0.71	0.64	1.13	2.08	1.29	1.52	1.40	1.23	1.21	1.27	1.30	1.41	0.52	1.34	1.39
% Chg Same Qtr Last Yr	-0.39	-0.17	1.43	1.43	1.14	1.28	1.50	1.57	1.36	1.34	1.28	1.25	1.41	0.52	1.34	1.39
WHOLESALE TRADE	51797	51748	51952	52103	52382	52553	52761	52936	53099	53253	53432	53613	52119	51719	52450	53180
% Chg Prev Qtr SAAR	3.28	-0.38	1.59	1.17	2.16	1.31	1.59	1.34	1.24	1.16	1.35	1.36	1.24	-0.77	1.41	1.39
% Chg Same Qtr Last Yr	0.03	-3.11	0.46	1.41	1.13	1.56	1.56	1.60	1.37	1.33	1.27	1.28	1.24	-0.77	1.41	1.39
RETAIL TRADE	24688	24738	24824	24883	24985	25036	25104	25164	25218	25267	25316	25355	24777	24774	25002	25242
% Chg Prev Qtr SAAR	-2.51	0.81	1.40	0.96	1.65	0.81	1.10	0.95	0.87	0.78	0.78	0.61	1.75	-0.01	0.92	0.96
% Chg Same Qtr Last Yr	-2.71	0.18	0.38	0.15	1.20	1.21	1.13	1.13	0.93	0.92	0.84	0.76	1.75	-0.01	0.92	0.96
TRANSPORTATION & UTILITIES	45573	45617	45761	45791	45971	46058	46176	46364	46513	46671	46835	46978	44880	45314	45999	46596
% Chg Prev Qtr SAAR	11.97	0.38	1.27	0.26	1.59	0.75	1.04	1.63	1.30	1.36	1.42	1.22	2.25	0.97	1.51	1.30
% Chg Same Qtr Last Yr	0.34	0.41	3.16	3.36	0.87	0.97	0.91	1.25	1.18	1.33	1.43	1.32	2.25	0.97	1.51	1.30
INFORMATION	50049	48251	47880	48375	48615	48755	48930	49087	49237	49395	49543	49699	48128	48304	48669	49315
% Chg Prev Qtr SAAR	28.20	-13.61	-3.04	4.20	2.00	1.16	1.44	1.29	1.23	1.29	1.20	1.27	2.06	0.37	0.76	1.33
% Chg Same Qtr Last Yr	3.96	-1.68	0.60	2.85	-2.86	1.05	2.19	1.47	1.28	1.31	1.25	1.25	2.06	0.37	0.76	1.33
FINANCIAL ACTIVITIES	53784	53242	54999	55908	56239	56454	56708	56993	57243	57535	57884	58191	55389	54331	56327	57414
% Chg Prev Qtr SAAR	-10.50	-3.97	13.87	6.77	2.39	1.54	1.81	2.03	1.77	2.06	2.45	2.14	5.01	-1.91	3.67	1.93
% Chg Same Qtr Last Yr	-1.50	-4.52	-3.78	1.11	4.56	6.03	3.11	1.94	1.79	1.92	2.08	2.10	5.01	-1.91	3.67	1.93

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
PROFESSIONAL & BUSINESS SERVICES…	44042	43684	43929	44166	44409	44561	44744	44904	45058	45200	45345	45507	43189	43812	44470	45127
% Chg Prev Qtr SAAR……	4.18	-3.21	2.26	2.17	2.22	1.38	1.65	1.44	1.38	1.27	1.29	1.44	1.50	1.44	1.50	1.48
% Chg Same Qtr Last Yr……	2.31	2.12	0.97	1.31	0.83	2.01	1.85	1.67	1.46	1.43	1.34	1.34	1.50	1.44	1.50	1.48
EDUCATION & HEALTH SERVICES…………	39689	40034	39890	40000	40178	40274	40397	40556	40683	40819	40931	41037	39966	39591	40212	40747
% Chg Prev Qtr SAAR……	10.05	3.52	-1.43	1.11	1.79	0.95	1.23	1.58	1.26	1.34	1.10	1.04	-0.26	-0.94	1.57	1.33
% Chg Same Qtr Last Yr……	-0.60	0.51	-0.17	3.23	1.23	0.60	1.27	1.39	1.26	1.35	1.32	1.18	-0.26	-0.94	1.57	1.33
LEISURE & HOSPITALITY……	18515	18617	18761	18900	18983	19026	19083	19125	19171	19227	19290	19333	18831	18614	18998	19203
% Chg Prev Qtr SAAR……	-1.08	2.23	3.14	3.00	1.76	0.92	1.20	0.86	0.97	1.18	1.31	0.90	4.48	-1.15	2.06	1.08
% Chg Same Qtr Last Yr……	-1.19	-1.21	-2.61	1.81	2.53	2.20	1.72	1.19	0.99	1.05	1.08	1.09	4.48	-1.15	2.06	1.08
OTHER SERVICES……	35103	35065	35176	35250	35316	35336	35381	35407	35430	35450	35485	35490	34387	35261	35321	35443
% Chg Prev Qtr SAAR……	-6.49	-0.43	1.27	0.84	0.75	0.22	0.52	0.28	0.27	0.23	0.40	0.06	0.25	2.54	0.17	0.35
% Chg Same Qtr Last Yr……	3.21	-0.74	2.21	-1.25	0.61	0.77	0.58	0.44	0.32	0.32	0.29	0.24	0.25	2.54	0.17	0.35
GOVERNMENT……	36108	35484	35557	35622	35708	35719	35752	35833	35917	35994	36065	36130	35740	35666	35700	35952
% Chg Prev Qtr SAAR……	6.85	-6.73	0.82	0.73	0.98	0.12	0.37	0.91	0.93	0.86	0.79	0.73	-0.32	-0.21	0.10	0.71
% Chg Same Qtr Last Yr……	0.68	-0.87	-0.01	0.30	-1.11	0.66	0.55	0.59	0.58	0.77	0.87	0.83	-0.32	-0.21	0.10	0.71
FEDERAL, CIVILIAN……	64666	63180	63519	63797	64088	64248	64453	64621	64804	64976	65170	65369	60166	63513	64147	64893
% Chg Prev Qtr SAAR……	13.23	-8.88	2.16	1.76	1.84	1.00	1.28	1.04	1.14	1.06	1.20	1.22	2.50	5.56	1.00	1.16
% Chg Same Qtr Last Yr……	12.61	4.79	1.74	1.77	-0.89	1.69	1.47	1.29	1.12	1.13	1.11	1.16	2.50	5.56	1.00	1.16
STATE & LOCAL……	32406	31892	31958	31997	32059	32057	32080	32165	32253	32340	32418	32488	32391	32051	32048	32294
% Chg Prev Qtr SAAR……	5.86	-6.20	0.83	0.50	0.77	-0.02	0.28	1.07	1.09	1.09	0.96	0.87	-1.34	-1.05	-0.01	0.77
% Chg Same Qtr Last Yr……	-0.84	-1.59	-0.17	0.15	-1.07	0.52	0.38	0.53	0.60	0.88	1.05	1.00	-1.34	-1.05	-0.01	0.77

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

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONFARM	43393	43433	43338	44653	44344	44600	44525	45859	45577	45881	45848	47247	42380	43392	44530	45791
% Chg Same Qtr Last Yr	2.63	2.20	2.47	2.87	2.19	2.69	2.74	2.70	2.78	2.87	2.97	3.02	3.53	2.39	2.62	2.83
NATURAL RESOURCES, MINING AND CONSTRUCTION	48011	46536	46841	50573	48373	47738	48415	51896	49728	49203	50014	53620	46643	47336	48775	50210
% Chg Same Qtr Last Yr	1.19	1.57	4.98	5.46	0.75	2.58	3.36	2.62	2.80	3.07	3.30	3.32	3.42	1.49	3.04	2.94
MANUFACTURING	52793	52535	52822	53739	53965	54056	54489	55400	55559	55586	55954	56910	52092	53127	54062	55625
% Chg Same Qtr Last Yr	1.85	1.14	0.04	-1.14	2.22	2.90	3.16	3.09	2.95	2.83	2.69	2.72	6.57	1.99	1.76	2.89
DURABLE GOODS	51626	51087	51302	52018	52350	52340	52613	53405	53740	53719	53988	54778	51074	51647	52330	53713
% Chg Same Qtr Last Yr	0.29	-0.15	0.56	-1.05	1.40	2.45	2.55	2.67	2.66	2.64	2.61	2.57	6.32	1.12	1.32	2.64
NONDURABLE GOODS	54471	54664	55078	56322	56383	56650	57355	58489	58373	58502	59068	60324	53550	55302	56678	58608
% Chg Same Qtr Last Yr	4.06	3.02	-0.56	-1.18	3.51	3.63	4.13	3.85	3.53	3.27	2.99	3.14	6.94	3.27	2.49	3.41
TRADE, TRANSPORTATION, UTILITIES	40444	40665	40240	41570	41378	41583	41298	42757	42579	42810	42550	44075	39237	40401	41457	42674
% Chg Same Qtr Last Yr	1.88	2.68	3.99	3.27	2.31	2.26	2.63	2.86	2.90	2.95	3.03	3.08	3.30	2.96	2.62	2.94
WHOLESALE TRADE	58826	59007	59230	60429	60180	60501	60819	62171	61932	62282	62659	64103	57888	58899	60482	62261
% Chg Same Qtr Last Yr	2.50	-0.28	2.99	3.24	2.30	2.53	2.68	2.88	2.91	2.94	3.02	3.11	3.05	1.75	2.69	2.94
RETAIL TRADE	28145	28333	27912	29001	28814	28950	28540	29699	29525	29682	29280	30464	27563	28208	28826	29546
% Chg Same Qtr Last Yr	-0.56	2.89	2.91	1.96	2.38	2.18	2.25	2.41	2.47	2.53	2.59	2.58	3.71	2.34	2.19	2.50
TRANSPORTATION & UTILITIES	51955	52070	51813	53246	53016	53078	52863	54594	54458	54640	54545	56317	49852	51610	53051	54559
% Chg Same Qtr Last Yr	2.62	3.57	5.76	5.23	2.04	1.94	2.03	2.53	2.72	2.94	3.18	3.16	4.07	3.53	2.79	2.84
INFORMATION	56846	55369	54210	55898	55857	56485	56012	57438	57432	58136	57696	59205	53370	54952	56063	57675
% Chg Same Qtr Last Yr	6.43	1.14	3.14	4.71	-1.74	2.02	3.32	2.75	2.82	2.92	3.00	3.08	3.66	2.97	2.02	2.88
FINANCIAL ACTIVITIES	61223	60617	62696	64596	64759	64891	65361	66682	66918	67186	67872	69314	61444	61823	64902	67165
% Chg Same Qtr Last Yr	1.35	-1.83	-1.35	2.93	5.77	7.05	4.25	3.23	3.34	3.54	3.84	3.95	6.75	0.62	4.98	3.49
PROFESSIONAL & BUSINESS SERVICES	50353	50023	49086	51616	51362	51518	50550	53142	52905	53087	52116	54829	47972	49876	51261	52813
% Chg Same Qtr Last Yr	5.19	4.94	3.52	3.14	2.00	2.99	2.98	2.96	3.00	3.05	3.10	3.17	3.26	3.97	2.78	3.03
EDUCATION & HEALTH SERVICES	45205	45923	45359	45995	46292	46641	46445	47224	47587	48025	47873	48646	44392	45063	46343	47677
% Chg Same Qtr Last Yr	2.04	3.71	2.35	5.09	2.40	1.56	2.39	2.67	2.80	2.97	3.07	3.01	1.52	1.51	2.84	2.88
LEISURE & HOSPITALITY	20621	20645	21662	22683	21388	21302	22279	23243	21928	21869	22909	23920	20918	21203	21913	22487
% Chg Same Qtr Last Yr	1.80	1.55	-0.15	3.65	3.72	3.18	2.85	2.47	2.52	2.66	2.83	2.91	6.30	1.37	3.35	2.62
OTHER SERVICES	39534	39967	40342	40901	40235	40662	41027	41602	40979	41443	41860	42453	38180	40132	40706	41471
% Chg Same Qtr Last Yr	5.75	2.51	4.79	0.53	1.77	1.74	1.70	1.71	1.85	1.92	2.03	2.05	1.94	5.11	1.43	1.88
GOVERNMENT	41042	41220	40153	40725	41059	41892	40821	41485	41926	42885	41891	42584	39806	40574	41124	42047
% Chg Same Qtr Last Yr	2.81	0.90	2.52	2.11	0.04	1.63	1.66	1.87	2.11	2.37	2.62	2.65	1.67	1.93	1.36	2.24
FEDERAL, CIVILIAN	71822	71736	73899	74067	72006	73650	75818	75972	73918	75668	77988	78240	67206	72236	73885	75887
% Chg Same Qtr Last Yr	14.43	5.84	4.31	3.61	0.26	2.67	2.60	2.57	2.66	2.74	2.86	2.98	4.84	7.48	2.28	2.71
STATE & LOCAL	36947	37158	35949	36509	36974	37709	36487	37165	37763	38647	37509	38216	36069	36465	36920	37771
% Chg Same Qtr Last Yr	1.29	0.26	2.35	1.97	0.07	1.48	1.49	1.80	2.14	2.49	2.80	2.83	0.62	1.10	1.25	2.31

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 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL NONFARM……	43432	43501	43760	44099	44382	44670	44959	45288	45616	45955	46296	46654	42377	43391	44528	45789
% Chg Prev Qtr SAAR……	5.35	0.64	2.40	3.13	2.59	2.63	2.61	2.96	2.93	3.01	3.00	3.12	3.50	2.39	2.62	2.83
% Chg Same Qtr Last Yr……	2.66	2.33	2.48	2.87	2.19	2.69	2.74	2.70	2.78	2.88	2.97	3.02	3.50	2.39	2.62	2.83
NATURAL RESOURCES, MINING & CONSTI	48231	47666	47601	48291	48594	48897	49200	49555	49955	50398	50825	51202	46637	47322	48746	50183
% Chg Prev Qtr SAAR……	23.08	-4.60	-0.54	5.93	2.53	2.52	2.50	2.92	3.27	3.59	3.43	3.00	3.46	1.47	3.01	2.95
% Chg Same Qtr Last Yr……	1.75	1.14	4.98	5.46	0.75	2.58	3.36	2.62	2.80	3.07	3.30	3.32	3.46	1.47	3.01	2.95
MANUFACTURING……	52689	52750	53031	53422	53855	54275	54705	55077	55443	55808	56178	56582	52094	53125	54064	55627
% Chg Prev Qtr SAAR……	-9.57	0.46	2.15	2.98	3.28	3.15	3.21	2.75	2.68	2.66	2.67	2.91	6.55	1.98	1.77	2.89
% Chg Same Qtr Last Yr……	1.84	1.14	0.04	-1.13	2.21	2.89	3.16	3.10	2.95	2.83	2.69	2.73	6.55	1.98	1.77	2.89
DURABLE GOODS……	51440	51252	51530	51815	52160	52505	52847	53201	53544	53886	54229	54572	51076	51645	52332	53715
% Chg Prev Qtr SAAR……	-6.83	-1.45	2.19	2.23	2.69	2.67	2.63	2.71	2.60	2.58	2.57	2.56	6.30	1.11	1.33	2.64
% Chg Same Qtr Last Yr……	0.27	-0.14	0.55	-1.04	1.40	2.44	2.55	2.68	2.65	2.63	2.61	2.58	6.30	1.11	1.33	2.64
NONDURABLE GOODS……	54493	54958	55257	55820	56404	56955	57542	57967	58393	58819	59259	59785	53553	55298	56680	58609
% Chg Prev Qtr SAAR……	-13.38	3.46	2.19	4.14	4.25	3.97	4.18	2.99	2.97	2.95	3.03	3.60	6.92	3.26	2.50	3.40
% Chg Same Qtr Last Yr……	4.06	3.03	-0.56	-1.18	3.51	3.63	4.13	3.85	3.53	3.27	2.99	3.14	6.92	3.26	2.50	3.40
TRADE, TRANSPORTATION, UTILITIES……	40357	40660	40788	41007	41290	41578	41861	42178	42488	42805	43130	43478	39217	40379	41434	42650
% Chg Prev Qtr SAAR……	6.69	3.04	1.27	2.16	2.79	2.82	2.75	3.06	2.97	3.02	3.07	3.27	3.21	2.96	2.61	2.94
% Chg Same Qtr Last Yr……	2.13	2.69	3.99	3.27	2.31	2.26	2.63	2.86	2.90	2.95	3.03	3.08	3.21	2.96	2.61	2.94
WHOLESALE TRADE……	58875	59157	59482	59807	60230	60654	61078	61531	61984	62439	62926	63443	57910	58861	60442	62220
% Chg Prev Qtr SAAR……	6.69	1.93	2.22	2.20	2.86	2.84	2.82	3.00	2.98	2.97	3.15	3.33	3.05	1.64	2.69	2.94
% Chg Same Qtr Last Yr……	2.56	-0.34	2.99	3.24	2.30	2.53	2.68	2.88	2.91	2.94	3.02	3.11	3.05	1.64	2.69	2.94
RETAIL TRADE……	28062	28280	28422	28563	28729	28896	29062	29250	29438	29626	29815	30004	27530	28194	28812	29532
% Chg Prev Qtr SAAR……	0.71	3.14	2.03	1.99	2.35	2.34	2.32	2.61	2.60	2.58	2.57	2.56	3.55	2.41	2.19	2.50
% Chg Same Qtr Last Yr……	-0.25	3.05	2.91	1.96	2.38	2.18	2.25	2.41	2.47	2.53	2.59	2.58	3.55	2.41	2.19	2.50
TRANSPORTATION & UTILITIES……	51801	52148	52394	52561	52859	53157	53456	53891	54296	54722	55157	55592	49866	51573	53008	54517
% Chg Prev Qtr SAAR……	15.67	2.70	1.90	1.28	2.29	2.28	2.26	3.30	3.04	3.17	3.22	3.19	4.07	3.42	2.78	2.85
% Chg Same Qtr Last Yr……	2.87	3.28	5.76	5.23	2.04	1.94	2.03	2.53	2.72	2.94	3.18	3.15	4.07	3.42	2.78	2.85
INFORMATION……	56889	55159	54820	55527	55899	56271	56643	57056	57475	57916	58345	58812	53476	54975	56085	57698
% Chg Prev Qtr SAAR……	32.43	-11.62	-2.43	5.26	2.71	2.69	2.67	2.95	2.97	3.10	3.00	3.24	3.87	2.80	2.02	2.88
% Chg Same Qtr Last Yr……	6.59	1.14	3.14	4.71	-1.74	2.02	3.32	2.75	2.82	2.92	3.00	3.08	3.87	2.80	2.02	2.88
FINANCIAL ACTIVITIES……	61135	60865	62971	64174	64665	65156	65647	66246	66822	67461	68169	68861	61548	61829	64911	67174
% Chg Prev Qtr SAAR……	-7.54	-1.76	14.58	7.86	3.10	3.07	3.05	3.70	3.52	3.88	4.27	4.12	6.88	0.46	4.98	3.49
% Chg Same Qtr Last Yr……	0.99	-1.79	-1.35	2.93	5.77	7.05	4.25	3.23	3.34	3.54	3.84	3.95	6.88	0.46	4.98	3.49

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
PROFESSIONAL & BUSINESS SERVICES…	50060	49938	50297	50696	51063	51430	51798	52195	52597	52997	53402	53852	47988	49861	51247	52798
% Chg Prev Qtr SAAR……	7.62	-0.97	2.90	3.21	2.93	2.91	2.89	3.10	3.12	3.08	3.09	3.41	3.30	3.90	2.78	3.03
% Chg Same Qtr Last Yr……	4.90	5.04	3.52	3.14	2.00	2.99	2.98	2.96	3.00	3.05	3.10	3.17	3.30	3.90	2.78	3.03
EDUCATION & HEALTH SERVICES……	45113	45766	45672	45915	46198	46482	46765	47141	47491	47860	48203	48561	44407	45060	46340	47674
% Chg Prev Qtr SAAR……	13.69	5.92	-0.82	2.14	2.49	2.48	2.46	3.25	3.00	3.15	2.90	3.00	1.52	1.47	2.84	2.88
% Chg Same Qtr Last Yr……	1.91	3.39	2.35	5.09	2.40	1.56	2.39	2.67	2.80	2.97	3.07	3.01	1.52	1.47	2.84	2.88
LEISURE & HOSPITALITY……	21045	21282	21481	21695	21827	21959	22092	22230	22378	22544	22717	22878	20924	21185	21893	22467
% Chg Prev Qtr SAAR……	2.19	4.59	3.78	4.05	2.46	2.45	2.43	2.52	2.70	2.99	3.11	2.86	6.34	1.25	3.34	2.62
% Chg Same Qtr Last Yr……	1.31	1.62	-0.15	3.65	3.72	3.18	2.85	2.47	2.52	2.66	2.83	2.91	6.34	1.25	3.34	2.62
OTHER SERVICES……	39901	40086	40275	40462	40607	40783	40959	41155	41359	41566	41791	41998	38209	40127	40703	41468
% Chg Prev Qtr SAAR……	-3.41	1.87	1.90	1.87	1.45	1.74	1.74	1.93	1.99	2.02	2.18	2.00	2.04	5.02	1.43	1.88
% Chg Same Qtr Last Yr……	5.82	2.10	4.79	0.53	1.77	1.74	1.70	1.71	1.85	1.92	2.03	2.05	2.04	5.02	1.43	1.88
GOVERNMENT……	41042	40564	40711	40888	41059	41226	41388	41651	41926	42203	42473	42755	39712	40590	41140	42063
% Chg Prev Qtr SAAR……	10.38	-4.58	1.45	1.76	1.68	1.64	1.59	2.57	2.67	2.67	2.58	2.69	1.46	2.21	1.36	2.24
% Chg Same Qtr Last Yr……	3.22	1.97	2.52	2.11	0.04	1.63	1.66	1.87	2.11	2.37	2.62	2.65	1.46	2.21	1.36	2.24
FEDERAL, CIVILIAN……	73503	72225	72726	73229	73691	74153	74614	75113	75648	76185	76750	77355	66856	72283	73922	75924
% Chg Prev Qtr SAAR……	16.97	-6.77	2.80	2.80	2.55	2.53	2.51	2.70	2.88	2.87	3.00	3.19	4.34	8.12	2.27	2.71
% Chg Same Qtr Last Yr……	15.46	7.79	4.31	3.61	0.26	2.67	2.60	2.57	2.66	2.74	2.86	2.98	4.34	8.12	2.27	2.71
STATE & LOCAL……	36835	36457	36590	36728	36862	36999	37137	37388	37649	37919	38178	38445	35989	36476	36931	37784
% Chg Prev Qtr SAAR……	9.36	-4.04	1.46	1.52	1.47	1.49	1.50	2.73	2.83	2.90	2.75	2.83	0.43	1.35	1.25	2.31
% Chg Same Qtr Last Yr……	1.66	1.23	2.35	1.96	0.07	1.48	1.49	1.80	2.14	2.49	2.80	2.83	0.43	1.35	1.25	2.31

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 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
CIVILIAN LABOR FORCE (THOUS)................	3138	3134	3114	3122	3152	3166	3167	3154	3176	3196	3198	3177	3057	3115	3152	3181
% Chg Same Qtr Last Yr......................	2.50	2.10	1.61	1.58	0.46	1.01	1.71	1.00	0.76	0.95	0.96	0.73	0.17	1.91	1.19	0.92
EMPLOYED PERSONS (THOUS)..............	2832	2832	2850	2823	2865	2893	2900	2871	2906	2933	2940	2909	2759	2821	2870	2913
% Chg Same Qtr Last Yr......................	2.37	1.77	2.32	1.97	1.18	2.15	1.73	1.70	1.43	1.38	1.40	1.31	0.91	2.23	1.76	1.48
UNEMPLOYED PERSONS (THOUS)..........	306	302	264	299	287	273	268	283	270	263	258	268	297	294	282	268
% Chg Same Qtr Last Yr......................	3.77	5.32	-5.47	-1.94	-6.24	-9.65	1.48	-5.62	-5.89	-3.55	-3.78	-5.13	-6.25	-1.08	-4.27	-4.75
PARTICIPATION RATE (PERCENT)...............	62.5	62.3	61.8	61.9	62.4	62.5	62.4	62.1	62.4	62.7	62.6	62.1	61.3	62.0	62.3	62.4
% Chg Same Qtr Last Yr......................	1.70	1.39	0.90	0.86	-0.26	0.29	0.98	0.27	0.04	0.23	0.24	0.01	-0.79	1.13	0.46	0.20
UNEMPLOYMENT RATE (PERCENT)............	9.7	9.6	8.5	9.6	9.1	8.6	8.5	9.0	8.5	8.2	8.1	8.4	9.7	9.4	8.9	8.4

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

Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted | **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
CIVILIAN LABOR FORCE (THOUS)…………	3137	3121	3111	3137	3151	3152	3161	3169	3175	3182	3191	3193	3056	3114	3150	3179
% Chg Prev Qtr SAAR…………………	6.52	-1.97	-1.30	3.37	1.84	0.14	1.15	1.00	0.78	0.86	1.15	0.25	0.12	1.90	1.16	0.92
% Chg Same Qtr Last Yr………………	2.59	2.31	1.68	1.60	0.46	1.00	1.62	1.03	0.77	0.95	0.95	0.76	0.12	1.90	1.16	0.92
EMPLOYED PERSONS (THOUS)……….	2833	2816	2828	2850	2866	2876	2886	2898	2907	2916	2927	2936	2759	2818	2870	2912
% Chg Prev Qtr SAAR…………………	5.52	-2.34	1.72	3.14	2.30	1.45	1.37	1.68	1.22	1.25	1.45	1.31	0.86	2.13	1.84	1.48
% Chg Same Qtr Last Yr………………	2.69	1.91	1.98	1.97	1.18	2.15	2.06	1.70	1.43	1.38	1.40	1.31	0.86	2.13	1.84	1.48
UNEMPLOYED PERSONS (THOUS)……	304	305	283	287	285	276	275	271	268	266	265	257	297	296	281	267
% Chg Prev Qtr SAAR…………………	16.45	1.58	-26.04	5.70	-2.67	-12.43	-1.12	-5.84	-3.79	-3.40	-2.07	-11.00	-6.22	-0.29	-5.25	-4.73
% Chg Same Qtr Last Yr………………	1.68	6.10	-1.25	-1.94	-6.24	-9.65	-2.85	-5.62	-5.89	-3.55	-3.78	-5.13	-6.22	-0.29	-5.25	-4.73
PARTICIPATION RATE (PERCENT)………..	62.5	62.1	61.8	62.2	62.3	62.3	62.3	62.4	62.4	62.4	62.5	62.4	61.3	62.0	62.3	62.4
% Chg Prev Qtr SAAR…………………	5.78	-2.65	-2.01	2.62	1.11	-0.58	0.42	0.28	0.06	0.13	0.43	-0.47	-0.83	1.12	0.44	0.20
% Chg Same Qtr Last Yr………………	1.79	1.59	0.97	0.88	-0.26	0.27	0.89	0.31	0.04	0.22	0.22	0.04	-0.83	1.12	0.44	0.20
UNEMPLOYMENT RATE (PERCENT)………	9.7	9.8	9.1	9.2	9.0	8.7	8.7	8.5	8.4	8.4	8.3	8.0	9.7	9.5	8.9	8.4

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 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL TAXABLE SALES	21076	20796	22479	20058	22076	21892	23233	20662	22724	22560	23933	21386	80586	83469	87259	89878
% Chg Same Qtr Last Yr	2.77	3.51	4.66	4.92	4.74	5.27	3.35	3.01	2.93	3.05	3.01	3.50	0.78	3.58	4.54	3.00
AUTO DEALERS	1896	1899	1745	1940	2108	2207	1844	2092	2298	2409	2026	2242	6898	7336	8098	8826
% Chg Same Qtr Last Yr	5.21	4.00	5.89	8.09	11.15	16.17	5.67	7.84	9.05	9.20	9.85	7.17	12.03	6.34	10.40	8.98
PURCHASES FROM MANUFACTURERS	910	922	1003	812	977	990	1053	847	1021	1037	1101	876	3298	3580	3831	4007
% Chg Same Qtr Last Yr	6.05	9.57	10.28	8.91	7.33	7.40	5.02	4.34	4.57	4.76	4.59	3.43	3.13	8.53	7.03	4.57
MISC DURABLE GOODS	3641	3527	3556	3190	3802	3700	3698	3327	3944	3845	3843	3494	13067	13711	14390	14960
% Chg Same Qtr Last Yr	2.35	5.33	6.32	6.77	4.43	4.91	4.01	4.30	3.73	3.93	3.93	5.00	3.82	4.93	4.95	3.96
EATING AND DRINKING PLACES	2137	2143	2105	2079	2229	2228	2176	2139	2296	2302	2251	2224	8163	8360	8711	8988
% Chg Same Qtr Last Yr	2.29	2.13	4.38	5.28	4.29	3.96	3.36	2.91	3.03	3.30	3.46	3.98	0.69	2.41	4.21	3.18
FOOD STORES	2134	2143	2289	2007	2134	2172	2318	2021	2147	2187	2335	2043	8521	8560	8631	8691
% Chg Same Qtr Last Yr	1.33	0.45	-0.05	0.63	0.01	1.35	1.27	0.73	0.63	0.69	0.72	1.07	-0.98	0.46	0.83	0.69
LIQUOR STORES	153	152	190	152	160	157	197	155	164	161	202	161	617	638	666	682
% Chg Same Qtr Last Yr	2.31	4.07	4.39	5.75	5.09	3.64	3.36	2.22	2.24	2.41	2.58	3.49	2.41	3.53	4.38	2.37
HOTELS AND MOTELS	557	573	544	450	586	601	566	462	598	612	575	473	1857	2079	2201	2247
% Chg Same Qtr Last Yr	12.60	12.84	16.72	11.14	5.16	4.78	3.90	2.74	2.17	1.91	1.61	2.45	-0.28	11.92	5.89	2.07
OTHER RETAIL AND SERVICE	6338	6208	7473	6146	6647	6527	7743	6301	6791	6668	7922	6504	25012	25900	27063	27682
% Chg Same Qtr Last Yr	3.06	3.21	4.92	4.50	4.88	5.14	3.61	2.52	2.17	2.16	2.31	3.22	0.16	3.55	4.49	2.29
MISC NONDURABLE GOODS	1741	1683	2069	1710	1813	1758	2135	1753	1858	1804	2194	1802	6915	7111	7415	7609
% Chg Same Qtr Last Yr	1.68	3.48	5.37	5.66	4.14	4.45	3.19	2.51	2.50	2.63	2.76	2.76	1.93	2.84	4.28	2.61
TRANSPORTATION, COMMUNICATION	1571	1546	1505	1573	1622	1553	1503	1564	1605	1535	1484	1567	6237	6194	6250	6187
% Chg Same Qtr Last Yr	-1.22	-0.18	-1.92	-0.03	3.25	0.50	-0.11	-0.57	-0.99	-1.20	-1.30	0.21	-12.02	-0.69	0.91	-1.01
PER CAPITA ($)	3316	3266	3524	3139	3448	3413	3616	3210	3524	3492	3698	3298	12765	13118	13616	13924
% Chg Same Qtr Last Yr	1.95	2.76	3.91	4.16	3.99	4.52	2.61	2.27	2.20	2.31	2.27	2.76	-0.19	2.77	3.79	2.26

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

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

January 2012

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL TAXABLE SALES	20766	20817	21333	21533	21746	21898	22051	22184	22377	22551	22736	22961	80568	83429	87227	89848
% Chg Prev Qtr SAAR	5.01	0.97	10.29	3.81	4.01	2.81	2.83	2.43	3.54	3.14	3.32	4.02	0.72	3.55	4.55	3.00
% Chg Same Qtr Last Yr	2.69	3.50	4.64	4.97	4.72	5.19	3.36	3.02	2.90	2.99	3.11	3.51	0.72	3.55	4.55	3.00
AUTO DEALERS	1813	1754	1949	1987	2016	2038	2060	2143	2198	2225	2263	2296	6913	7355	8100	8828
% Chg Prev Qtr SAAR	-5.27	-12.47	52.61	7.90	5.90	4.44	4.48	17.02	10.74	5.01	7.00	6.03	12.20	6.38	10.13	8.99
% Chg Same Qtr Last Yr	5.13	3.99	5.89	8.09	11.15	16.17	5.67	7.84	9.05	9.20	9.85	7.17	12.20	6.38	10.13	8.99
PURCHASES FROM MANUFACTURERS	886	895	926	942	951	961	973	983	994	1007	1017	1017	3291	3572	3827	4002
% Chg Prev Qtr SAAR	10.17	4.14	14.72	6.89	3.91	4.42	4.87	4.16	4.83	5.18	4.18	-0.36	2.87	8.55	7.13	4.56
% Chg Same Qtr Last Yr	5.91	9.42	10.28	8.91	7.33	7.40	5.02	4.34	4.57	4.76	4.59	3.43	2.87	8.55	7.13	4.56
MISC DURABLE GOODS	3431	3444	3506	3540	3583	3613	3647	3692	3717	3755	3790	3877	13045	13697	14383	14954
% Chg Prev Qtr SAAR	14.69	1.52	7.36	3.94	4.98	3.39	3.74	5.10	2.72	4.17	3.74	9.51	3.60	5.00	5.01	3.97
% Chg Same Qtr Last Yr	2.25	5.29	6.32	6.77	4.43	4.91	4.01	4.30	3.73	3.93	3.93	5.00	3.60	5.00	5.01	3.97
EATING AND DRINKING PLACES	2081	2102	2133	2150	2170	2186	2205	2212	2236	2258	2281	2300	8161	8359	8711	8987
% Chg Prev Qtr SAAR	7.79	4.26	6.01	3.13	3.80	2.93	3.57	1.34	4.30	4.02	4.19	3.41	0.65	2.42	4.21	3.18
% Chg Same Qtr Last Yr	2.19	2.12	4.38	5.28	4.29	3.96	3.36	2.91	3.03	3.30	3.46	3.98	0.65	2.42	4.21	3.18
FOOD STORES	2156	2133	2140	2148	2157	2161	2167	2163	2170	2176	2183	2187	8521	8563	8633	8692
% Chg Prev Qtr SAAR	4.23	-4.36	1.37	1.49	1.68	0.85	1.09	-0.67	1.25	1.10	1.20	0.74	-1.06	0.50	0.81	0.69
% Chg Same Qtr Last Yr	1.25	0.67	-0.05	0.63	0.01	1.35	1.27	0.73	0.63	0.69	0.72	1.07	-1.06	0.50	0.81	0.69
LIQUOR STORES	158	161	163	164	166	167	168	168	170	171	173	174	616	638	666	682
% Chg Prev Qtr SAAR	6.30	8.72	4.16	3.90	3.68	2.84	3.02	-0.61	3.76	3.52	3.70	2.98	2.36	3.48	4.44	2.36
% Chg Same Qtr Last Yr	2.29	3.99	4.39	5.75	5.09	3.64	3.36	2.22	2.24	2.41	2.58	3.49	2.36	3.48	4.44	2.36
HOTELS AND MOTELS	521	527	537	542	548	552	558	557	560	563	567	570	1858	2072	2200	2246
% Chg Prev Qtr SAAR	30.30	4.93	7.34	3.94	4.46	3.44	3.77	-0.64	2.17	2.38	2.57	2.68	-0.41	11.51	6.14	2.10
% Chg Same Qtr Last Yr	12.30	13.00	16.72	11.14	5.16	4.78	3.90	2.74	2.17	1.91	1.61	2.45	-0.41	11.51	6.14	2.10
OTHER RETAIL AND SERVICE	6429	6465	6606	6662	6742	6797	6844	6830	6889	6944	7003	7050	25006	25875	27047	27666
% Chg Prev Qtr SAAR	3.39	2.27	8.97	3.48	4.89	3.29	2.80	-0.83	3.48	3.25	3.42	2.73	0.11	3.48	4.53	2.29
% Chg Same Qtr Last Yr	3.07	3.24	4.92	4.50	4.88	5.14	3.61	2.52	2.17	2.16	2.31	3.22	0.11	3.48	4.53	2.29
MISC NONDURABLE GOODS	1775	1780	1812	1835	1848	1859	1870	1881	1895	1908	1922	1933	6917	7103	7412	7605
% Chg Prev Qtr SAAR	9.21	1.02	7.55	5.03	3.07	2.23	2.43	2.32	3.00	2.79	2.94	2.30	1.91	2.69	4.35	2.60
% Chg Same Qtr Last Yr	1.43	3.58	5.37	5.66	4.14	4.45	3.19	2.51	2.50	2.63	2.76	2.76	1.91	2.69	4.35	2.60
TRANSPORTATION, COMMUNICATION	1516	1555	1561	1564	1565	1563	1559	1555	1549	1544	1539	1558	6240	6195	6250	6187
% Chg Prev Qtr SAAR	-11.79	10.83	1.40	0.76	0.35	-0.51	-1.02	-1.09	-1.35	-1.35	-1.39	5.08	-11.97	-0.72	0.88	-1.02
% Chg Same Qtr Last Yr	-1.13	-0.20	-1.92	-0.03	3.25	0.50	-0.11	-0.57	-0.99	-1.20	-1.30	0.21	-11.97	-0.72	0.88	-1.02
PER CAPITA ($)	3267	3269	3344	3369	3397	3414	3432	3446	3470	3491	3513	3541	12763	13113	13612	13920
% Chg Prev Qtr SAAR	4.26	0.25	9.50	3.06	3.27	2.08	2.09	1.70	2.80	2.40	2.58	3.28	-0.25	2.74	3.80	2.27
% Chg Same Qtr Last Yr	1.87	2.75	3.89	4.22	3.97	4.44	2.62	2.28	2.16	2.25	2.37	2.76	-0.25	2.74	3.80	2.27

Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL TAXABLE SALES	23956	23773	25737	23024	25383	25267	26896	24017	26526	26452	28185	25307	89553	95022	100569	105179
% Chg Same Qtr Last Yr	5.37	6.47	7.31	6.81	5.96	6.28	4.50	4.31	4.50	4.69	4.80	5.37	2.56	6.11	5.84	4.58
AUTO DEALERS	2155	2171	1998	2227	2423	2547	2135	2432	2683	2825	2386	2653	7665	8348	9332	10325
% Chg Same Qtr Last Yr	7.87	6.98	8.56	10.05	12.44	17.29	6.84	9.20	10.71	10.93	11.75	9.11	14.02	8.92	11.78	10.65
PURCHASES FROM MANUFACTURERS	1034	1054	1148	932	1123	1143	1219	984	1192	1216	1297	1037	3666	4076	4416	4690
% Chg Same Qtr Last Yr	8.73	12.71	13.07	10.88	8.57	8.43	6.18	5.66	6.16	6.42	6.40	5.30	4.94	11.21	8.34	6.19
MISC DURABLE GOODS	4139	4031	4071	3662	4372	4270	4281	3868	4604	4508	4526	4135	14520	15610	16585	17507
% Chg Same Qtr Last Yr	4.94	8.35	9.01	8.70	5.64	5.92	5.16	5.62	5.31	5.58	5.73	6.90	5.66	7.50	6.25	5.56
EATING AND DRINKING PLACES	2429	2450	2410	2386	2562	2572	2519	2487	2680	2699	2651	2632	9070	9516	10039	10517
% Chg Same Qtr Last Yr	4.87	5.05	7.02	7.19	5.50	4.96	4.51	4.21	4.60	4.94	5.25	5.86	2.48	4.91	5.50	4.76
FOOD STORES	2425	2450	2621	2303	2454	2507	2684	2350	2507	2564	2750	2418	9470	9745	9948	10171
% Chg Same Qtr Last Yr	3.89	3.33	2.48	2.45	1.17	2.32	2.40	2.01	2.16	2.29	2.46	2.90	0.78	2.91	2.08	2.24
LIQUOR STORES	173	174	218	174	184	182	228	181	191	189	238	190	685	727	768	799
% Chg Same Qtr Last Yr	4.89	7.05	7.03	7.66	6.31	4.64	4.50	3.51	3.79	4.04	4.35	5.36	4.20	6.06	5.67	3.95
HOTELS AND MOTELS	633	655	623	516	673	693	655	537	698	718	677	560	2064	2367	2537	2630
% Chg Same Qtr Last Yr	15.45	16.07	19.67	13.14	6.38	5.79	5.05	4.03	3.72	3.53	3.37	4.30	1.47	14.70	7.17	3.64
OTHER RETAIL AND SERVICE	7204	7097	8556	7055	7643	7533	8964	7324	7927	7818	9330	7696	27798	29488	31194	32399
% Chg Same Qtr Last Yr	5.66	6.17	7.57	6.39	6.09	6.15	4.76	3.81	3.72	3.79	4.08	5.08	1.93	6.08	5.79	3.86
MISC NONDURABLE GOODS	1979	1924	2369	1963	2084	2029	2471	2038	2169	2115	2583	2132	7685	8096	8547	8905
% Chg Same Qtr Last Yr	4.25	6.44	8.03	7.57	5.35	5.46	4.33	3.81	4.06	4.27	4.54	4.61	3.72	5.35	5.58	4.19
TRANSPORTATION, COMMUNICATION	1785	1767	1723	1805	1865	1793	1740	1817	1874	1799	1747	1854	6930	7048	7202	7238
% Chg Same Qtr Last Yr	1.28	2.68	0.56	1.78	4.44	1.46	1.00	0.69	0.51	0.37	0.41	2.02	-10.42	1.72	2.18	0.50
PER CAPITA ($)	3769	3733	4035	3603	3965	3939	4186	3731	4113	4095	4355	3903	14185	14934	15693	16294
% Chg Same Qtr Last Yr	4.53	5.71	6.54	6.05	5.20	5.52	3.75	3.56	3.75	3.94	4.04	4.62	1.58	5.28	5.08	3.83

Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2012**

	History		Forecast Data										Annual			
	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2010	2011	2012	2013
TOTAL TAXABLE SALES……	23604	23797	24425	24717	25004	25273	25527	25785	26122	26441	26776	27172	89523	94955	100521	105125
% Chg Prev Qtr SAAR……	8.48	3.31	10.98	4.87	4.73	4.37	4.08	4.11	5.32	4.99	5.16	6.04	2.52	6.07	5.86	4.58
% Chg Same Qtr Last Yr……	5.29	6.46	7.29	6.87	5.93	6.20	4.51	4.32	4.47	4.62	4.89	5.38	2.52	6.07	5.86	4.58
AUTO DEALERS……	2061	2005	2232	2281	2318	2352	2385	2490	2566	2609	2665	2717	7682	8371	9334	10330
% Chg Prev Qtr SAAR……	-2.15	-10.45	53.56	9.00	6.63	6.02	5.75	18.94	12.65	6.88	8.90	8.09	14.18	8.96	11.52	10.66
% Chg Same Qtr Last Yr……	7.78	6.97	8.56	10.05	12.44	17.29	6.84	9.20	10.71	10.93	11.75	9.11	14.18	8.96	11.52	10.66
PURCHASES FROM MANUFACTURERS….	1007	1023	1061	1081	1093	1110	1126	1142	1161	1181	1198	1203	3657	4066	4410	4682
% Chg Prev Qtr SAAR……	13.81	6.55	15.43	7.98	4.63	6.00	6.14	5.87	6.63	7.06	6.03	1.57	4.71	11.19	8.47	6.16
% Chg Same Qtr Last Yr……	8.58	12.56	13.07	10.88	8.57	8.43	6.18	5.66	6.16	6.42	6.40	5.30	4.71	11.19	8.47	6.16
MISC DURABLE GOODS……	3900	3937	4014	4063	4120	4170	4221	4292	4339	4403	4463	4588	14495	15590	16575	17497
% Chg Prev Qtr SAAR……	18.48	3.87	8.03	5.00	5.71	4.95	5.00	6.82	4.49	6.03	5.58	11.64	5.45	7.56	6.32	5.56
% Chg Same Qtr Last Yr……	4.84	8.30	9.01	8.70	5.64	5.92	5.16	5.62	5.31	5.58	5.73	6.90	5.45	7.56	6.32	5.56
EATING AND DRINKING PLACES……	2365	2403	2443	2468	2495	2523	2553	2572	2610	2647	2687	2722	9068	9513	10038	10515
% Chg Prev Qtr SAAR……	11.35	6.67	6.67	4.18	4.52	4.49	4.83	3.00	6.09	5.88	6.04	5.42	2.44	4.92	5.52	4.75
% Chg Same Qtr Last Yr……	4.78	5.05	7.02	7.19	5.50	4.96	4.51	4.21	4.60	4.94	5.25	5.86	2.44	4.92	5.52	4.75
FOOD STORES……	2451	2438	2450	2465	2480	2494	2509	2515	2533	2552	2570	2588	9468	9745	9948	10170
% Chg Prev Qtr SAAR……	7.67	-2.15	2.00	2.52	2.38	2.38	2.31	0.96	2.99	2.90	2.99	2.70	0.71	2.93	2.08	2.23
% Chg Same Qtr Last Yr……	3.80	3.55	2.48	2.45	1.17	2.32	2.40	2.01	2.16	2.29	2.46	2.90	0.71	2.93	2.08	2.23
LIQUOR STORES……	179	184	187	189	191	193	195	195	198	201	203	206	685	726	767	797
% Chg Prev Qtr SAAR……	9.81	11.23	4.81	4.96	4.39	4.39	4.27	1.02	5.54	5.37	5.54	4.98	4.18	6.00	5.75	3.93
% Chg Same Qtr Last Yr……	4.88	6.97	7.03	7.66	6.31	4.64	4.50	3.51	3.79	4.04	4.35	5.36	4.18	6.00	5.75	3.93
HOTELS AND MOTELS……	592	603	614	622	630	638	646	647	653	660	667	675	2065	2359	2535	2628
% Chg Prev Qtr SAAR……	34.60	7.36	8.01	5.00	5.18	5.00	5.03	0.99	3.92	4.21	4.39	4.68	1.37	14.24	7.46	3.66
% Chg Same Qtr Last Yr……	15.13	16.24	19.67	13.14	6.38	5.79	5.05	4.03	3.72	3.53	3.37	4.30	1.37	14.24	7.46	3.66
OTHER RETAIL AND SERVICE……	7308	7391	7563	7647	7753	7845	7923	7939	8041	8142	8247	8343	27785	29450	31169	32370
% Chg Prev Qtr SAAR……	6.80	4.64	9.65	4.54	5.62	4.85	4.05	0.80	5.25	5.10	5.26	4.73	1.89	5.99	5.84	3.85
% Chg Same Qtr Last Yr……	5.67	6.20	7.57	6.39	6.09	6.15	4.76	3.81	3.72	3.79	4.08	5.08	1.89	5.99	5.84	3.85
MISC NONDURABLE GOODS……	2018	2034	2075	2106	2125	2145	2165	2186	2212	2237	2263	2287	7685	8084	8541	8897
% Chg Prev Qtr SAAR……	12.82	3.35	8.22	6.10	3.78	3.78	3.68	4.00	4.77	4.62	4.77	4.29	3.72	5.19	5.65	4.17
% Chg Same Qtr Last Yr……	3.99	6.54	8.03	7.57	5.35	5.46	4.33	3.81	4.06	4.27	4.54	4.61	3.72	5.19	5.65	4.17
TRANSPORTATION, COMMUNICATION……	1723	1778	1787	1795	1799	1804	1805	1807	1809	1810	1812	1843	6934	7051	7202	7238
% Chg Prev Qtr SAAR……	-8.88	13.39	2.03	1.79	1.04	0.99	0.18	0.53	0.35	0.41	0.36	7.12	-10.37	1.68	2.15	0.49
% Chg Same Qtr Last Yr……	1.36	2.66	0.56	1.78	4.44	1.46	1.00	0.69	0.51	0.37	0.41	2.02	-10.37	1.68	2.15	0.49
PER CAPITA ($)……	3713	3737	3829	3868	3906	3940	3973	4006	4051	4093	4137	4191	14182	14925	15686	16287
% Chg Prev Qtr SAAR……	7.70	2.57	10.18	4.11	3.98	3.62	3.33	3.37	4.57	4.24	4.40	5.28	1.53	5.24	5.10	3.83
% Chg Same Qtr Last Yr……	4.44	5.70	6.52	6.10	5.17	5.44	3.76	3.57	3.72	3.87	4.14	4.62	1.53	5.24	5.10	3.83

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

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
US GDP (Bil2005$) SAAR	13318.4	13579.6	13903.2	14382.8	14862.0	15284.4	15684.4	16054.3	16447.0	16867.9	17270.3
Percentage change	1.76	1.96	2.38	3.45	3.33	2.84	2.62	2.36	2.45	2.56	2.39
US GDP (Bil$) SAAR	15093.6	15580.0	16140.1	16969.6	17863.9	18709.8	19548.1	20358.5	21197.7	22089.9	22990.7
Percentage change	3.90	3.22	3.59	5.14	5.27	4.74	4.48	4.15	4.12	4.21	4.08
TN PERSONAL INCOME (MIL2005$) SAAR	204583	211429	218485	225756	233130	240630	248010	255459	263299	271207	279048
Percentage change	2.30	3.35	3.34	3.33	3.27	3.22	3.07	3.00	3.07	3.00	2.89
US PERSONAL INCOME (BIL2005$) SAAR	11388	11634	11884	12256	12655	13055	13418	13788	14166	14567	14930
Percentage change	2.26	2.16	2.15	3.13	3.26	3.15	2.78	2.76	2.74	2.83	2.49
TN PERSONAL INCOME (MIL$) SAAR	232832	243652	255634	269269	283604	298174	312875	328101	344034	360358	377643
Percentage change	4.78	4.65	4.92	5.33	5.32	5.14	4.93	4.87	4.86	4.75	4.80
US PERSONAL INCOME (BIL$) SAAR	12960	13401	13903	14607	15371	16154	16905	17686	18485	19330	20183
Percentage change	4.74	3.40	3.75	5.06	5.23	5.09	4.65	4.62	4.52	4.57	4.41
TN NONFARM JOBS (THOUS)	2638.0	2672.2	2714.2	2763.8	2814.7	2858.9	2889.3	2917.7	2947.5	2977.1	3007.1
Percentage change	0.97	1.30	1.57	1.83	1.84	1.57	1.06	0.98	1.02	1.00	1.01
US NONFARM JOBS (MIL)	131.1	132.8	134.9	137.5	140.2	142.6	144.3	145.5	146.4	147.5	148.3
Percentage change	1.02	1.22	1.59	1.95	2.00	1.68	1.22	0.79	0.65	0.76	0.55
TN MFG JOBS (THOUS)	300.1	304.5	308.0	310.8	309.8	306.9	303.0	299.0	295.0	290.6	286.8
Percentage change	0.75	1.47	1.17	0.91	-0.32	-0.94	-1.28	-1.31	-1.35	-1.51	-1.30
US MFG JOBS (MIL)	11.7	11.9	12.1	12.3	12.6	12.7	12.7	12.7	12.7	12.7	12.7
Percentage change	1.68	1.36	1.53	1.93	2.08	1.05	0.25	0.04	0.07	-0.25	0.04
TN UNEMPLOYMENT RATE (%)	9.5	8.9	8.4	7.7	7.2	6.6	6.0	5.9	5.7	5.7	5.5
US UNEMPLOYMENT RATE (%)	9.0	8.8	8.6	7.9	7.1	6.6	6.4	6.2	6.1	5.9	5.8
CHAINED PRICE INDEX, GDP (2005=100.0)	113.3	114.7	116.1	118.0	120.2	122.4	124.6	126.8	128.9	131.0	133.1
Percentage change	2.08	1.25	1.18	1.63	1.88	1.84	1.82	1.75	1.64	1.61	1.65
US PERS CONSUMP DEFL (2005=100.0)	113.8	115.2	117.0	119.2	121.5	123.7	126.0	128.3	130.5	132.7	135.2
Percentage change	2.42	1.21	1.56	1.87	1.91	1.88	1.82	1.81	1.73	1.70	1.88
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.249	2.283	2.325	2.372	2.419	2.465	2.509	2.554	2.597	2.640	2.693
Percentage change	3.15	1.49	1.83	2.01	2.01	1.90	1.78	1.78	1.71	1.66	2.01
BANK PRIME INTEREST RATE (%)	3.3	3.3	3.3	4.2	6.3	7.0	7.0	7.0	7.0	7.0	7.0
FEDERAL FUNDS RATE (% per annum)	0.102	0.100	0.106	1.231	3.271	4.000	4.000	4.000	4.000	4.000	4.000
30-YEAR FIXED MORTGAGE RATE (%)	4.5	4.1	4.5	5.1	6.1	6.4	6.4	6.4	6.4	6.4	6.4
TN TAXABLE SALES (MIL2005$)	83429	87227	89848	92670	95134	97587	99969	102306	104777	107267	109610
Percentage change	3.55	4.55	3.00	3.14	2.66	2.58	2.44	2.34	2.41	2.38	2.18
TN TAXABLE SALES (MIL$)	94955	100521	105125	110530	115730	120924	126114	131398	136904	142527	148338
Percentage change	6.07	5.86	4.58	5.14	4.71	4.49	4.29	4.19	4.19	4.11	4.08
TN AVG ANNUAL WAGE, NONFARM (2005$)	38127	38639	39136	39597	40108	40678	41259	41834	42422	43021	43544
Percentage change	-0.03	1.34	1.28	1.18	1.29	1.42	1.43	1.39	1.41	1.41	1.22
TN AVG ANNUAL WAGE, NONFARM ($)	43391	44528	45789	47227	48791	50405	52049	53728	55428	57161	58929
Percentage change	2.39	2.62	2.83	3.14	3.31	3.31	3.26	3.23	3.16	3.13	3.09

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

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
US GDP (2005$) SAAR…………………………	42492	42910	43510	44579	45624	46472	47235	47891	48601	49378	50086
Percentage change.................................	0.79	0.98	1.40	2.46	2.34	1.86	1.64	1.39	1.48	1.60	1.43
US GDP ($) SAAR………………………………	48156	49231	50511	52597	54839	56887	58871	60731	62639	64665	66676
Percentage change.................................	2.92	2.23	2.60	4.13	4.26	3.74	3.49	3.16	3.14	3.23	3.11
TN PERSONAL INCOME (2005$) SAAR……	32156	32994	33850	34725	35600	36458	37277	38090	38946	39796	40621
Percentage change.................................	1.51	2.60	2.60	2.59	2.52	2.41	2.24	2.18	2.25	2.18	2.08
US PERSONAL INCOME (2005$) SAAR……	36333	36761	37193	37988	38850	39692	40408	41130	41861	42642	43298
Percentage change.................................	1.29	1.18	1.17	2.14	2.27	2.17	1.80	1.79	1.78	1.87	1.54
TN PERSONAL INCOME ($) SAAR…………	36596	38022	39605	41418	43308	45176	47025	48921	50887	52877	54973
Percentage change.................................	3.97	3.90	4.16	4.58	4.56	4.31	4.09	4.03	4.02	3.91	3.97
US PERSONAL INCOME ($) SAAR…………	41348	42345	43511	45275	47187	49116	50911	52758	54623	56586	58534
Percentage change.................................	3.74	2.41	2.76	4.05	4.22	4.09	3.66	3.63	3.53	3.59	3.44
TN TAXABLE SALES (2005$)…………………	13113	13612	13920	14254	14528	14786	15026	15254	15498	15740	15956
Percentage change.................................	2.74	3.80	2.27	2.40	1.92	1.78	1.62	1.52	1.60	1.56	1.37
TN TAXABLE SALES ($)………………………	14925	15686	16287	17001	17673	18321	18955	19592	20250	20914	21594
Percentage change.................................	5.24	5.10	3.83	4.39	3.95	3.67	3.46	3.36	3.36	3.28	3.25

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

Table 3: Tennessee Personal Income Components (millions of 2005 dollars) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TN PERSONAL INCOME………….…………….	204583	211429	218485	225756	233130	240630	248010	255459	263299	271207	279048
Percentage change………………………	2.30	3.35	3.34	3.33	3.27	3.22	3.07	3.00	3.07	3.00	2.89
WAGES AND SALARIES……………………	101493	104151	107132	110350	113811	117217	120135	122988	125976	129018	131885
Percentage change………………………	0.89	2.62	2.86	3.00	3.14	2.99	2.49	2.37	2.43	2.41	2.22
OTHER LABOR INCOME……………………	24180	24655	25316	25922	26558	27253	27996	28859	29729	30642	31531
Percentage change………………………	-0.61	1.96	2.68	2.39	2.46	2.62	2.73	3.08	3.01	3.07	2.90
PROPRIETORS INCOME……………………	23200	24186	25248	26238	27250	28208	29177	30220	31306	32463	33569
Percentage change………………………	3.05	4.25	4.39	3.92	3.86	3.52	3.44	3.57	3.59	3.70	3.41
RENT, INTEREST, DIVIDENDS…………….	25398	25863	26732	27658	28422	29242	30145	30873	31746	32563	33365
Percentage change………………………	2.69	1.83	3.36	3.46	2.76	2.89	3.09	2.41	2.83	2.57	2.46
TRANSFER PAYMENTS……………………	45303	47014	49134	50709	52487	54423	56647	58941	61339	63693	66228
Percentage change………………………	1.75	3.78	4.51	3.21	3.51	3.69	4.09	4.05	4.07	3.84	3.98
LESS: PERS CONT FOR SOC INS……….	14477	13930	14572	14631	14917	15249	15625	15973	16356	16735	17106
Percentage change………………………	-10.49	-3.78	4.60	0.41	1.96	2.22	2.47	2.23	2.40	2.32	2.22
RESIDENCE ADJUSTMENT……………….	-513	-511	-506	-491	-482	-465	-465	-449	-440	-436	-424
Percentage change………………………	-5.44	-0.33	-1.03	-3.01	-1.85	-3.46	0.10	-3.62	-1.99	-0.71	-2.84
PER CAPITA PERSONAL INCOME ($)……….	32156	32994	33850	34725	35600	36458	37277	38090	38946	39796	40621
Percentage change………………………	1.51	2.60	2.60	2.59	2.52	2.41	2.24	2.18	2.25	2.18	2.08

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

Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TN PERSONAL INCOME…………..……………	232832	243652	255634	269269	283604	298174	312875	328101	344034	360358	377643
Percentage change………………………	4.78	4.65	4.92	5.33	5.32	5.14	4.93	4.87	4.86	4.75	4.80
WAGES AND SALARIES……………………	115508	120023	125346	131618	138452	145249	151555	157961	164603	171428	178483
Percentage change………………………	3.34	3.91	4.43	5.00	5.19	4.91	4.34	4.23	4.21	4.15	4.12
OTHER LABOR INCOME…………………	27518	28413	29620	30918	32308	33770	35318	37065	38844	40714	42670
Percentage change………………………	1.80	3.25	4.25	4.38	4.50	4.52	4.58	4.95	4.80	4.82	4.80
PROPRIETORS INCOME…………………	26404	27873	29541	31296	33150	34954	36808	38814	40905	43135	45430
Percentage change………………………	5.55	5.56	5.99	5.94	5.93	5.44	5.31	5.45	5.39	5.45	5.32
RENT, INTEREST, DIVIDENDS……………	28904	29805	31277	32990	34575	36236	38030	39652	41481	43267	45155
Percentage change………………………	5.18	3.12	4.94	5.47	4.81	4.80	4.95	4.27	4.61	4.31	4.36
TRANSFER PAYMENTS……………………	51558	54180	57489	60482	63850	67437	71462	75701	80146	84629	89627
Percentage change………………………	4.21	5.09	6.11	5.21	5.57	5.62	5.97	5.93	5.87	5.59	5.91
LESS: PERS CONT FOR SOC INS……….	16476	16053	17048	17450	18146	18894	19711	20515	21371	22235	23148
Percentage change………………………	-8.32	-2.57	6.20	2.35	3.99	4.12	4.32	4.08	4.17	4.04	4.11
RESIDENCE ADJUSTMENT……………….	-584	-589	-592	-585	-586	-576	-587	-576	-574	-580	-574
Percentage change………………………	-3.14	0.92	0.48	-1.13	0.11	-1.66	1.91	-1.87	-0.30	0.97	-1.04
PER CAPITA PERSONAL INCOME ($)……….	36596	38022	39605	41418	43308	45176	47025	48921	50887	52877	54973
Percentage change………………………	3.97	3.90	4.16	4.58	4.56	4.31	4.09	4.03	4.02	3.91	3.97

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

Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL NONFARM	2638.0	2672.2	2714.2	2763.8	2814.7	2858.9	2889.3	2917.7	2947.5	2977.1	3007.1
Percentage change	0.97	1.30	1.57	1.83	1.84	1.57	1.06	0.98	1.02	1.00	1.01
NATURAL RESOURCES, MINING & CONSTRUCTION	110.5	113.7	117.3	121.0	125.2	129.0	131.6	134.2	136.9	139.5	141.7
Percentage change	4.88	2.95	3.15	3.18	3.41	3.10	2.00	1.97	1.98	1.91	1.60
MANUFACTURING	300.1	304.5	308.0	310.8	309.8	306.9	303.0	299.0	295.0	290.6	286.8
Percentage change	0.75	1.47	1.17	0.91	-0.32	-0.94	-1.28	-1.31	-1.35	-1.51	-1.30
DURABLE GOODS	178.4	183.1	187.7	191.8	192.6	191.8	189.8	187.6	185.5	183.0	180.9
Percentage change	1.86	2.64	2.49	2.19	0.44	-0.42	-1.06	-1.15	-1.12	-1.36	-1.11
NONDURABLE GOODS	121.6	121.3	120.3	119.0	117.2	115.1	113.2	111.4	109.5	107.6	105.9
Percentage change	-0.83	-0.26	-0.83	-1.07	-1.54	-1.79	-1.63	-1.58	-1.72	-1.76	-1.61
TRADE, TRANSPORTATION, UTILITIES	557.7	561.8	571.2	581.6	591.3	599.7	605.0	607.7	611.2	614.6	618.3
Percentage change	0.50	0.74	1.67	1.83	1.67	1.41	0.88	0.45	0.59	0.55	0.60
WHOLESALE TRADE	118.6	119.3	122.5	126.1	128.4	130.4	132.0	133.2	134.5	135.7	136.9
Percentage change	1.06	0.54	2.74	2.86	1.83	1.61	1.20	0.95	0.91	0.90	0.91
RETAIL TRADE	304.0	305.4	309.1	313.1	317.5	321.0	322.6	321.8	321.7	321.6	321.6
Percentage change	-0.91	0.45	1.21	1.30	1.43	1.10	0.50	-0.27	-0.01	-0.05	0.02
TRANSPORTATION & UTILITIES	135.0	137.1	139.6	142.5	145.4	148.2	150.4	152.7	155.1	157.4	159.8
Percentage change	3.29	1.56	1.79	2.10	2.06	1.92	1.44	1.54	1.57	1.50	1.52
INFORMATION	44.3	44.1	44.8	45.8	46.8	47.6	48.2	48.9	49.5	50.0	50.7
Percentage change	-1.27	-0.37	1.60	2.14	2.21	1.79	1.30	1.42	1.18	1.09	1.37
FINANCIAL ACTIVITIES	138.4	139.3	140.8	143.0	144.7	146.4	147.7	147.6	147.2	147.5	147.5
Percentage change	0.67	0.62	1.06	1.56	1.20	1.21	0.83	-0.08	-0.22	0.20	0.00
PROFESSIONAL & BUSINESS SERVICES	313.8	324.9	334.3	347.0	360.7	374.8	386.0	399.1	412.8	426.6	441.1
Percentage change	3.07	3.55	2.87	3.81	3.95	3.91	3.00	3.39	3.42	3.35	3.41
EDUCATION & HEALTH SERVICES	380.7	387.1	394.3	402.5	411.7	420.4	427.2	434.0	441.2	448.3	455.2
Percentage change	2.12	1.67	1.87	2.08	2.29	2.11	1.61	1.59	1.66	1.60	1.54
LEISURE & HOSPITALITY	264.7	266.8	271.9	277.8	284.8	288.7	291.1	293.7	296.4	299.3	301.9
Percentage change	1.19	0.80	1.91	2.16	2.50	1.39	0.84	0.87	0.94	0.97	0.88
OTHER SERVICES	100.8	102.0	103.4	105.0	107.2	109.4	110.4	111.3	112.5	113.5	114.4
Percentage change	0.37	1.22	1.30	1.61	2.10	2.01	0.91	0.86	1.02	0.89	0.82
GOVERNMENT	427.1	428.0	428.3	429.2	432.5	435.9	439.0	442.1	444.8	447.3	449.4
Percentage change	-1.34	0.22	0.07	0.22	0.77	0.77	0.72	0.71	0.61	0.55	0.47
FEDERAL, CIVILIAN	49.1	48.7	48.1	47.2	46.9	46.6	46.3	46.1	45.8	45.5	45.2
Percentage change	-6.26	-0.77	-1.31	-1.75	-0.65	-0.59	-0.67	-0.58	-0.59	-0.65	-0.61
STATE & LOCAL	378.0	379.3	380.2	382.0	385.6	389.2	392.7	396.0	399.0	401.8	404.2
Percentage change	-0.66	0.35	0.25	0.47	0.95	0.93	0.88	0.86	0.75	0.69	0.60

Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL DURABLE GOODS	178.4	183.1	187.7	191.8	192.6	191.8	189.8	187.6	185.5	183.0	180.9
Percentage change	1.86	2.64	2.49	2.19	0.44	-0.42	-1.06	-1.15	-1.12	-1.36	-1.11
WOOD PRODUCTS	10.5	10.6	10.6	10.6	10.7	10.7	10.6	10.6	10.5	10.5	10.4
Percentage change	-2.55	0.02	0.31	0.36	0.69	-0.19	-0.49	-0.45	-0.41	-0.48	-1.06
NONMETALLIC MINERALS	10.6	10.4	10.3	10.4	10.4	10.4	10.5	10.5	10.5	10.4	10.3
Percentage change	-5.72	-2.12	-0.26	0.50	0.18	0.14	0.20	0.42	-0.06	-0.99	-0.91
PRIMARY METALS	9.1	9.3	9.5	9.7	9.8	9.9	9.8	9.7	9.6	9.5	9.5
Percentage change	3.99	1.47	2.48	2.12	1.40	0.53	-0.88	-1.08	-0.77	-0.94	-0.84
FABRICATED METALS	33.9	35.0	36.0	36.8	37.4	37.5	37.4	37.6	37.5	37.5	37.5
Percentage change	2.88	3.42	2.74	2.41	1.56	0.18	-0.19	0.47	-0.24	-0.13	0.22
MACHINERY	26.2	27.2	28.0	28.6	28.7	28.3	27.9	27.3	26.8	26.4	26.0
Percentage change	5.98	3.93	2.88	2.22	0.21	-1.17	-1.66	-1.82	-2.00	-1.43	-1.73
COMPUTERS & ELECTRONICS	5.3	5.0	4.7	4.4	4.2	4.1	3.9	3.8	3.6	3.5	3.4
Percentage change	-6.62	-4.73	-6.68	-5.90	-4.02	-3.92	-3.61	-3.60	-3.93	-3.58	-3.63
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	16.6	16.7	16.9	17.1	16.9	16.6	16.4	16.2	15.9	15.7	15.4
Percentage change	-0.97	0.28	1.49	1.14	-1.09	-1.71	-1.24	-1.48	-1.69	-1.44	-1.59
TRANSPORTATION EQUIPMENT	42.4	45.6	48.5	50.9	51.5	51.6	50.8	49.7	49.0	47.8	47.0
Percentage change	6.68	7.59	6.30	5.12	1.02	0.30	-1.51	-2.23	-1.36	-2.53	-1.65
FURNITURE	9.1	8.7	8.5	8.4	8.3	8.1	7.9	7.8	7.6	7.4	7.3
Percentage change	-6.49	-3.93	-2.59	-1.46	-1.27	-2.56	-2.24	-1.66	-2.06	-2.22	-2.00
MISCELLANEOUS DURABLES	14.7	14.7	14.7	14.8	14.7	14.6	14.6	14.5	14.4	14.3	14.2
Percentage change	-0.63	-0.25	0.19	0.34	-0.47	-0.54	-0.43	-0.59	-0.57	-0.58	-0.45

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

Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL NONDURABLE GOODS…………………	121.6	121.3	120.3	119.0	117.2	115.1	113.2	111.4	109.5	107.6	105.9
Percentage change…………………………	-0.83	-0.26	-0.83	-1.07	-1.54	-1.79	-1.63	-1.58	-1.72	-1.76	-1.61
FOOD………………………………………………	32.7	33.3	33.2	33.2	33.3	33.1	33.0	32.9	32.8	32.7	32.7
Percentage change…………………………	1.80	1.76	-0.04	-0.19	0.32	-0.40	-0.47	-0.34	-0.23	-0.20	-0.21
BEVERAGE & TOBACCO……………………	5.0	5.1	5.1	5.1	5.0	5.0	4.9	4.9	4.8	4.7	4.7
Percentage change…………………………	0.50	0.91	-0.03	0.17	-1.18	-1.29	-0.96	-0.95	-1.25	-1.53	-1.47
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	10.9	10.5	10.1	9.7	9.0	8.4	7.8	7.3	6.8	6.3	5.9
Percentage change…………………………	-5.97	-3.53	-4.10	-4.30	-7.03	-6.59	-7.00	-6.45	-6.80	-6.89	-6.35
PAPER……………………………………………	15.3	15.3	15.2	15.0	14.8	14.5	14.3	14.0	13.8	13.5	13.3
Percentage change…………………………	-2.24	0.16	-0.76	-1.00	-1.56	-1.69	-1.81	-1.83	-1.69	-1.74	-1.50
PRINTING & RELATED SUPPORT……………	10.8	10.6	10.2	9.7	9.4	9.1	8.9	8.7	8.4	8.2	8.0
Percentage change…………………………	-7.35	-1.91	-3.69	-4.62	-3.40	-3.80	-2.24	-2.08	-2.93	-2.73	-2.14
CHEMICALS……………………………………	25.2	24.8	24.3	23.7	23.1	22.6	22.1	21.5	21.0	20.6	20.1
Percentage change…………………………	-0.68	-1.43	-2.14	-2.24	-2.40	-2.41	-2.38	-2.36	-2.26	-2.20	-2.20
PLASTICS & RUBBER…………………………	19.9	19.9	20.5	20.9	20.9	20.9	20.9	20.8	20.6	20.2	19.9
Percentage change…………………………	1.54	0.03	2.64	2.02	0.08	-0.25	0.02	-0.34	-1.09	-1.53	-1.44
MISCELLANEOUS NONDURABLE GOODS..	1.8	1.8	1.8	1.7	1.6	1.6	1.5	1.4	1.3	1.2	1.2
Percentage change…………………………	8.74	-0.64	-2.72	-2.75	-4.43	-5.07	-5.42	-6.06	-6.12	-5.91	-5.66

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

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2005 dollars) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL NONFARM……	38127	38639	39136	39597	40108	40678	41259	41834	42422	43021	43544
Percentage change……	-0.03	1.34	1.28	1.18	1.29	1.42	1.43	1.39	1.41	1.41	1.22
NATURAL RESOURCES, MINING AND CONSTRUCTION……	41579	42300	42892	43456	44020	44626	45241	45841	46463	47091	47633
Percentage change……	-0.94	1.73	1.40	1.32	1.30	1.38	1.38	1.33	1.35	1.35	1.15
MANUFACTURING……	46685	46915	47545	47972	48607	49292	49995	50683	51390	52108	52727
Percentage change……	-0.42	0.49	1.34	0.90	1.32	1.41	1.43	1.38	1.40	1.40	1.19
DURABLE GOODS……	45383	45412	45911	46188	46758	47373	47998	48609	49241	49882	50431
Percentage change……	-1.27	0.06	1.10	0.60	1.23	1.32	1.32	1.27	1.30	1.30	1.10
NONDURABLE GOODS……	48594	49184	50094	50847	51645	52489	53342	54175	55031	55893	56650
Percentage change……	0.83	1.21	1.85	1.50	1.57	1.63	1.62	1.56	1.58	1.57	1.35
TRADE, TRANSPORTATION, UTILITIES……	35479	35955	36454	36917	37414	37957	38519	39114	39712	40319	40848
Percentage change……	0.52	1.34	1.39	1.27	1.35	1.45	1.48	1.55	1.53	1.53	1.31
WHOLESALE TRADE……	51719	52450	53180	53892	54744	55645	56554	57443	58356	59276	60084
Percentage change……	-0.77	1.41	1.39	1.34	1.58	1.65	1.63	1.57	1.59	1.58	1.36
RETAIL TRADE……	24774	25002	25242	25413	25704	26019	26341	26654	26981	27312	27593
Percentage change……	-0.01	0.92	0.96	0.68	1.14	1.23	1.24	1.19	1.22	1.23	1.03
TRANSPORTATION & UTILITIES……	45314	45999	46596	47174	47687	48248	48820	49378	49960	50551	51050
Percentage change……	0.97	1.51	1.30	1.24	1.09	1.18	1.19	1.14	1.18	1.18	0.99
INFORMATION……	48304	48669	49315	49948	50670	51440	52218	52979	53762	54554	55243
Percentage change……	0.37	0.76	1.33	1.28	1.45	1.52	1.51	1.46	1.48	1.47	1.26
FINANCIAL ACTIVITIES……	54331	56327	57414	58636	59677	60769	61868	62943	64043	65149	66131
Percentage change……	-1.91	3.67	1.93	2.13	1.77	1.83	1.81	1.74	1.75	1.73	1.51
PROFESSIONAL & BUSINESS SERVICES…	43812	44470	45127	45780	46529	47319	48116	48895	49694	50499	51209
Percentage change……	1.44	1.50	1.48	1.45	1.64	1.70	1.68	1.62	1.63	1.62	1.40
EDUCATION & HEALTH SERVICES……	39591	40212	40747	41204	41725	42286	42856	43413	43989	44573	45074
Percentage change……	-0.94	1.57	1.33	1.12	1.27	1.34	1.35	1.30	1.33	1.33	1.12
LEISURE & HOSPITALITY……	18614	18998	19203	19381	19620	19879	20142	20399	20665	20935	21166
Percentage change……	-1.15	2.06	1.08	0.93	1.24	1.32	1.32	1.28	1.30	1.31	1.10
OTHER SERVICES……	35261	35321	35443	35457	35578	35739	35914	36082	36271	36471	36608
Percentage change……	2.54	0.17	0.35	0.04	0.34	0.45	0.49	0.47	0.52	0.55	0.38
GOVERNMENT……	35666	35700	35952	36221	36599	37015	37437	37851	38284	38724	39095
Percentage change……	-0.21	0.10	0.71	0.75	1.05	1.14	1.14	1.10	1.15	1.15	0.96
FEDERAL, CIVILIAN……	63513	64147	64893	65641	66501	67423	68359	69273	70218	71175	71999
Percentage change……	5.56	1.00	1.16	1.15	1.31	1.39	1.39	1.34	1.36	1.36	1.16
STATE & LOCAL……	32051	32048	32294	32584	32962	33372	33789	34196	34620	35049	35415
Percentage change……	-1.05	-0.01	0.77	0.90	1.16	1.24	1.25	1.21	1.24	1.24	1.04

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

Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL NONFARM……	43391	44528	45789	47227	48791	50405	52049	53728	55428	57161	58929
Percentage change……	2.39	2.62	2.83	3.14	3.31	3.31	3.26	3.23	3.16	3.13	3.09
NATURAL RESOURCES, MINING & CONSTI	47322	48746	50183	51831	53550	55297	57072	58876	60708	62570	64461
Percentage change……	1.47	3.01	2.95	3.28	3.32	3.26	3.21	3.16	3.11	3.07	3.02
MANUFACTURING……	53125	54064	55627	57216	59129	61078	63069	65094	67147	69236	71355
Percentage change……	1.98	1.77	2.89	2.86	3.34	3.30	3.26	3.21	3.15	3.11	3.06
DURABLE GOODS……	51645	52332	53715	55088	56880	58700	60550	62429	64338	66278	68248
Percentage change……	1.11	1.33	2.64	2.56	3.25	3.20	3.15	3.10	3.06	3.01	2.97
NONDURABLE GOODS……	55298	56680	58609	60647	62826	65041	67292	69579	71904	74266	76666
Percentage change……	3.26	2.50	3.40	3.48	3.59	3.53	3.46	3.40	3.34	3.28	3.23
TRADE, TRANSPORTATION, UTILITIES……	40379	41434	42650	44031	45513	47033	48593	50236	51888	53571	55280
Percentage change……	2.96	2.61	2.94	3.24	3.37	3.34	3.32	3.38	3.29	3.24	3.19
WHOLESALE TRADE……	58861	60442	62220	64278	66595	68951	71344	73776	76248	78760	81312
Percentage change……	1.64	2.69	2.94	3.31	3.61	3.54	3.47	3.41	3.35	3.29	3.24
RETAIL TRADE……	28194	28812	29532	30310	31268	32240	33229	34233	35253	36289	37342
Percentage change……	2.41	2.19	2.50	2.63	3.16	3.11	3.07	3.02	2.98	2.94	2.90
TRANSPORTATION & UTILITIES……	51573	53008	54517	56265	58011	59785	61587	63418	65278	67167	69086
Percentage change……	3.42	2.78	2.85	3.21	3.10	3.06	3.01	2.97	2.93	2.89	2.86
INFORMATION……	54975	56085	57698	59573	61640	63740	65874	68043	70246	72485	74760
Percentage change……	2.80	2.02	2.88	3.25	3.47	3.41	3.35	3.29	3.24	3.19	3.14
FINANCIAL ACTIVITIES……	61829	64911	67174	69937	72597	75300	78048	80841	83680	86565	89496
Percentage change……	0.46	4.98	3.49	4.11	3.80	3.72	3.65	3.58	3.51	3.45	3.39
PROFESSIONAL & BUSINESS SERVICES…	49861	51247	52798	54602	56602	58634	60699	62798	64931	67099	69301
Percentage change……	3.90	2.78	3.03	3.42	3.66	3.59	3.52	3.46	3.40	3.34	3.28
EDUCATION & HEALTH SERVICES……	45060	46340	47674	49144	50758	52398	54064	55757	57476	59224	60999
Percentage change……	1.47	2.84	2.88	3.08	3.28	3.23	3.18	3.13	3.08	3.04	3.00
LEISURE & HOSPITALITY……	21185	21893	22467	23115	23868	24633	25410	26199	27001	27816	28644
Percentage change……	1.25	3.34	2.62	2.88	3.26	3.20	3.15	3.11	3.06	3.02	2.98
OTHER SERVICES……	40127	40703	41468	42289	43279	44285	45305	46340	47392	48458	49541
Percentage change……	5.02	1.43	1.88	1.98	2.34	2.32	2.30	2.29	2.27	2.25	2.23
GOVERNMENT……	40590	41140	42063	43200	44522	45866	47227	48613	50022	51452	52908
Percentage change……	2.21	1.36	2.24	2.70	3.06	3.02	2.97	2.93	2.90	2.86	2.83
FEDERAL, CIVILIAN……	72283	73922	75924	78291	80897	83545	86236	88970	91747	94569	97436
Percentage change……	8.12	2.27	2.71	3.12	3.33	3.27	3.22	3.17	3.12	3.08	3.03
STATE & LOCAL……	36476	36931	37784	38863	40097	41351	42625	43919	45234	46570	47927
Percentage change……	1.35	1.25	2.31	2.86	3.18	3.13	3.08	3.04	2.99	2.95	2.91

Table 10: Tennessee Civilian Labor Force and Unemployment Rate **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
CIVILIAN LABOR FORCE (THOUS)………	3114	3150	3179	3197	3222	3249	3279	3308	3328	3353	3375
Percentage change………………………	1.90	1.16	0.92	0.56	0.76	0.84	0.94	0.87	0.60	0.77	0.64
EMPLOYED PERSONS (THOUS)………	2818	2870	2912	2950	2988	3036	3082	3112	3136	3162	3188
Percentage change………………………	2.13	1.84	1.48	1.31	1.30	1.57	1.54	0.96	0.79	0.82	0.82
UNEMPLOYED PERSONS (THOUS)……	296	281	267	247	233	213	197	196	191	191	187
Percentage change………………………	-0.29	-5.25	-4.73	-7.58	-5.65	-8.52	-7.55	-0.51	-2.50	-0.12	-2.29
PARTICIPATION RATE (PERCENT)………	62.0	62.3	62.4	62.3	62.3	62.4	62.4	62.5	62.4	62.3	62.3
Percentage change………………………	1.12	0.44	0.20	-0.16	0.05	0.05	0.13	0.06	-0.20	-0.04	-0.06
UNEMPLOYMENT RATE (PERCENT)……	9.5	8.9	8.4	7.7	7.2	6.6	6.0	5.9	5.7	5.7	5.5

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

Table 11: Tennessee Taxable Sales (millions of 2005 dollars) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL TAXABLE SALES	83429	87227	89848	92670	95134	97587	99969	102306	104777	107267	109610
Percentage change	3.55	4.55	3.00	3.14	2.66	2.58	2.44	2.34	2.41	2.38	2.18
AUTO DEALERS	7355	8100	8828	9275	9546	9820	10038	10250	10471	10707	10882
Percentage change	6.38	10.13	8.99	5.06	2.92	2.88	2.21	2.11	2.15	2.26	1.63
PURCHASES FROM MANUFACTURERS	3572	3827	4002	4065	4113	4198	4283	4359	4440	4538	4622
Percentage change	8.55	7.13	4.56	1.59	1.16	2.08	2.03	1.76	1.86	2.21	1.86
MISC DURABLE GOODS	13697	14383	14954	15708	16341	16842	17375	17905	18465	19014	19545
Percentage change	5.00	5.01	3.97	5.04	4.03	3.07	3.17	3.05	3.13	2.97	2.79
EATING AND DRINKING PLACES	8359	8711	8987	9315	9644	9975	10299	10620	10960	11302	11642
Percentage change	2.42	4.21	3.18	3.65	3.53	3.44	3.24	3.12	3.20	3.12	3.01
FOOD STORES	8563	8633	8692	8767	8835	8906	8972	9032	9100	9166	9221
Percentage change	0.50	0.81	0.69	0.85	0.78	0.80	0.73	0.67	0.75	0.73	0.60
LIQUOR STORES	638	666	682	703	725	747	769	790	812	832	850
Percentage change	3.48	4.44	2.36	3.20	3.11	3.04	2.86	2.75	2.83	2.40	2.20
HOTELS AND MOTELS	2072	2200	2246	2284	2322	2359	2399	2435	2475	2520	2562
Percentage change	11.51	6.14	2.10	1.71	1.63	1.62	1.66	1.53	1.64	1.81	1.64
OTHER RETAIL AND SERVICE	25875	27047	27666	28478	29288	30105	30894	31673	32496	33318	34125
Percentage change	3.48	4.53	2.29	2.93	2.85	2.79	2.62	2.52	2.60	2.53	2.42
MISC NONDURABLE GOODS	7103	7412	7605	7794	7981	8169	8350	8527	8715	8902	9082
Percentage change	2.69	4.35	2.60	2.49	2.40	2.36	2.22	2.12	2.20	2.14	2.03
TRANSPORTATION, COMMUNICATION	6195	6250	6187	6280	6339	6464	6590	6716	6843	6968	7078
Percentage change	-0.72	0.88	-1.02	1.51	0.94	1.97	1.96	1.90	1.89	1.83	1.59
PER CAPITA ($)	13113	13612	13920	14254	14528	14786	15026	15254	15498	15740	15956
Percentage change	2.74	3.80	2.27	2.40	1.92	1.78	1.62	1.52	1.60	1.56	1.37

Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2012**

	Forecast Data										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL TAXABLE SALES………………………….	94955	100521	105125	110530	115730	120924	126114	131398	136904	142527	148338
Percentage change…………………………	6.07	5.86	4.58	5.14	4.71	4.49	4.29	4.19	4.19	4.11	4.08
AUTO DEALERS……………………………….	8371	9334	10330	11062	11613	12169	12663	13165	13681	14227	14727
Percentage change…………………………	8.96	11.52	10.66	7.09	4.97	4.79	4.06	3.96	3.92	3.99	3.51
PURCHASES FROM MANUFACTURERS….	4066	4410	4682	4849	5003	5202	5404	5598	5801	6029	6255
Percentage change…………………………	11.19	8.47	6.16	3.56	3.18	3.98	3.87	3.60	3.63	3.93	3.75
MISC DURABLE GOODS…………………….	15590	16575	17497	18736	19879	20870	21920	22997	24128	25264	26451
Percentage change…………………………	7.56	6.32	5.56	7.08	6.10	4.99	5.03	4.91	4.92	4.71	4.70
EATING AND DRINKING PLACES………….	9513	10038	10515	11111	11732	12361	12992	13640	14321	15017	15756
Percentage change…………………………	4.92	5.52	4.75	5.66	5.59	5.36	5.11	4.99	4.99	4.86	4.92
FOOD STORES…………………………………	9745	9948	10170	10456	10748	11036	11318	11600	11890	12179	12479
Percentage change…………………………	2.93	2.08	2.23	2.81	2.79	2.68	2.55	2.50	2.50	2.43	2.46
LIQUOR STORES………………………………	726	767	797	839	882	926	970	1014	1061	1105	1150
Percentage change…………………………	6.00	5.75	3.93	5.20	5.16	4.95	4.72	4.61	4.61	4.13	4.09
HOTELS AND MOTELS……………………….	2359	2535	2628	2725	2824	2923	3026	3128	3234	3349	3467
Percentage change…………………………	14.24	7.46	3.66	3.68	3.66	3.51	3.50	3.37	3.41	3.53	3.53
OTHER RETAIL AND SERVICE………………	29450	31169	32370	33966	35630	37304	38975	40679	42460	44271	46182
Percentage change…………………………	5.99	5.84	3.85	4.93	4.90	4.70	4.48	4.37	4.38	4.26	4.32
MISC NONDURABLE GOODS……………….	8084	8541	8897	9296	9709	10123	10534	10952	11387	11828	12291
Percentage change…………………………	5.19	5.65	4.17	4.48	4.44	4.26	4.06	3.97	3.97	3.87	3.92
TRANSPORTATION, COMMUNICATION……	7051	7202	7238	7490	7711	8010	8314	8625	8941	9258	9579
Percentage change…………………………	1.68	2.15	0.49	3.48	2.95	3.87	3.80	3.74	3.66	3.55	3.47
PER CAPITA ($)…………………………………….	14925	15686	16287	17001	17673	18321	18955	19592	20250	20914	21594
Percentage change…………………………	5.24	5.10	3.83	4.39	3.95	3.67	3.46	3.36	3.36	3.28	3.25

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

Table 13: Tennessee Gross Domestic Product by Sector (millions of 2005 dollars) **January 2012**

	Forecast Data											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GROSS DOMESTIC PRODUCT	224,133	231,039	238,868	247,052	255,152	263,237	271,112	278,607	285,983	293,526	300,886	308,323
Percentage change	1.49	3.08	3.39	3.43	3.28	3.17	2.99	2.76	2.65	2.64	2.51	2.47
AGRICULTURE, FORESTRY, FISHING & HUNTING	1,478	1,536	1,597	1,645	1,682	1,722	1,767	1,810	1,861	1,908	1,950	1,989
Percentage change	4.00	3.95	3.98	3.00	2.25	2.35	2.64	2.41	2.83	2.50	2.19	2.00
MINING	196	195	190	186	182	178	174	170	167	164	160	157
Percentage change	-9.07	-0.73	-2.48	-2.28	-2.26	-2.03	-2.32	-2.09	-2.00	-1.90	-2.02	-1.83
CONSTRUCTION	5,599	5,266	5,371	5,534	5,704	5,879	5,823	5,707	5,591	5,478	5,364	5,236
Percentage change	-7.78	-5.95	2.00	3.02	3.08	3.06	-0.94	-2.00	-2.03	-2.02	-2.09	-2.38
MANUFACTURING	33,599	35,398	37,364	39,439	41,364	43,021	44,592	46,207	47,931	49,866	51,733	53,559
Percentage change	3.50	5.35	5.56	5.55	4.88	4.01	3.65	3.62	3.73	4.04	3.74	3.53
DURABLE GOODS	20,741	22,343	24,024	25,881	27,606	29,081	30,522	31,986	33,556	35,371	37,100	38,782
Percentage change	6.14	7.72	7.53	7.73	6.67	5.34	4.95	4.80	4.91	5.41	4.89	4.53
NONDURABLE GOODS	12,858	13,055	13,340	13,558	13,758	13,940	14,070	14,221	14,376	14,495	14,632	14,778
Percentage change	-0.49	1.53	2.18	1.64	1.47	1.33	0.94	1.07	1.09	0.83	0.95	0.99
TRADE, TRANSPORTATION, UTILITIES	44,960	46,156	47,697	49,435	50,997	52,568	53,987	55,263	56,363	57,540	58,640	59,707
Percentage change	0.23	2.66	3.34	3.64	3.16	3.08	2.70	2.36	1.99	2.09	1.91	1.82
WHOLESALE TRADE	16,672	17,573	18,576	19,601	20,383	21,132	21,787	22,462	23,091	23,736	24,310	24,823
Percentage change	2.25	5.40	5.71	5.52	3.99	3.67	3.10	3.10	2.80	2.79	2.42	2.11
RETAIL TRADE	17,402	17,480	17,786	18,234	18,708	19,221	19,684	20,038	20,243	20,501	20,756	21,030
Percentage change	1.11	0.44	1.75	2.52	2.60	2.74	2.41	1.80	1.02	1.28	1.24	1.32
TRANSPORTATION & UTILITIES	10,885	11,103	11,336	11,600	11,905	12,215	12,516	12,763	13,029	13,303	13,574	13,854
Percentage change	-4.00	2.00	2.09	2.33	2.64	2.60	2.46	1.98	2.08	2.11	2.03	2.06
INFORMATION	8,356	8,782	9,331	9,886	10,400	11,008	11,632	12,299	13,037	13,739	14,516	15,256
Percentage change	2.11	5.10	6.25	5.95	5.19	5.85	5.67	5.74	6.00	5.38	5.65	5.10
FINANCIAL ACTIVITIES	39,740	40,913	41,944	42,992	44,046	45,208	46,497	47,664	48,776	49,844	50,900	52,020
Percentage change	0.35	2.95	2.52	2.50	2.45	2.64	2.85	2.51	2.33	2.19	2.12	2.20
PROFESSIONAL & BUSINESS SERVICES	25,791	27,154	28,730	30,207	31,681	33,204	34,865	36,444	37,930	39,433	41,030	42,667
Percentage change	5.91	5.28	5.80	5.14	4.88	4.81	5.00	4.53	4.08	3.96	4.05	3.99
EDUCATION & HEALTH SERVICES	23,678	24,283	24,799	25,462	26,223	26,983	27,781	28,531	29,361	30,095	30,784	31,489
Percentage change	1.80	2.56	2.13	2.67	2.99	2.90	2.96	2.70	2.91	2.50	2.29	2.29
LEISURE & HOSPITALITY	8,582	8,710	8,902	9,090	9,272	9,441	9,611	9,772	9,861	10,019	10,066	10,207
Percentage change	-1.26	1.50	2.20	2.11	2.00	1.83	1.80	1.68	0.91	1.60	0.47	1.40
OTHER SERVICES	5,727	5,698	5,722	5,750	5,796	5,844	5,890	5,897	5,900	5,913	5,918	5,919
Percentage change	-2.27	-0.50	0.41	0.49	0.80	0.82	0.80	0.11	0.06	0.22	0.09	0.02
GOVERNMENT	26,426	26,948	27,219	27,426	27,807	28,181	28,493	28,842	29,204	29,527	29,824	30,116
Percentage change	2.16	1.98	1.01	0.76	1.39	1.35	1.11	1.22	1.26	1.10	1.01	0.98
FEDERAL	6,733	6,868	6,758	6,596	6,555	6,506	6,396	6,284	6,178	6,074	5,968	5,879
Percentage change	2.83	2.00	-1.60	-2.39	-0.63	-0.74	-1.69	-1.76	-1.68	-1.68	-1.74	-1.50
STATE & LOCAL	19,692	20,080	20,462	20,830	21,252	21,675	22,097	22,558	23,026	23,452	23,856	24,237
Percentage change	1.93	1.97	1.90	1.80	2.03	1.99	1.95	2.09	2.07	1.85	1.72	1.60

Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2012**

	Forecast Data											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
DURABLE GOODS	20741	22343	24024	25881	27606	29081	30522	31986	33556	35371	37100	38782
Percentage change	6.14	7.72	7.53	7.73	6.67	5.34	4.95	4.80	4.91	5.41	4.89	4.53
WOOD PRODUCTS	739	754	768	783	794	806	822	836	849	854	861	868
Percentage change	-7.97	1.99	1.84	2.01	1.36	1.60	1.97	1.69	1.54	0.59	0.83	0.76
NONMETALLIC MINERAL PRODUCTS	740	693	672	679	689	700	710	723	733	740	748	756
Percentage change	-3.37	-6.43	-2.94	0.97	1.44	1.67	1.36	1.89	1.39	0.98	1.06	1.02
PRIMARY METALS	889	899	911	925	929	934	929	924	920	915	911	906
Percentage change	-1.16	1.20	1.34	1.49	0.48	0.50	-0.49	-0.52	-0.50	-0.50	-0.49	-0.53
FABRICATED METAL PRODUCTS	2785	2886	2989	3093	3184	3253	3282	3300	3339	3355	3374	3406
Percentage change	-1.38	3.64	3.56	3.48	2.93	2.19	0.89	0.52	1.19	0.47	0.58	0.94
MACHINERY	2282	2422	2564	2695	2813	2901	2953	2991	3025	3053	3080	3105
Percentage change	-2.22	6.13	5.84	5.13	4.39	3.12	1.79	1.28	1.12	0.93	0.90	0.81
COMPUTER & ELECTRONIC PRODUCTS	4687	5534	6329	7237	8181	9030	9971	11067	12283	13774	15212	16581
Percentage change	36.74	18.06	14.37	14.34	13.05	10.37	10.42	11.00	10.98	12.14	10.44	9.00
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS	2512	2587	2700	2821	2949	3066	3171	3272	3364	3445	3517	3586
Percentage change	1.21	3.00	4.35	4.50	4.54	3.96	3.41	3.20	2.80	2.42	2.08	1.97
TRANSPORTATION EQUIPMENT	3511	3887	4296	4738	5058	5296	5512	5632	5745	5880	5988	6111
Percentage change	1.86	10.70	10.53	10.30	6.75	4.71	4.07	2.19	2.00	2.35	1.84	2.06
FURNITURE	342	301	276	270	266	263	256	250	246	241	236	231
Percentage change	-15.94	-12.10	-8.14	-2.10	-1.56	-1.38	-2.56	-2.24	-1.66	-2.07	-2.22	-2.00
MISCELLANEOUS DURABLE GOODS	2253	2380	2519	2639	2742	2831	2916	2990	3053	3114	3173	3232
Percentage change	4.71	5.63	5.84	4.75	3.92	3.24	3.00	2.53	2.10	2.00	1.89	1.86

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

Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2012**

	Forecast Data											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NONDURABLE GOODS	12,858	13,055	13,340	13,558	13,758	13,940	14,070	14,221	14,376	14,495	14,632	14,778
Percentage change	-0.49	1.53	2.18	1.64	1.47	1.33	0.94	1.07	1.09	0.83	0.95	0.99
FOOD & BEVERAGE & TOBACCO	5,090	5,243	5,401	5,530	5,657	5,802	5,913	6,026	6,147	6,255	6,374	6,494
Percentage change	1.69	3.02	3.00	2.40	2.30	2.56	1.91	1.90	2.01	1.77	1.89	1.89
TEXTILE MILLS & TEXTILE PRODUCT MILLS	391	380	370	360	350	341	331	323	316	307	298	289
Percentage change	-12.04	-2.62	-2.80	-2.72	-2.79	-2.45	-2.94	-2.48	-2.09	-2.70	-3.00	-3.03
APPAREL	219	208	203	197	190	183	176	170	164	157	152	146
Percentage change	-6.65	-4.97	-2.51	-3.09	-3.28	-3.86	-3.81	-3.31	-3.87	-4.07	-3.25	-3.77
PAPER	1,899	1,918	1,985	2,036	2,083	2,118	2,152	2,184	2,215	2,251	2,285	2,326
Percentage change	-0.12	1.04	3.49	2.55	2.30	1.72	1.59	1.47	1.45	1.59	1.54	1.79
PRINTING & RELATED SUPPORT	789	756	753	750	746	745	741	750	759	762	767	771
Percentage change	-9.10	-4.16	-0.48	-0.39	-0.50	-0.08	-0.50	1.12	1.27	0.40	0.61	0.50
CHEMICALS	2,626	2,664	2,683	2,682	2,678	2,671	2,663	2,655	2,649	2,637	2,625	2,612
Percentage change	0.25	1.46	0.70	-0.03	-0.12	-0.29	-0.30	-0.27	-0.24	-0.43	-0.49	-0.47
PLASTICS & RUBBER	1,268	1,290	1,328	1,365	1,396	1,400	1,400	1,403	1,401	1,389	1,386	1,383
Percentage change	-3.51	1.74	2.91	2.86	2.24	0.29	-0.04	0.23	-0.12	-0.88	-0.21	-0.23
MISCELLANEOUS NONDURABLE GOODS	578	594	618	639	657	679	694	711	725	735	746	756
Percentage change	8.00	2.84	4.04	3.36	2.86	3.31	2.22	2.39	1.96	1.50	1.43	1.40

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

APPENDIX B: HISTORICAL DATA

In this section—

Appendix B: Historical Data

Quarterly History Tables

Annual History Tables

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
US GDP (Bil2005$) SAAR	13310.5	13186.9	12883.5	12663.2	12641.3	12694.5	12813.5	12937.7	13058.5	13139.6	13216.1	13227.9	13271.8	13331.6	13161.9	12703.1	13088.0
% Chg Prev Qtr SAAR	1.32	-3.66	-8.89	-6.67	-0.69	1.69	3.80	3.93	3.79	2.51	2.35	0.36	1.33	1.81	-0.34	-3.49	3.03
% Chg Same Qtr Last Yr	1.04	-0.62	-3.32	-4.55	-5.03	-3.73	-0.54	2.17	3.30	3.51	3.14	2.24	1.63	1.46	-0.34	-3.49	3.03
US GDP (Bil$) SAAR	14415.5	14395.1	14081.7	13893.7	13854.1	13920.5	14087.4	14277.9	14467.8	14605.5	14755.0	14867.8	15012.8	15176.1	14291.6	13938.9	14526.6
% Chg Prev Qtr SAAR	4.03	-0.56	-8.43	-5.23	-1.14	1.93	4.88	5.52	5.43	3.86	4.16	3.09	3.96	4.42	1.87	-2.47	4.22
% Chg Same Qtr Last Yr	3.14	1.90	-1.20	-2.66	-3.89	-3.30	0.04	2.77	4.43	4.92	4.74	4.13	3.77	3.91	1.87	-2.47	4.22
TN PERSONAL INCOME (MIL2005$) SAAR	203348	199748	199686	196875	196260	193617	194296	196743	199875	201131	202159	203750	204786	203754	201441	195262	199977
% Chg Prev Qtr SAAR	0.72	-6.90	-0.12	-5.51	-1.24	-5.28	1.41	5.13	6.52	2.54	2.06	3.19	2.05	-2.00	0.56	-3.07	2.41
% Chg Same Qtr Last Yr	1.83	-0.37	-1.21	-3.01	-3.49	-3.07	-2.70	-0.07	1.84	3.88	4.05	3.56	2.46	1.30	0.56	-3.07	2.41
US PERSONAL INCOME (BIL2005$) SAAR	11528	11353	11358	11058	10988	10843	10827	10957	11118	11205	11263	11394	11398	11353	11438	10929	11136
% Chg Prev Qtr SAAR	0.57	-5.93	0.15	-10.13	-2.52	-5.18	-0.58	4.90	5.99	3.19	2.07	4.76	0.11	-1.55	1.30	-4.45	1.89
% Chg Same Qtr Last Yr	2.40	0.42	-0.06	-3.94	-4.69	-4.50	-4.67	-0.91	1.18	3.35	4.03	3.99	2.52	1.32	1.30	-4.45	1.89
TN PERSONAL INCOME (MIL$) SAAR	221755	220158	216959	213007	213340	212036	214241	217940	221589	223529	225757	229722	232772	232925	219448	213156	222204
% Chg Prev Qtr SAAR	5.28	-2.85	-5.69	-7.09	0.63	-2.42	4.23	7.09	6.87	3.55	4.05	7.21	5.42	0.26	3.84	-2.87	4.24
% Chg Same Qtr Last Yr	5.60	3.85	0.47	-2.70	-3.79	-3.69	-1.25	2.32	3.87	5.42	5.38	5.41	5.05	4.20	3.84	-2.87	4.24
US PERSONAL INCOME (BIL$) SAAR	12572	12513	12340	11964	11944	11874	11938	12138	12326	12453	12578	12847	12955	12980	12460	11930	12374
% Chg Prev Qtr SAAR	5.12	-1.85	-5.43	-11.63	-0.68	-2.32	2.18	6.85	6.34	4.21	4.06	8.84	3.42	0.75	4.60	-4.25	3.72
% Chg Same Qtr Last Yr	6.19	4.68	1.64	-3.63	-4.99	-5.11	-3.26	1.45	3.19	4.88	5.36	5.84	5.11	4.23	4.60	-4.25	3.72
TN NONFARM JOBS (THOUS)	2794.5	2770.1	2729.5	2668.5	2618.0	2596.4	2595.5	2596.4	2616.2	2616.4	2621.3	2629.9	2629.6	2634.3	2775.2	2619.6	2612.6
% Chg Prev Qtr SAAR	-1.73	-3.45	-5.74	-8.64	-7.35	-3.26	-0.14	0.14	3.09	0.03	0.75	1.33	-0.06	0.72	-0.79	-5.61	-0.27
% Chg Same Qtr Last Yr	0.09	-1.13	-2.62	-4.92	-6.32	-6.27	-4.91	-2.70	-0.07	0.77	0.99	1.29	0.51	0.68	-0.79	-5.61	-0.27
US NONFARM JOBS (MIL)	137.4	136.7	135.1	132.8	131.0	130.0	129.4	129.3	130.0	129.9	130.1	130.5	131.0	131.3	136.8	130.8	129.8
% Chg Prev Qtr SAAR	-1.37	-2.16	-4.68	-6.50	-5.48	-3.01	-1.64	-0.32	1.98	-0.23	0.76	1.30	1.44	0.91	-0.59	-4.38	-0.74
% Chg Same Qtr Last Yr	-0.11	-0.69	-2.05	-3.70	-4.72	-4.92	-4.17	-2.63	-0.76	-0.06	0.54	0.95	0.82	1.10	-0.59	-4.38	-0.74
TN MFG JOBS (THOUS)	367.9	358.9	345.6	326.6	308.8	302.1	299.3	297.4	299.7	298.6	295.7	296.6	300.9	300.7	360.9	309.2	297.8
% Chg Prev Qtr SAAR	-3.70	-9.42	-14.00	-20.23	-20.14	-8.36	-3.61	-2.62	3.14	-1.41	-3.83	1.27	5.83	-0.21	-4.99	-14.33	-3.68
% Chg Same Qtr Last Yr	-3.52	-4.59	-7.33	-12.05	-16.07	-15.82	-13.39	-8.96	-2.95	-1.16	-1.21	-0.24	0.40	0.70	-4.99	-14.33	-3.68
US MFG JOBS (MIL)	13.6	13.4	13.0	12.4	11.9	11.6	11.5	11.5	11.5	11.6	11.6	11.6	11.7	11.8	13.4	11.8	11.5
% Chg Prev Qtr SAAR	-3.84	-5.84	-10.27	-17.58	-15.42	-8.21	-4.65	-0.81	2.29	0.96	-0.21	3.39	2.18	1.53	-3.42	-11.62	-2.69
% Chg Same Qtr Last Yr	-2.66	-3.47	-5.45	-9.54	-12.39	-12.95	-11.62	-7.43	-2.93	-0.59	0.55	1.60	1.57	1.72	-3.42	-11.62	-2.69
TN UNEMPLOYMENT RATE (%)	6.2	6.9	7.8	9.6	10.7	10.8	10.5	10.3	9.8	9.4	9.4	9.5	9.7	9.8	6.6	10.4	9.7
US UNEMPLOYMENT RATE (%)	5.3	6.0	6.9	8.2	9.3	9.7	10.0	9.7	9.6	9.6	9.6	8.9	9.1	9.1	5.8	9.3	9.6

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
CHAINED PRICE INDEX, GDP																	
((2005=100.0)………...........................	108.3	109.1	109.2	109.7	109.6	109.7	110.0	110.4	110.8	111.2	111.7	112.4	113.1	113.8	108.6	109.7	111.0
% Chg Prev Qtr SAAR………………………	2.47	3.08	0.51	1.70	-0.44	0.27	1.12	1.47	1.46	1.42	1.95	2.50	2.52	2.57	2.20	1.08	1.16
% Chg Same Qtr Last Yr……………………	2.04	2.49	2.14	1.94	1.21	0.51	0.66	0.60	1.08	1.37	1.57	1.83	2.10	2.38	2.20	1.08	1.16
US PERS CONSUMP DEFL (2005=100.0)….	109.1	110.2	108.7	108.2	108.7	109.5	110.3	110.8	110.9	111.1	111.7	112.7	113.7	114.3	108.9	109.2	111.1
% Chg Prev Qtr SAAR………………………	4.53	4.35	-5.57	-1.67	1.90	3.01	2.78	1.86	0.33	0.99	1.95	3.90	3.30	2.34	3.26	0.21	1.78
% Chg Same Qtr Last Yr……………………	3.70	4.24	1.70	0.32	-0.32	-0.64	1.49	2.38	1.99	1.48	1.28	1.78	2.53	2.87	3.26	0.21	1.78
CONSUMER PRICE INDEX,																	
ALL-URBAN (82-84=1.000)……………….	2.156	2.189	2.138	2.125	2.135	2.154	2.169	2.175	2.173	2.180	2.195	2.223	2.245	2.262	2.153	2.145	2.181
% Chg Prev Qtr SAAR………………………	5.32	6.40	-9.11	-2.41	1.93	3.71	2.69	1.28	-0.50	1.42	2.64	5.22	4.09	3.07	3.82	-0.33	1.65
% Chg Same Qtr Last Yr……………………	4.30	5.28	1.56	-0.15	-0.97	-1.60	1.45	2.40	1.78	1.22	1.20	2.17	3.33	3.75	3.82	-0.33	1.65
BANK PRIME INTEREST RATE (%)…………	5.1	5.0	4.1	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	5.1	3.3	3.3
FEDERAL FUNDS RATE (% per annum)……	2.087	1.940	0.507	0.183	0.180	0.157	0.120	0.133	0.193	0.187	0.187	0.157	0.093	0.083	1.928	0.160	0.175
30-YEAR FIXED MORTGAGE RATE (%)……	6.1	6.3	5.9	5.1	5.0	5.2	4.9	5.0	4.9	4.4	4.4	4.8	4.7	4.3	6.0	5.0	4.7
TN TAXABLE SALES (MIL2005$)……………	22183	21358	20707	20323	19975	19748	19951	19847	20222	20113	20386	20514	20766	20817	86606	79996	80568
% Chg Prev Qtr SAAR………………………	-3.09	-14.08	-11.64	-7.23	-6.67	-4.47	4.18	-2.06	7.78	-2.14	5.54	2.53	5.01	0.97	-5.31	-7.63	0.72
% Chg Same Qtr Last Yr……………………	-2.36	-6.08	-9.30	-9.10	-9.96	-7.54	-3.65	-2.34	1.24	1.85	2.18	3.36	2.69	3.50	-5.31	-7.63	0.72
TN TAXABLE SALES (MIL$)…………………	24191	23540	22499	21988	21713	21626	21999	21985	22419	22353	22766	23129	23604	23797	94344	87326	89523
% Chg Prev Qtr SAAR………………………	1.30	-10.34	-16.56	-8.77	-4.91	-1.59	7.07	-0.24	8.13	-1.18	7.59	6.53	8.48	3.31	-2.22	-7.44	2.52
% Chg Same Qtr Last Yr……………………	1.25	-2.10	-7.76	-8.81	-10.24	-8.13	-2.22	-0.01	3.25	3.36	3.49	5.20	5.29	6.46	-2.22	-7.44	2.52
TN AVG ANNUAL WAGE, NONFARM																	
(2005$)…………....................................	37083	37022	37571	37318	37694	37420	37582	37904	38161	38252	38239	38023	38210	38053	37365	37504	38139
% Chg Prev Qtr SAAR………………………	-7.25	-0.66	6.07	-2.67	4.09	-2.87	1.74	3.47	2.74	0.95	-0.13	-2.24	1.98	-1.63	-1.00	0.37	1.69
% Chg Same Qtr Last Yr……………………	-1.66	-1.51	-1.13	-1.24	1.65	1.08	0.03	1.57	1.24	2.22	1.75	0.31	0.13	-0.52	-1.00	0.37	1.69
TN AVG ANNUAL WAGE, NONFARM ($)…..	40439	40805	40821	40376	40974	40980	41440	41988	42307	42511	42703	42870	43432	43501	40705	40942	42377
% Chg Prev Qtr SAAR………………………	-3.05	3.66	0.16	-4.29	6.06	0.05	4.57	5.40	3.07	1.95	1.82	1.57	5.35	0.64	2.22	0.58	3.50
% Chg Same Qtr Last Yr……………………	1.98	2.66	0.56	-0.93	1.32	0.43	1.52	3.99	3.25	3.74	3.05	2.10	2.66	2.33	2.22	0.58	3.50

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

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
US GDP (2005$) SAAR	43670	43167	42081	41272	41113	41199	41498	41814	42117	42276	42420	42356	42395	42483	43134	41271	42157
% Chg Prev Qtr SAAR	0.42	-4.53	-9.69	-7.47	-1.53	0.84	2.94	3.07	2.93	1.52	1.37	-0.60	0.37	0.84	-1.23	-4.32	2.15
% Chg Same Qtr Last Yr	0.11	-1.50	-4.16	-5.39	-5.85	-4.56	-1.38	1.31	2.44	2.61	2.22	1.30	0.66	0.49	-1.23	-4.32	2.15
US GDP ($) SAAR	47295	47122	45995	45283	45058	45178	45624	46145	46662	46993	47359	47607	47956	48361	46836	45286	46791
% Chg Prev Qtr SAAR	3.10	-1.46	-9.23	-6.05	-1.97	1.07	4.01	4.65	4.56	2.86	3.16	2.11	2.97	3.42	0.96	-3.31	3.32
% Chg Same Qtr Last Yr	2.19	1.01	-2.06	-3.52	-4.73	-4.13	-0.81	1.90	3.56	4.02	3.80	3.17	2.77	2.91	0.96	-3.31	3.32
TN PERSONAL INCOME (2005$) SAAR	32806	32140	32078	31574	31424	30950	30977	31284	31698	31814	31919	32112	32217	31998	32465	31231	31679
% Chg Prev Qtr SAAR	-0.34	-7.88	-0.78	-6.13	-1.89	-5.89	0.34	4.03	5.40	1.47	1.33	2.44	1.32	-2.70	-0.52	-3.80	1.43
% Chg Same Qtr Last Yr	0.69	-1.42	-2.16	-3.84	-4.21	-3.70	-3.43	-0.92	0.87	2.79	3.04	2.65	1.64	0.58	-0.52	-3.80	1.43
US PERSONAL INCOME (2005$) SAAR	37822	37165	37097	36041	35736	35189	35064	35413	35858	36053	36151	36485	36408	36179	37483	35507	35869
% Chg Prev Qtr SAAR	-0.32	-6.78	-0.73	-10.90	-3.35	-5.98	-1.41	4.04	5.12	2.20	1.09	3.75	-0.84	-2.49	0.39	-5.27	1.02
% Chg Same Qtr Last Yr	1.46	-0.46	-0.93	-4.79	-5.52	-5.32	-5.48	-1.74	0.34	2.45	3.10	3.03	1.54	0.35	0.39	-5.27	1.02
TN PERSONAL INCOME ($) SAAR	35776	35424	34852	34161	34159	33895	34157	34655	35142	35357	35645	36206	36620	36579	35366	34093	35200
% Chg Prev Qtr SAAR	4.17	-3.87	-6.30	-7.70	-0.03	-3.06	3.13	5.96	5.75	2.47	3.30	6.44	4.66	-0.45	2.72	-3.60	3.25
% Chg Same Qtr Last Yr	4.41	2.76	-0.49	-3.53	-4.52	-4.32	-2.00	1.44	2.88	4.31	4.36	4.48	4.21	3.46	2.72	-3.60	3.25
US PERSONAL INCOME ($) SAAR	41246	40962	40306	38995	38846	38537	38664	39228	39753	40068	40371	41136	41384	41362	40834	38760	39856
% Chg Prev Qtr SAAR	4.19	-2.73	-6.26	-12.39	-1.52	-3.15	1.33	5.97	5.46	3.20	3.06	7.80	2.43	-0.21	3.66	-5.08	2.83
% Chg Same Qtr Last Yr	5.22	3.76	0.75	-4.48	-5.82	-5.92	-4.07	0.60	2.34	3.97	4.41	4.86	4.10	3.23	3.66	-5.08	2.83
TN TAXABLE SALES (2005$)	3579	3437	3326	3259	3198	3157	3181	3156	3207	3181	3219	3233	3267	3269	13958	12795	12763
% Chg Prev Qtr SAAR	-4.11	-14.98	-12.22	-7.83	-7.28	-5.10	3.08	-3.09	6.65	-3.16	4.78	1.79	4.26	0.25	-6.33	-8.34	-0.25
% Chg Same Qtr Last Yr	-3.46	-7.07	-10.17	-9.88	-10.63	-8.14	-4.38	-3.17	0.28	0.78	1.20	2.45	1.87	2.75	-6.33	-8.34	-0.25
TN TAXABLE SALES ($)	3903	3788	3614	3526	3477	3457	3507	3496	3555	3536	3594	3645	3713	3737	15205	13967	14182
% Chg Prev Qtr SAAR	0.23	-11.29	-17.11	-9.37	-5.53	-2.24	5.94	-1.29	7.00	-2.21	6.82	5.77	7.70	2.57	-3.27	-8.14	1.53
% Chg Same Qtr Last Yr	0.12	-3.13	-8.64	-9.59	-10.92	-8.73	-2.96	-0.86	2.27	2.28	2.49	4.27	4.44	5.70	-3.27	-8.14	1.53

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

Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TN PERSONAL INCOME………..………	203348	199748	199686	196875	196260	193617	194296	196743	199875	201131	202159	203750	204786	203754	201441	195262	199977
% Chg Prev Qtr SAAR………………	0.72	-6.90	-0.12	-5.51	-1.24	-5.28	1.41	5.13	6.52	2.54	2.06	3.19	2.05	-2.00	0.56	-3.07	2.41
% Chg Same Qtr Last Yr……………	1.83	-0.37	-1.21	-3.01	-3.49	-3.07	-2.70	-0.07	1.84	3.88	4.05	3.56	2.46	1.30	0.56	-3.07	2.41
WAGES AND SALARIES………………	104553	103476	103486	100579	99663	98122	98500	99371	100795	101038	101177	100950	101396	101135	104623	99216	100595
% Chg Prev Qtr SAAR………………	-8.76	-4.06	0.04	-10.77	-3.59	-6.05	1.55	3.58	5.86	0.97	0.55	-0.89	1.78	-1.03	-1.75	-5.17	1.39
% Chg Same Qtr Last Yr……………	-1.54	-2.59	-3.64	-5.98	-4.68	-5.17	-4.82	-1.20	1.14	2.97	2.72	1.59	0.60	0.10	-1.75	-5.17	1.39
OTHER LABOR INCOME………………	23834	23923	24273	24300	24308	24043	24123	24358	24405	24294	24262	24225	24223	24068	24000	24193	24329
% Chg Prev Qtr SAAR………………	-2.26	1.50	6.00	0.44	0.14	-4.30	1.34	3.95	0.77	-1.81	-0.52	-0.61	-0.04	-2.53	1.97	0.81	0.56
% Chg Same Qtr Last Yr……………	1.74	2.00	2.22	1.38	1.99	0.50	-0.62	0.24	0.40	1.04	0.58	-0.54	-0.75	-0.93	1.97	0.81	0.56
PROPRIETORS INCOME…………….	22905	22348	21895	21710	21323	21572	21892	21643	22573	22857	22979	22973	23149	23193	22613	21624	22513
% Chg Prev Qtr SAAR………………	-6.68	-9.37	-7.87	-3.34	-6.94	4.75	6.07	-4.47	18.32	5.13	2.15	-0.10	3.11	0.75	-8.99	-4.37	4.11
% Chg Same Qtr Last Yr……………	-8.85	-8.63	-9.23	-6.84	-6.90	-3.47	-0.01	-0.31	5.86	5.96	4.96	6.14	2.55	1.47	-8.99	-4.37	4.11
RENT, INTEREST, DIVIDENDS………	30028	30144	29220	26683	25158	24291	24050	24639	24879	24648	24760	25324	25571	25325	29798	25045	24732
% Chg Prev Qtr SAAR………………	3.09	1.55	-11.70	-30.47	-20.98	-13.08	-3.91	10.16	3.95	-3.66	1.82	9.43	3.97	-3.80	8.48	-15.95	-1.25
% Chg Same Qtr Last Yr……………	10.18	7.32	2.55	-10.46	-16.22	-19.42	-17.69	-7.66	-1.11	1.47	2.95	2.78	2.78	2.75	8.48	-15.95	-1.25
TRANSFER PAYMENTS………………	39200	36915	37933	40410	42590	42102	42238	43476	44013	44964	45646	45213	45458	45003	37657	41835	44525
% Chg Prev Qtr SAAR………………	31.86	-21.35	11.49	28.79	23.40	-4.51	1.30	12.25	5.04	8.92	6.21	-3.74	2.19	-3.94	5.96	11.09	6.43
% Chg Same Qtr Last Yr……………	11.37	3.29	5.08	10.47	8.65	14.05	11.35	7.59	3.34	6.80	8.07	3.99	3.28	0.09	5.96	11.09	6.43
LESS: PERS CONT FOR SOC INS….	16364	16287	16410	16296	16281	16042	16008	16205	16251	16144	16099	14430	14496	14453	16441	16157	16175
% Chg Prev Qtr SAAR………………	-7.87	-1.87	3.05	-2.75	-0.36	-5.75	-0.85	5.02	1.13	-2.59	-1.12	-35.46	1.85	-1.19	-0.51	-1.73	0.11
% Chg Same Qtr Last Yr……………	-0.64	-1.01	-1.38	-2.44	-0.51	-1.50	-2.45	-0.56	-0.19	0.64	0.57	-10.96	-10.80	-10.48	-0.51	-1.73	0.11
RESIDENCE ADJUSTMENT………….	-807	-770	-712	-511	-501	-470	-499	-540	-538	-526	-564	-504	-516	-517	-809	-495	-542
% Chg Prev Qtr SAAR………………	-47.20	-16.97	-26.85	-73.50	-7.42	-22.60	26.57	37.20	-0.99	-8.70	31.94	-36.41	9.67	1.12	-21.79	-38.77	9.45
% Chg Same Qtr Last Yr……………	-21.57	-25.55	-34.28	-46.01	-37.87	-38.95	-29.98	5.62	7.41	11.93	13.10	-6.68	-4.26	-1.79	-21.79	-38.77	9.45
PER CAPITA PERSONAL INCOME ($)….	32806	32140	32078	31574	31424	30950	30977	31284	31698	31814	31919	32112	32217	31998	32465	31231	31679
% Chg Prev Qtr SAAR………………	-0.34	-7.88	-0.78	-6.13	-1.89	-5.89	0.34	4.03	5.40	1.47	1.33	2.44	1.32	-2.70	-0.52	-3.80	1.43
% Chg Same Qtr Last Yr……………	0.69	-1.42	-2.16	-3.84	-4.21	-3.70	-3.43	-0.92	0.87	2.79	3.04	2.65	1.64	0.58	-0.52	-3.80	1.43

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

Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TN PERSONAL INCOME……………………	221755	220158	216959	213007	213340	212036	214241	217940	221589	223529	225757	229722	232772	232925	219448	213156	222204
% Chg Prev Qtr SAAR………………	5.28	-2.85	-5.69	-7.09	0.63	-2.42	4.23	7.09	6.87	3.55	4.05	7.21	5.42	0.26	3.84	-2.87	4.24
% Chg Same Qtr Last Yr……………	5.60	3.85	0.47	-2.70	-3.79	-3.69	-1.25	2.32	3.87	5.42	5.38	5.41	5.05	4.20	3.84	-2.87	4.24
WAGES AND SALARIES…………………	114017	114049	112438	108820	108337	107456	108611	110077	111745	112290	112987	113818	115253	115614	113970	108306	111775
% Chg Prev Qtr SAAR………………	-4.63	0.11	-5.53	-12.26	-1.76	-3.21	4.37	5.51	6.20	1.97	2.51	2.97	5.14	1.26	1.45	-4.97	3.20
% Chg Same Qtr Last Yr……………	2.10	1.53	-2.01	-5.68	-4.98	-5.78	-3.40	1.16	3.15	4.50	4.03	3.40	3.14	2.96	1.45	-4.97	3.20
OTHER LABOR INCOME………………	25991	26367	26373	26291	26424	26330	26599	26982	27056	26999	27094	27313	27533	27514	26146	26411	27033
% Chg Prev Qtr SAAR………………	2.17	5.91	0.09	-1.24	2.04	-1.42	4.15	5.89	1.10	-0.84	1.41	3.27	3.26	-0.28	5.30	1.01	2.35
% Chg Same Qtr Last Yr……………	5.51	6.32	3.95	1.70	1.67	-0.14	0.86	2.63	2.39	2.54	1.86	1.23	1.76	1.91	5.30	1.01	2.35
PROPRIETORS INCOME………………	24978	24632	23789	23489	23179	23624	24139	23975	25025	25402	25661	25901	26313	26513	24633	23608	25016
% Chg Prev Qtr SAAR………………	-2.46	-5.43	-13.00	-4.95	-5.18	7.90	9.01	-2.69	18.70	6.16	4.14	3.79	6.52	3.08	-6.01	-4.16	5.96
% Chg Same Qtr Last Yr……………	-5.48	-4.76	-7.69	-6.54	-7.20	-4.09	1.47	2.07	7.96	7.53	6.31	8.03	5.15	4.37	-6.01	-4.16	5.96
RENT, INTEREST, DIVIDENDS………	32746	33224	31748	28869	27347	26602	26519	27294	27582	27393	27650	28552	29066	28951	32465	27334	27480
% Chg Prev Qtr SAAR………………	7.76	5.97	-16.62	-31.63	-19.48	-10.46	-1.24	12.21	4.29	-2.71	3.81	13.70	7.40	-1.57	12.00	-15.80	0.53
% Chg Same Qtr Last Yr……………	14.26	11.87	4.29	-10.18	-16.49	-19.93	-16.47	-5.46	0.86	2.97	4.26	4.61	5.38	5.69	12.00	-15.80	0.53
TRANSFER PAYMENTS…………………	42748	40687	41214	43721	46297	46107	46574	48160	48795	49971	50974	50976	51670	51446	41026	45675	49475
% Chg Prev Qtr SAAR………………	37.83	-17.93	5.28	26.64	25.73	-1.63	4.11	14.33	5.38	9.99	8.27	0.02	5.56	-1.72	9.42	11.33	8.32
% Chg Same Qtr Last Yr……………	15.49	7.67	6.87	10.82	8.30	13.32	13.01	10.15	5.40	8.38	9.45	5.85	5.89	2.95	9.42	11.33	8.32
LESS: PERS CONT FOR SOC INS……	17845	17951	17829	17631	17698	17568	17651	17951	18016	17942	17978	16269	16477	16522	17910	17637	17972
% Chg Prev Qtr SAAR………………	-3.70	2.40	-2.69	-4.37	1.53	-2.91	1.90	6.97	1.46	-1.63	0.81	-32.94	5.21	1.10	2.73	-1.52	1.90
% Chg Same Qtr Last Yr……………	3.04	3.18	0.30	-2.13	-0.82	-2.13	-1.00	1.81	1.80	2.13	1.85	-9.37	-8.54	-7.91	2.73	-1.52	1.90
RESIDENCE ADJUSTMENT……………	-880	-849	-774	-553	-545	-515	-550	-598	-597	-585	-630	-568	-586	-591	-881	-541	-603
% Chg Prev Qtr SAAR………………	-44.81	-13.36	-30.92	-73.94	-5.66	-20.27	30.08	39.75	-0.67	-7.80	34.51	-33.93	13.29	3.46	-19.30	-38.62	11.42
% Chg Same Qtr Last Yr……………	-18.67	-22.39	-33.16	-45.84	-38.07	-39.34	-28.94	8.14	9.54	13.59	14.55	-5.02	-1.84	1.03	-19.30	-38.62	11.42
PER CAPITA PERSONAL INCOME ($)……	35776	35424	34852	34161	34159	33895	34157	34655	35142	35357	35645	36206	36620	36579	35366	34093	35200
% Chg Prev Qtr SAAR………………	4.17	-3.87	-6.30	-7.70	-0.03	-3.06	3.13	5.96	5.75	2.47	3.30	6.44	4.66	-0.45	2.72	-3.60	3.25
% Chg Same Qtr Last Yr……………	4.41	2.76	-0.49	-3.53	-4.52	-4.32	-2.00	1.44	2.88	4.31	4.36	4.48	4.21	3.46	2.72	-3.60	3.25

Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONFARM	2795.6	2772.3	2756.6	2639.7	2619.9	2597.5	2622.5	2568.3	2617.9	2617.1	2646.7	2597.5	2631.9	2638.4	2774.8	2619.9	2612.5
% Chg Same Qtr Last Yr	0.02	-1.17	-2.55	-4.87	-6.29	-6.31	-4.86	-2.70	-0.08	0.75	0.92	1.14	0.54	0.81	-0.81	-5.58	-0.28
NATURAL RESOURCES, MINING & CONSTRUCTION	135.4	134.1	126.8	111.9	110.5	110.3	106.7	98.1	106.0	108.9	108.6	104.4	109.8	113.9	132.4	109.9	105.4
% Chg Same Qtr Last Yr	-2.50	-4.96	-9.28	-15.93	-18.39	-17.77	-15.87	-12.30	-4.04	-1.24	1.81	6.42	3.52	4.59	-3.99	-17.01	-4.02
MANUFACTURING	367.5	360.0	346.8	324.8	308.3	303.2	300.5	295.6	299.1	299.8	296.9	294.8	300.3	301.9	361.0	309.2	297.8
% Chg Same Qtr Last Yr	-3.60	-4.55	-7.26	-12.10	-16.11	-15.78	-13.36	-9.00	-2.97	-1.13	-1.20	-0.25	0.39	0.71	-5.00	-14.34	-3.67
DURABLE GOODS	226.1	219.6	209.2	193.7	180.7	177.1	175.8	172.8	175.6	176.6	175.7	175.7	177.1	179.7	220.9	181.8	175.2
% Chg Same Qtr Last Yr	-5.27	-6.19	-9.53	-15.24	-20.09	-19.33	-15.98	-10.81	-2.79	-0.32	-0.04	1.68	0.84	1.79	-6.86	-17.67	-3.66
NONDURABLE GOODS	141.4	140.5	137.6	131.1	127.6	126.1	124.7	122.8	123.5	123.2	121.2	119.2	123.2	122.2	140.1	127.4	122.7
% Chg Same Qtr Last Yr	-0.82	-1.86	-3.60	-7.00	-9.74	-10.23	-9.38	-6.33	-3.24	-2.27	-2.83	-2.96	-0.24	-0.84	-1.91	-9.08	-3.70
TRADE, TRANSPORTATION, UTILITIES	602.3	598.1	595.4	566.0	557.3	554.0	560.7	545.9	551.7	555.9	565.2	551.3	557.8	554.4	600.1	559.5	554.7
% Chg Same Qtr Last Yr	-0.99	-1.77	-4.13	-6.40	-7.48	-7.37	-5.83	-3.54	-1.00	0.34	0.81	0.98	1.12	-0.26	-1.70	-6.77	-0.86
WHOLESALE TRADE	132.8	131.8	129.3	123.9	121.5	119.2	118.4	116.8	117.6	117.4	118.0	118.5	119.2	118.9	131.7	120.8	117.4
% Chg Same Qtr Last Yr	-0.18	-1.20	-3.39	-6.70	-8.53	-9.53	-8.48	-5.78	-3.21	-1.51	-0.34	1.51	1.42	1.22	-0.96	-8.31	-2.75
RETAIL TRADE	325.7	322.8	324.6	307.2	304.7	304.7	311.5	301.3	305.7	306.9	312.0	299.8	304.1	301.1	325.3	307.0	306.5
% Chg Same Qtr Last Yr	-0.81	-1.54	-4.41	-6.36	-6.45	-5.61	-4.06	-1.93	0.33	0.70	0.17	-0.48	-0.53	-1.87	-1.58	-5.62	-0.18
TRANSPORTATION & UTILITIES	143.8	143.5	141.4	134.8	131.1	130.0	130.8	127.9	128.4	131.6	135.2	132.9	134.5	134.4	143.1	131.7	130.8
% Chg Same Qtr Last Yr	-2.13	-2.80	-4.16	-6.19	-8.83	-9.36	-7.49	-5.14	-2.06	1.20	3.36	3.91	4.78	2.15	-2.66	-7.97	-0.70
INFORMATION	51.1	50.3	49.6	48.7	47.2	46.0	45.7	45.7	44.8	44.3	44.9	44.9	44.1	43.8	50.5	46.9	44.9
% Chg Same Qtr Last Yr	2.07	-0.66	-3.06	-4.57	-7.51	-8.48	-7.92	-6.16	-5.22	-3.69	-1.75	-1.82	-1.56	-1.13	0.50	-7.11	-4.24
FINANCIAL ACTIVITIES	145.7	145.5	144.1	141.5	141.3	140.2	139.4	137.6	138.0	137.9	137.5	136.8	138.2	139.4	145.0	140.6	137.8
% Chg Same Qtr Last Yr	0.48	-0.21	-1.08	-2.32	-3.02	-3.64	-3.31	-2.76	-2.34	-1.59	-1.34	-0.56	0.14	1.04	0.14	-3.07	-2.01
PROFESSIONAL & BUSINESS SERVICES	325.5	320.4	319.0	296.3	290.9	288.5	300.1	294.2	304.3	304.4	315.6	303.1	307.6	313.7	321.1	293.9	304.6
% Chg Same Qtr Last Yr	1.73	-1.63	-3.79	-7.28	-10.63	-9.96	-5.90	-0.71	4.62	5.52	5.16	3.03	1.06	3.07	-0.46	-8.46	3.64
EDUCATION & HEALTH SERVICES	356.9	359.9	365.3	361.9	365.2	366.2	370.4	368.2	370.9	373.3	379.2	378.6	379.0	378.5	358.8	365.9	372.9
% Chg Same Qtr Last Yr	2.65	2.20	3.09	2.53	2.34	1.76	1.39	1.76	1.56	1.93	2.38	2.82	2.17	1.40	2.54	2.00	1.91
LEISURE & HOSPITALITY	281.3	281.0	267.0	255.1	271.1	269.3	258.5	249.7	268.5	269.2	260.2	251.6	271.6	272.8	273.8	263.5	261.9
% Chg Same Qtr Last Yr	-0.21	-1.50	-2.99	-4.03	-3.63	-4.18	-3.18	-2.12	-0.96	-0.02	0.66	0.77	1.14	1.34	-0.91	-3.76	-0.60
OTHER SERVICES	105.7	104.6	103.4	101.8	103.1	102.1	101.0	99.1	101.2	101.3	100.4	98.4	101.6	101.3	104.5	102.0	100.5
% Chg Same Qtr Last Yr	0.63	0.29	-0.45	-2.36	-2.49	-2.36	-2.29	-2.68	-1.88	-0.75	-0.63	-0.74	0.46	0.00	0.50	-2.38	-1.49
GOVERNMENT	424.3	418.5	439.1	431.7	425.0	417.8	439.6	434.1	433.4	422.0	438.2	433.5	422.1	418.5	427.8	428.5	431.9
% Chg Same Qtr Last Yr	1.73	1.05	1.67	0.61	0.16	-0.18	0.11	0.56	1.98	1.01	-0.33	-0.13	-2.61	-0.82	1.53	0.18	0.80
FEDERAL, CIVILIAN	49.1	49.7	49.8	49.5	50.9	49.7	50.4	50.0	56.8	52.1	49.6	49.5	49.6	49.2	49.4	50.1	52.1
% Chg Same Qtr Last Yr	0.68	1.85	2.26	1.36	3.66	0.00	1.20	1.01	11.52	4.83	-1.59	-1.00	-12.73	-5.57	1.21	1.55	3.97
STATE & LOCAL	375.2	368.8	389.3	382.2	374.1	368.1	389.2	384.1	376.6	369.9	388.6	384.0	372.5	369.4	378.4	378.4	379.8
% Chg Same Qtr Last Yr	1.87	0.94	1.59	0.52	-0.29	-0.20	-0.03	0.50	0.69	0.50	-0.16	-0.02	-1.09	-0.15	1.58	0.00	0.37

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

Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL DURABLE GOODS……	226.1	219.6	209.2	193.7	180.7	177.1	175.8	172.8	175.6	176.6	175.7	175.7	177.1	179.7	220.9	181.8	175.2
% Chg Same Qtr Last Yr……	-5.27	-6.19	-9.53	-15.24	-20.09	-19.33	-15.98	-10.81	-2.79	-0.32	-0.04	1.68	0.84	1.79	-0.07	-0.18	-0.04
WOOD PRODUCTS……	14.6	14.2	13.3	11.8	11.1	11.3	11.1	10.7	10.9	11.0	10.7	10.4	10.5	10.7	14.3	11.3	10.8
% Chg Same Qtr Last Yr……	-10.27	-11.46	-15.29	-22.08	-23.57	-20.47	-16.79	-8.78	-1.80	-2.66	-3.61	-3.42	-3.96	-2.43	-0.11	-0.21	-0.04
NONMETALLIC MINERAL PRODUCTS……	14.6	14.1	13.4	12.1	11.6	11.4	11.0	10.8	11.4	11.5	11.2	10.7	10.6	10.6	14.2	11.6	11.2
% Chg Same Qtr Last Yr……	-7.01	-9.42	-13.20	-18.57	-20.55	-18.91	-17.46	-10.71	-1.44	0.58	1.51	-1.23	-7.00	-7.83	-0.08	-0.19	-0.03
PRIMARY METALS……	11.2	11.1	10.8	9.9	8.9	8.7	8.7	8.6	8.7	9.0	8.9	9.0	9.1	9.2	11.1	9.0	8.8
% Chg Same Qtr Last Yr……	-4.53	-4.58	-6.92	-13.37	-21.07	-21.92	-19.20	-13.76	-1.50	3.46	2.30	4.67	4.20	2.23	-0.05	-0.19	-0.03
FABRICATED METAL PRODUCTS……	40.3	39.9	38.4	35.6	33.3	32.8	32.8	32.5	33.0	33.1	33.0	33.1	33.4	34.3	39.7	33.6	32.9
% Chg Same Qtr Last Yr……	-2.65	-3.47	-6.41	-11.75	-17.36	-17.81	-14.74	-8.62	-1.10	1.12	0.81	1.85	1.21	3.52	-0.04	-0.15	-0.02
MACHINERY……	31.9	31.0	29.8	28.0	26.1	25.1	24.9	24.4	24.9	24.6	24.8	25.6	26.3	26.3	31.2	26.0	24.7
% Chg Same Qtr Last Yr……	-1.54	-2.11	-4.69	-12.97	-18.16	-18.95	-16.55	-12.63	-4.59	-1.86	-0.27	4.64	5.35	6.77	-0.02	-0.17	-0.05
COMPUTER & ELECTRONIC PRODUCTS……	7.6	7.3	7.0	6.7	6.3	6.1	5.8	5.8	5.7	5.6	5.5	5.3	5.3	5.3	7.4	6.2	5.7
% Chg Same Qtr Last Yr……	-6.15	-8.71	-11.06	-13.30	-17.47	-17.27	-16.27	-13.86	-9.52	-7.69	-5.14	-8.05	-7.02	-5.95	-0.08	-0.16	-0.09
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS……	20.6	20.6	20.0	19.2	17.8	17.2	16.9	16.4	16.7	17.1	16.9	16.7	16.6	16.5	20.6	17.8	16.8
% Chg Same Qtr Last Yr……	-6.64	-6.23	-8.66	-8.57	-13.57	-16.53	-15.64	-14.76	-6.36	-0.39	0.20	1.83	-0.80	-3.31	-0.07	-0.14	-0.06
TRANSPORTATION EQUIPMENT……	55.2	51.6	47.5	43.2	39.5	39.4	39.7	39.0	39.5	40.0	40.3	40.9	41.6	43.1	52.5	40.5	39.7
% Chg Same Qtr Last Yr……	-6.76	-9.05	-14.82	-22.49	-28.44	-23.64	-16.35	-9.80	0.08	1.61	1.51	4.96	5.14	7.66	-0.10	-0.23	-0.02
FURNITURE……	14.6	14.2	13.0	11.8	10.8	10.4	10.1	9.9	9.8	9.7	9.5	9.4	9.0	9.1	14.2	10.8	9.7
% Chg Same Qtr Last Yr……	-10.06	-10.13	-16.27	-22.03	-26.03	-26.53	-22.51	-16.38	-8.95	-6.71	-5.94	-4.73	-8.47	-6.85	-0.11	-0.24	-0.10
MISCELLANEOUS DURABLE GOODS……	15.4	15.7	16.0	15.4	15.2	14.8	14.8	14.7	14.9	14.9	14.8	14.7	14.8	14.7	15.5	15.0	14.8
% Chg Same Qtr Last Yr……	-0.43	1.51	5.73	2.67	-1.30	-5.32	-7.71	-4.55	-1.98	0.45	0.23	-0.23	-0.45	-1.34	0.01	-0.03	-0.01

Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONDURABLE GOODS	141.4	140.5	137.6	131.1	127.6	126.1	124.7	122.8	123.5	123.2	121.2	119.2	123.2	122.2	140.1	127.4	122.7
% Chg Same Qtr Last Yr	-0.82	-1.86	-3.60	-7.00	-9.74	-10.23	-9.38	-6.33	-3.24	-2.27	-2.83	-2.96	-0.24	-0.84	-1.91	-9.08	-3.70
FOOD	32.3	32.5	32.9	32.3	32.2	32.4	32.4	32.1	32.2	32.1	31.9	31.5	32.8	33.0	32.5	32.3	32.1
% Chg Same Qtr Last Yr	-0.72	-0.10	0.92	0.21	-0.41	-0.31	-1.32	-0.41	0.10	-0.92	-1.54	-1.97	1.86	2.70	-0.61	-0.46	-0.70
BEVERAGE & TOBACCO	5.1	5.1	5.0	5.1	5.1	5.1	5.0	5.0	5.0	5.1	5.0	4.9	5.1	5.2	5.1	5.1	5.0
% Chg Same Qtr Last Yr	1.32	0.66	-0.66	0.66	0.00	0.65	-0.66	-1.32	-1.31	-0.65	-0.67	-2.00	0.66	1.31	0.16	0.16	-0.99
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	15.1	14.9	14.2	13.1	12.5	12.4	12.2	11.9	11.9	11.4	11.2	10.9	11.0	10.9	14.8	12.6	11.6
% Chg Same Qtr Last Yr	0.00	-0.44	-5.32	-11.51	-17.18	-16.96	-14.05	-8.93	-4.79	-8.06	-8.72	-8.12	-7.54	-4.68	-2.10	-14.95	-7.63
PAPER	17.4	17.4	17.0	16.4	16.0	16.3	15.9	15.5	15.8	16.0	15.3	14.7	15.4	15.7	17.2	16.2	15.6
% Chg Same Qtr Last Yr	-0.19	-0.76	-0.78	-4.10	-7.68	-6.31	-6.46	-5.50	-1.66	-2.04	-4.18	-4.74	-2.54	-2.08	-1.01	-6.14	-3.35
PRINTING & RELATED SUPPORT	15.9	15.5	15.3	14.4	13.6	12.8	12.4	11.9	11.9	11.6	11.2	10.7	10.9	10.8	15.7	13.3	11.7
% Chg Same Qtr Last Yr	-5.93	-10.08	-8.40	-10.58	-14.29	-17.46	-19.00	-16.94	-12.25	-9.14	-9.43	-10.34	-8.66	-6.61	-7.53	-15.27	-12.12
CHEMICALS	27.7	27.7	27.2	26.4	25.8	25.5	25.5	25.3	25.3	25.4	25.3	25.1	25.2	25.2	27.5	25.8	25.3
% Chg Same Qtr Last Yr	3.48	2.47	-0.73	-3.76	-6.97	-7.83	-6.13	-4.29	-1.81	-0.39	-0.92	-0.92	-0.39	-0.92	2.20	-6.18	-1.87
PLASTICS & RUBBER	25.9	25.4	24.1	21.7	20.6	19.8	19.5	19.4	19.6	19.9	19.7	19.7	20.8	19.7	25.4	20.4	19.6
% Chg Same Qtr Last Yr	-3.00	-4.27	-9.73	-17.59	-20.36	-22.15	-19.20	-10.60	-5.02	0.67	0.85	1.55	6.13	-1.34	-4.41	-19.82	-3.72
MISCELLANEOUS NONDURABLE GOODS	2.0	1.9	1.9	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.6	2.0	1.8	2.0	1.8	1.7
% Chg Same Qtr Last Yr	-4.76	-12.31	-12.50	-9.84	-11.67	-8.77	-7.14	-9.09	-3.77	-3.85	-1.92	-2.00	17.65	10.00	-8.95	-9.40	-4.72

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 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONFARM	2794.5	2770.1	2729.5	2668.5	2618.0	2596.4	2595.5	2596.4	2616.2	2616.4	2621.3	2629.9	2629.6	2634.3	2775.2	2619.6	2612.6
% Chg Prev Qtr SAAR	-1.73	-3.45	-5.74	-8.64	-7.35	-3.26	-0.14	0.14	3.09	0.03	0.75	1.33	-0.06	0.72	-0.79	-5.61	-0.27
% Chg Same Qtr Last Yr	0.09	-1.13	-2.62	-4.92	-6.32	-6.27	-4.91	-2.70	-0.07	0.77	0.99	1.29	0.51	0.68	-0.79	-5.61	-0.27
NATURAL RESOURCES, MINING AND CONSTRUCTION	135.0	130.7	125.3	116.6	110.5	107.4	105.2	102.4	106.1	105.9	106.9	109.4	109.3	111.2	132.33	109.92	105.33
% Chg Prev Qtr SAAR	-9.21	-12.23	-15.62	-24.93	-19.34	-10.87	-7.83	-10.35	15.55	-0.88	3.83	9.55	-0.37	7.40	-3.92	-16.94	-4.18
% Chg Same Qtr Last Yr	-2.27	-5.04	-9.53	-15.71	-18.17	-17.85	-16.02	-12.21	-3.95	-1.37	1.62	6.84	2.95	5.04	-3.92	-16.94	-4.18
MANUFACTURING	367.9	358.9	345.6	326.6	308.8	302.1	299.3	297.4	299.7	298.6	295.7	296.6	300.9	300.7	360.9	309.2	297.8
% Chg Prev Qtr SAAR	-3.70	-9.42	-14.00	-20.23	-20.14	-8.36	-3.61	-2.62	3.14	-1.41	-3.83	1.27	5.83	-0.21	-4.99	-14.33	-3.68
% Chg Same Qtr Last Yr	-3.52	-4.59	-7.33	-12.05	-16.07	-15.82	-13.39	-8.96	-2.95	-1.16	-1.21	-0.24	0.40	0.70	-4.99	-14.33	-3.68
DURABLE GOODS	226.6	219.1	208.4	194.4	181.2	176.7	175.0	173.5	176.2	176.0	174.9	176.4	177.7	179.2	220.8	181.8	175.2
% Chg Prev Qtr SAAR	-4.48	-12.49	-18.20	-24.31	-24.51	-9.65	-3.67	-3.49	6.55	-0.51	-2.47	3.39	3.12	3.22	-6.85	-17.67	-3.66
% Chg Same Qtr Last Yr	-5.14	-6.26	-9.62	-15.18	-20.03	-19.39	-16.02	-10.76	-2.74	-0.36	-0.05	1.68	0.85	1.78	-6.85	-17.67	-3.66
NONDURABLE GOODS	141.3	139.7	137.2	132.2	127.6	125.4	124.3	123.9	123.4	122.6	120.8	120.2	123.1	121.5	140.1	127.4	122.7
% Chg Prev Qtr SAAR	-2.45	-4.34	-7.10	-13.71	-13.38	-6.51	-3.52	-1.38	-1.50	-2.69	-5.77	-1.75	9.91	-5.00	-1.91	-9.08	-3.71
% Chg Same Qtr Last Yr	-0.80	-1.86	-3.61	-7.00	-9.72	-10.24	-9.39	-6.31	-3.25	-2.27	-2.85	-2.94	-0.25	-0.85	-1.91	-9.08	-3.71
TRADE, TRANSPORTATION, UTILITIES	605.2	598.4	586.1	571.9	559.7	554.1	551.7	551.9	554.2	556.0	557.6	558.8	559.0	554.5	600.3	559.3	554.9
% Chg Prev Qtr SAAR	-4.04	-4.40	-7.99	-9.37	-8.24	-3.97	-1.67	0.12	1.65	1.33	1.16	0.89	0.14	-3.20	-1.67	-6.82	-0.79
% Chg Same Qtr Last Yr	-0.85	-1.80	-4.18	-6.48	-7.52	-7.41	-5.86	-3.49	-0.99	0.35	1.06	1.26	0.88	-0.27	-1.67	-6.82	-0.79
WHOLESALE TRADE	132.7	131.6	128.8	124.7	121.4	118.9	117.9	117.5	117.5	117.1	117.5	119.8	119.1	118.6	131.7	120.7	117.4
% Chg Prev Qtr SAAR	-2.96	-3.37	-8.05	-12.32	-9.98	-8.19	-3.32	-1.24	0.11	-1.58	1.37	8.07	-2.10	-1.89	-0.99	-8.35	-2.75
% Chg Same Qtr Last Yr	-0.20	-1.15	-3.54	-6.76	-8.49	-9.65	-8.51	-5.75	-3.21	-1.51	-0.34	1.93	1.36	1.28	-0.99	-8.35	-2.75
RETAIL TRADE	327.9	323.9	317.2	311.2	306.5	305.6	304.5	305.4	307.6	307.9	306.4	304.4	305.0	301.7	325.4	307.0	306.8
% Chg Prev Qtr SAAR	-5.42	-4.83	-7.98	-7.35	-5.91	-1.17	-1.52	1.19	2.91	0.43	-1.93	-2.54	0.75	-4.26	-1.55	-5.66	-0.05
% Chg Same Qtr Last Yr	-0.68	-1.61	-4.45	-6.41	-6.53	-5.64	-4.02	-1.88	0.34	0.74	0.63	-0.31	-0.83	-2.01	-1.55	-5.66	-0.05
TRANSPORTATION & UTILITIES	144.6	143.0	140.0	136.0	131.7	129.6	129.4	129.0	129.1	131.0	133.7	134.6	134.9	134.2	143.2	131.7	130.7
% Chg Prev Qtr SAAR	-1.82	-4.35	-7.96	-11.12	-11.88	-6.42	-0.51	-1.13	0.10	6.24	8.50	2.72	0.79	-1.96	-2.58	-8.05	-0.72
% Chg Same Qtr Last Yr	-1.81	-2.83	-4.15	-6.38	-8.88	-9.37	-7.59	-5.10	-2.02	1.13	3.35	4.34	4.52	2.44	-2.58	-8.05	-0.72
INFORMATION	51.0	50.5	49.5	48.7	47.3	46.2	45.5	45.7	44.8	44.5	44.4	45.2	44.0	44.0	50.5	46.9	44.8
% Chg Prev Qtr SAAR	-0.78	-4.12	-7.69	-6.06	-11.26	-8.73	-5.65	1.18	-7.38	-2.65	-0.90	7.40	-9.93	-0.30	0.45	-7.09	-4.44
% Chg Same Qtr Last Yr	2.07	-0.72	-3.07	-4.70	-7.32	-8.45	-7.95	-6.23	-5.22	-3.68	-2.49	-1.02	-1.71	-1.12	0.45	-7.09	-4.44
FINANCIAL ACTIVITIES	145.5	145.1	144.1	142.0	141.0	139.7	139.4	138.1	137.7	137.4	136.9	137.7	138.4	138.8	145.1	140.5	137.5
% Chg Prev Qtr SAAR	-0.73	-1.19	-2.73	-5.62	-2.88	-3.45	-1.05	-3.59	-1.25	-0.68	-1.54	2.46	1.85	1.26	0.15	-3.16	-2.13
% Chg Same Qtr Last Yr	0.58	-0.18	-1.12	-2.58	-3.12	-3.68	-3.26	-2.75	-2.34	-1.65	-1.77	-0.27	0.51	0.99	0.15	-3.16	-2.13

(CONTINUED ON NEXT PAGE)

Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
PROFESSIONAL & BUSINESS SERVICES	326.7	320.5	312.2	301.5	291.9	288.9	293.7	299.3	305.3	305.2	308.0	308.6	309.4	314.3	321.2	294.0	304.4
% Chg Prev Qtr SAAR	1.61	-7.34	-9.92	-13.02	-12.22	-3.96	6.72	7.85	8.26	-0.09	3.77	0.69	1.04	6.49	-0.41	-8.47	3.55
% Chg Same Qtr Last Yr	1.71	-1.49	-3.84	-7.33	-10.65	-9.85	-5.95	-0.75	4.59	5.63	4.89	3.11	1.34	2.97	-0.41	-8.47	3.55
EDUCATION & HEALTH SERVICES	357.4	359.8	363.0	363.5	365.5	366.2	368.0	369.9	371.2	373.4	376.6	379.3	379.7	379.8	358.7	365.8	372.8
% Chg Prev Qtr SAAR	3.04	2.71	3.64	0.59	2.22	0.73	1.94	2.12	1.41	2.39	3.51	2.83	0.49	0.07	2.51	1.98	1.91
% Chg Same Qtr Last Yr	2.66	2.20	2.99	2.49	2.29	1.79	1.37	1.75	1.55	1.97	2.36	2.53	2.30	1.71	2.51	1.98	1.91
LEISURE & HOSPITALITY	274.9	273.4	269.7	266.3	264.5	261.5	261.1	260.9	261.8	261.3	262.4	263.1	266.1	264.6	273.8	263.4	261.6
% Chg Prev Qtr SAAR	-3.37	-2.26	-5.26	-4.90	-2.73	-4.41	-0.66	-0.26	1.39	-0.76	1.59	1.12	4.64	-2.19	-0.91	-3.82	-0.66
% Chg Same Qtr Last Yr	-0.18	-1.50	-3.00	-3.95	-3.79	-4.33	-3.19	-2.03	-1.01	-0.08	0.49	0.83	1.63	1.26	-0.91	-3.82	-0.66
OTHER SERVICES	104.9	104.2	103.8	102.9	102.2	101.6	101.4	100.2	100.3	100.6	100.6	99.4	100.7	101.0	104.6	102.0	100.4
% Chg Prev Qtr SAAR	-2.01	-2.77	-1.65	-3.30	-2.57	-2.33	-1.05	-4.52	0.40	1.34	-0.26	-4.43	5.19	1.33	0.61	-2.45	-1.58
% Chg Same Qtr Last Yr	0.74	0.26	-0.16	-2.43	-2.57	-2.46	-2.31	-2.62	-1.89	-0.98	-0.79	-0.77	0.40	0.40	0.61	-2.45	-1.58
GOVERNMENT	426.0	428.7	430.3	428.4	426.7	428.6	430.2	430.7	435.2	433.4	432.2	431.8	422.1	425.3	427.7	428.5	432.9
% Chg Prev Qtr SAAR	0.16	2.56	1.47	-1.72	-1.58	1.82	1.47	0.47	4.21	-1.64	-1.10	-0.34	-8.69	3.07	1.53	0.18	1.02
% Chg Same Qtr Last Yr	1.74	1.20	1.50	0.60	0.16	-0.02	-0.02	0.54	1.98	1.10	0.46	0.26	-3.00	-1.86	1.53	0.18	1.02
FEDERAL, CIVILIAN	48.6	49.8	49.9	49.9	50.1	50.1	50.5	50.3	56.0	52.7	50.4	50.1	48.4	48.8	49.4	50.2	52.4
% Chg Prev Qtr SAAR	-5.56	10.55	0.81	0.00	1.88	-0.53	3.51	-1.31	53.22	-21.77	-16.14	-2.36	-12.66	3.34	1.23	1.55	4.39
% Chg Same Qtr Last Yr	0.48	2.26	2.18	1.29	3.23	0.54	1.20	0.87	11.70	5.19	-0.20	-0.46	-13.51	-7.28	1.23	1.55	4.39
STATE & LOCAL	377.4	378.9	380.4	378.5	376.6	378.6	379.7	380.4	379.2	380.7	381.8	381.7	373.7	376.5	378.3	378.3	380.5
% Chg Prev Qtr SAAR	0.92	1.56	1.56	-1.95	-2.03	2.14	1.20	0.70	-1.26	1.63	1.13	-0.07	-8.16	3.03	1.56	0.00	0.57
% Chg Same Qtr Last Yr	1.91	1.06	1.41	0.51	-0.23	-0.09	-0.18	0.49	0.69	0.56	0.54	0.35	-1.45	-1.11	1.56	0.00	0.57
STATISTICAL DISCREPANCY (%)	0.00	-0.01	0.01	0.00	0.00	0.01	0.02	0.00	0.00	0.02	0.00	0.02	0.04	-0.05	0.00	0.01	0.00

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

Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL DURABLE GOODS……………………	226.6	219.1	208.4	194.4	181.2	176.7	175.0	173.5	176.2	176.0	174.9	176.4	177.7	179.2	220.8	181.8	175.2
% Chg Prev Qtr SAAR………………	-4.48	-12.49	-18.20	-24.31	-24.51	-9.65	-3.67	-3.49	6.55	-0.51	-2.47	3.39	3.12	3.22	-6.85	-17.67	-3.66
% Chg Same Qtr Last Yr………………	-5.14	-6.26	-9.62	-15.18	-20.03	-19.39	-16.02	-10.76	-2.74	-0.36	-0.05	1.68	0.85	1.78	-6.85	-17.67	-3.66
WOOD PRODUCTS………………………	14.7	14.0	13.2	12.0	11.2	11.1	11.0	10.9	11.0	10.8	10.6	10.6	10.6	10.5	14.3	11.3	10.8
% Chg Prev Qtr SAAR………………	-17.30	-17.35	-20.93	-31.45	-23.63	-3.91	-4.74	-0.59	2.38	-7.78	-8.05	0.47	-0.12	-2.03	-11.25	-20.84	-4.29
% Chg Same Qtr Last Yr………………	-10.19	-11.58	-15.33	-21.98	-23.52	-20.59	-16.80	-8.70	-1.76	-2.76	-3.62	-3.36	-3.96	-2.49	-11.25	-20.84	-4.29
NONMETALLIC MINERALS………………	14.6	14.0	13.3	12.3	11.6	11.3	11.0	11.0	11.4	11.3	11.1	10.9	10.6	10.4	14.2	11.6	11.2
% Chg Prev Qtr SAAR………………	-13.88	-16.01	-17.11	-26.31	-21.96	-9.91	-10.62	1.64	15.64	-3.08	-6.88	-8.52	-9.28	-6.95	-8.38	-18.89	-2.71
% Chg Same Qtr Last Yr………………	-6.85	-9.59	-13.27	-18.47	-20.45	-19.05	-17.51	-10.60	-1.37	0.45	1.48	-1.15	-6.97	-7.91	-8.38	-18.89	-2.71
PRIMARY METALS…………………………	11.3	11.1	10.7	9.9	8.9	8.7	8.6	8.6	8.8	9.0	8.8	9.0	9.2	9.2	11.1	9.0	8.8
% Chg Prev Qtr SAAR………………	-4.50	-6.65	-15.12	-25.38	-34.23	-10.86	-2.77	-2.84	11.92	8.36	-7.24	6.83	9.81	0.33	-4.97	-18.85	-2.77
% Chg Same Qtr Last Yr………………	-4.45	-4.55	-7.05	-13.31	-21.03	-21.94	-19.24	-13.73	-1.47	3.46	2.25	4.70	4.21	2.22	-4.97	-18.85	-2.77
FABRICATED METALS…………………..	40.5	39.7	38.2	35.8	33.5	32.6	32.5	32.7	33.2	33.0	32.8	33.3	33.6	34.2	39.7	33.6	32.9
% Chg Prev Qtr SAAR………………	0.71	-7.73	-14.73	-23.06	-22.61	-10.20	-1.47	1.97	6.01	-1.91	-2.33	5.64	3.82	7.17	-4.30	-15.38	-2.08
% Chg Same Qtr Last Yr………………	-2.53	-3.50	-6.65	-11.64	-17.27	-17.83	-14.81	-8.59	-1.11	1.10	0.88	1.77	1.24	3.51	-4.30	-15.38	-2.08
MACHINERY………………………………	31.7	31.1	30.0	27.8	26.0	25.2	25.0	24.3	24.8	24.8	24.9	25.5	26.1	26.4	31.2	26.0	24.7
% Chg Prev Qtr SAAR………………	-3.16	-6.98	-13.32	-26.16	-24.22	-10.89	-3.79	-9.89	7.52	-0.32	1.77	10.24	10.26	5.01	-2.50	-16.63	-5.03
% Chg Same Qtr Last Yr………………	-1.30	-2.09	-5.01	-12.86	-18.04	-18.92	-16.78	-12.53	-4.53	-1.82	-0.43	4.72	5.38	6.76	-2.50	-16.63	-5.03
COMPUTERS & ELECTRONICS………	7.6	7.3	7.0	6.7	6.3	6.1	5.8	5.8	5.7	5.6	5.5	5.3	5.3	5.3	7.4	6.2	5.7
% Chg Prev Qtr SAAR………………	-7.32	-15.57	-18.23	-12.30	-23.66	-14.50	-13.50	-2.91	-6.76	-7.36	-3.07	-14.84	-2.29	-2.88	-8.26	-16.07	-9.24
% Chg Same Qtr Last Yr………………	-6.23	-8.75	-10.77	-13.45	-17.54	-17.28	-16.11	-13.95	-9.54	-7.71	-5.05	-8.11	-7.03	-5.92	-8.26	-16.07	-9.24
ELECTRICAL EQUIPMENT, APPLIANCES																	
& COMPONENTS………………………	20.8	20.5	19.9	19.3	18.0	17.1	16.8	16.5	16.8	17.0	16.8	16.8	16.7	16.5	20.6	17.8	16.8
% Chg Prev Qtr SAAR………………	-6.18	-4.20	-12.60	-10.60	-25.12	-17.68	-8.00	-6.72	9.08	4.81	-5.43	-0.47	-1.78	-5.63	-6.94	-13.51	-5.65
% Chg Same Qtr Last Yr………………	-6.50	-6.38	-8.74	-8.46	-13.48	-16.69	-15.62	-14.72	-6.31	-0.48	0.21	1.85	-0.78	-3.36	-6.94	-13.51	-5.65
TRANSPORTATION EQUIPMENT………	55.4	51.7	47.3	43.2	39.7	39.4	39.6	39.0	39.8	40.0	40.1	40.9	41.8	43.0	52.5	40.5	39.7
% Chg Prev Qtr SAAR………………	-1.76	-24.48	-29.75	-30.63	-28.45	-3.03	1.68	-5.98	8.59	2.27	1.59	7.81	9.24	12.01	-10.45	-22.96	-1.83
% Chg Same Qtr Last Yr………………	-6.62	-9.15	-14.85	-22.46	-28.37	-23.75	-16.36	-9.75	0.17	1.51	1.48	5.02	5.18	7.59	-10.45	-22.96	-1.83
FURNITURE…………………………………	14.7	14.1	13.0	11.8	10.9	10.4	10.1	9.9	9.9	9.7	9.5	9.4	9.1	9.0	14.2	10.8	9.7
% Chg Prev Qtr SAAR………………	-13.17	-13.87	-28.39	-31.04	-29.08	-17.28	-10.78	-6.87	0.76	-10.02	-7.24	-2.13	-13.84	-3.97	-11.07	-24.28	-9.75
% Chg Same Qtr Last Yr………………	-9.89	-10.26	-16.29	-22.04	-25.89	-26.64	-22.49	-16.44	-8.78	-6.84	-5.93	-4.75	-8.41	-6.91	-11.07	-24.28	-9.75
MISCELLANEOUS DURABLES…………	15.3	15.6	15.9	15.5	15.1	14.8	14.7	14.8	14.8	14.9	14.8	14.8	14.8	14.7	15.5	15.0	14.8
% Chg Prev Qtr SAAR………………	6.11	7.23	8.63	-10.28	-9.29	-8.84	-2.13	2.31	1.05	0.84	-3.14	0.27	0.20	-2.45	0.98	-2.99	-1.51
% Chg Same Qtr Last Yr………………	-0.43	1.59	5.71	2.62	-1.33	-5.25	-7.69	-4.61	-2.00	0.50	0.24	-0.26	-0.47	-1.29	0.98	-2.99	-1.51

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONDURABLE GOODS……………………	141.3	139.7	137.2	132.2	127.6	125.4	124.3	123.9	123.4	122.6	120.8	120.2	123.1	121.5	140.1	127.4	122.7
% Chg Prev Qtr SAAR………………………	-2.45	-4.34	-7.10	-13.71	-13.38	-6.51	-3.52	-1.38	-1.50	-2.69	-5.77	-1.75	9.91	-5.00	-1.91	-9.08	-3.71
% Chg Same Qtr Last Yr……………………	-0.80	-1.86	-3.61	-7.00	-9.72	-10.24	-9.39	-6.31	-3.25	-2.27	-2.85	-2.94	-0.25	-0.85	-1.91	-9.08	-3.71
FOOD……………………………………………	32.4	32.5	32.7	32.4	32.3	32.4	32.3	32.3	32.3	32.0	31.8	31.7	32.9	32.9	32.5	32.3	32.1
% Chg Prev Qtr SAAR………………………	0.97	1.05	2.62	-3.44	-1.78	1.20	-1.20	0.50	-0.14	-3.11	-3.30	-1.08	16.05	0.09	-0.62	-0.46	-0.69
% Chg Same Qtr Last Yr……………………	-0.67	-0.18	0.92	0.27	-0.42	-0.38	-1.32	-0.33	0.09	-1.00	-1.53	-1.92	1.84	2.67	-0.62	-0.46	-0.69
BEVERAGE & TOBACCO………………………	5.1	5.0	5.1	5.1	5.1	5.1	5.0	5.0	5.0	5.0	5.0	4.9	5.0	5.1	5.1	5.1	5.0
% Chg Prev Qtr SAAR………………………	-0.23	-1.87	1.55	3.36	-2.50	-0.17	-3.24	0.90	-2.43	1.87	-2.91	-4.27	8.53	4.11	0.15	0.16	-0.98
% Chg Same Qtr Last Yr……………………	1.44	0.59	-0.71	0.68	0.11	0.54	-0.67	-1.27	-1.25	-0.75	-0.66	-1.96	0.68	1.23	0.15	0.16	-0.98
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	15.1	14.9	14.2	13.2	12.5	12.3	12.2	12.1	11.9	11.4	11.1	11.1	11.0	10.8	14.8	12.6	11.6
% Chg Prev Qtr SAAR………………………	3.29	-5.39	-17.73	-23.57	-21.06	-4.20	-5.55	-3.67	-5.88	-16.45	-8.38	-1.08	-3.56	-5.46	-2.09	-14.93	-7.64
% Chg Same Qtr Last Yr……………………	0.04	-0.46	-5.37	-11.46	-17.22	-16.96	-14.04	-8.92	-4.83	-8.03	-8.73	-8.12	-7.56	-4.66	-2.09	-14.93	-7.64
PAPER……………………………………………	17.4	17.1	17.0	16.7	16.0	16.0	15.9	15.7	15.8	15.7	15.3	15.0	15.4	15.4	17.2	16.2	15.6
% Chg Prev Qtr SAAR………………………	0.33	-6.15	-1.69	-8.60	-13.95	-0.42	-2.08	-4.87	0.76	-2.03	-10.20	-6.96	10.19	-0.35	-1.02	-6.14	-3.37
% Chg Same Qtr Last Yr……………………	-0.22	-0.78	-0.73	-4.10	-7.71	-6.33	-6.42	-5.48	-1.68	-2.08	-4.17	-4.70	-2.55	-2.13	-1.02	-6.14	-3.37
PRINTING & RELATED SUPPORT……………	15.9	15.4	15.2	14.5	13.6	12.7	12.3	12.1	11.9	11.6	11.1	10.8	10.9	10.8	15.7	13.3	11.7
% Chg Prev Qtr SAAR………………………	-9.50	-12.59	-4.74	-15.68	-23.90	-23.25	-12.40	-7.10	-5.92	-10.25	-14.24	-10.81	1.03	-1.13	-7.53	-15.27	-12.15
% Chg Same Qtr Last Yr……………………	-6.14	-9.84	-8.26	-10.72	-14.50	-17.24	-18.95	-16.97	-12.45	-8.95	-9.43	-10.35	-8.74	-6.51	-7.53	-15.27	-12.15
CHEMICALS………………………………………	27.7	27.7	27.1	26.5	25.8	25.5	25.4	25.4	25.3	25.4	25.2	25.1	25.3	25.1	27.5	25.8	25.3
% Chg Prev Qtr SAAR………………………	2.67	-0.75	-7.64	-8.66	-10.24	-4.95	-0.55	-0.98	-0.51	0.39	-2.63	-0.86	1.65	-1.83	2.20	-6.17	-1.87
% Chg Same Qtr Last Yr……………………	3.59	2.41	-0.82	-3.71	-6.89	-7.89	-6.17	-4.26	-1.77	-0.42	-0.94	-0.91	-0.38	-0.93	2.20	-6.17	-1.87
PLASTICS & RUBBER…………………………	25.8	25.3	24.1	21.9	20.6	19.7	19.4	19.6	19.5	19.8	19.6	19.9	20.7	19.6	25.4	20.4	19.6
% Chg Prev Qtr SAAR………………………	-12.04	-7.00	-18.00	-31.30	-22.77	-15.68	-5.12	3.51	-1.51	6.38	-4.99	6.88	17.67	-20.77	-4.40	-19.81	-3.74
% Chg Same Qtr Last Yr……………………	-2.92	-4.28	-9.82	-17.61	-20.24	-22.17	-19.28	-10.57	-4.97	0.72	0.75	1.56	6.18	-1.36	-4.40	-19.81	-3.74
MISCELLANEOUS NONDURABLE GOODS..	2.0	1.9	1.9	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.6	2.0	1.8	1.9	1.8	1.7
% Chg Prev Qtr SAAR………………………	-5.79	-17.94	-8.61	-5.34	-15.48	-4.58	-3.28	-11.46	4.03	-3.64	3.81	-10.87	113.79	-25.74	-9.00	-9.41	-4.71
% Chg Same Qtr Last Yr……………………	-4.90	-12.27	-12.53	-9.57	-11.99	-8.61	-7.30	-8.84	-3.98	-3.74	-2.03	-1.86	17.50	10.09	-9.00	-9.41	-4.71

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 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONFARM	37068	36992	37201	37725	37667	37404	37194	38319	38136	38241	37872	38498	38176	37994	37371	37498	38142
% Chg Same Qtr Last Yr	-1.59	-1.48	-1.20	-1.30	1.62	1.11	-0.02	1.57	1.24	2.24	1.82	0.47	0.10	-0.65	-0.99	0.34	1.72
NATURAL RESOURCES, MINING AND CONSTRUCTION	41434	40470	42031	44049	41401	40160	39685	43953	42798	41226	39954	42532	42239	40708	41945	41324	41983
% Chg Same Qtr Last Yr	0.08	-1.56	-1.13	0.47	-0.08	-0.77	-5.58	-0.22	3.37	2.66	0.68	-3.23	-1.31	-1.26	-0.28	-1.48	1.60
MANUFACTURING	43333	44090	44427	42625	45501	44583	46364	46749	46756	46740	47282	48214	46446	45955	44251	44768	46882
% Chg Same Qtr Last Yr	-1.70	0.72	-0.18	-5.60	5.00	1.12	4.36	9.67	2.76	4.84	1.98	3.13	-0.66	-1.68	0.13	1.17	4.72
DURABLE GOODS	42569	44153	43679	42348	44478	43416	45746	45710	46432	46038	45686	46628	45419	44689	43533	43997	45967
% Chg Same Qtr Last Yr	-0.95	3.07	-0.19	-3.16	4.48	-1.67	4.73	7.94	4.39	6.04	-0.13	2.01	-2.18	-2.93	0.46	1.07	4.48
NONDURABLE GOODS	44557	43993	45564	43034	46949	46222	47236	48210	47217	47745	49597	50552	47922	47818	45393	45860	48192
% Chg Same Qtr Last Yr	-3.00	-2.90	-0.32	-9.32	5.37	5.07	3.67	12.03	0.57	3.30	5.00	4.86	1.49	0.15	-0.49	1.03	5.09
TRADE, TRANSPORTATION, UTILITIES	35134	34641	34704	35443	35033	34411	34305	35166	35806	35634	34651	35703	35581	35572	35089	34798	35314
% Chg Same Qtr Last Yr	-3.46	-3.93	-1.17	-1.21	-0.29	-0.67	-1.15	-0.78	2.21	3.56	1.01	1.53	-0.63	-0.17	-2.43	-0.83	1.48
WHOLESALE TRADE	51823	51257	51857	52368	51440	51150	50882	51891	51765	53245	51497	51915	51753	51617	51892	51460	52099
% Chg Same Qtr Last Yr	-2.52	-1.59	-1.23	-0.50	-0.74	-0.21	-1.88	-0.91	0.63	4.09	1.21	0.04	-0.02	-3.06	-1.54	-0.83	1.24
RETAIL TRADE	24461	24130	23716	24623	24395	24320	24051	24637	25529	24777	24287	25227	24761	24785	24280	24347	24808
% Chg Same Qtr Last Yr	-3.23	-5.38	-2.62	-0.76	-0.27	0.79	1.41	0.06	4.65	1.88	0.98	2.39	-3.01	0.03	-3.43	0.28	1.89
TRANSPORTATION & UTILITIES	43902	43029	44238	44536	44563	42710	43719	44699	45667	45236	43869	44881	45709	45549	44205	43882	44868
% Chg Same Qtr Last Yr	-4.68	-4.43	0.30	-2.45	1.50	-0.74	-1.17	0.37	2.48	5.92	0.34	0.41	0.09	0.69	-2.11	-0.73	2.25
INFORMATION	46167	46591	48473	46201	47114	48202	47111	47631	48176	49259	47067	47350	50011	48434	47005	47157	48033
% Chg Same Qtr Last Yr	-3.42	-2.29	0.62	-1.26	2.05	3.46	-2.81	3.10	2.26	2.19	-0.09	-0.59	3.81	-1.67	-2.49	0.32	1.86
FINANCIAL ACTIVITIES	53226	51961	51564	53425	52240	52782	52462	54223	54486	55560	56913	55660	53862	53025	52849	52727	55296
% Chg Same Qtr Last Yr	-0.67	-3.10	-5.57	-2.24	-1.85	1.58	1.74	1.50	4.30	5.26	8.48	2.65	-1.15	-4.56	-2.81	-0.23	4.87
PROFESSIONAL & BUSINESS SERVICES	40387	40252	41352	42519	43072	42873	41769	44175	43178	42891	42459	44384	44299	43758	41107	42558	43176
% Chg Same Qtr Last Yr	0.25	-0.89	3.11	0.19	6.65	6.51	1.01	3.90	0.25	0.04	1.65	0.47	2.60	2.02	2.00	3.53	1.45
EDUCATION & HEALTH SERVICES	39124	39189	39213	40307	40207	40104	39616	40328	39958	39845	39683	38818	39770	40172	39216	40058	39954
% Chg Same Qtr Last Yr	-0.25	0.01	-0.96	2.47	2.77	2.33	1.03	0.05	-0.62	-0.65	0.17	-3.74	-0.47	0.82	-0.43	2.15	-0.26
LEISURE & HOSPITALITY	17580	17403	18062	18623	17588	17668	18225	19309	18272	18293	19426	19411	18142	18060	18124	18026	18825
% Chg Same Qtr Last Yr	-5.57	-4.95	-10.47	-4.26	0.04	1.52	0.90	3.69	3.89	3.54	6.59	0.53	-0.71	-1.28	-5.75	-0.54	4.43
OTHER SERVICES	33815	33509	34519	34290	34085	34030	34819	34169	33720	35083	34472	36085	34781	34962	34097	34306	34361
% Chg Same Qtr Last Yr	0.46	-0.42	0.61	-0.74	0.80	1.55	0.87	-0.35	-1.07	3.09	-1.00	5.61	3.15	-0.35	0.26	0.61	0.16
GOVERNMENT	35804	36409	35079	35934	36373	36485	34671	35461	36009	36760	35074	35373	36108	36058	35751	35866	35826
% Chg Same Qtr Last Yr	-1.24	0.09	-0.61	0.62	1.59	0.21	-1.16	-1.32	-1.00	0.75	1.16	-0.25	0.28	-1.91	-0.44	0.32	-0.11
FEDERAL, CIVILIAN	58491	57105	57515	59617	58032	58281	58949	60876	56614	60987	63441	63405	63187	62751	58092	58720	60480
% Chg Same Qtr Last Yr	-2.77	-4.21	-2.08	0.61	-0.78	2.06	2.49	2.11	-2.44	4.64	7.62	4.15	11.61	2.89	-2.77	1.08	3.00
STATE & LOCAL	32833	33622	32210	32865	33424	33544	31527	32150	32901	33350	31453	31757	32505	32505	32838	32840	32463
% Chg Same Qtr Last Yr	-0.76	1.04	-0.33	0.55	1.80	-0.23	-2.12	-2.18	-1.56	-0.58	-0.24	-1.22	-1.21	-2.53	0.16	0.01	-1.15

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONFARM……	37083	37022	37571	37318	37694	37420	37582	37904	38161	38252	38239	38023	38210	38053	37365	37504	38139
% Chg Prev Qtr SAAR……	-7.25	-0.66	6.07	-2.67	4.09	-2.87	1.74	3.47	2.74	0.95	-0.13	-2.24	1.98	-1.63	-1.00	0.37	1.69
% Chg Same Qtr Last Yr……	-1.66	-1.51	-1.13	-1.24	1.65	1.08	0.03	1.57	1.24	2.22	1.75	0.31	0.13	-0.52	-1.00	0.37	1.69
NATURAL RESOURCES, MINING AND CONSTRUCTION……	41547	41533	42556	42274	41401	41257	40250	42136	42757	42407	40602	40614	42432	41696	41955	41296	41976
% Chg Prev Qtr SAAR……	-5.93	-0.13	10.23	-2.63	-8.00	-1.39	-9.41	20.09	6.03	-3.24	-15.97	0.12	19.14	-6.76	-0.30	-1.57	1.65
% Chg Same Qtr Last Yr……	-0.16	-1.48	-0.85	0.21	-0.35	-0.66	-5.42	-0.33	3.28	2.79	0.87	-3.61	-0.76	-1.68	-0.30	-1.57	1.65
MANUFACTURING……	43285	44231	44581	42387	45428	44751	46541	46468	46669	46928	47470	47922	46354	46144	44256	44777	46884
% Chg Prev Qtr SAAR……	-13.83	9.04	3.20	-18.28	31.93	-5.83	16.98	-0.62	1.74	2.24	4.70	3.87	-12.46	-1.81	0.13	1.18	4.71
% Chg Same Qtr Last Yr……	-1.79	0.77	-0.11	-5.65	4.95	1.17	4.40	9.63	2.73	4.86	2.00	3.13	-0.67	-1.67	0.13	1.18	4.71
DURABLE GOODS……	42479	44238	43845	42198	44348	43533	45943	45526	46273	46182	45890	46438	45255	44833	43542	44005	45968
% Chg Prev Qtr SAAR……	-9.96	17.62	-3.51	-14.20	21.99	-7.15	24.06	-3.58	6.73	-0.78	-2.51	4.87	-9.81	-3.68	0.46	1.06	4.46
% Chg Same Qtr Last Yr……	-1.08	3.14	-0.09	-3.23	4.40	-1.59	4.79	7.89	4.34	6.09	-0.12	2.00	-2.20	-2.92	0.46	1.06	4.46
NONDURABLE GOODS……	44577	44221	45699	42666	46961	46466	47382	47787	47234	47998	49758	50099	47941	48075	45387	45869	48194
% Chg Prev Qtr SAAR……	-19.43	-3.16	14.06	-24.02	46.77	-4.15	8.12	3.46	-4.55	6.63	15.49	2.77	-16.15	1.12	-0.50	1.06	5.07
% Chg Same Qtr Last Yr……	-3.02	-2.90	-0.30	-9.32	5.35	5.08	3.68	12.00	0.58	3.30	5.01	4.84	1.50	0.16	-0.50	1.06	5.07
TRADE, TRANSPORTATION, UTILITIES……	34966	34622	35255	35077	34881	34406	34860	34786	35645	35628	35123	35220	35505	35568	35080	34806	35296
% Chg Prev Qtr SAAR……	-5.63	-3.88	7.51	-2.00	-2.22	-5.33	5.38	-0.85	10.24	-0.19	-5.54	1.10	3.28	0.71	-2.45	-0.78	1.41
% Chg Same Qtr Last Yr……	-3.60	-3.90	-1.12	-1.13	-0.24	-0.62	-1.12	-0.83	2.19	3.55	0.75	1.25	-0.39	-0.17	-2.45	-0.78	1.41
WHOLESALE TRADE……	51862	51348	52058	52060	51454	51308	51098	51568	51780	53411	51716	51380	51797	51748	51889	51480	52119
% Chg Prev Qtr SAAR……	-3.23	-3.90	5.65	0.02	-4.58	-1.13	-1.63	3.73	1.66	13.21	-12.11	-2.57	3.28	-0.38	-1.50	-0.79	1.24
% Chg Same Qtr Last Yr……	-2.49	-1.64	-1.07	-0.44	-0.79	-0.08	-1.84	-0.95	0.63	4.10	1.21	-0.36	0.03	-3.11	-1.50	-0.79	1.24
RETAIL TRADE……	24297	24051	24269	24304	24252	24248	24604	24306	25377	24694	24731	24846	24688	24738	24274	24352	24777
% Chg Prev Qtr SAAR……	-2.93	-3.99	3.69	0.57	-0.85	-0.06	6.00	-4.75	18.82	-10.34	0.59	1.87	-2.51	0.81	-3.43	0.32	1.75
% Chg Same Qtr Last Yr……	-3.36	-5.31	-2.58	-0.71	-0.19	0.82	1.38	0.01	4.64	1.84	0.52	2.22	-2.71	0.18	-3.43	0.32	1.75
TRANSPORTATION & UTILITIES……	43659	43179	44681	44165	44337	42863	44203	44307	45419	45432	44361	44303	45573	45617	44175	43892	44880
% Chg Prev Qtr SAAR……	-12.81	-4.32	14.65	-4.54	1.57	-12.65	13.10	0.94	10.43	0.11	-9.10	-0.52	11.97	0.38	-2.18	-0.64	2.25
% Chg Same Qtr Last Yr……	-4.99	-4.40	0.30	-2.25	1.55	-0.73	-1.07	0.32	2.44	5.99	0.36	-0.01	0.34	0.41	-2.18	-0.64	2.25
INFORMATION……	46227	46437	48637	46232	47080	48028	47284	47700	48141	49074	47597	47035	50049	48251	47015	47156	48128
% Chg Prev Qtr SAAR……	-4.47	1.83	20.33	-18.36	7.54	8.30	-6.06	3.57	3.74	7.99	-11.51	-4.64	28.20	-13.61	-2.44	0.30	2.06
% Chg Same Qtr Last Yr……	-3.42	-2.23	0.63	-1.13	1.85	3.43	-2.78	3.18	2.25	2.18	0.66	-1.39	3.96	-1.68	-2.44	0.30	2.06
FINANCIAL ACTIVITIES……	53286	52105	51588	53236	52351	52945	52462	54027	54605	55762	57162	55296	53784	53242	52822	52749	55389
% Chg Prev Qtr SAAR……	-7.32	-8.58	-3.91	13.41	-6.49	4.62	-3.60	12.48	4.35	8.75	10.43	-12.43	-10.50	-3.97	-2.81	-0.14	5.01
% Chg Same Qtr Last Yr……	-0.77	-3.12	-5.53	-1.97	-1.76	1.61	1.69	1.49	4.31	5.32	8.96	2.35	-1.50	-4.52	-2.81	-0.14	5.01

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
PROFESSIONAL & BUSINESS SERVICES…	40243	40235	42244	41776	42929	42804	42688	43423	43046	42779	43507	43593	44042	43684	41100	42549	43189
% Chg Prev Qtr SAAR……	-13.07	-0.08	21.52	-4.36	11.51	-1.16	-1.08	7.06	-3.43	-2.46	6.99	0.79	4.18	-3.21	1.98	3.53	1.50
% Chg Same Qtr Last Yr……	0.27	-1.04	3.16	0.24	6.67	6.38	1.05	3.94	0.27	-0.06	1.92	0.39	2.31	2.12	1.98	3.53	1.50
EDUCATION & HEALTH SERVICES…………	39070	39200	39465	40122	40174	40104	39878	40146	39929	39831	39957	38750	39689	40034	39219	40069	39966
% Chg Prev Qtr SAAR……	-0.72	1.35	2.73	6.83	0.52	-0.70	-2.23	2.72	-2.14	-0.98	1.28	-11.55	10.05	3.52	-0.40	2.17	-0.26
% Chg Same Qtr Last Yr……	-0.27	0.01	-0.86	2.51	2.83	2.30	1.05	0.06	-0.61	-0.68	0.20	-3.48	-0.60	0.51	-0.40	2.17	-0.26
LEISURE & HOSPITALITY……	17987	17889	17879	17838	18027	18191	18041	18478	18737	18844	19263	18565	18515	18617	18100	18024	18831
% Chg Prev Qtr SAAR……	-13.36	-2.17	-0.23	-0.92	4.31	3.69	-3.25	10.05	5.73	2.30	9.20	-13.73	-1.08	2.23	-5.75	-0.42	4.48
% Chg Same Qtr Last Yr……	-5.60	-4.95	-10.46	-4.33	0.22	1.68	0.91	3.59	3.94	3.59	6.78	0.47	-1.19	-1.21	-5.75	-0.42	4.48
OTHER SERVICES……	34073	33627	34397	33935	34374	34186	34705	33794	34012	35327	34415	35698	35103	35065	34065	34300	34387
% Chg Prev Qtr SAAR……	-1.06	-5.13	9.47	-5.27	5.28	-2.17	6.20	-10.09	2.60	16.39	-9.94	15.76	-6.49	-0.43	0.15	0.69	0.25
% Chg Same Qtr Last Yr……	0.36	-0.39	0.32	-0.67	0.88	1.66	0.89	-0.41	-1.05	3.34	-0.83	5.63	3.21	-0.74	0.15	0.69	0.25
GOVERNMENT……	35662	35543	35802	36211	36228	35560	35429	35741	35865	35795	35561	35515	36108	35484	35747	35857	35740
% Chg Prev Qtr SAAR……	-3.53	-1.33	2.96	4.65	0.19	-7.18	-1.46	3.57	1.40	-0.78	-2.60	-0.52	6.85	-6.73	-0.43	0.31	-0.32
% Chg Same Qtr Last Yr……	-1.25	-0.06	-0.45	0.63	1.59	0.05	-1.04	-1.30	-1.00	0.66	0.37	-0.63	0.68	-0.87	-0.43	0.31	-0.32
FEDERAL, CIVILIAN……	59173	56952	57400	59179	58958	57816	58832	60513	57422	60292	62434	62688	64666	63180	58075	58696	60166
% Chg Prev Qtr SAAR……	2.74	-14.19	3.18	12.99	-1.49	-7.53	7.22	11.93	-18.92	21.54	14.99	1.63	13.23	-8.88	-2.78	1.07	2.50
% Chg Same Qtr Last Yr……	-2.57	-4.60	-2.01	0.69	-0.36	1.52	2.50	2.25	-2.60	4.28	6.12	3.59	12.61	4.79	-2.78	1.07	2.50
STATE & LOCAL……	32636	32729	32969	33183	33202	32616	32316	32463	32682	32406	32013	31948	32406	31892	32834	32829	32391
% Chg Prev Qtr SAAR……	-4.35	1.14	2.97	2.63	0.23	-6.88	-3.63	1.82	2.73	-3.32	-4.77	-0.81	5.86	-6.20	0.16	-0.01	-1.34
% Chg Same Qtr Last Yr……	-0.80	0.92	-0.16	0.55	1.73	-0.34	-1.98	-2.17	-1.57	-0.64	-0.94	-1.58	-0.84	-1.59	0.16	-0.01	-1.34

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONFARM	40424	40771	40419	40817	40946	40962	41012	42448	42279	42499	42293	43406	43393	43433	40709	40934	42380
% Chg Same Qtr Last Yr	2.05	2.69	0.48	-0.98	1.29	0.47	1.47	4.00	3.26	3.75	3.12	2.26	2.63	2.20	2.23	0.55	3.53
NATURAL RESOURCES, MINING AND CONSTRUCTION	45185	44605	45666	47659	45005	43980	43758	48689	47447	45817	44618	47954	48011	46536	45686	45100	46643
% Chg Same Qtr Last Yr	3.78	2.61	0.55	0.78	-0.40	-1.40	-4.18	2.16	5.43	4.18	1.96	-1.51	1.19	1.57	2.96	-1.28	3.42
MANUFACTURING	47256	48596	48270	46118	49460	48824	51124	51785	51836	51945	52801	54360	52793	52535	48205	48881	52092
% Chg Same Qtr Last Yr	1.94	4.99	1.52	-5.30	4.66	0.47	5.91	12.29	4.80	6.39	3.28	4.97	1.85	1.14	3.39	1.40	6.57
DURABLE GOODS	46422	48664	47457	45818	48349	47546	50442	50635	51477	51165	51019	52571	51626	51087	47427	48039	51074
% Chg Same Qtr Last Yr	2.72	7.44	1.50	-2.86	4.15	-2.30	6.29	10.51	6.47	7.61	1.14	3.82	0.29	-0.15	3.74	1.29	6.32
NONDURABLE GOODS	48590	48488	49506	46560	51034	50619	52085	53404	52346	53062	55387	56996	54471	54664	49442	50074	53550
% Chg Same Qtr Last Yr	0.59	1.21	1.38	-9.03	5.03	4.39	5.21	14.70	2.57	4.83	6.34	6.73	4.06	3.02	2.73	1.28	6.94
TRADE, TRANSPORTATION, UTILITIES	38315	38181	37706	38347	38082	37684	37826	38955	39696	39602	38696	40255	40444	40665	38224	37985	39237
% Chg Same Qtr Last Yr	0.12	0.14	0.51	-0.90	-0.61	-1.30	0.32	1.59	4.24	5.09	2.30	3.34	1.88	2.68	0.75	-0.63	3.30
WHOLESALE TRADE	56514	56495	56343	56659	55917	56016	56105	57482	57389	59174	57508	58532	58826	59007	56528	56174	57888
% Chg Same Qtr Last Yr	1.09	2.58	0.45	-0.18	-1.06	-0.85	-0.42	1.45	2.63	5.64	2.50	1.83	2.50	-0.28	1.67	-0.63	3.05
RETAIL TRADE	26675	26596	25768	26641	26518	26633	26520	27291	28302	27536	27122	28442	28145	28333	26450	26578	27563
% Chg Same Qtr Last Yr	0.36	-1.37	-0.97	-0.45	-0.59	0.14	2.92	2.44	6.73	3.39	2.27	4.22	-0.56	2.89	-0.27	0.49	3.71
TRANSPORTATION & UTILITIES	47876	47426	48065	48185	48441	46773	48206	49515	50628	50274	48989	50602	51955	52070	48151	47901	49852
% Chg Same Qtr Last Yr	-1.15	-0.38	2.01	-2.14	1.18	-1.38	0.29	2.76	4.52	7.49	1.62	2.19	2.62	3.57	1.08	-0.52	4.07
INFORMATION	50346	51352	52666	49986	51214	52788	51947	52762	53410	54744	52561	53385	56846	55369	51207	51484	53370
% Chg Same Qtr Last Yr	0.16	1.85	2.33	-0.95	1.72	2.80	-1.36	5.55	4.29	3.71	1.18	1.18	6.43	1.14	0.70	0.54	3.66
FINANCIAL ACTIVITIES	58043	57271	56025	57802	56786	57803	57847	60065	60406	61747	63556	62755	61223	60617	57569	57560	61444
% Chg Same Qtr Last Yr	3.00	1.01	-3.97	-1.93	-2.17	0.93	3.25	3.92	6.37	6.82	9.87	4.48	1.35	-1.83	0.36	-0.02	6.75
PROFESSIONAL & BUSINESS SERVICES	44043	44365	44929	46002	46820	46952	46056	48935	47869	47668	47416	50042	50353	50023	44777	46458	47972
% Chg Same Qtr Last Yr	3.96	3.30	4.86	0.51	6.31	5.83	2.51	6.37	2.24	1.52	2.95	2.26	5.19	4.94	5.32	3.75	3.26
EDUCATION & HEALTH SERVICES	42666	43194	42605	43610	43706	43919	43683	44673	44299	44282	44316	43767	45205	45923	42722	43729	44392
% Chg Same Qtr Last Yr	3.44	4.24	0.73	2.79	2.44	1.68	2.53	2.44	1.36	0.83	1.45	-2.03	2.04	3.71	2.82	2.36	1.52
LEISURE & HOSPITALITY	19172	19181	19624	20149	19118	19349	20095	21390	20257	20331	21694	21885	20621	20645	19739	19678	20918
% Chg Same Qtr Last Yr	-2.07	-0.93	-8.94	-3.95	-0.28	0.87	2.40	6.16	5.96	5.07	7.95	2.32	1.80	1.55	-2.71	-0.31	6.30
OTHER SERVICES	36876	36933	37505	37100	37051	37267	38393	37851	37384	38990	38496	40685	39534	39967	37143	37453	38180
% Chg Same Qtr Last Yr	4.18	3.80	2.32	-0.42	0.48	0.90	2.37	2.02	0.90	4.62	0.27	7.49	5.75	2.51	3.52	0.83	1.94
GOVERNMENT	39045	40129	38114	38879	39539	39955	38230	39281	39921	40853	39168	39882	41042	41220	38951	39151	39806
% Chg Same Qtr Last Yr	2.42	4.33	1.08	0.94	1.26	-0.43	0.31	1.04	0.97	2.25	2.45	1.53	2.81	0.90	2.82	0.51	1.67
FEDERAL, CIVILIAN	63786	62940	62490	64502	63082	63826	65000	67435	62764	67778	70847	71487	71822	71736	63281	64102	67206
% Chg Same Qtr Last Yr	0.83	-0.15	-0.42	0.93	-1.10	1.41	4.02	4.55	-0.50	6.19	9.00	6.01	14.43	5.84	0.41	1.30	4.84
STATE & LOCAL	35805	37057	34996	35558	36333	36735	34764	35614	36476	37063	35124	35805	36947	37158	35778	35847	36069
% Chg Same Qtr Last Yr	2.91	5.32	1.36	0.87	1.47	-0.87	-0.66	0.16	0.39	0.90	1.04	0.54	1.29	0.26	3.44	0.19	0.62

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 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL NONFARM……	40439	40805	40821	40376	40974	40980	41440	41988	42307	42511	42703	42870	43432	43501	40705	40942	42377
% Chg Prev Qtr SAAR……	-3.05	3.66	0.16	-4.29	6.06	0.05	4.57	5.40	3.07	1.95	1.82	1.57	5.35	0.64	2.22	0.58	3.50
% Chg Same Qtr Last Yr……	1.98	2.66	0.56	-0.93	1.32	0.43	1.52	3.99	3.25	3.74	3.05	2.10	2.66	2.33	2.22	0.58	3.50
NATURAL RESOURCES, MINING & CONSTI	45307	45777	46237	45738	45005	45182	44382	46675	47403	47129	45341	45791	48231	47666	45705	45076	46637
% Chg Prev Qtr SAAR……	-1.67	4.21	4.09	-4.25	-6.26	1.58	-6.89	22.33	6.38	-2.29	-14.33	4.02	23.08	-4.60	2.94	-1.38	3.46
% Chg Same Qtr Last Yr……	3.54	2.70	0.84	0.52	-0.67	-1.30	-4.01	2.05	5.33	4.31	2.16	-1.89	1.75	1.14	2.94	-1.38	3.46
MANUFACTURING……	47203	48751	48437	45861	49381	49008	51318	51474	51739	52154	53011	54031	52689	52750	48211	48892	52094
% Chg Prev Qtr SAAR……	-9.93	13.77	-2.55	-19.64	34.43	-2.99	20.23	1.22	2.07	3.25	6.74	7.92	-9.57	0.46	3.39	1.41	6.55
% Chg Same Qtr Last Yr……	1.85	5.04	1.59	-5.35	4.61	0.53	5.95	12.24	4.77	6.42	3.30	4.97	1.84	1.14	3.39	1.41	6.55
DURABLE GOODS……	46324	48758	47637	45656	48207	47674	50659	50431	51300	51325	51247	52358	51440	51252	47438	48049	51076
% Chg Prev Qtr SAAR……	-5.88	22.73	-8.88	-15.63	24.30	-4.35	27.50	-1.79	7.08	0.20	-0.61	8.96	-6.83	-1.45	3.74	1.29	6.30
% Chg Same Qtr Last Yr……	2.58	7.51	1.61	-2.93	4.07	-2.22	6.34	10.46	6.42	7.66	1.16	3.82	0.27	-0.14	3.74	1.29	6.30
NONDURABLE GOODS……	48613	48740	49652	46162	51049	50887	52246	52935	52366	53343	55566	56485	54493	54958	49438	50086	53553
% Chg Prev Qtr SAAR……	-15.79	1.05	7.70	-25.29	49.55	-1.26	11.12	5.39	-4.24	7.68	17.74	6.78	-13.38	3.46	2.72	1.31	6.92
% Chg Same Qtr Last Yr……	0.57	1.22	1.40	-9.03	5.01	4.41	5.22	14.67	2.58	4.83	6.36	6.71	4.06	3.03	2.72	1.31	6.92
TRADE, TRANSPORTATION, UTILITIES……	38131	38160	38304	37951	37917	37680	38439	38534	39517	39595	39223	39710	40357	40660	38214	37997	39217
% Chg Prev Qtr SAAR……	-1.36	0.30	1.52	-3.63	-0.36	-2.48	8.31	1.00	10.60	0.80	-3.70	5.05	6.69	3.04	0.74	-0.57	3.21
% Chg Same Qtr Last Yr……	-0.03	0.18	0.56	-0.81	-0.56	-1.26	0.35	1.54	4.22	5.08	2.04	3.05	2.13	2.69	0.74	-0.57	3.21
WHOLESALE TRADE……	56556	56595	56561	56326	55932	56189	56343	57123	57405	59359	57753	57929	58875	59157	56527	56198	57910
% Chg Prev Qtr SAAR……	1.15	0.27	-0.24	-1.65	-2.77	1.85	1.10	5.65	1.99	14.33	-10.40	1.23	6.69	1.93	1.71	-0.58	3.05
% Chg Same Qtr Last Yr……	1.12	2.53	0.61	-0.12	-1.10	-0.72	-0.39	1.42	2.63	5.64	2.50	1.41	2.56	-0.34	1.71	-0.58	3.05
RETAIL TRADE……	26496	26508	26369	26295	26363	26555	27129	26925	28134	27444	27617	28013	28062	28280	26443	26586	27530
% Chg Prev Qtr SAAR……	1.46	0.18	-2.09	-1.11	1.03	2.95	8.94	-2.98	19.20	-9.45	2.55	5.85	0.71	3.14	-0.28	0.54	3.55
% Chg Same Qtr Last Yr……	0.22	-1.30	-0.92	-0.40	-0.50	0.18	2.89	2.39	6.72	3.35	1.80	4.04	-0.25	3.05	-0.28	0.54	3.55
TRANSPORTATION & UTILITIES……	47611	47592	48546	47784	48196	46941	48740	49080	50354	50491	49539	49950	51801	52148	48119	47915	49866
% Chg Prev Qtr SAAR……	-8.86	-0.17	8.26	-6.13	3.49	-10.01	16.24	2.82	10.79	1.09	-7.33	3.37	15.67	2.70	1.00	-0.42	4.07
% Chg Same Qtr Last Yr……	-1.48	-0.35	2.01	-1.94	1.23	-1.37	0.40	2.71	4.48	7.56	1.64	1.77	2.87	3.28	1.00	-0.42	4.07
INFORMATION……	50412	51182	52844	50021	51178	52597	52138	52839	53371	54539	53153	53031	56889	55159	51217	51483	53476
% Chg Prev Qtr SAAR……	-0.15	6.26	13.63	-19.72	9.58	11.57	-3.45	5.49	4.08	9.05	-9.79	-0.92	32.43	-11.62	0.75	0.52	3.87
% Chg Same Qtr Last Yr……	0.16	1.91	2.34	-0.81	1.52	2.76	-1.34	5.64	4.28	3.69	1.95	0.36	6.59	1.14	0.75	0.52	3.87
FINANCIAL ACTIVITIES……	58110	57429	56050	57599	56907	57982	57847	59848	60538	61972	63835	62345	61135	60865	57541	57584	61548
% Chg Prev Qtr SAAR……	-3.13	-4.61	-9.26	11.51	-4.72	7.77	-0.92	14.57	4.69	9.82	12.58	-9.01	-7.54	-1.76	0.36	0.08	6.88
% Chg Same Qtr Last Yr……	2.91	0.98	-3.92	-1.66	-2.07	0.96	3.21	3.91	6.38	6.88	10.35	4.17	0.99	-1.79	0.36	0.08	6.88

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
PROFESSIONAL & BUSINESS SERVICES…	43886	44346	45898	45199	46665	46876	47070	48101	47722	47543	48586	49150	50060	49938	44770	46453	47988
% Chg Prev Qtr SAAR………	-9.13	4.26	14.75	-5.96	13.62	1.82	1.67	9.05	-3.11	-1.50	9.07	4.73	7.62	-0.97	5.28	3.76	3.30
% Chg Same Qtr Last Yr………	3.98	3.16	4.92	0.56	6.33	5.70	2.55	6.42	2.27	1.42	3.22	2.18	4.90	5.04	5.28	3.76	3.30
EDUCATION & HEALTH SERVICES………	42606	43206	42879	43410	43670	43919	43971	44471	44267	44266	44622	43690	45113	45766	42726	43743	44407
% Chg Prev Qtr SAAR………	3.78	5.75	-2.99	5.05	2.42	2.29	0.48	4.63	-1.82	-0.01	3.25	-8.10	13.69	5.92	2.84	2.38	1.52
% Chg Same Qtr Last Yr………	3.43	4.24	0.82	2.84	2.50	1.65	2.55	2.45	1.37	0.79	1.48	-1.76	1.91	3.39	2.84	2.38	1.52
LEISURE & HOSPITALITY………	19616	19717	19425	19299	19595	19921	19893	20469	20773	20943	21512	20931	21045	21282	19717	19677	20924
% Chg Prev Qtr SAAR………	-9.44	2.08	-5.79	-2.57	6.28	6.81	-0.57	12.10	6.07	3.31	11.32	-10.37	2.19	4.59	-2.70	-0.20	6.34
% Chg Same Qtr Last Yr………	-2.11	-0.92	-8.94	-4.02	-0.10	1.03	2.41	6.06	6.01	5.13	8.14	2.26	1.31	1.62	-2.70	-0.20	6.34
OTHER SERVICES………	37157	37063	37372	36715	37366	37439	38267	37435	37707	39261	38432	40248	39901	40086	37110	37447	38209
% Chg Prev Qtr SAAR………	3.42	-1.00	3.38	-6.85	7.27	0.78	9.15	-8.42	2.94	17.54	-8.18	20.28	-3.41	1.87	3.41	0.91	2.04
% Chg Same Qtr Last Yr………	4.07	3.83	2.03	-0.35	0.56	1.01	2.39	1.96	0.91	4.87	0.43	7.51	5.82	2.10	3.41	0.91	2.04
GOVERNMENT………	38890	39174	38899	39178	39381	38942	39066	39591	39762	39782	39712	40042	41042	40564	38943	39142	39712
% Chg Prev Qtr SAAR………	0.84	2.96	-2.78	2.90	2.09	-4.38	1.27	5.49	1.73	0.20	-0.70	3.37	10.38	-4.58	2.81	0.51	1.46
% Chg Same Qtr Last Yr………	2.41	4.17	1.24	0.95	1.26	-0.59	0.43	1.05	0.97	2.15	1.65	1.14	3.22	1.97	2.81	0.51	1.46
FEDERAL, CIVILIAN………	64530	62771	62365	64028	64089	63316	64871	67033	63661	67006	69722	70679	73503	72225	63264	64076	66856
% Chg Prev Qtr SAAR………	7.39	-10.46	-2.56	11.10	0.38	-4.74	10.20	14.01	-18.66	22.74	17.23	5.60	16.97	-6.77	0.39	1.28	4.34
% Chg Same Qtr Last Yr………	1.03	-0.55	-0.34	1.01	-0.68	0.87	4.02	4.69	-0.67	5.83	7.48	5.44	15.46	7.79	0.39	1.28	4.34
STATE & LOCAL………	35590	36073	35821	35902	36092	35719	35633	35960	36232	36015	35750	36020	36835	36457	35769	35837	35989
% Chg Prev Qtr SAAR………	-0.03	5.53	-2.77	0.91	2.13	-4.07	-0.95	3.72	3.06	-2.37	-2.92	3.07	9.36	-4.04	3.43	0.19	0.43
% Chg Same Qtr Last Yr………	2.88	5.19	1.54	0.87	1.41	-0.98	-0.52	0.16	0.39	0.83	0.33	0.17	1.66	1.23	3.43	0.19	0.43

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 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
CIVILIAN LABOR FORCE (THOUS)…………	3055	3081	3068	3041	3060	3064	3041	3031	3061	3070	3065	3074	3138	3134	3056	3052	3057
% Chg Same Qtr Last Yr……………….	1.62	1.40	0.75	0.70	0.16	-0.56	-0.87	-0.33	0.02	0.19	0.78	1.41	2.50	2.10	1.14	-0.15	0.17
EMPLOYED PERSONS (THOUS)………..	2869	2869	2840	2732	2737	2738	2731	2702	2766	2783	2786	2769	2832	2832	2854	2734	2759
% Chg Same Qtr Last Yr……………….	-0.14	-0.73	-1.66	-3.80	-4.61	-4.59	-3.83	-1.09	1.08	1.66	1.99	2.47	2.37	1.77	-0.68	-4.21	0.91
UNEMPLOYED PERSONS (THOUS)…….	186	212	228	310	323	326	310	329	295	287	279	305	306	302	202	317	297
% Chg Same Qtr Last Yr……………….	39.54	43.14	45.17	71.41	73.58	54.07	36.17	6.37	-8.94	-12.11	-9.88	-7.28	3.77	5.32	36.85	57.42	-6.25
PARTICIPATION RATE (PERCENT)………..	62.4	62.8	62.4	61.8	62.1	62.0	61.4	61.0	61.5	61.5	61.3	61.4	62.5	62.3	62.4	61.8	61.3
% Chg Same Qtr Last Yr……………….	0.38	0.26	-0.27	-0.19	-0.61	-1.21	-1.61	-1.17	-0.93	-0.86	-0.18	0.52	1.70	1.39	-0.04	-0.91	-0.79
UNEMPLOYMENT RATE (PERCENT)……….	6.1	6.9	7.4	10.2	10.6	10.6	10.2	10.9	9.6	9.3	9.1	9.9	9.7	9.6	6.6	10.4	9.7

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

Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
CIVILIAN LABOR FORCE (THOUS)…………	3054	3059	3064	3067	3059	3043	3039	3057	3057	3051	3060	3088	3137	3121	3057	3052	3056
% Chg Prev Qtr SAAR……………………	0.72	0.66	0.55	0.41	-0.94	-2.09	-0.52	2.27	0.12	-0.88	1.17	3.71	6.52	-1.97	1.16	-0.14	0.12
% Chg Same Qtr Last Yr…………………	1.50	1.42	0.83	0.58	0.17	-0.52	-0.79	-0.33	-0.07	0.24	0.66	1.01	2.59	2.31	1.16	-0.14	0.12
EMPLOYED PERSONS (THOUS)…………	2865	2849	2823	2773	2733	2716	2720	2741	2758	2763	2773	2795	2833	2816	2854	2735	2759
% Chg Prev Qtr SAAR……………………	-1.77	-2.16	-3.61	-6.88	-5.75	-2.44	0.57	3.23	2.50	0.67	1.44	3.20	5.52	-2.34	-0.72	-4.15	0.86
% Chg Same Qtr Last Yr…………………	-0.25	-0.68	-1.83	-3.63	-4.62	-4.69	-3.67	-1.15	0.94	1.74	1.95	1.95	2.69	1.91	-0.72	-4.15	0.86
UNEMPLOYED PERSONS (THOUS)……	189	210	240	293	327	328	320	315	299	288	287	293	304	305	203	317	297
% Chg Prev Qtr SAAR……………………	50.17	51.25	71.25	121.78	54.18	0.86	-9.21	-5.67	-18.86	-14.34	-1.42	8.68	16.45	1.58	38.14	56.27	-6.22
% Chg Same Qtr Last Yr…………………	38.35	41.96	47.80	71.38	72.51	55.89	33.02	7.43	-8.50	-12.16	-10.34	-7.11	1.68	6.10	38.14	56.27	-6.22
PARTICIPATION RATE (PERCENT)…………	62.4	62.3	62.3	62.3	62.0	61.6	61.4	61.5	61.4	61.1	61.2	61.6	62.5	62.1	62.4	61.8	61.3
% Chg Prev Qtr SAAR……………………	-0.42	-0.47	-0.11	-0.25	-1.59	-2.72	-1.57	1.20	-0.93	-1.91	0.46	2.98	5.78	-2.65	-0.02	-0.90	-0.83
% Chg Same Qtr Last Yr…………………	0.26	0.27	-0.19	-0.31	-0.60	-1.17	-1.53	-1.18	-1.02	-0.81	-0.30	0.13	1.79	1.59	-0.02	-0.90	-0.83
UNEMPLOYMENT RATE (PERCENT)………	6.2	6.9	7.8	9.6	10.7	10.8	10.5	10.3	9.8	9.4	9.4	9.5	9.7	9.8	6.6	10.4	9.7

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 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL TAXABLE SALES...............................	22459	21347	21877	18974	20222	19719	21048	18510	20507	20091	21478	19118	21076	20796	86540	79963	80586
% Chg Same Qtr Last Yr......................	-2.31	-6.23	-9.02	-9.03	-9.96	-7.63	-3.79	-2.44	1.41	1.89	2.04	3.29	2.77	3.51	-5.34	-7.60	0.78
AUTO DEALERS....................................	1984	1869	1370	1447	1577	1703	1430	1622	1802	1826	1648	1795	1896	1899	7306	6158	6898
% Chg Same Qtr Last Yr......................	-15.55	-21.39	-31.93	-30.54	-20.53	-8.83	4.39	12.07	14.29	7.22	15.23	10.67	5.21	4.00	-18.82	-15.72	12.03
PURCHASES FROM MANUFACTURERS....	1095	1030	1019	720	802	827	849	690	858	841	909	745	910	922	4120	3198	3298
% Chg Same Qtr Last Yr......................	-0.48	-8.59	-13.98	-26.34	-26.74	-19.66	-16.61	-4.16	6.99	1.68	7.06	8.05	6.05	9.57	-8.34	-22.37	3.13
MISC DURABLE GOODS.........................	4090	3770	3485	2901	3292	3192	3202	2818	3557	3348	3344	2988	3641	3527	14989	12586	13067
% Chg Same Qtr Last Yr......................	-6.74	-8.95	-15.03	-20.38	-19.52	-15.35	-8.12	-2.87	8.08	4.90	4.43	6.05	2.35	5.33	-9.30	-16.03	3.82
EATING AND DRINKING PLACES.............	2131	2072	1986	1988	2079	2042	1998	1959	2089	2099	2017	1975	2137	2143	8245	8107	8163
% Chg Same Qtr Last Yr......................	-0.71	-4.47	-4.76	-3.27	-2.45	-1.46	0.62	-1.49	0.50	2.77	0.92	0.81	2.29	2.13	-2.05	-1.67	0.69
FOOD STORES.....................................	2152	2182	2359	2072	2137	2134	2262	1992	2106	2134	2290	1994	2134	2143	8434	8606	8521
% Chg Same Qtr Last Yr......................	4.16	0.02	1.62	19.01	-0.69	-2.20	-4.09	-3.88	-1.48	-0.02	1.24	0.13	1.33	0.45	-1.03	2.04	-0.98
LIQUOR STORES..................................	140	136	172	139	145	142	177	139	149	146	182	144	153	152	584	602	617
% Chg Same Qtr Last Yr......................	3.02	3.97	2.78	1.84	3.37	4.04	3.26	0.59	3.07	2.86	2.93	3.13	2.31	4.07	3.66	3.14	2.41
HOTELS AND MOTELS...........................	565	555	519	396	493	501	474	389	494	508	466	405	557	573	2114	1863	1857
% Chg Same Qtr Last Yr......................	-5.60	-9.63	-8.89	-16.76	-12.79	-9.74	-8.68	-1.79	0.39	1.43	-1.52	4.08	12.60	12.84	-5.39	-11.87	-0.28
OTHER RETAIL AND SERVICE.................	6635	6260	7250	5835	6123	5961	7052	5725	6150	6015	7123	5882	6338	6208	26319	24971	25012
% Chg Same Qtr Last Yr......................	0.68	-3.39	-5.14	-5.49	-7.71	-4.78	-2.74	-1.88	0.43	0.91	1.00	2.73	3.06	3.21	-2.49	-5.12	0.16
MISC NONDURABLE GOODS..................	1755	1694	1982	1589	1659	1599	1937	1613	1712	1626	1963	1619	1741	1683	7170	6784	6915
% Chg Same Qtr Last Yr......................	0.86	-2.43	-8.09	-8.65	-5.47	-5.59	-2.28	1.52	3.21	1.67	1.39	0.34	1.68	3.48	-3.05	-5.39	1.93
TRANSPORTATION, COMMUNICATION......	1913	1779	1736	1888	1917	1618	1666	1564	1590	1548	1534	1573	1571	1546	7260	7089	6237
% Chg Same Qtr Last Yr......................	1.75	-1.70	-3.88	3.07	0.19	-9.05	-4.03	-17.13	-17.06	-4.31	-7.93	0.55	-1.22	-0.18	-0.25	-2.36	-12.02
PER CAPITA ($)...	3623	3435	3514	3043	3238	3152	3356	2943	3252	3178	3391	3013	3316	3266	13946	12789	12765
% Chg Same Qtr Last Yr......................	-3.41	-7.22	-9.89	-9.80	-10.64	-8.23	-4.51	-3.28	0.44	0.82	1.06	2.37	1.95	2.76	-6.35	-8.30	-0.19

Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2005 dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL TAXABLE SALES	22183	21358	20707	20323	19975	19748	19951	19847	20222	20113	20386	20514	20766	20817	86606	79996	80568
% Chg Prev Qtr SAAR	-3.09	-14.08	-11.64	-7.23	-6.67	-4.47	4.18	-2.06	7.78	-2.14	5.54	2.53	5.01	0.97	-5.31	-7.63	0.72
% Chg Same Qtr Last Yr	-2.36	-6.08	-9.30	-9.10	-9.96	-7.54	-3.65	-2.34	1.24	1.85	2.18	3.36	2.69	3.50	-5.31	-7.63	0.72
AUTO DEALERS	1901	1727	1524	1483	1510	1575	1594	1661	1725	1687	1841	1838	1813	1754	7292	6162	6913
% Chg Prev Qtr SAAR	-37.67	-31.95	-39.28	-10.40	7.35	18.41	5.04	17.77	16.34	-8.60	41.97	-0.64	-5.27	-12.47	-19.07	-15.50	12.20
% Chg Same Qtr Last Yr	-15.76	-21.27	-31.73	-30.69	-20.60	-8.81	4.59	11.98	14.26	7.10	15.47	10.67	5.13	3.99	-19.07	-15.50	12.20
PURCHASES FROM MANUFACTURERS	1075	1005	945	824	784	806	786	796	837	818	840	865	886	895	4129	3199	3291
% Chg Prev Qtr SAAR	-10.04	-23.42	-22.06	-42.21	-17.93	11.62	-9.56	5.52	21.75	-8.61	11.19	12.38	10.17	4.14	-8.22	-22.51	2.87
% Chg Same Qtr Last Yr	-0.98	-8.81	-14.38	-25.37	-27.06	-19.85	-16.82	-3.31	6.71	1.51	6.89	8.59	5.91	9.42	-8.22	-22.51	2.87
MISC DURABLE GOODS	3876	3691	3435	3202	3111	3121	3158	3120	3356	3271	3298	3316	3431	3444	15006	12591	13045
% Chg Prev Qtr SAAR	-12.10	-17.81	-24.97	-24.55	-10.91	1.31	4.85	-4.69	33.79	-9.68	3.25	2.21	14.69	1.52	-9.24	-16.10	3.60
% Chg Same Qtr Last Yr	-7.08	-9.02	-15.00	-20.03	-19.76	-15.45	-8.08	-2.55	7.88	4.83	4.42	6.27	2.25	5.29	-9.24	-16.10	3.60
EATING AND DRINKING PLACES	2082	2031	2014	2051	2028	2003	2027	2022	2036	2059	2044	2042	2081	2102	8248	8108	8161
% Chg Prev Qtr SAAR	-7.03	-9.37	-3.37	7.44	-4.33	-4.78	4.72	-0.86	2.77	4.55	-2.87	-0.36	7.79	4.26	-2.06	-1.69	0.65
% Chg Same Qtr Last Yr	-0.66	-4.51	-4.61	-3.29	-2.59	-1.39	0.62	-1.38	0.40	2.77	0.86	0.98	2.19	2.12	-2.06	-1.69	0.65
FOOD STORES	2181	2155	2212	2218	2164	2113	2118	2132	2130	2118	2141	2134	2156	2133	8410	8612	8521
% Chg Prev Qtr SAAR	88.48	-4.72	10.94	1.09	-9.33	-9.14	0.90	2.70	-0.34	-2.16	4.31	-1.22	4.23	-4.36	-1.22	2.41	-1.06
% Chg Same Qtr Last Yr	4.19	0.09	1.45	19.13	-0.79	-1.96	-4.26	-3.88	-1.58	0.26	1.10	0.12	1.25	0.67	-1.22	2.41	-1.06
LIQUOR STORES	145	145	147	150	150	151	152	151	154	155	156	156	158	161	584	602	616
% Chg Prev Qtr SAAR	-5.01	0.58	4.06	8.19	0.62	2.76	2.00	-2.53	10.25	1.80	2.56	-1.34	6.30	8.72	3.67	3.09	2.36
% Chg Same Qtr Last Yr	2.88	3.83	3.00	1.84	3.32	3.87	3.35	0.69	3.02	2.78	2.92	3.23	2.29	3.99	3.67	3.09	2.36
HOTELS AND MOTELS	532	509	509	477	463	460	466	468	464	467	460	488	521	527	2123	1866	1858
% Chg Prev Qtr SAAR	-25.53	-16.24	-0.42	-22.42	-11.57	-2.48	5.06	2.12	-3.63	2.34	-5.70	26.48	30.30	4.93	-4.86	-12.10	-0.41
% Chg Same Qtr Last Yr	-5.46	-9.54	-8.94	-16.68	-13.02	-9.66	-8.44	-1.93	0.21	1.42	-1.28	4.14	12.30	13.00	-4.86	-12.10	-0.41
OTHER RETAIL AND SERVICE	6738	6519	6402	6328	6217	6203	6231	6210	6238	6262	6296	6376	6429	6465	26359	24979	25006
% Chg Prev Qtr SAAR	2.27	-12.35	-7.03	-4.54	-6.84	-0.85	1.79	-1.35	1.81	1.58	2.18	5.15	3.39	2.27	-2.37	-5.24	0.11
% Chg Same Qtr Last Yr	0.54	-3.55	-4.91	-5.56	-7.74	-4.85	-2.66	-1.86	0.34	0.95	1.04	2.67	3.07	3.24	-2.37	-5.24	0.11
MISC NONDURABLE GOODS	1809	1789	1727	1703	1702	1689	1694	1729	1750	1718	1720	1736	1775	1780	7189	6787	6917
% Chg Prev Qtr SAAR	-11.37	-4.40	-13.09	-5.45	-0.28	-2.97	1.09	8.59	4.99	-7.12	0.43	3.88	9.21	1.02	-2.83	-5.59	1.91
% Chg Same Qtr Last Yr	0.40	-2.35	-7.75	-8.65	-5.92	-5.57	-1.93	1.52	2.84	1.72	1.55	0.43	1.43	3.58	-2.83	-5.59	1.91
TRANSPORTATION, COMMUNICATION	1843	1786	1793	1888	1847	1627	1727	1558	1533	1558	1591	1564	1516	1555	7267	7089	6240
% Chg Prev Qtr SAAR	-0.29	-11.99	1.71	22.95	-8.36	-39.88	26.90	-33.68	-6.27	6.74	8.70	-6.65	-11.79	10.83	-0.35	-2.45	-11.97
% Chg Same Qtr Last Yr	1.91	-1.49	-3.38	2.35	0.21	-8.89	-3.71	-17.48	-17.01	-4.21	-7.85	0.38	-1.13	-0.20	-0.35	-2.45	-11.97
PER CAPITA ($)	3579	3437	3326	3259	3198	3157	3181	3156	3207	3181	3219	3233	3267	3269	13958	12795	12763
% Chg Prev Qtr SAAR	-4.11	-14.98	-12.22	-7.83	-7.28	-5.10	3.08	-3.09	6.65	-3.16	4.78	1.79	4.26	0.25	-6.33	-8.34	-0.25
% Chg Same Qtr Last Yr	-3.46	-7.07	-10.17	-9.88	-10.63	-8.14	-4.38	-3.17	0.28	0.78	1.20	2.45	1.87	2.75	-6.33	-8.34	-0.25

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

Table 19: Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) **January 2012**

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL TAXABLE SALES	24492	23528	23770	20528	21982	21595	23209	20504	22735	22328	23985	21555	23956	23773	94284	87315	89553
% Chg Same Qtr Last Yr	1.30	-2.26	-7.48	-8.74	-10.25	-8.22	-2.36	-0.12	3.42	3.40	3.34	5.13	5.37	6.47	-2.28	-7.39	2.56
AUTO DEALERS	2164	2059	1489	1566	1714	1866	1577	1796	1998	2030	1841	2023	2155	2171	7959	6722	7665
% Chg Same Qtr Last Yr	-12.42	-18.06	-30.77	-30.32	-20.78	-9.42	5.94	14.74	16.56	8.81	16.70	12.64	7.87	6.98	-16.15	-15.53	14.02
PURCHASES FROM MANUFACTURERS	1194	1135	1107	779	872	906	937	764	951	935	1015	840	1034	1054	4489	3493	3666
% Chg Same Qtr Last Yr	3.20	-4.72	-12.52	-26.11	-26.98	-20.17	-15.37	-1.87	9.12	3.19	8.42	9.97	8.73	12.71	-5.37	-22.19	4.94
MISC DURABLE GOODS	4460	4156	3787	3138	3578	3495	3531	3121	3944	3721	3735	3369	4139	4031	16332	13743	14520
% Chg Same Qtr Last Yr	-3.29	-5.09	-13.59	-20.13	-19.78	-15.90	-6.75	-0.55	10.22	6.46	5.76	7.94	4.94	8.35	-6.33	-15.85	5.66
EATING AND DRINKING PLACES	2324	2284	2158	2151	2260	2236	2204	2170	2316	2332	2252	2226	2429	2450	8983	8851	9070
% Chg Same Qtr Last Yr	2.97	-0.43	-3.14	-2.96	-2.77	-2.09	2.12	0.86	2.50	4.29	2.21	2.61	4.87	5.05	1.14	-1.47	2.48
FOOD STORES	2347	2405	2563	2242	2323	2337	2495	2206	2335	2371	2558	2248	2425	2450	9192	9397	9470
% Chg Same Qtr Last Yr	8.02	4.26	3.35	19.38	-1.01	-2.82	-2.66	-1.58	0.48	1.46	2.53	1.91	3.89	3.33	2.19	2.22	0.78
LIQUOR STORES	153	150	186	150	157	155	195	154	165	162	204	162	173	174	636	658	685
% Chg Same Qtr Last Yr	6.84	8.38	4.53	2.17	3.04	3.37	4.80	2.99	5.12	4.38	4.24	4.96	4.89	7.05	6.94	3.43	4.20
HOTELS AND MOTELS	616	612	563	428	535	548	522	431	548	565	521	456	633	655	2304	2034	2064
% Chg Same Qtr Last Yr	-2.10	-5.80	-7.34	-16.50	-13.07	-10.32	-7.32	0.55	2.39	2.93	-0.26	5.93	15.45	16.07	-2.32	-11.70	1.47
OTHER RETAIL AND SERVICE	7236	6900	7878	6313	6656	6528	7776	6342	6818	6685	7954	6631	7204	7097	28671	27273	27798
% Chg Same Qtr Last Yr	4.41	0.71	-3.53	-5.19	-8.01	-5.39	-1.29	0.45	2.42	2.40	2.29	4.56	5.66	6.17	0.63	-4.88	1.93
MISC NONDURABLE GOODS	1913	1867	2153	1719	1803	1752	2135	1787	1898	1807	2193	1825	1979	1924	7810	7409	7685
% Chg Same Qtr Last Yr	4.59	1.70	-6.53	-8.36	-5.77	-6.19	-0.83	3.94	5.27	3.18	2.68	2.13	4.25	6.44	0.03	-5.13	3.72
TRANSPORTATION, COMMUNICATION	2086	1961	1886	2042	2084	1772	1837	1733	1763	1721	1713	1774	1785	1767	7909	7735	6930
% Chg Same Qtr Last Yr	5.52	2.47	-2.25	3.39	-0.13	-9.63	-2.60	-15.15	-15.41	-2.89	-6.75	2.35	1.28	2.68	3.00	-2.19	-10.42
PER CAPITA ($)	3951	3786	3818	3292	3520	3452	3700	3260	3606	3532	3787	3397	3769	3733	15194	13964	14185
% Chg Same Qtr Last Yr	0.17	-3.29	-8.36	-9.52	-10.92	-8.82	-3.09	-0.97	2.44	2.31	2.35	4.20	4.53	5.71	-3.32	-8.09	1.58

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

January 2012

	Historical Data														Annual		
	2008:2	2008:3	2008:4	2009:1	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2008	2009	2010
TOTAL TAXABLE SALES……………………………	24191	23540	22499	21988	21713	21626	21999	21985	22419	22353	22766	23129	23604	23797	94344	87326	89523
% Chg Prev Qtr SAAR………………………	1.30	-10.34	-16.56	-8.77	-4.91	-1.59	7.07	-0.24	8.13	-1.18	7.59	6.53	8.48	3.31	-2.22	-7.44	2.52
% Chg Same Qtr Last Yr……………………	1.25	-2.10	-7.76	-8.81	-10.24	-8.13	-2.22	-0.01	3.25	3.36	3.49	5.20	5.29	6.46	-2.22	-7.44	2.52
AUTO DEALERS…………………………………	2073	1903	1656	1605	1641	1725	1758	1840	1912	1874	2056	2072	2061	2005	7941	6728	7682
% Chg Prev Qtr SAAR………………………	-34.85	-28.99	-42.66	-11.89	9.39	21.98	7.96	19.96	16.72	-7.70	44.74	3.24	-2.15	-10.45	-16.46	-15.27	14.18
% Chg Same Qtr Last Yr……………………	-12.64	-17.94	-30.57	-30.47	-20.85	-9.39	6.14	14.65	16.53	8.68	16.95	12.64	7.78	6.97	-16.46	-15.27	14.18
PURCHASES FROM MANUFACTURERS….	1172	1108	1026	891	852	883	867	882	928	909	938	975	1007	1023	4497	3492	3657
% Chg Prev Qtr SAAR………………………	-5.97	-20.09	-26.40	-43.17	-16.38	14.98	-7.06	7.48	22.15	-7.71	13.35	16.77	13.81	6.55	-5.22	-22.34	4.71
% Chg Same Qtr Last Yr……………………	2.69	-4.94	-12.92	-25.13	-27.29	-20.37	-15.58	-1.00	8.83	3.01	8.26	10.52	8.58	12.56	-5.22	-22.34	4.71
MISC DURABLE GOODS………………………	4227	4068	3732	3464	3381	3418	3482	3456	3720	3636	3682	3738	3900	3937	16346	13745	14495
% Chg Prev Qtr SAAR………………………	-8.12	-14.23	-29.14	-25.81	-9.22	4.36	7.76	-2.92	34.23	-8.79	5.26	6.20	18.48	3.87	-6.28	-15.91	5.45
% Chg Same Qtr Last Yr……………………	-3.64	-5.17	-13.55	-19.77	-20.02	-15.99	-6.71	-0.23	10.02	6.38	5.76	8.16	4.84	8.30	-6.28	-15.91	5.45
EATING AND DRINKING PLACES………….	2270	2239	2188	2219	2204	2194	2235	2240	2257	2288	2282	2302	2365	2403	8984	8851	9068
% Chg Prev Qtr SAAR………………………	-2.83	-5.43	-8.75	5.65	-2.52	-1.91	7.63	0.99	3.11	5.58	-0.98	3.53	11.35	6.67	1.13	-1.48	2.44
% Chg Same Qtr Last Yr……………………	3.02	-0.46	-2.99	-2.98	-2.91	-2.02	2.11	0.97	2.39	4.29	2.14	2.78	4.78	5.05	1.13	-1.48	2.44
FOOD STORES…………………………………	2379	2375	2403	2399	2352	2314	2335	2361	2361	2354	2391	2406	2451	2438	9165	9401	9468
% Chg Prev Qtr SAAR………………………	97.01	-0.58	4.76	-0.60	-7.61	-6.40	3.70	4.61	-0.02	-1.20	6.35	2.63	7.67	-2.15	2.03	2.57	0.71
% Chg Same Qtr Last Yr……………………	8.05	4.33	3.18	19.51	-1.11	-2.59	-2.83	-1.58	0.38	1.75	2.39	1.90	3.80	3.55	2.03	2.57	0.71
LIQUOR STORES………………………………	158	160	159	162	163	165	167	167	171	172	174	175	179	184	636	657	685
% Chg Prev Qtr SAAR………………………	-0.71	4.96	-1.74	6.38	2.53	5.86	4.83	-0.71	10.61	2.80	4.56	2.51	9.81	11.23	7.05	3.31	4.18
% Chg Same Qtr Last Yr……………………	6.69	8.22	4.75	2.16	2.99	3.21	4.89	3.10	5.07	4.30	4.23	5.07	4.88	6.97	7.05	3.31	4.18
HOTELS AND MOTELS………………………	580	561	553	517	503	504	514	519	514	519	513	550	592	603	2312	2037	2065
% Chg Prev Qtr SAAR………………………	-22.16	-12.60	-5.97	-23.72	-9.89	0.46	7.97	4.02	-3.32	3.34	-3.87	31.41	34.60	7.36	-1.78	-11.90	1.37
% Chg Same Qtr Last Yr……………………	-1.96	-5.71	-7.40	-16.42	-13.30	-10.23	-7.08	0.41	2.20	2.92	-0.02	6.00	15.13	16.24	-1.78	-11.90	1.37
OTHER RETAIL AND SERVICE………………	7348	7185	6955	6846	6758	6794	6871	6879	6915	6959	7031	7188	7308	7391	28715	27268	27785
% Chg Prev Qtr SAAR………………………	6.89	-8.54	-12.21	-6.13	-5.08	2.14	4.62	0.48	2.14	2.58	4.17	9.25	6.80	4.64	0.81	-5.04	1.89
% Chg Same Qtr Last Yr……………………	4.26	0.54	-3.29	-5.26	-8.03	-5.45	-1.22	0.48	2.33	2.44	2.33	4.50	5.67	6.20	0.81	-5.04	1.89
MISC NONDURABLE GOODS…………………	1973	1971	1876	1843	1850	1850	1867	1915	1940	1909	1921	1958	2018	2034	7831	7410	7685
% Chg Prev Qtr SAAR………………………	-7.36	-0.25	-17.93	-7.03	1.61	-0.05	3.90	10.61	5.33	-6.20	2.38	7.94	12.82	3.35	0.33	-5.38	3.72
% Chg Same Qtr Last Yr……………………	4.12	1.79	-6.18	-8.36	-6.22	-6.18	-0.48	3.94	4.88	3.23	2.85	2.22	3.99	6.54	0.33	-5.38	3.72
TRANSPORTATION, COMMUNICATION……	2010	1968	1948	2043	2008	1781	1904	1726	1700	1732	1777	1763	1723	1778	7916	7736	6934
% Chg Prev Qtr SAAR………………………	4.23	-8.17	-3.96	20.90	-6.63	-38.06	30.42	-32.45	-5.97	7.80	10.82	-3.01	-8.88	13.39	2.89	-2.27	-10.37
% Chg Same Qtr Last Yr……………………	5.68	2.68	-1.74	2.67	-0.11	-9.48	-2.28	-15.51	-15.36	-2.79	-6.67	2.17	1.36	2.66	2.89	-2.27	-10.37
PER CAPITA ($)………………………………………	3903	3788	3614	3526	3477	3457	3507	3496	3555	3536	3594	3645	3713	3737	15205	13967	14182
% Chg Prev Qtr SAAR………………………	0.23	-11.29	-17.11	-9.37	-5.53	-2.24	5.94	-1.29	7.00	-2.21	6.82	5.77	7.70	2.57	-3.27	-8.14	1.53
% Chg Same Qtr Last Yr……………………	0.12	-3.13	-8.64	-9.59	-10.92	-8.73	-2.96	-0.86	2.27	2.28	2.49	4.27	4.44	5.70	-3.27	-8.14	1.53

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

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
US GDP (Bil2005$) SAAR	10770.6	11216.4	11337.5	11543.1	11836.4	12246.9	12623.0	12958.5	13206.4	13161.9	12703.1	13088.0
Percentage change	4.83	4.14	1.08	1.81	2.54	3.47	3.07	2.66	1.91	-0.34	-3.49	3.03
US GDP (Bil$) SAAR	9353.5	9951.5	10286.2	10642.3	11142.2	11853.3	12623.0	13377.2	14028.7	14291.6	13938.9	14526.6
Percentage change	6.37	6.39	3.36	3.46	4.70	6.38	6.49	5.98	4.87	1.87	-2.47	4.22
TN PERSONAL INCOME (MIL2005$) SAAR	163225	169475	173105	175931	179406	184307	187669	194909	200315	201441	195262	199977
Percentage change	3.32	3.83	2.14	1.63	1.98	2.73	1.82	3.86	2.77	0.56	-3.07	2.41
US PERSONAL INCOME (BIL2005$) SAAR	9026	9529	9705	9765	9907	10231	10485	10969	11291	11438	10929	11136
Percentage change	3.45	5.57	1.85	0.62	1.45	3.27	2.48	4.61	2.94	1.30	-4.45	1.89
TN PERSONAL INCOME (MIL$) SAAR	143053	152225	158443	163227	169829	179011	187680	200227	211342	219448	213156	222204
Percentage change	4.99	6.41	4.08	3.02	4.04	5.41	4.84	6.69	5.55	3.84	-2.87	4.24
US PERSONAL INCOME (BIL$) SAAR	7911	8559	8883	9060	9378	9937	10486	11268	11912	12460	11930	12374
Percentage change	5.12	8.20	3.78	1.99	3.51	5.96	5.52	7.46	5.72	4.60	-4.25	3.72
TN NONFARM JOBS (THOUS)	2684.0	2727.7	2688.6	2664.9	2662.6	2705.9	2742.9	2782.7	2797.3	2775.2	2619.6	2612.6
Percentage change	1.79	1.63	-1.43	-0.88	-0.09	1.62	1.37	1.45	0.53	-0.79	-5.61	-0.27
US NONFARM JOBS (MIL)	129.0	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6	136.8	130.8	129.8
Percentage change	2.44	2.17	0.03	-1.13	-0.26	1.09	1.73	1.79	1.10	-0.59	-4.38	-0.74
TN MFG JOBS (THOUS)	499.8	493.0	454.2	428.5	413.2	411.8	408.8	399.4	379.9	360.9	309.2	297.8
Percentage change	-0.78	-1.36	-7.87	-5.66	-3.56	-0.35	-0.74	-2.30	-4.87	-4.99	-14.33	-3.68
US MFG JOBS (MIL)	17.3	17.3	16.4	15.3	14.5	14.3	14.2	14.2	13.9	13.4	11.8	11.5
Percentage change	-1.35	-0.33	-4.78	-7.20	-4.90	-1.34	-0.62	-0.49	-1.97	-3.42	-11.62	-2.69
TN UNEMPLOYMENT RATE (%)	4.2	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.9	6.6	10.4	9.7
US UNEMPLOYMENT RATE (%)	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6
CHAINED PRICE INDEX, GDP (2005=100.0)	86.8	88.7	90.7	92.2	94.1	96.8	100.0	103.2	106.2	108.6	109.7	111.0
Percentage change	1.47	2.17	2.26	1.61	2.11	2.81	3.32	3.24	2.90	2.20	1.08	1.16
US PERS CONSUMP DEFL (2005=100.0)	87.6	89.8	91.5	92.8	94.7	97.1	100.0	102.7	105.5	108.9	109.2	111.1
Percentage change	1.61	2.49	1.91	1.36	2.03	2.60	2.96	2.72	2.70	3.26	0.21	1.78
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	1.666	1.722	1.770	1.799	1.840	1.889	1.953	2.016	2.073	2.153	2.145	2.181
Percentage change	2.19	3.37	2.82	1.60	2.30	2.67	3.37	3.22	2.87	3.82	-0.33	1.65
BANK PRIME INTEREST RATE (%)	8.0	9.2	6.9	4.7	4.1	4.3	6.2	8.0	8.1	5.1	3.3	3.3
FEDERAL FUNDS RATE (% per annum)	4.970	6.236	3.888	1.667	1.128	1.349	3.213	4.964	5.019	1.928	0.160	0.175
30-YEAR FIXED MORTGAGE RATE (%)	7.4	8.1	7.0	6.5	5.8	5.8	5.9	6.4	6.3	6.0	5.0	4.7
TN TAXABLE SALES (MIL2005$)	82534	83128	81421	81343	83186	85174	88273	90246	91463	86606	79996	80568
Percentage change	7.44	0.72	-2.05	-0.10	2.27	2.39	3.64	2.23	1.35	-5.31	-7.63	0.72
TN TAXABLE SALES (MIL$)	72333	74658	74524	75468	78749	82724	88282	92707	96489	94344	87326	89523
Percentage change	9.16	3.21	-0.18	1.27	4.35	5.05	6.72	5.01	4.08	-2.22	-7.44	2.52
TN AVG ANNUAL WAGE, NONFARM (2005$)	34030	34364	34769	35461	35909	36482	36429	37170	37745	37365	37504	38139
Percentage change	2.01	0.98	1.18	1.99	1.27	1.59	-0.14	2.03	1.55	-1.00	0.37	1.69
TN AVG ANNUAL WAGE, NONFARM ($)	29823	30865	31825	32899	33992	35433	36429	38184	39821	40705	40942	42377
Percentage change	3.65	3.49	3.11	3.38	3.32	4.24	2.81	4.82	4.29	2.22	0.58	3.50

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
US GDP (2005$) SAAR	38503	39664	39684	40015	40650	41678	42563	43278	43673	43134	41271	42157
Percentage change	3.64	3.01	0.05	0.83	1.59	2.53	2.12	1.68	0.91	-1.23	-4.32	2.15
US GDP ($) SAAR	33437	35190	36004	36892	38266	40338	42563	44677	46392	46836	45286	46791
Percentage change	5.16	5.24	2.31	2.47	3.72	5.42	5.51	4.97	3.84	0.96	-3.31	3.32
TN PERSONAL INCOME (2005$) SAAR	29747	29971	30135	30366	30700	31233	31413	32176	32635	32465	31231	31679
Percentage change	2.17	0.75	0.55	0.77	1.10	1.73	0.58	2.43	1.42	-0.52	-3.80	1.43
US PERSONAL INCOME (2005$) SAAR	32268	33697	33971	33852	34024	34817	35354	36633	37339	37483	35507	35869
Percentage change	2.28	4.43	0.81	-0.35	0.51	2.33	1.54	3.62	1.92	0.39	-5.27	1.02
TN PERSONAL INCOME ($) SAAR	26070	26919	27583	28173	29061	30335	31413	33053	34430	35366	34093	35200
Percentage change	3.82	3.26	2.47	2.14	3.15	4.38	3.56	5.22	4.16	2.72	-3.60	3.25
US PERSONAL INCOME ($) SAAR	28280	30268	31094	31407	32208	33818	35357	37633	39393	40834	38760	39856
Percentage change	3.93	7.03	2.73	1.01	2.55	5.00	4.55	6.44	4.68	3.66	-5.08	2.83
TN TAXABLE SALES (2005$)	15042	14703	14174	14040	14235	14434	14775	14898	14901	13958	12795	12763
Percentage change	6.25	-2.25	-3.60	-0.95	1.39	1.40	2.36	0.83	0.02	-6.33	-8.34	-0.25
TN TAXABLE SALES ($)	13182	13205	12974	13026	13475	14018	14776	15304	15720	15205	13967	14182
Percentage change	7.95	0.17	-1.75	0.40	3.45	4.03	5.41	3.57	2.72	-3.27	-8.14	1.53

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

Table 3: Tennessee Personal Income Components (millions of 2005 dollars) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TN PERSONAL INCOME………….………	163225	169475	173105	175931	179406	184307	187669	194909	200315	201441	195262	199977
Percentage change…………………	3.32	3.83	2.14	1.63	1.98	2.73	1.82	3.86	2.77	0.56	-3.07	2.41
WAGES AND SALARIES………………	91930	94343	94103	95234	96476	99584	100795	104300	106486	104623	99216	100595
Percentage change…………………	3.84	2.62	-0.25	1.20	1.30	3.22	1.22	3.48	2.10	-1.75	-5.17	1.39
OTHER LABOR INCOME………………	18028	18633	19504	21084	23216	23339	23834	23663	23535	24000	24193	24329
Percentage change…………………	3.67	3.36	4.67	8.10	10.11	0.53	2.12	-0.72	-0.54	1.97	0.81	0.56
PROPRIETORS INCOME…………….	19555	20761	22705	23665	23757	25515	25627	26522	24848	22613	21624	22513
Percentage change…………………	7.55	6.17	9.36	4.23	0.39	7.40	0.44	3.49	-6.31	-8.99	-4.37	4.11
RENT, INTEREST, DIVIDENDS………	24970	25988	25434	23261	22359	21632	21874	24575	27468	29798	25045	24732
Percentage change…………………	-0.56	4.08	-2.13	-8.54	-3.88	-3.25	1.12	12.35	11.77	8.48	-15.95	-1.25
TRANSFER PAYMENTS………………	24265	25708	27500	29172	30288	31371	32576	33140	35537	37657	41835	44525
Percentage change…………………	2.91	5.95	6.97	6.08	3.83	3.58	3.84	1.73	7.23	5.96	11.09	6.43
LESS: PERS CONT FOR SOC INS….	14101	14383	14556	14952	15247	15648	15842	16241	16525	16441	16157	16175
Percentage change…………………	3.86	2.00	1.20	2.72	1.97	2.64	1.24	2.52	1.74	-0.51	-1.73	0.11
RESIDENCE ADJUSTMENT………….	-1423	-1576	-1585	-1532	-1443	-1486	-1195	-1051	-1035	-809	-495	-542
Percentage change…………………	15.06	10.76	0.54	-3.34	-5.78	2.93	-19.58	-12.00	-1.59	-21.79	-38.77	9.45
PER CAPITA PERSONAL INCOME ($)….	29747	29971	30135	30366	30700	31233	31413	32176	32635	32465	31231	31679
Percentage change…………………	2.17	0.75	0.55	0.77	1.10	1.73	0.58	2.43	1.42	-0.52	-3.80	1.43

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

Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TN PERSONAL INCOME…………..………	143053	152225	158443	163227	169829	179011	187680	200227	211342	219448	213156	222204
Percentage change…………………	4.99	6.41	4.08	3.02	4.04	5.41	4.84	6.69	5.55	3.84	-2.87	4.24
WAGES AND SALARIES………………	80569	84737	86132	88355	91326	96724	100799	107146	112347	113970	108306	111775
Percentage change…………………	5.52	5.17	1.65	2.58	3.36	5.91	4.21	6.30	4.85	1.45	-4.97	3.20
OTHER LABOR INCOME………………	15801	16737	17853	19564	21977	22666	23834	24308	24830	26146	26411	27033
Percentage change…………………	5.34	5.93	6.66	9.59	12.33	3.14	5.15	1.99	2.15	5.30	1.01	2.35
PROPRIETORS INCOME………………	17140	18649	20781	21957	22490	24783	25630	27244	26209	24633	23608	25016
Percentage change…………………	9.28	8.81	11.43	5.66	2.43	10.20	3.42	6.30	-3.80	-6.01	-4.16	5.96
RENT, INTEREST, DIVIDENDS………	21884	23342	23279	21578	21164	21010	21879	25249	28987	32465	27334	27480
Percentage change…………………	1.05	6.66	-0.27	-7.31	-1.92	-0.73	4.14	15.41	14.80	12.00	-15.80	0.53
TRANSFER PAYMENTS………………	21265	23093	25171	27066	28672	30469	32575	34044	37495	41026	45675	49475
Percentage change…………………	4.57	8.59	9.00	7.53	5.93	6.27	6.91	4.51	10.14	9.42	11.33	8.32
LESS: PERS CONT FOR SOC INS….	12358	12918	13323	13872	14433	15198	15842	16684	17434	17910	17637	17972
Percentage change…………………	5.54	4.53	3.13	4.12	4.04	5.30	4.24	5.32	4.49	2.73	-1.52	1.90
RESIDENCE ADJUSTMENT………….	-1247	-1416	-1451	-1421	-1366	-1443	-1195	-1080	-1092	-881	-541	-603
Percentage change…………………	16.92	13.51	2.45	-2.02	-3.87	5.60	-17.21	-9.59	1.09	-19.30	-38.62	11.42
PER CAPITA PERSONAL INCOME ($)….	26070	26919	27583	28173	29061	30335	31413	33053	34430	35366	34093	35200
Percentage change…………………	3.82	3.26	2.47	2.14	3.15	4.38	3.56	5.22	4.16	2.72	-3.60	3.25

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

Table 5: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONFARM	2684.0	2727.7	2688.6	2664.9	2662.6	2705.9	2742.9	2782.7	2797.3	2775.2	2619.6	2612.6
Percentage change	1.79	1.63	-1.43	-0.88	-0.09	1.62	1.37	1.45	0.53	-0.79	-5.61	-0.27
NATURAL RESOURCES, MINING & CONSTRUCTION	128.4	130.9	125.3	119.5	119.6	121.3	125.3	134.3	137.7	132.3	109.9	105.3
Percentage change	1.32	1.97	-4.28	-4.63	0.08	1.41	3.28	7.23	2.54	-3.92	-16.94	-4.18
MANUFACTURING	499.8	493.0	454.2	428.5	413.2	411.8	408.8	399.4	379.9	360.9	309.2	297.8
Percentage change	-0.78	-1.36	-7.87	-5.66	-3.56	-0.35	-0.74	-2.30	-4.87	-4.99	-14.33	-3.68
DURABLE GOODS	304.5	303.8	277.2	259.1	250.9	254.0	254.6	251.8	237.1	220.8	181.8	175.2
Percentage change	1.47	-0.24	-8.76	-6.54	-3.15	1.25	0.22	-1.11	-5.83	-6.85	-17.67	-3.66
NONDURABLE GOODS	195.3	189.3	177.1	169.5	162.3	157.8	154.2	147.6	142.8	140.1	127.4	122.7
Percentage change	-4.10	-3.10	-6.45	-4.29	-4.20	-2.82	-2.28	-4.25	-3.24	-1.91	-9.08	-3.71
TRADE, TRANSPORTATION, UTILITIES	584.1	592.9	590.3	577.0	578.7	587.9	598.0	607.4	610.5	600.3	559.3	554.9
Percentage change	2.53	1.50	-0.43	-2.25	0.30	1.58	1.73	1.57	0.52	-1.67	-6.82	-0.79
WHOLESALE TRADE	133.5	132.9	127.6	126.5	126.5	128.0	130.3	132.1	133.0	131.7	120.7	117.4
Percentage change	0.80	-0.38	-4.03	-0.82	0.00	1.13	1.82	1.36	0.71	-0.99	-8.35	-2.75
RETAIL TRADE	314.8	320.0	319.3	312.3	313.2	319.6	324.3	328.3	330.5	325.4	307.0	306.8
Percentage change	1.87	1.65	-0.23	-2.17	0.26	2.05	1.48	1.23	0.67	-1.55	-5.66	-0.05
TRANSPORTATION & UTILITIES	135.9	140.0	143.5	138.1	139.0	140.3	143.4	147.0	147.0	143.2	131.7	130.7
Percentage change	5.90	3.01	2.51	-3.72	0.64	0.91	2.22	2.52	-0.01	-2.58	-8.05	-0.72
INFORMATION	53.4	55.3	55.4	53.3	51.2	49.5	49.4	49.6	50.3	50.5	46.9	44.8
Percentage change	3.24	3.59	0.27	-3.76	-4.06	-3.26	-0.19	0.32	1.43	0.45	-7.09	-4.44
FINANCIAL ACTIVITIES	141.8	140.6	138.5	138.2	139.8	141.9	143.3	143.6	144.9	145.1	140.5	137.5
Percentage change	2.82	-0.82	-1.49	-0.21	1.14	1.47	0.99	0.19	0.93	0.15	-3.16	-2.13
PROFESSIONAL & BUSINESS SERVICES	290.5	304.0	299.1	296.4	287.4	302.4	312.5	319.0	322.5	321.2	294.0	304.4
Percentage change	7.18	4.66	-1.61	-0.90	-3.05	5.23	3.35	2.06	1.11	-0.41	-8.47	3.55
EDUCATION & HEALTH SERVICES	275.2	281.7	285.8	300.1	312.7	320.7	330.3	340.7	349.9	358.7	365.8	372.8
Percentage change	-0.03	2.37	1.49	5.00	4.20	2.56	2.98	3.16	2.70	2.51	1.98	1.91
LEISURE & HOSPITALITY	228.8	235.7	235.6	239.9	246.7	253.6	262.1	270.2	276.4	273.8	263.4	261.6
Percentage change	1.48	3.02	-0.05	1.82	2.83	2.82	3.33	3.09	2.29	-0.91	-3.82	-0.66
OTHER SERVICES	91.9	94.5	101.1	101.6	102.3	101.7	100.7	101.7	104.0	104.6	102.0	100.4
Percentage change	2.49	2.86	6.94	0.53	0.62	-0.57	-0.99	0.99	2.25	0.61	-2.45	-1.58
GOVERNMENT	390.2	399.0	403.2	410.2	411.0	415.1	412.6	416.9	421.3	427.7	428.5	432.9
Percentage change	1.20	2.27	1.04	1.75	0.19	1.00	-0.60	1.04	1.04	1.53	0.18	1.02
FEDERAL, CIVILIAN	51.2	53.7	51.5	51.8	51.2	50.1	49.2	48.8	48.8	49.4	50.2	52.4
Percentage change	0.84	4.82	-4.05	0.65	-1.24	-2.10	-1.86	-0.76	-0.07	1.23	1.55	4.39
STATE & LOCAL	339.0	345.4	351.7	358.4	359.8	365.0	363.4	368.1	372.5	378.3	378.3	380.5
Percentage change	1.25	1.88	1.83	1.92	0.40	1.44	-0.43	1.29	1.19	1.56	0.00	0.57
STATISTICAL DISCREPANCY (%)	0.00	0.00	-0.01	-0.01	0.00	0.00	0.00	-0.01	-0.01	0.00	0.01	0.00

Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL DURABLE GOODS	304.5	303.8	277.2	259.1	250.9	254.0	254.6	251.8	237.1	220.8	181.8	175.2
Percentage change	1.47	-0.24	-8.76	-6.54	-3.15	1.25	0.22	-1.11	-5.83	-6.85	-17.67	-3.66
WOOD PRODUCTS	19.7	19.8	17.8	17.6	16.7	17.4	17.7	17.9	16.1	14.3	11.3	10.8
Percentage change	-4.92	0.45	-9.89	-1.58	-4.74	4.07	1.91	0.95	-10.14	-11.25	-20.84	-4.29
NONMETALLIC MINERALS	16.1	16.4	15.7	15.1	15.6	15.7	15.9	16.1	15.5	14.2	11.6	11.2
Percentage change	3.07	1.73	-4.47	-3.41	2.93	0.64	1.74	1.04	-3.52	-8.38	-18.89	-2.71
PRIMARY METALS	17.8	17.5	15.3	12.6	11.8	12.1	12.0	11.8	11.7	11.1	9.0	8.8
Percentage change	3.28	-1.64	-12.67	-17.38	-6.73	2.90	-0.97	-1.54	-0.85	-4.97	-18.85	-2.77
FABRICATED METALS	46.1	45.5	43.2	41.4	41.4	41.7	42.6	43.4	41.5	39.7	33.6	32.9
Percentage change	0.71	-1.37	-4.95	-4.12	-0.05	0.68	2.23	1.92	-4.46	-4.30	-15.38	-2.08
MACHINERY	43.3	43.5	39.9	35.9	33.2	34.3	33.9	33.2	32.0	31.2	26.0	24.7
Percentage change	3.53	0.60	-8.43	-9.86	-7.52	3.21	-1.16	-1.98	-3.69	-2.50	-16.63	-5.03
COMPUTERS & ELECTRONICS	15.7	16.7	15.3	12.9	11.7	11.3	10.4	9.3	8.1	7.4	6.2	5.7
Percentage change	1.51	6.56	-8.54	-15.65	-9.59	-3.39	-7.48	-11.27	-12.55	-8.26	-16.07	-9.24
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	30.1	29.2	26.3	25.0	23.6	23.1	23.5	23.2	22.1	20.6	17.8	16.8
Percentage change	0.02	-3.11	-9.68	-4.94	-5.66	-2.22	1.65	-1.36	-4.67	-6.94	-13.51	-5.65
TRANSPORTATION EQUIPMENT	68.5	68.5	62.3	60.0	60.2	62.9	63.9	63.7	58.6	52.5	40.5	39.7
Percentage change	3.69	0.00	-9.08	-3.68	0.28	4.53	1.59	-0.27	-7.99	-10.45	-22.96	-1.83
FURNITURE	27.9	27.6	23.6	21.3	19.9	19.6	19.2	17.7	16.0	14.2	10.8	9.7
Percentage change	0.73	-1.07	-14.37	-9.92	-6.59	-1.34	-2.04	-7.71	-9.73	-11.07	-24.28	-9.75
MISCELLANEOUS DURABLES	19.3	19.0	17.7	17.1	16.8	15.9	15.3	15.3	15.4	15.5	15.0	14.8
Percentage change	-1.52	-1.24	-7.00	-3.40	-1.76	-5.21	-3.83	0.16	0.18	0.98	-2.99	-1.51

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

Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONDURABLE GOODS	195.3	189.3	177.1	169.5	162.3	157.8	154.2	147.6	142.8	140.1	127.4	122.7
Percentage change	-4.10	-3.10	-6.45	-4.29	-4.20	-2.82	-2.28	-4.25	-3.24	-1.91	-9.08	-3.71
FOOD	34.4	34.7	35.8	36.0	35.9	34.8	34.3	34.0	32.7	32.5	32.3	32.1
Percentage change	2.81	0.85	3.22	0.61	-0.43	-3.04	-1.38	-0.97	-3.84	-0.62	-0.46	-0.69
BEVERAGE & TOBACCO	6.7	6.8	6.5	6.4	6.1	5.8	5.4	5.2	5.1	5.1	5.1	5.0
Percentage change	1.12	1.37	-4.16	-2.03	-3.77	-6.12	-5.79	-4.31	-2.56	0.15	0.16	-0.98
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	39.7	34.2	28.7	24.5	21.3	19.4	18.0	16.1	15.1	14.8	12.6	11.6
Percentage change	-16.10	-13.88	-16.25	-14.55	-12.94	-8.85	-7.37	-10.55	-6.36	-2.09	-14.93	-7.64
PAPER	21.6	21.5	21.1	20.4	19.6	18.8	18.9	18.3	17.4	17.2	16.2	15.6
Percentage change	1.85	-0.62	-1.83	-3.29	-4.04	-3.93	0.72	-3.21	-5.04	-1.02	-6.14	-3.37
PRINTING & RELATED SUPPORT	24.8	23.8	22.2	20.5	19.9	19.6	18.8	17.8	17.0	15.7	13.3	11.7
Percentage change	-2.29	-4.04	-6.42	-7.77	-3.16	-1.20	-4.32	-5.40	-4.52	-7.53	-15.27	-12.15
CHEMICALS	31.7	31.1	29.0	28.5	28.6	27.6	27.2	26.3	26.9	27.5	25.8	25.3
Percentage change	-3.27	-1.94	-6.69	-1.95	0.36	-3.29	-1.76	-3.15	2.34	2.20	-6.17	-1.87
PLASTICS & RUBBER	31.8	32.7	30.3	30.0	28.2	28.9	29.3	27.6	26.6	25.4	20.4	19.6
Percentage change	-0.26	2.81	-7.40	-1.02	-6.14	2.59	1.46	-5.76	-3.65	-4.40	-19.81	-3.74
MISCELLANEOUS NONDURABLE GOODS	4.5	4.5	3.4	3.2	2.8	2.8	2.3	2.3	2.1	1.9	1.8	1.7
Percentage change	-8.13	-1.28	-23.95	-6.37	-10.48	0.02	-20.22	3.29	-8.59	-9.00	-9.41	-4.71

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

Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2005 dollars) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONFARM	34030	34364	34769	35461	35909	36482	36429	37170	37745	37365	37504	38139
Percentage change	2.01	0.98	1.18	1.99	1.27	1.59	-0.14	2.03	1.55	-1.00	0.37	1.69
NATURAL RESOURCES, MINING AND CONSTRUCTION	38007	38170	38586	38317	38678	38513	39182	40876	42083	41955	41296	41976
Percentage change	3.00	0.43	1.09	-0.70	0.94	-0.43	1.74	4.32	2.95	-0.30	-1.57	1.65
MANUFACTURING	39454	39818	40297	41745	42404	43292	42992	43743	44199	44256	44777	46884
Percentage change	2.48	0.92	1.20	3.59	1.58	2.09	-0.69	1.75	1.04	0.13	1.18	4.71
DURABLE GOODS	39855	39979	39898	41530	41886	42544	42222	42978	43344	43542	44005	45968
Percentage change	3.02	0.31	-0.20	4.09	0.86	1.57	-0.76	1.79	0.85	0.46	1.06	4.46
NONDURABLE GOODS	38827	39559	40924	42075	43206	44500	44264	45051	45617	45387	45869	48194
Percentage change	1.59	1.89	3.45	2.81	2.69	3.00	-0.53	1.78	1.26	-0.50	1.06	5.07
TRADE, TRANSPORTATION, UTILITIES	33466	33584	33190	33905	34216	34686	34941	35440	35959	35080	34806	35296
Percentage change	3.12	0.35	-1.17	2.15	0.92	1.37	0.74	1.43	1.47	-2.45	-0.78	1.41
WHOLESALE TRADE	43787	45217	46049	46846	47806	49615	50026	51881	52682	51889	51480	52119
Percentage change	5.08	3.27	1.84	1.73	2.05	3.78	0.83	3.71	1.55	-1.50	-0.79	1.24
RETAIL TRADE	24572	24596	24138	24608	24686	24501	24579	24657	25136	24274	24352	24777
Percentage change	2.59	0.10	-1.86	1.95	0.32	-0.75	0.32	0.32	1.94	-3.43	0.32	1.75
TRANSPORTATION & UTILITIES	43937	43084	41899	43075	43314	44266	44676	44749	45161	44175	43892	44880
Percentage change	1.19	-1.94	-2.75	2.81	0.55	2.20	0.92	0.16	0.92	-2.18	-0.64	2.25
INFORMATION	40221	41509	42310	42599	43127	44534	44756	48695	48189	47015	47156	48128
Percentage change	0.70	3.20	1.93	0.68	1.24	3.26	0.50	8.80	-1.04	-2.44	0.30	2.06
FINANCIAL ACTIVITIES	43527	45809	47555	48030	50661	51914	50468	53130	54350	52822	52749	55389
Percentage change	1.19	5.24	3.81	1.00	5.48	2.47	-2.79	5.27	2.30	-2.81	-0.14	5.01
PROFESSIONAL & BUSINESS SERVICES	33184	33926	35749	36571	36872	37413	37320	38713	40303	41100	42549	43189
Percentage change	1.23	2.24	5.37	2.30	0.82	1.47	-0.25	3.73	4.11	1.98	3.53	1.50
EDUCATION & HEALTH SERVICES	34542	35180	36328	36919	37122	38317	38906	39031	39378	39219	40069	39966
Percentage change	1.74	1.85	3.27	1.63	0.55	3.22	1.54	0.32	0.89	-0.40	2.17	-0.26
LEISURE & HOSPITALITY	17819	17440	17578	17961	18048	17994	17901	18338	19204	18100	18024	18831
Percentage change	3.28	-2.13	0.79	2.18	0.48	-0.30	-0.52	2.44	4.73	-5.75	-0.42	4.48
OTHER SERVICES	32000	32080	30842	32628	33235	34251	33663	34434	34016	34065	34300	34387
Percentage change	-0.49	0.25	-3.86	5.79	1.86	3.06	-1.72	2.29	-1.22	0.15	0.69	0.25
GOVERNMENT	32574	32838	33440	34154	34829	35187	35163	35509	35903	35747	35857	35740
Percentage change	1.24	0.81	1.83	2.14	1.97	1.03	-0.07	0.98	1.11	-0.43	0.31	-0.32
FEDERAL, CIVILIAN	50560	51465	52463	53824	55892	58206	58307	58756	59737	58075	58696	60166
Percentage change	-0.26	1.79	1.94	2.59	3.84	4.14	0.17	0.77	1.67	-2.78	1.07	2.50
STATE & LOCAL	29857	29955	30653	31310	31832	32026	32031	32427	32781	32834	32829	32391
Percentage change	1.65	0.33	2.33	2.14	1.67	0.61	0.01	1.24	1.09	0.16	-0.01	-1.34

Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONFARM……	29823	30865	31825	32899	33992	35433	36429	38184	39821	40705	40942	42377
Percentage change……	3.65	3.49	3.11	3.38	3.32	4.24	2.81	4.82	4.29	2.22	0.58	3.50
NATURAL RESOURCES, MINING & CONSTI	33307	34282	35317	35546	36613	37404	39184	41992	44401	45705	45076	46637
Percentage change……	4.65	2.93	3.02	0.65	3.00	2.16	4.76	7.17	5.74	2.94	-1.38	3.46
MANUFACTURING……	34578	35763	36885	38731	40141	42050	42993	44936	46631	48211	48892	52094
Percentage change……	4.14	3.43	3.14	5.00	3.64	4.75	2.24	4.52	3.77	3.39	1.41	6.55
DURABLE GOODS……	34930	35906	36520	38530	39650	41321	42222	44150	45729	47438	48049	51076
Percentage change……	4.68	2.80	1.71	5.50	2.91	4.21	2.18	4.57	3.58	3.74	1.29	6.30
NONDURABLE GOODS……	34028	35533	37458	39037	40900	43225	44266	46282	48128	49438	50086	53553
Percentage change……	3.22	4.42	5.42	4.22	4.77	5.68	2.41	4.55	3.99	2.72	1.31	6.92
TRADE, TRANSPORTATION, UTILITIES……	29329	30164	30379	31456	32389	33689	34941	36406	37935	38214	37997	39217
Percentage change……	4.78	2.85	0.72	3.54	2.97	4.01	3.72	4.19	4.20	0.74	-0.57	3.21
WHOLESALE TRADE……	38375	40614	42148	43461	45254	48189	50029	53296	55578	56527	56198	57910
Percentage change……	6.77	5.84	3.78	3.11	4.13	6.49	3.82	6.53	4.28	1.71	-0.58	3.05
RETAIL TRADE……	21534	22091	22094	22830	23369	23797	24578	25329	26518	26443	26586	27530
Percentage change……	4.24	2.59	0.01	3.33	2.36	1.83	3.28	3.06	4.69	-0.28	0.54	3.55
TRANSPORTATION & UTILITIES……	38507	38696	38350	39964	41002	42993	44672	45970	47642	48119	47915	49866
Percentage change……	2.82	0.49	-0.89	4.21	2.60	4.86	3.91	2.91	3.64	1.00	-0.42	4.07
INFORMATION……	35252	37282	38727	39523	40821	43252	44747	50024	50836	51217	51483	53476
Percentage change……	2.34	5.76	3.88	2.06	3.28	5.96	3.46	11.79	1.62	0.75	0.52	3.87
FINANCIAL ACTIVITIES……	38144	41155	43527	44561	47956	50422	50471	54581	57337	57541	57584	61548
Percentage change……	2.83	7.89	5.76	2.38	7.62	5.14	0.10	8.14	5.05	0.36	0.08	6.88
PROFESSIONAL & BUSINESS SERVICES…	29082	30475	32722	33930	34904	36336	37319	39770	42525	44770	46453	47988
Percentage change……	2.86	4.79	7.37	3.69	2.87	4.10	2.71	6.57	6.93	5.28	3.76	3.30
EDUCATION & HEALTH SERVICES……	30271	31597	33252	34252	35141	37215	38906	40094	41545	42726	43743	44407
Percentage change……	3.37	4.38	5.24	3.01	2.59	5.90	4.54	3.05	3.62	2.84	2.38	1.52
LEISURE & HOSPITALITY……	15615	15662	16090	16663	17084	17476	17900	18839	20264	19717	19677	20924
Percentage change……	4.93	0.30	2.73	3.56	2.53	2.29	2.43	5.24	7.56	-2.70	-0.20	6.34
OTHER SERVICES……	28044	28805	28230	30276	31459	33263	33664	35373	35887	37110	37447	38209
Percentage change……	1.11	2.71	-2.00	7.25	3.91	5.73	1.20	5.08	1.45	3.41	0.91	2.04
GOVERNMENT……	28548	29495	30608	31686	32968	34175	35162	36477	37877	38943	39142	39712
Percentage change……	2.88	3.32	3.77	3.52	4.05	3.66	2.89	3.74	3.84	2.81	0.51	1.46
FEDERAL, CIVILIAN……	44307	46234	48019	49928	52906	56526	58299	60356	63017	63264	64076	66856
Percentage change……	1.35	4.35	3.86	3.98	5.96	6.84	3.14	3.53	4.41	0.39	1.28	4.34
STATE & LOCAL……	26167	26905	28058	29049	30132	31106	32031	33311	34585	35769	35837	35989
Percentage change……	3.30	2.82	4.28	3.53	3.73	3.23	2.97	4.00	3.82	3.43	0.19	0.43

Table 10: Tennessee Civilian Labor Force and Unemployment Rate **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CIVILIAN LABOR FORCE (THOUS)………..	2849	2877	2869	2878	2899	2909	2943	3009	3021	3057	3052	3056
Percentage change………………………	1.00	0.98	-0.26	0.29	0.72	0.36	1.15	2.26	0.41	1.16	-0.14	0.12
EMPLOYED PERSONS (THOUS)……….	2730	2762	2734	2726	2734	2751	2779	2852	2875	2854	2735	2759
Percentage change………………………	1.36	1.14	-1.00	-0.31	0.32	0.60	1.03	2.63	0.79	-0.72	-4.15	0.86
UNEMPLOYED PERSONS (THOUS)……	119	115	135	152	164	158	163	157	147	203	317	297
Percentage change………………………	-6.68	-2.84	17.38	12.40	7.98	-3.64	3.28	-4.08	-6.39	38.14	56.27	-6.22
PARTICIPATION RATE (PERCENT)……….	66.3	65.1	63.8	63.4	63.2	62.8	62.6	63.1	62.4	62.4	61.8	61.3
Percentage change………………………	-0.21	-1.84	-1.89	-0.70	-0.22	-0.74	-0.23	0.72	-1.09	-0.02	-0.90	-0.83
UNEMPLOYMENT RATE (PERCENT)…….	4.2	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.9	6.6	10.4	9.7

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

Table 11: Tennessee Taxable Sales (millions of 2005 dollars) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL TAXABLE SALES……	82534	83128	81421	81343	83186	85174	88273	90246	91463	86606	79996	80568
Percentage change……	7.44	0.72	-2.05	-0.10	2.27	2.39	3.64	2.23	1.35	-5.31	-7.63	0.72
AUTO DEALERS……	9249	9325	9443	9522	9963	9725	9433	9140	9011	7292	6162	6913
Percentage change……	11.98	0.82	1.26	0.84	4.62	-2.39	-3.00	-3.10	-1.41	-19.07	-15.50	12.20
PURCHASES FROM MANUFACTURERS….	4837	4678	4323	3936	4154	4273	4802	4555	4498	4129	3199	3291
Percentage change……	-2.45	-3.28	-7.59	-8.94	5.54	2.85	12.40	-5.14	-1.25	-8.22	-22.51	2.87
MISC DURABLE GOODS……	14650	14498	13506	13226	13617	14603	15841	16753	16534	15006	12591	13045
Percentage change……	11.95	-1.03	-6.84	-2.07	2.95	7.24	8.48	5.76	-1.30	-9.24	-16.10	3.60
EATING AND DRINKING PLACES……	6691	6908	7042	7076	7305	7674	7960	8239	8421	8248	8108	8161
Percentage change……	5.34	3.25	1.93	0.49	3.23	5.06	3.71	3.51	2.21	-2.06	-1.69	0.65
FOOD STORES……	9004	9054	8845	8605	8295	8172	8196	8196	8513	8410	8612	8521
Percentage change……	2.54	0.55	-2.31	-2.71	-3.60	-1.48	0.29	0.00	3.88	-1.22	2.41	-1.06
LIQUOR STORES……	418	428	434	440	458	471	495	533	563	584	602	616
Percentage change……	6.45	2.63	1.23	1.38	4.05	3.03	4.97	7.71	5.66	3.67	3.09	2.36
HOTELS AND MOTELS……	2000	2037	1951	1915	1924	1936	2043	2159	2232	2123	1866	1858
Percentage change……	3.35	1.81	-4.22	-1.83	0.46	0.65	5.54	5.66	3.35	-4.86	-12.10	-0.41
OTHER RETAIL AND SERVICE……	23571	23933	23376	23706	24480	24961	25759	26370	26999	26359	24979	25006
Percentage change……	6.17	1.54	-2.33	1.41	3.26	1.97	3.20	2.37	2.39	-2.37	-5.24	0.11
MISC NONDURABLE GOODS……	7040	7053	6894	6749	6636	6758	7067	7140	7399	7189	6787	6917
Percentage change……	11.84	0.18	-2.25	-2.10	-1.67	1.84	4.56	1.04	3.62	-2.83	-5.59	1.91
TRANSPORTATION, COMMUNICATION……	5075	5213	5607	6167	6356	6600	6678	7161	7292	7267	7089	6240
Percentage change……	11.33	2.73	7.56	9.98	3.05	3.85	1.17	7.24	1.83	-0.35	-2.45	-11.97
PER CAPITA ($)……	15042	14703	14174	14040	14235	14434	14775	14898	14901	13958	12795	12763
Percentage change……	6.25	-2.25	-3.60	-0.95	1.39	1.40	2.36	0.83	0.02	-6.33	-8.34	-0.25

Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2012**

	Historical Data											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL TAXABLE SALES…………………………	72333	74658	74524	75468	78749	82724	88282	92707	96489	94344	87326	89523
Percentage change………..…………………	9.16	3.21	-0.18	1.27	4.35	5.05	6.72	5.01	4.08	-2.22	-7.44	2.52
AUTO DEALERS………………………………	8106	8374	8644	8835	9431	9444	9430	9390	9505	7941	6728	7682
Percentage change………..…………………	13.78	3.31	3.22	2.21	6.74	0.14	-0.16	-0.42	1.23	-16.46	-15.27	14.18
PURCHASES FROM MANUFACTURERS….	4238	4201	3956	3652	3933	4150	4803	4679	4745	4497	3492	3657
Percentage change………..…………………	-0.89	-0.87	-5.83	-7.69	7.69	5.52	15.73	-2.58	1.41	-5.22	-22.34	4.71
MISC DURABLE GOODS………………………	12839	13019	12362	12271	12892	14183	15845	17209	17441	16346	13745	14495
Percentage change………..…………………	13.74	1.40	-5.05	-0.74	5.06	10.02	11.72	8.61	1.34	-6.28	-15.91	5.45
EATING AND DRINKING PLACES………….	5864	6205	6445	6564	6915	7454	7960	8464	8884	8984	8851	9068
Percentage change………..…………………	7.03	5.81	3.88	1.85	5.34	7.80	6.79	6.34	4.96	1.13	-1.48	2.44
FOOD STORES…………………………………	7891	8132	8095	7983	7851	7937	8195	8419	8983	9165	9401	9468
Percentage change………..…………………	4.19	3.05	-0.45	-1.39	-1.65	1.09	3.26	2.73	6.70	2.03	2.57	0.71
LIQUOR STORES………………………………	366	385	397	408	433	458	495	548	594	636	657	685
Percentage change………..…………………	8.17	5.17	3.16	2.76	6.17	5.71	8.10	10.63	8.51	7.05	3.31	4.18
HOTELS AND MOTELS………………………	1753	1829	1785	1777	1821	1881	2044	2218	2354	2312	2037	2065
Percentage change………..…………………	5.01	4.34	-2.40	-0.49	2.50	3.27	8.67	8.54	6.14	-1.78	-11.90	1.37
OTHER RETAIL AND SERVICE………………	20657	21496	21396	21994	23174	24243	25760	27089	28484	28715	27268	27785
Percentage change………..…………………	7.87	4.06	-0.46	2.79	5.36	4.61	6.26	5.16	5.15	0.81	-5.04	1.89
MISC NONDURABLE GOODS…………………	6170	6335	6310	6262	6282	6564	7068	7335	7805	7831	7410	7685
Percentage change………..…………………	13.61	2.68	-0.39	-0.76	0.33	4.48	7.67	3.78	6.42	0.33	-5.38	3.72
TRANSPORTATION, COMMUNICATION……	4449	4682	5133	5722	6016	6411	6683	7356	7694	7916	7736	6934
Percentage change………..…………………	13.16	5.25	9.61	11.47	5.15	6.56	4.24	10.07	4.59	2.89	-2.27	-10.37
PER CAPITA ($)……………………………………	13182	13205	12974	13026	13475	14018	14776	15304	15720	15205	13967	14182
Percentage change………..…………………	7.95	0.17	-1.75	0.40	3.45	4.03	5.41	3.57	2.72	-3.27	-8.14	1.53

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

Table 13: Tennessee Gross Domestic Product by Sector (millions of 2005 dollars) **January 2012**

	Historical Data										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GROSS DOMESTIC PRODUCT	199,525	200,838	202,372	207,780	211,601	219,772	224,524	230,711	231,133	231,697	220,840
Percentage change	3.70	0.66	0.76	2.67	1.84	3.86	2.16	2.76	0.18	0.24	-4.69
AGRICULTURE, FORESTRY, FISHING & HUNTING	882	1,179	1,212	1,095	1,303	1,314	1,398	1,443	888	1,177	1,421
Percentage change	-10.37	33.67	2.80	-9.65	19.00	0.84	6.39	3.22	-38.46	32.55	20.73
MINING	875	833	782	743	661	510	341	275	193	199	216
Percentage change	23.41	-4.80	-6.12	-4.99	-11.04	-22.84	-33.14	-19.35	-29.82	3.11	8.54
CONSTRUCTION	11,165	11,860	10,993	9,848	9,731	9,468	9,149	9,127	8,606	7,661	6,072
Percentage change	0.84	6.22	-7.31	-10.42	-1.19	-2.70	-3.37	-0.24	-5.71	-10.98	-20.74
MANUFACTURING	34,183	33,520	32,442	33,590	34,681	39,059	39,261	40,146	38,972	38,467	32,463
Percentage change	4.08	-1.94	-3.22	3.54	3.25	12.62	0.52	2.25	-2.92	-1.30	-15.61
DURABLE GOODS	19,805	18,590	17,658	19,099	20,763	23,309	24,525	25,114	22,881	24,409	19,542
Percentage change	5.92	-6.13	-5.01	8.16	8.71	12.26	5.22	2.40	-8.89	6.68	-19.94
NONDURABLE GOODS	14,378	14,930	14,784	14,491	13,918	15,750	14,736	15,032	16,091	14,058	12,921
Percentage change	1.65	3.84	-0.98	-1.98	-3.95	13.16	-6.44	2.01	7.04	-12.63	-8.09
TRADE, TRANSPORTATION, UTILITIES	38,782	39,853	39,996	40,831	42,909	44,843	46,247	47,404	48,540	47,066	44,857
Percentage change	4.35	2.76	0.36	2.09	5.09	4.51	3.13	2.50	2.40	-3.04	-4.69
WHOLESALE TRADE	11,789	12,411	12,879	13,175	14,114	15,057	14,993	15,419	16,099	16,152	16,306
Percentage change	6.19	5.28	3.77	2.30	7.13	6.68	-0.43	2.84	4.41	0.33	0.95
RETAIL TRADE	16,188	16,207	16,483	16,961	17,547	17,662	18,283	18,592	19,253	17,748	17,212
Percentage change	2.23	0.12	1.70	2.90	3.45	0.66	3.52	1.69	3.56	-7.82	-3.02
TRANSPORTATION & UTILITIES	10,805	11,235	10,634	10,695	11,248	12,124	12,971	13,393	13,188	13,166	11,339
Percentage change	5.62	3.98	-5.35	0.57	5.17	7.79	6.99	3.25	-1.53	-0.17	-13.88
INFORMATION	4,560	4,514	5,072	5,871	6,042	6,619	7,333	7,860	8,390	8,514	8,183
Percentage change	5.31	-1.01	12.36	15.75	2.91	9.55	10.79	7.19	6.74	1.48	-3.89
FINANCIAL ACTIVITIES	31,491	32,889	35,400	35,203	35,168	34,564	34,833	35,839	37,203	38,603	39,600
Percentage change	5.75	4.44	7.63	-0.56	-0.10	-1.72	0.78	2.89	3.81	3.76	2.58
PROFESSIONAL & BUSINESS SERVICES	18,624	18,545	19,813	20,915	21,592	22,618	23,079	23,729	24,326	25,391	24,351
Percentage change	3.17	-0.42	6.84	5.56	3.24	4.75	2.04	2.82	2.52	4.38	-4.10
EDUCATION & HEALTH SERVICES	18,075	17,296	17,732	18,599	19,214	20,153	20,555	21,377	22,010	22,851	23,259
Percentage change	2.56	-4.31	2.52	4.89	3.31	4.89	1.99	4.00	2.96	3.82	1.79
LEISURE & HOSPITALITY	8,627	8,866	8,789	9,175	9,428	9,667	9,842	10,181	10,229	9,424	8,691
Percentage change	5.85	2.77	-0.87	4.39	2.76	2.54	1.81	3.44	0.47	-7.87	-7.78
OTHER SERVICES	7,165	7,114	6,412	6,646	6,685	6,766	6,629	6,765	6,700	6,267	5,860
Percentage change	3.32	-0.71	-9.87	3.65	0.59	1.21	-2.02	2.05	-0.96	-6.46	-6.49
GOVERNMENT	25,096	24,369	23,729	25,264	24,187	24,191	25,857	26,565	25,076	26,077	25,867
Percentage change	1.36	-2.90	-2.63	6.47	-4.26	0.02	6.89	2.74	-5.61	3.99	-0.81
FEDERAL	7,940	7,269	6,050	7,270	7,302	7,129	6,938	7,032	6,789	6,346	6,548
Percentage change	-2.05	-8.45	-16.77	20.17	0.44	-2.37	-2.68	1.35	-3.46	-6.53	3.18
STATE & LOCAL	17,156	17,100	17,679	17,994	16,885	17,062	18,919	19,533	18,287	19,731	19,319
Percentage change	3.02	-0.33	3.39	1.78	-6.16	1.05	10.88	3.25	-6.38	7.90	-2.09

Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2012**

	Historical Data										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DURABLE GOODS........	19805	18590	17658	19099	20763	23309	24525	25114	22881	24409	19542
Percentage change........	5.92	-6.13	-5.01	8.16	8.71	12.26	5.22	2.40	-8.89	6.68	-19.94
WOOD PRODUCTS........	919	903	829	920	816	842	893	936	1079	1104	803
Percentage change........	-10.34	-1.74	-8.19	10.98	-11.30	3.19	6.06	4.82	15.28	2.32	-27.26
NONMETALLIC MINERAL PRODUCTS........	1265	1219	1143	1198	1341	1421	1244	1054	1037	878	766
Percentage change........	-0.16	-3.64	-6.23	4.81	11.94	5.97	-12.46	-15.27	-1.61	-15.33	-12.76
PRIMARY METALS........	2675	1737	1627	1617	1278	1421	1343	1230	916	913	899
Percentage change........	42.59	-35.07	-6.33	-0.61	-20.96	11.19	-5.49	-8.41	-25.53	-0.33	-1.53
FABRICATED METAL PRODUCTS........	3344	3176	2965	2958	3095	3599	3412	3695	3572	3190	2824
Percentage change........	1.70	-5.02	-6.64	-0.24	4.63	16.28	-5.20	8.29	-3.33	-10.69	-11.47
MACHINERY........	3236	2974	2864	2831	2974	2888	3301	3044	2660	3135	2334
Percentage change........	1.63	-8.10	-3.70	-1.15	5.05	-2.89	14.30	-7.79	-12.61	17.86	-25.55
COMPUTER & ELECTRONIC PRODUCTS........	199	345	833	1255	2298	3341	3361	3216	3778	5516	3428
Percentage change........	17.75	73.37	141.45	50.66	83.11	45.39	0.60	-4.31	17.48	46.00	-37.85
ELECTRICAL EQUIPMENT, APPLIANCES AND COMPONENTS........	1598	1598	1534	1921	2013	2022	2197	2317	1909	2416	2482
Percentage change........	4.24	0.00	-4.01	25.23	4.79	0.45	8.65	5.46	-17.61	26.56	2.73
TRANSPORTATION EQUIPMENT........	3812	3928	3449	4001	4585	5306	6304	7101	5231	4650	3447
Percentage change........	-3.15	3.04	-12.19	16.00	14.60	15.73	18.81	12.64	-26.33	-11.11	-25.87
FURNITURE........	1157	1157	880	961	885	858	787	764	752	565	407
Percentage change........	4.80	0.00	-23.94	9.20	-7.91	-3.05	-8.28	-2.92	-1.57	-24.87	-27.96
MISCELLANEOUS DURABLE GOODS........	1600	1553	1534	1437	1478	1611	1683	1757	1947	2042	2152
Percentage change........	21.58	-2.94	-1.22	-6.32	2.85	9.00	4.47	4.40	10.81	4.88	5.39

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

Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2012**

	Historical Data										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
NONDURABLE GOODS	14,378	14,930	14,784	14,491	13,918	15,750	14,736	15,032	16,091	14,058	12,921
Percentage change	1.65	3.84	-0.98	-1.98	-3.95	13.16	-6.44	2.01	7.04	-12.63	-8.09
FOOD & BEVERAGE & TOBACCO	4,376	4,337	4,327	4,726	4,511	4,579	4,822	5,396	6,189	5,357	5,005
Percentage change	5.57	-0.89	-0.23	9.22	-4.55	1.51	5.31	11.90	14.70	-13.44	-6.57
TEXTILE MILLS & TEXTILE PRODUCT MILLS	744	755	772	685	666	786	656	652	649	703	444
Percentage change	-6.53	1.48	2.25	-11.27	-2.77	18.02	-16.54	-0.61	-0.46	8.32	-36.84
APPAREL	583	542	439	482	422	413	364	316	343	296	235
Percentage change	-33.45	-7.03	-19.00	9.79	-12.45	-2.13	-11.86	-13.19	8.54	-13.70	-20.61
PAPER	1,849	1,718	1,779	1,811	1,836	2,003	2,074	2,232	1,960	1,982	1,901
Percentage change	7.69	-7.08	3.55	1.80	1.38	9.10	3.54	7.62	-12.19	1.12	-4.09
PRINTING & RELATED SUPPORT	970	988	932	1,004	1,054	1,070	1,063	1,054	1,030	1,011	868
Percentage change	-7.97	1.86	-5.67	7.73	4.98	1.52	-0.65	-0.85	-2.28	-1.84	-14.14
CHEMICALS	3,391	3,179	3,228	2,886	2,336	3,807	2,925	3,165	3,348	2,607	2,619
Percentage change	6.04	-6.25	1.54	-10.59	-19.06	62.97	-23.17	8.21	5.78	-22.13	0.46
PLASTICS & RUBBER	2,119	2,083	1,880	2,064	2,089	2,141	1,988	1,653	1,959	1,686	1,314
Percentage change	3.67	-1.70	-9.75	9.79	1.21	2.49	-7.15	-16.85	18.51	-13.94	-22.06
MISCELLANEOUS NONDURABLE GOODS	346	1,328	1,427	833	1,004	951	844	564	613	416	535
Percentage change	10	283.82	7.45	-41.63	20.53	-5.28	-11.25	-33.18	8.69	-32.14	28.61