AN ECONOMIC REPORT TO THE GOVERNOR OF THE STATE OF TENNESSEE

THE STATE'S ECONOMIC OUTLOOK

JANUARY

2013

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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

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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 R01-1493-253-003-13.

PREFACE

This 2013 volume of An Economic Report to the Governor of the State of Tennessee is the thirty-seventh 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 2015 and annual forecast through 2022 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 2013, 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 discusses Tennessee's role in the international economy and presents the long-run outlook and forecast for the state. Chapter Four presents an update on the current state of affairs for electronic commerce and implications for sales tax policy and revenue performance.

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

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CONTENTS

FIGURES AND TABLES

EXECUTIVE SUMMARY

The U.S. Economy

The U.S. economy continues to pursue full recovery four years after the end of the Great Recession, amid a series of domestic and international pressures. The threat of a second recession in five years now seems unlikely, but there are some downward pressures on growth prospects. Inflation-adjusted gross domestic product (GDP) grew 2.3 percent in 2012 according to early estimates. This is compared to 1.8 percent in 2011 and 2.4 in 2010. Weak growth is expected in 2013.

Although the recovery remains fragile, many indicators showed encouraging signs last year. The national unemployment rate continues its slow but steady decline, falling below 8 percent for the first time since 2009. The economy added an average of 150 thousand payroll jobs monthly throughout 2012. Perhaps the best news for the economy in 2012 was the much-awaited rebound of the housing sector. For the first time since the eve of the housing crisis in 2007, the construction sector helped rather hindered the economy in 2012. The housing sector added a modest 37 thousand jobs in 2012, keeping the total number of construction jobs around 5.5 million, compared to 7.6 million before the housing crisis in 2007. Likewise, the manufacturing sector also helped the economy in 2012, adding around 210 thousand jobs for the second consecutive year.

The Consumer Sentiment Index, a measure of how consumers feel about the outlook of the economy, reached 82.7 in November 2012, the highest it has been in five years. However, consumer confidence fell sharply in the last month of the year due to the uncertainties related to the fiscal cliff talks. Overall, consumer spending grew 1.8 percent in 2012, following a growth rate of 2.4 and 1.8 percent respectively in 2011 and 2010. Expenditures on durable goods continue to outpace other categories of spending, with 7 percent average annual growth in the last three years, compared to 2 percent for non-durable goods and 1.4 percent for services.

Inflation-adjusted nonresidential fixed investment came in 7.3 percent higher in 2012, driven by strong 9.2 percent growth in structures and 17.4 percent growth in business purchases of light vehicles. Investment in business structures was particularly strong in the first half of the year and then flattened out in the second half. Inflation-adjusted residential fixed investment grew by 12 percent in 2012. The last time a positive annual growth was recorded for this indicator was 2005, on the eve of the housing crisis. Similarly, sales of new houses increased for the first time in seven years.

Government purchases continue to decline at all levels as special spending programs put in place to stimulate the economy expire. Inflation-adjusted government spending on goods and services dropped 1.7 percent in 2012, following a 2.8 percent drop in 2011. Total government purchases came in at 18.3 percent of GDP in 2012, compared to 20.3 percent in 2009. The federal budget deficit topped the trillion dollar mark for the fourth consecutive year but will contract in the years ahead.

Export growth remains slow mainly due to the sluggish global economy and the ongoing struggle in the Eurozone. Inflation has shown no sign of acceleration in the U.S. economy, due largely to weak domestic and international demand and downward pressure on energy prices. As measured by the consumer price index (CPI), overall prices increased in 2012 by 2.1 percent, compared to 3.1 percent in 2011. The core consumer price index (CPI), which excludes food and energy prices, increased by 2.1 percent as well, compared to 1.7 percent in 2011.

The U.S. economy is expected to continue its recovery in 2013 but at an even slower pace than in 2012. The expiration of the payroll tax cut is one of the most significant factors to put downward pressure on consumer spending and overall growth. Inflation-adjusted GDP is projected to grow only 1.7 percent in 2013, down from 2.3 percent growth in 2012. The unemployment rate will stay relatively flat in 2013, ending the year around 7.6 percent, just 0.2 percentage points down from December 2012. Inflation is projected to remain benign and average under 2 percent over the next few years despite interest rates being kept at historically low levels by the Federal Reserve.

There is still much uncertainty clouding the outlook of the economy. The last-minute fiscal cliff package signed into law averted most of the tax hikes and drastic spending cuts that most economists predicted would push the economy back in recession in 2013. However, it failed to address the core issue of how to bring the nation's deficit and debt under control, and postponed discussions on the debt ceiling and the sequester for another two months. On balance there is more positive news than negative news regarding economic growth, especially as 2014 approaches.

The Tennessee Economy

The Short-Term Economic Outlook

The Tennessee economy experienced another year of growth in 2012 though the pace of expansion was subpar. Despite relatively modest growth, the state was able to make up additional ground that was lost over the course of the Great Recession. Further progress is needed in the quarters ahead to allow for a full recovery, especially in state labor markets.

Nominal personal income in Tennessee was up 3.8 percent for the year, slightly ahead of the pace of income growth for the nation. Employment growth came in at 1.3 percent versus 1.4 percent growth for the national economy. Especially noteworthy was the 2.9 percent increase in employment in the state's manufacturing sector. Growth in the durable goods sector has been vibrant while job losses in nondurable goods manufacturing have continued. The state's transportation equipment sector has enjoyed strong growth as a result of resurgence in consumer demand.

The monthly unemployment rate eventually fell below 7 percent as 2012 unfolded and yet still averaged 8.0 percent for the year. This is substantial improvement over the 9.2 percent unemployment rate that prevailed in 2011. Unfortunately, the unemployment rate remains well above pre-recession levels and the labor force contracted for the year.

The economic outlook calls for modest growth in 2013 followed by substantially stronger growth in 2014. The debate over the nation's debt ceiling and the looming risk of sequestration of federal government spending have together created a dark cloud over the economic outlook for the state and the nation. Adding to this anxiety and uncertainty is the reality of the payroll tax increase that went into effect on January 1. For a Tennessee household earning $50,000 per year, this translates into a tax increase of $1,000. It is expected that the payroll tax increase will have a significant negative effect on taxable sales for the year.

Nominal personal income is projected to rise by 3.5 percent this year, with growth improving to 4.5 percent in 2014. On a fiscal year basis, personal income should advance 4.3 percent in 2013/14. Taxable sales are expected to grow only 3.4 percent in 2013.

The labor market will continue to see modest gains this year followed by stronger gains in 2014. Nonfarm employment should advance 1.0 percent in 2013 and 1.7 percent in 2014. Employment growth in manufacturing will slow from the heated pace of 2012 but still see healthy growth of 1.2 percent; gains in durable goods manufacturing will more than offset losses in nondurable goods manufacturing. Natural resources, mining and construction, along with professional and business services, will enjoy the strongest rates of growth in 2013.

The unemployment rate will only inch downward in 2013 in the face of slower job growth. Expect the unemployment rate to average 7.9 percent in 2013 and 7.5 percent in 2014. The labor force and employed people will see stronger growth in 2014 while the number of people unemployed will continue to fall.

Tennessee's Place in the International Economy

Regardless of where you live in Tennessee and regardless of what you do, the international economy affects you on a day-to-day basis. As measured by exports from Tennessee to the rest of world and imports from abroad into the state, the international sector represents about 24 percent of the state's gross domestic product. Imports from China represented 37 percent of all imports while Canada accounted for 28 percent of all Tennessee exports in 2011. Transportation equipment, chemicals and agricultural products are the most important export sectors for the state economy.

Trade in goods and services is one of the more visible ways that Tennessee is integrated with the global economy. Many Tennesseans have studied abroad while many others have chosen to work abroad on either a short-term or long-term basis. Similarly, residents of foreign countries have studied here and many workers have made Tennessee their home. The movement of people across borders is another visible facet of Tennessee's role in the international economy.

There are also many less visible ways that the international economy affects the lives of Tennesseans. For example, many workers in Tennessee are employed by firms who have majority ownership held by individuals from other countries. This foreign direct investment is very important to the economic and fiscal base of the state and local communities. Exchange rates between the U.S. dollar and foreign currencies and formal and informal trade barriers are other dimensions of the global economy that impact Tennessee every day.

Long-Term Economic Outlook

Tennessee's long-term economic prospects depend on a small number of factors, including growth in the labor force, capital investment and productivity. The labor force is the share of the adult population that is employed or unemployed and actively seeking employment. Population growth arises from increased fertility, reduced mortality or increased net migration and will generally support stronger overall rates of economic growth. Capital investment includes private productive capital that is invested in Tennessee as well as infrastructure capital like transportation and telecommunications networks that help support economic growth. Enhancements to productivity arise from new technologies embodied in the production processes of private business and education and training that can improve worker skills. Efforts to produce meaningful gains in the economy and the economic wellbeing of Tennesseans must focus on these basic ingredients to growth.

Tennessee's long-term outlook will include the ongoing near-term rebound from the trough of the Great Recession as well as a return to trend growth later in the decade. Tennessee's gross domestic product should be up at a 2.7 percent rate between 2012 and 2022 while inflation-adjusted personal income is projected to rise at a 2.8 percent rate. Nonfarm employment in Tennessee will advance at a 1.2 percent rate compound annual growth rate. The state's manufacturing sector will continue to see employment gains through 2017, with job gains in durable goods manufacturing more than offsetting declines in nondurable goods manufacturing. The state's manufacturing sector is expected to benefit from the further development of advanced manufacturing practices, which include greater reliance on robotics and 3-D printing, as well as relatively low energy prices that have resulted from hydraulic fracturing.

Technology and Taxes in Tennessee

The growth of e-commerce continues unabated. The vast majority of sales are made between businesses and reached $3.5 trillion in 2010, but retail sales to individual consumers have also grown rapidly, from $28 billion in 2000 to nearly $170 billion in 2010. As a result of constitutional and political limitations, the reporting and remittance obligation for e-commerce is often shifted to millions of individual consumers, and compliance is very low. The practical result is many online sales are free from the sales and use tax. CBER estimates that these losses for the State of Tennessee will total approximately $401 million in 2010, and that these annual losses will grow over time. Three additional concerns merit attention by lawmakers. First, the ability to make tax-free sales to consumers acts as a subsidy for electronic commerce, and this distortion reduces economic efficiency. Second, so-called "Main Street" retailers see the current tax treatment as unfair and argue for a tax neutral playing field. Third, shifting reporting and payment obligations to millions of individuals pose significant and potentially costly compliance and administration hurdles.

The most significant development in taxing ecommerce involves selling digital goods in the quickly growing cloud computing sector, which involves off-site hosting of a rapidly expanding variety of computer products and services. The issues for lawmakers include determining 1) whether the transaction involves a good or service subject to sales tax, 2) where the transaction occurs, and therefore the jurisdiction in which the sale is subject to tax, and 3) whether the good or service provider has nexus in the state.

States have used a variety of strategies to increase sales and use tax collections on sales by remote e-tailers. Efforts to have consumers report and pay their use tax liabilities have been unsuccessful, but states have used a variety of strategies to increase the number of remote firms required to collect sales tax. Many states successfully assert nexus on an out of state seller when an in-state third party performs business functions (e.g. sales, installation, repairs) on behalf of that seller. "Amazon" laws, or "click-through nexus" statutes, are an aggressive variation of this strategy. In addition, states now increasingly assert nexus on sellers with only minimal contact with the state, including activities such as maintaining a P.O. box or listing a local phone number in the telephone book. These efforts are piecemeal, however, and create additional compliance for online sellers. As a result, momentum seems to be building for a national solution to the problem of taxing online sales. Members of both political parties, including Sen. Alexander, have cosponsored bills in the House and Senate that would allow states to require remote vendors to collect sales and use tax if they first simplify and harmonize their sales tax systems.

CHAPTER 1: THE U.S. ECONOMY

In this chapter—

1.1. Introduction

Nearly four years after the end of worst financial crisis since the Great Depression, the U.S. economy continues to recover, in the midst of a series of domestic and international pressures. Although the recovery is still weak, the specter of a double-dip recession is behind us. Early estimates of inflation-adjusted GDP point to a growth rate of 2.3 percent for 2012, compared to 1.8 percent in 2011 and 2.4 percent in 2010.

Many factors have contributed to slow the pace of the recovery in recent years and demand has remained weak unlike in previous recoveries. Consumers have become unusually cautious in their spending habits due the magnitude of the loss in personal net worth and employment during the recession. At the same time, credit conditions remain tight as memories of the origins of the financial crisis are still fresh. The housing market, which typically leads the U.S. out of recession, has taken longer to rebound because of the magnitude of the housing bubble. Meanwhile, a series of external shocks following the recession, most notably the Eurozone debt crisis, continue to hold back global recovery, with much of Europe falling back in recession in 2012. Perhaps most importantly, the political gridlock on fiscal issues and how to bring the federal deficit under control continue to project uncertainties on business climate, adversely affecting investment and hiring decisions by firms.

The recent fiscal cliff negotiations resulted in a last-minute compromise that prevented a series of tax hikes and across the board spending cuts, which most economists projected would push the economy back into recession in 2013. However, that compromise failed to address the core issue of trimming the deficit down and bringing the nation's debt under control. Thus the near future remains uncertain for businesses. Also, the fiscal cliff deal did not extend the 2011 payroll tax break. Most

1.1. Introduction, continued

workers will face a smaller paycheck and will have to adjust their spending downward. According to various estimates the expiration of the payroll tax credit will result in a 0.4 percentage point loss in 2013 GDP growth.

Nevertheless, the chance of a second recession in five years is unlikely. The U.S. economy is projected to continue to grow in the quarters ahead and the unemployment rate will continue its slow but steady decline. Inflation is also projected to stay low (under 2 percent) in the next few years despite the Fed's determination to keep interest rates low until the economy strengthens enough and yields an unemployment rate of no more than 6.5 percent.

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

As expected, the strong performance recorded in the fourth quarter of 2011 was not sustained in the first half of 2012. Most of the 4.1 percent growth in the fourth quarter of 2011 was driven by a change in private inventory, which typically tends to correct in subsequent quarters. In the first two quarters of 2012, inflation-adjusted GDP grew at the modest but healthier pace of 2 percent and 1.3 percent respectively, driven mostly by personal consumption expenditure and exports. In the third quarter of 2012, the economy grew by 3.1 percent, but a closer look reveals a story similar to what happened in the fourth quarter of 2011. One-time factors played a significant role. Government expenditures increased for the first time in nine quarters. The change in private inventories was also higher than in the previous two quarters. Again, as expected, as those one-time factors faded, GDP in the fourth quarter is estimated to barely grow at 1 percent, despite a stronger increase in personal consumption expenditures.

Many indicators are starting to show signs that things may be stabilizing. The consumer sentiment index reached 82.4 in November (before dropping in December during the fiscal cliff talks). That was the highest it has been in five years, and almost as high as its level of 85.7 before the financial crisis. In the last four months of 2012, unemployment fell and stayed below 8 percent, the lowest it has been since 2009. However, it is still significantly higher than its 5 percent pre-recession rate. Arguably the best news for the U.S. economy in 2012 was the much awaited rebound of the housing market. For the first time since the eve of the bust of the housing bubble, construction and related activities helped, rather than hindered the economy. Housing typically leads the U.S. economy out of recession. Even though it took longer this time, the eventual rebound of the housing market observed in 2012 may be the ultimate sign that the worst is behind us.

Components of GDP

On the expenditure side, GDP is comprised of personal consumption expenditures, investment, government purchases and the balance of international trade (exports minus imports). In what follows, we analyze each component and how it helped or hindered GDP growth last year.

With a share of 70 percent of GDP in recent years, personal consumption expenditures are the largest component of U.S. GDP. Inflation-adjusted consumer spending increased by 1.8 percent in 2012, compared to 2.5 percent in 2011 and 1.8 percent in 2010. Of the 2.2 percent overall growth rate of GDP, consumption contributed 1.3 percentage points or approximately 60 percent of overall growth. Three factors that strongly influence consumer spending are the unemployment rate, consumer confidence and income growth. The first two factors hit four and five year lows in the last quarter of 2012; income growth has been weak in the face of a lethargic labor market.

Personal consumption expenditures include spending on services, durable goods and nondurable goods. Spending on services, which amounts to two-thirds of total consumption is

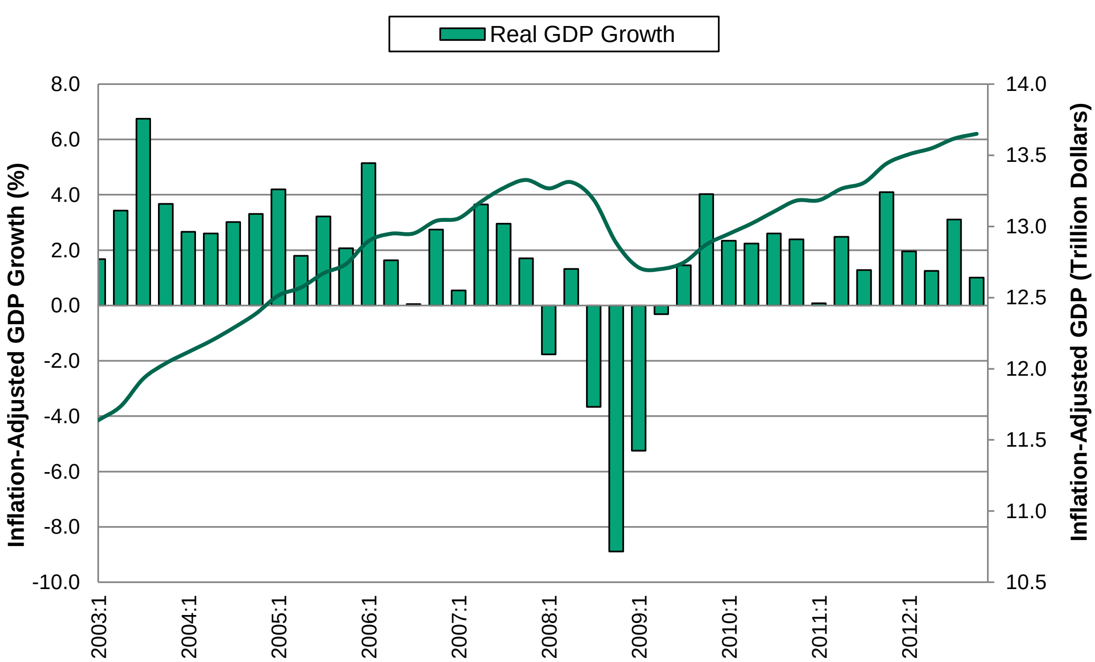
1.2. The U.S. Economy: Year in Review, continued

the most stable of the three categories. It only grew 1.2 percent in 2012, compared to 1.9 percent in 2011. Spending on services was particularly weak in the third and fourth quarter. In contrast, services almost single-handedly lifted consumption in the second quarter with a 2 percent growth rate. The spike in housing utilities, particularly electricity and natural gas, offset the 1.3 percent drop in healthcare expenditures. Spending on healthcare services further shrank in the third quarter at the rate of 1.5 percent.

Nondurable goods accounts for 23 percent of personal consumer spending and includes food, beverages, clothing, gas and other similar products. Spending on nondurable goods only marginally contributed to growth in consumption in 2012. Expenditures on gasoline and other energy goods fell for the third year in a row, with a 1.1 percent decline in 2012, following drops of 0.4 percent and 3.5 percent in 2010 and 2011, respectively.

Consumer spending on durable goods, which includes motor vehicles, computers and computer-related equipment, accounts for about 11 percent of personal consumption expenditures and is by far the most volatile of all three categories. Spending on durable goods was hit the hardest during the recession with a drop of 5.4 percent in 2009, compared to 1.8 percent for non-durable goods and 1.4 percent for services. Similarly, spending on durable goods outpaced other categories in the recovery with a growth rate of around 7 percent in the last three years, compared to 2 percent for nondurable goods and just 1.4 percent for services. Except for the second quarter, spending on durable goods accounted for most of the consumption growth in 2012. During the 2012 holiday season, consumers spent 0.7 percent more than they did they did in 2011. That is compared to growth of 2 percent recorded the previous holiday season. Computers and related accessories and

Figure 1.1. GDP Growing Slowly but Steadily



Sources: Bureau of Economic Analyses and IHS Global Insight.
Notes: inflation-adjusted GDP in trillion dollars on the right axis; annual growth rate in percentage on the left axis.

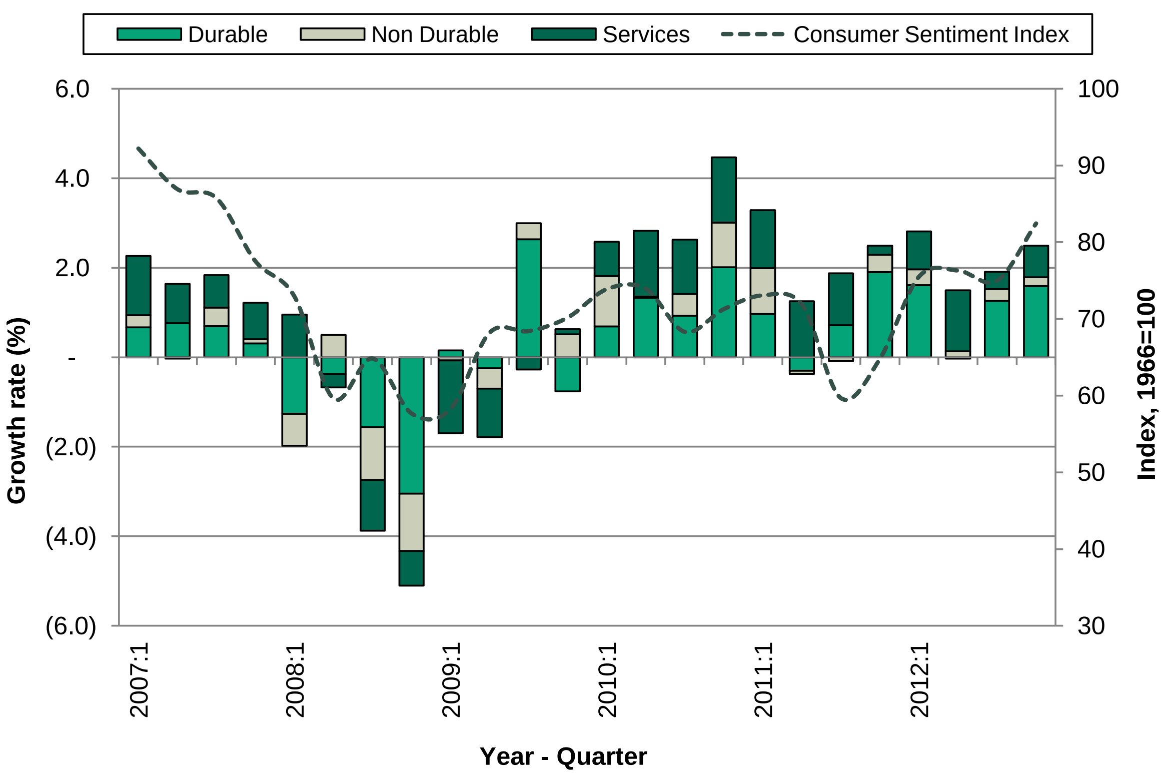
1.2. The U.S. Economy: Year in Review, continued

software stayed strong throughout the year with around 11 percent growth in inflation-adjusted terms. Consumer spending on cars and light trucks was also strong in 2012 with an average of 7 percent growth rate. It is worth noting that spending on used motor vehicles has continued to fall since the end of the recession, while new motor vehicle expenditures continue to grow. In 2012, the number of domestic cars sold grew by a whopping 23 percent to reach 5.2 million units, almost as high as the pre-recession figure of 5.25 million units recorded in 2007. Note that these sales figures also include purchases made by businesses, which are counted as investment as discussed below.

Business investment makes up about 15 percent of inflation-adjusted GDP. Yet, in 2012 investment contributed 1.2 percentage points to the 2.3 percent rate of inflation-adjusted GDP growth. The investment component of GDP encompasses three sub-components: nonresidential fixed investment, residential fixed investment and change in business inventories. All three sub-components came in strong in 2012.

Nonresidential fixed investment is by far the largest component of overall investment spending with a share of 60 percent of all investment. It includes purchases of equipment and software by firms, as well as spending on business structures. Inflation-adjusted nonresidential fixed investment came in 7.3 percent higher in 2012, driven by a strong increase in structures (9.2 percent growth rate) and 17.4 percent growth in business purchases of light vehicles. Investment in business structures was particularly strong in the first half of the year and then flattened out in the second.

Figure 1.2. Consumer Spending Continues to Grow and Confidence Hits Four-Year High



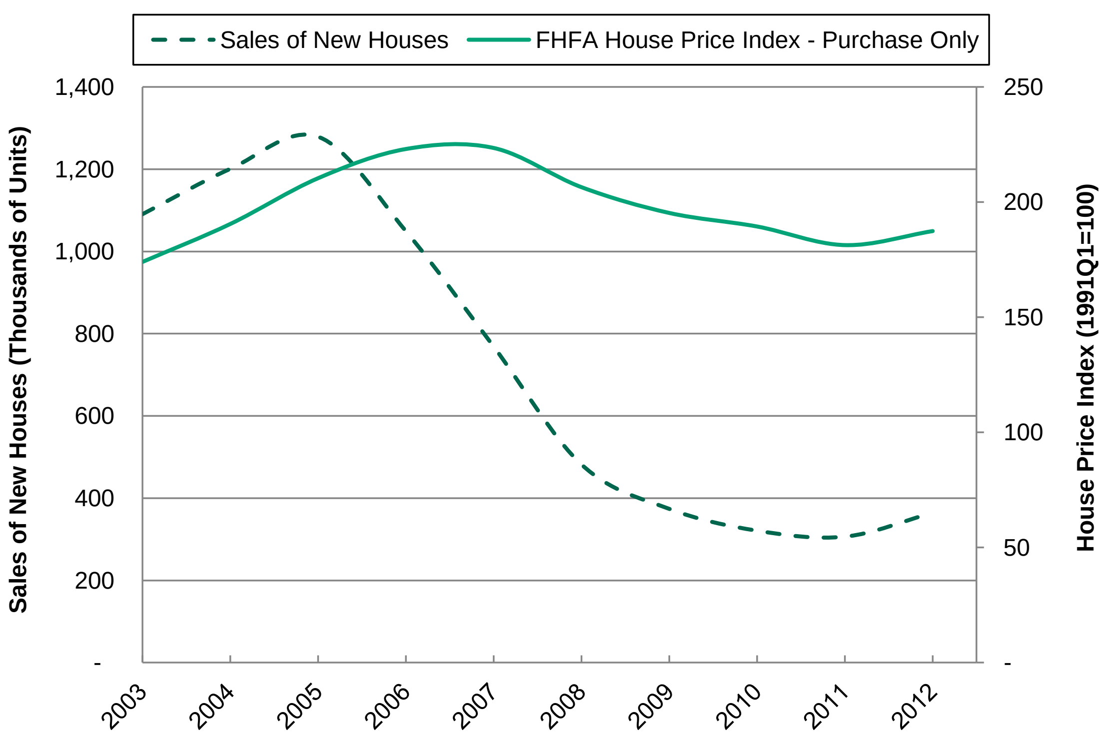
Sources: Bureau of Economic Analyses, University of Michigan (sentiment index), IHS Global Insight.
Notes: Annual growth rate of consumption of durable goods, nondurable goods and services on the left axis. Quarterly averages of consumer sentiment index on the right axis.

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

Residential fixed-investment refers to spending on new housing. Most economists agree that the woes in the housing market have been a major impediment to stronger growth and a serious drag on the recovery. According Federal Reserve Chairman Ben Bernanke, the lack of growth in the housing sector is "a missing piston" to the U.S. economic engine. In light of this, perhaps a new chapter has just begun for the American economy as the housing market showed broadly positive signs in 2012. Especially notable is the 12 percent gain in Inflation-adjusted residential fixed investment for the year. The last time a positive annual growth rate was recorded was in 2005, two years before the burst of the housing bubble. Similarly, sales of new houses increased for the first time in seven years in 2012.

A closer look shows that the housing sector started picking up steam in the last quarter of 2011 when residential fixed investment grew 12 percent. The momentum continued into the first quarter of 2012 with a 21 percent growth rate. All types of residential construction picked up in 2012. However, multi-family housing came in the strongest with a 36 percent increase in number of houses started and 9 percent increase in number of houses sold. In total, 774,000 single and multi-family homes were started in 2012, compared to 612,000 in 2011 for an increase of 27 percent. Also, the Federal Housing Finance Agency (FHFA) Purchase-only House Price Index increased for the first time since the housing bust, signaling that the housing market bottomed out in 2012. The third round of quantitative easing measures

Figure 1.3. Housing Market Begins its Rebound in 2012



Sources: U.S. Census, Federal Housing Finance Agency (FHFA) and IHS Global Insight.

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

(QE3) by the Fed helped keep long-term interest rates historically low and thus supported housing affordability. The conventional 30-year fixed rate mortgage dropped steadily from 4.01 percent in December of 2011 to 3.36 percent in December 2012. At the same time, the one-year Treasury yield is near zero with a promise by the Fed to keep interest rates at very low levels until the unemployment rate drops below 6.5 percent, which is not expected to happen until at least mid-2015.

Despite the encouraging signs exhibited by the housing sector in 2012, the road to recovery is still long and house prices still have a steep climb ahead especially for "underwater" homeowners. Although residential housing only makes up 3 to 6 percent of U.S. GDP, its absence from the recovery has been a major drag on the economy.

The last and smallest component of investment is change in business inventories. It includes goods that are produced by firms but not yet sold for final consumption. In the last three years, changes in inventories accounted for only 2.5 percent of total investment. However, due to its high volatility, it can sometimes have a significant impact on GDP, especially on a quarterly basis. The 2012 drought caused farm inventories to drop by an average of 16 percent in the second half of the year. But growth in nonfarm inventories offset the effect of the drought and the overall change in inventories came in positive throughout the year.

Government purchases fell for the second consecutive year at the federal and state and local levels. Inflation-adjusted government spending on goods and services dropped by 1.7 percent in 2012, following a 2.8 percent drop in 2011. As expected, the size of government has continuously shrunk since 2010 as the special spending programs to stimulate the economy have expired. Total government purchases came in at 18.3 percent of GDP in 2012, compared to 20.3 percent in 2009. Defense spending, which makes up two thirds of federal purchases, dropped by 2.2 percent in 2012, compared to a 2.6 percent decline in 2011. Nondefense spending also fell but at the smaller rate of 0.5 percent, compared to 3.1 percent in 2011. The federal government deficit was reduced by approximately $200 billion to $1.1 trillion in 2012. That is the fourth consecutive year the deficit topped a trillion dollars. As Figure 1.4 shows, the deficit in the past four years went out of proportion due to the combined effects of receipts and spending. Receipts declined due to the bad state of the economy and tax cuts while spending increased as a result of the government effort to boost the economy. The result is a record high federal debt of $16.5 trillion in December 2012. That is 105 percent of nominal GDP.

Federal deficit and debt have gained much attention in recent years. As part of the deal to resolve the debt ceiling crisis in 2011, Congress passed the Budget Control Act of 2011. According to this Act, the failure of the 2011 joint committee on deficit reduction, also known as the "super committee," to find a solution to cut the deficit by $1.2 trillion over ten years would trigger a series of automatic across the board cuts in defense and nondefense spending, starting January 1, 2013. This provision of the 2011 Budget Control Act is commonly referred to as the "sequester." In addition, a series of tax cuts were set to expire on December 31, 2012. This situation, known as the fiscal cliff, was projected by economists to push the economy into another recession in 2013. After several rounds of negotiation, the White House and Congress found a compromise in the last minutes and the American Tax Relief Act of 2012 was signed into law on January 2, 2013 to avert the cliff. That compromise avoided many of the adverse economic impacts that would have occurred from going over the cliff. Among others, it made permanent the Bush-era income tax cuts for all income up to $400,000 ($450,000 if married) and extended long-term unemployment benefits for one year. As a result, an estimated 2.1 million unemployed will be able to keep their benefits. It also protects permanently the middle class from the Alternative Minimum tax (AMT). According to various estimates, the legislation would raise $600 billion in new revenue over 10 years.

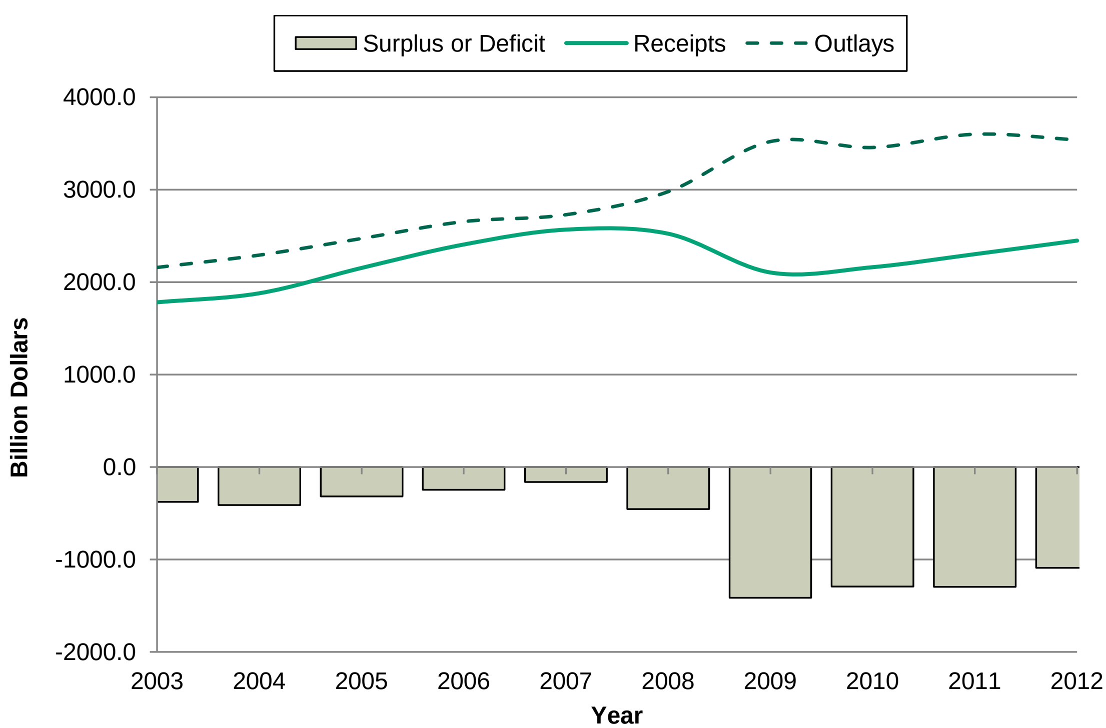
The fiscal cliff deal, however, failed to address several other debt-related issues that continue to cast uncertainty and downward pressure on the

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

U.S. economy in the short-term. First, although 98 percent of Americans will not see their income tax increase in 2013, all wage earners will face a lower paycheck. The two year old payroll tax break was not extended for 2013, resulting in workers having to pay 2 percent more on their first $113,700 of annual earnings. That is $50 less in monthly income for someone who earns $30,000 annually. Second, Congress did not raise the nation's debt ceiling. The Treasury Department says the government can continue to pay its bills until the end of February, but in the meantime there will be another fiscal showdown in the weeks ahead. Finally, the compromise did nothing to address the so-called sequester, kicking the can down the road for another two months. In the meantime, $12 billion in spending cuts (split between defense and nondefense) and $12 billion in new revenue are in effect for the first two months of 2013.

The U.S. recorded a trade deficit of $406 billion (or 3 percent of GDP) in 2012. That is, the imports of foreign goods and service by U.S. consumers exceeded the exports of goods and services produced in the U.S. Both exports and imports declined significantly during the recession in 2009 and followed a similar recovery pattern, leaving the trade deficit pretty stable at around $400 billion. They both rose significantly in 2010 (11 percent and 14 percent respectively) and at a slower pace two years later (4 percent and 5 percent respectively in 2012). In terms of exports, the aircraft industry picked up in 2012, particularly in the first and third quarter with 35 percent and 62 percent growth rates, respectively. Exports of U.S. produced vehicles and parts also came in strong with a 9 percent growth rate, but not as much as imports (16 percent growth). Arguably, the recession in most Eurozone countries contributed to the loss of momentum of U.S. exports in 2012.

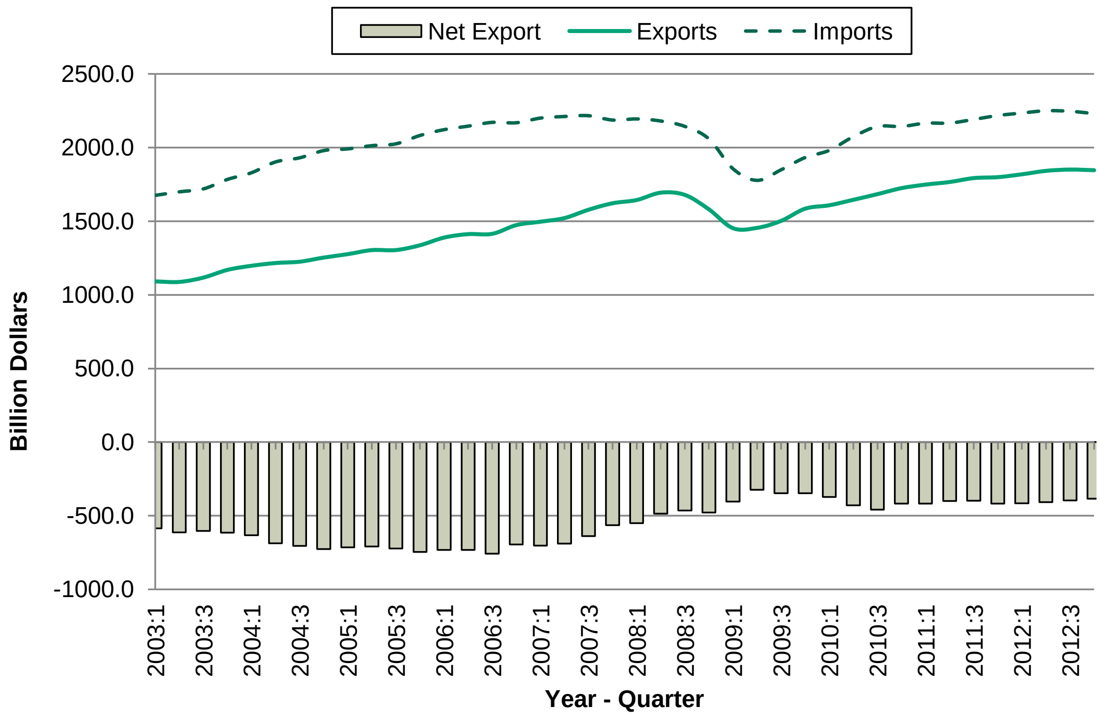
Figure 1.4. Federal Deficit Tops $1 Trillion for Four Consecutive Years



Source: U.S. Department of Treasury.

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

Figure 1.5. Timid Export and Import Growth Amid Global Uncertainties



Source: Bureau of Economic Analyses.

Inflation and Prices

The consumer price index or CPI is the most commonly-used indicator of inflation. It is calculated monthly by the Bureau of Labor Statistics based on household surveys. As measured by the CPI, overall prices increased in 2012 by 2.1 percent, compared to 3.1 percent in 2011 and 1.6 percent in 2010. The core-CPI, which excludes food and energy products, also increased by 2.1 percent, compared to 1.7 percent in 2011 and 1.0 percent in 2010. Food prices increased more rapidly (2.7 percent) than other goods including energy. The energy index rose less in 2012 (0.9 percent) than the year before (15.2 percent).

Overall, inflation is not a problem for the U.S. economy in the short-term, mainly due to weak demand and low commodity prices. Aggregate demand remains slack due to a combination of domestic and global factors. Consumers are still cautious in their spending habits given the huge losses in jobs and household net worth incurred during the crisis. Terms for qualification for consumer credit are still tight as regulations have tightened and lenders remember the losses experienced during the crisis. Firms also remain hesitant in their hiring and investment decisions due to all the fiscal uncertainties clouding the U.S. economic outlook in the short to midterm so there is no wage-push pressure on prices. Global uncertainties and the struggle of the Eurozone to avoid a deeper recession and prevent the collapse of the currency union is another factor. In addition, sluggish global growth contributes to keep oil prices down.

Beside weak aggregate demand and low commodity prices, the credibility of the Fed plays an important role in setting inflation expectations. As long as the public continues to believe that the

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

What is it about the CPI and its "chain?"

The CPI or Consumer Price Index is a measure of the cost-of-living. It is computed monthly by the Bureau of Labor Statistics based on household surveys. The percentage change in the CPI is one measure of inflation. How the cost of living is calculated has important implications for U.S. households as some private earnings and many government benefits, including social security, are pegged to the CPI. That is, when the cost-of-living increases as measured by the CPI, earnings and benefits are automatically adjusted.

The CPI is traditionally calculated by sampling the cost of a fixed market basket of goods. That fixed basket serves as an indicative measure of the spending habits of a typical household. One flaw with that measure – among several others – is that it fails to capture what economists call the "substitution effect". The traditional measure of the CPI assumes that consumers are passive and do not alter the composition of the bundle of goods they purchase as individual prices change. The substitution effect refers to the fact that when the price of a specific product goes up, a rational consumer reacts by buying less of that good and more of a similar good that he or she considers a substitute. For example, when the price of chicken rises, a person who usually buys two pounds of chicken and one pound of beef may switch to one pound of chicken and two pounds of beef. By assuming that consumers always buy the same amount of chicken and beef, the traditional measure of CPI overestimates the increase in cost-of-living. In other words, inflation is biased upward when computed with the traditional CPI. As a result, employers and the government overcompensate for increases in the cost of living.

The "chained CPI" comes as an alternative measure to the traditional (fixed-basket) CPI. By accounting for the average changes in the quantity of goods purchased, the chained-CPI is able to correct to some extent for the substitution effects discussed above. It also corrects biases associated with the introduction of new products and changes in the quality of existing products. It is worth noting that chained CPI is not a new concept by any account. The Bureau of Labor Statistics calculates monthly both the traditional and the chained-CPI as well a series of other variants of price indexes.

The term "chained-CPI" drew a lot of attention recently during the fiscal cliff negotiations between Congress and the White House. President Obama offered to use chained-CPI to calculate things like social security cost-of-living adjustments and income tax brackets. According to the Congressional Budget Office, adopting the chained-CPI would result in a reduction of over $100 billion in social security spending over the next 10 years. As you would expect, many voiced their opposition to the proposal arguing that it is a camouflaged benefit cut imposed upon seniors. Finally, the last-minute fiscal cliff deal signed into law on January 2, 2013 did not make a change to the way cost-of-leaving adjustments are calculated. With two other rounds of fiscal policy negotiations looming in the near future (the debt ceiling and the sequester), it is likely that CPI and its "chain" will be back in the discussions soon.

Fed will keep inflation low and stable, inflationary pressures are likely to remain low. As a result, the Fed still has room for more accommodating policies. The federal fund rate has been near zero (less than 0.25 percent) for 16 consecutive quarters. As mentioned earlier, Chairman Ben Bernanke has repeatedly made it clear that the Fed will continue to keep rates that low as long as it takes to get the economy back on its feet, *provided* inflation remains low. The targeted unemployment rate (under 6.5 percent) is not expected to be reached until at least the second half of 2015. With the balance sheet of the Fed growing larger, some warn that the risk of small miscalculations in policy timing or unforeseen shocks may result in higher inflationary pressure.

Labor market

In 2012, the national unemployment rate fell below 8 percent for the first time since January 2009 and the economy added jobs for the second consecutive year since the recession. In the

continued on page 11

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

The U.S.–China Trade Relationship

The relationship between the U.S. and China has deteriorated in recent years. With a share of 13.6 percent of total U.S. exports and imports in 2011, China is America's second largest trading partner after Canada. Perhaps the most consequential trade issue between the two nations is the significant undervaluation of the Chinese currency, the renminbi (RMB). China is criticized for artificially holding its currency undervalued in order to gain an unwarranted competitive advantage in international trade. The U.S. has continuously called on China to show more transparency in its exchange rate policy and to let its currency float so its value can be freely determined by the market, as is the case for other major currencies.

How is a country able to manipulate its currency? Under free markets, a trade surplus should appreciate the value of a country's currency because people want to be paid in local currency. As a country sells more goods abroad, there is an increased demand for its currency, and as a result the currency gains in value relative to foreign currencies. And, as the currency appreciates, the country's goods become less competitive internationally. This adjustment process is part of the market mechanism that prevents a country from continuously running unsustainable current account surpluses or deficits. However, China is able to keep its currency artificially weak by actively selling renminbis and buying U.S. dollars and U.S. government debt. As a result, Chinese goods appear more competitive.

Many politicians and economists have repeatedly called for the U.S. to officially label China a "currency manipulator." Twice a year, the Treasury Department is required, by law, to issue a report on international exchange rate policies of the major trading partners of the U.S. One of the goals of the report is to identify countries that manipulate the rate of exchange between their currency and the U.S. dollar for purposes of preventing effective balance of payments adjustments or gaining an unfair competitive advantage in international trade. But the Treasury, under different administrations, has so far avoided officially labeling China a "currency manipulator." In the last report issued in November 2012, the Treasury Department notes that progress has been made and the Chinese currency is the process of adjustment. The renminbi has in fact appreciated by 9.3 percent against the dollar from June 2010 to November 2012.[1] However, there is still evidence that the renminbi is significantly undervalued. Labeling China a "currency manipulator" is considered the first step for the U.S. to take direct actions including imposing tariffs on all Chinese goods. Many observers warn this would escalate in a trade war between the two countries. China could hit the U.S. back with tariffs on U.S. goods and dump its U.S. assets.

Although some U.S. industries would benefit from a trade war with China, neither country would be a winner in the end. First, it is unlikely that the U.S. would start producing domestically some of the cheap goods that it imports from China. Likely, the U.S. will continue to import cheap textiles and apparels but just from different countries. In other words, an adjustment of the Chinese currency or the imposition of tariffs on Chinese goods may reduce the U.S. bilateral deficit with China but the multilateral deficit will remain untouched at best. Second, U.S. consumers (and also U.S. industries that use intermediary inputs from China) would face steep price increases. In China, the consequences of a trade war with the U.S. would be even more disastrous as dozens of millions of people would lose their jobs and add to the already high level of poverty in the country.

Although a trade war due to the undervalued Chinese currency is less likely today than it was two or five years ago, there are many other issues that continue to pose a threat to the Sino-American trade relationship. For example, in September 2010, the U.S. claimed that Chinese companies were dumping cheap tires in the U.S. market and imposed a 35 percent tariffs on tires imported from China. Shortly after, China claimed that the U.S. was dumping subsided chicken products

continued on page 11

[1] Before June 2010, the renminbi was pegged to the dollar. That is, Chinese monetary authorizes actively intervened to keep the rate of exchange fixe regardless of its equilibrium value. Although they officially abandoned the pegging regime in 2010, they continue to intervene to keep the rate of exchange floating within a tight band.

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

in China and imposed a tariff of 50 to 105 percent on all U.S. poultry goods. In May 2012, the U.S. imposed a 30 to 250 percent tariff on imports of solar panels from China, justifying the move with the same "dumping" argument. Earlier, based on indications that China was cutting off supplies of rare earth minerals, the U.S., along with Japan and Western Europe countries, filed a complaint with the World Trade Organization (WTO). Rare earth minerals are crucial for the production of many high-tech devices as well national security products. China supplies 97 percent of rare earth minerals. Other trade disputes include intellectual property and technology.

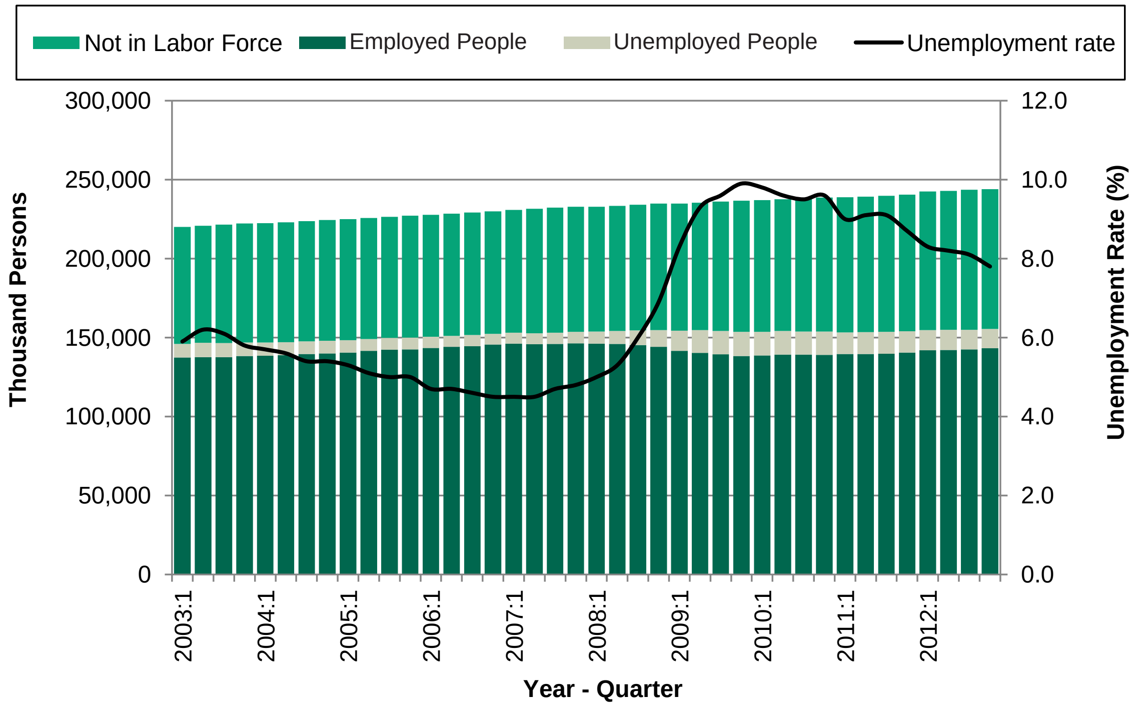
first three quarters of 2012, the unemployment rate stayed relatively flat around 8.2 percent as the downward momentum observed in the last quarter of 2011 seemed to have faded away. A combination of good and not-so-good news helped as 2012 ended with unemployment at 7.7 percent, the lowest it has been since the end of the recession. The good news is that the economy has continuously added jobs throughout the year. On average 150,000 payroll jobs were added monthly in 2012. However, given population and labor force growth, adding this amount of jobs could not by itself lower the unemployment rate. The other factor that helped is the fact that a significant number of job seekers quit looking and exited the labor market and as such were no longer counted as unemployed.

Figure 1.6 shows that the unemployment rate is unambiguously on a downward trend since the third quarter of 2009. A closer look, however, shows that this is not necessarily due to an increase in the number of employed people. Rather, the number of people out of the labor force has steadily increased since the end of the recession. In fact, the civilian labor force participation rate, which measures the proportion of able adult persons that are working or looking for a job, reached 63.5 in August 2012, the lowest it has been in thirty years. Meanwhile, the participation rate of people 65 and older continues to increase, indicating that more and more people are postponing retirement: 18 percent of people 65 and older were working or looking for a job in 2012, compared 13 percent just ten years ago.

In total, 1.9 million nonfarm payroll jobs were added in 2012, compared 1.5 million in 2011. That is a total of 3.4 million in job gains in the last two years compared to the nearly 8 million jobs lost in the preceding three years. The private sector added slightly over 2 million jobs and governments at all levels suppressed nearly 100,000 jobs in 2012. State and local governments shed jobs for the fourth consecutive year. Perhaps the best news in the labor market comes from the construction sector, which for the first time since the eve of the financial crisis did not lose jobs. A modest 37,000 jobs were added in 2012, keeping the total number of construction jobs around 5.5 million, compared to 7.6 million before the crisis. The construction sector was by far the hardest hit in terms of job losses during the last recession. The manufacturing sector also added jobs for the second consecutive year with 208,000 manufacturing jobs added in 2012 following a similar net gain in 2011. Prior to 2010, the manufacturing sector had lost jobs for 12 consecutive years. With the recently reenergized construction and manufacturing sectors, the short-term outlook for the U.S. economy seems especially bright.

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

Figure 1.6. Unemployment Continues its Slow but Steady Decline



Source: Bureau of Labor Statistics (BLS).
Notes: Number of people employed, unemployed and not counted in the labor force on the left axis; quarterly average of the unemployment rate in percentage on the right axis. The data are from household surveys.

1.3. The U.S. Forecast

The U.S. economy will continue its recovery in 2013 but at a slower pace than in 2012. Overall, inflation-adjusted GDP is estimated to grow at the rate of 1.7 percent in 2013, compared to 2.3 percent in 2012. Inflation-adjusted GDP contracted in the fourth quarter of 2012 due to corrections in defense spending and inventories and to a lesser extent drags from hurricane Sandy. 2013 is projected to begin on the same note with a 1 percent growth rate in the first quarter. This weak first quarter growth is attributed to the expiration of the payroll tax cut, which is estimated to cost as much as 0.4 percentage points in 2013 GDP growth.

Other fiscal pressures will weigh on growth prospects for the year. The debt ceiling and the sequester are the two primary threats to the economy in 2013. If nothing is done, the sequester will go into effect progressively with automatic 10 to 12 percent cuts in most government departments including defense and non-defense spending. Not raising the debt ceiling will have even more dramatic consequences as it will translate into an effective government shutdown since the Treasury will not be able to borrow to pay for the already-approved government bills. The government will have to rely solely on revenue collection to cover all expenditures. While it is safe to predict that Washington will reach a compromise to raise the debt ceiling, long negotiations that end in a small last-minute deal will still have adverse impacts on the economy,

1.3. The U.S. Forecast, continued

potentially including another credit downgrade by one or more rating agencies.

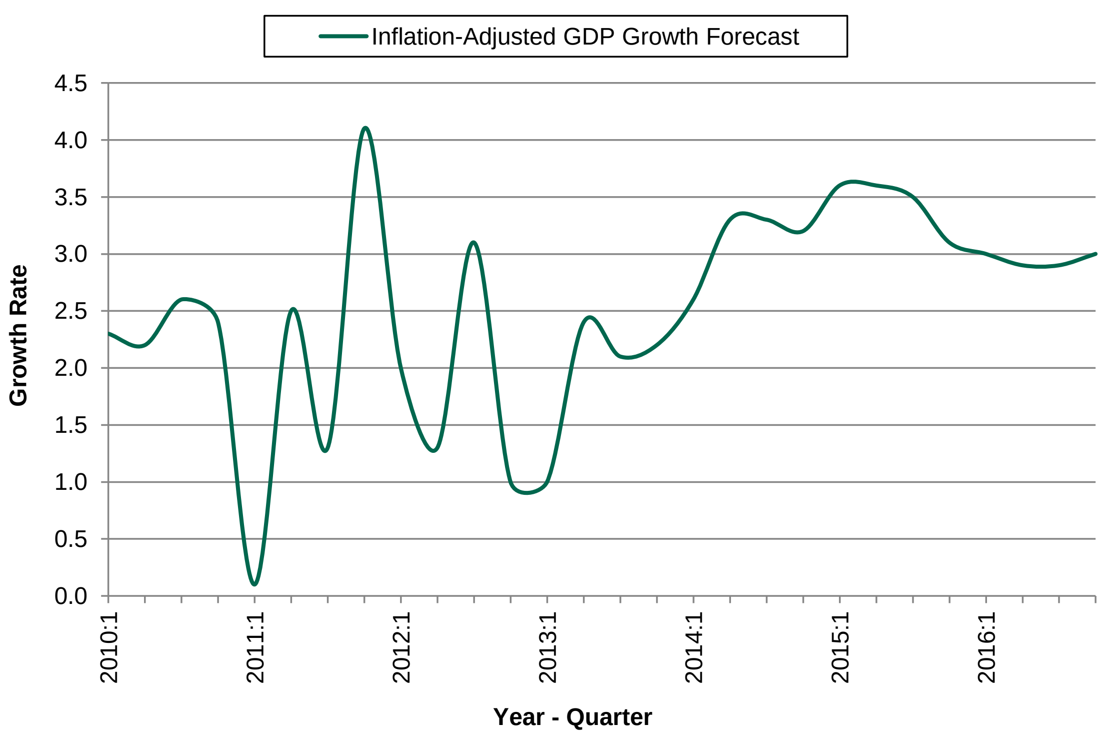
Despite these fiscal uncertainties, the short-term outlook for the U.S. economy includes some important bright spots. Most notable is the housing sector which began its rebound in 2012 and is expected to continue its recovery in 2013. After the weak first quarter, the economy will pick up some steam, with a projected growth rate of 2.1 to 2.4 percent for the last three quarters in 2013. The Fed will continue its long-term asset buying program, keeping interest rates low until unemployment reaches 6.5 percent sometime in 2015. The inflation rate is expected to stay low in the near future given weak demand, lower commodity prices and sluggish global growth.

Consumption and the Labor Market

Inflation-adjusted consumption expenditures will grow 1.8 percent in 2013, slightly less than the 1.9 percent growth recorded in 2012. Although consumer sentiment is at its highest since the financial crisis, a series of factors continue to hold back spending. First, consumers are particularly cautious due to the net worth losses incurred by households during the crisis and high debt burdens. After several years of recovery, inflation-adjusted household net worth is expected to grow 2.2 percent in 2013 to reach only 93 percent of its 2007 (pre-recession) level. But perhaps more consequential is the lack of confidence in the government's ability to improve economic and fiscal conditions.

The expiration of the payroll tax cut will have serious impacts on savings and consumer spending in 2013. The income tax hike on high earners, on the other hand, is not expected to have much effect on consumer spending. Overall, inflation adjusted consumption expenditures will grow 1.4 percent in the first quarter and around 2 percent for the

Figure 1.7. Inflation-Adjusted GDP Expected to Pick up Steam



Sources: Bureau of Labor Statics (historical values) and IHS Global Insight (projections).

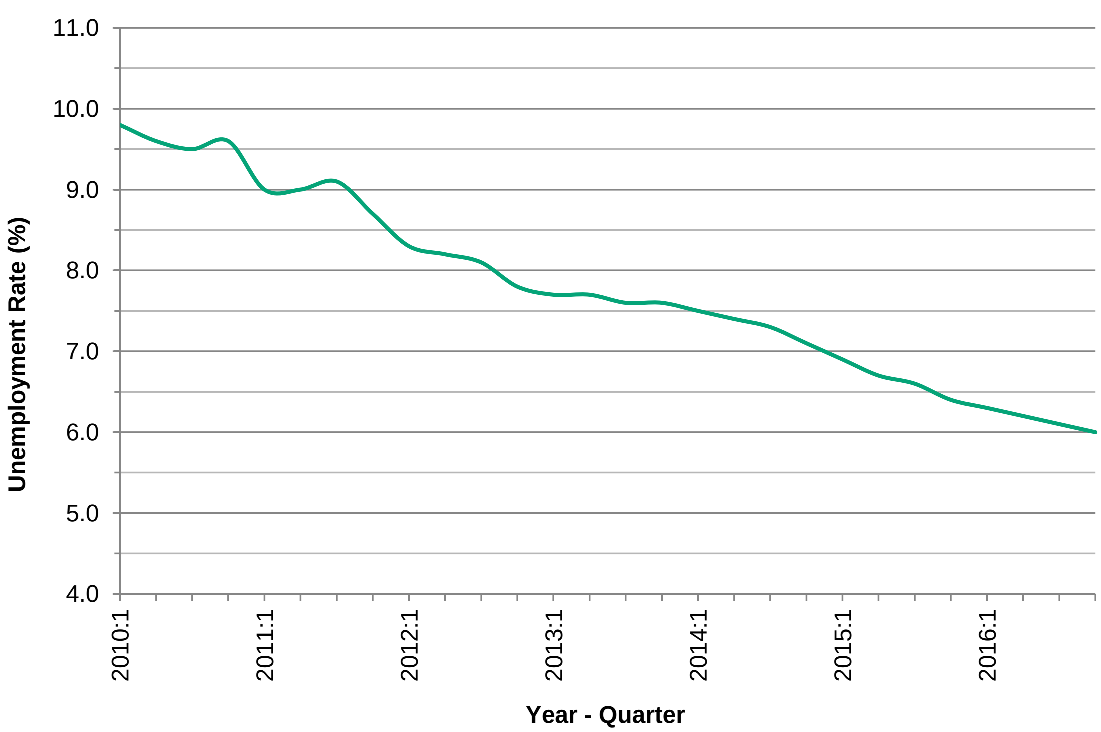
1.3. The U.S. Forecast, continued

rest of the year. In the first quarter, durable goods, the most volatile component of consumption expenditures, will take the biggest hit with a mere 0.4 percent rate of growth. Spending on motor vehicles and parts will shrink 8.7 percent in the first quarter on a seasonally-adjusted basis and recover subsequently for the rest of the year. Spending on durable goods will grow strongly after the first quarter (5.0, 3.2 and 4.0 percent respectively).

Nondurable goods and services will grow at a more stable pace throughout the year advancing between 2 and 2.5 percent each quarter. Services spending will grow 1.4 percent in the first quarter and around 1.7 in subsequent quarters.

Employment growth remains soft, adding to consumers' cautious spending patterns. The economy is expected to add on average 170,000 jobs each month in 2013, compared to 150,000 in 2012. The unemployment rate will barely fall to 7.6 percent by the end of this year, from 7.8 percent in December 2012. Although, the economy is expected to add more jobs this year than it did in 2012, the impact on the unemployment rate will not be as noticeable. The reason is that in 2012, a substantial portion of the observed decline in the unemployment rate was due to discouraged workers leaving the labor force. As the economy continues to recover, the labor force participation rate is expected to stabilize. The unemployment rate is not expected to fall below 7 percent until 2015. As the housing sector continues to recover, construction jobs are expected to grow 1.6 percent in 2013, the second consecutive year of positive growth since the eve of the housing crisis. The sector is expected to accelerate further in the years to come, with projected 6.6 and 12.4 percent job growth in 2014 and 2015. The manufacturing sector will also continue to add jobs in 2013 at the slightly slower pace of 1.4 percent, compared to 1.8 percent the last two years.

Figure 1.8. Unemployment Rate Expected to Continue its Steady Decline



Sources: Bureau of Labor Statics (historical values) and IHS Global Insight (projections)

1.3. The U.S. Forecast, continued

Investment and Interest Rates

All the indicators turned green in the housing market in 2012 and the recovery is expected to continue in 2013 and even faster in 2014 and 2015. Residential construction is expected to grow 14.4 percent in 2013 and around 20 percent the following two years. Similarly, house prices are expected to carry their 2012 positive momentum. The FHFA Purchase-Only House Price Index will rise by 2.7 percent in 2013, following its first rise in 2012 since the recession. Starts of new houses are expected to accelerate in 2013 and the next two years. Single-family housing starts are projected to reach 638,000 units in 2013, up more than 100,000 units from last year. Multi-family housing starts are projected to almost double in 2013 from their level two years ago. Sales of new houses will also rise to 464,000 in 2013, up from 365,000 in 2012.

Interest rates will continue to rest at historically low levels. The conventional 30-year fixed rate mortgage will drop further to 3.4 percent in 2013 and the one-year Treasury yield will stay close to zero as the Fed continue its long-term asset buying program. Starting sometime in 2014-2015, rates are expected to begin a slight upward trend as the Fed is expected to pull back on its accommodating policies.

Nonresidential fixed investment will grow only moderately in 2013 with a 3.9 percent increase compared to 7.5 percent last year. In fact, nonresidential expenditures on structures will drop slightly in 2013 (down 0.4 percent), partially offsetting the 5.7 percent increase in equipment and software. The struggle in this sector is attributable, at least partially, to the uncertain business climate related to political gridlock in Washington.

Federal Budget

Inflation-adjusted government purchases will decrease further in 2013 at the federal level as well as the state and local level. Fiscal policy continues to get tighter as the effects of the special programs to stimulate the economy wane. At the federal level, defense spending is set to fall by 3 percent and nondefense spending by 2.9 percent. At the state and local level, expenditures are expected to fall for the fourth consecutive year by 0.5 percent to reach $1.46 trillion in 2013, before starting to grow in 2014 as revenues improve. At the federal level, however, the downward trend is projected to continue several more years as the deficit is brought further under control. The federal budget deficit will shrink $200 billion to $880 billion in 2013 and represent 5.5 percent of GDP. This will be the first time in five years that the deficit will be less than a trillion dollars. Higher receipts rather than lower outlays are the source of the gain. The deficit is projected to stabilize around $600 billion in a few years and the federal debt will top $20 trillion by 2016.

The fiscal cliff negotiations failed to address the problem of the deficit and postponed discussions for another two months. If no compromise is found by the end of February 2013, the sequester, a series of automatic defense and nondefense spending cuts, will go into effect and reduce the budget of most departments by approximately 10 to 12 percent. It is unlikely that this will happen but the longer the discussions take, and the smaller the size of the deal, the more questions will be raised regarding the sustainability of U.S. debt.

International Trade

In the face of sluggish global growth, U.S. exports are expected to continue to grow but at the slightly slower pace of 3.2 percent in 2013, down from 3.5 percent in 2012. The U.S. dollar is expected to strengthen against the euro given the persistence of the Eurozone crisis. Imports are expected to grow 2.2 percent in 2013, compared to a slightly stronger 2.5 percent rate of growth last year. Imports of oil and related products are projected to fall by 6.4 percent in 2013, the fourth year in a row, largely reflecting lower prices. Overall, the trade deficit is expected to fall slightly to $392 billion as exports grow faster than imports in 2013.

1.3. The U.S. Forecast, continued

Inflation and Prices

The CPI (including all goods) is projected to grow only 1.4 percent in 2013, significantly less than the 2.1 and 3.1 percent increases recorded in 2012 and 2011. Core-CPI, the measure of inflation that excludes food and energy goods, is projected to stay stable around 1.9 percent in the next few years. Food prices will increase 2.8 percent in 2013, up slightly from 2.6 percent in 2012. Energy prices are expected to continue to drop with a 4.1 percent decline in 2013.

Update on the Eurozone Debt Crisis

In spite of U.S. domestic fiscal uncertainties, many economists, including exiting Treasury Secretary Tim Geithner, consider Europe's financial and economic difficulties as the biggest threat to the U.S. economy. Although significant progress was made in 2012 as the European Central Bank (ECB) and the International Monetary Fund (IMF) stepped in with plans to buy euro-area government bonds, the future of the Eurozone is still uncertain. Many predict the exit of troubled heavily indebted countries such as Greece, which could signal the beginning of the end for the currency union.

The recession in the Eurozone is projected to continue in 2013. The Organization for Economic Cooperation and Development (OECD) forecasts that inflation-adjusted GDP in the Eurozone will decline by 0.1 percent in 2013 as unemployment rises from 11.1 percent in 2012 to near 12 percent in 2013. Spain, the fourth largest economy of the currency union is stuck in its second recession in the last four years, with a contraction of 1.3 percent in the second quarter and 1.7 percent in the third quarter. Its unemployment rate rose to nearly 25 percent in late 2012. In the UK, the London Olympics helped the country avoid three consecutive quarters of falling GDP. Among other one-time factors, the Olympics helped the UK emerge from the first double-dip recession since the 1970s as the country registered its highest quarterly GDP growth in the last six years. The better-than-expected third quarter performance by the UK also helped the European Union as a whole avoid falling back into recession in the third quarter with a 0.1 percent growth rate after a decline of 0.2 percent in the second quarter.

The Eurozone crisis impacts the U.S. economy through various channels. The ongoing financial stress gives rise to a tightening of financial conditions globally. Since its recent financial crisis, the U.S. has taken several measures, including bailouts and tighter regulations, to solidify its financial sector. As a result, banks in the U.S. are stronger and more resilient today than they were five years ago. However, U.S. banks remain heavily exposed in many European countries. The complexity of the global financial system is such that the risk of contagion is always present--a panic in one market is easily transmitted to others. Europe experienced this effect in 2008 with the meltdown of Lehman Brothers. Although American banks are stronger today, if the crisis worsens, widespread bank failures following government default in Europe would likely go beyond the borders of the currency union.

Another channel through which European issues are felt in America is trade. Together, European countries form America's biggest trading partner. A slowdown in demand in the European Union has a direct impact on U.S. exports. In 2012, as the continuous debt crisis threw much of Europe back into recession, the exports of autos by U.S. manufactures plummeted. Luckily for the auto industry, domestic sales were regaining steam. For example, Ford reported a drop of 57 percent in net income in 2012, essentially due to its operations in Europe. Its $404 million loss in pre-tax operating profit in Europe erased gains in North America. U.S. manufacturers of aircraft, construction and farm machinery, and high-tech gear are expected to suffer from less growth in Europe. The persistent softness of the euro produced by the crisis and the multiple monetary interventions by the European Central bank is also harmful to U.S. exports.

continued on page 17

1.3. The U.S. Forecast, continued

Amid the bad news and pessimism among many economists, there are encouraging signs that Europe will navigate through its current difficulties. In December 2012, European finance ministers announced they had reached a deal that would bring the continent's banks under a single supervisor. The ECB is expected to play a key role in the supervising body, which is not limited to the 17 euro area countries. If successfully implemented, the single form of supervision will remove the link between weak banks and national governments, and as a result strengthen the financial system in the union. Another positive note for the future of the Eurozone is the ratification of the European Stability Mechanism (ESM) by Germany in September 2012 after a long period of uncertainty fueled by German domestic politics. The ESM comes as a permanent replacement for two temporary funding programs established by the union during the crisis to assist countries in difficulty.

1.4. Alternative Scenarios

The ongoing political gridlock in Washington on fiscal policy issues and the continuing struggle of the Eurozone are two major threats to the already fragile U.S. recovery. Congress and the administration were able to reach a late agreement to avert the fiscal cliff and most of its impacts on the economy. They postponed, however, discussions on the debt ceiling and the sequester. These are two fiscal issues on which the political divide appears to be even wider than the recent fiscal cliff. How the debt ceiling and the sequester negotiations unfold in February could have enormous consequences on the path of the recovery.

In the pessimistic scenario (20 percent probability), partisan brinkmanship leads to a political crisis about the debt ceiling in a deja-vu scenario similar to 2011 when the U.S. credit rating was downgraded for the first time in history. In addition, Congress and the White House fail to find a compromise and the sequester goes into effect, forcing a general spending cuts for most programs, including defense and entitlement programs. In that scenario, the U.S. falls into a mild recession as early as the first half of 2013 and the unemployment rate spikes above 9 percent.

In the optimistic scenario (20 percent probability), the rebound of the housing sector accelerates and leads the rest of the economy in a stronger recovery. Washington finds a consensus to raise the debt ceiling and adopts fiscal policies that reduce the deficit and deal with the long run sustainability of the federal debt without drastic short-run spending cuts. In addition, policy decisions in Europe and China contribute to spur global growth. Under that scenario, consumers and businesses regain confidence and the recovery reignites. Inflation-adjusted GDP grows 3 percent instead of 1.7 percent in the baseline scenario. Unemployment drops below 7 percent in the first half of the year and gets close to 6.5 by December 2013.

1.5. Forecast Summary and Conclusion

The slow but steady recovery of the U.S. economy is set to go on in 2013 despite the uncertainties around domestic fiscal policies and the ongoing struggle of the global economy.

- Inflation-adjusted gross domestic product will grow 1.7 percent in 2013, a slower pace than the 2.3 percent in 2012.
- The unemployment rate will only drop slightly from 7.8 percent to around 7.6 percent by the end of the year, despite the economy adding an average of 170,000 payroll jobs a month.
- Consumer spending will grow at the slower rate of 1.8 percent in 2013, partly due to the expiration of the payroll tax cut.
- The housing market finally rebounded in 2012 and the construction sector is expected to grow even stronger in 2013 in terms of job creation (1.6 percent growth), housing starts and sales of new houses.
- Exports and imports are expected to grow at a slower pace (3.2 percent and 2.2 percent respectively) as the Eurozone continues to struggle to get out of a second recession.
- Inflation will remain benign in the short-term due to weak demand, sluggish global growth and continuing downward pressure on energy prices. Headline inflation will drop to 1.4 percent in 2013 while core inflation, which excludes food and energy, is expected to stay around 1.9 percent.
- The Federal Reserve is expected to continue its long-run asset buying program through 2013 and 2014, keeping interest rates at their current historical low values.

CHAPTER 2: THE TENNESSEE ECONOMY: SHORT-TERM OUTLOOK

In this chapter—

2.1. Introduction

Tennessee has now experienced well over three years of growth following the end of the Great Recession in the summer of 2009. Considerable ground has been recovered, but more growth will be needed to erase all of the losses that took place over the course of the recession. Relative to initial expectations, 2012 was a disappointment, but growth was sustained for the year. The economy initially appeared to be poised for strong resurgence, but as with early 2011, a variety of forces conspired to temper the state's growth prospects for the year. A marked slowdown in the European Union coupled with slower growth throughout the rest of the world were contributing factors. Uncertainties surrounding the federal government budget outlook also dampened growth and set a bitter tone for the introduction of the New Year.

The good news is that the state economy was able to continue its expansion and the process of rebuilding from the trough of the recession. Nonfarm employment expanded at a 1.3 percent rate and manufacturing employment saw a significant 2.9 percent gain in 2012. After averaging 8.7 percent in the fourth quarter of 2011, the state unemployment rate dropped to 7.8 percent by the last quarter of 2012. Personal income growth came in at a modest 3.8 percent rate for the year, with growth in transfer payments lagging all other broad sources of income.

Tennessee's performance relative to the nation was mixed in 2012. On the one hand, Tennessee saw slightly stronger income growth and job growth in manufacturing than that of the national economy. On the other hand, Tennessee's nonfarm employment growth trailed the nation by a small margin. Both the state and the nation had unemployment rates of 7.8 percent in the final quarter of the year.

The short-term economic outlook is clouded by considerable uncertainty due to the ongoing fiscal standoff in Washington, DC. While a last minute

2.1. Introduction, continued

deal averted a sharp increase in tax rates at the end of December, there are a number of outstanding fiscal issues that need to be addressed, including an increase in the nation's debt ceiling, spending sequestration and long-term deficit reduction. A practical and timely resolution to the debt ceiling and sequestration questions in early 2013 will help set the stage for stronger growth for the remainder of the year; ultimately expenditures and revenues must be brought into closer alignment. A prolonged and cantankerous debate would add further uncertainty to the national and state business climates and sharply diminish growth prospects for the year.

The forecast presented here assumes last-minute resolution of upcoming debt ceiling and sequestration challenges. But growth will nonetheless be hampered by fiscal indecision, brinksmanship and the risk of inaction. Tennessee nonfarm employment is expected to be up 1.0 percent in 2013, while manufacturing employment growth will cool to 1.2 percent. The state unemployment rate will remain elevated as ongoing job growth eventually draws more unemployed people to the labor force to pursue employment opportunities. After averaging 8.1 percent in 2012, the state unemployment rate should average 7.9 percent in 2013, slightly higher than its national counterpart. Barring an unforeseen shock, 2014 is expected to post the strongest economic gains in many years.

2.2. The Current Economic Environment

Last year was another rebuilding year for Tennessee as the state sought to recover ground that was lost over the course of the recession. While personal income has more than fully recovered, other measures of economic health, including nonfarm employment, the unemployment rate, construction activity and revenue collections, have yet to fully rebound. Fortunately the state economy has been able to continue to expand despite risks to the national economy and global setbacks.

A composite measure of the state's recent economic performance reported as an index of economic momentum is shown in Table 2.1. As of September 2012, Tennessee ranked 18th among all states on the basis of this index which captures income, population and employment growth. Especially noteworthy is the state's positive showing compared to *contracting* indexes in 29 states across the country. This breadth of weakness is a sign of the fragility and instability of the ongoing economic expansion.

Probing beneath the surface, the state economy saw job growth of 1.3 percent in 2012, below the 1.6 percent pace of job creation in 2011 and below the 1.4 percent rate of job growth recorded for the national economy in 2012. Unfortunately, year-over-year nonfarm employment growth in

Table 2.1. Index of State Economic Momentum, September 2012

Rank	State	Index	Rank	State	Index
1	North Dakota	4.14	26	Virginia	-0.07
2	Texas	1.03	27	Minnesota	-0.10
3	Oklahoma	0.90	28	Florida	-0.11
4	Utah	0.78	29	South Carolina	-0.17
5	Washington	0.61	30	Iowa	-0.21
6	Indiana	0.53	31	Arkansas	-0.27
7	Arizona	0.53	32	Kansas	-0.31
8	Montana	0.50	33	Massachusetts	-0.32
9	Hawaii	0.48	34	New Jersey	-0.34
10	California	0.48	35	Missouri	-0.49
11	Kentucky	0.42	36	New York	-0.50
12	Nebraska	0.30	37	Vermont	-0.53
13	Colorado	0.22	38	Pennsylvania	-0.57
14	Alaska	0.20	39	Alabama	-0.58
15	Oregon	0.19	40	Illinois	-0.64
16	Georgia	0.14	41	Nevada	-0.73
17	Ohio	0.09	42	Maine	-0.75
18	**Tennessee**	**0.03**	43	Mississippi	-0.80
19	Maryland	0.03	44	Wisconsin	-0.82
20	Idaho	0.01	45	New Hampshire	-1.02
21	Wyoming	0.00	46	Delaware	-1.02
22	Michigan	-0.03	47	West Virginia	-1.05
23	North Carolina	-0.04	48	Connecticut	-1.11
24	Louisiana	-0.05	49	Rhode Island	-1.25
25	South Dakota	-0.06	50	New Mexico	-1.39

Source: Federal Funds Information for States (2012). Index of State Economic Momentum, State Policy Reports, 30(18) 2.

2.2. The Current Economic Environment, continued

Tennessee slowed in each quarter of 2012 with the fourth quarter showing growth of only 0.9 percent. For the year as a whole, nonfarm employment totaled 2,690,500. This is well below the pre-recession peak of 2,797,800 in 2007 and also below the employment level that prevailed in 2000.

Statewide employment growth in Tennessee in 2012 was led by natural resources, mining and construction (6.1 percent), durable goods manufacturing (5.4 percent) and professional and business services (2.2 percent). Several broad sectors saw employment decline in 2012, including nondurable goods manufacturing, wholesale trade, transportation and utilities, financial activities and the federal government. Based on data available through November 2012, Tennessee's year-over-year job growth was ahead of 4 other states in the southeast and behind 7 states in the region. On the other hand, manufacturing employment growth in Tennessee was ahead of all other southeastern states except Georgia and Alabama.

The most recent county employment growth data are shown in Figure 2.1. Despite 2.0 percent statewide employment growth from June 2011 to June 2012, 28 counties saw employment decline. Lake County, which has a very small employment base, enjoyed the strongest growth at 63.4 percent, followed by Morgan County (27.4 percent), Bledsoe County (23.9 percent) and Lauderdale County (21.2 percent). Obion County, which also has a very small employment base, had the worst showing with job losses tallying 10.2 percent.

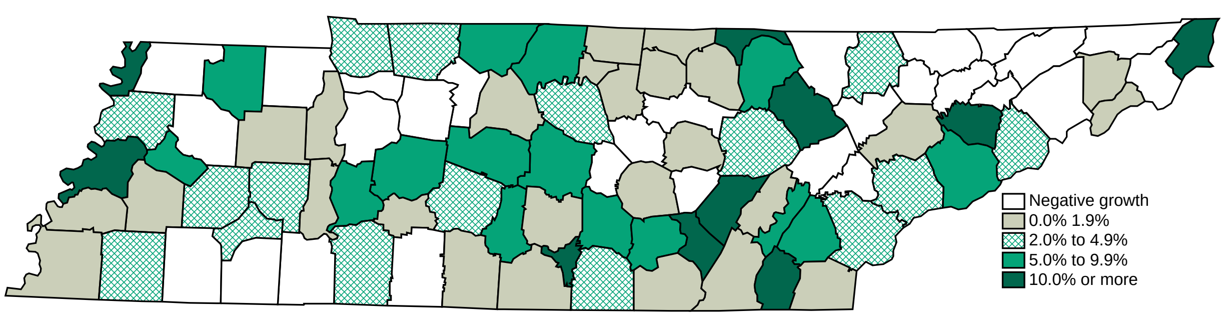
The civilian labor force in Tennessee, which includes employed people and unemployed people who are actively seeking employment, declined in 2012. While the number of unemployed people

Tennessee Offers Strong Business Climate

Tennessee once again came in 8th in the nation for its business climate in 2012. This business climate ranking developed by *Site Selection* magazine is based on a variety of factors including tax burdens and surveys of site selection executives. *Forbes* magazine on the other hand, gave Tennessee the 24th spot in its state ranking. The state ranked very highly in *Forbes'* assessment of the costs of doing business in the state. *Business Facilities*, an important magazine in the economic development arena, ranked Tennessee 1st in automotive manufacturing strength. The automotive ranking was attributable to ongoing growth in both the assembly and supply chain sectors in Tennessee.

Figure 2.1. Many Counties Continue to See Job Losses Despite Statewide Job Growth
(Year-Over-Year Growth in Total Covered Employment, June 2011-June 2012)

Tennessee: 2.0%
U.S.: 1.8%



Note: Not seasonally adjusted.
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

2.2. The Current Economic Environment, continued

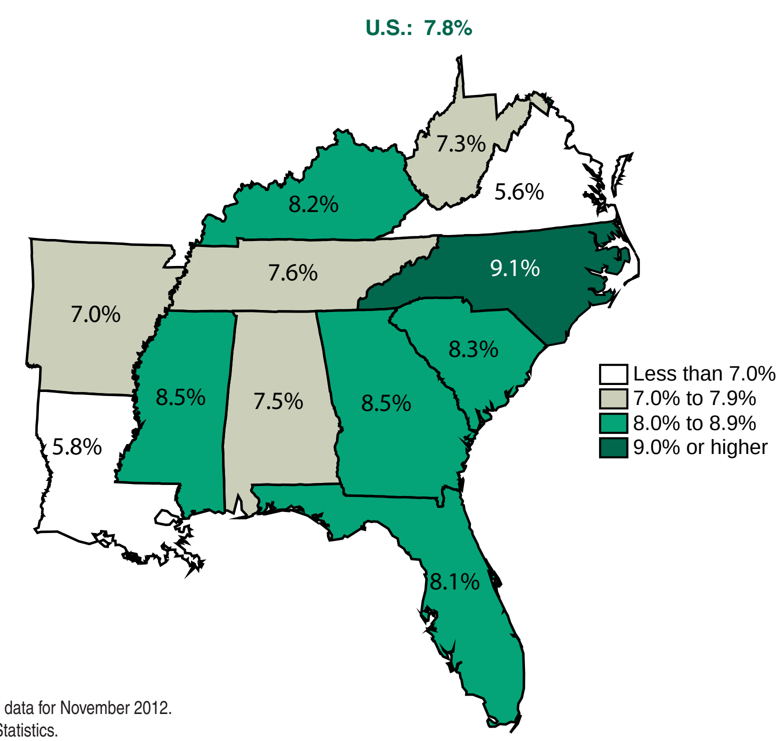
contracted 13.3 percent, many of these people apparently exited the labor force in the face of few employment prospects. The number of employed people did show growth, but at the anemic pace of only 0.4 percent. The net effect for the year was a 0.8 percent decline in the labor force and further contraction in the labor force participation rate; i.e., the share of the adult population in the labor force.

The state unemployment rate averaged 8.0 percent in 2012 compared to an 8.1 percent rate for the nation. Based on data for the month of November, Tennessee's 7.6 percent unemployment rate was roughly in the middle of the pattern for the southeast states and slightly below the national unemployment rate of 7.8 percent (see Figure 2.2). The highest unemployment rate in the region was in North Carolina (9.1 percent); the lowest was in West Virginia (5.6 percent).

Figure 2.3 shows non-seasonally adjusted county unemployment rates for November 2012, the most recent month for which data are available. Fourteen counties had non-seasonally adjusted unemployment rates in excess of 10 percent for the month, with the highest rate in Scott County (15.3 percent). Williamson County enjoyed the lowest unemployment rate (4.4 percent), followed by Lincoln County (4.8 percent), Knox County (5.2 percent) and Blount County (5.2 percent).

Personal income took a beating over the course of the recession (with an inflation-adjusted decline of 3.1 percent in 2009) but fully rebounded relatively quickly. Inflation-adjusted income growth slowed appreciably to 2.0 percent in 2012 from the healthier 2.4 percent rate of growth in 2011. On a year-over-year basis for the third quarter of 2012, Tennessee ranked 16th in the nation in personal income growth leading all states in the southeast other than Arkansas. Inflation-adjusted U.S. personal income growth came in at only 1.6 percent in 2012. Inflation-adjusted per capita personal income in Tennessee was up 1.2

Figure 2.2. Tennessee's Monthly Unemployment Rate in the Middle of the Southeastern States
(November 2012)



Note: Seasonally adjusted data for November 2012.
Source: Bureau of Labor Statistics.

2.2. The Current Economic Environment, continued

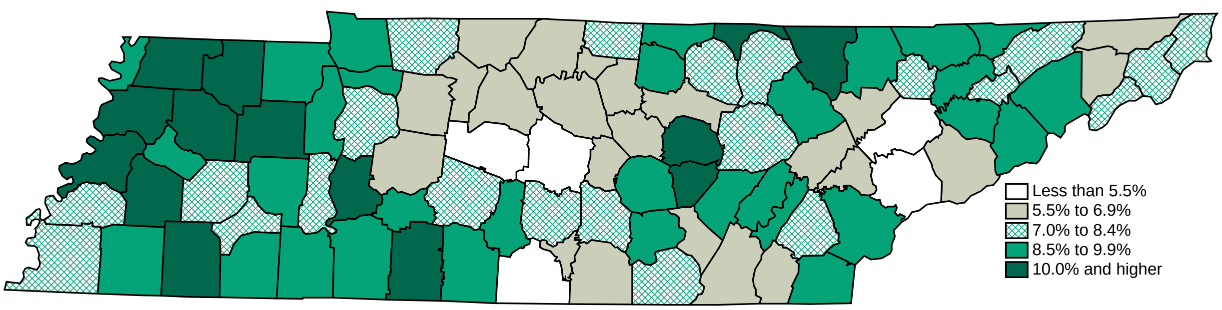
percent last year compared to growth of only 0.6 percent for the nation. Tennessee's per capita income was about 89 percent of the national average in 2012.

Per capita income, median household income and poverty rates all show considerable variation across counties in Tennessee and tend to be highly correlated with county measures of educational attainment by the adult population. Figure 2.4 provides county-level data on per capita income for 2011, the most recent year for which county data are available. Statewide per capita income trailed the national average by $4,993 in 2011. Williamson County continues to have the highest per capita income in the state, standing at $59,399 in 2011. Only four counties in the state—Williamson, Davidson, Fayette and Montgomery—have income above the national average. Hancock County's per capita income of $20,079 is the lowest in the state and is only 48.3 percent of the national average.

The state's construction sector continues to rebound. Employment in natural resources,

Figure 2.3. Monthly Unemployment Rates Have Improved, But Remain Elevated
(Monthly Unemployment Rate, November 2012)

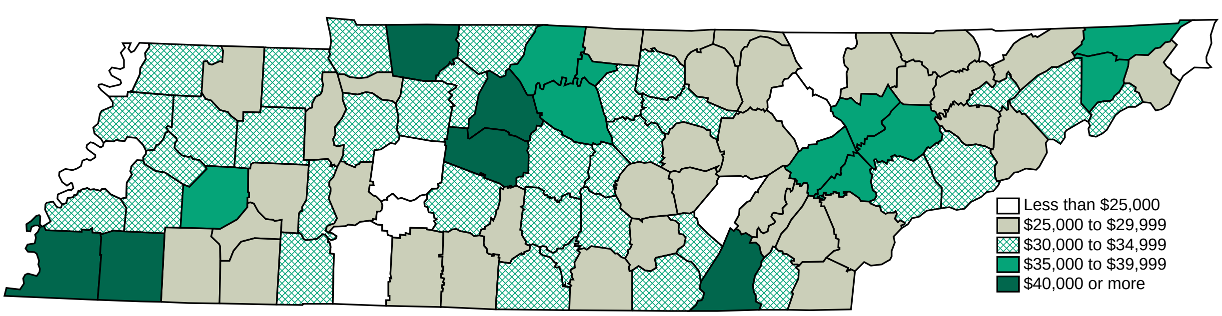
Tennessee: 6.9%
U.S.: 7.4%



Note: Non-seasonally adjusted data for November 2012.
Source: Bureau of Labor Statistics, Current Employment Statistics.

Figure 2.4. Per Capita Income Shows Wide Variation Across Tennessee
(2011 Per Capita Personal Income in Current Dollars)

Tennessee: $36,567
U.S.: $41,560



Source: Bureau of Economic Analysis.

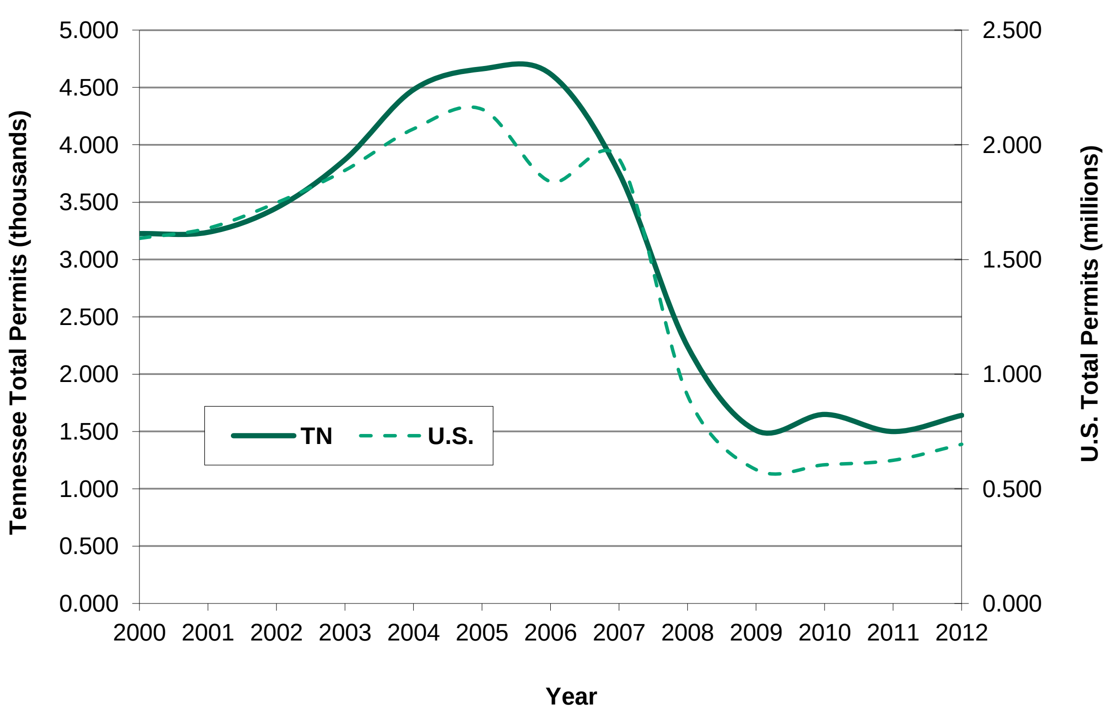
2.2. The Current Economic Environment, continued

mining and construction advanced 6.1 percent in 2012, up from the 4.5 percent rate of growth registered in 2011. As shown in Figure 2.5, building permits collapsed over the course of the recession for both the state and the nation. Total permits in Tennessee grew in 2010 and then suffered a setback of 9.1 percent in 2011 due in part to the 57.4 percent growth in multi-family permits in 2010 and the subsequent 28.5 percent contraction in 2012. Single-family permits contracted in each year in the 2006–2011 window, with the losses narrowing from 2008 forward. Last year should represent the first year of single-family permit growth since 2005. The overall trend for the national economy largely parallels the situation in Tennessee.

Light vehicle sales have shown a significant rebound with annualized sales for the national economy up 13.3 percent in 2012. With light vehicle sales standing at 14.4 million units in 2012, there is room for further growth in the years ahead in order to catch up to pre-recession levels. Employment in the state's transportation equipment sector was up 13.8 percent in 2012 on the heels of 11.8 percent growth in 2011.

Figure 2.6 shows that Tennessee ranked 9th in the nation in light vehicle production in 2011. In the same year, employment in the transportation equipment sector stood at 45,200 or almost 15 percent of overall employment in the state's manufacturing sector. Tennessee produced 262,500 cars in 2011, along with 117,200 vehicles classified as light trucks, for a total of 379,700 light vehicles. This represented 4.5 percent of all light vehicles produced in the U.S. in 2011.

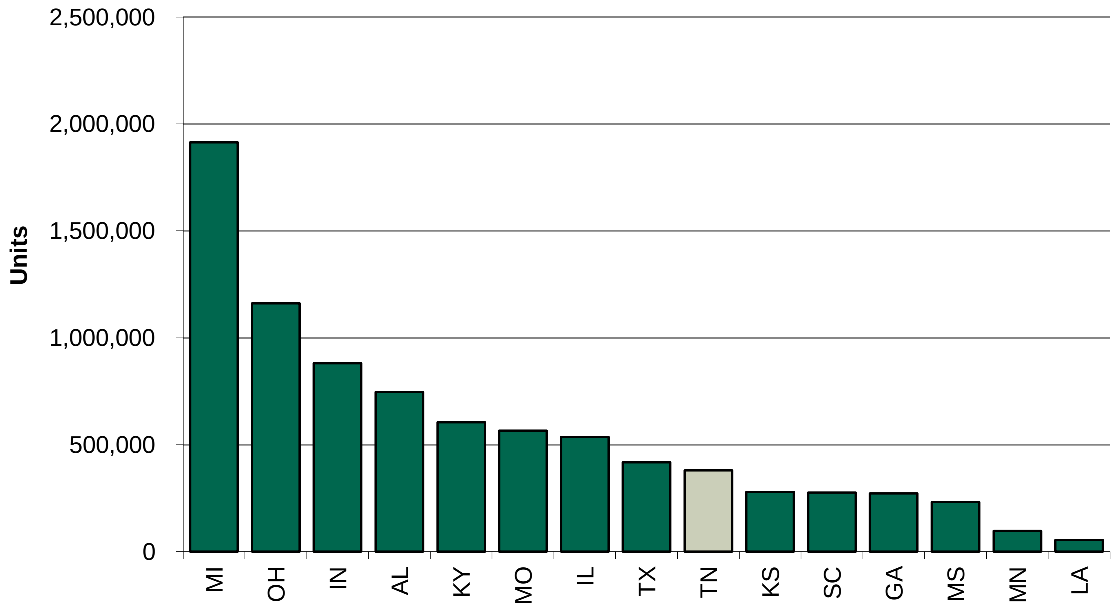
Figure 2.5. Building Permits Indicate a Housing Recovery is in the Works



*Total permits for January 2012 to November 2012.
Source: U.S. Dept. of Housing and Urban Development's State of the Cities Data Systems (SOCDS), Census Bureau Building Permits Survey data; and U.S. Census Bureau, New Residential Construction.

2.2. The Current Economic Environment, continued

Figure 2.6. Tennessee Ranked Ninth in Light Vehicle Production in 2011



Source: Ward's Automotive Group.

2.3. Fiscal Update

With the economic expansion continuing, state and local government fiscal affairs are beginning to stabilize. While growth was slower than anticipated in 2013, most states have surpassed 2008 peak tax revenue collections.

National Perspective

Fiscal budgets for 2013 are larger than in 2012 as collections continue to grow. The National Association of State Budget Officer's "Fiscal Survey of States" predicts that tax revenues will hit a "turning point" in fiscal year 2013 with general fund collections reaching pre-recession levels.[1]

The stabilization of the housing market also shows promise for fiscal year 2013. U.S. housing starts have clearly moved off the bottom and are expected to continue to rise. Home construction starts in November were at a seasonally annualized rate of 861,000, just below October's rate of 888,000 (see Figure 2.7). Building permits in November were up to 899,000, offering further encouragement.[2] The Great Recession tore down housing starts to lower levels than any other recession in the data dating back to the 1960s.

In addition to steadily increasing housing starts, the housing price index is growing again, as shown in Figure 2.8. As of the third quarter of 2012, the U.S., East South Central Region, and South Atlantic Region had seen three quarters of growth; Tennessee experienced four consecutive quarters of growth.[3] This should help stabilize property tax bases across the state and nation.

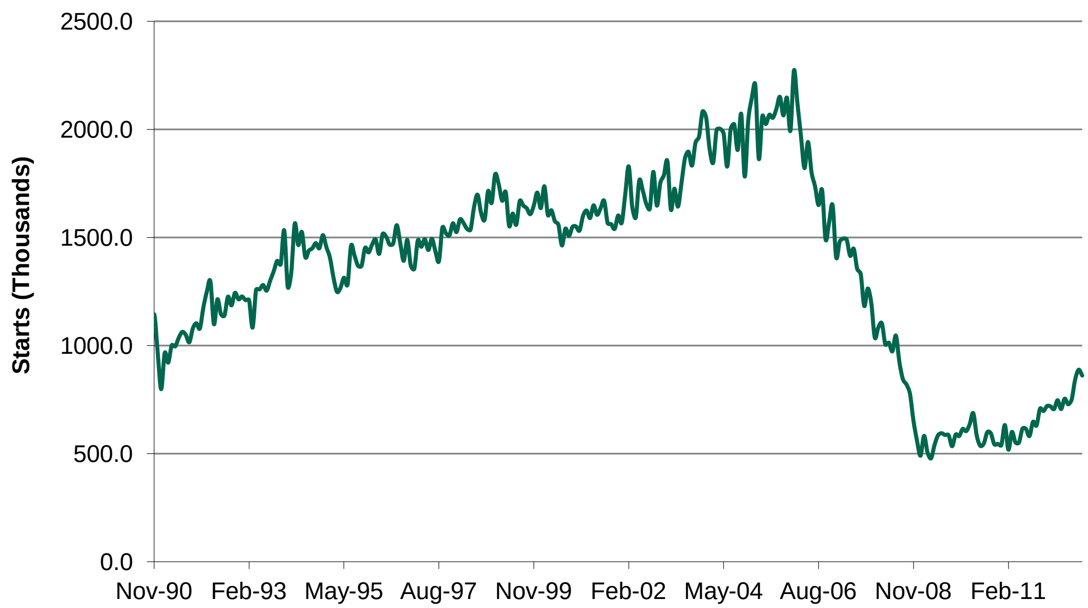
[1] National Association of State Budget Officers. (Fall 2012). "The Fiscal Survey of States." Retrieved from http://www.nasbo.org/sites/default/files/Fall%202012%20Fiscal%20Survey%20of%20States.pdf.

[2] Data retrieved from IHS Global Insight: Country and Industry Forecasting.

[3] Data retrieved from Federal Housing Finance Agency – HPI Data.

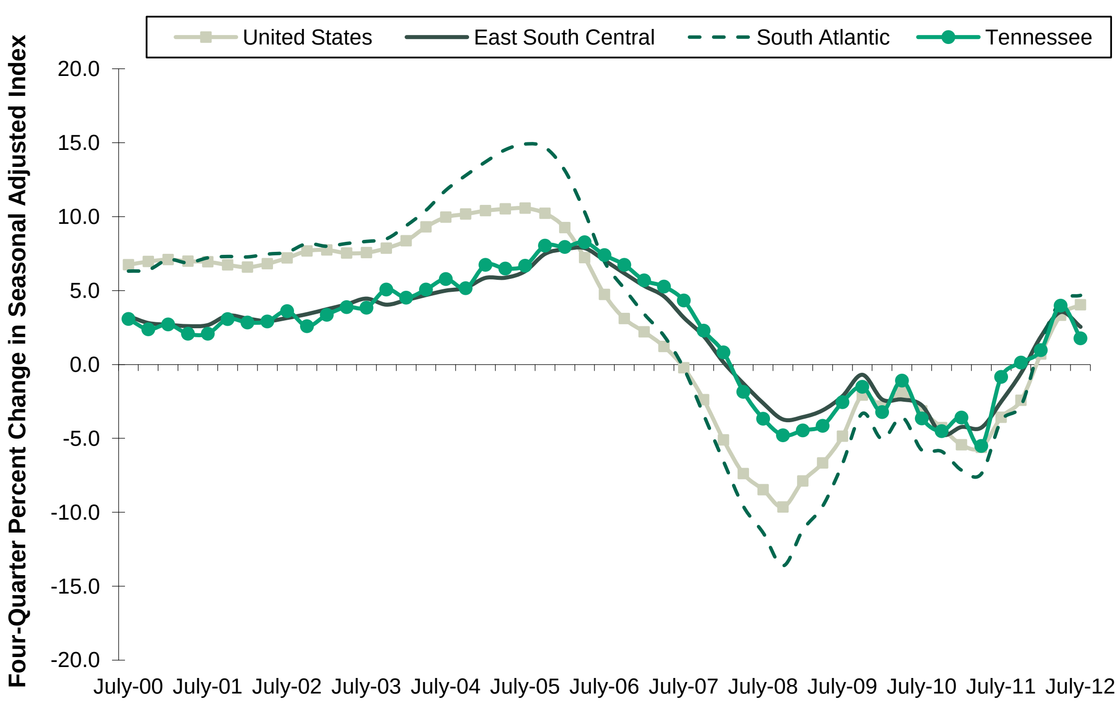
2.3. Fiscal Update, continued

Figure 2.7. U.S. Housing Starts are Finally Enjoying a Meaningful Rebound



Source: IHS Global Insight, Inc.

Figure 2.8. Housing Price Indexes on the Rise
(four-quarter percentage change in seasonally-adjusted house price indexes)



Source: Federal Housing Finance Agency.

2.3. Fiscal Update, continued

As the housing market has illustrated, economic growth is occurring but often at a too-slow pace. But slow and steady is certainly better than peak-trough volatility. Fiscal 2012 was a year of economic and revenue growth that allowed states to reach peak 2008 revenue levels for the first time since the Great Recession. The nation saw 4.2 percent growth in total tax collections over fiscal 2011. Compared to fiscal 2008, tax collections were 1.7 percent higher (see Figure 2.9).[4] [Note: A recent data update shows the nation actually growing less than 1 percent over fiscal 2008 and falling 5 percent after adjusting for inflation.[5]] Sales and use tax revenues grew 3.0 percent in comparison to fiscal 2011 and 0.3 percent over 2008. Personal income taxes grew 5.7 percent over 2011 but were still slightly below the levels that prevailed in 2008 by 1.9 percent.[6]

While the slow and steady trend continued through the third quarter of 2012, July through September, preliminary total tax collection data indicate slower growth than anticipated. Revenues were still 2.1 percent above the same quarter in 2011 and have experienced 11 consecutive quarters of growth. The third quarter also boasted sales tax collections that were 3.1 percent above 2011 and personal income tax growth of 4.5 percent.[7]

[4] Dadayan, Lucy and Donald J. Boyd. (October 2012). "Sales Tax Revenues Show Slowest Growth in Last Two Years." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-10-25-SRR_89_v2.pdf.

[5] Dadayan, Lucy. (December 13, 2012). "State Tax Revenues Showed Continued Yet Slow Growth in the Third Quarter of 2012." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-12-13_Data_Alert.pdf.

[6] Dadayan, Lucy and Donald J. Boyd. (October 2012). "Sales Tax Revenues Show Slowest Growth in Last Two Years." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-10-25-SRR_89_v2.pdf.

[7] Dadayan, Lucy. (December 13, 2012). "State Tax Revenues Showed Continued Yet Slow Growth in the Third Quarter of 2012." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-12-13_Data_Alert.pdf.

Figure 2.9. Fiscal 2012 Surpassed 2011 and Peak 2008 U.S. State Tax Collections

Source: The Nelson A. Rockefeller Institute of Government.

2.3. Fiscal Update, continued

Tennessee and the Southeastern States

Similar to the nation, the southeastern states (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia) experienced revenue growth across the board in fiscal 2012 over 2011. Total tax collections were 3.8 percent higher than 2011, just under the growth rate for the nation. Sales and use tax revenues were the same as the nation, at 3.0 percent growth, and personal income tax receipts within the region were above the national average at 6.0 percent.[8]

The region experienced stronger growth than the nation in total tax revenues during the third quarter of 2012 (3.3 percent). Sales tax collections grew 2.5 percent over third quarter 2011, just under the national average, and personal income taxes grew 3.1 percent.[9]

Tennessee performed better than the southeastern region and the nation in both fiscal year 2012 and the third quarter of 2012. The fiscal year data show Tennessee's total tax collections growing at 8.0 percent over 2011, the highest growth rate in the southeastern region (see Figure 2.10). Sales taxes grew 6.7 percent, the second highest in the region behind West Virginia.[10] Third quarter 2012 data provided slower growth rates. Total taxes grew 4.2 percent over third quarter of 2011, tying Louisiana for third highest in the region. Sales tax collections fell just below the nation and the region, growing at 2.4 percent.[11]

Tennessee's collections continue to grow but at a slower rate compared to 2011. Last fiscal year saw high growth rates because the Great Recession caused the state's revenues to bottom out. The high growth rates of last year did put Tennessee back at peak levels for the fiscal year, but monthly data were not always above peak. At this point, revenues are growing slower *but* revenues are mostly back to fiscal 2008 levels on a monthly basis, shown in Figure 2.11.

Total December collections in Tennessee grew 1.7 percent over December 2011, and 10.9 percent over December 2007 (corresponding to the fiscal 2008 peak). Sales and use collections were 5.0 percent above last December and 0.2 percent over 2007. Franchise and excise taxes fell 5.6 percent from last December but were still 61.2 percent above 2007. Privilege taxes were 35.4 percent above last December (0.3 percent under 2007 but 39.6 percent above the lowest that was recorded in December 2008) and reflect improvement in housing activity.[12]

Tennessee's year-to-date collections (August 2011-December 2012) are on a slow upward trend. Total collections were 3.2 percent over last year-to-date and 1.7 percent above the budgeted estimate. Sales tax collections were up 2.5 percent but were 0.6 percent below expectations, despite receipts being $69.5 million more than last year-to-date. Privilege taxes continue to inspire hope in the housing market with a strong growth rate of 17.2 percent and coming in 12.9 percent above estimate.[13]

The housing market is indeed on the rise in Tennessee. The Greater Nashville Association of Realtors revealed that in December 2012, as well as in the fourth quarter 2012, home sales, median home prices, and pending sales were all growing. Home sales were 20 percent higher than in December 2011 and pending sales were almost 10 percent above last December—the highest in over two years.[14]

[8] Dadayan, Lucy and Donald J. Boyd. (October 2012). "Sales Tax Revenues Show Slowest Growth in Last Two Years." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-10-25-SRR_89_v2.pdf.

[9] Dadayan, Lucy. (December 13, 2012). "State Tax Revenues Showed Continued Yet Slow Growth in the Third Quarter of 2012." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-12-13_Data_Alert.pdf.

[10] Dadayan, Lucy and Donald J. Boyd. (October 2012). "Sales Tax Revenues Show Slowest Growth in Last Two Years." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-10-25-SRR_89_v2.pdf.

[11] Dadayan, Lucy. (December 13, 2012). "State Tax Revenues Showed Continued Yet Slow Growth in the Third Quarter of 2012." The Nelson A. Rockefeller Institute of Government. Retrieved from http://www.rockinst.org/pdf/government_finance/state_revenue_report/2012-12-13_Data_Alert.pdf.

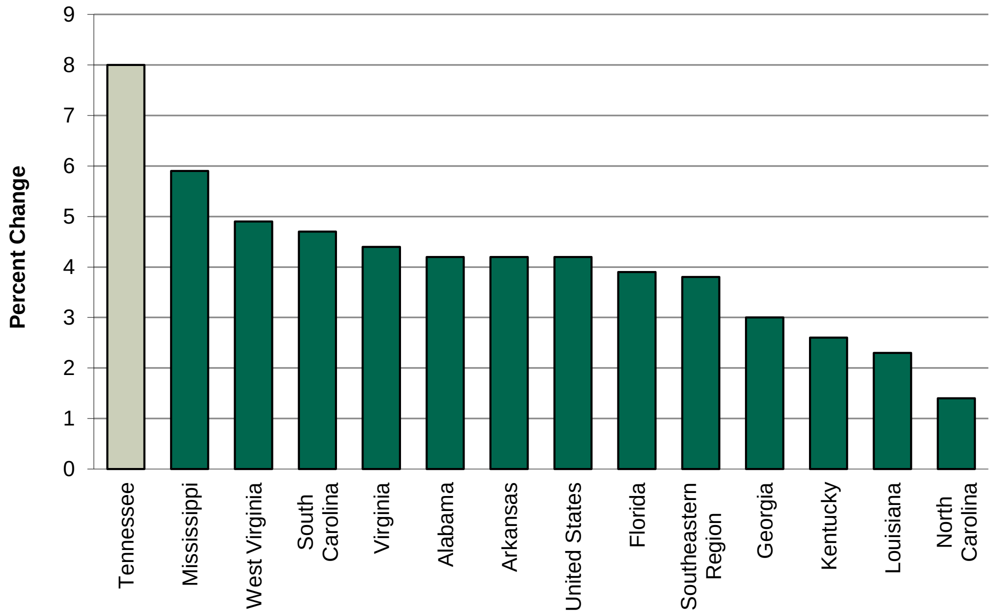
[12] Data retrieved from The Tennessee Department of Revenue.

[13] Data retrieved from The Tennessee Department of Revenue.

[14] Lechleiter, Price. (January 9, 2013). "Lower inventory puts more pressure on buyers." *The Tennessean*. Retrieved from http://www.tennessean.com/apps/pbcs.dll/article?AID=2013301110010.

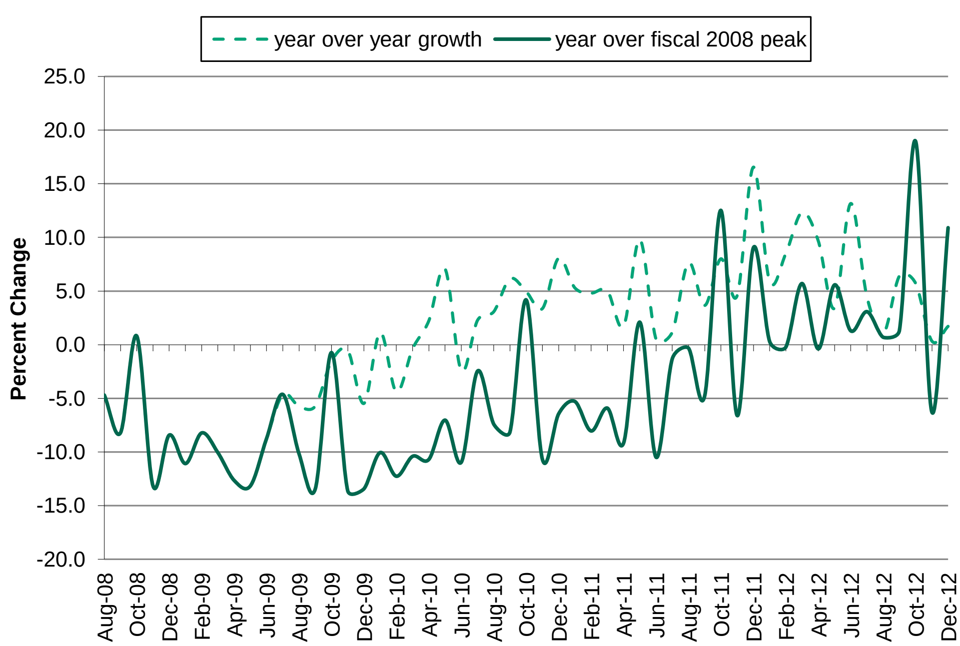
2.3. Fiscal Update, continued

Figure 2.10. Tennessee's Total Tax Collections Grew Fastest in the Southeast in Fiscal 2012 over 2011



Source: The Nelson A. Rockefeller Institute of Government.

Figure 2.11. Monthly Total Tax Collections Mostly Above Peak



Source: Tennessee Department of Revenue.

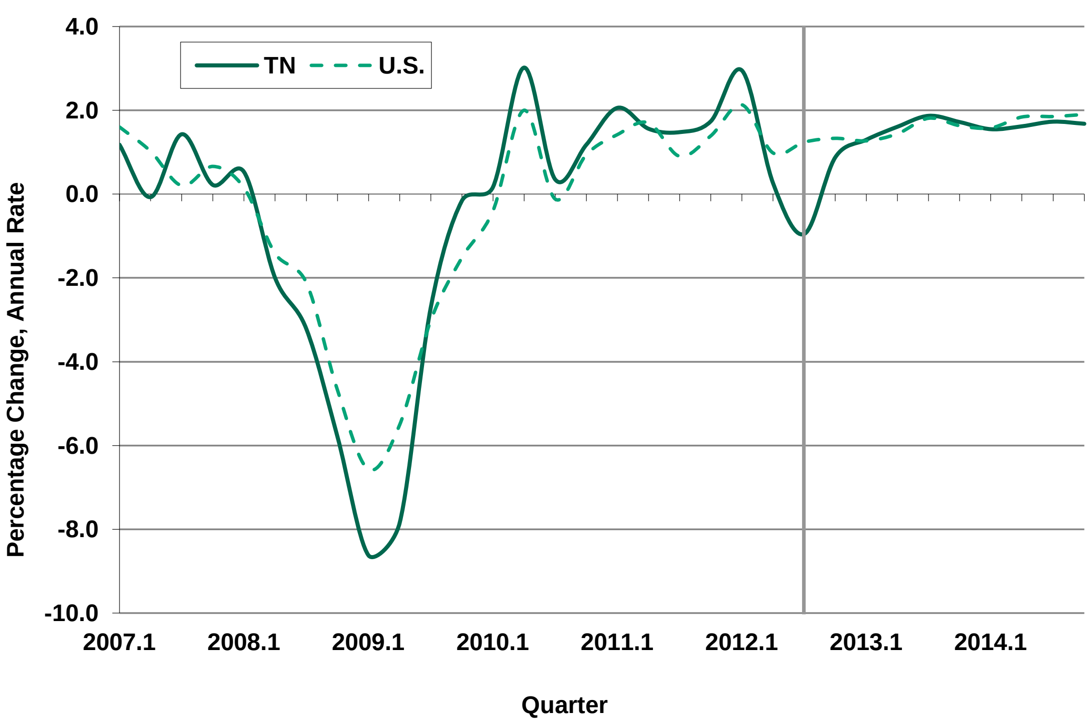
2.4. Short-Term Outlook

The short-term outlook for Tennessee calls for modest growth in 2013 followed by stronger growth in 2014. Weighing down on the state's immediate-term growth prospects is the ongoing fiscal stalemate in Washington and the global slowdown that is expected to continue into early 2013, as well as the increase in payroll tax rates that accompanied the fiscal package approved just before the New Year. This forecast assumes last-minute resolution of the debt ceiling and sequestration issues confronting Congress and the President. A failure to address these problems in a timely fashion will lead to weaker growth than is predicted here. The two percentage-point increase in payroll tax rates will have a significant dampening effect on consumer spending that will be carried through the year.

Table 2.2 provides a summary of the projected economic outlook for the state and the nation. Nominal personal income is expected to be up 3.5 percent in 2013 followed by 4.5 percent growth in 2014. Nonfarm employment in Tennessee should grow 1.0 percent for the year with stronger 1.7 percent growth expected in 2014. The state unemployment rate will average 7.9 percent this year, falling to 7.5 percent next year.

The employment outlook for Tennessee and the national economy is shown in Figure 2.12. Job growth should improve in the early quarters of 2013 before yielding a stronger trend late in the year and in 2014. Seasonally-adjusted rates of growth will be largely the same for the state and nation in the quarters ahead.

Figure 2.12. Quarterly Nonfarm Job Growth Stabilized in the Quarters Ahead



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

2.4. Short-Term Outlook, continued

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

	History		Forecast Data									
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1
US GDP (Bil2005$) SAAR	13548.5	13652.5	13686.8	13720.8	13801.7	13872.0	13949.0	14039.1	14152.1	14266.2	14378.5	14506.7
% Chg Prev Qtr SAAR	1.25	3.11	1.01	1.00	2.38	2.05	2.24	2.61	3.26	3.26	3.19	3.61
% Chg Same Qtr Last Yr	2.14	2.60	1.83	1.59	1.87	1.61	1.92	2.32	2.54	2.84	3.08	3.33
US GDP (Bil$) SAAR	15585.6	15811.0	15877.4	15977.7	16129.1	16279.8	16437.5	16622.3	16827.8	17028.0	17221.4	17447.8
% Chg Prev Qtr SAAR	2.80	5.91	1.69	2.55	3.84	3.79	3.93	4.57	5.04	4.85	4.62	5.36
% Chg Same Qtr Last Yr	3.88	4.27	3.63	3.23	3.49	2.96	3.53	4.03	4.33	4.60	4.77	4.97
TN PERSONAL INCOME (MIL2005$) SAAR	210057	210013	211195	212305	214275	215771	217466	218788	220432	222186	224050	225753
% Chg Prev Qtr SAAR	3.42	-0.09	2.27	2.12	3.76	2.82	3.18	2.45	3.04	3.22	3.40	3.07
% Chg Same Qtr Last Yr	1.94	2.15	2.95	1.92	2.01	2.74	2.97	3.05	2.87	2.97	3.03	3.18
US PERSONAL INCOME (BIL2005$) SAAR	11539	11556	11666	11617	11720	11808	11890	12033	12121	12221	12318	12444
% Chg Prev Qtr SAAR	2.36	0.60	3.86	-1.66	3.59	3.03	2.81	4.91	2.95	3.34	3.21	4.15
% Chg Same Qtr Last Yr	1.34	1.79	2.70	1.27	1.57	2.18	1.92	3.58	3.42	3.50	3.60	3.41
TN PERSONAL INCOME (MIL$) SAAR	242608	243518	245777	247314	250192	253051	255959	258523	261423	264420	267579	270764
% Chg Prev Qtr SAAR	4.12	1.51	3.76	2.53	4.74	4.65	4.68	4.07	4.56	4.66	4.87	4.85
% Chg Same Qtr Last Yr	3.61	3.64	4.55	2.97	3.13	3.91	4.14	4.53	4.49	4.49	4.54	4.73
US PERSONAL INCOME (BIL$) SAAR	13327	13400	13568	13531	13685	13835	13982	14207	14363	14530	14695	14909
% Chg Prev Qtr SAAR	3.06	2.20	5.13	-1.09	4.62	4.46	4.32	6.60	4.46	4.74	4.62	5.94
% Chg Same Qtr Last Yr	3.00	3.26	4.23	2.30	2.68	3.25	3.05	5.00	4.96	5.03	5.10	4.94
TN NONFARM JOBS (THOUS)	2692.7	2686.2	2692.1	2700.8	2711.6	2724.2	2735.9	2746.4	2757.4	2769.3	2780.8	2792.9
% Chg Prev Qtr SAAR	0.26	-0.95	0.88	1.30	1.61	1.87	1.72	1.55	1.62	1.73	1.68	1.74
% Chg Same Qtr Last Yr	1.60	0.99	0.77	0.37	0.70	1.41	1.63	1.69	1.69	1.65	1.64	1.69
US NONFARM JOBS (MIL)	133.0	133.4	133.9	134.3	134.8	135.4	135.9	136.4	137.1	137.7	138.3	139.1
% Chg Prev Qtr SAAR	0.98	1.24	1.33	1.27	1.44	1.81	1.63	1.58	1.84	1.85	1.90	2.14
% Chg Same Qtr Last Yr	1.35	1.43	1.42	1.21	1.32	1.46	1.54	1.61	1.72	1.72	1.79	1.93
TN MFG JOBS (THOUS)	313.5	315.1	315.5	315.7	316.4	317.3	317.9	318.8	319.5	320.3	321.2	321.9
% Chg Prev Qtr SAAR	7.49	2.17	0.43	0.28	0.93	1.07	0.74	1.15	0.96	0.91	1.15	0.96
% Chg Same Qtr Last Yr	3.14	3.34	3.36	2.55	0.95	0.68	0.75	0.97	0.98	0.94	1.04	0.99
US MFG JOBS (MIL)	12.0	12.0	12.0	12.0	12.1	12.2	12.2	12.3	12.3	12.4	12.5	12.5
% Chg Prev Qtr SAAR	2.00	0.44	-0.01	1.48	2.76	1.99	1.61	1.95	2.08	2.07	2.52	2.24
% Chg Same Qtr Last Yr	1.92	1.67	1.50	0.97	1.16	1.55	1.96	2.07	1.91	1.93	2.15	2.22
TN UNEMPLOYMENT RATE (%)	7.9	8.4	7.8	8.0	7.9	7.9	7.6	7.5	7.5	7.5	7.4	7.4
US UNEMPLOYMENT RATE (%)	8.2	8.1	7.8	7.7	7.7	7.6	7.6	7.5	7.4	7.3	7.1	6.9
CHAINED PRICE INDEX, GDP (2005=100.0)	115.1	115.8	116.0	116.4	116.9	117.4	117.8	118.4	118.9	119.4	119.8	120.3
% Chg Prev Qtr SAAR	1.55	2.66	0.69	1.54	1.43	1.70	1.66	1.92	1.72	1.53	1.39	1.69
% Chg Same Qtr Last Yr	1.72	1.64	1.72	1.61	1.58	1.34	1.58	1.68	1.75	1.71	1.64	1.58
US PERSONAL CONSUMPTION DEFLATOR (2005=100.0)	115.5	116.0	116.3	116.5	116.8	117.2	117.6	118.1	118.5	118.9	119.3	119.8
% Chg Prev Qtr SAAR	0.68	1.59	1.22	0.58	0.99	1.40	1.47	1.61	1.47	1.35	1.37	1.72
% Chg Same Qtr Last Yr	1.64	1.45	1.49	1.02	1.09	1.05	1.11	1.37	1.49	1.48	1.45	1.48
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.288	2.301	2.313	2.316	2.323	2.333	2.344	2.355	2.365	2.374	2.383	2.394
% Chg Prev Qtr SAAR	0.75	2.30	2.09	0.58	1.17	1.81	1.90	1.88	1.68	1.52	1.45	1.88
% Chg Same Qtr Last Yr	1.90	1.71	1.91	1.43	1.53	1.41	1.37	1.69	1.82	1.75	1.63	1.63
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	3.3
FEDERAL FUNDS RATE (% per annum)	0.153	0.143	0.162	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160
30-YR FIXED MORTGAGE RATE (%)	3.8	3.6	3.4	3.4	3.4	3.4	3.4	3.6	3.7	4.0	4.2	4.3
TN TAXABLE SALES (MIL2005$)	21298	20862	21042	21292	21620	21837	22001	22128	22273	22411	22552	22726
% Chg Prev Qtr SAAR	-5.42	-7.94	3.51	4.84	6.30	4.07	3.03	2.33	2.65	2.51	2.54	3.13
% Chg Same Qtr Last Yr	4.05	0.97	0.51	-1.41	1.51	4.67	4.55	3.92	3.02	2.63	2.51	2.71
TN TAXABLE SALES (MIL$)	24598	24190	24488	24803	25244	25610	25895	26146	26414	26671	26933	27258
% Chg Prev Qtr SAAR	-4.78	-6.47	5.02	5.26	7.30	5.92	4.52	3.94	4.17	3.94	3.99	4.90
% Chg Same Qtr Last Yr	5.76	2.43	2.07	-0.39	2.63	5.87	5.75	5.41	4.64	4.14	4.01	4.25
TN AVG ANNUAL WAGE, NONFARM (2005$)	38663	38625	38357	38621	38775	38849	38947	39028	39117	39215	39311	39377
% Chg Prev Qtr SAAR	3.93	-0.39	-2.75	2.79	1.60	0.77	1.01	0.83	0.92	1.00	0.99	0.67
% Chg Same Qtr Last Yr	1.34	1.41	1.47	0.86	0.29	0.58	1.54	1.05	0.88	0.94	0.93	0.89
TN AVG ANNUAL WAGE, NONFARM ($)	44654	44787	44638	44990	45274	45562	45841	46116	46392	46669	46949	47228
% Chg Prev Qtr SAAR	4.64	1.20	-1.33	3.20	2.55	2.56	2.48	2.42	2.41	2.41	2.42	2.40
% Chg Same Qtr Last Yr	3.00	2.88	3.05	1.90	1.39	1.73	2.70	2.50	2.47	2.43	2.42	2.41

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

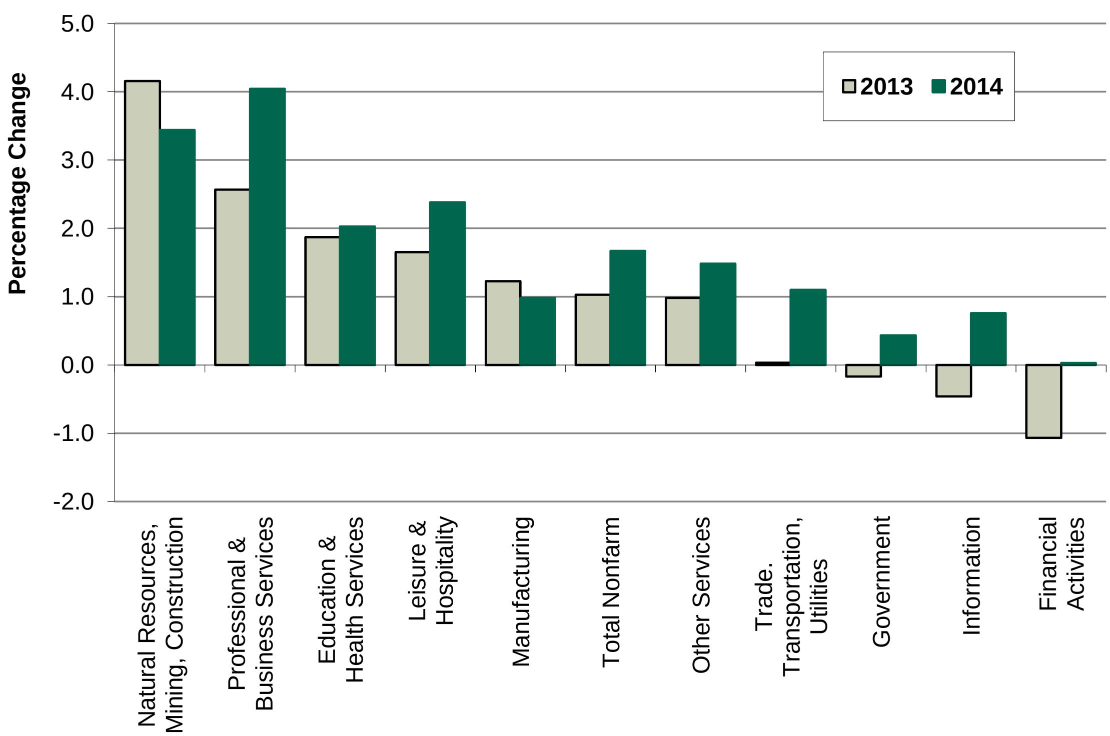
2.4. Short-Term Outlook, continued

The outlook for broad sectors of the state economy is portrayed in Figure 2.13. Most sectors will enjoy growth in 2013 and most will see some acceleration in growth in 2014. Natural resources, mining and construction will show especially strong growth as the construction rebound gathers strength. Professional and business services will also experience strong growth this year and next year. Information and financial activities are expected to continue to perform poorly.

Manufacturing has enjoyed a stronger-than-expected recovery. Employment was up in 2011 and 2012—the first years of employment growth since the late 1990s—and further growth is expected through the short-term forecast window. Two broad patterns are at play. First is the emergence of advanced manufacturing that integrates technology (including robotics) and sophisticated worker skills into the production process. This has enabled domestic manufacturers to become more competitive in the global marketplace. Second is diminished interest in overseas markets for off-shore production. This is due to a variety of factors including the lack of strong intellectual property rights in many countries and rising labor costs in places like China. Together these forces have led to a manufacturing renaissance that has imparted significant benefits to Tennessee.

Manufacturing should see employment gains of 1.2 percent this year and 1.0 percent next year. Durable goods employment is expected to advance 2.0 percent in 2013 and 2.4 percent in 2014, while nondurable goods employment will contract in each year. Within durable goods manufacturing, nonmetallic minerals, primary metals, fabricated metals, machinery, electrical equipment and transportation equipment will all see growth in

Figure 2.13. Most Sectors of the Tennessee Economy Expected to See Growth



Source: CBER-UT.

2.4. Short-Term Outlook, continued

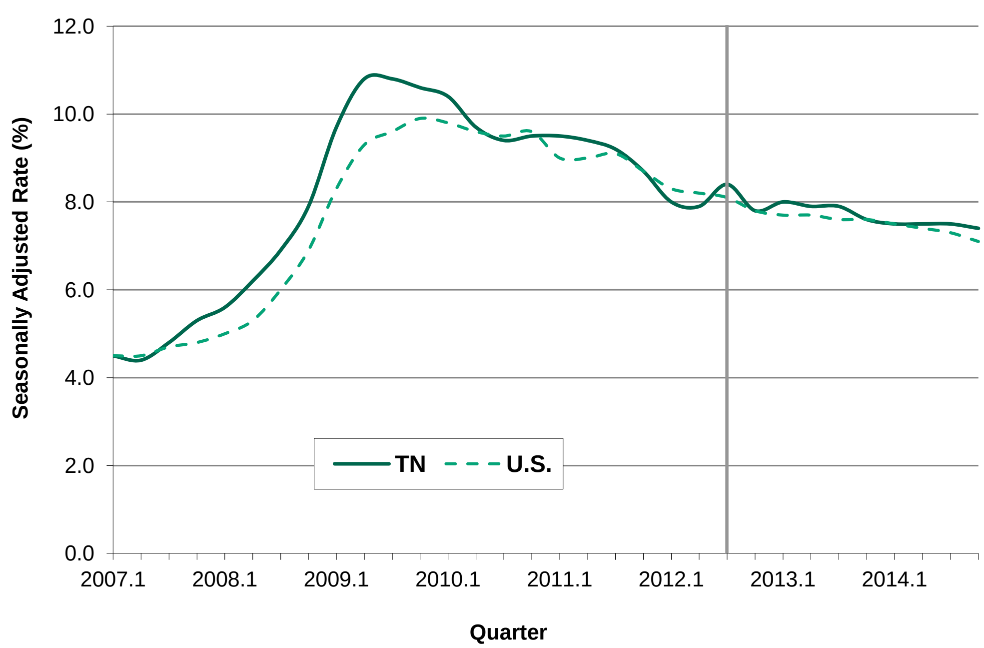
2013 and 2014. The transportation equipment sector will benefit from the ongoing recovery in light vehicle sales that is expected to continue in 2013 and 2014. Within the nondurable goods sector, only the food, beverage and tobacco, and plastics and rubber sectors will see growth.

Unemployment rates for the state and the nation will drift down in 2013 and 2014 but remain elevated above pre-recession levels (see Figure 2.14). After averaging 8.0 percent in 2012, Tennessee's unemployment rate will fall to 7.6 percent by the fourth quarter of the year producing an annual average rate of 7.9 percent. Unemployment rates should improve further in 2014.

Tennessee's labor force will contract again in 2013, but by a negligible amount. The number of employed people will improve only slightly while the number of unemployed people will fall by 2.2 percent. Substantial improvement is expected in 2014 with the labor force rising 1.0 percent, the number of employed people growing 1.4 percent and the number of unemployed people falling 3.5 percent. The labor force participation rate will stabilize this year and then show marginal improvement in 2014.

Nominal personal income is expected to see 3.5 percent growth this year due to slower employment growth and substantially higher payroll tax rates. Proprietors' income should be up 6.1 percent and rent, interest and dividend income should be up 5.6 percent. Stronger income growth in 2014 will result from stronger employment growth which will translate into stronger growth in wage and salary income. On a fiscal year basis, personal income is forecast to increase at a 4.3 percent rate in 2013/14.

Figure 2.14. Quarterly Unemployment Rates Expected to Improve Slowly



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

2.4. Short-Term Outlook, continued

Nominal taxable sales will struggle in 2013. Despite the expectation of a continued recovery in construction activity which should boost sales, the increase in payroll tax rates will dampen household-level spending. To put the payroll tax increase in context, a household making $50,000 per year will see a payroll tax increase of $1,000. Given the low levels of savings for most households, one would expect most of the payroll tax increase to translate into reduced purchasing.

Taxable sales growth of only 3.4 percent is projected for 2013 with growth improving in the second half of the year. Automobile dealer sales will lead all broad categories of taxable sales with a 6.9 percent growth rate for the year. Stronger overall sales growth of 4.5 percent is projected for 2014 as employment and personal income pick up steam. Automobile dealer sales will once again lead all sales categories in 2014, coming in with growth of 6.5 percent.

A Manufacturing Renaissance?

Up until 2011, the last time Tennessee was able to make net gains to its manufacturing employment base was in the late 1990s. The Great Recession had devastating effects on most sectors of the economy, but manufacturing bore disproportionate losses. The employment gains that were seen in 2011 and 2012 were largely viewed as part of a partial recovery of recession-related losses in the industrial sector of the state economy. But there is growing evidence of a small manufacturing renaissance in Tennessee and across the country. While it is unlikely that these gains will make up for all of the job setbacks of the previous 15 years, there is considerable hope for at least several more years of job growth. One contributing factor is the emergence of so-called *advanced manufacturing*. There is no simple definition of advanced manufacturing, but it generally entails the integration of technology and sophisticated labor skills to the manufacturing process. Advanced manufacturing in principle could apply to any manufacturing firm in any sector of the economy. Robotics and additive manufacturing such as 3D printing are good examples of advanced manufacturing processes in practice. A second contributing factor is growing disillusionment with off-shore production sites. There are ample low-cost sites for production around the world. But domestic manufacturers have found that off-shoring production is about more than simply lowering the cost of doing business. Intellectual property rights, for example, are often compromised abroad, especially in developing countries. Moreover, some cost advantages are now narrowing. China is a case in point where rising labor costs have diminished the simple cost advantage relative to domestic sites.

2.5. Situation and Outlook for Tennessee Agriculture

Overview of Agriculture in Tennessee

2012 Year in Review

Field work in 2012 got off to a warm start in early April following a mild winter. Topsoil and subsoil moisture were adequate in most areas, despite most stations in Center and West Tennessee reporting cumulative deficit rainfall levels for the calendar year. Continued dry weather and warm temperatures enabled farmers to get in the fields ahead of schedule and begin planting corn and making the first cutting of hay. The weather was also good for the development of the winter wheat crop with 93 percent headed by April

2.5. Situation and Outlook for Tennessee Agriculture, continued

22, well above the five-year average of 22 percent. For that same date, 88 percent of the corn crop was planted compared to the five-year average of 44 percent.

The warm, dry weather continued into early May as farmers benefitted from five-and-a-half to six days suitable for fieldwork each week. By the end of May, dry conditions slowed cotton and soybean planting due to the lack of topsoil moisture. In early June, over 40 percent of the areas in the state reported moisture levels as short or very short for both the topsoil and the subsoil. A significant number of stations showed annual rainfall deficits exceeding 10 inches. The major exception to this were areas in East Tennessee.

Soaking rains in mid-July broke the worst of the drought in Tennessee, coming in time for all crops except corn, which suffered significant physiological damage as a result of the lack of rain during key developmental periods. Continued occasional showers for the rest of July, through August, and into September allowed for the continued development of Tennessee's crops, even for the badly damaged corn crop.

At the time of the final crop weather report in mid-November most areas in West Tennessee were showing a crop-season rainfall shortage of between 5 and 10 inches. In middle Tennessee the situation was somewhat better with rainfall shortages in the 4- to 8-inch range. Most areas in East Tennessee showed near normal rainfall for the crop-growing season that began April 1.

Tennessee corn production in 2012 was 86.3 million bushels, 10 million bushels below last year's modern record, as the result of hot dry weather in the prime period for corn pollination and kernel filling. But total production does not tell the whole story with the yield in 2012 falling to 89 bu./ac., a 32 percent decline from the 2011 yield of 131 bu./ac. It was the increase in Tennessee corn acres to 970 million acres—in anticipation of higher corn prices relative to the prices of crops competing for the same acreage—from the prior year's 730 million acres that allowed farmers to harvest as much corn as they did. The lower corn harvest in Tennessee and across the nation resulted in corn prices received by farmers that the USDA projects to be $1.18/bu. higher than a year earlier. Depending upon the crop insurance coverage that farmers selected they could also receive additional payments for the drought-reduced corn crop.

Timely late-season rains rescued the soybean crop for most Tennessee farmers, resulting in a state average yield of 36.0 bu./ac. compared to 32.0 bu./ac. in 2011. In addition, Tennessee farmers planted 40,000 additional acres in 2012 compared to 2011 for a total crop acreage of 1.26 million acres. The result of increases in both yield and acreage allowed farmers to increase their soybean production, compared to a year earlier, by 3.6 million bushels to 43.9 million bushels. Tennessee farmers will also benefit from soybean prices that could be as much as $2.00 a bushel higher than they received in 2011.

Cotton also benefitted from late rains that gave a respite from the drought that had dominated much of Tennessee in the late spring and early summer. In 2012, the cotton yield was 896 pounds per acre, compared to 796 pounds per acre in 2011. But because 2012 cotton acreage was sharply lower, 375,000 acres, when compared to 2011 cotton acres, 490,000 acres, Tennessee cotton production was 375,000 bales in 2012 well below 2011's production of 490,000 bales. In addition to lower cotton production, Tennessee farmers face cotton prices that are projected to be 22 percent below the prices farmers received in the 2011 crop year.

Wheat production in Tennessee for the 2012 crop was nearly identical to the 2011 production of 21.4 million bushels as slightly higher acreage and marginally lower yields counter-balanced each other. The value of wheat production should be higher for the 2012 crop year based on prices received by farmers that are projected to be $0.66/bu. above the farmgate prices received in the 2011 crop year.

Tobacco production in 2012 was 54 million pounds, 20 percent higher than the 2011 production of 45 million pounds. The higher production was the result of both increased acreage and increased yield. The biggest gain was in burley production showing an increase in

2.5. Situation and Outlook for Tennessee Agriculture, continued

production from 22.5 million pounds in 2011 to 30.4 million pounds in 2012.

While hay production was battered by extremely dry conditions in the early summer, early subsoil moisture and late-season rainfall combined to restrain a decline in hay production to 8 percent for a final production level of 3.58 million tons.

The final "Tennessee Crop Weather" report (Nov. 18, 2012) indicates that farmers were making good progress in planting the winter wheat crop with more than two-thirds of the crop having emerged and 83 percent in good to excellent condition. Topsoil moisture levels across the state were 85 percent adequate and 3 percent surplus as of mid-November 2012. Subsoil moisture was in excellent shape as well, with 75 percent of the areas reporting adequate moisture and 2 percent surplus. Winter rains have the potential to provide the opportunity to improve both topsoil and subsoil moisture, resulting in positive conditions for spring seeding.

The average value of agricultural land and buildings in Tennessee in 2012 increased to $3,700 per acre. The 2012 average value for cropland was $3,430 per acre while pasture was valued at $3,580 per acre. The cash rent per acre for cropland increased by $1.50/acre to $91/acre while pasture rent increased by $1.00/acre to $20.00 per acre.

Tennessee Agriculture - 2011

In 2011, the number of farms in Tennessee was 77,300, a loss of 700 farms, while the land in farms declined slightly to 10.8 million acres. These changes reflect a long-term trend of farm consolidation in Tennessee along with decreased acreage. 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 2011, the state's top five agricultural commodities were cattle and calves; soybeans; broilers; corn; and cotton/cottonseed. These five production areas account for 68 percent of cash receipts from farm marketings. Crops accounted for 60 percent of farm cash receipts, with livestock and products accounting of the remaining 40 percent. In the not-so-distant past crop and livestock receipts were closer to each other. The difference in 2011 was due to the continuation of the high crop prices that have been the rule since 2008.

Of the 77,300 farms in Tennessee in 2011, 54,600 have sales between $1,000 and $9,999. An additional 18,200 have sales between $10,000 and $99,999, with 1,800 having sales between $100,000 and $249,000; 1,200 farms have sales between a quarter- and a half-million dollars and 1,500 farms have total sales of $500,000 and above. Two percent of all farms in Tennessee have sales of $500,000 or more and yet these farms represent 16.7 percent of all Tennessee farmland.

Agricultural Products in Tennessee in 2011

Agriculture in Tennessee is quite varied. The state's top 20 agricultural commodities, in terms of 2011 value of receipts, include cattle and calves; soybeans; broilers; corn; cotton/cottonseed; greenhouse/nursery; dairy products; wheat; tobacco; hay; hogs; eggs; tomatoes; snap beans; apples; farm chickens; aquaculture; squash; honey; and wool. In 2011, all agricultural commodities in Tennessee generated more than $3.5 billion in cash receipts, an increase of 11.6 percent over 2010 levels.

Figure 2.15 shows the relative share of cash receipts by commodity. Cash receipts from tobacco declined slightly to $96.9 million. In 2011 Tennessee ranked second among all states in meat goat production; fourth in tobacco, other hay, and tomatoes; fifth in snap beans; sixth in equine; eighth in cotton; ninth in beef cows and cottonseed, and fourteenth in broilers. The 2011 total value of agricultural sector production (crops, livestock, and forestry) was $4.4 billion, an increase of $0.5 billion from a year earlier.

The USDA changed its methodology for computing state-level agricultural exports and the data series previously used in this report is not available for 2011. As a result, direct comparison to the data provided in the 2012 report to cannot be made to that provided in this report. The comparison that follows is based on calendar–year

2.5. Situation and Outlook for Tennessee Agriculture, continued

data using USDA's new series set of state-level export data. Tennessee's 2011 agricultural exports of $1.626 billion was $276 million higher than the value of agricultural exports in 2010, an increase of 20 percent. By way of contrast, U.S. exports of agricultural products increased by $21 billion to $136.4 billion (18 percent). Tennessee's agricultural exports were 1.2 percent of the total value of U.S. agricultural exports for the 2011 calendar year.

Tennessee Agricultural Sector Outlook

Farm Income

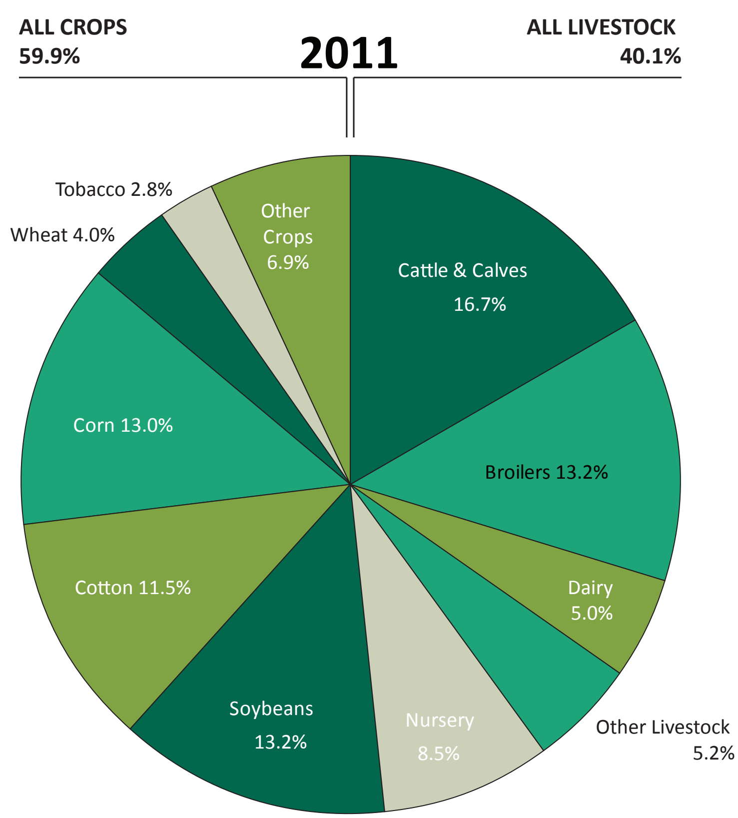
Tennessee net farm income for 2011 is projected to be $799 million, $351 million higher than 2010 primarily as the result of a $472 million increase in the value of crop production. Direct government payments from federal farm programs accounted for $140 million or 18 percent of 2011 Tennessee net farm income.

The USDA national forecast for 2012 net farm income is $114 billion, $3.9 billion below the 2011 estimate of $117.9 billion but well above the 2002-2011 ten-year average of $74.0 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 value of production.

U.S. Crops Outlook

Corn—Despite a 5.3 million increase in harvested acres, 2012 corn production in the U.S. decreased dramatically from 2011 levels as

Figure 2.15. Leading Tennessee Commodities for Cash Receipts, 2011



Source: Tennessee Agriculture Quick Facts, November 2012, USDA National Agricultural Statistics Service, Tennessee Field Office

2.5. Situation and Outlook for Tennessee Agriculture, continued

the result of a significant drought that covered most of the corn growing regions of the U.S. The 2012 corn yield fell by 23.8 bushels/acre to 123.4 bushels/acre. Ideal planting weather and the increase in acreage lead to early expectations of a bumper crop and slightly lower prices. But drought conditions that slowly spread across the corn belt led to lower crop expectations and a spike in corn prices. The January 2013 projections for U.S. 2012 crop-year corn production is 10.78 billion bushels, 1.58 billion bushels below 2011 production. In addition, feed utilization for the 2012 crop year is expected to decline by 98 million bushels and corn used for ethanol production is projected to decline to 4.5 billion bushels as the result of higher corn prices. Crop-year-ending stocks are expected to decline to an extremely low 602 million bushels for a carry-out stocks-to-use ratio of 5.6 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 2012 crop year is $7.40, $1.18 above the estimated season average price for the 2011 corn crop. The world supply of feed grains—corn and its feed substitutes: sorghum, barley, oats, rye, millet and mixed grains—is also tight. The projected 2012 crop year, world, year-ending, stocks-to-use ratio for coarse grains is 12.6 percent, 3.5 points below the 2011 level.

Given the high corn prices, both in absolute terms and relative to crops competing for the same acreage, it would not be unreasonable to expect increased corn production in Argentina and Brazil in 2013. Despite the continuation of extreme drought conditions across much of the corn belt—but not Tennessee—the higher corn prices will likely result in 2013 corn acreage remaining close to the 2012 acreage of 97 million acres. If the Southern hemisphere corn production increases and the U.S. drought breaks, allowing for the recovery of U.S. corn production, corn prices could begin to decline in late 2013. If U.S. hot weather and drought conditions persist through the crucial pollination period in major corn producing states, corn prices could go even higher, as even a high level of Southern hemisphere corn production would not be sufficient to compensate for a 15 percent decline in U.S. corn production. With Tennessee moving out of the area of extreme drought during the 2012/2013 winter, corn acreage in the state is likely to increase at the expense of cotton and soybeans.

Soybeans—U.S. soybean production in 2012 was 79 million bushels lower than a year earlier as the result of a 2.3 bushel/acre decline in yield. Nationally, the weather problems encountered by corn minimally affected soybean production. For the 2012 crop year, U.S. soybean crush is projected to decline by 98 million bushels and exports are projected to decrease by 17 million bushels. The 2012 year-ending stocks-to-use ratio for soybeans is projected to decline to 4.3 percent, a relatively normal level for soybeans. The midrange of the projected 2012 crop year farmgate price for U.S. soybeans is $14.25, $1.75 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.

Typically soybean prices are 2.5 times the price of corn while the USDA projected price for the 2012 soybean crop is 1.9 times the projected price of corn. That price ratio would suggest that soybeans may lose some 2013 acreage both nationally and in Tennessee to corn. U.S. soybean acreage will continue to struggle as long as Southern hemisphere soybean production continues to increase. And, given very profitable soybean prices, it is likely that will happen.

Wheat—Harvested wheat acreage for the 2011 crop year was 1.3 million acres larger than the previous year and the yield was up by 2.6 bushels/acre, resulting in total production of all classes of wheat of 2.27 billion bushels. This is 270 million bushels higher 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 56.7 percent of the crop, while exports use 43.3 percent. The year-ending stocks-to-use ratio is projected at 29.5 percent.

2.5. Situation and Outlook for Tennessee Agriculture, continued

The 2012 projected stocks-to-use ratio is well within the historical range. The season average U.S. farmgate price for wheat in the 2012 crop year is projected to be $7.90, 66 cents higher than in 2011. World wheat production in the 2012 crop year is projected to be 49 million metric tons lower than in 2011 while consumption is expect to decrease by 30 million metric tons.

With wheat prices approaching the $8.00 level, worldwide wheat acreage is likely to increase as farmers seek to cash in on some of the best prices they have ever seen. This is particularly true in areas that have too short a growing season to be converted to corn production. In the U.S., the projected 2012 ratio of wheat-to-corn prices is 1.06, compared to a long-term ratio of 1.44. That suggests that corn will continue to pull acres away from wheat in the U.S. If wheat in Tennessee encounters production problems in the early spring of 2013, farmers will feel the pressure to abandon winter wheat acres and replace the wheat with corn.

Cotton—Despite 2011 crop year prices, U.S. cotton producers decreased their planted acres by 2.4 million acres. Weather problems during the growing season resulted in farmers harvesting 9.43 million acres, almost identical to the 2011 harvest. Despite the drought that reduced the U.S. corn crop, the U.S. cotton yield increased by 73 pounds per acre. The result was a 1.44 million bale (480 pounds) increase in production from the previous year. With exports accounting for 78 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 68.5 cents per pound, down a huge 19.8 cents from a year earlier.

Falling cotton prices will put downward pressure on cotton acreage in the U.S. in 2013 as farmers turn to higher price/lower input cost crops like corn and soybeans. Worldwide that will give some benefit to farmers in areas that have few alternative crops to cotton.

Livestock Outlook

Beef—The USDA projects 2013 U.S. beef production at 24.9 billion pounds, 1.1 billion pounds below 2012 production and 1.4 billion pounds below 2011 production. U.S. per capita consumption of beef for 2013 is projected to fall to 55.4 pounds, 2 pounds less than 2012. Beef imports in 2011 are projected to increase by 333 million pounds to 2.6 billion pounds. Exports are projected to fall marginally.

Pork—Pork production is expected to increase in 2012 by 37 million pounds to 23.3 billion pounds. USDA projects imports to decrease from 806 million pounds in 2012 to 800 million pounds in 2013. Exports are projected to decrease marginally. The U.S. per capita consumption of pork is projected to remain stable at 45.6 pounds.

Broilers—Broiler production in 2013 is expected to decrease by 138 million pounds to 36.406 billion pounds, as the result weaker demand. Broiler imports are relatively small and an increase of 2 million pounds brings broiler imports to 112 million pounds. Exports in 2013 are expected to decline by 145 million pounds to 7.05 billion pounds. U.S. consumption of broilers is expected to decrease to 80.1 pounds per capita.

Aggregate Meats—With a continuation of a weak economy in the U.S. and growing dietary concerns, the downturn in total meat consumption by U.S. consumers could continue for the next several years putting downward price pressure on the U.S. livestock industry as a whole. The domestic market is likely to grow no faster than the growth in population, leaving the industry more dependent upon exports to support expanded production.

Milk—Milk prices are projected to be in the $18.85-$19.65 per cwt. range in 2013.

Ag Sector Issues and Opportunities

2012 Farm Bill

In June 2012, the U.S. Senate adopted farm legislation to replace the 2008 Farm Bill set to expire at the end of September 2012. Under fiscal pressure, the Senate version eliminated the direct payments, the counter-cyclical payments, and the average crop revenue election program (ACRE). The elimination of these programs is the result of

2.5. Situation and Outlook for Tennessee Agriculture, continued

several factors: 1) these three programs represent a pool of money that can be used both to fund deficit reduction targets and to provide funding for new programs the Senate wanted to see enacted; 2) in a time period of high prices, it has increasingly been difficult to justify $5 billion in direct payments to farmers who are experiencing record or near-record incomes; and 3) most farmers did not elect to enter the ACRE program, leaving it with few supporters.

As expected, the vehicle used to provide support to farmers is crop/revenue insurance with a Supplemental Coverage Option (SCO) that "shall offer producers the opportunity to purchase coverage in combination with a …[crop insurance policy] that would allow indemnities to be paid to a producer equal to all or part of the deductible under the policy or plan of insurance, if sufficient area data is available." The government would provide a 70 percent supplement of the cost of the premiums for this program.

Numerous amendments were proposed in the Senate and some were accepted. One of the amendments that was accepted reduces the premium subsidy to farmers with adjusted gross incomes over $750,000 ($1.5 million for a couple) by 15 percent. In addition the Senate approved a limit on marketing loan gains (LDPs) of $75,000, though with high prices that program provision is unlikely to be used by farmers.

The Senate also made changes to the Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, cutting $4.5 billion over ten years.

Crop insurance for organic crops was continued. In addition, the Secretary of Agriculture was ordered to "study the feasibility of including popcorn as a covered commodity by 2014; and… if the Secretary determines it to be feasible, shall designate popcorn as a covered commodity."

With farm bill work completed in the Senate, attention turned to the House where the Ag Committee readied a bill, but the House leadership refused to bring it to the floor because of the lack of votes in the Republican Caucus—it is very likely that it would have passed on a bipartisan basis. After the August recess, a large group of agricultural groups joined together to pressure the House to vote on a new farm bill by the end of September. Despite their effort, the end of September came and went and no farm bill. At that point all work on most legislation was suspended as legislators turned their attention to the fall campaign.

With the re-election of President Obama, the focus of the lame-duck Congress turned to the fiscal cliff with its on-again, off-again negotiations. Meanwhile the House leadership still continued to refuse to bring the House Ag Committee bill to the floor of the House. Finally, as a part of the post-January 1 fiscal cliff negotiations, the 2008 farm bill was extended with a number of modifications. The farm bill was extended until September 30, 2013, but with sequestration and the debt ceiling crisis looming, the farm bill could be a tempting place for legislators to go to for debt reduction. For instance, even though the direct payments were included in the farm bill extension, there is a reasonable chance that the $5 billion cost of that program could become a part of the debt reduction process.

While farmers want to know the nature of farm policy as they go into a new crop year, it is possible that they will have to plant the crop while Congress hashes out what has now become the 2013 Farm Bill.

CHAPTER 3: THE TENNESSEE ECONOMY: LONG-TERM OUTLOOK

In this chapter—

3.1. Introduction

This chapter includes two primary sections. The discussion immediately below provides a lengthy introduction to the role of Tennessee in the global economy. The section begins with an overview of key terms and concepts related to the international economy and ends with the presentation of import and export data that allows us to compare Tennessee to the U.S. and southern states. One primary conclusion can be drawn from this section is that Tennessee is highly integrated with countries beyond the border of the U.S. in such areas as exports, imports, and inflows and outflows of people. On balance this interaction and integration is of significant benefit to the state economy and residents of Tennessee. The data suggest that Tennessee is impacted by the international economy on average more than the U.S. and a number of southern states. In particular, Tennessee's share of exports and imports relative to state gross domestic product (GDP) is greater than the U.S. equivalent. A few of the primary sectors that drive this are chemical manufacturing, transportation equipment, and agricultural products.

The final section of the chapter provides a concise summary of Tennessee's long-term

3.1. Introduction, continued

economic outlook extending to 2022. In the years to come, the state economy will see a full recovery from the depths of the Great Recession that includes a restoration of employment and ultimately a return to much lower levels of unemployment. Trend growth will slow in the decade of the 2020s as population and labor force growth slows.

3.2. Tennessee's Place in the International Economy

No matter where you live in Tennessee and no matter you do, you are impacted by the global economy. International events that seemingly have no relation to the Tennessee economy may and often do significantly affect the state. Much of what is now produced in Tennessee depends on imported inputs and the ability to export final goods. Tennessee consumers purchase goods imported from other countries. Some Tennesseans travel and work abroad, just as people from other countries visit Tennessee and make it their home and place of work. But there was a time when Tennessee's competition was just next door. While we competed against neighboring states in the Southeast Conference in football and basketball, we competed against all southeastern states for manufacturing plants and jobs. Globalization has changed our economic competitors from regional states to countries and workers across the world. As a result, Tennessee's ability to interact and compete in the international arena is now vital to the state's economy.

International trade has impacted Tennessee by enlarging the size of the total economic pie with additional trading partners, thereby creating jobs and improving prices and product diversity for consumers. While the increase in flow of goods and services has benefitted consumers and producers alike, international trade can have undesirable consequences. For example, when imports compete against in-state production, lost Tennessee jobs may be the result. And there is the concern that if producers in other countries face lower regulatory burdens, in-state producers will be at a disadvantage. Issues such as this need to be considered in policy discussions and balanced against the benefits of trade.

Exchange Rates

The exchange rate is one factor that can play an important role in affecting trade patterns since it influences the demand for goods and services produced in Tennessee and the demand for goods and services produced in other countries. The exchange rate is simply the number of units of a foreign currency that can be purchased with a dollar. The value of a dollar is said to appreciate when a dollar can purchase more units of a foreign currency. Conversely, depreciation occurs when the U.S. dollar buys fewer units of a foreign currency. Because the price of the U.S. dollar freely fluctuates relative to other market-based currencies, the value of the U.S. dollar impacts the demand for U.S. goods and services. For example, if the U.S. dollar appreciates relative to the Chinese renminbi , Tennessee goods and services become more expensive to the Chinese consumer but products produced in China become cheaper to buy in Tennessee. As a result, dollar appreciation could lead to a decrease in exports to China and an increase in imports. Tennessee exported $1.8 billion dollars-worth of goods and services in 2011 to China, Tennessee's top non-North American receiver of exports.

The U.S. dollar-Chinese renminbi exchange rate has varied over the years. In the early 1980s, the value of the Chinese renminbi to one U.S. dollar was below 2. By the 1990s, one U.S. dollar was worth over 4.5 Chinese renminbi, and by 2000 one U.S. dollar was worth over 8 renminbi. Throughout the 2000s, the value of the U.S. dollar depreciated relative to the Chinese currency. The value of one U.S. dollar is currently under 6.5 Chinese renminbi (Figure 3.1). The impact of the

3.2. Tennessee's Place in the International Economy, continued

initial increase in relative value of the U.S. dollar to Chinese renminbi meant that Tennessee goods would be more expensive to Chinese consumers. In the early 1980s, a U.S. good that carried a $1,000 price in the U.S. would have cost less than 2,000 renminbi. In the early 2000s, a $1,000 U.S. good would have cost a Chinese consumer 8,000 renminbi; currently the Chinese consumer would have to pay 6,500 renminbi.

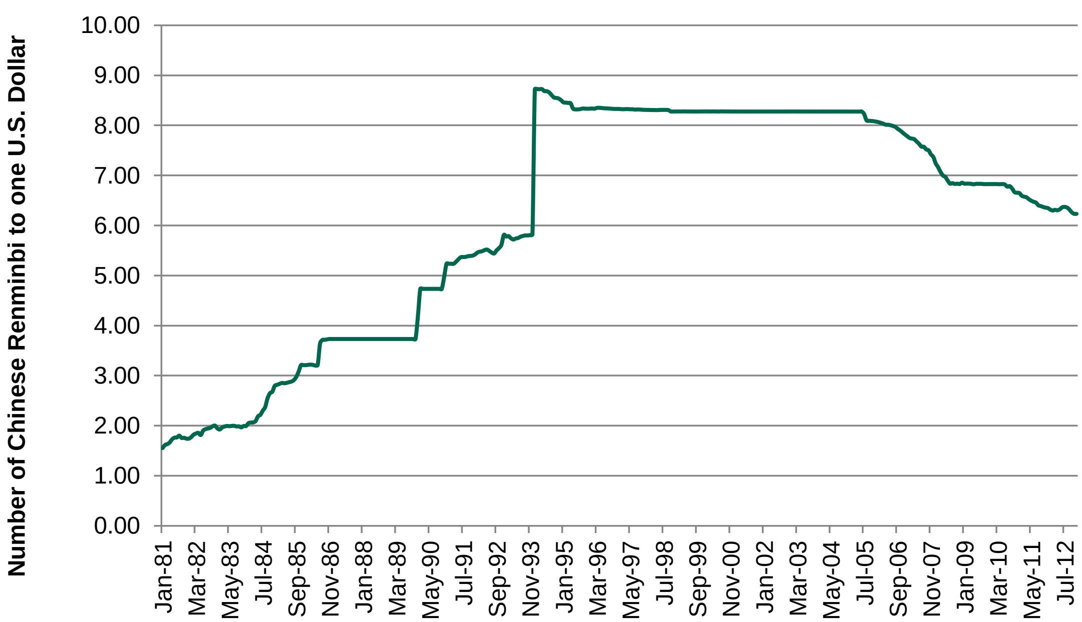
There are many factors that impact exchange rates, including various forms of government intervention. The Chinese continue to be labeled "currency manipulators" through their alleged maintenance of an artificially-low exchange rate. An artificially-low exchange rate can encourage exports while increasing domestic production and employment and, at the same time, discouraging imports. Maintaining a high level of economic activity and economic growth in China is important as the country develops and seeks to absorb workers into the formal industrial sector.

Another factor affecting exchange rates is the domestic interest rate relative to interest rates elsewhere. Domestic interest rates have the power to influence foreigners to either invest or not invest in U.S. interest-bearing assets. For instance, in a low interest rate environment, foreigners may decide not invest in U.S. assets because the rate of return on investment is not as high. As a result, the demand for U.S. dollars is diminished, putting downward pressure on the "price" of the dollar, namely the exchange rate. Conversely, high interest rates may induce foreigners to invest in U.S. assets such as bonds and treasuries, thus creating a stronger demand for U.S. dollars and pushing up the price (exchange rate) of dollars. Interest rates can change through market fundamentals but also through central bank policies.

Gains from Trade

Trade generally allows for specialization and gains from trading with others, whether this trade takes place within Tennessee or across international borders. Generally trade only takes place when it is mutually advantageous.

Figure 3.1. Chinese Renminbi to U.S. Dollar Exchange Rate



Source: Federal Reserve Bank of St. Louis, FRED Economic Data.

3.2. Tennessee's Place in the International Economy, continued

International trade provides the opportunity for Tennessee to specialize in the production of goods and take advantage of its unique resources in an efficient way. When Tennessee can use its resources toward the production of goods and services most efficiently relative to its trading partners, it can then produce a product that can be competitive in the global marketplace. For instance, the state has long been known as an important producer of cotton that is exported abroad. Tennessee is now well known for its high-quality production of automotive parts and light vehicles. In short, if Tennessee specializes, it has a better chance of being competitive in both domestic and international markets. The key to gaining from trade is utilizing resources in the production of the goods and services that the state can most efficiently produce relative to its trading partners. It would make no sense for the state to try to cost-effectively produce citrus crops or goods for which it has no comparative advantage.

Exploiting gains from trade across states and countries increases the overall volume of economic activity. However, there are distributional consequences associated with trade which creates winners and losers, and Tennessee knows this story well. At one time the state was a leading producer of apparel products, but a combination of technological change and off-shore production caused the state's apparel industry to contract sharply. Unfortunately, many Tennesseans lost their jobs. The winners in this trade pattern were domestic consumers of clothing who benefited from lower prices. These lower prices have allowed consumers to buy more of other goods and services, including things made in Tennessee.

International trade encounters opposition when firms and workers perceive themselves as being adversely affected. It is not uncommon to see headlines and news articles referring to the loss of jobs due to outsourcing and off-shoring production to foreign markets with lower labor costs and imports. But as noted previously, consumers may be made better off and may end up with more money to spend on other goods and services thereby creating jobs elsewhere in the economy. Moreover, foreign countries also make investments in production facilities in Tennessee that create jobs and improve the wellbeing of state residents. Nissan and Volkswagen are two good examples of how significant investments in the state by foreign-owned companies have led to the creation of thousands of jobs. International trade will continue to generate controversy in part because of the complex pattern of winners and losers.

Trade Restrictions

Trade barriers come in many forms. A rather benign barrier that can have significant consequences for the pattern and volume of trade is cultural and social differences. For instance, in the United Kingdom, the driver's steering wheel is on the right-hand side of the vehicle—opposite from the U.S. standard left-hand location. A difference such as this obviously impacts production and trading of vehicles between the two countries. One reason is that it may be too costly to the U.S. manufacturer to change vehicle production lines to accommodate a right-hand steering wheel and still keep the final price of the vehicle competitive. The same would be true for automobile producers in the United Kingdom considering exporting to the U.S. Another example is Tennessee's Jack Daniels liquor. Cultural and/or religious barriers limit or preclude the importation and sale of such a product in some foreign markets.

Intentional barriers to trade may also arise from governmental policy. One example is the tariff (the tax on imported goods). Tariffs are commonly put in place to protect domestic industries or to raise additional government revenue. Exports from Tennessee to foreign nations that are subject to tariffs may create a disadvantage for the Tennessee exporter. In the presence of a tariff, Tennessee producers will probably have to price their exported good higher in a foreign market relative to that nation's domestic substitute good. This raises the likelihood that a foreign consumer will buy a non-Tennessee good. Likewise, when the U.S. places a tariff on an import, Tennessee

3.2. Tennessee's Place in the International Economy, continued

customers must decide whether to pay a higher relative price for the imported good or buy a tariff-free domestic substitute.

The Obama administration recently called for a tariff on certain solar panels imported to the U.S. from China. This proposed policy was in reaction to the perception that the Chinese government is subsidizing their production of solar panels at the expense of U.S. manufacturers. Sixty Chinese manufacturers would be required to pay a tariff of between 24 and 36 percent, while other Chinese suppliers may have to pay tariffs of 250 percent that will more than double the price of the solar panel in U.S. (and Tennessee) markets. Such a protectionist policies have upside and downside effects. In this case, U.S. solar panel producers get an advantage that possibly saves solar panel production jobs. However, Tennessee and U.S. consumers may have to pay higher prices for solar panels as a result of the tariff.

An important nontariff barrier is a restriction on trade that limits the flow of exports or imports. An example of a nontariff barrier is an import quota. Import quotas are set as the absolute limit that a country may import of a certain good. If the free market works itself out and the country does not import as much as the import quota allows, the import quota is known as "non-binding." Oftentimes, however, the free trade volume that would have been imported from a country is greater than the allowed quota. In this case the quota prohibits imports above the limit and the quota is "binding." Import quotas are generally intended to protect domestic industry and employment. A consequence of import quotas is that they raise product prices, creating a set of winners and losers. Consumers pay higher prices, producers receive higher prices, and workers in the protected domestic industry receive greater job and income security.

Export restraints are the counterpart of import quotas. Export restraints are commonly applied to sensitive goods, services, and commodities; e.g., components that might be used in the production of chemical or nuclear weapons. There is discussion in the U.S. about potentially limiting liquefied natural gas exports that will be enabled by the hydraulic fracturing boom. The goal is to help protect domestic manufacturing by sustaining relative low domestic production costs.

Free Trade

Trade unions have become a popular engine for free trade on a regional level across the globe. Most Americans do not think much about the fact that most trade across state lines is not subject to restrictions or impediments. The European Union is an example of the modern regional approach to free trade used by 25 European countries that abide by a common free trade agreement. The U.S. has free trade agreements with Canada and Mexico (NAFTA), Australia, Chile, Colombia, Singapore, and South Korea. In 2011, these countries accounted for over $13 billion in exports from Tennessee, which is close to 60 percent of Tennessee's total exports.[1] In total, the U.S. has free trade agreements with 20 countries. Free trade agreements with some of our biggest trading partners such as Canada and Mexico can be important to job and economic growth. Under free trade, producers of exported goods do not have to face a disadvantage in competition, and consumers of imported goods do not have to pay prices that otherwise would include additional tax (tariff) levies. With free trade agreements, the industries with a relative advantage in production efficiency are positively impacted. Tennessee imports a far lower percentage of goods from free trade partners than it exports to free trade partners. Less than one-fifth of Tennessee imports from the top 25 import countries came from free trade partners in 2011. These countries were Australia, South Korea, Canada, and Mexico. Tennessee imported a total of $8.9 billion from these trading partners.

Foreign Direct Investment

Foreign direct investment (FDI) is investment with significant ownership sourced in one country but placed in another country. FDI translates into capital investment, job creation, and expansion

[1] Sources: Office of the United States Trade Representative and U.S. Census Bureau

3.2. Tennessee's Place in the International Economy, continued

of the tax base. As of April 2012, residents from 34 foreign countries had investments in 836 Tennessee firms totaling over $20 billion. Countries that have the highest investments in Tennessee are Japan, the United Kingdom and Germany. Japan has invested $13 billion in Tennessee companies, while Germany and the United Kingdom combined invest just under $3.7 billion. In terms of employment, Japan FDI creates over 34,000 jobs. Some notable Japanese companies that employ a significant number of workers in Tennessee include Nissan, Bridgestone, and Denso. German FDI accounts for just under 13,000 jobs with Volkswagen as one significant employer, while UK FDI accounts for slightly more than 13,000 jobs.[2] Clearly, Tennessee's business relationships with the rest of the world are vital to the state economy.

Not surprisingly, the largest Tennessee counties are the primary beneficiaries from foreign firms with facilities in Tennessee. Shelby and Davidson counties benefit from foreign firms by gaining a combined 26,000 jobs, while Rutherford benefits from almost 11,000 jobs. Foreign investment has created over 6,000 jobs in Hamilton County and 2,500 jobs in Knox County.[3]

[2] Source: Tennessee Department of Economic & Community Development

[3] Source: Middle Tennessee State University, Business and Economic Research Center.

Labor Mobility

International labor mobility to and from Tennessee is an important facet of the state's integration in the international economy. The chance to earn a higher wage can be a prominent factor in the decision to move to Tennessee from another country. The perception of the U.S. as a country that affords significant freedom and opportunity has engendered a desire in some people from other nations to move here. Other factors that influence immigration are political considerations and family ties. Citizens from countries were vital liberties are repressed may decide to move to Tennessee. Individuals in other countries with family ties in Tennessee may also find migration here to be attractive.

In Tennessee, immigrants have the opportunity to pursue employment across the skills and earnings continuum. Of the foreign-born population in Tennessee aged 25 and older, close to 30 percent have less education than a high school degree, while over a quarter have a bachelor's degree or higher. By comparison, the educational attainment of Tennesseans aged 25 and older is sixteen percent have less than a high school degree, 23 percent have a bachelor's degree or higher.[4] Labor mobility allows for flexibility in the job market and allows employers to attract the best workers.

[4] Source: U.S. Census Bureau, American Community Survey.

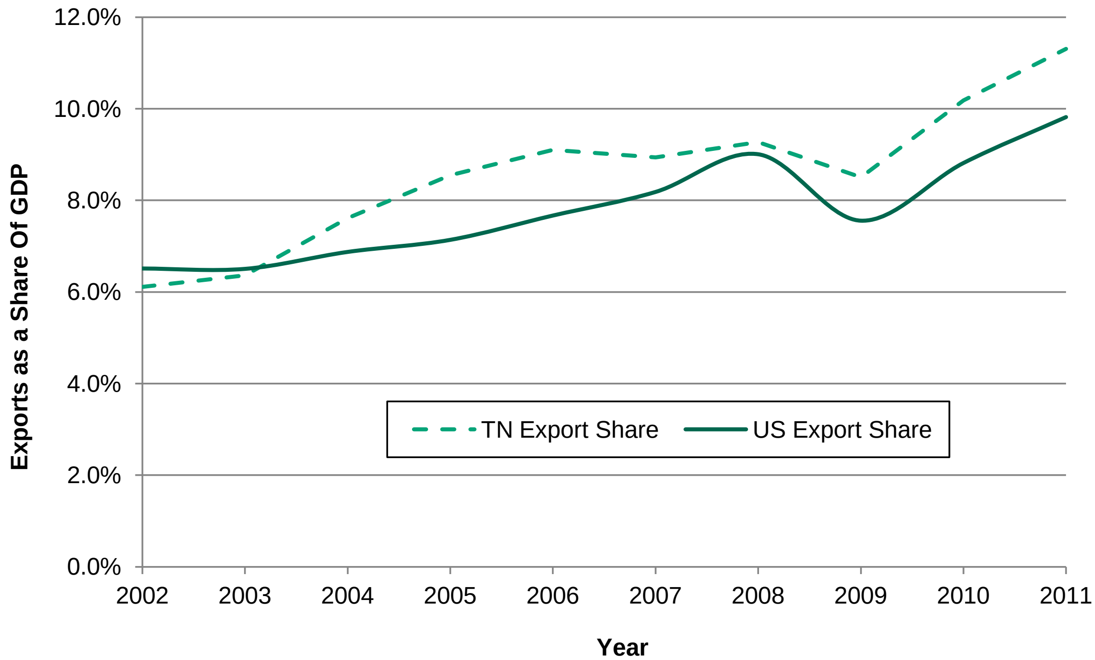
3.3. Tennessee's Trade with the International Economy

Over the past ten years, Tennessee's ratio of total exports to state gross domestic product (GDP) has grown at a faster pace than the corresponding ratio for the U.S. (Figure 3.2). In 2011, exports were over 11 percent of state GDP, whereas nation-wide exports were just under 10 percent of national GDP. The Tennessee export annual growth rate has been over 2 percentage points greater than the U.S. export growth rate. When compared to other southeastern states, exports generally account for a greater portion of Tennessee's economy than they are in other states. For instance, in 2011 exports were less than 11 percent of Alabama's economy, less than 9 percent of Georgia's economy, and just more than 6 percent of North Carolina's economy. South Carolina, Kentucky, and Mississippi were the only southeastern states where exports were a greater share of GDP than Tennessee (Figure 3.3).

In 2011, the ratio of imports to GDP in Tennessee was close to 21 percent. In contrast, this ratio for U.S. was slightly less than 15 percent.

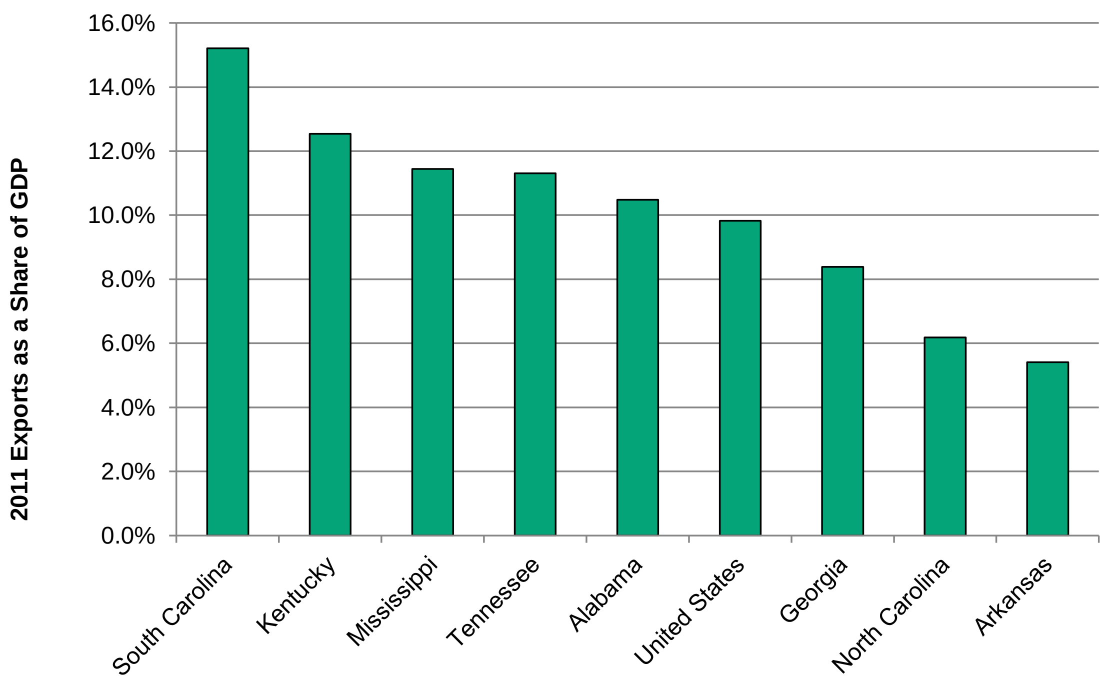
3.3. Tennessee's Trade with the International Economy, continued

Figure 3.2. Tennessee's Share of Exports to GDP Higher than the Nation's Share



Source: U.S. Census Bureau, U.S. International Trade Data, State Data and Bureau of Economic Analysis.

Figure 3.3. Tennessee's Share of Exports to GDP Falls in the Middle of the Southern States



Source: U.S. Census Bureau, U.S. International Trade Data, State Data and Bureau of Economic Analysis.

3.3. Tennessee's Trade with the International Economy, continued

The growth rate for imports in both Tennessee and the U.S. was the same—under one percent annually. Among the southeastern states, the ratio of imports to GDP was higher only for South Carolina and Mississippi than Tennessee.

Total International Economic Activity

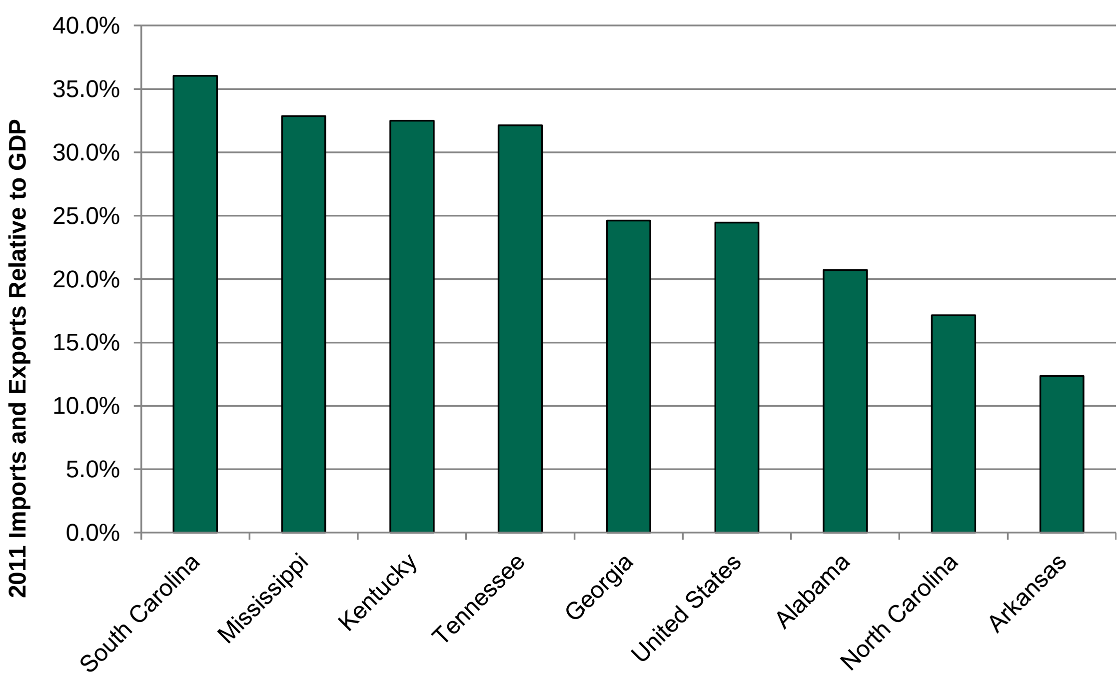
A popular measure for total activity in the international economy is the amount of imports and exports together relative to total GDP. The ratio of Tennessee's imports and exports to GDP was over 32 percent in 2011. South Carolina, Mississippi, and Kentucky are the only southeastern states that rely more on their relationship to the international economy than Tennessee according to this measure. The ratio of U.S. imports and exports to national GDP was 24 percent (Figure 3.4).

Trade Balance

Trade balance is the relationship between exports and imports. When a state or nation has more exports than imports, it is running a surplus. When imports are higher than exports, the state or nation is running a trade deficit. Trade surpluses result in increased GDP in the short run, whereas trade deficits decrease GDP. Many of the factors discussed previously, including exchange rates, can affect the volume of exports and imports and thus the trade balance. The U.S. has run trade deficits for many years, while Tennessee has had trade deficits for at least four consecutive years. In 2008, Tennessee's trade deficit reached \$27 billion. By 2011, the trade deficit in Tennessee was \$22 billion.[5]

[5] Source: U.S. Census Bureau, U.S. International Trade Data, State Data.

Figure 3.4. Tennessee Has a Large Import and Export Share of GDP



Source: U.S. Census Bureau, U.S. International Trade Data, State Data and Bureau of Economic Analysis.

3.3. Tennessee's Trade with the International Economy, continued

Trade Partners

Tennessee imports goods from all over the world, but the country that ships the most to Tennessee is China. Close to 37 percent of Tennessee's imports in 2011 came from China. Canada was the next largest source of imports to the state (close to 11 percent of total imports), followed by Japan (9 percent of Tennessee imports), and Mexico (7 percent of Tennessee imports). (Figure 3.5).

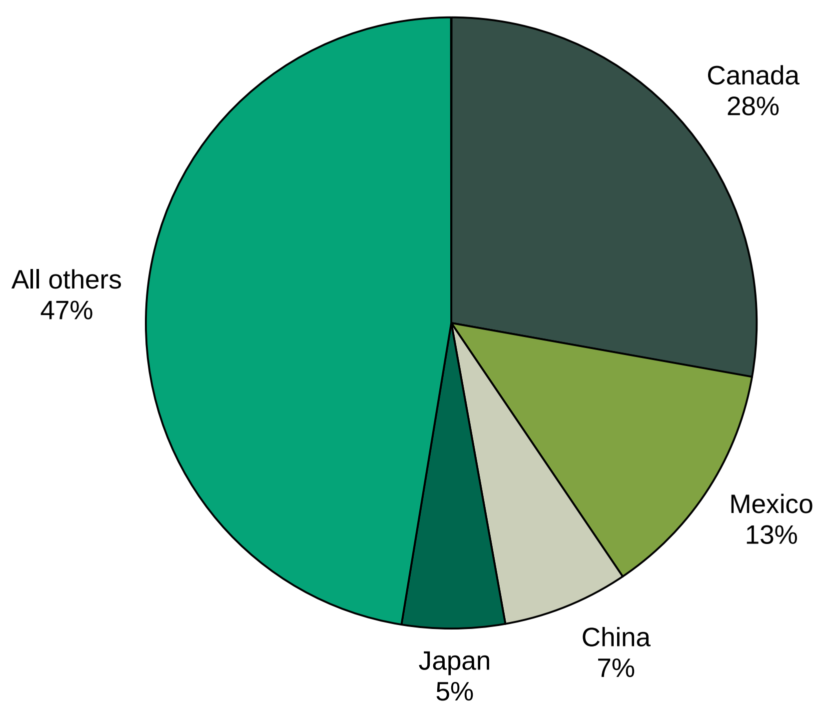
In 2011, Tennessee exported over $26 billion worth of goods and services. Of that $26 billion, over a quarter of it went to Canada, and another 13 percent went to Mexico. China and Japan, together, received 12 percent of Tennessee's exports, while all other countries received in total 47 percent (Figure3.6).

Products

Transportation equipment was the most-exported commodity in 2011 from Tennessee at $4.8 billion. Given Tennessee's expansion into automobile production with Volkswagen, along with longstanding stalwarts Nissan and General Motors and aerospace and other transportation equipment producers, it comes as no surprise that transportation equipment would be one of the state's most exported commodity. Manufactured chemicals were the second-most exported commodity, accounting for over $4 billion of state exports. Other key commodities being exported from Tennessee were computer and electronic parts ($3.8 billion) and agricultural products ($1.1 billion).

In terms of growth, miscellaneous manufactured commodities have more than doubled Tennessee's

Figure 3.5. China was Tennessee's Largest Source of Imports in 2011



Source: U.S. Census Bureau, U.S. International Trade Data, State Data.

3.3. Tennessee's Trade with the International Economy, continued

overall export growth rate of 7.7 percent, growing annually at 18 percent since 2002. Transportation equipment has grown annually at a 5 percent pace, while computer and electronic products have grown at a rate of 10 percent.

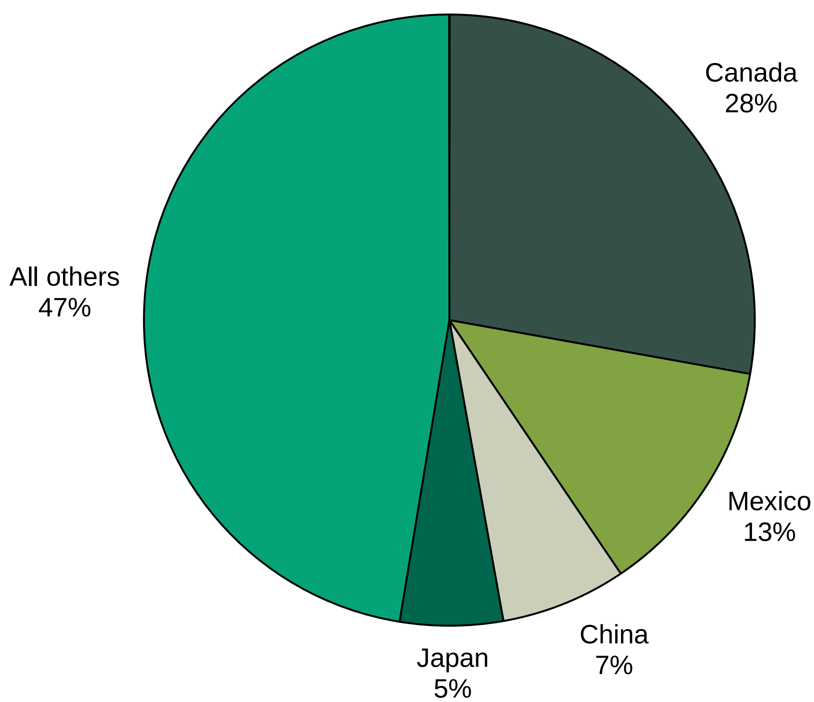
Figure 3.7 shows growth in several key export categories, including agricultural products, transportation equipment, and chemical manufacturing. Agricultural commodities and transportation equipment were both hurt immediately by the slowdown in economic activity related to the Great Recession.

Tennessee has seen import growth of less than 1 percent since 2008, nearly the same as the U.S. growth rate in imports. In 2011, the state's three biggest imported commodities were computer and electronic equipment, chemicals, and transportation equipment. Chemical manufacturing has experienced growth of 5.1 percent annually since 2008—significantly greater than the growth rate of all imports to the state. Computer and electronic products, meanwhile, have experienced a slight decrease in imports since 2008, and transportation equipment has grown by 1.4 percent annually.

Summary

Tennessee has become increasingly integrated into the global economy. There are many factors that help explain Tennessee's complex relationship with the rest of the world, including its comparative advantages in production and exchange rates. Tennessee has particularly important relationships with North American neighbors Canada and Mexico, as well as Japan and China. Canada and Mexico, two countries with whom the U.S. has free trade agreements, account for over 40 percent of exports and over 15 percent of imports. China is the country Tennessee imports from most, while Japan has significant business investment in Tennessee accounting for over 34,000 jobs. Tennessee's relationship with the rest of the world is complex, significant, and growing.

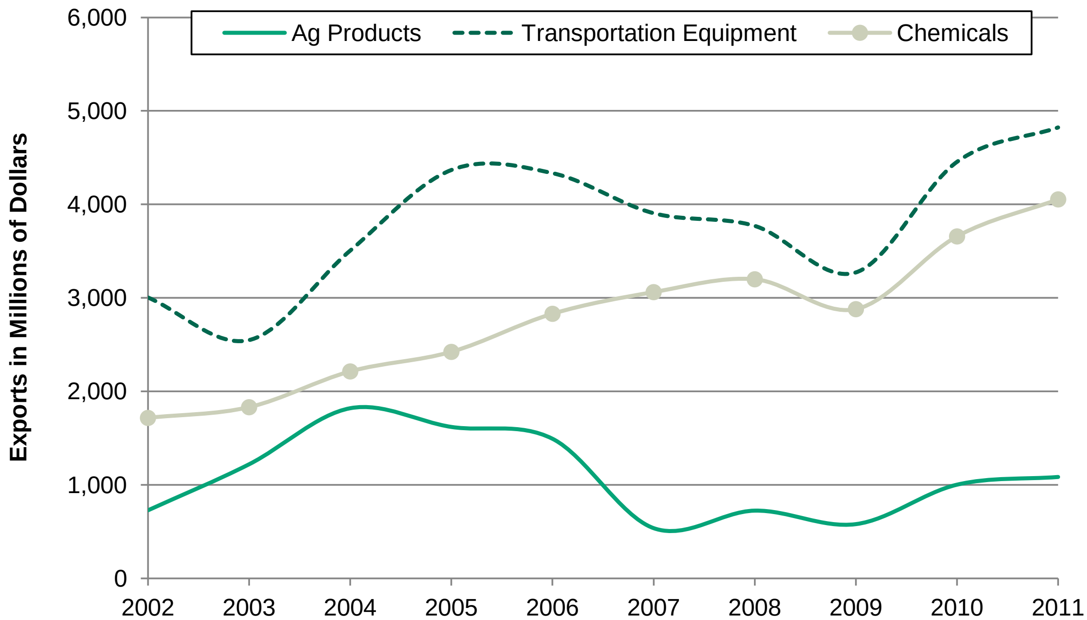
Figure 3.6. Canada was Tennessee's Largest Export Market in 2011



Source: U.S. Census Bureau, U.S. International Trade Data, State Data.

3.3. Tennessee's Trade with the International Economy, continued

Figure 3.7. Commodity Export Growth: Agricultural Products, Transportation Equipment, and Chemicals



Source: U.S. Census Bureau, USA Trade Online.

3.4. Long-Term Economic Outlook

Short-term patterns of growth typically encompass the ups and downs of the business cycle; i.e., the boom and bust cycle of economic activity that is based on one-time events and shocks. Long-term economic growth for a state or nation depends on a small number of factors. In fact in its simplest form, economic growth arises from the sum of changes in the labor force, capital investment, and productivity. The labor force is the share of the adult population that is employed or actively seeking employment. Thus stronger growth rates in population that might arise from increased fertility, reduced mortality or increased net migration will generally translate into stronger overall rates of economic growth. Capital investment includes private productive capital that is invested in Tennessee, as well as infrastructure capital like transportation and telecommunications networks that help support economic growth. Enhancements to productivity arise from new technologies embodied in the production processes of private business and education and training that can improve worker skills. Together these factors will help determine the economic prosperity that Tennessee will see over the next 10 years.

The long-term outlook presented here is based on the assumption that the economy continues to grow from the depths of the Great Recession until a full recovery has been realized, at which time the economy will experience trend growth going forward. The short-term outlook that connects the current economic environment to growth prospects into 2015 is discussed in Chapter 2. In what follows, the emphasis falls on the overall pattern of growth expected between 2012 and 2022.

3.4. Long-Term Economic Outlook, continued

Table 3.1 provides a summary of the long-term outlook, including key economic measures for both the state and national economies. Several measures of economic activity that are expected to show slower growth as the long-term outlook window unfolds include GDP, personal income, and nonfarm employment. The primary explanation for this slower pace is slower population growth and thus slower labor force growth. Per capita income and output growth will slow as well, but not as much as overall income and output growth due to the slower rate of population growth.

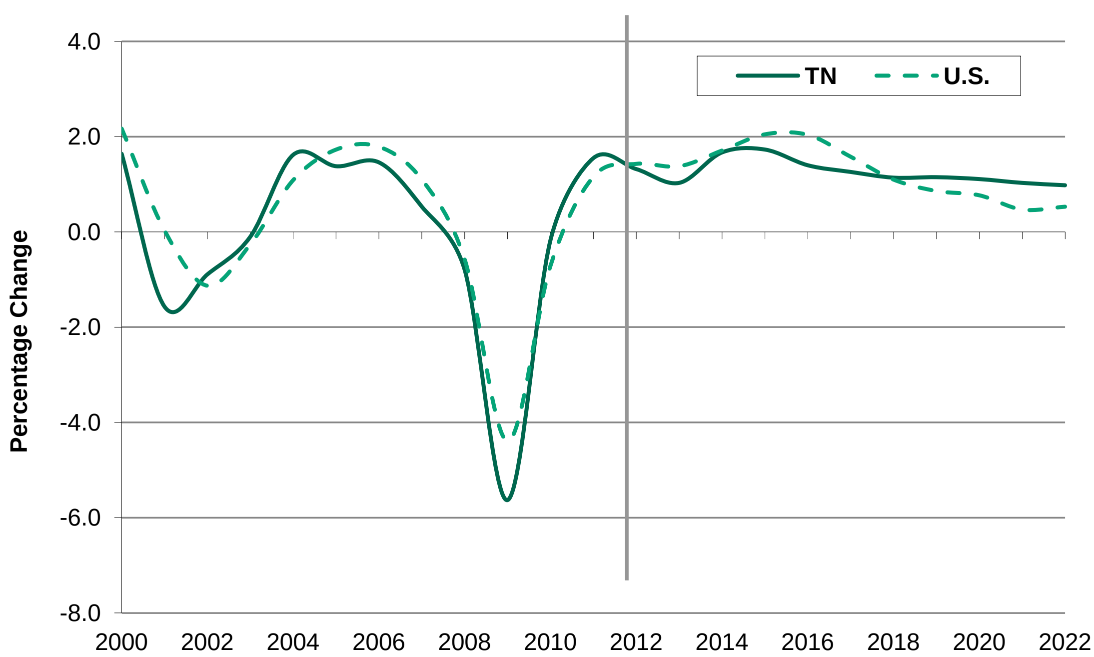
U.S. inflation-adjusted GDP is expected to grow at a 2.6 percent compound annual growth rate while Tennessee's GDP should be up at a 2.7 percent rate between 2012 and 2022. Inflation-adjusted personal income for the nation is projected to rise at a 2.9 percent rate compared to 2.8 percent growth for the state. Both Tennessee and the U.S. will see nonfarm employment advance at a 1.2 percent rate.

The Labor Market

Tennessee nonfarm employment will surpass its annual prerecession peak in 2015 and then continue to grow through the decade barring an unforeseen shock to the economy. As shown in Figure 3.8, Tennessee's trend pattern of growth will largely mirror the pattern displayed by the national economy.

The state's manufacturing sector is expected to see continued growth through 2017 before contraction sets back in. Growth in the nation's manufacturing employment base is expected to be sustained through 2019. This modest resurgence in manufacturing is a result of several important market forces and advances in technology. Market forces include rising labor and production costs in other markets around the world, including China. These rising costs have made offshore production must less attractive, and some jobs are now moving back to the U.S. and Tennessee. Improvements in technology, notably robotics and applied or *3D* manufacturing, have also allowed domestic

Figure 3.8. Annual Nonfarm Job Growth, 2000 to 2022



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

3.4. Long-Term Economic Outlook, continued

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

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TN GDP (Mil2005$) SAAR	241732	247165	254865	262853	270828	278697	286141	293690	301395	308909	316628
Percentage change	3.04	2.25	3.12	3.13	3.03	2.91	2.67	2.64	2.62	2.49	2.50
US GDP (Bil2005$) SAAR	13598.6	13835.9	14209.0	14695.8	15151.9	15593.5	16008.9	16421.0	16822.7	17204.0	17596.1
Percentage change	2.25	1.75	2.70	3.43	3.10	2.91	2.66	2.57	2.45	2.27	2.28
US GDP (Bil$) SAAR	15688.1	16206.0	16924.9	17769.8	18604.6	19440.6	20287.1	21153.0	22036.6	22923.0	23862.5
Percentage change	4.06	3.30	4.44	4.99	4.70	4.49	4.35	4.27	4.18	4.02	4.10
TN PERSONAL INCOME (MIL2005$) SAAR	209891	214954	221364	228695	236255	243189	249682	256787	263813	270614	277347
Percentage change	2.00	2.41	2.98	3.31	3.31	2.94	2.67	2.85	2.74	2.58	2.49
US PERSONAL INCOME (BIL2005$) SAAR	11558	11759	12173	12597	13016	13420	13797	14189	14582	14945	15326
Percentage change	1.58	1.74	3.53	3.48	3.33	3.11	2.81	2.84	2.77	2.49	2.55
TN PERSONAL INCOME (MIL$) SAAR	243018	251629	262986	275740	289663	303378	317313	332376	347743	363237	379234
Percentage change	3.79	3.54	4.51	4.85	5.05	4.73	4.59	4.75	4.62	4.46	4.40
US PERSONAL INCOME (BIL$) SAAR	13381	13758	14449	15172	15939	16712	17493	18313	19161	19998	20893
Percentage change	3.35	2.82	5.02	5.00	5.06	4.85	4.67	4.69	4.63	4.37	4.47
TN NONFARM JOBS (THOUS)	2690.5	2718.1	2763.5	2811.3	2850.7	2886.6	2919.4	2953.1	2985.9	3016.6	3046.0
Percentage change	1.32	1.03	1.67	1.73	1.40	1.26	1.14	1.15	1.11	1.03	0.98
US NONFARM JOBS (MIL)	133.2	135.1	137.4	140.2	143.1	145.3	146.9	148.2	149.3	150.0	150.8
Percentage change	1.43	1.38	1.71	2.05	2.04	1.58	1.10	0.86	0.77	0.47	0.53
TN MFG JOBS (THOUS)	313.0	316.8	319.9	323.1	324.6	325.2	324.8	323.2	320.8	318.3	315.5
Percentage change	2.91	1.22	0.98	0.98	0.48	0.19	-0.14	-0.49	-0.75	-0.77	-0.89
US MFG JOBS (MIL)	11.9	12.1	12.4	12.6	12.8	12.9	13.0	13.0	13.0	13.0	12.9
Percentage change	1.78	1.41	2.01	2.05	1.81	0.81	0.22	0.13	-0.11	-0.10	-0.22
TN UNEMPLOYMENT RATE (%)	8.0	7.9	7.5	7.1	6.5	6.2	6.0	5.8	5.6	5.5	5.4
US UNEMPLOYMENT RATE (%)	8.1	7.6	7.3	6.7	6.1	5.8	5.6	5.5	5.4	5.3	5.3
CHAINED PRICE INDEX, GDP (2005=100.0)	115.4	117.1	119.1	120.9	122.8	124.7	126.7	128.8	131.0	133.2	135.6
Percentage change	1.76	1.53	1.69	1.51	1.55	1.53	1.65	1.65	1.69	1.72	1.78
US PERSONAL CONSUMPTION DEFLATOR (2005=100.0)	115.8	117.0	118.7	120.4	122.5	124.5	126.8	129.1	131.4	133.8	136.3
Percentage change	1.73	1.07	1.44	1.47	1.68	1.69	1.81	1.80	1.81	1.83	1.88
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.296	2.329	2.369	2.406	2.451	2.496	2.545	2.595	2.646	2.697	2.751
Percentage change	2.08	1.44	1.72	1.57	1.84	1.84	1.98	1.97	1.95	1.94	2.00
BANK PRIME INTEREST RATE (%)	3.3	3.3	3.3	3.3	4.6	6.6	7.0	7.0	7.0	7.0	7.0
FEDERAL FUNDS RATE (% per annum)	0.141	0.160	0.160	0.191	1.637	3.570	4.000	4.000	4.000	4.000	4.000
30-YEAR FIXED MORTGAGE RATE (%)	3.7	3.4	3.9	4.6	5.7	6.5	6.7	6.7	6.7	6.7	6.7
TN TAXABLE SALES (MIL2005$)	84798	86750	89363	91855	94067	96257	98283	100439	102623	105002	107295
Percentage change	3.04	2.30	3.01	2.79	2.41	2.33	2.10	2.19	2.17	2.32	2.18
TN TAXABLE SALES (MIL$)	98177	101552	106165	110749	115331	120080	124904	130003	135270	140940	146710
Percentage change	4.83	3.44	4.54	4.32	4.14	4.12	4.02	4.08	4.05	4.19	4.09
TN AVG ANNUAL WAGE, NONFARM (2005$)	38484	38798	39168	39515	40004	40431	40783	41149	41492	41838	42161
Percentage change	1.07	0.82	0.95	0.89	1.24	1.07	0.87	0.90	0.83	0.83	0.77
TN AVG ANNUAL WAGE, NONFARM ($)	44557	45417	46531	47643	49046	50436	51829	53261	54691	56157	57648
Percentage change	2.84	1.93	2.45	2.39	2.95	2.83	2.76	2.76	2.69	2.68	2.66

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

3.4. Long-Term Economic Outlook, continued

manufacturers to produce more efficiently. Together these forces are leading to a modest domestic manufacturing renaissance.

This new trend in manufacturing is encouraging and will lead to many new high-paying jobs. At the same time, the emerging jobs in the manufacturing sector will require more advanced skills and thus the need for skills updating of the workforce and more advanced education for those entering the labor force. It is important that this pattern of industrial development be distinguished from a simple recession-based rebound in employment. During the typical recession, employers will lay off workers as they face diminished demand for their products. When the economy begins to grow, these workers are recalled to work. There is certainly some of this rebound taking place in the state economy, but the new advanced manufacturing sector is also supporting the creation of new firms and new jobs that did not exist prior to the recession. This reflects a fundamental change in the structure of the manufacturing sector for both the state and the nation.

Durable goods manufacturing will show a stronger pattern of growth than nondurable goods manufacturing with employment gains enduring through 2018; the nondurable goods sector will see job losses in each year of the long-term outlook. While employment losses will again grip the overall manufacturing sector from 2018 forward, there will nonetheless be new job opportunities as a result of the churn in the labor market through quits, retirement and deaths and the creation of new jobs. Manufacturing employment represented 11.6 percent of nonfarm employment in 2012 and will account for 10.4 percent of nonfarm employment in 2022. In contrast, manufacturing employment for the nation came in at 8.9 percent of nonfarm employment in 2012 and will account for 8.6 percent of employment in 2022.

Professional and business services will be the strongest-growing sector in the years ahead with employment growing at a 3.4 percent compound annual rate. Education and health services will continue to display steady growth that yields a 1.9 percent compound growth rate between 2012 and 2022. Employment in the financial activities sector will be flat and federal government employment is expected to contract over the long-term forecast horizon.

One of the lingering effects of the Great Recession has been an elevated unemployment rate. The depth of the recession and the subpar employment recovery have together conspired to produce high rates of unemployment that will persist for several more years. At the peak of the previous expansion in 2007, the annual unemployment rate had fallen to 4.9 percent. In 2009, the unemployment rate averaged 10.5 percent in Tennessee versus 9.3 percent for the nation. By 2012, the state unemployment rate had slowly drifted down to 8.0 percent compared to 8.1 percent for the nation.

The weak labor market led to a decline in the labor force in 2012, and another decline is expected for 2013. The labor force and the number of employed people should begin an earnest rebound in 2014, with strong growth following in 2015. Growth in the labor force and in the number of employed people will slow as the decade of 2020s unfolds. The number of unemployed people will slowly recover over the remainder of the decade. As shown in Figure 3.9, the unemployment rate for the state and the nation will drift down to below 5.5 percent by 2022.

Income, Earnings and Output

Tennessee's nominal personal income experienced a rarely-seen contraction in 2009 before rebounding with growth of nearly five percent in the following two years. Nominal per capita income also fell in 2009, while inflation-adjusted income was down in both 2008 and 2009. The losses in 2009 were broadly based and included setbacks in wage and salary income, other labor income, proprietors' income and rent, interest and dividend income. Income growth has improved markedly as the economy has stabilized and found a new path for growth.

Inflation-adjusted income for Tennessee is expected to grow at a 2.8 percent compound

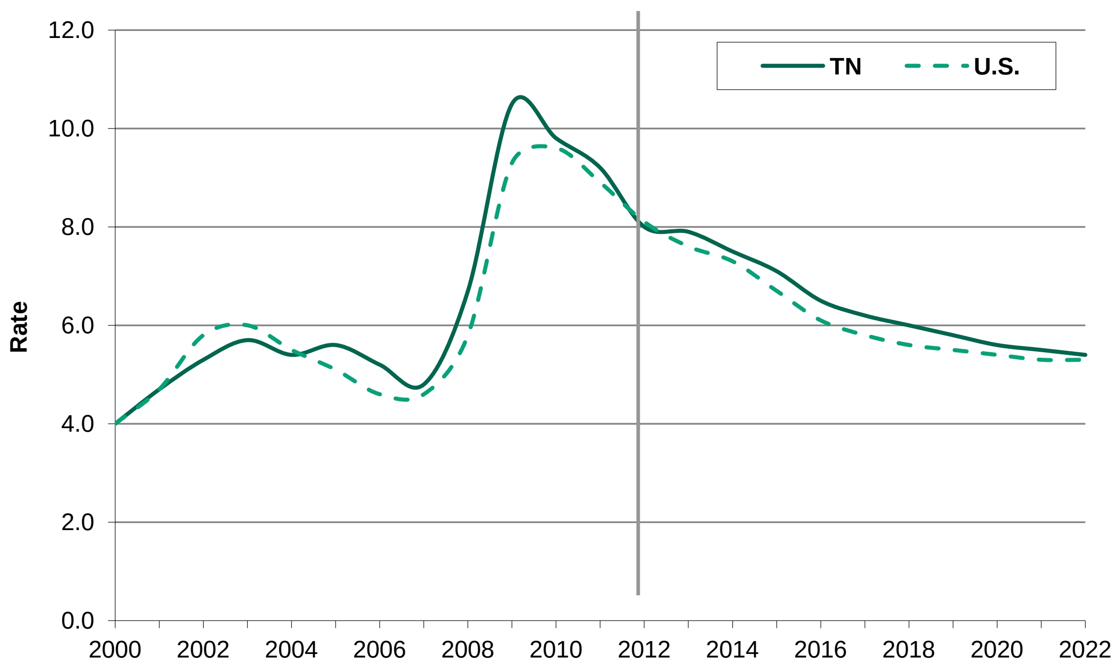
3.4. Long-Term Economic Outlook, continued

annual rate between 2012 and 2022 compared to 2.9 percent growth for the nation. Wage and salary income should grow a bit more slowly than overall personal income, while proprietors' income will enjoy healthier growth.

Inflation-adjusted state gross domestic product was flat in 2007 (the year the Great Recession started), saw anemic growth of 0.3 percent in 2008, and then contracted at a rate of 4.5 percent in 2009. Output growth in Tennessee rebounded with a 4.1 percent showing in 2010. Most sectors of the economy were battered in 2009 with the exception of agriculture, forestry and fishing, education and health services and government.

Inflation-adjusted output in Tennessee is projected to grow at a 2.7 percent compound annual rate between 2012 and 2022, slightly ahead of the pace for the nation. The state's durable goods manufacturing sector will see especially strong output growth, generally well ahead of the pace of overall output growth. Notably, the state's nondurable goods manufacturing sector will also see output growth over the long term despite ongoing employment losses. The explanation is rising productivity that allows more output to be produced with fewer workers. Manufacturing output was 16.3 percent of total output in 2012 and will account for 17.2 percent of gross state product in 2022.

Figure 3.9. Annual Unemployment Rate, 2000 to 2022



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

CHAPTER 4: TECHNOLOGY AND TAXES IN TENNESSEE

In this chapter—

4.1. Introduction and Overview

The arrival of online shopping in the mid-1990s caused Tennessee and other states to carefully reevaluate the ways in which they generate tax revenues to fund public services. While it is true that Tennesseans had been making remote purchases via catalog orders for decades prior to the internet age, the widespread availability of high-speed internet dramatically increased the rate of growth of remote sales. Shoppers could view diverse arrays of products, read customer reviews, and compare prices across multiple sellers before eventually making a purchase. The convenience factor, coupled with relatively light taxation of online sales relative to local in-person sales, added fuel to an already-dynamic economic engine.

The combination of convenience and differing tax treatment of online and brick-and-mortar sales has led to impressive rates of growth in online shopping in recent years, even during the Great Recession of the late 2000s. The innovative and ever-changing electronic marketplace has also created an array of new policy issues involving such things as digitized goods and services and cloud-based computing. Given that Tennessee raises over 60 percent of its state taxes from sales taxes, it is important that state officials continue to monitor trends in e-commerce and related policy discussions.

This chapter provides an overview of recent economic and policy trends as they pertain to technological developments. We begin with a discussion of the recent growth in electronic commerce, breaking down the data to understand the forces behind that growth. We then discuss why this growth is such an important tax policy issue for Tennessee and other states. Next, we provide updated estimates of the state and local sales tax revenue losses that are due to e-commerce. Following a discussion of the latest policy responses at the state and federal levels, we turn to a consideration of new challenges related to e-commerce taxation facing state and local governments.

4.2. Industry Trends

Despite the fact that nearly 90 percent of e-commerce occurs between two businesses rather than between businesses and consumers, most people think of e-commerce as a retail trade issue. The U.S. Census Bureau regularly tracks e-commerce through its Annual Retail Trade Survey, Annual Survey of Manufactures, Annual Wholesale Trade Survey, and Service Annual Survey. E-commerce data are regularly compiled through the Census Bureau's E-Stats service.[1]

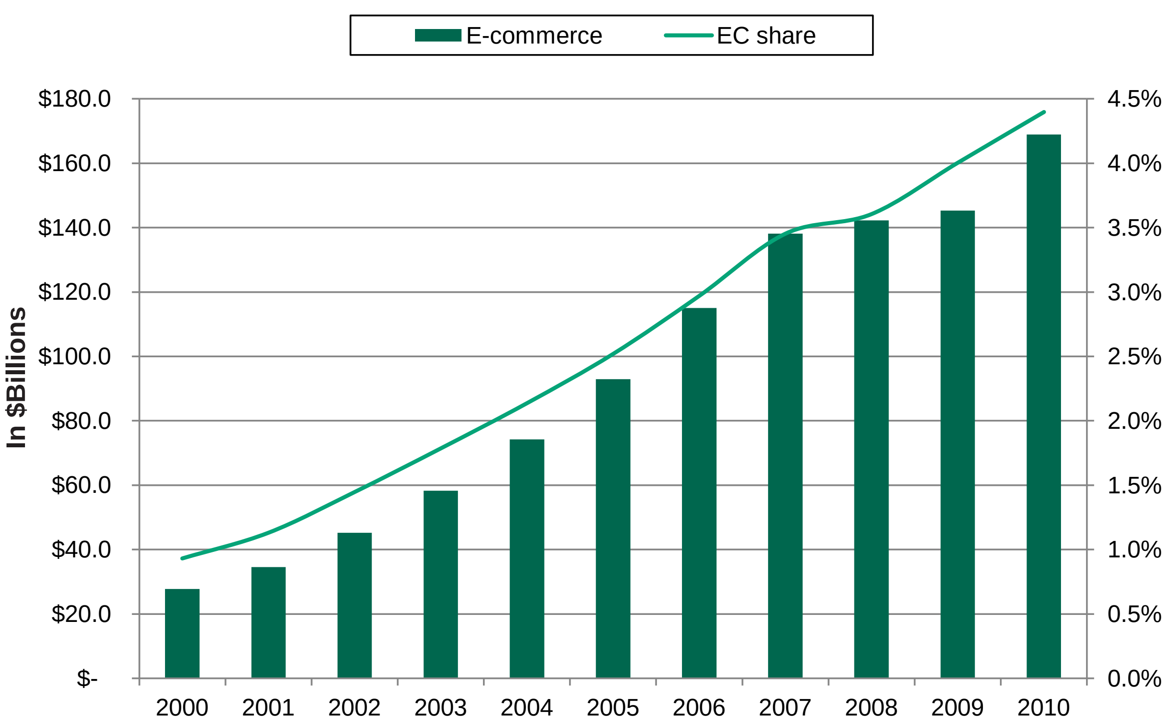
Figure 4.1 provides a first look at the recent growth in retail e-commerce, drawn from the Annual Retail Trade Survey. The trends are obvious: retail e-commerce has grown considerably from about $28 billion in 2000 to nearly $170 billion in 2010. This suggests a compound annual growth rate of nearly 20 percent. While actual annual growth slowed considerably in 2008 and 2009, growth remained positive. The 2010 data suggest a rather substantial step back toward the pre-recession trend. Figure 4.1 also shows that retail e-commerce grew from less than one percent of all retail trade in 2000 to nearly 4.5 percent of all retail trade in 2010. While these numbers may seem small, this represents a very substantial shift in the way in which consumers make purchases. For example, online retail accounted for more than 45 percent of holiday retail growth in 2012, though only represented 14.5 percent of total sales in November and December.[2]

Figure 4.2 expands the data to include other categories of e-commerce, namely manufacturing, wholesale trade, and services. These additional categories help us see the importance of business-to business (B2B) purchases relative to business-to-consumer (B2C) purchases. The Census defines

[1] See www.census.gov/econ/estats/ for more details.

[2] Source: http://www.internetretailer.com/2013/01/09/e-commerce-brings-nearly-half-holiday-retail-growth.

Figure 4.1. Recent Growth in Retail E-Commerce

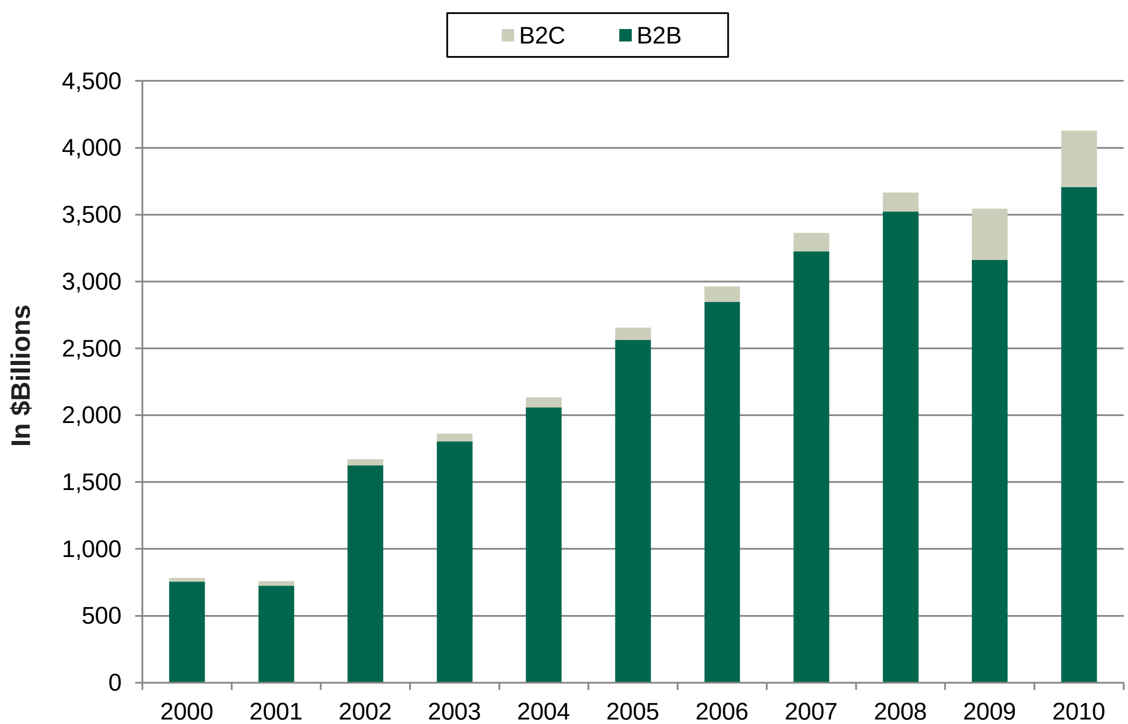


Source: U.S. Census Bureau, 2010 Annual Retail Trade Survey.

4.2. Industry Trends, continued

manufacturing and wholesale trade as B2B and retail and services as B2C. Unfortunately, data for electronic wholesale trade are not available before 2002, and data on electronic services are not available prior to 2009. Regardless, the data in Figure 4.2 reveal that B2B sales represent the vast majority of total e-commerce, even after the inclusion of services data in 2009 and 2010 (which explains the noticeable jump in B2C e-commerce in those years). Figure 4.2 also shows that B2B sales have grown rather substantially between 2001 and 2008. Recessionary environments dampened growth somewhat in 2001 and 2009, but the longer-term trend is clear. More and more transactions are taking place in online settings.

Figure 4.2. Summary of U.S. Shipments, Sales, Revenues, and E-commerce: 2000-2010



Source: U.S. Census Bureau, 2010 Annual Survey of Manufactures, 2007 Economic Census - Manufacturing, 2010 Annual Wholesale Trade Survey, 2010 Annual Retail Trade Survey, and 2010 Service Annual Survey.

4.3. Why E-Commerce is a Tax Problem

On the surface, many view the primary tax issue surrounding electronic commerce as one of foregone state and local sales tax revenues, as that is what has garnered the most media attention over the history of the internet. Indeed, researchers at the University of Tennessee Center for Business and Economic Research have been providing revenue losses estimates on an ongoing basis since 2000, and those studies have received a great deal of attention by policy makers and journalists alike.

4.3. Why E-Commerce is a Tax Problem, continued

The growth of e-commerce presents a very serious tax issue for many other reasons, however, primarily as a result of the constitutional and political limitations on the ability of state governments to compel online sellers to collect and remit taxes on sales to their residents. Specifically, as a result of some key Supreme Court rulings, online and other out-of-state sellers are only obligated to collect and remit sales taxes for shoppers in states where the seller has what is called *nexus*. The courts have determined that it is up to Congress to decide what defines nexus, and the discussion is ongoing, but current policy stipulates that sales tax nexus involves some form of physical presence.

Because of the nexus requirement, and because most online sellers have nexus only in a few states, many online sales go tax-free. Shoppers still owe what is called a use tax payment equivalent to what the sales tax payment would have been, but use tax compliance is unsurprisingly low. This drives a tax wedge between largely-taxable local sales and frequently untaxed online sales. Shoppers have a clear incentive to move their purchases to online venues when possible. The end result is what economists refer to as a distortion or deadweight loss, which represents a reduction in economic efficiency.

A second relevant tax issue is that the tax wedge described above is perceived as unfair to local entrepreneurs who must collect and remit sales taxes on all sales of taxable items, regardless of where their shoppers live. These so-called "Main Street" retailers see the current tax treatment as unfair and argue for a tax-neutral playing field. Indeed, as we discuss in greater detail below, many of the recent federal policy proposals are founded on the principle of restoring some form of equity across seller types. Those proposals have titles such as the Main Street Fairness Act and the Marketplace Equity Act.

Third, the current tax treatment of e-commerce presents compliance and administration issues for state tax authorities, sellers, and consumers. Even when sales tax is not collected on an online sale, the buyer owes an equivalent use tax payment and is responsible for filing that payment directly with state tax authorities. Rather than having a relatively small number of retailers collecting and remitting tax, then, the compliance burden falls on a much larger number of shoppers, most of whom are unaware of their use tax obligation despite years of media coverage on this issue. State tax departments must then monitor compliance over a much larger and less-informed population of taxpayers, thus creating administration and compliance costs that dramatically exceed what would be the case under universal online collection.

To be sure, the efficiency, equity, and administration/compliance issues would be more tolerable in the absence of significant revenue losses to state and local governments. Those revenue losses are indeed real, and are sufficiently large to motivate meaningful policy discussions at the federal and state level. We now turn to a more detailed discussion of those revenue losses.

4.4. Revenue Losses from E-Commerce

Estimating the impact of largely-untaxed e-commerce on state and local sales tax collections is not a trivial exercise. One cannot simply multiply the dollar value of e-commerce by the prevailing state and local sales tax rate and report the result, primarily because (a) many e-commerce sales are non-taxable and (b) taxes are already collected on many e-commerce sales. Our CBER team has taken great care to explore the composition of e-commerce and the taxability of those sales across the sales-taxing states. We have relied on state tax authorities in those states to help inform our assumptions whenever possible. We have also collected a wealth of data on where the largest online retailers are already collecting sales taxes. All of these efforts are designed to give us

4.4. Revenue Losses from E-Commerce, continued

a cleaner and more accurate estimate of foregone state and local tax revenue that is a result of e-commerce.

Table 4.1 provides our latest, previously-unreported, estimates of total national e-commerce and the resulting state and local sales tax revenue losses. Note that the vast majority of total e-commerce is business-to-business (B2B) sales, and the vast majority of both B2B and B2C e-commerce is either tax-exempt or already has the tax being collected. Our estimates for 2012 suggest that only about 4.4 percent of total e-commerce (about $164.7 billion) resulted in a revenue loss, and that loss was approximately $11.5 billion. The underlying growth in e-commerce suggests that the total national revenue loss will also grow, approaching $17.4 billion by 2015. Our estimates for Tennessee show a revenue loss of about $401 million in 2012, which is about 3.5 percent of the national total. Our state's share of the revenue loss is higher than our share of the national economy because we rely more heavily on sales and use taxes in our revenue portfolio. Specifically, our sales tax rate is higher and our sales tax base is broader than those in the average sales-taxing state.

4.5. State Strategies to Tax E-Commerce

E-commerce presents a large and growing threat to state sales tax revenues. In response to this threat and meager state budgets, states have used a variety of strategies to increase sales and use tax collections on sales by remote e-tailers. Use taxes owed on sales to businesses are typically targeted as part of state sales tax audits, so the focus for new initiatives, and the focus of this section, is on state strategies to improve sales/use tax collections on sales to individual consumers, or B2C transactions.[3] Because consumers owe the use tax whenever sales tax is not collected, one option is to increase compliance by individuals. Tennessee and states around the country have tried a variety of efforts with only limited success. Compliance involving sales of relatively high value goods can be improved by targeting individual transactions or purchases of items that need to be registered – auto sales for example. However, most transactions are small and spread among millions of consumers, and state efforts to improve voluntary compliance have been largely ineffective. Many states now add a simple section to income tax forms that allow taxpayers to calculate and remit use tax owed, but a very small percentage of taxpayers remit tax using this option.

Colorado attempted another approach. Under a 2010 law, out of state e-tailers were required to report to both their customers and the state of Colorado the amount of untaxed sales made to Colorado residents. The Colorado law was challenged and in 2012, the Federal district court ruled the provisions unfairly discriminated against out of state sellers and therefore held that the law was unconstitutional. Amazon reported untaxed purchases to Tennessee customers (but not to the State of Tennessee) in 2012 for purchases in 2011 along with a link to the forms needed to file and pay the use tax owed. As with the voluntary reporting on income tax forms, few Tennessee residents probably used the information to file returns and remit sales tax, despite the relative ease of doing so. Making compliance with the use tax easier for taxpayers, and better educating Tennessee residents about their use tax obligations, are worthwhile goals, but these efforts cannot be relied upon to significantly affect overall sales and use tax collections on remote sales.

The more effective approach is to require out of state firms selling into Tennessee to collect sales tax. Under a 1992 Supreme Court decision, *Quill Corp. v. North Dakota*, states can require sellers to

[3] In a 2010 report, the State of Washington performed random audits of businesses and found that businesses failed to remit proper use tax on 23 percent of business purchases from out of state sellers.

Table 4.1. National Total State and Local E-Commerce and Revenue Losses ($millions)

	2010	2011	2012	2013	2014	2015
Total Business-to-Business E-commerce	$ 2,846,701	$ 3,182,517	$ 3,466,547	$ 3,835,835	$ 4,427,560	$ 5,126,858
Total Business-to-Consumer E-commerce	$ 244,000	$ 280,892	$ 314,378	$ 356,684	$ 421,287	$ 498,221
Total E-Commerce	$ 3,090,701	$ 3,463,409	$ 3,780,925	$ 4,192,520	$ 4,848,848	$ 5,625,078
Less: Exempt B2B	$ 2,368,455	$ 2,647,854	$ 2,884,167	$ 3,191,415	$ 3,683,730	$ 4,265,546
Less: B2B on which sales/use tax collected	$ 371,669	$ 415,514	$ 452,597	$ 500,812	$ 578,068	$ 669,370
Less: Exempt B2C	$ 203,008	$ 233,702	$ 261,562	$ 296,761	$ 350,511	$ 414,519
Less: B2C on which sales/use tax collected	$ 13,921	$ 16,026	$ 17,936	$ 20,350	$ 24,036	$ 28,425
Subtotal	$ 2,957,053	$ 3,313,096	$ 3,616,263	$ 4,009,338	$ 4,636,345	$ 5,377,860
E-commerce Resulting in Revenue Loss	**$ 133,648**	**$ 150,313**	**$ 164,662**	**$ 183,181**	**$ 212,502**	**$ 247,219**
Estimated Total National State and Local Revenue Loss	**$ 9,311**	**$ 10,494**	**$ 11,518**	**$ 12,837**	**$ 14,918**	**$ 17,383**
Estimated State and Local Revenue Loss in Tennessee	**$ 324**	**$ 366**	**$ 401**	**$ 447**	**$ 520**	**$ 606**

4.5. State Strategies to Tax E-Commerce, continued

collect sales taxes only when the *seller* has a *physical presence* in the state. If the legal entity selling into Tennessee has no physical presence or nexus under current law, there are two ways lawmakers can bring that seller into the fold: 1) look to the physical presence of entities other than the seller itself, and attribute nexus of the in-state third party to the selling entity, or 2) expand the definition of what constitutes a physical presence for nexus purposes. Most of the legislative 'fixes' intended to expand the number of firms required to collect sales taxes incorporate one or both of these broad strategies.

The physical presence requirement for sales tax purposes was intended to be a bright line test so that both businesses and taxing authorities had clear guidelines on which firms were required to collect tax on sales into the state. Not surprisingly, a bright line test also outlined the business strategy to avoid tax collection responsibilities – take steps to insure the selling entity has no physical presence in the destination state. For example, in the early days of e-commerce, businesses with an extensive and nationwide network of brick-and-mortar retail outlets simply incorporated their online operations into a separate subsidiary, and only collected sales tax in jurisdictions in the few states in which the *online corporation* had a physical presence. In this way, large national chains collected sales tax for their online sales in just a handful of states. A similar strategy was for online entities to hire unrelated third parties to perform activities that require a physical presence in the destination market, such as sales, installation, and repair functions.

States challenged these arrangements on a number of grounds, often successfully attributing the physical presence of in-state third parties to the out of state seller. Based on this *attributional nexus*, states could then require the out of state seller to collect sales tax on shipments to the state. Based on guidelines from a series of decisions by the Supreme Court, states must show that third parties 1) act 'on behalf' of the out of state seller, or 2) the third party's activities are necessary for the selling entity to establish and/or maintain a market in the state. Recent developments frequently involve courts and legislatures determining what activities by third parties satisfy those two broad tests. The third parties can be individuals or other businesses, and it is largely irrelevant whether or not the third party is related by ownership to the out of state seller. The ownership provisions work both ways, however. States cannot assert nexus only because an in-state firm shares a common owner with the out of state sellers. However, out of state sellers cannot avoid nexus by simply using unrelated third parties to conduct business in Tennessee.

Most states attribute nexus to the out of state seller if the operations of the two firms are integrated, share common ownership and management, use the same trademarks, trade names and logos, and/or sell substantially similar goods. For example, if the in-state firm (e.g. the brick and mortar retail outlet) accepts returns from the online store, allows its customers to place orders to the online store on kiosks located in the retail outlet, advertises the online store on receipts, or engages in joint promotions, the courts generally rule that the nexus of the retail outlet can be attributed to the online entity. The retail outlet is acting 'on behalf' of the online store when it accepts returns, and allowing online customers to return or exchange items in local stores also helps the online store maintain a market in the state.

The courts have also ruled that these third parties can create nexus for the out of state seller if the online seller hires unrelated agents (businesses or individuals) to perform vital functions in-state. Hiring a commissioned salesperson to solicit sales in the state creates nexus for the seller whether or not the salesperson is an employee or independent contractor. Similarly, delivering goods to Tennessee using a service other than common carriers (e.g. UPS and Post Office) creates nexus for the out of state seller.

More recently, a number of states passed "Amazon" laws or "click-through nexus" statutes, that expand the concept of attributional nexus to out of state sellers based on the location of the third party. Under an arrangement with Amazon,

4.5. State Strategies to Tax E-Commerce, continued

"associates" provide a link to Amazon on their website. For example, a web site appealing to runners could review a pair of running shoes and provide a direct link to those shoes on Amazon. Other associates just display a banner that directs visitors to the Amazon.com home page. In either case, if a customer clicks through the link and makes a purchase on Amazon.com, the associate is paid a small commission equal to a percentage of the sales price. Amazon laws assert nexus on the e-tailer if any of the "associates" have a physical presence in the state where the good is being shipped. The theory is the associates act similarly to in-state commissioned salespersons that have long created nexus for the seller. These laws are being vigorously contested in the courts by Amazon, Overstock, and similarly affected e-tailers. Tennessee has not yet adopted a click-through nexus statute, nor does it assert nexus on firms that pay in-state websites for hosting advertisements.

In addition to asserting nexus based on an expanding list of third-party activities, states have also broadened activities that create a physical presence. Developments here often involve situations unique to e-commerce, but states sometimes aggressively assert activities routine to any business can create a physical presence. For example, some states assert nexus for maintaining an in-state bank account, P.O. Box, or listing a phone number in the local telephone book. Furthermore, some jurisdictions assert nexus if employees make even brief business-related trips in state. For example, almost all states, including Tennessee, assert nexus if employees attend trade shows and solicit or consummate sales to customers during the show. Other states assert nexus if an employee spends five days or more at trade shows, with the presumption that an attendance of that length likely involves making or at least soliciting sales. Florida, Georgia and twelve other states assert nexus if employees simply *attend* in-state trade shows for a single day.

In some states nexus is created if an unaffiliated firm provides printing services, operates a call center, produces an infomercial or houses a web server used by the seller. The list of third party activities that creates nexus for sellers is long and growing. The issue for lawmakers is how far to push the "nexus" standard.

4.6. Federal Policy Developments

As discussed previously, the prospects for state and local governments to begin recovering any of the lost revenues from untaxed e-commerce rest in the hands of Congress, who must decide whether to redefine nexus in economic terms rather than in physical presence terms. Three major bills have been introduced in recent years, all of which would require remote sellers to collect and remit sales taxes: the Main Street Fairness Act,[4] the Marketplace Fairness Act,[5] and the Marketplace Equity Act of 2011.[6] All three of these would allow states that simplify and harmonize their sales tax systems to require certain remote vendors to collect their sales tax. Differences between the bills arise mainly in the simplification and harmonization criteria and the small seller exception (SSE) that determines the sales (or employment) that a firm must make before it can be required to collect the tax. Much of the current discussion of the legislation focuses on the appropriate SSE. A wide range of values is currently being discussed and values within each proposal are subject to change. The question is not *whether* any enacted legislation will include a small seller exception, but how large the small seller threshold will be.

[4] S. 1452, 112th Cong., 1st Sess. (2011); H.R. 2701, 112th Cong., 1st Sess. (2011).

[5] S. 1832, 112th Cong., 1st Sess. (2011).

[6] H.R. 3179, 112th Cong., 1st Sess. (2011).

4.6. Federal Policy Developments, continued

It is useful to consider the primary differences between the three major proposals. The Main Street Fairness Act determines that simplification and harmonization have occurred when states become full members of the Streamlined Sales and Use Tax Agreement (SSUTA). This Agreement is the centerpiece of the Streamlined Sales Tax Project, a major initiative among a large number of sales-taxing states to harmonize certain features of their sales and use tax systems in hopeful exchange for federal action on the nexus issue.[7] Thus, states must fully comply with provisions of the SSUTA in order to be able to require remote vendors to collect their sales tax. As of this writing, Tennessee is an Associate Member State, in that it is in compliance with most, but not all, of the provisions of the SSUTA. Additional changes would be necessary in order to be a Full Member State. The small seller exception in the Main Street Fairness Act is unspecified.

The Marketplace Equity Act takes a slightly different approach by developing a unique set of criteria that must be met before states can require remote firms to collect the sales tax. The criteria have some similarities to the SSUTA, but are not precisely the same. Among the criteria for states is that they must:

- develop a small seller exception, which would exempt firms with $1 million or less in national sales or $100,000 or less in sales to the state which would require the collection responsibility;
- have a remote seller tax return and a single tax authority for remote sellers;
- have a single set of definitions for taxable items across the state;
- impose either a blended state and local tax rate, a maximum state rate, or an applicable destination tax rate for each local jurisdiction into which sales are made (the first and second of these alternative rates are not permitted to exceed the average state and local rate applicable to non-remote sellers); and
- publish detailed information about the collection requirements about six months before the collection requirements can be imposed on remote sellers.

Finally, the Marketplace Fairness Act mixes the approaches of the other two bills by allowing states to either be in compliance with the SSUTA or to comply with a set of other criteria. The small seller exception under the Marketplace Fairness Act is set at $500,000. Under the alternative criteria that would allow states to require remote vendors to collect the tax, states must:

- provide a single state agency to administer all sales and use tax legislation, a single audit for all state and local taxing jurisdictions, and a single sales tax return for remote sellers;
- develop a uniform sales tax base for state and local governments;
- require remote vendors to collect a "destination tax" (based on the buyer's residence) for every jurisdiction;
- provide software and services to facilitate collection by remote sellers;
- relieve sellers from liability for tax collection error resulting from information provided by the state; and
- provide at least 30 days notice for local tax rate changes.

These federal policy proposals are interesting in that they recognize the importance of imposing some simplification provisions on states before those states can require remote vendors to collect and remit taxes. These efforts, along with the SSE provisions, are intended to ease the administration and compliance burden on remote vendors and provide some key benefits to multi-state taxpayers. However, the large SSE can significantly reduce revenues by excluding more sales from the tax base. These changes would in many cases represent important improvements in the tangled web that is state and local sales and use tax systems and could help restore the ability of those systems to provide important revenue to state and local governments for generations to come.

[7] See http://www.streamlinedsalestax.org/ for information on the Streamlined Sales Tax Governing Board, Inc. and its provisions.

4.7. Emerging Issues in Taxing E-Commerce

The most significant development in taxing e-commerce involves selling digital goods in the quickly growing cloud computing sector. According to the National Institute of Standards and Technology (NIST), cloud computing is "a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction." In more layman's terms, cloud computing involves off-site hosting of a rapidly expanding variety of computer products and services. For sales tax purposes cloud computing is best thought of as an alternate delivery method of existing products and services. There are three main categories in this expanding field. The first includes infrastructure-as-a-service providers. Many readers will be familiar with Carbonite and other firms that provide computer backup services. These and other file storage services are one common example of this category. Software-as-a-service vendors provide access to computer programs such as online tax preparation software installed and maintained by the seller on its server that clients access remotely. Finally, platform-as-a-service provides tools to software developers.

The issues for lawmakers include determining 1) whether the transaction involves a good or service subject to sales tax, 2) where the transaction occurs, and therefore the jurisdiction in which the sale is subject to tax, and 3) whether the good or service provider has nexus in the state. An example illustrates the difficulties. Assume Firm S (software developer) located in California sells software services to Firm B (buyer) located in Tennessee. Firm S contracts with a third party Firm T to house the software on servers located in Pennsylvania and Florida. Furthermore, Firm B has offices in twelve states, and its employees can access the software from any of their locations. See Figure 4.3.

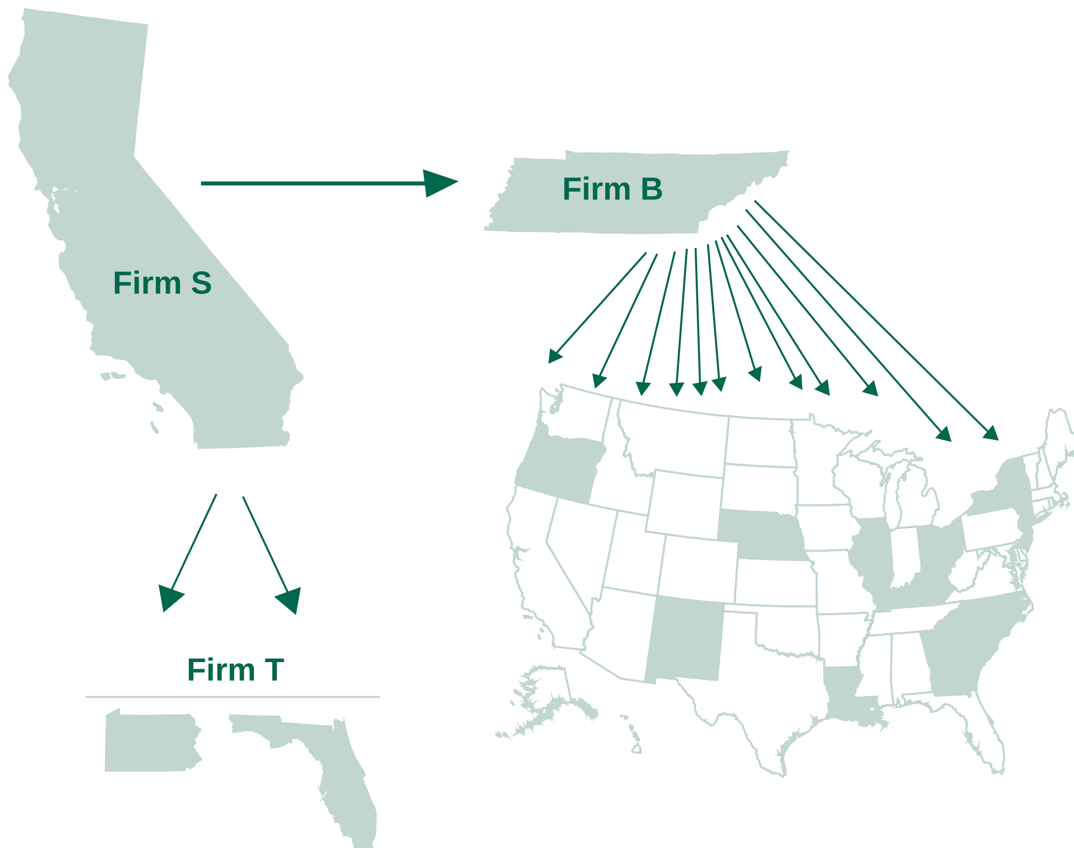
The taxation of the transaction depends first on how it is characterized by state law. Transactions involving cloud computing involve the sale of information services delivered over telecommunications networks. Some states tax telecommunication services but not information services. Backup services are generally treated as a computer service, but some states treat the transaction as a computer hardware rental. Furthermore, transactions often include several bundled services. Storage firms provide the service of regularly backing up a client's files and also store those files for later retrieval. In some cases the issue for states is unbundling a fixed charge for an array of services. In other cases, service providers are adept at breaking bundled charges into components when one or more of the components are not subject to sales tax, in which case the task is assessing the reasonableness of the separate charges.

The second hurdle is determining where the sale takes place. In the example above, options include where the seller is located, where the server is located, the location of the customer when the software is accessed, or the location of the parent company to which the services are billed. Furthermore, the answer could vary if the customer is billed on a per access basis, or annually, with unlimited access to the service. The answer also varies depending on the type of service. In the case of data storage, most states, including Connecticut, Ohio, and Texas, tax the transaction as a service subject to tax if the *customer* is located in the state. Florida, on the other hand, taxes the transaction as the rental of computer hardware, and taxes the transaction if the *server* is located in the state. If the sale involves software, there is a similar difficulty determining where the transaction occurs. Because the software remains at all times on the server, Tennessee and many other states tax the transaction as occurring where the server is located. New York, however, taxes the transaction where the customer accessing the software is located. There is also the potential for multiple states to tax the same activity.

Finally, once the transaction is sited to a particular state, revenue officials must determine if the seller has a taxable presence, or nexus, in that state. Of course, the nexus considerations for cloud computing are similar to those for electronic commerce in general.

4.7. Emerging Issues in Taxing E-Commerce, continued

Figure 4.3. Transaction Taxation



4.8. Conclusion

The early growth and ongoing expansion of electronic commerce poses significant challenges to state and local governments that depend on sales tax collections to fund public services. While the nature of taxable items continues to shift with the onset of such things as digitized goods and cloud-based computing, the legal landscape surrounding states' ability to enforce collection of legally-owed taxes is also ever-changing. Several states have taken it upon themselves to identify avenues, usually through the courts but also through state-level policy changes, to stave off some of the ongoing erosion of their precious sales tax bases. The ultimate solution, however, rests with the federal government, specifically the U.S. Congress, who alone has the power to redefine the concept of nexus for the technological age. The research team at the University of Tennessee Center for Business and Economic Research looks forward to continuing to monitor developments in this exciting area of tax policy, and to providing useful research and analysis to inform the corresponding policy discussions.

APPENDIX A: FORECAST DATA

In this section—

Appendix A: Forecast Data

Quarterly Forecast Tables

Annual Forecast Tables

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
US GDP (Bil2005$) SAAR……………………	13548.5	13652.5	13686.8	13720.8	13801.7	13872.0	13949.0	14039.1	14152.1	14266.2	14378.5	14506.7	13299.1	13598.6	13835.9	14209.0
% Chg Prev Qtr SAAR………………………	1.25	3.11	1.01	1.00	2.38	2.05	2.24	2.61	3.26	3.26	3.19	3.61	1.81	2.25	1.75	2.70
% Chg Same Qtr Last Yr……………………	2.14	2.60	1.83	1.59	1.87	1.61	1.92	2.32	2.54	2.84	3.08	3.33	1.81	2.25	1.75	2.70
US GDP (Bil$) SAAR……………………………	15585.6	15811.0	15877.4	15977.7	16129.1	16279.8	16437.5	16622.3	16827.8	17028.0	17221.4	17447.8	15075.7	15688.1	16206.0	16924.9
% Chg Prev Qtr SAAR………………………	2.80	5.91	1.69	2.55	3.84	3.79	3.93	4.57	5.04	4.85	4.62	5.36	3.98	4.06	3.30	4.44
% Chg Same Qtr Last Yr……………………	3.88	4.27	3.63	3.23	3.49	2.96	3.53	4.03	4.33	4.60	4.77	4.97	3.98	4.06	3.30	4.44
TN PERSONAL INCOME (MIL2005$) SAAR….	210057	210013	211195	212305	214275	215771	217466	218788	220432	222186	224050	225753	205781	209891	214954	221364
% Chg Prev Qtr SAAR………………………	3.42	-0.09	2.27	2.12	3.76	2.82	3.18	2.45	3.04	3.22	3.40	3.07	2.44	2.00	2.41	2.98
% Chg Same Qtr Last Yr……………………	1.94	2.15	2.95	1.92	2.01	2.74	2.97	3.05	2.87	2.97	3.03	3.18	2.44	2.00	2.41	2.98
US PERSONAL INCOME (BIL2005$) SAAR…..	11539	11556	11666	11617	11720	11808	11890	12033	12121	12221	12318	12444	11378	11558	11759	12173
% Chg Prev Qtr SAAR………………………	2.36	0.60	3.86	-1.66	3.59	3.03	2.81	4.91	2.95	3.34	3.21	4.15	2.58	1.58	1.74	3.53
% Chg Same Qtr Last Yr……………………	1.34	1.79	2.70	1.27	1.57	2.18	1.92	3.58	3.42	3.50	3.60	3.41	2.58	1.58	1.74	3.53
TN PERSONAL INCOME (MIL$) SAAR……….	242608	243518	245777	247314	250192	253051	255959	258523	261423	264420	267579	270764	234154	243018	251629	262986
% Chg Prev Qtr SAAR………………………	4.12	1.51	3.76	2.53	4.74	4.65	4.68	4.07	4.56	4.66	4.87	4.85	4.92	3.79	3.54	4.51
% Chg Same Qtr Last Yr……………………	3.61	3.64	4.55	2.97	3.13	3.91	4.14	4.53	4.49	4.49	4.54	4.73	4.92	3.79	3.54	4.51
US PERSONAL INCOME (BIL$) SAAR……….	13327	13400	13568	13531	13685	13835	13982	14207	14363	14530	14695	14909	12947	13381	13758	14449
% Chg Prev Qtr SAAR………………………	3.06	2.20	5.13	-1.09	4.62	4.46	4.32	6.60	4.46	4.74	4.62	5.94	5.08	3.35	2.82	5.02
% Chg Same Qtr Last Yr……………………	3.00	3.26	4.23	2.30	2.68	3.25	3.05	5.00	4.96	5.03	5.10	4.94	5.08	3.35	2.82	5.02
TN NONFARM JOBS (THOUS)…………………	2692.7	2686.2	2692.1	2700.8	2711.6	2724.2	2735.9	2746.4	2757.4	2769.3	2780.8	2792.9	2655.3	2690.5	2718.1	2763.5
% Chg Prev Qtr SAAR………………………	0.26	-0.95	0.88	1.30	1.61	1.87	1.72	1.55	1.62	1.73	1.68	1.74	1.55	1.32	1.03	1.67
% Chg Same Qtr Last Yr……………………	1.60	0.99	0.77	0.37	0.70	1.41	1.63	1.69	1.69	1.65	1.64	1.69	1.55	1.32	1.03	1.67
US NONFARM JOBS (MIL)……………………	133.0	133.4	133.9	134.3	134.8	135.4	135.9	136.4	137.1	137.7	138.3	139.1	131.4	133.2	135.1	137.4
% Chg Prev Qtr SAAR………………………	0.98	1.24	1.33	1.27	1.44	1.81	1.63	1.58	1.84	1.85	1.90	2.14	1.16	1.43	1.38	1.71
% Chg Same Qtr Last Yr……………………	1.35	1.43	1.42	1.21	1.32	1.46	1.54	1.61	1.72	1.72	1.79	1.93	1.16	1.43	1.38	1.71
TN MFG JOBS (THOUS)………………………	313.5	315.1	315.5	315.7	316.4	317.3	317.9	318.8	319.5	320.3	321.2	321.9	304.1	313.0	316.8	319.9
% Chg Prev Qtr SAAR………………………	7.49	2.17	0.43	0.28	0.93	1.07	0.74	1.15	0.96	0.91	1.15	0.96	1.74	2.91	1.22	0.98
% Chg Same Qtr Last Yr……………………	3.14	3.34	3.36	2.55	0.95	0.68	0.75	0.97	0.98	0.94	1.04	0.99	1.74	2.91	1.22	0.98
US MFG JOBS (MIL)……………………………	12.0	12.0	12.0	12.0	12.1	12.2	12.2	12.3	12.3	12.4	12.5	12.5	11.7	11.9	12.1	12.4
% Chg Prev Qtr SAAR………………………	2.00	0.44	-0.01	1.48	2.76	1.99	1.61	1.95	2.08	2.07	2.52	2.24	1.81	1.78	1.41	2.01
% Chg Same Qtr Last Yr……………………	1.92	1.67	1.50	0.97	1.16	1.55	1.96	2.07	1.91	1.93	2.15	2.22	1.81	1.78	1.41	2.01
TN UNEMPLOYMENT RATE (%)………………	7.9	8.4	7.8	8.0	7.9	7.9	7.6	7.5	7.5	7.5	7.4	7.4	9.2	8.0	7.9	7.5
US UNEMPLOYMENT RATE (%)………………	8.2	8.1	7.8	7.7	7.7	7.6	7.6	7.5	7.4	7.3	7.1	6.9	8.9	8.1	7.6	7.3

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted | **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
CHAINED PRICE INDEX, GDP																
(2005=100.0)……………..............................	115.1	115.8	116.0	116.4	116.9	117.4	117.8	118.4	118.9	119.4	119.8	120.3	113.4	115.4	117.1	119.1
% Chg Prev Qtr SAAR……………………….	1.55	2.66	0.69	1.54	1.43	1.70	1.66	1.92	1.72	1.53	1.39	1.69	2.13	1.76	1.53	1.69
% Chg Same Qtr Last Yr…………………….	1.72	1.64	1.72	1.61	1.58	1.34	1.58	1.68	1.75	1.71	1.64	1.58	2.13	1.76	1.53	1.69
US PERS CONSUMP DEFL (2005=100.0)…….	115.5	116.0	116.3	116.5	116.8	117.2	117.6	118.1	118.5	118.9	119.3	119.8	113.8	115.8	117.0	118.7
% Chg Prev Qtr SAAR……………………….	0.68	1.59	1.22	0.58	0.99	1.40	1.47	1.61	1.47	1.35	1.37	1.72	2.43	1.73	1.07	1.44
% Chg Same Qtr Last Yr…………………….	1.64	1.45	1.49	1.02	1.09	1.05	1.11	1.37	1.49	1.48	1.45	1.48	2.43	1.73	1.07	1.44
CONSUMER PRICE INDEX,																
ALL-URBAN (82-84=1.000)………………….	2.288	2.301	2.313	2.316	2.323	2.333	2.344	2.355	2.365	2.374	2.383	2.394	2.249	2.296	2.329	2.369
% Chg Prev Qtr SAAR……………………….	0.75	2.30	2.09	0.58	1.17	1.81	1.90	1.88	1.68	1.52	1.45	1.88	3.14	2.08	1.44	1.72
% Chg Same Qtr Last Yr…………………….	1.90	1.71	1.91	1.43	1.53	1.41	1.37	1.69	1.82	1.75	1.63	1.63	3.14	2.08	1.44	1.72
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	3.3	3.3	3.3	3.3	3.3
FEDERAL FUNDS RATE (% per annum)………	0.153	0.143	0.162	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.102	0.141	0.160	0.160
30-YEAR FIXED MORTGAGE RATE (%)………	3.8	3.6	3.4	3.4	3.4	3.4	3.4	3.6	3.7	4.0	4.2	4.3	4.5	3.7	3.4	3.9
TN TAXABLE SALES (MIL2005$)………………	21298	20862	21042	21292	21620	21837	22001	22128	22273	22411	22552	22726	82296	84798	86750	89363
% Chg Prev Qtr SAAR……………………….	-5.42	-7.94	3.51	4.84	6.30	4.07	3.03	2.33	2.65	2.51	2.54	3.13	3.42	3.04	2.30	3.01
% Chg Same Qtr Last Yr…………………….	4.05	0.97	0.51	-1.41	1.51	4.67	4.55	3.92	3.02	2.63	2.51	2.71	3.42	3.04	2.30	3.01
TN TAXABLE SALES (MIL$)……………………	24598	24190	24488	24803	25244	25610	25895	26146	26414	26671	26933	27258	93652	98177	101552	106165
% Chg Prev Qtr SAAR……………………….	-4.78	-6.47	5.02	5.26	7.30	5.92	4.52	3.94	4.17	3.94	3.99	4.90	5.94	4.83	3.44	4.54
% Chg Same Qtr Last Yr…………………….	5.76	2.43	2.07	-0.39	2.63	5.87	5.75	5.41	4.64	4.14	4.01	4.25	5.94	4.83	3.44	4.54
TN AVG ANNUAL WAGE, NONFARM																
(2005$)……………..........................…….…......	38663	38625	38357	38621	38775	38849	38947	39028	39117	39215	39311	39377	38076	38484	38798	39168
% Chg Prev Qtr SAAR……………………….	3.93	-0.39	-2.75	2.79	1.60	0.77	1.01	0.83	0.92	1.00	0.99	0.67	-0.12	1.07	0.82	0.95
% Chg Same Qtr Last Yr…………………….	1.34	1.41	1.47	0.86	0.29	0.58	1.54	1.05	0.88	0.94	0.93	0.89	-0.12	1.07	0.82	0.95
TN AVG ANNUAL WAGE, NONFARM ($)……..	44654	44787	44638	44990	45274	45562	45841	46116	46392	46669	46949	47228	43326	44557	45417	46531
% Chg Prev Qtr SAAR……………………….	4.64	1.20	-1.33	3.20	2.55	2.56	2.48	2.42	2.41	2.41	2.42	2.40	2.31	2.84	1.93	2.45
% Chg Same Qtr Last Yr…………………….	3.00	2.88	3.05	1.90	1.39	1.73	2.70	2.50	2.47	2.43	2.42	2.41	2.31	2.84	1.93	2.45

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
US GDP (2005$) SAAR……………………	43021	43246	43250	43253	43402	43518	43654	43830	44076	44324	44565	44854	42574	43127	43457	44199
% Chg Prev Qtr SAAR…………………	0.28	2.11	0.04	0.02	1.39	1.07	1.26	1.62	2.27	2.27	2.19	2.62	1.05	1.30	0.76	1.71
% Chg Same Qtr Last Yr………………	1.19	1.61	0.85	0.61	0.89	0.63	0.93	1.33	1.55	1.85	2.09	2.34	1.05	1.30	0.76	1.71
US GDP ($) SAAR……………………………	49489	50084	50172	50367	50722	51072	51442	51895	52409	52904	53376	53947	48261	49754	50902	52648
% Chg Prev Qtr SAAR…………………	1.81	4.89	0.71	1.56	2.84	2.79	2.93	3.57	4.02	3.84	3.61	4.35	3.21	3.09	2.31	3.43
% Chg Same Qtr Last Yr………………	2.92	3.27	2.63	2.23	2.49	1.97	2.53	3.03	3.33	3.59	3.76	3.96	3.21	3.09	2.31	3.43
TN PERSONAL INCOME (2005$) SAAR….	32692	32629	32757	32862	33100	33263	33457	33591	33774	33973	34188	34377	32245	32638	33170	33882
% Chg Prev Qtr SAAR…………………	2.71	-0.77	1.57	1.29	2.92	1.99	2.35	1.61	2.20	2.38	2.56	2.22	1.62	1.22	1.63	2.14
% Chg Same Qtr Last Yr………………	1.13	1.40	2.25	1.19	1.25	1.94	2.14	2.22	2.04	2.13	2.19	2.34	1.62	1.22	1.63	2.14
US PERSONAL INCOME (2005$) SAAR….	36640	36606	36865	36622	36857	37043	37210	37568	37750	37970	38179	38476	36425	36657	36934	37868
% Chg Prev Qtr SAAR…………………	1.37	-0.37	2.86	-2.61	2.59	2.03	1.82	3.90	1.96	2.35	2.22	3.15	1.82	0.64	0.76	2.53
% Chg Same Qtr Last Yr………………	0.40	0.80	1.71	0.29	0.59	1.19	0.94	2.58	2.42	2.50	2.60	2.42	1.82	0.64	0.76	2.53
TN PERSONAL INCOME ($) SAAR………	37758	37835	38120	38281	38648	39010	39379	39692	40055	40431	40831	41231	36690	37789	38829	40252
% Chg Prev Qtr SAAR…………………	3.41	0.82	3.06	1.69	3.89	3.81	3.83	3.22	3.71	3.81	4.01	3.98	4.09	2.99	2.75	3.66
% Chg Same Qtr Last Yr………………	2.79	2.88	3.84	2.24	2.36	3.11	3.30	3.69	3.64	3.64	3.69	3.88	4.09	2.99	2.75	3.66
US PERSONAL INCOME ($) SAAR………	42318	42445	42876	42655	43034	43402	43757	44354	44733	45144	45547	46097	41448	42436	43213	44946
% Chg Prev Qtr SAAR…………………	2.06	1.21	4.12	-2.05	3.61	3.46	3.32	5.57	3.46	3.73	3.62	4.92	4.30	2.38	1.83	4.01
% Chg Same Qtr Last Yr………………	2.04	2.27	3.23	1.31	1.69	2.25	2.06	3.98	3.95	4.02	4.09	3.93	4.30	2.38	1.83	4.01
TN TAXABLE SALES (2005$)………………	3315	3241	3264	3296	3340	3366	3385	3397	3413	3427	3441	3461	12895	13186	13387	13678
% Chg Prev Qtr SAAR…………………	-6.07	-8.57	2.80	3.99	5.44	3.23	2.20	1.49	1.81	1.67	1.70	2.28	2.59	2.26	1.52	2.18
% Chg Same Qtr Last Yr………………	3.23	0.23	-0.18	-2.11	0.76	3.86	3.71	3.08	2.18	1.79	1.67	1.87	2.59	2.26	1.52	2.18
TN TAXABLE SALES ($)……………………	3828	3758	3798	3839	3900	3948	3984	4014	4047	4078	4110	4151	14674	15267	15671	16249
% Chg Prev Qtr SAAR…………………	-5.43	-7.11	4.30	4.40	6.43	5.07	3.68	3.09	3.31	3.09	3.15	4.04	5.09	4.04	2.65	3.69
% Chg Same Qtr Last Yr………………	4.92	1.68	1.37	-1.10	1.86	5.05	4.89	4.56	3.79	3.29	3.16	3.40	5.09	4.04	2.65	3.69

Table 3: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of 2005 dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TN PERSONAL INCOME………….………	210057	210013	211195	212305	214275	215771	217466	218788	220432	222186	224050	225753	205781	209891	214954	221364
% Chg Prev Qtr SAAR……………..	3.42	-0.09	2.27	2.12	3.76	2.82	3.18	2.45	3.04	3.22	3.40	3.07	2.44	2.00	2.41	2.98
% Chg Same Qtr Last Yr…………..	1.94	2.15	2.95	1.92	2.01	2.74	2.97	3.05	2.87	2.97	3.03	3.18	2.44	2.00	2.41	2.98
WAGES AND SALARIES……………..	104906	104548	104110	105181	106017	106709	107433	108066	108746	109480	110204	110862	101934	104362	106335	109124
% Chg Prev Qtr SAAR……………..	4.00	-1.36	-1.67	4.18	3.22	2.64	2.74	2.38	2.54	2.73	2.67	2.41	1.33	2.38	1.89	2.62
% Chg Same Qtr Last Yr…………..	2.91	2.37	2.27	1.25	1.06	2.07	3.19	2.74	2.57	2.60	2.58	2.59	1.33	2.38	1.89	2.62
OTHER LABOR INCOME……………..	25271	25196	25616	25831	26031	26201	26375	26543	26751	26961	27175	27377	24657	25271	26110	26857
% Chg Prev Qtr SAAR……………..	4.36	-1.18	6.83	3.41	3.13	2.64	2.67	2.58	3.16	3.18	3.22	3.01	1.57	2.49	3.32	2.86
% Chg Same Qtr Last Yr…………..	2.53	2.03	3.93	3.31	3.01	3.99	2.96	2.76	2.76	2.90	3.04	3.14	1.57	2.49	3.32	2.86
PROPRIETORS INCOME…………….	25031	25154	25742	26052	26379	26639	26951	27111	27374	27665	27954	28210	24358	25249	26505	27526
% Chg Prev Qtr SAAR……………..	-0.58	1.98	9.68	4.91	5.12	4.00	4.78	2.40	3.94	4.31	4.25	3.72	2.77	3.66	4.98	3.85
% Chg Same Qtr Last Yr…………..	2.61	3.41	5.52	3.93	5.38	5.90	4.70	4.07	3.78	3.85	3.72	4.05	2.77	3.66	4.98	3.85
RENT, INTEREST, DIVIDENDS………	25743	25610	26283	26529	26763	26963	27238	27430	27624	27833	28090	28357	25180	25730	26873	27744
% Chg Prev Qtr SAAR……………..	7.44	-2.05	10.93	3.80	3.58	3.03	4.15	2.84	2.87	3.06	3.75	3.85	3.93	2.18	4.44	3.24
% Chg Same Qtr Last Yr…………..	1.70	2.06	4.74	4.92	3.96	5.28	3.64	3.40	3.22	3.23	3.13	3.38	3.93	2.18	4.44	3.24
TRANSFER PAYMENTS………………	44776	45107	45136	45851	46266	46455	46719	46939	47251	47574	47978	48345	44677	44886	46323	47435
% Chg Prev Qtr SAAR……………..	2.29	2.98	0.26	6.48	3.68	1.64	2.30	1.89	2.68	2.76	3.44	3.10	0.02	0.47	3.20	2.40
% Chg Same Qtr Last Yr…………..	0.04	1.59	1.91	2.98	3.33	2.99	3.51	2.37	2.13	2.41	2.69	3.00	0.02	0.47	3.20	2.40
LESS: PERS CONT FOR SOC INS….	15109	15034	15167	16619	16667	16691	16752	16808	16828	16846	16878	16932	14648	15071	16682	16840
% Chg Prev Qtr SAAR……………..	3.67	-1.95	3.57	44.14	1.18	0.56	1.47	1.36	0.46	0.44	0.76	1.28	-8.99	2.89	10.69	0.95
% Chg Same Qtr Last Yr…………..	3.18	2.38	3.42	10.99	10.32	11.02	10.45	1.14	0.96	0.93	0.75	0.73	-8.99	2.89	10.69	0.95
RESIDENCE ADJUSTMENT………….	-560	-568	-525	-520	-513	-506	-499	-493	-486	-481	-474	-467	-378	-535	-509	-483
% Chg Prev Qtr SAAR……………..	73.23	5.94	-27.38	-3.81	-4.75	-5.68	-5.16	-4.81	-5.25	-4.77	-5.40	-5.37	-22.54	41.78	-4.84	-5.10
% Chg Same Qtr Last Yr…………..	59.94	55.40	24.99	6.40	-8.38	-11.00	-4.85	-5.10	-5.23	-5.00	-5.06	-5.20	-22.54	41.78	-4.84	-5.10
PER CAPITA PERSONAL INCOME ($)….	32692	32629	32757	32862	33100	33263	33457	33591	33774	33973	34188	34377	32245	32638	33170	33882
% Chg Prev Qtr SAAR……………..	2.71	-0.77	1.57	1.29	2.92	1.99	2.35	1.61	2.20	2.38	2.56	2.22	1.62	1.22	1.63	2.14
% Chg Same Qtr Last Yr…………..	1.13	1.40	2.25	1.19	1.25	1.94	2.14	2.22	2.04	2.13	2.19	2.34	1.62	1.22	1.63	2.14

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Table 4: Tennessee Personal Income Components, Seasonally Adjusted Annual Rates (millions of current dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TN PERSONAL INCOME……………..………	242608	243518	245777	247314	250192	253051	255959	258523	261423	264420	267579	270764	234154	243018	251629	262986
% Chg Prev Qtr SAAR………………	4.12	1.51	3.76	2.53	4.74	4.65	4.68	4.07	4.56	4.66	4.87	4.85	4.92	3.79	3.54	4.51
% Chg Same Qtr Last Yr……………	3.61	3.64	4.55	2.97	3.13	3.91	4.14	4.53	4.49	4.49	4.54	4.73	4.92	3.79	3.54	4.51
WAGES AND SALARIES…………………	121162	121228	121157	122525	123787	125147	126450	127692	128968	130291	131615	132966	115991	120831	124477	129642
% Chg Prev Qtr SAAR………………	4.71	0.22	-0.23	4.59	4.19	4.46	4.23	3.99	4.06	4.16	4.13	4.17	3.79	4.17	3.02	4.15
% Chg Same Qtr Last Yr……………	4.59	3.86	3.86	2.29	2.17	3.23	4.37	4.22	4.19	4.11	4.09	4.13	3.79	4.17	3.02	4.15
OTHER LABOR INCOME………………	29187	29216	29810	30091	30395	30728	31043	31364	31725	32085	32455	32836	28057	29260	30564	31907
% Chg Prev Qtr SAAR………………	5.08	0.40	8.39	3.82	4.10	4.46	4.16	4.20	4.69	4.62	4.69	4.78	4.04	4.29	4.46	4.39
% Chg Same Qtr Last Yr……………	4.21	3.51	5.55	4.38	4.14	5.18	4.14	4.23	4.38	4.42	4.55	4.69	4.04	4.29	4.46	4.39
PROPRIETORS INCOME………………	28910	29167	29957	30348	30800	31241	31722	32035	32465	32923	33385	33835	27717	29234	31028	32702
% Chg Prev Qtr SAAR………………	0.10	3.60	11.28	5.33	6.10	5.85	6.30	4.01	5.47	5.77	5.73	5.50	5.27	5.47	6.14	5.40
% Chg Same Qtr Last Yr……………	4.29	4.91	7.16	5.00	6.54	7.11	5.89	5.56	5.40	5.38	5.24	5.62	5.27	5.47	6.14	5.40
RENT, INTEREST, DIVIDENDS……….	29732	29696	30586	30903	31249	31622	32060	32411	32761	33124	33548	34010	28652	29792	31458	32961
% Chg Prev Qtr SAAR………………	8.17	-0.48	12.54	4.21	4.55	4.86	5.65	4.46	4.39	4.50	5.22	5.63	6.46	3.98	5.59	4.78
% Chg Same Qtr Last Yr……………	3.37	3.55	6.37	6.00	5.10	6.49	4.82	4.88	4.84	4.75	4.64	4.93	6.46	3.98	5.59	4.78
TRANSFER PAYMENTS…………………	51715	52303	52527	53411	54022	54481	54989	55464	56037	56617	57299	57984	50835	51970	54226	56354
% Chg Prev Qtr SAAR………………	2.99	4.63	1.73	6.91	4.65	3.45	3.78	3.50	4.20	4.20	4.91	4.87	2.45	2.23	4.34	3.93
% Chg Same Qtr Last Yr……………	1.68	3.07	3.49	4.04	4.46	4.16	4.69	3.84	3.73	3.92	4.20	4.54	2.45	2.23	4.34	3.93
LESS: PERS CONT FOR SOC INS……	17450	17433	17650	19359	19461	19575	19717	19861	19957	20048	20157	20307	16668	17449	19528	20006
% Chg Prev Qtr SAAR………………	4.38	-0.39	5.08	44.72	2.13	2.35	2.94	2.96	1.94	1.84	2.19	3.02	-6.77	4.69	11.91	2.45
% Chg Same Qtr Last Yr……………	4.87	3.87	5.03	12.14	11.53	12.28	11.71	2.59	2.55	2.42	2.23	2.25	-6.77	4.69	11.91	2.45
RESIDENCE ADJUSTMENT……………	-647	-659	-611	-605	-599	-593	-588	-583	-577	-572	-566	-561	-430	-620	-596	-574
% Chg Prev Qtr SAAR………………	74.41	7.63	-26.33	-3.43	-3.86	-4.00	-3.79	-3.31	-3.85	-3.44	-4.06	-3.74	-20.64	44.24	-3.80	-3.69
% Chg Same Qtr Last Yr……………	62.56	57.66	26.93	7.50	-7.37	-9.98	-3.77	-3.74	-3.74	-3.60	-3.67	-3.77	-20.64	44.24	-3.80	-3.69
PER CAPITA PERSONAL INCOME ($)……	37758	37835	38120	38281	38648	39010	39379	39692	40055	40431	40831	41231	36690	37789	38829	40252
% Chg Prev Qtr SAAR………………	3.41	0.82	3.06	1.69	3.89	3.81	3.83	3.22	3.71	3.81	4.01	3.98	4.09	2.99	2.75	3.66
% Chg Same Qtr Last Yr……………	2.79	2.88	3.84	2.24	2.36	3.11	3.30	3.69	3.64	3.64	3.69	3.88	4.09	2.99	2.75	3.66

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Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONFARM	2693.8	2693.0	2718.9	2666.7	2712.7	2731.3	2763.1	2711.4	2758.7	2776.7	2808.6	2757.0	2656.3	2690.7	2718.5	2763.8
% Chg Same Qtr Last Yr	1.47	1.12	0.77	0.36	0.70	1.42	1.63	1.68	1.69	1.66	1.65	1.68	1.57	1.29	1.03	1.669
NATURAL RESOURCES, MINING & CONSTRUCTION	115.0	120.3	120.2	114.7	121.2	124.8	124.7	118.9	125.5	129.0	128.7	122.6	109.6	116.5	121.4	125.5
% Chg Same Qtr Last Yr	5.44	5.40	4.61	3.76	5.39	3.77	3.73	3.61	3.56	3.35	3.25	3.17	4.26	6.33	4.16	3.438
MANUFACTURING	313.4	316.1	316.5	313.9	316.3	318.2	318.9	316.9	319.4	321.2	322.2	320.1	304.1	313.0	316.8	319.9
% Chg Same Qtr Last Yr	3.15	3.32	3.36	2.56	0.95	0.67	0.75	0.98	0.97	0.94	1.04	1.00	1.74	2.91	1.22	0.9834
DURABLE GOODS	194.0	195.6	196.1	195.1	196.7	198.7	199.8	199.5	201.4	203.4	204.8	204.4	183.8	193.7	197.6	202.3
% Chg Same Qtr Last Yr	6.28	5.41	4.75	3.25	1.41	1.59	1.91	2.27	2.35	2.33	2.49	2.42	4.28	5.35	2.03	2.362
NONDURABLE GOODS	119.4	120.4	120.4	118.8	119.6	119.4	119.0	117.4	118.1	117.8	117.4	115.7	120.3	119.3	119.2	117.7
% Chg Same Qtr Last Yr	-1.57	0.11	1.16	1.45	0.19	-0.82	-1.13	-1.15	-1.28	-1.39	-1.39	-1.41	-1.90	-0.82	-0.09	-1.302
TRADE, TRANSPORTATION, UTILITIES	557.7	555.8	561.5	545.8	554.8	558.6	566.3	551.6	560.9	564.9	572.6	557.9	559.0	556.2	556.4	562.5
% Chg Same Qtr Last Yr	-0.63	-0.49	-0.54	-0.70	-0.53	0.52	0.85	1.05	1.11	1.13	1.12	1.14	0.70	-0.50	0.04	1.1013
WHOLESALE TRADE	113.5	113.0	111.7	110.3	111.7	112.4	111.8	111.0	112.4	113.4	112.9	112.1	116.7	112.7	111.6	112.4
% Chg Same Qtr Last Yr	-3.73	-3.83	-3.29	-2.00	-1.61	-0.49	0.17	0.60	0.69	0.81	0.91	0.99	-0.06	-3.45	-0.99	0.7543
RETAIL TRADE	310.0	307.8	314.2	303.1	309.2	310.8	317.8	306.8	313.1	314.5	321.5	310.3	307.5	308.9	310.2	314.0
% Chg Same Qtr Last Yr	0.48	0.56	0.69	-0.17	-0.26	0.98	1.15	1.23	1.25	1.20	1.17	1.15	0.25	0.46	0.43	1.2117
TRANSPORTATION & UTILITIES	134.2	135.0	135.7	132.4	133.9	135.4	136.7	133.8	135.4	137.1	138.3	135.5	134.8	134.6	134.6	136.1
% Chg Same Qtr Last Yr	-0.45	0.05	-0.96	-0.82	-0.24	0.30	0.73	1.02	1.12	1.22	1.17	1.24	2.44	-0.10	0.00	1.1338
INFORMATION	44.4	43.9	44.3	43.7	44.0	44.0	44.4	44.0	44.3	44.4	44.7	44.4	44.1	44.2	44.0	44.4
% Chg Same Qtr Last Yr	0.45	-0.45	0.73	-1.45	-0.89	0.22	0.30	0.73	0.75	0.77	0.78	0.77	-2.02	0.28	-0.46	0.7571
FINANCIAL ACTIVITIES	134.5	133.2	133.3	130.9	132.2	133.2	133.4	130.9	132.3	133.3	133.3	130.8	135.5	133.8	132.4	132.4
% Chg Same Qtr Last Yr	-0.91	-2.13	-1.50	-2.61	-1.71	0.05	0.06	0.05	0.07	0.04	-0.05	-0.11	-1.21	-1.20	-1.06	0.0266
PROFESSIONAL & BUSINESS SERVICES	326.1	328.4	335.1	324.5	332.9	340.6	349.7	337.8	346.8	354.1	363.3	352.0	321.9	328.4	336.9	350.5
% Chg Same Qtr Last Yr	2.08	0.84	0.96	0.15	2.09	3.71	4.34	4.11	4.18	3.96	3.91	4.19	5.85	2.03	2.59	4.0392
EDUCATION & HEALTH SERVICES	388.9	390.4	395.8	394.7	396.1	397.6	403.7	402.7	404.1	405.7	411.9	411.1	383.1	390.7	398.0	406.1
% Chg Same Qtr Last Yr	1.91	1.84	1.79	1.76	1.86	1.85	2.00	2.03	2.02	2.03	2.03	2.07	2.47	1.98	1.87	2.0268
LEISURE & HOSPITALITY	276.4	275.6	266.3	257.7	278.4	282.6	273.5	264.6	285.1	289.0	279.5	270.7	265.8	268.6	273.1	279.6
% Chg Same Qtr Last Yr	1.26	0.80	1.00	0.62	0.73	2.55	2.72	2.70	2.40	2.26	2.17	2.29	1.46	1.05	1.66	2.3767
OTHER SERVICES	102.6	102.4	102.2	100.6	103.7	103.5	103.5	102.0	105.2	105.1	105.0	103.4	101.4	101.8	102.8	104.3
% Chg Same Qtr Last Yr	0.33	0.92	0.71	0.47	1.06	1.13	1.26	1.39	1.51	1.55	1.48	1.39	0.20	0.41	0.98	1.4822
GOVERNMENT	434.9	427.1	443.8	440.2	433.2	428.1	445.2	441.9	435.0	430.1	447.3	444.1	431.9	437.4	436.7	438.5
% Chg Same Qtr Last Yr	2.47	1.53	-0.80	-0.83	-0.39	0.24	0.31	0.38	0.42	0.47	0.47	0.50	-0.24	1.28	-0.17	0.4344
FEDERAL, CIVILIAN	49.6	49.4	46.5	45.7	47.9	48.4	45.6	44.8	46.9	47.5	44.8	44.1	50.3	48.8	46.9	46.0
% Chg Same Qtr Last Yr	-1.91	-1.86	-6.92	-7.86	-3.53	-2.03	-2.02	-2.03	-1.97	-1.82	-1.69	-1.60	-3.87	-3.08	-3.89	-1.878
STATE & LOCAL	385.2	377.7	397.4	394.6	385.2	379.7	399.8	397.3	388.0	382.5	402.7	400.3	381.5	388.6	389.8	392.6
% Chg Same Qtr Last Yr	3.07	1.99	0.01	0.09	0.00	0.52	0.60	0.67	0.71	0.75	0.73	0.75	0.26	1.87	0.30	0.7135

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL DURABLE GOODS	194.0	195.6	196.1	195.1	196.7	198.7	199.8	199.5	201.4	203.4	204.8	204.4	183.8	193.7	197.6	202.3
% Chg Same Qtr Last Yr	6.28	5.41	4.75	3.25	1.41	1.59	1.91	2.27	2.35	2.33	2.49	2.42	4.28	5.35	2.03	2.36
WOOD PRODUCTS	10.8	10.8	10.7	10.3	10.5	10.7	10.7	10.3	10.5	10.7	10.7	10.3	10.8	10.7	10.6	10.6
% Chg Same Qtr Last Yr	-0.31	-2.41	-2.06	-2.48	-2.12	-0.51	-0.39	-0.16	-0.11	-0.08	-0.09	-0.27	-0.92	-0.91	-1.37	-0.11
NONMETALLIC MINERAL PRODUCTS	11.8	12.0	11.7	11.6	11.9	12.1	11.9	11.7	12.1	12.2	12.0	11.9	11.6	11.7	11.9	12.0
% Chg Same Qtr Last Yr	0.00	1.41	1.75	0.81	1.41	0.86	1.19	1.17	1.18	1.22	1.22	1.30	2.58	1.15	1.07	1.20
PRIMARY METALS	9.9	10.0	10.1	10.0	10.0	10.1	10.2	10.2	10.2	10.3	10.5	10.5	9.3	9.9	10.1	10.3
% Chg Same Qtr Last Yr	8.00	7.14	5.10	2.35	0.88	0.59	1.59	2.00	2.27	2.66	2.84	2.86	5.49	7.06	1.35	2.45
FABRICATED METAL PRODUCTS	35.4	35.7	35.8	35.5	35.5	35.9	36.3	36.4	36.5	37.1	37.7	37.6	34.0	35.6	35.8	36.9
% Chg Same Qtr Last Yr	6.19	3.88	2.14	0.53	0.08	0.61	1.47	2.60	3.05	3.33	3.63	3.15	3.21	4.57	0.68	3.15
MACHINERY	26.1	25.9	25.9	26.2	26.6	26.4	26.5	26.8	27.2	27.1	27.2	27.5	25.3	25.8	26.4	27.1
% Chg Same Qtr Last Yr	1.69	2.37	2.93	3.15	1.98	2.05	2.15	2.25	2.35	2.45	2.56	2.69	2.36	1.95	2.33	2.40
COMPUTER & ELECTRONIC PRODUCTS	5.6	5.5	5.5	5.4	5.4	5.4	5.4	5.4	5.3	5.3	5.2	5.2	5.5	5.5	5.4	5.3
% Chg Same Qtr Last Yr	1.83	-1.20	-2.48	-2.16	-2.49	-2.00	-2.01	-1.68	-1.93	-2.19	-2.01	-2.38	-1.35	0.43	-2.17	-1.95
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	18.5	18.7	18.9	18.8	18.8	19.1	19.2	19.2	19.3	19.5	19.7	19.7	17.7	18.6	19.0	19.4
% Chg Same Qtr Last Yr	5.51	5.05	4.41	3.19	1.78	1.88	2.00	2.12	2.25	2.41	2.48	2.59	4.93	4.84	2.20	2.32
TRANSPORTATION EQUIPMENT	51.5	52.6	53.3	53.4	54.1	55.1	55.8	55.8	56.4	57.2	58.0	58.0	45.2	51.5	54.6	56.9
% Chg Same Qtr Last Yr	15.90	14.35	13.48	10.16	5.02	4.72	4.70	4.63	4.27	3.91	3.94	3.93	11.76	13.76	6.07	4.18
FURNITURE	8.7	8.5	8.4	8.2	8.1	8.2	8.2	8.1	8.1	8.2	8.2	8.1	8.9	8.6	8.2	8.1
% Chg Same Qtr Last Yr	-2.97	-2.66	-3.25	-4.72	-6.41	-3.58	-2.31	-0.68	0.00	-0.84	-0.45	-0.43	-7.92	-4.06	-4.28	-0.49
MISCELLANEOUS DURABLE GOODS	15.8	15.9	15.8	15.6	15.8	15.7	15.7	15.5	15.7	15.7	15.7	15.6	15.4	15.8	15.7	15.6
% Chg Same Qtr Last Yr	2.60	2.14	1.53	0.74	-0.32	-1.02	-1.08	-0.74	-0.51	-0.26	0.20	0.12	3.18	2.28	-0.43	-0.33

Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONDURABLE GOODS........................	119.4	120.4	120.4	118.8	119.6	119.4	119.0	117.4	118.1	117.8	117.4	115.7	120.3	119.3	119.2	117.7
% Chg Same Qtr Last Yr.........................	-1.57	0.11	1.16	1.45	0.19	-0.82	-1.13	-1.15	-1.28	-1.39	-1.39	-1.41	-1.90	-0.82	-0.09	-1.30
FOOD..	33.1	33.5	33.7	33.3	33.4	33.5	33.8	33.4	33.5	33.5	33.8	33.5	32.7	33.2	33.5	33.6
% Chg Same Qtr Last Yr.........................	1.54	3.07	3.12	2.82	1.02	-0.04	0.39	0.22	0.17	0.07	0.03	0.19	0.26	1.55	1.03	0.12
BEVERAGE & TOBACCO............................	4.9	5.0	4.9	4.9	5.0	5.0	5.0	4.9	5.0	5.0	5.0	4.9	4.9	4.9	5.0	5.0
% Chg Same Qtr Last Yr.........................	0.00	0.67	0.77	1.78	0.73	0.14	0.28	0.24	0.22	0.18	0.11	0.11	-1.34	0.02	0.73	0.19
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL...........................	9.8	9.8	9.8	9.5	9.6	9.5	9.4	9.0	9.1	8.9	8.8	8.5	10.6	9.8	9.5	9.0
% Chg Same Qtr Last Yr.........................	-8.72	-6.65	-6.25	-3.72	-1.62	-3.82	-4.85	-4.75	-5.02	-5.46	-5.64	-5.95	-8.33	-6.93	-3.51	-5.22
PAPER...	15.4	15.7	15.5	15.1	15.3	15.6	15.4	15.0	15.1	15.4	15.2	14.8	15.5	15.4	15.4	15.2
% Chg Same Qtr Last Yr.........................	-0.43	-0.21	0.62	1.40	-0.40	-0.83	-1.07	-1.11	-1.23	-1.14	-1.03	-1.10	-1.27	-0.60	-0.24	-1.13
PRINTING & RELATED SUPPORT................	9.1	9.1	8.9	8.7	8.8	8.7	8.6	8.3	8.3	8.2	8.1	7.8	10.0	9.1	8.7	8.2
% Chg Same Qtr Last Yr.........................	-9.27	-8.42	-7.47	-4.82	-4.07	-3.97	-4.19	-4.46	-4.86	-5.28	-5.42	-5.52	-12.91	-8.85	-4.26	-5.00
CHEMICALS..	25.0	25.1	24.9	24.7	24.7	24.6	24.4	24.2	24.2	24.0	23.9	23.7	24.6	24.8	24.6	24.1
% Chg Same Qtr Last Yr.........................	1.08	1.90	1.62	1.32	-1.01	-2.03	-2.07	-2.12	-2.17	-2.18	-2.17	-2.17	-1.64	1.12	-0.96	-2.16
PLASTICS & RUBBER................................	20.4	20.5	20.7	20.6	20.9	20.7	20.8	20.8	21.0	20.8	20.9	20.8	20.4	20.3	20.8	20.9
% Chg Same Qtr Last Yr.........................	-3.63	1.82	5.59	4.75	2.73	1.08	0.32	0.62	0.51	0.37	0.47	0.15	2.76	-0.62	2.19	0.49
MISCELLANEOUS NONDURABLE GOODS....	1.7	1.7	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.8	1.9	1.8
% Chg Same Qtr Last Yr.........................	1.96	-8.93	6.75	1.98	8.54	10.06	-2.15	-2.68	-3.95	-4.20	-4.68	-4.26	8.99	3.65	4.43	-3.87

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONFARM	2692.7	2686.2	2692.1	2700.8	2711.6	2724.2	2735.9	2746.4	2757.4	2769.3	2780.8	2792.9	2655.3	2690.5	2718.1	2763.5
% Chg Prev Qtr SAAR	0.26	-0.95	0.88	1.30	1.61	1.87	1.72	1.55	1.62	1.73	1.68	1.74	1.55	1.32	1.03	1.67
% Chg Same Qtr Last Yr	1.60	0.99	0.77	0.37	0.70	1.41	1.63	1.69	1.69	1.65	1.64	1.69	1.55	1.32	1.03	1.67
NATURAL RESOURCES, MINING AND CONSTRUCTION	114.6	117.5	118.6	119.7	120.7	121.9	123.0	124.0	125.0	126.0	127.0	128.0	109.8	116.5	121.3	125.5
% Chg Prev Qtr SAAR	-2.75	10.64	3.66	3.92	3.49	4.00	3.52	3.43	3.28	3.18	3.12	3.09	4.52	6.12	4.15	3.44
% Chg Same Qtr Last Yr	5.33	5.38	4.61	3.76	5.39	3.77	3.73	3.61	3.56	3.35	3.25	3.17	4.52	6.12	4.15	3.44
MANUFACTURING	313.5	315.1	315.5	315.7	316.4	317.3	317.9	318.8	319.5	320.3	321.2	321.9	304.1	313.0	316.8	319.9
% Chg Prev Qtr SAAR	7.49	2.17	0.43	0.28	0.93	1.07	0.74	1.15	0.96	0.91	1.15	0.96	1.74	2.91	1.22	0.98
% Chg Same Qtr Last Yr	3.14	3.34	3.36	2.55	0.95	0.68	0.75	0.97	0.98	0.94	1.04	0.99	1.74	2.91	1.22	0.98
DURABLE GOODS	194.3	195.1	195.5	196.0	197.0	198.2	199.2	200.5	201.7	202.8	204.2	205.3	183.8	193.7	197.6	202.3
% Chg Prev Qtr SAAR	9.67	1.67	0.75	1.13	2.09	2.41	2.01	2.56	2.41	2.36	2.63	2.27	4.28	5.35	2.03	2.36
% Chg Same Qtr Last Yr	6.27	5.42	4.75	3.24	1.41	1.60	1.91	2.27	2.35	2.34	2.49	2.42	4.28	5.35	2.03	2.36
NONDURABLE GOODS	119.2	120.1	120.0	119.7	119.4	119.1	118.7	118.3	117.9	117.4	117.0	116.6	120.3	119.3	119.2	117.7
% Chg Prev Qtr SAAR	4.05	2.97	-0.09	-1.09	-0.96	-1.12	-1.35	-1.18	-1.46	-1.54	-1.38	-1.31	-1.90	-0.82	-0.09	-1.30
% Chg Same Qtr Last Yr	-1.58	0.14	1.17	1.44	0.19	-0.82	-1.13	-1.16	-1.28	-1.38	-1.39	-1.42	-1.90	-0.82	-0.09	-1.30
TRADE, TRANSPORTATION, UTILITIES	558.2	554.0	553.6	554.0	555.3	556.8	558.3	559.8	561.4	563.1	564.6	566.2	559.1	555.9	556.1	562.2
% Chg Prev Qtr SAAR	0.22	-3.00	-0.24	0.25	0.92	1.14	1.09	1.06	1.15	1.21	1.07	1.14	0.76	-0.56	0.03	1.10
% Chg Same Qtr Last Yr	-0.72	-0.88	-0.54	-0.70	-0.53	0.52	0.85	1.05	1.11	1.13	1.12	1.14	0.76	-0.56	0.03	1.10
WHOLESALE TRADE	113.3	112.1	111.6	111.3	111.4	111.6	111.8	112.0	112.2	112.5	112.8	113.1	116.7	112.6	111.5	112.4
% Chg Prev Qtr SAAR	-1.05	-3.94	-2.01	-0.97	0.53	0.52	0.60	0.74	0.92	1.00	0.97	1.06	-0.02	-3.51	-0.99	0.75
% Chg Same Qtr Last Yr	-3.88	-4.13	-3.29	-2.00	-1.61	-0.49	0.17	0.60	0.69	0.81	0.91	0.99	-0.02	-3.51	-0.99	0.75
RETAIL TRADE	310.3	307.5	307.9	308.6	309.5	310.5	311.5	312.4	313.4	314.3	315.1	316.0	307.6	308.7	310.0	313.8
% Chg Prev Qtr SAAR	1.43	-3.48	0.53	0.90	1.10	1.39	1.20	1.22	1.20	1.16	1.11	1.14	0.29	0.37	0.42	1.21
% Chg Same Qtr Last Yr	0.19	0.18	0.69	-0.17	-0.26	0.98	1.15	1.23	1.25	1.20	1.17	1.15	0.29	0.37	0.42	1.21
TRANSPORTATION & UTILITIES	134.7	134.3	134.1	134.1	134.3	134.7	135.1	135.4	135.8	136.3	136.7	137.1	134.8	134.6	134.6	136.1
% Chg Prev Qtr SAAR	-1.47	-1.08	-0.49	-0.21	0.83	1.07	1.23	0.95	1.22	1.48	1.05	1.21	2.56	-0.14	-0.01	1.13
% Chg Same Qtr Last Yr	-0.07	-0.49	-0.96	-0.82	-0.24	0.30	0.73	1.02	1.12	1.22	1.17	1.24	2.56	-0.14	-0.01	1.13
INFORMATION	44.3	43.9	44.0	43.9	43.9	44.0	44.1	44.2	44.2	44.3	44.4	44.5	44.1	44.2	44.0	44.3
% Chg Prev Qtr SAAR	-1.79	-3.56	0.46	-0.86	0.44	0.82	0.79	0.88	0.50	0.90	0.84	0.83	-1.98	0.14	-0.46	0.76
% Chg Same Qtr Last Yr	0.15	-0.98	0.73	-1.45	-0.89	0.22	0.30	0.73	0.75	0.77	0.78	0.77	-1.98	0.14	-0.46	0.76
FINANCIAL ACTIVITIES	134.7	132.3	132.3	132.3	132.4	132.4	132.4	132.4	132.5	132.4	132.3	132.3	135.1	133.8	132.4	132.4
% Chg Prev Qtr SAAR	-3.58	-6.75	-0.03	0.07	0.05	0.09	0.02	0.06	0.10	-0.03	-0.34	-0.15	-1.48	-0.93	-1.07	0.03
% Chg Same Qtr Last Yr	-0.25	-2.24	-1.50	-2.61	-1.71	0.05	0.06	0.05	0.07	0.04	-0.05	-0.11	-1.48	-0.93	-1.07	0.03

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
PROFESSIONAL & BUSINESS SERVICES…	327.7	326.5	327.9	331.5	334.6	338.6	342.2	345.1	348.6	352.0	355.6	359.6	321.1	328.3	336.7	350.3
% Chg Prev Qtr SAAR………………………	-3.85	-1.50	1.76	4.36	3.82	4.92	4.27	3.45	4.08	4.05	4.08	4.57	5.64	2.23	2.57	4.04
% Chg Same Qtr Last Yr…………………	2.60	0.37	0.96	0.15	2.09	3.71	4.34	4.11	4.18	3.96	3.91	4.19	5.64	2.23	2.57	4.04
EDUCATION & HEALTH SERVICES…………	389.7	391.9	393.5	395.2	397.0	399.1	401.3	403.2	405.0	407.2	409.5	411.6	383.5	390.9	398.2	406.2
% Chg Prev Qtr SAAR………………………	1.42	2.21	1.63	1.80	1.82	2.17	2.20	1.92	1.79	2.21	2.21	2.09	2.58	1.92	1.87	2.03
% Chg Same Qtr Last Yr…………………	2.10	1.85	1.79	1.76	1.86	1.85	2.00	2.03	2.02	2.03	2.03	2.07	2.58	1.92	1.87	2.03
LEISURE & HOSPITALITY……………………	270.3	267.3	268.6	270.0	272.2	274.1	275.9	277.2	278.8	280.3	281.9	283.6	265.5	268.6	273.1	279.6
% Chg Prev Qtr SAAR………………………	2.96	-4.32	2.00	2.00	3.43	2.77	2.69	1.91	2.23	2.21	2.35	2.37	1.31	1.19	1.65	2.38
% Chg Same Qtr Last Yr…………………	1.64	0.74	1.00	0.62	0.73	2.55	2.72	2.70	2.40	2.26	2.17	2.29	1.31	1.19	1.65	2.38
OTHER SERVICES……………………………	101.5	101.8	102.0	102.3	102.6	103.0	103.3	103.7	104.1	104.5	104.9	105.2	101.4	101.8	102.8	104.3
% Chg Prev Qtr SAAR………………………	-1.30	1.19	0.98	1.03	1.03	1.48	1.51	1.54	1.50	1.65	1.22	1.18	0.29	0.37	0.98	1.48
% Chg Same Qtr Last Yr…………………	-0.13	0.79	0.71	0.47	1.06	1.13	1.26	1.39	1.51	1.55	1.48	1.39	0.29	0.37	0.98	1.48
GOVERNMENT…………………………………	438.2	435.9	436.1	436.3	436.5	437.0	437.4	437.9	438.3	439.0	439.5	440.1	431.7	437.5	436.8	438.7
% Chg Prev Qtr SAAR………………………	-1.54	-2.08	0.14	0.17	0.22	0.42	0.44	0.43	0.37	0.65	0.44	0.54	-0.26	1.35	-0.17	0.43
% Chg Same Qtr Last Yr…………………	2.56	1.74	-0.80	-0.83	-0.39	0.24	0.31	0.38	0.42	0.47	0.47	0.50	-0.26	1.35	-0.17	0.43
FEDERAL, CIVILIAN…………………………	49.0	48.0	47.7	47.5	47.2	47.0	46.8	46.5	46.3	46.1	46.0	45.8	50.0	49.0	47.1	46.2
% Chg Prev Qtr SAAR………………………	-18.48	-7.92	-2.04	-1.96	-2.05	-2.07	-2.00	-1.99	-1.83	-1.46	-1.47	-1.63	-4.52	-2.00	-3.93	-1.88
% Chg Same Qtr Last Yr…………………	-2.72	-1.30	-6.92	-7.86	-3.53	-2.03	-2.02	-2.03	-1.97	-1.82	-1.69	-1.60	-4.52	-2.00	-3.93	-1.88
STATE & LOCAL……………………………	389.3	388.0	388.4	388.8	389.3	390.0	390.7	391.4	392.0	392.9	393.5	394.3	381.7	388.5	389.7	392.5
% Chg Prev Qtr SAAR………………………	0.90	-1.33	0.41	0.43	0.50	0.73	0.74	0.72	0.63	0.90	0.66	0.79	0.33	1.79	0.30	0.71
% Chg Same Qtr Last Yr…………………	3.26	2.13	0.01	0.10	0.00	0.52	0.60	0.67	0.71	0.75	0.73	0.75	0.33	1.79	0.30	0.71
STATISTICAL DISCREPANCY (%)……….	0.04	0.03	–	–	–	–	–	–	–	–	–	–	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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL DURABLE GOODS……………………	194.3	195.1	195.5	196.0	197.0	198.2	199.2	200.5	201.7	202.8	204.2	205.3	183.8	193.7	197.6	202.3
% Chg Prev Qtr SAAR…………………	9.67	1.67	0.75	1.13	2.09	2.41	2.01	2.56	2.41	2.36	2.63	2.27	4.28	5.35	2.03	2.36
% Chg Same Qtr Last Yr………………	6.27	5.42	4.75	3.24	1.41	1.60	1.91	2.27	2.35	2.34	2.49	2.42	4.28	5.35	2.03	2.36
WOOD PRODUCTS………………………	10.8	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.5	10.5	10.5	10.8	10.7	10.6	10.6
% Chg Prev Qtr SAAR…………………	-1.94	-6.67	-0.69	-0.50	-0.46	-0.38	-0.21	0.42	-0.26	-0.26	-0.26	-0.31	-0.93	-0.88	-1.38	-0.11
% Chg Same Qtr Last Yr………………	-0.38	-2.41	-2.06	-2.48	-2.12	-0.51	-0.39	-0.16	-0.11	-0.08	-0.09	-0.27	-0.93	-0.88	-1.38	-0.11
NONMETALLIC MINERALS………………	11.7	11.8	11.8	11.8	11.8	11.9	11.9	12.0	12.0	12.0	12.1	12.1	11.6	11.7	11.9	12.0
% Chg Prev Qtr SAAR…………………	-1.18	3.34	-0.06	1.19	1.20	1.11	1.28	1.10	1.25	1.25	1.26	1.43	2.58	1.14	1.07	1.20
% Chg Same Qtr Last Yr………………	-0.08	1.40	1.75	0.81	1.41	0.86	1.19	1.17	1.18	1.22	1.22	1.30	2.58	1.14	1.07	1.20
PRIMARY METALS………………………	10.0	10.0	10.0	10.0	10.0	10.1	10.1	10.2	10.3	10.4	10.4	10.5	9.3	9.9	10.1	10.3
% Chg Prev Qtr SAAR…………………	7.64	2.95	-1.97	1.01	1.59	1.77	2.00	2.63	2.70	3.32	2.71	2.73	5.49	7.06	1.35	2.44
% Chg Same Qtr Last Yr………………	7.95	7.15	5.10	2.35	0.88	0.59	1.59	2.00	2.27	2.66	2.84	2.86	5.49	7.06	1.35	2.44
FABRICATED METALS…………………..	35.7	35.7	35.6	35.5	35.7	35.9	36.1	36.5	36.8	37.1	37.4	37.6	34.0	35.6	35.8	36.9
% Chg Prev Qtr SAAR…………………	3.66	-0.22	-1.00	-0.23	1.81	1.90	2.42	4.27	3.62	3.00	3.63	2.35	3.20	4.57	0.67	3.15
% Chg Same Qtr Last Yr………………	6.17	3.94	2.14	0.53	0.08	0.61	1.47	2.60	3.05	3.33	3.63	3.15	3.20	4.57	0.67	3.15
MACHINERY………………………………	25.9	26.0	26.1	26.2	26.4	26.5	26.7	26.8	27.0	27.2	27.3	27.5	25.3	25.8	26.4	27.1
% Chg Prev Qtr SAAR…………………	6.96	1.89	1.90	1.94	2.17	2.20	2.29	2.33	2.60	2.58	2.72	2.85	2.37	1.95	2.33	2.40
% Chg Same Qtr Last Yr………………	1.64	2.37	2.93	3.15	1.98	2.05	2.15	2.25	2.35	2.45	2.56	2.69	2.37	1.95	2.33	2.40
COMPUTERS & ELECTRONICS………..	5.6	5.5	5.5	5.4	5.4	5.4	5.4	5.4	5.3	5.3	5.3	5.2	5.5	5.5	5.4	5.3
% Chg Prev Qtr SAAR…………………	-0.66	-3.98	-2.00	-1.98	-1.98	-2.03	-2.05	-0.67	-2.96	-3.06	-1.33	-2.14	-1.35	0.43	-2.17	-1.95
% Chg Same Qtr Last Yr………………	1.82	-1.18	-2.48	-2.16	-2.49	-2.00	-2.01	-1.68	-1.93	-2.19	-2.01	-2.38	-1.35	0.43	-2.17	-1.95
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS…………………………	18.6	18.7	18.8	18.9	18.9	19.0	19.1	19.3	19.4	19.5	19.6	19.8	17.7	18.6	19.0	19.4
% Chg Prev Qtr SAAR…………………	7.61	1.43	1.79	2.03	1.86	1.83	2.26	2.54	2.38	2.46	2.54	2.99	4.94	4.83	2.20	2.32
% Chg Same Qtr Last Yr………………	5.47	5.06	4.41	3.19	1.78	1.88	2.00	2.12	2.25	2.41	2.48	2.59	4.94	4.83	2.20	2.32
TRANSPORTATION EQUIP………………	51.7	52.5	53.0	53.6	54.3	55.0	55.5	56.0	56.6	57.1	57.7	58.2	45.2	51.5	54.6	56.9
% Chg Prev Qtr SAAR…………………	27.52	6.65	4.11	4.02	5.31	5.46	4.00	3.75	3.89	4.00	4.12	3.73	11.76	13.77	6.08	4.18
% Chg Same Qtr Last Yr………………	15.92	14.31	13.48	10.16	5.02	4.72	4.70	4.63	4.27	3.91	3.94	3.93	11.76	13.77	6.08	4.18
FURNITURE…………………………………	8.7	8.5	8.4	8.2	8.2	8.2	8.2	8.2	8.2	8.1	8.1	8.1	8.9	8.6	8.2	8.1
% Chg Prev Qtr SAAR…………………	4.16	-8.77	-6.47	-7.27	-3.04	2.80	-1.47	-0.92	-0.36	-0.61	0.10	-0.84	-7.92	-4.06	-4.28	-0.49
% Chg Same Qtr Last Yr………………	-3.04	-2.57	-3.25	-4.72	-6.41	-3.58	-2.31	-0.68	0.00	-0.84	-0.45	-0.43	-7.92	-4.06	-4.28	-0.49
MISCELLANEOUS DURABLES…………	15.8	15.8	15.8	15.8	15.7	15.7	15.6	15.6	15.6	15.6	15.7	15.7	15.4	15.8	15.7	15.6
% Chg Prev Qtr SAAR…………………	3.26	1.78	-1.03	-0.99	-0.99	-1.06	-1.30	0.39	-0.06	-0.07	0.54	0.08	3.17	2.27	-0.42	-0.33
% Chg Same Qtr Last Yr………………	2.59	2.13	1.53	0.74	-0.32	-1.02	-1.08	-0.74	-0.51	-0.26	0.20	0.12	3.17	2.27	-0.42	-0.33

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONDURABLE GOODS......................	119.2	120.1	120.0	119.7	119.4	119.1	118.7	118.3	117.9	117.4	117.0	116.6	120.3	119.3	119.2	117.7
% Chg Prev Qtr SAAR..........................	4.05	2.97	-0.09	-1.09	-0.96	-1.12	-1.35	-1.18	-1.46	-1.54	-1.38	-1.31	-1.90	-0.82	-0.09	-1.30
% Chg Same Qtr Last Yr........................	-1.58	0.14	1.17	1.44	0.19	-0.82	-1.13	-1.16	-1.28	-1.38	-1.39	-1.42	-1.90	-0.82	-0.09	-1.30
FOOD..	33.2	33.5	33.4	33.5	33.5	33.5	33.6	33.5	33.6	33.5	33.6	33.6	32.7	33.2	33.5	33.6
% Chg Prev Qtr SAAR..........................	7.87	4.48	-1.25	0.42	0.50	0.19	0.44	-0.23	0.30	-0.21	0.26	0.43	0.27	1.54	1.03	0.12
% Chg Same Qtr Last Yr........................	1.52	3.09	3.12	2.82	1.02	-0.04	0.39	0.22	0.17	0.07	0.03	0.19	0.27	1.54	1.03	0.12
BEVERAGE & TOBACCO..........................	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	4.9	5.0	5.0
% Chg Prev Qtr SAAR..........................	4.52	2.71	-0.22	0.18	0.29	0.30	0.37	0.02	0.19	0.14	0.08	0.03	-1.32	0.02	0.73	0.19
% Chg Same Qtr Last Yr........................	0.02	0.66	0.77	1.78	0.73	0.14	0.28	0.24	0.22	0.18	0.11	0.11	-1.32	0.02	0.73	0.19
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL........................	9.7	9.8	9.8	9.6	9.5	9.4	9.3	9.2	9.1	8.9	8.8	8.6	10.6	9.8	9.5	9.0
% Chg Prev Qtr SAAR..........................	-12.41	4.82	-1.12	-5.34	-4.54	-4.25	-5.28	-4.93	-5.62	-6.01	-5.98	-6.18	-8.34	-6.91	-3.51	-5.21
% Chg Same Qtr Last Yr........................	-8.77	-6.59	-6.25	-3.72	-1.62	-3.82	-4.85	-4.75	-5.02	-5.46	-5.64	-5.95	-8.34	-6.91	-3.51	-5.21
PAPER...	15.5	15.5	15.4	15.4	15.4	15.3	15.3	15.3	15.2	15.2	15.1	15.1	15.5	15.4	15.4	15.2
% Chg Prev Qtr SAAR..........................	6.34	0.44	-0.51	-0.51	-1.00	-1.28	-1.47	-0.70	-1.47	-0.91	-1.05	-0.96	-1.26	-0.60	-0.23	-1.13
% Chg Same Qtr Last Yr........................	-0.41	-0.25	0.62	1.40	-0.40	-0.83	-1.07	-1.11	-1.23	-1.14	-1.03	-1.10	-1.26	-0.60	-0.23	-1.13
PRINTING & RELATED SUPPORT.............	9.1	9.0	8.9	8.8	8.7	8.6	8.5	8.4	8.3	8.2	8.1	8.0	10.0	9.1	8.7	8.2
% Chg Prev Qtr SAAR..........................	-6.94	-4.41	-3.96	-3.93	-4.00	-3.99	-4.84	-5.00	-5.62	-5.65	-5.40	-5.43	-12.92	-8.86	-4.27	-5.00
% Chg Same Qtr Last Yr........................	-9.31	-8.46	-7.47	-4.82	-4.07	-3.97	-4.19	-4.46	-4.86	-5.28	-5.42	-5.52	-12.92	-8.86	-4.27	-5.00
CHEMICALS..	24.9	25.0	24.9	24.8	24.7	24.5	24.4	24.3	24.1	24.0	23.9	23.7	24.6	24.8	24.6	24.1
% Chg Prev Qtr SAAR..........................	7.60	2.00	-2.04	-1.98	-1.97	-2.15	-2.19	-2.18	-2.18	-2.17	-2.17	-2.15	-1.64	1.11	-0.96	-2.16
% Chg Same Qtr Last Yr........................	1.05	1.90	1.62	1.32	-1.01	-2.03	-2.07	-2.12	-2.17	-2.18	-2.17	-2.17	-1.64	1.11	-0.96	-2.16
PLASTICS & RUBBER.............................	20.2	20.6	20.7	20.7	20.8	20.8	20.8	20.9	20.9	20.9	20.9	20.9	20.4	20.3	20.8	20.9
% Chg Prev Qtr SAAR..........................	8.74	7.34	2.87	0.25	0.59	0.64	-0.21	1.48	0.14	0.09	0.19	0.19	2.76	-0.62	2.19	0.49
% Chg Same Qtr Last Yr........................	-3.71	1.94	5.59	4.75	2.73	1.08	0.32	0.62	0.51	0.37	0.47	0.15	2.76	-0.62	2.19	0.49
MISCELLANEOUS NONDURABLE GOODS..	1.7	1.7	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.9	1.8
% Chg Prev Qtr SAAR..........................	-22.56	-8.27	56.82	-2.89	-0.66	-3.00	-2.05	-4.97	-5.75	-4.00	-4.00	-3.27	9.02	3.64	4.38	-3.88
% Chg Same Qtr Last Yr........................	1.96	-9.09	6.76	1.98	8.54	10.06	-2.15	-2.68	-3.95	-4.20	-4.68	-4.26	9.02	3.64	4.38	-3.88

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONFARM	38647	38527	37979	39116	38759	38748	38563	39532	39100	39109	38923	39890	38067	38483	38796	39166
% Chg Same Qtr Last Yr	1.47	1.28	1.47	0.86	0.29	0.57	1.54	1.06	0.88	0.93	0.93	0.90	-0.12	1.09	0.81	0.95
NATURAL RESOURCES, MINING AND CONSTRUCTION	39474	37615	40394	44093	42256	41495	42004	44523	42605	41871	42382	44902	42187	40298	42462	42845
% Chg Same Qtr Last Yr	-7.66	-7.79	0.56	0.88	7.05	10.31	3.98	0.98	0.83	0.91	0.90	0.85	0.15	-4.48	5.37	0.90
MANUFACTURING	49599	48072	46189	46893	46851	46784	46929	47461	47319	47313	47464	48008	46530	47717	46864	47389
% Chg Same Qtr Last Yr	7.04	3.43	1.46	-0.24	-5.54	-2.68	1.60	1.21	1.00	1.13	1.14	1.15	-0.72	2.55	-1.79	1.12
DURABLE GOODS	50834	48509	45138	45787	45865	45744	45871	46324	46284	46240	46370	46869	45501	47575	45817	46304
% Chg Same Qtr Last Yr	12.61	7.14	0.17	-0.07	-9.77	-5.70	1.62	1.17	0.91	1.08	1.09	1.18	-1.19	4.56	-3.70	1.06
NONDURABLE GOODS	47590	47362	47902	48711	48473	48516	48706	49396	49084	49165	49373	50019	48094	47945	48602	49254
% Chg Same Qtr Last Yr	-1.13	-2.00	3.57	-0.44	1.86	2.44	1.68	1.41	1.26	1.34	1.37	1.26	0.10	-0.31	1.37	1.34
TRADE, TRANSPORTATION, UTILITIES	37041	37312	35819	37059	36686	36618	36301	37437	37000	36935	36617	37751	35740	36705	36666	36997
% Chg Same Qtr Last Yr	4.11	4.10	1.49	1.12	-0.96	-1.86	1.34	1.02	0.86	0.87	0.87	0.84	1.27	2.70	-0.11	0.90
WHOLESALE TRADE	57587	58049	54196	55056	54761	54641	55196	55897	55463	55331	55887	56567	53223	56633	54913	55645
% Chg Same Qtr Last Yr	9.23	10.17	0.53	-2.90	-4.91	-5.87	1.84	1.53	1.28	1.26	1.25	1.20	1.86	6.41	-3.04	1.33
RETAIL TRADE	25556	25886	24964	26063	25702	25737	25293	26327	25924	25936	25487	26516	24934	25359	25699	25918
% Chg Same Qtr Last Yr	4.29	2.27	1.54	4.14	0.57	-0.58	1.32	1.01	0.86	0.77	0.77	0.72	0.70	1.70	1.34	0.85
TRANSPORTATION & UTILITIES	46195	46002	45814	47235	46978	46625	46410	47607	47280	46963	46744	47927	45265	46044	46812	47148
% Chg Same Qtr Last Yr	0.55	2.09	4.14	2.31	1.70	1.36	1.30	0.79	0.64	0.72	0.72	0.67	1.05	1.72	1.67	0.72
INFORMATION	51189	51175	48525	49317	49266	49405	49246	49895	49768	49948	49782	50413	49072	49817	49308	49848
% Chg Same Qtr Last Yr	1.95	4.42	-0.21	1.94	-3.76	-3.46	1.48	1.17	1.02	1.10	1.09	1.04	2.15	1.52	-1.02	1.09
FINANCIAL ACTIVITIES	58022	58033	56565	58015	57743	57469	57621	58913	58545	58310	58456	59733	55778	57730	57712	58556
% Chg Same Qtr Last Yr	4.58	6.13	0.07	-0.49	-0.48	-0.97	1.87	1.55	1.39	1.46	1.45	1.39	0.45	3.50	-0.03	1.46
PROFESSIONAL & BUSINESS SERVICES	44030	43731	42312	44436	43972	43650	43112	45135	44547	44210	43661	45686	42461	43630	43793	44389
% Chg Same Qtr Last Yr	3.40	4.81	0.31	-0.02	-0.13	-0.18	1.89	1.57	1.31	1.28	1.27	1.22	-1.56	2.75	0.37	1.36
EDUCATION & HEALTH SERVICES	38921	38841	39706	40274	40456	40588	40291	40660	40784	40949	40646	40999	39459	39296	40402	40760
% Chg Same Qtr Last Yr	-2.50	-2.56	3.55	1.41	3.94	4.50	1.47	0.96	0.81	0.89	0.88	0.83	-1.02	-0.41	2.82	0.88
LEISURE & HOSPITALITY	18541	18609	19137	19974	18710	18588	19374	20160	18856	18749	19540	20323	18707	19020	19161	19326
% Chg Same Qtr Last Yr	2.94	1.20	-0.17	0.91	0.91	-0.11	1.24	0.93	0.78	0.86	0.86	0.81	0.37	1.67	0.74	0.86
OTHER SERVICES	36034	36361	34471	35269	34473	34682	34944	35574	34668	34854	35005	35622	35139	35527	34842	35025
% Chg Same Qtr Last Yr	4.22	3.67	-1.72	0.07	-4.33	-4.62	1.37	0.86	0.57	0.50	0.18	0.13	1.23	1.11	-1.93	0.53
GOVERNMENT	34441	35002	34868	35319	36018	36511	35202	35547	36198	36727	35412	35745	35534	34691	35762	35971
% Chg Same Qtr Last Yr	-4.86	-4.17	2.65	2.51	4.58	4.31	0.96	0.64	0.50	0.59	0.60	0.56	-0.60	-2.37	3.09	0.58
FEDERAL, CIVILIAN	62434	62261	63117	64247	61282	60458	63958	64905	61817	61035	64564	65487	62433	62588	62486	63080
% Chg Same Qtr Last Yr	0.16	0.15	1.41	2.73	-1.85	-2.90	1.33	1.02	0.87	0.95	0.95	0.90	3.69	0.25	-0.16	0.95
STATE & LOCAL	30834	31439	31546	31951	32880	33466	31904	32215	33104	33721	32145	32443	31986	31184	32550	32796
% Chg Same Qtr Last Yr	-5.59	-4.85	3.73	3.34	6.64	6.45	1.13	0.83	0.68	0.76	0.76	0.71	-1.28	-2.51	4.38	0.75

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONFARM	38663	38625	38357	38621	38775	38849	38947	39028	39117	39215	39311	39377	38076	38484	38798	39168
% Chg Prev Qtr SAAR	3.93	-0.39	-2.75	2.79	1.60	0.77	1.01	0.83	0.92	1.00	0.99	0.67	-0.12	1.07	0.82	0.95
% Chg Same Qtr Last Yr	1.34	1.41	1.47	0.86	0.29	0.58	1.54	1.05	0.88	0.94	0.93	0.89	-0.12	1.07	0.82	0.95
NATURAL RESOURCES, MINING AND CONSTRUCTION	39624	38511	40953	42259	42416	42484	42585	42671	42766	42869	42968	43034	42030	40244	42436	42818
% Chg Prev Qtr SAAR	-19.94	-10.77	27.87	13.38	1.50	0.64	0.95	0.81	0.90	0.96	0.93	0.62	-0.16	-4.25	5.45	0.90
% Chg Same Qtr Last Yr	-7.56	-7.77	0.56	0.88	7.05	10.31	3.98	0.98	0.83	0.91	0.90	0.85	-0.16	-4.25	5.45	0.90
MANUFACTURING	49584	48213	46336	46621	46837	46920	47079	47190	47302	47448	47616	47737	46527	47716	46864	47389
% Chg Prev Qtr SAAR	26.75	-10.61	-14.68	2.48	1.86	0.71	1.36	0.95	0.95	1.24	1.42	1.02	-0.72	2.55	-1.78	1.12
% Chg Same Qtr Last Yr	7.05	3.41	1.46	-0.23	-5.54	-2.68	1.60	1.22	0.99	1.13	1.14	1.16	-0.72	2.55	-1.78	1.12
DURABLE GOODS	50760	48644	45287	45577	45798	45870	46022	46114	46215	46366	46524	46659	45500	47574	45817	46305
% Chg Prev Qtr SAAR	53.46	-15.66	-24.88	2.59	1.95	0.63	1.33	0.80	0.88	1.31	1.37	1.16	-1.19	4.56	-3.69	1.06
% Chg Same Qtr Last Yr	12.63	7.13	0.17	-0.06	-9.77	-5.70	1.62	1.18	0.91	1.08	1.09	1.18	-1.19	4.56	-3.69	1.06
NONDURABLE GOODS	47666	47512	48045	48331	48551	48669	48852	49013	49161	49318	49521	49635	48089	47941	48601	49253
% Chg Prev Qtr SAAR	-7.01	-1.29	4.56	2.40	1.83	0.97	1.52	1.32	1.22	1.28	1.66	0.92	0.09	-0.31	1.38	1.34
% Chg Same Qtr Last Yr	-1.12	-2.03	3.56	-0.43	1.86	2.43	1.68	1.41	1.26	1.33	1.37	1.27	0.09	-0.31	1.38	1.34
TRADE, TRANSPORTATION, UTILITIES	37008	37433	36330	36514	36653	36737	36818	36887	36966	37055	37139	37196	35730	36720	36680	37012
% Chg Prev Qtr SAAR	10.33	4.67	-11.28	2.04	1.53	0.92	0.89	0.75	0.87	0.96	0.91	0.61	1.22	2.77	-0.11	0.90
% Chg Same Qtr Last Yr	4.21	4.51	1.49	1.12	-0.96	-1.86	1.34	1.02	0.86	0.87	0.87	0.84	1.22	2.77	-0.11	0.90
WHOLESALE TRADE	57706	58497	54243	54571	54874	55063	55244	55405	55577	55759	55936	56069	53214	56662	54938	55669
% Chg Prev Qtr SAAR	11.15	5.60	-26.07	2.44	2.24	1.39	1.32	1.17	1.25	1.31	1.27	0.96	1.81	6.48	-3.04	1.33
% Chg Same Qtr Last Yr	9.40	10.52	0.53	-2.90	-4.91	-5.87	1.84	1.53	1.28	1.26	1.25	1.20	1.81	6.48	-3.04	1.33
RETAIL TRADE	25534	25906	25473	25594	25680	25757	25809	25853	25902	25955	26007	26038	24923	25373	25710	25929
% Chg Prev Qtr SAAR	16.51	5.96	-6.52	1.91	1.35	1.20	0.82	0.68	0.76	0.83	0.80	0.49	0.68	1.80	1.33	0.85
% Chg Same Qtr Last Yr	4.59	2.65	1.54	4.14	0.57	-0.58	1.32	1.01	0.86	0.77	0.77	0.72	0.68	1.80	1.33	0.85
TRANSPORTATION & UTILITIES	46035	46241	46355	46664	46815	46868	46958	47032	47116	47208	47296	47348	45257	46060	46826	47163
% Chg Prev Qtr SAAR	3.79	1.81	0.99	2.69	1.30	0.45	0.77	0.63	0.71	0.78	0.75	0.44	0.94	1.77	1.66	0.72
% Chg Same Qtr Last Yr	0.18	2.65	4.14	2.31	1.70	1.36	1.30	0.79	0.64	0.72	0.72	0.67	0.94	1.77	1.66	0.72
INFORMATION	51266	51214	48859	49133	49340	49443	49584	49708	49843	49986	50124	50224	49072	49884	49375	49915
% Chg Prev Qtr SAAR	27.99	-0.40	-17.17	2.26	1.70	0.84	1.15	1.01	1.09	1.15	1.11	0.80	2.11	1.66	-1.02	1.09
% Chg Same Qtr Last Yr	2.25	4.98	-0.21	1.94	-3.76	-3.46	1.48	1.17	1.02	1.10	1.09	1.04	2.11	1.66	-1.02	1.09
FINANCIAL ACTIVITIES	57936	58398	56986	57361	57657	57831	58050	58248	58458	58677	58891	59059	55942	57741	57725	58568
% Chg Prev Qtr SAAR	2.06	3.23	-9.33	2.65	2.08	1.21	1.52	1.37	1.45	1.51	1.47	1.15	0.73	3.21	-0.03	1.46
% Chg Same Qtr Last Yr	3.89	6.25	0.07	-0.49	-0.48	-0.97	1.87	1.55	1.39	1.46	1.45	1.39	0.73	3.21	-0.03	1.46

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Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
PROFESSIONAL & BUSINESS SERVICES…	43810	43990	43237	43501	43753	43908	44055	44185	44325	44472	44615	44724	42548	43637	43804	44400
% Chg Prev Qtr SAAR………………………	2.78	1.65	-6.67	2.46	2.34	1.43	1.34	1.19	1.27	1.33	1.29	0.98	-1.37	2.56	0.38	1.36
% Chg Same Qtr Last Yr…………………	2.87	5.30	0.31	-0.02	-0.13	-0.18	1.89	1.57	1.31	1.28	1.27	1.22	-1.37	2.56	0.38	1.36
EDUCATION & HEALTH SERVICES…………	38838	38692	39939	40222	40370	40433	40527	40607	40696	40792	40885	40946	39421	39283	40388	40745
% Chg Prev Qtr SAAR………………………	-8.07	-1.50	13.53	2.87	1.48	0.62	0.94	0.80	0.88	0.94	0.91	0.60	-1.13	-0.35	2.81	0.88
% Chg Same Qtr Last Yr…………………	-2.68	-2.57	3.55	1.41	3.94	4.50	1.47	0.96	0.81	0.89	0.88	0.83	-1.13	-0.35	2.81	0.88
LEISURE & HOSPITALITY……………………	18962	19184	18971	19066	19134	19163	19206	19243	19284	19328	19371	19399	18715	19003	19142	19307
% Chg Prev Qtr SAAR………………………	1.44	4.76	-4.37	2.01	1.45	0.60	0.91	0.77	0.85	0.92	0.89	0.58	0.52	1.54	0.73	0.86
% Chg Same Qtr Last Yr…………………	2.55	1.27	-0.17	0.91	0.91	-0.11	1.24	0.93	0.78	0.86	0.86	0.81	0.52	1.54	0.73	0.86
OTHER SERVICES………………………………	36425	36564	34516	34680	34847	34875	34990	34980	35044	35048	35051	35027	35130	35540	34848	35031
% Chg Prev Qtr SAAR………………………	22.04	1.53	-20.59	1.91	1.93	0.33	1.32	-0.11	0.73	0.05	0.03	-0.27	1.13	1.17	-1.95	0.52
% Chg Same Qtr Last Yr…………………	4.69	3.81	-1.72	0.07	-4.33	-4.62	1.37	0.86	0.57	0.50	0.18	0.13	1.13	1.17	-1.95	0.52
GOVERNMENT…………………………………	34176	34290	35484	35637	35741	35768	35824	35867	35920	35980	36038	36067	35531	34679	35743	35951
% Chg Prev Qtr SAAR………………………	-6.60	1.34	14.67	1.74	1.17	0.30	0.62	0.49	0.59	0.67	0.65	0.32	-0.60	-2.40	3.07	0.58
% Chg Same Qtr Last Yr…………………	-4.94	-4.37	2.65	2.51	4.58	4.31	0.96	0.64	0.50	0.59	0.60	0.56	-0.60	-2.40	3.07	0.58
FEDERAL, CIVILIAN…………………………	63284	64079	61557	61878	62116	62223	62378	62512	62659	62816	62968	63072	62822	62288	62149	62739
% Chg Prev Qtr SAAR………………………	21.84	5.12	-14.83	2.10	1.54	0.69	1.00	0.86	0.94	1.01	0.97	0.66	4.36	-0.85	-0.22	0.95
% Chg Same Qtr Last Yr…………………	0.99	-0.41	1.41	2.73	-1.85	-2.90	1.33	1.02	0.87	0.95	0.95	0.90	4.36	-0.85	-0.22	0.95
STATE & LOCAL………………………………	30515	30607	32280	32432	32541	32580	32646	32700	32761	32828	32892	32932	31953	31197	32550	32795
% Chg Prev Qtr SAAR………………………	-10.64	1.22	23.72	1.90	1.34	0.49	0.81	0.67	0.75	0.82	0.79	0.48	-1.38	-2.37	4.34	0.75
% Chg Same Qtr Last Yr…………………	-5.77	-4.98	3.73	3.34	6.64	6.45	1.13	0.83	0.68	0.76	0.76	0.71	-1.38	-2.37	4.34	0.75

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONFARM	44636	44674	44197	45566	45255	45442	45389	46712	46371	46543	46485	47843	43313	44555	45413	46528
% Chg Same Qtr Last Yr	3.13	2.75	3.05	1.91	1.39	1.72	2.70	2.51	2.47	2.42	2.41	2.42	2.30	2.87	1.93	2.45
NATURAL RESOURCES, MINING AND CONSTRUCTION	45591	43616	47009	51364	49339	48664	49439	52610	50528	49830	50616	53855	47990	46653	49702	50896
% Chg Same Qtr Last Yr	-6.14	-6.45	2.12	1.92	8.22	11.57	5.17	2.42	2.41	2.40	2.38	2.37	2.57	-2.79	6.54	2.40
MANUFACTURING	57284	55741	53753	54626	54705	54868	55236	56081	56118	56306	56686	57580	52941	55245	54858	56298
% Chg Same Qtr Last Yr	8.80	4.94	3.04	0.79	-4.50	-1.57	2.76	2.66	2.58	2.62	2.62	2.67	1.69	4.35	-0.70	2.62
DURABLE GOODS	58711	56248	52529	53337	53553	53647	53990	54737	54891	55029	55379	56214	51772	55080	53632	55009
% Chg Same Qtr Last Yr	14.46	8.70	1.72	0.96	-8.79	-4.62	2.78	2.62	2.50	2.58	2.57	2.70	1.21	6.39	-2.63	2.57
NONDURABLE GOODS	54965	54918	55745	56743	56599	56899	57328	58367	58212	58511	58965	59992	54718	55510	56892	58514
% Chg Same Qtr Last Yr	0.49	-0.58	5.18	0.59	2.97	3.61	2.84	2.86	2.85	2.83	2.86	2.78	2.51	1.45	2.49	2.85
TRADE, TRANSPORTATION, UTILITIES	42781	43265	41684	43170	42835	42944	42726	44236	43880	43956	43731	45277	40666	42496	42919	43951
% Chg Same Qtr Last Yr	5.81	5.61	3.07	2.16	0.13	-0.74	2.50	2.47	2.44	2.36	2.35	2.35	3.74	4.50	0.99	2.40
WHOLESALE TRADE	66511	67310	63071	64134	63940	64082	64966	66049	65777	65849	66745	67846	60562	65566	64281	66105
% Chg Same Qtr Last Yr	11.02	11.77	2.10	-1.90	-3.86	-4.80	3.01	2.99	2.87	2.76	2.74	2.72	4.34	8.26	-1.96	2.84
RETAIL TRADE	29516	30016	29052	30361	30010	30184	29771	31108	30745	30865	30439	31803	28371	29360	30081	30789
% Chg Same Qtr Last Yr	6.00	3.76	3.12	5.21	1.67	0.56	2.47	2.46	2.45	2.26	2.25	2.23	3.15	3.49	2.46	2.35
TRANSPORTATION & UTILITIES	53353	53341	53316	55024	54853	54681	54625	56253	56072	55890	55825	57483	51502	53310	54796	56010
% Chg Same Qtr Last Yr	2.20	3.58	5.76	3.37	2.81	2.51	2.46	2.23	2.22	2.21	2.20	2.19	3.50	3.51	2.79	2.22
INFORMATION	59121	59340	56471	57450	57523	57941	57962	58957	59023	59442	59454	60464	55839	57678	57719	59219
% Chg Same Qtr Last Yr	3.62	5.94	1.35	2.99	-2.70	-2.36	2.64	2.62	2.61	2.59	2.57	2.56	4.64	3.29	0.07	2.60
FINANCIAL ACTIVITIES	67013	67292	65828	67582	67421	67399	67820	69612	69432	69394	69813	71643	63468	66838	67556	69563
% Chg Same Qtr Last Yr	6.30	7.67	1.63	0.54	0.61	0.16	3.03	3.00	2.98	2.96	2.94	2.92	2.88	5.31	1.07	2.97
PROFESSIONAL & BUSINESS SERVICES	50852	50707	49241	51764	51343	51192	50743	53333	52831	52614	52144	54795	48312	50512	51260	52730
% Chg Same Qtr Last Yr	5.10	6.33	1.87	1.01	0.96	0.95	3.05	3.03	2.90	2.78	2.76	2.74	0.83	4.55	1.48	2.87
EDUCATION & HEALTH SERVICES	44952	45037	46207	46915	47238	47601	47422	48044	48368	48733	48543	49173	44897	45497	47294	48422
% Chg Same Qtr Last Yr	-0.90	-1.15	5.16	2.45	5.08	5.69	2.63	2.41	2.39	2.38	2.36	2.35	1.39	1.34	3.95	2.38
LEISURE & HOSPITALITY	21415	21577	22270	23268	21846	21800	22803	23821	22363	22312	23336	24375	21286	22021	22429	22958
% Chg Same Qtr Last Yr	4.63	2.67	1.38	1.95	2.01	1.03	2.39	2.38	2.37	2.35	2.34	2.32	2.81	3.45	1.85	2.36
OTHER SERVICES	41618	42162	40115	41085	40251	40674	41129	42034	41115	41480	41806	42724	39983	41133	40785	41609
% Chg Same Qtr Last Yr	5.93	5.18	-0.19	1.10	-3.28	-3.53	2.53	2.31	2.14	1.98	1.65	1.64	3.69	2.88	-0.85	2.02
GOVERNMENT	39778	40586	40577	41143	42055	42819	41433	42002	42929	43708	42292	42871	40433	40167	41863	42733
% Chg Same Qtr Last Yr	-3.30	-2.77	4.24	3.57	5.73	5.50	2.11	2.09	2.08	2.07	2.07	2.07	1.82	-0.66	4.22	2.08
FEDERAL, CIVILIAN	72109	72194	73451	74842	71554	70904	75279	76693	73313	72636	77107	78544	71040	72466	73145	74937
% Chg Same Qtr Last Yr	1.81	1.61	2.99	3.79	-0.77	-1.79	2.49	2.47	2.46	2.44	2.43	2.41	6.20	2.01	0.94	2.45
STATE & LOCAL	35612	36455	36712	37220	38392	39249	37551	38066	39259	40130	38390	38912	36395	36107	38103	38962
% Chg Same Qtr Last Yr	-4.05	-3.46	5.34	4.41	7.81	7.66	2.29	2.27	2.26	2.25	2.23	2.22	1.12	-0.79	5.53	2.25

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL NONFARM	44654	44787	44638	44990	45274	45562	45841	46116	46392	46669	46949	47228	43326	44557	45417	46531
% Chg Prev Qtr SAAR	4.64	1.20	-1.33	3.20	2.55	2.56	2.48	2.42	2.41	2.41	2.42	2.40	2.31	2.84	1.93	2.45
% Chg Same Qtr Last Yr	3.00	2.88	3.05	1.90	1.39	1.73	2.70	2.50	2.47	2.43	2.42	2.41	2.31	2.84	1.93	2.45
NATURAL RESOURCES, MINING & CONSTRUCTION	45764	44655	47659	49227	49526	49824	50122	50421	50719	51017	51316	51614	47821	46594	49675	50868
% Chg Prev Qtr SAAR	-19.39	-9.34	29.74	13.83	2.45	2.43	2.42	2.40	2.39	2.37	2.36	2.35	2.26	-2.57	6.61	2.40
% Chg Same Qtr Last Yr	-6.05	-6.43	2.12	1.92	8.22	11.57	5.17	2.42	2.41	2.40	2.38	2.37	2.26	-2.57	6.61	2.40
MANUFACTURING	57267	55905	53924	54309	54688	55027	55412	55760	56098	56468	56867	57255	52939	55244	54859	56298
% Chg Prev Qtr SAAR	27.62	-9.18	-13.44	2.89	2.82	2.50	2.83	2.54	2.45	2.66	2.86	2.76	1.68	4.35	-0.70	2.62
% Chg Same Qtr Last Yr	8.81	4.92	3.04	0.80	-4.50	-1.57	2.76	2.67	2.58	2.62	2.63	2.68	1.68	4.35	-0.70	2.62
DURABLE GOODS	58626	56405	52702	53093	53475	53796	54168	54489	54809	55180	55563	55962	51771	55079	53633	55010
% Chg Prev Qtr SAAR	54.51	-14.31	-23.78	3.00	2.91	2.42	2.80	2.39	2.37	2.73	2.81	2.90	1.21	6.39	-2.63	2.57
% Chg Same Qtr Last Yr	14.48	8.69	1.73	0.97	-8.79	-4.63	2.78	2.63	2.49	2.57	2.58	2.70	1.21	6.39	-2.63	2.57
NONDURABLE GOODS	55052	55092	55912	56301	56689	57077	57499	57915	58303	58692	59142	59531	54714	55506	56892	58513
% Chg Prev Qtr SAAR	-6.37	0.29	6.09	2.81	2.79	2.77	2.99	2.92	2.71	2.69	3.10	2.66	2.50	1.45	2.50	2.85
% Chg Same Qtr Last Yr	0.50	-0.60	5.17	0.60	2.97	3.60	2.84	2.87	2.85	2.83	2.86	2.79	2.50	1.45	2.50	2.85
TRADE, TRANSPORTATION, UTILITIES	42743	43405	42279	42535	42797	43084	43335	43586	43841	44099	44355	44612	40657	42515	42938	43970
% Chg Prev Qtr SAAR	11.08	6.34	-9.98	2.45	2.48	2.71	2.36	2.33	2.36	2.38	2.34	2.34	3.69	4.57	0.99	2.40
% Chg Same Qtr Last Yr	5.91	6.03	3.07	2.16	0.13	-0.74	2.50	2.47	2.44	2.36	2.35	2.35	3.69	4.57	0.99	2.40
WHOLESALE TRADE	66648	67830	63125	63570	64072	64577	65022	65467	65913	66358	66803	67248	60554	65601	64310	66135
% Chg Prev Qtr SAAR	11.91	7.28	-24.99	2.85	3.20	3.19	2.79	2.77	2.75	2.73	2.71	2.69	4.29	8.33	-1.97	2.84
% Chg Same Qtr Last Yr	11.19	12.12	2.10	-1.90	-3.86	-4.80	3.01	2.99	2.87	2.76	2.74	2.72	4.29	8.33	-1.97	2.84
RETAIL TRADE	29491	30039	29644	29814	29984	30207	30377	30548	30718	30889	31059	31230	28361	29378	30096	30804
% Chg Prev Qtr SAAR	17.30	7.65	-5.16	2.32	2.30	3.00	2.28	2.26	2.25	2.24	2.23	2.21	3.13	3.59	2.44	2.35
% Chg Same Qtr Last Yr	6.30	4.14	3.12	5.21	1.67	0.56	2.47	2.46	2.45	2.26	2.25	2.23	3.13	3.59	2.44	2.35
TRANSPORTATION & UTILITIES	53168	53619	53946	54359	54663	54966	55270	55574	55877	56181	56485	56789	51496	53330	54814	56029
% Chg Prev Qtr SAAR	4.50	3.43	2.46	3.10	2.25	2.24	2.23	2.22	2.20	2.19	2.18	2.17	3.39	3.56	2.78	2.22
% Chg Same Qtr Last Yr	1.82	4.14	5.76	3.37	2.81	2.51	2.46	2.23	2.22	2.21	2.20	2.19	3.39	3.56	2.78	2.22
INFORMATION	59210	59385	56859	57235	57610	57985	58361	58736	59112	59487	59863	60238	55840	57757	57798	59299
% Chg Prev Qtr SAAR	28.86	1.19	-15.96	2.67	2.65	2.63	2.62	2.60	2.58	2.56	2.55	2.53	4.60	3.43	0.07	2.60
% Chg Same Qtr Last Yr	3.93	6.50	1.35	2.99	-2.70	-2.36	2.64	2.62	2.61	2.59	2.57	2.56	4.60	3.43	0.07	2.60
FINANCIAL ACTIVITIES	66913	67715	66318	66819	67321	67823	68325	68827	69329	69831	70332	70834	63657	66852	67572	69580
% Chg Prev Qtr SAAR	2.75	4.88	-8.00	3.06	3.04	3.02	2.99	2.97	2.95	2.93	2.91	2.88	3.17	5.02	1.08	2.97
% Chg Same Qtr Last Yr	5.59	7.79	1.63	0.54	0.61	0.16	3.03	3.00	2.98	2.96	2.94	2.92	3.17	5.02	1.08	2.97

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Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
PROFESSIONAL & BUSINESS SERVICES..................	50599	51008	50317	50674	51087	51495	51852	52210	52568	52926	53283	53641	48415	50523	51277	52747
% Chg Prev Qtr SAAR..	3.48	3.27	-5.31	2.87	3.30	3.23	2.81	2.79	2.77	2.75	2.73	2.71	1.02	4.35	1.49	2.87
% Chg Same Qtr Last Yr....................................	4.56	6.83	1.87	1.01	0.96	0.95	3.05	3.03	2.90	2.78	2.76	2.74	1.02	4.35	1.49	2.87
EDUCATION & HEALTH SERVICES...........................	44856	44865	46478	46855	47137	47419	47701	47982	48264	48546	48828	49110	44856	45483	47278	48405
% Chg Prev Qtr SAAR..	-7.45	0.08	15.18	3.28	2.43	2.41	2.40	2.38	2.37	2.36	2.34	2.33	1.27	1.40	3.95	2.38
% Chg Same Qtr Last Yr....................................	-1.09	-1.16	5.16	2.45	5.08	5.69	2.63	2.41	2.39	2.38	2.36	2.35	1.27	1.40	3.95	2.38
LEISURE & HOSPITALITY.......................................	21901	22245	22078	22210	22342	22474	22606	22738	22870	23002	23135	23267	21297	22002	22408	22936
% Chg Prev Qtr SAAR..	2.13	6.43	-2.97	2.42	2.40	2.39	2.37	2.36	2.34	2.33	2.32	2.30	2.97	3.31	1.84	2.36
% Chg Same Qtr Last Yr....................................	4.23	2.74	1.38	1.95	2.01	1.03	2.39	2.38	2.37	2.35	2.34	2.32	2.97	3.31	1.84	2.36
OTHER SERVICES...	42069	42397	40168	40399	40688	40901	41183	41333	41560	41710	41861	42011	39974	41148	40792	41616
% Chg Prev Qtr SAAR..	22.87	3.15	-19.43	2.32	2.89	2.11	2.79	1.46	2.22	1.45	1.45	1.44	3.59	2.94	-0.86	2.02
% Chg Same Qtr Last Yr....................................	6.41	5.31	-0.19	1.10	-3.28	-3.53	2.53	2.31	2.14	1.98	1.65	1.64	3.59	2.94	-0.86	2.02
GOVERNMENT...	39472	39761	41294	41514	41732	41948	42165	42381	42600	42819	43040	43258	40428	40153	41840	42710
% Chg Prev Qtr SAAR..	-5.96	2.96	16.34	2.15	2.12	2.09	2.08	2.07	2.08	2.07	2.08	2.04	1.81	-0.68	4.20	2.08
% Chg Same Qtr Last Yr....................................	-3.38	-2.98	4.24	3.57	5.73	5.50	2.11	2.09	2.08	2.07	2.07	2.07	1.81	-0.68	4.20	2.08
FEDERAL, CIVILIAN...	73091	74302	71637	72082	72528	72974	73419	73865	74311	74756	75202	75648	71481	72120	72751	74534
% Chg Prev Qtr SAAR..	22.67	6.79	-13.59	2.51	2.50	2.48	2.47	2.45	2.44	2.42	2.41	2.39	6.88	0.89	0.88	2.45
% Chg Same Qtr Last Yr....................................	2.65	1.04	2.99	3.79	-0.77	-1.79	2.49	2.47	2.46	2.44	2.43	2.41	6.88	0.89	0.88	2.45
STATE & LOCAL..	35243	35490	37566	37780	37995	38210	38424	38639	38854	39068	39283	39497	36358	36122	38102	38961
% Chg Prev Qtr SAAR..	-10.03	2.83	25.53	2.30	2.29	2.28	2.27	2.25	2.24	2.23	2.22	2.20	1.02	-0.65	5.48	2.25
% Chg Same Qtr Last Yr....................................	-4.23	-3.60	5.34	4.40	7.81	7.66	2.29	2.27	2.26	2.25	2.23	2.22	1.02	-0.65	5.48	2.25

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
CIVILIAN LABOR FORCE (THOUS)……………	3113	3124	3095	3062	3110	3126	3117	3083	3139	3161	3160	3130	3133	3105	3104	3136
% Chg Same Qtr Last Yr……………………	-0.67	-0.79	-1.49	-0.81	-0.10	0.06	0.71	0.69	0.93	1.14	1.39	1.52	1.58	-0.90	-0.04	1.04
EMPLOYED PERSONS (THOUS)……………	2863	2867	2864	2807	2859	2884	2889	2840	2899	2928	2935	2888	2845	2855	2860	2901
% Chg Same Qtr Last Yr……………………	0.75	0.32	-0.61	-0.72	-0.15	0.59	0.88	1.17	1.41	1.52	1.60	1.68	2.23	0.37	0.15	1.43
UNEMPLOYED PERSONS (THOUS)………	250	257	231	255	251	241	228	243	240	233	225	243	288	249	244	235
% Chg Same Qtr Last Yr……………………	-14.49	-11.68	-11.32	-1.74	0.43	-5.89	-1.40	-4.54	-4.54	-3.52	-1.28	-0.33	-4.44	-13.40	-2.18	-3.53
PARTICIPATION RATE (PERCENT)……………	61.1	61.1	60.4	59.6	60.4	60.6	60.3	59.5	60.4	60.7	60.5	59.8	62.0	60.8	60.2	60.3
% Chg Same Qtr Last Yr……………………	-1.65	-1.76	-2.45	-1.77	-1.07	-0.90	-0.26	-0.27	-0.05	0.15	0.40	0.53	0.66	-1.87	-1.00	0.06
UNEMPLOYMENT RATE (PERCENT)…………	8.0	8.2	7.5	8.3	8.1	7.7	7.3	7.9	7.6	7.4	7.1	7.7	9.2	8.0	7.9	7.5

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

Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
CIVILIAN LABOR FORCE (THOUS)…………	3105	3108	3090	3097	3102	3110	3112	3119	3131	3145	3155	3167	3132	3107	3105	3137
% Chg Prev Qtr SAAR………………….	-2.20	0.41	-2.30	0.92	0.60	1.03	0.27	0.97	1.48	1.79	1.27	1.58	1.57	-0.83	-0.04	1.04
% Chg Same Qtr Last Yr……………….	-0.84	-0.70	-1.53	-0.81	-0.10	0.05	0.70	0.72	0.93	1.13	1.38	1.53	1.57	-0.83	-0.04	1.04
EMPLOYED PERSONS (THOUS)……….	2860	2847	2849	2851	2855	2864	2874	2884	2896	2908	2920	2933	2845	2857	2861	2902
% Chg Prev Qtr SAAR………………….	-1.65	-1.76	0.28	0.25	0.65	1.20	1.42	1.41	1.60	1.67	1.71	1.75	2.20	0.43	0.15	1.43
% Chg Same Qtr Last Yr……………….	0.79	0.19	-0.61	-0.72	-0.15	0.59	0.88	1.17	1.41	1.52	1.60	1.68	2.20	0.43	0.15	1.43
UNEMPLOYED PERSONS (THOUS)……	245	261	241	246	246	246	238	235	235	237	235	235	288	250	244	236
% Chg Prev Qtr SAAR………………….	-8.37	28.41	-27.35	9.04	0.02	-0.98	-12.47	-4.20	0.00	3.34	-4.05	-0.49	-4.27	-13.27	-2.21	-3.49
% Chg Same Qtr Last Yr……………….	-16.58	-9.51	-11.32	-1.74	0.43	-5.89	-1.40	-4.54	-4.54	-3.52	-1.28	-0.33	-4.27	-13.27	-2.21	-3.49
PARTICIPATION RATE (PERCENT)………..	60.9	60.8	60.3	60.3	60.3	60.3	60.2	60.2	60.2	60.4	60.4	60.5	62.0	60.9	60.3	60.3
% Chg Prev Qtr SAAR………………….	-3.15	-0.57	-3.25	-0.05	-0.36	0.06	-0.69	-0.01	0.49	0.80	0.28	0.56	0.65	-1.80	-1.00	0.06
% Chg Same Qtr Last Yr……………….	-1.81	-1.67	-2.49	-1.76	-1.07	-0.91	-0.26	-0.25	-0.04	0.15	0.39	0.53	0.65	-1.80	-1.00	0.06
UNEMPLOYMENT RATE (PERCENT)………	7.9	8.4	7.8	8.0	7.9	7.9	7.6	7.5	7.5	7.5	7.4	7.4	9.2	8.0	7.9	7.5

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL TAXABLE SALES……………………………	21689	20725	22163	19896	22017	21697	23167	20674	22684	22272	23742	21234	82300	84748	86778	89372
% Chg Same Qtr Last Yr……………………	4.11	0.83	0.67	-1.36	1.52	4.69	4.53	3.91	3.03	2.65	2.48	2.71	3.40	2.97	2.39	2.99
AUTO DEALERS………………………………	2037	2079	1811	2043	2188	2238	1945	2163	2298	2344	2028	2254	7400	7956	8414	8833
% Chg Same Qtr Last Yr……………………	7.40	9.42	0.19	0.67	7.41	7.66	7.40	5.87	5.01	4.74	4.27	4.19	7.25	7.51	5.75	4.98
PURCHASES FROM MANUFACTURERS….	893	852	904	730	896	899	956	762	930	931	985	784	3529	3384	3481	3608
% Chg Same Qtr Last Yr……………………	-1.88	-7.63	-4.96	-0.66	0.32	5.56	5.77	4.31	3.83	3.52	3.07	2.98	6.98	-4.13	2.88	3.64
MISC DURABLE GOODS………………………	3739	3427	3430	3099	3712	3574	3596	3224	3836	3688	3692	3311	13707	13974	13980	14441
% Chg Same Qtr Last Yr……………………	2.66	-2.84	-3.30	-8.29	-0.72	4.29	4.84	4.06	3.33	3.20	2.69	2.68	4.88	1.95	0.04	3.29
EATING AND DRINKING PLACES…………..	2258	2219	2161	2159	2321	2316	2255	2240	2392	2388	2325	2313	8356	8783	9051	9345
% Chg Same Qtr Last Yr……………………	5.78	3.64	2.60	0.64	2.79	4.38	4.34	3.76	3.04	3.11	3.14	3.29	2.47	5.11	3.05	3.25
FOOD STORES…………………………………	2201	2087	2278	2000	2176	2162	2344	2046	2202	2193	2377	2075	8103	8527	8683	8819
% Chg Same Qtr Last Yr……………………	9.88	3.74	2.87	2.03	-1.11	3.61	2.87	2.30	1.17	1.44	1.43	1.39	1.31	5.23	1.83	1.57
LIQUOR STORES………………………………	167	160	199	159	168	164	206	164	173	169	212	169	641	684	698	719
% Chg Same Qtr Last Yr……………………	9.70	5.11	3.63	1.17	0.67	2.96	3.38	3.09	2.89	2.98	3.01	3.17	3.87	6.69	2.11	2.99
HOTELS AND MOTELS………………………	585	574	531	451	593	602	559	469	610	617	570	478	2053	2144	2205	2266
% Chg Same Qtr Last Yr……………………	5.00	0.19	2.49	-0.75	1.43	4.84	5.33	4.02	2.88	2.52	1.89	1.95	10.51	4.44	2.85	2.76
OTHER RETAIL AND SERVICE………………	6600	6221	7401	6103	6665	6549	7775	6399	6907	6705	7962	6588	25256	26349	27092	27972
% Chg Same Qtr Last Yr……………………	5.92	1.95	3.68	-0.40	0.98	5.27	5.06	4.86	3.62	2.37	2.40	2.95	2.75	4.33	2.82	3.25
MISC NONDURABLE GOODS…………………	1800	1715	2079	1736	1852	1781	2148	1787	1894	1822	2199	1830	7020	7317	7517	7702
% Chg Same Qtr Last Yr……………………	3.87	2.12	4.15	0.77	2.91	3.83	3.33	2.95	2.24	2.34	2.36	2.42	2.05	4.23	2.74	2.46
TRANSPORTATION, COMMUNICATION……	1409	1392	1369	1417	1445	1411	1384	1420	1442	1413	1391	1432	6235	5631	5656	5666
% Chg Same Qtr Last Yr……………………	-10.34	-9.97	-11.30	-3.04	2.57	1.38	1.05	0.22	-0.16	0.15	0.52	0.82	-0.05	-9.69	0.45	0.18
PER CAPITA ($)……………………………………	3375	3220	3437	3080	3401	3345	3564	3174	3476	3405	3623	3234	12894	13178	13390	13678
% Chg Same Qtr Last Yr……………………	3.29	0.09	-0.01	-2.07	0.76	3.87	3.69	3.07	2.19	1.81	1.64	1.87	2.57	2.20	1.61	2.15

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

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

January 2013

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL TAXABLE SALES	21298	20862	21042	21292	21620	21837	22001	22128	22273	22411	22552	22726	82296	84798	86750	89363
% Chg Prev Qtr SAAR	-5.42	-7.94	3.51	4.84	6.30	4.07	3.03	2.33	2.65	2.51	2.54	3.13	3.42	3.04	2.30	3.01
% Chg Same Qtr Last Yr	4.05	0.97	0.51	-1.41	1.51	4.67	4.55	3.92	3.02	2.63	2.51	2.71	3.42	3.04	2.30	3.01
AUTO DEALERS	1954	1972	1998	2054	2099	2123	2146	2175	2204	2223	2238	2266	7419	7964	8422	8840
% Chg Prev Qtr SAAR	-15.93	3.71	5.49	11.64	8.99	4.65	4.49	5.44	5.49	3.55	2.61	5.12	7.36	7.35	5.74	4.96
% Chg Same Qtr Last Yr	7.36	9.79	0.19	0.67	7.41	7.66	7.40	5.87	5.01	4.74	4.27	4.19	7.36	7.35	5.74	4.96
PURCHASES FROM MANUFACTURERS	862	828	837	854	865	874	885	891	898	904	912	918	3527	3386	3478	3606
% Chg Prev Qtr SAAR	1.01	-15.04	4.48	8.63	5.04	4.15	5.30	2.77	3.12	2.93	3.45	2.41	7.13	-3.99	2.70	3.68
% Chg Same Qtr Last Yr	-2.08	-7.57	-4.96	-0.66	0.32	5.56	5.77	4.31	3.83	3.52	3.07	2.98	7.13	-3.99	2.70	3.68
MISC DURABLE GOODS	3508	3366	3386	3433	3483	3510	3550	3572	3599	3623	3646	3668	13695	14003	13976	14439
% Chg Prev Qtr SAAR	-22.87	-15.25	2.48	5.58	5.97	3.16	4.68	2.45	3.03	2.66	2.62	2.40	4.94	2.25	-0.20	3.31
% Chg Same Qtr Last Yr	2.55	-2.72	-3.30	-8.29	-0.72	4.29	4.84	4.06	3.33	3.20	2.69	2.68	4.94	2.25	-0.20	3.31
EATING AND DRINKING PLACES	2196	2179	2198	2224	2257	2274	2293	2308	2326	2345	2365	2384	8356	8783	9050	9344
% Chg Prev Qtr SAAR	-2.55	-3.13	3.60	4.90	6.05	3.01	3.44	2.56	3.13	3.33	3.53	3.19	2.48	5.11	3.03	3.26
% Chg Same Qtr Last Yr	5.76	3.64	2.60	0.64	2.79	4.38	4.34	3.76	3.04	3.11	3.14	3.29	2.48	5.11	3.03	3.26
FOOD STORES	2200	2102	2125	2144	2175	2178	2186	2193	2201	2209	2217	2224	8099	8527	8683	8820
% Chg Prev Qtr SAAR	20.13	-16.64	4.47	3.62	6.01	0.43	1.53	1.33	1.41	1.49	1.50	1.14	1.28	5.29	1.82	1.58
% Chg Same Qtr Last Yr	9.75	3.99	2.87	2.03	-1.11	3.61	2.87	2.30	1.17	1.44	1.43	1.39	1.28	5.29	1.82	1.58
LIQUOR STORES	173	170	171	172	174	175	176	178	179	180	182	183	640	684	697	718
% Chg Prev Qtr SAAR	5.93	-6.02	1.59	3.59	3.84	2.83	3.28	2.43	3.01	3.21	3.41	3.07	3.78	6.88	2.04	2.99
% Chg Same Qtr Last Yr	9.61	5.14	3.63	1.17	0.67	2.96	3.38	3.09	2.89	2.98	3.01	3.17	3.78	6.88	2.04	2.99
HOTELS AND MOTELS	542	528	531	541	549	554	560	563	565	568	570	574	2048	2146	2204	2266
% Chg Prev Qtr SAAR	-2.66	-9.64	2.50	7.63	6.17	3.16	4.41	2.39	1.58	1.74	1.87	2.63	10.14	4.77	2.68	2.82
% Chg Same Qtr Last Yr	4.73	0.36	2.49	-0.75	1.43	4.84	5.33	4.02	2.88	2.52	1.89	1.95	10.14	4.77	2.68	2.82
OTHER RETAIL AND SERVICE	6658	6506	6562	6605	6723	6849	6894	6926	6967	7012	7059	7130	25257	26357	27071	27964
% Chg Prev Qtr SAAR	1.60	-8.84	3.49	2.67	7.36	7.68	2.64	1.89	2.40	2.58	2.75	4.10	2.77	4.36	2.71	3.30
% Chg Same Qtr Last Yr	5.75	2.13	3.68	-0.40	0.98	5.27	5.06	4.86	3.62	2.37	2.40	2.95	2.77	4.36	2.71	3.30
MISC NONDURABLE GOODS	1824	1816	1836	1854	1877	1886	1897	1909	1919	1930	1942	1955	7020	7316	7514	7700
% Chg Prev Qtr SAAR	-3.42	-1.62	4.42	3.95	5.02	1.97	2.40	2.43	2.17	2.35	2.51	2.65	2.00	4.22	2.71	2.47
% Chg Same Qtr Last Yr	3.67	2.26	4.15	0.77	2.91	3.83	3.33	2.95	2.24	2.34	2.36	2.42	2.00	4.22	2.71	2.47
TRANSPORTATION, COMMUNICATION	1382	1396	1398	1411	1418	1415	1413	1414	1415	1417	1420	1425	6234	5631	5656	5666
% Chg Prev Qtr SAAR	-18.52	4.05	0.60	3.64	2.03	-0.70	-0.68	0.27	0.47	0.55	0.77	1.49	-0.03	-9.68	0.45	0.18
% Chg Same Qtr Last Yr	-10.11	-10.10	-11.30	-3.04	2.57	1.38	1.05	0.22	-0.16	0.15	0.52	0.82	-0.03	-9.68	0.45	0.18
PER CAPITA ($)	3315	3241	3264	3296	3340	3366	3385	3397	3413	3427	3441	3461	12895	13186	13387	13678
% Chg Prev Qtr SAAR	-6.07	-8.57	2.80	3.99	5.44	3.23	2.20	1.49	1.81	1.67	1.70	2.28	2.59	2.26	1.52	2.18
% Chg Same Qtr Last Yr	3.23	0.23	-0.18	-2.11	0.76	3.86	3.71	3.08	2.18	1.79	1.67	1.87	2.59	2.26	1.52	2.18

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 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL TAXABLE SALES	25050	24032	25792	23177	25708	25446	27268	24429	26902	26505	28355	25468	93679	98131	101599	106191
% Chg Same Qtr Last Yr	5.82	2.30	2.24	-0.35	2.63	5.88	5.72	5.40	4.64	4.16	3.99	4.25	5.93	4.75	3.53	4.52
AUTO DEALERS	2353	2411	2107	2380	2555	2625	2289	2556	2725	2790	2422	2703	8421	9211	9849	10493
% Chg Same Qtr Last Yr	9.16	11.02	1.75	1.70	8.59	8.89	8.62	7.39	6.66	6.28	5.80	5.76	9.87	9.38	6.93	6.54
PURCHASES FROM MANUFACTURERS	1031	987	1052	851	1046	1054	1125	900	1103	1107	1177	941	4018	3918	4076	4287
% Chg Same Qtr Last Yr	-0.27	-6.29	-3.48	0.37	1.42	6.76	6.97	5.81	5.46	5.05	4.58	4.52	9.62	-2.49	4.03	5.18
MISC DURABLE GOODS	4318	3974	3991	3610	4334	4191	4232	3810	4549	4390	4410	3971	15603	16179	16367	17158
% Chg Same Qtr Last Yr	4.34	-1.43	-1.80	-7.35	0.37	5.48	6.04	5.55	4.95	4.73	4.20	4.22	7.46	3.69	1.16	4.83
EATING AND DRINKING PLACES	2608	2573	2515	2515	2710	2716	2654	2646	2836	2842	2777	2775	9510	10169	10595	11102
% Chg Same Qtr Last Yr	7.51	5.14	4.19	1.68	3.92	5.57	5.53	5.24	4.65	4.64	4.65	4.85	4.98	6.93	4.19	4.79
FOOD STORES	2542	2420	2651	2330	2541	2536	2759	2418	2612	2610	2839	2488	9223	9874	10166	10479
% Chg Same Qtr Last Yr	11.68	5.25	4.47	3.09	-0.02	4.79	4.05	3.77	2.76	2.94	2.92	2.91	3.79	7.05	2.96	3.08
LIQUOR STORES	193	185	232	185	197	193	243	194	206	202	253	203	729	792	817	854
% Chg Same Qtr Last Yr	11.50	6.64	5.24	2.22	1.77	4.13	4.56	4.57	4.50	4.50	4.52	4.72	6.42	8.52	3.24	4.52
HOTELS AND MOTELS	675	666	618	525	693	706	658	554	724	735	680	573	2338	2483	2582	2693
% Chg Same Qtr Last Yr	6.73	1.65	4.09	0.27	2.54	6.04	6.53	5.51	4.49	4.03	3.39	3.49	13.26	6.21	3.99	4.29
OTHER RETAIL AND SERVICE	7623	7214	8612	7109	7782	7681	9151	7562	8191	7979	9508	7902	28751	30514	31724	33240
% Chg Same Qtr Last Yr	7.65	3.43	5.29	0.63	2.09	6.48	6.25	6.36	5.25	3.88	3.91	4.50	5.27	6.13	3.96	4.78
MISC NONDURABLE GOODS	2079	1989	2420	2022	2163	2088	2529	2111	2246	2169	2626	2195	7991	8473	8802	9153
% Chg Same Qtr Last Yr	5.57	3.60	5.77	1.81	4.03	5.02	4.50	4.42	3.85	3.85	3.87	3.96	4.55	6.03	3.88	3.99
TRANSPORTATION, COMMUNICATION	1627	1614	1593	1650	1687	1655	1629	1678	1711	1682	1661	1717	7095	6519	6621	6731
% Chg Same Qtr Last Yr	-8.87	-8.66	-9.92	-2.04	3.70	2.54	2.21	1.66	1.41	1.63	1.99	2.34	2.38	-8.12	1.56	1.67
PER CAPITA ($)	3899	3734	4000	3588	3971	3923	4195	3751	4122	4053	4327	3878	14677	15259	15676	16252
% Chg Same Qtr Last Yr	4.99	1.54	1.54	-1.06	1.86	5.06	4.87	4.55	3.79	3.32	3.14	3.40	5.09	3.96	2.74	3.67

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

Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2013**

	History		Forecast Data										Annual			
	2012:2	2012:3	2012:4	2013:1	2013:2	2013:3	2013:4	2014:1	2014:2	2014:3	2014:4	2015:1	2011	2012	2013	2014
TOTAL TAXABLE SALES............................	24598	24190	24488	24803	25244	25610	25895	26146	26414	26671	26933	27258	93652	98177	101552	106165
% Chg Prev Qtr SAAR..........................	-4.78	-6.47	5.02	5.26	7.30	5.92	4.52	3.94	4.17	3.94	3.99	4.90	5.94	4.83	3.44	4.54
% Chg Same Qtr Last Yr.......................	5.76	2.43	2.07	-0.39	2.63	5.87	5.75	5.41	4.64	4.14	4.01	4.25	5.94	4.83	3.44	4.54
AUTO DEALERS....................................	2257	2286	2325	2393	2451	2489	2526	2570	2614	2646	2672	2718	8444	9221	9859	10502
% Chg Prev Qtr SAAR..........................	-15.36	5.36	7.03	12.09	10.01	6.51	6.00	7.10	7.05	5.00	4.07	6.93	9.97	9.21	6.92	6.52
% Chg Same Qtr Last Yr.......................	9.12	11.38	1.75	1.70	8.59	8.89	8.62	7.39	6.66	6.28	5.80	5.76	9.97	9.21	6.92	6.52
PURCHASES FROM MANUFACTURERS....	996	960	974	995	1010	1025	1042	1053	1065	1076	1089	1101	4014	3921	4071	4283
% Chg Prev Qtr SAAR..........................	1.69	-13.69	6.00	9.06	6.02	6.00	6.83	4.39	4.64	4.37	4.92	4.17	9.74	-2.32	3.84	5.22
% Chg Same Qtr Last Yr.......................	-0.48	-6.22	-3.48	0.37	1.42	6.76	6.97	5.81	5.46	5.05	4.58	4.52	9.74	-2.32	3.84	5.22
MISC DURABLE GOODS.........................	4052	3903	3941	3999	4067	4117	4179	4221	4268	4311	4354	4399	15586	16211	16361	17154
% Chg Prev Qtr SAAR..........................	-22.34	-13.90	3.97	6.00	6.96	5.00	6.20	4.07	4.55	4.10	4.08	4.16	7.51	4.01	0.92	4.85
% Chg Same Qtr Last Yr.......................	4.23	-1.31	-1.80	-7.35	0.37	5.48	6.04	5.55	4.95	4.73	4.20	4.22	7.51	4.01	0.92	4.85
EATING AND DRINKING PLACES.............	2536	2526	2558	2591	2636	2667	2699	2727	2758	2791	2825	2859	9510	10169	10594	11101
% Chg Prev Qtr SAAR..........................	-1.88	-1.59	5.11	5.32	7.04	4.85	4.94	4.17	4.66	4.77	4.99	4.96	4.98	6.93	4.17	4.79
% Chg Same Qtr Last Yr.......................	7.50	5.14	4.19	1.68	3.92	5.57	5.53	5.24	4.65	4.64	4.65	4.85	4.98	6.93	4.17	4.79
FOOD STORES.....................................	2541	2437	2473	2497	2540	2554	2573	2592	2610	2629	2648	2667	9216	9873	10164	10479
% Chg Prev Qtr SAAR..........................	20.95	-15.31	5.99	4.03	7.00	2.22	3.00	2.93	2.91	2.91	2.94	2.88	3.75	7.12	2.95	3.09
% Chg Same Qtr Last Yr.......................	11.55	5.50	4.47	3.09	-0.02	4.79	4.05	3.77	2.76	2.94	2.92	2.91	3.75	7.12	2.95	3.09
LIQUOR STORES..................................	199	197	199	201	203	205	208	210	212	215	217	220	728	791	816	853
% Chg Prev Qtr SAAR..........................	6.65	-4.52	3.07	4.00	4.81	4.66	4.78	4.04	4.53	4.65	4.87	4.84	6.32	8.73	3.17	4.52
% Chg Same Qtr Last Yr.......................	11.40	6.66	5.24	2.22	1.77	4.13	4.56	4.57	4.50	4.50	4.52	4.72	6.32	8.73	3.17	4.52
HOTELS AND MOTELS...........................	625	612	618	630	641	649	659	665	670	675	681	688	2331	2485	2580	2692
% Chg Prev Qtr SAAR..........................	-1.99	-8.20	3.99	8.06	7.16	5.00	5.92	4.00	3.08	3.16	3.31	4.40	12.84	6.58	3.82	4.35
% Chg Same Qtr Last Yr.......................	6.45	1.82	4.09	0.27	2.54	6.04	6.53	5.51	4.49	4.03	3.39	3.49	12.84	6.58	3.82	4.35
OTHER RETAIL AND SERVICE................	7690	7544	7636	7694	7850	8032	8114	8184	8263	8344	8431	8552	28741	30516	31691	33221
% Chg Prev Qtr SAAR..........................	2.29	-7.38	5.00	3.08	8.37	9.59	4.12	3.49	3.91	4.02	4.21	5.89	5.27	6.18	3.85	4.83
% Chg Same Qtr Last Yr.......................	7.49	3.61	5.29	0.63	2.09	6.48	6.25	6.36	5.25	3.88	3.91	4.50	5.27	6.18	3.85	4.83
MISC NONDURABLE GOODS..................	2106	2106	2137	2160	2191	2212	2233	2255	2276	2297	2319	2345	7988	8471	8796	9147
% Chg Prev Qtr SAAR..........................	-2.76	-0.05	5.94	4.36	6.00	3.79	3.88	4.04	3.68	3.78	3.96	4.42	4.49	6.04	3.84	3.99
% Chg Same Qtr Last Yr.......................	5.37	3.75	5.77	1.81	4.03	5.02	4.50	4.42	3.85	3.85	3.87	3.96	4.49	6.04	3.84	3.99
TRANSPORTATION, COMMUNICATION.....	1596	1619	1627	1643	1655	1660	1663	1670	1679	1687	1696	1709	7094	6519	6621	6732
% Chg Prev Qtr SAAR..........................	-17.97	5.71	2.07	4.05	2.99	1.07	0.75	1.85	1.96	1.96	2.20	3.24	2.40	-8.11	1.56	1.67
% Chg Same Qtr Last Yr.......................	-8.63	-8.79	-9.92	-2.04	3.70	2.54	2.21	1.66	1.41	1.63	1.99	2.34	2.40	-8.11	1.56	1.67
PER CAPITA ($)..	3828	3758	3798	3839	3900	3948	3984	4014	4047	4078	4110	4151	14674	15267	15671	16249
% Chg Prev Qtr SAAR..........................	-5.43	-7.11	4.30	4.40	6.43	5.07	3.68	3.09	3.31	3.09	3.15	4.04	5.09	4.04	2.65	3.69
% Chg Same Qtr Last Yr.......................	4.92	1.68	1.37	-1.10	1.86	5.05	4.89	4.56	3.79	3.29	3.16	3.40	5.09	4.04	2.65	3.69

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted — **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
US GDP (Bil2005$) SAAR	13598.6	13835.9	14209.0	14695.8	15151.9	15593.5	16008.9	16421.0	16822.7	17204.0	17596.1
Percentage change	2.25	1.75	2.70	3.43	3.10	2.91	2.66	2.57	2.45	2.27	2.28
US GDP (Bil$) SAAR	15688.1	16206.0	16924.9	17769.8	18604.6	19440.6	20287.1	21153.0	22036.6	22923.0	23862.5
Percentage change	4.06	3.30	4.44	4.99	4.70	4.49	4.35	4.27	4.18	4.02	4.10
TN PERSONAL INCOME (MIL2005$) SAAR	209891	214954	221364	228695	236255	243189	249682	256787	263813	270614	277347
Percentage change	2.00	2.41	2.98	3.31	3.31	2.94	2.67	2.85	2.74	2.58	2.49
US PERSONAL INCOME (BIL2005$) SAAR	11558	11759	12173	12597	13016	13420	13797	14189	14582	14945	15326
Percentage change	1.58	1.74	3.53	3.48	3.33	3.11	2.81	2.84	2.77	2.49	2.55
TN PERSONAL INCOME (MIL$) SAAR	243018	251629	262986	275740	289663	303378	317313	332376	347743	363237	379234
Percentage change	3.79	3.54	4.51	4.85	5.05	4.73	4.59	4.75	4.62	4.46	4.40
US PERSONAL INCOME (BIL$) SAAR	13381	13758	14449	15172	15939	16712	17493	18313	19161	19998	20893
Percentage change	3.35	2.82	5.02	5.00	5.06	4.85	4.67	4.69	4.63	4.37	4.47
TN NONFARM JOBS (THOUS)	2690.5	2718.1	2763.5	2811.3	2850.7	2886.6	2919.4	2953.1	2985.9	3016.6	3046.0
Percentage change	1.32	1.03	1.67	1.73	1.40	1.26	1.14	1.15	1.11	1.03	0.98
US NONFARM JOBS (MIL)	133.2	135.1	137.4	140.2	143.1	145.3	146.9	148.2	149.3	150.0	150.8
Percentage change	1.43	1.38	1.71	2.05	2.04	1.58	1.10	0.86	0.77	0.47	0.53
TN MFG JOBS (THOUS)	313.0	316.8	319.9	323.1	324.6	325.2	324.8	323.2	320.8	318.3	315.5
Percentage change	2.91	1.22	0.98	0.98	0.48	0.19	-0.14	-0.49	-0.75	-0.77	-0.89
US MFG JOBS (MIL)	11.9	12.1	12.4	12.6	12.8	12.9	13.0	13.0	13.0	13.0	12.9
Percentage change	1.78	1.41	2.01	2.05	1.81	0.81	0.22	0.13	-0.11	-0.10	-0.22
TN UNEMPLOYMENT RATE (%)	8.0	7.9	7.5	7.1	6.5	6.2	6.0	5.8	5.6	5.5	5.4
US UNEMPLOYMENT RATE (%)	8.1	7.6	7.3	6.7	6.1	5.8	5.6	5.5	5.4	5.3	5.3
CHAINED PRICE INDEX, GDP (2005=100.0)	115.4	117.1	119.1	120.9	122.8	124.7	126.7	128.8	131.0	133.2	135.6
Percentage change	1.76	1.53	1.69	1.51	1.55	1.53	1.65	1.65	1.69	1.72	1.78
US PERS CONSUMP DEFL (2005=100.0)	115.8	117.0	118.7	120.4	122.5	124.5	126.8	129.1	131.4	133.8	136.3
Percentage change	1.73	1.07	1.44	1.47	1.68	1.69	1.81	1.80	1.81	1.83	1.88
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)	2.296	2.329	2.369	2.406	2.451	2.496	2.545	2.595	2.646	2.697	2.751
Percentage change	2.08	1.44	1.72	1.57	1.84	1.84	1.98	1.97	1.95	1.94	2.00
BANK PRIME INTEREST RATE (%)	3.3	3.3	3.3	3.3	4.6	6.6	7.0	7.0	7.0	7.0	7.0
FEDERAL FUNDS RATE (% per annum)	0.141	0.160	0.160	0.191	1.637	3.570	4.000	4.000	4.000	4.000	4.000
30-YEAR FIXED MORTGAGE RATE (%)	3.7	3.4	3.9	4.6	5.7	6.5	6.7	6.7	6.7	6.7	6.7
TN TAXABLE SALES (MIL2005$)	84798	86750	89363	91855	94067	96257	98283	100439	102623	105002	107295
Percentage change	3.04	2.30	3.01	2.79	2.41	2.33	2.10	2.19	2.17	2.32	2.18
TN TAXABLE SALES (MIL$)	98177	101552	106165	110749	115331	120080	124904	130003	135270	140940	146710
Percentage change	4.83	3.44	4.54	4.32	4.14	4.12	4.02	4.08	4.05	4.19	4.09
TN AVG ANNUAL WAGE, NONFARM (2005$)	38484	38798	39168	39515	40004	40431	40783	41149	41492	41838	42161
Percentage change	1.07	0.82	0.95	0.89	1.24	1.07	0.87	0.90	0.83	0.83	0.77
TN AVG ANNUAL WAGE, NONFARM ($)	44557	45417	46531	47643	49046	50436	51829	53261	54691	56157	57648
Percentage change	2.84	1.93	2.45	2.39	2.95	2.83	2.76	2.76	2.69	2.68	2.66

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

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
US GDP (2005$) SAAR…………………………	43127	43457	44199	45274	46232	47126	47921	48690	49413	50062	50729
Percentage change................................	1.30	0.76	1.71	2.43	2.12	1.93	1.69	1.60	1.48	1.31	1.33
US GDP ($) SAAR………………………………	49754	50902	52648	54744	56767	58752	60728	62721	64728	66703	68795
Percentage change................................	3.09	2.31	3.43	3.98	3.69	3.50	3.36	3.28	3.20	3.05	3.14
TN PERSONAL INCOME (2005$) SAAR……	32638	33170	33882	34716	35565	36300	36951	37673	38364	39010	39637
Percentage change................................	1.22	1.63	2.14	2.46	2.45	2.07	1.79	1.95	1.84	1.68	1.61
US PERSONAL INCOME (2005$) SAAR……	36657	36934	37868	38807	39715	40558	41301	42073	42830	43489	44184
Percentage change................................	0.64	0.76	2.53	2.48	2.34	2.12	1.83	1.87	1.80	1.54	1.60
TN PERSONAL INCOME ($) SAAR…………	37789	38829	40252	41857	43605	45284	46959	48762	50569	52361	54198
Percentage change................................	2.99	2.75	3.66	3.99	4.17	3.85	3.70	3.84	3.71	3.54	3.51
US PERSONAL INCOME ($) SAAR…………	42436	43213	44946	46740	48635	50507	52363	54302	56282	58193	60234
Percentage change................................	2.38	1.83	4.01	3.99	4.05	3.85	3.68	3.70	3.65	3.40	3.51
TN TAXABLE SALES (2005$)…………………	13186	13387	13678	13944	14161	14368	14545	14735	14924	15136	15334
Percentage change................................	2.26	1.52	2.18	1.94	1.56	1.46	1.23	1.31	1.28	1.43	1.31
TN TAXABLE SALES ($)………………………	15267	15671	16249	16812	17362	17924	18485	19072	19671	20317	20967
Percentage change................................	4.04	2.65	3.69	3.46	3.27	3.24	3.13	3.18	3.14	3.28	3.20

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

Table 3: Tennessee Personal Income Components (millions of 2005 dollars) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
TN PERSONAL INCOME………….…………..	209891	214954	221364	228695	236255	243189	249682	256787	263813	270614	277347
Percentage change………………………	2.00	2.41	2.98	3.31	3.31	2.94	2.67	2.85	2.74	2.58	2.49
WAGES AND SALARIES……………………	104362	106335	109124	111983	114939	117609	119968	122426	124802	127118	129334
Percentage change………………………	2.38	1.89	2.62	2.62	2.64	2.32	2.01	2.05	1.94	1.86	1.74
OTHER LABOR INCOME……………………	25271	26110	26857	27742	28703	29688	30404	31195	31901	32612	33335
Percentage change………………………	2.49	3.32	2.86	3.29	3.46	3.43	2.41	2.60	2.26	2.23	2.22
PROPRIETORS INCOME……………………	25249	26505	27526	28630	29702	30654	31624	32837	34146	35530	36795
Percentage change………………………	3.66	4.98	3.85	4.01	3.75	3.21	3.16	3.84	3.99	4.05	3.56
RENT, INTEREST, DIVIDENDS……………	25730	26873	27744	28782	29785	30804	31604	32526	33457	34403	35379
Percentage change………………………	2.18	4.44	3.24	3.74	3.48	3.42	2.60	2.92	2.86	2.83	2.84
TRANSFER PAYMENTS……………………	44886	46323	47435	48974	50935	52668	54677	56744	58825	60679	62609
Percentage change………………………	0.47	3.20	2.40	3.24	4.00	3.40	3.81	3.78	3.67	3.15	3.18
LESS: PERS CONT FOR SOC INS……….	15071	16682	16840	16956	17366	17806	18181	18542	18921	19333	19711
Percentage change………………………	2.89	10.69	0.95	0.69	2.42	2.53	2.11	1.98	2.05	2.18	1.95
RESIDENCE ADJUSTMENT……………….	-535	-509	-483	-459	-442	-427	-414	-400	-396	-394	-393
Percentage change………………………	41.78	-4.84	-5.10	-5.04	-3.66	-3.46	-3.12	-3.25	-1.01	-0.67	-0.04
PER CAPITA PERSONAL INCOME ($)……….	32638	33170	33882	34716	35565	36300	36951	37673	38364	39010	39637
Percentage change………………………	1.22	1.63	2.14	2.46	2.45	2.07	1.79	1.95	1.84	1.68	1.61

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

Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TN PERSONAL INCOME………….……………	243018	251629	262986	275740	289663	303378	317313	332376	347743	363237	379234
Percentage change………………………	3.79	3.54	4.51	4.85	5.05	4.73	4.59	4.75	4.62	4.46	4.40
WAGES AND SALARIES……………………	120831	124477	129642	135017	140921	146715	152462	158462	164505	170625	176844
Percentage change………………………	4.17	3.02	4.15	4.15	4.37	4.11	3.92	3.94	3.81	3.72	3.64
OTHER LABOR INCOME……………………	29260	30564	31907	33449	35191	37035	38639	40378	42049	43773	45581
Percentage change………………………	4.29	4.46	4.39	4.83	5.21	5.24	4.33	4.50	4.14	4.10	4.13
PROPRIETORS INCOME……………………	29234	31028	32702	34519	36417	38241	40191	42504	45010	47692	50313
Percentage change………………………	5.47	6.14	5.40	5.56	5.50	5.01	5.10	5.76	5.90	5.96	5.50
RENT, INTEREST, DIVIDENDS……………	29792	31458	32961	34703	36518	38428	40165	42101	44101	46178	48376
Percentage change………………………	3.98	5.59	4.78	5.29	5.23	5.23	4.52	4.82	4.75	4.71	4.76
TRANSFER PAYMENTS……………………	51970	54226	56354	59048	62450	65704	69488	73449	77540	81448	85610
Percentage change………………………	2.23	4.34	3.93	4.78	5.76	5.21	5.76	5.70	5.57	5.04	5.11
LESS: PERS CONT FOR SOC INS……….	17449	19528	20006	20444	21292	22213	23105	24000	24940	25951	26952
Percentage change………………………	4.69	11.91	2.45	2.19	4.15	4.32	4.02	3.87	3.92	4.05	3.86
RESIDENCE ADJUSTMENT……………….	-620	-596	-574	-554	-542	-533	-526	-518	-522	-528	-538
Percentage change………………………	44.24	-3.80	-3.69	-3.62	-2.03	-1.77	-1.31	-1.46	0.81	1.15	1.83
PER CAPITA PERSONAL INCOME ($)……….	37789	38829	40252	41857	43605	45284	46959	48762	50569	52361	54198
Percentage change………………………	2.99	2.75	3.66	3.99	4.17	3.85	3.70	3.84	3.71	3.54	3.51

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

Table 5: Tennessee Nonfarm Employment by Sector (thousands of jobs) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL NONFARM	2690.7	2718.5	2763.8	2811.7	2851.1	2886.9	2919.8	2953.5	2986.3	3016.9	3046.3
Percentage change	1.29	1.03	1.67	1.73	1.40	1.26	1.14	1.15	1.11	1.03	0.98
NATURAL RESOURCES, MINING & CONSTRUCTION	116.5	121.4	125.5	129.4	132.1	134.7	137.1	139.0	140.5	142.7	144.9
Percentage change	6.33	4.16	3.44	3.12	2.02	2.00	1.80	1.39	1.07	1.53	1.53
MANUFACTURING	313.0	316.8	319.9	323.1	324.6	325.2	324.8	323.2	320.8	318.3	315.5
Percentage change	2.91	1.22	0.98	0.98	0.48	0.19	-0.14	-0.49	-0.75	-0.77	-0.89
DURABLE GOODS	193.7	197.6	202.3	207.1	210.4	212.6	213.6	213.5	212.6	211.5	210.2
Percentage change	5.35	2.03	2.36	2.36	1.60	1.07	0.46	-0.04	-0.43	-0.50	-0.61
NONDURABLE GOODS	119.3	119.2	117.7	116.0	114.2	112.6	111.2	109.7	108.2	106.8	105.2
Percentage change	-0.82	-0.09	-1.30	-1.40	-1.53	-1.43	-1.28	-1.35	-1.36	-1.29	-1.45
TRADE, TRANSPORTATION, UTILITIES	556.2	556.4	562.5	568.9	574.9	579.4	583.3	587.2	590.3	592.9	595.2
Percentage change	-0.50	0.04	1.10	1.13	1.06	0.79	0.66	0.67	0.53	0.43	0.39
WHOLESALE TRADE	112.7	111.6	112.4	113.6	114.3	114.8	115.5	116.4	116.8	117.2	117.4
Percentage change	-3.45	-0.99	0.75	1.04	0.60	0.51	0.60	0.74	0.35	0.31	0.24
RETAIL TRADE	308.9	310.2	314.0	317.5	321.2	323.6	325.3	327.0	328.2	329.3	330.3
Percentage change	0.46	0.43	1.21	1.12	1.16	0.76	0.53	0.51	0.38	0.33	0.30
TRANSPORTATION & UTILITIES	134.6	134.6	136.1	137.8	139.5	141.0	142.4	143.9	145.3	146.5	147.5
Percentage change	-0.10	0.00	1.13	1.23	1.22	1.09	1.02	0.99	1.03	0.77	0.72
INFORMATION	44.2	44.0	44.4	44.7	45.1	45.5	46.0	46.6	47.1	47.5	47.9
Percentage change	0.28	-0.46	0.76	0.82	0.89	0.95	1.07	1.34	0.98	0.84	0.81
FINANCIAL ACTIVITIES	133.8	132.4	132.4	132.4	133.0	133.3	132.4	131.7	131.7	131.5	131.3
Percentage change	-1.20	-1.06	0.03	-0.06	0.50	0.21	-0.66	-0.53	-0.04	-0.13	-0.13
PROFESSIONAL & BUSINESS SERVICES	328.4	336.9	350.5	366.0	378.5	390.4	402.5	416.1	429.9	443.9	457.2
Percentage change	2.03	2.59	4.04	4.43	3.39	3.16	3.10	3.37	3.32	3.26	3.00
EDUCATION & HEALTH SERVICES	390.7	398.0	406.1	414.7	424.0	431.8	440.0	448.4	457.0	465.5	473.6
Percentage change	1.98	1.87	2.03	2.12	2.24	1.85	1.90	1.90	1.92	1.85	1.74
LEISURE & HOSPITALITY	268.6	273.1	279.6	285.8	289.5	292.7	295.6	299.3	303.0	305.7	308.4
Percentage change	1.05	1.66	2.38	2.22	1.30	1.12	1.00	1.24	1.22	0.90	0.90
OTHER SERVICES	101.8	102.8	104.3	105.7	106.8	107.9	109.0	109.9	110.8	111.6	112.3
Percentage change	0.41	0.98	1.48	1.28	1.02	1.10	0.98	0.82	0.83	0.70	0.70
GOVERNMENT	437.4	436.7	438.5	441.1	442.7	445.8	449.0	452.0	455.2	457.4	460.0
Percentage change	1.28	-0.17	0.43	0.57	0.37	0.70	0.71	0.68	0.71	0.48	0.57
FEDERAL, CIVILIAN	48.8	46.9	46.0	45.3	44.8	44.2	43.7	43.3	42.5	41.6	41.2
Percentage change	-3.08	-3.89	-1.88	-1.45	-1.26	-1.22	-1.20	-1.00	-1.81	-1.95	-1.08
STATE & LOCAL	388.6	389.8	392.6	395.8	398.0	401.7	405.4	408.8	412.8	415.9	418.9
Percentage change	1.87	0.30	0.71	0.81	0.56	0.92	0.92	0.86	0.98	0.73	0.73

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

Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL DURABLE GOODS………………….	193.7	197.6	202.3	207.1	210.4	212.6	213.6	213.5	212.6	211.5	210.2
Percentage change………..………….	5.35	2.03	2.36	2.36	1.60	1.07	0.47	-0.04	-0.43	-0.50	-0.61
WOOD PRODUCTS……………………….	10.7	10.6	10.6	10.5	10.5	10.5	10.4	10.4	10.3	10.3	10.2
Percentage change………..………….	-0.88	-1.38	-0.11	-0.25	-0.29	-0.09	-0.54	-0.52	-0.48	-0.50	-0.50
NONMETALLIC MINERALS…………….	11.7	11.9	12.0	12.2	12.2	12.3	12.3	12.3	12.2	12.2	12.1
Percentage change………..………….	1.14	1.07	1.20	1.28	0.50	0.31	0.34	-0.37	-0.40	-0.39	-0.88
PRIMARY METALS…………..………….	9.9	10.1	10.3	10.6	10.7	10.7	10.6	10.6	10.5	10.4	10.4
Percentage change………..………….	7.06	1.35	2.44	2.88	0.43	0.10	-0.41	-0.49	-0.49	-0.80	-0.83
FABRICATED METALS…………………...	35.6	35.8	36.9	38.0	38.7	39.1	39.2	39.1	39.0	38.8	38.7
Percentage change………..………….	4.57	0.67	3.15	2.87	1.94	1.05	0.22	-0.23	-0.36	-0.37	-0.34
MACHINERY……………………………….	25.8	26.4	27.1	27.8	28.7	29.4	29.9	30.2	30.1	30.0	29.9
Percentage change………..………….	1.95	2.33	2.40	2.83	2.96	2.50	1.81	0.93	-0.17	-0.29	-0.50
COMPUTERS & ELECTRONICS……….	5.5	5.4	5.3	5.2	5.0	4.9	4.8	4.7	4.5	4.4	4.3
Percentage change………..………….	0.43	-2.17	-1.95	-2.13	-2.96	-2.10	-2.39	-2.96	-2.72	-2.65	-2.70
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS…………..…………….	18.6	19.0	19.4	19.9	20.3	20.6	20.8	20.8	20.7	20.7	20.6
Percentage change………..………….	4.83	2.20	2.32	2.61	1.90	1.49	0.70	0.05	-0.22	-0.38	-0.41
TRANSPORTATION EQUIPMENT………	51.5	54.6	56.9	59.1	60.6	61.5	62.0	62.1	61.9	61.6	61.1
Percentage change………..………….	13.77	6.08	4.18	3.86	2.56	1.49	0.84	0.23	-0.40	-0.50	-0.71
FURNITURE……………………………….	8.6	8.2	8.1	8.1	7.9	7.8	7.7	7.7	7.5	7.4	7.3
Percentage change………..………….	-4.06	-4.28	-0.49	-0.93	-1.77	-1.30	-1.02	-1.01	-1.70	-1.54	-1.54
MISCELLANEOUS DURABLES…………	15.8	15.7	15.6	15.7	15.7	15.8	15.8	15.7	15.7	15.7	15.7
Percentage change………..………….	2.27	-0.42	-0.33	0.13	0.50	0.58	-0.22	-0.35	-0.11	-0.16	-0.09

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

Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL NONDURABLE GOODS	119.3	119.2	117.7	116.0	114.2	112.6	111.2	109.7	108.2	106.8	105.2
Percentage change	-0.82	-0.09	-1.30	-1.40	-1.53	-1.43	-1.28	-1.35	-1.36	-1.29	-1.45
FOOD	33.2	33.5	33.6	33.6	33.5	33.3	33.1	33.0	32.8	32.6	32.5
Percentage change	1.54	1.03	0.12	0.17	-0.48	-0.59	-0.44	-0.46	-0.49	-0.51	-0.50
BEVERAGE & TOBACCO	4.9	5.0	5.0	5.0	4.9	4.9	4.8	4.8	4.7	4.7	4.6
Percentage change	0.02	0.73	0.19	0.05	-0.75	-1.00	-0.98	-1.05	-1.37	-1.54	-1.58
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL	9.8	9.5	9.0	8.4	7.9	7.4	7.0	6.6	6.2	5.9	5.5
Percentage change	-6.91	-3.51	-5.21	-6.23	-6.34	-5.65	-5.33	-5.75	-5.92	-5.90	-5.85
PAPER	15.4	15.4	15.2	15.0	14.9	14.7	14.5	14.4	14.3	14.2	14.1
Percentage change	-0.60	-0.23	-1.13	-1.02	-1.00	-1.21	-1.16	-0.81	-0.74	-0.78	-0.75
PRINTING & RELATED SUPPORT	9.1	8.7	8.2	7.8	7.5	7.2	7.1	6.9	6.8	6.7	6.5
Percentage change	-8.86	-4.27	-5.00	-5.51	-4.37	-3.03	-2.10	-2.05	-2.03	-2.06	-2.08
CHEMICALS	24.8	24.6	24.1	23.5	23.0	22.5	22.1	21.6	21.1	20.6	20.2
Percentage change	1.11	-0.96	-2.16	-2.16	-2.15	-2.15	-2.16	-2.18	-2.18	-2.18	-2.19
PLASTICS & RUBBER	20.3	20.8	20.9	20.9	20.9	21.0	21.0	20.9	20.8	20.7	20.5
Percentage change	-0.62	2.19	0.49	0.20	0.14	0.09	0.09	-0.47	-0.50	-0.11	-1.04
MISCELLANEOUS NONDURABLE GOODS	1.8	1.9	1.8	1.7	1.7	1.6	1.5	1.5	1.4	1.4	1.3
Percentage change	3.64	4.38	-3.88	-3.58	-4.00	-3.75	-3.59	-3.52	-3.58	-3.61	-3.87

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 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL NONFARM	38484	38798	39168	39515	40004	40431	40783	41149	41492	41838	42161
Percentage change	1.07	0.82	0.95	0.89	1.24	1.07	0.87	0.90	0.83	0.83	0.77
NATURAL RESOURCES, MINING AND CONSTRUCTION	40244	42436	42818	43180	43437	43647	43784	43911	44024	44122	44185
Percentage change	-4.25	5.45	0.90	0.85	0.59	0.48	0.31	0.29	0.26	0.22	0.14
MANUFACTURING	47716	46864	47389	47909	48490	49038	49484	50002	50485	50902	51319
Percentage change	2.55	-1.78	1.12	1.10	1.21	1.13	0.91	1.05	0.97	0.82	0.82
DURABLE GOODS	47574	45817	46305	46816	47318	47792	48199	48684	49134	49494	49876
Percentage change	4.56	-3.69	1.06	1.10	1.07	1.00	0.85	1.01	0.93	0.73	0.77
NONDURABLE GOODS	47941	48601	49253	49860	50650	51390	51954	52568	53141	53690	54203
Percentage change	-0.31	1.38	1.34	1.23	1.58	1.46	1.10	1.18	1.09	1.03	0.95
TRADE, TRANSPORTATION, UTILITIES	36720	36680	37012	37324	37758	38147	38504	38849	39197	39531	39824
Percentage change	2.77	-0.11	0.90	0.84	1.16	1.03	0.94	0.90	0.90	0.85	0.74
WHOLESALE TRADE	56662	54938	55669	56330	57157	57981	58646	59286	60018	60682	61234
Percentage change	6.48	-3.04	1.33	1.19	1.47	1.44	1.15	1.09	1.23	1.11	0.91
RETAIL TRADE	25373	25710	25929	26115	26422	26659	26872	27079	27267	27450	27638
Percentage change	1.80	1.33	0.85	0.72	1.18	0.90	0.80	0.77	0.69	0.67	0.68
TRANSPORTATION & UTILITIES	46060	46826	47163	47479	47962	48353	48729	49062	49404	49772	50062
Percentage change	1.77	1.66	0.72	0.67	1.02	0.82	0.78	0.68	0.70	0.74	0.58
INFORMATION	49884	49375	49915	50429	51154	51833	52408	52990	53480	54004	54434
Percentage change	1.66	-1.02	1.09	1.03	1.44	1.33	1.11	1.11	0.92	0.98	0.80
FINANCIAL ACTIVITIES	57741	57725	58568	59375	60446	61444	62284	63053	63842	64581	65298
Percentage change	3.21	-0.03	1.46	1.38	1.81	1.65	1.37	1.24	1.25	1.16	1.11
PROFESSIONAL & BUSINESS SERVICES	43637	43804	44400	44935	45631	46234	46771	47386	47880	48427	48979
Percentage change	2.56	0.38	1.36	1.21	1.55	1.32	1.16	1.31	1.04	1.14	1.14
EDUCATION & HEALTH SERVICES	39283	40388	40745	41083	41603	42023	42388	42717	43082	43477	43845
Percentage change	-0.35	2.81	0.88	0.83	1.27	1.01	0.87	0.78	0.85	0.92	0.85
LEISURE & HOSPITALITY	19003	19142	19307	19462	19666	19877	20057	20254	20427	20570	20727
Percentage change	1.54	0.73	0.86	0.80	1.05	1.08	0.90	0.98	0.85	0.70	0.76
OTHER SERVICES	35540	34848	35031	35031	35129	35193	35251	35291	35353	35380	35404
Percentage change	1.17	-1.95	0.52	0.00	0.28	0.18	0.17	0.11	0.18	0.08	0.07
GOVERNMENT	34679	35743	35951	36153	36535	36847	37054	37323	37536	37738	37900
Percentage change	-2.40	3.07	0.58	0.56	1.06	0.85	0.56	0.73	0.57	0.54	0.43
FEDERAL, CIVILIAN	62288	62149	62739	63298	64062	64845	65442	66030	66710	67248	67723
Percentage change	-0.85	-0.22	0.95	0.89	1.21	1.22	0.92	0.90	1.03	0.81	0.71
STATE & LOCAL	31197	32550	32795	33027	33422	33748	33978	34270	34518	34768	34952
Percentage change	-2.37	4.34	0.75	0.71	1.20	0.98	0.68	0.86	0.72	0.72	0.53

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 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL NONFARM	44557	45417	46531	47643	49046	50436	51829	53261	54691	56157	57648
Percentage change	2.84	1.93	2.45	2.39	2.95	2.83	2.76	2.76	2.69	2.68	2.66
NATURAL RESOURCES, MINING & CONSTRUCTION	46594	49675	50868	52062	53255	54448	55642	56835	58028	59222	60415
Percentage change	-2.57	6.61	2.40	2.35	2.29	2.24	2.19	2.14	2.10	2.06	2.02
MANUFACTURING	55244	54859	56298	57762	59451	61173	62886	64719	66545	68322	70170
Percentage change	4.35	-0.70	2.62	2.60	2.92	2.90	2.80	2.91	2.82	2.67	2.70
DURABLE GOODS	55079	53633	55010	56444	58013	59619	61253	63013	64764	66433	68197
Percentage change	6.39	-2.63	2.57	2.61	2.78	2.77	2.74	2.87	2.78	2.58	2.66
NONDURABLE GOODS	55506	56892	58513	60115	62099	64107	66025	68041	70046	72065	74113
Percentage change	1.45	2.50	2.85	2.74	3.30	3.23	2.99	3.05	2.95	2.88	2.84
TRADE, TRANSPORTATION, UTILITIES	42515	42938	43970	45000	46292	47587	48932	50283	51666	53060	54453
Percentage change	4.57	0.99	2.40	2.34	2.87	2.80	2.83	2.76	2.75	2.70	2.62
WHOLESALE TRADE	65601	64310	66135	67916	70077	72330	74530	76736	79110	81450	83727
Percentage change	8.33	-1.97	2.84	2.69	3.18	3.21	3.04	2.96	3.09	2.96	2.80
RETAIL TRADE	29378	30096	30804	31486	32394	33256	34150	35049	35941	36844	37790
Percentage change	3.59	2.44	2.35	2.21	2.89	2.66	2.69	2.63	2.54	2.51	2.57
TRANSPORTATION & UTILITIES	53330	54814	56029	57244	58802	60318	61926	63503	65119	66805	68450
Percentage change	3.56	2.78	2.22	2.17	2.72	2.58	2.67	2.55	2.55	2.59	2.46
INFORMATION	57757	57798	59299	60801	62716	64661	66603	68587	70492	72486	74430
Percentage change	3.43	0.07	2.60	2.53	3.15	3.10	3.00	2.98	2.78	2.83	2.68
FINANCIAL ACTIVITIES	66852	67572	69580	71587	74110	76650	79153	81612	84151	86683	89284
Percentage change	5.02	1.08	2.97	2.89	3.52	3.43	3.27	3.11	3.11	3.01	3.00
PROFESSIONAL & BUSINESS SERVICES	50523	51277	52747	54178	55945	57675	59439	61334	63112	65001	66970
Percentage change	4.35	1.49	2.87	2.71	3.26	3.09	3.06	3.19	2.90	2.99	3.03
EDUCATION & HEALTH SERVICES	45483	47278	48405	49533	51007	52423	53868	55290	56787	58356	59951
Percentage change	1.40	3.95	2.38	2.33	2.98	2.78	2.76	2.64	2.71	2.76	2.73
LEISURE & HOSPITALITY	22002	22408	22936	23465	24111	24796	25489	26216	26925	27610	28340
Percentage change	3.31	1.84	2.36	2.30	2.75	2.84	2.80	2.85	2.71	2.54	2.64
OTHER SERVICES	41148	40792	41616	42236	43069	43901	44798	45678	46599	47488	48409
Percentage change	2.94	-0.86	2.02	1.49	1.97	1.93	2.04	1.96	2.02	1.91	1.94
GOVERNMENT	40153	41840	42710	43588	44793	45965	47089	48308	49476	50654	51822
Percentage change	-0.68	4.20	2.08	2.06	2.76	2.62	2.45	2.59	2.42	2.38	2.31
FEDERAL, CIVILIAN	72120	72751	74534	76316	78542	80892	83166	85464	87931	90263	92599
Percentage change	0.89	0.88	2.45	2.39	2.92	2.99	2.81	2.76	2.89	2.65	2.59
STATE & LOCAL	36122	38102	38961	39819	40977	42100	43180	44357	45499	46667	47791
Percentage change	-0.65	5.48	2.25	2.20	2.91	2.74	2.57	2.73	2.57	2.57	2.41

Table 10: Tennessee Civilian Labor Force and Unemployment Rate **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CIVILIAN LABOR FORCE (THOUS)...........	3107	3105	3137	3176	3195	3226	3251	3277	3303	3325	3349
Percentage change..........................	-0.83	-0.04	1.04	1.23	0.59	0.96	0.80	0.79	0.78	0.68	0.70
EMPLOYED PERSONS (THOUS)..........	2857	2861	2902	2952	2987	3026	3057	3088	3117	3142	3167
Percentage change..........................	0.43	0.15	1.43	1.73	1.20	1.28	1.04	0.99	0.95	0.80	0.80
UNEMPLOYED PERSONS (THOUS)......	250	244	236	224	208	200	194	190	186	183	182
Percentage change..........................	-13.27	-2.21	-3.49	-4.87	-7.42	-3.69	-2.83	-2.42	-1.97	-1.31	-0.98
PARTICIPATION RATE (PERCENT)..........	60.9	60.3	60.3	60.4	60.2	60.1	60.0	59.9	59.8	59.6	59.4
Percentage change..........................	-1.80	-1.00	0.06	0.23	-0.43	-0.07	-0.20	-0.20	-0.21	-0.29	-0.25
UNEMPLOYMENT RATE (PERCENT)........	8.0	7.9	7.5	7.1	6.5	6.2	6.0	5.8	5.6	5.5	5.4

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

Table 11: Tennessee Taxable Sales (millions of 2005 dollars) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL TAXABLE SALES……	84798	86750	89363	91855	94067	96257	98283	100439	102623	105002	107295
Percentage change……	3.04	2.30	3.01	2.79	2.41	2.33	2.10	2.19	2.17	2.32	2.18
AUTO DEALERS……	7964	8422	8840	9175	9387	9641	9819	9975	10227	10449	10586
Percentage change……	7.35	5.74	4.96	3.80	2.30	2.70	1.85	1.59	2.52	2.17	1.32
PURCHASES FROM MANUFACTURERS….	3386	3478	3606	3702	3757	3838	3901	3965	4037	4113	4189
Percentage change……	-3.99	2.70	3.68	2.68	1.48	2.15	1.66	1.63	1.81	1.88	1.85
MISC DURABLE GOODS……	14003	13976	14439	14817	15165	15595	16027	16492	16957	17406	17849
Percentage change……	2.25	-0.20	3.31	2.62	2.35	2.83	2.77	2.90	2.82	2.65	2.55
EATING AND DRINKING PLACES……	8783	9050	9344	9663	9991	10288	10577	10892	11208	11513	11815
Percentage change……	5.11	3.03	3.26	3.42	3.39	2.97	2.81	2.98	2.90	2.72	2.62
FOOD STORES……	8527	8683	8820	8943	9048	9142	9225	9323	9359	9449	9535
Percentage change……	5.29	1.82	1.58	1.39	1.17	1.03	0.91	1.06	0.39	0.96	0.91
LIQUOR STORES……	684	697	718	742	766	788	810	833	856	879	901
Percentage change……	6.88	2.04	2.99	3.30	3.28	2.87	2.70	2.87	2.80	2.62	2.52
HOTELS AND MOTELS……	2146	2204	2266	2317	2375	2431	2478	2512	2567	2621	2676
Percentage change……	4.77	2.68	2.82	2.28	2.47	2.40	1.93	1.37	2.16	2.13	2.09
OTHER RETAIL AND SERVICE……	26357	27071	27964	28851	29601	30294	30925	31615	32300	33144	34003
Percentage change……	4.36	2.71	3.30	3.17	2.60	2.34	2.08	2.23	2.17	2.61	2.59
MISC NONDURABLE GOODS……	7316	7514	7700	7897	8086	8248	8437	8606	8773	8960	9144
Percentage change……	4.22	2.71	2.47	2.56	2.39	2.01	2.29	2.00	1.94	2.13	2.06
TRANSPORTATION, COMMUNICATION……	5631	5656	5666	5745	5891	5993	6084	6226	6339	6469	6597
Percentage change……	-9.68	0.45	0.18	1.39	2.54	1.73	1.53	2.33	1.82	2.04	1.97
PER CAPITA ($)……	13186	13387	13678	13944	14161	14368	14545	14735	14924	15136	15334
Percentage change……	2.26	1.52	2.18	1.94	1.56	1.46	1.23	1.31	1.28	1.43	1.31

Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2013**

	Forecast Data										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL TAXABLE SALES..............................	98177	101552	106165	110749	115331	120080	124904	130003	135270	140940	146710
Percentage change............................	4.83	3.44	4.54	4.32	4.14	4.12	4.02	4.08	4.05	4.19	4.09
AUTO DEALERS....................................	9221	9859	10502	11063	11509	12026	12479	12912	13480	14025	14475
Percentage change............................	9.21	6.92	6.52	5.34	4.03	4.50	3.76	3.47	4.40	4.04	3.21
PURCHASES FROM MANUFACTURERS....	3921	4071	4283	4464	4606	4788	4958	5132	5321	5521	5728
Percentage change............................	-2.32	3.84	5.22	4.21	3.19	3.94	3.56	3.51	3.68	3.75	3.75
MISC DURABLE GOODS.........................	16211	16361	17154	17865	18593	19454	20368	21346	22352	23364	24407
Percentage change............................	4.01	0.92	4.85	4.15	4.07	4.63	4.70	4.80	4.71	4.53	4.46
EATING AND DRINKING PLACES.............	10169	10594	11101	11651	12250	12834	13441	14098	14773	15454	16155
Percentage change............................	6.93	4.17	4.79	4.95	5.14	4.77	4.73	4.88	4.79	4.60	4.54
FOOD STORES.....................................	9873	10164	10479	10783	11093	11404	11723	12067	12336	12682	13037
Percentage change............................	7.12	2.95	3.09	2.90	2.88	2.80	2.80	2.93	2.23	2.81	2.80
LIQUOR STORES..................................	791	816	853	895	940	983	1029	1078	1129	1179	1232
Percentage change............................	8.73	3.17	4.52	4.84	5.02	4.66	4.63	4.78	4.69	4.50	4.44
HOTELS AND MOTELS...........................	2485	2580	2692	2794	2911	3033	3150	3252	3383	3519	3659
Percentage change............................	6.58	3.82	4.35	3.80	4.20	4.19	3.84	3.25	4.04	4.00	4.00
OTHER RETAIL AND SERVICE.................	30516	31691	33221	34786	36292	37791	39301	40921	42576	44488	46494
Percentage change............................	6.18	3.85	4.83	4.71	4.33	4.13	3.99	4.12	4.05	4.49	4.51
MISC NONDURABLE GOODS...................	8471	8796	9147	9521	9914	10290	10723	11139	11564	12026	12504
Percentage change............................	6.04	3.84	3.99	4.09	4.12	3.79	4.21	3.88	3.81	4.00	3.97
TRANSPORTATION, COMMUNICATION......	6519	6621	6732	6927	7223	7476	7733	8059	8356	8683	9020
Percentage change............................	-8.11	1.56	1.67	2.90	4.27	3.51	3.43	4.22	3.69	3.91	3.88
PER CAPITA ($)...	15267	15671	16249	16812	17362	17924	18485	19072	19671	20317	20967
Percentage change............................	4.04	2.65	3.69	3.46	3.27	3.24	3.13	3.18	3.14	3.28	3.20

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 2013**

	Forecast Data											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GROSS DOMESTIC PRODUCT	234,610	241,732	247,165	254,865	262,853	270,828	278,697	286,141	293,690	301,395	308,909	316,628
Percentage change	2.14	3.04	2.25	3.12	3.13	3.03	2.91	2.67	2.64	2.62	2.49	2.50
AGRICULTURE, FORESTRY, FISHING & HUNTING	1,094	1,138	1,172	1,236	1,272	1,305	1,338	1,371	1,404	1,441	1,476	1,515
Percentage change	-8.39	4.00	3.00	5.51	2.90	2.55	2.53	2.50	2.39	2.69	2.40	2.61
MINING	200	202	203	199	195	189	183	177	170	163	157	152
Percentage change	-1.48	0.95	0.50	-1.79	-2.10	-3.14	-3.16	-3.35	-3.74	-4.04	-3.60	-3.61
CONSTRUCTION	7,381	7,690	8,036	8,398	8,702	8,699	8,653	8,566	8,393	8,203	7,996	7,802
Percentage change	3.90	4.18	4.51	4.50	3.62	-0.04	-0.53	-1.00	-2.02	-2.27	-2.52	-2.42
MANUFACTURING	37,524	39,520	41,094	42,724	44,412	46,056	47,699	49,299	50,750	52,101	53,348	54,585
Percentage change	4.58	5.32	3.98	3.97	3.95	3.70	3.57	3.35	2.94	2.66	2.39	2.32
DURABLE GOODS	22,790	24,447	25,700	27,013	28,405	29,755	31,123	32,448	33,634	34,713	35,704	36,710
Percentage change	5.30	7.27	5.13	5.11	5.15	4.75	4.60	4.26	3.66	3.21	2.86	2.82
NONDURABLE GOODS	14,735	15,073	15,394	15,711	16,007	16,300	16,577	16,851	17,115	17,388	17,644	17,874
Percentage change	3.48	2.30	2.13	2.06	1.88	1.83	1.70	1.66	1.57	1.59	1.47	1.30
TRADE, TRANSPORTATION, UTILITIES	45,528	46,558	47,365	48,796	50,309	51,822	53,302	54,696	56,094	57,420	58,650	59,863
Percentage change	1.69	2.26	1.73	3.02	3.10	3.01	2.85	2.62	2.56	2.36	2.14	2.07
WHOLESALE TRADE	14,111	14,563	14,896	15,419	16,005	16,557	17,156	17,711	18,258	18,740	19,156	19,552
Percentage change	2.01	3.20	2.29	3.51	3.80	3.45	3.62	3.23	3.09	2.64	2.22	2.07
RETAIL TRADE	19,612	20,099	20,501	21,168	21,836	22,535	23,164	23,756	24,359	24,945	25,532	26,126
Percentage change	2.70	2.48	2.00	3.25	3.16	3.20	2.79	2.56	2.54	2.41	2.35	2.32
TRANSPORTATION & UTILITIES	11,805	11,897	11,968	12,209	12,468	12,730	12,982	13,229	13,477	13,735	13,961	14,185
Percentage change	-0.31	0.77	0.60	2.02	2.12	2.11	1.97	1.90	1.87	1.91	1.65	1.60
INFORMATION	8,154	8,668	8,972	9,583	10,243	10,956	11,693	12,447	13,236	14,037	14,866	15,687
Percentage change	5.09	6.31	3.50	6.82	6.89	6.96	6.72	6.45	6.34	6.05	5.91	5.52
FINANCIAL ACTIVITIES	38,933	39,383	39,897	40,860	41,811	43,024	44,144	44,901	45,731	46,807	47,864	48,945
Percentage change	-1.31	1.16	1.30	2.42	2.33	2.90	2.60	1.72	1.85	2.35	2.26	2.26
PROFESSIONAL & BUSINESS SERVICES	26,217	27,372	28,322	29,636	31,073	32,565	34,092	35,712	37,497	39,342	41,175	43,148
Percentage change	3.78	4.41	3.47	4.64	4.85	4.80	4.69	4.75	5.00	4.92	4.66	4.79
EDUCATION & HEALTH SERVICES	25,772	26,348	26,927	27,716	28,548	29,376	30,245	31,140	32,053	32,976	33,936	34,950
Percentage change	3.19	2.23	2.20	2.93	3.00	2.90	2.96	2.96	2.93	2.88	2.91	2.99
LEISURE & HOSPITALITY	9,901	10,197	10,452	10,725	10,988	11,156	11,307	11,446	11,615	11,783	11,917	12,051
Percentage change	3.22	2.99	2.50	2.61	2.46	1.53	1.35	1.23	1.47	1.45	1.13	1.13
OTHER SERVICES	6,233	6,308	6,344	6,411	6,466	6,505	6,550	6,587	6,613	6,641	6,673	6,705
Percentage change	1.65	1.20	0.57	1.06	0.86	0.60	0.68	0.56	0.40	0.41	0.48	0.49
GOVERNMENT	27,673	28,349	28,382	28,579	28,833	29,175	29,492	29,799	30,135	30,482	30,851	31,225
Percentage change	1.06	2.44	0.12	0.69	0.89	1.19	1.09	1.04	1.13	1.15	1.21	1.21
FEDERAL	6,647	6,516	6,204	6,030	5,887	5,759	5,635	5,516	5,410	5,262	5,111	5,009
Percentage change	-1.20	-1.98	-4.79	-2.79	-2.37	-2.18	-2.15	-2.12	-1.92	-2.73	-2.87	-2.00
STATE & LOCAL	21,026	21,834	22,179	22,549	22,946	23,416	23,857	24,284	24,726	25,220	25,740	26,216
Percentage change	1.80	3.84	1.58	1.67	1.76	2.05	1.88	1.79	1.82	2.00	2.06	1.85

Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2013**

	Forecast Data											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DURABLE GOODS	22790	24447	25700	27013	28405	29755	31123	32448	33634	34713	35704	36710
Percentage change	5.30	7.27	5.13	5.11	5.15	4.75	4.60	4.26	3.66	3.21	2.86	2.82
WOOD PRODUCTS	869	901	919	943	966	985	1005	1025	1047	1069	1091	1113
Percentage change	2.23	3.66	2.07	2.52	2.49	2.00	2.04	1.99	2.06	2.10	2.08	2.01
NONMETALLIC MINERAL PRODUCTS	814	830	840	855	870	884	897	910	924	938	952	966
Percentage change	1.88	2.02	1.09	1.83	1.81	1.52	1.53	1.48	1.51	1.49	1.49	1.47
PRIMARY METALS	1018	1059	1095	1136	1179	1215	1247	1274	1300	1313	1326	1339
Percentage change	4.00	4.00	3.37	3.80	3.80	3.01	2.67	2.15	2.06	0.96	1.00	0.95
FABRICATED METAL PRODUCTS	3219	3315	3396	3488	3577	3650	3725	3800	3858	3912	3967	4024
Percentage change	3.06	2.99	2.46	2.71	2.54	2.05	2.05	2.00	1.54	1.41	1.40	1.43
MACHINERY	2954	3159	3349	3597	3881	4191	4506	4813	5095	5336	5581	5825
Percentage change	4.33	6.94	6.03	7.42	7.87	8.00	7.52	6.80	5.88	4.72	4.59	4.37
COMPUTER & ELECTRONIC PRODUCTS	6047	6530	6852	7166	7516	7863	8252	8645	8988	9337	9659	9986
Percentage change	3.94	7.98	4.94	4.57	4.89	4.62	4.94	4.77	3.96	3.89	3.45	3.38
ELECTRICAL EQUIPMENT, APPLIANCES & AND COMPONENTS	1979	2060	2121	2188	2262	2346	2431	2514	2587	2666	2742	2820
Percentage change	4.11	4.07	2.98	3.17	3.36	3.72	3.63	3.41	2.92	3.03	2.86	2.83
TRANSPORTATION EQUIPMENT	3020	3634	4076	4491	4933	5328	5702	6041	6343	6594	6796	7001
Percentage change	21.29	20.31	12.18	10.18	9.84	8.00	7.02	5.95	5.00	3.96	3.07	3.01
FURNITURE	448	440	431	423	417	410	406	400	395	391	387	383
Percentage change	-6.76	-1.76	-1.98	-1.89	-1.44	-1.59	-1.07	-1.35	-1.36	-0.96	-1.02	-1.14
MISCELLANEOUS DURABLE GOODS	2422	2521	2621	2726	2804	2883	2951	3025	3097	3157	3202	3255
Percentage change	2.16	4.08	3.96	4.00	2.88	2.82	2.36	2.51	2.37	1.93	1.44	1.65

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 2013**

	Forecast Data											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NONDURABLE GOODS	14,735	15,073	15,394	15,711	16,007	16,300	16,577	16,851	17,115	17,388	17,644	17,874
Percentage change	3.48	2.30	2.13	2.06	1.88	1.83	1.70	1.66	1.57	1.59	1.47	1.30
FOOD & BEVERAGE & TOBACCO	5,718	5,880	6,025	6,188	6,363	6,519	6,671	6,836	7,003	7,169	7,336	7,508
Percentage change	4.73	2.83	2.47	2.70	2.82	2.46	2.33	2.47	2.44	2.37	2.33	2.34
TEXTILE MILLS & TEXTILE PRODUCT MILLS	356	362	369	376	383	391	399	407	415	423	431	439
Percentage change	-1.49	1.92	1.83	1.96	1.89	2.00	1.94	2.00	1.98	1.92	1.95	1.99
APPAREL	191	179	172	165	158	152	144	138	131	127	123	119
Percentage change	-7.66	-6.15	-4.00	-4.43	-4.04	-4.00	-4.87	-4.54	-4.96	-3.14	-3.12	-3.07
PAPER	2,279	2,369	2,456	2,539	2,603	2,669	2,736	2,793	2,849	2,906	2,951	2,996
Percentage change	4.35	3.94	3.68	3.39	2.50	2.53	2.53	2.06	2.03	2.00	1.55	1.53
PRINTING & RELATED SUPPORT	832	791	791	784	773	772	768	766	764	766	768	771
Percentage change	-3.28	-4.87	-0.08	-0.85	-1.38	-0.19	-0.40	-0.33	-0.23	0.25	0.22	0.40
CHEMICALS	3,058	3,120	3,151	3,159	3,163	3,167	3,171	3,169	3,165	3,166	3,171	3,179
Percentage change	3.41	2.04	1.00	0.25	0.12	0.13	0.13	-0.08	-0.11	0.02	0.17	0.23
PLASTICS & RUBBER	1,715	1,767	1,810	1,863	1,910	1,958	1,997	2,036	2,066	2,096	2,118	2,107
Percentage change	3.90	3.00	2.47	2.87	2.57	2.51	1.95	1.95	1.48	1.46	1.05	-0.50
MISCELLANEOUS NONDURABLE GOODS	586	604	619	637	654	672	690	708	723	736	746	755
Percentage change	4.78	3.11	2.44	2.96	2.63	2.85	2.62	2.63	2.04	1.79	1.42	1.15

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
US GDP (Bil2005$) SAAR	12701.0	12746.7	12873.1	12947.6	13019.6	13103.5	13181.2	13183.8	13264.7	13306.9	13441.0	13506.4	13548.5	13652.5	12758.0	13063.0	13299.1
% Chg Prev Qtr SAAR	-0.31	1.45	4.03	2.34	2.24	2.60	2.39	0.08	2.48	1.28	4.09	1.96	1.25	3.11	-3.07	2.39	1.81
% Chg Same Qtr Last Yr	-4.58	-3.34	-0.08	1.86	2.51	2.80	2.39	1.82	1.88	1.55	1.97	2.45	2.14	2.60	-3.07	2.39	1.81
US GDP (Bil$) SAAR	13885.4	13952.2	14133.6	14270.3	14413.5	14576.0	14735.9	14814.9	15003.6	15163.2	15321.0	15478.3	15585.6	15811.0	13973.7	14498.9	15075.7
% Chg Prev Qtr SAAR	-1.09	1.94	5.30	3.93	4.07	4.59	4.46	2.16	5.19	4.32	4.23	4.17	2.80	5.91	-2.22	3.76	3.98
% Chg Same Qtr Last Yr	-3.68	-3.08	0.37	2.49	3.80	4.47	4.26	3.82	4.09	4.03	3.97	4.48	3.88	4.27	-2.22	3.76	3.98
TN PERSONAL INCOME (MIL2005$) SAAR	196071	193101	193978	197649	201043	201910	202945	206330	206065	205587	205141	208300	210057	210013	195030	200887	205781
% Chg Prev Qtr SAAR	-1.82	-5.92	1.83	7.79	7.05	1.74	2.07	6.84	-0.51	-0.93	-0.86	6.30	3.42	-0.09	-3.14	3.00	2.44
% Chg Same Qtr Last Yr	-3.55	-3.30	-2.80	0.34	2.54	4.56	4.62	4.39	2.50	1.82	1.08	0.95	1.94	2.15	-3.14	3.00	2.44
US PERSONAL INCOME (BIL2005$) SAAR	10949	10790	10774	10927	11093	11153	11194	11414	11387	11354	11360	11472	11539	11556	10887	11092	11378
% Chg Prev Qtr SAAR	-3.17	-5.69	-0.60	5.82	6.20	2.20	1.49	8.07	-0.95	-1.16	0.22	4.01	2.36	0.60	-4.81	1.88	2.58
% Chg Same Qtr Last Yr	-5.02	-4.96	-5.14	-1.00	1.31	3.37	3.91	4.46	2.65	1.80	1.48	0.51	1.34	1.79	-4.81	1.88	2.58
TN PERSONAL INCOME (MIL$) SAAR	212729	211088	213651	218683	222756	224431	226793	232410	234158	234971	235077	240170	242608	243518	212580	223166	234154
% Chg Prev Qtr SAAR	-0.23	-3.05	4.95	9.76	7.66	3.04	4.28	10.28	3.04	1.40	0.18	8.95	4.12	1.51	-3.09	4.98	4.92
% Chg Same Qtr Last Yr	-4.04	-4.09	-1.46	2.74	4.71	6.32	6.15	6.28	5.12	4.70	3.65	3.34	3.61	3.64	-3.09	4.98	4.92
US PERSONAL INCOME (BIL$) SAAR	11879	11795	11866	12090	12291	12397	12510	12857	12939	12976	13017	13227	13327	13400	11867	12322	12947
% Chg Prev Qtr SAAR	-1.61	-2.81	2.44	7.75	6.81	3.51	3.69	11.55	2.59	1.16	1.27	6.60	3.06	2.20	-4.76	3.83	5.08
% Chg Same Qtr Last Yr	-5.51	-5.74	-3.84	1.36	3.46	5.11	5.42	6.34	5.27	4.67	4.06	2.88	3.00	3.26	-4.76	3.83	5.08
TN NONFARM JOBS (THOUS)	2614.9	2597.0	2595.9	2597.0	2616.5	2618.8	2626.4	2639.9	2650.2	2659.9	2671.4	2690.9	2692.7	2686.2	2619.2	2614.7	2655.3
% Chg Prev Qtr SAAR	-7.85	-2.71	-0.16	0.17	3.02	0.35	1.18	2.06	1.56	1.48	1.74	2.95	0.26	-0.95	-5.63	-0.17	1.55
% Chg Same Qtr Last Yr	-6.39	-6.27	-4.90	-2.69	0.06	0.84	1.18	1.65	1.29	1.57	1.71	1.93	1.60	0.99	-5.63	-0.17	1.55
US NONFARM JOBS (MIL)	130.9	129.9	129.4	129.3	130.0	129.9	130.2	130.7	131.2	131.5	132.0	132.7	133.0	133.4	130.8	129.9	131.4
% Chg Prev Qtr SAAR	-5.51	-3.02	-1.52	-0.40	2.00	-0.12	0.94	1.42	1.70	0.90	1.39	2.13	0.98	1.24	-4.39	-0.71	1.16
% Chg Same Qtr Last Yr	-4.73	-4.95	-4.18	-2.63	-0.75	-0.02	0.60	1.06	0.98	1.24	1.35	1.53	1.35	1.43	-4.39	-0.71	1.16
TN MFG JOBS (THOUS)	308.5	302.3	299.5	297.3	299.5	299.6	299.3	302.5	303.9	304.9	305.2	307.8	313.5	315.1	309.2	298.9	304.1
% Chg Prev Qtr SAAR	-20.33	-7.88	-3.65	-2.86	3.02	0.09	-0.37	4.27	1.94	1.36	0.38	3.47	7.49	2.17	-14.33	-3.32	1.74
% Chg Same Qtr Last Yr	-16.09	-15.80	-13.38	-8.96	-2.92	-0.88	-0.05	1.74	1.47	1.79	1.98	1.78	3.14	3.34	-14.33	-3.32	1.74
US MFG JOBS (MIL)	11.9	11.6	11.5	11.5	11.5	11.6	11.6	11.7	11.7	11.8	11.8	11.9	12.0	12.0	11.8	11.5	11.7
% Chg Prev Qtr SAAR	-15.43	-8.28	-4.22	-1.18	2.28	0.95	0.23	3.45	2.32	1.43	0.66	3.63	2.00	0.44	-11.62	-2.68	1.81
% Chg Same Qtr Last Yr	-12.42	-12.97	-11.60	-7.43	-2.93	-0.57	0.56	1.72	1.73	1.85	1.96	2.00	1.92	1.67	-11.62	-2.68	1.81
TN UNEMPLOYMENT RATE (%)	10.8	10.8	10.6	10.4	9.7	9.4	9.5	9.5	9.4	9.2	8.7	8.0	7.9	8.4	10.5	9.8	9.2
US UNEMPLOYMENT RATE (%)	9.3	9.6	9.9	9.8	9.6	9.5	9.6	9.0	9.0	9.1	8.7	8.3	8.2	8.1	9.3	9.6	8.9

(CONTINUED ON NEXT PAGE)

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
CHAINED PRICE INDEX, GDP																	
((2005=100.0)……	109.3	109.5	109.8	110.2	110.7	111.2	111.8	112.4	113.1	113.9	114.0	114.6	115.1	115.8	109.5	111.0	113.4
% Chg Prev Qtr SAAR……	-0.76	0.53	1.31	1.52	1.65	2.05	2.14	1.99	2.59	2.96	0.37	2.00	1.55	2.66	0.89	1.34	2.13
% Chg Same Qtr Last Yr……	0.96	0.33	0.52	0.65	1.25	1.63	1.84	1.95	2.19	2.42	1.97	1.97	1.72	1.64	0.89	1.34	2.13
US PERS CONSUMP DEFL (2005=100.0)….	108.5	109.3	110.1	110.6	110.8	111.2	111.8	112.6	113.6	114.3	114.6	115.3	115.5	116.0	109.0	111.1	113.8
% Chg Prev Qtr SAAR……	1.61	3.05	3.06	1.83	0.57	1.28	2.17	3.22	3.57	2.34	1.05	2.49	0.68	1.59	0.06	1.91	2.43
% Chg Same Qtr Last Yr……	-0.51	-0.82	1.37	2.39	2.12	1.68	1.46	1.81	2.56	2.82	2.54	2.36	1.64	1.45	0.06	1.91	2.43
CONSUMER PRICE INDEX,																	
ALL-URBAN (82-84=1.000)……	2.135	2.154	2.170	2.174	2.173	2.180	2.196	2.221	2.245	2.262	2.270	2.283	2.288	2.301	2.146	2.181	2.249
% Chg Prev Qtr SAAR……	1.95	3.58	3.02	0.86	-0.33	1.43	2.97	4.54	4.43	3.09	1.30	2.48	0.75	2.30	-0.32	1.64	3.14
% Chg Same Qtr Last Yr……	-0.96	-1.62	1.48	2.35	1.77	1.24	1.22	2.14	3.34	3.76	3.34	2.82	1.90	1.71	-0.32	1.64	3.14
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	3.3	3.3	3.3	3.3	3.3	3.3
FEDERAL FUNDS RATE (% per annum)……	0.180	0.157	0.120	0.133	0.193	0.187	0.187	0.157	0.093	0.083	0.073	0.103	0.153	0.143	0.160	0.175	0.102
30-YEAR FIXED MORTGAGE RATE (%)……	5.0	5.2	4.9	5.0	4.9	4.4	4.4	4.8	4.7	4.3	4.0	3.9	3.8	3.6	5.0	4.7	4.5
TN TAXABLE SALES (MIL2005$)……	19740	19577	19717	19585	19953	19925	20114	20229	20469	20662	20936	21597	21298	20862	79101	79576	82296
% Chg Prev Qtr SAAR……	-6.38	-3.25	2.88	-2.65	7.74	-0.56	3.84	2.32	4.82	3.83	5.42	13.23	-5.42	-7.94	-7.58	0.60	3.42
% Chg Same Qtr Last Yr……	-9.87	-7.38	-3.56	-2.41	1.08	1.78	2.01	3.29	2.59	3.70	4.09	6.76	4.05	0.97	-7.58	0.60	3.42
TN TAXABLE SALES (MIL$)……	21417	21401	21716	21669	22108	22147	22477	22786	23259	23615	23991	24901	24598	24190	86219	88401	93652
% Chg Prev Qtr SAAR……	-4.87	-0.30	6.03	-0.87	8.35	0.72	6.09	5.61	8.57	6.26	6.53	16.05	-4.78	-6.47	-7.53	2.53	5.94
% Chg Same Qtr Last Yr……	-10.33	-8.14	-2.24	-0.08	3.23	3.49	3.50	5.16	5.21	6.63	6.74	9.28	5.76	2.43	-7.53	2.53	5.94
TN AVG ANNUAL WAGE, NONFARM																	
(2005$)……	37842	37487	37646	37969	38168	38173	38172	38263	38151	38089	37802	38292	38663	38625	37580	38121	38076
% Chg Prev Qtr SAAR……	5.44	-3.70	1.70	3.48	2.10	0.06	-0.01	0.95	-1.16	-0.65	-2.98	5.29	3.93	-0.39	0.59	1.44	-0.12
% Chg Same Qtr Last Yr……	2.01	1.26	0.25	1.67	0.86	1.83	1.40	0.77	-0.04	-0.22	-0.97	0.08	1.34	1.41	0.59	1.44	-0.12
TN AVG ANNUAL WAGE, NONFARM ($)……	41058	40979	41464	42010	42290	42431	42658	43099	43352	43533	43318	44150	44654	44787	40964	42347	43326
% Chg Prev Qtr SAAR……	7.14	-0.76	4.82	5.38	2.69	1.34	2.16	4.20	2.37	1.68	-1.96	7.91	4.64	1.20	0.65	3.38	2.31
% Chg Same Qtr Last Yr……	1.49	0.43	1.62	4.10	3.00	3.54	2.88	2.59	2.51	2.60	1.55	2.44	3.00	2.88	0.65	3.38	2.31

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Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
US GDP (2005$) SAAR…	41336	41398	41722	41877	42033	42216	42392	42332	42514	42562	42887	42991	43021	43246	41478	42130	42574
% Chg Prev Qtr SAAR…	-1.15	0.60	3.17	1.50	1.49	1.76	1.67	-0.56	1.73	0.45	3.09	0.98	0.28	2.11	-3.90	1.57	1.05
% Chg Same Qtr Last Yr…	-5.40	-4.16	-0.92	1.02	1.68	1.98	1.60	1.09	1.14	0.82	1.17	1.56	1.19	1.61	-3.90	1.57	1.05
US GDP ($) SAAR…	45191	45313	45808	46156	46533	46960	47392	47569	48087	48499	48885	49268	49489	50084	45431	46761	48261
% Chg Prev Qtr SAAR…	-1.92	1.09	4.43	3.07	3.31	3.73	3.73	1.51	4.43	3.47	3.22	3.17	1.81	4.89	-3.06	2.93	3.21
% Chg Same Qtr Last Yr…	-4.51	-3.90	-0.47	1.64	2.97	3.63	3.46	3.06	3.34	3.28	3.15	3.57	2.92	3.27	-3.06	2.93	3.21
TN PERSONAL INCOME (2005$) SAAR…	31238	30693	30761	31293	31780	31867	31979	32440	32325	32178	32036	32474	32692	32629	31037	31730	32245
% Chg Prev Qtr SAAR…	-2.73	-6.80	0.89	7.11	6.37	1.09	1.42	5.88	-1.40	-1.81	-1.75	5.58	2.71	-0.77	-4.12	2.23	1.62
% Chg Same Qtr Last Yr…	-4.55	-4.25	-3.70	-0.51	1.74	3.82	3.96	3.66	1.72	0.98	0.18	0.11	1.13	1.40	-4.12	2.23	1.62
US PERSONAL INCOME (2005$) SAAR…	35634	35043	34917	35342	35811	35933	36002	36649	36494	36314	36246	36515	36640	36606	35397	35773	36425
% Chg Prev Qtr SAAR…	-3.98	-6.48	-1.42	4.95	5.42	1.36	0.77	7.38	-1.67	-1.96	-0.75	3.01	1.37	-0.37	-5.62	1.06	1.82
% Chg Same Qtr Last Yr…	-5.84	-5.77	-5.94	-1.82	0.50	2.54	3.11	3.70	1.91	1.06	0.68	-0.36	0.40	0.80	-5.62	1.06	1.82
TN PERSONAL INCOME ($) SAAR…	33892	33552	33880	34623	35212	35421	35737	36540	36732	36777	36712	37443	37758	37835	33829	35249	36690
% Chg Prev Qtr SAAR…	-1.16	-3.95	3.97	9.06	6.98	2.39	3.62	9.29	2.12	0.49	-0.71	8.21	3.41	0.82	-4.07	4.20	4.09
% Chg Same Qtr Last Yr…	-5.04	-5.03	-2.38	1.86	3.90	5.57	5.48	5.54	4.32	3.83	2.73	2.47	2.79	2.88	-4.07	4.20	4.09
US PERSONAL INCOME ($) SAAR…	38662	38307	38459	39103	39679	39941	40233	41281	41470	41504	41535	42102	42318	42445	38582	39740	41448
% Chg Prev Qtr SAAR…	-2.43	-3.62	1.59	6.87	6.03	2.66	2.96	10.84	1.84	0.33	0.30	5.57	2.06	1.21	-5.58	3.00	4.30
% Chg Same Qtr Last Yr…	-6.32	-6.54	-4.65	0.52	2.63	4.26	4.61	5.57	4.51	3.91	3.24	1.99	2.04	2.27	-5.58	3.00	4.30
TN TAXABLE SALES (2005$)…	3145	3112	3127	3101	3154	3145	3169	3180	3211	3234	3270	3367	3315	3241	12588	12569	12895
% Chg Prev Qtr SAAR…	-7.25	-4.15	1.93	-3.27	7.05	-1.18	3.19	1.40	3.88	2.90	4.48	12.45	-6.07	-8.57	-8.52	-0.15	2.59
% Chg Same Qtr Last Yr…	-10.80	-8.29	-4.46	-3.24	0.29	1.06	1.37	2.57	1.80	2.84	3.16	5.86	3.23	0.23	-8.52	-0.15	2.59
TN TAXABLE SALES ($)…	3412	3402	3444	3431	3495	3495	3542	3583	3649	3696	3747	3882	3828	3758	13720	13963	14674
% Chg Prev Qtr SAAR…	-5.75	-1.23	5.05	-1.50	7.67	0.08	5.42	4.66	7.60	5.31	5.58	15.25	-5.43	-7.11	-8.47	1.77	5.09
% Chg Same Qtr Last Yr…	-11.26	-9.04	-3.15	-0.93	2.42	2.76	2.85	4.42	4.41	5.74	5.78	8.36	4.92	1.68	-8.47	1.77	5.09

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TN PERSONAL INCOME…………..………	196071	193101	193978	197649	201043	201910	202945	206330	206065	205587	205141	208300	210057	210013	195030	200887	205781
% Chg Prev Qtr SAAR………………	-1.82	-5.92	1.83	7.79	7.05	1.74	2.07	6.84	-0.51	-0.93	-0.86	6.30	3.42	-0.09	-3.14	3.00	2.44
% Chg Same Qtr Last Yr…………..	-3.55	-3.30	-2.80	0.34	2.54	4.56	4.62	4.39	2.50	1.82	1.08	0.95	1.94	2.15	-3.14	3.00	2.44
WAGES AND SALARIES………………	99938	98320	98668	99574	100798	100879	101144	101870	101943	102128	101797	103883	104906	104548	99394	100599	101934
% Chg Prev Qtr SAAR………………	-2.80	-6.32	1.43	3.72	5.01	0.32	1.05	2.90	0.29	0.73	-1.29	8.45	4.00	-1.36	-4.98	1.21	1.33
% Chg Same Qtr Last Yr…………..	-4.41	-5.00	-4.62	-1.07	0.86	2.60	2.51	2.31	1.14	1.24	0.65	1.98	2.91	2.37	-4.98	1.21	1.33
OTHER LABOR INCOME………………	24064	23696	23770	24158	24291	24274	24381	24639	24648	24694	24646	25003	25271	25196	23939	24276	24657
% Chg Prev Qtr SAAR………………	-2.64	-5.99	1.26	6.69	2.21	-0.28	1.78	4.30	0.15	0.76	-0.78	5.91	4.36	-1.18	-0.11	1.41	1.57
% Chg Same Qtr Last Yr…………..	1.09	-0.83	-1.91	-0.28	0.94	2.44	2.57	1.99	1.47	1.73	1.09	1.48	2.53	2.03	-0.11	1.41	1.57
PROPRIETORS INCOME…………….	21762	22051	22578	22923	23897	23928	24055	24318	24395	24324	24395	25068	25031	25154	22130	23701	24358
% Chg Prev Qtr SAAR………………	-6.45	5.42	9.91	6.26	18.10	0.52	2.14	4.44	1.27	-1.16	1.17	11.49	-0.58	1.98	-2.14	7.10	2.77
% Chg Same Qtr Last Yr…………..	-4.98	-1.31	3.10	3.60	9.81	8.51	6.54	6.08	2.08	1.66	1.41	3.08	2.61	3.41	-2.14	7.10	2.77
RENT, INTEREST, DIVIDENDS………	24136	23101	22888	23823	24348	24222	24517	25221	25313	25093	25094	25285	25743	25610	24076	24228	25180
% Chg Prev Qtr SAAR………………	-27.75	-16.08	-3.64	17.37	9.12	-2.06	4.96	11.99	1.47	-3.44	0.02	3.08	7.44	-2.05	-19.05	0.63	3.93
% Chg Same Qtr Last Yr…………..	-19.49	-23.20	-21.45	-9.00	0.88	4.85	7.12	5.87	3.96	3.59	2.35	0.25	1.70	2.06	-19.05	0.63	3.93
TRANSFER PAYMENTS………………	42937	42337	42442	43785	44356	45134	45389	45257	44759	44399	44292	44524	44776	45107	42098	44666	44677
% Chg Prev Qtr SAAR………………	24.19	-5.47	1.00	13.27	5.31	7.20	2.28	-1.16	-4.33	-3.18	-0.96	2.11	2.29	2.98	11.72	6.10	0.02
% Chg Same Qtr Last Yr…………..	9.47	14.60	11.81	7.65	3.30	6.61	6.94	3.36	0.91	-1.63	-2.42	-1.62	0.04	1.59	11.72	6.10	0.02
LESS: PERS CONT FOR SOC INS….	16259	15949	15902	16130	16153	16047	16047	14600	14643	14685	14665	14973	15109	15034	16114	16095	14648
% Chg Prev Qtr SAAR………………	-2.10	-7.40	-1.18	5.86	0.57	-2.61	0.00	-31.49	1.19	1.16	-0.55	8.67	3.67	-1.95	-2.00	-0.12	-8.99
% Chg Same Qtr Last Yr…………..	-0.67	-2.12	-3.09	-1.31	-0.65	0.61	0.91	-9.49	-9.35	-8.49	-8.61	2.56	3.18	2.38	-2.00	-0.12	-8.99
RESIDENCE ADJUSTMENT………….	-509	-456	-467	-484	-494	-479	-494	-375	-350	-366	-420	-488	-560	-568	-493	-487	-378
% Chg Prev Qtr SAAR………………	-21.45	-35.72	10.11	15.26	8.66	-11.66	13.45	-66.91	-23.61	18.88	73.51	83.13	73.23	5.94	-38.86	-1.10	-22.54
% Chg Same Qtr Last Yr…………..	-36.81	-40.79	-34.07	-10.53	-2.97	5.06	5.85	-22.52	-29.05	-23.59	-15.02	30.33	59.94	55.40	-38.86	-1.10	-22.54
PER CAPITA PERSONAL INCOME ($)….	31238	30693	30761	31293	31780	31867	31979	32440	32325	32178	32036	32474	32692	32629	31037	31730	32245
% Chg Prev Qtr SAAR………………	-2.73	-6.80	0.89	7.11	6.37	1.09	1.42	5.88	-1.40	-1.81	-1.75	5.58	2.71	-0.77	-4.12	2.23	1.62
% Chg Same Qtr Last Yr…………..	-4.55	-4.25	-3.70	-0.51	1.74	3.82	3.96	3.66	1.72	0.98	0.18	0.11	1.13	1.40	-4.12	2.23	1.62

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TN PERSONAL INCOME……………..…….	212729	211088	213651	218683	222756	224431	226793	232410	234158	234971	235077	240170	242608	243518	212580	223166	234154
% Chg Prev Qtr SAAR………………	-0.23	-3.05	4.95	9.76	7.66	3.04	4.28	10.28	3.04	1.40	0.18	8.95	4.12	1.51	-3.09	4.98	4.92
% Chg Same Qtr Last Yr…………..	-4.04	-4.09	-1.46	2.74	4.71	6.32	6.15	6.28	5.12	4.70	3.65	3.34	3.61	3.64	-3.09	4.98	4.92
WAGES AND SALARIES………………	108429	107478	108675	110171	111684	112131	113029	114746	115841	116725	116652	119777	121162	121228	108337	111754	115991
% Chg Prev Qtr SAAR………………	-1.23	-3.46	4.53	5.62	5.61	1.61	3.24	6.22	3.87	3.09	-0.25	11.15	4.71	0.22	-4.93	3.15	3.79
% Chg Same Qtr Last Yr…………..	-4.90	-5.78	-3.31	1.29	3.00	4.33	4.01	4.15	3.72	4.10	3.21	4.38	4.59	3.86	-4.93	3.15	3.79
OTHER LABOR INCOME…………….	26109	25903	26181	26729	26914	26981	27246	27753	28008	28224	28243	28828	29187	29216	26093	26968	28057
% Chg Prev Qtr SAAR………………	-1.07	-3.12	4.36	8.64	2.80	1.00	3.99	7.65	3.73	3.12	0.27	8.55	5.08	0.40	-0.06	3.35	4.04
% Chg Same Qtr Last Yr…………..	0.58	-1.64	-0.57	2.10	3.08	4.16	4.07	3.83	4.06	4.61	3.66	3.87	4.21	3.51	-0.06	3.35	4.04
PROPRIETORS INCOME…………….	23611	24105	24868	25363	26478	26597	26882	27392	27721	27801	27955	28903	28910	29167	24124	26330	27717
% Chg Prev Qtr SAAR………………	-4.94	8.64	13.28	8.20	18.78	1.81	4.36	7.81	4.89	1.16	2.23	14.27	0.10	3.60	-2.07	9.14	5.27
% Chg Same Qtr Last Yr…………..	-5.47	-2.12	4.51	6.07	12.14	10.34	8.10	8.00	4.69	4.53	3.99	5.52	4.29	4.91	-2.07	9.14	5.27
RENT, INTEREST, DIVIDENDS………	26187	25253	25209	26358	26978	26924	27398	28409	28764	28679	28756	29154	29732	29696	26235	26915	28652
% Chg Prev Qtr SAAR………………	-26.58	-13.52	-0.70	19.52	9.75	-0.80	7.23	15.60	5.09	-1.18	1.08	5.65	8.17	-0.48	-19.03	2.59	6.46
% Chg Same Qtr Last Yr…………..	-19.90	-23.83	-20.37	-6.83	3.02	6.62	8.68	7.78	6.62	6.52	4.96	2.62	3.37	3.55	-19.03	2.59	6.46
TRANSFER PAYMENTS………………	46585	46281	46747	48445	49146	50168	50723	50977	50861	50745	50756	51336	51715	52303	45892	49621	50835
% Chg Prev Qtr SAAR………………	26.19	-2.58	4.09	15.34	5.91	8.58	4.50	2.02	-0.91	-0.91	0.09	4.65	2.99	4.63	11.79	8.13	2.45
% Chg Same Qtr Last Yr…………..	8.91	13.67	13.35	10.22	5.50	8.40	8.51	5.23	3.49	1.15	0.07	0.70	1.68	3.07	11.79	8.13	2.45
LESS: PERS CONT FOR SOC INS….	17640	17435	17515	17847	17898	17837	17933	16445	16639	16784	16805	17264	17450	17433	17563	17879	16668
% Chg Prev Qtr SAAR………………	-0.52	-4.57	1.85	7.80	1.15	-1.36	2.17	-29.28	4.80	3.53	0.50	11.38	4.38	-0.39	-1.95	1.80	-6.77
% Chg Same Qtr Last Yr…………..	-1.18	-2.92	-1.76	1.04	1.46	2.31	2.39	-7.86	-7.03	-5.90	-6.29	4.98	4.87	3.87	-1.95	1.80	-6.77
RESIDENCE ADJUSTMENT…………	-552	-498	-514	-535	-547	-532	-552	-422	-398	-418	-481	-563	-647	-659	-537	-542	-430
% Chg Prev Qtr SAAR………………	-20.18	-33.75	13.48	17.37	9.28	-10.53	15.91	-65.84	-20.88	21.67	75.34	87.70	74.41	7.63	-38.82	0.84	-20.64
% Chg Same Qtr Last Yr…………..	-37.13	-41.27	-33.16	-8.39	-0.91	6.83	7.39	-21.12	-27.24	-21.43	-12.86	33.41	62.56	57.66	-38.82	0.84	-20.64
PER CAPITA PERSONAL INCOME ($)…	33892	33552	33880	34623	35212	35421	35737	36540	36732	36777	36712	37443	37758	37835	33829	35249	36690
% Chg Prev Qtr SAAR………………	-1.16	-3.95	3.97	9.06	6.98	2.39	3.62	9.29	2.12	0.49	-0.71	8.21	3.41	0.82	-4.07	4.20	4.09
% Chg Same Qtr Last Yr…………..	-5.04	-5.03	-2.38	1.86	3.90	5.57	5.48	5.54	4.32	3.83	2.73	2.47	2.79	2.88	-4.07	4.20	4.09

Table 5: Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONFARM	2619.9	2597.5	2622.5	2568.3	2622.0	2618.3	2652.5	2609.2	2654.6	2663.2	2698.1	2657.0	2693.8	2693.0	2619.9	2615.3	2656.3
% Chg Same Qtr Last Yr	-6.29	-6.31	-4.86	-2.70	0.08	0.80	1.14	1.60	1.24	1.71	1.72	1.83	1.47	1.12	-5.58	-0.18	1.57
NATURAL RESOURCES, MINING & CONSTRUCTION	110.5	110.3	106.7	98.1	106.2	108.7	107.4	100.2	109.1	114.1	114.9	110.6	115.0	120.3	109.9	105.1	109.6
% Chg Same Qtr Last Yr	-18.39	-17.77	-15.87	-12.30	-3.89	-1.42	0.62	2.14	2.70	4.97	7.02	10.31	5.44	5.40	-17.01	-4.32	4.26
MANUFACTURING	308.3	303.2	300.5	295.6	299.3	300.6	300.3	300.7	303.8	305.9	306.2	306.0	313.4	316.1	309.2	298.9	304.1
% Chg Same Qtr Last Yr	-16.11	-15.78	-13.36	-9.00	-2.91	-0.88	-0.06	1.73	1.50	1.77	1.96	1.78	3.15	3.32	-14.34	-3.32	1.74
DURABLE GOODS	180.7	177.1	175.8	172.8	176.1	177.9	178.5	180.0	182.5	185.6	187.2	189.0	194.0	195.6	181.8	176.3	183.8
% Chg Same Qtr Last Yr	-20.09	-19.33	-15.98	-10.81	-2.55	0.41	1.56	4.21	3.67	4.35	4.87	4.96	6.28	5.41	-17.67	-3.03	4.28
NONDURABLE GOODS	127.6	126.1	124.7	122.8	123.2	122.7	121.8	120.6	121.3	120.3	119.0	117.1	119.4	120.4	127.4	122.6	120.3
% Chg Same Qtr Last Yr	-9.74	-10.23	-9.38	-6.33	-3.42	-2.70	-2.33	-1.76	-1.60	-1.96	-2.30	-2.96	-1.57	0.11	-9.08	-3.72	-1.90
TRADE, TRANSPORTATION, UTILITIES	557.3	554.0	560.7	545.9	552.4	555.1	566.8	551.5	561.2	558.5	564.6	549.7	557.7	555.8	559.5	555.1	559.0
% Chg Same Qtr Last Yr	-7.48	-7.37	-5.83	-3.54	-0.88	0.20	1.10	1.02	1.61	0.61	-0.40	-0.33	-0.63	-0.49	-6.77	-0.79	0.70
WHOLESALE TRADE	121.5	119.2	118.4	116.8	117.2	116.7	116.5	116.0	117.9	117.5	115.5	112.6	113.5	113.0	120.8	116.8	116.7
% Chg Same Qtr Last Yr	-8.53	-9.53	-8.48	-5.78	-3.49	-2.15	-1.61	-0.69	0.57	0.71	-0.86	-2.93	-3.73	-3.83	-8.31	-3.29	-0.06
RETAIL TRADE	304.7	304.7	311.5	301.3	305.9	305.6	314.2	303.3	308.5	306.1	312.1	303.6	310.0	307.8	307.0	306.7	307.5
% Chg Same Qtr Last Yr	-6.45	-5.61	-4.06	-1.93	0.37	0.28	0.88	0.67	0.87	0.15	-0.68	0.10	0.48	0.56	-5.62	-0.10	0.25
TRANSPORTATION & UTILITIES	131.1	130.0	130.8	127.9	129.3	132.8	136.2	132.2	134.8	134.9	137.0	133.5	134.2	135.0	131.7	131.5	134.8
% Chg Same Qtr Last Yr	-8.83	-9.36	-7.49	-5.14	-1.37	2.15	4.08	3.39	4.28	1.58	0.64	0.98	-0.45	0.05	-7.97	-0.11	2.44
INFORMATION	47.2	46.0	45.7	45.7	44.8	44.4	45.1	44.2	44.2	44.1	43.9	44.3	44.4	43.9	46.9	45.0	44.1
% Chg Same Qtr Last Yr	-7.51	-8.48	-7.92	-6.16	-5.22	-3.48	-1.31	-3.43	-1.34	-0.68	-2.59	0.38	0.45	-0.45	-7.11	-4.08	-2.02
FINANCIAL ACTIVITIES	141.3	140.2	139.4	137.6	138.3	136.9	135.6	134.7	135.7	136.1	135.3	134.4	134.5	133.2	140.6	137.1	135.5
% Chg Same Qtr Last Yr	-3.02	-3.64	-3.31	-2.76	-2.08	-2.33	-2.68	-2.08	-1.90	-0.61	-0.22	-0.27	-0.91	-2.13	-3.07	-2.46	-1.21
PROFESSIONAL & BUSINESS SERVICES	290.9	288.5	300.1	294.2	304.7	304.4	313.1	310.4	319.5	325.7	331.9	324.0	326.1	328.4	293.9	304.1	321.9
% Chg Same Qtr Last Yr	-10.63	-9.96	-5.90	-0.71	4.73	5.51	4.31	5.51	4.86	7.01	6.02	4.39	2.08	0.84	-8.46	3.44	5.85
EDUCATION & HEALTH SERVICES	365.2	366.2	370.4	368.2	372.1	374.3	381.1	378.9	381.6	383.3	388.8	387.9	388.9	390.4	365.9	373.9	383.1
% Chg Same Qtr Last Yr	2.34	1.76	1.39	1.76	1.88	2.20	2.88	2.89	2.55	2.41	2.03	2.38	1.91	1.84	2.00	2.18	2.47
LEISURE & HOSPITALITY	271.1	269.3	258.5	249.7	268.5	269.0	260.7	253.2	273.0	273.4	263.7	256.1	276.4	275.6	263.5	262.0	265.8
% Chg Same Qtr Last Yr	-3.63	-4.18	-3.18	-2.12	-0.95	-0.10	0.85	1.39	1.65	1.62	1.15	1.16	1.26	0.80	-3.76	-0.57	1.46
OTHER SERVICES	103.1	102.1	101.0	99.1	101.0	102.1	102.5	100.4	102.3	101.4	101.5	100.1	102.6	102.4	102.0	101.2	101.4
% Chg Same Qtr Last Yr	-2.49	-2.36	-2.29	-2.68	-2.00	0.03	1.48	1.35	1.22	-0.69	-1.04	-0.30	0.33	0.92	-2.38	-0.80	0.20
GOVERNMENT	425.0	417.8	439.6	434.1	434.7	422.8	439.9	435.1	424.4	420.6	447.4	443.9	434.9	427.1	428.5	432.9	431.9
% Chg Same Qtr Last Yr	0.16	-0.18	0.11	0.56	2.29	1.20	0.08	0.23	-2.38	-0.51	1.69	2.02	2.47	1.53	0.18	1.02	-0.24
FEDERAL, CIVILIAN	50.9	49.7	50.4	50.0	56.8	52.1	50.6	50.5	50.6	50.3	50.0	49.6	49.6	49.4	50.1	52.4	50.3
% Chg Same Qtr Last Yr	3.66	0.00	1.20	1.01	11.52	4.83	0.33	0.87	-10.92	-3.39	-1.12	-1.65	-1.91	-1.86	1.55	4.45	-3.87
STATE & LOCAL	374.1	368.1	389.2	384.1	377.9	370.7	389.4	384.6	373.8	370.3	397.4	394.3	385.2	377.7	378.4	380.5	381.5
% Chg Same Qtr Last Yr	-0.29	-0.20	-0.03	0.50	1.03	0.72	0.04	0.15	-1.10	-0.11	2.05	2.50	3.07	1.99	0.00	0.57	0.26

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Table 6: Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL DURABLE GOODS	180.7	177.1	175.8	172.8	176.1	177.9	178.5	180.0	182.5	185.6	187.2	189.0	194.0	195.6	181.8	176.3	183.8
% Chg Same Qtr Last Yr	-20.09	-19.33	-15.98	-10.81	-2.55	0.41	1.56	4.21	3.67	4.35	4.87	4.96	6.28	5.41	-17.67	-3.03	4.28
WOOD PRODUCTS	11.1	11.3	11.1	10.7	10.9	11.1	10.9	10.4	10.8	11.1	10.9	10.6	10.8	10.8	11.3	10.9	10.8
% Chg Same Qtr Last Yr	-23.57	-20.47	-16.79	-8.78	-1.80	-1.78	-1.51	-2.80	-1.22	0.00	0.31	1.28	-0.31	-2.41	-20.83	-3.54	-0.92
NONMETALLIC MINERAL PRODUCTS	11.6	11.4	11.0	10.8	11.5	11.5	11.4	11.3	11.8	11.8	11.5	11.5	11.8	12.0	11.6	11.3	11.6
% Chg Same Qtr Last Yr	-20.55	-18.91	-17.46	-10.71	-0.86	0.87	3.32	4.62	2.32	2.31	1.17	1.47	0.00	1.41	-18.90	-2.02	2.58
PRIMARY METALS	8.9	8.7	8.7	8.6	8.7	8.9	9.0	9.1	9.2	9.3	9.6	9.8	9.9	10.0	9.0	8.8	9.3
% Chg Same Qtr Last Yr	-21.07	-21.92	-19.20	-13.76	-1.50	2.69	3.45	5.84	4.96	4.87	6.30	8.09	8.00	7.14	-18.85	-2.67	5.49
FABRICATED METAL PRODUCTS	33.3	32.8	32.8	32.5	33.0	33.1	33.2	33.2	33.4	34.4	35.1	35.3	35.4	35.7	33.6	33.0	34.0
% Chg Same Qtr Last Yr	-17.36	-17.81	-14.74	-8.62	-1.00	0.92	1.42	2.26	1.11	3.93	5.52	6.22	6.19	3.88	-15.42	-1.96	3.21
MACHINERY	26.1	25.1	24.9	24.4	25.0	24.9	24.8	25.2	25.6	25.3	25.2	25.4	26.1	25.9	26.0	24.8	25.3
% Chg Same Qtr Last Yr	-18.16	-18.95	-16.55	-12.63	-4.46	-0.93	-0.40	3.27	2.67	1.74	1.75	0.79	1.69	2.37	-16.64	-4.84	2.36
COMPUTER & ELECTRONIC PRODUCTS	6.3	6.1	5.8	5.8	5.6	5.5	5.4	5.4	5.5	5.6	5.6	5.6	5.6	5.5	6.2	5.6	5.5
% Chg Same Qtr Last Yr	-17.47	-17.27	-16.27	-13.86	-10.58	-9.89	-7.43	-7.47	-2.96	1.83	3.70	3.73	1.83	-1.20	-16.05	-10.56	-1.35
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	17.8	17.2	16.9	16.4	16.7	17.2	17.3	17.5	17.5	17.8	18.1	18.2	18.5	18.7	17.8	16.9	17.7
% Chg Same Qtr Last Yr	-13.57	-16.53	-15.64	-14.76	-6.36	0.19	2.37	6.72	4.99	3.68	4.43	4.39	5.51	5.05	-13.54	-4.97	4.93
TRANSPORTATION EQUIPMENT	39.5	39.4	39.7	39.0	39.9	41.0	42.1	43.5	44.4	46.0	47.0	48.4	51.5	52.6	40.5	40.5	45.2
% Chg Same Qtr Last Yr	-28.44	-23.64	-16.35	-9.80	0.93	3.98	5.96	11.72	11.45	12.29	11.56	11.26	15.90	14.35	-22.95	0.04	11.76
FURNITURE	10.8	10.4	10.1	9.9	9.8	9.7	9.3	9.3	9.0	8.8	8.7	8.6	8.7	8.5	10.8	9.7	8.9
% Chg Same Qtr Last Yr	-26.03	-26.53	-22.51	-16.38	-8.95	-6.71	-7.92	-6.08	-8.81	-9.93	-6.81	-7.19	-2.97	-2.66	-24.28	-10.20	-7.92
MISCELLANEOUS DURABLE GOODS	15.2	14.8	14.8	14.7	14.9	15.1	15.1	15.1	15.4	15.6	15.6	15.5	15.8	15.9	15.0	14.9	15.4
% Chg Same Qtr Last Yr	-1.30	-5.32	-7.71	-4.55	-1.76	1.57	2.26	2.72	3.36	3.32	3.31	2.87	2.60	2.14	-3.01	-0.66	3.18

Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONDURABLE GOODS……	127.6	126.1	124.7	122.8	123.2	122.7	121.8	120.6	121.3	120.3	119.0	117.1	119.4	120.4	127.4	122.6	120.3
% Chg Same Qtr Last Yr……	-9.74	-10.23	-9.38	-6.33	-3.42	-2.70	-2.33	-1.76	-1.60	-1.96	-2.30	-2.96	-1.57	0.11	-9.08	-3.72	-1.90
FOOD……	32.2	32.4	32.4	32.1	32.4	32.6	33.2	32.9	32.6	32.5	32.7	32.4	33.1	33.5	32.3	32.6	32.7
% Chg Same Qtr Last Yr……	-0.41	-0.31	-1.32	-0.41	0.73	0.62	2.26	2.39	0.51	-0.31	-1.51	-1.52	1.54	3.07	-0.46	0.80	0.26
BEVERAGE & TOBACCO……	5.1	5.1	5.0	5.0	5.0	5.0	5.0	4.9	4.9	5.0	4.9	4.8	4.9	5.0	5.1	5.0	4.9
% Chg Same Qtr Last Yr……	0.00	0.65	-0.66	-1.32	-1.96	-2.60	-0.67	-2.00	-1.33	-0.67	-1.34	-1.36	0.00	0.67	0.16	-1.64	-1.34
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……	12.5	12.4	12.2	11.9	11.9	11.3	10.9	10.5	10.7	10.5	10.5	9.8	9.8	9.8	12.6	11.5	10.6
% Chg Same Qtr Last Yr……	-17.18	-16.96	-14.05	-8.93	-4.79	-9.14	-10.63	-12.04	-10.34	-6.51	-3.96	-6.05	-8.72	-6.65	-14.95	-8.36	-8.33
PAPER……	16.0	16.3	15.9	15.5	15.6	15.9	15.8	15.3	15.5	15.8	15.4	14.9	15.4	15.7	16.2	15.7	15.5
% Chg Same Qtr Last Yr……	-7.68	-6.31	-6.46	-5.50	-2.49	-2.65	-1.05	-1.08	-1.07	-0.84	-2.11	-2.40	-0.43	-0.21	-6.14	-2.94	-1.27
PRINTING & RELATED SUPPORT……	13.6	12.8	12.4	11.9	11.8	11.4	10.5	10.2	10.1	9.9	9.7	9.1	9.1	9.1	13.3	11.4	10.0
% Chg Same Qtr Last Yr……	-14.29	-17.46	-19.00	-16.94	-12.99	-10.70	-14.82	-14.80	-14.93	-13.16	-8.23	-10.16	-9.27	-8.42	-15.27	-13.94	-12.91
CHEMICALS……	25.8	25.5	25.5	25.3	25.1	25.0	24.5	24.4	24.7	24.6	24.5	24.4	25.0	25.1	25.8	25.0	24.6
% Chg Same Qtr Last Yr……	-6.97	-7.83	-6.13	-4.29	-2.71	-2.09	-3.92	-3.43	-1.59	-1.47	0.00	-0.14	1.08	1.90	-6.18	-3.26	-1.64
PLASTICS & RUBBER……	20.6	19.8	19.5	19.4	19.7	20.0	20.5	20.9	21.1	20.1	19.6	19.7	20.4	20.5	20.4	19.9	20.4
% Chg Same Qtr Last Yr……	-20.36	-22.15	-19.20	-10.60	-4.53	1.01	5.13	7.73	7.46	0.67	-4.39	-5.74	-3.63	1.82	-19.82	-2.49	2.76
MISCELLANEOUS NONDURABLE GOODS….	1.8	1.7	1.7	1.7	1.7	1.5	1.4	1.6	1.7	1.9	1.7	1.8	1.7	1.7	1.8	1.6	1.7
% Chg Same Qtr Last Yr……	-11.67	-8.77	-7.14	-9.09	-5.66	-11.54	-17.31	-6.00	2.00	21.74	20.93	17.02	1.96	-8.93	-9.40	-10.85	8.99

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONFARM……	2614.9	2597.0	2595.9	2597.0	2616.5	2618.8	2626.4	2639.9	2650.2	2659.9	2671.4	2690.9	2692.7	2686.2	2619.2	2614.7	2655.3
% Chg Prev Qtr SAAR……	-7.85	-2.71	-0.16	0.17	3.02	0.35	1.18	2.06	1.56	1.48	1.74	2.95	0.26	-0.95	-5.63	-0.17	1.55
% Chg Same Qtr Last Yr……	-6.39	-6.27	-4.90	-2.69	0.06	0.84	1.18	1.65	1.29	1.57	1.71	1.93	1.60	0.99	-5.63	-0.17	1.55
NATURAL RESOURCES, MINING AND CONSTRUCTION……	110.37	107.30	104.97	103.00	106.00	105.57	105.57	105.53	108.77	111.50	113.33	115.37	114.57	117.5	109.91	105.03	109.78
% Chg Prev Qtr SAAR……	-20.82	-10.66	-8.42	-7.29	12.17	-1.63	0.00	-0.13	12.83	10.44	6.74	7.37	-2.75	10.64	-16.96	-4.44	4.52
% Chg Same Qtr Last Yr……	-18.27	-17.97	-16.07	-11.97	-3.96	-1.62	0.57	2.46	2.61	5.62	7.36	9.32	5.33	5.38	-16.96	-4.44	4.52
MANUFACTURING……	308.5	302.3	299.5	297.3	299.5	299.6	299.3	302.5	303.9	304.9	305.2	307.8	313.5	315.1	309.2	298.9	304.1
% Chg Prev Qtr SAAR……	-20.33	-7.88	-3.65	-2.86	3.02	0.09	-0.37	4.27	1.94	1.36	0.38	3.47	7.49	2.17	-14.33	-3.32	1.74
% Chg Same Qtr Last Yr……	-16.09	-15.80	-13.38	-8.96	-2.92	-0.88	-0.05	1.74	1.47	1.79	1.98	1.78	3.14	3.34	-14.33	-3.32	1.74
DURABLE GOODS……	181.0	176.7	175.2	173.5	176.4	177.3	177.9	180.9	182.8	185.1	186.6	189.8	194.3	195.1	181.8	176.3	183.8
% Chg Prev Qtr SAAR……	-24.92	-9.27	-3.33	-3.69	6.78	2.15	1.29	6.79	4.42	4.97	3.37	7.16	9.67	1.67	-17.67	-3.04	4.28
% Chg Same Qtr Last Yr……	-20.06	-19.38	-16.00	-10.76	-2.54	0.39	1.57	4.22	3.64	4.35	4.88	4.97	6.27	5.42	-17.67	-3.04	4.28
NONDURABLE GOODS……	127.5	125.6	124.3	123.8	123.1	122.2	121.4	121.6	121.1	119.9	118.6	118.0	119.2	120.1	127.4	122.6	120.3
% Chg Prev Qtr SAAR……	-13.20	-5.86	-4.09	-1.69	-2.09	-2.80	-2.73	0.66	-1.67	-3.92	-4.10	-2.14	4.05	2.97	-9.08	-3.73	-1.90
% Chg Same Qtr Last Yr……	-9.74	-10.21	-9.40	-6.31	-3.45	-2.67	-2.33	-1.75	-1.65	-1.93	-2.28	-2.96	-1.58	0.14	-9.08	-3.73	-1.90
TRADE, TRANSPORTATION, UTILITIES……	558.6	554.7	551.6	552.0	553.5	556.0	557.9	558.5	562.3	558.9	556.6	557.9	558.2	554.0	559.2	554.9	559.1
% Chg Prev Qtr SAAR……	-8.98	-2.74	-2.22	0.29	1.12	1.77	1.40	0.41	2.75	-2.37	-1.61	0.91	0.22	-3.00	-6.86	-0.77	0.76
% Chg Same Qtr Last Yr……	-7.63	-7.40	-5.86	-3.47	-0.90	0.23	1.14	1.17	1.58	0.53	-0.23	-0.10	-0.72	-0.88	-6.86	-0.77	0.76
WHOLESALE TRADE……	121.3	118.9	117.9	117.6	117.1	116.3	116.0	116.7	117.8	117.0	115.4	113.6	113.3	112.1	120.7	116.8	116.7
% Chg Prev Qtr SAAR……	-10.66	-7.68	-3.21	-1.13	-1.80	-2.48	-1.14	2.55	3.82	-2.91	-5.36	-6.10	-1.052	-3.943	-8.32	-3.29	-0.02
% Chg Same Qtr Last Yr……	-8.48	-9.70	-8.51	-5.74	-3.49	-2.16	-1.64	-0.74	0.65	0.54	-0.55	-2.71	-3.876	-4.132	-8.32	-3.29	-0.02
RETAIL TRADE……	306.1	305.7	304.4	305.3	307.1	306.8	307.6	307.9	309.7	307.0	305.8	309.2	310.3	307.5	306.8	306.7	307.6
% Chg Prev Qtr SAAR……	-6.24	-0.52	-1.73	1.23	2.42	-0.43	1.09	0.35	2.31	-3.44	-1.47	4.43	1.43	-3.48	-5.74	-0.03	0.29
% Chg Same Qtr Last Yr……	-6.64	-5.66	-4.04	-1.85	0.34	0.36	1.07	0.85	0.82	0.05	-0.59	0.41	0.19	0.18	-5.74	-0.03	0.29
TRANSPORTATION & UTILITIES……	131.2	130.1	129.3	129.1	129.3	132.8	134.3	133.8	134.8	135.0	135.4	135.2	134.7	134.3	131.7	131.4	134.8
% Chg Prev Qtr SAAR……	-13.56	-3.21	-2.44	-0.62	0.72	11.27	4.39	-1.28	2.82	0.59	1.39	-0.79	-1.47	-1.08	-8.08	-0.20	2.56
% Chg Same Qtr Last Yr……	-9.10	-9.21	-7.58	-5.10	-1.40	2.10	3.84	3.67	4.20	1.61	0.87	1.00	-0.07	-0.49	-8.08	-0.20	2.56
INFORMATION……	47.3	46.1	45.5	45.8	44.9	44.5	44.9	44.2	44.2	44.3	43.6	44.5	44.3	43.9	46.9	45.0	44.1
% Chg Prev Qtr SAAR……	-11.75	-9.25	-5.38	2.37	-7.64	-3.52	3.65	-5.81	0.30	0.91	-6.17	8.18	-1.79	-3.56	-7.19	-4.10	-1.98
% Chg Same Qtr Last Yr……	-7.50	-8.59	-8.02	-6.15	-5.08	-3.61	-1.39	-3.42	-1.41	-0.30	-2.75	0.68	0.15	-0.98	-7.19	-4.10	-1.98
FINANCIAL ACTIVITIES……	140.8	139.8	139.4	138.3	137.8	136.5	135.7	135.5	135.0	135.4	134.3	135.9	134.7	132.3	140.6	137.1	135.1
% Chg Prev Qtr SAAR……	-3.88	-2.72	-1.14	-3.31	-1.25	-3.72	-2.32	-0.59	-1.56	1.09	-3.02	4.75	-3.58	-6.75	-3.14	-2.47	-1.48
% Chg Same Qtr Last Yr……	-3.25	-3.61	-3.24	-2.77	-2.11	-2.36	-2.65	-1.98	-2.06	-0.85	-1.03	0.27	-0.25	-2.24	-3.14	-2.47	-1.48

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Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
PROFESSIONAL & BUSINESS SERVICES…	291.2	288.8	294.3	298.6	304.7	305.0	307.5	314.9	319.4	325.3	324.8	331.0	327.7	326.5	293.8	304.0	321.1
% Chg Prev Qtr SAAR……….……………	-12.40	-3.26	7.84	5.97	8.47	0.31	3.41	9.98	5.84	7.55	-0.61	7.81	-3.85	-1.50	-8.55	3.45	5.64
% Chg Same Qtr Last Yr…………………	-10.77	-9.97	-5.86	-0.80	4.65	5.60	4.50	5.47	4.82	6.67	5.61	5.09	2.60	0.37	-8.55	3.45	5.64
EDUCATION & HEALTH SERVICES…………	365.4	366.1	367.7	370.1	372.1	374.4	378.7	380.9	381.7	384.7	386.5	388.4	389.7	391.9	365.7	373.8	383.5
% Chg Prev Qtr SAAR……….……………	1.96	0.77	1.80	2.64	2.14	2.57	4.60	2.42	0.81	3.22	1.88	1.91	1.42	2.21	1.94	2.22	2.58
% Chg Same Qtr Last Yr…………………	2.21	1.78	1.33	1.79	1.83	2.29	2.98	2.93	2.59	2.75	2.08	1.95	2.10	1.85	1.94	2.22	2.58
LEISURE & HOSPITALITY……………………	264.2	262.0	261.2	261.1	261.6	262.0	263.5	264.7	265.9	265.3	266.0	268.3	270.3	267.3	263.5	262.1	265.5
% Chg Prev Qtr SAAR……….……………	-3.36	-3.34	-1.27	-0.10	0.77	0.56	2.41	1.78	1.83	-0.85	0.96	3.56	2.96	-4.32	-3.73	-0.54	1.31
% Chg Same Qtr Last Yr…………………	-3.88	-3.97	-3.19	-2.03	-1.00	-0.01	0.91	1.38	1.64	1.29	0.92	1.36	1.64	0.74	-3.73	-0.54	1.31
OTHER SERVICES……………………………	102.4	101.6	101.0	100.2	100.5	101.5	102.3	101.7	101.6	101.0	101.3	101.8	101.5	101.8	102.0	101.1	101.4
% Chg Prev Qtr SAAR……….……………	-1.80	-3.21	-2.34	-3.00	0.93	4.18	3.19	-2.33	-0.26	-2.47	1.33	1.99	-1.30	1.19	-2.40	-0.84	0.29
% Chg Same Qtr Last Yr…………………	-2.38	-2.53	-2.42	-2.59	-1.92	-0.10	1.29	1.46	1.16	-0.49	-0.94	0.13	-0.13	0.79	-2.40	-0.84	0.29
GOVERNMENT…………………………………	426.1	428.3	430.8	430.7	435.8	433.8	431.0	431.4	427.3	428.5	439.6	439.9	438.2	435.9	428.4	432.8	431.7
% Chg Prev Qtr SAAR……….……………	-2.16	2.02	2.36	-0.09	4.89	-1.88	-2.50	0.37	-3.78	1.10	10.81	0.30	-1.54	-2.08	0.16	1.03	-0.26
% Chg Same Qtr Last Yr…………………	0.12	-0.12	0.05	0.51	2.28	1.28	0.06	0.18	-1.96	-1.22	1.99	1.97	2.56	1.74	0.16	1.03	-0.26
FEDERAL, CIVILIAN…………………………	51.4	49.2	49.8	49.6	57.5	52.4	50.2	50.0	50.3	48.6	51.3	51.5	49.0	48.0	49.9	52.4	50.0
% Chg Prev Qtr SAAR……….……………	18.16	-16.05	4.97	-1.60	80.19	-30.69	-16.20	-1.32	2.69	-13.08	23.82	2.10	-18.48	-7.92	0.99	4.99	-4.52
% Chg Same Qtr Last Yr…………………	2.73	-0.40	0.95	0.61	11.80	6.57	0.74	0.81	-12.41	-7.31	2.19	3.07	-2.72	-1.30	0.99	4.99	-4.52
STATE & LOCAL……………………………	374.7	379.1	381.0	381.1	378.4	381.3	380.9	381.4	377.0	379.9	388.3	388.4	389.3	388.0	378.5	380.4	381.7
% Chg Prev Qtr SAAR……….……………	-4.60	4.71	2.02	0.11	-2.80	3.17	-0.49	0.60	-4.60	3.11	9.22	0.07	0.90	-1.33	0.05	0.51	0.33
% Chg Same Qtr Last Yr…………………	-0.23	-0.09	-0.07	0.50	0.97	0.60	-0.03	0.10	-0.37	-0.38	1.96	1.83	3.26	2.13	0.05	0.51	0.33
STATISTICAL DISCREPANCY (%)……….	0.02	0.01	0.01	-0.01	0.01	0.03	-0.02	0.00	0.01	0.00	-0.02	-0.02	0.04	0.03	0.01	0.00	0.00

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

Table 9: Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL DURABLE GOODS……………………	181.0	176.7	175.2	173.5	176.4	177.3	177.9	180.9	182.8	185.1	186.6	189.8	194.3	195.1	181.8	176.3	183.8
% Chg Prev Qtr SAAR…………………	-24.92	-9.27	-3.33	-3.69	6.78	2.15	1.29	6.79	4.42	4.97	3.37	7.16	9.67	1.67	-17.67	-3.04	4.28
% Chg Same Qtr Last Yr………………	-20.06	-19.38	-16.00	-10.76	-2.54	0.39	1.57	4.22	3.64	4.35	4.88	4.97	6.27	5.42	-17.67	-3.04	4.28
WOOD PRODUCTS………………………	11.2	11.1	10.9	11.0	11.0	10.9	10.8	10.7	10.8	10.9	10.8	10.8	10.8	10.6	11.3	10.9	10.8
% Chg Prev Qtr SAAR…………………	-25.26	-3.52	-5.26	2.25	-0.73	-3.66	-3.60	-2.71	5.03	1.34	-2.11	1.25	-1.94	-6.67	-20.84	-3.56	-0.93
% Chg Same Qtr Last Yr………………	-23.58	-20.59	-16.83	-8.58	-1.86	-1.89	-1.46	-2.68	-1.30	-0.04	0.34	1.35	-0.38	-2.41	-20.84	-3.56	-0.93
NONMETALLIC MINERALS………………	11.5	11.3	11.0	11.0	11.4	11.4	11.4	11.5	11.7	11.6	11.6	11.7	11.7	11.8	11.6	11.3	11.6
% Chg Prev Qtr SAAR…………………	-23.28	-8.85	-8.15	-0.61	15.69	-2.50	2.29	4.03	5.31	-2.58	-1.41	5.03	-1.18	3.34	-18.89	-2.06	2.58
% Chg Same Qtr Last Yr………………	-20.59	-19.05	-17.35	-10.62	-0.95	0.73	3.48	4.67	2.24	2.22	1.28	1.52	-0.08	1.40	-18.89	-2.06	2.58
PRIMARY METALS………………………	8.9	8.7	8.6	8.5	8.8	8.9	8.9	9.0	9.2	9.4	9.5	9.8	10.0	10.0	9.0	8.8	9.3
% Chg Prev Qtr SAAR…………………	-34.05	-10.27	-2.59	-4.10	12.27	6.07	0.37	5.02	8.29	6.05	5.92	12.31	7.64	2.95	-18.85	-2.67	5.49
% Chg Same Qtr Last Yr………………	-21.06	-21.91	-19.21	-13.77	-1.50	2.70	3.47	5.85	4.90	4.89	6.31	8.11	7.95	7.15	-18.85	-2.67	5.49
FABRICATED METALS…………………..	33.6	32.7	32.5	32.6	33.2	33.0	33.0	33.3	33.6	34.3	34.8	35.4	35.7	35.7	33.6	33.0	34.0
% Chg Prev Qtr SAAR…………………	-22.10	-10.13	-2.17	1.66	7.49	-2.76	-0.15	4.10	3.54	8.60	6.15	6.32	3.66	-0.22	-15.38	-1.95	3.20
% Chg Same Qtr Last Yr………………	-17.24	-17.79	-14.82	-8.65	-1.00	0.97	1.49	2.10	1.15	3.98	5.58	6.14	6.17	3.94	-15.38	-1.95	3.20
MACHINERY………………………………	25.9	25.2	25.1	24.4	24.8	24.9	24.9	25.2	25.4	25.4	25.4	25.4	25.9	26.0	26.0	24.8	25.3
% Chg Prev Qtr SAAR…………………	-24.53	-11.33	-1.96	-10.52	7.08	2.51	-0.29	4.56	3.73	-0.96	-0.32	1.08	6.96	1.89	-16.63	-4.80	2.37
% Chg Same Qtr Last Yr………………	-18.08	-18.97	-16.74	-12.47	-4.47	-0.94	-0.52	3.43	2.61	1.73	1.72	0.87	1.64	2.37	-16.63	-4.80	2.37
COMPUTERS & ELECTRONICS……….	6.3	6.1	5.8	5.8	5.6	5.5	5.4	5.4	5.5	5.6	5.6	5.6	5.6	5.5	6.2	5.6	5.5
% Chg Prev Qtr SAAR…………………	-23.85	-14.05	-13.69	-2.92	-11.39	-11.20	-3.60	-3.45	7.04	8.20	3.33	-3.24	-0.66	-3.98	-16.07	-10.58	-1.35
% Chg Same Qtr Last Yr………………	-17.56	-17.26	-16.12	-13.94	-10.62	-9.89	-7.36	-7.49	-3.02	1.89	3.68	3.74	1.82	-1.18	-16.07	-10.58	-1.35
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS………………………	18.0	17.1	16.8	16.4	16.8	17.1	17.2	17.5	17.6	17.8	18.0	18.3	18.6	18.7	17.8	16.9	17.7
% Chg Prev Qtr SAAR…………………	-24.25	-17.24	-7.52	-9.06	10.58	8.16	1.15	7.30	3.29	3.04	4.34	6.96	7.61	1.43	-13.51	-4.99	4.94
% Chg Same Qtr Last Yr………………	-13.50	-16.65	-15.57	-14.78	-6.33	0.15	2.42	6.74	4.93	3.67	4.48	4.40	5.47	5.06	-13.51	-4.99	4.94
TRANSPORTATION EQUIPMENT………	39.6	39.4	39.6	39.1	40.0	40.9	41.9	43.7	44.6	45.9	46.7	48.6	51.7	52.5	40.5	40.5	45.2
% Chg Prev Qtr SAAR…………………	-29.75	-2.18	1.76	-5.06	9.99	9.58	10.01	17.98	8.43	12.80	7.19	17.11	27.52	6.65	-22.96	0.03	11.76
% Chg Same Qtr Last Yr………………	-28.42	-23.74	-16.35	-9.73	0.97	3.88	5.92	11.84	11.44	12.25	11.52	11.31	15.92	14.31	-22.96	0.03	11.76
FURNITURE………………………………	10.8	10.4	10.1	9.9	9.9	9.7	9.3	9.3	9.0	8.7	8.7	8.6	8.7	8.5	10.8	9.7	8.9
% Chg Prev Qtr SAAR…………………	-30.09	-15.37	-11.32	-7.05	-1.50	-6.56	-15.88	0.36	-12.63	-10.50	-3.83	-1.41	4.16	-8.77	-24.27	-10.21	-7.92
% Chg Same Qtr Last Yr………………	-26.01	-26.54	-22.47	-16.43	-8.96	-6.67	-7.89	-6.11	-8.88	-9.86	-6.79	-7.21	-3.04	-2.57	-24.27	-10.21	-7.92
MISCELLANEOUS DURABLES…………	15.2	14.8	14.7	14.8	14.9	15.0	15.1	15.2	15.4	15.5	15.6	15.6	15.8	15.8	15.0	14.9	15.4
% Chg Prev Qtr SAAR…………………	-9.31	-9.44	-1.54	2.49	1.85	3.58	1.35	4.04	4.34	3.64	1.33	2.15	3.26	1.78	-2.99	-0.68	3.17
% Chg Same Qtr Last Yr………………	-1.32	-5.30	-7.67	-4.59	-1.78	1.58	2.31	2.70	3.32	3.34	3.33	2.86	2.59	2.13	-2.99	-0.68	3.17

Table 10: Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONDURABLE GOODS………………….	127.5	125.6	124.3	123.8	123.1	122.2	121.4	121.6	121.1	119.9	118.6	118.0	119.2	120.1	127.4	122.6	120.3
% Chg Prev Qtr SAAR…………………..	-13.20	-5.86	-4.09	-1.69	-2.09	-2.80	-2.73	0.66	-1.67	-3.92	-4.10	-2.14	4.05	2.97	-9.08	-3.73	-1.90
% Chg Same Qtr Last Yr………………….	-9.74	-10.21	-9.40	-6.31	-3.45	-2.67	-2.33	-1.75	-1.65	-1.93	-2.28	-2.96	-1.58	0.14	-9.08	-3.73	-1.90
FOOD………………………………………….	32.3	32.4	32.2	32.3	32.5	32.6	32.9	33.0	32.7	32.5	32.4	32.5	33.2	33.5	32.3	32.6	32.7
% Chg Prev Qtr SAAR…………………..	-1.08	1.73	-2.84	0.85	3.25	1.22	3.66	1.64	-4.49	-1.72	-1.38	1.61	7.87	4.48	-0.46	0.80	0.27
% Chg Same Qtr Last Yr………………….	-0.40	-0.30	-1.39	-0.35	0.72	0.60	2.24	2.44	0.46	-0.28	-1.51	-1.52	1.52	3.09	-0.46	0.80	0.27
BEVERAGE & TOBACCO……………………	5.1	5.1	5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.9	4.9	4.9	4.9	5.0	5.1	5.0	4.9
% Chg Prev Qtr SAAR…………………..	-1.09	0.80	-5.49	0.80	-3.40	-2.38	2.01	-3.74	-1.07	0.10	-0.66	-3.73	4.52	2.71	0.16	-1.64	-1.32
% Chg Same Qtr Last Yr………………….	0.13	0.64	-0.79	-1.28	-1.86	-2.64	-0.77	-1.91	-1.32	-0.70	-1.35	-1.35	0.02	0.66	0.16	-1.64	-1.32
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	12.5	12.3	12.2	12.1	11.9	11.2	10.9	10.7	10.6	10.5	10.4	10.0	9.7	9.8	12.6	11.5	10.6
% Chg Prev Qtr SAAR…………………..	-22.43	-3.49	-6.02	-1.67	-8.16	-19.59	-12.36	-7.18	-1.45	-4.62	-2.53	-14.92	-12.41	4.82	-14.93	-8.36	-8.34
% Chg Same Qtr Last Yr………………….	-17.27	-16.95	-14.11	-8.80	-4.87	-9.11	-10.68	-11.96	-10.39	-6.48	-3.97	-6.04	-8.77	-6.59	-14.93	-8.36	-8.34
PAPER………………………………………….	16.1	16.1	15.9	15.7	15.7	15.6	15.7	15.6	15.5	15.5	15.4	15.2	15.5	15.5	16.2	15.7	15.5
% Chg Prev Qtr SAAR…………………..	-12.93	0.23	-4.95	-3.51	-1.38	-0.95	1.31	-2.83	-1.68	-0.22	-3.91	-3.53	6.34	0.44	-6.14	-2.95	-1.26
% Chg Same Qtr Last Yr………………….	-7.63	-6.33	-6.58	-5.41	-2.42	-2.71	-1.14	-0.97	-1.05	-0.87	-2.17	-2.35	-0.41	-0.25	-6.14	-2.95	-1.26
PRINTING & RELATED SUPPORT………….	13.6	12.7	12.3	12.1	11.8	11.3	10.5	10.3	10.0	9.8	9.6	9.3	9.1	9.0	13.3	11.4	10.0
% Chg Prev Qtr SAAR…………………..	-23.51	-24.82	-10.85	-7.00	-8.82	-15.61	-26.37	-6.65	-10.18	-7.90	-8.03	-14.18	-6.94	-4.41	-15.27	-13.97	-12.92
% Chg Same Qtr Last Yr………………….	-14.49	-17.34	-18.93	-16.91	-13.18	-10.63	-14.80	-14.72	-15.04	-13.16	-8.20	-10.11	-9.31	-8.46	-15.27	-13.97	-12.92
CHEMICALS…………………………………….	25.8	25.5	25.5	25.4	25.1	24.9	24.5	24.5	24.7	24.6	24.5	24.5	24.9	25.0	25.8	25.0	24.6
% Chg Prev Qtr SAAR…………………..	-10.49	-4.38	0.25	-2.13	-4.58	-1.95	-6.81	-0.16	2.64	-1.35	-0.96	-0.80	7.60	2.00	-6.17	-3.26	-1.64
% Chg Same Qtr Last Yr………………….	-6.95	-7.89	-6.10	-4.27	-2.73	-2.12	-3.89	-3.41	-1.63	-1.48	0.03	-0.13	1.05	1.90	-6.17	-3.26	-1.64
PLASTICS & RUBBER………………………..	20.5	19.8	19.5	19.5	19.5	20.0	20.5	21.0	21.0	20.2	19.6	19.8	20.2	20.6	20.4	19.9	20.4
% Chg Prev Qtr SAAR…………………..	-22.75	-13.14	-5.73	0.60	0.50	9.94	10.12	10.18	-0.44	-14.55	-10.62	3.52	8.74	7.34	-19.81	-2.50	2.76
% Chg Same Qtr Last Yr………………….	-20.36	-22.05	-19.20	-10.68	-4.61	1.18	5.19	7.60	7.35	0.80	-4.33	-5.81	-3.71	1.94	-19.81	-2.50	2.76
MISCELLANEOUS NONDURABLE GOODS..	1.8	1.7	1.8	1.7	1.7	1.5	1.5	1.6	1.7	1.9	1.8	1.8	1.7	1.7	1.8	1.6	1.7
% Chg Prev Qtr SAAR…………………..	-15.70	-6.10	5.75	-18.41	-2.64	-28.03	-17.01	34.46	34.32	45.11	-17.52	16.59	-22.56	-8.27	-9.40	-10.89	9.02
% Chg Same Qtr Last Yr………………….	-11.99	-9.00	-6.68	-9.09	-5.76	-11.82	-17.00	-5.96	1.91	21.44	21.25	17.01	1.96	-9.09	-9.40	-10.89	9.02

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONFARM	37771	37479	37263	38395	38086	38180	37797	38712	38087	38042	37427	38781	38647	38527	37568	38114	38067
% Chg Same Qtr Last Yr	1.90	1.30	0.21	1.69	0.84	1.87	1.43	0.83	0.00	-0.36	-0.98	0.18	1.47	1.28	0.54	1.46	-0.12
NATURAL RESOURCES, MINING AND CONSTRUCTION	41122	40174	39908	44549	42220	41080	40647	45039	42748	40791	40169	43708	39474	37615	41391	42124	42187
% Chg Same Qtr Last Yr	-0.53	-0.81	-4.84	0.43	2.67	2.25	1.85	1.10	1.25	-0.70	-1.18	-2.96	-7.66	-7.79	-1.29	1.77	0.15
MANUFACTURING	45749	44724	46495	46780	47020	46772	46897	47784	46336	46476	45525	47008	49599	48072	44896	46867	46530
% Chg Same Qtr Last Yr	5.37	1.44	4.81	9.77	2.78	4.58	0.86	2.15	-1.45	-0.63	-2.92	-1.62	7.04	3.43	1.47	4.39	-0.72
DURABLE GOODS	44757	43711	46117	46094	46606	46099	45404	46526	45141	45275	45064	45819	50834	48509	44278	46051	45501
% Chg Same Qtr Last Yr	5.28	-0.99	5.39	8.38	4.13	5.46	-1.55	0.94	-3.14	-1.79	-0.75	-1.52	12.61	7.14	1.71	4.00	-1.19
NONDURABLE GOODS	47154	46146	47027	47745	47612	47747	49084	49661	48135	48329	46251	48927	47590	47362	45768	48047	48094
% Chg Same Qtr Last Yr	5.11	4.88	3.87	11.69	0.97	3.47	4.38	4.01	1.10	1.22	-5.77	-1.48	-1.13	-2.00	0.84	4.98	0.10
TRADE, TRANSPORTATION, UTILITIES	35142	34508	34300	35329	35765	35665	34404	36244	35580	35842	35293	36649	37041	37312	34866	35291	35740
% Chg Same Qtr Last Yr	0.08	-0.33	-1.20	-0.52	1.77	3.35	0.30	2.59	-0.52	0.50	2.58	1.12	4.11	4.10	-0.62	1.22	1.27
WHOLESALE TRADE	51621	51051	50793	51992	51942	53231	51831	53573	52719	52690	53909	56700	57587	58049	51454	52249	53223
% Chg Same Qtr Last Yr	-0.40	-0.40	-2.02	-0.68	0.62	4.27	2.04	3.04	1.50	-1.02	4.01	5.84	9.23	10.17	-0.84	1.55	1.86
RETAIL TRADE	24460	24334	23958	24690	25550	24832	23969	25334	24504	25311	24586	25028	25556	25886	24348	24760	24934
% Chg Same Qtr Last Yr	0.01	0.93	1.00	0.20	4.46	2.05	0.04	2.61	-4.09	1.93	2.57	-1.21	4.29	2.27	0.31	1.69	0.70
TRANSPORTATION & UTILITIES	44704	43181	43996	45177	45264	45161	43577	46070	45940	45059	43991	46167	46195	46002	44175	44795	45265
% Chg Same Qtr Last Yr	2.02	0.43	-0.66	0.80	1.25	4.59	-0.95	1.98	1.49	-0.23	0.95	0.21	0.55	2.09	-0.04	1.40	1.05
INFORMATION	46911	48071	47383	48458	47660	48877	47163	48443	50211	49007	48625	48380	51189	51175	47255	48039	49072
% Chg Same Qtr Last Yr	1.97	3.10	-2.06	3.86	1.60	1.68	-0.46	-0.03	5.35	0.27	3.10	-0.13	1.95	4.42	0.54	1.66	2.15
FINANCIAL ACTIVITIES	52627	52903	52364	53894	54739	55924	57550	56423	55480	54683	56525	58299	58022	58033	52812	55527	55778
% Chg Same Qtr Last Yr	-1.49	1.67	1.92	1.02	4.01	5.71	9.90	4.69	1.35	-2.22	-1.78	3.32	4.58	6.13	-0.05	5.14	0.45
PROFESSIONAL & BUSINESS SERVICES	43046	42973	41821	44013	42930	42851	42746	43356	42582	41724	42181	44447	44030	43731	42558	43135	42461
% Chg Same Qtr Last Yr	6.64	6.72	1.16	3.82	-0.27	-0.29	2.21	-1.49	-0.81	-2.63	-1.32	2.52	3.40	4.81	3.55	1.36	-1.56
EDUCATION & HEALTH SERVICES	40243	40089	39663	40516	39793	39657	39496	39709	39919	39862	38345	39715	38921	38841	40098	39865	39459
% Chg Same Qtr Last Yr	2.90	2.29	1.08	0.29	-1.12	-1.08	-0.42	-1.99	0.32	0.52	-2.91	0.02	-2.50	-2.56	2.26	-0.58	-1.02
LEISURE & HOSPITALITY	17710	17670	18234	19191	18156	18043	19159	19259	18012	18388	19170	19795	18541	18609	18069	18637	18707
% Chg Same Qtr Last Yr	0.62	1.53	0.98	2.83	2.52	2.12	5.07	0.35	-0.79	1.91	0.06	2.78	2.94	1.20	-0.29	3.14	0.37
OTHER SERVICES	34427	34199	35343	34456	34526	35340	34525	35835	34576	35073	35072	35244	36034	36361	34630	34712	35139
% Chg Same Qtr Last Yr	2.10	1.80	2.10	-0.27	0.29	3.34	-2.31	4.00	0.14	-0.76	1.58	-1.65	4.22	3.67	1.59	0.24	1.23
GOVERNMENT	36480	36592	34747	35516	35872	36586	35022	35446	36199	36524	33969	34454	34441	35002	35920	35749	35534
% Chg Same Qtr Last Yr	1.93	0.52	-0.95	-0.96	-1.67	-0.02	0.79	-0.20	0.91	-0.17	-3.01	-2.80	-4.86	-4.17	0.48	-0.48	-0.60
FEDERAL, CIVILIAN	58106	58663	59105	60678	56297	60891	62981	62995	62332	62168	62238	62540	62434	62261	58811	60212	62433
% Chg Same Qtr Last Yr	-0.63	2.79	2.86	2.20	-3.11	3.80	6.56	3.82	10.72	2.10	-1.18	-0.72	0.16	0.15	1.30	2.38	3.69
STATE & LOCAL	33535	33614	31593	32238	32802	33173	31391	31831	32661	33041	30411	30918	30834	31439	32889	32401	31986
% Chg Same Qtr Last Yr	2.19	-0.02	-1.94	-1.75	-2.18	-1.31	-0.64	-1.26	-0.43	-0.40	-3.12	-2.87	-5.59	-4.85	0.15	-1.48	-1.28

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONFARM……	37842	37487	37646	37969	38168	38173	38172	38263	38151	38089	37802	38292	38663	38625	37580	38121	38076
% Chg Prev Qtr SAAR……	5.44	-3.70	1.70	3.48	2.10	0.06	-0.01	0.95	-1.16	-0.65	-2.98	5.29	3.93	-0.39	0.59	1.44	-0.12
% Chg Same Qtr Last Yr……	2.01	1.26	0.25	1.67	0.86	1.83	1.40	0.77	-0.04	-0.22	-0.97	0.08	1.34	1.41	0.59	1.44	-0.12
NATURAL RESOURCES, MINING AND CONSTRUCTION……	41171	41298	40567	42444	42300	42312	41340	42777	42866	41754	40725	41889	39624	38511	41365	42099	42030
% Chg Prev Qtr SAAR……	-11.31	1.23	-6.89	19.84	-1.36	0.12	-8.88	14.64	0.84	-9.98	-9.50	11.94	-19.94	-10.77	-1.36	1.77	-0.16
% Chg Same Qtr Last Yr……	-0.68	-0.57	-4.61	0.04	2.74	2.46	1.91	0.78	1.34	-1.32	-1.49	-2.08	-7.56	-7.77	-1.36	1.77	-0.16
MANUFACTURING……	45710	44867	46649	46506	46985	46924	47051	47500	46318	46622	45669	46731	49584	48213	44903	46867	46527
% Chg Prev Qtr SAAR……	35.26	-7.18	16.86	-1.22	4.18	-0.52	1.09	3.87	-9.59	2.65	-7.92	9.62	26.75	-10.61	1.47	4.37	-0.72
% Chg Same Qtr Last Yr……	5.35	1.47	4.84	9.72	2.79	4.58	0.86	2.14	-1.42	-0.64	-2.94	-1.62	7.05	3.41	1.47	4.37	-0.72
DURABLE GOODS……	44672	43830	46275	45891	46518	46236	45555	46314	45069	45408	45210	45606	50760	48644	44285	46050	45500
% Chg Prev Qtr SAAR……	23.65	-7.34	24.26	-3.28	5.57	-2.40	-5.76	6.84	-10.33	3.04	-1.73	3.55	53.46	-15.66	1.71	3.98	-1.19
% Chg Same Qtr Last Yr……	5.24	-0.93	5.42	8.33	4.13	5.49	-1.56	0.92	-3.12	-1.79	-0.76	-1.53	12.63	7.13	1.71	3.98	-1.19
NONDURABLE GOODS……	47183	46326	47177	47369	47655	47923	49244	49264	48204	48495	46392	48540	47666	47512	45776	48048	48089
% Chg Prev Qtr SAAR……	53.08	-7.07	7.55	1.64	2.43	2.27	11.49	0.16	-8.33	2.44	-16.25	19.85	-7.01	-1.29	0.87	4.96	0.09
% Chg Same Qtr Last Yr……	5.11	4.85	3.89	11.67	1.00	3.45	4.38	4.00	1.15	1.19	-5.79	-1.47	-1.12	-2.03	0.87	4.96	0.09
TRADE, TRANSPORTATION, UTILITIES……	35060	34464	34863	34941	35690	35610	34955	35792	35515	35817	35796	36110	37008	37433	34884	35299	35730
% Chg Prev Qtr SAAR……	-1.01	-6.62	4.72	0.89	8.85	-0.89	-7.15	9.92	-3.06	3.44	-0.23	3.55	10.33	4.67	-0.52	1.19	1.22
% Chg Same Qtr Last Yr……	0.24	-0.31	-1.17	-0.59	1.80	3.32	0.26	2.43	-0.49	0.58	2.41	0.89	4.21	4.51	-0.52	1.19	1.22
WHOLESALE TRADE……	51692	51194	50980	51624	52016	53384	52040	53221	52749	52931	53955	56200	57706	58497	51467	52266	53214
% Chg Prev Qtr SAAR……	-2.35	-3.80	-1.66	5.15	3.08	10.94	-9.69	9.40	-3.50	1.38	7.97	17.71	11.15	5.60	-0.83	1.55	1.81
% Chg Same Qtr Last Yr……	-0.46	-0.22	-1.99	-0.72	0.63	4.28	2.08	3.10	1.41	-0.85	3.68	5.60	9.40	10.52	-0.83	1.55	1.81
RETAIL TRADE……	24351	24257	24517	24364	25445	24735	24481	24955	24414	25236	25087	24577	25534	25906	24365	24756	24923
% Chg Prev Qtr SAAR……	0.27	-1.53	4.36	-2.47	18.96	-10.71	-4.05	7.99	-8.39	14.17	-2.35	-7.88	16.51	5.96	0.42	1.61	0.68
% Chg Same Qtr Last Yr……	0.21	0.98	0.98	0.12	4.49	1.97	-0.15	2.43	-4.05	2.03	2.48	-1.52	4.59	2.65	0.42	1.61	0.68
TRANSPORTATION & UTILITIES……	44670	43159	44518	44757	45240	45161	44194	45519	45952	45048	44511	45609	46035	46241	44192	44838	45257
% Chg Prev Qtr SAAR……	2.26	-12.86	13.21	2.16	4.39	-0.70	-8.30	12.55	3.85	-7.64	-4.68	10.23	3.79	1.81	0.09	1.46	0.94
% Chg Same Qtr Last Yr……	2.32	0.26	-0.58	0.76	1.28	4.64	-0.73	1.70	1.57	-0.25	0.72	0.20	0.18	2.65	0.09	1.46	0.94
INFORMATION……	46878	47967	47591	48423	47554	48840	47408	48406	50136	48786	48959	48199	51266	51214	47265	48056	49072
% Chg Prev Qtr SAAR……	2.20	9.62	-3.10	7.18	-6.99	11.27	-11.22	8.69	15.07	-10.34	1.43	-6.07	27.99	-0.40	0.62	1.67	2.11
% Chg Same Qtr Last Yr……	1.96	3.21	-1.96	3.86	1.44	1.82	-0.38	-0.03	5.43	-0.11	3.27	-0.43	2.25	4.98	0.62	1.67	2.11
FINANCIAL ACTIVITIES……	52801	53029	52339	53634	54937	56075	57508	56090	55768	54966	56946	57641	57936	58398	52815	55538	55942
% Chg Prev Qtr SAAR……	-2.15	1.74	-5.10	10.27	10.08	8.54	10.62	-9.50	-2.28	-5.63	15.20	4.98	2.06	3.23	0.02	5.16	0.73
% Chg Same Qtr Last Yr……	-1.25	1.63	1.85	1.03	4.05	5.74	9.88	4.58	1.51	-1.98	-0.98	2.77	3.89	6.25	0.02	5.16	0.73

(CONTINUED ON NEXT PAGE)

Table 12: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2005 dollars) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
PROFESSIONAL & BUSINESS SERVICES…	43002	42923	42650	43360	42921	42766	43515	42727	42586	41776	43103	43511	43810	43990	42575	43141	42548
% Chg Prev Qtr SAAR………………………	12.81	-0.73	-2.52	6.82	-3.99	-1.43	7.19	-7.05	-1.31	-7.40	13.33	3.84	2.78	1.65	3.64	1.33	-1.37
% Chg Same Qtr Last Yr…………………	6.80	6.73	1.12	3.92	-0.19	-0.37	2.03	-1.46	-0.78	-2.32	-0.95	1.84	2.87	5.30	3.64	1.33	-1.37
EDUCATION & HEALTH SERVICES…………	40229	40103	39954	40312	39796	39640	39746	39493	39909	39714	38570	39664	38838	38692	40123	39873	39421
% Chg Prev Qtr SAAR………………………	0.24	-1.24	-1.48	3.63	-5.02	-1.56	1.07	-2.52	4.27	-1.94	-11.03	11.84	-8.07	-1.50	2.32	-0.62	-1.13
% Chg Same Qtr Last Yr…………………	3.04	2.28	1.13	0.27	-1.08	-1.16	-0.52	-2.03	0.28	0.19	-2.96	0.43	-2.68	-2.57	2.32	-0.62	-1.13
LEISURE & HOSPITALITY……………………	18170	18160	18046	18353	18637	18528	18951	18420	18491	18944	19004	18894	18962	19184	18060	18617	18715
% Chg Prev Qtr SAAR………………………	7.00	-0.23	-2.48	6.99	6.33	-2.33	9.45	-10.74	1.55	10.18	1.26	-2.28	1.44	4.76	-0.26	3.08	0.52
% Chg Same Qtr Last Yr…………………	0.89	1.31	0.98	2.73	2.57	2.03	5.01	0.36	-0.78	2.25	0.28	2.58	2.55	1.27	-0.26	3.08	0.52
OTHER SERVICES……………………………	34651	34368	35355	34067	34721	35561	34604	35389	34791	35223	35119	34655	36425	36564	34641	34738	35130
% Chg Prev Qtr SAAR………………………	5.49	-3.23	12.00	-13.80	7.90	10.03	-10.33	9.39	-6.59	5.06	-1.18	-5.17	22.04	1.53	1.62	0.28	1.13
% Chg Same Qtr Last Yr…………………	1.99	1.97	2.23	-0.37	0.20	3.47	-2.12	3.88	0.20	-0.95	1.49	-2.07	4.69	3.81	1.62	0.28	1.13
GOVERNMENT…………………………………	36383	35695	35460	35799	35781	35661	35745	35747	35951	35856	34569	34764	34176	34290	35917	35747	35531
% Chg Prev Qtr SAAR………………………	2.82	-7.35	-2.61	3.88	-0.19	-1.34	0.95	0.02	2.30	-1.05	-13.61	2.28	-6.60	1.34	0.49	-0.47	-0.60
% Chg Same Qtr Last Yr…………………	1.98	0.47	-0.89	-0.92	-1.65	-0.09	0.81	-0.14	0.47	0.55	-3.29	-2.75	-4.94	-4.37	0.49	-0.47	-0.60
FEDERAL, CIVILIAN………………………	57579	59219	59817	61208	55644	60465	63484	63583	62663	64343	60700	60234	63284	64079	59067	60200	62822
% Chg Prev Qtr SAAR………………………	-13.20	11.89	4.10	9.63	-31.70	39.43	21.52	0.63	-5.67	11.16	-20.79	-3.03	21.84	5.12	1.88	1.92	4.36
% Chg Same Qtr Last Yr…………………	0.28	3.21	3.13	2.61	-3.36	2.10	6.13	3.88	12.61	6.41	-4.38	-5.27	0.99	-0.41	1.88	1.92	4.36
STATE & LOCAL……………………………	33475	32642	32276	32491	32765	32251	32092	32098	32384	32212	31119	31385	30515	30607	32866	32400	31953
% Chg Prev Qtr SAAR………………………	4.96	-9.59	-4.41	2.70	3.41	-6.13	-1.96	0.08	3.61	-2.11	-12.89	3.46	-10.64	1.22	0.09	-1.42	-1.38
% Chg Same Qtr Last Yr…………………	2.13	-0.13	-1.91	-1.76	-2.12	-1.20	-0.57	-1.21	-1.16	-0.12	-3.03	-2.22	-5.77	-4.98	0.09	-1.42	-1.38

Table 13: Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONFARM	40980	40970	41043	42481	42200	42438	42239	43606	43279	43479	42889	44714	44636	44674	40949	42339	43313
% Chg Same Qtr Last Yr	1.38	0.47	1.58	4.11	2.98	3.58	2.91	2.65	2.56	2.45	1.54	2.54	3.13	2.75	0.60	3.40	2.30
NATURAL RESOURCES, MINING AND CONSTRUCTION	44615	43917	43955	49290	46780	45662	45424	50732	48576	46621	46031	50395	45591	43616	45106	46789	47990
% Chg Same Qtr Last Yr	-1.03	-1.63	-3.53	2.83	4.85	3.97	3.34	2.92	3.84	2.10	1.34	-0.66	-6.14	-6.45	-1.24	3.73	2.57
MANUFACTURING	49636	48890	51210	51758	52098	51988	52408	53824	52653	53119	52169	54200	57284	55741	48947	52063	52941
% Chg Same Qtr Last Yr	4.84	0.61	6.25	12.39	4.96	6.34	2.34	3.99	1.06	2.17	-0.46	0.70	8.80	4.94	1.55	6.37	1.69
DURABLE GOODS	48559	47783	50795	50999	51640	51241	50739	52407	51295	51746	51640	52829	58711	56248	48274	51155	51772
% Chg Same Qtr Last Yr	4.74	-1.80	6.84	10.97	6.34	7.24	-0.11	2.76	-0.67	0.99	1.77	0.81	14.46	8.70	1.79	5.97	1.21
NONDURABLE GOODS	51160	50444	51796	52826	52754	53073	54852	55938	54698	55237	53000	56412	54965	54918	49899	53376	54718
% Chg Same Qtr Last Yr	4.57	4.02	5.29	14.36	3.12	5.21	5.90	5.89	3.69	4.08	-3.38	0.85	0.49	-0.58	0.94	6.97	2.51
TRADE, TRANSPORTATION, UTILITIES	38127	37722	37778	39089	39628	39643	38447	40825	40431	40965	40443	42256	42781	43265	38002	39202	40666
% Chg Same Qtr Last Yr	-0.43	-1.15	0.16	1.85	3.94	5.09	1.77	4.44	2.03	3.33	5.19	3.50	5.81	5.61	-0.56	3.16	3.74
WHOLESALE TRADE	56007	55807	55945	57525	57552	59169	57922	60345	59907	60221	61775	65375	66511	67310	56082	58042	60562
% Chg Same Qtr Last Yr	-0.91	-1.22	-0.68	1.69	2.76	6.02	3.53	4.90	4.09	1.78	6.65	8.33	11.02	11.77	-0.78	3.49	4.34
RETAIL TRADE	26538	26600	26388	27318	28310	27601	26785	28536	27845	28928	28173	28857	29516	30016	26538	27504	28371
% Chg Same Qtr Last Yr	-0.50	0.10	2.38	2.59	6.68	3.76	1.51	4.46	-1.64	4.81	5.18	1.12	6.00	3.76	0.36	3.64	3.15
TRANSPORTATION & UTILITIES	48502	47203	48459	49984	50152	50198	48698	51893	52203	51500	50411	53230	53353	53341	48149	49758	51502
% Chg Same Qtr Last Yr	1.50	-0.40	0.70	3.21	3.40	6.34	0.49	3.82	4.09	2.59	3.52	2.58	2.20	3.58	0.03	3.34	3.50
INFORMATION	50896	52549	52188	53615	52807	54329	52705	54566	57057	56012	55721	55782	59121	59340	51513	53364	55839
% Chg Same Qtr Last Yr	1.45	2.25	-0.72	6.34	3.75	3.39	0.99	1.77	8.05	3.10	5.72	2.23	3.62	5.94	0.61	3.59	4.64
FINANCIAL ACTIVITIES	57098	57831	57675	59629	60651	62162	64313	63555	63043	62499	64773	67219	67013	67292	57564	61689	63468
% Chg Same Qtr Last Yr	-1.99	0.83	3.32	3.43	6.22	7.49	11.51	6.58	3.95	0.54	0.72	5.76	6.30	7.67	0.01	7.16	2.88
PROFESSIONAL & BUSINESS SERVICES	46703	46976	46063	48697	47567	47630	47769	48836	48387	47688	48337	51247	50852	50707	46388	47916	48312
% Chg Same Qtr Last Yr	6.09	5.84	2.55	6.30	1.85	1.39	3.70	0.29	1.72	0.12	1.19	4.94	5.10	6.33	3.62	3.29	0.83
EDUCATION & HEALTH SERVICES	43662	43823	43685	44828	44090	44081	44137	44728	45362	45560	43940	45792	44952	45037	43706	44284	44897
% Chg Same Qtr Last Yr	2.38	1.46	2.46	2.69	0.98	0.59	1.03	-0.22	2.88	3.35	-0.44	2.38	-0.90	-1.15	2.31	1.32	1.39
LEISURE & HOSPITALITY	19214	19315	20084	21233	20117	20056	21410	21693	20468	21016	21967	22823	21415	21577	19696	20704	21286
% Chg Same Qtr Last Yr	0.11	0.70	2.36	5.28	4.70	3.83	6.61	2.17	1.74	4.79	2.60	5.21	4.63	2.67	-0.21	5.12	2.81
OTHER SERVICES	37352	37385	38928	38123	38255	39282	38583	40365	39289	40085	40191	40636	41618	42162	37750	38561	39983
% Chg Same Qtr Last Yr	1.58	0.96	3.50	2.11	2.42	5.07	-0.89	5.88	2.70	2.05	4.17	0.67	5.93	5.18	1.66	2.15	3.69
GOVERNMENT	39579	40001	38271	39295	39746	40667	39138	39926	41134	41744	38926	39725	39778	40586	39151	39712	40433
% Chg Same Qtr Last Yr	1.41	-0.30	0.41	1.40	0.42	1.67	2.26	1.61	3.49	2.65	-0.54	-0.50	-3.30	-2.77	0.52	1.43	1.82
FEDERAL, CIVILIAN	63043	64128	65099	67135	62377	67682	70382	70958	70830	71054	71320	72109	72109	72194	64107	66894	71040
% Chg Same Qtr Last Yr	-1.13	1.95	4.28	4.64	-1.06	5.54	8.12	5.69	13.55	4.98	1.33	1.62	1.81	1.61	1.36	4.35	6.20
STATE & LOCAL	36384	36745	34797	35668	36345	36873	35080	35855	37114	37763	34849	35648	35612	36455	35846	35992	36395
% Chg Same Qtr Last Yr	1.67	-0.83	-0.60	0.59	-0.11	0.35	0.81	0.52	2.12	2.41	-0.66	-0.58	-4.05	-3.46	0.19	0.41	1.12

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 2013

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL NONFARM	41058	40979	41464	42010	42290	42431	42658	43099	43352	43533	43318	44150	44654	44787	40964	42347	43326
% Chg Prev Qtr SAAR	7.14	-0.76	4.82	5.38	2.69	1.34	2.16	4.20	2.37	1.68	-1.96	7.91	4.64	1.20	0.65	3.38	2.31
% Chg Same Qtr Last Yr	1.49	0.43	1.62	4.10	3.00	3.54	2.88	2.59	2.51	2.60	1.55	2.44	3.00	2.88	0.65	3.38	2.31
NATURAL RESOURCES, MINING & CONSTRUCTION	44669	45144	44681	46961	46868	47032	46198	48184	48710	47722	46668	48298	45764	44655	45085	46765	47821
% Chg Prev Qtr SAAR	-9.88	4.32	-4.04	22.03	-0.79	1.41	-6.90	18.33	4.44	-7.87	-8.55	14.73	-19.39	-9.34	-1.31	3.73	2.26
% Chg Same Qtr Last Yr	-1.18	-1.39	-3.30	2.43	4.92	4.18	3.40	2.60	3.93	1.47	1.02	0.24	-6.05	-6.43	-1.31	3.73	2.26
MANUFACTURING	49594	49046	51381	51456	52059	52158	52580	53504	52632	53285	52334	53880	57267	55905	48956	52063	52939
% Chg Prev Qtr SAAR	37.44	-4.34	20.44	0.59	4.78	0.76	3.28	7.22	-6.36	5.05	-6.95	12.35	27.62	-9.18	1.56	6.35	1.68
% Chg Same Qtr Last Yr	4.82	0.64	6.28	12.34	4.97	6.34	2.33	3.98	1.10	2.16	-0.47	0.70	8.81	4.92	1.56	6.35	1.68
DURABLE GOODS	48468	47912	50968	50775	51541	51393	50908	52168	51213	51898	51807	52584	58626	56405	48282	51154	51771
% Chg Prev Qtr SAAR	25.64	-4.51	28.06	-1.51	6.18	-1.15	-3.72	10.28	-7.13	5.46	-0.69	6.13	54.51	-14.31	1.78	5.95	1.21
% Chg Same Qtr Last Yr	4.70	-1.74	6.87	10.91	6.34	7.26	-0.12	2.74	-0.64	0.98	1.77	0.80	14.48	8.69	1.78	5.95	1.21
NONDURABLE GOODS	51192	50642	51962	52410	52801	53268	55031	55491	54776	55427	53162	55966	55052	55092	49909	53378	54714
% Chg Prev Qtr SAAR	55.55	-4.23	10.84	3.50	3.02	3.58	13.91	3.39	-5.06	4.84	-15.37	22.83	-6.37	0.29	0.96	6.95	2.50
% Chg Same Qtr Last Yr	4.57	4.00	5.32	14.34	3.14	5.19	5.91	5.88	3.74	4.05	-3.40	0.86	0.50	-0.60	0.96	6.95	2.50
TRADE, TRANSPORTATION, UTILITIES	38038	37674	38399	38659	39544	39582	39063	40316	40356	40936	41020	41635	42743	43405	38024	39212	40657
% Chg Prev Qtr SAAR	0.59	-3.77	7.92	2.74	9.47	0.38	-5.14	13.46	0.40	5.87	0.82	6.13	11.08	6.34	-0.46	3.12	3.69
% Chg Same Qtr Last Yr	-0.27	-1.13	0.19	1.78	3.96	5.06	1.73	4.28	2.05	3.42	5.01	3.27	5.91	6.03	-0.46	3.12	3.69
WHOLESALE TRADE	56084	55963	56150	57117	57634	59338	58155	59949	59941	60496	61829	64799	66648	67830	56098	58061	60554
% Chg Prev Qtr SAAR	-0.77	-0.86	1.35	7.07	3.67	12.36	-7.74	12.92	-0.05	3.76	9.11	20.64	11.91	7.28	-0.77	3.50	4.29
% Chg Same Qtr Last Yr	-0.97	-1.04	-0.65	1.65	2.76	6.03	3.57	4.96	4.00	1.95	6.32	8.09	11.19	12.12	-0.77	3.50	4.29
RETAIL TRADE	26419	26516	27004	26957	28193	27493	27357	28110	27743	28844	28748	28337	29491	30039	26559	27500	28361
% Chg Prev Qtr SAAR	1.88	1.47	7.56	-0.69	19.64	-9.56	-1.97	11.47	-5.12	16.84	-1.32	-5.59	17.30	7.65	0.49	3.54	3.13
% Chg Same Qtr Last Yr	-0.30	0.15	2.36	2.51	6.71	3.69	1.31	4.28	-1.60	4.91	5.08	0.81	6.30	4.14	0.49	3.54	3.13
TRANSPORTATION & UTILITIES	48465	47179	49033	49520	50126	50198	49387	51273	52216	51487	51007	52587	53168	53619	48170	49808	51496
% Chg Prev Qtr SAAR	3.91	-10.20	16.67	4.03	4.99	0.58	-6.31	16.17	7.57	-5.47	-3.68	12.98	4.50	3.43	0.15	3.40	3.39
% Chg Same Qtr Last Yr	1.80	-0.56	0.79	3.16	3.43	6.40	0.72	3.54	4.17	2.57	3.28	2.56	1.82	4.14	0.15	3.40	3.39
INFORMATION	50860	52435	52418	53576	52689	54288	52979	54525	56971	55759	56104	55573	59210	59385	51524	53383	55840
% Chg Prev Qtr SAAR	3.85	12.97	-0.13	9.14	-6.46	12.70	-9.30	12.19	19.19	-8.24	2.49	-3.73	28.86	1.19	0.69	3.61	4.60
% Chg Same Qtr Last Yr	1.44	2.37	-0.62	6.34	3.60	3.53	1.07	1.77	8.13	2.71	5.90	1.92	3.93	6.50	0.69	3.61	4.60
FINANCIAL ACTIVITIES	57287	57969	57648	59342	60871	62329	64266	63180	63370	62822	65256	66461	66913	67715	57568	61702	63657
% Chg Prev Qtr SAAR	-0.58	4.85	-2.20	12.28	10.71	9.93	13.02	-6.59	1.21	-3.42	16.42	7.59	2.75	4.88	0.08	7.18	3.17
% Chg Same Qtr Last Yr	-1.75	0.80	3.24	3.44	6.26	7.52	11.48	6.47	4.11	0.79	1.54	5.19	5.59	7.79	0.08	7.18	3.17

(CONTINUED ON NEXT PAGE)

Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
PROFESSIONAL & BUSINESS SERVICES	46655	46922	46976	47974	47556	47536	48629	48128	48392	47747	49393	50168	50599	51008	46411	47924	48415
% Chg Prev Qtr SAAR	14.63	2.30	0.46	8.77	-3.44	-0.17	9.52	-4.06	2.21	-5.23	14.53	6.42	3.48	3.27	3.72	3.26	1.02
% Chg Same Qtr Last Yr	6.25	5.85	2.51	6.40	1.93	1.31	3.52	0.32	1.76	0.44	1.57	4.24	4.56	6.83	3.72	3.26	1.02
EDUCATION & HEALTH SERVICES	43647	43839	44006	44601	44094	44061	44416	44485	45350	45390	44198	45733	44856	44865	43734	44293	44856
% Chg Prev Qtr SAAR	1.86	1.78	1.53	5.52	-4.47	-0.30	3.26	0.62	8.00	0.35	-10.10	14.63	-7.45	0.08	2.37	1.28	1.27
% Chg Same Qtr Last Yr	2.51	1.44	2.52	2.66	1.03	0.51	0.93	-0.26	2.85	3.02	-0.49	2.80	-1.09	-1.16	2.37	1.28	1.27
LEISURE & HOSPITALITY	19714	19851	19876	20306	20650	20594	21178	20748	21012	21652	21777	21785	21901	22245	19687	20682	21297
% Chg Prev Qtr SAAR	8.72	2.82	0.51	8.94	6.94	-1.07	11.82	-7.87	5.18	12.76	2.33	0.15	2.13	6.43	-0.19	5.06	2.97
% Chg Same Qtr Last Yr	0.38	0.48	2.37	5.18	4.75	3.74	6.55	2.17	1.75	5.14	2.83	5.00	4.23	2.74	-0.19	5.06	2.97
OTHER SERVICES	37595	37569	38941	37692	38470	39527	38671	39862	39534	40257	40243	39957	42069	42397	37763	38590	39974
% Chg Prev Qtr SAAR	7.19	-0.28	15.42	-12.22	8.52	11.45	-8.39	12.91	-3.25	7.52	-0.14	-2.81	22.87	3.15	1.69	2.19	3.59
% Chg Same Qtr Last Yr	1.47	1.13	3.63	2.01	2.33	5.21	-0.69	5.76	2.77	1.85	4.07	0.24	6.41	5.31	1.69	2.19	3.59
GOVERNMENT	39474	39020	39056	39608	39646	39639	39946	40266	40852	40981	39613	40083	39472	39761	39148	39710	40428
% Chg Prev Qtr SAAR	4.48	-4.52	0.37	5.78	0.38	-0.07	3.13	3.24	5.95	1.27	-12.70	4.83	-5.96	2.96	0.54	1.43	1.81
% Chg Same Qtr Last Yr	1.46	-0.35	0.47	1.45	0.44	1.59	2.28	1.66	3.04	3.39	-0.83	-0.45	-3.38	-2.98	0.54	1.43	1.81
FEDERAL, CIVILIAN	62471	64736	65884	67722	61653	67209	70944	71620	71205	73539	69558	69450	73091	74302	64388	66882	71481
% Chg Prev Qtr SAAR	-11.80	15.31	7.28	11.64	-31.31	41.22	24.15	3.87	-2.30	13.77	-19.96	-0.62	22.67	6.79	1.95	3.87	6.88
% Chg Same Qtr Last Yr	-0.24	2.37	4.54	5.06	-1.31	3.82	7.68	5.76	15.49	9.42	-1.95	-3.03	2.65	1.04	1.95	3.87	6.88
STATE & LOCAL	36319	35682	35549	35949	36303	35848	35863	36156	36799	36816	35660	36187	35243	35490	35822	35991	36358
% Chg Prev Qtr SAAR	6.65	-6.83	-1.49	4.58	4.00	-4.93	0.17	3.31	7.31	0.18	-11.98	6.04	-10.03	2.83	0.14	0.47	1.02
% Chg Same Qtr Last Yr	1.60	-0.94	-0.56	0.59	-0.04	0.46	0.88	0.57	1.37	2.70	-0.57	0.09	-4.23	-3.60	0.14	0.47	1.02

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
CIVILIAN LABOR FORCE (THOUS)............	3047	3042	3013	2998	3114	3114	3111	3107	3134	3148	3142	3087	3113	3124	3034	3084	3133
% Chg Same Qtr Last Yr..................	-0.39	-1.15	-1.64	-1.21	2.18	2.35	3.26	3.63	0.65	1.12	0.98	-0.63	-0.67	-0.79	-0.78	1.64	1.58
EMPLOYED PERSONS (THOUS)...........	2720	2715	2706	2670	2817	2822	2823	2799	2842	2858	2881	2828	2863	2867	2716	2783	2845
% Chg Same Qtr Last Yr..................	-5.27	-5.22	-4.59	-1.96	3.58	3.93	4.33	4.84	0.87	1.26	2.08	1.03	0.75	0.32	-4.90	2.47	2.23
UNEMPLOYED PERSONS (THOUS).......	327	327	307	328	296	291	288	308	292	291	260	260	250	257	318	301	288
% Chg Same Qtr Last Yr..................	74.20	53.71	35.06	5.40	-9.48	-10.86	-6.17	-6.18	-1.38	-0.28	-9.80	-15.76	-14.49	-11.68	57.39	-5.39	-4.44
PARTICIPATION RATE (PERCENT)...........	61.5	61.2	60.4	60.0	62.2	62.1	61.9	61.7	62.1	62.2	61.9	60.7	61.1	61.1	61.1	61.6	62.0
% Chg Same Qtr Last Yr..................	-1.56	-2.29	-2.76	-2.23	1.22	1.48	2.49	2.79	-0.22	0.18	-0.03	-1.62	-1.65	-1.76	-1.94	0.73	0.66
UNEMPLOYMENT RATE (PERCENT)..........	10.7	10.7	10.2	11.0	9.5	9.4	9.3	9.9	9.3	9.2	8.3	8.4	8.0	8.2	10.5	9.8	9.2

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

Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
CIVILIAN LABOR FORCE (THOUS)……….	3046	3024	3011	3028	3102	3098	3109	3130	3131	3130	3138	3122	3105	3108	3035	3084	3132
% Chg Prev Qtr SAAR…………………	-1.64	-2.85	-1.72	2.26	10.21	-0.55	1.43	2.71	0.22	-0.16	1.05	-2.01	-2.20	0.41	-0.78	1.63	1.57
% Chg Same Qtr Last Yr……………….	-0.38	-1.11	-1.60	-1.01	1.85	2.45	3.26	3.37	0.95	1.04	0.95	-0.23	-0.84	-0.70	-0.78	1.63	1.57
EMPLOYED PERSONS (THOUS)……….	2716	2696	2693	2714	2802	2806	2812	2833	2837	2842	2866	2872	2860	2847	2717	2783	2845
% Chg Prev Qtr SAAR…………………	-6.59	-2.96	-0.48	3.15	13.70	0.53	0.92	3.00	0.59	0.60	3.55	0.73	-1.65	-1.76	-4.85	2.45	2.20
% Chg Same Qtr Last Yr……………….	-5.27	-5.31	-4.47	-1.78	3.16	4.08	4.44	4.41	1.26	1.27	1.92	1.36	0.79	0.19	-4.85	2.45	2.20
UNEMPLOYED PERSONS (THOUS)……	330	328	318	314	300	292	297	297	294	289	272	251	245	261	318	301	288
% Chg Prev Qtr SAAR…………………	54.75	-1.93	-11.46	-5.07	-16.76	-10.23	6.44	0.01	-3.28	-7.26	-21.24	-27.65	-8.37	28.41	56.29	-5.40	-4.27
% Chg Same Qtr Last Yr……………….	73.36	55.59	31.88	6.28	-8.99	-10.98	-6.78	-5.56	-1.95	-1.15	-8.32	-15.45	-16.58	-9.51	56.29	-5.40	-4.27
PARTICIPATION RATE (PERCENT)……….	61.4	60.8	60.4	60.6	62.0	61.8	61.9	62.2	62.0	61.9	61.9	61.4	60.9	60.8	61.1	61.6	62.0
% Chg Prev Qtr SAAR…………………	-2.76	-3.96	-2.83	1.49	9.39	-1.29	0.68	1.69	-0.78	-1.15	0.04	-2.96	-3.15	-0.57	-1.94	0.72	0.65
% Chg Same Qtr Last Yr……………….	-1.55	-2.26	-2.72	-2.04	0.89	1.58	2.49	2.54	0.07	0.10	-0.06	-1.22	-1.81	-1.67	-1.94	0.72	0.65
UNEMPLOYMENT RATE (PERCENT)……..	10.8	10.8	10.6	10.4	9.7	9.4	9.5	9.5	9.4	9.2	8.7	8.0	7.9	8.4	10.5	9.8	9.2

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL TAXABLE SALES	20012	19511	20789	18297	20273	19844	21178	18899	20832	20555	22014	20171	21689	20725	79067	79592	82300
% Chg Same Qtr Last Yr	-9.87	-7.52	-3.69	-2.44	1.30	1.70	1.87	3.29	2.76	3.58	3.95	6.73	4.11	0.83	-7.55	0.66	3.40
AUTO DEALERS	1580	1707	1432	1624	1803	1826	1647	1796	1897	1900	1807	2030	2037	2079	6167	6900	7400
% Chg Same Qtr Last Yr	-20.37	-8.67	4.51	12.07	14.14	7.00	15.02	10.64	5.18	4.04	9.73	12.98	7.40	9.42	-15.59	11.88	7.25
PURCHASES FROM MANUFACTURERS	803	829	850	691	858	841	909	746	910	922	951	735	893	852	3203	3299	3529
% Chg Same Qtr Last Yr	-26.60	-19.51	-16.52	-4.16	6.85	1.48	6.86	8.02	6.02	9.61	4.67	-1.47	-1.88	-7.63	-22.25	2.99	6.98
MISC DURABLE GOODS	3298	3197	3206	2821	3559	3347	3342	2991	3642	3527	3547	3379	3739	3427	12605	13070	13707
% Chg Same Qtr Last Yr	-19.37	-15.20	-8.01	-2.87	7.93	4.70	4.24	6.03	2.32	5.37	6.13	12.97	2.66	-2.84	-15.90	3.68	4.88
EATING AND DRINKING PLACES	2080	2043	1998	1958	2088	2096	2013	1974	2135	2141	2106	2145	2258	2219	8109	8155	8356
% Chg Same Qtr Last Yr	-2.27	-1.28	0.73	-1.49	0.37	2.57	0.73	0.79	2.26	2.17	4.63	8.66	5.78	3.64	-1.52	0.56	2.47
FOOD STORES	2010	2006	2125	1871	1977	2002	2148	1873	2003	2012	2215	1960	2201	2087	8088	7998	8103
% Chg Same Qtr Last Yr	-0.50	-2.02	-3.98	-3.88	-1.61	-0.22	1.06	0.10	1.30	0.49	3.12	4.66	9.88	3.74	2.19	-1.11	1.31
LIQUOR STORES	145	142	177	140	149	146	182	144	153	152	192	157	167	160	603	617	641
% Chg Same Qtr Last Yr	3.57	4.22	3.38	0.59	2.94	2.65	2.74	3.10	2.28	4.11	5.58	9.25	9.70	5.11	3.29	2.27	3.87
HOTELS AND MOTELS	493	502	474	389	495	508	466	405	557	573	518	454	585	574	1865	1858	2053
% Chg Same Qtr Last Yr	-12.63	-9.57	-8.58	-1.79	0.26	1.23	-1.70	4.06	12.57	12.88	11.14	12.15	5.00	0.19	-11.74	-0.41	10.51
OTHER RETAIL AND SERVICE	6032	5871	6931	5631	6048	5912	6988	5784	6232	6102	7138	6128	6600	6221	24576	24579	25256
% Chg Same Qtr Last Yr	-7.59	-4.66	-2.62	-1.95	0.27	0.70	0.84	2.73	3.03	3.22	2.14	5.93	5.92	1.95	-5.03	0.01	2.75
MISC NONDURABLE GOODS	1651	1594	1927	1607	1704	1618	1950	1611	1733	1680	1996	1722	1800	1715	6751	6879	7020
% Chg Same Qtr Last Yr	-5.27	-5.35	-2.24	1.75	3.21	1.51	1.21	0.27	1.70	3.82	2.35	6.92	3.87	2.12	-5.27	1.90	2.05
TRANSPORTATION, COMMUNICATION	1921	1621	1668	1566	1591	1548	1533	1575	1571	1546	1544	1461	1409	1392	7099	6238	6235
% Chg Same Qtr Last Yr	0.38	-8.88	-3.92	-17.13	-17.17	-4.50	-8.09	0.53	-1.25	-0.14	0.69	-7.19	-10.34	-9.97	-2.21	-12.13	-0.05
PER CAPITA ($)	3188	3101	3297	2897	3205	3132	3337	2971	3268	3217	3438	3145	3375	3220	12581	12571	12894
% Chg Same Qtr Last Yr	-10.81	-8.43	-4.59	-3.27	0.51	0.99	1.23	2.57	1.97	2.72	3.02	5.83	3.29	0.09	-8.49	-0.08	2.57

Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2005 dollars) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL TAXABLE SALES……	19740	19577	19717	19585	19953	19925	20114	20229	20469	20662	20936	21597	21298	20862	79101	79576	82296
% Chg Prev Qtr SAAR……	-6.38	-3.25	2.88	-2.65	7.74	-0.56	3.84	2.32	4.82	3.83	5.42	13.23	-5.42	-7.94	-7.58	0.60	3.42
% Chg Same Qtr Last Yr……	-9.87	-7.38	-3.56	-2.41	1.08	1.78	2.01	3.29	2.59	3.70	4.09	6.76	4.05	0.97	-7.58	0.60	3.42
AUTO DEALERS……	1512	1602	1584	1641	1729	1720	1820	1809	1820	1796	1994	2040	1954	1972	6171	6911	7419
% Chg Prev Qtr SAAR……	11.27	25.88	-4.31	15.24	23.15	-2.08	25.41	-2.45	2.44	-5.15	52.06	9.57	-15.93	3.71	-15.36	12.00	7.36
% Chg Same Qtr Last Yr……	-20.34	-8.19	4.40	11.48	14.34	7.38	14.90	10.21	5.25	4.42	9.57	12.80	7.36	9.79	-15.36	12.00	7.36
PURCHASES FROM MANUFACTURERS….	784	806	788	800	834	817	841	871	880	895	880	860	862	828	3204	3292	3527
% Chg Prev Qtr SAAR……	-18.91	11.84	-8.97	6.69	17.87	-8.04	12.37	14.96	4.53	6.97	-6.52	-9.00	1.01	-15.04	-22.39	2.74	7.13
% Chg Same Qtr Last Yr……	-27.03	-19.71	-16.71	-3.12	6.37	1.29	6.77	8.78	5.56	9.63	4.70	-1.24	-2.08	-7.57	-22.39	2.74	7.13
MISC DURABLE GOODS……	3112	3131	3165	3120	3350	3280	3300	3312	3421	3460	3502	3743	3508	3366	12612	13050	13695
% Chg Prev Qtr SAAR……	-11.00	2.38	4.40	-5.47	32.82	-8.08	2.42	1.53	13.75	4.68	4.94	30.52	-22.87	-15.25	-15.97	3.47	4.94
% Chg Same Qtr Last Yr……	-19.67	-15.20	-7.94	-2.62	7.63	4.77	4.27	6.15	2.12	5.49	6.13	13.01	2.55	-2.72	-15.97	3.47	4.94
EATING AND DRINKING PLACES……	2028	2005	2030	2018	2033	2057	2046	2035	2076	2102	2142	2210	2196	2179	8112	8154	8356
% Chg Prev Qtr SAAR……	-4.06	-4.43	5.00	-2.19	2.91	4.80	-2.14	-2.07	8.36	5.07	7.85	13.30	-2.55	-3.13	-1.53	0.53	2.48
% Chg Same Qtr Last Yr……	-2.43	-1.17	0.80	-1.49	0.25	2.59	0.80	0.83	2.14	2.20	4.72	8.60	5.76	3.64	-1.53	0.53	2.48
FOOD STORES……	2023	1997	1990	2004	1985	2002	2006	2008	2004	2021	2066	2101	2200	2102	8093	7997	8099
% Chg Prev Qtr SAAR……	-11.09	-4.95	-1.36	2.74	-3.68	3.53	0.70	0.42	-0.73	3.41	9.09	7.05	20.13	-16.64	2.56	-1.18	1.28
% Chg Same Qtr Last Yr……	-0.71	-1.65	-4.23	-3.80	-1.86	0.26	0.78	0.21	0.97	0.94	2.98	4.64	9.75	3.99	2.56	-1.18	1.28
LIQUOR STORES……	150	151	152	151	154	155	156	156	158	162	165	170	173	170	603	616	640
% Chg Prev Qtr SAAR……	0.95	3.45	1.52	-3.05	9.64	2.90	1.84	-1.05	5.03	11.01	7.65	14.01	5.93	-6.02	3.25	2.22	3.78
% Chg Same Qtr Last Yr……	3.44	4.13	3.49	0.69	2.79	2.65	2.73	3.26	2.16	4.11	5.57	9.37	9.61	5.14	3.25	2.22	3.78
HOTELS AND MOTELS……	463	460	469	468	462	465	464	487	517	526	518	545	542	528	1870	1860	2048
% Chg Prev Qtr SAAR……	-12.07	-2.20	8.44	-1.15	-5.10	2.99	-0.88	20.80	27.26	7.16	-5.78	22.41	-2.66	-9.64	-11.96	-0.53	10.14
% Chg Same Qtr Last Yr……	-12.95	-9.55	-8.07	-2.02	-0.13	1.17	-1.08	4.01	11.93	13.04	11.62	11.99	4.73	0.36	-11.96	-0.53	10.14
OTHER RETAIL AND SERVICE……	6115	6112	6135	6102	6120	6161	6194	6262	6296	6370	6329	6632	6658	6506	24586	24577	25257
% Chg Prev Qtr SAAR……	-6.75	-0.21	1.48	-2.11	1.19	2.71	2.13	4.48	2.16	4.82	-2.56	20.54	1.60	-8.84	-5.14	-0.03	2.77
% Chg Same Qtr Last Yr……	-7.60	-4.76	-2.48	-1.94	0.08	0.80	0.96	2.62	2.87	3.39	2.18	5.90	5.75	2.13	-5.14	-0.03	2.77
MISC NONDURABLE GOODS……	1691	1682	1692	1718	1737	1709	1719	1721	1759	1776	1763	1840	1824	1816	6756	6882	7020
% Chg Prev Qtr SAAR……	0.12	-2.08	2.40	6.21	4.45	-6.30	2.53	0.48	9.09	3.93	-2.96	18.59	-3.42	-1.62	-5.46	1.87	2.00
% Chg Same Qtr Last Yr……	-5.81	-5.33	-1.69	1.62	2.70	1.57	1.60	0.20	1.30	3.96	2.54	6.88	3.67	2.26	-5.46	1.87	2.00
TRANSPORTATION, COMMUNICATION……	1862	1630	1712	1561	1549	1558	1568	1568	1537	1553	1576	1455	1382	1396	7096	6236	6234
% Chg Prev Qtr SAAR……	-6.20	-41.16	21.62	-30.84	-3.20	2.50	2.43	0.11	-7.60	4.00	6.19	-27.43	-18.52	4.05	-2.30	-12.12	-0.03
% Chg Same Qtr Last Yr……	0.73	-8.76	-3.97	-17.46	-16.81	-4.42	-8.44	0.43	-0.73	-0.37	0.54	-7.23	-10.11	-10.10	-2.30	-12.12	-0.03
PER CAPITA ($)……	3145	3112	3127	3101	3154	3145	3169	3180	3211	3234	3270	3367	3315	3241	12588	12569	12895
% Chg Prev Qtr SAAR……	-7.25	-4.15	1.93	-3.27	7.05	-1.18	3.19	1.40	3.88	2.90	4.48	12.45	-6.07	-8.57	-8.52	-0.15	2.59
% Chg Same Qtr Last Yr……	-10.80	-8.29	-4.46	-3.24	0.29	1.06	1.37	2.57	1.80	2.84	3.16	5.86	3.23	0.23	-8.52	-0.15	2.59

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 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL TAXABLE SALES……	21713	21329	22897	20244	22462	22057	23667	21288	23672	23493	25227	23258	25050	24032	86206	88431	93679
% Chg Same Qtr Last Yr……	-10.33	-8.28	-2.37	-0.11	3.45	3.42	3.36	5.15	5.38	6.51	6.59	9.25	5.82	2.30	-7.48	2.58	5.93
AUTO DEALERS……	1714	1866	1577	1796	1998	2030	1841	2023	2155	2171	2071	2340	2353	2411	6722	7665	8421
% Chg Same Qtr Last Yr……	-20.78	-9.42	5.94	14.74	16.56	8.81	16.70	12.64	7.87	6.98	12.52	15.65	9.16	11.02	-15.53	14.02	9.87
PURCHASES FROM MANUFACTURERS….	872	906	937	764	951	935	1015	840	1034	1054	1090	848	1031	987	3493	3666	4018
% Chg Same Qtr Last Yr……	-26.98	-20.17	-15.37	-1.87	9.12	3.19	8.42	9.97	8.73	12.71	7.33	0.86	-0.27	-6.29	-22.19	4.94	9.62
MISC DURABLE GOODS……	3578	3495	3531	3121	3944	3721	3735	3369	4139	4031	4064	3896	4318	3974	13743	14520	15603
% Chg Same Qtr Last Yr……	-19.78	-15.90	-6.75	-0.55	10.22	6.46	5.76	7.94	4.94	8.35	8.83	15.64	4.34	-1.43	-15.85	5.66	7.46
EATING AND DRINKING PLACES……	2257	2234	2201	2167	2313	2329	2249	2223	2426	2447	2413	2473	2608	2573	8839	9059	9510
% Chg Same Qtr Last Yr……	-2.77	-2.09	2.12	0.86	2.50	4.29	2.21	2.61	4.87	5.05	7.29	11.23	7.51	5.14	-1.47	2.48	4.98
FOOD STORES……	2180	2193	2341	2070	2191	2225	2400	2110	2276	2299	2538	2260	2542	2420	8818	8886	9223
% Chg Same Qtr Last Yr……	-1.01	-2.82	-2.66	-1.58	0.48	1.46	2.53	1.91	3.89	3.33	5.74	7.14	11.68	5.25	2.22	0.78	3.79
LIQUOR STORES……	157	155	195	154	165	162	204	162	173	174	220	181	193	185	658	685	729
% Chg Same Qtr Last Yr……	3.04	3.37	4.80	2.99	5.12	4.38	4.24	4.96	4.89	7.05	8.27	11.83	11.50	6.64	3.43	4.20	6.42
HOTELS AND MOTELS……	535	548	522	431	548	565	521	456	633	655	593	524	675	666	2034	2064	2338
% Chg Same Qtr Last Yr……	-13.07	-10.32	-7.32	0.55	2.39	2.93	-0.26	5.93	15.45	16.07	13.96	14.80	6.73	1.65	-11.70	1.47	13.26
OTHER RETAIL AND SERVICE……	6544	6417	7633	6230	6701	6571	7810	6516	7081	6974	8180	7065	7623	7214	26801	27312	28751
% Chg Same Qtr Last Yr……	-8.06	-5.44	-1.28	0.39	2.40	2.40	2.31	4.58	5.67	6.13	4.74	8.43	7.65	3.43	-4.93	1.91	5.27
MISC NONDURABLE GOODS……	1791	1742	2122	1778	1888	1798	2180	1815	1969	1920	2288	1986	2079	1989	7362	7643	7991
% Chg Same Qtr Last Yr……	-5.75	-6.12	-0.89	4.18	5.40	3.22	2.69	2.08	4.30	6.75	4.96	9.45	5.57	3.60	-5.16	3.82	4.55
TRANSPORTATION, COMMUNICATION……	2084	1772	1837	1733	1763	1721	1713	1774	1785	1767	1769	1685	1627	1614	7735	6930	7095
% Chg Same Qtr Last Yr……	-0.13	-9.63	-2.60	-15.15	-15.41	-2.89	-6.75	2.35	1.28	2.68	3.25	-5.00	-8.87	-8.66	-2.19	-10.42	2.38
PER CAPITA ($)……	3459	3390	3631	3205	3551	3481	3729	3347	3713	3677	3940	3626	3899	3734	13717	13967	14677
% Chg Same Qtr Last Yr……	-11.26	-9.18	-3.28	-0.97	2.65	2.69	2.71	4.42	4.58	5.62	5.64	8.33	4.99	1.54	-8.42	1.82	5.09

Table 20: Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) **January 2013**

	Historical Data														Annual		
	2009:2	2009:3	2009:4	2010:1	2010:2	2010:3	2010:4	2011:1	2011:2	2011:3	2011:4	2012:1	2012:2	2012:3	2009	2010	2011
TOTAL TAXABLE SALES……	21417	21401	21716	21669	22108	22147	22477	22786	23259	23615	23991	24901	24598	24190	86219	88401	93652
% Chg Prev Qtr SAAR……	-4.87	-0.30	6.03	-0.87	8.35	0.72	6.09	5.61	8.57	6.26	6.53	16.05	-4.78	-6.47	-7.53	2.53	5.94
% Chg Same Qtr Last Yr……	-10.33	-8.14	-2.24	-0.08	3.23	3.49	3.50	5.16	5.21	6.63	6.74	9.28	5.76	2.43	-7.53	2.53	5.94
AUTO DEALERS……	1641	1751	1745	1816	1916	1912	2034	2038	2068	2053	2285	2353	2257	2286	6728	7678	8444
% Chg Prev Qtr SAAR……	13.06	29.72	-1.38	17.34	23.86	-0.83	28.13	0.69	6.10	-2.93	53.66	12.30	-15.36	5.36	-15.26	14.12	9.97
% Chg Same Qtr Last Yr……	-20.75	-8.94	5.83	14.14	16.77	9.19	16.57	12.20	7.94	7.37	12.36	15.46	9.12	11.38	-15.26	14.12	9.97
PURCHASES FROM MANUFACTURERS….	851	881	867	886	924	908	940	981	1000	1023	1009	991	996	960	3492	3657	4014
% Chg Prev Qtr SAAR……	-17.61	15.26	-6.18	8.64	18.54	-6.86	14.81	18.67	8.26	9.48	-5.53	-6.73	1.69	-13.69	-22.34	4.72	9.74
% Chg Same Qtr Last Yr……	-27.40	-20.37	-15.56	-0.81	8.63	3.00	8.33	10.75	8.26	12.73	7.36	1.09	-0.48	-6.22	-22.34	4.72	9.74
MISC DURABLE GOODS……	3377	3422	3485	3452	3712	3646	3687	3731	3887	3955	4013	4316	4052	3903	13747	14497	15586
% Chg Prev Qtr SAAR……	-9.57	5.51	7.59	-3.75	33.58	-6.90	4.64	4.80	17.82	7.14	6.05	33.77	-22.34	-13.90	-15.91	5.46	7.51
% Chg Same Qtr Last Yr……	-20.08	-15.90	-6.67	-0.30	9.92	6.53	5.79	8.07	4.73	8.47	8.83	15.68	4.23	-1.31	-15.91	5.46	7.51
EATING AND DRINKING PLACES……	2200	2192	2236	2233	2253	2286	2286	2292	2360	2403	2455	2548	2536	2526	8842	9059	9510
% Chg Prev Qtr SAAR……	-2.51	-1.51	8.22	-0.40	3.50	6.15	-0.02	1.08	12.23	7.53	8.99	16.12	-1.88	-1.59	-1.47	2.45	4.98
% Chg Same Qtr Last Yr……	-2.93	-1.98	2.18	0.86	2.38	4.32	2.27	2.65	4.75	5.09	7.38	11.17	7.50	5.14	-1.47	2.45	4.98
FOOD STORES……	2194	2183	2192	2217	2199	2226	2242	2262	2278	2310	2367	2423	2541	2437	8821	8884	9216
% Chg Prev Qtr SAAR……	-9.65	-2.04	1.66	4.61	-3.13	4.86	2.88	3.66	2.82	5.83	10.24	9.71	20.95	-15.31	2.57	0.72	3.75
% Chg Same Qtr Last Yr……	-1.21	-2.46	-2.91	-1.50	0.23	1.95	2.26	2.02	3.55	3.79	5.60	7.11	11.55	5.50	2.57	0.72	3.75
LIQUOR STORES……	163	165	167	167	171	173	174	175	179	185	189	196	199	197	657	685	728
% Chg Prev Qtr SAAR……	2.58	6.61	4.62	-1.28	10.27	4.22	4.04	2.14	8.79	13.61	8.78	16.85	6.65	-4.52	3.31	4.17	6.32
% Chg Same Qtr Last Yr……	2.92	3.27	4.92	3.09	4.97	4.38	4.23	5.12	4.77	7.05	8.25	11.96	11.40	6.66	3.31	4.17	6.32
HOTELS AND MOTELS……	502	503	517	518	512	517	519	548	588	601	594	629	625	612	2038	2066	2331
% Chg Prev Qtr SAAR……	-10.65	0.79	11.76	0.65	-4.55	4.31	1.27	24.69	31.81	9.67	-4.79	25.46	-1.99	-8.20	-11.89	1.37	12.84
% Chg Same Qtr Last Yr……	-13.39	-10.29	-6.81	0.32	1.99	2.87	0.37	5.89	14.79	16.23	14.46	14.63	6.45	1.82	-11.89	1.37	12.84
OTHER RETAIL AND SERVICE……	6635	6682	6757	6752	6781	6848	6922	7054	7154	7281	7253	7646	7690	7544	26798	27303	28741
% Chg Prev Qtr SAAR……	-5.24	2.84	4.59	-0.32	1.77	4.03	4.35	7.85	5.82	7.28	-1.53	23.54	2.29	-7.38	-5.09	1.88	5.27
% Chg Same Qtr Last Yr……	-8.07	-5.54	-1.14	0.40	2.20	2.50	2.44	4.48	5.50	6.31	4.78	8.40	7.49	3.61	-5.09	1.88	5.27
MISC NONDURABLE GOODS……	1835	1839	1864	1901	1924	1899	1921	1939	1999	2030	2020	2121	2106	2106	7364	7645	7988
% Chg Prev Qtr SAAR……	1.73	0.91	5.54	8.16	5.05	-5.10	4.75	3.71	12.99	6.37	-1.93	21.55	-2.76	-0.05	-5.40	3.82	4.49
% Chg Same Qtr Last Yr……	-6.29	-6.11	-0.34	4.04	4.88	3.28	3.09	2.01	3.89	6.89	5.15	9.40	5.37	3.75	-5.40	3.82	4.49
TRANSPORTATION, COMMUNICATION……	2020	1782	1886	1728	1716	1732	1752	1766	1747	1775	1806	1677	1596	1619	7732	6928	7094
% Chg Prev Qtr SAAR……	-4.69	-39.37	25.35	-29.58	-2.65	3.82	4.64	3.33	-4.29	6.43	7.31	-25.63	-17.97	5.71	-2.28	-10.40	2.40
% Chg Same Qtr Last Yr……	0.22	-9.51	-2.65	-15.49	-15.04	-2.81	-7.10	2.24	1.81	2.45	3.09	-5.04	-8.63	-8.79	-2.28	-10.40	2.40
PER CAPITA ($)……	3412	3402	3444	3431	3495	3495	3542	3583	3649	3696	3747	3882	3828	3758	13720	13963	14674
% Chg Prev Qtr SAAR……	-5.75	-1.23	5.05	-1.50	7.67	0.08	5.42	4.66	7.60	5.31	5.58	15.25	-5.43	-7.11	-8.47	1.77	5.09
% Chg Same Qtr Last Yr……	-11.26	-9.04	-3.15	-0.93	2.42	2.76	2.85	4.42	4.41	5.74	5.78	8.36	4.92	1.68	-8.47	1.77	5.09

Table 1: Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
US GDP (Bil2005$) SAAR………………………………………	11216.4	11337.5	11543.1	11836.4	12246.9	12623.0	12958.5	13206.4	13161.9	12758.0	13063.0	13299.1
Percentage change……………………………………………	4.14	1.08	1.81	2.54	3.47	3.07	2.66	1.91	-0.34	-3.07	2.39	1.81
US GDP (Bil$) SAAR……………………………………………..	9951.5	10286.2	10642.3	11142.2	11853.3	12623.0	13377.2	14028.7	14291.6	13973.7	14498.9	15075.7
Percentage change……………………………………………	6.39	3.36	3.46	4.70	6.38	6.49	5.98	4.87	1.87	-2.22	3.76	3.98
TN PERSONAL INCOME (MIL2005$) SAAR……...................	169475	173105	175931	179406	184307	187669	194909	200315	201359	195030	200887	205781
Percentage change……………………………………………	3.83	2.14	1.63	1.98	2.73	1.82	3.86	2.77	0.52	-3.14	3.00	2.44
US PERSONAL INCOME (BIL2005$) SAAR………..................	9529	9705	9765	9907	10231	10485	10969	11291	11438	10887	11092	11378
Percentage change……………………………………………	5.57	1.85	0.62	1.45	3.27	2.48	4.61	2.94	1.30	-4.81	1.88	2.58
TN PERSONAL INCOME (MIL$) SAAR…………………….....	152225	158443	163227	169829	179011	187680	200227	211342	219359	212580	223166	234154
Percentage change……………………………………………	6.41	4.08	3.02	4.04	5.41	4.84	6.69	5.55	3.79	-3.09	4.98	4.92
US PERSONAL INCOME (BIL$) SAAR……………………......	8559	8883	9060	9378	9937	10486	11268	11912	12460	11867	12322	12947
Percentage change……………………………………………	8.20	3.78	1.99	3.51	5.96	5.52	7.46	5.72	4.60	-4.76	3.83	5.08
TN NONFARM JOBS (THOUS)…………………………………	2732.0	2689.0	2665.1	2662.6	2705.7	2743.0	2782.9	2797.8	2775.3	2619.2	2614.7	2655.3
Percentage change……………………………………………	1.64	-1.57	-0.89	-0.10	1.62	1.38	1.46	0.53	-0.80	-5.63	-0.17	1.55
US NONFARM JOBS (MIL)……………………………………	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6	136.8	130.8	129.9	131.4
Percentage change……………………………………………	2.17	0.03	-1.13	-0.26	1.09	1.73	1.79	1.10	-0.58	-4.39	-0.71	1.16
TN MFG JOBS (THOUS)………………………………………	497.2	454.2	428.5	413.3	411.8	408.8	399.4	379.9	360.9	309.2	298.9	304.1
Percentage change……………………………………………	-1.38	-8.64	-5.66	-3.56	-0.35	-0.74	-2.30	-4.87	-5.00	-14.33	-3.32	1.74
US MFG JOBS (MIL)……………………………………………	17.3	16.4	15.3	14.5	14.3	14.2	14.2	13.9	13.4	11.8	11.5	11.7
Percentage change……………………………………………	-0.33	-4.78	-7.20	-4.90	-1.33	-0.63	-0.49	-1.97	-3.42	-11.62	-2.68	1.81
TN UNEMPLOYMENT RATE (%)……………………………....	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.8	6.7	10.5	9.8	9.2
US UNEMPLOYMENT RATE (%)………………………………	4.0	4.7	5.8	6.0	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9
CHAINED PRICE INDEX, GDP (2005=100.0)……………….....	88.7	90.7	92.2	94.1	96.8	100.0	103.2	106.2	108.6	109.5	111.0	113.4
Percentage change……………………………………………	2.17	2.26	1.61	2.11	2.81	3.32	3.24	2.90	2.20	0.89	1.34	2.13
US PERS CONSUMP DEFL (2005=100.0)……………..........	89.8	91.5	92.8	94.7	97.1	100.0	102.7	105.5	108.9	109.0	111.1	113.8
Percentage change……………………………………………	2.49	1.91	1.36	2.03	2.60	2.96	2.72	2.70	3.26	0.06	1.91	2.43
CONSUMER PRICE INDEX, ALL-URBAN (82-84=1.000)…..	1.722	1.770	1.799	1.840	1.889	1.953	2.016	2.073	2.153	2.146	2.181	2.249
Percentage change……………………………………………	3.37	2.82	1.60	2.30	2.67	3.37	3.22	2.87	3.82	-0.32	1.64	3.14
BANK PRIME INTEREST RATE (%)…………………………	9.2	6.9	4.7	4.1	4.3	6.2	8.0	8.1	5.1	3.3	3.3	3.3
FEDERAL FUNDS RATE (% per annum)……………………	6.236	3.888	1.667	1.128	1.349	3.213	4.964	5.019	1.928	0.160	0.175	0.102
30-YEAR FIXED MORTGAGE RATE (%)……………………	8.1	7.0	6.5	5.8	5.8	5.9	6.4	6.3	6.0	5.0	4.7	4.5
TN TAXABLE SALES (MIL2005$)………………………………	83128	81421	81342	83186	85175	88276	90248	91005	85591	79101	79576	82296
Percentage change……………………………………………	0.72	-2.05	-0.10	2.27	2.39	3.64	2.23	0.84	-5.95	-7.58	0.60	3.42
TN TAXABLE SALES (MIL$)…………………………………	74658	74524	75467	78749	82725	88285	92709	96002	93238	86219	88401	93652
Percentage change……………………………………………	3.21	-0.18	1.27	4.35	5.05	6.72	5.01	3.55	-2.88	-7.53	2.53	5.94
TN AVG ANNUAL WAGE, NONFARM (2005$)……………....	34309	34764	35458	35910	36485	36429	37167	37739	37359	37580	38121	38076
Percentage change……………………………………………	0.97	1.33	2.00	1.28	1.60	-0.15	2.03	1.54	-1.01	0.59	1.44	-0.12
TN AVG ANNUAL WAGE, NONFARM ($)……………........	30816	31820	32896	33993	35436	36428	38180	39815	40697	40964	42347	43326
Percentage change……………………………………………	3.48	3.26	3.38	3.33	4.25	2.80	4.81	4.28	2.22	0.65	3.38	2.31

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

Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
US GDP (2005$) SAAR……………………….	39664	39685	40020	40659	41690	42579	43299	43697	43161	41478	42130	42574
Percentage change.................................	3.01	0.06	0.84	1.60	2.54	2.13	1.69	0.92	-1.23	-3.90	1.57	1.05
US GDP ($) SAAR………………………………	35190	36005	36897	38274	40350	42579	44698	46418	46866	45431	46761	48261
Percentage change.................................	5.24	2.32	2.47	3.73	5.42	5.52	4.98	3.85	0.96	-3.06	2.93	3.21
TN PERSONAL INCOME (2005$) SAAR…….	29887	30222	30443	30781	31306	31483	32204	32608	32371	31037	31730	32245
Percentage change.................................	2.78	1.12	0.73	1.11	1.70	0.57	2.29	1.25	-0.73	-4.12	2.23	1.62
US PERSONAL INCOME (2005$) SAAR……	33697	33972	33856	34031	34828	35368	36651	37359	37507	35397	35773	36425
Percentage change.................................	4.43	0.82	-0.34	0.52	2.34	1.55	3.63	1.93	0.40	-5.62	1.06	1.82
TN PERSONAL INCOME ($) SAAR…………	26845	27662	28245	29138	30406	31483	33082	34402	35264	33829	35249	36690
Percentage change.................................	5.34	3.04	2.11	3.16	4.35	3.54	5.08	3.99	2.51	-4.07	4.20	4.09
US PERSONAL INCOME ($) SAAR…………	30268	31095	31411	32215	33828	35370	37650	39415	40860	38582	39740	41448
Percentage change.................................	7.03	2.73	1.02	2.56	5.01	4.56	6.45	4.69	3.67	-5.58	3.00	4.30
TN TAXABLE SALES (2005$)…………………	14661	14215	14076	14272	14468	14809	14912	14815	13761	12588	12569	12895
Percentage change.................................	-0.30	-3.04	-0.98	1.40	1.37	2.35	0.70	-0.65	-7.11	-8.52	-0.15	2.59
TN TAXABLE SALES ($)………………………	13167	13011	13059	13511	14051	14810	15318	15628	14990	13720	13963	14674
Percentage change.................................	2.18	-1.18	0.37	3.46	4.00	5.40	3.43	2.02	-4.08	-8.47	1.77	5.09

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

Table 3: Tennessee Personal Income Components (millions of 2005 dollars) **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TN PERSONAL INCOME………...………	169475	173105	175931	179406	184307	187669	194909	200315	201359	195030	200887	205781
Percentage change…………………	3.83	2.14	1.63	1.98	2.73	1.82	3.86	2.77	0.52	-3.14	3.00	2.44
WAGES AND SALARIES………………	94343	94103	95234	96476	99584	100795	104300	106486	104608	99394	100599	101934
Percentage change…………………	2.62	-0.25	1.20	1.30	3.22	1.22	3.48	2.10	-1.76	-4.98	1.21	1.33
OTHER LABOR INCOME………………	18633	19504	21084	23216	23339	23834	23663	23535	23967	23939	24276	24657
Percentage change…………………	3.36	4.67	8.10	10.11	0.53	2.12	-0.72	-0.54	1.83	-0.11	1.41	1.57
PROPRIETORS INCOME………………	20761	22705	23665	23757	25515	25627	26522	24848	22613	22130	23701	24358
Percentage change…………………	6.17	9.36	4.23	0.39	7.40	0.44	3.49	-6.31	-8.99	-2.14	7.10	2.77
RENT, INTEREST, DIVIDENDS………	25988	25434	23261	22359	21632	21874	24575	27468	29740	24076	24228	25180
Percentage change…………………	4.08	-2.13	-8.54	-3.88	-3.25	1.12	12.35	11.77	8.27	-19.05	0.63	3.93
TRANSFER PAYMENTS………………	25708	27500	29172	30288	31371	32576	33140	35537	37680	42098	44666	44677
Percentage change…………………	5.95	6.97	6.08	3.83	3.58	3.84	1.73	7.23	6.03	11.72	6.10	0.02
LESS: PERS CONT FOR SOC INS….	14383	14556	14952	15247	15648	15842	16241	16525	16443	16114	16095	14648
Percentage change…………………	2.00	1.20	2.72	1.97	2.64	1.24	2.52	1.74	-0.49	-2.00	-0.12	-8.99
RESIDENCE ADJUSTMENT………….	-1576	-1585	-1532	-1443	-1486	-1195	-1051	-1035	-806	-493	-487	-378
Percentage change…………………	10.76	0.54	-3.34	-5.78	2.93	-19.58	-12.00	-1.59	-22.08	-38.86	-1.10	-22.54
PER CAPITA PERSONAL INCOME ($)….	29887	30222	30443	30781	31306	31483	32204	32608	32371	31037	31730	32245
Percentage change…………………	2.78	1.12	0.73	1.11	1.70	0.57	2.29	1.25	-0.73	-4.12	2.23	1.62

Table 4: Tennessee Personal Income Components (millions of current dollars) **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TN PERSONAL INCOME………….………	152225	158443	163227	169829	179011	187680	200227	211342	219359	212580	223166	234154
Percentage change…………………	6.41	4.08	3.02	4.04	5.41	4.84	6.69	5.55	3.79	-3.09	4.98	4.92
WAGES AND SALARIES……………	84737	86132	88355	91326	96724	100799	107146	112347	113954	108337	111754	115991
Percentage change…………………	5.17	1.65	2.58	3.36	5.91	4.21	6.30	4.85	1.43	-4.93	3.15	3.79
OTHER LABOR INCOME………………	16737	17853	19564	21977	22666	23834	24308	24830	26110	26093	26968	28057
Percentage change…………………	5.93	6.66	9.59	12.33	3.14	5.15	1.99	2.15	5.15	-0.06	3.35	4.04
PROPRIETORS INCOME………………	18649	20781	21957	22490	24783	25630	27244	26209	24633	24124	26330	27717
Percentage change…………………	8.81	11.43	5.66	2.43	10.20	3.42	6.30	-3.80	-6.01	-2.07	9.14	5.27
RENT, INTEREST, DIVIDENDS………	23342	23279	21578	21164	21010	21879	25249	28987	32402	26235	26915	28652
Percentage change…………………	6.66	-0.27	-7.31	-1.92	-0.73	4.14	15.41	14.80	11.78	-19.03	2.59	6.46
TRANSFER PAYMENTS………………	23093	25171	27066	28672	30469	32575	34044	37495	41051	45892	49621	50835
Percentage change…………………	8.59	9.00	7.53	5.93	6.27	6.91	4.51	10.14	9.48	11.79	8.13	2.45
LESS: PERS CONT FOR SOC INS….	12918	13323	13872	14433	15198	15842	16684	17434	17913	17563	17879	16668
Percentage change…………………	4.53	3.13	4.12	4.04	5.30	4.24	5.32	4.49	2.75	-1.95	1.80	-6.77
RESIDENCE ADJUSTMENT………….	-1416	-1451	-1421	-1366	-1443	-1195	-1080	-1092	-878	-537	-542	-430
Percentage change…………………	13.51	2.45	-2.02	-3.87	5.60	-17.21	-9.59	1.09	-19.60	-38.82	0.84	-20.64
PER CAPITA PERSONAL INCOME ($)….	26845	27662	28245	29138	30406	31483	33082	34402	35264	33829	35249	36690
Percentage change…………………	5.34	3.04	2.11	3.16	4.35	3.54	5.08	3.99	2.51	-4.07	4.20	4.09

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 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL NONFARM	2732.0	2689.0	2665.1	2662.6	2705.7	2743.0	2782.9	2797.8	2775.3	2619.2	2614.7	2655.3
Percentage change	1.64	-1.57	-0.89	-0.10	1.62	1.38	1.46	0.53	-0.80	-5.63	-0.17	1.55
NATURAL RESOURCES, MINING & CONSTRUCTION	130.9	125.3	119.5	119.6	121.3	125.3	134.3	137.8	132.4	109.9	105.0	109.8
Percentage change	1.97	-4.28	-4.63	0.08	1.41	3.28	7.23	2.56	-3.92	-16.96	-4.44	4.52
MANUFACTURING	497.2	454.2	428.5	413.3	411.8	408.8	399.4	379.9	360.9	309.2	298.9	304.1
Percentage change	-1.38	-8.64	-5.66	-3.56	-0.35	-0.74	-2.30	-4.87	-5.00	-14.33	-3.32	1.74
DURABLE GOODS	306.3	277.2	259.1	250.9	254.0	254.6	251.8	237.1	220.8	181.8	176.3	183.8
Percentage change	-0.27	-9.51	-6.54	-3.15	1.25	0.22	-1.11	-5.83	-6.85	-17.67	-3.04	4.28
NONDURABLE GOODS	190.9	177.1	169.5	162.4	157.8	154.2	147.6	142.8	140.1	127.4	122.6	120.3
Percentage change	-3.10	-7.24	-4.29	-4.19	-2.82	-2.28	-4.25	-3.24	-1.92	-9.08	-3.73	-1.90
TRADE, TRANSPORTATION, UTILITIES	592.9	590.3	577.0	578.7	587.9	598.0	607.4	610.7	600.4	559.2	554.9	559.1
Percentage change	1.50	-0.43	-2.25	0.30	1.58	1.73	1.57	0.54	-1.68	-6.86	-0.77	0.76
WHOLESALE TRADE	132.9	127.6	126.5	126.5	128.0	130.3	132.1	133.0	131.7	120.7	116.8	116.7
Percentage change	-0.38	-4.03	-0.82	0.00	1.13	1.82	1.36	0.70	-1.00	-8.32	-3.29	-0.02
RETAIL TRADE	320.0	319.3	312.3	313.2	319.6	324.3	328.3	330.6	325.5	306.8	306.7	307.6
Percentage change	1.65	-0.23	-2.17	0.26	2.05	1.48	1.23	0.69	-1.54	-5.74	-0.03	0.29
TRANSPORTATION & UTILITIES	140.0	143.5	138.1	139.0	140.3	143.4	147.0	147.1	143.2	131.7	131.4	134.8
Percentage change	3.01	2.51	-3.72	0.64	0.91	2.22	2.52	0.05	-2.62	-8.08	-0.20	2.56
INFORMATION	55.3	55.4	53.4	51.2	49.5	49.4	49.6	50.3	50.6	46.9	45.0	44.1
Percentage change	3.61	0.33	-3.76	-4.08	-3.31	-0.20	0.37	1.41	0.55	-7.19	-4.10	-1.98
FINANCIAL ACTIVITIES	140.6	138.5	138.2	139.8	141.9	143.3	143.6	144.8	145.1	140.6	137.1	135.1
Percentage change	-0.82	-1.49	-0.21	1.14	1.47	0.99	0.19	0.90	0.19	-3.14	-2.47	-1.48
PROFESSIONAL & BUSINESS SERVICES	304.1	299.4	296.7	287.3	302.3	312.5	319.2	322.8	321.3	293.8	304.0	321.1
Percentage change	4.76	-1.55	-0.90	-3.15	5.21	3.38	2.13	1.14	-0.46	-8.55	3.45	5.64
EDUCATION & HEALTH SERVICES	281.7	285.8	300.1	312.7	320.7	330.3	340.8	349.9	358.7	365.7	373.8	383.5
Percentage change	2.39	1.45	4.99	4.20	2.57	2.99	3.16	2.69	2.51	1.94	2.22	2.58
LEISURE & HOSPITALITY	235.7	235.6	239.9	246.7	253.6	262.1	270.1	276.2	273.7	263.5	262.1	265.5
Percentage change	3.02	-0.05	1.84	2.82	2.82	3.34	3.07	2.23	-0.89	-3.73	-0.54	1.31
OTHER SERVICES	94.5	101.1	101.6	102.3	101.7	100.7	101.7	104.0	104.5	102.0	101.1	101.4
Percentage change	2.86	6.94	0.53	0.62	-0.57	-0.99	0.99	2.33	0.44	-2.40	-0.84	0.29
GOVERNMENT	399.2	403.3	410.2	411.1	415.0	412.7	417.0	421.4	427.7	428.4	432.8	431.7
Percentage change	2.32	1.05	1.71	0.20	0.96	-0.56	1.05	1.07	1.50	0.16	1.03	-0.26
FEDERAL, CIVILIAN	53.8	51.5	51.8	51.2	50.1	49.2	48.9	48.8	49.4	49.9	52.4	50.0
Percentage change	5.06	-4.21	0.58	-1.21	-2.23	-1.65	-0.64	-0.27	1.32	0.99	4.99	-4.52
STATE & LOCAL	345.4	351.8	358.4	359.9	364.9	363.4	368.1	372.6	378.3	378.5	380.4	381.7
Percentage change	1.91	1.87	1.87	0.41	1.41	-0.42	1.27	1.24	1.52	0.05	0.51	0.33
STATISTICAL DISCREPANCY (%)	0.15	-0.01	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.01	0.00	0.00

Table 6: Tennessee Durable Goods Manufacturing Employment (thousands of jobs) **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL DURABLE GOODS………………….	306.3	277.2	259.1	250.9	254.0	254.6	251.8	237.1	220.8	181.8	176.3	183.8
Percentage change…………………….	-0.27	-9.51	-6.54	-3.15	1.25	0.22	-1.11	-5.83	-6.85	-17.67	-3.04	4.28
WOOD PRODUCTS………………………	20.0	17.9	17.6	16.7	17.4	17.7	17.9	16.1	14.3	11.3	10.9	10.8
Percentage change…………………….	0.40	-10.75	-1.58	-4.74	4.06	1.91	0.95	-10.14	-11.24	-20.84	-3.56	-0.93
NONMETALLIC MINERALS……………..	16.5	15.7	15.1	15.6	15.7	15.9	16.1	15.5	14.2	11.6	11.3	11.6
Percentage change…………………….	1.72	-5.05	-3.41	2.94	0.64	1.74	1.04	-3.52	-8.38	-18.89	-2.06	2.58
PRIMARY METALS……………………….	17.7	15.3	12.6	11.8	12.1	12.0	11.8	11.7	11.1	9.0	8.8	9.3
Percentage change…………………….	-1.66	-13.40	-17.38	-6.74	2.90	-0.97	-1.54	-0.85	-4.97	-18.85	-2.67	5.49
FABRICATED METALS…………………..	45.9	43.2	41.4	41.4	41.7	42.6	43.4	41.5	39.7	33.6	33.0	34.0
Percentage change…………………….	-1.38	-5.76	-4.12	-0.05	0.68	2.23	1.92	-4.46	-4.30	-15.38	-1.95	3.20
MACHINERY………………………………	43.9	39.9	35.9	33.2	34.3	33.9	33.2	32.0	31.2	26.0	24.8	25.3
Percentage change…………………….	0.54	-9.19	-9.85	-7.52	3.21	-1.16	-1.98	-3.70	-2.51	-16.63	-4.80	2.37
COMPUTERS & ELECTRONICS……….	16.9	15.3	12.9	11.7	11.3	10.4	9.3	8.1	7.4	6.2	5.6	5.5
Percentage change…………………….	6.78	-9.30	-15.65	-9.59	-3.39	-7.48	-11.27	-12.55	-8.26	-16.07	-10.58	-1.35
ELECTRICAL EQUIPMENT, APPLIANCES												
& COMPONENTS…………………………	29.4	26.3	25.0	23.6	23.1	23.5	23.2	22.1	20.6	17.8	16.9	17.7
Percentage change…………………….	-3.19	-10.44	-4.94	-5.65	-2.22	1.66	-1.36	-4.66	-6.94	-13.51	-4.99	4.94
TRANSPORTATION EQUIPMENT………	69.1	62.3	60.0	60.2	62.9	63.9	63.7	58.6	52.5	40.5	40.5	45.2
Percentage change…………………….	-0.03	-9.83	-3.68	0.28	4.53	1.59	-0.28	-7.99	-10.45	-22.96	0.03	11.76
FURNITURE………………………………	27.8	23.6	21.3	19.9	19.6	19.2	17.7	16.0	14.2	10.8	9.7	8.9
Percentage change…………………….	-1.09	-14.98	-9.92	-6.59	-1.34	-2.04	-7.71	-9.72	-11.07	-24.27	-10.21	-7.92
MISCELLANEOUS DURABLES…………	19.2	17.7	17.1	16.8	15.9	15.3	15.3	15.4	15.5	15.0	14.9	15.4
Percentage change…………………….	-1.36	-7.81	-3.40	-1.76	-5.22	-3.83	0.16	0.18	0.97	-2.99	-0.68	3.17

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

Table 7: Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL NONDURABLE GOODS……………………	190.9	177.1	169.5	162.4	157.8	154.2	147.6	142.8	140.1	127.4	122.6	120.3
Percentage change……………………………	-3.10	-7.24	-4.29	-4.19	-2.82	-2.28	-4.25	-3.24	-1.92	-9.08	-3.73	-1.90
FOOD……………………………………………	35.0	35.8	36.0	35.9	34.8	34.3	34.0	32.7	32.5	32.3	32.6	32.7
Percentage change……………………………	0.82	2.36	0.61	-0.43	-3.04	-1.38	-0.97	-3.84	-0.62	-0.46	0.80	0.27
BEVERAGE & TOBACCO………………………	6.9	6.5	6.4	6.1	5.8	5.4	5.2	5.1	5.1	5.1	5.0	4.9
Percentage change……………………………	1.22	-5.44	-2.03	-3.77	-6.12	-5.79	-4.31	-2.56	0.14	0.16	-1.64	-1.32
TEXTILE MILLS, TEXTILE MILL PRODUCTS & APPAREL……………………	34.2	28.7	24.5	21.3	19.4	18.0	16.1	15.1	14.8	12.6	11.5	10.6
Percentage change……………………………	-13.88	-16.24	-14.55	-12.94	-8.85	-7.37	-10.55	-6.37	-2.10	-14.93	-8.36	-8.34
PAPER……………………………………………	21.7	21.1	20.4	19.6	18.8	18.9	18.3	17.4	17.2	16.2	15.7	15.5
Percentage change……………………………	-0.66	-2.70	-3.29	-4.02	-3.92	0.72	-3.23	-5.06	-1.03	-6.14	-2.95	-1.26
PRINTING & RELATED SUPPORT……………	24.0	22.2	20.5	19.9	19.6	18.8	17.8	17.0	15.7	13.3	11.4	10.0
Percentage change……………………………	-4.01	-7.20	-7.78	-3.16	-1.20	-4.32	-5.40	-4.51	-7.53	-15.27	-13.97	-12.92
CHEMICALS………………………………………	31.4	29.0	28.5	28.6	27.6	27.2	26.3	26.9	27.5	25.8	25.0	24.6
Percentage change……………………………	-2.02	-7.48	-1.95	0.36	-3.30	-1.76	-3.14	2.34	2.20	-6.17	-3.26	-1.64
PLASTICS & RUBBER…………………………	33.1	30.3	30.0	28.2	28.9	29.3	27.6	26.6	25.4	20.4	19.9	20.4
Percentage change……………………………	3.23	-8.40	-1.02	-6.14	2.59	1.46	-5.76	-3.64	-4.39	-19.81	-2.50	2.76
MISCELLANEOUS NONDURABLE GOODS..	4.7	3.4	3.2	2.8	2.8	2.3	2.3	2.1	2.0	1.8	1.6	1.7
Percentage change……………………………	-4.29	-27.37	-6.39	-10.49	0.06	-20.22	3.32	-8.55	-8.99	-9.40	-10.89	9.02

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 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL NONFARM	34309	34764	35458	35910	36485	36429	37167	37739	37359	37580	38121	38076
Percentage change	0.97	1.33	2.00	1.28	1.60	-0.15	2.03	1.54	-1.01	0.59	1.44	-0.12
NATURAL RESOURCES, MINING AND CONSTRUCTION	38170	38586	38317	38678	38513	39182	40876	42075	41935	41365	42099	42030
Percentage change	0.43	1.09	-0.70	0.94	-0.43	1.74	4.32	2.93	-0.33	-1.36	1.77	-0.16
MANUFACTURING	39487	40297	41745	42403	43291	42991	43742	44198	44251	44903	46867	46527
Percentage change	0.94	2.05	3.59	1.58	2.09	-0.69	1.75	1.04	0.12	1.47	4.37	-0.72
DURABLE GOODS	39649	39898	41528	41884	42542	42221	42978	43343	43540	44285	46050	45500
Percentage change	0.34	0.63	4.09	0.86	1.57	-0.75	1.79	0.85	0.46	1.71	3.98	-1.19
NONDURABLE GOODS	39226	40924	42076	43205	44498	44262	45050	45616	45382	45776	48048	48089
Percentage change	1.89	4.33	2.81	2.68	2.99	-0.53	1.78	1.26	-0.51	0.87	4.96	0.09
TRADE, TRANSPORTATION, UTILITIES	33584	33190	33905	34216	34686	34941	35440	35952	35068	34884	35299	35730
Percentage change	0.35	-1.17	2.15	0.92	1.37	0.74	1.43	1.44	-2.46	-0.52	1.19	1.22
WHOLESALE TRADE	45217	46049	46846	47806	49615	50026	51881	52689	51895	51467	52266	53214
Percentage change	3.27	1.84	1.73	2.05	3.78	0.83	3.71	1.56	-1.51	-0.83	1.55	1.81
RETAIL TRADE	24596	24138	24608	24686	24501	24579	24657	25131	24262	24365	24756	24923
Percentage change	0.10	-1.86	1.95	0.32	-0.75	0.32	0.32	1.92	-3.46	0.42	1.61	0.68
TRANSPORTATION & UTILITIES	43084	41899	43075	43314	44266	44676	44749	45136	44154	44192	44838	45257
Percentage change	-1.94	-2.75	2.81	0.55	2.20	0.92	0.16	0.86	-2.17	0.09	1.46	0.94
INFORMATION	41521	42297	42586	43119	44549	44779	48694	48197	46972	47265	48056	49072
Percentage change	3.19	1.87	0.68	1.25	3.32	0.52	8.74	-1.02	-2.54	0.62	1.67	2.11
FINANCIAL ACTIVITIES	45809	47555	48030	50661	51914	50468	53130	54366	52805	52815	55538	55942
Percentage change	5.24	3.81	1.00	5.48	2.47	-2.79	5.27	2.33	-2.87	0.02	5.16	0.73
PROFESSIONAL & BUSINESS SERVICES	33918	35719	36541	36879	37425	37325	38692	40270	41079	42575	43141	42548
Percentage change	2.15	5.31	2.30	0.92	1.48	-0.27	3.66	4.08	2.01	3.64	1.33	-1.37
EDUCATION & HEALTH SERVICES	35171	36332	36925	37126	38316	38902	39025	39375	39214	40123	39873	39421
Percentage change	1.82	3.30	1.63	0.54	3.21	1.53	0.32	0.90	-0.41	2.32	-0.62	-1.13
LEISURE & HOSPITALITY	17441	17579	17959	18048	17995	17899	18339	19218	18107	18060	18617	18715
Percentage change	-2.12	0.79	2.16	0.50	-0.30	-0.53	2.46	4.79	-5.78	-0.26	3.08	0.52
OTHER SERVICES	32080	30842	32628	33235	34251	33663	34434	33991	34089	34641	34738	35130
Percentage change	0.25	-3.86	5.79	1.86	3.06	-1.72	2.29	-1.29	0.29	1.62	0.28	1.13
GOVERNMENT	32828	33425	34155	34826	35197	35160	35504	35890	35741	35917	35747	35531
Percentage change	0.75	1.82	2.18	1.96	1.07	-0.11	0.98	1.09	-0.41	0.49	-0.47	-0.60
FEDERAL, CIVILIAN	51334	52441	53828	55881	58275	58245	58623	59725	57979	59067	60200	62822
Percentage change	1.52	2.16	2.64	3.81	4.28	-0.05	0.65	1.88	-2.92	1.88	1.92	4.36
STATE & LOCAL	29955	30640	31310	31830	32031	32031	32431	32769	32836	32866	32400	31953
Percentage change	0.30	2.29	2.19	1.66	0.63	0.00	1.25	1.04	0.20	0.09	-1.42	-1.38

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 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL NONFARM	30816	31820	32896	33993	35436	36428	38180	39815	40697	40964	42347	43326
Percentage change	3.48	3.26	3.38	3.33	4.25	2.80	4.81	4.28	2.22	0.65	3.38	2.31
NATURAL RESOURCES, MINING & CONSTRUCTION	34282	35317	35546	36613	37404	39184	41992	44393	45683	45085	46765	47821
Percentage change	2.93	3.02	0.65	3.00	2.16	4.76	7.17	5.72	2.91	-1.31	3.73	2.26
MANUFACTURING	35465	36885	38730	40140	42048	42992	44935	46630	48206	48956	52063	52939
Percentage change	3.45	4.00	5.00	3.64	4.75	2.24	4.52	3.77	3.38	1.56	6.35	1.68
DURABLE GOODS	35610	36520	38529	39649	41320	42221	44149	45727	47436	48282	51154	51771
Percentage change	2.82	2.55	5.50	2.91	4.22	2.18	4.57	3.57	3.74	1.78	5.95	1.21
NONDURABLE GOODS	35233	37458	39038	40899	43223	44264	46280	48126	49432	49909	53378	54714
Percentage change	4.43	6.32	4.22	4.77	5.68	2.41	4.56	3.99	2.71	0.96	6.95	2.50
TRADE, TRANSPORTATION, UTILITIES	30164	30379	31456	32389	33689	34941	36406	37928	38201	38024	39212	40657
Percentage change	2.85	0.72	3.54	2.97	4.01	3.72	4.19	4.18	0.72	-0.46	3.12	3.69
WHOLESALE TRADE	40614	42148	43461	45254	48189	50029	53296	55585	56533	56098	58061	60554
Percentage change	5.84	3.78	3.11	4.13	6.49	3.82	6.53	4.30	1.71	-0.77	3.50	4.29
RETAIL TRADE	22091	22094	22830	23369	23797	24578	25329	26513	26431	26559	27500	28361
Percentage change	2.59	0.01	3.33	2.36	1.83	3.28	3.06	4.67	-0.31	0.49	3.54	3.13
TRANSPORTATION & UTILITIES	38696	38350	39964	41002	42993	44672	45970	47616	48096	48170	49808	51496
Percentage change	0.49	-0.89	4.21	2.60	4.86	3.91	2.91	3.58	1.01	0.15	3.40	3.39
INFORMATION	37293	38715	39512	40814	43267	44770	50023	50845	51170	51524	53383	55840
Percentage change	5.74	3.81	2.06	3.30	6.01	3.47	11.73	1.64	0.64	0.69	3.61	4.60
FINANCIAL ACTIVITIES	41155	43527	44561	47956	50422	50471	54581	57353	57523	57568	61702	63657
Percentage change	7.89	5.76	2.38	7.62	5.14	0.10	8.14	5.08	0.30	0.08	7.18	3.17
PROFESSIONAL & BUSINESS SERVICES	30468	32695	33903	34910	36348	37323	39748	42489	44748	46411	47924	48415
Percentage change	4.70	7.31	3.69	2.97	4.12	2.68	6.50	6.90	5.32	3.72	3.26	1.02
EDUCATION & HEALTH SERVICES	31589	33255	34258	35145	37214	38901	40087	41542	42721	43734	44293	44856
Percentage change	4.36	5.27	3.02	2.59	5.89	4.53	3.05	3.63	2.84	2.37	1.28	1.27
LEISURE & HOSPITALITY	15663	16090	16661	17085	17476	17899	18840	20278	19724	19687	20682	21297
Percentage change	0.31	2.73	3.55	2.54	2.29	2.42	5.26	7.63	-2.73	-0.19	5.06	2.97
OTHER SERVICES	28805	28230	30276	31459	33263	33664	35373	35861	37136	37763	38590	39974
Percentage change	2.71	-2.00	7.25	3.91	5.73	1.20	5.08	1.38	3.56	1.69	2.19	3.59
GOVERNMENT	29487	30595	31687	32966	34185	35159	36472	37864	38936	39148	39710	40428
Percentage change	3.26	3.76	3.57	4.03	3.70	2.85	3.74	3.82	2.83	0.54	1.43	1.81
FEDERAL, CIVILIAN	46116	47999	49932	52896	56594	58239	60219	63005	63159	64388	66882	71481
Percentage change	4.07	4.08	4.03	5.94	6.99	2.91	3.40	4.63	0.24	1.95	3.87	6.88
STATE & LOCAL	26905	28046	29049	30130	31111	32031	33316	34572	35772	35822	35991	36358
Percentage change	2.79	4.24	3.58	3.72	3.26	2.96	4.01	3.77	3.47	0.14	0.47	1.02

Table 10: Tennessee Civilian Labor Force and Unemployment Rate **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CIVILIAN LABOR FORCE (THOUS)……….	2877	2869	2878	2899	2909	2943	3009	3048	3059	3035	3084	3132
Percentage change………………………	0.98	-0.26	0.29	0.72	0.36	1.15	2.26	1.29	0.36	-0.78	1.63	1.57
EMPLOYED PERSONS (THOUS)……….	2762	2734	2726	2734	2751	2779	2852	2902	2855	2717	2783	2845
Percentage change………………………	1.14	-1.00	-0.31	0.32	0.60	1.03	2.63	1.75	-1.62	-4.85	2.45	2.20
UNEMPLOYED PERSONS (THOUS)……	115	135	152	164	158	163	157	146	203	318	301	288
Percentage change………………………	-2.84	17.38	12.40	7.98	-3.64	3.28	-4.08	-7.12	39.67	56.29	-5.40	-4.27
PARTICIPATION RATE (PERCENT)……….	64.9	64.1	63.6	63.5	63.0	62.9	63.2	63.0	62.3	61.1	61.6	62.0
Percentage change………………………	0.08	-1.22	-0.70	-0.20	-0.73	-0.24	0.56	-0.39	-1.01	-1.94	0.72	0.65
UNEMPLOYMENT RATE (PERCENT)……..	4.0	4.7	5.3	5.7	5.4	5.6	5.2	4.8	6.7	10.5	9.8	9.2

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

Table 11: Tennessee Taxable Sales (millions of 2005 dollars) **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL TAXABLE SALES…………………………	83128	81421	81342	83186	85175	88276	90248	91005	85591	79101	79576	82296
Percentage change…………………………	0.72	-2.05	-0.10	2.27	2.39	3.64	2.23	0.84	-5.95	-7.58	0.60	3.42
AUTO DEALERS………………………………	9326	9443	9522	9963	9725	9433	9140	9010	7291	6171	6911	7419
Percentage change…………………………	0.82	1.26	0.83	4.62	-2.39	-3.00	-3.10	-1.42	-19.08	-15.36	12.00	7.36
PURCHASES FROM MANUFACTURERS….	4678	4323	3936	4154	4273	4802	4555	4499	4129	3204	3292	3527
Percentage change…………………………	-3.28	-7.59	-8.94	5.54	2.85	12.39	-5.14	-1.25	-8.23	-22.39	2.74	7.13
MISC DURABLE GOODS………………………	14498	13507	13226	13617	14603	15841	16753	16534	15008	12612	13050	13695
Percentage change…………………………	-1.03	-6.84	-2.07	2.95	7.24	8.48	5.76	-1.30	-9.23	-15.97	3.47	4.94
EATING AND DRINKING PLACES……………	6908	7042	7076	7305	7675	7960	8240	8417	8238	8112	8154	8356
Percentage change…………………………	3.25	1.93	0.49	3.23	5.07	3.72	3.52	2.15	-2.13	-1.53	0.53	2.48
FOOD STORES………………………………	9054	8845	8605	8295	8173	8196	8196	8276	7891	8093	7997	8099
Percentage change…………………………	0.55	-2.31	-2.71	-3.60	-1.48	0.29	-0.01	0.98	-4.65	2.56	-1.18	1.28
LIQUOR STORES……………………………	428	434	440	458	471	495	533	563	584	603	616	640
Percentage change…………………………	2.63	1.23	1.38	4.05	3.03	4.97	7.71	5.66	3.68	3.25	2.22	3.78
HOTELS AND MOTELS………………………	2037	1951	1915	1924	1936	2043	2159	2232	2124	1870	1860	2048
Percentage change…………………………	1.81	-4.22	-1.83	0.46	0.65	5.54	5.68	3.36	-4.85	-11.96	-0.53	10.14
OTHER RETAIL AND SERVICE………………	23961	23405	23744	24521	25006	25805	26413	26830	25918	24586	24577	25257
Percentage change…………………………	1.53	-2.32	1.45	3.27	1.98	3.19	2.36	1.58	-3.40	-5.14	-0.03	2.77
MISC NONDURABLE GOODS…………………	7025	6865	6711	6595	6714	7023	7099	7354	7146	6756	6882	7020
Percentage change…………………………	0.20	-2.27	-2.25	-1.73	1.81	4.61	1.08	3.59	-2.82	-5.46	1.87	2.00
TRANSPORTATION, COMMUNICATION……	5213	5607	6167	6356	6600	6677	7160	7291	7263	7096	6236	6234
Percentage change…………………………	2.73	7.56	9.98	3.05	3.85	1.17	7.23	1.82	-0.38	-2.30	-12.12	-0.03
PER CAPITA ($)………………………………	14661	14215	14076	14272	14468	14809	14912	14815	13761	12588	12569	12895
Percentage change…………………………	-0.30	-3.04	-0.98	1.40	1.37	2.35	0.70	-0.65	-7.11	-8.52	-0.15	2.59

Table 12: Tennessee Taxable Sales (millions of current dollars) **January 2013**

	Historical Data											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL TAXABLE SALES……	74658	74524	75467	78749	82725	88285	92709	96002	93238	86219	88401	93652
Percentage change……	3.21	-0.18	1.27	4.35	5.05	6.72	5.01	3.55	-2.88	-7.53	2.53	5.94
AUTO DEALERS……	8375	8644	8835	9431	9444	9430	9390	9504	7939	6728	7678	8444
Percentage change……	3.31	3.22	2.21	6.74	0.14	-0.15	-0.42	1.22	-16.47	-15.26	14.12	9.97
PURCHASES FROM MANUFACTURERS….	4201	3956	3652	3933	4150	4803	4679	4745	4497	3492	3657	4014
Percentage change……	-0.87	-5.83	-7.69	7.69	5.52	15.73	-2.58	1.41	-5.22	-22.34	4.72	9.74
MISC DURABLE GOODS……	13019	12362	12271	12892	14183	15845	17209	17441	16348	13747	14497	15586
Percentage change……	1.40	-5.05	-0.74	5.06	10.01	11.72	8.61	1.35	-6.27	-15.91	5.46	7.51
EATING AND DRINKING PLACES……	6205	6445	6564	6915	7454	7960	8465	8880	8974	8842	9059	9510
Percentage change……	5.81	3.88	1.85	5.34	7.80	6.79	6.34	4.91	1.05	-1.47	2.45	4.98
FOOD STORES……	8132	8095	7983	7852	7937	8196	8419	8731	8600	8821	8884	9216
Percentage change……	3.05	-0.45	-1.39	-1.64	1.09	3.26	2.72	3.70	-1.50	2.57	0.72	3.75
LIQUOR STORES……	385	397	408	433	458	495	548	594	636	657	685	728
Percentage change……	5.17	3.16	2.76	6.17	5.71	8.10	10.63	8.51	7.05	3.31	4.17	6.32
HOTELS AND MOTELS……	1829	1785	1777	1821	1881	2044	2218	2355	2313	2038	2066	2331
Percentage change……	4.34	-2.40	-0.49	2.50	3.27	8.67	8.55	6.15	-1.78	-11.89	1.37	12.84
OTHER RETAIL AND SERVICE……	21521	21423	22029	23213	24286	25806	27134	28303	28235	26798	27303	28741
Percentage change……	4.05	-0.46	2.83	5.37	4.62	6.26	5.15	4.31	-0.24	-5.09	1.88	5.27
MISC NONDURABLE GOODS……	6309	6283	6226	6243	6521	7024	7293	7758	7785	7364	7645	7988
Percentage change……	2.70	-0.42	-0.91	0.27	4.45	7.72	3.82	6.38	0.34	-5.40	3.82	4.49
TRANSPORTATION, COMMUNICATION……	4682	5133	5721	6016	6411	6683	7355	7692	7912	7732	6928	7094
Percentage change……	5.25	9.61	11.47	5.15	6.56	4.24	10.06	4.58	2.86	-2.28	-10.40	2.40
PER CAPITA ($)……	13167	13011	13059	13511	14051	14810	15318	15628	14990	13720	13963	14674
Percentage change……	2.18	-1.18	0.37	3.46	4.00	5.40	3.43	2.02	-4.08	-8.47	1.77	5.09

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 2013**

	Historical Data										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
GROSS DOMESTIC PRODUCT	200,905	202,288	207,767	211,441	219,430	224,288	230,487	230,496	231,224	220,762	229,705
Percentage change	0.86	0.69	2.71	1.77	3.78	2.21	2.76	0.00	0.32	-4.52	4.05
AGRICULTURE, FORESTRY, FISHING & HUNTING	1,179	1,212	1,095	1,302	1,313	1,398	1,442	885	1,178	1,474	1,194
Percentage change	33.67	2.80	-9.65	18.90	0.84	6.47	3.15	-38.63	33.11	25.13	-19.00
MINING	834	784	745	663	510	341	278	193	187	185	203
Percentage change	-4.90	-6.00	-4.97	-11.01	-23.08	-33.14	-18.48	-30.58	-3.11	-1.07	9.73
CONSTRUCTION	11,863	10,994	9,848	9,735	9,462	9,162	9,130	8,588	8,044	6,965	7,104
Percentage change	6.20	-7.33	-10.42	-1.15	-2.80	-3.17	-0.35	-5.94	-6.33	-13.41	2.00
MANUFACTURING	33,497	32,398	33,529	34,636	39,034	39,284	40,071	38,875	37,593	34,802	35,881
Percentage change	-1.96	-3.28	3.49	3.30	12.70	0.64	2.00	-2.98	-3.30	-7.42	3.10
DURABLE GOODS	18,575	17,622	19,046	20,724	23,288	24,535	25,071	22,837	23,549	21,280	21,642
Percentage change	-6.17	-5.13	8.08	8.81	12.37	5.35	2.18	-8.91	3.12	-9.64	1.70
NONDURABLE GOODS	14,922	14,776	14,483	13,912	15,746	14,749	15,000	16,038	14,044	13,522	14,239
Percentage change	3.85	-0.98	-1.98	-3.94	13.18	-6.33	1.70	6.92	-12.43	-3.72	5.30
TRADE, TRANSPORTATION, UTILITIES	39,872	40,040	40,873	42,967	44,851	46,226	47,357	48,347	46,680	41,938	44,771
Percentage change	2.76	0.42	2.08	5.12	4.38	3.07	2.45	2.09	-3.45	-10.16	6.76
WHOLESALE TRADE	12,408	12,873	13,165	14,115	15,053	14,997	15,415	16,079	15,935	13,492	13,833
Percentage change	5.26	3.75	2.27	7.22	6.65	-0.37	2.79	4.31	-0.90	-15.33	2.53
RETAIL TRADE	16,248	16,522	16,997	17,590	17,702	18,254	18,629	19,097	17,718	17,152	19,096
Percentage change	0.09	1.69	2.87	3.49	0.64	3.12	2.05	2.51	-7.22	-3.19	11.33
TRANSPORTATION & UTILITIES	11,216	10,645	10,711	11,262	12,096	12,975	13,313	13,171	13,027	11,294	11,842
Percentage change	4.04	-5.09	0.62	5.14	7.41	7.27	2.61	-1.07	-1.09	-13.30	4.85
INFORMATION	4,526	5,085	5,885	6,019	6,555	7,271	7,821	8,261	8,106	7,699	7,759
Percentage change	-1.01	12.35	15.73	2.28	8.91	10.92	7.56	5.63	-1.88	-5.02	0.78
FINANCIAL ACTIVITIES	32,895	35,406	35,207	35,179	34,467	34,748	35,704	36,871	38,755	38,692	39,450
Percentage change	4.43	7.63	-0.56	-0.08	-2.02	0.82	2.75	3.27	5.11	-0.16	1.96
PROFESSIONAL & BUSINESS SERVICES	18,503	19,634	20,839	21,415	22,492	23,088	23,816	24,506	25,551	23,682	25,262
Percentage change	1.96	6.11	6.14	2.76	5.03	2.65	3.15	2.90	4.26	-7.31	6.67
EDUCATION & HEALTH SERVICES	17,351	17,775	18,633	19,213	20,123	20,491	21,349	21,819	23,039	23,743	24,975
Percentage change	-4.38	2.44	4.83	3.11	4.74	1.83	4.19	2.20	5.59	3.06	5.19
LEISURE & HOSPITALITY	8,856	8,777	9,161	9,441	9,716	9,936	10,222	10,437	9,621	8,861	9,592
Percentage change	2.75	-0.89	4.38	3.06	2.91	2.26	2.88	2.10	-7.82	-7.90	8.25
OTHER SERVICES	7,130	6,424	6,656	6,664	6,703	6,486	6,740	6,646	6,250	6,006	6,132
Percentage change	-0.75	-9.90	3.61	0.12	0.59	-3.24	3.92	-1.39	-5.96	-3.90	2.10
GOVERNMENT	24,399	23,759	25,296	24,207	24,204	25,857	26,557	25,068	26,220	26,715	27,382
Percentage change	-2.89	-2.62	6.47	-4.31	-0.01	6.83	2.71	-5.61	4.60	1.89	2.50
FEDERAL	7,269	6,050	7,270	7,302	7,129	6,938	7,032	6,789	6,354	6,502	6,728
Percentage change	-8.45	-16.77	20.17	0.44	-2.37	-2.68	1.35	-3.46	-6.41	2.33	3.48
STATE & LOCAL	17,130	17,709	18,026	16,905	17,075	18,919	19,525	18,279	19,866	20,213	20,654
Percentage change	-0.33	3.38	1.79	-6.22	1.01	10.80	3.20	-6.38	8.68	1.75	2.18

Table 14: Tennessee Durable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2013**

	Historical Data										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
DURABLE GOODS..........	18575	17622	19046	20724	23288	24535	25071	22837	23549	21280	21642
Percentage change..........	-6.17	-5.13	8.08	8.81	12.37	5.35	2.18	-8.91	3.12	-9.64	1.70
WOOD PRODUCTS..........	902	828	920	816	842	894	937	1081	1080	813	850
Percentage change..........	-1.74	-8.20	11.11	-11.30	3.19	6.18	4.81	15.37	-0.09	-24.72	4.55
NONMETALLIC MINERAL PRODUCTS..........	1219	1142	1197	1340	1419	1243	1050	1031	845	677	799
Percentage change..........	-3.56	-6.32	4.82	11.95	5.90	-12.40	-15.53	-1.81	-18.04	-19.88	18.02
PRIMARY METALS..........	1734	1624	1614	1276	1421	1345	1230	905	871	846	979
Percentage change..........	-35.08	-6.34	-0.62	-20.94	11.36	-5.35	-8.55	-26.42	-3.76	-2.87	15.72
FABRICATED METAL PRODUCTS..........	3174	2963	2956	3094	3599	3414	3682	3548	3054	2751	3123
Percentage change..........	-5.03	-6.65	-0.24	4.67	16.32	-5.14	7.85	-3.64	-13.92	-9.92	13.52
MACHINERY..........	2975	2865	2832	2976	2888	3302	3039	2650	3104	2354	2831
Percentage change..........	-8.09	-3.70	-1.15	5.08	-2.96	14.34	-7.96	-12.80	17.13	-24.16	20.26
COMPUTER & ELECTRONIC PRODUCTS..........	331	798	1201	2254	3324	3364	3222	3845	5718	7467	5818
Percentage change..........	73.30	141.09	50.50	87.68	47.47	1.20	-4.22	19.34	48.71	30.59	-22.08
ELECTRICAL EQUIPMENT, APPLIANCES & AND COMPONENTS..........	1598	1534	1921	2014	2022	2200	2315	1905	2354	2508	1901
Percentage change..........	0.00	-4.01	25.23	4.84	0.40	8.80	5.23	-17.71	23.57	6.54	-24.20
TRANSPORTATION EQUIPMENT..........	3932	3453	4007	4589	5302	6300	7071	5187	3945	1248	2490
Percentage change..........	2.99	-12.18	16.04	14.52	15.54	18.82	12.24	-26.64	-23.94	-68.37	99.52
FURNITURE..........	1157	880	961	885	858	787	763	747	575	412	480
Percentage change..........	0.00	-23.94	9.20	-7.91	-3.05	-8.28	-3.05	-2.10	-23.03	-28.35	16.50
MISCELLANEOUS DURABLE GOODS..........	1553	1535	1437	1480	1613	1686	1762	1938	2003	2204	2371
Percentage change..........	-3.00	-1.16	-6.38	2.99	8.99	4.53	4.51	9.99	3.35	10.03	7.58

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Table 15: Tennessee Nondurable Goods Manufacturing Gross Domestic Product (millions of 2005 dollars) **January 2013**

	Historical Data										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
NONDURABLE GOODS	14,922	14,776	14,483	13,912	15,746	14,749	15,000	16,038	14,044	13,522	14,239
Percentage change	3.85	-0.98	-1.98	-3.94	13.18	-6.33	1.70	6.92	-12.43	-3.72	5.30
FOOD & BEVERAGE & TOBACCO	4,334	4,324	4,723	4,505	4,565	4,820	5,373	6,117	5,274	4,910	5,460
Percentage change	-0.87	-0.23	9.23	-4.62	1.33	5.59	11.47	13.85	-13.78	-6.90	11.20
TEXTILE MILLS & TEXTILE PRODUCT MILLS	754	772	685	666	790	655	644	637	704	460	361
Percentage change	1.48	2.39	-11.27	-2.77	18.62	-17.09	-1.68	-1.09	10.52	-34.66	-21.52
APPAREL	542	439	482	421	412	363	313	338	299	280	207
Percentage change	-7.03	-19.00	9.79	-12.66	-2.14	-11.89	-13.77	7.99	-11.54	-6.35	-26.07
PAPER	1,715	1,776	1,808	1,834	2,003	2,077	2,239	1,965	1,922	2,077	2,184
Percentage change	-7.10	3.56	1.80	1.44	9.21	3.69	7.80	-12.24	-2.19	8.06	5.15
PRINTING & RELATED SUPPORT	987	931	1,003	1,054	1,072	1,064	1,054	1,033	1,015	905	860
Percentage change	1.86	-5.67	7.73	5.08	1.71	-0.75	-0.94	-1.99	-1.74	-10.84	-4.97
CHEMICALS	3,180	3,228	2,887	2,338	3,812	2,934	3,156	3,351	2,697	2,858	2,957
Percentage change	-6.25	1.51	-10.56	-19.02	63.05	-23.03	7.57	6.18	-19.52	5.97	3.46
PLASTICS & RUBBER	2,082	1,879	2,062	2,090	2,142	1,992	1,657	1,964	1,693	1,607	1,651
Percentage change	-1.70	-9.75	9.74	1.36	2.49	-7.00	-16.82	18.53	-13.80	-5.08	2.74
MISCELLANEOUS NONDURABLE GOODS	1,328	1,427	833	1,004	950	844	564	633	440	425	559
Percentage change	284	7.45	-41.63	20.53	-5.38	-11.16	-33.18	12.23	-30.49	-3.41	31.53

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