

AN ECONOMIC REPORT  
TO THE  
GOVERNOR  
OF THE  
STATE OF TENNESSEE

*On the State's Economic Outlook*

JANUARY 2005



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

*Prepared by the*  
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Knoxville, Tennessee

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Tennessee Department of Economic and Community Development  
Tennessee Department of Revenue  
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## Preface

This 2005 volume of *An Economic Report to the Governor of the State of Tennessee* is the twenty-ninth 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 2007 and annual forecast through 2014 represent the collective judgment of the staff of the University of Tennessee's Center for Business and Economic Research in conjunction with the Quarterly and Annual Tennessee Econometric Models. The national forecasts were prepared by Global Insight, Inc. Tennessee forecasts, current as of January 2004, are based on an array of assumptions, particularly at the national level, which are described in Chapter One. Chapter Two details evaluations for major sectors of the Tennessee economy, with an agriculture section provided by the University of Tennessee Agricultural Policy Analysis Center. Chapter Three presents the long-run outlook and forecast for the state. Chapter Four describes Tennessee's newly designated economic growth strategy regions and the policy implications of multi-county development strategies. Developed for the Tennessee Department of Economic and Community Development, the economic growth strategy regions illustrate the diversity in economic structure and well-being across the state.

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



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## Executive Summary

### *The US Economy*

**The Year in Review.** The slow, steady recovery of 2003 continued in 2004 and showed greater signs of stability later in the year. While the 4.0 percent annual growth rate of inflation-adjusted Gross Domestic Product (GDP) posted in the third quarter of 2004 was not exactly a blistering pace, it represented a respectable continuation of the often-erratic expansion which began in late 2001. Strong labor productivity, low interest rates, and moderate inflation worked together to help businesses and consumers maintain relatively strong spending patterns. Additionally, the Federal Reserve Bank (Fed) increased interest rates five times in the latter half of 2004 to help moderate inflation growth which was driven in large part by startlingly rapid oil price growth.

**The US Forecast.** The fundamentals are in place to help the economy maintain reasonably strong growth in 2005. Inflation-adjusted GDP is expected to continue slow but stable growth at a 3.6 percent annual rate over the course of the next year. The increase will be supported by significant growth in business investment (9.4 percent), consumption spending (3.1 percent), and government spending at the federal (3.2 percent) and state and local (1.7 percent) levels. Export growth will outpace import growth, allowing international trade to contribute to domestic economic growth. The lone drag on macroeconomic growth will be a slight contraction of 1.3 percent in residential housing investment. Inflation as measured by the percentage change in the Consumer Price Index (CPI) will remain quite low at a rate of 2.1 percent while unemployment will retreat slightly to 5.3 percent.

### *The Tennessee Economy*

**Current Economic Outlook.** Economic conditions in Tennessee continue to show improvement. Unemployment rates have fallen, income growth has been relatively strong and nonfarm employment has gained some momentum. And after years of job losses in manufacturing, there are emerging signs that growth may be on the horizon. By several barometers of economic conditions, the state economy has performed better than its national counterpart.

The missing link in the current expansion has been job growth. Most recessions are followed by a fairly strong rebound in the job situation. The current cycle is certainly an exception to this general rule. Nonfarm job growth totaled only 0.1 percent in 2003, despite the end of the recession in 2001. Job growth for 2004 is expected to have improved to 0.9 percent. Growth in service sectors has helped offset decline in manufacturing.

The state's manufacturing sector saw jobs wither at a 3.4 percent clip in 2003 as both the nondurable and durable goods sectors contracted. The loss in 2004 is expected to have narrowed to 0.1 percent. Job losses in the nation's manufacturing sector tallied 1.0 percent in 2004. Twenty-four counties in Tennessee relied on manufacturing for more than 40 percent of their employment base in 2003. These counties, most of which are rural, have suffered greatly from the weakness in manufacturing. Job growth in services has been relatively strong. Unlike manufacturing, service sector jobs tend to be concentrated in the state's metropolitan areas.



## Executive Summary, *continued*

The unemployment rate still sits above its pre-recession low, but fell to 4.9 percent in 2004, well below the recent peak of 6.1 percent. The contraction of the labor force in 2003 and the relatively high post-recession unemployment rates are a reflection of the state economy's weak pace of job creation.

Nominal personal income in Tennessee was up 4.4 percent in 2003 versus 3.2 percent for the nation. Growth in personal income for the state for 2004 is expected to be 5.2 percent, slightly below the nation's growth rate (5.4 percent). Growth in state per capita income outstripped national growth rates in 2001, 2002 and 2003, but trailed the US in 2004.

Like the state's job situation, taxable sales have been on a slow path of recovery following the recession of 2001. Sales growth has lagged income growth by a significant margin. Sales were up only 0.4 percent in 2002 despite a 3.5 percent gain in personal income. Growth in sales improved to 3.5 percent in 2003, but still lagged income growth by nearly a percentage point. Sales growth for the 2004 calendar year is expected to be 5.0 percent.

**Short-Term Economic Outlook.** Expect modest improvement in economic conditions in 2005 and 2006. The most important shift in economic fortunes will be in state labor markets. Nonfarm jobs are expected to advance 1.5 percent in 2005 and 1.8 percent in 2006. Manufacturing job growth should move back into the black in both years, with gains in the durable goods sector more than offsetting continued contraction in the nondurable goods sector. The construction sector will see some improvement, with job growth in excess of 2.0 percent in 2005 and 2006. The various service sectors will continue to enjoy strong growth. The improved job outlook will not have an immediate effect on the unemployment rate, which is expected to stay at 4.9 percent in 2005 and fall slightly to 4.8 percent in the following year.

Nominal personal income is projected to advance 5.5 percent and 5.4 percent in 2005 and 2006. Wage and salary growth will experience some acceleration, benefiting from the improved rate of job creation for the state economy. On a per capita basis, income in Tennessee is expected to grow at slightly lower rates than that of the nation in 2005 and 2006.

A stronger labor market will contribute to improvement in taxable sales growth. Expect a 5.3 percent gain in 2005 and a 5.4 percent gain in 2006. Sales growth for the current fiscal year is projected at 5.1 percent; growth will improve to 5.6 percent in 2006.

**Situation and Outlook for Tennessee Agriculture.** The value of Tennessee's agricultural sector production—including crops, livestock, and forestry—is nearly \$3 billion. Farm sector income is spread over 87,000 farms in Tennessee, which ranks the state fourth in the nation in the number of farms. The top five grossing agricultural commodities in the state are cattle and calves, broilers, greenhouse/nursery, soybeans, and cotton. Favorable weather resulted in record-setting yields for corn and cotton and near-record soybean and hay yields. Favorable livestock prices also benefited Tennessee's cattle farmers, further contributing to dramatic increases in net farm income.

## Executive Summary, *continued*

Growth is expected in the state's "green" industry (nursery, greenhouse, landscape, floriculture, etc.), as new construction and increasing consumer interest in gardening and landscaping contribute to strong demand. The outlook for major row crops in the state incorporates considerable price and production uncertainty. Prices of most major row crops are low and projected to stay low over the next year. The recent discovery of Asian soybean rust in fields in Tennessee and much of the southeast is unsettling regarding the outlook for soybean production. Cattle and other livestock prices are projected to remain strong, although uncertainty surrounding BSE (mad cow disease) is a factor influencing demand and trade.

Tobacco quota buyout legislation was passed late in 2004. The buyout terminates the federal tobacco supply control and price support programs that have been in place since the 1930s and have contributed to the prominent role of tobacco as a stable and profitable crop in the state. Post-buyout, there are no restrictions on the location or quantity of tobacco production or marketings. There are also no price guarantees, no form of price or income safety net, and no government supports for tobacco growers. In exchange for dissolving the future value of tobacco quota assets, Tennessee tobacco quota owners and growers are expecting buyout payments—funded by tobacco product manufacturers and importers—totaling \$767 million over 10 years.

A number of issues, trends, and concerns in the larger agriculture sector are expected to surface as initial dialogue and discussions begin in 2005 in preparation for major farm policy changes in 2007. Among the many issues and concerns are globalization and trade commitments, the high level of government commodity program payments, expanding the number and types of farms eligible to participate in government programs, changes in the criteria on which farm support payments are made (i.e., away from traditional crop commodities and toward conservation or bioenergy or farm structure or other criteria), and safety and security of the food supply.

**Long-Term Trends.** An economy's long-term growth is influenced heavily by growth in the labor force, investment and productivity. This year's extended outlook begins by exploring trends in workforce development as measured by years of schooling and standardized test scores. The quality of Tennessee's workforce has improved markedly over time. High school graduation rates have improved, the share of the population with a college degree has risen and test scores have trended upward. While progress has been made in Tennessee, states around the country and countries around the world have also seen rising levels of educational attainment and workforce quality. Further improvements in the quality of the state's workforce are essential to ensuring improved economic outcomes for state residents in the years to come.

Labor force growth has long benefited from immigration. But the immigrants of today often have different characteristics than immigrants of the past. Historically immigrants brought with them high levels of educational attainment. This allowed them to secure quality jobs and lift themselves out of poverty. The immigrants of today, at least on average, have lower levels of educational attainment. This changes their job prospects and means more immigrant families are in poverty than has been the case in the past.

## Executive Summary, *continued*

Per capita personal income is often used as a barometer of economic well-being. While the state's relative standing has improved over time, per capita income in Tennessee has never reached the level of the national economy. From 1996 to 2001, income per capita in the state grew at a slower pace than the nation, allowing the margin between Tennessee and the US to widen. There has been some improvement since 2001, reflecting particularly weak growth in income for the nation as a whole rather than a strong performance on the part of Tennessee. Income growth is linked closely to levels of educational attainment and the quality of jobs created by the state economy.

Taxable sales as a share of personal income have declined over time. In 1994, taxable sales were 50.7 percent of personal income versus 46.3 percent in 2004. Inflation-adjusted per capita taxable sales were actually lower in 2004 than in the pre-recession peak in 1999. Weak growth in taxable sales is a reflection of an eroding tax base due to remote sales, the shift in consumption towards services, border shopping, and legislated exemptions to the base.

Both the state and the nation have suffered from declines in manufacturing that date back to 1999. In 1992, 22.0 percent of all jobs in Tennessee were in manufacturing, falling to 15.5 percent in 2003, a loss of nearly 80,000 jobs. Growth in service sector jobs has been relatively strong. The job losses in manufacturing create a disproportionate burden for rural Tennessee where the economic base depends more heavily on the manufacturing sector. Service sector jobs tend to be concentrated in metropolitan areas, offering these same places an important engine of economic growth.

**Long-Term Economic Outlook.** Tennessee's nominal personal income is expected to grow at a 5.6 percent compound annual growth rate (CAGR) between 2004 and 2014, compared to 5.9 percent for the nation. The state will enjoy stronger job growth and a lower unemployment rate than the US economy.

Nonfarm jobs in the state should rise at a 1.8 percent CAGR over the long-term forecast horizon. Manufacturing jobs will expand on net, with gains in the durable goods sector more than offsetting losses in the nondurable goods sector. Overall growth is projected at 20,000 jobs; the nation is expected to lose 600,000 jobs in the manufacturing sector. The state unemployment rate will slowly drift downward, reaching a low of 4.1 percent in 2014.

Nominal per capita income will rise at a 4.2 percent CAGR in Tennessee between 2004 and 2014. The gap between the state and the nation is expected to widen over this time period. Nominal taxable sales will see a 5.2 percent CAGR, but since this growth falls short of income growth, taxable sales as a percentage of personal income will fall.

Inflation-adjusted gross state product (GSP) is projected to rise at a 3.5 percent CAGR between 2004 and 2014, ahead of the nation's projected 3.2 percent rate of growth. Manufacturing output as a share of state output will rise slightly in the face of a declining employment share. Manufacturing's output performance reflects expectations of relatively strong productivity gains, particularly in the durable goods sector.

## **Executive Summary, *continued***

### ***Economic Growth Strategy Regions***

Historically, Tennessee's regional divisions have been based on geographic boundaries instead of shared economic attributes. The Tennessee Department of Economic and Community Development contracted with the Center for Business and Economic Research (CBER) at the University of Tennessee to identify economic regions in Tennessee and to provide a comprehensive profile of each region. These ten regions are intended to reflect multi-county areas that have similar economic attributes such as income and employment.

Chapter Four identifies the ten regions, illustrates their diversity across the state, and emphasizes why it is important to consider regions rather than the state as a whole or metropolitan statistical areas (MSAs) in developing economic growth strategies. An important aspect of the new region designations will be their application in the context of state and local economic development policies. This chapter also discusses some of the policy issues associated with developing, implementing, and evaluating multi-county development policy.

## The US Economy

### In this chapter...

#### 1.1. Introduction

#### 1.2. The Year in Review

*Inflation and Unemployment  
Components of GDP*

#### 1.3. The US Forecast

*Consumption and the Labor Market  
Investment and Interest Rates  
Government Spending  
Net Exports*

#### 1.4. Alternative Scenarios

### 1.1. Introduction

The US economy continued its slow, steady progress in 2004. The often erratic and unpredictable recovery following the recession of 2001 continued throughout last year, eventually showing signs of greater stability later in the year. Inflation-adjusted Gross Domestic Product (GDP), perhaps the most widely used indicator of overall economic health, was growing at an annual rate of 4.0 percent as of the third quarter of 2004.

This chapter is intended to provide a brief overview of the current economic situation for the nation along with a short-term forecast of things to come.<sup>1</sup> To summarize briefly in advance, despite high oil prices and slow job growth, the US economy appears to be in good health. Strong labor productivity, low interest rates, and moderate inflation have worked together to help businesses and consumers maintain relatively strong spending patterns. Also, the Federal Reserve Bank (Fed) increased interest rates five times in 2004 to help keep the economy from overheating.

Economic growth will continue, although at a slower rate, in 2005. Specifically, inflation-adjusted GDP is expected to rise at a 3.6 percent seasonally adjusted annual rate (SAAR).<sup>2</sup> The sustainability of stronger economic growth will be ensured by robust business investment in all categories (equipment, software, and structures) and an improving international trade sector, combined with slightly slower but strong growth in consumer and government spending, all of which will offset a slight decline in residential investment.

1. CBER bases its US forecast on that provided by Global Insight, Inc.

2. Unless otherwise noted, all growth rates in this chapter are seasonally adjusted annual rates (SAARs).

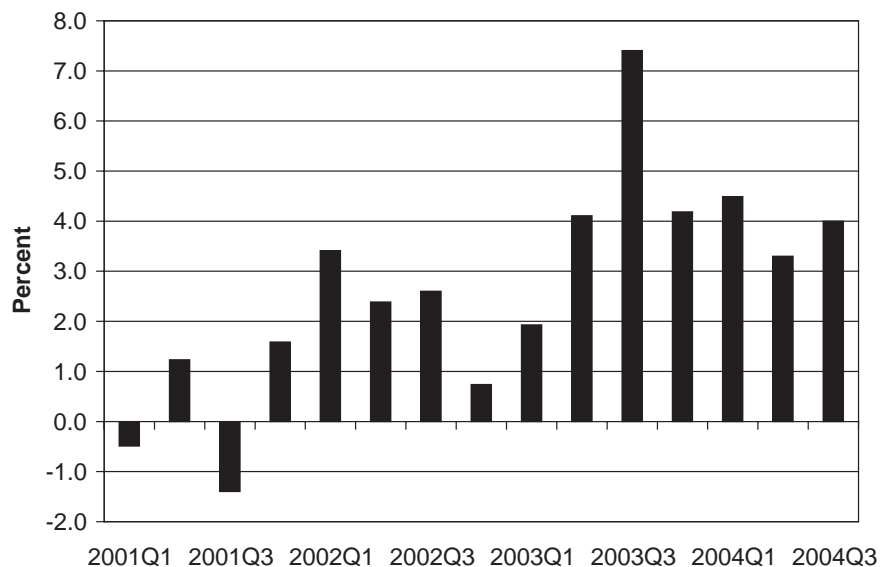
## 1.2. The Year in Review

Economists traditionally define a recession as at least two consecutive quarters of inflation-adjusted (real) GDP decline. As shown in Figure 1.1, real GDP growth has been positive since the third quarter of 2001. Growth has been generally slow and stable with the obvious exception of the third quarter of 2003 when real GDP grew by more than 7 percent.

The Business Cycle Dating Committee at the National Bureau of Economic Research (NBER) is responsible for officially determining the beginning and ending dates of US recessions. The NBER goes well beyond inflation-adjusted GDP in this process, looking instead at more detailed indicators of macroeconomic activity. Two critical elements in the NBER's determination include total nonfarm employment and inflation-adjusted personal income after all government transfers (disposable personal income), shown in Figure 1.2.<sup>3</sup>

Despite a slight adjustment in September 2003, total personal income has continued to grow since the 2001 recession. Fortunately, total employment turned the corner in late 2003 and has been growing slowly ever since. One of the main economic stories in 2004 was the slow rate of employment growth. Despite recent gains, total nonfarm employment is still not where it was before the 2001 recession. Fortunately, economic growth has continued alongside the sluggish job growth as a result of continued rises in labor productivity (see Figure 1.3). Another bright spot in the employment picture was the long-awaited addition of over 75,000 manufacturing jobs in early 2004 following long periods of job declines in this important sector.

**Figure 1.1. Inflation-Adjusted GDP Growth**

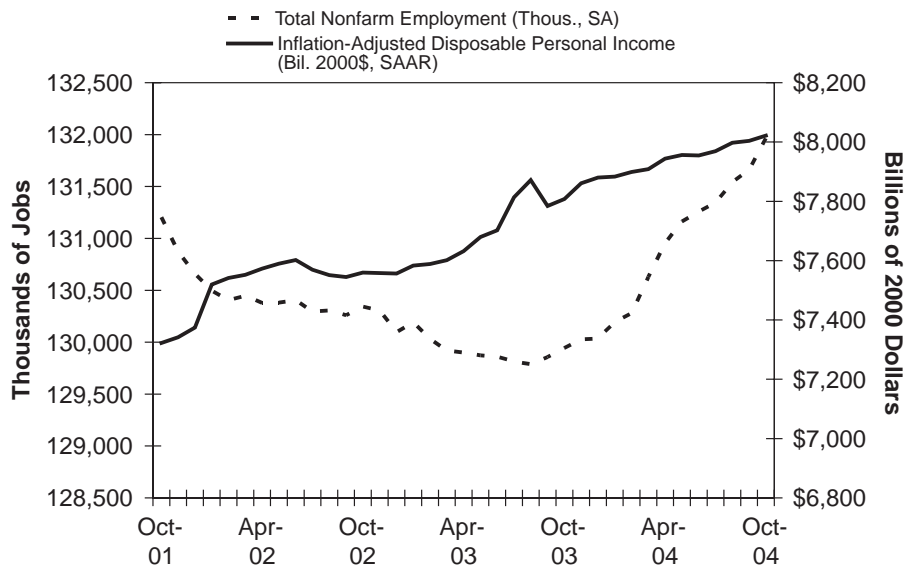


Source: Bureau of Economic Analysis.

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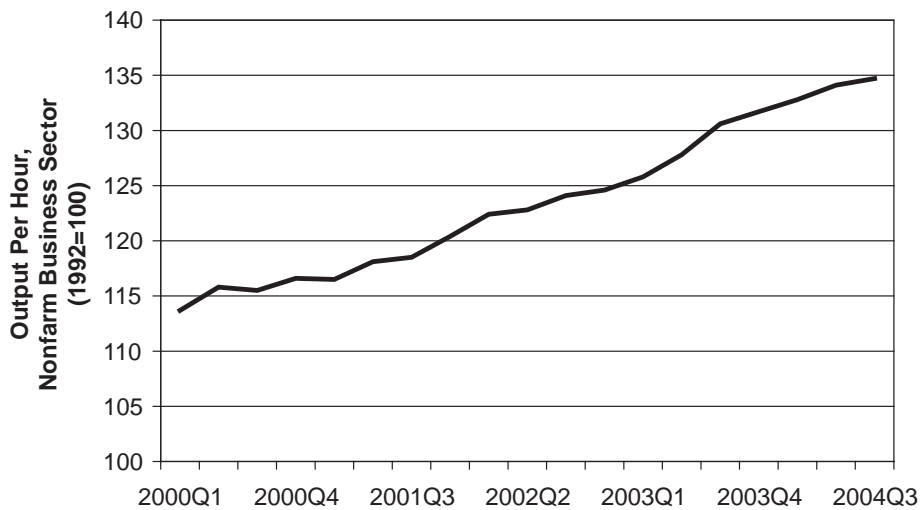
3. The employment series shown in Figure 1.2 is derived from Bureau of Labor Statistics survey of establishments, not households.

**Figure 1.2. Employment and Personal Income**



Source: Bureau of Labor Statistics and Bureau of Economic Analysis.

**Figure 1.3. Worker Productivity**



Source: Bureau of Labor Statistics.

## 1.2. The Year in Review, *continued*

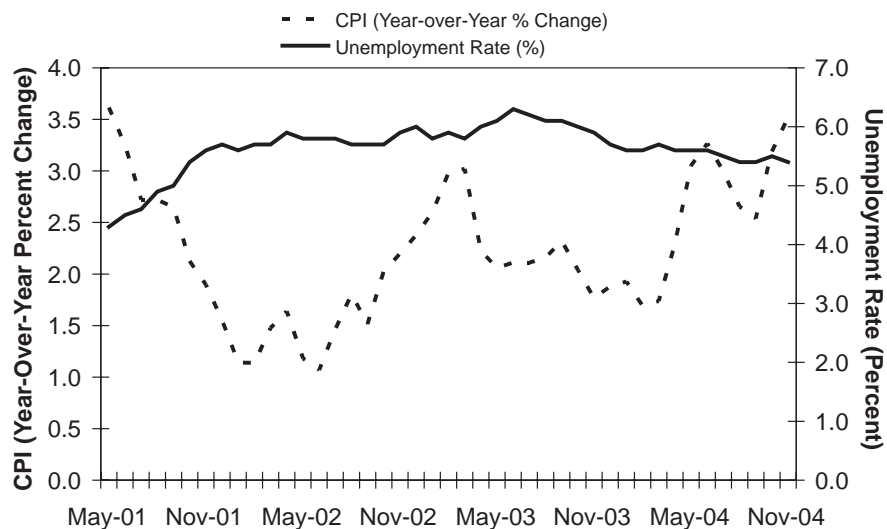
### ***Inflation and Unemployment***

Figure 1.4 shows recent movements in two other popular indicators of economic well-being, the Consumer Price Index (CPI) and the Civilian Unemployment Rate. The CPI measures the total cost of a typical market basket of consumer goods and services over time, relative to some base time period (1982-84). The percentage change in the CPI represents the general percentage increase in consumer prices, commonly referred to as inflation. The Civilian Unemployment Rate indicates the share of the national labor force that is either out of work or looking for work.

Maintaining low levels of inflation has become the primary goal of the Fed, the chief executor of monetary policy in the US. The CPI rose at an annual rate of 1.9 percent in 2004Q3, down from the 2003 increase of 2.3 percent and well below the conventionally acceptable rate of 3 percent. While prices grew slightly through 2002 and into 2003, a substantial reduction in inflation in the spring of 2003 raised fears of the possibility of widespread price reductions, or deflation. More recent data show gradually increasing inflation, however, driven mainly by the well-publicized and dramatic growth in oil prices during 2004 (see Figure 1.5).

Inflation remains largely in check due in part to a series of prudent increases in the Federal Funds Target Rate by the Federal Reserve Bank (see Figure 1.6).<sup>4</sup> As the economy gathers steam and steady growth becomes the norm, consumers and businesses increase their purchases. This increased demand places upward pressure on prices, which can lead to increased overall inflation. The Fed acts to increase interest rates in times such as these in order to make it more expensive for consumers and businesses to borrow money to finance their purchases. Additionally, Fed actions have recently benefited from slow wage growth, which has placed only moderate upward pressure on prices.

**Figure 1.4. Inflation and Unemployment**

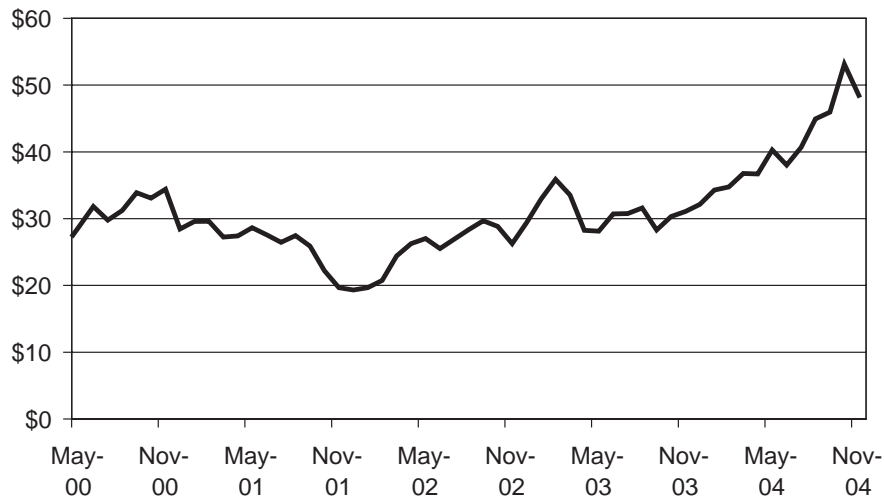


Source: Bureau of Labor Statistics.

4. The federal funds rate is the interest rate charged when banks borrow from each other, either to meet reserve requirements or short-term demands for cash, usually on an overnight basis. It is changed, not directly by Fed policy but indirectly through actions of the Federal Open Market Committee.

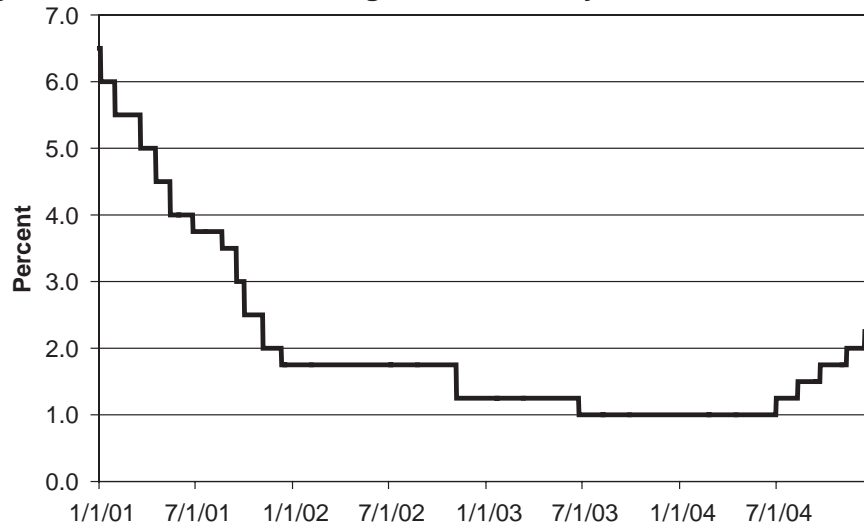


**Figure 1.5. Spot Oil Price: West Texas Intermediate, Dollars Per Barrel**



Source: Federal Reserve Bank of St. Louis.

**Figure 1.6. Federal Funds Target Rate, January 2001 to December 2004**



Source: Federal Reserve Board of Governors.

## 1.2. The Year in Review, *continued*

The labor market improved slightly in 2004 with the unemployment rate continuing to fall from its mid-2003 high of 6.3 percent to a recent low of 5.4 percent. Wage inflation, nonetheless, was subdued. The Employment Cost Index, a popular leading indicator of inflationary pressure in the economy, rose by 3.5 percent on an annual basis through 2004Q3. This growth rate was down slightly from a 2003 increase of 4.0 percent. Growth in worker productivity (output per hour of work) has slowed rather dramatically, rising by only 1.8 percent as of 2004Q3, a significant fall from the 2003 growth rate of 4.5 percent. These two factors—slow wage growth and even slower productivity growth—suggest improved labor markets and lower inflation in the coming quarters as discussed below.

### ***Components of GDP***

Inflation-adjusted US GDP represents the total value of goods and services sold in the nation during a period of time. By definition, it is the sum of consumption spending, investment (including plant and equipment, structures, residential housing, and inventories), government spending, and spending on the international market (net exports, or exports less imports). It is important to examine the various components of real GDP in order to gain a more complete picture of economic health.

Consumption spending, which typically makes up about two-thirds of total inflation-adjusted GDP, increased at an annual rate of 5.1 percent in 2004Q3. This was much stronger than the impressive 2003 growth rate of 3.3 percent. This has been driven by robust growth in consumer purchases of durable goods, buoyed by low interest rates and attractive financing offers from major manufacturers.

Spending on residential housing finally started showing signs of a long-expected slow-down in 2004, driven in part by rising mortgage interest rates in the early part of the year. Residential fixed investment was up by only 1.6 percent as of 2004Q3. As shown in Figure 1.7, the average 30-year mortgage interest rate started 2004 near 5.9 percent and rose to a high of 6.3 percent in May. Interestingly, average mortgage rates reversed course soon thereafter and ended the year back in the neighborhood of 5.7 percent. Sales of new single-family homes followed nearly an opposite trend as expected, falling when mortgage interest rates increased and vice versa.

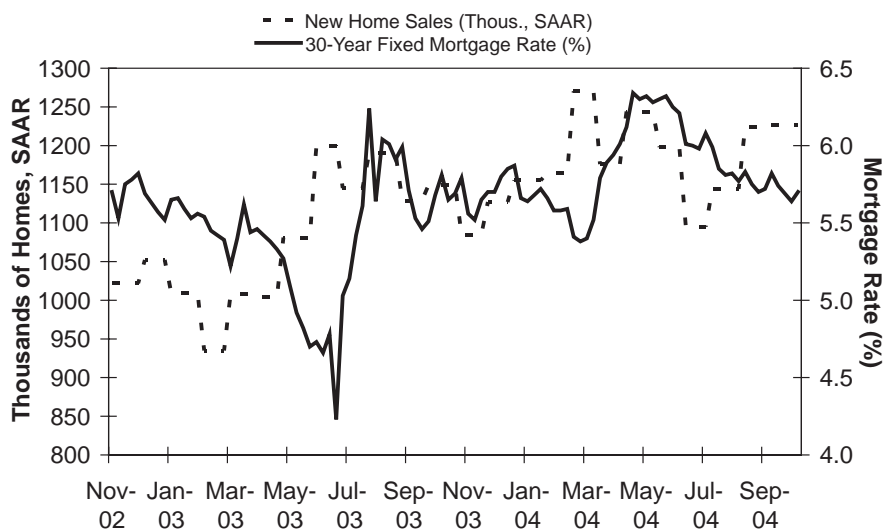
Business fixed investment rose at an annual rate of 13.0 percent as of the third quarter of 2004, up dramatically from the 2003 increase of 3.3 percent. Purchases of equipment and software (17.5 percent) were more than strong enough to offset the slight decline in investment in structures (-1.1 percent). One highlight of business fixed investment in structures, though, was strong growth in manufacturing structures (25.3 percent) following many years of declines. This trend, along with the marked increases in industrial and transportation equipment purchases in 2004, likely reflect significant rebuilding expenses in areas hit by the many hurricanes during the year.

Government spending was growing by 4.8 percent at the federal level and falling by 1.7 percent at the state and local level as of 2004Q3. Both represent slowdowns from 2003 (positive growth of 6.6 and 0.7 percent, respectively), due in part to the continued effects of federal tax cuts and the well-documented severe but diminishing fiscal strain at the state and local level.

## 1.2. The Year in Review, *continued*

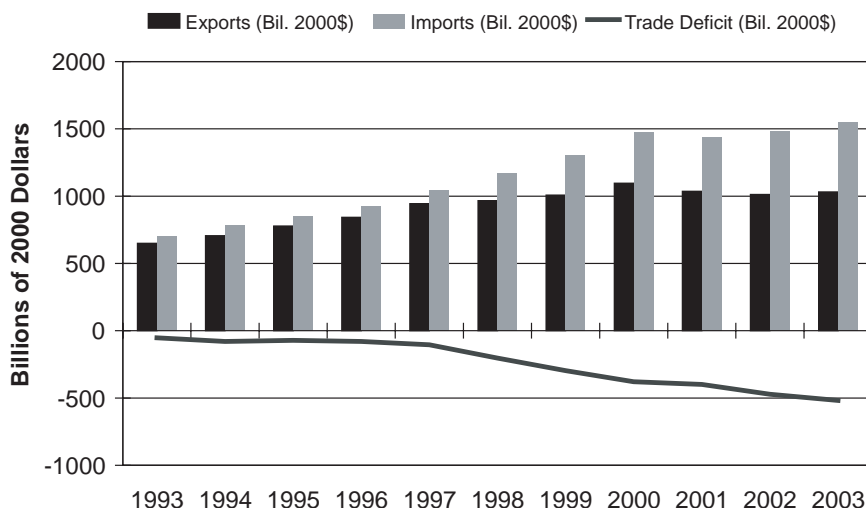
The biggest drain on domestic economic growth has typically come from the international market. Since spending by US consumers on imports is included in consumption, it is subtracted from export spending in order to avoid double counting and to gauge the true level of export spending that contributes to US economic growth. Imports have exceeded exports for well over a decade (see Figure 1.8), involving a net subtraction from inflation-adjusted GDP. The gap between exports and imports is known as the trade deficit.

**Figure 1.7. Mortgage Rates and New Home Sales**



Source: US Census Bureau and Fannie Mae.

**Figure 1.8. Inflation-Adjusted Exports and Imports**



Source: Bureau of Economic Analysis.

## 1.2. The Year in Review, *continued*

The trend of increasing trade deficits slightly reversed course in 2004Q3, with export growth of 6.0 percent outweighing import growth of 4.6 percent. Contributing to this was a dramatic reduction in real exchange rates, which made imports more expensive relative to domestic goods and services (see sidebar and Figure 1.9 below).

### ***Two Sides of a Falling Dollar***

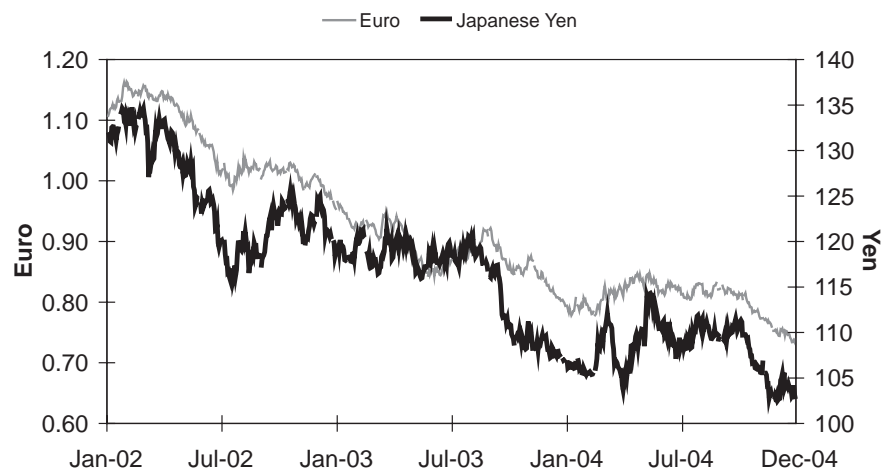
Figure 1.9 provides a clear picture of one of the most significant economic stories of 2004—the dramatic fall in the value of the US dollar relative to foreign currencies. Shown are three-year trends in two prominent nominal exchange rates: the value of the dollar relative to the euro and that relative to the yen. Both have fallen rather dramatically in recent years.

On one hand, a “weak” dollar is viewed as a negative from the standpoint of US residents, as travel to foreign countries becomes more expensive. On the other hand, residents of other nations traveling into the US enjoy relatively cheaper travel. A weaker dollar can often generate welcome increases in the flow of international visitors (and their spending money) into the US.

Similarly, in more macroeconomic terms, a falling dollar is good for overall GDP growth. If US exports are relatively cheaper and US imports from other nations relatively more expensive, we might expect to see increased export growth and slower import growth. Both of these trends would reduce the US trade deficit, leading to higher rates of overall real GDP growth. This is perhaps why most US officials have not expressed alarm at the falling dollar.

Of course, the combination of relatively more expensive imports and increased demand for US exports can result in greater rates of inflation. Indeed, the falling dollar is responsible for a significant share of the expected increase in prices in 2005, as well as the corresponding increase in interest rates as the Fed works to moderate inflationary pressures.

**Figure 1.9. Foreign Exchange Rates (Units of Foreign Currency per US Dollar)**



Source: Federal Reserve Bank.

### 1.3. The US Forecast

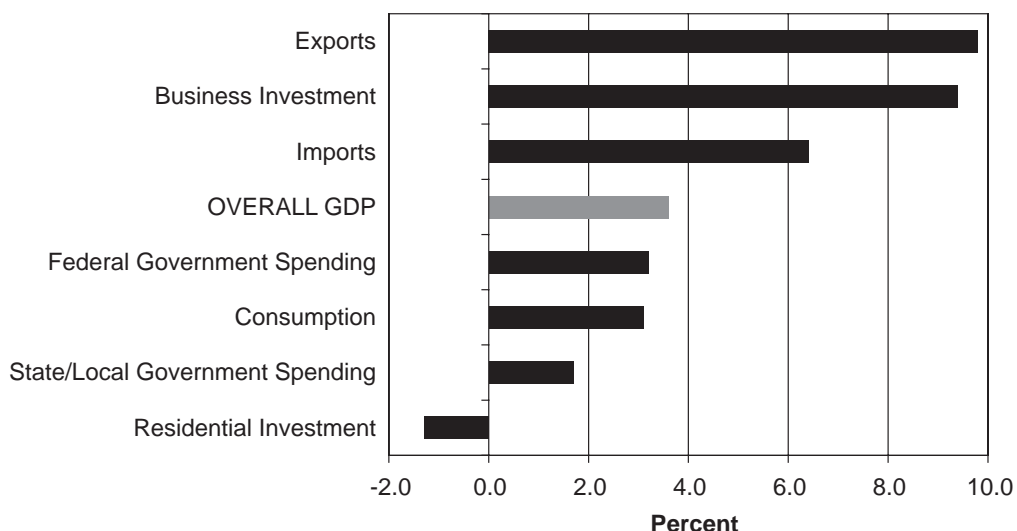
Economic growth will continue in 2005, although at a slightly slower rate than that observed in late 2004. Inflation-adjusted GDP will grow at a 3.6 percent annual rate. All segments of the economy are expected to increase, as shown in Figure 1.10, with the sole exception of residential investment (housing). Inflation and unemployment will both remain in check, and job growth will improve substantially. Each of these anticipated trends is discussed in more detail below.

#### ***Consumption and the Labor Market***

Annual growth in consumption spending over the course of 2005 is expected to reach 3.1 percent. Prices will accelerate very slightly by 2.1 percent, as inflation remains largely subdued. While recent consumption growth has been fueled by low interest rates, moderate inflation, widespread mortgage refinancing, and significant federal tax cuts, future growth will be based primarily on strength in the labor market.

Labor market conditions are expected to improve, if only slowly, through 2005. Specifically, payroll employment will rise by 1.8 percent nationwide over the course of 2005, while the unemployment rate falls to 5.3 percent. Manufacturing jobs will be up at a 0.4 percent pace in 2005. A side effect will be continued slow growth in wages (as measured by the Employment Cost Index) at a rate of 3.7 percent. Productivity growth of 2.3 percent will offset inflationary pressure from this wage growth. Personal income is expected to grow at a 5.2 percent annual rate in 2005, up from its 3.4 percent pace in 2004Q3.

**Figure 1.10. Expected Annual Percentage Growth in the Primary Components of Inflation-Adjusted GDP, 2005**



Source: Global Insight, Inc.

### **1.3. The US Forecast, *continued***

#### ***Investment and Interest Rates***

Residential investment will decline slightly, and business investment will continue to grow in 2005 with the slowdown on the residential side more than offset by robust growth on the business side. Beginning with residential fixed investment, housing starts will slow to an annual rate of 1.815 million units in 2005. Mortgage interest rates will be a contributing factor, with the effective 30-year fixed mortgage rate averaging 6.4 percent and rising throughout 2005. On net, residential fixed investment is expected to fall by 1.3 percent in 2005.

The slow growth in business fixed investment will pick up steam in 2005, leading to extraordinary growth of 9.4 percent. All segments of business investment, including equipment, software, and structures, will experience strong growth this year. Business investment in structures will finally rebound, growing at an annual rate of 6.6 percent. Investment of all types will be aided by persistent low interest rates. As economic growth gathers steam and the effects of fiscal policy play out in 2005, the federal funds rate is projected to continue its slow rise from the current rate of 2.25 percent to a year-ending value of 3.5 percent. This action should be enough to stave off inflation but should not seriously dampen investment spending. The prime interest rate should average 6.0 percent in 2005 versus 4.3 percent in 2004.

#### ***Government Spending***

Expect slower growth in federal government spending of 3.2 percent in 2005 as recently-enacted tax and spending cuts take full effect. The Federal deficit will finally fall during 2005. State and local spending will also increase, but only at an annual rate of 1.7 percent due to sluggish revenue growth and structural imbalances that continue to constrain budgets.

#### ***Net Exports***

Inflation-adjusted exports will rise at an annual rate of 9.8 percent in 2005, while inflation-adjusted imports will rise at a slower rate of 6.4 percent. Continued but slower reductions in exchange rates in 2005 will be helpful. The end result of all of this is that the trade deficit will become a slightly smaller drag on growth.

## 1.4. Alternative Scenarios

There exists widespread optimism that the current economic expansion will continue. Nonetheless, overall economic growth could be slower than the baseline forecast of 3.6 percent if a number of key risks materialize. Specifically, more rapid inflation and a rapidly declining dollar could lead to earlier and larger interest rate increases thereby squelching consumer and investor confidence. Higher oil prices could have similar effects on the aggregate economy. Nonetheless, even these more pessimistic scenarios would not involve outright recession, but merely slower economic growth than in the baseline forecast.

Alternatively, better-than-expected economic growth might result if productivity growth continues, oil prices fall, and businesses continue their recent investment spending. Such a scenario would likely involve lower rates of inflation, allowing interest rates to remain near current values. The slight slowdown in the housing sector would not materialize as quickly. A final factor that would contribute to faster-than-expected growth is international trade, where the declining dollar leads to even faster growth in net exports.

## The Tennessee Economy: Short-Term Outlook

### In this chapter...

#### 2.1. Introduction

#### 2.2. The Recession and Its Aftermath

#### 2.3. The Current Economic Environment

*Jobs and the Unemployment Rate  
Personal Income and Taxable Sales*

#### 2.4. Short-Term Outlook

*Jobs and the Unemployment Rate  
Personal Income and Taxable Sales*

#### 2.5. Situation and Outlook for Tennessee Agriculture

*Overview of Agriculture  
Agriculture Sector Outlook for 2005 and Beyond  
Long-Term Issues and Outlook*

### 2.1. Introduction

The Tennessee economy continues to expand. In recent quarters the unemployment rate has drifted downward, personal income has grown at a decent pace, year-over-year nonfarm job growth has been positive and losses in manufacturing have gotten smaller. But job growth has not lived up to expectations. The short-term economic outlook calls for continued expansion into 2007 with modest improvement in income growth and slightly better improvement in job growth.

This chapter provides greater detail on short-term economic conditions and the short-term outlook for the state economy. The chapter begins with an examination of the recent economic environment in Tennessee, including a comparison of current conditions to those that prevailed prior to the recession of 2001. The short-term forecast for income, jobs, the unemployment rate and taxable sales is then presented. The final section of the chapter offers a discussion of the outlook for the state's agricultural sector.



## 2.2. The Recession and Its Aftermath

We have come a long way since 2001 when the national economy was mired in recession. But the state has not made up all of the ground lost since then. Consider some examples that compare pre-recession conditions in 2000 to economic conditions that prevailed in the third quarter of 2004 (the most recent quarter for which complete data are available). As shown in Table 2.1, there were 2,728.9 thousand nonfarm jobs in Tennessee in 2000 versus 2,686.8 thousand jobs in the third quarter of 2004. This reflects a decline of 1.6 percent and the loss of over 42 thousand jobs.

The culprit is manufacturing which saw jobs fall by 15.4 percent over this period of time, swamping the positive effects of job creation in the various service sectors. While there were 488.0 thousand manufacturing jobs in 2000, there were only 412.7 thousand jobs in the third quarter of 2004, a loss of over 75 thousand jobs.

Another example is the unemployment rate. Having reached an amazing low of 3.9 percent in 2000, the prevailing unemployment rate in the third quarter of 2004 stood at 4.8 percent. The number of unemployed people has grown by over 28 percent over this window of time. But there is good news beneath the surface of these statistics. The number of employed people has improved by 2.6 percent since 2000, and the number of unemployed people has fallen significantly from the peak of 177,000 established in the fourth quarter of 2003 to 141,000. Moreover the state unemployment rate has fallen from its post-recession peak and rested well below the 5.4 percent unemployment rate of the nation in the third quarter of 2004.

Inflation-adjusted personal income has risen by 9.0 percent since 2000. Despite the recession, inflation-adjusted income for the state and the nation stayed in the black in 2001. While income growth has been a bit sluggish, the state has performed better than its national counterpart.

The standard of living in the state as measured by inflation-adjusted per capita personal income has improved since the recession. But growth has not been particularly strong by long-term historical standards. As shown in Table 2.1, per capita income stood at \$26,170 in 2000 and rose to \$27,291 in the third quarter of last year, reflecting a 4.3 percent gain. Tennessee's per capita income was 87.8 percent of the national average in 2000 but improved to 89.7 percent of the average in the third quarter of 2004.

The recession certainly has had a lasting impact on the state and national economies. While there has been improvement in the economy since 2000, unlike other post-World War II expansions, the current cycle has failed to produce strong job growth and recoup all of the ground lost during a recession that ended over three years ago. The failure of jobs to rebound is a trend that continues to befuddle both economic analysts and policymakers. Explanations for weak job growth vary but include heightened international competition (particularly from China), the high value of the dollar in international currency markets, rising health care and fringe benefit costs to employers and continued uncertainty regarding the direction of the national economy.

## 2.3. The Current Economic Environment

The state economy enjoyed a bit stronger growth in 2004 than in 2003. Personal income, nonfarm jobs, manufacturing jobs and average wages all showed some improvement. The unemployment rate was nearly a percentage point below the rate the prevailed in 2003. By most of these barometers of economic activity, the state outperformed the national economy in 2004. Although growth was stronger in 2004 than in 2003, there were few signs of an accelerating economy over the quarters of the last year.

### ***Jobs and the Unemployment Rate***

Nonfarm job growth for Tennessee was 0.9 percent in 2004<sup>1</sup>, well ahead of the anemic 0.1 percent rate of job creation in 2003. Job growth in the state lagged national job growth (1.0 percent) in 2004. Most broad sectors enjoyed improvement in 2004, including construction; manufacturing; trade, transportation and utilities; information services; financial services; and professional and business services. Education and health services, leisure and hospitality services, and “other services” expanded in 2004 but at a slower rate than in 2003.

The state’s manufacturing sector contracted again in 2004. After seeing jobs wither 6.9 percent in 2001, 5.7 percent in 2002, and 3.4 percent in 2003, the rate of job loss was only 0.1 percent in 2004. At least the trend is in the proper direction. While the national economy has also seen manufacturing jobs fall at a rapid pace (including a 4.8 percent decline in 2003), the loss for 2004 is expected to be only 1.0 percent. The last time the state and nation enjoyed positive job growth in the manufacturing sector was in 1998.

Durable goods manufacturing was able to engineer a 0.3 percent gain in 2004 on the heels of a 3.1 percent setback in the previous year. Jobs were up in four broad sectors of durable goods and down in six broad sectors. The overall nondurable goods sector saw some improvement for the year with job losses totaling 0.8 percent compared to a 3.8 percent decline in 2003. Only the food and textile product mills components of nondurable goods saw positive job gains in 2004.

Job losses taking place in manufacturing are not evenly distributed across the state. Metropolitan counties in Tennessee tend to have a smaller *share* of their economic base in manufacturing as compared to rural counties. (At the same time, because of their sheer size, there are more manufacturing jobs in numerous metropolitan counties.)

**Table 2.1. Pre-Recession versus Post-Recession Economic Conditions**

<b>Economic Indicator</b>	<b>2000</b>	<b>2004Q3</b>
Nonfarm jobs	2,728,919	2,686,785
Manufacturing jobs	488,044	412,664
Unemployment rate	3.9%	4.8%
Inflation-adjusted income (millions)	\$148,830	\$162,707
Inflation-adjusted per capita income	\$26,170	\$27,291

1. In this section of the *Report*, all data for 2004 are preliminary.

### 2.3. The Current Economic Environment, *continued*

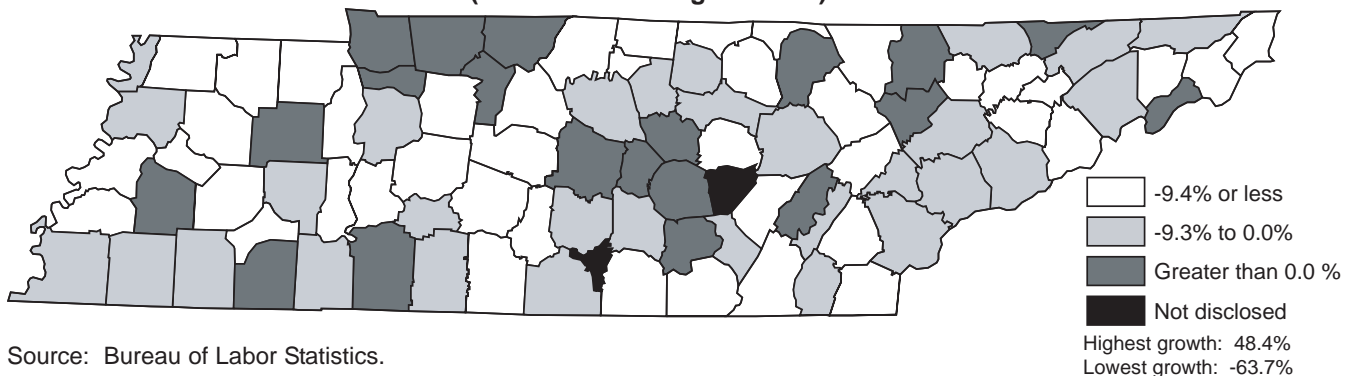
Many rural counties depend disproportionately on manufacturing as a source of jobs, income and tax revenue. Twenty-four counties had more than 40 percent of their nonfarm jobs in manufacturing in 2003 (the most recent year for which county level data are available); seven counties had more than one-half of their jobs in manufacturing. Between 2001 and 2003, 73 counties witnessed job losses in manufacturing. The largest percentage decline was in Morgan County (down 63.7 percent), while the largest absolute decline occurred in Davidson County (job losses of 5,621 translating into a 17.0 percent decline). These job losses are summarized in Figure 2.1.

The service sector has experienced rather strong growth helping to stave off more broad-based problems in state labor markets. Professional and business services grew 0.7 percent, education and health services jobs were up 1.9 percent, leisure and hospitality services advanced 2.3 percent, and “other” services saw job gains of 0.6 percent in 2004. Jobs in the transportation and utilities sector experienced strong growth of 2.1 percent for the year. While jobs in manufacturing tend to be concentrated in rural portions of the state as noted above, service sector jobs account for a disproportionate share of the economic base of many *metropolitan* counties in Tennessee. The growth in the service sector has been instrumental in supporting quite strong economic conditions in most metropolitan counties of the state.

The state saw its recent peak in the unemployment rate of 6.1 percent in the third quarter of 2003. The average for 2003 was 5.8 and the average for 2004 is expected to come in at 4.9 percent. On an annual basis, the state unemployment rate has fallen below the national unemployment rate going back to 1995. The state’s labor force actually contracted in 2003. Such contraction is not a common occurrence but likely is a reflection of the weak employment opportunities that prevailed at that time. A rebound occurred in 2004. The number of unemployed people grew sharply at double-digit rates in 2001 through 2003 but declined in double-digits in 2004. On a year-over-year basis, the number of unemployed people declined in the first three quarters of 2004 offering some encouragement.

As with job declines in manufacturing, there is wide disparity across the state in the incidence of unemployment. Generally, counties in or near the state’s metropolitan

**Figure 2.1. Manufacturing Employment Growth, 2001 to 2003**  
(Tennessee Average = -9.4%)



Source: Bureau of Labor Statistics.

### 2.3. The Current Economic Environment, *continued*

statistical areas have relatively lower rates than more rural counties. The most recent seasonally-adjusted county data on unemployment rates is for 2003. Figure 2.2 illustrates the rather striking divergence in county unemployment rates across the state.

#### **Personal Income and Taxable Sales**

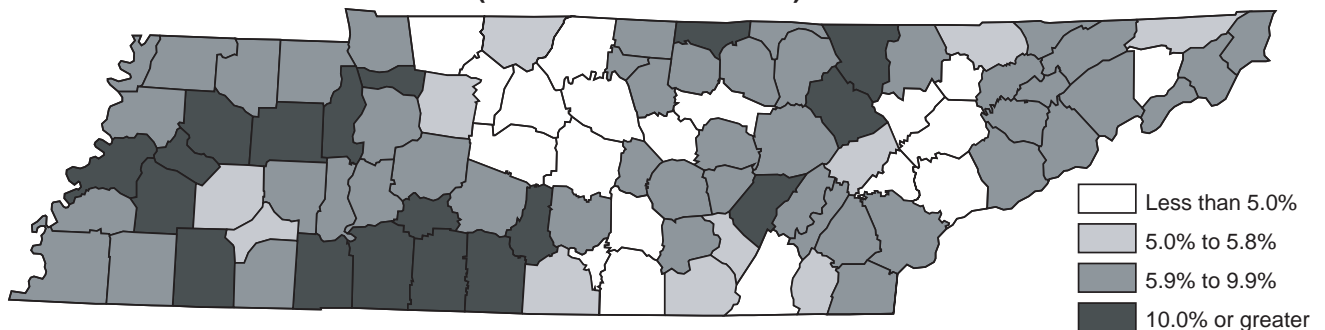
Nominal personal income advanced at a 4.4 percent rate in 2003, with growth for 2004 expected to be stronger at 5.2 percent. US personal income grew 3.2 percent in 2003 and should experience 5.4 percent growth in 2004. Growth in wages and salaries has lagged overall personal income growth reflecting the weak rate of job creation. Rent, interest and dividend income actually contracted in 2002 and 2003 but grew 4.3 percent in 2004. Proprietors' income advanced at a healthy 8.3 percent rate in 2003, but growth slowed to 5.1 percent in 2004.

There have been accounting changes that alter some of the components of personal income but leave total personal income unaltered. Most important is a redefinition of what was formerly called "other labor income" that is now referred to as "supplements to wages and salaries." This category includes employer contributions for employee social insurance, as well as payments to private and government retirement plans and group health and life insurance plans as before. The employer contributions are now subtracted as personal contributions for social insurance. (See Tables 3 and 4 in the Appendices of this *Report* for detail on the components of personal income.) The addition of employer social insurance contributions, coupled with growth in health insurance costs, is believed to be the source of the significant growth of "supplements" income in the last couple of years.

Inflation-adjusted per capita income performed well when compared to the US in 2003, growing 1.1 percent in Tennessee versus 0.3 percent for the nation. The tables were turned in 2004 when US growth outstripped state growth.

Taxable sales have done poorly going back to 2001 when nominal sales actually declined 0.2 percent. (Nominal taxable sales growth remained positive during the recession of the early 1990s.) Sales advanced 0.4 percent in 2002 and improved further with 3.5 percent growth in 2003. Growth for 2004 is expected to tally 5.0 percent.

**Figure 2.2. 2003 Unemployment Rate  
(Tennessee Rate = 5.8%)**



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

## 2.4. Short-Term Outlook

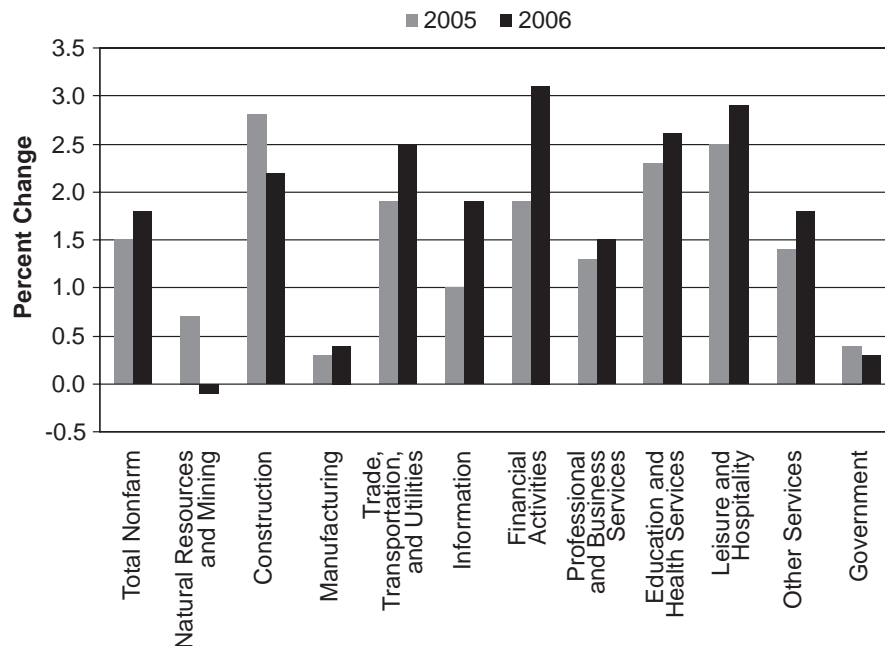
The primary driver for the state economy is the national economy. US inflation-adjusted gross domestic product is projected to grow at lower rates in 2005 and 2006 than in the last year. Inflation-adjusted personal income, on the other hand, will show slight improvement. The most significant change in the national outlook is the job situation. Job growth in 2005 and 2006 is expected to improve markedly over the 1.0 percent rate of job creation in 2004. Like the nation, the state economy is expected to see modest improvement in personal income and job growth. A summary of the economic outlook for the state and national economies is provided in Table 2.2.

### *Jobs and the Unemployment Rate*

Tennessee should see nonfarm jobs advance at a 1.5 percent rate in 2005 versus 0.9 percent in 2004. State job growth will lag the national rate of job growth for 2005 (1.8 percent). Fortunes will be reversed in 2006 as state job growth (1.8 percent) surpasses US job growth (1.5 percent). Both the state and national economies will see a modest turnaround in manufacturing as job growth moves back into the black in 2005 and 2006. Tennessee will enjoy lower rates of unemployment than the nation in both 2005 and 2006.

Projected job growth by sector for 2005 and 2006 is shown in Figure 2.3. All broad sectors of the economy other than natural resources and mining should experience positive growth in the next two years. Education and health services, leisure and hospitality services and financial activities are expected to grow at the strongest rates. Transportation and utilities (a component of trade, transportation and utilities) will also experience rather strong growth compared to other sectors of the economy. Job growth in the construction sector for 2005 will be twice the rate of job creation that took place in 2004.

**Figure 2.3. Change in Tennessee Nonfarm Employment by Sector, Seasonally Adjusted, 2005 to 2006**



**Table 2.2. Selected US and Tennessee Economic Indicators, Seasonally Adjusted**

	December 2004															
	History			Forecast Data										Annual		
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
US GDP (Bil2000\$) SAAR.....	10784.7	10891.0	10988.4	11084.7	11184.7	11280.4	11360.8	11448.6	11553.5	11656.8	11744.5	11834.0	10381.3	10840.4	11227.6	11600.9
% Chg Prev Qtr SAAR.....	3.30	4.00	3.62	3.55	3.66	3.47	2.88	3.13	3.72	3.62	3.04	3.08	3.04	4.42	3.57	3.32
% Chg Same Qtr Last Yr.....	4.83	3.99	3.85	3.62	3.71	3.58	3.39	3.28	3.30	3.34	3.38	3.37	3.04	4.42	3.57	3.32
US GDP (Bil\$) SAAR.....	11657.5	11814.9	11990.2	12166.2	12331.8	12485.4	12629.5	12796.9	12957.2	13123.6	13281.9	13452.1	11004.1	11733.8	12403.2	13039.9
% Chg Prev Qtr SAAR.....	6.60	5.51	6.07	6.00	5.56	5.08	4.70	5.41	5.11	5.23	4.91	5.22	4.93	6.63	5.70	5.13
% Chg Same Qtr Last Yr.....	7.11	6.28	6.38	6.05	5.78	5.67	5.33	5.18	5.07	5.11	5.17	5.12	4.93	6.63	5.70	5.13
CHAINED PRICE INDEX, GDP (2000=100.0).....	108.2	108.6	109.1	109.8	110.3	110.7	111.2	111.8	112.1	112.6	113.1	113.7	106.0	108.3	110.5	112.4
% Chg Prev Qtr SAAR.....	3.23	1.42	2.10	2.36	1.83	1.55	1.77	2.21	1.34	1.55	1.82	2.08	1.83	2.15	2.01	1.75
% Chg Same Qtr Last Yr.....	2.26	2.25	2.37	2.28	1.93	1.96	1.88	1.84	1.72	1.72	1.73	1.70	1.83	2.15	2.01	1.75
US PERS CONSUMP DEFL (2000=100.0).....	107.7	108.0	108.6	109.0	109.5	109.9	110.4	110.9	111.3	111.8	112.4	113.0	105.5	107.8	109.7	111.6
% Chg Prev Qtr SAAR.....	3.12	1.26	2.25	1.45	1.72	1.41	1.81	1.92	1.43	1.89	2.10	2.19	1.90	2.17	1.75	1.74
% Chg Same Qtr Last Yr.....	2.29	2.21	2.47	2.02	1.67	1.71	1.60	1.72	1.64	1.76	1.84	1.90	1.90	2.17	1.75	1.74
TN PERSONAL INCOME (MIL2000\$) SAAR..	162284	162707	165067	166014	167644	168914	171741	172607	174386	175227	177794	178855	158146	162864	168578	175003
% Chg Prev Qtr SAAR.....	2.21	1.05	5.93	2.31	3.99	3.07	6.86	2.03	4.19	1.94	5.99	2.41	2.45	2.98	3.51	3.81
% Chg Same Qtr Last Yr.....	3.22	2.58	2.65	2.86	3.30	3.81	4.04	3.97	4.02	3.74	3.52	3.62	2.45	2.98	3.51	3.81
US PERSONAL INCOME (BIL2000\$) SAAR..	8908	8956	9110	9126	9217	9312	9387	9486	9586	9673	9748	9827	8683	8953	9261	9623
% Chg Prev Qtr SAAR.....	3.19	2.16	7.08	0.68	4.06	4.21	3.25	4.30	4.24	3.72	3.10	3.28	1.26	3.11	3.43	3.92
% Chg Same Qtr Last Yr.....	2.99	2.78	3.51	3.25	3.47	3.98	3.04	3.95	4.00	3.88	3.84	3.58	1.26	3.11	3.43	3.92
TN PERSONAL INCOME (MIL\$) SAAR.....	174752	175691	179290	181286	183967	185861	189586	191283	194046	195931	199697	201810	166867	175551	185175	195239
% Chg Prev Qtr SAAR.....	5.40	2.17	8.45	4.53	6.05	4.18	8.26	3.63	5.91	3.94	7.91	4.30	4.40	5.20	5.48	5.44
% Chg Same Qtr Last Yr.....	5.58	4.80	5.18	5.11	5.27	5.79	5.74	5.51	5.48	5.42	5.33	5.50	4.40	5.20	5.48	5.44
US PERSONAL INCOME (BIL\$) SAAR.....	9593	9674	9896	9949	10091	10231	10360	10519	10667	10815	10955	11104	9162	9652	10158	10739
% Chg Prev Qtr SAAR.....	6.40	3.45	9.49	2.14	5.85	5.67	5.12	6.30	5.73	5.68	5.26	5.54	3.19	5.35	5.24	5.72
% Chg Same Qtr Last Yr.....	5.35	5.05	6.07	5.33	5.20	5.76	4.69	5.74	5.71	5.71	5.75	5.56	3.19	5.35	5.24	5.72
TN NONFARM JOBS (THOUS).....	2687.4	2686.8	2694.6	2722.3	2720.3	2733.3	2743.9	2767.7	2768.9	2782.3	2792.5	2817.8	2667.3	2690.1	2730.0	2777.9
% Chg Prev Qtr SAAR.....	-0.64	-0.10	1.16	4.18	-0.28	1.91	1.57	3.51	0.17	1.96	1.47	3.67	0.11	0.85	1.48	1.75
% Chg Same Qtr Last Yr.....	0.91	0.72	0.75	1.13	1.22	1.73	1.83	1.67	1.78	1.79	1.77	1.81	0.11	0.85	1.48	1.75
US NONFARM JOBS (MIL).....	131.1	131.5	132.1	132.6	133.3	134.0	134.5	134.9	135.4	135.8	136.2	136.5	129.9	131.3	133.6	135.6
% Chg Prev Qtr SAAR.....	2.35	1.20	1.77	1.67	2.09	1.88	1.52	1.23	1.50	1.37	0.99	0.90	-0.31	1.03	1.77	1.47
% Chg Same Qtr Last Yr.....	0.96	1.31	1.61	1.75	1.68	1.86	1.79	1.68	1.53	1.41	1.27	1.19	-0.31	1.03	1.77	1.47
TN UNEMPLOYMENT RATE (%).....	4.7	4.8	5.0	4.9	4.9	4.9	4.9	4.9	4.8	4.7	4.8	4.8	5.8	4.9	4.9	4.8
US UNEMPLOYMENT RATE (%).....	5.6	5.4	5.4	5.3	5.2	5.2	5.3	5.3	5.3	5.3	5.3	5.3	6.0	5.5	5.3	5.3
BANK PRIME INTEREST RATE (%).....	4.0	4.4	4.9	5.4	5.9	6.1	6.4	6.5	6.5	6.6	6.8	6.9	4.1	4.3	6.0	6.6
TN MFG JOBS (THOUS).....	413.0	412.7	413.7	415.4	414.4	414.4	415.5	417.2	416.0	415.8	417.7	418.8	414.1	413.6	414.9	416.7
% Chg Prev Qtr SAAR.....	-2.14	-0.31	0.96	1.67	-0.89	-0.06	1.09	1.64	-1.09	-0.24	1.80	1.09	-3.35	-0.12	0.31	0.42
% Chg Same Qtr Last Yr.....	-0.15	0.30	-0.09	0.04	0.35	0.41	0.45	0.44	0.39	0.34	0.52	0.39	-3.35	-0.12	0.31	0.42
US MFG JOBS (MIL).....	14.4	14.4	14.4	14.4	14.4	14.4	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.4	14.4	14.5
% Chg Prev Qtr SAAR.....	1.64	0.59	-0.15	0.17	0.37	0.41	0.87	0.54	-0.04	-0.15	-0.15	0.39	-4.80	-1.00	0.36	0.34
% Chg Same Qtr Last Yr.....	-1.27	-0.03	0.42	0.56	0.24	0.20	0.46	0.55	0.44	0.30	0.05	0.01	-4.80	-1.00	0.36	0.34
TN TAXABLE SALES (MIL2000\$).....	18672	18878	18994	19150	19392	19603	19837	19971	20171	20292	20456	20619	73372	75445	77983	80890
% Chg Prev Qtr SAAR.....	-4.75	4.47	2.50	3.32	5.15	4.43	4.86	2.73	4.07	2.41	3.29	3.21	1.56	2.83	3.36	3.73
% Chg Same Qtr Last Yr.....	2.75	1.15	1.66	1.32	3.86	3.85	4.44	4.29	4.02	3.51	3.12	3.24	1.56	2.83	3.36	3.73
TN TAXABLE SALES (MIL\$).....	20107	20384	20631	20912	21280	21570	21898	22132	22445	22689	22977	23265	77420	81319	85661	90243
% Chg Prev Qtr SAAR.....	-1.78	5.63	4.94	5.55	7.24	5.56	6.23	4.33	5.78	4.42	5.16	5.12	3.49	5.04	5.34	5.35
% Chg Same Qtr Last Yr.....	5.11	3.34	4.17	3.54	5.84	5.82	6.14	5.83	5.47	5.19	4.92	5.12	3.49	5.04	5.34	5.35
TN AVG ANNUAL WAGE, NONFARM (2000\$)	32623	32653	32994	32921	33069	33080	33445	33413	33574	33521	33875	33871	32283	32712	33129	33596
% Chg Prev Qtr SAAR.....	0.55	0.36	4.24	-0.88	1.82	0.13	4.49	-0.39	1.95	-0.63	4.29	-0.06	1.17	1.33	1.27	1.41
% Chg Same Qtr Last Yr.....	1.53	1.01	0.98	1.05	1.37	1.31	1.37	1.49	1.53	1.33	1.29	1.37	1.17	1.33	1.27	1.41
TN AVG ANNUAL WAGE, NONFARM (\$)	35130	35258	35837	35949	36289	36399	36921	37028	37360	37482	38049	38218	34062	35260	36389	37479
% Chg Prev Qtr SAAR.....	3.68	1.47	6.72	1.26	3.84	1.21	5.86	1.16	3.63	1.32	6.19	1.79	3.09	3.51	3.20	3.00
% Chg Same Qtr Last Yr.....	3.86	3.20	3.47	3.26	3.30	3.23	3.03	3.00	2.95	2.98	3.06	3.21	3.09	3.51	3.20	3.00

Center for Business and Economic Research, University of Tennessee

Tennessee Econometric Model

## 2.4. Short-Term Outlook, *continued*

Following a 0.1 percent setback in 2004, jobs in the manufacturing sector are expected to increase at a 0.3 percent pace in 2005 and grow by 0.4 percent in 2006. Gains in the durable goods sector will outweigh losses in the nondurable goods sector. For the US, manufacturing jobs are expected to be up 0.4 percent and 0.3 percent in 2005 and 2006. (In 2009 and beyond, projections for the national economy show contraction in manufacturing jobs.)

The good news is largely in the durable goods sector of manufacturing where jobs will be up 1.1 percent and 1.3 percent in 2005 and 2006. Only the primary metals sector is expected to show job losses in 2005, and all broad components of durable goods are expected to advance in 2006. Machinery, computers and electronics, and transportation equipment will have job gains in excess of 1.0 percent in 2005. In 2006, only primary metals and furniture will have job growth rates below 1 percent.

The bad news is in nondurable goods manufacturing where job losses of 0.9 percent and 1.0 percent are forecast for the next two years. The food sector should show growth in 2005 and 2006. But all other sectors are expected to contract in both years. In January of the current year the World Trade Organization's Agreement on Textiles and Clothing will have ended. This agreement, which was initially put in place in 1995 as a 10-year phaseout of quotas, will mean more international pressure on the state's textile and apparel sectors as quotas disappear. Developed and developing countries alike are worried about a potential flood of imports from China. The quota phaseout is a well known policy change for those in the industry, and it is conceivable that efforts have been made to promote productivity gains to stave off further losses. Nonetheless, the forecast calls for more rapid rates of job decay in the textile product mills and apparel sectors in the next two years relative to 2004.

The state unemployment rate will fall only slightly through the short-run forecast horizon. In 2005 the unemployment rate is projected to hold at 4.9 percent, the same rate anticipated to prevail in 2004. Expect a 4.8 percent rate in 2006. The US unemployment rate is projected at 5.3 percent in both 2005 and 2006. The number of unemployed people in Tennessee will increase slightly in 2005 and then decline slightly in 2006. The state's civilian labor force should see 1.1 percent and 1.3 percent growth in 2005 and 2006.

## 2.4. Short-Term Outlook, *continued*

### ***Income and Taxable Sales***

Nominal personal income should experience modest improvement in 2005 and 2006, growing 5.5 and 5.4 percent. Personal income growth for the US is projected to be 5.2 and 5.7 percent. Per capita income in Tennessee will rise 4.2 percent and 4.1 percent in 2005 and 2006 versus growth rates of 4.3 percent and 4.8 percent for the national economy. In 2006, Tennessee's per capita income will be 89.1 percent of US per capita income, a slight deterioration from 89.8 percent in 2004.

Wage and salary income growth will benefit from the stronger pace of job creation, but slower average wage growth will temper the effect on overall wage and salary income. The average wage jumped 3.5 percent in 2004, well above its trend performance. The average wage will grow at a slower 3.2 percent rate in 2005. Proprietors' income will advance at rates above 6 percent. Rent, interest and dividend income is projected to increase by 5.1 and 5.3 percent.

Nominal taxable sales should build some momentum and register a 5.3 percent gain in 2005 and a 5.4 percent gain in 2006. These will be the strongest rates of growth since 1999 when sales were up 9.2 percent. Automobile dealer sales will recover from the anemic 1.0 percent showing in 2004 and rise by 4.3 percent and 6.4 percent in 2005 and 2006. Above average growth in both 2005 and 2006 is anticipated for the purchases from manufacturers, miscellaneous durable goods, eating and drinking places, and other retail and services sectors. On a fiscal-year basis, expect sales growth of 5.1 percent in 2004/05 and 5.6 percent in 2005/06.



## 2.5. Situation and Outlook for Tennessee Agriculture<sup>2</sup>

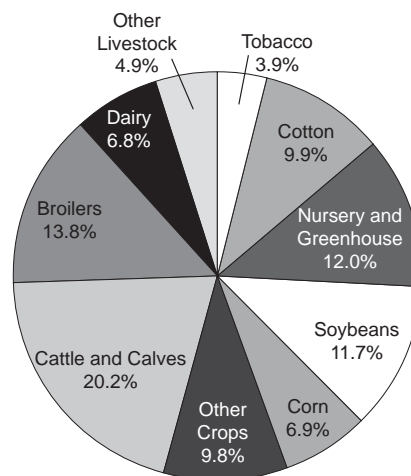
### *Overview of Agriculture in Tennessee*

**Tennessee Farms.** Agriculture remains an important sector of the state's economy. The total value of production in Tennessee's agricultural sector—including crops, livestock, and forestry—was nearly \$3 billion, up nearly nine percent over the previous year. The state ranks fourth in the nation in the number of farms—87,000—trailing Texas, Missouri, and Iowa and tied with Kentucky. The vast majority of the state's farms (more than 75 percent) reported less than \$100,000 in agricultural product sales, while less than five percent reported sales greater than \$100,000. Acreage in farming in Tennessee declined slightly to 11.6 million acres, with lost acreage generally attributed to small-scale farm operations that realize cash receipts of less than \$10,000 per year. About 44 percent of all land in the state is involved in agricultural production. Two-thirds of the farms in the state are less than 100 acres, 29 percent are between 100 and 500 acres, and less than five percent are larger than 500 acres. The average farm size has remained steady, currently at 133 acres.

**Agricultural Receipts, Income and Trade.** According to the most recent data available, the top five grossing agricultural commodities in the state are cattle and calves, broilers, greenhouse/nursery, soybeans, and cotton. Figure 2.4 shows the value of crop and livestock cash receipts by category for Tennessee for 2003. Cattle and calves contributed \$438 million in cash receipts, 18.7 percent of the state's \$2.34 billion total agricultural cash receipts. Broilers contributed \$322 million, continuing an erratic upward trend and a 78 percent increase over a decade ago.

Since 2000, nursery and greenhouse has led all crops in the state in cash receipts, generating more than \$280 million in 2003. Most of the plants produced in Tennessee's nursery industry are sold on the wholesale market, dominated by deciduous flowering trees (2.9 million trees sold), deciduous shrubs and other ornamental shrubs (2.4 million sold), and deciduous shade trees, broad leaf evergreens, and coniferous evergreens.

**Figure 2.4. Tennessee Agricultural Cash Receipts by Category, 2003**



2. Authors are Assistant Professor Kelly J. Tiller, Blasingame Chair of Excellence Professor Daryll E. Ray, Graduate Research Associate Brad Robbins, and Associate Professor Daniel G. De La Torre Ugarte from the Agricultural Policy Analysis Center, Department of Agricultural Economics, the University of Tennessee.

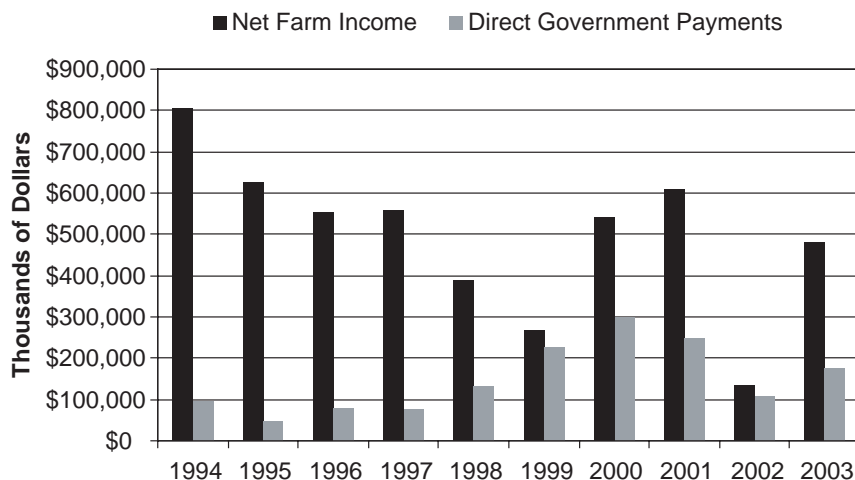
## 2.5. Situation and Outlook for Tennessee Agriculture, *continued*

Soybean receipts increased by 55 percent to \$274 million; cotton receipts also increased significantly by 47 percent to \$233 million. The dramatic increases in soybean and cotton receipts are largely due to record-high yields in 2003, aided by prices for both commodities that have largely recovered somewhat from recent lows. Income from tobacco has declined significantly in the state in recent years by about two-thirds over the last decade. As recently as 1999, tobacco was the leading cash crop in the state, but receipts have fallen to \$90 million, less than 4 percent of total agricultural receipts in the state. Dairy receipts have also declined by 38 percent from a decade ago as the number of dairies and profitability has diminished in the state. Other important commodities in the state—generating \$354 million—include tomatoes, hay, wheat, hogs, eggs, snap beans, grain sorghum, apples, peaches, and squash.

Tennessee ranks among the top five timber producing states, producing 954 million board feet of hardwood lumber and 95 million board feet of softwood lumber in 2003. This amounted to \$390 million in timber income for the state, up \$32 million from the previous year.

Net farm income rose dramatically in 2003 to \$480 million, more than two and a half times the low 2002 level, as shown in Figure 2.5. The significant increase is attributed to a combination of higher prices for major crop and livestock commodities, high yields, and some additional subsidy payments (countercyclical payments) and timing of government payments under the new 2002 Farm Bill. Figure 2.5 also shows the level of government subsidy payments Tennessee farmers received, which totaled nearly \$176 million in 2003. Although direct government payments in 2003 were significantly lower than their 1999-2001 levels, they still accounted for 37 percent of net farm income in Tennessee.

**Figure 2.5. Tennessee Net Farm Income and Direct Government Payments, 1994 to 2003**



## **2.5. Situation and Outlook for Tennessee Agriculture, *continued***

The value of Tennessee's agricultural exports continued to grow, increasing more than \$40 million to near \$650 million. The largest contributor to this gain was cotton, increasing export value by more than a third over the previous year to \$129 million. Export value of soybeans and soybean products increased more than 16 percent to \$104 million. While overall tobacco receipts are declining, tobacco exports remain strong at \$83 million, ranking Tennessee as the third leading exporter of tobacco leaf. Other major export commodities in the state included wheat (\$89 million), corn (\$47 million), and live animals, meat, and poultry (\$54 million).

### ***Agricultural Sector Outlook for 2005 and Beyond***

**Crops Outlook.** The state's crop farmers enjoyed a very good weather year in 2004, breaking yield records for corn (140 bushels per acre expected) and cotton (844 pounds per acre expected). Soybean yields are also expected to post strong gains. Realization of the 40 bushels per acre currently projected would be the second-highest soybean yield on record, following the 2003 record of 42 bushels per acre. Strong yields have combined with volatile prices that plunged near harvest time to moderate overall crop value and profitability. Crop receipts are projected to remain strong again in 2004, thanks to large production levels and despite declining and sticky low prices.

Continued growth is projected for Tennessee's "green" industry (nursery, greenhouse, landscape, floriculture, etc.). New construction and increasing consumer interest in gardening and landscaping activities contribute to the expectation for continued strong output growth. Additional production and productive capacity may stem from declining tobacco production and tobacco quota buyout payments (\$767 million over 10 years) to Tennessee tobacco farmers. As buyout recipients evaluate their options post-buyout, participation in the state's green industry may be a promising alternative to an uncertain free-market future in tobacco production and marketing.

The outlook for 2005 for major row crops in the state incorporates considerable price and production uncertainty. US crop prices are strongly affected by forces outside our borders. A weak dollar has made US exports more affordable for many export customers, although the potential for increased exports has been largely offset by higher fuel prices, making it much more expensive to ship US crops to foreign customers. Large foreign crops are compounding strong US crop production to further push up world commodity stock levels and depress prices. Prices of most major row crops are low and projected to stay low for much of 2005, although they are somewhat above the historic or near-historic low levels experienced in the late 1990s and through 2001. The recent discovery of Asian soybean rust in fields in Tennessee and much of the southeast is unsettling regarding the outlook for soybeans, as soybean rust has the potential to significantly and quickly reduce soybean yields. The fungus can be managed, but effective treatment requires early detection, targeted fungicide applications, and close monitoring. Treatment may be expensive, reducing crop profitability and perhaps leading to declining soybean acreage planted in 2005. Chinese production, consumption, imports, and exports continue to be significant forces on grain markets and a major question mark for the future.

## 2.5. Situation and Outlook for Tennessee Agriculture, *continued*

**Livestock Outlook.** Projections are for a strong finish for Tennessee livestock farmers in 2004, fueled by high cattle prices. But uncertainty continues to dominate the livestock outlook for 2005 and beyond. Tight beef supply and strong beef demand have brought record high cattle prices to many Tennessee farmers. Cattle prices are projected to average near \$90 per hundredweight for 2004, compared to just under \$80 in 2003. But uncertainty surrounding BSE (bovine spongiform encephalopathy, or “mad cow” disease) and trade dampens any celebrations. Underscoring the concerns, we continue to bicker with our neighbors to the north over resuming US imports of Canadian beef and try to persuade the Japanese to reopen their market to US beef exports. The USDA has forecast beef prices to range from \$81 to \$90 per hundredweight during the first three quarters of 2005.

Poultry prices increased some over 2004, and barring any outbreaks of Avian Bird Flu or other unforeseen events, Tennessee’s poultry industry is expected to continue to grow over the next year. After nearly two years of extremely low milk prices (25 year lows in 2003), dairy prices recovered (briefly to record highs) in 2004. Prices peaked in May, but then steadily declined throughout the rest of the year. Prices did not fall far enough in 2004 to trigger Milk Income Loss Contract (MILC) payments to dairy farmers, but continued low prices are expected to trigger government price support payments in 2005. Continuation of the milk price support program—scheduled to sunset in September 2005—is a major concern for many Tennessee dairies. The program caps payments per dairy at a level near 100 cows, which is more characteristic of Tennessee dairy farms than much larger operations in the southwest and other areas of the country. The number of dairies in the state is projected to continue to decline, but the possibility of the MILC program becoming a casualty of tight federal budgets could hasten the decline.

**The Tobacco Buyout and the Future of Tobacco in Tennessee.** The year 2004 will forever be remembered as the year that tobacco production and marketing changed forever. On October 22, 2004, tobacco quota buyout legislation—seven years in the making—became official. The buyout terminates the federal tobacco supply control and price support programs that have been in place since the 1930s. Post-buyout, there are no restrictions on the location or quantity of tobacco production or marketings. There are also no price guarantees or any form of price or income safety net or government supports for tobacco growers.

In exchange for dissolving the future value of tobacco quota assets, tobacco quota owners and active growers are eligible to enter into 10-year contracts for buyout payments. Owners of tobacco quotas will be eligible to receive a total of \$7 per pound for the amount of basic tobacco marketing quota they owned in 2002. Active tobacco growers in 2002, 2003, and 2004 will be eligible to receive buyout payments totaling \$3 per pound multiplied by the 2002 marketing year effective quota. Tennessee tobacco quota owners and growers are projected to receive \$767 million over 10 years under the tobacco quota buyout. In total, tobacco farmers will receive about \$10 billion in tobacco buyout payments over ten years, with six states—North Carolina, Kentucky,

## 2.5. Situation and Outlook for Tennessee Agriculture, *continued*

Tennessee, Virginia, Georgia, and South Carolina—receiving about 95 percent of the \$10 billion in buyout payments. The expectation is that the first buyout payments will arrive by early fall.

One consequence of the buyout legislation is that it triggers an offset provision in the 1999 private settlement reached between tobacco states and manufacturers participating in the Master Tobacco Settlement Agreement (commonly referred to as “Phase II” of the tobacco settlement). The 10-year tobacco buyout payments—expected to top \$10 billion—are funded entirely by assessments on tobacco product manufacturers and importers (i.e., predominately, major US cigarette manufacturers). Given this funding mechanism, tobacco farmers and lawmakers fully expected that post-buyout, the Phase II settlement payments that were scheduled to continue through 2010 would terminate. But they also fully expected that tobacco farmers would receive the anticipated 2004 Phase II payment as the “final” Phase II payment. Shortly after passage of the buyout, major cigarette manufacturers claimed that they were no longer obligated to make their fourth quarterly 2004 Phase II payment, and furthermore, they were entitled to a refund of the first three quarterly 2004 Phase II payments they had made to date. The legal issue was decided in a North Carolina business court in late December, where the court sided with the manufacturers, effectively terminating Phase II payments after 2003. The decision is under appeal, but will not likely be finalized for several months. Tennessee’s share of the Phase II settlement payments for 2004 that were expected but “lost” following the court decision totaled more than \$31 million.

The tobacco events of 2004 will profoundly change the future of tobacco production and tobacco communities that have been an important part of Tennessee’s landscape and culture and economy for generations. Tobacco will still be produced in Tennessee, but the expectation is that about three-quarters of the pre-buyout tobacco farmers and quota owners in the state will be out of the tobacco industry post-buyout. Tobacco farmers in 2005 and beyond will be required to shoulder significantly more risk (price, production, marketing, contract) than ever before without any government safety nets to fall back on. While the uncertainties and challenges of post-buyout tobacco farming seem daunting to many farmers who are considering a future in tobacco production (and without the bridge of the “expected final” 2004 Phase II payment), realization of the likely alternative is even more chilling: demise and death of the federal tobacco support programs *without* the accompanying \$10-plus billion buyout payments.

### ***Long-Term Issues and Outlook***

Many of the primary issues, concerns, and trends in the agriculture sector are addressed in major farm bill legislation that is overhauled about every five to seven years. While the current farm bill—passed in 2002—does not expire until 2007, a lively discussion of major farm policy changes is expected to begin in 2005. A review of some of the issues likely to surface in farm policy dialogue over the next two years provides an overview of some of the long-term concerns and trends in the agriculture sector.

Before discussing how farm policy changes may address issues of concern, it is important to understand where farm policy currently stands and how it got there. Since the late-1930s, domestic agricultural policy has served two primary purposes: (a) to

## 2.5. Situation and Outlook for Tennessee Agriculture, *continued*

increase the productive capacity of the agriculture sector, and (b) to manage the use of the productive capacity for major row crops. A variety of supply management and price support programs have attempted to serve the second function. Then beginning in the 1980s and culminating in the 1996 Farm Bill, the second major function of US farm policy was abandoned in favor of market-determined prices for major agricultural commodities. Maintaining the first purpose of US farm policy (expanding the productive capacity of the agriculture sector), the second purpose of US farm policy since the late 1990s has been to use government payments to support farm sector income for major commodities including corn, soybeans, cotton, rice, wheat and other small grains, peanuts, sugar, and milk. Between 1996 and 2003, major row crop farmers and dairy farmers have received about \$105 billion in income support payments (not including conservation-related payments). Government payments that have averaged more than \$17 billion per year since 1998 have not been able to compensate for very low commodity prices and increasing production costs.

Although commodity-based income support programs continue to play a central role in US agricultural policy, some farm groups and other interests are calling for sweeping changes. Federal budget pressures that are expected over the next five to ten years (that didn't exist when the last farm bill was crafted) are expected to open doors to consideration of policy changes that may reduce overall farm sector budget outlays. Global market interactions and trade concerns will be a key consideration in the design of future domestic farm policy. A recent trade dispute over the US cotton support program could have significant bearing on the future direction of US commodity policy. In 2004, a WTO dispute panel sided with Brazil's claim that the US cotton support program unfairly depressed world cotton prices. Although the ruling has been appealed and the outcome will not be finalized anytime soon, the implications for continuation of current US commodity policies could be substantial.

Another major issue expected to play out in the next round of farm policy debate is *which* farmers should be eligible to receive agriculture sector benefits and *for what*. Traditionally, government support has been tied to major row crops, dairy, tobacco, peanuts, and sugar. Some farm groups have expressed interest in expanding the number and types of farms that are eligible to participate in government subsidy programs. Another related trend that plays into this discussion is the rapid decline of farms in the *middle*. The number and size of large commercial farms is increasing, as is the number of very small hobby or retirement farms. But the number of traditional family farming operations is declining rapidly in the current policy and economic setting. The 2002 Farm Bill significantly increased the proportion of agriculture sector spending devoted to conservation programs, and some contributors to the debate would like to further expand *green* farm payments. The 2002 Farm Bill also made a first step toward linking domestic agriculture policy with energy policy, strengthening agriculture's role as a source of feedstock for bioenergy and biofuels. Some contributors to the policy debate assert that US agricultural policy should further focus on providing a safer, more secure, cost-effective, and environmentally friendly energy source. Recent events and threats such as Mad Cow Disease and Bird Flu further highlight the need for measures to ensure the safety and security of the food supply. Dialogue and debate over the next two years will determine the balance of these issues and concerns that are addressed over the next decade.

## The Tennessee Economy: Long-Term Outlook

### In this chapter...

#### 3.1. Introduction

#### 3.2. Education and Productivity

#### 3.3. The New Immigrants

#### 3.4. Long-Term Economic Trends

*Personal Income and Taxable Sales  
Jobs and the Unemployment Rate  
Gross State Product*

#### 3.5. Long-Term Economic Outlook

*Personal Income and Taxable Sales  
Jobs and the Unemployment Rate  
Gross State Product*

### 3.1. Introduction

The previous chapters of this *Report* discussed recent short-term trends and the short-term forecast for the economy in Tennessee and the US as a whole. This chapter explores the long-term economic outlook for the state of Tennessee extending out to 2014. When examining expectations of long-term growth, potential short-term fluctuations that might arise are ignored because they cannot be predicted with any reasonable degree of precision. Short-run fluctuations of recession and expansion are certainly likely to take place over the extended horizon considered here. But they are not explicitly incorporated into the economic outlook because of their inherent uncertainty.

Long-term growth is heavily driven by growth in population and the labor force, public and private capital investments and improvements in worker productivity from schooling and on-the-job training. To place the long-term outlook in perspective, the discussion below begins with an assessment of education and worker productivity in Tennessee and the changing nature of the population in terms of immigration. The discussion also provides a review of some pertinent long-term historical trends in employment, unemployment and income growth for the state. The focus then shifts to the long-term forecast for Tennessee.

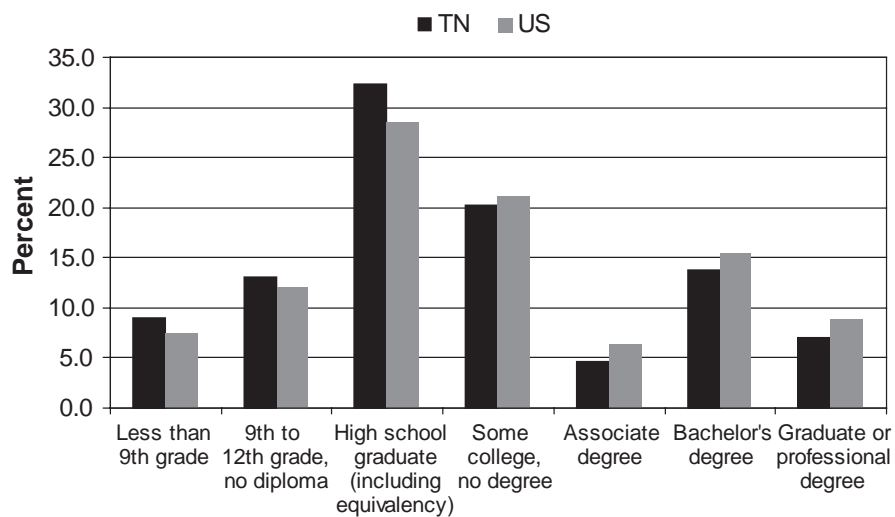
### 3.2. Education and Productivity

Education and training are crucial factors in influencing the level of labor productivity in the state. Formal education has been proven to improve earnings and employability of the labor force and is generally associated with a healthier regional economy as well. Tennessee has made large strides in improving the educational attainment of the state's workforce. In 1960, 30.4 percent of Tennesseans over age 25 had at least a high school diploma. By 1990, this number had reached 67.0 percent. Over the next decade, the share of adults with a high school diploma continued to rise significantly, reaching 77.9 percent in 2000. Further gains can be expected in the future as accountability standards and expectations of educational outcomes increase. While levels of educational attainment are rising, there are significant variations in attainment across counties of the state. Counties with a poorly educated workforce generally have higher unemployment rates, lower rates of job creation and lower earnings than other counties in the state. More work is needed to improve educational attainment in these lagging counties.

While Tennessee's educational attainment levels have increased at an impressive rate, so have attainment levels in other states. One result is that Tennessee continues to lag behind the national average, as shown in Figure 3.1. In 2000, 20.8 percent of Tennesseans over the age of 25 had at least a bachelor's degree. Nationwide that number is 24.4 percent—a gap of over 17 percent. In addition, 22.1 percent of Tennessee residents over 25 had less than a high school diploma, while nationwide only 19.6 percent of adults have less than a high school diploma.

Figure 3.2 provides an alternative picture of the educational attainment of the adult workforce, focusing on adults with at least a bachelor's degree. While the state is

**Figure 3.1. Highest Educational Attainment, Persons 25 Years and Older**



Source: US Census Bureau.



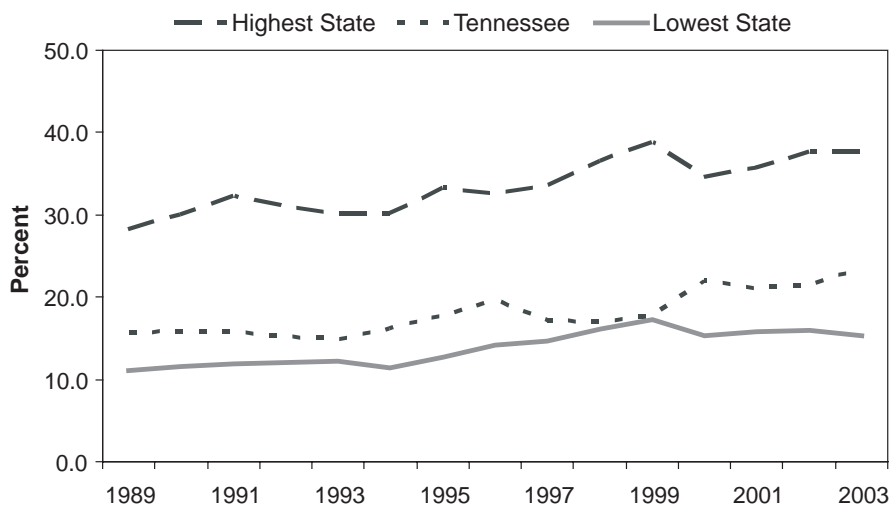
### 3.2. Education and Productivity, *continued*

making significant steps forward, so are other states. Tennessee is in an education investment footrace and has not been able to gain appreciably on the rest of the pack. We fall much closer to the bottom state in the nation than to the top state in the nation in terms of the share of the adult workforce with a college degree.

Proficiency scores in math and reading are another dimension of educational quality in Tennessee. The state continues to fall behind the US average for eighth grade mathematics and reading scores, as shown in Figures 3.3 and 3.4. This gap has remained rather constant over the past decade—another signal that we are not winning the education investment footrace. The recent trend for reading scores for both the state and the nation are particularly troublesome in light of the increasingly integrated global economy. Workers in Tennessee are now in competition with workers around the world.

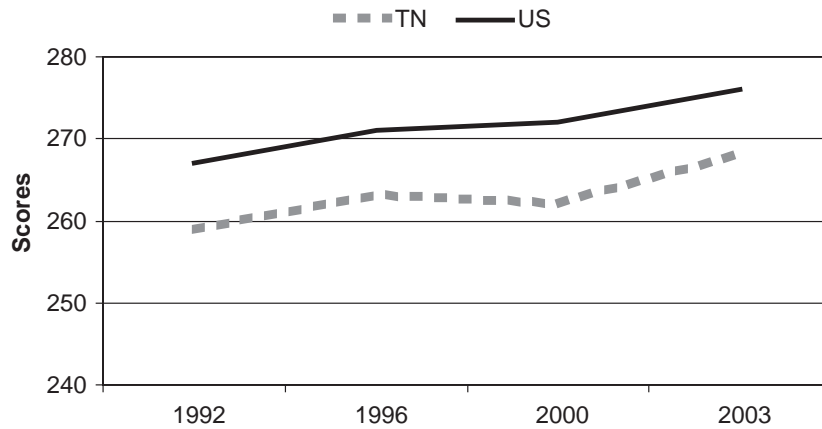
It is important to put the national workforce training situation in an international perspective to better understand Tennessee's prospects for economic growth and development. The Organization for Economic Cooperation and Development (OECD) compiles reading and mathematics literacy scores from each of their participating nations and compares them on a common scale. (Unfortunately state-level data on these tests are not available.) The US reading literacy score for 15-year-olds is slightly below the OECD average and is significantly below several countries of note as illustrated in Figure 3.5. The low mathematics literacy levels seen in Mexico have some bearing on the US and Tennessee due to the significant immigration of people from Mexico; in Tennessee, Hispanics have the highest population growth rate of any demographic group.

**Figure 3.2. Educational Attainment, Persons 25 Years or Older with at least a Bachelor's Degree**



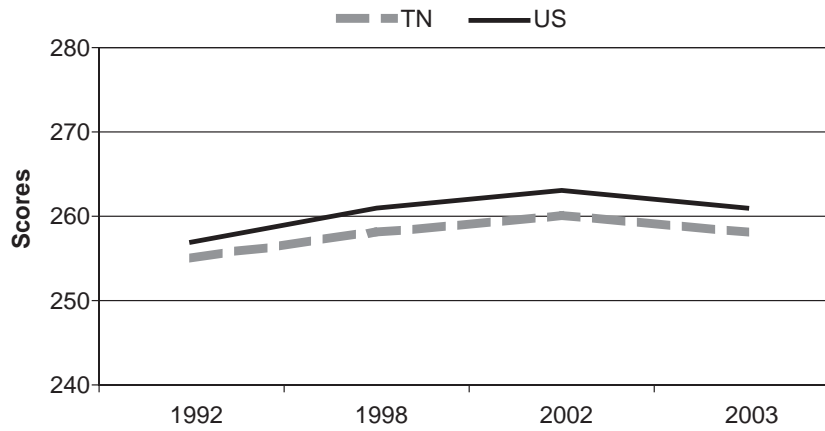
Source: US Census Bureau.

**Figure 3.3. NAEP Math Scores of Eighth Graders**



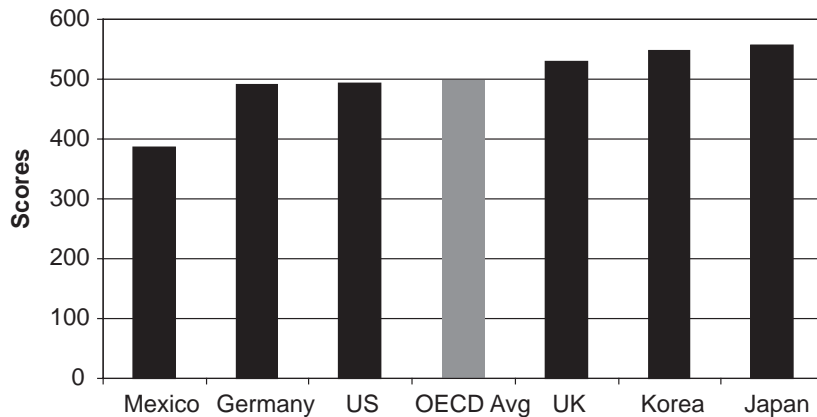
Source: National Center for Education Statistics, 2003.

**Figure 3.4. NAEP Reading Scores of Eighth Graders**



Source: National Center for Education Statistics, 2003.

**Figure 3.5. Performance of 15-Year-Olds on the PISA Mathematical Literacy Scale, 2000**



Source: Organization for Economic Cooperation and Development.

### 3.3. The New Immigrants

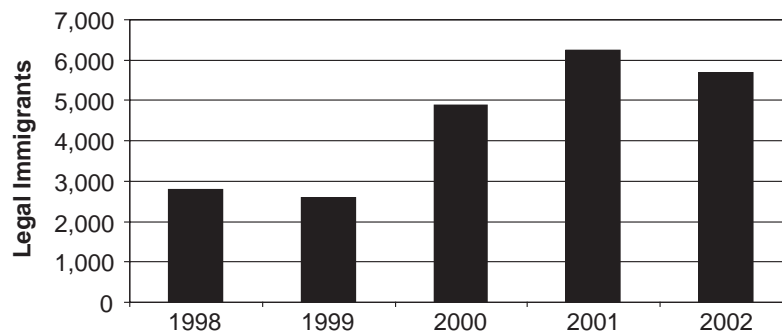
The number of immigrants to the US has increased substantially over the past 10 years, with an ever-larger number of new immigrants originating from Mexico (18.4 percent of all legal immigrants in 1997 were from Mexico). This has affected Tennessee and the US as a whole in many ways. There have been millions of people added to the workforce and millions of first generation US residents are now attending US public schools. Figure 3.6 shows the number of immigrants *legally* admitted as residents to Tennessee between 1998 and 2002. This does not include any illegal immigrants who may have entered the state.

The typical immigrant of today is much different than the typical US immigrant some thirty years ago. One dramatic difference is the level of education attained in the home country. Historically a large share of immigrants to the US came with very strong educational credentials, in part a reflection of national immigration policies. Because educational requirements and opportunities diverge across countries and today's immigrants are increasingly coming from different countries, many of the new immigrants have little or no formal education.

The lower levels of educational attainment in turn affect worker productivity and the income earning potential of immigrants once they enter the US. Poverty rates among immigrant children have risen from 11.9 percent in 1970 to 33.0 percent in 1995 as shown in Table 3.1.

Another significant difference in the current immigrant population is the lack of English proficiency. This makes it very difficult for teachers and employers to communicate with immigrant workers and their families. According to the *Education Report 2004* by the National Center for Education Statistics, language minority 18- to 24-year-olds were less likely to have completed high school than were immigrants who only spoke English at home (10 percent versus 31 percent). Among all language minority groups, Spanish-speaking young adults were less likely than members of any other group to have completed high school.

**Figure 3.6. Immigrants Admitted Who Intended to Reside in Tennessee**



Source: The Urban Institute.

**Table 3.1. Children Living in Poverty**

	Percent in Poverty				Percent Change 1970-1995
	1970	1980	1990	1995	
Immigrant Children	11.9	17.1	23.0	33.0	21.1
Foreign-Born	17.0	25.1	32.4	43.8	26.8
US Born	10.2	13.3	18.6	28.7	18.5
Children of Natives	14.7	14.5	17.5	19.9	5.2

Source: Overlooked and Underserved, The Urban Institute, 2000.

### 3.4. Long-Term Economic Trends

#### *Personal Income and Taxable Sales*

State personal income includes wages and salaries, rents, interest, dividends, profits and transfer payments that accrue to residents of the state regardless of where the income is earned. Per capita personal income is commonly used to compare economic well-being and quality of life across areas. Tennessee has seen noticeable improvement over time in its per capita income relative to the nation. However, state per capita income still trails the US average as illustrated in Figure 3.7 for the period 1986–2003. The gap between the US and Tennessee narrowed during the strong growth period of the early 1990s, then widened from 1996 forward to the onset of the recession in 2001. Since then the state’s relative standing has shown some improvement. While the gap has fallen some in the past couple of years, this reflects the poor performance of other states rather than a particularly resilient performance on the part of Tennessee.

For per capita income in Tennessee to converge to the national level of well-being, state income growth must exceed national growth. Per capita income growth rates for the past 16 years are shown in Figure 3.8. Notable is the strong pattern of income growth for the state in the early 1990s, as referenced above. In 2001, the growth rate of per capita income in Tennessee exceeded that of the US as a whole for the first time since 1995. The Tennessee growth rate also exceeded that of Southeastern states by a significant margin.

Between 1994 and 2004, nominal taxable sales grew at a 4.2 percent compound annual growth rate (CAGR) while inflation-adjusted taxable sales grew at a 2.3 percent rate. Growth in taxable sales has generally fallen behind growth in the overall economy. Standing at 50.7 percent of personal income in 1994, taxable sales as a share of personal income fell to 46.3 percent in 2004. On a per capita basis, inflation-adjusted taxable sales were \$12,668 in 2004, below the pre-recession peak of \$13,430 in 1999 and only 9.4 percent above the level in 1994. Inflation-adjusted per capita taxable sales have grown at less than 1 percent CAGR since 1994.

There are several explanations for the weak long-term growth in taxable sales. One is the shift in consumption expenditures towards largely non-taxable services. A second explanation is the growth in remote sales, including catalog, phone and mail order sales, and purchases made over the Internet. Individuals and businesses are required to pay “use tax” on purchases subject to sales tax in Tennessee but acquired tax exempt through these channels. In practice, compliance with the use tax is very incomplete. Border shopping is also a problem given the significant share of state residents who live near another state with a lower sales tax rate and with exemptions from the base like grocery store food. A final explanation is legislated exemptions from the sales tax base and the preferential treatment of some consumption items. The exemption of business inputs from the sales tax base is good tax policy from the perspective of promoting the competitiveness of the state economy. But a consequence is a smaller base and less revenue. The lower sales tax rate on grocery store food does not directly affect taxable sales but does translate into relatively lower tax collections. All of these general sources of base and revenue erosion are expected to continue to grow in the years to come.

### 3.4. Long-Term Economic Trends, *continued*

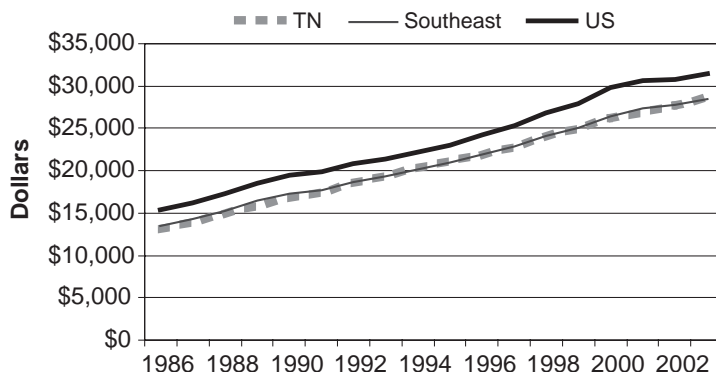
#### ***Jobs and the Unemployment Rate***

Tennessee job growth slowed appreciably in the last half of the decade of the 1990s on the heels of exceptionally strong job growth through 1995. Job growth was particularly resilient in 1993 and 1994, coming in at 3.7 percent and 4.1 percent, well ahead of the national pace of job growth. Job contraction took place in 2001 and 2002 as a result of the national recession, but rebounded with positive growth of 0.1 percent in 2003.

The state's manufacturing sector enjoyed the economic boom of the early 1990s. But since 1996, with only one exception (1998), the manufacturing sector has shed jobs. Manufacturing jobs were 22.0 of overall state jobs in 1992, falling to 15.5 percent of jobs in 2003. On net there was a loss of 78,730 jobs over this period of time. The losses tend to be concentrated in the nondurable goods sector which has generally been characterized by relatively low-skill, low-wage and low-capital investment jobs.

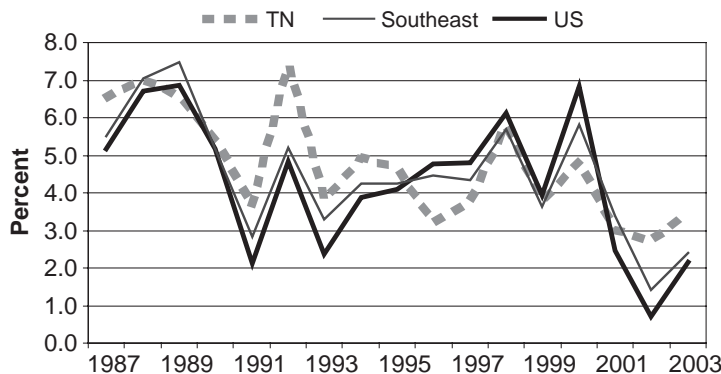
While there are several culprits that one can identify to help explain the trends taking place in manufacturing, two are particularly noteworthy. First is capital investment that has replaced jobs with machinery, equipment and computer technology. While

**Figure 3.7. Per Capita Income, 1986 to 2003**



Source: US Census Bureau.

**Figure 3.8. Per Capita Income Growth Rates, 1987 to 2003**



Source: US Census Bureau.

### 3.4. Long-Term Economic Trends, *continued*

manufacturing jobs are in absolute decline and in decline relative to overall nonfarm jobs, manufacturing output in Tennessee continues to expand. Moreover, manufacturing output as a share of total state output has not fallen to the same extent as jobs. This is an indication of rising productivity in the state's manufacturing sector. A second culprit is competition, particularly competition from abroad. Free trade and competition is certainly good for consumers who enjoy greater product variety and lower priced products. But it also means changing job fortunes for workers and structural adjustment for the economy and communities.

As manufacturing has suffered, the various service sectors have prospered. Professional and business services saw jobs grow at a 4.2 percent compound annual growth rate (CAGR) between 1992 and 2003, while jobs in the "other" services sector advanced 3.9 percent. These trends have had a pronounced influence on the structure of the state economy. In 1992 the service sectors represented 36.5 percent of state jobs, rising to 42.3 percent in 2003.

The state unemployment rate generally varies with the cyclical pattern of the national economy. When the national economy is strong, the state unemployment rate tends to be relatively low. On the other hand, when the national economy is weak, the state unemployment rate typically rises. The state tends to enjoy lower rates of unemployment over the ups and downs of the business cycle than the national economy. The state unemployment rate stood at 6.4 percent in 1992, a reflection of the weak economic conditions that prevailed at that time; the US unemployment rate was 7.5 percent. In 2000, the state unemployment rate was only 3.9 percent. But with the onset of recession in 2001, rates rose into 2003 when the prevailing average reached 5.8 percent. The US rate of unemployment stood at 6.0 percent in the same year.

#### **Gross State Product**

Gross state product (GSP) is the broadest measure of economic activity for Tennessee, paralleling its national counterpart, gross domestic product. GSP captures the value of all goods and services produced in a given year, regardless of who consumes these goods and services. Last year's *Report* provided neither historical data nor projections of GSP for the Tennessee economy. The reason is that historical data based on the new North American Industrial Classification System (NAICS) were simply not available. A small window of historical data has just become available but includes only the years 1998 to 2002.

Over the brief period of 1998 to 2002, Tennessee's inflation-adjusted GSP grew at a 2.0 percent CAGR. GSP was up 3.3 percent in 1999, then slowed to 0.5 percent and 0.8 percent growth in the following two years before rebounding with 3.3 percent growth in 2002. US GDP performed better than Tennessee GSP in both 1999 and 2000. While the state and national growth rates were the same in 2001, Tennessee performed significantly better than the US in 2002.

The slowdown of 2000 hit the cyclically sensitive manufacturing and construction sectors hard, with output contracting 1.6 percent and 3.1 percent. While the setback in manufacturing shrank to 1.3 percent in the recession year of 2001, output in construction declined by 10.6 percent. The information and financial activities sectors performed very well in these same years.

### 3.5. Long-Term Economic Outlook

The Tennessee economy, as measured by personal income, is expected to expand at a 5.6 percent CAGR between 2004 and 2014. The US will enjoy slightly stronger growth of 5.9 percent over the same time period. The state will experience healthier job growth and a lower unemployment rate than the nation through the long-run forecast horizon. The state should see some improvement in manufacturing jobs while the nation will see manufacturing jobs fall.

#### ***Personal Income and Taxable Sales***

Nominal personal income is projected to grow at a 5.6 percent CAGR through 2014 versus 5.9 percent for the national economy. Proprietors' income and rent, interest and dividend income will experience growth rates approaching or exceeding 5 percent in each year of the outlook. The inflation-adjusted annual wage should rise at a 1.1 percent CAGR through 2014.

Inflation-adjusted per capita income will grow to \$33,117 by 2014 versus the \$27,345 level that prevailed in 2004. Nominal per capita income in Tennessee will be up at a 4.2 percent CAGR versus 5.0 percent for the US. The gap between state and national per capita income will widen by 2014.

Nominal taxable sales should see 5.2 percent growth through 2014 while inflation-adjusted sales will rise at a 2.8 percent CAGR. On a per capita basis, expect nominal sales to grow at a 3.8 percent CAGR. Taxable sales will represent 44.6 percent of personal income in 2014 as opposed to 46.3 percent in 2004. The strongest rates of growth will take place in the other retail and services, automobiles, purchases from manufacturers, and eating and drinking establishment categories.

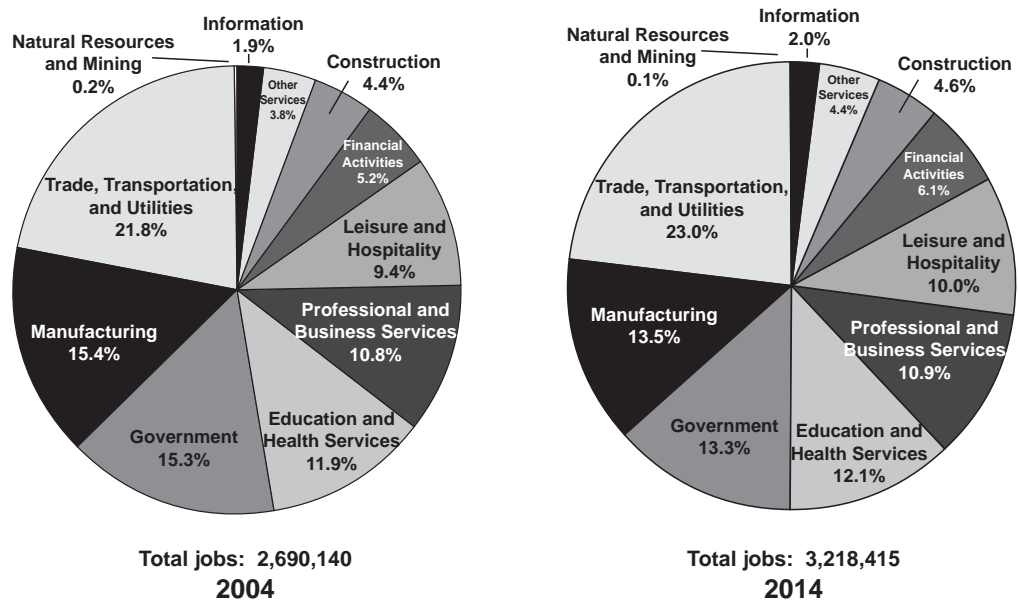
#### ***Jobs and the Unemployment Rate***

Nonfarm jobs are projected to grow at a 1.8 percent CAGR through 2014, faster than the nation's 1.1 percent rate of job expansion. The various service sectors will lead job growth. Trade, transportation and utilities and construction will also show strong growth. Natural resources and mining, and the government sector, will see much more sluggish growth. Figure 3.9 shows the distribution of nonfarm jobs in Tennessee for 2004 and 2014.

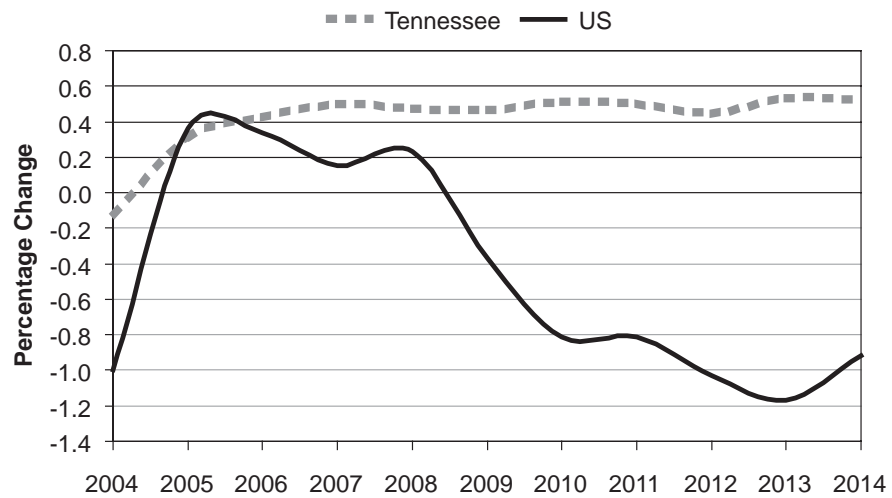
The state's manufacturing sector is expected to create nearly 20,000 jobs by 2014. The national economy, on the other hand, will experience the loss of 600,000 jobs in manufacturing by 2014. Job growth for the Tennessee and US manufacturing sectors is shown in Figure 3.10. The state's durable goods manufacturing sector will expand by over 36,000 jobs, swamping the 16,700 jobs expected to be lost in the nondurable goods sector. All broad sectors in durable goods will see some job growth; only the food sector of nondurable goods manufacturing will experience job growth. The declines in apparel are staggering when placed in historical context. In 1992 there were 57,613 jobs in the state's apparel sector. But by 2014 jobs will have fallen to 7,325, a loss of 50,288 jobs.

Tennessee's unemployment rate will consistently fall below the nation's unemployment rate on an annual basis throughout the forecast horizon. The state unemployment rate will drift down from 4.9 percent in 2004 and 2005, to 4.1 percent in

**Figure 3.9. Distribution of Nonfarm Jobs, 2004 and 2014**



**Figure 3.10. Tennessee and US Manufacturing Job Growth, 2004 to 2014**





### 3.5. Long-Term Economic Outlook, *continued*

2014. In 2005 and beyond, the civilian labor force and the number of employed people will grow well in excess of 1.0 percent per year.

#### **Gross State Product**

The forecast of Tennessee GSP begins with 2003 as 2002 is the last year for which historical data are available. Because of the abbreviated history (going back only to 1998), greater confidence is placed in the overall projection of GSP extending to 2014 rather than for the component parts of GSP. No forecast of nominal GSP is presented in this year's *Report*. To project nominal GSP, it is first necessary to estimate expected inflation (or what are referred to as deflators) by individual sector of the economy. The short historical data series display a highly volatile pattern of price increases and decreases across sectors, a reflection of the economy's slide from a peak into recessionary trough and its subsequent expansion. The historical record simply provides an inadequate basis for projecting inflation rates across sectors of the economy. Projections of nominal personal income offer an alternative and more accurate portrayal of economy-wide growth inclusive of any anticipated price level changes.

Inflation-adjusted GSP should have grown by 3.4 percent and 3.3 percent in 2003 and 2004. The state did better than the nation in 2003, but the nation's rate of growth exceeded Tennessee's in 2004. Between 2004 and 2014, inflation-adjusted GSP is projected to grow at a 3.5 percent CAGR. US GDP should advance at the slower rate of 3.2 percent over the same period.

Growth in manufacturing sector output will exceed growth in overall state output by a slim margin over the long-term forecast horizon. This trend reflects the expected strong growth in the durable goods sector where productivity gains have been pronounced. While manufacturing jobs as a share of all nonfarm jobs will fall, manufacturing output as a percent of total state output will see a small gain. Output in the leisure and hospitality and other services sectors will show relatively weak output growth. The service sector is known for its inability to engineer strong gains in productivity.

## Economic Growth Strategy Regions

### In this chapter...

#### 4.1. Introduction

#### 4.2. Regional Profiles

*Population*

*Educational Attainment Levels*

*Employment Levels*

*Personal Income*

*Employment Sectors*

#### 4.3. Policy Implications and Conclusions

### 4.1. Introduction

An effective strategy for informed economic development planning for multi-county areas of the state must start with keen insight into regions' existing economic structure, the resources that they offer, and the differences that exist across them. The Tennessee Department of Economic and Community Development contracted with the Center for Business and Economic Research (CBER) at the University of Tennessee to identify economic regions in Tennessee and to provide a comprehensive profile of each region. The identified regions are intended to reflect multi-county areas that have strong similarities.

This chapter identifies the regions, illustrates their diversity across the state, and emphasizes why it is important to consider regions rather than the state as a whole or metropolitan statistical areas (MSAs) in developing economic growth strategies. The last section of this chapter discusses some of the policy issues associated with developing, implementing, and evaluating multi-county development policy. The comprehensive report and the accompanying PowerPoint presentation are available on the Web site of the Tennessee Department of Economic and Community Development at <http://www.state.tn.us/e.cd>.

#### 4.1. Introduction, *continued*

The Economic Growth Strategy Regions detailed in this report are contiguous groupings of counties (See Figure 4.1) based on numerous criteria at the county level (See Table 4.1). Some examples of the factors used to identify and evaluate the regions are population, per capita income, household median income, demographic makeup, educational attainment, industry mix, local sales tax rates, per capita sales tax revenue, and certain industry-specific average wages. The resulting ten regions consist of counties that have significant similarities and are most likely to benefit from shared economic growth strategies. The box below provides a brief description of cluster analysis, the statistical technique used to link these counties.

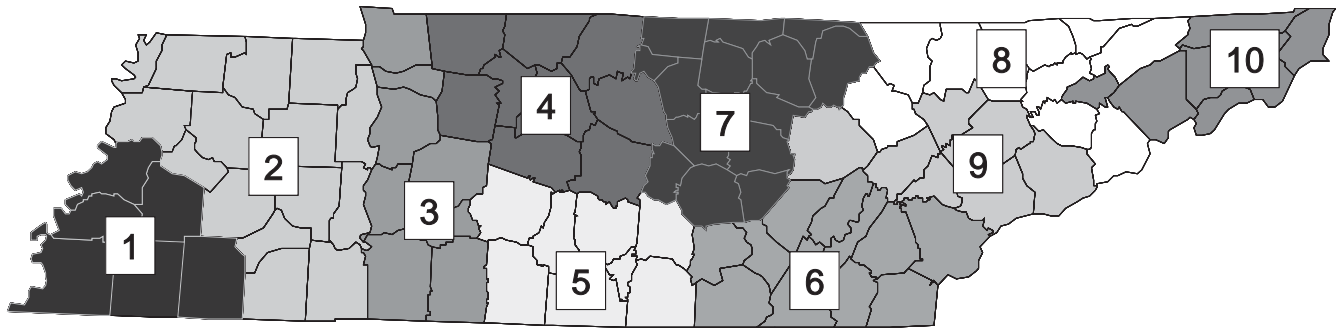
These regions are unique. First, all counties are placed in a region, and all regions are multi-county. Second, these regions take into consideration many factors not used by other regional designations. For example, the MSA designation is largely based on Census Bureau commuting patterns and treats all non-MSA counties as independent areas, where in fact these counties may have important economic, fiscal, and demographic similarities and linkages. Similarly, Tennessee Economic Development Districts encompass every county but do not necessarily take into account the large differences some of the counties in each of the districts may have.

##### ***Defining the Regions***

The grouping of Tennessee counties into regions was achieved using a statistical technique called cluster analysis, a technique used for classification. The purpose is to sort data into groups where there is a strong relationship among members of a group and a weak relationship with members of different groups. Cluster analysis has seen many practical applications including economic development. For example, clustering has been used to identify inter-industry linkages to better focus industrial recruitment and retention policies. (See Dowell and Murray, *Examining Supply Gaps and Surpluses in the Automotive Cluster in Tennessee*, Center for Business and Economic Research, May 1999.)

Hamparsum Bozdogan, Ph.D., the Toby and Brenda McKenzie Professor in Business, Information Complexity and Model Selection at the University of Tennessee, Knoxville, oversaw the cluster analysis work.

**Figure 4.1. Economic Growth Strategy Regions**



- Region 1:** Fayette, Hardeman, Haywood, Lauderdale, Shelby, Tipton
- Region 2:** Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, Madison, McNairy, Obion, Weakley
- Region 3:** Hickman, Houston, Humphreys, Lawrence, Lewis, Perry, Stewart, Wayne
- Region 4:** Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson, Wilson
- Region 5:** Bedford, Coffee, Franklin, Giles, Lincoln, Marshall, Maury, Moore
- Region 6:** Bledsoe, Bradley, Grundy, Hamilton, McMinn, Marion, Meigs, Monroe, Polk, Rhea, Sequatchie
- Region 7:** Cannon, Clay, DeKalb, Fentress, Jackson, Macon, Overton, Pickett, Putnam, Smith, Trousdale, Van Buren, Warren, White
- Region 8:** Campbell, Claiborne, Cocke, Grainger, Hancock, Hawkins, Jefferson, Morgan, Scott, Union
- Region 9:** Anderson, Blount, Cumberland, Knox, Loudon, Roane, Sevier
- Region 10:** Carter, Greene, Hamblen, Johnson, Sullivan, Unicoi, Washington

**Table 4.1. Variables and Sources Utilized in Cluster Analysis**

Variable	Source
Total county population	Census 2000, US Census Bureau SF1
Percentage of the population considered urban	Census 2000, US Census Bureau SF1
Per capita income in 1999	Census 2000, US Census Bureau SF3
Median income of households	Census 2000, US Census Bureau SF3
Domestic net migration for the period 1995-2000	US Census State to State Migration Flows, 1994-2000
Percent of county population under the age of 19	Census 2000, US Census Bureau SF1
Percent of county population between the ages of 20 and 64	Census 2000, US Census Bureau SF1
Percent of county population that is 65 years and older	Census 2000, US Census Bureau SF1
Percent of the population that is 25 years and older that holds at least a high school diploma	Census 2000, US Census Bureau SF3
Percent of the population that is 25 years and older that holds at least a bachelor's degree	Census 2000, US Census Bureau SF3
Percent of population that is non-white	Census 2000, US Census Bureau SF1
State sales tax collections per capita, FY 2000	Tennessee Department of Revenue
Local sales tax collections per capita, FY 2000	Tennessee Department of Revenue
Local sales tax rate, FY 2000	Tennessee Statistical Abstract, 2003
Agricultural and mining share of total non-ag employment, 2000	Bureau of Economic Analysis
Construction share of total non-ag employment, 2000	Bureau of Economic Analysis
Manufacturing share of total non-ag employment, 2000	Bureau of Economic Analysis
Transportation and public utilities share of total non-ag employment, 2000	Bureau of Economic Analysis
Wholesale trade share of total non-ag employment	Bureau of Economic Analysis
Retail trade share of total non-ag employment	Bureau of Economic Analysis
FIRE share of total non-ag employment	Bureau of Economic Analysis
Services share of total non-ag employment	Bureau of Economic Analysis
Government share of total non-ag employment	Bureau of Economic Analysis
Total property tax assessments, 2000	Tennessee Tax Aggregate Report
Weighted average effective tax rate, 2000	Tennessee Tax Aggregate Report
Manufacturing wages, 2000	Bureau of Economic Analysis

## 4.2. Regional Profiles

Ten growth strategy regions were identified using cluster analysis. The smallest region in terms of number of counties is Region 1 with six, while Region 2 has 15 counties. Generally, counties within a region share more in common than do counties across regions. This section describes and compares some of the more important regional characteristics: population, educational attainment levels, employment levels, personal income, and employment sectors of these distinct regions.

### **Population**

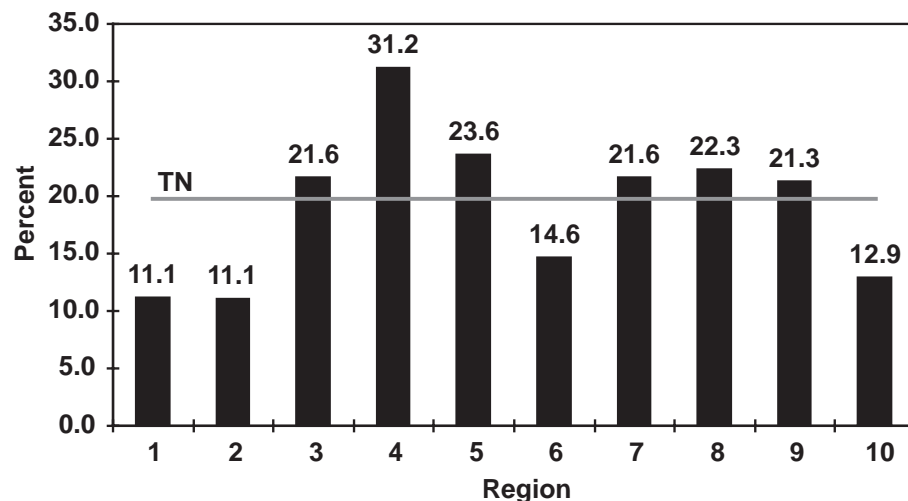
Based on 2003 estimates from the Census, Tennessee is ranked 16th among all states in population with 5,841,748. Region 4 has the highest population in the state with over 1.4 million people, followed by Region 1 with 1.0 million and Region 9 with almost 800,000. These three regions account for over half of the state's population. The least populated region in the state is Region 3 in Middle Tennessee, which includes eight counties.

From 1990–2003, the state's population grew by nearly 20 percent, compared to nearly 17 percent population growth for the US. Region 4 experienced the highest population growth from 1990 to 2003 at 31.2 percent, nearly twice that of the nation. Four regions fell below the state's average population growth—Regions 1 and 2 in West Tennessee, Region 6 (Chattanooga and surrounding areas), and Region 10 in East Tennessee. Figure 4.2 shows the population growth by region.

Tennessee's workforce-aged population (defined as individuals between the ages 20 and 64) totals 3,516,591, or approximately 60 percent of the total state population. The share of each region's workforce-aged population is consistent with that of the state overall, ranging from 57.9 percent in Region 2 to 62.0 percent in Region 4. As expected, the three regions with the largest populations—Regions 4, 1, and 9 (in that order)—also have the most people of workforce age.

Population and population growth are closely intertwined with economic development. A larger population base typically translates into a broader and more

**Figure 4.2. Percentage Change in Population by Region, 1990 to 2003**



## 4.2. Regional Profiles, *continued*

diversified labor force to support economic development. Many large employers require a large and diversified labor force that they can draw from. As a result, many smaller regions are not even on the radar screen of site locators.

Population growth enables labor force expansion and is often used as an indicator of economic development success. The other side of population growth is congestion, sprawl, and pressures on infrastructure and public service delivery. Tennessee communities are increasingly looking at means to mitigate these problems using tools like zoning, impact fees, and impact taxes.

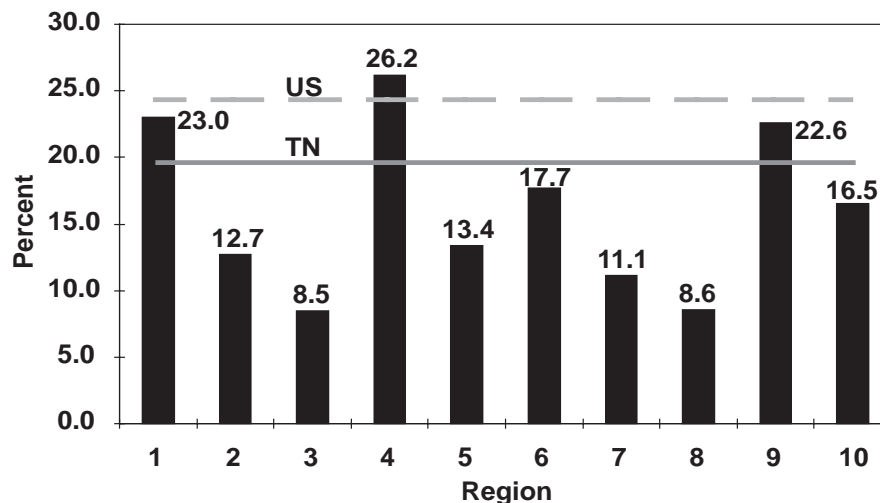
### **Educational Attainment Levels**

Economic vitality is closely tied to the quality of the workforce. Educational attainment levels are one important measure of workforce quality and productivity. Regions with higher educational attainment levels experience higher growth rates in employment and enjoy higher wages and per capita personal income while regions with poorly funded schools and low levels of educational attainment generally have higher unemployment rates, lower job growth rates, and lower incomes.

The percentage of the population aged 25 and older with at least a high school diploma in Tennessee is nearly 76 percent, lower than the national average at 80 percent. While attainment rates have grown substantially in Tennessee with the passage of time, other states across the country have also seen rising attainment. The percentage of the population aged 25 and older with at least a high school diploma in Regions 1, 4, and 9 exceeds the state's average; however, only Region 4 exceeds the national average.

The percentage of Tennessee's population aged 25 and older with at least a bachelor's degree (19.6 percent) also lags the national average (24.4 percent). As with high school educational attainment, Regions 1, 4, and 9 exceed the state average, but only Region 4 exceeds the national average. See Figure 4.3.

**Figure 4.3. Educational Attainment: Bachelor's Degree or Higher, Persons Aged 25 and Older, by Region, 2000**



## 4.2. Regional Profiles, *continued*

### **Employment Levels**

There were 2,528,371 jobs covered by the unemployment insurance system in Tennessee in 2002. Region 4 has almost 30 percent of the state's jobs, followed by Regions 1 and Region 9.

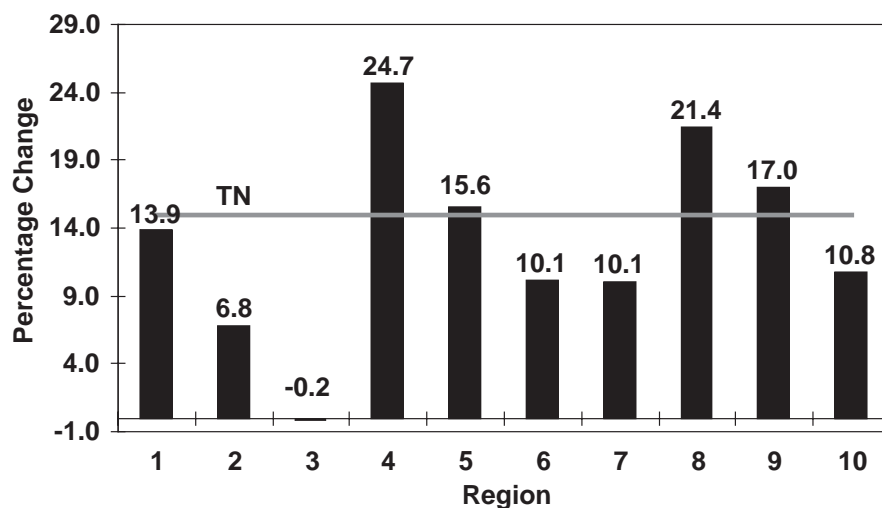
In all but one region, Tennessee's employment rates have grown. Tennessee experienced 14.9 percent growth in nonfarm employment from 1993 to 2003, compared to the nation's growth of 17.2 percent over the same time period. Four of Tennessee's regions exceeded the state average—Regions 4, 5, 8, and 9—while Regions 4 and 8 exceeded the national average. Only one region, Region 3, experienced a negative employment change during this period. See Figure 4.4. As discussed earlier, regions with higher educational attainment levels experienced higher job growth rates, with some exceptions.

### **Personal Income**

Per capita personal income is frequently used as a measure of quality of life and economic well-being. Personal income includes wage and salary income (the largest component of personal income) as well as rent, interest and dividends, proprietors' income, and transfer payments. There is considerable disparity in per capita income across counties and regions of the state.

From 1992 to 2003, Tennessee has seen consistent growth in per capita personal income with a cumulative percentage change of approximately 53 percent. Tennessee ranks 36th among all states with an average per capita personal income of \$26,808. As discussed elsewhere in this report, Tennessee's per capita personal income lags the nation but has shown improvement over time. The national average per capita personal income is \$30,527.

**Figure 4.4. Employment Change by Region, 1993 to 2003**

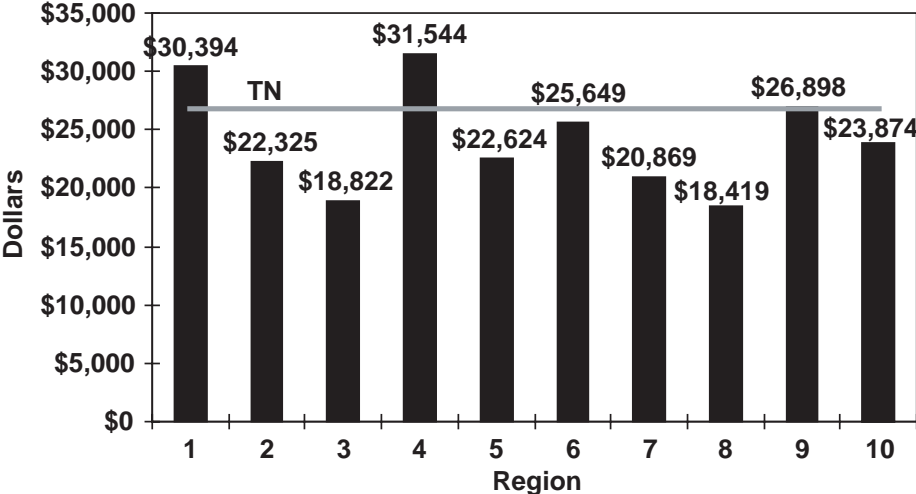


**4.2. Regional Profiles, *continued***

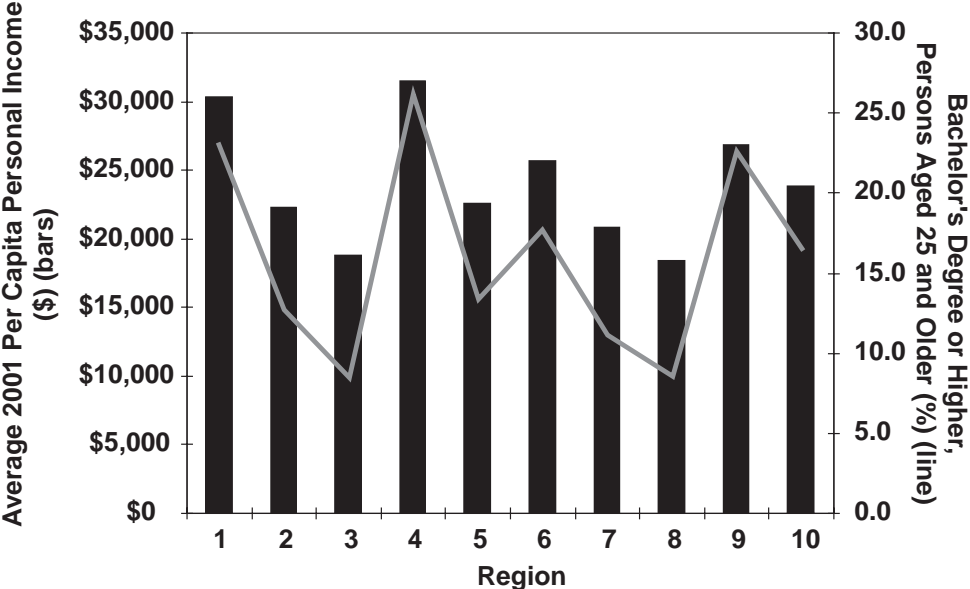
Regions 1 and 4 have the highest per capita personal incomes at \$30,394 and \$31,544 respectively. Both regions exceed the state average, but only Region 4 exceeds the national average. Although Region 8's employment level grew significantly from 1993 to 2003, it still has the lowest per capita income among these ten regions at \$18,419. See Figure 4.5.

As noted above, there is a strong correlation between educational attainment and economic prosperity. Figure 4.6 shows levels of per capita income by region, as well as each region's level of educational attainment at the bachelor's degree level. Areas with a larger share of adults with a college degree generally enjoy a higher standard of living.

**Figure 4.5. Average Per Capita Personal Income by Region, 2001**



**Figure 4.6. Per Capita Personal Income and Educational Attainment Levels**





## 4.2. Regional Profiles, *continued*

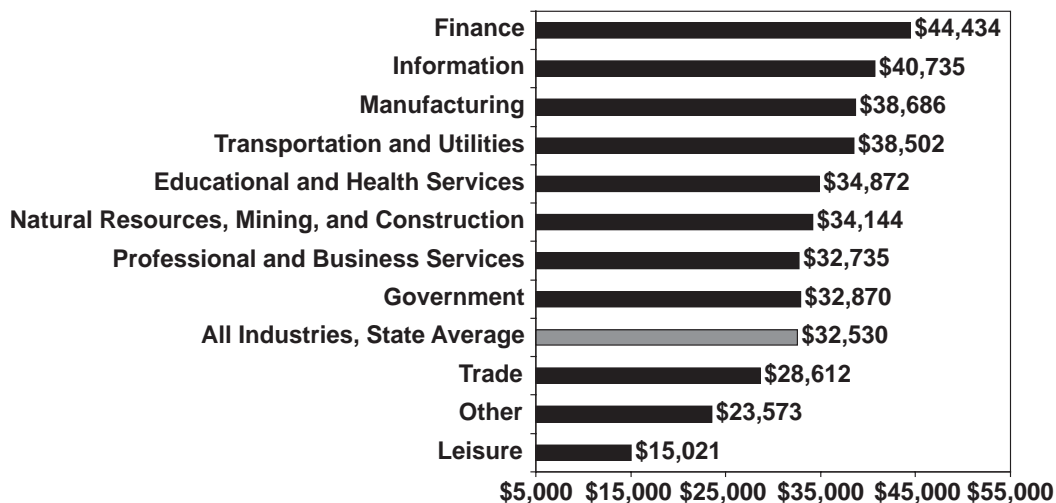
### **Employment Sectors.**

A region's "economic base" is often defined in terms of the composition of jobs by industry. In this report, industry categories are based on the new North American Industry Classification System (NAICS) categories and codes. Complete information on the categories used is available in Appendix 5 of the full regions' report.

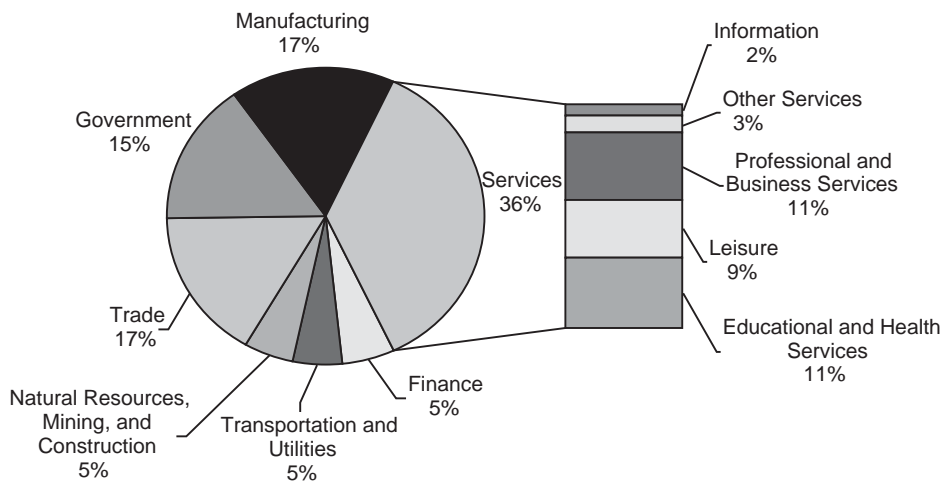
Tennessee mirrors the nation in terms of the sectors with the highest average wages: finance, information, and manufacturing. See Figure 4.7. By region, the highest average wages are the financial activities sector in Region 1 (\$57,865), the natural resources and mining sector in Region 4 (\$52,926), and the information sector in Region 8 (\$50,421).

The services sector, which includes the information; professional and business services; educational and health services; leisure; and other services, employs the largest percentage of Tennesseans (36 percent). Tennessee lags the nation where 40 percent of workers are employed in the services sector. See Figure 4.8. On the other hand, Tennessee's share of jobs in manufacturing exceeds that of the nation.

**Figure 4.7. Average Wage by Industry, Tennessee, 2002**



**Figure 4.8. Employment Share by Industry, Tennessee, 2002**

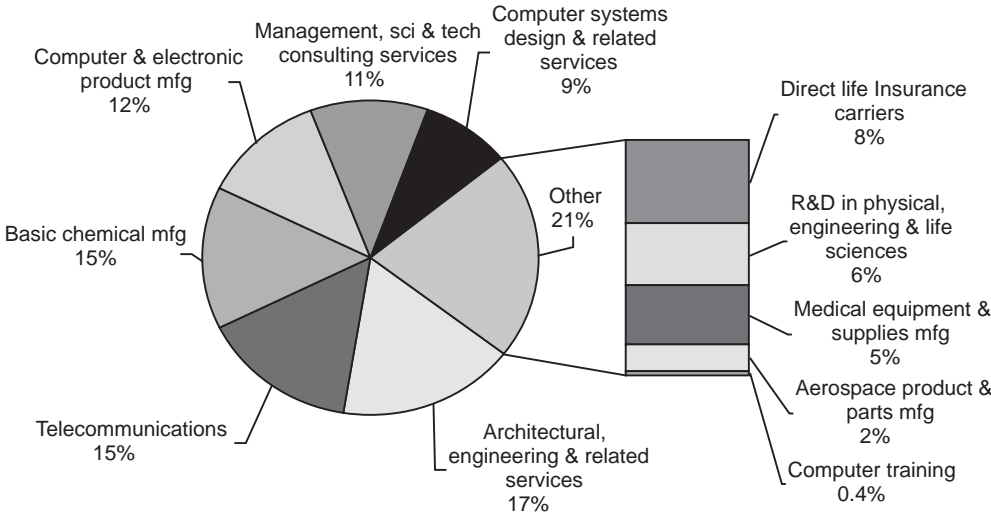


**4.2. Regional Profiles, *continued***

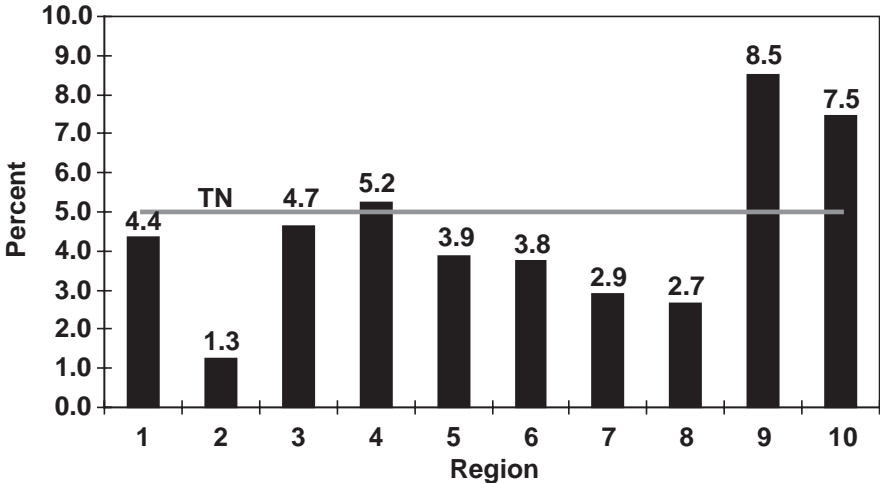
The industries with the largest shares of employment following services and manufacturing are trade; government; transportation and utilities; natural resources, mining, and construction; and finance. With the exception of Region 10, which has a higher share of employment in the health care and social assistance industry than in trade, the top four industries in all of the regions are the same as the top four in the state, though not necessarily in the same order. For instance, the services industry has the largest share of employment in Regions 1, 4, 6, and 9 while the manufacturing industry has the largest share in Regions 2, 3, 5, 7, 8, and 10.

Approximately 5 percent of Tennessee’s employment is in high-tech industries, using the definition of high-tech industries published by the Federal Reserve Bank of Boston. The largest shares within the high-tech sector are architectural, engineering and related services; telecommunications; and basic chemical manufacturing. See Figure 4.9. Regions 9 and 10 have the largest percentage of high-tech jobs in the state at 8.5 percent and 7.5 percent, respectively. See Figure 4.10.

**Figure 4.9. High-Tech Employment Share by Industry, Tennessee, 2001**



**Figure 4.10. Percentage of High-Tech Jobs by Region, 2001**



### 4.3. Policy Implications and Conclusions

Historically, Tennessee's regional divisions have been based on geographic boundaries instead of shared economic attributes. The research summarized here links counties based on economic factors like income and employment. Counties within a region generally have more in common with other counties in the same region than do counties in other areas of the state.

An important aspect of the new region designations will be their application in the context of state and local economic development policies. Counties and their constituent cities will be an important focus of development policy, as they always have been at the local level. Local development boards, chambers of commerce, workforce development agencies, and so on will continue to play a critical role in the economic development process. Contiguous counties will also continue to be an important element of the regional perspective on economic development. But contiguity under the new region definitions is now based on unique economic, demographic and fiscal similarities rather than on purely geographic proximity. Regional cooperation in promoting economic development now offers the promise of greater returns than has been the case in the past.

Contiguity was an important element in the design of the new regional designations. It would have proven possible to identify clusters of counties that were alike in various ways yet geographically dispersed, but many practical problems would have emerged. For example, there would have been serious issues related to logistics and policy coordination if counties in a statistical cluster were spread out across the state. Similarly, any shared benefits from inter-county cooperation would be diffused, and there would be little incentive for policy coordination and the sharing of economic development resources to promote growth. Policies like workforce development and infrastructure financing are less practical for spatially dispersed economies than for economically-integrated contiguous areas.

The new regions, like the old Development Districts or the ongoing MSA designations, will still face hurdles of policy coordination, especially at the local level. Counties and cities are unique in their jurisdictional boundaries, and there will be the perception on the part of some of little to gain from coordination and cooperation. But with the Tennessee Department of Economic and Community Development as catalyst with the new regions, there is now a much stronger incentive for coordination and cooperation as it relates to development strategies and policies. This offers the promise of a greater return on investment resources at all levels, benefiting cities, counties and the entire state of Tennessee.

### 4.3. Policy Implications and Conclusions, *continued*

At the state level, strategies can be developed and policies implemented to meet the unique needs of each region. Since the counties within the new regions have strong similarities, they are likely to benefit more greatly from this form of consistent policy design. Other state agencies involved in supporting and promoting economic development aside from ECD may consider use of the new designations as well.

Sub-state regional cooperation has long been advocated as a better means to promote economic development than the individual actions of cities and counties. One of the factors keeping local governments and their development arms (like an industrial development board) from cooperating has been the rather dramatic differences across counties in terms of the structure of the economic base, the skill level of the workforce and so on. This will change with the advent of the new regions as member counties have greater similarities than has been the case under other designation systems.

A practical problem with inter-county policy development and implementation is the perception that economic development is a zero-sum game. That is, if one community makes an investment in an industrial park or in workforce training, only one county or city stands to gain. In reality the strategies pursued by one jurisdiction can create important economic development benefits that spill over to other jurisdictions.

Successful regional cooperation does exist in Tennessee, promoting both substate and statewide benefits. For example, many counties within the state already rely on a single industrial or economic development board to help coordinate certain aspects of regional development policy across the county and its constituent cities. A more aggressive example is in Blount County where the cities of Maryville and Alcoa, along with the Blount County government, have jointly funded industrial parks. These communities recognize that everyone in the area stands to gain from economic progress through industrial development. The Economic Development Board of Blount County helps to coordinate development of industrial parks, but city and county government hold important seats at the decision-making table.

Another example is the East Tennessee Economic Development Agency (ETEDA) which coordinates and directs economic development marketing activities for a 16-county region around Knoxville. ETEDA's focus on marketing allows for specialization and the leveraging of local funds. The ETEDA staff maintain a Web site that offers a wide array of information on the region ([www.eteda.org](http://www.eteda.org)) attend trade shows across the country to market the region and visit with prominent site locators to help draw

### **4.3. Policy Implications and Conclusions, *continued***

attention to the 16-county area. Funding for ETEDA is provided by local governments in the multi-county area.

Inter-county cooperation within a region should begin with a strategic plan for economic development where all jurisdictions share in the strategic planning process. Specific policies can then be developed, coordinated and implemented at the regional and sub-regional levels. Procedures should also be put in place to enable evaluation of development policies to promote accountability and policy effectiveness. Examples of shared policies include coordinated and jointly financed incentives, research and development parks, training programs, infrastructure investments and marketing efforts. Some will find these and other potential changes in policy focus to be controversial if for no other reason that they are a marked departure from current practice. But regions will find that cooperation brings forth more significant benefits than uncoordinated actions of individual cities and counties. Each region will likely pursue a different path of action based on their unique characteristics and needs and the nature of interdependencies across member counties.

The new regions offer a means of promoting a healthier economic development climate and fostering stronger economic growth for the entire state. Their successful application will require a greater focus on regional cooperation and coordination than has been the case in the past. With the concerted efforts of local and state government, tomorrow promises to offer a better quality of life and greater economic opportunities for residents of Tennessee.

## Appendix A: Forecast Data

In this section...

### Appendix A: Forecast Data

<i>Quarterly</i>	<i>QF1 to QF20 (2004Q3 to 2007Q1)</i>
<i>Annual</i>	<i>AF1 to AF15 (2004 to 2014)</i>

#### Quarterly Forecast Tables

Table 1:	Selected U.S. and Tennessee Economic Indicators, Seasonally Adjusted .....	QF1
Table 2:	Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted .....	QF2
Table 3:	Tennessee Personal Income Components, Seasonally Adjusted (millions of 2000 dollars) .....	QF3
Table 4:	Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars) .....	QF4
Table 5:	Tennessee Nonfarm Employment by Sector, Not Seasonally Adjusted (thousands of jobs) .....	QF5
Table 6:	Tennessee Durable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) .....	QF6
Table 7:	Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) .....	QF7
Table 8:	Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) .....	QF8
Table 9:	Tennessee Durable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) .....	QF9
Table 10:	Tennessee Nondurable Goods Manufacturing Employment, Seasonally Adjusted (thousands of jobs) .....	QF10
Table 11:	Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (2000 dollars) .....	QF11
Table 12:	Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (2000 dollars) .....	QF12
Table 13:	Tennessee Average Annual Wage and Salary Rate by Sector, Not Seasonally Adjusted (current dollars) .....	QF13
Table 14:	Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) .....	QF14
Table 15:	Tennessee Civilian Labor Force and Unemployment Rate, Not Seasonally Adjusted .....	QF15
Table 16:	Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted .....	QF16
Table 17:	Tennessee Taxable Sales, Not Seasonally Adjusted (millions of 2000 dollars) .....	QF17
Table 18:	Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars) .....	QF18
Table 19:	Tennessee Taxable Sales, Not Seasonally Adjusted (millions of current dollars) .....	QF19
Table 20:	Tennessee Taxable Sales, Seasonally Adjusted (millions of current dollars) .....	QF20

#### Annual Forecast Tables

Table 1:	Selected U.S. and Tennessee Economic Indicators .....	AF1
Table 2:	Selected Per Capita U.S. and Tennessee Economic Indicators .....	AF2
Table 3:	Tennessee Personal Income Components (millions of 2000 dollars) .....	AF3
Table 4:	Tennessee Personal Income Components (millions of current dollars) .....	AF4
Table 5:	Tennessee Nonfarm Employment by Sector (thousands of jobs) .....	AF5
Table 6:	Tennessee Durable Goods Manufacturing Employment (thousands of jobs) .....	AF6
Table 7:	Tennessee Nondurable Goods Manufacturing Employment (thousands of jobs) .....	AF7
Table 8:	Tennessee Average Annual Wage and Salary Rate by Sector (2000 dollars) .....	AF8
Table 9:	Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) .....	AF9
Table 10:	Tennessee Civilian Labor Force and Unemployment Rate .....	AF10
Table 11:	Tennessee Taxable Sales (millions of 2000 dollars) .....	AF11
Table 12:	Tennessee Taxable Sales (millions of current dollars) .....	AF12
Table 13:	Tennessee Gross State Product by Sector (millions of 2000 dollars) .....	AF13
Table 14:	Tennessee Durable Goods Manufacturing Gross State Product (millions of 2000 dollars) .....	AF14
Table 15:	Tennessee Nondurable Goods Manufacturing Gross State Product (millions of 2000 dollars) .....	AF15

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

**December 2004**

	History	Forecast Data										Annual				
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
US GDP (Bil2000\$) SAAR.....	10784.7	10891.0	10988.4	11084.7	11184.7	11280.4	11360.8	11448.6	11553.5	11656.8	11744.5	11834.0	10381.3	10840.4	11227.6	11600.9
% Chg Prev Qtr SAAR.....	3.30	4.00	3.62	3.55	3.66	3.47	2.88	3.13	3.72	3.62	3.04	3.08	3.04	4.42	3.57	3.32
% Chg Same Qtr Last Yr.....	4.83	3.99	3.85	3.62	3.71	3.58	3.39	3.28	3.30	3.34	3.38	3.37	3.04	4.42	3.57	3.32
US GDP (Bil\$) SAAR.....	11657.5	11814.9	11990.2	12166.2	12331.8	12485.4	12629.5	12796.9	12957.2	13123.6	13281.9	13452.1	11004.1	11733.8	12403.2	13039.9
% Chg Prev Qtr SAAR.....	6.60	5.51	6.07	6.00	5.56	5.08	4.70	5.41	5.11	5.23	4.91	5.22	4.93	6.63	5.70	5.13
% Chg Same Qtr Last Yr.....	7.11	6.28	6.38	6.05	5.78	5.67	5.33	5.18	5.07	5.11	5.17	5.12	4.93	6.63	5.70	5.13
CHAINED PRICE INDEX, GDP (2000=100.0)..	108.2	108.6	109.1	109.8	110.3	110.7	111.2	111.8	112.1	112.6	113.1	113.7	106.0	108.3	110.5	112.4
% Chg Prev Qtr SAAR.....	3.23	1.42	2.10	2.36	1.83	1.55	1.77	2.21	1.34	1.55	1.82	2.08	1.83	2.15	2.01	1.75
% Chg Same Qtr Last Yr.....	2.26	2.25	2.37	2.28	1.93	1.96	1.88	1.84	1.72	1.72	1.73	1.70	1.83	2.15	2.01	1.75
US PERS CONSUMP DEFL (2000=100.0).....	107.7	108.0	108.6	109.0	109.5	109.9	110.4	110.9	111.3	111.8	112.4	113.0	105.5	107.8	109.7	111.6
% Chg Prev Qtr SAAR.....	3.12	1.26	2.25	1.45	1.72	1.41	1.81	1.92	1.43	1.89	2.10	2.19	1.90	2.17	1.75	1.74
% Chg Same Qtr Last Yr.....	2.29	2.21	2.47	2.02	1.67	1.71	1.60	1.72	1.64	1.76	1.84	1.90	1.90	2.17	1.75	1.74
TN PERSONAL INCOME (MIL2000\$) SAAR...	162284	162707	165067	166014	167644	168914	171741	172607	174386	175227	177794	178855	158146	162864	168578	175003
% Chg Prev Qtr SAAR.....	2.21	1.05	5.93	2.31	3.99	3.07	6.86	2.03	4.19	1.94	5.99	2.41	2.45	2.98	3.51	3.81
% Chg Same Qtr Last Yr.....	3.22	2.58	2.65	2.86	3.30	3.81	4.04	3.97	4.02	3.74	3.52	3.62	2.45	2.98	3.51	3.81
US PERSONAL INCOME (BIL2000\$) SAAR....	8908	8956	9110	9126	9217	9312	9387	9486	9586	9673	9748	9827	8683	8953	9261	9623
% Chg Prev Qtr SAAR.....	3.19	2.16	7.08	0.68	4.06	4.21	3.25	4.30	4.24	3.72	3.10	3.28	1.26	3.11	3.43	3.92
% Chg Same Qtr Last Yr.....	2.99	2.78	3.51	3.25	3.47	3.98	3.04	3.95	4.00	3.88	3.84	3.58	1.26	3.11	3.43	3.92
TN PERSONAL INCOME (MIL\$) SAAR.....	174752	175691	179290	181286	183967	185861	189586	191283	194046	195931	199697	201810	166867	175551	185175	195239
% Chg Prev Qtr SAAR.....	5.40	2.17	8.45	4.53	6.05	4.18	8.26	3.63	5.91	3.94	7.91	4.30	4.40	5.20	5.48	5.44
% Chg Same Qtr Last Yr.....	5.58	4.80	5.18	5.11	5.27	5.79	5.74	5.51	5.48	5.42	5.33	5.50	4.40	5.20	5.48	5.44
US PERSONAL INCOME (BIL\$) SAAR.....	9593	9674	9896	9949	10091	10231	10360	10519	10667	10815	10955	11104	9162	9652	10158	10739
% Chg Prev Qtr SAAR.....	6.40	3.45	9.49	2.14	5.85	5.67	5.12	6.30	5.73	5.68	5.26	5.54	3.19	5.35	5.24	5.72
% Chg Same Qtr Last Yr.....	5.35	5.05	6.07	5.33	5.20	5.76	4.69	5.74	5.71	5.71	5.75	5.56	3.19	5.35	5.24	5.72
TN NONFARM JOBS (THOUS).....	2687.4	2686.8	2694.6	2722.3	2720.3	2733.3	2743.9	2767.7	2768.9	2782.3	2792.5	2817.8	2667.3	2690.1	2730.0	2777.9
% Chg Prev Qtr SAAR.....	-0.64	-0.10	1.16	4.18	-0.28	1.91	1.57	3.51	0.17	1.96	1.47	3.67	0.11	0.85	1.48	1.75
% Chg Same Qtr Last Yr.....	0.91	0.72	0.75	1.13	1.22	1.73	1.83	1.67	1.78	1.79	1.77	1.81	0.11	0.85	1.48	1.75
US NONFARM JOBS (MIL).....	131.1	131.5	132.1	132.6	133.3	134.0	134.5	134.9	135.4	135.8	136.2	136.5	129.9	131.3	133.6	135.6
% Chg Prev Qtr SAAR.....	2.35	1.20	1.77	1.67	2.09	1.88	1.52	1.23	1.50	1.37	0.99	0.90	-0.31	1.03	1.77	1.47
% Chg Same Qtr Last Yr.....	0.96	1.31	1.61	1.75	1.68	1.86	1.79	1.68	1.53	1.41	1.27	1.19	-0.31	1.03	1.77	1.47
TN UNEMPLOYMENT RATE (%).....	4.7	4.8	5.0	4.9	4.9	4.9	4.9	4.9	4.8	4.7	4.8	4.8	5.8	4.9	4.9	4.8
US UNEMPLOYMENT RATE (%).....	5.6	5.4	5.4	5.3	5.2	5.2	5.3	5.3	5.3	5.3	5.3	5.3	6.0	5.5	5.3	5.3
BANK PRIME INTEREST RATE (%).....	4.0	4.4	4.9	5.4	5.9	6.1	6.4	6.5	6.5	6.6	6.8	6.9	4.1	4.3	6.0	6.6

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	History	Forecast Data										Annual				
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TN MFG JOBS (THOUS).....	413.0	412.7	413.7	415.4	414.4	414.4	415.5	417.2	416.0	415.8	417.7	418.8	414.1	413.6	414.9	416.7
% Chg Prev Qtr SAAR.....	-2.14	-0.31	0.96	1.67	-0.89	-0.06	1.09	1.64	-1.09	-0.24	1.80	1.09	-3.35	-0.12	0.31	0.42
% Chg Same Qtr Last Yr.....	-0.15	0.30	-0.09	0.04	0.35	0.41	0.45	0.44	0.39	0.34	0.52	0.39	-3.35	-0.12	0.31	0.42
US MFG JOBS (MIL).....	14.4	14.4	14.4	14.4	14.4	14.4	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.4	14.4	14.5
% Chg Prev Qtr SAAR.....	1.64	0.59	-0.15	0.17	0.37	0.41	0.87	0.54	-0.04	-0.15	-0.15	0.39	-4.80	-1.00	0.36	0.34
% Chg Same Qtr Last Yr.....	-1.27	-0.03	0.42	0.56	0.24	0.20	0.46	0.55	0.44	0.30	0.05	0.01	-4.80	-1.00	0.36	0.34
TN TAXABLE SALES (MIL2000\$).....	18672	18878	18994	19150	19392	19603	19837	19971	20171	20292	20456	20619	73372	75445	77983	80890
% Chg Prev Qtr SAAR.....	-4.75	4.47	2.50	3.32	5.15	4.43	4.86	2.73	4.07	2.41	3.29	3.21	1.56	2.83	3.36	3.73
% Chg Same Qtr Last Yr.....	2.75	1.15	1.66	1.32	3.86	3.85	4.44	4.29	4.02	3.51	3.12	3.24	1.56	2.83	3.36	3.73
TN TAXABLE SALES (MIL\$).....	20107	20384	20631	20912	21280	21570	21898	22132	22445	22689	22977	23265	77420	81319	85661	90243
% Chg Prev Qtr SAAR.....	-1.78	5.63	4.94	5.55	7.24	5.56	6.23	4.33	5.78	4.42	5.16	5.12	3.49	5.04	5.34	5.35
% Chg Same Qtr Last Yr.....	5.11	3.34	4.17	3.54	5.84	5.82	6.14	5.83	5.47	5.19	4.92	5.12	3.49	5.04	5.34	5.35
TN AVG ANNUAL WAGE, NONFARM (2000\$)	32623	32653	32994	32921	33069	33080	33445	33413	33574	33521	33875	33871	32283	32712	33129	33596
% Chg Prev Qtr SAAR.....	0.55	0.36	4.24	-0.88	1.82	0.13	4.49	-0.39	1.95	-0.63	4.29	-0.06	1.17	1.33	1.27	1.41
% Chg Same Qtr Last Yr.....	1.53	1.01	0.98	1.05	1.37	1.31	1.37	1.49	1.53	1.33	1.29	1.37	1.17	1.33	1.27	1.41
TN AVG ANNUAL WAGE, NONFARM (\$)	35130	35258	35837	35949	36289	36399	36921	37028	37360	37482	38049	38218	34062	35260	36389	37479
% Chg Prev Qtr SAAR.....	3.68	1.47	6.72	1.26	3.84	1.21	5.86	1.16	3.63	1.32	6.19	1.79	3.09	3.51	3.20	3.00
% Chg Same Qtr Last Yr.....	3.86	3.20	3.47	3.26	3.30	3.23	3.03	3.00	2.95	2.98	3.06	3.21	3.09	3.51	3.20	3.00

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**

**December 2004**

	History	Forecast Data										Annual				
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
US GDP (2000\$) SAAR.....	36713	36989	37235	37476	37728	37964	38149	38357	38622	38880	39086	39296	35627	36860	37830	38737
% Chg Prev Qtr SAAR.....	2.36	3.05	2.68	2.61	2.72	2.53	1.96	2.20	2.79	2.70	2.13	2.17	2.06	3.46	2.63	2.40
% Chg Same Qtr Last Yr.....	3.87	3.04	2.91	2.68	2.76	2.64	2.45	2.35	2.37	2.41	2.46	2.45	2.06	3.46	2.63	2.40
US GDP (\$) SAAR.....	39684	40127	40630	41132	41597	42020	42409	42875	43314	43773	44202	44669	37764	39898	41791	43542
% Chg Prev Qtr SAAR.....	5.63	4.54	5.10	5.04	4.60	4.12	3.76	4.46	4.16	4.30	3.98	4.29	3.93	5.65	4.75	4.19
% Chg Same Qtr Last Yr.....	6.12	5.31	5.41	5.08	4.82	4.72	4.38	4.24	4.13	4.17	4.23	4.19	3.93	5.65	4.75	4.19
TN PERSONAL INCOME (2000\$) SAAR....	27306	27291	27601	27674	27859	27978	28352	28402	28601	28645	28969	29046	26931	27345	27966	28654
% Chg Prev Qtr SAAR.....	1.81	-0.21	4.62	1.05	2.71	1.71	5.47	0.70	2.83	0.61	4.61	1.07	1.14	1.54	2.27	2.46
% Chg Same Qtr Last Yr.....	1.45	1.28	1.81	1.80	2.03	2.51	2.72	2.63	2.66	2.38	2.17	2.27	1.14	1.54	2.27	2.46
US PERSONAL INCOME (2000\$) SAAR....	30325	30417	30871	30853	31091	31341	31522	31783	32043	32265	32440	32630	29799	30443	31202	32133
% Chg Prev Qtr SAAR.....	2.25	1.22	6.10	-0.23	3.12	3.26	2.32	3.36	3.31	2.80	2.18	2.37	0.29	2.16	2.49	2.98
% Chg Same Qtr Last Yr.....	2.04	1.84	2.56	2.31	2.52	3.04	2.11	3.02	3.06	2.95	2.91	2.66	0.29	2.16	2.49	2.98
TN PERSONAL INCOME (\$) SAAR.....	29403	29469	29980	30219	30571	30784	31298	31475	31826	32029	32538	32774	28415	29475	30718	31967
% Chg Prev Qtr SAAR.....	4.98	0.90	7.11	3.24	4.74	2.82	6.85	2.28	4.53	2.58	6.50	2.94	3.06	3.73	4.22	4.06
% Chg Same Qtr Last Yr.....	3.78	3.48	4.32	4.03	3.97	4.46	4.40	4.16	4.10	4.04	3.96	4.13	3.06	3.73	4.22	4.06
US PERSONAL INCOME (\$) SAAR.....	32655	32857	33534	33635	34039	34433	34787	35244	35658	36074	36458	36872	31442	32819	34225	35860
% Chg Prev Qtr SAAR.....	5.43	2.50	8.49	1.22	4.89	4.72	4.18	5.35	4.79	4.74	4.33	4.61	2.20	4.38	4.28	4.78
% Chg Same Qtr Last Yr.....	4.38	4.09	5.10	4.37	4.24	4.80	3.74	4.78	4.76	4.76	4.80	4.62	2.20	4.38	4.28	4.78
TN TAXABLE SALES (2000\$).....	3142	3166	3176	3192	3223	3247	3275	3286	3308	3317	3333	3349	12494	12668	12937	13245
% Chg Prev Qtr SAAR.....	-5.13	3.18	1.23	2.05	3.86	3.06	3.49	1.39	2.71	1.07	1.94	1.87	0.25	1.39	2.12	2.38
% Chg Same Qtr Last Yr.....	1.00	-0.13	0.83	0.28	2.57	2.54	3.11	2.94	2.66	2.16	1.78	1.90	0.25	1.39	2.12	2.38
TN TAXABLE SALES (\$).....	3383	3419	3450	3486	3536	3573	3615	3642	3681	3709	3744	3778	13183	13654	14210	14776
% Chg Prev Qtr SAAR.....	-2.17	4.32	3.64	4.25	5.92	4.18	4.84	2.97	4.41	3.05	3.79	3.75	2.16	3.57	4.08	3.98
% Chg Same Qtr Last Yr.....	3.31	2.03	3.31	2.47	4.53	4.49	4.79	4.47	4.10	3.82	3.55	3.75	2.16	3.57	4.08	3.98

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

**December 2004**

	History											Forecast Data				Annual			
	History											Forecast Data				Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006			
TN PERSONAL INCOME.....	162284	162707	165067	166014	167644	168914	171741	172607	174386	175227	177794	178855	158146	162864	168578	175003			
% Chg Prev Qtr SAAR.....	2.21	1.05	5.93	2.31	3.99	3.07	6.86	2.03	4.19	1.94	5.99	2.41	2.45	2.98	3.51	3.81			
% Chg Same Qtr Last Yr.....	3.22	2.58	2.65	2.86	3.30	3.81	4.04	3.97	4.02	3.74	3.52	3.62	2.45	2.98	3.51	3.81			
WAGES AND SALARIES.....	88291	88352	89528	90246	90591	91051	92412	93119	93609	93917	95252	96098	86715	88622	91075	93974			
% Chg Prev Qtr SAAR.....	-0.11	0.28	5.43	3.25	1.54	2.05	6.11	3.10	2.12	1.32	5.81	3.60	1.31	2.20	2.77	3.18			
% Chg Same Qtr Last Yr.....	2.44	1.75	1.76	2.19	2.60	3.05	3.22	3.18	3.33	3.15	3.07	3.20	1.31	2.20	2.77	3.18			
OTHER LABOR INCOME.....	21685	22046	22439	22722	22952	23272	23568	23889	24160	24451	24692	25014	20547	21940	23128	24298			
% Chg Prev Qtr SAAR.....	1.79	6.82	7.32	5.14	4.11	5.70	5.19	5.57	4.61	4.91	4.00	5.31	9.06	6.78	5.42	5.06			
% Chg Same Qtr Last Yr.....	6.84	6.44	5.84	5.25	5.84	5.56	5.03	5.14	5.27	5.07	4.77	4.71	9.06	6.78	5.42	5.06			
PROPRIETORS INCOME.....	19152	19229	19394	19104	19711	20293	20685	20248	20788	21156	21462	21157	18579	19112	19948	20914			
% Chg Prev Qtr SAAR.....	10.63	1.62	3.49	-5.86	13.34	12.34	7.95	-8.18	11.09	7.27	5.92	-5.58	6.28	2.87	4.37	4.84			
% Chg Same Qtr Last Yr.....	3.82	2.00	1.48	2.30	2.92	5.54	6.65	5.99	5.46	4.25	3.76	4.49	6.28	2.87	4.37	4.84			
RENT, INTEREST, DIVIDENDS.....	20451	20450	21057	21067	21093	21070	21779	21855	21917	21855	22544	22499	20179	20606	21252	22043			
% Chg Prev Qtr SAAR.....	-0.33	-0.02	12.41	0.20	0.50	-0.45	14.16	1.41	1.14	-1.12	13.20	-0.78	-4.12	2.12	3.14	3.72			
% Chg Same Qtr Last Yr.....	1.95	2.67	3.23	2.93	3.14	3.03	3.43	3.74	3.90	3.73	3.51	2.95	-4.12	2.12	3.14	3.72			
TRANSFER PAYMENTS.....	27983	28121	28004	28538	28967	29103	29083	29605	30064	30148	30093	30603	26938	27935	28923	29977			
% Chg Prev Qtr SAAR.....	5.14	1.98	-1.65	7.85	6.15	1.89	-0.27	7.38	6.34	1.13	-0.73	6.96	3.81	3.70	3.53	3.65			
% Chg Same Qtr Last Yr.....	3.86	3.73	3.18	3.27	3.52	3.49	3.85	3.74	3.79	3.59	3.47	3.37	3.81	3.70	3.53	3.65			
LESS: PERS CONT FOR SOC INS.....	13896	14120	13995	14263	14261	14476	14394	14674	14705	14867	14824	15047	13484	13983	14348	14768			
% Chg Prev Qtr SAAR.....	-0.65	6.58	-3.48	7.87	-0.05	6.16	-2.24	8.01	0.86	4.49	-1.15	6.15	2.42	3.70	2.62	2.92			
% Chg Same Qtr Last Yr.....	3.69	4.57	2.35	2.47	2.62	2.52	2.85	2.88	3.12	2.71	2.99	2.55	2.42	3.70	2.62	2.92			
RESIDENCE ADJUSTMENT.....	-1381	-1371	-1359	-1400	-1409	-1400	-1392	-1436	-1447	-1434	-1424	-1469	-1328	-1368	-1400	-1435			
% Chg Prev Qtr SAAR.....	5.50	-2.97	-3.31	12.48	2.83	-2.76	-2.17	13.19	3.16	-3.56	-2.62	13.00	-4.45	3.03	2.33	2.51			
% Chg Same Qtr Last Yr.....	6.03	4.59	0.33	2.72	2.06	2.12	2.42	2.58	2.66	2.45	2.33	2.29	-4.45	3.03	2.33	2.51			
PER CAPITA PERSONAL INCOME (\$). ....	27306	27291	27601	27674	27859	27978	28352	28402	28601	28645	28969	29046	26931	27345	27966	28654			
% Chg Prev Qtr SAAR.....	1.81	-0.21	4.62	1.05	2.71	1.71	5.47	0.70	2.83	0.61	4.61	1.07	1.14	1.54	2.27	2.46			
% Chg Same Qtr Last Yr.....	1.45	1.28	1.81	1.80	2.03	2.51	2.72	2.63	2.66	2.38	2.17	2.27	1.14	1.54	2.27	2.46			

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TN PERSONAL INCOME.....	174752	175691	179290	181286	183967	185861	189586	191283	194046	195931	199697	201810	166867	175551	185175	195239
% Chg Prev Qtr SAAR.....	5.40	2.17	8.45	4.53	6.05	4.18	8.26	3.63	5.91	3.94	7.91	4.30	4.40	5.20	5.48	5.44
% Chg Same Qtr Last Yr.....	5.58	4.80	5.18	5.11	5.27	5.79	5.74	5.51	5.48	5.42	5.33	5.50	4.40	5.20	5.48	5.44
WAGES AND SALARIES.....	95074	95403	97242	98548	99411	100186	102014	103194	104163	105014	106986	108432	91497	95523	100040	104839
% Chg Prev Qtr SAAR.....	3.00	1.39	7.94	5.48	3.55	3.16	7.50	4.71	3.81	3.31	7.73	5.52	3.23	4.40	4.73	4.80
% Chg Same Qtr Last Yr.....	4.79	3.95	4.26	4.42	4.56	5.01	4.91	4.71	4.78	4.82	4.87	5.08	3.23	4.40	4.73	4.80
SUPPLEMENTS TO WAGES & SALARIES.....	23351	23805	24372	24812	25186	25607	26017	26474	26884	27340	27734	28224	21681	23649	25406	27108
% Chg Prev Qtr SAAR.....	4.96	8.00	9.88	7.42	6.18	6.85	6.56	7.21	6.34	6.97	5.89	7.26	11.12	9.08	7.43	6.70
% Chg Same Qtr Last Yr.....	9.29	8.75	8.45	7.55	7.86	7.57	6.75	6.70	6.74	6.77	6.60	6.61	11.12	9.08	7.43	6.70
PROPRIETORS INCOME.....	20623	20763	21066	20861	21630	22329	22834	22439	23131	23656	24106	23872	19604	20602	21914	23333
% Chg Prev Qtr SAAR.....	14.08	2.75	5.95	-3.83	15.59	13.56	9.36	-6.75	12.93	9.38	7.84	-3.83	8.30	5.09	6.37	6.48
% Chg Same Qtr Last Yr.....	6.21	4.21	3.98	4.54	4.88	7.54	8.40	7.56	6.94	5.94	5.57	6.39	8.30	5.09	6.37	6.48
RENT, INTEREST, DIVIDENDS.....	22022	22082	22871	23005	23147	23183	24042	24220	24388	24438	25321	25387	21291	22212	23344	24592
% Chg Prev Qtr SAAR.....	2.77	1.09	15.08	2.37	2.50	0.63	15.65	2.99	2.81	0.82	15.26	1.05	-2.29	4.32	5.10	5.34
% Chg Same Qtr Last Yr.....	4.29	4.89	5.78	5.18	5.11	4.99	5.12	5.28	5.36	5.41	5.32	4.82	-2.29	4.32	5.10	5.34
TRANSFER PAYMENTS.....	30133	30365	30417	31163	31787	32023	32105	32808	33453	33710	33800	34531	28423	30111	31770	33443
% Chg Prev Qtr SAAR.....	8.42	3.11	0.69	10.18	8.26	3.00	1.03	9.06	8.09	3.11	1.07	8.93	5.78	5.94	5.51	5.27
% Chg Same Qtr Last Yr.....	6.24	5.98	5.72	5.53	5.49	5.46	5.55	5.28	5.24	5.27	5.28	5.25	5.78	5.94	5.51	5.27
LESS: PERS CONT FOR SOC INS.....	14964	15246	15201	15575	15649	15928	15890	16261	16363	16624	16651	16979	14228	15071	15760	16475
% Chg Prev Qtr SAAR.....	2.44	7.76	-1.19	10.20	1.93	7.31	-0.96	9.70	2.52	6.53	0.64	8.11	4.36	5.93	4.57	4.53
% Chg Same Qtr Last Yr.....	6.07	6.83	4.87	4.71	4.58	4.47	4.53	4.41	4.56	4.37	4.79	4.41	4.36	5.93	4.57	4.53
RESIDENCE ADJUSTMENT.....	-1487	-1480	-1476	-1528	-1547	-1540	-1537	-1591	-1610	-1603	-1600	-1657	-1401	-1475	-1538	-1601
% Chg Prev Qtr SAAR.....	8.79	-1.89	-1.01	14.91	4.87	-1.70	-0.89	14.95	4.87	-1.66	-0.86	15.09	-2.64	5.25	4.28	4.11
% Chg Same Qtr Last Yr.....	8.46	6.85	2.80	4.97	4.01	4.06	4.09	4.10	4.10	4.11	4.12	4.15	-2.64	5.25	4.28	4.11
PER CAPITA PERSONAL INCOME (\$) % Chg Prev Qtr SAAR.....	29403	29469	29980	30219	30571	30784	31298	31475	31826	32029	32538	32774	28415	29475	30718	31967
% Chg Same Qtr Last Yr.....	4.98	0.90	7.11	3.24	4.74	2.82	6.85	2.28	4.53	2.58	6.50	2.94	3.06	3.73	4.22	4.06
	3.78	3.48	4.32	4.03	3.97	4.46	4.40	4.16	4.10	4.04	3.96	4.13	3.06	3.73	4.22	4.06

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONFARM.....	2691.2	2690.7	2719.8	2688.1	2727.6	2736.9	2769.7	2732.6	2776.3	2786.2	2818.7	2781.9	2667.5	2690.3	2730.6	2778.5
% Chg Same Qtr Last Yr.....	0.84	0.73	0.77	1.08	1.35	1.72	1.83	1.66	1.78	1.80	1.77	1.80	0.12	0.85	1.50	1.75
NATURAL RESOURCES & MINING.....	4.4	4.3	4.3	4.3	4.4	4.3	4.3	4.3	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.3
% Chg Same Qtr Last Yr.....	1.55	0.78	0.56	0.60	0.78	0.67	0.65	0.57	-0.12	-0.49	-0.44	-0.41	-6.42	0.92	0.68	-0.12
CONSTRUCTION.....	117.9	120.3	119.4	112.9	122.1	123.9	122.9	115.6	124.8	126.5	125.3	117.9	115.5	117.1	120.4	123.1
% Chg Same Qtr Last Yr.....	1.20	1.15	1.81	1.76	3.56	3.03	2.95	2.39	2.25	2.09	2.00	2.03	0.49	1.36	2.84	2.18
MANUFACTURING.....	413.1	413.9	414.0	413.6	414.6	415.6	415.9	415.4	416.2	417.0	418.0	417.0	414.1	413.6	414.9	416.7
% Chg Same Qtr Last Yr.....	-0.15	0.30	-0.09	0.04	0.35	0.41	0.45	0.45	0.39	0.34	0.52	0.39	-3.35	-0.12	0.31	0.42
DURABLE GOODS.....	251.1	251.9	253.1	253.4	254.2	255.3	256.2	257.3	257.7	258.2	259.4	260.0	251.1	252.0	254.8	258.2
% Chg Same Qtr Last Yr.....	0.08	0.80	0.54	0.64	1.22	1.34	1.26	1.52	1.39	1.15	1.23	1.07	-3.06	0.34	1.12	1.32
NONDURABLE GOODS.....	162.0	162.0	161.0	160.1	160.4	160.4	159.6	158.1	158.5	158.8	158.6	157.0	163.0	161.7	160.1	158.5
% Chg Same Qtr Last Yr.....	-0.51	-0.47	-1.05	-0.91	-1.00	-1.04	-0.84	-1.25	-1.19	-0.95	-0.63	-0.72	-3.80	-0.84	-0.95	-1.01
TRADE, TRANSPORTATION, UTILITIES.....	582.0	586.1	602.8	584.3	590.8	600.7	617.2	598.2	605.5	615.7	632.6	612.6	580.2	586.9	598.2	613.0
% Chg Same Qtr Last Yr.....	1.25	1.12	1.26	1.32	1.51	2.48	2.39	2.37	2.49	2.50	2.51	2.41	0.59	1.17	1.93	2.47
WHOLESALE TRADE.....	128.4	128.3	129.6	128.4	130.0	131.1	132.7	131.7	133.1	134.1	135.4	134.3	127.8	128.6	130.6	133.6
% Chg Same Qtr Last Yr.....	0.68	0.68	0.43	0.47	1.21	2.14	2.40	2.54	2.40	2.28	2.03	2.00	0.99	0.61	1.56	2.31
RETAIL TRADE.....	312.0	315.1	326.1	312.4	314.4	323.1	333.0	318.8	322.6	332.2	342.8	327.6	313.0	315.5	320.7	329.1
% Chg Same Qtr Last Yr.....	1.01	0.90	0.52	1.10	0.79	2.54	2.13	2.05	2.61	2.80	2.94	2.77	0.26	0.81	1.65	2.61
TRANSPORTATION & UTILITIES.....	141.6	142.7	145.2	144.3	145.6	147.0	149.5	148.5	149.0	150.0	152.5	151.5	139.4	142.4	146.6	150.0
% Chg Same Qtr Last Yr.....	2.29	2.00	2.40	3.09	2.83	3.02	2.95	2.93	2.30	2.05	1.99	2.01	0.95	2.13	2.97	2.31
INFORMATION.....	51.0	50.7	51.3	51.4	51.8	51.5	52.0	52.0	52.8	52.5	53.1	53.2	51.8	51.0	51.7	52.6
% Chg Same Qtr Last Yr.....	-1.61	-1.55	-1.03	0.78	1.48	1.49	1.30	1.10	2.11	2.09	2.13	2.31	-2.94	-1.48	1.26	1.86
FINANCIAL ACTIVITIES.....	139.8	140.7	141.2	142.3	142.7	143.5	144.5	146.4	147.1	148.0	149.0	150.9	139.3	140.2	143.3	147.6
% Chg Same Qtr Last Yr.....	0.41	0.36	0.90	2.36	2.06	1.99	2.37	2.92	3.10	3.14	3.06	3.05	0.87	0.60	2.20	3.06
PROFESSIONAL & BUSINESS SERVICES.....	288.2	288.6	292.2	288.9	290.4	292.3	299.6	292.7	294.8	296.9	304.4	299.0	287.0	289.2	292.8	297.2
% Chg Same Qtr Last Yr.....	0.79	-0.03	0.51	0.38	0.77	1.29	2.53	1.32	1.50	1.57	1.59	2.16	-3.20	0.78	1.25	1.50
EDUCATION & HEALTH SERVICES.....	318.5	318.2	322.6	322.5	324.9	327.1	331.3	330.6	333.5	335.8	339.6	338.9	313.1	319.0	326.4	334.9
% Chg Same Qtr Last Yr.....	2.08	1.67	1.56	1.81	2.00	2.78	2.70	2.53	2.63	2.68	2.51	2.51	4.33	1.90	2.32	2.59
LEISURE & HOSPITALITY.....	259.0	261.7	251.7	243.2	265.3	269.0	259.0	250.5	273.1	276.8	266.4	256.5	247.3	252.9	259.1	266.7
% Chg Same Qtr Last Yr.....	2.39	2.28	1.89	1.66	2.43	2.81	2.93	2.97	2.95	2.91	2.84	2.39	3.12	2.28	2.47	2.92
OTHER SERVICES.....	103.6	103.7	104.4	103.7	104.8	105.0	106.1	105.5	106.7	106.9	108.1	107.6	102.9	103.5	104.9	106.8
% Chg Same Qtr Last Yr.....	0.55	0.35	0.93	1.42	1.20	1.29	1.66	1.70	1.81	1.81	1.85	1.95	1.25	0.62	1.39	1.79

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
	GOVERNMENT.....	413.7	402.5	416.0	421.0	415.8	404.0	416.8	421.5	417.3	405.6	417.9	424.1	412.1	412.5	414.4
% Chg Same Qtr Last Yr.....	-0.16	-0.15	-0.32	0.70	0.51	0.38	0.21	0.11	0.36	0.41	0.25	0.61	0.45	0.10	0.45	0.28
FEDERAL, CIVILIAN.....	51.3	50.2	50.2	51.0	50.9	50.2	49.9	50.9	51.0	50.2	50.0	50.9	51.4	50.7	50.5	50.5
% Chg Same Qtr Last Yr.....	-1.03	-0.92	-1.75	-0.74	-0.76	-0.01	-0.47	-0.18	0.11	-0.02	0.06	0.06	-0.87	-1.21	-0.50	-0.01
STATE & LOCAL.....	362.4	352.3	367.0	369.6	364.2	353.8	368.1	370.2	365.7	355.5	369.1	372.8	360.8	362.1	364.0	365.1
% Chg Same Qtr Last Yr.....	-0.04	-0.04	0.21	0.79	0.52	0.43	0.30	0.15	0.39	0.47	0.28	0.69	0.65	0.37	0.51	0.32

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL DURABLE GOODS.....	251.1	251.9	253.1	253.4	254.2	255.3	256.2	257.3	257.7	258.2	259.4	260.0	251.1	252.0	254.8	258.2
% Chg Same Qtr Last Yr.....	0.08	0.80	0.54	0.64	1.22	1.34	1.26	1.52	1.39	1.15	1.23	1.07	-0.03	0.00	0.01	0.01
WOOD PRODUCTS.....	16.4	16.6	16.8	16.6	16.6	16.8	17.0	16.7	16.8	17.1	17.1	16.8	16.7	16.6	16.8	16.9
% Chg Same Qtr Last Yr.....	-0.61	-0.99	-0.43	0.00	1.39	1.26	0.89	0.60	1.30	1.44	0.89	0.41	-0.05	-0.01	0.01	0.01
NONMETALLIC MINERAL PRODUCTS.....	16.1	16.3	16.3	15.9	16.4	16.4	16.4	16.1	16.6	16.7	16.7	16.4	15.9	16.2	16.3	16.5
% Chg Same Qtr Last Yr.....	0.63	2.51	1.04	-0.16	1.94	0.49	1.09	1.26	1.47	1.54	1.47	1.34	0.05	0.02	0.01	0.01
PRIMARY METALS.....	11.3	11.3	11.4	11.4	11.3	11.3	11.4	11.4	11.3	11.4	11.5	11.5	11.6	11.4	11.3	11.4
% Chg Same Qtr Last Yr.....	-2.31	-0.88	-0.73	-0.95	0.11	-0.12	-0.29	0.00	0.34	0.72	0.78	0.59	-0.09	-0.02	0.00	0.00
FABRICATED METAL PRODUCTS.....	40.9	40.8	40.9	41.0	41.0	41.1	41.4	41.6	41.5	41.5	41.7	42.0	41.2	40.9	41.1	41.6
% Chg Same Qtr Last Yr.....	-0.57	-0.49	-0.39	-0.15	0.13	0.86	1.21	1.49	1.28	1.02	0.54	0.83	-0.01	-0.01	0.01	0.01
MACHINERY.....	34.3	34.0	34.4	35.3	34.9	34.4	34.7	36.0	35.6	34.9	35.2	36.1	33.7	34.3	34.8	35.4
% Chg Same Qtr Last Yr.....	1.58	0.89	1.23	2.15	1.71	1.21	0.88	2.00	2.09	1.50	1.40	0.41	-0.06	0.02	0.01	0.02
COMPUTER & ELECTRONIC PRODUCTS...	11.7	12.1	12.1	11.7	12.0	12.3	12.3	11.9	12.2	12.4	12.5	12.1	11.7	11.9	12.1	12.2
% Chg Same Qtr Last Yr.....	0.86	2.25	1.67	1.41	1.86	1.42	1.42	1.50	1.91	1.12	1.60	1.95	-0.09	0.01	0.02	0.02
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.1	23.2	23.1	22.9	23.4	23.6	23.5	23.5	23.6	23.9	23.9	23.9	23.8	23.2	23.4	23.7
% Chg Same Qtr Last Yr.....	-3.48	-1.28	-1.25	-1.41	1.26	1.91	1.78	2.40	0.99	1.39	1.49	1.55	-0.05	-0.03	0.01	0.02
TRANSPORTATION EQUIPMENT.....	61.3	61.6	61.7	62.5	62.4	62.7	63.0	63.5	63.5	63.4	64.1	64.4	60.2	61.5	62.7	63.6
% Chg Same Qtr Last Yr.....	2.00	3.01	1.38	1.78	1.86	1.71	2.21	1.56	1.78	1.12	1.63	1.48	0.00	0.02	0.02	0.02
FURNITURE.....	19.3	19.1	19.5	19.3	19.3	19.4	19.5	19.6	19.3	19.6	19.7	19.8	19.5	19.2	19.4	19.6
% Chg Same Qtr Last Yr.....	-0.86	0.17	0.80	1.23	0.13	1.48	0.45	1.24	0.10	1.03	0.93	1.02	-0.09	-0.01	0.01	0.01
MISCELLANEOUS DURABLE GOODS.....	16.8	16.8	16.9	16.7	17.0	17.2	17.0	17.0	17.2	17.3	17.2	17.1	16.9	16.8	17.0	17.2
% Chg Same Qtr Last Yr.....	-0.79	-0.20	1.07	-0.50	1.20	2.37	0.44	1.71	1.18	0.38	1.24	0.99	-0.01	0.00	0.01	0.01

Center for Business and Economic Research, University of Tennessee

Tennessee Econometric Model

**Table 7: Tennessee Nondurable Goods Manufacturing Employment, Not Seasonally Adjusted (thousands of jobs) December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
	TOTAL NONDURABLE GOODS.....	162.0	162.0	161.0	160.1	160.4	160.4	159.6	158.1	158.5	158.8	158.6	157.0	163.0	161.7	160.1
% Chg Same Qtr Last Yr.....	-0.51	-0.47	-1.05	-0.91	-1.00	-1.04	-0.84	-1.25	-1.19	-0.95	-0.63	-0.72	-3.80	-0.84	-0.95	-1.01
FOOD.....	35.8	35.8	36.0	35.8	35.9	36.0	36.2	35.9	36.0	36.1	36.2	36.0	35.8	35.9	36.0	36.1
% Chg Same Qtr Last Yr.....	0.00	0.00	0.38	-0.07	0.48	0.49	0.41	0.28	0.22	0.31	0.27	0.28	-0.53	0.07	0.32	0.27
BEVERAGE & TOBACCO.....	6.1	6.1	6.0	6.0	6.1	6.1	6.0	6.0	6.1	6.0	6.0	6.0	6.2	6.1	6.0	6.0
% Chg Same Qtr Last Yr.....	-1.62	-0.54	-1.48	-0.92	0.28	-0.50	-0.70	0.34	0.16	-0.41	-0.34	-0.33	-3.14	-1.72	-0.46	-0.06
TEXTILE MILLS.....	7.0	7.1	6.8	6.5	6.4	6.4	6.2	6.1	6.2	6.1	6.0	5.8	7.5	7.0	6.4	6.1
% Chg Same Qtr Last Yr.....	-7.05	-5.36	-6.69	-7.51	-8.31	-9.81	-8.06	-6.50	-4.57	-4.03	-4.38	-5.03	-10.56	-6.75	-8.42	-4.88
TEXTILE PRODUCT MILLS.....	3.7	3.7	3.7	3.6	3.6	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.6	3.7	3.5	3.4
% Chg Same Qtr Last Yr.....	2.78	0.91	-1.05	-0.98	-3.94	-4.77	-5.01	-5.14	-3.98	-3.07	-3.77	-3.23	-2.24	0.88	-3.68	-4.00
APPAREL.....	10.7	10.8	10.7	10.5	10.3	10.4	10.4	10.1	9.9	10.0	9.9	9.7	10.8	10.7	10.4	10.0
% Chg Same Qtr Last Yr.....	0.31	0.31	-1.37	-2.05	-2.98	-3.02	-3.35	-3.53	-3.96	-3.98	-4.29	-4.48	-12.89	-0.88	-2.85	-3.94
PAPER.....	19.4	19.4	19.5	19.2	19.3	19.3	19.0	18.6	18.9	19.0	19.3	18.6	19.6	19.4	19.2	18.9
% Chg Same Qtr Last Yr.....	-0.68	-1.69	-1.48	-0.50	-0.39	-0.63	-2.83	-3.40	-2.21	-1.39	1.59	-0.14	-3.72	-1.10	-1.09	-1.36
PRINTING & RELATED SUPPORT.....	19.7	19.6	19.7	19.5	19.6	19.6	19.8	19.5	19.6	19.6	19.7	19.4	19.8	19.6	19.6	19.6
% Chg Same Qtr Last Yr.....	-0.51	-0.51	-0.35	-0.42	-0.52	-0.30	0.43	0.05	0.03	-0.11	-0.56	-0.24	-3.66	-0.55	-0.20	-0.15
CHEMICALS.....	28.7	28.6	28.1	28.4	28.5	28.4	28.2	27.9	27.8	28.0	28.1	27.8	28.6	28.5	28.4	27.9
% Chg Same Qtr Last Yr.....	0.00	0.12	-1.42	-0.69	-0.87	-0.66	0.50	-1.76	-2.48	-1.51	-0.59	-0.44	0.47	-0.35	-0.43	-1.59
PLASTICS & RUBBER.....	28.1	28.1	27.7	28.0	27.9	28.0	27.7	27.9	27.9	27.9	27.7	27.9	28.2	28.0	27.9	27.9
% Chg Same Qtr Last Yr.....	-0.35	-0.12	-1.07	-0.80	-0.56	-0.37	-0.14	-0.25	-0.09	-0.19	-0.08	0.05	-5.86	-0.74	-0.47	-0.15
MISCELLANEOUS NONDURABLE GOODS.....	2.9	2.8	2.7	2.6	2.7	2.7	2.7	2.6	2.7	2.6	2.5	2.5	2.8	2.7	2.7	2.6
% Chg Same Qtr Last Yr.....	0.00	1.19	-0.29	-0.19	-6.03	-5.55	-0.04	2.70	0.00	-2.22	-8.45	-6.18	-10.76	-3.01	-3.06	-2.07

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONFARM.....	2687.4	2686.8	2694.6	2722.3	2720.3	2733.3	2743.9	2767.7	2768.9	2782.3	2792.5	2817.8	2667.3	2690.1	2730.0	2777.9
% Chg Prev Qtr SAAR.....	-0.64	-0.10	1.16	4.18	-0.28	1.91	1.57	3.51	0.17	1.96	1.47	3.67	0.11	0.85	1.48	1.75
% Chg Same Qtr Last Yr.....	0.91	0.72	0.75	1.13	1.22	1.73	1.83	1.67	1.78	1.79	1.77	1.81	0.11	0.85	1.48	1.75
NATURAL RESOURCES & MINING.....	4.3	4.2	4.3	4.4	4.3	4.3	4.3	4.4	4.3	4.2	4.3	4.4	4.3	4.3	4.3	4.3
% Chg Prev Qtr SAAR.....	-3.43	-7.45	3.49	10.73	-2.90	-7.56	3.24	10.38	-5.53	-8.92	3.45	10.51	-6.42	0.92	0.67	-0.12
% Chg Same Qtr Last Yr.....	1.48	0.85	0.58	0.60	0.74	0.71	0.65	0.57	-0.12	-0.49	-0.44	-0.41	-6.42	0.92	0.67	-0.12
CONSTRUCTION.....	117.3	116.9	118.1	118.7	120.8	120.4	121.6	121.5	123.5	123.0	124.1	124.0	115.5	117.1	120.4	123.0
% Chg Prev Qtr SAAR.....	4.20	-1.24	4.17	1.77	7.46	-1.21	3.97	-0.42	6.87	-1.82	3.60	-0.30	0.47	1.40	2.79	2.18
% Chg Same Qtr Last Yr.....	1.76	1.18	1.81	2.20	2.99	3.00	2.95	2.39	2.25	2.09	2.00	2.03	0.47	1.40	2.79	2.18
MANUFACTURING.....	413.0	412.7	413.7	415.4	414.4	414.4	415.5	417.2	416.0	415.8	417.7	418.8	414.1	413.6	414.9	416.7
% Chg Prev Qtr SAAR.....	-2.14	-0.31	0.96	1.67	-0.89	-0.06	1.09	1.64	-1.09	-0.24	1.80	1.09	-3.35	-0.12	0.31	0.42
% Chg Same Qtr Last Yr.....	-0.15	0.30	-0.09	0.04	0.35	0.41	0.45	0.44	0.39	0.34	0.52	0.39	-3.35	-0.12	0.31	0.42
DURABLE GOODS.....	250.7	251.6	253.1	254.1	253.7	255.0	256.3	258.0	257.3	257.9	259.4	260.8	251.1	252.0	254.8	258.2
% Chg Prev Qtr SAAR.....	-2.92	1.55	2.33	1.70	-0.65	2.00	2.02	2.72	-1.14	1.04	2.35	2.06	-3.06	0.34	1.12	1.32
% Chg Same Qtr Last Yr.....	0.09	0.79	0.54	0.64	1.23	1.34	1.26	1.52	1.39	1.15	1.23	1.07	-3.06	0.34	1.12	1.32
NONDURABLE GOODS.....	162.3	161.0	160.6	161.2	160.7	159.4	159.2	159.2	158.8	157.9	158.2	158.0	163.0	161.7	160.1	158.5
% Chg Prev Qtr SAAR.....	-0.91	-3.12	-1.15	1.61	-1.27	-3.25	-0.38	-0.09	-1.01	-2.29	0.91	-0.48	-3.79	-0.84	-0.94	-1.01
% Chg Same Qtr Last Yr.....	-0.51	-0.46	-1.06	-0.91	-1.00	-1.03	-0.84	-1.26	-1.19	-0.95	-0.63	-0.72	-3.79	-0.84	-0.94	-1.01
TRADE, TRANSPORTATION, UTILITIES.....	585.3	586.5	589.3	592.9	593.5	601.5	603.4	606.9	608.2	616.6	618.5	621.6	580.1	586.4	597.8	612.6
% Chg Prev Qtr SAAR.....	0.60	0.84	1.91	2.42	0.42	5.53	1.26	2.36	0.87	5.60	1.28	1.98	0.58	1.09	1.94	2.47
% Chg Same Qtr Last Yr.....	1.28	1.09	0.95	1.44	1.39	2.55	2.39	2.37	2.49	2.50	2.51	2.41	0.58	1.09	1.94	2.47
WHOLESALE TRADE.....	128.5	128.4	128.8	129.1	130.1	131.2	131.9	132.4	133.2	134.1	134.6	135.0	127.8	128.5	130.6	133.6
% Chg Prev Qtr SAAR.....	0.23	-0.42	1.19	0.94	3.17	3.29	2.22	1.49	2.61	2.80	1.22	1.37	1.00	0.61	1.56	2.31
% Chg Same Qtr Last Yr.....	0.68	0.67	0.41	0.48	1.21	2.14	2.40	2.54	2.40	2.28	2.03	2.00	1.00	0.61	1.56	2.31
RETAIL TRADE.....	314.8	316.1	316.7	317.8	317.4	324.1	323.5	324.3	325.7	333.1	333.0	333.3	313.0	315.5	320.7	329.0
% Chg Prev Qtr SAAR.....	0.56	1.60	0.84	1.37	-0.57	8.68	-0.68	1.05	1.63	9.49	-0.14	0.39	0.25	0.81	1.64	2.60
% Chg Same Qtr Last Yr.....	1.05	0.86	0.53	1.09	0.81	2.52	2.13	2.05	2.61	2.80	2.94	2.77	0.25	0.81	1.64	2.60
TRANSPORTATION & UTILITIES.....	141.9	142.1	143.8	145.9	146.0	146.3	148.0	150.2	149.4	149.3	151.0	153.2	139.4	142.3	146.6	150.0
% Chg Prev Qtr SAAR.....	1.03	0.30	5.00	6.12	0.16	0.85	4.80	6.04	-2.27	-0.13	4.55	6.12	0.95	2.13	2.97	2.32
% Chg Same Qtr Last Yr.....	2.35	1.97	2.38	3.08	2.86	3.00	2.95	2.93	2.30	2.05	1.99	2.01	0.95	2.13	2.97	2.32
INFORMATION.....	51.1	50.6	50.9	51.4	51.8	51.4	51.5	51.9	52.9	52.4	52.6	53.1	51.6	51.0	51.5	52.5
% Chg Prev Qtr SAAR.....	-2.57	-4.11	2.17	3.93	3.33	-3.31	1.41	3.13	7.50	-3.38	1.57	3.86	-3.17	-1.19	0.96	1.86
% Chg Same Qtr Last Yr.....	-1.41	-1.56	-1.03	-0.20	1.28	1.49	1.30	1.10	2.11	2.09	2.13	2.31	-3.17	-1.19	0.96	1.86
FINANCIAL ACTIVITIES.....	139.6	139.8	140.5	142.9	142.3	142.6	143.8	147.1	146.7	147.1	148.2	151.6	139.0	140.2	142.9	147.3
% Chg Prev Qtr SAAR.....	-3.46	0.57	1.88	7.25	-1.73	0.77	3.41	9.57	-1.04	0.93	3.09	9.53	0.63	0.84	1.95	3.05
% Chg Same Qtr Last Yr.....	0.53	0.36	0.90	1.49	1.94	1.99	2.37	2.92	3.10	3.14	3.06	3.05	0.63	0.84	1.95	3.05

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**Table 8: Tennessee Nonfarm Employment by Sector, Seasonally Adjusted (thousands of jobs) December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
PROF & BUSINESS SERVICES.....	288.2	286.8	289.9	294.1	290.5	290.6	297.3	298.0	294.9	295.2	302.0	304.4	287.3	289.2	293.1	297.5
% Chg Prev Qtr SAAR.....	-4.97	-1.93	4.40	5.90	-4.78	0.06	9.51	0.99	-4.10	0.34	9.61	3.27	-3.10	0.68	1.35	1.49
% Chg Same Qtr Last Yr.....	0.76	-0.06	0.51	0.75	0.80	1.31	2.53	1.32	1.50	1.57	1.59	2.16	-3.10	0.68	1.35	1.49
EDUC & HEALTH SERVICES.....	318.9	318.8	320.4	323.6	325.3	327.7	329.1	331.8	333.9	336.5	337.3	340.1	313.1	319.0	326.4	334.9
% Chg Prev Qtr SAAR.....	1.36	-0.13	2.01	4.01	2.16	2.96	1.69	3.32	2.56	3.16	1.02	3.32	4.33	1.90	2.32	2.59
% Chg Same Qtr Last Yr.....	2.08	1.67	1.57	1.80	2.00	2.78	2.70	2.53	2.63	2.68	2.51	2.51	4.33	1.90	2.32	2.59
LEISURE & HOSPITALITY.....	254.0	253.5	252.8	256.7	259.0	260.6	260.2	264.4	266.6	268.2	267.6	270.7	247.3	252.9	259.1	266.7
% Chg Prev Qtr SAAR.....	4.42	-0.79	-1.07	6.40	3.57	2.56	-0.69	6.57	3.49	2.40	-0.96	4.71	3.14	2.26	2.48	2.92
% Chg Same Qtr Last Yr.....	2.83	2.26	1.89	2.19	1.98	2.83	2.93	2.97	2.95	2.91	2.84	2.39	3.14	2.26	2.48	2.92
OTHER SERVICES.....	103.9	103.1	103.5	105.0	105.1	104.5	105.3	106.8	107.0	106.4	107.2	108.9	102.9	103.5	105.0	106.8
% Chg Prev Qtr SAAR.....	0.84	-3.01	1.81	5.84	0.32	-2.39	3.06	6.00	0.76	-2.39	3.22	6.42	1.23	0.61	1.38	1.79
% Chg Same Qtr Last Yr.....	0.52	0.47	1.00	1.32	1.19	1.35	1.66	1.70	1.81	1.81	1.85	1.95	1.23	0.61	1.38	1.79
GOVERNMENT.....	411.8	413.8	411.2	417.2	413.2	415.3	412.0	417.7	414.7	417.0	413.1	420.3	412.1	412.9	414.5	415.6
% Chg Prev Qtr SAAR.....	-2.77	1.98	-2.52	6.04	-3.81	2.07	-3.16	5.64	-2.86	2.29	-3.77	7.17	0.47	0.17	0.39	0.28
% Chg Same Qtr Last Yr.....	-0.18	-0.16	-0.03	0.62	0.35	0.37	0.21	0.11	0.36	0.41	0.25	0.61	0.47	0.17	0.39	0.28
FEDERAL, CIVILIAN.....	50.8	50.7	50.6	50.6	50.4	50.7	50.3	50.5	50.4	50.7	50.4	50.5	51.4	50.7	50.5	50.5
% Chg Prev Qtr SAAR.....	-1.73	-0.81	-0.69	0.24	-1.61	2.22	-2.66	1.42	-0.47	1.69	-2.35	1.42	-0.88	-1.21	-0.48	-0.01
% Chg Same Qtr Last Yr.....	-0.96	-0.85	-1.83	-0.75	-0.72	0.03	-0.47	-0.18	0.11	-0.02	0.06	0.06	-0.88	-1.21	-0.48	-0.01
STATE & LOCAL.....	361.01	363.14	360.60	366.65	362.82	364.66	361.68	367.20	364.23	366.38	362.69	369.73	360.78	362.11	363.95	365.13
% Chg Prev Qtr SAAR.....	-2.91	2.38	-2.77	6.88	-4.11	2.05	-3.23	6.24	-3.19	2.38	-3.96	7.99	0.66	0.37	0.51	0.32
% Chg Same Qtr Last Yr.....	-0.07	-0.06	0.22	0.81	0.50	0.42	0.30	0.15	0.39	0.47	0.28	0.69	0.66	0.37	0.51	0.32
STATISTICAL DISCREPANCY (%).....	-0.02	-0.07	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL DURABLE GOODS.....	250.7	251.6	253.1	254.1	253.7	255.0	256.3	258.0	257.3	257.9	259.4	260.8	251.1	252.0	254.8	258.2
% Chg Prev Qtr SAAR.....	-2.92	1.55	2.33	1.70	-0.65	2.00	2.02	2.72	-1.14	1.04	2.35	2.06	-3.06	0.34	1.12	1.32
% Chg Same Qtr Last Yr.....	0.09	0.79	0.54	0.64	1.23	1.34	1.26	1.52	1.39	1.15	1.23	1.07	-3.06	0.34	1.12	1.32
WOOD PRODUCTS.....	16.6	16.5	16.7	16.8	16.8	16.7	16.8	16.9	17.0	16.9	17.0	17.0	16.7	16.6	16.8	16.9
% Chg Prev Qtr SAAR.....	-5.76	-2.40	4.90	3.60	-0.24	-3.01	3.35	2.40	2.58	-2.47	1.14	0.47	-4.69	-0.75	0.89	1.06
% Chg Same Qtr Last Yr.....	-0.54	-0.99	-0.47	-0.01	1.43	1.26	0.89	0.60	1.30	1.44	0.89	0.41	-4.69	-0.75	0.89	1.06
NONMETALLIC MINERALS.....	16.0	16.2	16.2	16.2	16.3	16.3	16.4	16.4	16.5	16.6	16.6	16.6	15.8	16.2	16.3	16.5
% Chg Prev Qtr SAAR.....	-6.79	6.87	0.04	-0.15	1.14	0.94	2.44	0.55	1.96	1.22	2.14	0.05	4.75	1.96	0.84	1.43
% Chg Same Qtr Last Yr.....	0.61	2.51	1.00	-0.13	1.93	0.49	1.09	1.26	1.47	1.54	1.47	1.34	4.75	1.96	0.84	1.43
PRIMARY METALS.....	11.3	11.3	11.3	11.4	11.4	11.3	11.3	11.4	11.4	11.4	11.4	11.4	11.6	11.4	11.3	11.4
% Chg Prev Qtr SAAR.....	-4.82	-0.01	0.37	0.60	-0.35	-1.05	-0.35	1.78	1.03	0.42	-0.11	1.02	-8.51	-1.63	-0.31	0.46
% Chg Same Qtr Last Yr.....	-2.23	-0.87	-0.76	-0.99	0.15	-0.11	-0.29	0.00	0.34	0.72	0.78	0.59	-8.51	-1.63	-0.31	0.46
FABRICATED METALS.....	40.9	40.8	41.0	41.0	41.0	41.1	41.5	41.6	41.5	41.5	41.7	41.9	41.2	40.9	41.1	41.6
% Chg Prev Qtr SAAR.....	-1.19	-1.56	2.22	-0.06	-0.03	1.30	3.65	1.06	-0.86	0.29	1.70	2.21	-0.52	-0.68	0.51	1.08
% Chg Same Qtr Last Yr.....	-0.57	-0.50	-0.36	-0.16	0.13	0.85	1.21	1.49	1.28	1.02	0.54	0.83	-0.52	-0.68	0.51	1.08
MACHINERY.....	33.7	34.1	34.9	35.2	34.3	34.5	35.2	35.9	35.0	35.0	35.7	36.1	33.7	34.3	34.8	35.4
% Chg Prev Qtr SAAR.....	-8.72	4.81	9.80	3.80	-10.42	2.74	8.40	8.48	-10.09	0.38	8.00	4.31	-6.14	1.72	1.49	1.75
% Chg Same Qtr Last Yr.....	1.57	0.87	1.23	2.18	1.71	1.20	0.88	2.00	2.09	1.50	1.40	0.41	-6.14	1.72	1.49	1.75
COMPUTERS & ELECTRONICS.....	11.8	12.0	11.9	12.0	12.0	12.2	12.1	12.1	12.2	12.3	12.3	12.4	11.7	11.9	12.1	12.2
% Chg Prev Qtr SAAR.....	-0.79	8.01	-1.77	0.67	0.64	6.22	-1.70	0.99	2.29	2.95	0.20	2.39	-9.41	1.50	1.52	1.53
% Chg Same Qtr Last Yr.....	0.79	2.22	1.70	1.46	1.82	1.40	1.42	1.50	1.91	1.12	1.60	1.95	-9.41	1.50	1.52	1.53
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.1	23.1	23.1	23.0	23.4	23.6	23.5	23.5	23.7	23.9	23.8	23.9	23.8	23.2	23.4	23.7
% Chg Prev Qtr SAAR.....	-2.83	-0.21	-0.79	-1.93	8.38	2.38	-1.38	0.49	2.52	4.00	-1.00	0.76	-4.93	-2.72	0.88	1.56
% Chg Same Qtr Last Yr.....	-3.45	-1.24	-1.24	-1.45	1.28	1.93	1.78	2.40	0.99	1.39	1.49	1.55	-4.93	-2.72	0.88	1.56
TRANSPORTATION EQUIP.....	61.3	61.7	61.7	62.5	62.4	62.7	63.0	63.5	63.5	63.4	64.0	64.4	60.2	61.5	62.7	63.6
% Chg Prev Qtr SAAR.....	-1.03	2.67	-0.07	5.63	-0.64	2.00	1.93	2.98	0.22	-0.63	4.03	2.36	0.32	2.13	1.89	1.52
% Chg Same Qtr Last Yr.....	2.01	2.99	1.40	1.77	1.87	1.70	2.21	1.56	1.78	1.12	1.63	1.48	0.32	2.13	1.89	1.52
FURNITURE.....	19.3	19.2	19.4	19.4	19.3	19.5	19.4	19.6	19.3	19.7	19.6	19.8	19.5	19.2	19.4	19.6
% Chg Prev Qtr SAAR.....	3.48	-1.37	2.77	0.14	-0.89	3.87	-1.23	3.33	-5.30	7.77	-1.61	3.72	-8.54	-1.17	0.82	0.82
% Chg Same Qtr Last Yr.....	-0.82	0.13	0.79	1.24	0.15	1.45	0.45	1.24	0.10	1.03	0.93	1.02	-8.54	-1.17	0.82	0.82
MISCELLANEOUS DURABLES.....	16.8	16.8	16.9	16.8	17.0	17.2	17.0	17.1	17.2	17.2	17.2	17.2	16.9	16.8	17.0	17.2
% Chg Prev Qtr SAAR.....	-2.51	0.11	4.65	-4.05	4.34	4.75	-2.94	0.87	2.18	1.47	0.46	-0.13	-1.42	-0.13	0.87	1.12
% Chg Same Qtr Last Yr.....	-0.78	-0.22	1.08	-0.50	1.20	2.35	0.44	1.71	1.18	0.38	1.24	0.99	-1.42	-0.13	0.87	1.12

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

December 2004

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONDURABLE GOODS...	162.3	161.0	160.6	161.2	160.7	159.4	159.2	159.2	158.8	157.9	158.2	158.0	163.0	161.7	160.1	158.5
% Chg Prev Qtr SAAR.....	-0.91	-3.12	-1.15	1.61	-1.27	-3.25	-0.38	-0.09	-1.01	-2.29	0.91	-0.48	-3.79	-0.84	-0.94	-1.01
% Chg Same Qtr Last Yr....	-0.51	-0.46	-1.06	-0.91	-1.00	-1.03	-0.84	-1.26	-1.19	-0.95	-0.63	-0.72	-3.79	-0.84	-0.94	-1.01
FOOD.....	35.9	35.7	35.8	36.0	36.1	35.9	36.0	36.1	36.1	36.0	36.1	36.2	35.8	35.9	36.0	36.1
% Chg Prev Qtr SAAR.....	-1.52	-1.89	1.25	1.87	0.69	-1.78	0.89	1.34	0.44	-1.40	0.70	1.38	-0.54	0.07	0.32	0.27
% Chg Same Qtr Last Yr....	-0.01	0.02	0.40	-0.09	0.47	0.50	0.41	0.28	0.22	0.31	0.27	0.28	-0.54	0.07	0.32	0.27
BEVERAGE & TOBACCO.....	6.1	6.1	6.0	6.0	6.1	6.1	6.0	6.0	6.1	6.0	6.0	6.0	6.2	6.1	6.0	6.0
% Chg Prev Qtr SAAR.....	0.72	0.05	-3.89	-0.46	5.69	-3.04	-4.67	3.76	4.94	-5.23	-4.40	3.80	-3.12	-1.71	-0.45	-0.06
% Chg Same Qtr Last Yr....	-1.60	-0.53	-1.50	-0.91	0.29	-0.49	-0.70	0.34	0.16	-0.41	-0.34	-0.33	-3.12	-1.71	-0.45	-0.06
TEXTILE MILLS.....	7.0	7.0	6.8	6.6	6.4	6.3	6.2	6.2	6.1	6.1	6.0	5.9	7.5	7.0	6.4	6.1
% Chg Prev Qtr SAAR.....	-8.22	1.25	-11.70	-10.77	-11.33	-5.39	-4.53	-4.59	-3.76	-3.21	-5.94	-7.17	-10.54	-6.75	-8.42	-4.89
% Chg Same Qtr Last Yr....	-7.02	-5.41	-6.68	-7.50	-8.29	-9.83	-8.06	-6.50	-4.57	-4.03	-4.38	-5.03	-10.54	-6.75	-8.42	-4.89
TEXTILE PRODUCT MILLS....	3.7	3.7	3.7	3.6	3.6	3.5	3.5	3.4	3.4	3.4	3.3	3.3	3.6	3.7	3.5	3.4
% Chg Prev Qtr SAAR.....	4.38	-2.92	-2.29	-2.85	-7.57	-6.28	-3.23	-3.39	-2.97	-2.70	-6.00	-1.19	-2.24	0.89	-3.67	-4.00
% Chg Same Qtr Last Yr....	2.79	0.90	-1.06	-0.97	-3.93	-4.77	-5.01	-5.14	-3.98	-3.07	-3.77	-3.23	-2.24	0.89	-3.67	-4.00
APPAREL.....	10.7	10.6	10.6	10.6	10.4	10.3	10.3	10.3	10.0	9.9	9.8	9.8	10.8	10.7	10.4	10.0
% Chg Prev Qtr SAAR.....	-4.56	-3.72	0.40	-0.06	-8.14	-4.23	-0.74	-0.81	-9.76	-4.33	-2.01	-1.62	-12.88	-0.89	-2.84	-3.94
% Chg Same Qtr Last Yr....	0.39	0.20	-1.42	-2.01	-2.94	-3.07	-3.35	-3.53	-3.96	-3.98	-4.29	-4.48	-12.88	-0.89	-2.84	-3.94
PAPER.....	19.4	19.2	19.5	19.6	19.3	19.1	18.9	18.9	18.9	18.8	19.2	18.9	19.6	19.4	19.2	18.9
% Chg Prev Qtr SAAR.....	-5.42	-4.55	5.97	2.46	-5.04	-5.32	-3.22	0.07	-0.29	-2.08	9.00	-6.55	-3.71	-1.09	-1.08	-1.38
% Chg Same Qtr Last Yr....	-0.69	-1.63	-1.51	-0.50	-0.40	-0.60	-2.83	-3.40	-2.21	-1.39	1.59	-0.14	-3.71	-1.09	-1.08	-1.38
PRINTING.....	19.8	19.4	19.5	19.7	19.7	19.4	19.6	19.7	19.8	19.3	19.5	19.7	19.8	19.7	19.6	19.6
% Chg Prev Qtr SAAR.....	0.62	-8.36	2.06	4.48	0.30	-7.59	5.06	2.89	0.22	-8.10	3.18	4.22	-3.66	-0.55	-0.20	-0.15
% Chg Same Qtr Last Yr....	-0.47	-0.49	-0.40	-0.42	-0.50	-0.29	0.43	0.05	0.03	-0.11	-0.56	-0.24	-3.66	-0.55	-0.20	-0.15
CHEMICALS.....	28.8	28.5	28.0	28.5	28.5	28.3	28.2	28.0	27.8	27.9	28.0	27.9	28.6	28.5	28.4	27.9
% Chg Prev Qtr SAAR.....	1.93	-3.96	-6.51	6.46	0.92	-2.99	-2.10	-2.79	-2.04	0.94	1.60	-2.19	0.47	-0.35	-0.43	-1.59
% Chg Same Qtr Last Yr....	-0.05	0.13	-1.45	-0.65	-0.90	-0.65	0.50	-1.76	-2.48	-1.51	-0.59	-0.44	0.47	-0.35	-0.43	-1.59
PLASTICS & RUBBER.....	28.0	28.0	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	28.2	28.0	27.9	27.9
% Chg Prev Qtr SAAR.....	-1.51	-0.44	-1.20	-0.09	-0.53	0.31	-0.26	-0.51	0.10	-0.07	0.16	0.00	-5.87	-0.74	-0.48	-0.15
% Chg Same Qtr Last Yr....	-0.37	-0.13	-1.04	-0.81	-0.57	-0.38	-0.14	-0.25	-0.09	-0.19	-0.08	0.05	-5.87	-0.74	-0.48	-0.15
MISC NONDURABLES.....	2.8	2.8	2.7	2.6	2.7	2.7	2.7	2.7	2.7	2.6	2.5	2.5	2.8	2.7	2.7	2.6
% Chg Prev Qtr SAAR.....	34.50	-4.31	-14.74	-9.56	5.74	-2.23	6.80	0.74	-4.94	-10.63	-17.91	11.12	-10.73	-3.09	-3.02	-2.03
% Chg Same Qtr Last Yr....	0.03	1.28	-0.34	-0.19	-6.02	-5.51	-0.04	2.70	0.00	-2.22	-8.45	-6.18	-10.73	-3.09	-3.02	-2.03

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONFARM.....	32577	32605	32688	33339	32981	33036	33135	33841	33485	33474	33561	34307	32281	32711	33123	33590
% Chg Same Qtr Last Yr.....	1.60	1.00	0.97	1.11	1.24	1.32	1.37	1.51	1.53	1.33	1.28	1.38	1.15	1.33	1.26	1.41
NATURAL RESOURCES & MINING.....	33814	33625	34093	34812	34113	33933	34546	35164	34488	34341	34895	35336	32796	33783	34351	34722
% Chg Same Qtr Last Yr.....	5.56	6.04	6.99	3.61	0.88	0.92	1.33	1.01	1.10	1.20	1.01	0.49	-3.29	3.01	1.68	1.08
CONSTRUCTION.....	34817	34090	34671	37538	35254	34733	35247	37917	35674	35109	35723	38554	34780	35083	35693	36106
% Chg Same Qtr Last Yr.....	1.61	0.77	-1.47	2.13	1.26	1.89	1.66	1.01	1.19	1.08	1.35	1.68	0.62	0.87	1.74	1.16
MANUFACTURING.....	37829	38328	38854	38433	38334	38838	39437	39048	38981	39404	39988	39591	38034	38254	38760	39356
% Chg Same Qtr Last Yr.....	0.21	1.39	0.29	1.12	1.33	1.33	1.50	1.60	1.69	1.46	1.40	1.39	1.60	0.58	1.32	1.54
DURABLE GOODS.....	37844	38096	38235	38460	38416	38670	38916	39203	39189	39364	39565	39829	37553	38057	38616	39330
% Chg Same Qtr Last Yr.....	1.44	2.03	-0.28	1.07	1.51	1.51	1.78	1.93	2.01	1.79	1.67	1.60	1.08	1.34	1.47	1.85
NONDURABLE GOODS.....	37805	38688	39827	38389	38203	39105	40273	38797	38643	39470	40680	39198	38774	38564	38992	39398
% Chg Same Qtr Last Yr.....	-1.63	0.45	1.18	1.19	1.05	1.08	1.12	1.06	1.15	0.93	1.01	1.03	2.40	-0.54	1.11	1.04
TRADE, TRANSPORTATION, UTILITIES....	30929	30870	30889	31437	31230	31212	31162	31863	31605	31501	31423	32176	30900	30978	31260	31598
% Chg Same Qtr Last Yr.....	0.13	-0.32	0.27	0.68	0.97	1.11	0.89	1.36	1.20	0.93	0.84	0.98	1.00	0.25	0.91	1.08
WHOLESALE TRADE.....	43246	43368	43649	43803	43658	43809	44050	44272	44160	44216	44407	44688	42990	43429	43830	44264
% Chg Same Qtr Last Yr.....	1.30	0.26	1.18	0.80	0.95	1.02	0.92	1.07	1.15	0.93	0.81	0.94	1.67	1.02	0.92	0.99
RETAIL TRADE.....	22412	22354	22155	22707	22557	22516	22355	22946	22813	22722	22576	23111	22592	22431	22534	22764
% Chg Same Qtr Last Yr.....	-0.96	-1.81	-1.08	-0.42	0.65	0.72	0.90	1.05	1.13	0.92	0.99	0.72	0.78	-0.71	0.46	1.02
TRANSPORTATION & UTILITIES.....	38521	38437	39507	39172	39030	38984	39741	39842	39599	39467	40183	40527	38470	38776	39232	39773
% Chg Same Qtr Last Yr.....	0.21	0.90	1.79	1.38	1.32	1.42	0.59	1.71	1.46	1.24	1.11	1.72	0.28	0.80	1.17	1.38
INFORMATION.....	40970	38796	41088	40823	42051	39208	41486	41288	42538	39632	41922	41718	38453	40418	40892	41345
% Chg Same Qtr Last Yr.....	7.17	3.01	3.80	0.01	2.64	1.06	0.97	1.14	1.16	1.08	1.05	1.04	0.48	5.11	1.17	1.11
FINANCIAL ACTIVITIES.....	47477	47842	48321	47289	48231	48688	49220	48211	49181	49628	50130	49084	45970	47601	48357	49288
% Chg Same Qtr Last Yr.....	2.54	2.75	4.47	1.12	1.59	1.77	1.86	1.95	1.97	1.93	1.85	1.81	5.93	3.55	1.59	1.92
PROFESSIONAL & BUSINESS SERVICES.	35431	34242	34164	36156	35876	34672	34608	36673	36410	35133	35051	37131	33844	34853	35328	35817
% Chg Same Qtr Last Yr.....	5.37	1.75	1.80	1.64	1.26	1.25	1.30	1.43	1.49	1.33	1.28	1.25	1.26	2.98	1.36	1.38
EDUCATION & HEALTH SERVICES.....	34422	34612	34376	35026	34969	35225	34954	35655	35626	35810	35490	36311	33571	34478	35043	35645
% Chg Same Qtr Last Yr.....	3.17	2.61	1.43	1.52	1.59	1.77	1.68	1.80	1.88	1.66	1.53	1.84	0.08	2.70	1.64	1.72
LEISURE & HOSPITALITY.....	15373	15279	15892	17002	15438	15415	16048	17179	15603	15569	16195	17336	15664	15845	15976	16137
% Chg Same Qtr Last Yr.....	2.51	0.20	0.73	0.98	0.42	0.89	0.98	1.04	1.07	1.00	0.92	0.91	0.51	1.16	0.82	1.01
OTHER SERVICES.....	30378	29401	29382	30908	30893	29886	30031	31295	31289	30248	30490	31767	29373	29915	30430	30830
% Chg Same Qtr Last Yr.....	1.10	2.03	2.37	1.34	1.70	1.65	2.21	1.25	1.28	1.21	1.53	1.51	0.57	1.85	1.72	1.32

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
GOVERNMENT.....	30839	32019	30875	31022	31235	32504	31418	31624	31868	33086	31947	32126	30990	31123	31545	32131
% Chg Same Qtr Last Yr.....	0.43	0.02	0.52	0.85	1.29	1.51	1.76	1.94	2.03	1.79	1.68	1.59	1.57	0.43	1.35	1.86
FEDERAL, CIVILIAN.....	48333	49510	49448	48775	48696	49887	49936	49329	49290	50385	50372	49725	48269	48850	49324	49844
% Chg Same Qtr Last Yr.....	-0.25	2.10	3.63	1.39	0.75	0.76	0.99	1.14	1.22	1.00	0.87	0.80	1.87	1.20	0.97	1.06
STATE & LOCAL.....	28362	29529	28234	28610	28849	30039	28801	29227	29495	30646	29347	29759	28529	28614	29075	29679
% Chg Same Qtr Last Yr.....	0.69	-0.39	-0.39	0.98	1.72	1.73	2.01	2.16	2.24	2.02	1.90	1.82	1.63	0.30	1.61	2.08

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

**December 2004**

	History	Forecast Data										Annual				
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONFARM.....	32623	32653	32994	32921	33069	33080	33445	33413	33574	33521	33875	33871	32283	32712	33129	33596
% Chg Prev Qtr SAAR.....	0.55	0.36	4.24	-0.88	1.82	0.13	4.49	-0.39	1.95	-0.63	4.29	-0.06	1.17	1.33	1.27	1.41
% Chg Same Qtr Last Yr.....	1.53	1.01	0.98	1.05	1.37	1.31	1.37	1.49	1.53	1.33	1.29	1.37	1.17	1.33	1.27	1.41
NAT RESOURCES & MINING.....	34234	34178	34016	33872	34549	34479	34468	34214	34929	34893	34816	34382	32768	33780	34342	34713
% Chg Prev Qtr SAAR.....	20.24	-0.65	-1.89	-1.68	8.24	-0.81	-0.13	-2.92	8.63	-0.42	-0.87	-4.90	-3.33	3.09	1.66	1.08
% Chg Same Qtr Last Yr.....	5.64	5.96	6.97	3.61	0.92	0.88	1.33	1.01	1.10	1.20	1.01	0.49	-3.33	3.09	1.66	1.08
CONSTRUCTION.....	34985	35062	35030	35712	35621	35735	35611	36073	36045	36121	36092	36679	34769	35049	35670	36083
% Chg Prev Qtr SAAR.....	-1.52	0.89	-0.37	8.02	-1.01	1.28	-1.38	5.29	-0.31	0.84	-0.32	6.67	0.71	0.81	1.77	1.16
% Chg Same Qtr Last Yr.....	1.05	0.74	-1.47	1.69	1.82	1.92	1.66	1.01	1.19	1.08	1.35	1.68	0.71	0.81	1.77	1.16
MANUFACTURING.....	37843	38442	38891	38265	38347	38953	39474	38880	38996	39520	40025	39422	38034	38254	38760	39355
% Chg Prev Qtr SAAR.....	0.02	6.49	4.75	-6.29	0.87	6.48	5.45	-5.89	1.20	5.48	5.21	-5.89	1.60	0.58	1.32	1.54
% Chg Same Qtr Last Yr.....	0.20	1.39	0.29	1.12	1.33	1.33	1.50	1.61	1.69	1.45	1.40	1.39	1.60	0.58	1.32	1.54
DURABLE GOODS.....	37916	38133	38232	38351	38487	38710	38913	39092	39263	39405	39561	39716	37553	38056	38615	39330
% Chg Prev Qtr SAAR.....	-0.30	2.31	1.04	1.25	1.43	2.34	2.11	1.85	1.76	1.45	1.60	1.57	1.07	1.34	1.47	1.85
% Chg Same Qtr Last Yr.....	1.43	2.04	-0.28	1.07	1.51	1.51	1.78	1.93	2.01	1.79	1.67	1.60	1.07	1.34	1.47	1.85
NONDURABLE GOODS.....	37730	38926	39930	38129	38126	39343	40378	38537	38564	39709	40785	38937	38774	38567	38994	39399
% Chg Prev Qtr SAAR.....	0.53	13.30	10.73	-16.86	-0.03	13.39	10.94	-17.03	0.29	12.41	11.30	-16.93	2.40	-0.54	1.11	1.04
% Chg Same Qtr Last Yr.....	-1.63	0.44	1.19	1.19	1.05	1.07	1.12	1.07	1.15	0.93	1.01	1.04	2.40	-0.54	1.11	1.04
TRADE, TRANS, UTILITIES.....	30755	30848	31593	30985	31091	31167	31872	31405	31465	31456	32139	31713	30900	31002	31279	31616
% Chg Prev Qtr SAAR.....	-0.72	1.21	10.01	-7.48	1.38	0.98	9.36	-5.74	0.76	-0.11	8.97	-5.20	1.02	0.33	0.89	1.08
% Chg Same Qtr Last Yr.....	0.10	-0.29	0.58	0.56	1.09	1.03	0.89	1.36	1.20	0.93	0.84	0.98	1.02	0.33	0.89	1.08
WHOLESALE TRADE.....	43210	43344	43931	43582	43621	43786	44335	44048	44122	44193	44694	44462	42993	43431	43831	44265
% Chg Prev Qtr SAAR.....	-0.28	1.24	5.53	-3.14	0.36	1.52	5.11	-2.57	0.68	0.64	4.61	-2.06	1.67	1.02	0.92	0.99
% Chg Same Qtr Last Yr.....	1.29	0.27	1.20	0.79	0.95	1.02	0.92	1.07	1.15	0.93	0.81	0.94	1.67	1.02	0.92	0.99
RETAIL TRADE.....	22208	22287	22808	22317	22348	22451	23013	22552	22601	22657	23241	22714	22591	22428	22532	22763
% Chg Prev Qtr SAAR.....	-3.56	1.43	9.68	-8.33	0.56	1.87	10.39	-7.79	0.88	0.99	10.72	-8.77	0.81	-0.72	0.47	1.02
% Chg Same Qtr Last Yr.....	-0.99	-1.78	-1.09	-0.41	0.63	0.74	0.90	1.05	1.13	0.92	0.99	0.72	0.81	-0.72	0.47	1.02
TRANS & UTILITIES.....	38436	38603	39894	38718	38932	39159	40129	39380	39500	39645	40576	40057	38472	38781	39234	39775
% Chg Prev Qtr SAAR.....	2.60	1.75	14.06	-11.28	2.22	2.36	10.29	-7.26	1.22	1.48	9.74	-5.02	0.28	0.80	1.17	1.38
% Chg Same Qtr Last Yr.....	0.15	0.94	1.81	1.38	1.29	1.44	0.59	1.71	1.46	1.24	1.11	1.72	0.28	0.80	1.17	1.38
INFORMATION.....	40863	38872	41434	40875	42024	39284	41836	41341	42511	39709	42275	41771	38561	40411	41005	41459
% Chg Prev Qtr SAAR.....	3.89	-18.11	29.08	-5.28	11.72	-23.63	28.62	-4.64	11.81	-23.87	28.47	-4.68	0.72	4.80	1.47	1.11
% Chg Same Qtr Last Yr.....	6.96	3.01	3.80	0.99	2.84	1.06	0.97	1.14	1.16	1.08	1.05	1.04	0.72	4.80	1.47	1.11
FINANCIAL ACTIVITIES.....	47557	48139	48576	47073	48370	48991	49479	47991	49323	49936	50395	48860	46086	47606	48478	49411
% Chg Prev Qtr SAAR.....	12.72	4.98	3.68	-11.81	11.49	5.23	4.05	-11.50	11.57	5.07	3.72	-11.64	6.19	3.30	1.83	1.92
% Chg Same Qtr Last Yr.....	2.42	2.74	4.47	1.99	1.71	1.77	1.86	1.95	1.97	1.93	1.85	1.81	6.19	3.30	1.83	1.92

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

**December 2004**

	History	Forecast Data											Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
PROF & BUSINESS SERVICES.....	35431	34457	34436	35511	35863	34881	34884	36019	36398	35345	35330	36469	33805	34847	35285	35773
% Chg Prev Qtr SAAR.....	4.24	-10.55	-0.24	13.08	4.03	-10.51	0.03	13.66	4.28	-11.08	-0.16	13.53	1.16	3.08	1.25	1.38
% Chg Same Qtr Last Yr.....	5.41	1.77	1.80	1.27	1.22	1.23	1.30	1.43	1.49	1.33	1.28	1.25	1.16	3.08	1.25	1.38
EDUC & HEALTH SERVICES.....	34377	34546	34607	34903	34924	35157	35188	35530	35580	35741	35728	36184	33571	34477	35043	35645
% Chg Prev Qtr SAAR.....	0.01	1.97	0.71	3.46	0.24	2.70	0.35	3.94	0.57	1.82	-0.15	5.20	0.09	2.70	1.64	1.72
% Chg Same Qtr Last Yr.....	3.18	2.61	1.42	1.53	1.59	1.77	1.68	1.80	1.88	1.66	1.53	1.84	0.09	2.70	1.64	1.72
LEISURE & HOSPITALITY.....	15676	15773	15821	16109	15811	15910	15977	16277	15980	16069	16124	16425	15642	15826	15952	16112
% Chg Prev Qtr SAAR.....	-8.67	2.51	1.23	7.47	-7.21	2.55	1.67	7.73	-7.10	2.26	1.35	7.69	0.53	1.18	0.79	1.01
% Chg Same Qtr Last Yr.....	2.06	0.22	0.73	0.46	0.86	0.87	0.98	1.04	1.07	1.00	0.92	0.91	0.53	1.18	0.79	1.01
OTHER SERVICES.....	30301	29579	29626	30535	30819	30050	30280	30917	31214	30413	30744	31383	29357	29902	30421	30822
% Chg Prev Qtr SAAR.....	2.68	-9.19	0.63	12.85	3.77	-9.62	3.11	8.67	3.90	-9.87	4.42	8.59	0.57	1.86	1.74	1.32
% Chg Same Qtr Last Yr.....	1.13	1.91	2.30	1.44	1.71	1.59	2.21	1.25	1.28	1.21	1.53	1.51	0.57	1.86	1.74	1.32
GOVERNMENT.....	30980	31143	31237	31302	31430	31615	31786	31909	32067	32182	32321	32416	30981	31093	31533	32120
% Chg Prev Qtr SAAR.....	-0.41	2.11	1.22	0.83	1.64	2.38	2.18	1.56	1.99	1.44	1.75	1.18	1.58	0.36	1.41	1.86
% Chg Same Qtr Last Yr.....	0.45	0.03	0.23	0.93	1.45	1.52	1.76	1.94	2.03	1.79	1.68	1.59	1.58	0.36	1.41	1.86
FEDERAL, CIVILIAN.....	48848	49031	49062	49119	49197	49385	49546	49676	49796	49878	49979	50075	48276	48845	49311	49832
% Chg Prev Qtr SAAR.....	3.41	1.51	0.25	0.46	0.64	1.54	1.31	1.06	0.97	0.66	0.81	0.77	1.87	1.18	0.95	1.06
% Chg Same Qtr Last Yr.....	-0.33	2.02	3.72	1.40	0.71	0.72	0.99	1.14	1.22	1.00	0.87	0.80	1.87	1.18	0.95	1.06
STATE & LOCAL.....	28468	28647	28737	28843	28962	29146	29314	29465	29611	29735	29869	30002	28519	28605	29066	29670
% Chg Prev Qtr SAAR.....	-1.40	2.54	1.26	1.48	1.66	2.56	2.34	2.08	1.99	1.68	1.83	1.79	1.64	0.30	1.61	2.08
% Chg Same Qtr Last Yr.....	0.72	-0.36	-0.41	0.96	1.73	1.74	2.01	2.16	2.24	2.02	1.89	1.82	1.64	0.30	1.61	2.08

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONFARM.....	35080	35207	35504	36406	36193	36351	36578	37503	37260	37429	37695	38711	34060	35257	36382	37472
% Chg Same Qtr Last Yr.....	3.93	3.19	3.45	3.32	3.17	3.25	3.02	3.01	2.95	2.97	3.05	3.22	3.08	3.51	3.19	3.00
NATURAL RESOURCES & MINING.....	36412	36309	37031	38014	37434	37338	38136	38968	38376	38398	39194	39871	34599	36414	37731	38734
% Chg Same Qtr Last Yr.....	7.98	8.33	9.62	5.87	2.81	2.83	2.98	2.51	2.52	2.84	2.77	2.32	-1.45	5.25	3.61	2.66
CONSTRUCTION.....	37492	36811	37659	40991	38687	38218	38909	42020	39696	39257	40123	43503	36696	37809	39201	40274
% Chg Same Qtr Last Yr.....	3.94	2.96	0.96	4.37	3.19	3.82	3.32	2.51	2.61	2.72	3.12	3.53	2.56	3.03	3.68	2.74
MANUFACTURING.....	40735	41386	42202	41968	42066	42734	43535	43273	43376	44060	44915	44673	40131	41234	42576	43906
% Chg Same Qtr Last Yr.....	2.50	3.59	2.76	3.33	3.27	3.26	3.16	3.11	3.11	3.10	3.17	3.23	3.53	2.75	3.25	3.12
DURABLE GOODS.....	40751	41136	41530	41998	42156	42550	42960	43444	43607	44015	44439	44940	39624	41020	42416	43876
% Chg Same Qtr Last Yr.....	3.76	4.24	2.18	3.28	3.45	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.00	3.52	3.40	3.44
NONDURABLE GOODS.....	40710	41776	43259	41920	41923	43028	44457	42995	42999	44133	45692	44229	40911	41571	42832	43955
% Chg Same Qtr Last Yr.....	0.62	2.63	3.67	3.41	2.98	3.00	2.77	2.56	2.57	2.57	2.78	2.87	4.34	1.61	3.03	2.62
TRADE, TRANSPORTATION, UTILITIES....	33306	33333	33550	34329	34271	34343	34400	35311	35168	35223	35294	36306	32602	33389	34336	35249
% Chg Same Qtr Last Yr.....	2.43	1.84	2.74	2.89	2.90	3.03	2.53	2.86	2.62	2.56	2.60	2.82	2.92	2.41	2.84	2.66
WHOLESALE TRADE.....	46569	46829	47410	47833	47909	48204	48627	49062	49139	49441	49878	50423	45360	46811	48143	49380
% Chg Same Qtr Last Yr.....	3.62	2.44	3.68	3.01	2.88	2.94	2.57	2.57	2.57	2.57	2.57	2.78	3.61	3.20	2.85	2.57
RETAIL TRADE.....	24134	24138	24064	24796	24754	24775	24678	25428	25385	25406	25357	26077	23837	24176	24751	25394
% Chg Same Qtr Last Yr.....	1.31	0.32	1.35	1.76	2.57	2.64	2.55	2.55	2.55	2.55	2.75	2.55	2.70	1.42	2.38	2.60
TRANSPORTATION & UTILITIES.....	41480	41504	42912	42775	42830	42895	43870	44152	44064	44131	45134	45728	40590	41797	43093	44370
% Chg Same Qtr Last Yr.....	2.51	3.09	4.30	3.59	3.25	3.35	2.23	3.22	2.88	2.88	2.88	3.57	2.18	2.97	3.10	2.96
INFORMATION.....	44118	41892	44628	44578	46145	43142	45797	45755	47334	44314	47086	47072	40574	43564	44915	46122
% Chg Same Qtr Last Yr.....	9.62	5.24	6.35	2.20	4.60	2.98	2.62	2.64	2.58	2.72	2.82	2.88	2.39	7.37	3.10	2.69
FINANCIAL ACTIVITIES.....	51125	51660	52485	51639	52927	53573	54334	53427	54726	55491	56306	55384	48505	51310	53118	54988
% Chg Same Qtr Last Yr.....	4.89	4.97	7.05	3.34	3.52	3.70	3.52	3.46	3.40	3.58	3.63	3.66	7.95	5.78	3.52	3.52
PROFESSIONAL & BUSINESS SERVICES.	38153	36975	37108	39482	39369	38150	38204	40641	40515	39284	39369	41897	35708	37562	38801	39952
% Chg Same Qtr Last Yr.....	7.79	3.95	4.31	3.86	3.19	3.18	2.95	2.94	2.91	2.97	3.05	3.09	3.19	5.19	3.30	2.97
EDUCATION & HEALTH SERVICES.....	37067	37374	37338	38248	38374	38759	38586	39513	39643	40041	39862	40972	35422	37162	38492	39765
% Chg Same Qtr Last Yr.....	5.54	4.83	3.92	3.75	3.53	3.71	3.34	3.31	3.31	3.31	3.31	3.69	1.99	4.91	3.58	3.31
LEISURE & HOSPITALITY.....	16554	16498	17261	18567	16941	16961	17715	19038	17362	17409	18190	19561	16527	17077	17546	18000
% Chg Same Qtr Last Yr.....	4.86	2.37	3.21	3.19	2.33	2.81	2.63	2.54	2.49	2.64	2.68	2.75	2.43	3.33	2.75	2.59
OTHER SERVICES.....	32712	31747	31913	33752	33901	32884	33151	34681	34816	33821	34246	35844	30989	32241	33422	34391
% Chg Same Qtr Last Yr.....	3.42	4.24	4.89	3.56	3.63	3.58	3.88	2.75	2.70	2.85	3.30	3.36	2.47	4.04	3.66	2.90

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
GOVERNMENT.....	33208	34574	33536	33876	34276	35765	34682	35045	35461	36996	35882	36250	32698	33547	34650	35846
% Chg Same Qtr Last Yr.....	2.73	2.19	3.00	3.06	3.22	3.44	3.42	3.45	3.46	3.44	3.46	3.44	3.50	2.60	3.29	3.45
FEDERAL, CIVILIAN.....	52047	53461	53709	53262	53438	54892	55125	54666	54846	56339	56578	56107	50929	52657	54179	55607
% Chg Same Qtr Last Yr.....	2.03	4.31	6.18	3.60	2.67	2.68	2.64	2.64	2.64	2.64	2.64	2.64	3.81	3.39	2.89	2.64
STATE & LOCAL.....	30541	31885	30667	31242	31658	33052	31794	32389	32820	34267	32962	33579	30102	30842	31937	33110
% Chg Same Qtr Last Yr.....	3.00	1.77	2.06	3.19	3.66	3.66	3.68	3.67	3.67	3.67	3.68	3.67	3.56	2.46	3.55	3.67

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

**December 2004**

	History				Forecast Data								Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL NONFARM.....	35130	35258	35837	35949	36289	36399	36921	37028	37360	37482	38049	38218	34062	35260	36389	37479
% Chg Prev Qtr SAAR.....	3.68	1.47	6.72	1.26	3.84	1.21	5.86	1.16	3.63	1.32	6.19	1.79	3.09	3.51	3.20	3.00
% Chg Same Qtr Last Yr.....	3.86	3.20	3.47	3.26	3.30	3.23	3.03	3.00	2.95	2.98	3.06	3.21	3.09	3.51	3.20	3.00
NATURAL RESOURCES & MINING.....	36865	36906	36947	36988	37913	37938	38049	37916	38867	39015	39105	38794	34571	36413	37722	38726
% Chg Prev Qtr SAAR.....	23.99	0.45	0.45	0.45	10.39	0.26	1.18	-1.40	10.42	1.53	0.92	-3.14	-1.50	5.33	3.60	2.66
% Chg Same Qtr Last Yr.....	8.06	8.26	9.61	5.88	2.84	2.80	2.99	2.51	2.52	2.84	2.77	2.32	-1.50	5.33	3.60	2.66
CONSTRUCTION.....	37673	37860	38048	38998	39090	39320	39312	39976	40109	40389	40538	41387	36686	37777	39180	40253
% Chg Prev Qtr SAAR.....	1.55	2.00	2.00	10.36	0.95	2.38	-0.09	6.93	1.34	2.82	1.49	8.64	2.63	2.97	3.71	2.74
% Chg Same Qtr Last Yr.....	3.37	2.93	0.96	3.92	3.76	3.86	3.32	2.51	2.61	2.72	3.12	3.53	2.63	2.97	3.71	2.74
MANUFACTURING.....	40750	41510	42242	41785	42081	42862	43576	43086	43393	44190	44956	44482	40131	41235	42576	43906
% Chg Prev Qtr SAAR.....	3.13	7.67	7.24	-4.26	2.87	7.63	6.83	-4.42	2.87	7.55	7.12	-4.16	3.53	2.75	3.25	3.12
% Chg Same Qtr Last Yr.....	2.50	3.59	2.76	3.33	3.27	3.26	3.16	3.12	3.12	3.10	3.17	3.24	3.53	2.75	3.25	3.12
DURABLE GOODS.....	40829	41176	41526	41879	42235	42594	42956	43321	43689	44061	44435	44813	39624	41019	42416	43876
% Chg Prev Qtr SAAR.....	2.80	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	2.99	3.52	3.40	3.44
% Chg Same Qtr Last Yr.....	3.76	4.25	2.18	3.28	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	2.99	3.52	3.40	3.44
NONDURABLE GOODS.....	40628	42033	43371	41636	41838	43290	44573	42706	42912	44400	45810	43935	40912	41574	42834	43957
% Chg Prev Qtr SAAR.....	3.66	14.56	13.36	-15.07	1.95	14.62	12.40	-15.73	1.94	14.61	13.32	-15.39	4.34	1.62	3.03	2.62
% Chg Same Qtr Last Yr.....	0.62	2.62	3.68	3.40	2.98	2.99	2.77	2.57	2.57	2.57	2.77	2.88	4.34	1.62	3.03	2.62
TRADE, TRANSPORTATION, UTILITIES.....	33118	33310	34315	33835	34118	34294	35184	34803	35012	35173	36099	35784	32604	33417	34358	35272
% Chg Prev Qtr SAAR.....	2.37	2.33	12.63	-5.48	3.39	2.08	10.79	-4.27	2.43	1.85	10.95	-3.45	2.94	2.49	2.82	2.66
% Chg Same Qtr Last Yr.....	2.39	1.87	3.06	2.76	3.02	2.96	2.53	2.86	2.62	2.56	2.60	2.82	2.94	2.49	2.82	2.66
WHOLESALE TRADE.....	46530	46803	47717	47591	47868	48179	48942	48814	49097	49415	50200	50169	45363	46814	48145	49381
% Chg Prev Qtr SAAR.....	2.83	2.36	8.04	-1.05	2.35	2.62	6.49	-1.04	2.34	2.62	6.51	-0.25	3.61	3.20	2.84	2.57
% Chg Same Qtr Last Yr.....	3.62	2.44	3.69	3.00	2.88	2.94	2.57	2.57	2.57	2.57	2.57	2.78	3.61	3.20	2.84	2.57
RETAIL TRADE.....	23914	24065	24773	24370	24524	24704	25405	24992	25149	25334	26104	25629	23837	24175	24751	25395
% Chg Prev Qtr SAAR.....	-0.56	2.55	12.29	-6.35	2.55	2.97	11.84	-6.35	2.55	2.97	12.73	-7.09	2.73	1.42	2.38	2.60
% Chg Same Qtr Last Yr.....	1.28	0.35	1.35	1.76	2.55	2.66	2.55	2.55	2.55	2.55	2.75	2.55	2.73	1.42	2.38	2.60
TRANSPORTATION & UTILITIES.....	41389	41684	43332	42280	42722	43088	44299	43641	43953	44329	45575	45199	40593	41803	43097	44374
% Chg Prev Qtr SAAR.....	5.80	2.88	16.78	-9.36	4.25	3.47	11.73	-5.81	2.89	3.47	11.73	-3.26	2.19	2.98	3.10	2.96
% Chg Same Qtr Last Yr.....	2.45	3.13	4.32	3.60	3.22	3.37	2.23	3.22	2.88	2.88	2.88	3.57	2.19	2.98	3.10	2.96
INFORMATION.....	44003	41974	45004	44636	46115	43226	46183	45814	47304	44400	47483	47133	40688	43558	45040	46250
% Chg Prev Qtr SAAR.....	7.13	-17.20	32.15	-3.24	13.93	-22.81	30.30	-3.15	13.65	-22.38	30.80	-2.92	2.64	7.05	3.40	2.69
% Chg Same Qtr Last Yr.....	9.41	5.24	6.35	3.20	4.80	2.98	2.62	2.64	2.58	2.72	2.82	2.88	2.64	7.05	3.40	2.69
FINANCIAL ACTIVITIES.....	51211	51980	52761	51403	53080	53906	54620	53183	54884	55836	56603	55130	48628	51318	53252	55127
% Chg Prev Qtr SAAR.....	16.23	6.15	6.15	-9.90	13.70	6.37	5.41	-10.12	13.42	7.13	5.60	-10.01	8.22	5.53	3.77	3.52
% Chg Same Qtr Last Yr.....	4.76	4.97	7.05	4.22	3.65	3.70	3.52	3.46	3.40	3.58	3.63	3.66	8.22	5.53	3.77	3.52

(CONTINUED ON NEXT PAGE)

**Table 14: Tennessee Average Annual Wage and Salary Rate by Sector, Seasonally Adjusted (current dollars) December 2004**

	History		Forecast Data									Annual				
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
PROFESSIONAL & BUSINESS SERVICES...	38153	37207	37403	38777	39355	38380	38508	39916	40501	39521	39683	41149	35668	37559	38755	39905
% Chg Prev Qtr SAAR.....	7.48	-9.56	2.13	15.52	6.09	-9.55	1.34	15.44	6.00	-9.33	1.65	15.62	3.08	5.30	3.19	2.97
% Chg Same Qtr Last Yr.....	7.83	3.98	4.31	3.49	3.15	3.15	2.95	2.94	2.91	2.97	3.05	3.09	3.08	5.30	3.19	2.97
EDUCATION & HEALTH SERVICES.....	37019	37303	37589	38113	38324	38684	38844	39374	39592	39964	40129	40828	35422	37161	38492	39765
% Chg Prev Qtr SAAR.....	3.12	3.10	3.10	5.70	2.23	3.81	1.66	5.56	2.23	3.81	1.67	7.14	2.00	4.91	3.58	3.31
% Chg Same Qtr Last Yr.....	5.54	4.83	3.91	3.75	3.53	3.70	3.34	3.31	3.31	3.31	3.31	3.69	2.00	4.91	3.58	3.31
LEISURE & HOSPITALITY.....	16880	17032	17185	17591	17350	17507	17637	18038	17781	17968	18110	18533	16504	17058	17521	17974
% Chg Prev Qtr SAAR.....	-5.83	3.64	3.64	9.80	-5.37	3.66	3.00	9.41	-5.57	4.27	3.19	9.68	2.44	3.36	2.71	2.59
% Chg Same Qtr Last Yr.....	4.40	2.39	3.21	2.66	2.78	2.79	2.63	2.54	2.49	2.64	2.68	2.75	2.44	3.36	2.71	2.59
OTHER SERVICES.....	32629	31940	32178	33344	33820	33064	33427	34262	34733	34007	34531	35411	30973	32228	33414	34383
% Chg Prev Qtr SAAR.....	5.88	-8.19	3.02	15.29	5.83	-8.64	4.46	10.37	5.61	-8.10	6.31	10.59	2.46	4.05	3.68	2.90
% Chg Same Qtr Last Yr.....	3.45	4.12	4.82	3.66	3.65	3.52	3.88	2.75	2.70	2.85	3.30	3.36	2.46	4.05	3.68	2.90
GOVERNMENT.....	33361	33628	33929	34181	34490	34787	35088	35362	35682	35984	36303	36577	32689	33514	34637	35833
% Chg Prev Qtr SAAR.....	2.70	3.24	3.63	3.01	3.66	3.49	3.52	3.15	3.67	3.43	3.59	3.05	3.51	2.52	3.35	3.45
% Chg Same Qtr Last Yr.....	2.75	2.20	2.70	3.14	3.38	3.45	3.42	3.45	3.46	3.44	3.46	3.44	3.51	2.52	3.35	3.45
FEDERAL, CIVILIAN.....	52601	52944	53289	53637	53987	54339	54694	55051	55410	55772	56136	56502	50934	52649	54164	55592
% Chg Prev Qtr SAAR.....	6.63	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	3.81	3.37	2.88	2.64
% Chg Same Qtr Last Yr.....	1.96	4.23	6.27	3.62	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	3.81	3.37	2.88	2.64
STATE & LOCAL.....	30655	30933	31213	31496	31782	32070	32360	32653	32949	33248	33549	33853	30091	30833	31927	33100
% Chg Prev Qtr SAAR.....	1.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.57	2.46	3.55	3.67
% Chg Same Qtr Last Yr.....	3.03	1.79	2.05	3.17	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.57	2.46	3.55	3.67

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
CIVILIAN LABOR FORCE (THOUS).....	2927	2950	2938	2922	2975	2990	2965	2941	3021	3029	3015	2987	2909	2931	2963	3001
% Chg Same Qtr Last Yr.....	0.66	0.77	0.69	0.52	1.65	1.35	0.91	0.64	1.52	1.30	1.68	1.54	-0.65	0.73	1.11	1.29
EMPLOYED PERSONS (THOUS).....	2791	2809	2798	2768	2833	2845	2826	2788	2879	2887	2877	2834	2740	2787	2818	2858
% Chg Same Qtr Last Yr.....	1.74	2.06	1.81	0.62	1.50	1.28	1.00	0.70	1.63	1.50	1.80	1.68	-1.37	1.71	1.10	1.41
UNEMPLOYED PERSONS (THOUS).....	136	142	140	154	142	145	139	154	141	141	138	152	169	143	145	143
% Chg Same Qtr Last Yr.....	-17.41	-19.46	-17.44	-1.25	4.75	2.77	-0.89	-0.42	-0.66	-2.73	-0.74	-0.97	12.67	-15.15	1.25	-1.13
PARTICIPATION RATE (PERCENT).....	61.9	62.1	61.6	61.1	61.9	62.0	61.2	60.5	61.9	61.9	61.4	60.6	62.7	61.8	61.6	61.4
% Chg Same Qtr Last Yr.....	-2.05	-0.79	-0.86	-1.03	0.08	-0.20	-0.61	-0.86	0.03	-0.19	0.18	0.04	-2.45	-1.38	-0.44	-0.21
UNEMPLOYMENT RATE (PERCENT).....	4.6	4.8	4.8	5.3	4.8	4.9	4.7	5.2	4.7	4.7	4.6	5.1	5.8	4.9	4.9	4.8

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**Table 16: Tennessee Civilian Labor Force and Unemployment Rate, Seasonally Adjusted** **December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
CIVILIAN LABOR FORCE (THOUS).....	2927	2931	2929	2952	2975	2969	2956	2971	3020	3008	3005	3017	2910	2931	2963	3001
% Chg Prev Qtr SAAR.....	-1.16	0.62	-0.33	3.20	3.09	-0.77	-1.80	2.15	6.71	-1.64	-0.33	1.65	-0.65	0.73	1.10	1.29
% Chg Same Qtr Last Yr.....	0.66	0.83	0.64	0.57	1.63	1.28	0.91	0.65	1.52	1.30	1.68	1.55	-0.65	0.73	1.10	1.29
EMPLOYED PERSONS (THOUS).....	2788	2791	2783	2807	2830	2824	2811	2826	2876	2867	2861	2874	2740	2788	2818	2858
% Chg Prev Qtr SAAR.....	-0.11	0.33	-1.07	3.44	3.35	-0.83	-1.85	2.23	7.22	-1.32	-0.70	1.75	-1.37	1.72	1.08	1.41
% Chg Same Qtr Last Yr.....	1.75	2.14	1.81	0.63	1.49	1.20	1.00	0.70	1.63	1.50	1.80	1.68	-1.37	1.72	1.08	1.41
UNEMPLOYED PERSONS (THOUS).....	139	141	146	145	145	145	145	145	144	141	144	143	169	143	145	143
% Chg Prev Qtr SAAR.....	-19.67	6.56	15.20	-1.27	-1.80	0.35	-0.83	0.64	-2.78	-7.73	7.50	-0.27	12.64	-15.41	1.39	-1.14
% Chg Same Qtr Last Yr.....	-17.17	-19.55	-17.44	-0.67	4.45	2.89	-0.89	-0.42	-0.66	-2.73	-0.74	-0.97	12.64	-15.41	1.39	-1.14
PARTICIPATION RATE (PERCENT).....	61.9	61.7	61.4	61.7	61.9	61.6	61.1	61.2	61.9	61.4	61.2	61.2	62.7	61.8	61.5	61.4
% Chg Prev Qtr SAAR.....	-2.67	-0.94	-1.87	1.61	1.52	-2.24	-3.25	0.65	5.15	-3.09	-1.80	0.15	-2.44	-1.39	-0.45	-0.21
% Chg Same Qtr Last Yr.....	-2.05	-0.72	-0.91	-0.98	0.07	-0.26	-0.62	-0.85	0.02	-0.20	0.18	0.05	-2.44	-1.39	-0.45	-0.21
UNEMPLOYMENT RATE (PERCENT).....	4.7	4.8	5.0	4.9	4.9	4.9	4.9	4.9	4.8	4.7	4.8	4.8	5.8	4.9	4.9	4.8

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL TAXABLE SALES.....	18909	18957	20102	17702	19644	19691	20986	18459	20438	20388	21627	19063	73438	75441	78022	80912
% Chg Same Qtr Last Yr.....	2.79	1.07	1.66	1.31	3.89	3.87	4.40	4.28	4.04	3.54	3.05	3.28	1.69	2.73	3.42	3.70
AUTO DEALERS.....	2213	2375	2098	2157	2326	2463	2098	2194	2427	2599	2257	2351	8950	8825	9045	9476
% Chg Same Qtr Last Yr.....	-5.50	-4.48	1.51	0.84	5.10	3.72	0.01	1.73	4.30	5.52	7.53	7.17	4.92	-1.39	2.49	4.77
PURCHASES FROM MANUFACTURERS.....	936	1002	1034	908	1034	1037	1076	970	1130	1085	1144	1002	3733	3856	4054	4329
% Chg Same Qtr Last Yr.....	1.13	5.27	0.34	2.76	10.43	3.41	4.11	6.90	9.28	4.66	6.29	3.27	5.74	3.29	5.15	6.77
MISC DURABLE GOODS.....	3406	3366	3343	3055	3609	3554	3677	3283	3768	3667	3683	3302	12234	13092	13895	14402
% Chg Same Qtr Last Yr.....	8.62	4.44	3.04	2.58	5.97	5.61	9.98	7.48	4.41	3.17	0.16	0.58	3.22	7.01	6.13	3.65
EATING AND DRINKING PLACES.....	1743	1778	1736	1701	1862	1890	1860	1816	1989	2012	1976	1933	6543	6902	7312	7792
% Chg Same Qtr Last Yr.....	4.61	4.46	5.05	3.38	6.80	6.28	7.14	6.78	6.82	6.46	6.22	6.45	3.31	5.50	5.94	6.56
FOOD STORES.....	1662	1669	1768	1561	1644	1647	1763	1558	1643	1642	1755	1551	6762	6671	6614	6598
% Chg Same Qtr Last Yr.....	-0.83	-1.15	-1.71	-0.79	-1.06	-1.34	-0.28	-0.16	-0.08	-0.30	-0.43	-0.48	-7.89	-1.34	-0.86	-0.24
LIQUOR STORES.....	99	100	130	97	103	102	134	103	109	105	140	108	411	426	436	457
% Chg Same Qtr Last Yr.....	0.55	5.72	3.08	1.22	3.61	2.07	3.03	6.02	5.60	2.28	4.99	4.41	4.35	3.57	2.53	4.73
HOTELS AND MOTELS.....	459	486	453	363	475	494	460	370	488	506	471	379	1724	1751	1793	1836
% Chg Same Qtr Last Yr.....	0.86	2.13	3.07	2.80	3.44	1.83	1.71	1.94	2.72	2.44	2.26	2.34	0.48	1.55	2.42	2.37
OTHER RETAIL AND SERVICE.....	5356	5294	6376	5113	5555	5509	6646	5332	5773	5720	6887	5532	21433	22040	22824	23712
% Chg Same Qtr Last Yr.....	3.32	1.06	2.48	1.99	3.72	4.06	4.23	4.27	3.93	3.82	3.62	3.75	2.26	2.84	3.55	3.89
MISC NONDURABLE GOODS.....	1453	1451	1758	1383	1459	1445	1753	1395	1473	1456	1767	1410	5946	6055	6040	6091
% Chg Same Qtr Last Yr.....	2.97	0.58	-0.15	-0.71	0.45	-0.41	-0.27	0.90	0.97	0.72	0.76	1.10	-1.58	1.83	-0.23	0.83
TRANSPORTATION, COMMUNICATION.....	1581	1436	1406	1364	1577	1549	1518	1436	1639	1597	1548	1495	5703	5823	6008	6220
% Chg Same Qtr Last Yr.....	5.31	-1.23	-1.90	-2.51	-0.30	7.84	7.96	5.26	3.96	3.10	1.95	4.06	3.32	2.12	3.17	3.53
PER CAPITA (\$) % Chg Same Qtr Last Yr.....	3182 1.03	3180 -0.21	3361 0.83	2951 0.27	3264 2.60	3261 2.57	3465 3.07	3037 2.93	3352 2.69	3333 2.19	3524 1.71	3096 1.93	12502 0.36	12666 1.31	12941 2.18	13246 2.36

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
	TOTAL TAXABLE SALES.....	18672	18878	18994	19150	19392	19603	19837	19971	20171	20292	20456	20619	73372	75445	77983
% Chg Prev Qtr SAAR.....	-4.75	4.47	2.50	3.32	5.15	4.43	4.86	2.73	4.07	2.41	3.29	3.21	1.56	2.83	3.36	3.73
% Chg Same Qtr Last Yr.....	2.75	1.15	1.66	1.32	3.86	3.85	4.44	4.29	4.02	3.51	3.12	3.24	1.56	2.83	3.36	3.73
AUTO DEALERS.....	2151	2192	2261	2246	2261	2274	2261	2285	2358	2399	2431	2449	8933	8831	9042	9474
% Chg Prev Qtr SAAR.....	-13.00	7.88	13.11	-2.60	2.68	2.32	-2.23	4.27	13.47	7.20	5.42	2.88	4.72	-1.13	2.38	4.78
% Chg Same Qtr Last Yr.....	-5.50	-4.63	1.51	0.84	5.10	3.72	0.01	1.73	4.30	5.52	7.53	7.17	4.72	-1.13	2.38	4.78
PURCHASES FROM MANUFACTURERS....	909	994	989	993	1003	1028	1029	1061	1096	1076	1094	1096	3729	3857	4053	4328
% Chg Prev Qtr SAAR.....	-21.71	43.29	-2.11	1.54	4.40	10.22	0.55	12.87	14.01	-7.28	6.99	0.57	5.72	3.45	5.08	6.77
% Chg Same Qtr Last Yr.....	1.32	5.39	0.34	2.76	10.43	3.41	4.11	6.90	9.28	4.66	6.29	3.27	5.72	3.45	5.08	6.77
MISC DURABLE GOODS.....	3241	3335	3250	3353	3434	3522	3574	3604	3586	3634	3580	3625	12214	13094	13884	14404
% Chg Prev Qtr SAAR.....	-3.39	12.15	-9.83	13.33	10.04	10.64	6.04	3.38	-2.01	5.46	-5.78	5.11	3.07	7.20	6.03	3.75
% Chg Same Qtr Last Yr.....	8.59	4.47	3.04	2.58	5.97	5.61	9.98	7.48	4.41	3.17	0.16	0.58	3.07	7.20	6.03	3.75
EATING AND DRINKING PLACES.....	1696	1725	1760	1780	1812	1833	1886	1901	1935	1951	2003	2023	6541	6903	7311	7791
% Chg Prev Qtr SAAR.....	-5.82	6.86	8.53	4.59	7.26	4.79	12.08	3.19	7.43	3.39	11.07	4.08	3.26	5.54	5.91	6.56
% Chg Same Qtr Last Yr.....	4.64	4.45	5.05	3.38	6.80	6.28	7.14	6.78	6.82	6.46	6.22	6.45	3.26	5.54	5.91	6.56
FOOD STORES.....	1672	1674	1653	1660	1654	1651	1648	1658	1653	1646	1641	1650	6764	6672	6614	6598
% Chg Prev Qtr SAAR.....	-0.37	0.37	-4.79	1.77	-1.46	-0.76	-0.66	2.29	-1.15	-1.64	-1.17	2.06	-8.10	-1.36	-0.87	-0.24
% Chg Same Qtr Last Yr.....	-0.80	-1.18	-1.71	-0.79	-1.06	-1.34	-0.28	-0.16	-0.08	-0.30	-0.43	-0.48	-8.10	-1.36	-0.87	-0.24
LIQUOR STORES.....	103	110	108	106	107	112	111	112	113	115	117	117	411	425	436	456
% Chg Prev Qtr SAAR.....	-2.90	27.39	-7.78	-7.97	6.60	19.97	-4.26	3.18	4.94	5.58	6.28	0.91	4.18	3.62	2.48	4.69
% Chg Same Qtr Last Yr.....	0.50	5.79	3.08	1.22	3.61	2.07	3.03	6.02	5.60	2.28	4.99	4.41	4.18	3.62	2.48	4.69
HOTELS AND MOTELS.....	431	440	446	446	446	448	454	455	458	459	464	465	1725	1750	1793	1835
% Chg Prev Qtr SAAR.....	-2.69	8.50	5.82	-0.06	-0.21	1.87	5.33	0.85	2.90	0.76	4.59	1.16	0.58	1.45	2.43	2.34
% Chg Same Qtr Last Yr.....	0.86	2.15	3.07	2.80	3.44	1.83	1.71	1.94	2.72	2.44	2.26	2.34	0.58	1.45	2.43	2.34
OTHER RETAIL AND SERVICE.....	5476	5486	5578	5599	5679	5708	5814	5838	5902	5927	6025	6057	21415	22029	22801	23692
% Chg Prev Qtr SAAR.....	-1.02	0.73	6.93	1.50	5.84	2.07	7.63	1.65	4.45	1.67	6.80	2.16	2.13	2.87	3.50	3.91
% Chg Same Qtr Last Yr.....	3.36	1.11	2.48	1.99	3.72	4.06	4.23	4.27	3.93	3.82	3.62	3.75	2.13	2.87	3.50	3.91
MISC NONDURABLE GOODS.....	1501	1515	1521	1506	1508	1509	1516	1520	1522	1520	1528	1537	5938	6054	6040	6090
% Chg Prev Qtr SAAR.....	-4.21	3.90	1.37	-3.65	0.32	0.39	1.94	0.97	0.58	-0.59	2.12	2.32	-1.68	1.96	-0.24	0.84
% Chg Same Qtr Last Yr.....	3.04	0.62	-0.15	-0.71	0.45	-0.41	-0.27	0.90	0.97	0.72	0.76	1.10	-1.68	1.96	-0.24	0.84
TRANSPORTATION, COMMUNICATION.....	1493	1407	1429	1461	1488	1518	1543	1538	1547	1565	1573	1600	5702	5827	6009	6222
% Chg Prev Qtr SAAR.....	-1.59	-20.94	6.26	9.26	7.66	8.20	6.75	-1.26	2.40	4.68	2.08	7.14	3.16	2.20	3.12	3.54
% Chg Same Qtr Last Yr.....	4.84	-0.79	-1.90	-2.51	-0.30	7.84	7.96	5.26	3.96	3.10	1.95	4.06	3.16	2.20	3.12	3.54
PER CAPITA (\$).....	3142	3166	3176	3192	3223	3247	3275	3286	3308	3317	3333	3349	12494	12668	12937	13245
% Chg Prev Qtr SAAR.....	-5.13	3.18	1.23	2.05	3.86	3.06	3.49	1.39	2.71	1.07	1.94	1.87	0.25	1.39	2.12	2.38
% Chg Same Qtr Last Yr.....	1.00	-0.13	0.83	0.28	2.57	2.54	3.11	2.94	2.66	2.16	1.78	1.90	0.25	1.39	2.12	2.38

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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL TAXABLE SALES.....	20361	20470	21834	19330	21556	21666	23167	20456	22742	22797	24291	21510	77500	81338	85720	90287
% Chg Same Qtr Last Yr.....	5.15	3.26	4.16	3.52	5.87	5.84	6.10	5.82	5.50	5.22	4.85	5.15	3.62	4.95	5.39	5.33
AUTO DEALERS.....	2384	2564	2279	2355	2553	2710	2317	2431	2700	2907	2535	2653	9444	9512	9935	10573
% Chg Same Qtr Last Yr.....	-3.33	-2.41	4.01	3.05	7.11	5.69	1.64	3.24	5.76	7.23	9.41	9.12	6.91	0.73	4.44	6.42
PURCHASES FROM MANUFACTURERS....	1008	1082	1123	991	1134	1141	1188	1076	1257	1213	1285	1131	3940	4157	4454	4830
% Chg Same Qtr Last Yr.....	3.45	7.55	2.81	5.01	12.53	5.38	5.81	8.49	10.81	6.35	8.15	5.15	7.74	5.52	7.15	8.44
MISC DURABLE GOODS.....	3667	3634	3631	3336	3960	3911	4059	3638	4193	4100	4137	3726	12911	14115	15266	16069
% Chg Same Qtr Last Yr.....	11.11	6.71	5.58	4.83	7.99	7.62	11.78	9.08	5.88	4.84	1.91	2.41	5.18	9.32	8.16	5.26
EATING AND DRINKING PLACES.....	1877	1920	1886	1857	2043	2079	2053	2012	2213	2249	2219	2181	6904	7440	8033	8694
% Chg Same Qtr Last Yr.....	7.01	6.72	7.64	5.65	8.84	8.30	8.89	8.36	8.31	8.18	8.07	8.38	5.28	7.77	7.96	8.23
FOOD STORES.....	1789	1802	1920	1704	1804	1812	1946	1727	1828	1836	1971	1750	7135	7192	7266	7362
% Chg Same Qtr Last Yr.....	1.45	0.99	0.71	1.39	0.83	0.54	1.35	1.33	1.32	1.32	1.31	1.33	-6.13	0.80	1.02	1.32
LIQUOR STORES.....	107	108	141	106	113	113	147	115	121	117	158	122	434	459	480	510
% Chg Same Qtr Last Yr.....	2.86	8.01	5.62	3.44	5.59	4.01	4.71	7.59	7.08	3.94	6.82	6.31	6.33	5.83	4.47	6.38
HOTELS AND MOTELS.....	494	524	492	397	521	544	508	410	543	566	529	428	1820	1888	1970	2049
% Chg Same Qtr Last Yr.....	3.17	4.34	5.61	5.05	5.42	3.76	3.37	3.45	4.16	4.10	4.05	4.20	2.36	3.77	4.35	3.97
OTHER RETAIL AND SERVICE.....	5768	5717	6926	5584	6096	6062	7337	5908	6424	6396	7735	6242	22621	23768	25079	26464
% Chg Same Qtr Last Yr.....	5.68	3.25	5.00	4.22	5.69	6.04	5.93	5.82	5.38	5.51	5.43	5.64	4.20	5.07	5.51	5.52
MISC NONDURABLE GOODS.....	1564	1567	1910	1510	1601	1590	1936	1546	1640	1627	1984	1591	6276	6529	6637	6797
% Chg Same Qtr Last Yr.....	5.33	2.76	2.31	1.47	2.36	1.48	1.36	2.40	2.38	2.35	2.52	2.94	0.27	4.04	1.65	2.42
TRANSPORTATION, COMMUNICATION.....	1703	1551	1528	1490	1730	1704	1676	1592	1824	1785	1739	1686	6017	6277	6600	6939
% Chg Same Qtr Last Yr.....	7.73	0.91	0.52	-0.38	1.60	9.89	9.73	6.83	5.41	4.77	3.73	5.95	5.28	4.31	5.15	5.14
PER CAPITA (\$).....	3426	3433	3651	3222	3582	3589	3825	3366	3730	3727	3958	3493	13193	13655	14218	14781
% Chg Same Qtr Last Yr.....	3.35	1.95	3.31	2.46	4.56	4.52	4.76	4.46	4.12	3.85	3.49	3.78	2.26	3.50	4.12	3.96

Center for Business and Economic Research, University of Tennessee

Tennessee Econometric Model



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

**December 2004**

	History		Forecast Data										Annual			
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1	2003	2004	2005	2006
TOTAL TAXABLE SALES.....	20107	20384	20631	20912	21280	21570	21898	22132	22445	22689	22977	23265	77420	81319	85661	90243
% Chg Prev Qtr SAAR.....	-1.78	5.63	4.94	5.55	7.24	5.56	6.23	4.33	5.78	4.42	5.16	5.12	3.49	5.04	5.34	5.35
% Chg Same Qtr Last Yr.....	5.11	3.34	4.17	3.54	5.84	5.82	6.14	5.83	5.47	5.19	4.92	5.12	3.49	5.04	5.34	5.35
AUTO DEALERS.....	2316	2367	2456	2453	2481	2502	2496	2532	2624	2683	2731	2763	9425	9519	9932	10570
% Chg Prev Qtr SAAR.....	-10.29	9.08	15.80	-0.50	4.72	3.43	-0.96	5.90	15.35	9.30	7.34	4.78	6.70	1.00	4.33	6.43
% Chg Same Qtr Last Yr.....	-3.34	-2.56	4.01	3.05	7.11	5.69	1.64	3.24	5.76	7.23	9.41	9.12	6.70	1.00	4.33	6.43
PURCHASES FROM MANUFACTURERS....	978	1073	1074	1084	1101	1131	1136	1176	1220	1203	1229	1236	3935	4158	4452	4828
% Chg Prev Qtr SAAR.....	-19.27	44.88	0.22	3.73	6.47	11.41	1.86	14.63	15.89	-5.46	8.93	2.43	7.73	5.67	7.08	8.43
% Chg Same Qtr Last Yr.....	3.65	7.67	2.81	5.01	12.53	5.38	5.81	8.49	10.81	6.35	8.15	5.15	7.73	5.67	7.08	8.43
MISC DURABLE GOODS.....	3490	3601	3530	3662	3769	3876	3946	3994	3990	4063	4021	4090	12889	14114	15252	16069
% Chg Prev Qtr SAAR.....	-0.37	13.40	-7.68	15.78	12.22	11.84	7.43	4.99	-0.39	7.53	-4.07	7.06	5.04	9.50	8.06	5.36
% Chg Same Qtr Last Yr.....	11.08	6.74	5.58	4.83	7.99	7.62	11.78	9.08	5.88	4.84	1.91	2.41	5.04	9.50	8.06	5.36
EATING AND DRINKING PLACES.....	1827	1862	1912	1944	1988	2017	2082	2107	2153	2182	2250	2283	6902	7441	8031	8692
% Chg Prev Qtr SAAR.....	-2.88	8.04	11.11	6.85	9.39	5.93	13.54	4.80	9.20	5.42	13.08	6.00	5.23	7.81	7.93	8.23
% Chg Same Qtr Last Yr.....	7.04	6.72	7.64	5.65	8.84	8.30	8.89	8.36	8.31	8.18	8.07	8.38	5.23	7.81	7.93	8.23
FOOD STORES.....	1800	1807	1796	1813	1815	1817	1820	1837	1839	1841	1844	1862	7137	7191	7265	7361
% Chg Prev Qtr SAAR.....	2.74	1.48	-2.52	3.97	0.50	0.31	0.64	3.89	0.49	0.29	0.62	3.95	-6.33	0.77	1.02	1.32
% Chg Same Qtr Last Yr.....	1.47	0.96	0.71	1.39	0.83	0.54	1.35	1.33	1.32	1.32	1.31	1.33	-6.33	0.77	1.02	1.32
LIQUOR STORES.....	111	119	117	115	118	123	123	124	126	128	131	132	433	459	479	509
% Chg Prev Qtr SAAR.....	0.12	28.80	-5.59	-5.98	8.72	21.27	-3.01	4.79	6.67	7.65	8.21	2.78	6.16	5.86	4.43	6.33
% Chg Same Qtr Last Yr.....	2.80	8.08	5.62	3.44	5.59	4.01	4.71	7.59	7.08	3.94	6.82	6.31	6.16	5.86	4.43	6.33
HOTELS AND MOTELS.....	464	475	484	487	489	493	501	504	509	513	521	525	1820	1887	1969	2047
% Chg Prev Qtr SAAR.....	0.34	9.71	8.34	2.10	1.77	2.97	6.71	2.42	4.60	2.73	6.48	3.02	2.48	3.64	4.38	3.94
% Chg Same Qtr Last Yr.....	3.17	4.36	5.61	5.05	5.42	3.76	3.37	3.45	4.16	4.10	4.05	4.20	2.48	3.64	4.38	3.94
OTHER RETAIL AND SERVICE.....	5896	5923	6059	6114	6232	6281	6418	6470	6567	6627	6767	6835	22597	23745	25045	26431
% Chg Prev Qtr SAAR.....	2.06	1.84	9.47	3.69	7.94	3.18	9.04	3.24	6.18	3.66	8.73	4.05	4.08	5.08	5.48	5.53
% Chg Same Qtr Last Yr.....	5.73	3.30	5.00	4.22	5.69	6.04	5.93	5.82	5.38	5.51	5.43	5.64	4.08	5.08	5.48	5.53
MISC NONDURABLE GOODS.....	1616	1636	1652	1645	1654	1661	1674	1685	1694	1700	1716	1734	6265	6525	6634	6794
% Chg Prev Qtr SAAR.....	-1.22	5.05	3.78	-1.57	2.31	1.47	3.27	2.55	2.24	1.36	3.97	4.21	0.19	4.15	1.66	2.41
% Chg Same Qtr Last Yr.....	5.41	2.80	2.31	1.47	2.36	1.48	1.36	2.40	2.38	2.35	2.52	2.94	0.19	4.15	1.66	2.41
TRANSPORTATION, COMMUNICATION.....	1607	1520	1552	1595	1633	1670	1703	1704	1721	1750	1767	1806	6017	6280	6601	6942
% Chg Prev Qtr SAAR.....	1.48	-20.07	8.79	11.62	9.79	9.38	8.14	0.28	4.09	6.73	3.93	9.12	5.13	4.38	5.11	5.16
% Chg Same Qtr Last Yr.....	7.25	1.36	0.52	-0.38	1.60	9.89	9.73	6.83	5.41	4.77	3.73	5.95	5.13	4.38	5.11	5.16
PER CAPITA (\$).....	3383	3419	3450	3486	3536	3573	3615	3642	3681	3709	3744	3778	13183	13654	14210	14776
% Chg Prev Qtr SAAR.....	-2.17	4.32	3.64	4.25	5.92	4.18	4.84	2.97	4.41	3.05	3.79	3.75	2.16	3.57	4.08	3.98
% Chg Same Qtr Last Yr.....	3.31	2.03	3.31	2.47	4.53	4.49	4.79	4.47	4.10	3.82	3.55	3.75	2.16	3.57	4.08	3.98

**Table 1: Selected U.S. and Tennessee Economic Indicators**

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
US GDP (Bil 2000\$).....	10840.4	11227.6	11600.9	11988.4	12371.8	12769.2	13161.2	13557.1	13967.7	14401.8	14898.7
Percentage Change.....	4.42	3.57	3.32	3.34	3.20	3.21	3.07	3.01	3.03	3.11	3.45
TN GSP (Mil 2000\$).....	195051	201590	208815	216192	223960	231912	240100	248468	256927	266001	275190
Percentage Change.....	3.28	3.35	3.58	3.53	3.59	3.55	3.53	3.49	3.40	3.53	3.45
US GDP (Bil\$).....	11733.8	12403.2	13039.9	13723.2	14450.8	15235.6	16071.9	16981.5	17960.3	18986.4	20130.8
Percentage Change.....	6.63	5.70	5.13	5.24	5.30	5.43	5.49	5.66	5.76	5.71	6.03
CHAINED PRICE INDEX, GDP (2000=100.0).....	108.3	110.5	112.4	114.5	116.8	119.3	122.1	125.3	128.6	131.8	135.1
Percentage Change.....	2.15	2.01	1.75	1.84	2.04	2.15	2.35	2.57	2.66	2.53	2.49
US PERS CONSUMP DEFL (2000=100.0).....	107.8	109.7	111.6	113.9	116.3	119.1	122.1	125.4	129.0	132.5	136.2
Percentage Change.....	2.17	1.75	1.74	2.04	2.17	2.33	2.53	2.73	2.83	2.77	2.77
TN PERSONAL INCOME (MIL 2000\$).....	162864	168578	175003	181084	186923	192613	198577	204458	210382	216756	223560
Percentage Change.....	2.98	3.51	3.81	3.47	3.22	3.04	3.10	2.96	2.90	3.03	3.14
US PERSONAL INCOME (BIL 2000\$).....	8953	9261	9623	9960	10317	10666	11030	11392	11769	12162	12592
Percentage Change.....	3.11	3.43	3.92	3.50	3.58	3.38	3.42	3.28	3.31	3.34	3.53
TN PERSONAL INCOME (MIL\$).....	175551	185175	195239	205860	216960	228516	241168	254769	269235	284744	301581
Percentage Change.....	5.20	5.48	5.44	5.44	5.39	5.33	5.54	5.64	5.68	5.76	5.91
US PERSONAL INCOME (BIL\$).....	9652	10158	10739	11342	12004	12699	13465	14287	15177	16119	17151
Percentage Change.....	5.35	5.24	5.72	5.62	5.83	5.79	6.03	6.10	6.23	6.20	6.40
TN NONFARM JOBS (THOUS).....	2690.1	2730.0	2777.9	2826.4	2875.4	2927.4	2980.1	3035.8	3092.7	3154.2	3218.4
Percentage Change.....	0.85	1.48	1.75	1.75	1.73	1.81	1.80	1.87	1.87	1.99	2.04
US NONFARM JOBS (MIL).....	131.3	133.6	135.6	137.0	138.3	139.5	140.8	142.0	143.4	144.9	146.8
Percentage Change.....	1.03	1.77	1.47	1.07	0.92	0.90	0.92	0.89	0.97	1.04	1.30
TN UNEMPLOYMENT RATE (%).....	4.9	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.2	4.1	4.1
US UNEMPLOYMENT RATE (%).....	5.5	5.3	5.3	5.3	5.3	5.2	5.2	5.2	5.1	5.0	4.6
BANK PRIME INTEREST RATE (%).....	4.3	6.0	6.6	7.1	7.5	7.7	8.4	8.5	8.5	8.5	8.5
TN MFG JOBS (THOUS).....	413.6	414.9	416.7	418.7	420.7	422.7	424.8	426.9	428.8	431.1	433.3
Percentage Change.....	-0.12	0.31	0.42	0.49	0.47	0.46	0.51	0.49	0.44	0.53	0.51
US MFG JOBS (MIL).....	14.4	14.4	14.5	14.5	14.5	14.5	14.4	14.2	14.1	13.9	13.8
Percentage Change.....	-1.00	0.36	0.34	0.16	0.23	-0.37	-0.81	-0.81	-1.03	-1.17	-0.92
TN TAXABLE SALES (MIL 2000\$).....	75445	77983	80890	83419	85807	88206	90478	92656	94733	97172	99656
Percentage Change.....	2.83	3.36	3.73	3.13	2.86	2.80	2.58	2.41	2.24	2.58	2.56
TN TAXABLE SALES (MIL\$).....	81319	85661	90243	94832	99594	104648	109891	115463	121239	127655	134436
Percentage Change.....	5.04	5.34	5.35	5.09	5.02	5.07	5.01	5.07	5.00	5.29	5.31
TN AVG ANNUAL WAGE, NONFARM (2000\$).....	32712	33129	33596	34042	34431	34795	35153	35524	35882	36259	36637
Percentage Change.....	1.33	1.27	1.41	1.33	1.14	1.06	1.03	1.06	1.01	1.05	1.04
TN AVG ANNUAL WAGE, NONFARM (\$).....	35260	36389	37479	38699	39963	41280	42691	44264	45918	47630	49421
Percentage Change.....	3.51	3.20	3.00	3.25	3.27	3.30	3.42	3.69	3.74	3.73	3.76

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
US GDP (2000\$).....	36860	37830	38737	39678	40591	41533	42440	43343	44276	45267	46435
Percentage Change.....	3.46	2.63	2.40	2.43	2.30	2.32	2.18	2.13	2.15	2.24	2.58
TN GSP (2000\$).....	32750	33443	34191	34937	35720	36506	37310	38150	38980	39878	40766
Percentage Change.....	1.83	2.12	2.24	2.18	2.24	2.20	2.20	2.25	2.18	2.30	2.23
US GDP (\$).....	39898	41791	43542	45419	47413	49555	51825	54291	56933	59676	62742
Percentage Change.....	5.65	4.75	4.19	4.31	4.39	4.52	4.58	4.76	4.87	4.82	5.14
TN PERSONAL INCOME (2000\$).....	27345	27966	28654	29263	29812	30319	30857	31392	31918	32495	33117
Percentage Change.....	1.54	2.27	2.46	2.12	1.88	1.70	1.77	1.73	1.68	1.81	1.91
US PERSONAL INCOME (2000\$).....	30443	31202	32133	32966	33849	34691	35568	36422	37307	38228	39245
Percentage Change.....	2.16	2.49	2.98	2.59	2.68	2.49	2.53	2.40	2.43	2.47	2.66
TN PERSONAL INCOME (\$).....	29475	30718	31967	33266	34602	35970	37475	39115	40846	42686	44673
Percentage Change.....	3.73	4.22	4.06	4.06	4.02	3.95	4.18	4.38	4.42	4.51	4.66
US PERSONAL INCOME (\$).....	32819	34225	35860	37540	39384	41304	43421	45677	48112	50664	53453
Percentage Change.....	4.38	4.28	4.78	4.68	4.91	4.88	5.12	5.20	5.33	5.30	5.51
TN TAXABLE SALES (2000\$).....	12668	12937	13245	13480	13686	13885	14059	14226	14372	14567	14762
Percentage Change.....	1.39	2.12	2.38	1.78	1.52	1.45	1.26	1.18	1.03	1.36	1.34
TN TAXABLE SALES (\$).....	13654	14210	14776	15325	15884	16472	17075	17727	18393	19136	19914
Percentage Change.....	3.57	4.08	3.98	3.71	3.65	3.70	3.66	3.82	3.76	4.04	4.06

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TN PERSONAL INCOME.....	162864	168578	175003	181084	186923	192613	198577	204458	210382	216756	223560
Percentage Change.....	2.98	3.51	3.81	3.47	3.22	3.04	3.10	2.96	2.90	3.03	3.14
WAGES AND SALARIES.....	88622	91075	93974	96882	99678	102549	105458	108555	111691	115095	118650
Percentage Change.....	2.20	2.77	3.18	3.09	2.89	2.88	2.84	2.94	2.89	3.05	3.09
OTHER LABOR INCOME.....	21940	23128	24298	25408	26526	27696	28892	30085	31304	32663	34049
Percentage Change.....	6.78	5.42	5.06	4.57	4.40	4.41	4.32	4.13	4.05	4.34	4.24
PROPRIETORS INCOME.....	19112	19948	20914	21818	22522	23174	23876	24382	24984	25550	26127
Percentage Change.....	2.87	4.37	4.84	4.32	3.23	2.89	3.03	2.12	2.47	2.26	2.26
RENT, INTEREST, DIVIDENDS.....	20606	21252	22043	22767	23663	24398	25171	25784	26416	27059	27829
Percentage Change.....	2.12	3.14	3.72	3.28	3.94	3.10	3.17	2.43	2.45	2.44	2.84
TRANSFER PAYMENTS.....	27935	28923	29977	30826	31585	32313	33098	33904	34657	35440	36310
Percentage Change.....	3.70	3.53	3.65	2.83	2.46	2.30	2.43	2.44	2.22	2.26	2.45
LESS: PERS CONT FOR SOC INS.....	13983	14348	14768	15145	15542	15966	16330	16632	17023	17376	17706
Percentage Change.....	3.70	2.62	2.92	2.55	2.62	2.73	2.28	1.85	2.35	2.07	1.90
RESIDENCE ADJUSTMENT.....	-1368	-1400	-1435	-1471	-1511	-1551	-1588	-1621	-1649	-1675	-1700
Percentage Change.....	3.03	2.33	2.51	2.50	2.70	2.66	2.41	2.03	1.73	1.61	1.48
PER CAPITA PERSONAL INCOME (\$).....	27345	27966	28654	29263	29812	30319	30857	31392	31918	32495	33117
Percentage Change.....	1.54	2.27	2.46	2.12	1.88	1.70	1.77	1.73	1.68	1.81	1.91

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TN PERSONAL INCOME.....	175551	185175	195239	205860	216960	228516	241168	254769	269235	284744	301581
Percentage Change.....	5.20	5.48	5.44	5.44	5.39	5.33	5.54	5.64	5.68	5.76	5.91
WAGES AND SALARIES.....	95523	100040	104839	110136	115695	121661	128075	135266	142935	151192	160057
Percentage Change.....	4.40	4.73	4.80	5.05	5.05	5.16	5.27	5.61	5.67	5.78	5.86
SUPPLEMENTS TO WAGES & SALARIES.....	23649	25406	27108	28884	30790	32859	35089	37489	40062	42909	45932
Percentage Change.....	9.08	7.43	6.70	6.55	6.60	6.72	6.79	6.84	6.86	7.11	7.05
PROPRIETORS INCOME.....	20602	21914	23333	24805	26143	27495	28999	30385	31976	33566	35249
Percentage Change.....	5.09	6.37	6.48	6.31	5.39	5.17	5.47	4.78	5.24	4.98	5.01
RENT, INTEREST, DIVIDENDS.....	22212	23344	24592	25882	27466	28946	30571	32129	33806	35547	37541
Percentage Change.....	4.32	5.10	5.34	5.25	6.12	5.39	5.61	5.10	5.22	5.15	5.61
TRANSFER PAYMENTS.....	30111	31770	33443	35042	36659	38335	40195	42245	44350	46554	48980
Percentage Change.....	5.94	5.51	5.27	4.78	4.61	4.57	4.85	5.10	4.98	4.97	5.21
LESS: PERS CONT FOR SOC INS.....	15071	15760	16475	17217	18039	18941	19832	20724	21784	22825	23884
Percentage Change.....	5.93	4.57	4.53	4.50	4.78	5.00	4.70	4.50	5.11	4.78	4.64
RESIDENCE ADJUSTMENT.....	-1475	-1538	-1601	-1672	-1753	-1840	-1929	-2019	-2110	-2200	-2293
Percentage Change.....	5.25	4.28	4.11	4.45	4.85	4.93	4.83	4.68	4.48	4.30	4.21
PER CAPITA PERSONAL INCOME (\$) Percentage Change.....	29475 3.73	30718 4.22	31967 4.06	33266 4.06	34602 4.02	35970 3.95	37475 4.18	39115 4.38	40846 4.42	42686 4.51	44673 4.66

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL NONFARM.....	2690.1	2730.0	2777.9	2826.4	2875.4	2927.4	2980.1	3035.8	3092.7	3154.2	3218.4
Percentage Change.....	0.85	1.48	1.75	1.75	1.73	1.81	1.80	1.87	1.87	1.99	2.04
NATURAL RESOURCES & MINING.....	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Percentage Change.....	0.92	0.67	-0.12	-0.32	-0.34	-0.09	0.30	0.52	0.36	0.16	0.05
CONSTRUCTION.....	117.1	120.4	123.0	125.6	128.3	131.2	134.3	137.8	141.2	145.0	149.2
Percentage Change.....	1.40	2.79	2.18	2.08	2.17	2.30	2.36	2.56	2.48	2.71	2.86
MANUFACTURING.....	413.6	414.9	416.7	418.7	420.7	422.7	424.8	426.9	428.8	431.1	433.3
Percentage Change.....	-0.12	0.31	0.42	0.49	0.47	0.46	0.51	0.49	0.44	0.53	0.51
DURABLE GOODS.....	252.0	254.8	258.2	261.7	265.4	269.0	272.8	276.8	280.4	284.4	288.3
Percentage Change.....	0.34	1.12	1.32	1.39	1.40	1.34	1.44	1.44	1.32	1.40	1.37
NONDURABLE GOODS.....	161.7	160.1	158.5	157.0	155.3	153.7	152.0	150.2	148.4	146.7	145.0
Percentage Change.....	-0.84	-0.94	-1.01	-0.96	-1.08	-1.03	-1.12	-1.21	-1.17	-1.13	-1.15
TRADE, TRANSPORTATION, UTILITIES....	586.4	597.8	612.6	626.4	639.6	654.4	669.7	686.4	702.9	720.9	741.3
Percentage Change.....	1.09	1.94	2.47	2.26	2.10	2.32	2.34	2.50	2.39	2.56	2.83
WHOLESALE TRADE.....	128.5	130.6	133.6	136.3	139.2	142.4	145.8	149.4	153.1	157.1	161.5
Percentage Change.....	0.61	1.56	2.31	2.04	2.16	2.27	2.38	2.50	2.44	2.62	2.84
RETAIL TRADE.....	315.5	320.7	329.0	337.0	343.9	352.0	359.9	368.7	377.4	387.2	398.2
Percentage Change.....	0.81	1.64	2.60	2.44	2.03	2.36	2.25	2.44	2.35	2.60	2.86
TRANSPORTATION & UTILITIES.....	142.3	146.6	150.0	153.1	156.4	160.0	164.0	168.3	172.4	176.6	181.5
Percentage Change.....	2.13	2.97	2.32	2.06	2.20	2.28	2.50	2.62	2.46	2.43	2.78
INFORMATION.....	51.0	51.5	52.5	53.6	55.1	56.4	57.7	59.2	60.9	62.6	64.1
Percentage Change.....	-1.19	0.96	1.86	2.23	2.67	2.48	2.29	2.48	2.88	2.78	2.42
FINANCIAL ACTIVITIES.....	140.2	142.9	147.3	151.9	156.8	162.5	168.5	174.9	182.0	189.0	196.5
Percentage Change.....	0.84	1.95	3.05	3.12	3.27	3.62	3.67	3.84	4.02	3.86	3.99
PROF & BUSINESS SERVICES.....	289.2	293.1	297.5	303.9	309.2	315.2	321.6	328.5	335.8	343.3	350.1
Percentage Change.....	0.68	1.35	1.49	2.16	1.74	1.94	2.02	2.15	2.24	2.21	2.00
EDUC & HEALTH SERVICES.....	319.0	326.4	334.9	342.9	351.2	358.2	363.9	370.4	376.9	383.7	389.5
Percentage Change.....	1.90	2.32	2.59	2.40	2.41	2.00	1.60	1.77	1.76	1.80	1.53
LEISURE & HOSPITALITY.....	252.9	259.1	266.7	272.3	278.7	286.3	293.8	300.9	308.0	314.9	321.7
Percentage Change.....	2.26	2.48	2.92	2.10	2.34	2.74	2.62	2.41	2.37	2.21	2.18
OTHER SERVICES.....	103.5	105.0	106.8	109.0	112.0	115.3	119.0	123.1	127.8	133.3	140.1
Percentage Change.....	0.61	1.38	1.79	2.05	2.72	2.95	3.23	3.42	3.85	4.29	5.11

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENT.....	412.9	414.5	415.6	417.8	419.6	420.9	422.4	423.4	424.1	426.2	428.2
Percentage Change.....	0.17	0.39	0.28	0.52	0.44	0.31	0.36	0.24	0.15	0.50	0.47
FEDERAL, CIVILIAN.....	50.7	50.5	50.5	50.4	50.4	50.3	50.3	50.3	50.3	50.3	50.4
Percentage Change.....	-1.21	-0.48	-0.01	-0.11	-0.12	-0.13	0.06	-0.14	0.05	0.03	0.12
STATE & LOCAL.....	362.11	363.95	365.13	367.32	369.22	370.58	372.07	373.14	373.77	375.89	377.83
Percentage Change.....	0.37	0.51	0.32	0.60	0.52	0.37	0.40	0.29	0.17	0.57	0.52

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL DURABLE GOODS.....	252.0	254.8	258.2	261.7	265.4	269.0	272.8	276.8	280.4	284.4	288.3
Percentage Change.....	0.34	1.12	1.32	1.39	1.40	1.34	1.44	1.44	1.32	1.40	1.37
WOOD PRODUCTS.....	16.6	16.8	16.9	17.1	17.4	17.6	17.8	18.0	18.2	18.5	18.7
Percentage Change.....	-0.75	0.89	1.06	0.93	1.47	1.30	1.14	1.25	1.33	1.28	1.36
NONMETALLIC MINERAL PRODUCTS.....	16.2	16.3	16.5	16.7	16.9	17.1	17.3	17.5	17.8	18.0	18.3
Percentage Change.....	1.96	0.84	1.43	1.35	1.01	1.10	1.29	1.23	1.45	1.38	1.31
PRIMARY METALS.....	11.4	11.3	11.4	11.4	11.4	11.5	11.5	11.6	11.6	11.7	11.8
Percentage Change.....	-1.63	-0.31	0.46	0.42	-0.72	0.86	0.54	0.33	0.65	0.43	0.86
FABRICATED METAL PRODUCTS.....	40.9	41.1	41.6	42.0	42.4	42.7	43.1	43.3	43.6	43.8	44.0
Percentage Change.....	-0.68	0.51	1.08	1.11	0.96	0.63	0.79	0.61	0.55	0.57	0.52
MACHINERY.....	34.3	34.8	35.4	36.1	36.8	37.5	38.3	39.2	40.0	41.0	41.9
Percentage Change.....	1.72	1.49	1.75	1.83	2.08	1.86	2.16	2.30	2.19	2.44	2.07
COMPUTER & ELECTRONIC PRODUCTS.....	11.9	12.1	12.2	12.5	12.7	12.9	13.1	13.4	13.6	13.9	14.1
Percentage Change.....	1.50	1.52	1.53	1.88	1.93	1.38	1.99	1.74	1.93	1.71	1.63
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	23.2	23.4	23.7	24.1	24.4	24.8	25.1	25.5	25.9	26.4	26.8
Percentage Change.....	-2.72	0.88	1.56	1.42	1.31	1.50	1.41	1.68	1.47	1.95	1.49
TRANSPORTATION EQUIPMENT.....	61.5	62.7	63.6	64.6	65.5	66.6	68.0	69.3	70.3	71.3	72.6
Percentage Change.....	2.13	1.89	1.52	1.63	1.39	1.61	2.04	2.02	1.46	1.43	1.76
FURNITURE.....	19.2	19.4	19.6	19.8	20.0	20.3	20.4	20.6	20.8	21.0	21.3
Percentage Change.....	-1.17	0.82	0.82	1.10	1.19	1.43	0.62	0.73	1.09	0.96	1.19
MISCELLANEOUS DURABLE GOODS.....	16.8	17.0	17.2	17.4	17.9	18.1	18.2	18.4	18.5	18.7	18.9
Percentage Change.....	-0.13	0.87	1.12	1.32	2.75	1.19	0.82	0.84	0.63	1.26	0.64

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL NONDURABLE GOODS.....	161.7	160.1	158.5	157.0	155.3	153.7	152.0	150.2	148.4	146.7	145.0
Percentage Change.....	-0.84	-0.94	-1.01	-0.96	-1.08	-1.03	-1.12	-1.21	-1.17	-1.13	-1.15
FOOD.....	35.9	36.0	36.1	36.2	36.4	36.5	36.7	36.8	36.9	37.0	37.1
Percentage Change.....	0.07	0.32	0.27	0.26	0.62	0.35	0.41	0.22	0.29	0.37	0.20
BEVERAGE & TOBACCO.....	6.1	6.0	6.0	6.0	6.0	5.9	5.9	5.9	5.9	5.9	5.8
Percentage Change.....	-1.71	-0.45	-0.06	-0.26	-0.92	-0.41	-0.16	-0.26	-0.48	-0.39	-0.42
TEXTILE MILLS.....	7.0	6.4	6.1	5.7	5.5	5.2	5.0	4.7	4.5	4.2	4.0
Percentage Change.....	-6.75	-8.42	-4.89	-5.49	-4.39	-5.75	-4.01	-4.98	-5.33	-5.60	-6.00
TEXTILE PRODUCT MILLS.....	3.7	3.5	3.4	3.3	3.2	3.1	3.0	2.9	2.8	2.7	2.6
Percentage Change.....	0.89	-3.67	-4.00	-3.01	-3.51	-3.35	-3.18	-3.56	-3.25	-1.55	-3.95
APPAREL.....	10.7	10.4	10.0	9.5	9.2	8.9	8.5	8.2	7.9	7.6	7.3
Percentage Change.....	-0.89	-2.84	-3.94	-4.77	-3.36	-3.26	-4.21	-3.81	-3.66	-4.11	-3.30
PAPER.....	19.4	19.2	18.9	18.7	18.6	18.5	18.4	18.3	18.3	18.2	18.1
Percentage Change.....	-1.09	-1.08	-1.38	-1.14	-0.69	-0.75	-0.12	-0.52	-0.28	-0.41	-0.78
PRINTING & RELATED SUPPORT.....	19.7	19.6	19.6	19.5	19.5	19.4	19.2	19.1	18.8	18.7	18.5
Percentage Change.....	-0.55	-0.20	-0.15	-0.32	-0.19	-0.55	-0.79	-0.75	-1.20	-1.06	-0.80
CHEMICALS.....	28.5	28.4	27.9	27.6	27.0	26.7	26.1	25.5	25.0	24.5	24.0
Percentage Change.....	-0.35	-0.43	-1.59	-1.11	-2.44	-0.93	-2.25	-2.20	-2.06	-2.00	-2.04
PLASTICS & RUBBER.....	28.0	27.9	27.9	27.8	27.6	27.3	26.9	26.7	26.4	26.1	25.9
Percentage Change.....	-0.74	-0.48	-0.15	-0.17	-0.90	-1.11	-1.17	-1.04	-1.01	-0.99	-0.92
MISCELLANEOUS NONDURABLE GOODS..	2.7	2.7	2.6	2.6	2.5	2.3	2.2	2.1	2.0	1.8	1.7
Percentage Change.....	-3.09	-3.02	-2.03	-2.25	-3.17	-7.30	-3.49	-5.85	-5.77	-6.93	-5.34

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL NONFARM.....	32712	33129	33596	34042	34431	34795	35153	35524	35882	36259	36637
Percentage Change.....	1.33	1.27	1.41	1.33	1.14	1.06	1.03	1.06	1.01	1.05	1.04
NATURAL RESOURCES & MINING.....	33780	34342	34713	34975	35286	35570	35990	36418	36810	37242	37740
Percentage Change.....	3.09	1.66	1.08	0.76	0.89	0.81	1.18	1.19	1.07	1.18	1.34
CONSTRUCTION.....	35049	35670	36083	36673	37090	37494	37949	38391	38855	39265	39789
Percentage Change.....	0.81	1.77	1.16	1.63	1.14	1.09	1.21	1.17	1.21	1.06	1.34
MANUFACTURING.....	38254	38760	39355	39883	40343	40775	41193	41649	42119	42630	43112
Percentage Change.....	0.58	1.32	1.54	1.34	1.15	1.07	1.03	1.11	1.13	1.21	1.13
DURABLE GOODS.....	38056	38615	39330	39926	40452	40938	41369	41813	42282	42778	43263
Percentage Change.....	1.34	1.47	1.85	1.52	1.32	1.20	1.05	1.07	1.12	1.17	1.13
NONDURABLE GOODS.....	38567	38994	39399	39816	40166	40494	40882	41348	41810	42348	42817
Percentage Change.....	-0.54	1.11	1.04	1.06	0.88	0.81	0.96	1.14	1.12	1.29	1.11
TRADE, TRANSPORTATION, UTILITIES....	31002	31279	31616	31890	32093	32256	32416	32595	32786	32962	33149
Percentage Change.....	0.33	0.89	1.08	0.87	0.64	0.51	0.50	0.55	0.59	0.54	0.57
WHOLESALE TRADE.....	43431	43831	44265	44643	44948	45104	45193	45386	45622	45841	46098
Percentage Change.....	1.02	0.92	0.99	0.85	0.68	0.35	0.20	0.43	0.52	0.48	0.56
RETAIL TRADE.....	22428	22532	22763	22948	23050	23125	23225	23310	23403	23479	23564
Percentage Change.....	-0.72	0.47	1.02	0.81	0.44	0.33	0.43	0.37	0.40	0.32	0.36
TRANSPORTATION & UTILITIES.....	38781	39234	39775	40225	40532	40910	41230	41579	41926	42296	42654
Percentage Change.....	0.80	1.17	1.38	1.13	0.76	0.93	0.78	0.85	0.83	0.88	0.85
INFORMATION.....	40411	41005	41459	41872	42211	42539	42834	43264	43650	44072	44518
Percentage Change.....	4.80	1.47	1.11	1.00	0.81	0.78	0.70	1.00	0.89	0.97	1.01
FINANCIAL ACTIVITIES.....	47606	48478	49411	50272	51057	51789	52501	53373	53986	54713	55375
Percentage Change.....	3.30	1.83	1.92	1.74	1.56	1.43	1.37	1.66	1.15	1.35	1.21
PROF & BUSINESS SERVICES.....	34847	35285	35773	36211	36628	37013	37421	37785	38127	38526	38890
Percentage Change.....	3.08	1.25	1.38	1.23	1.15	1.05	1.10	0.98	0.90	1.04	0.95
EDUC & HEALTH SERVICES.....	34477	35043	35645	36294	36941	37586	38221	38852	39464	40105	40827
Percentage Change.....	2.70	1.64	1.72	1.82	1.78	1.74	1.69	1.65	1.57	1.63	1.80
LEISURE & HOSPITALITY.....	15826	15952	16112	16253	16386	16533	16677	16815	16943	17097	17236
Percentage Change.....	1.18	0.79	1.01	0.87	0.82	0.90	0.87	0.82	0.76	0.91	0.81
OTHER SERVICES.....	29902	30421	30822	31277	31537	31869	32167	32546	32945	33306	33655
Percentage Change.....	1.86	1.74	1.32	1.48	0.83	1.05	0.93	1.18	1.23	1.10	1.05

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**Table 8: Tennessee Average Annual Wage and Salary Rate by Sector (2000 dollars) December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENT.....	31093	31533	32120	32602	33047	33480	33871	34197	34501	34817	35126
Percentage Change.....	0.36	1.41	1.86	1.50	1.37	1.31	1.17	0.96	0.89	0.92	0.89
FEDERAL, CIVILIAN.....	48845	49311	49832	50192	50599	51081	51491	51865	52215	52594	52956
Percentage Change.....	1.18	0.95	1.06	0.72	0.81	0.95	0.80	0.72	0.68	0.73	0.69
STATE & LOCAL.....	28605	29066	29670	30187	30652	31090	31487	31816	32117	32437	32748
Percentage Change.....	0.30	1.61	2.08	1.74	1.54	1.43	1.28	1.05	0.95	1.00	0.96

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL NONFARM.....	35260	36389	37479	38699	39963	41280	42691	44264	45918	47630	49421
Percentage Change.....	3.51	3.20	3.00	3.25	3.27	3.30	3.42	3.69	3.74	3.73	3.76
NATURAL RESOURCES & MINING.....	36413	37722	38726	39760	40956	42200	43710	45380	47107	48924	50911
Percentage Change.....	5.33	3.60	2.66	2.67	3.01	3.04	3.58	3.82	3.81	3.86	4.06
CONSTRUCTION.....	37777	39180	40253	41688	43048	44480	46085	47834	49720	51576	53670
Percentage Change.....	2.97	3.71	2.74	3.57	3.26	3.33	3.61	3.80	3.94	3.73	4.06
MANUFACTURING.....	41235	42576	43906	45340	46826	48375	50029	51897	53901	56001	58157
Percentage Change.....	2.75	3.25	3.12	3.27	3.28	3.31	3.42	3.74	3.86	3.90	3.85
DURABLE GOODS.....	41019	42416	43876	45387	46950	48567	50240	52099	54107	56193	58359
Percentage Change.....	3.52	3.40	3.44	3.44	3.44	3.44	3.44	3.70	3.85	3.85	3.85
NONDURABLE GOODS.....	41574	42834	43957	45267	46624	48045	49655	51528	53510	55635	57765
Percentage Change.....	1.62	3.03	2.62	2.98	3.00	3.05	3.35	3.77	3.85	3.97	3.83
TRADE, TRANSPORTATION, UTILITIES.....	33417	34358	35272	36253	37250	38268	39368	40615	41958	43301	44718
Percentage Change.....	2.49	2.82	2.66	2.78	2.75	2.73	2.87	3.17	3.31	3.20	3.27
WHOLESALE TRADE.....	46814	48145	49381	50750	52169	53509	54884	56553	58382	60217	62184
Percentage Change.....	3.20	2.84	2.57	2.77	2.80	2.57	2.57	3.04	3.24	3.14	3.27
RETAIL TRADE.....	24175	24751	25395	26088	26754	27436	28206	29047	29951	30844	31788
Percentage Change.....	1.42	2.38	2.60	2.73	2.55	2.55	2.81	2.98	3.11	2.98	3.06
TRANSPORTATION & UTILITIES.....	41803	43097	44374	45728	47045	48535	50072	51811	53655	55564	57541
Percentage Change.....	2.98	3.10	2.96	3.05	2.88	3.17	3.17	3.47	3.56	3.56	3.56
INFORMATION.....	43558	45040	46250	47598	48991	50464	52018	53905	55856	57891	60050
Percentage Change.....	7.05	3.40	2.69	2.91	2.93	3.01	3.08	3.63	3.62	3.64	3.73
FINANCIAL ACTIVITIES.....	51318	53252	55127	57152	59264	61445	63765	66510	69092	71877	74705
Percentage Change.....	5.53	3.77	3.52	3.67	3.69	3.68	3.77	4.30	3.88	4.03	3.93
PROFESSIONAL & BUSINESS SERVICES...	37559	38755	39905	41161	42509	43907	45440	47076	48786	50602	52454
Percentage Change.....	5.30	3.19	2.97	3.15	3.27	3.29	3.49	3.60	3.63	3.72	3.66
EDUCATION & HEALTH SERVICES.....	37161	38492	39765	41258	42876	44590	46417	48410	50500	52681	55072
Percentage Change.....	4.91	3.58	3.31	3.75	3.92	4.00	4.10	4.29	4.32	4.32	4.54
LEISURE & HOSPITALITY.....	17058	17521	17974	18475	19018	19613	20252	20950	21680	22458	23249
Percentage Change.....	3.36	2.71	2.59	2.79	2.94	3.13	3.26	3.45	3.48	3.59	3.52
OTHER SERVICES.....	32228	33414	34383	35554	36601	37807	39063	40550	42156	43748	45396
Percentage Change.....	4.05	3.68	2.90	3.41	2.95	3.29	3.32	3.81	3.96	3.78	3.77

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**Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) December 2004**

	Forecast Data											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
GOVERNMENT.....	33514	34637	35833	37062	38356	39719	41134	42609	44150	45735	47382	
Percentage Change.....	2.52	3.35	3.45	3.43	3.49	3.55	3.56	3.59	3.62	3.59	3.60	
FEDERAL, CIVILIAN.....	52649	54164	55592	57057	58728	60600	62532	64624	66818	69087	71433	
Percentage Change.....	3.37	2.88	2.64	2.64	2.93	3.19	3.19	3.34	3.40	3.40	3.40	
STATE & LOCAL.....	30833	31927	33100	34316	35577	36883	38238	39643	41100	42610	44175	
Percentage Change.....	2.46	3.55	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
CIVILIAN LABOR FORCE (THOUS).....	2931	2963	3001	3048	3087	3132	3177	3221	3265	3313	3364
Percentage Change.....	0.73	1.10	1.29	1.57	1.27	1.45	1.43	1.39	1.37	1.47	1.54
EMPLOYED PERSONS (THOUS).....	2788	2818	2858	2905	2945	2991	3036	3082	3127	3176	3227
Percentage Change.....	1.72	1.08	1.41	1.65	1.39	1.56	1.52	1.50	1.47	1.56	1.61
UNEMPLOYED PERSONS (THOUS).....	143	145	143	143	142	141	140	139	138	137	137
Percentage Change.....	-15.41	1.39	-1.14	-0.04	-1.06	-0.73	-0.42	-0.84	-0.85	-0.75	-0.12
PARTICIPATION RATE (PERCENT).....	61.8	61.5	61.4	61.5	61.3	61.3	61.3	61.3	61.4	61.5	61.6
Percentage Change.....	-1.39	-0.45	-0.21	0.07	-0.22	-0.04	-0.03	0.08	0.07	0.17	0.24
UNEMPLOYMENT RATE (PERCENT).....	4.9	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.2	4.1	4.1

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL TAXABLE SALES.....	75445	77983	80890	83419	85807	88206	90478	92656	94733	97172	99656
Percentage Change.....	2.83	3.36	3.73	3.13	2.86	2.80	2.58	2.41	2.24	2.58	2.56
AUTO DEALERS.....	8831	9042	9474	9857	10251	10799	11084	11364	11519	11886	12075
Percentage Change.....	-1.13	2.38	4.78	4.04	4.00	5.34	2.64	2.53	1.37	3.18	1.59
PURCHASES FROM MANUFACTURERS....	3857	4053	4328	4421	4541	4617	4743	4865	4988	5119	5260
Percentage Change.....	3.45	5.08	6.77	2.16	2.71	1.68	2.72	2.59	2.52	2.62	2.76
MISC DURABLE GOODS.....	13094	13884	14404	14771	15141	15535	15939	16276	16617	16994	17443
Percentage Change.....	7.20	6.03	3.75	2.55	2.51	2.60	2.61	2.11	2.09	2.27	2.64
EATING AND DRINKING PLACES.....	6903	7311	7791	8279	8771	9269	9814	10384	10982	11630	12344
Percentage Change.....	5.54	5.91	6.56	6.26	5.95	5.67	5.88	5.81	5.76	5.90	6.15
FOOD STORES.....	6672	6614	6598	6561	6511	6453	6387	6309	6225	6145	6065
Percentage Change.....	-1.36	-0.87	-0.24	-0.57	-0.77	-0.89	-1.02	-1.23	-1.33	-1.28	-1.30
LIQUOR STORES.....	425	436	456	473	482	485	491	497	501	504	505
Percentage Change.....	3.62	2.48	4.69	3.62	1.97	0.58	1.17	1.28	0.86	0.56	0.26
HOTELS AND MOTELS.....	1750	1793	1835	1875	1912	1946	1981	2013	2045	2079	2115
Percentage Change.....	1.45	2.43	2.34	2.21	1.96	1.77	1.79	1.64	1.57	1.66	1.77
OTHER RETAIL AND SERVICE.....	22029	22801	23692	24544	25361	26150	26986	27815	28652	29544	30510
Percentage Change.....	2.87	3.50	3.91	3.60	3.33	3.11	3.20	3.07	3.01	3.12	3.27
MISC NONDURABLE GOODS.....	6054	6040	6090	6151	6198	6212	6214	6204	6189	6163	6134
Percentage Change.....	1.96	-0.24	0.84	0.99	0.77	0.23	0.03	-0.16	-0.24	-0.42	-0.47
TRANSPORTATION, COMMUNICATION.....	5827	6009	6222	6487	6638	6741	6840	6928	7015	7108	7202
Percentage Change.....	2.20	3.12	3.54	4.25	2.33	1.55	1.47	1.30	1.24	1.33	1.33
PER CAPITA (\$)......	12668	12937	13245	13480	13686	13885	14059	14226	14372	14567	14762
Percentage Change.....	1.39	2.12	2.38	1.78	1.52	1.45	1.26	1.18	1.03	1.36	1.34

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

**December 2004**

	Forecast Data										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL TAXABLE SALES.....	81319	85661	90243	94832	99594	104648	109891	115463	121239	127655	134436
Percentage Change.....	5.04	5.34	5.35	5.09	5.02	5.07	5.01	5.07	5.00	5.29	5.31
AUTO DEALERS.....	9519	9932	10570	11205	11900	12816	13474	14174	14751	15623	16296
Percentage Change.....	1.00	4.33	6.43	6.01	6.20	7.70	5.13	5.20	4.08	5.91	4.31
PURCHASES FROM MANUFACTURERS....	4158	4452	4828	5026	5270	5478	5760	6063	6383	6724	7096
Percentage Change.....	5.67	7.08	8.43	4.10	4.87	3.93	5.15	5.26	5.29	5.34	5.52
MISC DURABLE GOODS.....	14114	15252	16069	16792	17572	18428	19355	20278	21263	22321	23527
Percentage Change.....	9.50	8.06	5.36	4.50	4.65	4.87	5.03	4.77	4.86	4.98	5.40
EATING AND DRINKING PLACES.....	7441	8031	8692	9412	10181	10997	11920	12940	14056	15278	16654
Percentage Change.....	7.81	7.93	8.23	8.28	8.18	8.01	8.39	8.56	8.62	8.70	9.00
FOOD STORES.....	7191	7265	7361	7458	7556	7655	7757	7860	7965	8072	8181
Percentage Change.....	0.77	1.02	1.32	1.32	1.32	1.31	1.33	1.33	1.34	1.34	1.36
LIQUOR STORES.....	459	479	509	538	560	576	596	619	642	662	682
Percentage Change.....	5.86	4.43	6.33	5.59	4.11	2.81	3.56	3.91	3.60	3.21	2.96
HOTELS AND MOTELS.....	1887	1969	2047	2132	2219	2308	2405	2508	2617	2731	2854
Percentage Change.....	3.64	4.38	3.94	4.15	4.10	4.02	4.20	4.29	4.32	4.36	4.50
OTHER RETAIL AND SERVICE.....	23745	25045	26431	27903	29437	31024	32774	34659	36667	38811	41158
Percentage Change.....	5.08	5.48	5.53	5.57	5.50	5.39	5.64	5.75	5.79	5.85	6.05
MISC NONDURABLE GOODS.....	6525	6634	6794	6992	7194	7370	7547	7731	7920	8096	8274
Percentage Change.....	4.15	1.66	2.41	2.91	2.89	2.44	2.40	2.44	2.45	2.22	2.20
TRANSPORTATION, COMMUNICATION.....	6280	6601	6942	7375	7703	7996	8305	8631	8975	9335	9714
Percentage Change.....	4.38	5.11	5.16	6.24	4.46	3.80	3.87	3.93	3.98	4.02	4.05
PER CAPITA (\$)......	13654	14210	14776	15325	15884	16472	17075	17727	18393	19136	19914
Percentage Change.....	3.57	4.08	3.98	3.71	3.65	3.70	3.66	3.82	3.76	4.04	4.06

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**Table 13: Tennessee Gross State Product by Sector (millions of 2000 dollars) December 2004**

	Forecast Data											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GROSS STATE PRODUCT.....	188851	195051	201590	208815	216192	223960	231912	240100	248468	256927	266001	275190
Percentage Change.....	3.37	3.28	3.35	3.58	3.53	3.59	3.55	3.53	3.49	3.40	3.53	3.45
AGRICULTURE, FORESTRY, FISHING & HUNTING.....	1253	1283	1314	1337	1359	1382	1404	1424	1441	1460	1472	1488
Percentage Change.....	3.19	2.41	2.43	1.76	1.60	1.71	1.58	1.42	1.19	1.37	0.80	1.08
MINING.....	392	399	404	410	415	420	426	433	440	445	449	454
Percentage Change.....	-3.64	1.77	1.22	1.41	1.21	1.19	1.45	1.64	1.70	1.13	1.01	1.10
CONSTRUCTION.....	6355	6507	6700	6860	7031	7200	7363	7526	7724	7886	8113	8338
Percentage Change.....	2.00	2.40	2.97	2.39	2.49	2.40	2.27	2.21	2.63	2.10	2.87	2.78
MANUFACTURING.....	34818	35905	37063	38353	39671	41063	42473	44054	45658	47336	49070	50866
Percentage Change.....	2.20	3.12	3.23	3.48	3.44	3.51	3.43	3.72	3.64	3.67	3.66	3.66
DURABLE GOODS.....	21046	21982	23053	24223	25455	26761	28139	29630	31174	32783	34455	36184
Percentage Change.....	3.01	4.45	4.87	5.07	5.09	5.13	5.15	5.30	5.21	5.16	5.10	5.02
NONDURABLE GOODS.....	13772	13922	14009	14130	14216	14302	14334	14424	14484	14552	14615	14682
Percentage Change.....	0.98	1.09	0.62	0.86	0.61	0.61	0.22	0.63	0.42	0.47	0.43	0.46
TRADE, TRANSPORTATION, UTILITIES....	41906	43601	45469	47491	49578	51920	54288	56497	58831	61108	63513	66028
Percentage Change.....	4.66	4.04	4.29	4.45	4.39	4.72	4.56	4.07	4.13	3.87	3.94	3.96
WHOLESALE TRADE.....	13832	14456	15105	15898	16693	17546	18318	19195	20138	21063	22038	23085
Percentage Change.....	4.91	4.51	4.49	5.25	5.00	5.11	4.40	4.79	4.91	4.59	4.63	4.75
RETAIL TRADE.....	18576	19302	20127	20910	21765	22783	23879	24903	25966	26956	28066	29242
Percentage Change.....	4.82	3.91	4.27	3.89	4.09	4.68	4.81	4.29	4.27	3.81	4.12	4.19
TRANSPORTATION & UTILITIES.....	9498	9842	10237	10682	11119	11591	12092	12399	12727	13090	13409	13701
Percentage Change.....	3.97	3.63	4.01	4.35	4.09	4.24	4.32	2.54	2.65	2.85	2.44	2.18
INFORMATION.....	6155	6520	6903	7285	7644	8019	8405	8911	9350	9818	10331	10782
Percentage Change.....	4.37	5.94	5.88	5.53	4.93	4.90	4.82	6.02	4.93	5.00	5.22	4.37
FINANCIAL ACTIVITIES.....	32107	33461	35228	37282	39433	41645	43832	46111	48426	50780	53420	56150
Percentage Change.....	5.16	4.22	5.28	5.83	5.77	5.61	5.25	5.20	5.02	4.86	5.20	5.11
PROFESSIONAL & BUSINESS SERVICES.....	17478	17881	18278	18722	19206	19622	20086	20577	21107	21669	22241	22779
Percentage Change.....	2.04	2.31	2.22	2.43	2.58	2.17	2.36	2.45	2.58	2.66	2.64	2.42
EDUCATION & HEALTH SERVICES.....	15908	16508	16899	17353	17787	18232	18761	19268	19821	20386	20977	21533
Percentage Change.....	4.43	3.77	2.37	2.69	2.50	2.51	2.90	2.70	2.87	2.85	2.90	2.65
LEISURE & HOSPITALITY.....	7613	7887	8047	8245	8380	8538	8734	8923	9097	9272	9435	9599
Percentage Change.....	3.94	3.61	2.02	2.46	1.65	1.88	2.29	2.16	1.96	1.92	1.76	1.73
OTHER SERVICES.....	4746	4804	4799	4814	4840	4865	4901	4936	4956	4983	5002	5012
Percentage Change.....	0.84	1.23	-0.10	0.30	0.55	0.51	0.74	0.71	0.42	0.54	0.37	0.20
GOVERNMENT.....	20123	20295	20485	20663	20848	21055	21240	21442	21617	21784	21979	22162
Percentage Change.....	1.07	0.85	0.94	0.87	0.90	0.99	0.88	0.95	0.81	0.78	0.89	0.83
FEDERAL.....	5449	5461	5469	5492	5510	5528	5544	5571	5588	5614	5634	5648
Percentage Change.....	0.29	0.22	0.15	0.42	0.33	0.32	0.30	0.49	0.29	0.47	0.36	0.25
STATE & LOCAL.....	14674	14834	15016	15171	15338	15527	15695	15871	16029	16170	16345	16513
Percentage Change.....	1.37	1.09	1.23	1.04	1.10	1.23	1.08	1.12	1.00	0.88	1.08	1.03

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

**December 2004**

	Forecast Data											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
DURABLE GOODS.....	21046	21982	23053	24223	25455	26761	28139	29630	31174	32783	34455	36184
Percentage Change.....	3.01	4.45	4.87	5.07	5.09	5.13	5.15	5.30	5.21	5.16	5.10	5.02
WOOD PRODUCTS.....	858	871	888	906	925	947	970	990	1012	1037	1058	1079
Percentage Change.....	1.20	1.46	1.95	2.05	2.12	2.41	2.37	2.03	2.22	2.47	2.09	1.99
NONMETALLIC MINERAL PRODUCTS....	1077	1093	1104	1124	1141	1162	1182	1202	1219	1240	1263	1284
Percentage Change.....	1.06	1.50	1.00	1.73	1.55	1.84	1.73	1.67	1.42	1.73	1.90	1.66
PRIMARY METALS.....	1295	1369	1431	1499	1570	1637	1719	1803	1889	1981	2076	2180
Percentage Change.....	-1.68	5.72	4.50	4.82	4.68	4.30	5.00	4.91	4.75	4.86	4.80	4.99
FABRICATED METAL PRODUCTS.....	2891	2934	2986	3058	3120	3190	3251	3319	3382	3445	3509	3573
Percentage Change.....	1.29	1.48	1.80	2.39	2.02	2.26	1.92	2.09	1.90	1.85	1.87	1.81
MACHINERY.....	2924	3015	3101	3198	3302	3417	3528	3653	3789	3925	4076	4216
Percentage Change.....	0.99	3.11	2.87	3.14	3.23	3.48	3.25	3.55	3.72	3.58	3.85	3.44
COMPUTER & ELECTRONIC PRODUCTS	2598	2874	3183	3526	3913	4323	4775	5251	5739	6266	6823	7361
Percentage Change.....	11.11	10.62	10.75	10.79	10.99	10.47	10.45	9.96	9.30	9.19	8.88	7.89
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	1880	1915	2022	2140	2241	2362	2483	2611	2743	2874	3010	3166
Percentage Change.....	1.51	1.85	5.63	5.83	4.69	5.40	5.14	5.15	5.07	4.76	4.72	5.19
TRANSPORTATION EQUIPMENT.....	5183	5508	5840	6169	6523	6883	7277	7726	8201	8659	9139	9676
Percentage Change.....	4.39	6.28	6.02	5.64	5.75	5.51	5.73	6.17	6.15	5.58	5.54	5.88
FURNITURE.....	810	815	826	843	858	878	892	906	920	942	962	985
Percentage Change.....	0.90	0.53	1.47	1.99	1.75	2.34	1.67	1.49	1.59	2.33	2.18	2.39
MISCELLANEOUS DURABLE GOODS.....	1530	1590	1672	1760	1863	1962	2061	2169	2280	2416	2539	2664
Percentage Change.....	2.49	3.90	5.18	5.23	5.87	5.34	5.06	5.24	5.08	5.97	5.11	4.90

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

**December 2004**

	Forecast Data											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL NONDURABLE GOODS.....	13772	13922	14009	14130	14216	14302	14334	14424	14484	14552	14615	14682
Percentage Change.....	0.98	1.09	0.62	0.86	0.61	0.61	0.22	0.63	0.42	0.47	0.43	0.46
FOOD AND BEVERAGE & TOBACCO.....	3625	3593	3567	3541	3514	3495	3471	3449	3422	3396	3373	3345
Percentage Change.....	-1.51	-0.90	-0.73	-0.72	-0.75	-0.55	-0.70	-0.61	-0.79	-0.75	-0.69	-0.83
TEXTILE MILLS AND TEXTILE PRODUCT MILL	723	734	741	751	761	775	782	798	810	821	836	844
Percentage Change.....	2.99	1.54	0.99	1.31	1.27	1.85	0.98	2.05	1.42	1.34	1.84	1.00
APPAREL.....	597	623	638	651	664	678	698	711	733	756	776	795
Percentage Change.....	1.47	4.50	2.29	2.10	1.99	2.14	2.83	2.00	3.01	3.12	2.67	2.50
PAPER.....	1787	1778	1769	1756	1746	1744	1743	1751	1753	1759	1762	1760
Percentage Change.....	0.82	-0.49	-0.48	-0.76	-0.54	-0.11	-0.08	0.48	0.11	0.30	0.22	-0.16
PRINTING & RELATED SUPPORT.....	1181	1199	1224	1251	1275	1303	1325	1346	1366	1382	1398	1419
Percentage Change.....	0.43	1.50	2.11	2.16	1.99	2.15	1.69	1.56	1.55	1.11	1.16	1.56
CHEMICALS.....	3369	3489	3542	3613	3650	3686	3726	3770	3816	3869	3925	3979
Percentage Change.....	3.49	3.58	1.51	2.02	1.00	0.99	1.10	1.18	1.22	1.38	1.44	1.39
PLASTICS & RUBBER.....	1996	1991	1990	1996	2002	1993	1980	1965	1954	1943	1932	1923
Percentage Change.....	0.32	-0.29	-0.02	0.30	0.28	-0.45	-0.66	-0.72	-0.59	-0.57	-0.54	-0.47
MISCELLANEOUS NONDURABLE GOODS.....	495	516	538	571	604	629	610	633	630	628	614	617
Percentage Change.....	4.11	4.26	4.37	6.06	5.82	4.09	-2.91	3.67	-0.43	-0.29	-2.31	0.45

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## Appendix B: Historical Data

In this section...

### Appendix B: Historical Data

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:3	2004:1	2004:2	2001	2002	2003
US GDP (Bil2000\$) SAAR.....	9910.0	9993.5	10052.6	10117.3	10135.9	10184.4	10287.4	10472.8	10580.7	10697.5	10784.7	9890.7	10074.8	10381.3
% Chg Prev Qtr SAAR.....	1.59	3.41	2.39	2.60	0.74	1.93	4.11	7.41	4.19	4.49	3.30	0.75	1.86	3.04
% Chg Same Qtr Last Yr.....	0.23	1.19	1.48	2.49	2.28	1.91	2.34	3.51	4.39	5.04	4.83	0.75	1.86	3.04
US GDP (Bil\$) SAAR.....	10226.3	10338.2	10445.7	10546.5	10617.5	10744.6	10884.0	11116.7	11270.9	11472.6	11657.5	10128.0	10487.0	11004.1
% Chg Prev Qtr SAAR.....	3.65	4.45	4.22	3.92	2.72	4.87	5.29	8.83	5.66	7.35	6.60	3.17	3.54	4.93
% Chg Same Qtr Last Yr.....	2.74	3.16	3.13	4.06	3.83	3.93	4.20	5.41	6.15	6.78	7.11	3.17	3.54	4.93
CHAINED PRICE INDEX, GDP (2000=100.0).....	103.1	103.5	103.9	104.3	104.8	105.5	105.8	106.2	106.6	107.3	108.2	102.4	104.1	106.0
% Chg Prev Qtr SAAR.....	1.69	1.36	1.49	1.65	1.96	2.71	1.10	1.44	1.62	2.76	3.23	2.40	1.66	1.83
% Chg Same Qtr Last Yr.....	2.42	1.93	1.53	1.55	1.61	1.95	1.86	1.80	1.72	1.73	2.26	2.40	1.66	1.83
US PERS CONSUMP DEFL (2000=100.0).....	102.4	102.7	103.4	103.9	104.3	105.1	105.3	105.7	106.0	106.9	107.7	102.1	103.5	105.5
% Chg Prev Qtr SAAR.....	0.57	0.87	2.86	1.98	1.38	3.22	0.72	1.61	1.20	3.27	3.12	2.09	1.42	1.90
% Chg Same Qtr Last Yr.....	1.74	1.14	1.21	1.57	1.77	2.36	1.82	1.73	1.68	1.69	2.29	2.09	1.42	1.90
TN PERSONAL INCOME (MIL2000\$) SAAR.....	151966	153951	155249	154160	154069	155937	157228	158613	160805	161398	162284	151270	154357	158146
% Chg Prev Qtr SAAR.....	2.22	5.33	3.42	-2.78	-0.24	4.94	3.35	3.57	5.64	1.48	2.21	1.64	2.04	2.45
% Chg Same Qtr Last Yr.....	1.50	2.03	2.75	2.00	1.38	1.29	1.27	2.89	4.37	3.50	3.22	1.64	2.04	2.45
US PERSONAL INCOME (BIL2000\$) SAAR.....	8547	8575	8606	8562	8556	8567	8650	8714	8801	8839	8908	8545	8575	8683
% Chg Prev Qtr SAAR.....	0.42	1.36	1.42	-2.00	-0.31	0.53	3.93	2.98	4.10	1.70	3.19	1.37	0.35	1.26
% Chg Same Qtr Last Yr.....	0.46	0.18	0.81	0.29	0.11	-0.10	0.51	1.77	2.87	3.17	2.99	1.37	0.35	1.26
TN PERSONAL INCOME (MIL\$) SAAR.....	155669	158046	160506	160163	160617	163859	165512	167637	170461	172470	174752	154439	159833	166867
% Chg Prev Qtr SAAR.....	2.81	6.25	6.37	-0.85	1.14	8.32	4.10	5.24	6.91	4.80	5.40	3.77	3.49	4.40
% Chg Same Qtr Last Yr.....	3.27	3.19	4.00	3.60	3.18	3.68	3.12	4.67	6.13	5.26	5.58	3.77	3.49	4.40
US PERSONAL INCOME (BIL\$) SAAR.....	8755	8804	8897	8896	8919	9002	9106	9209	9330	9445	9593	8724	8879	9162
% Chg Prev Qtr SAAR.....	1.00	2.25	4.32	-0.06	1.06	3.77	4.68	4.63	5.35	5.02	6.40	3.49	1.77	3.19
% Chg Same Qtr Last Yr.....	2.21	1.32	2.03	1.86	1.88	2.26	2.34	3.53	4.61	4.92	5.35	3.49	1.77	3.19
TN NONFARM JOBS (THOUS).....	2658.4	2659.2	2661.6	2666.9	2669.7	2664.1	2663.1	2667.6	2674.6	2691.8	2687.4	2688.5	2664.4	2667.3
% Chg Prev Qtr SAAR.....	-2.57	0.12	0.36	0.80	0.42	-0.85	-0.14	0.69	1.04	2.60	-0.64	-1.48	-0.90	0.11
% Chg Same Qtr Last Yr.....	-2.53	-2.24	-1.41	-0.33	0.42	0.18	0.06	0.03	0.18	1.04	0.91	-1.48	-0.90	0.11
US NONFARM JOBS (MIL).....	130.9	130.4	130.4	130.3	130.2	130.0	129.9	129.8	130.0	130.4	131.1	131.8	130.3	129.9
% Chg Prev Qtr SAAR.....	-2.64	-1.41	-0.18	-0.31	-0.12	-0.61	-0.52	-0.18	0.56	1.13	2.35	0.03	-1.13	-0.31
% Chg Same Qtr Last Yr.....	-1.05	-1.52	-1.36	-1.14	-0.51	-0.31	-0.39	-0.36	-0.19	0.25	0.96	0.03	-1.13	-0.31
TN UNEMPLOYMENT RATE (%).....	5.0	5.3	5.1	5.0	5.1	5.4	5.8	6.0	6.1	5.0	4.7	4.4	5.1	5.8
US UNEMPLOYMENT RATE (%).....	5.6	5.7	5.8	5.7	5.9	5.8	6.1	6.1	5.9	5.6	5.6	4.8	5.8	6.0
BANK PRIME INTEREST RATE (%).....	5.2	4.8	4.8	4.8	4.5	4.3	4.2	4.0	4.0	4.0	4.0	6.9	4.7	4.1

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:3	2004:1	2004:2	2001	2002	2003
TN MFG JOBS (THOUS).....	437.6	431.0	429.9	429.1	423.9	417.5	413.6	411.4	414.0	415.2	413.0	454.2	428.5	414.1
% Chg Prev Qtr SAAR.....	-9.33	-5.89	-0.95	-0.76	-4.74	-5.93	-3.70	-2.08	2.52	1.17	-2.14	-6.93	-5.66	-3.35
% Chg Same Qtr Last Yr.....	-8.45	-8.50	-6.52	-4.30	-3.11	-3.12	-3.80	-4.12	-2.34	-0.55	-0.15	-6.93	-5.66	-3.35
US MFG JOBS (MIL).....	15.8	15.5	15.3	15.2	15.0	14.8	14.6	14.4	14.3	14.3	14.4	16.4	15.3	14.5
% Chg Prev Qtr SAAR.....	-10.03	-8.01	-3.99	-3.85	-5.62	-5.34	-5.43	-4.32	-1.95	-0.37	1.64	-4.77	-7.21	-4.80
% Chg Same Qtr Last Yr.....	-7.94	-8.88	-7.90	-6.51	-5.38	-4.70	-5.06	-5.18	-4.27	-3.04	-1.27	-4.77	-7.21	-4.80
TN TAXABLE SALES (MIL2000\$).....	18357	18298	18249	17592	18108	17852	18172	18663	18684	18901	18672	72994	72246	73372
% Chg Prev Qtr SAAR.....	9.46	-1.27	-1.09	-13.64	12.26	-5.53	7.38	11.25	0.44	4.72	-4.75	-2.23	-1.03	1.56
% Chg Same Qtr Last Yr.....	0.21	-0.32	-0.46	-1.98	-1.36	-2.44	-0.42	6.09	3.18	5.88	2.75	-2.23	-1.03	1.56
TN TAXABLE SALES (MIL\$).....	18804	18785	18866	18277	18877	18759	19130	19725	19806	20197	20107	74522	74805	77420
% Chg Prev Qtr SAAR.....	10.08	-0.40	1.74	-11.93	13.80	-2.48	8.15	13.04	1.65	8.14	-1.78	-0.18	0.38	3.49
% Chg Same Qtr Last Yr.....	1.95	0.82	0.75	-0.44	0.39	-0.14	1.40	7.92	4.92	7.67	5.11	-0.18	0.38	3.49
TN AVG ANNUAL WAGE, NONFARM (2000\$)....	31551	32017	32067	31811	31748	32001	32133	32325	32672	32579	32623	31325	31911	32283
% Chg Prev Qtr SAAR.....	1.26	6.05	0.62	-3.15	-0.79	3.23	1.66	2.41	4.36	-1.13	0.55	-	1.87	1.17
% Chg Same Qtr Last Yr.....	-	2.95	2.79	1.14	0.62	-0.05	0.21	1.62	2.91	1.81	1.53	-	1.87	1.17
TN AVG ANNUAL WAGE, NONFARM (\$).....	32320	32869	33152	33049	33097	33627	33826	34164	34634	34814	35130	31981	33042	34062
% Chg Prev Qtr SAAR.....	1.84	6.98	3.49	-1.24	0.57	6.56	2.39	4.06	5.62	2.10	3.68	-	3.32	3.09
% Chg Same Qtr Last Yr.....	-	4.13	4.04	2.72	2.40	2.30	2.03	3.37	4.64	3.53	3.86	-	3.32	3.09

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**Table 2: Selected Per Capita U.S. and Tennessee Economic Indicators, Seasonally Adjusted** **December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
	US GDP (2000\$) SAAR.....	34549	34762	34880	35008	34987	35077	35346	35897	36184	36499	36713	34616	34909
% Chg Prev Qtr SAAR.....	0.59	2.48	1.37	1.47	-0.24	1.04	3.10	6.38	3.23	3.54	2.36	-0.28	0.85	2.06
% Chg Same Qtr Last Yr.....	-0.79	0.18	0.47	1.48	1.27	0.91	1.34	2.54	3.42	4.05	3.87	-0.28	0.85	2.06
US GDP (\$) SAAR.....	35652	35961	36244	36493	36650	37007	37396	38104	38544	39144	39684	35447	36337	37764
% Chg Prev Qtr SAAR.....	2.63	3.51	3.19	2.78	1.73	3.96	4.27	7.80	4.70	6.37	5.63	2.11	2.51	3.93
% Chg Same Qtr Last Yr.....	1.70	2.12	2.10	3.03	2.80	2.91	3.18	4.42	5.17	5.77	6.12	2.11	2.51	3.93
TN PERSONAL INCOME (2000\$) SAAR.....	26347	26641	26814	26567	26492	26753	26914	26945	27110	27183	27306	26305	26628	26931
% Chg Prev Qtr SAAR.....	1.45	4.53	2.63	-3.64	-1.12	4.01	2.44	0.46	2.47	1.08	1.81	0.52	1.23	1.14
% Chg Same Qtr Last Yr.....	0.62	1.19	1.97	1.19	0.55	0.42	0.37	1.43	2.33	1.61	1.45	0.52	1.23	1.14
US PERSONAL INCOME (2000\$) SAAR.....	29796	29829	29860	29627	29532	29507	29720	29867	30099	30157	30325	29908	29712	29799
% Chg Prev Qtr SAAR.....	-0.56	0.45	0.41	-3.08	-1.28	-0.35	2.92	2.00	3.14	0.77	2.25	0.34	-0.65	0.29
% Chg Same Qtr Last Yr.....	-0.56	-0.83	-0.20	-0.71	-0.88	-1.08	-0.47	0.81	1.92	2.20	2.04	0.34	-0.65	0.29
TN PERSONAL INCOME (\$) SAAR.....	26989	27349	27722	27601	27617	28112	28333	28478	28738	29048	29403	26856	27573	28415
% Chg Prev Qtr SAAR.....	2.03	5.44	5.57	-1.74	0.24	7.36	3.17	2.07	3.70	4.39	4.98	2.62	2.67	3.06
% Chg Same Qtr Last Yr.....	2.37	2.35	3.21	2.78	2.33	2.79	2.20	3.18	4.06	3.33	3.78	2.62	2.67	3.06
US PERSONAL INCOME (\$) SAAR.....	30522	30623	30871	30781	30787	31006	31286	31566	31907	32226	32655	30534	30765	31442
% Chg Prev Qtr SAAR.....	0.01	1.33	3.28	-1.16	0.09	2.87	3.66	3.63	4.38	4.06	5.43	2.43	0.76	2.20
% Chg Same Qtr Last Yr.....	1.17	0.30	1.01	0.85	0.87	1.25	1.34	2.55	3.64	3.94	4.38	2.43	0.76	2.20
TN TAXABLE SALES (2000\$).....	3183	3166	3152	3032	3114	3063	3111	3171	3150	3183	3142	12694	12463	12494
% Chg Prev Qtr SAAR.....	8.62	-2.02	-1.84	-14.41	11.26	-6.37	6.42	7.91	-2.57	4.31	-5.13	-3.32	-1.81	0.25
% Chg Same Qtr Last Yr.....	-0.66	-1.13	-1.22	-2.76	-2.17	-3.28	-1.30	4.58	1.17	3.94	1.00	-3.32	-1.81	0.25
TN TAXABLE SALES (\$).....	3260	3251	3259	3150	3246	3218	3275	3351	3339	3402	3383	12959	12905	13183
% Chg Prev Qtr SAAR.....	9.24	-1.16	0.97	-12.72	12.79	-3.35	7.19	9.64	-1.40	7.72	-2.17	-1.28	-0.42	2.16
% Chg Same Qtr Last Yr.....	1.06	-0.01	-0.02	-1.23	-0.44	-1.00	0.49	6.39	2.87	5.70	3.31	-1.28	-0.42	2.16

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
TN PERSONAL INCOME.....	151966	153951	155249	154160	154069	155937	157228	158613	160805	161398	162284	151270	154357	158146
% Chg Prev Qtr SAAR.....	2.22	5.33	3.42	-2.78	-0.24	4.94	3.35	3.57	5.64	1.48	2.21	1.64	2.04	2.45
% Chg Same Qtr Last Yr.....	1.50	2.03	2.75	2.00	1.38	1.29	1.27	2.89	4.37	3.50	3.22	1.64	2.04	2.45
WAGES AND SALARIES.....	84488	85733	85931	85407	85307	85856	86187	86836	87983	88316	88291	84815	85595	86715
% Chg Prev Qtr SAAR.....	-1.31	6.03	0.93	-2.42	-0.47	2.59	1.55	3.05	5.39	1.52	-0.11	-	0.92	1.31
% Chg Same Qtr Last Yr.....	-	0.65	1.31	0.76	0.97	0.14	0.30	1.67	3.14	2.87	2.44	-	0.92	1.31
OTHER LABOR INCOME.....	17380	18198	18746	18997	19420	19978	20298	20711	21200	21589	21685	17119	18840	20547
% Chg Prev Qtr SAAR.....	4.12	20.18	12.61	5.46	9.20	12.01	6.55	8.40	9.79	7.55	1.79	-	10.05	9.06
% Chg Same Qtr Last Yr.....	-	7.62	10.40	10.41	11.73	9.78	8.28	9.02	9.17	8.06	6.84	-	10.05	9.06
PROPRIETORS INCOME.....	16844	17238	17696	17576	17416	17905	18446	18852	19112	18674	19152	16793	17481	18579
% Chg Prev Qtr SAAR.....	1.70	9.71	11.04	-2.69	-3.59	11.73	12.64	9.09	5.65	-8.86	10.63	-	4.10	6.28
% Chg Same Qtr Last Yr.....	-	2.35	5.88	4.79	3.40	3.87	4.24	7.26	9.74	4.29	3.82	-	4.10	6.28
RENT, INTEREST, DIVIDENDS.....	21970	21554	21452	20803	20378	20341	20059	19919	20397	20468	20451	22177	21047	20179
% Chg Prev Qtr SAAR.....	-4.75	-7.36	-1.88	-11.56	-7.92	-0.73	-5.42	-2.77	9.96	1.39	-0.33	-	-5.10	-4.12
% Chg Same Qtr Last Yr.....	-	-3.24	-3.49	-6.46	-7.24	-5.63	-6.49	-4.25	0.09	0.63	1.95	-	-5.10	-4.12
TRANSFER PAYMENTS.....	25567	25778	26038	25906	26077	26560	26942	27109	27140	27634	27983	24635	25950	26938
% Chg Prev Qtr SAAR.....	19.72	3.35	4.10	-2.01	2.66	7.62	5.89	2.49	0.46	7.48	5.14	-	5.34	3.81
% Chg Same Qtr Last Yr.....	-	7.64	5.92	5.99	1.99	3.03	3.47	4.64	4.08	4.05	3.86	-	5.34	3.81
LESS: PERS CONT FOR SOC INS.....	12818	13176	13214	13140	13134	13357	13402	13503	13674	13919	13896	12793	13166	13484
% Chg Prev Qtr SAAR.....	0.01	11.65	1.16	-2.20	-0.20	6.99	1.34	3.05	5.16	7.37	-0.65	-	2.91	2.42
% Chg Same Qtr Last Yr.....	-	3.20	3.47	2.52	2.47	1.38	1.42	2.76	4.11	4.21	3.69	-	2.91	2.42
RESIDENCE ADJUSTMENT.....	-1465	-1375	-1401	-1390	-1394	-1345	-1302	-1310	-1355	-1363	-1381	-1476	-1390	-1328
% Chg Prev Qtr SAAR.....	-2.92	-22.37	7.52	-3.02	1.12	-13.36	-12.00	2.50	14.19	2.35	5.50	-	-5.83	-4.45
% Chg Same Qtr Last Yr.....	-	-7.97	-4.56	-5.85	-4.88	-2.23	-7.01	-5.71	-2.81	1.33	6.03	-	-5.83	-4.45
PER CAPITA PERSONAL INCOME (\$). ....	26347	26641	26814	26567	26492	26753	26914	26945	27110	27183	27306	26305	26628	26931
% Chg Prev Qtr SAAR.....	1.45	4.53	2.63	-3.64	-1.12	4.01	2.44	0.46	2.47	1.08	1.81	0.52	1.23	1.14
% Chg Same Qtr Last Yr.....	0.62	1.19	1.97	1.19	0.55	0.42	0.37	1.43	2.33	1.61	1.45	0.52	1.23	1.14

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**Table 4: Tennessee Personal Income Components, Seasonally Adjusted (millions of current dollars) December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
	TN PERSONAL INCOME.....	155669	158046	160506	160163	160617	163859	165512	167637	170461	172470	174752	154439	159833
% Chg Prev Qtr SAAR.....	2.81	6.25	6.37	-0.85	1.14	8.32	4.10	5.24	6.91	4.80	5.40	3.77	3.49	4.40
% Chg Same Qtr Last Yr.....	3.27	3.19	4.00	3.60	3.18	3.68	3.12	4.67	6.13	5.26	5.58	3.77	3.49	4.40
WAGES AND SALARIES.....	86547	88014	88841	88733	88933	90217	90728	91776	93266	94374	95074	86590	88630	91497
% Chg Prev Qtr SAAR.....	-0.75	6.95	3.81	-0.49	0.90	5.90	2.28	4.70	6.65	4.84	3.00	-	2.36	3.23
% Chg Same Qtr Last Yr.....	-	1.80	2.54	2.33	2.76	2.50	2.12	3.43	4.87	4.61	4.79	-	2.36	3.23
SUPPLEMENTS TO WAGES & SALARIES.....	17804	18682	19381	19737	20245	20993	21367	21889	22473	23070	23351	17478	19511	21681
% Chg Prev Qtr SAAR.....	4.72	21.23	15.83	7.55	10.70	15.62	7.32	10.14	11.11	11.06	4.96	-	11.63	11.12
% Chg Same Qtr Last Yr.....	-	8.84	11.74	12.14	13.71	12.37	10.25	10.90	11.01	9.89	9.29	-	11.63	11.12
PROPRIETORS INCOME.....	17254	17697	18295	18260	18156	18815	19418	19924	20260	19955	20623	17144	18102	19604
% Chg Prev Qtr SAAR.....	2.28	10.67	14.22	-0.76	-2.26	15.33	13.45	10.84	6.92	-5.89	14.08	-	5.59	8.30
% Chg Same Qtr Last Yr.....	-	3.52	7.17	6.43	5.23	6.32	6.14	9.11	11.59	6.06	6.21	-	5.59	8.30
RENT, INTEREST, DIVIDENDS.....	22505	22127	22178	21613	21244	21374	21116	21052	21622	21872	22022	22642	21791	21291
% Chg Prev Qtr SAAR.....	-4.20	-6.55	0.93	-9.81	-6.66	2.47	-4.74	-1.21	11.28	4.71	2.77	-	-3.76	-2.29
% Chg Same Qtr Last Yr.....	-	-2.13	-2.32	-4.99	-5.60	-3.40	-4.79	-2.60	1.78	2.33	4.29	-	-3.76	-2.29
TRANSFER PAYMENTS.....	26190	26464	26920	26915	27185	27909	28362	28651	28770	29530	30133	25153	26871	28423
% Chg Prev Qtr SAAR.....	20.40	4.25	7.07	-0.07	4.07	11.09	6.65	4.14	1.67	10.99	8.42	-	6.83	5.78
% Chg Same Qtr Last Yr.....	-	8.87	7.20	7.65	3.80	5.46	5.36	6.45	5.83	5.81	6.24	-	6.83	5.78
LESS: PERS CONT FOR SOC INS.....	13130	13526	13661	13652	13692	14036	14108	14271	14495	14874	14964	13061	13633	14228
% Chg Prev Qtr SAAR.....	0.58	12.62	4.05	-0.26	1.18	10.43	2.07	4.70	6.43	10.88	2.44	-	4.38	4.36
% Chg Same Qtr Last Yr.....	-	4.38	4.72	4.13	4.28	3.77	3.27	4.53	5.86	5.97	6.07	-	4.38	4.36
RESIDENCE ADJUSTMENT.....	-1501	-1412	-1448	-1444	-1453	-1413	-1371	-1385	-1436	-1456	-1487	-1507	-1439	-1401
% Chg Prev Qtr SAAR.....	-2.36	-21.69	10.59	-1.10	2.52	-10.57	-11.37	4.15	15.56	5.69	8.79	-	-4.48	-2.64
% Chg Same Qtr Last Yr.....	-	-6.92	-3.40	-4.37	-3.20	0.07	-5.32	-4.09	-1.17	3.04	8.46	-	-4.48	-2.64
PER CAPITA PERSONAL INCOME (\$). ....	26989	27349	27722	27601	27617	28112	28333	28478	28738	29048	29403	26856	27573	28415
% Chg Prev Qtr SAAR.....	2.03	5.44	5.57	-1.74	0.24	7.36	3.17	2.07	3.70	4.39	4.98	2.62	2.67	3.06
% Chg Same Qtr Last Yr.....	2.37	2.35	3.21	2.78	2.33	2.79	2.20	3.18	4.06	3.33	3.78	2.62	2.67	3.06

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
TOTAL NONFARM.....	2681.0	2626.1	2667.4	2672.0	2692.1	2631.0	2668.8	2671.1	2699.1	2659.5	2691.2	2690.7	2688.3	2664.4	2667.5
% Chg Same Qtr Last Yr.....	-2.55	-2.23	-1.41	-0.32	0.41	0.19	0.05	-0.03	0.26	1.08	0.84	0.73	-1.49	-0.89	0.12
NATURAL RESOURCES & MINING.....	4.8	4.5	4.7	4.6	4.4	4.2	4.3	4.3	4.2	4.2	4.4	4.3	4.9	4.5	4.3
% Chg Same Qtr Last Yr.....	-3.97	-8.22	-6.67	-7.33	-8.97	-5.97	-7.86	-7.91	-3.79	0.79	1.55	0.78	-4.21	-7.78	-6.42
CONSTRUCTION.....	119.0	110.4	115.6	117.8	116.0	109.5	116.5	118.9	117.2	110.9	117.9	120.3	120.4	115.0	115.5
% Chg Same Qtr Last Yr.....	-4.11	-5.64	-5.61	-4.12	-2.55	-0.81	0.72	0.91	1.09	1.28	1.20	1.15	-4.25	-4.48	0.49
MANUFACTURING.....	438.0	429.1	430.2	430.4	424.3	415.7	413.8	412.7	414.4	413.4	413.1	413.9	454.2	428.5	414.1
% Chg Same Qtr Last Yr.....	-8.47	-8.52	-6.53	-4.27	-3.12	-3.12	-3.81	-4.11	-2.34	-0.55	-0.15	0.30	-6.93	-5.66	-3.35
DURABLE GOODS.....	264.7	259.8	260.5	259.2	256.6	251.9	250.9	249.9	251.7	251.8	251.1	251.9	277.2	259.0	251.1
% Chg Same Qtr Last Yr.....	-10.07	-9.98	-7.74	-5.04	-3.06	-3.02	-3.68	-3.61	-1.91	-0.05	0.08	0.80	-7.81	-6.54	-3.06
NONDURABLE GOODS.....	173.3	169.3	169.6	171.1	167.7	163.8	162.8	162.8	162.7	161.6	162.0	162.0	177.1	169.5	163.0
% Chg Same Qtr Last Yr.....	-5.92	-6.19	-4.61	-3.08	-3.21	-3.29	-4.01	-4.87	-3.00	-1.32	-0.51	-0.47	-5.53	-4.29	-3.80
TRADE, TRANSPORTATION, UTILITIES.....	591.8	568.5	572.1	576.9	589.5	570.8	574.9	579.7	595.3	576.7	582.0	586.1	590.2	576.8	580.2
% Chg Same Qtr Last Yr.....	-0.67	-3.84	-3.32	-1.52	-0.39	0.40	0.49	0.48	0.97	1.04	1.25	1.12	0.68	-2.27	0.59
WHOLESALE TRADE.....	126.8	125.0	125.8	127.1	128.3	127.0	127.6	127.5	129.1	127.8	128.4	128.3	127.5	126.5	127.8
% Chg Same Qtr Last Yr.....	-2.29	-2.55	-1.82	0.11	1.16	1.63	1.43	0.31	0.62	0.66	0.68	0.68	-2.80	-0.78	0.99
RETAIL TRADE.....	322.0	306.7	308.9	311.4	321.7	306.4	308.8	312.3	324.4	309.0	312.0	315.1	319.1	312.2	313.0
% Chg Same Qtr Last Yr.....	-1.33	-4.26	-3.39	-1.00	-0.08	-0.10	-0.02	0.30	0.84	0.84	1.01	0.90	0.89	-2.18	0.26
TRANSPORTATION & UTILITIES.....	143.1	136.9	137.4	138.4	139.6	137.4	138.5	139.9	141.8	139.9	141.6	142.7	143.5	138.1	139.4
% Chg Same Qtr Last Yr.....	2.39	-4.09	-4.49	-4.11	-2.45	0.39	0.78	1.04	1.60	1.84	2.29	2.00	3.46	-3.79	0.95
INFORMATION.....	55.0	54.1	53.6	52.8	52.9	51.9	51.8	51.5	51.8	51.0	51.0	50.7	55.4	53.3	51.8
% Chg Same Qtr Last Yr.....	-0.90	-3.79	-3.25	-4.12	-3.88	-4.06	-3.24	-2.40	-2.02	-1.73	-1.61	-1.55	1.25	-3.76	-2.94
FINANCIAL ACTIVITIES.....	137.7	137.6	138.3	138.1	138.6	138.0	139.3	140.2	139.9	139.0	139.8	140.7	138.5	138.1	139.3
% Chg Same Qtr Last Yr.....	-0.72	-0.39	-0.60	-0.65	0.68	0.31	0.72	1.50	0.94	0.72	0.41	0.36	-0.55	-0.24	0.87
PROFESSIONAL & BUSINESS SERVICES...	298.4	294.3	297.5	298.9	295.1	282.5	286.0	288.7	290.8	287.8	288.2	288.6	299.1	296.5	287.0
% Chg Same Qtr Last Yr.....	-1.54	-1.97	-0.49	0.00	-1.08	-4.02	-3.87	-3.41	-1.48	1.86	0.79	-0.03	-0.64	-0.89	-3.20
EDUCATION & HEALTH SERVICES.....	290.9	291.2	297.2	302.6	309.3	309.7	312.0	313.0	317.6	316.7	318.5	318.2	285.8	300.1	313.1
% Chg Same Qtr Last Yr.....	2.05	3.60	4.45	5.57	6.30	6.33	4.98	3.44	2.71	2.28	2.08	1.67	2.50	4.99	4.33
LEISURE & HOSPITALITY.....	233.2	224.2	243.6	250.2	241.1	233.2	252.9	255.8	247.0	239.3	259.0	261.7	235.5	239.8	247.3
% Chg Same Qtr Last Yr.....	-0.04	0.72	0.63	2.44	3.37	4.03	3.83	2.27	2.46	2.59	2.39	2.28	0.92	1.80	3.12
OTHER SERVICES.....	100.3	99.5	101.4	102.7	102.8	101.7	103.0	103.3	103.4	102.3	103.6	103.7	101.1	101.6	102.9
% Chg Same Qtr Last Yr.....	-21.17	-1.09	-0.88	1.48	2.53	2.21	1.58	0.62	0.62	0.62	0.55	0.35	-14.04	0.50	1.25

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	Historical Data											Annual			
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
GOVERNMENT.....	411.9	412.7	413.3	397.0	418.0	413.8	414.3	403.1	417.3	418.1	413.7	402.5	403.2	410.3	412.1
% Chg Same Qtr Last Yr.....	1.72	1.94	2.35	1.23	1.50	0.27	0.25	1.52	-0.17	1.04	-0.16	-0.15	1.04	1.76	0.45
FEDERAL, CIVILIAN.....	51.2	52.2	52.2	51.2	51.7	51.9	51.8	50.6	51.1	51.3	51.3	50.2	51.5	51.8	51.4
% Chg Same Qtr Last Yr.....	0.99	1.29	0.58	-0.39	0.91	-0.57	-0.64	-1.04	-1.23	-1.16	-1.03	-0.92	-3.98	0.60	-0.87
STATE & LOCAL.....	360.6	360.4	361.1	345.9	366.3	361.8	362.5	352.4	366.3	366.7	362.4	352.3	351.7	358.4	360.8
% Chg Same Qtr Last Yr.....	1.83	2.04	2.61	1.48	1.58	0.39	0.38	1.90	-0.02	1.35	-0.04	-0.04	1.82	1.93	0.65

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

**December 2004**

	Historical Data											Annual			
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
TOTAL DURABLE GOODS.....	264.7	259.8	260.5	259.2	256.6	251.9	250.9	249.9	251.7	251.8	251.1	251.9	277.2	259.0	251.1
% Chg Same Qtr Last Yr.....	-10.07	-9.98	-7.74	-5.04	-3.06	-3.02	-3.68	-3.61	-1.91	-0.05	0.08	0.80	-0.08	-0.07	-0.03
WOOD PRODUCTS.....	17.5	17.3	17.4	17.8	17.7	16.8	16.5	16.8	16.9	16.6	16.4	16.6	17.9	17.6	16.7
% Chg Same Qtr Last Yr.....	-8.36	-3.35	-3.15	-0.74	0.95	-3.27	-5.35	-5.62	-4.52	-0.99	-0.61	-0.99	-0.09	-0.02	-0.05
NONMETALLIC MINERAL PRODUCTS.....	15.4	14.4	15.1	15.4	15.6	15.4	16.0	15.9	16.1	16.0	16.1	16.3	15.7	15.1	15.9
% Chg Same Qtr Last Yr.....	-3.14	-8.07	-5.03	-1.28	0.86	6.70	5.74	3.24	3.43	3.68	0.63	2.51	-0.03	-0.03	0.05
PRIMARY METALS.....	13.6	13.6	12.5	12.3	12.2	11.8	11.5	11.4	11.5	11.5	11.3	11.3	15.3	12.6	11.6
% Chg Same Qtr Last Yr.....	-20.31	-17.94	-21.01	-19.12	-10.54	-13.02	-7.98	-7.07	-5.48	-2.54	-2.31	-0.88	-0.12	-0.17	-0.09
FABRICATED METAL PRODUCTS.....	41.9	41.3	41.4	41.6	41.4	41.6	41.1	41.0	41.1	41.1	40.9	40.8	43.2	41.4	41.2
% Chg Same Qtr Last Yr.....	-4.55	-6.98	-5.27	-2.80	-1.27	0.81	-0.56	-1.60	-0.72	-1.28	-0.57	-0.49	-0.04	-0.04	-0.01
MACHINERY.....	36.5	36.4	37.0	35.5	34.8	33.5	33.7	33.7	34.0	34.5	34.3	34.0	39.9	35.9	33.7
% Chg Same Qtr Last Yr.....	-13.37	-14.29	-11.41	-8.51	-4.57	-8.06	-8.83	-5.08	-2.49	3.19	1.58	0.89	-0.08	-0.10	-0.06
COMPUTER & ELECTRONIC PRODUCTS...	14.2	13.4	13.2	12.7	12.4	11.4	11.6	11.8	11.9	11.6	11.7	12.1	15.3	12.9	11.7
% Chg Same Qtr Last Yr.....	-14.08	-18.99	-15.17	-14.80	-13.11	-14.46	-12.09	-6.58	-3.77	1.17	0.86	2.25	-0.08	-0.16	-0.09
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	25.8	25.3	25.0	25.1	24.8	24.4	23.9	23.5	23.4	23.3	23.1	23.2	26.3	25.0	23.8
% Chg Same Qtr Last Yr.....	-7.20	-5.84	-5.77	-4.20	-3.88	-3.30	-4.39	-6.51	-5.52	-4.77	-3.48	-1.28	-0.09	-0.05	-0.05
TRANSPORTATION EQUIPMENT.....	60.5	59.5	60.2	60.4	60.0	60.1	60.1	59.8	60.8	61.4	61.3	61.6	62.3	60.0	60.2
% Chg Same Qtr Last Yr.....	-9.11	-7.75	-4.19	-1.63	-0.88	1.01	-0.22	-0.94	1.45	2.16	2.00	3.01	-0.08	-0.04	0.00
FURNITURE.....	22.0	21.6	21.4	21.2	20.9	20.0	19.5	19.1	19.3	19.1	19.3	19.1	23.6	21.3	19.5
% Chg Same Qtr Last Yr.....	-17.21	-15.86	-11.55	-6.46	-4.70	-7.11	-9.18	-10.05	-7.80	-4.66	-0.86	0.17	-0.13	-0.10	-0.09
MISCELLANEOUS DURABLE GOODS.....	17.2	17.0	17.2	17.2	16.9	16.9	17.0	16.9	16.7	16.8	16.8	16.8	17.7	17.1	16.9
% Chg Same Qtr Last Yr.....	-7.84	-5.72	-4.27	-1.52	-1.93	-0.98	-1.36	-2.13	-1.18	-0.59	-0.79	-0.20	-0.06	-0.03	-0.01

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
TOTAL NONDURABLE GOODS.....	173.3	169.3	169.6	171.1	167.7	163.8	162.8	162.8	162.7	161.6	162.0	162.0	177.1	169.5	163.0
% Chg Same Qtr Last Yr.....	-5.92	-6.19	-4.61	-3.08	-3.21	-3.29	-4.01	-4.87	-3.00	-1.32	-0.51	-0.47	-5.53	-4.29	-3.80
FOOD.....	36.4	35.5	36.0	36.3	36.3	35.9	35.8	35.8	35.9	35.9	35.8	35.8	35.8	36.0	35.8
% Chg Same Qtr Last Yr.....	5.51	1.52	1.03	0.09	-0.18	1.03	-0.56	-1.29	-1.28	-0.09	0.00	0.00	4.22	0.60	-0.53
BEVERAGE & TOBACCO.....	6.5	6.4	6.4	6.4	6.3	6.3	6.2	6.1	6.1	6.1	6.1	6.1	6.5	6.4	6.2
% Chg Same Qtr Last Yr.....	-1.02	-0.52	-2.05	-3.05	-2.56	-2.59	-3.14	-3.66	-3.16	-3.19	-1.62	-0.54	-2.74	-2.05	-3.14
TEXTILE MILLS.....	8.6	8.4	8.5	8.4	8.1	7.6	7.6	7.5	7.3	7.0	7.0	7.1	9.5	8.4	7.5
% Chg Same Qtr Last Yr.....	-22.12	-18.45	-14.38	-7.35	-5.06	-9.13	-11.33	-11.11	-10.66	-7.86	-7.05	-5.36	-16.40	-11.70	-10.56
TEXTILE PRODUCT MILLS.....	4.0	3.8	3.8	3.7	3.6	3.6	3.6	3.7	3.7	3.6	3.7	3.7	4.1	3.7	3.6
% Chg Same Qtr Last Yr.....	0.00	-6.50	-8.13	-10.48	-10.74	-6.09	-4.42	-0.90	2.78	0.93	2.78	0.91	0.61	-8.96	-2.24
APPAREL.....	13.8	12.6	12.6	12.7	11.7	11.0	10.6	10.7	10.9	10.7	10.7	10.8	15.1	12.4	10.8
% Chg Same Qtr Last Yr.....	-21.55	-23.90	-18.71	-11.98	-15.66	-12.93	-15.61	-15.71	-6.86	-2.73	0.31	0.31	-19.82	-17.83	-12.89
PAPER.....	20.8	20.1	20.6	20.7	20.2	19.4	19.5	19.8	19.8	19.3	19.4	19.4	21.1	20.4	19.6
% Chg Same Qtr Last Yr.....	-2.35	-4.59	-2.68	-2.81	-3.04	-3.32	-5.19	-4.66	-1.65	-0.51	-0.68	-1.69	-0.94	-3.28	-3.72
PRINTING & RELATED SUPPORT.....	21.6	20.6	20.1	20.8	20.6	19.7	19.8	19.7	19.8	19.6	19.7	19.6	22.2	20.5	19.8
% Chg Same Qtr Last Yr.....	-5.27	-9.65	-9.20	-7.57	-4.48	-4.21	-1.33	-4.98	-4.05	-0.84	-0.51	-0.51	-5.59	-7.76	-3.66
CHEMICALS.....	28.8	28.3	28.1	28.8	28.7	28.6	28.7	28.6	28.5	28.6	28.7	28.6	29.0	28.5	28.6
% Chg Same Qtr Last Yr.....	-3.58	-4.18	-2.54	-0.80	-0.23	1.30	2.13	-0.81	-0.70	-0.12	0.00	0.12	-5.79	-1.95	0.47
PLASTICS & RUBBER.....	29.5	30.3	30.5	30.2	29.1	28.6	28.2	28.1	28.0	28.2	28.1	28.1	30.3	30.0	28.2
% Chg Same Qtr Last Yr.....	-9.87	-3.09	-0.33	1.00	-1.58	-5.50	-7.44	-6.85	-3.56	-1.40	-0.35	-0.12	-6.31	-1.02	-5.86
MISCELLANEOUS NONDURABLE GOODS.....	3.3	3.2	3.2	3.2	3.1	2.9	2.9	2.8	2.7	2.6	2.9	2.8	3.4	3.2	2.8
% Chg Same Qtr Last Yr.....	-13.16	-4.90	-9.52	-5.94	-5.05	-9.28	-9.47	-11.58	-12.77	-12.50	0.00	1.19	-17.61	-6.39	-10.76

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
TOTAL NONFARM.....	2658.4	2659.2	2661.6	2666.9	2669.7	2664.1	2663.1	2667.6	2674.6	2691.8	2687.4	2686.8	2688.5	2664.4	2667.3
% Chg Prev Qtr SAAR.....	-2.57	0.12	0.36	0.80	0.42	-0.85	-0.14	0.69	1.04	2.60	-0.64	-0.10	-1.48	-0.90	0.11
% Chg Same Qtr Last Yr.....	-2.53	-2.24	-1.41	-0.33	0.42	0.18	0.06	0.03	0.18	1.04	0.91	0.72	-1.48	-0.90	0.11
NATURAL RESOURCES & MINING.....	4.8	4.6	4.6	4.6	4.4	4.3	4.3	4.2	4.2	4.4	4.3	4.2	4.9	4.5	4.3
% Chg Prev Qtr SAAR.....	-5.19	-18.77	2.39	-5.90	-11.93	-8.01	-6.02	-5.14	4.62	10.64	-3.43	-7.45	-4.24	-7.80	-6.42
% Chg Same Qtr Last Yr.....	-3.83	-8.24	-6.90	-7.19	-8.88	-6.01	-8.00	-7.81	-3.76	0.79	1.48	0.85	-4.24	-7.80	-6.42
CONSTRUCTION.....	118.2	116.1	114.3	114.3	115.1	115.1	115.3	115.6	116.0	116.1	117.3	116.9	120.4	115.0	115.5
% Chg Prev Qtr SAAR.....	-3.85	-6.92	-5.95	0.00	2.59	0.23	0.46	1.05	1.63	0.23	4.20	-1.24	-4.25	-4.50	0.47
% Chg Same Qtr Last Yr.....	-4.19	-5.48	-5.59	-4.22	-2.65	-0.83	0.82	1.08	0.84	0.84	1.76	1.18	-4.25	-4.50	0.47
MANUFACTURING.....	437.6	431.0	429.9	429.1	423.9	417.5	413.6	411.4	414.0	415.2	413.0	412.7	454.2	428.5	414.1
% Chg Prev Qtr SAAR.....	-9.33	-5.89	-0.95	-0.76	-4.74	-5.93	-3.70	-2.08	2.52	1.17	-2.14	-0.31	-6.93	-5.66	-3.35
% Chg Same Qtr Last Yr.....	-8.45	-8.50	-6.52	-4.30	-3.11	-3.12	-3.80	-4.12	-2.34	-0.55	-0.15	0.30	-6.93	-5.66	-3.35
DURABLE GOODS.....	264.6	260.5	260.0	259.1	256.6	252.6	250.4	249.6	251.7	252.5	250.7	251.6	277.2	259.0	251.1
% Chg Prev Qtr SAAR.....	-11.69	-6.12	-0.80	-1.36	-3.79	-6.00	-3.45	-1.26	3.35	1.29	-2.92	1.55	-7.81	-6.54	-3.06
% Chg Same Qtr Last Yr.....	-10.03	-9.95	-7.73	-5.09	-3.04	-3.01	-3.67	-3.64	-1.90	-0.05	0.09	0.79	-7.81	-6.54	-3.06
NONDURABLE GOODS.....	172.9	170.5	170.0	170.0	167.4	164.9	163.2	161.8	162.3	162.7	162.3	161.0	177.1	169.5	163.0
% Chg Prev Qtr SAAR.....	-5.58	-5.55	-1.19	0.17	-6.17	-5.81	-4.08	-3.32	1.26	0.99	-0.91	-3.12	-5.53	-4.29	-3.79
% Chg Same Qtr Last Yr.....	-5.92	-6.20	-4.60	-3.07	-3.22	-3.29	-4.00	-4.85	-3.02	-1.32	-0.51	-0.46	-5.53	-4.29	-3.79
TRADE, TRANSPORTATION, UTILITIES.....	580.6	576.3	574.8	577.6	578.2	578.5	577.9	580.2	583.8	584.5	585.3	586.5	590.2	576.7	580.1
% Chg Prev Qtr SAAR.....	-4.07	-2.91	-1.01	1.96	0.40	0.19	-0.39	1.61	2.48	0.45	0.60	0.84	0.69	-2.29	0.58
% Chg Same Qtr Last Yr.....	-0.67	-3.87	-3.28	-1.53	-0.41	0.38	0.54	0.45	0.97	1.03	1.28	1.09	0.69	-2.29	0.58
WHOLESALE TRADE.....	126.1	125.5	125.9	127.1	127.5	127.6	127.7	127.5	128.3	128.5	128.5	128.4	127.5	126.5	127.8
% Chg Prev Qtr SAAR.....	-2.80	-1.92	1.12	4.17	1.12	0.30	0.22	-0.38	2.25	0.66	0.23	-0.42	-2.80	-0.79	1.00
% Chg Same Qtr Last Yr.....	-2.33	-2.50	-1.82	0.11	1.10	1.67	1.44	0.31	0.59	0.68	0.68	0.67	-2.80	-0.79	1.00
RETAIL TRADE.....	312.6	312.2	311.5	312.6	312.4	311.8	311.6	313.4	315.1	314.4	314.8	316.1	319.2	312.2	313.0
% Chg Prev Qtr SAAR.....	-3.87	-0.53	-0.88	1.32	-0.17	-0.73	-0.36	2.34	2.21	-0.88	0.56	1.60	0.92	-2.21	0.25
% Chg Same Qtr Last Yr.....	-1.30	-4.28	-3.38	-1.01	-0.07	-0.12	0.01	0.26	0.86	0.82	1.05	0.86	0.92	-2.21	0.25
TRANSPORTATION & UTILITIES.....	141.8	138.6	137.5	137.9	138.3	139.0	138.7	139.3	140.5	141.6	141.9	142.1	143.5	138.1	139.4
% Chg Prev Qtr SAAR.....	-5.62	-8.85	-3.20	1.42	1.02	2.21	-1.03	1.82	3.30	3.27	1.03	0.30	3.46	-3.79	0.95
% Chg Same Qtr Last Yr.....	2.33	-4.14	-4.37	-4.14	-2.49	0.34	0.90	1.00	1.57	1.83	2.35	1.97	3.46	-3.79	0.95
INFORMATION.....	54.7	54.0	53.7	53.1	52.6	51.9	51.9	51.4	51.4	51.5	51.1	50.6	55.4	53.3	51.6
% Chg Prev Qtr SAAR.....	-5.19	-5.02	-2.45	-4.40	-3.72	-5.22	0.00	-3.55	0.00	0.52	-2.57	-4.11	1.28	-3.82	-3.17
% Chg Same Qtr Last Yr.....	-0.85	-3.74	-3.36	-4.27	-3.90	-3.95	-3.35	-3.14	-2.22	-0.77	-1.41	-1.56	1.28	-3.82	-3.17
FINANCIAL ACTIVITIES.....	137.8	138.2	137.9	137.7	138.7	138.6	138.9	139.3	139.2	140.8	139.6	139.8	138.5	138.1	139.0
% Chg Prev Qtr SAAR.....	-2.19	1.07	-0.96	-0.39	2.94	-0.29	0.67	1.25	-0.29	4.78	-3.46	0.57	-0.56	-0.26	0.63
% Chg Same Qtr Last Yr.....	-0.70	-0.43	-0.62	-0.63	0.65	0.31	0.73	1.14	0.34	1.59	0.53	0.36	-0.56	-0.26	0.63

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
PROF & BUSINESS SERVICES.....	295.8	299.7	297.6	296.1	292.6	287.6	286.1	287.0	288.5	291.9	288.2	286.8	299.2	296.5	287.3
% Chg Prev Qtr SAAR.....	-0.36	5.28	-2.77	-2.00	-4.60	-6.62	-2.16	1.31	2.06	4.89	-4.97	-1.93	-0.63	-0.91	-3.10
% Chg Same Qtr Last Yr.....	-1.54	-2.02	-0.47	-0.01	-1.09	-4.02	-3.86	-3.06	-1.41	1.49	0.76	-0.06	-0.63	-0.91	-3.10
EDUC & HEALTH SERVICES.....	288.7	292.4	297.7	303.2	307.1	310.8	312.4	313.6	315.5	317.9	318.9	318.8	285.8	300.1	313.1
% Chg Prev Qtr SAAR.....	2.07	5.21	7.39	7.60	5.30	4.92	2.11	1.48	2.43	3.06	1.36	-0.13	2.50	4.99	4.33
% Chg Same Qtr Last Yr.....	2.13	3.58	4.44	5.54	6.37	6.30	4.97	3.44	2.73	2.27	2.08	1.67	2.50	4.99	4.33
LEISURE & HOSPITALITY.....	235.3	236.7	237.9	241.1	243.3	246.2	247.0	247.9	248.1	251.2	254.0	253.5	235.5	239.7	247.3
% Chg Prev Qtr SAAR.....	0.06	2.29	2.10	5.43	3.81	4.74	1.31	1.47	0.38	5.15	4.42	-0.79	0.94	1.79	3.14
% Chg Same Qtr Last Yr.....	0.00	0.69	0.63	2.45	3.40	4.01	3.81	2.82	1.96	2.06	2.83	2.26	0.94	1.79	3.14
OTHER SERVICES.....	99.0	101.3	101.7	101.8	101.7	103.2	103.3	102.6	102.5	103.6	103.9	103.1	101.2	101.7	102.9
% Chg Prev Qtr SAAR.....	-4.63	9.59	1.59	0.47	-0.35	5.83	0.49	-2.83	-0.29	4.51	0.84	-3.01	-13.95	0.49	1.23
% Chg Same Qtr Last Yr.....	-20.98	-1.36	-0.94	1.63	2.75	1.86	1.58	0.74	0.75	0.43	0.52	0.47	-13.95	0.49	1.23
GOVERNMENT.....	405.8	409.0	411.5	408.4	412.0	410.3	412.5	414.5	411.3	414.7	411.8	413.8	403.2	410.2	412.1
% Chg Prev Qtr SAAR.....	2.24	3.19	2.45	-3.03	3.60	-1.66	2.20	1.90	-3.01	3.31	-2.77	1.98	1.05	1.75	0.47
% Chg Same Qtr Last Yr.....	1.75	1.98	2.34	1.18	1.52	0.30	0.24	1.49	-0.17	1.07	-0.18	-0.16	1.05	1.75	0.47
FEDERAL, CIVILIAN.....	51.8	51.9	51.5	51.6	52.2	51.6	51.3	51.1	51.5	51.0	50.8	50.7	51.5	51.8	51.4
% Chg Prev Qtr SAAR.....	0.66	0.95	-3.32	0.43	5.31	-4.85	-2.63	-1.26	3.35	-4.05	-1.73	-0.81	-3.95	0.59	-0.88
% Chg Same Qtr Last Yr.....	0.94	1.13	0.76	-0.34	0.80	-0.68	-0.51	-0.93	-1.39	-1.18	-0.96	-0.85	-3.95	0.59	-0.88
STATE & LOCAL.....	354.0	357.1	360.0	356.8	359.8	358.7	361.3	363.4	359.8	363.7	361.0	363.1	351.64	358.41	360.78
% Chg Prev Qtr SAAR.....	2.47	3.52	3.31	-3.51	3.35	-1.19	2.91	2.36	-3.88	4.40	-2.91	2.38	1.82	1.92	0.66
% Chg Same Qtr Last Yr.....	1.87	2.11	2.57	1.40	1.62	0.45	0.35	1.84	0.01	1.40	-0.07	-0.06	1.82	1.92	0.66
STATISTICAL DISCREPANCY (%).....	-0.15	0.16	0.06	-0.09	-0.13	0.16	0.06	-0.06	-0.11	0.19	-0.02	-0.07	0.00	0.00	0.01

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
TOTAL DURABLE GOODS.....	264.6	260.5	260.0	259.1	256.6	252.6	250.4	249.6	251.7	252.5	250.7	251.6	277.2	259.0	251.1
% Chg Prev Qtr SAAR.....	-11.69	-6.12	-0.80	-1.36	-3.79	-6.00	-3.45	-1.26	3.35	1.29	-2.92	1.55	-7.81	-6.54	-3.06
% Chg Same Qtr Last Yr.....	-10.03	-9.95	-7.73	-5.09	-3.04	-3.01	-3.67	-3.64	-1.90	-0.05	0.09	0.79	-7.81	-6.54	-3.06
WOOD PRODUCTS.....	17.4	17.6	17.6	17.6	17.5	17.0	16.6	16.6	16.7	16.8	16.6	16.5	17.8	17.6	16.7
% Chg Prev Qtr SAAR.....	-7.38	3.94	0.37	0.57	-1.34	-12.27	-7.52	-0.64	2.74	1.70	-5.76	-2.40	-8.97	-1.59	-4.69
% Chg Same Qtr Last Yr.....	-8.51	-3.30	-3.07	-0.71	0.87	-3.32	-5.28	-5.57	-4.60	-1.01	-0.54	-0.99	-8.97	-1.59	-4.69
NONMETALLIC MINERALS.....	15.4	14.7	15.0	15.3	15.5	15.6	15.9	15.8	16.1	16.2	16.0	16.2	15.7	15.1	15.8
% Chg Prev Qtr SAAR.....	-2.14	-18.55	9.72	8.84	5.93	2.79	5.37	-0.82	6.17	4.42	-6.79	6.87	-3.29	-3.42	4.75
% Chg Same Qtr Last Yr.....	-3.30	-7.95	-5.07	-1.23	0.75	6.79	5.71	3.28	3.34	3.75	0.61	2.51	-3.29	-3.42	4.75
PRIMARY METALS.....	13.5	13.6	12.6	12.3	12.1	11.8	11.6	11.4	11.4	11.5	11.3	11.3	15.3	12.6	11.6
% Chg Prev Qtr SAAR.....	-37.02	0.83	-25.97	-8.79	-6.20	-10.06	-6.35	-5.39	-0.05	1.54	-4.82	-0.01	-11.68	-17.39	-8.51
% Chg Same Qtr Last Yr.....	-20.40	-18.01	-20.90	-19.08	-10.61	-13.12	-7.86	-7.02	-5.53	-2.62	-2.23	-0.87	-11.68	-17.39	-8.51
FABRICATED METALS.....	41.9	41.2	41.4	41.6	41.4	41.6	41.2	41.0	41.1	41.0	40.9	40.8	43.2	41.4	41.2
% Chg Prev Qtr SAAR.....	-8.63	-6.23	1.55	2.37	-2.20	1.62	-4.03	-1.85	1.67	-0.88	-1.19	-1.56	-4.01	-4.13	-0.52
% Chg Same Qtr Last Yr.....	-4.40	-6.96	-5.34	-2.85	-1.19	0.82	-0.60	-1.63	-0.68	-1.29	-0.57	-0.50	-4.01	-4.13	-0.52
MACHINERY.....	37.0	36.3	36.4	35.6	35.4	33.4	33.2	33.8	34.5	34.5	33.7	34.1	39.8	35.9	33.7
% Chg Prev Qtr SAAR.....	-18.64	-8.18	1.43	-8.14	-3.03	-20.51	-2.50	7.74	8.25	-0.04	-8.72	4.81	-7.56	-9.86	-6.14
% Chg Same Qtr Last Yr.....	-13.33	-14.11	-11.42	-8.66	-4.56	-7.94	-8.85	-5.14	-2.49	3.25	1.57	0.87	-7.56	-9.86	-6.14
COMPUTERS & ELECTRONICS.....	14.0	13.6	13.3	12.6	12.2	11.6	11.7	11.7	11.7	11.8	11.8	12.0	15.3	12.9	11.7
% Chg Prev Qtr SAAR.....	-18.90	-11.77	-8.86	-19.63	-11.56	-17.01	1.12	2.11	0.25	1.62	-0.79	8.01	-7.45	-15.65	-9.41
% Chg Same Qtr Last Yr.....	-14.02	-18.87	-15.23	-14.91	-13.05	-14.37	-12.12	-6.70	-3.73	1.27	0.79	2.22	-7.45	-15.65	-9.41
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	25.7	25.4	25.1	25.0	24.7	24.5	24.0	23.4	23.4	23.3	23.1	23.1	26.3	25.0	23.8
% Chg Prev Qtr SAAR.....	-6.09	-5.54	-4.66	-0.27	-4.81	-3.82	-8.36	-8.81	-0.81	-1.11	-2.83	-0.21	-8.74	-4.94	-4.93
% Chg Same Qtr Last Yr.....	-7.09	-5.94	-5.75	-4.17	-3.84	-3.41	-4.36	-6.47	-5.51	-4.85	-3.45	-1.24	-8.74	-4.94	-4.93
TRANSPORTATION EQUIP.....	60.4	59.5	60.2	60.5	59.9	60.1	60.0	59.9	60.8	61.4	61.3	61.7	62.3	60.0	60.2
% Chg Prev Qtr SAAR.....	-6.75	-5.82	4.40	1.93	-3.57	1.44	-0.52	-1.19	6.36	4.12	-1.03	2.67	-8.15	-3.68	0.32
% Chg Same Qtr Last Yr.....	-9.05	-7.74	-4.18	-1.68	-0.85	1.01	-0.20	-0.98	1.48	2.14	2.01	2.99	-8.15	-3.68	0.32
FURNITURE.....	21.9	21.6	21.4	21.3	20.8	20.1	19.4	19.2	19.2	19.1	19.3	19.2	23.6	21.3	19.5
% Chg Prev Qtr SAAR.....	-16.15	-4.93	-3.29	-1.01	-9.36	-14.12	-11.55	-5.07	0.12	-1.63	3.48	-1.37	-13.44	-9.92	-8.54
% Chg Same Qtr Last Yr.....	-17.15	-15.89	-11.49	-6.54	-4.70	-7.09	-9.14	-10.09	-7.82	-4.64	-0.82	0.13	-13.44	-9.92	-8.54
MISCELLANEOUS DURABLES.....	17.3	17.1	17.1	17.2	17.0	17.0	16.9	16.8	16.8	16.9	16.8	16.8	17.7	17.1	16.9
% Chg Prev Qtr SAAR.....	-3.25	-3.43	-0.85	1.44	-4.62	-0.09	-1.80	-2.10	-0.65	2.22	-2.51	0.11	-6.02	-3.39	-1.42
% Chg Same Qtr Last Yr.....	-7.81	-5.78	-4.22	-1.54	-1.89	-1.06	-1.29	-2.17	-1.16	-0.60	-0.78	-0.22	-6.02	-3.39	-1.42



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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
	TOTAL NONDURABLE GOODS.....	172.9	170.5	170.0	170.0	167.4	164.9	163.2	161.8	162.3	162.7	162.3	161.0	177.1	169.5
% Chg Prev Qtr SAAR.....	-5.58	-5.55	-1.19	0.17	-6.17	-5.81	-4.08	-3.32	1.26	0.99	-0.91	-3.12	-5.53	-4.29	-3.79
% Chg Same Qtr Last Yr.....	-5.92	-6.20	-4.60	-3.07	-3.22	-3.29	-4.00	-4.85	-3.02	-1.32	-0.51	-0.46	-5.53	-4.29	-3.79
FOOD.....	36.2	35.7	36.1	36.2	36.1	36.1	35.9	35.7	35.7	36.0	35.9	35.7	35.8	36.0	35.8
% Chg Prev Qtr SAAR.....	0.49	-4.81	4.29	0.67	-0.29	-0.76	-1.94	-2.03	-0.26	3.85	-1.52	-1.89	4.22	0.60	-0.54
% Chg Same Qtr Last Yr.....	5.64	1.42	0.99	0.11	-0.09	0.96	-0.59	-1.26	-1.25	-0.12	-0.01	0.02	4.22	0.60	-0.54
BEVERAGE & TOBACCO.....	6.5	6.4	6.4	6.4	6.3	6.3	6.2	6.1	6.1	6.1	6.1	6.1	6.5	6.4	6.2
% Chg Prev Qtr SAAR.....	-3.71	-3.71	-3.31	-1.70	-2.06	-2.95	-5.55	-4.20	-0.03	-2.83	0.72	0.05	-2.73	-2.03	-3.12
% Chg Same Qtr Last Yr.....	-1.20	-0.35	-1.94	-3.11	-2.70	-2.51	-3.08	-3.70	-3.20	-3.17	-1.60	-0.53	-2.73	-2.03	-3.12
TEXTILE MILLS.....	8.6	8.5	8.5	8.3	8.1	7.7	7.5	7.4	7.3	7.1	7.0	7.0	9.5	8.4	7.5
% Chg Prev Qtr SAAR.....	-18.45	-2.70	-2.69	-5.25	-9.40	-18.27	-11.42	-5.45	-6.81	-7.57	-8.22	1.25	-16.38	-11.71	-10.54
% Chg Same Qtr Last Yr.....	-22.14	-18.37	-14.28	-7.52	-5.05	-9.10	-11.21	-11.26	-10.63	-7.84	-7.02	-5.41	-16.38	-11.71	-10.54
TEXTILE PRODUCT MILLS.....	4.0	3.9	3.8	3.7	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7	4.1	3.7	3.6
% Chg Prev Qtr SAAR.....	-8.03	-15.76	-9.15	-9.21	-8.81	3.83	-2.83	4.54	5.70	-3.23	4.38	-2.92	0.63	-8.95	-2.24
% Chg Same Qtr Last Yr.....	0.03	-6.41	-8.07	-10.59	-10.78	-5.99	-4.40	-0.97	2.76	0.96	2.79	0.90	0.63	-8.95	-2.24
APPAREL.....	13.8	12.8	12.6	12.6	11.6	11.1	10.7	10.6	10.8	10.9	10.7	10.6	15.1	12.4	10.8
% Chg Prev Qtr SAAR.....	-14.40	-25.84	-4.42	-1.63	-28.06	-14.57	-15.63	-3.00	7.18	2.37	-4.56	-3.72	-19.79	-17.85	-12.88
% Chg Same Qtr Last Yr.....	-21.66	-23.83	-18.49	-12.10	-15.84	-12.81	-15.49	-15.78	-6.96	-2.66	0.39	0.20	-19.79	-17.85	-12.88
PAPER.....	20.8	20.4	20.6	20.4	20.1	19.8	19.5	19.5	19.7	19.7	19.4	19.2	21.1	20.4	19.6
% Chg Prev Qtr SAAR.....	-4.31	-5.88	3.14	-3.43	-6.27	-6.33	-4.73	-0.88	5.47	-1.65	-5.42	-4.55	-0.92	-3.29	-3.71
% Chg Same Qtr Last Yr.....	-2.45	-4.60	-2.68	-2.68	-3.18	-3.30	-5.20	-4.58	-1.72	-0.51	-0.69	-1.63	-0.92	-3.29	-3.71
PRINTING & RELATED SUPPORT.....	21.4	20.9	20.2	20.5	20.4	20.0	19.9	19.5	19.6	19.8	19.8	19.4	22.2	20.5	19.8
% Chg Prev Qtr SAAR.....	-13.08	-9.73	-12.16	6.21	-1.41	-8.62	-0.88	-8.32	1.71	4.57	0.62	-8.36	-5.61	-7.77	-3.66
% Chg Same Qtr Last Yr.....	-5.37	-9.67	-9.17	-7.50	-4.54	-4.25	-1.31	-4.88	-4.13	-0.85	-0.47	-0.49	-5.61	-7.77	-3.66
CHEMICALS.....	28.7	28.3	28.2	28.7	28.7	28.7	28.8	28.5	28.5	28.7	28.8	28.5	29.0	28.5	28.6
% Chg Prev Qtr SAAR.....	-2.83	-6.31	-0.52	6.78	-0.55	0.17	1.98	-4.65	-0.36	3.08	1.93	-3.96	-5.78	-1.95	0.47
% Chg Same Qtr Last Yr.....	-3.54	-4.03	-2.64	-0.84	-0.26	1.42	2.05	-0.79	-0.75	-0.03	-0.05	0.13	-5.78	-1.95	0.47
PLASTICS & RUBBER.....	29.7	30.2	30.4	30.1	29.2	28.6	28.1	28.1	28.2	28.2	28.0	28.0	30.3	30.0	28.2
% Chg Prev Qtr SAAR.....	-2.13	7.67	2.50	-3.84	-11.14	-9.12	-5.56	-1.38	2.47	-1.00	-1.51	-0.44	-6.32	-1.02	-5.87
% Chg Same Qtr Last Yr.....	-9.72	-3.15	-0.36	0.95	-1.46	-5.55	-7.46	-6.87	-3.50	-1.41	-0.37	-0.13	-6.32	-1.02	-5.87
MISCELLANEOUS NONDURABLE GOODS..	3.3	3.3	3.1	3.1	3.1	3.0	2.8	2.8	2.7	2.6	2.8	2.8	3.4	3.2	2.8
% Chg Prev Qtr SAAR.....	-4.94	4.76	-20.42	-0.28	-3.20	-11.57	-21.28	-8.95	-9.05	-10.12	34.50	-4.31	-17.63	-6.38	-10.73
% Chg Same Qtr Last Yr.....	-13.32	-4.81	-9.61	-5.72	-5.29	-9.22	-9.46	-11.50	-12.86	-12.51	0.03	1.28	-17.63	-6.38	-10.73

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
TOTAL NONFARM.....	31285	32421	31997	31750	31484	32403	32064	32283	32375	32975	32577	31327	31913	32281
% Chg Same Qtr Last Yr.....	-	2.94	2.79	1.12	0.64	-0.06	0.21	1.68	2.83	1.76	1.60	-	1.87	1.15
NATURAL RESOURCES & MINING.....	36153	34675	35028	33238	32701	35574	32033	31712	31866	33601	33814	34983	33911	32796
% Chg Same Qtr Last Yr.....	-	-7.41	4.01	1.80	-9.55	2.59	-8.55	-4.59	-2.55	-5.55	5.56	-	-3.07	-3.29
CONSTRUCTION.....	34536	37461	33969	33368	33459	35839	34265	33828	35189	36754	34817	34825	34564	34780
% Chg Same Qtr Last Yr.....	-	2.42	-0.85	-1.64	-3.12	-4.33	0.87	1.38	5.17	2.55	1.61	-	-0.75	0.62
MANUFACTURING.....	36075	37343	37713	37216	37469	37840	37751	37802	38743	38007	37829	36258	37435	38034
% Chg Same Qtr Last Yr.....	-	1.39	4.50	3.27	3.86	1.33	0.10	1.58	3.40	0.44	0.21	-	3.25	1.60
DURABLE GOODS.....	35866	37086	37441	36966	37121	37226	37308	37337	38341	38053	37844	35862	37154	37553
% Chg Same Qtr Last Yr.....	-	2.58	4.83	3.51	3.50	0.38	-0.36	1.00	3.29	2.22	1.44	-	3.60	1.08
NONDURABLE GOODS.....	36395	37736	38129	37593	38001	38783	38433	38515	39363	37936	37805	36881	37865	38774
% Chg Same Qtr Last Yr.....	-	-0.48	3.97	2.89	4.41	2.77	0.80	2.45	3.58	-2.18	-1.63	-	2.67	2.40
TRADE, TRANSPORTATION, UTILITIES.....	29512	31008	31018	30496	29851	30935	30890	30969	30804	31224	30929	29976	30593	30900
% Chg Same Qtr Last Yr.....	-	2.17	3.44	1.46	1.15	-0.23	-0.41	1.55	3.19	0.93	0.13	-	2.06	1.00
WHOLESALE TRADE.....	41065	42676	42592	42215	41647	42877	42692	43253	43138	43454	43246	41544	42283	42990
% Chg Same Qtr Last Yr.....	-	-0.06	2.56	3.26	1.42	0.47	0.23	2.46	3.58	1.35	1.30	-	1.78	1.67
RETAIL TRADE.....	21561	22852	22855	22264	21701	22577	22630	22766	22397	22804	22412	22038	22418	22592
% Chg Same Qtr Last Yr.....	-	3.25	3.90	-0.88	0.65	-1.20	-0.99	2.25	3.21	1.01	-0.96	-	1.73	0.78
TRANSPORTATION & UTILITIES.....	37167	38631	38774	38255	37794	38537	38439	38093	38812	38640	38521	37355	38364	38470
% Chg Same Qtr Last Yr.....	-	2.46	3.51	3.15	1.69	-0.24	-0.86	-0.42	2.69	0.27	0.21	-	2.70	0.28
INFORMATION.....	38333	38688	37920	38142	38333	38335	38230	37663	39584	40818	40970	37955	38271	38453
% Chg Same Qtr Last Yr.....	-	3.39	0.73	-0.73	0.00	-0.91	0.82	-1.26	3.26	6.48	7.17	-	0.83	0.48
FINANCIAL ACTIVITIES.....	44025	43972	43064	43080	43466	44762	46301	46564	46253	46763	47477	42901	43396	45970
% Chg Same Qtr Last Yr.....	-	5.02	-0.05	1.08	-1.27	1.80	7.52	8.09	6.41	4.47	2.54	-	1.15	5.93
PROFESSIONAL & BUSINESS SERVICES...	32934	33985	34064	32727	32911	34539	33624	33655	33560	35573	35431	32593	33422	33844
% Chg Same Qtr Last Yr.....	-	6.52	4.74	-0.86	-0.07	1.63	-1.29	2.84	1.97	2.99	5.37	-	2.54	1.26
EDUCATION & HEALTH SERVICES.....	33111	33899	33778	33456	33042	33295	33363	33733	33893	34500	34422	33117	33544	33571
% Chg Same Qtr Last Yr.....	-	2.19	2.74	0.45	-0.21	-1.78	-1.23	0.83	2.58	3.62	3.17	-	1.29	0.08
LEISURE & HOSPITALITY.....	15610	16814	15358	14782	15387	16635	14997	15248	15777	16837	15373	15227	15585	15664
% Chg Same Qtr Last Yr.....	-	7.26	3.50	-0.01	-1.43	-1.06	-2.36	3.15	2.53	1.22	2.51	-	2.35	0.51
OTHER SERVICES.....	28001	29046	28627	29325	29822	29926	30047	28816	28702	30498	30378	27351	29205	29373
% Chg Same Qtr Last Yr.....	-	5.70	7.71	7.23	6.50	3.03	4.96	-1.74	-3.76	1.91	1.10	-	6.78	0.57

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
GOVERNMENT.....	29730	30337	30216	31644	29842	30525	30706	32012	30715	30760	30839	29979	30510	30990
% Chg Same Qtr Last Yr.....	-	3.52	1.38	1.82	0.38	0.62	1.62	1.16	2.93	0.77	0.43	-	1.77	1.57
FEDERAL, CIVILIAN.....	45806	48319	47448	47217	46552	48414	48456	48492	47716	48109	48333	47008	47384	48269
% Chg Same Qtr Last Yr.....	-	1.20	0.51	-0.12	1.63	0.20	2.13	2.70	2.50	-0.63	-0.25	-	0.80	1.87
STATE & LOCAL.....	27446	27731	27726	29340	27483	27958	28168	29644	28344	28332	28362	27484	28070	28529
% Chg Same Qtr Last Yr.....	-	4.20	1.79	2.46	0.14	0.82	1.59	1.04	3.13	1.34	0.69	-	2.13	1.63

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Tennessee Econometric Model

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
	TOTAL NONFARM.....	31551	32017	32067	31811	31748	32001	32133	32325	32672	32579	32623	31325	31911
% Chg Prev Qtr SAAR.....	1.26	6.05	0.62	-3.15	-0.79	3.23	1.66	2.41	4.36	-1.13	0.55	-	1.87	1.17
% Chg Same Qtr Last Yr.....	-	2.95	2.79	1.14	0.62	-0.05	0.21	1.62	2.91	1.81	1.53	-	1.87	1.17
NATURAL RESOURCES & MINING.....	36121	33723	35383	33846	32642	34611	32407	32256	31799	32692	34234	34943	33899	32768
% Chg Prev Qtr SAAR.....	38.42	-24.02	21.19	-16.28	-13.48	26.39	-23.14	-1.86	-5.55	11.72	20.24	-	-2.99	-3.33
% Chg Same Qtr Last Yr.....	-	-7.40	4.27	1.64	-9.63	2.63	-8.41	-4.70	-2.58	-5.54	5.64	-	-2.99	-3.33
CONSTRUCTION.....	34770	35633	34356	34390	33720	34096	34622	34804	35553	35119	34985	34802	34525	34769
% Chg Prev Qtr SAAR.....	-1.82	10.30	-13.58	0.40	-7.56	4.53	6.31	2.12	8.88	-4.79	-1.52	-	-0.80	0.71
% Chg Same Qtr Last Yr.....	-	2.25	-0.87	-1.55	-3.02	-4.31	0.77	1.20	5.43	3.00	1.05	-	-0.80	0.71
MANUFACTURING.....	36112	37181	37733	37324	37504	37675	37766	37915	38779	37841	37843	36259	37436	38034
% Chg Prev Qtr SAAR.....	-0.20	12.39	6.07	-4.27	1.94	1.84	0.97	1.59	9.43	-9.33	0.02	-	3.25	1.60
% Chg Same Qtr Last Yr.....	-	1.36	4.49	3.31	3.85	1.33	0.09	1.58	3.40	0.44	0.20	-	3.25	1.60
DURABLE GOODS.....	35875	36983	37523	36988	37122	37121	37381	37370	38339	37944	37916	35864	37154	37553
% Chg Prev Qtr SAAR.....	1.80	12.95	5.96	-5.58	1.46	-0.01	2.83	-0.12	10.79	-4.06	-0.30	-	3.60	1.07
% Chg Same Qtr Last Yr.....	-	2.54	4.82	3.56	3.48	0.37	-0.38	1.03	3.28	2.22	1.43	-	3.60	1.07
NONDURABLE GOODS.....	36474	37484	38055	37836	38088	38524	38356	38756	39461	37680	37730	36879	37866	38774
% Chg Prev Qtr SAAR.....	-3.23	11.54	6.24	-2.29	2.69	4.66	-1.73	4.23	7.48	-16.86	0.53	-	2.67	2.40
% Chg Same Qtr Last Yr.....	-	-0.47	3.95	2.88	4.42	2.77	0.79	2.43	3.60	-2.19	-1.63	-	2.67	2.40
TRADE, TRANSPORTATION, UTILITIES.....	30085	30590	30869	30457	30436	30524	30726	30939	31410	30811	30755	29972	30588	30900
% Chg Prev Qtr SAAR.....	0.92	6.89	3.69	-5.23	-0.28	1.17	2.67	2.79	6.23	-7.40	-0.72	-	2.05	1.02
% Chg Same Qtr Last Yr.....	-	2.19	3.40	1.47	1.17	-0.22	-0.46	1.58	3.20	0.94	0.10	-	2.05	1.02
WHOLESALE TRADE.....	41289	42494	42562	42188	41897	42676	42658	43227	43410	43240	43210	41547	42285	42993
% Chg Prev Qtr SAAR.....	4.31	12.19	0.64	-3.47	-2.73	7.65	-0.17	5.44	1.71	-1.56	-0.28	-	1.78	1.67
% Chg Same Qtr Last Yr.....	-	-0.11	2.56	3.26	1.47	0.43	0.23	2.46	3.61	1.32	1.29	-	1.78	1.67
RETAIL TRADE.....	22204	22448	22663	22182	22346	22183	22431	22690	23059	22410	22208	22032	22410	22591
% Chg Prev Qtr SAAR.....	-3.04	4.46	3.88	-8.22	2.99	-2.89	4.55	4.70	6.67	-10.79	-3.56	-	1.71	0.81
% Chg Same Qtr Last Yr.....	-	3.28	3.89	-0.87	0.64	-1.18	-1.02	2.29	3.19	1.02	-0.99	-	1.71	0.81
TRANSPORTATION & UTILITIES.....	37493	38155	38760	38393	38144	38081	38378	38244	39185	38190	38436	37355	38363	38472
% Chg Prev Qtr SAAR.....	3.06	7.25	6.49	-3.73	-2.57	-0.66	3.16	-1.39	10.21	-9.78	2.60	-	2.70	0.28
% Chg Same Qtr Last Yr.....	-	2.52	3.37	3.18	1.74	-0.19	-0.98	-0.39	2.73	0.28	0.15	-	2.70	0.28
INFORMATION.....	38567	38783	37849	37926	38576	38384	38205	37736	39918	40475	40863	37943	38284	38561
% Chg Prev Qtr SAAR.....	4.48	2.27	-9.29	0.82	7.03	-1.97	-1.85	-4.82	25.21	5.70	3.89	-	0.90	0.72
% Chg Same Qtr Last Yr.....	-	3.34	0.84	-0.58	0.02	-1.03	0.94	-0.50	3.48	5.45	6.96	-	0.90	0.72
FINANCIAL ACTIVITIES.....	43983	43771	43189	43195	43435	44558	46435	46854	46497	46155	47557	42896	43397	46086
% Chg Prev Qtr SAAR.....	12.11	-1.91	-5.21	0.05	2.25	10.75	17.94	3.66	-3.01	-2.91	12.72	-	1.17	6.19
% Chg Same Qtr Last Yr.....	-	5.07	-0.03	1.05	-1.24	1.80	7.51	8.47	7.05	3.58	2.42	-	1.17	6.19

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
	PROF & BUSINESS SERVICES.....	33216	33380	34053	33043	33196	33923	33612	33858	33827	35065	35431	32596	33418
% Chg Prev Qtr SAAR.....	-1.31	1.99	8.30	-11.34	1.86	9.05	-3.61	2.95	-0.36	15.46	4.24	-	2.52	1.16
% Chg Same Qtr Last Yr.....	-	6.57	4.71	-0.85	-0.06	1.63	-1.29	2.46	1.90	3.37	5.41	-	2.52	1.16
EDUC & HEALTH SERVICES.....	33365	33762	33729	33393	33274	33171	33319	33668	34124	34377	34377	33114	33540	33571
% Chg Prev Qtr SAAR.....	1.60	4.85	-0.39	-3.93	-1.42	-1.23	1.80	4.26	5.52	3.00	0.01	-	1.29	0.09
% Chg Same Qtr Last Yr.....	-	2.22	2.75	0.48	-0.27	-1.75	-1.22	0.82	2.55	3.63	3.18	-	1.29	0.09
LEISURE & HOSPITALITY.....	15469	15928	15726	15340	15244	15761	15359	15739	15707	16035	15676	15213	15560	15642
% Chg Prev Qtr SAAR.....	3.31	12.43	-4.98	-9.47	-2.49	14.28	-9.83	10.26	-0.79	8.62	-8.67	-	2.28	0.53
% Chg Same Qtr Last Yr.....	-	7.28	3.50	-0.02	-1.45	-1.05	-2.34	2.60	3.04	1.74	2.06	-	2.28	0.53
OTHER SERVICES.....	28352	28515	28546	29574	30130	29481	29962	29025	28960	30101	30301	27340	29191	29357
% Chg Prev Qtr SAAR.....	11.04	2.33	0.44	15.19	7.74	-8.34	6.69	-11.94	-0.90	16.73	2.68	-	6.77	0.57
% Chg Same Qtr Last Yr.....	-	5.99	7.78	7.08	6.27	3.39	4.96	-1.86	-3.88	2.11	1.13	-	6.77	0.57
GOVERNMENT.....	30171	30606	30346	30766	30279	30785	30842	31132	31165	31012	30980	29969	30499	30981
% Chg Prev Qtr SAAR.....	-0.38	5.89	-3.35	5.64	-6.18	6.85	0.74	3.82	0.42	-1.95	-0.41	-	1.77	1.58
% Chg Same Qtr Last Yr.....	-	3.48	1.39	1.87	0.36	0.59	1.63	1.19	2.93	0.74	0.45	-	1.77	1.58
FEDERAL, CIVILIAN.....	45283	48584	48051	46850	46072	48733	49007	48060	47303	48440	48848	47010	47389	48276
% Chg Prev Qtr SAAR.....	-13.34	32.51	-4.32	-9.62	-6.48	25.18	2.27	-7.51	-6.15	9.97	3.41	-	0.81	1.87
% Chg Same Qtr Last Yr.....	-	1.37	0.33	-0.18	1.74	0.31	1.99	2.58	2.67	-0.60	-0.33	-	0.81	1.87
STATE & LOCAL.....	27959	27991	27813	28441	27986	28204	28265	28752	28854	28569	28468	27473	28058	28519
% Chg Prev Qtr SAAR.....	3.20	0.45	-2.51	9.34	-6.25	3.15	0.87	7.07	1.43	-3.90	-1.40	-	2.13	1.64
% Chg Same Qtr Last Yr.....	-	4.13	1.83	2.53	0.10	0.76	1.62	1.09	3.10	1.30	0.72	-	2.13	1.64

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
TOTAL NONFARM.....	32047	33284	33081	32986	32822	34049	33753	34119	34319	35237	35080	31982	33043	34060
% Chg Same Qtr Last Yr.....	-	4.11	4.04	2.71	2.42	2.30	2.03	3.43	4.56	3.49	3.93	-	3.32	3.08
NATURAL RESOURCES & MINING.....	37034	35597	36214	34532	34091	37381	33721	33516	33780	35906	36412	35712	35109	34599
% Chg Same Qtr Last Yr.....	-	-6.36	5.27	3.39	-7.95	5.01	-6.89	-2.94	-0.91	-3.95	7.98	-	-1.69	-1.45
CONSTRUCTION.....	35378	38458	35120	34668	34881	37660	36070	35753	37302	39276	37492	35551	35781	36696
% Chg Same Qtr Last Yr.....	-	3.59	0.35	-0.10	-1.41	-2.07	2.71	3.13	6.94	4.29	3.94	-	0.65	2.56
MANUFACTURING.....	36954	38336	38990	38665	39061	39762	39740	39952	41069	40614	40735	37016	38763	40131
% Chg Same Qtr Last Yr.....	-	2.54	5.77	4.89	5.70	3.72	1.92	3.33	5.14	2.14	2.50	-	4.72	3.53
DURABLE GOODS.....	36740	38073	38709	38406	38698	39117	39273	39461	40644	40663	40751	36612	38471	39624
% Chg Same Qtr Last Yr.....	-	3.75	6.10	5.13	5.33	2.74	1.46	2.75	5.03	3.95	3.76	-	5.08	3.00
NONDURABLE GOODS.....	37282	38740	39420	39057	39616	40753	40459	40706	41727	40538	40710	37651	39209	40911
% Chg Same Qtr Last Yr.....	-	0.66	5.23	4.50	6.26	5.20	2.63	4.22	5.33	-0.53	0.62	-	4.14	4.34
TRADE, TRANSPORTATION, UTILITIES....	30231	31833	32068	31683	31120	32507	32517	32731	32654	33366	33306	30603	31676	32602
% Chg Same Qtr Last Yr.....	-	3.33	4.70	3.05	2.94	2.12	1.40	3.31	4.93	2.64	2.43	-	3.50	2.92
WHOLESALE TRADE.....	42066	43812	44034	43859	43417	45055	44941	45714	45728	46435	46569	42412	43780	45360
% Chg Same Qtr Last Yr.....	-	1.08	3.80	4.88	3.21	2.84	2.06	4.23	5.32	3.06	3.62	-	3.23	3.61
RETAIL TRADE.....	22086	23459	23629	23131	22624	23724	23822	24061	23742	24368	24134	22499	23211	23837
% Chg Same Qtr Last Yr.....	-	4.43	5.16	0.67	2.43	1.13	0.82	4.02	4.94	2.72	1.31	-	3.16	2.70
TRANSPORTATION & UTILITIES.....	38073	39659	40087	39745	39401	40495	40465	40260	41142	41291	41480	38136	39723	40590
% Chg Same Qtr Last Yr.....	-	3.63	4.76	4.76	3.49	2.11	0.94	1.30	4.42	1.97	2.51	-	4.16	2.18
INFORMATION.....	39267	39717	39203	39627	39962	40282	40244	39806	41961	43619	44118	38751	39627	40574
% Chg Same Qtr Last Yr.....	-	4.57	1.95	0.82	1.77	1.42	2.66	0.45	5.00	8.28	9.62	-	2.26	2.39
FINANCIAL ACTIVITIES.....	45098	45142	44523	44757	45314	47036	48741	49213	49030	49971	51125	43801	44934	48505
% Chg Same Qtr Last Yr.....	-	6.22	1.16	2.66	0.48	4.20	9.47	9.95	8.20	6.24	4.89	-	2.59	7.95
PROFESSIONAL & BUSINESS SERVICES.	33737	34889	35217	34001	34310	36294	35396	35569	35575	38013	38153	33278	34604	35708
% Chg Same Qtr Last Yr.....	-	7.73	6.01	0.69	1.70	4.03	0.51	4.61	3.69	4.74	7.79	-	3.99	3.19
EDUCATION & HEALTH SERVICES.....	33918	34800	34922	34759	34446	34986	35121	35652	35928	36867	37067	33811	34732	35422
% Chg Same Qtr Last Yr.....	-	3.35	3.98	2.03	1.56	0.53	0.57	2.57	4.30	5.38	5.54	-	2.72	1.99
LEISURE & HOSPITALITY.....	15991	17261	15878	15358	16041	17480	15787	16116	16725	17992	16554	15546	16135	16527
% Chg Same Qtr Last Yr.....	-	8.48	4.76	1.55	0.32	1.27	-0.58	4.94	4.26	2.93	4.86	-	3.79	2.43
OTHER SERVICES.....	28684	29819	29596	30467	31089	31446	31631	30455	30425	32590	32712	27924	30243	30989
% Chg Same Qtr Last Yr.....	-	6.91	9.02	8.91	8.39	5.46	6.88	-0.04	-2.14	3.64	3.42	-	8.30	2.47

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
GOVERNMENT.....	30454	31144	31239	32876	31110	32076	32324	33833	32559	32870	33208	30608	31592	32698
% Chg Same Qtr Last Yr.....	-	4.70	2.61	3.42	2.15	2.99	3.47	2.91	4.66	2.48	2.73	-	3.21	3.50
FEDERAL, CIVILIAN.....	46923	49604	49054	49055	48530	50873	51010	51251	50581	51409	52047	47991	49061	50929
% Chg Same Qtr Last Yr.....	-	2.36	1.73	1.44	3.43	2.56	3.99	4.48	4.23	1.05	2.03	-	2.23	3.81
STATE & LOCAL.....	28114	28469	28665	30483	28652	29378	29652	31331	30046	30275	30541	28061	29067	30102
% Chg Same Qtr Last Yr.....	-	5.39	3.03	4.06	1.91	3.20	3.44	2.78	4.87	3.05	3.00	-	3.59	3.56

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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
TOTAL NONFARM.....	32320	32869	33152	33049	33097	33627	33826	34164	34634	34814	35130	31981	33042	34062
% Chg Prev Qtr SAAR.....	1.84	6.98	3.49	-1.24	0.57	6.56	2.39	4.06	5.62	2.10	3.68	-	3.32	3.09
% Chg Same Qtr Last Yr.....	-	4.13	4.04	2.72	2.40	2.30	2.03	3.37	4.64	3.53	3.86	-	3.32	3.09
NATURAL RESOURCES & MINING.....	37001	34620	36581	35163	34030	36369	34115	34091	33708	34935	36865	35672	35099	34571
% Chg Prev Qtr SAAR.....	39.21	-23.36	24.65	-14.62	-12.29	30.46	-22.58	-0.28	-4.41	15.37	23.99	-	-1.61	-1.50
% Chg Same Qtr Last Yr.....	-	-6.34	5.54	3.23	-8.03	5.05	-6.74	-3.05	-0.94	-3.94	8.06	-	-1.61	-1.50
CONSTRUCTION.....	35618	36581	35519	35729	35154	35828	36446	36784	37687	37528	37673	35530	35745	36686
% Chg Prev Qtr SAAR.....	-1.26	11.26	-11.11	2.38	-6.29	7.90	7.08	3.76	10.19	-1.68	1.55	-	0.61	2.63
% Chg Same Qtr Last Yr.....	-	3.41	0.33	0.00	-1.30	-2.06	2.61	2.95	7.21	4.74	3.37	-	0.61	2.63
MANUFACTURING.....	36992	38170	39011	38778	39097	39589	39756	40072	41108	40437	40750	37017	38764	40131
% Chg Prev Qtr SAAR.....	0.37	13.37	9.10	-2.37	3.34	5.12	1.70	3.22	10.75	-6.37	3.13	-	4.72	3.53
% Chg Same Qtr Last Yr.....	-	2.52	5.76	4.92	5.69	3.72	1.91	3.34	5.14	2.14	2.50	-	4.72	3.53
DURABLE GOODS.....	36749	37967	38793	38429	38700	39007	39351	39496	40642	40547	40829	36614	38472	39624
% Chg Prev Qtr SAAR.....	2.38	13.93	8.99	-3.71	2.86	3.21	3.57	1.48	12.12	-0.92	2.80	-	5.07	2.99
% Chg Same Qtr Last Yr.....	-	3.71	6.09	5.19	5.31	2.74	1.44	2.78	5.02	3.95	3.76	-	5.07	2.99
NONDURABLE GOODS.....	37363	38481	39344	39309	39707	40481	40377	40960	41830	40265	40628	37650	39210	40912
% Chg Prev Qtr SAAR.....	-2.68	12.51	9.28	-0.35	4.10	8.03	-1.02	5.90	8.77	-14.15	3.66	-	4.14	4.34
% Chg Same Qtr Last Yr.....	-	0.67	5.22	4.50	6.27	5.20	2.63	4.20	5.35	-0.53	0.62	-	4.14	4.34
TRADE, TRANSPORTATION, UTILITIES.....	30818	31404	31914	31643	31729	32075	32345	32699	33296	32925	33118	30600	31672	32604
% Chg Prev Qtr SAAR.....	1.50	7.83	6.65	-3.35	1.09	4.43	3.41	4.44	7.50	-4.38	2.37	-	3.50	2.94
% Chg Same Qtr Last Yr.....	-	3.35	4.66	3.06	2.96	2.14	1.35	3.34	4.94	2.65	2.39	-	3.50	2.94
WHOLESALE TRADE.....	42295	43624	44003	43831	43677	44844	44906	45686	46017	46206	46530	42415	43784	45363
% Chg Prev Qtr SAAR.....	4.91	13.17	3.52	-1.55	-1.39	11.12	0.55	7.13	2.93	1.66	2.83	-	3.23	3.61
% Chg Same Qtr Last Yr.....	-	1.03	3.80	4.88	3.27	2.80	2.05	4.23	5.36	3.04	3.62	-	3.23	3.61
RETAIL TRADE.....	22746	23045	23430	23046	23296	23310	23613	23981	24444	23947	23914	22495	23204	23837
% Chg Prev Qtr SAAR.....	-2.49	5.37	6.85	-6.40	4.40	0.24	5.31	6.38	7.95	-7.88	-0.56	-	3.15	2.73
% Chg Same Qtr Last Yr.....	-	4.46	5.15	0.68	2.42	1.15	0.78	4.06	4.93	2.74	1.28	-	3.15	2.73
TRANSPORTATION & UTILITIES.....	38407	39170	40072	39888	39765	40016	40400	40420	41538	40809	41389	38137	39724	40593
% Chg Prev Qtr SAAR.....	3.65	8.19	9.53	-1.83	-1.23	2.54	3.90	0.19	11.53	-6.83	5.80	-	4.16	2.19
% Chg Same Qtr Last Yr.....	-	3.69	4.63	4.79	3.54	2.16	0.82	1.33	4.46	1.98	2.45	-	4.16	2.19
INFORMATION.....	39506	39815	39130	39403	40216	40334	40219	39883	42315	43251	44003	38739	39641	40688
% Chg Prev Qtr SAAR.....	5.08	3.16	-6.70	2.82	8.50	1.18	-1.14	-3.29	26.71	9.15	7.13	-	2.33	2.64
% Chg Same Qtr Last Yr.....	-	4.52	2.07	0.98	1.80	1.30	2.78	1.22	5.22	7.23	9.41	-	2.33	2.64
FINANCIAL ACTIVITIES.....	45054	44935	44652	44877	45281	46821	48881	49519	49289	49321	51211	43797	44936	48628
% Chg Prev Qtr SAAR.....	12.75	-1.06	-2.50	2.03	3.65	14.32	18.80	5.32	-1.85	0.26	16.23	-	2.60	8.22
% Chg Same Qtr Last Yr.....	-	6.27	1.19	2.64	0.50	4.20	9.47	10.34	8.85	5.34	4.76	-	2.60	8.22

(CONTINUED ON NEXT PAGE)



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

**December 2004**

	Historical Data											Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2001	2002	2003
PROFESSIONAL & BUSINESS SERVICES...	34026	34268	35206	34330	34607	35646	35383	35784	35859	37471	38153	33281	34603	35668
% Chg Prev Qtr SAAR.....	-0.75	2.88	11.40	-9.58	3.27	12.56	-2.92	4.61	0.84	19.24	7.48	-	3.97	3.08
% Chg Same Qtr Last Yr.....	-	7.79	5.98	0.70	1.71	4.02	0.51	4.23	3.62	5.12	7.83	-	3.97	3.08
EDUCATION & HEALTH SERVICES.....	34178	34660	34871	34694	34688	34856	35075	35584	36173	36735	37019	33808	34728	35422
% Chg Prev Qtr SAAR.....	2.18	5.76	2.46	-2.02	-0.07	1.95	2.53	5.93	6.79	6.36	3.12	-	2.72	2.00
% Chg Same Qtr Last Yr.....	-	3.38	4.00	2.06	1.49	0.56	0.58	2.57	4.28	5.39	5.54	-	2.72	2.00
LEISURE & HOSPITALITY.....	15846	16352	16259	15938	15892	16562	16168	16634	16651	17135	16880	15533	16110	16504
% Chg Prev Qtr SAAR.....	3.90	13.41	-2.26	-7.68	-1.14	17.97	-9.18	12.03	0.40	12.17	-5.83	-	3.72	2.44
% Chg Same Qtr Last Yr.....	-	8.51	4.76	1.55	0.29	1.28	-0.56	4.37	4.77	3.46	4.40	-	3.72	2.44
OTHER SERVICES.....	29043	29274	29513	30725	31410	30978	31541	30676	30699	32166	32629	27914	30231	30973
% Chg Prev Qtr SAAR.....	11.68	3.22	3.31	17.47	9.22	-5.39	7.46	-10.52	0.29	20.54	5.88	-	8.30	2.46
% Chg Same Qtr Last Yr.....	-	7.20	9.09	8.76	8.15	5.82	6.87	-0.16	-2.27	3.83	3.45	-	8.30	2.46
GOVERNMENT.....	30907	31420	31374	31964	31566	32349	32467	32903	33036	33139	33361	30598	31581	32689
% Chg Prev Qtr SAAR.....	0.19	6.82	-0.59	7.73	-4.89	10.30	1.47	5.48	1.63	1.26	2.70	-	3.21	3.51
% Chg Same Qtr Last Yr.....	-	4.66	2.62	3.47	2.13	2.96	3.48	2.94	4.66	2.44	2.75	-	3.21	3.51
FEDERAL, CIVILIAN.....	46387	49877	49678	48675	48030	51208	51590	50794	50144	51763	52601	47992	49065	50934
% Chg Prev Qtr SAAR.....	-12.84	33.67	-1.59	-7.84	-5.19	29.21	3.01	-6.03	-5.02	13.56	6.63	-	2.24	3.81
% Chg Same Qtr Last Yr.....	-	2.52	1.55	1.39	3.54	2.67	3.85	4.35	4.40	1.08	1.96	-	2.24	3.81
STATE & LOCAL.....	28640	28735	28755	29549	29175	29636	29754	30388	30587	30529	30655	28050	29053	30091
% Chg Prev Qtr SAAR.....	3.79	1.33	0.28	11.50	-4.96	6.47	1.60	8.79	2.65	-0.76	1.67	-	3.58	3.57
% Chg Same Qtr Last Yr.....	-	5.32	3.07	4.14	1.87	3.14	3.47	2.84	4.84	3.01	3.03	-	3.58	3.57

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
CIVILIAN LABOR FORCE (THOUS).....	2894	2892	2933	2954	2935	2884	2908	2928	2918	2907	2927	2950	2857	2928	2909
% Chg Same Qtr Last Yr.....	2.08	3.08	3.01	2.53	1.40	-0.27	-0.85	-0.90	-0.57	0.80	0.66	0.77	0.96	2.50	-0.65
EMPLOYED PERSONS (THOUS).....	2757	2728	2785	2808	2793	2718	2743	2752	2748	2751	2791	2809	2731	2779	2740
% Chg Same Qtr Last Yr.....	1.03	1.63	2.03	2.04	1.30	-0.38	-1.50	-1.98	-1.59	1.22	1.74	2.06	0.41	1.75	-1.37
UNEMPLOYED PERSONS (THOUS).....	137	164	147	147	142	166	164	176	170	156	136	142	126	150	169
% Chg Same Qtr Last Yr.....	29.23	35.04	26.08	12.81	3.41	1.52	11.57	19.68	19.40	-6.04	-17.41	-19.46	14.51	18.65	12.67
PARTICIPATION RATE (PERCENT).....	63.9	63.7	64.5	64.7	64.1	62.8	63.2	62.6	62.2	61.7	61.9	62.1	63.3	64.3	62.7
% Chg Same Qtr Last Yr.....	0.92	2.00	2.04	1.51	0.32	-1.38	-2.02	-3.30	-3.07	-1.82	-2.05	-0.79	-0.46	1.46	-2.45
UNEMPLOYMENT RATE (PERCENT).....	4.7	5.7	5.0	5.0	4.8	5.8	5.6	6.0	5.8	5.4	4.6	4.8	4.4	5.1	5.8

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

**December 2004**

	Historical Data												Annual		
	2001.4	2002.1	2002.2	2002.3	2002.4	2003.1	2003.2	2003.3	2003.4	2004.1	2004.2	2004.3	2001	2002	2003
CIVILIAN LABOR FORCE (THOUS).....	2886	2921	2933	2934	2927	2913	2908	2907	2910	2935	2927	2931	2857	2929	2910
% Chg Prev Qtr SAAR.....	3.65	4.88	1.66	0.12	-0.91	-1.95	-0.67	-0.06	0.43	3.48	-1.16	0.62	0.96	2.50	-0.65
% Chg Same Qtr Last Yr.....	2.11	3.03	3.00	2.56	1.42	-0.28	-0.86	-0.90	-0.57	0.78	0.66	0.83	0.96	2.50	-0.65
EMPLOYED PERSONS (THOUS).....	2742	2766	2782	2788	2778	2756	2740	2732	2734	2789	2788	2791	2731	2779	2740
% Chg Prev Qtr SAAR.....	1.52	3.54	2.33	0.83	-1.41	-3.16	-2.23	-1.18	0.21	8.35	-0.11	0.33	0.41	1.75	-1.37
% Chg Same Qtr Last Yr.....	1.04	1.61	2.03	2.05	1.31	-0.37	-1.50	-2.00	-1.60	1.20	1.75	2.14	0.41	1.75	-1.37
UNEMPLOYED PERSONS (THOUS).....	144	155	151	146	149	157	167	175	177	146	139	141	126	150	169
% Chg Prev Qtr SAAR.....	57.42	33.11	-9.83	-12.43	9.02	22.64	29.90	19.79	3.86	-52.89	-19.67	6.56	14.54	18.63	12.64
% Chg Same Qtr Last Yr.....	27.87	37.43	24.73	13.42	3.46	1.37	11.05	20.10	18.65	-6.59	-17.17	-19.55	14.54	18.63	12.64
PARTICIPATION RATE (PERCENT).....	63.7	64.4	64.5	64.3	64.0	63.5	63.2	62.2	62.0	62.3	61.9	61.7	63.3	64.3	62.7
% Chg Prev Qtr SAAR.....	2.67	3.90	0.71	-1.07	-2.07	-3.11	-1.83	-6.12	-1.12	1.89	-2.67	-0.94	-0.46	1.46	-2.44
% Chg Same Qtr Last Yr.....	0.94	1.96	2.03	1.54	0.34	-1.40	-2.02	-3.30	-3.06	-1.84	-2.05	-0.72	-0.46	1.46	-2.44
UNEMPLOYMENT RATE (PERCENT).....	5.0	5.3	5.1	5.0	5.1	5.4	5.8	6.0	6.1	5.0	4.7	4.8	4.4	5.1	5.8

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
	TOTAL TAXABLE SALES.....	19385	16916	18464	17690	19145	16511	18396	18757	19774	17473	18909	18957	72935	72216
% Chg Same Qtr Last Yr.....	0.02	-0.06	-0.53	-2.06	-1.24	-2.40	-0.37	6.03	3.29	5.83	2.79	1.07	-2.21	-0.99	1.69
AUTO DEALERS.....	2228	2043	2176	2265	2047	2055	2342	2486	2067	2139	2213	2375	8440	8530	8950
% Chg Same Qtr Last Yr.....	21.02	2.31	3.23	7.44	-8.11	0.57	7.66	9.78	0.97	4.10	-5.50	-4.48	0.62	1.07	4.92
PURCHASES FROM MANUFACTURERS....	961	786	953	870	922	825	926	952	1030	883	936	1002	3869	3530	3733
% Chg Same Qtr Last Yr.....	-8.62	-14.03	-7.70	-9.53	-4.04	4.95	-2.87	9.49	11.75	7.11	1.13	5.27	-7.83	-8.74	5.74
MISC DURABLE GOODS.....	3081	2723	3139	2903	3087	2632	3135	3222	3245	2978	3406	3366	12103	11853	12234
% Chg Same Qtr Last Yr.....	-2.34	-3.18	-3.30	-2.00	0.18	-3.34	-0.13	10.98	5.11	13.13	8.62	4.44	-6.76	-2.07	3.22
EATING AND DRINKING PLACES.....	1588	1527	1656	1591	1558	1522	1666	1702	1653	1645	1743	1778	6312	6333	6543
% Chg Same Qtr Last Yr.....	4.18	2.78	3.00	-2.39	-1.87	-0.38	0.62	6.96	6.07	8.11	4.61	4.46	1.76	0.33	3.31
FOOD STORES.....	2108	1827	1907	1791	1815	1600	1675	1688	1798	1573	1662	1669	7924	7341	6762
% Chg Same Qtr Last Yr.....	-3.25	-2.76	-3.23	-8.87	-13.89	-12.46	-12.15	-5.74	-0.93	-1.66	-0.83	-1.15	-2.55	-7.36	-7.89
LIQUOR STORES.....	119	92	95	89	118	91	99	95	126	96	99	100	389	394	411
% Chg Same Qtr Last Yr.....	2.97	2.40	2.25	1.07	-0.20	-0.37	4.21	6.87	6.25	5.29	0.55	5.72	1.19	1.27	4.35
HOTELS AND MOTELS.....	434	345	462	471	438	354	455	475	439	353	459	486	1746	1716	1724
% Chg Same Qtr Last Yr.....	-6.76	-4.87	-1.48	-1.93	0.96	2.74	-1.51	0.96	0.29	-0.22	0.86	2.13	-4.38	-1.70	0.48
OTHER RETAIL AND SERVICE.....	6019	4833	5215	4906	6004	4787	5184	5239	6222	5013	5356	5294	20945	20958	21433
% Chg Same Qtr Last Yr.....	-0.96	1.34	1.24	-2.01	-0.24	-0.95	-0.59	6.79	3.63	4.72	3.32	1.06	-2.40	0.06	2.26
MISC NONDURABLE GOODS.....	1741	1390	1463	1419	1769	1331	1411	1443	1761	1392	1453	1451	6165	6041	5946
% Chg Same Qtr Last Yr.....	-4.69	-5.24	-3.54	-1.49	1.62	-4.24	-3.57	1.66	-0.46	4.60	2.97	0.58	-2.59	-2.01	-1.58
TRANSPORTATION, COMMUNICATION.....	1108	1349	1398	1386	1387	1313	1501	1454	1434	1400	1581	1436	5043	5519	5703
% Chg Same Qtr Last Yr.....	-3.44	17.49	2.25	-2.41	25.20	-2.65	7.41	4.95	3.38	6.56	5.31	-1.23	7.66	9.45	3.32
PER CAPITA (\$)......	3361	2927	3189	3049	3292	2833	3149	3187	3334	2943	3182	3180	12682	12457	12502
% Chg Same Qtr Last Yr.....	-0.85	-0.87	-1.28	-2.83	-2.05	-3.23	-1.26	4.52	1.27	3.89	1.03	-0.21	-3.28	-1.77	0.36

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**Table 18: Tennessee Taxable Sales, Seasonally Adjusted (millions of 2000 dollars) December 2004**

	Historical Data												Annual		
	2001.4	2002.1	2002.2	2002.3	2002.4	2003.1	2003.2	2003.3	2003.4	2004.1	2004.2	2004.3	2001	2002	2003
TOTAL TAXABLE SALES.....	18357	18298	18249	17592	18108	17852	18172	18663	18684	18901	18672	18878	72994	72246	73372
% Chg Prev Qtr SAAR.....	9.46	-1.27	-1.09	-13.64	12.26	-5.53	7.38	11.25	0.44	4.72	-4.75	4.47	-2.23	-1.03	1.56
% Chg Same Qtr Last Yr.....	0.21	-0.32	-0.46	-1.98	-1.36	-2.44	-0.42	6.09	3.18	5.88	2.75	1.15	-2.23	-1.03	1.56
AUTO DEALERS.....	2420	2108	2109	2100	2214	2131	2276	2299	2227	2227	2151	2192	8466	8530	8933
% Chg Prev Qtr SAAR.....	131.71	-42.51	0.28	-1.81	23.54	-14.16	30.29	3.97	-11.88	0.03	-13.00	7.88	1.07	0.75	4.72
% Chg Same Qtr Last Yr.....	20.23	2.93	3.59	7.02	-8.55	1.09	7.93	9.48	0.61	4.54	-5.50	-4.63	1.07	0.75	4.72
PURCHASES FROM MANUFACTURERS....	926	864	919	860	884	903	897	943	985	966	909	994	3875	3527	3729
% Chg Prev Qtr SAAR.....	-8.71	-24.08	28.07	-23.22	11.46	9.07	-2.90	22.43	19.13	-7.71	-21.71	43.29	-7.77	-8.99	5.72
% Chg Same Qtr Last Yr.....	-8.90	-14.71	-7.18	-9.14	-4.49	4.56	-2.43	9.64	11.48	6.93	1.32	5.39	-7.77	-8.99	5.72
MISC DURABLE GOODS.....	3013	2984	2984	2873	3009	2884	2984	3192	3154	3269	3241	3335	12105	11850	12214
% Chg Prev Qtr SAAR.....	12.44	-3.84	0.04	-14.02	20.24	-15.62	14.67	30.93	-4.73	15.39	-3.39	12.15	-7.00	-2.10	3.07
% Chg Same Qtr Last Yr.....	-2.92	-3.41	-3.01	-1.80	-0.14	-3.35	0.01	11.10	4.82	13.34	8.59	4.47	-7.00	-2.10	3.07
EATING AND DRINKING PLACES.....	1612	1600	1610	1544	1581	1593	1621	1651	1676	1722	1696	1725	6313	6334	6541
% Chg Prev Qtr SAAR.....	8.07	-2.89	2.56	-15.47	9.87	3.14	7.32	7.61	6.08	11.50	-5.82	6.86	1.75	0.33	3.26
% Chg Same Qtr Last Yr.....	4.14	2.55	3.14	-2.33	-1.93	-0.44	0.69	6.96	6.02	8.11	4.64	4.45	1.75	0.33	3.26
FOOD STORES.....	1966	1947	1918	1798	1696	1703	1686	1694	1682	1674	1672	1674	7928	7360	6764
% Chg Prev Qtr SAAR.....	-1.67	-3.80	-5.84	-22.89	-20.75	1.57	-3.98	1.92	-2.73	-1.98	-0.37	0.37	-2.51	-7.17	-8.10
% Chg Same Qtr Last Yr.....	-3.11	-2.89	-3.19	-8.96	-13.74	-12.56	-12.14	-5.79	-0.84	-1.72	-0.80	-1.18	-2.51	-7.17	-8.10
LIQUOR STORES.....	98	100	99	97	98	99	103	104	105	104	103	110	389	394	411
% Chg Prev Qtr SAAR.....	8.33	6.60	-3.01	-6.69	4.01	3.88	16.38	3.75	2.30	-1.02	-2.90	27.39	1.05	1.32	4.18
% Chg Same Qtr Last Yr.....	3.43	2.09	2.02	1.11	0.08	-0.56	4.07	6.87	6.43	5.15	0.50	5.79	1.05	1.32	4.18
HOTELS AND MOTELS.....	428	424	434	426	432	435	427	430	433	434	431	440	1749	1715	1725
% Chg Prev Qtr SAAR.....	-5.04	-3.03	8.98	-7.00	5.51	3.23	-7.04	3.14	2.09	1.01	-2.69	8.50	-4.42	-1.91	0.58
% Chg Same Qtr Last Yr.....	-7.00	-5.38	-1.30	-1.71	0.91	2.50	-1.49	1.09	0.26	-0.29	0.86	2.15	-4.42	-1.91	0.58
OTHER RETAIL AND SERVICE.....	5258	5316	5326	5076	5252	5249	5298	5425	5443	5490	5476	5486	20958	20969	21415
% Chg Prev Qtr SAAR.....	6.91	4.42	0.78	-17.51	14.62	-0.23	3.80	9.98	1.34	3.45	-1.02	0.73	-2.49	0.05	2.13
% Chg Same Qtr Last Yr.....	-0.77	0.84	1.29	-1.85	-0.12	-1.26	-0.53	6.89	3.65	4.59	3.36	1.11	-2.49	0.05	2.13
MISC NONDURABLE GOODS.....	1508	1521	1508	1481	1530	1452	1457	1506	1523	1517	1501	1515	6180	6039	5938
% Chg Prev Qtr SAAR.....	2.66	3.46	-3.35	-6.96	14.09	-18.92	1.25	14.28	4.51	-1.46	-4.21	3.90	-2.43	-2.29	-1.68
% Chg Same Qtr Last Yr.....	-4.73	-5.83	-3.38	-1.14	1.50	-4.50	-3.38	1.71	-0.49	4.48	3.04	0.62	-2.43	-2.29	-1.68
TRANSPORTATION, COMMUNICATION.....	1128	1436	1342	1337	1413	1403	1424	1419	1457	1499	1493	1407	5030	5528	5702
% Chg Prev Qtr SAAR.....	-52.45	162.42	-23.70	-1.31	24.45	-2.55	5.86	-1.41	11.16	12.04	-1.59	-20.94	7.39	9.90	3.16
% Chg Same Qtr Last Yr.....	-3.77	18.62	0.66	-1.54	25.23	-2.24	6.10	6.07	3.11	6.77	4.84	-0.79	7.39	9.90	3.16
PER CAPITA (\$)......	3183	3166	3152	3032	3114	3063	3111	3171	3150	3183	3142	3166	12694	12463	12494
% Chg Prev Qtr SAAR.....	8.62	-2.02	-1.84	-14.41	11.26	-6.37	6.42	7.91	-2.57	4.31	-5.13	3.18	-3.32	-1.81	0.25
% Chg Same Qtr Last Yr.....	-0.66	-1.13	-1.22	-2.76	-2.17	-3.28	-1.30	4.58	1.17	3.94	1.00	-0.13	-3.32	-1.81	0.25

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

**December 2004**

	Historical Data												Annual		
	2001:4	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2001	2002	2003
TOTAL TAXABLE SALES.....	19857	17366	19089	18379	19959	17349	19365	19824	20962	18672	20361	20470	74473	74793	77500
% Chg Same Qtr Last Yr.....	1.76	1.08	0.68	-0.52	0.51	-0.09	1.44	7.86	5.02	7.62	5.15	3.26	-0.16	0.43	3.62
AUTO DEALERS.....	2282	2097	2249	2353	2134	2159	2466	2628	2191	2285	2384	2564	8618	8834	9444
% Chg Same Qtr Last Yr.....	23.13	3.48	4.49	9.13	-6.49	2.95	9.63	11.68	2.67	5.86	-3.33	-2.41	2.76	2.50	6.91
PURCHASES FROM MANUFACTURERS....	984	807	985	904	961	867	974	1006	1092	944	1008	1082	3950	3657	3940
% Chg Same Qtr Last Yr.....	-7.03	-13.05	-6.58	-8.11	-2.35	7.43	-1.10	11.38	13.63	8.93	3.45	7.55	-5.91	-7.42	7.74
MISC DURABLE GOODS.....	3156	2796	3246	3017	3218	2766	3300	3406	3439	3182	3667	3634	12358	12276	12911
% Chg Same Qtr Last Yr.....	-0.64	-2.08	-2.13	-0.47	1.96	-1.06	1.69	12.90	6.88	15.05	11.11	6.71	-4.79	-0.67	5.18
EATING AND DRINKING PLACES.....	1627	1568	1712	1653	1624	1599	1754	1799	1752	1758	1877	1920	6445	6558	6904
% Chg Same Qtr Last Yr.....	5.99	3.95	4.25	-0.86	-0.13	1.97	2.45	8.81	7.85	9.94	7.01	6.72	3.89	1.75	5.28
FOOD STORES.....	2159	1876	1972	1861	1892	1681	1764	1784	1906	1681	1789	1802	8091	7601	7135
% Chg Same Qtr Last Yr.....	-1.57	-1.65	-2.06	-7.44	-12.37	-10.40	-10.55	-4.11	0.74	0.01	1.45	0.99	-0.52	-6.05	-6.13
LIQUOR STORES.....	122	94	98	92	123	96	104	100	133	103	107	108	397	408	434
% Chg Same Qtr Last Yr.....	4.76	3.57	3.49	2.65	1.57	1.98	6.11	8.71	8.04	7.07	2.86	8.01	3.29	2.73	6.33
HOTELS AND MOTELS.....	444	354	478	489	457	372	479	502	466	378	494	524	1783	1778	1820
% Chg Same Qtr Last Yr.....	-5.14	-3.79	-0.29	-0.39	2.75	5.17	0.28	2.70	1.98	1.47	3.17	4.34	-2.38	-0.28	2.36
OTHER RETAIL AND SERVICE.....	6165	4962	5392	5097	6260	5031	5458	5537	6596	5357	5768	5717	21389	21710	22621
% Chg Same Qtr Last Yr.....	0.76	2.50	2.47	-0.47	1.53	1.39	1.22	8.64	5.37	6.49	5.68	3.25	-0.37	1.50	4.20
MISC NONDURABLE GOODS.....	1783	1427	1513	1474	1844	1399	1485	1525	1867	1488	1564	1567	6295	6258	6276
% Chg Same Qtr Last Yr.....	-3.03	-4.15	-2.37	0.05	3.42	-1.98	-1.81	3.42	1.22	6.37	5.33	2.76	-0.58	-0.59	0.27
TRANSPORTATION, COMMUNICATION.....	1135	1385	1445	1439	1446	1380	1581	1537	1520	1496	1703	1551	5149	5715	6017
% Chg Same Qtr Last Yr.....	-1.76	18.83	3.49	-0.88	27.41	-0.35	9.37	6.77	5.12	8.37	7.73	0.91	9.93	11.00	5.28
PER CAPITA (\$).....	3443	3005	3297	3167	3432	2977	3315	3368	3534	3145	3426	3433	12949	12901	13193
% Chg Same Qtr Last Yr.....	0.87	0.26	-0.09	-1.31	-0.32	-0.95	0.54	6.33	2.97	5.65	3.35	1.95	-1.26	-0.37	2.26

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

**December 2004**

	Historical Data												Annual		
	2001.4	2002.1	2002.2	2002.3	2002.4	2003.1	2003.2	2003.3	2003.4	2004.1	2004.2	2004.3	2001	2002	2003
	TOTAL TAXABLE SALES.....	18804	18785	18866	18277	18877	18759	19130	19725	19806	20197	20107	20384	74522	74805
% Chg Prev Qtr SAAR.....	10.08	-0.40	1.74	-11.93	13.80	-2.48	8.15	13.04	1.65	8.14	-1.78	5.63	-0.18	0.38	3.49
% Chg Same Qtr Last Yr.....	1.95	0.82	0.75	-0.44	0.39	-0.14	1.40	7.92	4.92	7.67	5.11	3.34	-0.18	0.38	3.49
AUTO DEALERS.....	2479	2164	2181	2181	2308	2239	2396	2429	2361	2380	2316	2367	8644	8833	9425
% Chg Prev Qtr SAAR.....	133.04	-42.00	3.15	0.14	25.25	-11.39	31.23	5.64	-10.82	3.30	-10.29	9.08	3.21	2.18	6.70
% Chg Same Qtr Last Yr.....	22.32	4.10	4.85	8.70	-6.93	3.47	9.89	11.37	2.31	6.31	-3.34	-2.56	3.21	2.18	6.70
PURCHASES FROM MANUFACTURERS....	948	887	950	894	922	949	944	997	1045	1032	978	1073	3956	3652	3935
% Chg Prev Qtr SAAR.....	-8.19	-23.42	31.73	-21.70	13.00	12.58	-2.20	24.40	20.56	-4.69	-19.27	44.88	-5.85	-7.68	7.73
% Chg Same Qtr Last Yr.....	-7.32	-13.74	-6.05	-7.72	-2.80	7.03	-0.65	11.54	13.36	8.74	3.65	7.67	-5.85	-7.68	7.73
MISC DURABLE GOODS.....	3087	3063	3085	2985	3137	3030	3142	3374	3343	3493	3490	3601	12358	12270	12889
% Chg Prev Qtr SAAR.....	13.08	-3.00	2.90	-12.32	21.90	-12.90	15.50	33.03	-3.58	19.15	-0.37	13.40	-5.04	-0.71	5.04
% Chg Same Qtr Last Yr.....	-1.23	-2.31	-1.83	-0.26	1.63	-1.07	1.83	13.02	6.58	15.26	11.08	6.74	-5.04	-0.71	5.04
EATING AND DRINKING PLACES.....	1651	1642	1664	1604	1648	1674	1707	1745	1776	1840	1827	1862	6446	6558	6902
% Chg Prev Qtr SAAR.....	8.69	-2.04	5.49	-13.79	11.38	6.47	8.10	9.34	7.35	15.14	-2.88	8.04	3.89	1.75	5.23
% Chg Same Qtr Last Yr.....	5.95	3.72	4.39	-0.80	-0.19	1.91	2.53	8.81	7.81	9.94	7.04	6.72	3.89	1.75	5.23
FOOD STORES.....	2014	1999	1983	1868	1768	1789	1774	1790	1783	1788	1800	1807	8094	7619	7137
% Chg Prev Qtr SAAR.....	-1.11	-2.96	-3.14	-21.36	-19.66	4.84	-3.29	3.55	-1.56	1.22	2.74	1.48	-0.47	-5.87	-6.33
% Chg Same Qtr Last Yr.....	-1.43	-1.79	-2.02	-7.54	-12.22	-10.50	-10.54	-4.17	0.83	-0.05	1.47	0.96	-0.47	-5.87	-6.33
LIQUOR STORES.....	101	102	102	101	102	104	108	110	111	111	111	119	397	408	433
% Chg Prev Qtr SAAR.....	8.95	7.54	-0.24	-4.84	5.44	7.23	17.22	5.41	3.53	2.21	0.12	28.80	3.17	2.76	6.16
% Chg Same Qtr Last Yr.....	5.23	3.26	3.25	2.69	1.86	1.78	5.97	8.72	8.22	6.93	2.80	8.08	3.17	2.76	6.16
HOTELS AND MOTELS.....	438	436	448	442	450	457	450	455	459	464	464	475	1785	1776	1820
% Chg Prev Qtr SAAR.....	-4.50	-2.18	12.10	-5.16	6.96	6.56	-6.37	4.80	3.31	4.30	0.34	9.71	-2.43	-0.50	2.48
% Chg Same Qtr Last Yr.....	-5.39	-4.30	-0.11	-0.17	2.70	4.92	0.30	2.84	1.95	1.40	3.17	4.36	-2.43	-0.50	2.48
OTHER RETAIL AND SERVICE.....	5386	5457	5506	5273	5475	5515	5577	5734	5770	5866	5896	5923	21397	21711	22597
% Chg Prev Qtr SAAR.....	7.52	5.33	3.66	-15.87	16.20	2.98	4.55	11.74	2.55	6.82	2.06	1.84	-0.45	1.47	4.08
% Chg Same Qtr Last Yr.....	0.96	1.99	2.52	-0.31	1.64	1.07	1.29	8.74	5.39	6.36	5.73	3.30	-0.45	1.47	4.08
MISC NONDURABLE GOODS.....	1544	1561	1559	1538	1595	1526	1533	1592	1614	1621	1616	1636	6309	6253	6265
% Chg Prev Qtr SAAR.....	3.24	4.36	-0.59	-5.11	15.66	-16.31	1.98	16.12	5.77	1.76	-1.22	5.05	-0.40	-0.89	0.19
% Chg Same Qtr Last Yr.....	-3.07	-4.75	-2.21	0.41	3.30	-2.25	-1.62	3.47	1.18	6.25	5.41	2.80	-0.40	-0.89	0.19
TRANSPORTATION, COMMUNICATION.....	1156	1474	1387	1390	1473	1475	1499	1499	1544	1601	1607	1520	5135	5723	6017
% Chg Prev Qtr SAAR.....	-52.17	164.71	-21.52	0.65	26.16	0.59	6.63	0.17	12.49	15.69	1.48	-20.07	9.64	11.45	5.13
% Chg Same Qtr Last Yr.....	-2.10	19.97	1.89	0.00	27.44	0.06	8.03	7.90	4.85	8.58	7.25	1.36	9.64	11.45	5.13
PER CAPITA (\$)......	3260	3251	3259	3150	3246	3218	3275	3351	3339	3402	3383	3419	12959	12905	13183
% Chg Prev Qtr SAAR.....	9.24	-1.16	0.97	-12.72	12.79	-3.35	7.19	9.64	-1.40	7.72	-2.17	4.32	-1.28	-0.42	2.16
% Chg Same Qtr Last Yr.....	1.06	-0.01	-0.02	-1.23	-0.44	-1.00	0.49	6.39	2.87	5.70	3.31	2.03	-1.28	-0.42	2.16

**Table 1: Selected U.S. and Tennessee Economic Indicators**

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
US GDP (Bil 2000\$).....	7336.6	7532.7	7835.5	8031.7	8328.9	8703.5	9066.9	9470.4	9817.0	9890.7	10074.8	10381.3
Percentage Change.....	3.32	2.67	4.02	2.50	3.70	4.50	4.18	4.45	3.66	0.75	1.86	3.04
TN GSP (Mil 2000\$).....	-	-	-	-	-	-	169058	174568	175350	176820	182690	188851
Percentage Change.....	-	-	-	-	-	-	-	3.26	0.45	0.84	3.32	3.37
US GDP (Bil\$).....	6337.8	6657.4	7072.2	7397.7	7816.8	8304.3	8747.0	9268.4	9817.0	10128.0	10487.0	11004.1
Percentage Change.....	5.70	5.04	6.23	4.60	5.67	6.24	5.33	5.96	5.92	3.17	3.54	4.93
CHAINED PRICE INDEX, GDP (2000=100.0).....	86.4	88.4	90.3	92.1	93.9	95.4	96.5	97.9	100.0	102.4	104.1	106.0
Percentage Change.....	2.30	2.30	2.12	2.05	1.89	1.66	1.11	1.44	2.18	2.40	1.66	1.83
US PERS CONSUMP DEFL (2000=100.0).....	85.8	87.8	89.7	91.6	93.5	95.1	96.0	97.6	100.0	102.1	103.5	105.5
Percentage Change.....	2.88	2.31	2.11	2.15	2.15	1.69	0.90	1.66	2.49	2.09	1.42	1.90
TN PERSONAL INCOME (MIL 2000\$).....	109290	112827	118046	123165	126532	131086	139212	143875	148830	151270	154357	158146
Percentage Change.....	-	3.24	4.63	4.34	2.73	3.60	6.20	3.35	3.44	1.64	2.04	2.45
US PERSONAL INCOME (BIL 2000\$).....	6247	6330	6516	6718	6970	7269	7734	7996	8429	8545	8575	8683
Percentage Change.....	3.18	1.33	2.94	3.10	3.75	4.29	6.39	3.39	5.42	1.37	0.35	1.26
TN PERSONAL INCOME (MIL\$).....	93807	99074	105846	112794	118374	124699	133620	140395	148834	154439	159833	166867
Percentage Change.....	9.19	5.62	6.84	6.56	4.95	5.34	7.15	5.07	6.01	3.77	3.49	4.40
US PERSONAL INCOME (BIL\$).....	5362	5559	5843	6152	6521	6915	7423	7802	8430	8724	8879	9162
Percentage Change.....	6.16	3.67	5.11	5.30	5.99	6.05	7.34	5.11	8.04	3.49	1.77	3.19
TN NONFARM JOBS (THOUS).....	2244.9	2328.4	2422.8	2498.8	2533.3	2584.0	2638.5	2685.3	2728.9	2688.5	2664.4	2667.3
Percentage Change.....	2.81	3.72	4.05	3.14	1.38	2.00	2.11	1.78	1.62	-1.48	-0.90	0.11
US NONFARM JOBS (MIL).....	108.7	110.8	114.3	117.3	119.7	122.8	125.9	129.0	131.8	131.8	130.3	129.9
Percentage Change.....	0.31	1.95	3.10	2.65	2.04	2.56	2.57	2.44	2.17	0.03	-1.13	-0.31
TN UNEMPLOYMENT RATE (%).....	6.4	5.8	4.8	5.2	5.1	5.4	4.2	4.0	3.9	4.4	5.1	5.8
US UNEMPLOYMENT RATE (%).....	7.5	6.9	6.1	5.6	5.4	4.9	4.5	4.2	4.0	4.8	5.8	6.0
BANK PRIME INTEREST RATE (%).....	6.3	6.0	7.1	8.8	8.3	8.4	8.4	8.0	9.2	6.9	4.7	4.1
TN MFG JOBS (THOUS).....	492.9	502.9	513.9	518.1	501.5	498.0	498.6	494.7	488.0	454.2	428.5	414.1
Percentage Change.....	2.61	2.03	2.19	0.81	-3.19	-0.70	0.12	-0.78	-1.35	-6.93	-5.66	-3.35
US MFG JOBS (MIL).....	16.8	16.8	17.0	17.2	17.2	17.4	17.6	17.3	17.3	16.4	15.3	14.5
Percentage Change.....	-1.57	-0.14	1.48	1.29	-0.05	1.05	0.82	-1.35	-0.33	-4.77	-7.21	-4.80
TN TAXABLE SALES (MIL 2000\$).....	52984	55828	59879	63243	64843	69411	69027	74119	74658	72994	72246	73372
Percentage Change.....	-	5.37	7.26	5.62	2.53	7.05	-0.55	7.38	0.73	-2.23	-1.03	1.56
TN TAXABLE SALES (MIL\$).....	45472	49025	53693	57917	60662	66030	66258	72325	74653	74522	74805	77420
Percentage Change.....	-	7.81	9.52	7.87	4.74	8.85	0.35	9.16	3.22	-0.18	0.38	3.49
TN AVG ANNUAL WAGE, NONFARM (2000\$).....	-	-	-	-	-	-	-	-	-	31325	31911	32283
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.87	1.17
TN AVG ANNUAL WAGE, NONFARM (\$).....	-	-	-	-	-	-	-	-	-	31981	33042	34062
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.32	3.09



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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
US GDP (2000\$).....	28507	28895	29696	30084	30835	31838	32785	33855	34714	34616	34909	35627
Percentage Change.....	1.96	1.36	2.77	1.30	2.50	3.25	2.98	3.26	2.54	-0.28	0.85	2.06
TN GSP (2000\$).....	-	-	-	-	-	-	31084	31631	30833	30749	31516	32161
Percentage Change.....	-	-	-	-	-	-	-	1.76	-2.52	-0.28	2.50	2.05
US GDP (\$).....	24626	25538	26804	27709	28939	30378	31629	33133	34714	35447	36337	37764
Percentage Change.....	4.30	3.70	4.96	3.38	4.44	4.97	4.12	4.76	4.77	2.11	2.51	3.93
TN PERSONAL INCOME (2000\$).....	21756	22141	22819	23461	23778	24344	25595	26069	26170	26305	26628	26931
Percentage Change.....	4.68	1.77	3.06	2.81	1.35	2.38	5.14	1.85	0.39	0.52	1.23	1.14
US PERSONAL INCOME (2000\$).....	24274	24283	24696	25163	25804	26592	27965	28584	29807	29908	29712	29799
Percentage Change.....	1.81	0.03	1.70	1.89	2.55	3.05	5.16	2.22	4.28	0.34	-0.65	0.29
TN PERSONAL INCOME (\$).....	18673	19441	20460	21485	22245	23158	24567	25437	26170	26856	27573	28415
Percentage Change.....	7.70	4.11	5.24	5.01	3.54	4.11	6.08	3.54	2.88	2.62	2.67	3.06
US PERSONAL INCOME (\$).....	20835	21323	22143	23044	24140	25296	26841	27893	29808	30534	30765	31442
Percentage Change.....	4.75	2.34	3.85	4.07	4.76	4.79	6.11	3.92	6.87	2.43	0.76	2.20
TN TAXABLE SALES (2000\$).....	10548	10955	11575	12047	12185	12890	12690	13430	13129	12694	12463	12494
Percentage Change.....	-	3.86	5.65	4.08	1.15	5.78	-1.55	5.83	-2.24	-3.32	-1.81	0.25
TN TAXABLE SALES (\$).....	9052	9620	10379	11032	11400	12262	12181	13104	13128	12959	12905	13183
Percentage Change.....	-	6.27	7.89	6.30	3.33	7.57	-0.66	7.58	0.18	-1.28	-0.42	2.16

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TN PERSONAL INCOME.....	109290	112827	118046	123165	126532	131086	139212	143875	148830	151270	154357	158146
Percentage Change.....	-	3.24	4.63	4.34	2.73	3.60	6.20	3.35	3.44	1.64	2.04	2.45
WAGES AND SALARIES.....	-	-	-	-	-	-	-	-	-	84815	85595	86715
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	0.92	1.31
OTHER LABOR INCOME.....	-	-	-	-	-	-	-	-	-	17119	18840	20547
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	10.05	9.06
PROPRIETORS INCOME.....	-	-	-	-	-	-	-	-	-	16793	17481	18579
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	4.10	6.28
RENT, INTEREST, DIVIDENDS.....	-	-	-	-	-	-	-	-	-	22177	21047	20179
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-5.10	-4.12
TRANSFER PAYMENTS.....	-	-	-	-	-	-	-	-	-	24635	25950	26938
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	5.34	3.81
LESS: PERS CONT FOR SOC INS.....	-	-	-	-	-	-	-	-	-	12793	13166	13484
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.91	2.42
RESIDENCE ADJUSTMENT.....	-	-	-	-	-	-	-	-	-	-1476	-1390	-1328
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-5.83	-4.45
PER CAPITA PERSONAL INCOME (\$).....	21756	22141	22819	23461	23778	24344	25595	26069	26170	26305	26628	26931
Percentage Change.....	-	1.77	3.06	2.81	1.35	2.38	5.14	1.85	0.39	0.52	1.23	1.14

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TN PERSONAL INCOME.....	93807	99074	105846	112794	118374	124699	133620	140395	148834	154439	159833	166867
Percentage Change.....	-	5.62	6.84	6.56	4.95	5.34	7.15	5.07	6.01	3.77	3.49	4.40
WAGES AND SALARIES.....	-	-	-	-	-	-	-	-	-	86590	88630	91497
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.36	3.23
SUPPLEMENTS TO WAGES & SALARIES.....	-	-	-	-	-	-	-	-	-	17478	19511	21681
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	11.63	11.12
PROPRIETORS INCOME.....	-	-	-	-	-	-	-	-	-	17144	18102	19604
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	5.59	8.30
RENT, INTEREST, DIVIDENDS.....	-	-	-	-	-	-	-	-	-	22642	21791	21291
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-3.76	-2.29
TRANSFER PAYMENTS.....	-	-	-	-	-	-	-	-	-	25153	26871	28423
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	6.83	5.78
LESS: PERS CONT FOR SOC INS.....	-	-	-	-	-	-	-	-	-	13061	13633	14228
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	4.38	4.36
RESIDENCE ADJUSTMENT.....	-	-	-	-	-	-	-	-	-	-1507	-1439	-1401
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-4.48	-2.64
PER CAPITA PERSONAL INCOME (\$)	18673.3	19441	20460	21485	22245	23157.9	24566.7	25437	26170.1	26856.3	27572.5	28415.3
Percentage Change.....	-	4.11	5.24	5.01	3.54	4.11	6.08	3.54	2.88	2.62	2.67	3.06

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL NONFARM.....	2244.9	2328.4	2422.8	2498.8	2533.3	2584.0	2638.5	2685.3	2728.9	2688.5	2664.4	2667.3
Percentage Change.....	2.81	3.72	4.05	3.14	1.38	2.00	2.11	1.78	1.62	-1.48	-0.90	0.11
NATURAL RESOURCES & MINING.....	5.2	5.1	5.0	5.2	5.4	5.3	5.3	5.1	5.1	4.9	4.5	4.3
Percentage Change.....	-7.89	-2.66	-0.58	4.01	2.37	-1.55	-0.15	-2.68	0.19	-4.24	-7.80	-6.42
CONSTRUCTION.....	90.5	95.7	101.9	109.7	113.8	118.1	121.4	123.1	125.7	120.4	115.0	115.5
Percentage Change.....	2.33	5.71	6.51	7.66	3.72	3.81	2.79	1.40	2.10	-4.25	-4.50	0.47
MANUFACTURING.....	492.9	502.9	513.9	518.1	501.5	498.0	498.6	494.7	488.0	454.2	428.5	414.1
Percentage Change.....	2.61	2.03	2.19	0.81	-3.19	-0.70	0.12	-0.78	-1.35	-6.93	-5.66	-3.35
DURABLE GOODS.....	260.5	271.8	284.0	291.6	290.5	292.0	297.0	301.3	300.6	277.2	259.0	251.1
Percentage Change.....	4.59	4.35	4.50	2.67	-0.38	0.54	1.69	1.47	-0.24	-7.81	-6.54	-3.06
NONDURABLE GOODS.....	232.4	231.1	229.9	226.5	211.1	206.0	201.6	193.4	187.4	177.1	169.5	163.0
Percentage Change.....	0.47	-0.57	-0.53	-1.48	-6.80	-2.41	-2.10	-4.10	-3.08	-5.53	-4.29	-3.79
TRADE, TRANSPORTATION, UTILITIES....	480.2	493.5	515.2	529.5	540.8	551.9	564.2	578.2	586.2	590.2	576.7	580.1
Percentage Change.....	1.12	2.77	4.40	2.77	2.14	2.05	2.22	2.48	1.38	0.69	-2.29	0.58
WHOLESALE TRADE.....	113.0	114.5	118.9	122.6	123.9	128.1	130.7	131.8	131.2	127.5	126.5	127.8
Percentage Change.....	-0.24	1.29	3.86	3.09	1.10	3.33	2.08	0.81	-0.47	-2.80	-0.79	1.00
RETAIL TRADE.....	261.1	268.0	279.5	289.9	297.0	302.3	306.4	311.8	316.3	319.2	312.2	313.0
Percentage Change.....	0.53	2.63	4.28	3.75	2.43	1.80	1.35	1.77	1.45	0.92	-2.21	0.25
TRANSPORTATION & UTILITIES.....	106.1	111.0	116.9	117.0	119.9	121.5	127.1	134.6	138.7	143.5	138.1	139.4
Percentage Change.....	4.14	4.66	5.26	0.10	2.50	1.36	4.55	5.92	3.05	3.46	-3.79	0.95
INFORMATION.....	43.0	44.6	45.7	45.7	48.2	49.2	51.2	52.9	54.7	55.4	53.3	51.6
Percentage Change.....	-0.92	3.71	2.53	0.07	5.45	2.16	3.93	3.27	3.58	1.28	-3.82	-3.17
FINANCIAL ACTIVITIES.....	111.7	115.1	119.1	122.6	127.7	131.5	136.6	140.4	139.3	138.5	138.1	139.0
Percentage Change.....	0.50	3.08	3.50	2.96	4.12	2.96	3.89	2.79	-0.81	-0.56	-0.26	0.63
PROF & BUSINESS SERVICES.....	183.4	199.2	219.4	232.6	242.5	256.7	268.2	287.5	301.1	299.2	296.5	287.3
Percentage Change.....	8.06	8.62	10.13	6.00	4.26	5.87	4.47	7.19	4.73	-0.63	-0.91	-3.10
EDUC & HEALTH SERVICES.....	229.3	239.6	247.2	256.9	260.2	267.2	272.6	272.5	278.9	285.8	300.1	313.1
Percentage Change.....	4.85	4.48	3.19	3.95	1.27	2.67	2.05	-0.06	2.34	2.50	4.99	4.33
LEISURE & HOSPITALITY.....	184.6	196.3	206.8	214.9	218.4	219.9	223.4	226.6	233.3	235.5	239.7	247.3
Percentage Change.....	2.67	6.31	5.37	3.93	1.59	0.72	1.56	1.44	2.98	0.94	1.79	3.14
OTHER SERVICES.....	67.3	74.6	77.9	90.3	93.1	105.7	111.3	114.2	117.6	101.2	101.7	102.9
Percentage Change.....	15.27	10.84	4.33	15.96	3.13	13.53	5.32	2.53	2.98	-13.95	0.49	1.23

(CONTINUED ON NEXT PAGE)

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GOVERNMENT.....	356.8	361.9	370.6	373.1	381.6	380.3	385.6	390.2	399.0	403.2	410.2	412.1
Percentage Change.....	1.03	1.43	2.40	0.67	2.29	-0.35	1.39	1.18	2.26	1.05	1.75	0.47
FEDERAL, CIVILIAN.....	58.4	55.7	55.3	54.4	54.1	51.8	50.9	51.2	53.6	51.5	51.8	51.4
Percentage Change.....	-5.37	-4.58	-0.77	-1.58	-0.48	-4.31	-1.84	0.75	4.68	-3.95	0.59	-0.88
STATE & LOCAL.....	298.5	306.2	315.4	318.7	327.5	328.5	334.8	338.9	345.3	351.6	358.4	360.8
Percentage Change.....	2.39	2.61	2.98	1.06	2.76	0.31	1.90	1.25	1.89	1.82	1.92	0.66
STATISTICAL DISCREPANCY (%).....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL DURABLE GOODS.....	260.5	271.8	284.0	291.6	290.5	292.0	297.0	301.3	300.6	277.2	259.0	251.1
Percentage Change.....	4.59	4.35	4.50	2.67	-0.38	0.54	1.69	1.47	-0.24	-7.81	-6.54	-3.06
WOOD PRODUCTS.....	15.8	16.5	17.3	18.4	18.8	19.6	20.5	19.5	19.6	17.8	17.6	16.7
Percentage Change.....	2.47	4.36	4.47	6.80	2.03	4.10	4.88	-4.97	0.45	-8.97	-1.59	-4.69
NONMETALLIC MINERAL PRODUCTS.....	13.8	15.0	15.7	15.8	15.6	15.4	15.4	15.9	16.2	15.7	15.1	15.8
Percentage Change.....	1.65	8.20	4.79	0.38	-1.12	-0.91	0.10	3.05	1.74	-3.29	-3.42	4.75
PRIMARY METALS.....	14.7	14.7	15.4	15.7	16.1	16.5	17.0	17.6	17.3	15.3	12.6	11.6
Percentage Change.....	0.81	-0.28	4.60	2.01	2.49	2.79	3.27	3.32	-1.65	-11.68	-17.39	-8.51
FABRICATED METAL PRODUCTS.....	45.6	46.4	46.8	45.9	45.9	45.7	45.3	45.6	45.0	43.2	41.4	41.2
Percentage Change.....	0.69	1.73	0.81	-1.92	-0.10	-0.31	-0.95	0.69	-1.28	-4.01	-4.13	-0.52
MACHINERY.....	31.1	31.9	34.4	36.9	37.8	39.2	41.4	42.8	43.1	39.8	35.9	33.7
Percentage Change.....	10.37	2.30	7.97	7.36	2.24	3.90	5.47	3.54	0.59	-7.56	-9.86	-6.14
COMPUTER & ELECTRONIC PRODUCTS.....	15.2	14.9	14.9	15.8	15.9	15.5	15.3	15.5	16.5	15.3	12.9	11.7
Percentage Change.....	-4.48	-1.59	-0.01	5.93	0.64	-2.34	-1.66	1.65	6.47	-7.45	-15.65	-9.41
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	25.3	26.3	28.4	29.2	29.1	29.3	29.8	29.8	28.9	26.3	25.0	23.8
Percentage Change.....	3.30	3.75	8.15	2.90	-0.50	0.78	1.74	0.02	-3.15	-8.74	-4.94	-4.93
TRANSPORTATION EQUIPMENT.....	52.6	57.3	61.4	64.2	62.6	63.5	65.4	67.8	67.8	62.3	60.0	60.2
Percentage Change.....	12.82	8.93	7.15	4.68	-2.60	1.44	3.10	3.69	0.00	-8.15	-3.68	0.32
FURNITURE.....	28.3	30.0	30.6	29.9	29.1	27.5	27.4	27.6	27.3	23.6	21.3	19.5
Percentage Change.....	2.33	5.98	2.19	-2.48	-2.76	-5.18	-0.53	0.74	-1.09	-13.44	-9.92	-8.54
MISCELLANEOUS DURABLE GOODS.....	18.0	18.9	19.2	19.8	19.8	19.7	19.4	19.1	18.8	17.7	17.1	16.9
Percentage Change.....	4.45	5.28	1.52	3.00	0.32	-0.50	-1.83	-1.54	-1.25	-6.02	-3.39	-1.42

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL NONDURABLE GOODS.....	232.4	231.1	229.9	226.5	211.1	206.0	201.6	193.4	187.4	177.1	169.5	163.0
Percentage Change.....	0.47	-0.57	-0.53	-1.48	-6.80	-2.41	-2.10	-4.10	-3.08	-5.53	-4.29	-3.79
FOOD.....	32.8	33.3	33.2	32.6	31.3	31.7	33.2	34.1	34.4	35.8	36.0	35.8
Percentage Change.....	-2.10	1.23	-0.14	-1.97	-3.70	1.03	4.68	2.79	0.87	4.22	0.60	-0.54
BEVERAGE & TOBACCO.....	5.4	5.7	5.9	6.0	6.0	6.1	6.5	6.6	6.7	6.5	6.4	6.2
Percentage Change.....	-1.50	5.87	2.17	2.55	0.38	1.92	6.21	1.14	1.38	-2.73	-2.03	-3.12
TEXTILE MILLS.....	14.3	14.6	15.3	14.7	13.6	13.2	13.0	12.0	11.3	9.5	8.4	7.5
Percentage Change.....	1.90	2.39	5.14	-3.90	-7.51	-3.05	-1.75	-7.64	-5.56	-16.38	-11.71	-10.54
TEXTILE PRODUCT MILLS.....	4.6	4.7	4.7	4.6	4.5	4.8	4.9	4.3	4.1	4.1	3.7	3.6
Percentage Change.....	-5.78	1.09	1.62	-3.35	-1.28	6.62	1.71	-11.72	-6.17	0.63	-8.95	-2.24
APPAREL.....	57.6	55.5	51.2	48.7	39.7	35.1	29.5	23.4	18.8	15.1	12.4	10.8
Percentage Change.....	-0.51	-3.73	-7.74	-4.87	-18.45	-11.60	-16.02	-20.56	-19.58	-19.79	-17.85	-12.88
PAPER.....	20.5	20.7	20.9	20.9	20.7	21.1	21.0	21.4	21.3	21.1	20.4	19.6
Percentage Change.....	3.36	0.97	0.76	0.25	-1.04	1.79	-0.31	1.87	-0.63	-0.92	-3.29	-3.71
PRINTING & RELATED SUPPORT.....	23.5	24.4	25.0	25.2	24.3	24.1	25.1	24.5	23.6	22.2	20.5	19.8
Percentage Change.....	-0.53	3.61	2.64	0.62	-3.47	-0.72	3.88	-2.22	-3.87	-5.61	-7.77	-3.66
CHEMICALS.....	37.1	36.8	35.6	35.5	34.6	34.1	32.5	31.4	30.8	29.0	28.5	28.6
Percentage Change.....	1.46	-0.68	-3.49	-0.14	-2.58	-1.52	-4.56	-3.30	-1.96	-5.78	-1.95	0.47
PLASTICS & RUBBER.....	27.3	28.1	30.3	31.6	30.8	31.0	31.6	31.5	32.4	30.3	30.0	28.2
Percentage Change.....	3.83	3.22	7.57	4.28	-2.38	0.54	1.81	-0.26	2.81	-6.32	-1.02	-5.87
MISCELLANEOUS NONDURABLE GOODS..	9.2	7.3	7.8	6.7	5.4	4.8	4.4	4.1	4.1	3.4	3.2	2.8
Percentage Change.....	1.25	-21.26	7.04	-14.00	-19.61	-11.78	-6.47	-7.30	-0.03	-17.63	-6.38	-10.73

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL NONFARM.....	-	-	-	-	-	-	-	-	-	31325	31911	32283
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.87	1.17
NATURAL RESOURCES & MINING.....	-	-	-	-	-	-	-	-	-	34943	33899	32768
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-2.99	-3.33
CONSTRUCTION.....	-	-	-	-	-	-	-	-	-	34802	34525	34769
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-0.80	0.71
MANUFACTURING.....	-	-	-	-	-	-	-	-	-	36259	37436	38034
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.25	1.60
DURABLE GOODS.....	-	-	-	-	-	-	-	-	-	35864	37154	37553
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.60	1.07
NONDURABLE GOODS.....	-	-	-	-	-	-	-	-	-	36879	37866	38774
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.67	2.40
TRADE, TRANSPORTATION, UTILITIES...	-	-	-	-	-	-	-	-	-	29972	30588	30900
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.05	1.02
WHOLESALE TRADE.....	-	-	-	-	-	-	-	-	-	41547	42285	42993
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.78	1.67
RETAIL TRADE.....	-	-	-	-	-	-	-	-	-	22032	22410	22591
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.71	0.81
TRANSPORTATION & UTILITIES.....	-	-	-	-	-	-	-	-	-	37355	38363	38472
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.70	0.28
INFORMATION.....	-	-	-	-	-	-	-	-	-	37943	38284	38561
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	0.90	0.72
FINANCIAL ACTIVITIES.....	-	-	-	-	-	-	-	-	-	42896	43397	46086
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.17	6.19
PROF & BUSINESS SERVICES.....	-	-	-	-	-	-	-	-	-	32596	33418	33805
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.52	1.16
EDUC & HEALTH SERVICES.....	-	-	-	-	-	-	-	-	-	33114	33540	33571
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.29	0.09
LEISURE & HOSPITALITY.....	-	-	-	-	-	-	-	-	-	15213	15560	15642
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.28	0.53
OTHER SERVICES.....	-	-	-	-	-	-	-	-	-	27340	29191	29357
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	6.77	0.57

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GOVERNMENT.....	-	-	-	-	-	-	-	-	-	29969	30499	30981
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	1.77	1.58
FEDERAL, CIVILIAN.....	-	-	-	-	-	-	-	-	-	47010	47389	48276
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	0.81	1.87
STATE & LOCAL.....	-	-	-	-	-	-	-	-	-	27473	28058	28519
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.13	1.64

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL NONFARM.....	-	-	-	-	-	-	-	-	-	31981	33042	34062
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.32	3.09
NATURAL RESOURCES & MINING.....	-	-	-	-	-	-	-	-	-	35672	35099	34571
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	-1.61	-1.50
CONSTRUCTION.....	-	-	-	-	-	-	-	-	-	35530	35745	36686
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	0.61	2.63
MANUFACTURING.....	-	-	-	-	-	-	-	-	-	37017	38764	40131
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	4.72	3.53
DURABLE GOODS.....	-	-	-	-	-	-	-	-	-	36614	38472	39624
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	5.07	2.99
NONDURABLE GOODS.....	-	-	-	-	-	-	-	-	-	37650	39210	40912
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	4.14	4.34
TRADE, TRANSPORTATION, UTILITIES.....	-	-	-	-	-	-	-	-	-	30600	31672	32604
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.50	2.94
WHOLESALE TRADE.....	-	-	-	-	-	-	-	-	-	42415	43784	45363
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.23	3.61
RETAIL TRADE.....	-	-	-	-	-	-	-	-	-	22495	23204	23837
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.15	2.73
TRANSPORTATION & UTILITIES.....	-	-	-	-	-	-	-	-	-	38137	39724	40593
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	4.16	2.19
INFORMATION.....	-	-	-	-	-	-	-	-	-	38739	39641	40688
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.33	2.64
FINANCIAL ACTIVITIES.....	-	-	-	-	-	-	-	-	-	43797	44936	48628
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.60	8.22
PROFESSIONAL & BUSINESS SERVICES...	-	-	-	-	-	-	-	-	-	33281	34603	35668
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.97	3.08
EDUCATION & HEALTH SERVICES.....	-	-	-	-	-	-	-	-	-	33808	34728	35422
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.72	2.00
LEISURE & HOSPITALITY.....	-	-	-	-	-	-	-	-	-	15533	16110	16504
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.72	2.44
OTHER SERVICES.....	-	-	-	-	-	-	-	-	-	27914	30231	30973
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	8.30	2.46

(CONTINUED ON NEXT PAGE)

**Table 9: Tennessee Average Annual Wage and Salary Rate by Sector (current dollars) December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GOVERNMENT.....	-	-	-	-	-	-	-	-	-	30598	31581	32689
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.21	3.51
FEDERAL, CIVILIAN.....	-	-	-	-	-	-	-	-	-	47992	49065	50934
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	2.24	3.81
STATE & LOCAL.....	-	-	-	-	-	-	-	-	-	28050	29053	30091
Percentage Change.....	-	-	-	-	-	-	-	-	-	-	3.58	3.57

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
CIVILIAN LABOR FORCE (THOUS).....	2465	2513	2680	2730	2780	2747	2799	2861	2830	2857	2929	2910
Percentage Change.....	1.56	1.97	6.61	1.90	1.82	-1.18	1.89	2.21	-1.08	0.96	2.50	-0.65
EMPLOYED PERSONS (THOUS).....	2306	2369	2552	2589	2637	2599	2682	2746	2720	2731	2779	2740
Percentage Change.....	1.89	2.71	7.70	1.46	1.86	-1.43	3.18	2.38	-0.95	0.41	1.75	-1.37
UNEMPLOYED PERSONS (THOUS).....	158	144	128	142	143	148	117	115	110	126	150	169
Percentage Change.....	-3.10	-8.76	-11.34	10.55	1.09	3.50	-20.78	-1.84	-4.15	14.54	18.63	12.64
PARTICIPATION RATE (PERCENT).....	63.1	63.4	66.6	66.8	66.9	65.2	65.7	66.2	63.6	63.3	64.3	62.7
Percentage Change.....	0.33	0.59	4.99	0.27	0.21	-2.50	0.76	0.69	-3.88	-0.46	1.46	-2.44
UNEMPLOYMENT RATE (PERCENT).....	6.4	5.8	4.8	5.2	5.1	5.4	4.2	4.0	3.9	4.4	5.1	5.8

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL TAXABLE SALES.....	52984	55828	59879	63243	64843	69411	69027	74119	74658	72994	72246	73372
Percentage Change.....	-	5.37	7.26	5.62	2.53	7.05	-0.55	7.38	0.73	-2.23	-1.03	1.56
AUTO DEALERS.....	5393	6193	6794	7166	7072	7006	7424	8308	8377	8466	8530	8933
Percentage Change.....	-	14.85	9.69	5.49	-1.32	-0.93	5.97	11.91	0.82	1.07	0.75	4.72
PURCHASES FROM MANUFACTURERS....	3491	3529	3903	4176	4426	4596	4456	4345	4202	3875	3527	3729
Percentage Change.....	-	1.08	10.59	7.00	5.99	3.84	-3.04	-2.50	-3.28	-7.77	-8.99	5.72
MISC DURABLE GOODS.....	8034	8619	10027	10841	11095	12504	11757	13151	13016	12105	11850	12214
Percentage Change.....	-	7.29	16.33	8.12	2.35	12.70	-5.98	11.85	-1.02	-7.00	-2.10	3.07
EATING AND DRINKING PLACES.....	4394	4469	4883	5121	5285	5487	5707	6009	6205	6313	6334	6541
Percentage Change.....	-	1.71	9.25	4.88	3.21	3.81	4.00	5.30	3.26	1.75	0.33	3.26
FOOD STORES.....	7457	7144	7635	7718	7801	7857	7892	8087	8132	7928	7360	6764
Percentage Change.....	-	-4.20	6.88	1.08	1.08	0.72	0.44	2.48	0.55	-2.51	-7.17	-8.10
LIQUOR STORES.....	327	304	321	329	343	352	352	375	385	389	394	411
Percentage Change.....	-	-6.87	5.59	2.25	4.38	2.50	0.21	6.39	2.65	1.05	1.32	4.18
HOTELS AND MOTELS.....	1410	1640	1513	1540	1587	1711	1739	1797	1830	1749	1715	1725
Percentage Change.....	-	16.27	-7.71	1.73	3.06	7.82	1.66	3.32	1.83	-4.42	-1.91	0.58
OTHER RETAIL AND SERVICE.....	14719	15602	16638	17720	18424	19320	19950	21167	21494	20958	20969	21415
Percentage Change.....	-	6.00	6.64	6.50	3.97	4.87	3.26	6.10	1.54	-2.49	0.05	2.13
MISC NONDURABLE GOODS.....	4811	4744	5043	5238	5256	5772	5657	6323	6335	6180	6039	5938
Percentage Change.....	-	-1.41	6.31	3.86	0.35	9.83	-2.01	11.78	0.18	-2.43	-2.29	-1.68
TRANSPORTATION, COMMUNICATION.....	2948	3583	3122	3396	3555	4806	4093	4557	4684	5030	5528	5702
Percentage Change.....	-	21.55	-12.87	8.76	4.69	35.19	-14.83	11.34	2.77	7.39	9.90	3.16
PER CAPITA (\$)	10548	10955	11575	12047	12185	12890	12690	13430	13129	12694	12463	12494
Percentage Change.....	-	3.86	5.65	4.08	1.15	5.78	-1.55	5.83	-2.24	-3.32	-1.81	0.25

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

**December 2004**

	Historical Data											
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL TAXABLE SALES.....	45472	49025	53693	57917	60662	66030	66258	72325	74653	74522	74805	77420
Percentage Change.....	-	7.81	9.52	7.87	4.74	8.85	0.35	9.16	3.22	-0.18	0.38	3.49
AUTO DEALERS.....	4629	5439	6092	6563	6614	6665	7126	8107	8375	8644	8833	9425
Percentage Change.....	-	17.51	12.00	7.73	0.79	0.76	6.93	13.77	3.31	3.21	2.18	6.70
PURCHASES FROM MANUFACTURERS....	2996	3099	3500	3824	4142	4372	4277	4239	4202	3956	3652	3935
Percentage Change.....	-	3.44	12.95	9.24	8.33	5.55	-2.18	-0.89	-0.87	-5.85	-7.68	7.73
MISC DURABLE GOODS.....	6894	7570	8992	9927	10380	11896	11286	12833	13013	12358	12270	12889
Percentage Change.....	-	9.79	18.79	10.40	4.56	14.60	-5.12	13.70	1.41	-5.04	-0.71	5.04
EATING AND DRINKING PLACES.....	3771	3925	4378	4690	4945	5219	5478	5864	6205	6446	6558	6902
Percentage Change.....	-	4.06	11.56	7.12	5.43	5.56	4.95	7.05	5.82	3.89	1.75	5.23
FOOD STORES.....	6399	6272	6845	7068	7297	7474	7575	7892	8132	8094	7619	7137
Percentage Change.....	-	-1.98	9.13	3.26	3.24	2.42	1.35	4.18	3.05	-0.47	-5.87	-6.33
LIQUOR STORES.....	281	267	288	301	321	335	338	366	385	397	408	433
Percentage Change.....	-	-4.72	7.82	4.45	6.62	4.23	1.12	8.17	5.18	3.17	2.76	6.16
HOTELS AND MOTELS.....	1211	1440	1357	1410	1485	1627	1669	1753	1830	1785	1776	1820
Percentage Change.....	-	18.91	-5.77	3.88	5.32	9.62	2.58	5.03	4.36	-2.43	-0.50	2.48
OTHER RETAIL AND SERVICE.....	12633	13702	14919	16229	17235	18379	19149	20655	21493	21397	21711	22597
Percentage Change.....	-	8.46	8.88	8.78	6.20	6.64	4.19	7.86	4.06	-0.45	1.47	4.08
MISC NONDURABLE GOODS.....	4130	4165	4522	4796	4917	5492	5430	6170	6335	6309	6253	6265
Percentage Change.....	-	0.86	8.56	6.07	2.51	11.69	-1.12	13.61	2.68	-0.40	-0.89	0.19
TRANSPORTATION, COMMUNICATION.....	2529	3146	2800	3110	3326	4571	3929	4448	4683	5135	5723	6017
Percentage Change.....	-	24.41	-11.01	11.08	6.95	37.45	-14.05	13.22	5.29	9.64	11.45	5.13
PER CAPITA (\$)	9052	9620	10379	11032	11400	12262	12181	13104	13128	12959	12905	13183
Percentage Change.....	-	6.27	7.89	6.30	3.33	7.57	-0.66	7.58	0.18	-1.28	-0.42	2.16

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**Table 13: Tennessee Gross State Product by Sector (millions of 2000 dollars) December 2004**

	Historical Data										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GROSS STATE PRODUCT.....	-	-	-	-	-	-	169058	174568	175350	176820	182690
Percentage Change.....	-	-	-	-	-	-	-	3.26	0.45	0.84	3.32
AGRICULTURE, FORESTRY, FISHING & HUNTING.....	-	-	-	-	-	-	933	867	1193	1207	1214
Percentage Change.....	-	-	-	-	-	-	-	-7.07	37.60	1.17	0.58
MINING.....	-	-	-	-	-	-	463	517	502	470	407
Percentage Change.....	-	-	-	-	-	-	-	11.66	-2.90	-6.37	-13.40
CONSTRUCTION.....	-	-	-	-	-	-	7660	7598	7366	6587	6230
Percentage Change.....	-	-	-	-	-	-	-	-0.81	-3.05	-10.58	-5.42
MANUFACTURING.....	-	-	-	-	-	-	33033	33683	33143	32730	34070
Percentage Change.....	-	-	-	-	-	-	-	1.97	-1.60	-1.25	4.09
DURABLE GOODS.....	-	-	-	-	-	-	18951	19864	19336	19533	20431
Percentage Change.....	-	-	-	-	-	-	-	4.82	-2.66	1.02	4.60
NONDURABLE GOODS.....	-	-	-	-	-	-	14082	13819	13807	13197	13639
Percentage Change.....	-	-	-	-	-	-	-	-1.87	-0.09	-4.42	3.35
TRADE, TRANSPORTATION, UTILITIES....	-	-	-	-	-	-	35128	37317	37352	38008	40041
Percentage Change.....	-	-	-	-	-	-	-	6.23	0.09	1.76	5.35
WHOLESALE TRADE.....	-	-	-	-	-	-	11741	12459	12008	12580	13185
Percentage Change.....	-	-	-	-	-	-	-	6.12	-3.62	4.76	4.81
RETAIL TRADE.....	-	-	-	-	-	-	14590	15449	15692	16486	17721
Percentage Change.....	-	-	-	-	-	-	-	5.89	1.57	5.06	7.49
TRANSPORTATION & UTILITIES.....	-	-	-	-	-	-	8797	9409	9652	8942	9135
Percentage Change.....	-	-	-	-	-	-	-	6.96	2.58	-7.36	2.16
INFORMATION.....	-	-	-	-	-	-	4240	4582	4968	5403	5897
Percentage Change.....	-	-	-	-	-	-	-	8.07	8.42	8.76	9.14
FINANCIAL ACTIVITIES.....	-	-	-	-	-	-	26803	28257	29170	30118	30531
Percentage Change.....	-	-	-	-	-	-	-	5.42	3.23	3.25	1.37
PROFESSIONAL & BUSINESS SERVICES.....	-	-	-	-	-	-	15288	15940	16085	16224	17128
Percentage Change.....	-	-	-	-	-	-	-	4.26	0.91	0.86	5.57
EDUCATION & HEALTH SERVICES.....	-	-	-	-	-	-	13787	13832	14223	14536	15233
Percentage Change.....	-	-	-	-	-	-	-	0.33	2.83	2.20	4.79
LEISURE & HOSPITALITY.....	-	-	-	-	-	-	6952	7029	7060	6979	7324
Percentage Change.....	-	-	-	-	-	-	-	1.11	0.44	-1.15	4.94
OTHER SERVICES.....	-	-	-	-	-	-	4995	4864	4764	4802	4706
Percentage Change.....	-	-	-	-	-	-	-	-2.62	-2.06	0.80	-2.00
GOVERNMENT.....	-	-	-	-	-	-	19776	20082	19524	19756	19909
Percentage Change.....	-	-	-	-	-	-	-	1.55	-2.78	1.19	0.77
FEDERAL.....	-	-	-	-	-	-	6245	6154	5617	5571	5433
Percentage Change.....	-	-	-	-	-	-	-	-1.46	-8.73	-0.82	-2.48
STATE & LOCAL.....	-	-	-	-	-	-	13531	13928	13907	14185	14476
Percentage Change.....	-	-	-	-	-	-	-	2.93	-0.15	2.00	2.05

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

**December 2004**

	Historical Data										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
DURABLE GOODS.....	-	-	-	-	-	-	18951	19864	19336	19533	20431
Percentage Change.....	-	-	-	-	-	-	-	4.82	-2.66	1.02	4.60
WOOD PRODUCTS.....	-	-	-	-	-	-	909	887	883	810	848
Percentage Change.....	-	-	-	-	-	-	-	-2.42	-0.45	-8.27	4.69
NONMETALLIC MINERAL PRODUCTS.....	-	-	-	-	-	-	1258	1247	1267	1122	1066
Percentage Change.....	-	-	-	-	-	-	-	-0.87	1.60	-11.44	-4.99
PRIMARY METALS.....	-	-	-	-	-	-	1497	2012	1347	1431	1317
Percentage Change.....	-	-	-	-	-	-	-	34.40	-33.05	6.24	-7.97
FABRICATED METAL PRODUCTS.....	-	-	-	-	-	-	2873	3152	2996	2751	2854
Percentage Change.....	-	-	-	-	-	-	-	9.71	-4.95	-8.18	3.74
MACHINERY.....	-	-	-	-	-	-	3065	3054	2932	2944	2895
Percentage Change.....	-	-	-	-	-	-	-	-0.36	-3.99	0.41	-1.66
COMPUTER & ELECTRONIC PRODUCTS.....	-	-	-	-	-	-	396	492	774	2122	2338
Percentage Change.....	-	-	-	-	-	-	-	24.24	57.32	174.16	10.18
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS.....	-	-	-	-	-	-	1838	1868	1841	1837	1852
Percentage Change.....	-	-	-	-	-	-	-	1.63	-1.45	-0.22	0.82
TRANSPORTATION EQUIPMENT.....	-	-	-	-	-	-	4725	4557	4737	4201	4965
Percentage Change.....	-	-	-	-	-	-	-	-3.56	3.95	-11.32	18.19
FURNITURE.....	-	-	-	-	-	-	1067	1082	1081	852	803
Percentage Change.....	-	-	-	-	-	-	-	1.41	-0.09	-21.18	-5.75
MISCELLANEOUS DURABLE GOODS.....	-	-	-	-	-	-	1323	1513	1478	1463	1493
Percentage Change.....	-	-	-	-	-	-	-	14.36	-2.31	-1.01	2.05

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

**December 2004**

	Historical Data										
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL NONDURABLE GOODS.....	-	-	-	-	-	-	14082	13819	13807	13197	13639
Percentage Change.....	-	-	-	-	-	-	-	-1.87	-0.09	-4.42	3.35
FOOD AND BEVERAGE & TOBACCO.....	-	-	-	-	-	-	3730	3801	3850	3707	3681
Percentage Change.....	-	-	-	-	-	-	-	1.90	1.29	-3.71	-0.70
TEXTILE MILLS AND TEXTILE PRODUCT MILL	-	-	-	-	-	-	770	711	732	701	702
Percentage Change.....	-	-	-	-	-	-	-	-7.66	2.95	-4.23	0.14
APPAREL.....	-	-	-	-	-	-	1021	718	698	575	588
Percentage Change.....	-	-	-	-	-	-	-	-29.68	-2.79	-17.62	2.26
PAPER.....	-	-	-	-	-	-	1797	1822	1647	1758	1772
Percentage Change.....	-	-	-	-	-	-	-	1.39	-9.60	6.74	0.80
PRINTING & RELATED SUPPORT.....	-	-	-	-	-	-	1319	1274	1306	1170	1176
Percentage Change.....	-	-	-	-	-	-	-	-3.41	2.51	-10.41	0.51
CHEMICALS.....	-	-	-	-	-	-	3260	3188	2970	3006	3255
Percentage Change.....	-	-	-	-	-	-	-	-2.21	-6.84	1.21	8.28
PLASTICS & RUBBER.....	-	-	-	-	-	-	2065	2160	2134	1903	1990
Percentage Change.....	-	-	-	-	-	-	-	4.60	-1.20	-10.82	4.57
MISCELLANEOUS NONDURABLE GOODS.....	-	-	-	-	-	-	120	145	470	377	475
Percentage Change.....	-	-	-	-	-	-	-	20.83	224.14	-19.79	25.99

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