



Tennessee Economic Update

July 21, 2015

Summary

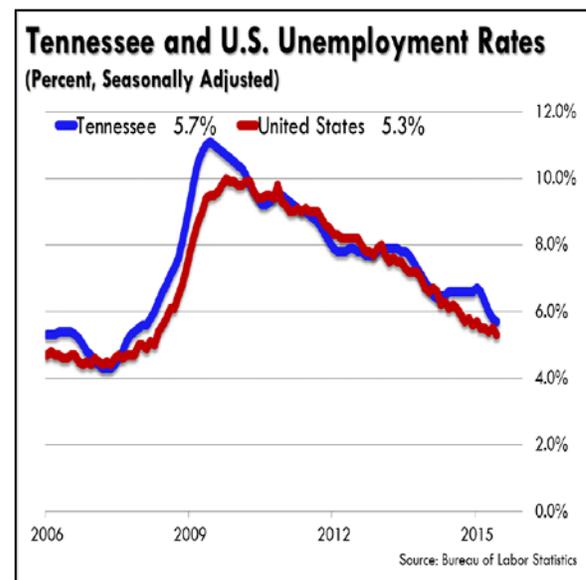
Nonfarm payroll employment in Tennessee increased by 5,500 jobs and the unemployment rate fell to 5.7 percent in June according to data released by the Bureau of Labor Statistics (BLS).

Tennessee Unemployment Rate

During June, the unemployment rate in Tennessee declined by 0.1 percentage point to 5.7 percent. The number of people counted as unemployed fell by 4,154 in June to 176,815, while the labor force fell by 6,480 to 3,097,049. Among the 50 states and the District of Columbia, 31 posted lower unemployment rates for the month than Tennessee. A year earlier, the unemployment rate in Tennessee stood at 6.6 percent.

The 10 year peak for the unemployment rate in Tennessee was 11.1 percent in June 2009. The series high for the unemployment rate in Tennessee occurred in January 1983 when the unemployment rate reached 12.9 percent. The 10 year low for the unemployment rate in Tennessee was 4.3 percent in May 2007. The series low for the unemployment rate in Tennessee occurred in March 2000 when the unemployment rate reached 3.7 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined to 5.3 percent in June. June's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.1 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



Tennessee Payroll Employment

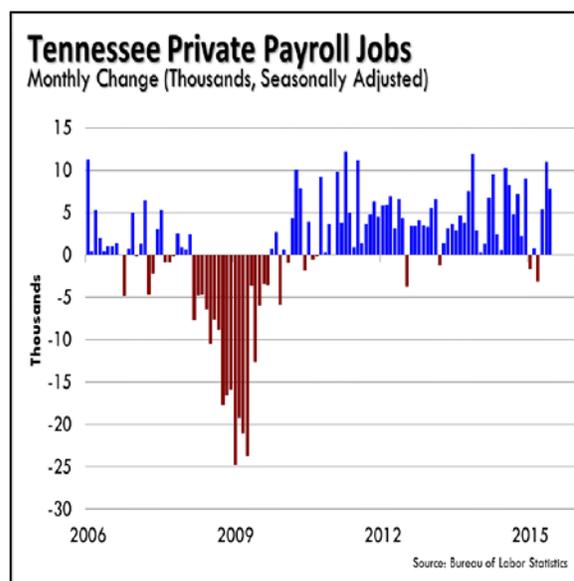
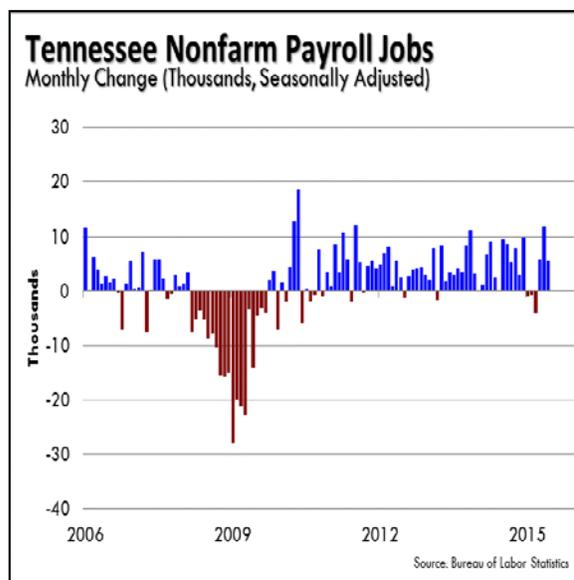
Tennessee nonfarm payrolls increased by 5,500 jobs, or 0.19 percent, on a seasonally adjusted basis during June. In the prior month, nonfarm payrolls increased by 11,700. Over the past 12 months nonfarm payrolls in Tennessee increased by 61,100, or 2.18 percent. Tennessee nonfarm payroll employment has increased in 9 of the past 12 months.

Nationally nonfarm payrolls increased by 223,000 jobs in June, or 0.16 percent. Over the 12 month period ending in June 2015, nonfarm payrolls grew by 2,935,000 jobs, or 2.11 percent. Tennessee ranks 14th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During June, Tennessee private sector payrolls increased by 7,800, or 0.32 percent. Private sector payrolls increased by 11,000 jobs in the prior month. Over the past 12 months, private sector payrolls in Tennessee increased by 61,800, or 2.59 percent. Tennessee private sector payroll employment has increased in 10 of the past 12 months.

Nationally, private sector payroll jobs increased by 223,000 in June, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,880,000 private sector payroll jobs, an increase of 2.46 percent. Tennessee ranks 14th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During June, total government payroll employment in Tennessee declined by 2,300, or 0.54 percent. Federal government payroll employment was unchanged. State government payroll employment declined by 900, or 0.96 percent, while local government payroll employment was unchanged.



Over the past year, total government payroll employment declined by 700, or 0.16 percent. State government payroll employment declined by 1,700, or 1.79 percent. Local government payroll employment increased by 1,100, or 0.39 percent.

The best performing sectors on a seasonally adjusted basis during June were Professional & Business Services (+3,800) and Trade, Transportation & Utilities (+1,800). The poorest performing sectors during the month were Total Government (-2,300) and Logging, Mining & Construction (-1,500).

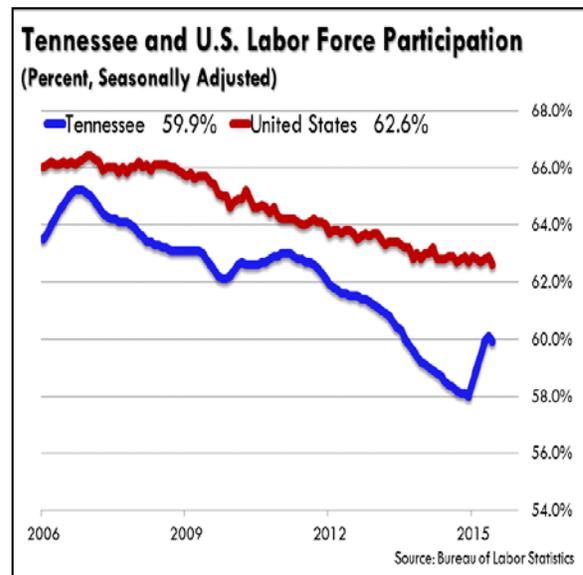
The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+13,900) and Professional & Business Services (+13,600). The poorest performing sectors for the year were Total Government (-700) and Other Services (-400).

Other Tennessee Labor Force Statistics

The labor force participation rate in Tennessee declined to 59.9 percent in June from 60.1 percent the prior month. Among the 50 states and the District of Columbia, 42 have a higher labor force participation rate than Tennessee. The labor force participation rate in Tennessee is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Tennessee was 65.2 percent in November 2006. The series high for the labor force participation rate in Tennessee occurred in January 1995 when the labor force participation rate hit 67.4 percent. The 10 year low for the labor force participation rate was 58.0 percent in December 2014. This also represents the series low for the labor force participation rate in Tennessee.

The national labor force participation rate declined by 0.3 percentage point to 62.6 percent in June. That rate is 0.2 percentage point lower than a year earlier and the lowest recorded since October 1977.



The employment-to-population ratio, or the percentage of the Tennessee civilian noninstitutionalized population 16 years and older counted as employed, declined to 56.5 percent in June from 56.6 percent the prior month. Among the 50 states and the District of Columbia, 42 have higher employment-to-population ratios than Tennessee. The employment-to-population ratio in Tennessee is 1.8 percentage points higher than a year earlier.

The 10 year high for the employment-to-population ratio in Tennessee was 62.1 percent in December 2006. The series high for the employment-to-population ratio in

Tennessee occurred in January 1995 when the employment-to-population ratio hit 64.3 percent. The 10 year low for the employment-to-population ratio was 54.2 percent in December 2014. The series low for the employment-to-population ratio occurred in March 1983 when the employment-to-population ratio hit 53.8 percent.

The national employment-to-population ratio ticked down to 59.3 percent in June. At 59.3 percent, the national employment-to-population ratio is below its level of 59.4 percent when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in June 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Friday, August 21. The national employment situation for July will be released on Friday, August 7.

