



ECONOMY AT A GLANCE

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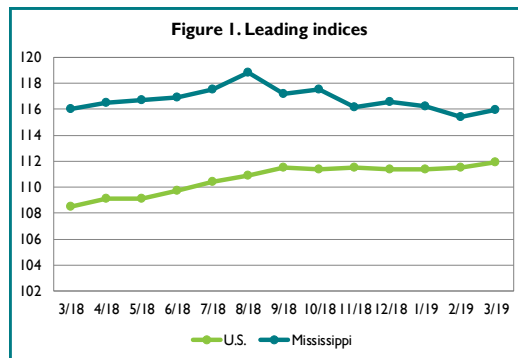
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) rose 0.5 percent in March. Compared to one year ago the value of the MLI for the month was 0.1 percent lower.

The value of the Mississippi Coincident Index (MCI) fell 0.1 percent in March as Figure 2 below indicates. Compared to one year ago the value for the month was 1.5 percent higher.

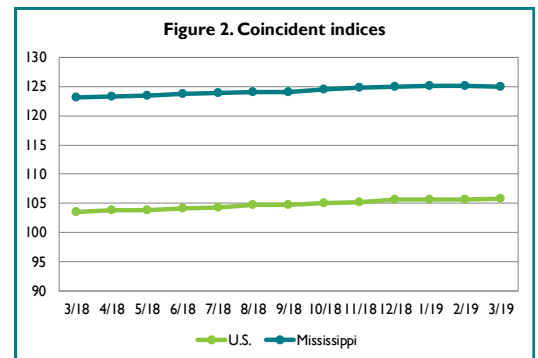
U.S. real gross domestic product (GDP) increased 3.2 percent in the first quarter of 2019 according to the first estimate of the U.S. Bureau of Economic Analysis (BEA). Increases in state and local government spending, private inventory investment, and exports pushed first quarter growth higher, overcoming declines in consumer spending, nonresidential fixed investment, and federal government

spending. The increase in real GDP in the first quarter was the largest gain in the first quarter of a year since 2015, when real GDP rose 3.3 percent.

The MLI finally notched its first increase of 2019 in March as most of its components increased. However, much of the gain was due to the relatively large increases in national measures of retail sales and consumer expectations. Employment growth in the state remains negative in 2019, down in each of the first three months, and continued unemployment claims have begun to inch higher. While both income tax withholdings and building permits saw welcome gains in March, growth in both measures remains relatively flat. Thus, despite the growth in the MLI in March the performance of Mississippi's economy remains rather mixed.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

Notes: The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The index is based on changes in nonfarm employment, the unemployment rate, average manufacturing work-week length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2004.

MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, MARCH 2019

The value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased 0.5 percent in March, its largest increase since August 2018. However, the February value of the MLI was revised down 0.2 percentage point as a result of data revisions. The March value of the MLI was 0.1 percent lower compared to one year ago. Over the last six months the value of the MLI fell 1.0 percent.

In March five of the seven components of the MLI contributed positively. The largest contribution came from retail sales. Each component is discussed below in order of largest to smallest contribution.

The value of **U.S. retail sales** surged 1.6 percent in March as seen in Figure 4. The increase was the largest monthly gain since September 2017. Compared to one year ago the value of retail sales was 3.6 percent higher in March. The largest increases in sales for the month occurred in gasoline and automobiles; however, sales excluding automobiles and gasoline still increased by a relatively strong 0.9 percent from the previous month. The only category of sales that decreased in March was sporting goods and hobbies, which declined slightly. A somewhat optimistic view of retail sales is that with events such as winter weather and the federal government shutdown now over, growth can improve and become more stable.

As seen in Figure 5 the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) rose 3.0 percent in March, the largest increase since September 2017. Nevertheless, compared to one year ago the value for the month was down 2.5 percent, the fourth consecutive month with a year-over-year decrease. Short-term inflation expectations were unchanged in the most recent survey while long-term expectations declined as they gave back the gain of the previous month.

As seen in Figure 6 the value of seasonally-adjusted **initial unemployment claims** in Mississippi fell 8.7 percent in March after increases in four of the last five months. Compared to one year ago the value for the month was down 5.0 percent. In contrast, Figure 16 on page 6 indicates the value of seasonally-adjusted continued unemployment claims in Mississippi climbed 7.9 percent in March to the highest level since July 2018. The number of continued unemployment claims in Mississippi in March

was 5.2 percent lower compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi rose 0.1 percentage point in March to 4.9 percent as seen in Figure 17 on page 6. The state's unemployment rate reached its highest level since March 2018, unchanged from one year ago.

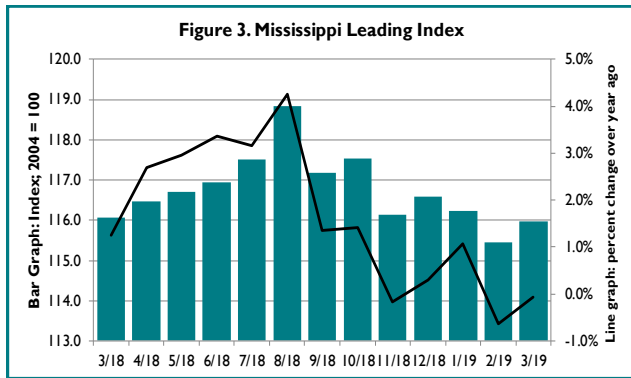
Mississippi income tax withholdings (three-month moving average) increased in value by 0.7 percent in March as Figure 7 indicates. Compared to one year ago the value of withholdings in March was down 1.5 percent, the second consecutive month with a year-over-year decrease. The value of withholdings fell 1.2 percent over the last six months as of March.

The value of **Mississippi residential building permits** (three-month moving average) increased 1.4 percent in March as seen in Figure 8. The value for March was 9.9 percent higher compared to one year ago, the largest year-over-year increase since April 2017. The number of units for the month rose 0.5 percent, the first increase since October 2018. The number of units in March was up 7.4 percent compared to one year ago, the largest year-over-year increase since July 2018. In contrast, the number of privately-owned housing units authorized by building permits in the U.S. in March was down 1.7 percent from the revised February rate. The number of units in the U.S. in March compared to one year ago was 7.8 percent lower.

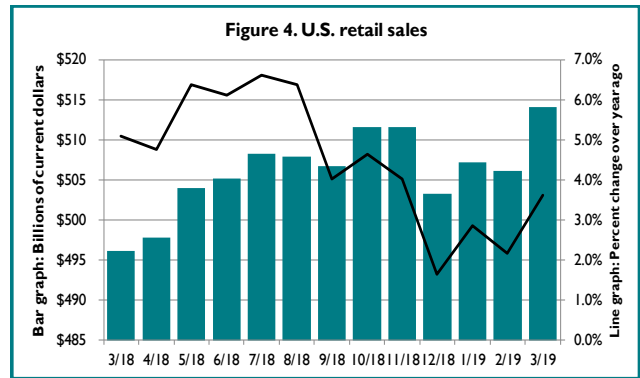
Figure 9 indicates the value of the **Mississippi Manufacturing Employment Intensity Index** fell 1.6 percent in March. The value declined for the second consecutive month as a result of revisions to February data. The value of the Index for the month was 1.7 percent lower compared to one year ago. The value of the Index fell in March due to the decrease in both the average weekly hours of production employees in Mississippi and Manufacturing employment in the state.

Figure 10 indicates the value of the **ISM Index of U.S. Manufacturing Activity** fell 4.5 percent in April to its lowest level since October 2016, but remained in expansion territory. Compared to one year ago the value of the Index in April was 8.8 percent lower. While three of the five components of the Index decreased for the month, the value of the Index was pulled down by relatively large declines in New Orders and Employment. The value of the prices paid index decreased in April as it gave back most of the increase of the previous month.

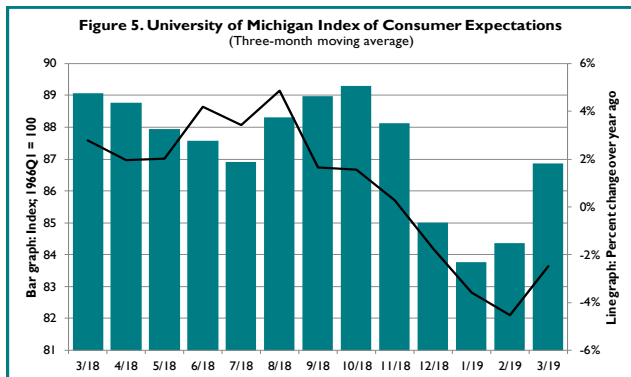
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



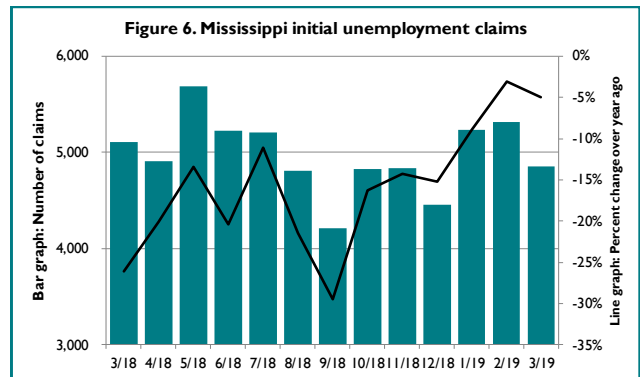
Source: University Research Center



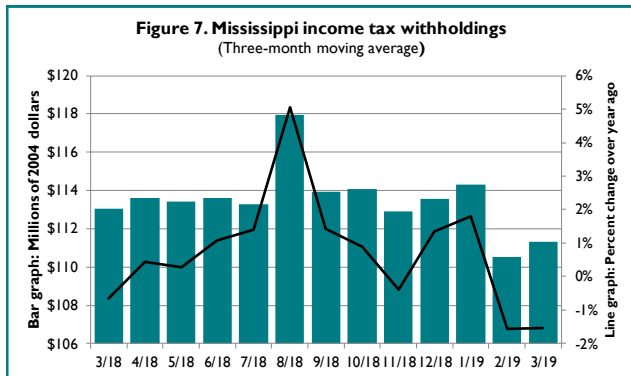
Source: U.S. Bureau of the Census



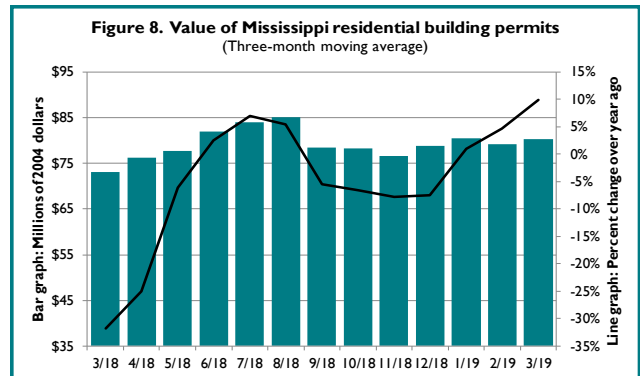
Source: Thomson Reuters/University of Michigan Surveys of Consumers



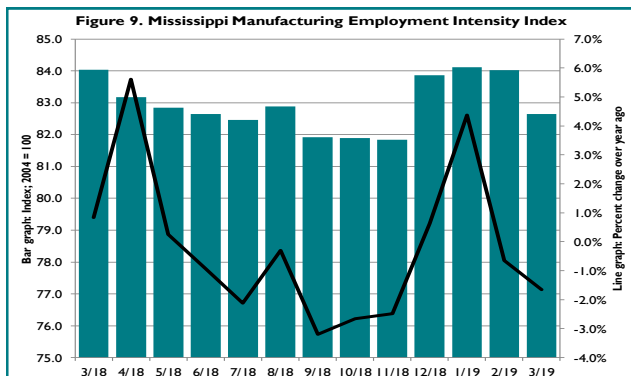
Source: U.S. Department of Labor; seasonally adjusted



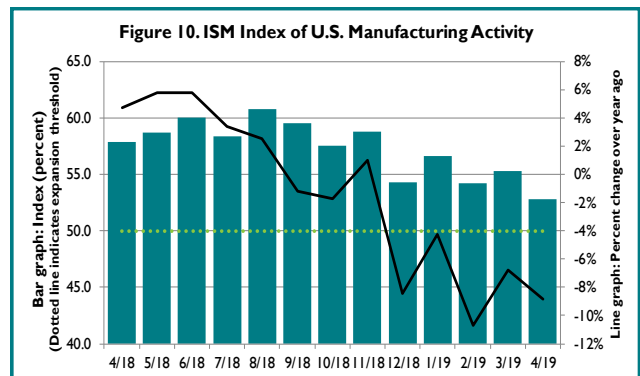
Source: Mississippi Department of Revenue; seasonally adjusted



Source: U.S. Bureau of the Census; seasonally adjusted



Source: URC using data from U.S. Bureau of Labor Statistics



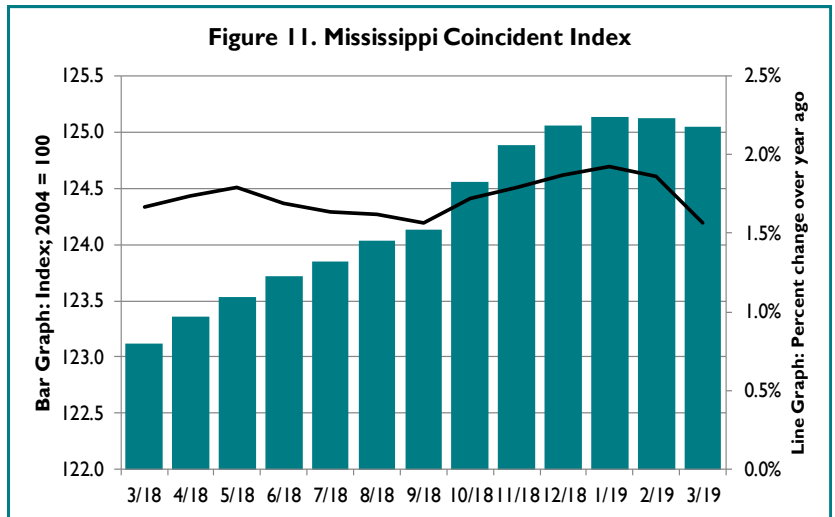
Source: Institute for Supply Management

MISSISSIPPI'S BUSINESS

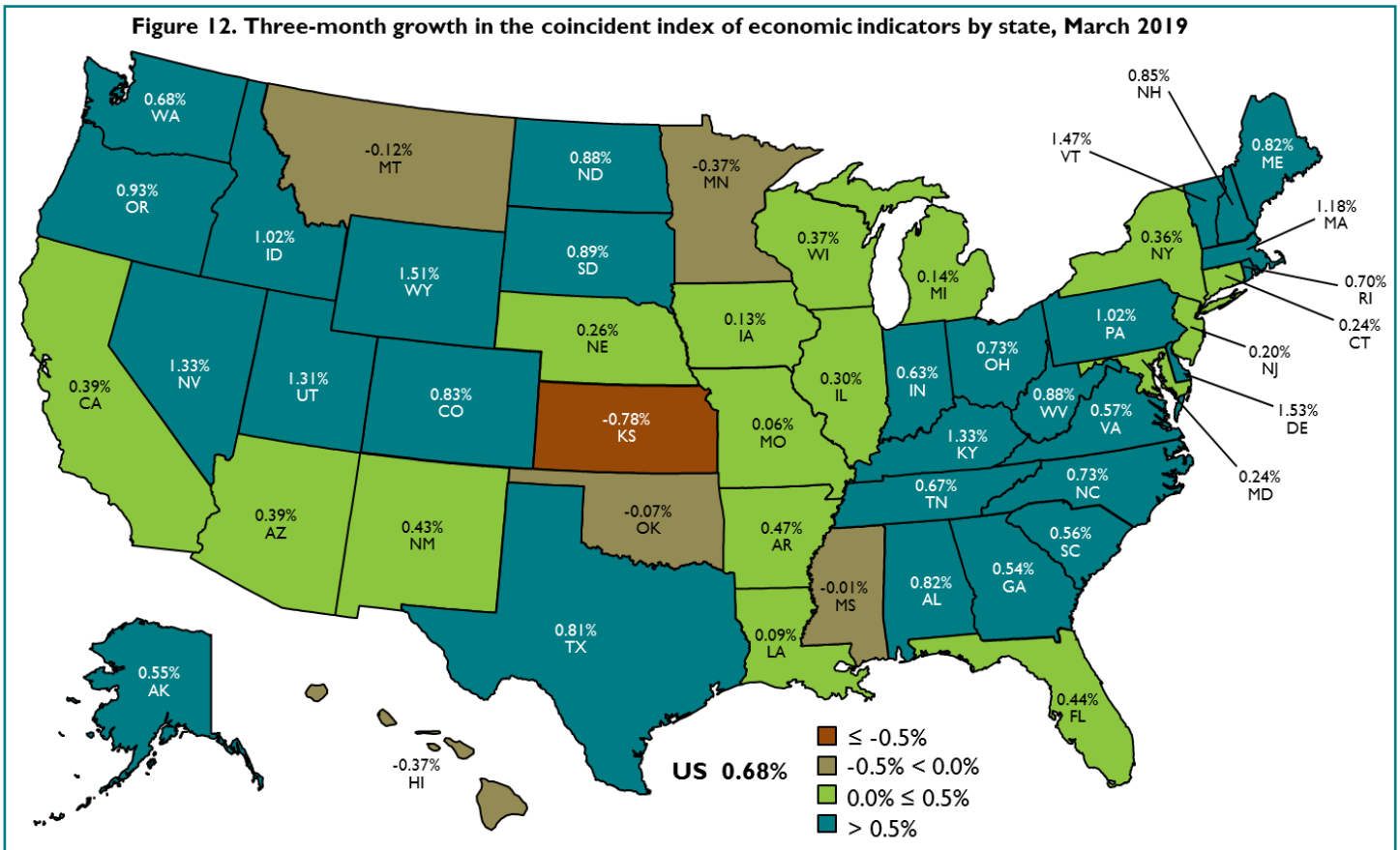
MISSISSIPPI COINCIDENT INDEX, MARCH 2019

The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** fell 0.1 percent in March as seen in Figure 11. Compared to one year ago the value of the MCI in March was 1.5 percent higher.

The values of the coincident indices increased in forty-four states in March compared to three months prior as seen in Figure 12 below. In twenty-eight states the values of the coincident indices increased by more than 0.5 percent in March compared to January. The values of the coincident indices increased by less than 0.5 percent compared to three months prior in sixteen states. In five states including Mississippi the coincident indices fell between 0.0 and 0.5 percent. The only state where the coincident index fell by more than 0.5 percent in March compared to three months prior was Kansas.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

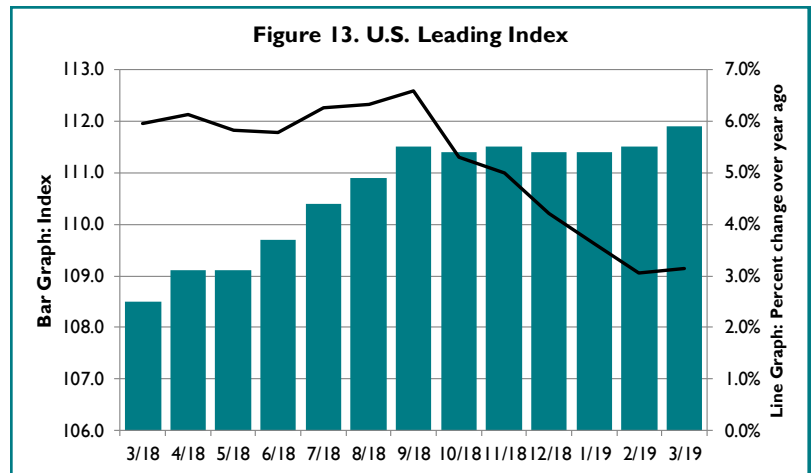
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased 0.4 percent in March as seen in Figure 13. Compared to one year ago the value of the LEI for the month was 3.1 percent higher. Eight of the ten indicators that make up the LEI increased in value, led by average weekly initial claims for unemployment insurance. Because of continued delays from the federal government shutdown, The Conference Board forecasted the March values of building permits. The value of the LEI rose 0.4 percent over the last six months.

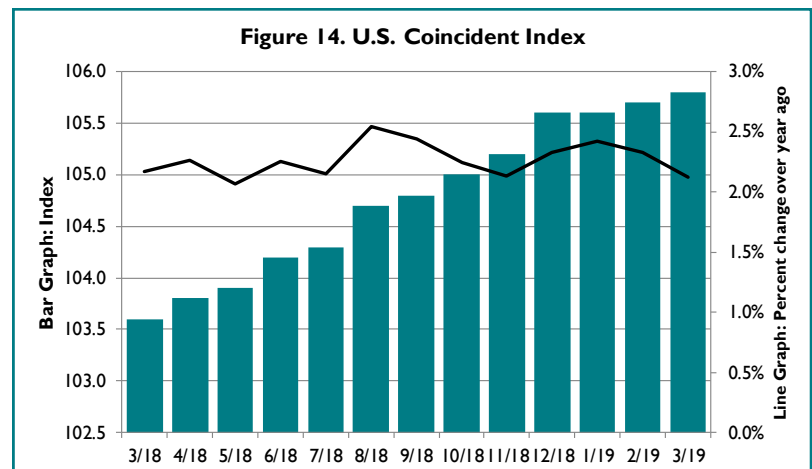
According to The Conference Board the value of the U.S. Coincident Economic Index (CEI) increased 0.1 percent in March. As seen in Figure 14, the value of the CEI was 2.0 percent higher in March compared to one year ago. Three of the four components of the CEI increased for the month and the largest contribution came from employees on nonagricultural payrolls. Industrial production was the only negative contributor. The value of the CEI rose 1.0 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index edged higher by 0.1 percent in March as seen in Figure 15. Compared to one year ago the value of the Index was down 2.8 percent in March. The largest increase among the components of the Index occurred in the “expect real sales higher” component, its first increase since September 2018. The largest decrease occurred in the “current inventory” component. The “plans to raise prices” measure declined in March.

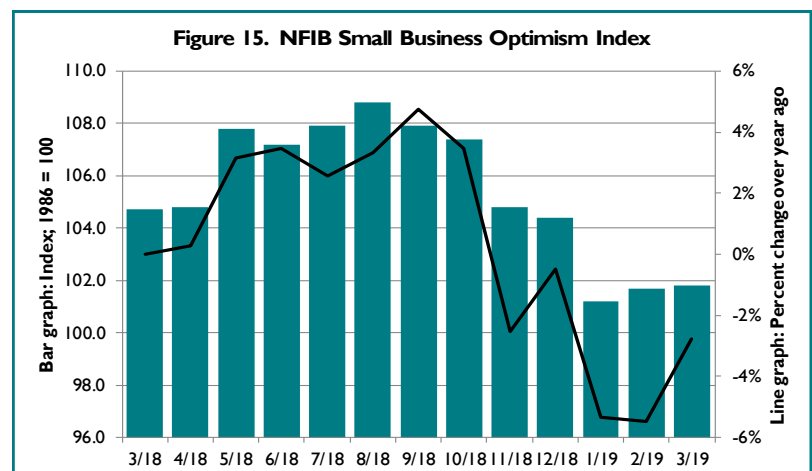
To no one’s surprise the Federal Open Market Committee (FOMC) left the federal funds rate target unchanged at its meeting on May 1. Federal Reserve Chair Jerome Powell stated, “we don’t see a strong case for moving in either direction,” at least for the time being. Markets were disappointed when Powell described the current relatively low inflation as “transitory,” taken as a signal that the FOMC believes no cut to interest rates in the short-term is necessary to push inflation closer to its target of 2.0 percent annually. Previously the federal funds rate futures market had priced in a single cut of 25 basis points by the end of 2019.



Source: The Conference Board



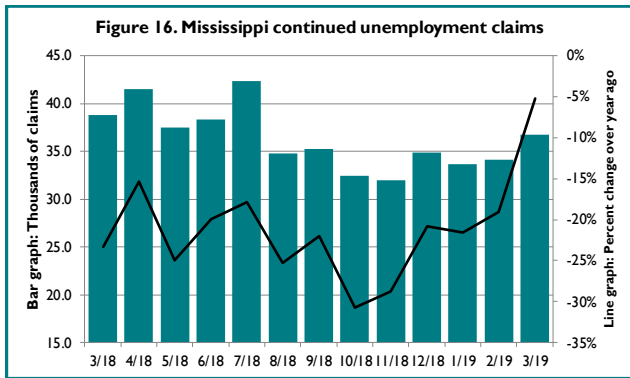
Source: The Conference Board



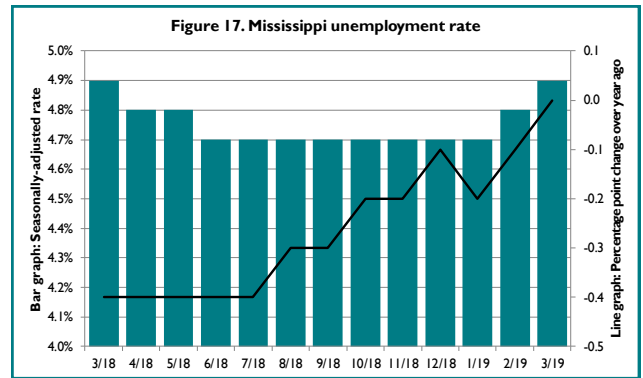
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

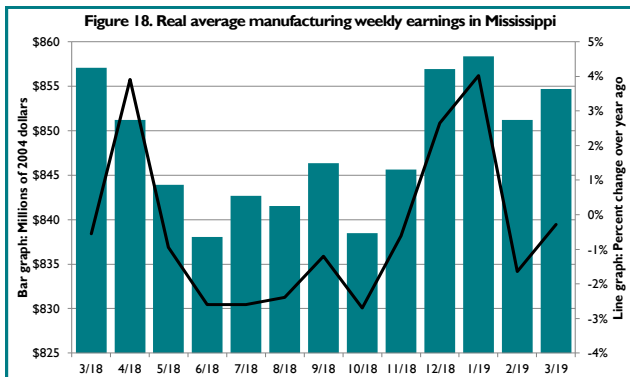
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



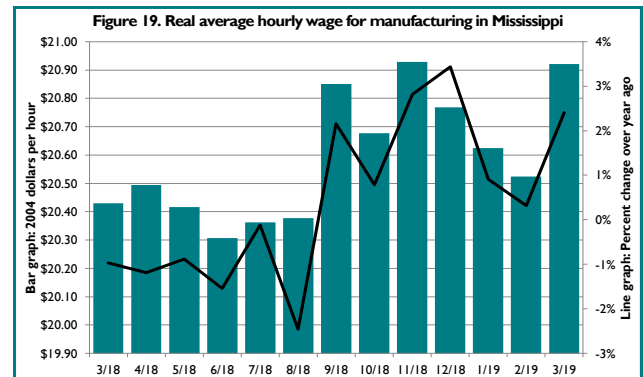
Source: U.S. Department of Labor; seasonally adjusted



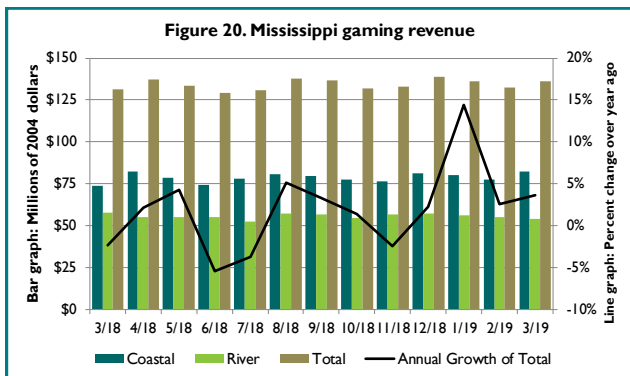
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



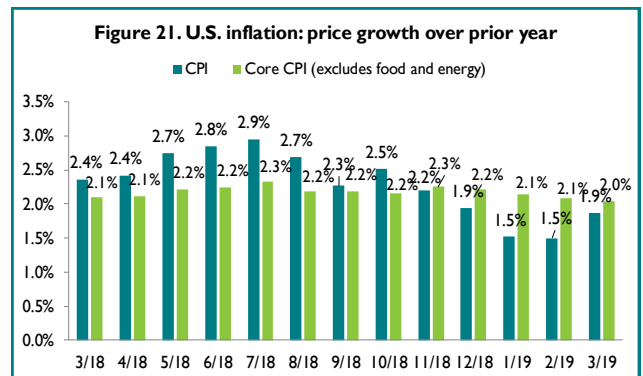
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



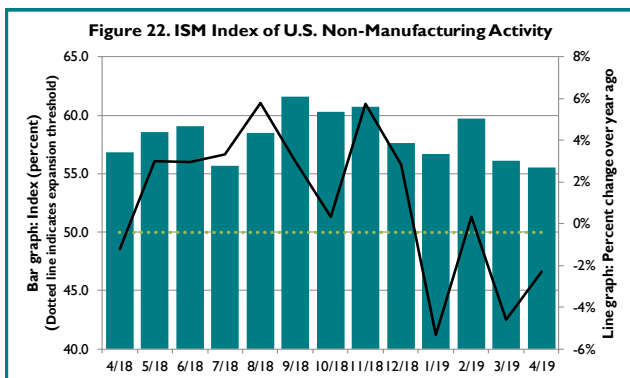
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



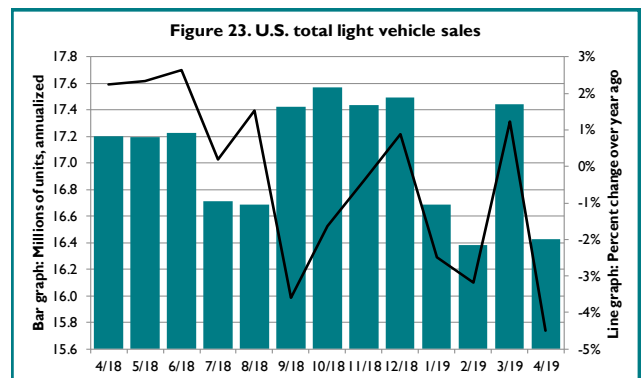
Source: Mississippi Department of Revenue; seasonally adjusted



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: Bureau of Economic Analysis; seasonally adjusted at annual rates

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	March 2019	February 2019	March 2018	Percent change from	
				February 2019	March 2018
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	111.9	111.5	108.5	▲0.4%	▲3.1%
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	105.8	105.7	103.6	▲0.1%	▲2.1%
Mississippi Leading Index 2004 = 100. Source: University Research Center	116.0	115.4	116.1	▲0.5%	▼0.1%
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	125.0	125.1	123.1	▼0.1%	▲1.5%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,849	5,312	5,104	▼8.7%	▼5.0%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	80.4	79.2	73.1	▲1.4%	▲9.9%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	111.3	110.5	113.0	▲0.7%	▼1.5%
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	82.6	84.0	84.0	▼1.6%	▼1.7%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	86.9	84.4	89.1	▲3.0%	▼2.5%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	52.8	55.3	57.9	▼4.5%	▼8.8%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	514.1	506.1	496.1	▲1.6%	▲3.6%
U.S. Consumer Price Index (CPI)	134.5	134.0	132.1	▲0.4%	▲1.9%
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	132.9	132.7	130.3	▲0.1%	▲2.0%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.9%	4.8%	4.9%	▲0.1	◀0.0
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	36,783	34,084	38,815	▲7.9%	▼5.2%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.1	59.7	58.8	▼6.0%	▼4.6%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.11%	4.29%	4.29%	▼0.18	▼0.18
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.92	20.49	20.60	▲2.1%	▲1.6%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	854.67	851.19	857.05	▲0.4%	▼0.3%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	101.8	101.7	104.7	▲0.1%	▼2.8%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.43	17.44	17.20	▼5.8%	▼4.5%
Gaming revenue	136.1	132.3	131.4	▲2.9%	▲3.6%
Coastal counties	82.3	77.3	73.9	▲6.4%	▲11.4%
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	53.8	54.9	57.5	▼1.9%	▼6.4%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi fell by 900 jobs in March according to the U.S. Bureau of Labor Statistics (BLS), a decrease of 0.1 percent. In addition, BLS revised February employment down to a loss of 700 jobs. As a result total employment in the state last increased in November 2018. Compared to one year ago total employment was 0.7 percent higher in March.

BLS reported only Washington experienced a statistically significant change in total nonfarm employment in March. The state added 27,500 jobs for the month, an increase of 0.8 percent.

Employment was higher in twenty-two states in March compared to one year ago according to BLS. Employment rose by 271,000 jobs in Texas, the largest gain among all states. The next largest increase occurred in California, which added 238,500 jobs, followed by Florida, which added 209,700 jobs over the last twelve months. As in February the largest percentage increase in employment in March compared to one year ago occurred in Nevada, where employment rose by 3.4 percent.

The Construction industry added 500 jobs in March, the most among all sectors in Mississippi. The only other sectors to increase in employment in March were Mining

and Logging, Financial Activities, and Accommodation and Food Services; each of these sectors added 100 jobs for the month. Mining and Logging experienced the largest percentage increase in employment for the month of 1.5 percent, followed by the 1.2 percent increase in Construction employment. The largest decrease in employment among all sectors in March occurred in Manufacturing, which lost 500 jobs. The largest percentage decrease in employment occurred in Educational Services, a decline of 0.8 percent, which was a loss of only 100 jobs.

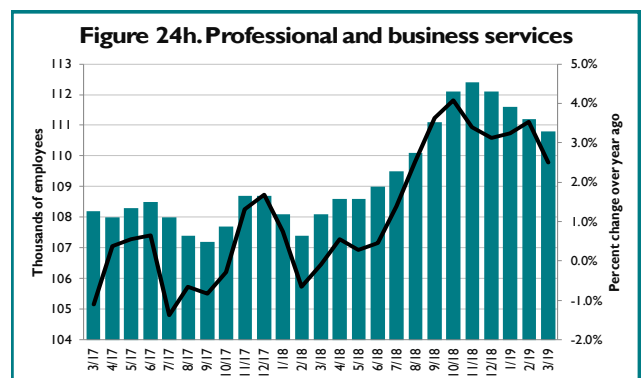
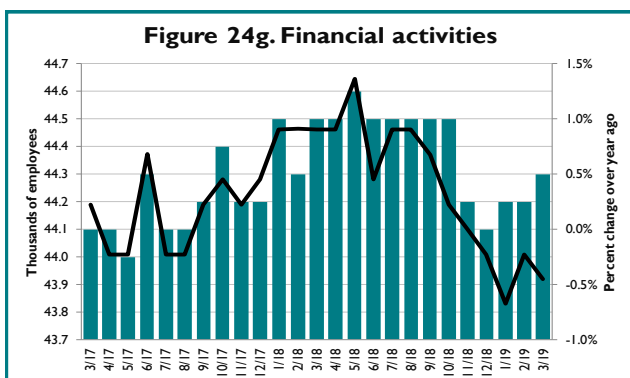
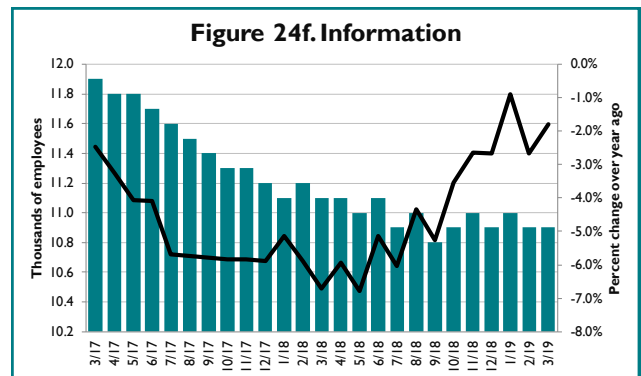
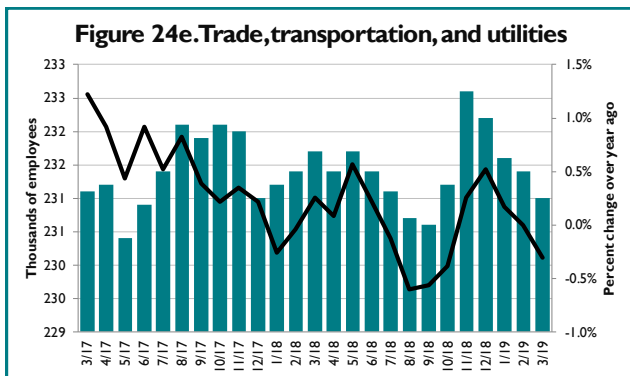
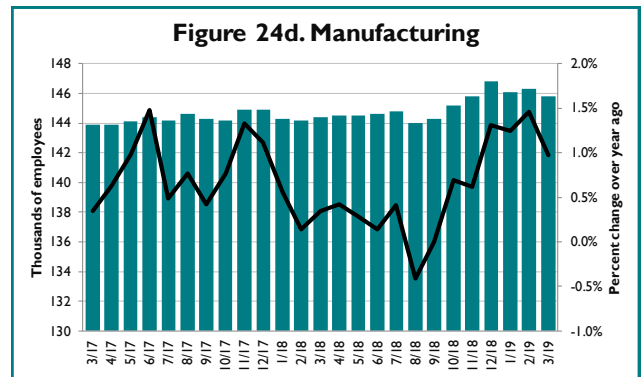
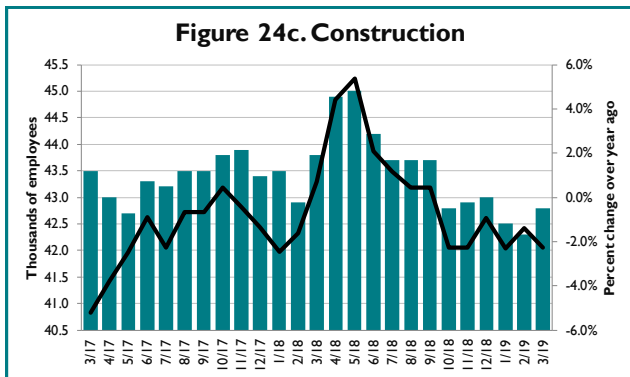
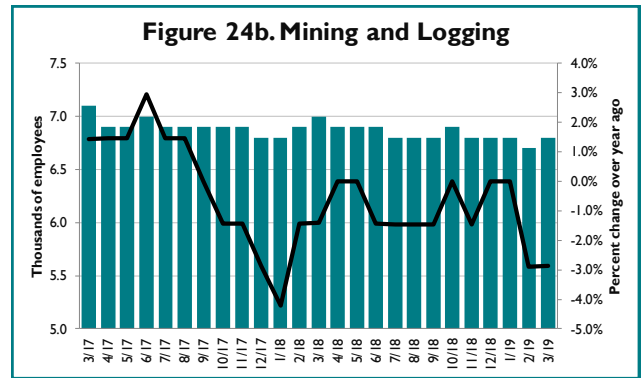
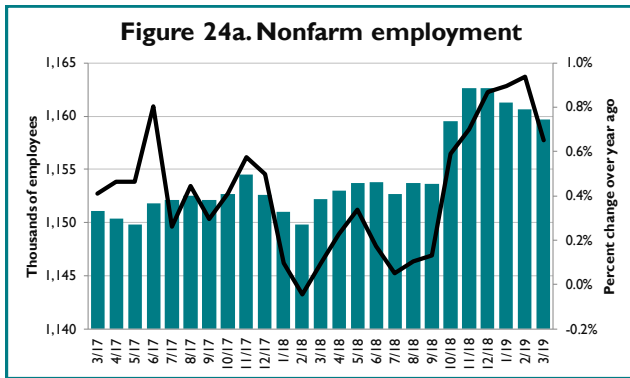
Accommodation and Food Services added 4,400 jobs over the last twelve months as of March, the most among all sectors in the state. The next largest increase in employment compared to one year ago occurred in Professional and Business Services, which added 2,700 jobs. The largest percentage gain among all industries in Mississippi over the past year of 3.5 percent also occurred in Accommodation and Food Services. The largest decrease in employment over the previous twelve months occurred in the Retail Trade subsector, which lost 2,100 jobs. Mining and Logging experienced the largest percentage decrease in employment compared to one year ago in March among all sectors in the state, a decline of 2.9 percent.

Table 2. Change in Mississippi employment by industry, March 2019

	Relative share of total ^a	March 2019	February 2019	March 2018	Change from February 2019 Level	Change from February 2019 Percent	Change from March 2018 Level	Change from March 2018 Percent
Total Nonfarm	100.0%	1,159,700	1,160,600	1,152,200	▼900	▼0.1%	▲7,500	▲0.7%
Mining and Logging	0.6%	6,800	6,700	7,000	▲100	▲1.5%	▼200	▼2.9%
Construction	3.8%	42,800	42,300	43,800	▲500	▲1.2%	▼1,000	▼2.3%
Manufacturing	12.5%	145,800	146,300	144,400	▼500	▼0.3%	▲1,400	▲1.0%
Trade, Transportation & Utilities	20.0%	231,000	231,400	231,700	▼400	▼0.2%	▼700	▼0.3%
Retail Trade	11.9%	137,300	137,300	139,400	◀0	◀0.0%	▼2,100	▼1.5%
Information	0.9%	10,900	10,900	11,100	◀0	◀0.0%	▼200	▼1.8%
Financial Activities	3.8%	44,300	44,200	44,500	▲100	▲0.2%	▼200	▼0.4%
Services	37.5%	436,200	436,800	428,500	▼600	▼0.1%	▲7,700	▲1.8%
Professional & Business Services	9.6%	110,800	111,200	108,100	▼400	▼0.4%	▲2,700	▲2.5%
Educational Services	1.0%	11,800	11,900	12,100	▼100	▼0.8%	▼300	▼2.5%
Health Care and Social Assistance	11.5%	133,200	133,200	132,200	◀0	◀0.0%	▲1,000	▲0.8%
Arts and Entertainment	0.8%	9,700	9,700	9,700	◀0	◀0.0%	◀0	◀0.0%
Accommodation and Food Services	11.0%	129,700	129,600	125,300	▲100	▲0.1%	▲4,400	▲3.5%
Other Services	3.6%	41,000	41,200	41,100	▼200	▼0.5%	▼100	▼0.2%
Government	20.9%	241,900	242,000	241,200	▼100	◀0.0%	▲700	▲0.3%

^aRelative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

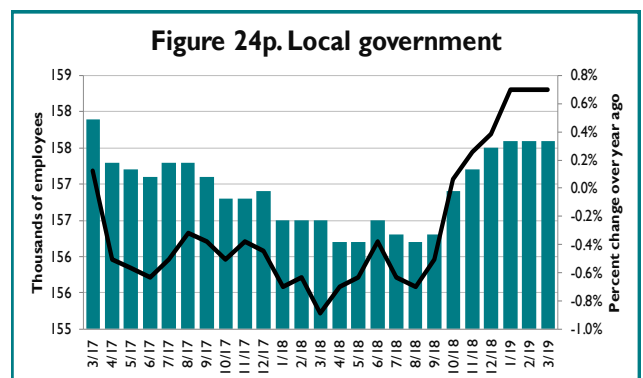
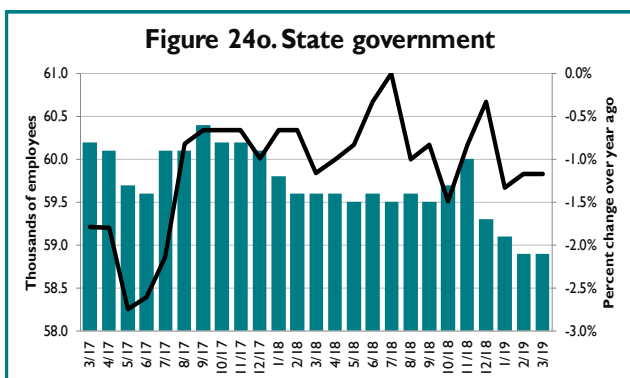
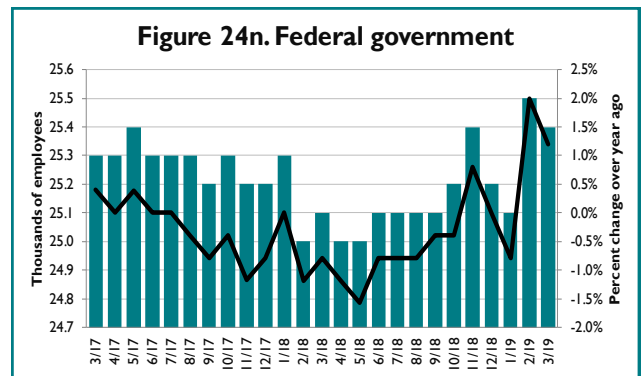
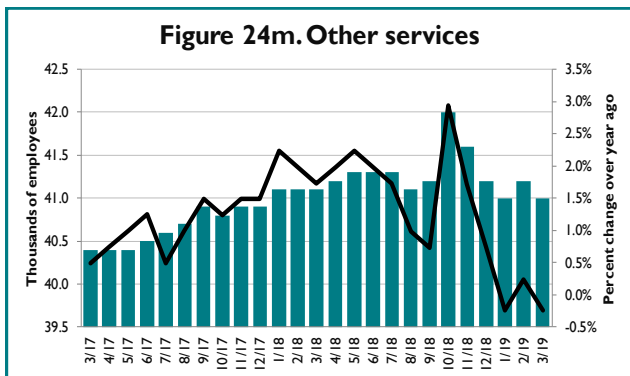
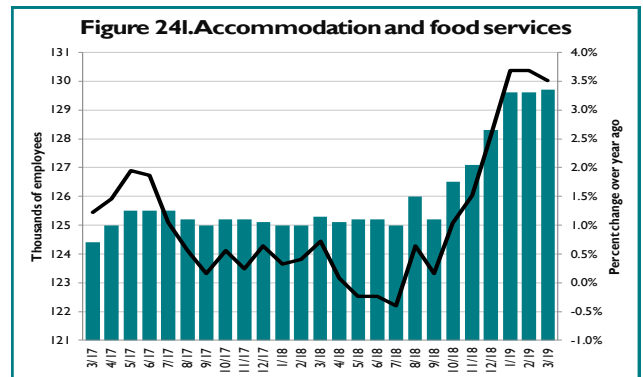
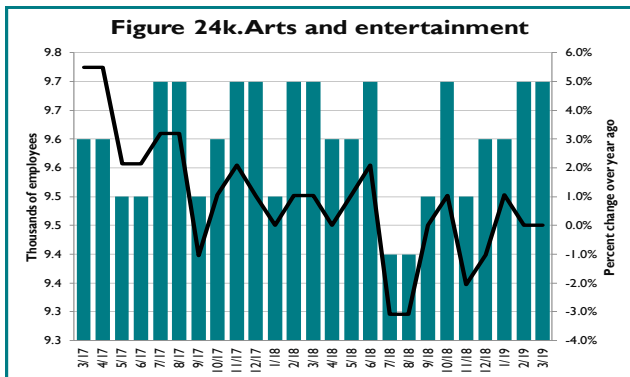
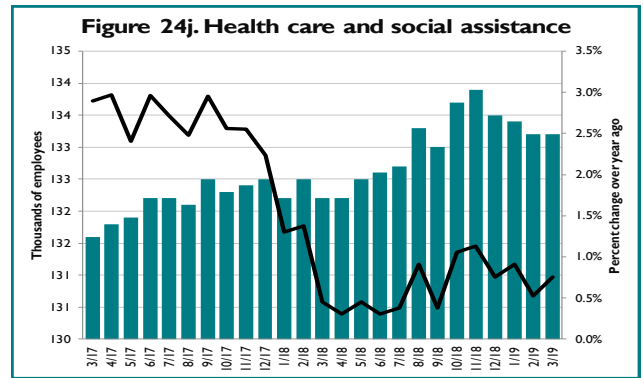
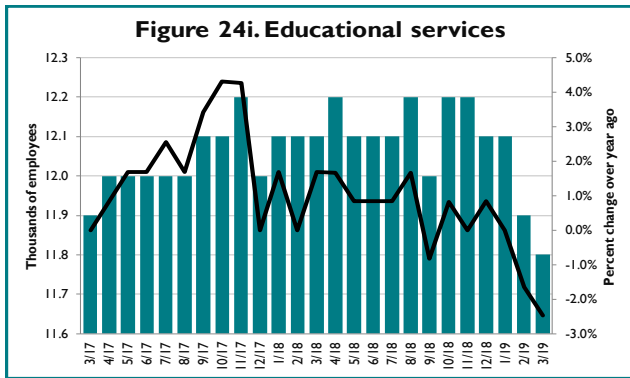
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

CHANGE IN MISSISSIPPI REAL GDP IN 2018

Mississippi's economy expanded by 1.0 percent in 2018 according to the preliminary estimate of the U.S. Bureau of Economic Analysis (BEA) released earlier this month. In addition, BEA revised its estimate of the change in real GDP in Mississippi for 2017 up to 0.5 percent from 0.1 percent. The Mississippi economy expanded for the fourth consecutive year in 2018 based on these latest data; previously the last year the state's economy grew at least four years in a row was 2008. Despite the growth in 2018, real GDP for the state remained less than in 2008, prior to the Great Recession.

Contributions by sector to the 1.0 percent increase in the state's real GDP in 2018 are depicted in Table 3 below from largest to smallest. (BEA's preliminary estimates only include the changes in major industries.) The two sectors with the largest contributions to real GDP growth in 2018 were Health Care and Social Assistance and Manufacturing, which added 0.23 and 0.20 percentage point to growth, respectively. The next largest contributions came from Wholesale Trade, which increased growth by 0.17 percentage point, and Retail Trade, which added 0.16 percentage point to growth. Agriculture, Forestry, Fishing, and Hunting contributed 0.13 percentage point to growth in 2018 and Professional, Scientific, and Technical Services contributed 0.10 percent to growth. All other sectors that added to growth contributed less than 0.10 percentage point. Three sectors neither added nor subtracted from growth in 2018: Utilities, Educational Services, and Other Services. The largest negative contribution to real GDP growth for the state in 2018 came from Accommodation and Food Services, which reduced real GDP by 0.07 percentage point. Other sectors that reduced real GDP were Construction, Government, and Information. The decrease in Government is notable because the sector makes up the largest portion of Mississippi real GDP and 2018 marked the eighth year in the last ten years Government made a negative contribution to real GDP growth in Mississippi. Also notable is the contribution of the Construction sector, which last contributed positively to real GDP growth in the state in 2008.

Among all states real GDP growth for Mississippi ranked forty-second in 2018, essentially tied with Connecticut and Hawaii. As Figure 25 on page 12 indicates the increase of 1.0 percent was the second-smallest among all states in the southeast region. The largest growth in real GDP among states in the Southeast

Table 3. Contributions to percent change in Mississippi real GDP by sector, 2017-2018

Sector	Percentage point
Health care and social assistance	0.23
Manufacturing	0.20
Wholesale trade	0.17
Retail trade	0.16
Agriculture, forestry, fishing, and hunting	0.13
Professional, scientific, and technical services	0.10
Management of companies and enterprises	0.07
Transportation and warehousing	0.04
Finance, insurance, real estate and rental and leasing	0.04
Administrative and support and waste management	0.03
Mining	0.02
Arts, entertainment, and recreation	0.01
Utilities	0.00
Educational services	0.00
Other services	0.00
Information	-0.02
Government	-0.03
Construction	-0.04
Accommodation and food services	-0.07
Total	1.0%

Source: U.S. Bureau of Economic Analysis

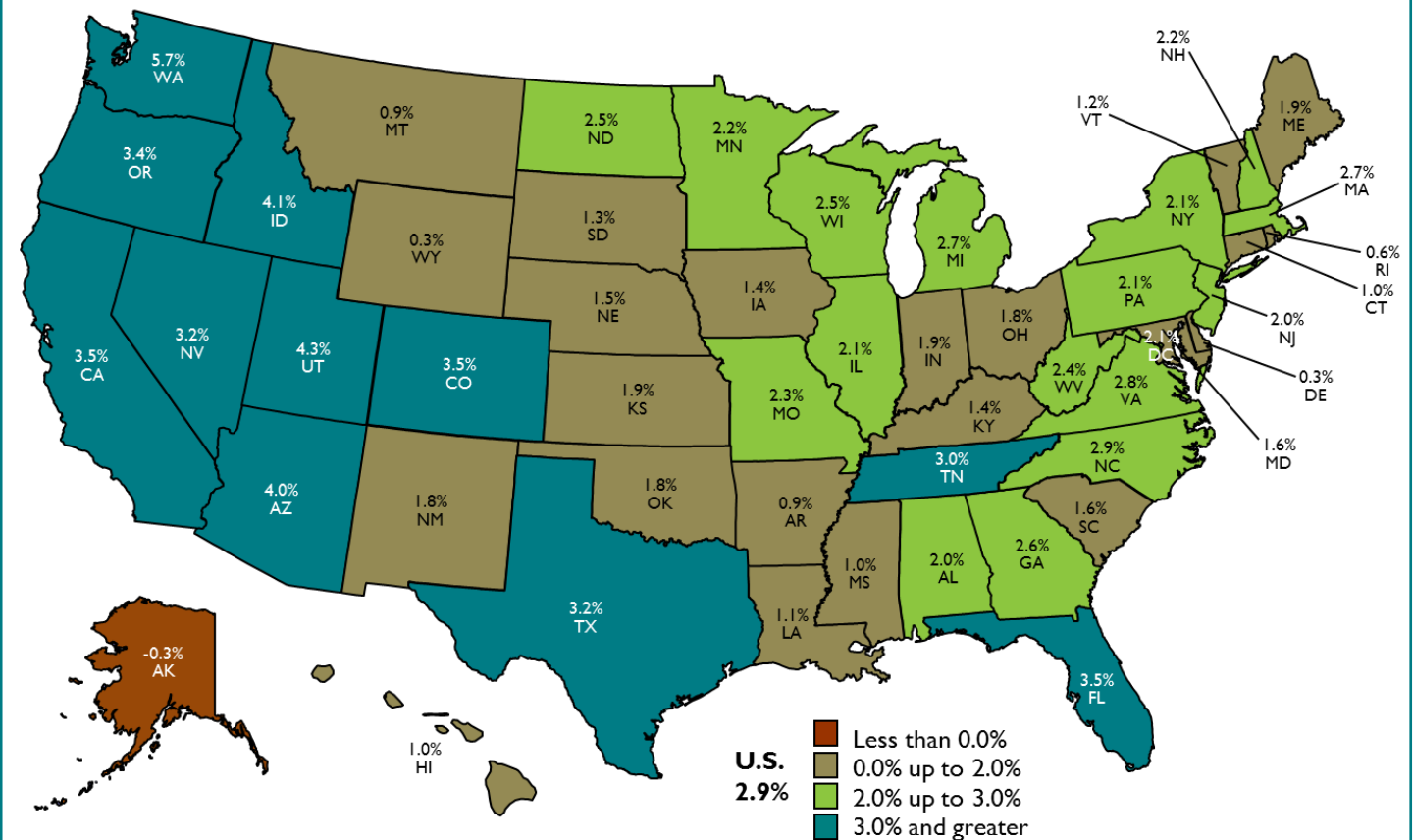
MISSISSIPPI'S BUSINESS

CHANGE IN MISSISSIPPI REAL GDP IN 2018, CONTINUED

occurred in Florida and Texas, as the economies of these states grew 3.5 percent and 3.2 percent, respectively. Real GDP for the state of Washington grew 5.7 percent in 2018, the largest increase among all states. The second-largest increase occurred in Utah, where real GDP grew 4.3 percent in 2018, closely followed by Idaho, where the economy expanded 4.1 percent for the year. Notably, of the eleven states where real GDP grew at least 3.0 percent in 2018, the only states located east of the Mississippi River were Florida and Tennessee. Figure 25 also indicates Alaska was the only state where real GDP decreased in 2018 as the state's economy contracted 0.3 percent, which resulted almost entirely from the substantial negative contribution by its Mining sector. Mississippi was one of twenty-two states where real GDP increased less than 2.0 percent. In addition, Mississippi was one of only four states where the Agriculture, Forestry, Fishing, and Hunting sector made a positive contribution to real GDP growth in 2018.

The GDP data by state reported by BEA should be viewed with a couple of caveats. As noted above the data for 2018 represent preliminary estimates calculated from a more limited set of data than the final estimate that will appear one year from now. Substantial revisions can occur, as BEA revised its estimate of real GDP for Mississippi in 2017 twice since its initial release in May 2018. BEA also uses a different methodology to compute state-level GDP than it employs in its calculations of U.S. GDP. In its estimates of national GDP, BEA uses spending on final goods and services, investment, and net foreign trade as a basis, the typical textbook calculation of GDP. The agency derives state GDP, however, from incomes earned and costs of production.

Figure 25. Percent change in real GDP (chained 2012 dollars) by state, 2018



Source: U.S. Bureau of Economic Analysis