



ECONOMY AT A GLANCE

Inside this issue:

Mississippi Leading Index, April 2018	2
Mississippi Coincident Index, April 2018	4
National Trends	5
Mississippi Employment Trends	8
Change in Mississippi Real Income in 2016	11

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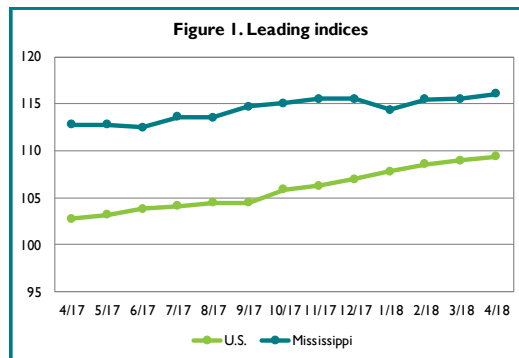
In April the value of the Mississippi Leading Index (MLI) rose 0.3 percent as seen in Figure 1 below. The value of the MLI was 2.8 percent higher for the month compared to one year ago.

Figure 2 indicates the value of the Mississippi Coincident Index (MCI) was essentially unchanged in April. Compared to one year ago this value was 2.5 percent higher for the month.

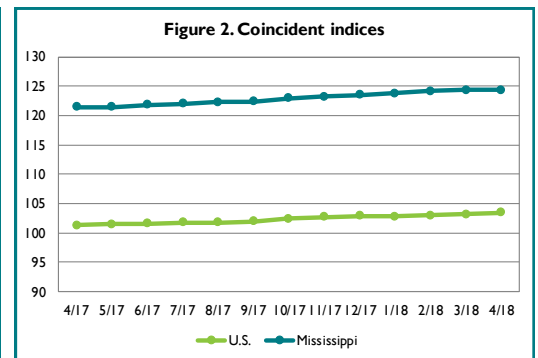
The U.S. Bureau of Economic Analysis (BEA) revised its second estimate of the change in U.S. real gross domestic product (GDP) in the first quarter of 2018 down slightly. BEA reported real GDP grew 2.2 percent in the first quarter, a decrease of 0.1 percentage point from its initial estimate. The reduction resulted from lower estimates of private inventory investment, residential fixed investment,

and exports, which more than offset a higher estimate for nonresidential fixed investment. Nevertheless, the 2.2 percent gain in real GDP was the largest first quarter increase since 2015. Most forecasters expect real GDP will expand at a higher rate in the second quarter.

In April the MLI continued its trend of slow but steady growth since the relatively large decline in January. Building permits increased for the first time since December, while initial unemployment claims declined for the third consecutive month. Withholdings rose for the second straight month and, combined with national data on sales and manufacturing, the state's economy is experiencing moderate but relatively broad-based growth. However, despite exhibiting volatility the Mississippi Manufacturing Employment Intensity Index has changed little since the end of 2017.



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, APRIL 2018**

Figure 3 indicates the value of the **Mississippi Leading Index of Economic Indicators (MLI)** rose 0.3 percent in April. In addition, the previous month's value was revised up slightly. The value of the MLI was 2.8 percent higher in April compared to one year ago, the largest year-over-year increase since November. Over the last six months the value of the MLI increased 0.8 percent.

Five of the seven components of the MLI increased in value in April. The largest increase occurred in the ISM Manufacturing Index. Each component is discussed below in order of largest to smallest contribution.

Figure 4 indicates the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** increased 2.4 percent in May, the first gain in the Index since February. The value of the Index was 5.8 percent higher for the month compared to one year ago, the largest year-over-year gain since December. The largest increase among the components of the Index occurred in Production, while Inventories was the only component that declined for the month. For the fifth consecutive month the prices paid index increased as no commodity prices fell in May.

Mississippi income tax withholdings (three-month moving average) increased in value for the second consecutive month in April, reaching the highest level in over a year. As seen in Figure 5 the value rose 0.8 percent for the month and compared to one year ago was 0.6 percent higher. The value increased 1.6 percent over the last six months.

For the first time since January, the value of **Mississippi residential building permits** (three-month moving average) increased in April. The value of permits rose 2.6 percent as seen in Figure 6. However, compared to one year ago the value of permits for April was 25.1 percent lower. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi rose 3.4 percent in April, the first increase since December. Nevertheless, the number of units for the month was 31.7 percent lower compared to one year ago. Nationally, the number of privately-owned housing units in the U.S. authorized by building permits fell 1.8 percent in April from the revised March value. The number of units in the U.S. in April was 7.7 percent higher compared to one year ago.

The value of **U.S. retail sales** increased 0.3 percent in April as seen in Figure 7. Moreover, the values of the pre-

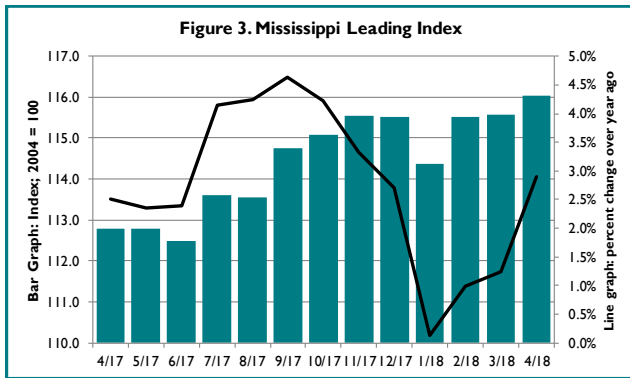
vious two months were revised higher. April U.S. retail sales were 4.8 percent higher in value compared to one year ago. The largest increase in sales for the month occurred in clothing and accessories, which increased 1.4 percent in April. The next largest increases were at gas-line stations and furniture stores. The largest decrease in sales for the month occurred in food service and drinking places. Sales of sporting goods and hobbies and electronics and appliances fell as well. Department stores, sporting goods, and drugstores were the only categories that experienced a decrease in retail sales in April compared to one year ago.

As seen in Figure 8 the value of seasonally-adjusted **initial unemployment claims** in Mississippi decreased 1.4 percent in April, the third consecutive monthly decline. The value for the month was 20.1 percent lower compared to one year ago. Conversely, the value of seasonally-adjusted continued unemployment claims in Mississippi increased 6.1 percent in April as seen in Figure 14 on page 6. The number of continued unemployment claims in Mississippi for the month was 15.4 percent lower compared to one year ago. As seen in Figure 15 on page 6 the seasonally-adjusted unemployment rate in Mississippi increased 0.1 percentage point in April to 4.6 percent, the first monthly increase since July 2012. The rate was 0.7 percentage point lower for the month compared to one year ago.

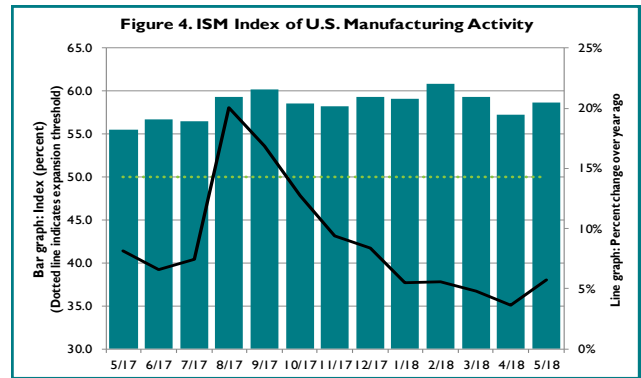
The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell in April for the first time since December. As Figure 9 indicates the value edged lower by 0.3 percent. Nevertheless, present economic conditions sentiment in the most recent survey increased in April following two months of declines. The value of the Index of Consumer Expectations was 2.0 percent higher for the month compared to one year ago. Short-term inflation expectations edged up in the most recent survey while longer term inflation expectations were unchanged.

For the second consecutive month the value of the **Mississippi Manufacturing Employment Intensity Index** fell in April. As seen in Figure 10 the value for the month decreased 0.9 percent. Nevertheless, compared to one year ago the value was up 6.3 percent in April. Both Manufacturing employment in Mississippi and the average weekly hours of production employees decreased for the month.

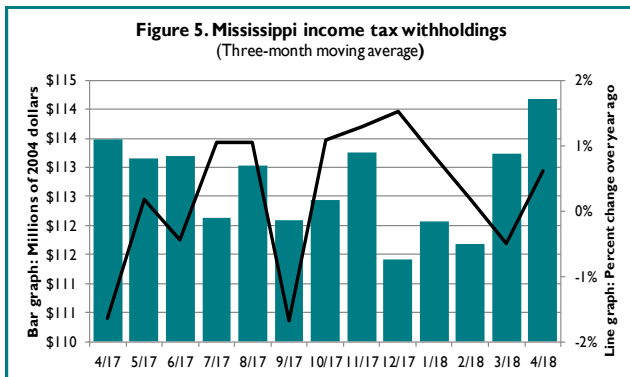
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



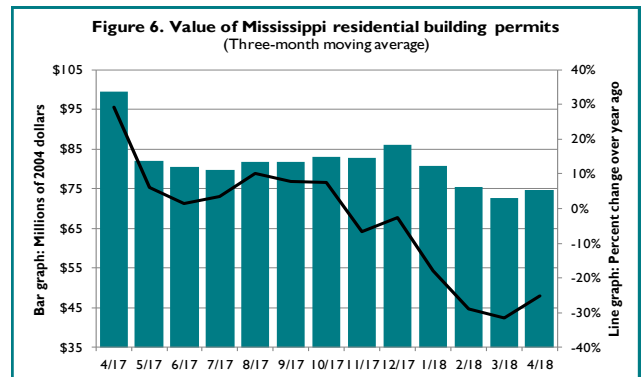
Source: University Research Center



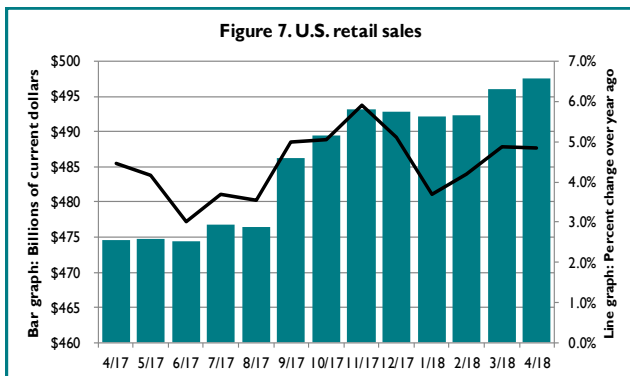
Source: Thomson Reuters/University of Michigan Surveys of Consumers



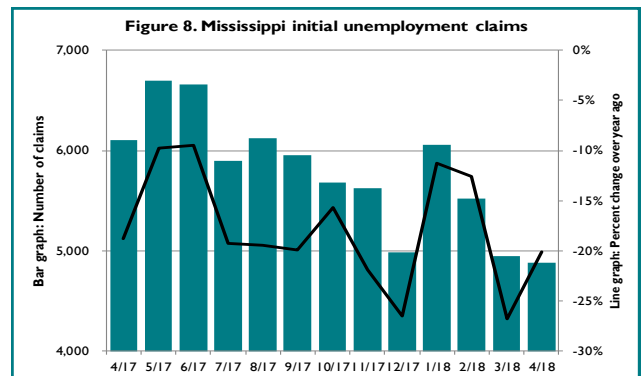
Source: Mississippi Department of Revenue; seasonally adjusted



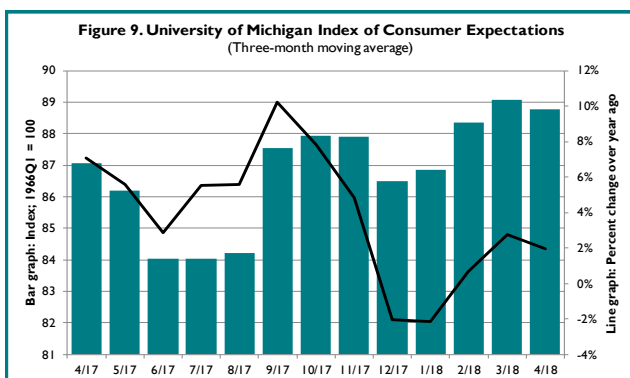
Source: U.S. Bureau of the Census; seasonally adjusted



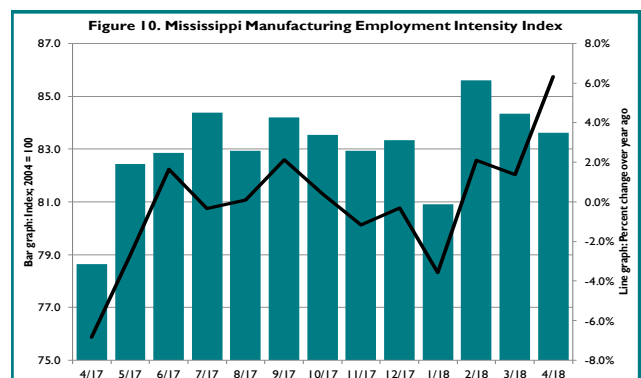
Source: U.S. Bureau of the Census



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



Source: Institute for Supply Management



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

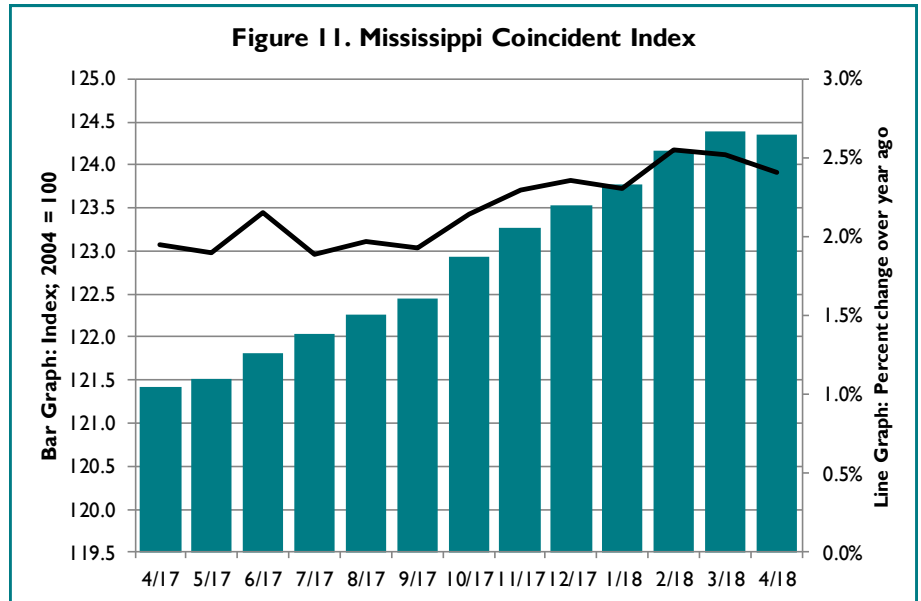
MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, APRIL 2018

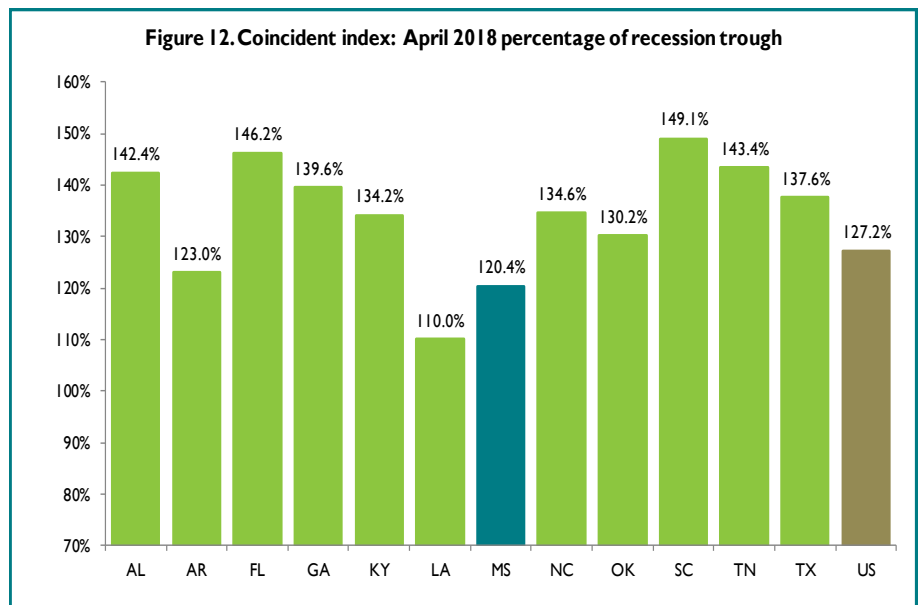
The **Mississippi Coincident Index of Economic Indicators (MCI)** essentially did not change in April according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. The value of the MCI for the month was 2.5 percent higher compared to one year ago.

Figure 12 indicates the coincident index for Louisiana maintained the smallest increase in value from its recession trough among southeastern states as of April. The value of its index was up 10.0 percent. The second-smallest increase in the value of the coincident index among southeastern states as of April again occurred in Mississippi, as this value was up 20.4 percent. The increase in the value of the coincident index for Arkansas was the next highest at 23.0 percent. The values of the coincident indices of all other Southeastern states were up more than 30.0 percent from their respective recession troughs as of April. Among Southeastern states the largest increase in value of a coincident index from its recession trough as of April occurred in South Carolina, where the coincident index was up 49.1 percent.

The values of the coincident indices in forty-nine states increased in April compared to three months prior as seen in Figure 13 on page 5. Mississippi was one of nine states where the values of the coincident indices increased less than 0.5 percent compared to three months prior. In forty states the values of the coincident indices increased by more than 0.5 percent. As in March the only state that experienced a decrease in the value of its coincident index in April was Maryland, as the value of its coincident index fell 0.23 percent compared to January.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia; URC calculations

NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased 0.4 percent in April as depicted in Figure 1 on page 1. The value of the LEI in April was 6.2 percent higher compared to one year ago. Eight of the ten components of the LEI increased in value for the month and the largest contribution came from the interest rate spread. The LEI rose 3.3 percent in value over the last six months.

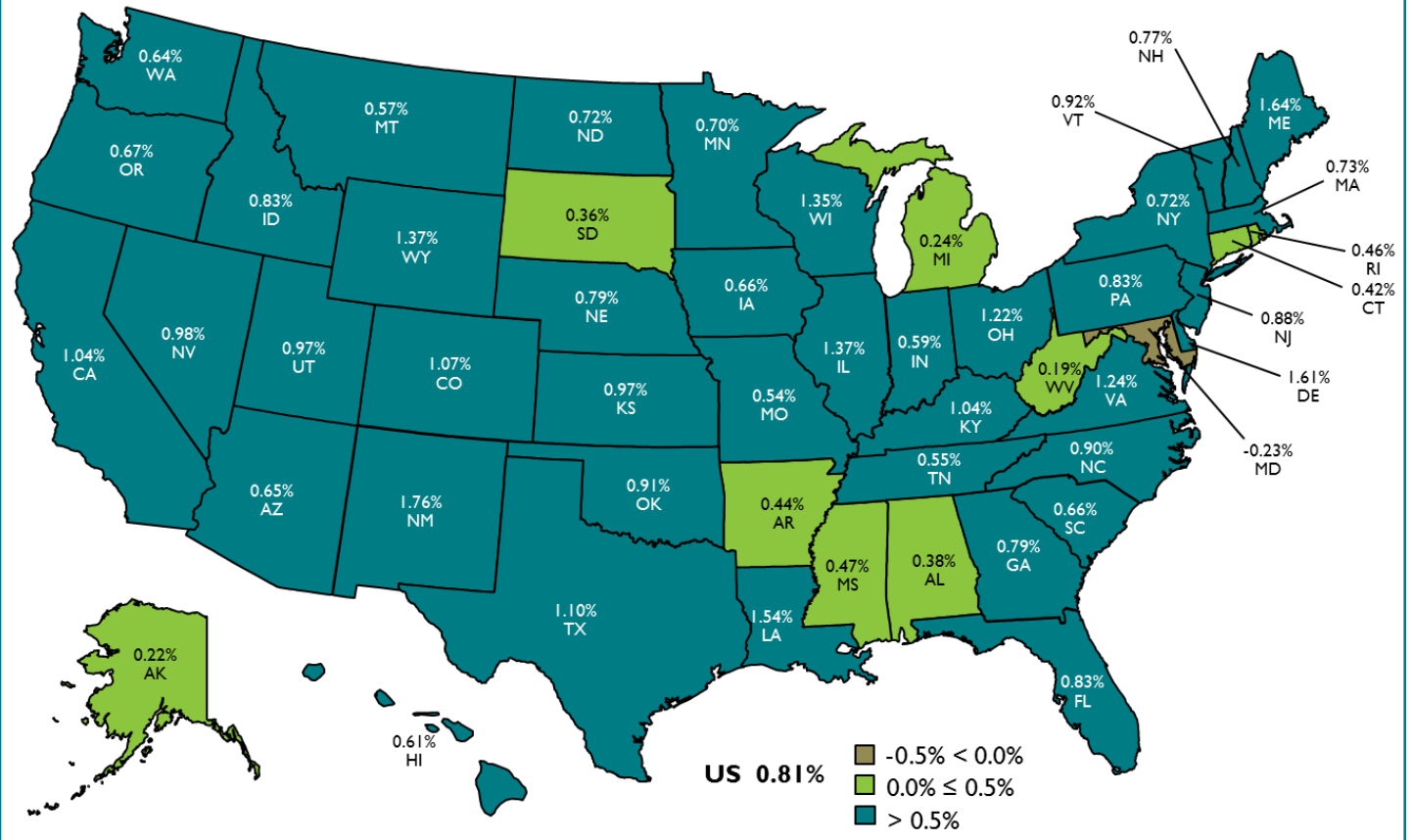
The value of the U.S. Coincident Economic Index (CEI) increased 0.3 percent in April according to The Conference Board as seen in Figure 2 on page 1. Compared to one year ago the value of the CEI was 2.2 percent higher in April. All four components of the CEI contributed positively in April and the largest contribution came from industrial production. Over the last six months the value of the CEI rose 1.1 percent.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index changed little in April. As seen in Figure 20 on page 6, the value

edged up by 0.1 percent for the month. The value of the Index in April was 0.3 percent higher compared to one year ago. The largest increase among the components of the Index was in the “plans to make capital expenditures” component. The largest decline was in the “plans to increase employment component,” which fell to its lowest level since June 2017. Notably, the “plans to raise prices” component decreased for the first time since December.

Financial markets have almost completely priced in an interest rate increase by the Federal Reserve in June. The Federal Open Market Committee (FOMC) is expected to increase its federal funds rate target by another 0.25 basis points at its next meeting later this month. Significantly, inflation reached the Fed’s target of 2.0 percent annually in April for the second consecutive month. Inflation at but not exceeding the Fed’s 2.0 percent target strengthens the FOMC’s plans for three rate increases in 2018, and lessens the likelihood of implementing a fourth increase this year to curb rising inflation.

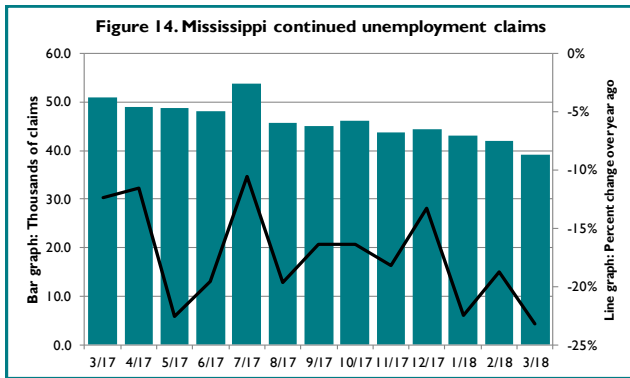
Figure 13. Three-month growth in the coincident index of economic indicators by state, April 2018



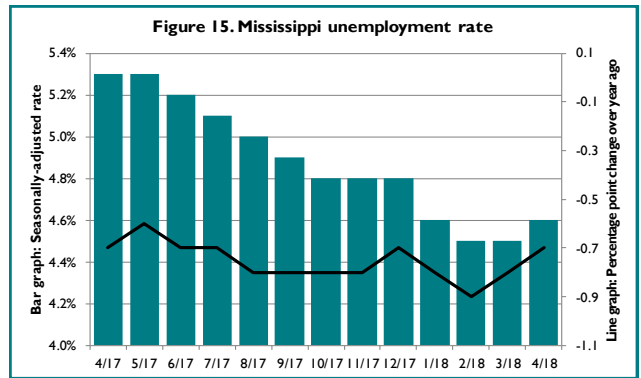
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

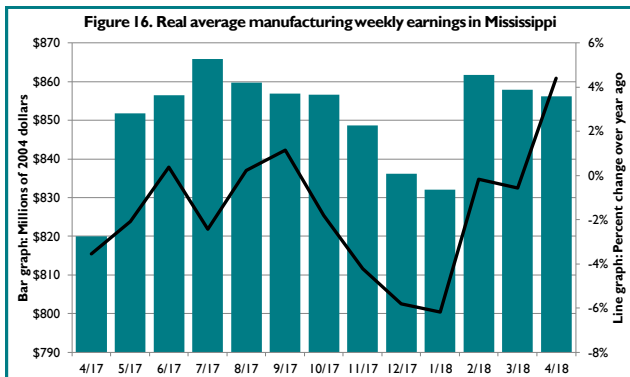
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



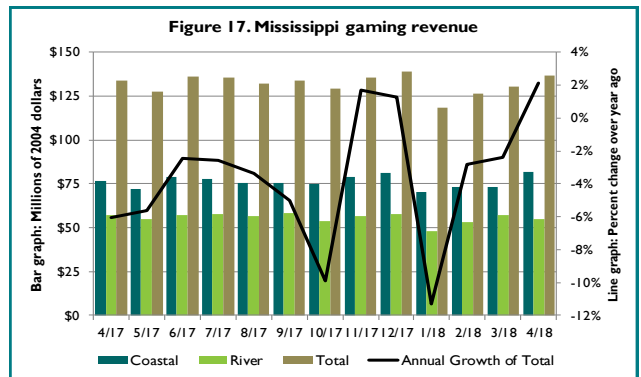
Source: U.S. Department of Labor; seasonally adjusted



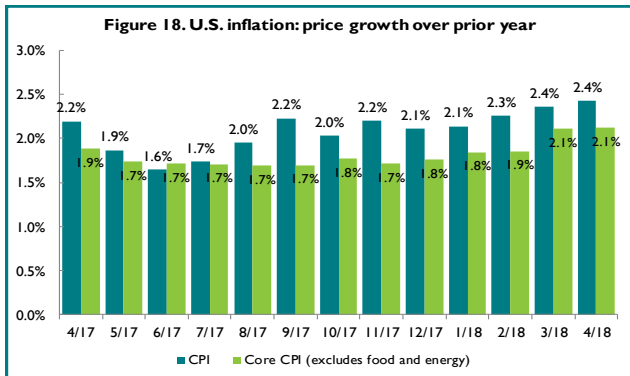
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



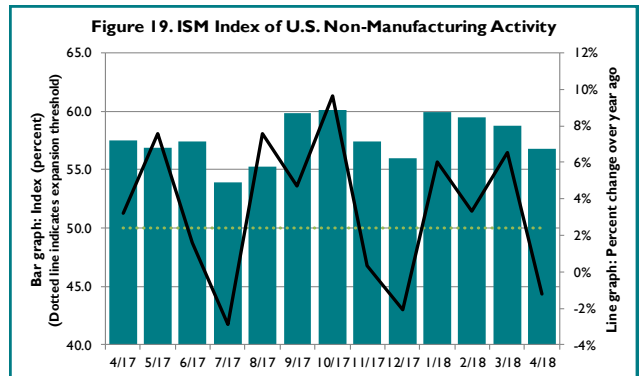
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



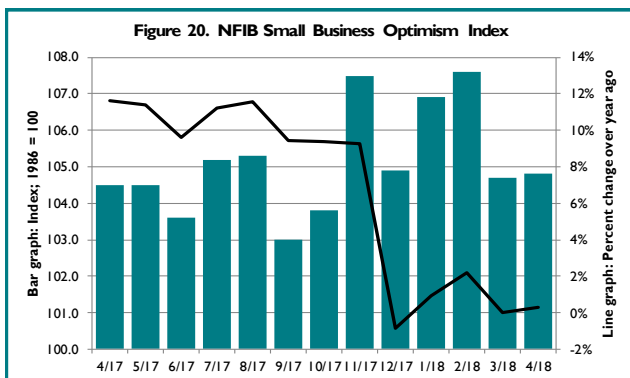
Source: Mississippi Department of Revenue; seasonally adjusted



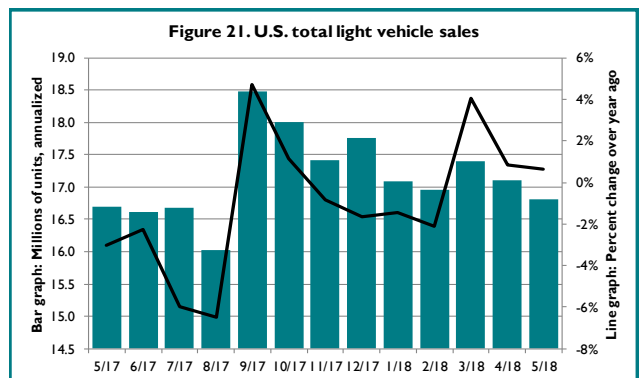
Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: National Federation of Independent Businesses



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

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	April	March	April	Percent change from	
	2018	2018	2017	March 2018	April 2017
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	109.4	109.0	102.8	▲0.4%	▲6.4%
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	103.5	103.2	101.3	▲0.3%	▲2.2%
Mississippi Leading Index 2004 = 100. Source: University Research Center	116.0	115.6	112.8	▲0.3%	▲2.8%
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.4	124.4	121.4	◀0.0%	▲2.5%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,880	4,949	6,108	▼1.4%	▼20.1%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	74.6	72.7	99.6	▲2.6%	▼25.1%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	114.2	113.2	113.5	▲0.8%	▲0.6%
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	83.6	84.3	78.6	-0.9%	▲6.3%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	88.8	89.1	87.1	▼0.3%	▲2.0%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	58.7	57.3	55.5	▲2.4%	▲5.8%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	497.6	496.1	474.5	▲0.3%	▲4.8%
U.S. Consumer Price Index (CPI)	132.3	132.1	129.2	▲0.2%	▲2.4%
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	130.4	130.3	127.7	▲0.1%	▲2.1%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.6%	4.5%	5.3%	▲0.1	▼0.7
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	41,528	39,150	49,078	▲6.1%	▼15.4%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	58.6	56.8	56.9	▲3.2%	▲3.0%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.48%	4.33%	4.06%	▲0.15	▲0.42
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.51	20.49	20.75	▲0.1%	▼1.2%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	856.21	857.89	820.05	▼0.2%	▲4.4%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	104.8	104.7	104.5	▲0.1%	▲0.3%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.81	17.11	16.70	▼1.8%	▲0.6%
Gaming revenue	136.8	130.8	133.9	▲4.5%	▲2.1%
Coastal counties	81.9	73.3	76.9	▲11.7%	▲6.5%
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	54.8	57.5	57.0	▼4.6%	▼3.7%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

According to the U.S. Bureau of Labor Statistics (BLS), total nonfarm employment in Mississippi fell 0.1 percent in April as seen in Table 2 below. Employment for March was revised up by 400 jobs. The slight decline in April was only the second decrease in total nonfarm employment in the state since September 2017. As in March, Total employment in Mississippi in April was 1.3 percent higher compared to one year ago.

Only three states experienced statistically significant changes in total nonfarm employment in April according to BLS. Texas added 39,600 jobs, California added 39,300 jobs, and Louisiana added 9,200 jobs. In percentage terms these increases in employment were gains of 0.3 percent, 0.2 percent, and 0.5 percent, respectively.

BLS reported employment increased in twenty-eight states in April compared to one year ago and was essentially unchanged in twenty-one states. North Dakota was the only state to lose jobs over the past twelve months as employment in the state fell 1.8 percent, a decline of 7,900 jobs. In April as in the previous month California, Texas, and Florida added the most jobs over the past year; the largest percentage increases in employment occurred in Nevada, followed by Idaho and Utah.

Employment in most industries in Mississippi changed little in April. Professional and Business Services added 1,400 jobs, the most among all sectors. This gain was a 1.2 percent increase in employment, also the most among all sectors. The largest decrease in employment among all industries in April was in Trade, Transportation and Utilities, which lost 800 jobs. The largest percentage decline in employment was the 0.9 percent decrease that occurred in both the Information and Financial Activities sectors, a combined total of 500 jobs.

Once again the largest increase in employment among all sectors in the state in April compared to one year ago was in Professional and Business Services, which added 6,900 jobs. The gain represented a percentage increase in employment of 6.4 percent, also the most among all sectors over the past twelve months. The next largest increase was in Health Care and Social Assistance, which added 2,600 jobs. The largest decline in employment for the month compared to one year ago was the loss of 700 jobs in the Information sector; this loss also represented the largest percentage decrease in employment among all sectors in the state compared to one year ago of 5.9 percent.

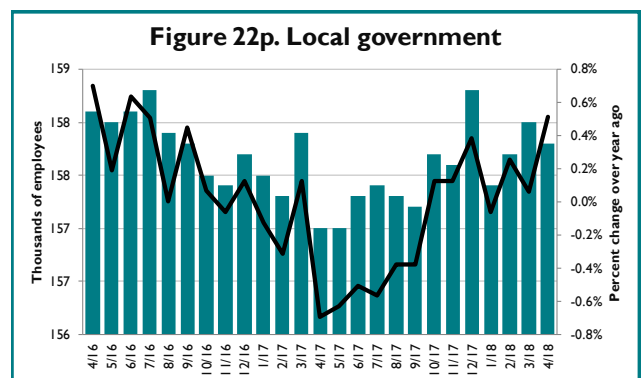
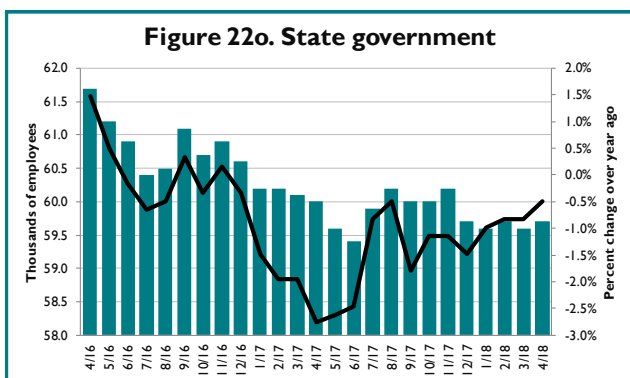
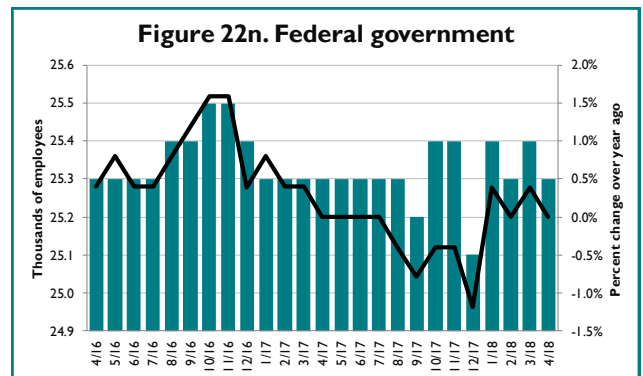
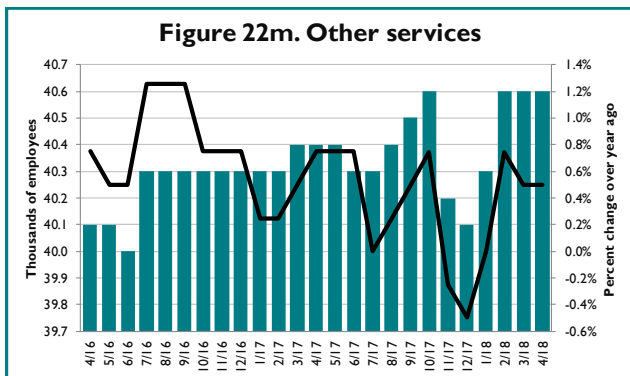
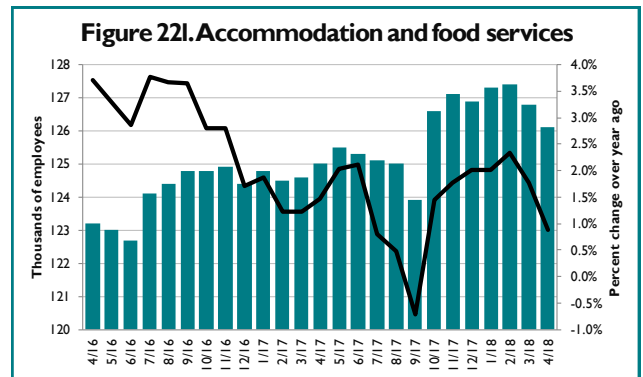
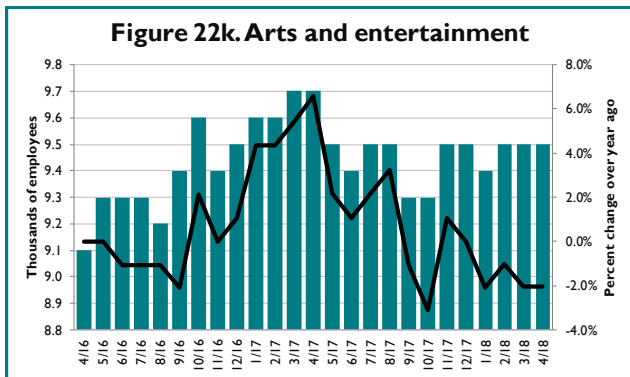
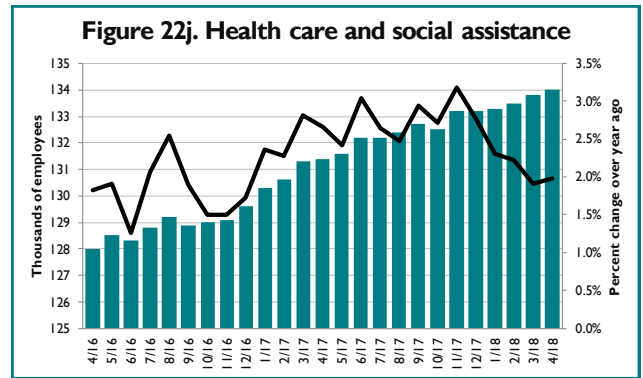
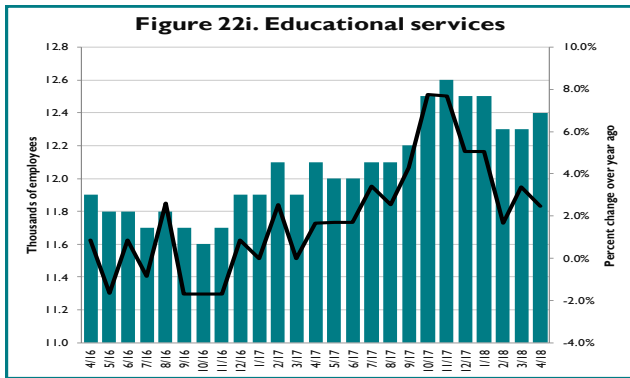
Table 2. Change in Mississippi employment by industry, April 2018

	Relative share of total ^a	April 2018	March 2018	April 2017	Change from March 2018		Change from April 2017	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,164,500	1,165,600	1,149,600	▼1,100	▼0.1%	▲14,900	▲1.3%
Mining and Logging	0.6%	6,700	6,700	7,000	◀0	◀0.0%	▼300	▼4.3%
Construction	3.8%	45,200	45,200	43,200	◀0	◀0.0%	▲2,000	▲4.6%
Manufacturing	12.5%	144,700	145,300	143,800	▼600	▼0.4%	▲900	▲0.6%
Trade, Transportation, & Utilities	20.1%	231,800	232,600	231,200	▼800	▼0.3%	▲600	▲0.3%
Retail Trade	12.1%	140,500	140,600	140,700	▼100	▼0.1%	▼200	▼0.1%
Information	1.0%	11,100	11,200	11,800	▼100	▼0.9%	▼700	▼5.9%
Financial Activities	3.9%	45,000	45,400	44,000	▼400	▼0.9%	▲1,000	▲2.3%
Services	37.3%	437,200	436,200	426,300	▲1,000	▲0.2%	▲10,900	▲2.6%
Professional & Business Services	9.5%	114,600	113,200	107,700	▲1,400	▲1.2%	▲6,900	▲6.4%
Educational Services	1.1%	12,400	12,300	12,100	▲100	▲0.8%	▲300	▲2.5%
Health Care & Social Assistance	11.5%	134,000	133,800	131,400	▲200	▲0.1%	▲2,600	▲2.0%
Arts & Entertainment	0.8%	9,500	9,500	9,700	◀0	◀0.0%	▼200	▼2.1%
Accommodation and Food Services	10.9%	126,100	126,800	125,000	▼700	▼0.6%	▲1,100	▲0.9%
Other Services	3.5%	40,600	40,600	40,400	◀0	◀0.0%	▲200	▲0.5%
Government	21.0%	242,800	243,000	242,300	▼200	▼0.1%	▲500	▲0.2%

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

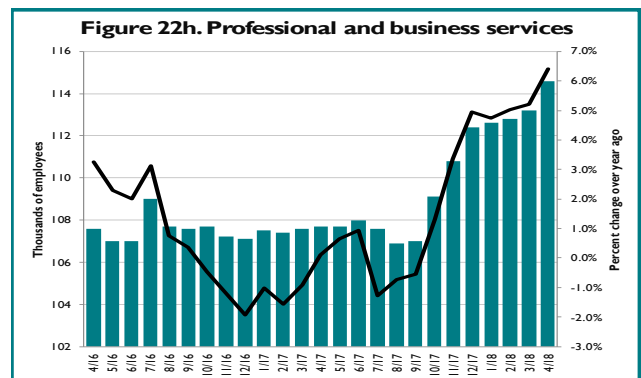
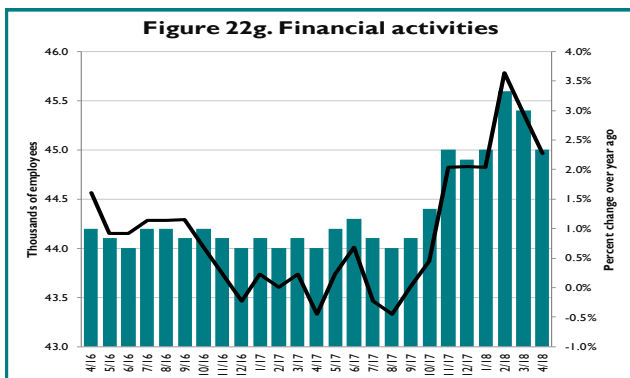
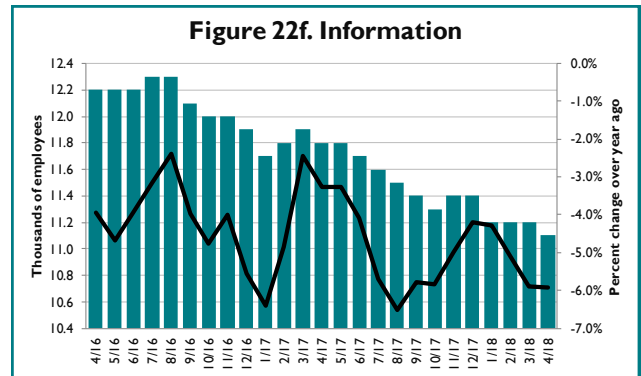
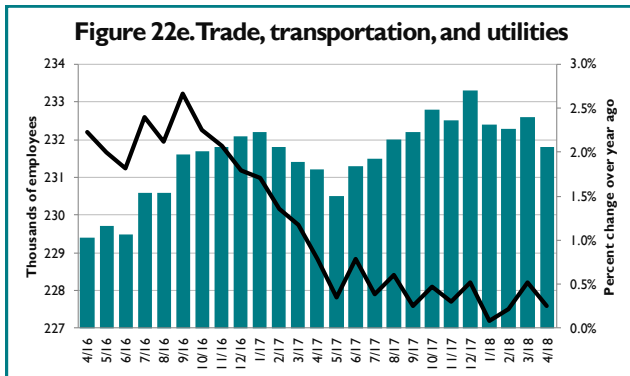
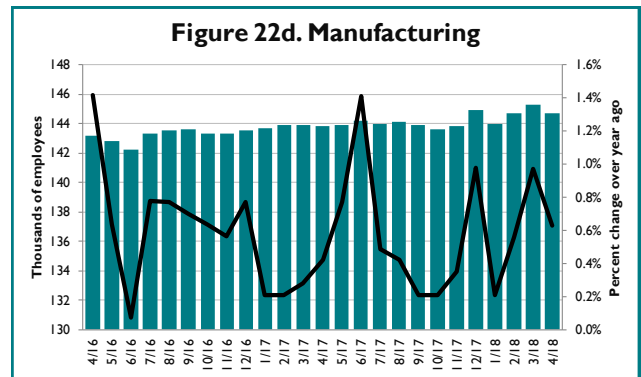
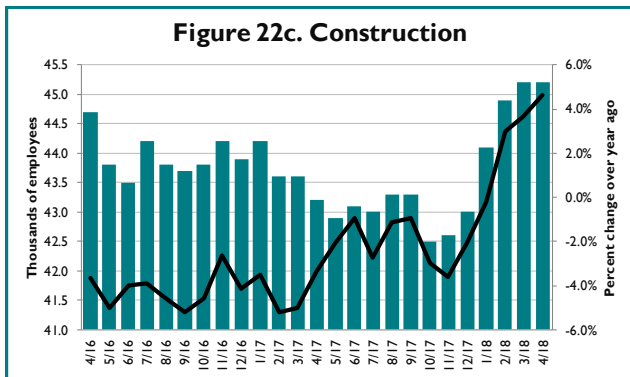
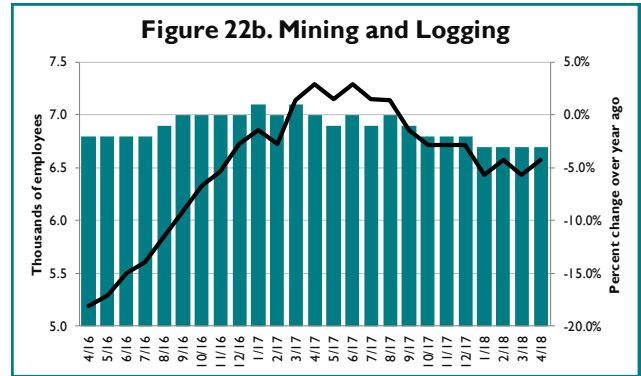
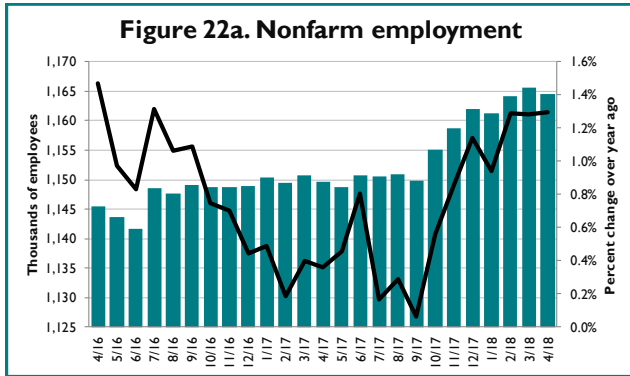
MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



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

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

CHANGE IN MISSISSIPPI REAL INCOME IN 2016

Real income in Mississippi rose 0.6 percent in 2016 according to the latest estimate of the U.S. Bureau of Economic Analysis (BEA). This growth rate represents a decline from the revised increase of 1.3 percent the state experienced in 2015 and marks the second consecutive year real income growth in Mississippi declined. This increase ranked thirty-fourth among all states, tied with Missouri. The increase in real income in Mississippi was a little over half of the U.S. increase of 1.1 percent as seen in Figure 23 on page 12. However, U.S. real income growth fell considerably more from the revised growth rate in 2015 of 4.7 percent. Mississippi was one of thirteen states where income increased less than 1.0 percent in 2016. Real income declined in eight states in 2016 and the largest decrease was the 3.6 percent decline that occurred in Wyoming. The largest increase in real income among all states occurred in Georgia and Utah, where real incomes rose 3.3 percent over their 2015 levels.

BEA released regional price parities (RPPs) for 2016 for all states for the fourth consecutive year along with the real income data. RPPs account for differences in the price level across states each year. By construction the value of the RPP for the U.S. equals 100.0 and the values for each state are expressed as percentages of the U.S. value. RPPs therefore represent a way of measuring the relative cost of living in each state.

As in prior years the relative rankings among states changed little from the previous year, although the values of the RPPs of most states changed slightly. The values of the RPPs for each state for 2016 are listed at right in Table 3. The state with the highest RPP in 2016 was once again Hawaii, despite a decrease in the value of its RPP of 0.4 percentage point to 118.4. The RPP value of 118.4 means on average all items sold in Hawaii in 2016 cost 18.4 percent more than the U.S. average. The state with the lowest RPP value in the nation was again Mississippi. The state's RPP for 2016 equaled 86.4, a slight increase of 0.2 percentage point from the previous year. This value means that on average all items sold in the state in 2016 cost 13.6 percent less than the U.S. average, an analogous interpretation of the RPP for Hawaii relative to the U.S. The value of the RPP for Alabama at 86.6 was only slightly higher than that of Mississippi and ranked forty-ninth among all states. Other southeastern states with relatively low RPPs in 2016 include Arkansas, Kentucky, and Oklahoma, as the latter moved from forty-first to forty-fourth among all states. Florida had the highest-valued RPP among all southeastern states as in the previous year and maintained its position of sixteenth among all states. A total of fourteen states had RPPs with values greater than 100.0 in 2016, the same as the previous year, meaning their relative cost of living was higher than the U.S. average. The state with a RPP that was closest to the U.S. average in 2016 was Oregon with a RPP value of 99.8. States with some of the largest metropolitan areas in the country tend to have the highest RPP values because of the way BEA computes the RPP. The RPP calculation assigns weights to the values making up an individual's total expenditures and in general housing costs represent an individual's largest single expenditure. Thus, the primary reason the cost of living is relatively higher in states with large metropolitan areas is the cost of housing in these areas is higher. More rural states like Mississippi tend to have lower housing costs and therefore lower total RPP values.

After BEA adjusted the incomes for each state for RPPs, it then adjusted the incomes for inflation using the national Personal Consumption Expenditures (PCE) price index. The PCE is similar to the more well-known Consumer Price Index (CPI) but is generally considered more comprehensive. The PCE uses more expenditures compared to the CPI and weights their values according to surveys of businesses as opposed to consumers. In general the value of the CPI runs higher than the value of the PCE. To illustrate, the value of the PCE

Table 3. Regional price parities by state, 2016

Hawaii	118.4
New York	115.6
California	114.4
New Jersey	113.2
Maryland	109.5
Connecticut	108.7
Massachusetts	107.8
New Hampshire	105.9
Washington	105.5
Alaska	105.4
Colorado	103.0
Virginia	102.3
Vermont	101.6
Delaware	100.2
Oregon	99.8
Florida	99.7
Rhode Island	99.6
Illinois	98.9
Maine	98.4
Pennsylvania	98.4
Minnesota	97.5
Nevada	97.4
Utah	97.3
Texas	96.9
Wyoming	96.7
Arizona	95.9
Montana	94.1
New Mexico	93.6
Michigan	93.3
Idaho	93.0
Wisconsin	92.8
Georgia	92.1
North Dakota	91.5
North Carolina	90.9
Kansas	90.5
Nebraska	90.5
Louisiana	90.4
Indiana	90.3
South Carolina	90.3
Iowa	90.2
Tennessee	90.2
Missouri	89.5
Ohio	89.3
Oklahoma	89.0
South Dakota	88.3
Kentucky	87.8
West Virginia	87.6
Arkansas	86.9
Alabama	86.6
Mississippi	86.4

Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

CHANGE IN MISSISSIPPI REAL INCOME IN 2016, CONTINUED

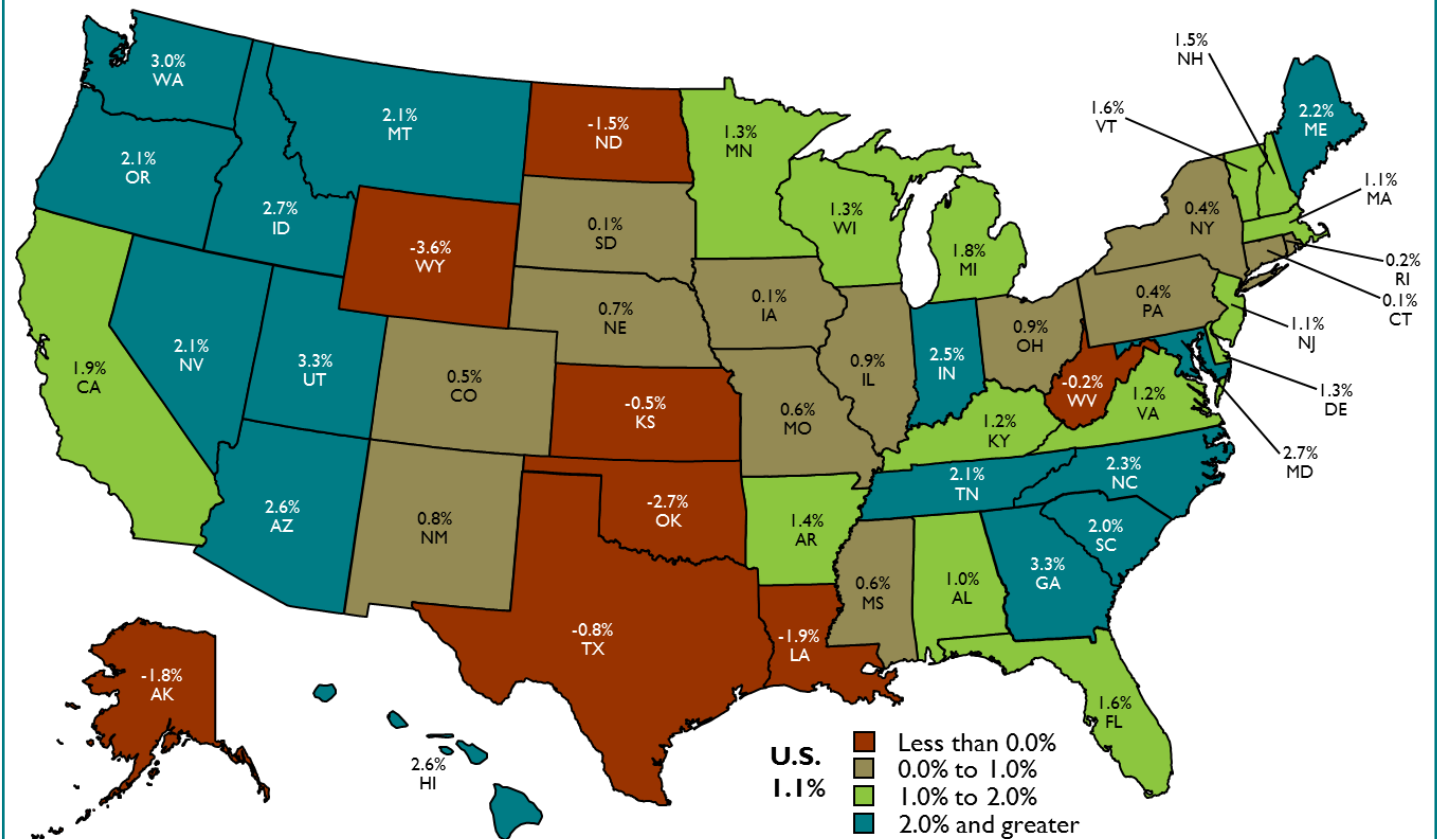
index for the U.S. increased 1.2 percent in 2016 while U.S. nominal income grew 2.3 percent. Therefore, the average increase in real income of 1.1 percent for the U.S. mentioned above is obtained after subtracting the change in the PCE index from the change in nominal income.

Although Mississippi had the smallest increase in real income among all states in the Southeast in 2016, real income declined in three states in the region: Louisiana, Oklahoma, and Texas. Like the other states that experienced contractions in real income in 2016, the economies of these states include substantial energy sectors. Georgia was the only southeastern state where real income grew 3.0 percent or more in 2016; real income growth in North Carolina, South Carolina, and Tennessee equaled 2.0 percent or more.

Another measure of regional cost BEA includes in the data for each state is the implicit regional price deflator (IRPD). The IRPD for a state is found by multiplying its RPP by the U.S. PCE, which results in a price index for that state. Viewed over time, the IRPD essentially represents a measure of regional inflation through its adjustments of the PCE for each state. The IRPD value for the U.S. remains the same as its PCE of 1.2. The IRPD is considered an indirect measure of inflation because it is calculated from two existing values.

In 2016 the value of the IRPD for Mississippi was 95.4, indicating regional inflation increased 1.5 percent from the previous year. This rate was slightly higher than the rate for the U.S. The only state that did not experience inflation in 2016 was West Virginia, as the value of its IRPD fell 0.2 percent from the previous year. The value of the IRPD for the District of Columbia also fell 0.2 percent in 2016. The largest increase was found in Oregon where the value of its IRPD rose 1.9 percent.

Figure 23. Percent change in real personal income by state, 2016



Source: U.S. Bureau of Economic Analysis