



ECONOMY AT A GLANCE

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Corey Miller
Economic Analyst

3825 Ridgewood Road
Jackson, MS 39211
cmiller@mississippi.edu
www.mississippi.edu/urc

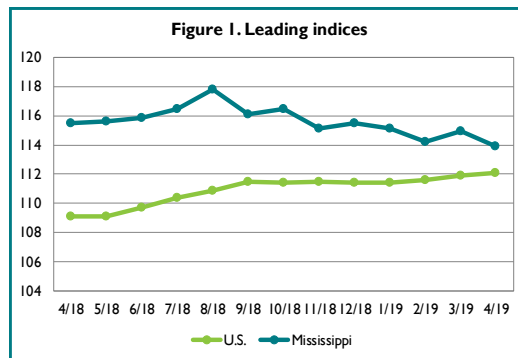
The value of the Mississippi Leading Index (MLI) fell 0.9 percent in April as seen in Figure 1 below. The value of the MLI for the month was 1.4 percent lower compared to one year ago.

As seen in Figure 2 below the value of the Mississippi Coincident Index (MCI) increased 0.2 percent in April. The value for the month was 1.6 percent higher compared to one year ago.

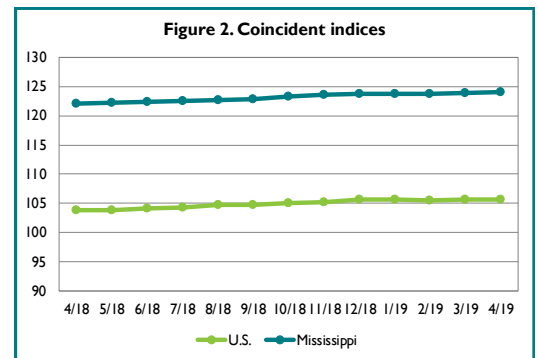
In its second estimate the U.S. Bureau of Economic Analysis (BEA) reported U.S. real gross domestic product (GDP) increased 3.1 percent in the first quarter of 2019. This rate represents a decrease of 0.1 percentage point from BEA's initial estimate. Both nonresidential fixed and private inventory investment were revised lower in the second estimate, leading to the slight decrease. Net exports and con-

sumer spending were revised higher in the second estimate. Corporate profits after taxes declined for the second consecutive quarter.

Losses were widespread among the components of the MLI in April. Most notable was the relatively large increase in initial unemployment claims for the month, continuing the upward trend that began in late 2018. At the same time, the state's economy added 3,000 jobs in April, the most since November 2018. Nevertheless, both income tax withholdings and the Mississippi Manufacturing Employment Intensity Index remain relatively weak in 2019. The performance of the latter may reflect in part the recent difficulties of the U.S. manufacturing sector. Through the first four months of 2019, the Mississippi economy lacks momentum and appears to be softening in some areas.



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.

Photo credit: "Canton, Mississippi" by CapCase available at https://commons.wikimedia.org/wiki/File:Canton_Courthouse_Square_-_15695515451.jpg under a Creative Commons Attribution 2.0 Generic License. Full terms at <https://creativecommons.org/licenses/by/2.0/deed.en>.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, APRIL 2019**

In April the value of the **Mississippi Leading Index of Economic Indicators** (MLI) decreased 0.9 percent, its third decline in the last four months. Previous monthly values of the MLI were revised down as a result of data revisions. Compared to one year ago the April value of the MLI was 1.4 percent lower. The value of the MLI fell 2.2 percent over the last six months.

Six of the seven components of the MLI contributed negatively in April, as only the value of the University of Michigan Index of Consumer Expectations increased. Each component is discussed below in order of smallest to largest contribution.

Figure 4 indicates the value of **Mississippi residential building permits** (three-month moving average) sank 10.2 percent in April, the largest monthly decline in almost two years. Compared to one year ago the value for April was down 6.4 percent, the first year-over-year decline since December. The number of units for the month fell 7.9 percent, the largest monthly decrease since January 2018. The number of units in April was down 7.6 percent compared to one year ago, also the first year-over-year decline since December. In contrast, the number of privately-owned housing units authorized by building permits in the U.S. in April rose 0.6 percent from the revised March rate. The number of units in the U.S. in April compared to one year ago was 5.0 percent lower.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi surged 24.9 percent in April as seen in Figure 5, the fifth increase in the last seven months. Moreover, the value for the month was up 20.9 percent compared to one year ago, the first year-over-year increase since May 2016. Conversely, the value of seasonally-adjusted continued unemployment claims in Mississippi fell 2.5 percent in April as Figure 16 on page 6 indicates. Compared to one year ago the number of continued unemployment claims in Mississippi in April was down 13.5 percent. The seasonally-adjusted unemployment rate in Mississippi was 4.9 percent in April as seen in Figure 17 on page 6, unchanged from the previous month. Compared to one year ago the state's unemployment rate was 0.1 percentage point higher in April.

The value of the **ISM Index of U.S. Manufacturing Activity** fell 1.3 percent in May as seen in Figure 6, its third decline in the last four months. The value of the Index was 11.2 percent lower in May compared to one year

ago, the largest year-over-year decrease since November 2015. The New Orders and Employment components increased in May while the other three components declined. The value of the prices paid index increased in May as it regained most of the value lost in April.

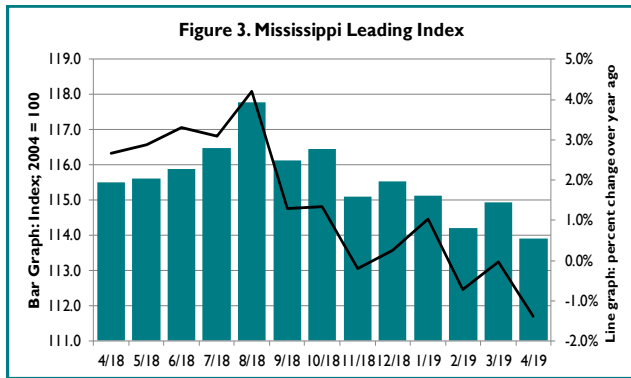
Following the relatively large increase of the previous month, the value of **U.S. retail sales** fell by 0.2 percent in April as seen in Figure 7. Sales in March were revised slightly higher. The value of retail sales was 3.1 percent higher in April compared to one year ago. Weakness was widespread in sales for the month as growth was lower in all categories compared to March. The largest increase occurred in sales at gasoline stations, which rose 1.8 percent in April. The largest decline occurred in building materials, which fell 1.9 percent; sales of electronics and appliances as well as automobiles also declined by more than 1.0 percent.

In April the value of **Mississippi income tax withholdings** (three-month moving average) decreased slightly, falling 0.1 percent as seen in Figure 8. The value of withholdings was down 1.8 percent compared to one year ago in April, which was also the third consecutive month with a year-over-year decrease. Over the last six months the value of withholdings fell 2.6 percent.

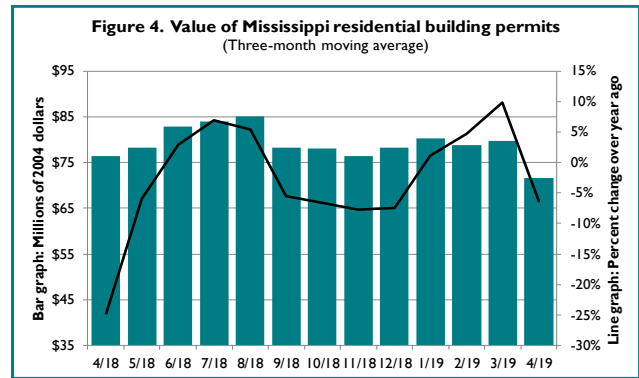
As seen in Figure 9 the value of the **Mississippi Manufacturing Employment Intensity Index** declined 0.1 percent in April. Notably, the value of the Index declined in nine of the last twelve months. Compared to one year ago the value of the Index in April was down 1.2 percent, the third consecutive month with a year-over-year decrease. While Manufacturing employment in Mississippi increased in April, this gain was more than offset by the decrease in the average weekly hours of production employees in the state.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) surged 3.5 percent in April as seen in Figure 10, the second month in a row with a gain of at least 3.0 percent. The value for the month compared to one year ago was 1.3 percent higher, the first year-over-year increase since November 2018. Both short-term (one-year) and long-term (five-year) inflation expectations increased in the most recent survey.

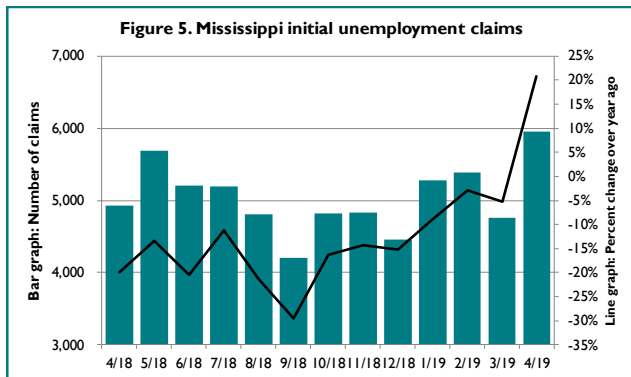
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



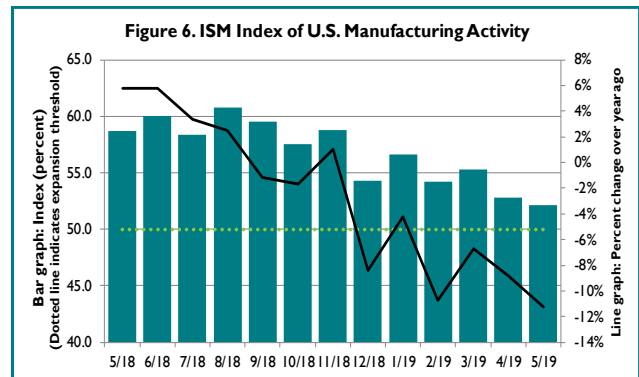
Source: University Research Center



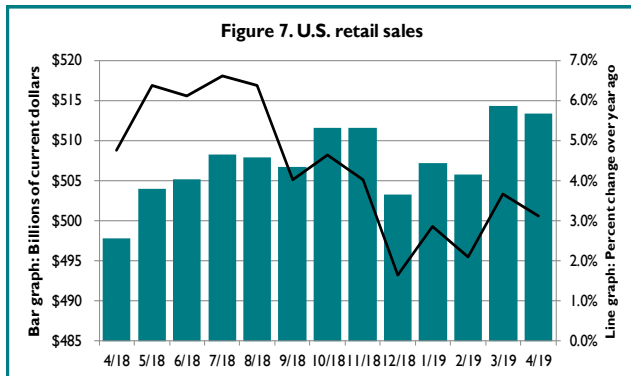
Source: U.S. Bureau of the Census; seasonally adjusted



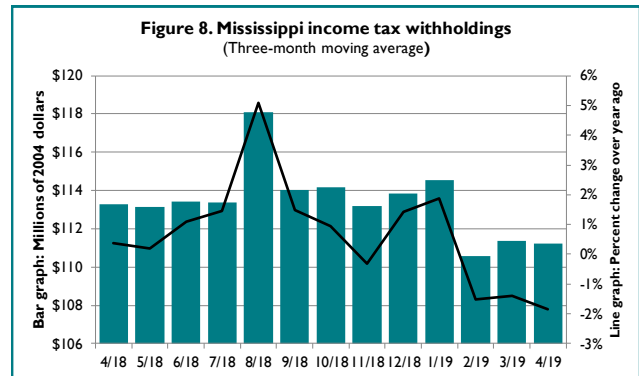
Source: U.S. Department of Labor; seasonally adjusted



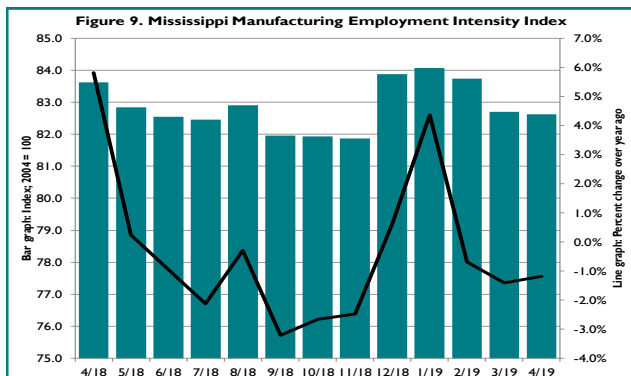
Source: Institute for Supply Management



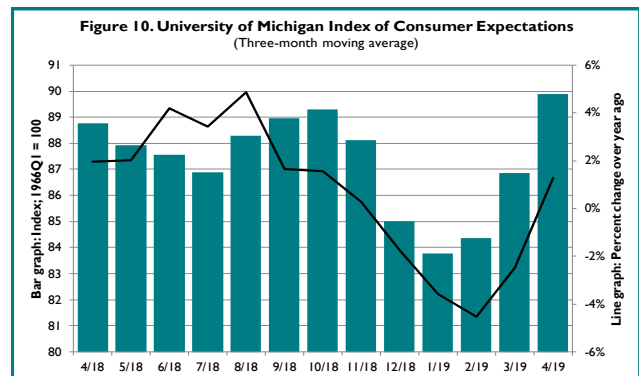
Source: U.S. Bureau of the Census



Source: Mississippi Department of Revenue; seasonally adjusted



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



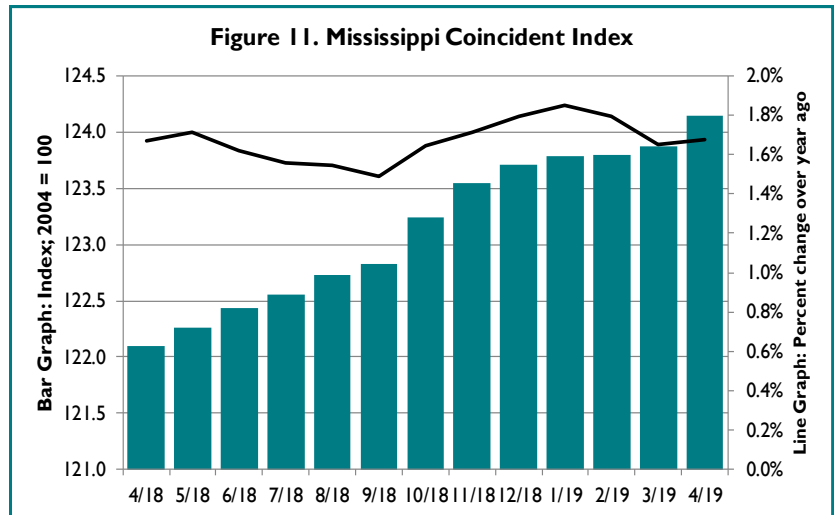
Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, APRIL 2019

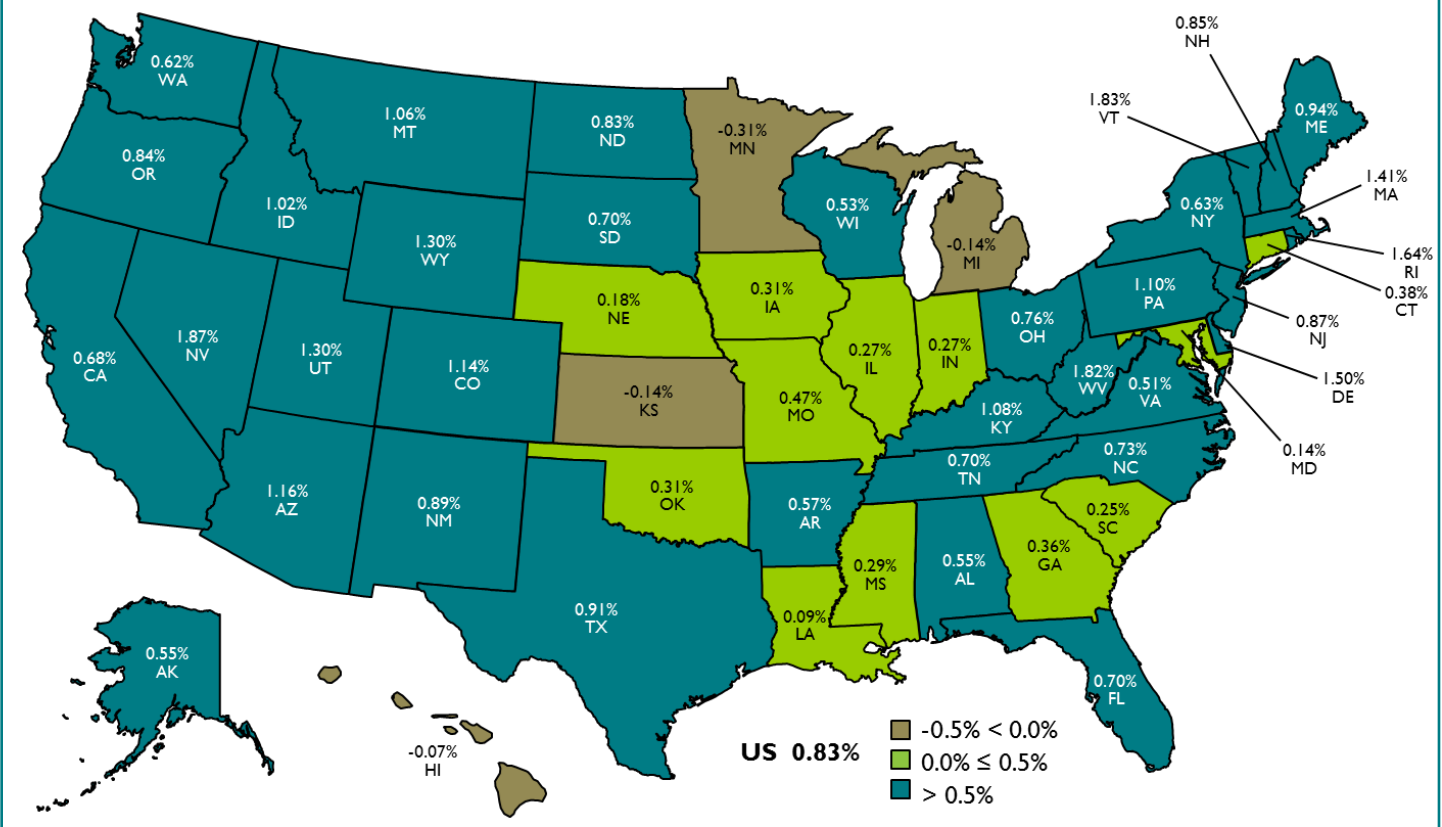
The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.2 percent in April according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. The value of the MCI in April was 1.6 percent higher compared to one year ago. The value for March was revised up from a decrease of 0.1 percent to an increase of 0.1 percent.

In forty-six states the values of the coincident indices increased in April compared to three months prior as seen in Figure 12 below. In twelve states including Mississippi the values of the coincident indices increased by less than 0.5 percent in March compared to January. The values of the coincident indices increased by more than 0.5 percent compared to three months prior in thirty-four states. In four states the coincident indices fell between 0.0 and 0.5 percent.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, April 2019



Source: Federal Reserve Bank of Philadelphia

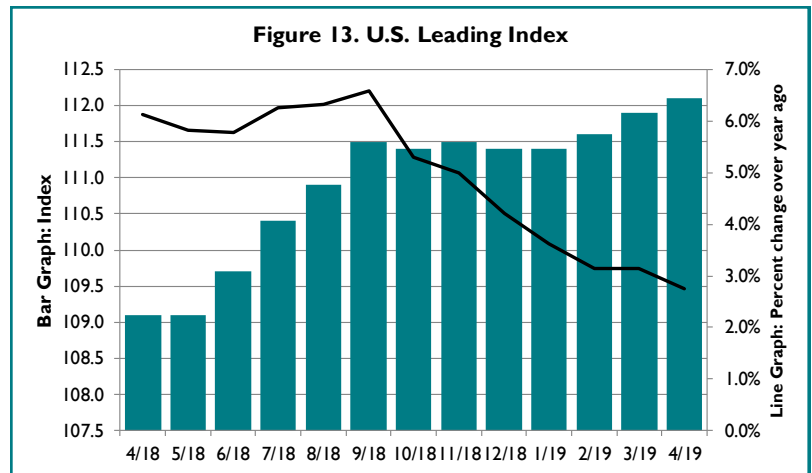
NATIONAL TRENDS

Figure 13 indicates the value of the U.S. Leading Economic Index (LEI) rose 0.2 percent in April according to The Conference Board. Following data revisions the value of the LEI increased 0.3 percent in March and increased 0.2 percent in February. For the month the value of the LEI was 2.7 percent higher compared to one year ago. The largest contributor to the increase was stock prices as six of the ten indicators that make up the LEI increased in value. Over the last six months the value of the LEI rose 0.6 percent.

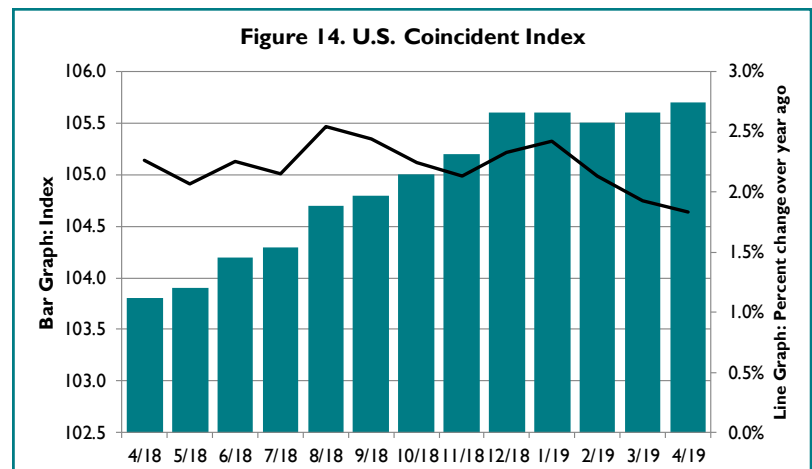
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) increased 0.1 percent in April as seen in Figure 14. Compared to one year ago the value of the CEI was 1.8 percent higher in April. As in March three of the four components of the CEI increased for the month and the largest contribution came from employees on nonagricultural payrolls. The only negative contributor was industrial production. The value of the CEI rose 0.7 percent over the last six months.

Figure 15 indicates the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased 1.7 percent in April, its third consecutive monthly increase. Nevertheless, the value of the Index remained 1.2 percent lower in April compared to one year ago. Gains were widespread as the only component of the Index that decreased was “current job openings.” The recent gains in the Index may prove short-lived, however, following the increase in trade tensions with China in May.

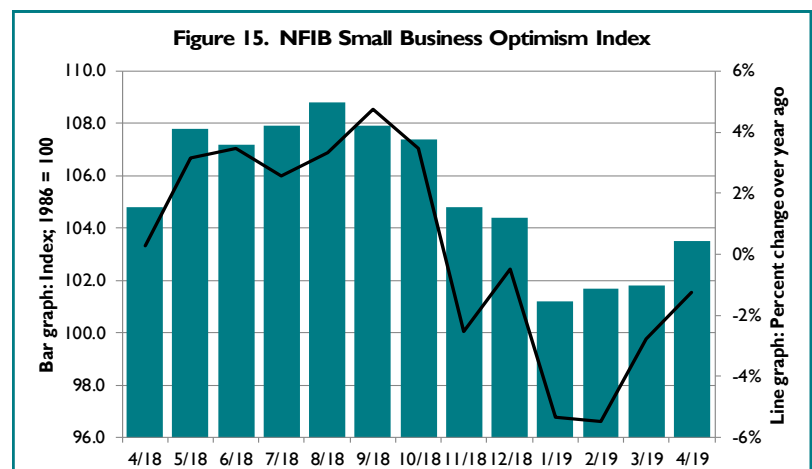
Speculation among analysts and investors that the Federal Open Market Committee (FOMC) will cut the federal funds rate target in 2019 has increased as trade conflicts with China appear no closer to a resolution. Since Fed Chairman Jerome Powell announced on May 1 the FOMC saw no reason to make any move on interest rates, the Trump administration announced an increase in tariffs on Chinese imports to which China responded in kind. Because of the potential negative effects on business confidence, such a situation places the Federal Reserve in a difficult position—the FOMC does not want to overreact but at the same time does not want to wait too late to act.



Source: The Conference Board



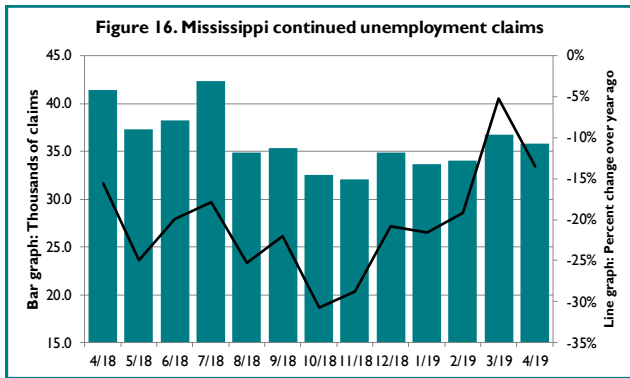
Source: The Conference Board



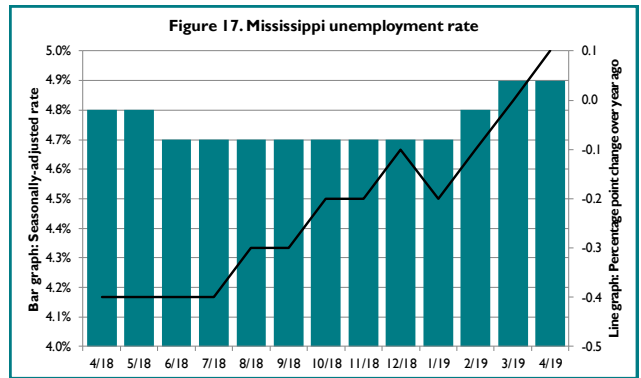
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

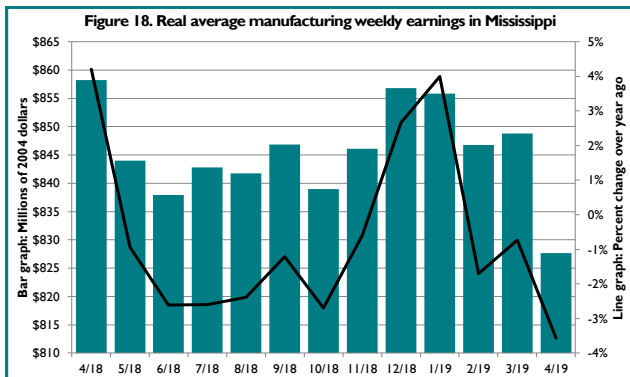
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



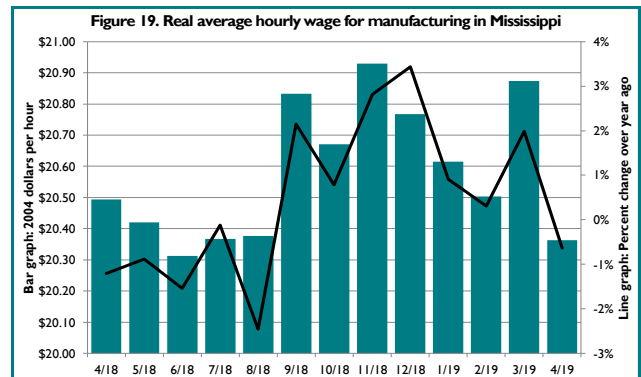
Source: U.S. Department of Labor; seasonally adjusted



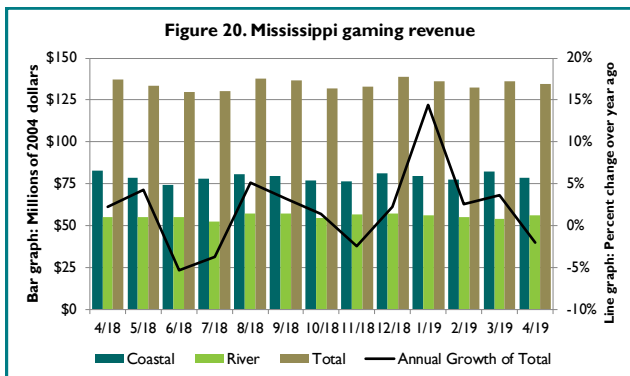
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



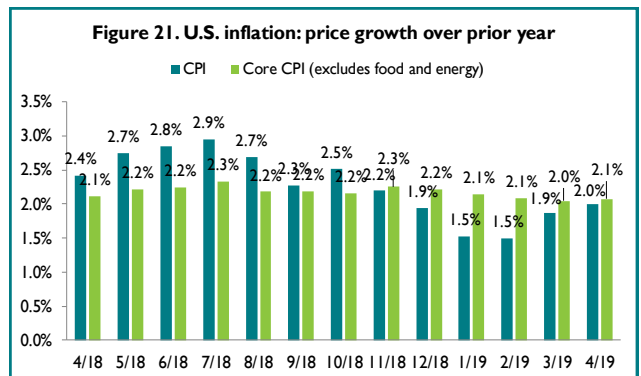
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



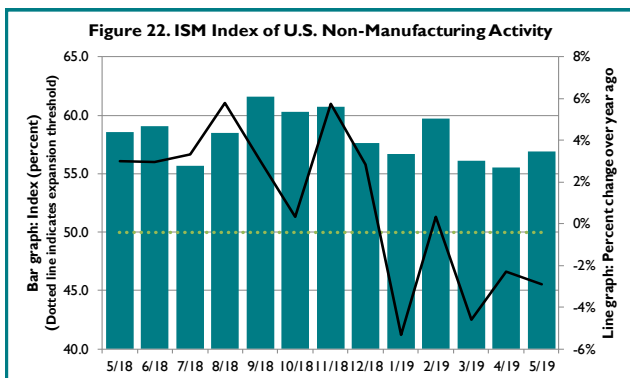
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



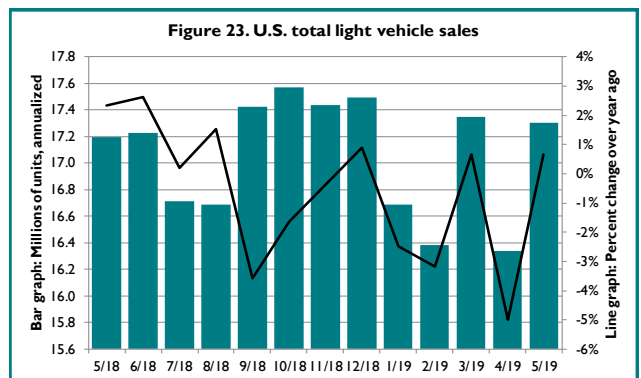
Source: Mississippi Department of Revenue; seasonally adjusted



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	April	March	April	Percent change from	
	2019	2019	2018	March 2019	April 2018
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	112.1	111.9	109.1	▲0.2%	▲2.7%
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	105.7	105.6	103.8	▲0.1%	▲1.8%
Mississippi Leading Index 2004 = 100. Source: University Research Center	113.9	114.9	115.5	▼0.9%	▼1.4%
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.1	123.9	122.1	▲0.2%	▲1.6%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,952	4,764	4,924	▲24.9%	▲20.9%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	71.6	79.7	76.5	▼10.2%	▼6.4%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	111.2	111.4	113.3	▼0.1%	▼1.8%
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	82.6	82.5	83.6	▲0.2%	▼1.2%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	89.9	86.9	89.1	▲3.5%	▲0.9%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	52.1	52.8	58.7	▼1.3%	▼11.2%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	513.4	514.3	497.8	▼0.2%	▲3.1%
U.S. Consumer Price Index (CPI)	135.0	134.5	132.3	▲0.3%	▲2.0%
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	133.1	132.9	130.4	▲0.1%	▲2.1%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.9%	4.9%	4.8%	◀0.0	▲0.1
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	35,794	36,709	41,395	▼2.5%	▼13.5%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.9	55.5	58.6	▲2.5%	▼2.9%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.09%	4.14%	4.42%	▼0.05	▼0.33
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.36	20.42	20.63	▼0.3%	▼1.3%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	827.66	848.76	858.24	▼2.5%	▼3.6%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	103.5	101.8	104.8	▲1.7%	▼1.2%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.31	16.34	17.19	▲5.9%	▲0.7%
Gaming revenue	134.5	136.2	137.4	▼1.2%	▼2.1%
Coastal counties	78.5	82.1	82.6	▼4.4%	▼5.0%
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	56.0	54.1	54.8	▲3.6%	▲2.3%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) reported total nonfarm employment in Mississippi increased by 3,000 jobs in April, a gain of 0.3 percent. In addition, BLS revised employment for March up by 1,500 jobs. Total employment in the state was 1.0 percent higher in April compared to one year ago.

Total nonfarm employment increased in ten states in April according to BLS. California added 46,000 jobs, the most among all states, followed by Texas, which added 28,900 jobs, and New York, which added 26,300 jobs. The largest percentage increase occurred in Rhode Island, where employment rose 0.8 percent for the month, followed by Kansas, where employment increased by 0.5 percent. Georgia was the only state with a significant decrease in employment in April, as the state lost 14,900 jobs for the month, a decline of 0.3 percent.

BLS reported employment increased in twenty-nine states in April compared to one year ago. Over the past twelve months Texas added 294,200 jobs, the most among all states, followed by California, which added 271,600 jobs, and Florida, which added 206,100 jobs. For the third consecutive month the largest percentage increase in employment in April compared to one year ago occurred in Nevada, where employment rose by 3.6 per-

cent. Utah experienced the next largest percentage increase compared to one year ago of 3.0 percent followed by the 2.8 percent increase in Arizona.

The largest increase in employment among all sectors in the state in April occurred in Trade, Transportation, and Utilities, which added 1,500 jobs. The next-largest increase occurred in Manufacturing, which added 1,000 jobs. The largest percentage increase in employment among all sectors in April occurred in Educational Services, which rose by 0.8 percent, a gain of 100 jobs. The only two sectors where employment fell in April were Professional and Business Services, which lost 600 jobs, and Other Services, which lost 100 jobs. Employment in both sectors decreased by 0.5 percent. In four sectors employment was unchanged in April.

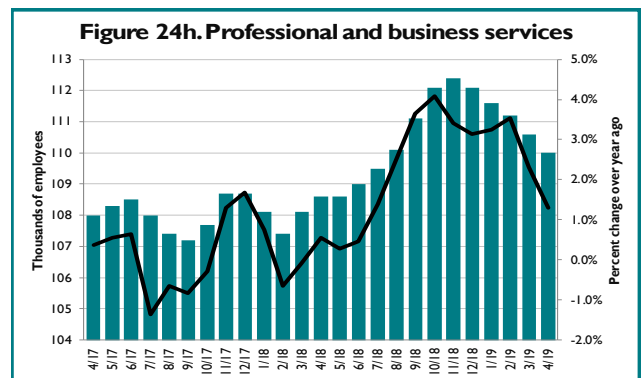
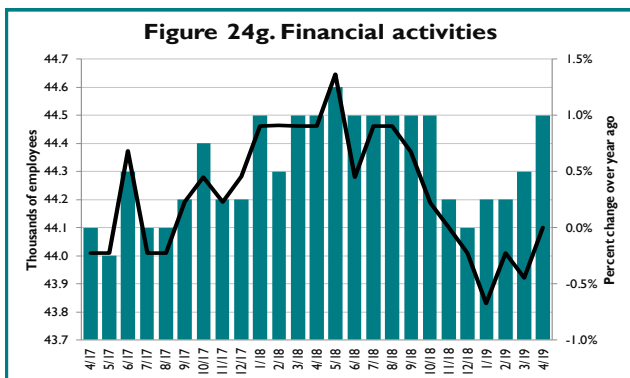
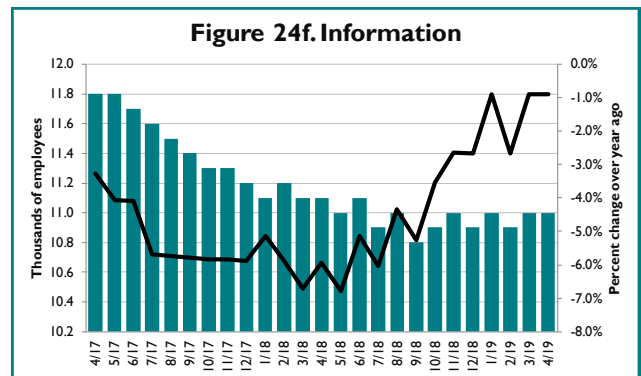
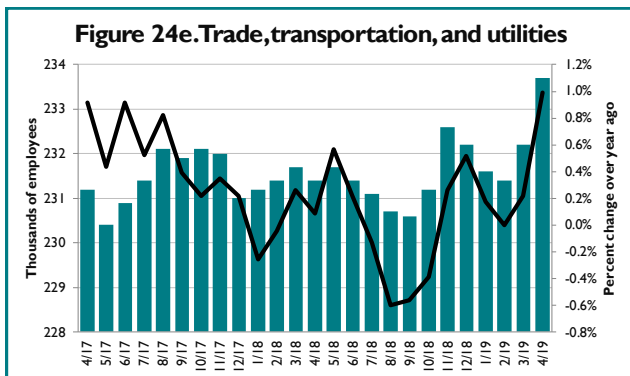
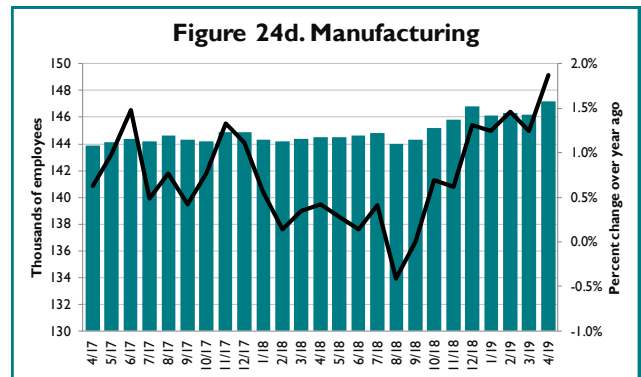
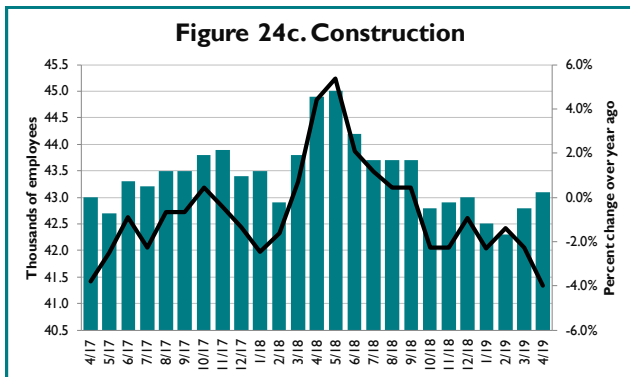
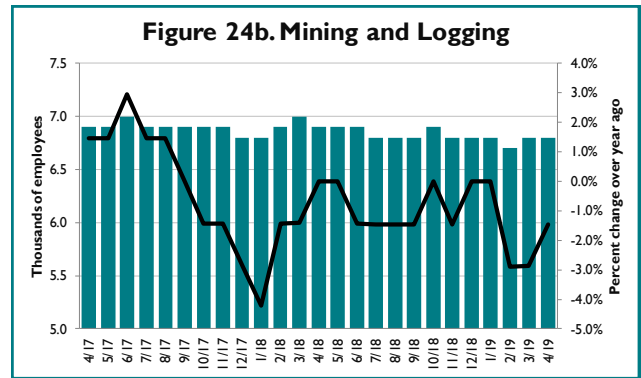
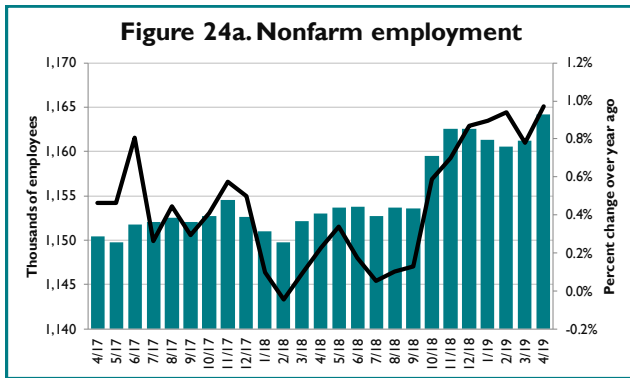
The largest increase in employment among all sectors in Mississippi over the last twelve months occurred in Accommodation and Food Services, which added 4,700 jobs. This gain was also the largest percentage increase among all sectors of 3.8 percent. The Construction sector lost 1,800 jobs over the past twelve months, the most among all sectors. The sector also experienced the largest percentage decrease in employment among all sectors of 4.0 percent.

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

	Relative share of total ^a	April 2019	March 2019	April 2018	Change from March 2019 Level	Change from March 2019 Percent	Change from April 2018 Level	Change from April 2018 Percent
Total Nonfarm	100.0%	1,164,200	1,161,200	1,153,000	▲3,000	▲0.3%	▲11,200	▲1.0%
Mining and Logging	0.6%	6,800	6,800	6,900	◆0	◆0.0%	▼100	▼1.4%
Construction	3.7%	43,100	42,800	44,900	▲300	▲0.7%	▼1,800	▼4.0%
Manufacturing	12.6%	147,200	146,200	144,500	▲1,000	▲0.7%	▲2,700	▲1.9%
Trade, Transportation & Utilities	20.0%	233,700	232,200	231,400	▲1,500	▲0.6%	▲2,300	▲1.0%
Retail Trade	11.9%	138,700	138,100	139,000	▲600	▲0.4%	▼300	▼0.2%
Information	0.9%	11,000	11,000	11,100	◆0	◆0.0%	▼100	▼0.9%
Financial Activities	3.8%	44,500	44,300	44,500	▲200	▲0.5%	◆0	◆0.0%
Services	33.2%	435,400	436,000	428,900	▼600	▼0.1%	▲6,500	▲1.5%
Professional & Business Services	5.3%	110,000	110,600	108,600	▼600	▼0.5%	▲1,400	▲1.3%
Educational Services	1.0%	12,000	11,900	12,200	▲100	▲0.8%	▼200	▼1.6%
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	9,600	◆0	◆0.0%	▲100	▲1.0%
Accommodation and Food Services	11.0%	129,800	129,700	125,100	▲100	▲0.1%	▲4,700	▲3.8%
Other Services	3.6%	40,700	40,900	41,200	▼200	▼0.5%	▼500	▼1.2%
Government	20.9%	242,500	241,900	240,800	▲600	▲0.2%	▲1,700	▲0.7%

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

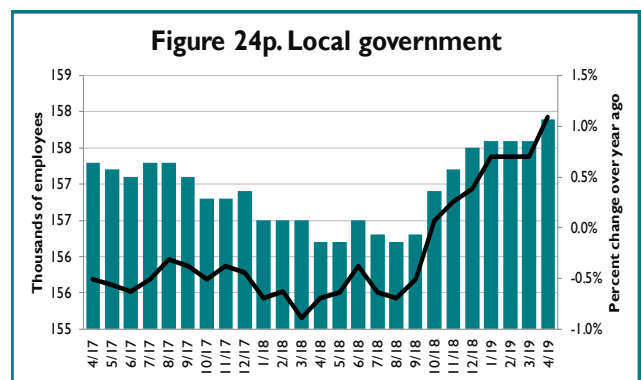
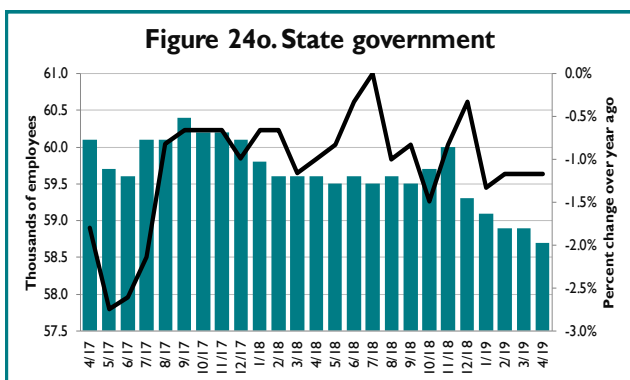
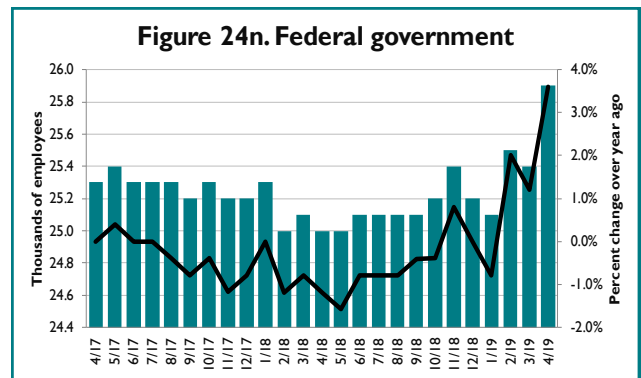
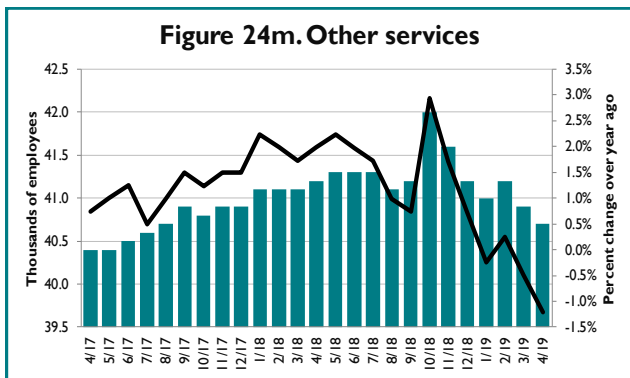
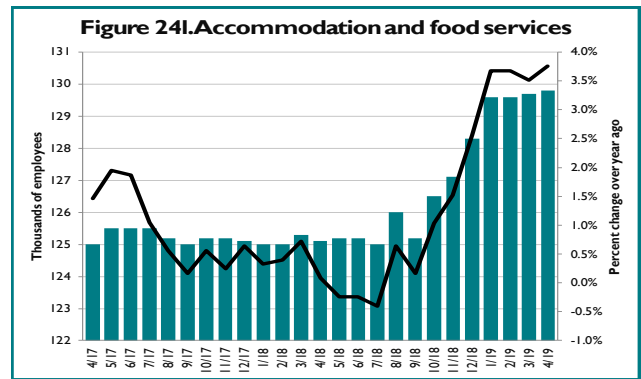
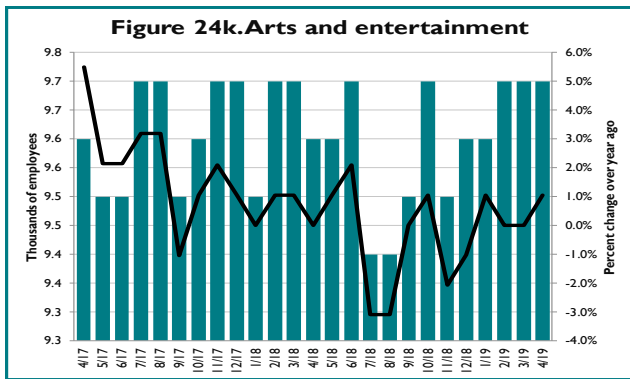
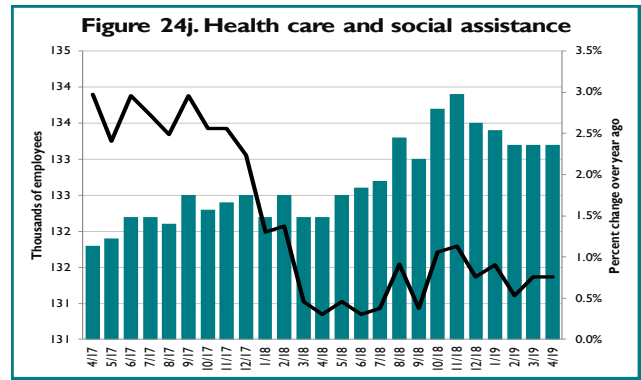
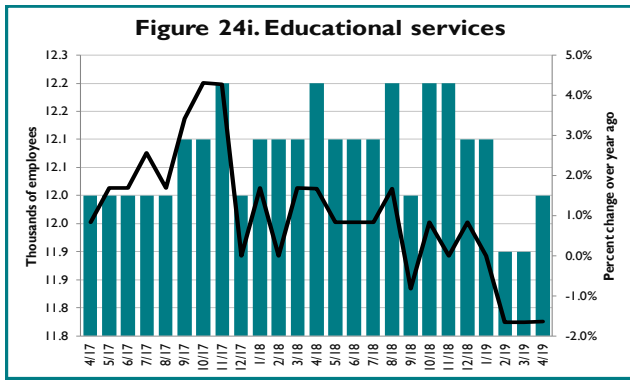
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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 INCOME IN 2017

The U.S. Bureau of Economic Analysis (BEA) reported in May real income in Mississippi rose 1.4 percent in 2017. This increase ranked forty-second among all states. Growth in 2017 improved over 2016, when real income increased 0.6 percent. The 1.4 percent increase in real income in Mississippi in 2017 was the highest rate since 2014 when real income grew 2.0 percent. The increase in real income in Mississippi was a little over half of the U.S. increase of 2.6 percent as seen in Figure 25 on page 12. U.S. real income growth increased from the revised growth rate in 2016 of 1.5 percent. Mississippi was one of thirteen states where real income increased less than 2.0 percent in 2017. In thirty-four states real income increased between 2.0 and 4.0 percent. The largest increase in real income among all states occurred in New York, where real income rose 4.5 percent over its 2016 level. Real income decreased in only two states in 2017, North Dakota and South Dakota. Real income decreased in North Dakota in 2017 for the third consecutive year while in South Dakota real income declined for the second year in a row.

Along with the real income data BEA also released regional price parities (RPPs) for 2017 for all states. 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.

The relative rankings among states in 2017 changed little from the previous year, as is typically the case, although the values of the RPPs of most states changed slightly. Table 3 at right lists the values of the RPPs for each state for 2017. Hawaii once again had the highest RPP in 2017 among all states, as its RPP value of 118.5 was unchanged from the previous year. The RPP value of 118.5 means on average all items sold in Hawaii in 2017 cost 18.5 percent more than the U.S. average. The state with the lowest RPP value in the nation was again Mississippi. Moreover, BEA has calculated regional price parity values for each year beginning in 2008, and in all ten years of data the RPP for Mississippi has been the lowest or tied for lowest among all states. In 2017 the state's RPP equaled 85.7, a decrease of 0.8 percentage point from the previous year and the lowest RPP value for the state in BEA's data since 2008. This value means that on average all items sold in the state in 2017 cost 14.3 percent less than the U.S. average, an analogous interpretation of the RPP for Hawaii relative to the U.S. The RPP values for Alabama and Arkansas ranked forty-eighth and forty-ninth among all states, respectively. Other southeastern states with relatively low RPPs in 2016 include Kentucky and Oklahoma. As in 2016 Florida had the highest-valued RPP among all southeastern states, ranking fifteenth among all states. At 99.9 the state's RPP value was also the closest to the U.S. average. In 2017 a total of fourteen states had RPPs with values greater than 100.0, the same as in 2016, meaning their relative cost of living was higher than the U.S. average.

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 and Mississippi in particular tend to have lower housing costs and therefore lower total RPP values.

After BEA adjusted the incomes for each state for RPPs, the agency then adjusted the incomes for inflation using the national Personal Consumption Expenditures (PCE) price in-

Table 3. Regional price parities by state, 2017

Hawaii	118.5
New York	115.8
California	114.8
New Jersey	112.9
Maryland	109.4
Connecticut	108.0
Massachusetts	107.9
Washington	106.4
New Hampshire	105.8
Alaska	104.4
Colorado	103.2
Vermont	102.5
Virginia	102.1
Delaware	100.1
Florida	99.9
Oregon	99.5
Rhode Island	98.6
Illinois	98.5
Maine	98.4
Pennsylvania	97.9
Nevada	97.6
Minnesota	97.5
Texas	97.0
Utah	97.0
Arizona	96.4
Wyoming	95.2
Montana	94.6
New Mexico	93.3
Idaho	93.0
Michigan	93.0
Georgia	92.5
Wisconsin	92.4
North Carolina	91.3
South Carolina	90.4
Tennessee	90.4
Louisiana	90.1
North Dakota	90.1
Kansas	90.0
Indiana	89.8
Iowa	89.8
Nebraska	89.6
Missouri	89.5
Oklahoma	89.0
Ohio	88.9
South Dakota	88.2
Kentucky	87.9
West Virginia	87.0
Alabama	86.7
Arkansas	86.5
Mississippi	85.7

Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

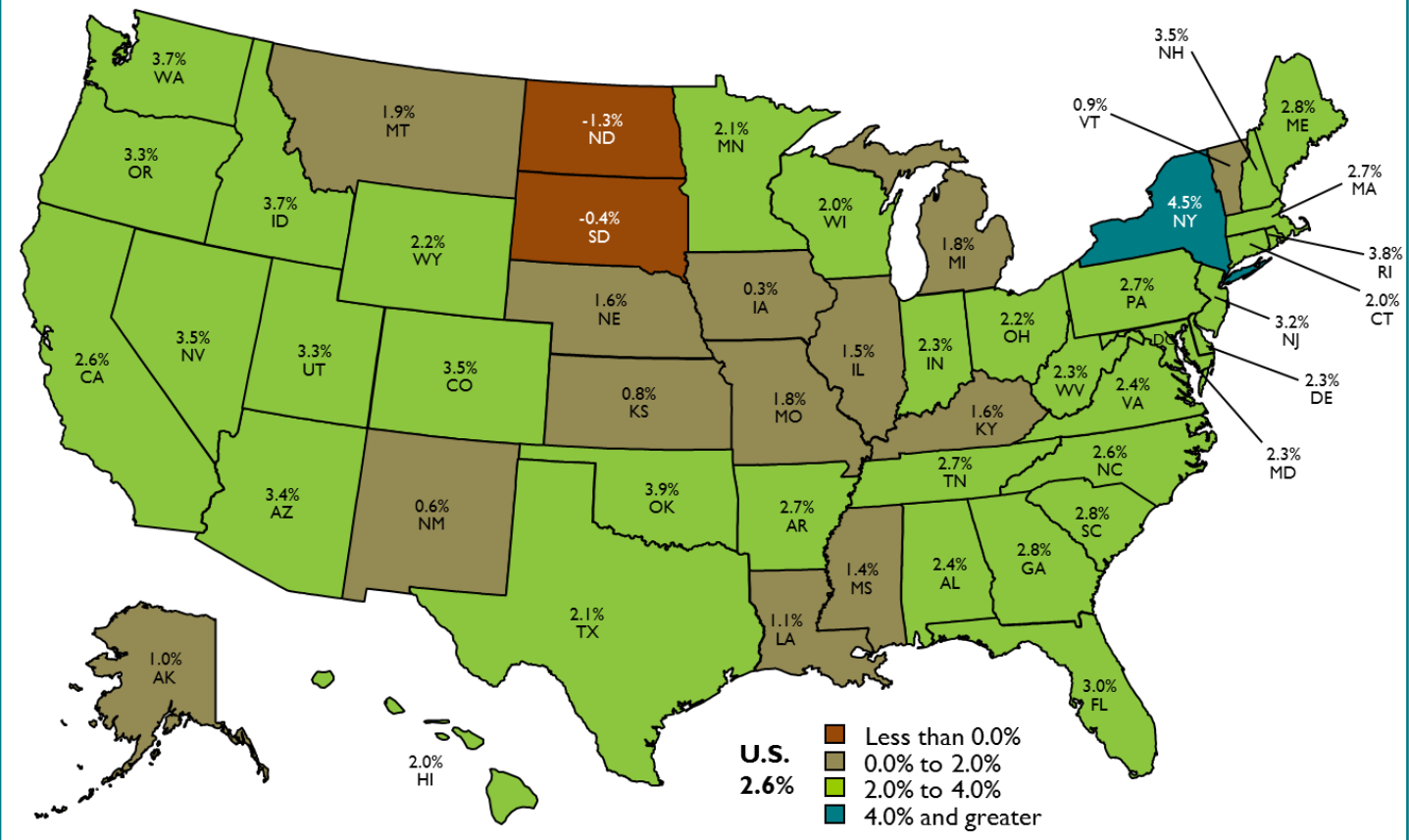
CHANGE IN MISSISSIPPI REAL INCOME IN 2017, CONTINUED

dex. 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 index for the U.S. increased 1.8 percent in 2016 while U.S. nominal income grew 4.4 percent. Therefore, the average increase in real income of 2.6 percent for the U.S. mentioned above is obtained after subtracting the change in the PCE index from the change in nominal income.

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 1.8. The IRPD is considered an indirect measure of inflation because it is calculated from two existing values.

The value of the IRPD for Mississippi in 2017 was 90.6, the lowest among all states, and indicated regional inflation increased 0.9 percent from the previous year. This rate was slightly higher than the rate for the U.S. All states experienced inflation in 2017. The smallest increase in inflation occurred in Wyoming, as the value of its IRPD rose 0.2 percent from the previous year. The largest increase in inflation occurred in the District of Columbia, where the value of its IRPD rose 3.1 percent in 2017.

Figure 25. Percent change in real personal income by state, 2017



Source: U.S. Bureau of Economic Analysis