



ECONOMY AT A GLANCE

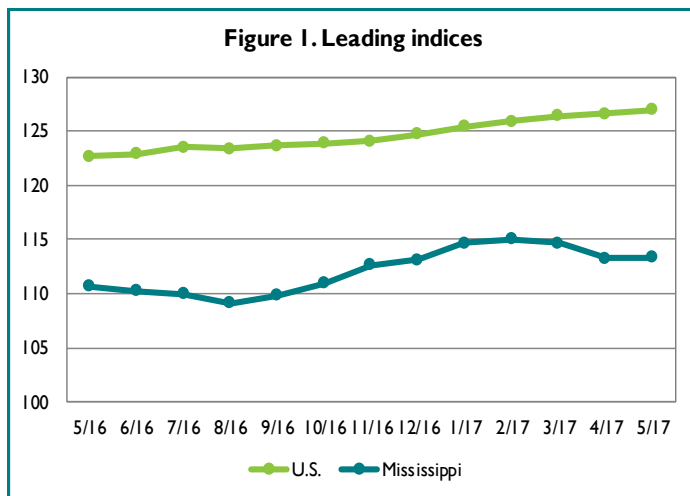
The value of the Mississippi Leading Index (MLI) was essentially unchanged in May as Figure 1 below indicates. The value of the MLI was 2.3 percent higher in May compared to one year ago.

As seen in Figure 2 below the Mississippi Coincident Index (MCI) increased 0.2 percent in value in May. Compared to one year ago this value was 2.5 percent higher for the month.

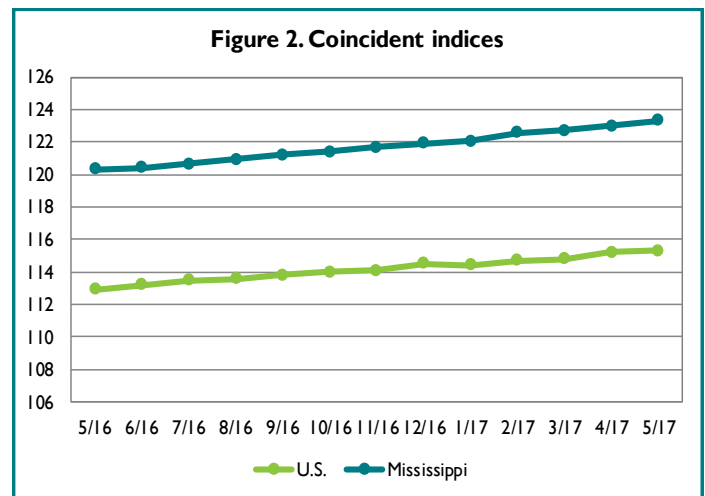
In its third estimate of U.S. real gross domestic product (GDP), the U.S. Bureau of Economic Analysis (BEA) reported real GDP increased 1.4 percent in the first quarter of 2017. This rate is 0.2 percentage point higher than BEA's second estimate and is double the agency's initial estimate. The third estimate incorporated stronger gains in exports and consumer spending than previously report-

ed. While growth in the U.S. economy slowed from the fourth quarter of 2016, many analysts expect real GDP growth to improve in the second quarter of 2017 to a rate around 3.0 percent.

The increase in the value of the Mississippi Manufacturing Employment Intensity Index in May almost offset its relatively large decline in April. Yet decreases in other indicators left the MLI unchanged in May. After acting as a boon to the MLI in the months following the election, building permits became a drag on the MLI in May. The state's economy appears somewhat directionless thus far in 2017, as employment through the first five months of the year remains mostly flat. In fact, most economic indicators lack momentum in either direction at this juncture as the Mississippi economy appears to languor near the midpoint of the year.



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 workweek 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.

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MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, MAY 2017

As Figure 3 indicates, the value of the **Mississippi Leading Index of Economic Indicators (MLI)** essentially did not change in May. Compared to one year ago the value of the MLI was 2.3 percent higher in May, the same year-over-year change as in the previous month. The value of the MLI increased 0.6 percent over the last six months.

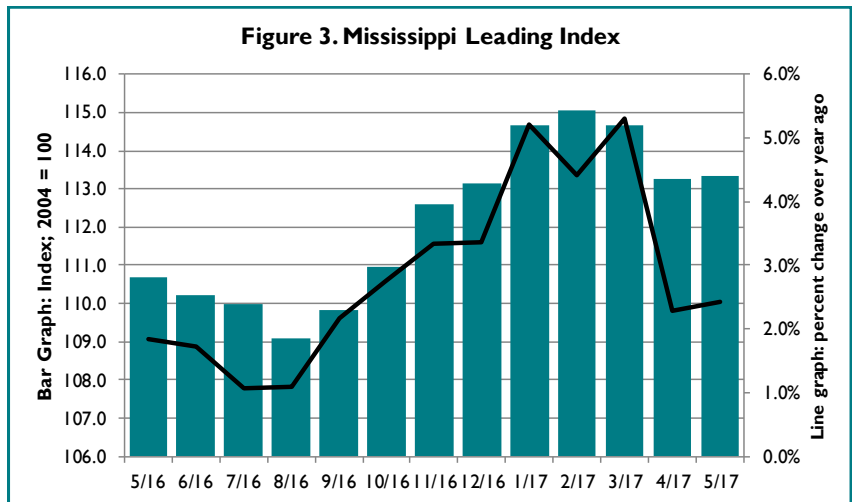
Five of the seven components of the MLI decreased in value for the month. The relatively large increase in the value of Manufacturing Employment Intensity Index offset most of the declines. Each component is discussed below in order of largest to smallest contribution.

In May the **Mississippi Manufacturing Employment Intensity Index** recaptured most of the value it lost in April as seen in Figure 4, climbing 5.2 percent. The increase was the largest one-month gain in the Index since July 2016. May's rise in the Index was driven entirely by the increase in average weekly hours of production employees, which climbed above 41 hours after falling below 40 hours in April. Manufacturing employment in the state fell slightly in April. Compared to one year ago the value of the Index was down 3.1 percent for the month.

Figure 5 indicates the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** climbed 5.3 percent in June, its second consecutive monthly increase. The value of the Index was the highest since October 2014. Compared to one year ago the value of the Index was 8.6 percent higher for the month. All of the components of the Index increased substantially in June with the exception of Inventories. The prices paid index fell to its lowest level since November 2016.

The value of **U.S. retail sales** fell 0.3 percent in May as seen in Figure 6. The decrease was the largest since January 2016. U.S. retail sales were 3.9 percent higher in May compared to one year ago, the smallest year-over-year increase since September. Much of the decrease in May resulted from the decline in gasoline prices; sales excluding gasoline were unchanged. The largest decline occurred in electronics and appliances. Sales of motor vehicles and parts also decreased for the fourth time in the last five months. Furniture and home furnishings was the only notable increase from the previous month.

As seen in Figure 7 the value of the **University of Michigan Index of Consumer Expectations** (three-month



Source: University Research Center

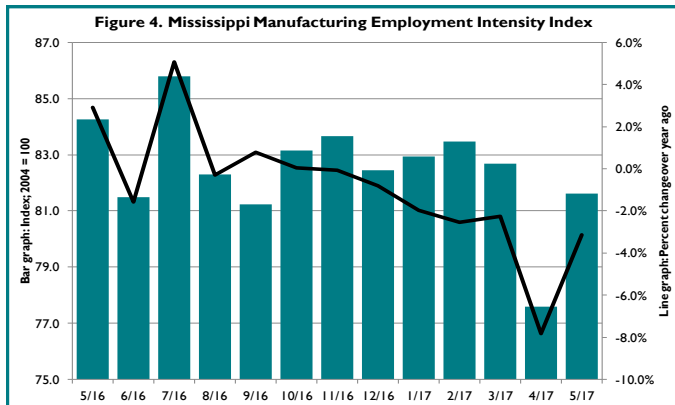
moving average) decreased 1.0 percent in May. The Index fell to its lowest level since November. Nevertheless, the value of the Index was 5.6 percent higher in May compared to one year ago. Notably, the share of consumers who believe the U.S. will experience good times over the next year declined. The share of consumers who said their household finances improved over the past year rebounded from the decrease in the previous survey.

For the second consecutive month, the value of **Mississippi income tax withholdings** (three-month moving average) fell in May. As seen in Figure 8 the value decreased 0.6 percent from the previous month. However, the value was 0.4 percent higher in May compared to one year ago, only the second year-over-year increase in the last six months.

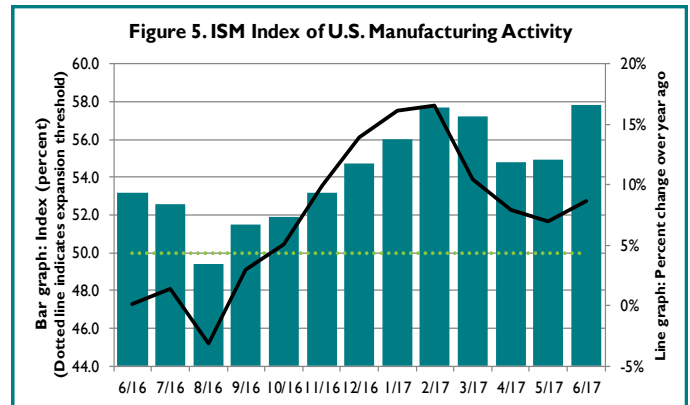
Figure 9 indicates the value of seasonally-adjusted **initial unemployment claims** in Mississippi climbed 16.7 percent in May, the largest one-month increase since June 2015. Nevertheless, the value was 9.6 percent lower compared to one year ago. Seasonally-adjusted continued unemployment claims in Mississippi fell in value by 2.2 percent in May as Figure 14 on page 6 indicates. Compared to one year ago the number of continued claims in Mississippi was down 22.6 percent in May, the largest year-over-year decrease since October 2015. As seen in Figure 15 on page 6, the seasonally-adjusted unemployment rate in Mississippi fell to 4.9 percent in May—the lowest rate ever recorded for the state by BLS in data going back to 1976. Compared to one year ago the May rate was lower by 1.0 percentage point.

(Continued on page 4)

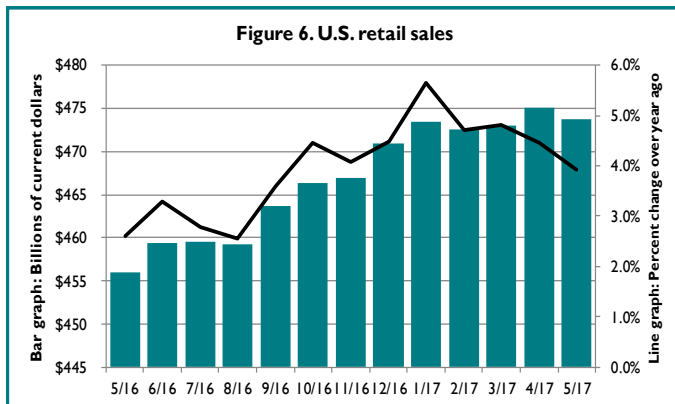
COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



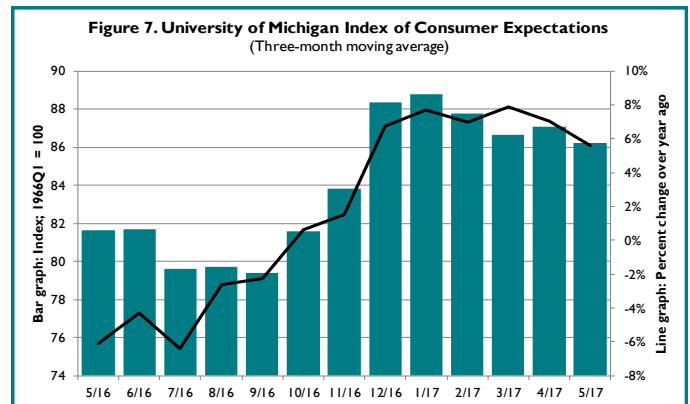
Source: URC using data from Bureau of Labor Statistics



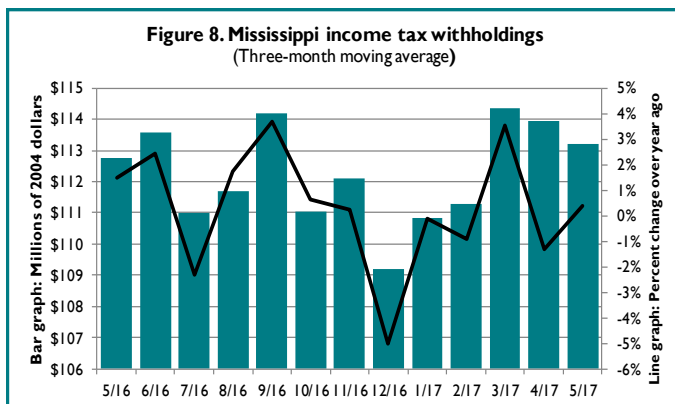
Source: Institute for Supply Management



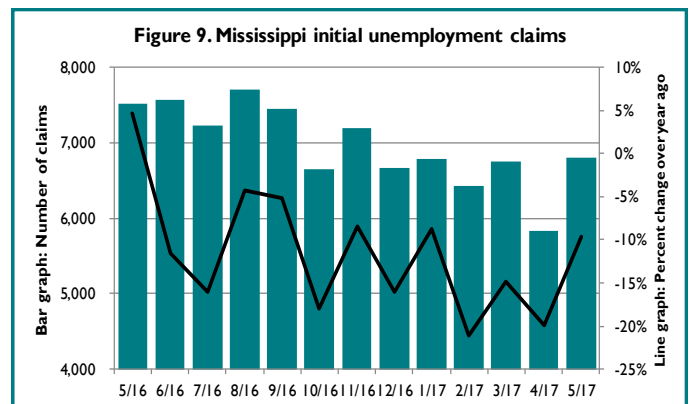
Source: Bureau of the Census



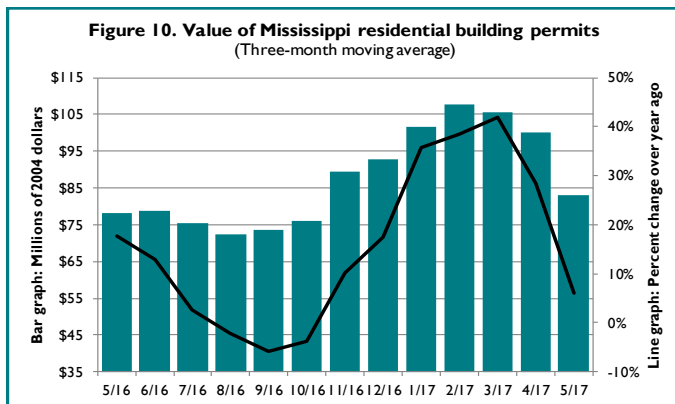
Source: Thomson Reuters/University of Michigan Surveys of Consumers



Source: Mississippi Department of Revenue; seasonally adjusted



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



Source: Bureau of the Census; seasonally adjusted

In May, the value of the Mississippi Leading Index (MLI) did not change.

MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, MAY 2017 (CONTINUED)

The value of **Mississippi residential building permits** (three-month moving average) fell 17.2 percent in May, its third consecutive monthly decline. As seen in Figure 10 the value fell to its lowest level since October 2016. Compared to one year ago the value in May was 6.1 percent higher. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi also fell 18.7 percent in May, which

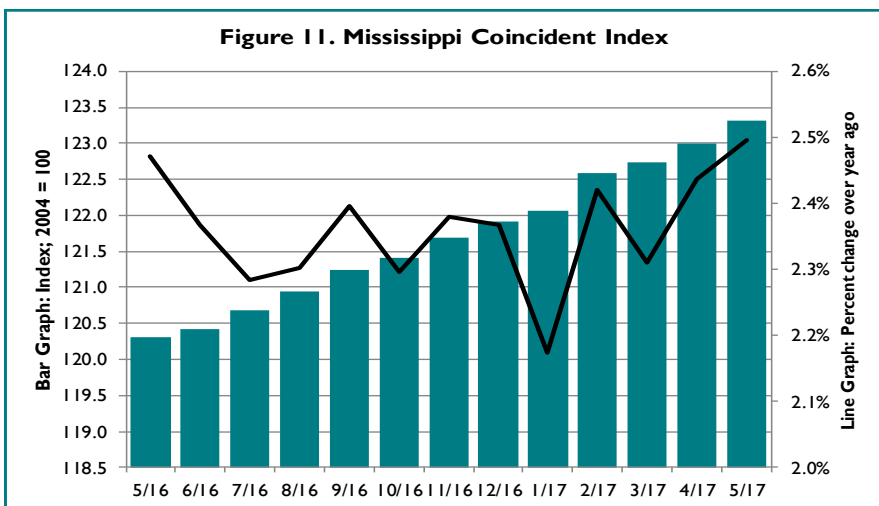
was its third consecutive monthly decrease. The number of units for the month compared to one year ago was 5.2 percent higher. The number of privately-owned housing units in the U.S. authorized by building permits declined 4.9 percent in May from the revised April value. The number of units in the U.S. for the month fell 0.8 percent compared to May 2016.

MISSISSIPPI COINCIDENT INDEX, MAY 2017

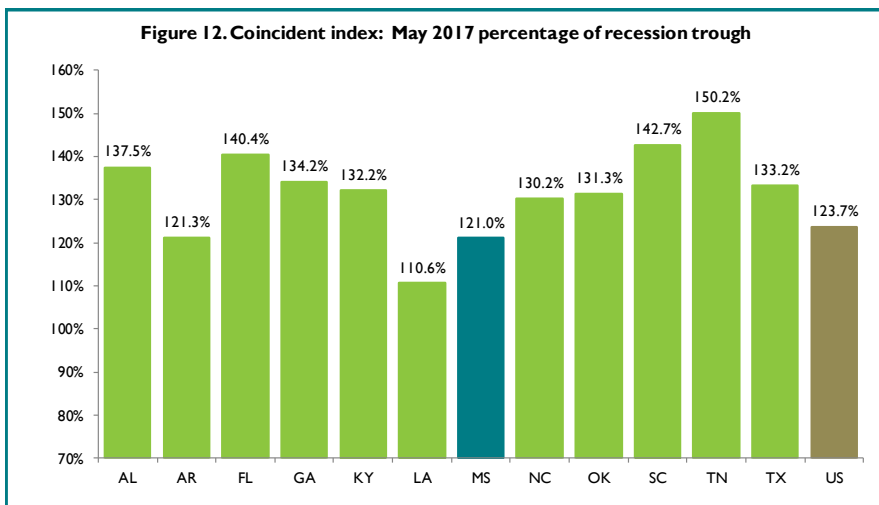
The **Mississippi Coincident Index of Economic Indicators (MCI)** gained 0.2 percent in value in May according to the Federal Reserve Bank of Philadelphia. The value of the MCI for the month was 2.5 percent higher compared to one year ago as seen in Figure 11.

The smallest increase in the value of the coincident index from its recession trough among southeastern states in May once again occurred in Louisiana. As seen in Figure 12, its index was up 10.6 percent, while the increase in the coincident index for Mississippi was the next smallest at 21.0 percent. Tennessee maintained the largest increase in the coincident index from its recession trough among all southeastern states in May, up more than 50.0 percent.

As seen in Figure 13 on page 5 the values of the coincident indices increased in forty-five states in May compared to three months prior. In thirty-nine states, including Mississippi, the values of the coincident indices increased more than 0.5 percent. The values of the coincident indices increased by less than 0.5 percent compared to three months prior in six states. Four states experienced declines in the values of their coincident indices between 0.0 and 0.5 percent in May compared to February. The only state with a coincident index that declined more than 0.5 percent in May compared to three months prior was Massachusetts, its fourth consecutive monthly decline.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) increased 0.3 percent in May according to The Conference Board as seen in Figure 1 on page 1. Previous months' values were revised slightly lower. Compared to one year ago the value of the LEI was 3.5 percent higher in May. Eight of the ten components of the LEI made positive contributions and the largest contribution came from the interest rate spread. The value of the LEI increased 2.3 percent over the last six months.

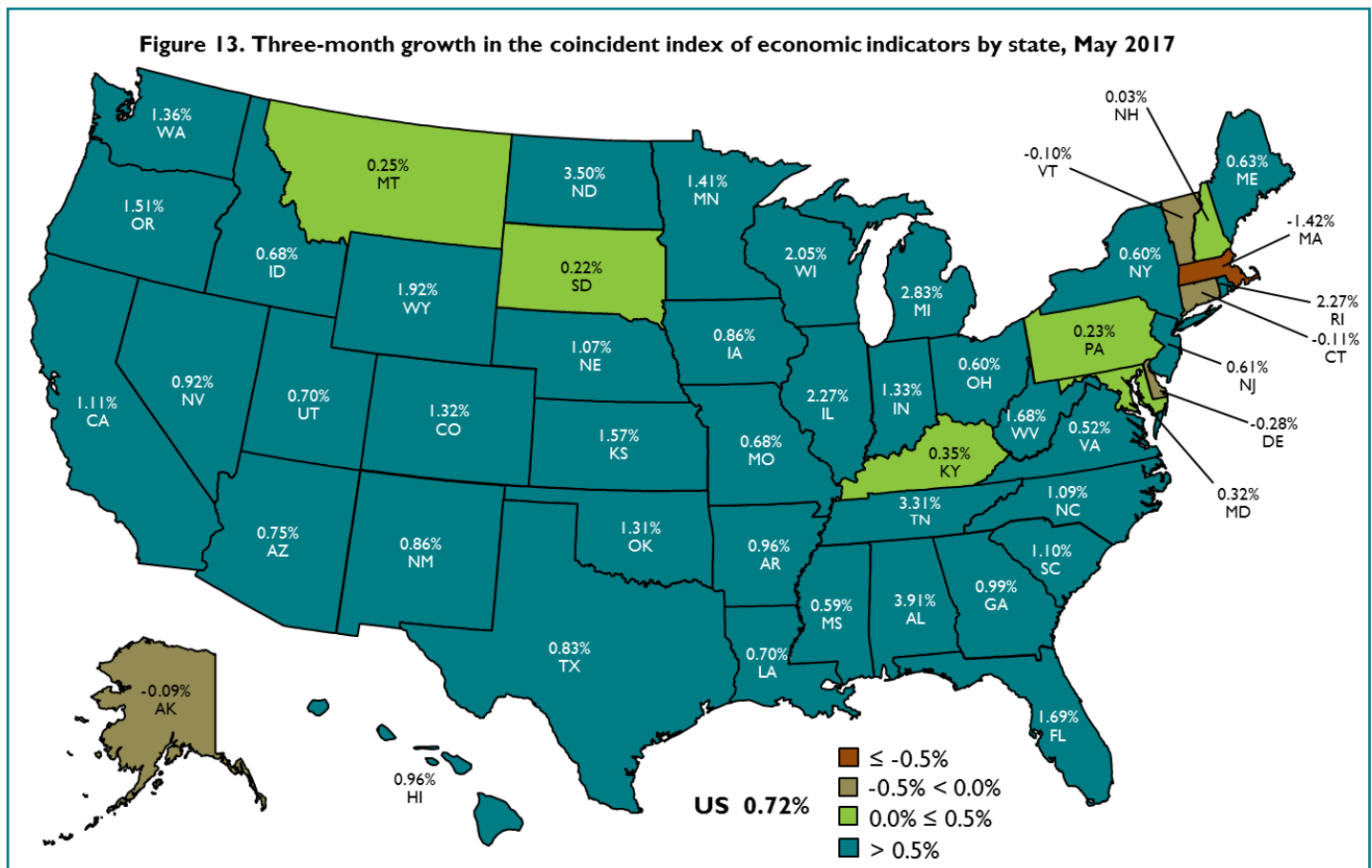
The value of the U.S. Coincident Economic Index (CEI) increased 0.1 percent in May according to The Conference Board as seen in Figure 2 on page 1. The value was 2.1 percent higher for the month compared to one year ago. Three of the four components of the CEI increased in May; the largest contribution came from personal income less transfer payments. The value of the CEI rose 1.1 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index did not change in May as seen in Figure 20 on page 6. The value of

the Index in May was 11.4 percent higher compared to one year ago. While the level of the Index remains elevated, the last increase in value occurred in January. Most components of the Index changed little. The “current inventory” component fell to its lowest level since September. The “expect economy to improve” component improved slightly from April. The share of firms with plans to increase prices increased to its highest level since January.

On June 14 the Federal Open Market Committee (FOMC) voted to increase the federal funds rate by another 0.25 basis points to a range of 1 to 1.25 percent, a move that was widely expected. However, recent events have cast some doubt on the Federal Reserve’s previously indicated plans for an additional rate increase in 2017. Employment growth has moderated in 2017, and the Personal Consumption Expenditures index—the Fed’s preferred measure of inflation—grew at a rate of 1.4 percent in May, its lowest level in six months. No move is expected before September, which gives the FOMC time to follow economic developments.

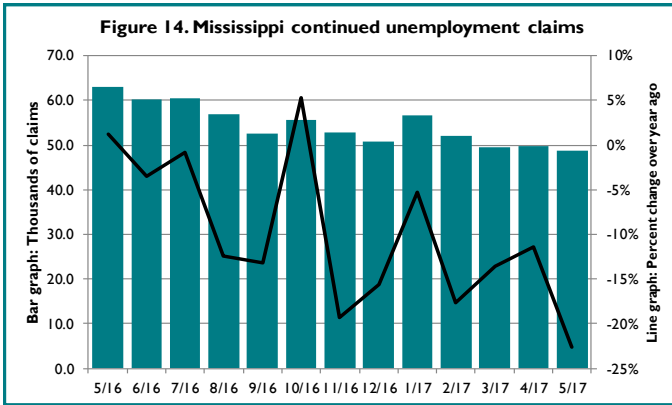
Figure 13. Three-month growth in the coincident index of economic indicators by state, May 2017



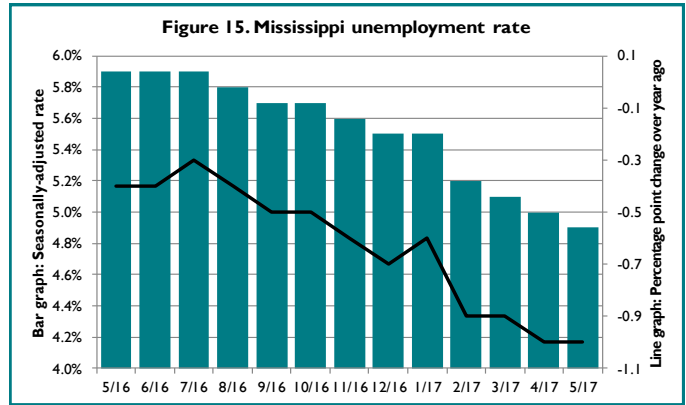
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

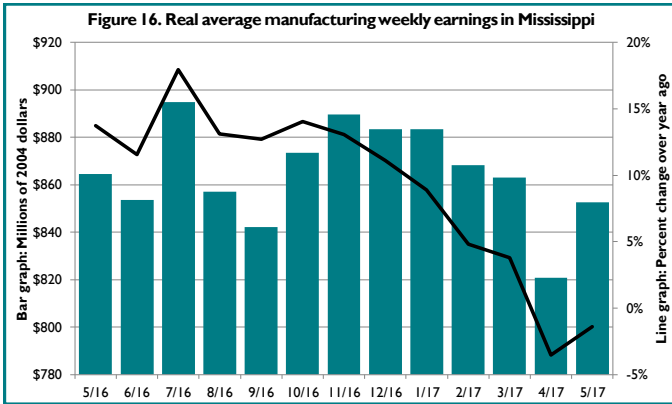
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



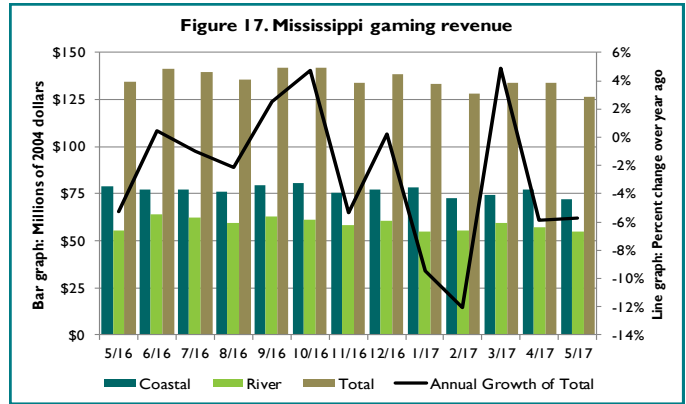
Source: U.S. Department of Labor; seasonally adjusted



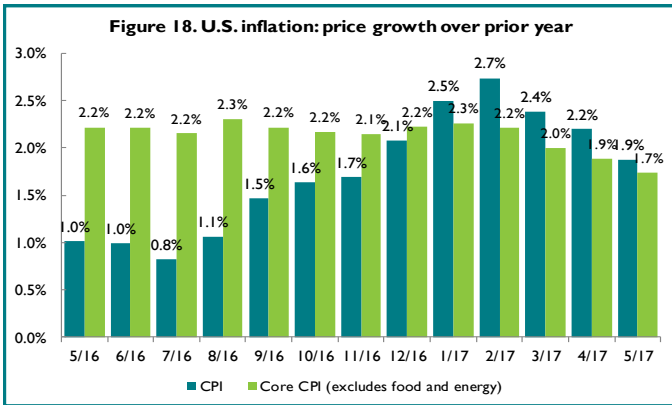
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



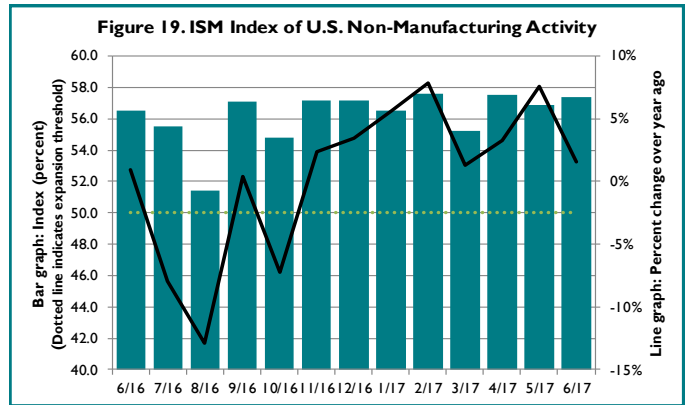
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



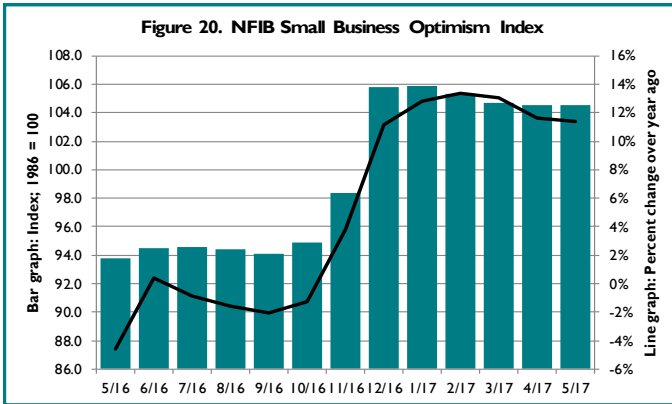
Source: Mississippi Department of Revenue; seasonally adjusted



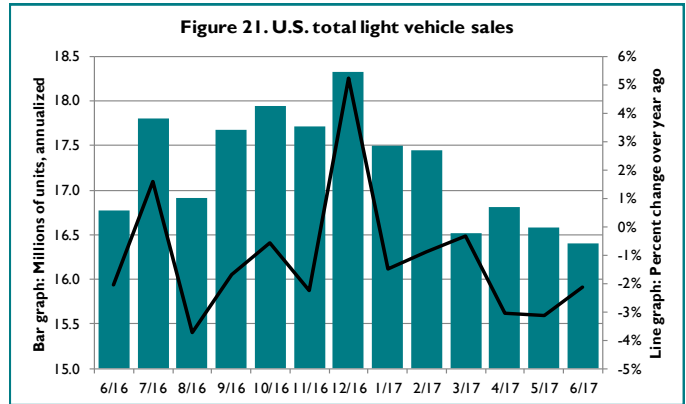
Source: U.S. Bureau of Labor Statistics



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	May	April	May	Percent change from		
	2017	2017	2016	April 2017	May 2016	
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	127.0	126.6	122.7	▲0.3%	▲3.5%	Economic Indices
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	115.3	115.2	112.9	▲0.1%	▲2.1%	
Mississippi Leading Index 2004 = 100. Source: University Research Center	113.3	113.3	110.7	◀0.0%	▲2.3%	
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	123.3	123.0	120.3	▲0.2%	▲2.5%	
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	6,802	5,828	7,524	▲16.7%	▼9.6%	Components of the Mississippi Leading Index
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	82.9	100.2	78.2	▼17.2%	▲6.1%	
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	113.2	113.9	112.8	▼0.6%	▲0.4%	
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	81.6	77.6	84.3	▲5.2%	▼3.1%	
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	86.2	87.1	81.6	▼1.0%	▲5.6%	
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	57.8	54.9	53.2	▲5.3%	▲8.6%	
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	473.8	475.0	456.0	▼0.3%	▲3.9%	
U.S. Consumer Price Index (CPI)	129.6	129.5	127.2	▲0.1%	▲1.9%	
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	127.8	127.7	125.6	▲0.1%	▲1.7%	
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.9%	5.0%	5.9%	▼0.1	▼1.0	
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	48,746	49,823	63,004	▼2.2%	▼22.6%	
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	57.4	56.9	56.5	▲0.9%	▲1.6%	Miscellaneous Indicators
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.02%	4.11%	3.61%	▼0.09	▲0.41	
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.62	20.78	20.32	▼0.8%	▲1.4%	
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	852.60	820.83	864.64	▲3.9%	▼1.4%	
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	104.5	104.5	93.8	◀0.0%	▲11.4%	
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.41	16.58	16.77	▼1.0%	▼2.1%	
Gaming revenue	126.7	134.1	134.4	▼5.5%	▼5.7%	
Coastal counties	72.0	77.2	79.0	▼6.6%	▼8.9%	
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	54.7	56.9	55.4	▼3.9%	▼1.2%	

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

As Table 2 below indicates, total nonfarm employment in Mississippi fell 0.1 percent in May according to the U.S. Bureau of Labor Statistics (BLS). The May decline marked the fourth consecutive month with a decrease; however, the total decline in employment over this period was 0.2 percent. Total employment in Mississippi was higher by 2,600 jobs in May compared to one year ago, a 0.2 percent increase.

Nine states experienced statistically significant increases in total nonfarm employment in May according to BEA, while four states experienced significant job losses. The largest increase in jobs occurred in Florida while the largest percentage increase occurred in the District of Columbia. New Jersey lost the most jobs in May and New Hampshire experienced the largest percentage decrease in employment.

BEA reported higher employment in twenty-eight states in May compared to one year ago. The largest gains occurred in Florida, New York, and North Carolina. The largest percentage increase occurred in Utah. No state experienced a statistically significant decrease in employment over the last twelve months.

The Health Care and Social Assistance sector added the most jobs in the state in May as employment rose by 1,500 jobs. The largest percentage increase in employment occurred in Mining and Logging, which climbed 1.5 percent. However, the sector added only 100 jobs. The largest decrease in employment among all sectors in Mississippi in May occurred in Accommodation and Food Services, which lost 1,300 jobs for the month. The 1.1 percent decline in the sector was also the largest percentage decrease in employment among all industries in the state.

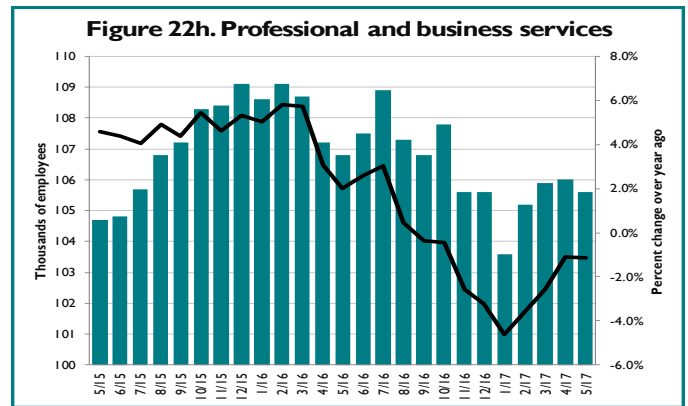
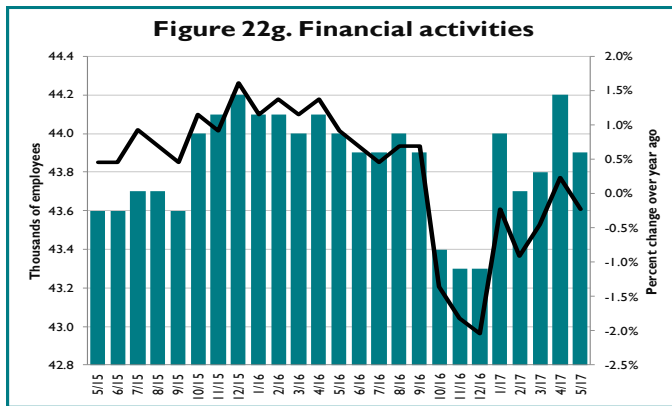
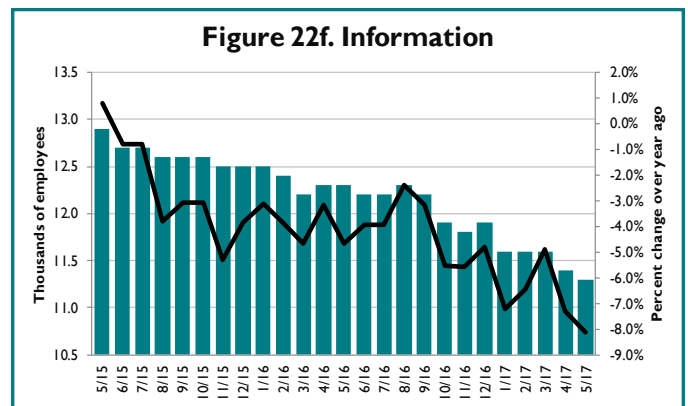
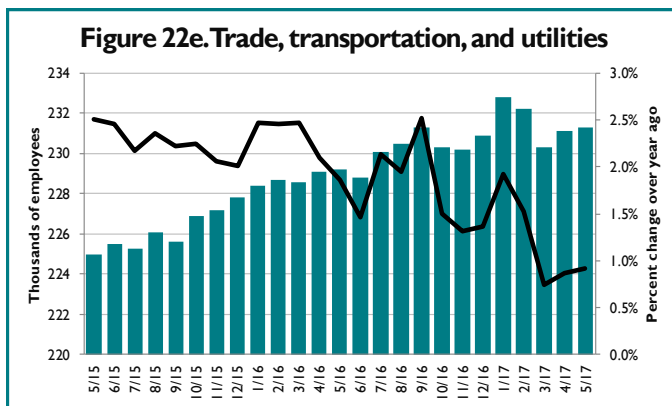
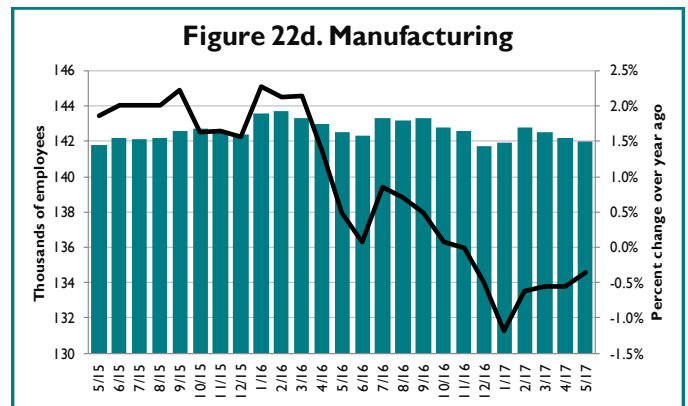
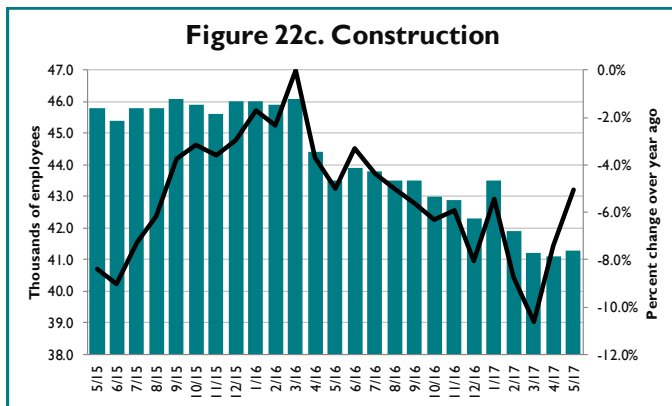
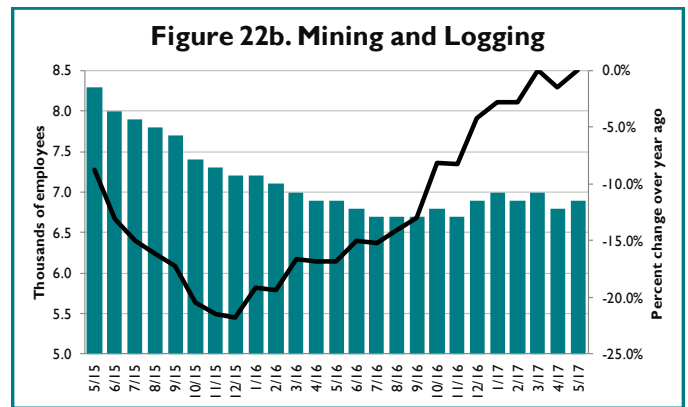
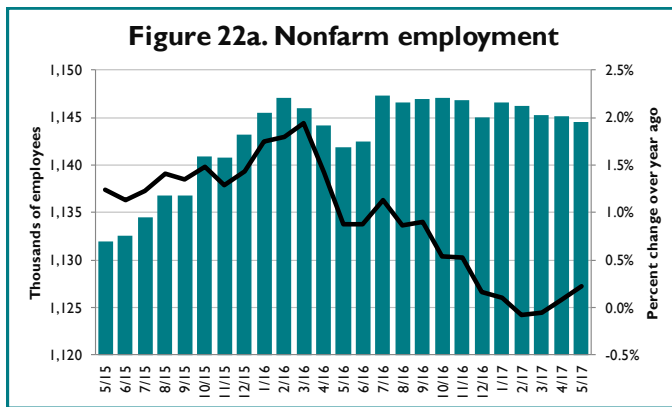
Employment in Health Care and Social Assistance increased by 3,400 jobs over the last twelve months, the most among all sectors in Mississippi. The largest percentage increase in employment among all sectors in the state was the 3.5 percent gain in the Arts and Entertainment sector. Four industries in the state employed fewer people in May compared to one year ago. Once again Construction lost the most jobs among all sectors as its employment fell by 2,200 jobs. The largest percentage decrease in employment occurred in the Information sector, which fell 8.1 percent compared to May 2016.

Table 2. Change in Mississippi employment by industry, May 2017

	Relative share of total ^a	May 2017	April 2017	May 2016	Change from April 2017		Change from May 2016	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,144,500	1,145,100	1,141,900	▼600	▼0.1%	▲2,600	▲0.2%
Mining and Logging	0.6%	6,900	6,800	6,900	▲100	▲1.5%	◀0	◀0.0%
Construction	3.7%	41,300	41,100	43,500	▲200	▲0.5%	▼2,200	▼5.1%
Manufacturing	12.4%	142,000	142,200	142,500	▼200	▼0.1%	▼500	▼0.4%
Trade, Transportation, & Utilities	20.1%	231,300	231,100	229,200	▲200	▲0.1%	▲2,100	▲0.9%
Retail Trade	12.2%	139,600	139,300	140,400	▲300	▲0.2%	▼800	▼0.6%
Information	1.0%	11,300	11,400	12,300	▼100	▼0.9%	▼1,000	▼8.1%
Financial Activities	3.8%	43,900	44,200	44,000	▼300	▼0.7%	▼100	▼0.2%
Services	36.9%	422,800	422,800	419,400	◀0	◀0.0%	▲3,400	▲0.8%
Professional & Business Services	9.3%	105,600	106,000	106,800	▼400	▼0.4%	▼1,200	▼1.1%
Educational Services	1.0%	12,100	12,100	11,800	◀0	◀0.0%	▲300	▲2.5%
Health Care & Social Assistance	11.3%	131,800	130,300	128,400	▲1,500	▲1.2%	▲3,400	▲2.6%
Arts & Entertainment	1.0%	11,800	11,800	11,400	◀0	◀0.0%	▲400	▲3.5%
Accommodation and Food Services	10.7%	120,400	121,700	121,100	▼1,300	▼1.1%	▼700	▼0.6%
Other Services	3.5%	41,100	40,900	39,900	▲200	▲0.5%	▲1,200	▲3.0%
Government	21.4%	245,000	245,500	244,100	▼500	▼0.2%	▲900	▲0.4%

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

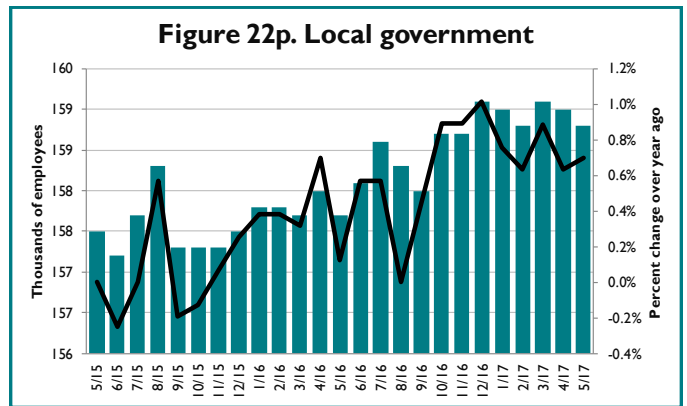
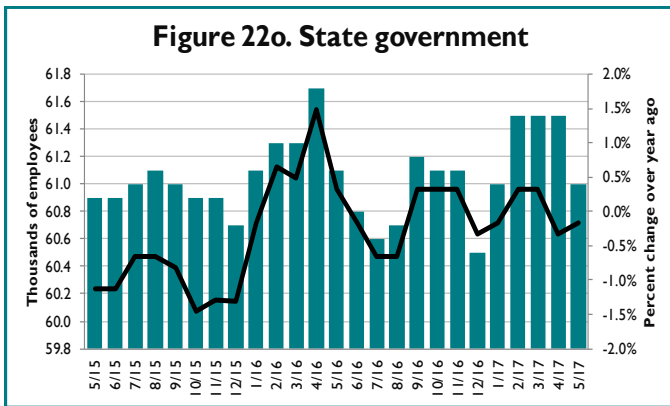
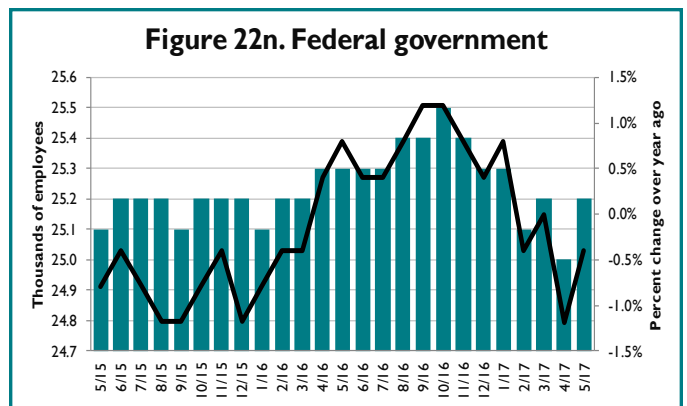
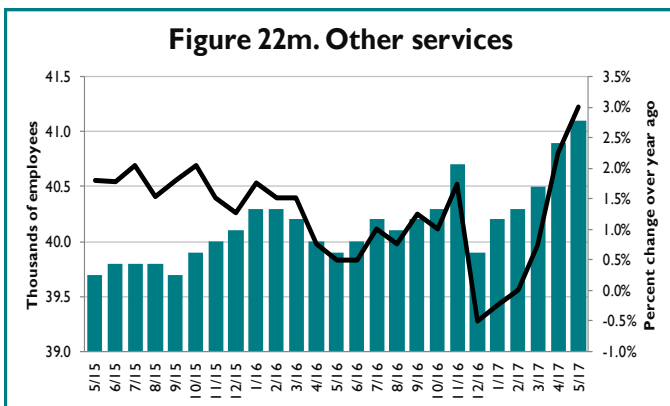
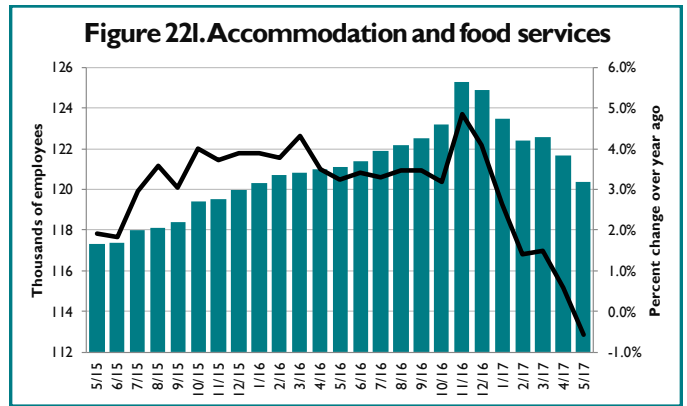
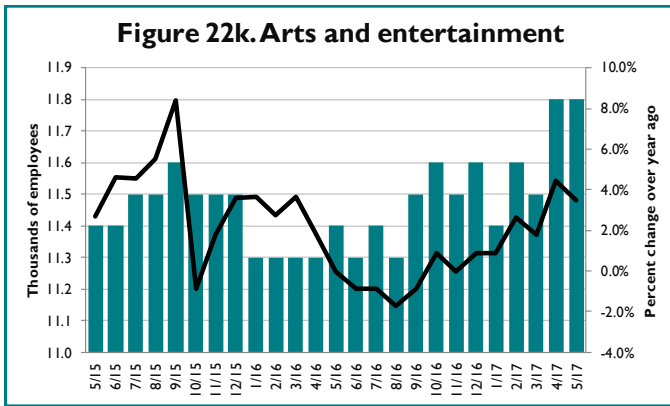
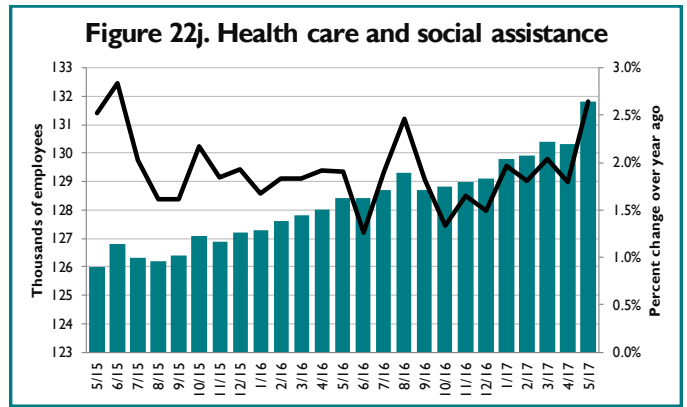
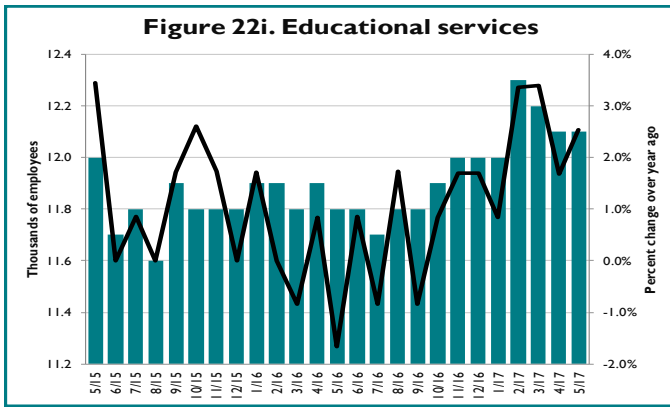
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

TRENDS IN MISSISSIPPI COUNTY-LEVEL EMPLOYMENT

Employment increased in forty-five of Mississippi's eighty-two counties in 2016 according to the latest data released by the U.S. Bureau of Labor Statistics (BLS). The agency released data for all counties in the U.S. for each month in 2016; these data remain preliminary and subject to revision. According to BLS, employment increased in 280 of the largest 344 counties (counties with employment of at least 75,000) in the U.S. in 2016. These counties accounted for 72.8 percent of all employment in the U.S. in 2016. Moreover, the five counties with the largest increases in employment in 2016 accounted for 12.2 percent of the total increase in employment in the U.S. for the year.

Figure 23 on page 12 depicts the percentage change in employment by county in Mississippi for 2016. Desoto County experienced the largest increase in employment among all counties in the state in 2016, rising 8.0 percent. Desoto County also added the most jobs among all counties in Mississippi, as employment rose by 4,342 jobs—considerably more than the next largest increase. The county with the largest percentage decline in employment in 2016 was Walthall County, where employment fell 4.9 percent. The largest number of jobs lost in a county in 2016, however, occurred in Jones County, where employment fell by 1,067 jobs. The decrease was more than twice as large as the next largest decline. One of the aspects of the change in employment in 2016 apparent from Figure 23 is all of the counties in the state where metropolitan areas are located experienced job gains. The largest increase, for example, occurred in Desoto County, which while located in Mississippi is part of the Memphis, Tennessee, metropolitan area.

In examining the percentage changes in employment seen in Figure 23, most counties where employment declined in 2016 are located in the Delta or western region of the state. Such a finding is not unexpected given that most of these counties have historically experienced relatively high levels of poverty and/or are sparsely populated. Six of these counties experienced employment declines of 3.0 percent or more in 2016. Exceptions included Bolivar, Grenada, and Leflore Counties, all of which added jobs for the year. Several counties in the east central and southeast portions of the state also experienced employment declines in 2016 and these counties are historically disadvantaged as well. A total of eleven of the thirty-seven counties in the state where employment declined in 2016 experienced decreases of 3.0 percent or more.

The counties that experienced the largest gains in employment in 2016 are less concentrated in a single area or region than the counties that lost jobs. However, several counties along or near the northern border of the state experienced some of the largest percentage increases in employment for the year. In addition to Desoto, employment in Benton and Lafayette Counties increased by more than 7.0 percent in 2016. Marshall, Union, and Lee Counties also experienced increases in employment of 3.0 percent or more. Counties in the south central area of the state west of Hattiesburg also experienced some of the largest increases, including Covington, Lamar, Marion, and Pearl River Counties. In total, of the forty-five counties in the state where employment increased in 2016, twelve experienced increases of 3.0 percent or more. Seven counties experienced increases in employment between 2.0 and 3.0 percent, eighteen counties experienced increases between 1.0 and 2.0 percent, and employment increased by less than 1.0 percent in eight counties.

The data released by BLS on county employment also includes information on average weekly wages. The average weekly wage for the U.S. as a whole for 2016 was \$1,031, up 1.3 percent from 2015. In Mississippi, the average weekly wage equaled \$734 for 2016, which ranked fiftieth among all states. However, the value for 2016 marked an increase of 1.4 percent from the previous year. Among all counties in the state, the average weekly wage decreased in eleven counties in 2016 compared to 2015. The largest percentage decrease in the average weekly wage occurred in Jones County, where wages fell 3.6 percent. Conversely, the largest percentage increase in the average weekly wage oc-

