

# MISSISSIPPI'S BUSINESS

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## ECONOMY AT A GLANCE

In May the value of the Mississippi Leading Index (MLI) fell 0.2 percent as seen in Figure 1. The value of the MLI for the month was 3.0 percent lower compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) increased 0.2 percent in May as Figure 2 below indicates. Compared to one year ago the value for the month was 2.3 percent higher.

In its third estimate, the U.S. Bureau of Economic Analysis (BEA) reported real U.S. gross domestic product increased at a seasonally-adjusted, annualized rate of 2.0 percent in the

first quarter of 2023. Compared to the agency's second estimate this rate represents a substantial increase of 0.7 percentage point. The change to the third estimate resulted from upward revisions to net exports, consumer spending, state and local government spending, and residential fixed investment according to BEA. These increases were partially offset by downward revisions to nonresidential fixed investment, federal government spending, and private inventory investment.

The value of the MLI decreased for the second month in a row in May, largely due to

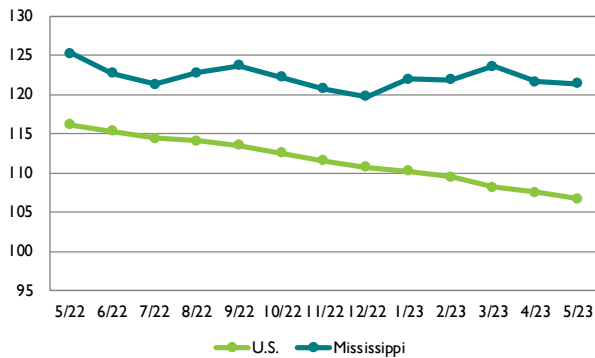
weakness in the manufacturing sector. Both the ISM Manufacturing Index and the Mississippi Manufacturing Employment Intensity Index fell for the month. The decline in these components likely results from higher interest rates. The labor market was again a positive for the state in May as employment rose slightly and initial and continued unemployment claims both declined. While the Mississippi economy likely will underperform the U.S. economy in the second half of 2023 due to its outsized manufacturing sector, neither economy appears on the road to a recession in the short term.

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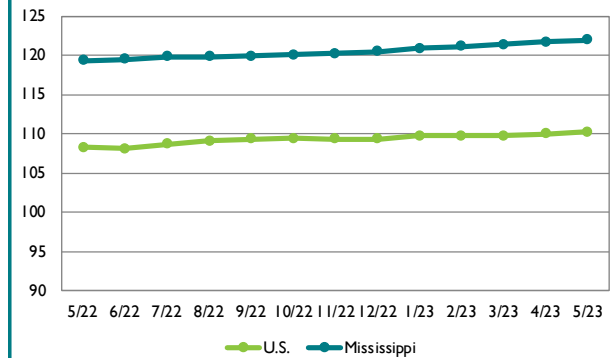
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Figure 1. Leading indices



Sources: University Research Center and The Conference Board

Figure 2. Coincident indices



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 2012. 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 2012.

## MISSISSIPPI LEADING INDEX, MAY 2023

In May the value of the **Mississippi Leading Index of Economic Indicators** (MLI) decreased for the second month in row. As seen in Figure 3, the value edged down 0.3 percent for the month. The value of the MLI in May was 3.0 percent lower compared to one year earlier, the thirteenth consecutive month with a year-over-year decrease. Over the last six months the value of the MLI fell 0.6 percent.

The values of four of the seven components of the MLI declined in May. The Mississippi Manufacturing Employment Intensity Index made the largest negative contribution for the month. Each component is discussed below in order of smallest to largest contribution.

The value of the **Mississippi Manufacturing Employment Intensity Index** decreased 1.1 percent in May as seen in Figure 4. The value fell to its lowest level since January. Compared to one year earlier the value for the month was 0.1 percent higher. Manufacturing employment in the state rose slightly in May, but this increase was more than offset by the decrease in the average weekly hours of production employees.

For the eighth consecutive month, the value of the **ISM Index of U.S. Manufacturing Activity** decreased in June. As seen in Figure 5 the value fell 1.9 percent for the month to its lowest level since May 2020. Compared to one year earlier the value in June was 13.2 percent lower. The Production component had the largest decrease among all components of the Index for the month. While the New Orders and Supplier Deliveries components increased, no components of the Index were in expansion territory in June. The prices paid

index decreased for the second consecutive month.

For the first time since January, the value of **Mississippi residential building permits** (three-month moving average) fell in May. The value decreased 3.4 percent for the month as Figure 6 indicates. Compared to one year earlier the value in May was 25.4 percent lower. The number of units in the state fell 11.7 percent in May, the third consecutive monthly decline and the largest monthly decrease in six years. The number of units in the state in May compared to one year earlier was down 21.3 percent. The number of privately-owned housing units authorized by building permits in the U.S. rose 5.2 percent in May from the revised April rate. The number of units in the U.S. in May compared to one year earlier was 12.7 percent lower.

**Mississippi income tax withholdings** (three-month moving average) edged down in value by 0.6 percent in May as seen in Figure 7. The decline marked the fourth decrease in the last six months. Compared to one year earlier, the value of withholdings was down 6.2 percent in May, the sixth consecutive month with a year-over-year decrease. The value of income tax withholdings in Mississippi fell 6.3 percent over the last six months.

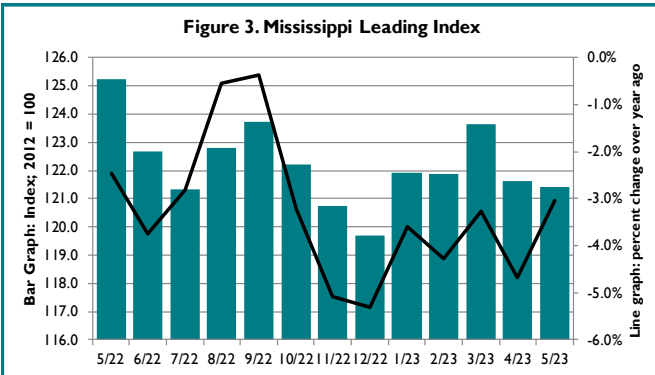
The value of **U.S. retail sales** rose 0.3 percent in May as seen in Figure 8, only the third monthly increase since October. The value of March sales was revised down to a decrease of 0.9 percent. Compared to one year earlier the value of retail sales in May was up 1.6 percent. Sales excluding automobiles and gasoline were 0.4 percent higher in May. Gains were widespread across segments and the

largest increase in sales occurred in Building Materials. The only segment with a decrease in sales in May was Gasoline Stations, which declined for the seventh consecutive month.

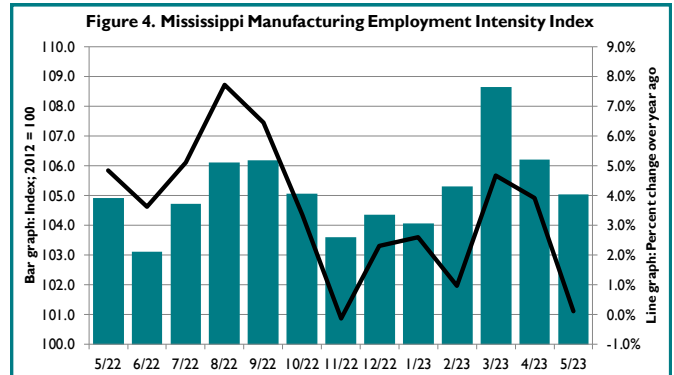
After three consecutive months of declines, the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased in May. As seen in Figure 9, the value rose 1.3 percent, only the second increase in 2023. The value for May was up 7.4 percent compared to one year earlier. The resolution of the debt ceiling impasse between Congress and the White House at the end of May contributed to the improvement in expectations, as did views on inflation. In the most recent survey short-term (one-year) inflation expectations fell to their lowest level in over two years. Long-term (five-year) inflation expectations moved slightly lower as well.

In May the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell to the lowest level since March 2022. Figure 10 indicates the number decreased 16.4 percent for the month. Compared to one year earlier the value was down 26.8 percent. Similarly, the number of seasonally-adjusted continued unemployment claims in Mississippi fell 15.4 percent in May as seen in Figure 16 on page 6. The number of continued unemployment claims in the state for the month compared to one year earlier was up 19.1 percent. The unemployment rate in Mississippi decreased 0.2 percentage point in May to 3.2 percent as seen in Figure 17 on page 6, another new series low. Compared to one year earlier the rate in May was 0.5 percentage point lower.

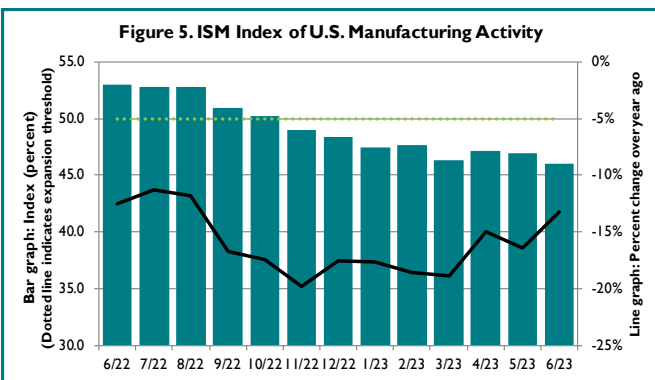
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



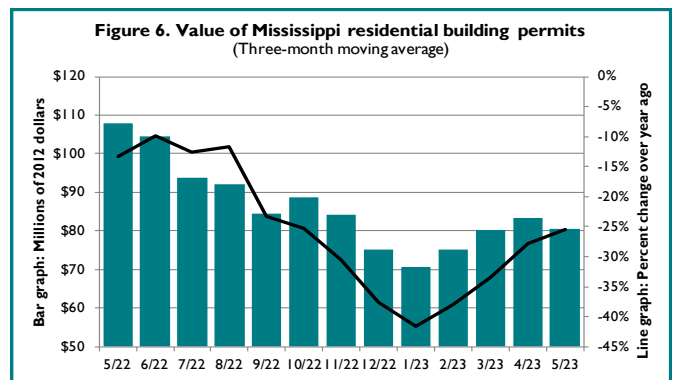
Source: University Research Center



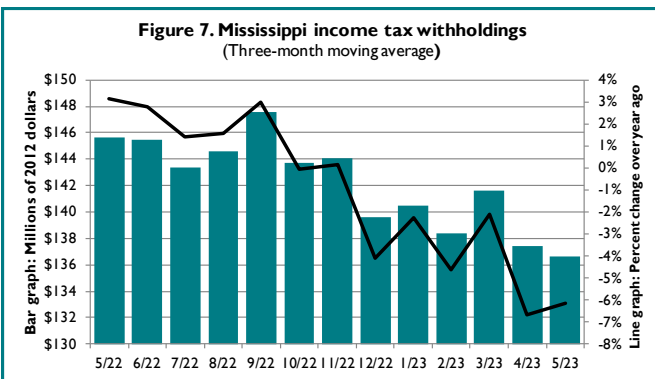
Source: URC using data from U.S. Bureau of Labor Statistics



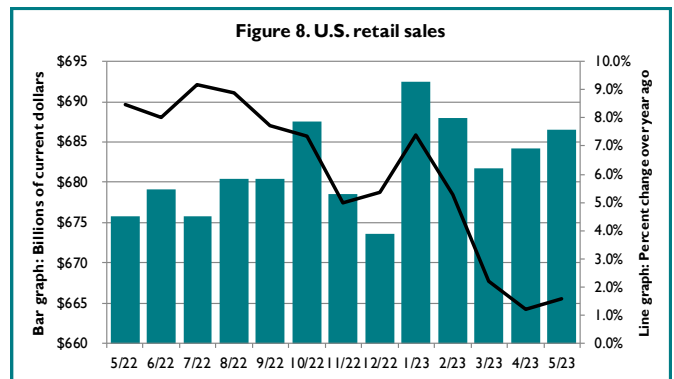
Source: Institute for Supply Management



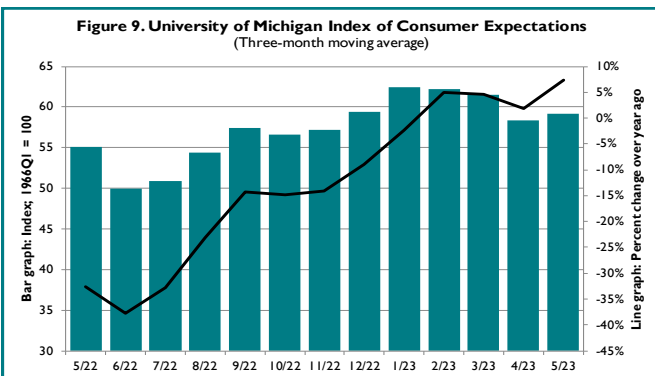
Source: URC using data from U.S. Bureau of Labor Statistics



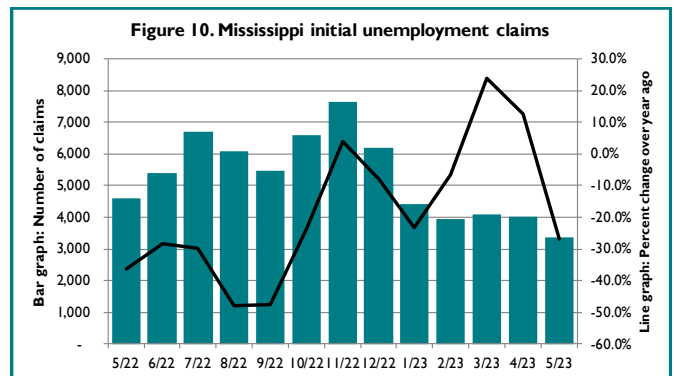
Source: Mississippi Department of Revenue; seasonally adjusted



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



Source: Thomson Reuters/University of Michigan Surveys of Consumers



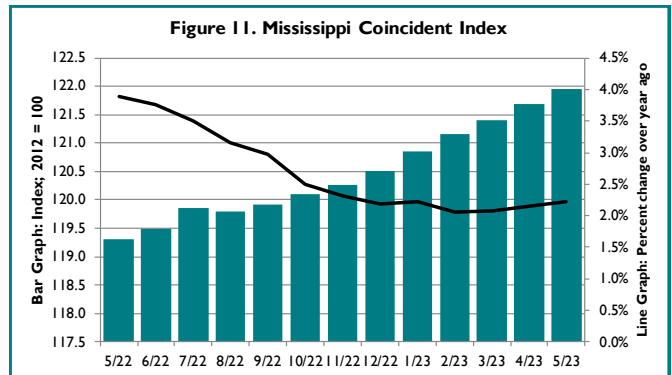
Source: U.S. Department of Labor; seasonally adjusted

## MISSISSIPPI COINCIDENT INDEX, MAY 2023

In May the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.2 percent according to the Federal Reserve Bank of Philadelphia. As Figure 11 indicates, compared to one year earlier the value of the MCI for the month was up 2.3 percent.

The Federal Reserve Bank of Philadelphia reported the values of the coincident indices increased in all fifty states in May compared to February as seen in Figure 12. Massachusetts had the largest increase in the value of a coincident index in May among all states of almost 3.9 percent. The value of the coincident index in Vermont rose approxi-

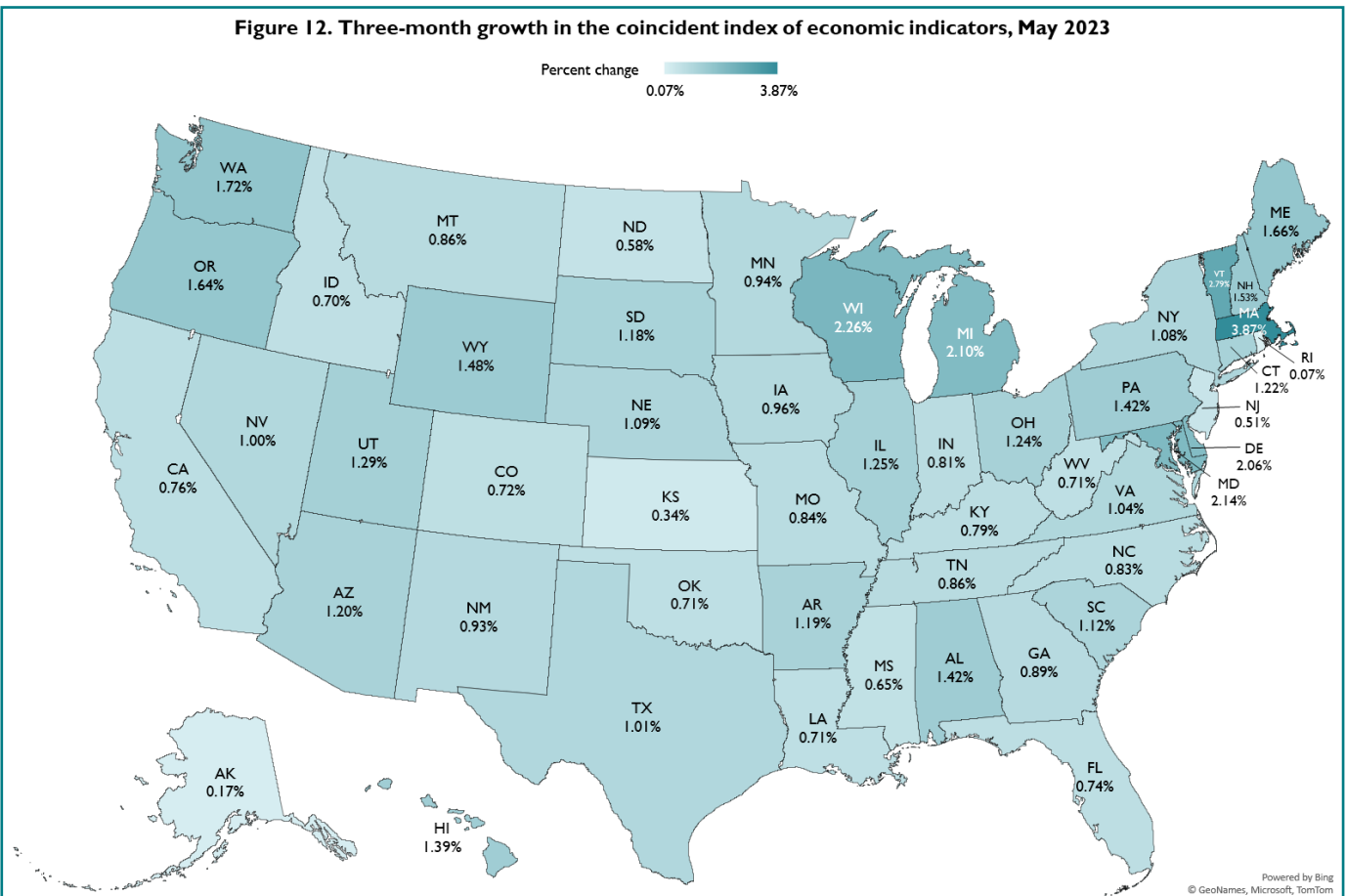
mately 2.8 percent in May compared to three months earlier, the next largest increase. In twenty-seven states, the values of the coincident indices increased by 1.0 percent or more in May compared to February. Mississippi was one of twenty-one states where the values of the coincident indices increased between 0.5 percent and 1.0 percent over the last three months. The values of the coincident indices rose less than 0.5



Source: Federal Reserve Bank of Philadelphia

percent in May compared to February in Kansas, Alaska, and Rhode Island.

Figure 12. Three-month growth in the coincident index of economic indicators, May 2023



Source: Federal Reserve Bank of Philadelphia

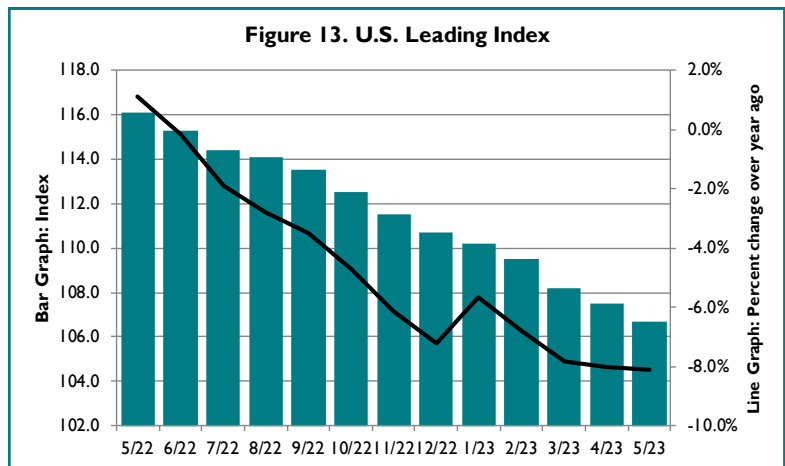
## NATIONAL TRENDS

According to The Conference Board, in May the value of the U.S. Leading Economic Index (LEI) fell for the fourteenth consecutive month. The decrease was 0.7 percent as seen in Figure 13. The value was 8.1 percent lower for the month compared to one year earlier. In May seven of the ten components of the LEI made negative contributions, and the largest negative contribution was made by average consumer expectations for business conditions. The S&P 500® Index of Stock Prices made the largest positive contribution in May. Over the last six months the value of the LEI fell 4.3 percent.

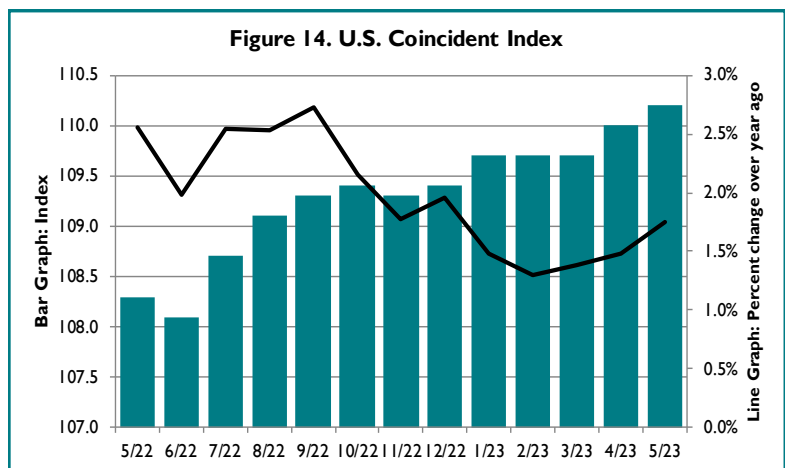
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) increased 0.2 percent in May as Figure 14 indicates. The value of the CEI for the month was up 1.8 percent compared to one year earlier. Three of the four components of the CEI made positive contributions in May and personal income less transfer payments made the largest contribution. The value of the CEI increased 0.8 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index rose 0.4 percent in May as seen in Figure 15, its first increase since February. Compared to one year earlier the value of the Index for the month was 4.0 percent lower. The largest decrease among all components occurred in the “plans to make capital expenditures” component. The value of the “expect economy to improve” component fell to its lowest level since December. The “plans to raise prices” component rose sharply in May to its highest level since January.

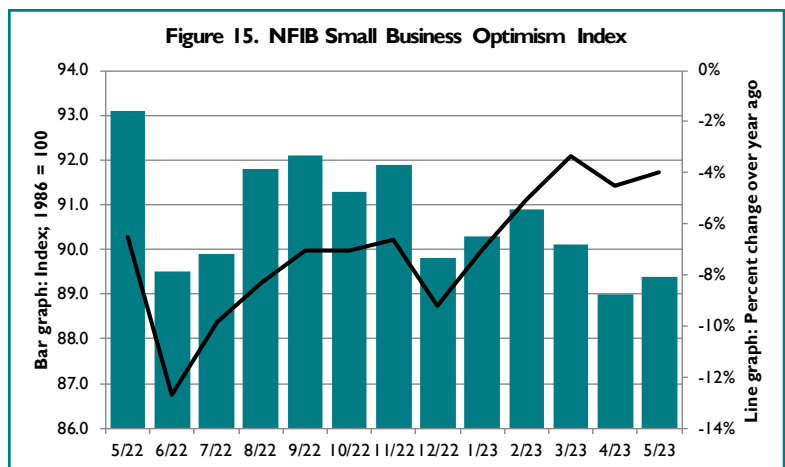
After ten consecutive increases to the benchmark federal funds rate target, the Federal Open Market Committee (FOMC) opted to make no changes at its June meeting. However, the updated projections from the FOMC placed the “terminal rate” in the range of 5.5 to 5.75 percent, which indicates a majority of FOMC members now expect the rate target will increase by 50 basis points before the end of 2023. Most members believe the FOMC has more work to do to get inflation to the Federal Reserve’s target level of an average of 2.0 percent annually.



Source: The Conference Board

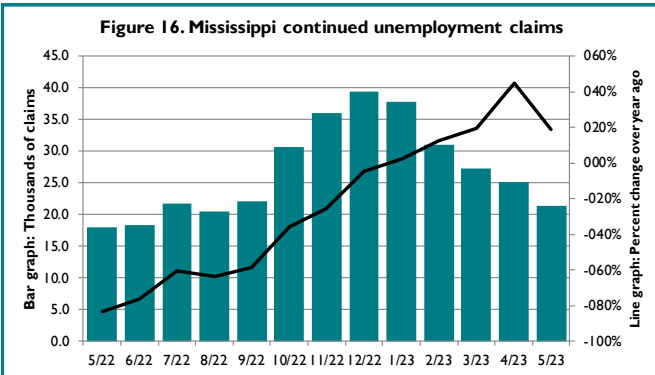


Source: The Conference Board

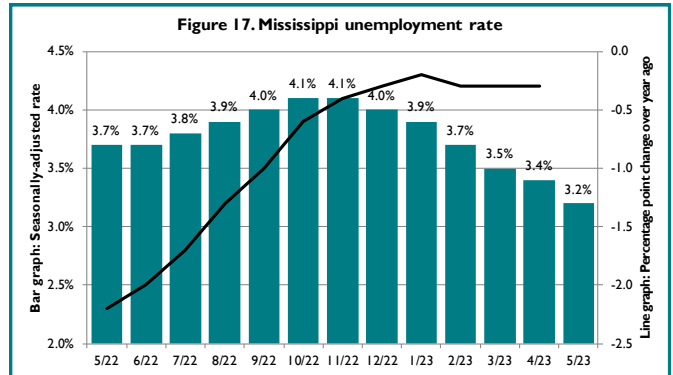


Source: National Federation of Independent Businesses

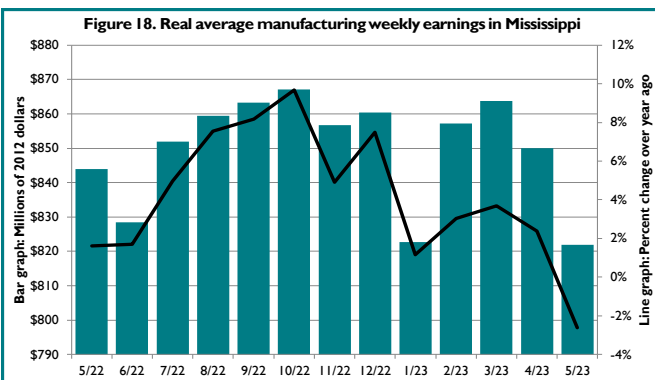
# MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



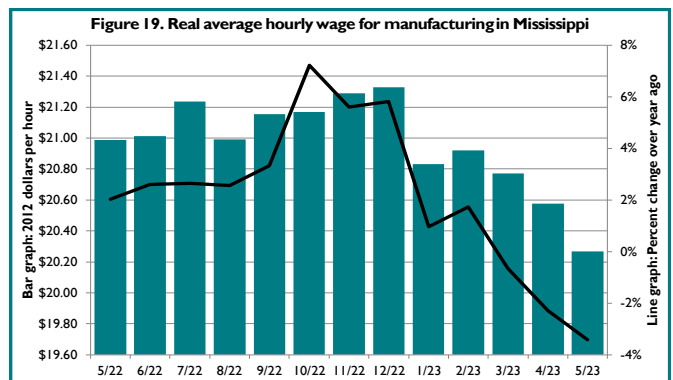
Sources: U.S. Department of Labor, URC (seasonal adjustment)



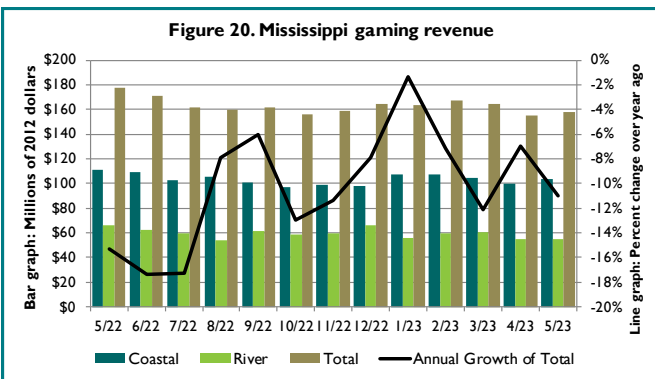
Source: U.S. Bureau of Labor Statistics



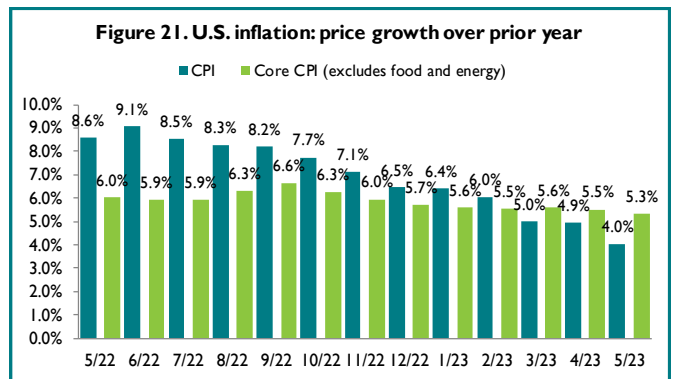
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



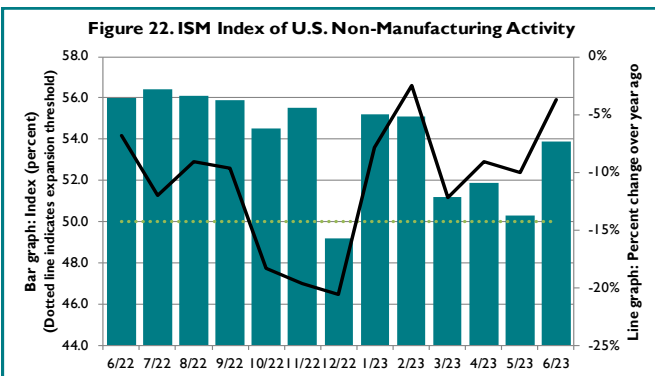
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



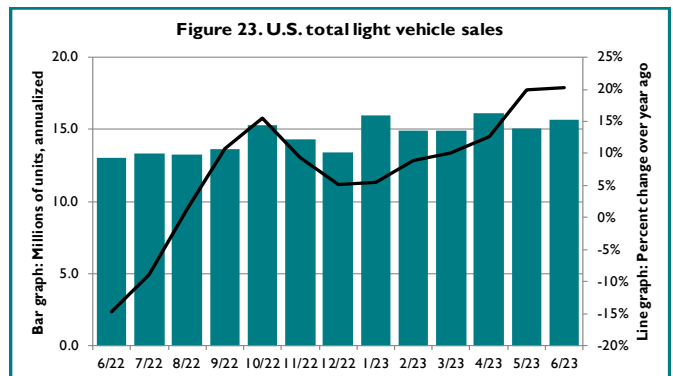
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: U.S. Bureau of Economic Analysis

**TABLE I. SELECTED ECONOMIC INDICATORS**

| Indicator  | May    | April  | May    | Percent change from |          |
|--|--------|--------|--------|---------------------|----------|
|  | 2023   | 2023   | 2022   | April 2023          | May 2022 |
| <b>U.S. Leading Economic Index</b><br>2012 = 100. Source: The Conference Board   | 106.7  | 107.5  | 116.1  | ▼0.7%               | ▼8.1%    |
| <b>U.S. Coincident Economic Index</b><br>2012 = 100. Source: The Conference Board  | 110.2  | 110.0  | 108.3  | ▲0.2%               | ▲1.8%    |
| <b>Mississippi Leading Index</b><br>2012 = 100. Source: University Research Center   | 121.4  | 121.6  | 125.2  | ▼0.2%               | ▼3.0%    |
| <b>Mississippi Coincident Index</b><br>2012 = 100. Source: Federal Reserve Bank of Philadelphia  | 122.0  | 121.7  | 119.3  | ▲0.2%               | ▲2.3%    |
| <b>Mississippi initial unemployment claims</b><br>Seasonally adjusted. Source: U.S. Department of Labor  | 3,366  | 4,027  | 4,600  | ▼16.4%              | ▼26.8%   |
| <b>Value of Mississippi residential building permits</b><br>Three-month moving average; seasonally adjusted; millions of 2007 dollars.<br>Source: Bureau of the Census                 | 80.4   | 83.2   | 107.8  | ▼3.4%               | ▼25.4%   |
| <b>Mississippi income tax withholdings</b><br>Three-month moving average; seasonally adjusted; millions of 2007 dollars.<br>Source: Mississippi Department of Revenue                  | 136.6  | 137.4  | 145.6  | ▼0.6%               | ▼6.2%    |
| <b>Mississippi Manufacturing Employment Intensity Index</b><br>2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics   | 105.0  | 106.2  | 104.9  | ▼1.1%               | ▲0.1%    |
| <b>University of Michigan Index of Consumer Expectations</b><br>Three-month moving average; index 1966Q1 = 100.<br>Source: Thomson Reuters/University of Michigan Surveys of Consumers | 59.1   | 58.4   | 55.1   | ▲1.3%               | ▲7.4%    |
| <b>ISM Index of U.S. Manufacturing Activity</b><br>Advanced one month. Source: Institute for Supply Management   | 46.0   | 46.9   | 53.0   | ▼1.9%               | ▼13.2%   |
| <b>U.S. retail sales</b><br>Current dollars, in billions. Source: Bureau of the Census   | 686.6  | 684.2  | 675.7  | ▲0.3%               | ▲1.6%    |
| <b>U.S. Consumer Price Index (CPI)</b>   | 304.1  | 303.4  | 292.3  | ▲0.3%               | ▲4.0%    |
| <b>U.S. Core CPI (excludes food and energy)</b><br>1982-84 = 100. Source: URC using data from Bureau of Labor Statistics   | 308.1  | 306.9  | 292.5  | ▲0.4%               | ▲5.3%    |
| <b>Mississippi unemployment rate</b><br>Percentage point change. Seasonally-adjusted.<br>Source: U.S. Bureau of Labor Statistics   | 3.2%   | 3.4%   | 3.7%   | ▼0.2                | ▼0.5     |
| <b>Mississippi continued unemployment claims</b><br>Seasonally adjusted. Source: U.S. Department of Labor  | 21,321 | 25,202 | 17,908 | ▼15.4%              | ▲19.1%   |
| <b>ISM Index of U.S. Non-Manufacturing Activity</b><br>Advanced one month. Source: Institute for Supply Management   | 53.9   | 50.3   | 56.0   | ▲7.2%               | ▼3.8%    |
| <b>U.S. mortgage rates</b><br>Percentage point change. Seasonally adjusted; 30-year conventional.<br>Source: Federal Home Loan Mortgage Corporation                                    | 6.17%  | 6.11%  | 5.04%  | ▲0.07               | ▲1.14    |
| <b>Mississippi average hourly wage for manufacturing</b><br>Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics   | 20.27  | 20.57  | 20.99  | ▼1.5%               | ▼3.4%    |
| <b>Mississippi average weekly earnings for manufacturing</b><br>Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics   | 821.87 | 850.00 | 844.00 | ▼3.3%               | ▼2.6%    |
| <b>NFIB Small Business Optimism Index</b><br>1986 = 100. Source: National Federation of Independent Businesses   | 89.4   | 89.0   | 93.1   | ▲0.4%               | ▼4.0%    |
| <b>U.S. total light vehicle sales</b><br>Millions of units seasonally adjusted at annual rates.<br>Source: U.S. Bureau of Economic Analysis  | 15.68  | 15.08  | 13.05  | ▲4.0%               | ▲20.2%   |
| <b>Gaming revenue</b>  | 158.44 | 155.43 | 177.9  | ▲1.9%               | ▼11.0%   |
| <b>Coastal counties</b>  | 103.25 | 100.09 | 111.5  | ▲3.2%               | ▼7.4%    |
| <b>River counties</b>  | 55.18  | 55.34  | 66.4   | ▼0.3%               | ▼17.0%   |
| Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue   |        |        |        |                     |          |

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI EMPLOYMENT TRENDS

In May total nonfarm employment in Mississippi increased by 300 jobs according to the U.S. Bureau of Labor Statistics (BLS), essentially unchanged in percentage terms. As seen in Table 2 employment in the state was up by 16,600 jobs compared to one year earlier, an increase of 1.4 percent.

BLS reported total nonfarm employment increased in five states in May and was essentially unchanged in forty-five states and the District of Columbia. Texas added 51,000 jobs in May, the most among all states, closely followed by California, which added 47,300 jobs. The largest percentage increase in employment for the month occurred in Utah, where employment rose 0.5 percent, closely followed by the 0.4 percent increase in Texas.

Over the last twelve months employment rose in forty-two states and was essentially unchanged in

eight states and the District of Columbia according to BLS. The largest increase in employment over the past twelve months among all states occurred in Texas, which added 529,800 jobs. Texas also had the largest percentage increase in employment among all states over the last twelve months of 4.0 percent.

The largest increase in employment among all sectors in Mississippi in May occurred in Professional and Business Services, which added 700 jobs for the month. The Retail Trade subsector added 800 jobs in May, the next largest increase. Employment in Educational Services rose 2.1 percent for the month, the largest percentage increase in employment among all sectors. The largest decrease in employment among all sectors in the state in May occurred in Construction, which lost 1,000 jobs. This sector

was tied with Arts and Entertainment for the largest percentage decrease in employment among all sectors in the state of 2.1 percent.

The largest increase in employment among all sectors in the state over the last twelve months occurred in the Health Care and Social Assistance sector, which added 5,700 jobs. In the past year the Trade, Transportation, and Utilities sector added 4,100 jobs, the next largest increase. Employment in the Educational Services sector rose 15.9 percent over the last twelve months, the largest percentage increase among all sectors in the state and a gain of 2,000 jobs. The Manufacturing sector lost 1,100 jobs over the last twelve months, the largest decrease in employment among all sectors in Mississippi. Manufacturing also had the largest percentage decrease in employment over the past year among all sectors in the state of 0.7 percent.

**Table 2. Change in Mississippi employment by industry, May 2023**

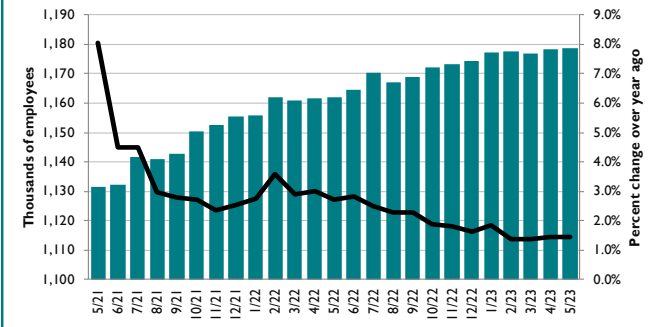
|                                   | Relative share of total <sup>a</sup> | May 2023  | April 2023 | May 2022  | Change from April 2023 Level | Change from April 2023 Percent | Change from May 2022 Level | Change from May 2022 Percent |
|-----------------------------------|--------------------------------------|-----------|------------|-----------|------------------------------|--------------------------------|----------------------------|------------------------------|
| Total Nonfarm                     | 100.0%                               | 1,178,700 | 1,178,400  | 1,162,100 | ▲ 300                        | ◀▶ 0.0%                        | ▲ 16,600                   | ▲ 1.4%                       |
| Mining and Logging                | 0.5%                                 | 6,100     | 6,100      | 6,000     | ◀▶ 0                         | ◀▶ 0.0%                        | ▲ 100                      | ▲ 1.7%                       |
| Construction                      | 4.0%                                 | 46,800    | 47,800     | 45,300    | ▼ 1,000                      | ▼ 2.1%                         | ▲ 1,500                    | ▲ 3.3%                       |
| Manufacturing                     | 12.6%                                | 147,800   | 147,600    | 148,900   | ▲ 200                        | ▲ 0.1%                         | ▼ 1,100                    | ▼ 0.7%                       |
| Trade, Transportation & Utilities | 20.9%                                | 246,800   | 246,400    | 242,700   | ▲ 400                        | ▲ 0.2%                         | ▲ 4,100                    | ▲ 1.7%                       |
| Retail Trade                      | 11.8%                                | 139,500   | 138,700    | 138,600   | ▲ 800                        | ▲ 0.6%                         | ▲ 900                      | ▲ 0.6%                       |
| Information                       | 0.9%                                 | 10,300    | 10,400     | 10,200    | ▼ 100                        | ▼ 1.0%                         | ▲ 100                      | ▲ 1.0%                       |
| Financial Activities              | 3.8%                                 | 44,100    | 44,500     | 44,100    | ▼ 400                        | ▼ 0.9%                         | ◀▶ 0                       | ◀▶ 0.0%                      |
| Services                          | 37.4%                                | 443,400   | 442,100    | 433,000   | ▲ 1,300                      | ▲ 0.3%                         | ▲ 10,400                   | ▲ 2.4%                       |
| Professional & Business Services  | 10.1%                                | 117,800   | 116,800    | 118,200   | ▲ 1,000                      | ▲ 0.9%                         | ▼ 400                      | ▼ 0.3%                       |
| Educational Services              | 1.1%                                 | 14,600    | 14,300     | 12,600    | ▲ 300                        | ▲ 2.1%                         | ▲ 2,000                    | ▲ 15.9%                      |
| Health Care and Social Assistance | 11.4%                                | 136,500   | 135,800    | 130,800   | ▲ 700                        | ▲ 0.5%                         | ▲ 5,700                    | ▲ 4.4%                       |
| Arts and Entertainment            | 0.8%                                 | 9,400     | 9,600      | 9,100     | ▼ 200                        | ▼ 2.1%                         | ▲ 300                      | ▲ 3.3%                       |
| Accommodation and Food Services   | 10.6%                                | 125,800   | 126,300    | 123,100   | ▼ 500                        | ▼ 0.4%                         | ▲ 2,700                    | ▲ 2.2%                       |
| Other Services                    | 3.4%                                 | 39,300    | 39,300     | 39,200    | ◀▶ 0                         | ◀▶ 0.0%                        | ▲ 100                      | ▲ 0.3%                       |
| Government                        | 19.9%                                | 233,400   | 233,500    | 231,900   | ▼ 100                        | ◀▶ 0.0%                        | ▲ 1,500                    | ▲ 0.6%                       |

<sup>a</sup>Relative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

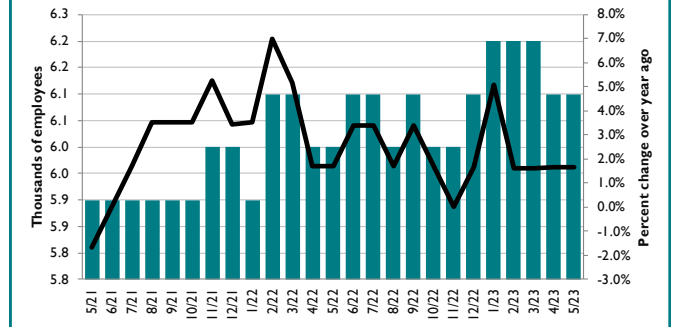


# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES

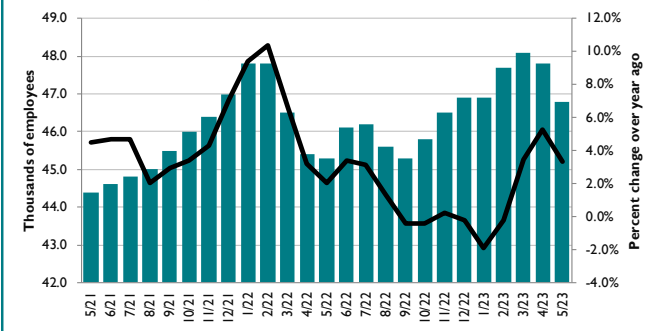
**Figure 24a. Nonfarm employment**



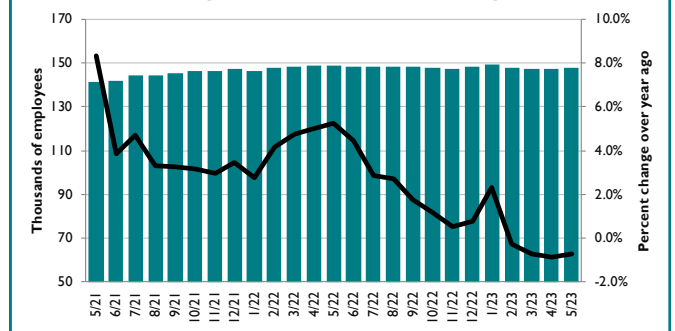
**Figure 24b. Mining and Logging**



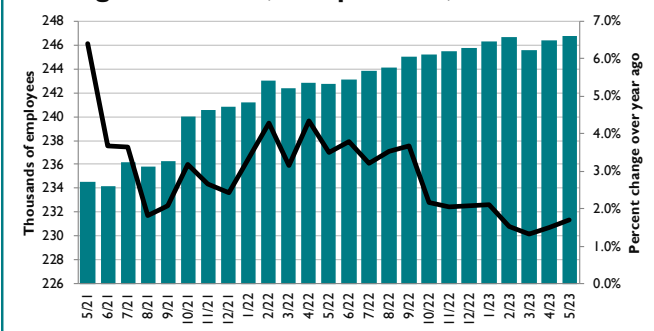
**Figure 24c. Construction**



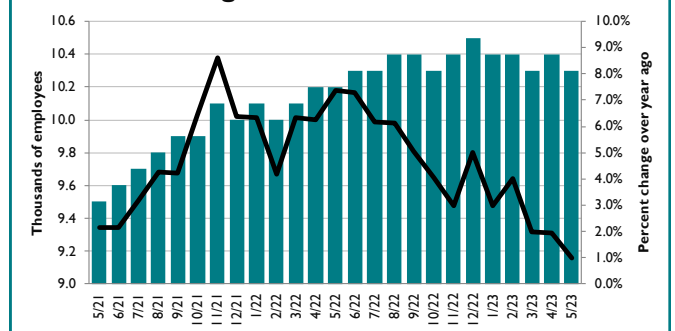
**Figure 24d. Manufacturing**



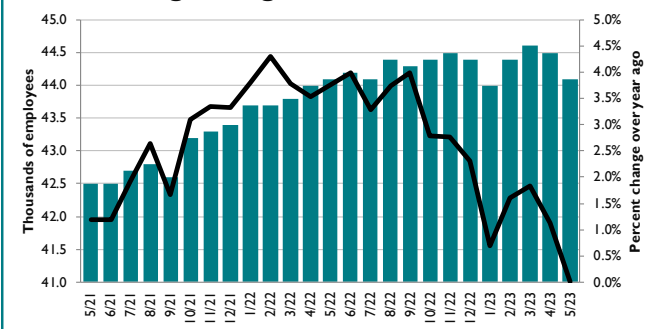
**Figure 24e. Trade, transportation, and utilities**



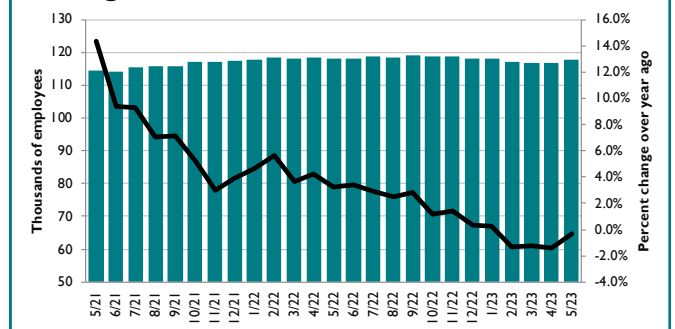
**Figure 24f. Information**



**Figure 24g. Financial activities**

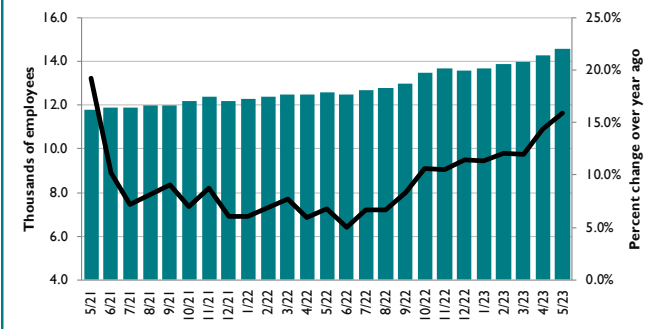


**Figure 24h. Professional and business services**

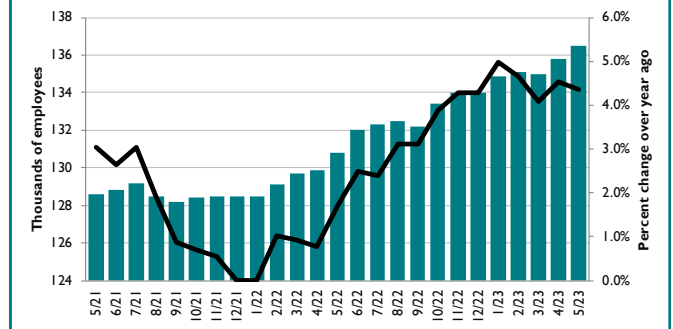


## MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

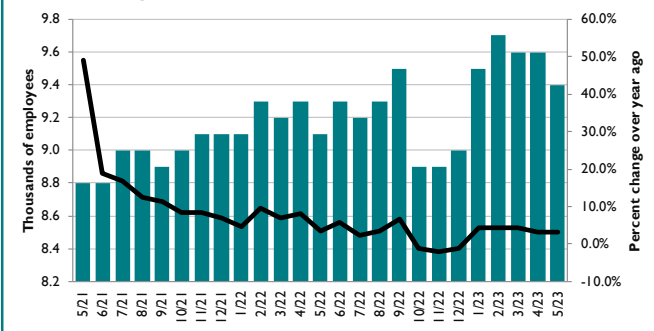
**Figure 24i. Educational services**



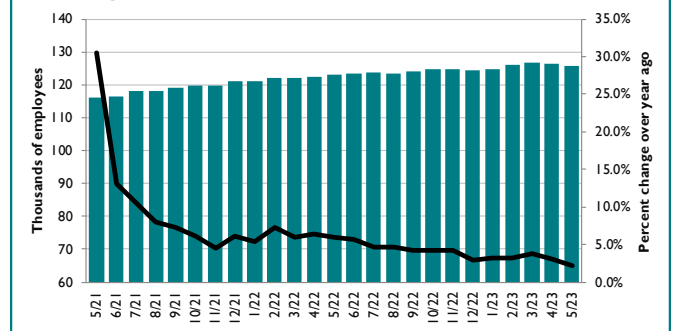
**Figure 24j. Health care and social assistance**



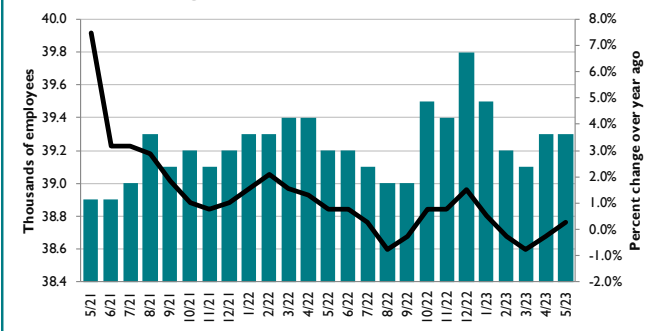
**Figure 24k. Arts and entertainment**



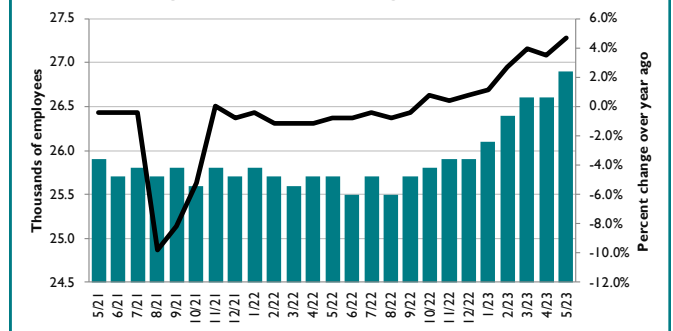
**Figure 24l. Accommodation and food services**



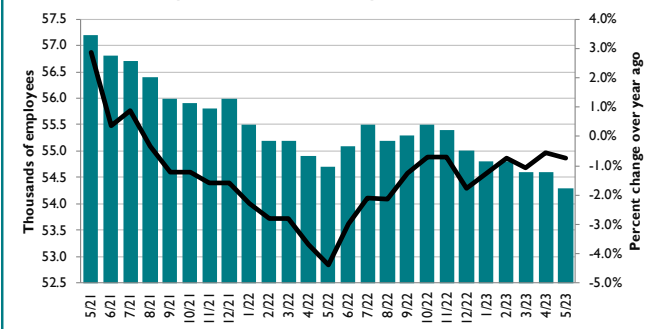
**Figure 24m. Other services**



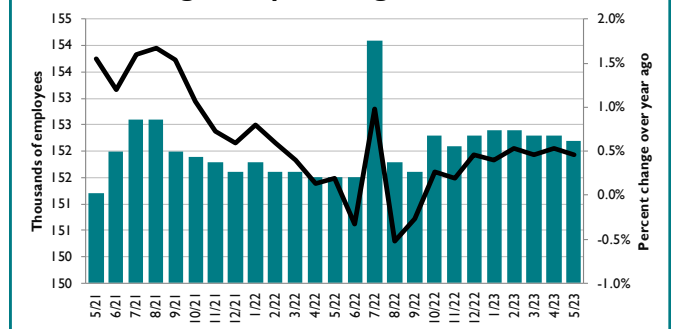
**Figure 24n. Federal government**



**Figure 24o. State government**



**Figure 24p. Local government**



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

## CHANGE IN REAL GDP BY STATE IN THE FIRST QUARTER OF 2023

In June the U.S. Bureau of Economic Analysis (BEA) released annualized estimates of the change in real gross domestic product (GDP) by state for the first quarter of 2023. (An annualized estimate is the actual change multiplied by four.) BEA reported an increase of 2.0 percent in its third estimate of the change in U.S. real GDP in the first quarter of 2023 as noted on page 1. Real GDP expanded in all fifty states and the District of Columbia in the first quarter according to BEA. Mississippi real GDP expanded at an annualized rate of 1.7 percent in the first quarter, which ranked twenty-sixth among all states.

The contributions by sector to the 1.7 percent increase in Mississippi's real GDP in the first quarter of 2023 are listed in Table 3 from largest to smallest. (BEA only includes the changes in major industries in its preliminary estimates.) The largest positive contribution among all sectors in the first quarter was made by the Retail Trade sector, which added 0.88 percentage point to the increase. The Government sector closely followed with the next largest contribution of 0.82 percentage point in the first quarter. These two sectors together increased first quarter real GDP by 1.7 percentage points. The next largest contribution came from the

Health Care and Social Assistance sector, which added 0.59 percentage point to real GDP in the first quarter. The Accommodation and Food Services sector made the next largest contribution to the increase in real GDP of 0.23 percentage point. Both the Construction and Information sectors added 0.20 percentage point each to real GDP growth in the first quarter, the next largest contributions. The Utilities sector made the next largest contri-

bution of 0.18 percentage point, closely followed by the 0.17 percentage point contribution of the Transportation and Warehousing sector. Six other sectors made positive contributions to real GDP growth in the first quarter of less than 0.1 percentage point each.

The largest negative contribution to real GDP growth in Mississippi in the first quarter was made by the Finance, Insurance, Real Estate,

**Table 3. Contributions to percent change in Mississippi real GDP by sector, first quarter 2023**

| Sector  | Percentage points |
|---|-------------------|
| Retail trade  | 0.88              |
| Government and government enterprises               | 0.82              |
| Health care and social assistance                   | 0.59              |
| Accommodation and food services                     | 0.23              |
| Construction  | 0.20              |
| Information   | 0.20              |
| Utilities   | 0.18              |
| Transportation and warehousing                      | 0.17              |
| Wholesale trade                                     | 0.09              |
| Administrative and support and waste management     | 0.08              |
| Arts, entertainment, and recreation                 | 0.05              |
| Mining, quarrying, and oil and gas extraction       | 0.03              |
| Educational services                                | 0.01              |
| Professional, scientific, and technical services    | 0.01              |
| Other services                                      | -0.07             |
| Management of companies and enterprises             | -0.10             |
| Agriculture, forestry, fishing, and hunting         | -0.23             |
| Manufacturing                                       | -0.65             |
| Finance, insurance, real estate, rental and leasing | -0.77             |
| <b>Total</b>  | <b>1.7%</b>       |

Source: U.S. Bureau of Economic Analysis.

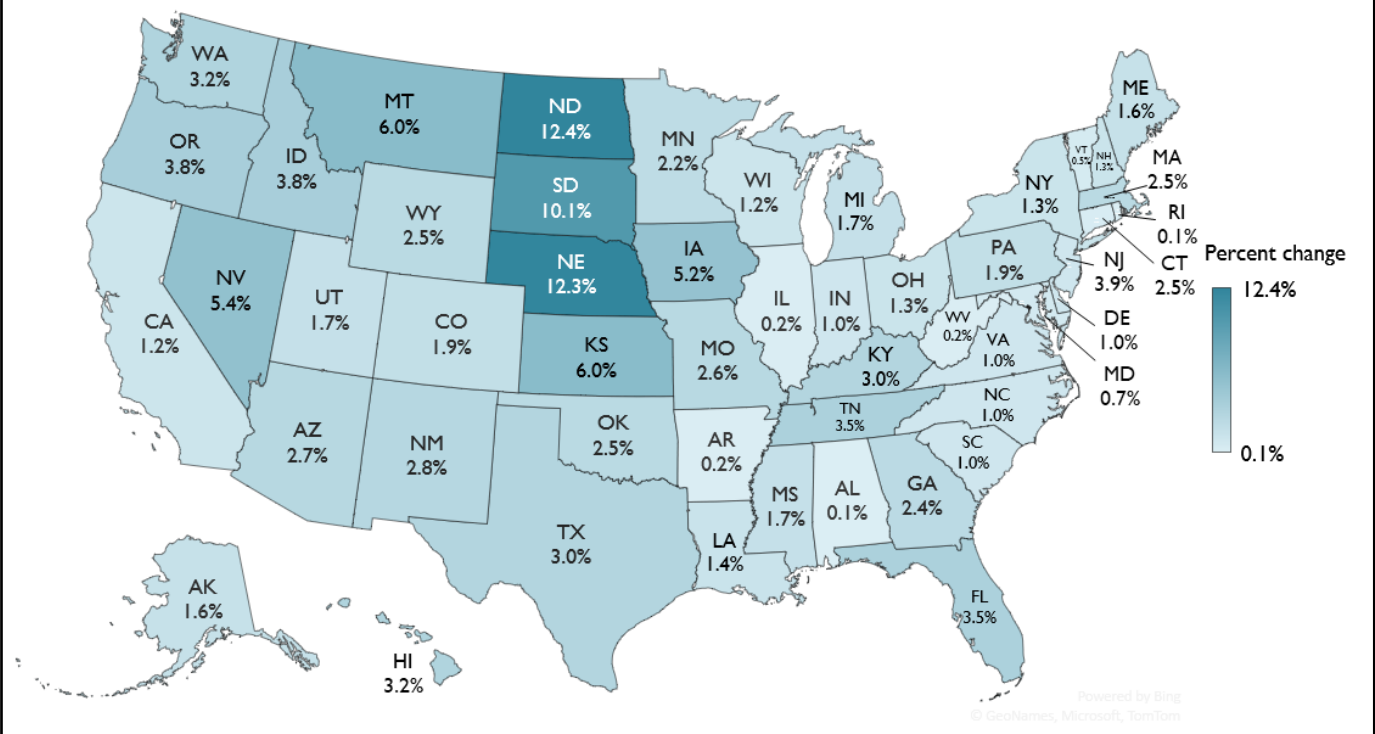
### CHANGE IN REAL GDP BY STATE IN THE FIRST QUARTER OF 2023 (CONTINUED)

Rental and Leasing sector, which reduced real GDP growth by 0.77 percentage point. The Manufacturing sector—the largest sector in the state in 2022 in terms of real GDP—made the second largest negative contribution of -0.65 percentage point. The next largest negative contribution to real GDP growth in the first quarter of -0.23 percentage point was made by the Agriculture, Forestry, Fishing, and Hunting sector. The Management of Companies and Enterprises and Other Services sectors made the only other negative contributions to real GDP growth of -0.10 and -0.07 percentage point, respectively.

The annualized change in real GDP by state in the first quarter of 2023 as reported by BEA is depicted in Figure 25. The largest increases in real GDP occurred in North Dakota and Nebraska, where real GDP grew at annualized rates in the first quarter of 12.4 percent and 12.3 percent, respectively. The Agriculture, Forestry, Fishing, and Hunting sector was the largest contributor to growth in these two states. The smallest increases in real GDP among all states in the first quarter occurred in Alabama and Rhode Island, where real GDP expanded at annualized rates of 0.1 percent. The

Finance and Insurance sector made negative contributions to real GDP growth in all fifty states in the first quarter. Real GDP expanded by 3.0 percent or more in fifteen states. In South Dakota, Nebraska, and North Dakota, real GDP expanded at annualized rates of more than 10.0 percent in the first quarter. Mississippi was one of twenty-seven states where real GDP increased from 1.0 percent to less than 3.0 percent in the first quarter. In eight states, including Alabama and Arkansas in the Southeast, real GDP expanded at annualized rates of less than 1.0 percent in the first quarter.

**Figure 25. Annualized percent change in real GDP by states, 2023Q1**



Source: U.S. Bureau of Economic Analysis.