

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

In September the value of the Mississippi Leading Index (MLI) sank 2.4 percent as seen in Figure 1. The value of the MLI for the month was 2.3 percent lower compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) increased 0.3 percent as seen in Figure 2 below. Compared to one year ago the value for the month was 1.9 percent higher.

U.S. gross domestic product (GDP) increased at a seasonally-adjusted, annualized rate of 4.9 percent in the third quarter of 2023 according to the initial estimate of the U.S. Bureau of Economic Analysis

(BEA). According to BEA growth resulted from increases in consumer spending, private inventory investment, state and local government spending, federal government spending, and residential fixed investment. These increases were partially offset by decreases in nonresidential fixed investment and net exports. Consumer spending, which grew at its highest rate since the fourth quarter of 2021, was responsible for a majority of the increase in real GDP.

The MLI had its largest monthly decline since April 2020 as decreases in the components of the MLI were widespread in

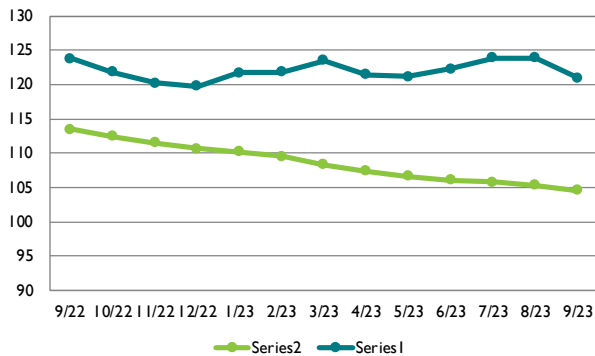
September. The value of income tax withholdings had the largest decline; however, recent income tax rate cuts are a partial source of this decrease. Despite the decreases in components of the MLI, employment in Mississippi surged in September, more than recovering the losses of the previous month. While both initial and continued unemployment claims are trending up, they remain at relatively low levels. Although a recession is not expected in 2023, both the U.S. and Mississippi economies are projected to begin slowing in the fourth quarter of the year.

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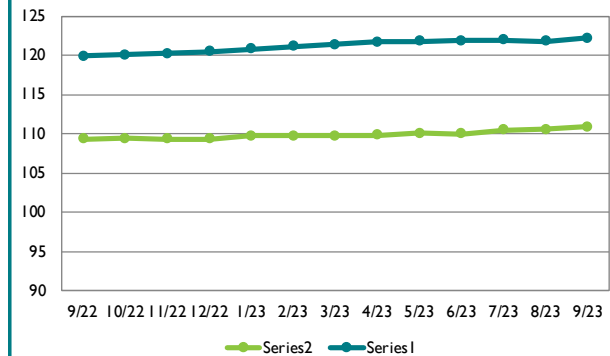
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Figure 1. Leading indices



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, SEPTEMBER 2023

In September the value of the **Mississippi Leading Index of Economic Indicators (MLI)** tumbled 2.4 percent as seen in Figure 3, the largest monthly decrease since April 2020. The value of the MLI in September was down 2.3 percent compared to one year earlier. Over the last six months the value of the MLI fell 2.1 percent.

Five of the seven components of the MLI decreased in September. Income tax withholdings made by the largest negative contribution for the month. The largest positive contribution came from retail sales. Each component is discussed below in order of smallest to largest contribution.

The value of **Mississippi income tax withholdings** (three-month moving average) tumbled 4.8 percent in September as seen in Figure 4. The decrease marked the largest monthly decline since April 2020. Compared to one year earlier the value of withholdings in September was down 11.4 percent. The value of income tax withholdings in Mississippi sank 8.5 percent over the last six months.

Figure 5 indicates the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell 4.5 percent in September, the first decrease since April. Compared to one year earlier the value in September was 10.6 percent higher. Although gasoline prices decreased since the previous survey, consumers became more worried about inflation. Declining stock markets likely weighed on respondents as well. Short-term (one-year) inflation expectations surged to their highest level since May and long-term (five-year) inflation expectations rose as well in the most recent survey.

The value of the **ISM Index of U.S. Manufacturing Activity** fell 4.7 percent in October as seen in Figure 6, the first decrease since June. Compared to one year earlier the value for the month was 7.0 percent lower. In October four of the five components of the Index decreased in value. The largest decrease occurred in the Employment component. Supplier Deliveries was the only component that increased. The Production component was the only component in expansion territory as of October. The prices paid index rose in October but remained below 50.0.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi rose 5.7 percent in September as seen in Figure 7, the third increase in the last four months. Compared to one year earlier the value for the month was up 9.6 percent. As seen in Figure 16 on page 6, the number of seasonally-adjusted continued unemployment claims in Mississippi climbed 13.1 percent in September. The number of continued unemployment claims in the state for the month was 30.1 percent higher compared to one year earlier. The unemployment rate in Mississippi was 3.2 percent in September as seen in Figure 17 on page 6, unchanged from August. Compared to one year earlier the rate in September was down 0.7 percentage point.

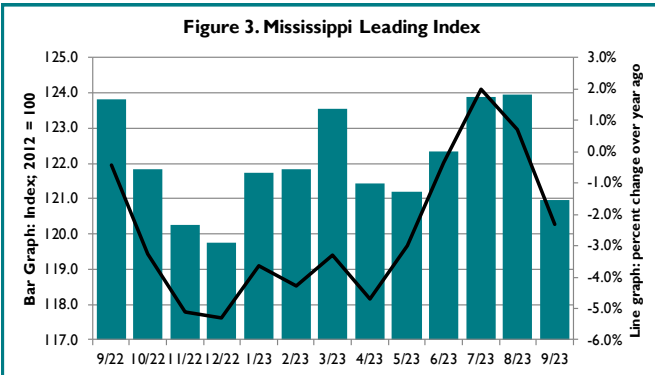
After three consecutive months of increases, the value of **Mississippi residential building permits** (three-month moving average) fell 1.6 percent in September as seen in Figure 8. Compared to one year earlier the value for the month was 2.0 percent higher. The number of units in the state edged up 0.5 percent in September. The number of units in the state was down 0.6 percent in

September compared to one year earlier. The number of privately-owned housing units authorized by building permits in the U.S. fell 4.4 percent in September from the revised August rate. Compared to one year earlier the number of units in the U.S. in September was down 7.2 percent.

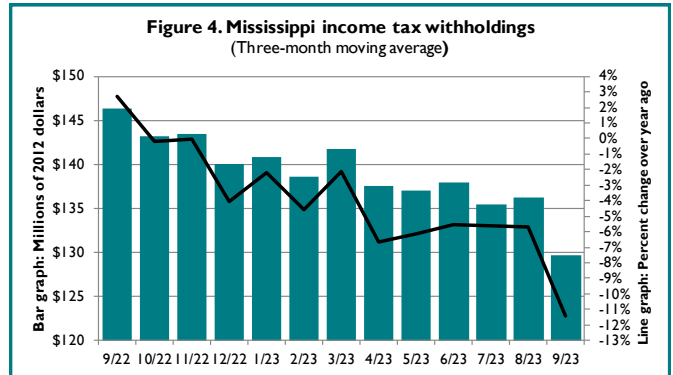
In September the value of the **Mississippi Manufacturing Employment Intensity Index** edged up 0.2 percent as seen in Figure 9. Compared to one year earlier the value in September was down 1.9 percent. Following revisions the August value was revised down to a decrease of 3.4 percent. Manufacturing employment in the state increased 0.1 percent in September, while the average weekly hours of production employees for the month also edged up 0.1 percent, which together led to the overall increase in the Index.

U.S. retail sales rose in value by 0.7 percent in September as Figure 10 indicates. The increase marked the sixth consecutive monthly gain. The value of sales in August was revised up to an increase of 0.8 percent. Compared to one year earlier the value of retail sales in September was 3.8 percent higher. Sales excluding automobiles and gasoline in September were up 0.6 percent. As in August sales increased in most segments in September. The largest increases occurred in Nonstore Retailers and Motor Vehicles and Parts, followed by Food Service and Drinking Places. The largest decreases for the month occurred in Electronics and Appliances and Clothing and Accessories.

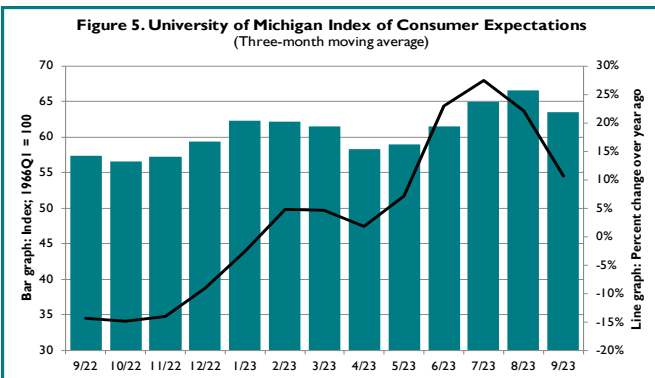
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



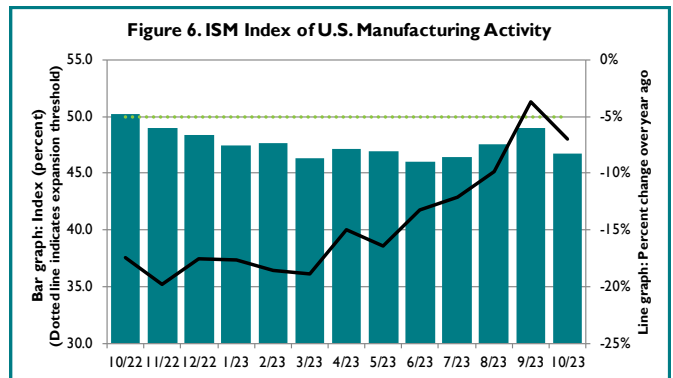
Source: University Research Center



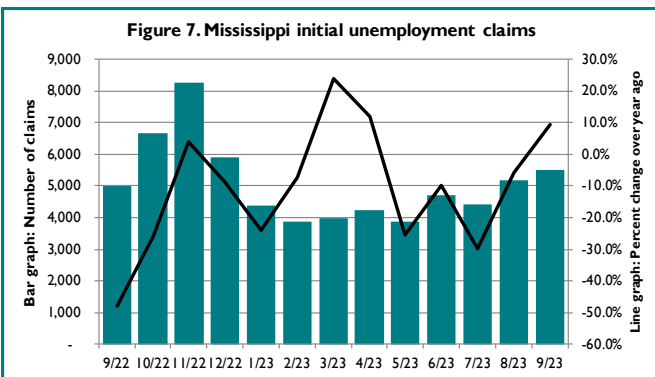
Source: Mississippi Department of Revenue; seasonally adjusted



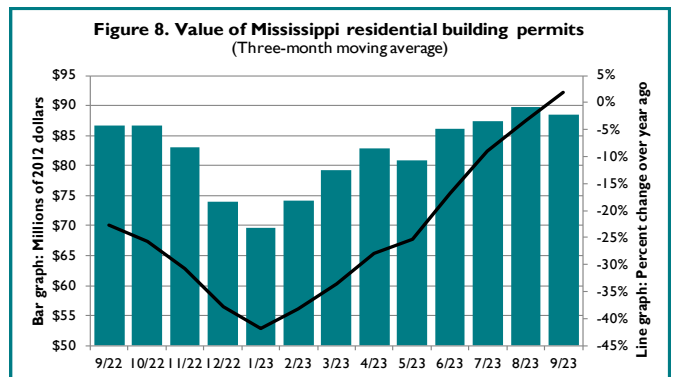
Source: Thomson Reuters/University of Michigan Surveys of Consumers



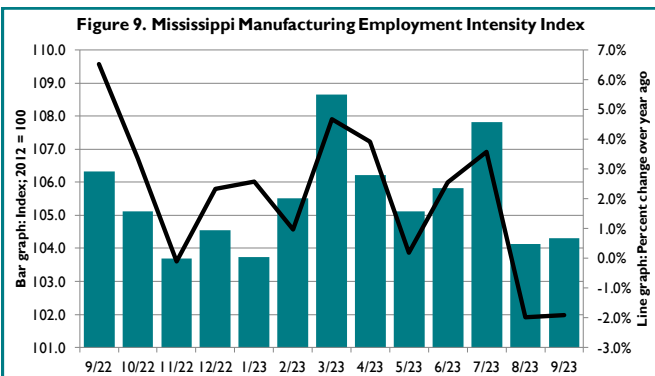
Source: Institute for Supply Management



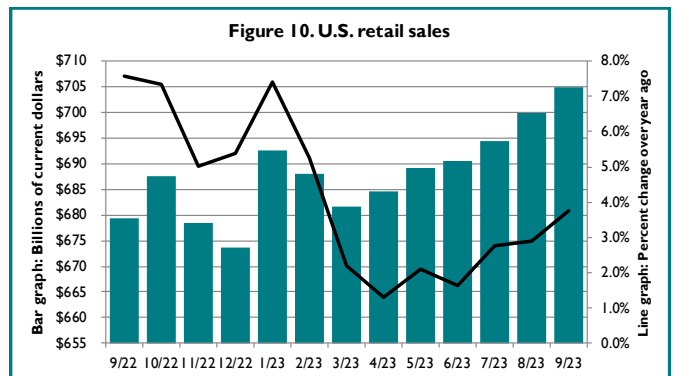
Source: U.S. Department of Labor; seasonally adjusted



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



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



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

MISSISSIPPI COINCIDENT INDEX, SEPTEMBER 2023

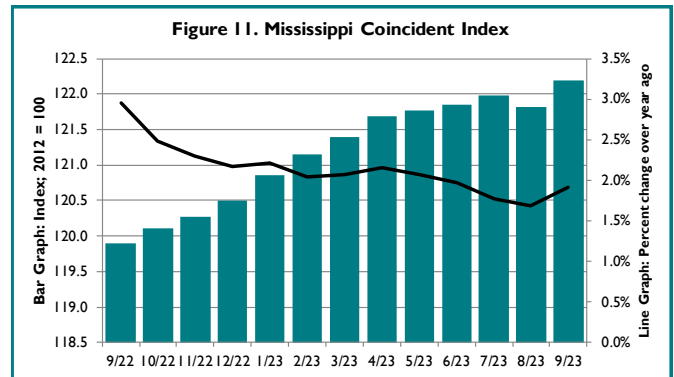
As seen in Figure 11 the Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.6 percent in September. Compared to one year earlier the value of the MCI for the month was up 1.9 percent.

The values of the coincident indices increased in forty states in September compared to three months earlier according to the Federal Reserve Bank of Philadelphia. The largest gain among all states occurred in Maryland, where the value of the coincident index increased approximately 2.3 percent over the last three months. In eight states the

values of coincident indices rose 1.0 percent or more in September compared to June. The values of coincident indices rose more than 0.5 percent but less than 1.0 percent over the last three months in nineteen states.

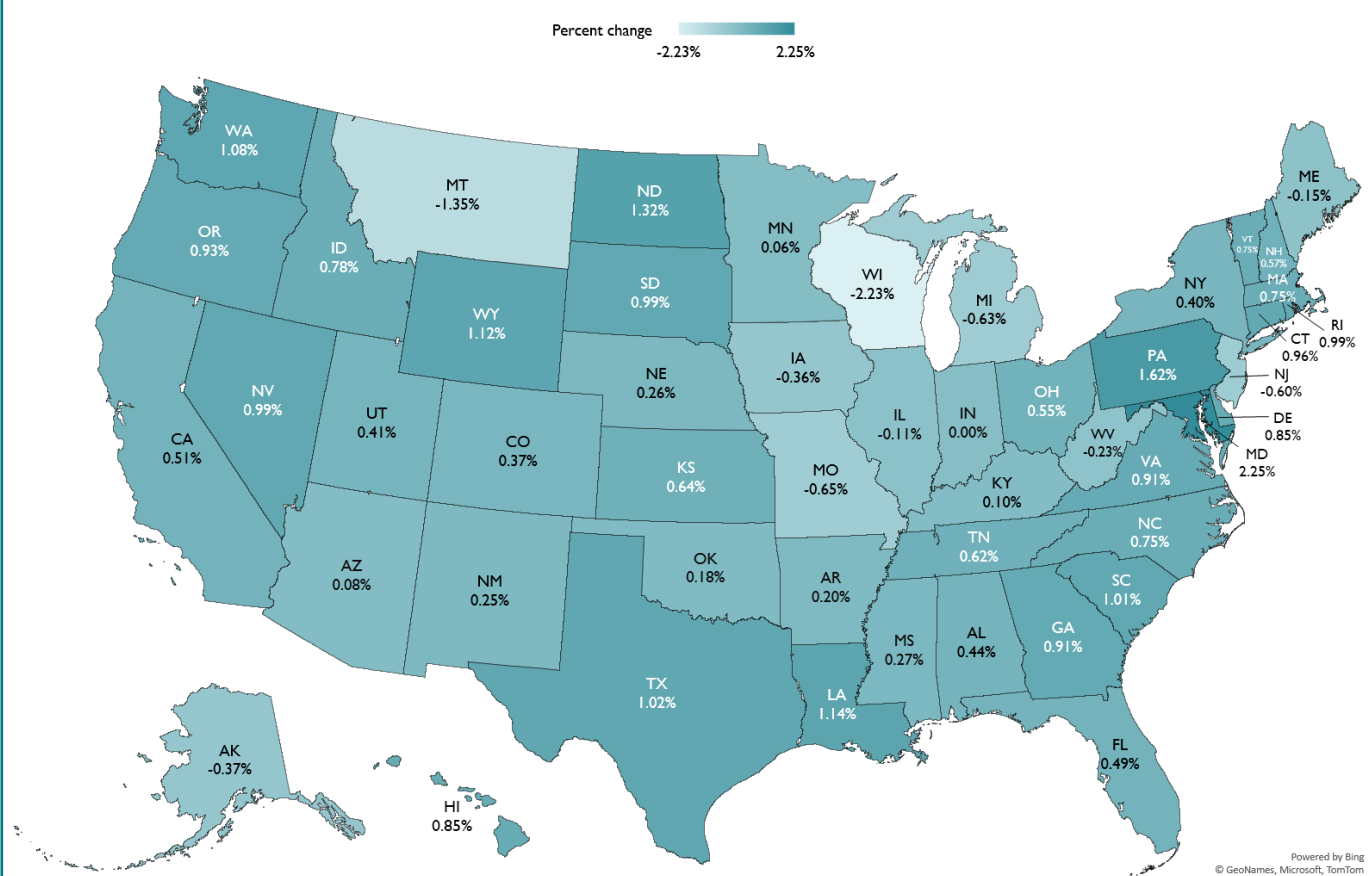
In thirteen states including Mississippi the values rose less than 0.5 percent in September compared to June. The value of the coincident index in Indiana was unchanged over the last three months. The

largest decrease in the value of a coincident index in September compared to June occurred in Wisconsin, where the value fell just over 2.2 percent.



Source: Federal Reserve Bank of Philadelphia

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



Source: Federal Reserve Bank of Philadelphia

NATIONAL TRENDS

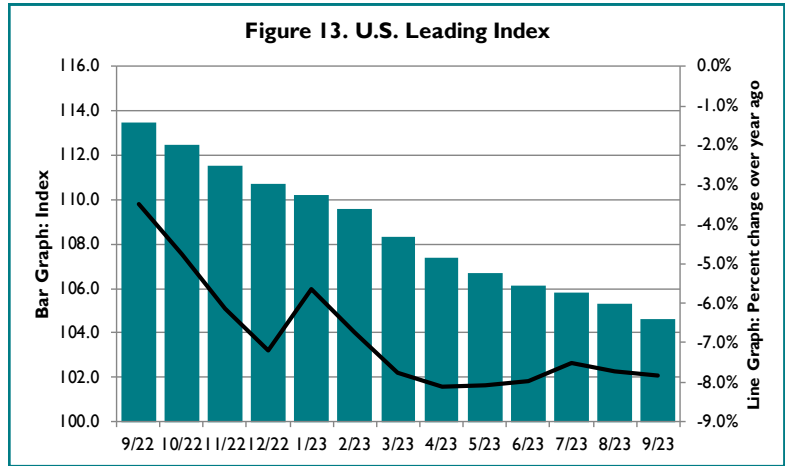
For the eighteenth month in a row, the value of the U.S. Leading Economic Index (LEI) decreased in September. As seen in Figure 13, The Conference Board reported the value fell 0.7 percent. The value was down 7.8 percent compared to one year earlier. Six of the ten components of the LEI made negative contributions in September and average consumer expectations for business conditions made the largest negative contribution. The largest positive contribution came from initial claims for unemployment insurance while two components were unchanged. Over the last six months the value of the LEI decreased 3.4 percent.

Figure 14 indicates the value of the U.S. Coincident Economic Index (CEI) increased 0.3 percent in September according to The Conference Board. The value of the CEI for the month was 1.5 percent higher compared to one year earlier. All four components of the CEI made positive contributions in September and personal income less transfers made the largest contribution. The value of the CEI rose 1.1 percent over the last six months.

In September the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index decreased 0.5 percent as seen in Figure 15. Compared to one year earlier the value of the Index for the month was 1.4 percent lower. The largest decreases occurred in the “expect economy to improve” and “expected credit conditions” components. While inflation and the quality of labor were among small businesses’ biggest concerns in September, the net share of respondents with plans to increase employment still increased slightly.

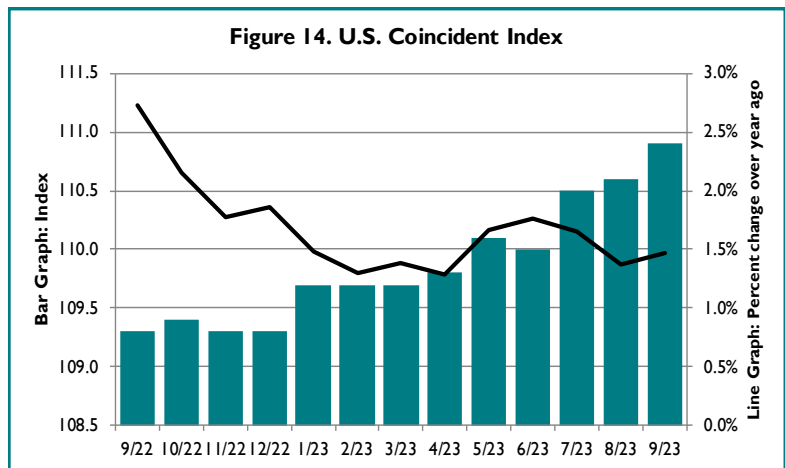
At its November meeting, the Federal Open Market Committee (FOMC) left the federal funds rate target unchanged. It marked the first time the FOMC did not increase rates at consecutive meetings since rates were raised in May of last year. While a majority of FOMC members expected an additional rate increase in the Federal Reserve’s most recent projections, some members have since publicly indicated they want to take a wait-and-see approach. Although another increase remains possible, concerns about borrowing costs also weigh on the decision.

Figure 13. U.S. Leading Index



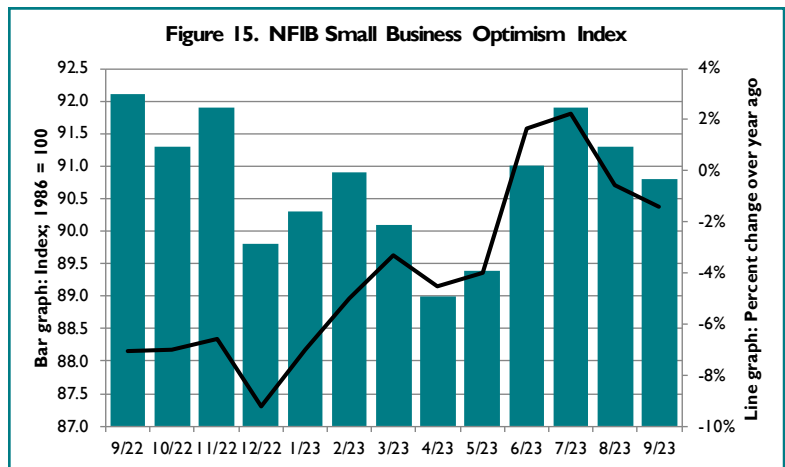
Source: The Conference Board

Figure 14. U.S. Coincident Index



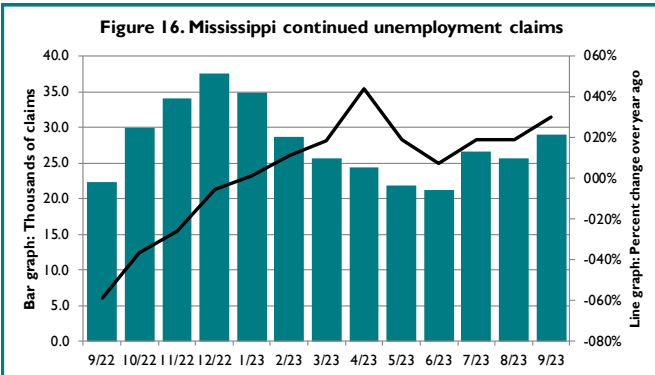
Source: The Conference Board

Figure 15. NFIB Small Business Optimism Index

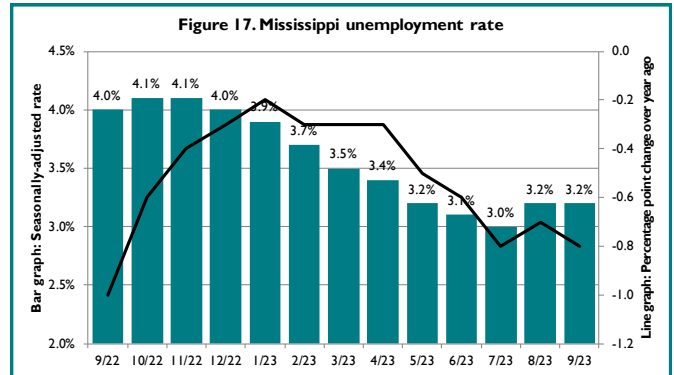


Source: National Federation of Independent Businesses

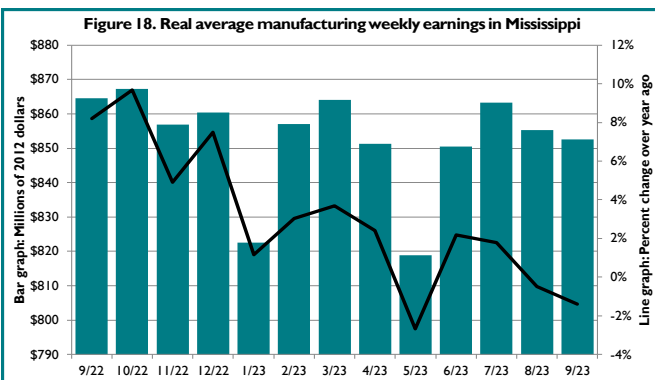
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



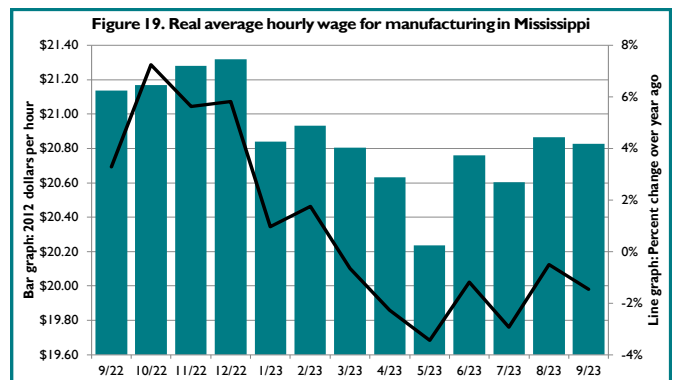
Sources: U.S. Department of Labor, URC (seasonal adjustment)



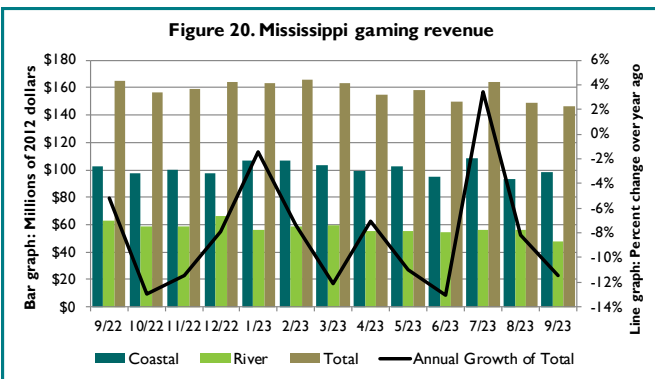
Source: U.S. Bureau of Labor Statistics



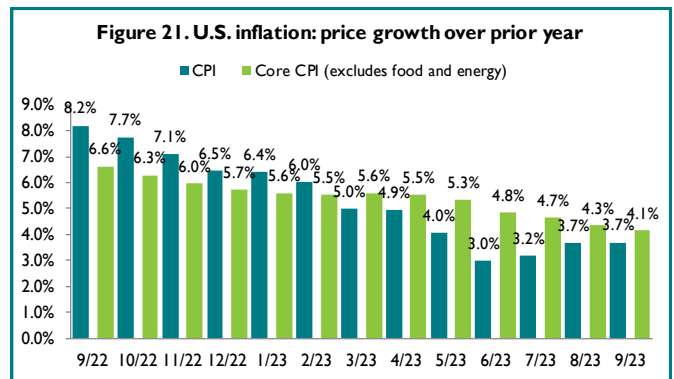
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



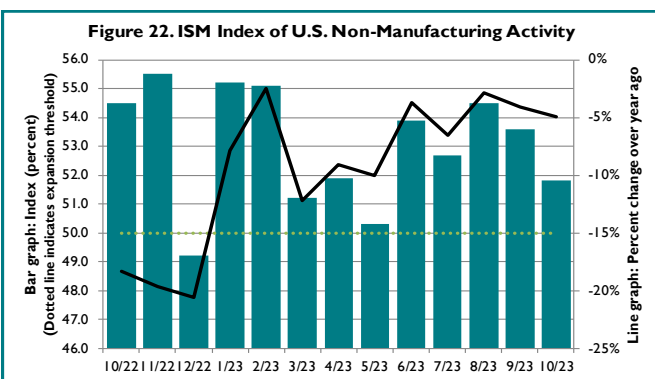
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



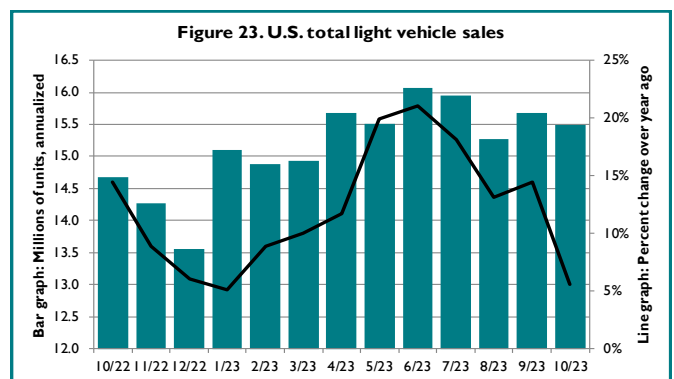
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



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	September	August	September	Percent change from	
	2023	2023	2022	August 2023	September 2022
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	104.6	105.3	113.5	▼0.7%	▼7.8%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	110.9	110.6	109.3	▲0.3%	▲1.5%
Mississippi Leading Index 2012 = 100. Source: University Research Center	121.0	123.9	123.8	▼2.4%	▼2.3%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	110.9	110.6	109.3	▲0.3%	▲1.5%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,493	5,199	5,014	▲5.7%	▲9.6%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	88.4	89.8	86.7	▼1.6%	▲2.0%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	129.7	136.2	146.4	▼4.8%	▼11.4%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	104.3	104.1	106.3	▲0.2%	▼1.9%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	63.5	66.5	57.4	▼4.5%	▲10.6%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	46.7	49.0	50.2	▼4.7%	▼7.0%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	704.9	699.9	679.4	▲0.7%	▲3.8%
U.S. Consumer Price Index (CPI)	307.8	307.0	296.8	▲0.2%	▲3.7%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	310.8	310.1	298.4	▲0.2%	▲4.1%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	3.2%	3.2%	3.9%	◀▶0.0	▼0.7
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	29,061	25,697	22,344	▲13.1%	▲30.1%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	51.8	53.6	54.5	▼3.4%	▼5.0%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	7.3%	7.18%	5.30%	▲0.12	▲2.00
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	20.83	20.87	21.14	▼0.2%	▼1.5%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	852.49	855.22	864.50	▼0.3%	▼1.4%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	90.8	91.3	92.1	▼0.5%	▼1.4%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.50	15.68	14.68	▼1.2%	▲5.6%
Gaming revenue	146.52	149.22	165.4	▼1.8%	▼11.4%
Coastal counties	98.38	93.25	102.2	▲5.5%	▼3.8%
River counties Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue	48.14	55.97	63.2	▼14.0%	▼23.8%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi rose by 6,300 jobs in September according to the U.S. Bureau of Labor Statistics (BLS), an increase of 0.5 percent. As seen in Table 2 below, compared to one year earlier total nonfarm employment in the state was higher by 5,600 jobs, a 0.5 percent increase. BLS revised August employment in Mississippi up by 1,800 jobs.

BLS reported total nonfarm employment increased in six states and was essentially unchanged in forty-four states and the District of Columbia in September. Texas added 61,400 jobs for the month, the most among all states, followed by Georgia, which added 17,100 jobs, and Oregon, which added 8,100 jobs. The largest percentage increase in employment among all states in September occurred in South Dakota, where employment rose 0.9 percent, followed by the 0.7 percent increase in Delaware

and the 0.5 percent increase in Mississippi.

Over the last twelve months as of September BLS reported employment increased in thirty-six states and was essentially unchanged in fourteen states and the District of Columbia. Texas added 435,800 jobs over the past twelve months, the most among all states, followed by California, which added 302,800 jobs, and Florida, which added 241,200 jobs. Employment increased 3.4 percent over the last twelve months in Nevada, the largest percentage increase in employment among all states, followed by the 3.2 percent increase in Texas and the 3.0 percent increase in Idaho.

Job gains were concentrated in a few sectors in Mississippi in September. The largest increase occurred in the Trade, Transportation and Utilities sector, which added 2,800 jobs for the month, a 1.2 per-

cent increase. The Health Care and Social Assistance sector added 1,600 jobs, the next largest increase, followed by the 1,100 jobs added in Other Services. This sector also had the largest percentage increase of 2.9 percent. Arts and Entertainment and Educational Services were the only two sectors in the state to lose jobs in September.

The Health Care and Social Assistance sector added 9,500 jobs over the last twelve months as of September, the most among all sectors in the state. Employment in the Educational Services sector was up 12.3 percent over the past year, the largest percentage increase among all sectors. Over the past twelve months the Professional and Business Services sector lost 6,100 jobs, the most among all sectors in the state. This sector also had the largest percentage decrease in employment over the past twelve months of 5.1 percent.

Table 2. Change in Mississippi employment by industry, September 2023

	Relative share of total ^a	September 2023	August 2023	September 2022	Change from August 2023		Change from September 2022	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,174,400	1,168,100	1,168,800	▲6,300	▲0.5%	▲5,600	▲0.5%
Mining and Logging	0.5%	6,000	6,000	6,100	◀▶0	◀▶0.0%	▼100	▼1.6%
Construction	4.0%	47,500	47,000	45,300	▲500	▲1.1%	▲2,200	▲4.9%
Manufacturing	12.6%	145,300	145,200	148,200	▲100	▲0.1%	▼2,900	▼2.0%
Trade, Transportation & Utilities	20.9%	245,400	242,600	245,000	▲2,800	▲1.2%	▲400	▲0.2%
Retail Trade	11.9%	139,900	139,000	138,400	▲900	▲0.6%	▲1,500	▲1.1%
Information	0.9%	10,200	10,200	10,400	◀▶0	◀▶0.0%	▼200	▼1.9%
Financial Activities	3.8%	43,400	43,400	44,300	◀▶0	◀▶0.0%	▼900	▼2.0%
Services	37.5%	441,800	438,900	436,900	▲2,900	▲0.7%	▲4,900	▲1.1%
Professional & Business Services	9.9%	113,100	112,700	119,200	▲400	▲0.4%	▼6,100	▼5.1%
Educational Services	1.2%	14,600	14,800	13,000	▼200	▼1.4%	▲1,600	▲12.3%
Health Care and Social Assistance	11.6%	141,700	140,100	132,200	▲1,600	▲1.1%	▲9,500	▲7.2%
Arts and Entertainment	0.8%	9,700	10,500	9,500	▼800	▼7.6%	▲200	▲2.1%
Accommodation and Food Services	10.6%	123,100	122,300	124,000	▲800	▲0.7%	▼900	▼0.7%
Other Services	3.3%	39,600	38,500	39,000	▲1,100	▲2.9%	▲600	▲1.5%
Government	19.9%	234,800	234,800	232,600	◀▶0	◀▶0.0%	▲2,200	▲0.9%

^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

Figure 24a. Nonfarm employment

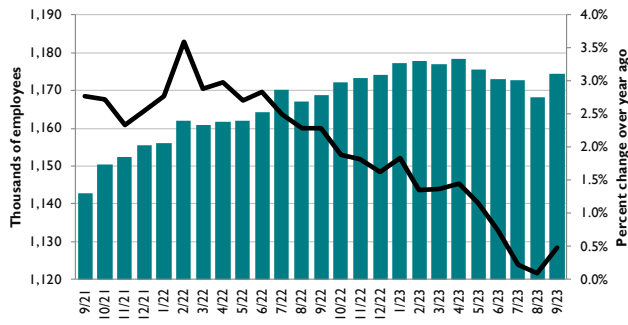


Figure 24b. Mining and Logging

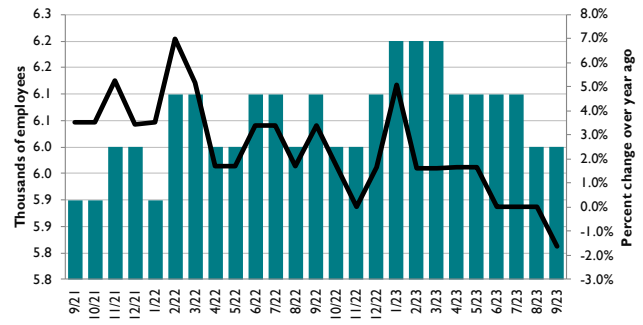


Figure 24c. Construction

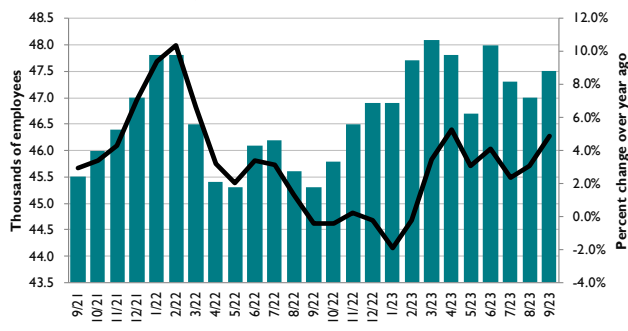


Figure 24d. Manufacturing

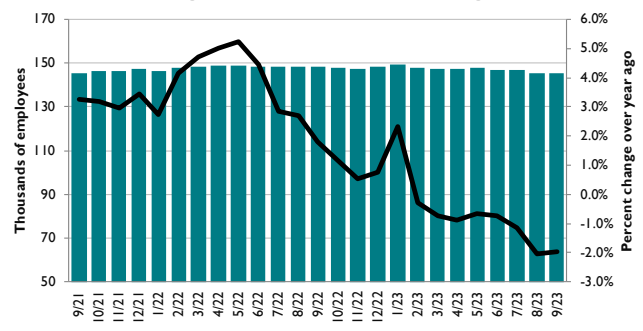


Figure 24e. Trade, transportation, and utilities

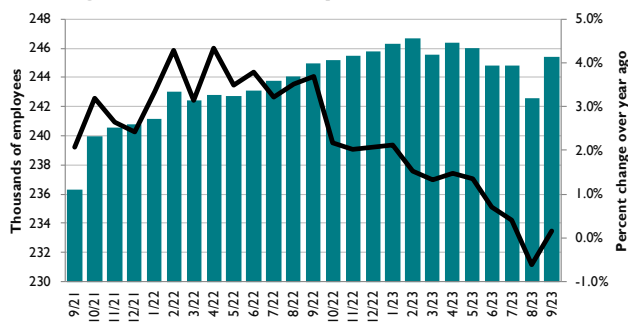


Figure 24f. Information

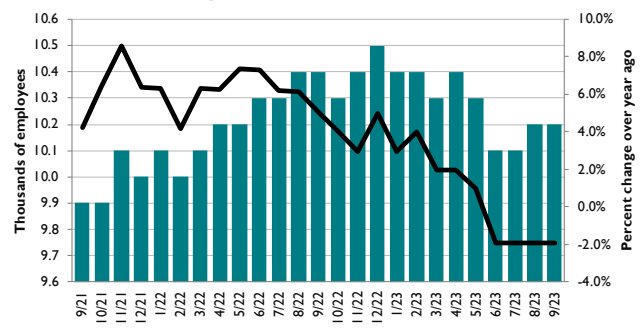


Figure 24g. Financial activities

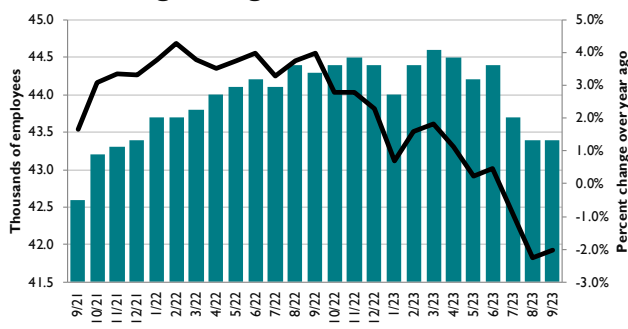
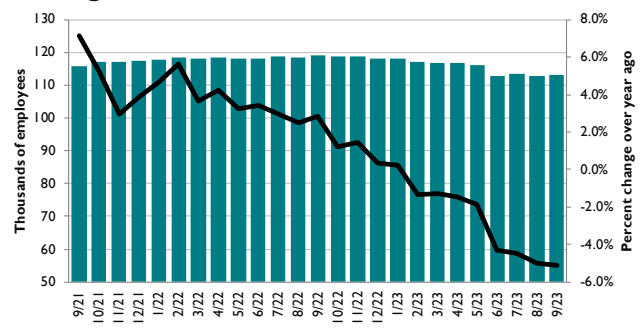
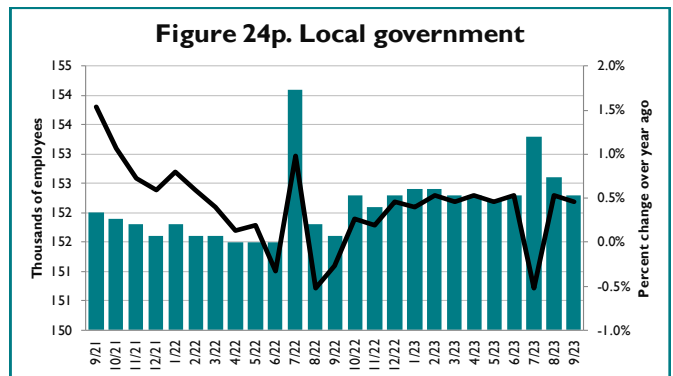
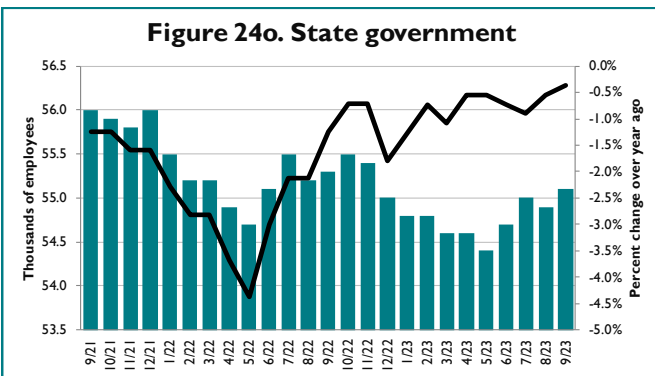
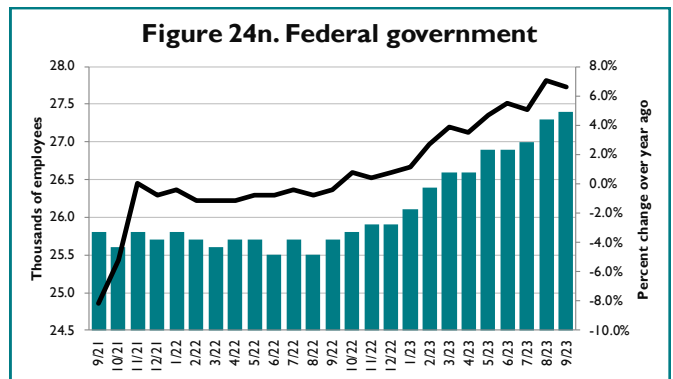
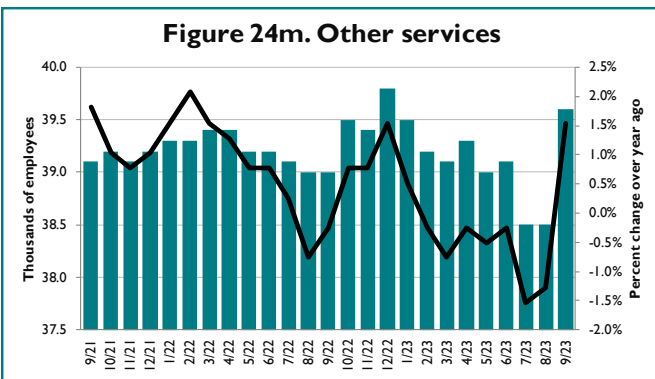
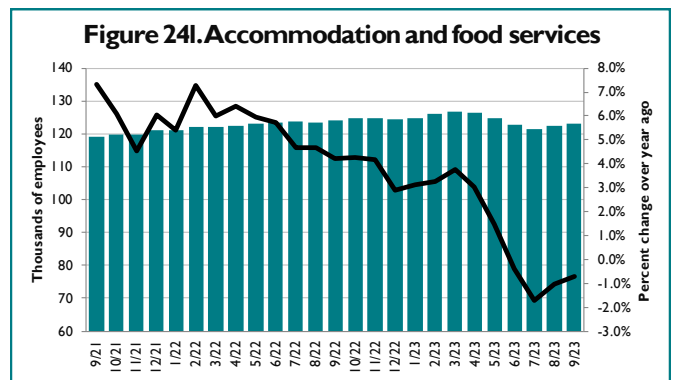
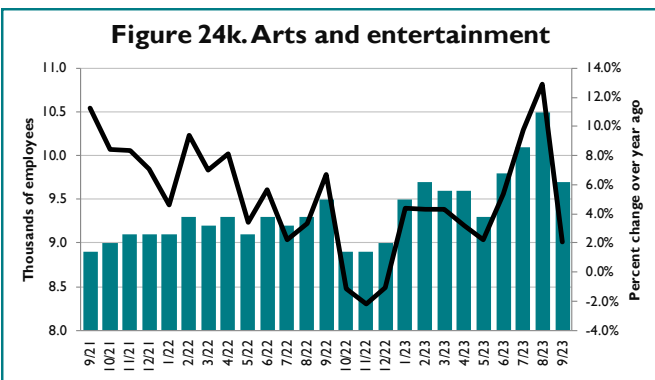
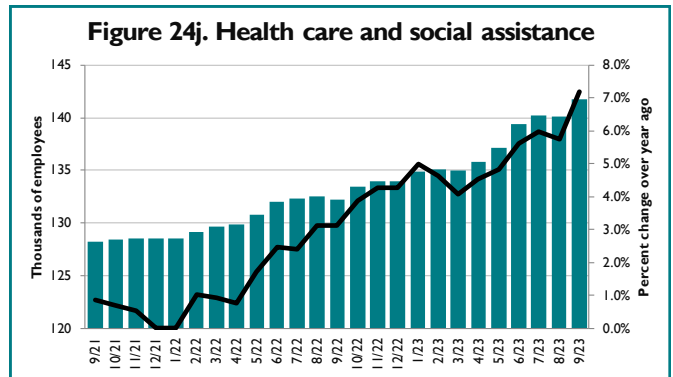
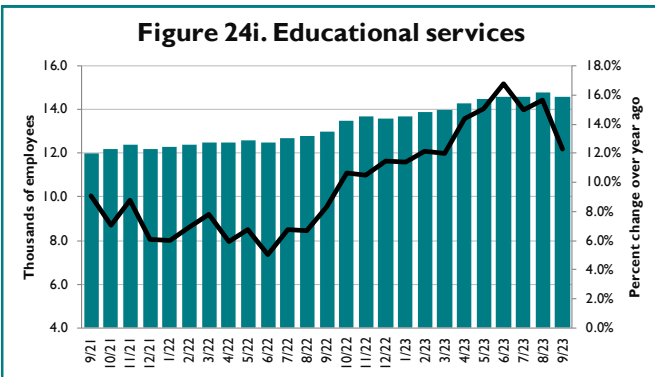


Figure 24h. Professional and business services



MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



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

CHANGE IN PERSONAL CONSUMPTION EXPENDITURES BY STATE IN 2022

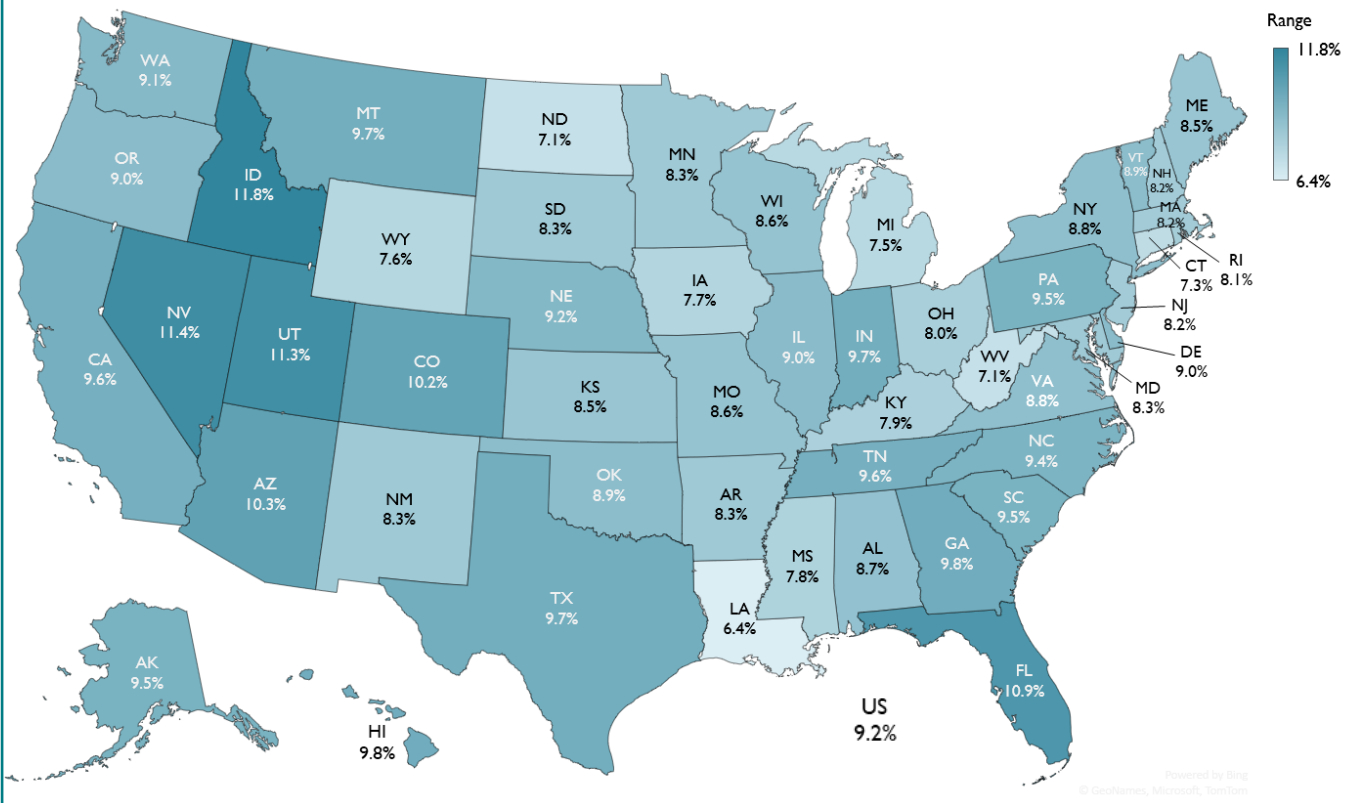
Data on personal consumption expenditures by state for 2022 were recently released by the U.S. Bureau of Economic Analysis (BEA). The agency also revised estimates for previous years. BEA defines personal consumption expenditures as “the goods and services purchased by, or on behalf of, people living in each state and the District of Columbia.” Nationally, personal consumption expenditures increased 9.2 percent in 2022. The largest contributors to the increase were housing and utilities, food services and accommodations, and health care. Spending on housing and utilities increased 7.9 percent

and was the largest contributor in twenty-nine states. Food services and accommodations spending rose 17.6 percent and was the largest contributor to the increase in spending in seven states. Spending on health care increased 5.6 percent and was the largest contributor to the increase in spending in nine states.

Figure 25 below depicts the change in personal consumption expenditures by state. In Mississippi, personal consumption expenditures rose 7.8 percent, which ranked forty-fourth among all states. Personal consumption expenditures increased in all fifty states in 2022,

ranging from the smallest increase in Louisiana of 6.4 percent to the largest increase of 11.8 percent in Idaho. This largest increase was closely followed by increases of 11.4 percent in Nevada and 11.3 percent in Utah. On a per capita basis, Mississippi had the smallest amount of personal consumption expenditures among all states of \$39,678. No other state had expenditures below \$42,000 in 2022. Massachusetts had the largest per capita personal consumption expenditures among all states of \$64,214. Per capita personal consumption expenditures for the U.S. in 2022 were \$52,542.

Figure 25. Percent change in personal consumption expenditures by state, 2022.



Source: U.S. Bureau of Economic Analysis.

CHANGE IN PERSONAL CONSUMPTION EXPENDITURES BY STATE IN 2022 (CONTINUED)

Table 3 lists the percentage point contributions to the increase in personal consumption expenditures in Mississippi in 2022. The largest contributor to the increase in consumer spending in Mississippi and twenty-eight other states was housing and utilities, which was responsible for 1.17 percentage points of the total increase. This contribution was closely followed by the 1.11 percentage point contribution made by food services and accommodations and the 1.09 percentage point contribution made by gasoline and other energy goods. Notably, gasoline and other energy goods made a larger contribution to the increase in spending in Mississippi than in only seven other states in 2022. Like Mississippi, these other states are mostly rural and generally require drivers to travel more miles by personal automobile than the U.S. average, which increases expenditures on gasoline relative to other states. The next largest contribution to the increase in personal consumption expenditures in Mississippi was made by food and beverages for off-premises consumption, which increased spending by 0.78 percentage point. Rounding out the top five contributors in 2022 was health care spending, which increased personal consumption expenditures by 0.66 percentage point. The top five contributors were responsible for more than

Table 3. Contributions to percent change in Mississippi personal consumption expenditures, 2022

Sector	Percentage points
Housing and utilities	1.17
Food services and accommodations	1.11
Gasoline and other energy goods	1.09
Food and beverages for off-premises consumption	0.78
Health care	0.66
Other services	0.57
Other nondurable goods	0.43
Final consumption expenditures of NPISHs	0.37
Financial services and insurance	0.34
Recreation services	0.33
Transportation services	0.32
Clothing and footwear	0.21
Furnishings and durable household equipment	0.16
Recreational goods and vehicles	0.11
Motor vehicles and parts	0.09
Other durable goods	0.07
Total	7.8%

Source: U.S. Bureau of Economic Analysis.

three-fifths of the increase in personal consumption expenditures in the state in 2022.

The increase in personal consumption expenditures in Mississippi in 2022 was smaller than the increase in 2021, which BEA reported was 11.7 percent. Nevertheless, this increase was considerably larger than in recent years, typically in the range of 2.0 to 2.5 percent. The larger increases in 2021 and 2022 were driven in part by the large transfer payments made by the federal government as part of COVID-19 assistance and the higher rates of inflation than observed in many

decades. As the effects of both of these factors dissipate, the increases in personal consumer expenditures likely will return to more historically typical rates.