



## ECONOMY AT A GLANCE

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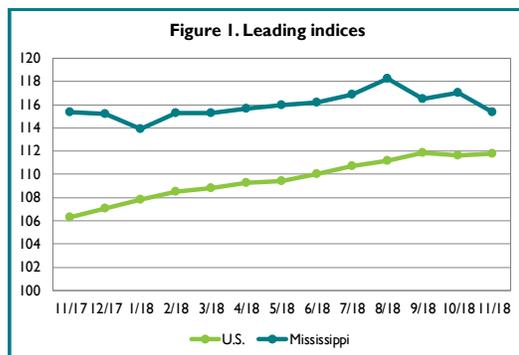
The value of the Mississippi Leading Index (MLI) fell 1.5 percent in November as Figure 1 below indicates. Due to the federal government shutdown, the November estimate of the MLI does not include building permits, as the November value was not available at press time. The value of the MLI was unchanged for the month compared to one year ago.

Figure 2 below indicates the value of the Mississippi Coincident Index (MCI) increased 0.2 percent in November. Compared to one year ago the value for the month was 2.0 percent higher.

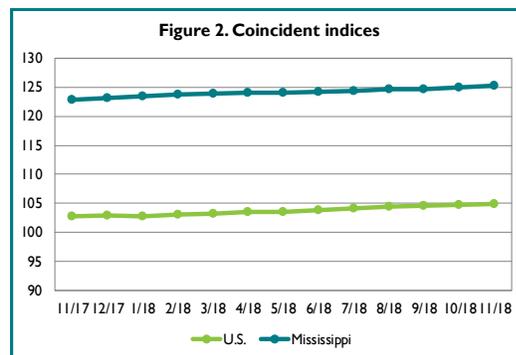
The U.S. Bureau of Economic Analysis (BEA) reported in its third estimate of the change in U.S. real gross domestic product (GDP) in the third quarter of 2018 an increase of 3.4 percent. This estimate was a decrease of 0.1 percentage point from

its second estimate. Although BEA revised up its measure of private inventory investment, this increase was more than offset by downward revisions to consumer spending and exports.

For the second time in the last three months, the MLI fell more than 1.0 percent in value in November. Both national and state measures contributed to this decrease. Anxiety about the future likely impacted components such as the ISM Manufacturing Index and Consumer Expectations. The Mississippi Manufacturing Employment Intensity Index continued its struggles in 2018 and income tax withholdings were down compared to a year ago. On a positive note, unemployment claims remain low and the state's labor market appears relatively solid. Thus, Mississippi's economy on the whole seems to lack momentum at the start of 2019.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

**Notes:** The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The index is based on changes in nonfarm employment, the unemployment rate, average manufacturing work-week length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2004.

**MISSISSIPPI'S BUSINESS****MISSISSIPPI LEADING INDEX, NOVEMBER 2018**

As seen in Figure 3 the value of the **Mississippi Leading Index of Economic Indicators** (MLI) fell 1.5 percent in November. However, as discussed on page 1 the November value of the MLI does not incorporate building permits for Mississippi, which due to the government shutdown were not available at press time. The value of the MLI decreased to its lowest level since March. Compared to one year ago the November value was unchanged. The value of the MLI fell 0.5 percent over the last six months.

Four of the six components used in the November MLI contributed negatively for the month. The largest negative contribution came from the ISM Manufacturing Index. Each component is discussed below in order of smallest to largest contribution.

The value of the **ISM Index of U.S. Manufacturing Activity** fell to its lowest level in over two years in December. As seen in Figure 4 the Index lost 8.8 percent of its value for the month. Compared to one year ago the value in December was also 8.8 percent lower. All five components of the Index declined for the month. The largest decrease occurred in the New Orders component. For the second consecutive month the value of the prices paid index fell sharply in December.

As Figure 5 indicates the value of **Mississippi income tax withholdings** (three-month moving average) fell 1.3 percent in November. As a result the value fell to its lowest level since February. Compared to one year ago the value of withholdings in November was down 0.5 percent. Over the last six months the value of withholdings decreased 0.6 percent.

As seen in Figure 6 the value of the **Mississippi Manufacturing Employment Intensity Index** declined 0.9 percent in November to its lowest level since January. However, data revisions resulted in a slight increase to the Index for October. Compared to one year ago the value in November was down 1.9 percent. While Manufacturing employment in the state increased slightly in November, this increase was more than offset by the third consecutive monthly decrease in average weekly hours of production employees.

The **University of Michigan Index of Consumer Expectations** (three-month moving average) fell in November for the first time since July. As seen in Figure 7 the value decreased 1.3 percent for the month. The November value was 0.3 percent higher compared to one year ago. The decline in expectations in the most recent sur-

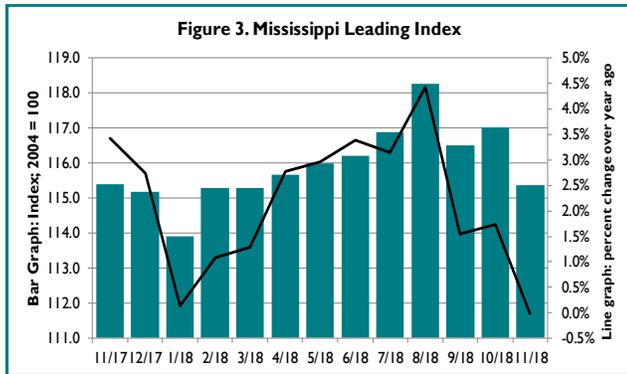
vey was due largely to a considerable fall in business expectations, as a battered stock market took its toll. Conversely, present conditions sentiment increased in the most recent survey, likely heavily influenced by falling gas prices. Both short-term (twelve-month) and long-term (five- to ten-year) inflation expectations fell in the most recent survey.

Figure 8 indicates the value of seasonally-adjusted **initial unemployment claims** in Mississippi declined 0.5 percent in November. The value for the month was down 14.4 percent compared to one year ago. The value of seasonally-adjusted continued unemployment claims in Mississippi fell 2.0 percent in November as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi for the month was 28.8 percent lower compared to one year ago. In November the seasonally-adjusted unemployment rate in Mississippi was unchanged from the previous month at 4.7 percent as seen in Figure 17 on page 6. The unemployment rate for the state was 0.1 percentage point lower in November compared to one year ago.

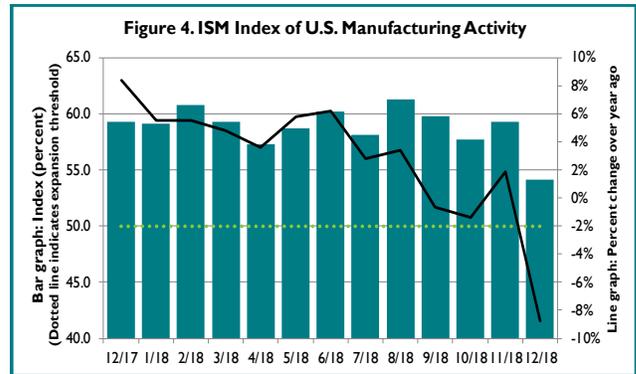
The value of **U.S. retail sales** increased in November for the second consecutive month. As Figure 9 indicates the value rose 0.2 percent from the previous month. Compared to one year ago the value of retail sales was 4.2 percent higher in November. Most categories of sales increased and the largest gain occurred in nonstore retailers. Relatively large gains also included electronics and appliances and furniture and home furnishings. The largest decrease in sales occurred in gasoline stations, a reflection of the relatively fast decline in prices in recent weeks. The other sectors where sales declined in November were building materials, clothing and accessories, and food service and drinking places.

Figure 10 on page 3 depicts **Mississippi residential building permits** (three-month moving average) as of October 2018.

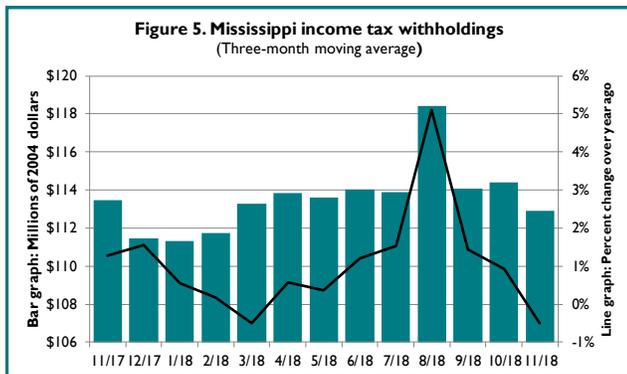
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



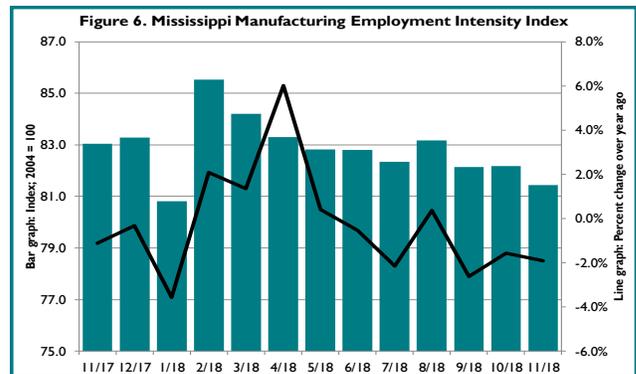
Source: University Research Center



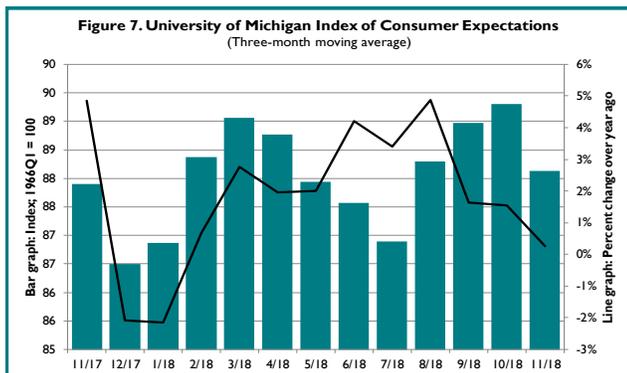
Source: Thomson Reuters/University of Michigan Surveys of Consumers



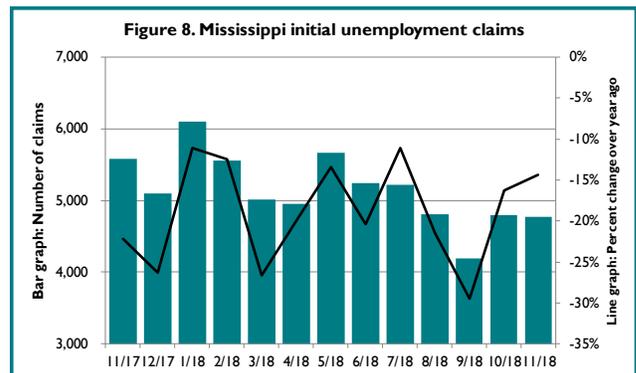
Source: Mississippi Department of Revenue; seasonally adjusted



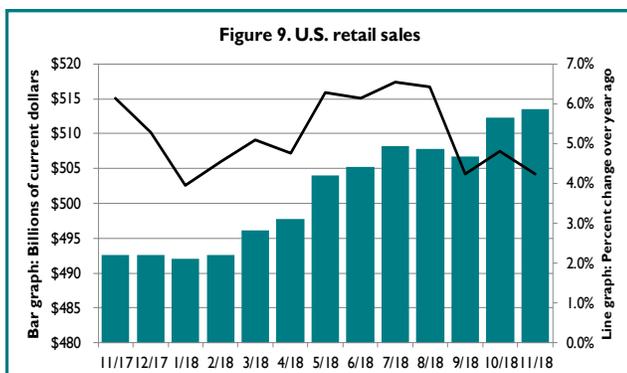
Source: URC using data from U.S. Bureau of Labor Statistics



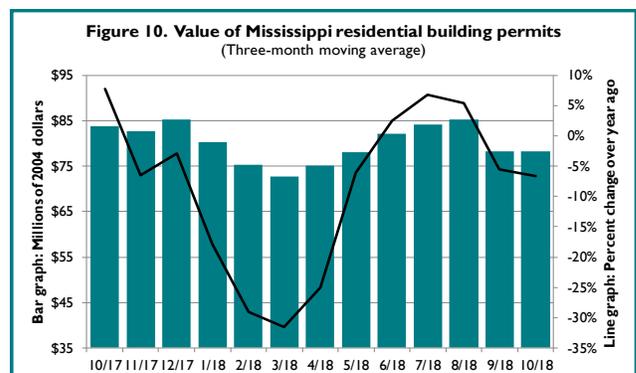
Source: Institute for Supply Management



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



Source: U.S. Bureau of the Census



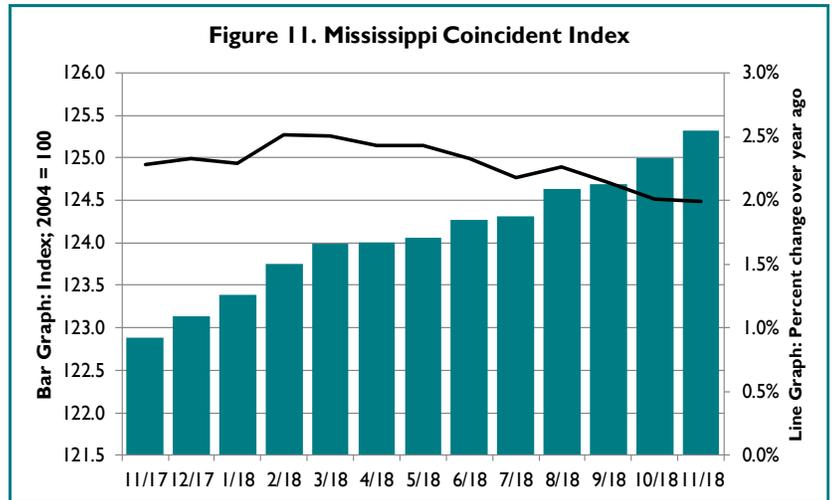
Source: U.S. Bureau of the Census; seasonally adjusted

MISSISSIPPI'S BUSINESS

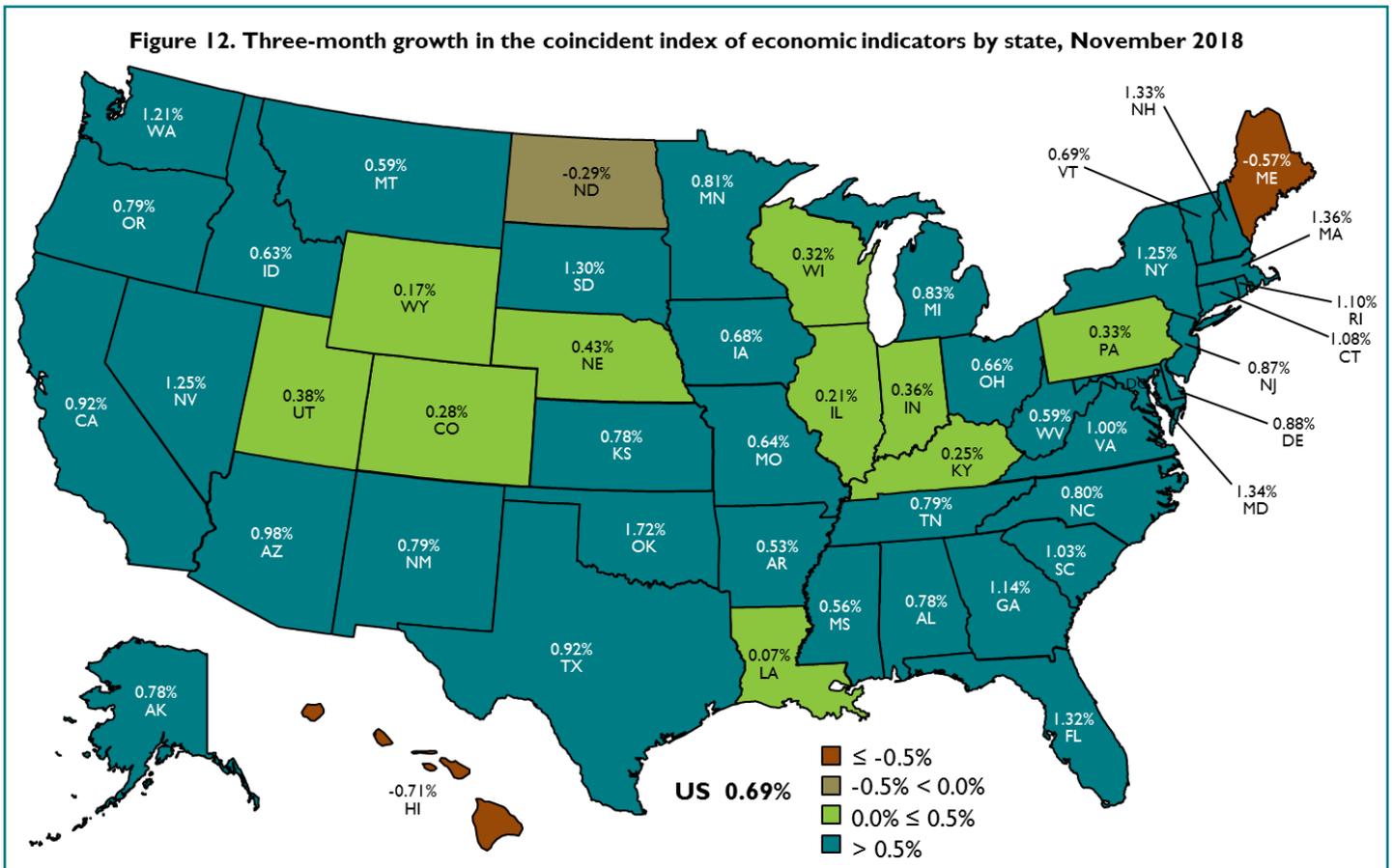
MISSISSIPPI COINCIDENT INDEX, NOVEMBER 2018

The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.2 percent in November according to the Federal Reserve Bank of Philadelphia. As Figure 11 indicates the value of the MCI for the month was 2.0 percent higher compared to one year ago.

In forty-seven states the values of the coincident indices increased in November compared to three months prior as seen in Figure 12 below. Mississippi was one of thirty-seven states where the values of the coincident indices increased by more than 0.5 percent. The values of the coincident indices increased by less than 0.5 percent in November compared to August in ten states. In North Dakota the coincident index fell by less than 0.5 percent while in Hawaii and Maine the coincident indices fell by more than 0.5 percent in November compared to three months prior.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

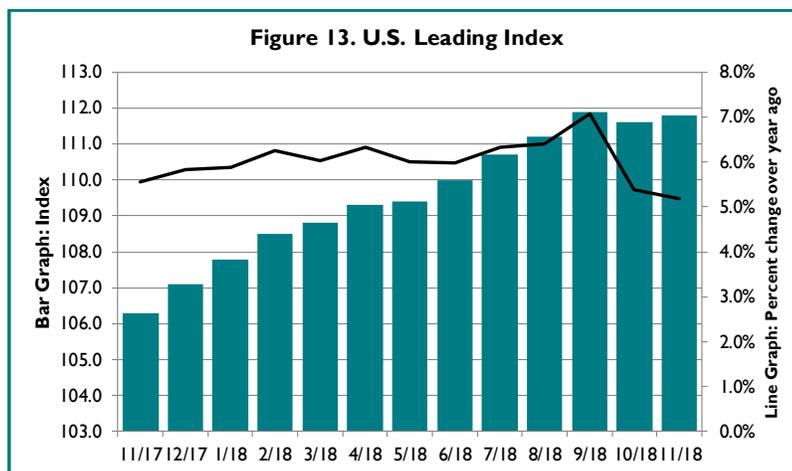
## NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased 0.2 percent in November as seen in Figure 13. However, previous months were revised lower, and the LEI actually fell in October and remained below its September value. The LEI rose 5.2 percent for the month compared to one year ago. In November seven of the ten indicators that make up the LEI increased in value and building permits made the largest contribution. Over the last six months the value of the LEI rose 2.2 percent.

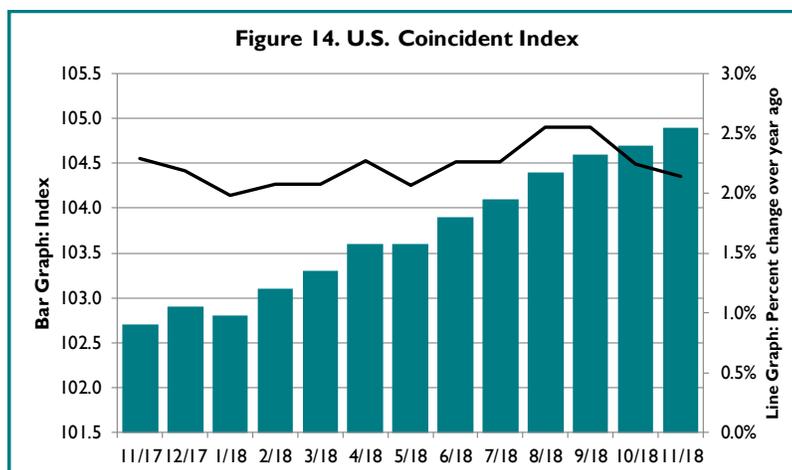
The value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in November according to The Conference Board as seen in Figure 14. The value of the CEI was 2.1 percent higher in November compared to one year ago. All four components of the CEI increased for the month, led by industrial production. The value of the CEI rose 1.3 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell sharply in November, the third consecutive monthly decline. The Index lost 2.4 percent of its value and declined to its lowest level since April. Compared to one year ago the value of the Index was 2.5 percent lower in November, the first year-over-year decrease since December 2017. No components of the Index increased in November, but the “plans to increase employment” and “expected credit conditions” managed to remain unchanged for the month. The largest decline occurred in the “expect economy to improve” component, which fell to its lowest level since the November 2016 elections. The “plans to raise prices” measure increased for the second consecutive month.

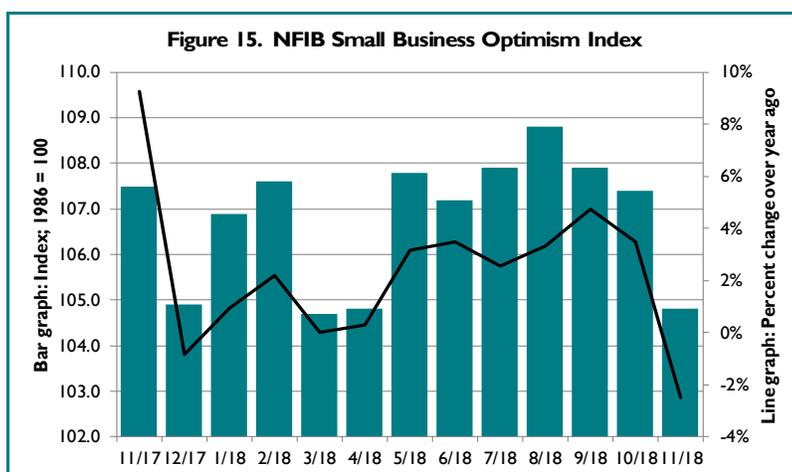
Ignoring criticism from the White House and elsewhere, the Federal Open Market Committee (FOMC) raised the federal funds rate target by 0.25 basis point at its meeting in December. The increase was the fourth of 2018 and the ninth since December 2015. The hike placed the benchmark rate in a range of 2.25 to 2.50 percent. The Fed did revise its guidance for 2019, indicating it expects two increases in rates rather than three as it signaled following earlier meetings in 2018.



Source: The Conference Board



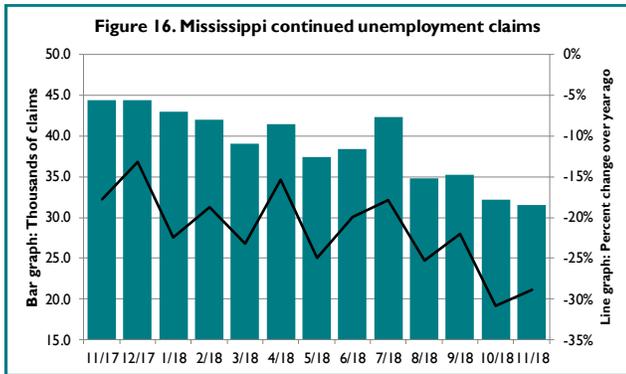
Source: The Conference Board



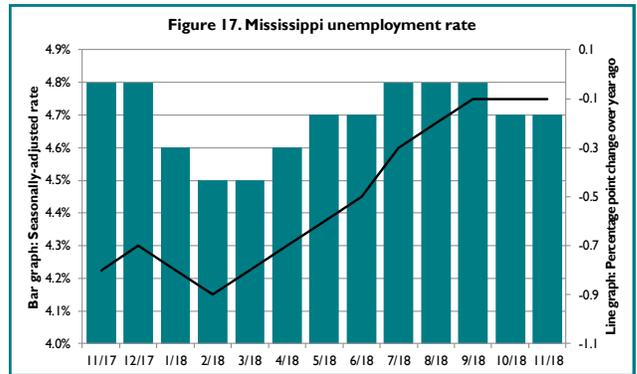
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

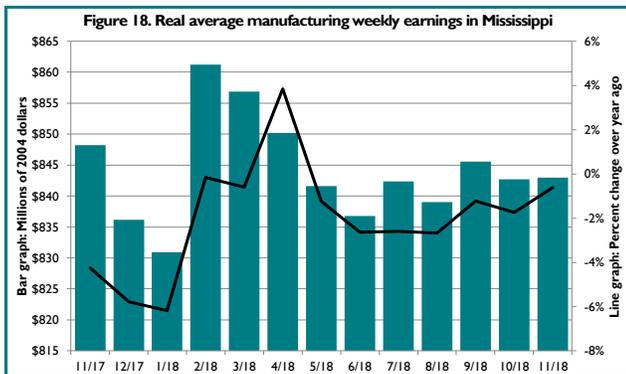
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



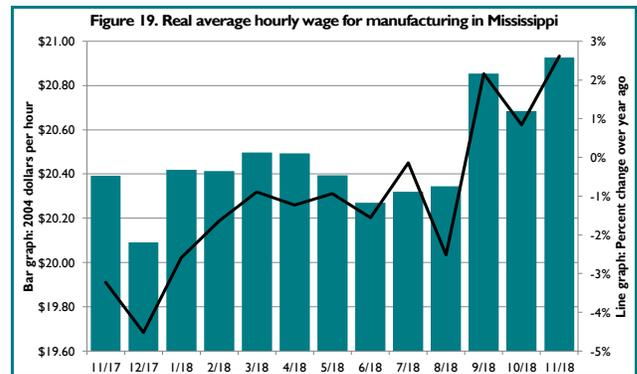
Source: U.S. Department of Labor; seasonally adjusted



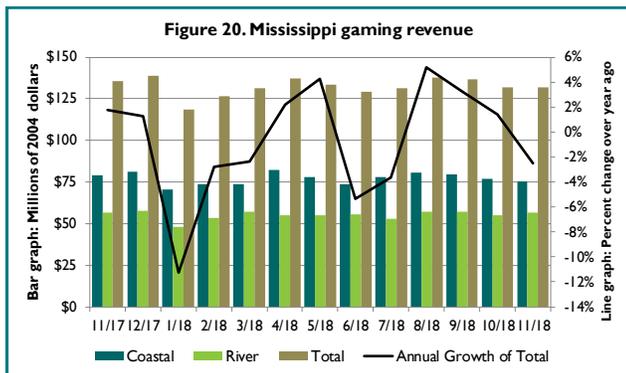
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



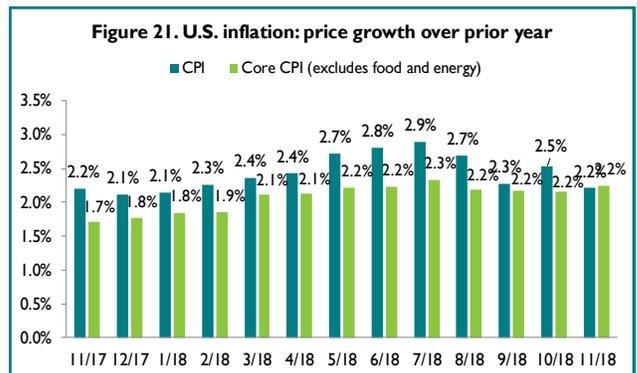
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



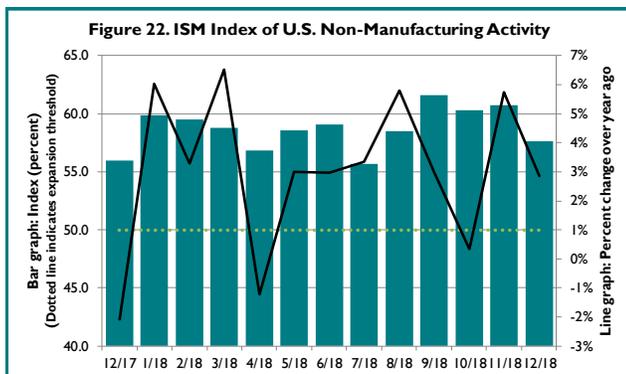
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



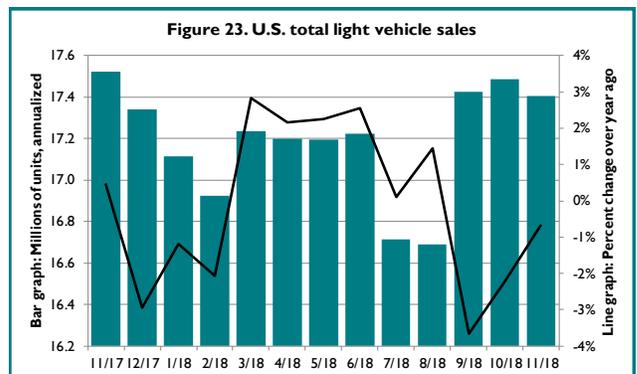
Source: Mississippi Department of Revenue; seasonally adjusted



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



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

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	November	October	November	Percent change from	
	2018	2018	2017	October 2018	November 2017
<b>U.S. Leading Economic Index</b> 2004 = 100. Source: The Conference Board	111.8	111.6	106.3	▲0.2%	▲5.2%
<b>U.S. Coincident Economic Index</b> 2004 = 100. Source: The Conference Board	104.9	104.7	102.7	▲0.2%	▲2.1%
<b>Mississippi Leading Index</b> 2004 = 100. Source: University Research Center	115.4	117.0	115.4	▼1.4%	◀0.0%
<b>Mississippi Coincident Index</b> 2004 = 100. Source: Federal Reserve Bank of Philadelphia	125.3	125.0	122.9	▲0.2%	▲2.0%
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	4,770	4,793	5,574	▼0.5%	▼14.4%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	N/A	78.2	82.7	N/A	N/A
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	112.9	114.4	113.5	▼1.3%	▼0.5%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	81.4	82.2	83.0	▼0.9%	▼1.9%
<b>University of Michigan Index of Consumer Expectations</b> Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	88.1	89.3	87.9	▼1.3%	▲0.3%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	54.1	59.3	59.3	▼8.8%	▼8.8%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	513.5	512.4	492.6	▲0.2%	▲4.2%
<b>U.S. Consumer Price Index (CPI)</b>	133.9	133.8	131.0	◀0.0%	▲2.2%
<b>U.S. Core CPI (excludes food and energy)</b> 2004 = 100. Source: URC using data from Bureau of Labor Statistics	132.0	131.7	129.1	▲0.2%	▲2.2%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.7%	4.7%	4.8%	◀0.0	▼0.1
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	31,581	32,218	44,375	▼2.0%	▼28.8%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	57.6	60.7	56.0	▼5.1%	▲2.9%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.91%	4.97%	3.95%	▼0.06	▲0.96
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.93	20.68	20.39	▲1.2%	▲2.6%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	842.96	842.69	848.22	◀0.0%	▼0.6%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	104.8	107.4	107.5	▼2.4%	▼2.5%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	N/A	17.40	17.34	N/A	N/A
<b>Gaming revenue</b>	132.1	131.8	135.4	▲0.2%	▼2.5%
<b>Coastal counties</b>	75.5	77.0	79.0	▼2.0%	▼4.5%
<b>River counties</b> Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	56.6	54.8	56.4	▲3.3%	▲0.3%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi rose by 2,800 jobs in November according to the U.S. Bureau of Labor Statistics (BLS). The increase of 0.2 percent reflects an upward revision to October employment by BLS of 1,900 jobs. Total employment in Mississippi was 1.2 percent higher in November compared to one year ago.

Four states experienced statistically significant increases in total nonfarm employment in November according to BLS. The largest increase in employment occurred in California, which added 30,700 jobs, followed by Florida, which added 23,600 jobs, Wisconsin, where employment rose by 10,600 jobs, and South Dakota, which added 2,900 jobs. South Dakota also experienced the largest percentage increase in employment among all states in November of 0.7 percent.

According to BLS employment was higher in thirty-seven states in November compared to one year ago. Texas, California, and Florida experienced the largest increases in employment over the last year among all states. The largest percentage increase in employment in November compared to one year ago occurred in Nevada at 3.8 percent, closely followed by Arizona with an increase of 3.6 percent.

Trade, Transportation, and Utilities added 1,300 jobs in November, the most among all sectors in Mississippi. The next largest increase was the 600 jobs added in the Health Care and Social Assistance sector. The largest percentage increase occurred in the Construction and Information sectors, both of which rose by 0.9 percent. However, both sectors combined added 500 jobs for the month. The largest decrease in employment in November occurred in Other Services, which lost 600 jobs. The largest percentage decrease in employment among all sectors occurred in Arts and Entertainment, which declined by 3.3 percent for the month.

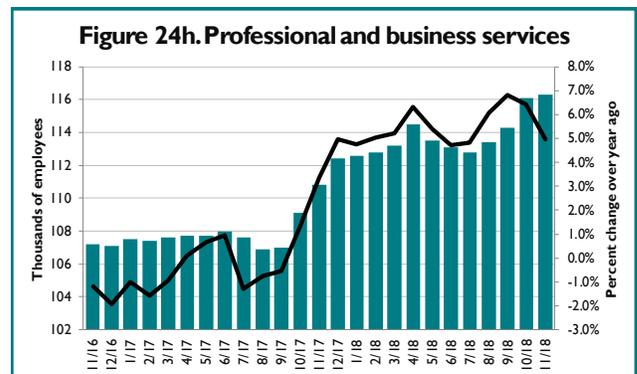
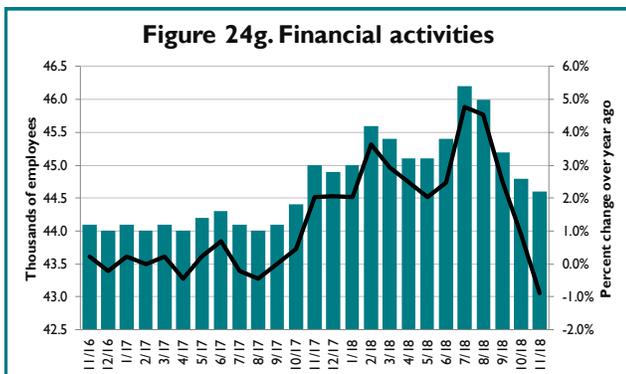
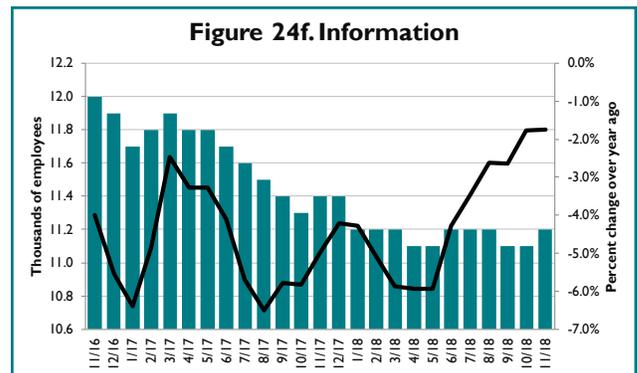
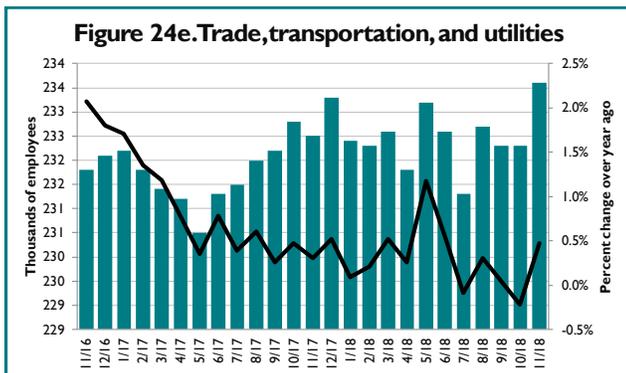
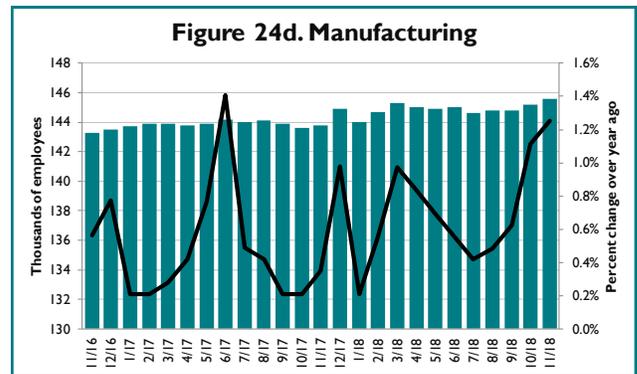
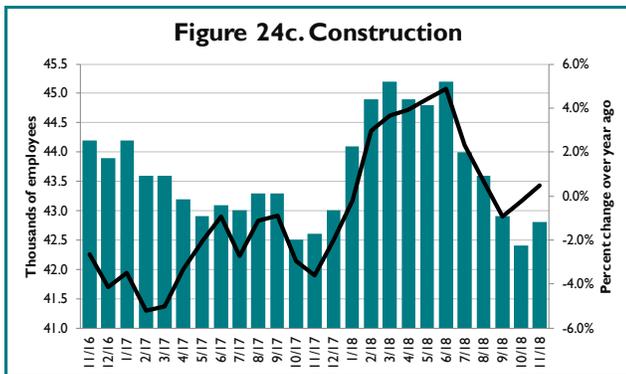
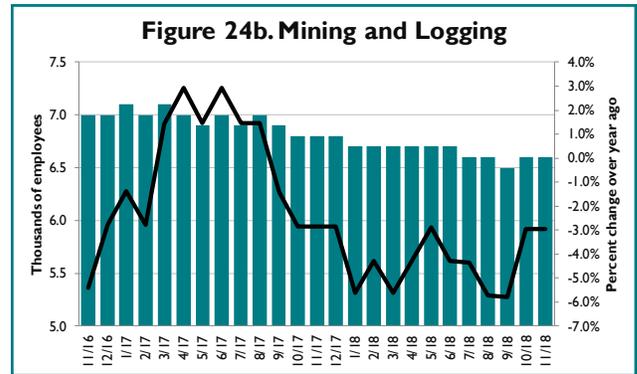
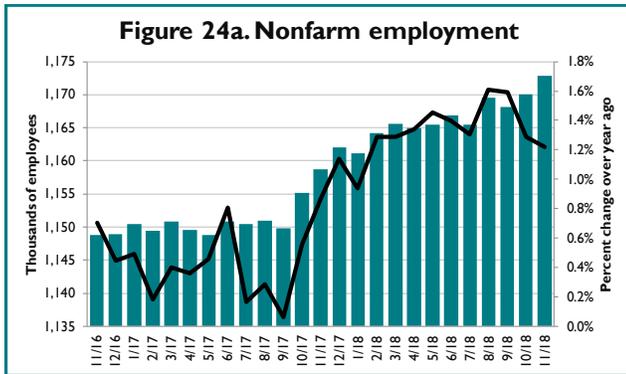
Professional and Business Services added 5,500 jobs over the last twelve months as of November, the most among all sectors the state. The next largest increase occurred in Accommodation and Food Services, where employment was up by 3,300 jobs compared to one year ago. The largest percentage increase in employment among all sectors was also in Professional and Business Services, which rose 5.0 percent. The Arts and Entertainment sector lost 600 jobs over the last twelve months, the most among all sectors in the state. The 6.3 percent decrease was also the largest percent decline in employment among all sectors in the state compared to one year ago.

**Table 2. Change in Mississippi employment by industry, November 2018**

	Relative share of total <sup>a</sup>	November 2018	October 2018	November 2017	Change from October 2018 Level	Change from October 2018 Percent	Change from November 2017 Level	Change from November 2017 Percent
Total Nonfarm	100.0%	1,172,800	1,170,000	1,158,700	▲2,800	▲0.2%	▲14,100	▲1.2%
Mining and Logging	0.6%	6,600	6,600	6,800	◀0	◀0.0%	▼200	▼2.9%
Construction	3.8%	42,800	42,400	42,600	▲400	▲0.9%	▲200	▲0.5%
Manufacturing	12.4%	145,600	145,200	143,800	▲400	▲0.3%	▲1,800	▲1.3%
Trade, Transportation & Utilities	19.9%	233,600	232,300	232,500	▲1,300	▲0.6%	▲1,100	▲0.5%
Retail Trade	12.0%	140,600	139,900	139,900	▲700	▲0.5%	▲700	▲0.5%
Information	1.0%	11,200	11,100	11,400	▲100	▲0.9%	▼200	▼1.8%
Financial Activities	3.9%	44,600	44,800	45,000	▼200	▼0.4%	▼400	▼0.9%
Services	37.6%	443,200	442,800	433,400	▲400	▲0.1%	▲9,800	▲2.3%
Professional & Business Services	9.8%	116,300	116,100	110,800	▲200	▲0.2%	▲5,500	▲5.0%
Educational Services	1.1%	12,200	12,200	12,600	◀0	◀0.0%	▼400	▼3.2%
Health Care and Social Assistance	11.5%	134,500	133,900	133,200	▲600	▲0.4%	▲1,300	▲1.0%
Arts and Entertainment	0.8%	8,900	9,200	9,500	▼300	▼3.3%	▼600	▼6.3%
Accommodation and Food Services	11.0%	130,400	129,900	127,100	▲500	▲0.4%	▲3,300	▲2.6%
Other Services	3.5%	40,900	41,500	40,200	▼600	▼1.4%	▲700	▲1.7%
Government	20.9%	245,200	244,800	243,200	▲400	▲0.2%	▲2,000	▲0.8%

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

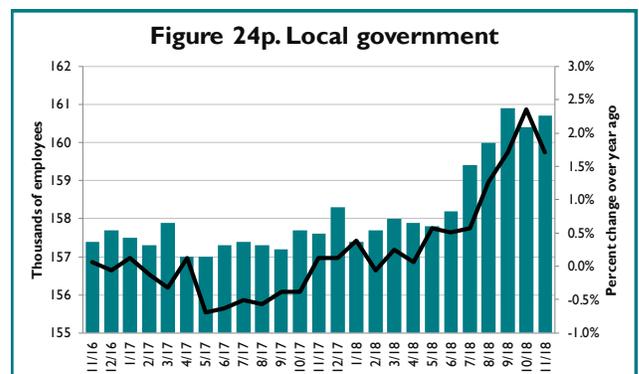
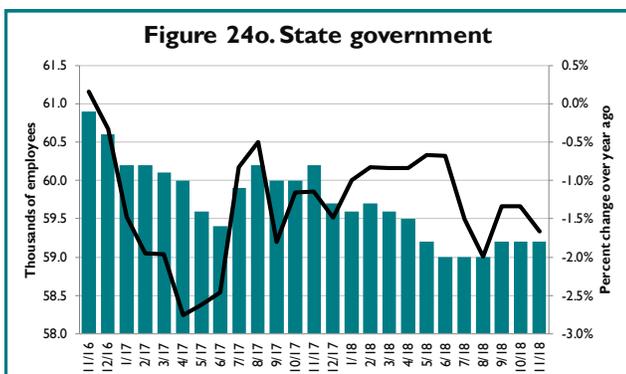
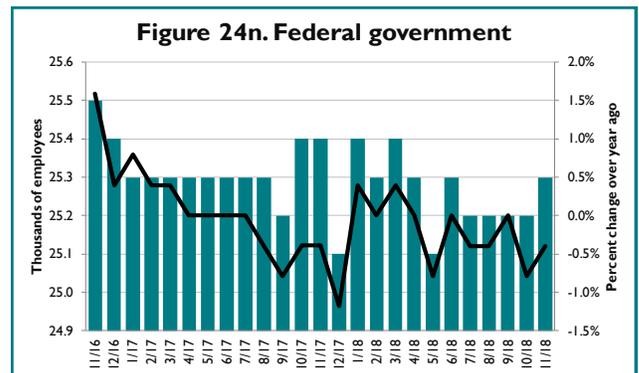
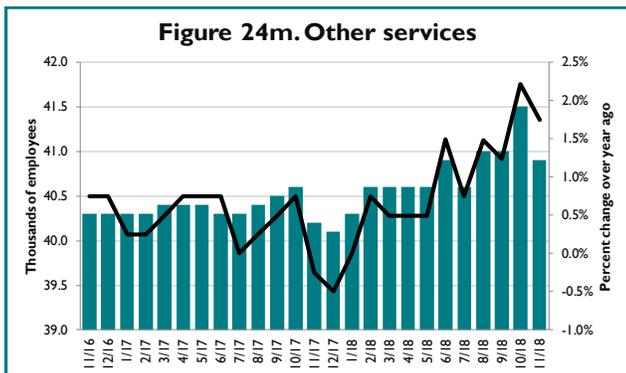
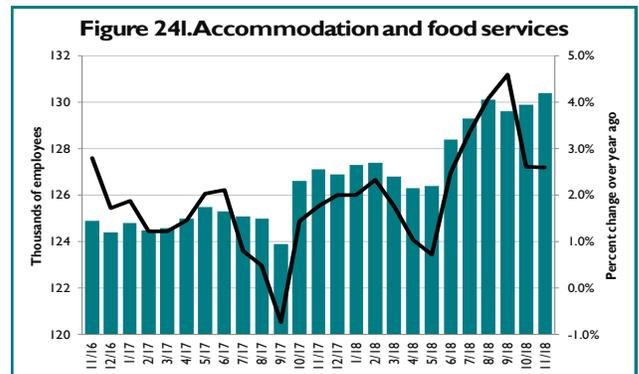
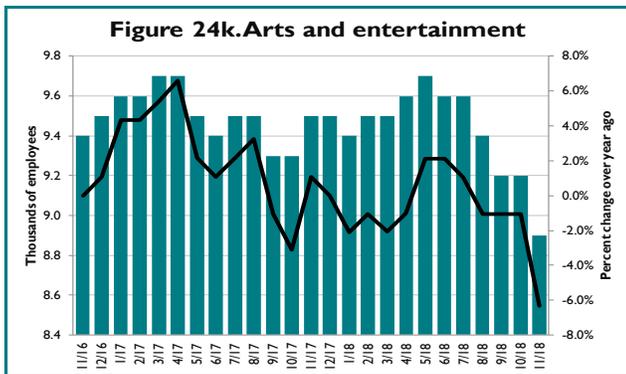
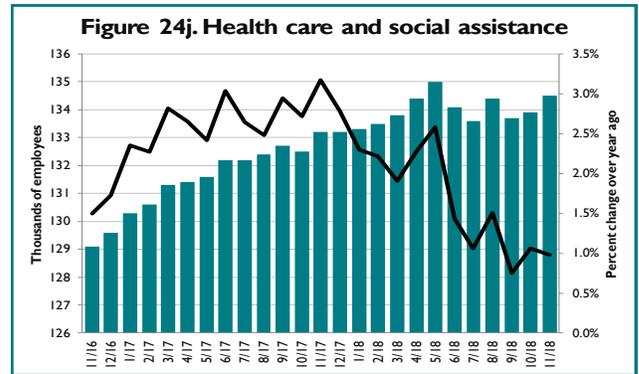
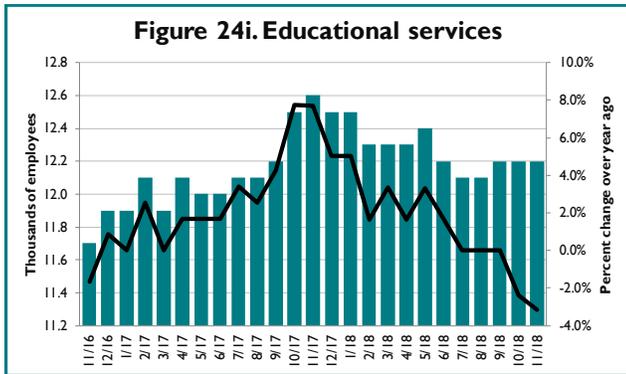
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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



