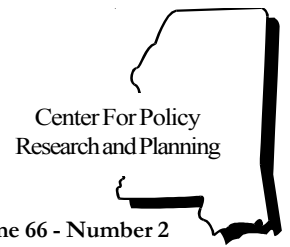


# MISSISSIPPI'S BUSINESS



February 2008

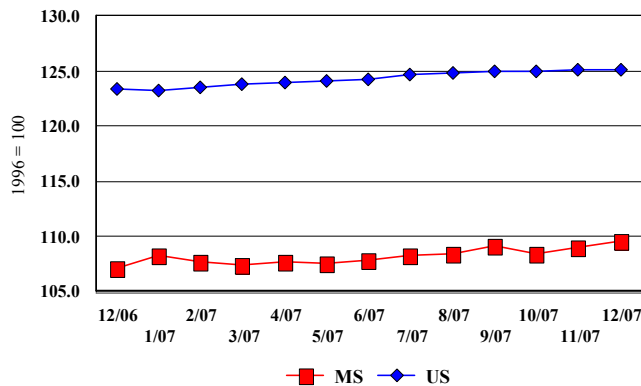
*Monitoring the State's Economy*

Volume 66 - Number 2

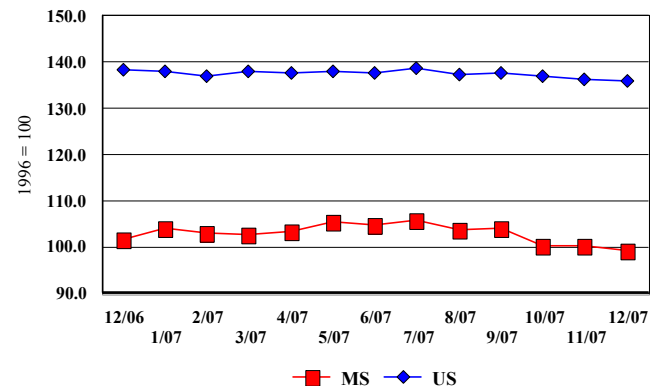
## ECONOMY AT A GLANCE

The Mississippi Index of Coincident Economic Indicators rose in December, reaching the highest level on record. The Mississippi Index of Leading Economic Indicators however continued its decline reaching the lowest level since immediately following Hurricane Katrina. The Coincident Index is designed to assess the current state of the economy, while the leading index suggest the outlook for the economy. As of December, the state's economy was growing. The outlook is less promising. The same issues which are plaguing the National economy are taking its toll on Mississippi -- the housing and credit market woes, erosion of both business and consumer confidence, rising fuel prices and declining consumer spending. It is increasingly likely the Nation has entered a recession. If so, it is expected to be a short mild recession with the economy recovering in the second half of 2008 as the recently authorized economic stimulus plan takes effect. Growth will likely be strong in the second half of 2008 then moderate in the first half of 2009 as the boost from tax rebates fade, according to Global Insight.

**Index of Coincident Indicators**



**Index of Leading Indicators**



### MISSISSIPPI'S BUSINESS

Mississippi Institutions of Higher Learning  
University Research Center  
Department of Forecast and Analysis

3825 Ridgewood Road  
Jackson, Mississippi 39211-6453  
Telephone (601) 432-6742  
Fax (601) 432-6994

Darrin M. Webb  
dwebb@ihl.state.ms.us

Now available via e-mail  
Send requests to above address

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## Visit us on the web

<http://www.ihl.state.ms.us/urc/planning/econdept.htm>

The last twelve issues of Mississippi Business are available on our web site. On this web site you will also find copies of some of our other publications, including *Population Projections*, *Mississippi Economic Review and Outlook*, and *The Handbook of Selected Data*. You will also find links to other useful data sources.

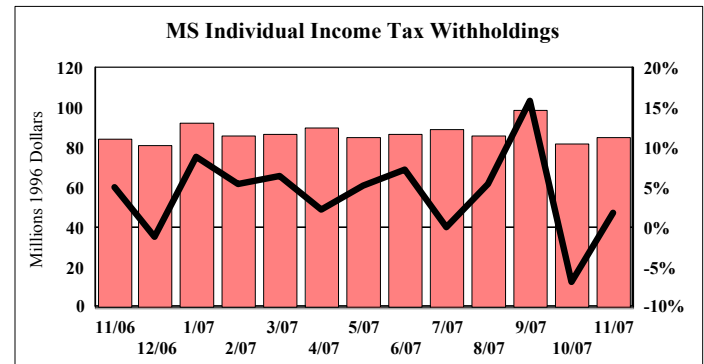
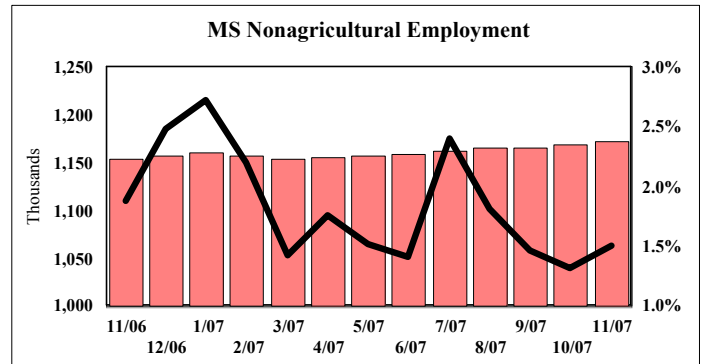
**Coincident Indicators**

Despite the talk of a National recession, the state's economy continued to show signs of growth in December. The December Mississippi Index of Coincident Indicators was 109.6 or 0.6 percent above the revised November level. Both employment and income tax withholdings fueled the increase. The December level is the strongest on record. The index rose 1.9 percent in 2007. This compares to a 1.3 percent gain in 2006. Figure 1 below puts 2007 into perspective with the past several years. The 1.9 percent gain in 2007 for MS is slightly ahead of the 1.8 percent gain in the US coincident Index.

Nonagricultural employment rose a slight 0.1 percent or 779 jobs in December relative to November. The sector adding the most jobs for the month was leisure and hospitality followed distantly by local government. There were losses in manufacturing, retail trade and financial services. The table on page 3 highlights these changes and the graphs on page 4 show recent trends by industry.

Mississippi individual income tax withholdings were up 12.6 percent in December relative to November. This is a volatile series and such an increase is not unusual. Smoothing the series with a 3 month moving average shows withholdings

Mississippi Index of Coincident Indicator Components



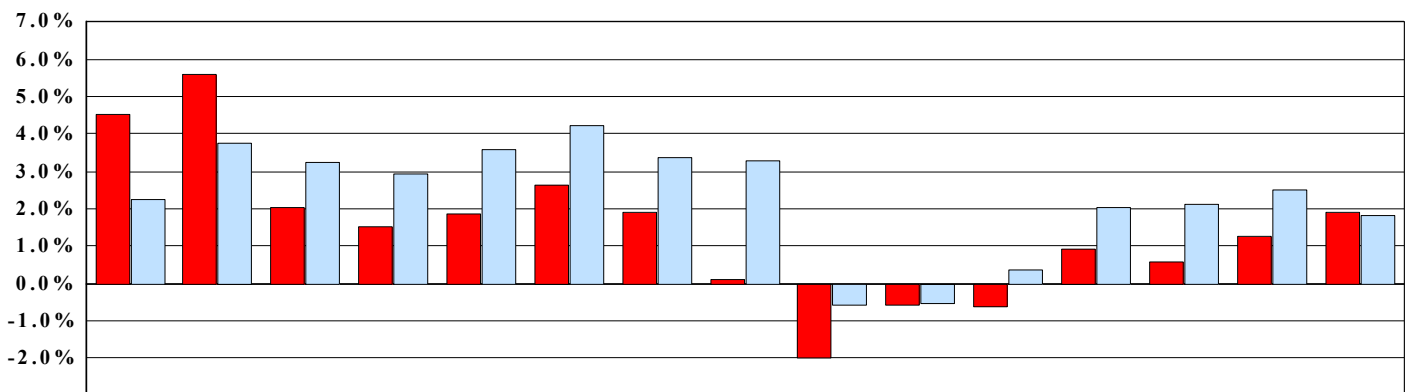
**NOTE:**

The bar graphs above represent the seasonally adjusted monthly series and correspond to the left-hand axis. The line graphs represents the growth rate over the prior year's value and correspond to the right-hand axis.

**SOURCES:**

Mississippi Employment Security Commission.  
Mississippi State Tax Commission.

**Figure 1. Annual Growth in the Index of Coincident Economic Indicators**



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
■ MS	4.6%	5.6%	2.0%	1.5%	1.9%	2.7%	1.9%	0.1%	-2.0%	-0.6%	-0.6%	0.9%	0.6%	1.3%	1.9%
□ US	2.2%	3.8%	3.3%	2.9%	3.6%	4.2%	3.4%	3.3%	-0.6%	-0.6%	0.4%	2.0%	2.1%	2.5%	1.8%

Mississippi Employment By Sector

	Seasonally Adjusted						
	December	November	December	Change from Last Month		Change from Last Year	
	2007	2007	2006	# of Emp.	%	# of Emp.	%
Nonfarm Employment	1,171,972	1,171,193	1,155,404	779	0.1%	16,568	1.4%
Natural Resources	9,698	9,576	9,692	122	1.3%	6	0.1%
Construction	63,196	62,915	58,848	281	0.4%	4,348	7.4%
Manufacturing	171,441	171,879	174,466	(438)	-0.3%	(3,025)	-1.7%
Trade, Transportation and Utilities	230,913	231,371	227,959	(458)	-0.2%	2,954	1.3%
Retail	144,466	144,965	143,123	(499)	-0.3%	1,343	0.9%
Information	13,475	13,509	13,666	(34)	-0.3%	(191)	-1.4%
Financial Activities	46,751	47,156	46,110	(405)	-0.9%	641	1.4%
Services	387,687	386,504	380,792	1,183	0.3%	6,895	1.8%
Professional and Business Services	98,631	98,541	94,613	90	0.1%	4,018	4.2%
Education and Health Services	123,898	124,144	124,664	(246)	-0.2%	(766)	-0.6%
Leisure and Hospitality	127,720	126,615	124,485	1,105	0.9%	3,235	2.6%
Other Services	37,438	37,204	37,030	234	0.6%	408	1.1%
Total Government	248,490	247,931	243,299	559	0.2%	5,191	2.1%
Federal	25,914	25,990	26,096	(76)	-0.3%	(182)	-0.7%
State	60,175	59,977	59,247	198	0.3%	928	1.6%
Local	162,663	162,131	158,224	532	0.3%	4,439	2.8%

Data may not add due to rounding.

Source: Mississippi Department of Employment Security

growth moderating from the fast pace observed since before Katrina (see figure 2 on page 3).

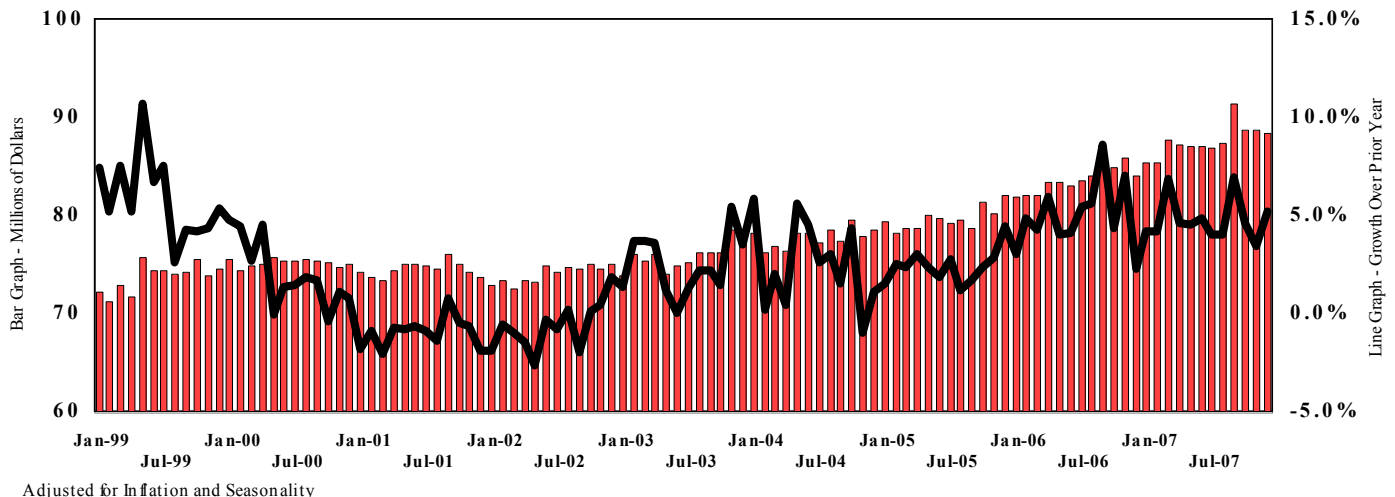
**Leading Indicators**

The Mississippi Index of Leading Economic Indicators fell 1.2 percent in December relative to November. The series trended downward throughout the

second half of 2007, declining 5.6 percent since June. The index has been below the prior six month's level for three consecutive months. These recent behavior of the index points to a slowing Mississippi economy.

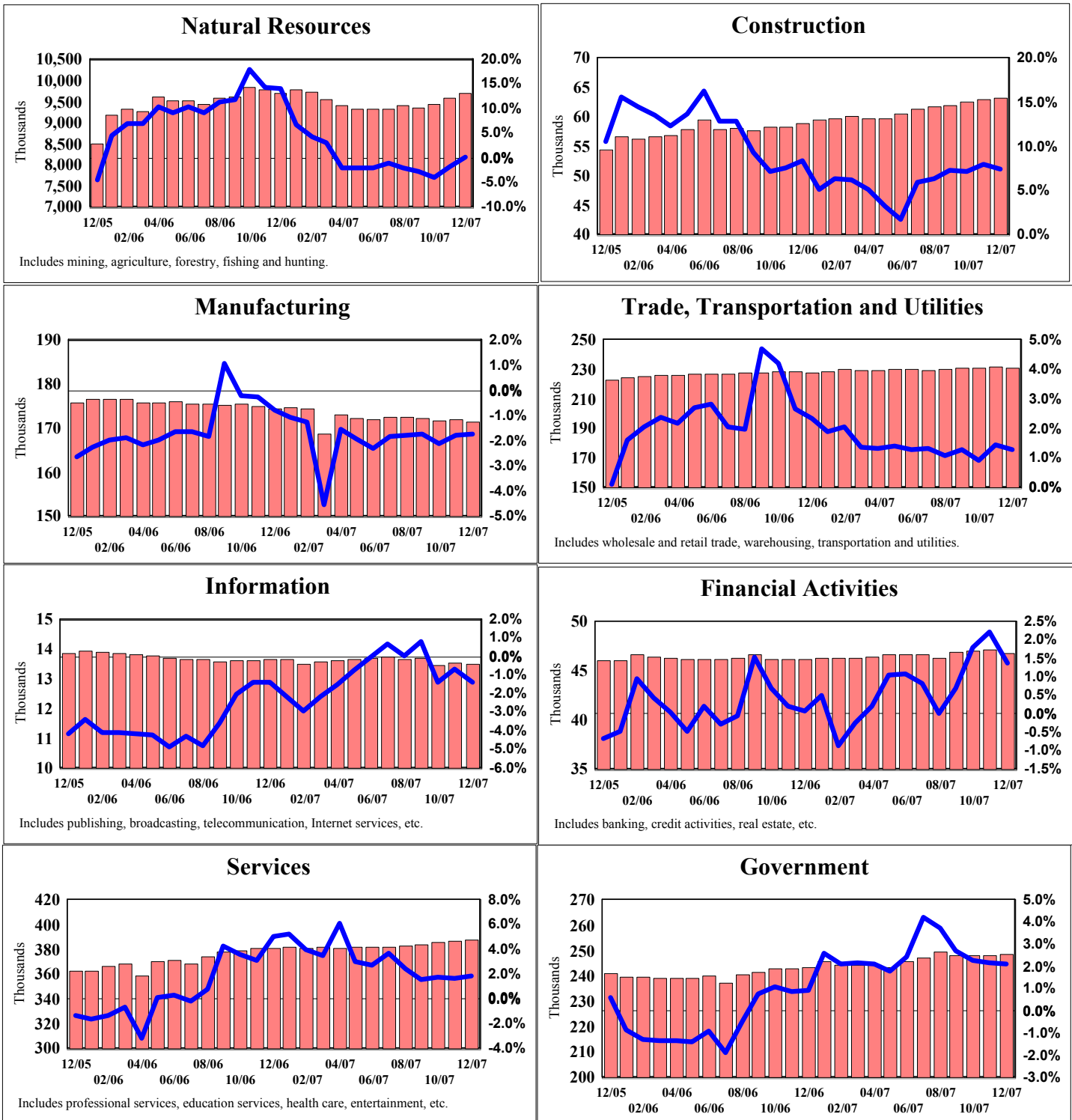
The value of residential building permits fell sharply in December relative to November (39.4 percent).

**Figure 2. Individual Income Tax Withholdings**  
3-Month Moving Average and Growth Over Prior Year



Adjusted for Inflation and Seasonality

# Mississippi Employment Trends



**NOTE:**

The bar graphs above represent the seasonally adjusted monthly series and correspond to the left-hand axis. The line graphs represent the growth over the prior year's value and correspond to the right-hand axis.

**SOURCE:**

Mississippi Employment Security Commission.

The series had spiked unexpectedly in November. Taking the most recent three months together reveals a gradual decline consistent with national trends. According to the National Association of Realtors (NAR), the median home prices for houses sold in Jackson over the last three months of 2007 plunged 16.8 percent from the level of the prior year. The National median price dropped 5.8 percent, the sharpest decline recorded by NAR since they began compiling data in 1979.

The average manufacturing workweek in Mississippi fell slightly to 40.0 hours in December. The series has been trending downward since July. A declining trend suggest manufacturers are having no difficulty meeting demand with existing workforce and that new hires are not likely.

The U.S. Index of Consumer expectations fell 0.9 percent in December. Optimism among U.S. Consumers has fallen dramatically since July. The much publicized housing crunch is eroding confidence. Mississippi consumers and executives were polled during the fourth quarter of 2007. Both groups were dramatically less optimistic than in the third quarter (see article on page 9).

On a positive note, Mississippi initial unemployment claims fell in December relative to November. The decline was modest but is part of a downward trend observed since early 2007.

The Institute for Supply Management Index of U.S. Manufacturing Activity increased to 50.7 in January. (The January ISM Index is used in the Mississippi December Leading Index.) The ISM Index had fallen below 50 in December, indicating that the U.S. manufacturing industry had begun to contract. The January index was just barely above its expansionary threshold revealing an industry that is clearly in a weakened state. With talk of recession and confidence waning, manufacturers are being very careful.

The Christmas shopping season of 2007 saw less sales than in 2006. Retail sales for the October through December period, after correcting for seasonality and inflation, were down 4.3 percent from 2006.

Retail Sales in 2006 were down 3.2 percent from the Katrina inflated figures of 2005. Looking at only the merchandise retail sales the decline was even more pronounced.

### **U.S. Economy**

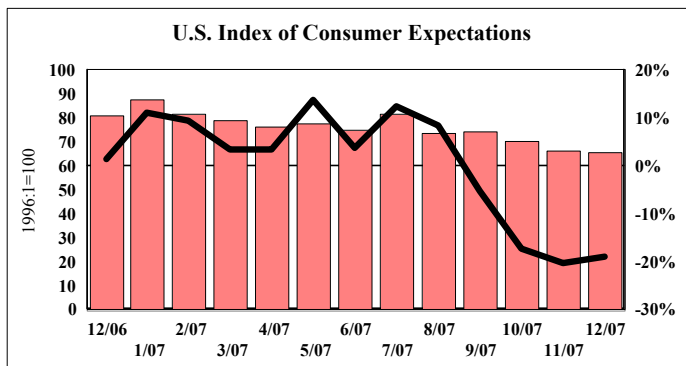
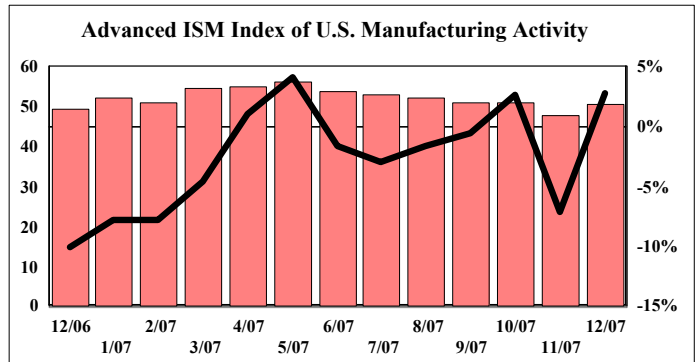
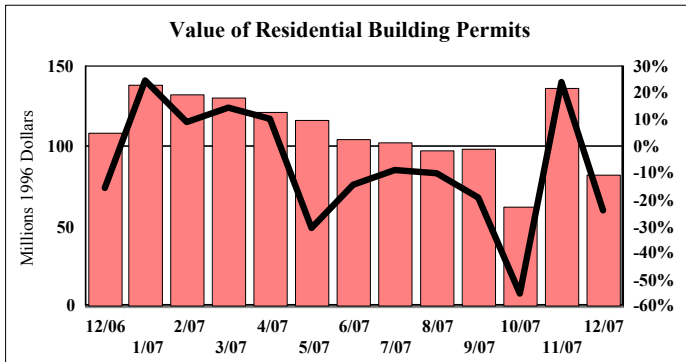
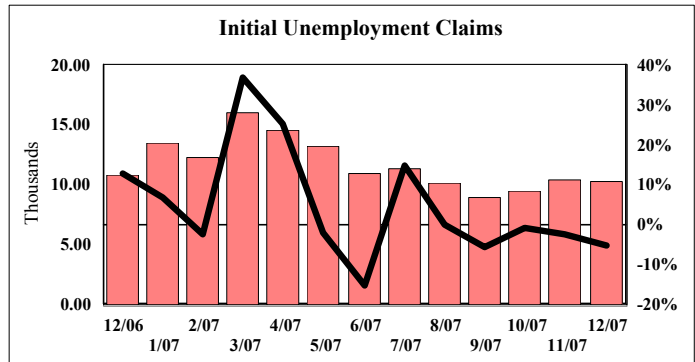
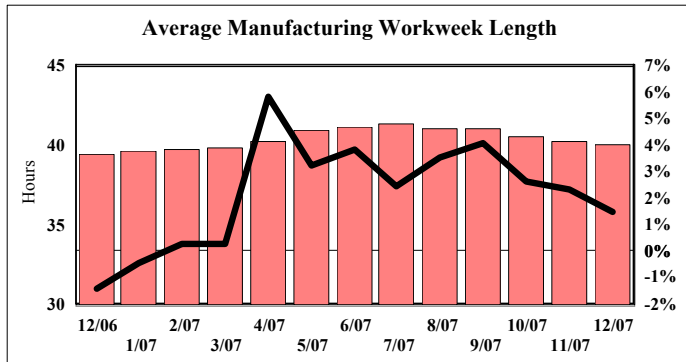
The U.S. Index of Coincident Indicators increased a modest 0.1 percent in December relative to November. For the six months ending in December the index was up an annualized 1.5 percent. The index has been on a steady upward trend but that growth slowed in the fourth quarter.

The U.S. Index of Leading Indicators declined 0.2 percent in December relative to November. This was the third consecutive decline and the fourth in the last six months. The index has weakened since mid 2007. The Conference Board says that "...the recent behavior of the composite indexes highlights increasing risk for further economic weakness, and suggests that economic activity is likely to be sluggish in the near term."

Economic weakness is evident in all regions of the country. Job growth is nearly not existent in the Midwest which is being hammered by manufacturing slowdowns. Layoff's in the financial and business services sector is dampening the Northeast economy. The housing and credit market woes are curtailing consumer spending and reducing tax revenue in some southern and western states. Unemployment rates are particularly steep in California, Florida and in the greater New York and Chicago areas.

The Fed has moved aggressively to aid the ailing economy. Congress has passed the economic stimulus package, which while having little immediate impact, will help the economy in the second half of 2008. Continued reductions in interest rates are likely.

Mississippi Index of Leading Indicator Components



**NOTE:**

The bar graphs above represent the seasonally adjusted monthly series and correspond to the left-hand axis. The line graph represents the growth rate over the prior year's value and corresponds to the right-hand axis.

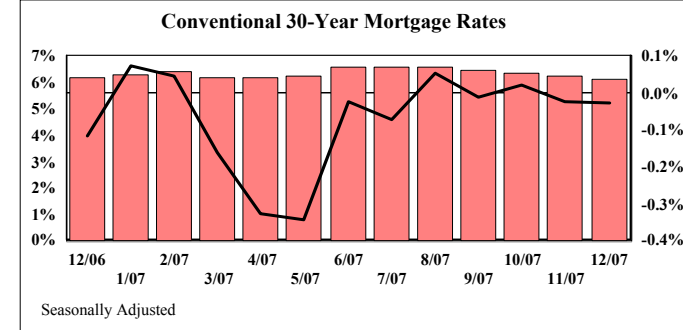
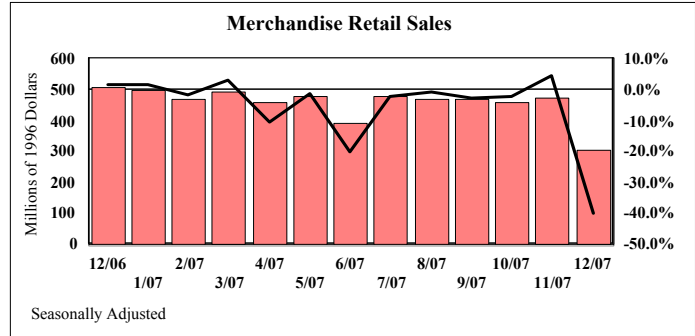
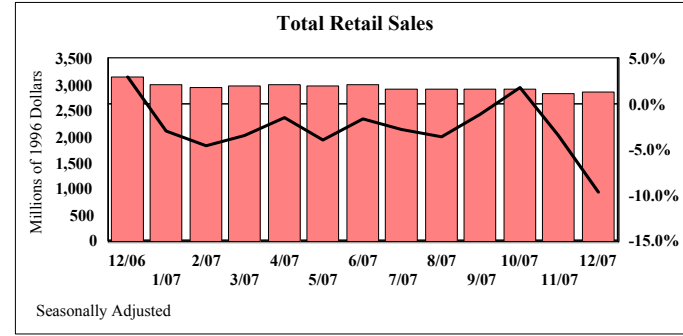
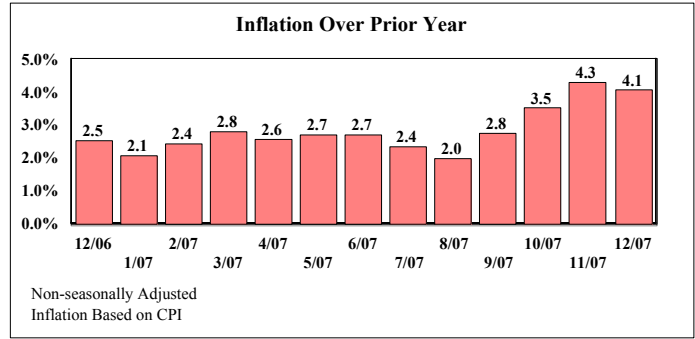
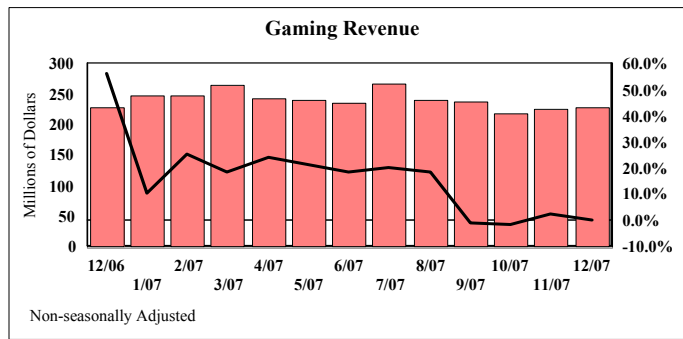
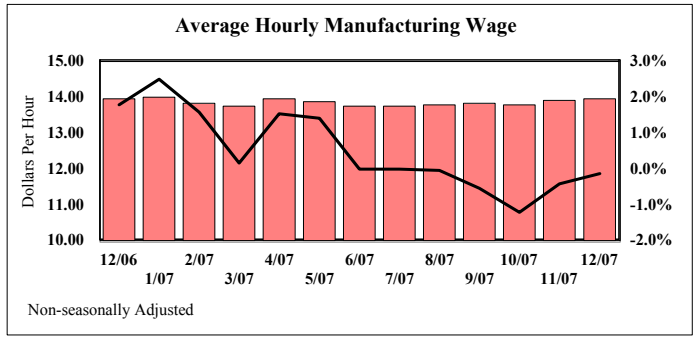
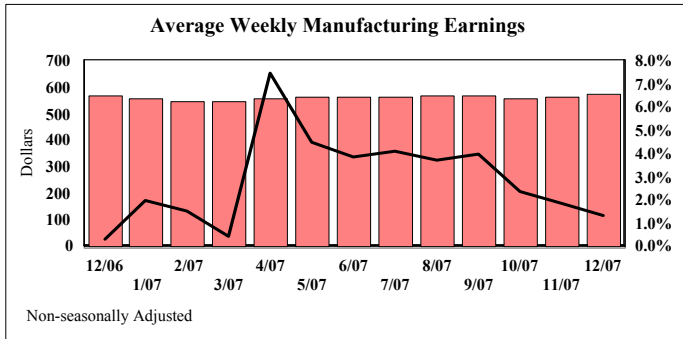
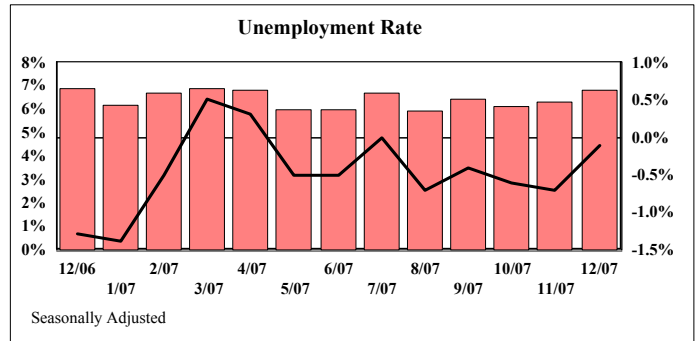
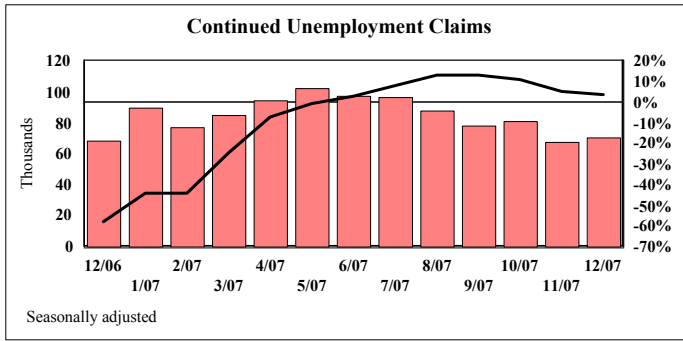
**SOURCES:**

- Bureau of Labor Statistics.
- Bureau of the Census.
- The Conference Board.
- The Institute for Supply Management.

# Quips and Quotes:

*“Eighty percent of rules of thumb only apply twenty percent of the time” -- David Gunn*

Miscellaneous Economic Indicators



**NOTE:**  
The bar graphs above represent the monthly series and correspond to the left-hand axis. The line graphs represents the growth rate over the prior year's value and correspond to the right-hand axis.

**SOURCES:**  
Mississippi Employment Security Commission.  
Mississippi State Tax Commission.  
Mississippi Gaming Commission.  
Federal Home Mortgage Corporation.  
Bureau of Labor Statistics.

## SELECTED MISSISSIPPI ECONOMIC INDICATORS

	December 2007	November 2007	December 2006	Percent Change From Last Month	Percent Change From Last Year
<b>Coincident Indicator Index</b>	<b>109.6</b>	<b>109.0</b>	<b>107.1</b>	<b>0.6%</b>	<b>2.3%</b>
Nonagricultural Employment (thousands)	1,172.0	1,171.2	1,155.4	0.1%	1.4%
Individual Income Tax Withholdings (millions of 1996 \$)	97.6	86.6	79.8	12.6%	22.3%
<b>Leading Indicator Index</b>	<b>99.2</b>	<b>100.4</b>	<b>101.6</b>	<b>-1.2%</b>	<b>-2.4%</b>
Initial Unemployment Claims	10,229	10,393	10,808	-1.6%	-5.4%
Value of Residential Building Permits (millions of 1996 \$)	82.5	136.2	108.2	-39.4%	-23.8%
Average Manufacturing Workweek Length (hours)	40.0	40.2	39.4	-0.4%	1.5%
Advanced ISM Index of U.S. Manufacturing Activity Index is advanced one month. Thus, the January index is reported for December.	50.7	47.7	49.3	6.3%	2.8%
U.S. Index of Consumer Expectations	65.6	66.2	81.2	-0.9%	-19.2%
<b>Miscellaneous</b>					
Consumer Price Index U.S. (1996=100)	133.9	134.0	128.7	-0.1%	4.1%
Unemployment Rate (percentage)					
Non-seasonally adjusted	6.4%	5.7%	6.3%	0.7%	0.1%
Seasonally adjusted	6.8%	6.3%	6.9%	0.5%	-0.1%
Continued Unemployment Claims	70,326	67,713	67,807	3.9%	3.7%
Average Manufacturing Wage (Non-seasonally adjusted)					
Current Dollars per Hour	13.93	13.89	13.95	0.3%	-0.1%
1996 Dollars per Hour	10.40	10.37	10.84	0.4%	-4.1%
Average Weekly Manufacturing Earnings (Non-seasonally adjusted)					
Current Dollars	573.92	561.16	566.37	2.3%	1.3%
1996 Dollars	428.59	418.78	440.21	2.3%	-2.6%
U.S. Mortgage Rates (30-year conventional)	6.1%	6.2%	6.2%	-0.1%	-0.0%
Gaming Revenues (Non-seasonally adjusted)					
Coast counties (millions of current \$)	103.5	103.9	98.7	-0.3%	4.9%
River counties (millions of current \$)	124.7	121.1	129.1	3.0%	-3.4%
Total	228.3	225.0	227.8	1.5%	0.2%

Note: The data are seasonally adjusted unless otherwise noted.

Unless otherwise noted all data refer to Mississippi.

# CONFIDENCE DOWN IN THE FOURTH QUARTER

By Christian Pruett

According to recent surveys conducted by the Center for Policy Research and Planning, business and consumer confidence declined dramatically in the fourth quarter of 2007. Executives were not as optimistic about current and future business conditions across the state and within their respective industries. The business confidence index fell below 50 for the first time since the first quarter of 2003. Consumers were more upbeat about their future financial conditions, but were pessimistic about current financial conditions, as well as business conditions and the long-term economic outlook for the state. Falling home prices, rising energy prices, and a slowing national economy were listed as being areas of concern for both consumers and business leaders.

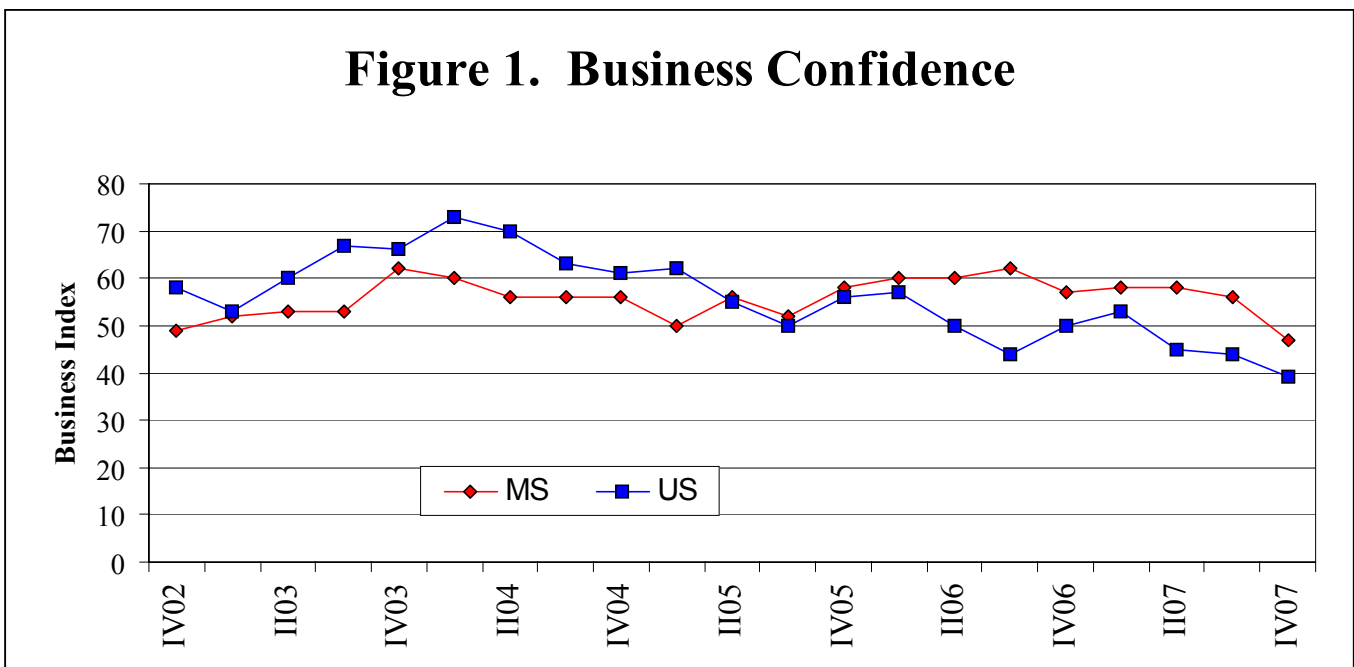
## Business Confidence

Business confidence fell sharply to a level of 47 in the fourth quarter, down 16.1 percent from 56 in the third quarter (See Appendix A). The business confidence index reflects the attitudes of Mississippi executives towards current and future business conditions. An index level above 50 indicates more positive responses than negative responses. In Mississippi, the index level fell below 50 for the first time

since the first quarter of 2003. On the national level, confidence continued to follow a downward trend as the index fell to a level of 39, a decrease of 11.4 percent from the third quarter index of 44. "CEOs confidence in the state of the U.S. economy continues to wither and is now at a seven-year low," says Lynn Franco, Director of the Conference Board Consumer Research Center.

The business confidence survey centers around four questions concerning current and future conditions within Mississippi and within each industry. In Mississippi, many executives grew wearier about current and future business conditions, both within their respective industries and for the state as a whole. Approximately 17.5 percent of executives felt that business conditions in the state improved compared to six months ago, down from 36.1 percent in the third quarter. Within their respective industries, only 15.1 percent indicated that conditions improved over the past six months, a decrease from 24.6 percent in the previous quarter. When looking at future business conditions, 30.3 percent felt that conditions would improve over the next six months for the state as a whole, compared to 44.6 percent in the previous

**Figure 1. Business Confidence**



quarter. Within their respective industries, 26.5 percent expected improved conditions, down from 36.1 percent in the third quarter.

Confidence declined in all industrial sectors across the state except for agriculture. The decline in confidence affected all industrial sectors as only one sector (agriculture) had an index level at or above 50 in the fourth quarter. The in the pervious quarter, only two sectors had an index level below 50 (agriculture and transportation and public utilities). Rising home prices and a declining national economy were listed as areas of concern for many business leaders.

Executives were asked to rank some of the leading issues in terms of importance in the legislature. Specifically, executives were given the following statement, "Please rank each of the following issues in terms of importance during this legislative session on a scale from one to ten with one being most important and ten being least important: (1) Tax Structure; (2) Workforce Development; (3) Budget Concerns; (4) Early Childhood Education; (5) Highway Construction; and (6) Other. Budget concerns was listed as being the most important issue with an average response of 3.03. The Tax Structure followed closely behind with an average response of 3.37, and workforce development came in third (3.44). Early

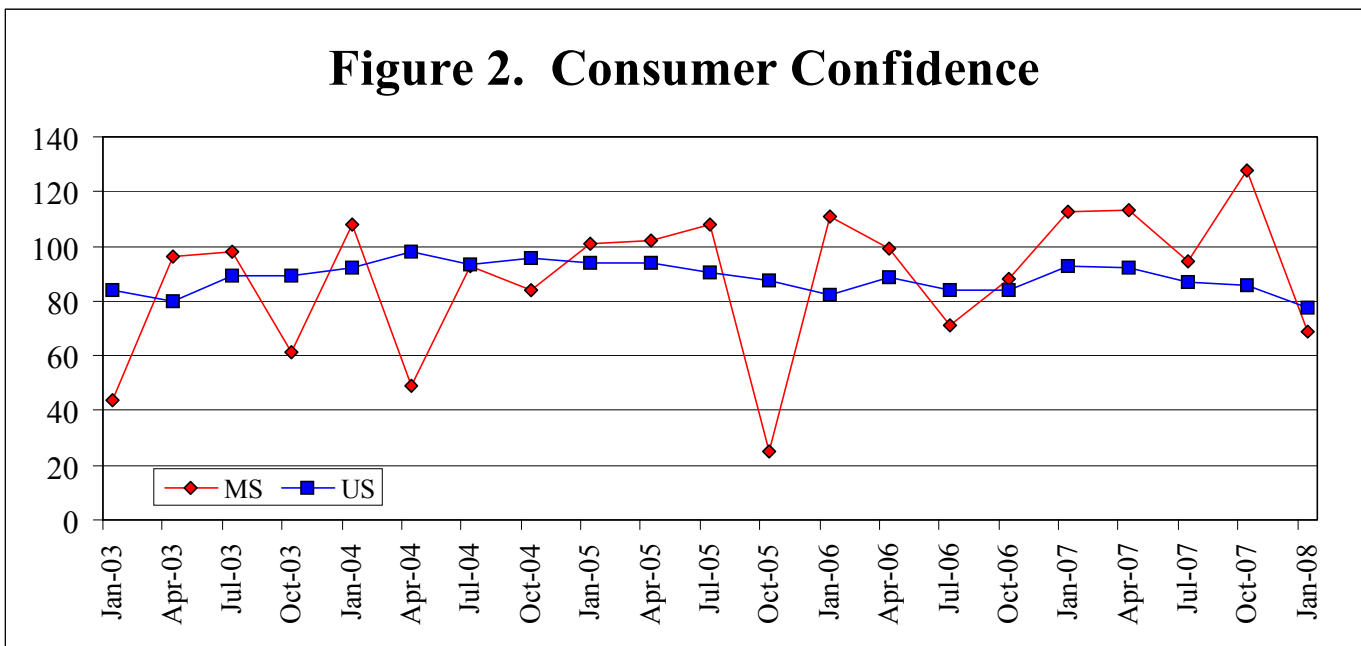
childhood education and highway construction completed the list with average responses of 3.92 and 4.11, respectively. Executives were then given the opportunity to list other issues. As a whole, the category had a response of 2.54, with Medicaid, tax incentives, health insurance, crime and economic development being other issues. This same question was asked of executives during the 2006 session, and budget concerns was also listed as being the most important, followed by tax structure and workforce development.

**Consumer Confidence**

Consumer confidence fell dramatically to a level of 69 in the fourth quarter, a decrease of 46.1 percent. Overall, consumers were not as optimistic about their current financial situations, business conditions across the state, and the long-term economic outlook for the economy. However, consumers were slightly more enthusiastic about their future financial conditions. Increasing gas prices, falling home prices, and concerns over economic conditions are weighing on consumer's expectations for future financial conditions.

When looking at their current financial situations, 19.9 percent of respondents stated that they were better off financially compared to six months ago,

**Figure 2. Consumer Confidence**



down from 25.9 percent in the third quarter. When looking one year into the future, 41.3 percent of respondents expected to be better off financially, an increase from 36.3 percent in the previous quarter. When asked about future business conditions within the coming year, 23.8 percent indicated that conditions would improve compared to 29.2 percent in the third quarter. Overall, 22.3 percent felt that the state would experience good times financially over the course of the next five years, while 60.7 percent anticipated a mixture of good and bad times. Approximately 53.9 percent of consumers felt that now was a good time to purchase major household items (such as refrigerators, stoves, and other durable goods).

Nationally, consumer confidence fell to a level of 78, down 9.3 percent from 86 in the third quarter. When analyzing confidence on a monthly basis, confidence dropped dramatically during the quarter, moving from 80.9 in November to 75.5 in December. According to Richard Curtin, Director of the University of Michigan's Surveys of Consumers, "The consumer confidence data indicate that personal consumption spending will grow by 2.0 percent in 2008 over 2007, with the pace of growth starting from a low of about 1.0% in the 1<sup>st</sup> quarter and then rising in the balance of the year." Consumers are expected to be more cautious over the next several months in terms of spending due to an eroding sense of financial security.

#### METHODOLOGY FOR BUSINESS CONFIDENCE SURVEY

The Mississippi Business Confidence Survey (BCS) closely follows the methodology used by the Conference Board in their Measure of U.S. Business Confidence. The BCS surveys the attitudes of Mississippi business executives in an attempt to gain their opinion concerning economic conditions, such as, profits, sales, production, and employment. A list of 1000 companies were sent surveys. A total of 132(13.2%) were returned (Appendix A). An index was generated from the responses. This index is computed each quarter and compared to previous quarters to determine whether business executives' outlook for the economy has increased or decreased.

The index is derived by assigning values for each response and calculating an average. An index value of more than 50 signifies a higher number of positive answers (substantially or moderately better) than negative (moderately or significantly worse) and vice versa. If this index rises over time, then business executives' confidence in economic conditions is assumed to be improving. Coming directly from the source of economic activity, the business community, the opinions expressed in the BCS can be a strong indicator of Mississippi's future economic performance. Information gained from this survey helps improve future forecasts of state revenues, production, and other valuable indicators of the state's economy.

#### METHODOLOGY FOR CONSUMER CONFIDENCY SURVEY

The methodology for conducting the Mississippi CCS was closely modeled after the U.S. consumer confidence survey managed by the University of Michigan. The CCS was generated by conducting a random sample of households with telephones. From these responses, an index of economic expectations and satisfaction was computed. This index can be used to determine if the overall attitudes of consumers, based on personal finances and business conditions, are rising or falling. The survey was divided into five geographical subgroups approximately coinciding with the U.S. congressional districts, allowing for a regional assessment of economic expectations and satisfaction. The regional index values for the last five quarters, along with the number of respondents can be obtained by contacting the Center for Policy Research and Planning.

The five questions with the results for the State can be found in Appendix 2. The questions generally ask about: 1) past and future family financial conditions relative to now; 2) expectations of business conditions for the future; and 3) whether now is a good time to make a major purchase. The percentages of positive answers from the five questions are summed. (A positive answer is "better" on questions one and two, "good times" on questions three and four, and "yes" on question five.) The percentages of negative answers from the five questions are summed. (A negative answer is "worse" on questions one and two, "bad times" on question three, "widespread unemployment" on question four, and "no" on question five.) The May 1994 survey results are the base. The sum of negative answers are subtracted from the sum of positive answers. The net sum each quarter is divided by the base and multiplied by 100, forming an index. If the overall index rises, consumers' confidence in their personal finances and business conditions is assumed to have risen over the observation period, and the opposite if it falls.

**Table 1. Top Issues for the Legislature**

	<b>Q407 Average Response</b>
Tax Structure	3.37
Workforce Development	3.44
Budget Concerns	3.03
Early Childhood Education	3.92
Highway Construction	4.11
Other	2.54

**Appendix A - Business Confidence Statistics****Business Confidence Index by Industry**

	<u>Fourth Quarter 2007</u>		<u>Third Quarter 2007</u>		<u>Fourth Quarter 2006</u>	
	<u>Number Reporting</u>	<u>Confidence Index</u>	<u>Number Reporting</u>	<u>Confidence Index</u>	<u>Number Reporting</u>	<u>Confidence Index</u>
<b>U.S.</b>		<b>39</b>		<b>44</b>		<b>50</b>
<b>STATE</b>	<b>132</b>	<b>47</b>	<b>130</b>	<b>56</b>	<b>122</b>	<b>57</b>
Manufacturing	5	40	11	55	1	75
Services	39	53	34	57	33	57
Health Care	9	42	6	71	18	51
Retail	29	46	33	50	18	58
Transportation & Public Utilities	8	36	5	47	7	62
Wholesale	7	49	11	55	4	69
Construction	8	44	9	70	10	60
Finance, Insurance, Real Estate	14	49	12	63	20	59
Agriculture	8	50	6	44	7	50
Other	5	45	3	53	4	42

Note: The fourth quarter covers the three month period ending in December.

Source: The Conference Board, Quarterly Report, Fourth Quarter 2007.  
Center for Policy Research and Planning, January 2008.

## Appendix A, Cont'd.

1. How do you rate the Mississippi business conditions as a whole compared to six months ago?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Substantially better	1	0.8%	12	9.2%	7	5.7%
Moderately better	22	16.7%	35	26.9%	43	35.2%
Same	57	43.2%	52	40.0%	43	35.2%
Moderately worse	39	29.5%	28	21.5%	22	18.0%
Substantially worse	13	9.8%	3	2.3%	7	5.7%

2. How do you rate the Mississippi business conditions in just your industry, as compared to six months ago?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Substantially better	4	3.0%	6	4.6%	4	3.3%
Moderately better	16	12.1%	26	20.0%	32	26.2%
Same	41	31.1%	41	31.5%	48	39.3%
Moderately worse	52	39.4%	48	36.9%	31	25.4%
Substantially worse	19	14.4%	9	6.9%	7	5.7%

3. Looking ahead about six months as compared to now, do you think Mississippi business conditions for the Mississippi economy as a whole will be:

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Substantially better	4	3.0%	14	10.8%	13	10.7%
Moderately better	36	27.3%	44	33.8%	44	36.1%
Same	58	43.9%	53	40.8%	50	41.0%
Moderately worse	24	18.2%	16	12.3%	11	9.0%
Substantially worse	10	7.6%	3	2.3%	4	3.3%

4. In just your own industry, do you think business in Mississippi over the next six months, compared to now, will be:

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Substantially better	7	5.3%	9	6.9%	10	8.2%
Moderately better	28	21.2%	38	29.2%	37	30.3%
Same	61	46.2%	51	39.2%	51	41.8%
Moderately worse	29	22.0%	27	20.8%	19	15.6%
Substantially worse	7	5.3%	5	3.8%	5	4.1%

## Appendix B - Consumer Confidence Statistics

1. Financially speaking, would you say that you and your family are better off, worse off, or about the same as you were a year ago?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Better	41	19.9%	55	25.9%	64	25.7%
Worse	44	21.4%	39	18.4%	45	18.1%
About Same	118	57.3%	116	54.7%	137	55.0%
Don't Know	3	1.5%	2	0.9%	3	1.2%

2. Looking ahead a year from now, do you think you and your family will be better off financially, worse off, or about the same as now?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Better	85	41.3%	77	36.3%	83	33.3%
Worse	31	15.0%	15	7.1%	28	11.2%
About Same	73	35.4%	106	50.0%	126	50.6%
Don't Know	17	8.3%	14	6.6%	12	4.8%

3. Looking at the business conditions in Mississippi, do you think over the next twelve months that we will have good time financially, bad times, or things will remain the same?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Better	49	23.8%	62	29.2%	70	28.1%
Worse	45	21.8%	34	16.0%	39	15.7%
About Same	100	48.5%	102	48.1%	121	48.6%
Don't Know	12	5.8%	14	6.6%	19	7.6%

4. Looking at Mississippi over a longer period of time, would you say that the State as a whole over the next five years will experience good times, widespread unemployment, or a mix of good and bad times?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Good Times	46	22.3%	64	30.2%	61	24.5%
Widespread Unemployment	15	7.3%	10	4.7%	20	8.0%
Good and Bad Times	138	67.0%	117	55.2%	151	60.6%
Don't Know	7	3.4%	21	9.9%	17	6.8%

5. Generally speaking, do you think now is a good time for people to buy major household items for their home, such as a refrigerator, stove, furniture, or a television?

	Fourth Quarter 2007		Third Quarter 2007		Fourth Quarter 2006	
	No. of Answers	Percent of Total	No. of Answers	Percent of Total	No. of Answers	Percent of Total
Yes	111	53.9%	136	64.2%	162	65.1%
No	69	33.5%	52	24.5%	55	22.1%
Don't Know	26	12.6%	24	11.3%	32	12.9%