



ECONOMY AT A GLANCE

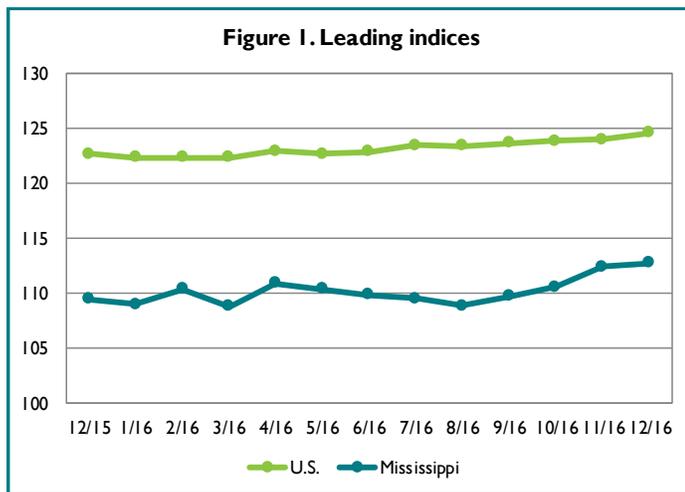
The Mississippi Leading Index (MLI) increased in value in December for the fourth consecutive month. The value rose 0.3 percent as seen in Figure 1 below. Compared to one year ago, the value of the MLI was 3.0 percent higher in December. The value of the MLI increased 2.6 percent over the last six months.

The value of the Mississippi Coincident Index (MCI) essentially did not change in December as seen in Figure 2 below. Compared to one year ago this value was 0.8 percent higher for the month.

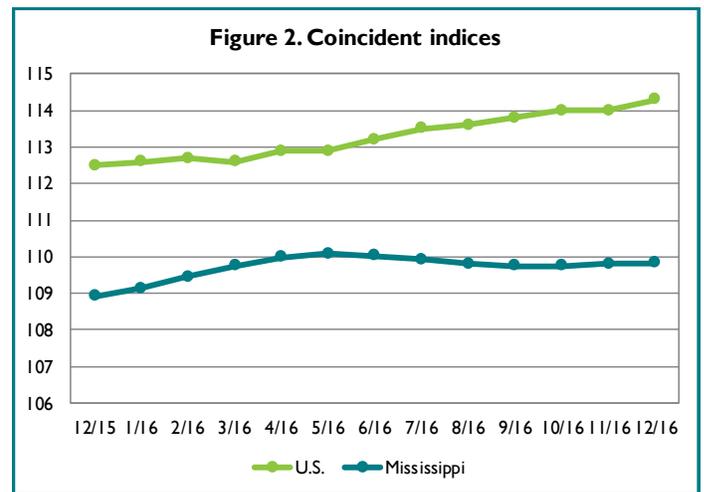
U.S. real gross domestic product (GDP) increased 1.9 percent in the fourth quarter of 2016 according to the initial estimate of the U.S. Bureau of Economic Analysis (BEA). This assessment follows BEA's finding of a 3.5 percent increase in the third quarter. Based on its initial esti-

mate of the fourth quarter, the agency reported U.S. real GDP grew 1.6 percent for the year in 2016—a full percentage point less than the growth in 2015 of 2.6 percent. Annual U.S. real GDP growth last reached 3.0 percent in 2005.

The MLI rose again in December, primarily because of increases in national measures of expectations, sales, and manufacturing. However, growth in withholdings for the state remained weak while employment fell to its lowest level in over a year. On a positive note, building permits maintained their relatively strong growth for the second consecutive month. These contrasting elements indicate the Mississippi economy is something of a mixed bag at the start of 2017 but also lacks momentum. A relatively strong first quarter performance by the U.S. economy would benefit the state considerably.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

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

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MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, DECEMBER 2016

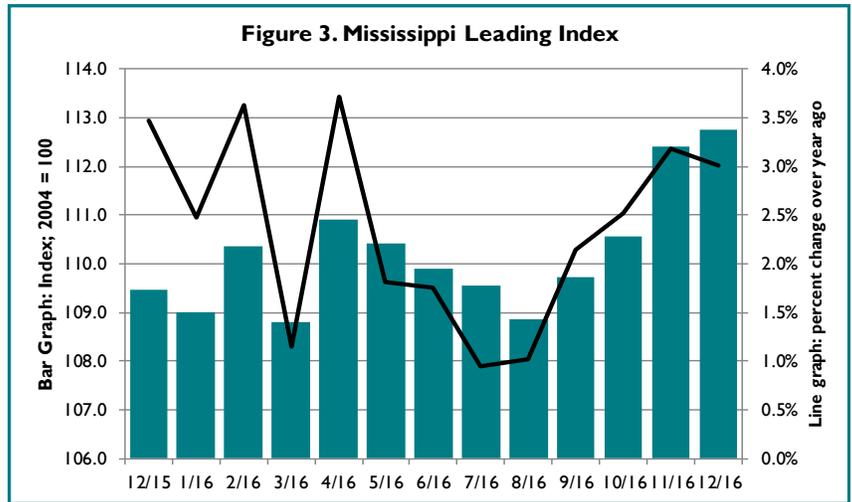
For the fourth consecutive month, the value of the **Mississippi Leading Index of Economic Indicators (MLI)** increased in December. The value rose 0.3 percent and reached its highest level of 2016 as seen in Figure 3. The value of the MLI was 3.0 percent higher in December compared to one year ago. Over the last six months the MLI increased in value by 2.6 percent and has gained 3.6 percent in value since August.

In December five of the seven components of the MLI contributed positively. The largest contribution came from consumer expectations, which reached their highest level in over a year. Each component is discussed below in order of largest to smallest contribution.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased by more than 2.0 percent for the third consecutive month. The value of the Index climbed 5.4 percent in December as seen in Figure 4. The year-over-year change in the value of the Index was a gain of 6.7 percent, the largest such increase since September 2015. Rising average hourly earnings, among other factors, continue to buoy consumers' moods. However, both short- and long-term expectations for inflation increased considerably in December.

U.S. retail sales increased in value by 0.6 percent in December, the fourth consecutive month with an increase as seen in Figure 5. The November value was revised higher. However, sales excluding automobiles and gasoline were unchanged in December. U.S. retail sales for the month were up 4.1 percent compared to one year ago. Outside of automobiles and gasoline, the largest increase in sales for the month occurred in nonstore retailers, which rose 1.3 percent. Nonstore retailers mostly consist of online merchants. The largest percentage decline in sales in December occurred in food service and drinking places. Sales in the categories of electronics and appliances, food and beverages, and general merchandisers also fell.

For the fifth consecutive month the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** increased in January. The value rose 2.4 percent as seen in Figure 6. Compared to one year ago the value of the Index was 16.2 percent higher in January, the largest year-over-year increase since May 2010. All of the



Source: University Research Center

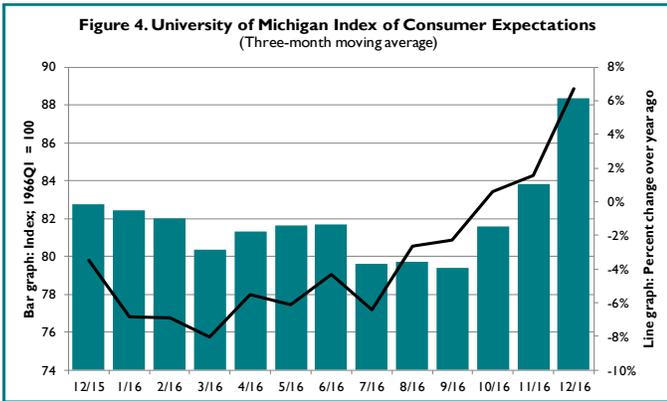
components of the Index increased in January with the largest increase occurring in Employment, which reached its highest level since 2014.

Figure 7 indicates the value of seasonally-adjusted **initial unemployment claims** in Mississippi fell 7.1 percent in December, the third decline in the last four months. This value was 16.0 percent lower compared to one year ago. As seen in Figure 14 on page 6, seasonally-adjusted continued unemployment claims in Mississippi declined 4.3 percent in November, the fourth decrease in the last five months. Compared to one year ago the number of continued claims in Mississippi in November was 15.7 percent lower. The seasonally-adjusted unemployment rate in Mississippi in December fell by 0.1 percentage point to 5.6 percent as seen in Figure 15 on page 6. Compared to one year ago this rate was down 1.2 percentage point.

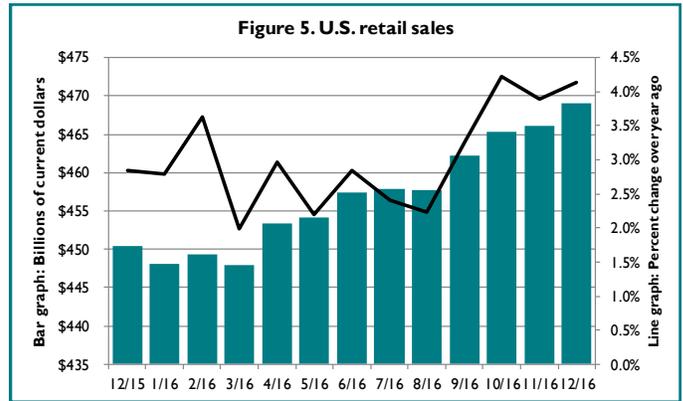
The value of **Mississippi residential building permits** (three-month moving average) increased in December for the third consecutive month. As Figure 8 indicates, the value increased 3.2 percent from the previous month. Compared to one year ago the value in December was 17.8 percent higher, the largest year-over-year increase since May. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi increased 5.1 percent in December. The number of units for the month compared to one year ago was 12.7 percent higher. The number of privately-owned housing units in the U.S. authorized by building permits edged lower by 0.2 percent December from the revised November value. The number of units in the U.S.

(Continued on page 4)

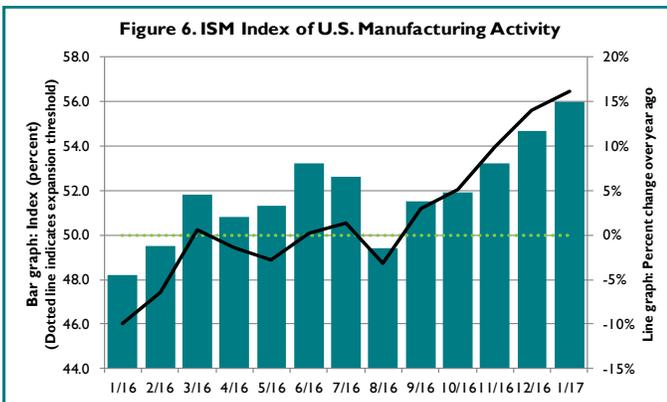
COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



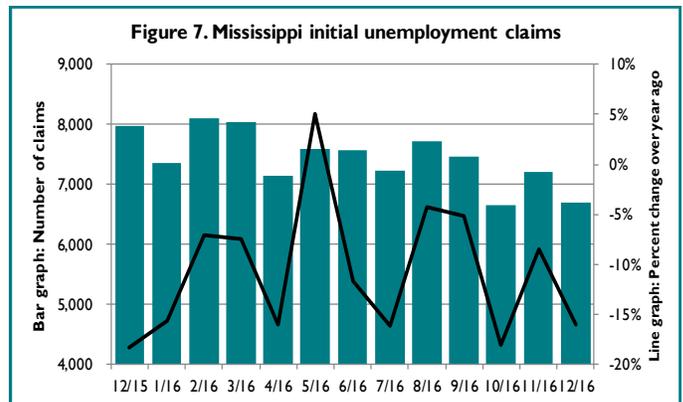
Source: Thomson Reuters/University of Michigan Surveys of Consumers



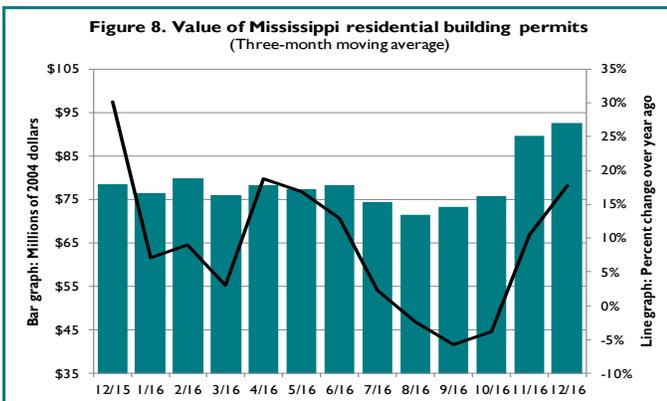
Source: Bureau of the Census



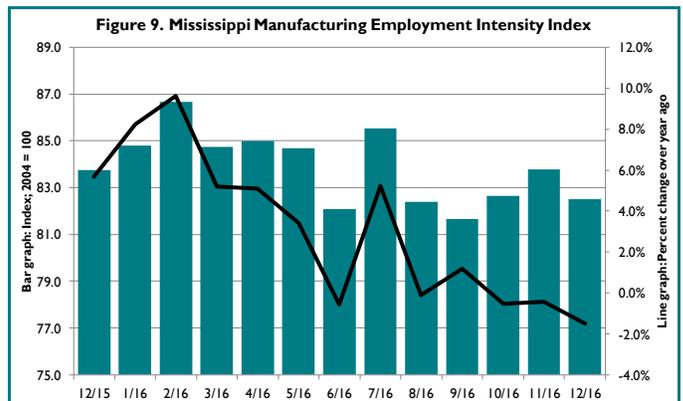
Source: Institute for Supply Management



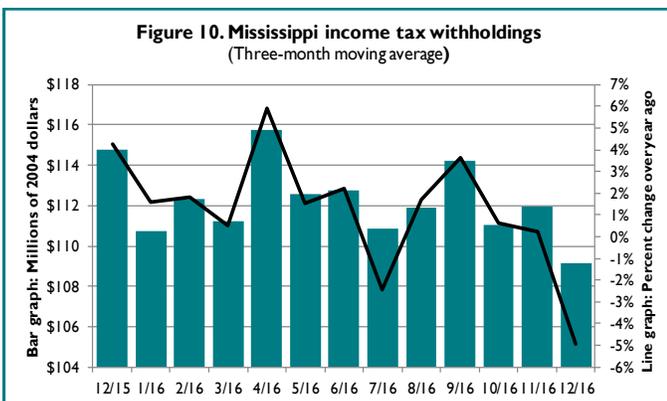
Source: U.S. Department of Labor; seasonally adjusted



Source: Bureau of the Census; seasonally adjusted



Source: URC using data from Bureau of Labor Statistics



Source: Mississippi Department of Revenue; seasonally adjusted

For the fourth consecutive month the value of the Mississippi Leading Index (MLI) increased in December, up 0.3 percent.

MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, DECEMBER 2016 (CONTINUED)

for the month was 0.7 percent higher compared to one year ago.

Figure 9 indicates the value of the **Mississippi Manufacturing Employment Intensity Index** fell 1.5 percent in December. The value of the Index also was down 1.5 percent for the month compared to one year ago. Manufacturing employment in the state declined in December and the average weekly hours of production employees

fell slightly in December. The value of the Index rose 0.5 percent over the last six months.

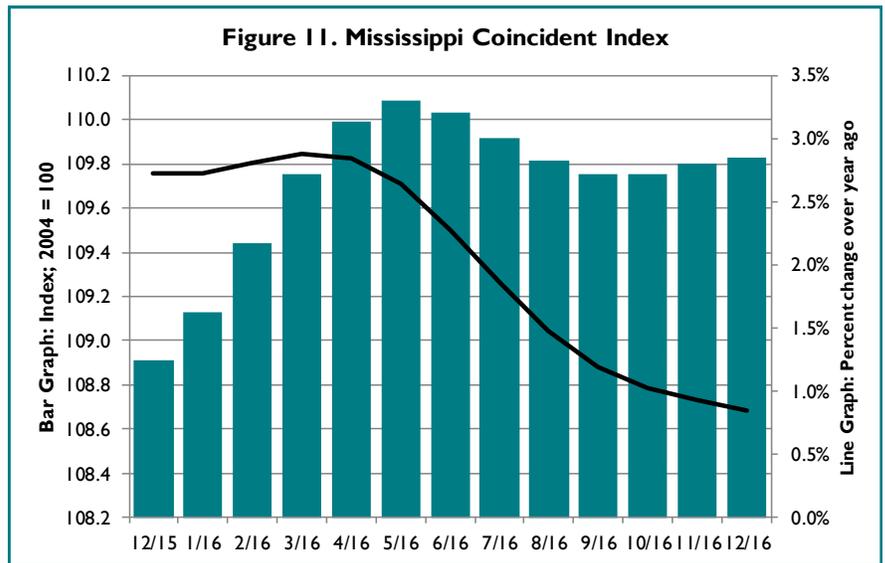
Mississippi income tax withholdings (three-month moving average) fell 2.5 percent in value in December as seen in Figure 10. The value of withholdings for the month was 4.9 percent lower compared to one year ago. Over the last six months the three-month moving average of withholdings declined 3.2 percent.

MISSISSIPPI COINCIDENT INDEX, DECEMBER 2016

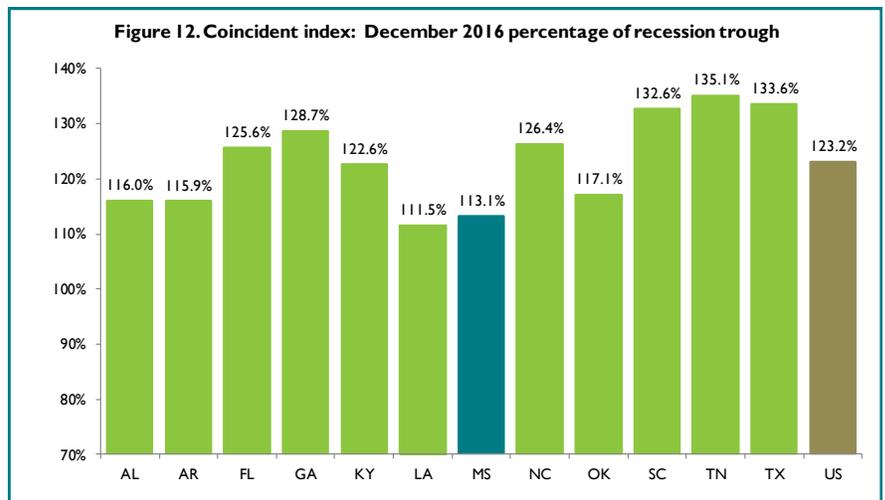
The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** was essentially unchanged in December according to the Federal Reserve Bank of Philadelphia, as seen in Figure 11. The value of the MCI for the month was 0.8 percent higher compared to one year ago.

Figure 12 indicates the value of the coincident index for Mississippi was 13.1 percent above its recession trough in December, a full percentage point less than the previous month. Louisiana maintained the smallest increase in the value of the coincident index from its recession trough among southeastern states, followed by Mississippi. Among all states in the Southeast, the largest increase in the coincident index from its recession trough as of November was once again Tennessee, up 35.1 percent.

The values of the coincident indices increased in forty-seven states in December compared to three months prior as seen in Figure 13 on page 5. In thirty-six states the values of the coincident indices increased more than 0.5 percent in December. Mississippi was one of twelve states where the value of the coincident indices increased by less than 0.5 percent compared to three months prior. Alaska and North Dakota were the only two states where the value of the coincident index fell by more than 0.5 percent in December compared to September.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) rose 0.5 percent in December according to The Conference Board following its annual benchmark revisions. As Figure 1 on page 1 indicates, compared to one year ago the value of the Index was 1.5 percent higher for the month. Six of the ten components made positive contributions in December, led by the interest rate spread. The value of the LEI rose 1.4 percent over the last six months.

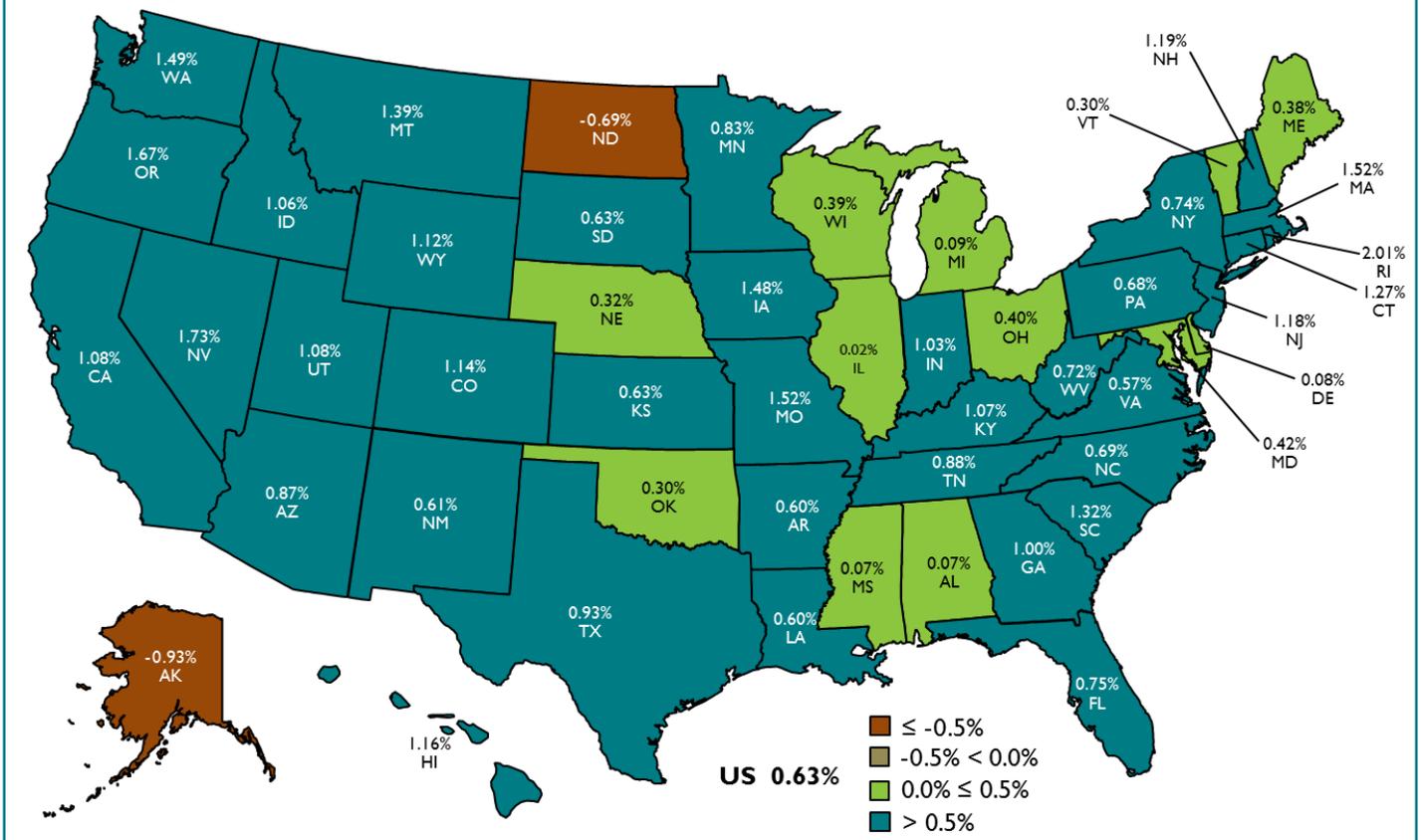
The value of the U.S. Coincident Economic Index (CEI) rose 0.3 percent in December according to The Conference Board. Compared to one year ago the value was up 1.6 percent for the month as seen in Figure 2 on page 1. As in November all four components of the Index increased in December, led by industrial production. Over the last six months the value of the CEI is up 1.0 percent.

For the second consecutive month, the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index surged in December as it reached its highest level in twelve years. As seen in Figure

20 on page 6, the value climbed 7.5 percent from the previous month—the largest one-month gain since July 1980. The largest increase among the components of the Index occurred in the “expect the economy to improve” component. It reached a net level of 50 percent of respondents, up from 12 percent in November. The “expect real sales higher” component reached a net level of 31 percent, up from 11 percent in the previous month. And the “now is a good time to expand” component rose to a net 23 percent from 11 percent in November.

No changes were made by the Federal Reserve to its key interest rate at its end-of-January meeting. The Federal Open Market Committee (FOMC) was expected to leave the federal funds rate unchanged after increasing it by 0.25 basis points in December. While the FOMC stated in December it expects as many as three rate hikes in 2017, most Fed watchers believe a rate increase at the FOMC’s March meeting is unlikely. In its statement, the Federal Reserve noted the recent improvements in consumer and business attitudes and that it expects inflation to “rise to 2% over the medium term.”

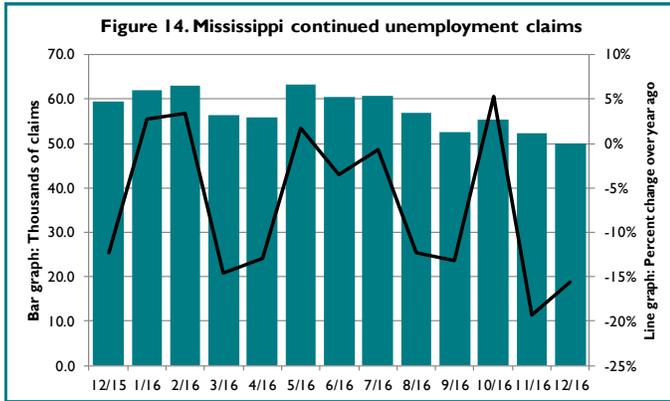
Figure 13. Three-month growth in the coincident index of economic indicators by state, December 2016



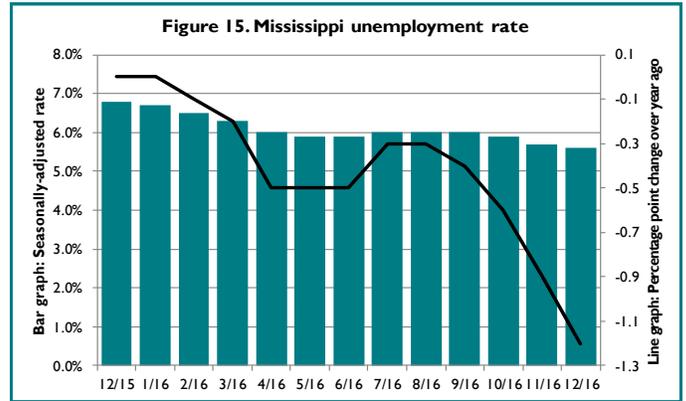
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

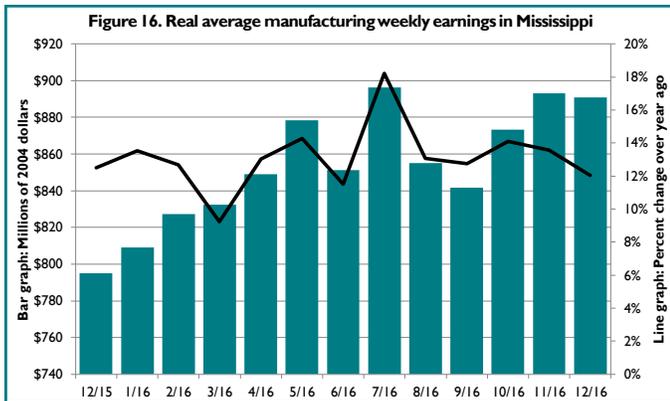
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



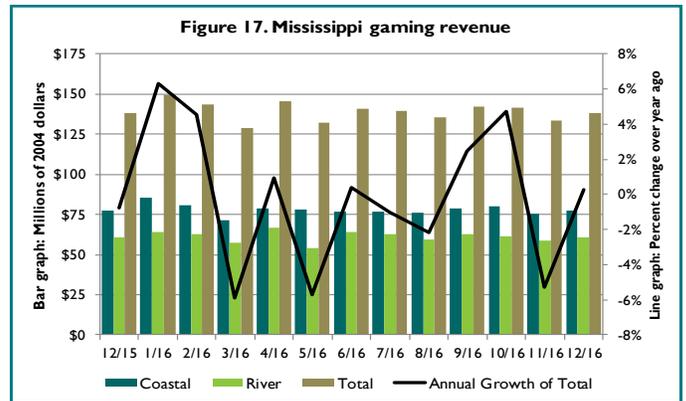
Source: U.S. Department of Labor; seasonally adjusted



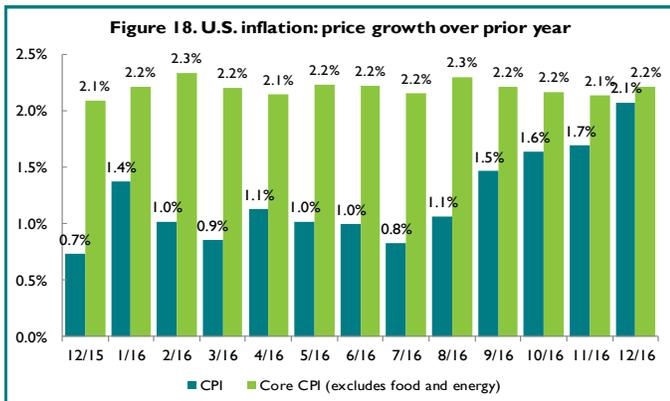
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



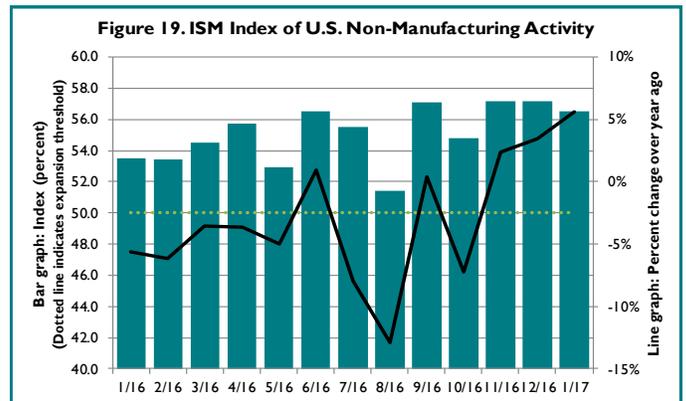
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



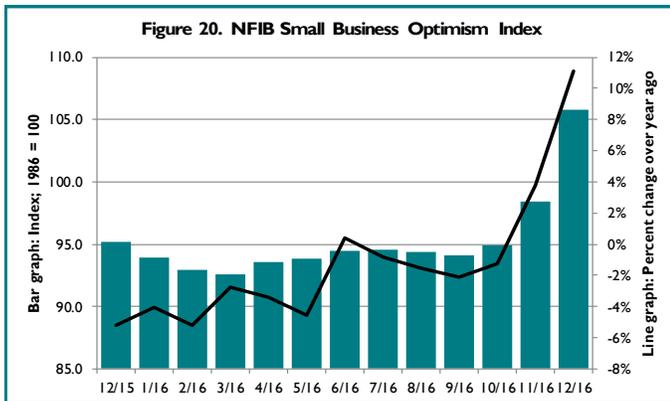
Source: Mississippi Department of Revenue; seasonally adjusted



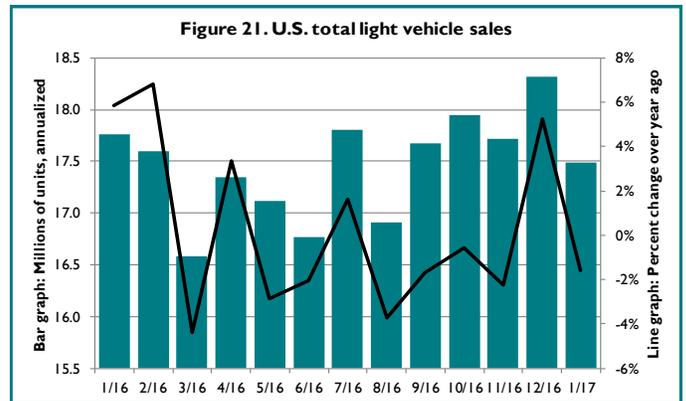
Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: National Federation of Independent Businesses



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

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	December			Percent change from		
	2016	November 2016	December 2015	November 2016	December 2015	
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	124.6	124.0	122.7	▲0.5%	▲1.5%	Economic Indices
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	114.3	114.0	112.5	▲0.3%	▲1.6%	
Mississippi Leading Index 2004 = 100. Source: University Research Center	112.8	112.4	109.5	▲0.4%	▲3.0%	
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	109.8	109.8	108.9	◀0.0%	▲0.8%	
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	6,698	7,213	7,976	▼7.1%	▼16.0%	Components of the Mississippi Leading Index
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	92.5	89.7	78.5	▲3.2%	▲17.8%	
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	109.1	111.9	114.8	▼2.5%	▼4.9%	
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	82.5	83.8	83.7	▼1.5%	▼1.5%	
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	88.3	83.8	82.8	▲5.4%	▲6.7%	
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.0	54.7	48.2	▲2.4%	▲16.2%	
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	469.1	466.2	450.5	▲0.6%	▲4.1%	
U.S. Consumer Price Index (CPI)	127.8	127.8	125.2	◀0.0%	▲2.1%	
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	127.1	126.8	124.3	▲0.2%	▲2.2%	
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.6%	5.7%	6.8%	▼0.1	▼1.2	
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	50,073	52,340	59,376	▼4.3%	▼15.7%	Miscellaneous Indicators
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.5	57.2	53.5	▼1.2%	▲5.6%	
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.16%	3.71%	3.92%	▲0.45	▲0.23	
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	21.06	21.11	18.87	▼0.2%	▲11.6%	
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	890.73	893.03	794.99	▼0.3%	▲12.0%	
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	105.8	98.4	95.2	▲7.5%	▲11.1%	
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.48	18.32	17.76	▼4.6%	▼1.6%	
Gaming revenue	138.3	133.9	138.0	▲3.3%	▲0.3%	
Coastal counties	77.4	75.4	77.2	▲2.6%	▲0.3%	
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	60.9	58.5	60.8	▲4.2%	▲0.2%	

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) reported total nonfarm employment in Mississippi decreased by 7,200 jobs in December, a 0.6 percent decline. The number of jobs lost for the month in the state was the largest since March 2009. BEA reported November employment was revised from a decline of 900 jobs to an increase of 200, as seen in Table 2 below. Compared to one year ago employment in Mississippi in December was lower by 11,100 jobs, a 1.0 percent decline.

According to BEA in December five states experienced statistically significant decreases in total nonfarm employment while three states experienced statistically significant increases. The gains for the month occurred in Virginia, Minnesota, and Arizona. Illinois, West Virginia, and Mississippi experienced the largest decreases in employment in December, with West Virginia experiencing the largest percentage decrease in employment of 1.1 percent. Statistically significant increases in employment compared to one year ago occurred in twenty-six states and the District of Columbia in December. Statistically significant decreases in employment compared to one year ago occurred in Wyoming and North Dakota.

Only three sectors in Mississippi added jobs in December. Trade, Transportation, and Utilities gained 700 jobs while Arts and Entertainment and Health Care and Social Assistance both added 200. The largest percentage increase in jobs occurred in Arts and Entertainment, which rose by 1.7 percent. Government employment in Mississippi fell by 2,600 jobs in December, the most among all sectors. The 3.6 percent decrease in Construction employment was the largest percentage decline.

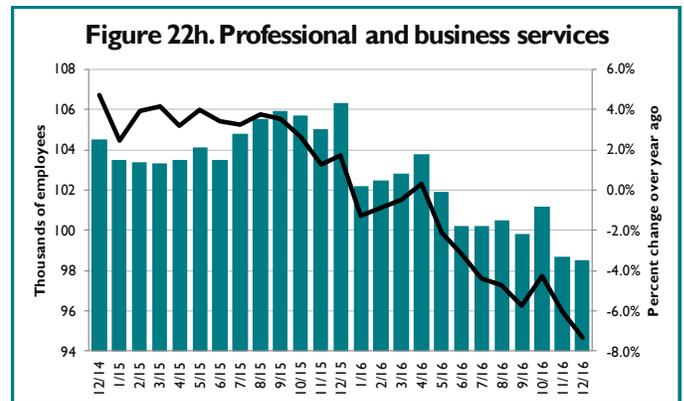
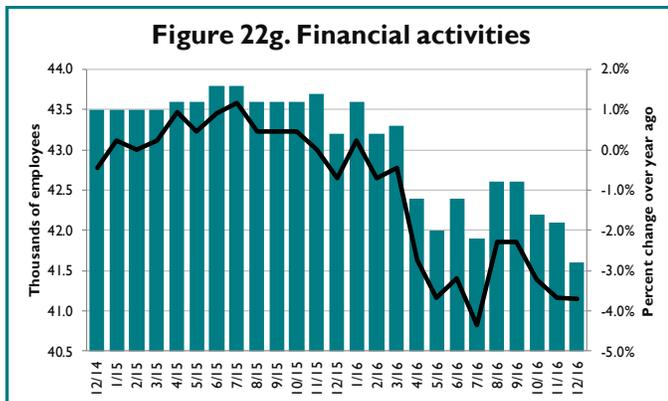
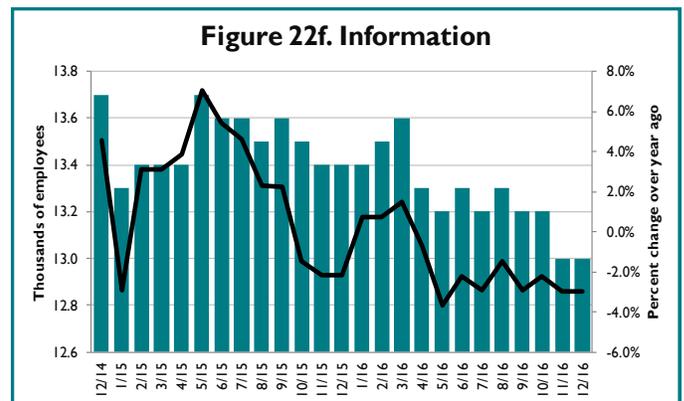
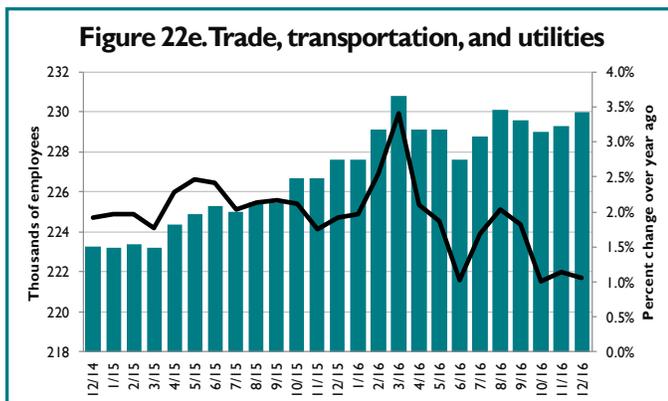
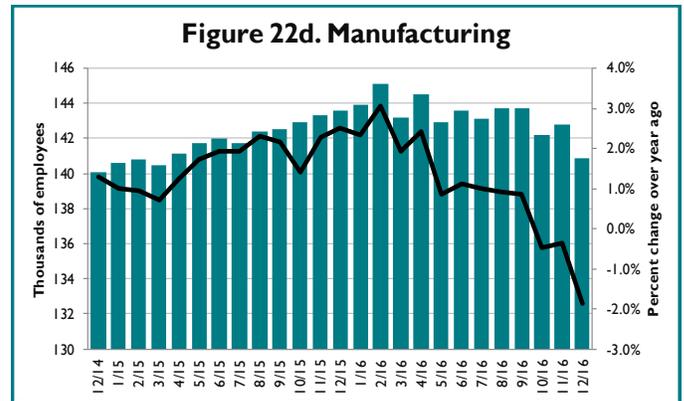
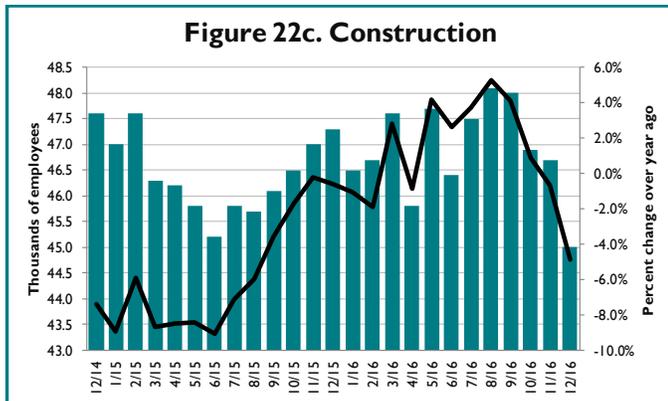
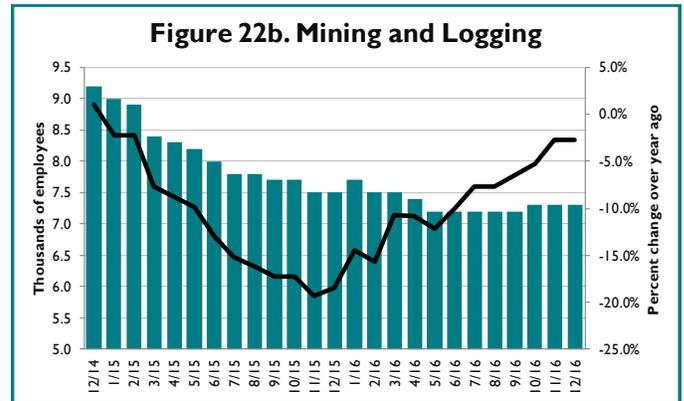
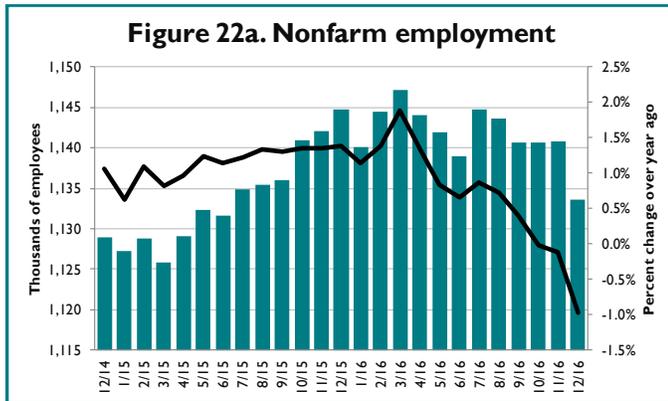
Compared to one year ago the largest gain in employment in December occurred in Accommodation and Food Services, which added 3,600 jobs. The increase was also the largest percentage gain of 3.0 percent. Once again in December the largest decrease in employment compared to one year ago among all industries in Mississippi was in Professional and Business Services, which was lower by 7,800 jobs. The decline of 7.3 percent from December 2015 was also the largest percentage decrease among all sectors in the state for the month. Employment across all service sectors in Mississippi was down by 4,400 jobs compared to one year ago, a decline of 1.1 percent.

Table 2. Change in Mississippi employment by industry, December 2016

	Relative share of total ^a	December 2016	November 2016	December 2015	Change from November 2016		Change from December 2015	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,133,600	1,140,800	1,144,700	▼7,200	▼0.6%	▼11,100	▼1.0%
Mining and Logging	0.6%	7,300	7,300	7,500	◆0	◆0.0%	▼200	▼2.7%
Construction	4.1%	45,000	46,700	47,300	▼1,700	▼3.6%	▼2,300	▼4.9%
Manufacturing	12.6%	140,900	142,800	143,600	▼1,900	▼1.3%	▼2,700	▼1.9%
Trade, Transportation, & Utilities	20.1%	230,000	229,300	227,600	▲700	▲0.3%	▲2,400	▲1.1%
Retail Trade	12.4%	142,400	140,800	139,900	▲1,600	▲1.1%	▲2,500	▲1.8%
Information	1.2%	13,000	13,000	13,400	◆0	◆0.0%	▼400	▼3.0%
Financial Activities	3.7%	41,600	42,100	43,200	▼500	▼1.2%	▼1,600	▼3.7%
Services	36.2%	411,800	413,000	416,200	▼1,200	▼0.3%	▼4,400	▼1.1%
Professional & Business Services	8.8%	98,500	98,700	106,300	▼200	▼0.2%	▼7,800	▼7.3%
Educational Services	1.1%	12,800	12,900	12,600	▼100	▼0.8%	▲200	▲1.6%
Health Care & Social Assistance	11.2%	127,400	127,200	126,100	▲200	▲0.2%	▲1,300	▲1.0%
Arts & Entertainment	1.0%	12,000	11,800	11,900	▲200	▲1.7%	▲100	▲0.8%
Accommodation and Food Services	10.6%	122,300	122,600	118,700	▼300	▼0.2%	▲3,600	▲3.0%
Other Services	3.5%	38,800	39,800	40,600	▼1,000	▼2.5%	▼1,800	▼4.4%
Government	21.6%	244,000	246,600	245,900	▼2,600	▼1.1%	▼1,900	▼0.8%

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

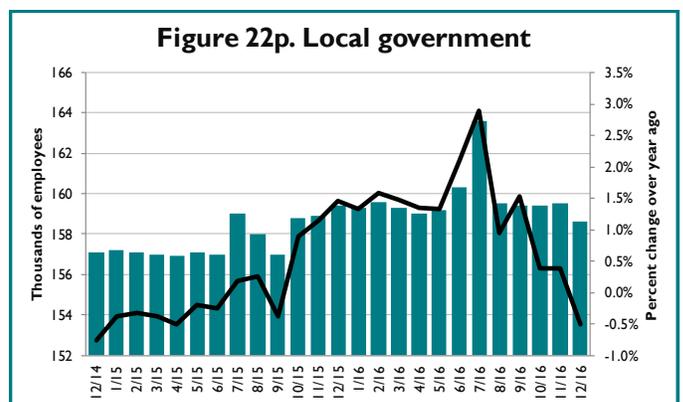
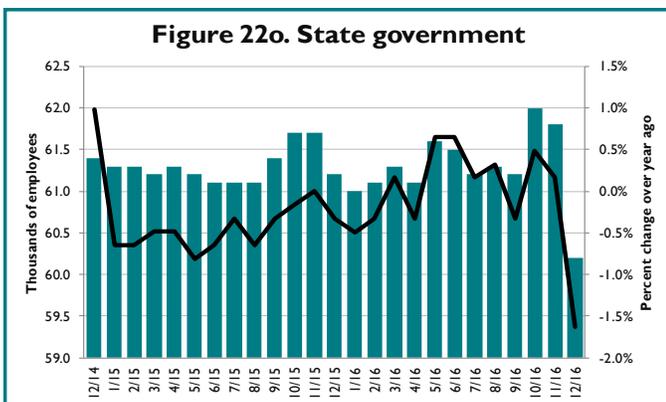
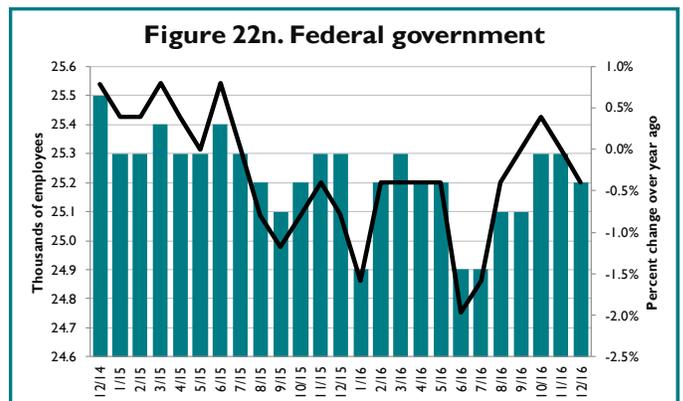
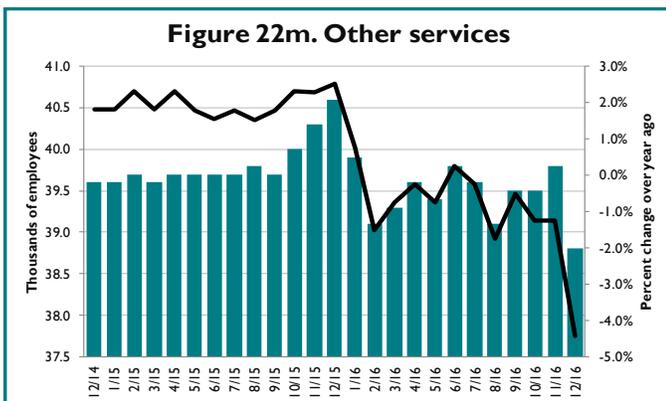
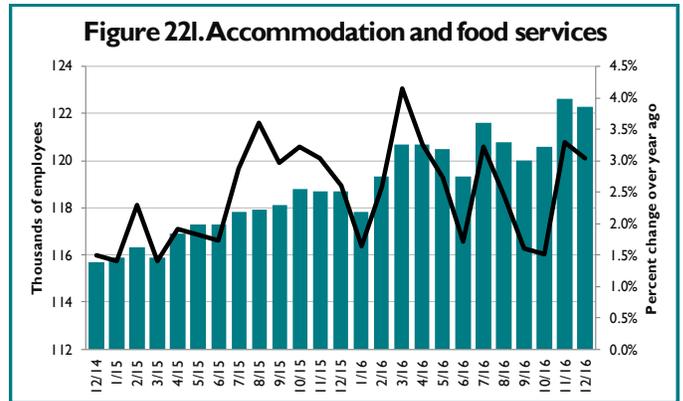
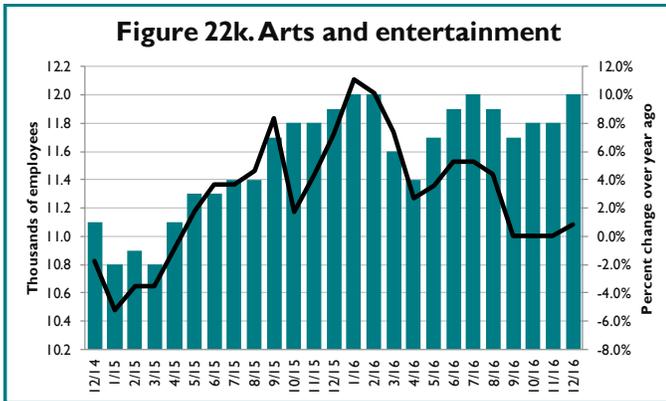
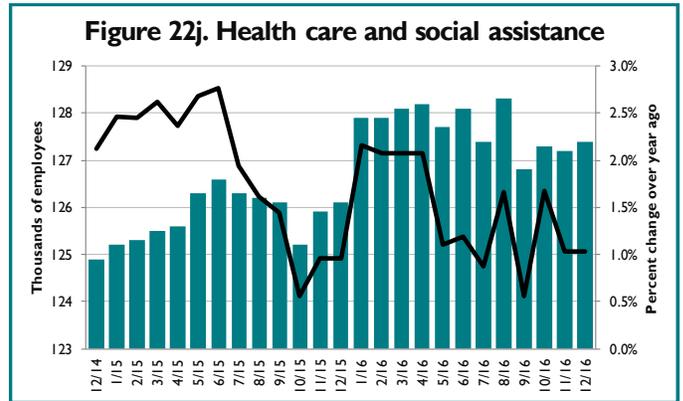
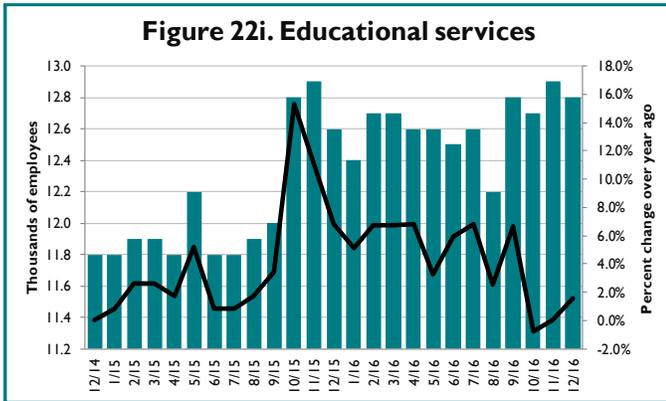
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



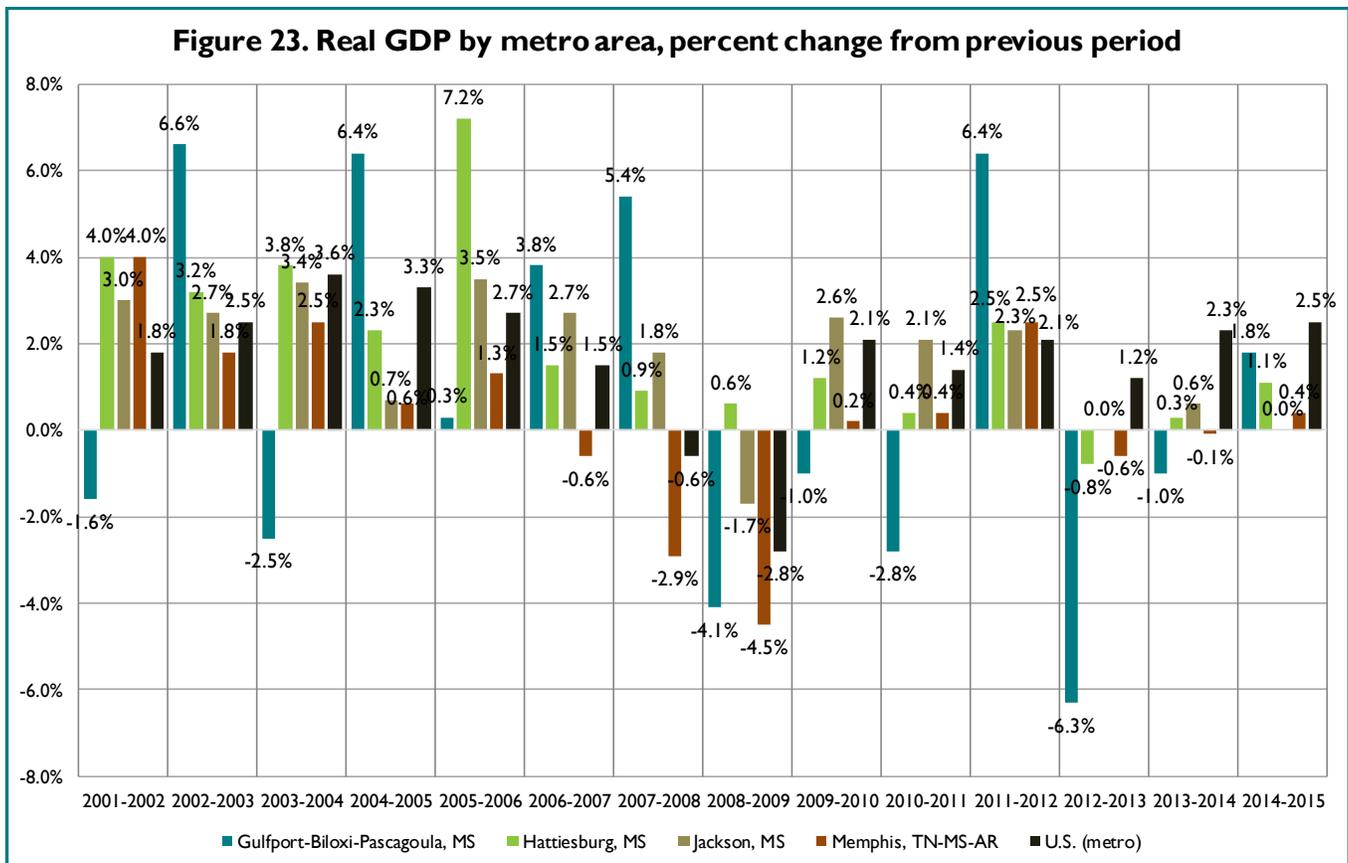
Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

BEA RELEASES METROPOLITAN REAL GDP ESTIMATES

The U.S. Bureau of Economic Analysis (BEA) recently released its advanced estimates of real GDP for metropolitan statistical areas (MSAs) in the U.S. for 2015. A county-based measure, the Office of Management and Budget states an MSA contains “a core urban area of 50,000 or more population.” In 2015, real GDP increased in 293 of 382 MSAs in the U.S. according to BEA. Across all U.S. metropolitan areas real GDP increased 2.5 percent in 2015, up slightly from the 2.3 percent increase in 2014. The sector that made the largest contribution to the increase in real GDP across all U.S. metropolitan areas in 2015 was Professional and Business Services, which accounted for 0.61 percentage point of the total gain. The Wholesale and Retail Trade sector and the Finance, Insurance, Real Estate, Rental, and Leasing sector were also important contributors, as each industry increased U.S. metropolitan area real GDP in 2015 by 0.40 and 0.39 percentage point, respectively. Two sectors made negative contributions to U.S. metropolitan area real GDP in 2015. The Transportation and Utilities sector reduced metro real GDP by 0.14 percentage point while Government made a slightly negative contribution of 0.03 percentage point.

Among the largest MSAs in the U.S. the fastest-growing in 2015 were located in Texas. Real GDP for the San Antonio-New Braunfels MSA increased 5.9 percent in 2015 and real GDP for the Austin-Round Rock MSA rose 5.0 percent from the previous year. Growth in the San Antonio-New Braunfels MSA was driven by the Natural Resources and Mining sector while the largest contribution to growth in the Austin-Round Rock MSA came from the Professional and Business Services sector. The Cleveland-Elyria, Ohio, metro area grew the least among the largest MSAs, as its real GDP increased 1.1 percent. The Washington-Arlington-Alexandria, DC-VA-MD-WV MSA also grew relatively slowly in 2015, as its real GDP rose by 1.3 percent. The largest MSAs have a total population of at least 2 million.

Figure 23 below depicts the annual change in real GDP for the MSAs in Mississippi since 2001. Among the four MSAs found in Mississippi, real GDP increased in three in 2015 according to BEA; real GDP in the Jackson MSA did not



Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS**BEA RELEASES METROPOLITAN REAL GDP ESTIMATES, CONTINUED**

change. The change in real GDP improved in all four MSAs in the state compared to 2014. Real GDP contracted in the Gulfport-Biloxi-Pascagoula MSA and the Memphis, TN-MS-AR MSA in that year. The largest increase in real GDP among the MSAs in Mississippi in 2015 occurred in the Gulfport-Biloxi-Pascagoula MSA, where real GDP increased 1.8 percent for the year. Among all MSAs in the U.S. this increase ranked 141st. Figure 23 indicates real GDP in the Gulfport-Biloxi-Pascagoula MSA at least since 2001 has been somewhat volatile, as a relatively large gain in one year is offset by a decline in the next. Since 2001, the economy of the Hattiesburg MSA appears to have performed the best among the state's metro areas. The only contraction in the Hattiesburg economy since 2001 occurred in 2013 when real GDP declined 0.8 percent, despite two recessions and Hurricane Katrina occurring during this period. Growth in the economy of the Jackson MSA has been similar. However, over the last three years, none of the MSAs in the state has performed particularly well in terms of real GDP growth, as output in all four areas has grown more slowly relative to U.S. metropolitan areas as a whole. Nevertheless, 2015 was the first year since 2012 that real GDP did not contract in any of the MSAs in Mississippi.

The real GDP growth in the state's MSAs in 2015 originated from a variety of sources. In the Gulfport-Biloxi-Pascagoula MSA, Non-Durable Goods Manufacturing accounted for almost 2.1 percentage point of the increase in real GDP (contractions in other sectors accounted for the total growth of 1.8 percent). If Non-Durable Goods Manufacturing consistently accounts for a disproportionate share of the change in real GDP in the Gulfport-Biloxi-Pascagoula area, then it might explain the year-to-year swings in growth. The cyclical effects of the economy often impact the Manufacturing sector—Non-Durable Goods Manufacturing in particular—more frequently than other industries. In contrast, the largest contributor to growth in the economy of the Hattiesburg MSA in 2015 was the Educational Services, Health Care, and Social Assistance sector. This industry added 0.61 percentage point to growth, accounting for over half the total increase in real GDP. The Construction and Trade industries also made relatively important contributions to growth in real GDP for the Hattiesburg MSA in 2015. In the Jackson MSA, growth was essentially flat across sectors in 2015, as the change in real GDP in all sectors was less than 0.1 percentage point. The Educational Services, Health Care, and Social Assistance sector was also the largest source of growth in the Memphis area in 2015, contributing 0.31 percentage point to the total increase in real GDP of 0.4 percent. Professional and Business Services closely followed with the second-largest contribution to growth in the Memphis economy in 2015 of 0.27 percentage point. Notably, the Memphis MSA includes parts of three states including Mississippi.

The negative contributions to real GDP growth in 2015 in the state's metro areas also came from different industries. The Transportation and Utilities sector subtracted 0.58 percentage point from the increase in real GDP of the Gulfport-Biloxi-Pascagoula area, while Construction subtracted another 0.38 percentage point from total growth. In the Hattiesburg MSA, the Transportation and Utilities industry also subtracted 0.37 percentage point from real GDP growth. The Finance, Insurance, Real Estate, Rental, and Leasing sector subtracted 0.26 percentage point from real GDP growth in the Hattiesburg area in 2015 as well. As noted above, changes in real GDP by sector for the Jackson MSA were all less than 0.1 percentage point. The negative contributions to real GDP growth were smaller in the Memphis MSA, as Government subtracted 0.17 percentage point from growth in 2015, the most among all sectors. In addition, Durable Goods Manufacturing subtracted 0.12 percentage point from the increase in real GDP in the Memphis MSA in 2015.

In sum, the latest data from BEA indicate that the economies of the metropolitan areas of Mississippi continue to grow more slowly than the economy of U.S. metro areas overall. Such a finding is relatively unsurprising as this pattern applies to the state economy compared to the U.S. economy as a whole. Significantly, the Government sector, which makes up the largest share of real GDP in the state and employs the most people, remains a drag on the economies of each of the MSAs in Mississippi. While this drag is smaller than that of other sectors, its presence indicates real GDP in these metro areas has room to grow if and when this drag dissipates.