

## ECONOMY AT A GLANCE

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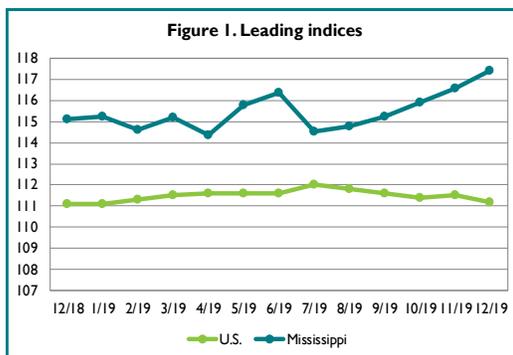
As Figure 1 below indicates the value of the Mississippi Leading Index (MLI) rose 0.7 percent in December, its fifth consecutive monthly increase. Compared to one year ago the value of the MLI for the month was 2.0 percent higher.

For the fourth consecutive month the value of the Mississippi Coincident Index (MCI) was essentially unchanged in December as Figure 2 below indicates. The value for the month was 0.9 percent higher compared to one year ago.

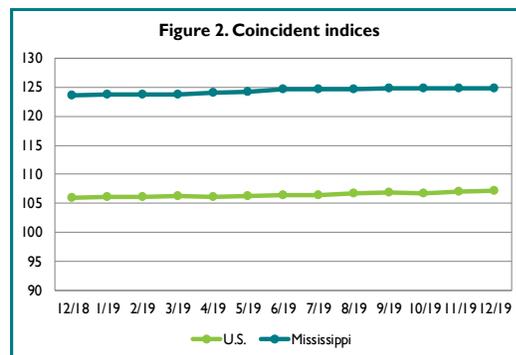
U.S. real gross domestic product (GDP) increased 2.1 percent in the fourth quarter of 2019 according to the initial estimate of the U.S. Bureau of Economic Analysis (BEA). Growth was driven by increases in residential investment and consumer spending while business investment decreased for the third consecutive

quarter. Based on the initial estimate of the fourth quarter, U.S. real GDP for all of 2019 increased 2.3 percent, the smallest annual rate of expansion since 2016.

For the fifth consecutive month the MLI increased in December, continuing its strong run that began in August. Gains in the ISM Manufacturing Index and the Mississippi Manufacturing Employment Intensity Index drove much of the increase. Nevertheless, income tax withholdings in the state remain rather flat as of December. Moreover, employment in the state slipped for the third straight month to its lowest level since May. Thus, despite another increase in the MLI in January, the state's economy has little momentum. Given the current geopolitical instability in the world, like the U.S. economy the best the Mississippi economy likely can do at present is hold its own.



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, DECEMBER 2019**

The value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased 0.7 percent in December as seen in Figure 3, its largest increase since May and the fifth consecutive monthly gain. Compared to one year ago the value of the MLI for the month was 2.0 percent higher, only the fourth year-over-year increase in the MLI in 2019. The value of the MLI increased 0.9 percent over the last six months.

In December four of the seven components of the MLI made positive contributions, led by the rise in the ISM Index of U.S. Manufacturing Activity. Initial unemployment claims and building permits declined while income tax withholdings were unchanged. Each component is discussed below in order of largest to smallest contribution.

The value of the **ISM Index of U.S. Manufacturing Activity** surged 7.8 percent in January as seen in Figure 4. Notably, the value of the Index exceeded the expansion threshold of 50.0 for the first time since July. Despite January's increase, the value of the Index for the month was down 10.1 percent compared to one year ago. The largest increase among the components occurred in the Production component, which rose almost 10 points from December. However, both the Supplier Deliveries and Inventories components declined in January. The value of the prices paid index rose for the month.

As seen in Figure 5 the value of the **Mississippi Manufacturing Employment Intensity Index** increased 1.4 percent in December to its highest level in eleven years. Compared to one year earlier the value was up 2.2 percent December, the fourth consecutive month with a year-over-year increase. Both average weekly hours of production employees in the state and manufacturing employment rose in December.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased 2.4 percent in December as seen in Figure 6, the third consecutive monthly increase. Compared to one year earlier the value was 4.6 percent higher for the month, the first year-over-year increase since June. Both short-term (one-year) and long-term (five-year) inflation expectations gave back their declines from the previous month in the most recent survey.

The value of **U.S. retail sales** increased for the third consecutive month in December as the value rose 0.3 percent as seen in Figure 7. Sales were 5.9 percent higher in December compared to one year earlier, the largest

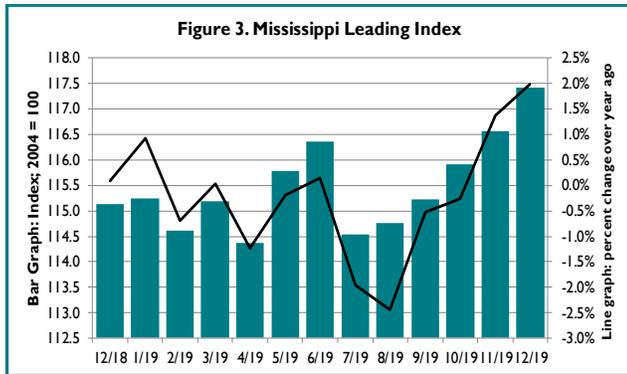
year-over-year increase since August 2018. Gains were widespread as the only segment where sales declined for the month was motor vehicles and parts. The largest increase in sales among all segments occurred at gasoline stations. Sales excluding automobiles and gasoline rose 0.5 percent in December and sales excluding automobiles were up 0.7 percent.

In December the value of **Mississippi income tax withholdings** (three-month moving average) was essentially unchanged as Figure 8 indicates. The value of withholdings was 0.9 percent higher in December compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi fell 0.3 percent.

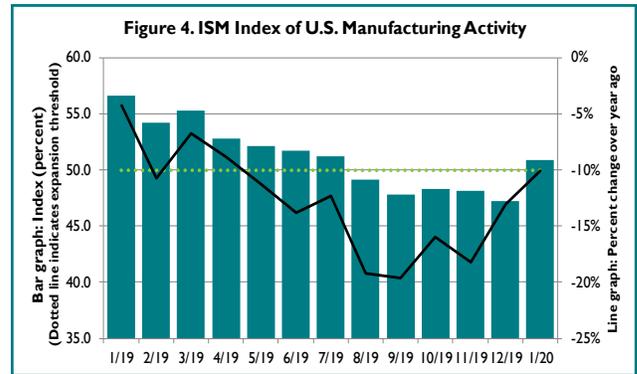
After five consecutive months of increases, the value of **Mississippi residential building permits** (three-month moving average) fell 4.5 percent in December as seen in Figure 9. The decline was the largest since April. The value for the month was up 5.5 percent compared to one year earlier. The number of units in the state decreased 2.8 percent in December, its third consecutive monthly decline. The number of units in the state for the month was up 0.4 percent compared to one year ago. The number of privately-owned housing units authorized by building permits in the U.S. fell 3.9 percent in December from the revised November rate. The number of units in the U.S. in December was 5.8 percent higher compared to one year ago.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi surged in December as seen in Figure 10. The number increased 19.5 percent, the largest monthly increase since April. The value for the month was 16.8 percent higher compared to one year ago. Similarly, the number of seasonally-adjusted continued unemployment claims in Mississippi climbed 8.8 percent in December as seen in Figure 16 on page 6. Compared to one year ago the number of continued unemployment claims in Mississippi was 10.0 percent higher in December, the fourth consecutive month with a year-over-year increase. As seen in Figure 17 on page 6 the seasonally-adjusted unemployment rate in Mississippi rose 0.1 percentage point to 5.7 percent in December, its sixth consecutive monthly increase. The rate reached its highest level since September 2016. Compared to one year earlier the state's unemployment rate was 1.0 percentage point higher in December.

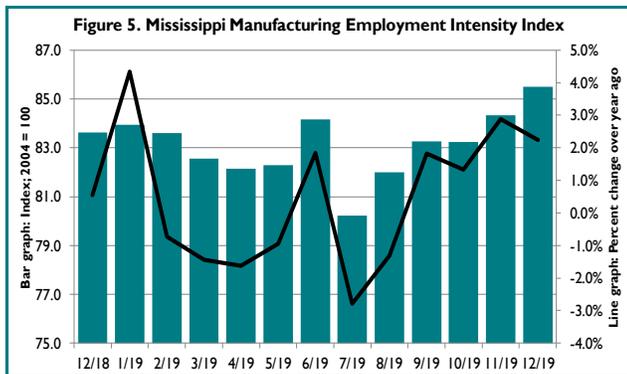
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



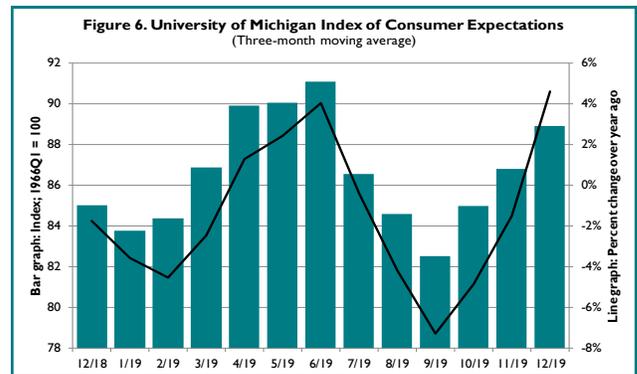
Source: University Research Center



Source: Institute for Supply Management



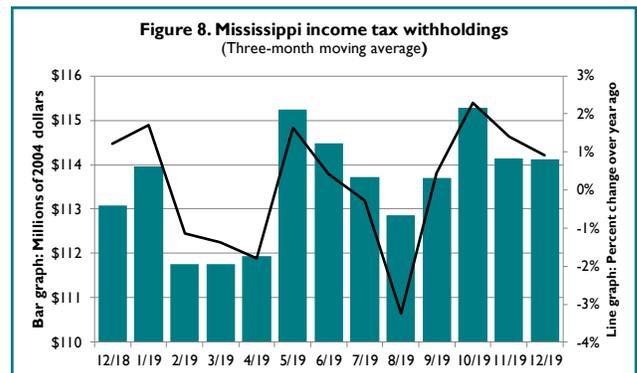
Source: URC using data from U.S. Bureau of Labor Statistics



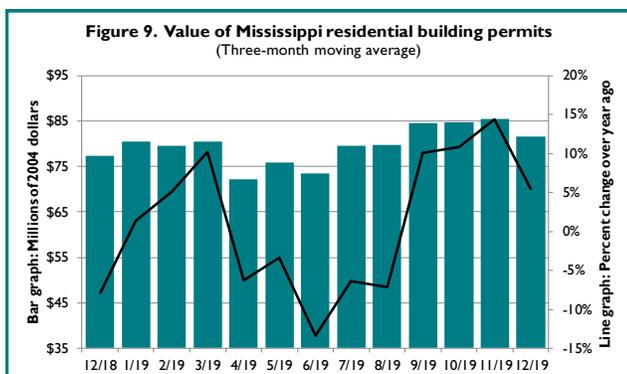
Source: Thomson Reuters/University of Michigan Surveys of Consumers



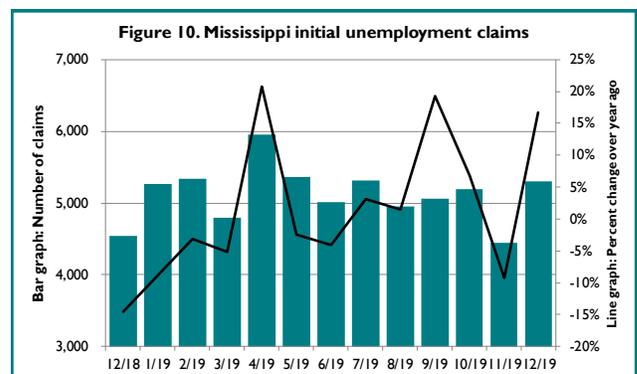
Source: U.S. Bureau of the Census



Source: Mississippi Department of Revenue; seasonally adjusted



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



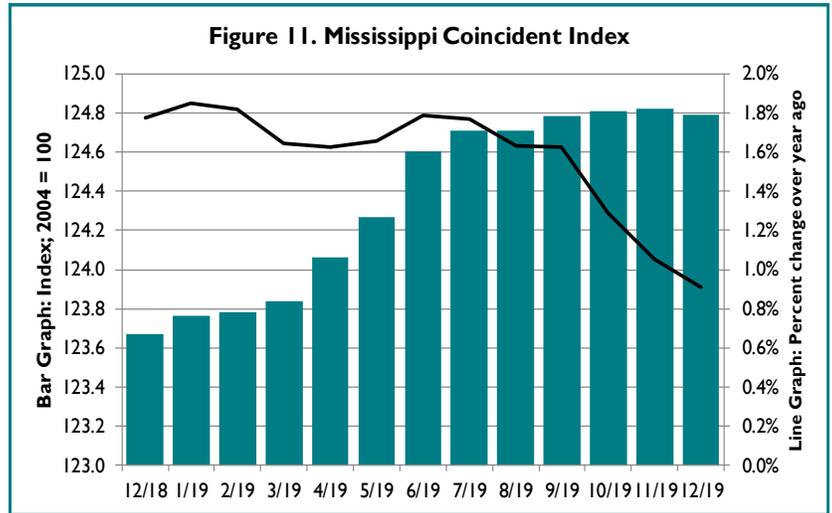
Source: U.S. Department of Labor; seasonally adjusted

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, DECEMBER 2019

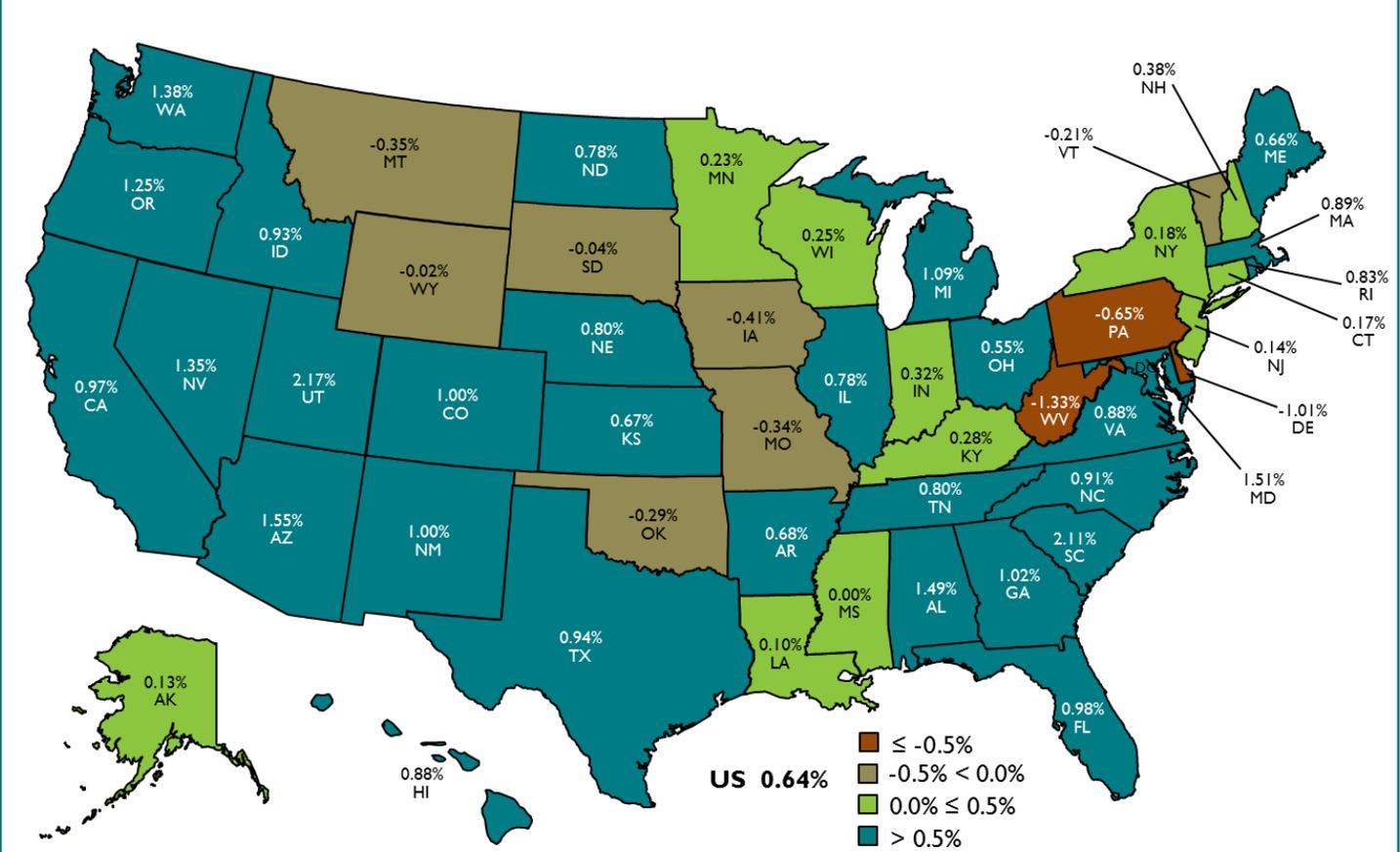
As seen in Figure 11 the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** was essentially unchanged in December for the fourth consecutive month according to the Federal Reserve Bank of Philadelphia. The value of the MCI for the month was 0.9 percent higher compared to one year ago.

The values of the coincident indices increased in forty states in December compared to three months prior as Figure 12 indicates. In twenty-nine states the values of the coincident indices increased by more than 0.5 percent in December compared to September. The values of the coincident indices increased by less than 0.5 percent in ten states in December compared to three months prior. Mississippi was the only state where the value of the coincident index was unchanged in December relative to September. In seven states the values of the coincident indices decreased less than 0.5 percent in December compared to three months prior. Finally, the values of the coincident indices fell more than 0.5 percent in three states in December compared to September.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, December 2019



Source: Federal Reserve Bank of Philadelphia

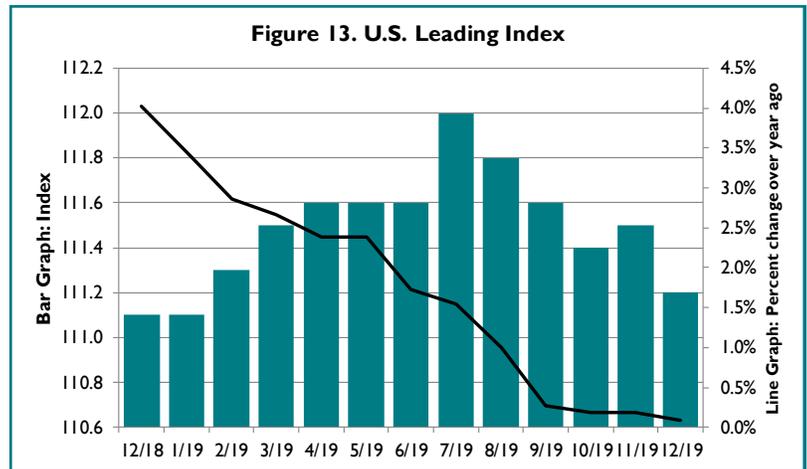
## NATIONAL TRENDS

As seen in Figure 13 The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.3 percent in December, the fourth decline in the last five months. Compared to one year ago the value of the LEI was 0.1 percent higher in December. Five of the ten components of the LEI contributed positively in December. The largest contribution came from stock prices while the largest negative contribution came from average weekly initial claims for unemployment insurance. Over the last six months the value of the LEI fell 0.4 percent.

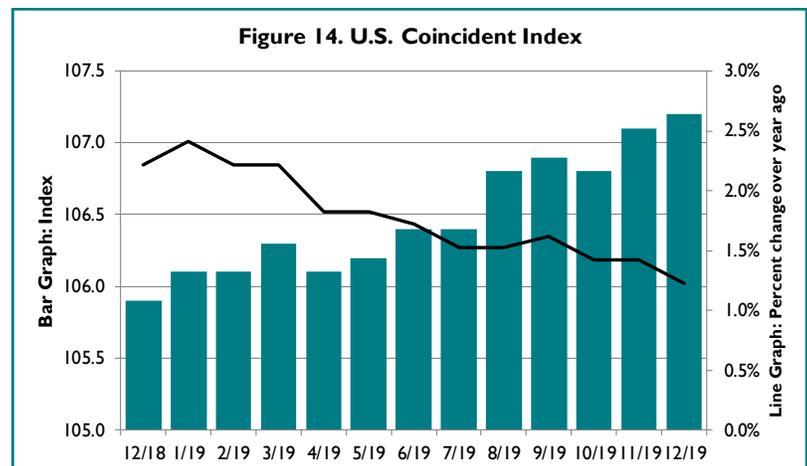
According to The Conference Board the value of the U.S. Coincident Economic Index (CEI) increased 0.1 percent in December as seen in Figure 14. Compared to one year ago the value of the CEI was up 1.2 percent. For the month three of the four components of the CEI contributed positively and the largest contribution came from employees on nonagricultural payrolls. Industrial production made the lone negative contribution. Over the last six months the value of the CEI increased 0.8 percent.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 1.9 percent in December as seen in Figure 15. Compared to one year earlier the value of the Index was 1.6 percent lower for the month. Weakness was widespread as seven of the ten components decreased in December and the largest decline occurred in earnings trends. Two components increased for the month, “expect economy to improve” and “expect real sales higher.” The measures for “plans to raise prices” and “plans to raise compensation” both fell in December.

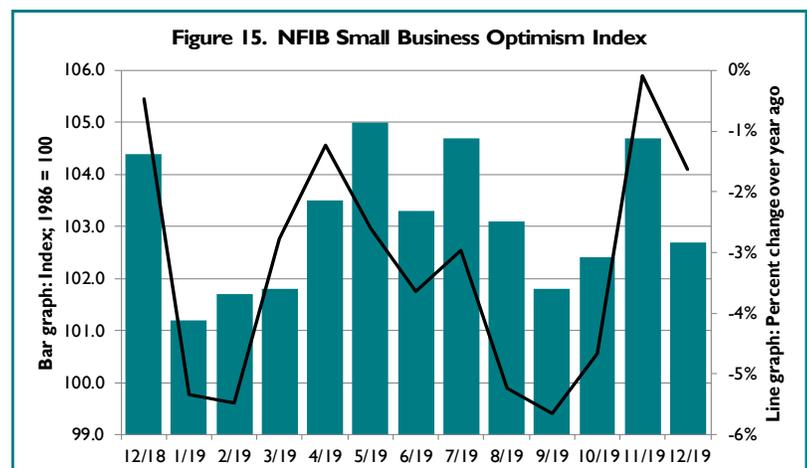
The Federal Open Market Committee (FOMC) voted unanimously to leave the federal funds rate target at 1.50 to 1.75 percent at its January meeting, just as it did in December. Federal Reserve Chair Jerome Powell stated following the meeting, “We’re comfortable with our current policy stance and we think it’s appropriate.” Because Federal Reserve officials remain concerned that inflation continues to run below their target of 2.0 percent annually, if the FOMC takes action on interest rates in 2020 it will likely be in the form of a cut.



Source: The Conference Board



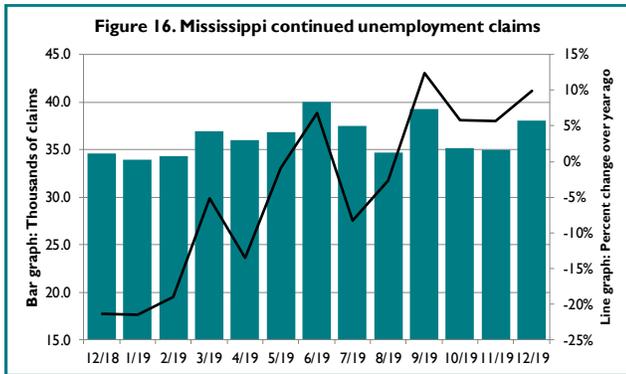
Source: The Conference Board



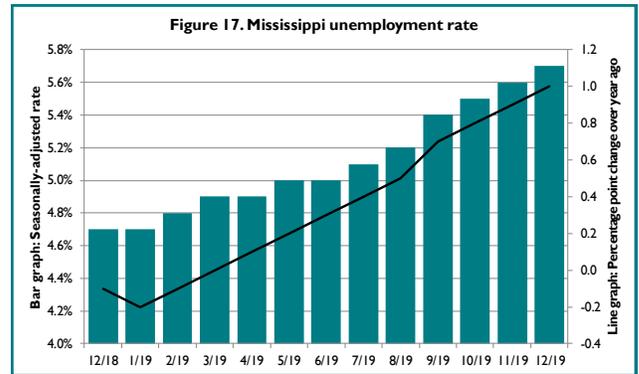
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

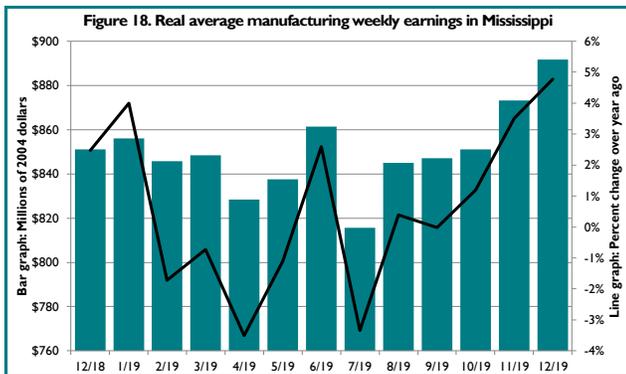
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



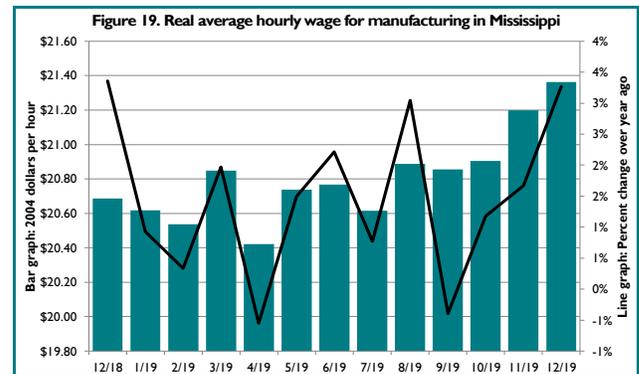
Source: U.S. Department of Labor; seasonally adjusted



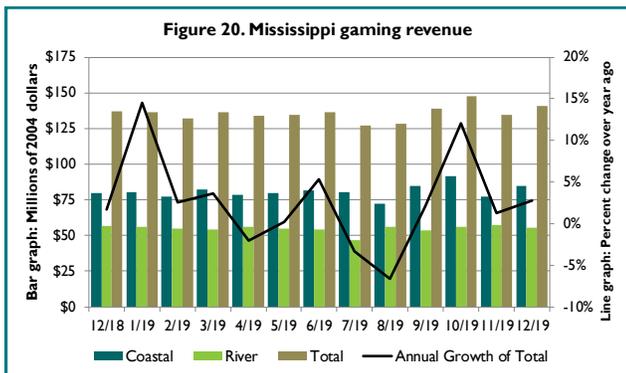
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



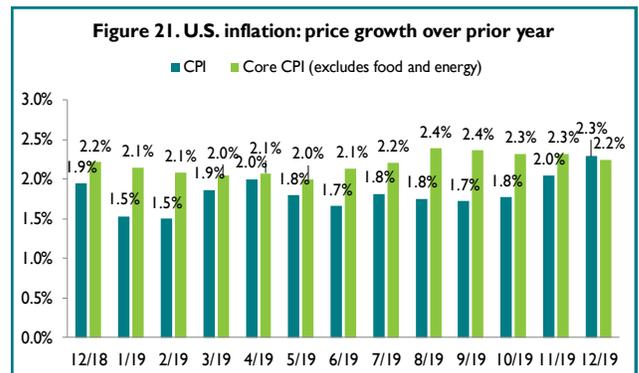
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



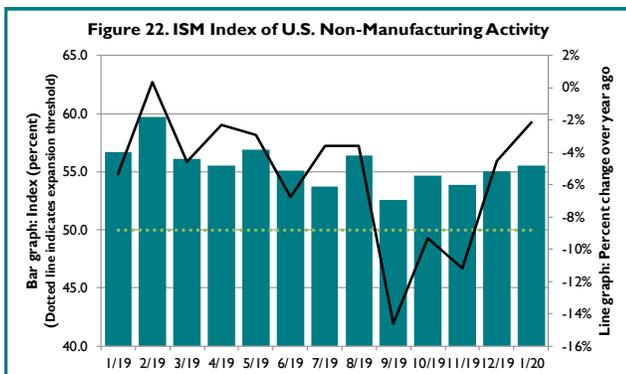
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



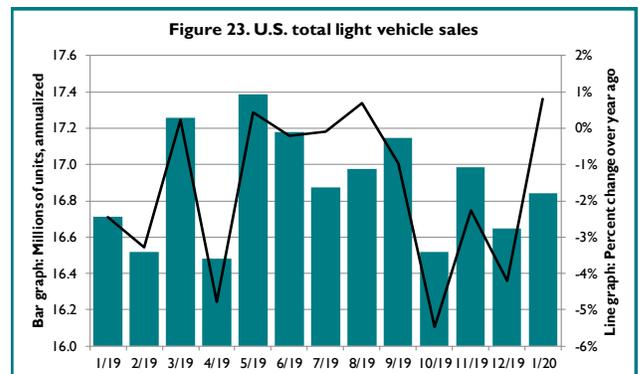
Source: Mississippi Department of Revenue; seasonally adjusted



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	December	November	December	Percent change from	
	2019	2019	2018	November 2019	December 2018
<b>U.S. Leading Economic Index</b> 2004 = 100. Source: The Conference Board	111.2	111.5	111.1	▼0.3%	▲0.1%
<b>U.S. Coincident Economic Index</b> 2004 = 100. Source: The Conference Board	107.2	107.1	105.9	▲0.1%	▲1.2%
<b>Mississippi Leading Index</b> 2004 = 100. Source: University Research Center	117.4	116.6	115.1	▲0.7%	▲2.0%
<b>Mississippi Coincident Index</b> 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.8	124.8	123.7	◀0.0%	▲0.9%
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	5,307	4,441	4,545	▲19.5%	▲16.8%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	81.5	85.4	77.3	▼4.5%	▲5.5%
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	114.1	114.1	113.1	◀0.0%	▲0.9%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	85.5	84.3	83.6	▲1.4%	▲2.2%
<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	88.9	86.8	85.0	▲2.4%	▲4.6%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	50.9	47.2	56.6	▲7.8%	▼10.1%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	529.6	527.8	499.9	▲0.3%	▲5.9%
<b>U.S. Consumer Price Index (CPI)</b>	136.8	136.5	133.8	▲0.2%	▲2.3%
<b>U.S. Core CPI (excludes food and energy)</b> 2004 = 100. Source: URC using data from Bureau of Labor Statistics	135.2	135.1	132.3	▲0.1%	▲2.2%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.7%	5.6%	4.7%	▲0.1	▲1.0
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	38,036	34,961	34,591	▲8.8%	▲10.0%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	55.5	55.0	56.7	▲0.9%	▼2.1%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.69%	3.66%	4.60%	▲0.03	▼0.91
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	21.36	21.20	20.47	▲0.8%	▲4.4%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	891.67	873.28	851.04	▲2.1%	▲4.8%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	102.7	104.7	104.4	▼1.9%	▼1.6%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.84	16.65	16.71	▲1.2%	▲0.8%
<b>Gaming revenue</b>	140.5	134.8	136.8	▲4.2%	▲2.7%
<b>Coastal counties</b>	85.0	77.4	79.9	▲9.8%	▲6.4%
<b>River counties</b> Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	55.5	57.4	56.9	▼3.3%	▼2.5%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

According to the U.S. Bureau of Labor Statistics (BLS) total nonfarm employment in Mississippi fell by 1,400 jobs in December, a 0.1 percent decrease and the third consecutive monthly decline. Compared to one year earlier total employment in Mississippi was 0.5 percent higher for the month as Table 2 indicates.

In December statistically significant increases in total nonfarm employment occurred in Texas, Washington, and Arkansas according to BLS. Texas added 29,800 jobs, the most among all states, while Arkansas had the largest percentage increase of 0.4 percent. No state experienced a statistically significant decrease in employment in December.

BLS reported higher employment in twenty-six states in December compared to one year earlier. The largest increase occurred in Texas, which added 342,800 jobs over the last twelve months. California followed with an increase of 310,300 jobs. The largest percentage gain in employment among all states compared to one year earlier was the 3.1 percent increase in Utah.

Only four sectors added jobs in Mississippi in December. The largest increase occurred in Manufacturing, which added 700 jobs. The largest percentage gain in employ-

ment among all sectors was the 0.9 percent increase in Educational Services, an addition of 100 jobs. The largest decrease in employment in December among all sectors in the state occurred in Professional and Business Services, which lost 1,400 jobs. Notably, the sector lost jobs for the fifth consecutive month. Employment in Mining and Logging fell by 1.5 percent in December, the largest percentage decrease among all sectors in the state and a loss of 100 jobs.

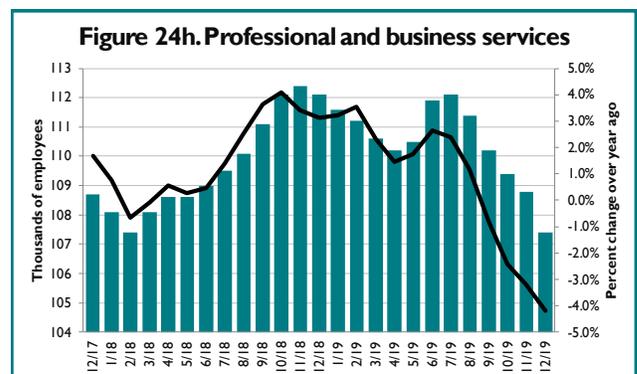
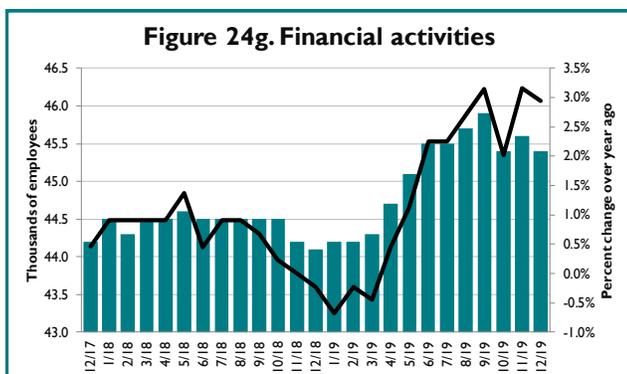
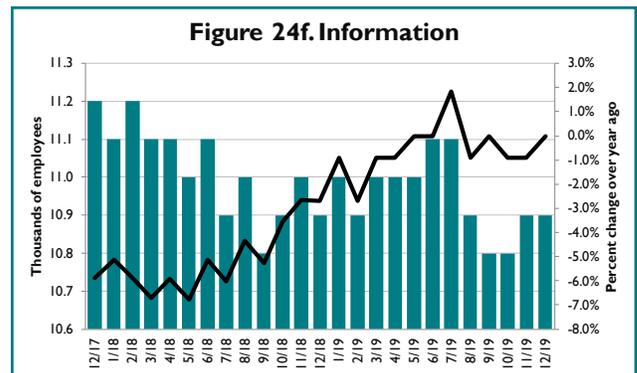
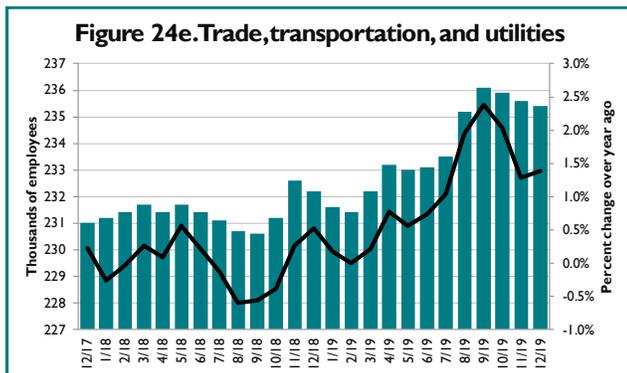
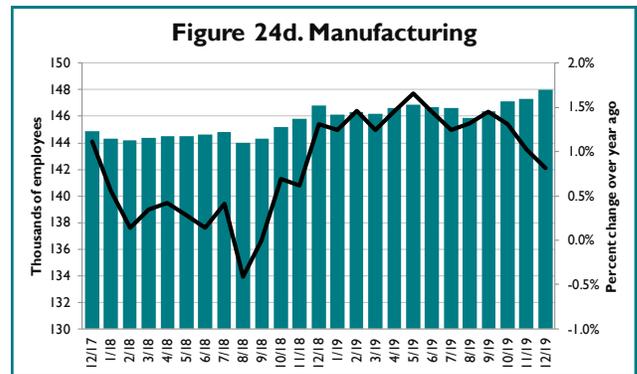
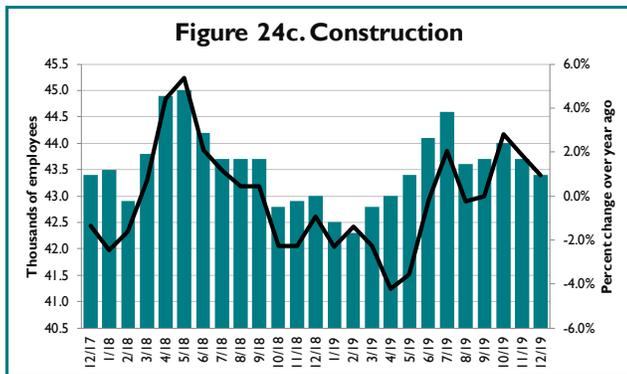
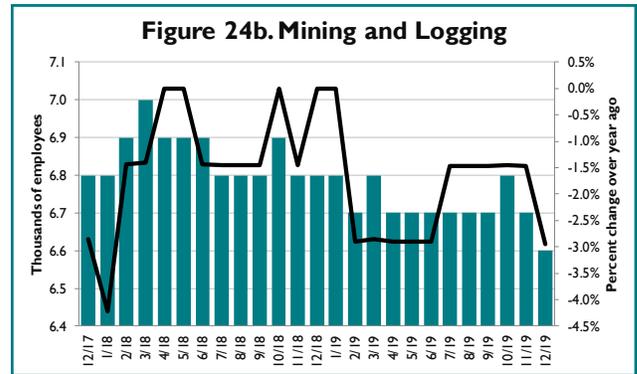
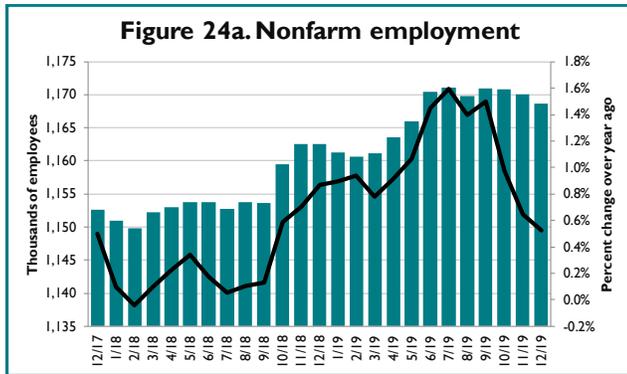
The largest year-over-year increase in employment among all sectors in the state as of December occurred in Trade, Transportation, and Utilities, which added 3,200 jobs. The next largest gain occurred in Health Care and Social Assistance, where employment rose by 2,000 jobs over the last twelve months. The largest percentage increase in employment compared to one year ago occurred in Arts and Entertainment, where employment was 4.2 percent higher, a gain of 400 jobs. Once again the largest decrease in employment among all sectors in Mississippi compared to one year earlier occurred in Professional and Business Services, a loss of 4,700 jobs. The sector also experienced the largest percentage decline among all sectors in the state compared to one year ago of 4.2 percent.

**Table 2. Change in Mississippi employment by industry, December 2019**

	Relative share of total <sup>a</sup>	December 2019	November 2019	December 2018	Change from November 2019		Change from December 2018	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,168,700	1,170,100	1,162,600	▼1,400	▼0.1%	▲6,100	▲0.5%
Mining and Logging	0.6%	6,600	6,700	6,800	▼100	▼1.5%	▼200	▼2.9%
Construction	3.7%	43,400	43,700	43,000	▼300	▼0.7%	▲400	▲0.9%
Manufacturing	12.6%	148,000	147,300	146,800	▲700	▲0.5%	▲1,200	▲0.8%
Trade, Transportation & Utilities	20.0%	235,400	235,600	232,200	▼200	▼0.1%	▲3,200	▲1.4%
Retail Trade	11.9%	139,900	140,000	137,400	▼100	▼0.1%	▲2,500	▲1.8%
Information	0.9%	10,900	10,900	10,900	◀▶0	◀▶0.0%	◀▶0	◀▶0.0%
Financial Activities	3.9%	45,400	45,600	44,100	▼200	▼0.4%	▲1,300	▲2.9%
Services	37.5%	436,600	437,400	436,800	▼800	▼0.2%	▼200	◀▶0.0%
Professional & Business Services	9.5%	107,400	108,800	112,100	▼1,400	▼1.3%	▼4,700	▼4.2%
Educational Services	1.0%	11,600	11,500	12,100	▲100	▲0.9%	▼500	▼4.1%
Health Care and Social Assistance	11.5%	135,500	135,100	133,500	▲400	▲0.3%	▲2,000	▲1.5%
Arts and Entertainment	0.9%	10,000	10,000	9,600	◀▶0	◀▶0.0%	▲400	▲4.2%
Accommodation and Food Services	11.1%	130,500	130,300	128,300	▲200	▲0.2%	▲200	▲1.7%
Other Services	3.5%	41,600	41,700	41,200	▼100	▼0.2%	▲400	▲1.0%
Government	20.8%	242,400	242,900	242,000	▼500	▼0.2%	▲400	▲0.2%

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

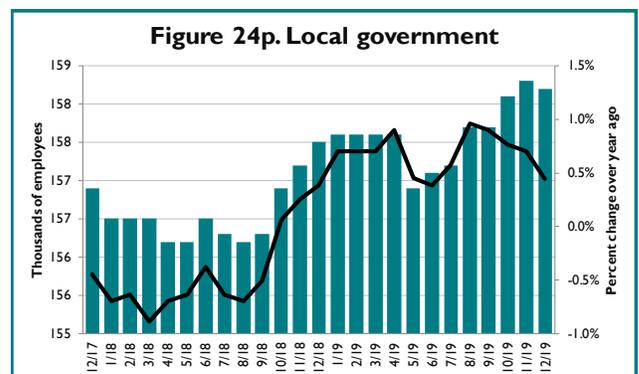
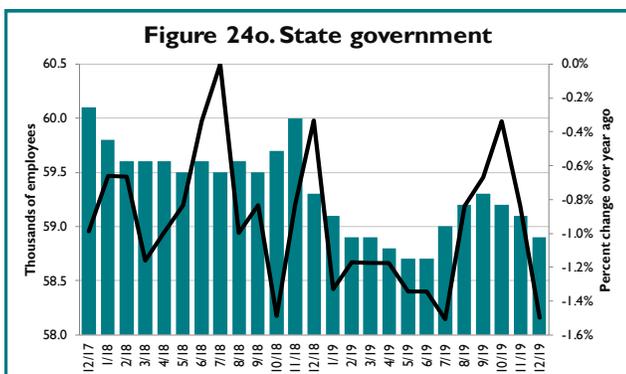
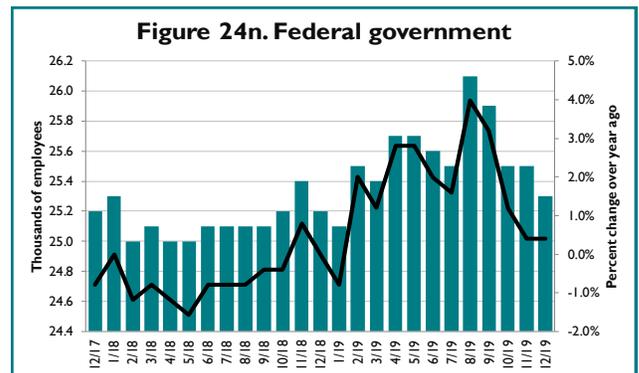
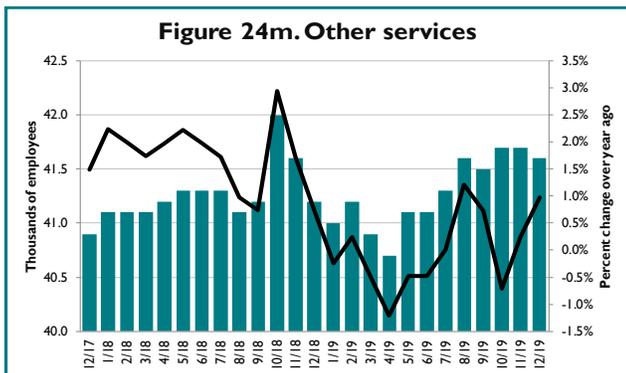
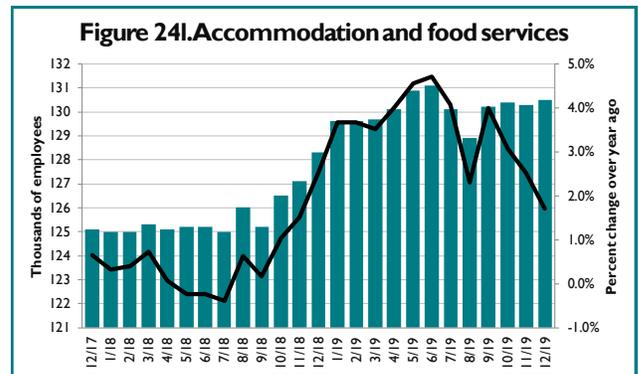
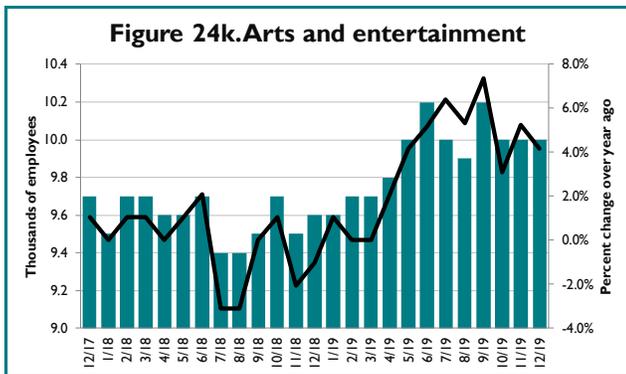
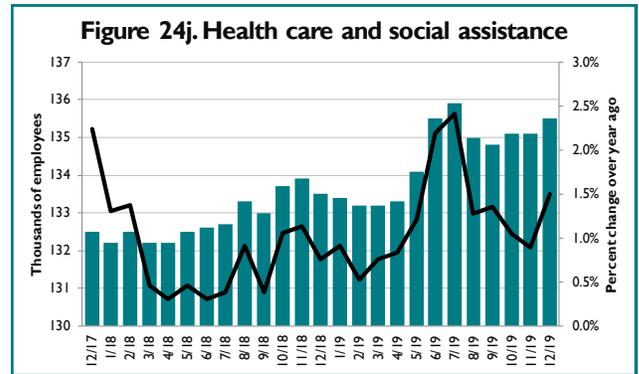
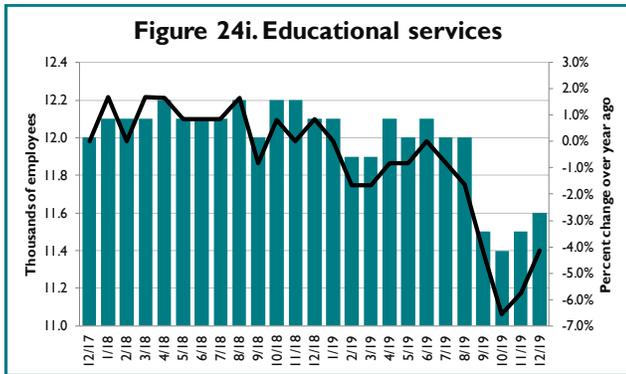
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

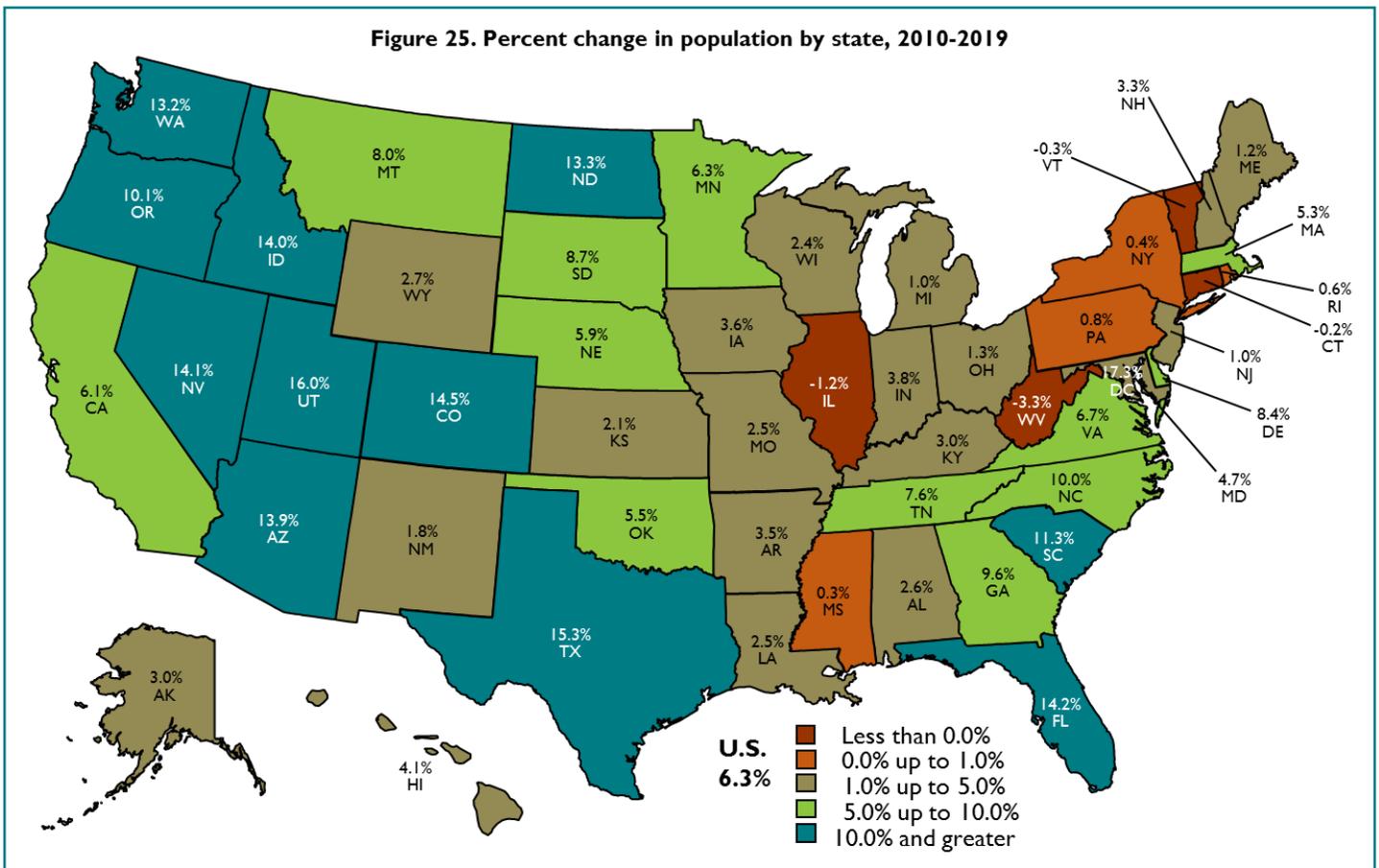


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

## MISSISSIPPI POPULATION TRENDS

The U.S. Census Bureau recently released data on population estimates for U.S. states in 2019. Mississippi's population decreased by 4,871 residents last year according to these data, a decline of 0.2 percent. This change was slightly less than the revised decrease of 7,490 residents in 2018, a 0.3 percent decline. The change in Mississippi's population in 2019 ranked forty-fourth among all states and the District of Columbia. Mississippi was one of twelve states where the population declined or was essentially unchanged for the year. In 2019 the largest population increase among all states occurred in Texas, which added 367,215 residents. The largest percentage increase in population among all states in 2019 occurred in Idaho where the population rose by 2.1 percent, an addition of 36,529 residents. New York experienced the largest population decrease among all states in 2019 as the state lost 76,790 residents. The largest percentage decrease in population among all states in 2019 occurred in West Virginia where the population fell 0.7 percent for the year. Alaska closely followed with a population decrease of 0.5 percent in 2019.

Comparing the most recent estimates for 2019 with the estimates from the 2010 Census provides a better sense of population trends across states. Based on these estimates the population of Mississippi increased by 8,019 residents between 2010 and 2019, a total increase of 0.3 percent—essentially flat average annual growth over the period. This total increase ranked forty-seventh among all states and the District of Columbia. Texas added 3,849,790 residents from 2010 to 2019, the most among all states. The largest percentage increase in population between 2010 and 2019 occurred in the District of Columbia, where the population grew by 17.3 percent. Among the fifty states the largest percentage increase in population between 2010 and 2019 occurred in Utah where the population expanded by 16.0 percent. Five other states experienced population increases of 14.0 percent up to 16.0 percent from 2010 to 2019:



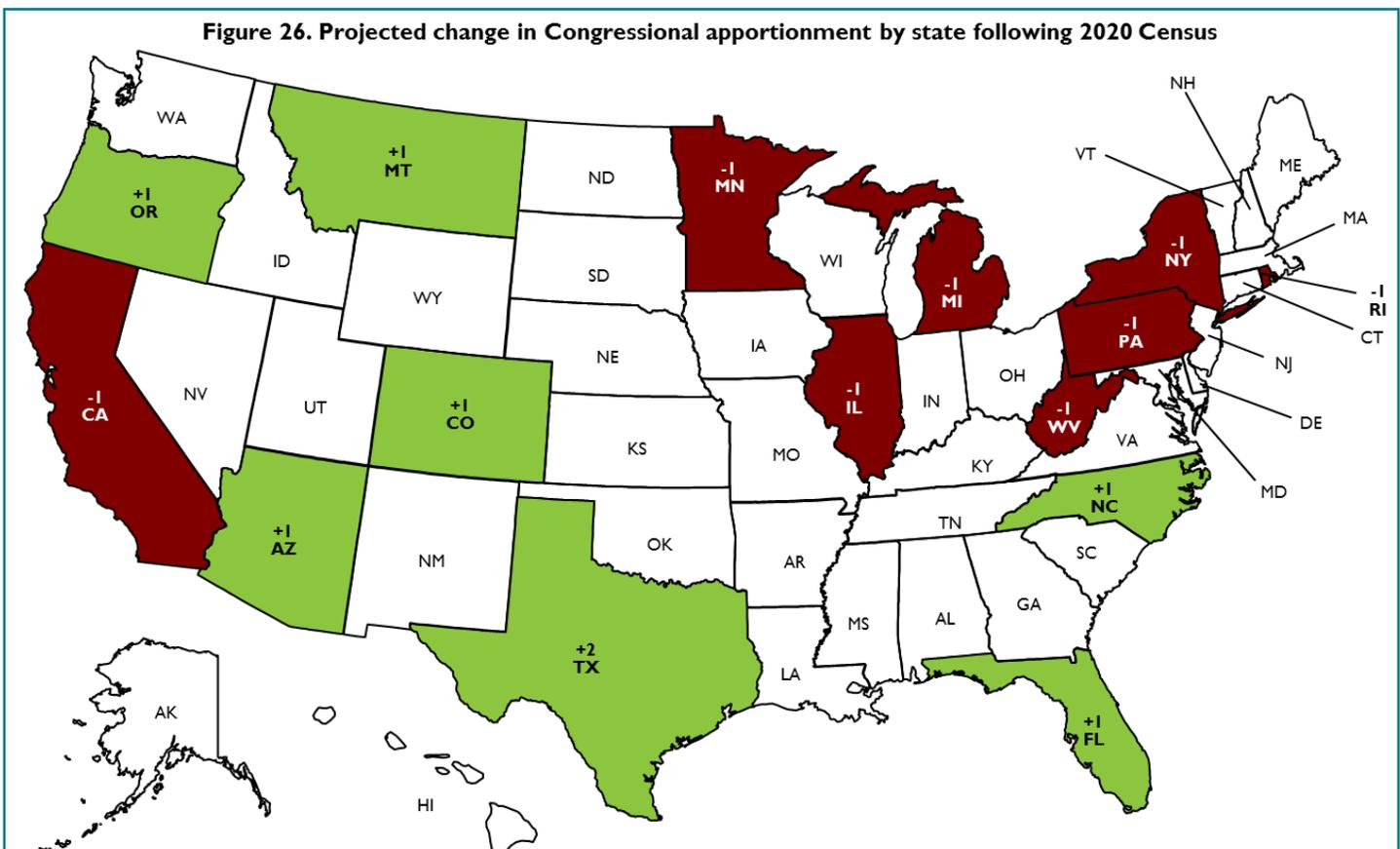
Source: U.S. Census Bureau, Population Division. Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2019.

## MISSISSIPPI'S BUSINESS

### MISSISSIPPI POPULATION TRENDS, CONTINUED

Colorado, Florida, Idaho, Nevada, and Texas. The largest population decrease among all states between 2010 and 2019 occurred in Illinois, which lost 159,751 residents over this period. West Virginia experienced the largest percentage decrease in population from 2010 to 2019 of 3.3 percent; the decline represented a loss of 60,871 residents over this period. Two other states have experienced population declines since 2010: Connecticut, which lost 8,860 residents, a decrease of 0.2 percent, and Vermont, which lost 1,748 residents, a 0.3 percent decline. Figure 25 depicts the percent change in population by state from 2010 to 2019 according to the Census Bureau.

Following the 2020 Census the 435 seats in the U.S. House of Representatives will be reapportioned across the fifty states. The Population Studies Center at the University of Michigan developed an apportionment calculator that can use population estimates for all states to project the composition of the U.S. House following the 2020 Census. Figure 26 below depicts the projected changes by state using the 2019 population estimates from the Census for each state discussed previously. According to the apportionment calculator, fifteen states are projected to experience a change in representation based on the 2019 estimates. Mississippi is not expected to lose any of its four seats in the U.S. House. With the exception of California, all the states projected to lose seats are located in the Midwest and Northeast while all the states projected to gain seats are located in the South and West. The largest change is forecast for Texas, which is expected to gain two seats. No other state is projected to gain or lose more than one seat. Among the four states that have experienced population declines since 2010, Illinois and West Virginia are projected to each lose a seat. Notably, three of the five states with the largest populations are projected to lose a Congressional seat following the 2020 Census: California, New York, and Pennsylvania. California has never lost a seat in its history, while New York has lost multiple seats following every Census since 1940. Similarly, Pennsylvania has lost nine seats since 1960.



Source: U.S. Census Bureau, Population Division and University of Michigan Population Studies Center