



ECONOMY AT A GLANCE

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The value of the Mississippi Leading Index (MLI) fell 1.1 percent in December as Figure 1 indicates, its first decline since April. Compared to one year earlier the value of the MLI for the month was up 0.1 percent.

Figure 2 indicates the value of the Mississippi Coincident Index (MCI) increased 0.7 percent in December. The value for the month was 0.4 percent higher compared to one year ago.

In its initial estimate the U.S. Bureau of Economic Analysis (BEA) reported U.S. real GDP increased at a seasonally-adjusted, annualized rate of 4.0 percent in the fourth quarter of 2020. The change in the third quarter remained an increase of 33.4 percent a seasonally-adjusted, annualized rate. For all of 2020 the U.S. economy contracted 3.5 percent, the largest annual decrease in real GDP since 1946.

In the fourth quarter consumer spending, both residential and nonresidential fixed investment, private inventory investment, and exports increased, which were partially offset by declines in government spending.

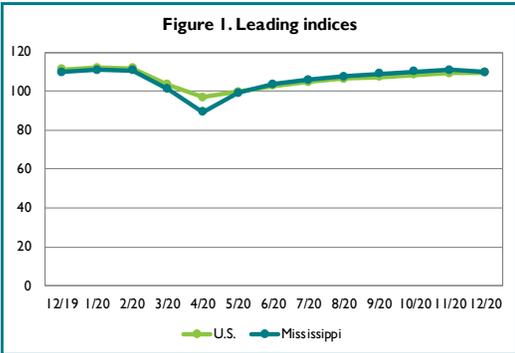
Like the national economy, Mississippi's economy took a step back in December as the MLI decreased for the first time since April. While some national numbers declined as COVID-19 infections increased and restrictions tightened, the state saw an increase in initial unemployment claims, a drop in building permits, and a fall in the weekly hours of manufacturing employees. However, withholdings performed well again in December, likely a sign of the underlying recovery. Conditions should begin to show improvement as the number of new COVID-19 infections appeared to peak in early January.

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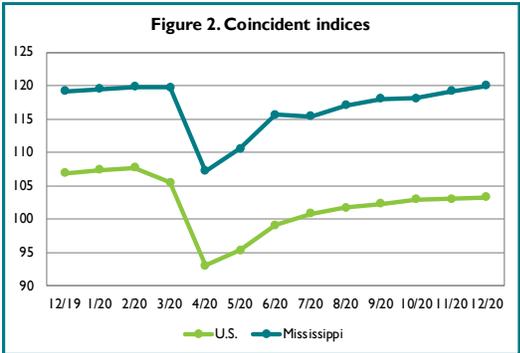
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Sources: University Research Center and The Conference Board



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 2007. 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 2007.

Photo credit: "Fish hatchery ponds between Itta Bena and Sunflower, Mississippi" by formulandone available at https://commons.wikimedia.org/wiki/File:Fish_Hatchery_Ponds_-_Between_Itta_Bena_and_Sunflower,_Mississippi.jpg under a Creative Commons Attribution-Share Alike 2.0 Generic (CC BY-SA 2.0) License. Full terms at <https://creativecommons.org/licenses/by-sa/2.0/deed.en>.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, DECEMBER 2020**

For the first time since April, the value of the **Mississippi Leading Index of Economic Indicators** (MLI) fell in December. For the month the MLI lost 1.1 percent of its value. Compared to one year earlier the value of the MLI for the month was 0.1 percent higher. The value of the MLI rose 6.0 percent over the last six months.

In December six of the seven components of the MLI decreased. The only component that made a positive contribution was income tax withholdings. The largest negative contribution came from initial unemployment claims. Each component is discussed below in order of smallest to largest contribution.

Figure 4 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi rose 19.9 percent in December, the first increase since September. Compared to one year earlier the value for December was 242.9 percent higher. The number of seasonally-adjusted continued unemployment claims in Mississippi fell 35.9 percent in December as seen in Figure 16 on page 6, the largest monthly decrease since June. The number of continued unemployment claims in Mississippi was 253.0 percent higher for the month compared to one year earlier. The seasonally-adjusted unemployment rate in Mississippi decreased 0.1 percentage point in December to 6.2 percent as seen in Figure 17 on page 6. Compared to one year earlier the Mississippi unemployment rate in December was up 0.6 percentage point.

In January the value of the **ISM Index of U.S. Manufacturing Activity** fell 3.3 percent as seen in Figure 5. The value for the month was up 15.3 percent compared to one year earlier. The largest decrease among all components occurred in New Orders; Production declined considerably as well. Inventories was nearly unchanged while Supplier Deliveries and Employment increased slightly. As in December all components were in expansion territory (above 50.0) in January. The prices paid index rose for the second consecutive month.

In December the value of the **Mississippi Manufacturing Employment Intensity Index** fell 1.3 percent as seen in Figure 6, the first decrease in three months. Compared to one year earlier the value for the month was 7.5 percent lower. Both Manufacturing employment in the state and the average weekly hours of production employees fell slightly, leading to the decrease in the value of the Index.

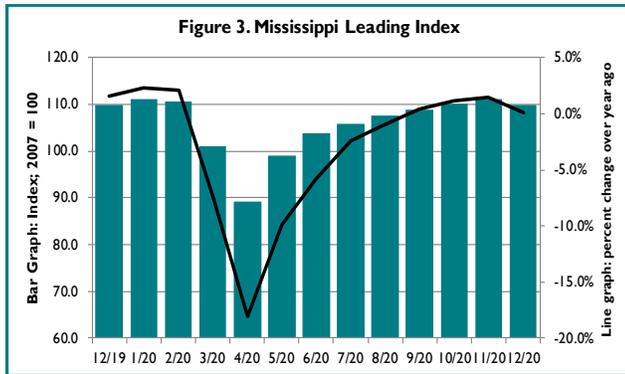
U.S. retail sales decreased in value for the third consecutive month in December. As Figure 7 indicates, the value fell 0.7 percent. The value for November was revised down further to a decrease of 1.4 percent. Compared to one year earlier the value of sales in December was 2.9 percent higher, the smallest year-over-year increase since July. Sales excluding gasoline stations and automobiles were 2.1 percent lower. Gasoline sales experienced the largest increase among segments for the month, largely due to price increases. Unexpectedly, sales at nonstore retailers decreased the most among all segments. Restaurant sales also fell considerably in December as some states increased restrictions on dining due to COVID-19.

As Figure 8 indicates the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) decreased 2.3 percent in December, the second consecutive monthly decline. The December value was 17.8 percent lower compared to one year earlier, the largest year-over-year decrease since July. Rising numbers of COVID-19 infections and tighter restrictions in much of the country apparently overshadowed largely positive news about vaccines and additional federal stimulus. In the most recent survey short-term (one-year) inflation expectations climbed to their highest level since August and long-term (five-year) expectations rose as well.

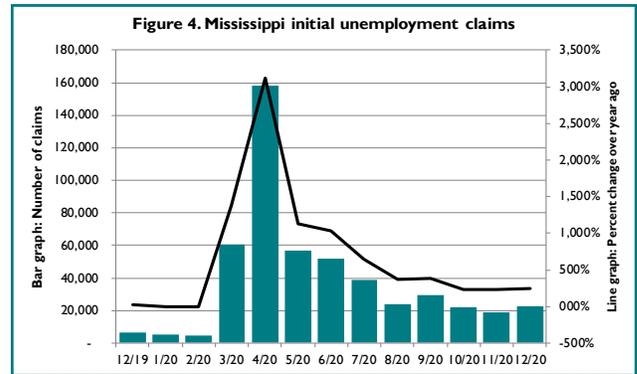
The value of **Mississippi residential building permits** (three-month moving average) decreased 2.4 percent in December as Figure 9 indicates, the largest monthly decline since May. The value for the month was 21.9 percent higher compared to one year earlier. The number of units in the state in December fell 1.47 percent, the fourth decrease in the last five months. The number of units in the state for the month was up 18.2 percent compared to one year earlier. The number of privately-owned housing units authorized by building permits in the U.S. was 4.5 percent higher in December compared to the revised November rate. Compared to one year ago the number of units in the U.S. in December was up 17.3 percent.

For the fourth consecutive month the value of **Mississippi income tax withholdings** (three-month moving average) increased in December as seen in Figure 10. The value rose 2.6 percent for the month and compared to one year earlier the value of withholdings was 7.7 percent higher. This year-over-year increase was the largest since February 2014. Over the last six months the value of income tax withholdings in Mississippi rose 11.3 percent.

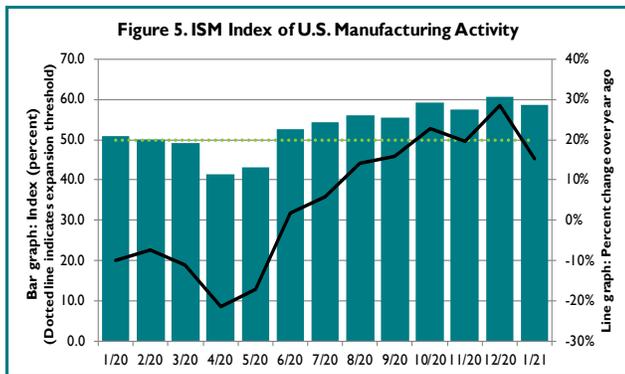
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



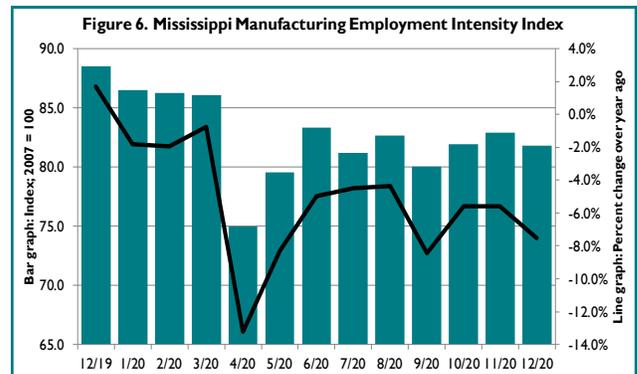
Source: University Research Center



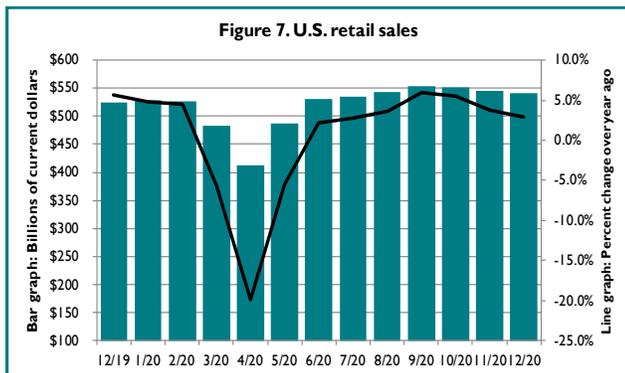
Source: U.S. Department of Labor; seasonally adjusted



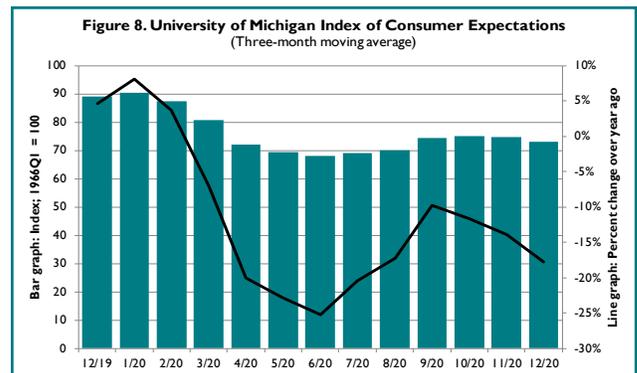
Source: Institute for Supply Management



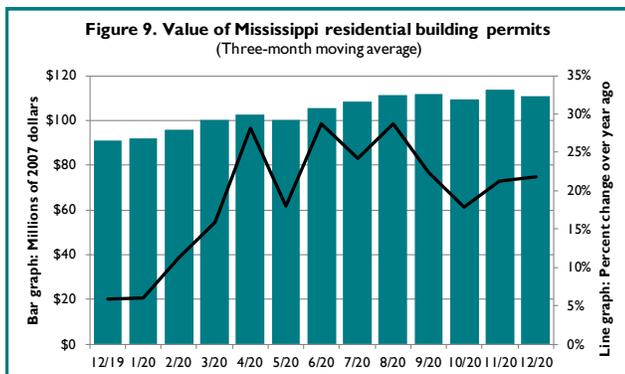
Source: URC using data from U.S. Bureau of Labor Statistics



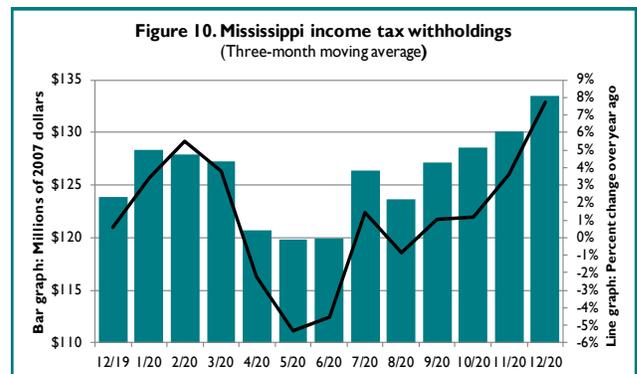
Source: U.S. Bureau of the Census



Source: Thomson Reuters/University of Michigan Surveys of Consumers



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



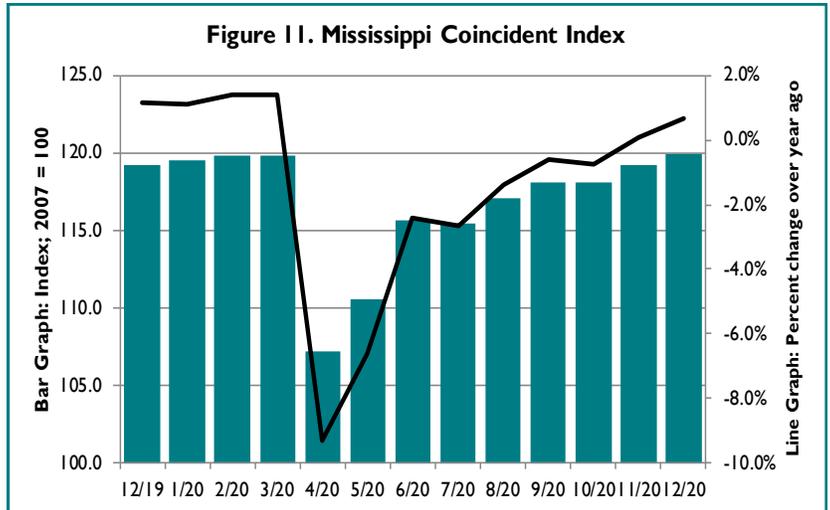
Source: Mississippi Department of Revenue; seasonally adjusted

MISSISSIPPI'S BUSINESS

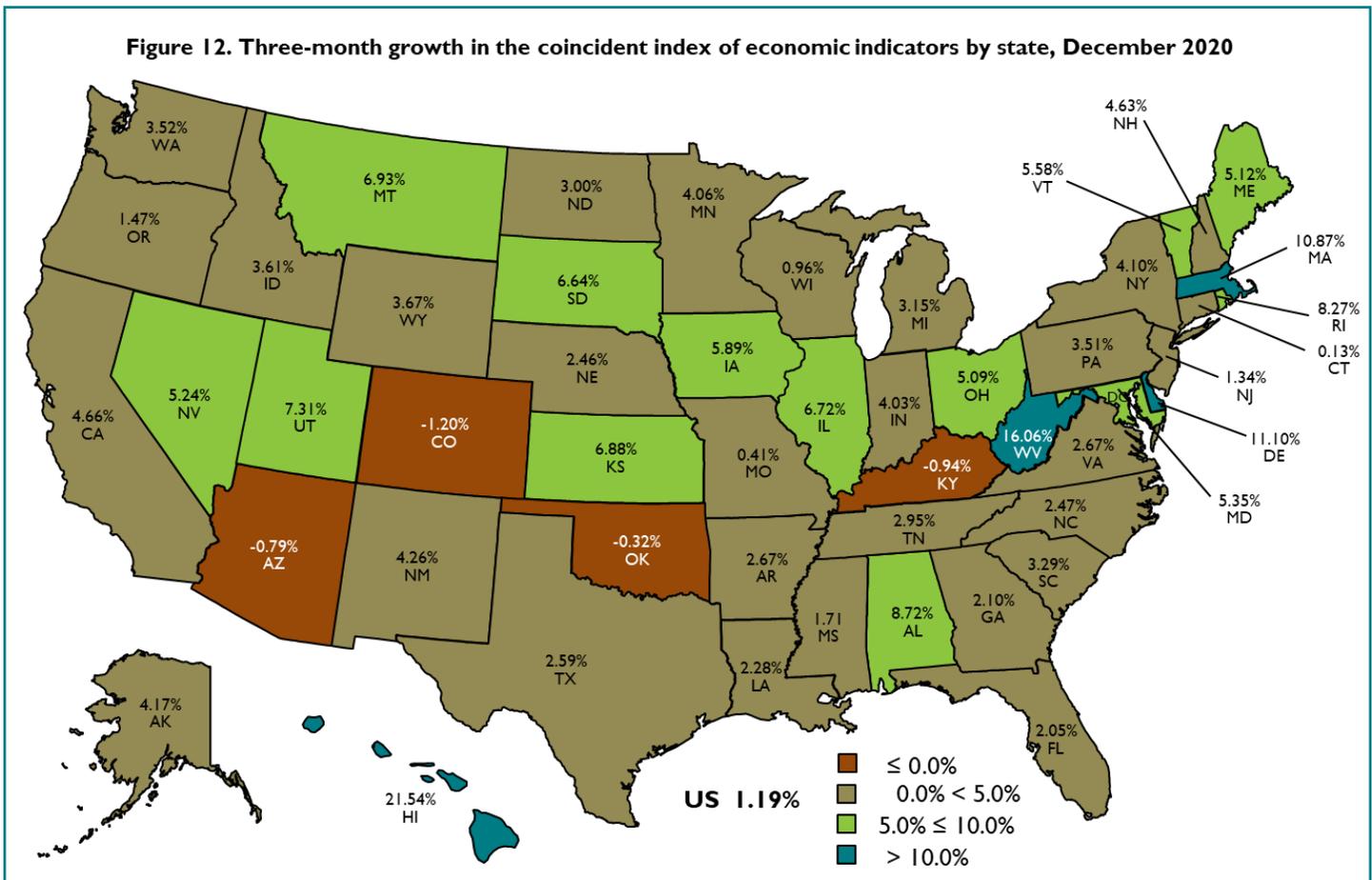
MISSISSIPPI COINCIDENT INDEX, DECEMBER 2020

Figure 11 indicates the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.7 percent in December as reported by the Federal Reserve Bank of Philadelphia. Compared to one year ago the value of the MCI for the month was 0.4 percent higher.

The values of the coincident indices in December were higher in forty-six states compared to September as seen in Figure 12. In four states the value of the coincident index increased more than 10.0 percent in the last three months. The state with the largest increase in its coincident index over the last three months was again Massachusetts, where the value rose 10.87 percent. The value of the coincident index increased between 5.0 and 10.0 percent in December compared to September in thirteen states. Mississippi was one of twenty-nine states where the value of the coincident index increased less than 5.0 percent in the last three months. In four states—Arizona, Colorado, Kentucky, and Oklahoma—the value of the coincident index decreased in December compared to September.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

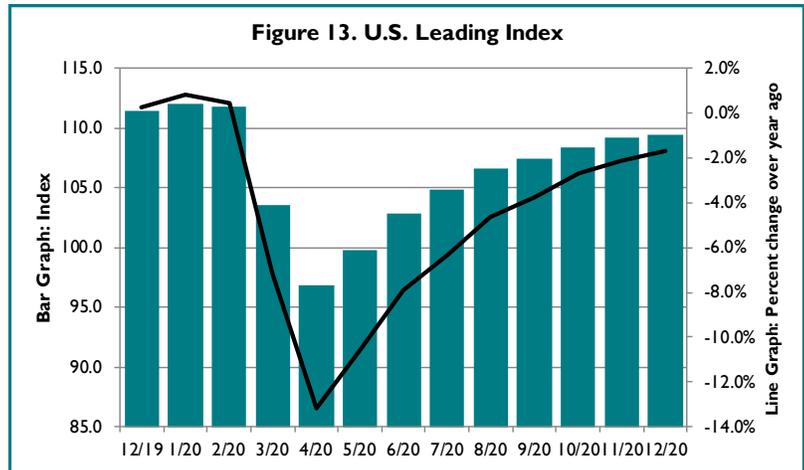
NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) rose 0.6 percent in December according to The Conference Board. It was the eighth consecutive monthly increase. Compared to one year earlier the value of the LEI for the month was 1.7 percent lower as seen in Figure 13. In December seven of the ten components of the LEI made positive contributions. The ISM® New Orders Index made the largest contribution while average weekly initial claims for unemployment insurance made the largest negative contribution for the month. The value of the LEI rose 6.5 percent over the last six months.

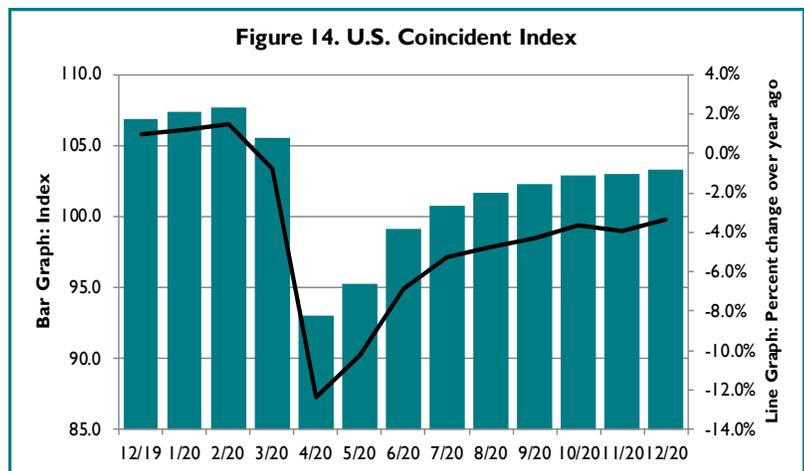
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) increased 0.3 percent in December as seen in Figure 14. Compared to one year earlier the value of the CEI for the month was down 3.4 percent. In December three of the four components of the CEI made positive contributions. The largest contribution came from industrial production, while employees on nonagricultural payrolls was the lone negative contributor. The value of the CEI increased 4.4 percent over the last six months.

In December the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index decreased for the second consecutive month as seen in Figure 15. The value dropped 5.4 percent and the Index fell to its lowest level since July. The value of the Index was 6.6 percent lower for the month compared to one year earlier, the largest year-over-year decrease since May. Nine of the ten components decreased for the month; the only component that increased was “current inventory.” The Index likely fell in December due to the 2020 election results as well as the increase in COVID-19 infections.

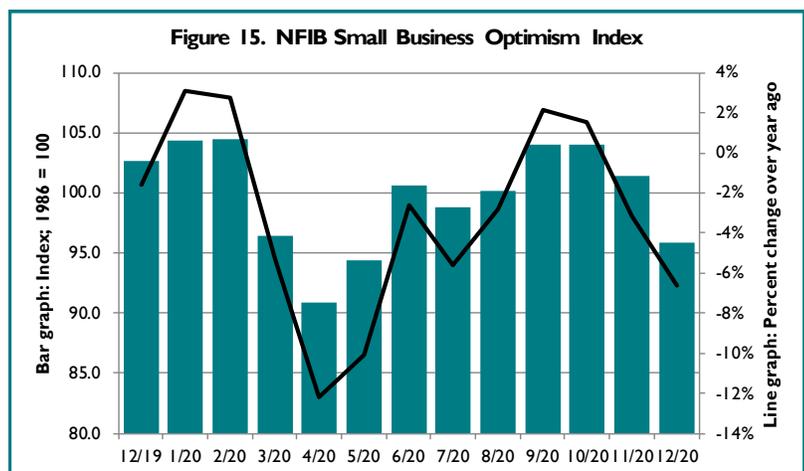
The Federal Open Market Committee (FOMC) made few headlines at its January meeting and essentially reiterated its commitment to maintain current policies until the U.S. economy improves to the central bank’s satisfaction. Federal Reserve Chair Jerome Powell noted “The pandemic still provides considerable downside risks to the economy.” Powell also appeared unconcerned that at present the Fed’s near zero interest rate policy could lead to a spike in inflation or a financial bubble.



Source: The Conference Board



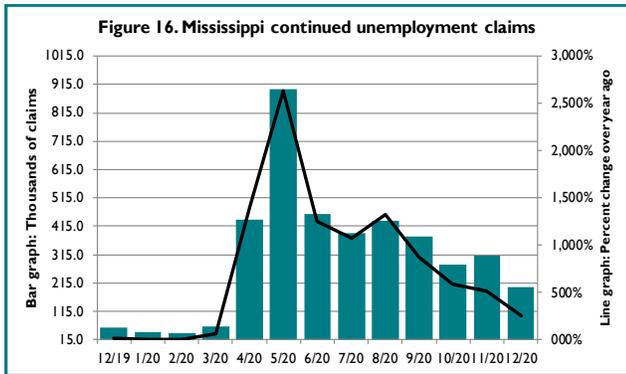
Source: The Conference Board



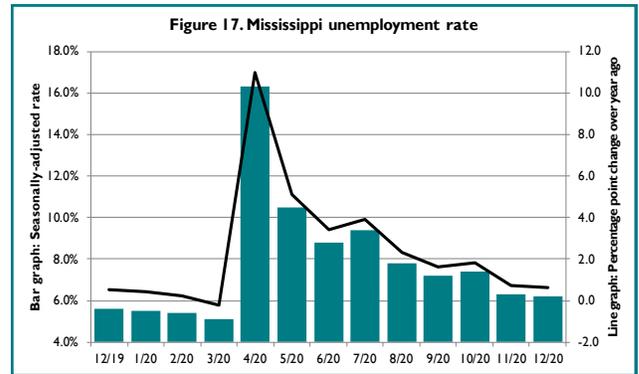
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

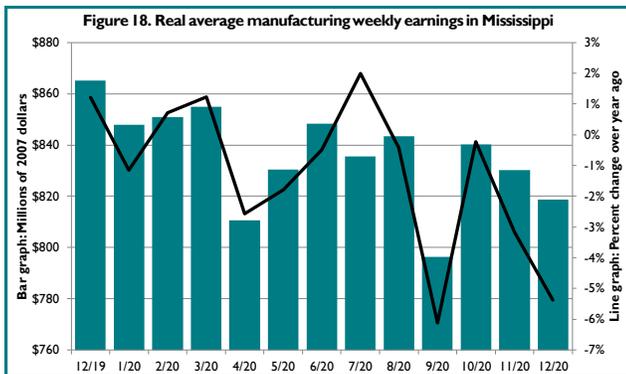
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



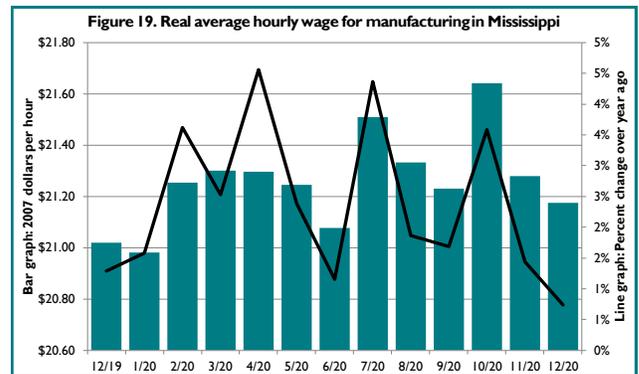
Source: U.S. Department of Labor; seasonally adjusted



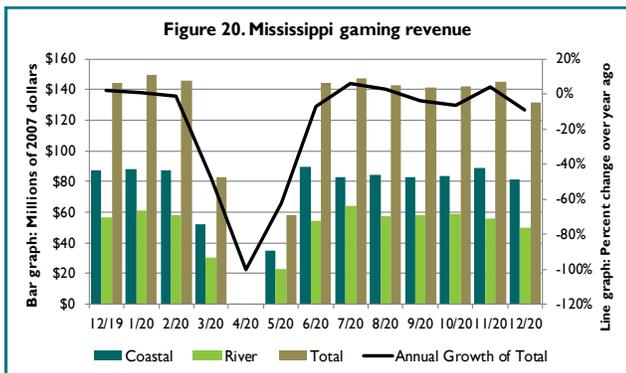
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



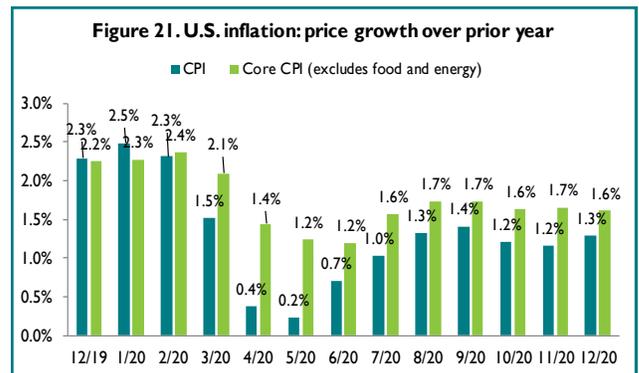
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



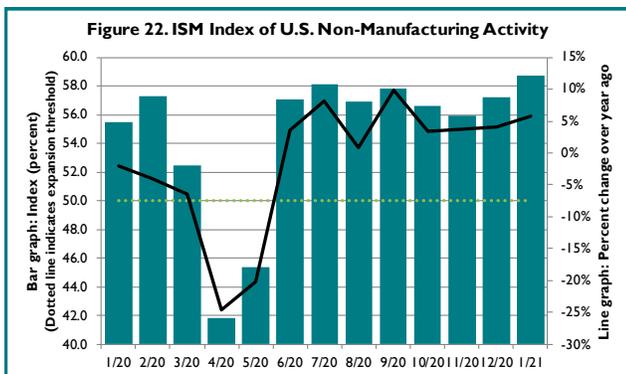
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



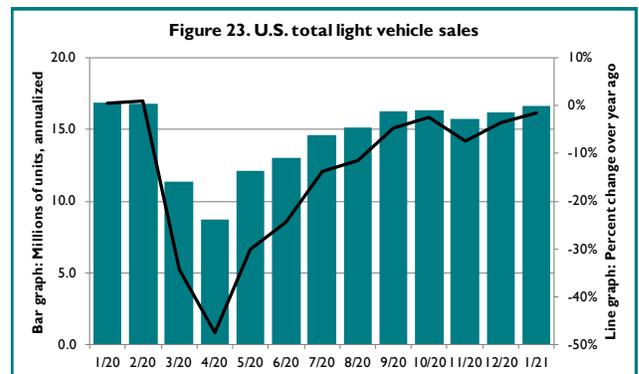
Source: Mississippi Department of Revenue; seasonally adjusted



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	
	2020	2020	2019	November 2020	December 2019
U.S. Leading Economic Index 2007 = 100. Source: The Conference Board	109.5	109.2	111.4	▲0.3%	▼1.7%
U.S. Coincident Economic Index 2007 = 100. Source: The Conference Board	103.3	103.0	106.9	▲0.3%	▼3.4%
Mississippi Leading Index 2007 = 100. Source: University Research Center	109.9	111.1	109.8	▼1.1%	▲0.1%
Mississippi Coincident Index 2007 =100. Source: Federal Reserve Bank of Philadelphia	120.0	119.2	119.5	▲0.7%	▲0.4%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	22,668	18,911	6,610	▲19.9%	▲242.9%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	110.9	113.6	90.9	▼2.4%	▲21.9%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	133.5	130.0	123.9	▲2.6%	▲7.7%
Mississippi Manufacturing Employment Intensity Index 2007 =100. Source: URC using data from U.S. Bureau of Labor Statistics	81.8	82.9	88.5	▼1.3%	▼7.5%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	73.0	74.8	88.9	▼2.3%	▼17.8%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	58.7	60.7	50.9	▼3.3%	▲15.3%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	540.9	544.6	525.7	▼0.7%	▲2.9%
U.S. Consumer Price Index (CPI)	126.3	125.8	124.6	▲0.4%	▲1.3%
U.S. Core CPI (excludes food and energy) 2007 = 100. Source: URC using data from Bureau of Labor Statistics	128.2	128.1	126.2	▲0.1%	▲1.6%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	6.2%	6.3%	5.6%	▼0.1	▲0.6
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	198,887	310,131	56,338	▼35.9%	▲253.0%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	58.7	60.7	50.9	▼3.3%	▲15.3%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	2.62%	2.73%	3.65%	▼0.11	▼1.02
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	21.18	21.28	21.02	▼0.5%	▲0.7%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	818.61	830.21	865.03	▼1.4%	▼5.4%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	95.9	101.4	102.7	▼5.4%	▼6.6%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.63	16.23	16.87	▲2.5%	▼1.5%
Gaming revenue	131.54	144.90	144.6	▼9.2%	▼9.0%
Coastal counties	81.42	89.22	87.6	▼8.7%	▼7.0%
River counties Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	50.12	55.68	57.1	▼10.0%	▼12.2%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) reported total nonfarm employment in Mississippi rose by 4,400 jobs in December, a 0.4 percent increase. November employment in the state was revised down by 600 jobs. As seen in Table 2, employment in Mississippi in December was 1.4 percent lower compared to one year earlier, a decline of 16,400 jobs.

BLS reported in December fifteen states added jobs, eleven states lost jobs, and in twenty-four states and the District of Columbia employment did not change. The largest increase in employment occurred in Texas, which added 64,200 jobs for the month, followed by Georgia, which added 44,700 jobs, and North Carolina, which added 33,600 jobs. The largest percentage increase in employment among all states in December occurred in Hawaii, where employment rose 2.0 percent. The largest decline in employment occurred in Michigan, which lost 64,400 jobs for the month, followed by California, which lost 52,200 jobs. Employment fell 1.8 percent in Minnesota, the largest percentage decrease among all states and a loss of 49,800 jobs.

Compared to one year earlier employment in December was lower in forty-eight states and the District of Columbia and was essentially unchanged in Idaho and Utah. As

in November the largest decrease in employment over the last twelve months occurred in California, which lost 1,410,000 jobs. The largest percentage decrease in employment among all states compared to one year earlier once again occurred in Hawaii, where employment was 13.8 percent lower.

Once again in December employment gains were mixed across sectors in the state. Trade, Transportation, and Utilities added 2,800 jobs for the month, the most among all sectors. Employment in Mining and Logging rose 1.9 percent in December, the largest percentage increase in employment in the state and a gain of 100 jobs. Educational Services lost 400 jobs for the month, the most among all sectors. The largest percentage decrease in employment was the 4.5 percent decline in Arts and Entertainment, a loss of 300 jobs.

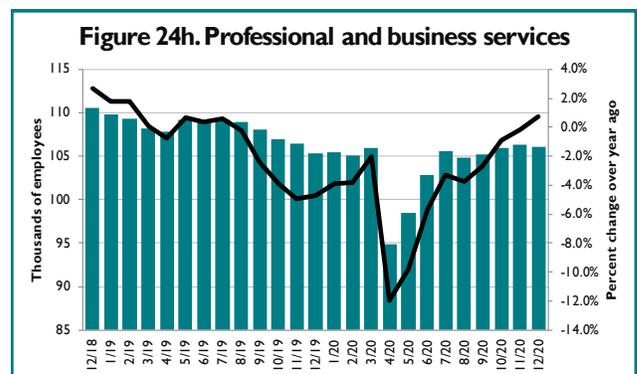
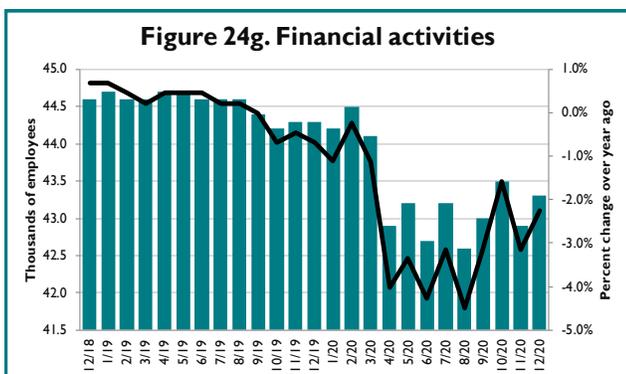
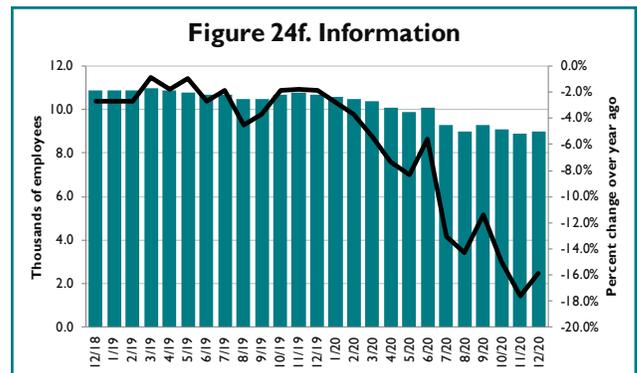
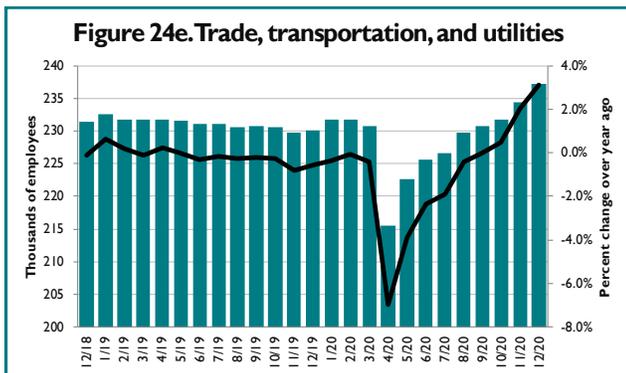
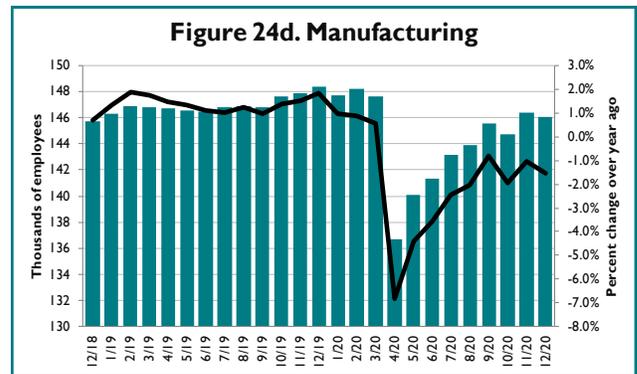
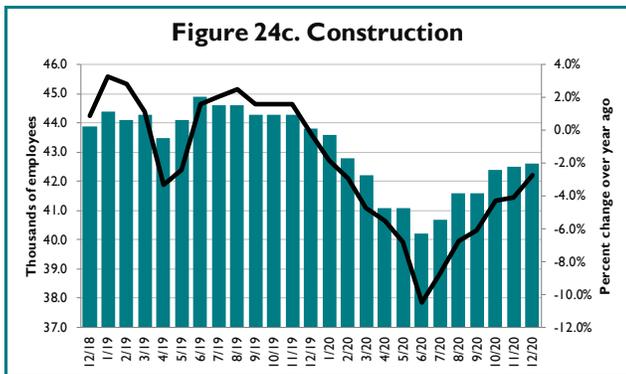
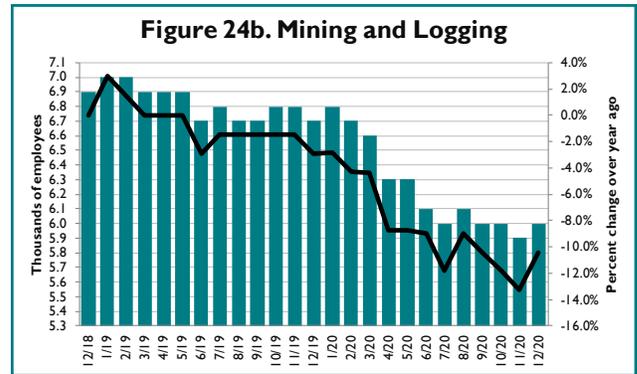
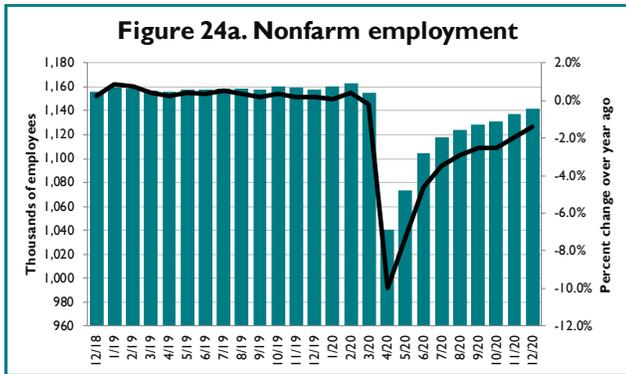
Over the past twelve months Trade, Transportation, and Utilities added 7,200 jobs, an increase of 3.1 percent, both of which were the most among all sectors in the state. The largest decrease in employment among all sectors over the last twelve months was in Health Care and Social Assistance, which lost 7,600 jobs. Employment in Arts and Entertainment fell 34.7 percent over the past year, once again the most among all sectors in Mississippi.

Table 2. Change in Mississippi employment by industry, December 2020

	Relative share of total ^a	December 2020	November 2020	December 2019	Change from November 2020		Change from December 2019	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,141,500	1,137,100	1,157,900	▲4,400	▲0.4%	▼16,400	▼1.4%
Mining and Logging	0.6%	6,000	5,900	6,700	▲100	▲1.7%	▼700	▼10.4%
Construction	3.7%	42,600	42,500	43,800	▲100	▲0.2%	▼1,200	▼2.7%
Manufacturing	12.8%	146,100	146,400	148,400	▼300	▼0.2%	▼2,300	▼1.5%
Trade, Transportation & Utilities	20.4%	237,300	234,500	230,100	▲2,800	▲1.2%	▲7,200	▲3.1%
Retail Trade	12.1%	141,200	139,900	135,200	▲1,300	▲0.9%	▲6,000	▲4.4%
Information	0.9%	9,000	8,900	10,700	▲100	▲1.1%	▼1,700	▼15.9%
Financial Activities	3.9%	43,300	42,900	44,300	▲400	▲0.9%	▼1,000	▼2.3%
Services	36.8%	422,500	422,600	432,200	▼100	0.0%	▼9,700	▼2.2%
Professional & Business Services	9.2%	106,100	106,300	105,300	▼200	▼0.2%	▲800	▲0.8%
Educational Services	1.0%	10,700	11,100	11,900	▼400	▼3.6%	▼1,200	▼10.1%
Health Care and Social Assistance	11.6%	128,500	128,800	136,100	▼300	▼0.2%	▼7,600	▼5.6%
Arts and Entertainment	0.6%	6,400	6,700	9,800	▼300	▼4.5%	▼3,400	▼34.7%
Accommodation and Food Services	10.7%	129,600	128,300	128,100	▲1,300	▲1.0%	▲1,500	▲1.2%
Other Services	3.6%	41,200	41,400	41,000	▼200	▼0.5%	▲200	▲0.5%
Government	21.0%	234,700	233,400	241,700	▲1,300	▲0.6%	▼7,000	▼2.9%

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

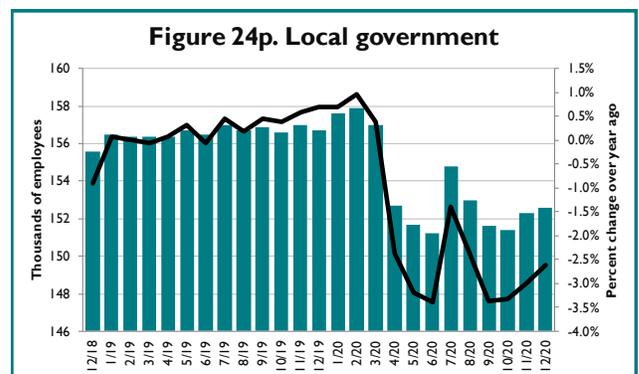
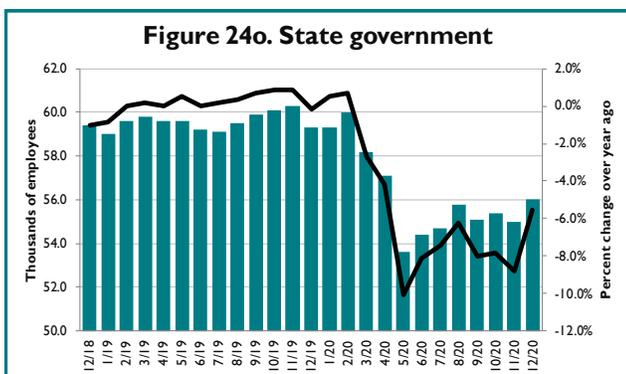
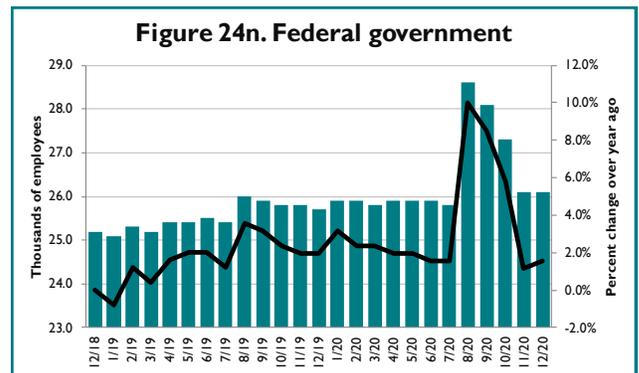
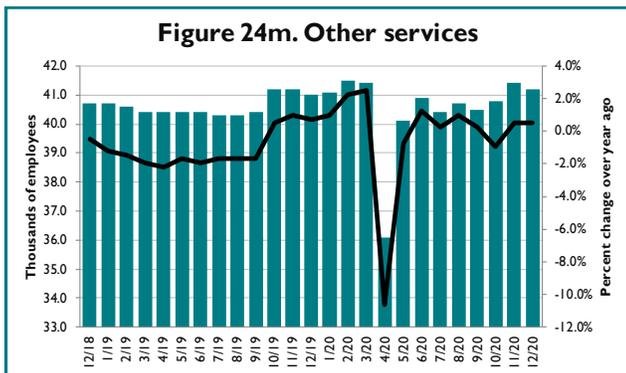
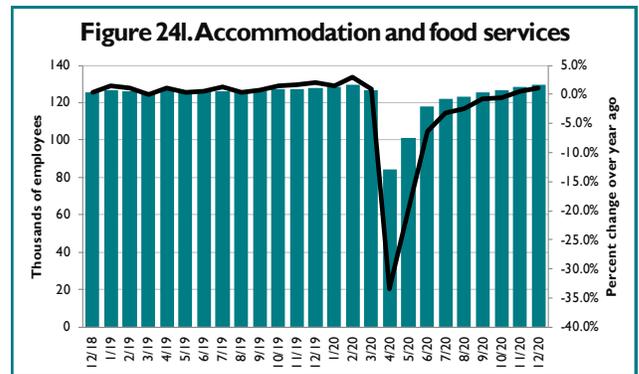
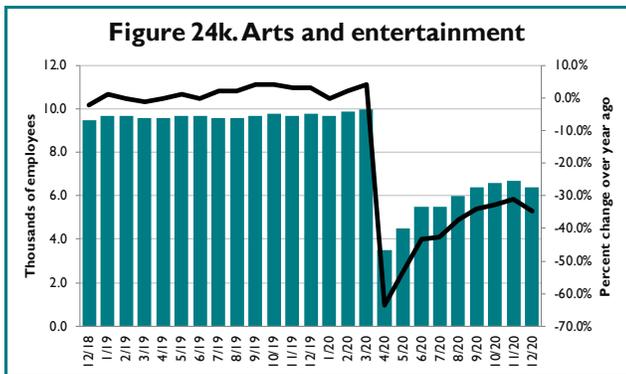
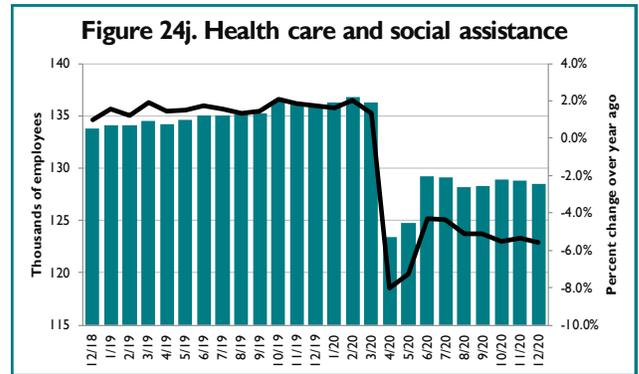
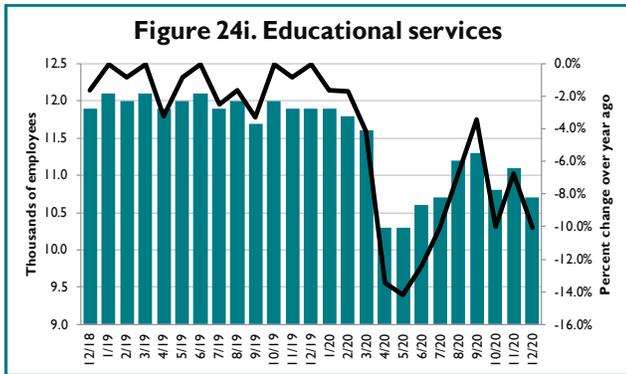
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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'S BUSINESS

CHANGE IN MISSISSIPPI COUNTY REAL GDP IN 2019, CONTINUED

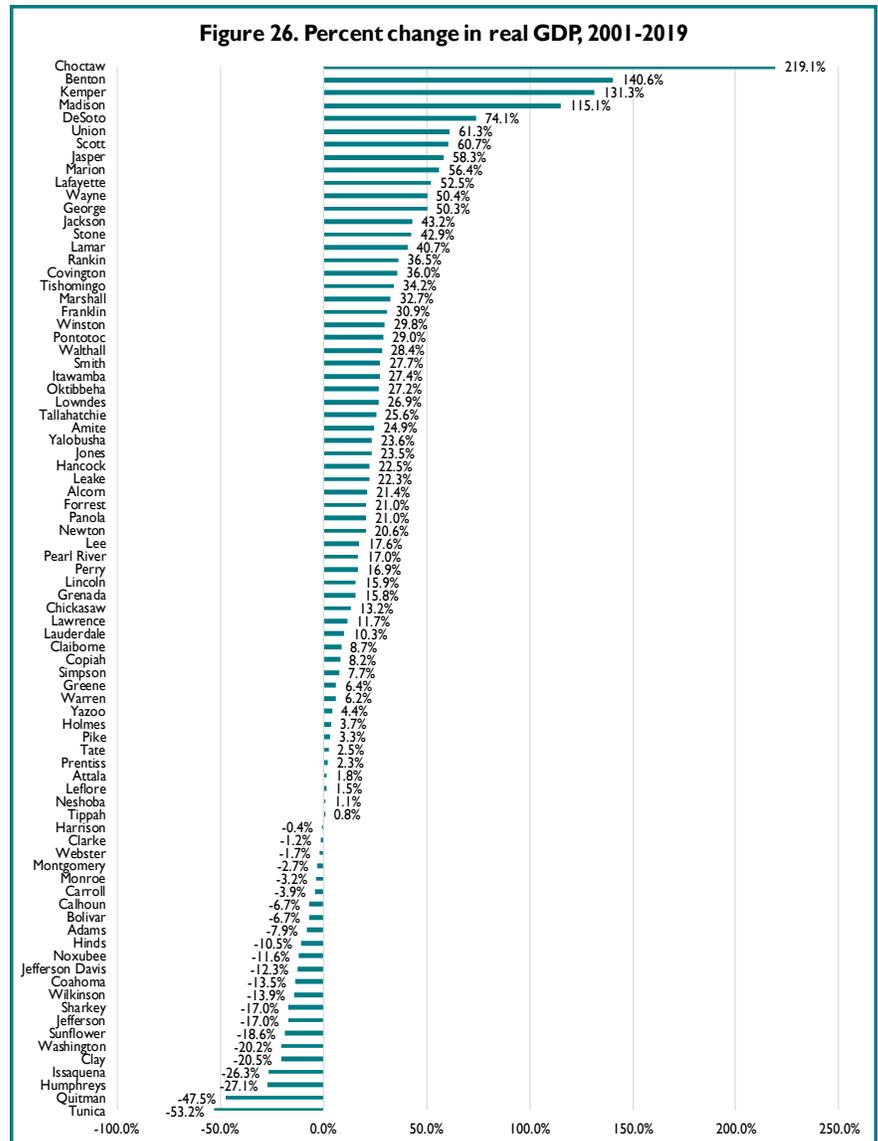
values, accounted for nearly 20.0 percent of the state's population in 2019. The five counties with the smallest real GDP values, on the other hand, accounted for only 1.0 percent of the state's total population in 2019.

The change in real GDP for each county in the state from 2001 to 2019, which represents the entirety of the period covered by BEA's release, is seen in Figure 26. In fifty-nine counties real GDP expanded between 2001 and 2019; in twenty-three counties real GDP contracted over the same period. These contractions mean the economies of these counties were smaller in 2019 than in 2001. In twenty-three counties real GDP expanded by a total of less than 18.0 percent from 2001 to 2019—an average growth of less than 1.0 percent per year over the period.

The economy of Choctaw County more than tripled in size over the period and had the largest increase in real GDP among all counties in the state. The economies of Benton, Kemper, and Madison Counties more than doubled in size from 2001 to 2019. The outsized increases in real GDP in percentage terms occurred in some of these counties in part because their economies are relatively small. In counties such as Madison, DeSoto, Jackson, and Rankin with comparatively large increases in real GDP, economic growth was associated with increases in population.

However, real GDP contracted slightly in Harrison County from 2001 to 2019 while its population increased 9.4 percent, which indicates population growth is not always associated with economic growth.

Tunica, Quitman, Humphreys, Issaquena, and Clay Counties had the largest decreases in real GDP from 2001 to 2019. Most of these counties represent relatively small economies that underwent outsized decreases in percentage terms, much like some of the counties that experienced the largest increases in real GDP. The economies of almost all of the counties in the Delta region contracted over the period, a reflection of the area's persistent economic challenges. Also noteworthy is that the economies of Harrison and Hinds Counties, which were the two counties in the state with the largest real GDP values in 2019, both contracted over the period. The performance of these two counties helps explain in part the relatively slow growth of Mississippi's economy since the turn of the twenty-first century, as real GDP for the state increased an average of almost 1.0 percent per year between 2001 and 2019.



Source: U.S. Bureau of Economic Analysis