



ECONOMY AT A GLANCE

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Editor's note: As of the March 2020 issue, all series are indexed to a base year of 2007.

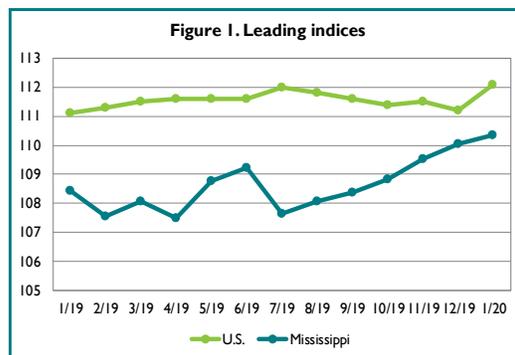
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) increased 0.3 percent in January, its sixth consecutive monthly increase. The value of the MLI for the month was 1.8 percent higher compared to one year ago.

Due to annual revisions by the Philadelphia Federal Reserve, values of the Mississippi Coincident Index for January are unavailable until April. Figure 2 below indicates the value of the U.S. Coincident Economic Index increased 0.1 percent in January.

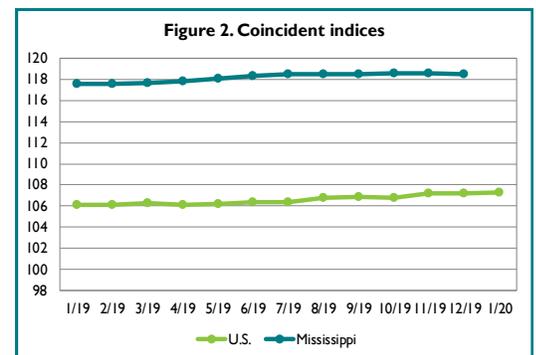
In its second estimate of the change in U.S. real gross domestic product (GDP) in

the fourth quarter of 2019, the U.S. Bureau of Economic Analysis (BEA) reported an increase of 2.1 percent, the same as in its initial estimate. Consumer spending, business investment, and government spending were all lower in the second estimate, but these decreases were offset by increases in inventories and net exports. Notably, nonresidential fixed investment was revised downward to equal its biggest decline since 2015.

While the MLI increased for the sixth consecutive month in January, its gains seem far in the past as virtually none of its components captured the onset of the economic impacts of the coronavirus outbreak. At this point, given the number of sectors of the U.S. economy effectively shut down by the coronavirus, a recession that begins in the second quarter of 2020 appears inevitable.



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.

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

Figure 3 indicates the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased 0.3 percent in January, its sixth consecutive monthly gain. The value of the MLI for the month was 1.8 percent higher compared to one year ago. Over the last six months the value of the MLI increased 2.5 percent.

Five of the seven components of the MLI made positive contributions in January. The largest contribution came from income tax withholdings. The Mississippi Manufacturing Employment Intensity Index and the ISM Manufacturing Index were the two components that made negative contributions in January. Each component is discussed below in order of largest to smallest contribution.

After two consecutive months of declines the value of **Mississippi income tax withholdings** (three-month moving average) surged in January as seen in Figure 4. The value rose 2.4 percent for the month, the largest monthly increase since May 2019. Compared to one year earlier the value of withholdings was 3.4 percent higher in January, the largest year-over-year increase since August 2018. The value of income tax withholdings in Mississippi rose 3.1 percent over the last six months.

As Figure 5 indicates the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) rose 1.8 percent in January. The increase was the fourth consecutive monthly gain and the Index reached its highest level since June 2019. The value was 8.0 percent higher for the month compared to one year earlier, the largest year-over-year increase since September 2017. Both short-term (one-year) and long-term (five-year) inflation expectations decreased from the previous month in the most recent survey.

Figure 6 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 6.1 percent in January. Compared to one year ago the value for the month was down 6.5 percent, only the second year-over-year decrease since June 2019. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 5.9 percent in January as seen in Figure 14 on page 5. The number of continued unemployment claims in Mississippi compared to one year ago was up 4.6 percent in January, the fifth consecutive month with a year-over-year increase. In January the seasonally-adjusted unemployment rate in Mississippi fell 0.1 percentage point from the previous month to 5.5 percent as seen in Figure 15 on page 5. Based on revised data from the Bureau of Labor Statistics, the decrease in the employment rate in

January was the first since July 2018. The rate was 0.4 percentage point higher in January compared to one year earlier.

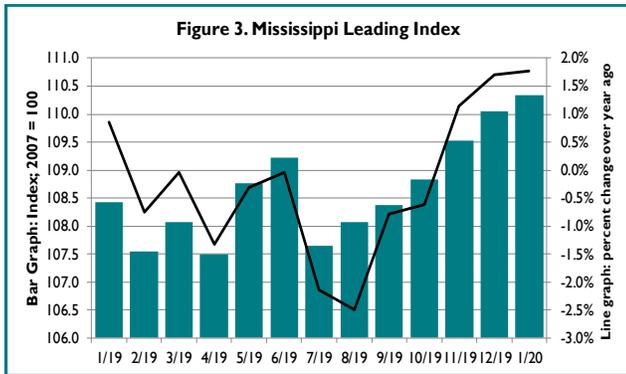
For the fourth consecutive month the value of **U.S. retail sales** increased in January. As seen in Figure 7 the value rose 0.3 percent. Compared to one year earlier sales were 4.4 percent higher in January. The value of December sales was revised down slightly. Most segments increased as the largest gain in sales occurred in building materials. The largest decrease among all segments was in clothing and accessories; the other categories that declined were gasoline stations and electronics and appliances.

The value of **Mississippi residential building permits** (three-month moving average) rebounded in January with a 1.2 percent increase as seen in Figure 8. Compared to one year earlier the value for the month was 5.8 percent higher, the fifth consecutive month with year-over-year increase. The number of units in the state also rose 2.3 percent in January, the first increase in units since September. The number of units in the state for the month was 4.5 percent higher compared to one year ago. The number of privately-owned housing units authorized by building permits in the U.S. climbed 9.2 percent in January from the revised December rate. The number of units in the U.S. in January was 17.9 percent higher compared to one year ago.

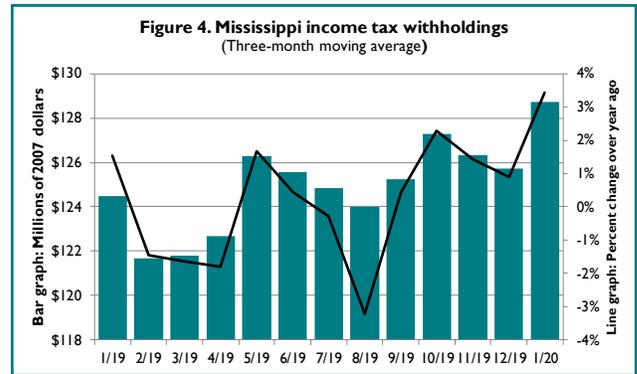
The value of the **ISM Index of U.S. Manufacturing Activity** fell 1.6 percent in February as seen in Figure 9 but remained above the expansion threshold of 50.0 by the slimmest of margins. The value of the Index for the month was 7.6 percent lower compared to one year ago, the smallest year-over-year decrease since April 2019. Supplier Deliveries and Employment were the only components of the Index to increase in value in February. The declines included the New Orders component, which was unexpected based on survey responses by regional manufacturers.

The value of the **Mississippi Manufacturing Employment Intensity Index** fell 2.4 percent in January as seen in Figure 10, its largest monthly decline since July 2019. The value was down 3.1 percent in January compared to one year earlier, the first year-over-year decrease since August 2019. The decline in the Index in January resulted from decreases for the month in both the average weekly hours of production employees in the state and manufacturing employment.

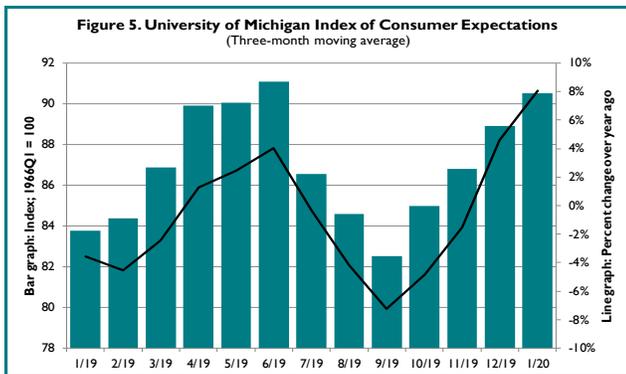
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



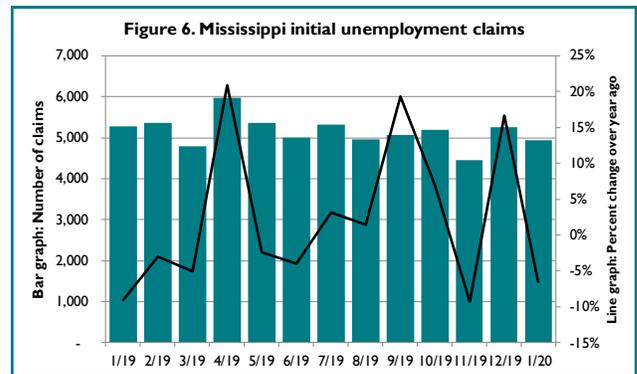
Source: University Research Center



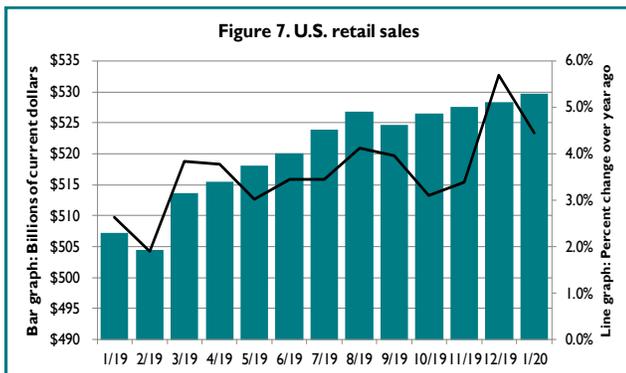
Source: Mississippi Department of Revenue; seasonally adjusted



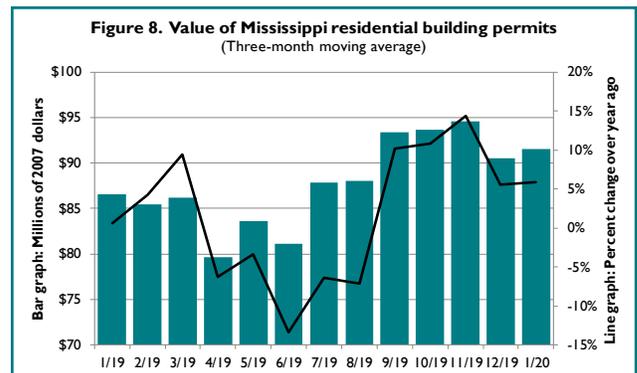
Source: Thomson Reuters/University of Michigan Surveys of Consumers



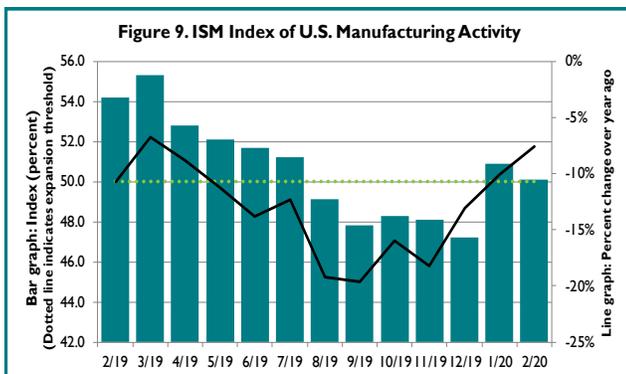
Source: U.S. Department of Labor; seasonally adjusted



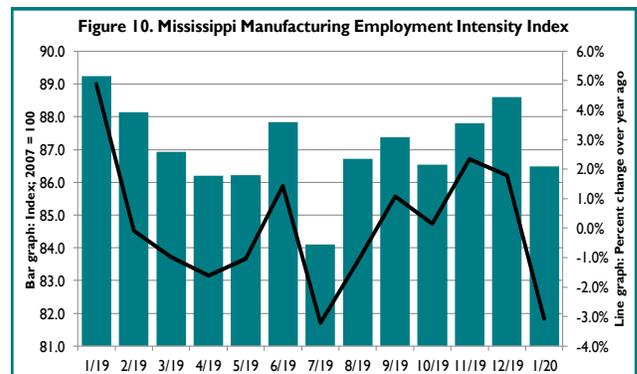
Source: U.S. Bureau of the Census



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



Source: Institute for Supply Management



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

MISSISSIPPI'S BUSINESS

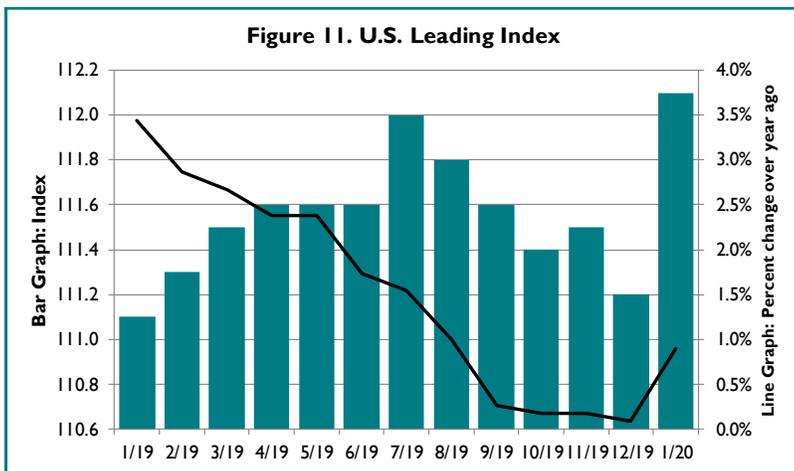
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) surged 0.8 percent in January as Figure 11 indicates, the largest monthly increase since October 2017. The value of the LEI was 0.9 percent higher for the month compared to one year ago. Gains in the LEI were widespread in January as eight of the ten components contributed positively. Average weekly initial claims for unemployment insurance made the largest contribution while the only negative contributor was the ISM New Orders Index. The value of the LEI increased 0.1 percent over the last six months.

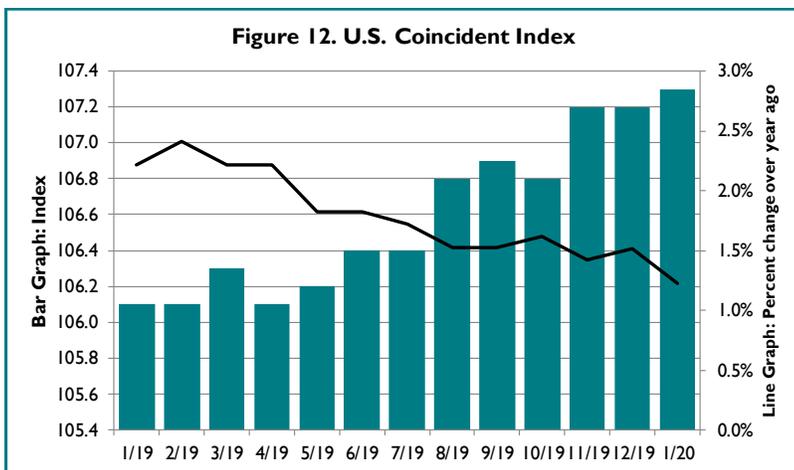
The value of the U.S. Coincident Economic Index (CEI) rose 0.1 percent in January according to The Conference Board as seen in Figure 12. The value of the CEI was 1.1 percent higher compared to one year earlier. In January three of the four components of the CEI contributed positively and the largest contribution came from employees on non-agricultural payrolls. The only negative contributor was industrial production. The value of the CEI increased 0.8 percent over the last six months.

As seen in Figure 13 the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index rose 1.6 percent in January. The value of the Index was 3.1 percent higher for the month compared to one year earlier, the first year-over-year increase in the value of the Index since October 2018. The largest increase among the components occurred in “expect real sales higher” and only two of the ten components decreased in January. The measure for “plans to raise prices” increased for the month while “plans to raise compensation” was unchanged.

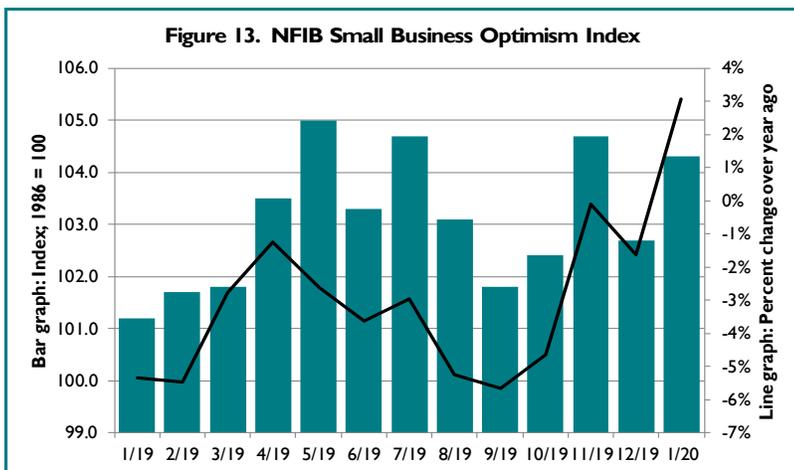
In actions that would have been highly improbable a month earlier, the Federal Open Market Committee (FOMC) held two emergency meetings in March to make large cuts in its federal funds rate target. At its first emergency meeting the FOMC reduced the target by 0.5 basis points, and less than a week later at a second emergency meeting the FOMC reduced the rate again by 1.0 percentage point. The federal funds rate target stands at a range of 0 to 0.25 basis points, effectively zero. The Federal Reserve also stated plans to engage in quantitative easing as it did during and after the financial crisis in 2008.



Source: The Conference Board

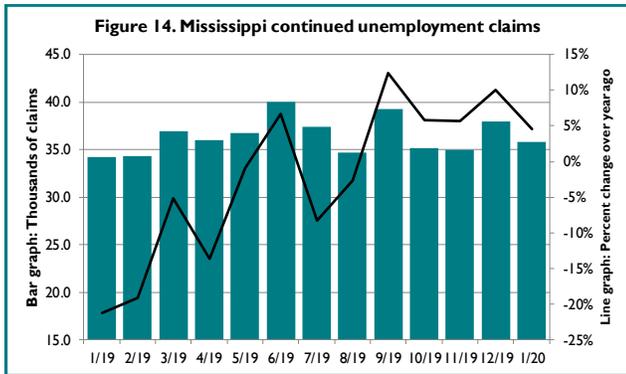


Source: The Conference Board

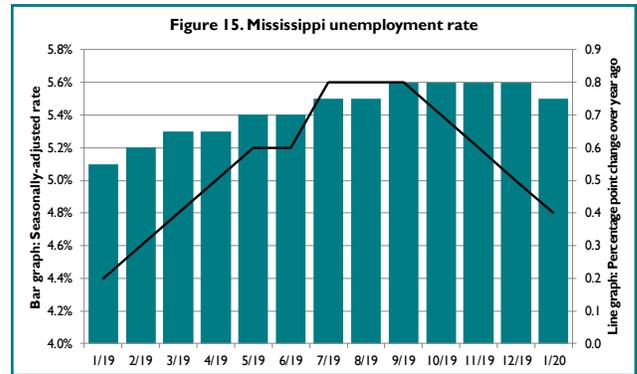


Source: National Federation of Independent Businesses

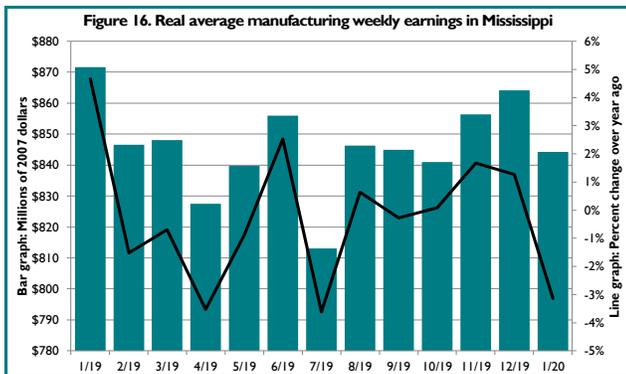
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



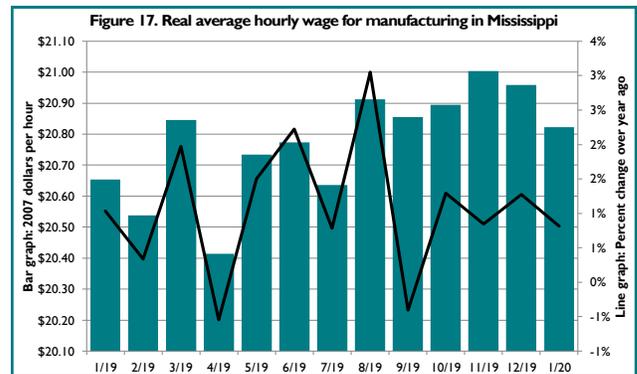
Source: U.S. Department of Labor; seasonally adjusted



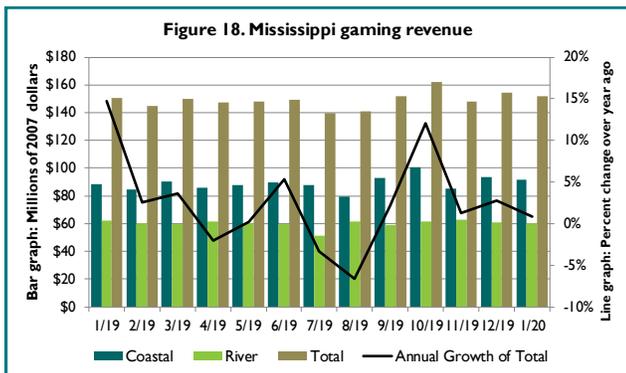
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



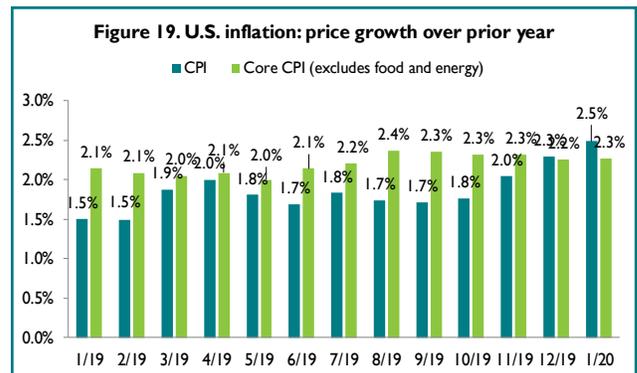
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



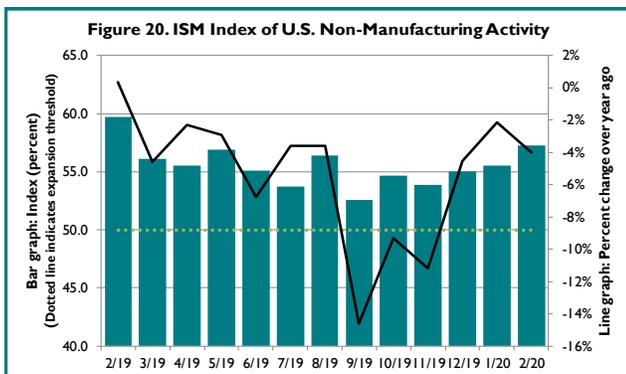
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



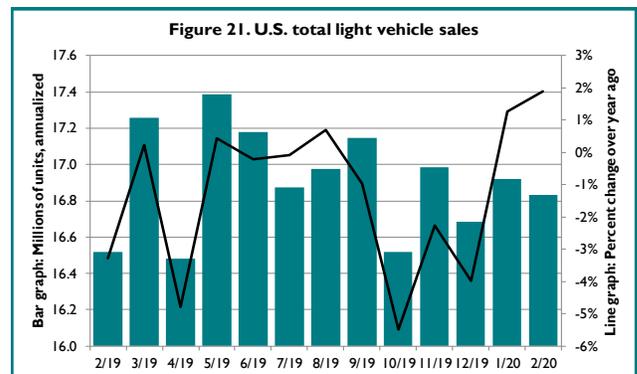
Source: Mississippi Department of Revenue; seasonally adjusted



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



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

MISSISSIPPI'S BUSINESS

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	January	December	January	Percent change from	
	2020	2019	2019	December 2019	January 2019
U.S. Leading Economic Index 2007 = 100. Source: The Conference Board	112.1	111.2	111.1	▲0.8%	▲0.9%
U.S. Coincident Economic Index 2007 = 100. Source: The Conference Board	107.3	107.2	106.1	▲0.1%	▲1.1%
Mississippi Leading Index 2007 = 100. Source: University Research Center	110.3	110.0	108.4	▲0.3%	▲1.8%
Mississippi Coincident Index 2007 = 100. Source: Federal Reserve Bank of Philadelphia	N/A	118.5	117.6	N/A	N/A
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,933	5,253	5,276	▼6.1%	▼6.5%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	91.6	90.5	86.5	▲1.2%	▲5.8%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	128.7	125.7	124.5	▲2.4%	▲3.4%
Mississippi Manufacturing Employment Intensity Index 2007 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	86.5	88.6	89.2	▼2.4%	▼3.1%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	90.5	88.9	83.8	▲1.8%	▲8.0%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	50.1	50.9	54.2	▼1.6%	▼7.6%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	529.8	528.4	507.2	▲0.3%	▲4.4%
U.S. Consumer Price Index (CPI)	124.8	124.6	121.8	▲0.1%	▲2.5%
U.S. Core CPI (excludes food and energy) 2007 = 100. Source: URC using data from Bureau of Labor Statistics	126.5	126.2	123.7	▲0.2%	▲2.3%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.5%	5.6%	5.1%	▼0.1%	▲0.4%
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	35,765	37,994	34,201	▼5.9%	▲4.6%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	57.3	55.5	59.7	▲3.2%	▼4.0%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.60%	3.68%	4.43%	▼0.08	▼0.83
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	20.82	20.96	20.44	▼0.7%	▲1.9%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	844.25	864.13	871.65	▼2.3%	▼3.1%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	104.3	102.7	101.2	▲1.6%	▲3.1%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.83	16.92	16.52	▼0.5%	▲1.9%
Gaming revenue	151.7	154.1	150.4	▼1.6%	▲0.9%
Coastal counties	91.4	93.3	88.4	▼2.0%	▲3.4%
River counties Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	60.3	60.8	62.0	▼0.9%	▼2.8%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI EMPLOYMENT TRENDS

Earlier this month the U.S. Bureau of Labor Statistics (BLS) completed its annual benchmark revisions to regional and state employment data. As in recent years these revisions were highly significant for Mississippi. Following these revisions BLS reported employment in the state in 2019 rose by 4,600 jobs, an increase of 0.4 percent. This value represents a downward revision of 8,100 jobs and a 0.7 percentage point decrease from the previous estimate. In addition, the increase in employment in Mississippi in 2018 was revised down by 900 jobs to 2,300 jobs, a decrease of 0.1 percentage point.

As Table 2 below indicates total nonfarm employment in Mississippi rose by 3,000 jobs in January from the revised December level, a gain of 0.3 percent. Employment in the state was higher by 1,300 jobs in January compared to one year earlier, a 0.1 percent increase.

Employment increased in twelve states in January according to BLS. The largest increase occurred in Florida, which added 34,700 jobs for the month. The largest percentage gain in employment among all states was the 0.7 percent increase in New Hampshire. Compared to one year earlier, employment was higher in eighteen states in January. Texas, California, and Florida added the most jobs over the last twelve months. The largest percentage

gain in employment compared to one year earlier was the 2.9 percent increase in Utah.

Employment in most sectors in Mississippi increased in January; the largest gain was the addition of 1,600 jobs in Trade, Transportation, and Utilities, most of which came from Retail Trade. The largest percentage gain in employment in the state in January was the 1.5 percent increase in Mining and Logging, an addition of 100 jobs. The largest decrease in employment for the month among all sectors occurred in Manufacturing, which lost 700 jobs. The largest percentage decrease in employment among all sectors in January was the 1.0 percent decline in Arts and Entertainment, a loss of 100 jobs.

The largest increase in employment among all sectors in the state compared to one year earlier as of January occurred in Health Care and Social Assistance, which added 2,200 jobs. The sector also had the largest percentage increase in employment among all sectors compared to one year earlier of 1.6 percent. Professional and Business Services lost the most jobs among all sectors in the state over the last twelve months, a decline of 3,700 jobs. This decline was also the largest percentage decrease in employment among all sectors compared to one year earlier of 3.4 percent.

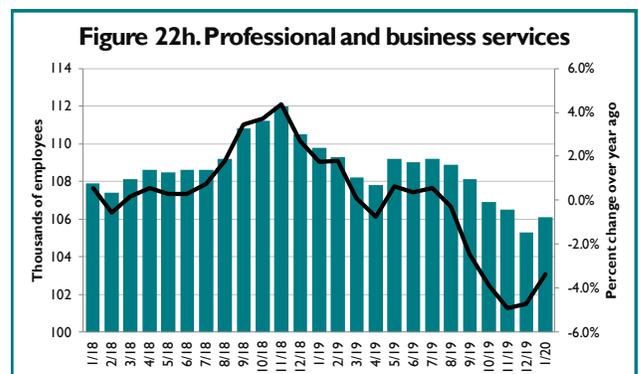
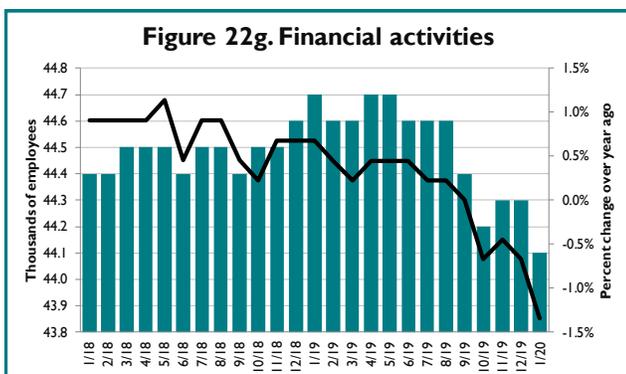
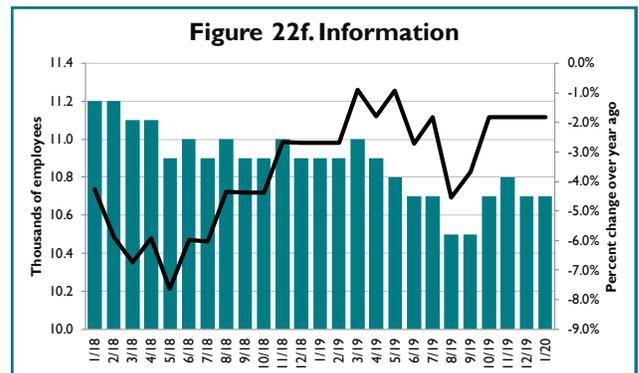
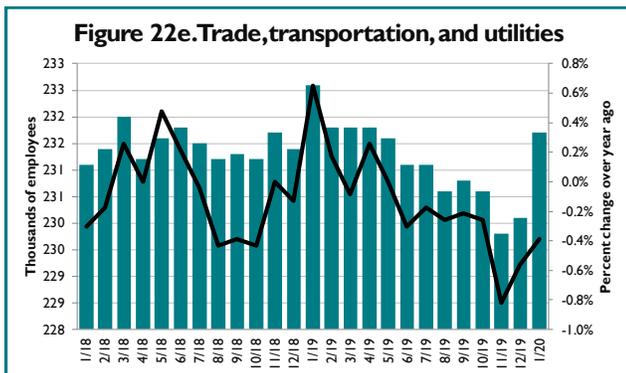
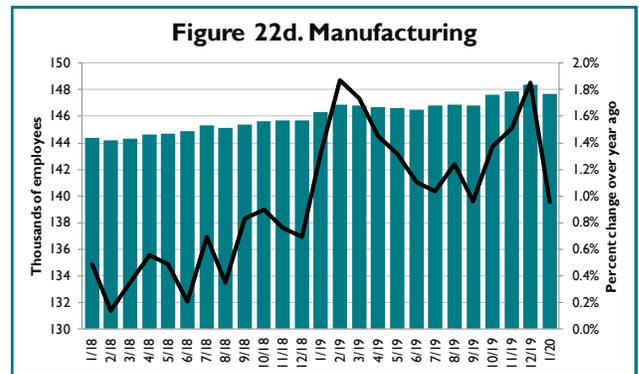
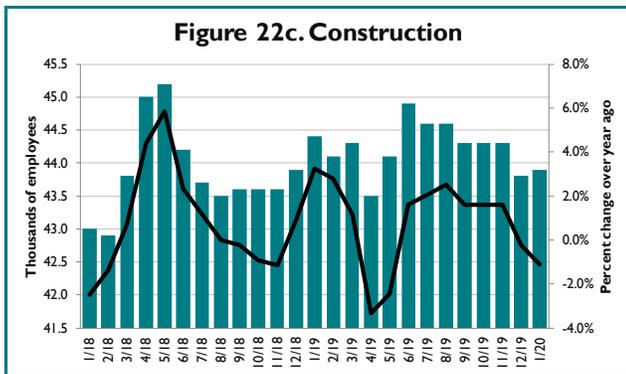
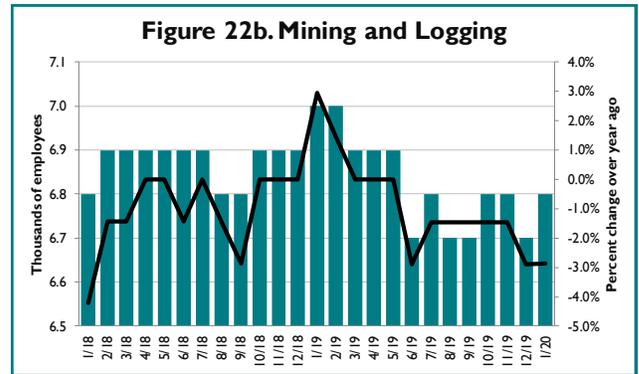
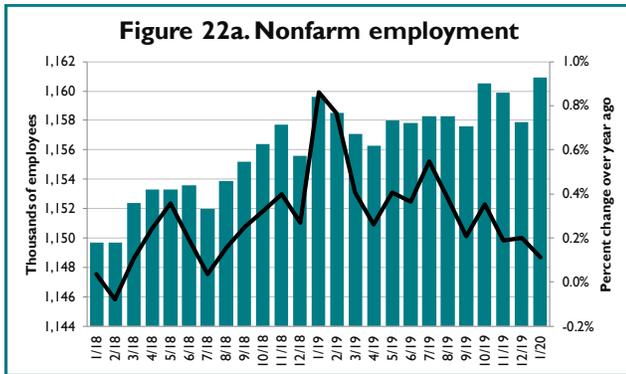
Table 2. Change in Mississippi employment by industry, January 2020

	Relative share of total ^a	January 2020	December 2019	January 2019	Change from December 2019 Level	Change from December 2019 Percent	Change from January 2019 Level	Change from January 2019 Percent
Total Nonfarm	100.0%	1,160,900	1,157,900	1,159,600	▲3,000	▲0.3%	▲1,300	▲0.1%
Mining and Logging	0.6%	6,800	6,700	7,000	▲100	▲1.5%	▼200	▼2.9%
Construction	3.8%	43,900	43,800	44,400	▲100	▲0.2%	▼500	▼1.1%
Manufacturing	12.7%	147,700	148,400	146,300	▼700	▼0.5%	▲1,400	▲1.0%
Trade, Transportation & Utilities	19.9%	231,700	230,100	232,600	▲1,600	▲0.7%	▼900	▼0.4%
Retail Trade	11.7%	136,700	135,200	137,700	▲1,500	▲1.1%	▼1,000	▼0.7%
Information	0.9%	10,700	10,700	10,900	◀0	◀0.0%	▼200	▼1.8%
Financial Activities	3.8%	44,100	44,300	44,700	▼200	▼0.5%	▼600	▼1.3%
Services	37.3%	433,400	432,200	433,100	▲1,200	▲0.3%	▲300	▲0.1%
Professional & Business Services	9.3%	106,100	105,300	109,800	▲800	▲0.8%	▼3,700	▼3.4%
Educational Services	1.0%	11,900	11,900	12,100	◀0	◀0.0%	▼200	▼1.7%
Health Care and Social Assistance	11.7%	136,300	136,100	134,100	▲200	▲0.1%	▲2,200	▲1.6%
Arts and Entertainment	0.8%	9,700	9,800	9,700	▼100	▼1.0%	◀0	◀0.0%
Accommodation and Food Services	10.9%	128,600	128,100	126,700	▲500	▲0.4%	▲1,900	▲1.5%
Other Services	3.5%	40,800	41,000	40,700	▼200	▼0.5%	▲100	▲0.2%
Government	20.9%	242,600	241,700	240,600	▲900	▲0.4%	▲2,000	▲0.8%

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

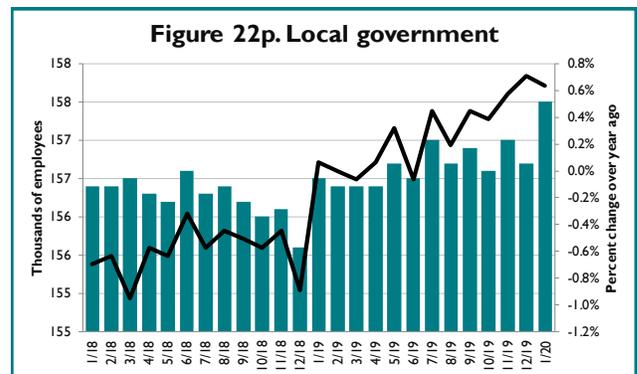
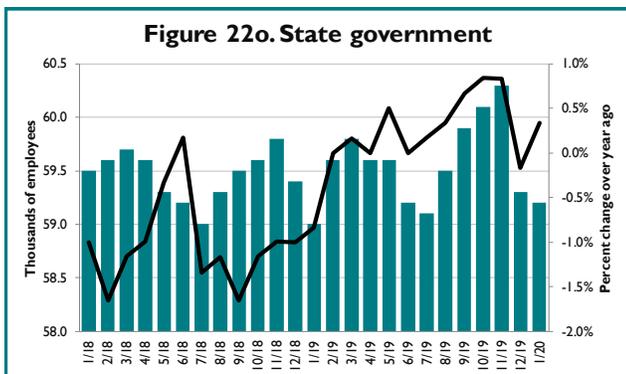
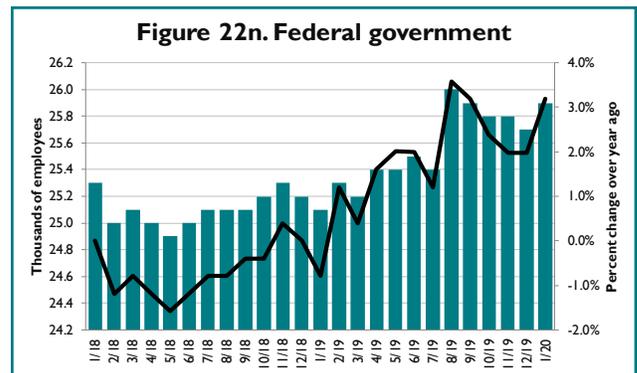
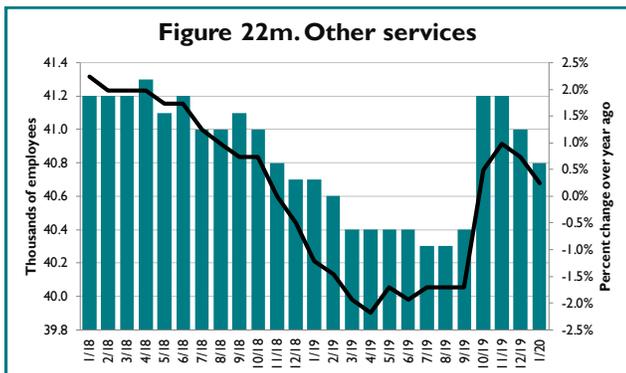
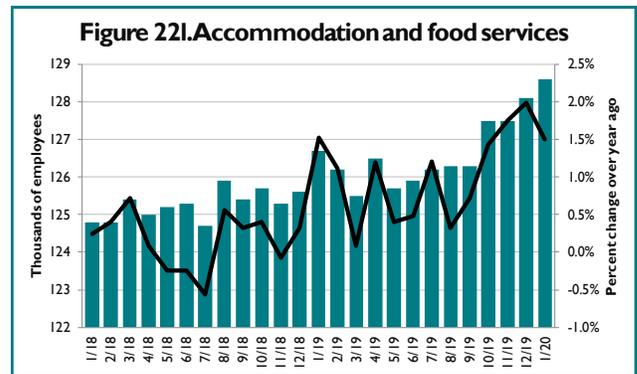
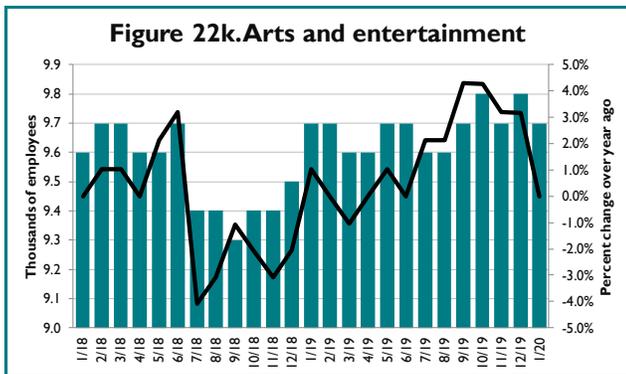
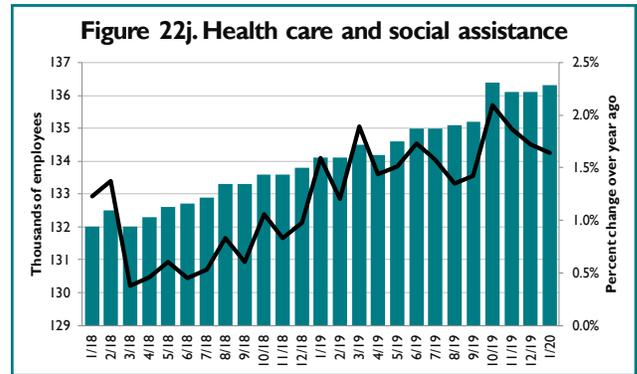
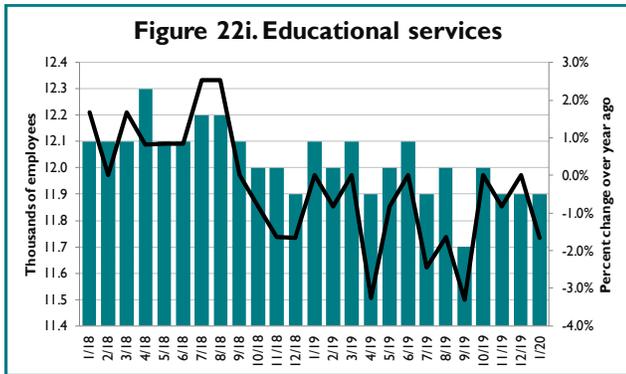
MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



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

