

# MISSISSIPPI'S BUSINESS

VOLUME 81, ISSUE 3 MARCH 2023

A Publication of the University Research Center, Mississippi Institutions of Higher Learning

## ECONOMY AT A GLANCE

As seen in Figure 1 the value of the Mississippi Leading Index (MLI) rose 2.2 percent in January, its first increase since September. Compared to one year earlier the value of the MLI was down 3.4 percent.

The value of the Mississippi Coincident Index for January is unavailable until April due to annual revisions by the Philadelphia Federal Reserve.

U.S. real gross domestic product (GDP) increased 2.7 percent at a seasonally-adjusted, annualized rate in the fourth quarter of 2022 according to the second estimate of the U.S. Bureau of Economic Analysis. This rate represents a decrease of 0.2 percentage point from the initial estimate. The decrease in the second

estimate resulted from downward revisions to consumer spending and exports that were partially offset by upward revisions to nonresidential and residential fixed investment. Imports, which reduce the value of real GDP, were revised up. The change in U.S. real GDP for all of 2022 remained an increase of 2.1 percent.

The MLI displayed broad-based strength in January as six of seven indicators made positive contributions. The Index also posted its largest monthly gain in almost two years. The labor market in Mississippi demonstrated resilience in January as initial unemployment claims fell to the lowest level since last May. Moreover, the annual revisions to payroll employment

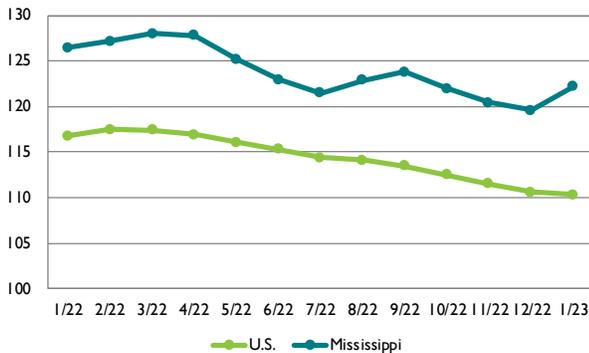
by the Bureau of Labor Statistics were very much to the upside; according to the revised employment data Mississippi added jobs in nine of the last ten months. In its last several monthly forecasts, the firm S&P Global projected the U.S. economy would enter a mild recession in the first half of 2023. However, the unexpected strength of the labor market and the consumer in January now indicate the U.S. economy likely will be relatively flat in the first six months of this year. The risks of recession to the U.S. and state economies remain elevated, however, as the Federal Reserve is expected to raise the federal funds rate target to higher levels than previously thought in an effort to moderate persistently high inflation.

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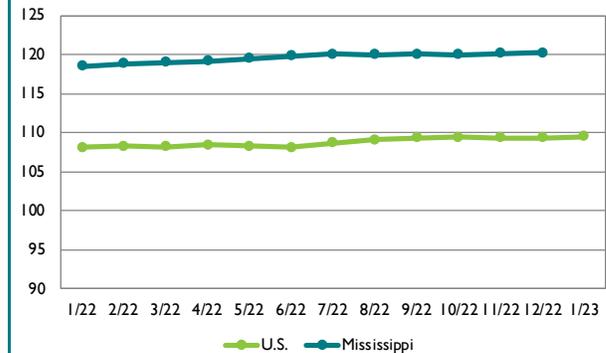
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Figure 1. Leading indices



Sources: University Research Center and The Conference Board

Figure 2. Coincident indices



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 2012. The Index is based on changes in nonfarm employment, the unemployment rate, average manufacturing workweek length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2012.

## MISSISSIPPI LEADING INDEX, JANUARY 2023

For the first time since September, the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased in January. The value rose 2.2 percent for the month as seen in Figure 3, the largest monthly gain in the MLI since April 2021. Compared to one year earlier the value of the MLI in January was 3.4 percent lower. However, the value of the MLI rose 0.6 percent over the last six months.

Six of the seven components of the MLI increased in value in January. The largest contributor for the month was initial unemployment claims. Each component is discussed below in order of largest to smallest contribution.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 28.7 percent in January as seen in Figure 4. The value for the month was down 23.5 percent compared to one year earlier. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 2.7 percent in January as seen in Figure 1 on page 5, the first decrease since August. The number of continued unemployment claims in the state was 3.4 percent higher in January compared to one year earlier, the first year-over-year increase since March 2021. As seen in Figure 15 on page 5, the unemployment rate for Mississippi in January was 3.9 percent, a 0.1 percentage point decrease from December. Compared to one year earlier the rate was down 0.2 percentage point for the month.

Following two months of declines the value of **U.S. retail sales** surged 3.0 percent in January as Figure 5 indicates. Compared to one year earlier retail sales for the month were 6.4 percent higher. No segment saw a

decrease in sales in January; only the value of sales at gasoline stations was unchanged. The largest increase in sales among all segments was in Food Service and Drinking Places. The value of sales of Motor Vehicles and Parts had its largest monthly increase in a year.

For the third consecutive month the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased in January. As seen in Figure 6 the value rose 5.1 percent for the month. Compared to one year earlier the value in January was 2.3 percent lower. An upturn in equity markets and decreases in gasoline prices likely resulted in the improvement in expectations in the most recent survey. Short-term (one-year) inflation expectations increased slightly in the most recent survey while long-term (five-year) inflation expectations were unchanged.

The value of the **Mississippi Manufacturing Employment Intensity Index** rose 1.2 percent in January, the second consecutive monthly increase following data revisions. As seen in Figure 7 the value for the month was 4.9 percent higher compared to one year earlier, the largest year-over-year increase since September. Both Manufacturing employment in the state and the average weekly hours of production employees in Mississippi increased in January.

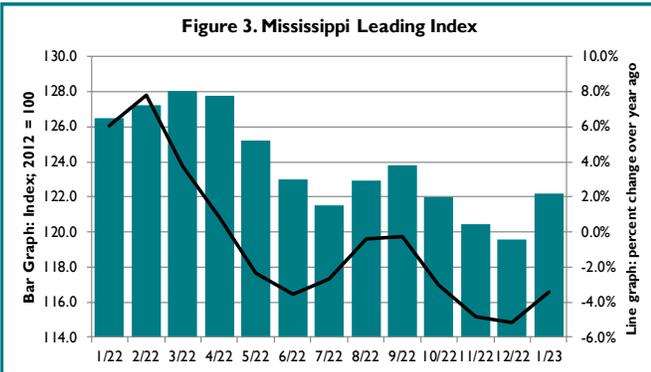
Figure 8 indicates the value of **Mississippi income tax withholdings** (three-month moving average) rose 0.8 percent in January. However, compared to one year earlier the value of withholdings for the month was down 2.3 percent, the second consecutive month with a year-over-year decrease. The value of income

tax withholdings in Mississippi declined 1.2 percent over the last six months.

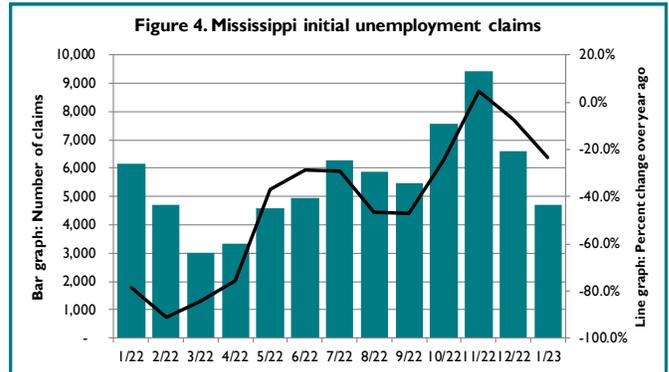
In February the value of the **ISM Index of U.S. Manufacturing Activity** increased for the first time since May 2022. The value rose 0.6 percent as seen in Figure 9. The value for the month was down 18.6 percent compared to one year earlier. The gain in the Index was entirely due to the increase in the New Orders component, as each of the other components decreased slightly for the month. The prices paid index surged in February to its highest level since September, its second consecutive monthly increase. Prices of electrical and electronic components rose in February as supplies of both remain limited. However, prices of several commodities were reported lower, including aluminum, lumber, and natural gas.

The value of **Mississippi residential building permits** (three-month moving average) fell in January for the tenth time in the last eleven months. As seen in Figure 10, the value decreased 6.6 percent. For the month the value was 41.9 percent lower compared to one year earlier. The number of units in the state in January declined 2.1 percent. Compared to one year earlier the number of units in the state for the month was 21.7 percent lower. The number of privately-owned housing units authorized by building permits in the U.S. was up 0.1 percent in January from the revised December rate. The number of units in the U.S. in January was down 27.3 percent compared to one year earlier.

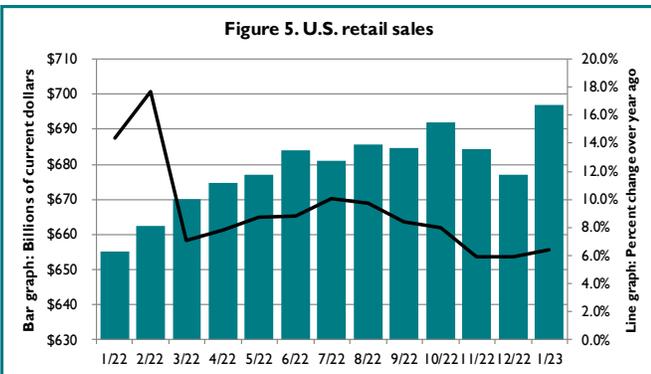
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



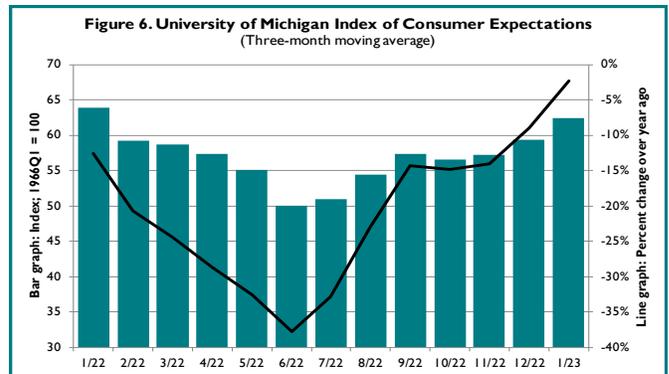
Source: University Research Center



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



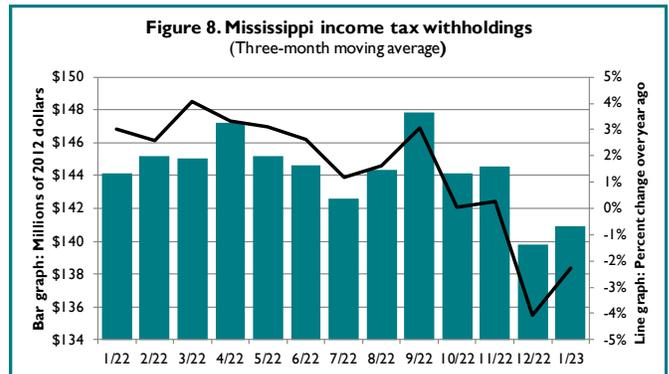
Source: U.S. Bureau of the Census; seasonally adjusted



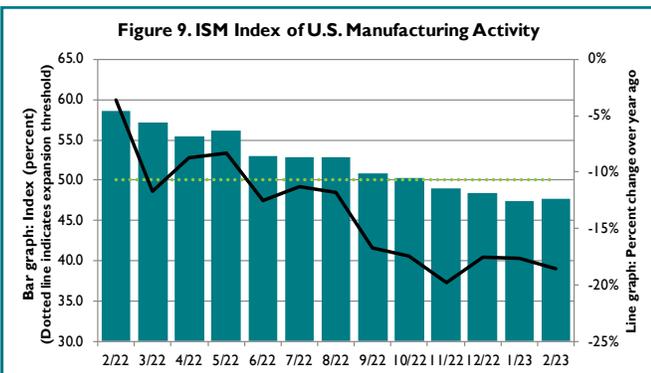
Source: Thomson Reuters/University of Michigan Surveys of Consumers



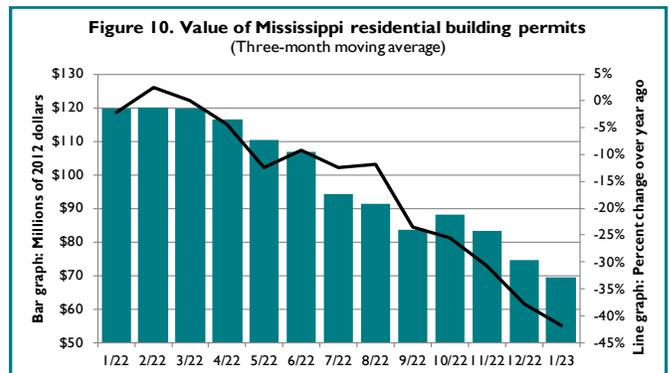
Source: URC using data from U.S. Bureau of Labor Statistics



Source: Mississippi Department of Revenue; seasonally adjusted



Source: Institute for Supply Management



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

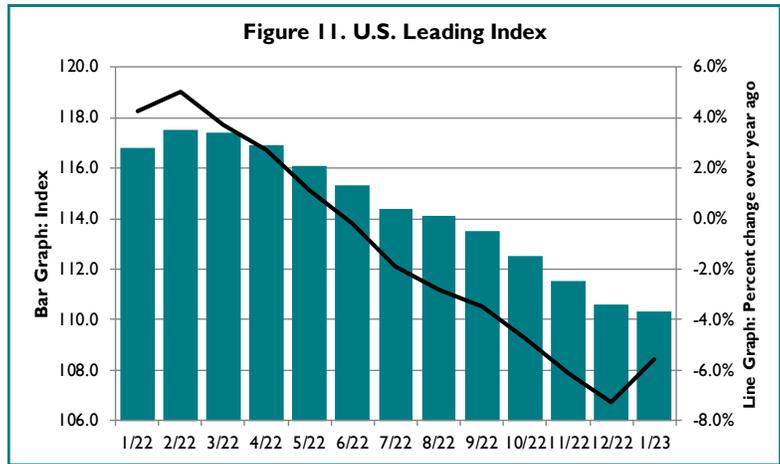
## NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.3 percent in January as seen in Figure 11, the eleventh consecutive monthly decline. The value in January was down 5.6 percent compared to one year earlier. Four of the ten components of the LEI made negative contributions for the month and one was unchanged. The largest negative contribution came from the ISM New Orders Index. Average weekly manufacturing hours made the largest positive contribution. Over the last six months the value of the LEI decreased 3.6 percent.

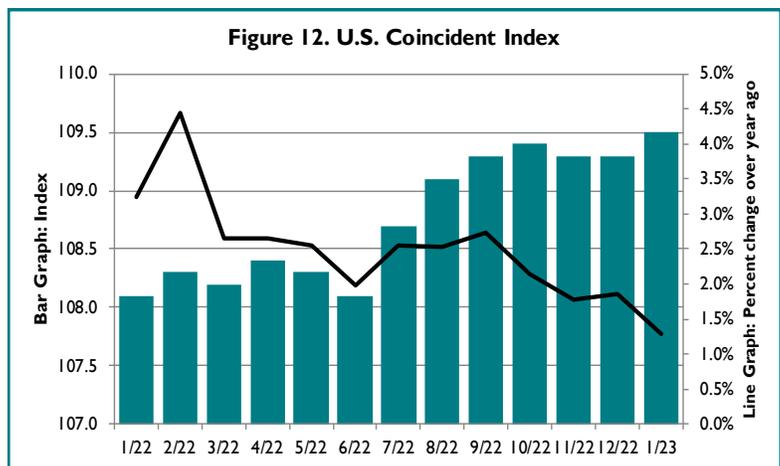
As seen in Figure 14 The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in January. The December value was revised down to no change. The value of the CEI in January was up 1.3 percent compared to one year earlier. All four components of the CEI made positive contributions for the month and the largest contribution came from employees on nonfarm payrolls. The value of the CEI increased 0.7 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index rose 0.6 percent in January as seen in Figure 15. Compared to one year earlier the value of the Index for the month was down 7.0 percent. While most responses to the survey were negative in January, answers to labor market questions were generally positive. The “plans to increase employment” and “current job openings components” both increased. The “expect economy to improve” component also increased in January, but remained deep in negative territory.

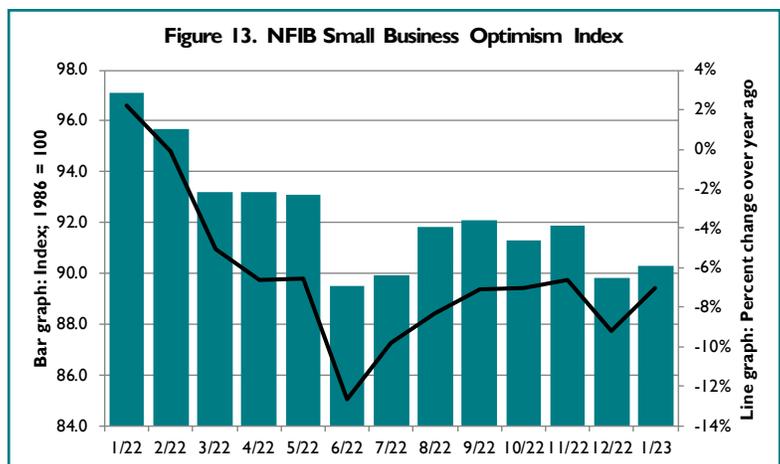
In Congressional testimony earlier this month, Federal Reserve Chairman Jerome Powell stated the Federal Open Market Committee (FOMC) is “prepared to increase the pace of rate hikes” if warranted by incoming economic data. Both U.S. employment and consumer spending growth in January were much stronger than anticipated. Most analysts now believe the FOMC is likely to raise the federal funds rate target beyond the 5.0 to 5.25 percent range expected earlier this year to potentially the 5.5 to 5.75 percent range.



Source: The Conference Board

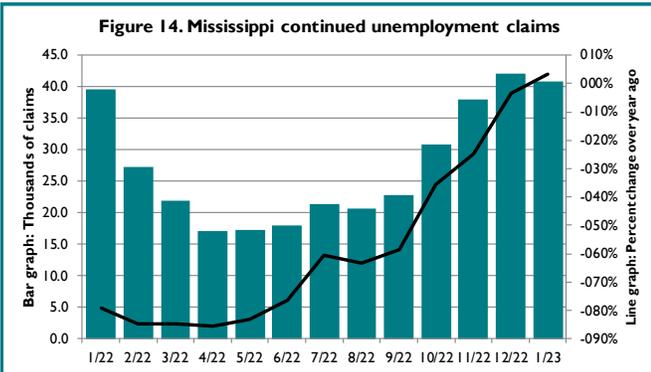


Source: The Conference Board

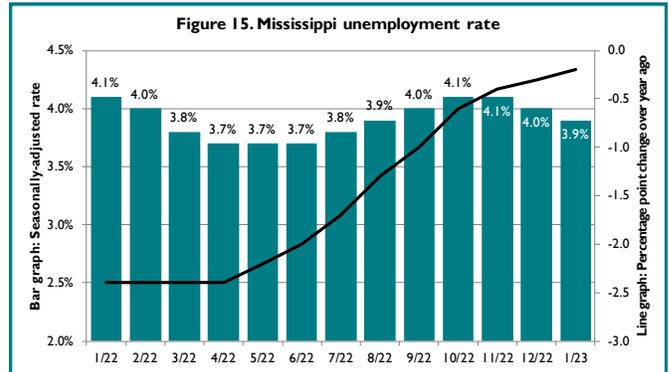


Source: National Federation of Independent Businesses

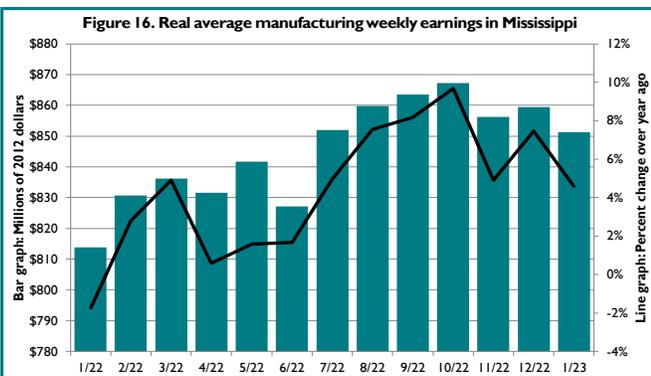
# MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



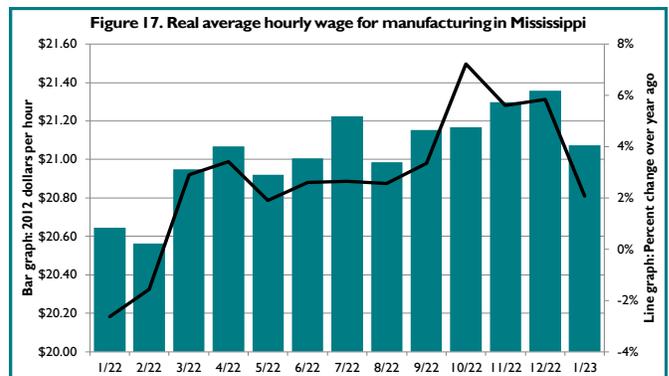
Sources: U.S. Department of Labor, URC (seasonal adjustment)



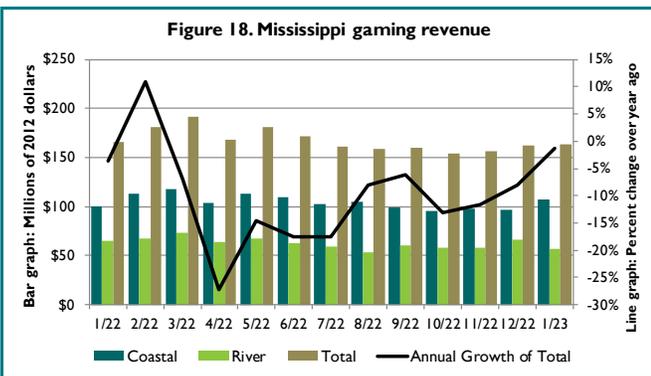
Source: U.S. Bureau of Labor Statistics



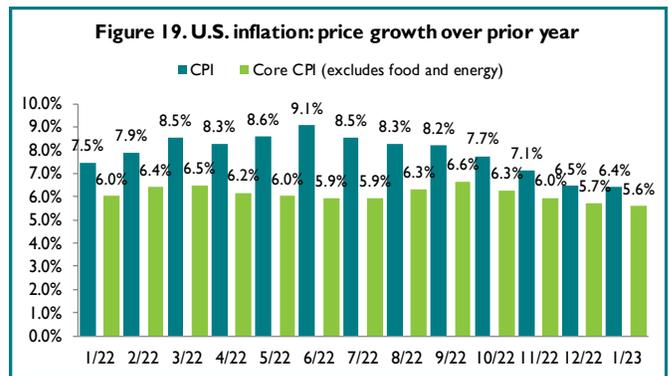
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



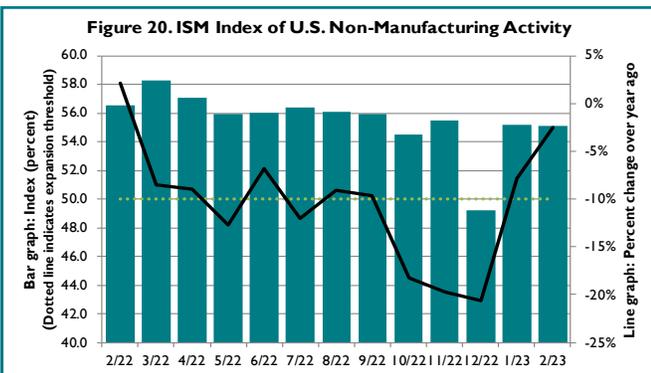
Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)



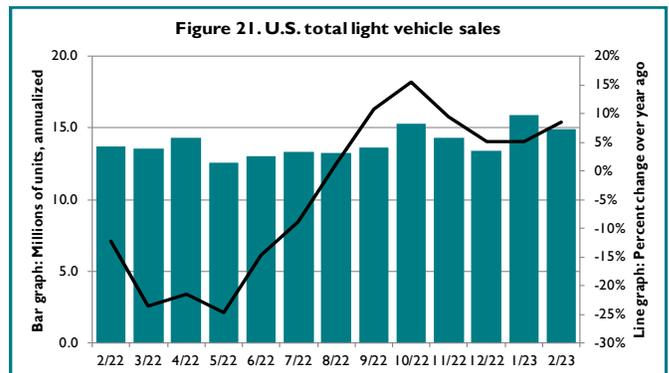
Source: Mississippi Department of Revenue, URC (seasonal adjustment)



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: U.S. Bureau of Economic Analysis

**TABLE I. SELECTED ECONOMIC INDICATORS**

Indicator	January	December	January	Percent change from	
	2023	2022	2022	December 2022	January 2022
<b>U.S. Leading Economic Index</b> 2012 = 100. Source: The Conference Board	110.3	110.6	116.8	▼0.3%	▼5.6%
<b>U.S. Coincident Economic Index</b> 2012 = 100. Source: The Conference Board	109.5	109.3	108.1	▲0.2%	▲1.3%
<b>Mississippi Leading Index</b> 2012 = 100. Source: University Research Center	122.2	119.6	126.5	▲2.2%	▼3.4%
<b>Mississippi Coincident Index</b> 2012 = 100. Source: Federal Reserve Bank of Philadelphia	NA	120.2	118.5	NA	NA
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	4,713	6,614	6,160	▼28.7%	▼23.5%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	69.5	74.4	119.6	▼6.6%	▼41.9%
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	140.9	139.8	144.1	▲0.8%	▼2.3%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	105.6	104.4	100.7	▲1.2%	▲4.9%
<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	62.4	59.4	63.9	▲5.1%	▼2.3%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	47.7	47.4	58.6	▲0.6%	▼18.6%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	697.0	676.9	655.2	▲3.0%	▲6.4%
<b>U.S. Consumer Price Index (CPI)</b>	299.2	296.8	281.1	▲0.8%	▲6.4%
<b>U.S. Core CPI (excludes food and energy)</b> 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	302.0	300.1	286.0	▲0.6%	▲5.6%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	3.9%	4.0%	4.1%	▼0.1	▼0.2
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	40,923	42,075	39,564	▼2.7%	▲3.4%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	55.1	55.2	56.5	▼0.2%	▼2.5%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.37%	6.74%	3.50%	▼0.37	▲2.87
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	21.07	21.36	20.65	▼1.3%	▲2.1%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	851.29	859.50	813.88	▼1.0%	▲4.6%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	90.3	89.8	97.1	0.6%	▼7.0%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	14.89	15.88	13.71	▼6.2%	▲8.5%
<b>Gaming revenue</b>	163.38	162.99	165.7	▲0.2%	▼1.4%
<b>Coastal counties</b>	106.86	96.80	100.6	▲10.4%	▲6.3%
<b>River counties</b> Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue	56.53	66.19	65.1	▼14.6%	▼13.2%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) completed its annual benchmark revisions to regional and state employment data this month, and Mississippi employment experienced substantial upward revisions. BLS reported the state added 27,158 jobs in 2022, a 2.4 percent increase. Mississippi added 3,300 jobs in January according to BLS as seen in Table 2, an increase of 0.3 percent. Employment in the state in January was higher by 21,600 jobs compared to one year earlier, a gain of 1.9 percent.

BLS reported total nonfarm employment increased in twenty states in January and was essentially unchanged in thirty states and the District of Columbia. California added 96,700 jobs for the month, the most among all states, while employment rose 0.7 percent in Arizona and Tennessee, the largest percent increases among all states.

Employment increased in forty-seven states over the past twelve months as of January and was essentially unchanged in three states and the District of Columbia according to BLS. Texas added 654,100 jobs over the past twelve months, the largest increase among all states. Employment rose 6.0 percent in Nevada over the past twelve months, the largest percentage increase among all states.

The largest increase in employment among all sectors in Mississippi in January occurred in Manufacturing, which added 1,300 jobs, a 0.8 percent gain. Employment in the Mining and Logging sector rose 3.3 percent for the month, the largest percentage increase in employment among all sectors and a gain of 200 jobs. The largest decrease in employment among all sectors in the state in January occurred in the Retail Trade subsector, which lost 400 jobs. The largest percentage de-

creases in employment among all sectors in the state occurred in Financial Activities and Other Services, where employment fell 0.5 percent. Construction sector employment was unchanged in January.

The Health Care and Social Assistance sector added 5,600 jobs over the past twelve months as of January, the most among all sectors in the state and a 4.4 percent increase. Employment in the Educational Services sector rose 11.4 percent over the past twelve months, the largest percentage increase in employment among all sectors in the state and an addition of 1,400 jobs. The only sector in Mississippi that lost jobs over the past twelve months as of January was Construction. Employment in the sector fell by 900 jobs, a 1.9 percent decrease. Employment in Arts and Entertainment and the Retail Trade sectors in the state was unchanged over the past twelve months.

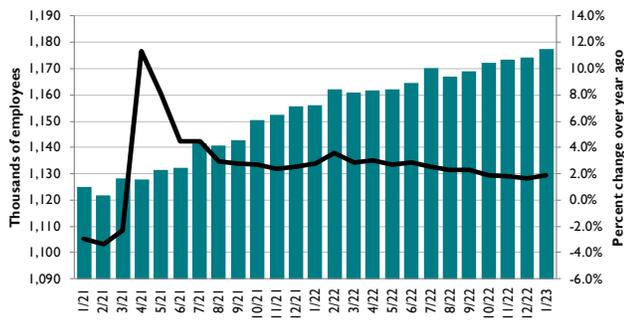
**Table 2. Change in Mississippi employment by industry, January 2023**

	Relative share of total <sup>a</sup>	January 2023	December 2022	January 2022	Change from December 2022		Change from January 2022	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,177,600	1,174,300	1,156,000	▲3,300	▲0.3%	▲21,600	▲1.9%
Mining and Logging	0.5%	6,300	6,100	5,900	▲200	▲3.3%	▲400	▲6.8%
Construction	4.1%	46,900	46,900	47,800	◀0	◀0.0%	▼900	▼1.9%
Manufacturing	12.9%	149,600	148,400	146,200	▲1,200	▲0.8%	▲3,400	▲2.3%
Trade, Transportation & Utilities	20.6%	246,500	245,800	241,200	▲700	▲0.3%	▲5,300	▲2.2%
Retail Trade	11.8%	139,200	139,600	139,200	▼400	▼0.3%	◀0	◀0.0%
Information	0.8%	10,400	10,500	10,100	▼100	▼1.0%	▲300	▲3.0%
Financial Activities	3.8%	44,200	44,400	43,700	▼200	▼0.5%	▲500	▲1.1%
Services	37.0%	440,300	439,000	428,000	▲1,300	▲0.3%	▲12,300	▲2.9%
Professional & Business Services	10.0%	119,100	118,000	117,700	▲1,100	▲0.9%	▲1,400	▲1.2%
Educational Services	1.1%	13,700	13,600	12,300	▲100	▲0.7%	▲1,400	▲11.4%
Health Care and Social Assistance	11.1%	134,100	134,000	128,500	▲100	▲0.1%	▲5,600	▲4.4%
Arts and Entertainment	0.8%	9,100	9,000	9,100	▲100	▲1.1%	◀0	◀0.0%
Accommodation and Food Services	10.6%	124,700	124,600	121,100	▲100	▲0.1%	▲3,600	▲3.0%
Other Services	3.3%	39,600	39,800	39,300	▼200	▼0.5%	▲300	▲0.8%
Government	20.3%	233,400	233,200	233,100	▲200	▲0.1%	▲300	▲0.1%

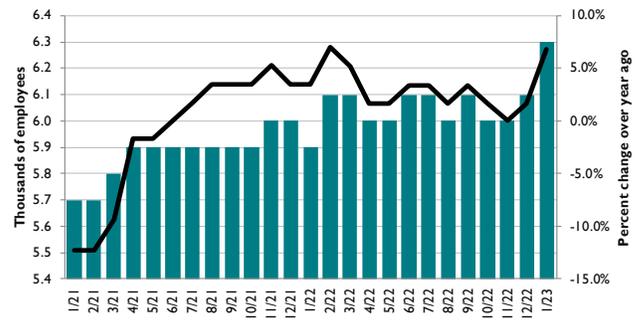
<sup>a</sup>Relative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES

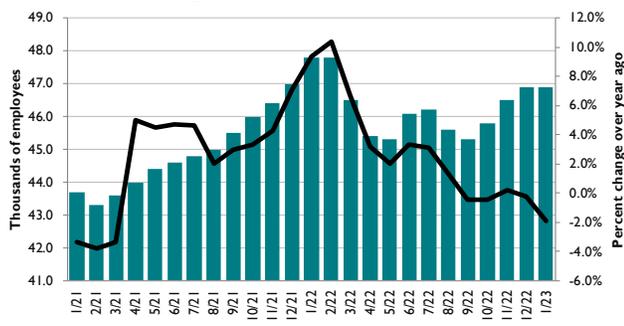
**Figure 22a. Nonfarm employment**



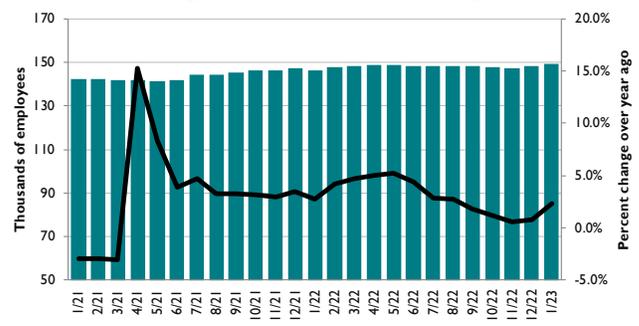
**Figure 22b. Mining and Logging**



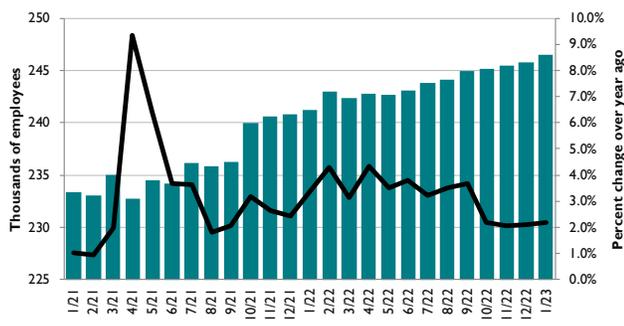
**Figure 22c. Construction**



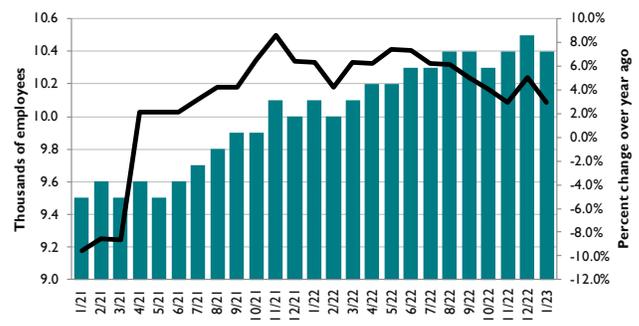
**Figure 22d. Manufacturing**



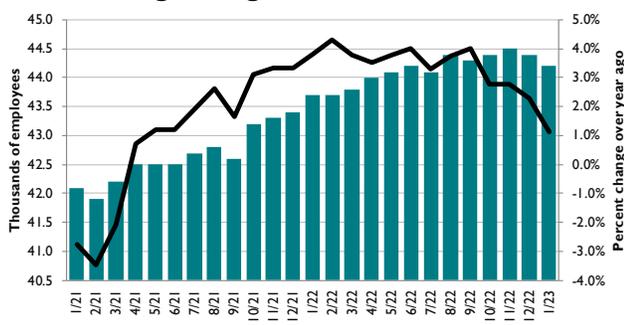
**Figure 22e. Trade, transportation, and utilities**



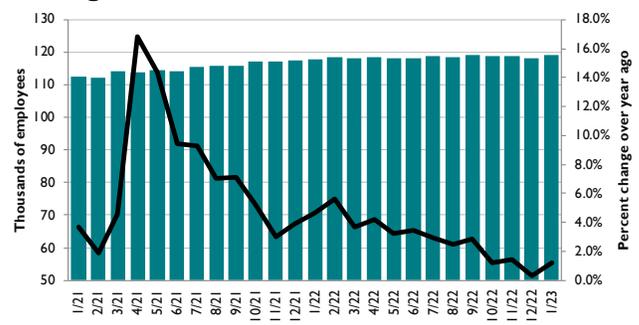
**Figure 22f. Information**



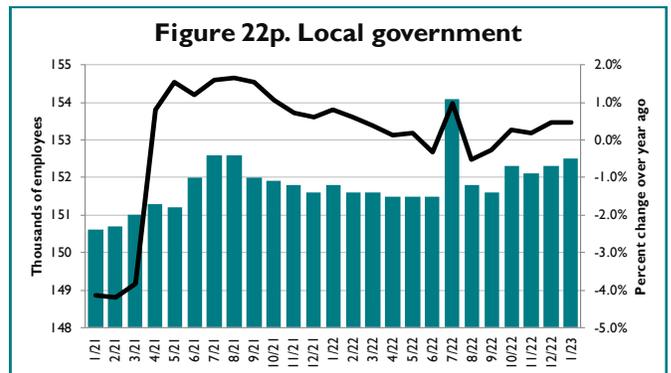
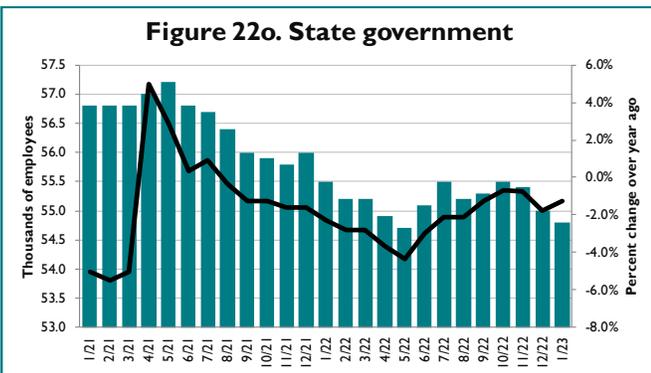
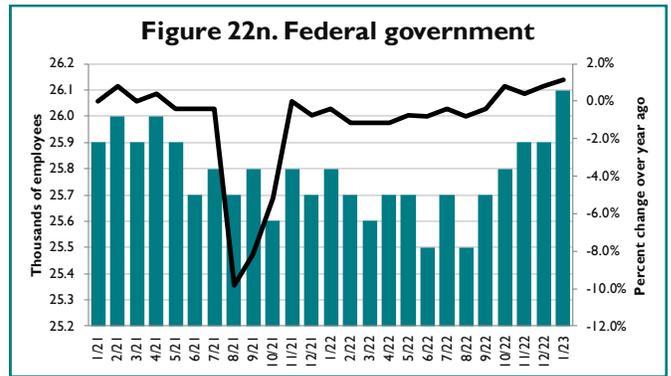
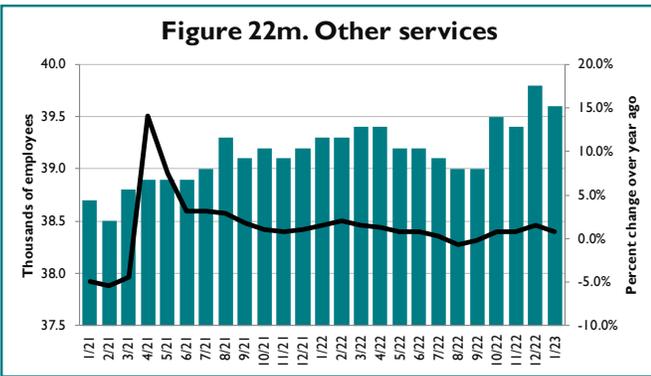
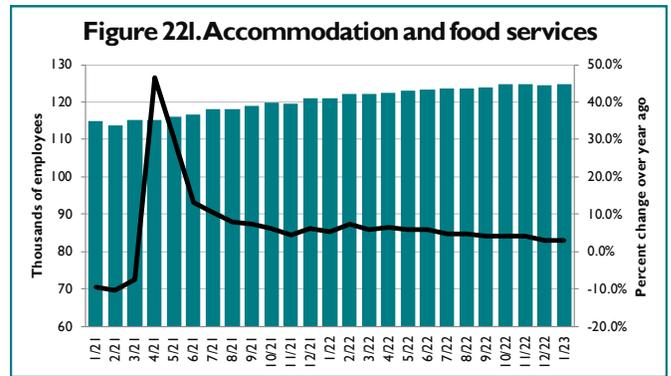
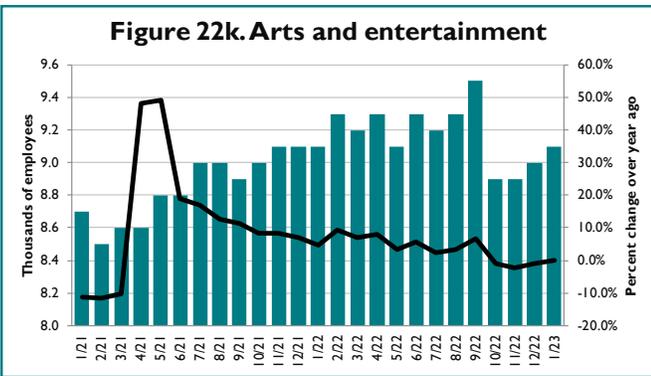
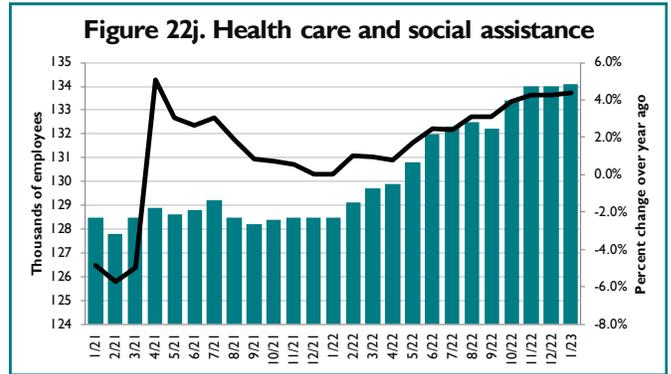
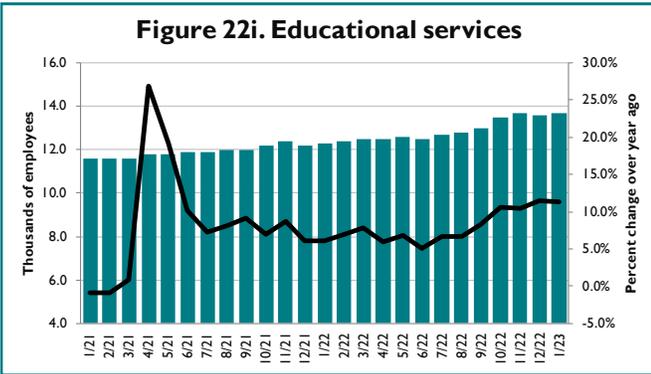
**Figure 22g. Financial activities**



**Figure 22h. Professional and business services**



## MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



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

