



ECONOMY AT A GLANCE

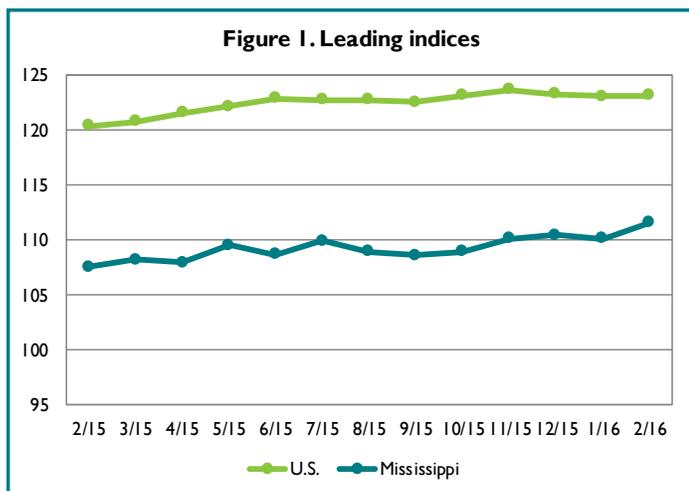
The value of the Mississippi Leading Index (MLI) increased 1.3 percent in February as Figure 1 below indicates. Four components of the MLI increased for the month, led by the Mississippi Manufacturing Employment Intensity Index. The value of the MLI was 3.7 percent higher in February compared to one year ago.

Figure 2 below indicates the value of the Mississippi Coincident Index (MCI) rose 0.45 percent in February. The value of the MCI was 3.2 percent higher in February compared to one year ago.

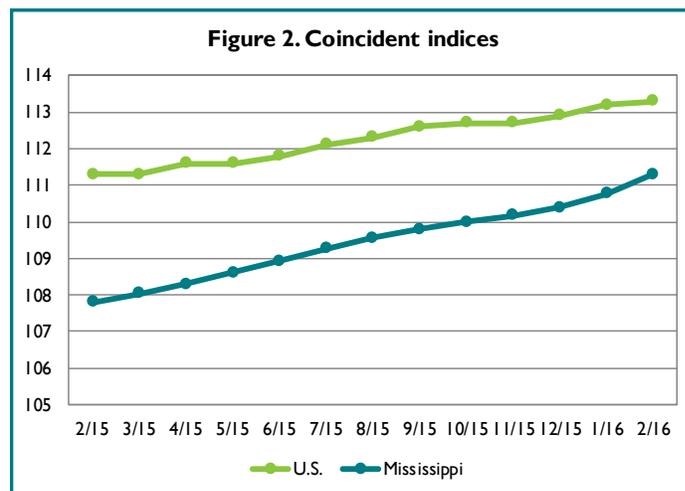
According to the third estimate of the U.S. Bureau of Economic Analysis (BEA), real U.S. gross domestic product (GDP) grew 1.4 percent in the fourth quarter of 2015. The increase marked an improvement from the second estimate of 1.0 percent growth. Personal consumption

expenditures were higher than in the previous estimate. Growth slowed in the fourth quarter primarily because of reductions in nonresidential fixed investment and in state and local government spending. Despite the increases in both the second and third estimates for the fourth quarter, BEA's estimate of the change in real U.S. GDP for all of 2015 remains an increase of 2.4 percent, the same rate as in 2014.

February marked a solid if not spectacular month for the Mississippi economy. The upturn in the U.S. manufacturing sector has benefitted the state; both average weekly earnings and the average hourly wage in manufacturing in Mississippi have demonstrated relatively strong growth in recent months. Building permits resumed the growth witnessed in late 2015. The strength of consumer spending remains a concern, however.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

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

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MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, FEBRUARY 2016

The value of the **Mississippi Leading Index of Economic Indicators (MLI)** rebounded in February as seen in Figure 3. The value of the MLI rose by 1.3 percent, its fourth increase in the last five months and the largest monthly percentage increase since May 2015. The value of the MLI was 3.7 percent higher in February compared to one year ago and over the last six months the value of the MLI is up 4.8 percent.

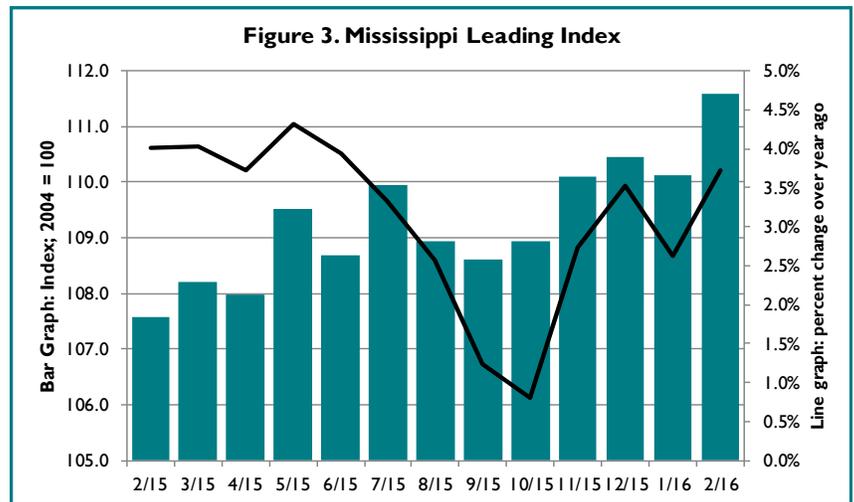
Four of the seven components of the MLI increased for the month. The Mississippi Manufacturing Employment Intensity Index made the largest contribution. Discussion of each component appears below in order of largest to smallest contribution.

The value of the **Mississippi Manufacturing Employment Intensity Index** rose 3.0 percent in February as Figure 4 indicates. Compared to one year ago, the value of the Index was 10.3 percent higher for the month. Both average weekly hours of production employees and employment in manufacturing increased in Mississippi in February.

For the third consecutive month, the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** increased in March. As seen in Figure 5, the value climbed 4.6 percent from the previous month. Compared to one year ago the value of the Index was 0.6 percent higher, the first positive year-over-year increase since January 2015. Notably, the value of the Index in March surpassed 50.0, indicating the U.S. manufacturing industry expanded for the first time since August 2015. All components of the Index increased in March with the exception of Employment, which fell slightly. The value of the Employment component remained below 50.0 for the fourth consecutive month.

The value of **Mississippi income tax withholdings** (three-month moving average) increased 1.7 percent in February as Figure 6 indicates. Compared to one year ago, the value of withholdings was 1.9 percent higher for the month. Similarly, the three-month moving average of withholdings over the last six months is up 1.6 percent compared to the previous six months.

Figure 7 indicates the value of **Mississippi residential building permits** (three-month moving average), after declining for two consecutive months, increased in February. The value of permits in the state rose 4.1 percent and



Source: University Research Center

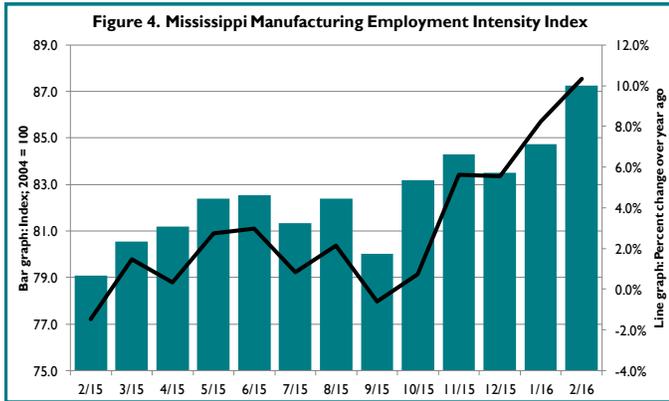
compared to one year ago the value was 9.3 percent higher. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi also rose in February, increasing 6.1 percent from the previous month. The number of units compared to one year ago was 9.1 percent higher in February. In contrast, the number of privately-owned housing units in the U.S. authorized by building permits declined 3.1 percent in February from the revised January value. However, the number in February was 6.3 percent higher compared to one year ago.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell slightly for the second consecutive month in February. The value of the Index slipped by 0.5 percent as seen in Figure 8. Compared to one year ago the February value was 6.9 percent lower, the third consecutive month with a year-over-year decrease in the Index. Nevertheless, the value of the expectations index continues to move in a relatively narrow range as it has since late 2015.

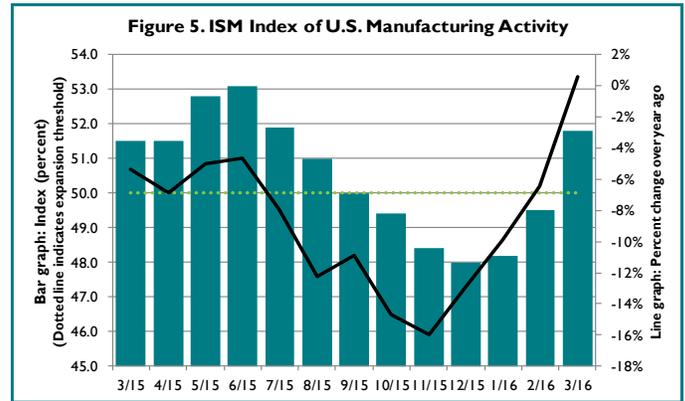
The value of **U.S. retail sales** fell in February for the second consecutive month as Figure 9 indicates. The value decreased slightly from the previous month, falling by 0.1 percent. Sales at gasoline stations underwent their largest decline since September 2015. However, compared to one year ago sales were 3.1 percent higher. This year-over-year increase was the largest since January 2015 and the second consecutive month it reached 3.0 percent or

(Continued on page 4)

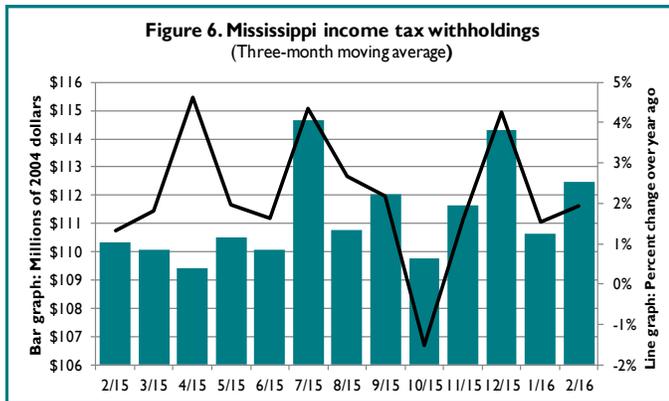
COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



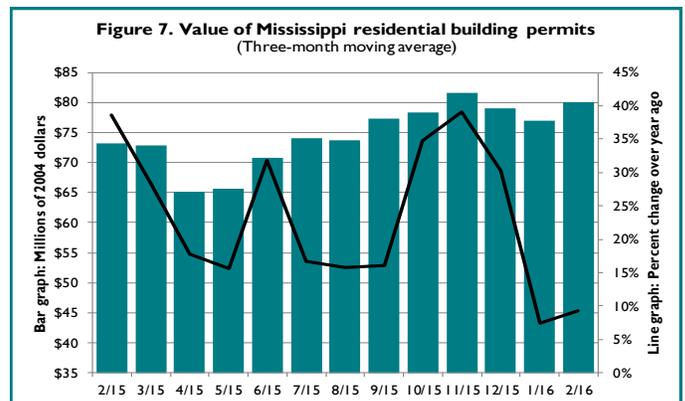
Source: URC using data from Bureau of Labor Statistics



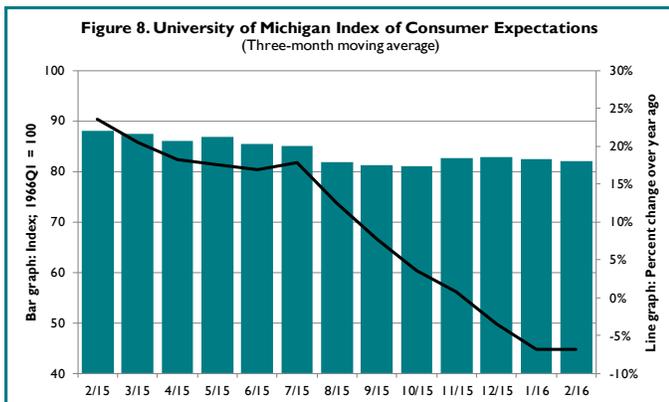
Source: Institute for Supply Management



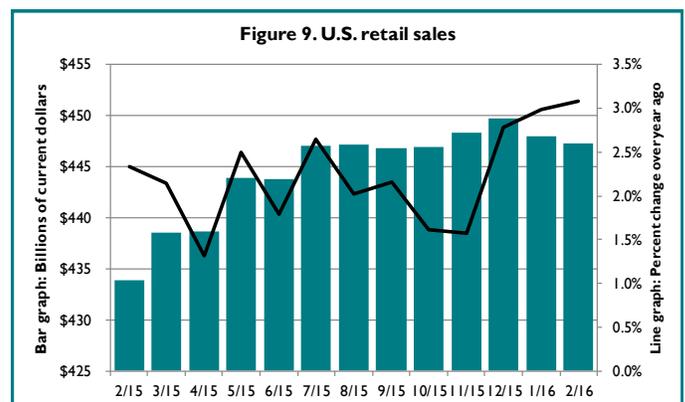
Source: Mississippi Department of Revenue; seasonally adjusted



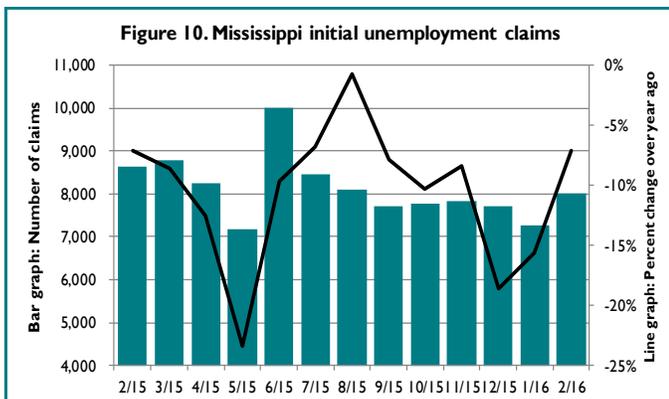
Source: Bureau of the Census; seasonally adjusted



Source: Thomson Reuters/University of Michigan Surveys of Consumers



Source: Bureau of the Census



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

The value of the Mississippi Leading Index (MLI) increased 1.3% in February, its fourth increase in the last five months.

MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, FEBRUARY 2016 (CONTINUED)

more. Sales in other industries, on the other hand, were not as weak as in January, as sales excluding automobiles and gasoline rose 0.3 percent for the month.

Figure 10 indicates the value of seasonally-adjusted **initial unemployment claims** in Mississippi increased in February. The value climbed 10.2 percent to reach its highest level since August 2015. Despite the considerable increase, the number of initial claims remained 7.1 percent lower for the month compared to one year ago. The

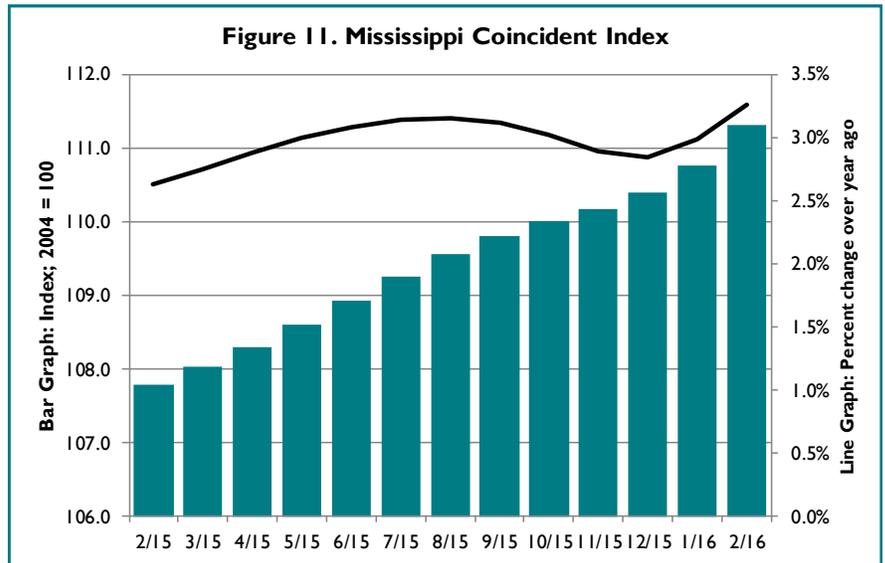
number of seasonally-adjusted continued unemployment claims in Mississippi rose in February as well, as seen in Figure 14 on page 6. The value increased 1.9 percent; compared to one year ago the number of continued claims was 3.5 percent higher in February. The seasonally-adjusted unemployment rate in Mississippi declined in February for the second consecutive month, falling 0.2 percentage point to 6.5 percent as seen in Figure 15 on page 6.

MISSISSIPPI COINCIDENT INDEX, FEBRUARY 2016

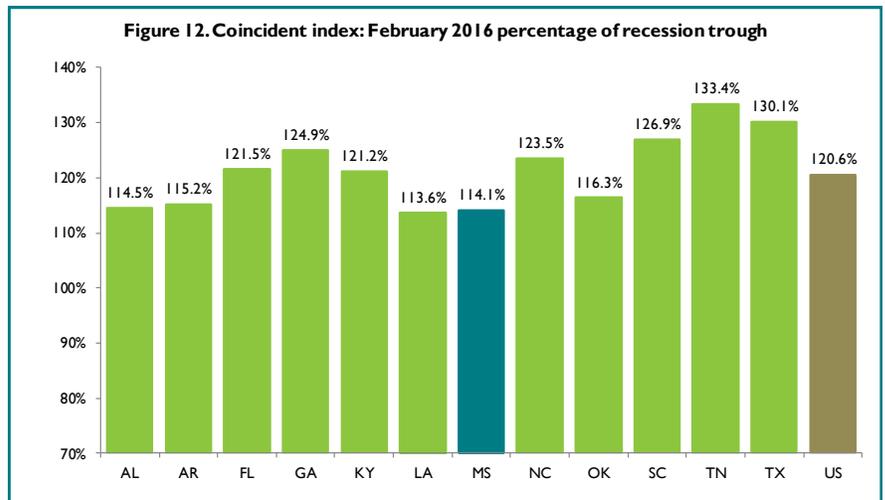
According to the Federal Reserve Bank of Philadelphia, the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.45 percent in February as seen in Figure 11. Compared to one year ago the value of the MCI was 3.2 percent higher in February.

Among all states in the Southeast region, the coincident index of Louisiana has increased the least from its respective recession trough through February. However, the Mississippi index has experienced only slightly more growth. In fact, the coincident indices for Alabama, Arkansas, Louisiana, and Mississippi have increased considerably less from their recession troughs than those of the other states in the Southeast region. All other indices in the region except Oklahoma have increased at least 20.0 percent; the indices for Tennessee and Texas are up more than 30.0 percent.

The value of the coincident indices in forty-six states increased in February compared to three months prior as Figure 13 on page 5 indicates. The coincident indices for forty states grew more than 0.5 percent in February compared to three months prior, while six states experienced increases in their coincident indices of less than 0.5 percent. The coincident indices of North Dakota and Wyoming decreased by more than 1.6 percent, while the indices of Alaska and West Virginia declined slightly.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

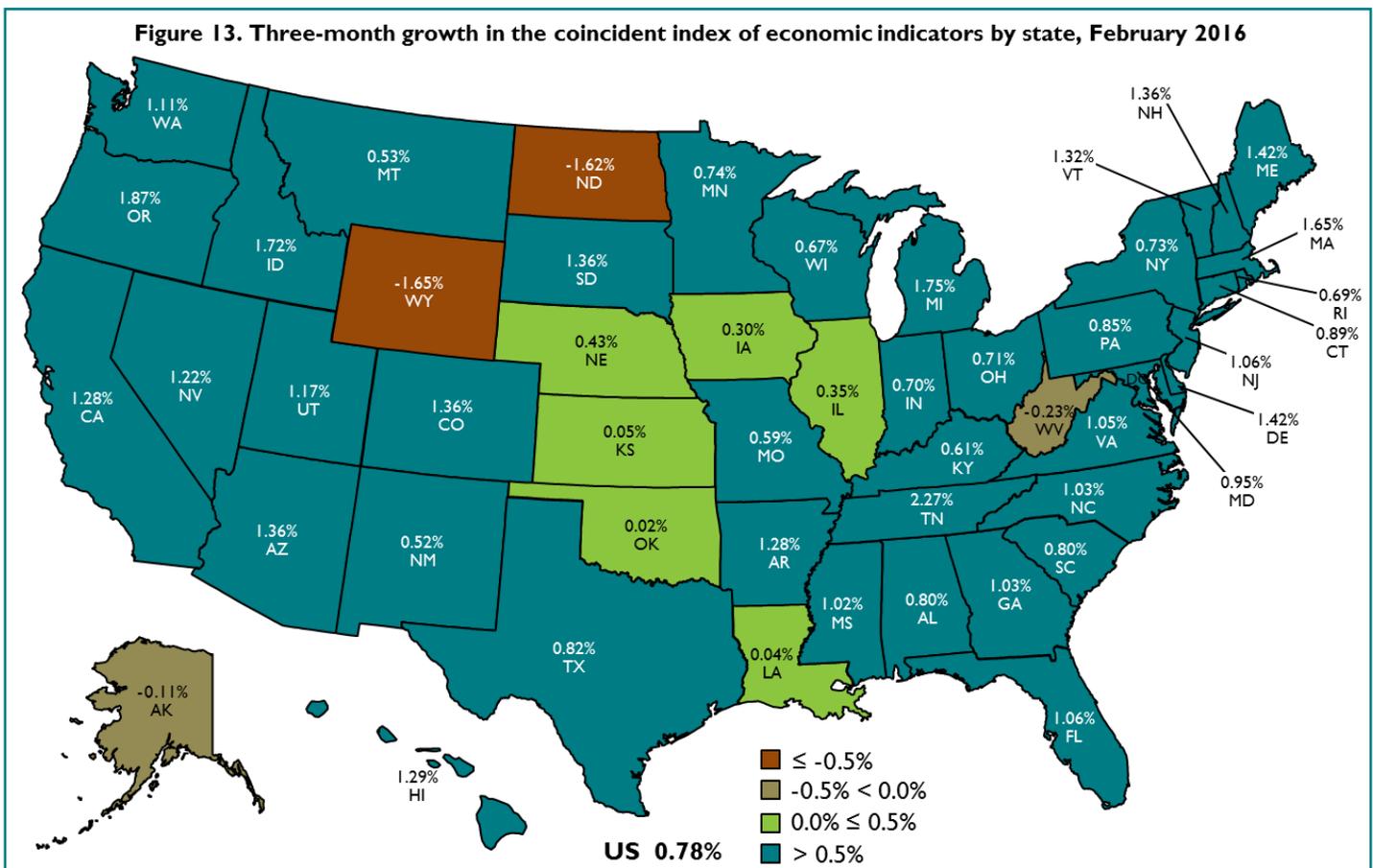
NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) increased in February for the first time since November according to The Conference Board. The LEI rose 0.1 percent as seen in Figure 1 on page 1; however, values for each of the previous three months were revised lower. Compared to one year ago the value of the LEI in February was 2.3 percent higher. Only four of the ten components of the LEI increased in value for the month, with the largest contribution generated by initial unemployment claims. The value of the LEI is up 0.3 percent over the last six months.

The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) also increased 0.1 percent in February as seen in Figure 2 on page 1. The value of the CEI in February was 1.8 percent higher compared to one year ago. Three of the four components of the CEI increased for the month as employees on nonagricultural payrolls made the largest contribution to the slight gain in February. Over the last six months the value of the CEI rose 0.9 percent.

For the third time in the last four months, the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell in February, as seen in Figure 20 on page 6. The Index lost 1.1 percent of its value from January. Compared to one year ago the value for the month was 5.2 percent lower. Weakness was generally widespread as all components decreased or were unchanged for the month. Notably, the share of respondents with plans to raise compensation fell for the second consecutive month to the lowest level since August 2015. The share that expects the economy to improve was unchanged in January after declining in each of the previous two months.

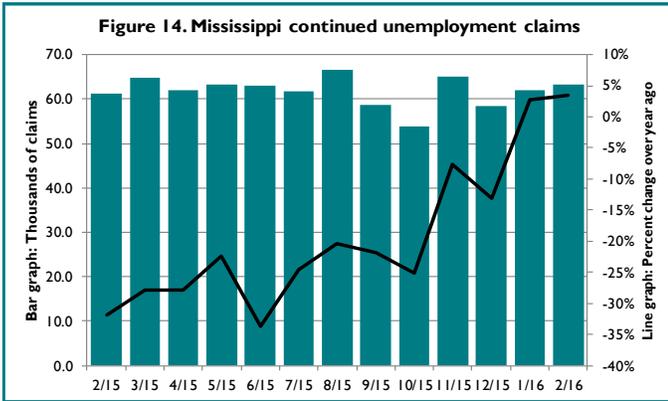
The Federal Reserve took no action on interest rates at its March meeting, which most analysts anticipated given the struggles of U.S. financial markets and the global economy in the first quarter of 2015. Moreover, the Federal Open Market Committee (FOMC) stated it is no longer committed to four interest rate increases in 2016, reducing the number to two. If these plans hold, the benchmark rate should reach 0.875 percent by the end of 2016.



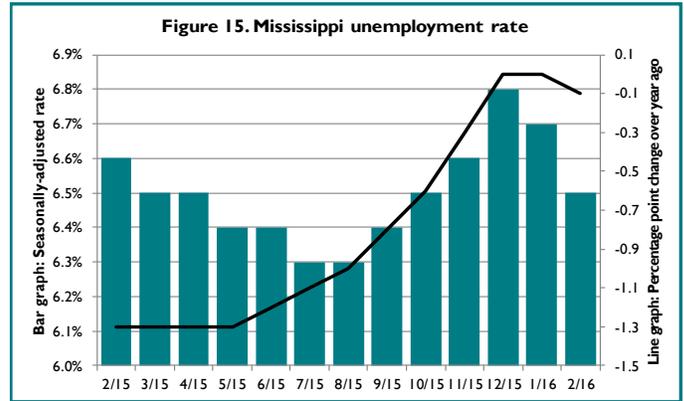
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

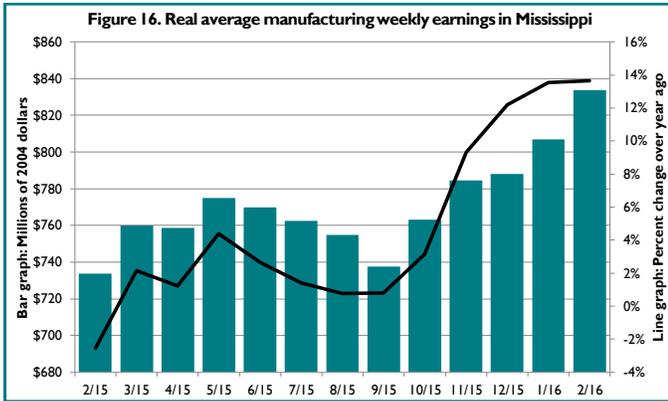
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



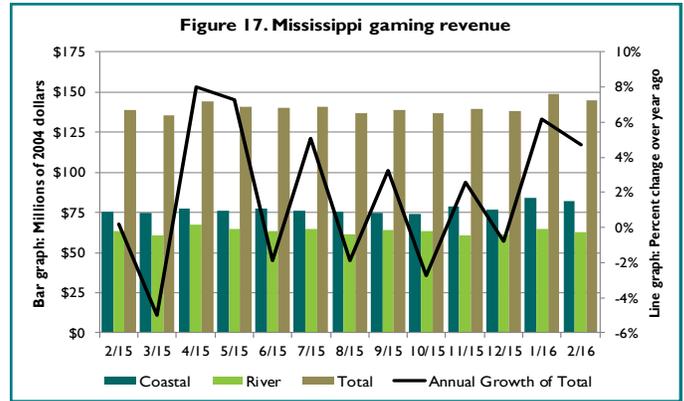
Source: U.S. Department of Labor; seasonally adjusted



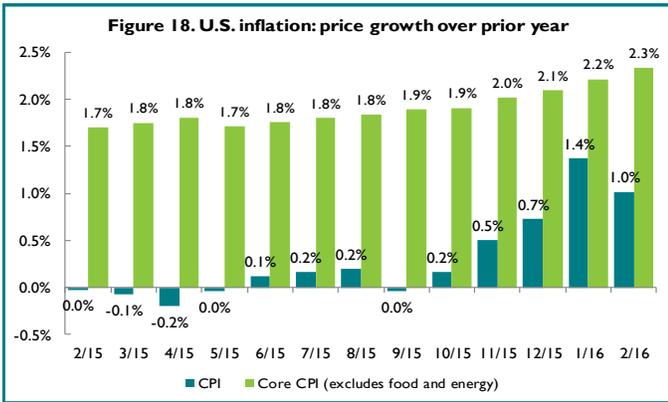
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



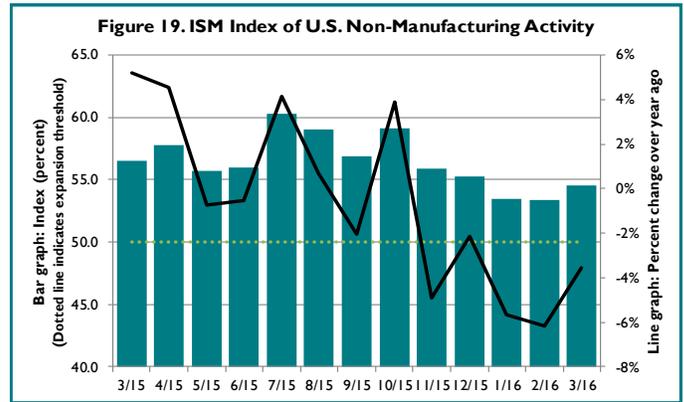
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



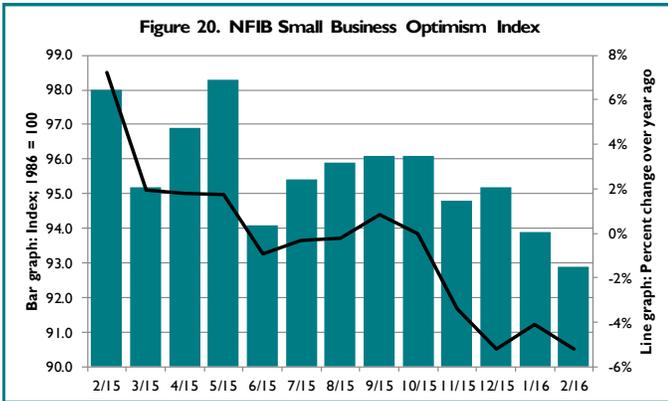
Source: Mississippi Department of Revenue; seasonally adjusted



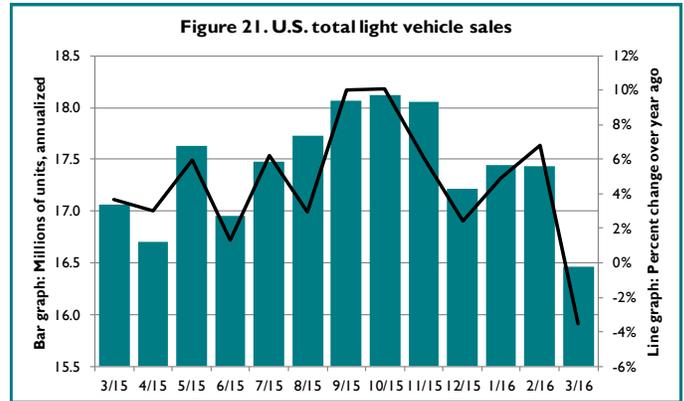
Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: National Federation of Independent Businesses



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

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	February	January	February	Percent change from		
	2016	2016	2015	January 2016	February 2015	
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	123.2	123.1	120.4	▲0.1%	▲2.3%	Economic Indices
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	113.3	113.2	111.3	▲0.1%	▲1.8%	
Mississippi Leading Index 2004 = 100. Source: University Research Center	111.1	109.7	107.1	▲1.3%	▲3.7%	
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	111.3	110.8	107.8	▲0.5%	▲3.2%	
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	8,021	7,279	8,631	▲10.2%	▼7.1%	Components of the Mississippi Leading Index
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	80.1	76.9	73.2	▲4.1%	▲9.3%	
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	112.5	110.6	110.3	▲1.7%	▲1.9%	
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	87.3	84.7	79.1	▲3.0%	▲10.3%	
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	82.0	82.4	88.1	▼0.5%	▼6.9%	
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	51.8	49.5	51.5	▲4.6%	▲0.6%	
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	448.0	449.7	435.0	▼0.4%	▲3.0%	
U.S. Consumer Price Index (CPI)	125.5	125.4	124.3	▲0.1%	▲1.0%	
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	125.1	124.7	122.2	▲0.3%	▲2.3%	
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	6.5%	6.7%	6.6%	▼0.2	▼0.1	
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	63,250	62,071	61,140	▲1.9%	▲3.5%	Miscellaneous Indicators
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	54.5	53.4	56.5	▲2.1%	▼3.5%	
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: U.S. Federal Reserve	3.76%	3.95%	3.79%	▼0.19	▼0.03	
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	19.25	19.06	18.14	▲1.0%	▲6.1%	
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	833.74	806.85	733.68	▲3.3%	▲13.6%	
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	92.9	93.9	98.0	▼1.1%	▼5.2%	
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.46	17.43	17.06	▼5.5%	▼3.5%	
Gaming revenue	145.1	148.8	138.6	▼2.4%	▲4.7%	
Coastal counties	82.3	84.2	75.3	▼2.3%	▲9.3%	
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	62.8	64.6	63.3	▼2.7%	▼0.8%	

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi increased 0.4 percent in February according to the U.S. Bureau of Labor Statistics (BLS). The state's economy added 5,100 jobs from the previous month as seen in Table 2 below. However, BLS revised January employment down by 0.2 percent. Total employment in Mississippi was 1.5 percent higher in February compared to one year ago, the largest year-over-year increase since February 2007.

Total nonfarm employment increased in thirty-six states and the District of Columbia in February according to BLS. The largest absolute increases in employment for the month occurred in California, New York, and Pennsylvania. Hawaii and New Hampshire experienced the largest percentage increases in employment in February. New Jersey, Iowa, and Indiana experienced the largest absolute decreases in employment for the month, while the largest percentage decrease in employment occurred in North Dakota. Employment was lower in seven states in February compared to one year ago.

Among all industries in the state, Trade, Transportation, and Utilities added the most jobs in February with 1,800.

The Accommodation and Food Services closely followed, adding 1,700 jobs. The largest percentage increase in employment for the month occurred in Accommodation and Food Services, which rose 1.4 percent. Health Care and Social Assistance lost the most jobs among all industries in the state in February, falling by 1,800. The sector also experienced the largest percentage decrease in employment in Mississippi for the month, declining 1.4 percent, closely followed by employment in Mining and Logging, which decreased 1.3 percent.

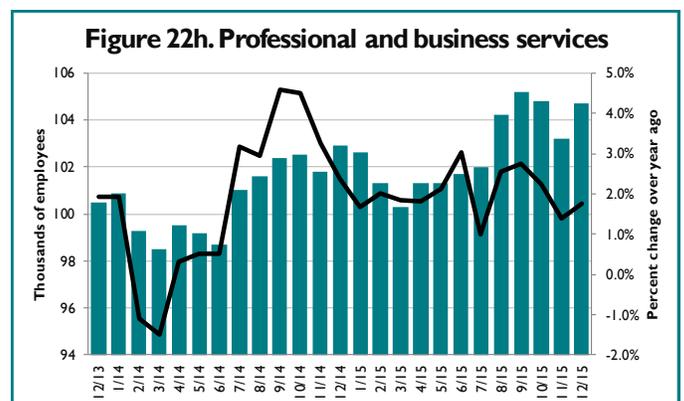
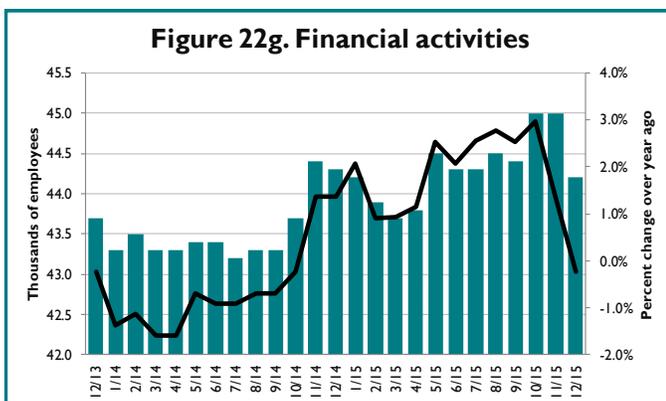
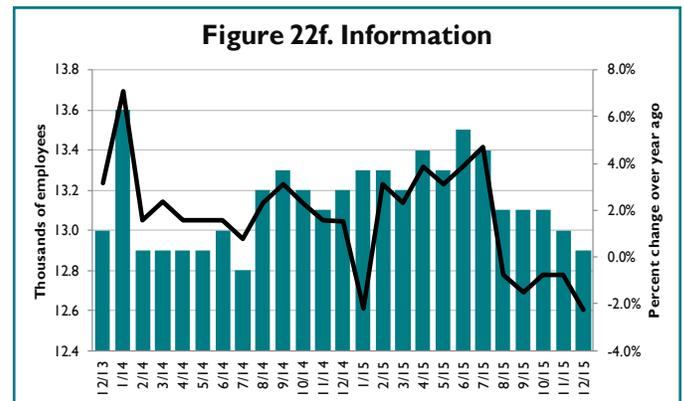
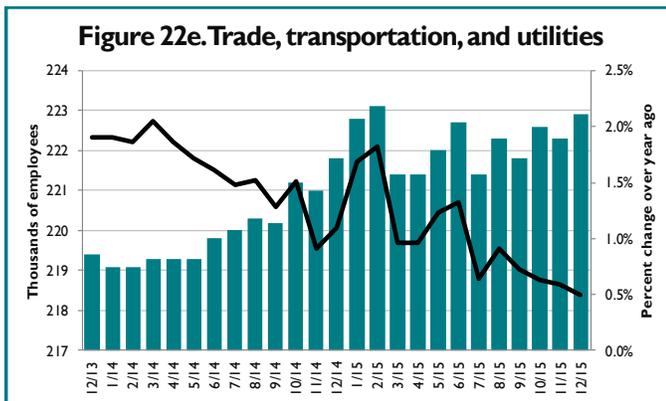
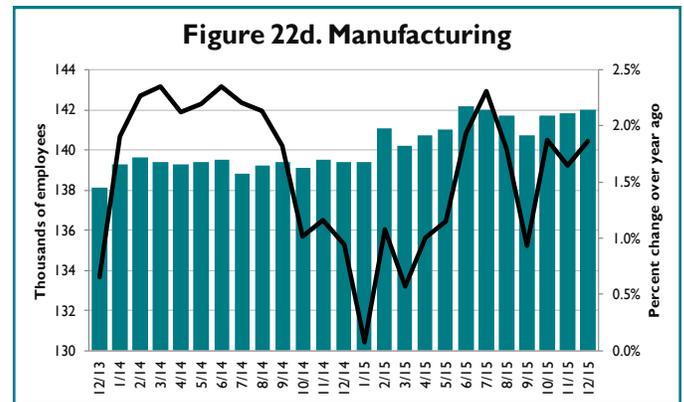
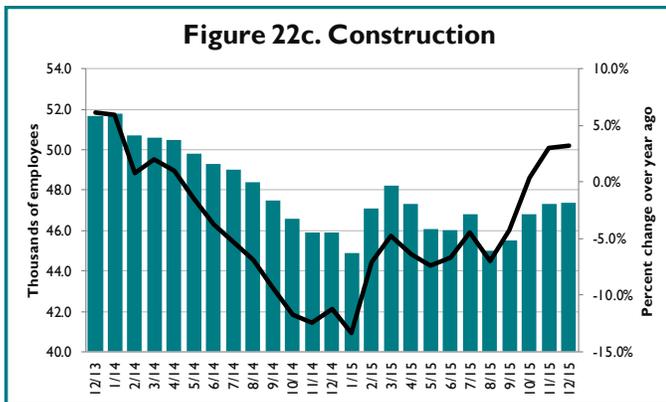
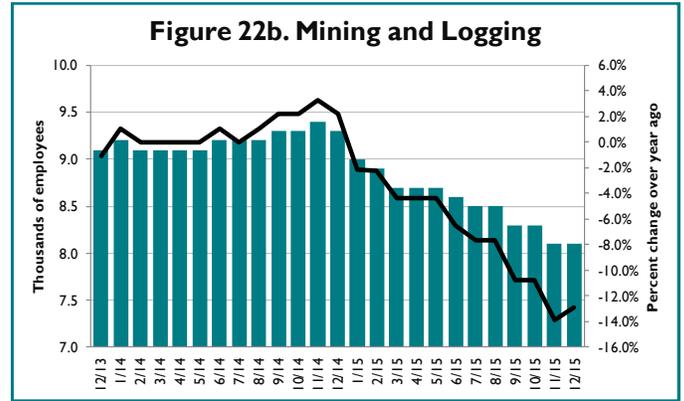
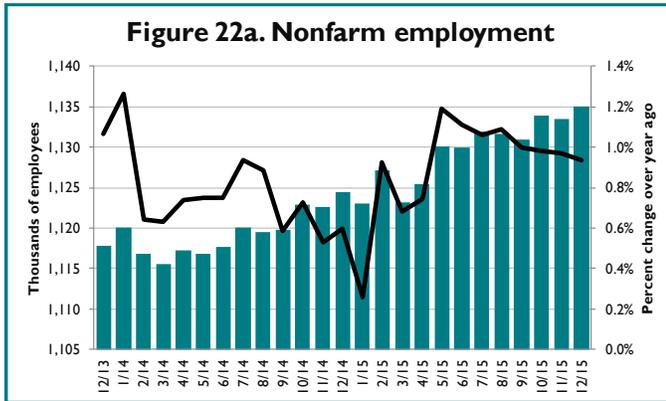
As of February, Trade, Transportation, and Utilities added the most jobs among all industries in the state compared to one year ago. Employment in the sector was up by 6,000 jobs. The largest percentage increase in employment among all industries in the state over the last twelve months was Arts and Entertainment, which increased 10.1 percent. The largest decrease in employment among all sectors in Mississippi compared to one year ago was Mining and Logging, which lost 1,300 jobs; this decline of 14.6 percent was also the largest percentage decrease in employment. Five industries in the state employed fewer people compared to one year ago in February.

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

	Relative share of total ^a	February 2016	January 2016	February 2015	Change from January 2016 Level	Change from January 2016 Percent	Change from February 2015 Level	Change from February 2015 Percent
Total Nonfarm	100.0%	1,145,200	1,140,100	1,128,800	▲5,100	▲0.4%	▲16,400	▲1.5%
Mining and Logging	0.7%	7,600	7,700	8,900	▼100	▼1.3%	▼1,300	▼14.6%
Construction	4.1%	46,800	46,500	47,600	▲300	▲0.6%	▼800	▼1.7%
Manufacturing	12.5%	145,000	143,900	140,800	▲1,100	▲0.8%	▲4,200	▲3.0%
Trade, Transportation, & Utilities	19.9%	229,400	227,600	223,400	▲1,800	▲0.8%	▲6,000	▲2.7%
Retail Trade	12.2%	141,700	140,200	137,300	▲1,500	▲1.1%	▲4,400	▲3.2%
Information	1.2%	13,500	13,400	13,400	▲100	▲0.7%	▲100	▲0.7%
Financial Activities	3.8%	43,200	43,600	43,500	▼400	▼0.9%	▼300	▼0.7%
Services	36.3%	413,700	414,100	407,500	▼400	▼0.1%	▲6,200	▲1.5%
Professional & Business Services	9.2%	102,500	102,200	103,400	▲300	▲0.3%	▼900	▼0.9%
Educational Services	1.1%	12,500	12,400	11,900	▲100	▲0.8%	▲600	▲5.0%
Health Care & Social Assistance	11.1%	128,000	129,800	125,300	▼1,800	▼1.4%	▲2,700	▲2.2%
Arts & Entertainment	1.0%	12,000	12,000	10,900	◆0	◆0.0%	▲1,100	▲10.1%
Accommodation and Food Services	10.4%	119,500	117,800	116,300	▲1,700	▲1.4%	▲3,200	▲2.8%
Other Services	3.5%	39,200	39,900	39,700	▼700	▼1.8%	▼500	▼1.3%
Government	21.5%	246,000	245,200	243,700	▲800	▲0.3%	▲2,300	▲0.9%

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

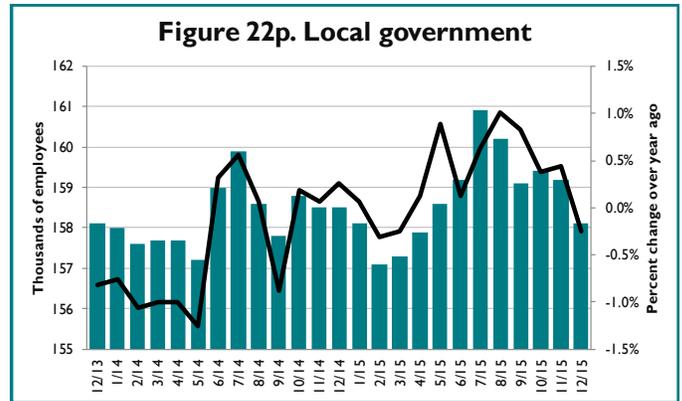
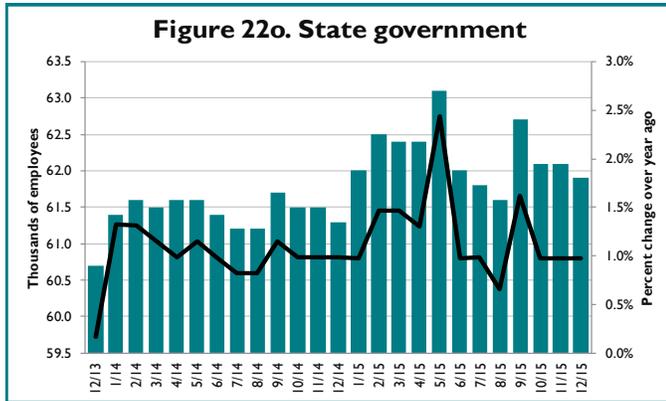
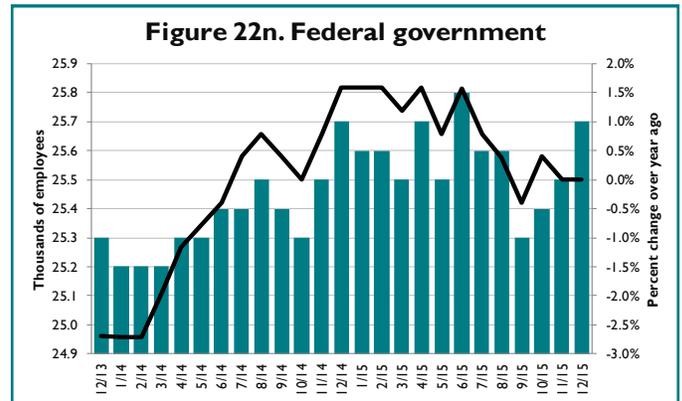
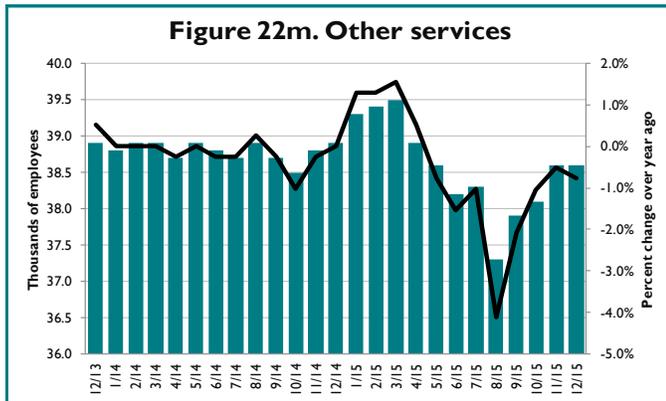
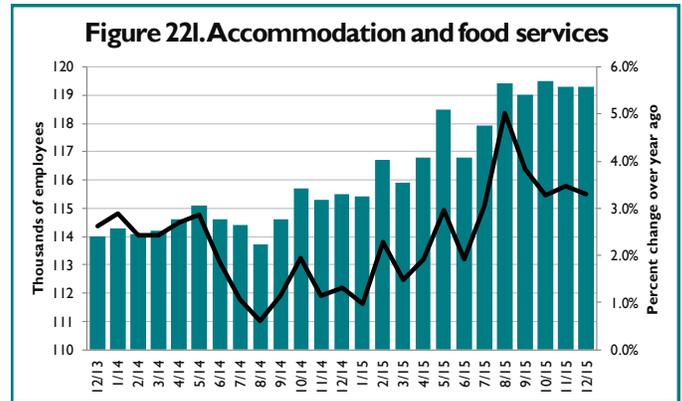
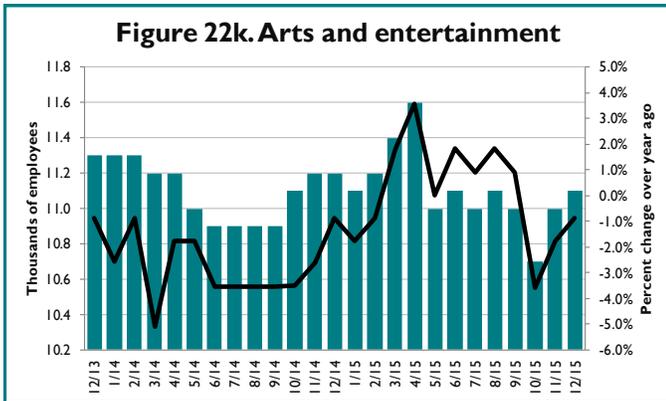
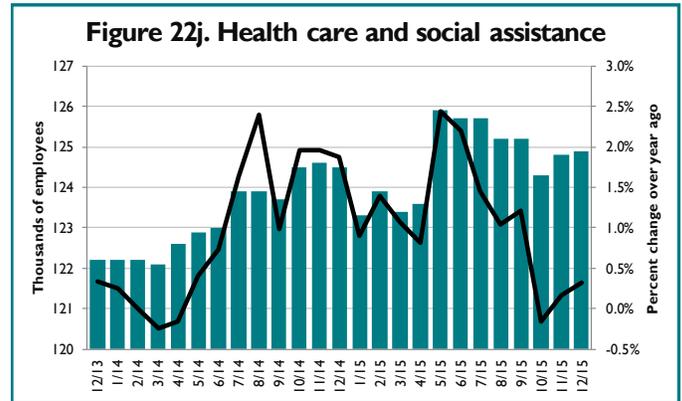
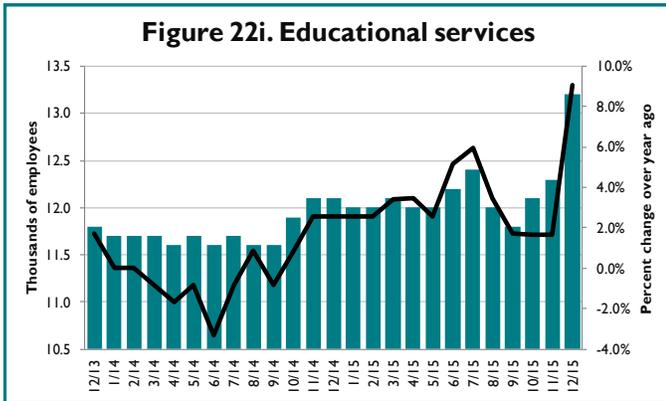
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

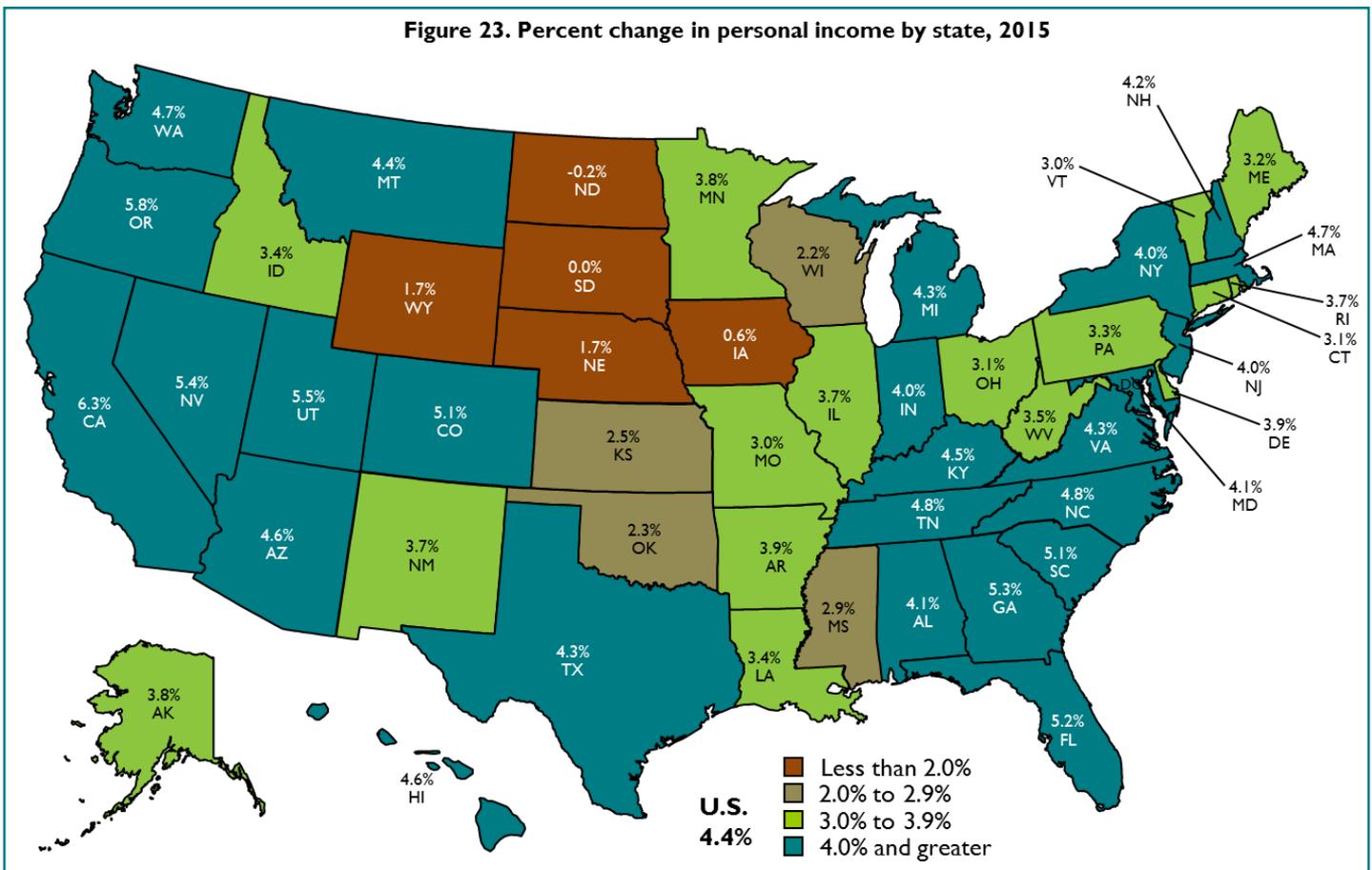


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

MISSISSIPPI PERSONAL INCOME TRENDS IN 2015

The U.S. Bureau of Economic Analysis (BEA) released its annual data on income growth for the U.S. and all states for 2015 in late March. These estimates have not been adjusted for inflation and are not the same as the change in real income that BEA will report later in the year. The income growth rate for the U.S. in 2015 was 4.4 percent, the same as in 2014. Personal income in Mississippi grew 2.9 percent in 2015, an increase over the 2.4 percent gain in 2014 and the second consecutive year personal income in the state increased. This rate of growth ranked forty-second among all states. In twenty-five states, personal income grew 4.0 percent or more in 2015, with the largest rate of increase found in California at 6.3 percent. North Dakota was the only state where personal income contracted in 2015, falling 0.2 percent. The economies of most of the states with the smallest changes in personal income in 2015 include substantial energy sectors and/or relatively large agricultural industries. As seen in Figure 23 below, the five states where incomes grew less than 2.0 percent marked a considerable change from 2014 when only one state experienced an increase in personal income of less than 2.0 percent, a reflection of how downturns in the aforementioned industries affected certain regions.

The largest contribution to the increase in personal income in Mississippi in 2015 came from the Health Care and Social Assistance industry, which added 0.21 percentage point to the total. The industry was closely followed by State and Local Government, which together added 0.20 percentage point to the increase. The smallest contribution came from the Construction sector, which added -0.20 percentage point to the total increase. The Farm sector was responsible for the next smallest contribution to the increase in personal income, adding -0.16 percentage point to the total.



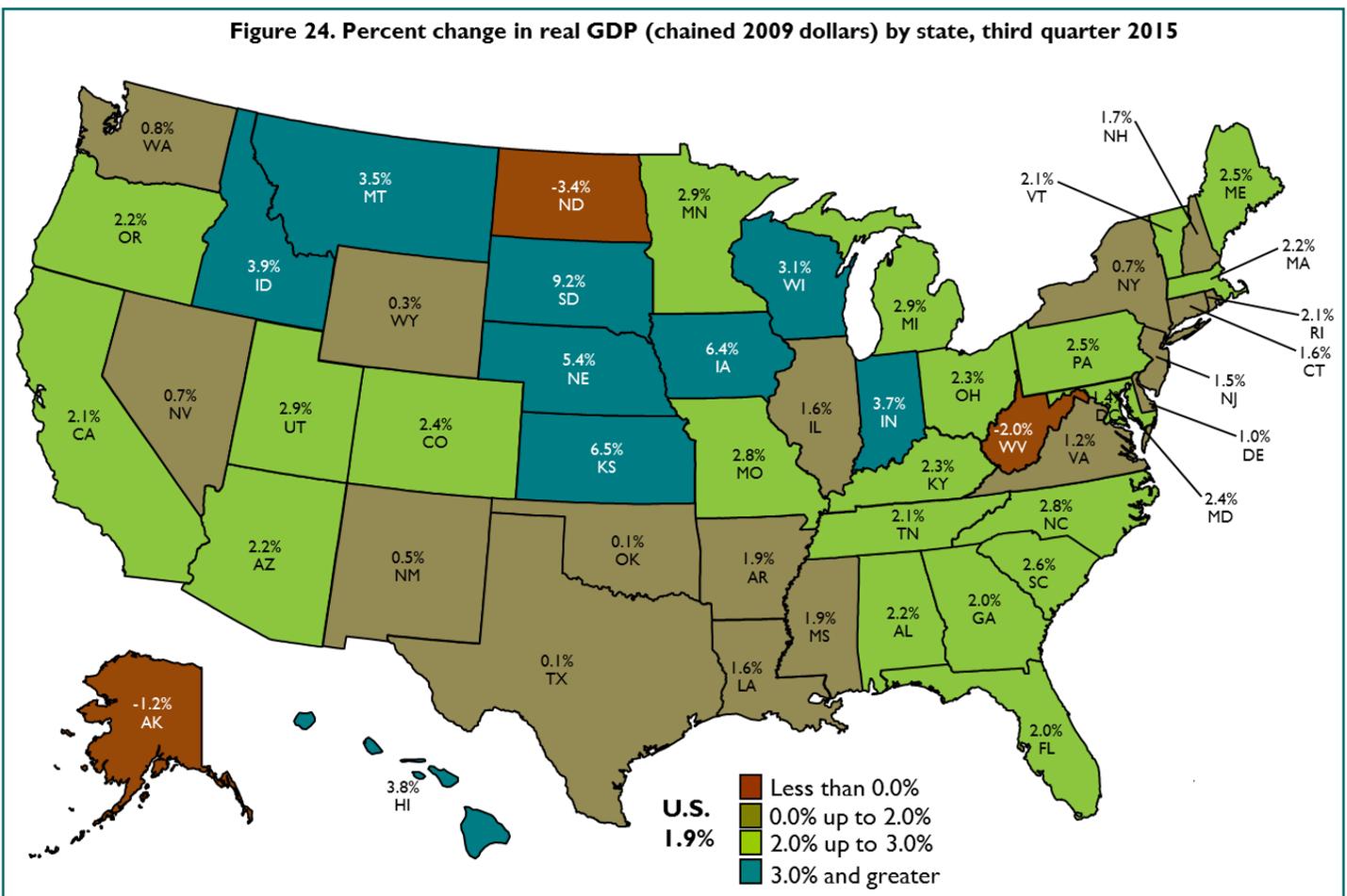
Source: U.S. Bureau of Economic Analysis; changes based on current dollars

MISSISSIPPI'S BUSINESS

MISSISSIPPI ECONOMY EXPANDED IN THIRD QUARTER

According to the most recent estimate of the U.S. Bureau of Economic Analysis (BEA), real gross domestic product (GDP) in Mississippi grew 1.9 percent in the third quarter of 2015. This increase equaled the growth in U.S. real GDP for the same period. The state's economy fell by 1.5 percent in the first quarter of 2015 and grew 3.6 percent in the second quarter; thus, barring a significant revision or a downturn in the fourth quarter, Mississippi's real GDP should experience positive growth for all of 2015. Mississippi's economy last experienced annual growth in 2012 when real GDP increased 2.3 percent for the year.

As Figure 24 below indicates, Mississippi was one of forty-seven states along with the District of Columbia where real GDP grew in the third quarter of 2015. The 1.9 percent increase in real GDP equaled the growth in Arkansas, was slightly greater than in Louisiana, and was slightly less than in Alabama and Tennessee. The three states where economies contracted in the third quarter were Alaska, North Dakota, and West Virginia; notably, the economies of these states all include substantial energy sectors hit by the downturn in the industry. The largest growth in real GDP in the third quarter occurred in South Dakota, as its economy expanded 9.2 percent. Nationally, the largest contributor to the increase in real GDP in the third quarter was Retail Trade, which grew 7.1 percent and added 0.41 percentage point to U.S. growth. It was closely followed by the Health Care and Social Assistance sector and the Agriculture, Forestry, Fishing, and Hunting sector, which contributed 0.39 and 0.36 percentage point to growth in the third quarter, respectively.



Source: U.S. Bureau of Economic Analysis