



ECONOMY AT A GLANCE

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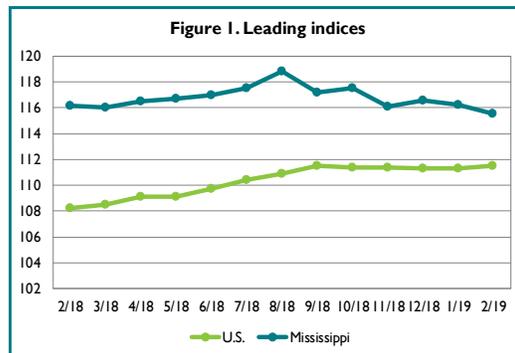
The value of the Mississippi Leading Index (MLI) decreased 0.5 percent in February as seen in Figure 1 below. The value of the MLI for the month was down 0.5 percent compared to one year ago.

As seen in Figure 2 below the value of the Mississippi Coincident Index (MCI) rose 0.1 percent in February. The value for the month was 2.0 percent higher compared to one year ago.

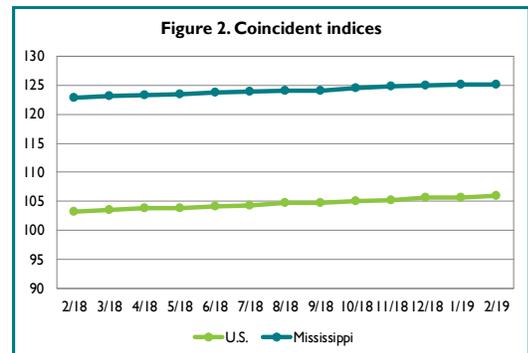
The U.S. Bureau of Economic Analysis (BEA) revised the change in U.S. real gross domestic product (GDP) in the fourth quarter of 2018 to an increase of 2.2 percent in its third estimate, a decrease of 0.4 percentage point from the previous estimate. BEA reported smaller measures of personal consumption expenditures, state and local government spending, and nonresidential fixed invest-

ment than in the initial and second estimates. Despite the sizable downward revision to fourth quarter real GDP, the change in real GDP for all of 2018 remained an increase of 2.9 percent according to BEA.

February was another generally weak month for the MLI, mostly because of the relatively large decline in withholdings. The contributions from the other components, both positive and negative, were relatively small. Employment in February was little changed as well. On a positive note, the Mississippi Manufacturing Employment Intensity Index rose for the third consecutive month in February. Overall, however, the effects of a stronger U.S. economy in mid-2018 appear to have faded and Mississippi's economy seems to have settled into its previous pattern of little momentum.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

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

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, FEBRUARY 2019**

As seen in Figure 3 the value of the **Mississippi Leading Index of Economic Indicators (MLI)** fell 0.5 percent in February, the third decline in the last four months. However, as a result of data revisions the January value of the MLI was revised up by 0.3 percentage point to a decrease of 0.3 percent. Compared to one year ago the February value was 0.5 percent lower. Over the last six months the value of the MLI fell 2.8 percent.

Four of the seven components of the MLI contributed negatively for the month. Income tax withholdings made the largest negative contribution. Each component is discussed below in order of smallest to largest contribution.

As seen in Figure 4 the value of **Mississippi income tax withholdings** (three-month moving average) fell 3.2 percent in February. The value of withholdings in February was 1.5 percent lower compared to one year ago, the largest year-over-year decrease since September 2017. Over the last six months the value of withholdings fell 6.2 percent.

Mississippi residential building permits (three-month moving average) decreased in value by 1.7 percent in February as Figure 5 indicates. Nevertheless, the February value was 4.8 percent higher compared to one year ago. The number of units for the month fell 5.6 percent, the fourth consecutive monthly decline and the seventh decline in the last eight months. Despite the decline the number of units in February was up 2.8 percent compared to one year ago. Nationally, the number of privately-owned housing units authorized by building permits in February was down 1.6 percent from the revised January rate. Compared to one year ago the number of units in the U.S. in February was down 2.0 percent.

In February the value of **U.S. retail sales** fell 0.2 percent from the previous month as seen in Figure 6. However, the January value was revised up by 0.5 percent. The value of retail sales was 2.2 percent higher in February compared to one year ago. Sales excluding automobiles and gasoline were down 0.6 percent from the previous month as gasoline sales increased the most among all categories. The largest decrease in sales occurred in building materials, giving back exactly its gain from the previous month. On the whole, retail sales have been weaker the past three months—a period that includes the Christmas shopping season—compared to the previous three months.

The value of seasonally-adjusted **initial unemployment claims** in Mississippi rose 1.8 percent in February as seen

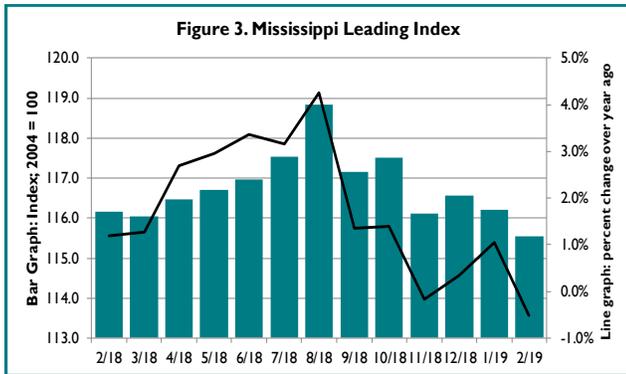
in Figure 7. The value for the month was down 3.0 percent compared to one year ago. Similarly, Figure 16 on page 6 indicates the value of seasonally-adjusted continued unemployment claims in Mississippi edged higher by 0.9 percent in February. The number of continued unemployment claims in Mississippi for the month was 19.2 percent lower compared to one year ago. In February the seasonally-adjusted unemployment rate in Mississippi increased 0.1 percentage point from the previous month to 4.8 percent as seen in Figure 17 on page 6. Based on the revised data from the Bureau of Labor Statistics, the increase was the first since January 2018. The unemployment rate in Mississippi was 0.1 percentage point lower in February compared to one year ago.

The **University of Michigan Index of Consumer Expectations** (three-month moving average) increased in value in February for the first time since October 2018. As seen in Figure 8 the value rose 0.7 percent for the month. Despite the increase the February value was down 4.5 percent compared to one year ago, the third consecutive month with a year-over-year decrease. The share of respondents who expect the country to have good times over the next year rose for the second month in a row. In the most recent survey short-term inflation expectations fell in February for the second consecutive month.

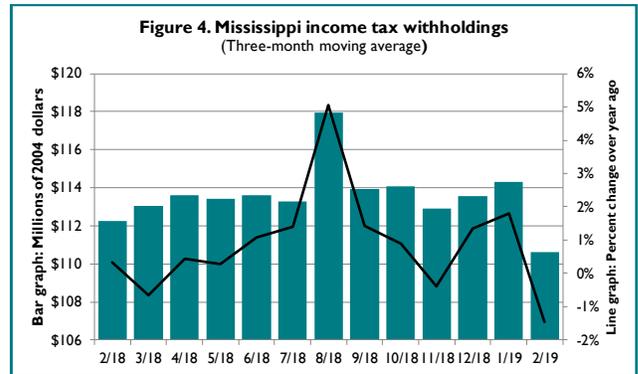
As seen in Figure 9 the value of the **Mississippi Manufacturing Employment Intensity Index** climbed 0.3 percent in February, its third consecutive monthly increase. Compared to one year ago, the value for the month was 0.3 percent lower. Both the average weekly hours of production employees in Mississippi and Manufacturing employment in the state increased slightly in February, which led to the increase in the Index.

The value of the **ISM Index of U.S. Manufacturing Activity** increased 2.0 percent in February as seen in Figure 10, the third increase in the last five months. However, the value of the Index in February was down 6.7 percent compared to one year ago. Three of the five components of the Index increased for the month, led by Employment. The declines occurred in Inventories and Supplier Deliveries. The value of the prices paid index increased in February for the first time since October 2018.

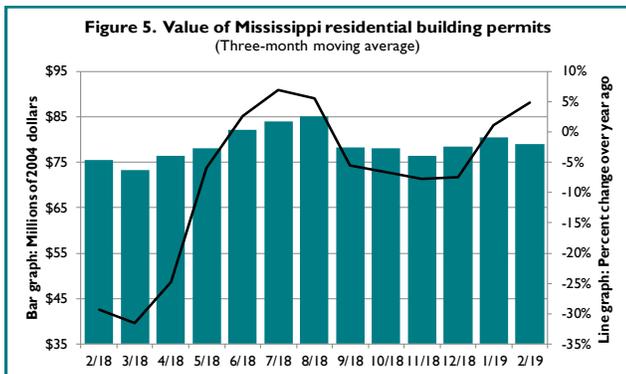
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



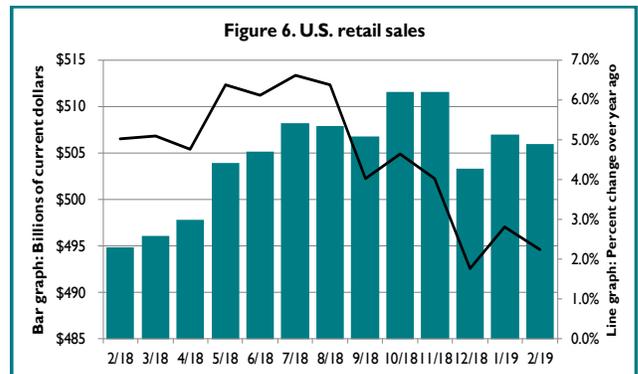
Source: University Research Center



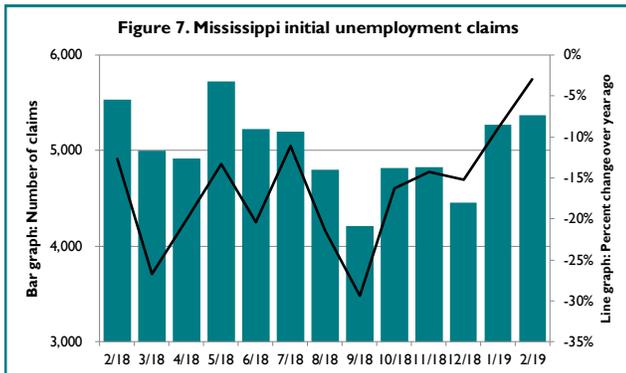
Source: Mississippi Department of Revenue; seasonally adjusted



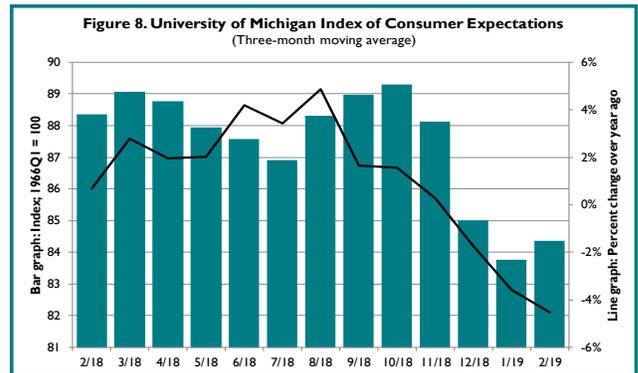
Source: U.S. Bureau of the Census; seasonally adjusted



Source: U.S. Bureau of the Census



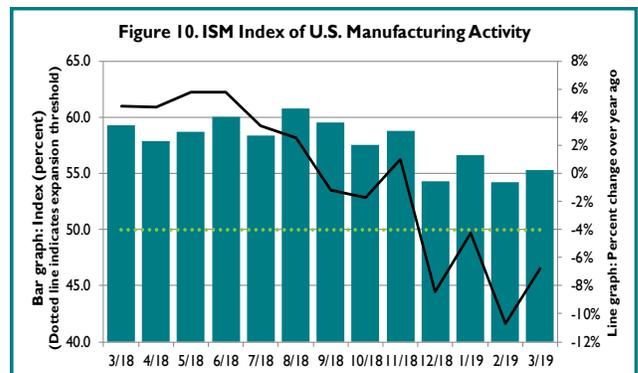
Source: U.S. Department of Labor; seasonally adjusted



Source: Thomson Reuters/University of Michigan Surveys of Consumers



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



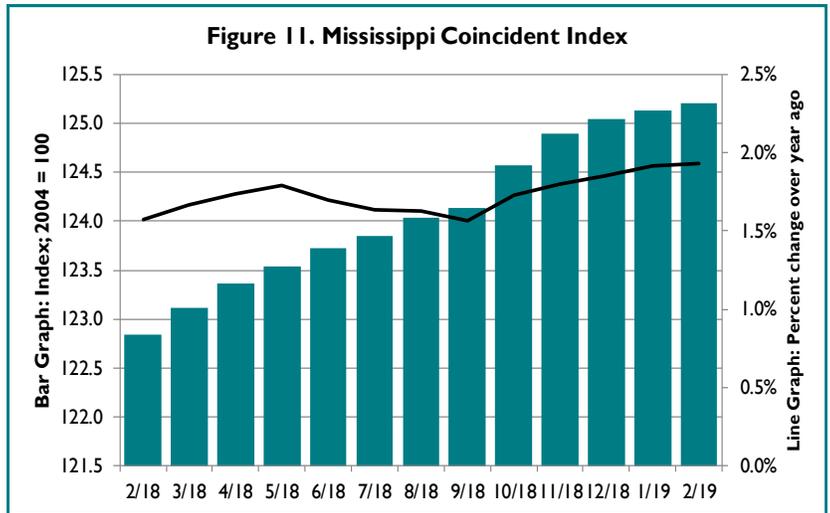
Source: Institute for Supply Management

MISSISSIPPI'S BUSINESS

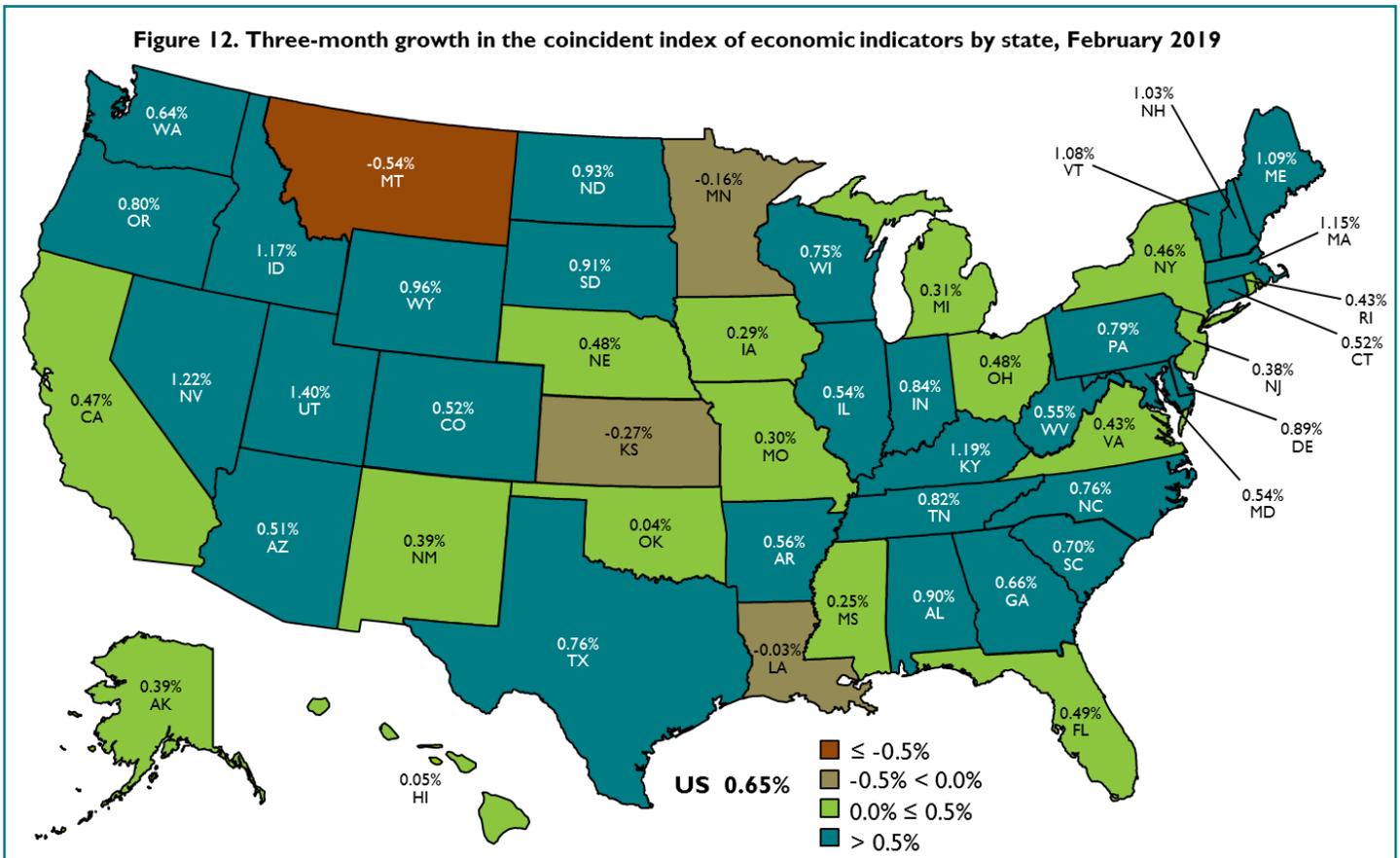
MISSISSIPPI COINCIDENT INDEX, FEBRUARY 2019

As seen in Figure 11 the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.1 percent in February according to the Federal Reserve Bank of Philadelphia. The value of the MCI for the month was 2.0 percent higher compared to one year ago.

Figure 12 below indicates the values of the coincident indices increased in forty-six states in February compared to three months prior. Mississippi was one of sixteen states where the values of the coincident indices increased by less than 0.5 percent. In thirty states the values of the coincident indices increased by more than 0.5 percent in February compared to December. In Kansas, Louisiana, and Minnesota the coincident indices fell by less than 0.5 percent. Montana was the only state where the coincident index fell by more than 0.5 percent in February compared to three months prior.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

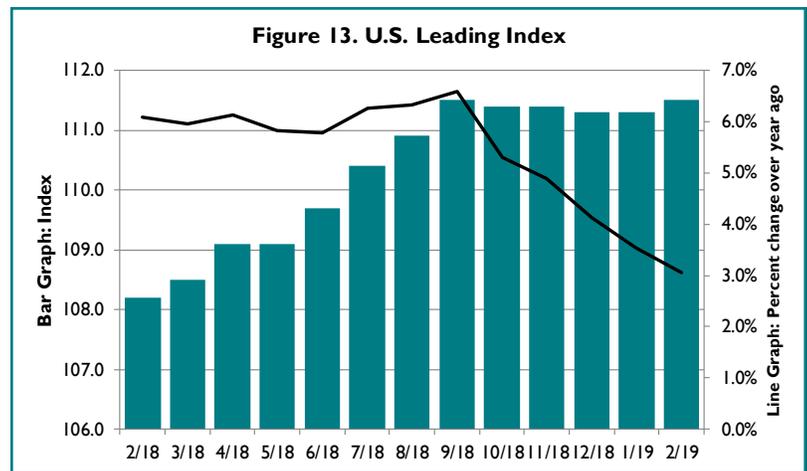
NATIONAL TRENDS

For the first time since September 2018, The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased in February. As seen in Figure 13, the value rose 0.2 percent from the previous month. The value of the LEI was 3.0 percent higher in February compared to one year ago. As in January, six of the ten indicators that make up the LEI increased in value. The largest contribution came from stock prices. The Conference Board forecasted the February values of building permits due to the federal government shutdown. The value of the LEI rose 0.5 percent over the last six months.

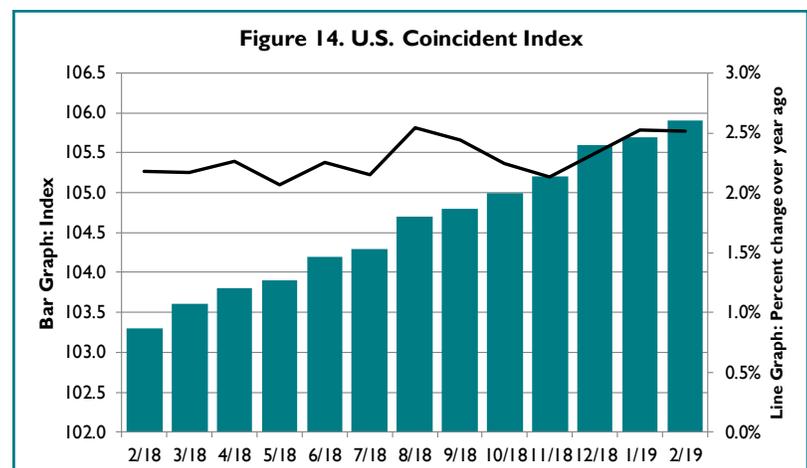
The value of the U.S. Coincident Economic Index (CEI) increased 0.2 percent in January according to The Conference Board as seen in Figure 14. Compared to one year ago the value of the CEI was 2.5 percent higher in February. All four components of the CEI increased for the month and the largest contribution came from personal income less transfer payments. Over the last six months the value of the CEI rose 1.1 percent.

As seen in Figure 15, the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased in February for the first time since August 2018. The Index rose 0.5 percent in value but remained near its lowest level since the 2016 election. The value of the Index was down 5.5 percent in February compared to one year ago. Most components of the Index were little changed; the largest increase occurred in the “expect economy to improve” component. The “now is a good time to expand” component increased for the first time in five months. The “plans to raise prices” measure was unchanged in February.

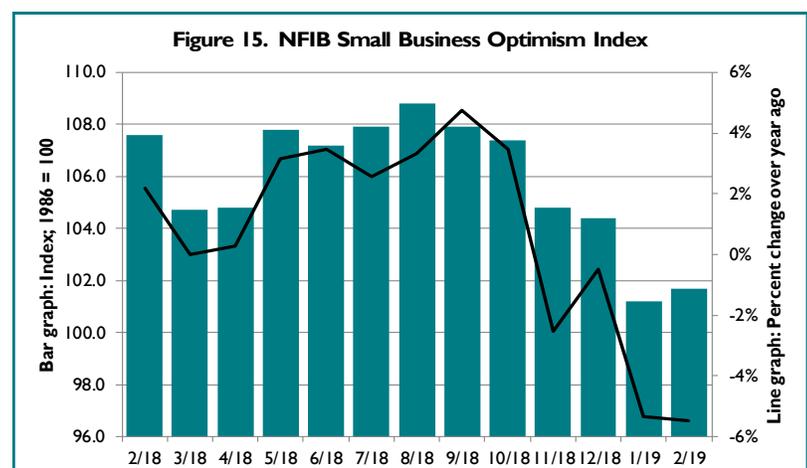
At its meeting in March the Federal Open Market Committee (FOMC) continued to revise its guidance for 2019 by eliminating two proposed increases in the federal funds rate target this year. While that change leaves one increase expected in 2020, already the federal funds rate futures market has priced in a decrease in the rate target of 25 basis points for December 2019. However, some analysts believe such a move would require a further deceleration in inflation and considerable slowing of the U.S. economy in the intervening months.



Source: The Conference Board



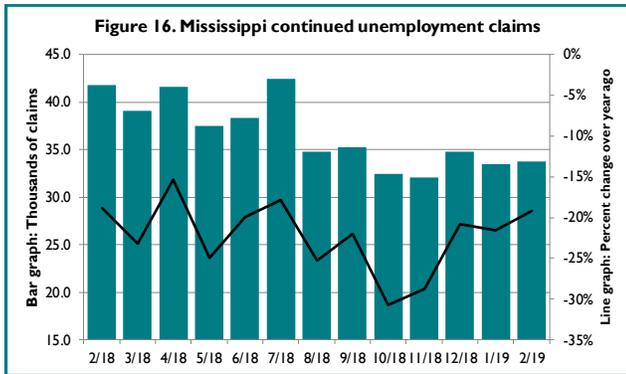
Source: The Conference Board



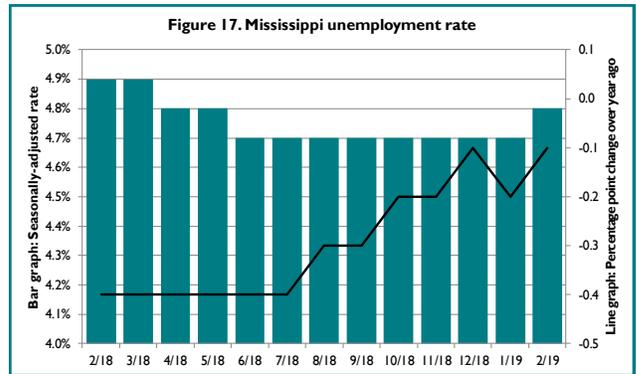
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

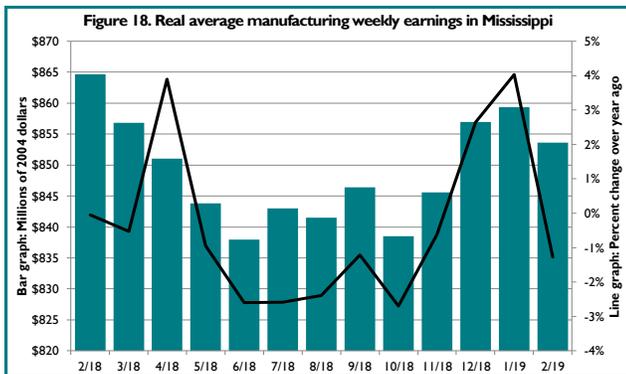
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



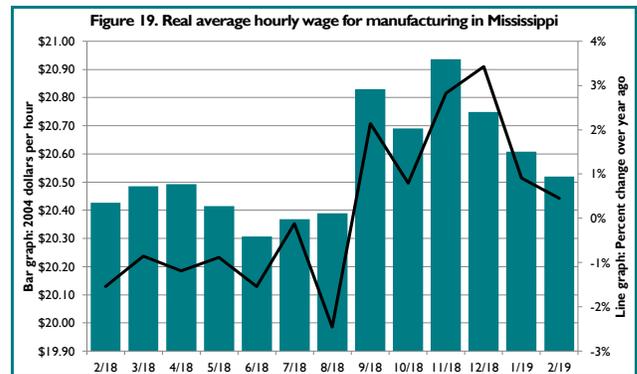
Source: U.S. Department of Labor; seasonally adjusted



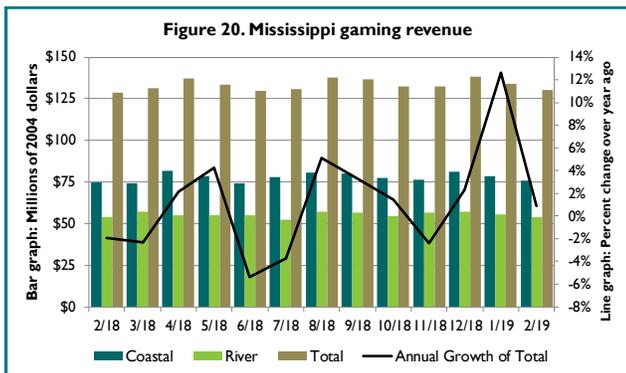
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



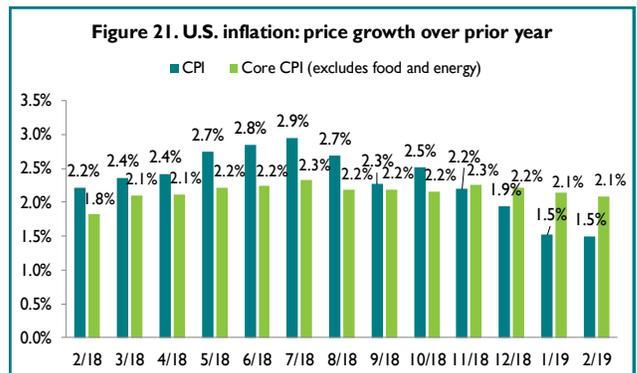
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



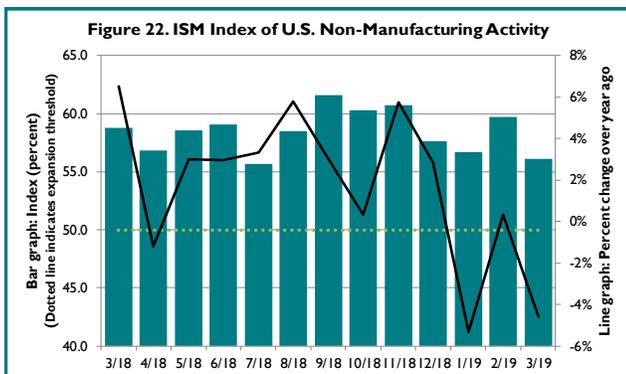
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



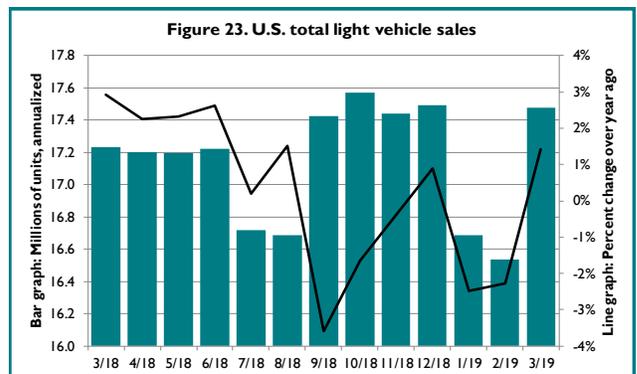
Source: Mississippi Department of Revenue; seasonally adjusted



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	February	January	February	Percent change from	
	2019	2019	2018	January 2019	February 2018
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	111.5	111.3	108.2	▲0.2%	▲3.0%
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	105.9	105.7	103.3	▲0.2%	▲2.5%
Mississippi Leading Index 2004 = 100. Source: University Research Center	115.6	116.2	116.2	▼0.5%	▼0.5%
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	105.9	105.7	103.3	▲0.2%	▲2.5%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,366	5,270	5,532	▲1.8%	▼3.0%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	79.1	80.4	75.5	▼1.7%	▲4.8%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	110.6	114.3	112.3	▼3.2%	▼1.5%
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	84.5	84.2	84.8	▲0.3%	▼0.3%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	84.4	83.8	88.4	▲0.7%	▼4.5%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	55.3	54.2	59.3	▲2.0%	▼6.7%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	507.0	503.3	493.1	▲0.7%	▲2.8%
U.S. Consumer Price Index (CPI)	134.0	133.8	132.0	▲0.2%	▲1.5%
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	132.7	132.6	130.0	▲0.1%	▲2.1%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.8%	4.7%	4.9%	▲0.1	▼0.1
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	33,788	33,477	41,802	▲0.9%	▼19.2%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.1	59.7	58.8	▼6.0%	▼4.6%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.29%	4.39%	4.27%	▼0.10	▲0.02
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.52	20.49	20.43	▲0.2%	▲0.5%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	853.61	859.34	864.65	▼0.7%	▼1.3%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	101.7	101.2	107.6	▲0.5%	▼5.5%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.48	16.54	17.23	▲5.7%	▲1.4%
Gaming revenue	130.0	134.2	128.9	▼3.1%	▲0.9%
Coastal counties	75.9	78.5	74.9	▼3.3%	▲1.2%
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	54.2	55.7	53.9	▼2.7%	▲0.5%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

According to the U.S. Bureau of Labor Statistics (BLS) total nonfarm employment in Mississippi edged higher by 600 jobs in February, an increase of 0.1 percent. However, BLS revised January employment down by 600 jobs. Total employment in the state was 1.1 percent higher in February compared to one year ago.

Two states experienced statistically significant increases in total nonfarm employment in February according to BLS. Florida added 25,200 jobs, an increase of 0.3 percent, while Idaho added 3,600 jobs, a 0.5 percent increase.

BLS reported higher employment in twenty-two states in February compared to one year ago. Texas added 268,800 jobs, the most among all states. California followed with an increase of 222,500 jobs, slightly ahead of Florida with a gain of 211,900 jobs. The largest percentage increase in employment in February compared to one year ago occurred in Nevada, where employment rose by 3.5 percent.

The largest increase in employment in February in Mississippi among all sectors was 400 jobs; Trade, Transportation, and Utilities as well as Government each added 400 jobs. The largest percentage increase of 2.1 percent oc-

curred in Arts and Entertainment, which was a gain of only 200 jobs. The largest decrease in employment among all sectors in February occurred in Professional and Business Services, which lost 300 jobs for the month. The largest percentage decrease in employment occurred in Mining and Logging, which fell 1.5 percent. However, this decline represented a loss of only 100 jobs.

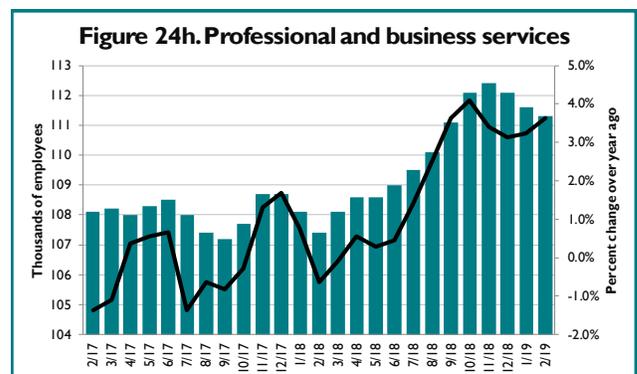
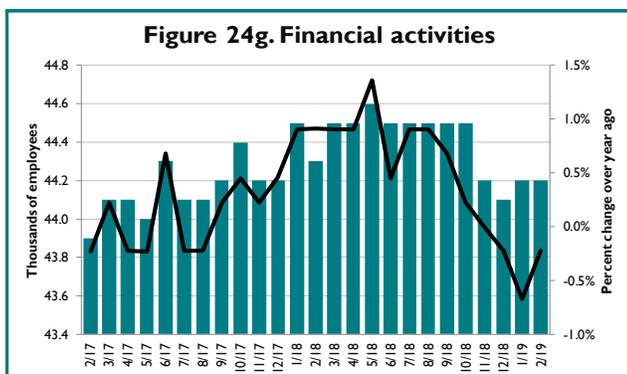
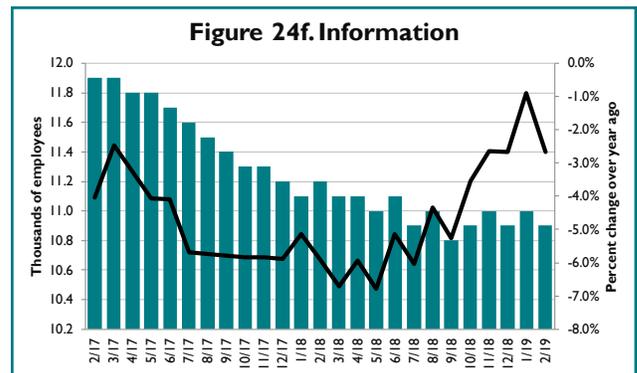
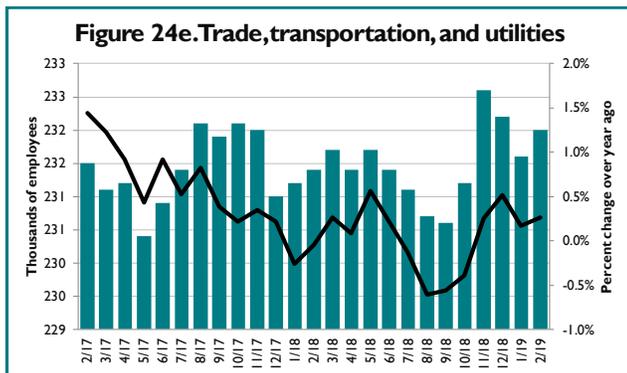
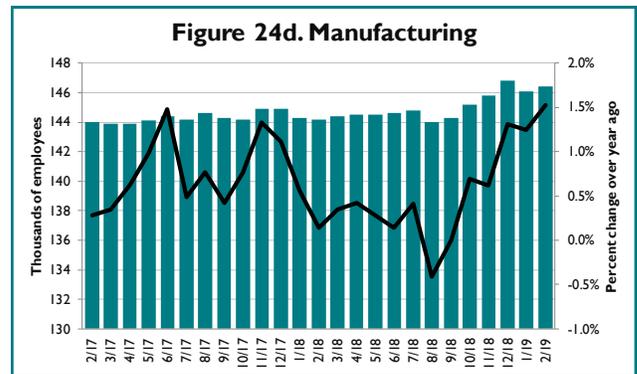
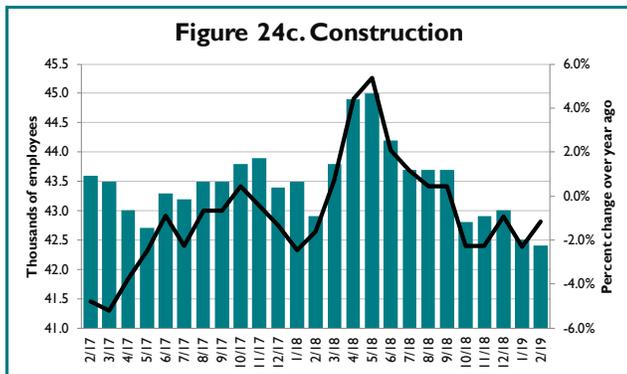
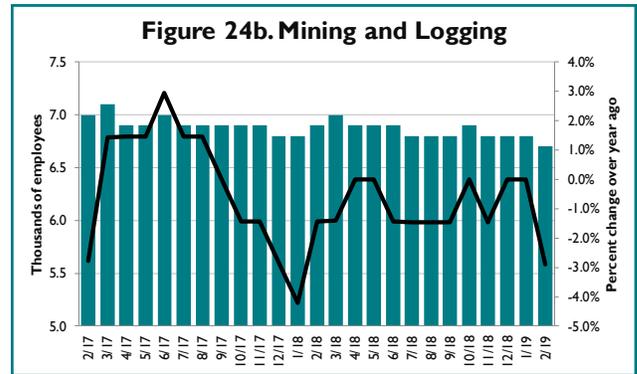
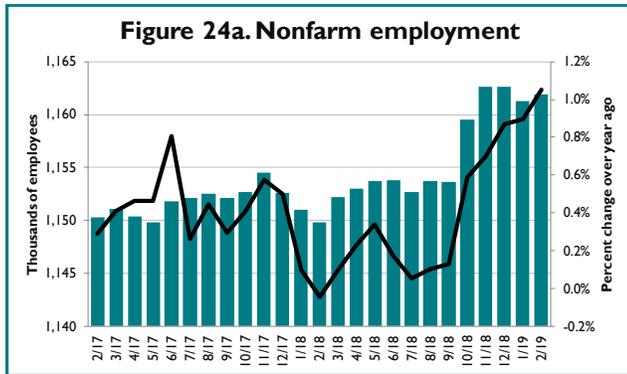
The largest increase in employment over the last twelve months among all sectors in the state was the 4,500 jobs added by Accommodation and Food Services. Professional and Business Services added 3,900 jobs in February, the next largest increase. Both of these sectors shared the largest percentage gain among all industries in Mississippi over the past year of 3.6 percent. The largest decline in employment over the previous twelve months occurred in the Retail Trade subsector, which lost 1,600 jobs. The largest percentage decrease in employment among all sectors in February compared to one year ago occurred in Mining and Logging, which declined 2.9 percent, a loss of 200 jobs. Notably, Construction employment in Mississippi fell to 42,400 in February, its lowest monthly value since March 1994.

Table 2. Change in Mississippi employment by industry, February 2019

	Relative share of total ^a	February 2019	January 2019	February 2018	Change from January 2019		Change from February 2018	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,161,900	1,161,300	1,149,800	▲600	▲0.1%	▲12,100	▲1.1%
Mining and Logging	0.6%	6,700	6,800	6,900	▼100	▼1.5%	▼200	▼2.9%
Construction	3.8%	42,400	42,500	42,900	▼100	▼0.2%	▼500	▼1.2%
Manufacturing	12.5%	146,400	146,100	144,200	▲300	▲0.2%	▲2,200	▲1.5%
Trade, Transportation & Utilities	20.0%	232,000	231,600	231,400	▲400	▲0.2%	▲600	▲0.3%
Retail Trade	12.0%	137,800	137,600	139,400	▲200	▲0.1%	▼1,600	▼1.1%
Information	0.9%	10,900	11,000	11,200	▼100	▼0.9%	▼300	▼2.7%
Financial Activities	3.8%	44,200	44,200	44,300	◆0	◆0.0%	▼100	▼0.2%
Services	37.4%	437,100	437,300	427,800	▼200	◆0.0%	▲9,300	▲2.2%
Professional & Business Services	9.5%	111,300	111,600	107,400	▼300	▼0.3%	▲3,900	▲3.6%
Educational Services	1.0%	12,100	12,100	12,100	◆0	◆0.0%	◆0	◆0.0%
Health Care and Social Assistance	11.5%	133,200	133,400	132,500	▼200	▼0.1%	▲700	▲0.5%
Arts and Entertainment	0.8%	9,800	9,600	9,700	▲200	▲2.1%	▲100	▲1.0%
Accommodation and Food Services	10.9%	129,500	129,600	125,000	▼100	▼0.1%	▲4,500	▲3.6%
Other Services	3.6%	41,200	41,000	41,100	▲200	▲0.5%	▲100	▲0.2%
Government	20.9%	242,200	241,800	241,100	▲400	▲0.2%	▲1,100	▲0.5%

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

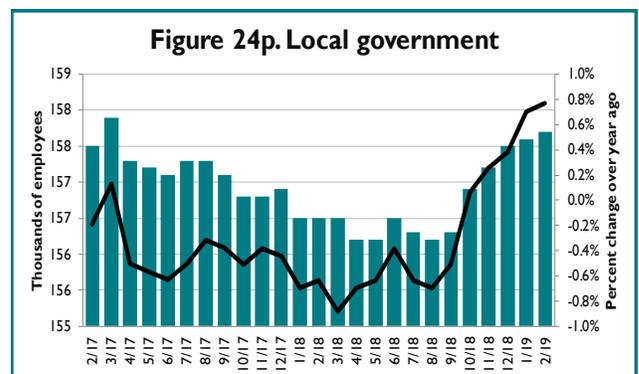
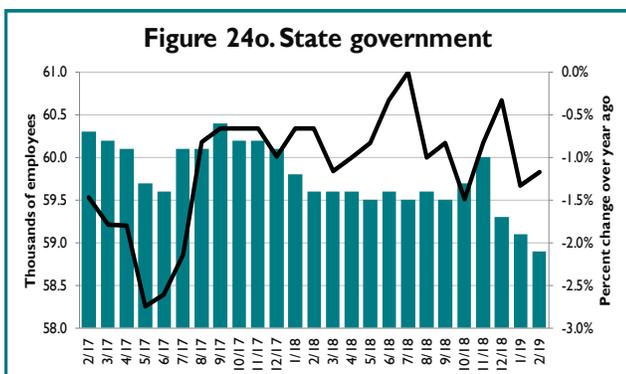
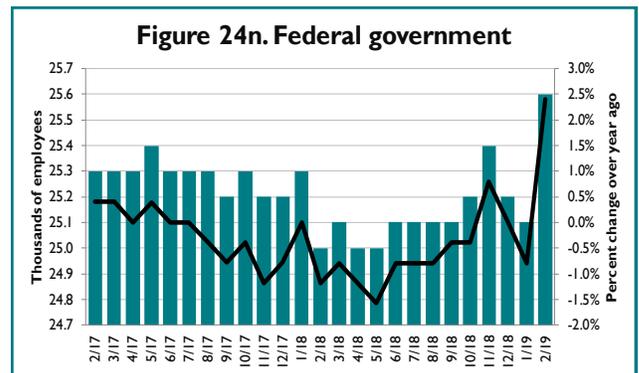
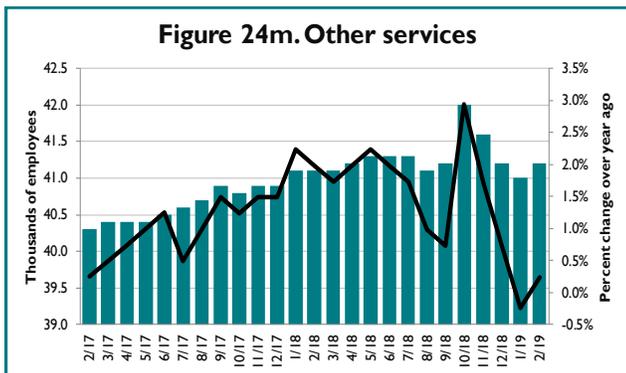
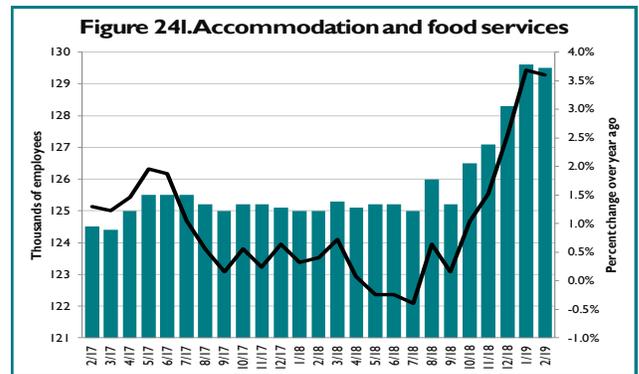
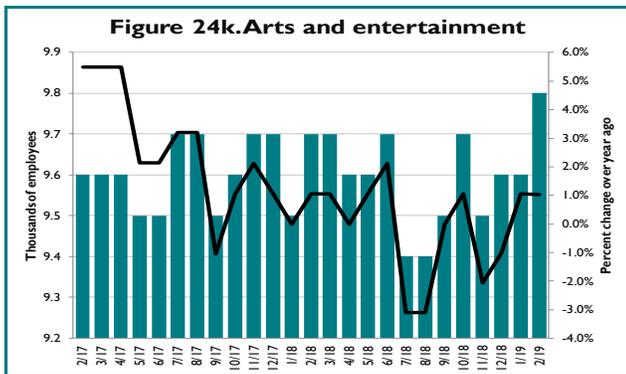
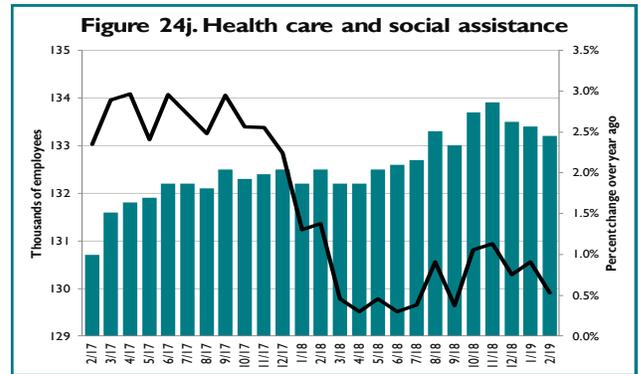
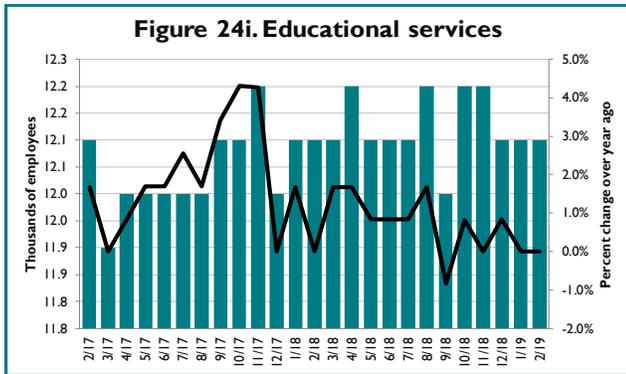
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



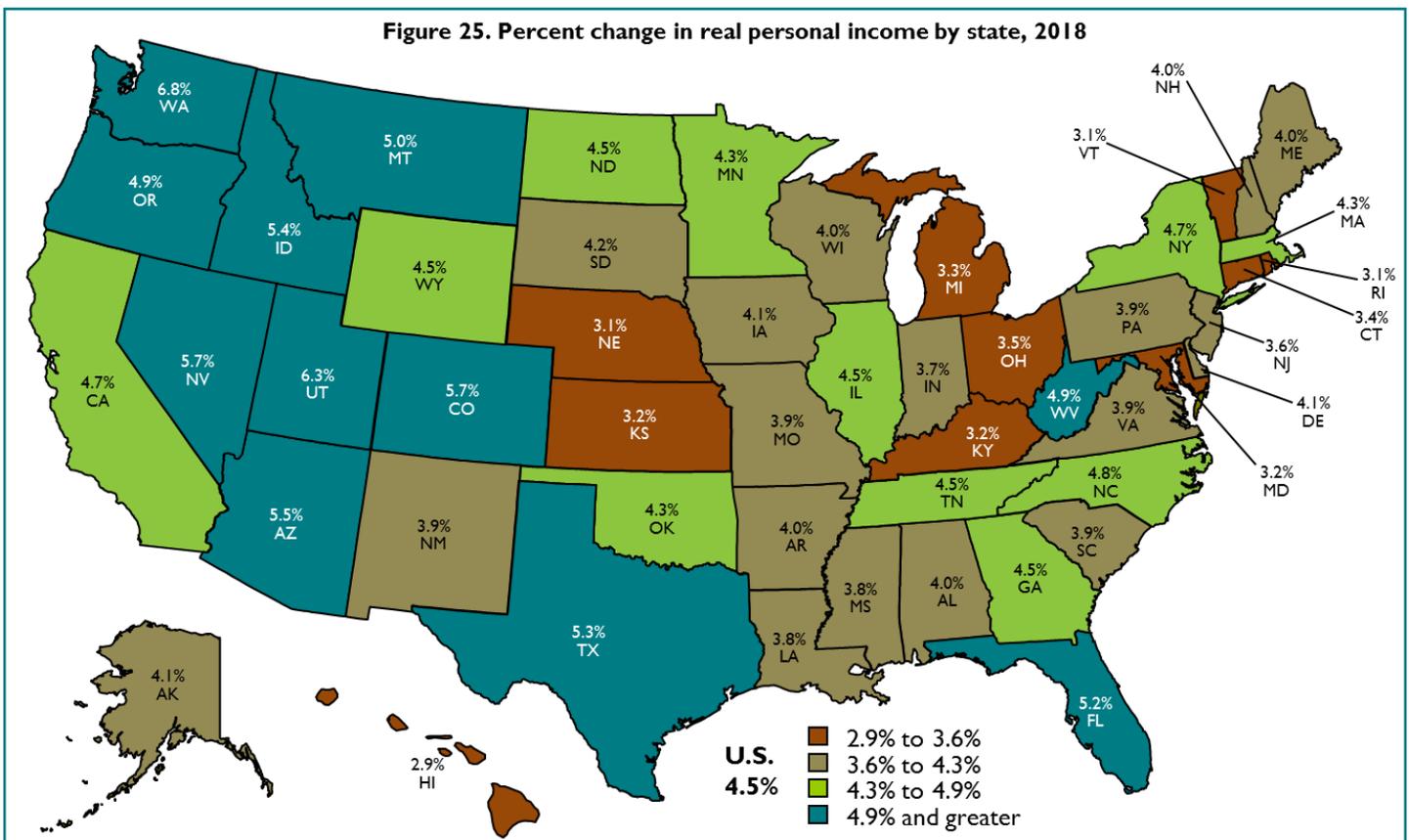
Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

MISSISSIPPI PERSONAL INCOME TRENDS IN 2018

The U.S. Bureau of Economic Analysis (BEA) recently released data on personal income for the U.S. and all states for 2018. These estimates have not been adjusted for inflation and are not the same as the estimates of real income that BEA will report later in the year. The level of inflation should be kept in mind when viewing this data, as the annual inflation rate in 2018 according to the Consumer Price Index was 2.2 percent, the highest annual rate since 2011. BEA reported U.S. personal income grew 4.5 percent in 2018, a rate 0.1 percentage point higher than in the previous year. Personal income in Mississippi grew 3.8 percent in 2018, an increase of 1.5 percentage point over the rate of the previous year and the highest annual growth rate since 2011. The change in personal income for the Southeast region in 2018 was the same as the U.S. increase of 4.5 percent and was 0.2 percent more than the growth rate of 2017.[†]

Figure 25 below indicates personal income increased in all fifty states in 2018. The largest increase occurred in Washington where personal income grew 6.8 percent; the smallest increase of 2.9 percent occurred in Hawaii. The increase in income in Mississippi ranked thirty-seventh among all states. A total of eleven states experienced increases in personal income of 4.9 percent or more in 2018. Notably, only two of the eleven states were located east of the Mississippi River. The increase in income in 2018 was less than 3.6 percent in ten states, most of which were found in the Midwest and Northeast. In thirty-nine states the increase in come ranged from 3.6 percent to 4.9 percent.

In 2018 total per capita income in Mississippi equaled \$37,994, which ranked last among all states as in previous years. West Virginia had the next smallest per capita income among all states in 2018 of \$40,578. In Mississippi per capita income in 2018 was 71 percent of the U.S. average, the same as in 2017 but down from 72 percent in 2016. The highest per capita income among all states in 2018 occurred once again in Connecticut at \$74,561. The state's per capita



Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

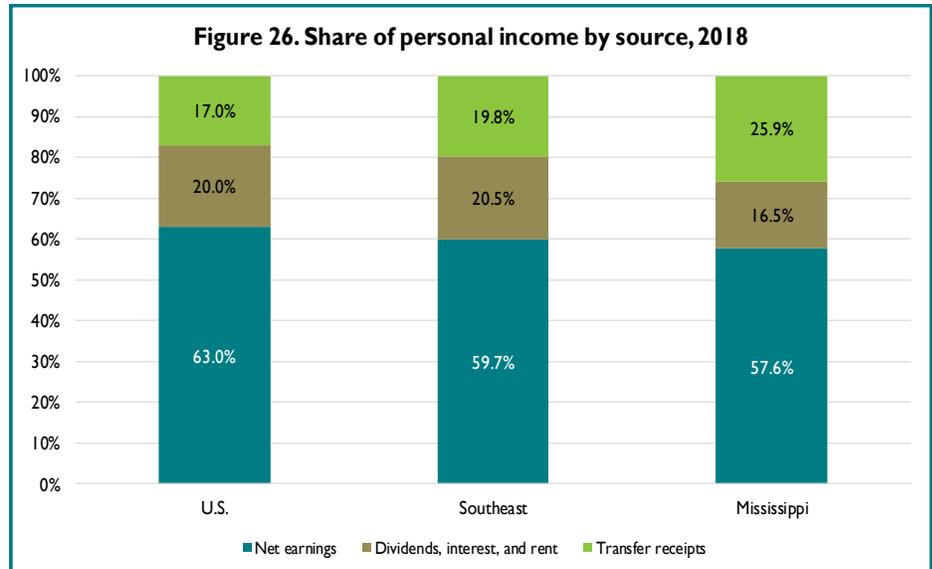
MISSISSIPPI PERSONAL INCOME TRENDS IN 2018, CONTINUED

income equaled 139 percent of the U.S. average, the same as in 2017.

The composition of personal income in the U.S., the Southeast region, and Mississippi in 2018 is depicted in Figure 26. The largest component in all three areas was net earnings, but as in previous years net earnings was somewhat smaller in Mississippi. The 57.6 percent share of personal income from net earnings for the state in 2018 was 0.3 percentage point higher than in the previous year. Transfer receipts in Mississippi in 2018 were considerably higher compared to the Southeast and the U.S.; nevertheless, the 25.9 percent share of personal income was down 0.3 percentage point from 2017. The 16.5 percent share of personal income in Mississippi consisting of dividends, interest, and rent in 2018 was the same as in 2017.

In 2018 net earnings in Mississippi grew 2.62 percent and Table 3 at right depicts the contribution to this growth by sector. Farm earnings accounted for the largest share of the increase at 32.1 percent. Health Care and Social Assistance made the next largest contribution of 11.1 percent of the total growth in net earnings in 2018. Closely following was Government with a contribution of 9.9 percent. The five sectors with the largest contributions accounted for 69.1 percent of the growth in net earnings in Mississippi in 2018. Four sectors made contributions of less than 1.0 percent while Information was the only sector that contributed negatively in 2018, as the sector reduced growth in earnings in the state by 1.1 percent.

†BEA defines Southeast as the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.



Source: U.S. Bureau of Economic Analysis, URC calculations

Table 3. Contribution to earnings growth by sector in Mississippi, 2018

Industry	Percent contribution
Farm	32.1%
Health care and social assistance	11.1%
Government	9.9%
Manufacturing	8.4%
Transportation and warehousing	7.6%
Professional, scientific, and technical services	5.3%
Construction	4.2%
Retail trade	3.1%
Finance and insurance	3.1%
Management of companies and enterprises	3.1%
Administrative and waste management services	2.7%
Accommodation and food services	2.3%
Other services (except public administration)	2.3%
Forestry, fishing, and related activities	1.5%
Wholesale trade	1.5%
Mining, quarrying, and oil and gas extraction	1.1%
Utilities	0.8%
Real estate and rental and leasing	0.4%
Educational services	0.4%
Arts, entertainment, and recreation	0.4%
Information	-1.1%

Source: U.S. Bureau of Economic Analysis, URC calculations