

ECONOMY AT A GLANCE

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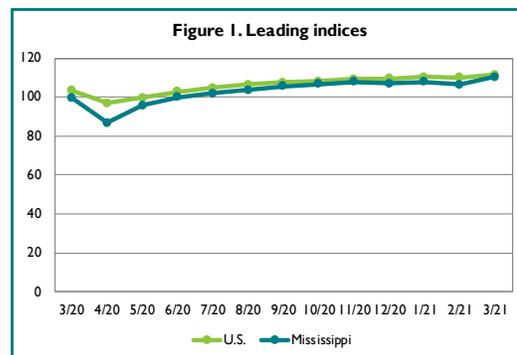
The value of the Mississippi Leading Index (MLI) climbed 3.7 percent in March as seen in Figure 1, the largest monthly increase since June 2020. The value of the MLI for the month was 11.3 percent higher compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) rose 0.3 percent in March as seen in Figure 2. Compared to one year ago the value for the month was 12.0 percent higher.

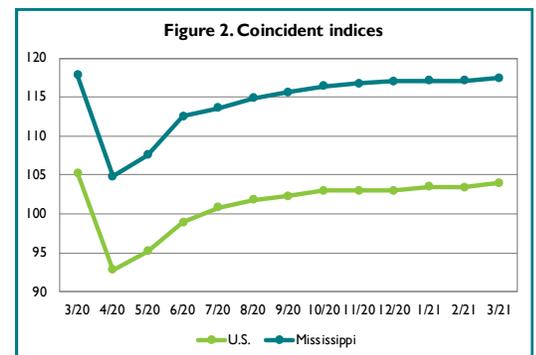
In its first estimate of the change in U.S. real GDP in the first quarter of 2021, the U.S. Bureau of Economic Analysis (BEA) reported an increase of 6.4 percent at a seasonally-adjusted, annualized rate. The change in the fourth quarter remained an increase of 4.3 percent. Consumer spending drove much of the gain in the first quarter as it contributed 7.0 percentage

points of the increase. Also contributing were nonresidential and residential fixed investment, and federal, state, and local government spending. These contributions more than offset declines in private inventory investment and net exports.

March was a relatively strong month for the Mississippi economy as measured by the MLI. The historically large increase in U.S. retail sales for the month drove much of the increase, but gains were widespread across components. Initial unemployment claims fell to their lowest level since December, and the labor market posted its first job gains in 2021. Building permits increased for the first time since November as weather improved. The state's economy appeared to resume its recovery in March as COVID-19 vaccinations, fiscal stimulus, and weather conditions all contributed to a more favorable environment for growth.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

Notes: The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2007. The index is based on changes in nonfarm employment, the unemployment rate, average manufacturing 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 2007.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, MARCH 2021**

In March the value of the **Mississippi Leading Index of Economic Indicators** (MLI) rose 3.7 percent, the largest monthly gain since June 2020. Moreover, the Index climbed above its pre-pandemic level of January 2020. The value of the MLI for the month was 11.3 percent higher compared to one year earlier, the largest year-over-increase in the Index since September 1994. Over the last six months the value of the MLI increased 4.7 percent.

Five of the seven components of the MLI increased in March. U.S. retail sales made the largest positive contribution for the month—more than all of the other components combined. Each component is discussed below in order of largest to smallest contribution.

U.S. retail sales rocketed in value by 9.8 percent in March as seen in Figure 4. The increase was the second largest ever, behind only the May 2020 gain of 18.3 percent. February sales were revised up 0.3 percent. The value of sales for the month was 27.7 percent higher compared to March 2020. The stimulus checks consumers received powered spending as all retail segments increased in March, led by the gain in sporting goods and hobbies. The smallest increase occurred in sales of food and beverages. Sales excluding automobiles and gasoline stations rose 8.4 percent.

As seen in Figure 5, the number of seasonally-adjusted **initial unemployment claims** in Mississippi dropped 55.7 percent in March, giving back most of the gain in February. The value for the month decreased for the first time since November. The value for March was down 60.1 percent compared to one year earlier, a reflection of how long initial claims in the state have been elevated. The number of seasonally-adjusted continued unemployment claims in Mississippi fell 14.7 percent in March as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi compared to one year earlier was up 129.0 percent for the month. As seen in Figure 17 on page 6 the seasonally-adjusted unemployment rate in Mississippi was 6.3 percent in March, unchanged from February. Compared to one year earlier the state's unemployment rate in March was up 0.3 percentage point.

In March the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased 3.9 percent as Figure 6 indicates and reached its highest level in a year. Compared to one year earlier the value for the month was down 3.6 percent, the smallest year-over-year decline since February 2020. Con-

ditions in the most recent month were largely favorable for consumers as COVID-19 vaccination rates increased and federal stimulus payments worked their way through the economy, although gasoline prices rose. Short-term (one-year) inflation expectations increased in the most recent survey while long-term (five-year) expectations were slightly lower.

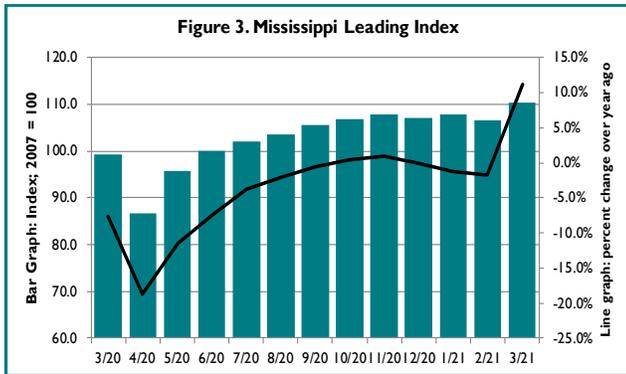
After three consecutive monthly declines, the value of **Mississippi residential building permits** (three-month moving average) surged in March as seen in Figure 7. The value increased 4.6 percent for the month. Compared to one year earlier the value for the month was up 8.9 percent. The number of units in the state in March climbed 4.1 percent, the largest monthly increase since June 2020. Compared to one year earlier the number of units in the state for the month was 9.4 percent higher. The number of privately-owned housing units authorized by building permits in the U.S. in March was 2.7 percent higher compared to the revised February rate. The number of units in the U.S. for the month was up 30.2 percent compared to one year ago.

Figure 8 indicates the value of the **Mississippi Manufacturing Employment Intensity Index** rose up 0.6 percent in March. The value for the month was 5.0 percent lower compared to one year earlier. Manufacturing employment in the state fell slightly in March but the average weekly hours of production employees rose 1.0 percent for the month, which more than offset the decline.

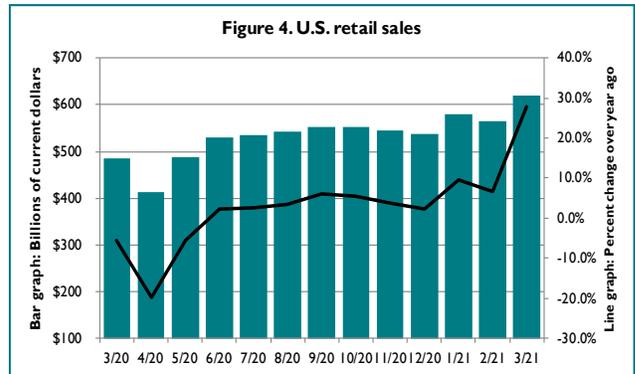
In somewhat of a surprise, the value of the **ISM Index of U.S. Manufacturing Activity** sank 6.2 percent in April as seen in Figure 9. Nevertheless, the value of the Index remains historically high. Compared to one year earlier the value for the month was up 46.3 percent. All of the components of the Index decreased in April and the largest decline occurred in the Inventories component. Inventories was also the only component in contractionary territory in April (an index value of less than 50.0). The prices paid index climbed higher for the month as prices of commodities including crude oil, aluminum, and copper all increased in April, some due to supply shortages.

Mississippi income tax withholdings (three-month moving average) decreased in value by 2.9 percent in March, as seen in Figure 10. The value fell to its lowest level since August 2020. The value of withholdings was down 2.5 percent for the month compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi decreased 1.2 percent.

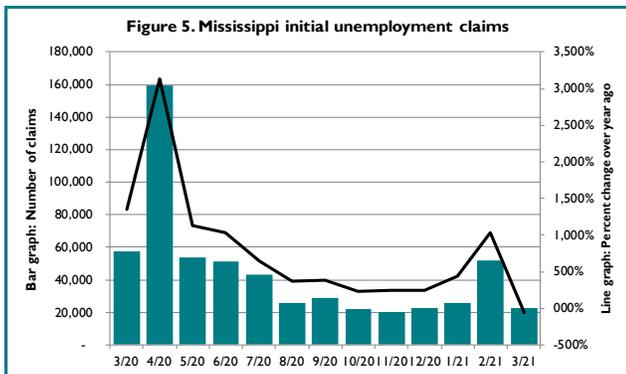
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



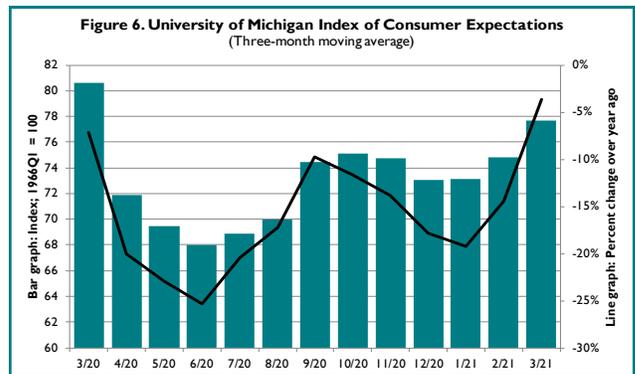
Source: University Research Center



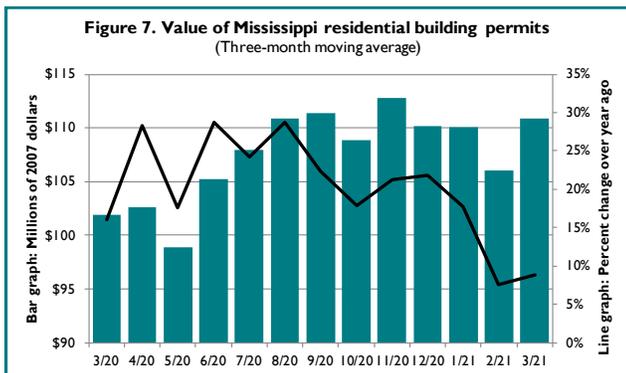
Source: U.S. Bureau of the Census



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



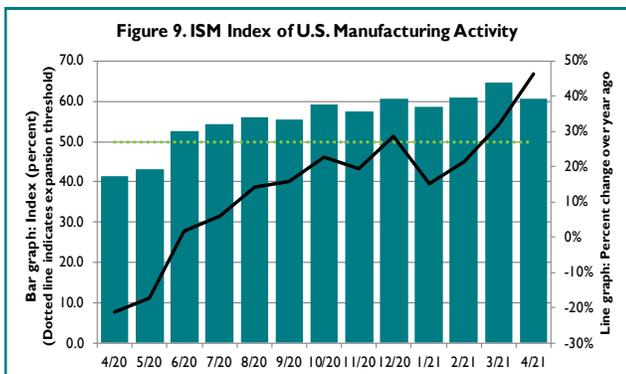
Source: Thomson Reuters/University of Michigan Surveys of Consumers



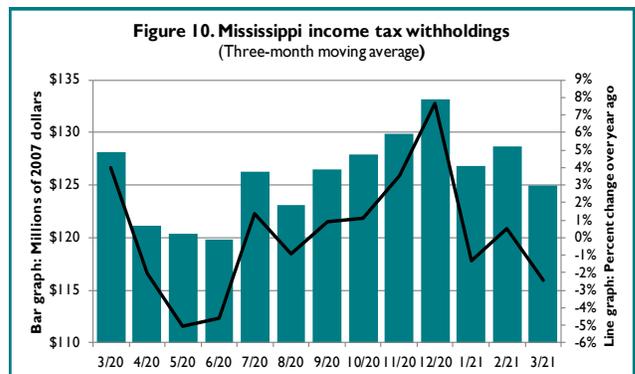
Source: U.S. Bureau of the Census; seasonally adjusted



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



Source: Institute for Supply Management



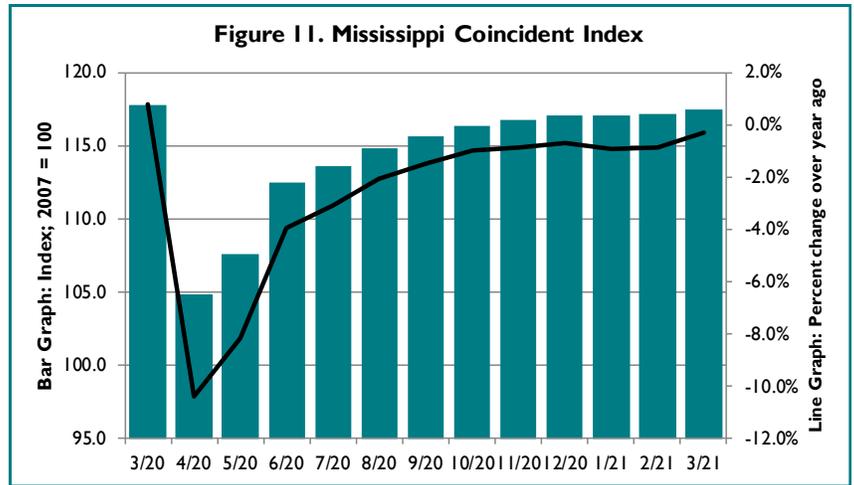
Source: Mississippi Department of Revenue; seasonally adjusted

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, MARCH 2021

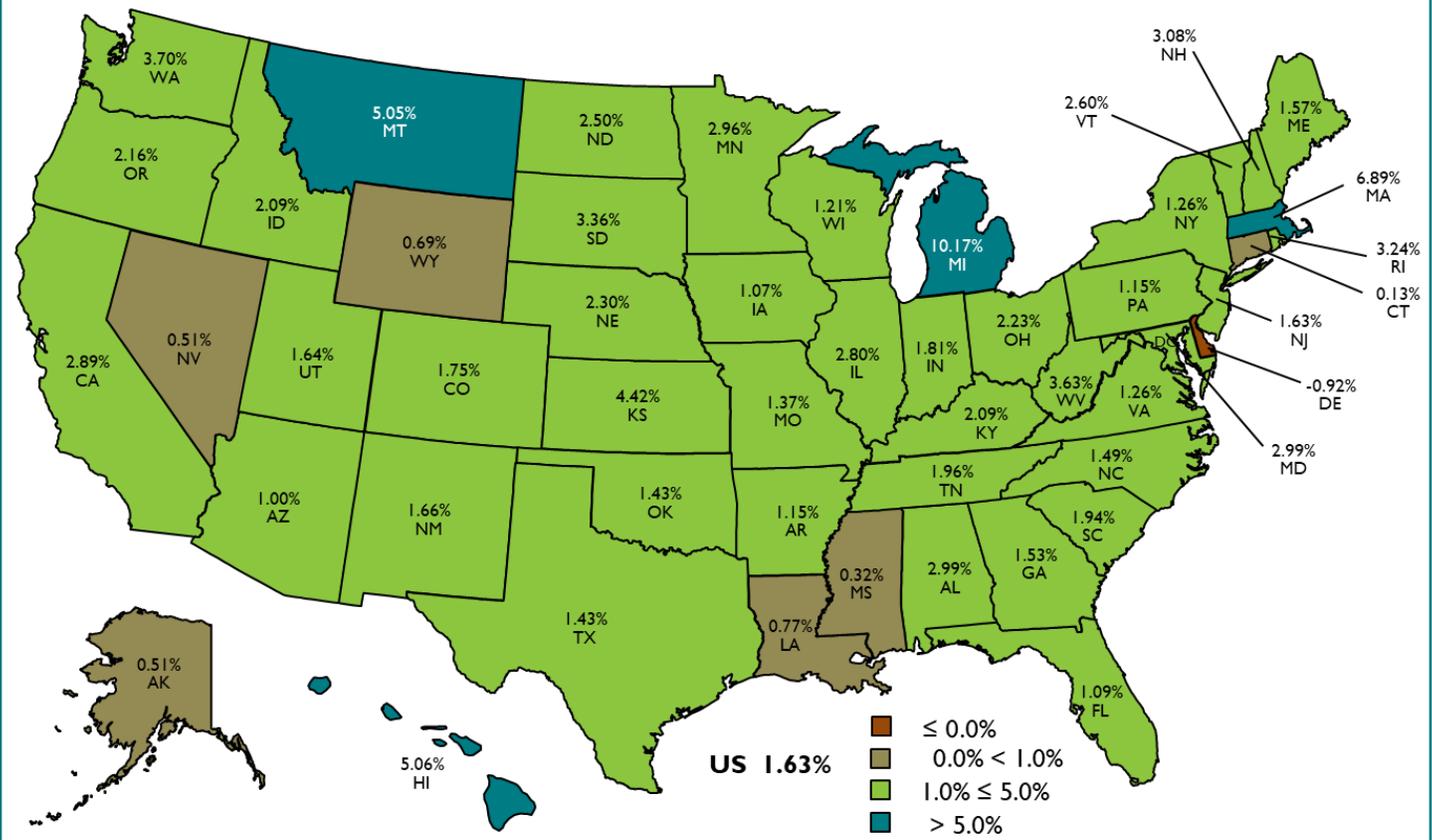
In March the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.3 percent according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. Compared to one year earlier the value of the MCI for the month was 12.0 percent higher.

The values of the coincident indices were higher in forty-nine states in March compared to December as seen in Figure 12. In four states the values of the coincident indices increased more than 5.0 percent over the last three months. The largest gain in the value of a coincident index over the last three months occurred in Michigan, where the value increased 10.2 percent. The values of the coincident indices increased between 1.0 and 5.0 percent over the last three months in thirty-nine states. Mississippi was one of six states where the value of the coincident index rose less than 1.0 percent in March compared to December. The only state where the value of the coincident index decreased over the last three months was Delaware, as the value fell 0.9 percent.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, March 2021



Source: Federal Reserve Bank of Philadelphia

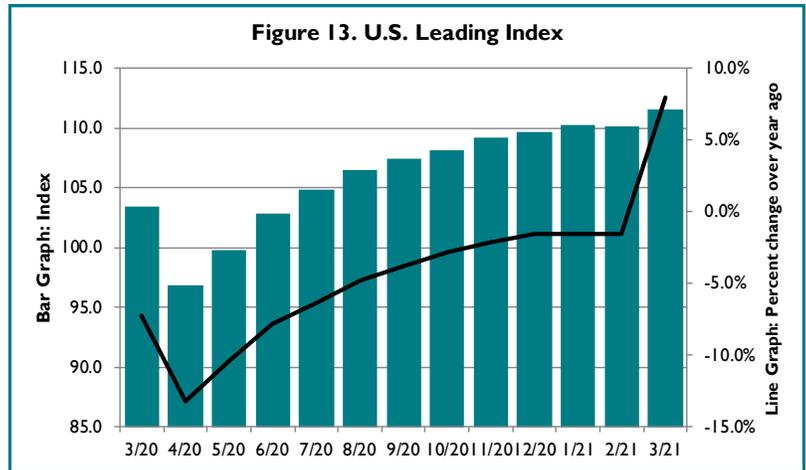
NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) climbed 1.3 percent in March according to The Conference Board as seen in Figure 13. The value of the LEI for the month was up 7.9 percent compared to one year earlier, the first year-over-year increase since February 2020. All ten components of the LEI made positive contributions in March; the largest contribution came from average weekly initial claims for unemployment insurance. Over the last six months the value of the LEI increased 3.8 percent.

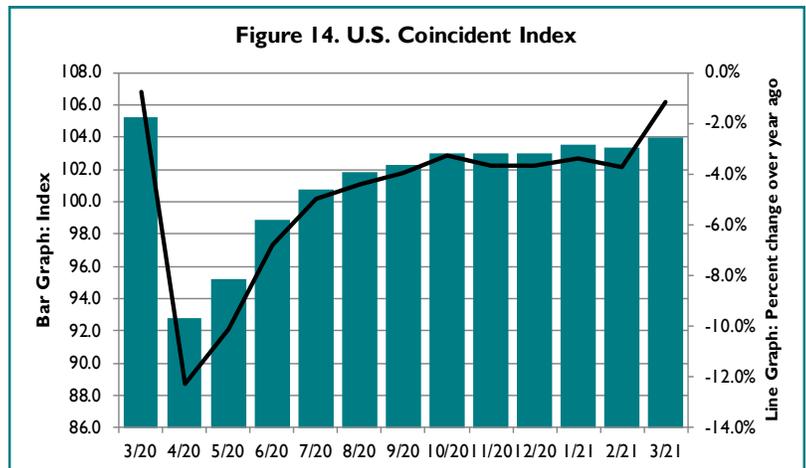
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) rose 0.6 percent in March as Figure 14 indicates. Compared to one year earlier the value of the CEI for the month was down 1.1 percent. All four components of the CEI made positive contributions in March and the largest contribution came from employees on nonagricultural payrolls. The value of the CEI increased 1.7 percent over the last six months.

Figure 15 indicates the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index rose 2.5 percent in March to its highest level since November. Compared to one year earlier the value of the Index was 1.9 percent higher for the month, the first year-over-year increase since October. As in February six of the ten components increased and the largest gain was in “expect economy to improve,” yet unexpectedly this value remained negative. The “plans to raise prices” measure was unchanged from the previous month.

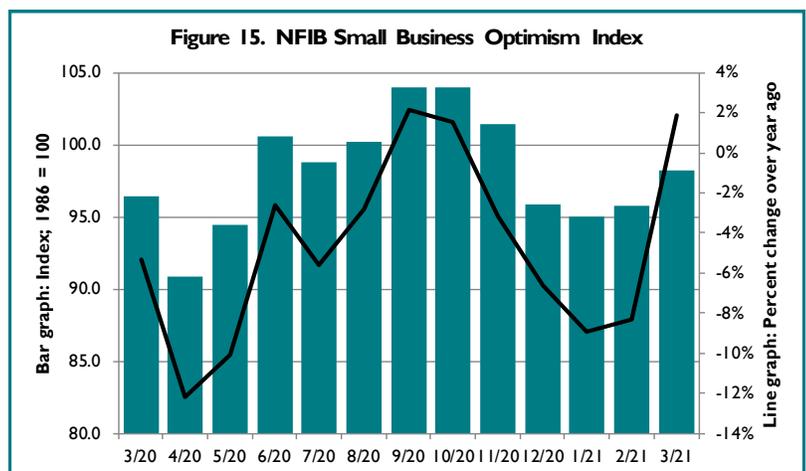
As was widely expected, the Federal Open Market Committee (FOMC) unanimously voted to continue the current federal funds rate target, which has remained near zero for over a year. In its statement the Federal Reserve noted improvements in both economic growth and employment, affected in part by rising numbers of vaccinations and the continued federal assistance to states. The statement also noted, “The sectors most adversely affected by the pandemic remain weak but have shown improvement.” Notably, the Federal Reserve acknowledged the recent pick up in inflation, but described the factors that caused the increase as “transitory.”



Source: The Conference Board



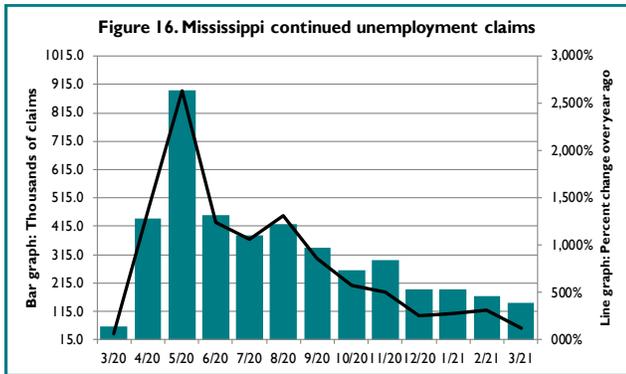
Source: The Conference Board



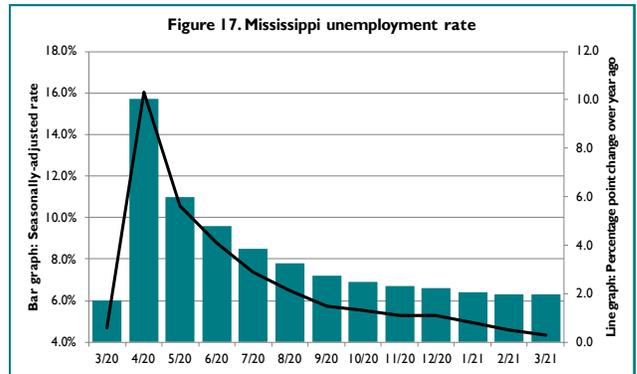
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

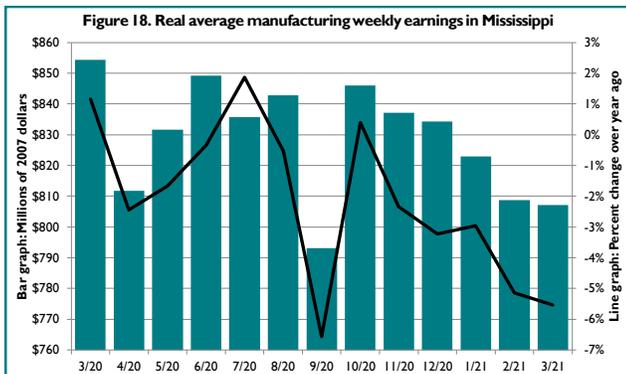
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



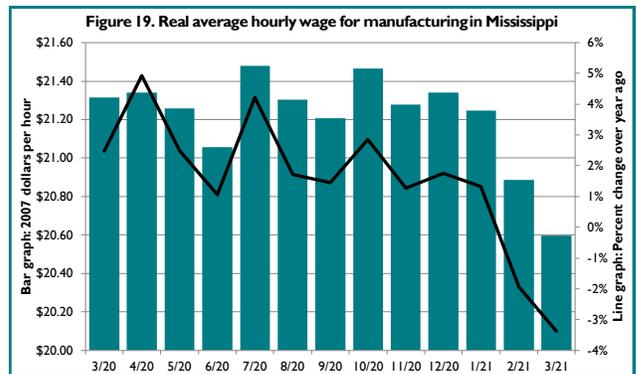
Source: U.S. Department of Labor; seasonally adjusted



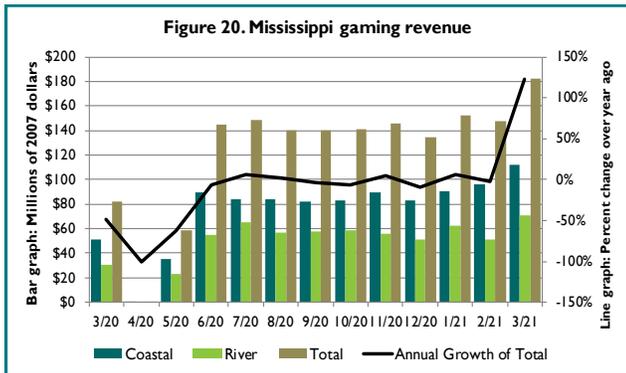
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



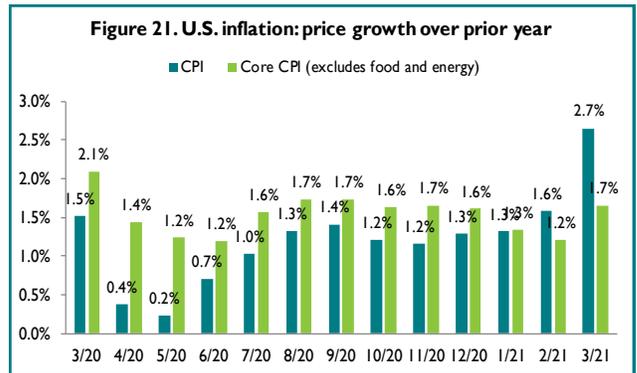
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



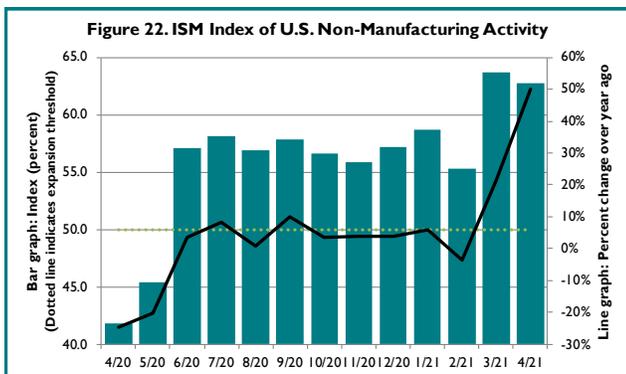
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



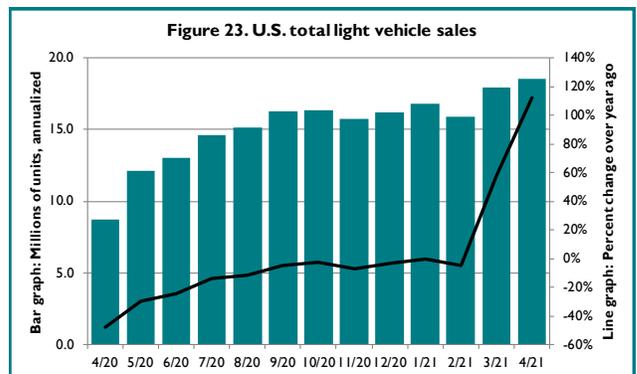
Source: Mississippi Department of Revenue; seasonally adjusted



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	March 2021	February 2021	March 2020	Percent change from February 2021 March 2020	
U.S. Leading Economic Index 2007 = 100. Source: The Conference Board	111.6	110.2	103.4	▲1.3%	▲7.9%
U.S. Coincident Economic Index 2007 = 100. Source: The Conference Board	104.0	103.4	105.2	▲0.6%	▼1.1%
Mississippi Leading Index 2007 = 100. Source: University Research Center	110.5	106.6	99.3	▲3.7%	▲11.3%
Mississippi Coincident Index 2007 =100. Source: Federal Reserve Bank of Philadelphia	117.4	117.1	104.8	▲0.3%	▲12.0%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	22,912	51,777	57,457	▼55.7%	▼60.1%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	110.9	106.1	101.9	▲4.6%	▲8.9%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	125.0	128.7	128.2	▼2.9%	▼2.5%
Mississippi Manufacturing Employment Intensity Index 2007 =100. Source: URC using data from U.S. Bureau of Labor Statistics	80.6	80.1	84.8	▲0.6%	▼5.0%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	77.7	74.8	80.6	▲3.9%	▼3.6%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	60.7	64.7	41.5	▼6.2%	▲46.3%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	619.1	563.7	484.7	▲9.8%	▲27.7%
U.S. Consumer Price Index (CPI)	127.7	126.9	124.4	▲0.6%	▲2.7%
U.S. Core CPI (excludes food and energy) 2007 = 100. Source: URC using data from Bureau of Labor Statistics	128.7	128.3	126.6	▲0.3%	▲1.7%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	6.3%	6.3%	6.0%	◀▶0.0	▲0.3
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	145,246	170,315	63,417	▼14.7%	▲129.0%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	62.7	63.7	41.8	▼1.6%	▲50.0%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.02%	2.79%	3.37%	▲0.23	▼0.36
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	20.60	20.89	21.32	▼1.4%	▼3.4%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	807.08	808.81	854.31	▼0.2%	▼5.5%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	98.2	95.8	96.4	▲2.5%	▲1.9%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	18.51	17.96	8.72	▲3.1%	▲112.2%
Gaming revenue	182.69	147.96	81.8	▲23.5%	▲123.3%
Coastal counties	112.04	96.67	51.2	▲15.9%	▲118.9%
River counties Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	70.65	51.29	30.6	▲37.8%	▲130.8%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Mississippi added 3,400 jobs in March according to the U.S. Bureau of Labor Statistics (BLS), an increase of 0.3 percent as seen in Table 2. Notably, BLS revised February employment in the state up by 3,100 jobs to a decrease of 0.3 percent. Total nonfarm employment in Mississippi in March was down by 33,800 jobs compared to one year earlier, a decrease of 2.9 percent. Through the first three months of 2021 the state lost 3,200 jobs.

BLS reported twenty-nine states added jobs in March and employment was unchanged in twenty-one states and the District of Columbia. The largest increase in employment for the month occurred in California, which added 119,600 jobs, followed by Texas, which added 99,000 jobs. In New Mexico employment increased 1.3 percent in March, the largest percentage gain among all states, followed by Oregon, where employment rose by 1.1 percent.

In forty-six states and the District of Columbia employment was down in March compared to one year earlier. Employment was essentially unchanged in four states. The largest decrease in employment over the last twelve months occurred in California, which lost 1,350,500 jobs, followed by New York, which lost 880,000 jobs. Employ-

ment in Hawaii was down 16.0 percent in March compared to one year earlier, the largest year-over-year percentage decrease in employment among all states.

Most sectors in Mississippi added jobs in March. Professional and Business Services added 2,500 jobs for the month, a 3.3 percent increase and the most among all sectors. The largest percentage increase in employment occurred in Arts and Entertainment, which rose 3.4 percent in March. The largest decrease in employment for the month occurred in Manufacturing, which lost 600 jobs, a decrease of 0.4 percent. The largest percentage decrease in employment in March of 1.1 percent occurred in Information, a loss 100 jobs.

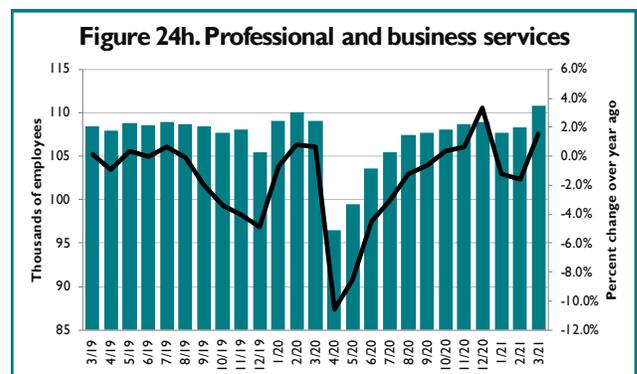
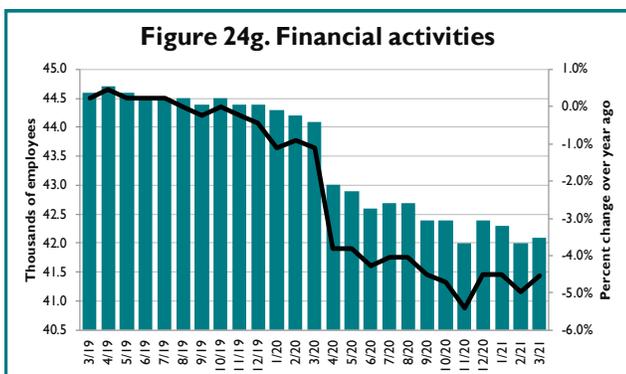
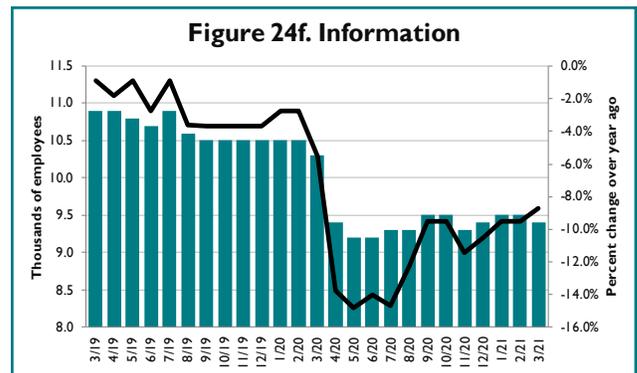
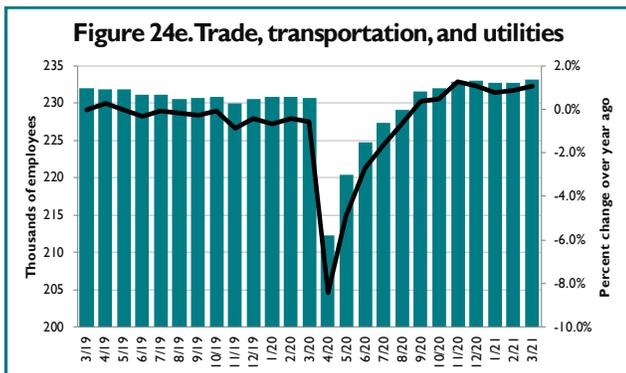
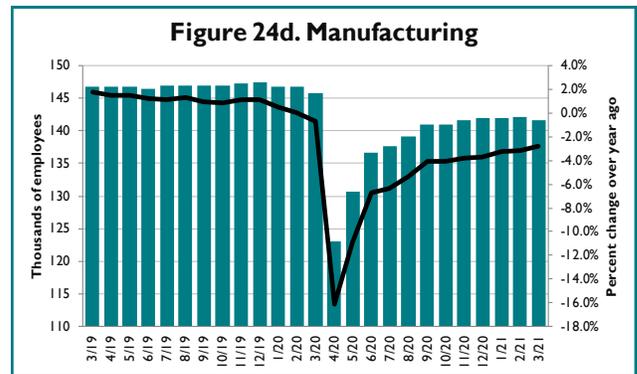
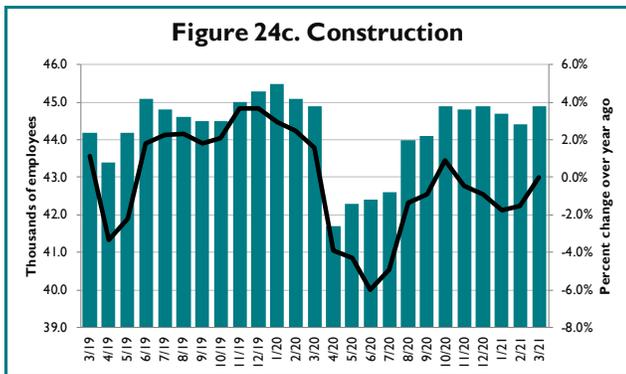
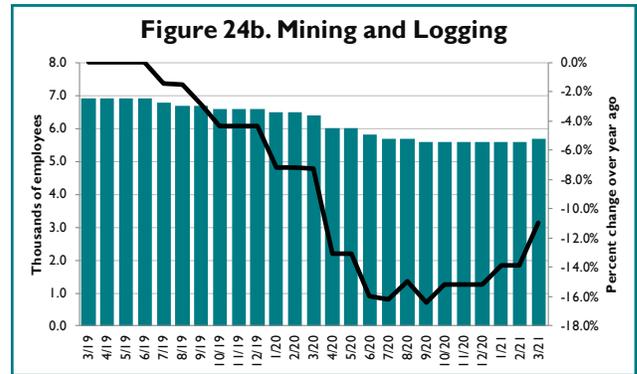
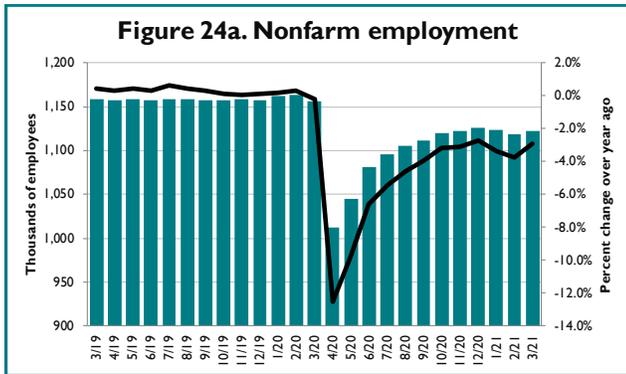
Employment was higher in two sectors in March compared to one year earlier: Trade, Transportation, and Utilities, which added 2,500 jobs, an increase of 1.1 percent, and Professional and Business Services, which added 1,700 jobs, a 1.6 percent increase. The Accommodation and Food Services sector lost 12,900 jobs over the last twelve months, once again the largest decrease in employment among all sectors. The decline in employment in Accommodation and Food Services of 10.2 percent was also the largest percentage decrease among all sectors over the past twelve months.

Table 2. Change in Mississippi employment by industry, March 2021

	Relative share of total ^a	March 2021	February 2021	March 2020	Change from February 2021 Level	Change from February 2021 Percent	Change from March 2020 Level	Change from March 2020 Percent
Total Nonfarm	100.0%	1,122,700	1,119,300	1,156,500	▲3,400	▲0.3%	▼33,800	▼2.9%
Mining and Logging	0.5%	5,700	5,600	6,400	▲100	▲1.8%	▼700	▼10.9%
Construction	4.0%	44,900	44,400	44,900	▲500	▲1.1%	◀0	◀0.0%
Manufacturing	12.6%	141,600	142,200	145,700	▼600	▼0.4%	▼4,100	▼2.8%
Trade, Transportation & Utilities	20.7%	233,200	232,800	230,700	▲400	▲0.2%	▲2,500	▲1.1%
Retail Trade	12.0%	132,600	133,100	134,800	▼500	▼0.4%	▼2,200	▼1.6%
Information	0.9%	9,400	9,500	10,300	▼100	▼1.1%	▼900	▼8.7%
Financial Activities	3.9%	42,100	42,000	44,100	▲100	▲0.2%	▼2,000	▼4.5%
Services	36.3%	411,800	409,000	432,100	▲2,800	▲0.7%	▼20,300	▼4.7%
Professional & Business Services	9.6%	110,800	108,300	109,100	▲2,500	▲2.3%	▲1,700	▲1.6%
Educational Services	1.0%	11,500	11,300	11,600	▲200	▲1.8%	▼100	▼0.9%
Health Care and Social Assistance	11.6%	127,600	127,000	134,900	▲600	▲0.5%	▼7,300	▼5.4%
Arts and Entertainment	0.7%	8,700	8,500	9,600	▲200	▲2.4%	▼900	▼9.4%
Accommodation and Food Services	9.9%	113,500	113,800	126,400	▼300	▼0.3%	▼12,900	▼10.2%
Other Services	3.5%	39,700	40,100	40,500	▼400	▼1.0%	▼800	▼2.0%
Government	21.3%	234,000	233,800	242,300	▲200	▲0.1%	▼8,300	▼3.4%

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

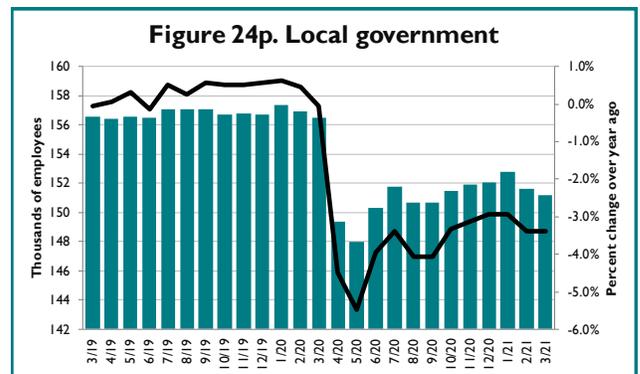
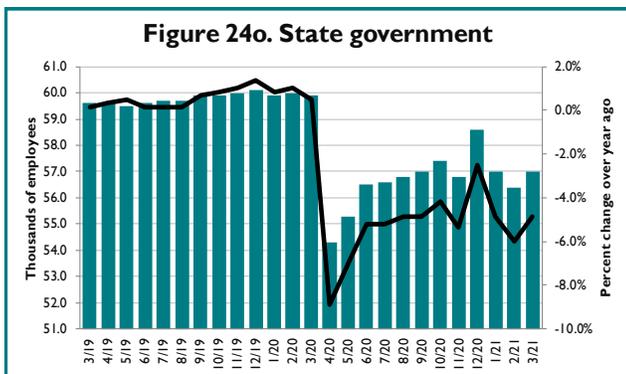
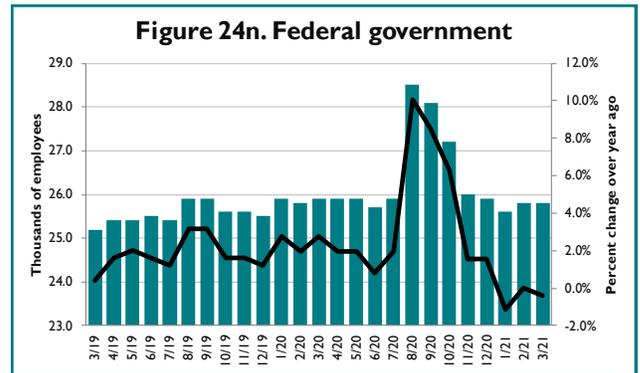
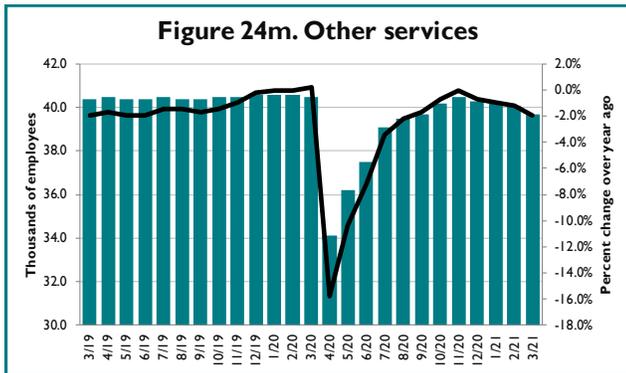
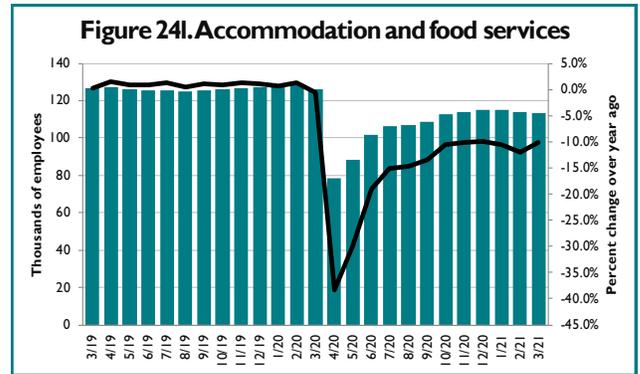
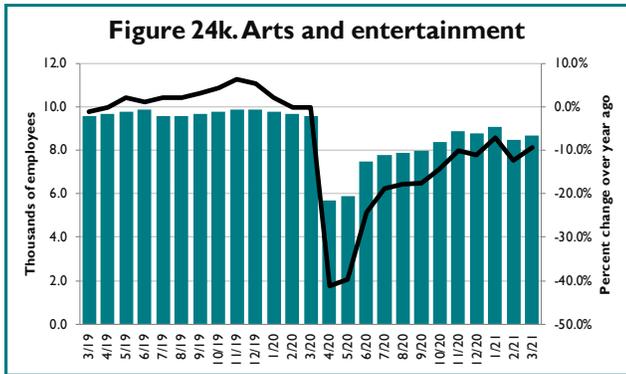
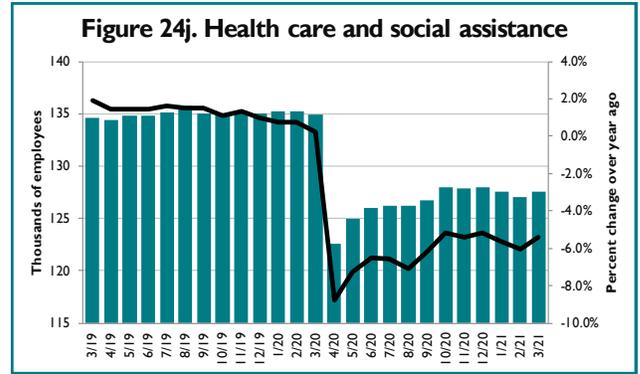
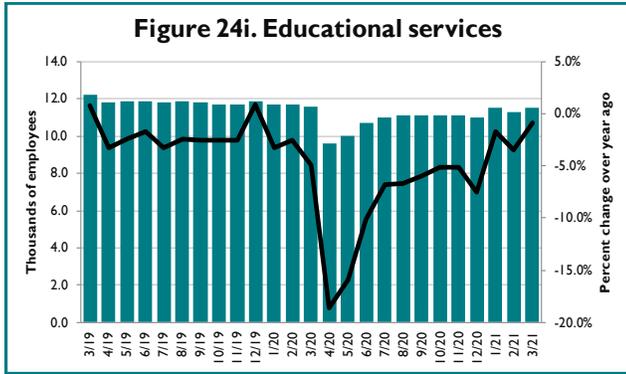
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

CHANGE IN MISSISSIPPI REAL GDP IN 2020

Every state and the District of Columbia experienced a decrease in real GDP for all of 2020 according to the recently released preliminary estimates by the U.S. Bureau of Economic Analysis (BEA). Real GDP for Mississippi contracted 2.8 percent in 2020, which ranked sixteenth among all states. The decrease in real GDP for the state was the first annual contraction in the state's economy since 2013 and the largest since 2009.

The contributions by sector to the 2.8 percent decrease in the state's real GDP in 2020 are listed in Table 3 below from smallest to largest. (BEA's preliminary estimates only include the changes in major industries.) The sector with the largest negative contribution to real GDP growth in 2020 was Accommodation and Food Services, which reduced real GDP by 0.80 percentage point. The sector was the hardest hit by the pandemic and the measures intended to contain it in Mississippi and most states. The next largest negative contribution came from Health Care and Social Assistance, which subtracted 0.58 percentage point from growth. This sector was also negatively impacted by the pandemic as many medical procedures and doctor visits were postponed or canceled in 2020. The next largest negative contribution to real GDP growth came from Transportation and Warehousing, which reduced real GDP growth for the state by 0.49 percentage point as shipping and travel decreased during the pandemic. Other sectors with relatively large negative contributions to real GDP growth in 2020 included Manufacturing, Government and Government Enterprises, and Other Services.

A few sectors in Mississippi made positive if relatively small contributions to real GDP growth in 2020. Agriculture, Forestry, Fishing, and Hunting and Professional, Scientific, and Technical Services each increased real GDP for the state by 0.02 percentage point. The Management of Companies and Enterprises sector added 0.11 percentage point to the change in real GDP. The largest positive contribution to the change in real GDP in the state in 2020 came from Utilities, which added 0.30 percentage point.

Figure 25 on page 12 depicts the percentage change in real GDP for all states and the District of Columbia in 2020. The smallest decrease in real GDP among all states and the District of Columbia occurred in Utah, where the contraction was only 0.1 percent. The largest decrease occurred in Hawaii, where the economy contracted by 8.0 percent in 2020. The best performing economies in

Table 3. Contributions to percent change in Mississippi real GDP by sector, 2019-2020

Sector	Percentage point
Accommodation and food services	-0.80
Health care and social assistance	-0.58
Transportation and warehousing	-0.49
Manufacturing	-0.30
Government and government enterprises	-0.27
Other services	-0.25
Retail trade	-0.16
Wholesale trade	-0.14
Arts, entertainment, and recreation	-0.14
Administrative and support and waste management	-0.10
Finance, insurance, real estate, and rental and leasing	-0.07
Educational services	-0.06
Information	-0.05
Mining	-0.04
Construction	-0.03
Agriculture, forestry, fishing, and hunting	0.02
Professional, scientific, and technical services	0.02
Management of companies and enterprises	0.11
Utilities	0.38
Total	-2.8%

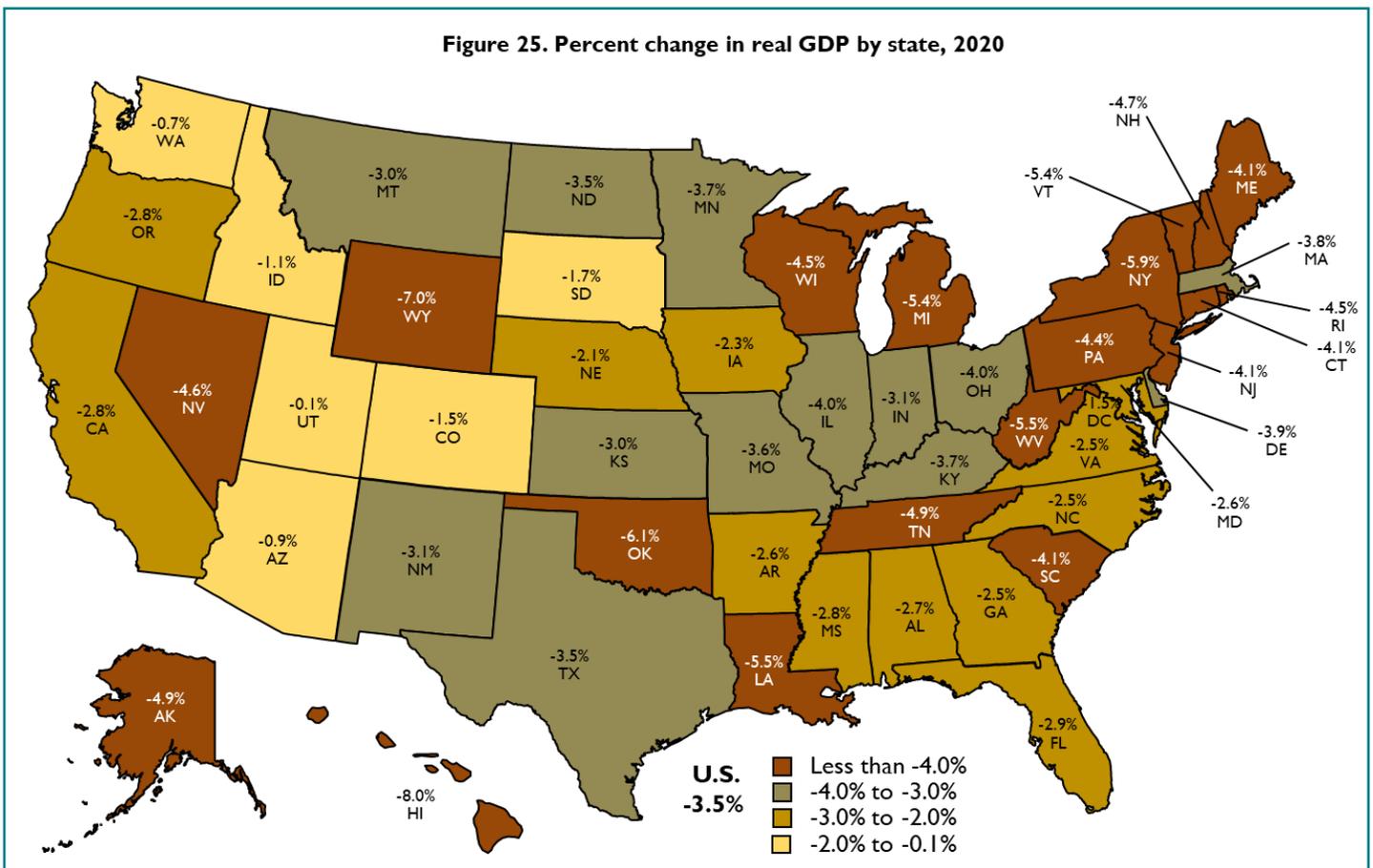
Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

CHANGE IN MISSISSIPPI REAL GDP IN 2020, CONTINUED

2020, relatively speaking, were those in the western U.S., which has been the case for several years. All six states that experienced decreases in real GDP of less than 2.0 percent were located west of the Mississippi River. The only other decrease in real GDP of less than 2.0 percent was in the District of Columbia, where the economy contracted 1.5 percent. States with some of the largest contractions in their economies in 2020 included those that rely heavily on tourism, such as Hawaii and Nevada. Other states hit hard in 2020 included those with a relatively large energy sector, as prices fell as the quantity of fuel demanded for transportation decreased. These states include Louisiana and Oklahoma in the Southeast region as well as Alaska, West Virginia, and Wyoming. As a group northeastern states also experienced relatively large contractions, mostly due to the severity of COVID-19 infections during at least one period of 2020.

As usual, the GDP data by state reported by BEA should be viewed with a couple of caveats. The 2020 data represent preliminary estimates as mentioned earlier and are calculated from a more limited set of data than the final estimate that will appear one year from now. Substantial revisions to the 2020 data could occur as BEA its activities were limited by the pandemic. BEA also uses a different methodology to compute state-level GDP than it employs in its calculations of U.S. GDP. In its estimates of national GDP, BEA uses spending on final goods and services, investment, and net foreign trade as a basis, the typical textbook calculation of GDP. However, the agency derives state GDP from incomes earned and costs of production.



Source: U.S. Bureau of Economic Analysis.