

## ECONOMY AT A GLANCE

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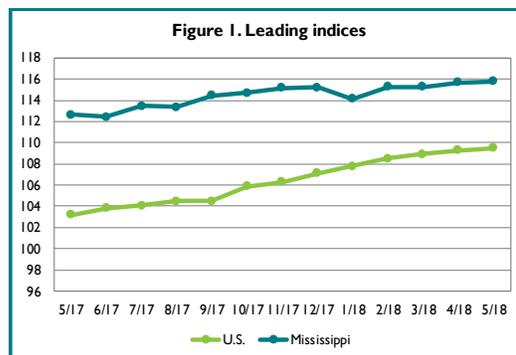
The value of the Mississippi Leading Index (MLI) edged higher by 0.1 percent in May as seen in Figure 1 below. The value of the MLI was 2.8 percent higher for the month compared to one year ago.

As in April the value of the Mississippi Coincident Index (MCI) was essentially unchanged in May as seen in Figure 2. This value was 2.4 percent higher for the month compared to one year ago.

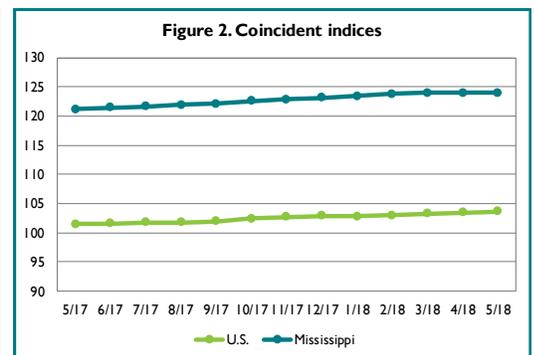
In its third estimate of the change in U.S. real gross domestic product (GDP) in the first quarter of 2018, the U.S. Bureau of Economic Analysis (BEA) revised the measure down to an increase of 2.0 percent. The downward revision was the second by BEA from its initial estimate of a 2.3 percent first quarter increase. The reduction resulted from lower estimates of private inventory investment, consumer

spending, and exports, which together more than offset an upward revision to nonresidential fixed investment. The 2.0 percent increase in real GDP was the smallest since the 1.2 percent gain in the first quarter of 2017.

For the third consecutive month the MLI continued its trend of relatively small changes. Mississippi's economy appeared mixed in May. Although withholdings declined slightly, the value remained relatively high. Building permits put together consecutive months of growth for the first time in 2018. At the same time, however, weekly manufacturing wages fell for the ninth time in the last ten months, and employment remains relatively flat in 2018. Overall, the state's economy continues to moderately expand.



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, MAY 2018**

The value of the **Mississippi Leading Index of Economic Indicators (MLI)** rose slightly in May as Figure 3 indicates. For the month the value increased 0.1 percent and was 2.8 percent higher compared to one year ago, the same year-over-year change as in April. The value of the MLI increased 0.5 percent over the last six months.

Only three of the seven components of the MLI increased in value in May, but together these gains more than offset the relatively small declines in the other components. The largest increase occurred in U.S. retail sales. Each component is discussed below in order of largest to smallest contribution.

**U.S. retail sales** increased 0.8 percent in value in May as seen in Figure 4, the fourth consecutive monthly gain. Compared to one year ago May U.S. retail sales were 5.9 percent higher in value, the largest year-over-year increase since November. The largest increase in sales for the month was the 2.4 percent gain in building materials, which fell in March and April, and reflects a typical seasonal increase in the category. The next largest increase was at gasoline stations. The largest decrease in sales for the month occurred at furniture stores. The only other decline in sales in May was in sporting goods and hobbies. The only category that experienced a decrease in retail sales in May compared to one year ago was department stores.

The value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** increased 2.6 percent in June as seen in Figure 5. The value of the Index reached its highest level since February and was 6.2 percent higher for the month compared to one year ago. The largest increase among the components of the Index in June occurred in Supplier Deliveries, while the New Orders and Employment components declined slightly for the month. The prices paid index fell in June for the first time since November.

In May the value of **Mississippi residential building permits** (three-month moving average) increased for the second consecutive month. As Figure 6 indicates the value of permits climbed 3.3 percent for the month. The value of permits in May was 6.1 percent lower compared to one year ago. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi rose 4.6 percent in May, also the second consecutive monthly increase. Compared to one year ago the number of units for the month was 8.6 per-

cent lower. The number of privately-owned housing units in the U.S. authorized by building permits in May was down 1.8 percent from the revised April value. However, compared to one year ago the number of units in the U.S. in May was 8.0 percent higher.

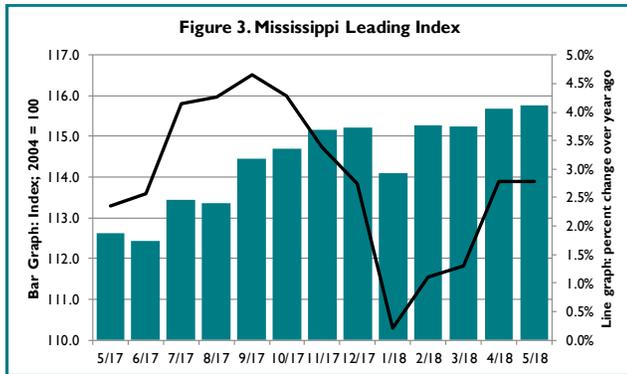
As seen in Figure 7 **Mississippi income tax withholdings** (three-month moving average) declined in value in May after two second consecutive months of increases. The value fell 0.2 percent for the month and compared to one year ago was 0.4 percent higher. The value increased 0.7 percent over the last six months.

Figure 8 indicates the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) declined in May for the second consecutive month. The value fell 0.9 percent to its lowest level since January. However, present economic conditions sentiment in the most recent survey improved slightly. Compared to one year ago the value of the Index of Consumer Expectations was 2.0 percent higher in May. Both short-term (twelve-month) and long-term (five- to ten-year) inflation expectations climbed higher in the most recent survey.

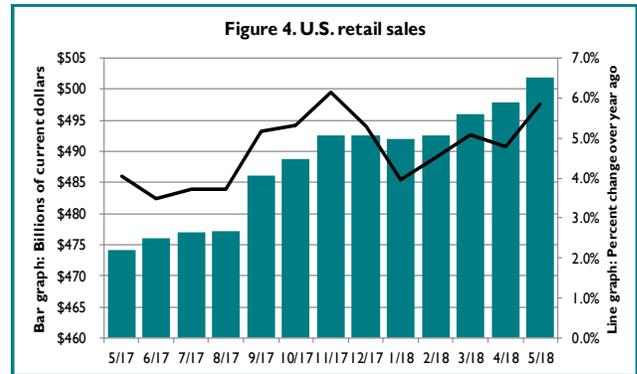
The value of the **Mississippi Manufacturing Employment Intensity Index** decreased in May for the third consecutive month. Figure 9 indicates the value for the month fell 0.7 percent and compared to one year ago the value was up 0.3 percent. As in April, Manufacturing employment in Mississippi and the average weekly hours of production employees both declined in May.

Seasonally-adjusted **initial unemployment claims** in Mississippi climbed 14.5 percent in value in May as seen in Figure 10, the first increase since January. The value for the month was 13.5 percent lower compared to one year ago. The value of seasonally-adjusted continued unemployment claims in Mississippi, in contrast, fell 10.6 percent in May as Figure 14 on page 6 indicates. The number of continued unemployment claims in Mississippi for the month was 25.2 percent lower compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi increased 0.1 percentage point in May to 4.7 percent as seen in Figure 15 on page 6. The rate reached its highest level since December and increased for two consecutive months for the first time since 2010. Compared to one year ago the rate was 0.6 percentage point lower in May.

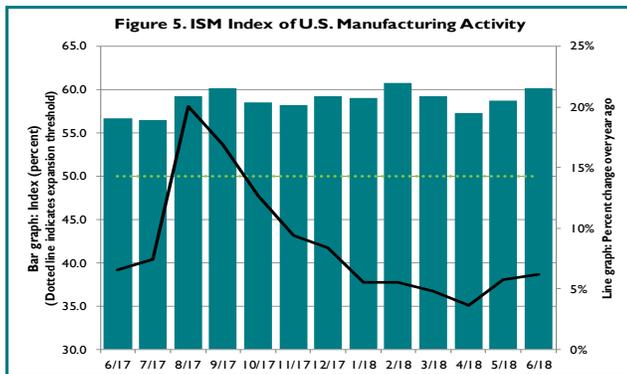
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



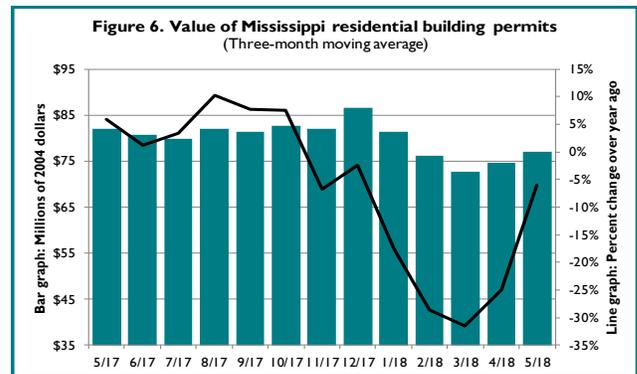
Source: University Research Center



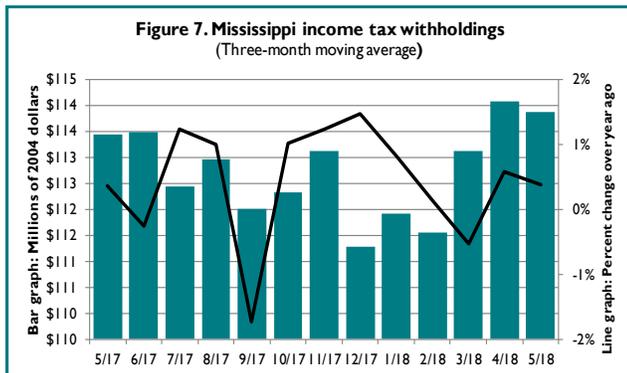
Source: U.S. Bureau of the Census



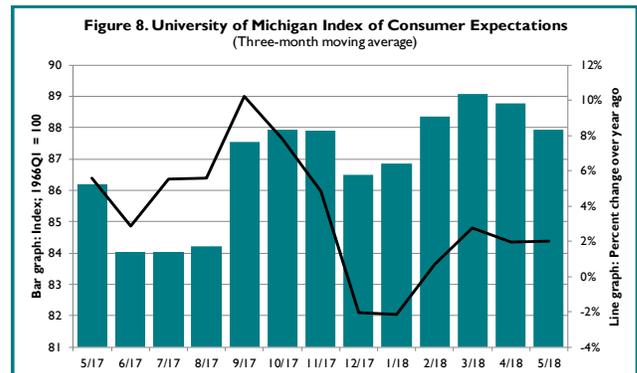
Source: Thomson Reuters/University of Michigan Surveys of Consumers



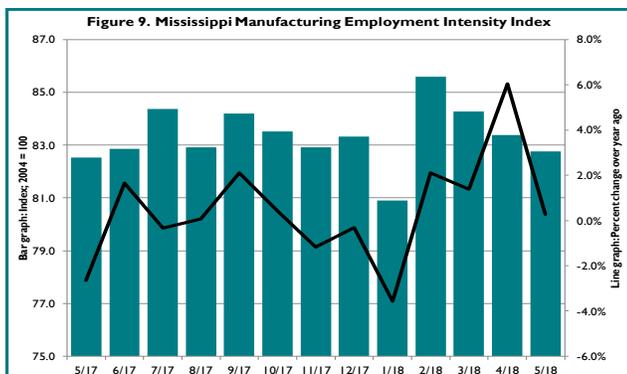
Source: U.S. Bureau of the Census; seasonally adjusted



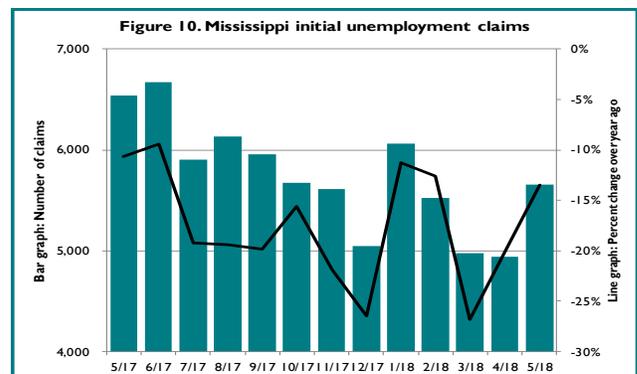
Source: Mississippi Department of Revenue; seasonally adjusted



Source: Institute for Supply Management



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



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

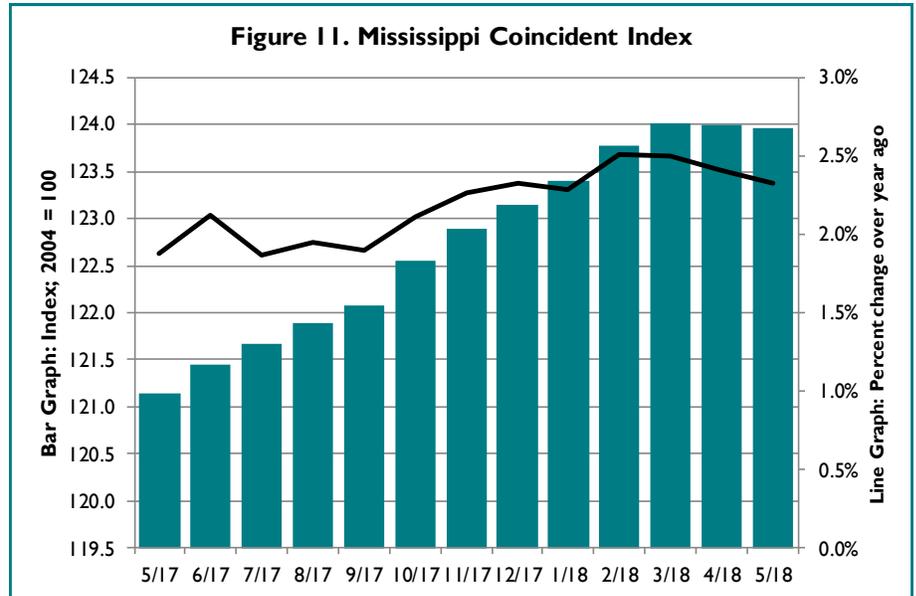
MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, MAY 2018

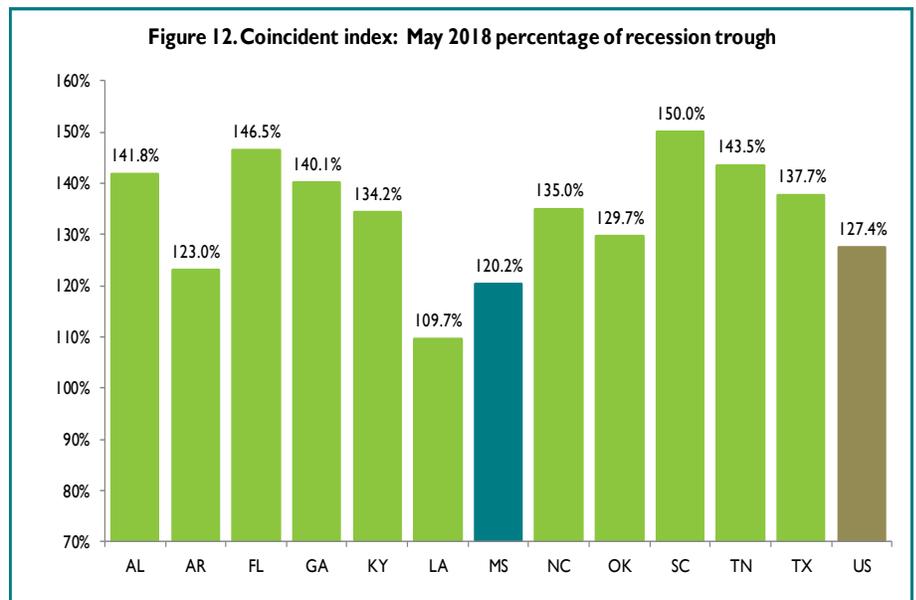
According to the Federal Reserve Bank of Philadelphia for the second consecutive month the **Mississippi Coincident Index of Economic Indicators (MCI)** essentially did not change in May as seen in Figure 11. Compared to one year ago the value of the MCI for the month was 2.4 percent higher.

In May once again Louisiana maintained the smallest increase in the value of its coincident index from its recession trough among Southeastern states as seen in Figure 12. The value of its index was up only 9.7 percent. The increase in the value of the coincident index for Mississippi was again the second-smallest gain among southeastern states as of May, up 20.2 percent. The increase in the value of the coincident index for Arkansas was the next highest at 23.0 percent. The largest increase in value of a coincident index from its recession trough as of May among Southeastern states occurred in South Carolina, where the coincident index was up 50.0 percent.

The values of the coincident indices increased in all states in May compared to three months prior as seen in Figure 13 on page 5. Mississippi was one of five states where the values of the coincident indices increased less than 0.5 percent compared to three months prior. Thus, the values of the coincident indices increased by more than 0.5 percent in forty-five states. The smallest increase in the coincident index in May compared to February was in Alabama, up 0.06 percent.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia; URC calculations

## NATIONAL TRENDS

In May the value of the U.S. Leading Economic Index (LEI) increased 0.2 percent according to The Conference Board. As seen in Figure 1 on page 1 the value of the LEI was 6.1 percent higher in May compared to one year ago. The ISM New Orders Index made the largest contribution to the increase as seven of the ten components of the LEI increased in value for the month. Over the last six months the LEI rose 3.0 percent in value.

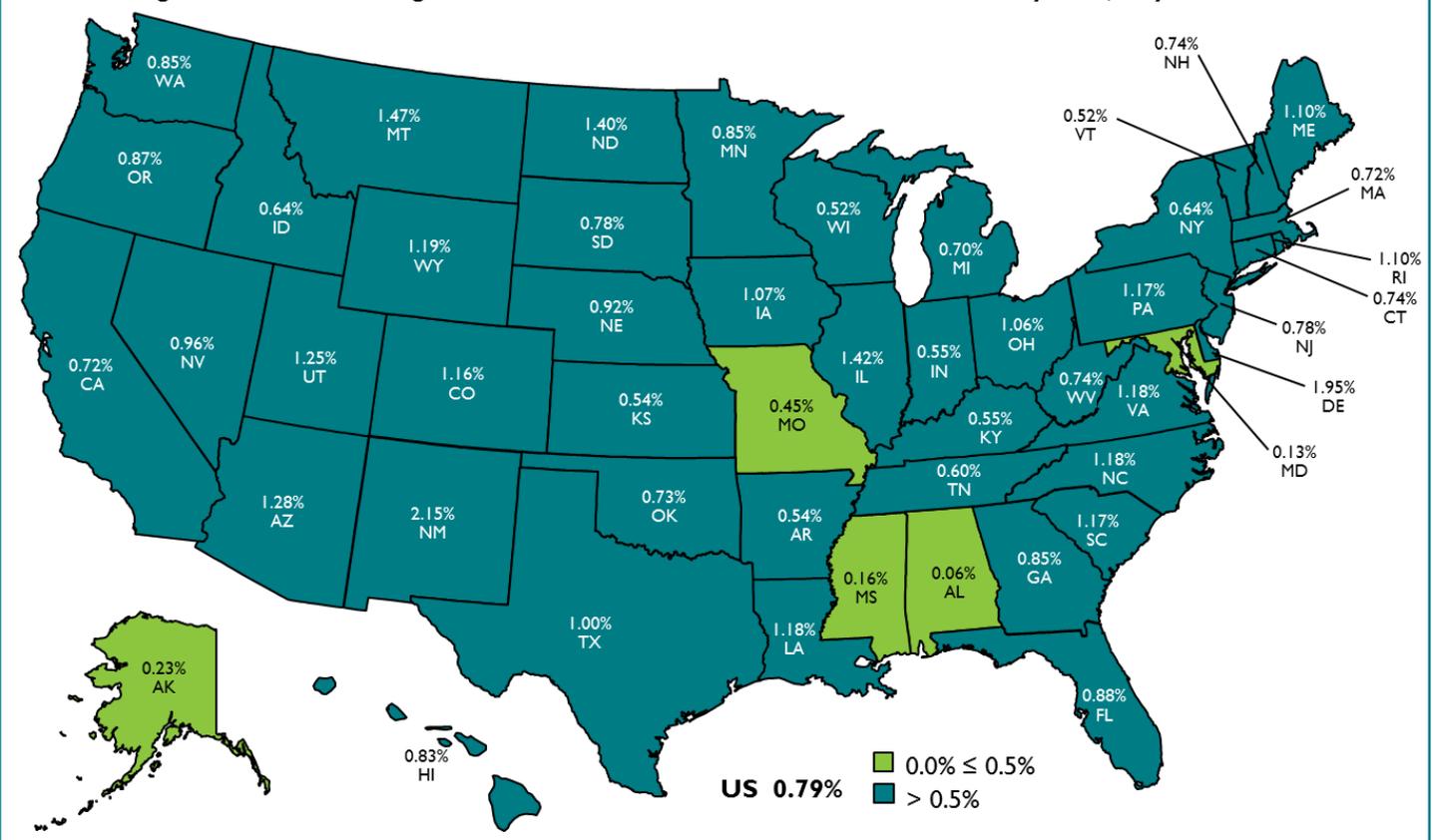
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) also increased 0.2 percent in May as seen in Figure 2 on page 1. The value of the CEI was 2.1 percent higher in May compared to one year ago. Three of the four components of the CEI contributed positively in May and the largest contribution came from employees on nonagricultural payrolls. The value of the CEI rose 1.0 percent over the last six months.

The National Federation of Independent Businesses (NFIB) Small Business Optimism Index reached a new all-time high in May. The value climbed 2.9 percent for the

month as seen in Figure 20 on page 6, the fourth increase in the last five months. Compared to one year ago the value of the Index in May was 3.2 percent higher. The “expect real sales higher” component increased the most among the components of the Index. The only component that declined in value was the “current job openings” component. The “plans to raise prices” component surged in May after decreasing the previous month.

To essentially no one’s surprise the Federal Open Market Committee (FOMC) raised the federal funds rate target by another 0.25 basis points at its June meeting. The increase placed the benchmark rate at a range of 1.75 to 2.00 percent. Perhaps most notable was the FOMC’s signal that it intends to increase interest rates four times in 2018, a change from its March meeting when Fed guidance remained at three increases. However, since the March meeting signs of inflation gaining momentum have emerged, as the Fed’s preferred measure of inflation reached its target of 2.0 percent annual growth for the second consecutive month.

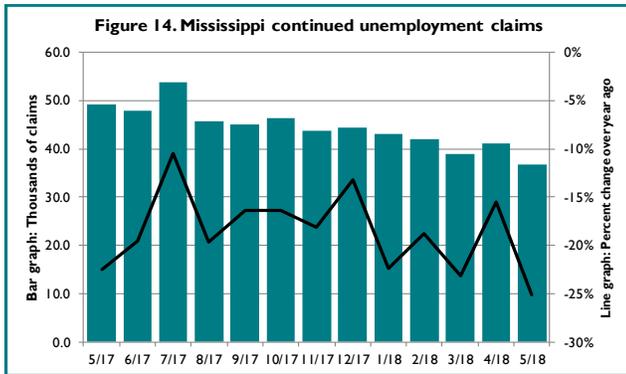
Figure 13. Three-month growth in the coincident index of economic indicators by state, May 2018



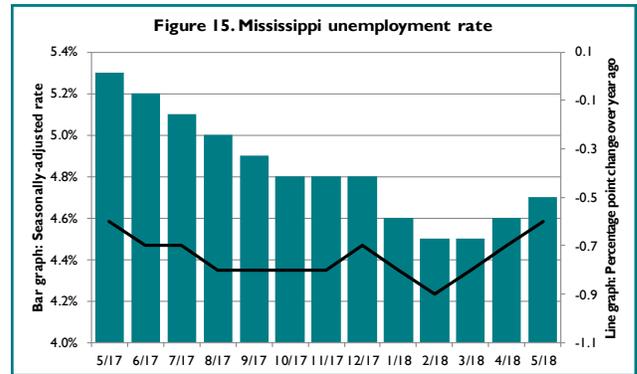
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

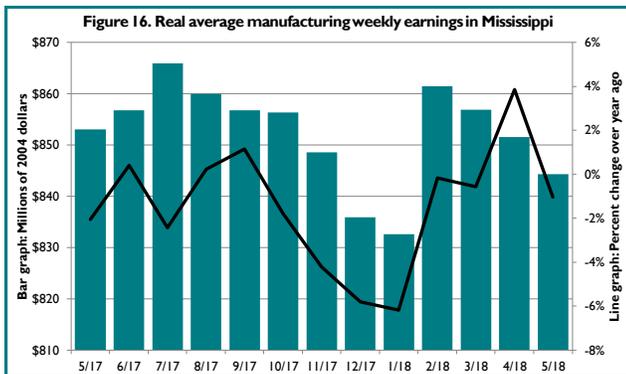
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



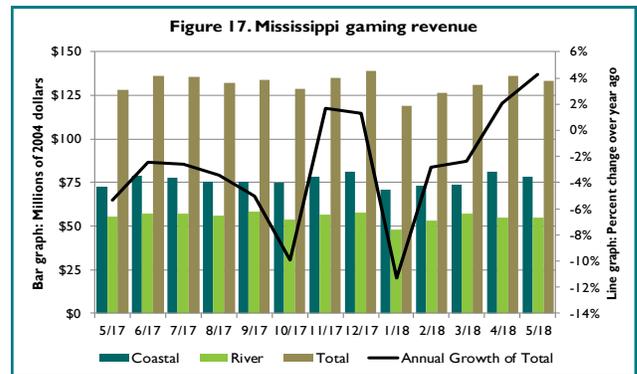
Source: U.S. Department of Labor; seasonally adjusted



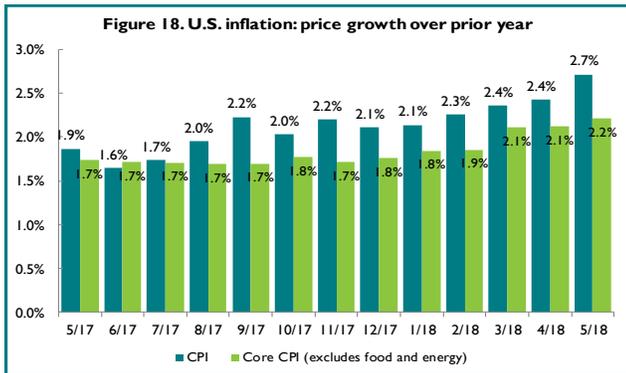
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



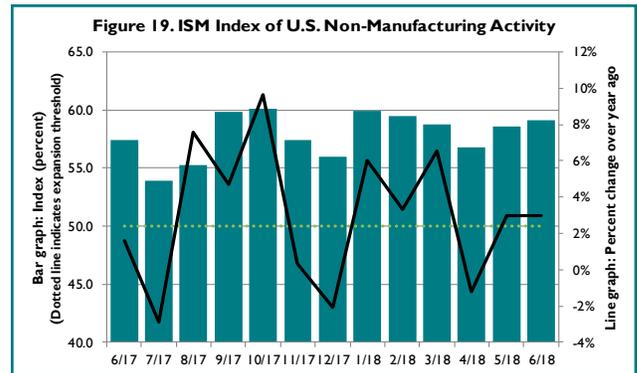
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



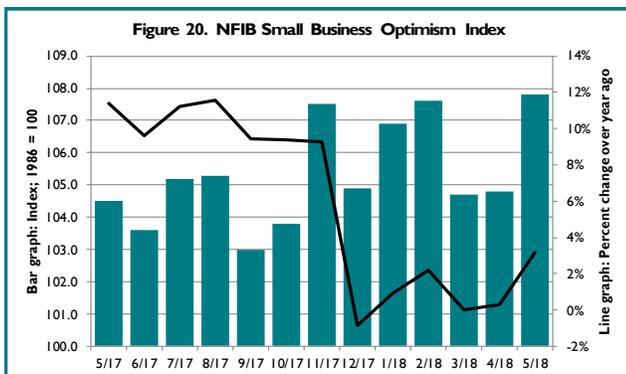
Source: Mississippi Department of Revenue; seasonally adjusted



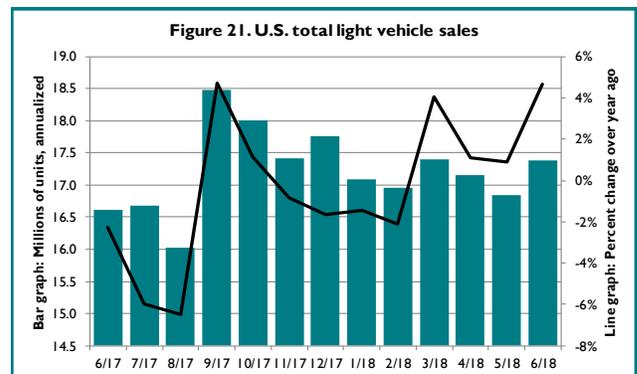
Source: U.S. Bureau of Labor Statistics



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	May	April	May	Percent change from	
	2018	2018	2017	April 2018	May 2017
<b>U.S. Leading Economic Index</b> 2004 = 100. Source: The Conference Board	109.5	109.3	103.2	▲0.2%	▲6.1%
<b>U.S. Coincident Economic Index</b> 2004 = 100. Source: The Conference Board	103.7	103.5	101.5	▲0.2%	▲2.2%
<b>Mississippi Leading Index</b> 2004 = 100. Source: University Research Center	115.8	115.7	112.6	▲0.1%	▲2.8%
<b>Mississippi Coincident Index</b> 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.0	124.0	121.1	◀0.0%	▲2.4%
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	5,655	4,938	6,536	▲14.5%	▼13.5%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	77.0	74.6	82.0	▲3.3%	▼6.1%
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	113.9	114.1	113.4	▼0.2%	▲0.4%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	82.8	83.4	82.5	▼0.7%	▲0.3%
<b>University of Michigan Index of Consumer Expectations</b> Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	87.9	88.8	86.2	▼0.9%	▲2.0%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	60.2	58.7	56.7	▲2.6%	▲6.2%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	502.0	497.9	474.2	▲0.8%	▲5.9%
<b>U.S. Consumer Price Index (CPI)</b>	132.6	132.3	129.1	▲0.2%	▲2.7%
<b>U.S. Core CPI (excludes food and energy)</b> 2004 = 100. Source: URC using data from Bureau of Labor Statistics	130.6	130.4	127.8	▲0.2%	▲2.2%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.7%	4.6%	5.3%	▲0.1%	▼0.6%
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	36,744	41,113	49,097	▼10.6%	▼25.2%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	59.1	58.6	57.4	▲0.9%	▲3.0%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.59%	4.47%	4.00%	▲0.12	▲0.59
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.44	20.50	20.59	▼0.3%	▼0.7%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	844.33	851.54	853.09	▼0.8%	▼1.0%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	107.8	104.8	104.5	▲2.9%	▲3.2%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.38	16.85	16.61	▲3.2%	▲4.7%
<b>Gaming revenue</b>	133.6	136.0	128.1	▼1.8%	▲4.3%
<b>Coastal counties</b>	78.6	81.2	72.5	▼3.1%	▲8.5%
<b>River counties</b> Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	55.0	54.8	55.7	▲0.2%	▼1.2%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) reported total nonfarm employment in Mississippi was essentially unchanged in May as seen in Table 2 below. The state's economy lost 300 jobs for the month, a decline of less than 0.1 percent. Total employment in Mississippi in May was 1.4 percent higher compared to one year ago. April employment was revised up by 500 jobs, meaning the state lost 600 jobs in April.

Statistically significant increases in total nonfarm employment occurred in seven states in May according to BLS. Texas added 34,700 jobs, followed by Ohio, which added 22,600 jobs, and North Carolina, which added 21,600 jobs. The largest percentage increase in employment occurred in West Virginia, where employment rose 1.4 percent.

Compared to one year ago employment was higher in thirty-five states in May according to BLS. Texas added the most jobs over the last twelve months, followed by California and Florida. The largest percentage increase in employment in May occurred in Utah, where employment rose 3.4 percent. Employment increased 3.1 percent in Idaho and 2.9 percent in both Texas and Washington.

Employment changed little in May among industries in Mississippi in terms of total jobs. Trade, Transportation and Utilities added 700 jobs, the most among all sectors. Employment in Arts and Entertainment rose 1.0 percent in May, the largest percentage increase among all sectors but a gain of only 100 jobs. The largest decrease in employment among all industries for the month was in Government, a loss of 700 jobs. The largest percentage decline in employment was the 1.5 percent decrease in Mining and Logging, a loss of 100 jobs.

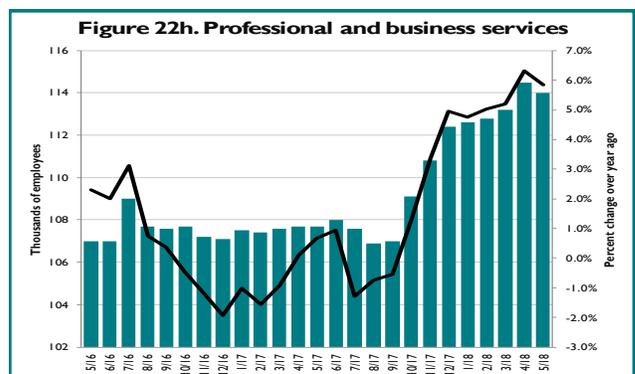
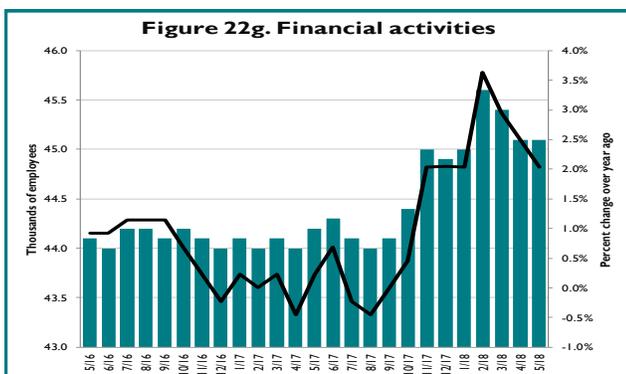
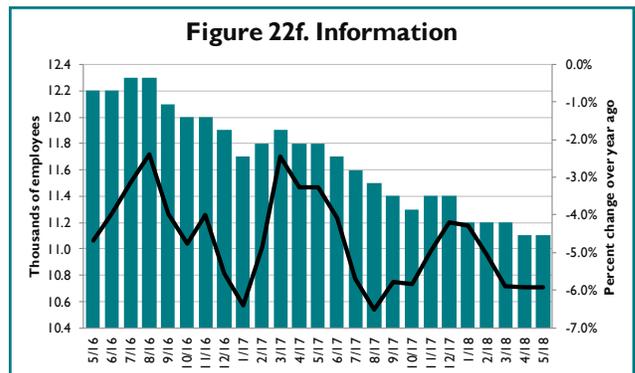
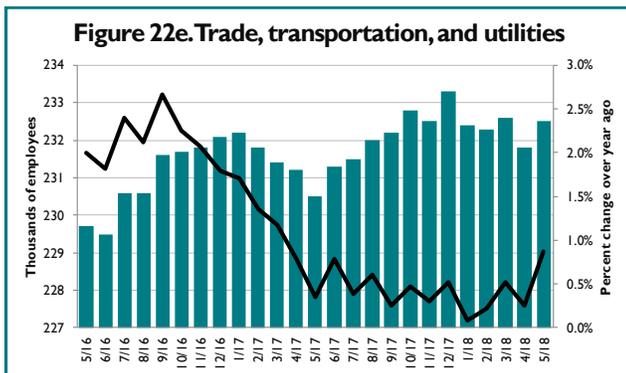
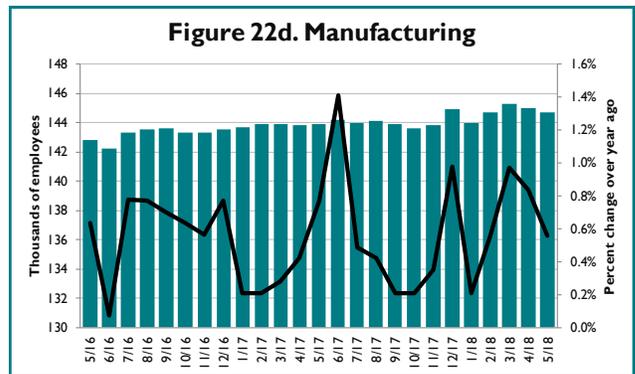
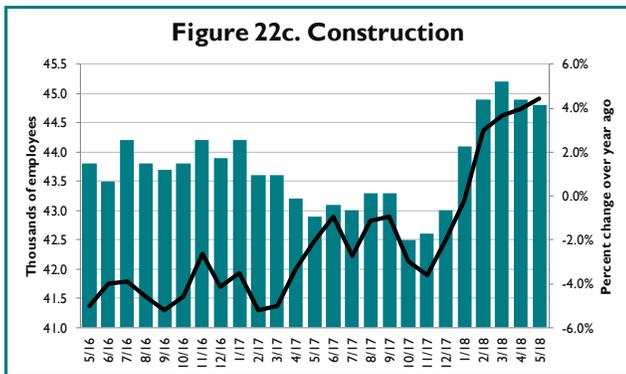
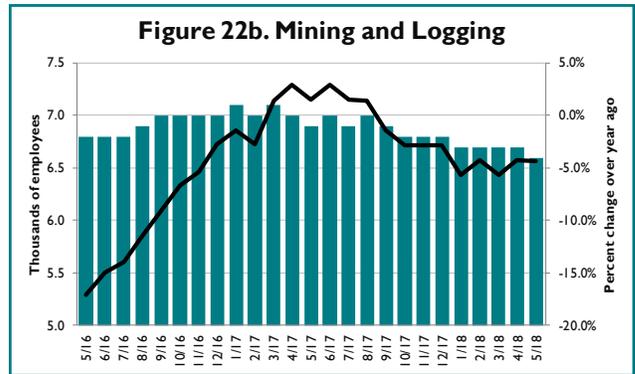
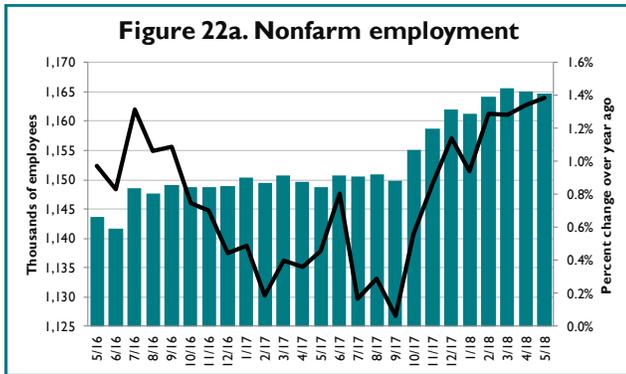
As in recent months the largest increase in employment among all sectors in the state in May compared to one year ago was in Professional and Business Services, which added 6,300 jobs. This percentage increase in employment of 5.8 percent was also the most among all sectors over the past twelve months. The next largest increase was in Health Care and Social Assistance, which added 3,300 jobs. As was the case in May, the largest decline in employment for the month compared to one year ago was the loss of 700 jobs in the Information sector. The decline was also the largest percentage decrease in employment among all sectors in the state compared to one year ago of 5.9 percent.

**Table 2. Change in Mississippi employment by industry, May 2018**

	Relative share of total <sup>a</sup>	May 2018	April 2018	May 2017	Change from April 2018		Change from May 2017	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,164,700	1,165,000	1,148,800	▼300	▼0.03%	▲15,900	▲1.4%
Mining and Logging	0.6%	6,600	6,700	6,900	▼100	▼1.5%	▼300	▼4.3%
Construction	3.8%	44,800	44,900	42,900	▼100	▼0.2%	▲1,900	▲4.4%
Manufacturing	12.5%	144,700	145,000	143,900	▼300	▼0.2%	▲800	▲0.6%
Trade, Transportation, & Utilities	20.1%	232,500	231,800	230,500	▲700	▲0.3%	▲2,000	▲0.9%
Retail Trade	12.1%	140,700	140,500	140,300	▲200	▲0.1%	▲400	▲0.3%
Information	1.0%	11,100	11,100	11,800	◀0	◀0.0%	▼700	▼5.9%
Financial Activities	3.9%	45,100	45,100	44,200	◀0	◀0.0%	▲900	▲2.0%
Services	37.3%	437,900	437,700	426,700	▲200	◀0.0%	▲11,200	▲2.6%
Professional & Business Services	9.6%	114,000	114,500	107,700	▼500	▼0.4%	▲6,300	▲5.8%
Educational Services	1.1%	12,400	12,300	12,000	▲100	▲0.8%	▲400	▲3.3%
Health Care & Social Assistance	11.5%	134,900	134,400	131,600	▲500	▲0.4%	▲3,300	▲2.5%
Arts & Entertainment	0.8%	9,700	9,600	9,500	▲100	▲1.0%	▲200	▲2.1%
Accommodation and Food Services	10.9%	126,200	126,300	125,500	▼100	▼0.1%	▲700	▲0.6%
Other Services	3.5%	40,700	40,600	40,400	▲100	▲0.2%	▲300	▲0.7%
Government	21.0%	242,000	242,700	241,900	▼700	▼0.3%	▲100	◀0.0%

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

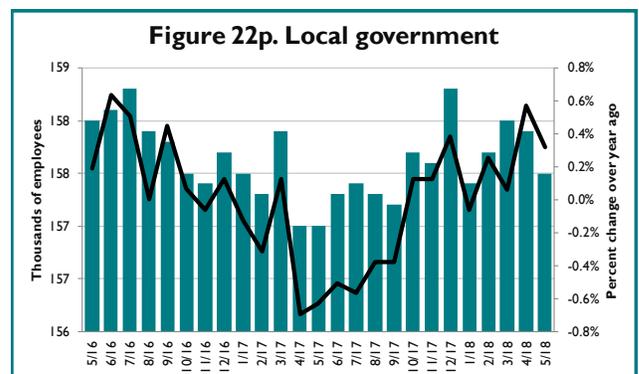
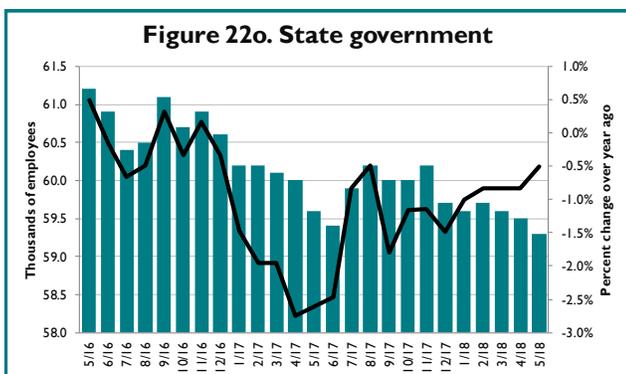
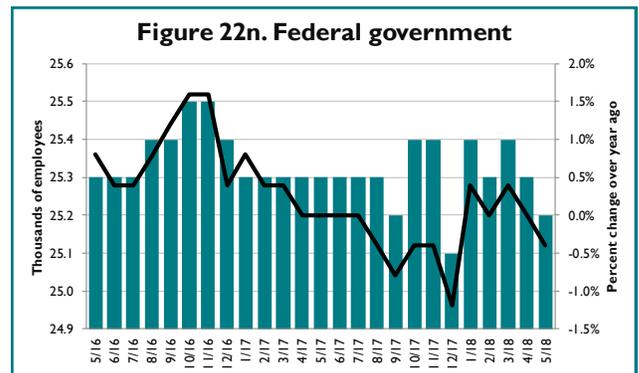
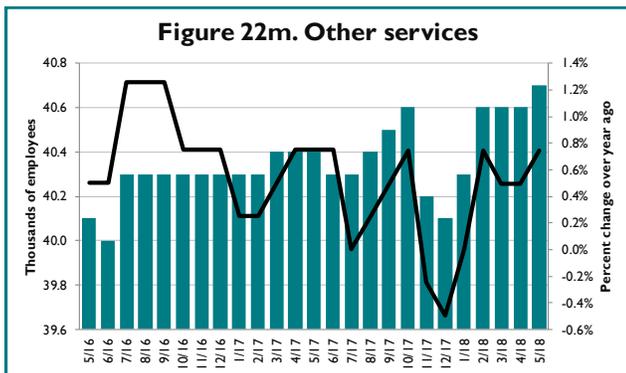
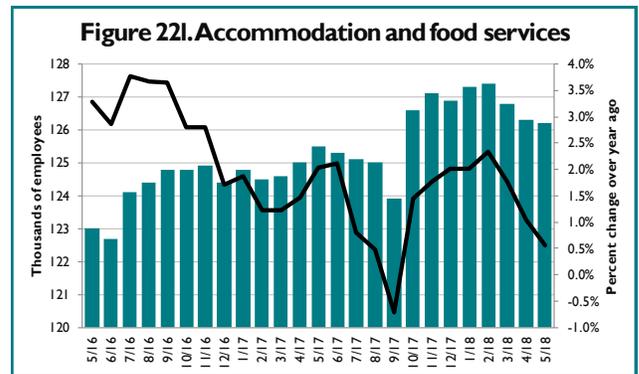
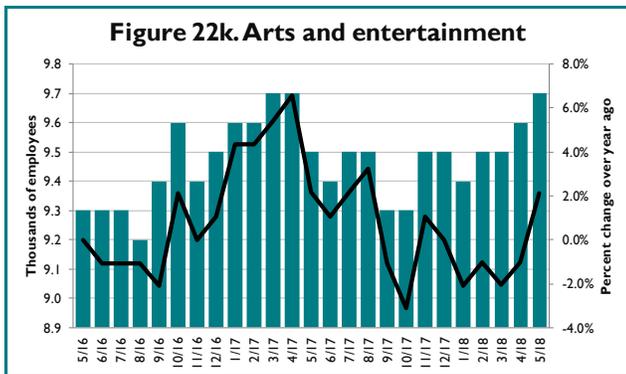
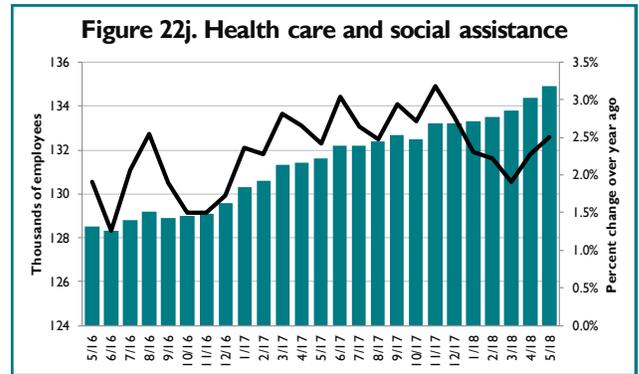
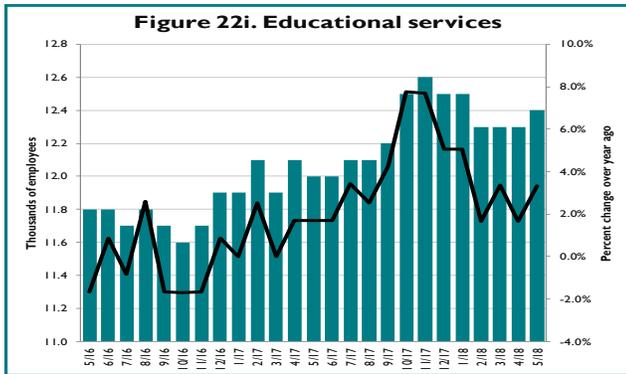
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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 COUNTY-LEVEL EMPLOYMENT IN 2017

According to the data released by the U.S. Bureau of Labor Statistics (BLS) last month, employment increased in forty-four of Mississippi's eighty-two counties in 2017. The number of counties was one less than in 2016. BEA released data for all counties in the U.S. for each month in 2017 and these data remain preliminary and subject to revision. Employment increased in 316 of the largest 346 counties (counties with employment of at least 75,000) in the U.S. in 2017 according to BLS, an increase of thirty-six counties over 2016. These counties accounted for 73.0 percent of all employment in the U.S. in 2017 and 78.3 percent of total wages. Moreover, the five counties with the largest increases in employment in 2017 added 231,600 jobs, which was 10.9 percent of the total increase in employment in the U.S. for the year.

The percentage change in employment by county in Mississippi for 2017 is found in Figure 23 on page 12. The largest percentage increase in employment among all counties in the state in 2017 occurred in Marshall County, where employment rose 4.7 percent; Yazoo County closely followed with an increase of 4.6 percent. Desoto County added the most jobs among all counties in Mississippi as employment rose by 1,982 jobs, a 3.4 percent increase in employment. Forrest County added 1,032 jobs in 2017, the only other county in the state to add more than 1,000 jobs. Employment decreased 15.4 percent in Kemper County in 2017, the largest percentage decline among all counties in Mississippi. However, Jackson County lost 865 jobs in 2017, which was the largest number of jobs lost in a county. The next largest decrease was the 429 jobs lost in Kemper County. Figure 23 indicates the counties that lost jobs in 2017 were found in all regions of the state, including the metropolitan areas, a change over 2016.

Nevertheless, Figure 23 indicates counties where employment decreased in 2017 are grouped in the Delta and north central regions. A number of these counties have historically experienced relatively high levels of poverty and/or are sparsely populated. In addition to Kemper County, Jefferson County and Quitman County both experienced decreases in employment of more than 10.0 percent in 2017. These declines contrast with 2016, when the largest decrease in employment in a county was less than 5.0 percent. However, only four counties experienced a decrease in employment of 3.0 percent or more in 2017 compared to eleven counties in 2016.

The counties that experienced the largest gains in employment in 2017 are more dispersed in the state than the counties that lost jobs. One grouping of some of the largest employment gains occurred in Desoto, Marshall, Lafayette, and Union counties south of the Memphis area. Counties in the south central area of the state near Hattiesburg also experienced some of the largest increases; employment grew by more than 2.0 percent in the counties of Forrest, Covington, Jefferson Davis, Simpson, and Stone. However, no consistent pattern in employment changes emerged among the counties in this area. Statewide, a total of eight counties experienced employment growth of 3.0 percent or more in 2017, compared to twelve counties in 2016.

Along with the data on county employment, BLS also released information on average weekly wages in 2017. For the U.S. as a whole the average weekly wage in 2017 was \$1,109, an increase of 3.9 percent over 2016. The average weekly wage in Mississippi in 2017 totaled \$746, which ranked fiftieth among all states. Nevertheless, the 2017 value marked an increase of 1.6 percent from the previous year. The average weekly wage increased in seventy-one counties, decreased in eight counties, and was essentially unchanged in three counties. The highest average weekly wage among all counties in the state in 2017 was the \$1,064 found in Kemper County. The next-highest average weekly wage of \$963 was found in Claiborne County. The lowest average weekly wage of \$482 was found in Issaquena County. The next-lowest average weekly wage was the \$523 found in Simpson County. The largest percentage increase in the average weekly wage occurred in Jefferson Davis County, where wages rose 8.2 percent, an increase of \$51 per week. Wages also rose 7.8 percent in Chickasaw County and 7.0 percent in Winston County, both of which equaled increases of \$46 per week. The largest percentage decrease in the average weekly wage occurred in Lafayette County, where wag-

