



ECONOMY AT A GLANCE

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

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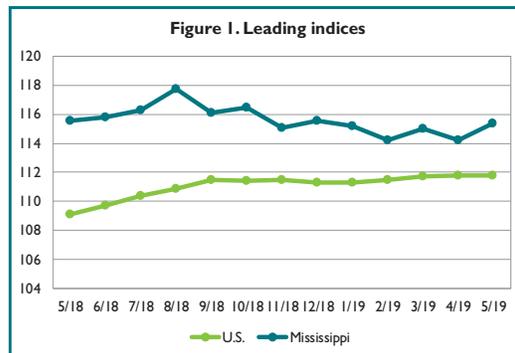
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) increased 1.0 percent in May. Compared to one year ago the value of the MLI for the month was down 0.2 percent.

The value of the Mississippi Coincident Index (MCI) increased 0.2 percent in May as seen in Figure 2 below. Compared to one year ago the value for the month was 1.7 percent higher.

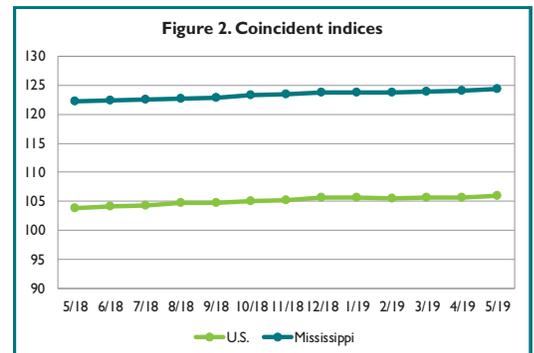
The U.S. Bureau of Economic Analysis (BEA) reported U.S. real gross domestic product (GDP) increased 3.1 percent in the first quarter of 2019 in its third estimate, a rate unchanged from BEA's previous estimate. However, consumer spending, a key driver of economic growth, was revised lower. The decrease in spending was offset by upward revisions to nonresidential fixed investment and net exports.

The third estimate also reduced the decrease in corporate profits after taxes in the first quarter from 0.8 percent to 0.2 percent.

The MLI in May had its best monthly performance in nine months, mostly due to a relatively robust month for income tax withholdings. U.S. retail sales and building permits also made substantial contributions, and consumer expectations remain relatively high. Employment also grew modestly in May. The manufacturing sector, beleaguered nationally, remains an area of concern; the Mississippi Manufacturing Employment Intensity Index continued to trend lower in May. Regardless, the state's economy showed more signs of life in May than in quite some time. The question remains if this growth can be sustained into the second half of 2019.



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 2019

The value of the **Mississippi Leading Index of Economic Indicators (MLI)** rose 1.0 percent in May as seen in Figure 3, its largest monthly increase since August 2018. The value of the previous month was revised up slightly. Nevertheless, the May value of the MLI remained 0.2 percent lower. Over the last six months the value of the MLI increased 0.2 percent.

Five of the seven components of the MLI contributed positively in May, led by the increase in income tax withholdings. Each component is discussed below in order of largest to smallest contribution.

The value of **Mississippi income tax withholdings** (three-month moving average) climbed 2.6 percent in May as seen in Figure 4. The increase was the largest monthly gain since August 2018. Compared to one year ago the value of withholdings was up 1.6 percent in May, the first year-over-year increase since January. Over the last six months the value of withholdings rose 1.4 percent.

As seen in Figure 5, the value of **Mississippi residential building permits** (three-month moving average) climbed 4.5 percent in May, the largest monthly increase since June 2018. Nevertheless, the year-over-year change in May remained negative, a decrease of 3.5 percent. The number of units for the month rose 8.5 percent, the largest monthly increase since February 2017. Compared to one year ago the number of units in May was down 1.7 percent. The number of privately-owned housing units authorized by building permits in the U.S. in May increased 0.3 percent from the revised April rate. The number of units in the U.S. in May compared to one year ago was down 0.5 percent.

The value of **U.S. retail sales** increased 0.5 percent in May as Figure 6 indicates. More notable was the revision to April sales, which were revised up from a decrease of 0.2 percent to an increase of 0.3 percent. As a result of this revision May sales marked the third consecutive monthly increase. Compared to one year ago the value of retail sales was 3.2 percent higher in May. Growth in sales improved in most categories for the month, led by non-store retailers. Sales excluding automobiles and gasoline also increased 0.5 percent in May.

In May the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 5.7 percent as seen in Figure 7, the second monthly decline in 2019. Compared to one year ago the value for the month was 2.1 percent

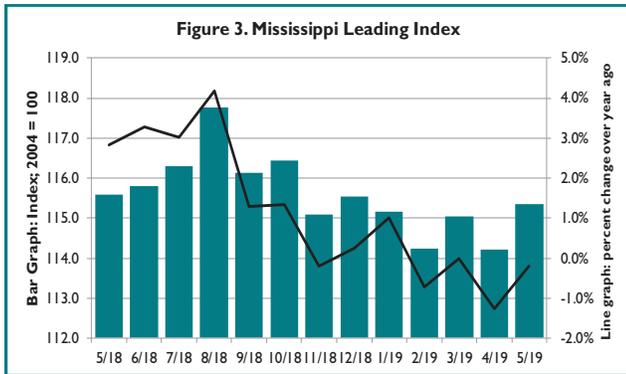
lower. The value of seasonally-adjusted continued unemployment claims in Mississippi rose 2.9 percent in May as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi in May compared to one year ago was 1.0 percent lower. As Figure 17 on page 6 indicates, the seasonally-adjusted unemployment rate in Mississippi in May was 5.0 percent, an increase of 0.1 percentage point from the previous month. The rate reached its highest level since September 2017. Mississippi's unemployment rate was 0.2 percentage point higher in May compared to one year ago.

For the fourth consecutive month the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased in May. The Index eked out a gain of 0.2 percent as seen in Figure 8. Compared to one year ago the value for the month was 2.4 percent higher, the largest year-over-year increase since August 2018. Both short-term (one-year) and long-term (five-year) inflation expectations fell in the most recent survey, giving back most of the gains from the previous survey.

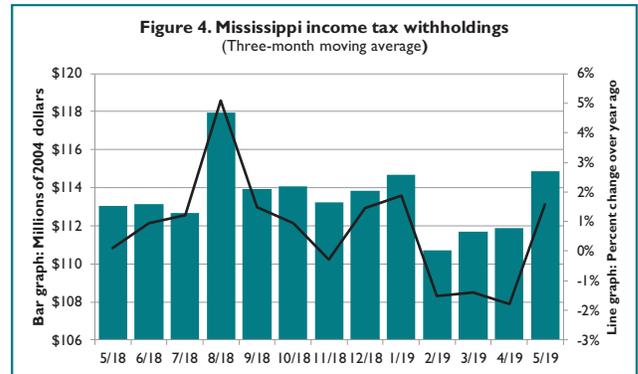
The value of the **Mississippi Manufacturing Employment Intensity Index** was essentially unchanged in May, as the percent change was less than 0.0 percent as seen in Figure 9. Technically, however, the value of the Index declined for the fourth consecutive month. The value of the Index in May was 1.0 percent lower compared to one year ago, marking a year-over-year decrease for the fourth consecutive month. The slight decline in Manufacturing employment in Mississippi in May was essentially offset by the increase in the average weekly hours of production employees in the state.

For the third consecutive month the value of the **ISM Index of U.S. Manufacturing Activity** fell in June as seen in Figure 10. The value of the Index decreased 0.8 percent to its lowest level since August 2016 and retreated closer to the expansion threshold of 50.0. Compared to one year ago the value of the Index was 13.8 percent lower in June. The largest decline occurred in the New Orders component while the Production and Employment components increased. The value of the prices paid index fell in June, more than giving back the increase of the previous month.

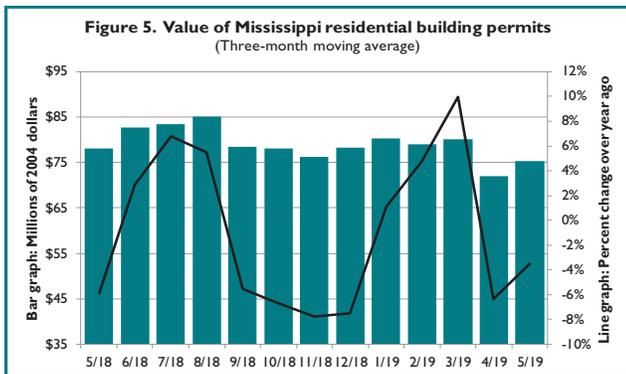
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



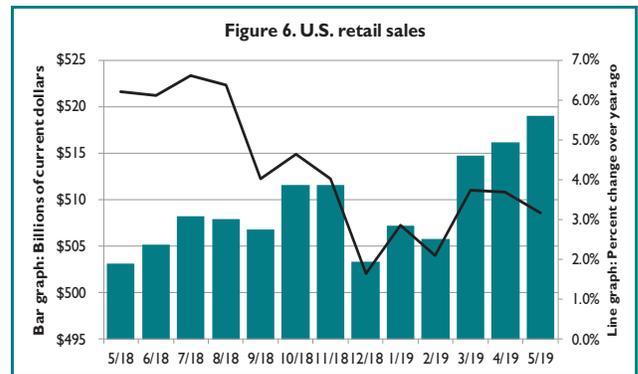
Source: University Research Center



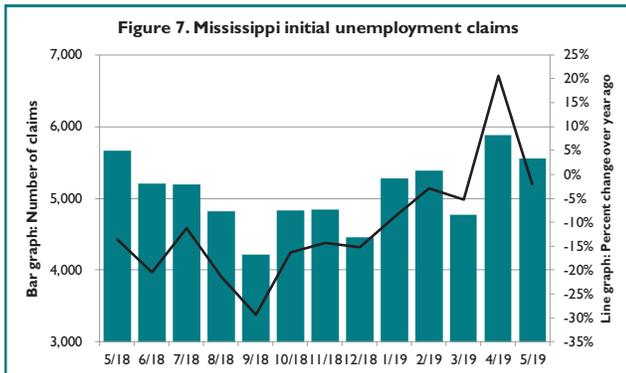
Source: Mississippi Department of Revenue; seasonally adjusted



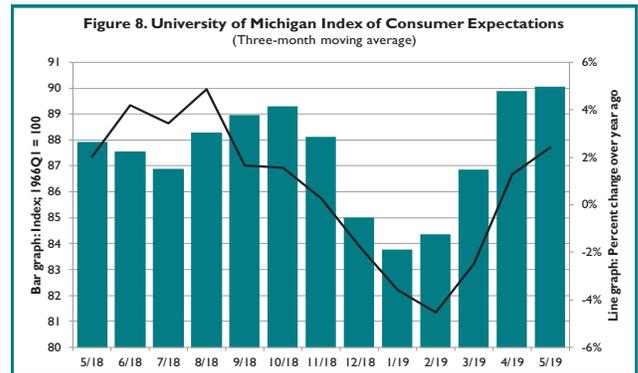
Source: U.S. Bureau of the Census; seasonally adjusted



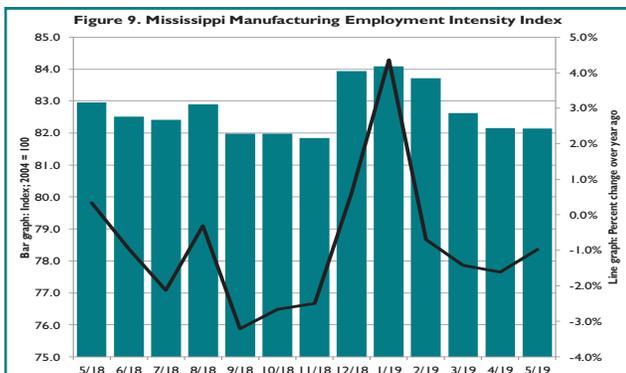
Source: U.S. Bureau of the Census



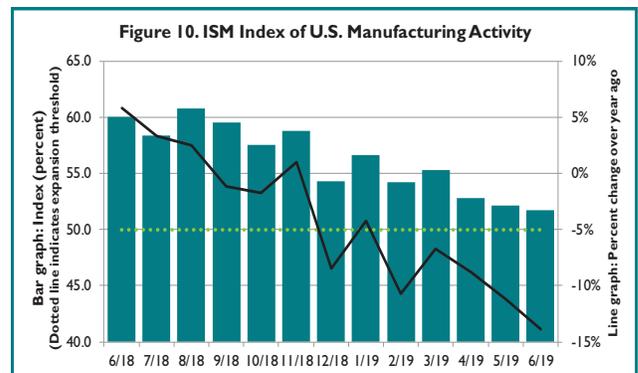
Source: U.S. Department of Labor; seasonally adjusted



Source: Thomson Reuters/University of Michigan Surveys of Consumers



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



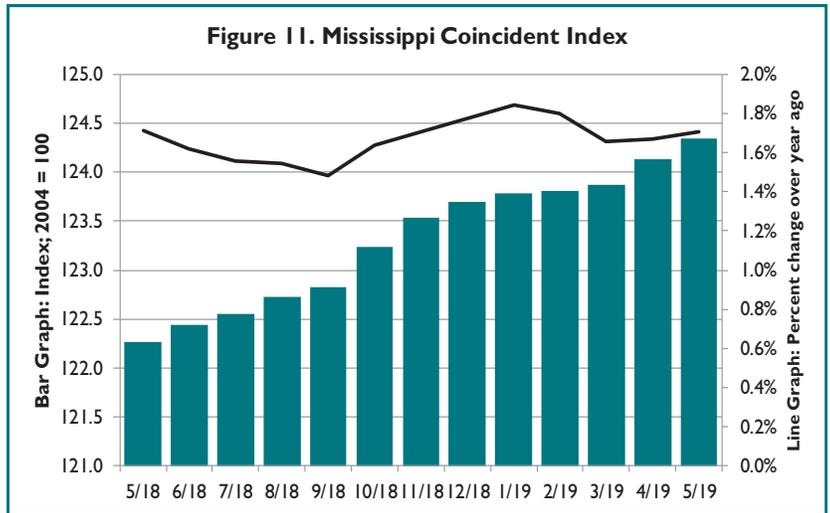
Source: Institute for Supply Management

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, MAY 2019

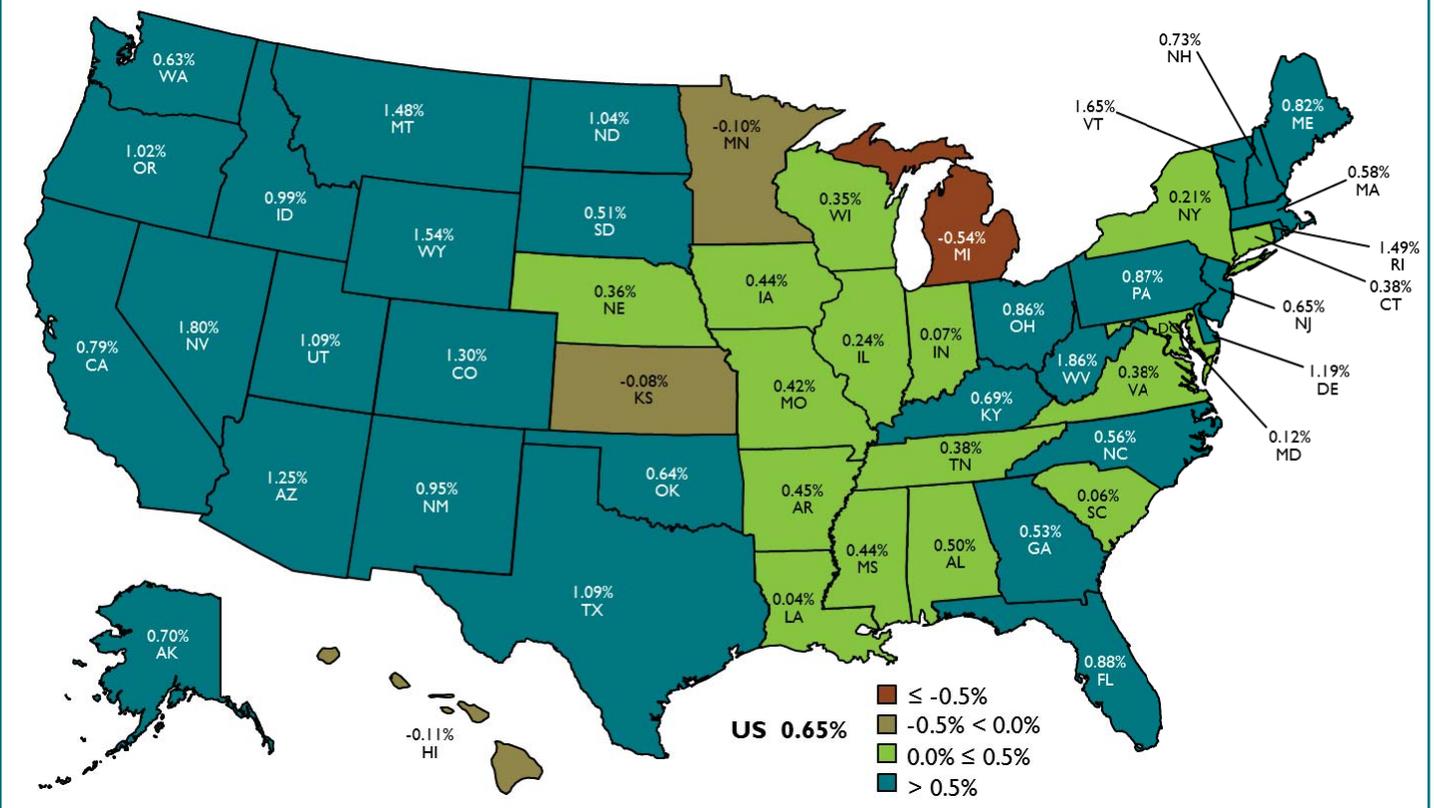
Figure 11 indicates the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.2 percent in May according to the Federal Reserve Bank of Philadelphia. Compared to one year ago the value of the MCI for the month was up 1.7 percent.

In May the values of the coincident indices increased in forty-six states compared to three months prior as seen in Figure 12 below. The values of the coincident indices increased by less than 0.5 percent in May compared to February in sixteen states including Mississippi. In thirty states the values of the coincident indices increased by more than 0.5 percent compared to three months prior. The value of the coincident indices decreased between 0.0 and 0.5 percent in Hawaii, Kansas, and Minnesota while Michigan was the only state where the value of the coincident index fell more than 0.5 percent in May compared to February.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, May 2019



Source: Federal Reserve Bank of Philadelphia

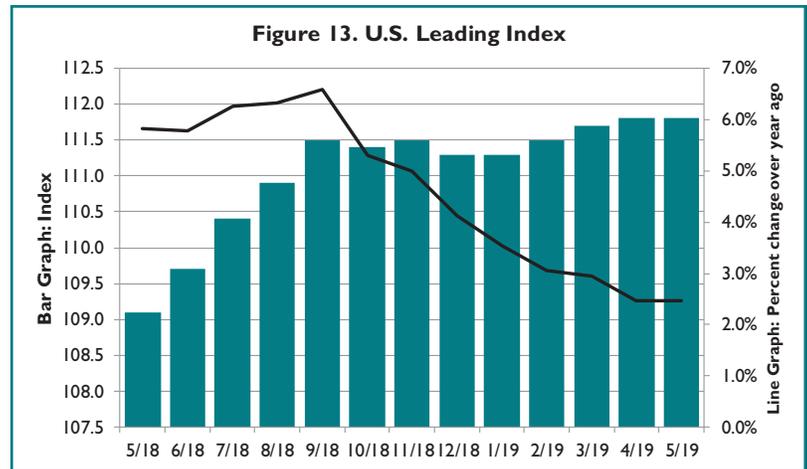
NATIONAL TRENDS

In May The Conference Board reported the value of the U.S. Leading Economic Index (LEI) was unchanged as Figure 13 indicates. However, the previous month's value was revised down to an increase of 0.1 percent. The value of the LEI was 2.5 percent higher in May compared to one year ago. Five of the ten components of the LEI contributed positively. The largest contributor was average consumer expectations for business conditions; the largest negative contributor was stock prices. The value of the LEI rose 0.3 percent over the last six months.

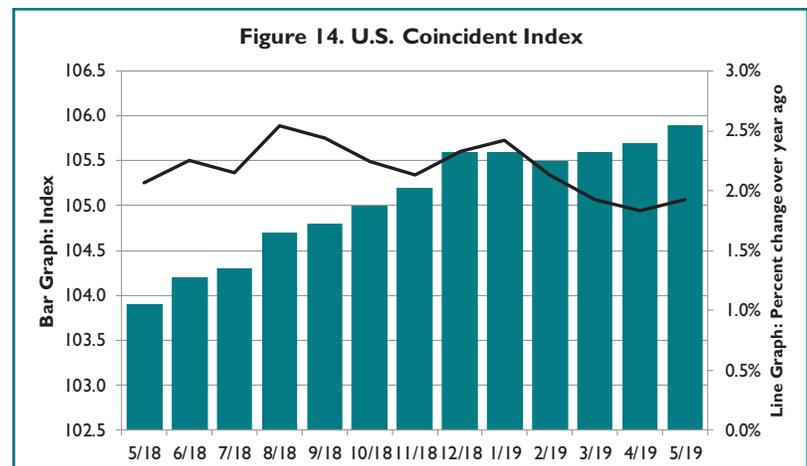
The value of the U.S. Coincident Economic Index (CEI) increased 0.2 percent in May according to The Conference Board as seen in Figure 14. The value of the CEI was 1.9 percent higher in May compared to one year ago. All four components of the CEI increased for the month and industrial production made the largest contribution. Over the last six months the value of the CEI rose 0.7 percent.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased for the fourth consecutive month in May. As seen in Figure 15, the value rose 1.4 percent. Despite the increase, compared to one year ago the value of the Index remained 2.6 percent lower in May. As in April gains were mostly across-the-board as the only component of the Index that decreased was "expected credit conditions." If trade anxieties can continue to ease, such as those with Mexico last month, then the Index has a chance to sustain its recent gains.

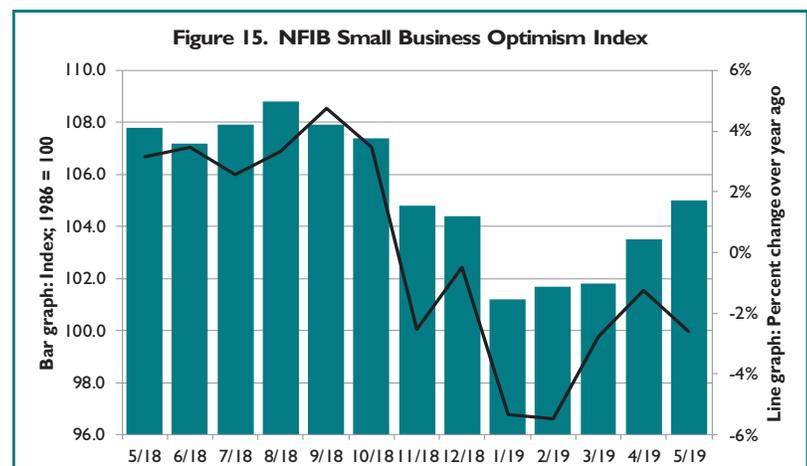
In a closely watched decision, the Federal Open Market Committee (FOMC) left the federal funds rate target unchanged at its June meeting. The benchmark rate remained in the range of 2.25 percent to 2.50 percent. The FOMC ignored calls for cuts to the rate from both Wall Street and the White House; however, the Federal Reserve appeared to leave open the possibility of a cut in the near future. The June FOMC statement noted, "Uncertainties about the economic outlook have increased," and the word "patient," which the Fed had used to describe its decisions regarding interest rates since January of this year, was not included.



Source: The Conference Board



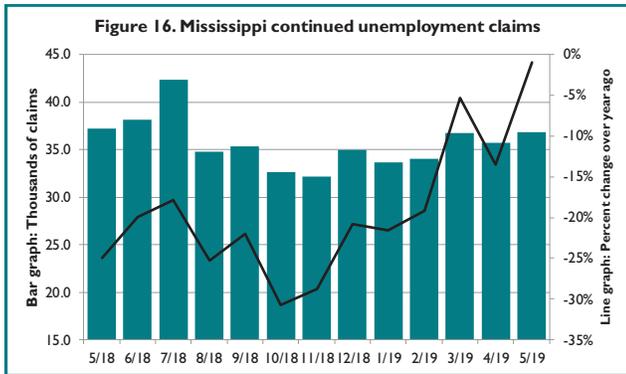
Source: The Conference Board



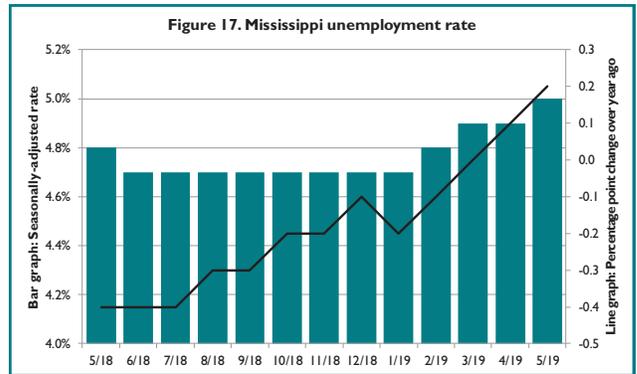
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

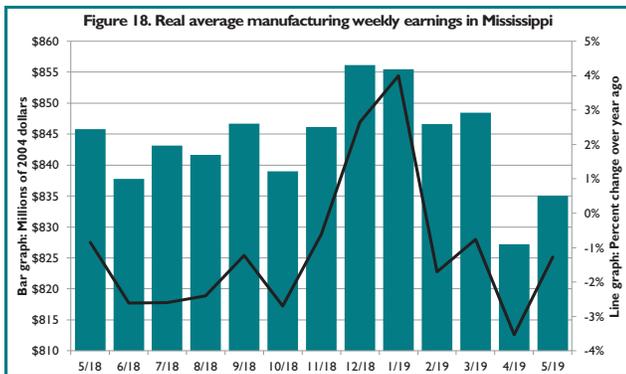
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



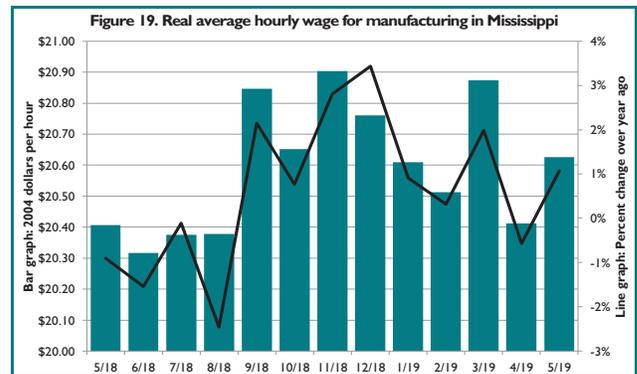
Source: U.S. Department of Labor; seasonally adjusted



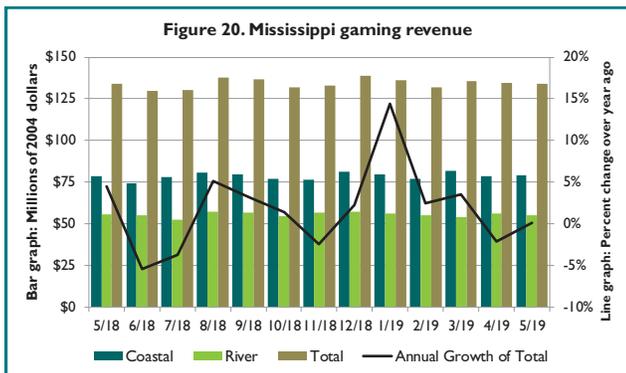
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



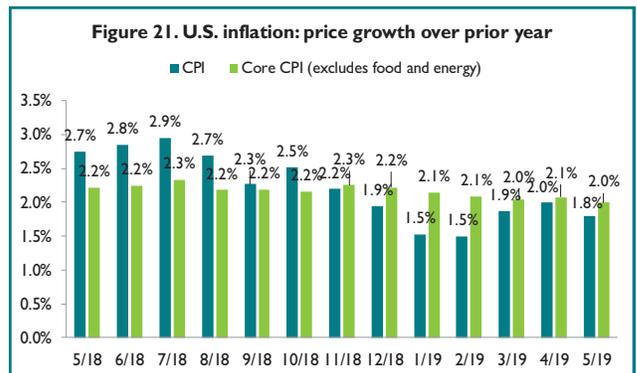
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



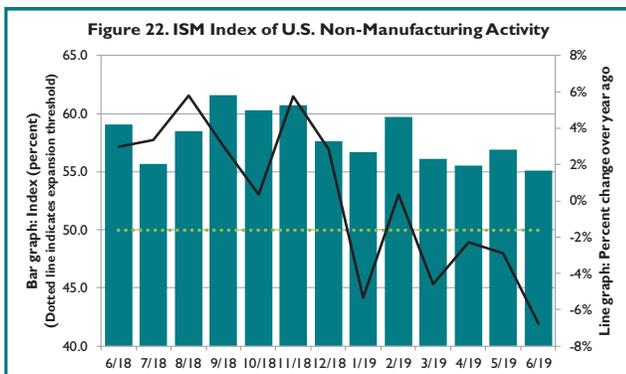
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



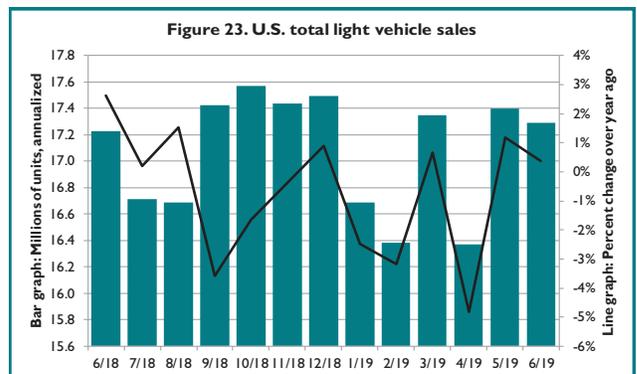
Source: Mississippi Department of Revenue; seasonally adjusted



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	May 2019	April 2019	May 2018	Percent change from April 2019 May 2018		
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	111.8	111.8	109.1	◀0.0%	▲2.5%	Economic Indices
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	105.9	105.7	103.9	▲0.2%	▲1.9%	
Mississippi Leading Index 2004 = 100. Source: University Research Center	115.4	114.2	115.6	▲1.1%	▼0.2%	
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.4	124.1	122.3	▲0.2%	▲1.7%	
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,551	5,886	5,668	▼5.7%	▼2.1%	Components of the Mississippi Leading Index
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	75.3	72.1	78.1	▲4.5%	▼3.5%	
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	114.8	111.9	113.1	▲2.6%	▲1.6%	
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	82.1	82.2	83.0	◀0.0%	▼1.0%	
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	90.1	89.9	87.9	▲0.2%	▲2.4%	
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	51.7	52.1	60.0	▼0.8%	▼13.8%	
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	519.0	516.2	503.1	▲0.5%	▲3.2%	
U.S. Consumer Price Index (CPI)	135.1	135.0	132.7	▲0.1%	▲1.8%	
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	133.3	133.1	130.6	▲0.1%	▲2.0%	
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.0%	4.9%	4.8%	▲0.1	▲0.2	Miscellaneous Indicators
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	36,794	35,741	37,171	▲2.9%	▼1.0%	
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	55.1	56.9	59.1	▼3.2%	▼6.8%	
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.03%	4.10%	4.55%	▼0.07	▼0.52	
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.63	20.32	20.40	▲1.5%	▲1.1%	
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	835.06	827.21	845.80	▲0.9%	▼1.3%	
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	105.0	103.5	107.8	▲1.4%	▼2.6%	
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.29	17.40	17.23	▼0.6%	▲0.4%	
Gaming revenue	134.2	134.6	134.1	▼0.3%	▲0.1%	
Coastal counties	79.2	78.6	78.7	▲0.8%	▲0.7%	
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	55.0	56.0	55.4	▼1.8%	▼0.7%	

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi increased by 2,300 jobs in May according to the U.S. Bureau of Labor Statistics (BLS), a gain of 0.2 percent. However, BLS revised April employment down by 700 jobs. Compared to one year ago total employment in the state was 1.0 percent higher in May.

BLS reported total nonfarm employment increased in Washington in May and was essentially unchanged in all other states and the District of Columbia. Washington added 9,500 jobs, a 0.3 percent increase in total employment in the state.

Compared to one year earlier employment was higher in twenty-four states in May according to BLS. Over the past twelve months Texas added 286,300 jobs, the most among all states, closely followed by California, which added 282,700 jobs. Florida added 214,500 jobs over the past year, the third-largest increase. The largest percentage increase in employment in May compared to one year ago occurred in Nevada, where employment rose by 4.0 percent, the fourth consecutive month the state led the nation in year-over-year growth in jobs. Employment in both Utah and Washington increased 2.8 percent in May compared to one year earlier.

Accommodation and Food Services added 1,300 jobs in May, the largest increase in employment among all sectors in the state. The next-largest increases occurred in Financial Services and Health Care and Social Assistance, as both sectors added 600 jobs for the month. The largest percentage increase in employment among all sectors in the state in May occurred in Arts and Entertainment, where employment rose 2.0 percent, a gain of 200 jobs. The largest decrease in employment for the month occurred in Financial Services, which lost 400 jobs. The largest percentage decrease in employment was the 0.8 percent decline in Educational Services employment, a loss of 100 jobs.

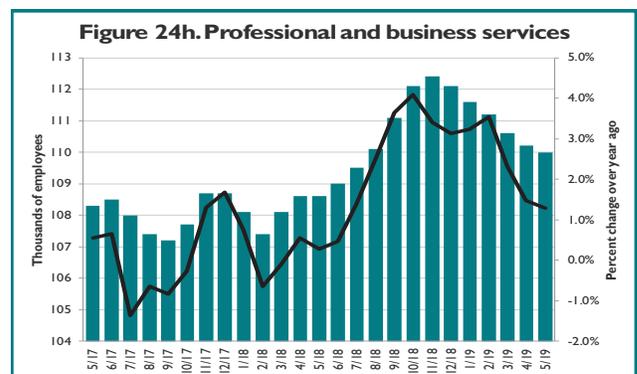
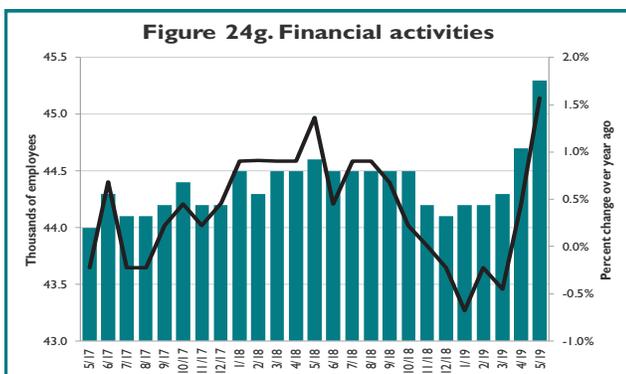
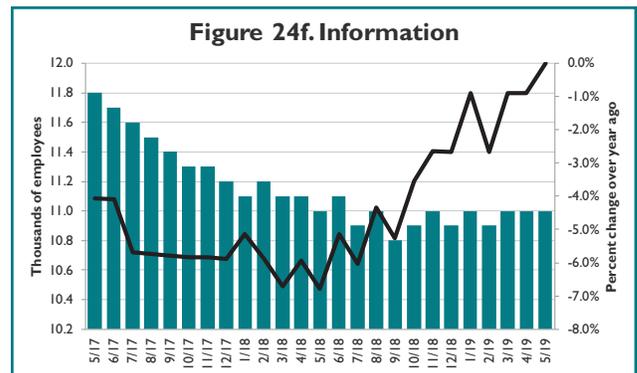
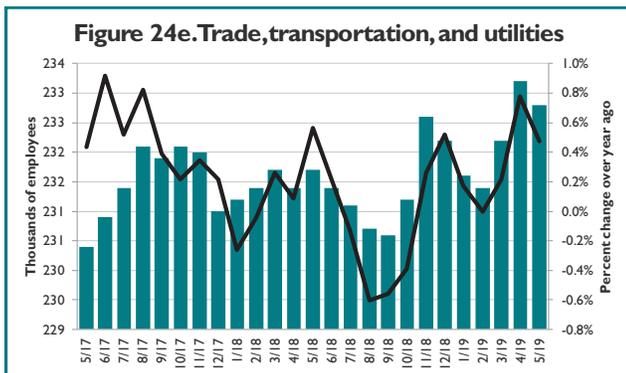
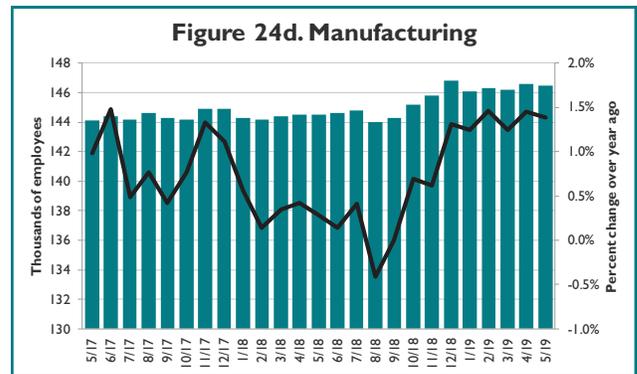
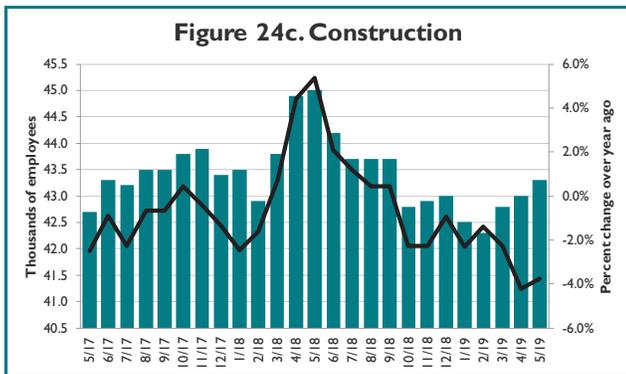
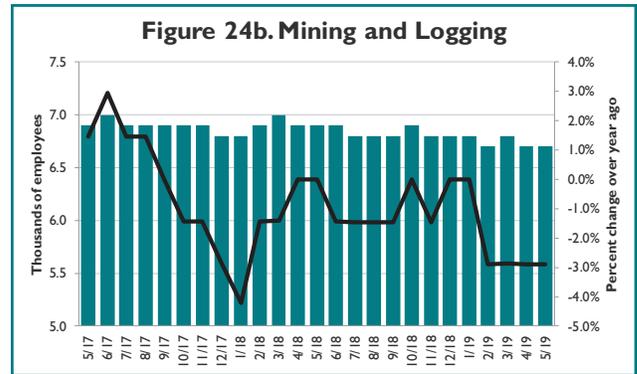
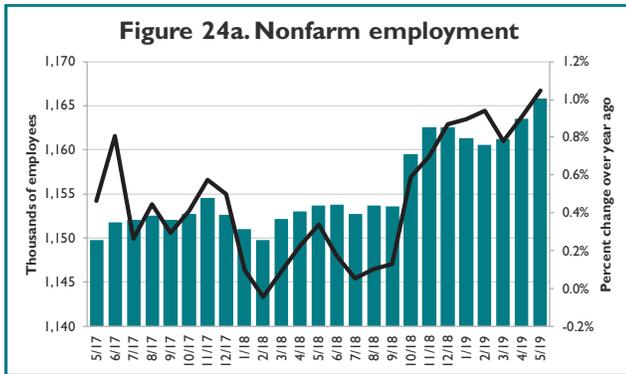
The Accommodation and Food Services sector also added the most jobs over the last twelve months among all sectors in Mississippi as of May. Employment in the sector rose by 6,200 jobs over the past year. This gain was also the largest percentage increase among all sectors of 5.0 percent. The largest decrease in employment over the past twelve months occurred in the Construction sector, which lost 1,700 jobs. The sector also experienced the largest percentage decrease in employment among all sectors of 3.8 percent.

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

	Relative share of total ^a	May	April	May	Change from April 2019		Change from May 2018	
		2019	2019	2018	Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,165,800	1,163,500	1,153,700	▲2,300	▲0.2%	▲12,100	▲1.0%
Mining and Logging	0.6%	6,700	6,700	6,900	◀0	◀0.0%	▼200	▼2.9%
Construction	3.7%	43,300	43,000	45,000	▲300	▲0.7%	▼1,700	▼3.8%
Manufacturing	12.6%	146,500	146,600	144,500	▼100	▼0.1%	▲2,000	▲1.4%
Trade, Transportation & Utilities	20.0%	232,800	233,200	231,700	▼400	▼0.2%	▲1,100	▲0.5%
Retail Trade	11.9%	138,800	138,300	139,000	▲500	▲0.4%	▼200	▼0.1%
Information	0.9%	11,000	11,000	11,000	◀0	◀0.0%	◀0	◀0.0%
Financial Activities	3.8%	45,300	44,700	44,600	▲600	▲1.3%	▲700	▲1.6%
Services	34.7%	438,400	436,200	429,300	▲2,200	▲0.5%	▲9,100	▲2.1%
Professional & Business Services	6.7%	110,000	110,200	108,600	▼200	▼0.2%	▲1,400	▲1.3%
Educational Services	1.0%	12,000	12,100	12,100	▼100	▼0.8%	▼100	▼0.8%
Health Care and Social Assistance	11.5%	133,900	133,300	132,500	▲600	▲0.5%	▲1,400	▲1.1%
Arts and Entertainment	0.8%	10,000	9,800	9,600	▲200	▲2.0%	▲400	▲4.2%
Accommodation and Food Services	11.0%	131,400	130,100	125,200	▲1,300	▲1.0%	▲6,200	▲5.0%
Other Services	3.6%	41,100	40,700	41,300	▲400	▲1.0%	▼200	▼0.5%
Government	20.8%	241,800	242,100	240,700	▼300	▼0.1%	▲1,100	▲0.5%

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

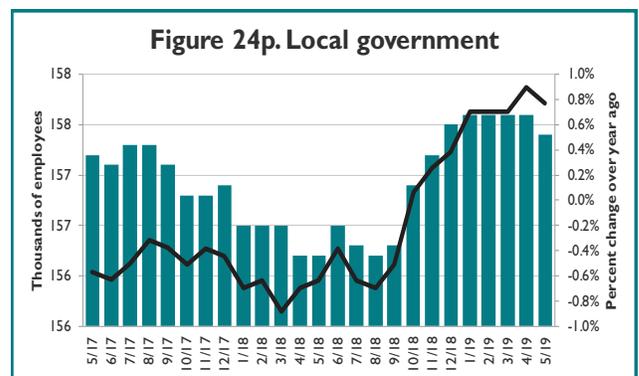
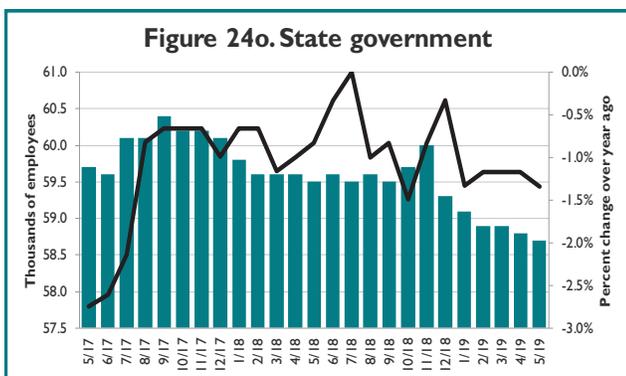
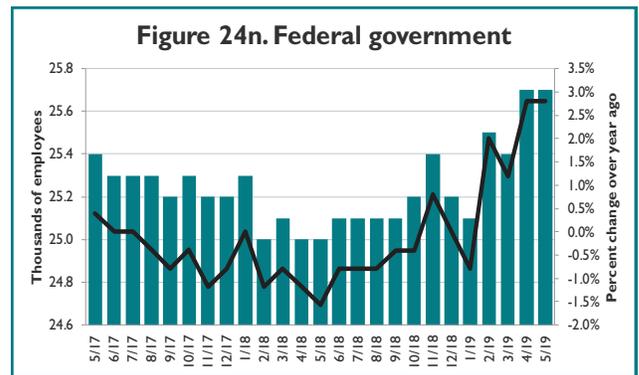
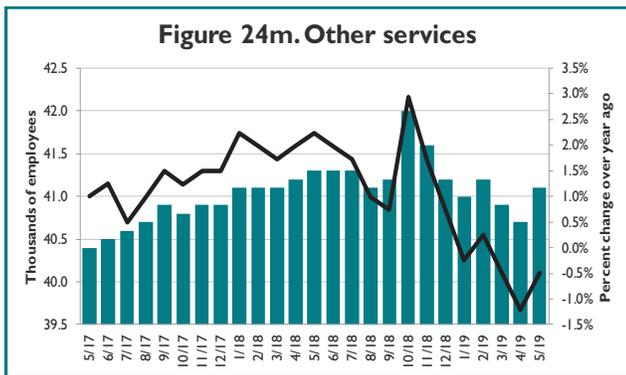
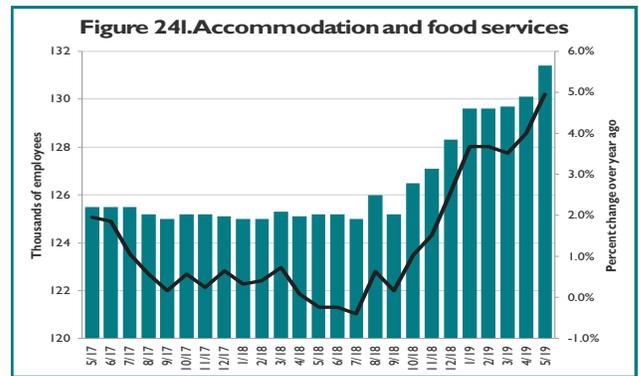
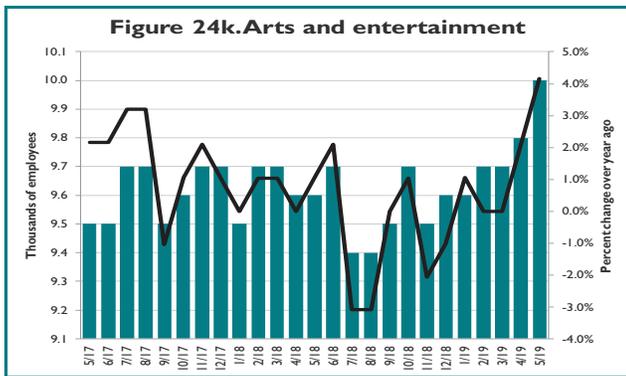
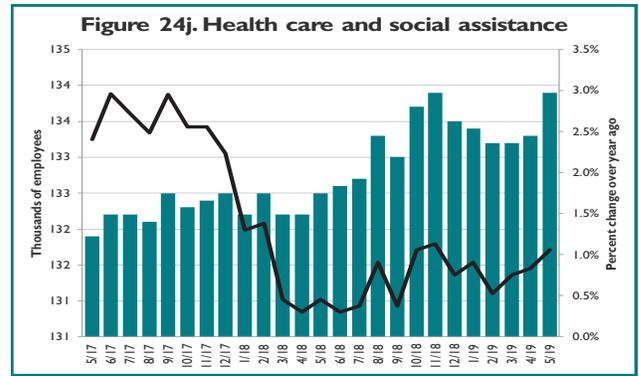
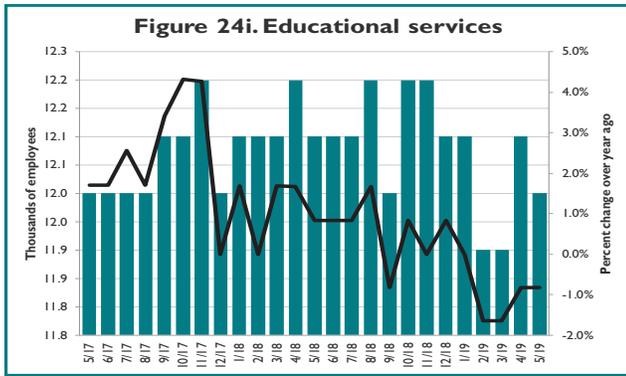
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

CHANGE IN MISSISSIPPI COUNTY-LEVEL EMPLOYMENT AND WAGES IN 2018

The U.S. Bureau of Labor Statistics (BLS) reported in May employment increased in forty of Mississippi's eighty-two counties in 2018. The number of counties where employment increased fell from forty-four in 2017. BLS released data for all counties in the U.S. for each month in 2018 and these data remain preliminary and subject to revision. According to BLS employment increased in 296 of the largest 349 counties in the U.S. in 2017 (counties with employment of at least 75,000), a decrease of twenty counties over 2017. These counties accounted for 73.0 percent of all employment in the U.S. in 2018.

Figure 25 on page 12 depicts the percentage change in employment by county in Mississippi for 2018. The largest percentage increase in employment among all counties in the state occurred in Marshall County, where employment rose 7.7 percent; Marshall County also experienced the largest percentage increase in employment among all counties in the state in 2017. Also as in 2017, DeSoto County added the most jobs among all counties in 2018 as employment rose by 1,991 jobs, an increase in employment of 3.3 percent. No other county in the state added more than 1,000 jobs for the year. The largest percentage decline in employment among all counties in Mississippi in 2018 occurred in Kemper County, where employment fell 6.6 percent, while employment in Issaquena County fell 6.0 percent. The largest number of jobs lost among all counties in 2018 occurred in Hinds County, which lost 1,149 jobs for the year, a decrease of 0.9 percent. The next largest decrease was the 699 jobs lost in Lauderdale County. The counties that lost jobs in 2018 were found in all regions of the state as seen in Figure 25, although relatively fewer counties were located in the southeast area of the state.

Nevertheless, as Figure 25 indicates employment decreased in almost all of the counties in the Delta region in 2018. A number of these counties have historically experienced relatively high levels of poverty and/or are sparsely populated. In 2018 Humphreys County was the lone exception, as employment in the county increased 2.0 percent; this pattern contrasts with 2017 when employment increased in six counties in the Delta. Similarly, employment decreased by more than 3.0 percent in four counties in the Delta in 2018 compared to one county in 2017.

The counties where employment increased the most were spread throughout the state. Some of the largest increases occurred in the area directly south of Memphis in DeSoto, Marshall, and Lafayette Counties. Counties in the central area of the state where employment increased included Choctaw, Winston, and Leake. Moreover, only nine counties experienced increases in employment of more than 2.0 percent in 2018, compared to fifteen such counties in 2017.

BLS released information on average weekly wages in 2018 in addition to the data on county employment. For the U.S. as a whole the average weekly wage in 2018 was \$1,101, an increase of 3.4 percent over 2017. The average weekly wage in Mississippi in 2018 totaled \$764, which ranked fiftieth among all states. Nonetheless, the wage in the state for 2018 marked an increase of 2.4 percent from the previous year. The average weekly wage in Mississippi increased in seventy-five counties and decreased in seven counties. The highest average weekly wage among all counties in the state in 2018 was the \$1,047 found in Claiborne County. The next-highest average weekly wage of \$970 was found in Jackson County. The lowest average weekly wage of \$513 occurred in Issaquena County. The next-lowest average weekly wage was the \$530 found in Simpson County.

The largest percentage increase in the average weekly wage in 2018 occurred in Claiborne County, where wages rose 8.7 percent, an increase of \$84 per week over the previous year. The next largest increase in wages occurred in Webster County, where wages rose 7.8 percent, an increase of \$47 per week over 2017. Wages rose 7.2 percent in Yalobusha County, also an increase of \$47 per week. The largest percentage decrease in the average weekly wage occurred in Kemper County, where wages plunged 13.6 percent in 2018 from the previous year, a decrease of \$140 per

