



ECONOMY AT A GLANCE

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

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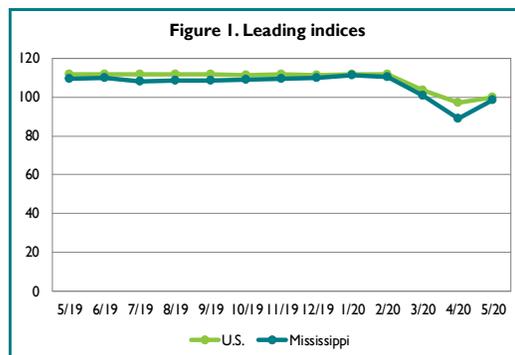
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) surged 11.0 percent in May as it recouped most of the decline in April. However, the value of the MLI as of May remained 9.9 percent lower compared to one year ago.

The value of the Mississippi Coincident Index (MCI) rose 2.3 percent in May as seen in Figure 2 below. Compared to one year ago the value for the month was down 8.8 percent.

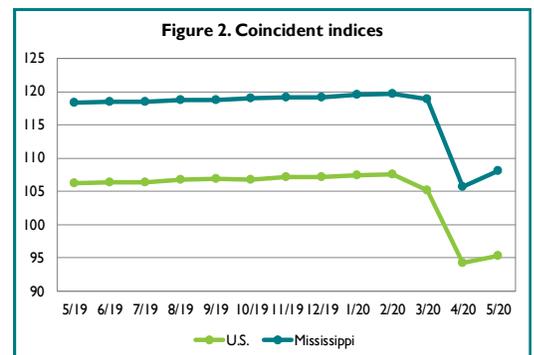
The U.S. Bureau of Economic Analysis (BEA) reported a decrease of 5.0 percent in its third estimate of the change in U.S. real gross domestic product (GDP) in the first quarter of 2020. The estimate was unchanged from its second estimate. While nonresidential fixed investment was revised up in the third estimate, this increase was offset by reductions in private

inventory investment, consumer spending, and exports. The positive contributions to the change in real GDP in the first quarter came from private inventory investment and government spending (federal, state, and local).

Volatility among its components allowed the MLI to follow its worst month ever in April with its best month ever in May. Much of the upturn was driven by the historic increase in U.S. retail sales in May. Initial unemployment claims in the state also fell by more in May than they increased in April. Nevertheless, the MLI remains well below its February level. An immediate concern is whether what initially looked like a “V-shaped” recovery will become a “W-shaped” recovery as some states tighten restrictions following a surge of COVID-19 infections across the country.



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 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 2007.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, MAY 2020**

Following the largest one-month decline in its history in April, the value of the **Mississippi Leading Index of Economic Indicators** (MLI) experienced its largest one-month gain ever in May as seen in Figure 3. The value surged 11.0 percent for the month. Compared to one year earlier, the value of the MLI in May was 9.9 percent lower. Over the last six months the value of the MLI fell 9.8 percent.

Four of the seven components of the MLI contributed positively for the month in May. The largest contribution came from the considerable increase in U.S. retail sales while consumer expectations made the largest negative contribution. Each component is discussed below in order of largest to smallest contribution.

In May **U.S. retail sales** followed April's record-breaking decline with a record-breaking increase as the value soared 17.7 percent as seen in Figure 4. In addition the value of April sales was revised up by 2.1 percent. Nevertheless, May sales were almost 8 percent below the February level and compared to one year earlier sales remained 6.1 percent lower. Excluding vehicles and gasoline, May sales were up 12.4 percent. All categories of sales increased for the month and the largest gain was in clothing and accessories, which surged 188.0 percent. Furniture and sporting goods both climbed almost 90 percent in May. Sales of electronics and appliances rose 50.5 percent.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 65.2 percent in May as seen in Figure 5, a decrease of 114,049. Nevertheless, the value for May remained 1,146.8 percent higher compared to one year earlier. The number of seasonally-adjusted continued unemployment claims in Mississippi spiked by 98.6 percent in May as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi was 2,657.5 percent higher in May compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi decreased 5.7 percentage points to 10.6 percent in May as seen in Figure 17 on page 6. The April rate was revised up by 0.9 percentage point. The state's unemployment rate was 5.2 percentage points higher in May compared to one year earlier.

As Figure 6 indicates the value of the **ISM Index of U.S. Manufacturing Activity** surged 22.0 percent in June, its second consecutive monthly increase. Notably, the value exceeded the expansion threshold of 50.0 for the first time since February. Compared to one year earlier the

value of the Index for the month was 1.7 percent higher, the first year-over-year increase since November 2018. As in May all of the components of the Index except Supplier Deliveries increased in June. Most of the gain was the result of the relatively large increases in the New Orders and Production components. All of the components except Employment were in expansion territory as of June.

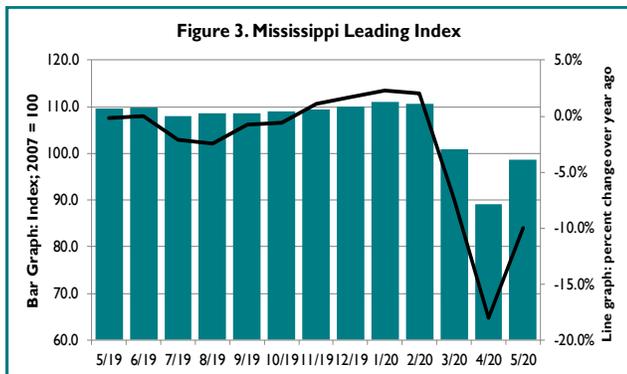
The value of the **Mississippi Manufacturing Employment Intensity Index** rose 6.1 percent in May as Figure 7 indicates. After data revisions the April value was pushed down to a decrease of 12.9 percent from a decrease of 8.7 percent. The May value was 8.0 percent lower compared to one year earlier. Both Manufacturing employment in the state and the average weekly hours of production employees in Mississippi increased in May.

For the first time since December, the value of **Mississippi residential building permits** (three-month moving average) decreased in May. The value fell 2.6 percent for the month as Figure 8 indicates. Compared to one year earlier the May value remained 17.8 percent higher. Conversely, the number of units in the state in May rose 2.8 percent, its fourth increase in the last five months. The number of units in the state for the month was 21.6 percent higher compared to one year ago. The number of privately-owned housing units authorized by building permits in the U.S. climbed 14.4 percent from the revised April rate. The number of units in the U.S. in May was 8.8 percent lower compared to one year ago.

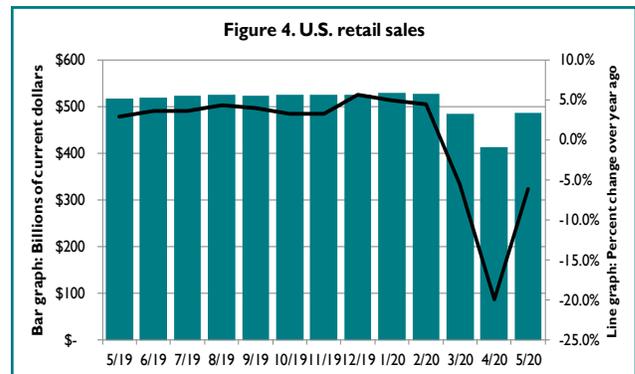
For the fourth consecutive month the value of **Mississippi income tax withholdings** (three-month moving average) decreased in May. As seen in Figure 9 the value slipped 0.6 percent for the month. Compared to one year earlier the value of withholdings was 5.2 percent lower in May. The value of income tax withholdings in Mississippi fell 4.0 percent over the last six months.

As seen in Figure 10 the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell 3.4 percent in May, its fourth consecutive monthly decline. Compared to one year earlier the value for the month was down 22.9 percent, the largest year-over-year decrease since July 2008. Since January the Index is down 23.3 percent. In the most recent survey both short-term (one-year) and long-term (five-year) inflation expectations declined.

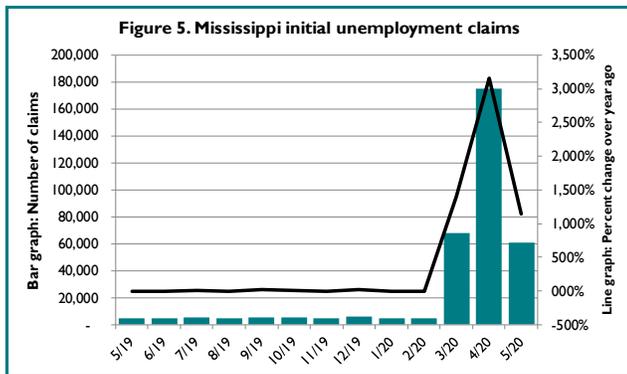
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



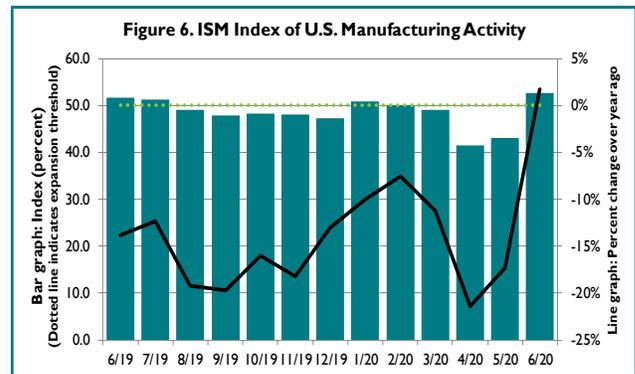
Source: University Research Center



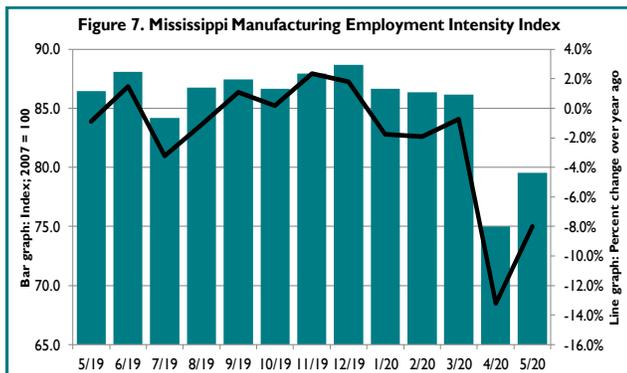
Source: U.S. Bureau of the Census



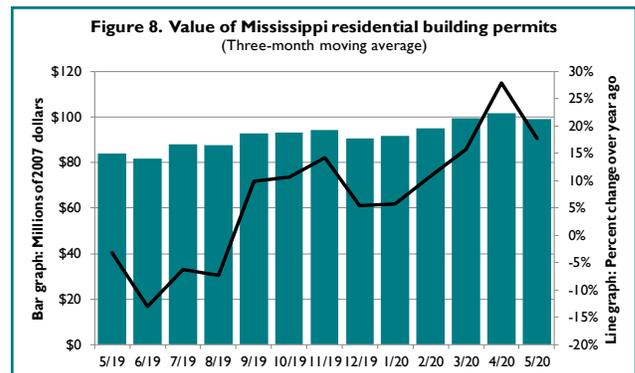
Source: U.S. Department of Labor; seasonally adjusted



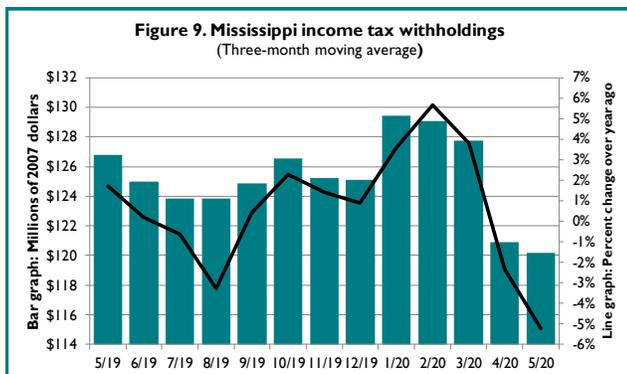
Source: Institute for Supply Management



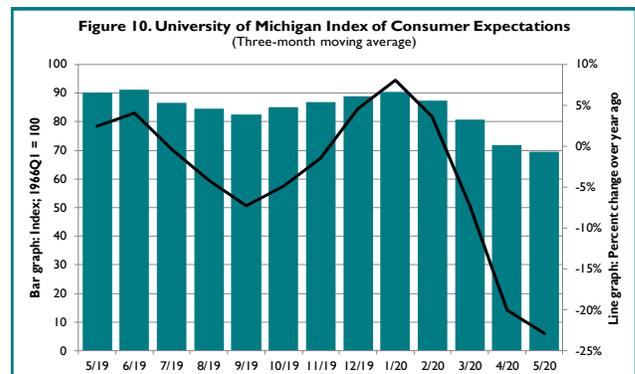
Source: URC using data from U.S. Bureau of Labor Statistics



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



Source: Mississippi Department of Revenue; seasonally adjusted



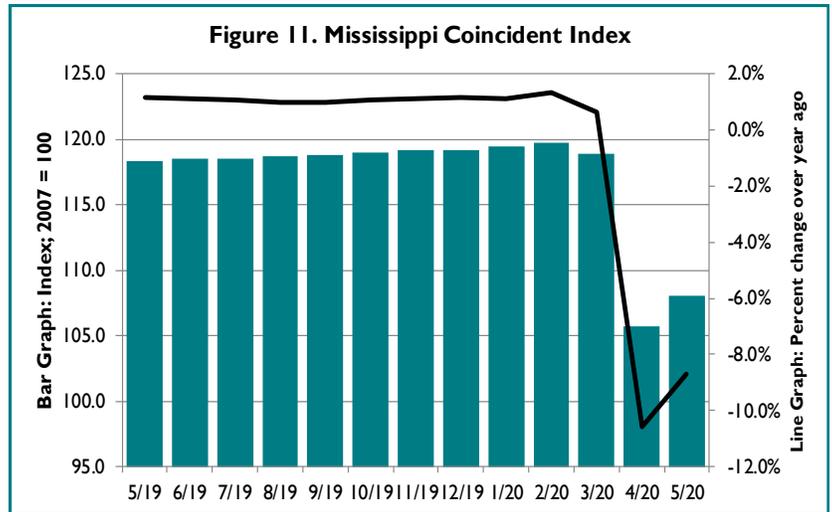
Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, MAY 2020

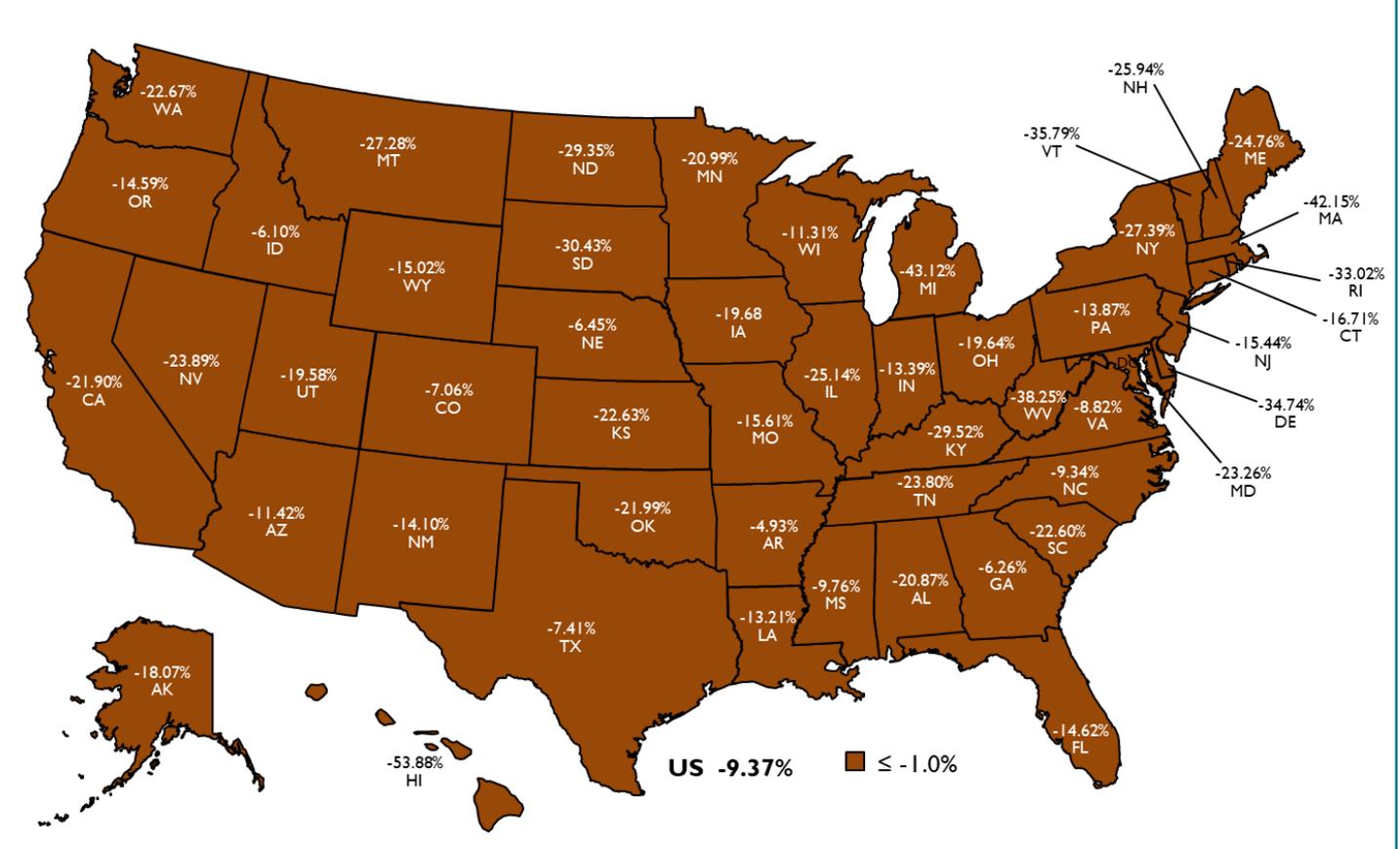
The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 2.3 percent in May according to the Federal Reserve Bank of Philadelphia. Figure 11 indicates the value of the MCI for the month remained 8.8 percent lower compared to one year ago.

As seen in Figure 12 below the values of the coincident indices were down sharply in May compared to three months prior, but on the whole were relatively better than in April. Once again the smallest decrease occurred in Arkansas as its coincident index fell 4.93 percent in May compared to February. The coincident index for Mississippi lost 12.54 percent compared to three months prior, which was the ninth-smallest decrease among all states. The largest decrease in the coincident index in May compared to February occurred in Hawaii, where the value was down a stunning 53.88 percent, which followed a decline of almost 50 percent in April compared to three months prior. (Note: In April the Federal Reserve Bank of Philadelphia announced that beginning with the January 2020 data, the income component of the coincident indices incorporates proprietors' income. The Bank stated this change was made in order "to capture some changes in capital movement outside of the labor market.")



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, May 2020



Source: Federal Reserve Bank of Philadelphia

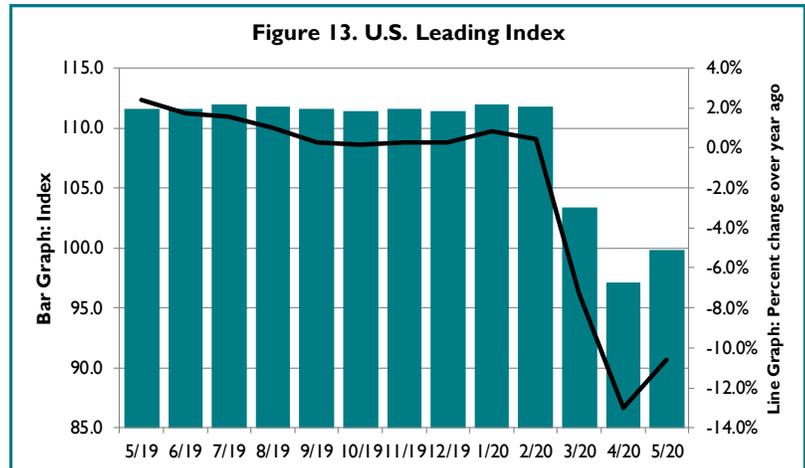
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) rose 2.8 percent in May as seen in Figure 13, its first increase since January. However, the April value was revised down further from a decrease of 4.4 percent to a decrease of 6.1 percent. The value of the LEI was 10.6 percent lower in May compared to one year ago. Seven of the ten components of the LEI made positive contributions in May. The largest contribution came from average weekly initial claims for unemployment insurance. The greatest negative contribution came from the ISM® New Orders Index. Over the last six months the value of the LEI decreased 10.6 percent.

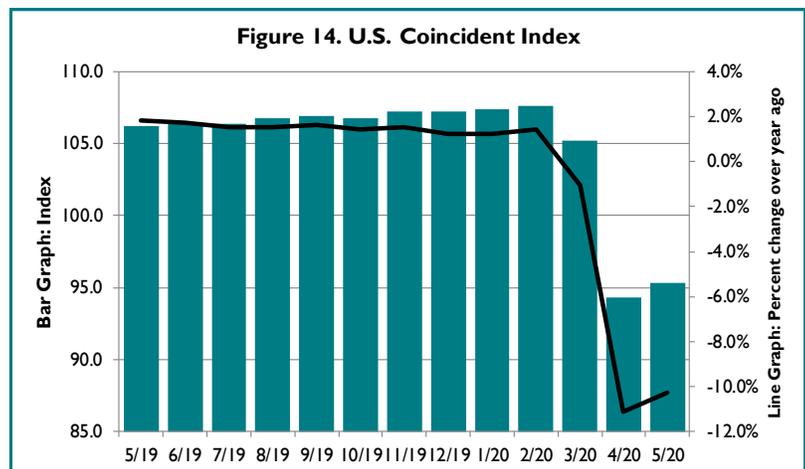
The value of the U.S. Coincident Economic Index (CEI) increased 1.1 percent in May according to The Conference Board. As seen in Figure 14 the increase was the first since February. The value of the CEI was down 10.3 percent in May compared to one year earlier. For the third consecutive month employees on nonagricultural payrolls and industrial production made positive contributions to the CEI. Over the last six months the value of the CEI decreased 10.3 percent.

Figure 15 indicates the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased 3.9 percent in May, its largest one-month increase since December 2016. Compared to one year earlier the value of the Index was 10.1 percent lower for the month. Eight of the ten components increased in May and the largest increase occurred in the “expect real sales higher” component. The two components that decreased were “current job openings” and “earnings trends.”

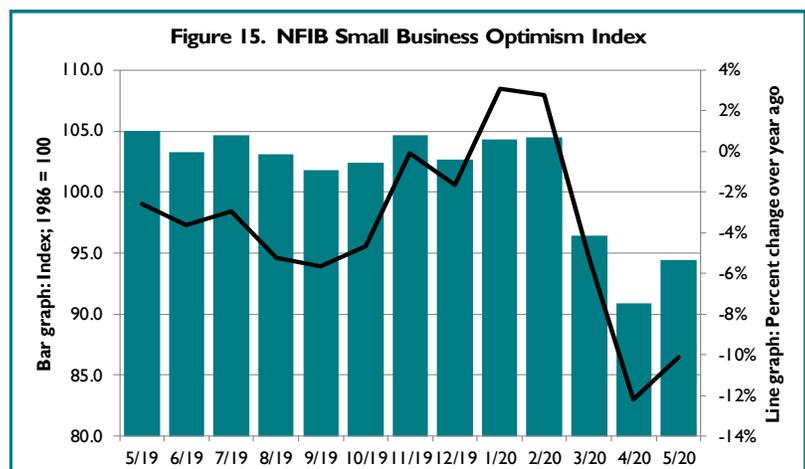
To no one’s surprise the Federal Open Market Committee (FOMC) took no action regarding the federal funds rate target at its June meeting. Furthermore, in the projections released by the FOMC, members unanimously indicated they expect no increase in rates to occur before 2022. In total, the FOMC’s statement from its June meeting represents a cautious approach to monetary policy for at least the rest of 2020 and that a majority of members appear skeptical that a “V-shaped” recovery from the pandemic-induced recession will occur.



Source: The Conference Board



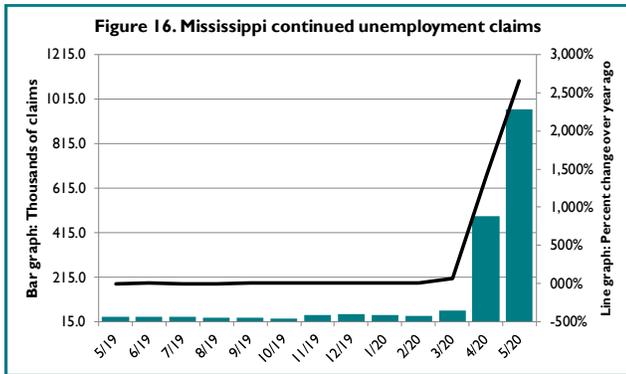
Source: The Conference Board



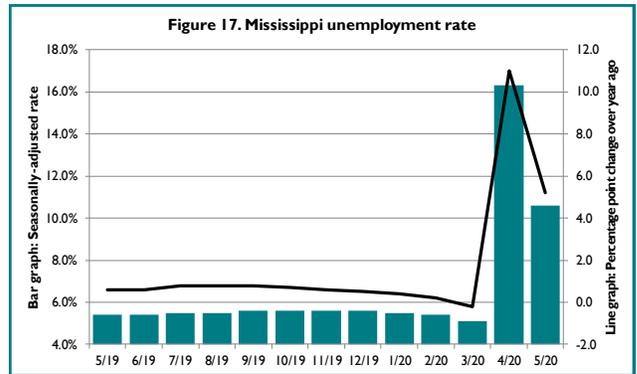
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

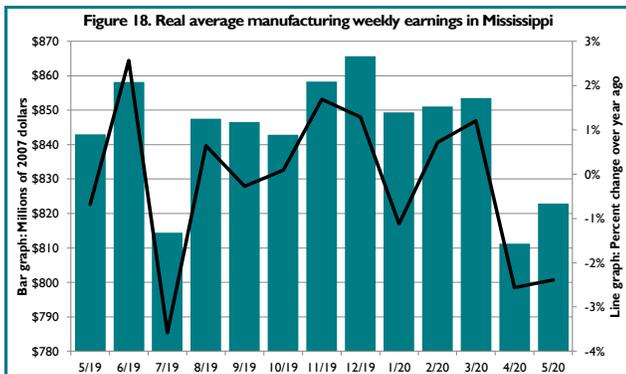
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



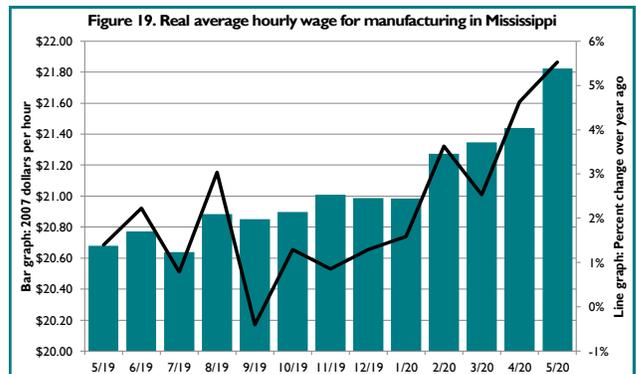
Source: U.S. Department of Labor; seasonally adjusted



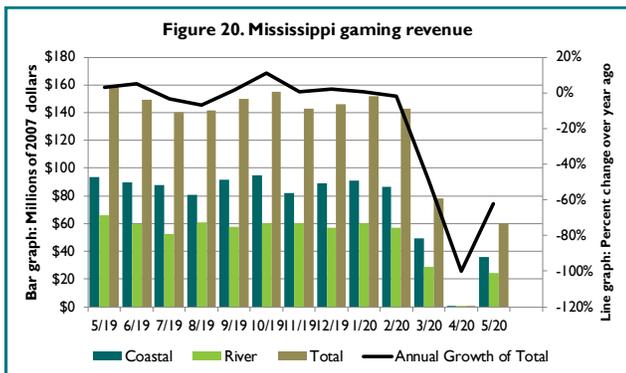
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



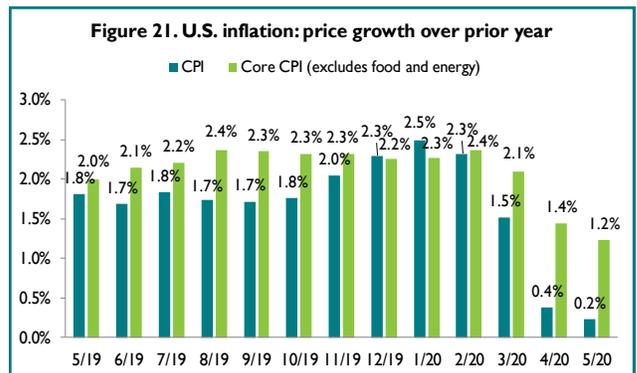
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



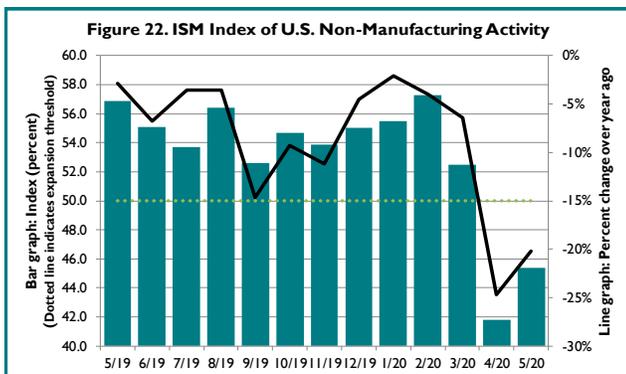
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



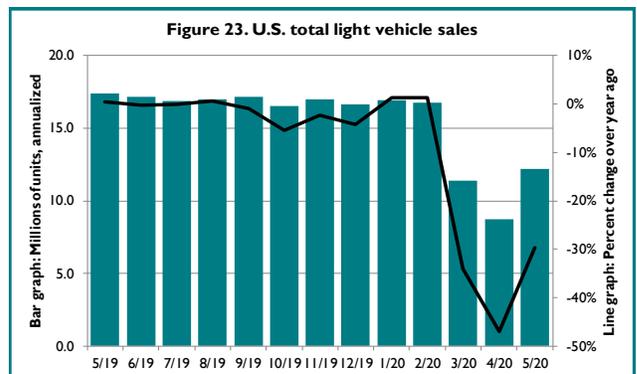
Source: Mississippi Department of Revenue; seasonally adjusted



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	April	May	Percent change from	
	2020	2020	2019	April 2020	May 2019
U.S. Leading Economic Index 2007 = 100. Source: The Conference Board	99.8	97.1	111.6	▲2.8%	▼10.6%
U.S. Coincident Economic Index 2007 = 100. Source: The Conference Board	95.3	94.3	106.2	▲1.1%	▼10.3%
Mississippi Leading Index 2007 = 100. Source: University Research Center	98.8	89.0	109.7	▲11.0%	▼9.9%
Mississippi Coincident Index 2007 = 100. Source: Federal Reserve Bank of Philadelphia	108.1	105.7	118.5	▲2.3%	▼8.8%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	60,743	174,793	4,872	▼65.2%	▲1,146.8%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	98.9	101.6	84.0	▼2.6%	▲17.8%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	120.2	120.9	126.8	▼0.6%	▼5.2%
Mississippi Manufacturing Employment Intensity Index 2007 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	79.6	75.0	86.5	▲6.1%	▼8.0%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	69.4	71.9	90.1	▼3.4%	▼22.9%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	52.6	43.1	51.7	▲22.0%	▲1.7%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	485.5	412.6	517.2	▲17.7%	▼6.1%
U.S. Consumer Price Index (CPI)	123.4	123.4	123.1	▼0.1%	▲0.2%
U.S. Core CPI (excludes food and energy) 2007 = 100. Source: URC using data from Bureau of Labor Statistics	126.0	126.0	124.4	▼0.1%	▲1.2%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	10.6%	16.3%	5.4%	▼5.7	▲5.2
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	967,962	487,424	35,103	▲98.6%	▲2,657.5%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	57.1	45.4	55.1	▲25.8%	▲3.6%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.19%	3.28%	4.02%	▼0.09	▼0.83
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	21.82	21.44	20.48	▲1.8%	▲6.6%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	822.82	811.28	842.94	▲1.4%	▼2.4%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	94.4	90.9	105.0	▲3.9%	▼10.1%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	13.05	12.34	17.18	▲5.7%	▼24.1%
Gaming revenue	60.1	0.13	159.5	▲47,894.8%	▼62.3%
Coastal counties	35.8	0.08	93.8	▲47,112.4%	▼61.8%
River counties Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	24.3	0.05	65.7	▲49,096.9%	▼63.0%

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 employment in Mississippi rose by 30,100 jobs in May, an increase of 2.9 percent. BLS also revised April employment in the state up by 3,100 jobs to a decrease of 9.9 percent. As seen in Table 2 employment in Mississippi as of May remained 7.5 percent lower compared to one year earlier, a loss of 87,100 jobs.

BLS reported employment increased in forty-six states in May, decreased in Hawaii and the District of Columbia, and was unchanged in three states. The largest increase in employment occurred in Texas, which added 237,800 jobs, followed by Pennsylvania, which added 198,300 jobs, and Florida, which added 182,900 jobs. The largest percentage increase in May occurred in Vermont where employment climbed 6.4 percent, followed by Michigan, where employment rose by 5.2 percent. Hawaii lost 6,000 jobs in May, a decrease of 1.1 percent, while employment in the District of Columbia fell by 9,100 jobs, a 1.2 percent decline.

As in April employment in all states and the District of Columbia was down in May compared to one year earlier according to BLS. Employment in California was lower by 2,267,100 jobs over the last twelve months, the most among all states. The largest percentage decrease among

all states compared to one year earlier occurred in Hawaii, where employment fell 20.1 percent over the last year.

Most sectors in Mississippi added jobs in May. The largest increase occurred in Accommodation and Food Services, which added 15,100 jobs, or a third of the jobs the sector lost in March and April. The largest percentage increase in employment among all sectors occurred in Arts and Entertainment, which rose by 31.4 percent, a gain of 1,100 jobs. However, this gain represented less than 20 percent of the jobs lost in the sector in April. In addition, the state's Construction sector added 100 jobs in May—its first increase in employment since June 2019.

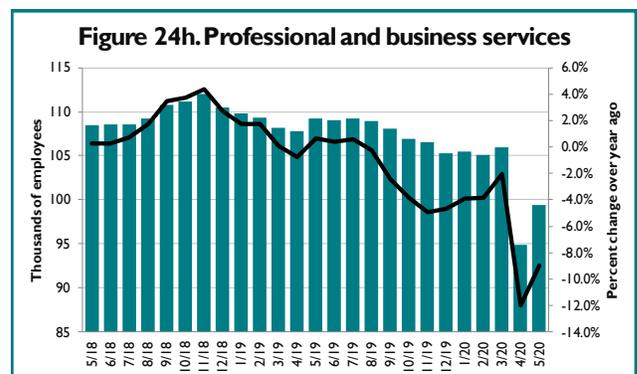
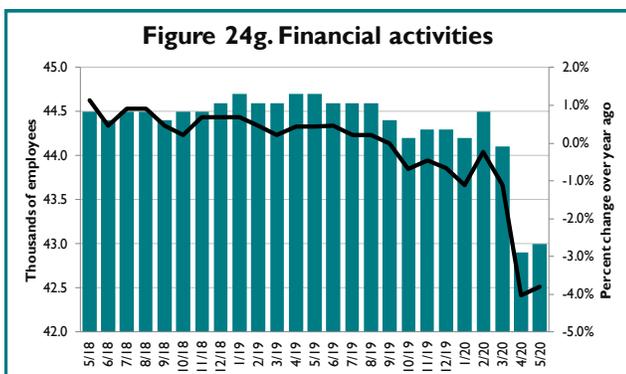
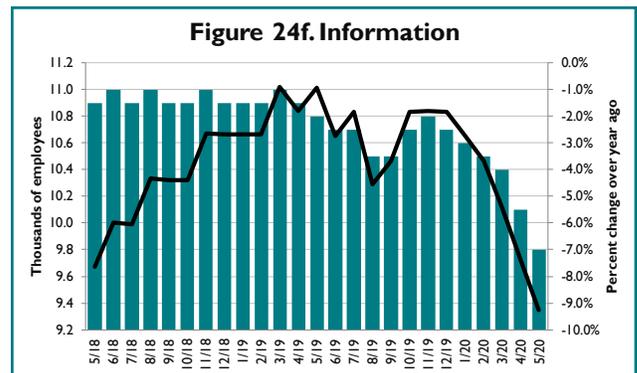
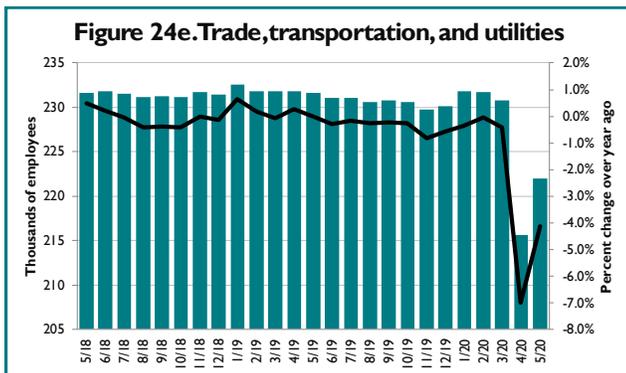
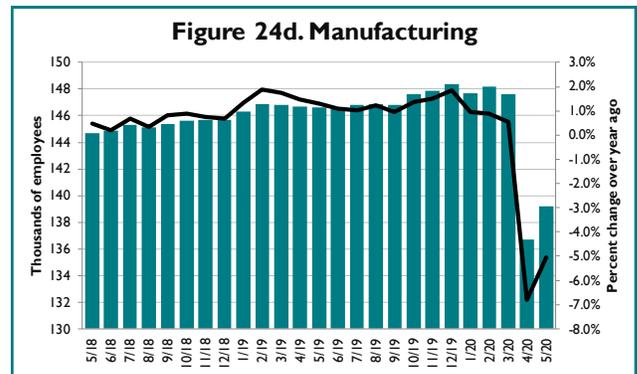
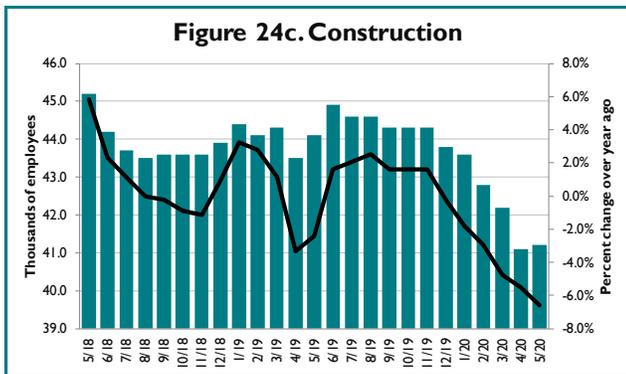
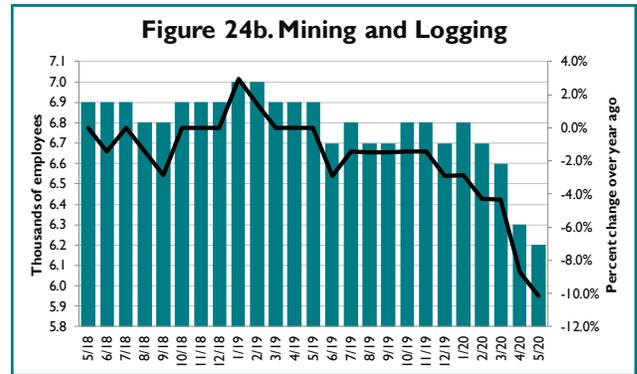
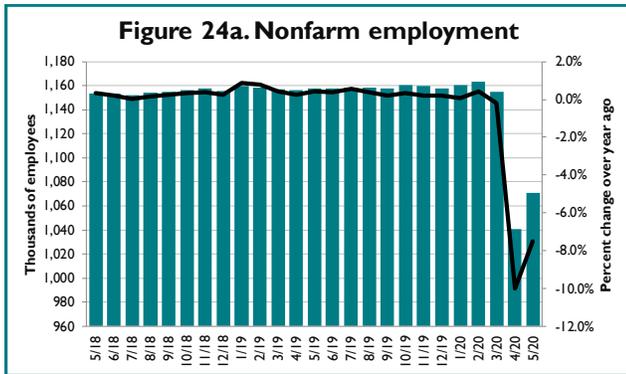
As in the previous month employment was down in all sectors in Mississippi in May compared to one year earlier. Accommodation and Food Services lost 26,400 jobs over the last twelve months, the most among all sectors and a decrease of 21.0 percent. Employment in the Health Care and Social Assistance sector remained lower by 10,000 jobs compared to one year earlier. The largest percentage decrease in employment over the last twelve months among all sectors as of May occurred in Arts and Entertainment, which declined 52.6 percent, a loss of 5,100 jobs.

Table 2. Change in Mississippi employment by industry, May 2020

	Relative share of total ^a	May 2020	April 2019	May 2019	Change from April 2020 Level	Change from April 2020 Percent	Change from May 2019 Level	Change from May 2019 Percent
Total Nonfarm	100.0%	1,070,900	1,040,800	1,158,000	▲30,100	▲2.9%	▼87,100	▼7.5%
Mining and Logging	0.6%	6,200	6,300	6,900	▼100	▼1.6%	▼700	▼10.1%
Construction	3.8%	41,200	41,100	44,100	▲100	▲0.2%	▼2,900	▼6.6%
Manufacturing	12.8%	139,200	136,700	146,600	▲2,500	▲1.8%	▼7,400	▼5.0%
Trade, Transportation & Utilities	20.0%	222,000	215,600	231,600	▲6,400	▲3.0%	▼9,600	▼4.1%
Retail Trade	11.8%	129,600	126,100	136,500	▲3,500	▲2.8%	▼6,900	▼5.1%
Information	0.9%	9,800	10,100	10,800	▼300	▼3.0%	▼1,000	▼9.3%
Financial Activities	3.9%	43,000	42,900	44,700	▲100	▲0.2%	▼1,700	▼3.8%
Services	36.9%	377,600	352,400	431,600	▲25,200	▲7.2%	▼54,000	▼12.5%
Professional & Business Services	9.2%	99,400	94,900	109,200	▲4,500	▲4.7%	▼9,800	▼9.0%
Educational Services	1.0%	10,300	10,300	12,000	◀▶0	◀▶0.0%	▼1,700	▼14.2%
Health Care and Social Assistance	11.7%	124,600	123,400	134,600	▲1,200	▲1.0%	▼10,000	▼7.4%
Arts and Entertainment	0.8%	4,600	3,500	9,700	▲1,100	▲31.4%	▼5,100	▼52.6%
Accommodation and Food Services	10.6%	99,300	84,200	125,700	▲15,100	▲17.9%	▼26,400	▼21.0%
Other Services	3.5%	39,400	36,100	40,400	▲3,300	▲9.1%	▼1,000	▼2.5%
Government	21.1%	231,900	235,700	241,700	▼3,800	▼1.6%	▼9,800	▼4.1%

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

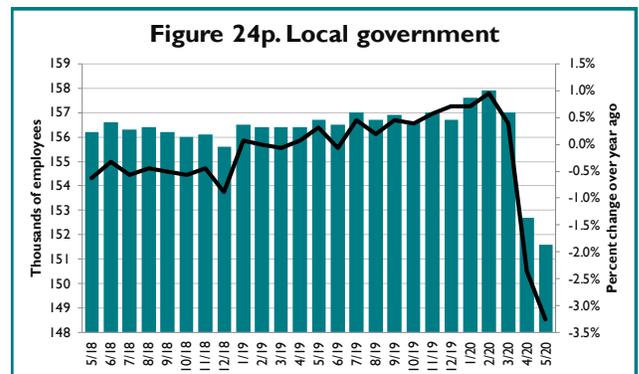
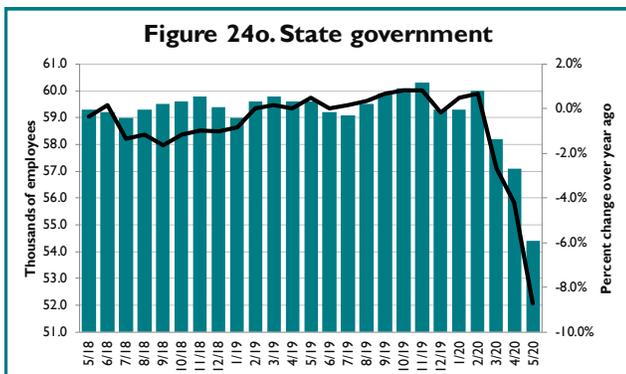
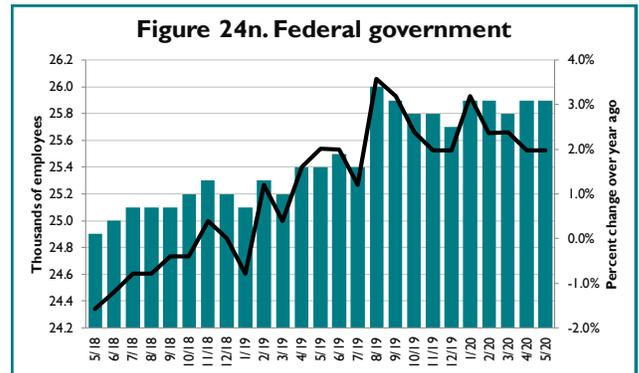
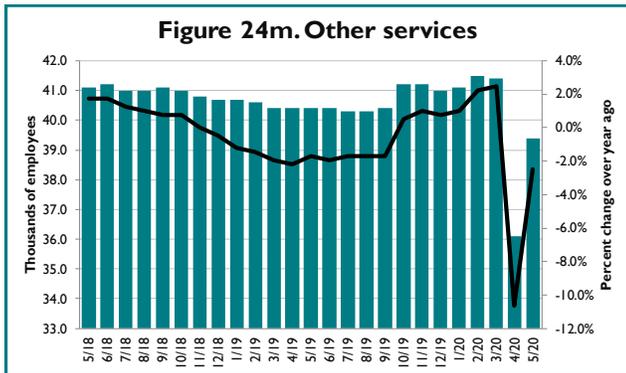
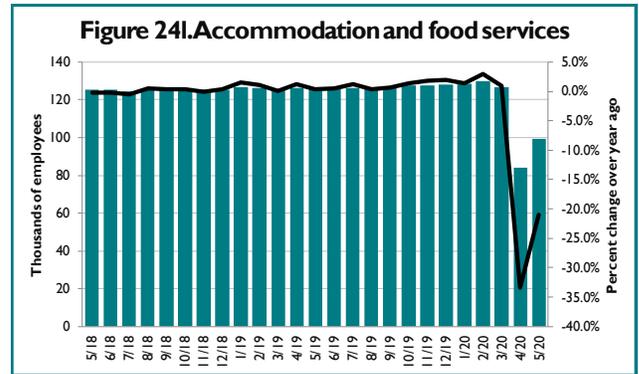
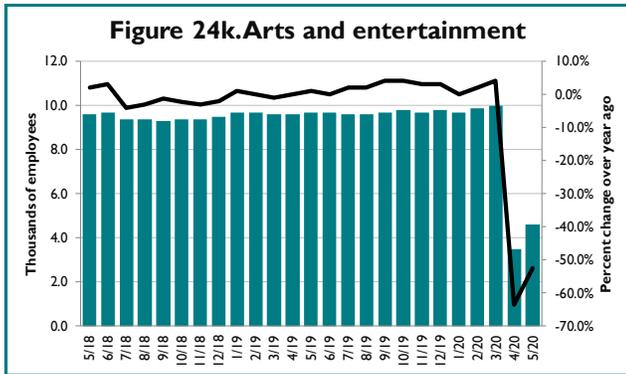
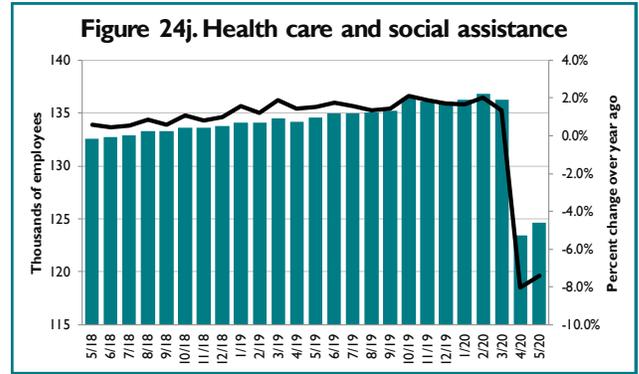
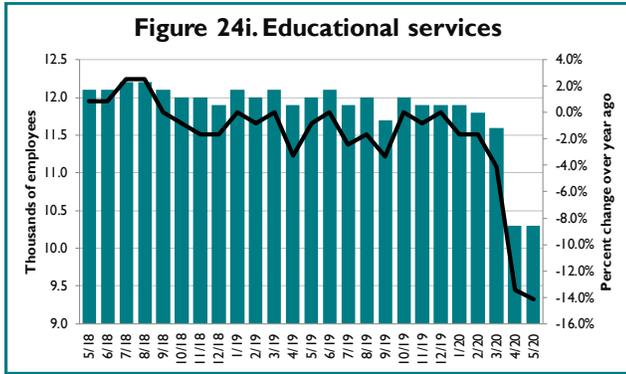
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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 2019

Employment increased in forty-three of Mississippi's eighty-two counties in 2019 according to data released by the U.S. Bureau of Labor Statistics (BLS) in May. The number of counties where employment expanded in 2019 increased from forty in 2018. The agency released data for all counties in the U.S. in 2019 and these data remain preliminary and subject to revision. BLS reported employment increased in 285 of the largest 355 counties in the U.S. in 2019 (counties with employment of at least 75,000), eleven fewer counties than in 2018. These counties accounted for 73.7 percent of all employees in the U.S. covered by the federal unemployment insurance program in 2019. The only counties in Mississippi among the 355 largest counties in the U.S. in 2019 were Harrison County and Hinds County.

The percentage change in employment by county in Mississippi for 2019 is depicted in Figure 25 on page 12. Employment in Marshall County increased 7.1 percent in 2019, the largest percentage increase in employment among all counties in the state and the third consecutive year Marshall County led all counties in employment growth. DeSoto County added 1,219 jobs in 2019, the most among all counties and an increase in employment of 1.9 percent. Rankin County closely followed with the addition of 1,185 jobs in 2019, also an increase of 1.9 percent. The next largest increase occurred in Harrison County, which added 993 jobs for the year, an increase of 1.2 percent. Employment decreased 10.1 percent in Kemper County in 2019, the largest percentage decline in employment among all counties in Mississippi; it also had the largest percentage decrease among all counties in 2018. Tunica County lost 574 jobs in 2019, the largest number of jobs lost among all counties in the state. As seen in Figure 25 the counties that lost jobs in 2019 were found in all regions of the state, although relatively fewer counties were located in the southeast region.

Compared to 2018 fewer counties in the Delta region lost jobs in 2019; Issaquena and Quitman counties experienced increases in employment of 2.6 percent and 1.8 percent, respectively. However, more counties in southwest Mississippi lost jobs in 2019 compared to 2018, including Adams, Lawrence, Lincoln, and Walthall counties.

In 2019 the counties where employment increased the most were generally found in the southeast region of the state. Hancock, Pearl River, Perry, and Stone counties all experienced increases in employment of more than 2.0 percent. Jasper, Jones, and Newton counties also experienced increases in employment of at least 2.0 percent. Other counties with increases of more than 2.0 percent include Marshall County as noted above, as well as Amite, Issaquena, and Simpson counties. A total of fourteen counties in the state experienced increases in employment of at least 2.0 percent in 2019 compared to ten such counties in 2018.

In addition to the data on county employment BLS released information on nominal average weekly wages in 2019. The average weekly wage for the U.S. as a whole in 2019 was \$1,139, an increase of 3.5 percent over 2018. In Mississippi the average weekly wage in 2019 equaled \$783, which marked an increase of 2.5 percent from the previous year. This wage ranked fiftieth among all states. The average weekly wage in Mississippi increased in seventy-seven counties and decreased in five counties. In 2019 the highest average weekly wage among all counties in the state was the \$1,046 in Claiborne County. The next-highest average weekly wage was the \$983 in Jackson County. The lowest average weekly wage was the \$514 in Issaquena County, followed by the \$543 in Simpson County.

The largest percentage increase in the average weekly wage in 2019 occurred in Amite County, where wages rose 6.7 percent, an increase of \$46 per week over the previous year. The next largest increase in wages occurred in Neshoba County, where wages rose 6.4 percent, an increase of \$44 per week over 2018. The third-largest percentage increase in average weekly wages was the 6.3 percent increase in Jefferson Davis County, a gain of \$40 per week. The largest percentage decrease in the average weekly wage occurred in Kemper County, where wages plunged 14.5 percent in

