



ECONOMY AT A GLANCE

Inside this issue:

Mississippi Leading Index, May 2022	2
Mississippi Coincident Index, May 2022	4
National Trends	5
Mississippi Employment Trends	8
Change in Real GDP by State in the First Quarter of 2022	11

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

Follow the University Research Center on Twitter:
[@MississippiURC](https://twitter.com/MississippiURC)

Corey Miller
State Economist
3825 Ridgewood Road
Jackson, MS 39211
cmiller@mississippi.edu
www.mississippi.edu/urc

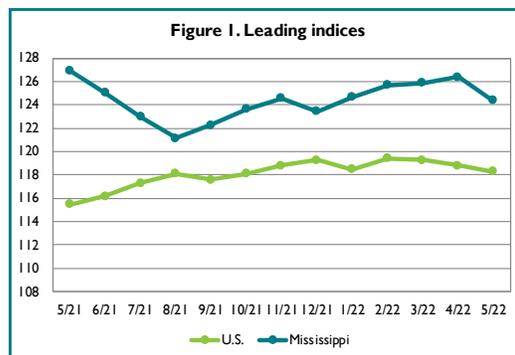
In May the value of the Mississippi Leading Index (MLI) decreased 1.6 percent as seen in Figure 1. Compared to one year earlier the value of the MLI for the month was 2.0 percent lower.

In May the value of the Mississippi Coincident Index (MCI) rose 0.3 percent as seen in Figure 2. The value for the month was up 3.8 percent compared to one year ago.

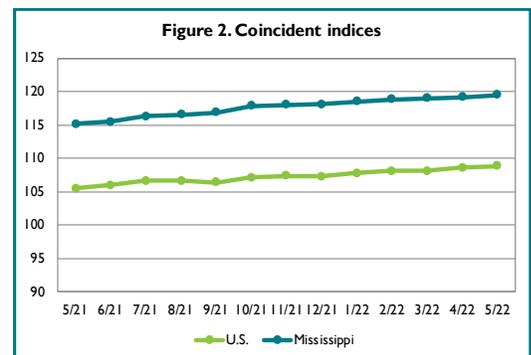
U.S. real GDP in the first quarter of 2022 decreased 1.6 percent at a seasonally-adjusted, annualized rate according to the third estimate of the U.S. Bureau of Economic Analysis (BEA). Compared to BEA's second estimate this value represents a decrease of 0.1 percentage point. The third estimate reflected downward revisions to consumer spending and federal government spending that were mostly offset by upward revisions to private inventory investment, nonresidential fixed

investment, residential fixed investment, net exports, and state and local government spending. As in the previous estimates net exports was a primary contributor to the contraction in real GDP in the first quarter.

The MLI had its worst month in almost a year in May and the widespread weakness in the components signals an apparent slowing of the Mississippi economy. Most notable was the upturn in initial unemployment claims for the first time in nine months. Nevertheless, the state's economy added jobs in May and the both the state and national labor markets remain tight. Consumers feel very negative about the U.S. economy primarily because of the high level of inflation. Little doubt remains the state and national economies are slowing, but an outright recession is not yet a certainty.



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 2012. 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 2012.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, MAY 2022**

Figure 3 indicates the value of the **Mississippi Leading Index of Economic Indicators** (MLI) slumped 1.6 percent in May, its largest monthly decrease since July 2021. The value of the MLI was 2.0 percent lower in May compared to one year earlier, the first year-over-year decline in the MLI since February 2021. The value of the MLI decreased 0.1 percent over the last six months.

Six of the seven components of the MLI decreased in value in May. The only positive contribution came from the Mississippi Manufacturing Employment Intensity Index. Each component is discussed below in order of smallest to largest contribution.

The value of the **ISM Index of U.S. Manufacturing Activity** tumbled 5.5 percent in June as Figure 4 indicates. The value for the month was down 12.5 percent compared to one year earlier, the largest year-over-year decrease since May 2020. The New Orders component fell below the expansion threshold of 50, also for the first time since May 2020. The Employment component decreased for the third consecutive month. The Production and Inventories components both edged up slightly. The prices paid index decreased for the third consecutive month.

The **University of Michigan Index of Consumer Expectations** (three-month moving average) lost 4.0 percent of its value in May as seen in Figure 5, the sixth consecutive monthly decrease. Compared to one year earlier the value in May was 32.6 percent lower. As in previous months higher inflation and specifically concerns about higher gasoline prices weighed on consumers' outlooks, as well as a sliding stock market and the Russian conflict with Ukraine. The continued declines in recent months demonstrate how significant financial components are to the Index. Short-term (one-year) inflation expectations were unchanged in the most recent survey while long-term (five-year) inflation expectations edged slightly higher.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi jumped 17.3 percent as seen in Figure 6—the first monthly increase since August 2021. The May value was down 38.3 percent compared to one year earlier. In contrast, the number of seasonally-adjusted continued unemployment claims in Mississippi fell 7.7 percent in May as seen in Figure 16 on page 6, which marked the sixth consecutive monthly decrease. Compared to one year earlier the number of continued unemployment claims in the state in May was down 83.5 per-

cent. The seasonally-adjusted unemployment rate in Mississippi declined 0.1 percentage point in May to 4.0 percent seen in Figure 17 on page 6. Compared to one year earlier the rate was 2.0 percentage points lower. The 4.0 percent unemployment rate in May was yet another series low for Mississippi in the BLS data that go back to 1976.

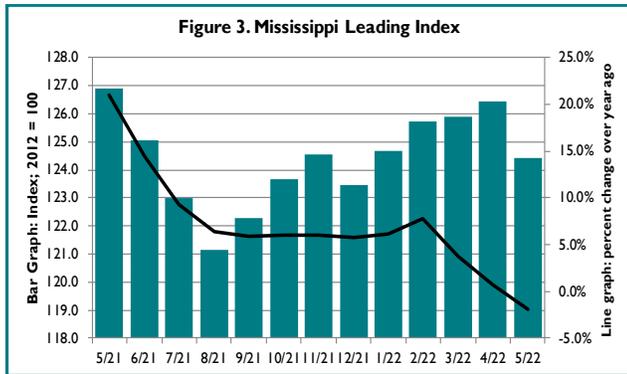
The value of **Mississippi income tax withholdings** (three-month moving average) fell 1.3 percent in May as seen in Figure 7. The decline for the month was the largest since October 2021. Compared to one year earlier the value of withholdings in May was up 3.3 percent. The value of income tax withholdings in Mississippi rose 1.1 percent over the last six months.

Figure 8 indicates the value of **Mississippi residential building permits** (three-month moving average) sank 4.6 percent in May to its lowest level since last September. Compared to one year earlier the value for the month was 12.2 percent lower, also the largest year-over-year decrease since last September. Similarly, the number of units in the state fell 6.4 percent in May, the first decrease since January. Compared to one year earlier the number of units in the state for the month was also down 6.4 percent. The number of privately-owned housing units authorized by building permits in the U.S. decreased 7.0 percent in May from the revised April rate. The number of units in the U.S. in May was 0.2 percent higher compared to one year earlier.

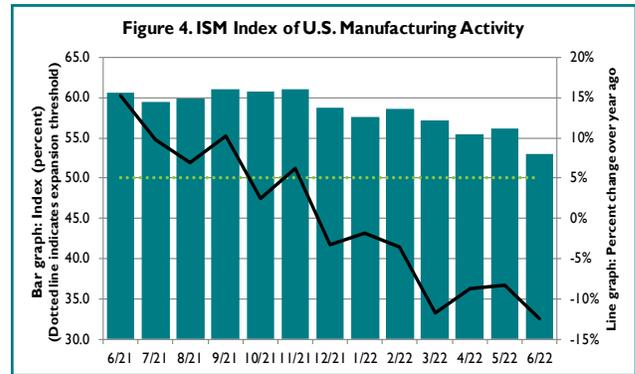
U.S. retail sales fell in value by 0.3 percent in May as seen in Figure 9, the first decrease since December. Moreover, April sales were revised down to an increase of 0.7 percent and March sales were revised down to an increase of 1.2 percent. Compared to one year earlier the value of May sales was 8.1 percent higher. A relatively large decline in sales of Motor Vehicles and Parts pulled down overall sales in May, as sales excluding automobiles were up 0.5 percent for the month. Sales at gasoline stations saw the largest increase among all segments for the month. The only other segments that declined in sales in May were Furniture and Home Furnishings, Electronics and Appliances, and Nonstore Retailers.

As seen in Figure 10 the value of the **Mississippi Manufacturing Employment Intensity Index** increased 2.8 percent in May, which equaled its largest monthly increase since November. Compared to one year earlier the value in May was up 7.8 percent. Both Manufacturing employment in the state and the average weekly hours of production employees in Mississippi increased in May.

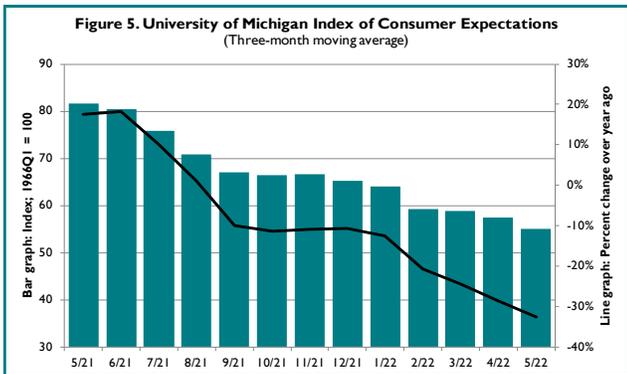
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



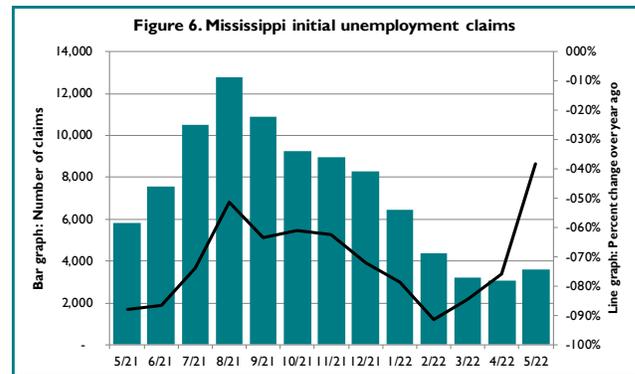
Source: University Research Center



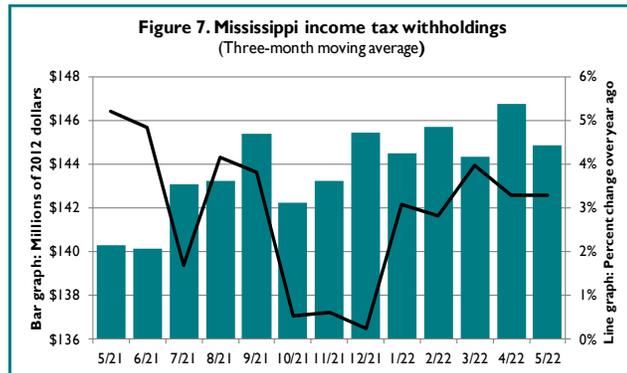
Source: Institute for Supply Management



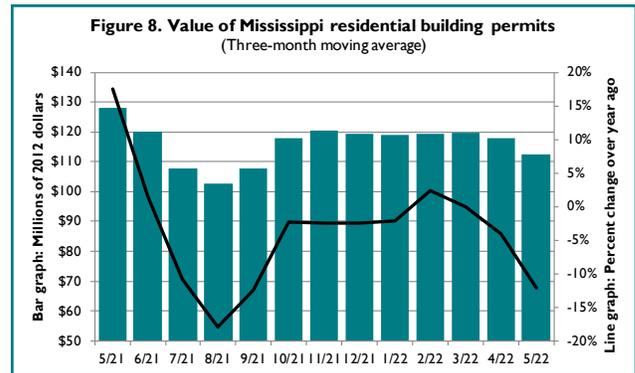
Source: Thomson Reuters/University of Michigan Surveys of Consumers



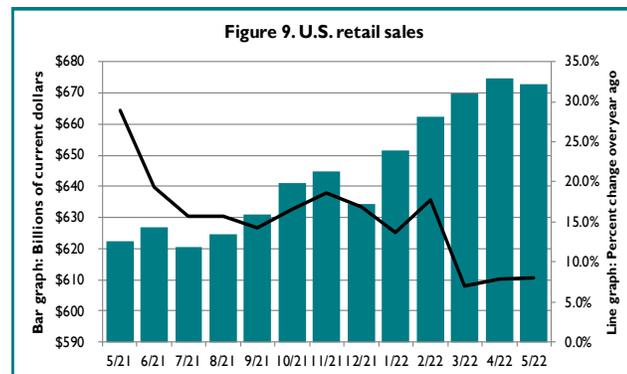
Source: U.S. Department of Labor; seasonally adjusted



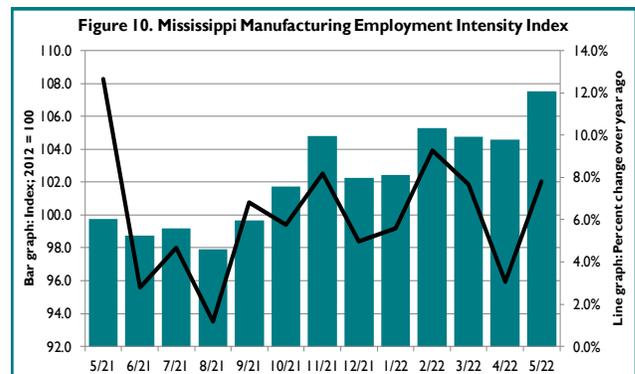
Source: Mississippi Department of Revenue; seasonally adjusted



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



Source: U.S. Bureau of the Census



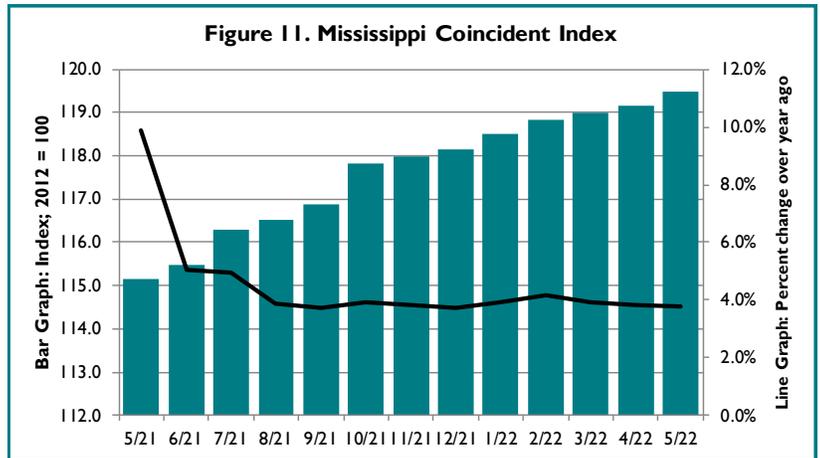
Source: URC using data from U.S. Bureau of Labor Statistics

MISSISSIPPI'S BUSINESS

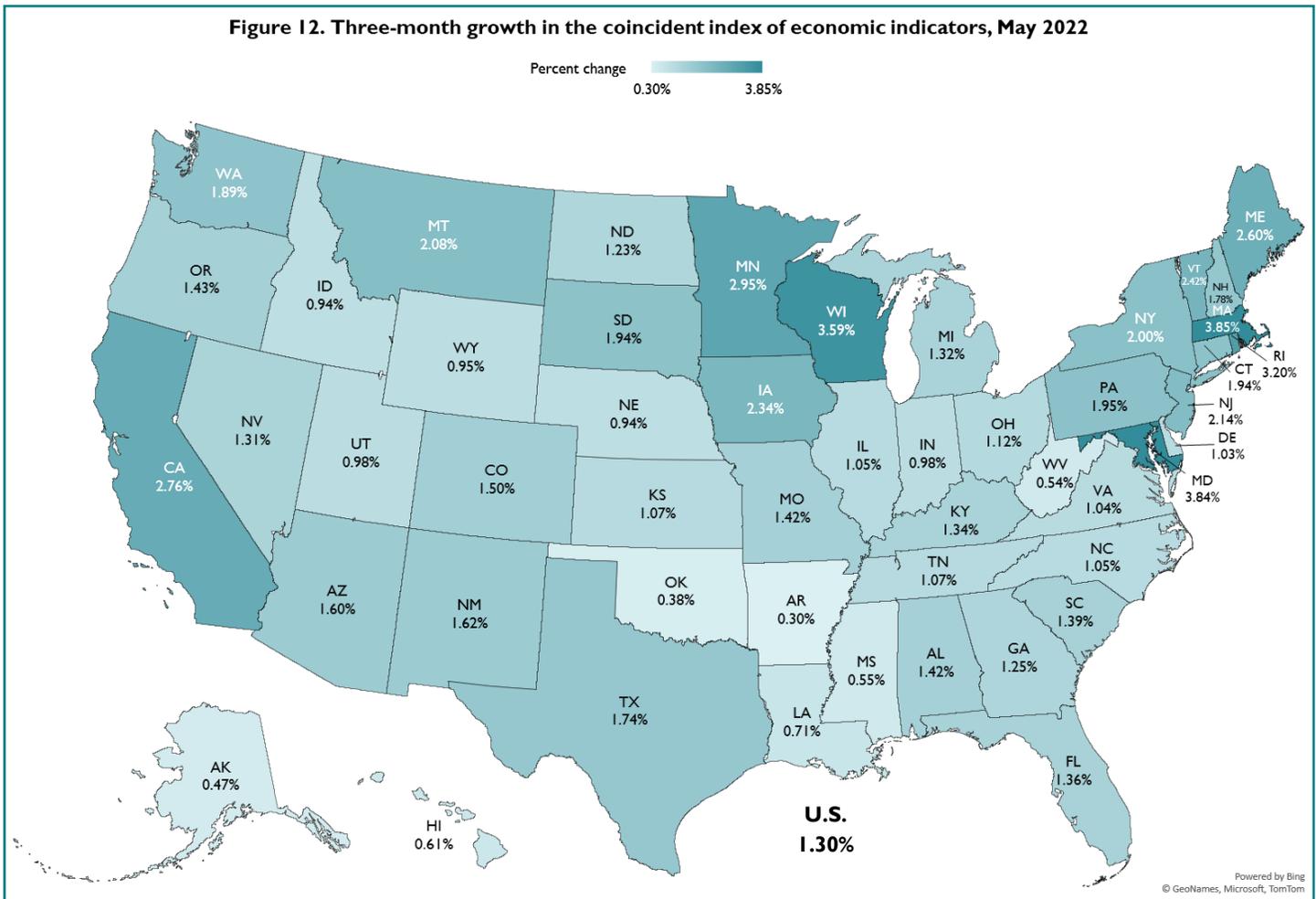
MISSISSIPPI COINCIDENT INDEX, MAY 2022

In May the Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.3 percent as seen in Figure 11. Compared to one year earlier the value of the MCI in May was up 3.8 percent.

As Figure 12 indicates the values of the coincident indices increased in all fifty states in May compared to three months earlier. The values of the coincident indices increased more than 3.8 percent in Massachusetts and Maryland, the largest increases among all states. In ten states the increases in the values of coincident indices ranged from 2.0 percent up to 3.6 percent in May compared to February. The values of the coincident indices increased between 1.0 percent and 2.0 percent over the last three months in twenty-seven states. In twelve states including Mississippi the values of the coincident indices increased less than 1.0 percent in May compared to February. The increase in the coincident index for Arkansas over the last three months was the smallest among all states.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

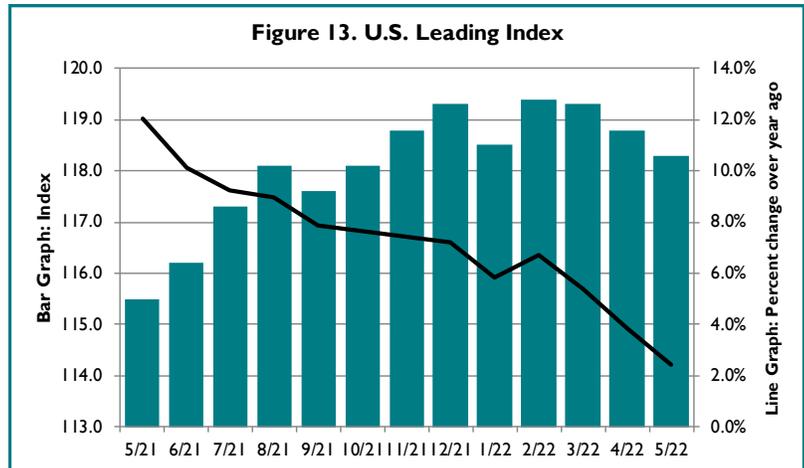
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.4 percent in May as seen in Figure 13—the third consecutive monthly decrease. The value of the LEI for the month was 2.4 percent higher compared to one year earlier. Four of the ten components of the LEI made negative contributions in May. The largest negative contribution came from the S&P 500® Index of Stock Prices. Over the last six months the value of the LEI fell 0.4 percent.

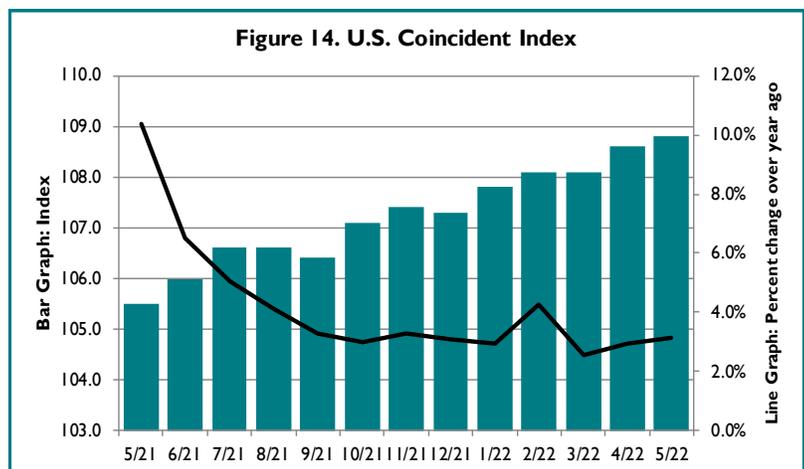
Figure 14 indicates the value of the U.S. Coincident Economic Index (CEI) increased 0.2 percent in May according to The Conference Board. The value of the CEI for the month was 3.1 percent higher compared to one year earlier. Three of the four components of the CEI made positive contributions for the month, with the largest contribution from nonfarm payrolls. The value of the CEI rose 1.3 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index edged slightly lower in May. As seen in Figure 15 the value decreased 0.1 percent. The value of the Index in May was 6.5 percent lower compared to one year earlier. Four of the ten components of the Index decreased for the month and the largest decrease was in “earnings trends.” Most notable was the “expect economy to improve” component was negative for a majority of respondents. The “plans to raise prices” component ticked up in May after a decrease the previous month.

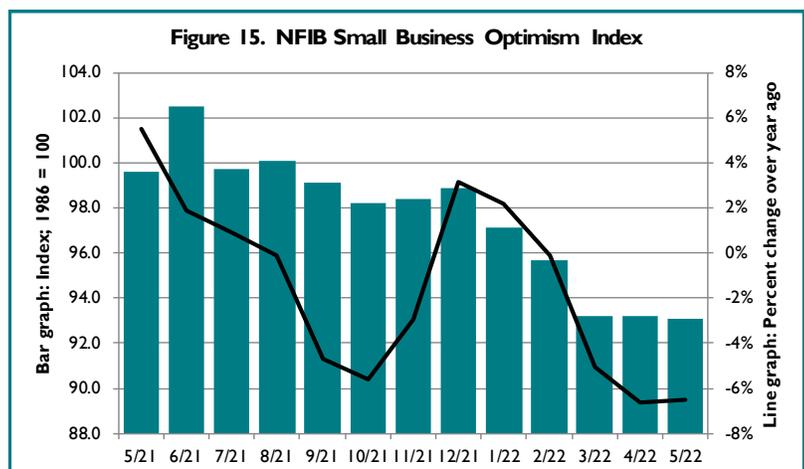
At the June meeting of the Federal Open Market Committee (FOMC) members voted 10-1 to increase the federal funds rate target by 75 basis points, the largest single increase in the target since 1994. For several weeks the FOMC had been expected to increase the target by 50 basis points in both June and July until the release of the Consumer Price Index (CPI) for May (see page 6). As of May the CPI increased 8.6 percent over the last twelve months, the largest such increase since December 1981. The move placed the benchmark federal funds rate in the range of 1.5 to 1.75 percent. Following the meeting Federal Reserve Chair Jerome Powell stated, “. . . either a 50-basis-point or a 75-basis-point increase seems most likely at our next meeting” [in July].



Source: The Conference Board



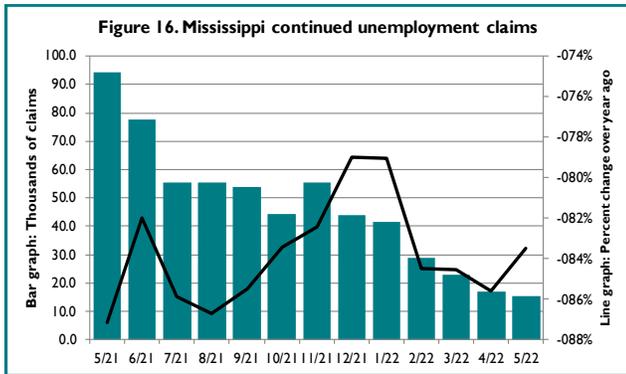
Source: The Conference Board



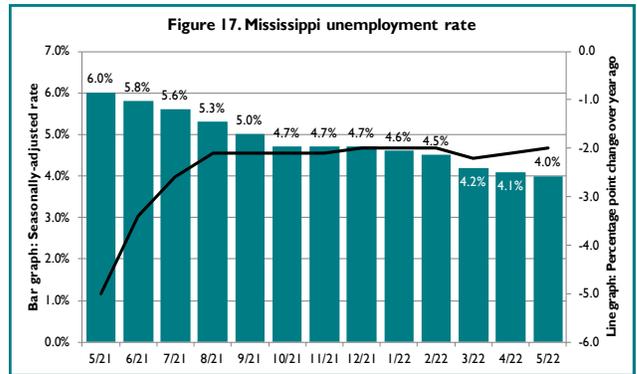
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

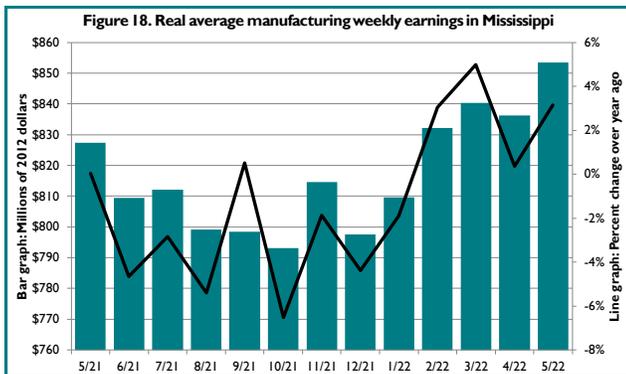
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



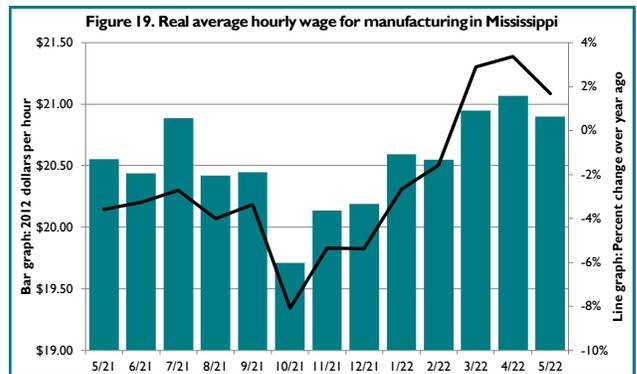
Source: U.S. Department of Labor; seasonally adjusted



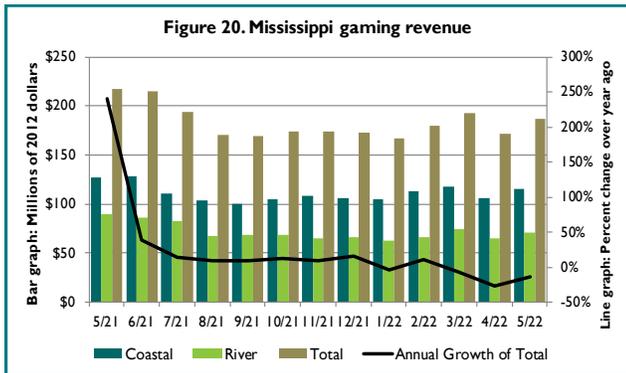
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



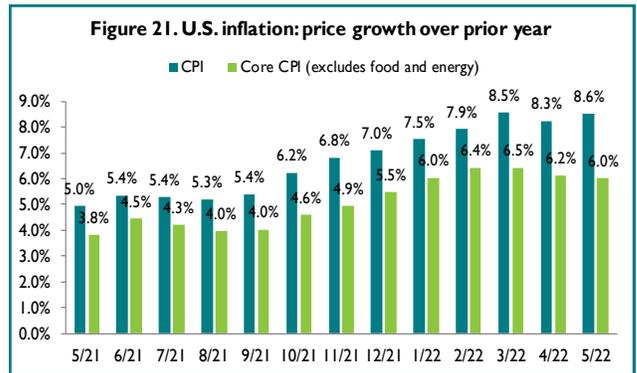
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



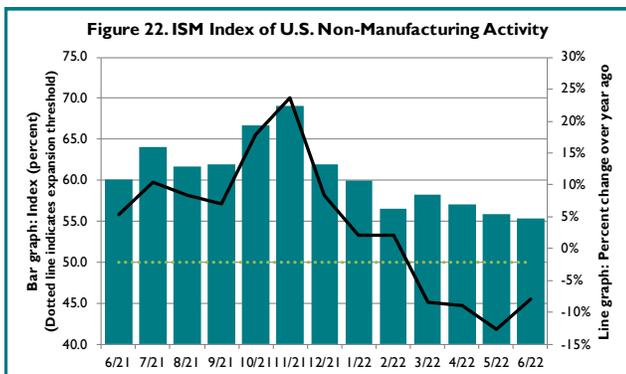
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



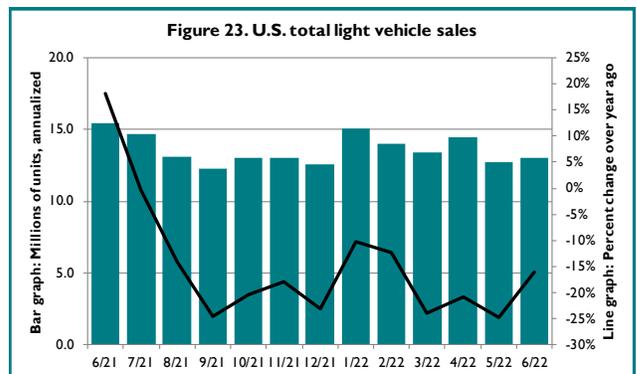
Source: Mississippi Department of Revenue; seasonally adjusted



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	
	2022	2022	2021	April 2022	May 2021
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	118.3	118.8	115.5	▼0.4%	▲2.4%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	108.8	108.6	105.5	▲0.2%	▲3.1%
Mississippi Leading Index 2012 = 100. Source: University Research Center	124.4	126.4	126.9	▼1.6%	▼2.0%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	119.5	119.2	115.1	▲0.3%	▲3.8%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	3,600	3,070	5,834	▲17.3%	▼38.3%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	112.5	117.9	128.1	▼4.6%	▼12.2%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	144.9	146.8	140.3	▼1.3%	▲3.3%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	107.5	104.6	99.7	▲2.8%	▲7.8%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	55.1	57.3	81.7	▼4.0%	▼32.6%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	53.0	56.1	60.6	▼5.5%	▼12.5%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	672.9	674.7	622.5	▼0.3%	▲8.1%
U.S. Consumer Price Index (CPI)	127.0	125.7	117.0	▲1.0%	▲8.6%
U.S. Core CPI (excludes food and energy) 2012 = 100. Source: URC using data from Bureau of Labor Statistics	127.2	126.4	120.0	▲0.6%	▲6.0%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.0%	4.1%	6.0%	▼0.1	▼2.0
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	15,558	16,856	94,191	▼7.7%	▼83.5%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	55.3	55.9	60.1	▼1.1%	▼8.0%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	5.12%	4.81%	2.90%	▲0.31	▲2.22
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	20.90	21.07	20.55	▼0.8%	▲1.7%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	853.47	836.21	827.44	▲2.1%	▲3.1%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	93.1	93.2	99.6	▼0.1%	▼6.5%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	13.00	12.71	15.47	▲2.3%	▼16.0%
Gaming revenue	186.45	171.23	217.8	▲8.9%	▼14.4%
Coastal counties	115.97	105.69	127.6	▲9.7%	▼9.1%
River counties Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue	70.49	65.54	90.2	▲7.5%	▼21.9%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi rose by 1,300 jobs in May according to the U.S. Bureau of Labor Statistics (BLS), an increase of 0.1 percent. Compared to one year earlier, total nonfarm employment in Mississippi in May was up by 29,100 jobs, an increase of 2.6 percent.

According to BLS total nonfarm employment increased in seven states in May, decreased in three states, and was essentially unchanged in forty states and the District of Columbia. The largest increase in employment occurred in Texas, which added 74,200 jobs, and the largest percentage increase among all states was the 1.3 percent gain in West Virginia. The largest decrease in employment in May occurred in Michigan, which lost 14,600 jobs, while the largest percentage decrease in employment was the 1.4 percent decline in Alaska.

Over the past twelve months as of May employment increased in forty-eight states and the District of Columbia and was essentially unchanged in Kansas and Wyoming. California added 869,300 jobs over the last twelve months, the most among all states. The largest percentage increase in employment among all states over the last twelve months again occurred in Nevada, where employment rose 7.1 percent.

The largest increase in employment in May among all sectors in Mississippi occurred in Professional and Business Services, which added 3,100 jobs for the month. The sector also had the largest percentage increase in employment among all sectors in the state of 2.7 percent. The Trade, Transportation, and Utilities sector lost 2,300 jobs in May, the largest decrease in employment among all sectors in the state. The largest percentage decreases in employment for the month among all sectors occurred in Trade, Transportation, and Utilities; Information; and Arts and Entertainment as employment fell 1.0 percent in each of these sectors. Employment also fell 1.7 percent in the Retail Trade subsector.

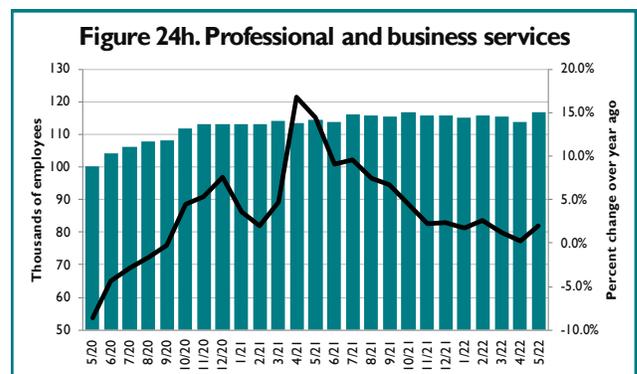
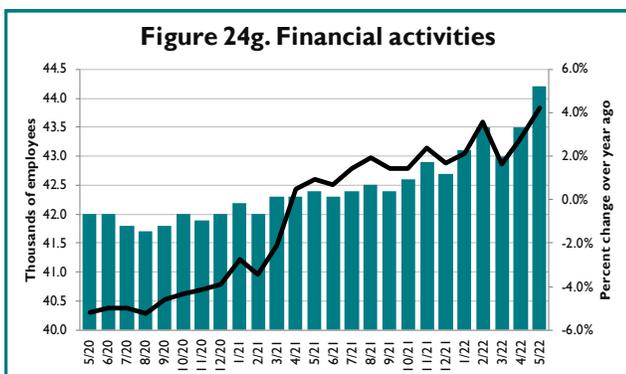
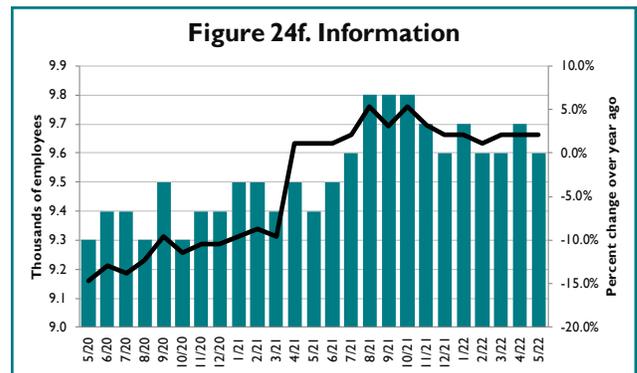
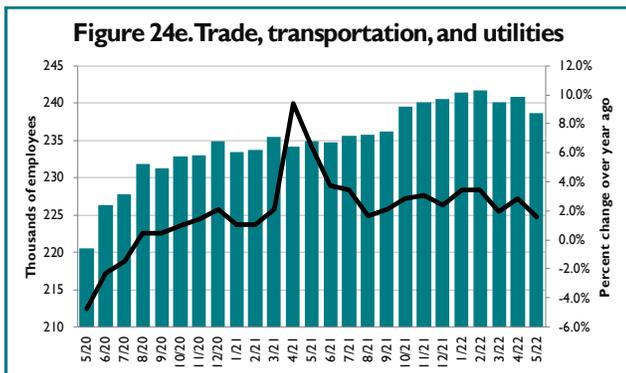
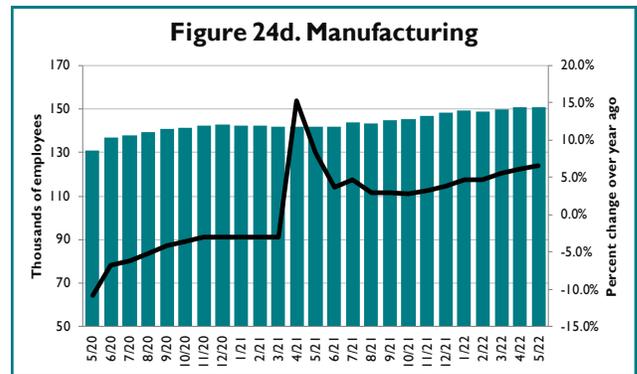
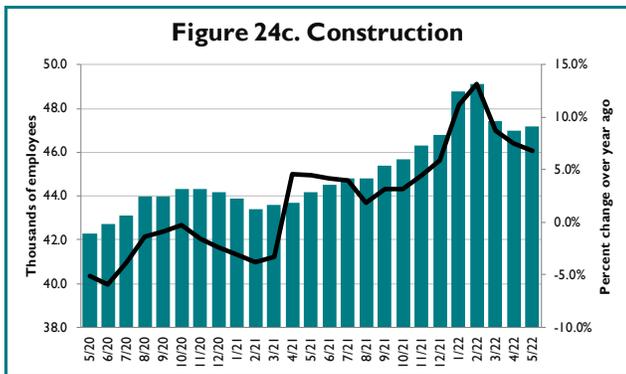
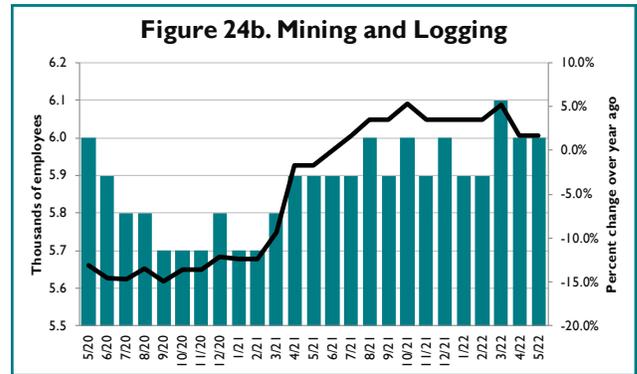
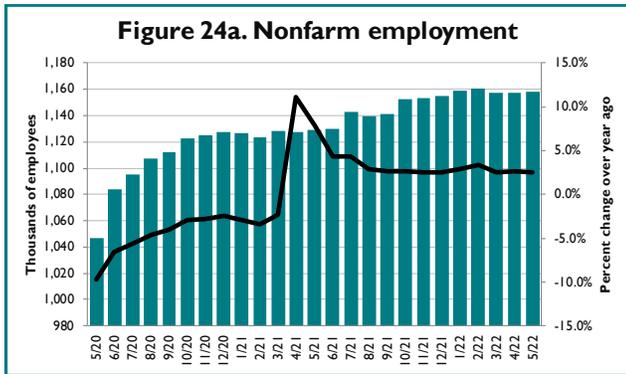
The largest increase in employment among all sectors in the state over the last twelve months as of May was the 9,300 jobs added in Manufacturing. The largest percentage increase among all sectors over the last twelve months was the 12.9 percent gain in Arts and Entertainment. The Health Care and Social Assistance sector lost 1,400 jobs over the past twelve months, the most among all sectors, which was also the largest percentage decrease in employment among all sectors of 1.1 percent. The Retail Trade subsector also lost 1,500 jobs over the last twelve months as of May, a 1.1 percent decrease.

Table 2. Change in Mississippi employment by industry, May 2022

	Relative share of total ^a	May	April	May	Change from April 2022		Change from May 2021	
		2022	2022	2021	Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,158,300	1,157,000	1,129,200	▲1,300	▲0.1%	▲29,100	▲2.6%
Mining and Logging	0.5%	6,000	6,000	5,900	◀▶0	◀▶0.0%	▲100	▲1.7%
Construction	4.0%	47,200	47,000	44,200	▲200	▲0.4%	▲3,000	▲6.8%
Manufacturing	12.8%	151,000	150,800	141,700	▲200	▲0.1%	▲9,300	▲6.6%
Trade, Transportation & Utilities	20.8%	238,600	240,900	234,900	▼2,300	▼1.0%	▲3,700	▲1.6%
Retail Trade	11.9%	135,500	137,800	137,000	▼2,300	▼1.7%	▼1,500	▼1.1%
Information	0.8%	9,600	9,700	9,400	▼100	▼1.0%	▲200	▲2.1%
Financial Activities	3.7%	44,200	43,500	42,400	▲700	▲1.6%	▲1,800	▲4.2%
Services	36.9%	427,400	424,900	417,000	▲2,500	▲0.6%	▲10,400	▲2.5%
Professional & Business Services	10.1%	116,800	113,700	114,600	▲3,100	▲2.7%	▲2,200	▲1.9%
Educational Services	1.1%	12,500	12,300	11,800	▲200	▲1.6%	▲700	▲5.9%
Health Care and Social Assistance	11.1%	126,800	127,100	128,200	▼300	▼0.2%	▼1,400	▼1.1%
Arts and Entertainment	0.8%	9,600	9,700	8,500	▼100	▼1.0%	▲1,100	▲12.9%
Accommodation and Food Services	10.5%	123,200	123,500	115,100	▼300	▼0.2%	▲8,100	▲7.0%
Other Services	3.4%	38,500	38,600	38,800	▼100	▼0.3%	▼300	▼0.8%
Government	20.4%	234,300	234,200	233,700	▲100	◀▶0.0%	▲600	▲0.3%

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

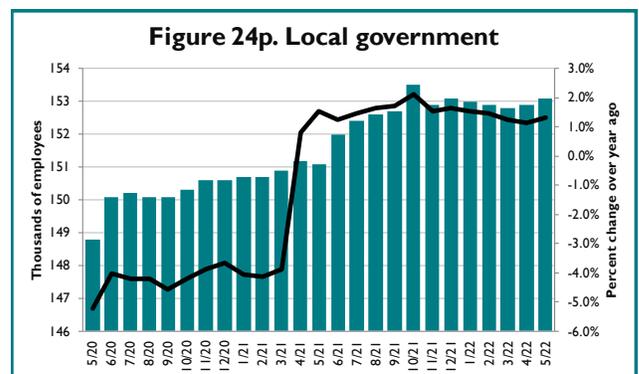
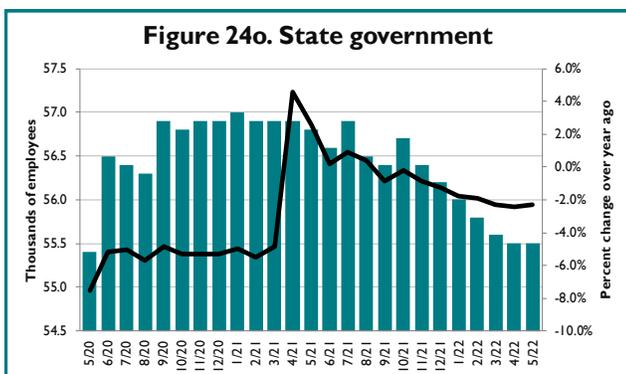
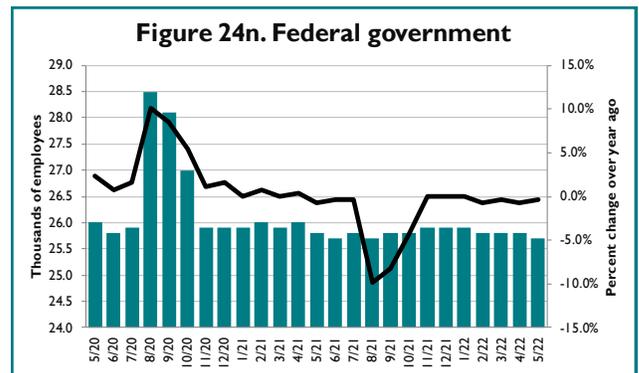
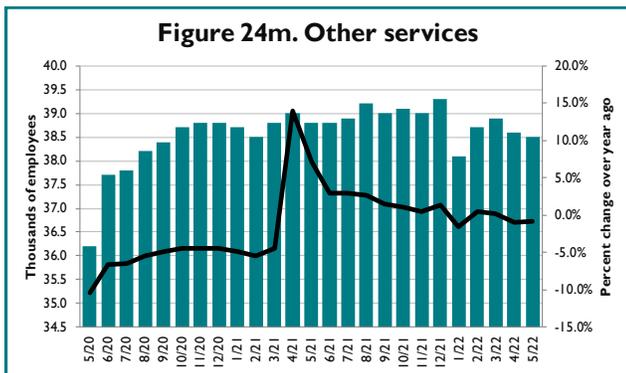
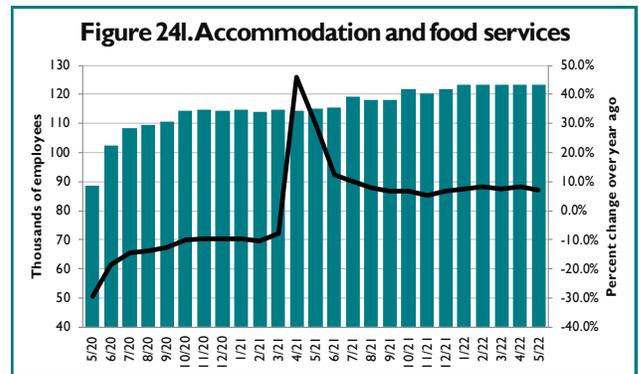
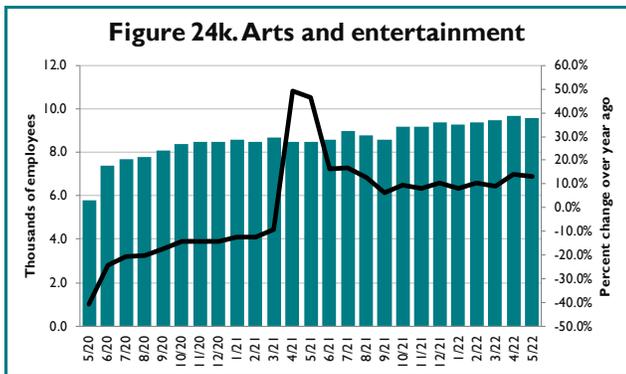
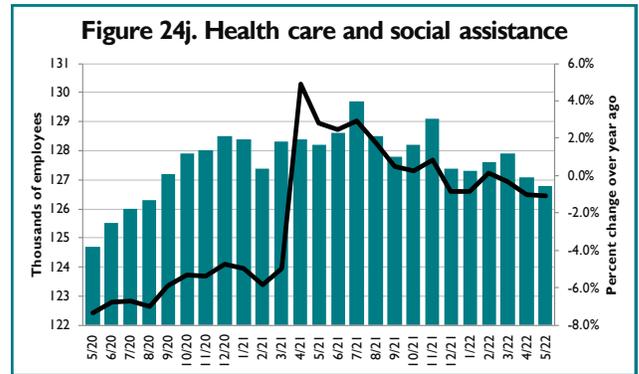
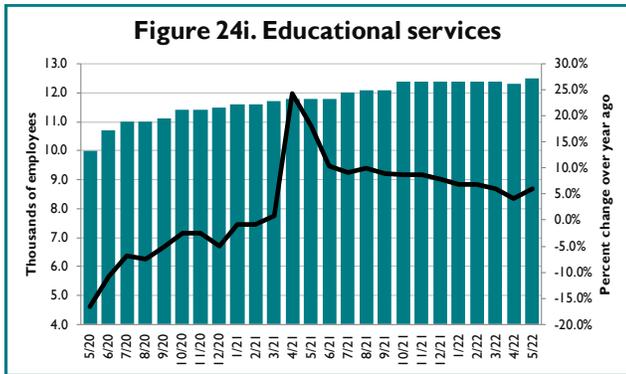
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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 REAL GDP BY STATE IN THE FIRST QUARTER OF 2022

The U.S. Bureau of Economic Analysis (BEA) released annualized estimates of the change in real gross domestic product (GDP) by state for the first quarter of 2022 in June. (An annualized estimate is the actual change multiplied by four.) Real GDP for Mississippi decreased at an annualized rate of 1.3 percent in the first quarter, the first quarterly contraction in real GDP for the state since the second quarter of 2020. This change in the first quarter ranked twentieth among all states. The changes in Mississippi real GDP in the third and fourth quarters of 2021 remained increases at annualized rates of 0.6 percent and 4.1 percent, respectively. As noted on page 1, U.S. real GDP contracted 1.6 percent in the first quarter of 2022 according to BEA's third estimate. BEA reported real GDP expanded in four states in the first quarter and contracted in forty-six states and the District of Columbia.

Table 3 below lists the contributions by sector to the 1.3 percent decrease in the state's real GDP in the first quarter of 2022 from largest to smallest. (BEA only includes the changes in major industries in its preliminary estimates.) The largest positive contribution came from the Agriculture, Forestry, Fishing, and Hunting sector, which increased real GDP by 0.83 percentage point. The Utilities sector made the next largest positive contribution to the state's real GDP of 0.61 percentage point. The next largest contribution was considerably smaller, as Government and Government Enterprises increased real GDP in the first quarter by 0.29 percentage point. The Construction sector added 0.17 percentage point to real GDP in the first quarter and Administrative and Support and Waste Management and Remediation Services added 0.11 percentage point. Four other sectors made positive contributions of less than 0.10 percentage point.

The largest negative contribution to Mississippi real GDP in the first quarter was made by the Retail Trade sector, which reduced real GDP by slightly more than a full percentage point. Manufacturing made the next largest negative contribution to real GDP of -0.68 percentage point. Retail Trade and Manufacturing made negative contributions to real GDP in all fifty states and the District of Columbia in the first quarter. The third largest negative contribution to real GDP in the first quarter came from Accommodation and Food Services, which reduced real GDP by 0.57 percentage point. The Transportation and Warehousing sector reduced real GDP by 0.41 percentage point, the next largest decrease, followed by the -0.37 percentage point contribution of Mining, Quarrying, and Oil and Gas Extraction. This sector made negative contributions to real GDP in forty-nine states and was the largest negative contributor in ten states. Wholesale Trade made a negative contribution to real GDP in the first quarter of 0.27 percentage point. The negative contributions of all other sectors were smaller than -0.10 percentage point.

Table 3. Contributions to percent change in Mississippi real GDP by sector, first quarter 2022

Sector	Percentage points
Agriculture, forestry, fishing, and hunting	0.83
Utilities	0.61
Government and government enterprises	0.29
Construction	0.17
Administrative and support and waste management	0.11
Information	0.08
Educational services	0.04
Management of companies and enterprises	0.03
Health care and social assistance	0.01
Other services	-0.01
Arts, entertainment, and recreation	-0.02
Professional, scientific, and technical services	-0.05
Finance, insurance, real estate, rental and leasing	-0.08
Wholesale trade	-0.27
Mining, quarrying, and oil and gas extraction	-0.37
Transportation and warehousing	-0.41
Accommodation and food services	-0.57
Manufacturing	-0.68
Retail trade	-1.04
Total	-1.3%

Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

CHANGE IN REAL GDP BY STATE IN THE FIRST QUARTER OF 2022, CONTINUED

Figure 25 depicts the annualized change in real GDP in the first quarter of 2022 by state as reported by BEA. New Hampshire had the largest increase in real GDP among all states in the first quarter of 1.2 percent. The next largest increases in real GDP occurred in its neighboring states of Vermont and Massachusetts, where real GDP increased at annualized rates of 0.7 percent and 0.2 percent, respectively. The only other state where real GDP increased in the first quarter was Michigan, where real GDP edged up 0.1 percent.

The largest decrease in real GDP in the first quarter among all states occurred in Wyoming, where real GDP contracted at an annualized rate of 9.7 percent. Real GDP in Alaska fell 8.2 percent in the first quarter, the second largest decrease among all states, followed by West Virginia, where real GDP contracted 6.1 percent. Notably, energy sectors are a major part of the economies of each of these three states, and the Mining, Quarrying, and Oil and Gas Extraction sector made the largest negative contribution to real GDP in all three of these states in the first quarter.

Among states in the Southeast region, the smallest decrease in real GDP in the first quarter occurred in Georgia, where real GDP contracted at an annualized rate of 0.6 percent. The only other state in the region with a decrease in real GDP smaller than -1.0 percent was Arkansas, where real GDP contracted 0.9 percent. The largest decrease in real GDP among states in the Southeast was the 3.7 percent decline in Oklahoma—another state where the energy sector is an important part of the economy.

