

ECONOMY AT A GLANCE

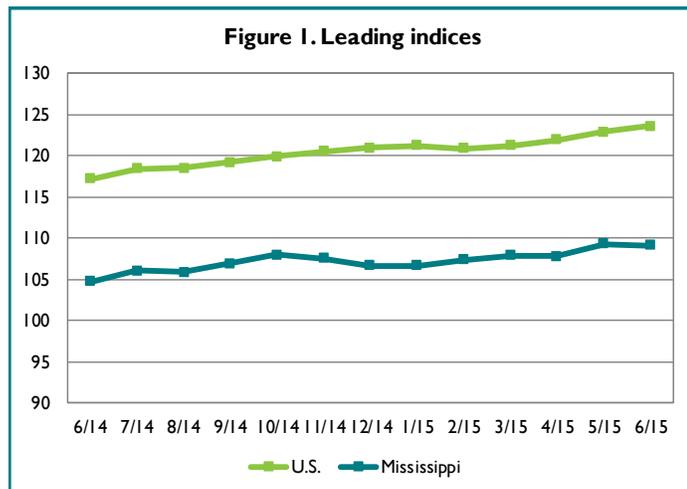
The value of the Mississippi Leading Index (MLI) slipped 0.2 percent in June, only its second decline in 2015. As seen in Figure 1 below the value of the MLI was 4.2 percent higher in June compared to one year ago, the largest year-over-year increase since December 2014.

As Figure 2 below indicates the value of the Mississippi Coincident Index rose 0.9 percent in June. Compared to one year ago, the value of the index was 3.0 percent higher. The average value for the last six months exceeds the average value of the previous six months by 1.4 percent.

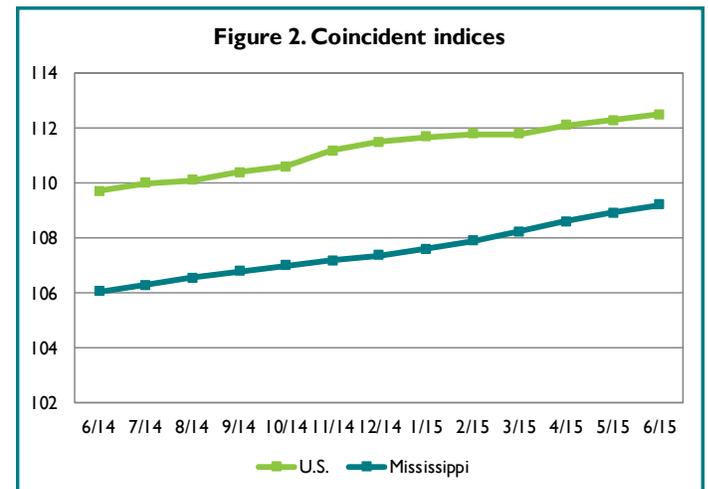
The first estimate of the change in real U.S. gross domestic product (GDP) for the second quarter by the U.S. Bureau of Economic Analysis (BEA) equaled 2.3 percent, a growth rate similar to recent annual rates. About 2.0 percentage point of the increase resulted from consumer

spending, indicating its significance to current economic growth and the relatively weak state of business investment. Moreover, BEA revised its estimate of the first quarter change in real GDP to an increase of 0.6 percent. Thus, contrary to BEA's first three estimates, the U.S. economy in fact did not contract in the first quarter. Nevertheless, based on these estimates the average change in real GDP for the first half of 2015 totaled less than 1.5 percent, a relatively lackluster rate of growth.

Mississippi's economy continues to perform relatively well in 2015 despite the weakness in the U.S. manufacturing industry. Growth in building permits remains one of the more positive developments in the state this year. However, at best the U.S. economy apparently will grow no more in 2015 than last year—which will likely limit any expansion in the state's economy.



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 workweek length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2004.

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MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, JUNE 2015

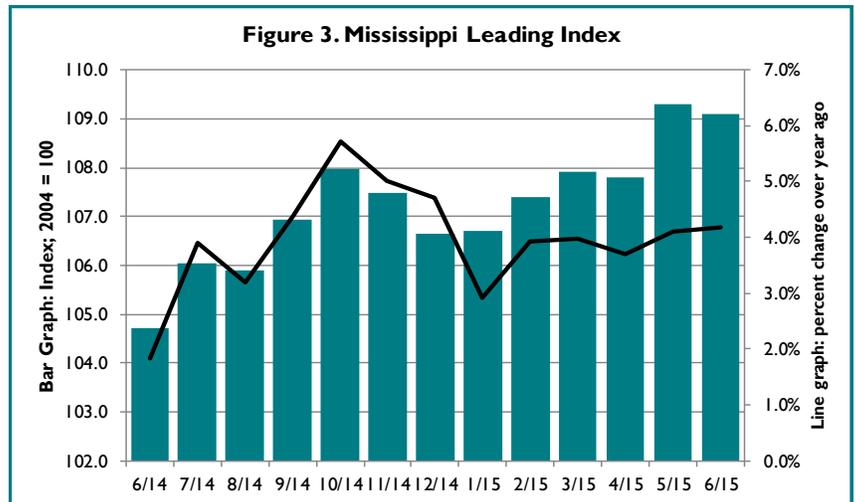
As Figure 3 indicates, the value of the **Mississippi Leading Index of Economic Indicators (MLI)** fell slightly in June. The MLI lost 0.2 percent of its value for the month, but remained 4.2 percent higher compared to one year ago—the largest year-over-year gain since December 2014. Data revisions resulted in increases in the MLI for previous months, essentially scaling up the values.

Only two components of the MLI contributed positively in June. Discussion of each component appears below in order of smallest to largest contribution.

The value of seasonally-adjusted **initial unemployment claims** in Mississippi surged 19.3 percent in June as seen in Figure 4. However, the value of initial claims compared to June 2014 was 10.9 percent lower for the month. As seen in Figure 14 on page 6, the number of seasonally-adjusted continued unemployment claims in Mississippi edged higher by 0.8 percent in June. This value was 33.5 percent lower compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi for June declined by 0.1 percentage point to 6.6 percent.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) dipped for the fourth time in the last five months as seen in Figure 5. The value declined 1.8 percent to its lowest level since November 2014. Nevertheless, the value of the Index was 16.9 percent higher in June compared to one year ago. The share of respondents who believes business conditions improved over the past year declined, while the share who believes conditions worsened increased. Some measures did improve, such as the share reporting an increase in incomes over the past year. Both short- and longer-term inflation expectations edged higher for the month.

As seen in Figure 6, the value of **Mississippi income tax withholdings** (three-month moving average) declined in June, the fourth such decrease in the last six months. The value fell 0.7 percent for the month; however, compared to one year ago the June value remained 1.6 percent higher. Through June, the average monthly value of withholdings over the last six months was down 0.2 percent compared to the previous six months, the first such decrease in 2015.



Source: University Research Center

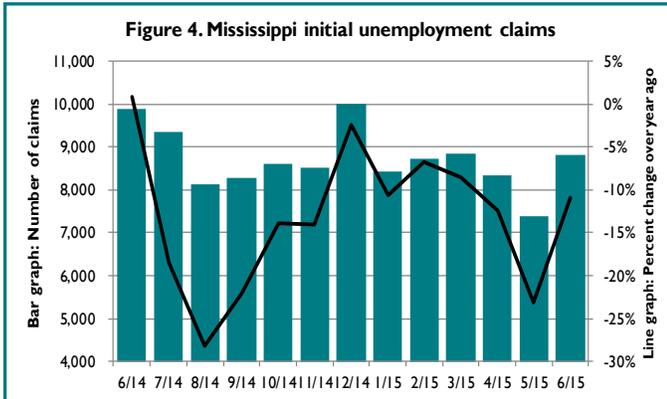
After increasing for two consecutive months, the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** declined in July. As seen in Figure 7, the value fell 1.5 percent, a sign of the slow improvement in U.S. manufacturing. The value of the Index compared to July 2014 was 6.6 percent lower for the month. Decreases in the inventories and employment components were responsible for most of the month's decline as the other components of the Index experienced at least minimal increases. Notably, energy-related manufacturing firms pushed down the employment component. Despite positive developments in manufacturing such as the automobile industry, the number of factors weighing on the sector will likely result in incremental gains at best in the short-term.

Figure 8 indicates the value of **U.S. retail sales** fell 0.3 percent in June, the first decline since February. The decline was unexpected, as analysts had anticipated a small increase. A reduction in the May value mitigated a larger decline in June. April retail sales also were revised slightly lower. Weakness was generally widespread, as sales of automobiles, furniture, building materials, and clothing all fell by more than 1.0 percent. Electronics and gasoline station sales were among the few segments that increased. Sales were 1.4 percent higher in June compared to one year ago.

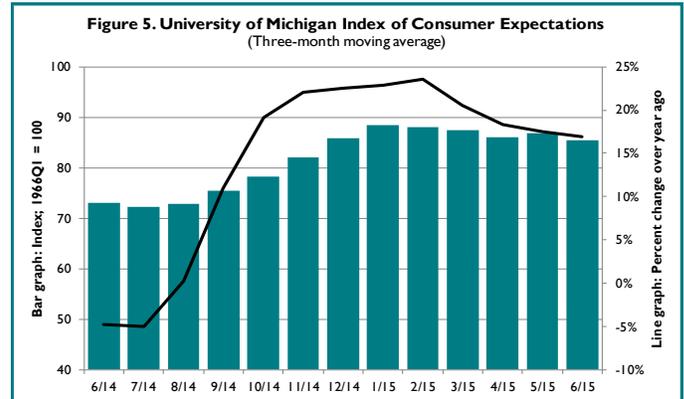
The value of **Mississippi residential building permits** (three-month moving average) rose 7.5 percent in June, as indicated in Figure 9. Compared to one year ago the value was 31.7 percent higher in June. The seasonally-adjusted

(Continued on page 4)

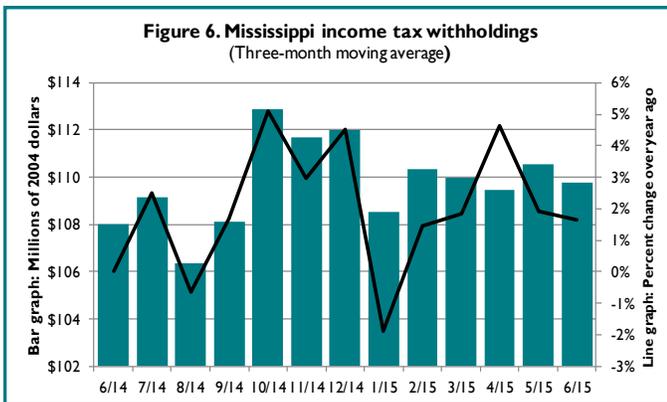
COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



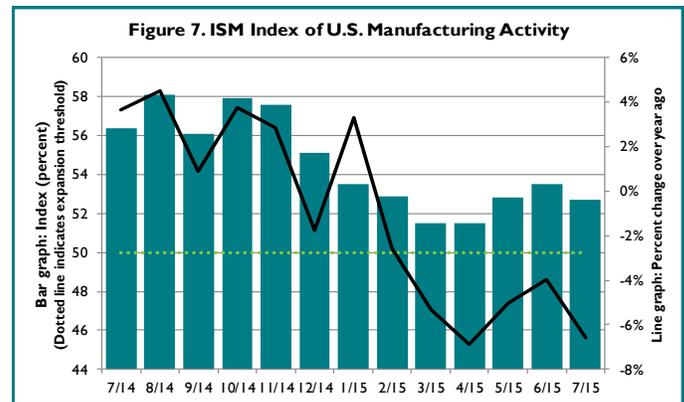
Source: U.S. Department of Labor; seasonally adjusted



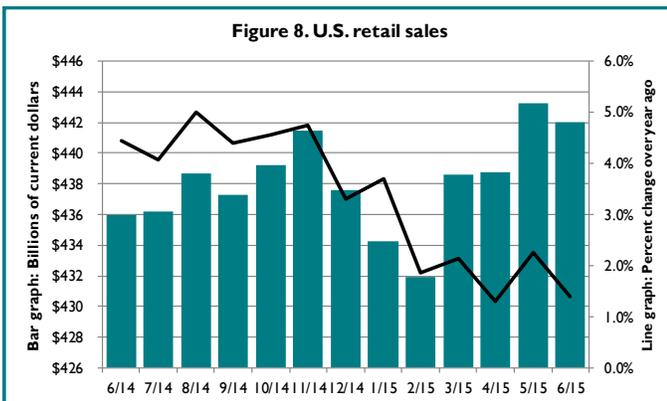
Source: Thomson Reuters/University of Michigan Surveys of Consumers



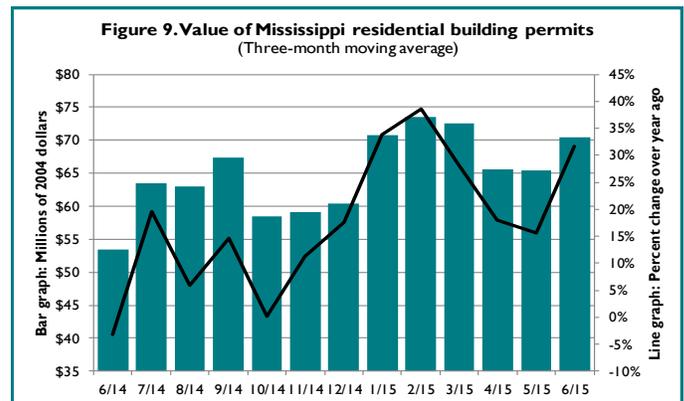
Source: Mississippi Department of Revenue; seasonally adjusted



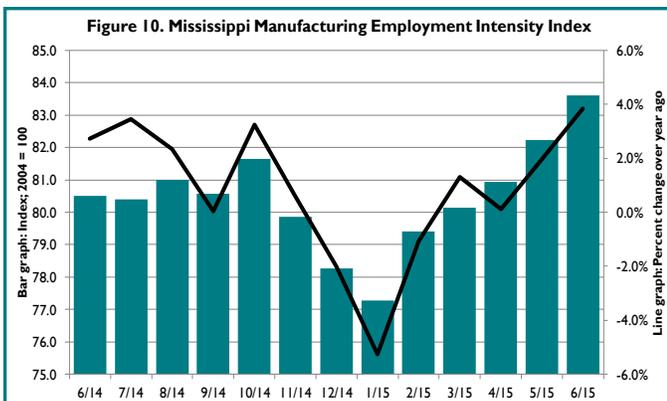
Source: Institute for Supply Management



Source: Bureau of the Census



Source: Bureau of the Census; seasonally adjusted



Source: URC using data from Bureau of Labor Statistics

Five of the seven leading economic indicators fell in value in June. As a result, the value of the MLI lost 0.2% for the month.

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MISSISSIPPI LEADING INDEX, JUNE 2015 (CONTINUED)

number of units for which building permits were issued (three-month moving average) in Mississippi also increased, rising by 11.0 percent for the month. The number of units was 33.6 percent higher in June compared to one year ago. The number of privately-owned housing units in the U.S. authorized by building permits in June increased 7.4 percent, a value 30.0 percent higher than one year ago.

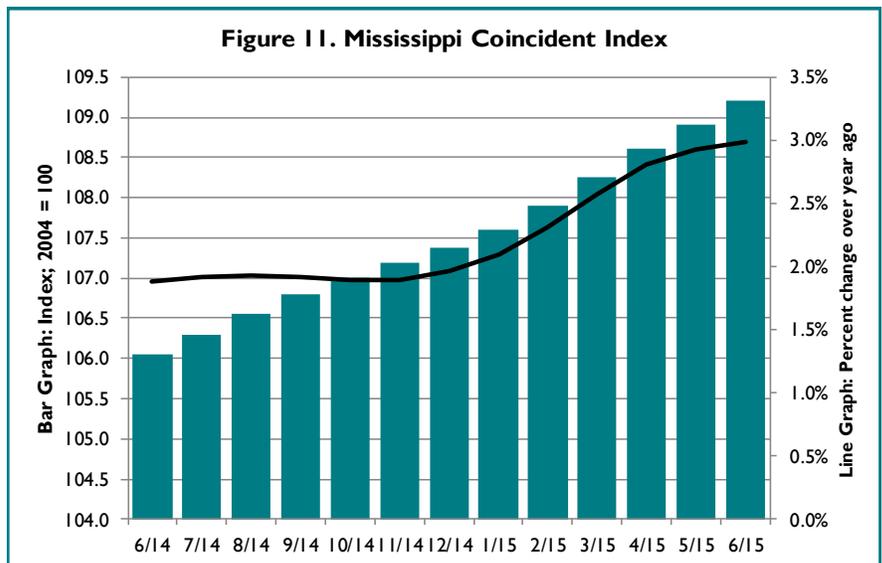
As Figure 10 indicates, the value of the **Mississippi Manufacturing Employment Intensity Index** rose in June for the fifth consecutive month. The value of the Index climbed 1.7 percent for the month and was 3.8 percent higher compared to one year ago. Both manufacturing employment and the average weekly hours of production employees in Mississippi increased in June. As evidenced by the Index, employment in manufacturing in the state has held up relatively well so far in 2015.

MISSISSIPPI COINCIDENT INDEX, JUNE 2015

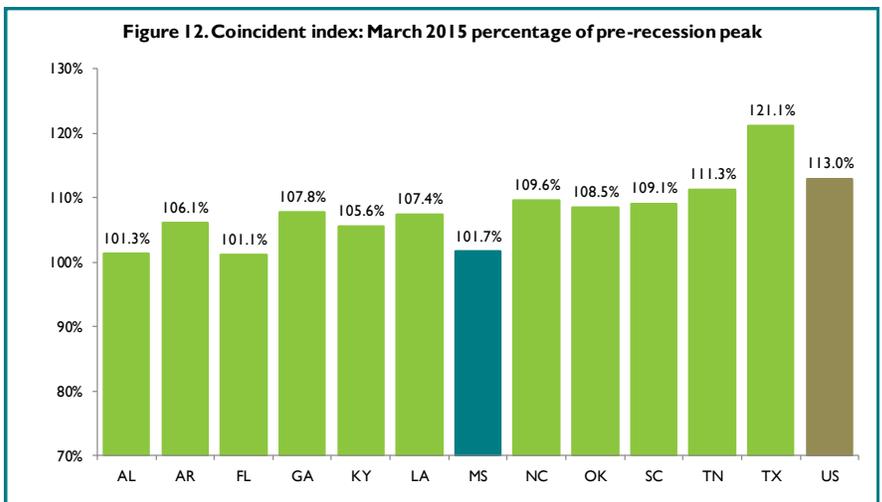
The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.3 percent in June according to the Federal Reserve Bank of Philadelphia. Correction of an error in the May data resulted in revisions to previous months' values. As Figure 11 indicates, the value of the MCI was 3.0 percent higher in June compared to one year ago.

Following the May corrections, values of the coincident indices of all states in the Southeast region were above 100 percent of their pre-recession peaks in June as seen in Figure 12. The lowest value was for Florida at 101.1 percent, followed by the 101.3 percent value for Alabama, and the Mississippi coincident index was third-lowest in the region at 101.7 percent of its pre-recession peak in June. The coincident index for Texas remained much higher in June relative to other states in the region at 121.1 percent of its pre-recession peak.

Compared to three months prior, the value of the coincident indices in forty-three states increased in June as Figure 13 on page 5 indicates. Mississippi was one of thirty-eight states with a coincident index that rose more than 0.5 percent in value compared to March. Four states experienced declines in the value of their coincident indices of more than -0.5 percent in June while three other states incurred declines of less than -0.3 percent. As in previous months, most of the largest declines occurred in states with substantial energy sectors.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

NATIONAL TRENDS

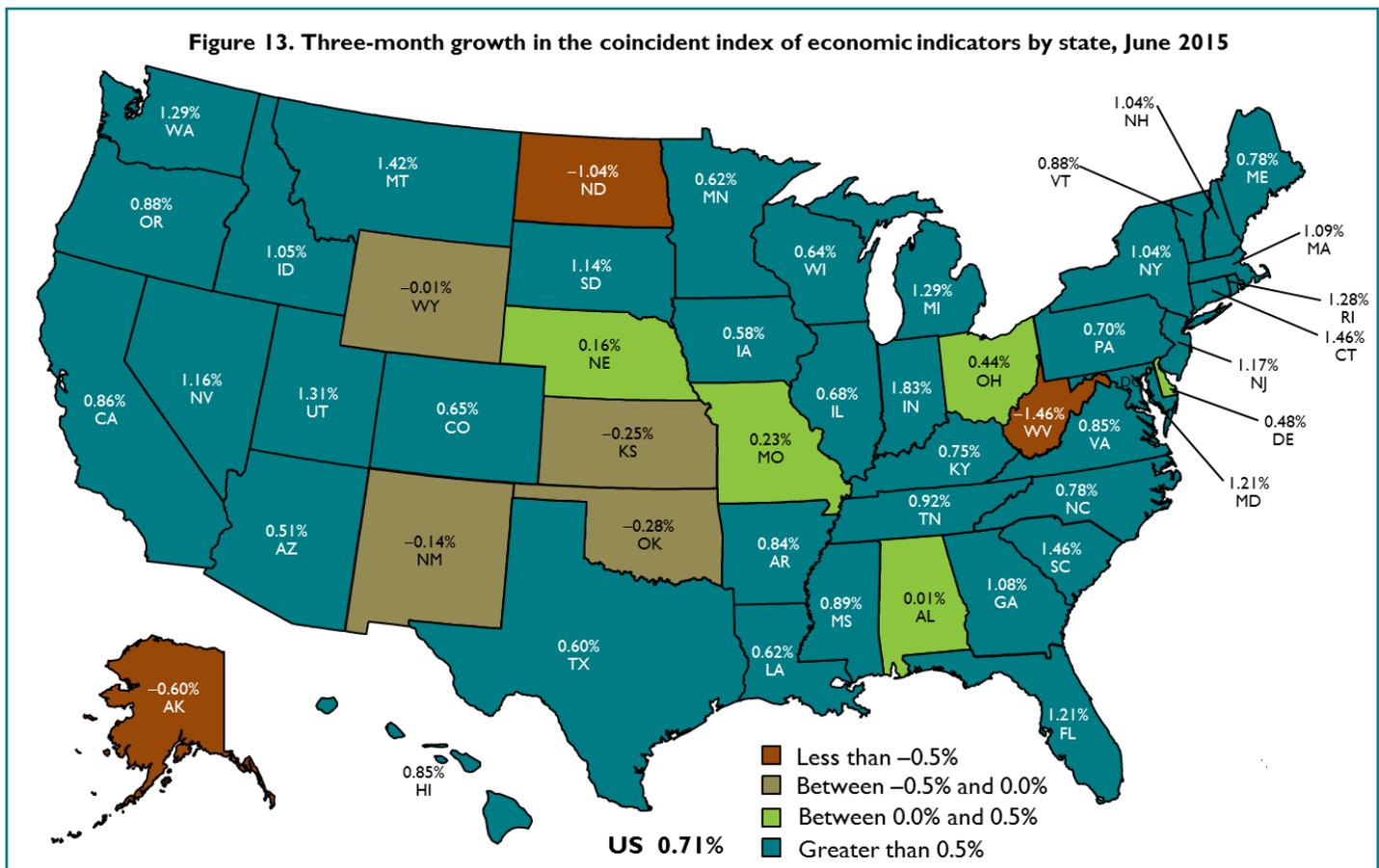
The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased 0.6 percent in June. Following data revisions, the gain marked the fourth consecutive monthly increase. Compared to one year ago, the value of the LEI was 5.5 percent higher in June. Six of the ten indicators comprising the LEI increased in value for the month and the largest contributors were building permits and the interest rate spread. Over the last six months the LEI increased 2.1 percent, a decline from the 3.2 percent gain for the previous six months.

The U.S. Coincident Economic Index (CEI) rose 0.2 percent in June according to The Conference Board. Both the April and May values were revised slightly higher. All four components of the CEI contributed positively in June; the largest contributor was employees on nonagricultural payrolls. The value of the CEI was 2.6 percent higher in June compared to one year ago. Over the last six months, the value of the CEI increased by 0.9 percent.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index sank 4.3

percent in June. The value fell to its lowest level since March 2014 as seen in Figure 20 on page 6. Moreover, the value was 0.9 percent lower compared to a year ago, the first year-over-year decrease since October 2013. Declines in June were widespread as nine of the ten components decreased. The largest share of the decrease was due to declines in spending plans, followed by a decline in earnings trends. The decrease in the Small Business Optimism Index in June marks a sharp turnaround from the increases in April and May, indicating a relatively stronger second half of the year appears less likely.

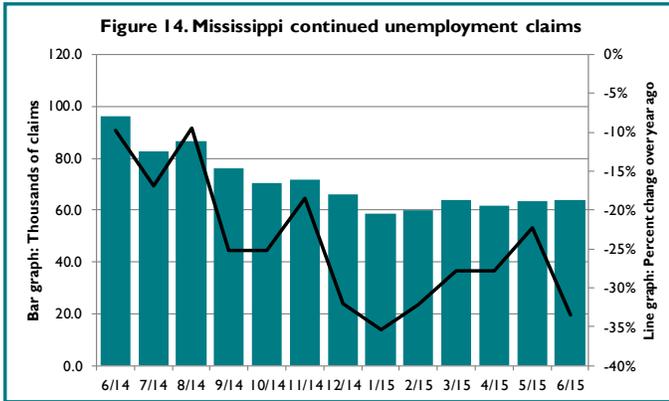
Most analysts continue to believe the Federal Reserve will move to increase interest rates at the September meeting of the Federal Open Market Committee. Over 80 percent of the economists surveyed by *The Wall Street Journal* in July expect rate increases to start in September. The initial estimate by BEA of a 2.3 percent increase in second quarter real U.S. GDP provided another indication of a return to growth for the economy after a lethargic first quarter. Growth in inflation, while still below the Federal Reserve's target, has picked up in recent months.



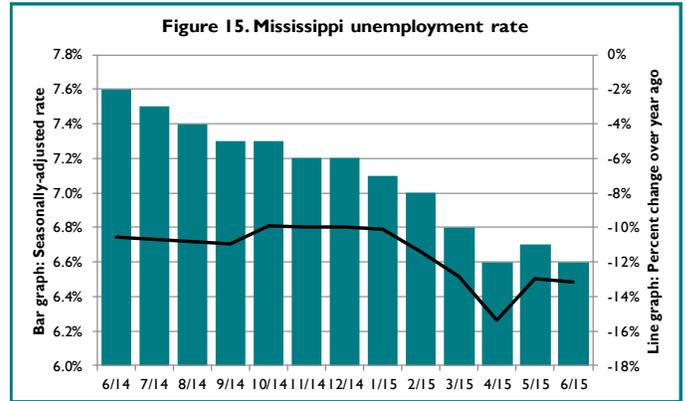
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

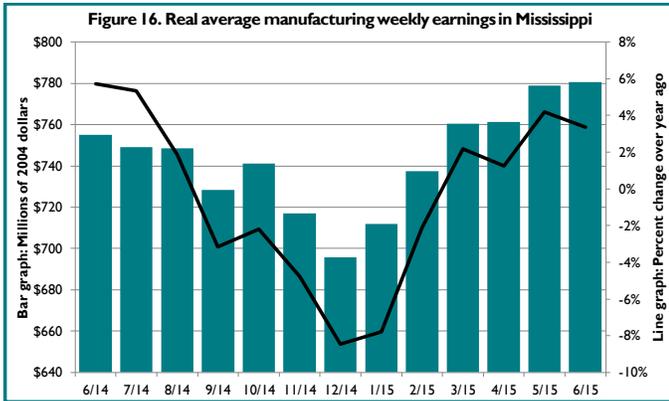
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



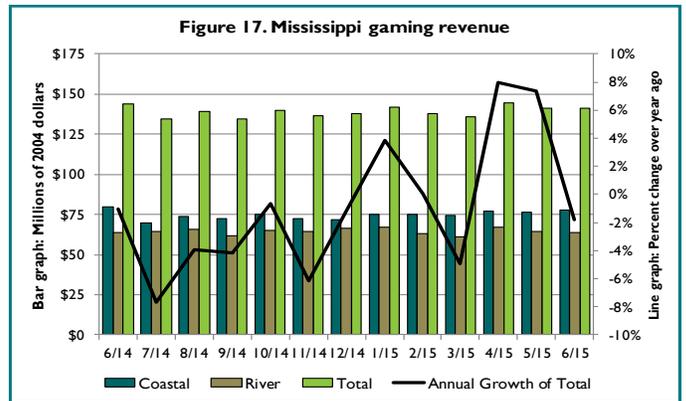
Source: U.S. Department of Labor; seasonally adjusted



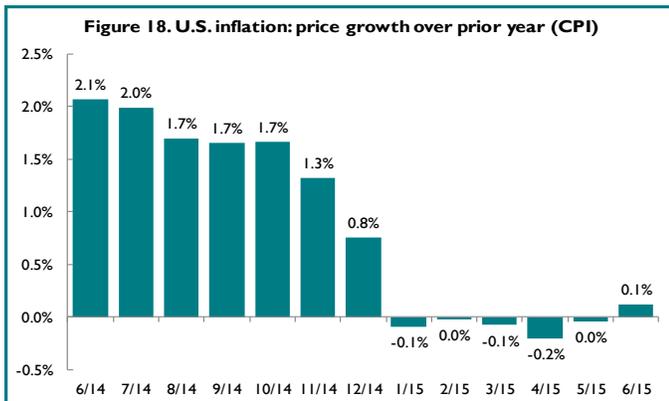
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



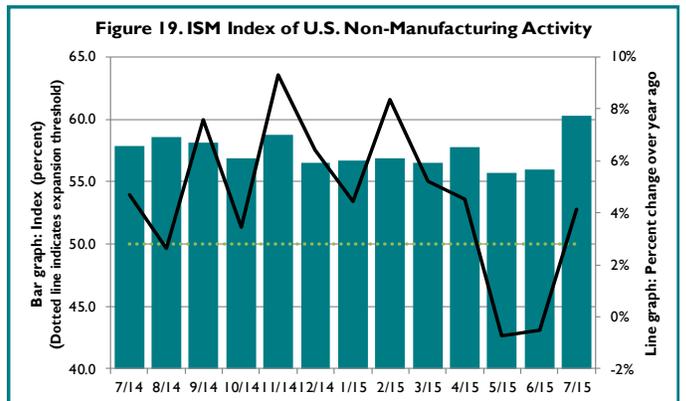
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



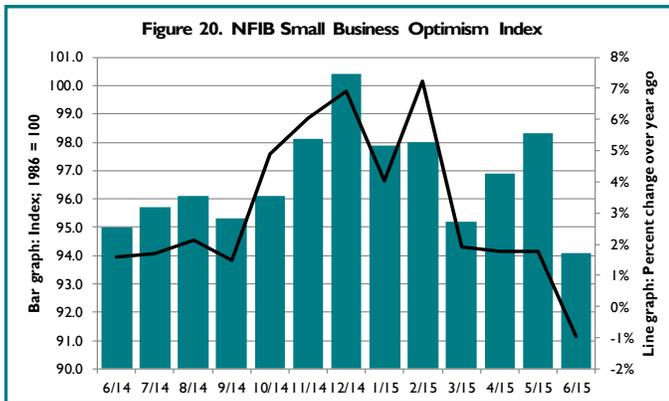
Source: Mississippi Department of Revenue; seasonally adjusted



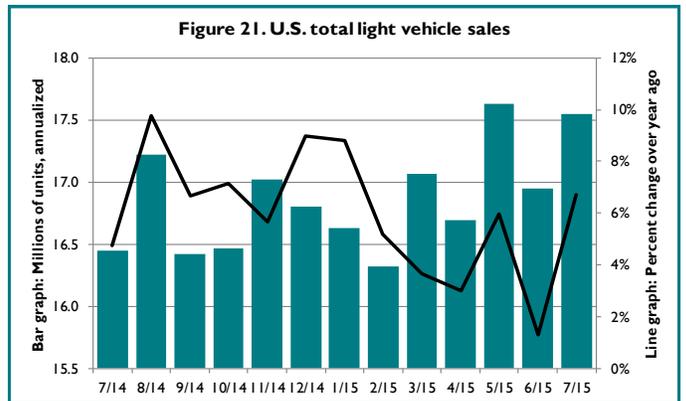
Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: National Federation of Independent Businesses



Source: Bureau of Economic Analysis; seasonally adjusted at annual rates

TABLE I. SELECTED ECONOMIC INDICATORS

| Indicator | June 2015 | May 2015 | June 2014 | Percent change from | | |
|--|--------------|-------------|--------------|---------------------|-----------|---|
| | | | | May 2015 | June 2014 | |
| U.S. Leading Economic Index 2004 = 100. Source: The Conference Board | 123.6 | 122.9 | 117.2 | ▲0.6% | ▲5.5% | Economic Indices |
| U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board | 112.5 | 112.3 | 109.7 | ▲0.2% | ▲2.6% | |
| Mississippi Leading Index 2004 = 100. Source: University Research Center | 109.1 | 109.3 | 104.7 | ▼0.2% | ▲4.2% | |
| Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia | 109.2 | 108.9 | 106.0 | ▲0.3% | ▲3.0% | |
| Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor | 8,816 | 7,388 | 9,895 | ▲19.3% | ▼10.9% | 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 | 70.4 | 65.5 | 53.5 | ▲7.5% | ▲31.7% | |
| Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue | 109.8 | 110.5 | 108.0 | ▼0.7% | ▲1.6% | |
| Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics | 83.6 | 82.2 | 80.5 | ▲1.7% | ▲3.8% | |
| University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers | 85.4 | 86.9 | 73.0 | ▼1.8% | ▲16.9% | |
| ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management | 52.7 | 53.5 | 56.4 | ▼1.5% | ▼6.6% | |
| U.S. retail sales Current dollars, in billions. Source: Bureau of the Census | 442.0 | 443.2 | 435.4 | ▼0.3% | ▲1.4% | |
| U.S. Consumer Price Index 2004 = 100. Source: URC using data from Bureau of Labor Statistics | 126.3 | 125.9 | 126.2 | ▲0.4% | ▲0.1% | Miscellaneous Indicators |
| Mississippi unemployment rate Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics | 6.6% | 6.7% | 7.6% | ▼1.5% | ▼13.2% | |
| Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor | 63,925 | 63,392 | 96,110 | ▲0.8% | ▼33.5% | |
| ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management | 60.3 | 56.0 | 57.9 | ▲7.7% | ▲4.1% | |
| U.S. mortgage rates Seasonally adjusted; 30-year conventional. Source: U.S. Federal Reserve | 3.94% | 3.86% | 4.13% | ▲2.0% | ▼4.6% | |
| Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics | 18.33 | 18.51 | 18.07 | ▼1.0% | ▲1.4% | |
| Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics | 780.65 | 779.04 | 755.18 | ▲0.2% | ▲3.4% | |
| NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses | 94.1 | 98.3 | 95.0 | ▼4.3% | ▼0.9% | |
| U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis | 17.55 | 16.95 | 16.45 | ▲3.5% | ▲6.7% | |
| Gaming revenue | 141.1 | 141.2 | 143.7 | ▼0.1% | ▼1.8% | |
| Coastal counties | 77.6 | 76.5 | 80.0 | ▲1.4% | ▼2.9% | |
| River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue | 63.5 | 64.7 | 63.7 | ▼1.8% | ▼0.4% | |

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi slipped 0.1 percent in June according to the U.S. Bureau of Labor Statistics (BLS) as seen in Table 2 below. However, May employment was revised higher by almost 0.1 percent. Following these revisions, Mississippi's economy lost 1,100 jobs in June. Total employment in Mississippi was 1.0 percent higher in June compared to one year ago, the second consecutive month with a year-over-year gain of 1.0 percent or more. In the first six months of 2015, the state's economy added 4,500 jobs, compared to 2,900 jobs added during the previous six months.

In June, total nonfarm employment increased in thirty-one states. Mississippi was one of seventeen states along with the District of Columbia where employment fell in June according to BLS. As in May, the largest increases in employment in June occurred in the states of New York, California, and Texas. The largest decreases in employment occurred in the states of Illinois, New Jersey, and Maryland. West Virginia and Wyoming were the two states reporting declines in employment for the month compared to June 2014.

Manufacturing experienced the largest absolute increase in employment among all industries in Mississippi in June, adding 1,000 jobs for the month. The largest absolute decreases in employment in June occurred in Health Care and Social Assistance as well as Accommodation and Food Services, as both sectors lost 3,100 jobs for the month. These losses represented declines of 2.4 and 2.6 percent for each industry, respectively.

The largest percentage increase in employment for the month occurred in Educational Services, which rose 1.7 percent for an increase of 200 jobs. The Information sector also added 200 jobs for a similar increase of 1.5 percent.

The largest percentage decrease in employment in the state occurred in Accommodation and Food Services, which declined 2.6 percent for the month, closely followed by Health Care and Social Assistance at 2.4 percent and Mining and Logging at 2.3 percent.

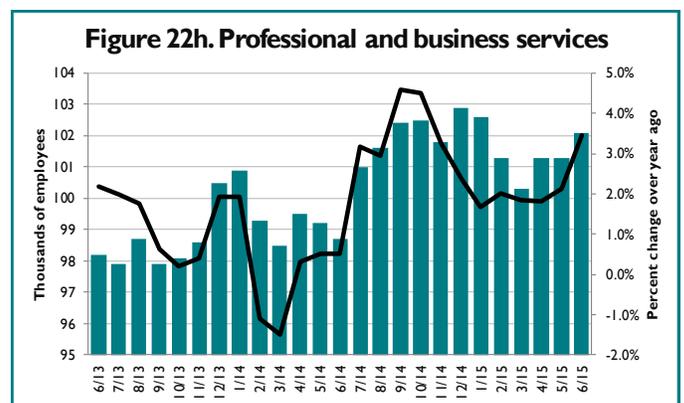
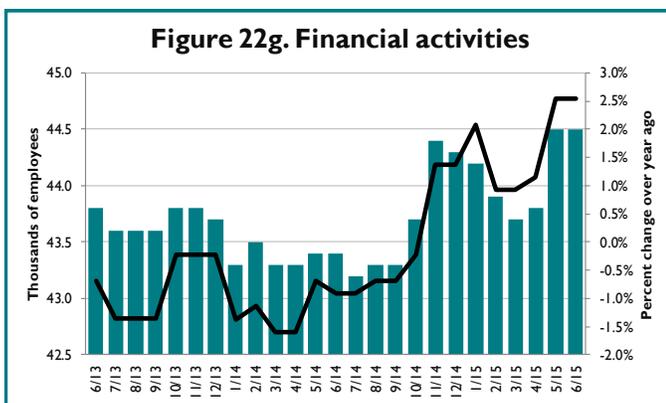
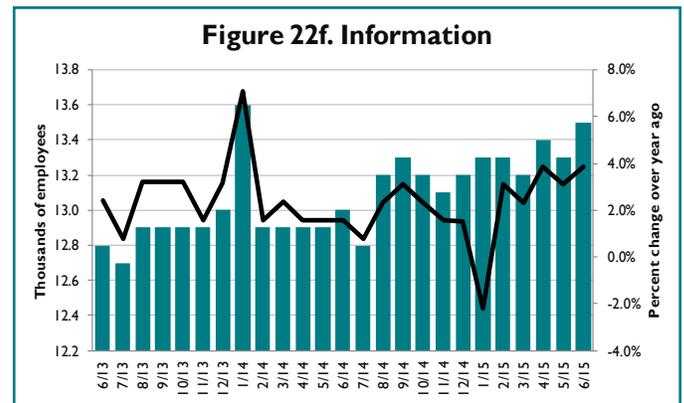
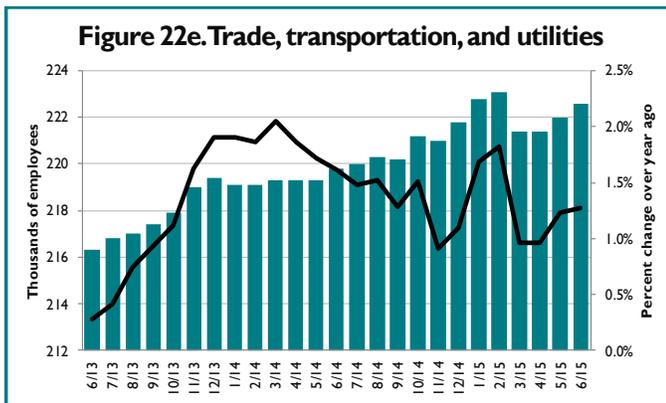
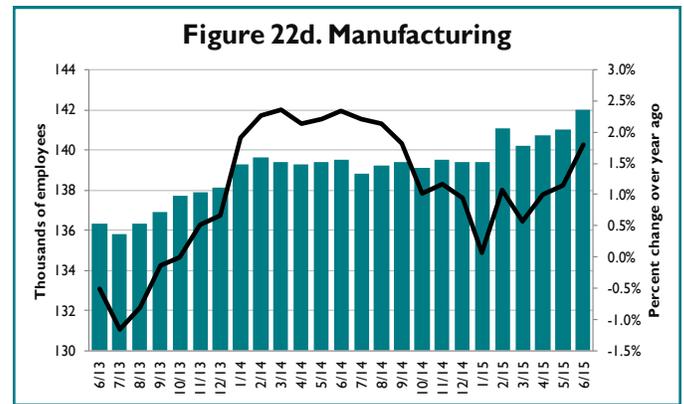
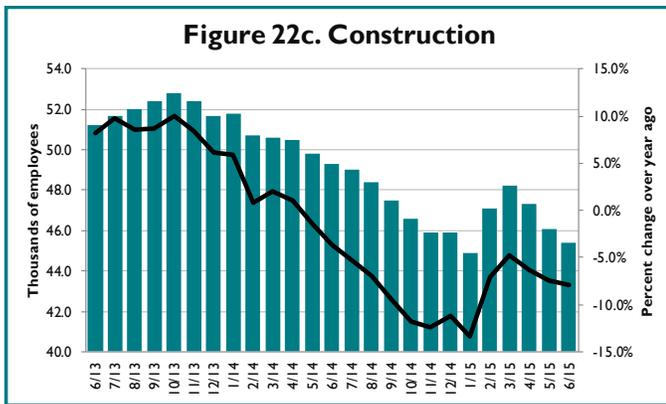
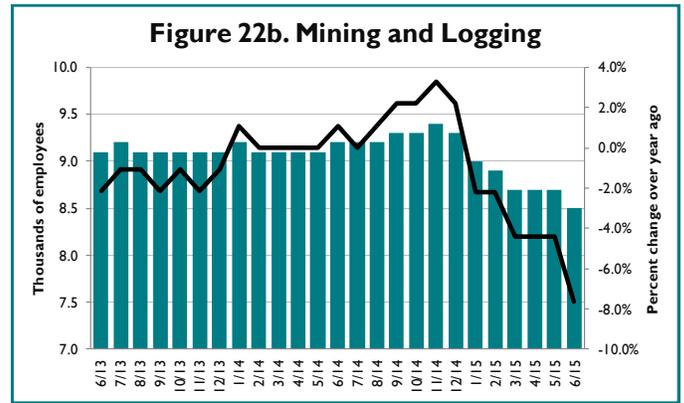
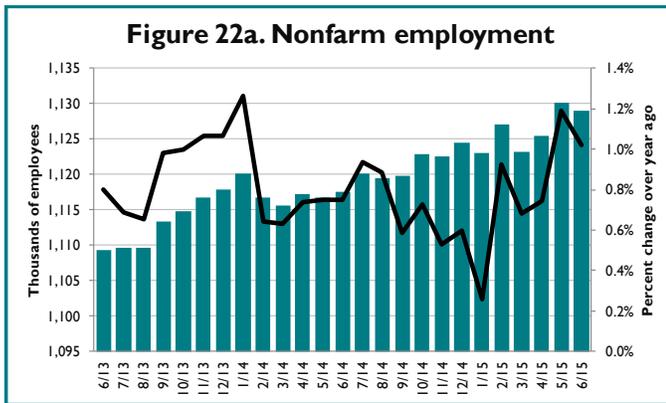
Four industries in the state employed fewer people in June compared to one year ago: Mining and Logging, Construction, Arts and Entertainment, and Other Services.

Table 2. Change in Mississippi employment by industry, June 2015

| | Relative share of total ^a | June 2015 | May 2015 | June 2014 | Change from May 2015 | | Change from June 2014 | |
|------------------------------------|--------------------------------------|-----------|-----------|-----------|----------------------|---------|-----------------------|---------|
| | | | | | Level | Percent | Level | Percent |
| Total Nonfarm | 100.0% | 1,129,000 | 1,130,100 | 1,117,600 | ▼1,100 | ▼0.1% | ▲11,400 | ▲1.0% |
| Mining and Logging | 0.8% | 8,500 | 8,700 | 9,200 | ▼200 | ▼2.3% | ▼700 | ▼7.6% |
| Construction | 4.2% | 45,400 | 46,100 | 49,300 | ▼700 | ▼1.5% | ▼3,900 | ▼7.9% |
| Manufacturing | 12.5% | 142,000 | 141,000 | 139,500 | ▲1,000 | ▲0.7% | ▲2,500 | ▲1.8% |
| Trade, Transportation, & Utilities | 19.7% | 222,600 | 222,000 | 219,800 | ▲600 | ▲0.3% | ▲2,800 | ▲1.3% |
| Retail Trade | 12.1% | 136,000 | 135,300 | 135,600 | ▲700 | ▲0.5% | ▲400 | ▲0.3% |
| Information | 1.2% | 13,500 | 13,300 | 13,000 | ▲200 | ▲1.5% | ▲500 | ▲3.8% |
| Financial Activities | 3.9% | 44,500 | 44,500 | 43,400 | — | ◆0.0% | ▲1,100 | ▲2.5% |
| Services | 35.9% | 405,200 | 410,900 | 397,600 | ▼5,700 | ▼1.4% | ▲7,600 | ▲1.9% |
| Professional & Business Services | 9.1% | 102,100 | 101,300 | 98,700 | ▲800 | ▲0.8% | ▲3,400 | ▲3.4% |
| Educational Services | 1.1% | 12,200 | 12,000 | 11,600 | ▲200 | ▲1.7% | ▲600 | ▲5.2% |
| Health Care & Social Assistance | 11.1% | 126,400 | 129,500 | 123,000 | ▼3,100 | ▼2.4% | ▲3,400 | ▲2.8% |
| Arts & Entertainment | 1.0% | 10,800 | 11,000 | 10,900 | ▼200 | ▼1.8% | ▼100 | ▼0.9% |
| Accommodation and Food Services | 10.3% | 115,400 | 118,500 | 114,600 | ▼3,100 | ▼2.6% | ▲800 | ▲0.7% |
| Other Services | 3.5% | 38,300 | 38,600 | 38,800 | ▼300 | ▼0.8% | ▼500 | ▼1.3% |
| Government | 21.9% | 247,300 | 247,200 | 245,800 | ▲100 | ◆0.0% | ▲1,500 | ▲0.6% |

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

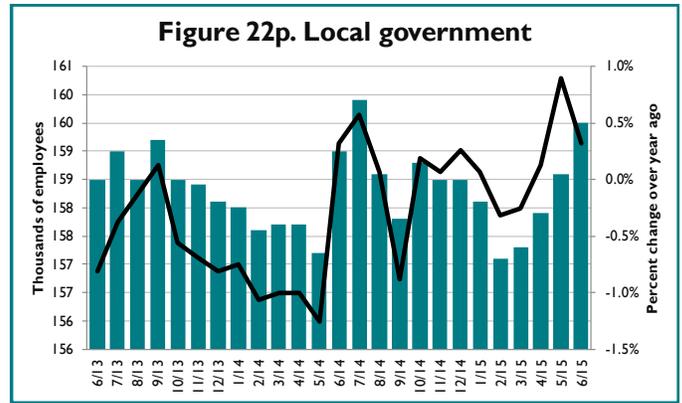
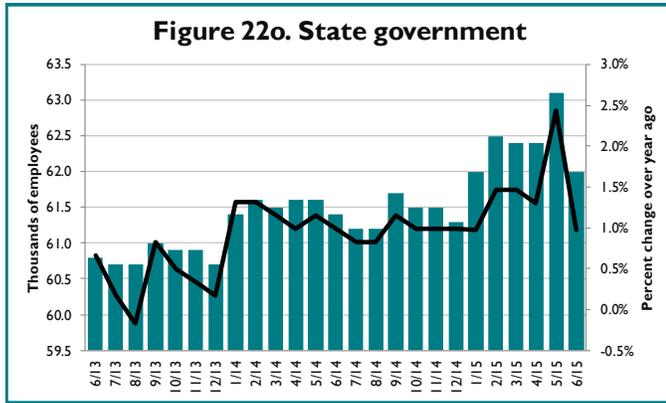
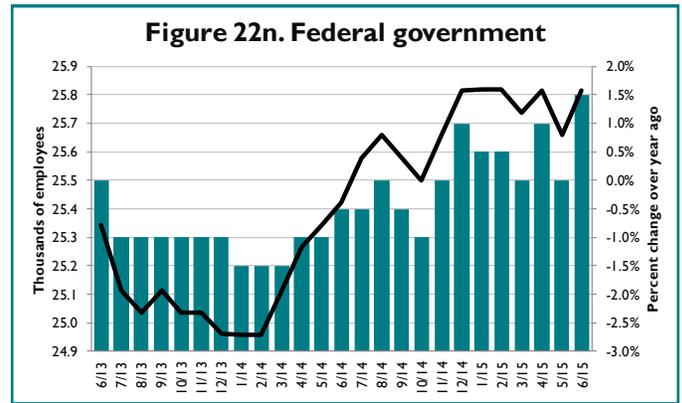
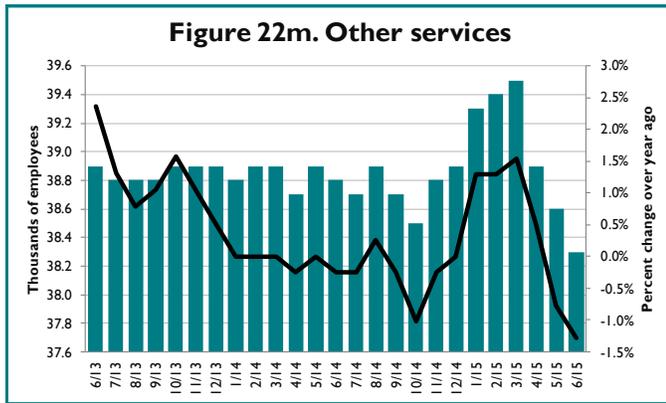
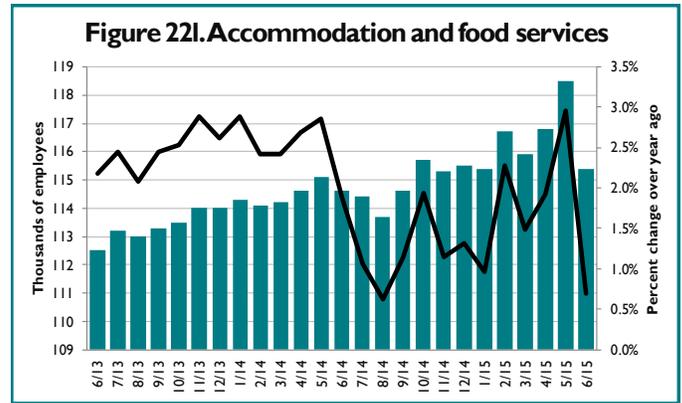
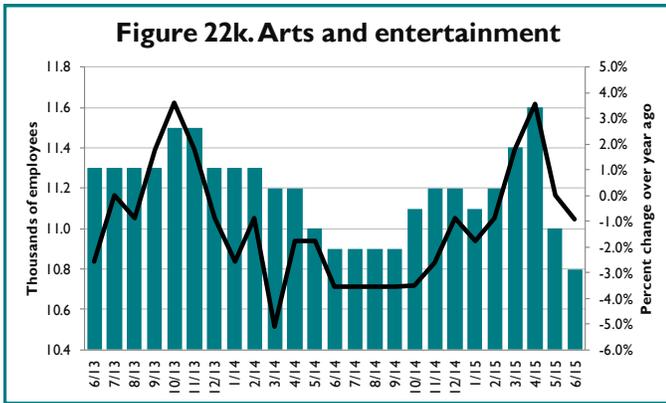
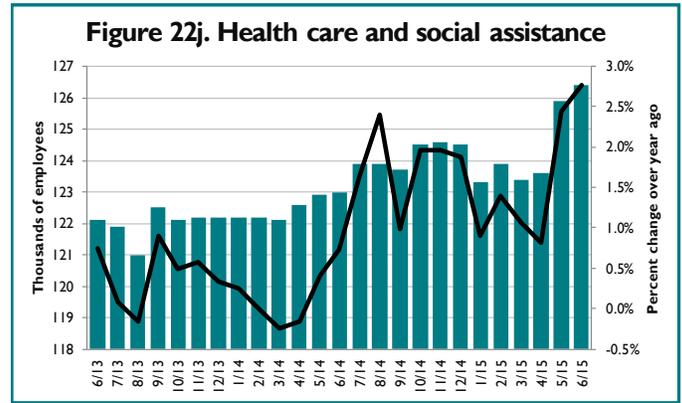
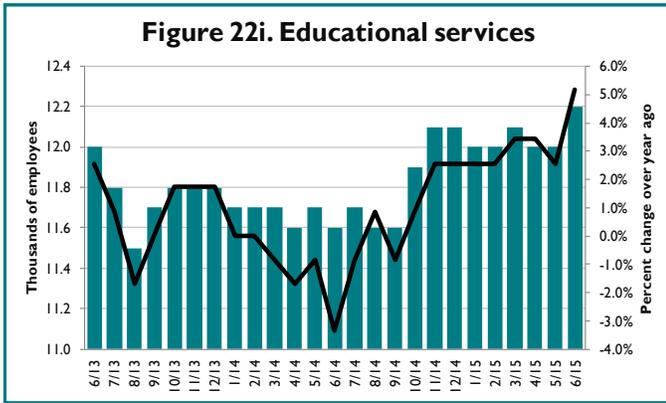
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

CHANGE IN MISSISSIPPI REAL INCOME IN 2013

The U.S. Bureau of Economic Analysis (BEA) released estimates of growth in real income by state last month. Real income in Mississippi contracted by 0.1 percent in 2013, considerably below the average increase of 0.8 percent across all states.

While BEA has previously released estimates of changes in personal income by state for 2013 and part of 2014, last month's real income data represents the first release to include regional price parities (RPPs) for 2013. The RPPs account for differences in the price level across states each year. By construction, the value of the RPP for the U.S. is 100.0 and the values for each state are expressed as percentages of the U.S. value.

Table 3 at right lists the value of the RPP for each state for 2013. The state with the highest RPP in 2013 was, not surprisingly, Hawaii with a value of 116.2. The value means that on average in 2013 the prices of all items sold in Hawaii were 16.2 percent higher than for the U.S. as a whole. At the other end of the scale, Mississippi had the lowest RPP in 2013 with a value of 86.8. This value means that on average in 2013 the prices of all items sold in the state were 13.2 percent lower than for the U.S. as a whole. Thus, the RPPs represent a way of measuring the cost of living in each state. As Table 3 indicates, in addition to Mississippi, a number of southern states had relatively low RPPs in 2013, including Arkansas, Alabama, and Kentucky. Like these Southern states, most of the states found in the lower third of RPP values have largely rural populations. The reason the cost of living in these states is relatively lower is chiefly related to the cost of housing. Each of the values making up an individual's total expenditures are weighted, and in general housing costs represent the largest single expenditure. Therefore, states with some of the largest metropolitan areas in the country—which tend to have the most expensive housing markets—ranked among the highest RPP values in 2013.

Once incomes for each state were adjusted for RPPs, they were adjusted for inflation using the national personal consumption expenditures (PCE) price index. The PCE price index is similar to the more well known Consumer Price Index (CPI), but is generally considered more comprehensive. The PCE uses more expenditures and weights their values according to surveys of businesses as opposed to consumers, among other differences. As a result, most of the time the value of the CPI runs higher than that of the PCE. The PCE is also the Federal Reserve's preferred measure of inflation, as it includes purchases by groups other than retail consumers. In 2013, the value of the PCE for the U.S. was 1.2 percent. On a nominal basis, on average U.S. income grew 2.0 percent in 2013. Taking the difference between these two values results in the average increase in U.S. real income of 0.8 percent as mentioned above.

Mississippi was one of ten states that experienced negative real income growth in 2013. The only other state in the southeast region with negative income growth was Kentucky, where real incomes grew by -0.2 percent. North Dakota experienced the largest decrease in real income in 2013 as real incomes fell 4.4 percent—a decline several times larger than in any other state.

The range of real income growth from 0.0 to 1.0 percent makes up the largest group of states. A total of eighteen states experienced growth in this range, including the southeastern states of Arkansas, Louisiana, North Carolina, and Oklahoma. Most states in the southeast region fell in the income growth range of 1.0 to 2.0 percent. Among the sixteen total states in this range, the southeastern states included Alabama, Georgia, Florida, South Carolina, Tennessee, and Texas.

Six states experienced real income growth in 2013 of 2.0 percent or more. Interestingly, all of these states were located west of the Mississippi River. The largest growth in real income occurred in Idaho, where real income grew 3.5 percent in 2013.

Table 3. Regional Price Parities by State, 2013

| | |
|----------------|-------|
| Hawaii | 116.2 |
| New York | 115.3 |
| New Jersey | 114.5 |
| California | 112.3 |
| Maryland | 110.9 |
| Connecticut | 108.5 |
| Massachusetts | 107.3 |
| Alaska | 106.0 |
| New Hampshire | 105.9 |
| Washington | 103.2 |
| Virginia | 103.0 |
| Colorado | 102.2 |
| Delaware | 101.4 |
| Illinois | 101.0 |
| Vermont | 100.2 |
| Florida | 98.8 |
| Oregon | 98.7 |
| Pennsylvania | 98.6 |
| Nevada | 98.2 |
| Rhode Island | 98.1 |
| Maine | 97.7 |
| Minnesota | 97.6 |
| Utah | 97.2 |
| Arizona | 97.1 |
| Texas | 96.7 |
| Wyoming | 95.8 |
| New Mexico | 95.0 |
| Montana | 94.4 |
| Michigan | 94.2 |
| Wisconsin | 92.9 |
| Idaho | 92.8 |
| Georgia | 91.9 |
| North Carolina | 91.7 |
| Indiana | 91.4 |
| North Dakota | 91.4 |
| Louisiana | 91.2 |
| Kansas | 90.8 |
| Tennessee | 90.6 |
| Nebraska | 90.5 |
| South Carolina | 90.5 |
| Iowa | 90.3 |
| Oklahoma | 89.9 |
| Ohio | 89.6 |
| Missouri | 89.2 |
| Kentucky | 89.1 |
| West Virginia | 88.4 |
| Alabama | 87.7 |
| South Dakota | 87.6 |
| Arkansas | 87.5 |
| Mississippi | 86.8 |

Source: U.S. Bureau of Economic Analysis

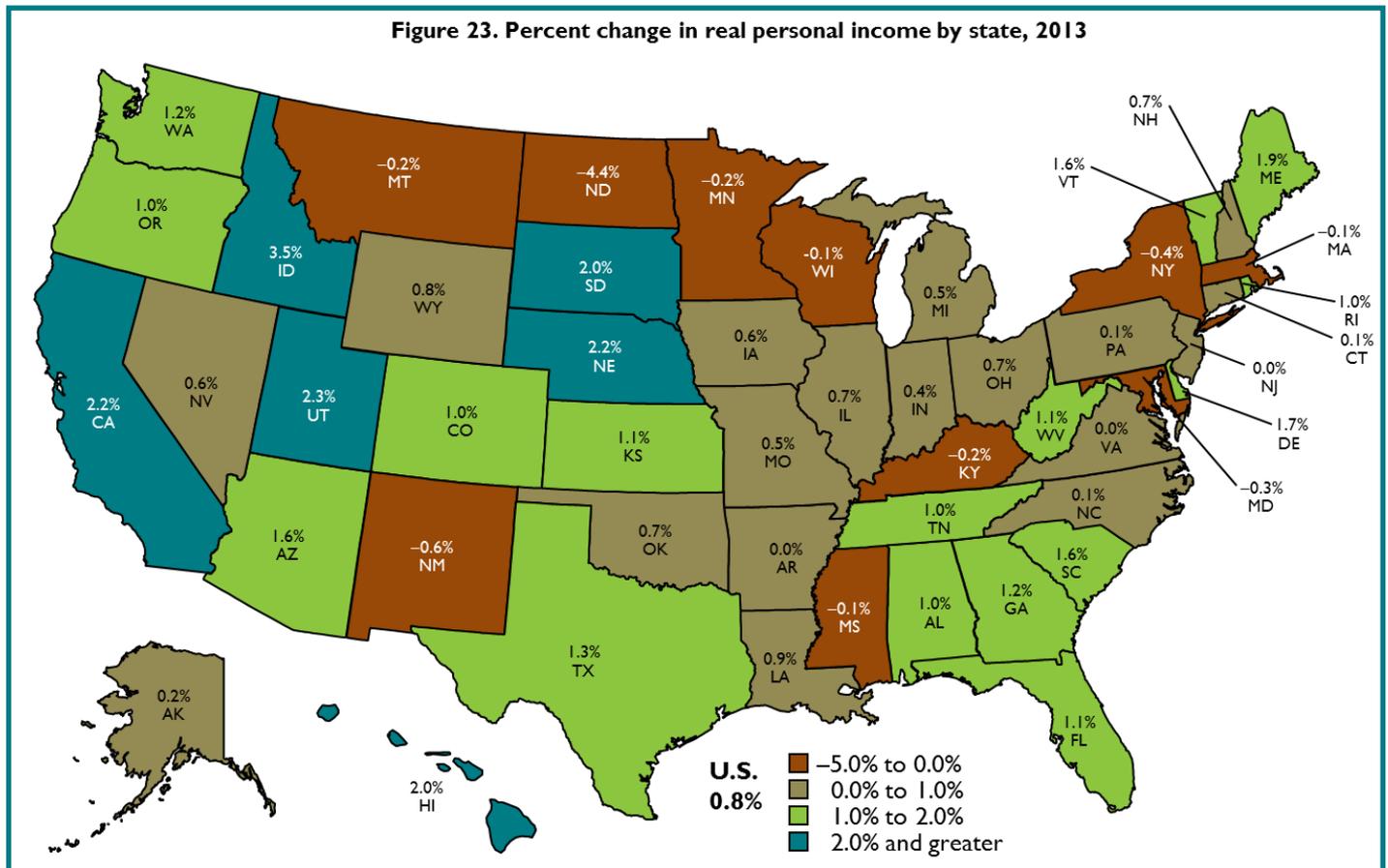
MISSISSIPPI'S BUSINESS

CHANGE IN MISSISSIPPI REAL INCOME IN 2013, CONTINUED

Using the values discussed previously, another measure of regional cost can be calculated for each state. By multiplying a state's RPP by the U.S. PCE, a price index known as the implicit regional price deflator (IRPD) can be found for each state. The IRPD essentially adjusts the PCE for each state and therefore represents a measure of regional inflation when viewed over time. Thus, the IRPD value for the U.S. remains the same as the PCE of 1.2. Because an IRPD is calculated from two existing values, it is considered an indirect measure of inflation.

The value of the IRPD in Mississippi in 2013 was 93.1, indicating a 1.7 percent increase in regional inflation, a higher rate than experienced nationwide. All values of IRPDs were positive for 2013, indicating the presence of at least some inflation in every state. Interestingly, the maximum and minimum values of IRPDs in 2013 were found in states that border each other. The lowest growth rate based on IRPDs in 2013 occurred in South Dakota, where the increase was 0.1 percent, indicating very little regional inflation. The highest rate of growth in 2013 was found in North Dakota, where the IRPD increased 1.9 percent from the previous year. Thus, regional inflation in North Dakota outpaced the nation as a whole in 2013.

The recently released data by BEA indicate real income growth in Mississippi has changed little since the end of the Great Recession and remains among the lowest in the country. However, Mississippi was not alone in negative real income growth in 2013 and other states (almost all outside of the South) experienced larger declines. Therefore, the data represent another signal that Mississippi's economy will require strong national economic growth in order to return to pre-recession levels. On a positive note, the cost of living in Mississippi was the lowest in the nation in 2013, which, while not offsetting the negative income growth, moderates its effects on the state's residents.



Source: U.S. Bureau of Economic Analysis