



ECONOMY AT A GLANCE

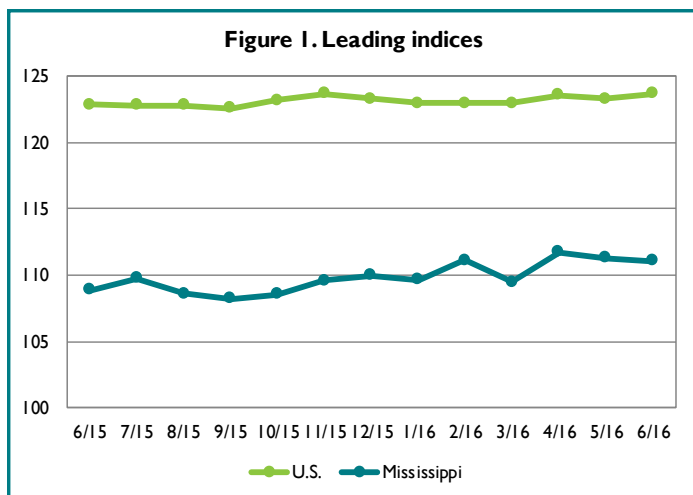
The Mississippi Leading Index (MLI) fell 0.2 percent in June as seen in Figure 1 below, declining for the second consecutive month. A relatively large decline in the Mississippi Manufacturing Employment Intensity Index was primarily responsible for the decrease in the MLI in June. Compared to one year ago the value of the MLI was up 2.0 percent for the month.

The value of the Mississippi Coincident Index (MCI) decreased 0.1 percent in June as seen in Figure 2 below. The value of the MCI was 2.3 percent higher in June compared to one year ago.

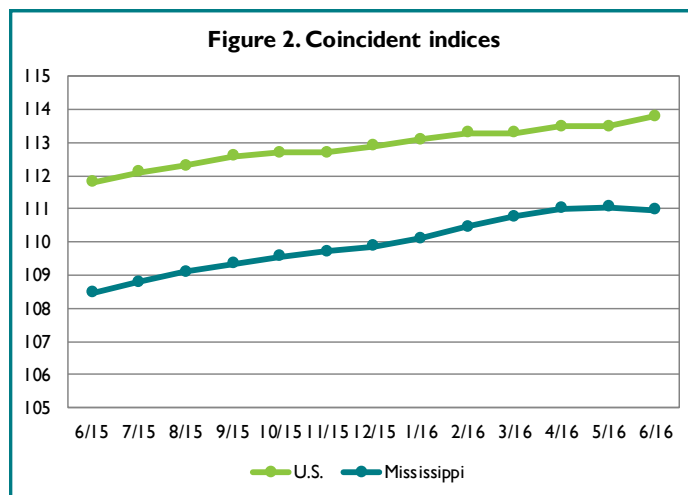
According to the first estimate of the U.S. Bureau of Economic Analysis (BEA), real U.S. gross domestic product (GDP) increased 1.2 percent in the second quarter. Moreover, BEA's final estimate of the change in U.S. real GDP

in the first quarter was revised down to 0.8 percent. Consumer spending continued to carry the U.S. economy in the second quarter, while both residential and business investment declined. Based on the latest estimates, the U.S. economy grew only 1.0 percent in the first half of 2016. However, BEA revised its estimate of real GDP growth for all of 2015 up from 2.4 percent to 2.6 percent.

Developments in Mississippi's economy were almost entirely negative in June. Both the leading and coincident indices declined and total nonfarm employment fell for the third consecutive month. While nationally the manufacturing industry is slowly recovering, in Mississippi the sector continues to struggle. However, a sustained retreat in energy prices could lead to more weakness in manufacturing nationwide. The relatively high level of building permits in the state remains one positive development.



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 2016

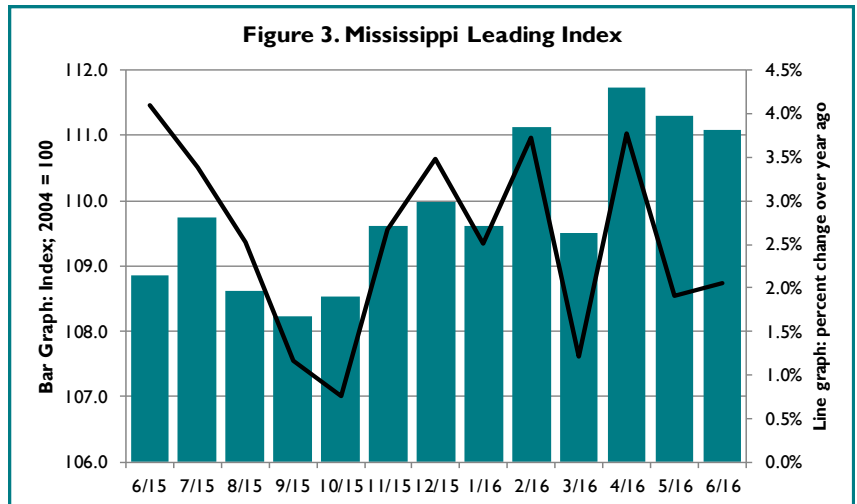
Figure 3 indicates the value of the **Mississippi Leading Index of Economic Indicators** (MLI) fell 0.2 percent in June, the second consecutive month of decline. The value of the MLI in June was 2.0 percent higher compared to one year ago as well as compared to six months ago.

While five of the seven components of the MLI made positive contributions for the month, these contributions were more than offset by a relatively large decline in the Mississippi Manufacturing Employment Intensity Index and a decrease in the ISM Manufacturing Index. Each component is discussed below in order of smallest to largest contribution.

As seen in Figure 4, the value of the **Mississippi Manufacturing Employment Intensity Index** fell for the second consecutive month in June. The value of the Index lost 2.2 percent for the month and was 0.7 percent higher compared to one year ago. Although manufacturing employment in the state rose by 1,500 jobs in June, the average weekly hours of production employees fell 3.2 percent, more than offsetting the increase in jobs. The average workweek length fell to 41.5 hours, its lowest level since September 2015.

Figure 5 indicates the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** fell in July. The value declined 1.1 percent but remained at its second-highest level of the last twelve months. Compared to July 2015 the value for the month was up 1.3 percent. The decrease in July was mostly due to the fall in the Supplier Deliveries and Employment components. The decline in the employment index is notable because the value fell below 50.0, indicating manufacturing employment is not increasing. Many of the factors that have weighed on the U.S. manufacturing sector over the last year are expected to continue inhibiting its growth through the end of 2016.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) was essentially unchanged in June, rising 0.1 percent as seen in Figure 6. Compared to one year ago the value for the month was down 4.3 percent. Notably, the difference between consumers' views of current conditions and their expectations was relatively large, with expectations considerably weaker. Short-term inflation expectations increased slightly in the past month while five-year expectations did not change.



Source: University Research Center

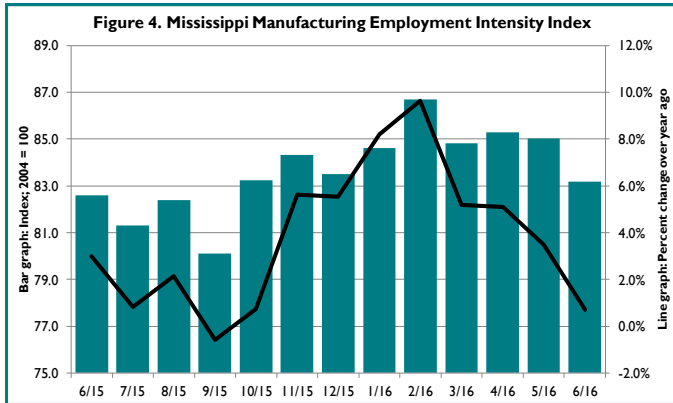
The value of seasonally-adjusted **initial unemployment claims** in Mississippi fell slightly in June from the previous month. As seen in Figure 7, the value declined 0.8 percent for the month. Compared to one year ago the value in June was 11.6 percent lower. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 6.1 percent in June as seen in Figure 14 on page 6. The number of continued claims in June was 3.7 percent lower compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi did not change in June as seen in Figure 15 on page 6. However, the May unemployment rate was revised up 0.1 percentage point to 5.9 percent. Compared to one year ago the June unemployment rate in Mississippi was 0.5 percentage point lower.

Figure 8 indicates the value of **Mississippi income tax withholdings** (three-month moving average) increased slightly in June. The value rose 0.2 percent for the month; compared to one year ago the value of withholdings in June was 2.1 percent higher. Over the last six months the three-month moving average of withholdings increased 1.3 percent.

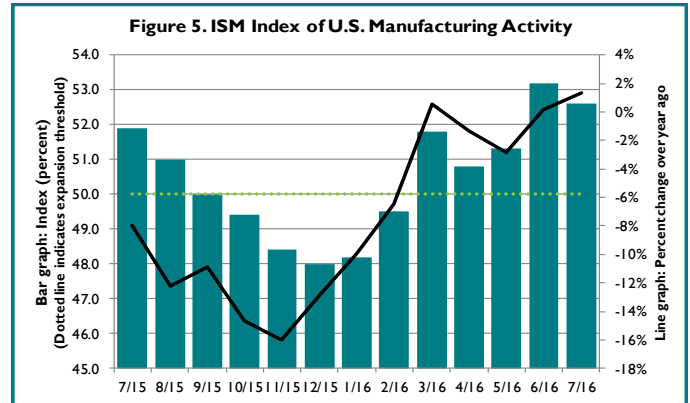
Figure 9 indicates the value of **Mississippi residential building permits** (three-month moving average) rose 3.2 percent in June. Compared to one year ago the value was up 12.8 percent. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi increased 3.2 percent in June from the previous month. The number of units was 14.1 percent higher for the month compared to one year

(Continued on page 4)

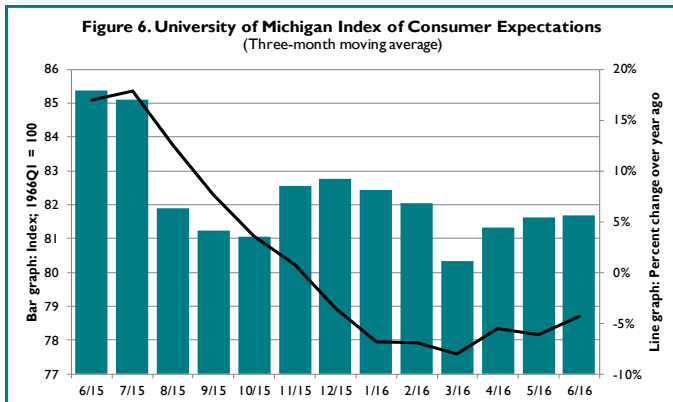
COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



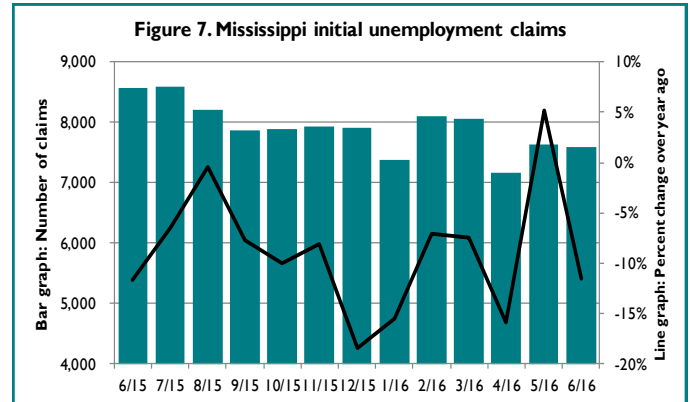
Source: URC using data from Bureau of Labor Statistics



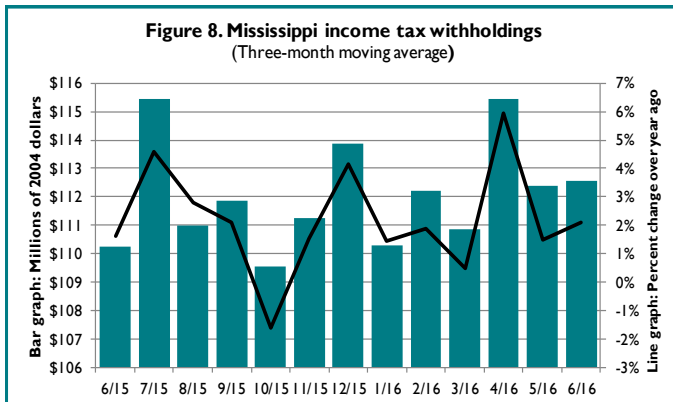
Source: Institute for Supply Management



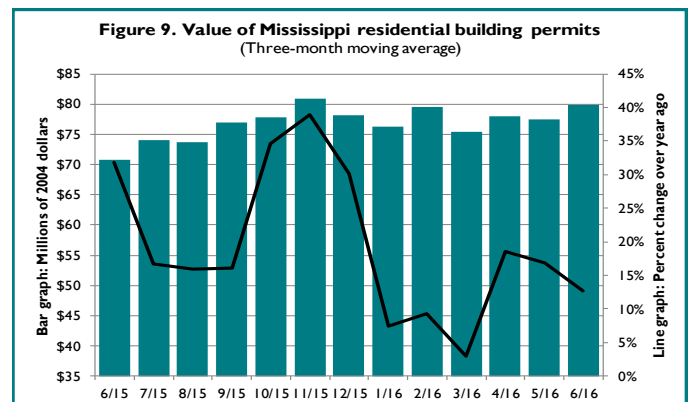
Source: Thomson Reuters/University of Michigan Surveys of Consumers



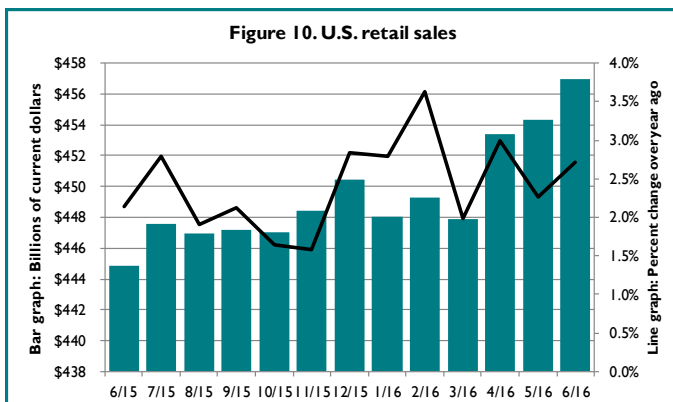
Source: U.S. Department of Labor; seasonally adjusted



Source: Mississippi Department of Revenue; seasonally adjusted



Source: Bureau of the Census; seasonally adjusted



Source: Bureau of the Census

The value of the Mississippi Leading Index (MLI) fell 0.2% in June, its second consecutive monthly decline.

MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, JUNE 2016 (CONTINUED)

ago. The number of privately-owned housing units in the U.S. authorized by building permits was up 1.5 percent in June from the revised value of the previous month. However, the number of units in the U.S. in June was down 13.6 percent compared to one year ago.

For the third consecutive month, **U.S. retail sales** increased as seen in Figure 10. The June value climbed 0.6 percent from May, and compared to one year ago the value of sales for the month was 2.7 percent higher.

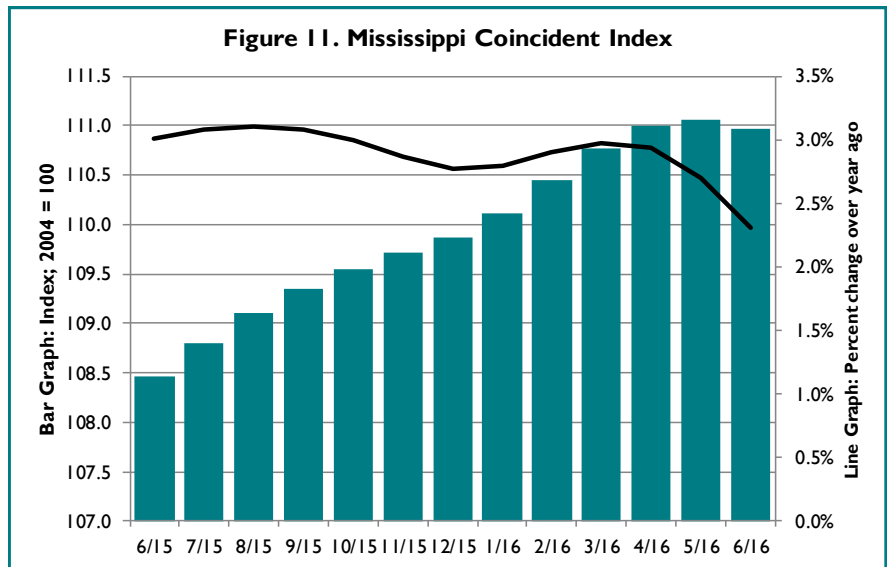
However, the change in sales for May was revised down from an increase of 0.5 percent to an increase of 0.2 percent. The gains in June sales were generally widespread, as excluding automobile and gasoline other sales increased 0.7 percent. The only categories that declined for the month were clothing and accessories and food and drinking places. Sales of building materials posted a particularly strong gain after declining in four of the last five months.

MISSISSIPPI COINCIDENT INDEX, JUNE 2016

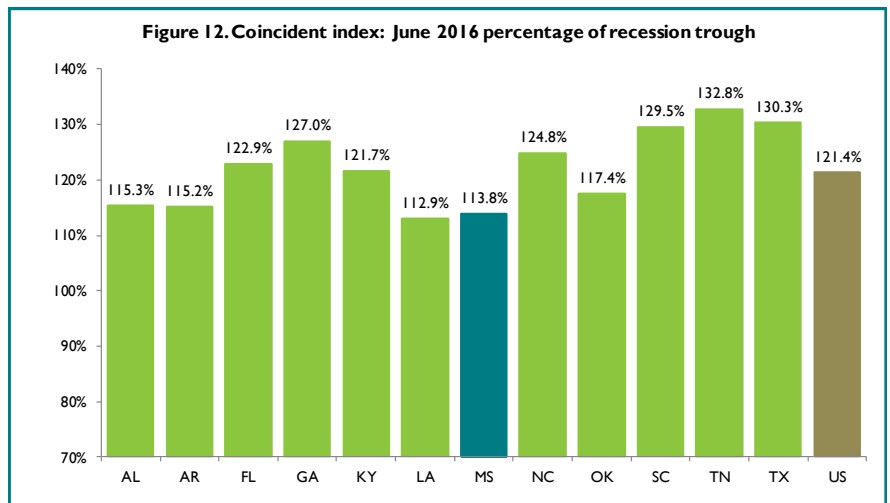
Figure 11 indicates the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** fell 0.1 percent in June according to the Federal Reserve Bank of Philadelphia. Compared to one year ago the value of the MCI was 2.3 percent higher in June.

The growth in the value of the coincident index for Louisiana from its respective recession trough remained the smallest among all other states in the Southeast region. As seen in Figure 12 Louisiana's coincident index was up 12.9 percent from its trough. The increase in the value of the coincident index for Mississippi was the next smallest, up 13.8 percent through June. The values of the coincident indices for Tennessee and Texas are up more than 30.0 percent from their respective recession troughs, the most in the Southeast.

The value of the coincident indices increased in forty-three states in June compared to three months prior as seen in Figure 13 on page 5. In twenty-eight states the values of the coincident indices increased more than 0.5 percent in June compared to three months prior. The value of the coincident indices in fifteen states increased by less than 0.5 percent in June over March. In six states the values of the coincident indices fell between 0.0 percent and 0.5 percent, while Wyoming was the only state with a coincident index that fell in value by more than 0.5 percent in June compared to three months prior.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

NATIONAL TRENDS

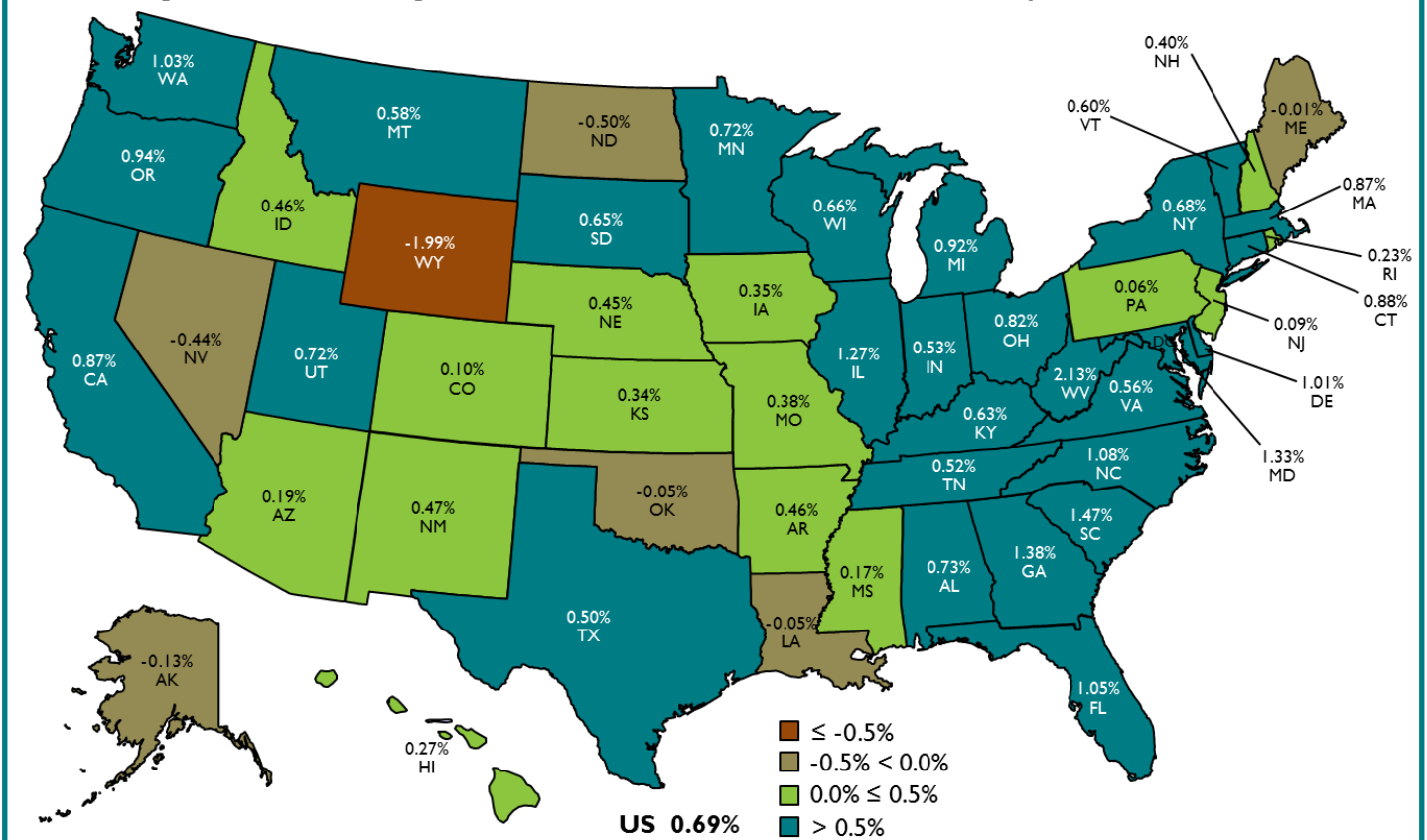
According to The Conference Board the value of the U.S. Leading Economic Index (LEI) increased 0.3 percent in June. However, the values for each of the previous five months were revised lower. Notably, as a result of these revisions the value of the LEI did not change in the first three months of the year. As seen in Figure 1 on page 1, compared to one year ago the value in June was 0.7 percent higher. Eight of the ten components of the LEI increased in value for the month, with the decline in average weekly initial claims for unemployment insurance (which the LEI inverts) making the largest contribution. The value of the LEI rose 0.3 percent over the last six months.

The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) also increased 0.3 percent in June. The value was up 1.8 percent compared to one year ago as seen in Figure 2 on page 1. All four of the components of the CEI increased in value for the month, with the largest contribution resulting from the increase in employees on nonagricultural payrolls. The value of the CEI is up 0.8 percent over the last six months.

For the third consecutive month the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index rose in June as seen in Figure 20 on page 6. The value increased 0.7 percent for the month; moreover, the year-over-year change in the Index moved positive for the first time since September 2015, up 0.4 percent. The largest areas of improvement in June were the “expect economy to improve” and “plans to increase capital expenditures” components. Notably, however, the values of the components for “plans to increase employment” and “plans to raise compensation” both declined for the month.

The Federal Open Market Committee (FOMC) took no action on interest rates at its July meeting, which was expected. The July statement included the sentence “Near-term risks to the economic outlook have diminished,” a sign the central bank appears closer to finally implementing only its second rate increase since 2006. However, the FOMC meeting and subsequent statement occurred before the release of the estimate of second quarter U.S. real GDP growth.

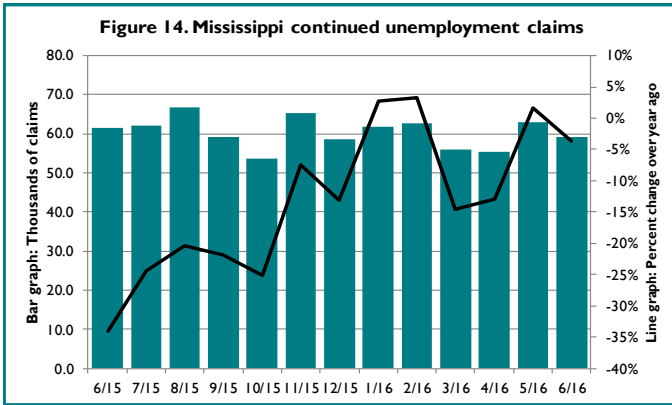
Figure 13. Three-month growth in the coincident index of economic indicators by state, June 2016



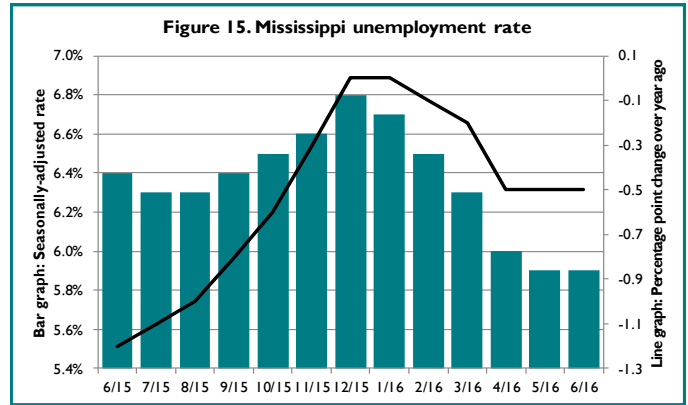
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

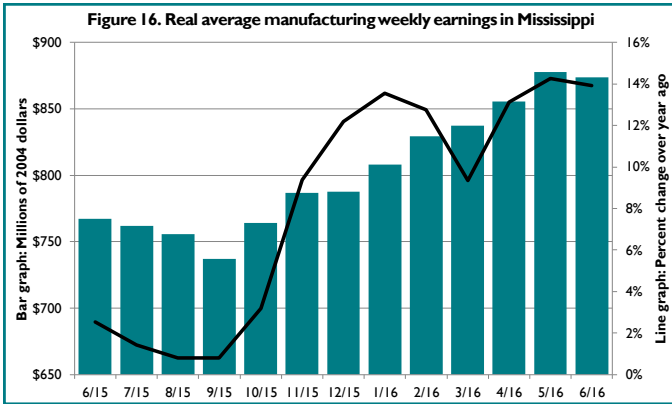
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



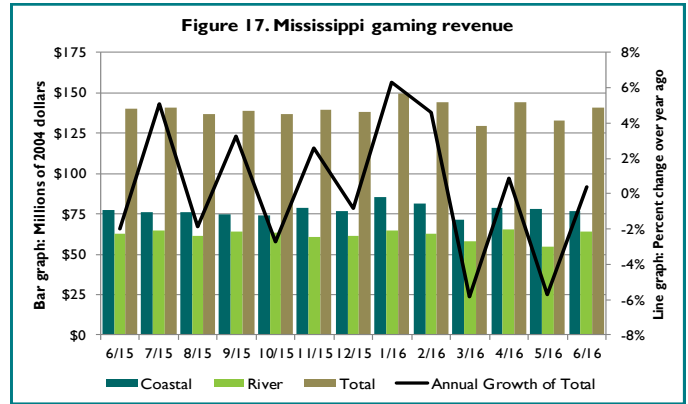
Source: U.S. Department of Labor; seasonally adjusted



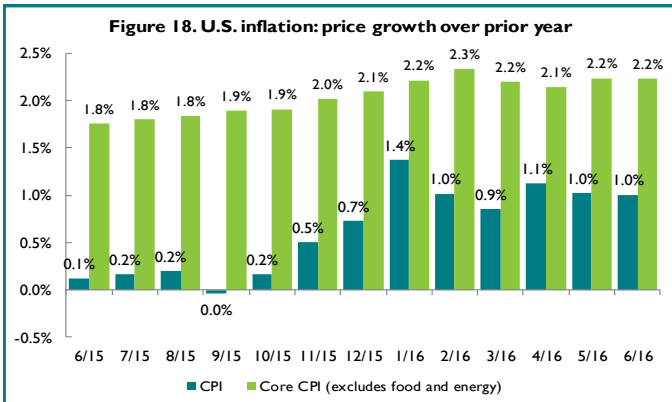
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



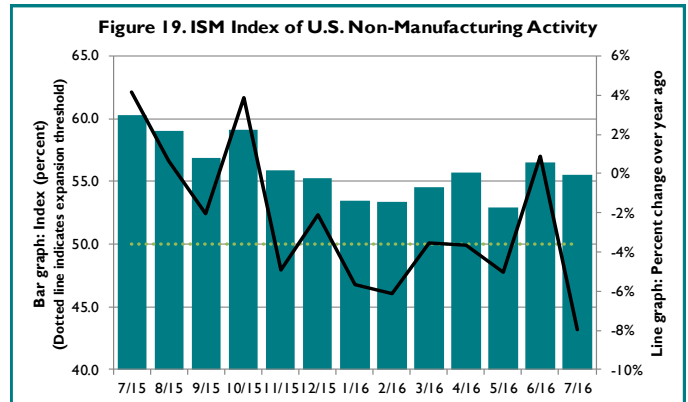
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



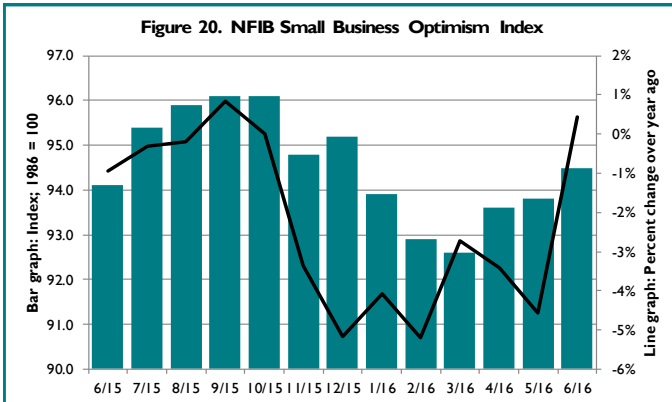
Source: Mississippi Department of Revenue; seasonally adjusted



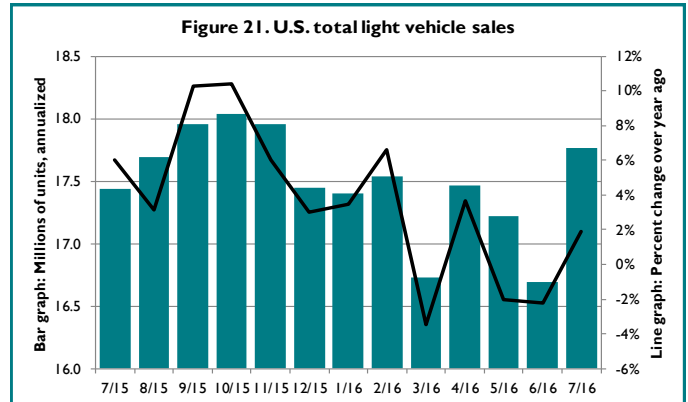
Source: U.S. Bureau of Labor Statistics



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 2016	May 2016	June 2015	Percent change from		
				May 2016	June 2015	
U.S. Leading Economic Index <small>2004 = 100. Source: The Conference Board</small>	123.7	123.3	122.9	▲0.3%	▲0.7%	Economic Indices
U.S. Coincident Economic Index <small>2004 = 100. Source: The Conference Board</small>	113.8	113.5	111.8	▲0.3%	▲1.8%	
Mississippi Leading Index <small>2004 = 100. Source: University Research Center</small>	111.1	111.3	108.8	▼0.2%	▲2.1%	
Mississippi Coincident Index <small>2004 = 100. Source: Federal Reserve Bank of Philadelphia</small>	111.0	111.1	108.5	▼0.1%	▲2.3%	
Mississippi initial unemployment claims <small>Seasonally adjusted. Source: U.S. Department of Labor</small>	7,582	7,644	8,577	▼0.8%	▼11.6%	Components of the Mississippi Leading Index
Value of Mississippi residential building permits <small>Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census</small>	79.9	77.4	70.9	▲3.2%	▲12.8%	
Mississippi income tax withholdings <small>Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue</small>	112.6	112.4	110.2	▲0.2%	▲2.1%	
Mississippi Manufacturing Employment Intensity Index <small>2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics</small>	83.2	85.0	82.6	▼2.2%	▲0.7%	
University of Michigan Index of Consumer Expectations <small>Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers</small>	81.7	81.6	85.4	▲0.1%	▼4.3%	
ISM Index of U.S. Manufacturing Activity <small>Advanced one month. Source: Institute for Supply Management</small>	52.6	53.2	51.9	▼1.1%	▲1.3%	
U.S. retail sales <small>Current dollars, in billions. Source: Bureau of the Census</small>	457.0	454.4	444.9	▲0.6%	▲2.7%	
U.S. Consumer Price Index (CPI)	127.6	127.2	126.3	▲0.3%	▲1.0%	
U.S. Core CPI (excludes food and energy) <small>2004 = 100. Source: URC using data from Bureau of Labor Statistics</small>	125.9	125.6	123.1	▲0.2%	▲2.2%	
Mississippi unemployment rate <small>Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics</small>	5.9%	5.9%	6.4%	◀0.0%	▼0.5%	
Mississippi continued unemployment claims <small>Seasonally adjusted. Source: U.S. Department of Labor</small>	59,148	62,995	61,428	▼6.1%	▼3.7%	Miscellaneous Indicators
ISM Index of U.S. Non-Manufacturing Activity <small>Advanced one month. Source: Institute for Supply Management</small>	55.5	56.5	60.3	▼1.8%	▼8.0%	
U.S. mortgage rates <small>Percentage point change. Seasonally adjusted; 30-year conventional. Source: U.S. Federal Reserve</small>	3.53%	3.62%	3.94%	▼0.09	▼0.41	
Mississippi average hourly wage for manufacturing <small>Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics</small>	21.04	20.46	18.27	▲2.8%	▲15.2%	
Mississippi average weekly earnings for manufacturing <small>Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics</small>	873.80	877.67	767.12	▼0.4%	▲13.9%	
NFIB Small Business Optimism Index <small>1986 = 100. Source: National Federation of Independent Businesses</small>	94.5	93.8	94.1	▲0.7%	▲0.4%	
U.S. total light vehicle sales <small>Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis</small>	17.77	16.69	17.44	▲6.4%	▲1.9%	
Gaming revenue	140.8	132.7	140.2	▲6.1%	▲0.4%	
Coastal counties	76.8	78.0	77.2	▼1.5%	▼0.4%	
River counties <small>Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue</small>	64.0	54.7	63.1	▲16.9%	▲1.4%	

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

For the third consecutive month, total nonfarm employment in Mississippi fell in June. The U.S. Bureau of Labor Statistics (BLS) reported total employment in the state fell 0.4 percent for the month. Compared to one year ago total employment in Mississippi was 0.5 percent higher, a difference of 5,500 jobs, as seen in Table 2 below. In the last three months, the Mississippi economy has lost 10,000 jobs based on the latest BLS data.

According to BLS in June total nonfarm employment essentially did not change in twenty-nine states, increased in eighteen states, and decreased in three states and the District of Columbia. California, New York, and New Jersey experienced the largest absolute increases in employment for the month; the largest percentage increase in employment in June of 0.9 percent occurred in Delaware. The only decreases in employment in June occurred in the District of Columbia, Mississippi, West Virginia, and Wyoming. West Virginia experienced the largest absolute decrease in employment of 6,000 jobs and the largest percentage decline in employment of 0.8 percent. North Dakota and Wyoming once again were the only two states reporting lower employment in June compared to one

year ago as both states experienced job declines of over 3.0 percent.

Most sectors in the state lost jobs in June. The largest absolute decrease in employment occurred in Health Care and Social Assistance, which lost 3,600 jobs. Construction employment fell 2.9 percent in June, the largest percentage decrease among sectors. The Manufacturing industry added the most jobs for the month, as employment rose by 1,500 jobs. The largest percentage increase in employment occurred in Arts and Entertainment, which rose 1.7 percent, but represented a gain of only 200 jobs.

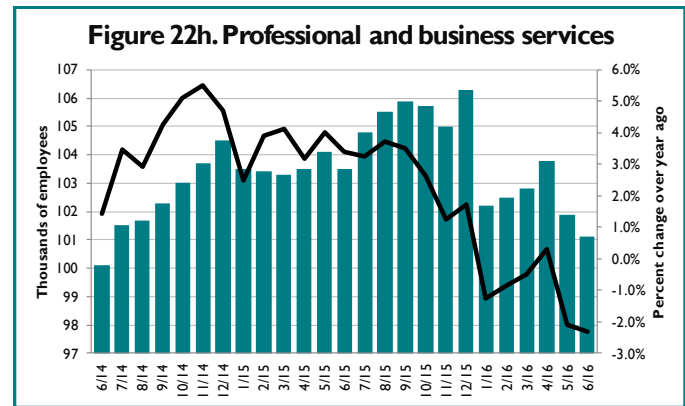
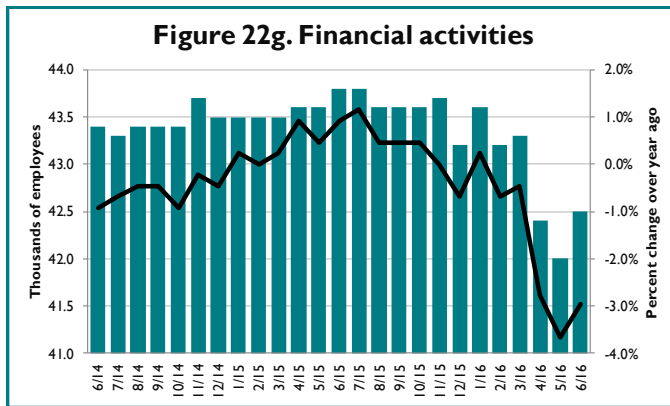
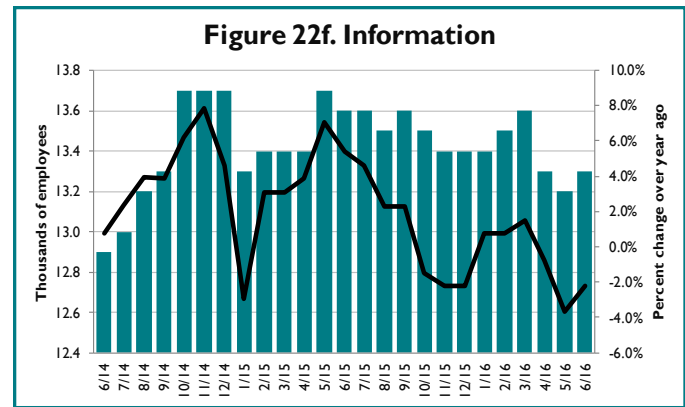
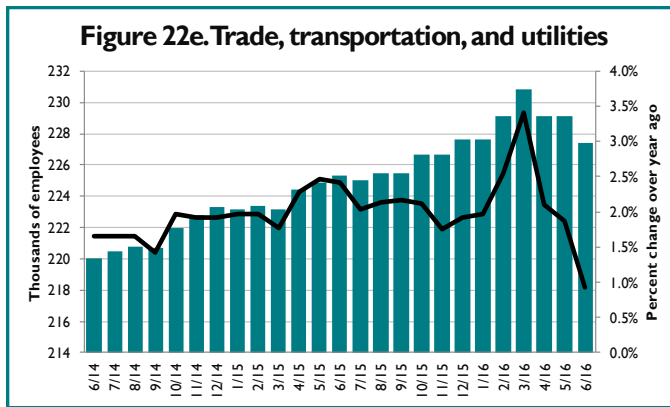
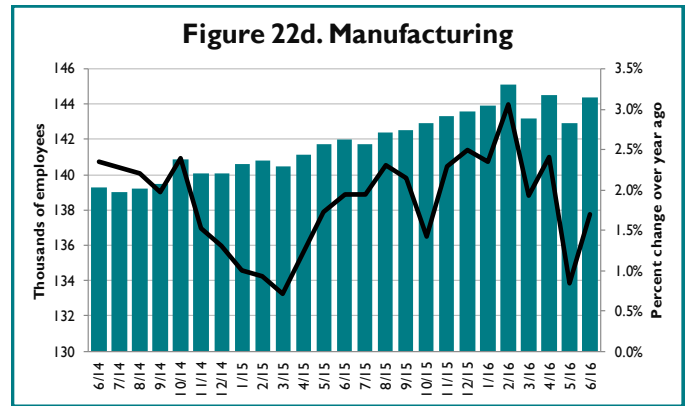
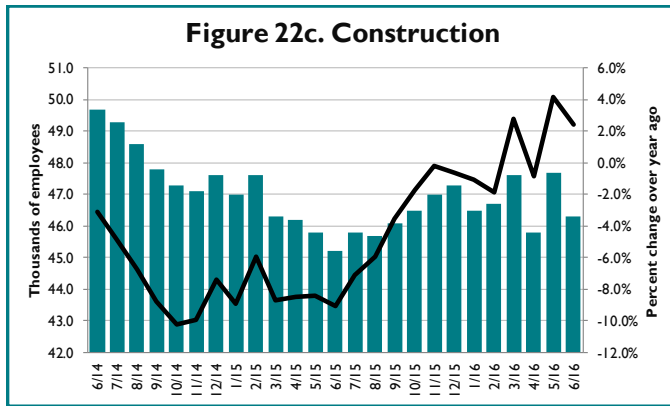
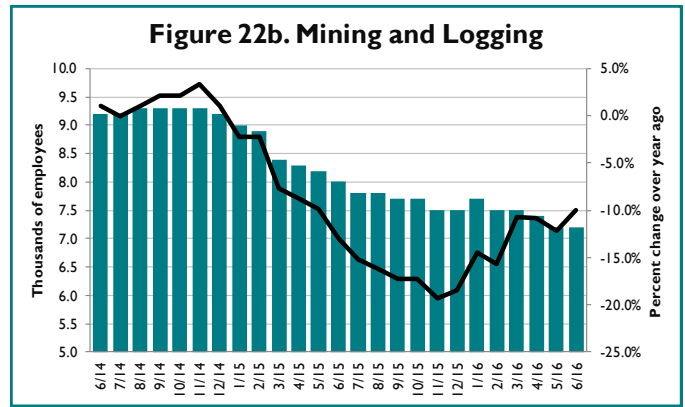
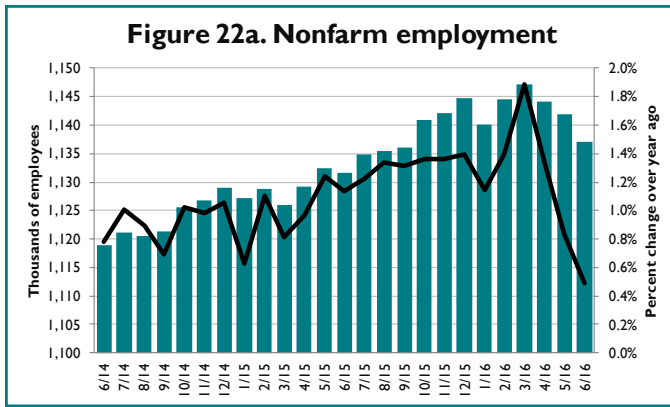
Compared to one year ago employment in the Retail Trade sector increased the most in Mississippi through June, rising by 2,500 jobs. As in May, the largest percentage increase in employment among all sectors in the state in June compared to one year ago occurred in Educational Services, which rose 5.9 percent. Professional and Business Services lost the most jobs in the state over the last year, as employment fell by 2,400 jobs. Mining and Logging again experienced the largest percentage decrease in employment for the month compared to one year ago in June, as employment in the sector was down 10.0 percent.

Table 2. Change in Mississippi employment by industry, June 2016

	Relative share of total ^a	June 2016	May 2016	June 2015	Change from May 2016		Change from June 2015	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,137,100	1,141,900	1,131,600	▼4,800	▼0.4%	▲5,500	▲0.5%
Mining and Logging	0.7%	7,200	7,200	8,000	◀0	◀0.0%	▼800	▼10.0%
Construction	4.1%	46,300	47,700	45,200	▼1,400	▼2.9%	▲1,100	▲2.4%
Manufacturing	12.6%	144,400	142,900	142,000	▲1,500	▲1.0%	▲2,400	▲1.7%
Trade, Transportation, & Utilities	19.9%	227,400	229,100	225,300	▼1,700	▼0.7%	▲2,100	▲0.9%
Retail Trade	12.3%	140,700	142,000	138,200	▼1,300	▼0.9%	▲2,500	▲1.8%
Information	1.2%	13,300	13,200	13,600	▲100	▲0.8%	▼300	▼2.2%
Financial Activities	3.8%	42,500	42,000	43,800	▲500	▲1.2%	▼1,300	▼3.0%
Services	36.3%	412,200	418,300	410,200	▼6,100	▼1.5%	▲2,000	▲0.5%
Professional & Business Services	9.1%	101,100	101,900	103,500	▼800	▼0.8%	▼2,400	▼2.3%
Educational Services	1.1%	12,500	12,600	11,800	▼100	▼0.8%	▲700	▲5.9%
Health Care & Social Assistance	11.1%	128,600	132,200	126,600	▼3,600	▼2.7%	▲2,000	▲1.6%
Arts & Entertainment	1.0%	11,900	11,700	11,300	▲200	▲1.7%	▲600	▲5.3%
Accommodation and Food Services	10.4%	118,200	120,500	117,300	▼2,300	▼1.9%	▲900	▲0.8%
Other Services	3.5%	39,900	39,400	39,700	▲500	▲1.3%	▲200	▲0.5%
Government	21.5%	243,800	246,000	243,500	▼2,200	▼0.9%	▲300	▲0.1%

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

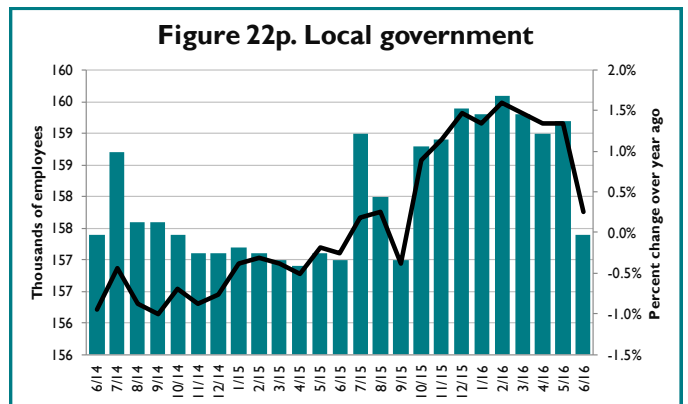
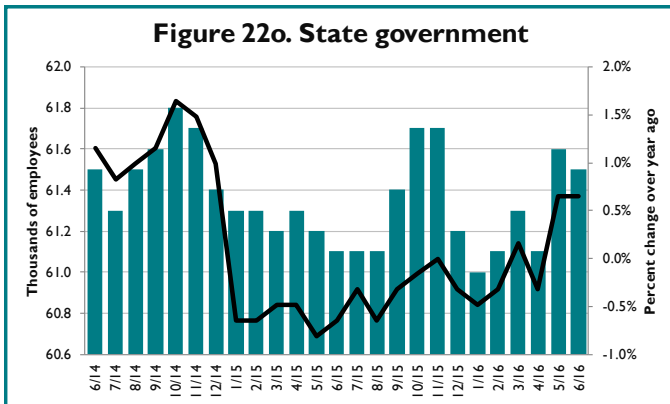
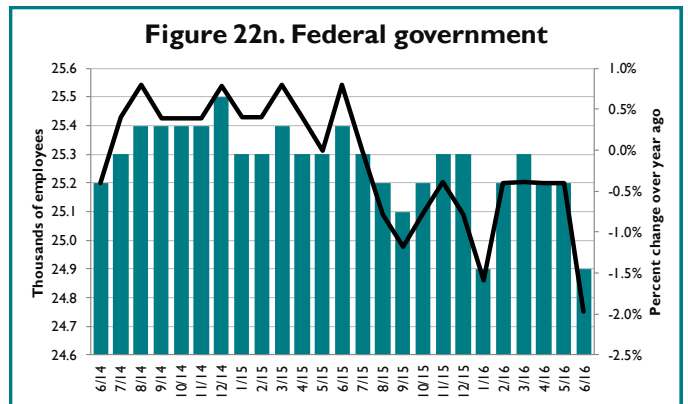
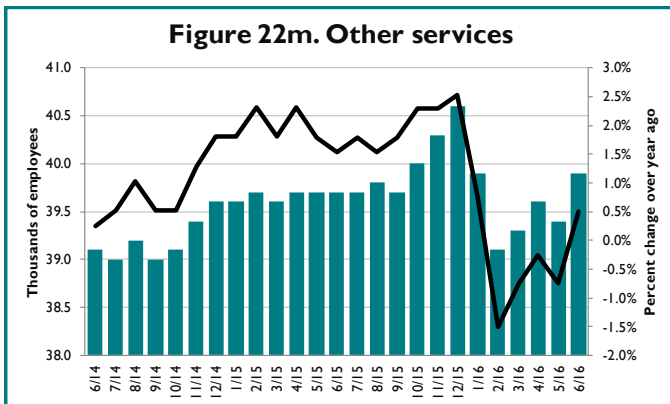
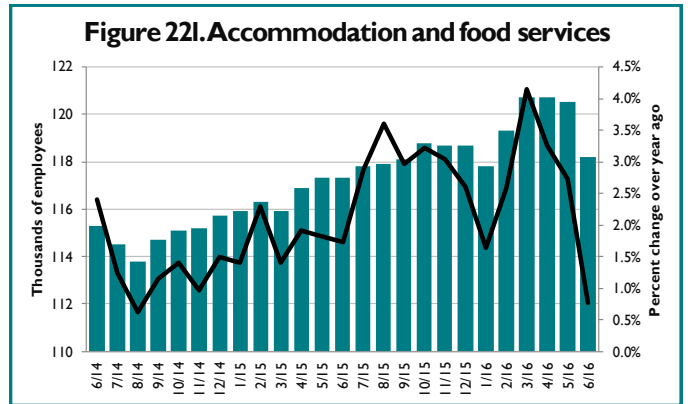
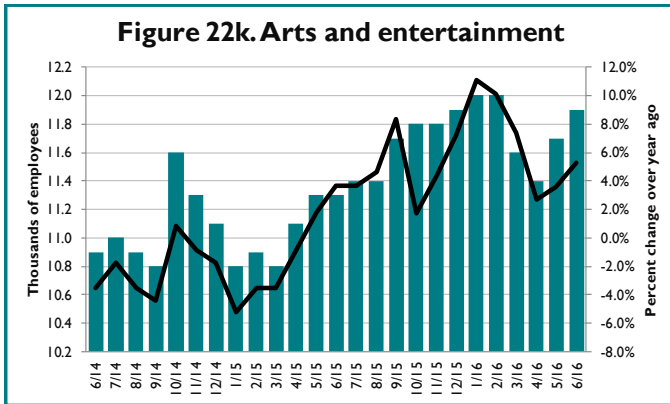
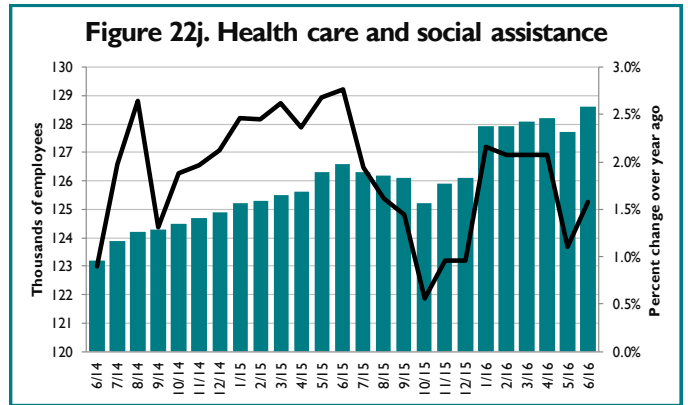
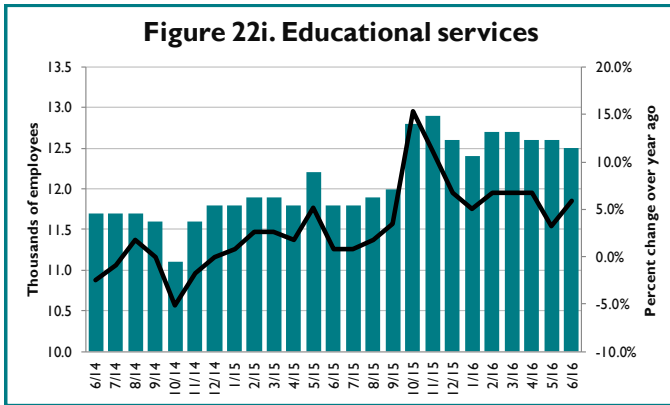
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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 2014

According to the latest estimate of the U.S. Bureau of Economic Analysis (BEA), real income in Mississippi increased 1.4 percent in 2014. The increase represents a considerable improvement over 2013 when real income in the state contracted 0.2 percent. However, the gain was less than half the increase in real income for the U.S. in 2014 of 2.9 percent. Moreover, Mississippi was one of seven states where real income grew less than 2.0 percent in 2014 as seen in Figure 23 on page 12. Mississippi's increase of 1.4 percent ranked forty-fifth among all states in real income growth in 2014.

As the agency first did in 2015, BEA's release of real income data also included regional price parities (RPPs) for 2014. 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. RPPs therefore represent a way of measuring the relative cost of living in each state.

The values of most states' RPPs changed little from the previous year. Table 3 at right lists the value of the RPP for each state for 2014. As in the previous year the state with the highest RPP in 2014 was Hawaii with a value of 116.8, up slightly from the year before. Based on this RPP value, in 2014 on average all items sold in Hawaii cost 16.8 percent more than the U.S. average. The value of Mississippi's RPP did not change in 2014, as it remained at 86.8. Analogous to the interpretation of the RPP for Hawaii, this value means that in 2014 on average all items sold in the state cost 13.2 percent less than the U.S. average. Mississippi's RPP remained the lowest in the nation in 2014. Several southeastern states maintained relatively low RPPs in 2014 in addition to Mississippi, including Arkansas, Alabama, and Kentucky. The state in the Southeast with the highest-valued RPP in 2014 was Florida; its RPP of 98.8 ranked sixteenth among all states. A brief glimpse of Table 3 indicates most of the states with relatively low RPP values consist of largely rural populations. The RPP calculation weights the values making up an individual's total expenditures and in general housing costs represent an individual's largest single expenditure. Thus, the primary reason the cost of living in rural states is relatively lower is the cost of housing in these areas is lower. In contrast, the states with some of the largest metropolitan areas in the country—as well as some of the most expensive housing markets—earned some of the nation's highest RPP values in 2014.

After BEA adjusted the incomes for each state for RPPs, it then adjusted the incomes for inflation using the national Personal Consumption Expenditures (PCE) price index. Similar to the more well-known Consumer Price Index (CPI), the PCE is generally considered more comprehensive. Among other differences with the CPI, the PCE uses more expenditures and weights their values according to surveys of businesses as opposed to consumers. The value of the CPI most of the time runs higher than the value of the PCE. The Federal Reserve also prefers to use the PCE as its measure of inflation because the index includes purchases by groups other than retail consumers. The value of the PCE index for the U.S. increased 1.4 percent in 2014. U.S. nominal income grew 4.4 percent in 2014; taking the difference between these two values results in the average increase in U.S. real income of 2.9 percent mentioned above (after adjusting for differences due to rounding).

Overall real income growth across states improved considerably in 2014. Based on the revised data, in 2013 a total of thirty-two states experienced a decline in real income, including Mississippi. The overall change in real income in 2013 for the U.S. was -0.2, the same as for Mississippi. In 2014, however, no state experienced a decline in real income. The lowest rate of real income growth occurred in South Dakota where the increase was 0.4 percent. Five states experienced growth in real income of 4.0 percent or more and the largest gain

Table 3. Regional Price Parities by State, 2014

Hawaii	116.8
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

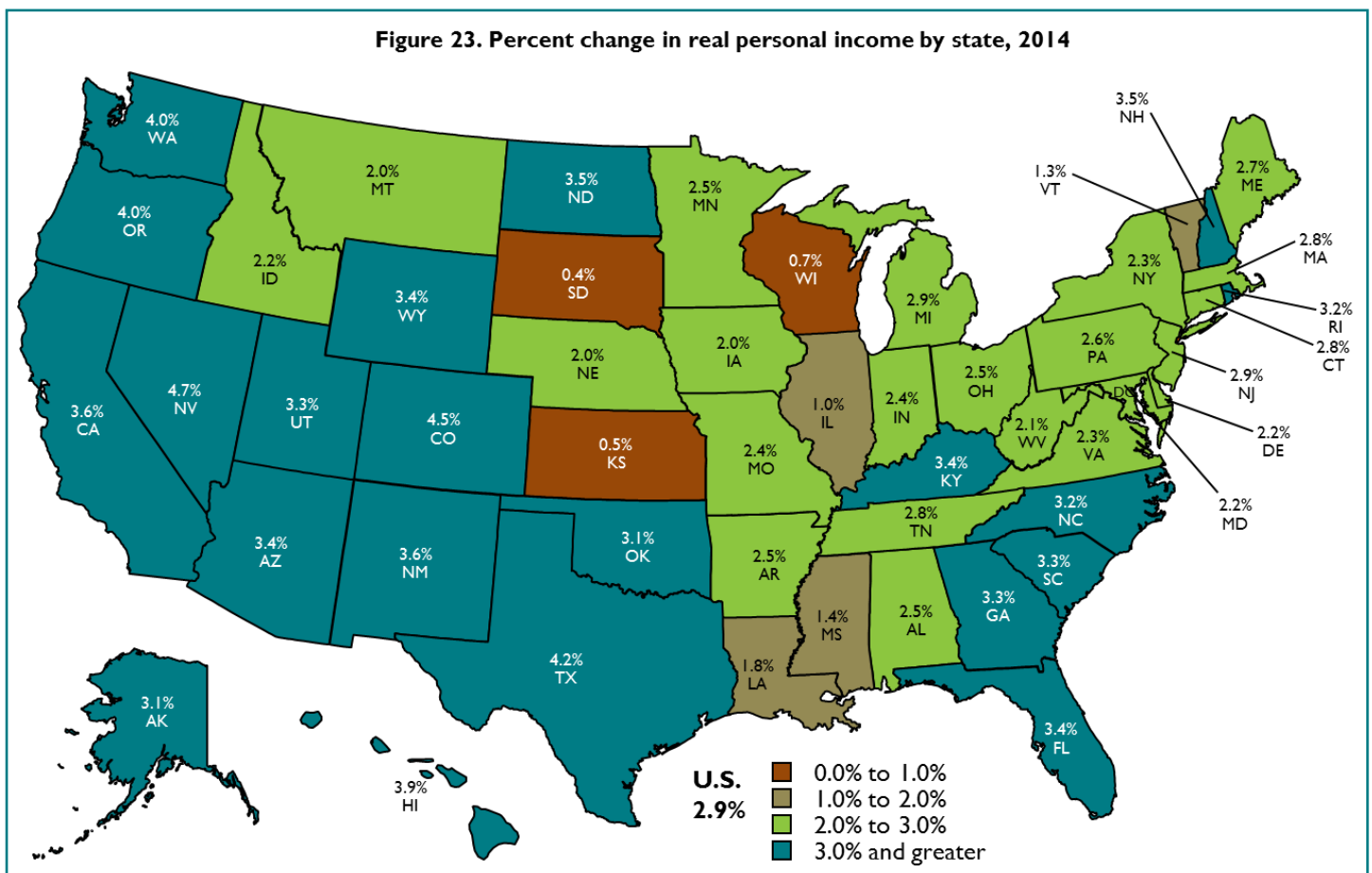
CHANGE IN MISSISSIPPI REAL INCOME IN 2014, CONTINUED

occurred in Nevada where real income grew 4.7 percent in 2014. Texas, where real income increased 4.2 percent in 2014, was the only state in the southeast region with a real income growth rate of at least 4.0 percent.

Another measure of regional cost known as the implicit regional price deflator (IRPD) can be calculated for each state. The IRPD for a state is found by multiplying its RPP by the U.S. PCE, which results in a price index for that state. Viewed over time, the IRPD essentially represents a measure of regional inflation through its adjustments of the PCE for each state. The IRPD value for the U.S. remains the same as its PCE of 1.4. The IRPD is considered an indirect measure of inflation because it is calculated from two existing values.

Mississippi's IRPD in 2014 had a value of 94.5, indicating regional inflation increased 1.1 percent from the previous year. This rate was slightly lower than the rate experienced for the U.S. as a whole. Not surprisingly, every state experienced some inflation in 2014, as all of the IRPD values increased from the previous year. The largest increase occurred in Delaware, where the IRPD increased 2.4 percent in 2014, a full percentage point higher than the U.S. The smallest change was found in Maine, as the value of its IRPD rose only 0.4 percent in 2014.

BEA's latest estimates of real income growth by state indicate a substantial improvement for most of the country in 2014 compared to 2013. However, income growth across the country remains relatively low and Mississippi is no exception. Furthermore, these data indicate most relatively small economies like Mississippi's will require strong national economic growth in order to return to pre-recession growth levels. However, the fact the cost of living in Mississippi continues to be the lowest in the nation likely mitigates some of the effects of relatively low income growth on the state's residents.



Source: U.S. Bureau of Economic Analysis