



## ECONOMY AT A GLANCE

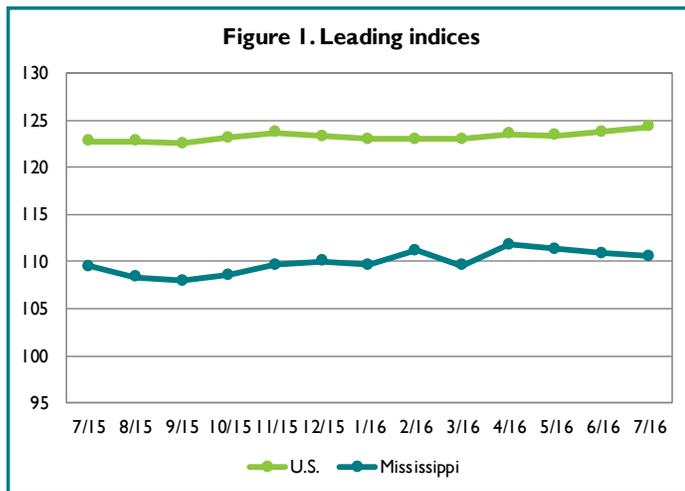
The value of the Mississippi Leading Index (MLI) declined in July for the third consecutive month. As Figure 1 indicates, the MLI lost 0.3 percent of its value for the month. Despite a relatively large increase in the Mississippi Manufacturing Employment Intensity Index, five of the seven components of the MLI declined, resulting in the decrease in the MLI in July. The value of the MLI was up 1.6 percent for the month compared to one year ago.

As Figure 2 below indicates, the value of the Mississippi Coincident Index (MCI) was essentially unchanged in July, falling by less than 0.1 percent. Compared to one year ago the value of the MCI in July was 2.3 percent higher.

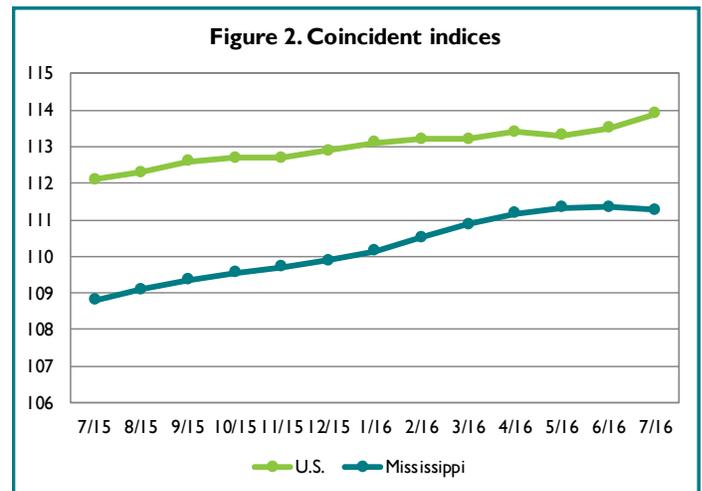
Real U.S. gross domestic product (GDP) grew 1.1 percent in the second quarter according to the second estimate of the U.S. Bureau of Economic Analysis (BEA). This rate is

0.1 percentage point lower than in BEA's initial estimate. According to BEA, the downward revision resulted primarily from lower state and local government spending. Together with BEA's estimate of the change in U.S. real GDP in the first quarter, this latest measure means the U.S. economy grew less than 1.0 percent in the first half of 2016.

The MLI continued its downward trend in July and has fallen in five of the first seven months of 2016. Much of the weakness is due to declines in withholdings; however, a number of national components of the MLI on net have changed little in 2016. July appeared to be a relatively good month for manufacturing in the state; however, nationally the decline in the ISM Manufacturing Index remains a sign of the sector's protracted recovery.



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, JULY 2016

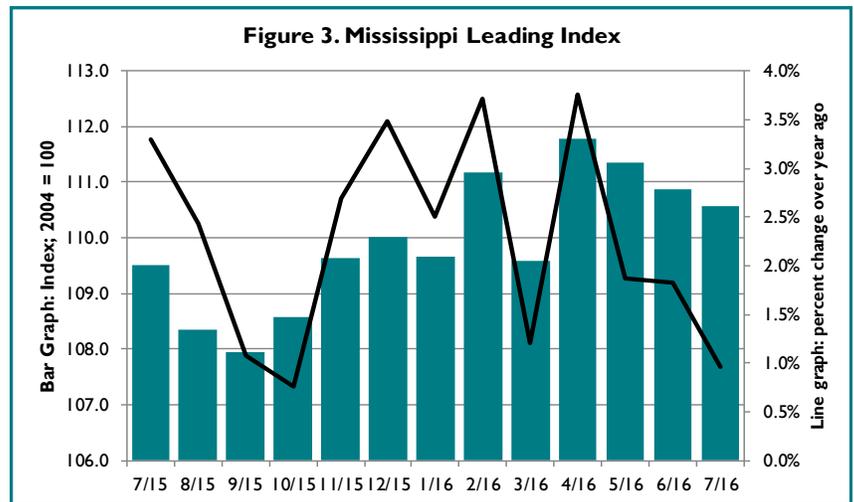
The value of the **Mississippi Leading Index of Economic Indicators (MLI)** declined 0.3 percent in July, its third consecutive monthly decrease. Compared to one year ago the value of the MLI in July was 1.0 percent higher. Over the last six months the MLI rose 1.6 percent.

Five of the seven components of the MLI made positive contributions for the month. Although the value of the Mississippi Manufacturing Employment Intensity Index rose considerably in July, this increase could not make up for the declines in five of the other six components. Each component is discussed below in order of smallest to largest contribution.

The **Institute for Supply Management Index of U.S. Manufacturing Activity** lost 6.1 percent of its value in August as indicated in Figure 4. The decline was the largest one-month decrease since December 2013 and, more significantly, moved the Index into contractionary territory. All components of the Index declined in August and Supplier Deliveries remained the only component in expansion territory. The August performance of the Index demonstrates recovery in U.S. manufacturing will not occur quickly. Factors such as a relatively weak global economy and oil prices remaining well below levels that stimulate investment in manufacturing continue to depress the sector.

Figure 5 indicates the value of **Mississippi income tax withholdings** (three-month moving average) fell 1.2 percent in July. Compared to one year ago the value of withholdings in July was lower by 2.4 percent, the first negative year-over-year change since October 2015. The three-month moving average of withholdings increased 1.3 percent over the last six months.

After three consecutive months of increases, in July the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell to its lowest level since October 2014. As seen in Figure 6, the July value decreased 2.5 percent from the previous month, the largest one-month decline since August 2015. The value for the month was down 6.4 percent compared to one year ago. While consumer spending has been relatively steady, the increase in gasoline prices in August may have tempered expectations as consumers believe gasoline prices will continue to rise. However, expectations for overall inflation, both short- and long-term, declined.



Source: University Research Center

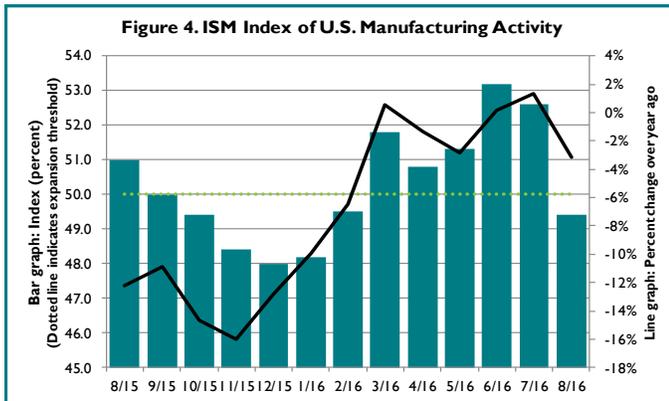
The value of **Mississippi residential building permits** (three-month moving average) fell 4.6 percent in July, the largest decline since March. As seen in Figure 7, compared to one year ago the value was 2.2 percent higher. Similarly, the seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi declined 5.6 percent in July. Compared to one year ago the number of units was 2.6 percent higher for the month. Nationally, the number of privately-owned housing units authorized by building permits fell 0.1 percent in July from the revised June value. Compared to July 2015, the number of units in the U.S. for the month was higher by 0.9 percent.

The value of **U.S. retail sales** was essentially unchanged in July, actually slipping by 0.04 percent as seen in Figure 8. However, the June value was revised slightly higher. Excluding automobiles and gasoline, sales fell 0.1 percent due to the first decline in gasoline sales since February. Sales at sporting goods and hobby stores experienced a relatively large decrease from the previous month as well. Both food and beverage sales and sales at food and drinking places fell in July, which may imply a decline in food prices from June. The largest gain came from nonstore retailers, which rose 1.3 percent. Sales of motor vehicles and parts also rose by 1.1 percent from June. Compared to one year ago, retail sales in July were higher by 2.3 percent.

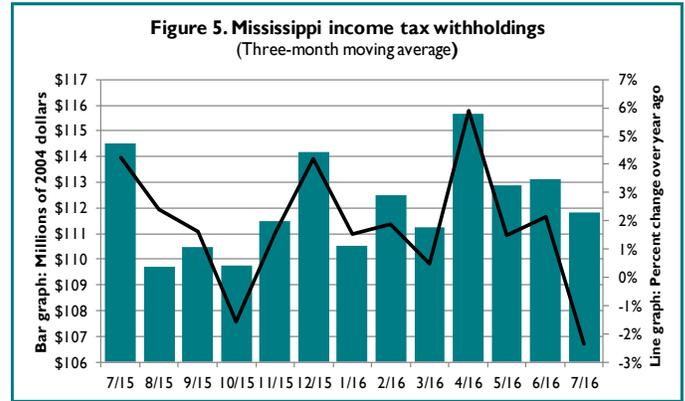
As seen in Figure 9, the value of seasonally-adjusted **initial unemployment claims** in Mississippi declined 4.6 percent in July. The value in July was 16.1 percent lower

(Continued on page 4)

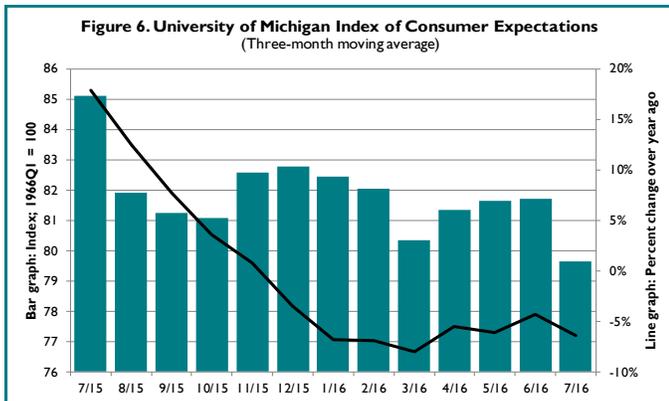
# COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



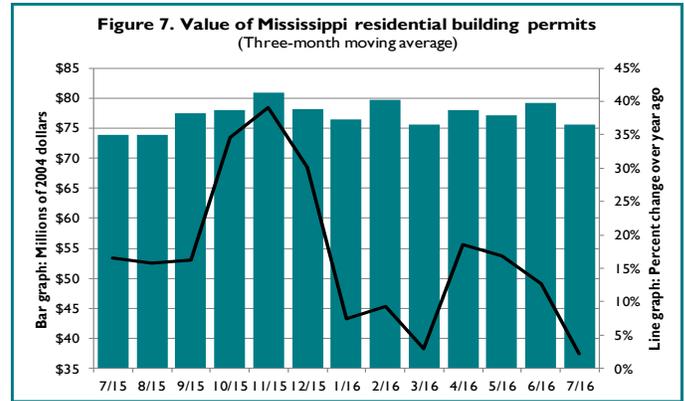
Source: Institute for Supply Management



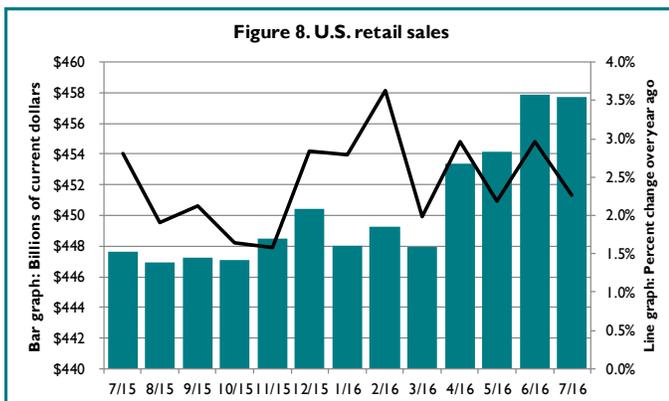
Source: Mississippi Department of Revenue; seasonally adjusted



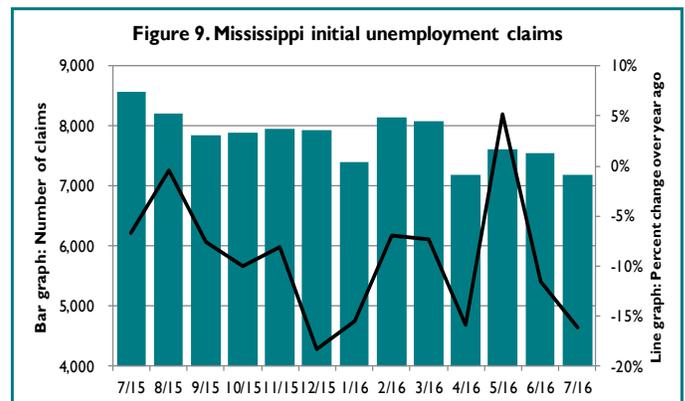
Source: Thomson Reuters/University of Michigan Surveys of Consumers



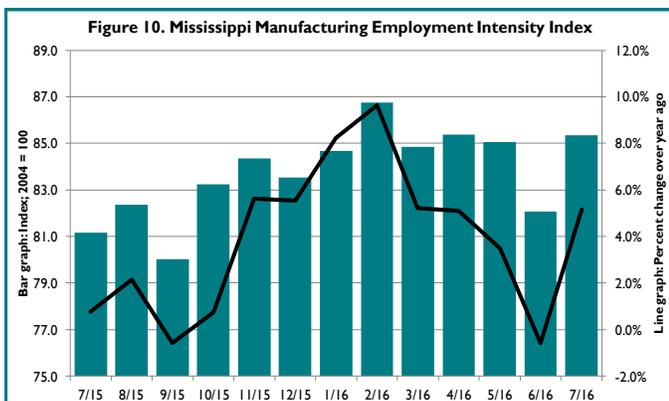
Source: Bureau of the Census; seasonally adjusted



Source: Bureau of the Census



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



Source: URC using data from Bureau of Labor Statistics

*The value of the Mississippi Leading Index (MLI) declined for the third consecutive month in July, falling 0.3%.*

## MISSISSIPPI'S BUSINESS

### MISSISSIPPI LEADING INDEX, JULY 2016 (CONTINUED)

compared to one year ago. Conversely, as seen in Figure 14 on page 6, the number of seasonally-adjusted continued unemployment claims in Mississippi rose 2.9 percent in July. The number of continued claims in July was 0.7 percent lower compared to one year ago. As seen in Figure 15 on page 6, the seasonally-adjusted unemployment rate in Mississippi rose 0.1 percentage point in July to 6.0 percent. The July unemployment rate in Mississippi was 0.3 percentage point lower compared to one year ago.

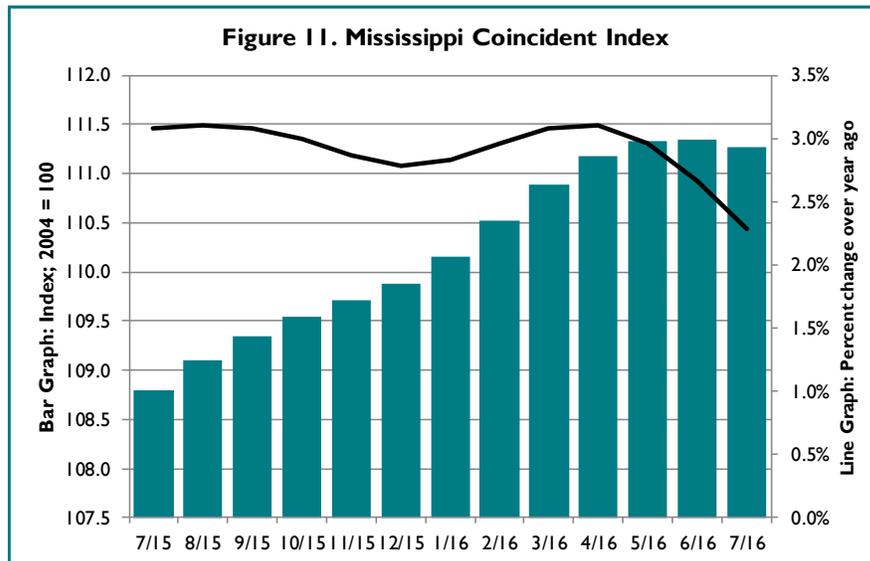
The value of the **Mississippi Manufacturing Employment Intensity Index** increased 4.0 percent in July as seen in Figure 10, its largest increase since October 2015. Compared to one year ago the value of the Index was up 5.2 percent in July. While manufacturing employment in the state fell by 200 jobs for the month, this decline was more than offset by the increase in the average weekly hours of production employees in July, which rose 4.2 percent.

### MISSISSIPPI COINCIDENT INDEX, JULY 2016

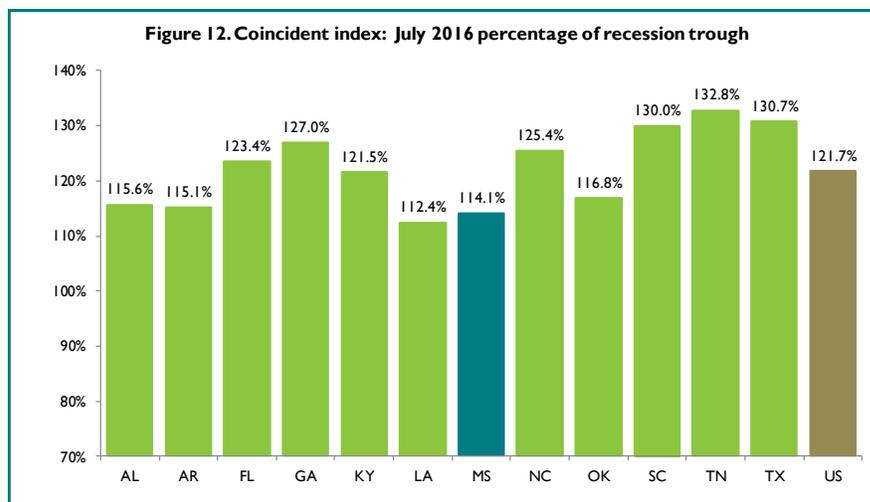
The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** was essentially unchanged in July, falling by less than 0.1 percent according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. The value of the MCI was 2.3 percent higher in July compared to one year ago.

Figure 12 indicates the value of the coincident index for Louisiana has grown the least from its respective recession trough among southeastern states. The value of Louisiana's coincident index was up 12.4 percent from its trough as of July, while the increase in the value of the coincident index for Mississippi was the next smallest, a gain of 14.1 percent. Notably, the growth in the values of the coincident indices for all other states in the Southeast is at least 4.7 percentage point more than the growth in the values of the coincident indices for Louisiana, Mississippi, Arkansas, Alabama, and Oklahoma.

As seen in Figure 13 on page 5, the value of the coincident indices increased in forty-four states in July compared to three months prior. The values of the coincident indices increased more than 0.5 percent in twenty-five states. In nineteen states, including Mississippi, the value of the coincident indices increased by less than 0.5 percent in July over April. In Wyoming and Kansas, the values of the coincident indices fell by more than 0.5 percent in July compared to three months prior.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

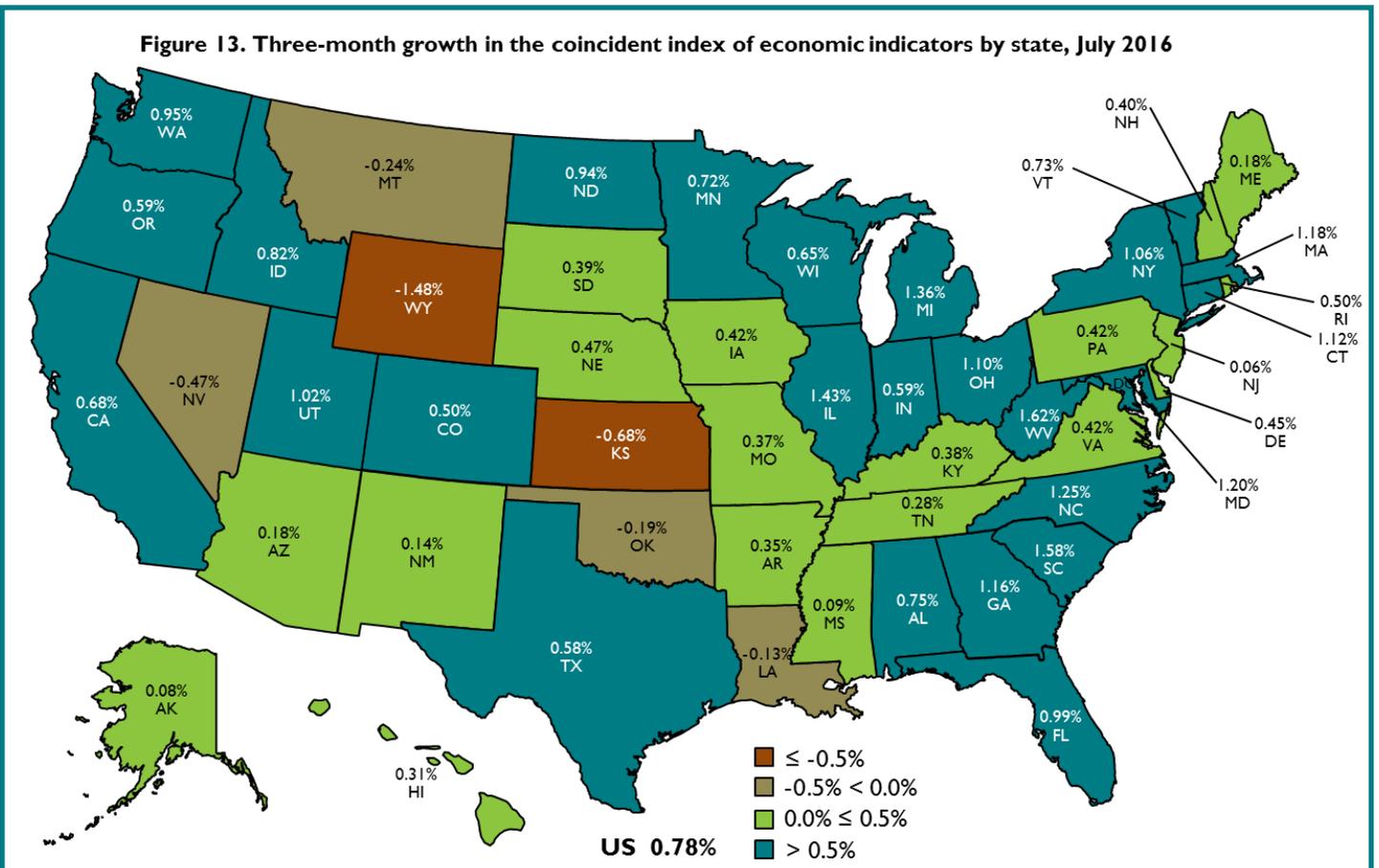
## NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) increased 0.4 percent in July according to The Conference Board. Compared to one year ago the value in July was 0.7 percent higher as seen in Figure 1 on page 1. Both the May and June values were revised slightly higher. As in June, eight of the ten components of the LEI increased in value for the month and the largest contribution came from average weekly manufacturing hours. Average consumer expectations for business conditions was the only component that declined in July as the value of the building permits component was unchanged. Over the last six months the value of the LEI is up 1.1 percent.

According to The Conference Board the value of the U.S. Coincident Economic Index (CEI) also increased 0.4 percent in July. However, the June value was revised lower. As seen in Figure 2 on page 1 the value was up 1.6 percent compared to one year ago. Once again all four of the components of the CEI increased in value for the month, and industrial production made the largest contribution. The value of the CEI is up 0.7 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased in July for the fourth consecutive month as seen in Figure 20 on page 6. The value edged higher by 0.1 percent. However, compared to one year ago the July value of the Index was 0.8 percent lower. While the “plans to increase employment” component improved slightly, the “current job openings” component declined. Notably the “expect economy to improve” component increased for the third consecutive month and the “plans to increase inventories” component also rose in July.

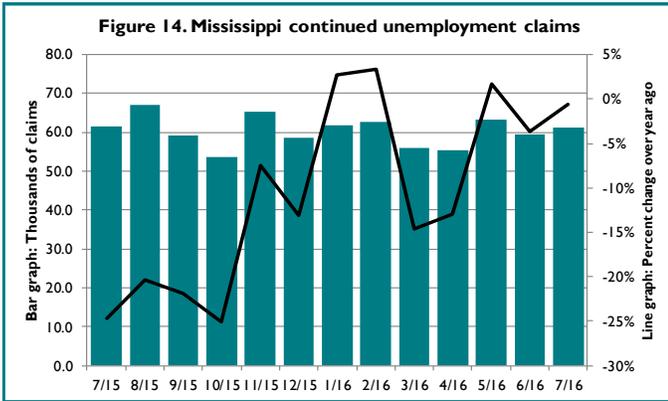
Analysts expect the Federal Open Market Committee (FOMC) will raise interest rates in 2016, and while a September hike remains possible it appears less likely. More observers think the FOMC will act at its December meeting, which will mark exactly one year since the last interest rate increase. While in June the Federal Reserve discussed raising rates by a total of 0.5 basis points in 2016, if only one increase occurs it will likely be no more than 0.25 basis points, the size of the increase in December 2015.



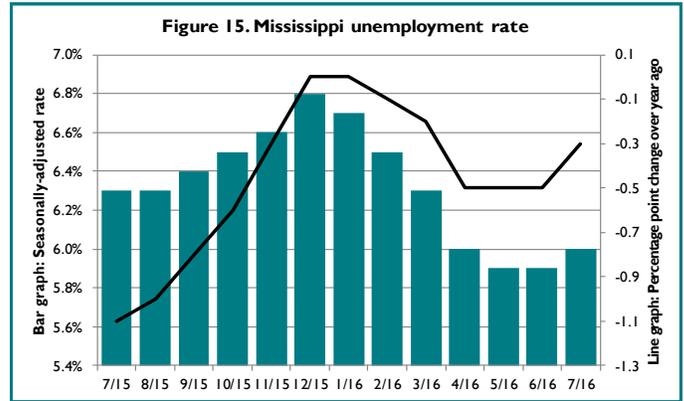
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

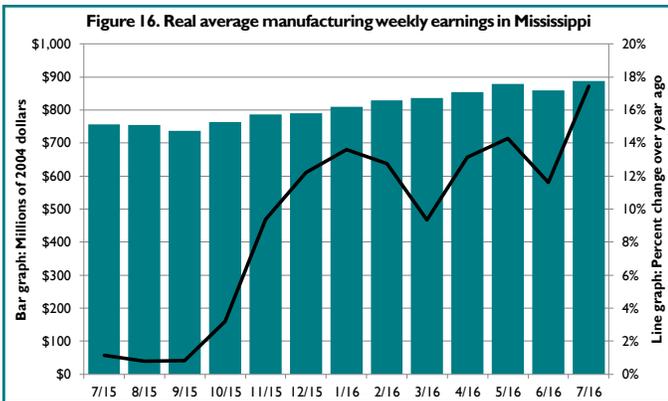
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



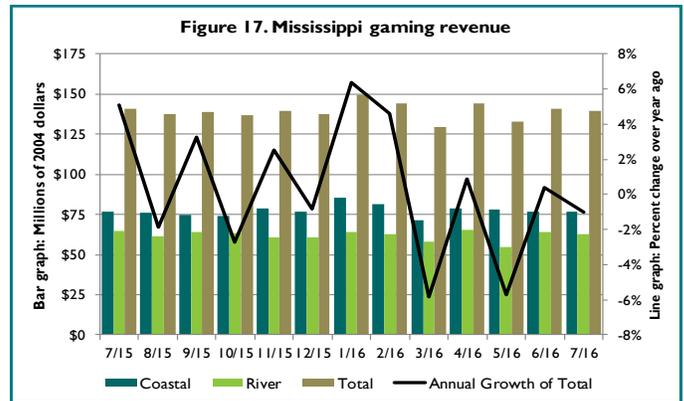
Source: U.S. Department of Labor; seasonally adjusted



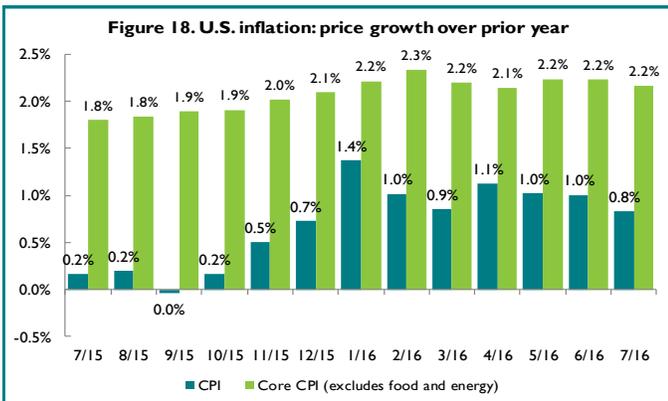
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



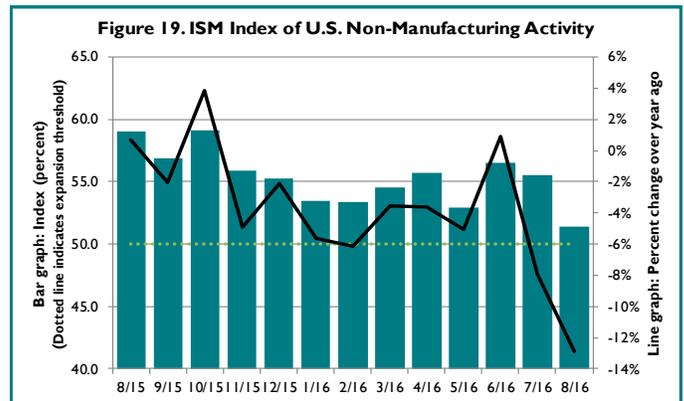
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



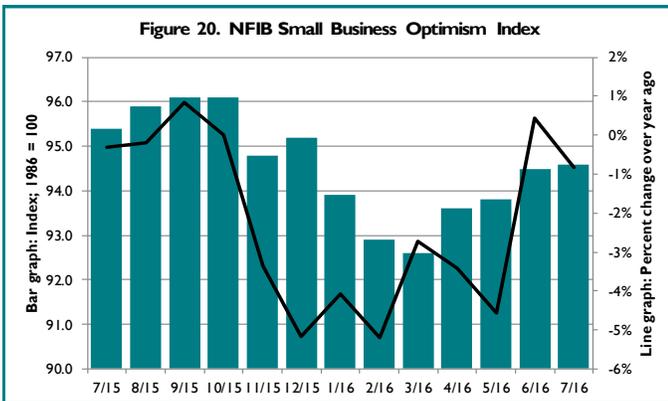
Source: Mississippi Department of Revenue; seasonally adjusted



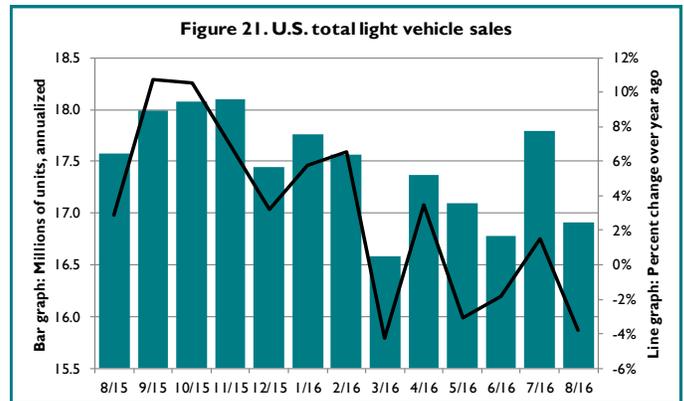
Source: U.S. Bureau of Labor Statistics



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	July 2016	June 2016	July 2015	Percent change from		
				June 2016	July 2015	
<b>U.S. Leading Economic Index</b> <small>2004 = 100. Source: The Conference Board</small>	124.3	123.8	122.8	▲0.4%	▲1.2%	Economic Indices
<b>U.S. Coincident Economic Index</b> <small>2004 = 100. Source: The Conference Board</small>	113.9	113.5	112.1	▲0.4%	▲1.6%	
<b>Mississippi Leading Index</b> <small>2004 = 100. Source: University Research Center</small>	110.6	110.9	109.5	▼0.3%	▲1.0%	
<b>Mississippi Coincident Index</b> <small>2004 = 100. Source: Federal Reserve Bank of Philadelphia</small>	111.3	111.3	108.8	◀0.0%	▲2.3%	
<b>Mississippi initial unemployment claims</b> <small>Seasonally adjusted. Source: U.S. Department of Labor</small>	7,191	7,539	8,572	▼4.6%	▼16.1%	Components of the Mississippi Leading Index
<b>Value of Mississippi residential building permits</b> <small>Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census</small>	75.5	79.2	73.9	▼4.6%	▲2.2%	
<b>Mississippi income tax withholdings</b> <small>Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue</small>	111.8	113.1	114.5	▼1.2%	▼2.4%	
<b>Mississippi Manufacturing Employment Intensity Index</b> <small>2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics</small>	85.4	82.1	81.2	▲4.0%	▲5.2%	
<b>University of Michigan Index of Consumer Expectations</b> <small>Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers</small>	79.6	81.7	85.1	▼2.5%	▼6.4%	
<b>ISM Index of U.S. Manufacturing Activity</b> <small>Advanced one month. Source: Institute for Supply Management</small>	49.4	52.6	51.0	▼6.1%	▼3.1%	
<b>U.S. retail sales</b> <small>Current dollars, in billions. Source: Bureau of the Census</small>	457.7	457.9	447.6	◀0.0%	▲2.3%	
<b>U.S. Consumer Price Index (CPI)</b>	127.4	127.6	126.3	▼0.2%	▲0.8%	
<b>U.S. Core CPI (excludes food and energy)</b> <small>2004 = 100. Source: URC using data from Bureau of Labor Statistics</small>	126.0	125.9	123.3	▲0.1%	▲2.2%	
<b>Mississippi unemployment rate</b> <small>Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics</small>	6.0%	5.9%	6.3%	▲0.1	▼0.3	
<b>Mississippi continued unemployment claims</b> <small>Seasonally adjusted. Source: U.S. Department of Labor</small>	61,195	59,474	61,600	▲2.9%	▼0.7%	Miscellaneous Indicators
<b>ISM Index of U.S. Non-Manufacturing Activity</b> <small>Advanced one month. Source: Institute for Supply Management</small>	51.4	55.5	59.0	▼7.4%	▼12.9%	
<b>U.S. mortgage rates</b> <small>Percentage point change. Seasonally adjusted; 30-year conventional. Source: U.S. Federal Reserve</small>	3.36%	3.52%	3.96%	▼0.16	▼0.60	
<b>Mississippi average hourly wage for manufacturing</b> <small>Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics</small>	20.78	20.71	18.37	▲0.3%	▲13.1%	
<b>Mississippi average weekly earnings for manufacturing</b> <small>Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics</small>	888.53	859.16	756.71	▲3.4%	▲17.4%	
<b>NFIB Small Business Optimism Index</b> <small>1986 = 100. Source: National Federation of Independent Businesses</small>	94.6	94.5	95.4	▲0.1%	▼0.8%	
<b>U.S. total light vehicle sales</b> <small>Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis</small>	16.91	17.79	17.57	▼5.0%	▼3.8%	
<b>Gaming revenue</b>	139.6	140.9	141.1	▼0.9%	▼1.0%	
<b>Coastal counties</b>	76.8	76.8	76.6	▼0.1%	▲0.2%	
<b>River counties</b> <small>Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue</small>	62.9	64.1	64.5	▼2.0%	▼2.5%	

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi increased in July for the first time since March according to the U.S. Bureau of Labor Statistics (BLS). Moreover, June employment was revised higher. As seen in Table 2 below, total employment in the state rose by 4,000 jobs in July, an increase of 0.4 percent. Total employment in Mississippi compared to one year ago was 0.7 percent higher, an 8,100-job difference.

Total nonfarm employment in July essentially did not change in thirty-four states and the District of Columbia, increased in fifteen states, and decreased in Kansas. The largest absolute increases in employment for the month occurred in New York, California, and Florida, while the largest percentage increases in employment in July of 1.0 percent occurred in North Dakota and Vermont. In Kansas, employment fell 0.4 percent for the month, a decline of 5,600 jobs. As in previous months, North Dakota and Wyoming were the only two states reporting lower employment compared to one year ago in July. Employment in twenty-four states in July was not significantly different compared to one year ago.

Job growth by sector in the state was mixed in July. The largest absolute increase in employment occurred in Accommodation and Food Services, which added 2,600 jobs. The largest percentage increase in employment occurred in Accommodation and Food Services and Construction, both of which rose 2.2 percent for the month. The largest absolute decrease among all sectors in the state occurred in Health Care and Social Assistance, which lost 3,600 jobs in July. This sector also experienced the largest percentage decline among all industries, falling 2.7 percent.

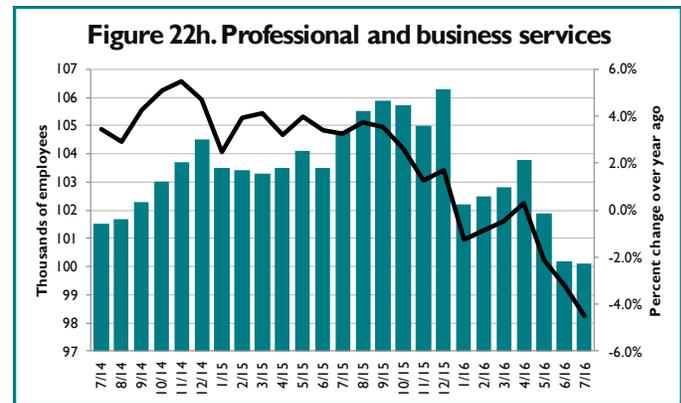
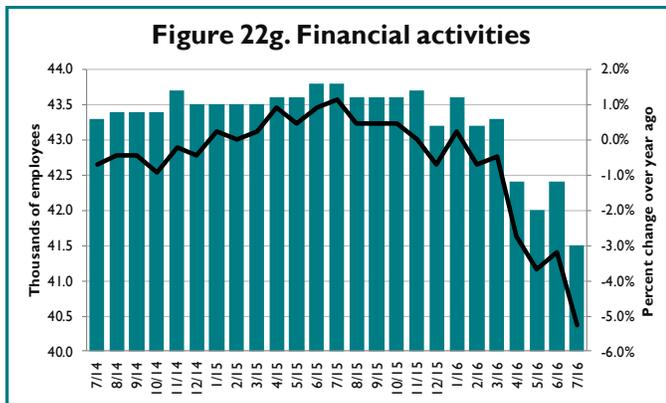
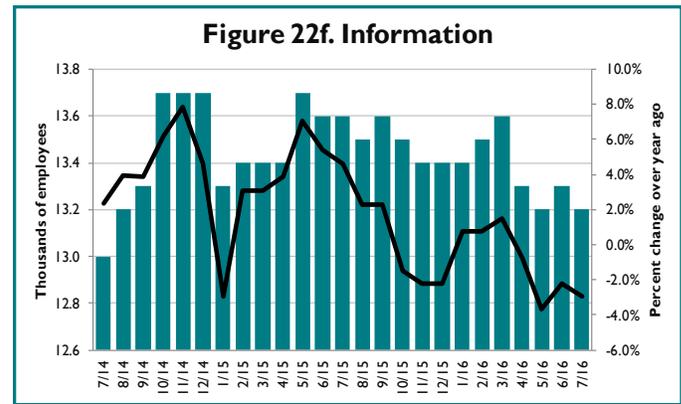
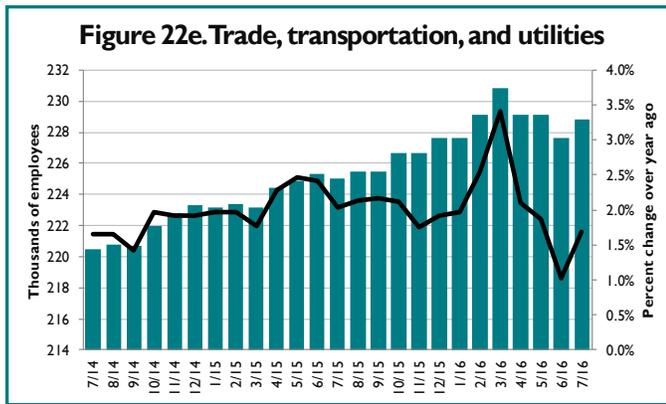
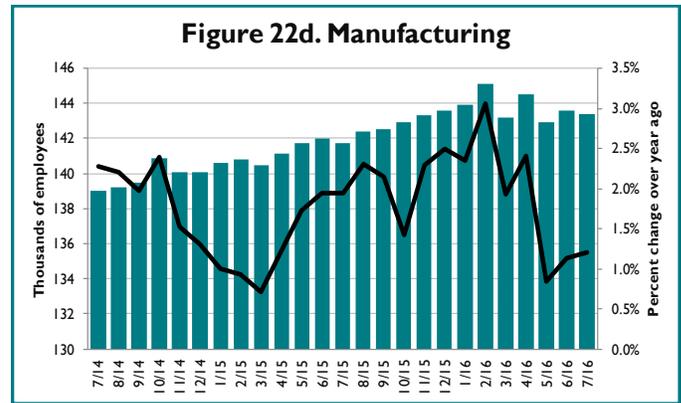
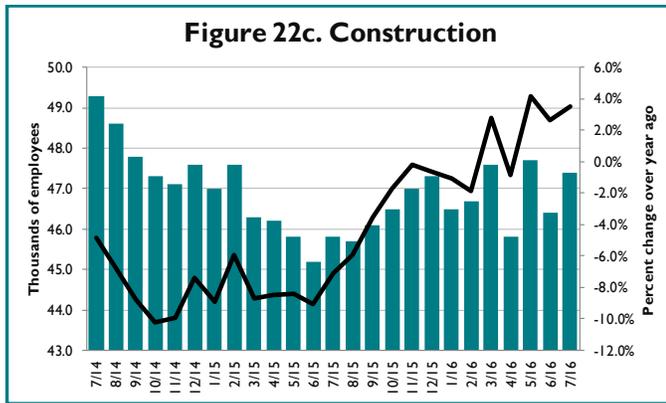
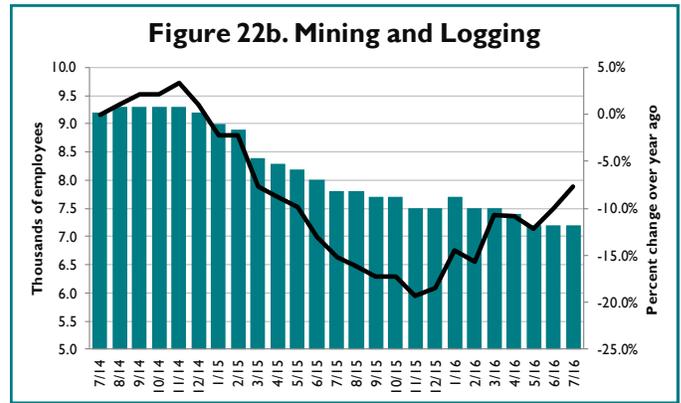
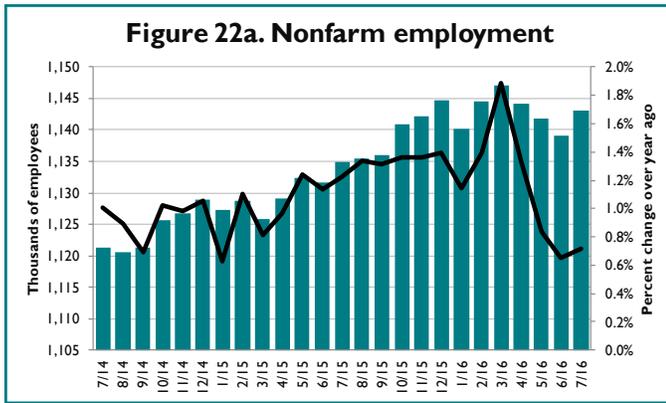
Compared to one year ago five sectors in Mississippi employed fewer people in July. The largest percentage decrease in employment compared to one year ago again belonged to Mining and Logging, which was down 7.7 percent. However, this decrease represented only 600 jobs. The largest absolute decrease in employment among all sectors compared to one year ago occurred in Professional and Business Services, which fell by 4,700 jobs. The largest percentage increase over July 2015 was in Educational Services, which was up 5.9 percent. Accommodation and Food Services gained the most jobs among all sectors compared to one year ago, up by 4,100 jobs.

**Table 2. Change in Mississippi employment by industry, July 2016**

	Relative share of total <sup>a</sup>	July 2016	June 2016	July 2015	Change from June 2016		Change from July 2015	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,143,000	1,139,000	1,134,900	▲4,000	▲0.4%	▲8,100	▲0.7%
Mining and Logging	0.7%	7,200	7,200	7,800	◀0	◀0.0%	▼600	▼7.7%
Construction	4.1%	47,400	46,400	45,800	▲1,000	▲2.2%	▲1,600	▲3.5%
Manufacturing	12.6%	143,400	143,600	141,700	▼200	▼0.1%	▲1,700	▲1.2%
Trade, Transportation, & Utilities	20.0%	228,800	227,600	225,000	▲1,200	▲0.5%	▲3,800	▲1.7%
Retail Trade	12.3%	141,900	140,800	138,100	▲1,100	▲0.8%	▲3,800	▲2.8%
Information	1.2%	13,200	13,300	13,600	▼100	▼0.8%	▼400	▼2.9%
Financial Activities	3.8%	41,500	42,400	43,800	▼900	▼2.1%	▼2,300	▼5.3%
Services	36.3%	413,500	414,900	411,800	▼1,400	▼0.3%	▲1,700	▲0.4%
Professional & Business Services	9.1%	100,100	100,200	104,800	▼100	▼0.1%	▼4,700	▼4.5%
Educational Services	1.1%	12,500	12,500	11,800	◀0	◀0.0%	▲700	▲5.9%
Health Care & Social Assistance	11.1%	127,600	131,200	126,300	▼3,600	▼2.7%	▲1,300	▲1.0%
Arts & Entertainment	1.0%	12,000	11,900	11,400	▲100	▲0.8%	▲600	▲5.3%
Accommodation and Food Services	10.5%	121,900	119,300	117,800	▲2,600	▲2.2%	▲4,100	▲3.5%
Other Services	3.5%	39,400	39,800	39,700	▼400	▼1.0%	▼300	▼0.8%
Government	21.5%	248,000	246,700	245,400	▲1,300	▲0.5%	▲2,600	▲1.1%

<sup>a</sup>Relative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics

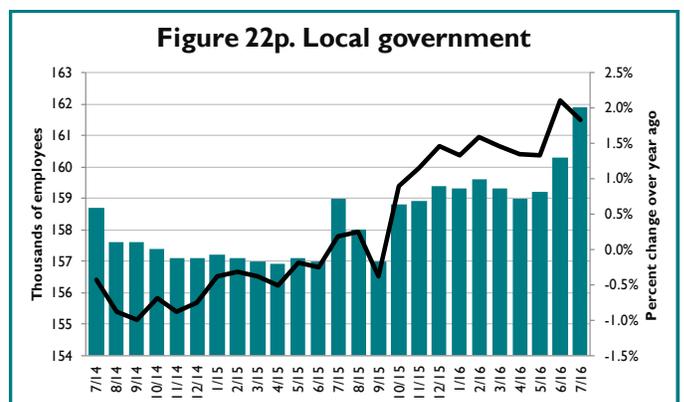
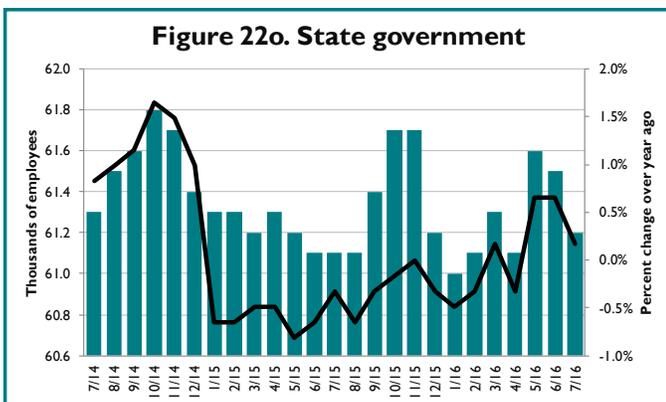
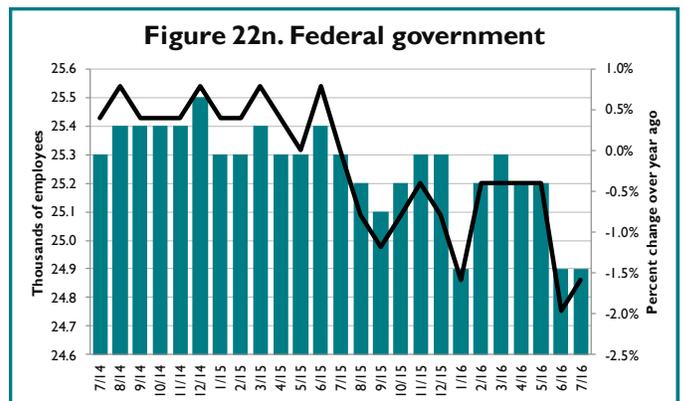
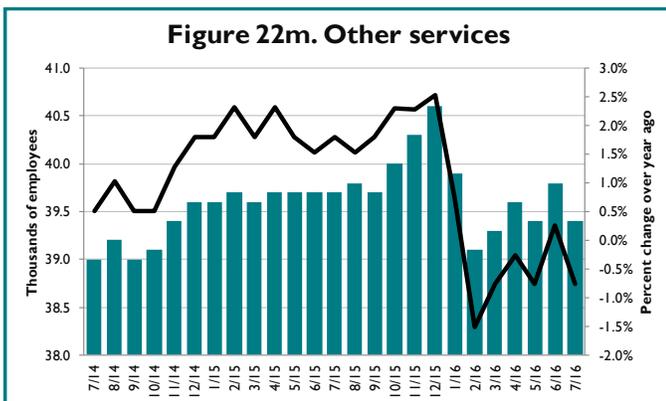
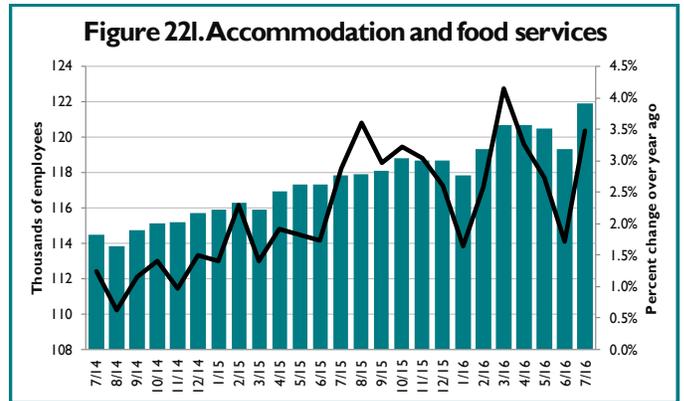
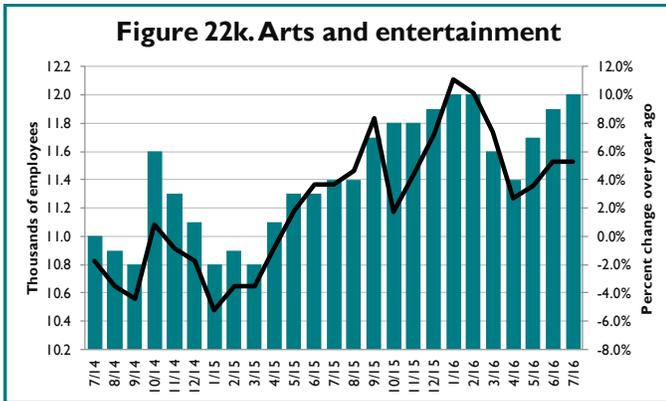
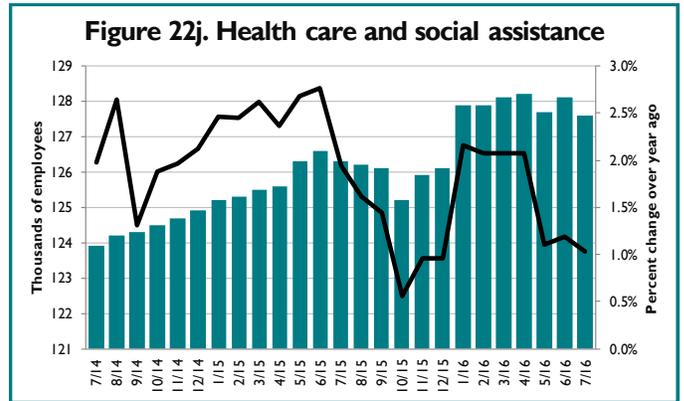
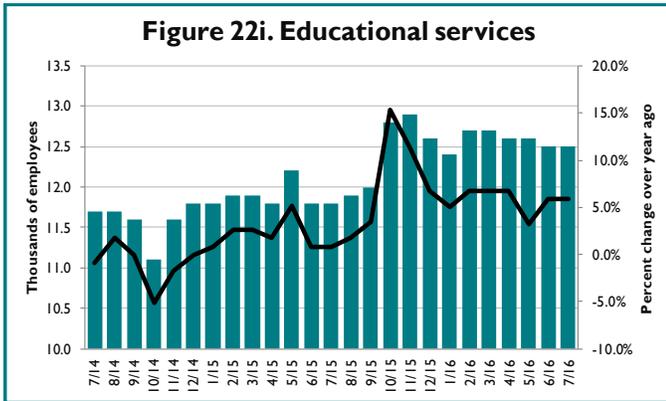
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

## EDUCATIONAL ATTAINMENT AND JOB GROWTH

A recent report by the Georgetown University Center on Education and the Workforce uncovered a number of striking facts about job growth in the U.S. during and since the end of the Great Recession. The report, entitled *America's Divided Recovery: College Haves and Have-Nots*, finds important differences in the number of jobs created by educational attainment. Perhaps the report's most notable finding is that of the 11.6 million jobs created in the U.S. since the end of 2009, 95 percent were filled by individuals who hold a college degree. Moreover, 99 percent of the 11.6 million jobs went to individuals with at least some education beyond high school.

The authors use Current Population Survey data from the U.S. Census to delineate the components of this change. Those individuals with a high school diploma or less lost over 5.6 million jobs during the Great Recession—by far the most of any group. Yet in the seven years following the end of the downturn, only 80,000 jobs were created for individuals with this education level. Individuals with some college, the group that experienced the next-largest decline in the number of jobs, lost almost 1.8 million jobs during the recession. However, unlike those individuals with a high school diploma or less, the U.S. economy created almost 3.1 million jobs for this group during the recovery period. Thus, since the recession began in December 2007 the U.S. economy has gained a net total of over 1.3 million jobs for individuals with some college. This figure stands in stark contrast to those individuals with a high school diploma or less, as a net total of over 5.5 million jobs in this group remain lost as of January 2016. A close examination of the data finds these two education groups account for more than the total number of jobs lost during the Great Recession. The reason is despite the downturn the economy actually created 187,000 jobs from December 2007 to January 2010 for individuals with a bachelor's degree or higher. Job losses for individuals with a bachelor's degree totaled only 66,000, while jobs requiring a master's degree or higher (including professional degrees such as a J.D.) increased by 253,000 during the recession. Moreover, since January 2010 the economy gained more than 8.4 million jobs for individuals with a bachelor's degree or higher, or nearly three-fourths of all the jobs created since. The net total of all jobs created across all educational levels since December 2007 equals just over 4.4 million.

A particularly thought-provoking finding of the report compares the composition of the U.S. workforce by edu-

cation prior to and after the Great Recession. In December 2007, individuals with a high school diploma or less accounted for 39 percent of the U.S. workforce while individuals with a bachelor's degree or higher made up 32 percent of the workforce. By January 2016, 36 percent of the U.S. workforce consisted of individuals with a bachelor's degree or higher while individuals with a high school diploma or less made up 34 percent of the workforce. The report claims 2016 marks the first time the U.S. workforce consists of a larger share of individuals with at least a bachelor's degree than individuals with a high school diploma or less.

The report notes that the trend towards an increasing share of employment concentrated among those with post-secondary education long predates the Great Recession. For example, total U.S. employment increased from 114 million jobs in 1989 to 149 million jobs by 2016, a gain of 35 million jobs or a 31 percent increase. However, jobs for individuals with a high school diploma or less decreased by 7.3 million, a 13 percent decline. As one might expect the composition of employment in the U.S. has changed as well. Going back further, the report states in 1947 about 28 percent of the U.S. workforce worked in healthcare services, consulting and business services, financial services, education services, and government services. By 2016 this share increased (as did the absolute number) to 47 percent of the U.S. workforce. In addition, almost half of the U.S. workforce was employed in manufacturing, construction, and natural resources in 1947. But by 2016, only 19 percent of the U.S. workforce found employment in these three sectors. Recessions and economic downturns tend to accelerate trends such as these, and the Great Recession was no exception. For example, employment in construction in the U.S. remains 1.6 million jobs below its 2007 level and manufacturing employment remains 1 million jobs below its pre-recession level. What do the trends outlined in the Georgetown University report signify for the Mississippi economy? The state's economy, as one might surmise, is not positioned favorably relative to these broader national trends. In the area of educational attainment, as of 2014 just over 29 percent of the U.S. population twenty-five years old and older holds at least a bachelor's degree according to the U.S. Census Bureau. The comparable figure for Mississippi, again according to the Census Bureau, is just over 20 percent—a nontrivial difference. Similarly, while Census Bureau figures found in 2014 over 86 percent of the U.S. population twenty-five years and older were high school

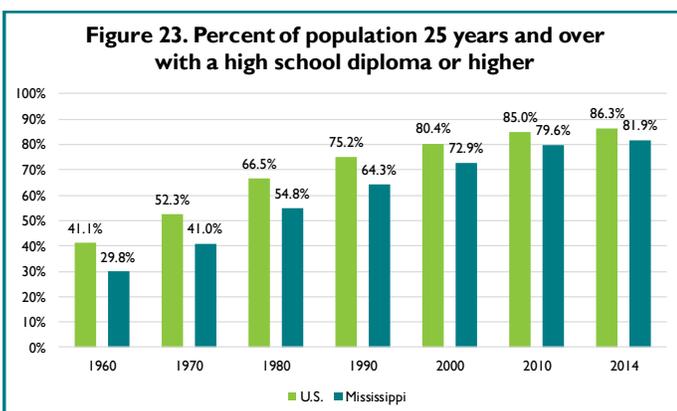
## MISSISSIPPI'S BUSINESS

### EDUCATIONAL ATTAINMENT AND JOB GROWTH, CONTINUED

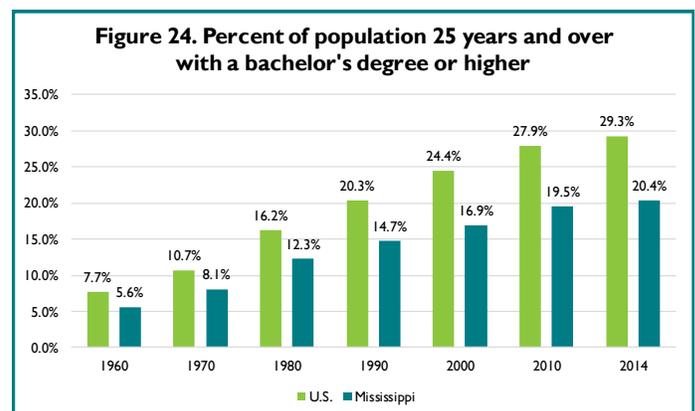
graduates, in Mississippi almost 82 percent of the same group had graduated high school. In terms of composition, as of 2014 just over 8 percent of the U.S. workforce was employed in the manufacturing sector according to the Bureau of Labor Statistics (BLS). In Mississippi, 12.5 percent of employees worked in the manufacturing sector in 2014, again according to BLS. Construction employment in Mississippi was comparable to the U.S. in 2014 as 4.4 percent of employees in the state worked in the industry while 4.1 percent of all U.S. workers were employed in Construction. Professional and Business Services employees constituted almost 13 percent of the U.S. workforce in 2014; in Mississippi 9 percent of the state's workforce was employed in this sector. The share of employees working in different levels of government can account for some of the differences between the composition of the workforce in Mississippi and the U.S. in terms of sectors. In Mississippi, more employees work in government (federal, state, and local) than in any other sector, which accounted for almost 22 percent of total non-farm employment in 2014. For the U.S. as a whole, in 2014 government (federal, state, and local) employed about 14.5 percent of the workforce.

The report concludes, "Since the 1980s, those harmed the most have been high school-educated workers in blue-collar jobs, especially those in the manufacturing industry. Those who benefit the most, on the other hand, are

college-educated workers in high-skill professions in service industries." The data for Mississippi in terms of education and employment relative to the U.S. appear to support this conclusion. Because of the long-term trend in the U.S. toward a more educated workforce cited by the report, Mississippi's below average rate of college graduates likely will become a larger drag on economic growth over time unless this rate improves. Figure 23 below indicates the gap between the percentage of high school graduates in the state and the nation has consistently narrowed over the last fifty years. In 1960, the share of the population with a high school diploma in Mississippi trailed the comparable figure for the U.S. by 11.3 percentage points. By 2014, this difference was reduced by more than half to 4.4 percentage points and the shares for both the state and the nation exceeded 80 percent. However, the share of the population in the state with a bachelor's degree or higher has not kept pace with the U.S., falling further behind with the passing of each decade. The U.S. rate of college graduates exceeded Mississippi's rate by only 2.1 percentage points in 1960. However, as seen in Figure 24 below, despite Mississippi's rate increasing to over 20 percent this difference grew to 8.9 percentage points by 2014. If this long-standing trend continues as the prevalence of automation rises and the demand for low-skilled workers falls, the effects of this difference will become more pronounced for the Mississippi economy.



Source: U.S. Census Bureau



Source: U.S. Census Bureau

### FOR FURTHER READING:

Carnevale, Anthony P., Tamara Jayasundera, and Artem Gulish. 2016. *America's Divided Recovery: College Haves and Have-Nots*. Georgetown University Center on Education and the Workforce, Washington, DC. Available from: <https://cew.georgetown.edu/wp-content/uploads/Americas-Divided-Recovery-web.pdf>.