

ECONOMY AT A GLANCE

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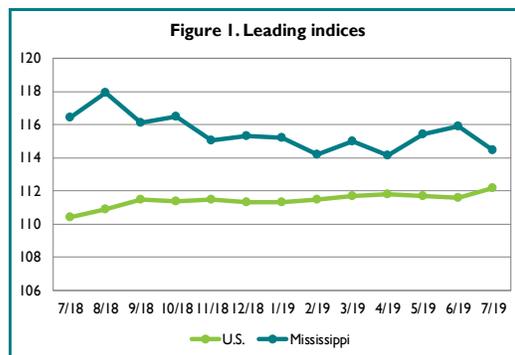
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) lost 1.2 percent in July. The value of the MLI for the month was down 1.7 percent compared to one year ago.

The value of the Mississippi Coincident Index (MCI) increased 0.1 percent in July as seen in Figure 2 below. Compared to one year ago the value for the month was up 2.0 percent.

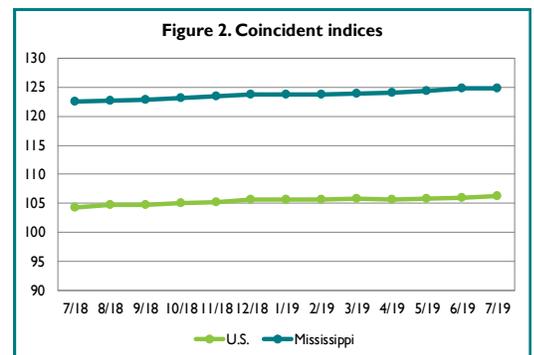
According to the second estimate of the U.S. Bureau of Economic Analysis (BEA), U.S. real gross domestic product (GDP) increased 2.0 percent in the second quarter of 2019. This estimate marks a slight downward revision of 0.1 percentage point from the initial estimate of 2.1 percent. BEA reported that while consumer spending in the second quarter was revised up from the initial estimate, this re-

vision was slightly offset by downward adjustments to state and local government spending, exports, private inventory investment, and residential investment. The change in real GDP in the first quarter of 2019 remained an increase of 3.2 percent.

The MLI experienced an unequivocally bad month in July, primarily due to the weakness in the U.S. manufacturing sector. The Mississippi Manufacturing Employment Intensity Index more than gave back its gains of the previous two months and the ISM Manufacturing Index fell into contraction territory for the first time since 2016. These declines were a product of the uncertainty created by the ongoing U.S. trade war, as likely was the decrease in consumer expectations. On a positive note, consumer spending remained relatively strong and Mississippi employment increased for the fifth consecutive month.



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

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, JULY 2019**

In July the value of the **Mississippi Leading Index of Economic Indicators** (MLI) fell 1.2 percent as seen in Figure 3, its largest monthly decline since November 2018. The value of the MLI was down 1.7 percent in July compared to one year ago, its largest year-over-year decrease since August 2010. Over the last six months the value of the MLI declined 0.7 percent.

Five of the seven components of the MLI contributed negatively in July. The largest reduction resulted from the relatively large decrease in the value of the Mississippi Manufacturing Employment Intensity 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** sank 3.4 percent in July, more than offsetting the gains of the previous two months combined. The Index also fell to its lowest level since January 2018. The value of the Index was 1.4 percent lower in July compared to one year ago. Manufacturing employment in the state added 100 jobs in July, so the decline in the value of the Index was entirely the result of the 3.2 percent decrease in the average weekly hours of production employees in the state. This decline was the largest monthly decrease in average weekly hours of production employees in the state since April 2017.

After five consecutive months of increases, the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) tumbled 5.0 percent in July as seen in Figure 5. Compared to one year ago the value of the Index was 0.4 percent lower, the first year-over-year decrease since March. Trade tensions, and likely the resulting downturn in stocks as well, weighed on consumer outlooks. Both short-term (one-year) and long-term (five-year) inflation expectations rose slightly in the most recent survey.

For the fifth consecutive month, the value of the **ISM Index of U.S. Manufacturing Activity** decreased in August. Figure 6 indicates the value fell 4.1 percent for the month. More significantly, the value fell below 50.0 into contraction territory for the first time in three years. Compared to one year ago the value of the Index for the month was down 19.2 percent, the largest year-over-year decrease since February 2009. The largest decline among the components of the Index occurred in the Employment component as only the Inventories component increased, but still remained in contraction territory. The value of the prices paid index increased in August.

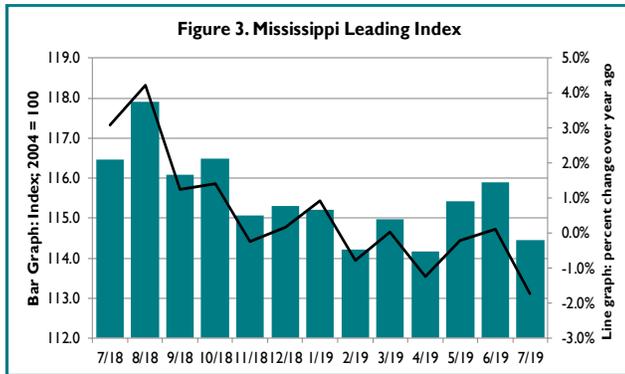
The value of **Mississippi income tax withholdings** (three-month moving average) fell 0.7 percent in July as seen in Figure 7. Compared to one year ago the value of withholdings was down 0.4 percent in July after two consecutive months of year-over-year increases. Over the last six months the value of income tax withholdings in the state fell 1.1 percent.

Figure 8 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi rose 6.1 percent in July after two months of declines. Compared to one year ago the value for the month was 3.3 percent higher. The value of seasonally-adjusted continued unemployment claims in Mississippi fell 4.3 percent in July as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi in July compared to one year ago was down 8.0 percent. The Bureau of Labor Statistics reported the seasonally-adjusted unemployment rate in Mississippi in July was 5.1 percent, an increase of 0.1 percentage point as seen in Figure 17 on page 6 and its fourth increase since January. The state's unemployment rate was 0.4 percentage point higher in July compared to one year ago.

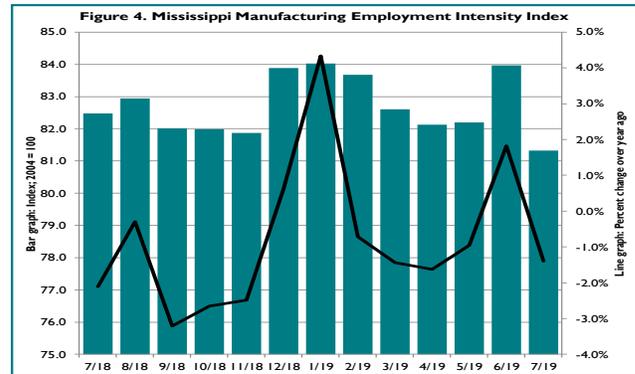
The value of **U.S. retail sales** increased 0.7 percent in July, the largest gain since March and the fifth consecutive monthly increase. As seen in Figure 9 compared to one year ago the value of retail sales was 3.4 percent higher in July. Gains were widespread as the largest increase in sales occurred at nonstore retailers, the category's biggest gain since January and likely the result of Amazon Prime Day and similar rival promotions. Only sales of motor vehicles and parts and sporting goods and hobbies declined in July; sales excluding automobiles rose 1.0 percent for the month.

As seen in Figure 10 the value of **Mississippi residential building permits** (three-month moving average) surged 8.1 percent in July as seen in Figure 10, the largest monthly gain since February 2017. Nevertheless, the value for the month was 6.6 percent lower compared to one year ago, the fourth consecutive month with a year-over-year decrease. The number of units in the state increased 5.8 percent in July. However, the number of units for the month remained 9.7 percent lower compared to one year ago. The number of privately-owned housing units authorized by building permits in the U.S. in July climbed 8.4 percent from the revised June rate. The number of units in the U.S. in July was 1.5 percent higher compared to one year ago.

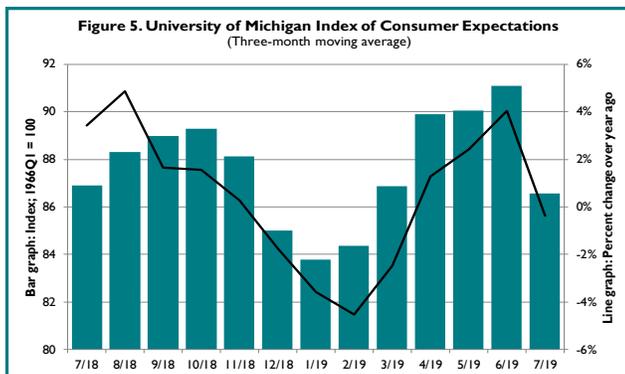
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



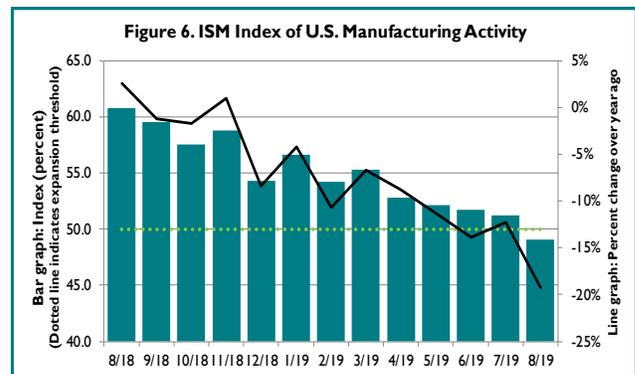
Source: University Research Center



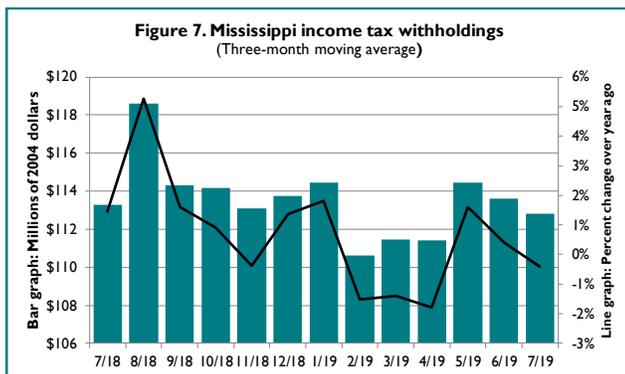
Source: URC using data from U.S. Bureau of Labor Statistics



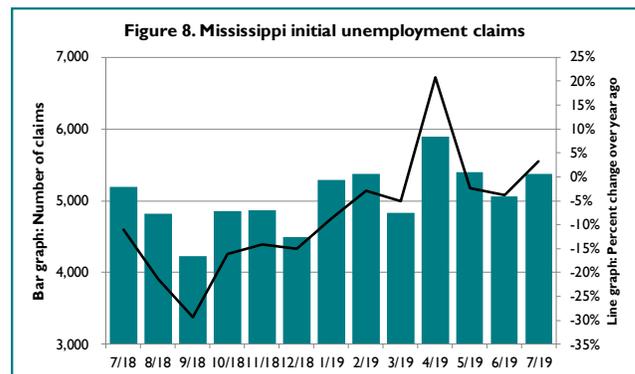
Source: Thomson Reuters/University of Michigan Surveys of Consumers



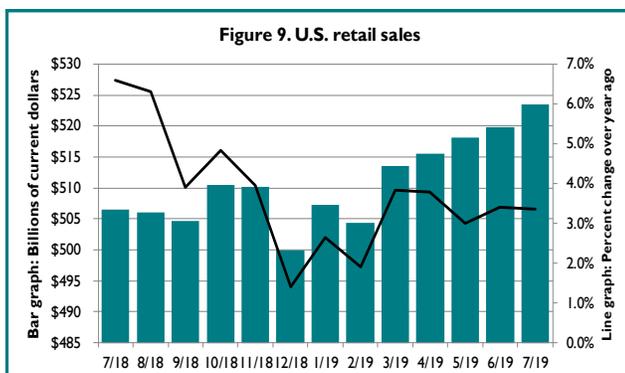
Source: Institute for Supply Management



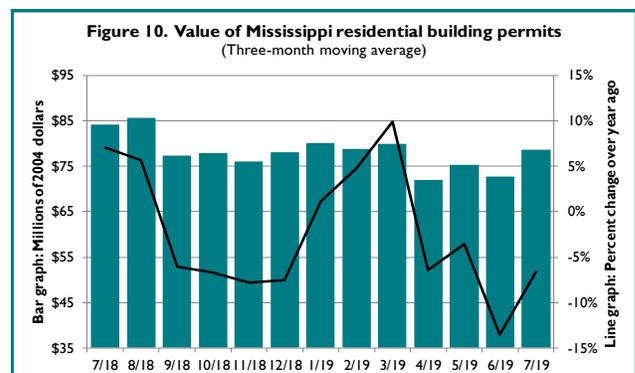
Source: Mississippi Department of Revenue; seasonally adjusted



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



Source: U.S. Bureau of the Census



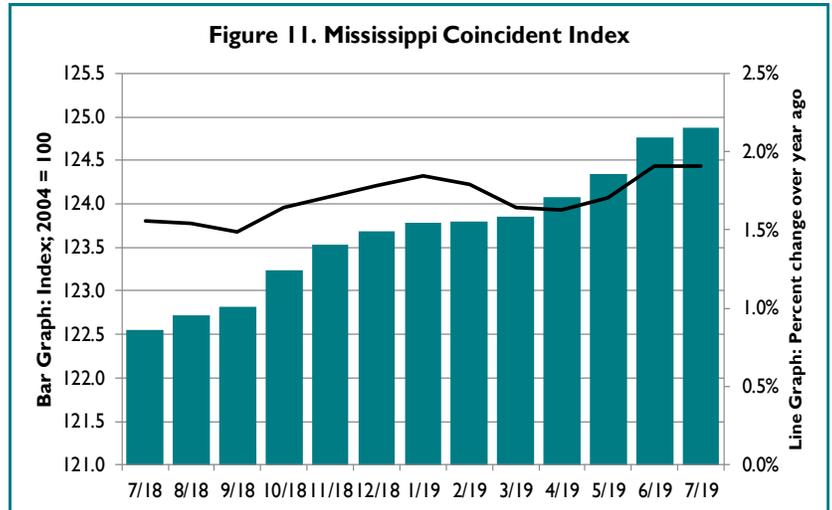
Source: U.S. Bureau of the Census; seasonally adjusted

MISSISSIPPI'S BUSINESS

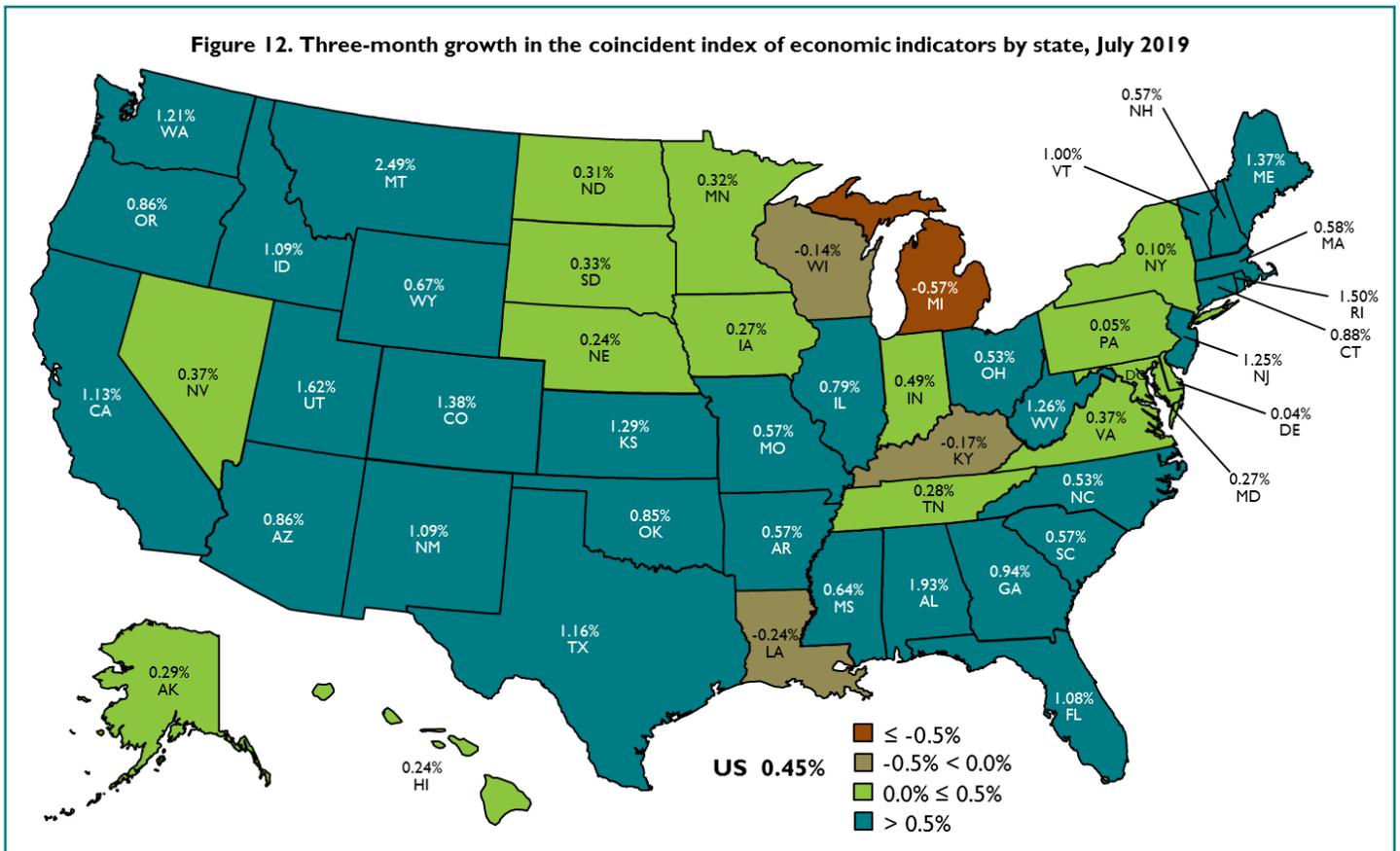
MISSISSIPPI COINCIDENT INDEX, JULY 2019

The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.1 percent in July according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. Compared to one year ago the value of the MCI for the month was 2.0 percent higher.

As seen in Figure 12 the values of the coincident indices were higher in forty-six states in July compared to three months prior. The values of the coincident indices increased by less than 0.5 percent in July compared to April in fifteen states. In thirty-one states including Mississippi the values of the coincident indices increased by more than 0.5 percent compared to three months prior. In Kentucky, Louisiana, and Wisconsin, the value of the coincident index decreased between 0.0 and 0.5 percent for the month. The only state where the value of the coincident index decreased more than 0.5 percent in July compared to April was Michigan.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

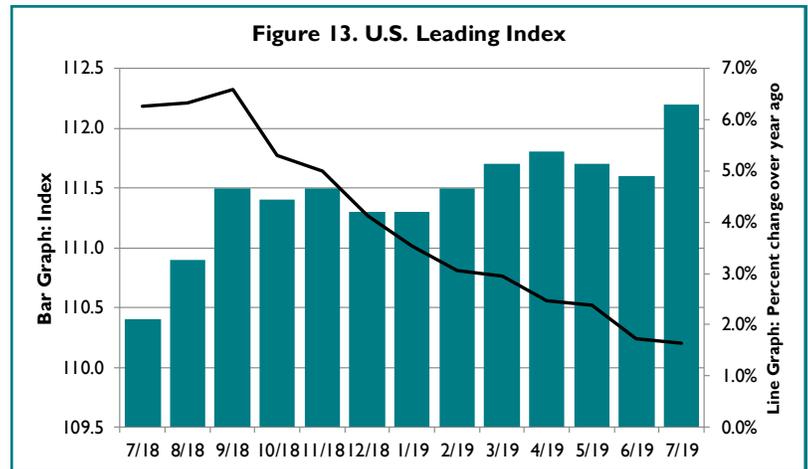
NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) climbed 0.5 percent in July according to The Conference Board as seen in Figure 13. The value of the LEI was 1.6 percent higher in July compared to one year ago. While the increase in the value of the LEI in July was relatively large, only five of its ten components contributed positively, led by building permits. The largest negative contribution came from the ISM New Orders Index. The value of the LEI increased 0.8 percent over the last six months.

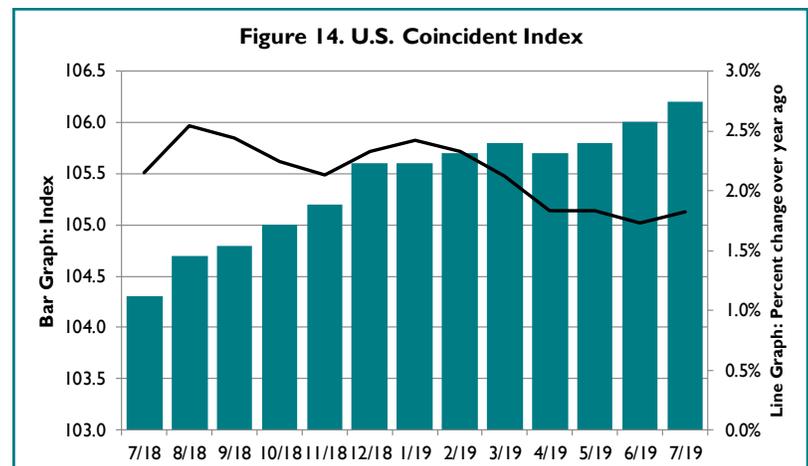
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in July as seen in Figure 14. The value of the CEI was 1.8 percent higher in July compared to one year ago. Three of the four components of the CEI increased for the month as the largest contributor to the increase was employees on nonagricultural payrolls. The lone negative contributor was industrial production. Over the last six months the value of the CEI rose 0.6 percent.

In July the National Federation of Independent Businesses (NFIB) Small Business Optimism Index regained most of the value it lost in June as seen in Figure 15. The value rose 1.4 percent for the month. Compared to one year earlier the value of the Index was 3.0 percent lower in July. In general gains were widespread as the largest increase among the components of the Index occurred in “expect real sales higher.” Only the “current inventory” and “expected credit conditions” components declined. Both the “plans to raise prices” and “plans to raise compensation” measures declined in July.

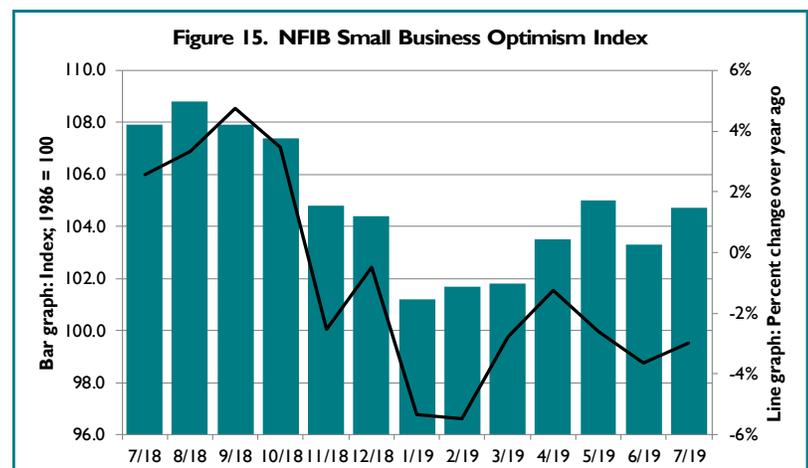
Futures markets have priced in another reduction in the federal funds rate target of 0.25 basis points as a near certainty when the Federal Open Market Committee (FOMC) meets later this month, despite the lack of unanimity among members regarding the previous cut in July. Federal Reserve Chair Jerome Powell indicated in his speech at the annual central banking conference in Jackson Hole, Wyoming, last month that another cut was likely, but he gave few signals as to possible future actions by the Federal Reserve. In historically unprecedented actions, President Trump continued to strongly criticize the Fed last month for not reducing rates further at its July meeting.



Source: The Conference Board



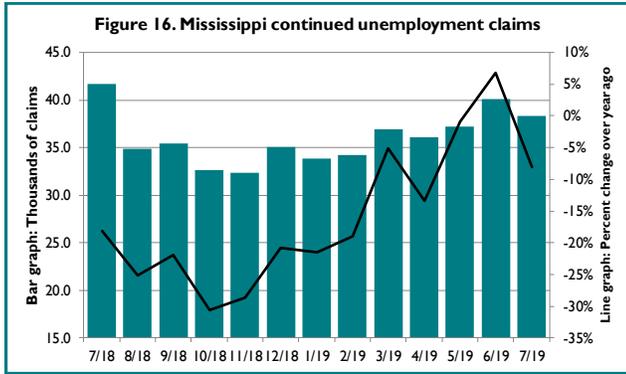
Source: The Conference Board



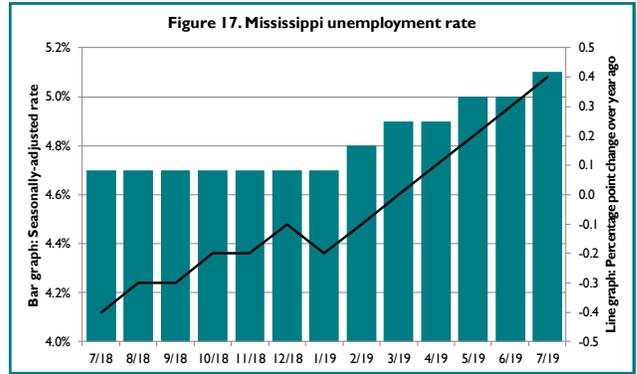
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

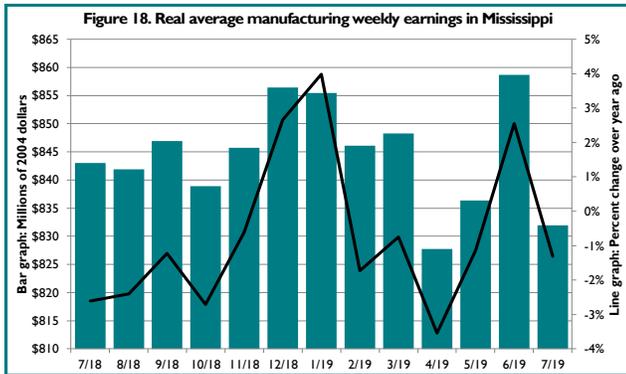
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



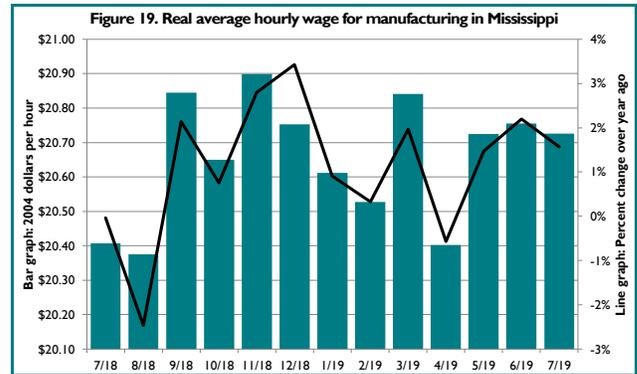
Source: U.S. Department of Labor; seasonally adjusted



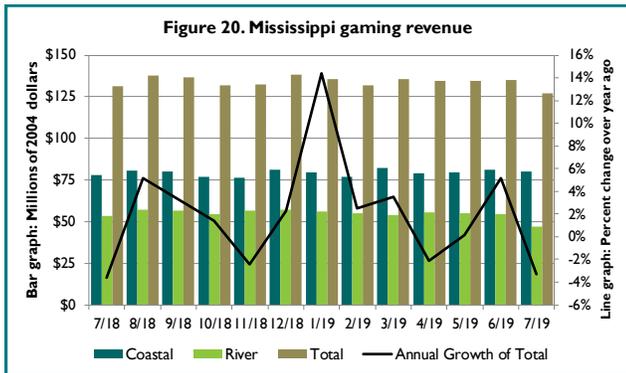
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



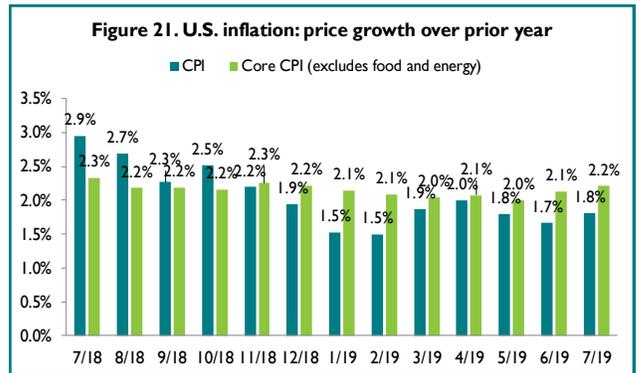
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



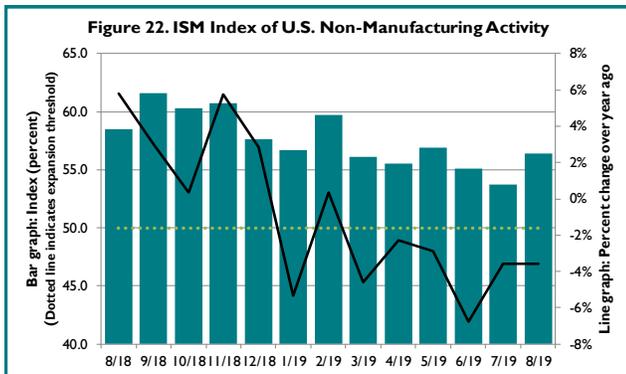
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



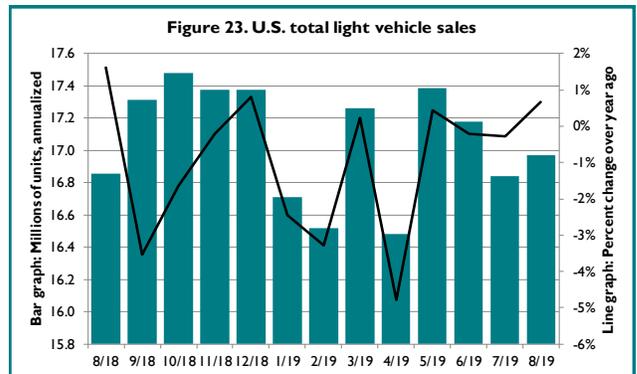
Source: Mississippi Department of Revenue; seasonally adjusted



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



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

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	July 2019	June 2019	July 2018	Percent change from June 2019 July 2018		
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	112.2	111.6	110.4	▲0.5%	▲1.6%	Economic Indices
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	106.2	106.0	104.3	▲0.2%	▲1.8%	
Mississippi Leading Index 2004 = 100. Source: University Research Center	114.4	115.9	116.5	▼1.3%	▼1.8%	
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.9	124.8	122.5	▲0.1%	▲2.0%	
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,370	5,060	5,198	▲6.1%	▲3.3%	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	78.6	72.7	84.1	▲8.1%	▼6.6%	
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	112.8	113.6	113.3	▼0.7%	▼0.4%	
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	81.3	84.0	82.5	▼3.1%	▼1.4%	
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	86.6	91.1	86.9	▼5.0%	▼0.4%	
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	49.1	51.2	60.8	▼4.1%	▼19.2%	
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	523.5	519.9	506.5	▲0.7%	▲3.4%	
U.S. Consumer Price Index (CPI)	135.6	135.1	133.2	▲0.3%	▲1.8%	
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	134.0	133.6	131.1	▲0.3%	▲2.2%	
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.1%	5.0%	4.7%	▲0.1	▲0.4	
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	38,362	40,086	41,699	▼4.3%	▼8.0%	
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.4	53.7	58.5	▲5.0%	▼3.6%	Miscellaneous Indicators
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.83%	3.85%	4.59%	▼0.02	▼0.76	
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.73	20.76	20.41	▼0.1%	▲1.6%	
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	831.92	858.63	843.01	▼3.1%	▼1.3%	
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	104.7	103.3	107.9	▲1.4%	▼3.0%	
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.97	16.84	16.86	▲0.7%	▲0.7%	
Gaming revenue	127.0	135.2	131.4	▼6.0%	▼3.3%	
Coastal counties	80.1	80.9	78.2	▼1.0%	▲2.5%	
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	46.9	54.3	53.2	▼13.6%	▼11.8%	

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Mississippi's economy added 1,200 jobs in July according to the U.S. Bureau of Labor Statistics (BLS), an increase in total nonfarm employment of 0.1 percent. BLS also revised June employment up by 2,400 jobs. Total employment in the state was 1.6 percent higher for the month compared to one year earlier as Table 2 indicates.

BLS reported total nonfarm employment increased in five states in July: Texas, Florida, Washington, Utah, and Idaho. Texas added 35,200 jobs, the most among all states, while the largest percentage increase in employment of 0.7 percent occurred in Utah.

According to BLS employment increased in twenty-five states in July compared to one year earlier. The largest increase in employment occurred in Texas, which added 323,300 jobs, followed by California, which added 311,800 jobs. The largest percentage increases in employment in July compared to one year earlier occurred in Nevada and Utah, where employment rose by 3.1 percent. Washington closely followed as over the past twelve months employment in the state rose 3.0 percent.

Changes in employment were relatively small in July in Mississippi as the largest increase among all sectors occurred in Trade, Transportation, and Utilities, which add-

ed 600 jobs for the month. The largest percentage increase in employment among all sectors in July occurred in Mining and Logging, which rose 1.5 percent, a gain of 100 jobs. Notably, Construction employment in the state rose 0.7 percent in July and reached its highest level since May 2018. The largest decrease in employment among all sectors occurred in Financial Activities, which lost 400 jobs for the month. The largest percentage decrease in employment in July occurred in Arts and Entertainment, which fell 1.0 percent, a loss of 100 jobs.

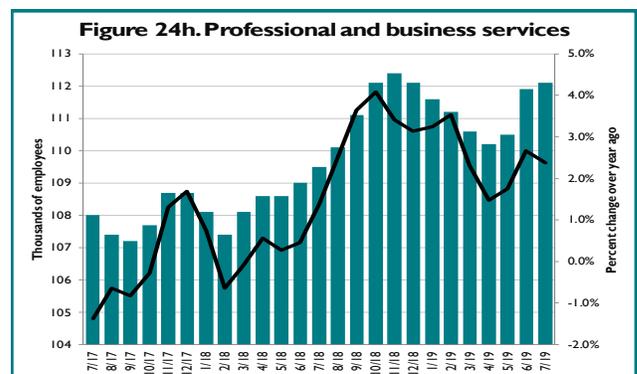
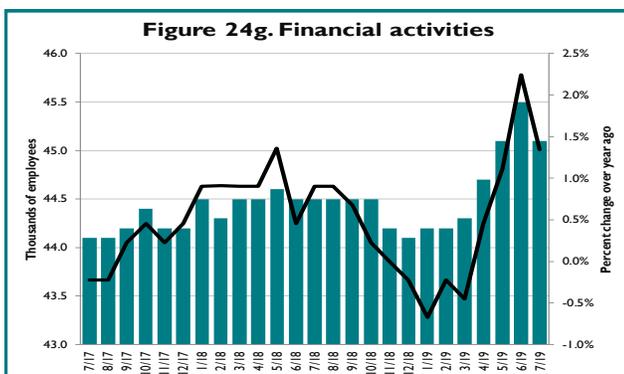
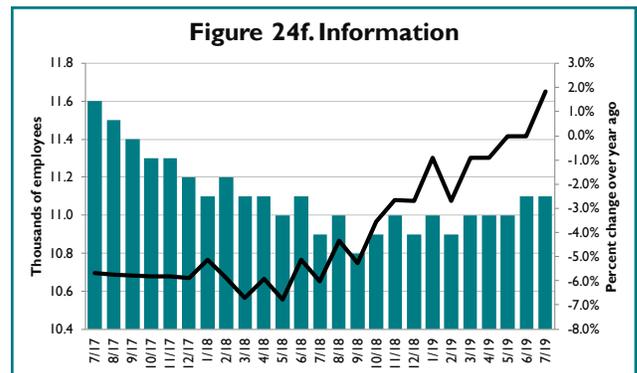
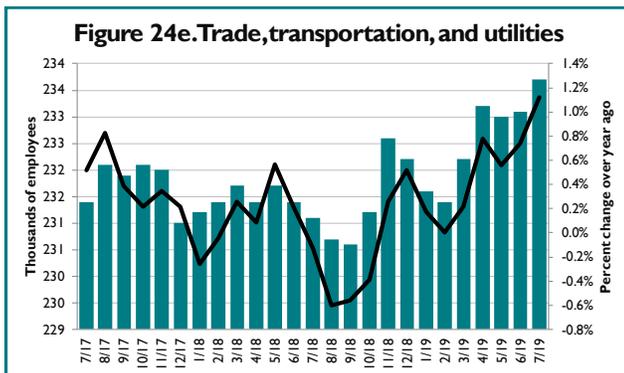
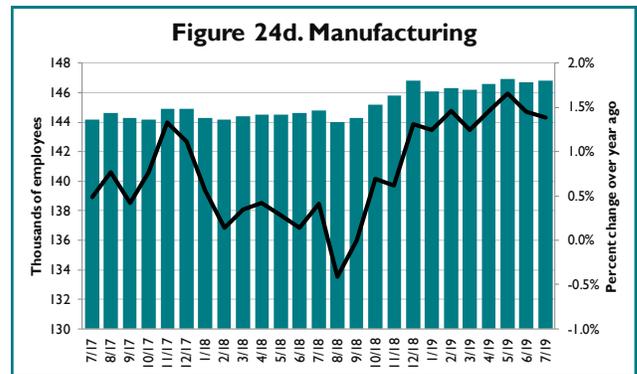
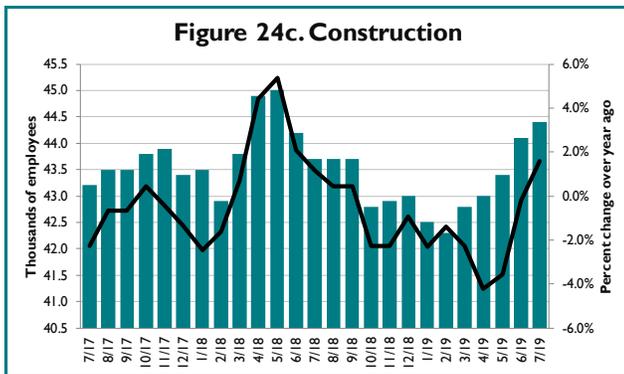
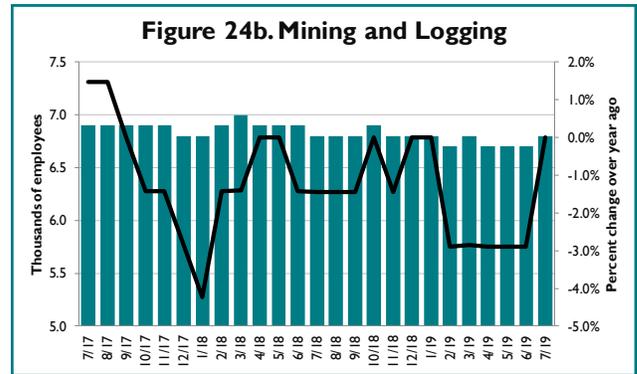
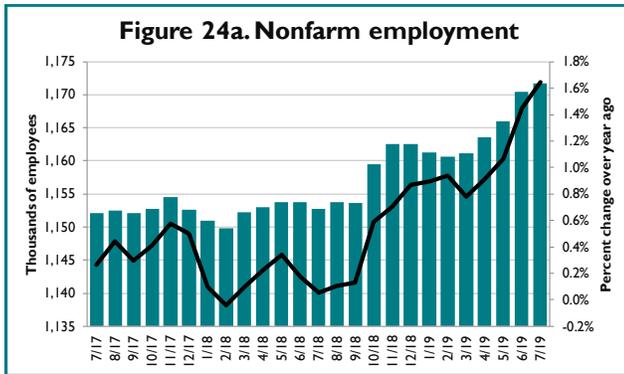
The largest increase in employment among all sectors in the state compared to one year ago once again occurred in Accommodation and Food Services, which added 6,100 jobs over the last twelve months. The Arts and Entertainment sector experienced the largest percentage increase in employment over the last twelve months of 7.4 percent. The largest decrease in employment among all sectors compared to once year earlier occurred in Retail Trade, which lost 200 jobs. The only other sector to lose jobs over the last twelve months was Other Services, which lost 100 jobs and was also the largest percentage decrease in employment of 0.2 percent. Employment was unchanged compared to one year earlier in both the Mining and Logging and Educational Services sectors.

Table 2. Change in Mississippi employment by industry, July 2019

	Relative share of total ^a	July 2019	June 2019	July 2018	Change from June 2019		Change from July 2018	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,171,700	1,170,500	1,152,700	▲1,200	▲0.1%	▲19,000	▲1.6%
Mining and Logging	0.6%	6,800	6,700	6,800	▲100	▲1.5%	◆0	◆0.0%
Construction	3.7%	44,400	44,100	43,700	▲300	▲0.7%	▲700	▲1.6%
Manufacturing	12.6%	146,800	146,700	144,800	▲100	▲0.1%	▲2,000	▲1.4%
Trade, Transportation & Utilities	20.0%	233,700	233,100	231,100	▲600	▲0.3%	▲2,600	▲1.1%
Retail Trade	11.9%	138,200	138,400	138,400	▼200	▼0.1%	▼200	▼0.1%
Information	0.9%	11,100	11,100	10,900	◆0	◆0.0%	▲200	▲1.8%
Financial Activities	3.8%	45,100	45,500	44,500	▼400	▼0.9%	▲600	▲1.3%
Services	37.6%	442,500	441,900	430,000	▲600	▲0.1%	▲12,500	▲2.9%
Professional & Business Services	9.6%	112,100	111,900	109,500	▲200	▲0.2%	▲2,600	▲2.4%
Educational Services	1.0%	12,100	12,100	12,100	◆0	◆0.0%	◆0	◆0.0%
Health Care and Social Assistance	11.5%	135,900	135,500	132,700	▲400	▲0.3%	▲3,200	▲2.4%
Arts and Entertainment	0.8%	10,100	10,200	9,400	▼100	▼1.0%	▲700	▲7.4%
Accommodation and Food Services	11.1%	131,100	131,100	125,000	◆0	◆0.0%	▲6,100	▲4.9%
Other Services	3.5%	41,200	41,100	41,300	▲100	▲0.2%	▼100	▼0.2%
Government	20.8%	241,300	241,400	240,900	▼100	◆0.0%	▲400	▲0.2%

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

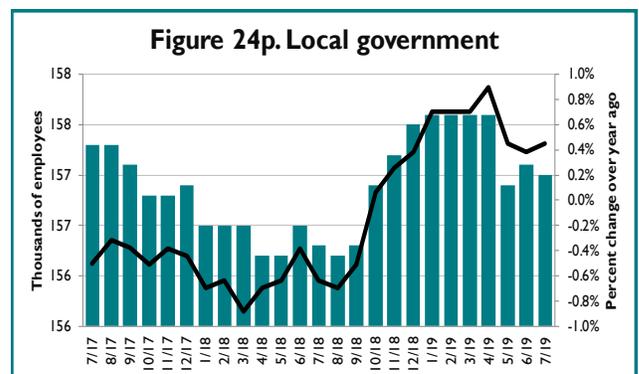
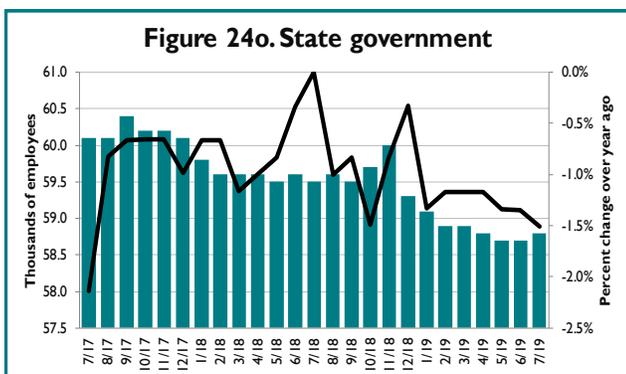
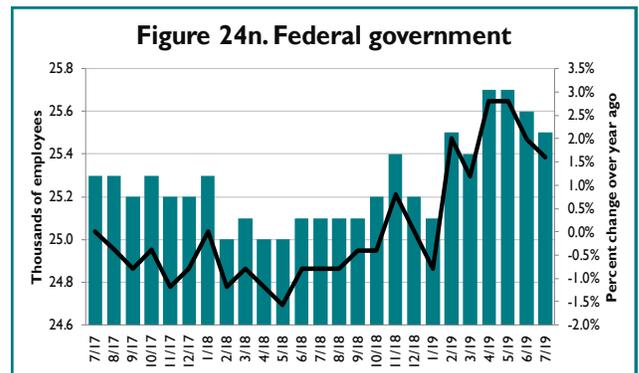
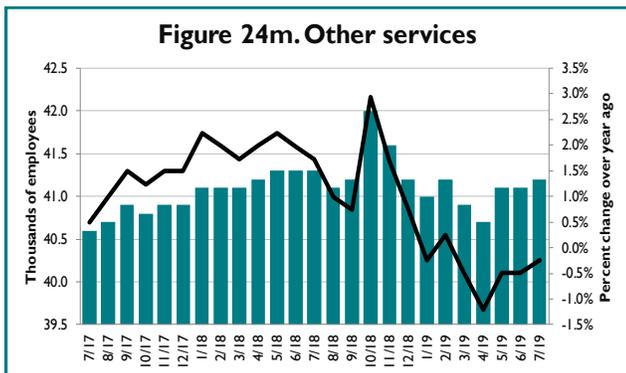
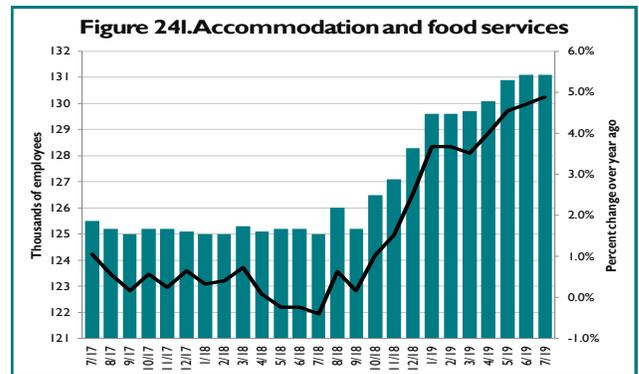
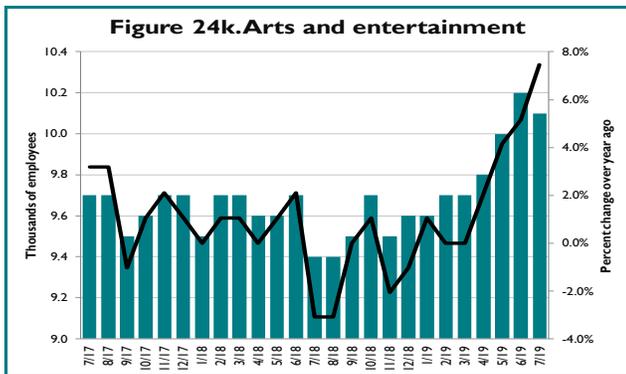
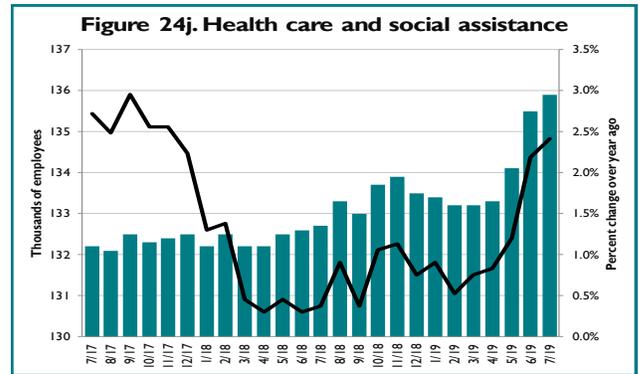
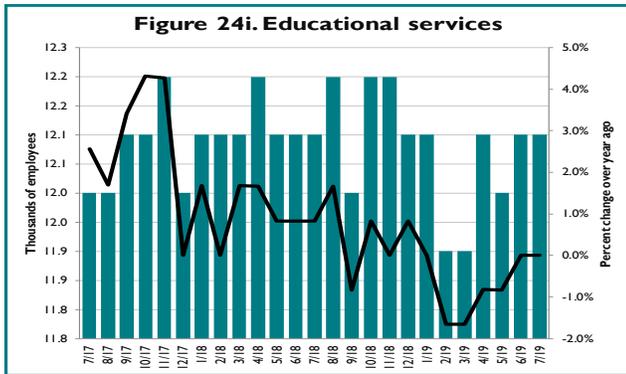
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

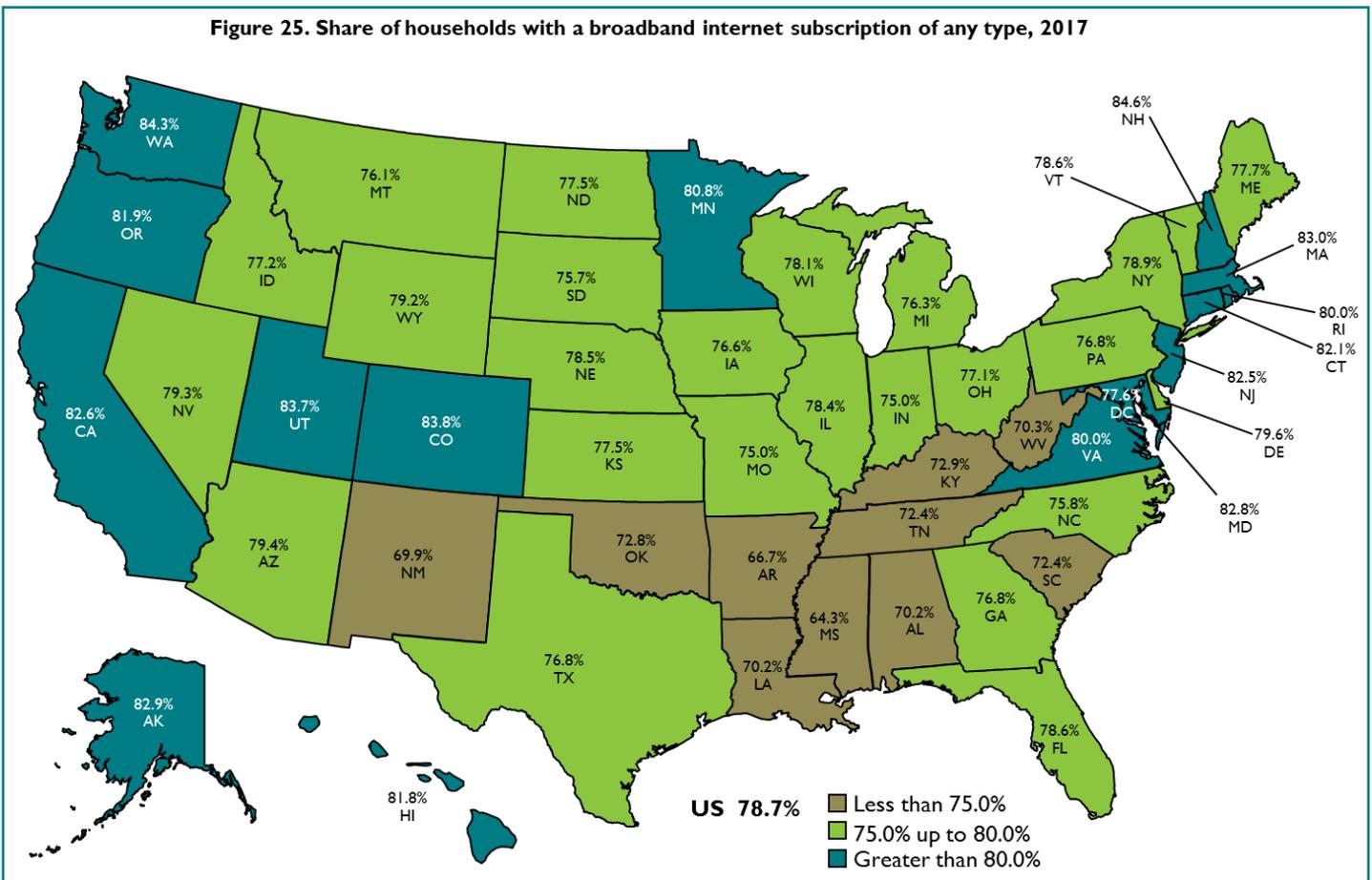


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

BROADBAND INTERNET ACCESS BY STATE, 2017

Earlier this year the Mississippi Electric Power Association Law and Broadband Enabling Act of 2019 went into effect, which allows electric power associations (EPAs) in the state to offer internet service to their members. As of August three EPAs in northeast Mississippi have authorized their leadership to begin the process of establishing broadband networks. Rural states like Mississippi can realize important benefits from high speed or broadband internet access, currently defined by the Federal Communications Commission as a minimum download speed of 25 megabits per second and a minimum upload speed of 4 megabits per second. Access to the internet at minimum broadband speeds or higher is a concern in Mississippi as Figure 25 below indicates. This map depicts by state the share of households with a broadband internet subscription of any type in 2017 according to the U.S. Census Bureau.

In Mississippi, 64.3 percent of households had a broadband internet subscription as of 2017, the lowest share among all states and the District of Columbia. Arkansas, Mississippi, and New Mexico were the only three states where less than 70 percent of households had a broadband subscription. Only ten states had less than 75 percent of households with a broadband subscription as of 2017, all rural states and almost all were located in the South. In a slight majority of U.S. states, twenty-six, the share of households with a broadband subscription was between 75 and 80 percent. In the remaining fourteen states and the District of Columbia the share of households with a broadband subscription was 80 percent or more. Notably, most of these states are located on the east or west coasts; in the nation’s interior rates exceeded 80 percent only in Colorado, Minnesota, and Utah. The most “connected” state in the country in 2017 was



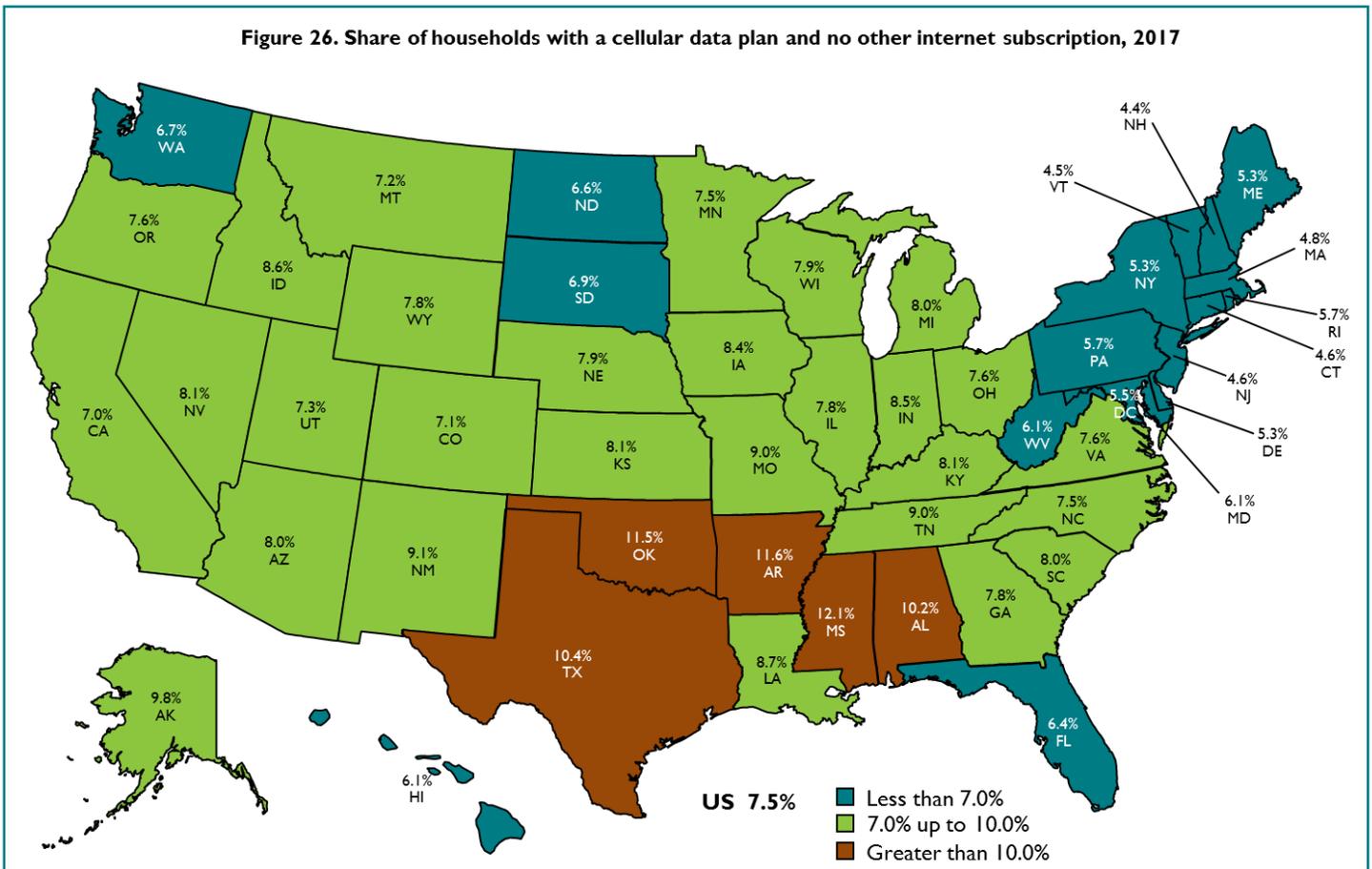
Source: U.S. Bureau of the Census

MISSISSIPPI'S BUSINESS

BROADBAND INTERNET ACCESS BY STATE, 2017, CONTINUED

New Hampshire, where 84.6 percent of all households had a broadband internet subscription of some type. The share of households in Washington State closely followed at 84.3 percent while the shares in Colorado and Utah were less than 1 percent below that of New Hampshire.

Unfortunately, not only does Mississippi lag all other states in broadband access, but this share also likely overstates the quality and reliability of the service used by Mississippians as seen in Figure 26 below. This map depicts the share of households by state where the only internet subscription consists of a cellular data plan. Mississippi had the highest share of households in 2017 with only a cellular data plan of 12.1 percent. In addition to Mississippi, only Alabama, Arkansas, Oklahoma, and Texas had more than 10 percent of households with only a cellular data plan. In twenty-eight states, the share of households with only a cellular data plan ranged from 7 to 10 percent. The share with only a cellular data plan was less than 7 percent in seventeen states, which included the entire Northeast region. Only Florida, Hawaii, North Dakota, South Dakota, and Washington were outside this area. The lowest share of households with only a cellular data plan was found in New Hampshire at 4.4 percent; the share was also under 5 percent in Connecticut, Massachusetts, New Jersey, and Vermont. Although a small share of households with only a cellular data plan generally reflects greater internet connectivity in a state, some exceptions occur. While both Vermont and West Virginia had two of the lowest shares of households with only a cellular plan, these also were the only two states where the share of households with a cellular plan was less than 40 percent, likely a reflection of the available coverage areas for and/or the ability of households to pay for wireless data service.



Source: U.S. Bureau of the Census