



ECONOMY AT A GLANCE

Inside this issue:

Mississippi Leading Index, July 2020	2
Mississippi Coincident Index, July 2020	4
National Trends	5
Mississippi Employment Trends	8
The COVID-19 Recession and Labor Force Participation in Mississippi	11

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

Follow the University Research Center on Twitter:

@MississippiURC 

Corey Miller
Economic Analyst

3825 Ridgewood Road
Jackson, MS 39211
cmiller@mississippi.edu
www.mississippi.edu/urc

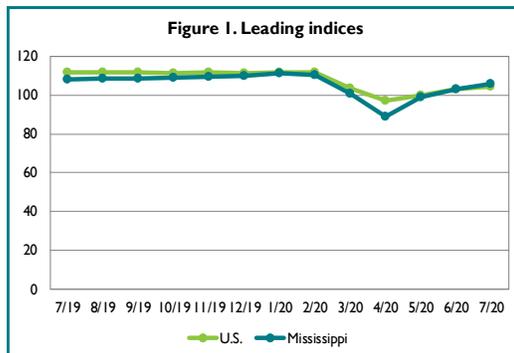
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) rose 2.2 percent in July. The value of the MLI for the month was 2.4 percent lower compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) fell 0.7 percent in July as Figure 2 below indicates. Compared to one year ago the value for the month was down 2.9 percent.

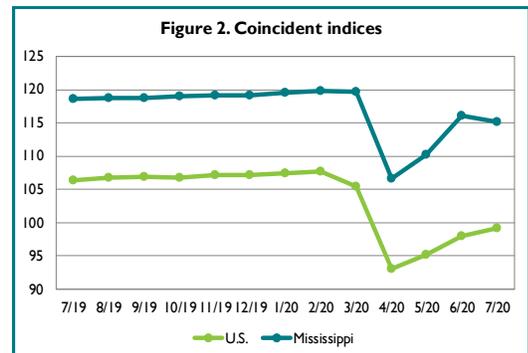
In its second estimate the U.S. Bureau of Economic Analysis (BEA) reported U.S. real gross domestic product (GDP) decreased at a seasonally-adjusted, annualized rate of 31.7 percent in the second quarter of 2020. This estimate represents a relatively small increase of 1.2 percentage points from BEA's initial estimate. The increase resulted from smaller declines in consumer spending and private inventory investment than reported in the initial

estimate. The revised decrease in gross private domestic investment in the second quarter was 46.2 percent. Federal government spending remained the only positive contributor to the change in real GDP in the second quarter at a rate of 17.6 percent.

The MLI signaled the Mississippi economy continued steady improvement in July, highlighted by a particularly strong month for withholdings. Employment grew solidly for the third consecutive month as the state has regained just over 60 percent of the jobs lost in March and April—a considerably better share than for the nation as a whole. Nevertheless, both initial and continued unemployment claims remain elevated as of July. Transfers from the CARES Act also ended in July and without additional stimulus the pace of the recovery of the state's economy may slow.



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 2007. 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 2007.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, JULY 2020**

As seen in Figure 3 the value of the **Mississippi Leading Index of Economic Indicators (MLI)** increased for the third consecutive month in July. For the month the gain was 2.2 percent. Nevertheless, the value of the MLI in July was down 2.4 percent compared to one year earlier, the fifth consecutive month with a year-over-year decrease. Since January the value of the MLI is down 4.9 percent.

Positive contributions to the MLI came from six of the seven components in July. The largest contribution came from income tax withholdings, which had its largest monthly gain in over twenty years. The Mississippi Manufacturing Employment Intensity Index made the lone negative contribution in July. Each component is discussed below in order of largest to smallest contribution.

The value of **Mississippi income tax withholdings** (three-month moving average) surged in July as seen in Figure 4. The value rose 5.5 percent for the month, the largest monthly increase since April 1999. Compared to one year earlier the value of withholdings was 1.4 percent higher in July, the first year-over-year increase since March. The value of income tax withholdings in Mississippi fell 2.4 percent over the last six months.

As seen in Figure 5 the number of seasonally-adjusted **initial unemployment claims** in Mississippi declined in July for the third consecutive month. The value decreased 34.1 percent in July. The value for the month was 637.7 percent higher compared to one year earlier. The number of seasonally-adjusted continued unemployment claims in Mississippi fell 22.5 percent in July as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi was 1,076.5 percent higher compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi climbed 2.0 percentage points in July to 10.8 percent as seen in Figure 17 on page 6. The rate for June was revised up by 0.1 percentage point to 8.8 percent. The state's unemployment rate was 5.3 percentage points higher in July compared to one year ago.

U.S. retail sales rose in value by 1.2 percent in July, the third consecutive monthly increase. In addition the value of June sales was revised up 1.0 percent, which placed June sales above the February level. As seen in Figure 6 the value of sales in July was 2.7 percent higher compared to one year earlier. Excluding vehicles and gasoline, sales were 1.5 percent higher for the month. Eight of the eleven categories of sales increased in July and the largest gain was in sales of electronics and appliances, which rose 22.9

percent. The largest decrease in sales occurred in sporting goods and hobbies, which fell 5.0 percent; the other categories that declined in July were vehicles and general merchandisers.

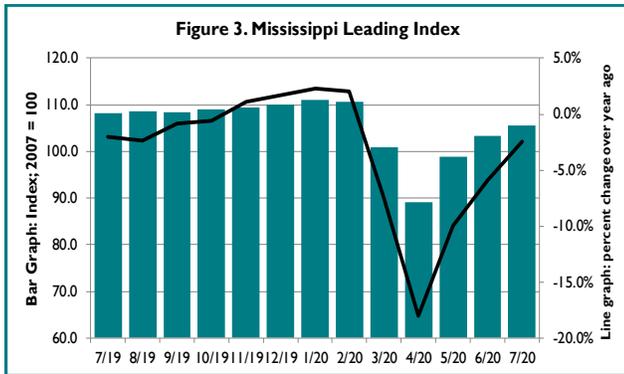
Figure 7 indicates the value of the **ISM Index of U.S. Manufacturing Activity** increased in August for the fourth consecutive month. The value rose 3.3 percent to 56.0, the highest level for the Index since January 2019. Compared to one year earlier the value for July was up 14.1 percent, the largest year-over-year increase in three years. As in July the largest gain among all components occurred in New Orders. Fifteen of the eighteen manufacturing industries represented in the Index expanded in August..

For the sixth time in the last seven months the value of **Mississippi residential building permits** (three-month moving average) increased in July. The value rose 2.8 percent for the month as seen in Figure 8. Compared to one year earlier the July value was 23.9 percent higher. The number of units in the state climbed 4.2 percent in July. The number of units in the state for the month was up 30.0 percent compared to one year ago. The number of privately-owned housing units authorized by building permits in the U.S. increased 18.8 percent in July from the revised June rate. The number of units in the U.S. in July was 9.4 percent higher compared to one year ago.

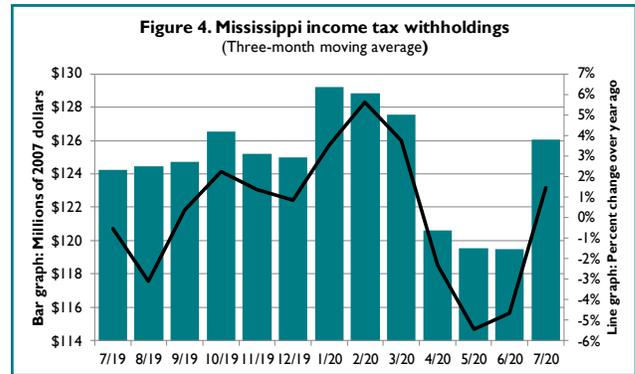
For the first time since January, the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased in July as seen in Figure 9. For the month the value rose 1.3 percent. Compared to one year earlier the value for July was down 20.4 percent, the fifth consecutive monthly year-over-year decrease. Since January the value of the Index has fallen 23.9 percent. In the most recent survey both short-term (one-year) and long-term (five-year) inflation expectations increased slightly.

The value of the **Mississippi Manufacturing Employment Intensity Index** decreased 3.2 percent in July as seen in Figure 10. The July value was lower by 4.8 percent compared to one year earlier, a year-over-year decrease for the seventh consecutive month. Manufacturing employment in the state increased 1.1 percent in July, but this gain was more than offset by the decrease in average weekly hours of production employees in Mississippi, which fell 4.3 percent for the month.

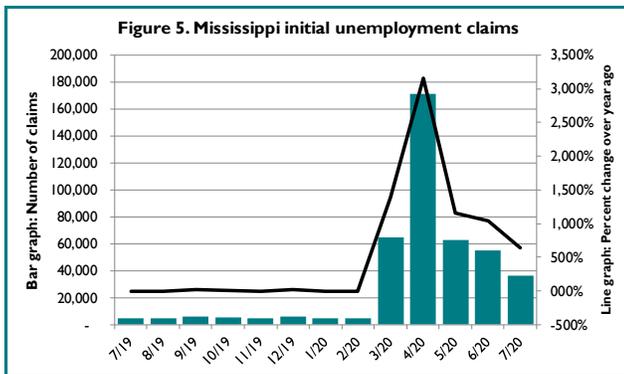
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



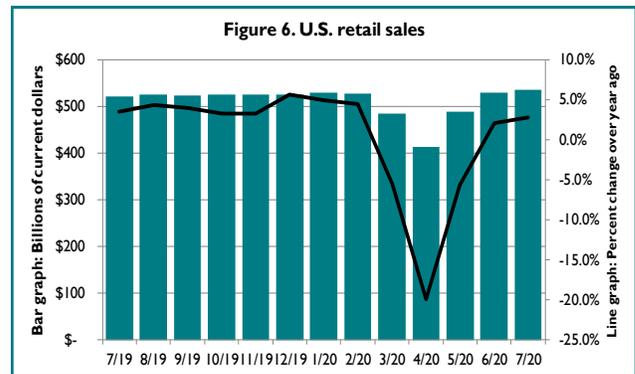
Source: University Research Center



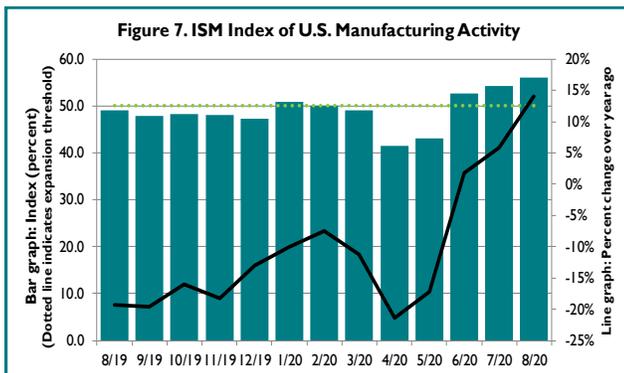
Source: Mississippi Department of Revenue; seasonally adjusted



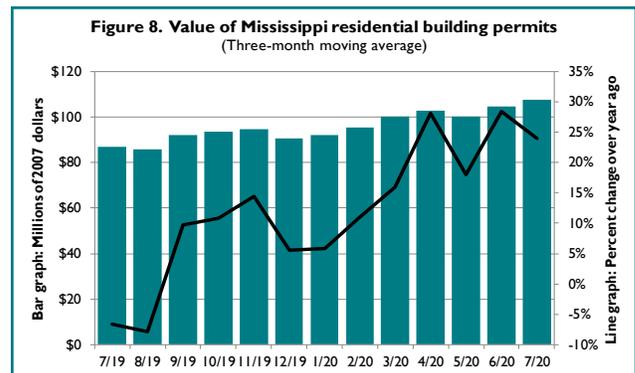
Source: U.S. Department of Labor; seasonally adjusted



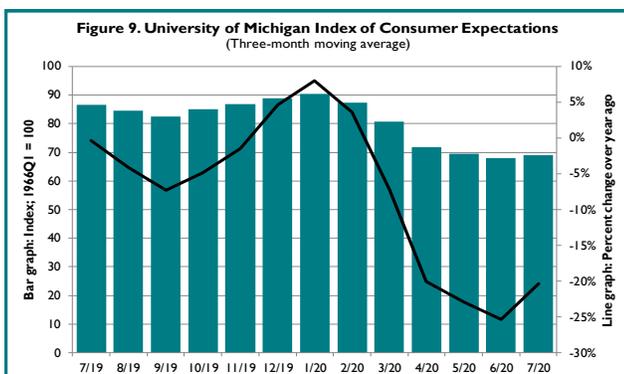
Source: U.S. Bureau of the Census



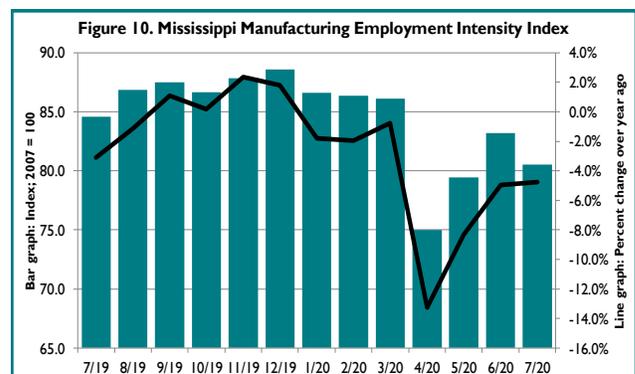
Source: Institute for Supply Management



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



Source: Thomson Reuters/University of Michigan Surveys of Consumers



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

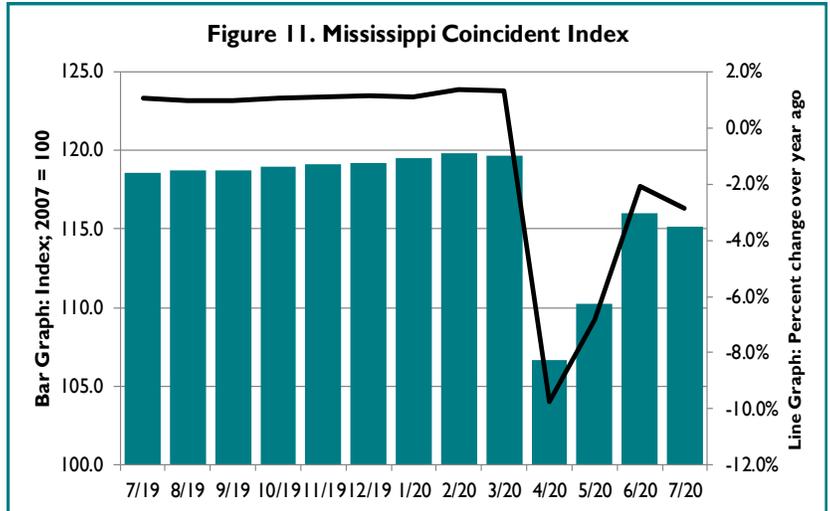
MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, JULY 2020

The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** fell 0.7 percent in July as seen in Figure 11. The value of the MCI for the month remained 2.9 percent lower compared to one year ago.

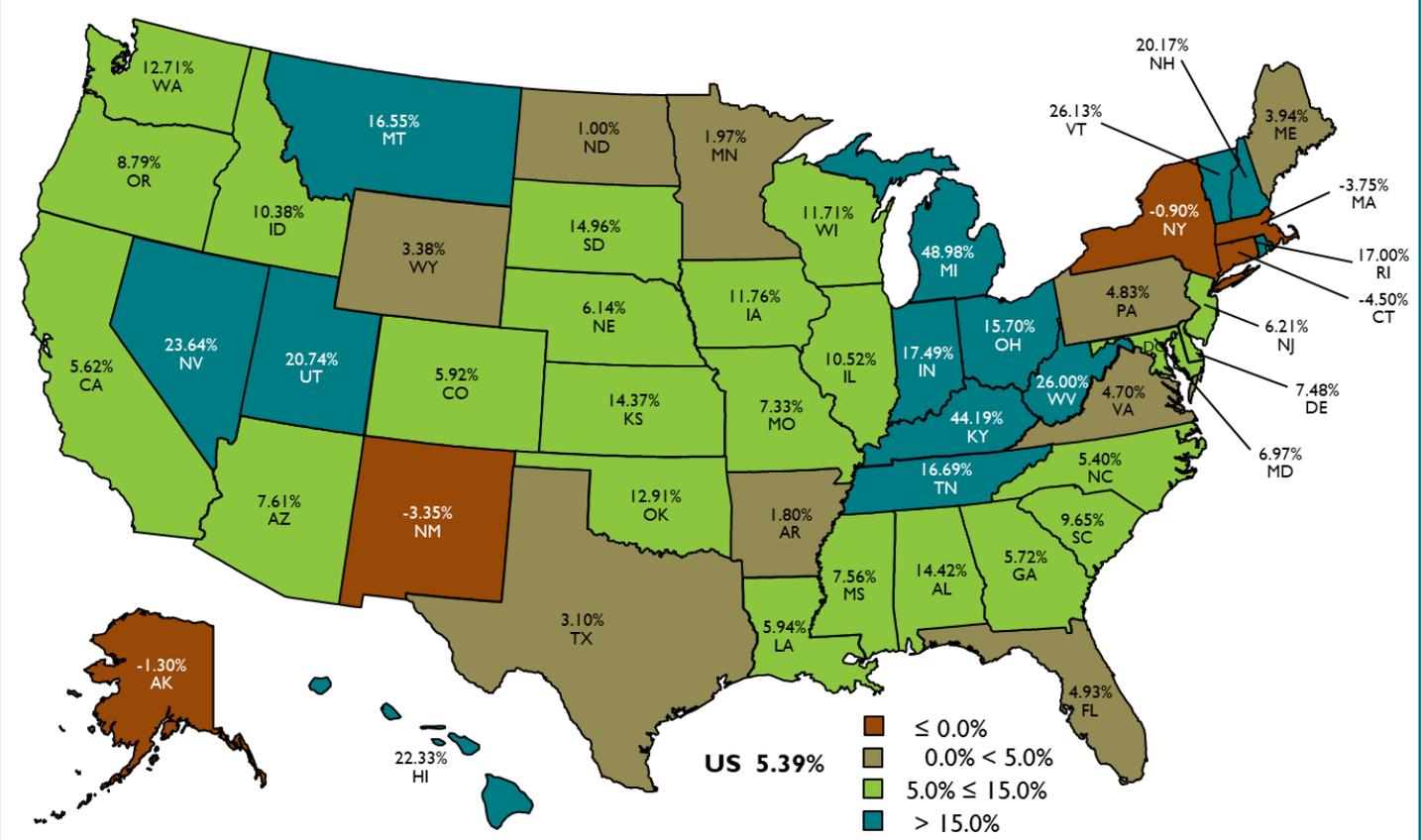
As in the previous month the performances of the values of the coincident indices in July compared to April varied widely across states as Figure 12 below indicates. In thirteen states the value of the coincident index increased more than 15.0 percent in July compared to three months prior. In Michigan the value of the coincident index was approximately 49.0 percent higher in July compared to April. Mississippi was one of twenty-three states where the value of the coincident index increased between 5.0 and 15.0 percent in July compared to three months prior.

In nine states the value of the coincident index rose between 0.0 percent and 5.0 percent in July compared to three months prior. Finally, in five states the value of the coincident index in July decreased compared to three months prior and the largest decrease of 4.5 percent occurred in Connecticut.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, July 2020



Source: Federal Reserve Bank of Philadelphia

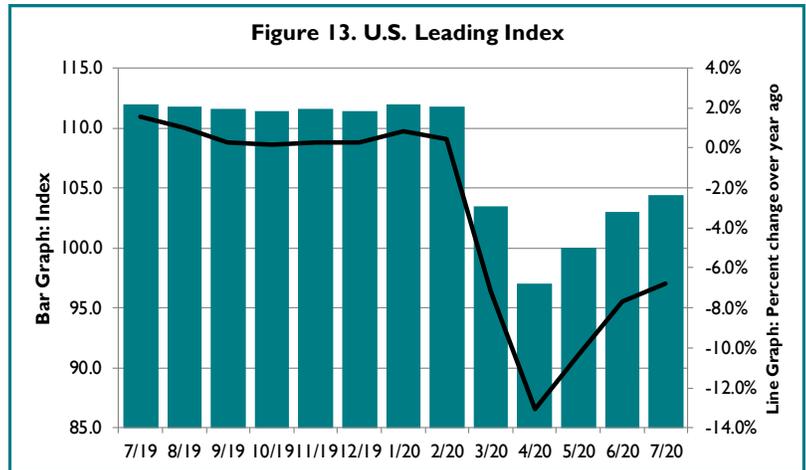
NATIONAL TRENDS

As seen in Figure 13 the value of the U.S. Leading Economic Index (LEI) increased in July for the third consecutive month. According to The Conference Board the value rose 1.4 percent for the month; previous months' values were revised higher. The July value of the LEI was down 6.8 percent compared to one year ago. For the month six of the ten components of the LEI made positive contributions and average weekly manufacturing hours made the largest contribution. The largest negative contribution in July was made by average consumer expectations for business conditions. Over the last six months the value of the LEI decreased 6.8 percent.

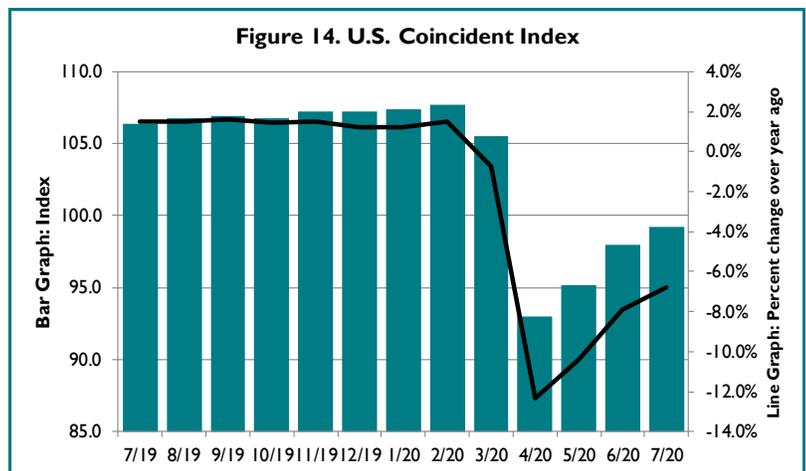
According to The Conference Board in July the value of the U.S. Coincident Economic Index (CEI) rose 1.2 percent as seen in Figure 14. Previous months' values were revised higher. The value of the CEI in July was 6.8 percent lower compared to one year earlier. All four components of the CEI made positive contributions in July and the largest contribution came from employees on nonagricultural payrolls. Over the last six months the value of the CEI decreased 7.6 percent.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index slipped 1.8 percent in July as Figure 15 indicates. Compared to one year earlier the value of the Index was down 5.6 percent for the month. Five of the ten components decreased in July and the value of the Index was pushed lower by the decline in the “expect economy to improve” component. The largest increase was in the “plans to make capital expenditures” component, its third consecutive monthly increase.

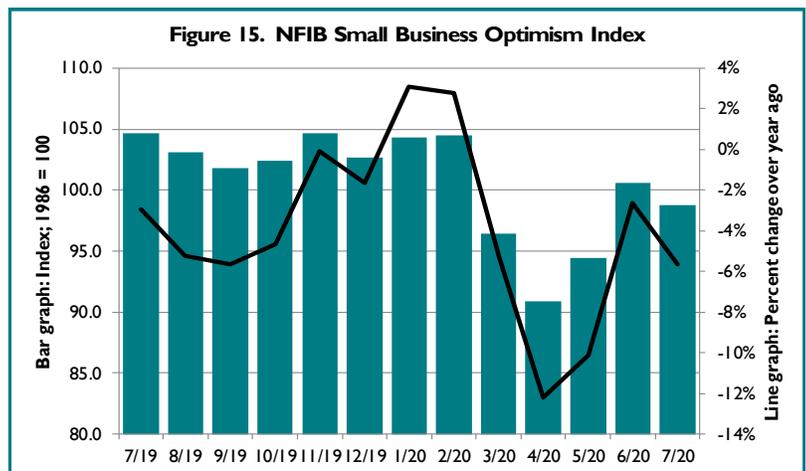
In a major shift in its approach to monetary policy, Federal Reserve Chair Jerome Powell announced in a speech the Fed will focus more on its mandate of full employment than its target of an annual rate of inflation of 2.0 percent. The move was widely seen as confirming interest rates will remain relatively low indefinitely. Furthermore, Powell stated the Fed’s target of a 2.0 percent rate of inflation now represents an average rate—which means the central bank will not necessarily act to raise rates following a period when inflation is more than 2.0 percent if it follows a period when inflation rate is less than 2.0 percent.



Source: The Conference Board



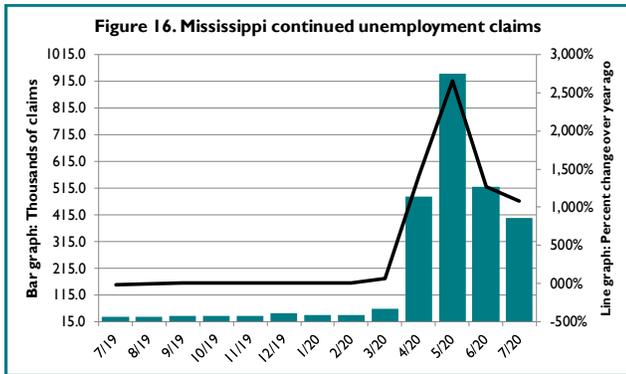
Source: The Conference Board



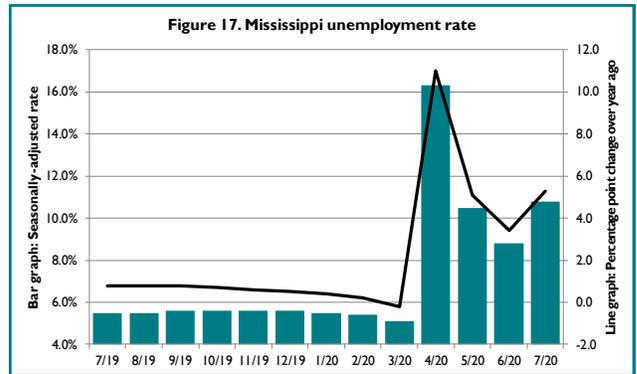
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

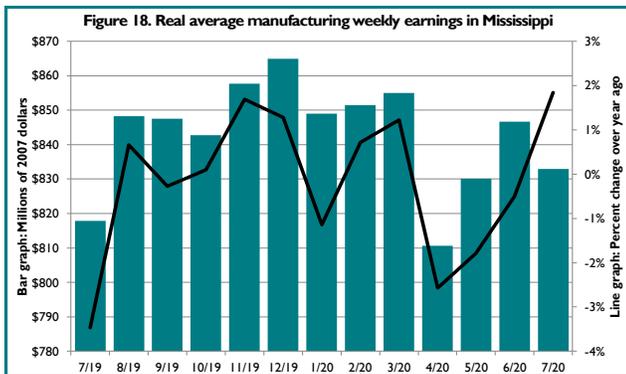
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



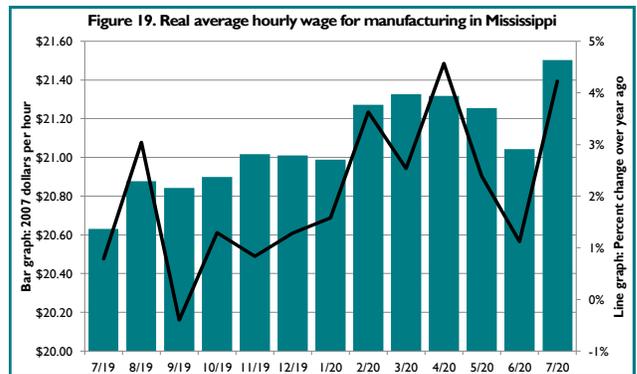
Source: U.S. Department of Labor; seasonally adjusted



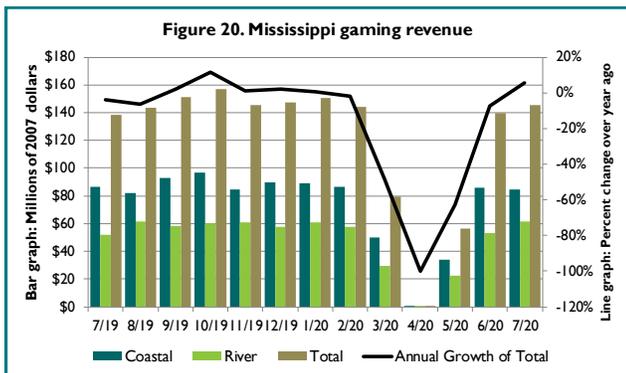
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



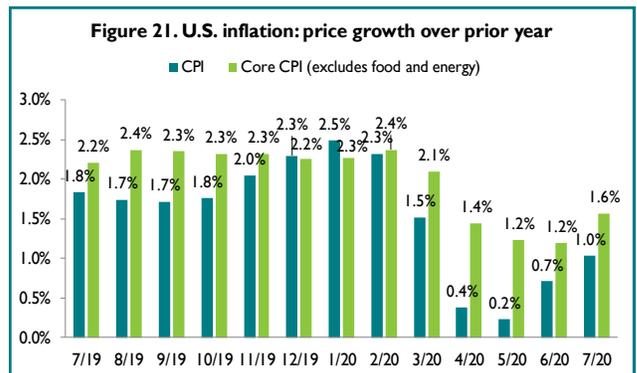
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



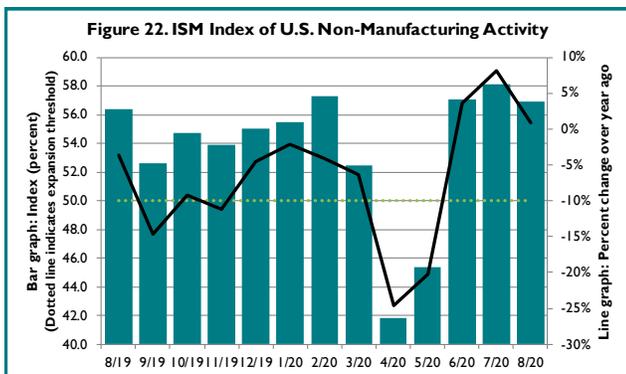
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



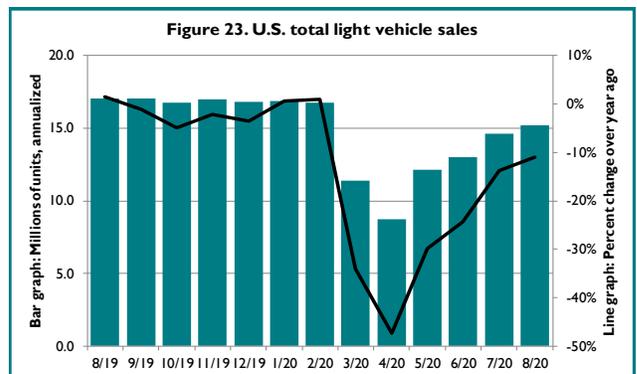
Source: Mississippi Department of Revenue; seasonally adjusted



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	June	July	Percent change from	
	2020	2020	2019	June 2020	July 2019
U.S. Leading Economic Index 2007 = 100. Source: The Conference Board	104.4	103.0	112.0	▲1.4%	▼6.8%
U.S. Coincident Economic Index 2007 = 100. Source: The Conference Board	99.2	98.0	106.4	▲1.2%	▼6.8%
Mississippi Leading Index 2007 = 100. Source: University Research Center	105.6	103.3	108.3	▲2.2%	▼2.5%
Mississippi Coincident Index 2007 = 100. Source: Federal Reserve Bank of Philadelphia	115.2	116.0	118.7	▼0.7%	▼2.9%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	36,428	55,307	4,938	▼34.1%	▲637.7%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	107.7	104.7	86.9	▲2.8%	▲23.9%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	126.0	119.5	125.4	▲5.5%	▲0.5%
Mississippi Manufacturing Employment Intensity Index 2007 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	80.6	83.2	84.6	▼3.2%	▼4.8%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	68.9	68.0	86.6	▲1.3%	▼20.4%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.0	54.2	49.1	▲3.3%	▲14.1%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	536.0	529.4	522.2	▲1.2%	▲2.7%
U.S. Consumer Price Index (CPI)	124.8	124.1	123.5	▲0.6%	▲1.0%
U.S. Core CPI (excludes food and energy) 2007 = 100. Source: URC using data from Bureau of Labor Statistics	127.0	126.3	125.1	▲0.6%	▲1.6%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	10.8%	8.8%	5.5%	▲2.0	▲5.3
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	402,075	518,746	34,175	▼22.5%	▲1,076.5%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	56.9	58.1	56.4	▼2.1%	▲0.9%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.09%	3.21%	3.85%	▼0.12	▼0.76
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	21.50	21.04	20.63	▲2.2%	▲4.2%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	832.90	846.67	817.85	▼1.6%	▲1.8%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	98.8	100.6	104.7	▼1.8%	▼5.6%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	15.19	14.63	17.07	▲3.9%	▼11.0%
Gaming revenue	145.66	139.45	138.3	▲4.5%	▲5.3%
Coastal counties	84.36	86.04	86.6	▼2.0%	▼2.6%
River counties Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	61.31	53.40	51.7	▲14.8%	▲18.7%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) reported employment in Mississippi increased by 10,400 jobs in July, a gain of 0.9 percent. BLS revised total nonfarm employment in the state for June up by 3,400 jobs to an increase of 2.9 percent. As seen in Table 2 compared to one year earlier employment in Mississippi as of July was down 3.7 percent, a difference of 43,300 jobs.

Employment increased in forty states and the District of Columbia in July according to BLS. The largest increase in employment occurred in New York, which added 176,600 jobs, followed by California, which added 140,000 jobs. The largest percentage increase in employment occurred in New Jersey, where employment rose 3.6 percent. Employment decreased in New Mexico, which lost 6,000 jobs, a decline of 0.8 percent.

BLS reported lower employment in forty-nine states and the District of Columbia and essentially unchanged employment in Idaho compared to one year earlier. The largest difference was again in California, which lost 1,643,600 jobs over the last twelve months, followed by New York, where employment fell by 1,345,800 jobs. Compared to one year earlier the largest percentage decrease among all states once again occurred in Hawaii, as employment in the state was down 16.1 percent.

Most sectors in Mississippi added jobs in July. The largest increase among all sectors again occurred in Accommodation and Food Services, which added 4,200 jobs. About 83 percent of the jobs lost in this sector in March and April have returned. The largest percentage increase in employment among all sectors in July also occurred in Accommodation and Food Services, as employment rose 3.6 percent for the month. The largest decrease in employment among all sectors in July occurred in Information, which lost 800 jobs. This sector also experienced the largest percentage decrease in employment in July of 7.9 percent.

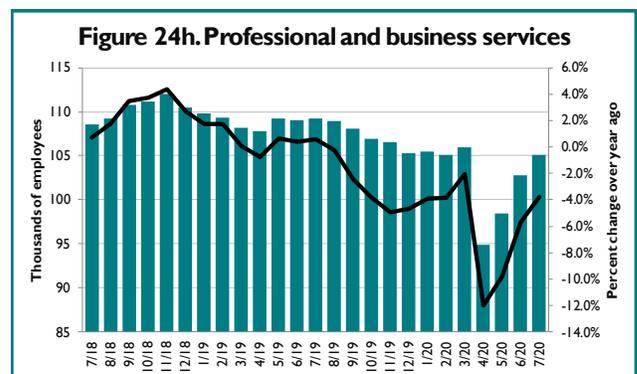
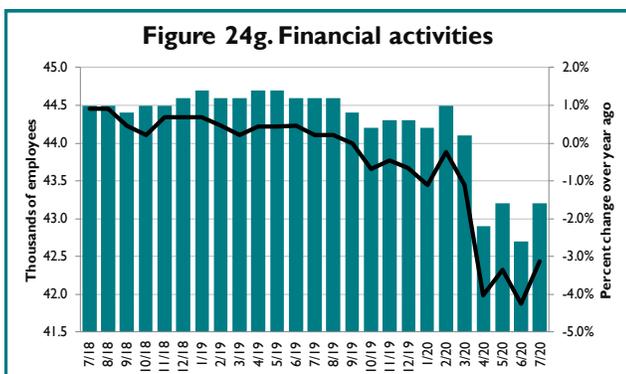
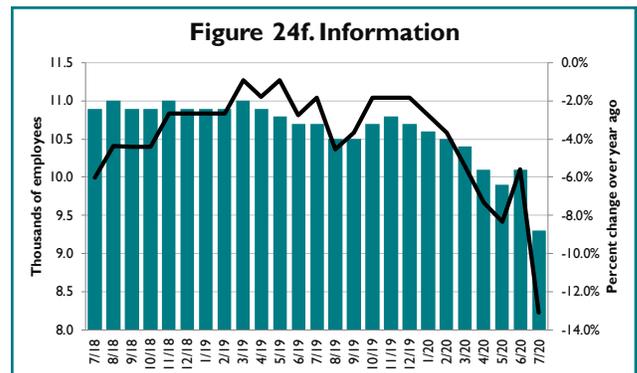
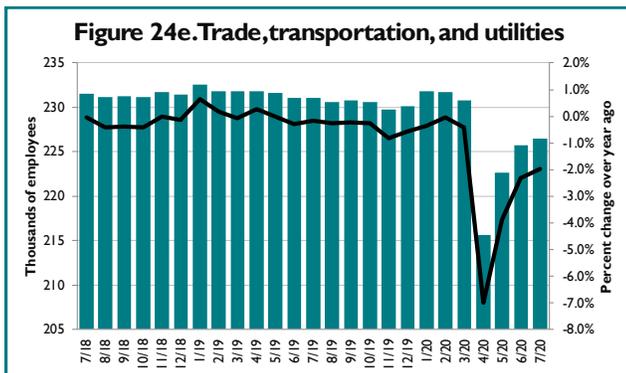
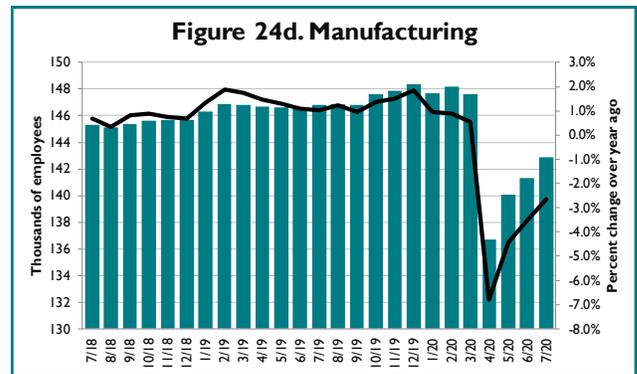
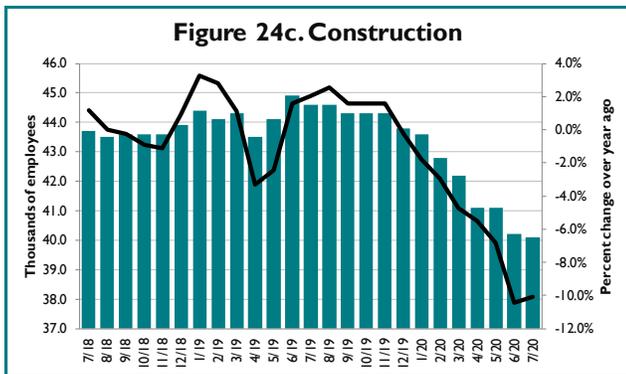
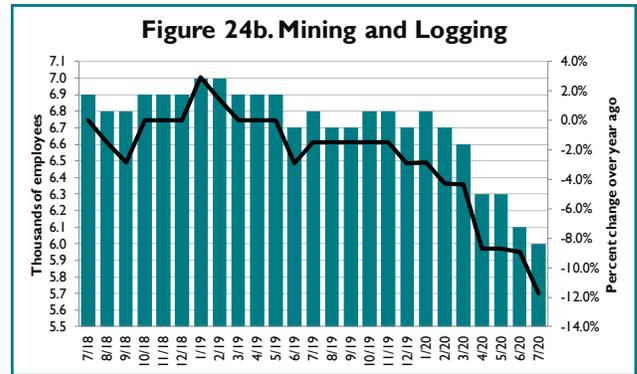
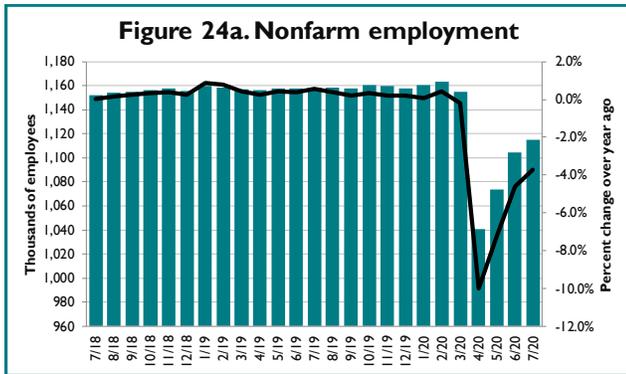
As in June employment in Mississippi in July was down in all sectors except one compared to one year earlier. Employment in Other Services was up 0.2 percent for the month, a increase of 100 jobs. Over the last twelve months the largest decrease in employment among all sectors in the state occurred in Government, which lost 7,300 jobs. The next largest decrease was in Health Care and Social Assistance as employment in the sector fell by 6,100 jobs over the past year. The largest percentage decrease in employment among all sectors compared to one year earlier occurred in Arts and Entertainment, which fell 42.7 percent, a loss of 4,100 jobs.

Table 2. Change in Mississippi employment by industry, July 2020

	Relative share of total ^a	July	June	July	Change from June 2020		Change from July 2019	
		2020	2019	2019	Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,115,000	1,104,600	1,158,300	▲10,400	▲0.9%	▼43,300	▼3.7%
Mining and Logging	0.6%	6,000	6,100	6,800	▼100	▼1.6%	▼800	▼11.8%
Construction	3.8%	40,100	40,200	44,600	▼100	▼0.2%	▼4,500	▼10.1%
Manufacturing	12.8%	142,900	141,300	146,800	▲1,600	▲1.1%	▼3,900	▼2.7%
Trade, Transportation & Utilities	20.1%	226,500	225,700	231,100	▲800	▲0.4%	▼4,600	▼2.0%
Retail Trade	11.8%	135,600	135,300	135,600	▲300	▲0.2%	◀▶0	◀▶0.0%
Information	0.9%	9,300	10,100	10,700	▼800	▼7.9%	▼1,400	▼13.1%
Financial Activities	3.9%	43,200	42,700	44,600	▲500	▲1.2%	▼1,400	▼3.1%
Services	36.9%	412,800	407,000	432,200	▲5,800	▲1.4%	▼19,400	▼4.5%
Professional & Business Services	9.2%	105,100	102,800	109,200	▲2,300	▲2.2%	▼4,100	▼3.8%
Educational Services	1.0%	10,700	10,600	11,900	▲100	▲0.9%	▼1,200	▼10.1%
Health Care and Social Assistance	11.7%	128,900	129,200	135,000	▼300	▼0.2%	▼6,100	▼4.5%
Arts and Entertainment	0.7%	5,500	5,500	9,600	◀▶0	◀▶0.0%	▼4,100	▼42.7%
Accommodation and Food Services	10.6%	122,200	118,000	126,200	▲4,200	▲3.6%	▼4,000	▼3.2%
Other Services	3.6%	40,400	40,900	40,300	▼500	▼1.2%	▲100	▲0.2%
Government	21.1%	234,200	231,500	241,500	▲2,700	▲1.2%	▼7,300	▼3.0%

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

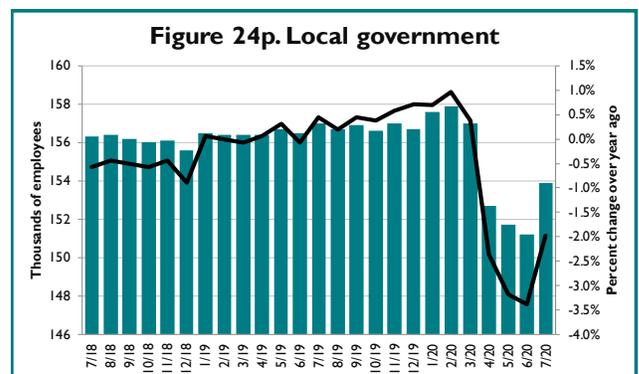
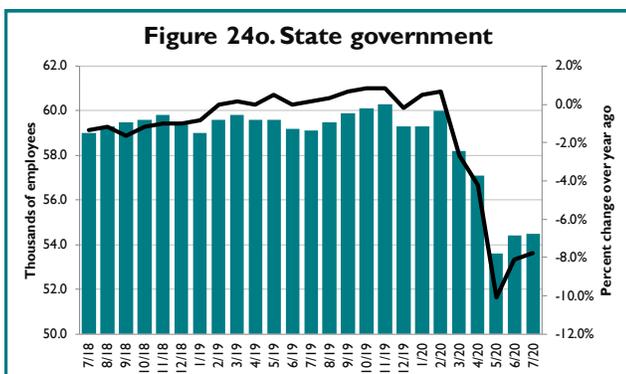
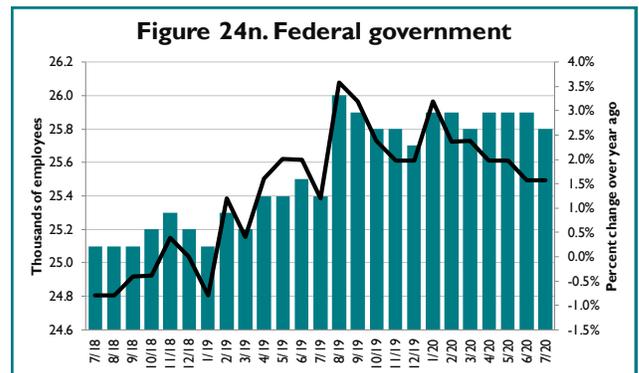
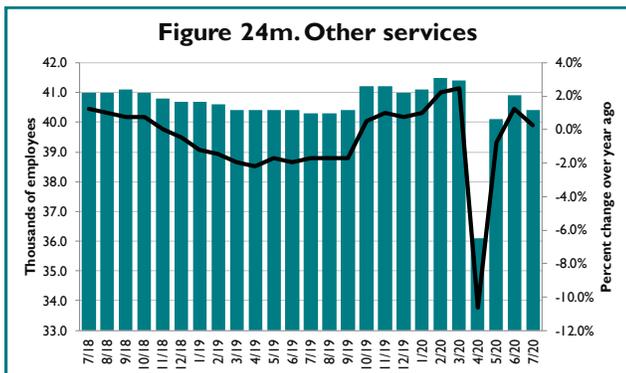
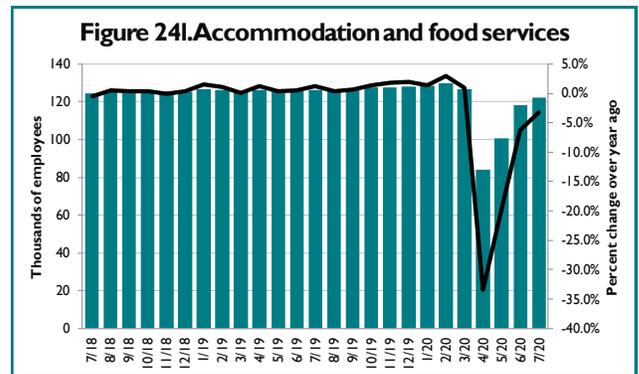
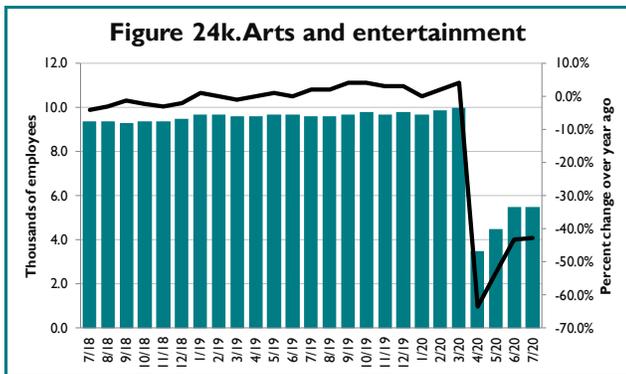
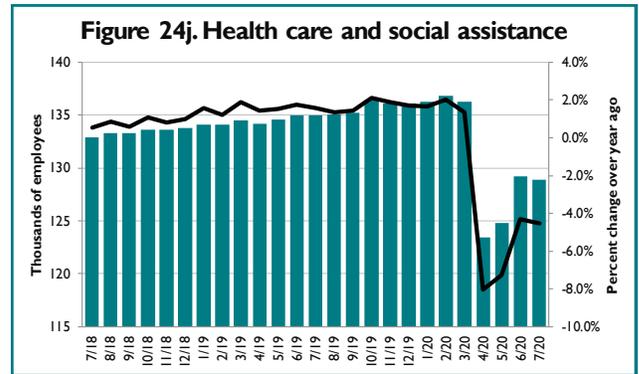
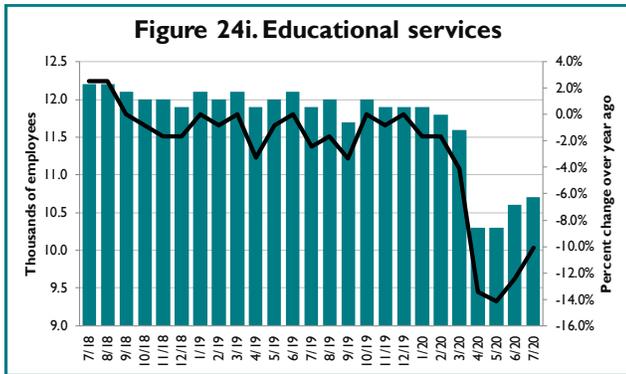
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

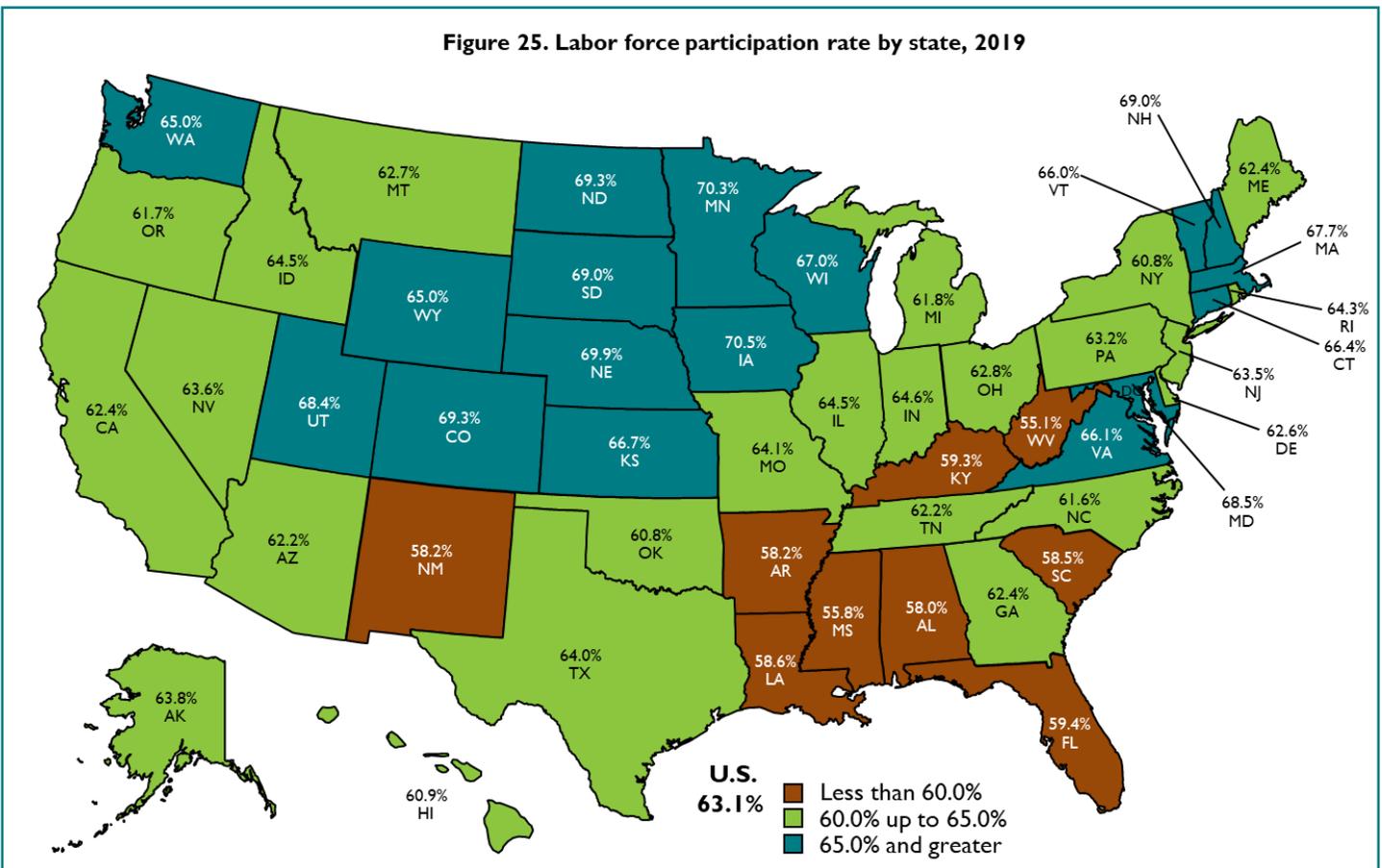


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

THE COVID-19 RECESSION AND LABOR FORCE PARTICIPATION IN MISSISSIPPI

Previous issues of *Mississippi's Business* have highlighted how the labor force participation rate (LFPR) in Mississippi affects the state's economy. The LFPR is defined as the percentage of the population age 16 and over that is currently employed or actively looking for a job. The rate is calculated on a monthly and annual basis for the U.S., states, and selected cities by the U.S. Bureau of Labor Statistics. Figure 25 below depicts the LFPR for each state in 2019. The rate for Mississippi was 55.8 percent and the only other state with a lower LFPR was West Virginia at 55.1 percent. Both of these rates were considerably below the U.S. rate of 62.3 percent. Mississippi was one of nine states with a LFPR below 60.0 percent in 2019; New Mexico was the only one of these states not in the south/southeast region.

The LFPR for a given area tends to remain rather stable over time unless one or more factors disrupt the economy as discussed later in this article. The LFPR for Mississippi has been one of the lowest among all states for a number of years for reasons cited in a 2018 Congressional Budget Office (CBO) study as discussed in previous articles. One of these reasons is education, as both high school and college attainment for adults age twenty-five and older in the state is below the national average. Another factor is the percentage of the adult population with a disability, as the Census Bureau reports the disability rate in Mississippi is several percentage points higher than the national rate. A third important factor is a larger proportion of the state's population consists of African-American men ages twenty-five to fifty-four; the CBO study found members of this group are less likely to participate in the labor force than men of other races in the same age range. While other factors exist, these three are known to impact the LFPR in Mississippi.



Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

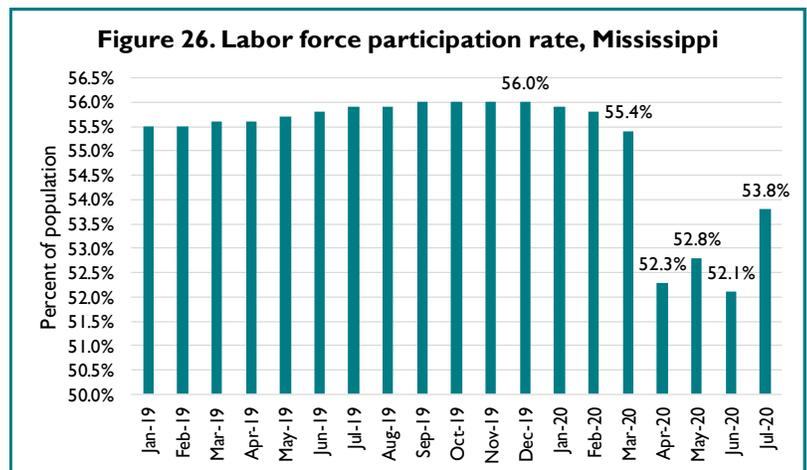
THE COVID-19 RECESSION AND LABOR FORCE PARTICIPATION IN MISSISSIPPI, CONT'D.

The economic and fiscal effects of a lower LFPR according to the CBO study include “. . . lower gross domestic product (GDP) and lower tax revenues.” Increased federal spending is another commonly observed effect as individuals not in the labor force are more likely to participate in one or more federal benefit programs, as is the case in Mississippi.

The CBO study notes, “Recessions tend to push labor force participation down relative to its potential . . .” This situation has already been observed in Mississippi following the recession induced by the COVID-19 pandemic and the responses to it. Figure 26 below depicts the monthly LFPR for Mississippi for the last nineteen months. Through February 2020 the rate remained in a relatively narrow range between 55.5 and 56.0 percent. However, the rate slipped to 55.4 percent in March and then sank 3.1 percentage points in April as the effects of shutdowns due to the COVID-19 pandemic took hold. The rate has remained between 52.0 and 54.0 percent in the months since. From February through June Mississippi had the lowest LFPR among all states; in July the rate was the third lowest. Importantly, this decline means the size of the state’s labor force has shrunk since February. For example, while the number of unemployed individuals in Mississippi surged by over 131,000 in April, the number of employed individuals in the state plunged by just over 200,000. Thus, slightly more than 69,000 individuals fell out of the labor force in April, which means this group was neither employed nor looking for work that month.

The CBO study cites one reason a decline in the LFPR is typically observed in recessions is people become discouraged from looking for work if they believe no jobs are available. The opposite behavior tends to occur during an economic recovery and the LFPR rises. Nevertheless, recessions potentially can have long-term impacts on the LFPR, as has been observed in Mississippi. Prior to the onset of the Great Recession in 2009 the annual LFPR for the state had not fallen below 60.0 percent since 1985. In the years since 2008, however, the annual rate has yet to return to the 60.0 percent level. The CBO study notes that as economies recover from downturns, the LFPR rises as more people are able to find jobs and the wage rate increases. Yet one of the key aspects of the recovery from the Great Recession has been a lack of wage growth; the persistence of relatively depressed wages likely at least partially accounts for why the LFPR in Mississippi was below its potential prior to the recession caused by the effects of COVID-19. Other factors also serve as probable explanations for why the rate had not returned to its pre-Great Recession level. As one example, the LFPR for the U.S. has trended down for a number of years in part because of the transition of the Baby Boomer generation into retirement status. However, demographics may play less of a role in Mississippi as the state’s labor force is relatively younger than the nation’s.

The monthly data indicate the recession caused by the COVID-19 pandemic and the shutdowns that resulted from it have already reduced labor force participation in Mississippi. As history has demonstrated, a decrease in the LFPR from a severe recession can persist for a number of years and limit the growth of the state’s economy. One potential ray of hope from the COVID-19 recession is that while it marks a historic decline in the U.S. economy, many economists also believe the duration of this recession will be much shorter compared to others. If this outlook holds true then the LFPR for Mississippi could return to its pre-recession level sooner than in prior downturns.



Seasonally adjusted. Source: U.S. Bureau of Economic Analysis