



## ECONOMY AT A GLANCE

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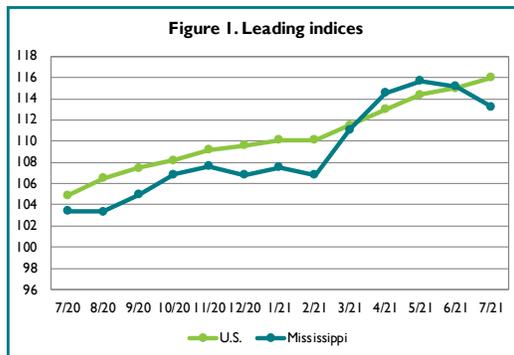
The value of the Mississippi Leading Index (MLI) decreased 1.7 percent in July as seen in Figure 1, its second consecutive monthly decline. The value of the MLI for the month was 9.5 percent higher compared to one year earlier.

In July the value of the Mississippi Coincident Index (MCI) increased 0.3 percent as seen in Figure 2. Compared to one year ago the value for the month was 4.8 percent higher.

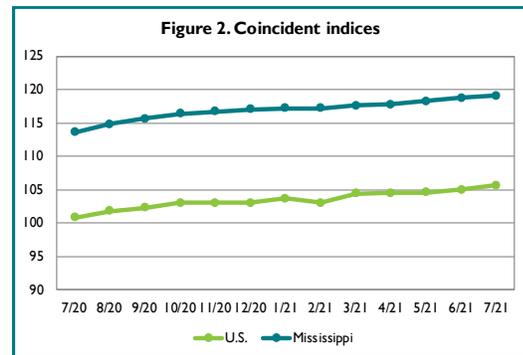
In its second estimate the U.S. Bureau of Economic Analysis (BEA) reported real GDP in the second quarter of 2021 increased at a seasonally-adjusted, annualized rate of 6.6 percent. This estimate was 0.1 percentage point higher than the agency's first estimate. The slight increase from the first estimate was the result of upward revisions to nonresidential fixed investment and exports. Private inventory

investment, residential fixed investment, and state and local government spending were all revised down, which partly offset these increases.

The MLI fell again in July as consumer expectations, building permits, and U.S. retail sales pulled the value lower. The value of building permits has fallen 16.0 percent in the last two months. At the same time, the state's labor market continued to improve in July. Employment rose for the third consecutive month and both initial and continued unemployment claims fell closer to their pre-pandemic levels. As the delta variant of COVID-19 continues to afflict Mississippi, the economic recovery likely will remain uneven for at least a few more months if not longer. Some "socially dense" activities will be limited, inhibiting how much the service sectors of the state's economy can improve.



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.

Photo credit: "Old Cazaubon Farm on the Jourdan River in Bay St. Louis, Mississippi, destroyed by Hurricane Katrina" by Marty B, available at [https://commons.wikimedia.org/wiki/File:Old\\_Cazaubon\\_Farm.jpg](https://commons.wikimedia.org/wiki/File:Old_Cazaubon_Farm.jpg) under a Creative Commons Attribution-ShareAlike 2.0 Generic (CC BY-SA 2.0) License. Full terms at <https://creativecommons.org/licenses/by-sa/2.0/deed.en>.

**MISSISSIPPI'S BUSINESS****MISSISSIPPI LEADING INDEX, JULY 2021**

For the second consecutive month the value of the **Mississippi Leading Index of Economic Indicators** (MLI) decreased in July. As seen in Figure 3 the value fell 1.7 percent for the month. The June value of the MLI was revised up to a decline of 0.5 percent. The value of the MLI in July was up 9.5 percent compared to one year earlier. Over the last six months the value of the MLI increased 5.3 percent.

Five of the seven components of the MLI decreased in June and the largest negative contribution for the month came from consumer expectations. Each component is discussed below in order of smallest to largest contribution.

A combination of rising inflation and COVID-19 cases appeared to hit the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) in July, which sank 5.7 percent. Figure 4 indicates compared to one year earlier the value for the month was 10.1 percent higher. Notably, in the most recent survey 58 percent of respondents believed the country will have bad times financially during the next twelve months, up from 41 percent in the previous survey. Short-term (one-year) inflation expectations ticked down slightly in the most recent survey, while long-term (five-year) expectations ticked up slightly.

The value of **Mississippi residential building permits** (three-month moving average) tumbled 9.2 percent in July as seen in Figure 5. It was the second consecutive monthly decrease and the largest monthly decline since September 2018. Compared to one year earlier the value for the month was down 11.7 percent, the largest year-over-year decrease since August 2018. The number of units in the state sank 8.9 percent in July. Compared to one year earlier the number of units in the state in July was down 14.4 percent, the largest year-over-year decline since April 2018. The number of privately-owned housing units authorized by building permits in the U.S. in July was 2.6 percent above the revised June rate. The number of units in the U.S. for the month was down 1.7 percent compared to July 2020.

The value of **U.S. retail sales** fell 1.1 percent in July as seen in Figure 6, the second decline in the past three months. However, sales for June and May were revised up 0.5 percent and 0.4 percent, respectively. The value of July sales was 15.8 percent higher compared to one year earlier. Vehicle sales weighed on overall retail sales more heavily in July than in June as sales excluding automobiles

were down 0.4 percent; the 3.9 percent decline in sales of motor vehicles and parts was the largest among all segments. Sales at nonstore retailers fell 3.1 percent in July, the largest decrease since February. The largest increase in sales among all segments in July occurred at gasoline stations, up 2.4 percent from the previous month.

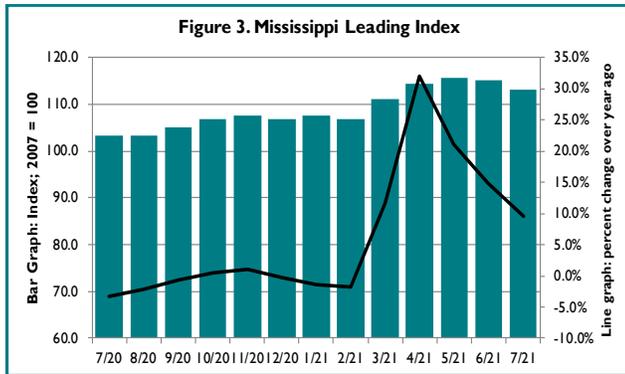
As Figure 7 indicates the value of **Mississippi income tax withholdings** (three-month moving average) decreased 0.4 percent in July. The June value was revised up to an increase of 0.1 percent. The value of withholdings in July was 1.2 percent higher compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi fell 0.7 percent.

In July the value of the **Mississippi Manufacturing Employment Intensity Index** fell 0.5 percent as seen in Figure 8, its second consecutive monthly decrease. The value for the month was up 4.4 percent compared to one year earlier. Although Manufacturing employment in the state rose 0.8 percent in July, this gain was more than offset by the 1.2 percent decrease in the average weekly hours of production employees for the month.

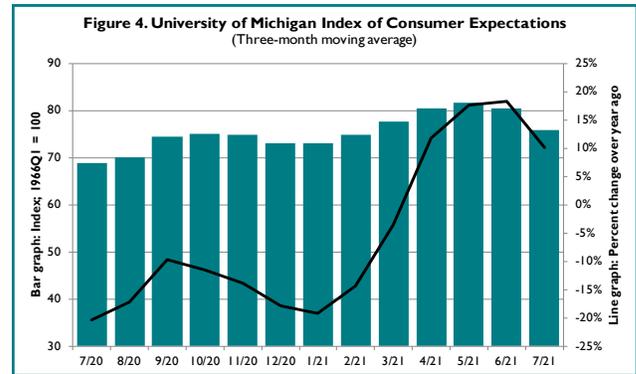
In August the value of the **ISM Index of U.S. Manufacturing Activity** increased for the only the second time since March. As seen in Figure 9, the value edged up 0.7 percent; compared to one year earlier the August value was 7.0 percent higher. The largest increase among all components of the Index was in Inventories. The Employment component fell back into contractionary territory for the month. Significantly, the prices paid index fell to its lowest level since December, although most commodities were up in price for the month.

Figure 10 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell to a new post-recession low in July. The value decreased 3.3 percent for the month and the June value was revised lower. Compared to one year earlier the July value was down 68.3 percent. The number of seasonally-adjusted continued unemployment claims in Mississippi also declined to a post-recession low as the value decreased 29.6 percent as seen in Figure 16 on page 6. June values also were revised lower. The number of continued unemployment claims in Mississippi in July was down 85.9 percent compared to one year earlier. Figure 17 on page 6 indicates the seasonally-adjusted unemployment rate in Mississippi decreased 0.1 percentage point in July to 6.1 percent. Compared to one year earlier the unemployment rate for the state in July was down 2.4 percentage points.

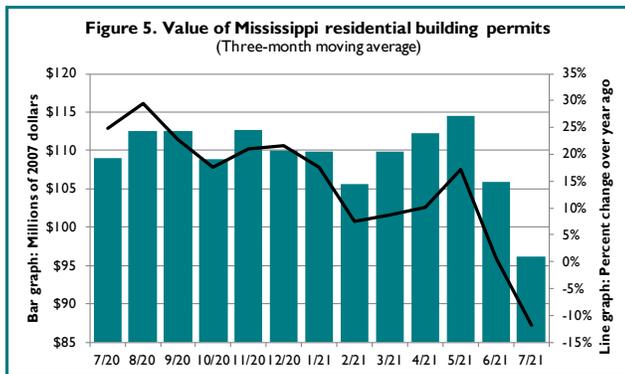
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



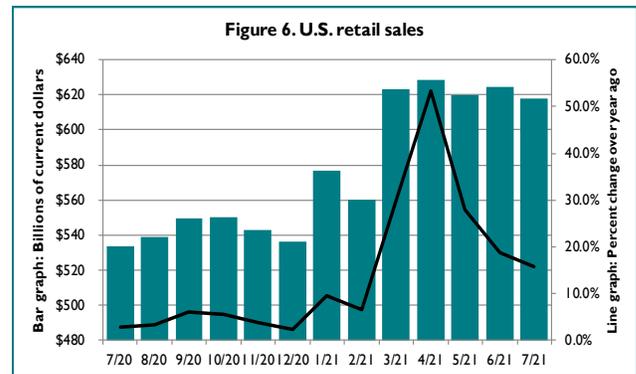
Source: University Research Center



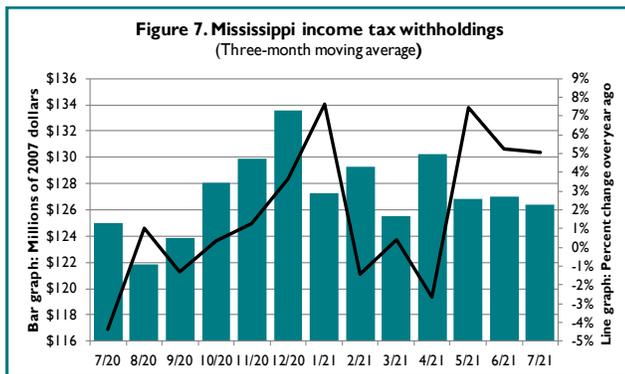
Source: Thomson Reuters/University of Michigan Surveys of Consumers



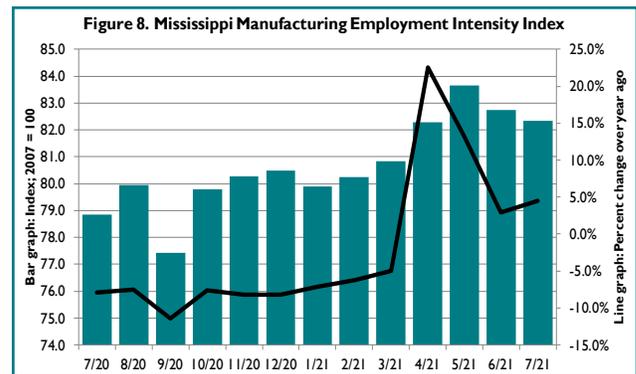
Source: U.S. Bureau of the Census; seasonally adjusted



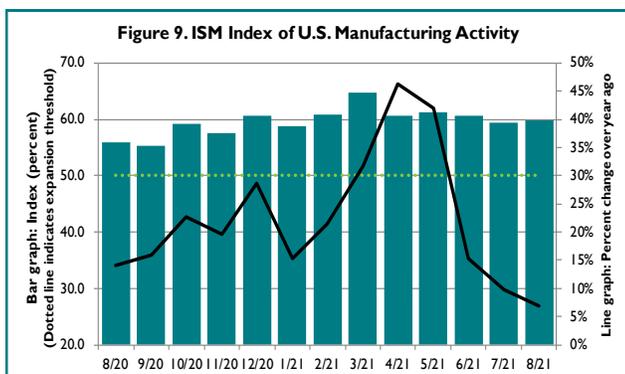
Source: U.S. Bureau of the Census



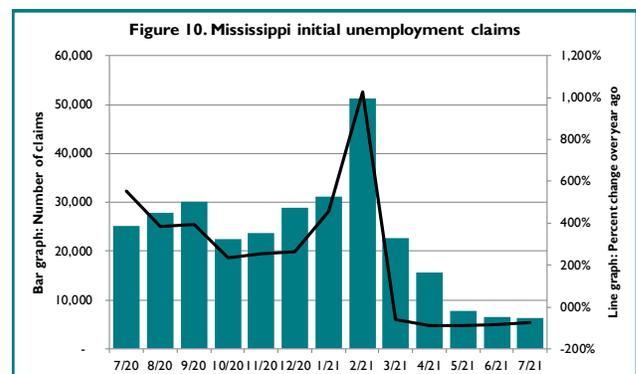
Source: Mississippi Department of Revenue; seasonally adjusted



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



Source: Institute for Supply Management



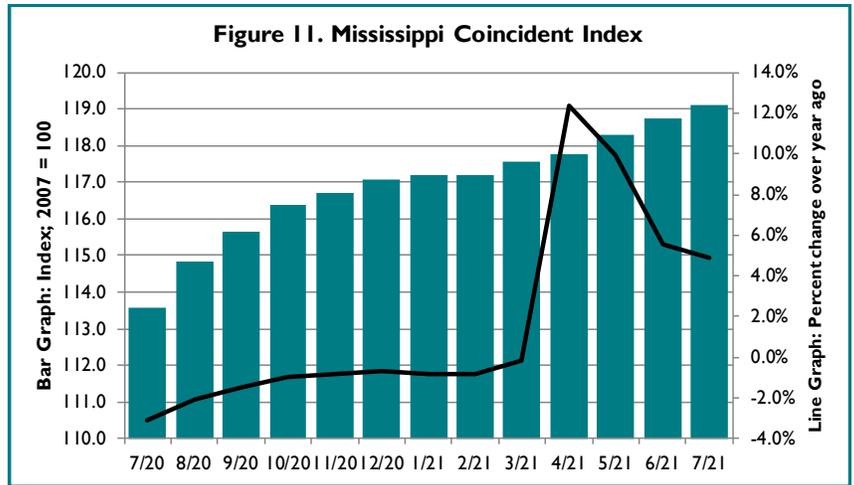
Source: U.S. Department of Labor; seasonally adjusted

MISSISSIPPI'S BUSINESS

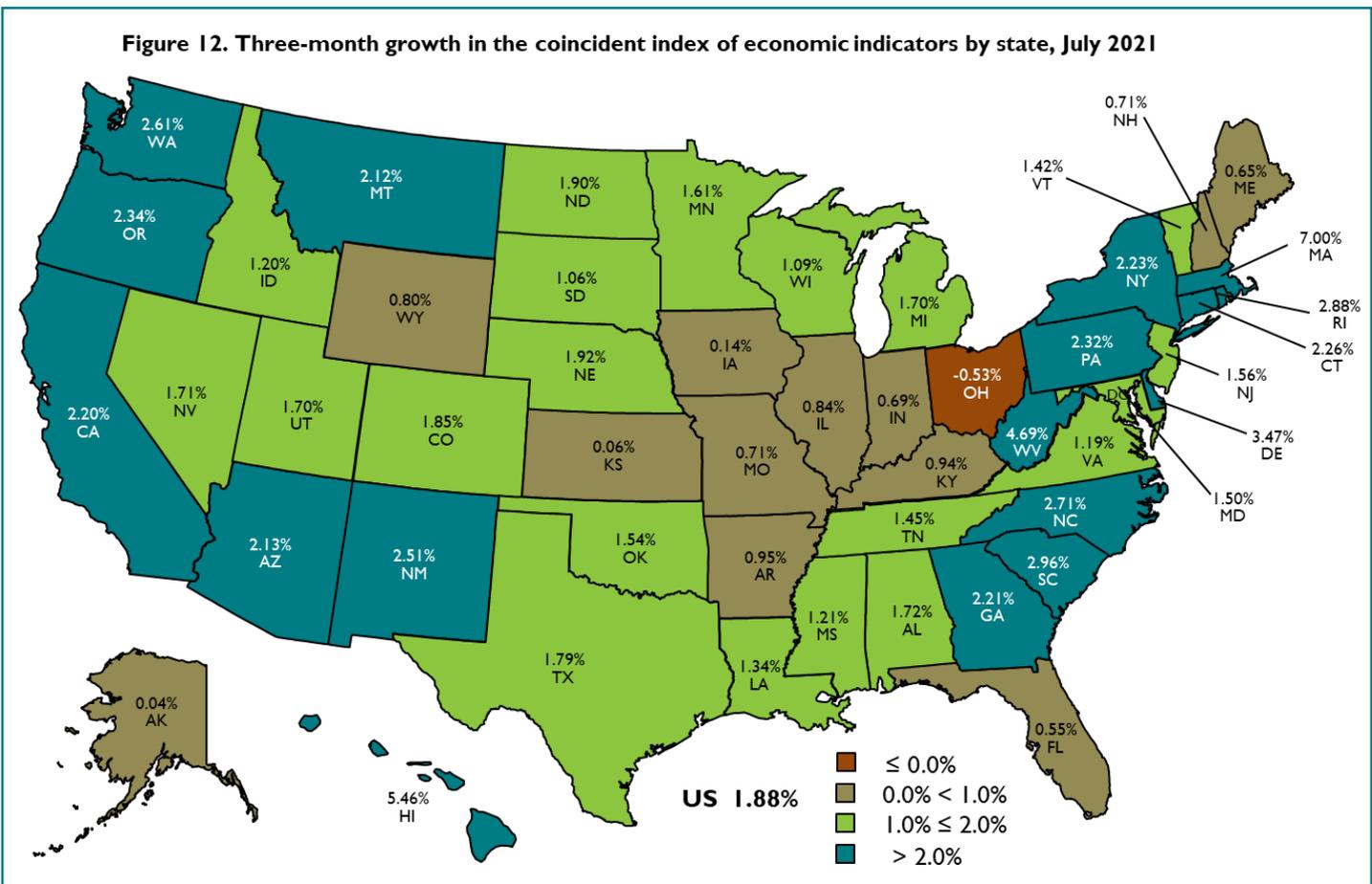
MISSISSIPPI COINCIDENT INDEX, JULY 2021

In July the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.3 percent according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. Compared to one year earlier the value of the MCI for the month was 4.8 percent higher.

As seen in Figure 12 the values of the coincident indices increased in forty-nine states in July compared to April. In seventeen states the values of the coincident indices increased more than 2.0 percent over the last three months. The value of the coincident index increased 7.0 percent in Massachusetts in July compared to three months earlier, the largest increase among all states. In twenty states including Mississippi the values of coincident indices increased between 1.0 percent and 2.0 percent in July compared to April. The values of the coincident index rose less than 1.0 percent over the last three months in twelve states. Ohio was the only state where the value of the coincident index decreased between April and July.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

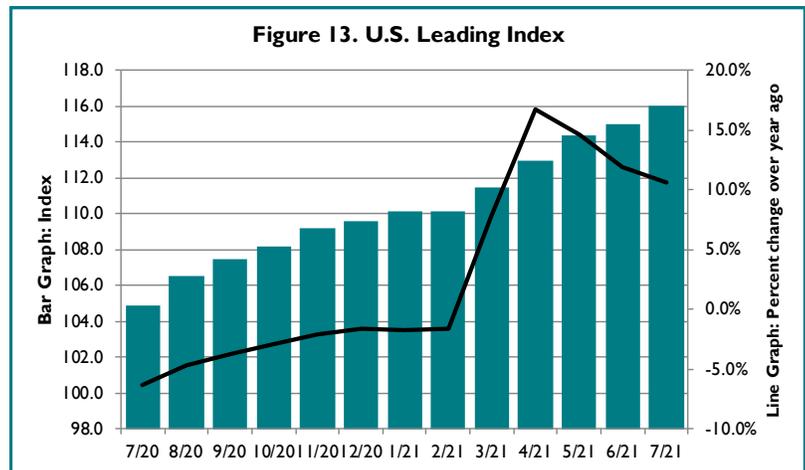
## NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) increased 0.9 percent in July as seen in Figure 13. The value of the LEI for the month was 10.6 percent higher compared to one year earlier. All ten components of the LEI increased in July and the Leading Credit Index made the largest contribution. Over the last six months the value of the LEI rose 5.4 percent.

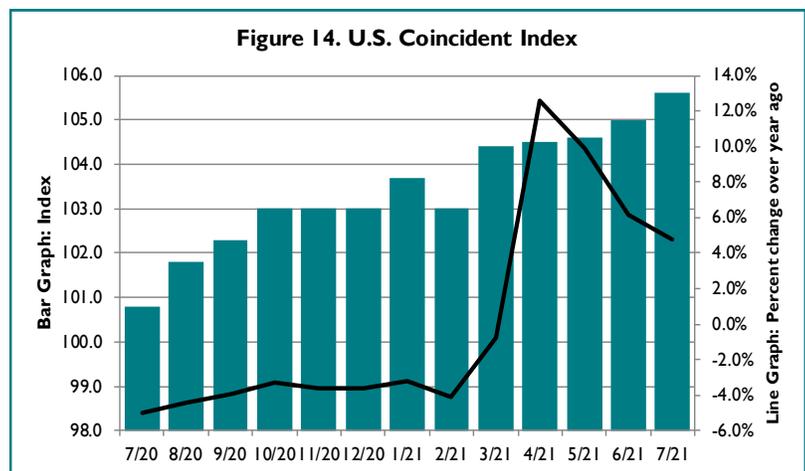
The value of the U.S. Coincident Economic Index (CEI) rose 0.6 percent in July according to The Conference Board as seen in Figure 14. Previous months' values were revised lower, however. The value of the CEI increased 4.8 percent over the last twelve months. Once again all four components of the CEI made positive contributions in July. Employees on nonagricultural payrolls also made the largest contribution once again. The value of the CEI increased 1.8 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 2.7 percent in July as Figure 15 indicates. Compared to one year earlier the value of the Index in July was 0.9 percent higher. For the month six of the ten components declined. The "earnings trend" component had the largest decrease. The "expect economy to improve" component moved lower as well and was negative for the eighth consecutive month. Small businesses continue to experience difficulties hiring workers. The "plans to raise prices" measure was unchanged in July and the "plans to raise compensation" measure edged up for the month.

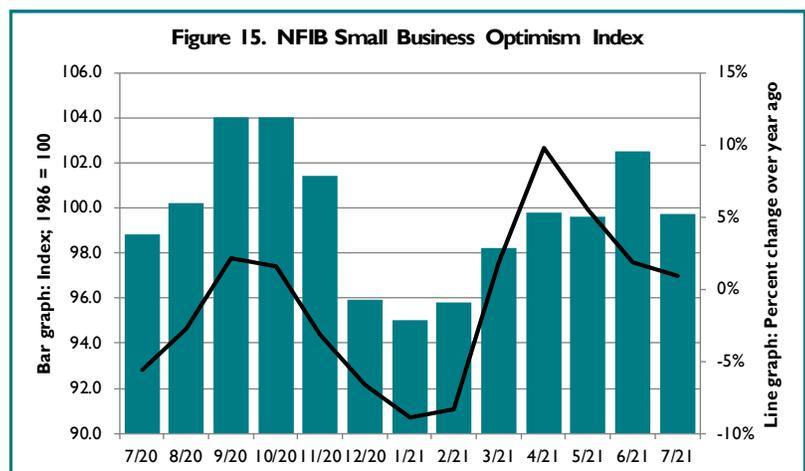
In his speech for a virtual Jackson Hole, Wyoming, annual central banking conference last month, Federal Reserve Chair Jerome Powell reiterated his stance that the recent rise in inflation is transitory due to a number of factors. Although he provided no details, Powell signaled he believes the Fed should begin reducing its monthly purchases of \$120 billion in financial assets by the end of 2021. He also emphasized the U.S. labor market remains well below full employment and that the Federal Open Market Committee (FOMC) would not move to raise interest rates until well after the tapering of financial asset purchases begins.



Source: The Conference Board



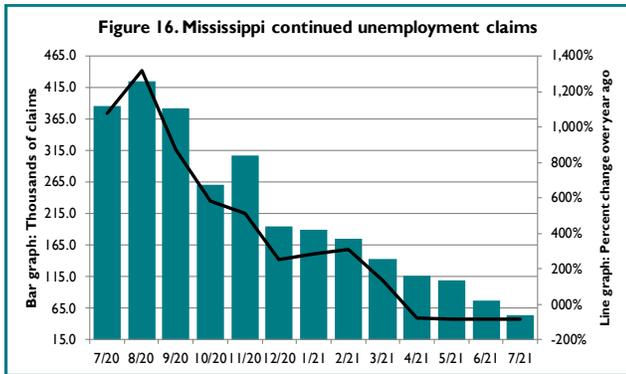
Source: The Conference Board



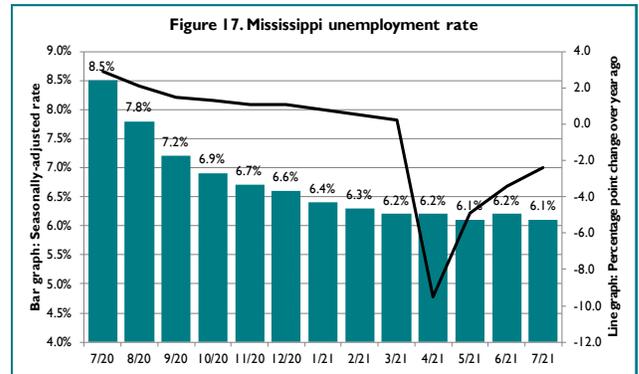
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

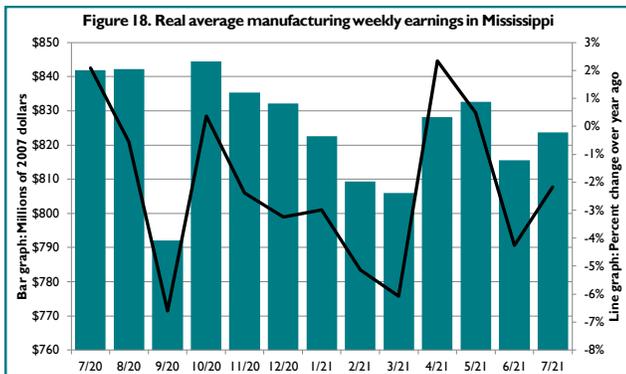
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



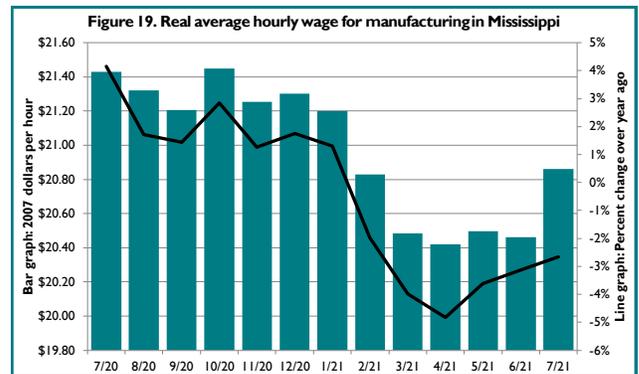
Source: U.S. Department of Labor; seasonally adjusted



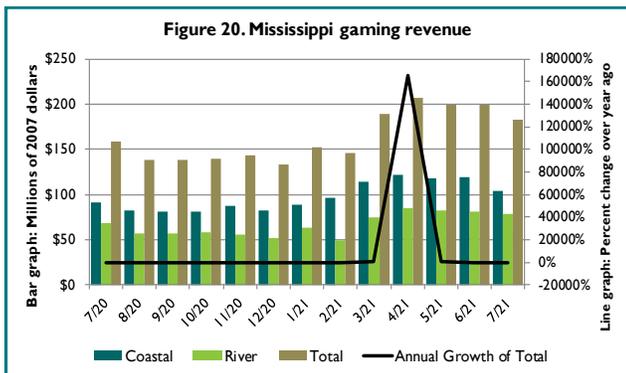
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



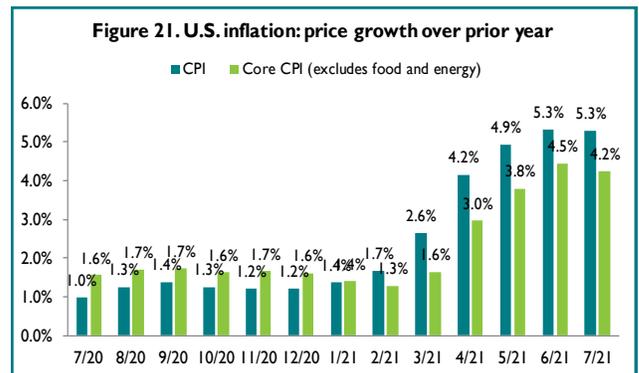
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



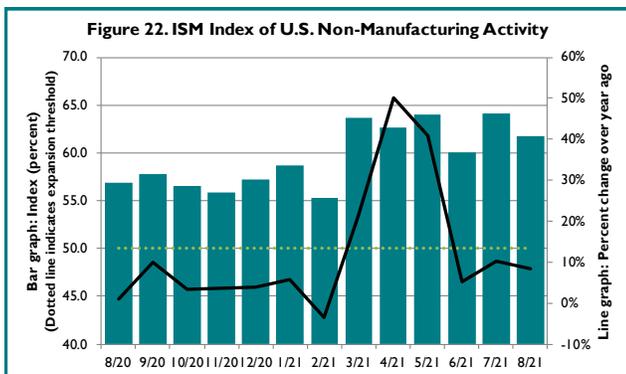
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



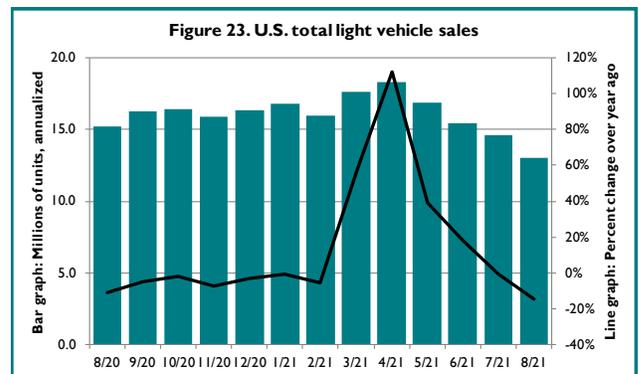
Source: Mississippi Department of Revenue; seasonally adjusted



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	
	2021	2021	2020	June 2021	July 2020
<b>U.S. Leading Economic Index</b> 2007 = 100. Source: The Conference Board	116.0	115.0	104.9	▲0.9%	▲10.6%
<b>U.S. Coincident Economic Index</b> 2007 = 100. Source: The Conference Board	105.6	105.0	100.8	▲0.6%	▲4.8%
<b>Mississippi Leading Index</b> 2007 = 100. Source: University Research Center	113.2	115.1	103.4	▼1.7%	▲9.5%
<b>Mississippi Coincident Index</b> 2007 = 100. Source: Federal Reserve Bank of Philadelphia	119.1	118.7	113.6	▲0.3%	▲4.8%
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	6,240	6,451	25,155	▼3.3%	▼75.2%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	96.2	112.3	109.0	▼14.3%	▼11.7%
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	126.4	127.0	125.0	▼0.4%	▲1.2%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2007 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	82.4	82.7	78.9	▼0.5%	▲4.4%
<b>University of Michigan Index of Consumer Expectations</b> Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	75.9	80.4	68.9	▼5.7%	▲10.1%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	59.9	59.5	56.0	▲0.7%	▲7.0%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	617.7	624.7	533.5	▼1.1%	▲15.8%
<b>U.S. Consumer Price Index (CPI)</b>	131.3	130.7	124.7	▲0.5%	▲5.3%
<b>U.S. Core CPI (excludes food and energy)</b> 2007 = 100. Source: URC using data from Bureau of Labor Statistics	132.4	132.0	127.0	▲0.3%	▲4.2%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	6.1%	6.2%	8.5%	▼0.1	▼2.4
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	54,596	77,594	386,699	▼29.6%	▼85.9%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	61.7	64.1	56.9	▼3.7%	▲8.4%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	2.93%	3.00%	3.08%	▼0.07	▼0.15
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	20.86	20.46	21.43	▲2.0%	▼2.7%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	823.60	815.50	841.93	▲1.0%	▼2.2%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	99.7	102.5	98.8	▼2.7%	▲0.9%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	13.06	14.62	15.25	▼10.7%	▼14.4%
<b>Gaming revenue</b>	182.51	199.94	158.7	▼8.7%	▲15.0%
<b>Coastal counties</b>	103.87	119.25	90.9	▼12.9%	▲14.3%
<b>River counties</b> Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	78.64	80.69	67.8	▼2.5%	▲16.0%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

Nonfarm employment in Mississippi rose by 5,700 jobs in July according to the U.S. Bureau of Labor Statistics (BLS), an increase of 0.5 percent. Total nonfarm employment in Mississippi for the month compared to one year ago was up by 41,100 jobs as seen in Table 2, a 3.8 percent increase. BLS revised June employment in the state down by 1,500 jobs. Nevertheless, Mississippi has added 14,800 jobs over the last three months.

Thirty-eight states and the District of Columbia added jobs in July and employment was essentially unchanged in twelve states according to BLS. The largest increase in jobs occurred in California, which added 114,400 jobs, followed by Texas, which added 80,900 jobs, and North Carolina, which added 75,600 jobs. Employment increased 2.3 percent in Vermont, the largest percentage increase among all states.

As in June, nonfarm employment was higher in all fifty states and the District of Columbia in July compared to one year earlier. California added 864,400 jobs, the largest increase in employment among all states, followed by Texas, which added 714,800 jobs, and New York, where employment rose by 583,500 jobs. Employment rose by 10.0 percent over the last twelve months in Hawaii, the largest percentage gain among all states.

Employment gains in Mississippi were widespread across sectors in July. The largest increase in employment occurred in the Trade, Transportation, and Utilities sector, which added 1,300 jobs. The Manufacturing sector had the next largest increase for the month of 1,100 jobs. Employment in Financial Activities increased 2.1 percent in July, the largest percentage increase among all sectors, followed by the 1.8 percent increase in Mining and Logging employment, an addition of 100 jobs. The only sector to lose jobs in July was Professional and Business Services, as employment fell by 300 jobs. Employment in the Arts and Entertainment sector was unchanged in July.

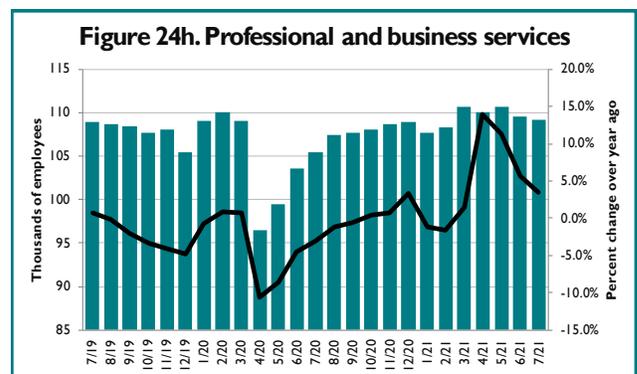
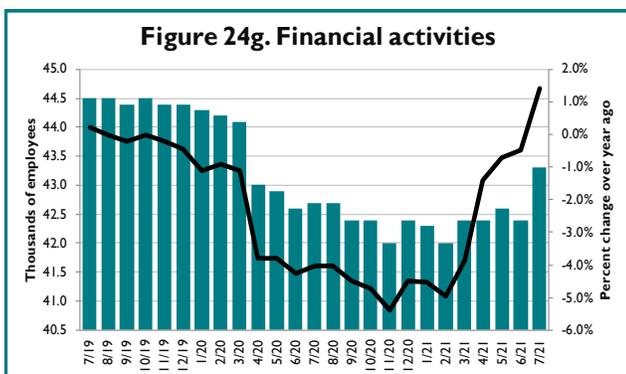
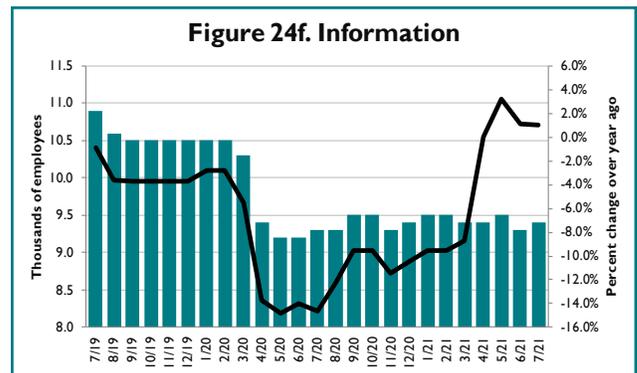
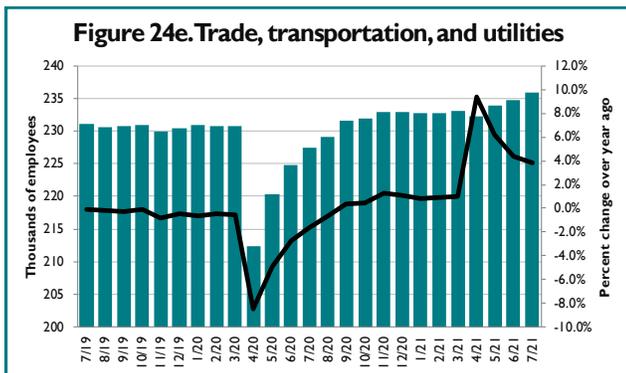
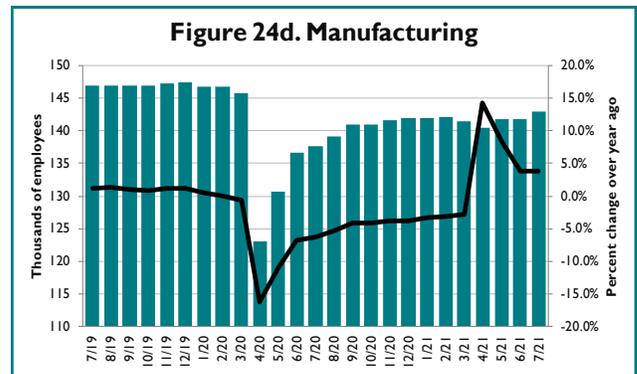
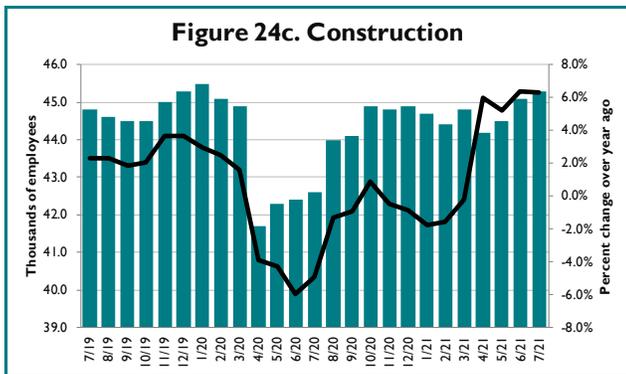
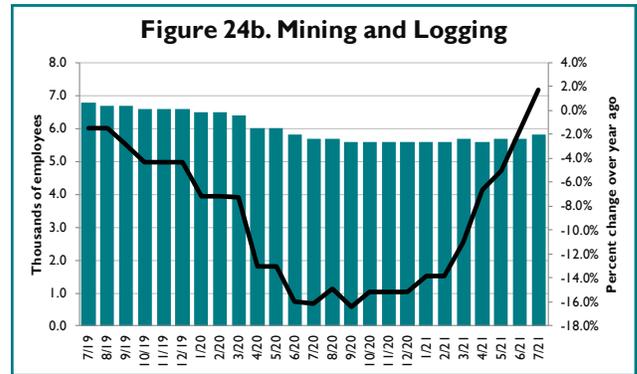
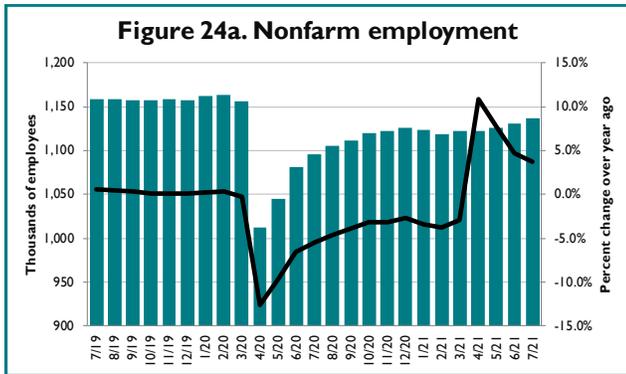
Over the last twelve months employment was higher in every sector in the state except Government, which was unchanged. The largest increase was in Accommodation and Food Services, which added 12,900 jobs in the past year. Trade, Transportation, and Utilities added 8,600 jobs over the last twelve months, the next largest increase. The largest percentage increase in employment over the past year among all sectors occurred in Accommodation and Food Services, as employment rose 12.1 percent. The 10.9 percent increase in Educational Services employment over the last twelve months was the next largest percentage increase.

**Table 2. Change in Mississippi employment by industry, July 2021**

	Relative share of total <sup>a</sup>	July 2021	June 2021	July 2020	Change from June 2021		Change from July 2020	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,136,800	1,131,100	1,095,700	▲5,700	▲0.5%	▲41,100	▲3.8%
Mining and Logging	0.5%	5,800	5,700	5,700	▲100	▲1.8%	▲100	▲1.8%
Construction	4.0%	45,300	45,100	42,600	▲200	▲0.4%	▲2,700	▲6.3%
Manufacturing	12.6%	142,900	141,800	137,600	▲1,100	▲0.8%	▲5,300	▲3.9%
Trade, Transportation & Utilities	20.7%	236,000	234,700	227,400	▲1,300	▲0.6%	▲8,600	▲3.8%
Retail Trade	11.9%	133,500	133,300	133,300	▲200	▲0.2%	▲200	▲0.2%
Information	0.8%	9,400	9,300	9,300	▲100	▲1.1%	▲100	▲1.1%
Financial Activities	3.8%	43,300	42,400	42,700	▲900	▲2.1%	▲600	▲1.4%
Services	36.6%	419,800	418,300	396,100	▲1,500	▲0.4%	▲23,700	▲6.0%
Professional & Business Services	9.7%	109,200	109,500	105,500	▼300	▼0.3%	▲3,700	▲3.5%
Educational Services	1.0%	12,200	12,100	11,000	▲100	▲0.8%	▲1,200	▲10.9%
Health Care and Social Assistance	11.4%	129,500	128,700	126,200	▲800	▲0.6%	▲3,300	▲2.6%
Arts and Entertainment	0.8%	8,400	8,400	7,800	◀▶0	◀▶0.0%	▲600	▲7.7%
Accommodation and Food Services	10.1%	119,400	118,800	106,500	▲600	▲0.5%	▲12,900	▲12.1%
Other Services	3.6%	41,100	40,800	39,100	▲300	▲0.7%	▲2,000	▲5.1%
Government	21.0%	234,300	233,800	234,300	▲500	▲0.2%	◀▶0	◀▶0.0%

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

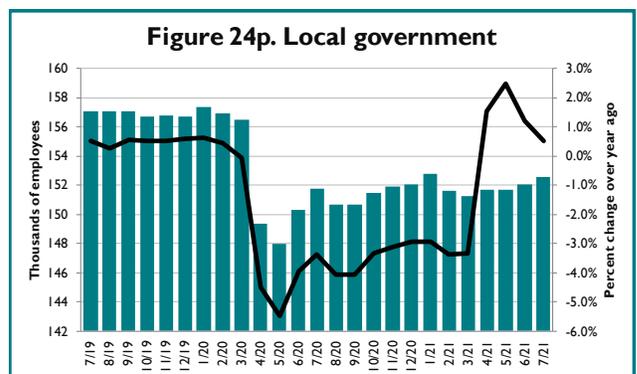
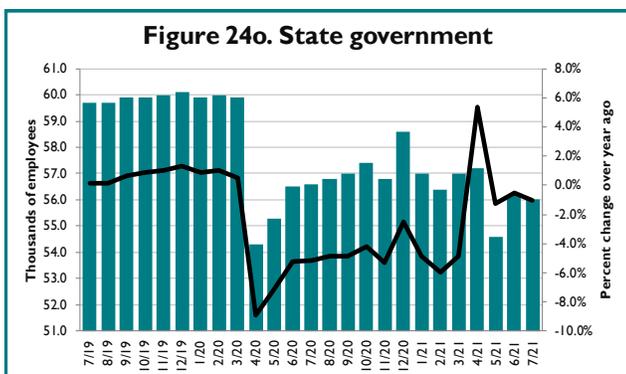
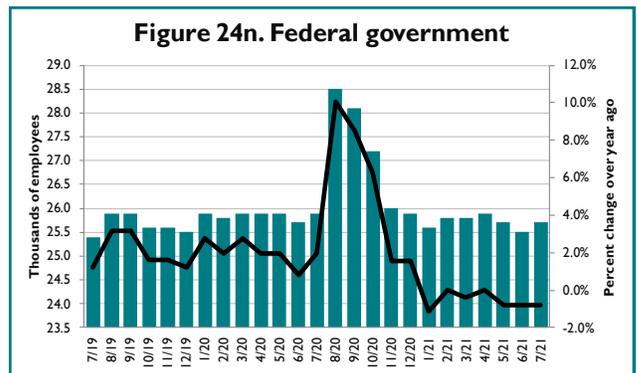
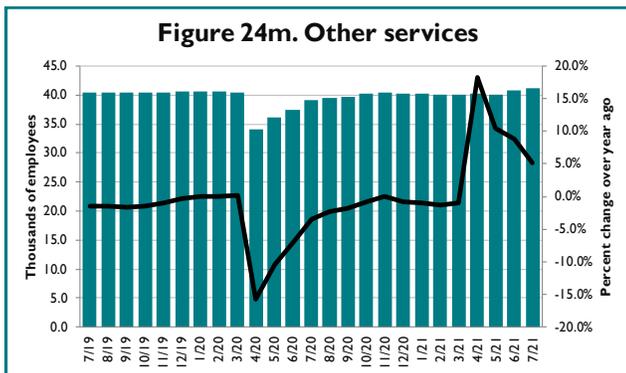
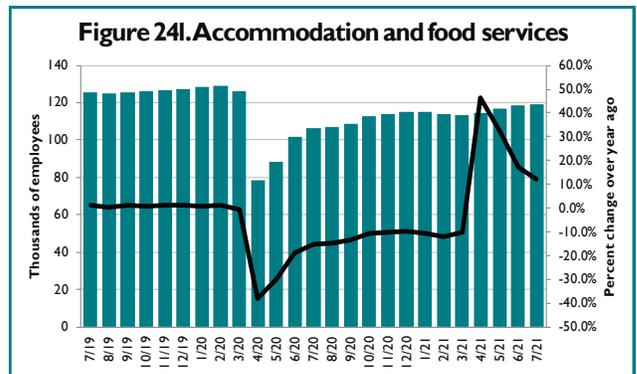
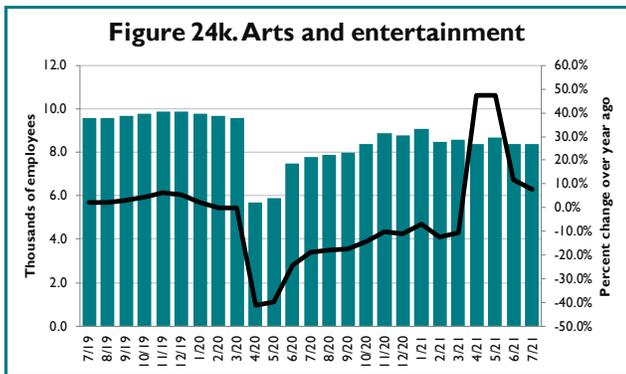
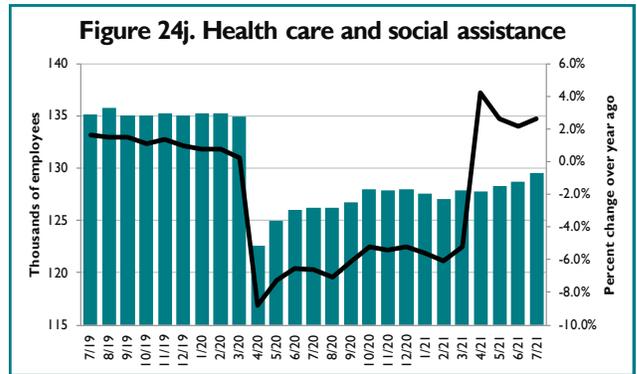
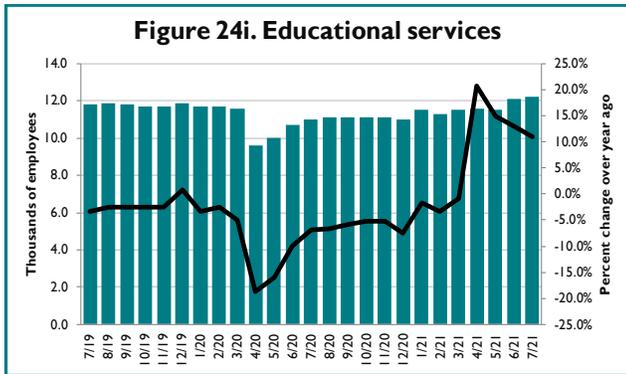
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

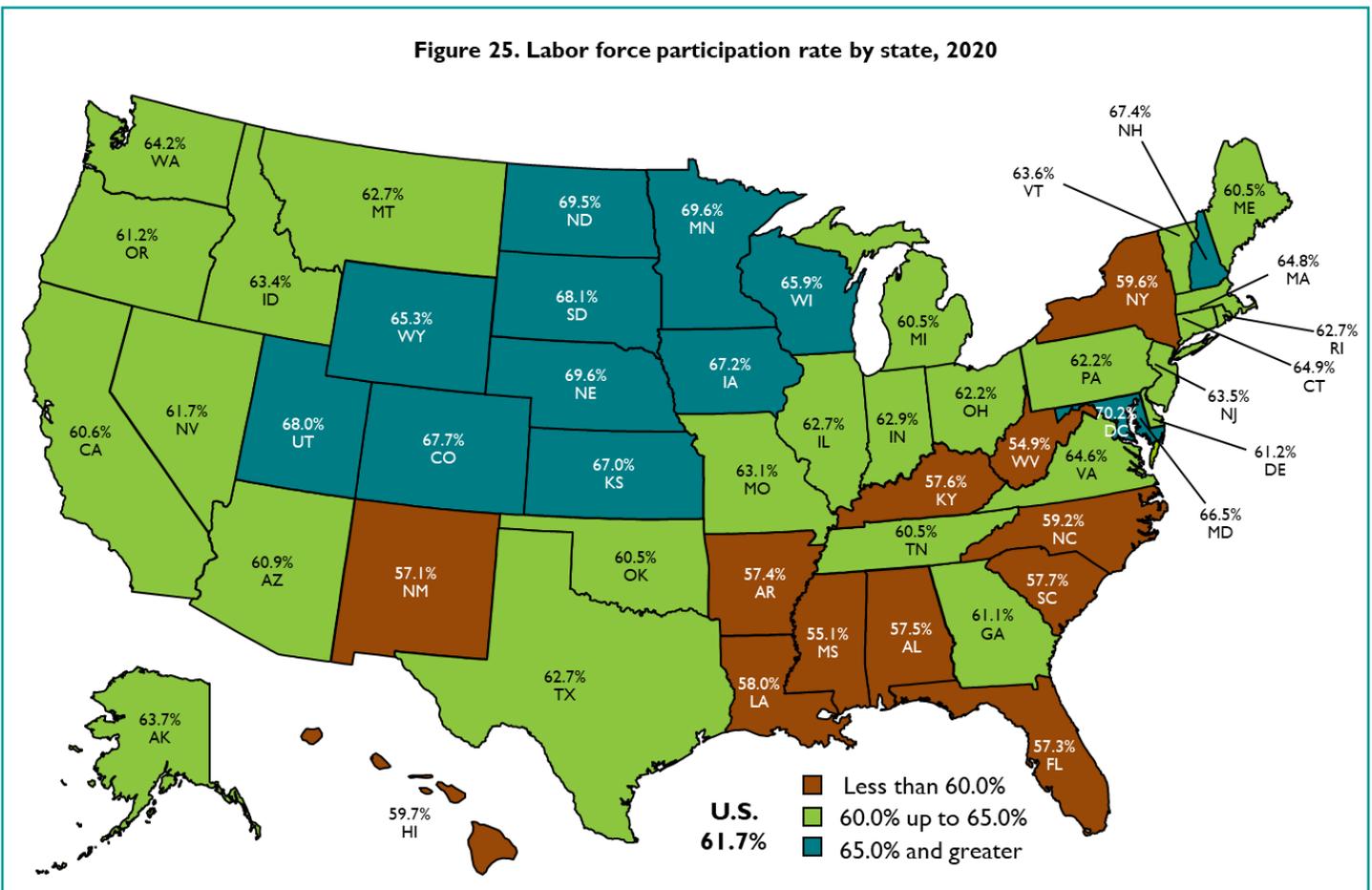


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

## CHANGE IN LABOR FORCE PARTICIPATION BY STATE IN 2020

One of the regularly discussed topics in issues of *Mississippi's Business* is the labor force participation rate (LFPR). Mississippi consistently has one of the lowest LFPRs in the country, which negatively impacts the state's economy. The LFPR is defined as the percentage of the population age sixteen 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 (BLS). The LFPR for each state in 2020 is seen in Figure 25 below. The Mississippi LFPR in 2020 was 55.1 percent and only West Virginia had a lower LFPR at 54.9 percent. Both of these rates were considerably below the U.S. rate in 2020 of 61.7 percent. A total of twelve states had a LFPR below 60.0 percent in 2020 and most of these states were located in the south/southeast region.

The COVID-19 pandemic and related recession reduced economic activity across the country in 2020, including the LFPR. The LFPR on an annual basis decreased in every state and the District of Columbia last year except Kansas, where it was unchanged. Mississippi's LFPR fell 0.9 percentage point in 2020 from the previous year to its lowest level since 2014. Other states experienced considerably larger annual declines in the LFPR. The largest decrease occurred in Iowa, where the rate fell 3.0 percentage points from the previous year to the lowest level since 1985. The decrease in Vermont closely followed, as the state's LFPR declined 2.9 percentage points to its lowest level since 1976. As seen in Figure 25, however, the LFPR in both of these states remained well above the U.S. average in 2020. Florida, Maine, Maryland, Massachusetts, Nevada, and Rhode Island all experienced decreases in the LFPR of 2.0 percentage points or



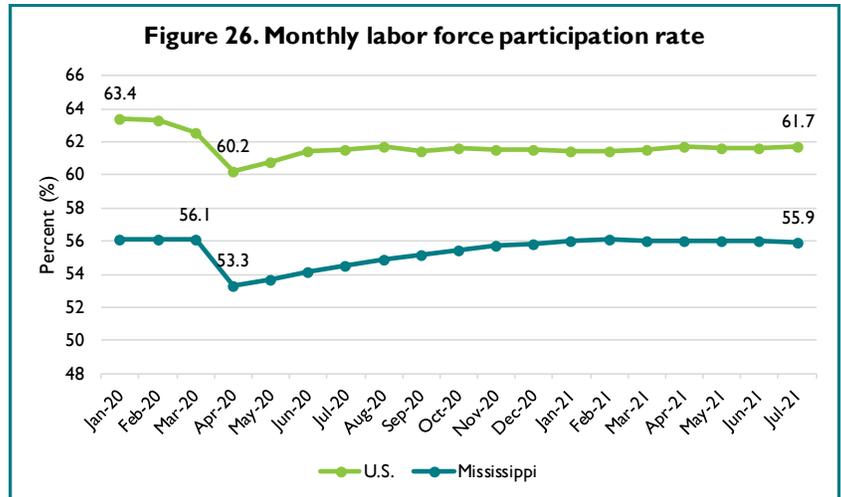
Source: U.S. Bureau of Labor Statistics.

## MISSISSIPPI'S BUSINESS

### CHANGE IN LABOR FORCE PARTICIPATION BY STATE IN 2020, CONTINUED

more in 2020. In Maine and Nevada these rates fell to the lowest levels ever reported by BLS, which began reporting LFPRs by state in 1976. The LFPR in Massachusetts decreased to its lowest level since 1977.

In addition, the LFPRs in Hawaii and North Carolina fell below 60.0 percent on an annual basis for the first time since BLS began reporting the series. The LFPR in New York dropped below 60.0 percent on an annual basis for the first time since 1984. While all states were affected by the pandemic itself, the associated recession, or both in 2020, in some states, such as Hawaii, Nevada, and New York, the decreases in the LFPR reflect in particular how hard the economies of these states were hit.



Seasonally adjusted. Source: U.S. Bureau of Labor Statistics.

Figure 26 depicts the monthly LFPR for the U.S. and Mississippi since January 2020. Prior to the onset of the brief but steep recession that began in February, the LFPR for the state was 56.1 percent. The rate fell to 53.3 percent in April and steadily improved during the rest of 2020. The rate fully recovered to 56.1 percent in February 2021 and as of July was 55.9 percent. The U.S. LFPR, on the other hand, was at 63.4 percent prior to the start of the recession. By April 2020 the rate fell to 60.2 percent and slowly improved to 61.7 percent in August. However, as of July 2021 the rate has not increased beyond 61.7 and has remained in a narrow range. Thus, although the relative declines in labor force participation were essentially the same for the U.S. and Mississippi, the LFPR for the state has returned to its pre-pandemic level while the LFPR for the U.S. has not. The reason likely is because the relative decrease in employment for the state was not as large as that of the U.S. in 2020, and currently the state has recovered a larger share of these jobs than has the nation as a whole. The restrictions put in place to combat the pandemic in 2020 in Mississippi were not as stringent and did not last as long as those in other parts of the country. Moreover, the economies of some states, such as California and New York, did not fully reopen until earlier this year, which likely negatively impacted labor force participation in those states. In addition, the Mississippi economy employs a smaller proportion of its workforce in the service sectors than does the U.S. economy. These sectors have experienced a more difficult recovery than production sectors due to the pandemic as they involve more social interaction.

In conclusion, the U.S. LFPR will likely remain below its pre-pandemic level for some time as service industries have yet to fully recover and some states impose restrictions to deal with the surge in COVID-19 cases due to the delta variant. Individuals also may stay out of the workforce due to concerns about the virus or because of other factors such as availability of child care. Although the LFPR has returned to its pre-pandemic level in Mississippi, a substantial number of individuals remain unemployed. The LFPR has remained steady in 2021, but could decrease later in the year due to the factors cited above. The rate is unlikely to improve until the latest wave of virus infections subsides. In any event, the LFPR for the state likely will remain one of the lowest in the country due to longstanding systemic factors related to Mississippi's human capital.