



ECONOMY AT A GLANCE

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The value of the Mississippi Leading Index (MLI) edged 0.1 percent higher in August as seen in Figure 1 below. Compared to one year ago the value of the MLI for the month was down 2.5 percent.

Figure 2 below indicates the value of the Mississippi Coincident Index (MCI) decreased 0.1 percent in August. The value for the month was up 1.5 percent compared to one year ago.

In its third estimate the U.S. Bureau of Economic Analysis (BEA) reported U.S. real gross domestic product (GDP) increased 2.0 percent in the second quarter of 2019, unchanged from its second estimate. Consumer spending and nonresidential fixed investment were revised down in the third estimate, but these decreases were essentially offset by increases to state and local government spending

and net exports. In the first quarter of 2019 U.S. real GDP increased 3.1 percent according to BEA.

The MLI managed to eke out a gain in August largely due to the increase in the Mississippi Manufacturing Employment Intensity Index, which was the result of an upsurge in the average weekly hours of employees. Elsewhere, withholdings fell for the third month in a row, consumer expectations fell for the second straight month, and building permits in the state remained flat. Employment in Mississippi declined for the first time in six months in August. On a positive note, initial unemployment claims remain low and nationally consumer spending is still strong. Given the challenges to the U.S. economy at present, the Mississippi economy holding its own might be the best case scenario, at least in the short term.

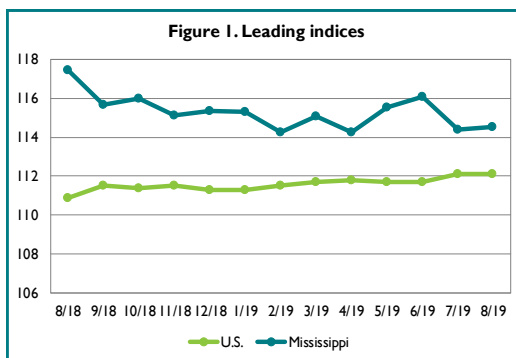
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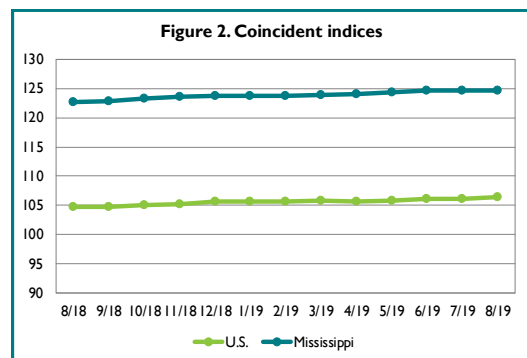
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Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

Notes: The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The index is based on changes in nonfarm employment, the unemployment rate, average manufacturing workweek length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2004.

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

The value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased a slight 0.1 percent in August as seen in Figure 3. Compared to one year ago the value of the MLI was down 2.5 percent for the month. The value of the MLI fell 0.2 percent over the last six months.

Four of the seven components of the MLI made positive contributions in August. The contribution of the Mississippi Manufacturing Employment Intensity Index was more than double that of any other component and pushed the MLI to a slight gain for the month. Each component is discussed below in order of largest to smallest contribution.

The value of the **Mississippi Manufacturing Employment Intensity Index** rebounded somewhat in August as seen in Figure 4. The value increased 1.9 percent for the month but remained 1.1 percent below the value of one year ago. As has been the case in recent months the increase in the Index was driven by the change in the average weekly hours of production employees in the state, which rose 2.4 percent in August. Conversely, manufacturing employment in the state declined slightly.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 7.2 percent in August as seen in Figure 5, the third decrease in the last four months. The value for the month was 1.6 percent higher compared to one year ago. The value of seasonally-adjusted continued unemployment claims in Mississippi fell 7.4 percent in August as seen in Figure 16 on page 6. Compared to one year ago the number of continued unemployment claims in Mississippi in August was down 2.7 percent. The seasonally-adjusted unemployment rate in Mississippi in August according to the U.S. Bureau of Labor Statistics was 5.2 percent, up 0.1 percentage point from the previous month as seen in Figure 17 on page 6. The rate reached its highest level since May 2017. Compared to one year ago the state's unemployment rate was 0.5 percentage point higher in August.

As Figure 6 indicates the value of **U.S. retail sales** rose for the sixth consecutive month in August. The increase was 0.4 percent while compared to one year earlier sales in August were 4.0 percent higher. July sales were revised up slightly to a gain of 0.8 percent. Sales of motor vehicles and parts were responsible for much of the increase as sales excluding automobiles were unchanged in August. Other categories with relatively large gains for the month included nonstore retailers and building materials. The

largest decline occurred in sales at food service and drinking places, which was the first decline in the category since December 2018.

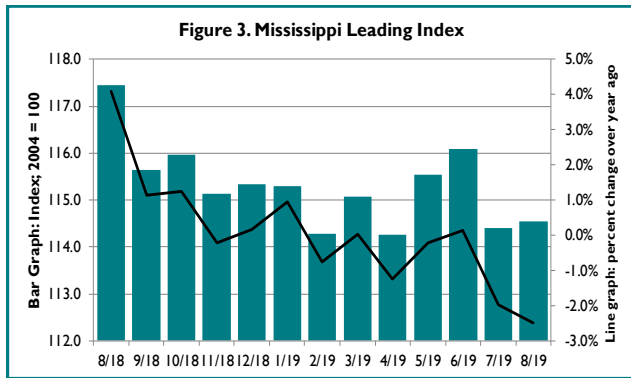
Figure 7 indicates the value of **Mississippi residential building permits** (three-month moving average) was little changed in August. The value increased 0.1 percent from the previous month. Compared to one year earlier, the value for August was down 7.3 percent, the fifth consecutive month with a year-over-year decline. For the month the number of units in the state rose 1.2 percent. The number of units in the state in August compared to one year ago was down 9.7 percent, also the fifth consecutive month with a year-over-year decrease. The number of privately-owned housing units authorized by building permits in the U.S. rose 7.7 percent in August from the revised July rate. The number of units in the U.S. in August was 12.0 percent higher compared to one year ago.

Mississippi income tax withholdings (three-month moving average) lost 0.4 percent in value in August as Figure 8 indicates, its third consecutive monthly decline. The value of withholdings was down 3.3 percent compared to one year ago, the largest year-over-year decrease since December 2016. The value of income tax withholdings in Mississippi fell 0.9 percent over the last six months.

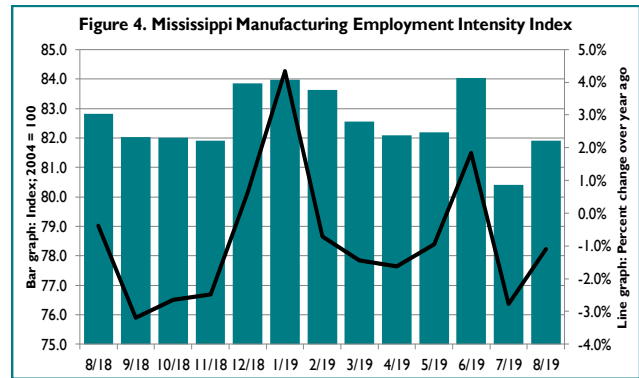
In August the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell 2.3 percent in as seen in Figure 9, its second consecutive monthly decline. The value of the Index was down 2.3 percent compared to one year ago. Developments in the trade war continued to weigh on consumer outlooks. In the most recent survey long-term (five-year) inflation expectations fell while short-term (one-year) inflation expectations rose to their highest level since May.

The value of the **ISM Index of U.S. Manufacturing Activity** decreased in September for the fifth consecutive month. As seen in Figure 10 the value declined 2.6 percent for the month to 47.8, a level last seen in January 2016. The value of the Index in September was down 19.7 percent compared to one year ago. The largest decrease among the components of the Index was in the Inventories component; only the New Orders component increased slightly. Supplier Deliveries was the only component not in contractionary territory in September. The value of the prices paid index rose sharply to its highest level since May.

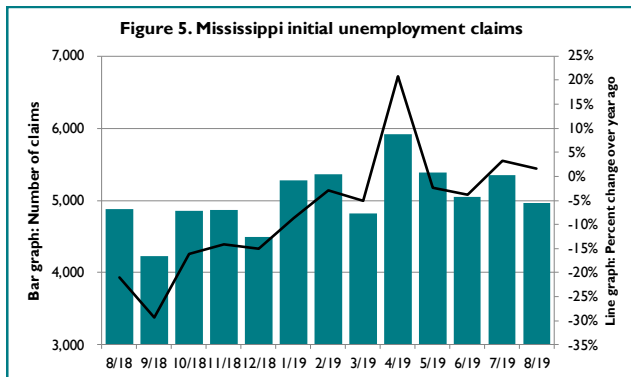
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



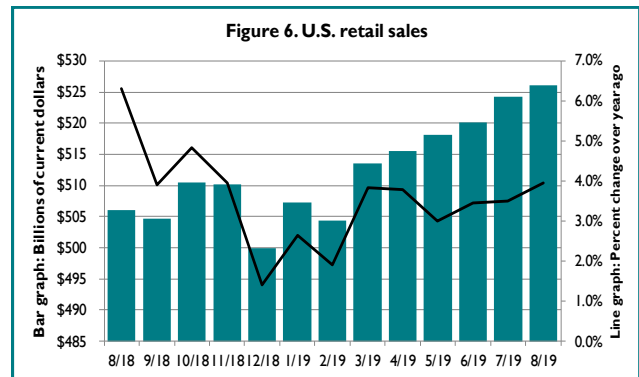
Source: University Research Center



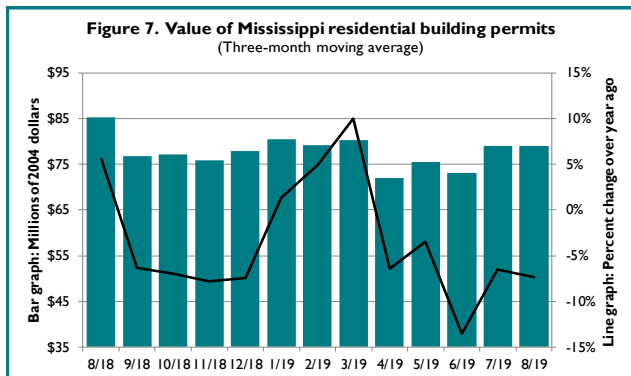
Source: URC using data from U.S. Bureau of Labor Statistics



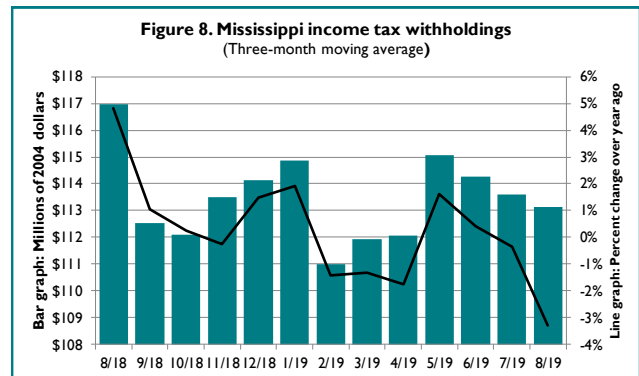
Source: U.S. Department of Labor; seasonally adjusted



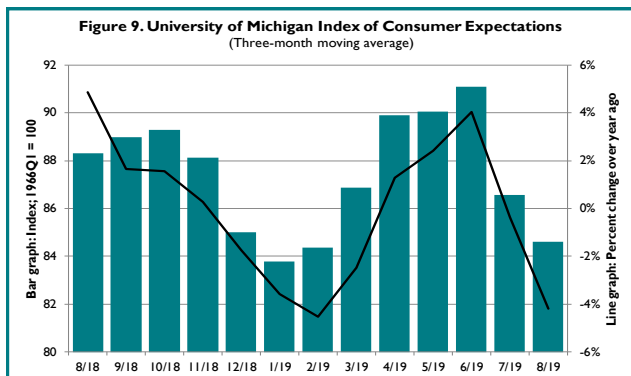
Source: U.S. Bureau of the Census



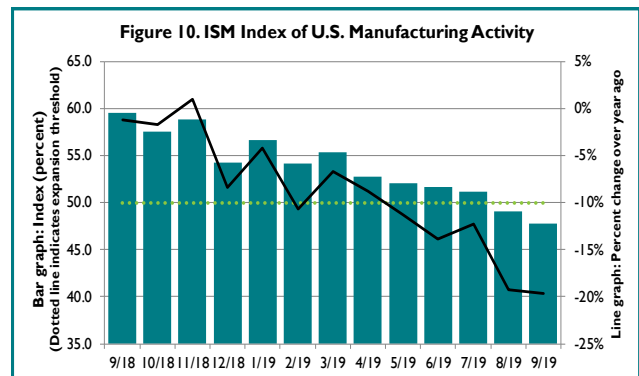
Source: U.S. Bureau of the Census; seasonally adjusted



Source: Mississippi Department of Revenue; seasonally adjusted



Source: Thomson Reuters/University of Michigan Surveys of Consumers



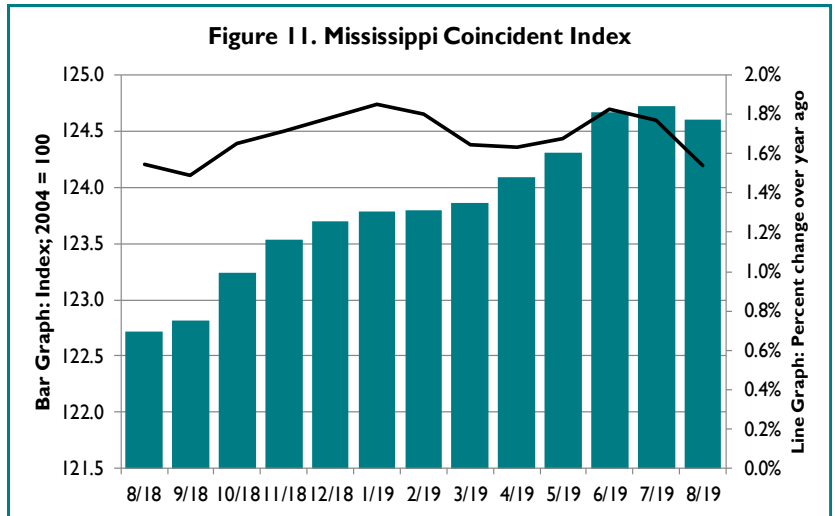
Source: Institute for Supply Management

MISSISSIPPI'S BUSINESS

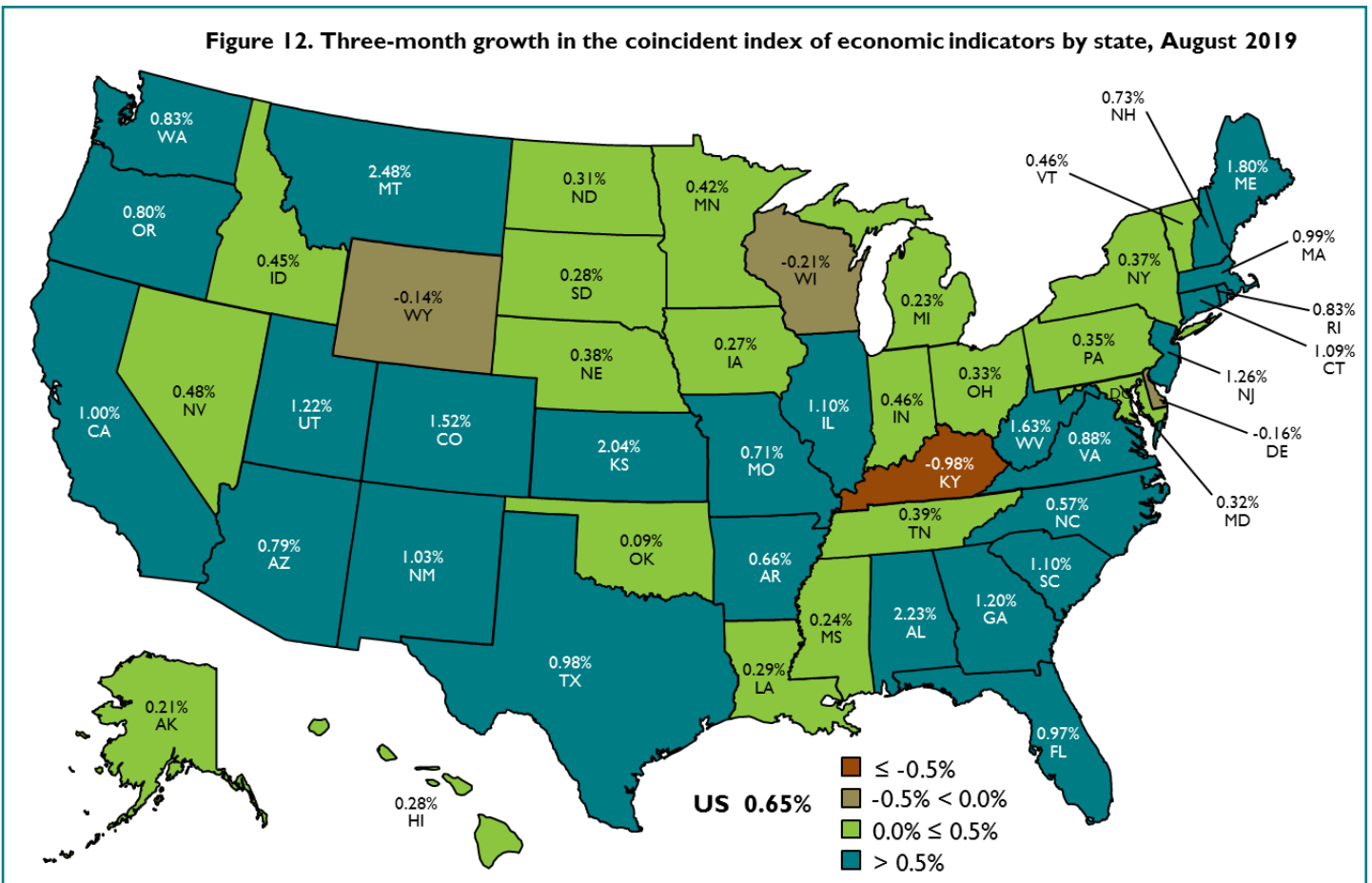
MISSISSIPPI COINCIDENT INDEX, AUGUST 2019

Figure 11 indicates the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** decreased 0.1 percent in August according to the Federal Reserve Bank of Philadelphia. The value of the MCI for the month was 1.5 percent higher compared to one year ago.

The values of the coincident indices were higher in forty-six states in August compared to three months prior as seen in Figure 12. In twenty-six states the values of the coincident indices increased by more than 0.5 percent in August compared to May. Mississippi was one of twenty states where the values of the coincident indices increased by less than 0.5 percent in August compared to three months prior. The value of the coincident index decreased between 0.0 and 0.5 percent for the month in Delaware, Wisconsin, and Wyoming. Kentucky was the only state where the value of the coincident index decreased more than 0.5 percent in August compared to May.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

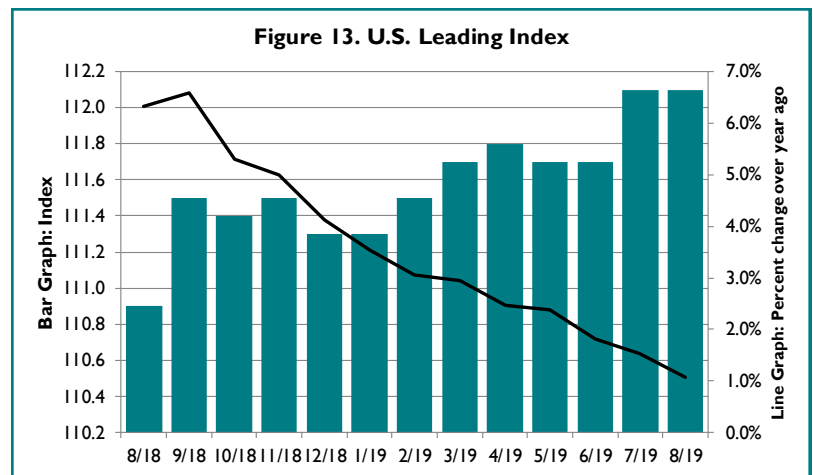
NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) was unchanged in August as seen in Figure 13. Compared to one year ago the value of the LEI in August was 1.1 percent higher. In August five of the ten components of the LEI contributed positively and five components contributed negatively. The largest positive contribution came from building permits while the largest negative contribution came from the ISM New Orders Index. Over the last six months the value of the LEI rose 0.5 percent.

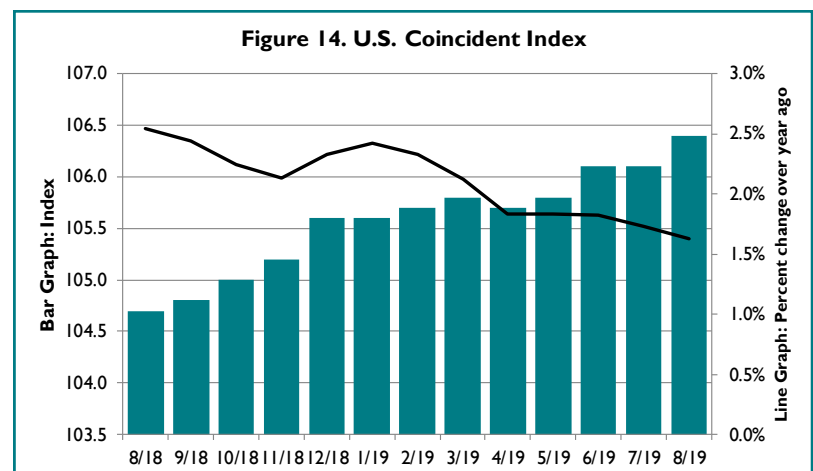
The value of the U.S. Coincident Economic Index (CEI) increased 0.3 percent in August according to The Conference Board as seen in Figure 14. Compared to one year ago the value of the CEI was up 1.6 percent in August. All four components of the CEI increased for the month and the largest contributor to the gain was industrial production. The value of the CEI rose 0.7 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 1.5 percent in August as Figure 15 indicates. The value fell to its lowest level since March and compared to one year earlier the value of the Index was down 5.2 percent for the month. Declines were mostly widespread as the only component of the Index that increased was “plans to make capital expenditures;” the “now is a good time to expand” component was unchanged. The “plans to raise prices” measure declined while the “plans to raise compensation” measure increased in August.

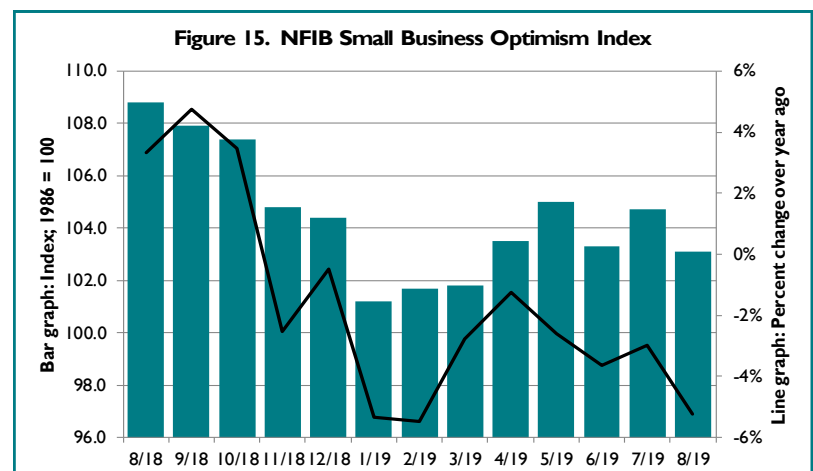
As expected, the Federal Open Market Committee (FOMC) reduced the federal funds rate target by 0.25 basis points at its September meeting. The cut placed the benchmark federal funds rate in a range of 1.75 to 2.00 percent. Members of the FOMC were in less agreement regarding the rate reduction than the previous cut in July, as three members of the committee opposed the latest reduction. Two members sought to leave rates unchanged while St. Louis Fed President James Bullard preferred a cut of 0.50 basis points. The divisions among the members leave in question how much support exists for an additional rate cut in 2019.



Source: The Conference Board



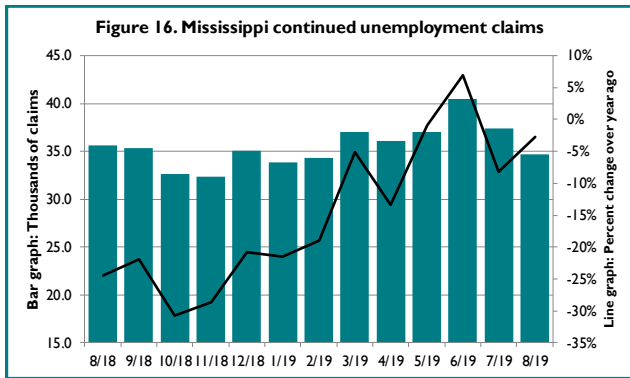
Source: The Conference Board



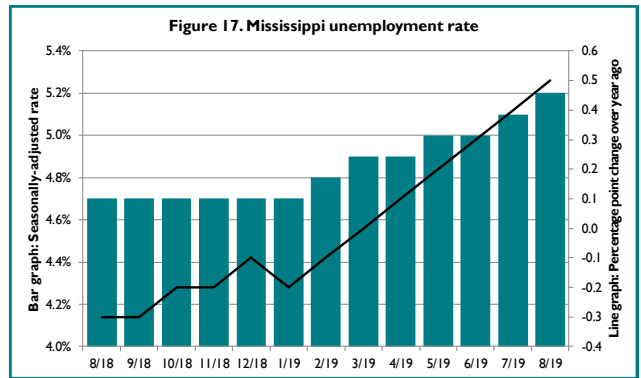
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

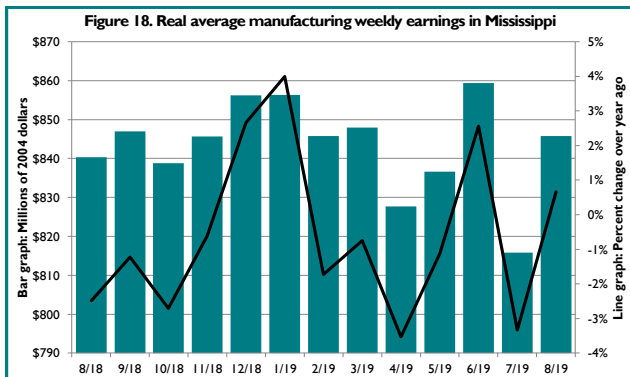
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



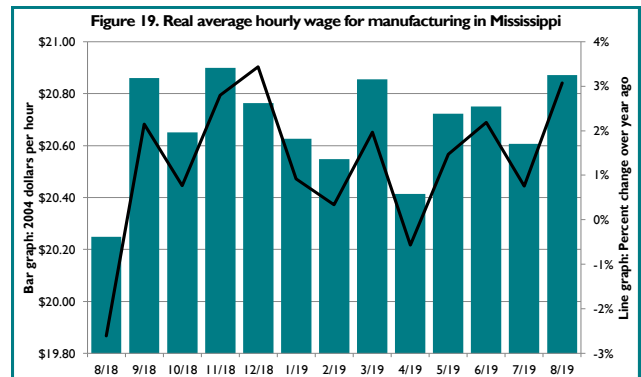
Source: U.S. Department of Labor; seasonally adjusted



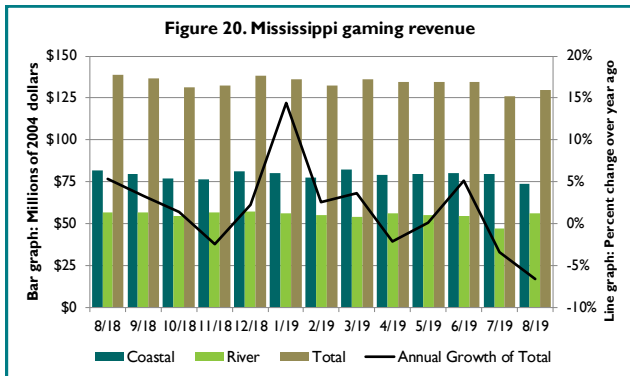
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



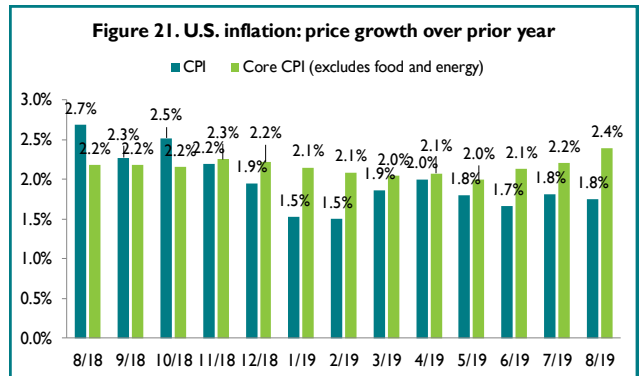
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



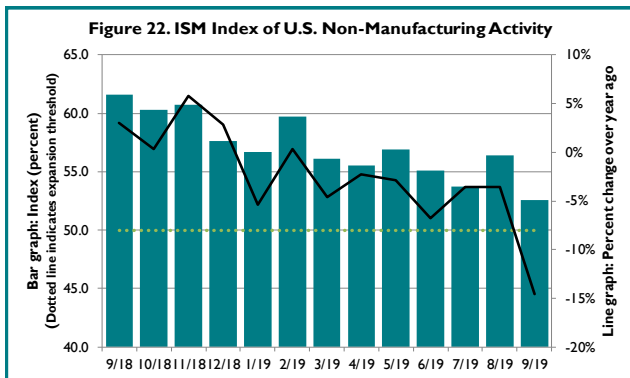
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



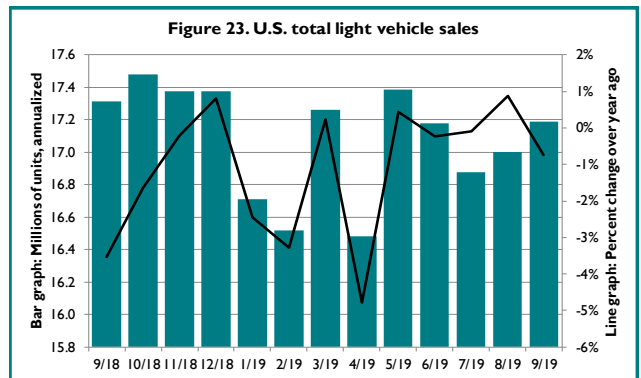
Source: Mississippi Department of Revenue; seasonally adjusted



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	August	July	August	Percent change from	
	2019	2019	2018	July 2019	August 2018
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	112.1	112.1	110.9	↔0.0%	▲1.1%
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	106.4	106.1	104.7	▲0.3%	▲1.6%
Mississippi Leading Index 2004 = 100. Source: University Research Center	114.6	114.4	117.5	▲0.1%	▼2.5%
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.6	124.7	122.7	-0.1%	▲1.5%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,959	5,346	4,882	-7.2%	▲1.6%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	79.1	79.0	85.3	▲0.1%	▼7.3%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	113.1	113.6	117.0	▼0.4%	▼3.3%
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	81.9	80.4	82.8	▲1.9%	▼1.1%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	84.6	86.6	88.3	▼2.3%	▼4.2%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	47.8	49.1	59.5	▼2.6%	▼19.7%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	526.1	524.2	506.0	▲0.4%	▲4.0%
U.S. Consumer Price Index (CPI)	135.7	135.6	133.3	▲0.1%	▲1.8%
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	134.4	134.0	131.2	▲0.3%	▲2.4%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.2%	5.1%	4.7%	▲0.1	▲0.5
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	34,660	37,425	35,620	▼7.4%	▼2.7%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	52.6	56.4	61.6	▼6.7%	▼14.6%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.72%	3.82%	4.67%	▼0.10	▼0.95
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.87	20.61	20.49	▲1.3%	▲1.8%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	845.79	815.75	840.28	▲3.7%	▲0.7%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	103.1	104.7	108.8	▼1.5%	▼5.2%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.19	17.00	17.32	▲1.1%	▼0.7%
Gaming revenue	129.5	126.2	138.6	▲2.6%	▼6.6%
Coastal counties	73.4	79.3	81.8	▼7.4%	▼10.2%
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	56.0	46.9	56.8	▲19.6%	▼1.3%

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 total nonfarm employment in Mississippi fell 0.2 percent in August, a decrease of 2,400 jobs. The decline was the first in the state since February. As seen in Table 2 total employment in Mississippi was 1.3 percent higher for the month compared to one year earlier.

Total nonfarm employment increased in five states in August according to BLS: Arizona, California, Florida, Georgia, and Kansas. The largest increase occurred in California, which added 34,500 jobs. Kansas experienced the largest percentage increase in employment of 0.6 percent. BLS reported Oklahoma was the only state where a statistically significant decrease in employment occurred in August; the state lost 8,700 jobs for the month, a decrease of 0.5 percent.

BLS reported higher employment in twenty-six states in August compared to one year earlier. California added 314,200 jobs, the most among all states, closely followed by Texas, which added 303,500 jobs. The largest percentage increases in employment in August compared to one year earlier occurred in Nevada, where employment rose 3.0 percent, closely followed by Utah and Washington, where employment increased 2.8 percent and 2.6 percent, respectively, over the past twelve months.

The largest increase in employment among all sectors in Mississippi in August occurred in Trade, Transportation, and Utilities and Government, as both sectors added 1,100 jobs for the month. Educational Services experienced the largest percentage increase in employment among all sectors of 0.8 percent, a gain of 100 jobs. The largest decrease in employment among all sectors occurred in Accommodation and Food Services, which lost 1,400 jobs for the month. The Construction sector experienced the largest percentage decrease in employment among all sectors in August of 2.0 percent.

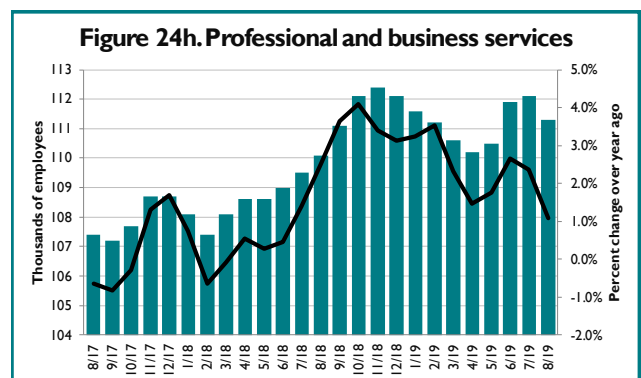
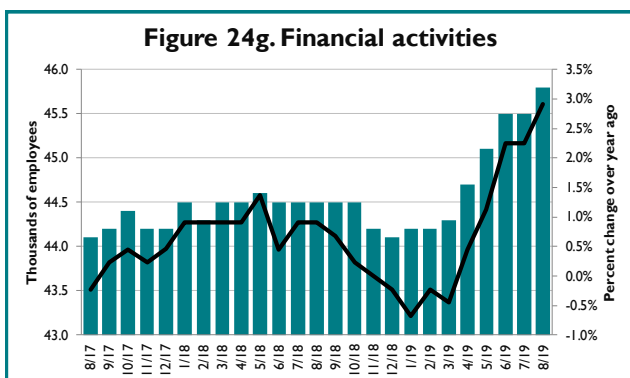
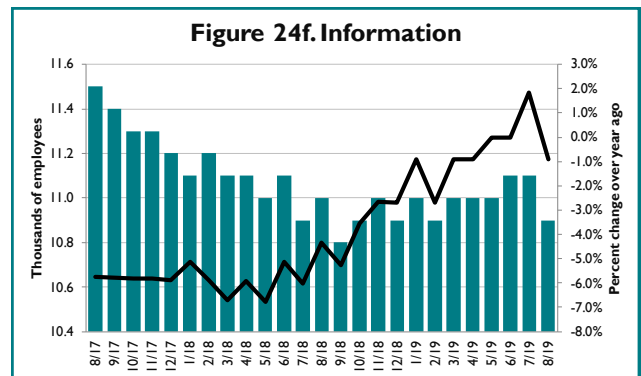
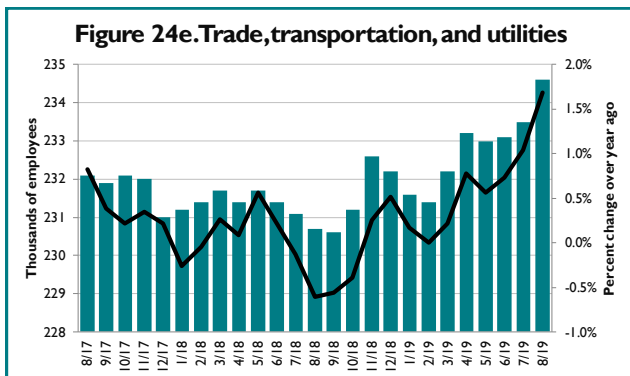
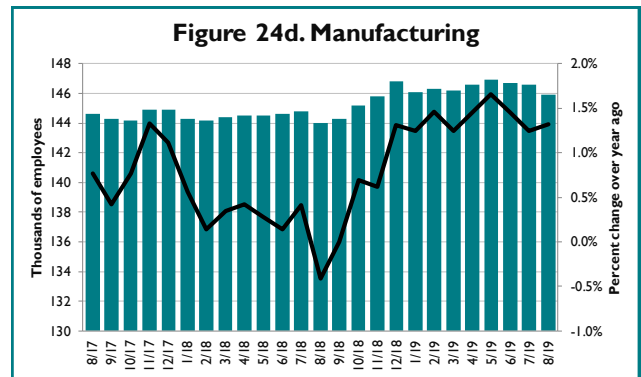
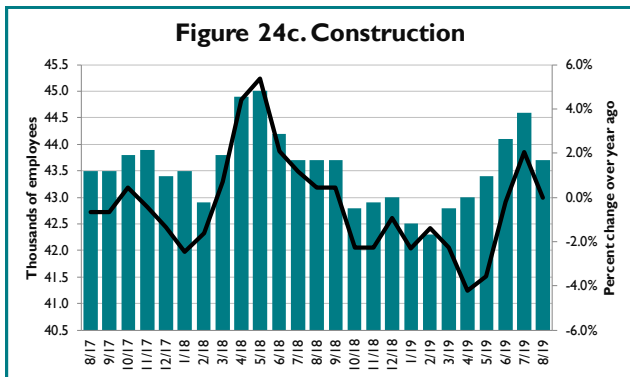
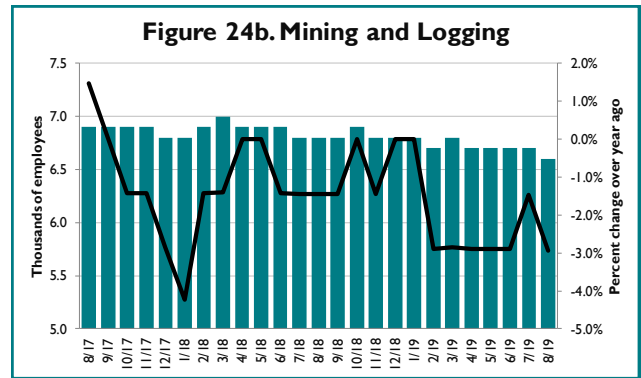
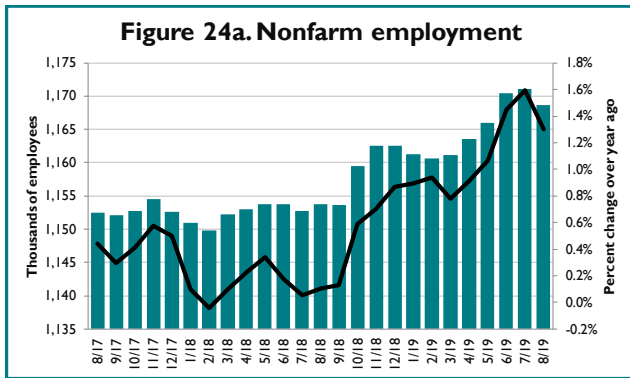
The largest increase in employment among all sectors in the state over the last twelve months occurred in Trade, Transportation, and Utilities, which added 2,700 jobs. The largest percentage increase in employment over the last twelve months occurred in Arts and Entertainment, a gain of 5.3 percent. The largest decrease in employment among all sectors over the last twelve months occurred in Mining and Logging, which lost 200 jobs. The only other sectors to lose jobs over the last twelve months were Information and Educational Services, as both sectors lost 100 jobs. Mining and Logging also experienced the largest percentage decrease compared to one year ago among all sectors in Mississippi as of August of 2.9 percent.

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

	Relative share of total ^a	August 2019	July 2019	August 2018	Change from July 2019 Level	Change from July 2019 Percent	Change from August 2018 Level	Change from August 2018 Percent
Total Nonfarm	100.0%	1,168,700	1,171,100	1,153,700	▼2,400	▼0.2%	▲15,000	▲1.3%
Mining and Logging	0.6%	6,600	6,700	6,800	▼100	▼1.5%	▼200	▼2.9%
Construction	3.7%	43,700	44,600	43,700	▼900	▼2.0%	◀0	◀0.0%
Manufacturing	12.6%	145,900	146,600	144,000	▼700	▼0.5%	▲1,900	▲1.3%
Trade, Transportation & Utilities	20.0%	234,600	233,500	230,700	▲1,100	▲0.5%	▲3,900	▲1.7%
Retail Trade	11.9%	138,800	138,200	138,000	▲600	▲0.4%	▲800	▲0.6%
Information	0.9%	10,900	11,100	11,000	▼200	▼1.8%	▼100	▼0.9%
Financial Activities	3.8%	45,800	45,500	44,500	▲300	▲0.7%	▲1,300	▲2.9%
Services	37.6%	438,400	441,400	432,100	▼3,000	▼0.7%	▲6,300	▲1.5%
Professional & Business Services	9.6%	111,300	112,100	110,100	▼800	▼0.7%	▲1,200	▲1.1%
Educational Services	1.0%	12,100	12,000	12,200	▲100	▲0.8%	▼100	▼0.8%
Health Care and Social Assistance	11.5%	134,800	135,900	133,300	▼1,100	▼0.8%	▲1,500	▲1.1%
Arts and Entertainment	0.8%	9,900	10,000	9,400	▼100	▼1.0%	▲500	▲5.3%
Accommodation and Food Services	11.1%	128,700	130,100	126,000	▼1,400	▼1.1%	▲2,700	▲2.1%
Other Services	3.5%	41,600	41,300	41,100	▲300	▲0.7%	▲500	▲1.2%
Government	20.8%	242,800	241,700	240,900	▲1,100	▲0.5%	▲1,900	▲0.8%

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

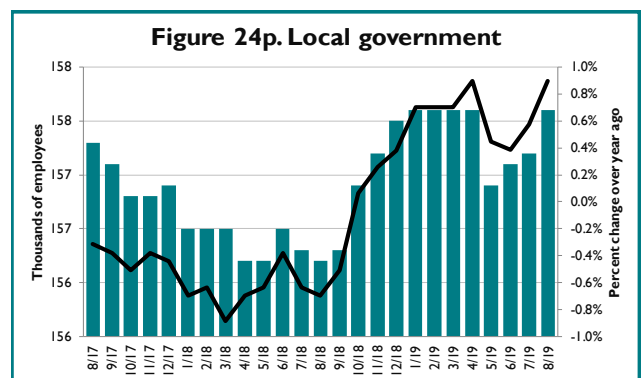
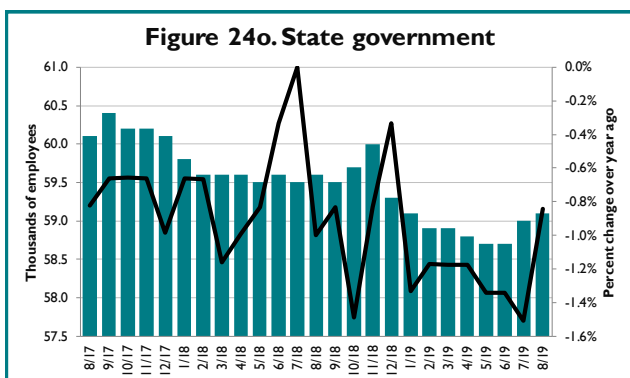
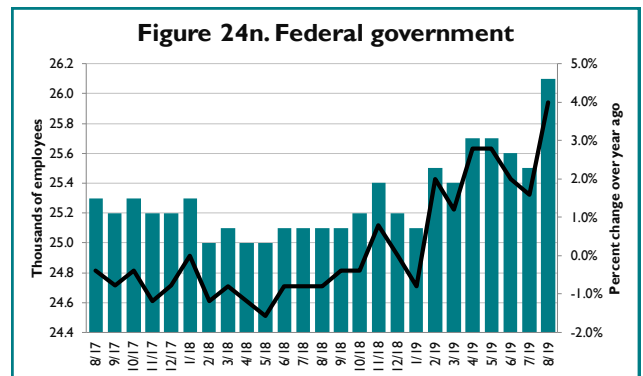
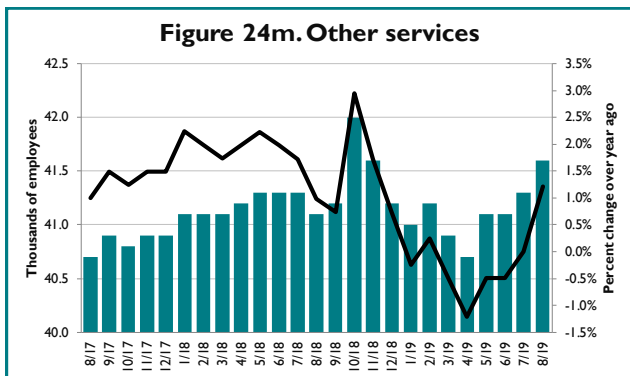
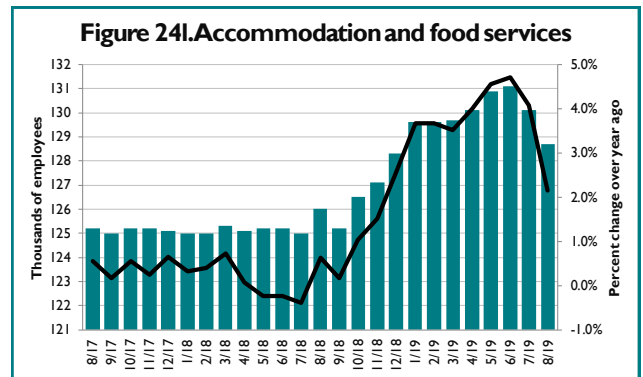
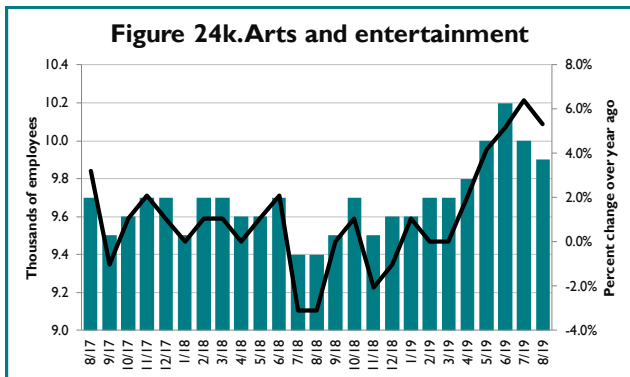
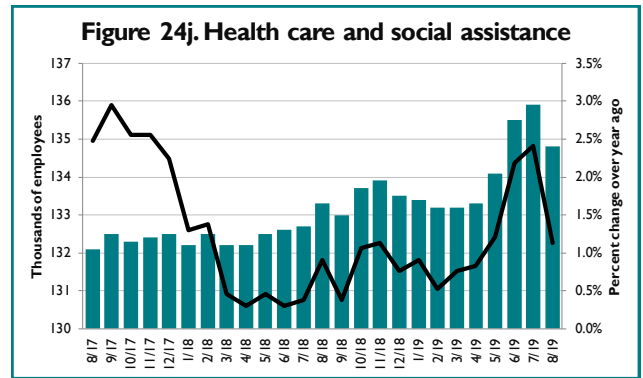
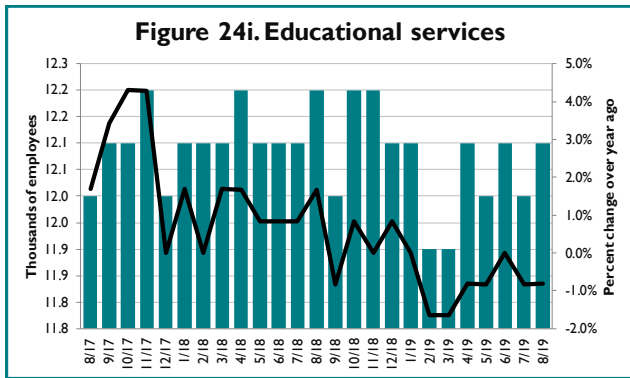
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



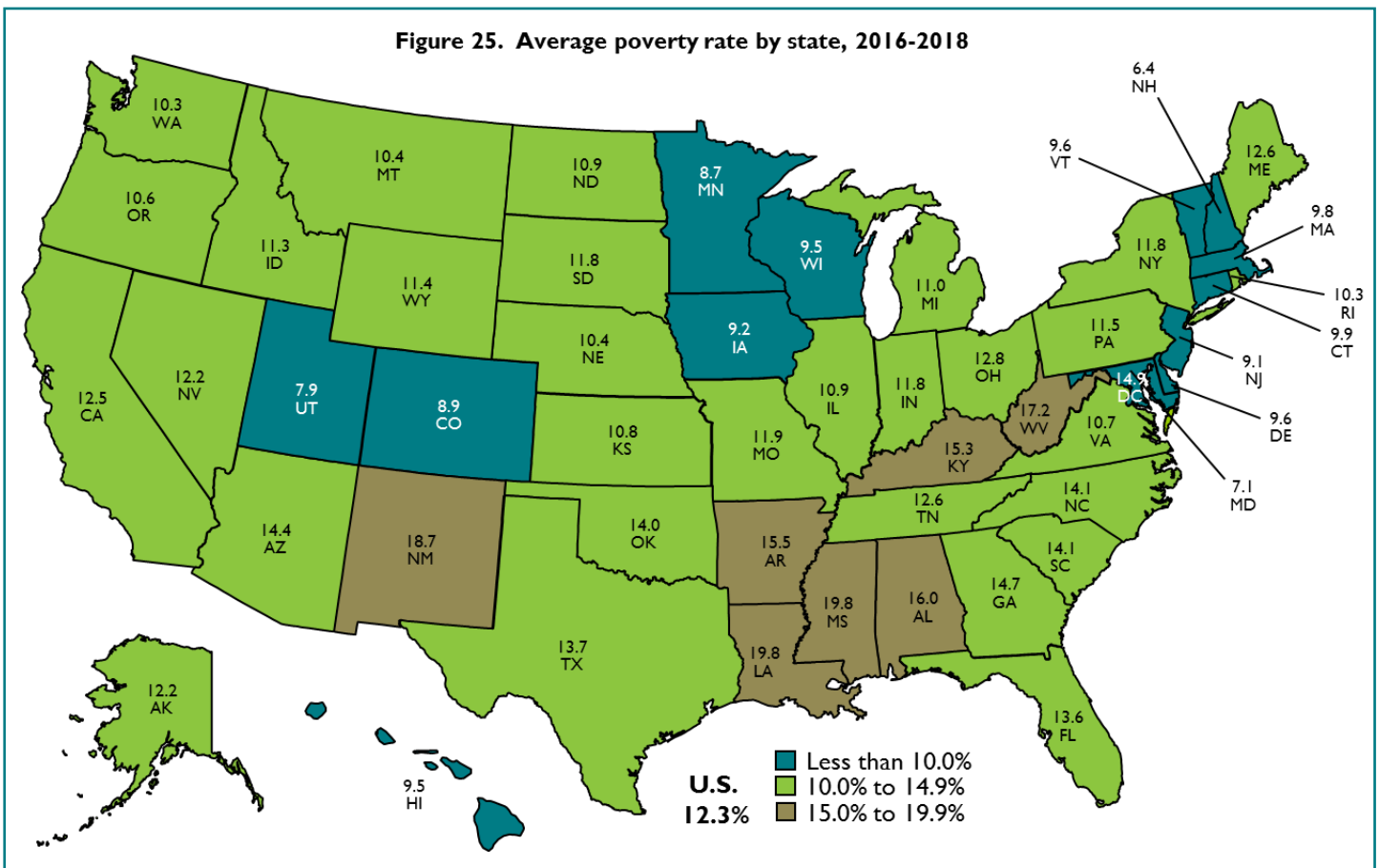
Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

POVERTY RATES IN THE U.S. IN 2018

The three-year average U.S. poverty rate for 2016-2018 was 12.3 percent according to recently released data from the Census Bureau. This rate was down 0.5 percentage point from the three-year average for 2015-2017 of 12.8 percent. The Census Bureau reported the total number of people in the U.S. living in poverty decreased by 1,418,000 in 2018 from 2017, a statistically significant decline. In 2018 the total number of people living in poverty in the U.S. exceeded the total of 2007, the last year prior to the Great Recession, by 870,000.

The Census Bureau reported the three-year average poverty rate in Mississippi for 2016-2018 was 19.8 percent, an increase of 0.3 percentage point from the three-year average rate for 2015-2017 of 19.5 percent. The total number of people in the state living in poverty in 2018 according to the Census Bureau was 567,000, an increase of 23,000 from 2017. (Decreases in Mississippi’s total population also contributed to the increase in the poverty rate.) The total number of people living in poverty in Mississippi in 2018 was less than the total number in 2007 by 88,000, a difference from the U.S. As seen in Figure 25 below, the three-year average poverty rate for 2016-18 in Mississippi of 19.8 percent was tied with Louisiana for the highest among all states and the District of Columbia. Louisiana and Mississippi were among seven states with a three-year average poverty rate for 2016-18 between 15.0 and 20.0 percent. All states and the District of Columbia had poverty rates under 20.0 percent in 2018 for the first time since 2015.

As in previous years New Hampshire had the lowest three-year average poverty rate for 2016-2018 of 6.4 percent, which was down from 6.7 percent for 2015-2017. Three-year average poverty rates for 2016-2018 were less than 10.0 percent in thirteen states and over half of these states were located in the Northeast.

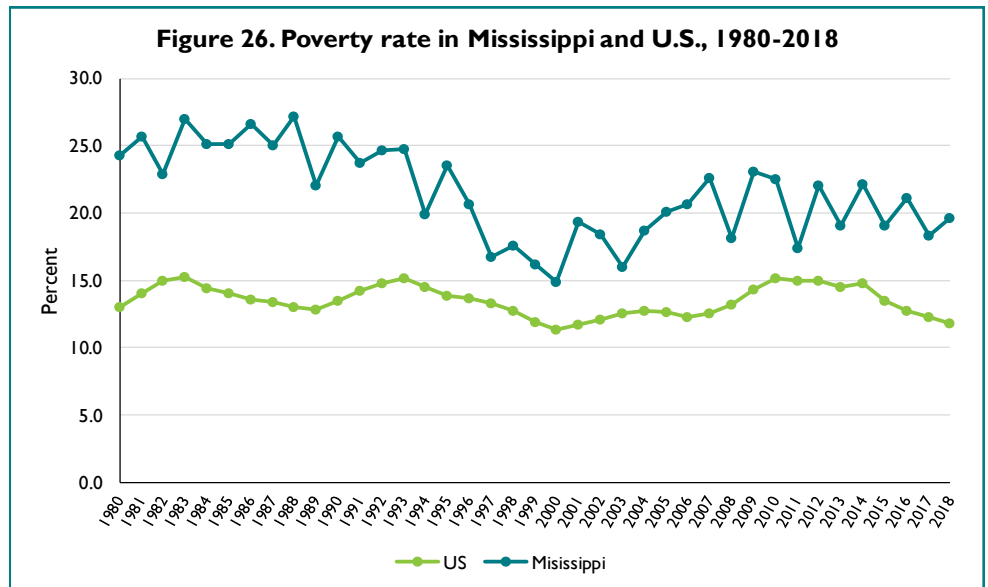


Source: U.S. Bureau of the Census

MISSISSIPPI'S BUSINESS

POVERTY RATES IN THE U.S. IN 2018, CONTINUED

The annual poverty rates for Mississippi and the U.S. according to the Census Bureau are depicted in Figure 26. In 2018 the annual rate for Mississippi was 19.6 percent. The annual poverty rate for the U.S. was 11.8 percent in 2018 as seen in Figure 26 and fell for the fourth consecutive year. Moreover, the rate fell below 12.0 percent to its lowest level since 2001. The poverty rate in Mississippi has experienced more year-to-year volatility compared to the U.S. rate and has fluctuated around 20.0 percent for most of the past decade.



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements

Table 3 depicts the difference in poverty rates by type of family in 2018. The poverty rate for married-couple families in the U.S. was 4.7 percent in 2018. In contrast, the rate for male-only householders in 2018 was 12.7 percent and the rate for female-only householders was 24.9 percent. In 2018 the overall rate of 9.0 percent was down 0.3 percentage point from 2017.

Poverty rates by race and origin in the U.S. for 2018 are depicted in Table 4. The rates for non-Hispanic whites and Asians were considerably lower than the overall rate in 2018 as in previous years. The rates for blacks and Hispanics, conversely, were much higher than the overall poverty rate. The poverty rates for all races except Asians declined in 2018, while the poverty rate for Asians increased slightly by 0.1 percent. The largest decrease in the poverty rate occurred among Hispanics, as the rate fell 0.7 percentage point from 2017. The rate for non-Hispanic whites fell 0.6 percentage point and the rate for blacks fell 0.4 percentage point in 2018.

Table 3. Poverty in the U.S. by family type, 2018

Type of family	Number (000s)	Number below poverty (000s)	Percent below poverty
Married-couple	61,971	2,938	4.7
Male householder, no wife present	6,485	824	12.7
Female householder,	15,052	3,742	24.9
Totals	83,508	7,504	9.0

Source: U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement

Table 4. Poverty in the U.S. by race and origin, 2018

Race and origin	Number (000s)	Number below poverty (000s)	Percent below poverty
White, not Hispanic	194,815	15,725	8.1
Black	42,773	8,884	20.8
Asian	19,768	1,996	10.1
Hispanic (any race)	59,957	10,526	17.6
Totals	317,313	37,131	11.7

Source: U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement