



ECONOMY AT A GLANCE

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

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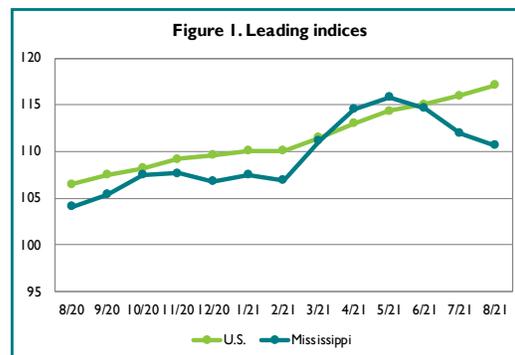
Figure 1 indicates the value of the Mississippi Leading Index (MLI) fell 1.2 percent in August, its third consecutive monthly decline. Compared to one year earlier the value of the MLI for the month was 6.3 percent higher.

The value of the Mississippi Coincident Index (MCI) decreased 0.2 percent in August as seen in Figure 2. The value for the month was 3.5 percent higher compared to one year ago.

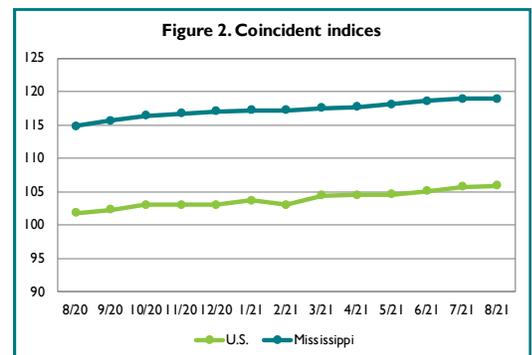
The U.S. Bureau of Economic Analysis (BEA) reported in its third estimate of real GDP in the second quarter of 2021 an increase of 6.7 percent at a seasonally-adjusted, annualized rate. Compared to the agency's second estimate this estimate was 0.1 percentage point higher. The slight increase from the second estimate resulted from upward revisions to consumer spending, private inventory invest-

ment, and exports. These revisions were partially offset by an upward revision to imports, which act as a subtraction in the calculation of real GDP.

The decrease in the MLI in August illustrated the imbalanced nature of the economic recovery. Consumer expectations were lower for the month, most likely due to concerns about inflation and the increase in COVID-19 cases. The latter likely contributed to the rise in initial unemployment claims in the state in August and the decrease in employment for the month. At the same time, consumer spending remained robust in August and income tax withholdings were relatively strong. Thus, while both the national and state economies continue to rebound, as long as COVID-19 cases continue to ebb and flow the recovery likely will remain uneven.



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, AUGUST 2021**

The value of the **Mississippi Leading Index of Economic Indicators (MLI)** fell for the third consecutive month in August. Figure 3 indicates the value decreased 1.2 percent for the month as the MLI dropped to its lowest level since February. Compared to one year earlier the value of the MLI in August was 6.3 percent higher. The value of the MLI increased 3.5 percent over the last six months.

In August four of the seven components of the MLI decreased in value. As in July the largest negative contribution for the month came from consumer expectations. Each component is discussed below in order of smallest to largest contribution.

Figure 4 indicates the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) fell in August for the third consecutive month. The value contracted 6.8 percent, the largest monthly decline since April 2020. The value in August was 1.0 percent higher compared to one year earlier. Numerous factors continue to weigh on consumer outlooks, including the recent rise in both inflation and COVID-19 infections and the related instability in the labor market. In the most recent survey short-term (one-year) inflation expectations were unchanged, while long-term (five-year) expectations ticked up slightly.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi climbed 23.8 percent in August as seen in Figure 5. Nevertheless, the value for the month was 52.1 percent lower compared to one year earlier. Conversely, the number of seasonally-adjusted continued unemployment claims in Mississippi fell 3.5 percent to a new post-recession low as seen in Figure 16 on page 6. Compared to one year earlier the number of continued unemployment claims in Mississippi in August was down 86.7 percent. The seasonally-adjusted unemployment rate in Mississippi decreased 0.1 percentage point in August to 6.0 percent as seen in Figure 17 on page 6. The unemployment rate for the state in was down 1.8 percentage points compared to one year earlier.

The value of the **Mississippi Manufacturing Employment Intensity Index** dropped 2.2 percent in August as seen in Figure 6, its third consecutive monthly decrease. The Index fell to its lowest level since February. Compared to one year earlier the value for the month was 0.4 percent higher. Both Manufacturing employment in the state and the average weekly hours of production employees decreased for the month.

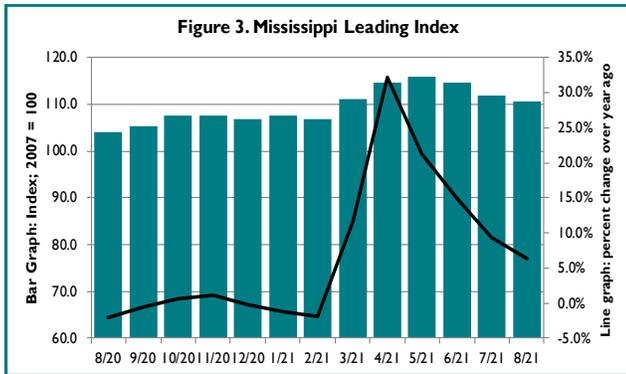
As seen in Figure 7 the value of **Mississippi residential building permits** (three-month moving average) fell 4.0 percent in August, the third consecutive monthly decrease. The value for the month was down 18.0 percent, the largest year-over-year decrease since April 2018. The number of units in the state fell 6.7 percent in August, also its third consecutive monthly decline. The number of units in the state in August compared to one year earlier was down 20.6 percent. The number of privately-owned housing units authorized by building permits in the U.S. in August was up 6.0 percent from the revised July rate. Compared to August 2020 the number of units in the U.S. for the month was 13.5 percent higher.

In August the value of **U.S. retail sales** rose 0.7 percent as seen in Figure 8. Sales for July were revised down 0.6 percent, however. Compared to one year earlier the value of August sales was up 15.1 percent. As in previous months, vehicle sales pulled down overall retail sales as sales excluding automobiles rose 1.8 percent. Sales of motor vehicles and parts were down 3.6 percent, the fourth consecutive monthly decline. Nevertheless, sales in most segments increased in August. Sales at nonstore retailers rose 5.3 percent, the largest gain among all segments. The only other segments that saw decreases in sales in August were electronics and appliances and sporting goods and hobbies.

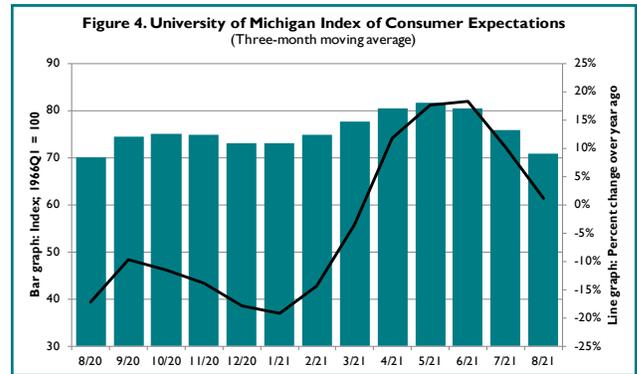
The **ISM Index of U.S. Manufacturing Activity** increased in value for the second consecutive month in September. Figure 9 indicates the value rose 2.0 percent to its highest level since May. The August value was up 10.3 percent compared to one year earlier. Almost all of the gain for the month was from the increase in the Supplier Deliveries component, which actually indicates delivery times became longer in September. The only component that decreased for the month was Production, which was down slightly. The prices paid index increased in September as the prices of most commodities were up for the month; only the prices of lumber, scrap steel, and scrap wood were reported lower.

The value of **Mississippi income tax withholdings** (three-month moving average) increased 2.1 percent in August as seen in Figure 10. Following seasonal adjustment the increase was the first since April. Compared to one year earlier the value of withholdings in August was up 4.0 percent. The value of income tax withholdings in Mississippi over the last six months was essentially unchanged.

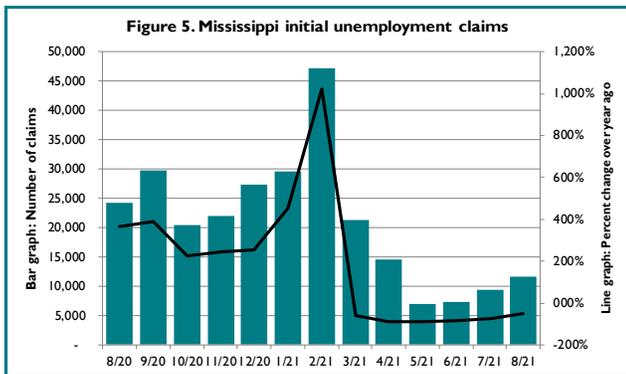
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



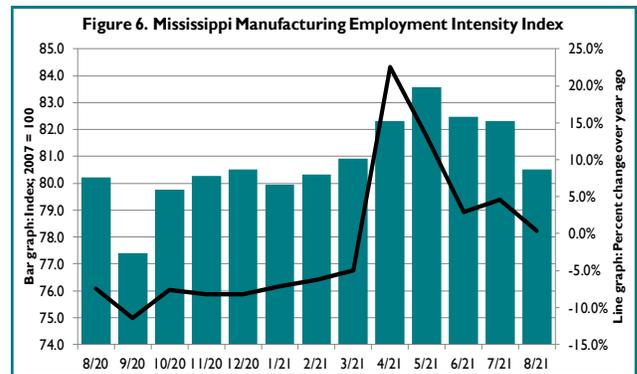
Source: University Research Center



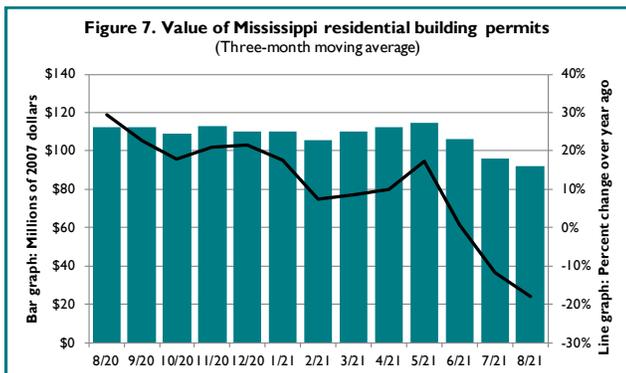
Source: Thomson Reuters/University of Michigan Surveys of Consumers



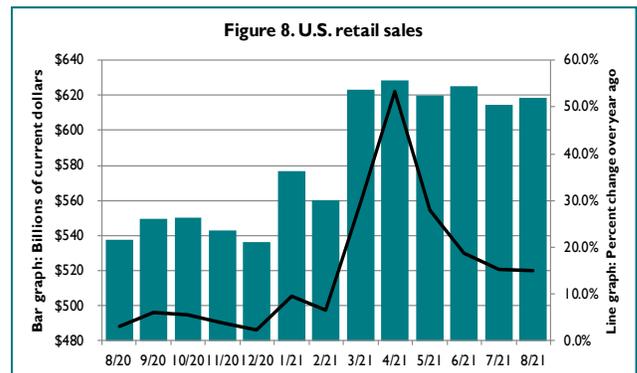
Source: U.S. Department of Labor; seasonally adjusted



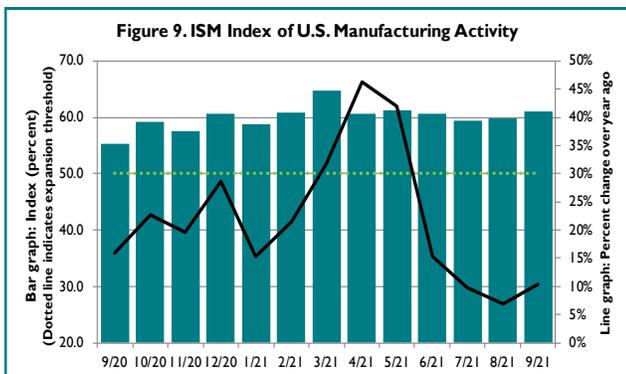
Source: URC using data from U.S. Bureau of Labor Statistics



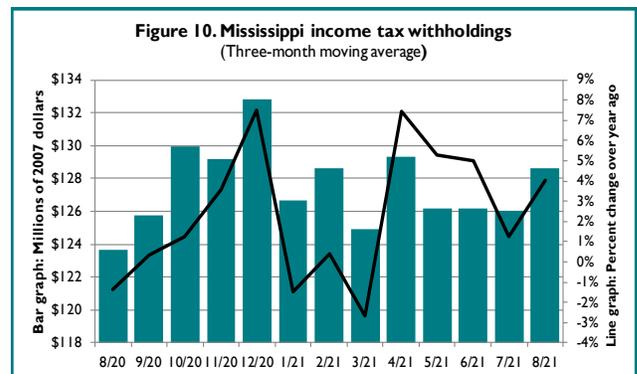
Source: U.S. Bureau of the Census; seasonally adjusted



Source: U.S. Bureau of the Census



Source: Institute for Supply Management



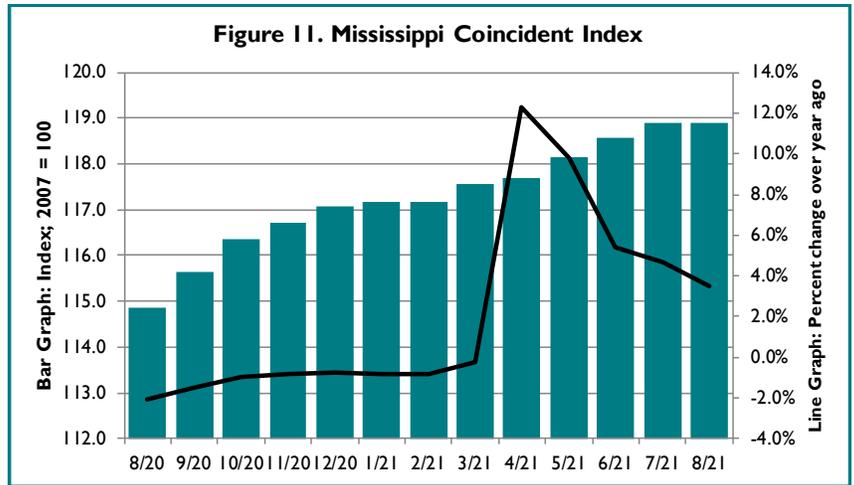
Source: Mississippi Department of Revenue; seasonally adjusted

MISSISSIPPI'S BUSINESS

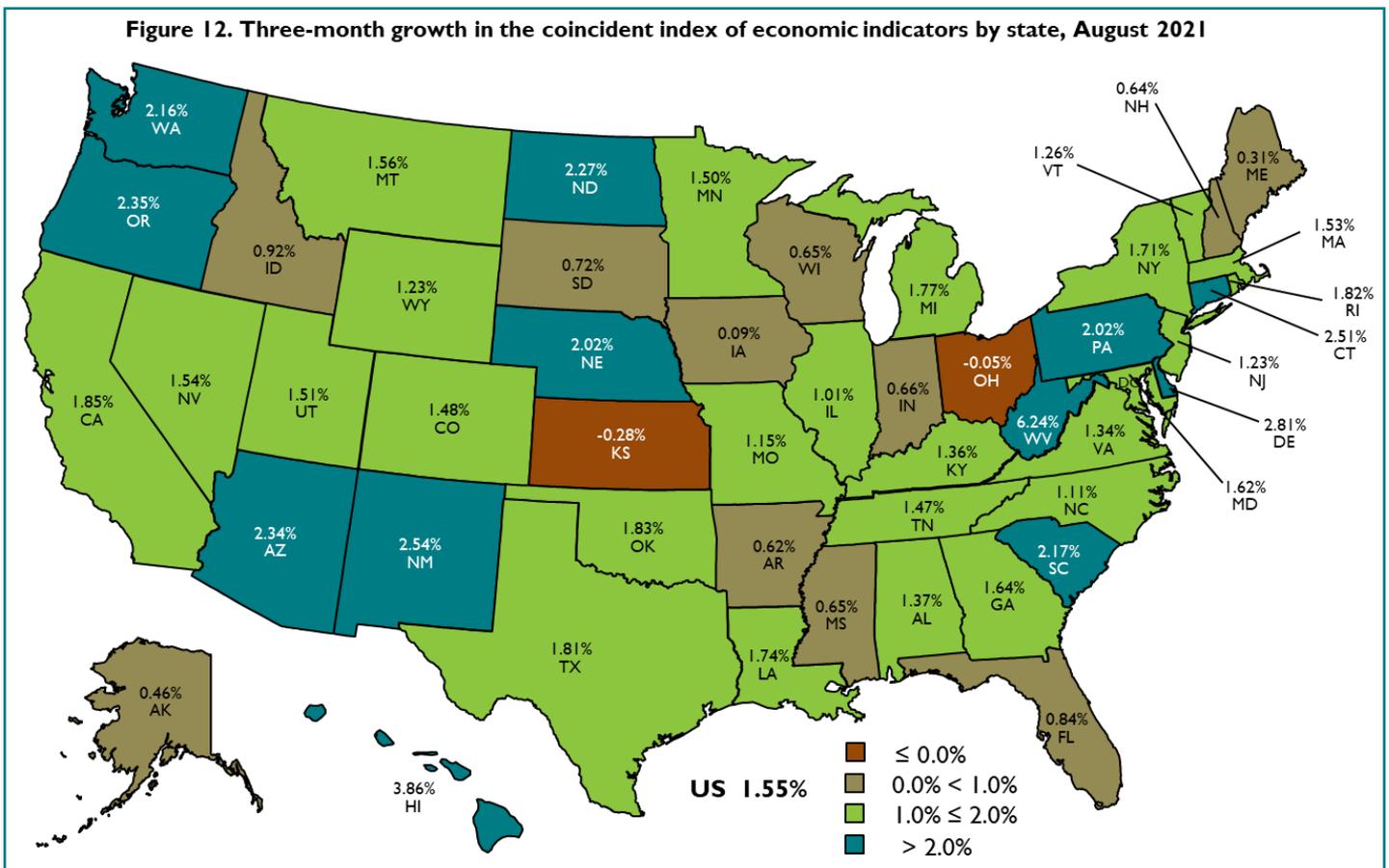
MISSISSIPPI COINCIDENT INDEX, AUGUST 2021

The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** decreased 0.2 percent in August as seen in Figure 11. The decline was the first since April 2020. The value of the MCI for the month was 3.5 percent higher compared to one year earlier.

The values of the coincident indices increased in forty-eight states in August compared to May as Figure 12 indicates. In twelve states the values of the coincident indices increased more than 2.0 percent over the last three months. The largest increase among all states compared to three months earlier occurred in West Virginia, where the value of the coincident index rose 6.2 percent. The values of coincident indices increased between 1.0 percent and 2.0 percent in twenty-five states in August compared to May. Mississippi was one of eleven states where the values of the coincident index rose less than 1.0 percent over the last three months. The only states where the value of the coincident index decreased between May and August were Kansas and Ohio.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

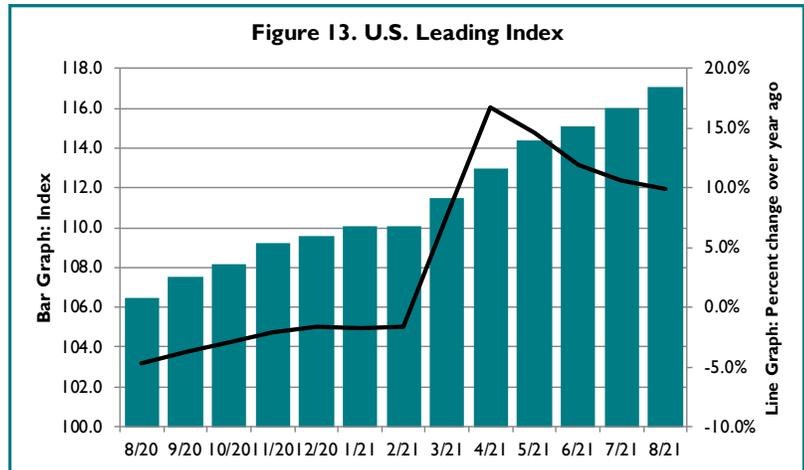
NATIONAL TRENDS

In August the value of the U.S. Leading Economic Index (LEI) increased 0.9 percent according to The Conference Board as seen in Figure 13. Compared to one year earlier the value of the LEI for the month was up 10.0 percent. Eight of the ten components of the LEI increased in August. The largest contribution came from average weekly initial claims for unemployment insurance. The value of the LEI increased 6.4 percent over the last six months.

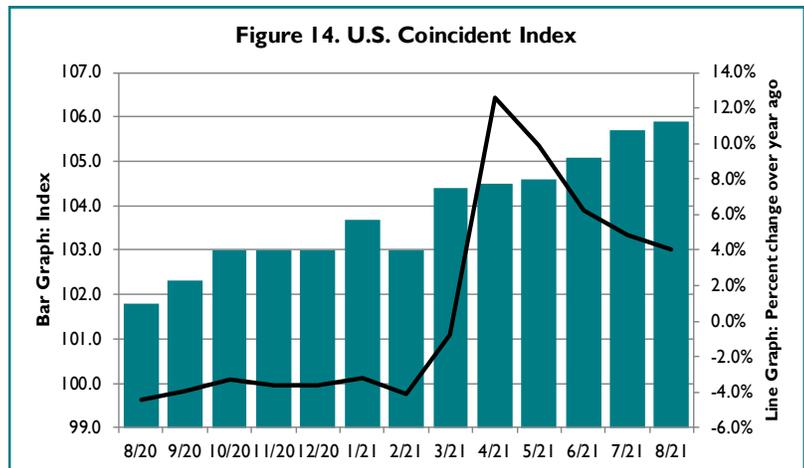
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) was up 0.2 percent in August as seen in Figure 14. Over the last twelve months the value of the CEI rose 4.0 percent. As in previous months all four components of the CEI made positive contributions in August. The largest contribution once again came from employees on nonagricultural payrolls. Over the last six months the value of the CEI increased 2.8 percent.

As seen in Figure 15 the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index edged up 0.4 percent in August. The value of the Index for the month was down 0.1 percent compared to one year earlier, the first year-over-year decrease since February. Five of the ten components increased for the month and one was unchanged. The largest increase was in the “plans to increase inventories” component. For the ninth consecutive month the “expect economy to improve” component was negative as it decreased in August. The “plans to raise prices” measure was unchanged for the third consecutive month while the “plans to raise compensation” measure ticked up in August.

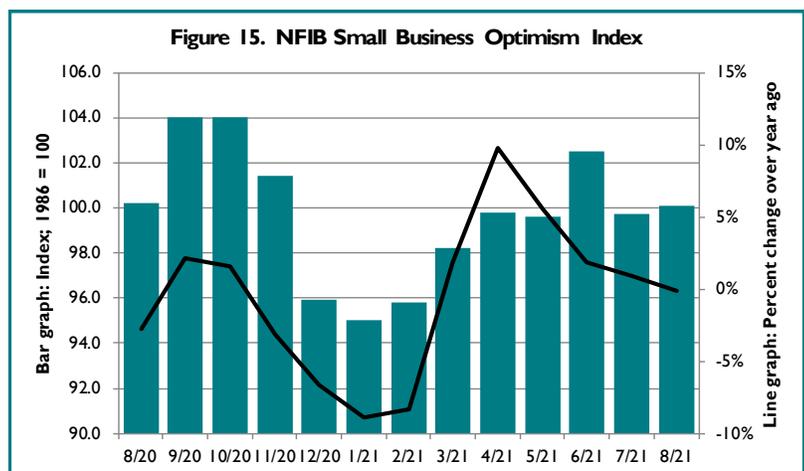
The Federal Open Market Committee (FOMC) took no action on interest rates at its September meeting, but did offer signals about its future intentions. The FOMC’s statement indicated the Fed could start reducing its \$120 billion in monthly financial asset purchases that began in June 2020 as soon as November. Moreover, in the FOMC’s latest projections, nine of eighteen officials expect interest rates will increase before the end of 2022, up from seven officials at the June meeting. Most officials expect more rate increases in 2023.



Source: The Conference Board



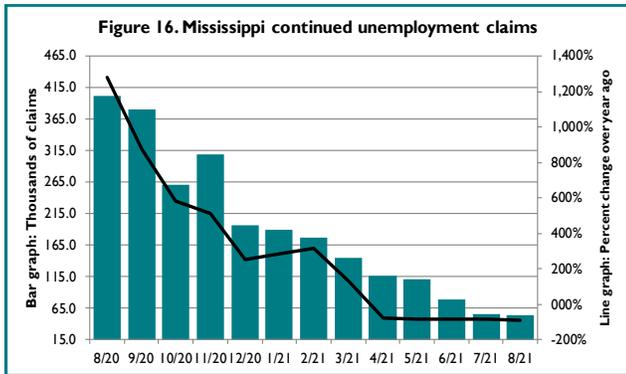
Source: The Conference Board



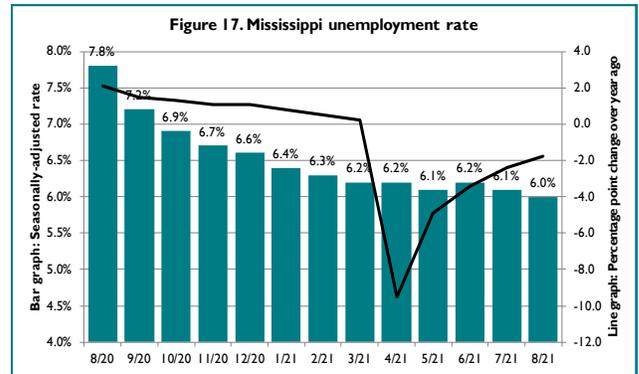
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

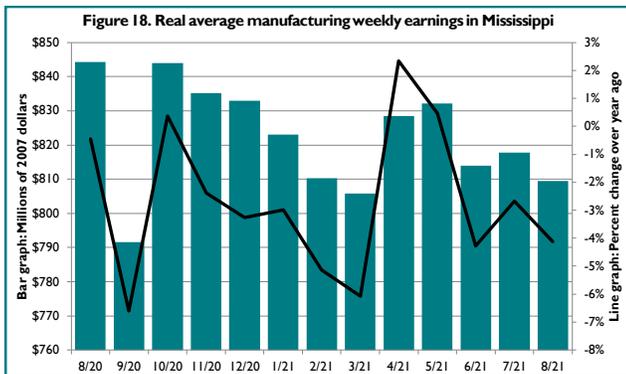
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



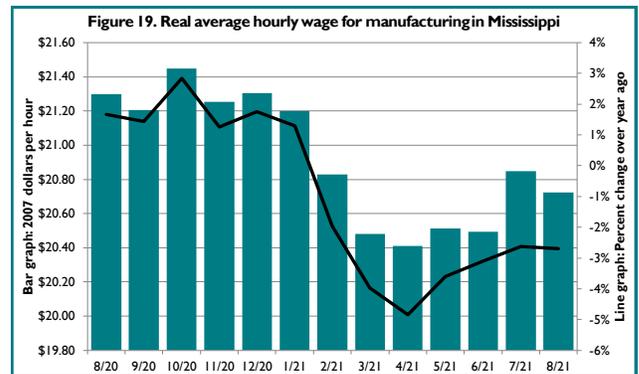
Source: U.S. Department of Labor; seasonally adjusted



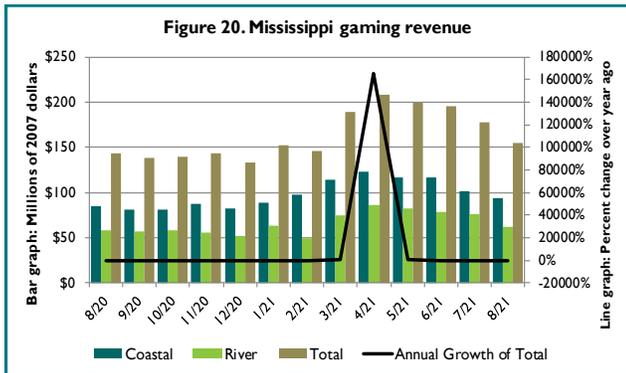
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



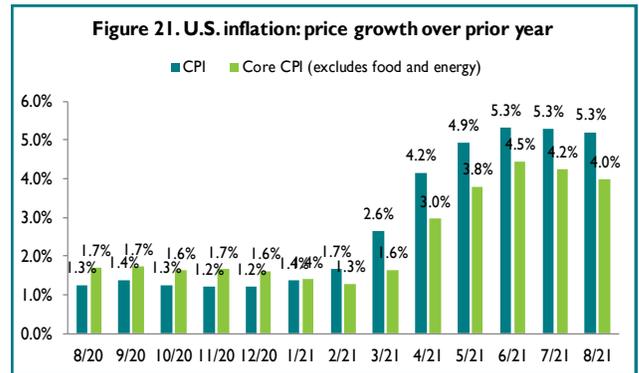
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



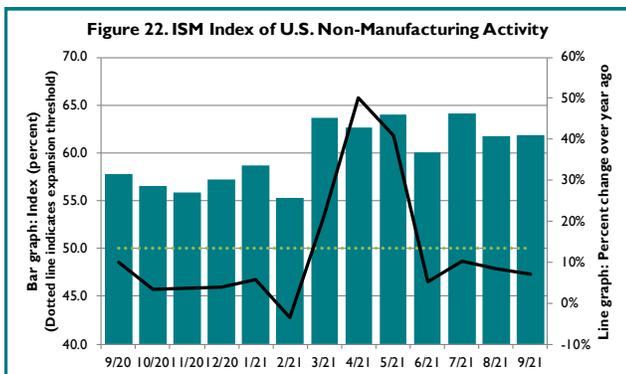
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



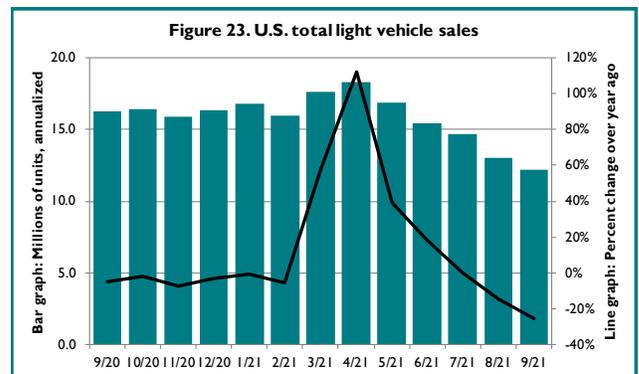
Source: Mississippi Department of Revenue; seasonally adjusted



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 | |
|--|--------|--------|---------|---------------------|-------------|
| | 2021 | 2021 | 2020 | July 2021 | August 2020 |
| U.S. Leading Economic Index 2007 = 100. Source: The Conference Board | 117.1 | 116.0 | 106.5 | ▲0.9% | ▲10.0% |
| U.S. Coincident Economic Index 2007 = 100. Source: The Conference Board | 105.9 | 105.7 | 101.8 | ▲0.2% | ▲4.0% |
| Mississippi Leading Index 2007 = 100. Source: University Research Center | 110.7 | 112.0 | 104.1 | ▼1.2% | ▲6.3% |
| Mississippi Coincident Index 2007 =100. Source: Federal Reserve Bank of Philadelphia | 118.9 | 119.1 | 114.9 | ▼0.2% | ▲3.5% |
| Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor | 11,610 | 9,381 | 24,245 | ▲23.8% | ▼52.1% |
| Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census | 92.1 | 95.9 | 112.3 | ▼4.0% | ▼18.0% |
| Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue | 128.6 | 126.0 | 123.7 | ▲2.1% | ▲4.0% |
| Mississippi Manufacturing Employment Intensity Index 2007 =100. Source: URC using data from U.S. Bureau of Labor Statistics | 80.5 | 82.3 | 80.2 | ▼2.2% | ▲0.4% |
| University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers | 70.7 | 75.9 | 70.0 | ▼6.8% | ▲1.0% |
| ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management | 61.1 | 59.9 | 55.4 | ▲2.0% | ▲10.3% |
| U.S. retail sales Current dollars, in billions. Source: Bureau of the Census | 618.7 | 614.3 | 537.7 | ▲0.7% | ▲15.1% |
| U.S. Consumer Price Index (CPI) | 131.7 | 131.3 | 125.2 | ▲0.3% | ▲5.3% |
| U.S. Core CPI (excludes food and energy) 2007 = 100. Source: URC using data from Bureau of Labor Statistics | 132.6 | 132.4 | 127.5 | ▲0.1% | ▲4.0% |
| Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics | 6.0% | 6.1% | 7.8% | ▼0.1 | ▼1.8 |
| Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor | 53,414 | 55,336 | 401,779 | ▼3.5% | ▼86.7% |
| ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management | 61.9 | 61.7 | 57.8 | ▲0.3% | ▲7.1% |
| U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation | 2.92% | 2.93% | 3.03% | ▼0.01 | ▼0.10 |
| Mississippi average hourly wage for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics | 20.72 | 20.85 | 21.30 | ▼0.6% | ▼2.7% |
| Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics | 809.50 | 817.71 | 844.33 | ▼1.0% | ▼4.1% |
| NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses | 100.1 | 99.7 | 100.2 | ▲0.4% | ▼0.1% |
| U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis | 12.18 | 13.00 | 16.28 | ▼6.4% | ▼25.2% |
| Gaming revenue | 155.34 | 177.38 | 142.9 | ▼12.4% | ▲8.7% |
| Coastal counties | 93.86 | 101.60 | 84.6 | ▼7.6% | ▲10.9% |
| River counties Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue | 61.49 | 75.77 | 58.2 | ▼18.9% | ▲5.6% |

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 nonfarm employment in Mississippi fell by 4,100 jobs in August, a 0.4 percent decrease. As seen in Table 2, compared to one year ago total nonfarm employment in Mississippi for the month was higher by 27,600 jobs, an increase of 2.5 percent. Through August, the state has added 6,600 jobs in 2021.

According to BLS eleven states added jobs in August, three lost jobs, and employment was essentially unchanged in thirty-six states and the District of Columbia. California added 104,300 jobs, the most among all states, followed by Texas, which added 39,300 jobs, and New York, which added 23,500 jobs. Employment increased 1.1 percent in Kentucky, the largest percentage increase among all states. North Carolina lost 13,200 jobs, the most among all states, followed by the 6,500 jobs lost in Iowa and the 5,700 jobs lost in Hawaii. Employment in Hawaii fell 1.0 percent, the largest percentage decrease among all states.

Nonfarm employment was higher in forty-nine states and the District of Columbia in August compared to one year earlier and was unchanged in Maine. California added 874,300 jobs, the largest increase in employment among all states, followed by Texas, which added 681,000 jobs,

and New York, which added 411,100 jobs. Hawaii had the largest percentage increase in employment over the last twelve months among all states of 9.4 percent followed by the 8.4 percent increase in Nevada and the 6.4 percent increase in Vermont.

Only two sectors in Mississippi added jobs in August. Employment in Other Services rose by 400 jobs, which was the largest percentage increase of 1.0 percent. The other increase occurred in Trade, Transportation, and Utilities, which added 100 jobs. Employment in Arts and Entertainment, Government, Information, and Mining and Logging was unchanged in August. The largest decrease in employment occurred in Manufacturing, which lost 1,600 jobs. Employment in Educational Services fell 4.9 percent, the largest percentage decrease among all sectors.

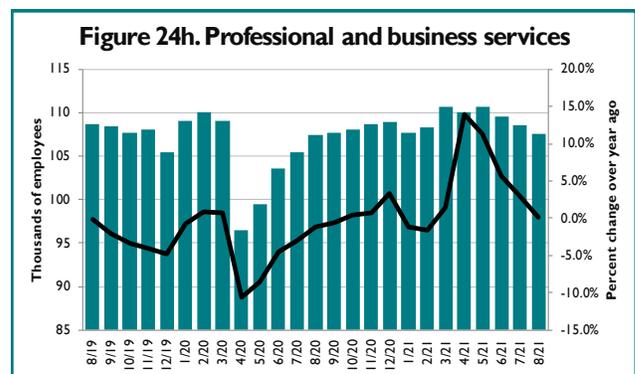
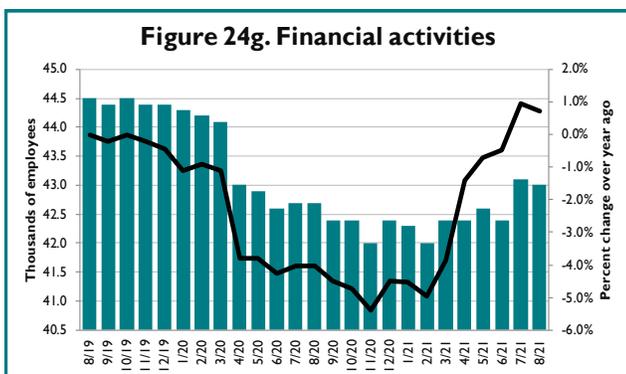
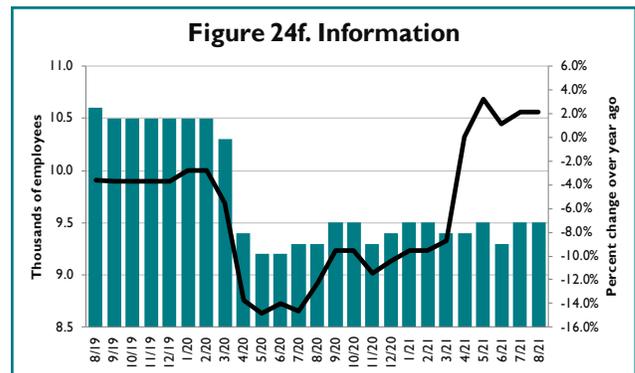
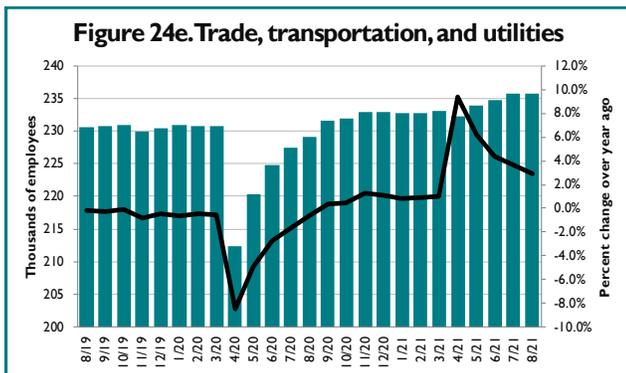
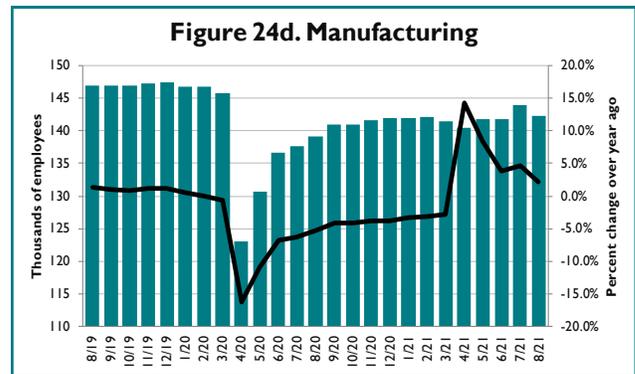
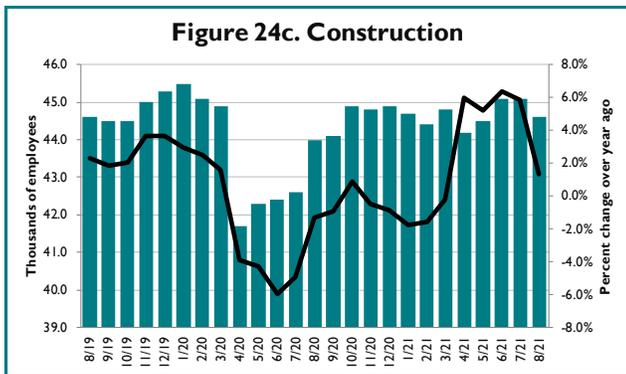
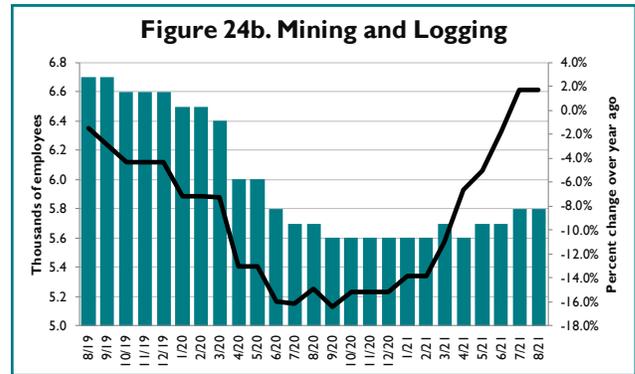
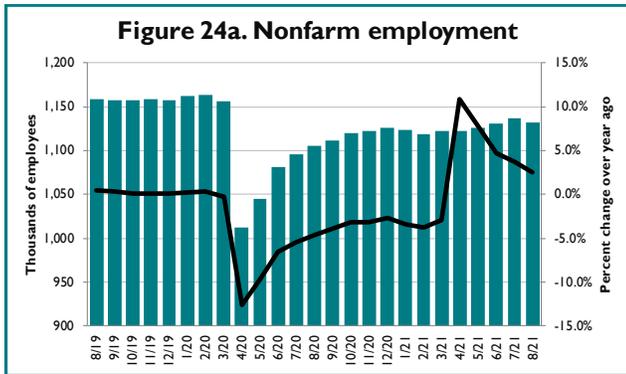
As in July employment was higher in every sector in the state over the last twelve months except Government, which was lower by 1,500 jobs, a decrease of 0.6 percent. Employment in the Retail Trade subsector fell by 1,200 jobs over the last twelve months, a 1.0 percent decrease. The Accommodation and Food Services sector added 12,000 jobs in the past year, the most among all sectors and the largest percentage increase in employment among all sectors of 11.2 percent.

Table 2. Change in Mississippi employment by industry, August 2021

| | Relative share of total ^a | August 2021 | July 2021 | August 2020 | Change from July 2021 | | Change from August 2020 | |
|-----------------------------------|--------------------------------------|-------------|-----------|-------------|-----------------------|---------|-------------------------|---------|
| | | | | | Level | Percent | Level | Percent |
| Total Nonfarm | 100.0% | 1,132,500 | 1,136,600 | 1,104,900 | ▼4,100 | ▼0.4% | ▲27,600 | ▲2.5% |
| Mining and Logging | 0.5% | 5,800 | 5,800 | 5,700 | ◀▶0 | ◀▶0.0% | ▲100 | ▲1.8% |
| Construction | 4.0% | 44,600 | 45,100 | 44,000 | ▼500 | ▼1.1% | ▲600 | ▲1.4% |
| Manufacturing | 12.6% | 142,300 | 143,900 | 139,200 | ▼1,600 | ▼1.1% | ▲3,100 | ▲2.2% |
| Trade, Transportation & Utilities | 20.8% | 235,800 | 235,700 | 229,100 | ▲100 | ◀▶0.0% | ▲6,700 | ▲2.9% |
| Retail Trade | 11.9% | 132,900 | 133,100 | 134,200 | ▼200 | ▼0.2% | ▼1,300 | ▼1.0% |
| Information | 0.8% | 9,500 | 9,500 | 9,300 | ◀▶0 | ◀▶0.0% | ▲200 | ▲2.2% |
| Financial Activities | 3.8% | 43,000 | 43,100 | 42,700 | ▼100 | ▼0.2% | ▲300 | ▲0.7% |
| Services | 36.6% | 417,000 | 419,000 | 398,900 | ▼2,000 | ▼0.5% | ▲18,100 | ▲4.5% |
| Professional & Business Services | 9.7% | 107,600 | 108,500 | 107,400 | ▼900 | ▼0.8% | ▲200 | ▲0.2% |
| Educational Services | 1.0% | 11,700 | 12,300 | 11,100 | ▼600 | ▼4.9% | ▲600 | ▲5.4% |
| Health Care and Social Assistance | 11.4% | 129,100 | 129,500 | 126,200 | ▼400 | ▼0.3% | ▲2,900 | ▲2.3% |
| Arts and Entertainment | 0.8% | 8,300 | 8,300 | 7,900 | ◀▶0 | ◀▶0.0% | ▲400 | ▲5.1% |
| Accommodation and Food Services | 10.2% | 118,800 | 119,300 | 106,800 | ▼500 | ▼0.4% | ▲12,000 | ▲11.2% |
| Other Services | 3.6% | 41,500 | 41,100 | 39,500 | ▲400 | ▲1.0% | ▲2,000 | ▲5.1% |
| Government | 20.9% | 234,500 | 234,500 | 236,000 | ◀▶0 | ◀▶0.0% | ▼1,500 | ▼0.6% |

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

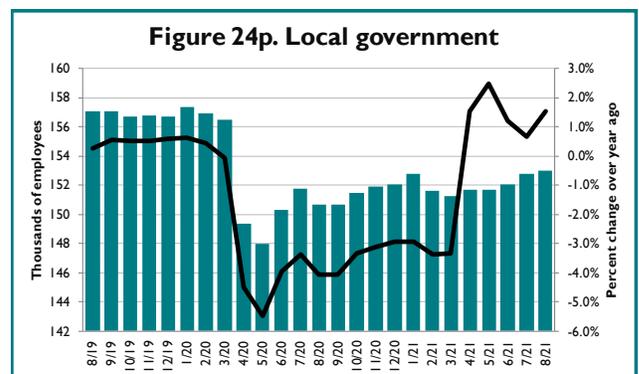
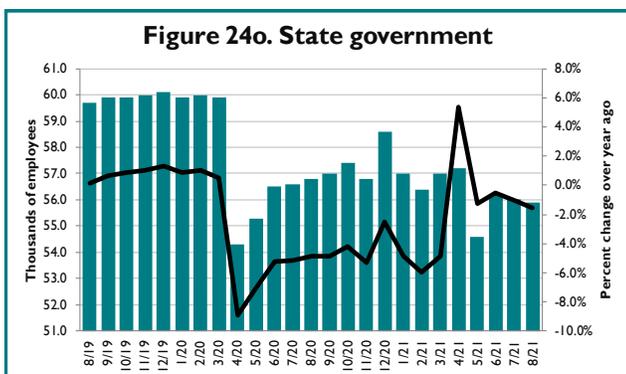
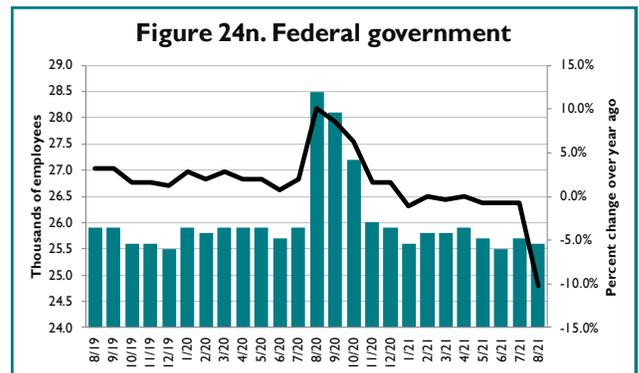
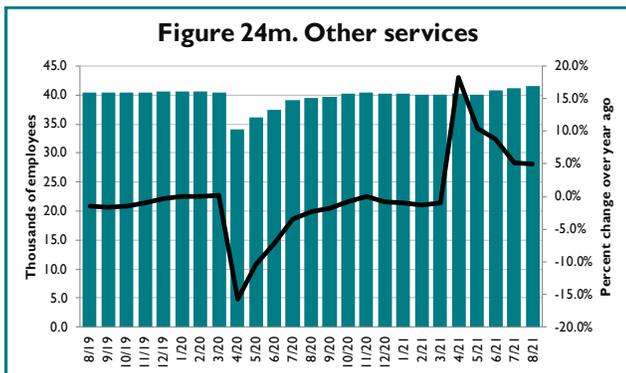
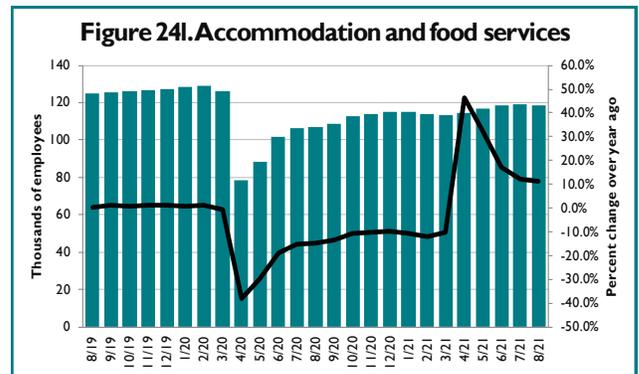
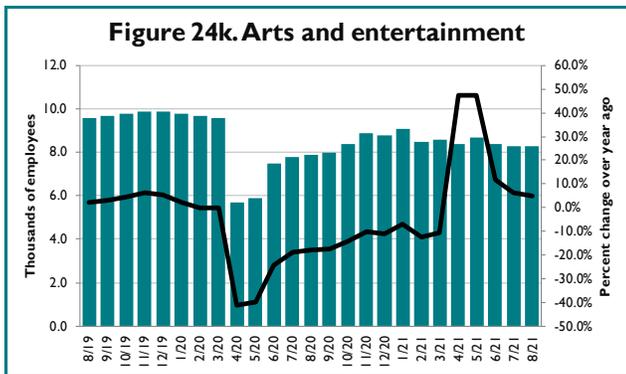
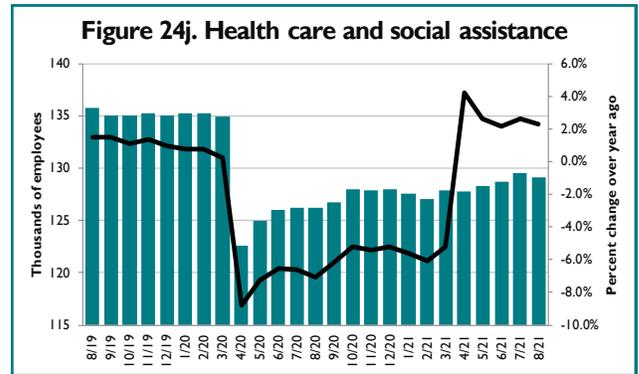
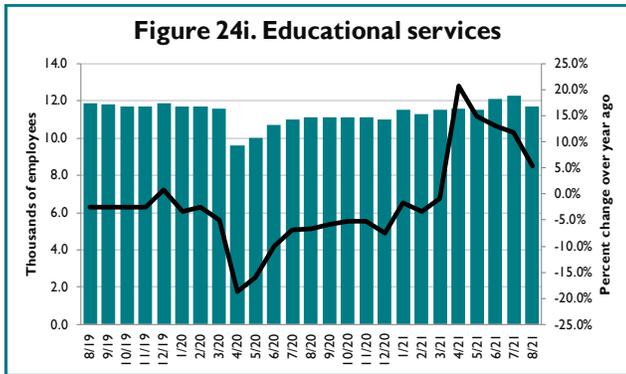
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

CHANGE IN REAL GDP BY STATE IN THE SECOND QUARTER OF 2021

The U.S. Bureau of Economic Analysis (BEA) reported annualized estimates of the change in real gross domestic product (GDP) by state for the second quarter of 2021 in October. (An annualized estimate is the actual change multiplied by four.) The change in U.S. real GDP in the first quarter according to BEA's third estimate was an increase of 6.7 percent as noted on page 1. Real GDP expanded in all fifty states and the District of Columbia in the second quarter according to BEA. In Mississippi real GDP increased at an annualized rate of 4.5 percent in the second quarter, which ranked fortieth among all states. BEA revised down the change in first quarter real GDP in Mississippi from an increase of 6.9 percent to an increase of 2.0 percent. Additionally, BEA revised previous years' estimates of real GDP for all states, and the change in real GDP for all of 2020 in Mississippi was revised up from a decrease of 2.8 to a decrease of 1.8 percent.

Table 3 below lists the contributions by sector to the 4.5 percent increase in the state's real GDP in the second quarter of 2021 from largest to smallest. (BEA's preliminary estimates only include the changes in major industries.) The largest contribution—slightly more than half of the total increase—came from the Accommodation and Food Service sector. This increase is not surprising considering this sector was among the hardest hit by the recession in 2020 in Mississippi and most states, and it continues to rebound from last year's contraction. The contributions from all other sectors in the state were less than 1.0 percentage point. The next largest contribution came from the Finance, Insurance, Real Estate, Rental, and Leasing sector, which equaled 0.89 percentage point. This contribution was followed by the Government and Government Enterprises sector, which added 0.78 percentage point to the total increase, and the Manufacturing sector, which contributed 0.52 percentage point to the total increase in real GDP in the second quarter. These four sectors combined were responsible for almost 99.0 percent of the total gain in second quarter real GDP. The remaining sectors that contributed positively made contributions of less than 0.5 percentage point. The contribution from the Management of Companies and Enterprises sector equaled zero. Four sectors made negative contributions to the change in real GDP in the

Table 3. Contributions to percent change in Mississippi real GDP by sector, second quarter 2021

| Sector | Percentage points |
|---|-------------------|
| Accommodation and Food Services | 2.28 |
| Finance, Insurance, Real Estate, Rental and Leasing | 0.89 |
| Government and Government Enterprises | 0.78 |
| Manufacturing | 0.52 |
| Professional, Scientific, and Technical Services | 0.46 |
| Information | 0.40 |
| Administrative and Support and Waste Management | 0.38 |
| Wholesale Trade | 0.33 |
| Health Care and Social Assistance | 0.30 |
| Other Services | 0.28 |
| Construction | 0.17 |
| Utilities | 0.15 |
| Educational Services | 0.05 |
| Mining, Quarrying, and Oil and Gas Extraction | 0.02 |
| Management of Companies and Enterprises | 0.00 |
| Arts, Entertainment, and Recreation | -0.05 |
| Agriculture, Forestry, Fishing and Hunting | -0.37 |
| Transportation and Warehousing | -0.46 |
| Retail Trade | -1.60 |
| Total | 4.5% |

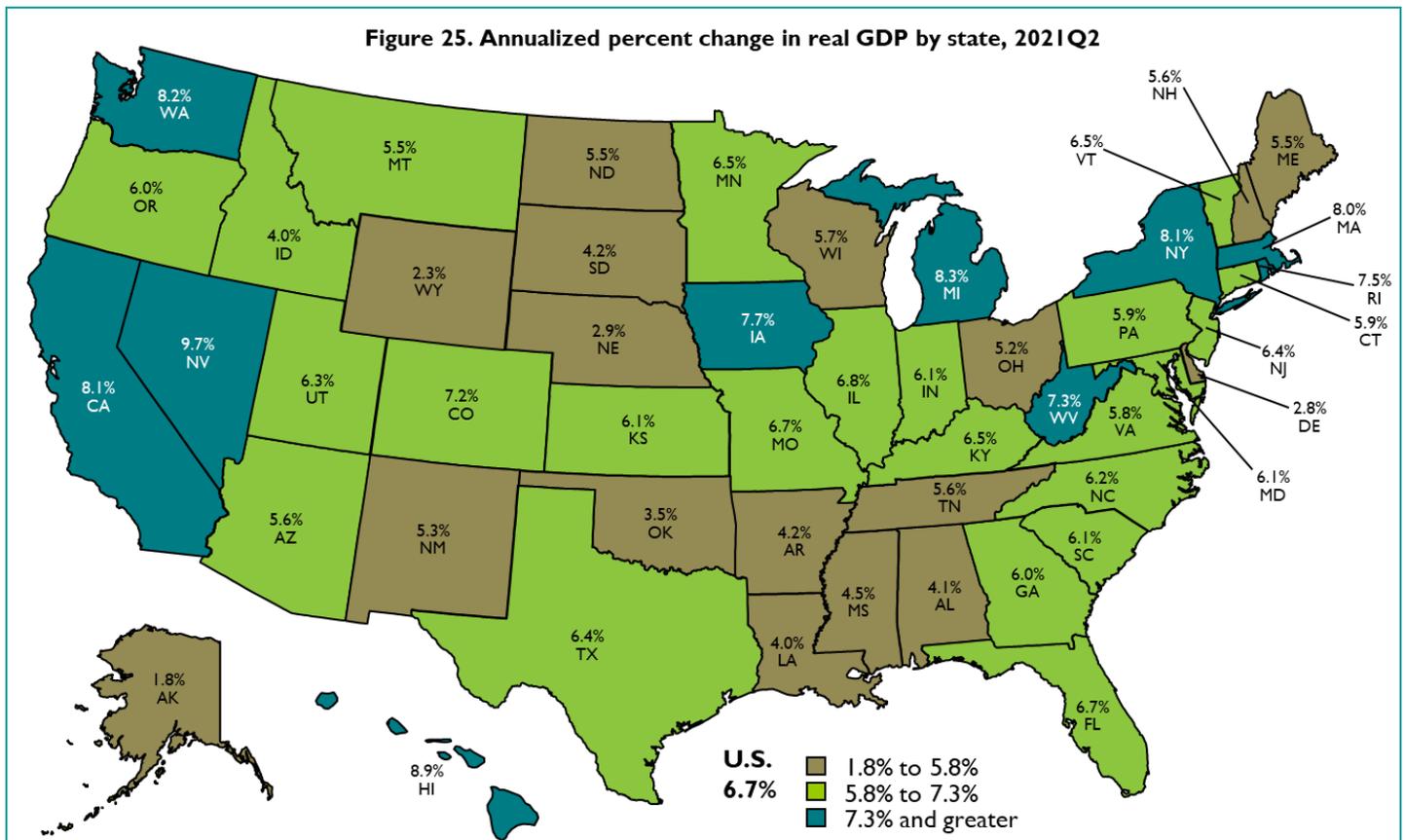
Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

CHANGE IN REAL GDP BY STATE IN THE FIRST QUARTER OF 2021, CONTINUED

second quarter. The Retail Trade sector made the largest reduction in real GDP of -1.60 percentage points. This sector was also among the hardest hit by the recession in 2020 and continues to deal with headwinds, including supply chain disruptions, price increases, and labor issues.

Figure 25 below depicts the annualized change in real GDP in the second quarter of 2021 by state according to BEA. A total of ten states had increases in real GDP of 7.3 percent or more. Twenty-three states experienced increases in real GDP in the second quarter of 5.8 percent up to 7.3 percent. Mississippi was one of seventeen states where real GDP increased in the second quarter by less than 5.8 percent. The smallest increase in real GDP in the second quarter among all states was the 1.8 percent increase in Alaska. The largest increase among all states was the 9.7 percent increase in Nevada. As a state heavily dependent on tourism, Nevada was among the hardest hit by the recession in 2020 and experienced a relatively strong rebound through the first half of 2021. The second largest increase in second quarter real GDP among all states was the 8.9 percent increase in Hawaii, another state heavily dependent on tourism that experienced a relatively robust recovery in the first half of 2021. The Accommodation and Food Services sector contributed to the increase in real GDP in all states in the second quarter and made the largest contribution to the increases in Nevada and Hawaii. The Information and Professional, Scientific, and Technical Services sectors also made positive contributions to the increase in real GDP in the second quarter in all fifty states. Notably, the Retail Trade sector made negative contributions to the change in real GDP in all states in the second quarter.



Source: U.S. Bureau of Economic Analysis.