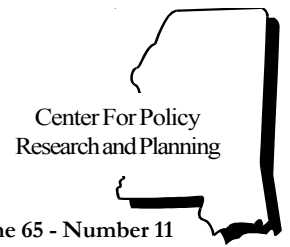


# MISSISSIPPI'S BUSINESS



November 2007

*Monitoring the State's Economy*

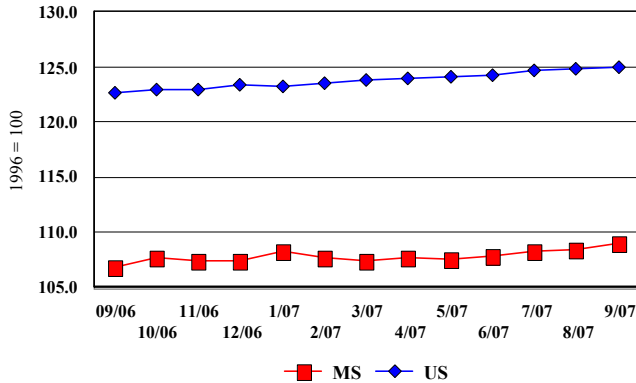
Volume 65 - Number 11

## ECONOMY AT A GLANCE

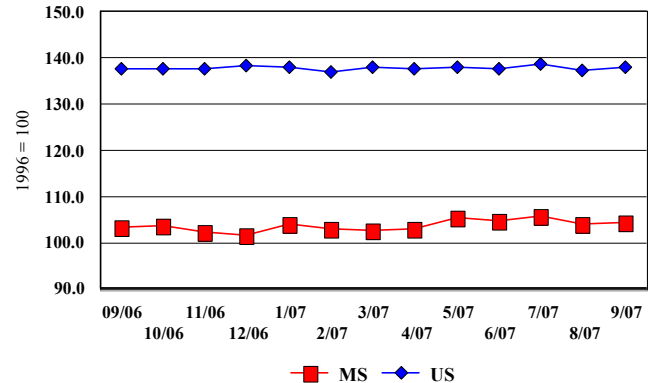
The Mississippi Index of Coincident Economic Indicators rose in September relative to August. With this increase the index reached a new historical peak. The series has trended upward since May. The Mississippi Index of Leading Indicators increased as well in September relative to August. The outlook remains for the economy to grow slowly, perhaps slightly better than the nation. The strength of the economy continues to be related to the rebuilding following Katrina. At the national level, both the leading and coincident index increased in September relative to August. According to the Conference Board, the national outlook is for slow growth.

Two major threats for the national economy are the continued problems related to the subprime mortgage market and the rising price of oil. The problems in the subprime mortgage market has resulted in a tightening of credit in other markets. Oil prices are hovering just above \$100 per barrel. Both of these factors could lead to further dampening of growth. Global Insight, a national forecasting service, says the chance of recession is around 35% in 2008 if oil prices remain high.

**Index of Coincident Indicators**



**Index of Leading Indicators**



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The last twelve issues of Mississippi Business are available on our web site. On this web site you will also find copies of some of our other publications, including *Population Projections*, *Mississippi Economic Review and Outlook*, and *The Handbook of Selected Data*. You will also find links to other useful data sources.

**Coincident Indicators**

The September Mississippi Index of Coincident Indicators was 109.0 or 0.5 percent above the revised August level. This level marks a historical peak for the index. The index has increased six out of nine months in 2007. Between January and September the index increased 0.8 percent.

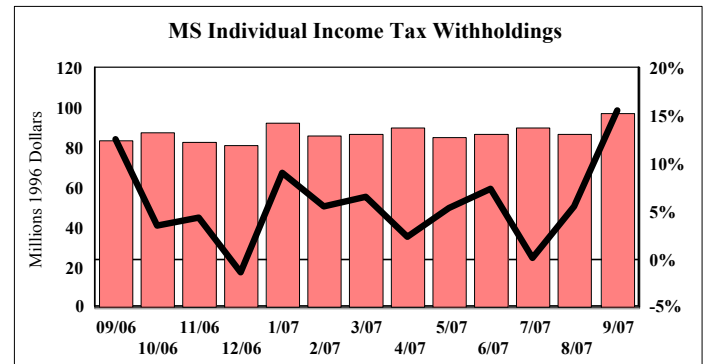
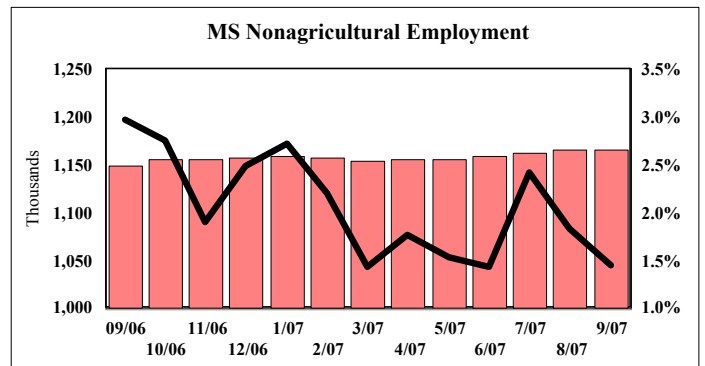
Nonagricultural employment was essentially unchanged in September relative to August. Employment in Mississippi is at an historically high level. Relative to a year ago, the strongest gains in employment have been in the construction industry. The monthly trends by major industry are depicted by the graphs on page 3.

Mississippi individual income tax withholdings rose 11.5 in September relative to August. This was a significant monthly increase. The series was up 15.5 percent relative to the year ago level. The figure on the top of page 4 shows the three month moving average trends of this series. Growth has been strong since Katrina.

**Leading Indicators**

The Mississippi Index of Leading Economic Indicators rose 0.3 percent in September over August. The September index of 104.3 was 0.9 percent above the year ago level. Three of the five compo-

Mississippi Index of Coincident Indicator Components



**NOTE:**

The bar graphs above represent the seasonally adjusted monthly series and correspond to the left-hand axis. The line graphs represents the growth rate over the prior year's value and correspond to the right-hand axis.

**SOURCES:**

Mississippi Employment Security Commission.  
Mississippi State Tax Commission.

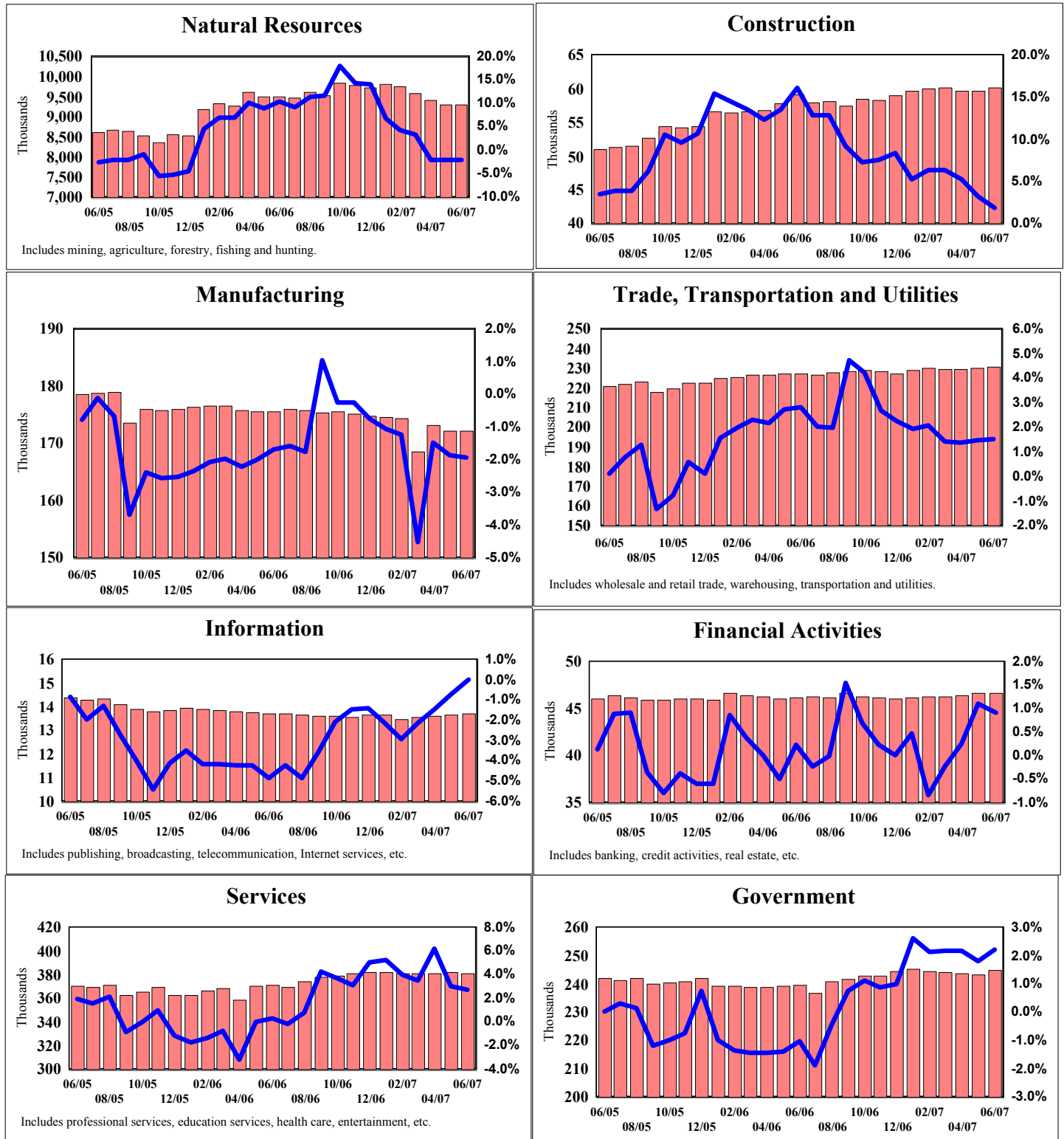
Mississippi Employment By Sector

|                                     | September |           | August    |      | September |       | Change from Last Year |       |
|-------------------------------------|-----------|-----------|-----------|------|-----------|-------|-----------------------|-------|
|                                     | 2007      | 2007      | 2007      | 2007 | 2006      | %     | # of Emp.             | %     |
| Non farm Employment                 | 1,165,477 | 1,165,630 | 1,148,951 |      | (153)     | -0.0% | 16,526                | 1.4%  |
| Natural Resources                   | 9,343     | 9,403     | 9,615     |      | (60)      | -0.6% | (272)                 | -2.8% |
| Construction                        | 61,945    | 61,735    | 57,640    |      | 210       | 0.3%  | 4,305                 | 7.5%  |
| Manufacturing                       | 172,465   | 172,446   | 175,243   |      | 19        | 0.0%  | (2,778)               | -1.6% |
| Trade, Transportation and Utilities | 230,537   | 230,008   | 227,757   |      | 529       | 0.2%  | 2,780                 | 1.2%  |
| Retail                              | 144,155   | 143,953   | 143,436   |      | 202       | 0.1%  | 719                   | 0.5%  |
| Information                         | 13,623    | 13,640    | 13,609    |      | (17)      | -0.1% | 14                    | 0.1%  |
| Financial Activities                | 46,654    | 46,324    | 46,530    |      | 330       | 0.7%  | 124                   | 0.3%  |
| Services                            | 383,143   | 382,882   | 377,373   |      | 261       | 0.1%  | 5,770                 | 1.5%  |
| Professional and Business Services  | 97,848    | 97,607    | 94,242    |      | 241       | 0.2%  | 3,606                 | 3.8%  |
| Education and Health Services       | 124,999   | 125,406   | 123,945   |      | (407)     | -0.3% | 1,054                 | 0.9%  |
| Leisure and Hospitality             | 122,942   | 122,577   | 122,057   |      | 365       | 0.3%  | 885                   | 0.7%  |
| Other Services                      | 37,354    | 37,292    | 37,129    |      | 62        | 0.2%  | 225                   | 0.6%  |
| Total Government                    | 248,005   | 249,372   | 241,488   |      | (1,367)   | -0.5% | 6,517                 | 2.7%  |
| Federal                             | 26,174    | 26,201    | 26,356    |      | (27)      | -0.1% | (182)                 | -0.7% |
| State                               | 59,614    | 59,978    | 58,679    |      | (364)     | -0.6% | 935                   | 1.6%  |
| Local                               | 162,175   | 163,174   | 156,409   |      | (999)     | -0.6% | 5,766                 | 3.7%  |

Data may not add due to rounding.

Source: Mississippi Department of Employment Security

# Mississippi Employment Trends



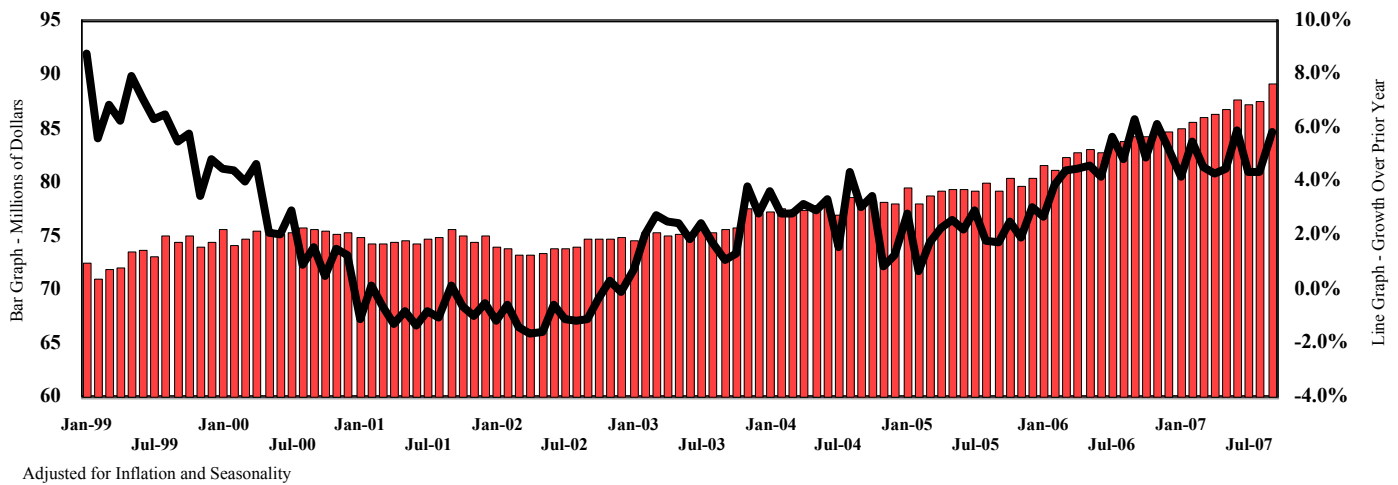
**NOTE:**

The bar graphs above represent the seasonally adjusted monthly series and correspond to the left-hand axis. The line graphs represent the growth over the prior year's value and correspond to the right-hand axis.

**SOURCE:**

Mississippi Employment Security Commission.

**Figure 1. Individual Income Tax Withholdings**  
3-Month Moving Average and Growth Over Prior Year



nents contributed positively to the September increase.

Initial unemployment claims fell a strong 13.7 percent in September relative to August. The series has been trending downward since March, falling five of the most recent six months. The series is 6.4 percent below the year ago level.

The value of residential building permits rose 2.4 percent in September relative to August. This marked the first increase since January and is only the second increase since November 2006. The State's housing industry has clearly been hurt by the national trends. The September increase is probably a brief respite from the declining trend of the past 11 months. National forecasters think the subprime mortgage problems will grow.

The U.S. Index of Consumer Expectations increased 0.5 percent in September relative to August. This increase may be a one month blip. The series has been trending downward throughout much of 2007. Rising fuel prices and the deteriorating housing market have driven the increased pessimism.

Average manufacturing workweek length fell slightly to 41.0 hours in September. The indicator remains at a high level. In September 2006 the level was 39.5 hours.

The Institute for Supply Management (ISM) Index of U.S. Manufacturing Activity fell to 50.9 in October. The October ISM Index is used in the September Mississippi Index of Leading Economic Indicators. The series has been trending downward for the past four months. An index above 50 indicates the national manufacturing industry is expanding. The index reached a level of 56 in June 2007.

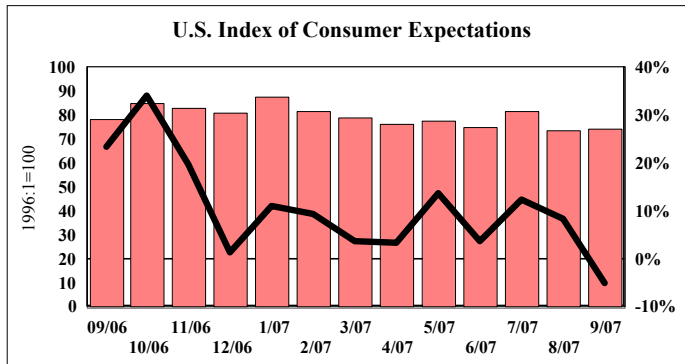
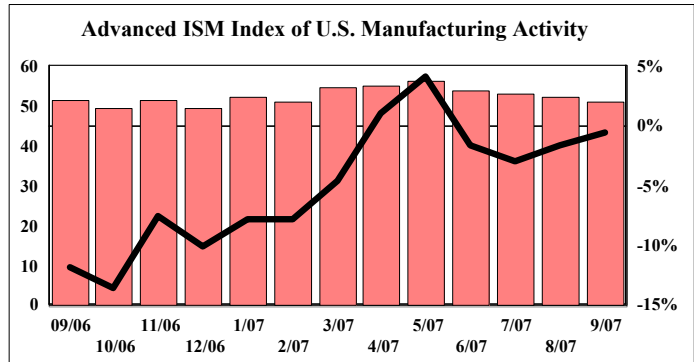
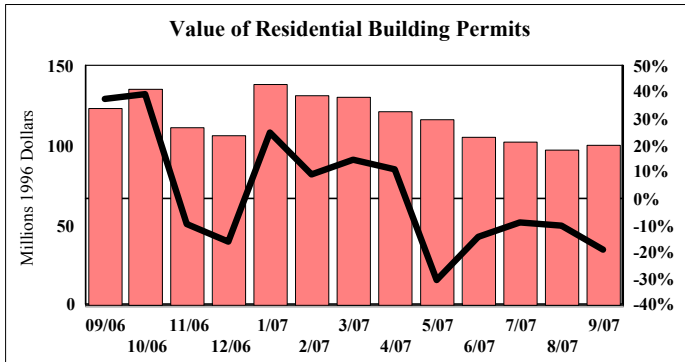
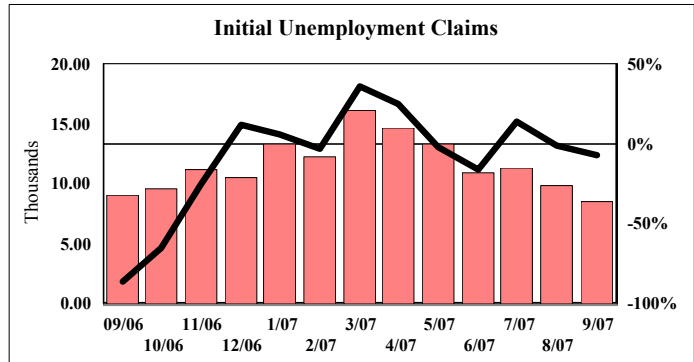
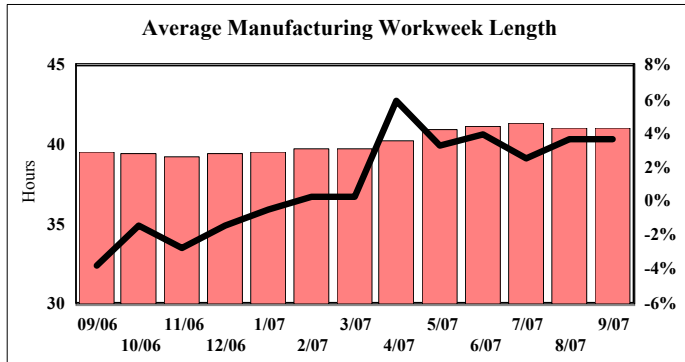
### U.S. Economy

The U.S. Index of Coincident Indicators rose 0.5 percent in September relative to August. Between March and September the series was up 1.9 percent annualized. This was below the long-term average growth of 2.6 percent.

The U.S. Leading index increased 0.3 percent in September relative to August. The series has been fluctuating up and down in recent months, such that the September level is unchanged from the March 2007 level. The series has been essentially flat in 2007. The Conference Board believes the index is pointing to continued slow growth in the near term.

There are two major risks to the National economy. First the continued decline in the housing industry and the impact it is having in tightening credit in other areas such as commercial real estate and consumer loans. Second is the rising oil prices. Prices are

Mississippi Index of Leading Indicator Components



**NOTE:**

The bar graphs above represent the seasonally adjusted monthly series and correspond to the left-hand axis. The line graph represents the growth rate over the prior year's value and corresponds to the right-hand axis.

**SOURCES:**

- Bureau of Labor Statistics.
- Bureau of the Census.
- The Conference Board.
- The Institute for Supply Management.

approaching \$100 per barrel. This means fewer dollars to spend in the economy after gasoline and heating fuel purchases. As a consequence, growth during the fourth quarter and into 2008 will be slow.

# Quips and Quotes:

*“I’d rather be vaguely right than precisely wrong”*

-- John Maynard Kenes

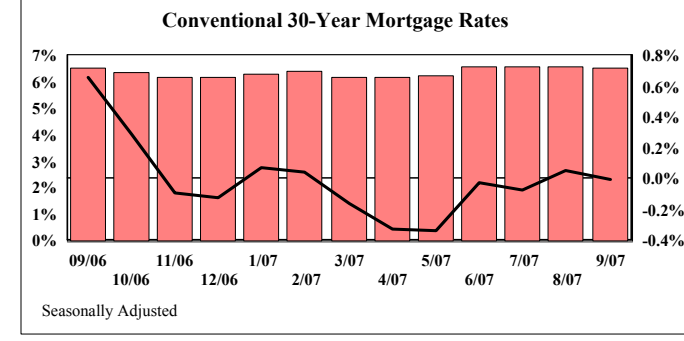
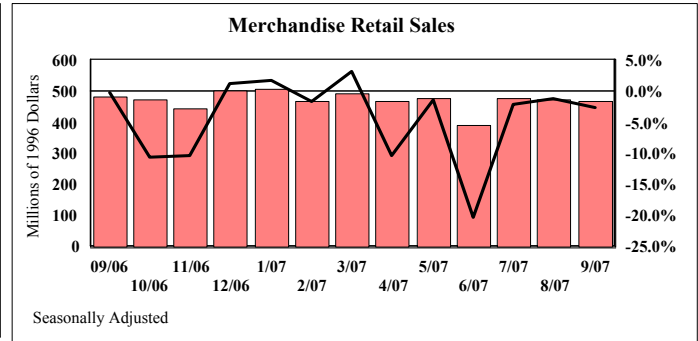
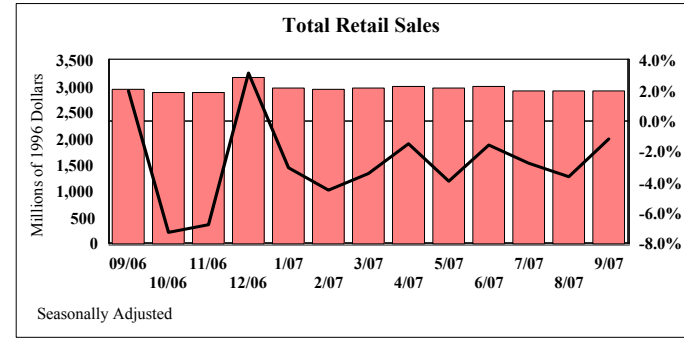
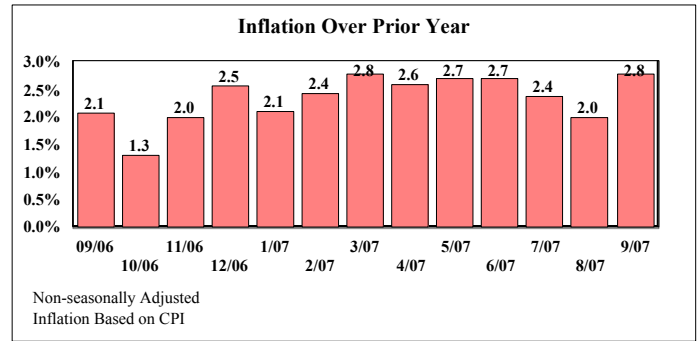
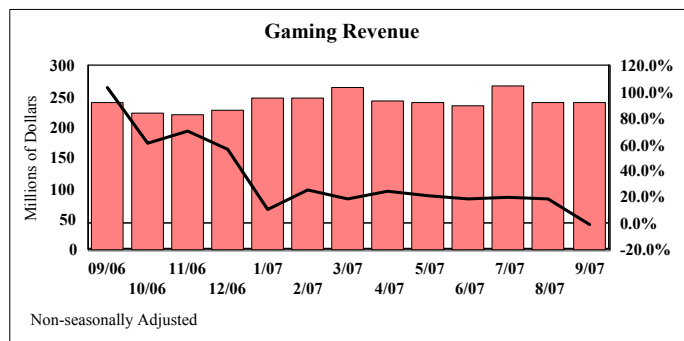
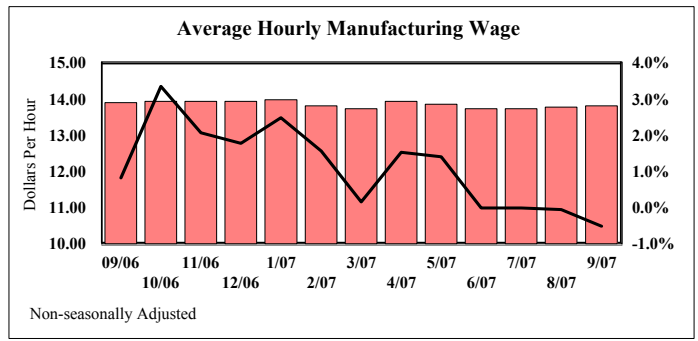
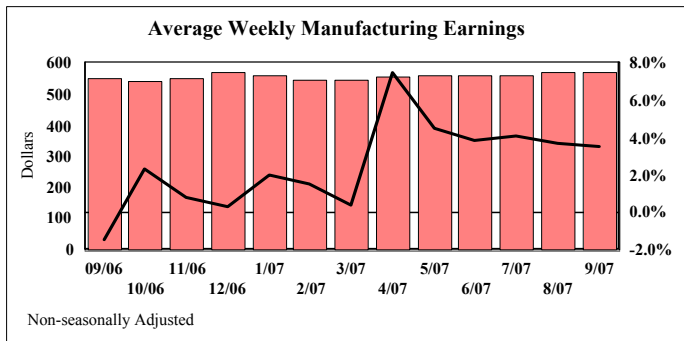
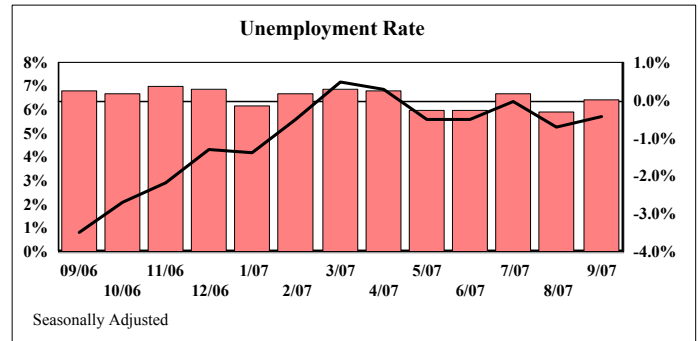
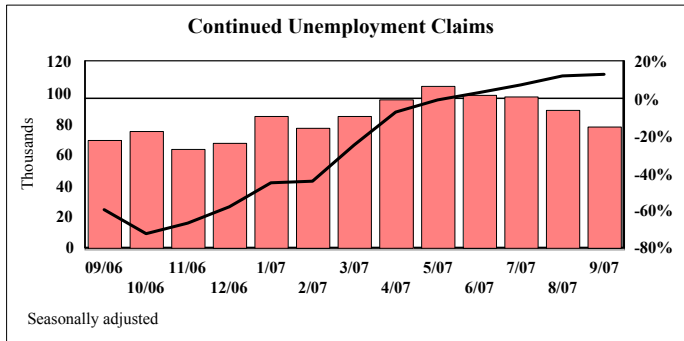
## SELECTED MISSISSIPPI ECONOMIC INDICATORS

|   | September<br>2007 | August<br>2007 | September<br>2006 | Percent Change From |             |
|---|-------------------|----------------|-------------------|---------------------|-------------|
|   |                   |                |                   | Last Month          | Last Year   |
| <b>Coincident Indicator Index</b>   | <b>109.0</b>      | <b>108.5</b>   | <b>106.8</b>      | <b>0.5%</b>         | <b>2.1%</b> |
| Nonagricultural Employment<br>(thousands)   | 1,165.5           | 1,165.6        | 1,149.0           | -0.0%               | 1.4%        |
| Individual Income Tax Withholdings<br>(millions of 1996 \$)   | 96.8              | 86.8           | 83.8              | 11.5%               | 15.5%       |
| <b>Leading Indicator Index</b>  | <b>104.3</b>      | <b>104.0</b>   | <b>103.3</b>      | <b>0.3%</b>         | <b>0.9%</b> |
| Initial Unemployment Claims   | 8,533             | 9,893          | 9,117             | -13.7%              | -6.4%       |
| Value of Residential Building Permits<br>(millions of 1996 \$)  | 100.0             | 97.6           | 123.3             | 2.4%                | -18.9%      |
| Average Manufacturing Workweek Length (hours)   | 41.0              | 41.1           | 39.5              | -0.2%               | 3.6%        |
| Advanced ISM Index of U.S. Manufacturing Activity<br>Index is advanced one month. Thus, the September index is reported for August. | 50.9              | 52.0           | 51.2              | -2.1%               | -0.6%       |
| U.S. Index of Consumer Expectations   | 74.1              | 73.7           | 78.2              | 0.5%                | -5.2%       |
| <b>Miscellaneous</b>  |                   |                |                   |                     |             |
| Consumer Price Index<br>U.S. (1996=100)   | 132.9             | 132.6          | 129.4             | 0.3%                | 2.8%        |
| Unemployment Rate (percentage)  |                   |                |                   |                     |             |
| Non-seasonally adjusted   | 6.1%              | 5.9%           | 6.2%              | 0.2%                | -0.1%       |
| Seasonally adjusted   | 6.4%              | 5.9%           | 6.8%              | 0.5%                | -0.4%       |
| Continued Unemployment Claims   | 78,184            | 88,249         | 69,130            | -11.4%              | 13.1%       |
| Average Manufacturing Wage (Non-seasonally adjusted)  |                   |                |                   |                     |             |
| Current Dollars per Hour  | 13.81             | 13.75          | 13.88             | 0.4%                | -0.5%       |
| 1996 Dollars per Hour   | 10.39             | 10.37          | 10.73             | 0.2%                | -3.2%       |
| Average Weekly Manufacturing Earnings (Non-seasonally adjusted)   |                   |                |                   |                     |             |
| Current Dollars   | 566.21            | 566.50         | 546.87            | -0.1%               | 3.5%        |
| 1996 Dollars  | 425.97            | 427.36         | 422.75            | -0.3%               | 0.8%        |
| U.S. Mortgage Rates<br>(30-year conventional)   | 6.5%              | 6.6%           | 6.5%              | -0.1%               | -0.0%       |
| Gaming Revenues (Non-seasonally adjusted)   |                   |                |                   |                     |             |
| Coast counties (millions of current \$)   | 111.7             | 108.6          | 109.6             | 2.9%                | 1.9%        |
| River counties (millions of current \$)   | 127.4             | 130.7          | 131.1             | -2.5%               | -2.8%       |
| Total   | 239.1             | 239.3          | 240.7             | -0.1%               | -0.7%       |

Note: The data are seasonally adjusted unless otherwise noted.

Unless otherwise noted all data refer to Mississippi.

Miscellaneous Economic Indicators



**NOTE:**

The bar graphs above represent the monthly series and correspond to the left-hand axis. The line graphs represents the growth rate over the prior year's value and correspond to the right-hand axis.

**SOURCES:**

- Mississippi Employment Security Commission.
- Mississippi State Tax Commission.
- Mississippi Gaming Commission.
- Federal Home Mortgage Corporation.
- Bureau of Labor Statistics.

# CONFIDENCE MIXED IN THE THIRD QUARTER

By Christian Pruett

According to recent surveys conducted by the Center for Policy Research and Planning, confidence was mixed in the third quarter as executive confidence fell slightly while consumer confidence increased compared to the second quarter. Executives were not as optimistic about current and future business conditions across the state and within their respective industries. In spite of the declining optimism, executive confidence remained at a historically strong level compared to previous years. Consumers were more upbeat about their current financial conditions, business conditions across the state, and the long-term outlook for the state's economy. While current conditions improved, consumers were not as optimistic about their future financial conditions. Rising energy prices, falling home prices, and a slowing economy were all listed as areas of concern for both consumers and executives.

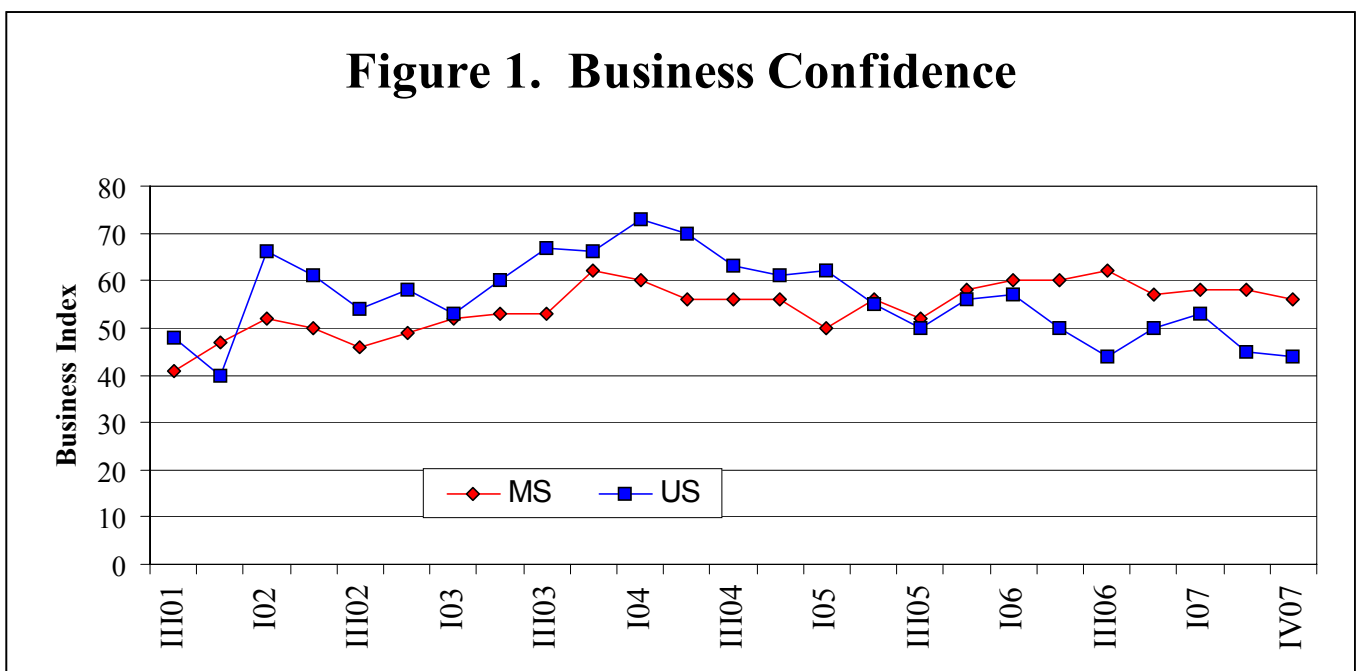
### Business Confidence

Business confidence fell slightly to a level of 56 in the third quarter, down 3.4 percent from 58 in the second quarter (See Appendix A). The business confidence index reflects the attitudes of Mississippi

executives towards current and future business conditions. An index level above 50 indicates more positive responses than negative responses. In Mississippi, the index level has been at or above 50 since the first quarter of 2003. On the national level, confidence fell slightly to a level of 44, a decrease of 2.2 percent from the second quarter index of index of 45. "Despite the rather bleak assessment of current conditions, CEOs are not as pessimistic in their short-term outlook," says Lynn Franco, Director of the Conference Board Consumer Research Center.

The business confidence survey centers around four questions concerning current and future conditions within Mississippi and within each industry. In Mississippi, many executives were more pessimistic about current and future business conditions, both within their respective industries and for the state as a whole. Approximately 36.1 percent of executives felt that business conditions in the state improved compared to six months ago, down from 37.3 percent in the second quarter. Within their respective industries, 24.6 percent indicated that conditions improved over the past six months, a decrease from 30.2 percent in

**Figure 1. Business Confidence**



the previous quarter. When looking at future business conditions, 44.6 percent felt that conditions would improve over the next six months for the state as a whole, compared to 54.6 percent in the previous quarter. Within their respective industries, 36.1 percent expected improved conditions, down from 41.9 percent in the second quarter.

Confidence increased or remained the same in five industrial sectors (manufacturing, services, health care, wholesale and construction), while declining in four sectors (retail, transportation and public utilities, finance, insurance and real estate, and agriculture). While changes in confidence shifted among the industrial sectors, confidence remained above 50 in all industrial sectors with the exception of transportation and public utilities and agriculture.

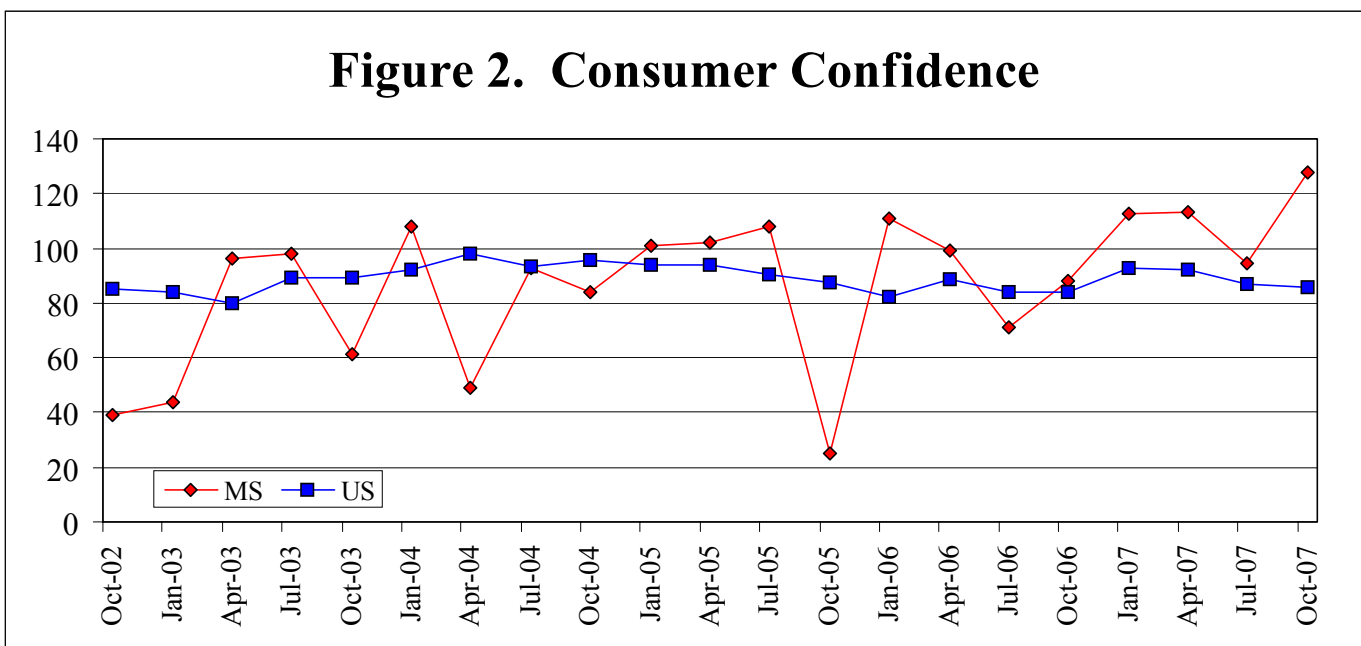
Executives were asked to comment on their hiring outlook over the next six months. Specifically, executives were asked, "Are you planning on having more employees on your payroll in the next six months compared to the previous six months?" Executives were asked to mark either definitely yes, possibly yes, unsure either way, possibly no, or definitely no. A majority of executives indicated that they were unsure or that they would not have more employees on the payroll.

**Consumer Confidence**

Consumer confidence improved to a level of 128 in the third quarter, an increase of 36.2 percent. Overall, consumers were more upbeat about their current financial situations. In addition, consumers were optimistic about business conditions and the long-term outlook for the state's economy. Consumers were not as enthusiastic about their future financial conditions. Increasing gas prices, fall home prices, and concerns over economic conditions are weighing on consumer's expectations for future financial conditions.

When looking at their current financial situations, 25.9 percent of respondents stated that they were better off financially compared to six months ago, up from 21.3 percent in the second quarter. When looking one year into the future, 36.3 percent of respondents expected to be better off financially, a slight decline from 36.9 percent in the previous quarter. When asked about future business conditions within the coming year, 29.2 percent indicated that conditions would improve compared to 26.8 percent in the second quarter. Overall, 30.2 percent felt that the state would experience good times financially over the course of the next five years, while 55.2 percent anticipated a mixture of good and bad times. Approximately 64.2 percent of consumers felt that

**Figure 2. Consumer Confidence**



now was a good time to purchase major household items (such as refrigerators, stoves, and other durable goods).

Nationally, consumer confidence fell slightly to a level of 86, down one point from 87 in the second quarter. When analyzing confidence on a monthly basis, confidence dropped dramatically from April to July, but confidence leveled out in August and September. According to Richard Curtin, Director of the University of Michigan's Surveys of Consumers, "Consumers quickly tempered their reactions to the

crisis in financial markets and a fear-induced free-fall in confidence was avoided." Consumers are expected to be more cautious over the next several months in terms of spending.

#### METHODOLOGY FOR BUSINESS CONFIDENCE SURVEY

The Mississippi Business Confidence Survey (BCS) closely follows the methodology used by the Conference Board in their Measure of U.S. Business Confidence. The BCS surveys the attitudes of Mississippi business executives in an attempt to gain their opinion concerning economic conditions, such as, profits, sales, production, and employment. A list of 1000 companies were sent surveys. A total of 130 (13.0%) were returned (Appendix A). An index was generated from the responses. This index is computed each quarter and compared to previous quarters to determine whether business executives' outlook for the economy has increased or decreased.

The index is derived by assigning values for each response and calculating an average. An index value of more than 50 signifies a higher number of positive answers (substantially or moderately better) than negative (moderately or significantly worse) and vice versa. If this index rises over time, then business executives' confidence in economic conditions is assumed to be improving. Coming directly from the source of economic activity, the business community, the opinions expressed in the BCS can be a strong indicator of Mississippi's future economic performance. Information gained from this survey helps improve future forecasts of state revenues, production, and other valuable indicators of the state's economy.

#### METHODOLOGY FOR CONSUMER CONFIDENCY SURVEY

The methodology for conducting the Mississippi CCS was closely modeled after the U.S. consumer confidence survey managed by the University of Michigan. The CCS was generated by conducting a random sample of households with telephones. From these responses, an index of economic expectations and satisfaction was computed. This index can be used to determine if the overall attitudes of consumers, based on personal finances and business conditions, are rising or falling. The survey was divided into five geographical subgroups approximately coinciding with the U.S. congressional districts, allowing for a regional assessment of economic expectations and satisfaction. The regional index values for the last five quarters, along with the number of respondents can be obtained by contacting the Center for Policy Research and Planning.

The five questions with the results for the State can be found in Appendix 2. The questions generally ask about: 1) past and future family financial conditions relative to now; 2) expectations of business conditions for the future; and 3) whether now is a good time to make a major purchase. The percentages of positive answers from the five questions are summed. (A positive answer is "better" on questions one and two, "good times" on questions three and four, and "yes" on question five.) The percentages of negative answers from the five questions are summed. (A negative answer is "worse" on questions one and two, "bad times" on question three, "widespread unemployment" on question four, and "no" on question five.) The May 1994 survey results are the base. The sum of negative answers are subtracted from the sum of positive answers. The net sum each quarter is divided by the base and multiplied by 100, forming an index. If the overall index rises, consumers' confidence in their personal finances and business conditions is assumed to have risen over the observation period, and the opposite if it falls.

Table 1. Response to Question Concerning Hiring Outlook: "Are you planning on having more employees on your payroll in the next six months compared to the previous six months?"

| <u>Issue</u>      | <u>Q307</u> |
|-------------------|-------------|
| Definitely Yes    | 9.2%        |
| Possibly Yes      | 18.5%       |
| Unsure Either Way | 19.2%       |
| Possibly No       | 21.5%       |
| Definitely No     | 31.5%       |

## Appendix A - Business Confidence Statistics

### Business Confidence Index by Industry

|                                   | <u>Third Quarter 2007</u> |                         | <u>Second Quarter 2007</u> |                         | <u>Third Quarter 2006</u> |                         |
|-----------------------------------|---------------------------|-------------------------|----------------------------|-------------------------|---------------------------|-------------------------|
|                                   | <u>Number Reporting</u>   | <u>Confidence Index</u> | <u>Number Reporting</u>    | <u>Confidence Index</u> | <u>Number Reporting</u>   | <u>Confidence Index</u> |
| <b>U.S.</b>                       |                           | <b>44</b>               |                            | <b>45</b>               |                           | <b>44</b>               |
| <b>STATE</b>                      | <b>130</b>                | <b>56</b>               | <b>86</b>                  | <b>58</b>               | <b>136</b>                | <b>62</b>               |
| Manufacturing                     | 11                        | 55                      | 2                          | 46                      | 7                         | 54                      |
| Services                          | 34                        | 57                      | 27                         | 56                      | 34                        | 66                      |
| Health Care                       | 6                         | 71                      | 8                          | 54                      | 14                        | 58                      |
| Retail                            | 33                        | 50                      | 23                         | 58                      | 24                        | 58                      |
| Transportation & Public Utilities | 5                         | 47                      | 3                          | 78                      | 8                         | 69                      |
| Wholesale                         | 11                        | 55                      | 2                          | 50                      | 6                         | 68                      |
| Construction                      | 9                         | 70                      | 6                          | 63                      | 17                        | 68                      |
| Finance, Insurance, Real Estate   | 12                        | 63                      | 7                          | 64                      | 15                        | 69                      |
| Agriculture                       | 6                         | 44                      | 5                          | 63                      | 8                         | 39                      |
| Other                             | 3                         | 53                      | 3                          | 39                      | 3                         | 53                      |

Note: The third quarter covers the three month period ending in September.

Source: The Conference Board, Quarterly Report, Third Quarter 2007.  
Center for Policy Research and Planning, October 2007.

## Appendix A, Cont'd.

1. How do you rate the Mississippi business conditions as a whole compared to six months ago?

|                      | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|----------------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|                      | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Substantially better | 12                 | 9.2%             | 4                   | 4.7%             | 18                 | 13.2%            |
| Moderately better    | 35                 | 26.9%            | 28                  | 32.6%            | 47                 | 34.6%            |
| Same                 | 52                 | 40.0%            | 34                  | 39.5%            | 49                 | 36.0%            |
| Moderately worse     | 28                 | 21.5%            | 18                  | 20.9%            | 17                 | 12.5%            |
| Substantially worse  | 3                  | 2.3%             | 2                   | 2.3%             | 5                  | 3.7%             |

2. How do you rate the Mississippi business conditions in just your industry, as compared to six months ago?

|                      | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|----------------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|                      | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Substantially better | 6                  | 4.6%             | 3                   | 3.5%             | 12                 | 8.8%             |
| Moderately better    | 26                 | 20.0%            | 23                  | 26.7%            | 41                 | 30.1%            |
| Same                 | 41                 | 31.5%            | 33                  | 38.4%            | 53                 | 39.0%            |
| Moderately worse     | 48                 | 36.9%            | 20                  | 23.3%            | 25                 | 18.4%            |
| Substantially worse  | 9                  | 6.9%             | 7                   | 8.1%             | 5                  | 3.7%             |

3. Looking ahead about six months as compared to now, do you think Mississippi business conditions for the Mississippi economy as a whole will be:

|                      | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|----------------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|                      | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Substantially better | 14                 | 10.8%            | 10                  | 11.6%            | 17                 | 12.5%            |
| Moderately better    | 44                 | 33.8%            | 37                  | 43.0%            | 56                 | 41.2%            |
| Same                 | 53                 | 40.8%            | 27                  | 31.4%            | 48                 | 35.3%            |
| Moderately worse     | 16                 | 12.3%            | 11                  | 12.8%            | 14                 | 10.3%            |
| Substantially worse  | 3                  | 2.3%             | 1                   | 1.2%             | 1                  | 0.7%             |

4. In just your own industry, do you think business in Mississippi over the next six months, compared to now, will be:

|                      | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|----------------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|                      | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Substantially better | 9                  | 6.9%             | 6                   | 7.0%             | 12                 | 8.8%             |
| Moderately better    | 38                 | 29.2%            | 30                  | 34.9%            | 61                 | 44.9%            |
| Same                 | 51                 | 39.2%            | 34                  | 39.5%            | 45                 | 33.1%            |
| Moderately worse     | 27                 | 20.8%            | 11                  | 12.8%            | 17                 | 12.5%            |
| Substantially worse  | 5                  | 3.8%             | 5                   | 5.8%             | 1                  | 0.7%             |

## Appendix B - Consumer Confidence Statistics

1. Financially speaking, would you say that you and your family are better off, worse off, or about the same as you were a year ago?

|            | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|            | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Better     | 55                 | 25.9%            | 61                  | 21.3%            | 60                 | 26.3%            |
| Worse      | 39                 | 18.4%            | 58                  | 20.2%            | 50                 | 21.9%            |
| About Same | 116                | 54.7%            | 165                 | 57.5%            | 115                | 50.4%            |
| Don't Know | 2                  | 0.9%             | 3                   | 1.0%             | 3                  | 1.3%             |

2. Looking ahead a year from now, do you think you and your family will be better off financially, worse off, or about the same as now?

|            | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|            | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Better     | 77                 | 36.3%            | 106                 | 36.9%            | 84                 | 36.8%            |
| Worse      | 15                 | 7.1%             | 24                  | 8.4%             | 15                 | 6.6%             |
| About Same | 106                | 50.0%            | 139                 | 48.4%            | 114                | 50.0%            |
| Don't Know | 14                 | 6.6%             | 18                  | 6.3%             | 15                 | 6.6%             |

3. Looking at the business conditions in Mississippi, do you think over the next twelve months that we will have good time financially, bad times, or things will remain the same?

|            | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|            | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Better     | 62                 | 29.2%            | 77                  | 26.8%            | 68                 | 29.8%            |
| Worse      | 34                 | 16.0%            | 41                  | 14.3%            | 38                 | 16.7%            |
| About Same | 102                | 48.1%            | 149                 | 51.9%            | 98                 | 43.0%            |
| Don't Know | 14                 | 6.6%             | 20                  | 7.0%             | 24                 | 10.5%            |

4. Looking at Mississippi over a longer period of time, would you say that the State as a whole over the next five years will experience good times, widespread unemployment, or a mix of good and bad times?

|                         | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|-------------------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|                         | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Good Times              | 64                 | 30.2%            | 62                  | 21.6%            | 44                 | 19.3%            |
| Widespread Unemployment | 10                 | 4.7%             | 13                  | 4.5%             | 22                 | 9.6%             |
| Good and Bad Times      | 117                | 55.2%            | 187                 | 65.2%            | 146                | 64.0%            |
| Don't Know              | 21                 | 9.9%             | 25                  | 8.7%             | 16                 | 7.0%             |

5. Generally speaking, do you think now is a good time for people to buy major household items for their home, such as a refrigerator, stove, furniture, or a television?

|            | Third Quarter 2007 |                  | Second Quarter 2007 |                  | Third Quarter 2006 |                  |
|------------|--------------------|------------------|---------------------|------------------|--------------------|------------------|
|            | No. of Answers     | Percent of Total | No. of Answers      | Percent of Total | No. of Answers     | Percent of Total |
| Yes        | 136                | 64.2%            | 161                 | 56.1%            | 120                | 52.6%            |
| No         | 52                 | 24.5%            | 87                  | 30.3%            | 71                 | 31.1%            |
| Don't Know | 24                 | 11.3%            | 39                  | 13.6%            | 37                 | 16.2%            |