



ECONOMY AT A GLANCE

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

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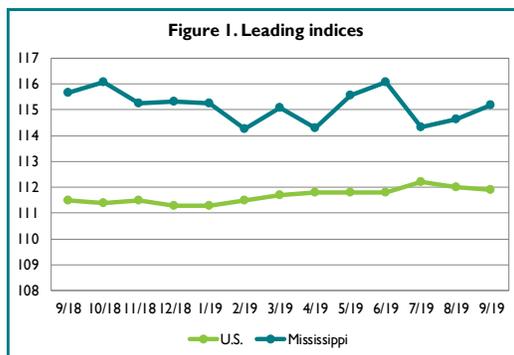
Figure 1 below indicates the value of the Mississippi Leading Index (MLI) climbed 0.5 percent in September. The value of the MLI for the month was down 0.4 percent compared to one year ago.

In September the value of the Mississippi Coincident Index (MCI) rose 0.1 percent as Figure 2 below indicates. Compared to one year ago the value for the month was 1.6 percent higher.

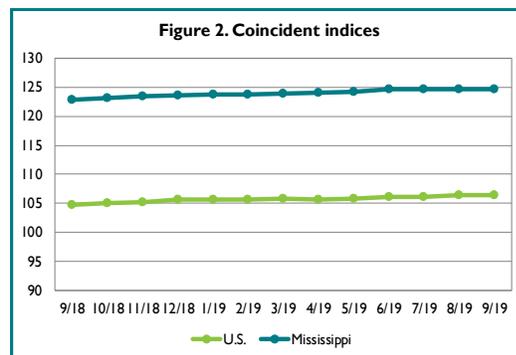
The U.S. Bureau of Economic Analysis (BEA) reported U.S. real gross domestic product (GDP) rose 1.9 percent in the third quarter of 2019 in its initial estimate. While growth in consumer spending was less than in the previous quarter, the change in business investment was negative for the second consecutive quarter. Trade tensions and a lack of direction in the nation's politics likely contributed to

the latter's decline. BEA's estimate of the change in U.S. real GDP for the second quarter of 2019 remained 2.0 percent.

For the second consecutive month the Mississippi Manufacturing Employment Intensity Index pushed the MLI to a gain in September. Building permits continued its recent upward trend while withholdings rose for the first time since May. Employment in Mississippi was relatively flat for the fourth consecutive month and continued unemployment claims continue to inch higher. The U.S. economy has clearly slowed since the first quarter of 2019 as the nation's manufacturing sector has struggled and business investment has fallen. So far, consumers have mostly taken up the slack. While lacking momentum, the Mississippi economy appears to be holding its own as the end of 2019 approaches.



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 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 2004.

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

In September the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased 0.5 percent as seen in Figure 3, its largest monthly gain since May. The value of the MLI remained 0.4 percent lower for the month compared to one year ago. Over the last six months the value of the MLI rose 0.1 percent.

As in August, four of the seven components of the MLI made positive contributions in September. The contribution of the Mississippi Manufacturing Employment Intensity Index again led all components, slightly more than the contribution of building permits. Each component is discussed below in order of largest to smallest contribution.

As seen in Figure 4 the value of the **Mississippi Manufacturing Employment Intensity Index** rose 1.7 percent in September, its second consecutive monthly increase. Compared to one year ago the value was up 2.1 percent, only the third year-over-year increase in 2019. Both average weekly hours of production employees in the state and manufacturing employment increased slightly in September.

The value of **Mississippi residential building permits** (three-month moving average) increased 6.3 percent in September as seen in Figure 5. The value for September was up 10.0 percent compared to one year earlier, the first month with a year-over-year increase since March. The number of units in the state rose 6.7 percent in September, the third consecutive monthly increase. The number of units in the state for the month compared to one year ago was 8.2 percent higher, also the first month with a year-over-year increase since March. The number of privately-owned housing units authorized by building permits in the U.S. fell 2.7 percent in September from the revised August rate. The number of units in the U.S. in August was 7.7 percent higher compared to one year ago.

After three consecutive months of declines, the value of **Mississippi income tax withholdings** (three-month moving average) increased 0.6 percent in September as seen in Figure 6. Compared to one year ago the value of withholdings was up 0.5 percent, the first year-over-year increase since June. Over the last six months the value of income tax withholdings in Mississippi also rose 0.5 percent.

As Figure 7 indicates the value of the **ISM Index of U.S. Manufacturing Activity** rose 1.0 percent in October, its first increase since March. The value of the Index in October remained 16.0 percent lower compared to one

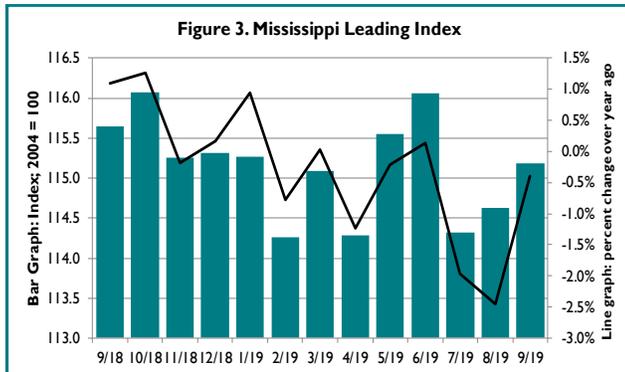
year ago. In addition, the value remained below the 50.0 expansion level for the third consecutive month. The New Orders, Inventories, and Employment components increased while the Production and Supplier Deliveries components decreased. The latter's decline meant all components of the Index were in contractionary territory in October. The value of the prices paid index rose tumbled to its lowest level since July.

Figure 8 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi increased 1.5 percent in September. Compared to one year ago the value for the month was 19.3 percent higher. The value of seasonally-adjusted continued unemployment claims in Mississippi climbed 16.2 percent in September as seen in Figure 16 on page 6, the largest monthly increase since November 2015. The number of continued unemployment claims in Mississippi in September was 12.6 percent higher compared to one year ago, the largest year-over-year increase since January 2010. The U.S. Bureau of Labor Statistics reported the seasonally-adjusted unemployment rate in Mississippi in September was 5.4 percent, an increase of 0.2 percentage point from the previous month as seen in Figure 17 on page 6. The rate reached its highest level since January 2017. The state's unemployment rate was up 0.7 percentage point in September compared to one year ago.

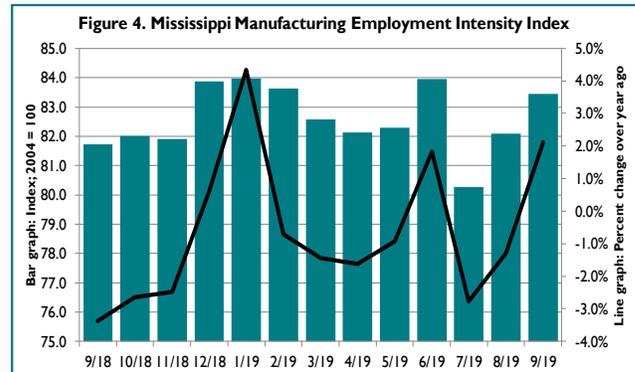
The value of **U.S. retail sales** fell in September after six consecutive months of increases as seen in Figure 9. The decline of 0.3 percent was unexpected, but compared to one year earlier sales remained 4.1 percent higher in September. Retail sales for August were revised up slightly to a gain of 0.6 percent. The largest decline among all segments occurred in building materials and decreases in sales of motor vehicles and parts and gasoline also pushed total sales lower. Sales excluding automobiles and gasoline were unchanged in September. The largest increase among all categories occurred in clothing and accessories, which experienced its largest gain since March.

For the third consecutive month the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) decreased in September, falling 2.5 percent as seen in Figure 10. Compared to one year ago the value of the Index was down 7.3 percent. In the most recent survey both short-term (one-year) and long-term (five-year) inflation decreased, the former to its lowest level since April.

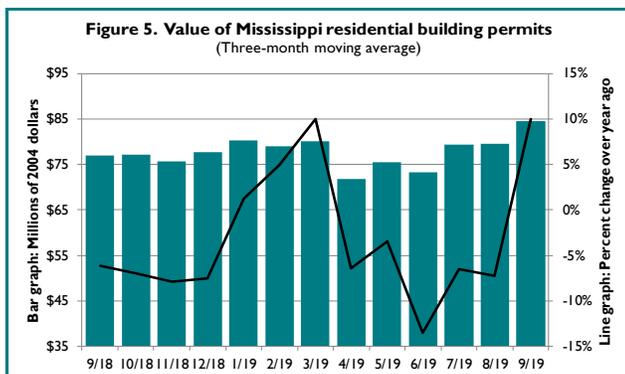
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



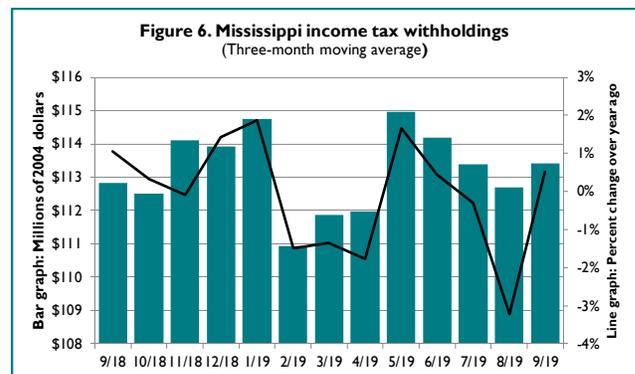
Source: University Research Center



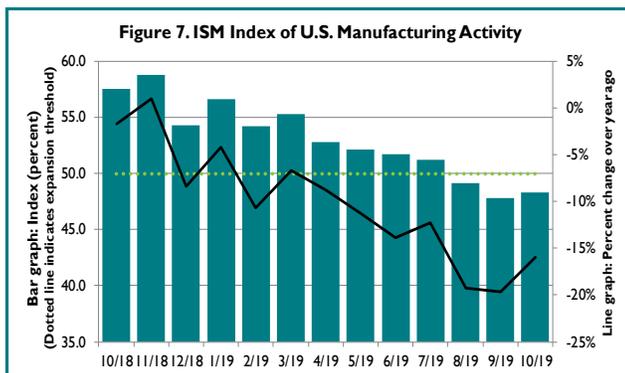
Source: URC using data from U.S. Bureau of Labor Statistics



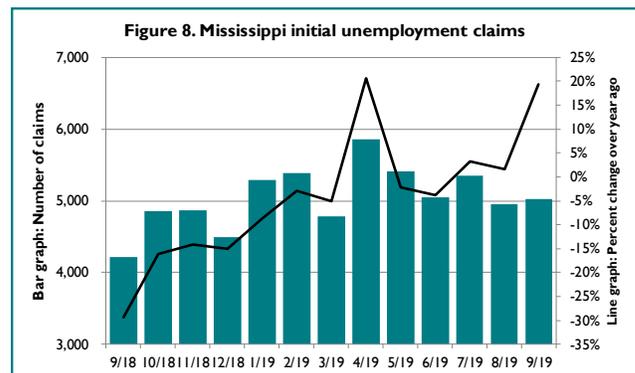
Source: U.S. Bureau of the Census; seasonally adjusted



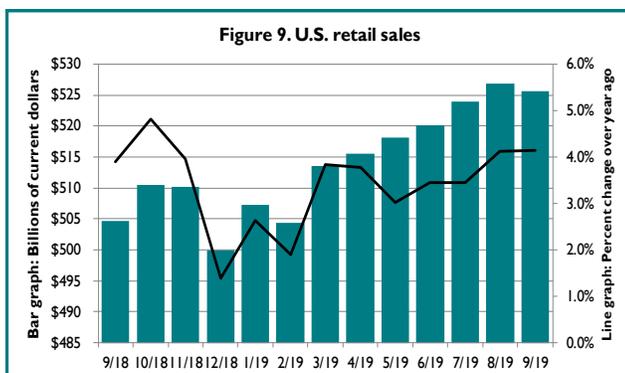
Source: Mississippi Department of Revenue; seasonally adjusted



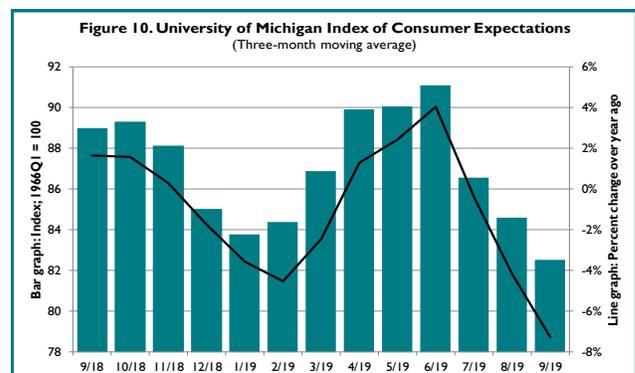
Source: Institute for Supply Management



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



Source: U.S. Bureau of the Census



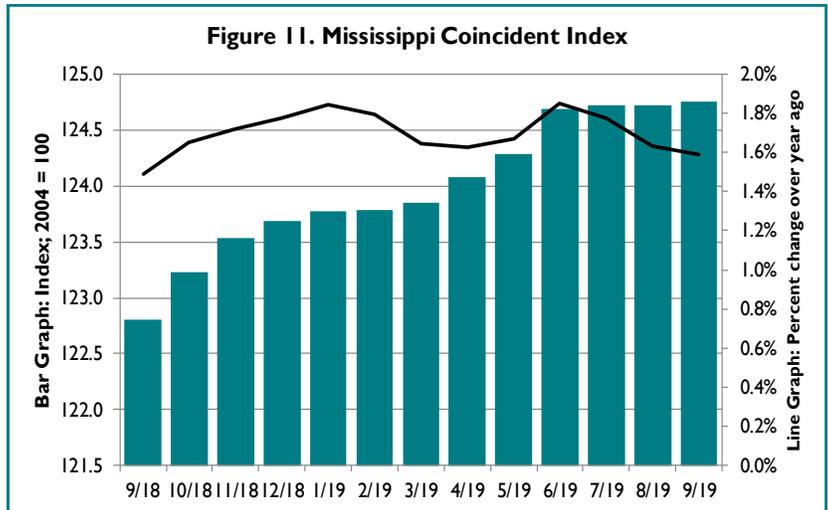
Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, SEPTEMBER 2019

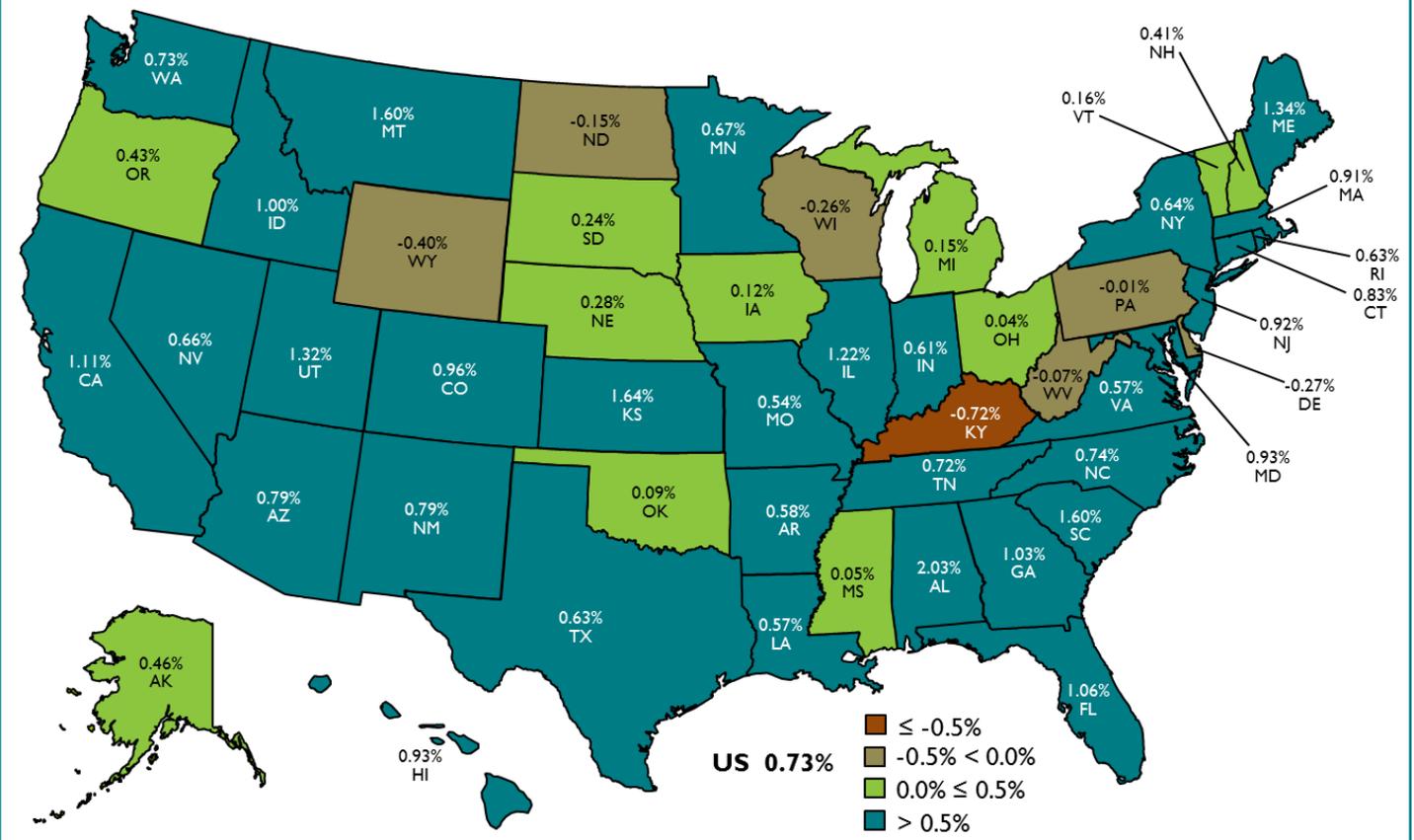
The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.1 percent in September as seen in Figure 11. Compared to one year ago the value of the MCI for the month was 1.6 percent higher.

Figure 12 indicates the values of the coincident indices were higher in forty-three states in September compared to three months prior. The values of the coincident indices increased by more than 0.5 percent in thirty-two states in September compared to June. In eleven states including Mississippi the values of the coincident indices increased by less than 0.5 percent in September compared to three months prior. The value of the coincident index decreased between 0.0 and 0.5 percent for the month in six states. The value of the coincident index decreased more than 0.5 percent in September compared to June in Kentucky.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, September 2019



Source: Federal Reserve Bank of Philadelphia

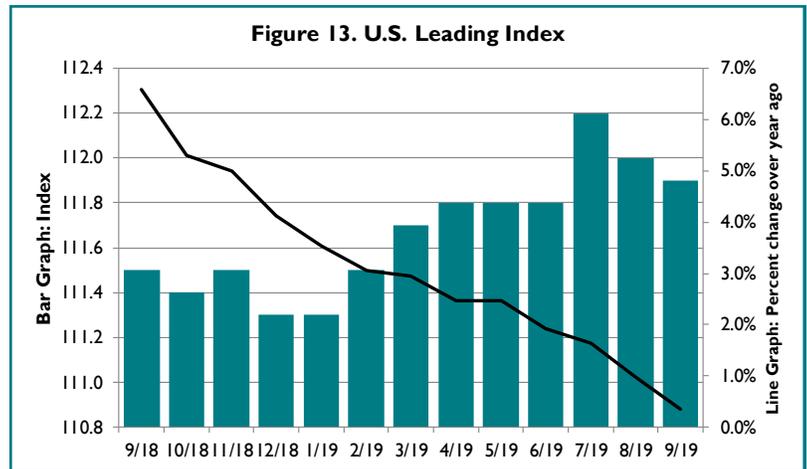
NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) fell 0.1 percent in September according to The Conference Board, its second consecutive monthly decline. As seen in Figure 13 the value of the LEI in September was 0.4 percent higher compared to one year ago. Four of the ten components of the LEI contributed negatively in September and the largest negative contribution came from the ISM New Orders Index. Five components contributed positively and the largest contribution came from stock prices. Average weekly manufacturing hours were unchanged in September. The value of the LEI rose 0.2 percent over the last six months.

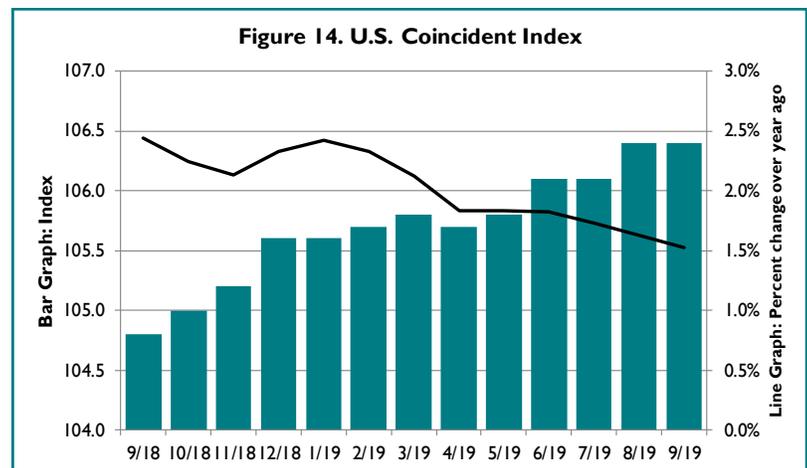
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) was unchanged in September as seen in Figure 14. The value of the CEI was up 1.5 percent in September compared to one year ago. Three of the four components of the CEI increased for the month, but these gains were offset by the negative contribution of industrial production. Over the last six months the value of the CEI rose 0.6 percent.

As Figure 15 indicates the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index decreased 1.3 percent in September, its third decline in the last four months. The value of the Index was down 5.7 percent for the month compared to one year earlier. Weakness was extensive as no component of the Index increased; all components declined except “plans to increase inventories,” which was unchanged. The “plans to raise prices” measure fell to its lowest level of the year and the “plans to raise compensation” measure also declined.

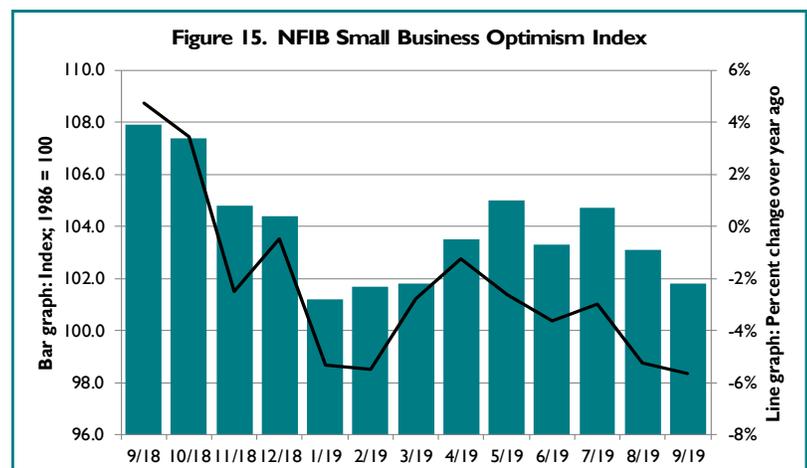
For the third time in 2019, the Federal Open Market Committee (FOMC) reduced the federal funds rate target by 0.25 basis points at its October meeting. The cut placed the benchmark federal funds rate in a range of 1.50 to 1.75 percent, the same range as in mid-2018. The Fed indicated that it has no immediate plans to reduce the federal funds rate target further, but that a deterioration in the economy could prompt additional cuts. In a speech after the most recent meeting, Fed Vice Chair Richard Clarida stated the reductions in the target “are providing—and will continue to provide—meaningful support for the economy.”



Source: The Conference Board



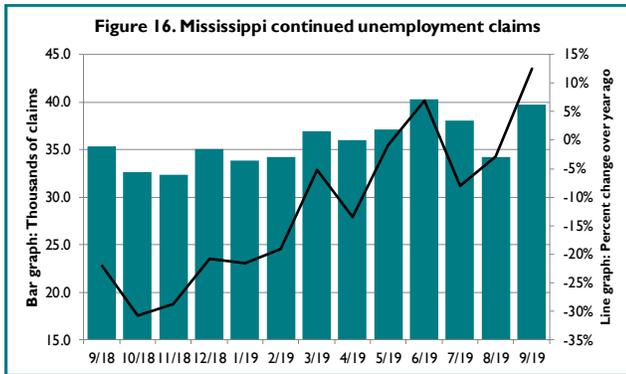
Source: The Conference Board



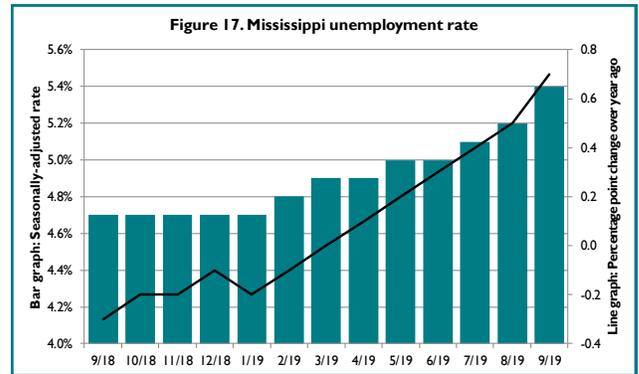
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

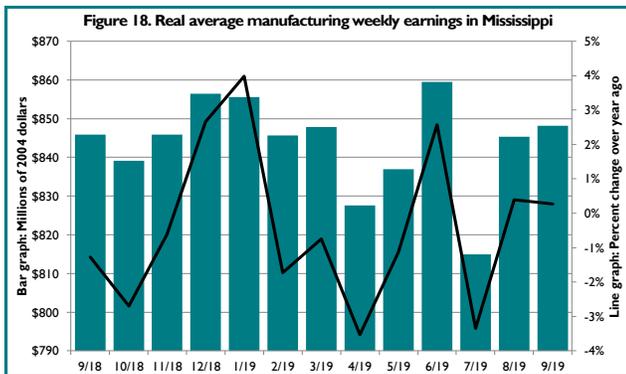
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



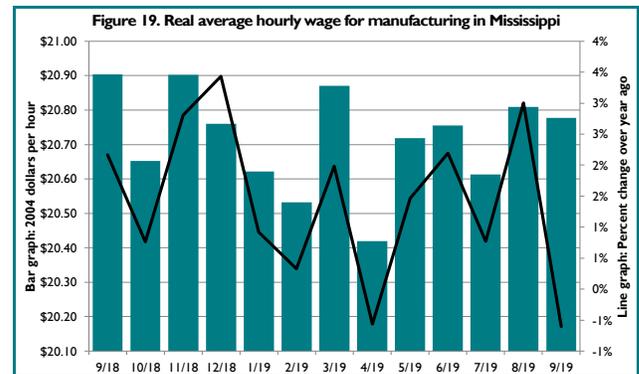
Source: U.S. Department of Labor; seasonally adjusted



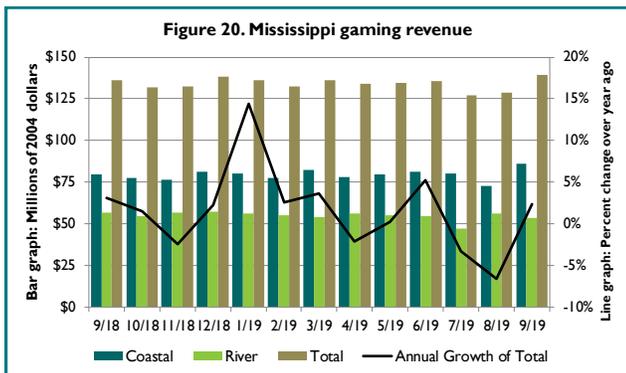
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



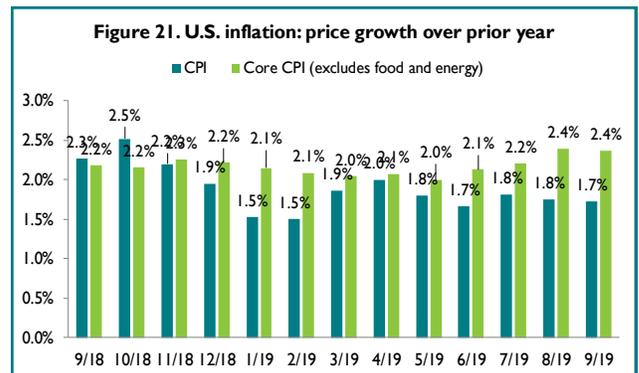
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



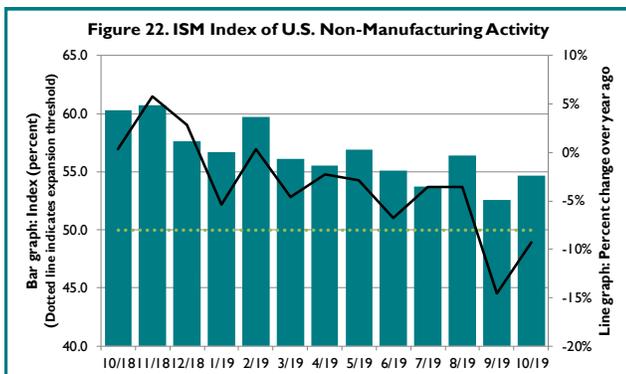
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



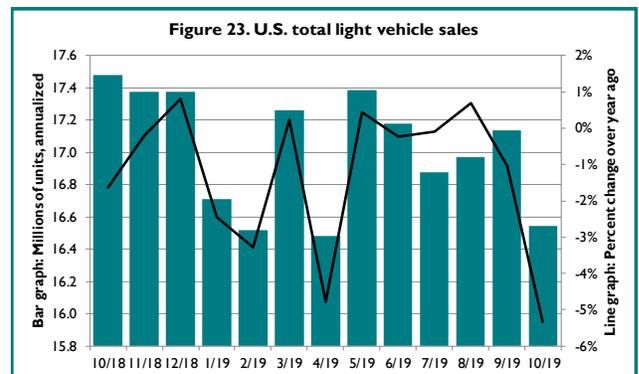
Source: Mississippi Department of Revenue; seasonally adjusted



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	September	August	September	Percent change from	
	2019	2019	2018 August	2019	September 2018
U.S. Leading Economic Index 2004 = 100. Source: The Conference Board	111.9	112.0	111.5	▼0.1%	▲0.4%
U.S. Coincident Economic Index 2004 = 100. Source: The Conference Board	106.4	106.4	104.8	◀0.0%	▲1.5%
Mississippi Leading Index 2004 = 100. Source: University Research Center	115.2	114.6	115.7	▲0.5%	▼0.4%
Mississippi Coincident Index 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.8	124.7	122.8	▲0.1%	▲1.6%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,029	4,953	4,214	▲1.5%	▲19.3%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	84.6	79.6	76.9	▲6.3%	▲10.0%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	113.4	112.7	112.8	▲0.6%	▲0.5%
Mississippi Manufacturing Employment Intensity Index 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	83.4	82.1	81.7	▲1.7%	▲2.1%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	82.5	84.6	89.0	▼2.5%	▼7.3%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	48.3	47.8	57.5	▲1.0%	▼16.0%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	525.6	526.9	504.6	▼0.3%	▲4.1%
U.S. Consumer Price Index (CPI)	135.7	135.7	133.4	◀0.0%	▲1.7%
U.S. Core CPI (excludes food and energy) 2004 = 100. Source: URC using data from Bureau of Labor Statistics	134.6	134.4	131.5	▲0.1%	▲2.4%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.4%	5.2%	4.7%	▲0.2	▲0.7
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	39,753	34,209	35,306	▲16.2%	▲12.6%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	54.7	52.6	60.3	▲4.0%	▼9.3%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.71%	3.72%	4.76%	▼0.01	▼1.04
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.78	20.81	20.33	▼0.2%	▲2.2%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	848.11	845.34	845.83	▲0.3%	▲0.3%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	101.8	103.1	107.9	▼1.3%	▼5.7%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.55	17.14	17.48	▼3.4%	▼5.3%
Gaming revenue	139.2	128.4	136.0	▲8.4%	▲2.3%
Coastal counties	85.8	72.4	79.4	▲18.5%	▲8.1%
River counties Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	53.4	56.0	56.7	▼4.6%	▼5.7%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi increased by 700 jobs in September according to the U.S. Bureau of Labor Statistics (BLS), a gain of 0.1 percent. Compared to one year earlier total employment in Mississippi was up 1.5 percent for the month as seen in Table 2.

BLS reported statistically significant changes in total nonfarm employment in five states in September: increases in Kentucky, Idaho, and Hawaii and decreases in Virginia and New Hampshire. Kentucky added 8,200 jobs, the most among all states, while employment in Hawaii rose 0.7 percent, the largest percentage increase. Virginia lost 14,700 jobs in September, a 0.4 percent decline in employment, while New Hampshire lost 3,500 jobs, a 0.5 percent decrease.

Compared to one year earlier employment was higher in twenty-seven states in September according to BLS. The largest gain occurred in California, which added 320,000 jobs, followed by Texas, which added 300,000 jobs. The largest percentage increases in employment in September compared to one year earlier occurred in Nevada, where employment rose 3.2 percent, closely followed by Idaho and Utah, where employment rose 3.1 percent and 3.0 percent, respectively.

The Accommodation and Food Services sector added 1,500 jobs in Mississippi in September, the most among all industries. The largest percentage gain in employment among all sectors was the 3.0 percent increase in Arts and Entertainment. The largest decline in employment among all sectors in September occurred in Professional and Business Services, which lost 1,500 jobs. The largest percentage decrease in employment among all sectors occurred in Educational Services, which declined 3.3 percent in September.

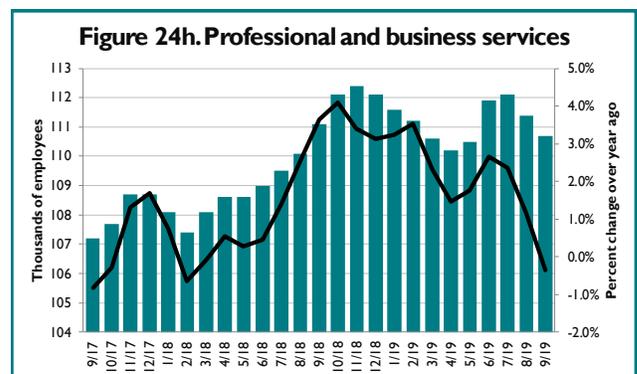
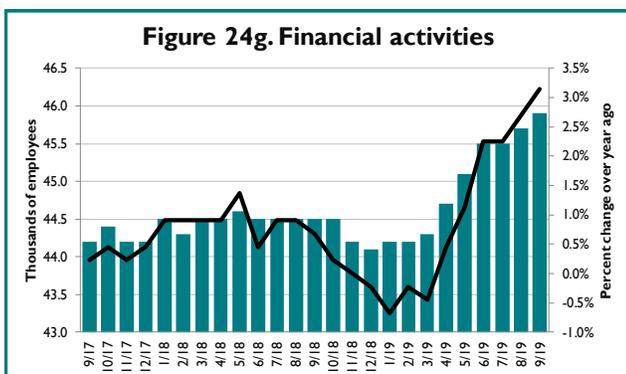
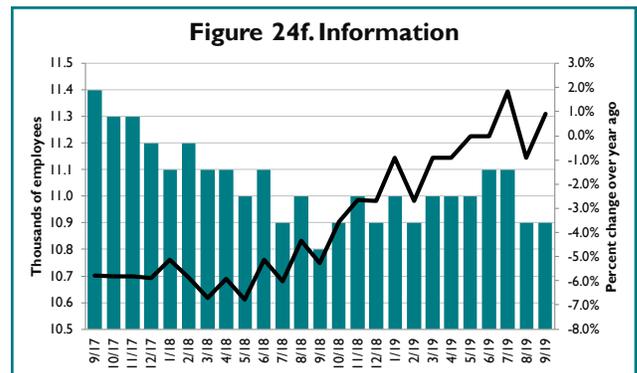
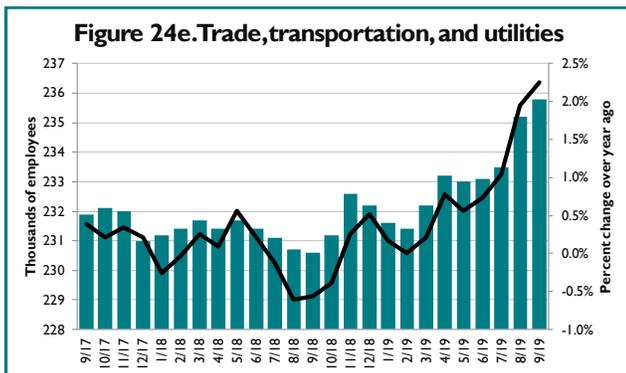
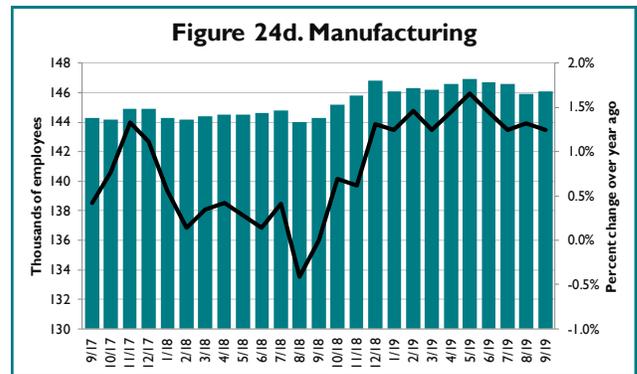
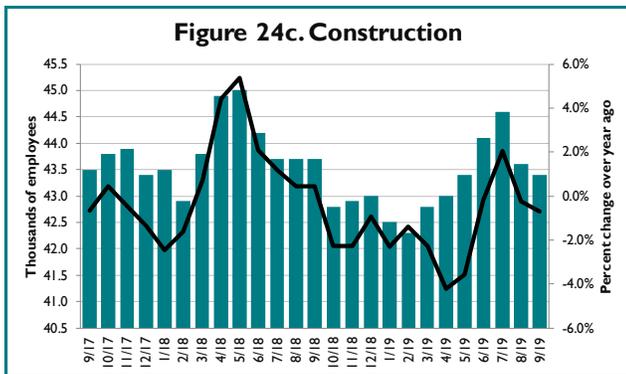
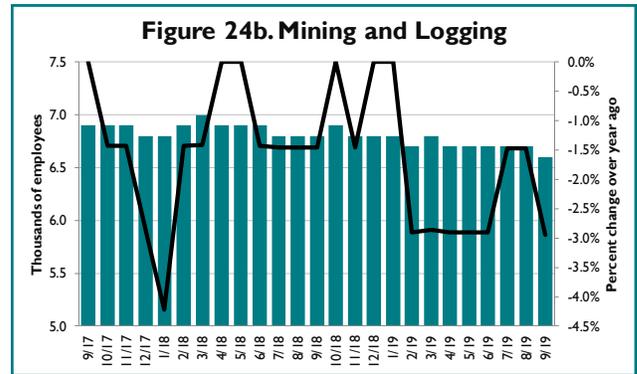
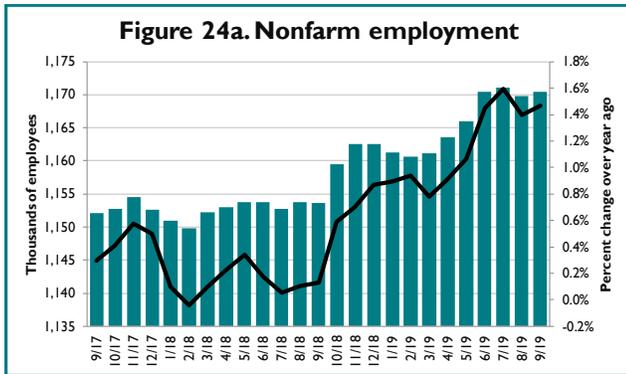
Over the last twelve months the largest increases in employment among all sectors in the state occurred in Accommodation and Food Services and Trade, Transportation, and Utilities, as both sectors each added 5,200 jobs. The largest percentage increase in employment compared to one year ago occurred in Arts and Entertainment, which rose 7.4 percent. Professional and Business Services and Educational Services both lost 400 jobs over the past twelve months, the largest decreases among all sectors. The largest percentage decline in September compared to one year ago occurred in Educational Services, which was down 3.3 percent. Construction and Mining and Logging were the only other sectors in the state to lose jobs over the past twelve months.

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

	Relative share of total ^a	September 2019	August 2019	September 2018	Change from August 2019 Level	Change from August 2019 Percent	Change from September 2018 Level	Change from September 2018 Percent
Total Nonfarm	100.0%	1,170,500	1,169,800	1,153,600	▲700	▲0.1%	▲16,900	▲1.5%
Mining and Logging	0.6%	6,600	6,700	6,800	▼100	▼1.5%	▼200	▼2.9%
Construction	3.7%	43,400	43,600	43,700	▼200	▼0.5%	▼300	▼0.7%
Manufacturing	12.6%	146,100	145,900	144,300	▲200	▲0.1%	▲1,800	▲1.2%
Trade, Transportation & Utilities	20.0%	235,800	235,200	230,600	▲600	▲0.3%	▲5,200	▲2.3%
Retail Trade	11.9%	139,600	139,000	137,800	▲600	▲0.4%	▲1,800	▲1.3%
Information	0.9%	10,900	10,900	10,800	▲0	▲0.0%	▲100	▲0.9%
Financial Activities	3.8%	45,900	45,700	44,500	▲200	▲0.4%	▲1,400	▲3.1%
Services	37.6%	438,900	438,800	432,000	▲100	▲0.0%	▲6,900	▲1.6%
Professional & Business Services	9.6%	110,700	111,400	111,100	▼700	▼0.6%	▼400	▼0.4%
Educational Services	1.0%	11,600	12,000	12,000	▼400	▼3.3%	▼400	▼3.3%
Health Care and Social Assistance	11.5%	134,700	135,000	133,000	▼300	▼0.2%	▲1,700	▲1.3%
Arts and Entertainment	0.8%	10,200	9,900	9,500	▲300	▲3.0%	▲700	▲7.4%
Accommodation and Food Services	11.1%	130,400	128,900	125,200	▲1,500	▲1.2%	▲5,200	▲4.2%
Other Services	3.5%	41,300	41,600	41,200	▼300	▼0.7%	▲100	▲0.2%
Government	20.8%	242,900	243,000	240,900	▼100	▼0.0%	▲2,000	▲0.8%

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

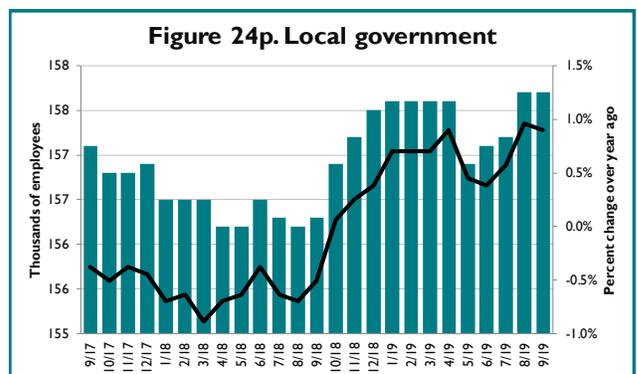
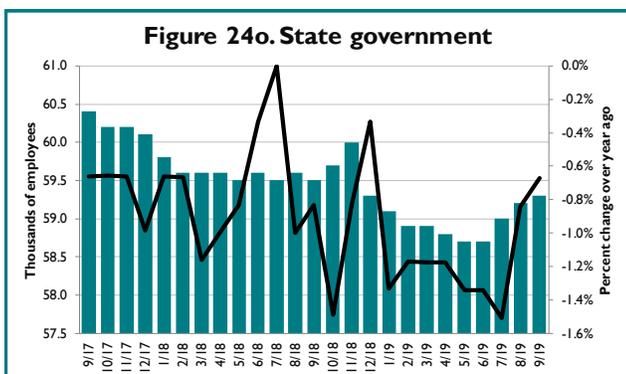
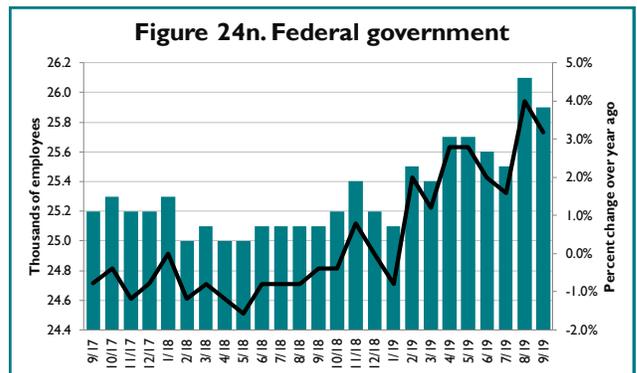
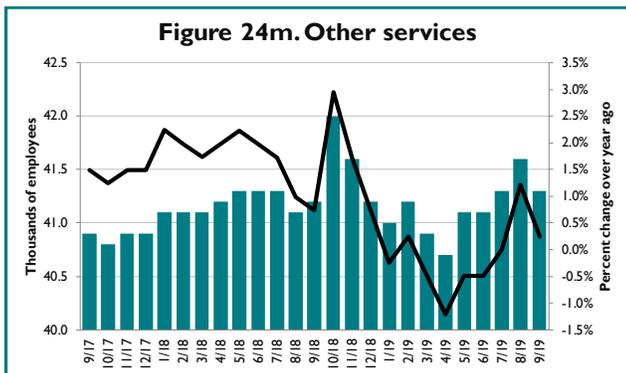
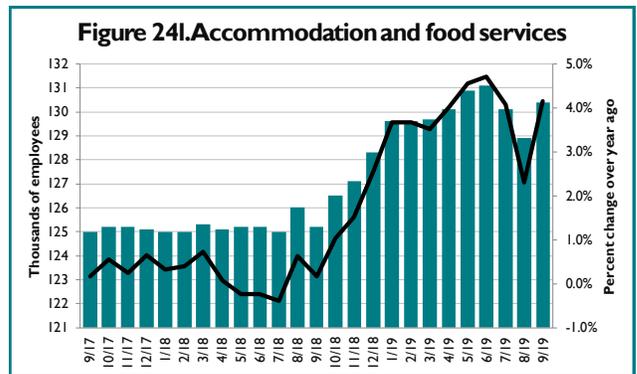
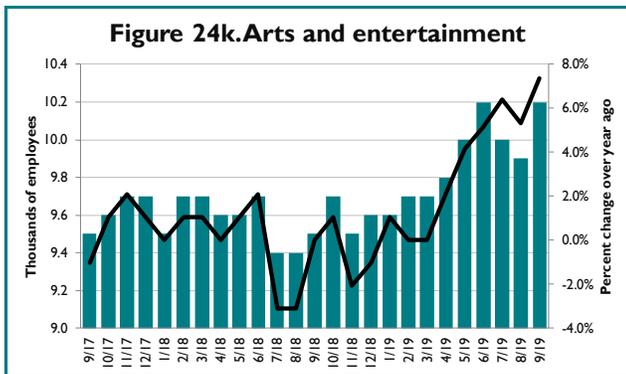
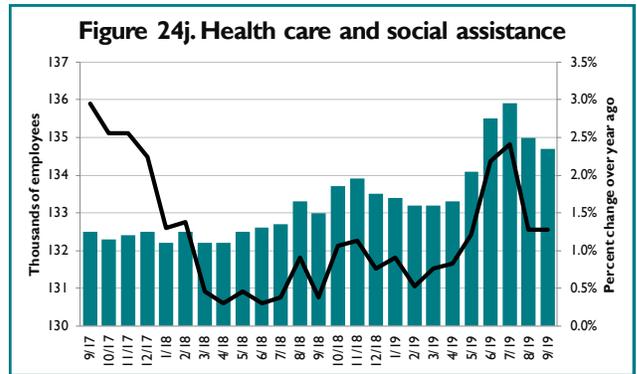
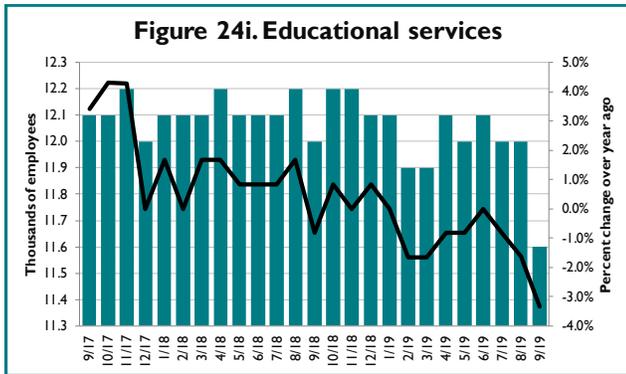
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



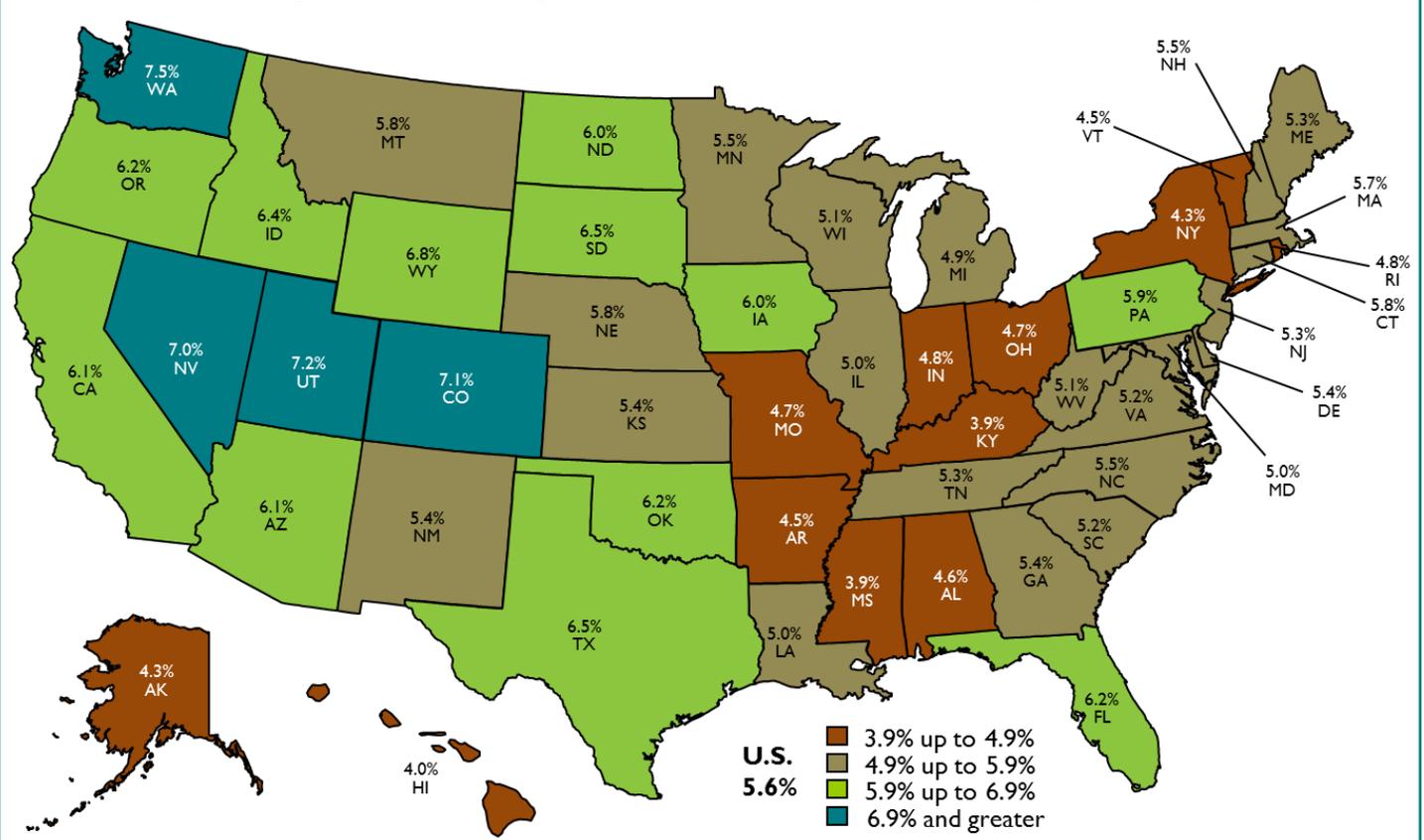
Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

REVISIONS TO PERSONAL INCOME FOR 2018

The U.S. Bureau of Economic Analysis (BEA) released revisions to its annual estimates of state personal income for 2018 in late September. These revisions incorporate more complete and detailed data than were available to BEA when the initial estimates were released in March as well as updated seasonal factors and a comprehensive update of the National Income and Product Accounts from July. BEA’s initial estimates were reported in the April issue of *Mississippi’s Business*. Like the initial estimates, the revised estimates have not been adjusted for inflation and differ from BEA’s estimates of the change in real income reported in the June issue, which were available through 2017. As such, when viewing this data readers should keep the level of inflation in mind as the U.S. annual inflation rate in 2018 according to the Consumer Price Index was 2.2 percent, the highest annual rate since 2011.

According to BEA’s revised estimates personal income in Mississippi increased 3.9 percent in 2018, a slight increase of 0.1 percentage point from the agency’s initial estimate in March. In fact, BEA revised the change in personal income for 2018 up for all states except New York, which was reduced by 0.4 percentage point. The 3.9 percent increase in personal income in Mississippi in 2018 marked a relatively large improvement over the 2.2 percent growth experienced in 2017. The 2018 rate was also the largest annual increase for the state since 2011, when personal income grew 4.4 percent. Nevertheless, the 3.9 percent growth in personal income in 2018 was tied with Kentucky for the smallest among all states as seen in Figure 25 below. As in the initial estimates, the largest increase in personal income among all states occurred in Washington. BEA revised income growth for the state up by 0.8 percent point to 7.5 percent. Mississippi was one of twelve states where the increase in personal income in 2018 was less than 5.0 percent. In twenty-two states the increase in income ranged from 4.9 percent to 5.8 percent. Personal income increased from 5.9 percent to

Figure 25. Percent change in personal income by state, 2018 (revised)



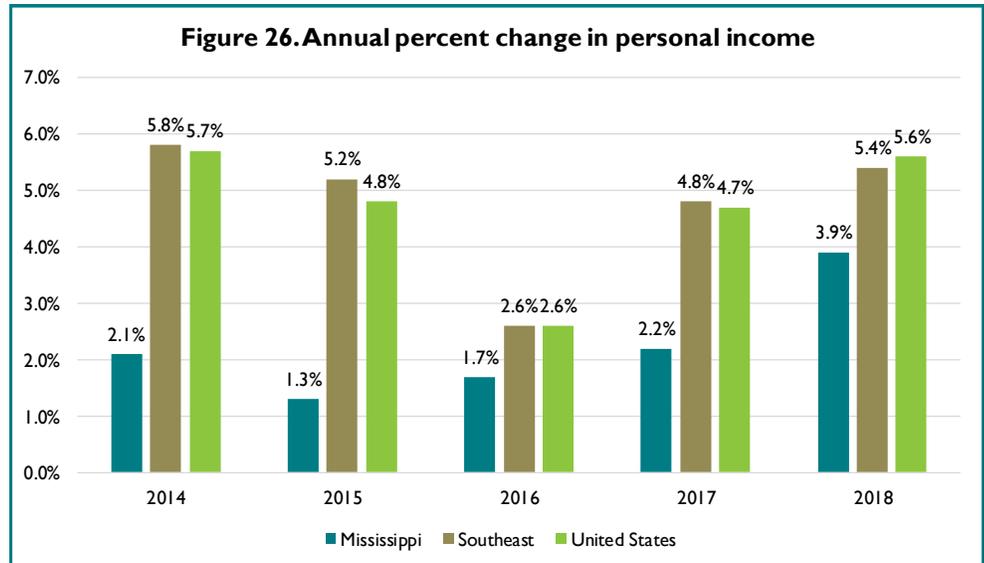
Source: U.S. Bureau of the Census

MISSISSIPPI'S BUSINESS

REVISIONS TO PERSONAL INCOME FOR 2018, CONTINUED

6.8 percent in twelve states, while in four states the increase in personal income ranged from 7.0 to 7.5 percent. Notably, as seen in Figure 25, of the sixteen states where income increased at least 5.9 percent, fourteen were found west of the Mississippi River. In addition, all four states where income grew at least 7.0 percent in 2018 were located in the western U.S.

The annual percent change in personal income for each of the last five years for Mississippi, the Southeast[†], and the U.S. as reported by BEA are depicted in Figure



Source: U.S. Bureau of Economic Analysis

26. Most noticeable from this figure is personal income growth in Mississippi did not exceed the Southeast or the U.S. rate in any of the last five years. Moreover, U.S. and Southeast personal income growth exceeded that of Mississippi by at least 0.9 percentage point in each year of the period. In both 2014 and 2015 the rates of personal income growth in the Southeast and the U.S. exceeded the rate of personal income growth in Mississippi by more than 3.0 percentage point.

Figure 26 also indicates the revised estimate of U.S. personal income growth reported by BEA in September was 5.6 percent, a substantial upward revision of 1.1 percentage point from the March estimate. U.S. growth in 2018 was the highest since 2014, when personal income increased by 5.7 percent. Similarly, the 5.4 percent increase in personal income for the Southeast was also the largest since 2014, when growth reached 5.8 percent.

Per capita personal income in Mississippi was revised up slightly by BEA in the latest estimates to \$38,834 per year. This level of income ranked last among all states and Mississippi was the only state where annual per capita personal income was less than \$40,000 in 2018. Nevertheless, per capita personal income in Mississippi grew 4.0 percent in 2018, the largest annual increase since 2011. Per capita personal income in Mississippi was 69.5 percent of U.S. per capita personal income in 2018, down slightly from the revised rate of 70.1 percent in 2017. Connecticut retained the highest per capita personal income among all states in 2018 of \$76,456, which was 140.4 percent of U.S. per capita personal income.

[†]BEA defines "Southeast" as the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.