



## ECONOMY AT A GLANCE

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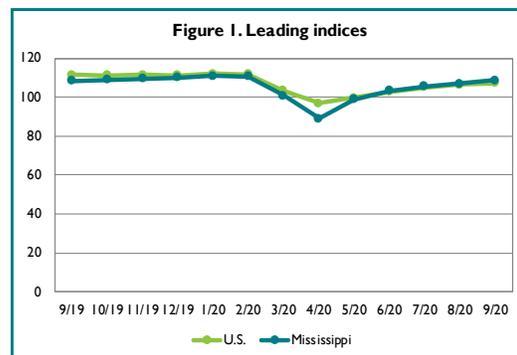
As seen in Figure 1 below the value of the Mississippi Leading Index (MLI) rose 1.8 percent in September. The value of the MLI for the month was 0.5 percent higher compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) rose 1.2 percent in September as Figure 2 below indicates. Compared to one year ago the value for the month was down 0.4 percent.

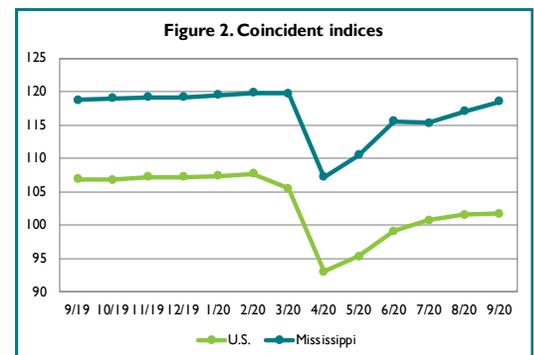
In its first estimate of the change in U.S. real GDP in the third quarter of 2020, the U.S. Bureau of Economic Analysis (BEA) reported an increase of 33.1 percent at a seasonally-adjusted, annualized rate. This rate was the largest increase for a quarter in data back to 1947. Most of the components of real GDP increased in the third quarter as only Government expenditures, both federal and state and local, decreased. The decline in Federal Govern-

ment spending in the third quarter resulted from the payment of fewer fees associated with overseeing the Payroll Protection Program created under the CARES Act. The change in U.S. real GDP in the second quarter remained a decrease of 31.4 percent at an annualized rate.

After five months of increases the MLI was actually slightly higher in September compared to a year earlier, a sign of how far the state's economy has come since early spring. However, initial unemployment claims remain elevated and the Mississippi Manufacturing Employment Intensity Index was down for the month as average weekly hours remain under 40.0. As COVID-19 infections rise in the state and with no additional federal assistance, Mississippi's economy may have rebounded as much as it can for the time being. The fourth quarter will likely set the stage for what growth will look like in 2021.



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, SEPTEMBER 2020**

In September the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased for the fifth consecutive month as seen in Figure 3. The gain for the month was 1.8 percent. The value of the MLI compared to one year earlier was 0.5 percent higher, the first year-over-year increase since February. Over the last six months the value of the MLI rose 7.8 percent.

As in the previous month five of the seven components of the MLI made positive contributions in September. The largest contribution came from U.S. retail sales. Initial unemployment claims made the largest negative contribution followed by the Mississippi Manufacturing Employment Intensity Index. Each component is discussed below in order of largest to smallest contribution.

Figure 4 indicates the value of **U.S. retail sales** increased in September for the fifth consecutive month. The value rose 1.9 percent, the largest monthly increase since May. Sales for August were revised up by 0.3 percent as well. The value of sales in September was 5.4 percent higher compared to one year earlier, the largest year-over-year increase since December 2019. Clothing sales posted the largest gain for the month, followed by sales of automobiles. The only segment that experienced a decrease in sales was electronics and appliances. Sales excluding automobiles and gasoline were up 1.5 percent in September.

As Figure 5 indicates the value of the **ISM Index of U.S. Manufacturing Activity** jumped 7.0 percent in October, its largest monthly gain since June. The value rose to 59.3, the highest level for the Index since August 2018. Compared to one year earlier the value for October was 22.8 percent higher. All five components of the Index increased in October and the largest increase among all components occurred in New Orders. Notably, all of the components of the Index were in expansion territory for the first time since May 2019. The prices paid index increased markedly for the second consecutive month as some commodities such as aluminum remain limited.

As seen in Figure 6 the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased in September for the third consecutive month. For the month the value climbed 6.3 percent to its highest level since March. Compared to one year earlier the value for September was 9.8 percent lower, the seventh consecutive month with a year-over-year decrease. Since January the value of the Index is down 17.8 percent. In the most recent survey short-term (one-year) inflation expectations were unchanged and long-

term (five-year) inflation expectations decreased to their lowest level since March.

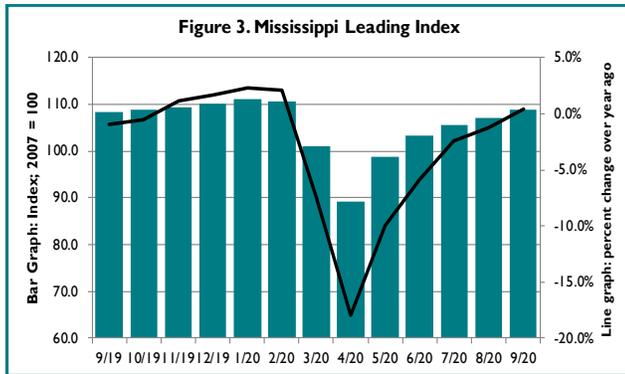
**Mississippi income tax withholdings** (three-month moving average) rose 2.2 percent in value in September as seen in Figure 7. The gain was only the third increase of 2020. Compared to one year earlier the value of withholdings was 1.1 percent higher in September. The value of income tax withholdings in Mississippi fell 1.3 percent over the last six months.

The value of **Mississippi residential building permits** (three-month moving average) increased 1.7 percent in September as seen in Figure 8, the fourth consecutive monthly gain. Compared to one year earlier the value for the month was up 22.5 percent, which marked eight consecutive months with a double-digit year-over-year increase. In September the number of units in the state rose 0.9 percent. The number of units in the state for the month was 18.8 percent higher compared to one year earlier. The number of privately-owned housing units authorized by building permits in the U.S. increased 5.2 percent in September from the revised August rate. The number of units in the U.S. in September was up 11.1 percent compared to one year ago.

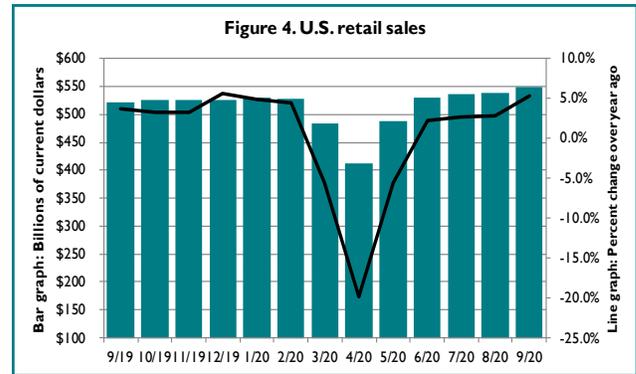
The **Mississippi Manufacturing Employment Intensity Index** lost 1.4 percent of its value in September as seen in Figure 9. The value for the month was down 7.3 percent, which marked nine consecutive months with a year-over-year decrease. Employment in Manufacturing in the state rose 1.3 percent in September, but this gain was more than offset by the 2.7 percent decrease in the average weekly hours of production employees in Mississippi.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi increased in September for the first time since April. For the month the value climbed 20.5 percent as seen in Figure 10. The value for September was 386.2 percent higher compared to one year earlier. The number of seasonally-adjusted continued unemployment claims in Mississippi fell 17.3 percent in September as seen in Figure 16 on page 6. The number of continued unemployment claims in Mississippi was higher by 874.7 percent compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi decreased by 0.7 percentage points to 7.1 percent as seen in Figure 17 on page 6. The August rate was revised down by 0.1 percentage point to 7.8 percent. The state's unemployment rate in September was up 1.5 percentage points compared to one year earlier.

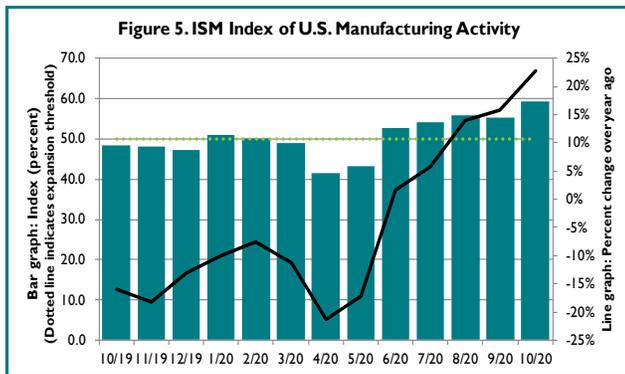
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



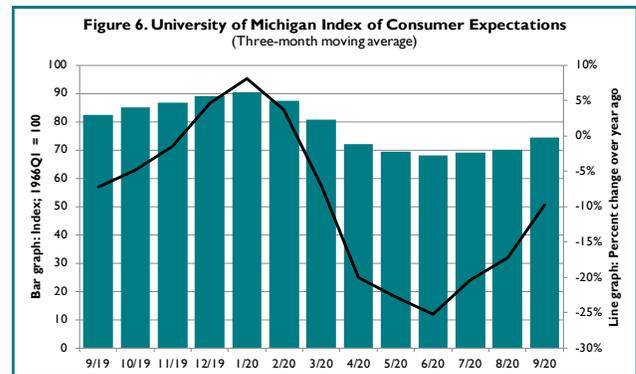
Source: University Research Center



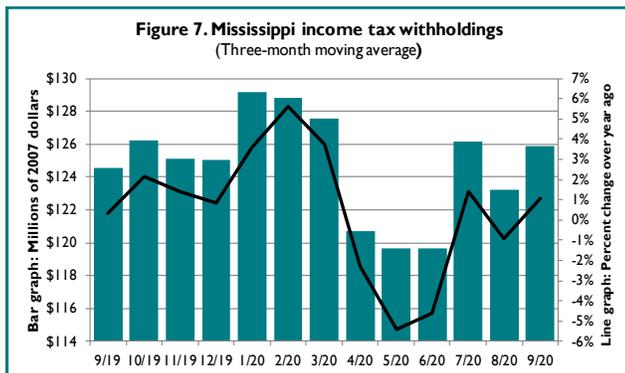
Source: U.S. Bureau of the Census



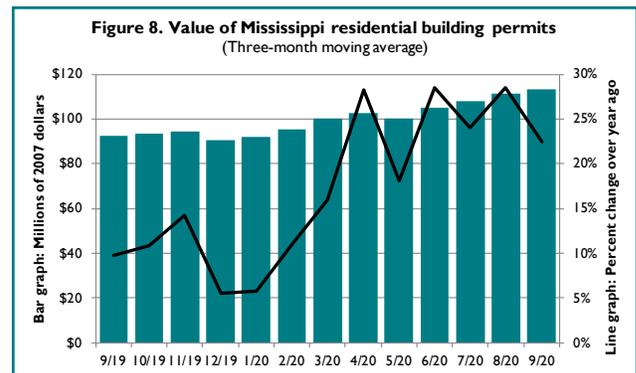
Source: Institute for Supply Management



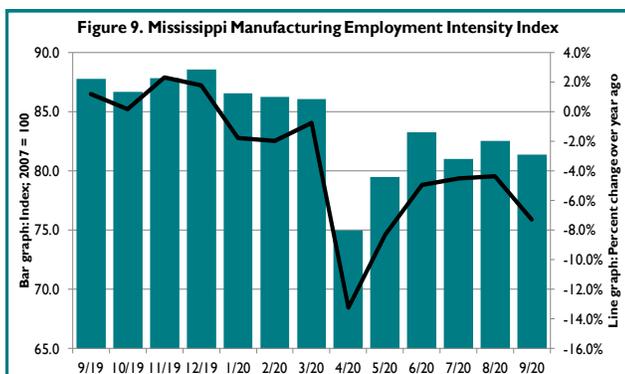
Source: Thomson Reuters/University of Michigan Surveys of Consumers



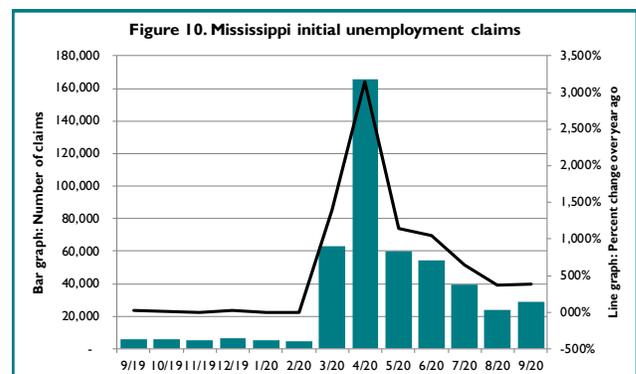
Source: Mississippi Department of Revenue; seasonally adjusted



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



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



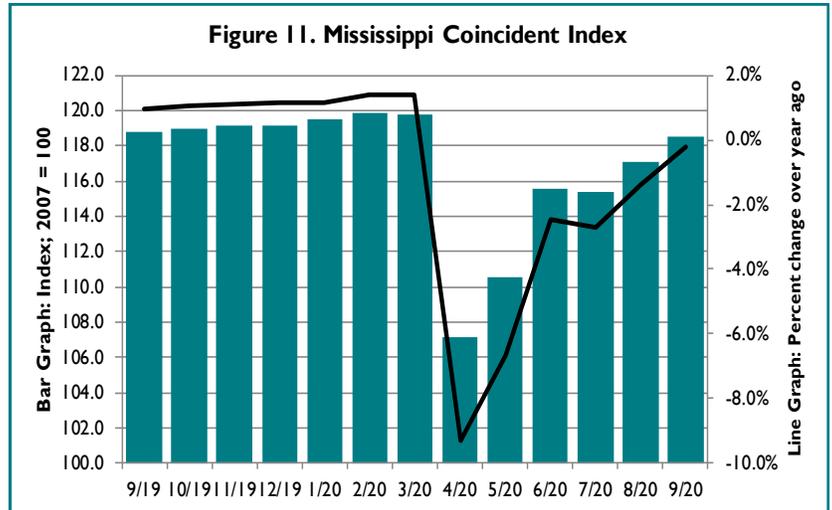
Source: U.S. Department of Labor; seasonally adjusted

MISSISSIPPI'S BUSINESS

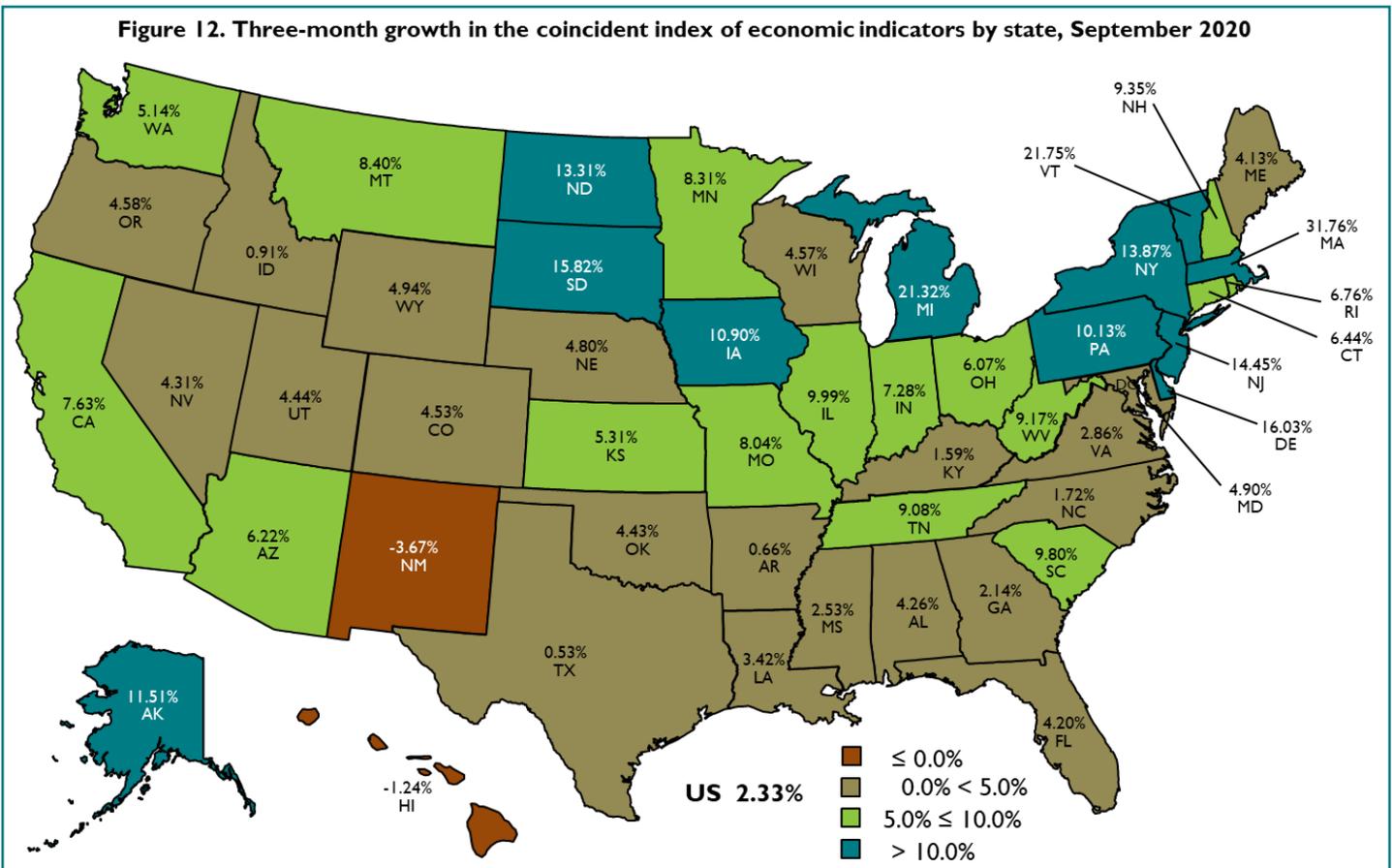
MISSISSIPPI COINCIDENT INDEX, SEPTEMBER 2020

According to the Federal Reserve Bank of Philadelphia the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 1.2 percent in September as seen in Figure 11. The value of the MCI for the month was 0.4 percent lower compared to one year ago.

Figure 12 below indicates the values of the coincident indices in September compared to June increased in forty-eight states. The value of the coincident index rose less than 5.0 percent in September compared to three months prior in twenty-one states, including Mississippi. In sixteen states the value of the coincident index increased between 5.0 and 10.0 percent in September compared to June. The value of the coincident index increased more than 10.0 percent in September compared to three months prior in eleven states. In Massachusetts the value of the coincident index was 31.8 percent higher in September compared to June, the largest increase among all states. The value of the coincident index in Hawaii and in New Mexico decreased in September compared to three months prior, the only decreases among all states.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

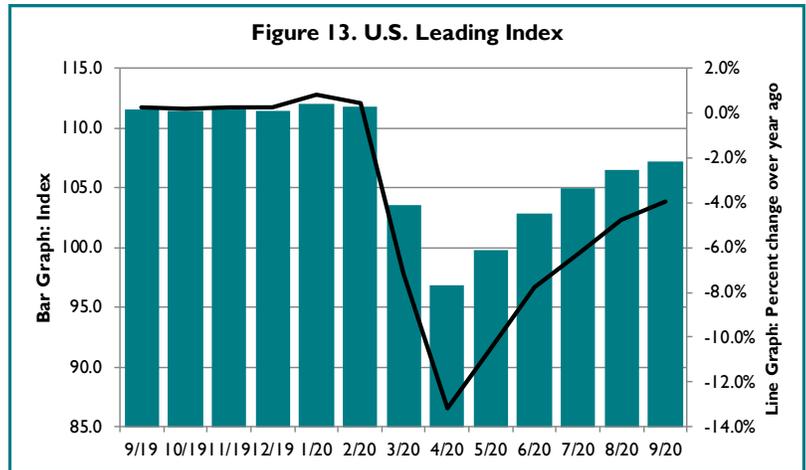
## NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) increased in September for the fifth consecutive month according to The Conference Board. As seen in Figure 13, the value rose 0.7 percent for the month. The September value of the LEI remained 3.9 percent lower compared to one year earlier. Five of the ten components of the LEI made positive contributions for the month. The largest contribution came from average weekly initial claims for unemployment insurance. The largest negative contribution came from manufacturers' new orders for nondefense capital goods. Over the last six months the value of the LEI increased 3.6 percent.

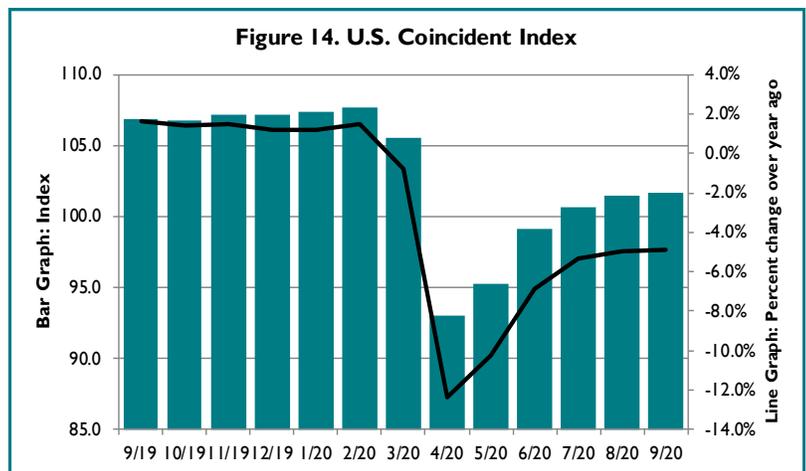
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) rose 0.2 percent in September as seen in Figure 14. The value of the CEI for August was revised up by 0.7 percentage point. The September value of the CEI was 4.9 percent lower compared to one year earlier. As in August three of the four components of the CEI made positive contributions for the month and the largest contribution came from employees on nonagricultural payrolls. The negative contributor was industrial production. Over the last six months the value of the CEI decreased 3.5 percent.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index climbed 3.8 percent in September as seen in Figure 15. The Index reached its highest value since February. Compared to one year earlier the value of the Index was 2.2 percent higher in September, the first year-over-year increase since February. Nine of the ten components increased for the month and once again the largest increase occurred in the "earnings trends" component. The only component to decrease for the month was "expected credit conditions."

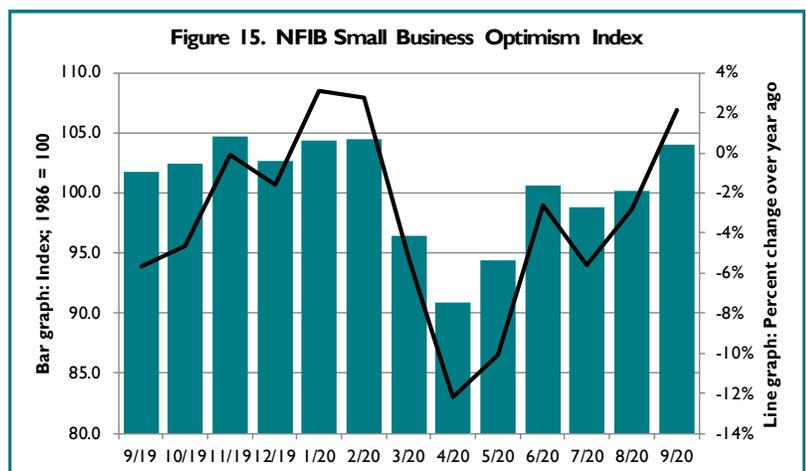
At the September meeting of the Federal Open Market Committee (FOMC), members offered guidance on when the FOMC could raise interest rates again. First, they want confidence their full employment goals are met, although these goals were not specified. Second, the annual rate of inflation must reach 2 percent, and third, the FOMC must have a reason to expect inflation will remain above 2 percent for some time.



Source: The Conference Board



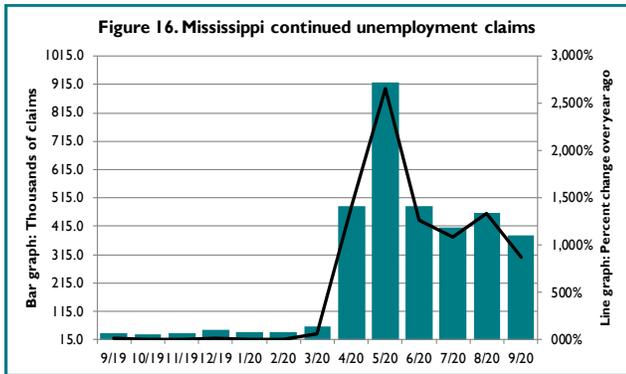
Source: The Conference Board



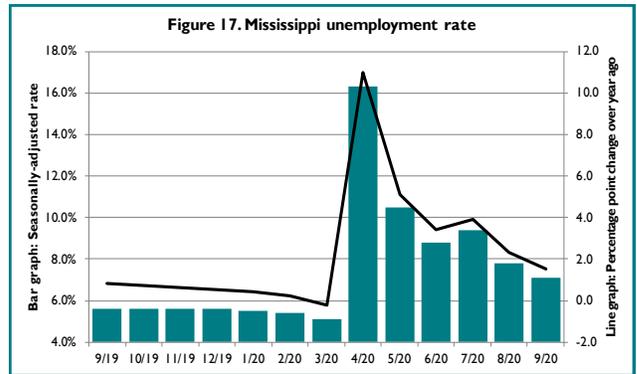
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

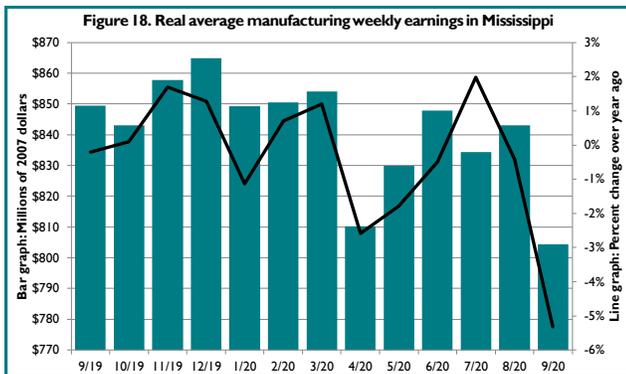
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



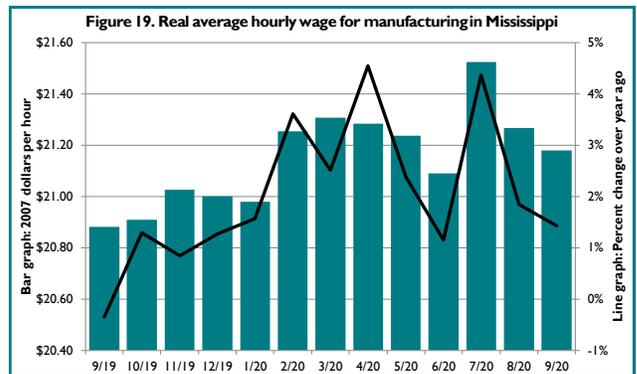
Source: U.S. Department of Labor; seasonally adjusted



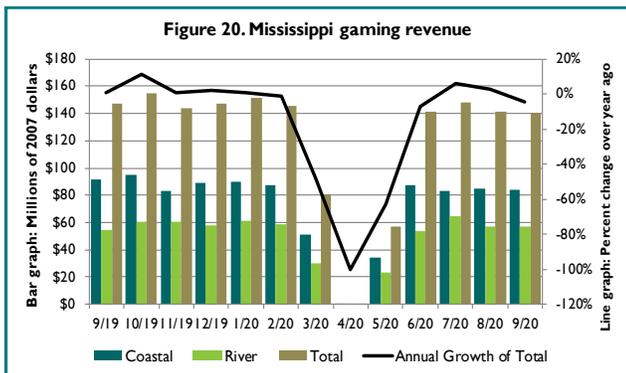
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



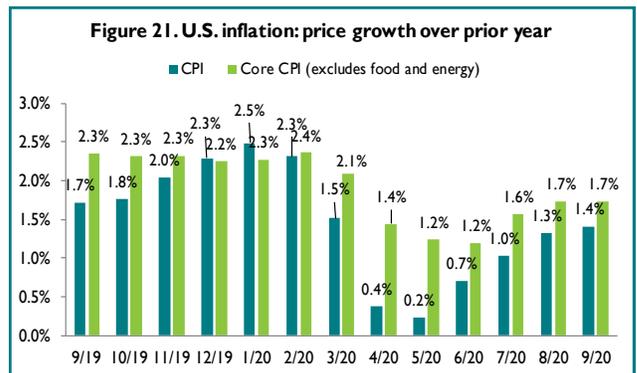
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



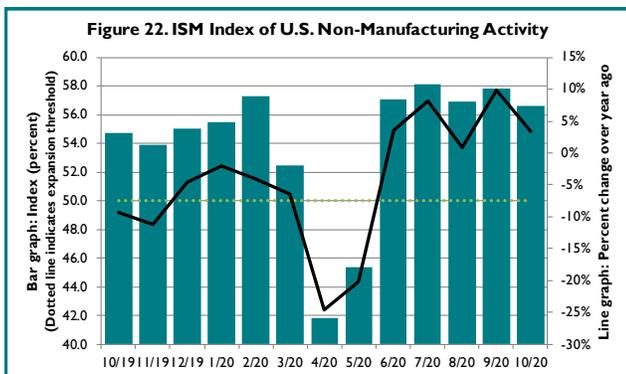
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



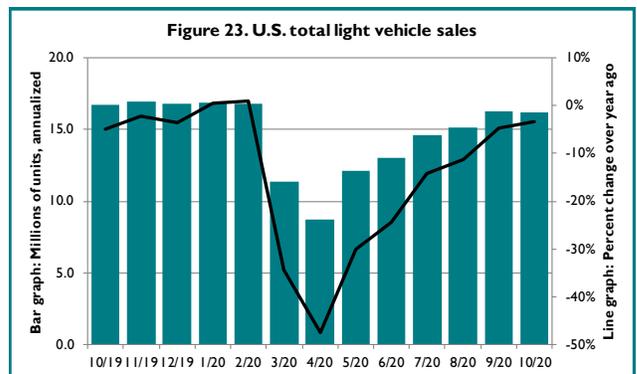
Source: Mississippi Department of Revenue; seasonally adjusted



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	
	2020	2020	2019	August 2020	September 2019
<b>U.S. Leading Economic Index</b> 2007 = 100. Source: The Conference Board	107.2	106.5	111.6	▲0.7%	▼3.9%
<b>U.S. Coincident Economic Index</b> 2007 = 100. Source: The Conference Board	101.7	101.5	106.9	▲0.2%	▼4.9%
<b>Mississippi Leading Index</b> 2007 = 100. Source: University Research Center	108.9	107.0	108.4	▲1.8%	▲0.5%
<b>Mississippi Coincident Index</b> 2007 = 100. Source: Federal Reserve Bank of Philadelphia	118.5	117.1	119.0	▲1.2%	▼0.4%
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	28,682	23,808	5,899	▲20.5%	▲386.2%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	113.1	111.2	92.3	▲1.7%	▲22.5%
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	125.9	123.2	124.6	▲2.2%	▲1.1%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2007 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	81.4	82.6	87.8	▼1.4%	▼7.3%
<b>University of Michigan Index of Consumer Expectations</b> Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	74.4	70.0	82.5	▲6.3%	▼9.8%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	59.3	55.4	48.1	▲7.0%	▲23.3%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	549.3	539.0	521.3	▲1.9%	▲5.4%
<b>U.S. Consumer Price Index (CPI)</b>	125.5	125.2	123.8	▲0.2%	▲1.4%
<b>U.S. Core CPI (excludes food and energy)</b> 2007 = 100. Source: URC using data from Bureau of Labor Statistics	127.8	127.5	125.6	▲0.2%	▲1.7%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	7.1%	7.8%	5.6%	▼0.7	▲1.5
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	382,684	462,990	39,261	▼17.3%	▲874.7%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	56.6	57.8	54.7	▼2.1%	▲3.5%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	2.97%	3.04%	3.72%	▼0.07	▼0.74
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	21.18	21.27	20.88	▼0.4%	▲1.4%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	804.37	843.02	849.49	▼4.6%	▼5.3%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	104.0	100.2	101.8	▲3.8%	▲2.2%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	16.21	16.29	16.75	▼0.5%	▼3.3%
<b>Gaming revenue</b>	140.82	141.43	146.9	▼0.4%	▼4.2%
<b>Coastal counties</b>	84.01	84.56	92.0	▼0.6%	▼8.7%
<b>River counties</b> Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	56.81	56.87	54.9	▼0.1%	▲3.4%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

The U.S. Bureau of Labor Statistics (BLS) reported total nonfarm employment in Mississippi increased by 7,500 jobs in September, a gain of 0.7 percent. However, August employment in the state was revised down by BLS by 3,600 jobs to an increase of 0.6 percent. As Table 2 indicates employment in Mississippi as of September was 2.2 percent lower compared to one year earlier, a decrease of 25,700 jobs.

According to BLS in September thirty states added jobs, three states lost jobs, and employment was unchanged in seventeen states. The largest increase occurred in New York, which added 109,300 jobs, followed by California, which added 96,000 jobs. Employment rose 1.6 percent in New Jersey, the largest percentage increase among all states. Indiana lost 11,700 jobs in September, the most among all states. The largest percentage decrease in employment occurred in Hawaii, a decline of 2.0 percent and a loss of 10,700 jobs. The only other state with a decline for the month was Kansas, which lost 7,200 jobs.

Employment in September was down in forty-eight states and the District of Columbia compared to one year earlier and was essentially unchanged in Idaho and Utah. The largest decrease in employment over the last twelve months occurred in California, which lost 1,488,900 jobs,

followed by New York, which lost 1,102,800 jobs. Compared to one year earlier the largest percentage decrease in employment among all states once again occurred in Hawaii, where employment was down 18.2 percent.

Job gains in Mississippi were again widespread across sectors in September. The largest increase occurred in Accommodation and Food Services, which added 3,500 jobs for the month. The largest percentage increase in employment occurred in Arts and Entertainment, which rose 8.3 percent in September, an increase of 500 jobs. The largest decrease in jobs for the month occurred in Government, which lost 600 jobs, and the largest percentage decline was in Other Services, which fell 0.7 percent.

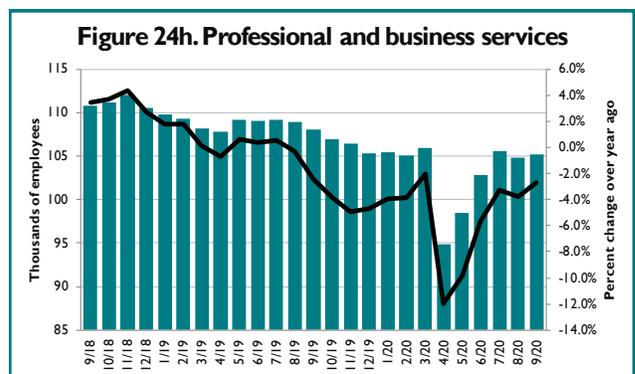
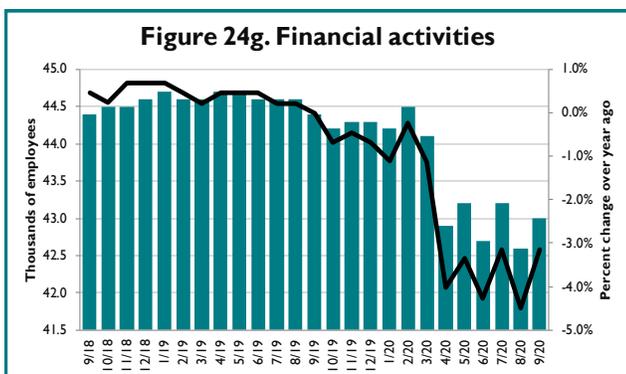
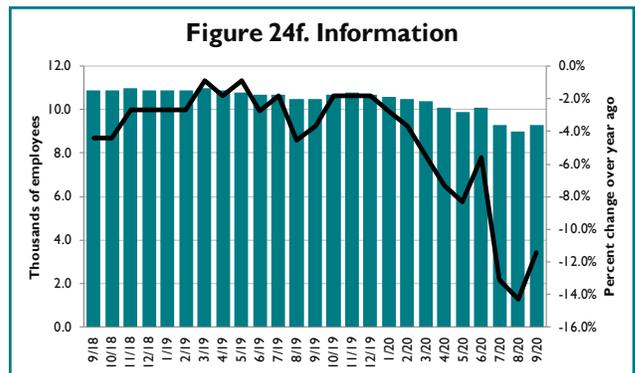
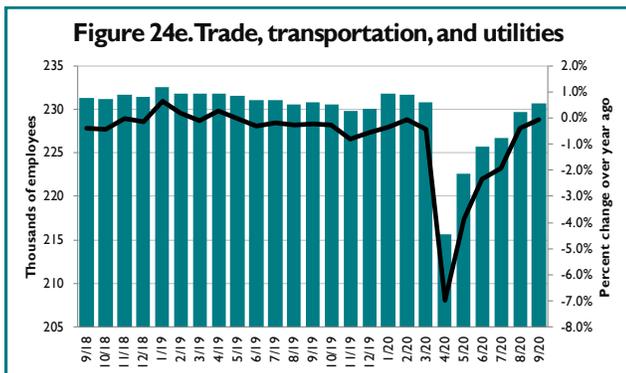
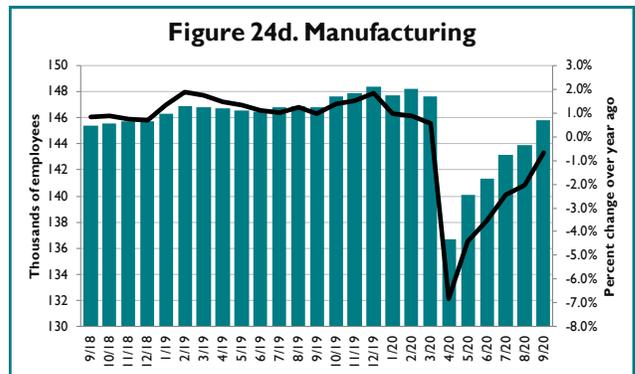
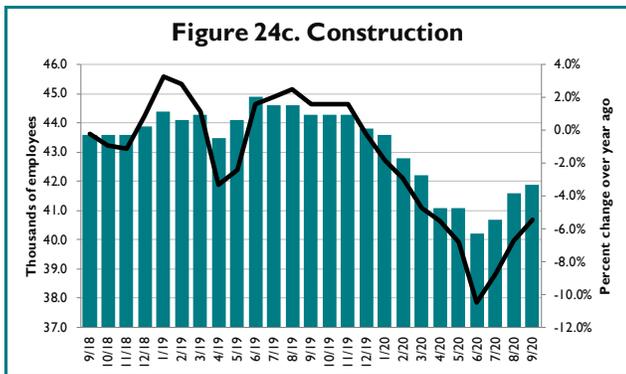
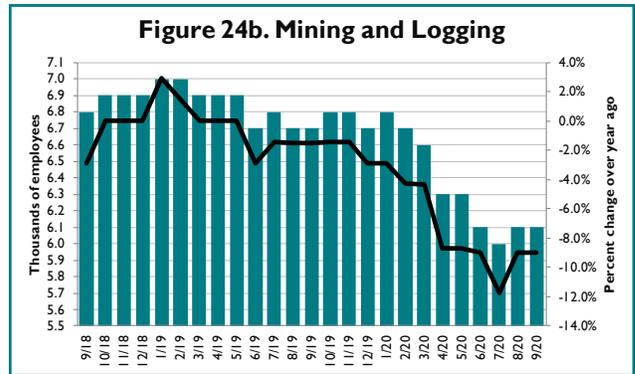
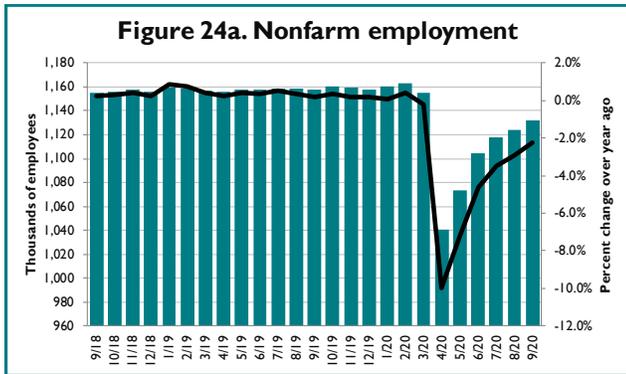
The only sector in the state with higher employment compared to one year ago as of September was Accommodation and Food Services, up by 400 jobs or 0.3 percent. Employment in Other Services was unchanged over the last twelve months. The largest decrease in employment over the past year occurred in Health Care and Social Assistance, which lost 7,200 jobs. Information experienced the largest percentage decrease in employment over the last twelve months of 11.4 percent, a loss of 1,200 jobs.

**Table 2. Change in Mississippi employment by industry, September 2020**

	Relative share of total <sup>a</sup>	September 2020	August 2019	September 2019	Change from August 2020 Level	Change from August 2020 Level Percent	Change from September 2019 Level	Change from September 2019 Level Percent
Total Nonfarm	100.0%	1,131,900	1,124,400	1,157,600	▲7,500	▲0.7%	▼25,700	▼2.2%
Mining and Logging	0.6%	6,100	6,100	6,700	◀▶0	◀▶0.0%	▼600	▼9.0%
Construction	3.8%	41,900	41,600	44,300	▲300	▲0.7%	▼2,400	▼5.4%
Manufacturing	12.8%	145,800	143,900	146,800	▲1,900	▲1.3%	▼1,000	▼0.7%
Trade, Transportation & Utilities	20.2%	230,700	229,700	230,800	▲1,000	▲0.4%	▼100	▼0.0%
Retail Trade	11.9%	138,500	138,400	135,200	▲100	▲0.1%	▲3,300	▲2.4%
Information	0.9%	9,300	9,000	10,500	▲300	▲3.3%	▼1,200	▼11.4%
Financial Activities	3.9%	43,000	42,600	44,400	▲400	▲0.9%	▼1,400	▼3.2%
Services	36.8%	418,300	414,100	431,400	▲4,200	▲1.0%	▼13,100	▼3.0%
Professional & Business Services	9.2%	105,200	104,800	108,100	▲400	▲0.4%	▼2,900	▼2.7%
Educational Services	1.0%	11,500	11,200	11,700	▲300	▲2.7%	▼200	▼1.7%
Health Care and Social Assistance	11.7%	128,000	128,200	135,200	▼200	▼0.2%	▼7,200	▼5.3%
Arts and Entertainment	0.7%	6,500	6,000	9,700	▲500	▲8.3%	▼3,200	▼33.0%
Accommodation and Food Services	10.7%	126,700	123,200	126,300	▲3,500	▲2.8%	▲400	▲0.3%
Other Services	3.6%	40,400	40,700	40,400	▼300	▼0.7%	◀▶0	◀▶0.0%
Government	21.1%	236,800	237,400	242,700	▼600	▼0.3%	▼5,900	▼2.4%

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

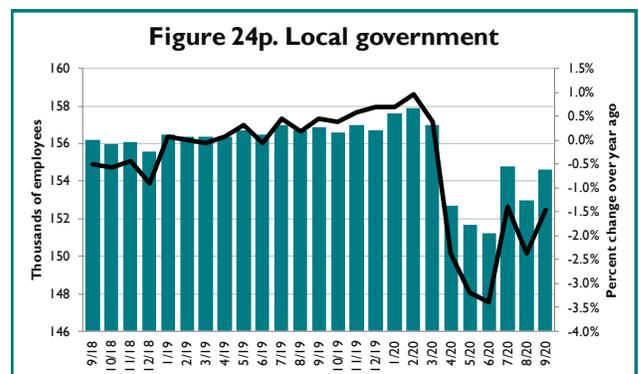
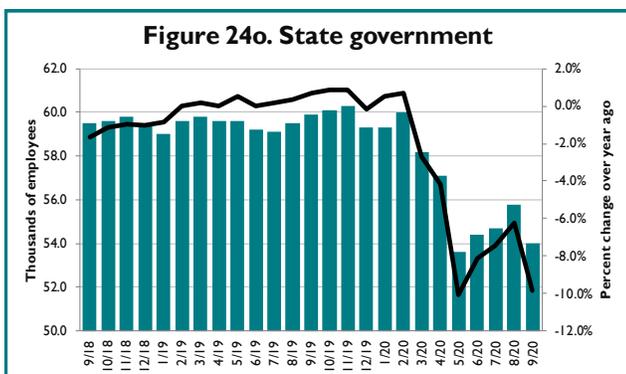
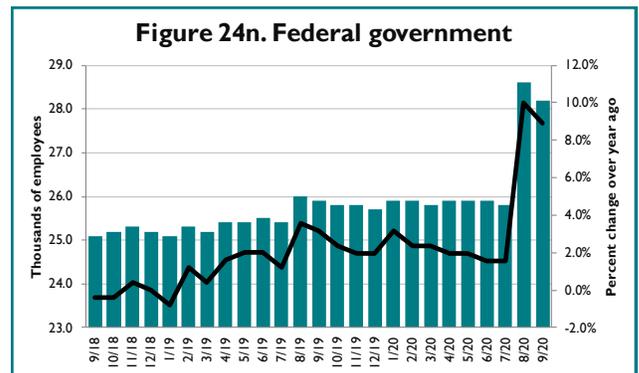
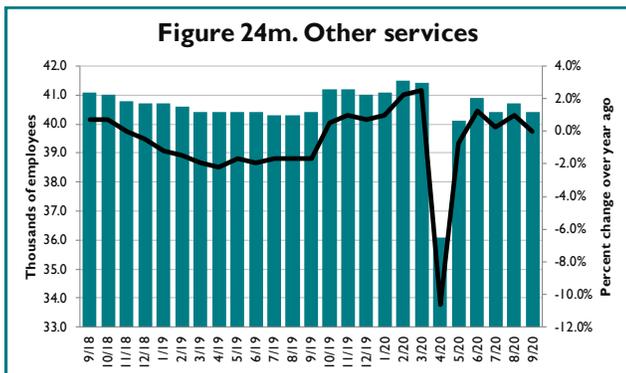
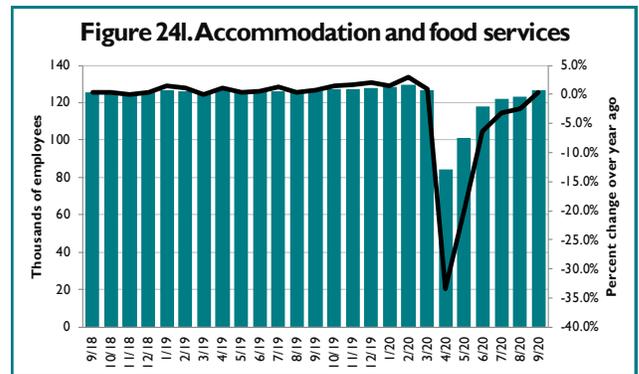
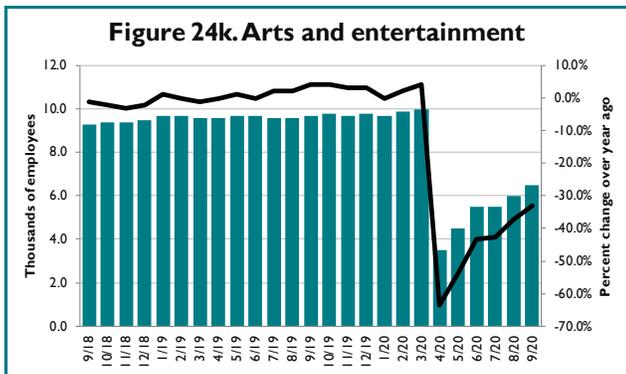
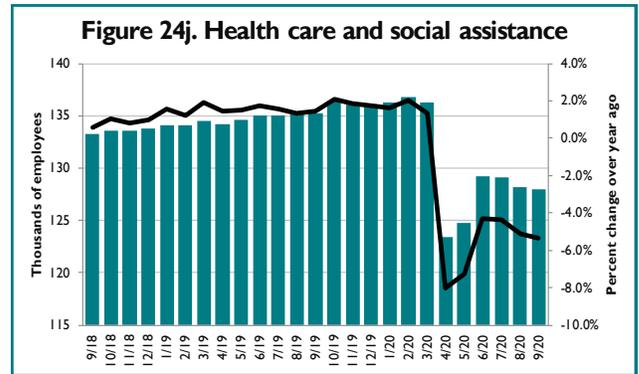
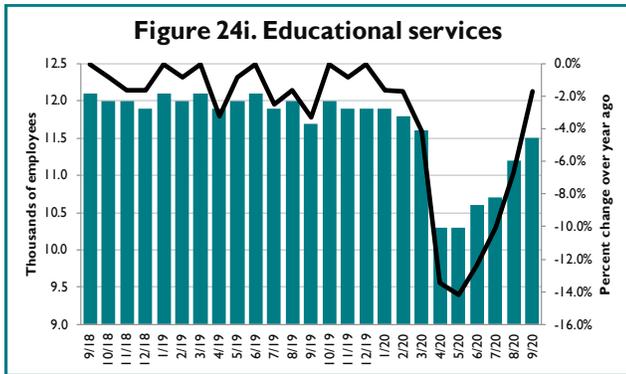
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

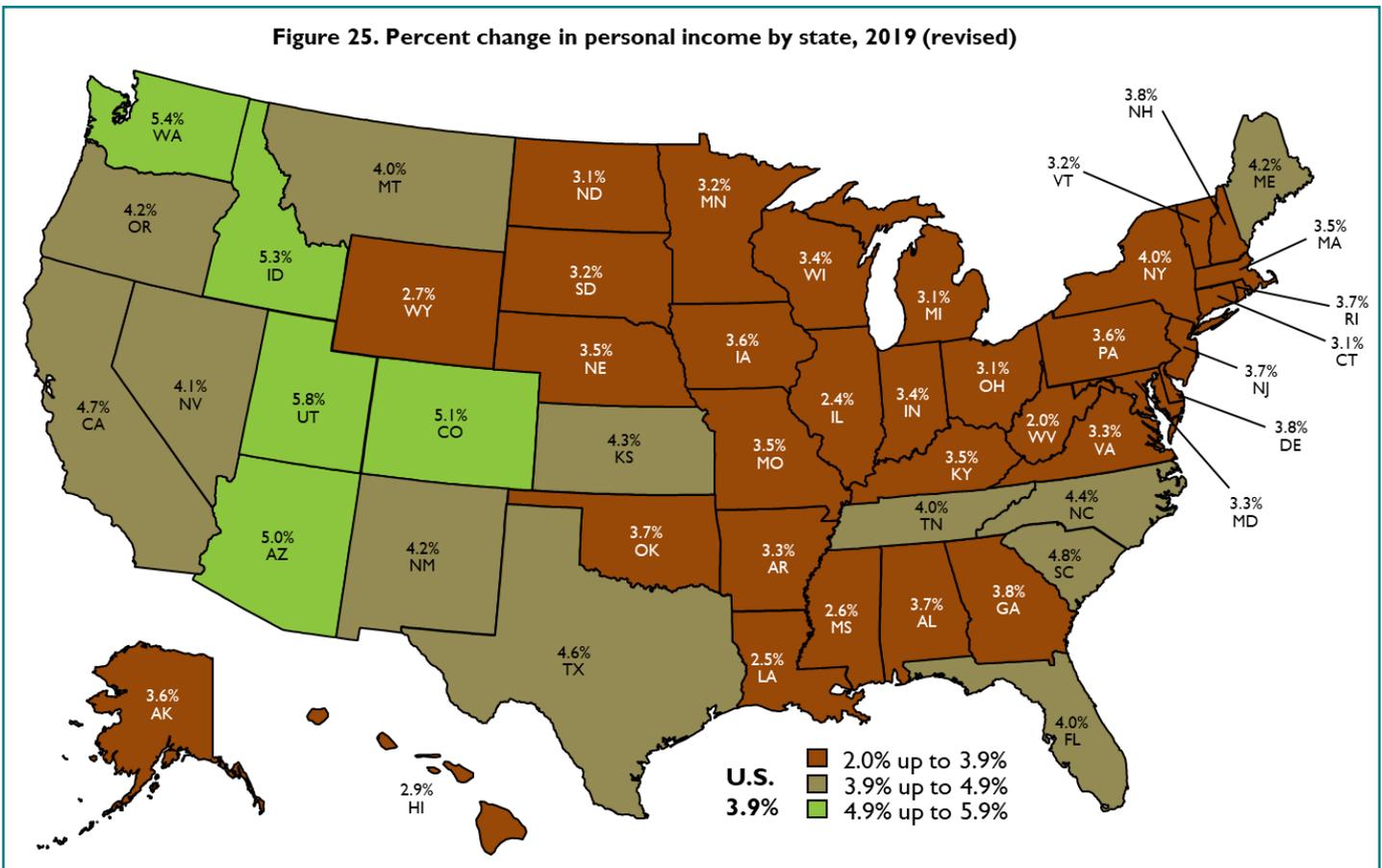


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

## REVISIONS TO PERSONAL INCOME FOR 2019

In late September the U.S. Bureau of Economic Analysis (BEA) released revisions to its annual estimates of state personal income for 2019. 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 the results of the July 2020 update to the National Income and Product Accounts. The April issue of *Mississippi's Business* reported BEA's initial estimates of personal income by state. The revised estimates, like the initial estimates, have not been adjusted for inflation and therefore are different from the estimates of the change in real income reported in the June issue, which BEA released through 2018. Thus, when viewing this data readers should keep the level of inflation in mind as the U.S. annual inflation rate in 2019 was 2.3 percent according to the Consumer Price Index, the highest annual rate since 2011.

Personal income in Mississippi increased 2.6 percent in 2019 according to BEA's revised estimates, a decrease of 1.1 percentage points from its initial estimate in March. BEA revised the change in personal income for 2019 down for most states as the change for the U.S. in the revised data was an increase of 3.9 percent, which is 0.5 percentage point below the March estimate. The 2.6 percent change in personal income in Mississippi in 2019 ranked forty-sixth among all states, slightly larger than in Louisiana and Illinois. The state with the smallest increase was West Virginia, where personal income rose 2.0 percent as seen in Figure 25 below. Mississippi was one of thirty-three states where personal income grew between 2.0 and 3.9 percent in 2019 according to BEA. In twelve states personal incomes increased between 3.9 percent and 4.9 percent. This group includes the states of Florida, North Carolina, South Carolina, Tennes-



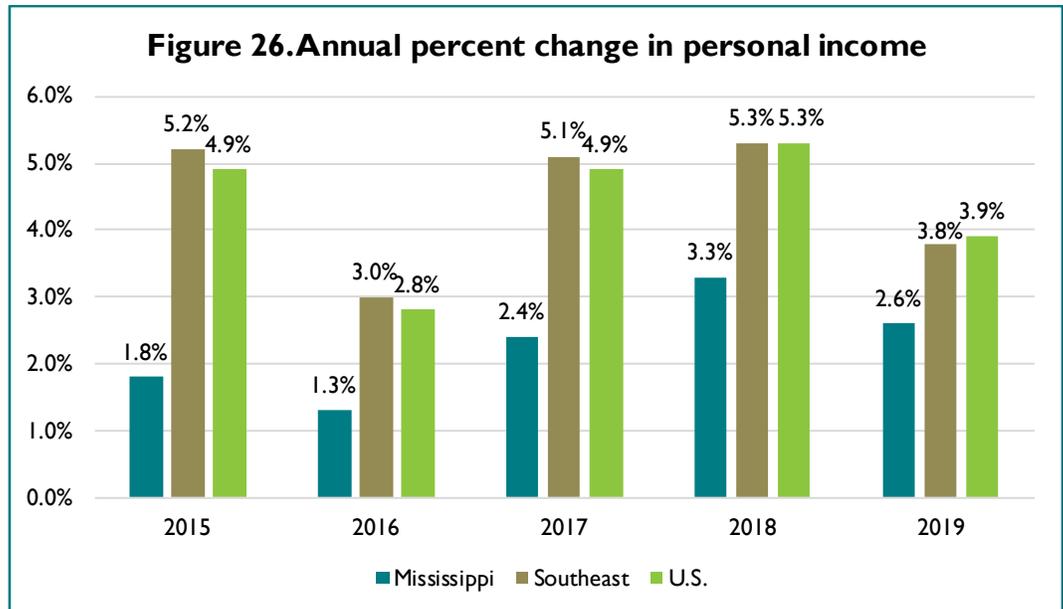
Source: U.S. Bureau of Economic Analysis

## MISSISSIPPI'S BUSINESS

### REVISIONS TO PERSONAL INCOME FOR 2019, CONTINUED

see, and Texas in the Southeast\* region. In five states the increase in personal income in 2019 was 5.0 percent or more. Notably, all five of these states are located west of the Mississippi River. The largest increase occurred in Utah where personal income grew 5.8 percent, a slight downward revision from the 6.0 percent rate BEA reported in March.

Figure 26 depicts the change in personal income in each of the last five years for Mississippi, the Southeast, and the



Source: U.S. Bureau of Economic Analysis

U.S. The 2.6 percent increase in personal income in Mississippi in 2019 represents a decrease of 0.7 percentage point from 2018, but still exceeds the income growth each year from 2015-2017. The revised changes in personal income for the Southeast and the U.S. reflect larger declines in growth from the previous year than for Mississippi. Personal income grew at a rate of 5.3 percent in 2018 for both the Southeast and the U.S., and both rates decreased to 3.8 percent and 3.9 percent, respectively, in 2019. Notably, the rates of growth in personal income for the Southeast and the U.S. exceeded the rate for Mississippi by at least 1.5 percentage points each year from 2015 to 2018; in fact, in 2015 and 2017 this difference was at least 2.0 percentage points.

In its revised data BEA reported per capita personal income for Mississippi was \$38,914 in 2019, a downward revision of about 1.2 percentage points from April. As in the data before revisions, per capita income in Mississippi ranked fiftieth among all states in 2019 as no other state had per capita income below \$40,000 annually. Moreover, in West Virginia—the state with the second-smallest per capita personal income in 2019—per capita personal income was \$3,400 more per year than in Mississippi.

\*BEA defines “Southeast” as the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.