



## ECONOMY AT A GLANCE

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

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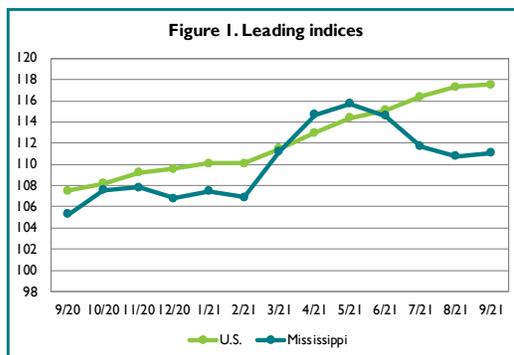
The value of the Mississippi Leading Index (MLI) rose 0.3 percent in September as Figure 1 indicates. The value of the MLI for the month was up 5.5 percent compared to one year earlier.

As seen in Figure 2 the value of the Mississippi Coincident Index (MCI) rose 0.4 percent in September. Compared to one year ago the value for the month was 3.3 percent higher.

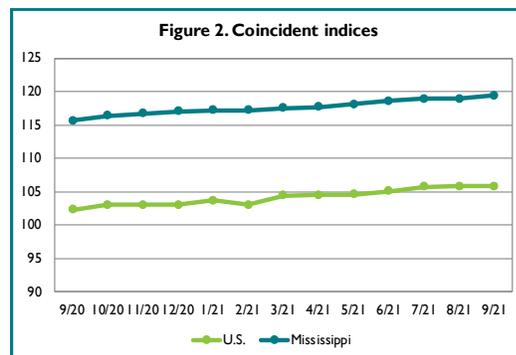
In its initial estimate of the change in U.S. real GDP in the third quarter of 2021, the U.S. Bureau of Economic Analysis (BEA) reported an increase of 2.0 percent at a seasonally-adjusted, annualized rate. Increases in private inventory investment, consumer spending, state and local government spending, and nonresidential fixed investment were responsible for the growth in the third quarter. Negative contributions were made by residential fixed

investment, federal government spending, and net exports. The change in second quarter U.S. real GDP remained an increase of 6.7 percent at an annualized rate.

The first increase in the value of the MLI since May suggests the Mississippi economy improved slightly in September. Initial unemployment claims, building permits, and the Mississippi Manufacturing Employment Intensity Index all contributed positively for the first time in three months. These improvements likely mean the state's economy got a respite from COVID-19 cases caused by the delta variant. The gain in jobs in September likely has the same implication. The Mississippi economy should continue to improve incrementally if COVID-19 cases remain relatively low, but national issues such as supply chain disruptions will limit the extent of the recovery in the short term.



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 workweek length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2007.

**MISSISSIPPI'S BUSINESS****MISSISSIPPI LEADING INDEX, SEPTEMBER 2021**

**F**or the first time since May the value of the **Mississippi Leading Index of Economic Indicators (MLI)** increased in September. The value rose 0.3 percent for the month as seen in Figure 3. The value of the MLI in September was 5.5 percent higher compared to one year earlier. Over the last six months the value of the MLI was down 0.1 percent.

Four of the seven components of the MLI increased in value in September and one was essentially unchanged. As in August the largest positive contribution for the month was made by income tax withholdings and the largest negative contribution came from consumer expectations. Each component is discussed below in order of largest to smallest contribution.

Figure 4 indicates the value of **Mississippi income tax withholdings** (three-month moving average) rose 1.6 percent in September, the second consecutive monthly increase. The value of withholdings in September was 3.8 percent higher compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi rose 4.7 percent.

**Mississippi residential building permits** (three-month moving average) rose in value by 4.6 percent in September as seen in Figure 5, the first increase since May. Compared to one year earlier the value for the month was 12.6 percent lower. The number of units in the state rose 6.5 percent in September, also its first increase since May. Compared to one year earlier the number of units in the state for the month was 12.6 percent lower. The number of privately-owned housing units authorized by building permits in the U.S. in August was down 7.7 percent from the revised August rate. The number of units in the U.S. for the month compared to one year earlier was essentially unchanged.

The value of **U.S. retail sales** increased 0.7 percent in September as seen in Figure 6. The value of September sales was up 13.9 percent compared to one year earlier. Sales of Motor Vehicles and Parts increased for the first time since April, but this was likely due to price increases and sales of used vehicles, not more new vehicles. The largest increase in sales among all segments in September was in Sporting Goods and Hobbies and the only decrease in sales among all segments for the month was in Electronics and Appliances.

Figure 7 indicates the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 6.3 per-

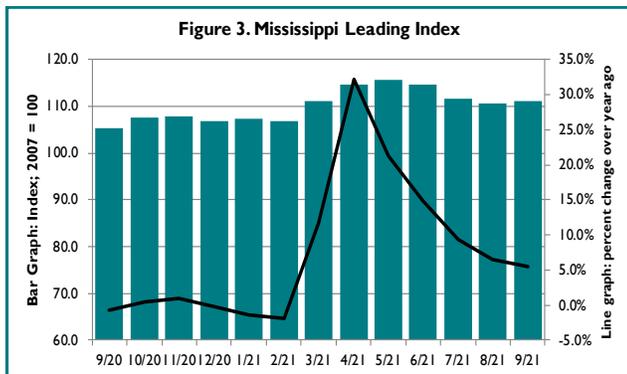
cent in September, the first decline since May. Compared to one year earlier the value for the month was down 63.5 percent. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 4.0 percent in September as seen in Figure 16 on page 6, the tenth consecutive monthly decline. The number of continued unemployment claims in Mississippi was 85.5 percent lower for the month compared to one year earlier. In September the seasonally-adjusted unemployment rate in Mississippi decreased 0.2 percentage point to 5.8 percent as seen in Figure 17 on page 6. Compared to one year earlier the unemployment rate for the state was 1.4 percentage points lower.

In September the value of the **Mississippi Manufacturing Employment Intensity Index** was essentially unchanged as seen in Figure 8. The value for the month was 3.9 percent higher compared to one year earlier. Manufacturing employment in the state rose 0.7 percent in September but this increase was offset by the decline in average weekly hours of production employees for the month, which fell to its lowest level since September 2020.

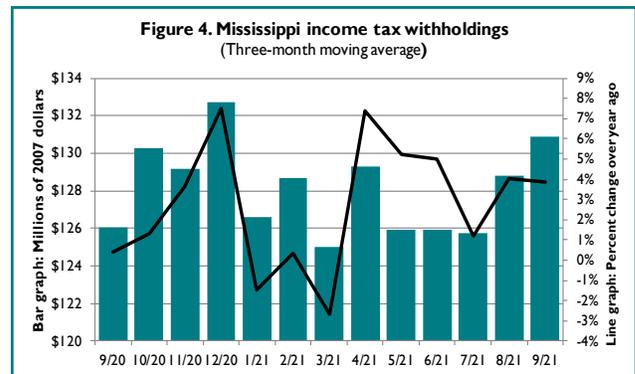
The value of the **ISM Index of U.S. Manufacturing Activity** fell 0.5 percent in October as seen in Figure 9. Compared to one year earlier the value in October was 2.5 percent higher. Three of the five components increased for the month, although one of these was the Supplier Deliveries component. The increase in the value of this component means deliveries took longer. Most of the decrease was from the New Orders component, as the Production component fell only slightly. In October the prices paid index increased as all of the industries included in the index reported higher prices. Wood was the only commodity that reported a lower price for the month.

As seen in Figure 10 the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) declined in September for the fourth consecutive month. The decrease in the value for the month was 5.2 percent. Compared to one year earlier the value in September was down 9.9 percent, the first year-over-year decrease since March. Concerns about rising inflation, particularly the prices of food and gasoline, are hurting consumer sentiment and outlooks. Unease about COVID-19 and the direction of federal policies are also restraining optimism. Short-term (one-year) inflation expectations were higher in the most recent survey while long-term (five-year) expectations edged down slightly.

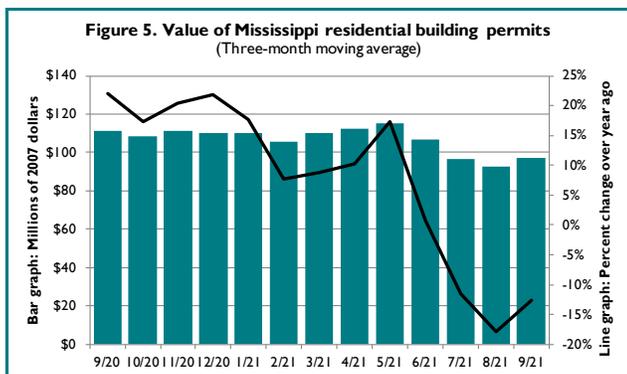
# MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



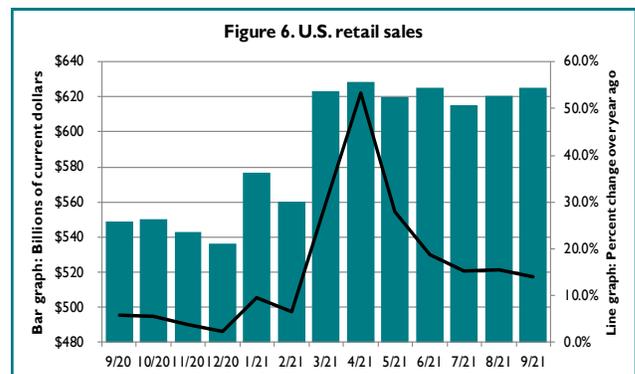
Source: University Research Center



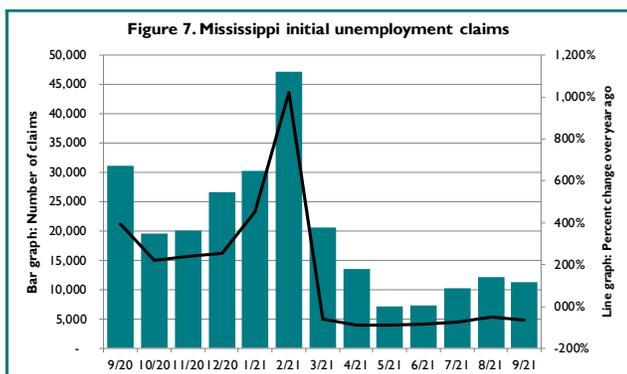
Source: Mississippi Department of Revenue; seasonally adjusted



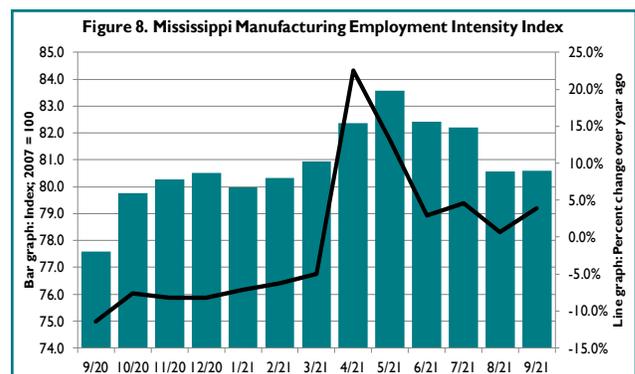
Source: U.S. Bureau of the Census; seasonally adjusted



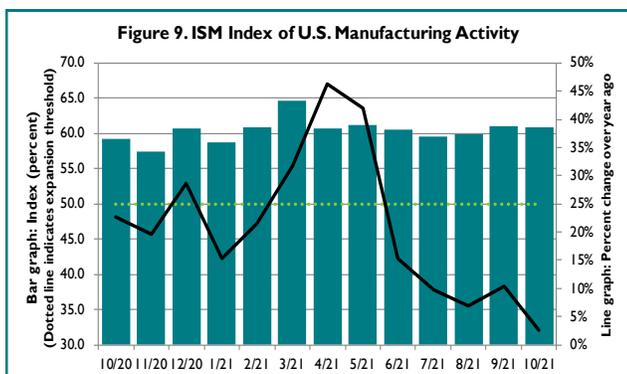
Source: U.S. Bureau of the Census



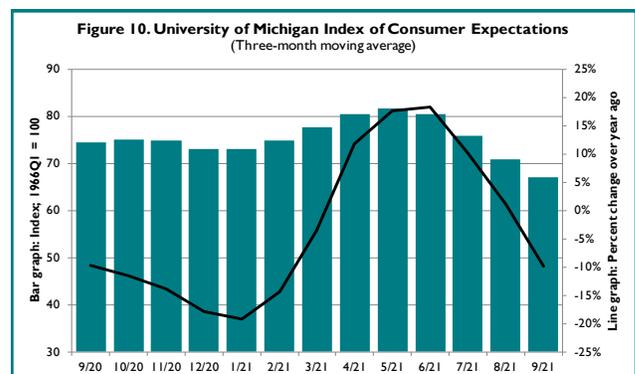
Source: U.S. Department of Labor; seasonally adjusted



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



Source: Institute for Supply Management



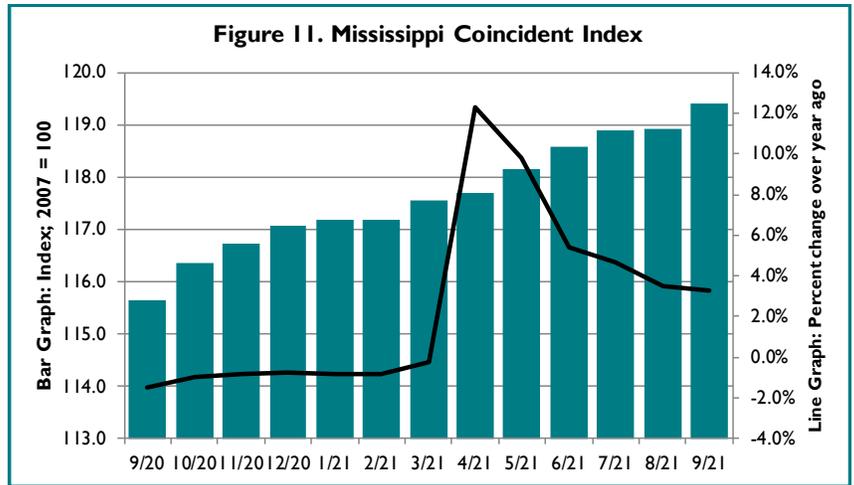
Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI'S BUSINESS

MISSISSIPPI COINCIDENT INDEX, SEPTEMBER 2021

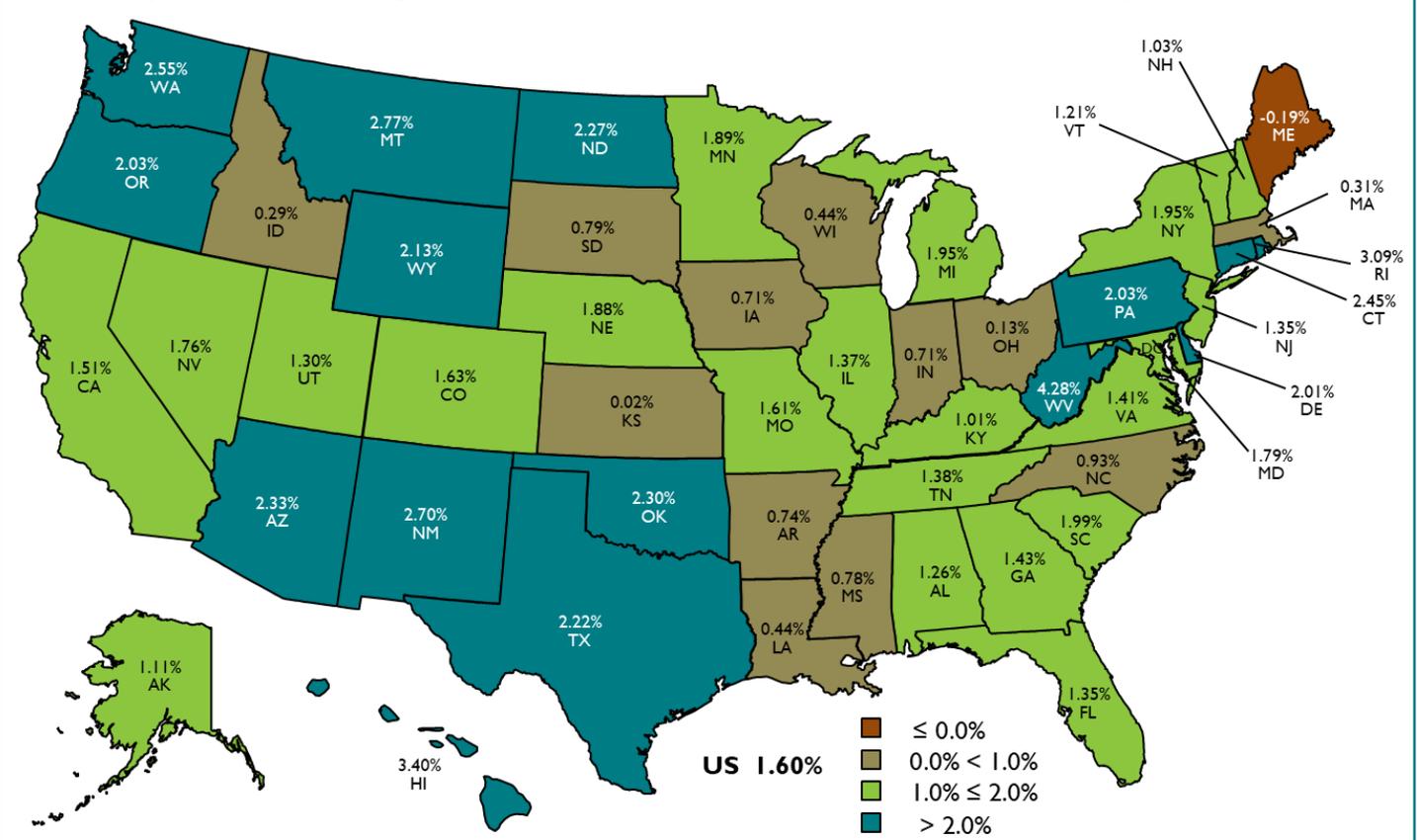
In September the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.4 percent according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. The August value was revised up to essentially no change. Compared to one year earlier the value of the MCI in September was up 3.3 percent.

As Figure 12 indicates the values of the coincident indices increased in forty-nine states in September compared to June. The values of the coincident indices increased more than 2.0 percent over the last three months in fifteen states. The value of the coincident index rose 4.3 percent in West Virginia, the largest increase among all states compared to three months earlier. In twenty-two states the values of coincident indices increased between 1.0 percent and 2.0 percent in September compared to June. The values of the coincident index rose less than 1.0 percent over the last three months in Mississippi and eleven other states. Maine was the only state where the value of the coincident index decreased between June and September.



Source: Federal Reserve Bank of Philadelphia

Figure 12. Three-month growth in the coincident index of economic indicators by state, September 2021



Source: Federal Reserve Bank of Philadelphia

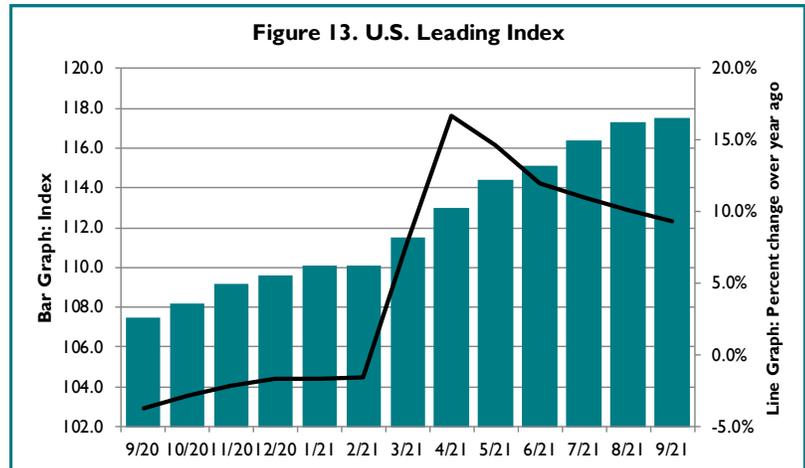
## NATIONAL TRENDS

The Conference Board reported the value of the U.S. Leading Economic Index (LEI) rose 0.2 percent in September as seen in Figure 13. The value of the LEI for the month was 9.3 percent higher compared to one year earlier. In September six of the ten components of the LEI made positive contributions. The ISM® New Orders Index made the largest contribution. Over the last six months the value of the LEI rose 5.4 percent.

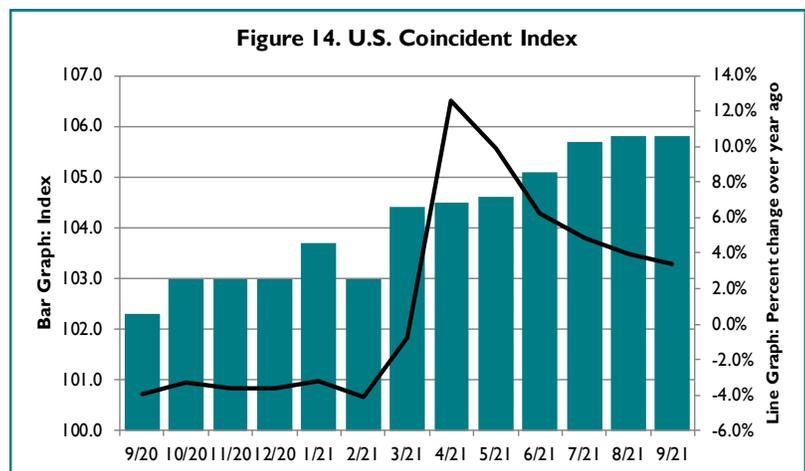
As seen in Figure 14 the value of the U.S. Coincident Economic Index (CEI) was unchanged in September according to The Conference Board. The value of the CEI was 3.4 percent higher for the month compared to one year earlier. In September three of the four components of the CEI made positive contributions. Employees on nonagricultural payrolls made the largest contribution once again. The negative contribution came from industrial production. The value of the CEI increased 1.3 percent over the last six months.

The value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index fell 1.0 percent in September as Figure 15 indicates. Compared to one year earlier, the value of the Index for the month was down 4.7 percent, the second consecutive year-over-year decrease. Six of the ten components decreased for the month and two were unchanged. The “expect economy to improve” component decreased the most among all components and remained negative for the tenth consecutive month. Only the “expect real sales higher” and “current job openings” components increased in September. The “plans to raise prices” measure increased for the first time since June.

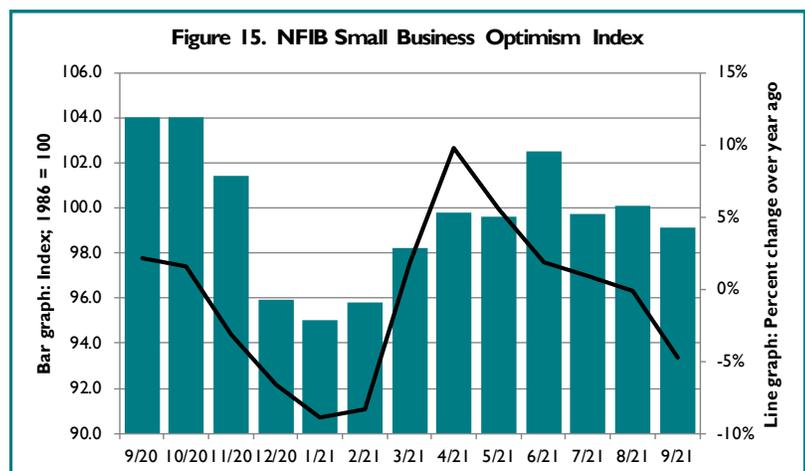
Following the November meeting of the Federal Open Market Committee (FOMC), the Federal Reserve announced it will begin reducing its monthly purchases of financial assets. The Fed will purchase \$15 billion less starting this month and at that rate should eliminate its \$120 billion in monthly purchases after June 2022. Officials have previously indicated the FOMC will not raise its short-term benchmark interest rate until well after asset purchases end. So far the rise in inflation this year has only slightly accelerated the Fed’s timetable for increasing interest rates.



Source: The Conference Board



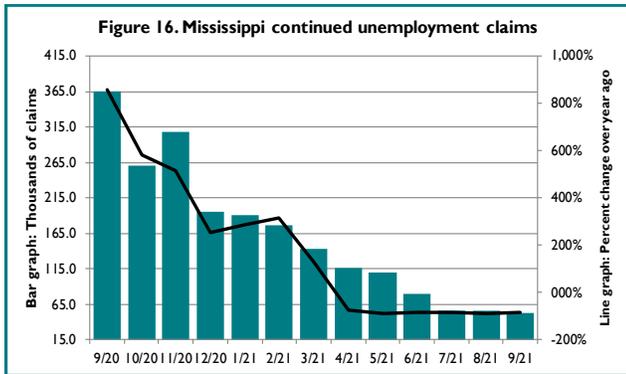
Source: The Conference Board



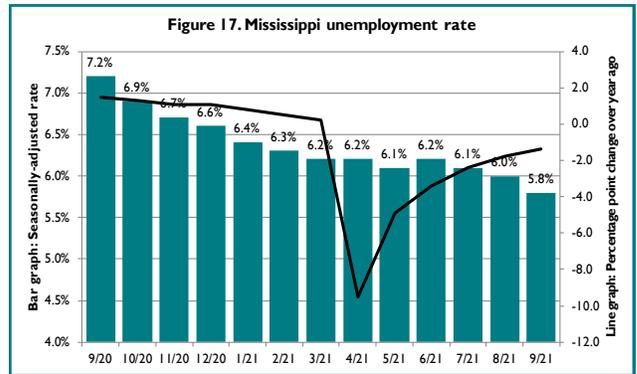
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

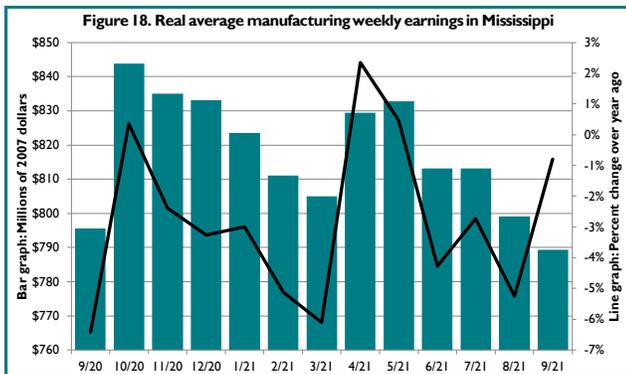
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



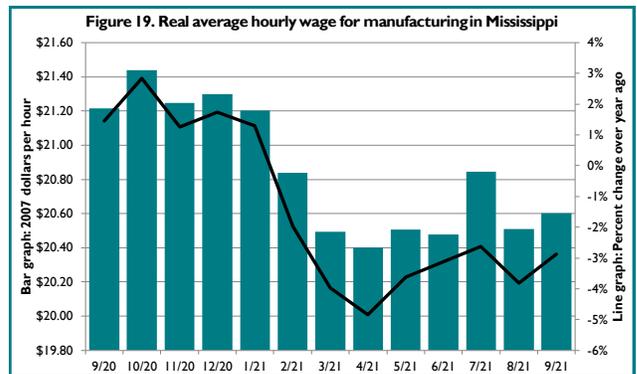
Source: U.S. Department of Labor; seasonally adjusted



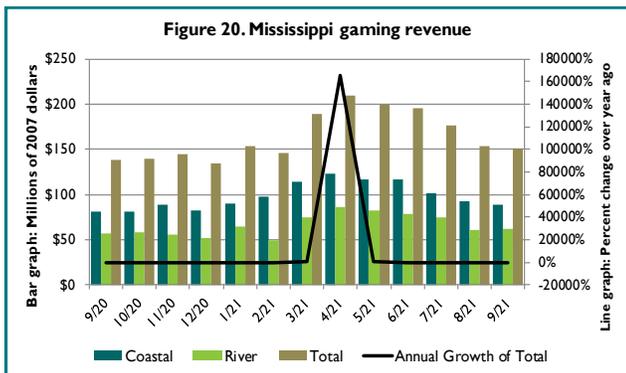
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



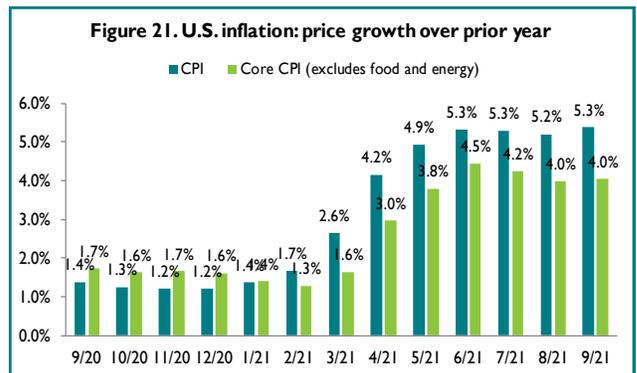
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



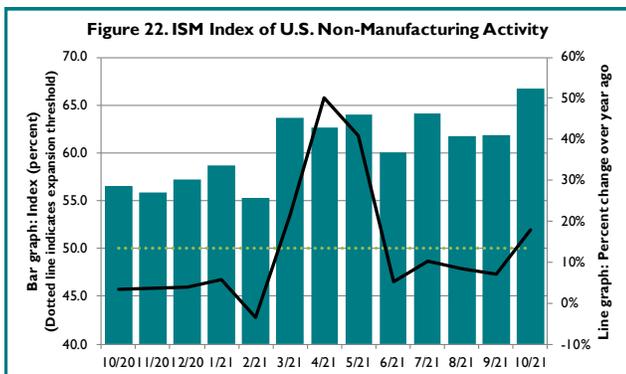
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



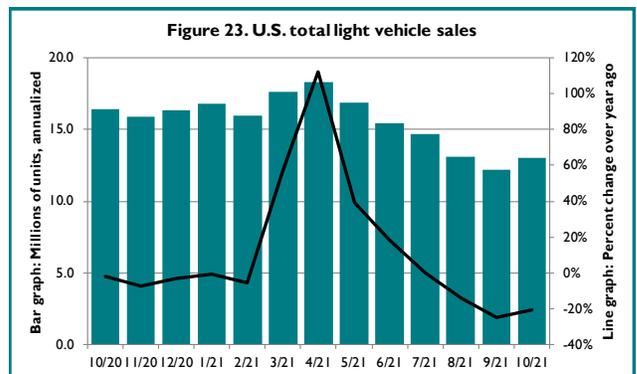
Source: Mississippi Department of Revenue; seasonally adjusted



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	
	2021	2021	2020	August 2021	September 2020
<b>U.S. Leading Economic Index</b> 2007 = 100. Source: The Conference Board	117.5	117.3	107.5	▲0.2%	▲9.3%
<b>U.S. Coincident Economic Index</b> 2007 = 100. Source: The Conference Board	105.8	105.8	102.3	◀▶0.0%	▲3.4%
<b>Mississippi Leading Index</b> 2007 = 100. Source: University Research Center	111.1	110.7	105.3	▲0.4%	▲5.5%
<b>Mississippi Coincident Index</b> 2007 = 100. Source: Federal Reserve Bank of Philadelphia	119.4	118.9	115.6	▲0.4%	▲3.3%
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	11,367	12,130	31,116	▼6.3%	▼63.5%
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	97.1	92.8	111.1	▲4.6%	▼12.6%
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	130.9	128.8	126.0	▲1.6%	▲3.8%
<b>Mississippi Manufacturing Employment Intensity Index</b> 2007 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	80.6	80.6	77.6	◀▶0.0%	▲3.9%
<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	67.0	70.7	74.4	▼5.2%	▼9.9%
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	60.8	61.1	59.3	▼0.5%	▲2.5%
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	625.4	620.9	548.9	▲0.7%	▲13.9%
<b>U.S. Consumer Price Index (CPI)</b>	132.2	131.7	125.5	▲0.4%	▲5.4%
<b>U.S. Core CPI (excludes food and energy)</b> 2007 = 100. Source: URC using data from Bureau of Labor Statistics	132.9	132.6	127.7	▲0.2%	▲4.0%
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	5.8%	6.0%	7.2%	▼0.2	▼1.4
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	53,131	55,337	365,659	▼4.0%	▼85.5%
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	66.7	61.9	56.6	▲7.8%	▲17.8%
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	2.95%	2.93%	2.95%	▲0.02	◀▶0.00
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	20.60	20.51	21.22	▲0.5%	▼2.9%
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2007 dollars. Source: U.S. Bureau of Labor Statistics	789.35	799.02	795.64	▼1.2%	▼0.8%
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	99.1	100.1	104.0	▼1.0%	▼4.7%
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	12.99	12.22	16.40	▲6.3%	▼20.8%
<b>Gaming revenue</b>	150.67	153.86	137.8	▼2.1%	▲9.3%
<b>Coastal counties</b>	89.13	92.96	80.5	▼4.1%	▲10.7%
<b>River counties</b> Seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	61.54	60.89	57.3	▲1.1%	▲7.4%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

In September total nonfarm employment in Mississippi rose by 3,900 jobs according to the U.S. Bureau of Labor Statistics (BLS), a 0.3 percent decrease. BLS revised August employment in the state up by 1,800 jobs. Table 2 indicates total nonfarm employment in Mississippi in September was higher by 26,300 jobs compared to one year ago, an increase of 2.4 percent. The state has added 12,300 jobs in 2021 through September.

BLS reported eleven states added jobs in September, three states lost jobs, and employment was essentially unchanged in thirty-six states and the District of Columbia. The largest increase in employment among all states occurred in Texas, which added 95,800 jobs, followed by Florida, which added 84,500 jobs, and California, which added 47,400 jobs. The largest percentage increase in employment among all states in September occurred in Florida, where employment rose 1.0 percent. Louisiana lost 29,600 jobs for the month, the most among all states. The decline was 1.6 percent, which was also the largest among all states. Idaho and Vermont lost jobs in September as well.

Over the last twelve months nonfarm employment increased in forty-seven states and the District of Columbia and was essentially unchanged in three states. Califor-

nia added 795,800 jobs, the most among all states, followed by Texas, which added 711,500 jobs, and Florida, which added 405,900 jobs. The largest percentage increase in employment over the last twelve months among all states was the 12.9 percent increase in Hawaii.

Most sectors in Mississippi added jobs in September. Professional and Business Services added 3,600 jobs, the largest gain among all sectors. The sector also had the largest percentage increase for the month of 3.3 percent. The largest decrease in employment among all sectors occurred in Government, which lost 2,300 jobs. The largest percentage decrease in employment among all sectors was the 1.7 percent decrease in Educational Services, a loss of 200 jobs.

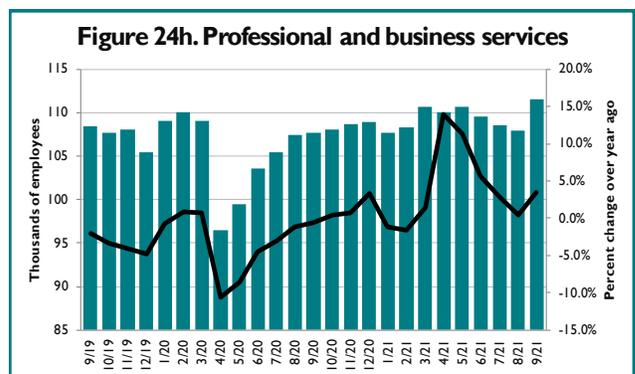
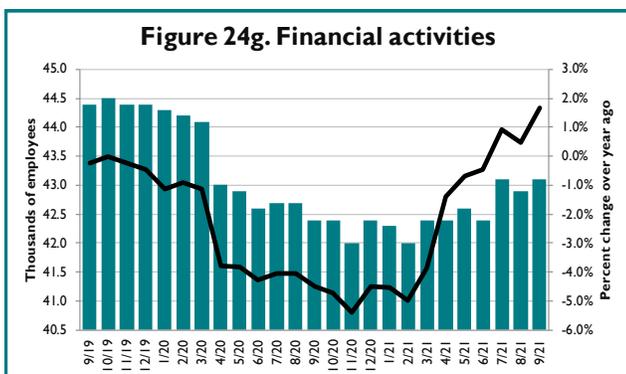
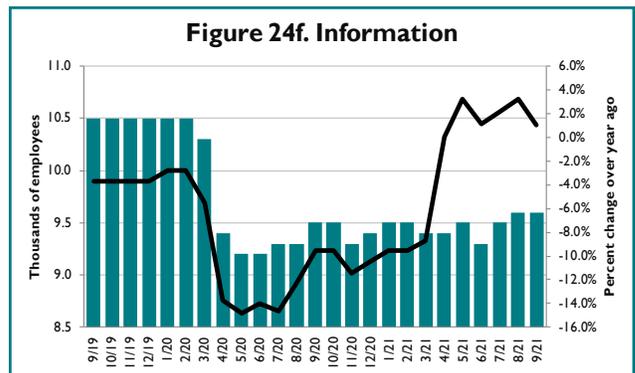
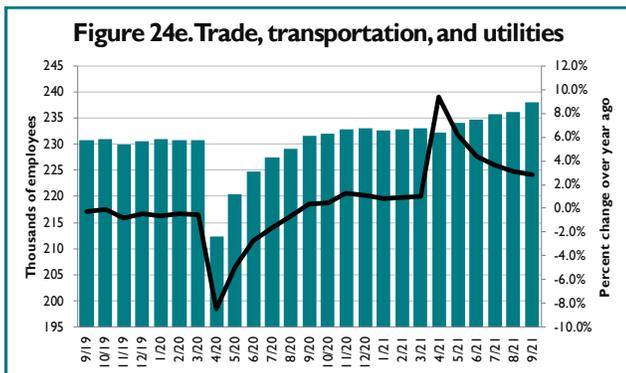
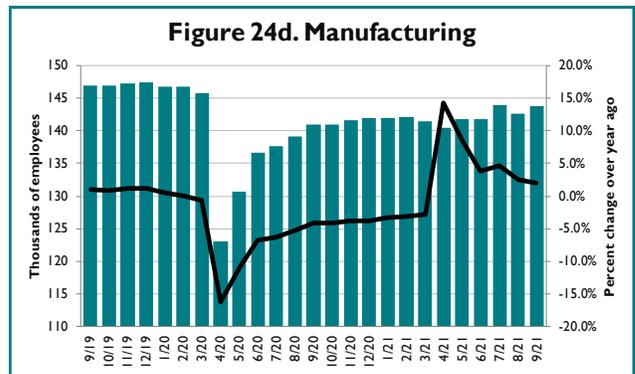
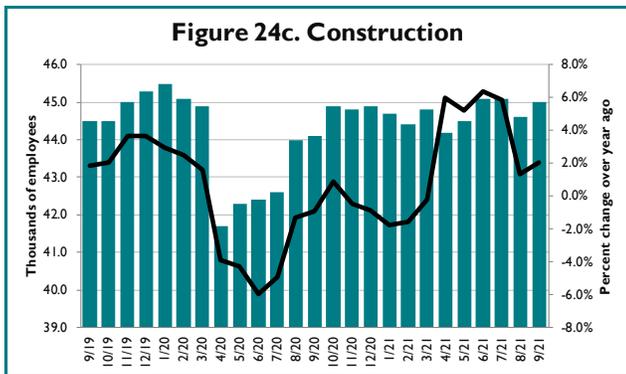
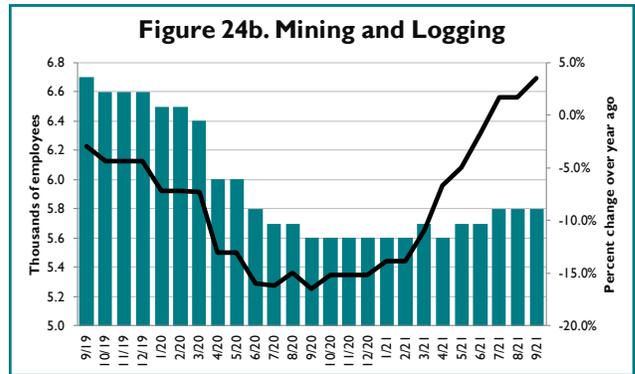
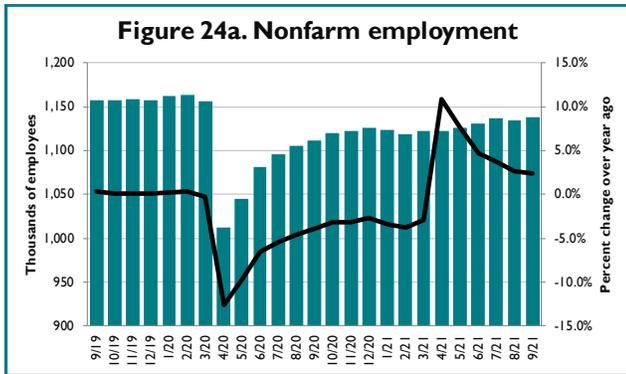
Every sector in the state over the last twelve months added jobs except Government, which was lower by 3,400 jobs in September, a decrease of 1.4 percent. The Retail Trade subsector lost 1,000 jobs over the last twelve months, a 0.7 percent decrease. The largest increase in employment among all sectors over the last twelve months occurred in Accommodation and Food Services, which added 8,700 jobs. The sector also had the largest percentage increase in employment over the last twelve months of 8.0 percent.

**Table 2. Change in Mississippi employment by industry, September 2021**

	Relative share of total <sup>a</sup>	September 2021	August 2021	September 2020	Change from August 2021 Level	Change from August 2021 Percent	Change from September 2020 Level	Change from September 2020 Percent
Total Nonfarm	100.0%	1,138,200	1,134,300	1,111,900	▲3,900	▲0.3%	▲26,300	▲2.4%
Mining and Logging	0.5%	5,800	5,800	5,600	◀▶0	◀▶0.0%	▲200	▲3.6%
Construction	4.0%	45,000	44,600	44,100	▲400	▲0.9%	▲900	▲2.0%
Manufacturing	12.6%	143,700	142,700	140,900	▲1,000	▲0.7%	▲2,800	▲2.0%
Trade, Transportation & Utilities	20.8%	238,100	236,100	231,600	▲2,000	▲0.8%	▲6,500	▲2.8%
Retail Trade	11.9%	134,000	133,200	135,000	▲800	▲0.6%	▼1,000	▼0.7%
Information	0.8%	9,600	9,600	9,500	◀▶0	◀▶0.0%	▲100	▲1.1%
Financial Activities	3.8%	43,100	42,900	42,400	▲200	▲0.5%	▲700	▲1.7%
Services	36.7%	420,500	417,900	402,000	▲2,600	▲0.6%	▲18,500	▲4.6%
Professional & Business Services	9.7%	111,500	107,900	107,700	▲3,600	▲3.3%	▲3,800	▲3.5%
Educational Services	1.0%	11,700	11,900	11,100	▼200	▼1.7%	▲600	▲5.4%
Health Care and Social Assistance	11.4%	130,000	129,700	126,700	▲300	▲0.2%	▲3,300	▲2.6%
Arts and Entertainment	0.8%	8,100	8,200	8,000	▼100	▼1.2%	▲100	▲1.3%
Accommodation and Food Services	10.2%	117,500	118,700	108,800	▼1,200	▼1.0%	▲8,700	▲8.0%
Other Services	3.6%	41,700	41,500	39,700	▲200	▲0.5%	▲2,000	▲5.0%
Government	20.8%	232,400	234,700	235,800	▼2,300	▼1.0%	▼3,400	▼1.4%

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

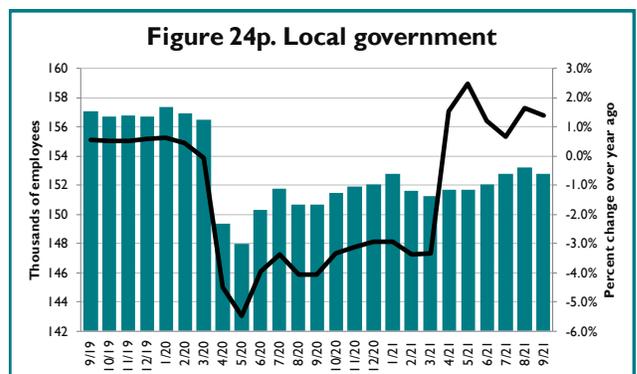
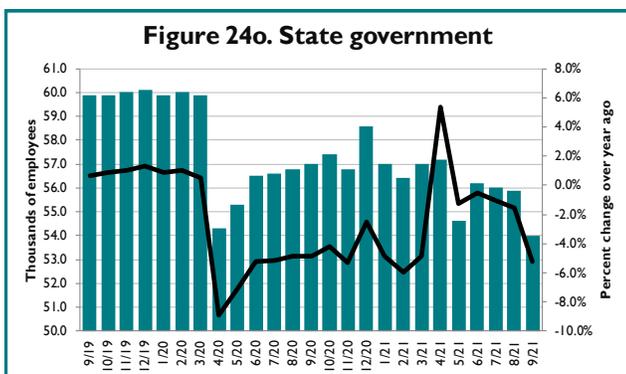
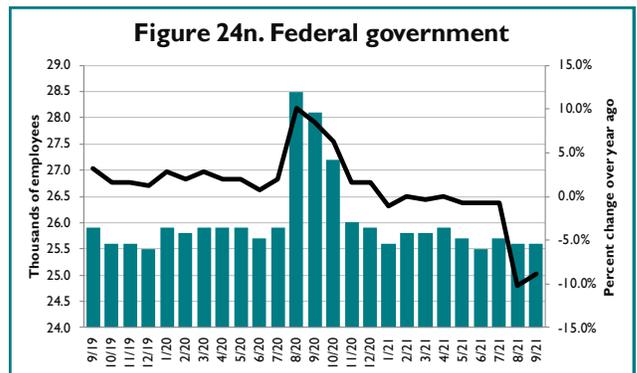
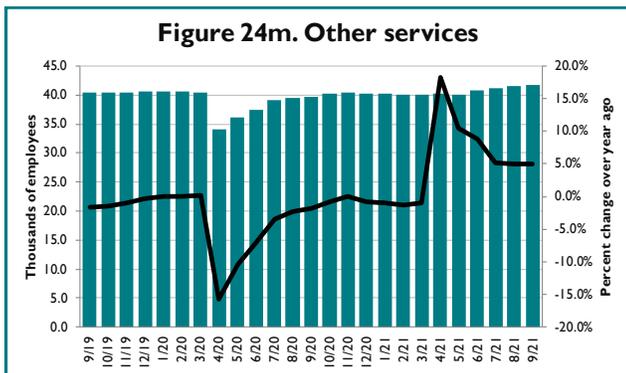
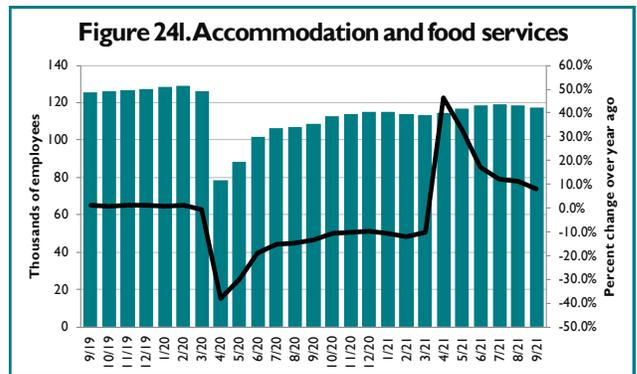
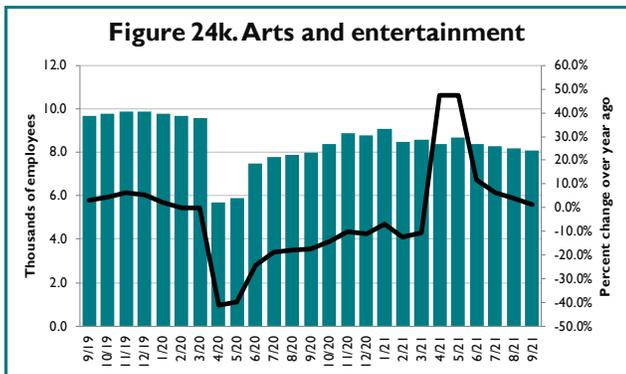
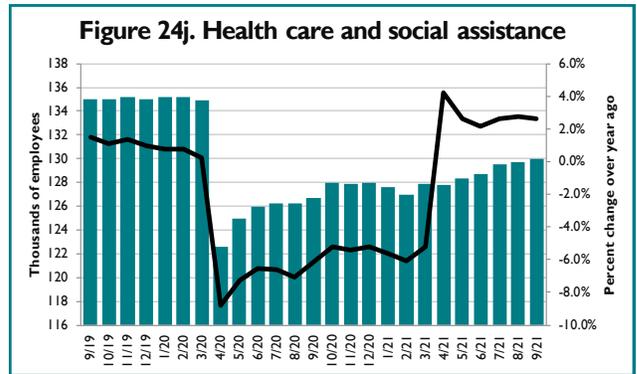
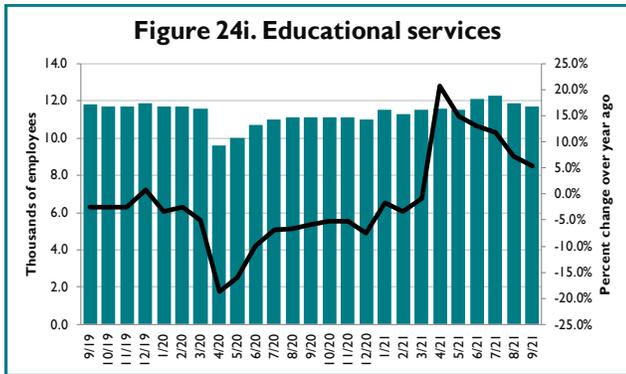
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

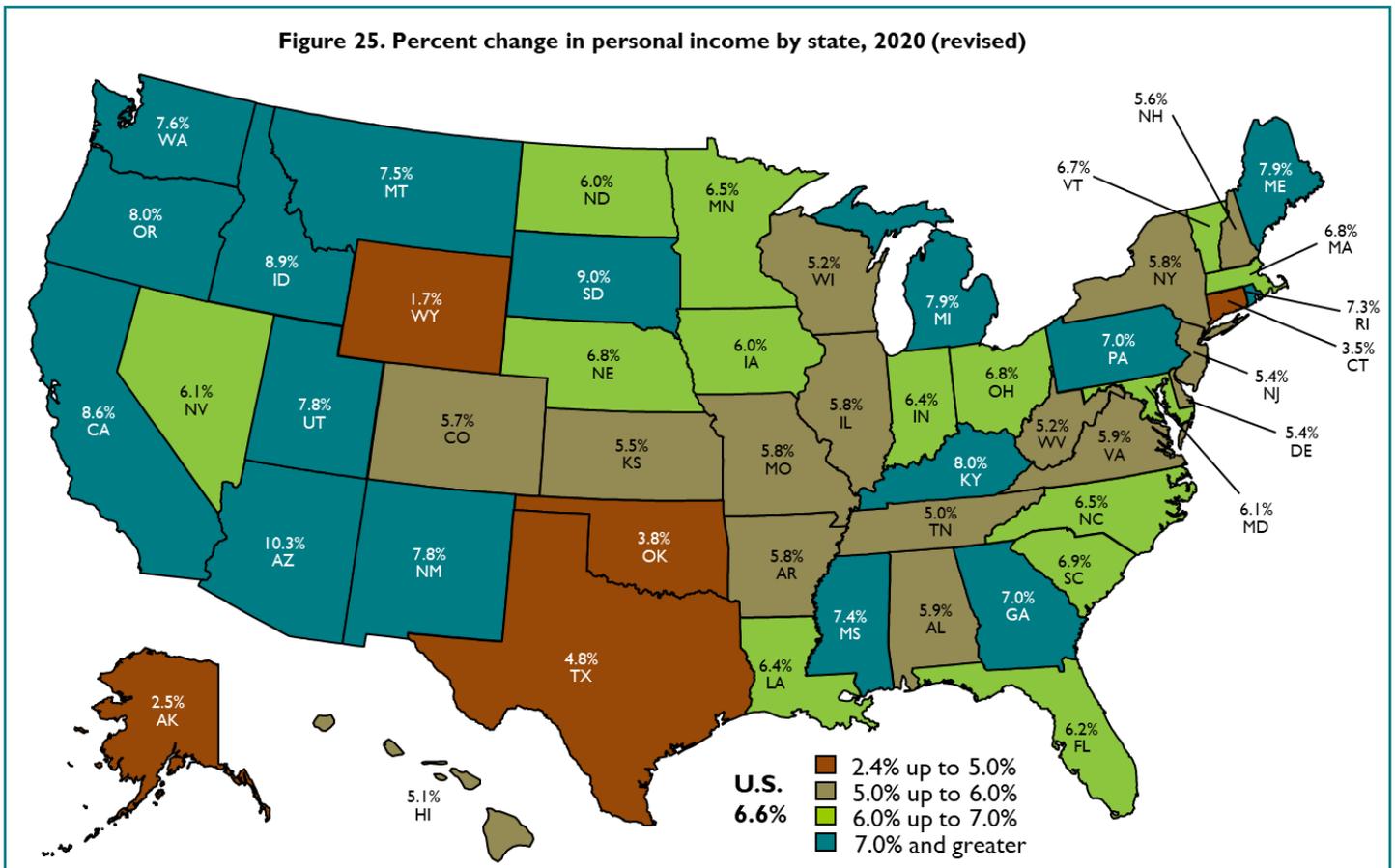


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

## REVISIONS TO PERSONAL INCOME FOR 2020

The U.S. Bureau of Economic Analysis (BEA) released revisions to its annual estimates of personal income by state for 2020. The agency also revised estimates for previous years. 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 2021 update to the National Income and Product Accounts. The initial estimates of personal income by state for 2020 were reported in the April 2021 issue of *Mississippi's Business*. 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 that BEA released through 2019 as reported in the May issue. Although the rate of inflation has increased considerably in recent months, for all of 2020 the rate as measured by the change in the Consumer Price Index was 1.2 percent.

According to BEA's revised estimates personal income in Mississippi increased 7.4 percent in 2020, an increase of 0.5 percentage point from the initial estimate in March. In the majority of states the change in personal income in 2020 was revised up; the change in personal income for the U.S. was revised up from an increase of 6.1 percent to an increase of 6.6 percent. The 7.4 percent increase in personal income in Mississippi in 2020 ranked thirteenth among all states and was the second highest among all states in the Southeast\* behind the 8.0 percent increase in Kentucky. The annual increase in personal income was the largest in the state since 1994. As seen in Figure 25 below, the largest increase in personal income among all states in 2020 was the 10.3 percent gain in Arizona. Personal income rose in all



Source: U.S. Bureau of Economic Analysis

## MISSISSIPPI'S BUSINESS

### REVISIONS TO PERSONAL INCOME FOR 2020, CONTINUED

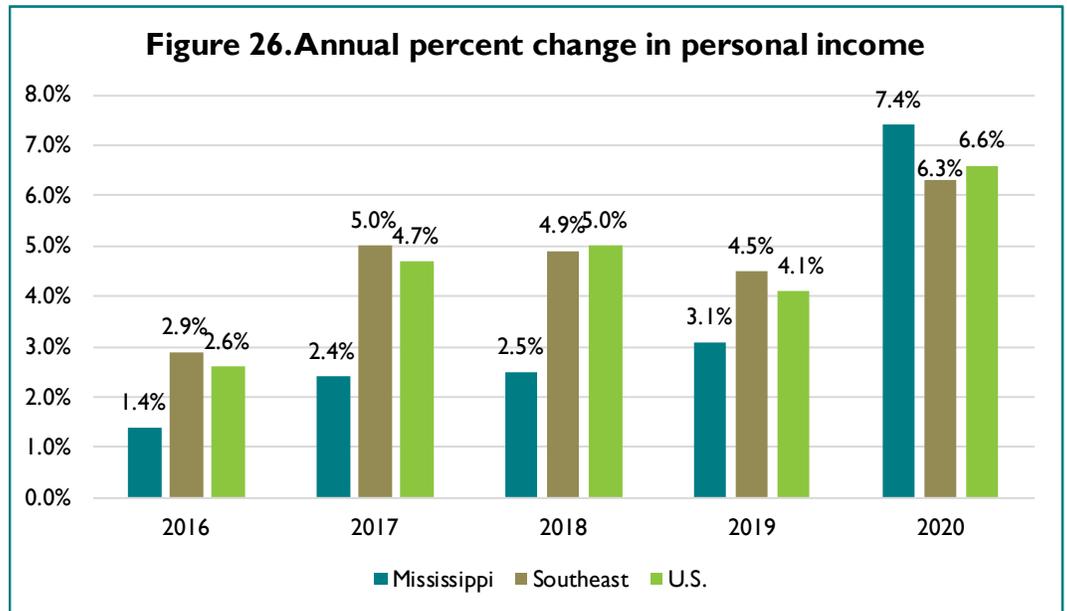
states in 2020 as the smallest increase was the 1.7 percent gain in Wyoming. Mississippi was one of sixteen states where personal income increased by 7.0 percent or more. In fourteen states personal income increased from 6.0 percent to 6.9 percent, including the Southeastern states of Florida, Louisiana, North Carolina, and South Carolina. Personal income increased from 5.0 to 5.9 percent in fifteen states, including the Southeastern states of Alabama, Arkansas,

Tennessee, Virginia, and West Virginia. Finally, in five states personal income in 2020 increased from 1.7 percent to 4.9 percent. These states included Oklahoma and Texas in the Southeast. Notably, in four of these five states the energy sector is an important component of the economy and energy prices were depressed for most of 2020.

The change in personal income in each of the last five years for Mississippi, the Southeast, and the U.S. is depicted in Figure 26. Notably, 2020 is the only year seen in this graph when the change in personal income is larger in Mississippi than in the Southeast or the U.S. As discussed in the April issue of *Mississippi's Business*, the relatively large increases in personal income in Mississippi and other states in 2020 were due in part to the assistance provided to individuals through the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed last year. Transfer receipts accounted for almost 31.0 percent of personal income in the state in 2020, compared to slightly more than 26.0 percent in 2019, a difference of about \$8.1 million.

BEA reported in its revised data that per capita personal income for Mississippi was \$42,129 in 2020, an increase of 0.9 percentage point from the April release. Per capita income in Mississippi ranked fiftieth among all states in 2020 following the revisions, the same as in the initial estimate. The second-smallest per capita personal income in 2020 among all states was the \$44,994 in West Virginia, almost \$2,900 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.



Source: U.S. Bureau of Economic Analysis.