



ECONOMY AT A GLANCE

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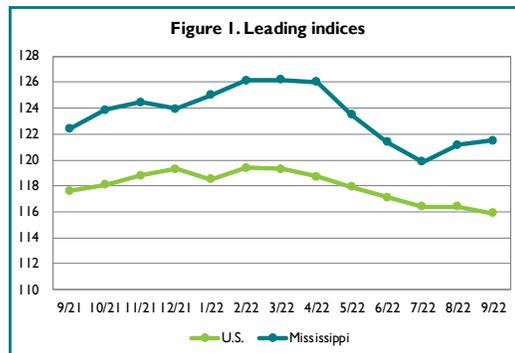
As seen in Figure 1 the value of the Mississippi Leading Index (MLI) increased 0.3 percent in September. Compared to one year earlier the value of the MLI for the month was 0.8 percent lower.

Figure 2 indicates the value of the Mississippi Coincident Index (MCI) increased 0.1 percent in September. The value for the month was up 2.7 percent compared to one year ago.

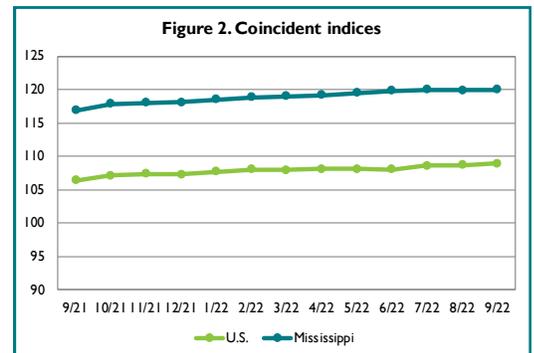
The U.S. Bureau of Economic Analysis reported in its first estimate of the change in U.S. real GDP in the third quarter of 2022 an increase of 2.6 percent at a seasonally-adjusted, annualized rate. The increase was the result of increases in net exports, consumer spending, nonresidential fixed investment, federal government spending, and state and local government spending. These increases were partially offset by decreases in residential fixed

investment and private inventory investment. BEA's estimates of a 1.1 percent decrease in U.S. real GDP in the first quarter and a 0.6 percent decrease in the second quarter at annualized rates were unchanged.

Despite a mixed performance from its components, the MLI managed a gain in September. Consumer expectations and growth in income tax withholdings, likely due to wage increases, were responsible for much of the gain. Initial unemployment claims were lower in September as well, and employment was slightly higher for the month. However, labor markets likely will weaken in the coming months as interest rates continue to rise. Building permits in the state continued their slide in September, primarily due to higher rates. Both the U.S. and Mississippi economies are likely to slow further in the fourth quarter of 2022.



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 2012. 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 2012.

Photo credit: "Built between 1934 and 1937 by the Civilian Conservation Corps, the lodge is at the northern most point in the Legion Lodge Park." by Mark Hilton available at https://commons.wikimedia.org/wiki/File:Legion_Park_Lodge.jpg under a Creative Commons Attribution-Share Alike 4.0 International (CC BY-SA 4.0) License. Full terms at <https://creativecommons.org/licenses/by-sa/4.0/deed.en>.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, SEPTEMBER 2022**

In September the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased for the second consecutive month. The value edged up 0.3 percent as seen in Figure 3. The value of the MLI in September was down 0.8 percent compared to one year earlier. Over the last six months the value of the MLI decreased 3.7 percent.

Only three of the seven components of the MLI increased in value in September. Consumer expectations once again made the largest positive contribution for the month. Each component is discussed below in order of largest to smallest contribution.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) rose in September, the third consecutive monthly increase. As seen in Figure 4, the value increased 5.5 percent for the month. Compared to one year earlier the value in September was down 14.4 percent. Improvements in equity markets likely led to the increase in expectations. Both short-term (one-year) inflation expectations and long-term (five-year) inflation expectations rose in the most recent survey.

In September the value of **Mississippi income tax withholdings** (three-month moving average) increased for the second consecutive month. The value rose 1.8 percent for the month as seen in Figure 5. Compared to one year earlier the value of withholdings in September was up 2.9 percent, the largest year-over-year increase since May. The value of income tax withholdings in Mississippi climbed 2.3 percent over the last six months.

For the second consecutive month, the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell in September. As seen in Figure 6 the value decreased 6.5 percent for the month. The value in September was 47.1 percent lower compared to one year ago. In contrast, the number of seasonally-adjusted continued unemployment claims in Mississippi rose 9.3 percent in September as seen in Figure 16 on page 6. Compared to one year earlier the number of continued unemployment claims in the state in September was down 58.6 percent. The unemployment rate for Mississippi in September was 3.6 percent as Figure 17 on page 6 indicates, unchanged from August. The rate in September was down 1.4 percentage points compared to one year earlier.

U.S. retail sales were unchanged in value in September as seen in Figure 7. The value of August sales was revised

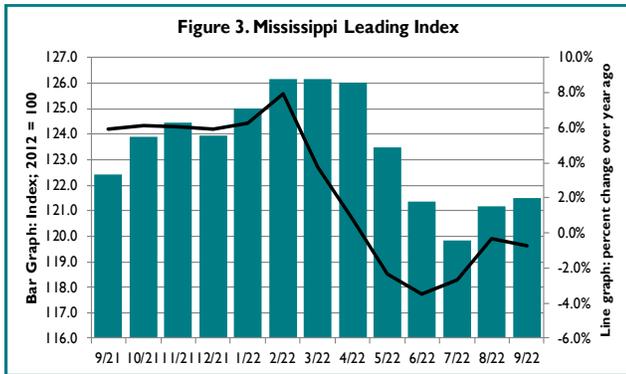
up 0.1 percentage point. Compared to one year earlier the value of retail sales in September was 8.2 percent higher. The value of sales excluding automobiles and gasoline rose 0.3 percent for the month. Sales by General Merchandisers had the largest increase among all segments in September. The other segments where sales increased in September were Food and Beverages, Food and Drinking Places, Clothing and Accessories, and Non-store Retailers. Sales at Gasoline Stations incurred the largest decrease for the month.

Figure 8 indicates the value of the **ISM Index of U.S. Manufacturing Activity** decreased 1.4 percent in October. The last increase in the value of the Index occurred in May. The value for the month was down 17.4 percent compared to one year earlier. The largest decrease among all components occurred in the Supplier Deliveries component. The only other component that decreased in October was Inventories. The largest increase among all components for the month occurred in the New Orders component. The prices paid index decreased in October for the seventh consecutive month. Decreases were reported for the month in the prices of aluminum, copper, lumber, and steel products, while corn and diesel fuel were among the products that reported price increases in October.

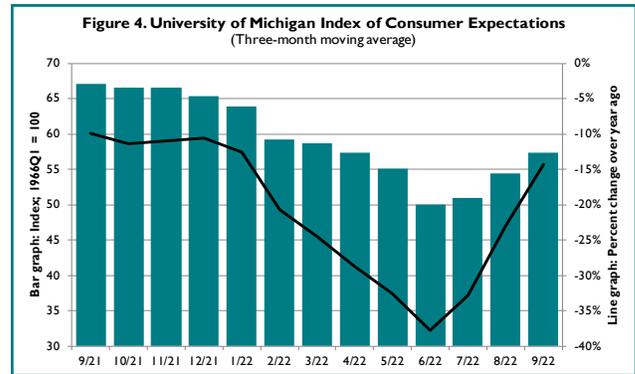
As seen in Figure 9 the value of the **Mississippi Manufacturing Employment Intensity Index** fell 1.5 percent in September. Compared to one year earlier the value for the month was up 5.1 percent. Both the average weekly hours of production employees in Mississippi and Manufacturing employment in the state fell in September, which led to the increase in the value of the Index for the month.

The value of **Mississippi residential building permits** (three-month moving average) declined in September for the sixth consecutive month as seen in Figure 10. The value sank 7.9 percent for the month to its lowest level since May 2015. Compared to one year earlier the value for the month was 23.4 percent lower. The number of units in the state fell 8.0 percent in September, the largest monthly decrease since September 2018. Compared to one year earlier the number of units in the state for the month was down 4.3 percent. The number of privately-owned housing units authorized by building permits in the U.S. rose 1.4 percent in September from the revised August rate. The number of units in the U.S. in September was 3.2 percent lower compared to one year earlier.

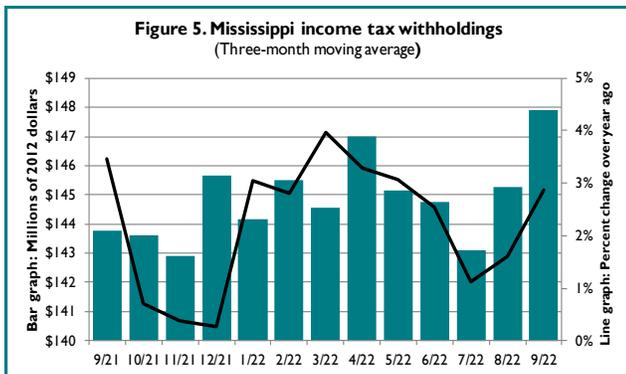
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



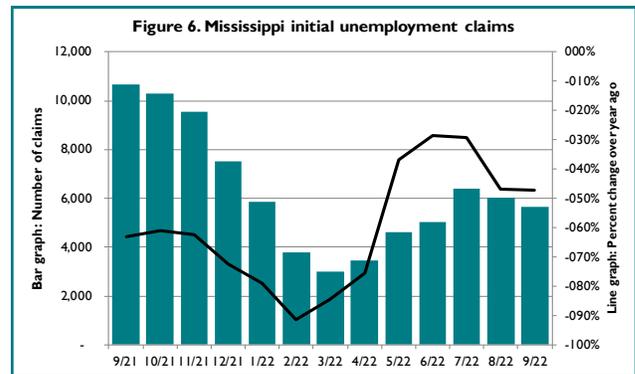
Source: University Research Center



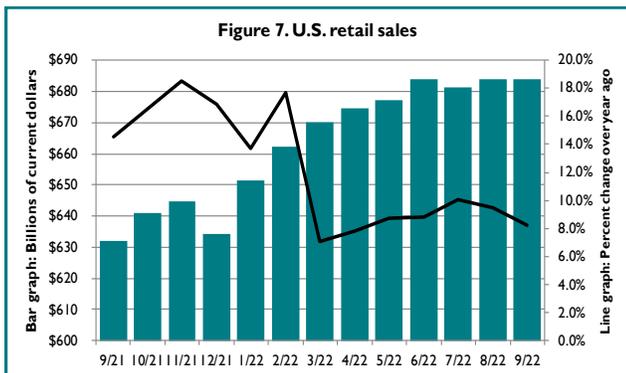
Source: Thomson Reuters/University of Michigan Surveys of Consumers



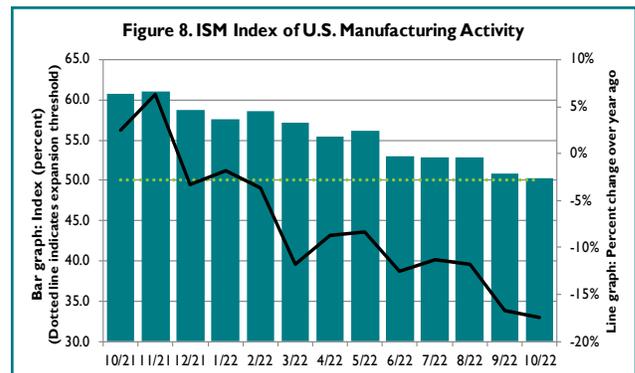
Source: Mississippi Department of Revenue; seasonally adjusted



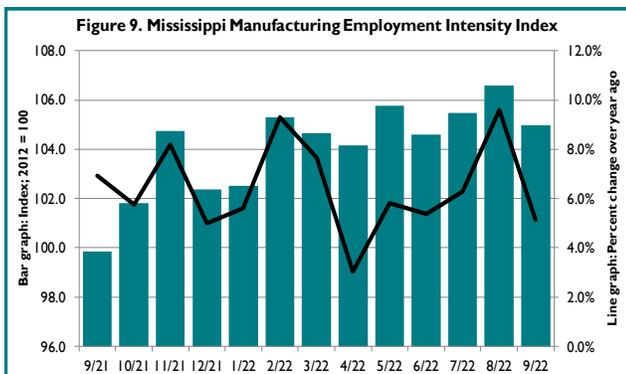
Source: U.S. Department of Labor; seasonally adjusted



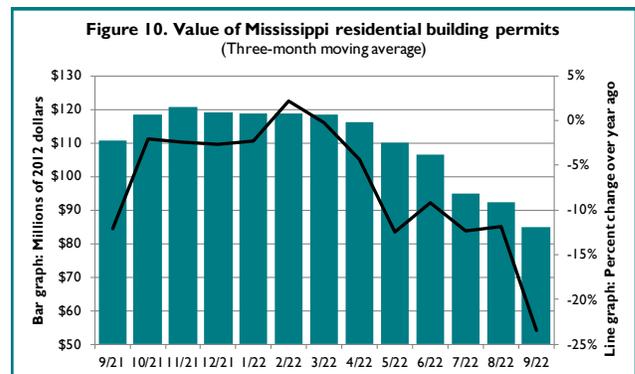
Source: U.S. Bureau of the Census



Source: Institute for Supply Management



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



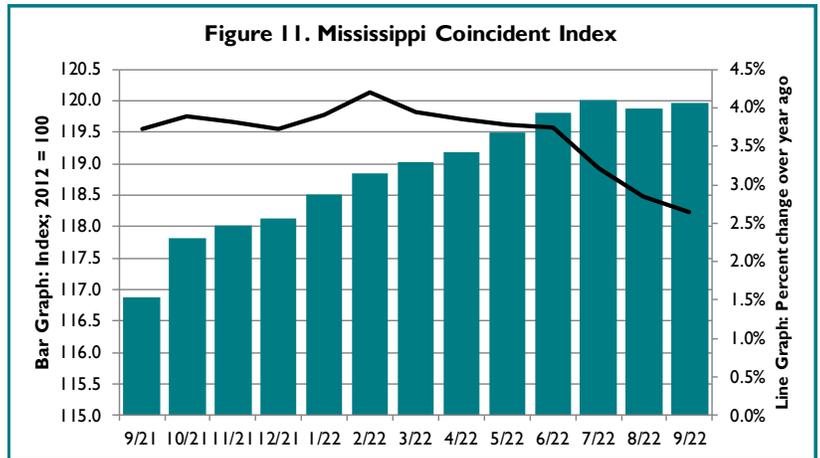
Source: U.S. Bureau of the Census; seasonally adjusted

MISSISSIPPI'S BUSINESS

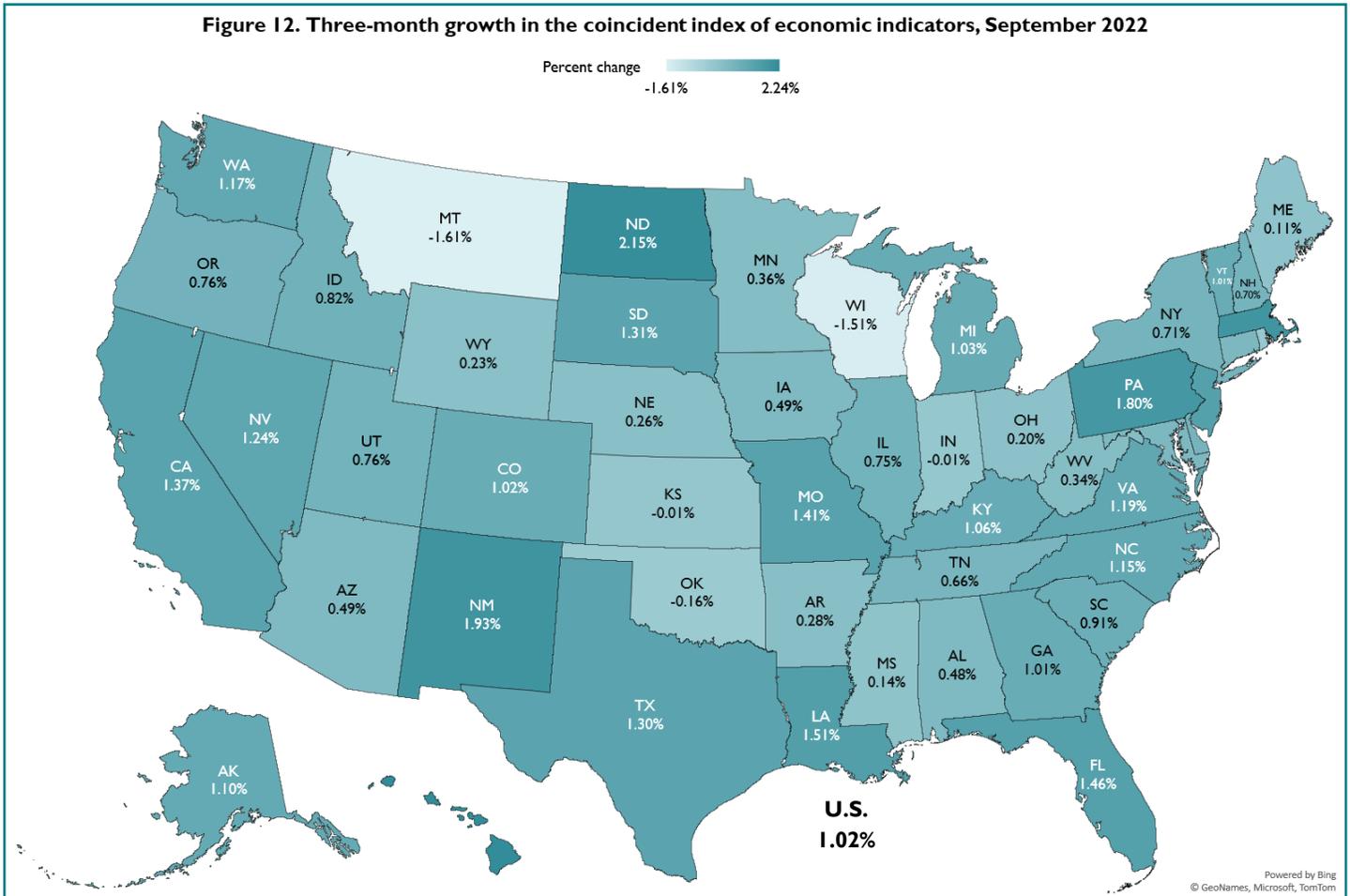
MISSISSIPPI COINCIDENT INDEX, SEPTEMBER 2022

The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.1 percent in September as seen in Figure 11. Compared to one year earlier the value of the MCI was up 2.7 percent for the month.

As Figure 12 indicates in September the values of the coincident indices increased in forty-four states compared to three months earlier. The value of the coincident index for Hawaii rose just over 2.2 percent over the last three months, the largest increase among all states. The values of coincident indices increased more than 1.0 percent in September compared to June in twenty-three states. Mississippi was one of twenty-two states where the values of the coincident indices increased less than 1.0 percent over the last three months. The values of the coincident indices decreased in September compared to three months earlier in Montana, Wisconsin, Oklahoma, Rhode Island, Indiana, and Kansas.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

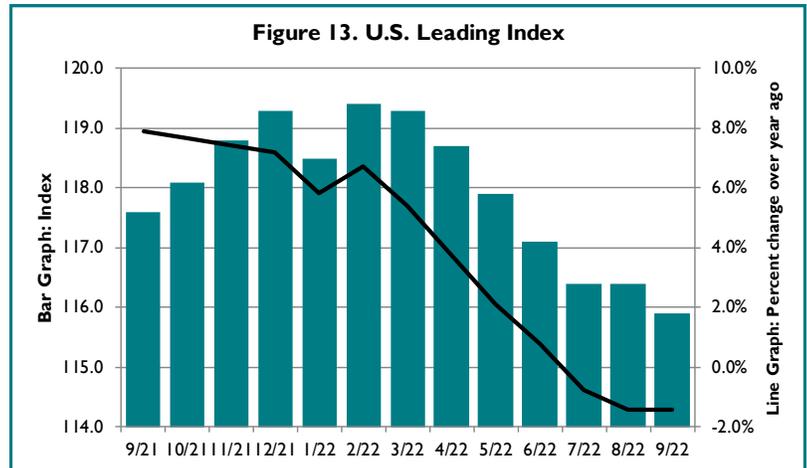
NATIONAL TRENDS

The value of the U.S. Leading Economic Index (LEI) decreased 0.4 percent in September according to The Conference Board, the sixth decrease in the last seven months. The value of the LEI was down 1.4 percent compared to one year earlier as seen in Figure 13. Five of the ten components of the LEI made negative contributions in September. The S&P 500® Index of Stock Prices made the largest negative contribution. Over the last six months the value of the LEI decreased 2.8 percent.

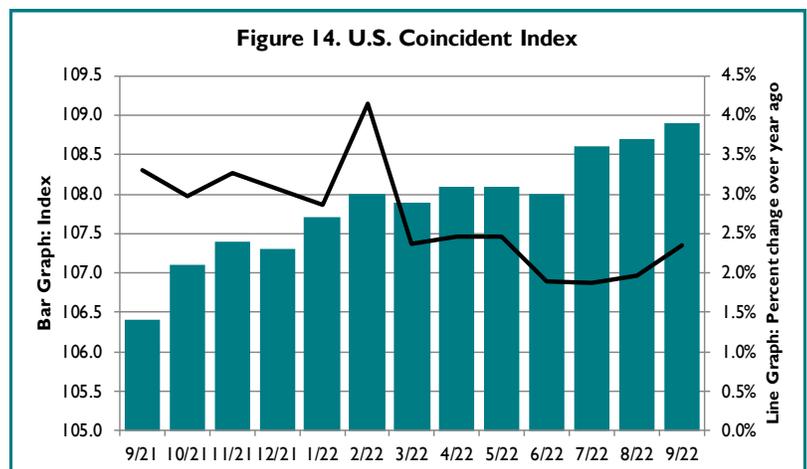
The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) increased 0.1 percent in September as seen in Figure 14. The value of the CEI for the month was 2.7 percent higher compared to one year earlier. All four components of the CEI made positive contributions in September. The largest contribution was made by personal income less transfer payments. The value of the CEI increased 0.9 percent over the last six months.

For the third consecutive month the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index increased in September. As seen in Figure 15, the value rose 0.3 percent for the month. The value of the Index in September was 7.1 percent lower compared to one year earlier. The changes in the components of the Index for the month were mixed. As in August the largest increase was in the “expect real sales higher” component. Notably, the “expect economy to improve” component decreased in September.

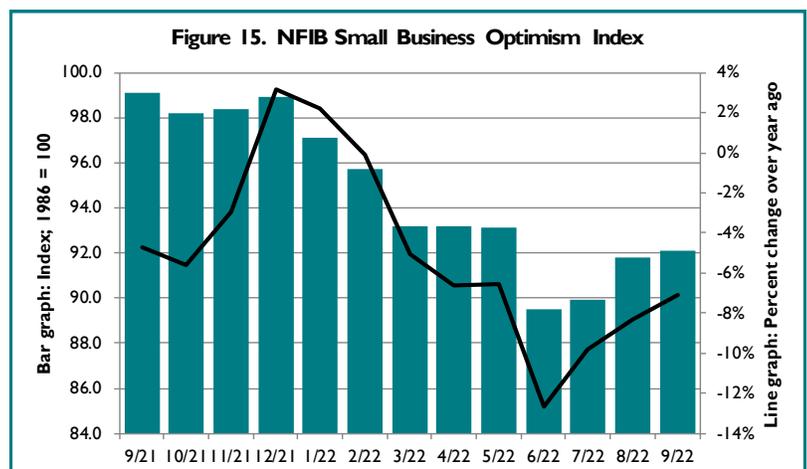
At its November meeting the Federal Open Market Committee (FOMC) raised the benchmark federal-funds rate target by 75 basis points for the fourth consecutive time in 2022. The move placed the rate in the range of 3.75 and 4.0 percent, the highest level since 2008. While another 75-basis point increase was widely expected following the September inflation report, the question now is how large will the increases be at upcoming meetings. FOMC members likely will need to observe a substantial downward movement in core inflation in October before they are willing to entertain smaller federal funds rate target increases of 50 or 25 basis points.



Source: The Conference Board



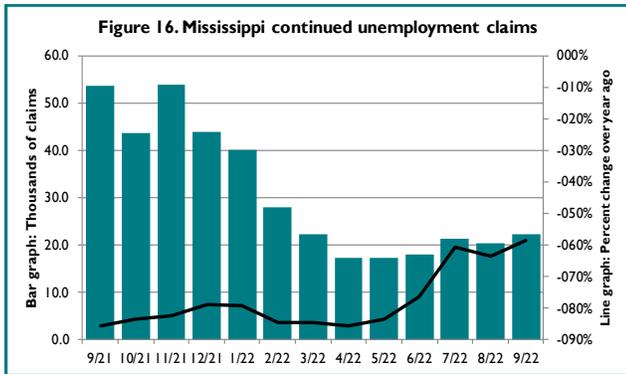
Source: The Conference Board



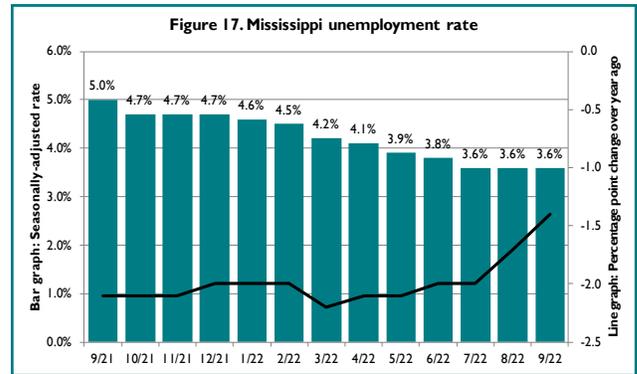
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

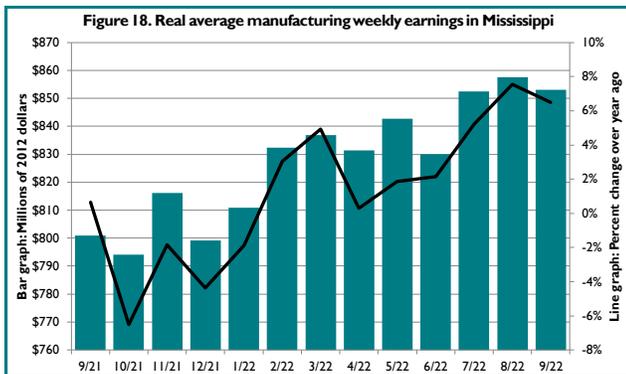
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



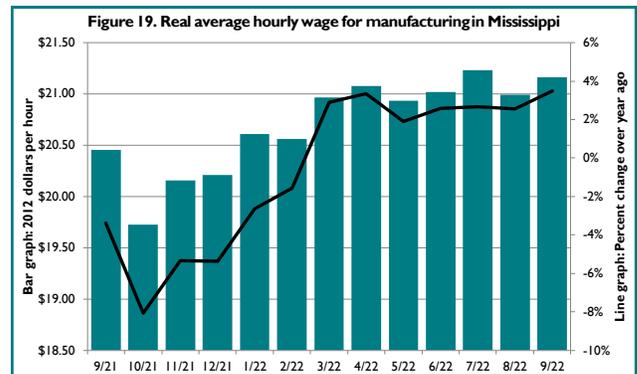
Source: U.S. Department of Labor; seasonally adjusted



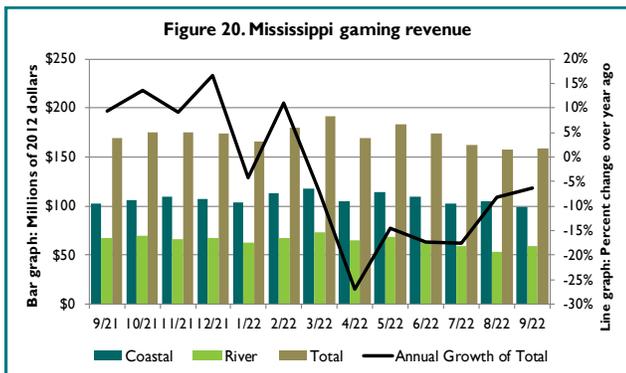
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



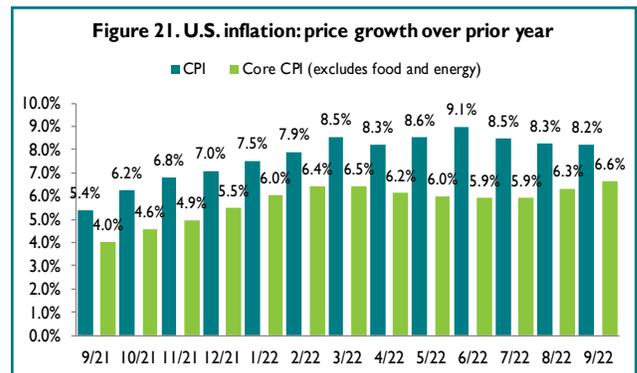
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



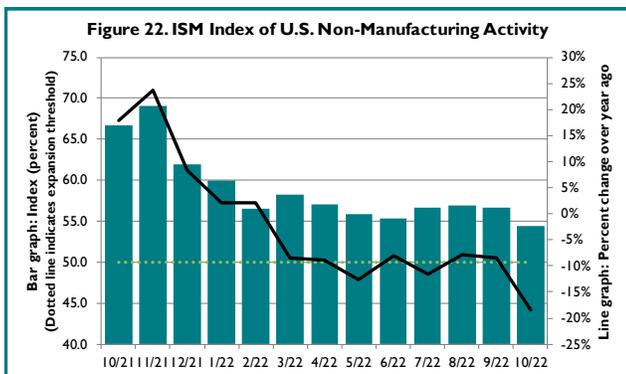
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



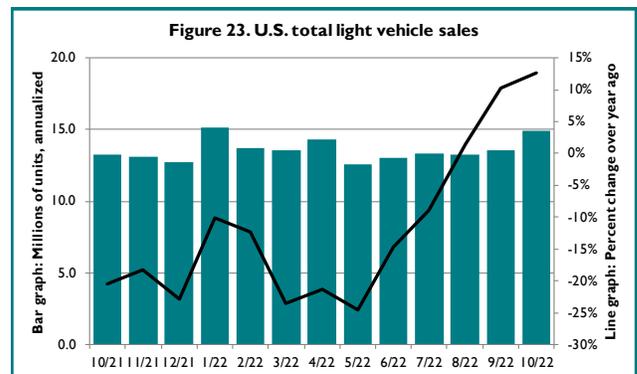
Source: Mississippi Department of Revenue; seasonally adjusted



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	
	2022	2022	2021	August 2022	September 2021
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	115.9	116.4	117.6	▼0.4%	▼1.4%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	108.9	108.7	106.4	▲0.2%	▲2.3%
Mississippi Leading Index 2012 = 100. Source: University Research Center	121.5	121.2	122.4	▲0.2%	▼0.7%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	120.0	119.9	116.9	▲0.1%	▲2.7%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	5,649	6,041	10,677	▼6.5%	▼47.1%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	84.8	92.2	110.8	▼7.9%	▼23.4%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	147.9	145.3	143.8	▲1.8%	▲2.9%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	105.0	106.6	99.8	▼1.5%	▲5.1%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	57.4	54.4	67.0	▲5.5%	▼14.4%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	50.2	50.9	60.8	▼1.4%	▼17.4%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	684.0	684.0	632.0	◀▶0.0%	▲8.2%
U.S. Consumer Price Index (CPI)	296.8	296.2	274.3	▲0.2%	▲8.2%
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	298.4	297.2	279.9	▲0.4%	▲6.6%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	3.6%	3.6%	5.0%	◀▶0.0	▼1.4
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	22,226	20,329	53,728	▲9.3%	▼58.6%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	54.4	56.7	66.7	▼4.1%	▼18.4%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	6.25%	5.36%	2.97%	▲0.90	▲3.29
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	21.16	20.99	20.45	▲0.8%	▲3.5%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	853.08	857.51	801.00	▼0.5%	▲6.5%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	92.1	91.8	99.1	▲0.3%	▼7.1%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	14.90	13.57	13.22	▲9.8%	▲12.7%
Gaming revenue	158.88	158.30	169.5	▲0.4%	▼6.3%
Coastal counties	99.39	104.96	102.2	▼5.3%	▼2.7%
River counties Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue	59.49	53.34	67.4	▲11.5%	▼11.7%

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 1,000 jobs in September, a gain of 0.1 percent. August employment in the state was revised up by BLS by 2,400 jobs. Compared to one year earlier employment in Mississippi in September was higher by 14,100 jobs, an increase of 1.2 percent.

Total nonfarm employment increased in nine states, decreased in one state, and was essentially unchanged in forty states and the District of Columbia in September according to BLS. The largest increase in employment among all states occurred in Florida, which added 48,800 jobs, followed by Texas, which added 40,000 jobs. In both Kentucky and New Hampshire employment rose by 0.8 percent in September, the largest percentage increases in employment among all states. Delaware lost 2,900 jobs for the month, a 0.6 percent decrease, and was the only state with a statistically significant decrease in employment.

In forty-nine states and the District of Columbia employment increased over the past twelve months as of September and was essentially unchanged in Mississippi according to BLS. Texas added 721,800 jobs over the past twelve months, the largest increase among all states,

closely followed by California, which added 712,600 jobs. Employment also increased 5.6 percent over the last twelve months in Texas, the largest percentage increase among all states.

Government added 1,000 jobs in Mississippi in September, the most among all sectors. Employment in Arts and Entertainment rose 3.5 percent, the largest percentage increase among all sectors and a gain of 300 jobs. The Manufacturing sector lost 2,000 jobs for the month, the most among all sectors in the state. The sector also had the largest percentage decrease in employment among all sectors of 1.3 percent.

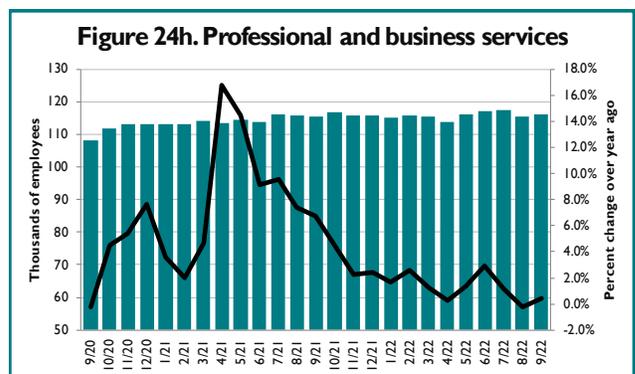
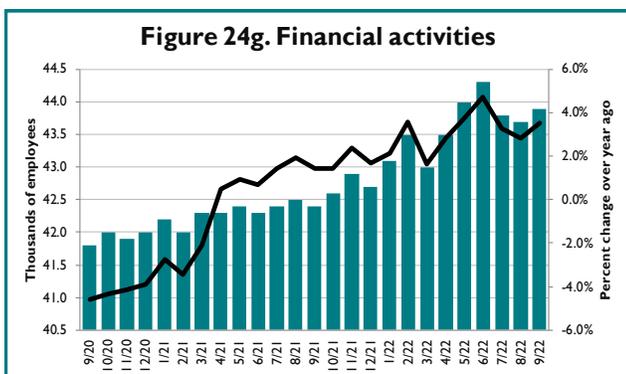
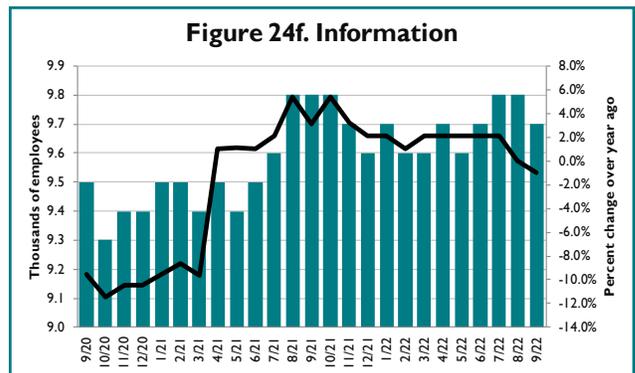
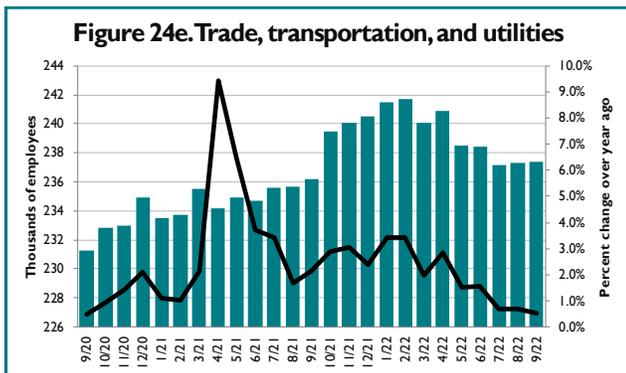
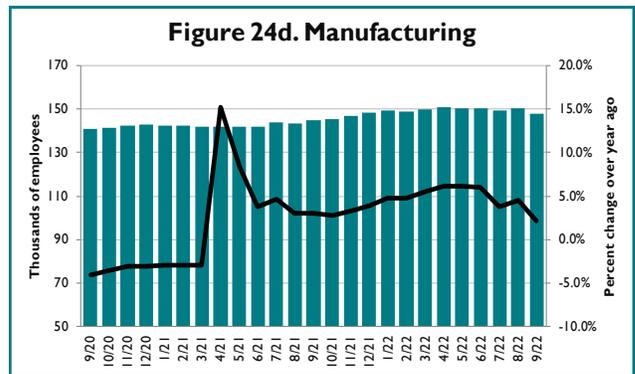
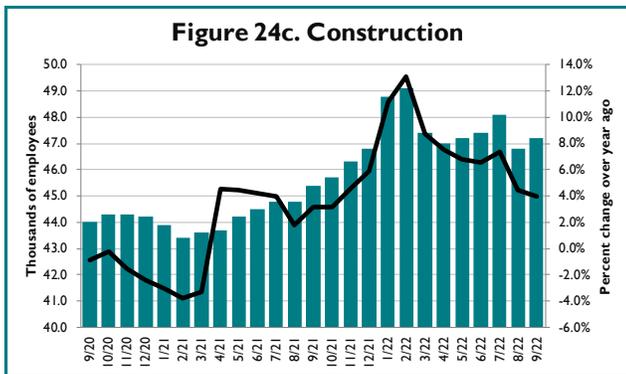
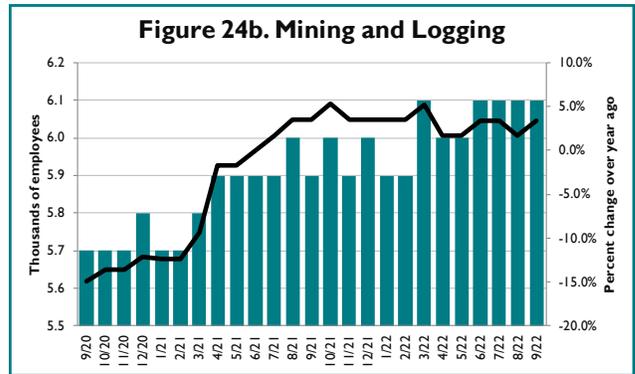
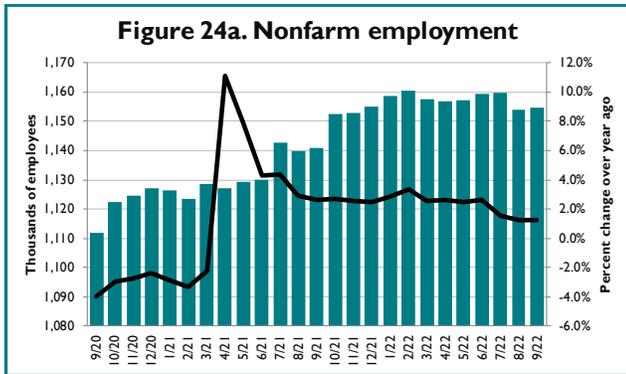
Over the last twelve months as of September the Accommodation and Food Services sector added 6,300 jobs, the most among all sectors in the state. Employment in the Educational Services sector increased 5.8 percent over the last twelve months, the largest percentage increase in employment among all sectors in Mississippi. The Other Services sector lost 1,100 jobs over the last twelve months, the largest decrease in employment among all sectors in the state over the last twelve months also was in Other Services, a decrease of 2.8 percent.

Table 2. Change in Mississippi employment by industry, September 2022

	Relative share of total ^a	September 2022	August 2022	September 2021	Change from August 2022 Level	Change from August 2022 Percent	Change from September 2021 Level	Change from September 2021 Percent
Total Nonfarm	100.0%	1,154,900	1,153,900	1,140,800	▲1,000	▲0.1%	▲14,100	▲1.2%
Mining and Logging	0.5%	6,100	6,100	5,900	◀▶0	◀▶0.0%	▲200	▲3.4%
Construction	4.1%	47,200	46,800	45,400	▲400	▲0.9%	▲1,800	▲4.0%
Manufacturing	12.9%	148,100	150,100	144,900	▼2,000	▼1.3%	▲3,200	▲2.2%
Trade, Transportation & Utilities	20.7%	237,400	237,300	236,200	▲100	0.0%	▲1,200	▲0.5%
Retail Trade	11.8%	134,200	133,700	136,600	▲500	▲0.4%	▼2,400	▼1.8%
Information	0.8%	9,700	9,800	9,800	▼100	▼1.0%	▼100	▼1.0%
Financial Activities	3.8%	43,900	43,700	42,400	▲200	▲0.5%	▲1,500	▲3.5%
Services	36.9%	428,400	427,000	421,300	▲1,400	▲0.3%	▲7,100	▲1.7%
Professional & Business Services	10.0%	116,100	115,500	115,600	▲600	▲0.5%	▲500	▲0.4%
Educational Services	1.1%	12,800	12,800	12,100	◀▶0	◀▶0.0%	▲700	▲5.8%
Health Care and Social Assistance	11.1%	128,300	128,500	127,800	▼200	▼0.2%	▲500	▲0.4%
Arts and Entertainment	0.8%	8,800	8,500	8,600	▲300	▲3.5%	▲200	▲2.3%
Accommodation and Food Services	10.6%	124,500	123,700	118,200	▲800	▲0.6%	▲6,300	▲5.3%
Other Services	3.3%	37,900	38,000	39,000	▼100	▼0.3%	▼1,100	▼2.8%
Government	20.3%	234,100	233,100	234,900	▲1,000	▲0.4%	▼800	▼0.3%

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

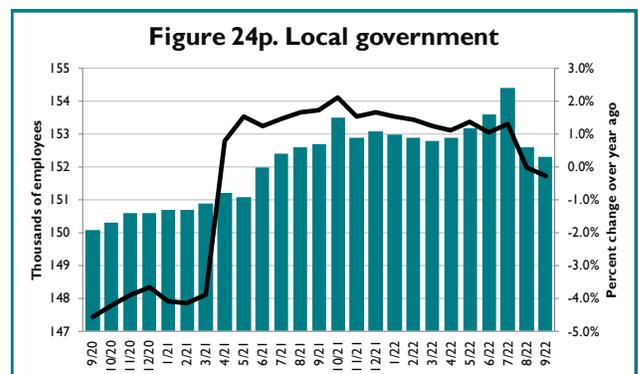
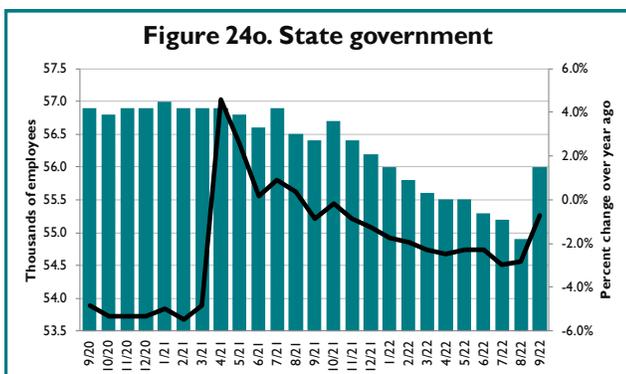
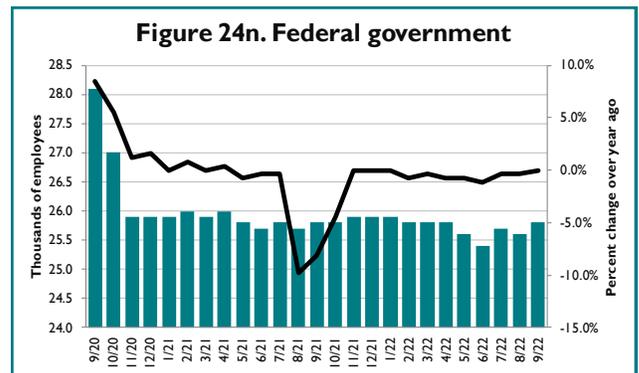
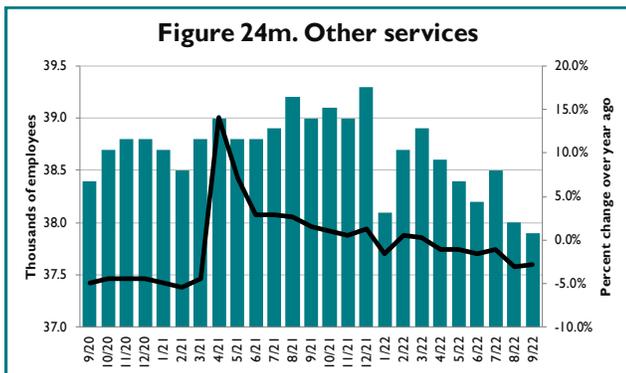
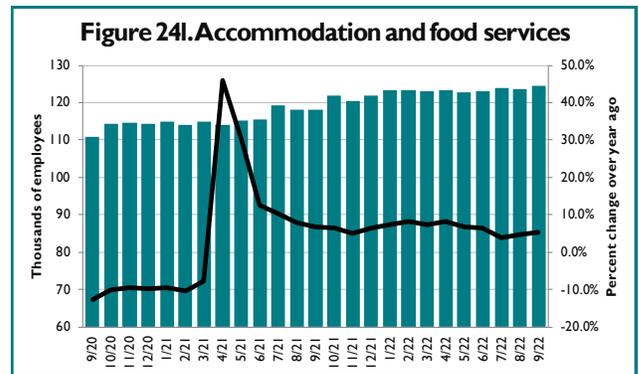
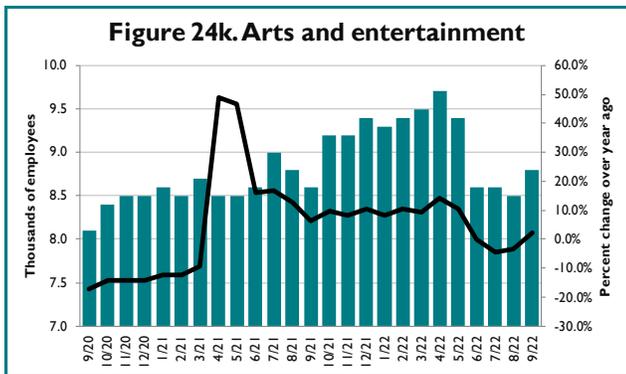
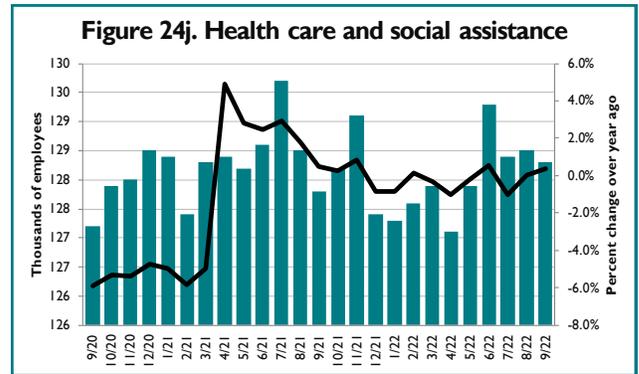
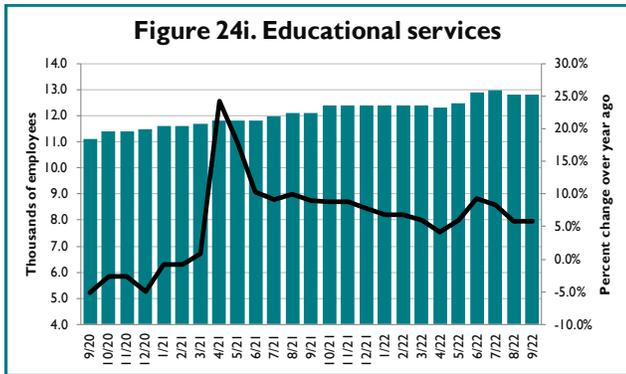
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)

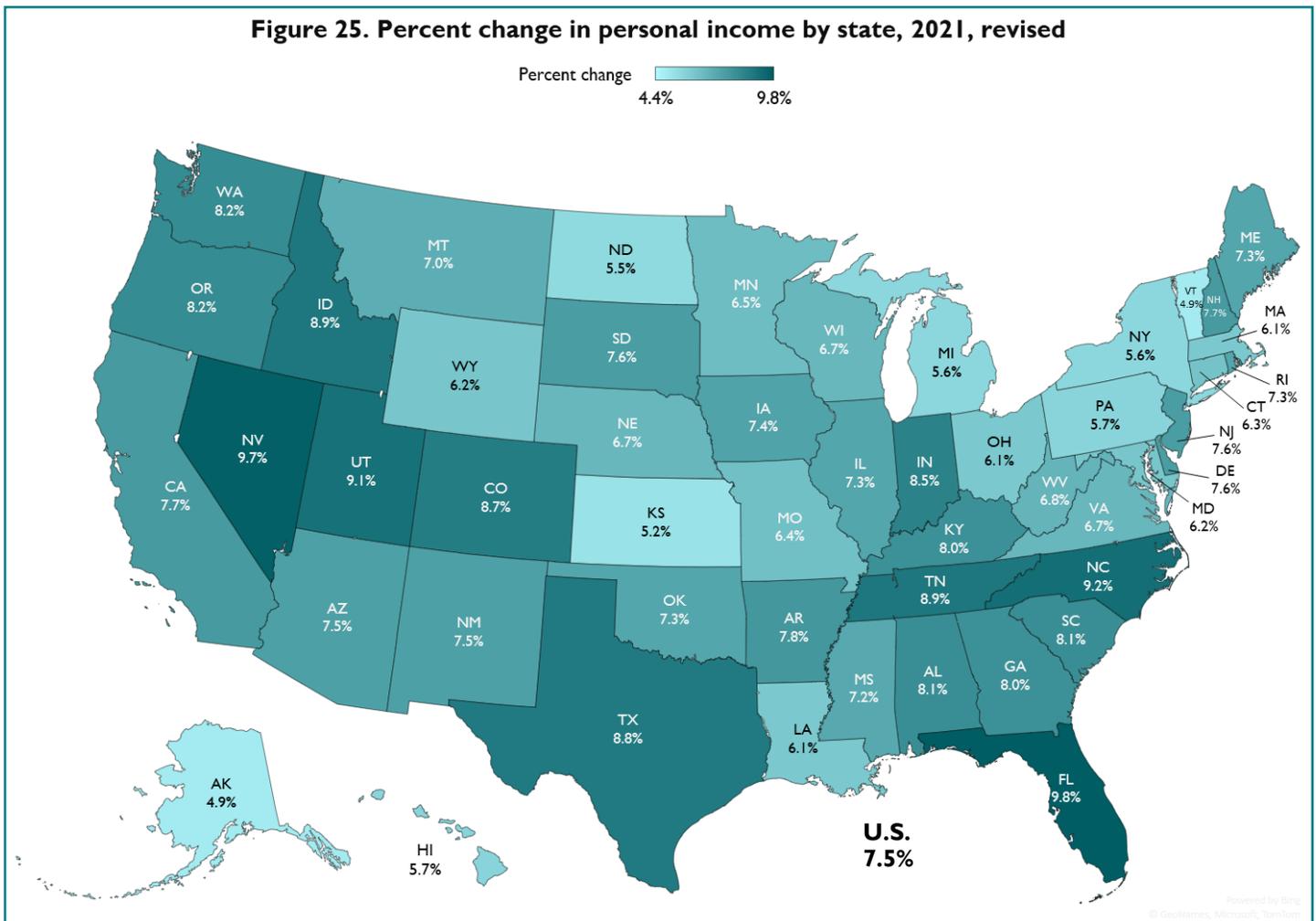


Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

REVISIONS TO PERSONAL INCOME FOR 2021

Revisions to the annual estimates of personal income for 2021 by state were recently released by the U.S. Bureau of Economic Analysis (BEA). 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 September update to the National Income and Product Accounts. The May 2022 issue of *Mississippi's Business* reported the initial estimates of personal income by state for 2021. Like the initial estimates, the revised estimates have not been adjusted for inflation and therefore are different from the estimates of the change in real income that BEA released through 2020 earlier this year as reported in the June issue. The annual rate of inflation for all of 2021 as measured by the Consumer Price Index was 4.7 percent and should be kept in mind when viewing the personal income estimates.

BEA reported in its revised estimates personal income in Mississippi increased 7.2 percent in 2021, the same as in the initial estimate in March. This change ranked twenty-ninth among all states and the District of Columbia. It was the fourth lowest among states in the Southeast*, ahead of Louisiana, Virginia, and West Virginia. The change in personal income in 2021 was revised up in a majority of states. The change in personal income for the U.S. in 2021 was revised up slightly from an increase of 7.4 percent to an increase of 7.5 percent. The largest growth in personal income among

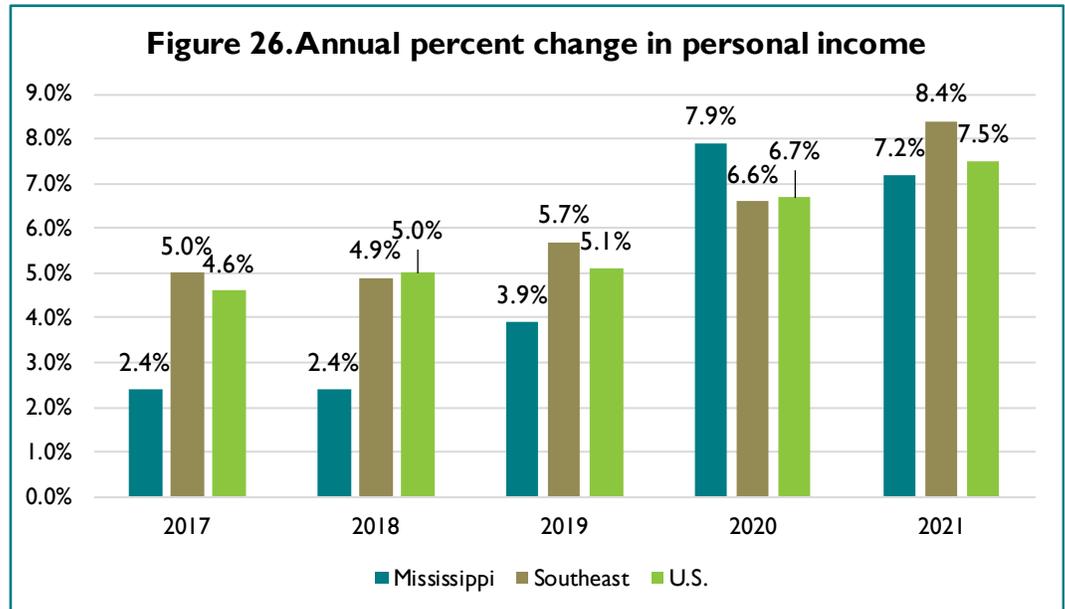


Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

REVISIONS TO PERSONAL INCOME FOR 2021, CONTINUED

all states in 2021 occurred in Florida, where the increase was 9.8 percent. Nevada had the second largest increase of 9.7 percent. Personal income increased in all fifty states in 2021, as Alaska and Vermont were tied for the smallest increases among all states of 4.9 percent. Mississippi was one of thirty states where personal income increased by 7.0 percent or more. Personal income rose by 8.0 percent or more in fifteen states and increased by more than 9.0 percent in four states. Among southeastern states the largest increases occurred in Florida and North Carolina at 9.8 percent and 9.2 percent, respectively.



Source: U.S. Bureau of Economic Analysis.

Figure 26 depicts the change in personal income in each of the last five years for Mississippi, the Southeast, and the U.S. As seen in the graph, in 2020 the change in personal income was larger in Mississippi than in the Southeast or the U.S. This increase of 7.9 percent was revised up from 7.4 percent in the March release. The relatively large increases in personal income in Mississippi and other states in both 2020 and 2021 were due in part to transfer payments from the federal government in response to the pandemic. In both 2020 and 2021, transfer receipts accounted for about 31.0 percent of personal income in the state, compared to slightly more than 26.0 percent in 2019. Transfer receipts in Mississippi increased by \$8.0 billion in 2020 and by \$3.3 billion in 2021.

In its revised data BEA reported per capita personal income for Mississippi in 2021 was \$45,881, an upward revision of 1.0 percentage point from the March release. As in the initial estimate, per capita income in Mississippi ranked fiftieth among all states in 2021 after the revisions. The second-smallest per capita personal income among all states in 2021 was the \$48,488 in West Virginia, slightly over \$2,600 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.