



## ECONOMY AT A GLANCE

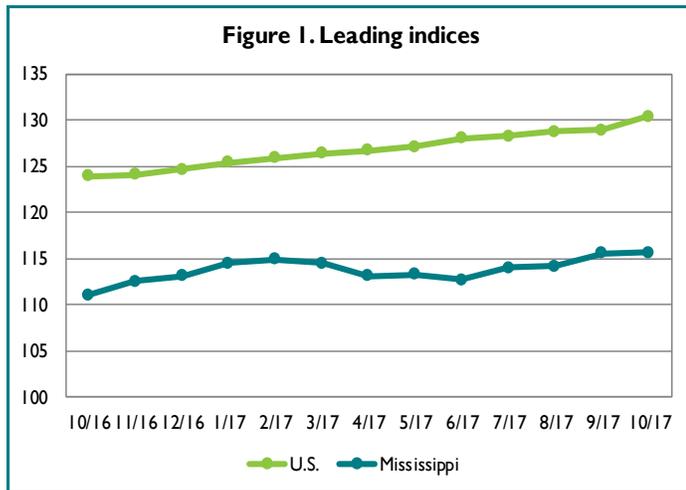
As seen in Figure 1 below, the value of the Mississippi Leading Index (MLI) essentially did not change in October. Compared to one year ago the value of the MLI was 4.2 percent higher for the month.

The value of the Mississippi Coincident Index (MCI) increased 0.6 percent in October, its largest monthly gain in 2017. This value was 2.7 percent higher for the month compared to one year ago.

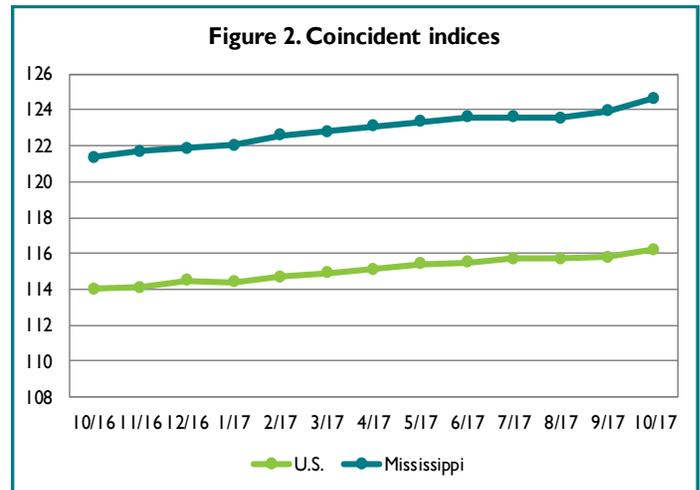
According to the second estimate of the U.S. Bureau of Economic Analysis (BEA) released in late November, U.S. real gross domestic product (GDP) increased 3.3 percent in the third quarter. This estimate marked an improvement of 0.3 percentage point from the initial estimate. Moreover, the revised estimate marked the largest quarterly increase in U.S. real GDP since the third quarter of

2014. The higher second estimate resulted from increases to BEA's measures of nonresidential fixed investment, state and local government spending, and private inventory investment. The hurricanes that struck the U.S. in September apparently had little impact on overall economic output.

The changes in the components of the MLI were relatively small in October, a sign of the general lack of momentum in the Mississippi economy. However, building permits did increase for the third consecutive month and initial unemployment claims continued their downward trend. Nevertheless, following revisions employment in the state remained essentially the same as its July level. As 2017 comes to a close, data as yet do not reflect significant impacts to the state's economy from the recent upturn in the U.S. economy.



Sources: University Research Center and The Conference Board



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

**Notes:** The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2004. The Index is based on changes in nonfarm employment, the unemployment rate, average manufacturing 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 2004.

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## MISSISSIPPI'S BUSINESS

## MISSISSIPPI LEADING INDEX, OCTOBER 2017

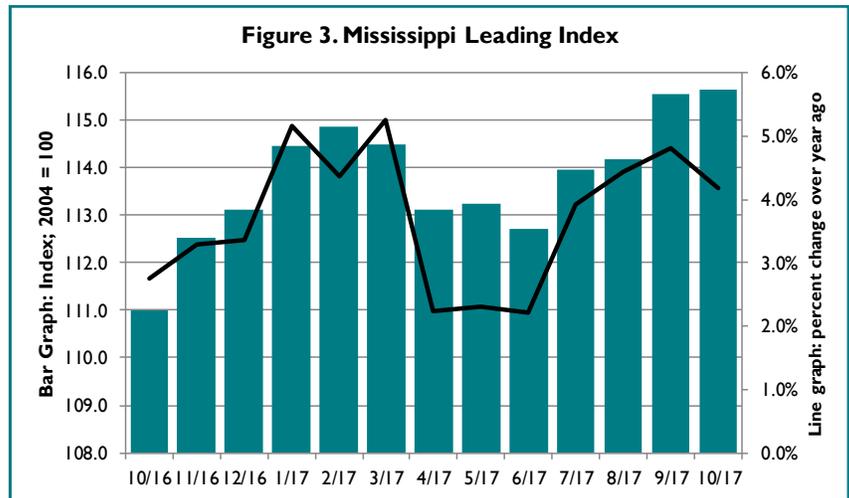
The value of the **Mississippi Leading Index of Economic Indicators (MLI)** essentially did not change in October as seen in Figure 3. The value of the MLI was 4.1 percent higher for the month compared to one year ago. Over the last six months the value of the MLI increased 2.2 percent.

Five of the seven components of the MLI increased in value in October. The largest contributors were building permits and initial unemployment claims. Each component is discussed below in order of largest to smallest contribution.

**Mississippi residential building permits** (three-month moving average) climbed 2.6 percent in value in October as Figure 4 indicates. The value of permits reached the highest level since April. Compared to one year ago the value for October was 7.4 percent higher. The seasonally-adjusted number of units for which building permits were issued (three-month moving average) in Mississippi also increased 2.0 percent in October. The number of units for the month was 8.4 percent higher compared to one year ago. The number of privately-owned housing units in the U.S. authorized by building permits was 5.9 percent higher in October from the revised September value. The number of units in the U.S. for the month was 0.9 percent higher compared to October 2016.

The value of seasonally-adjusted **initial unemployment claims** in Mississippi declined 4.8 percent in October as seen in Figure 5. Compared to one year ago, the value for the month was 15.6 percent lower. In contrast, the value of seasonally-adjusted continued unemployment claims in Mississippi increased 2.6 percent in October as seen in Figure 14 on page 6. The number of continued claims in Mississippi was 16.3 percent lower in October compared to one year ago. The seasonally-adjusted unemployment rate in Mississippi fell by 0.3 percentage point to 4.9 percent in October as seen in Figure 15 on page 6. The rate was 0.8 percentage point lower for the month compared to one year ago.

The value of **U.S. retail sales** edged 0.2 percent higher in October as seen in Figure 6. However, the September value was revised up to an increase of 1.9 percent, the largest monthly gain in over seven years. As a result of the revisions every category of sales increased in September. The value of October U.S. retail sales was 4.3 percent



Source: University Research Center

higher compared to one year ago. The largest increase among all categories occurred in sporting goods. After surging in September as a result of the effects of Hurricanes Harvey and Irma, gasoline sales declined in October for the first time since July. The only other declines for the month were in building materials and nonstore retailers.

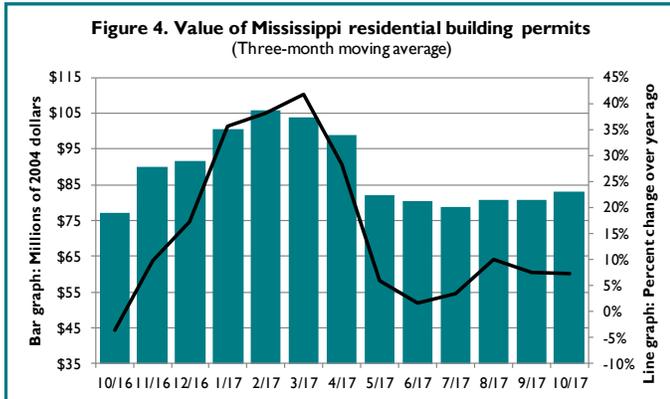
Figure 7 indicates the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) increased 0.5 percent in October. However, the previous month's value was revised lower. Compared to one year ago, the value of the Index was 7.8 percent higher in October. A majority of those surveyed believe the country will continue to have good times over the next year. Short-term inflation expectations increased slightly for the first time since May while long-term expectations decreased for the first time since March.

For only the second time since March, the value of **Mississippi income tax withholdings** (three-month moving average) increased in October. As seen in Figure 8 the value edged higher by 0.2 percent from the previous month. Compared to one year ago the value in October was 1.1 percent higher. Over the last six months the value also increased 1.1 percent.

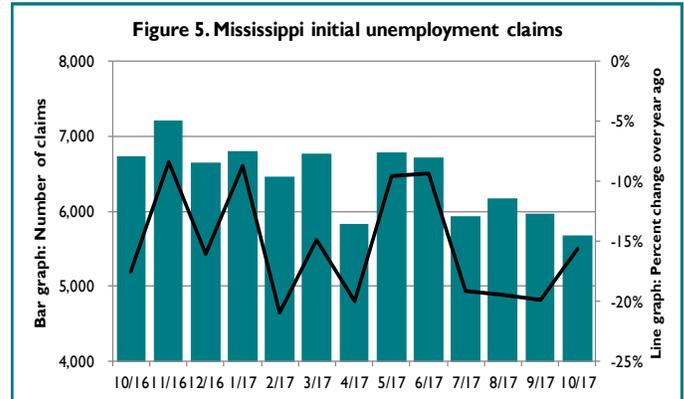
As seen in Figure 9 the value of the **Institute for Supply Management Index of U.S. Manufacturing Activity** decreased 0.9 percent in November, its second consecutive monthly decline. The value of the Index was 9.4 percent higher for the month compared to one year ago. The

(Continued on page 4)

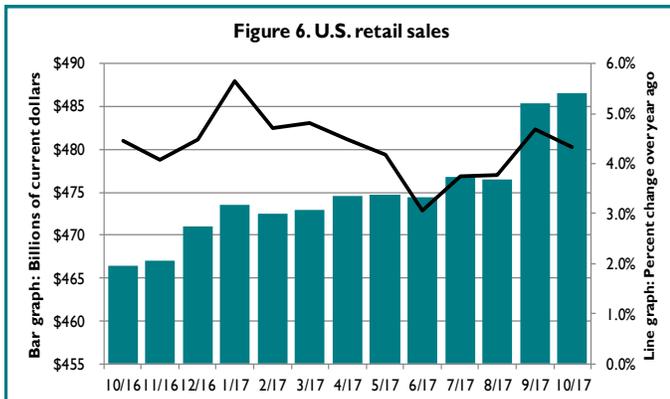
# COMPONENTS OF MISSISSIPPI LEADING INDEX, IN FIGURES



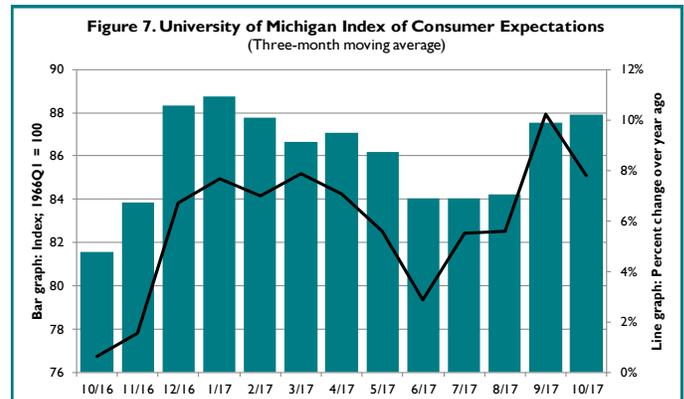
Source: Bureau of the Census; seasonally adjusted



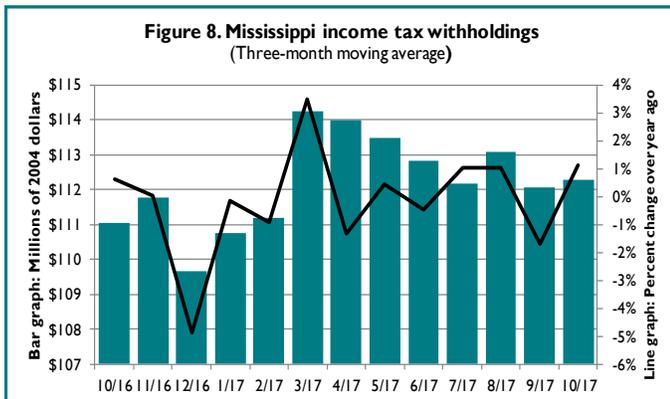
Source: U.S. Department of Labor; seasonally adjusted



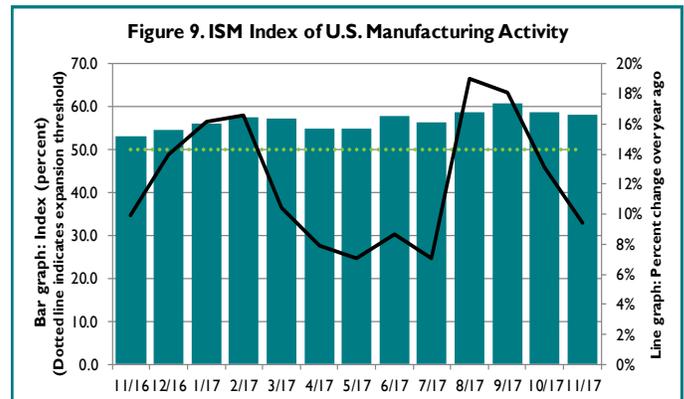
Source: Bureau of the Census



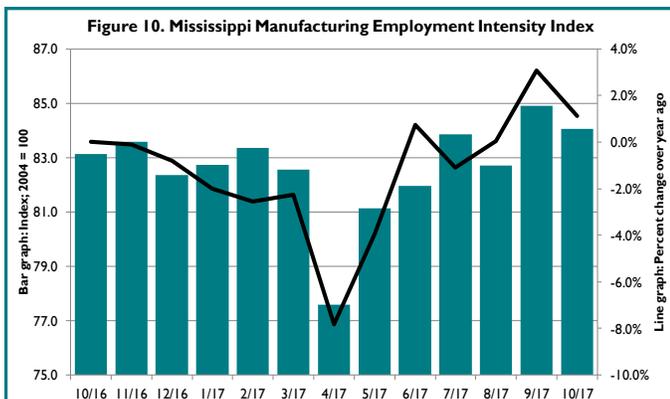
Source: Thomson Reuters/University of Michigan Surveys of Consumers



Source: Mississippi Department of Revenue; seasonally adjusted



Source: Institute for Supply Management



Source: URC using data from Bureau of Labor Statistics

*The value of the Mississippi Leading Index (MLI) did not change in October.*

MISSISSIPPI'S BUSINESS

MISSISSIPPI LEADING INDEX, OCTOBER 2017 (CONTINUED)

largest decline among the components of the Index was in Supplier Deliveries; the Inventories component decreased as well. The Production and New Orders components both increased in November. Despite the overall decline, fourteen of the eighteen sectors tracked by the Index expanded in November.

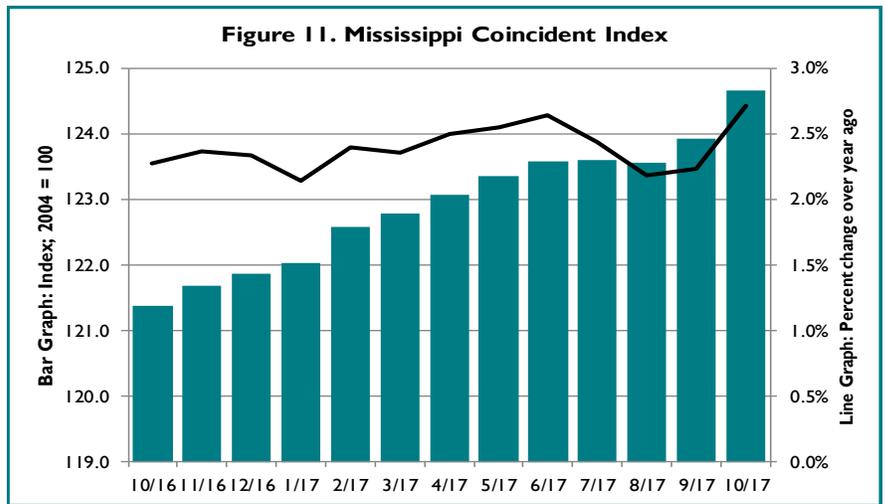
The **Mississippi Manufacturing Employment Intensity Index** lost 1.0 percent of its value in October as seen in Figure 10. Compared to one year ago the value for the month was 1.1 percent higher. While the average weekly hours of production employees rose slightly in October, the decline of manufacturing employment in Mississippi more than offset this increase.

MISSISSIPPI COINCIDENT INDEX, OCTOBER 2017

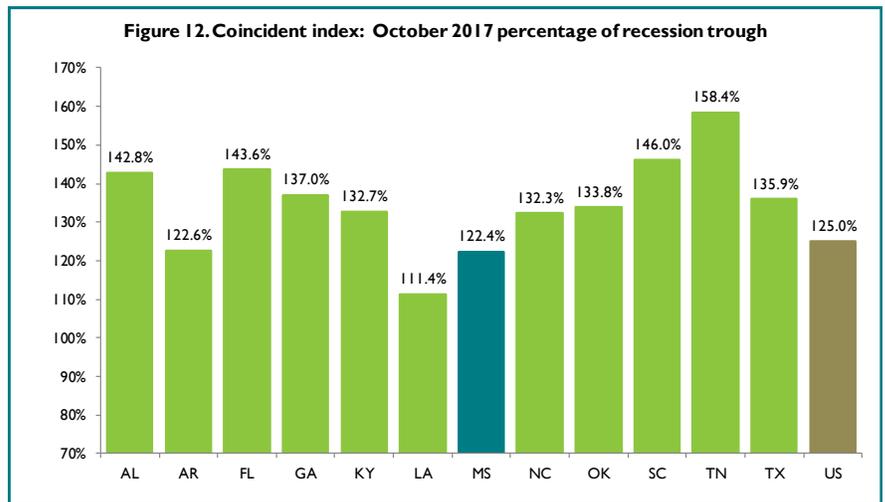
The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.6 percent in October according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. Compared to one year ago the value of the MCI for the month was 2.7 percent higher.

The coincident index for Louisiana maintained the smallest increase in value from its recession trough among southeastern states in October as seen in Figure 12. This gain was only 11.4 percent. The value of the coincident index for Mississippi rose 22.4 percent and was the second-smallest increase among southeastern states as of October, slightly below the gain of Arkansas. The value of the coincident index for Tennessee was 58.4 percent higher in October compared to its recession trough.

The values of the coincident indices in forty-one states increased in October compared to three months prior as seen in Figure 13 on page 5. In thirty-one states including Mississippi the values of the coincident indices increased more than 0.5 percent compared to three months prior. The values of the coincident indices increased by less than 0.5 percent in nine states. In five states the values of coincident indices declined between 0.0 and 0.5 percent in October compared to July; the coincident index for Illinois did not change. The coincident indices for Alaska, Michigan, North Dakota, and South Dakota declined in value by more than 0.5 percent in October compared to three months prior.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

## NATIONAL TRENDS

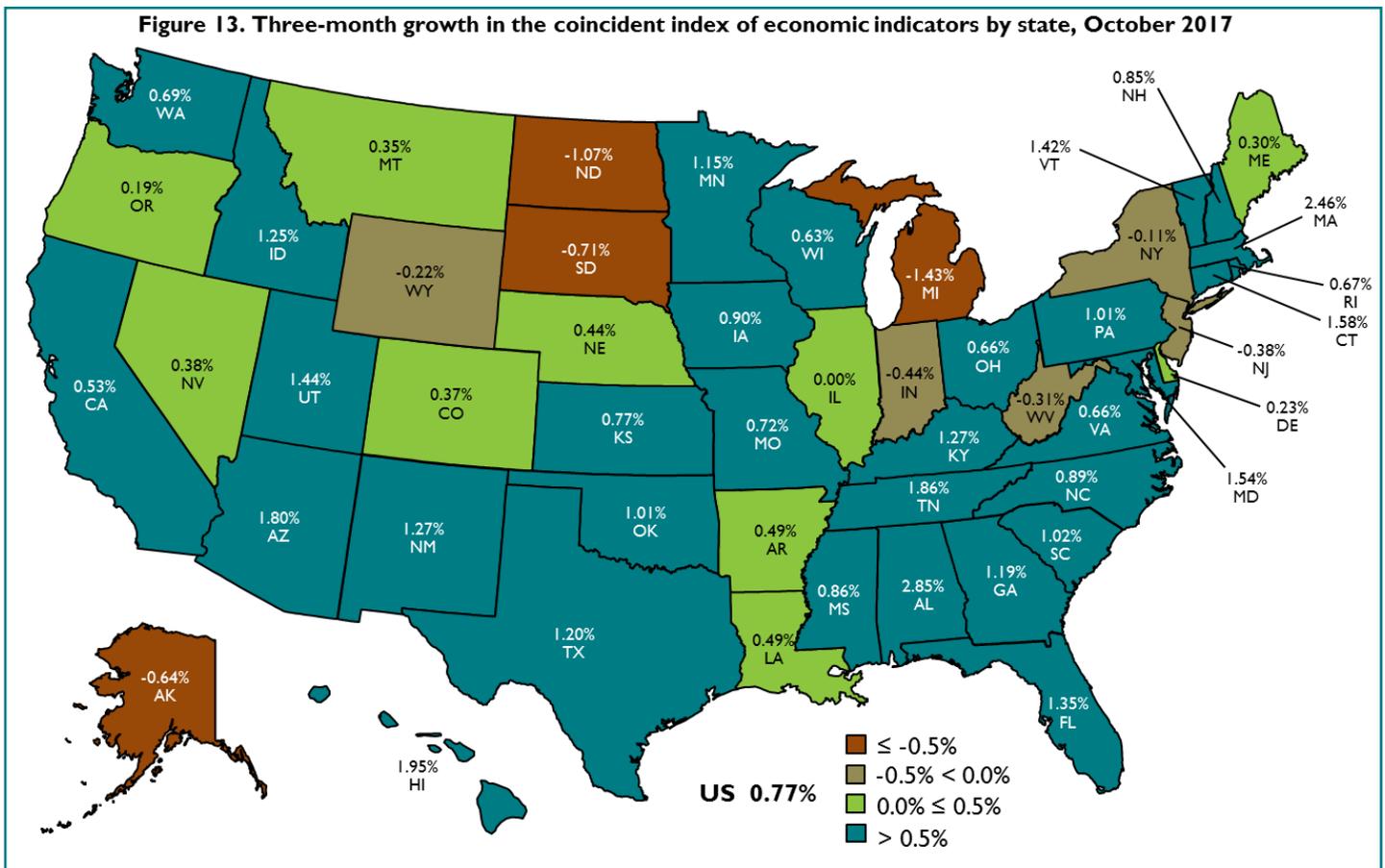
The value of the U.S. Leading Economic Index (LEI) climbed 1.2 percent in October according to The Conference Board as seen in Figure 1 on page 1. The value for September was revised higher, erasing the previously-reported decline. Compared to one year ago the value of the LEI was 5.2 percent higher in October, the largest year-over-year increase since May 2015. Nine of the ten components of the LEI increased in value in October, led by initial unemployment claims. The only negative contribution came from manufacturers' new orders for nondefense capital goods.

The Conference Board reported the value of the U.S. Coincident Economic Index (CEI) increased 0.3 percent in October as seen in Figure 2 on page 1. The value of the CEI was 1.9 percent higher in October compared to one year ago. All four components of the CEI increased in October as the largest contribution came from industrial production.

In October, the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index

rebounded somewhat as seen in Figure 20 on page 6. The value of the Index increased 0.8 percent for the month and was 9.4 percent higher in October compared to one year ago. The largest increase occurred in the "now is a good time to expand" component and the "current job openings" component also rose substantially. Both the "plans to raise prices" and "plans to raise compensation" measures increased in October.

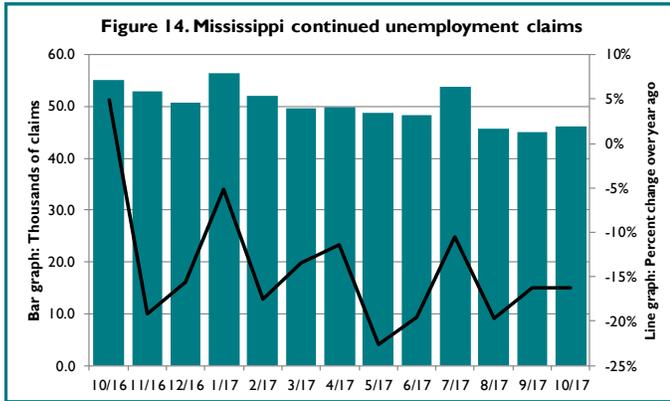
All signs point to a third increase in the federal funds rate target in 2017 when the Federal Open Market Committee (FOMC) meets in December. Recent economic data indicate the U.S. economy continues to expand at a brisk pace and employment continues to grow. President Trump nominated Federal Reserve Governor Jerome Powell to replace Janet Yellen as Fed Chair when her term expires on February 3, 2018. Powell is anticipated by most observers to obtain confirmation from the full Senate relatively easily, as he is expected to generally continue the plans of the FOMC under Yellen to methodically increase interest rates over the next two years.



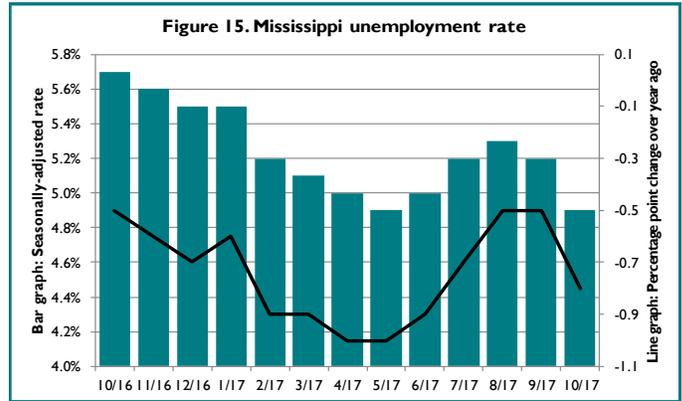
Source: Federal Reserve Bank of Philadelphia

MISSISSIPPI'S BUSINESS

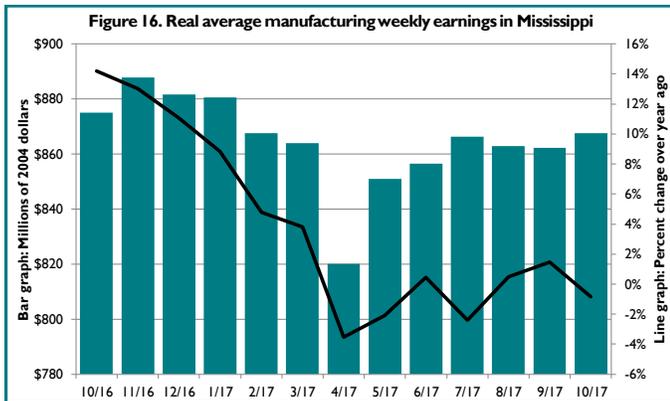
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



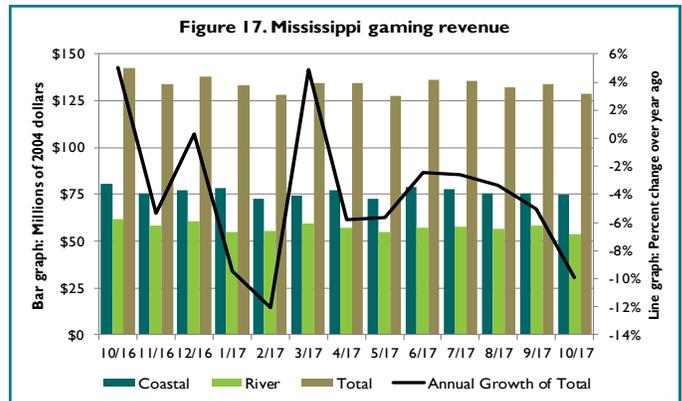
Source: U.S. Department of Labor; seasonally adjusted



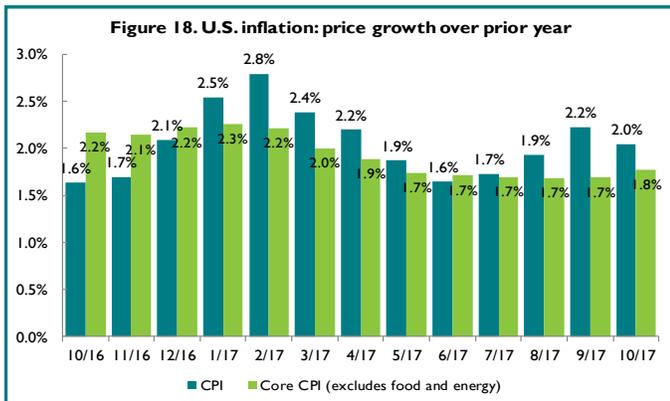
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



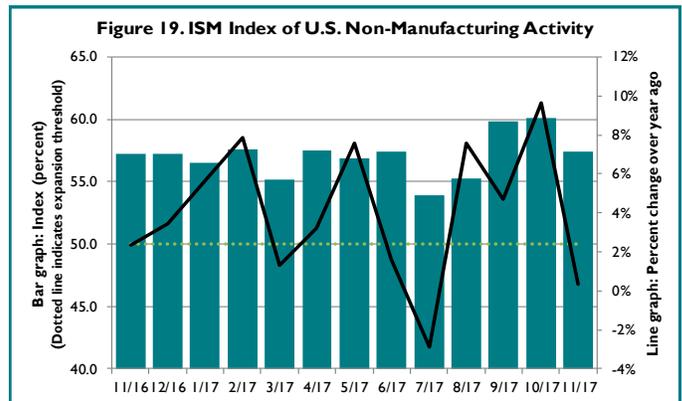
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



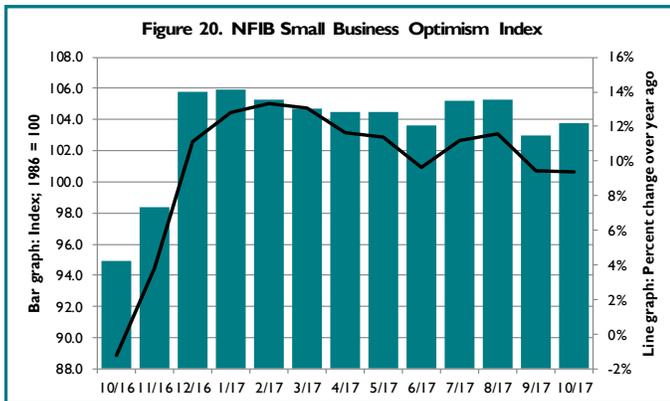
Source: Mississippi Department of Revenue; seasonally adjusted



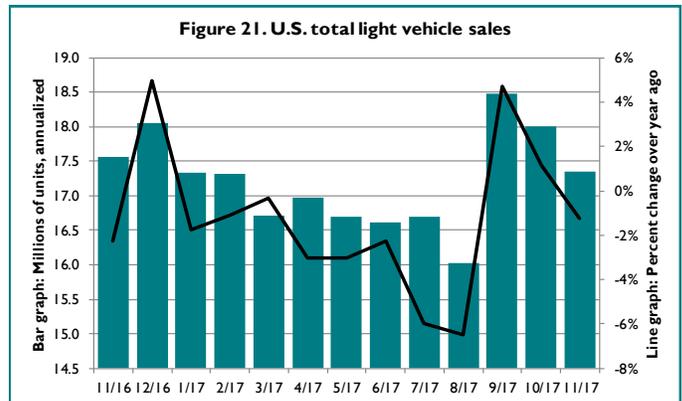
Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: National Federation of Independent Businesses



Source: Bureau of Economic Analysis; seasonally adjusted at annual rates

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	October			Percent change from		
	2017	September 2017	October 2016	September 2017	October 2016	
<b>U.S. Leading Economic Index</b> 2004 = 100. Source: The Conference Board	130.4	128.9	123.9	▲1.2%	▲5.2%	Economic Indices
<b>U.S. Coincident Economic Index</b> 2004 = 100. Source: The Conference Board	116.2	115.8	114.0	▲0.3%	▲1.9%	
<b>Mississippi Leading Index</b> 2004 = 100. Source: University Research Center	115.6	115.6	111.0	◀0.0%	▲4.1%	
<b>Mississippi Coincident Index</b> 2004 = 100. Source: Federal Reserve Bank of Philadelphia	124.7	123.9	121.4	▲0.6%	▲2.7%	
<b>Mississippi initial unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	5,685	5,970	6,737	▼4.8%	▼15.6%	Components of the Mississippi Leading Index
<b>Value of Mississippi residential building permits</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Bureau of the Census	82.9	80.8	77.2	▲2.6%	▲7.4%	
<b>Mississippi income tax withholdings</b> Three-month moving average; seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	112.3	112.1	111.1	▲0.2%	▲1.1%	
<b>Mississippi Manufacturing Employment Intensity Index</b> 2004 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	84.0	84.9	83.1	▼1.0%	▲1.1%	
<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	87.9	87.5	81.6	▲0.5%	▲7.8%	
<b>ISM Index of U.S. Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	58.2	58.7	53.2	▼0.9%	▲9.4%	
<b>U.S. retail sales</b> Current dollars, in billions. Source: Bureau of the Census	486.6	485.4	466.4	▲0.2%	▲4.3%	
<b>U.S. Consumer Price Index (CPI)</b>	130.6	130.4	127.9	▲0.1%	▲2.0%	
<b>U.S. Core CPI (excludes food and energy)</b> 2004 = 100. Source: URC using data from Bureau of Labor Statistics	128.9	128.6	126.6	▲0.2%	▲1.8%	
<b>Mississippi unemployment rate</b> Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.9%	5.2%	5.7%	▼0.3%	▼0.8%	
<b>Mississippi continued unemployment claims</b> Seasonally adjusted. Source: U.S. Department of Labor	46,139	44,989	55,124	▲2.6%	▼16.3%	Miscellaneous Indicators
<b>ISM Index of U.S. Non-Manufacturing Activity</b> Advanced one month. Source: Institute for Supply Management	103.8	103.0	94.9	▲0.8%	▲9.4%	
<b>U.S. mortgage rates</b> Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	4.03%	3.91%	3.59%	▲0.12	▲0.44	
<b>Mississippi average hourly wage for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	20.64	20.53	21.00	▲0.5%	▼1.7%	
<b>Mississippi average weekly earnings for manufacturing</b> Seasonally adjusted; 2004 dollars. Source: U.S. Bureau of Labor Statistics	867.48	862.34	874.96	▲0.6%	▼0.9%	
<b>NFIB Small Business Optimism Index</b> 1986 = 100. Source: National Federation of Independent Businesses	103.8	103.0	94.9	▲0.8%	▲9.4%	
<b>U.S. total light vehicle sales</b> Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.35	18.01	17.56	▼3.7%	▼1.2%	
<b>Gaming revenue</b>	128.6	134.0	142.7	▼4.0%	▼9.9%	
<b>Coastal counties</b>	74.7	75.6	80.7	▼1.1%	▼7.4%	
<b>River counties</b> Seasonally adjusted; millions of 2004 dollars. Source: Mississippi Department of Revenue	53.8	58.4	62.0	▼7.8%	▼13.2%	

## MISSISSIPPI'S BUSINESS

## MISSISSIPPI EMPLOYMENT TRENDS

Total nonfarm employment in Mississippi rose 0.2 percent in October according to the U.S. Bureau of Labor Statistics (BLS) as seen in Table 2 below. Employment in September was revised lower by BLS, however. As a result, employment in the state in October was only higher than in July by 100 jobs. Compared to one year ago total employment in Mississippi was 0.6 percent higher in October.

According to BLS nine states experienced statistically significant increases in total nonfarm employment in October. The largest increases occurred in Florida, Texas, and California, as Florida regained most of the jobs lost to Hurricane Irma in September. Three states experienced a statistically significant decrease in jobs in October.

Employment increased in twenty-seven states in October compared to one year ago. The states that added the most jobs over the past year were Texas, California, and Florida. The largest percentage increases occurred in Nevada, followed by Utah and Texas. No state experienced a statistically significant decrease in employment over the previous year for the fourth consecutive month.

Professional and Business Services added 3,100 jobs in October, the most among all industries in the state. The sector also experienced the largest percentage increase of 3.0 percent. In addition, Accommodation and Food Services gained 2,500 jobs for the month. Manufacturing and Government experienced the largest declines in employment for the month, as both sectors lost 1,200 jobs. The largest percentage decline in employment occurred in Educational Services, which fell 3.9 percent.

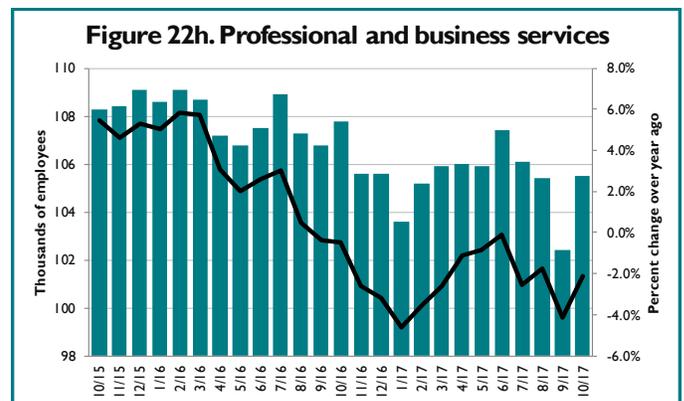
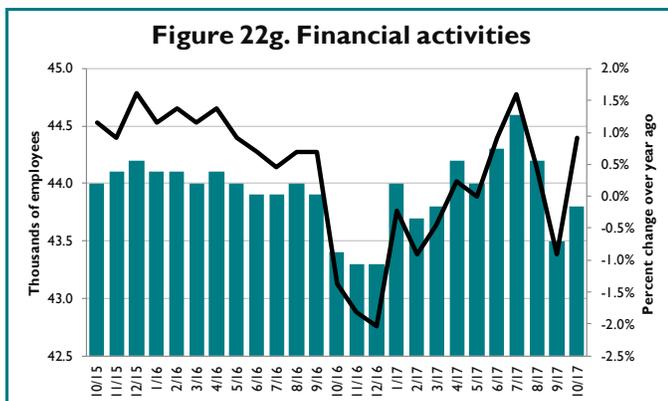
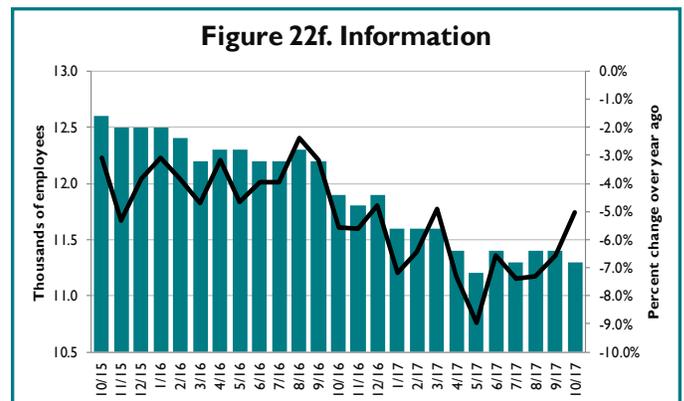
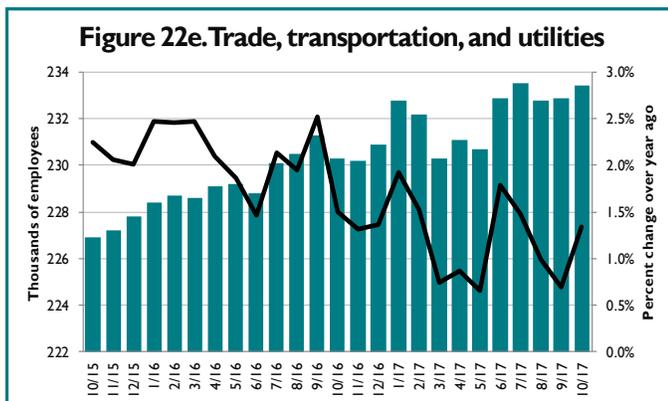
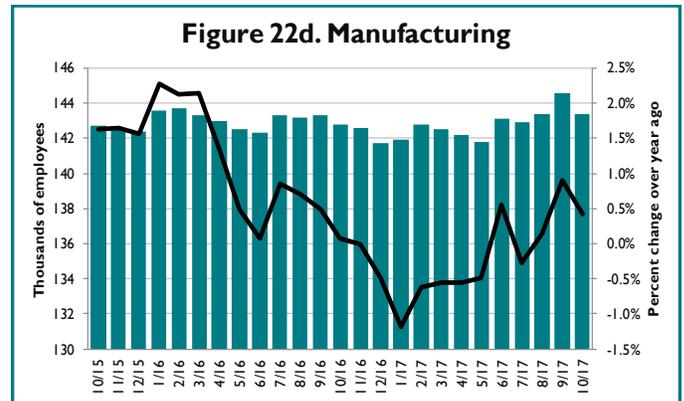
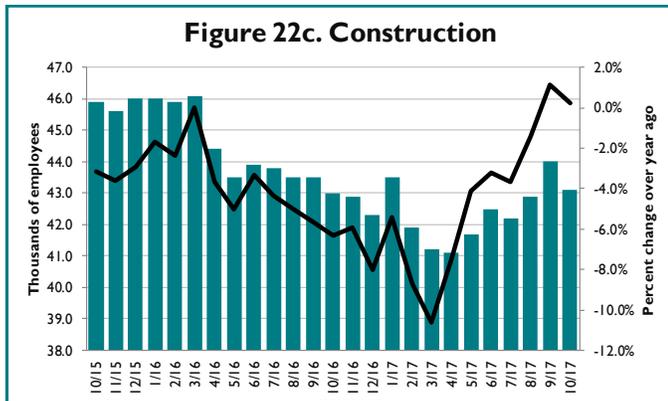
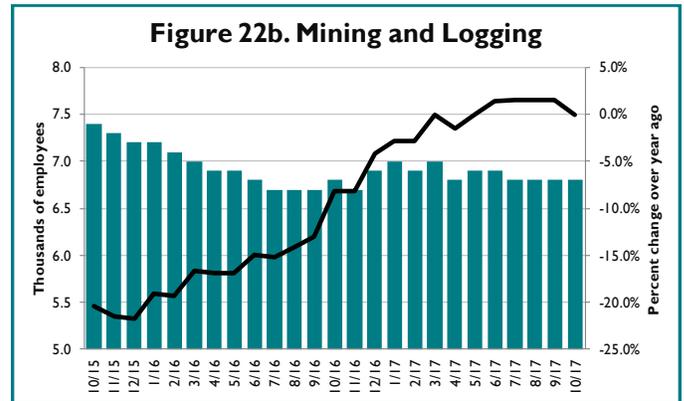
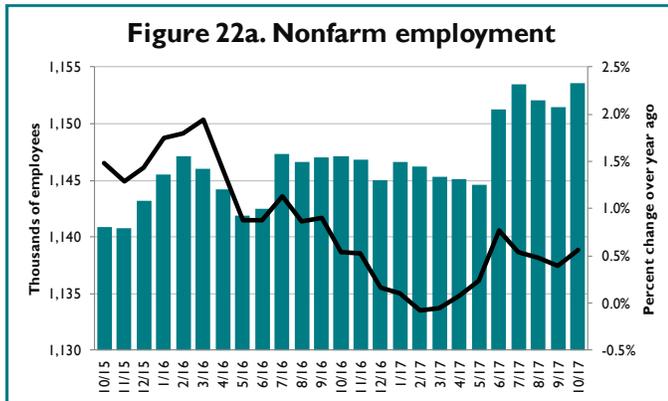
Compared to one year ago, the largest increase in employment among all sectors in the state in October was in Health Care and Social Assistance, which added 3,200 jobs. Trade, Transportation, and Utilities closely followed with an increase of 3,100 jobs. The largest percentage increase in employment among all industries in the state over the past twelve months was in Arts and Entertainment, which rose 10.3 percent. The largest decline in employment for the month compared to one year ago was in Professional and Business Services, which lost 2,300 jobs. The largest percentage decrease in employment compared to one year ago was in the Information sector, down by 5.0 percent, a decrease of 600 jobs.

**Table 2. Change in Mississippi employment by industry, October 2017**

	Relative share of total <sup>a</sup>	October 2017	September 2017	October 2016	Change from September 2017		Change from October 2016	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,153,600	1,151,500	1,147,100	▲2,100	▲0.2%	▲6,500	▲0.6%
Mining and Logging	0.6%	6,800	6,800	6,800	◀▶0	◀▶0.0%	◀▶0	◀▶0.0%
Construction	3.7%	43,100	44,000	43,000	▼900	▼2.0%	▲100	▲0.2%
Manufacturing	12.4%	143,400	144,600	142,800	▼1,200	▼0.8%	▲600	▲0.4%
Trade, Transportation, & Utilities	20.2%	233,400	232,900	230,300	▲500	▲0.2%	▲3,100	▲1.3%
Retail Trade	12.2%	139,600	139,600	140,300	◀▶0	◀▶0.0%	▼700	▼0.5%
Information	1.0%	11,300	11,400	11,900	▼100	▼0.9%	▼600	▼5.0%
Financial Activities	3.8%	43,800	43,500	43,400	▲300	▲0.7%	▲400	▲0.9%
Services	36.9%	427,700	423,000	423,600	▲4,700	▲1.1%	▲4,100	▲1.0%
Professional & Business Services	9.2%	105,500	102,400	107,800	▲3,100	▲3.0%	▼2,300	▼2.1%
Educational Services	1.1%	12,400	12,900	11,900	▼500	▼3.9%	▲500	▲4.2%
Health Care & Social Assistance	11.4%	132,000	132,600	128,800	▼600	▼0.5%	▲3,200	▲2.5%
Arts & Entertainment	1.0%	12,800	12,800	11,600	◀▶0	◀▶0.0%	▲1,200	▲10.3%
Accommodation and Food Services	10.7%	124,700	122,200	123,200	▲2,500	▲2.0%	▲1,500	▲1.2%
Other Services	3.5%	40,300	40,100	40,300	▲200	▲0.5%	◀▶0	◀▶0.0%
Government	21.4%	244,100	245,300	245,300	▼1,200	▼0.5%	▼1,200	▼0.5%

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

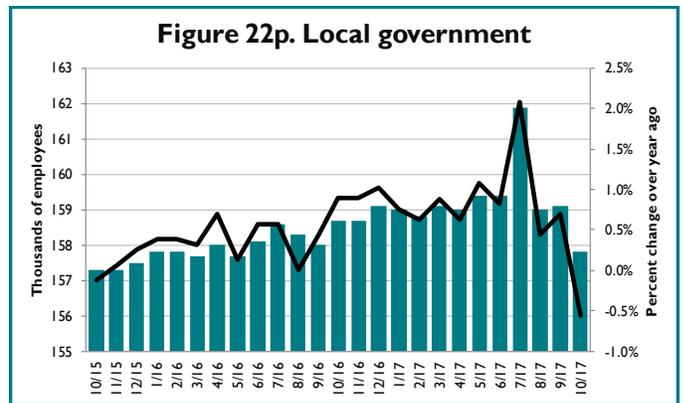
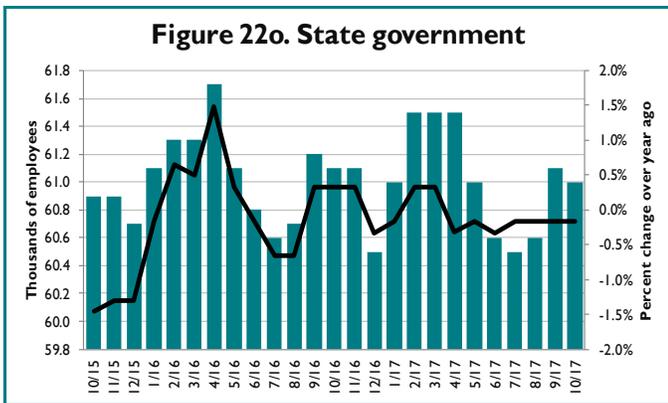
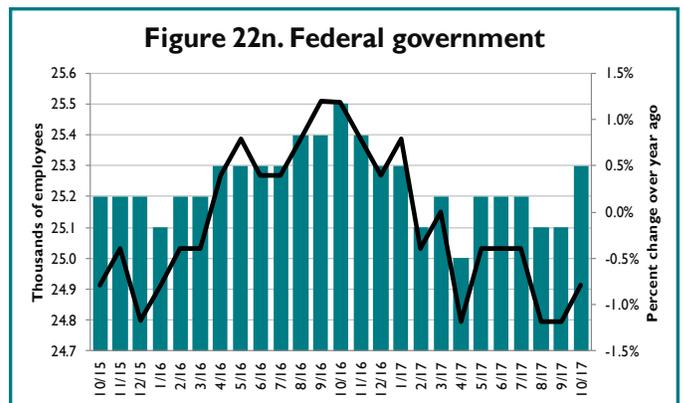
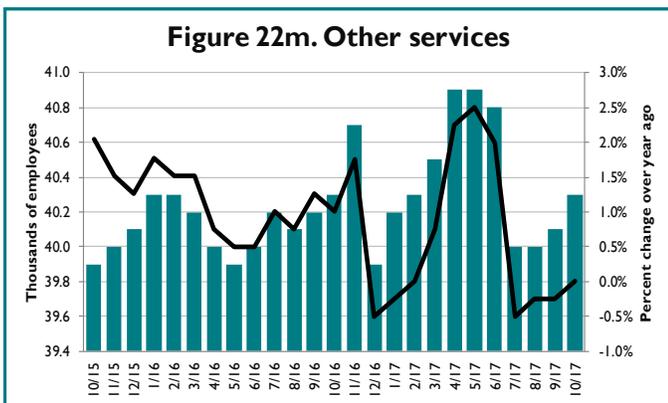
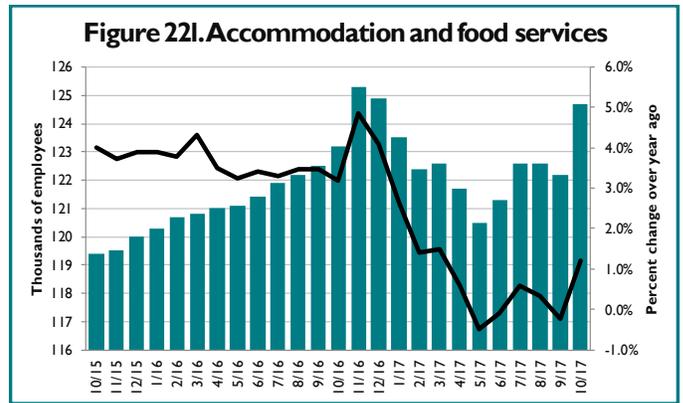
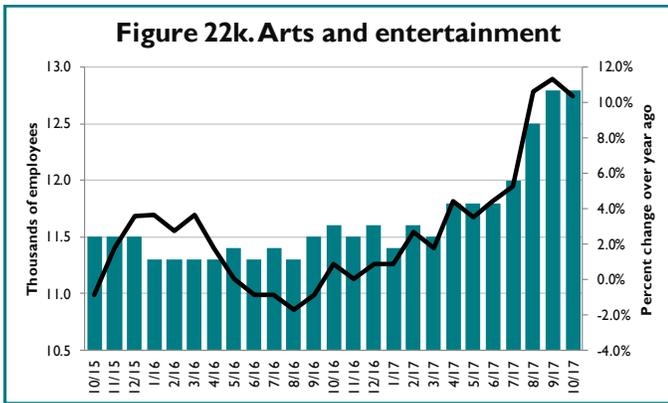
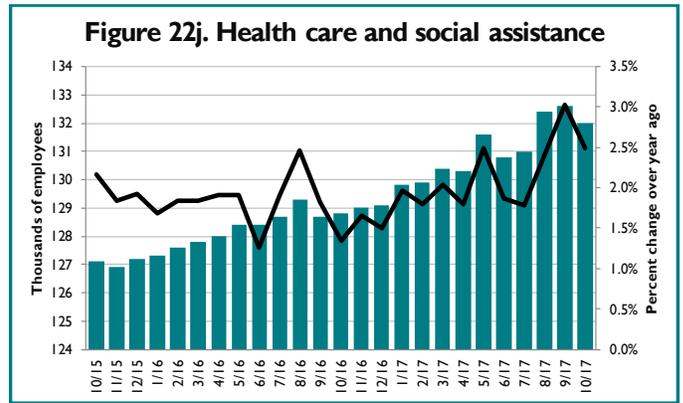
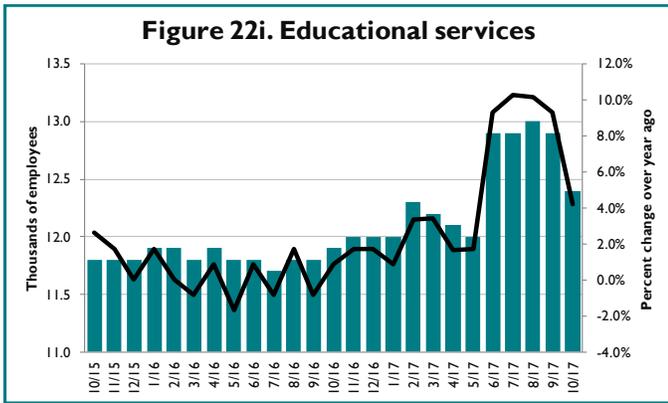
# MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

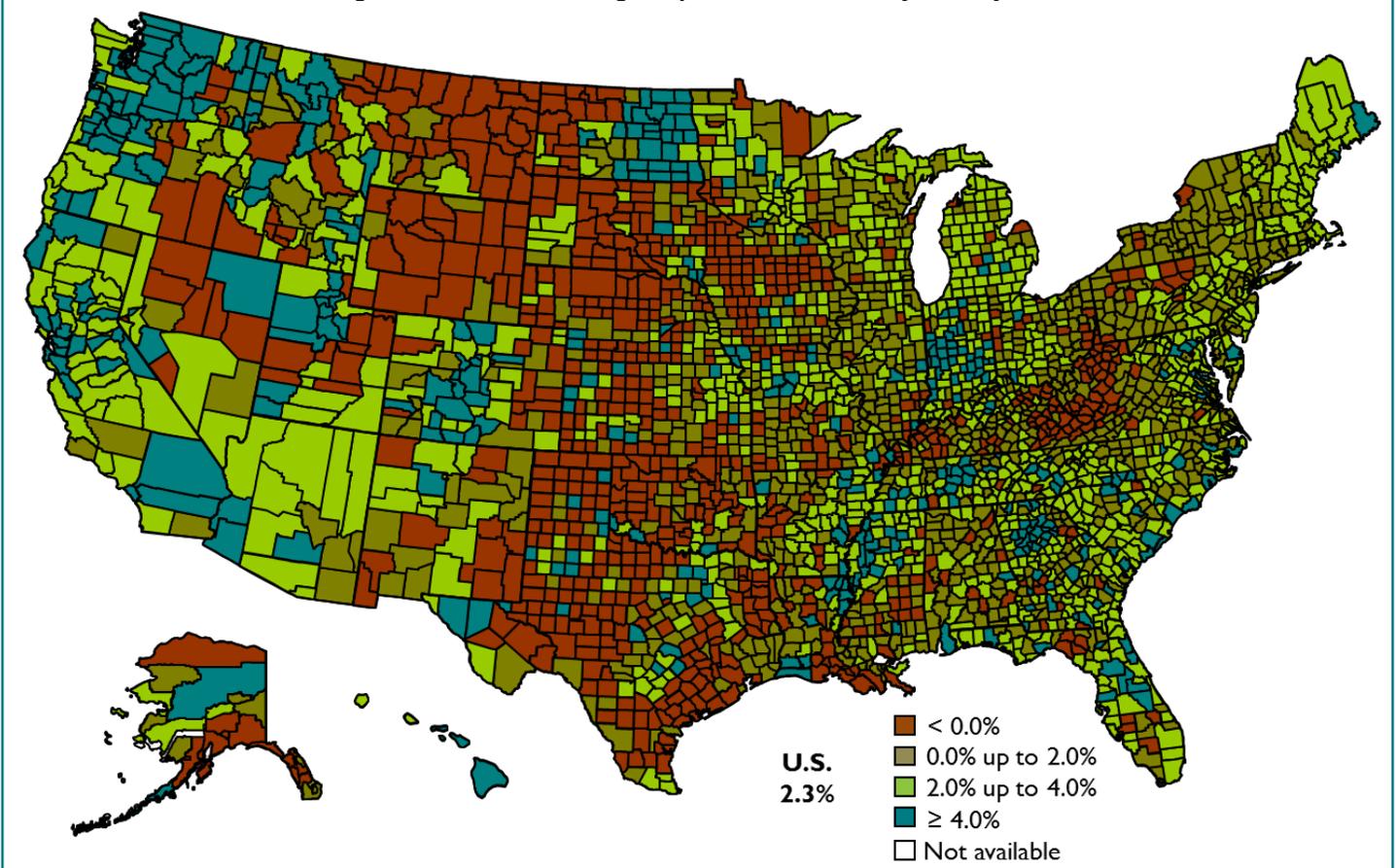


## MISSISSIPPI'S BUSINESS

## CHANGES IN COUNTY PERSONAL INCOME FOR 2016, CONTINUED

Figure 24 below depicts the change in personal income for all counties in the U.S. in 2016, with the exception of some counties in Alaska. This map indicates most of the counties in the nation's mid-section experienced declines in personal income in 2016, and explains why the change in U.S. personal income was less than in the previous year. The relatively lower prices for oil and other energy sources likely account for many of the counties where decreases occurred. For example, personal income declined in most of the counties in Texas and Oklahoma, and almost all counties in Wyoming. Similarly, prices for a number of agricultural commodities remained relatively depressed in 2016 and likely account for the declines in personal income in most of the counties in Iowa, Kansas, Nebraska, and South Dakota. As in previous years, Figure 24 indicates counties found in states on the west coast experienced many of the larger increases in personal income in 2016. Most counties in Washington State experienced increases in personal income of 4.0 percent or more, and income increased in most counties in Oregon. Similarly, personal income did not decline in any counties in California or Arizona. Most counties in states on the east coast also performed relatively well in personal income growth in 2016. Personal income did not decline in any counties of the New England states of Maine, Vermont, New Hampshire, Massachusetts, Connecticut, and Rhode Island. Most counties in New York State experienced increases in personal income in 2016 as well, although these increases were below the U.S. average. Incomes also did not decline in any counties in the states of New Jersey, Delaware, or Maryland, and only in a few counties in Virginia and North Carolina.

Figure 24. Percent change in personal income by county, U.S., 2016



Source: U.S. Bureau of Economic Analysis