The Economic Outlook

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Growth in Real GDP

The U.S. economy slowed dramatically in the first quarter. Revisions could show a dip into negative territory.

Darker Bars Represent National Recessions.
Average US Jobs Added By Month By Year

Job growth improved between 2010 and 2014 but has been relatively weak in 2015.
Year-Over-Year Growth in Real Personal Income Less Transfer Payments: United States

by Quarter

Declines are characteristic of recessions. The series went negative in the fourth quarter of 2013, but improved in 2014.

Gray Areas Represent National Recessions.
An ISM Index above 50 says the industry is expanding. Below 50 indicates a contraction.

The MFG index has weakened in 2015 but remains above 50.
Real US Retail Sales
Adjusted for Inflation

There is no upward momentum in 2015. Relative 2014, growth has been 2.2% through April.
Prices fell dramatically mid-2014, but have risen modestly in 2015. Low gasoline prices are especially beneficial to low income areas.
Average sales for 2013 -- 15.5 million units.
Average sales for 2014 -- 16.4 million units
Average Sales for 2015 through April -- 16.6 million Units
After attaining the pre-recession levels, the index fell dramatically in early May.
Small business confidence flirted with an above pre-recession level but has since declined. We have seen a modest rebound.
NAHB/Wells Fargo Housing Market Index
Home Builder’s Confidence

An index above 50, indicates more builders view conditions as good than bad.
The Mississippi Index of Coincident Indicators reflects economic conditions existing in a given month. The 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 Index has made steady upward improvement since late 2011, but has yet to reach the pre-recession level.
Regional Comparison
March Coincident Index as Percentage of Pre-recession Peak

<table>
<thead>
<tr>
<th>State</th>
<th>Index Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL</td>
<td>99.1%</td>
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<tr>
<td>AR</td>
<td>102.2%</td>
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<td>FL</td>
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<tr>
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<tr>
<td>TN</td>
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<tr>
<td>TX</td>
<td>109.9%</td>
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<tr>
<td>US</td>
<td>115.3%</td>
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</table>
Average Annual Growth in GDP
Average Annual Growth in MS Employment
Income from Government, 2014

May 2015

MS University Research Center, IHL
The Leading Index has reached a near pre-recession level but shown very little momentum for several months.
MS Nonfarm Employment

Recovery has been slow with regard to jobs. MS is still below the pre-recession peak by 39 thousand jobs.
Where are the Jobs?
Mississippi added an average 8,292 jobs in 2014 over 2013

- Trade, Transporation & Utilities: 3,275
- Manufacturing: 2,533
- Professional Business Activities: 1,875
- Leisure & Hospitality: 1,792
- Education & Health Services: 1,175
- Information: 275
- Mining & Logging: 83
- Other Services: -75
- Government: -217
- Financial Activities: -333
- Construction: -2,092

May 2015
MS University Research Center, IHL
Unemployment Claims

Three Month Moving Average

Initial Unemployment Claims

Continued Unemployment Claims

Initial Claims

Continued Claims

May 2015

MS University Research Center, IHL
MS Manufacturing Workweek Length

Three Month Moving Average

Workweek length has fallen dramatically.
MS construction employment rose rapidly in 2013; peaked in October 2013 and then declined. This sector has improved in 2015.
MS Residential Building Permits
Three Month Moving Average Number of Units

Permits are up from the bottom but cannot seem to gain momentum. Graph may understate improvement as permits are not required in the county.
MS Gaming Revenue
3 Month Moving Average

Millions of 2004 $
Year-Over-Year Growth in Real Personal Income Less Transfer Payments: Mississippi

by Quarter

Decades are characteristic of recessions. The series has been negative in five of the last six quarters.

Gray Areas Represent National Recessions.
Growth in 2014 was much stronger than 2013, but less than 2012. The growth in 2014 was largely due to strong collections in the first quarter. This may explain the relative sluggishness thus far in 2015.
Growth In Real US GDP

Historical and IHS Global Insight Baseline Projections

Growth in 2015 will be about the same as previous 2 years.