

# MISSISSIPPI ECONOMIC OUTLOOK

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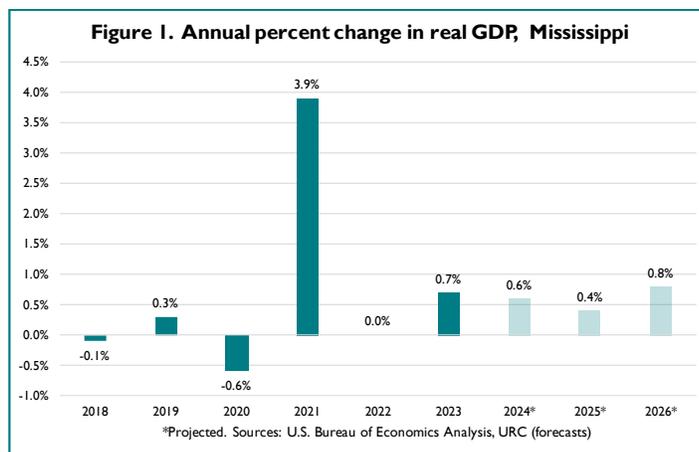
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## FORECAST FOR 2024 IMPROVES, BUT AT THE EXPENSE OF 2025

URC projects in its latest forecast real gross domestic product (GDP) for Mississippi will expand 0.6 percent in 2024 as seen in Figure 1. Compared to the forecast of the previous quarter, this estimate represents an increase of 0.2 percentage points. Real GDP for Mississippi and the U.S. expanded at annualized rates of 3.4 percent in the fourth quarter of 2023 according to the most recent estimates by the U.S. Bureau of Economic Analysis; both of these rates were considerably more than expected in previous forecasts. In 2025 the Mississippi economy is expected to grow 0.4 percent according to the latest forecast. This estimate represents a decrease of 0.6 percentage point from the forecast of the previous quarter. Real GDP for Mississippi is projected to increase 0.8 percent in 2026, which represents an increase of 0.2 percentage point from the forecast of the previous quarter. The revisions to the forecasts for 2024 and 2025 reflect in part changes to the growth expected in the output of Manufacturing and Government, two of the largest sectors in the state in terms of GDP.

U.S. real GDP is expected to grow 2.5 percent in 2024 according to the latest forecast as seen in the fourth section of Table 1 on page 3. This estimate represents an increase of 0.8 percentage point from the forecast of the previous quarter. In 2025 the U.S. economy is projected to expand 1.8 percent, which is an increase of 0.3 percentage point from the forecast of the previous quarter. The upward revisions to the U.S. forecasts for 2024 and 2025 result from the effects of higher rates of immigration than previously assumed. These higher rates are anticipated to continue well into 2026. Additional immigration is expected to increase the demand for housing and increase consumer spending. Moreover, individual equity values at the end of the first quarter exceeded what was assumed in the previous forecast, which should lead to increased consumer spending. The estimate of the change in U.S. real GDP in 2026 is an increase of 0.8 percent, an increase of 0.2 percentage point from the previous quarter's forecast.



\*Projected. Sources: U.S. Bureau of Economic Analysis and URC.

URC's latest forecast projects personal income in Mississippi will grow 4.3 percent in 2024. This rate represents an increase of 0.8 percentage point from the forecast of the previous quarter. The forecasts for wages and salaries and transfer receipts in the state for 2024 are both higher than in the previous quarter. Personal income in the state is projected to grow 3.2 percent in 2025, a decrease of 0.9 percentage point from the forecast of the previous quarter. In 2026, URC estimates personal income in Mississippi will grow 4.5 percent, which represents an increase of 0.2 percentage point from the forecast of the previous quarter.

As Figure 2 on page 2 indicates, URC expects payroll employment in Mississippi will decrease 0.1 percent in 2024. This estimate represents a 0.2 percentage point increase from the forecast of the previous quarter. Payroll employment in the state is forecast to decrease 1.6 percent in 2025, a downgrade of 1.3 percentage points from the forecast of the previous quarter. In 2026 URC forecasts total employment in Mississippi will decrease 0.6 percent, an estimate that is that is 0.5 percentage point lower compared to the forecast of the previous quarter.

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## SHORT-TERM FORECASTS

As seen in the first section of Table I, real GDP will expand in a majority of sectors in Mississippi in 2024 according to URC's latest forecast. The Information sector is projected to expand 7.3 percent, the largest increase among all sectors, followed by the Mining and Oil and Gas Extraction sector, which is forecast to expand 6.4 percent. The Agriculture, Forestry, Fishing, and Hunting sector is forecast to contract 26.7 percent in 2024, the largest decrease among all sectors. The next largest decrease is the 3.1 percent contraction forecast for the Other Services sector. Notably, output in the Government sector, one of the largest sectors in Mississippi in terms of GDP, is expected to remain unchanged in 2024; in the previous quarter's forecast this sector was projected to contract.

A similar number of sectors in the state are forecast to expand in output in 2025. The largest growth expected among all sectors is the 19.0 percent increase in output in the Agriculture, Forestry, Fishing, and Hunting sector. Changes in the value of real GDP for this sector can be volatile due to movements in prices and weather. The Information sector is expected to increase in output by 10.4 percent in 2025, the second-largest increase among all sectors. The largest decrease in output in 2025 is forecast for the Educational Services sector, which is expected to

contract 2.1 percent. Notably, both Government and Manufacturing, two of the largest sectors in the state in terms of GDP, are projected to contract in 2025.

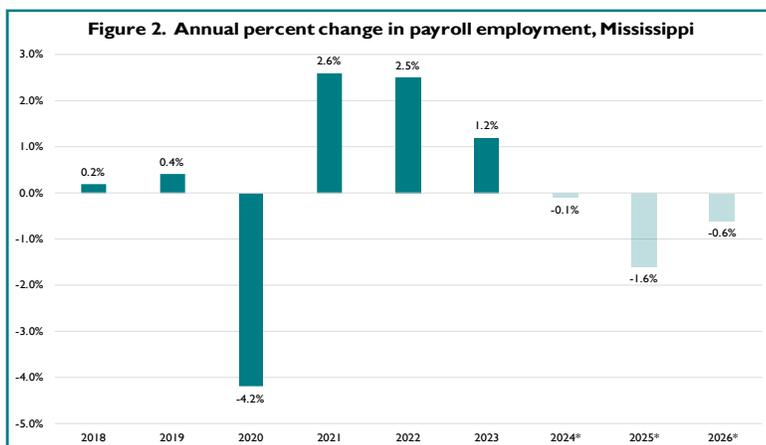
Almost all sectors of the Mississippi economy are forecast to expand in 2026, and most at higher rates than in 2025. Output in the Agriculture, Forestry, Fishing, and Hunting sector is expected to expand 13.6 percent, the largest percentage increase among all sectors. Real GDP in the Information sector is forecast to expand 8.6 percent, the next largest increase. The only two sectors forecast to contract in output in 2026 are Construction and Finance, Insurance, and Real Estate; real GDP in these sectors is expected to decrease 0.1 percent and 0.2 percent, respectively.

The second section of Table I lists the latest URC forecasts of payroll employment in Mississippi by sector for 2024 through 2026. Employment in the state is forecast to decrease 0.1 percent in 2024. Most sectors are expected to add jobs, however. Employment in the Health Care and Social Assistance sector is forecast to grow 3.6 percent, the largest percentage increase among all sectors. Employment in the Mining and Oil and Gas Extraction sector is forecast to increase 3.1 percent in 2024, the next largest increase. The largest expected decrease in employment

in the Information sector is forecast to fall 2.8 percent in 2024, the next largest decrease.

Payroll employment in the state is forecast to decrease 1.6 percent in 2025. However, a majority of sectors are projected to add jobs. The largest percentage increase in employment is the 4.2 percent gain expected in the Mining and Oil and Gas Extraction sector. Employment in the Professional and Business Services sector is expected to grow 2.9 percent in 2025, the next largest increase. Employment in the Manufacturing sector is forecast to decrease 6.7 percent, the largest decrease among all sectors. Manufacturing is one of the largest sectors in Mississippi in terms of employment. The next largest decrease in employment is the 3.7 percent decline forecast for the Wholesale and Retail Trade sector.

In 2026 payroll employment in Mississippi is projected to decrease 0.6 percent. More sectors are forecast to lose jobs in 2026 as well. Employment in the Mining and Oil and Gas Extraction sector is expected to grow 7.6 percent, once again the largest increase among all sectors in the state. Other Services employment is forecast to grow 1.1 percent, the next largest increase, followed by the 0.9 percent increase in employment expected in the Leisure and Hospitality sector. Employment in the Manufacturing sector is projected to fall 4.0 percent in 2026, the largest decrease among all sectors. The next largest decrease in employment among all sectors is forecast for Professional and Business Services, a decline of 3.1 percent. Employment in Wholesale and Retail Trade is also projected to fall 1.5 percent in 2026, the next largest decrease. The Manufacturing, Information, and Wholesale and Retail Trade sectors are expected to lose jobs each year from 2024 through 2026. The Mining and Oil and Gas Extraction, Leisure and Hospitality, and Government sectors are projected to add jobs each year from 2024 through 2026.



\*Projected. Sources: U.S. Bureau of Economic Analysis and URC.

among all sectors in the state is the 4.5 percent decline forecast for the Wholesale and Retail Trade sector. Employment in the Manufacturing sector is projected to fall 4.0 percent in 2026, the largest decrease among all sectors. The next largest decrease in employment among all sectors is forecast for Professional and Business Services, a decline of 3.1 percent. Employment in Wholesale and Retail Trade is also projected to fall 1.5 percent in 2026, the next largest decrease. The Manufacturing, Information, and Wholesale and Retail Trade sectors are expected to lose jobs each year from 2024 through 2026. The Mining and Oil and Gas Extraction, Leisure and Hospitality, and Government sectors are projected to add jobs each year from 2024 through 2026.

**TABLE I. BASELINE MISSISSIPPI AND U.S. FORECASTS**

Variable	2023 Percent Value Change	Annual Forecasts			Annualized Quarterly Forecasts								
		2024	2025	2026	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	
<b>Mississippi Forecast</b>													
Gross State Product (millions of current \$)	146,401	4.6	3.1	2.7	2.7	4.0	2.3	2.0	2.5	2.9	2.9	2.9	3.2
Gross State Product (millions of 2017 \$)	114,950	0.7	0.6	0.4	0.8	0.7	-0.8	-0.5	0.2	0.4	0.8	0.9	1.1
Agriculture, Forestry, Fishing, and Hunting	1,248	-36.4	-26.7	19.0	13.6	25.4	20.1	20.9	19.9	18.4	19.6	17.0	15.3
Mining and Oil and Gas Extraction	786	11.1	6.4	5.7	5.9	8.2	3.2	0.2	3.6	8.6	7.0	6.9	7.3
Contract Construction	3,432	-1.6	2.7	-0.7	-0.2	4.9	-0.8	-0.2	-0.2	-2.5	0.7	-0.6	-1.1
Manufacturing	16,237	-2.1	3.1	-0.9	0.3	0.9	-0.3	-1.0	-1.2	-1.5	-0.9	-0.3	0.3
Durable Goods	10,388	-0.5	3.3	-1.3	0.0	1.5	0.7	-0.8	-1.3	-2.2	-1.6	-0.9	-0.2
Nondurable Goods	5,971	-4.3	2.9	-0.5	0.7	0.0	-1.8	-1.3	-1.0	-0.6	0.0	0.7	0.9
Transportation and Utilities	7,975	5.5	-1.6	0.7	1.2	-4.5	-2.0	-1.6	0.4	1.7	1.5	1.5	0.9
Wholesale and Retail Trade	15,045	3.1	1.4	0.3	0.9	-0.6	-0.2	-1.3	-0.3	1.0	0.3	0.9	1.0
Information	3,345	6.6	7.3	10.4	8.6	4.9	11.9	9.6	13.3	10.6	7.6	10.1	11.1
Finance, Insurance, and Real Estate	18,972	0.0	-0.7	-0.3	-0.1	-0.9	-2.4	-1.7	-0.7	0.5	0.1	0.3	0.0
Professional and Business Services	10,087	4.5	1.2	1.1	0.1	7.4	-1.4	1.4	1.4	1.3	1.2	1.0	1.1
Health Care and Social Assistance	9,688	3.9	3.4	1.5	1.2	4.1	0.6	0.8	1.4	1.5	2.0	2.1	1.0
Leisure and Hospitality	5,625	-1.4	-1.1	0.4	1.4	3.6	-2.1	0.0	0.5	0.6	1.3	-0.6	1.4
Educational Services	787	0.3	-1.1	-2.1	0.2	-2.7	0.2	-3.6	-3.3	-1.2	-2.4	-2.4	0.2
Other Services	2,633	-1.8	-3.1	-1.3	0.0	-3.2	-3.8	-4.2	-1.8	-0.4	-0.5	-0.2	-0.4
Government	19,722	1.2	0.0	-0.5	0.2	-1.4	-1.5	-1.1	-0.7	-1.6	0.6	0.5	1.1
<b>Payroll Employment (thousands)</b>													
Residents	1,192.0	-0.7	-1.0	-1.9	-0.7	0.3	-3.1	-3.1	-1.5	-1.9	-1.5	-1.6	-0.9
Payroll	1,179.8	1.2	-0.1	-1.6	-0.6	1.0	-1.1	-1.9	-2.0	-2.0	-1.6	-1.3	-0.6
Mining and Oil and Gas Extraction	6.2	1.7	3.1	4.2	7.6	7.3	1.7	1.9	5.6	7.1	3.2	2.8	3.2
Contract Construction	48.1	4.0	1.8	-0.7	0.0	6.3	1.1	0.9	0.9	-3.6	0.1	-0.8	-0.7
Manufacturing	144.6	-1.9	-2.1	-6.7	-4.0	-2.5	-3.7	-5.9	-4.6	-9.2	-8.6	-5.9	-3.8
Durable Goods	93.6	-3.4	-1.4	-8.3	-4.7	0.5	-5.2	-7.2	-4.9	-12.0	-10.2	-7.1	-4.2
Nondurable Goods	51.0	0.9	-3.3	-4.0	-2.7	-7.8	-1.6	-3.7	-3.4	-4.2	-5.7	-3.7	-3.1
Transportation and Utilities	72.7	3.5	2.1	0.9	0.4	17.6	1.7	-2.1	-0.4	3.3	1.3	0.6	0.0
Wholesale and Retail Trade	174.8	0.4	-4.5	-3.7	-1.5	-8.6	-6.9	-6.3	-4.5	-1.9	-3.8	-2.3	-1.8
Information	9.9	-2.9	-2.8	-3.3	-1.6	-6.8	15.0	-9.3	-2.5	-2.2	-4.2	-5.4	-6.9
Finance, Insurance, and Real Estate	45.3	2.4	0.3	0.7	-0.3	1.2	0.3	-0.4	0.8	1.8	0.9	0.1	-0.3
Professional and Business Services	117.1	-0.8	2.5	2.9	-3.1	8.2	-1.5	2.3	-0.2	-1.0	-2.3	-3.1	-2.0
Health Care and Social Assistance	137.4	4.0	3.6	2.0	0.0	5.0	2.7	2.9	3.3	2.3	1.4	0.8	-0.4
Leisure and Hospitality	134.0	1.1	1.7	0.6	0.9	3.6	2.0	1.5	0.1	0.5	0.5	-0.4	0.8
Educational Services	13.4	5.8	2.6	-2.9	-2.3	-5.3	1.4	-2.4	-4.2	-2.0	-3.9	-4.8	-1.8
Other Services	39.6	0.8	0.2	1.7	1.1	-3.3	3.4	0.8	1.6	2.2	1.4	1.3	0.6
Government	236.7	1.7	1.4	0.3	0.3	1.2	1.5	0.7	0.3	-0.2	0.3	0.2	1.0
Unemployment Rate (%)*, †	3.2	-0.6	1.1	2.2	0.4	-0.1	0.9	0.9	0.5	0.5	0.5	0.3	0.2
<b>Personal Income (millions of current \$)</b>													
Wages and Salaries	63,054	5.4	3.5	1.0	2.5	5.0	2.8	1.4	0.5	0.4	1.1	1.1	2.3
Supplements to Wages and Salaries	14,604	3.9	2.2	0.6	2.1	4.8	0.9	0.5	0.0	0.4	0.5	1.2	1.4
Proprietors' Income	9,387	-4.0	7.6	10.9	8.9	20.4	10.4	13.9	11.2	9.4	10.6	10.8	11.2
Farm Proprietors'	144	-74.9	-21.6	165.5	49.4	98.4	468.7	581.9	332.8	203.3	52.7	53.3	78.2
Non-farm Proprietors'	9,243	5.5	7.1	7.9	6.9	3.3	8.1	10.2	7.3	5.4	9.1	9.1	8.4
Dividends, Interest, and Rent	23,230	4.9	3.1	6.5	8.4	4.8	0.9	2.2	5.2	8.4	8.7	7.7	7.9
Personal Current Transfer Receipts	37,631	2.4	6.2	5.0	4.8	16.0	3.4	2.9	3.2	10.4	3.4	3.4	3.8
Less: Contributions for Government Social Insurance	11,105	5.1	4.9	3.5	2.5	7.2	6.9	4.3	3.7	3.5	3.0	1.9	1.9
Plus: Adjustment for Residence	4,627	7.2	4.0	4.4	3.0	2.2	5.3	6.2	7.0	2.9	3.3	3.3	4.0
Equals: Total Personal Income	141,428	3.7	4.3	3.2	4.5	8.5	3.1	2.9	2.4	3.9	3.1	3.3	4.3
Less: Personal Current Taxes to Federal Government	8,206	-13.9	7.4	-0.3	3.3	34.7	-3.1	0.1	-0.2	-2.5	1.0	1.8	2.8
Less: Personal Current Taxes to State and Local Governments	2,497	-11.3	5.9	1.1	2.0	6.5	3.2	3.0	0.7	-1.2	3.6	0.0	1.3
Equals: Disposable Personal Income	130,628	5.4	4.1	3.6	4.7	7.1	3.6	3.2	2.7	4.7	3.2	3.5	4.5
Per Capita Personal Income (thousands of \$)	44.44	3.7	4.2	3.2	4.6	8.8	2.7	3.1	2.3	3.7	2.9	3.5	4.0
Population (thousands)	2,940	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
<b>U.S. Forecast</b>													
Gross Domestic Product (billions of current \$)	27,361	6.3	5.1	4.2	4.1	4.8	4.5	4.5	4.3	4.0	4.1	4.3	4.3
Gross Domestic Product (billions of 2017 \$)	20,850	2.5	2.5	1.8	1.7	1.6	1.9	1.9	1.8	1.7	1.7	1.7	1.7
GDP Deflator (Nominal GDP ÷ Real GDP × 100)	131.2	3.6	2.5	2.4	2.3	3.1	2.5	2.5	2.5	2.3	2.4	2.5	2.5
Total Employment, Residents (millions)*	161.0	1.7	0.5	0.4	0.1	-0.5	1.0	1.0	0.5	0.2	0.2	0.0	0.2
Total Payroll Employment (millions)*	156.1	2.3	1.6	0.4	0.0	2.0	1.7	1.0	0.5	0.2	0.0	-0.1	-0.1
Unemployment Rate (%)*, †	3.6	0.0	0.2	0.3	0.2	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Personal Income (billions of current \$)	22,978	5.2	5.1	5.3	4.9	7.2	4.6	5.3	5.2	5.9	5.0	4.9	4.9
Per Capita Personal Income (thousands of \$)	67.9	4.7	4.1	4.4	4.3	6.1	3.6	4.3	4.2	5.1	4.2	4.2	4.2
Consumer Price Index (1982-84 = 100)	3.1	4.1	3.2	2.3	2.5	3.7	3.4	2.7	2.0	1.5	2.4	3.1	3.0
Prime Rate (%)*†	8.2	3.3	0.0	-1.5	-0.9	0.0	-0.2	-0.3	-0.3	-0.5	-0.5	-0.3	-0.3

\*Seasonally-adjusted. †Percentage point change. Sources: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, and URC (forecasts).

## ALTERNATIVE FORECASTS

The probability of the latest pessimistic alternative scenario by S&P Global Market Intelligence is 30 percent. The probability of the baseline scenario remains 55 percent. In the pessimistic scenario a shallow recession occurs, accompanied by weaker consumer spending than in the baseline forecast. Stress in the banking sector leads to tighter financial conditions, which reduces spending by consumers and small businesses that rely on credit. Conflicts in the Middle East and Ukraine worsen under this scenario, which triggers higher energy prices. In the pessimistic scenario, U.S. real GDP increases by an average of 1.7 percent per year over the next five

years compared to an average of 2.0 percent per year in the baseline forecast. Compared to the baseline forecast, the average annual change in real GDP for Mississippi from 2024 to 2028 is essentially the same in the pessimistic scenario.

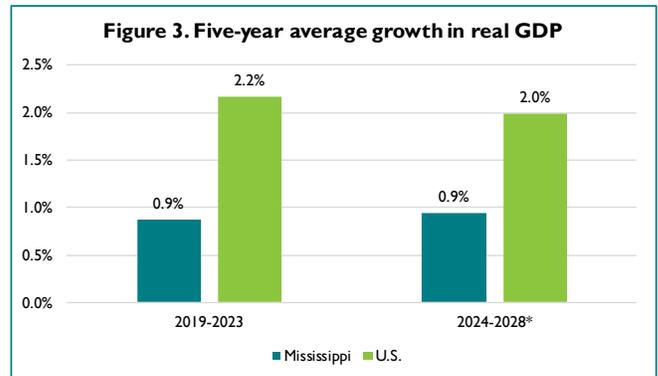
S&P Global Market Intelligence estimates the probability of its latest optimistic scenario at 15 percent. Compared to the baseline forecast, worker productivity and consumer spending are greater under this scenario. Credit grows at a sustainable pace under this scenario as banks continue to manage risks effectively. The easing of international conflicts leads to lower energy prices under this scenario, which contributes to

stronger consumer spending than in the baseline forecast. Worker productivity improves in the optimistic scenario, which results in higher corporate profits. One shortcoming of the optimistic scenario is slightly higher inflation in 2025 and 2026 compared to the baseline forecast, caused by more vigorous consumer spending. From 2024 to 2028, U.S. real GDP expands at an average annual rate of 2.2 percent under the optimistic scenario, 0.2 percentage point more per year than in the baseline forecast. Real GDP for Mississippi expands at an average annual rate over the next five years in the optimistic scenario that is essentially the same as in the baseline forecast.

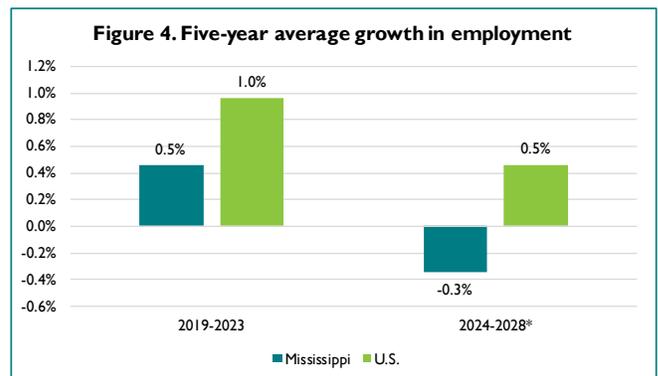
## FIVE-YEAR FORECASTS

Real GDP for Mississippi is forecast to expand by an average of 0.9 percent per year from 2024 through 2028. This estimate is essentially unchanged compared to the 2019 to 2023 period. The U.S. economy is forecast to expand by an average of 2.0 percent per year from 2024 through 2028, which represents a decrease of an average of 0.2 percentage point per year compared to the 2019 to 2023 period. Although growth in the U.S. economy is expected to slow over the next five years compared to the previous five years, this growth is still expected to exceed growth in the Mississippi economy by an average of 1.1 percentage points per year.

Figure 4 indicates payroll employment in Mississippi is forecast to decrease by an average of 0.3 percent per year from 2024 to 2028. This estimate represents an average decrease of 0.8 percentage point per year compared to the average percent change in employment each year during the 2019 to 2023 period. U.S. payroll employment is expected to increase by an average of 0.5 percent per year from 2024 through 2028. Compared to the 2019 to 2023 period, this estimate represents an average decrease of 0.5 percentage point per year. The average annual change in U.S. employment is also expected to exceed the average annual change in Mississippi employment over the next five years by 0.8 percentage point more per year compared to the 2019 to 2023 period.



\*Projected. Sources: Bureau of Economic Analysis and URC (forecast).



\*Projected. Sources: Bureau of Labor Statistics and URC (forecast).