



The 2019 Economic Outlook Forum

The Outlook for MS

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Quick Overview of National Economy

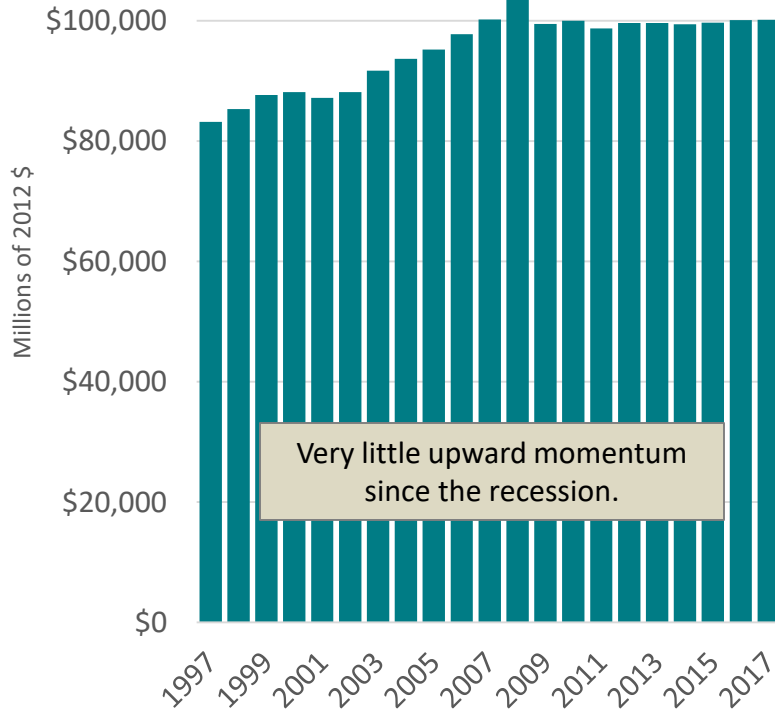
- After a robust 3.4% growth in the 3rd quarter, the economy cooled in the fourth quarter
 - (IHS Markit says 2.4%)
- Despite the late-year slowdown, 2018 Growth was at or near 3.0%
- While the US economy remains fundamentally sound, a variety of forces will drive growth slower in 2019 (IHS Markit says 2.1%)

Annual Growth:

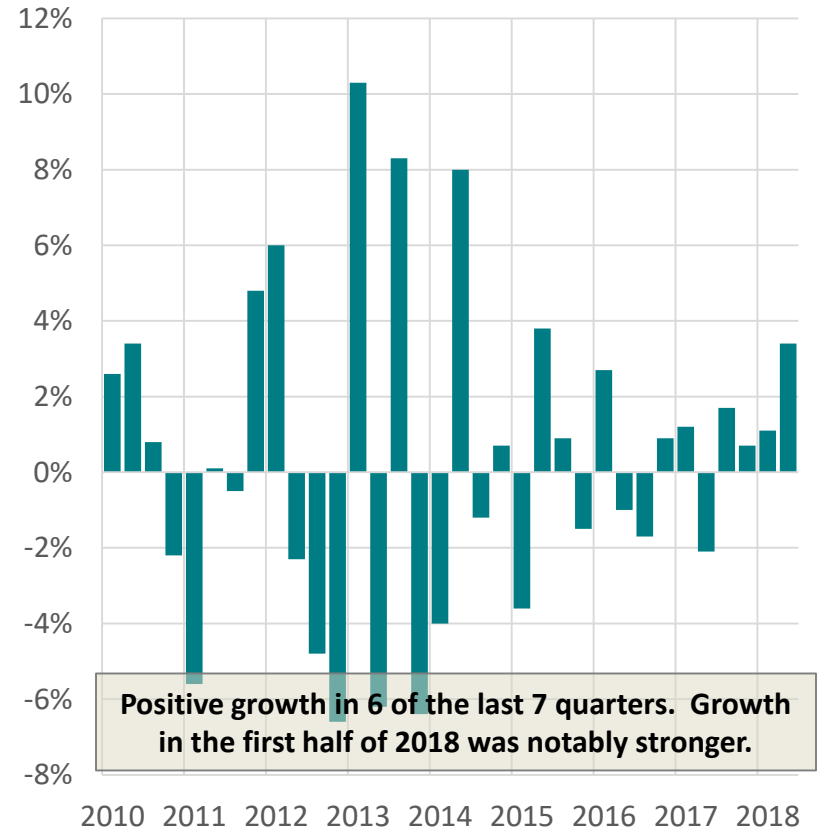
2008	4.2%
2009	-4.7%
2010	0.5%
2011	-1.3%
2012	0.9%
2013	0.0%
2014	-0.2%
2015	0.3%
2016	0.4%
2017	0.1%

MS Real GDP

Annual

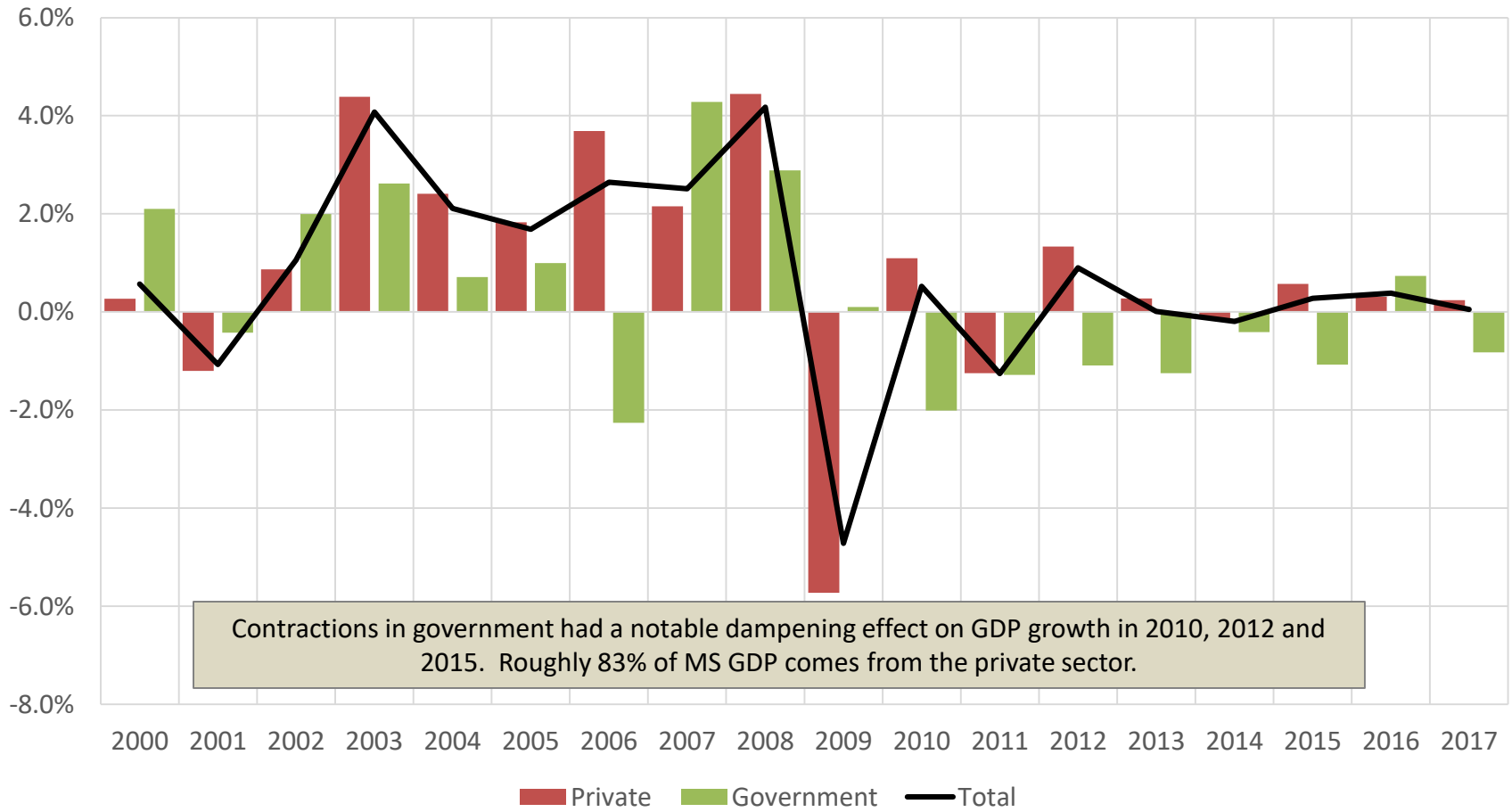


Annualized Quarterly Growth

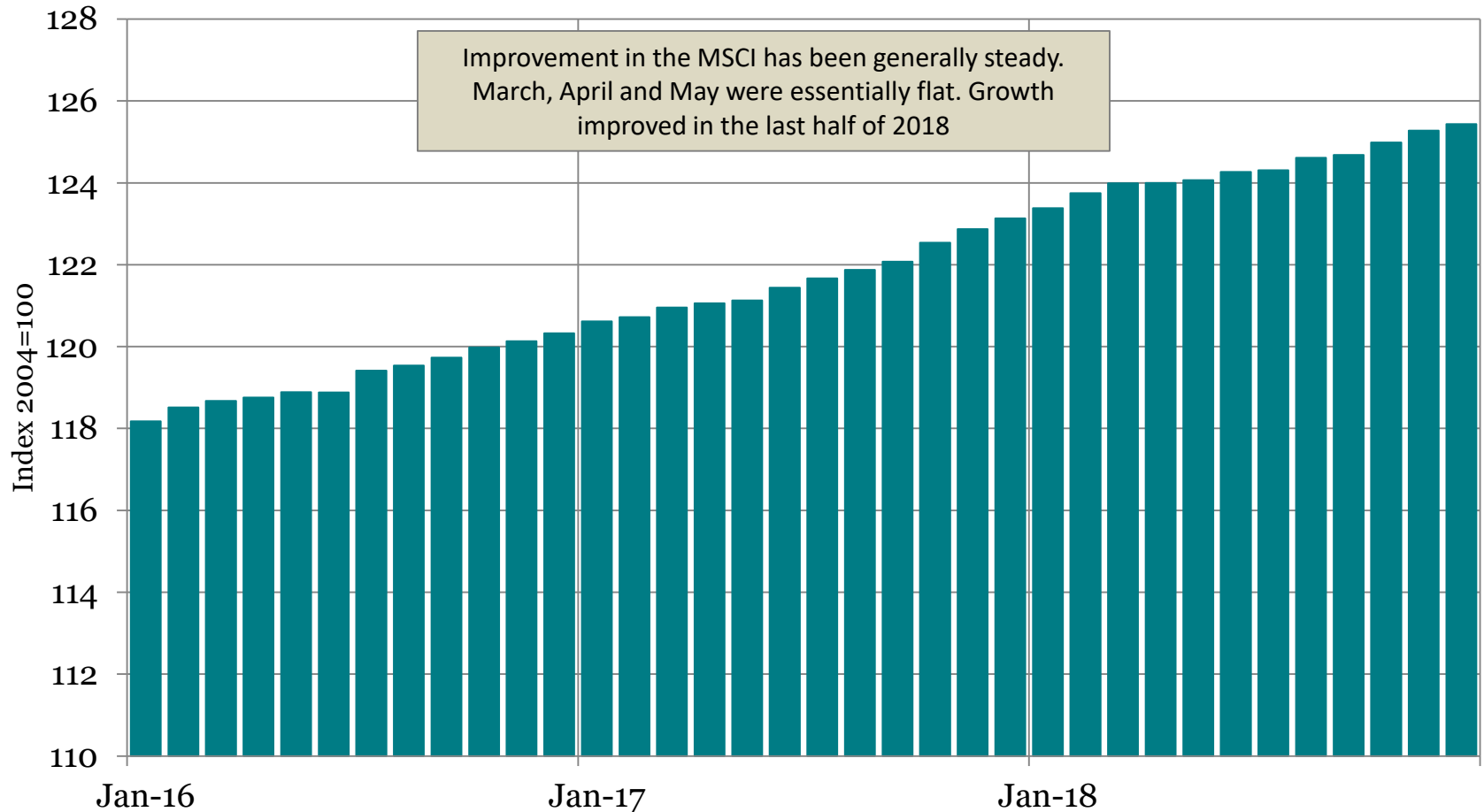


Real GDP Growth

Private Sector VS Government

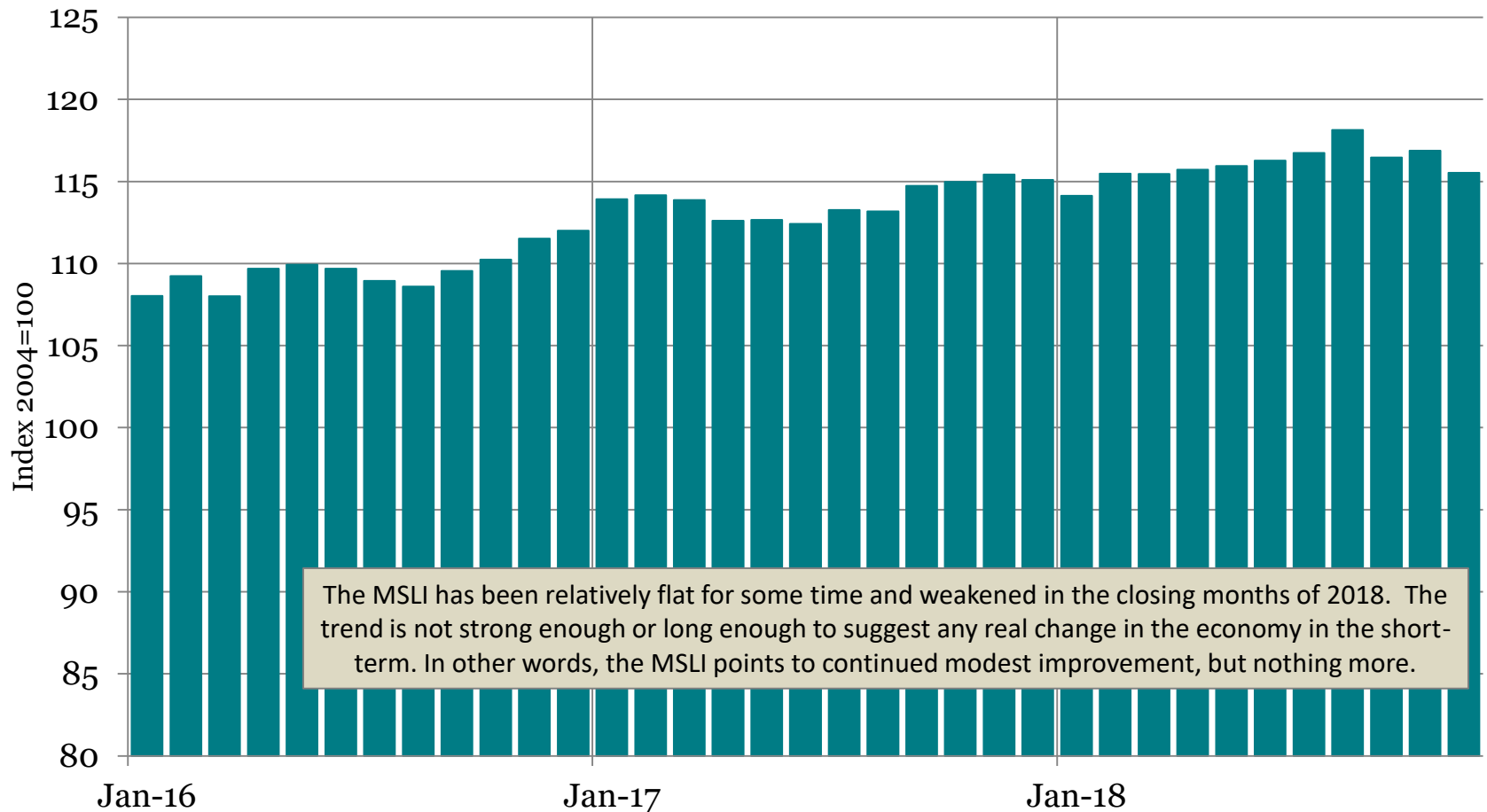


MS Index of Coincident Indicators



The Mississippi Index of Leading Indicators reflects economic conditions expected for the coming months. The index is constructed by the University Research Center and indexed to 2004. There are 7 components of the Index: MS Initial Unemployment Claims; MS Income Tax Withholdings; MS Value of Residential Building Permits; MS MFG Employment Intensity Index; ISM Index of US MFG Activity; US Consumer Expectations Index and US Retail Sales.

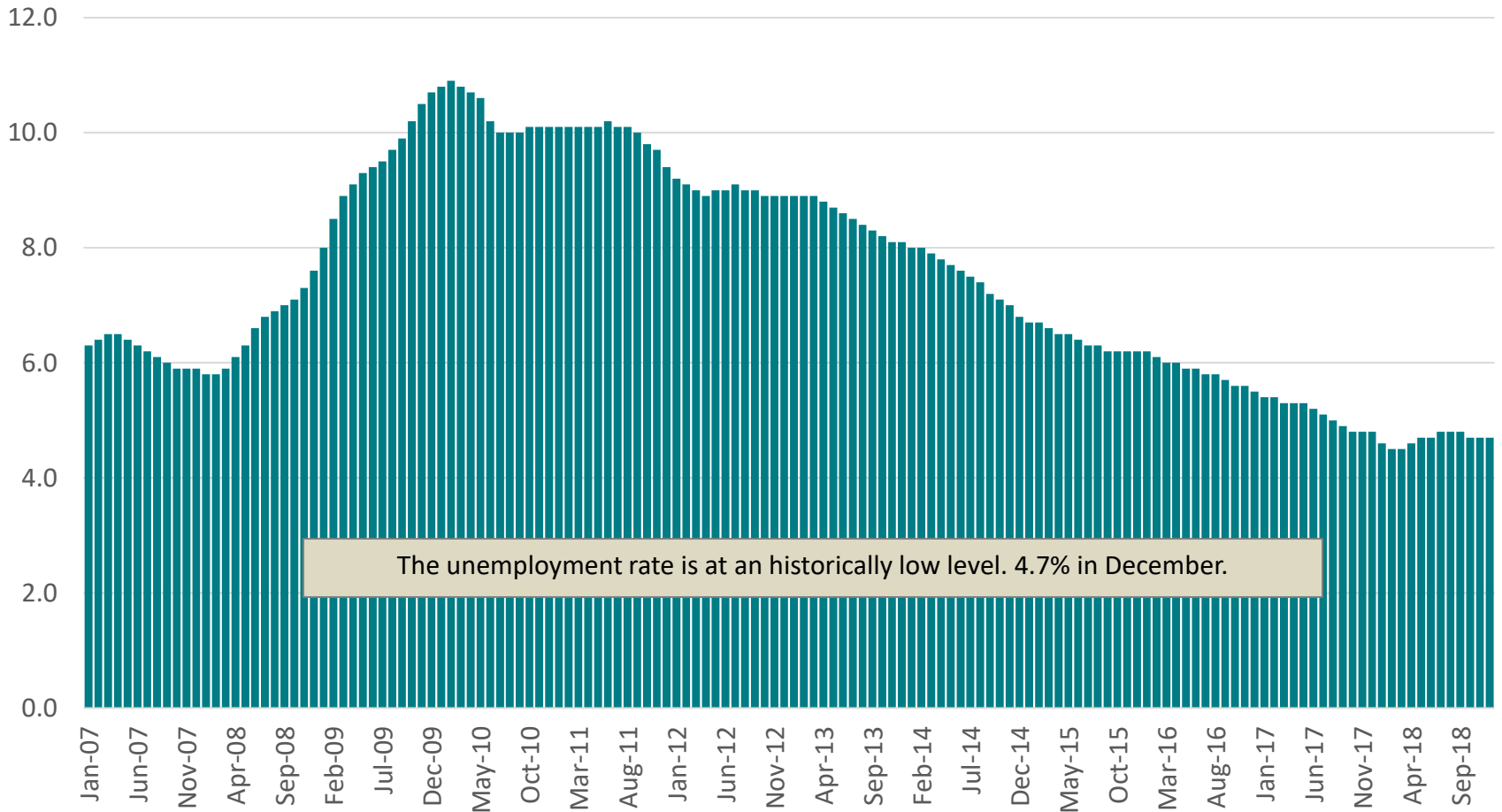
MS Index of Leading Indicators



The MSLI has been relatively flat for some time and weakened in the closing months of 2018. The trend is not strong enough or long enough to suggest any real change in the economy in the short-term. In other words, the MSLI points to continued modest improvement, but nothing more.

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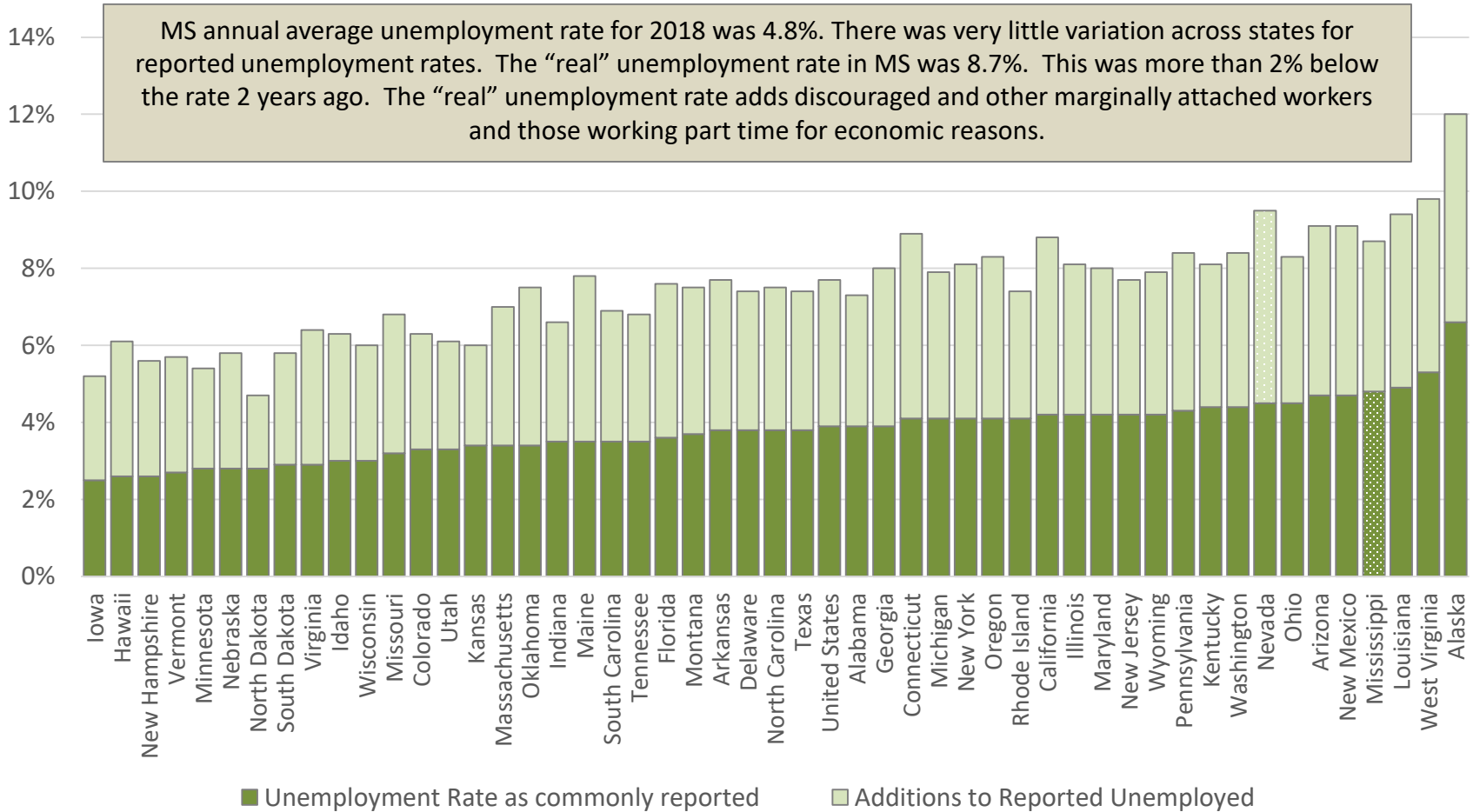
MS Unemployment Rate



The unemployment rate is at an historically low level. 4.7% in December.

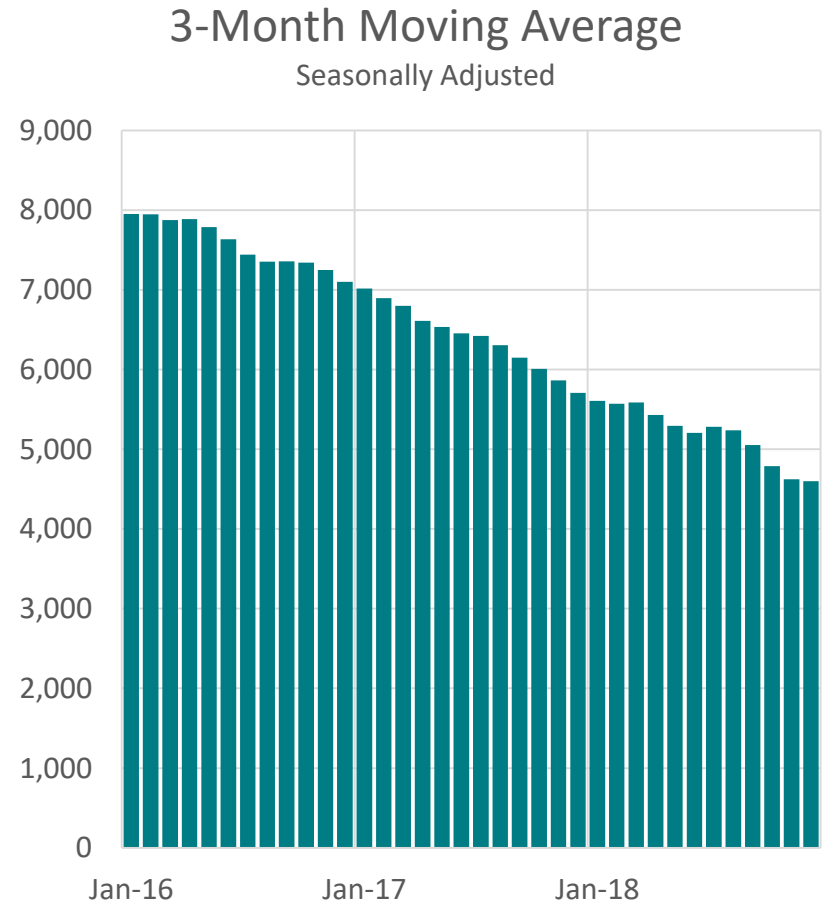
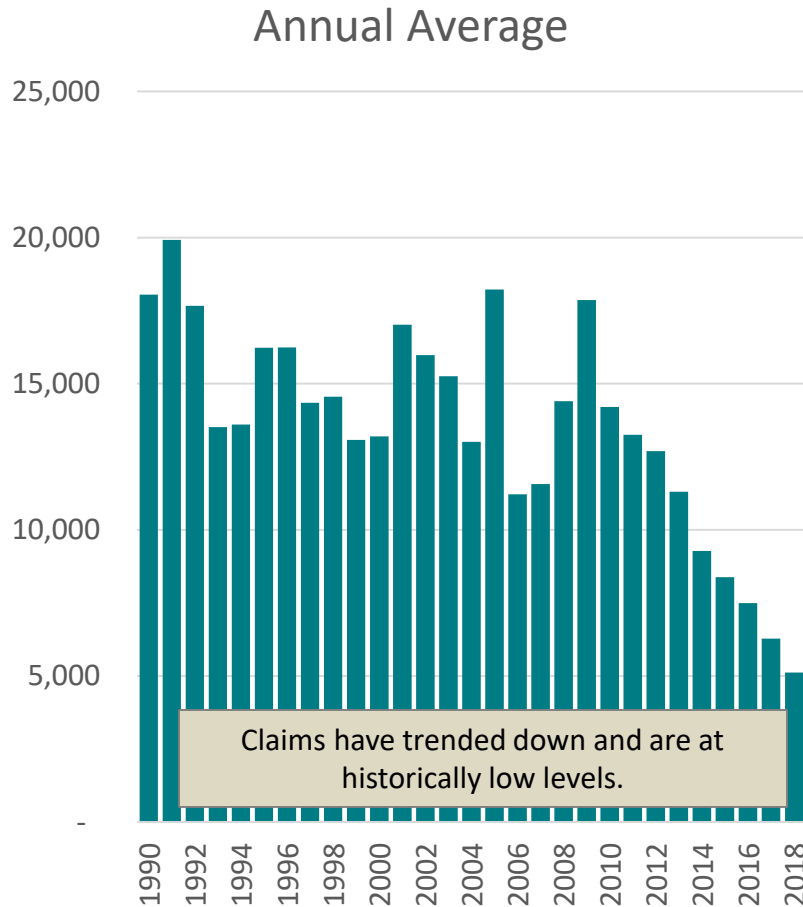
Unemployment Rate

2018 Average



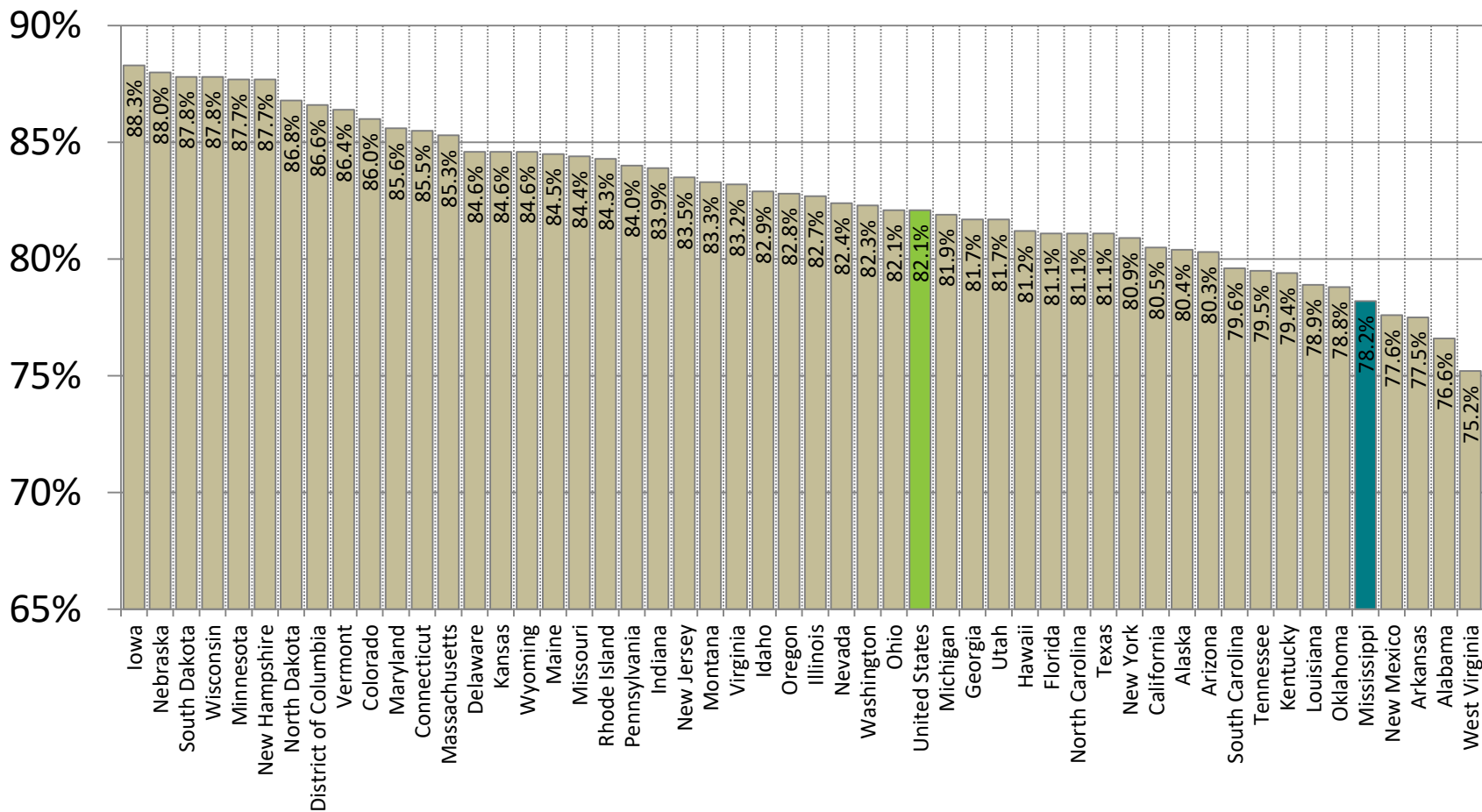
The “real” unemployment rate combines the two series in the chart.

MS Initial Unemployment Claims

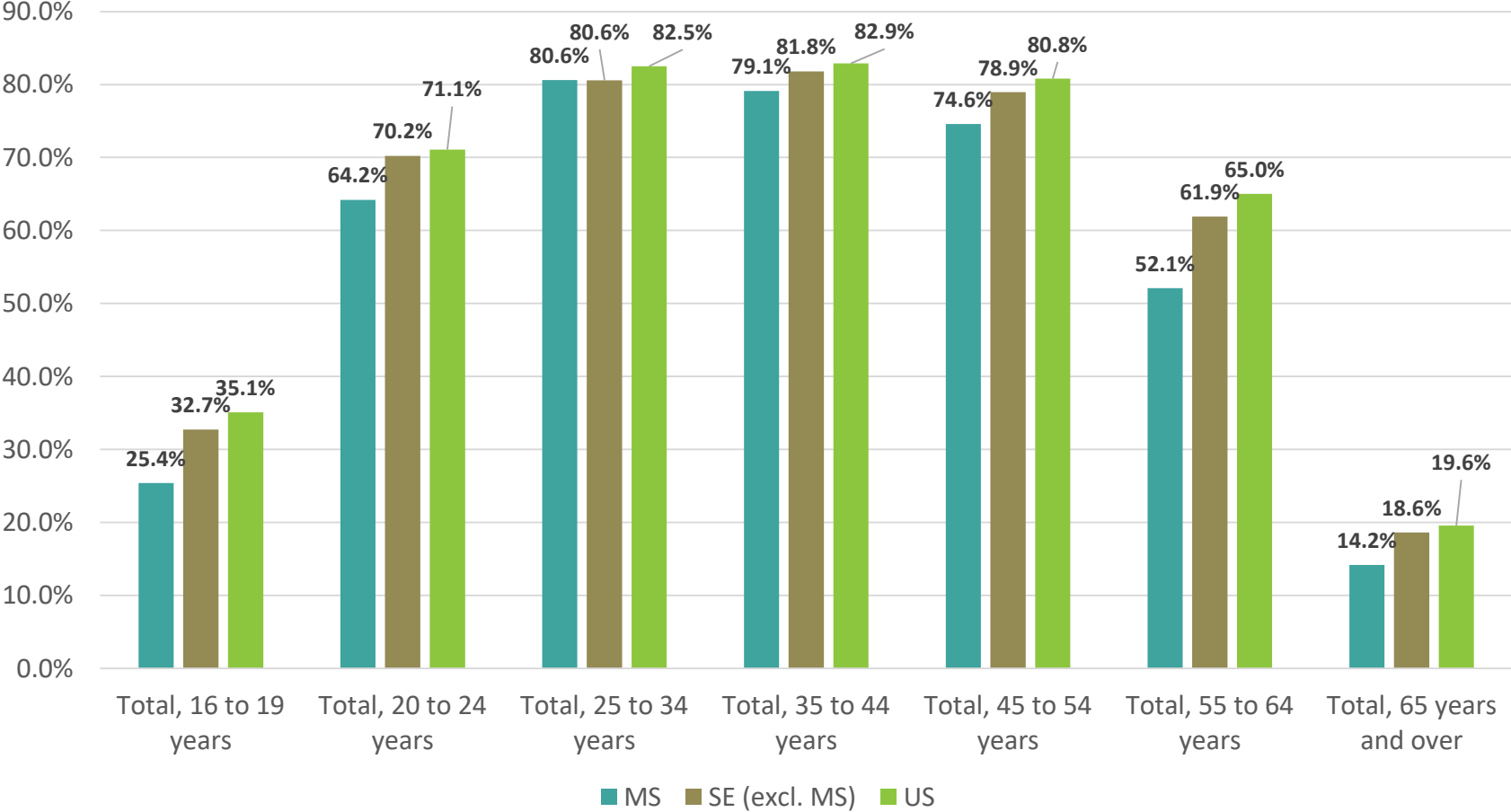


Prime Working-Age Labor Force Participation

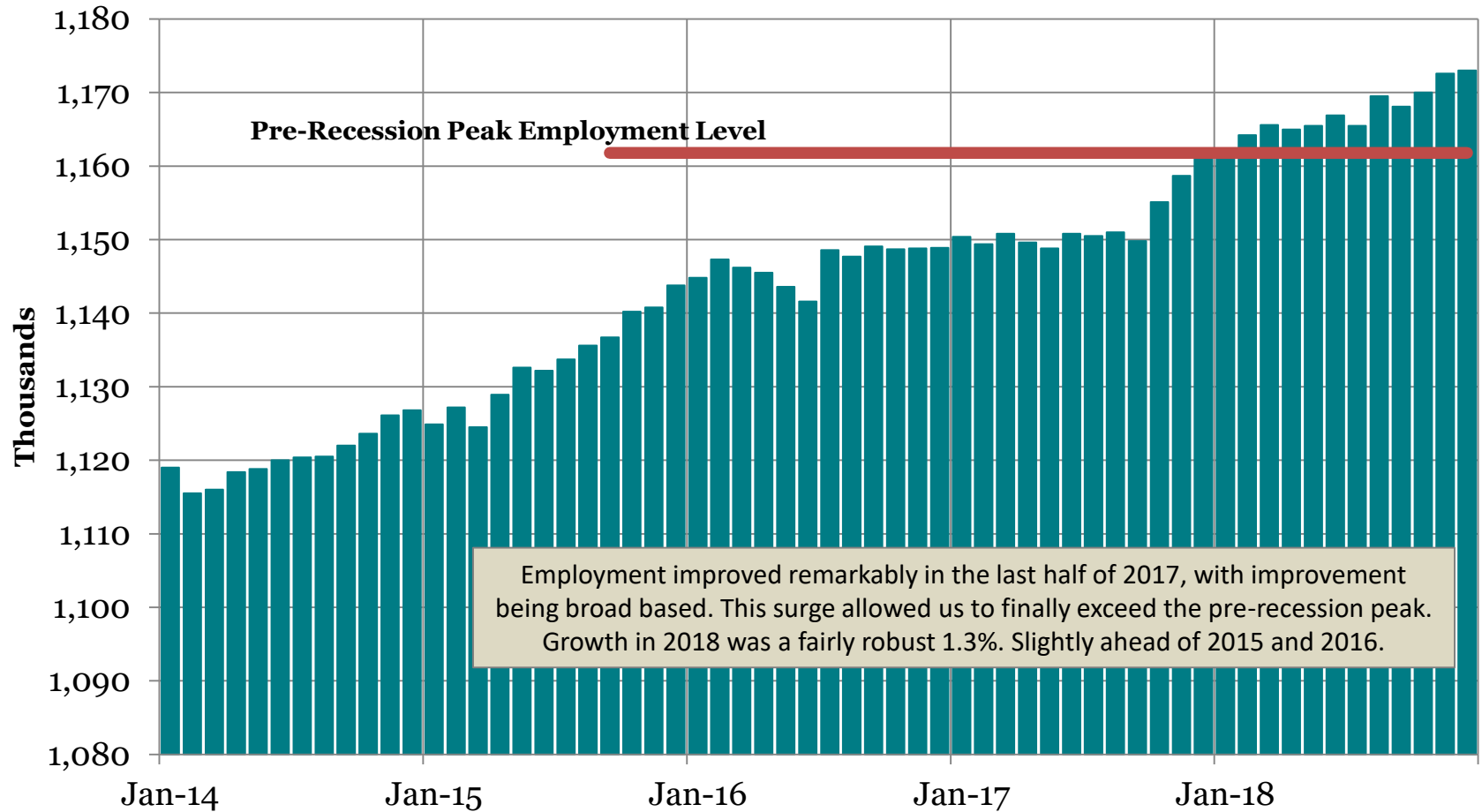
Percentage of the Population between the ages of 25 & 54 years old that are either employed or actively looking for a job. Preliminary Annual Average for 2018



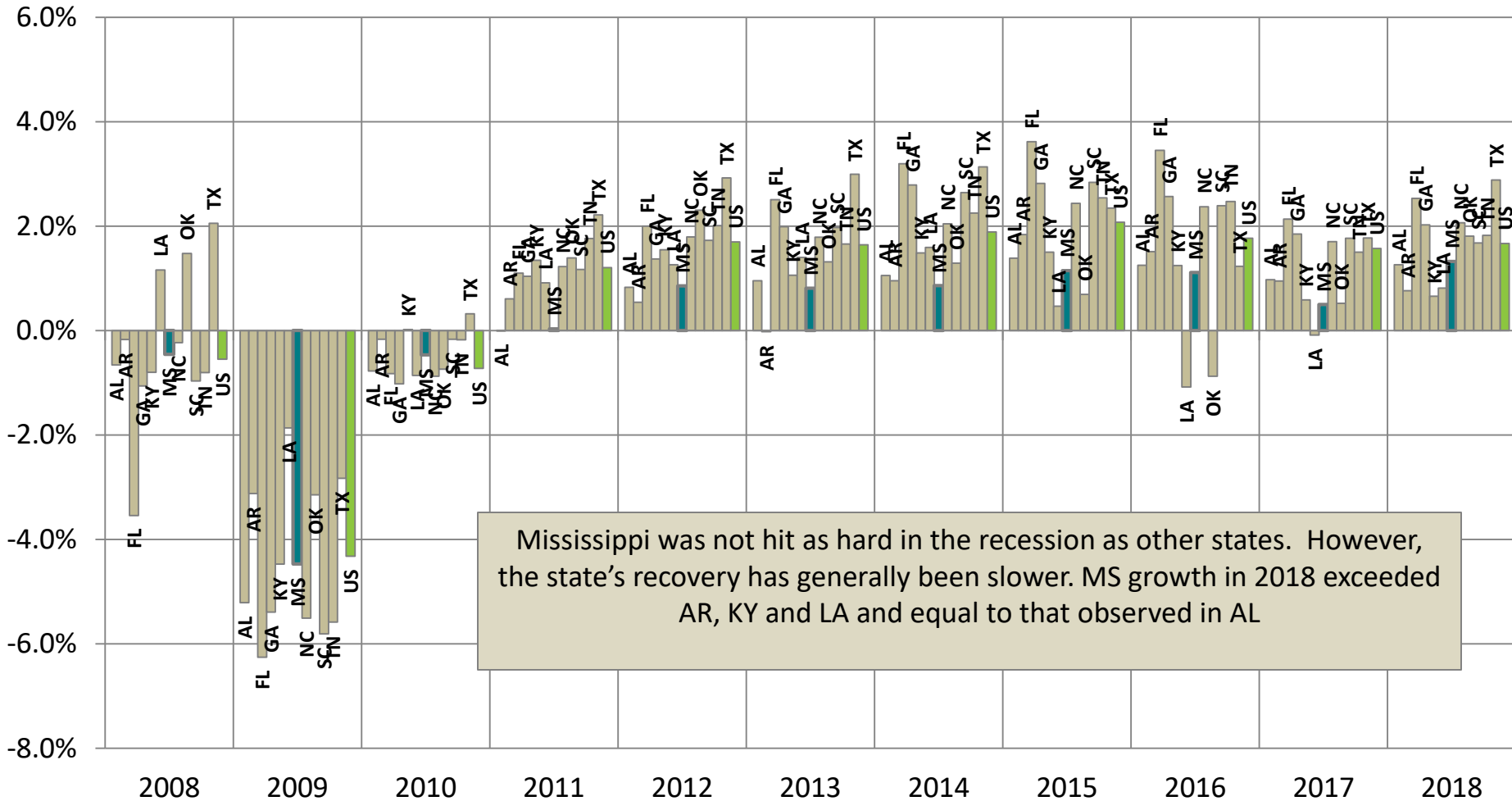
Workforce Participation by Age Group



Nonfarm Employment in MS



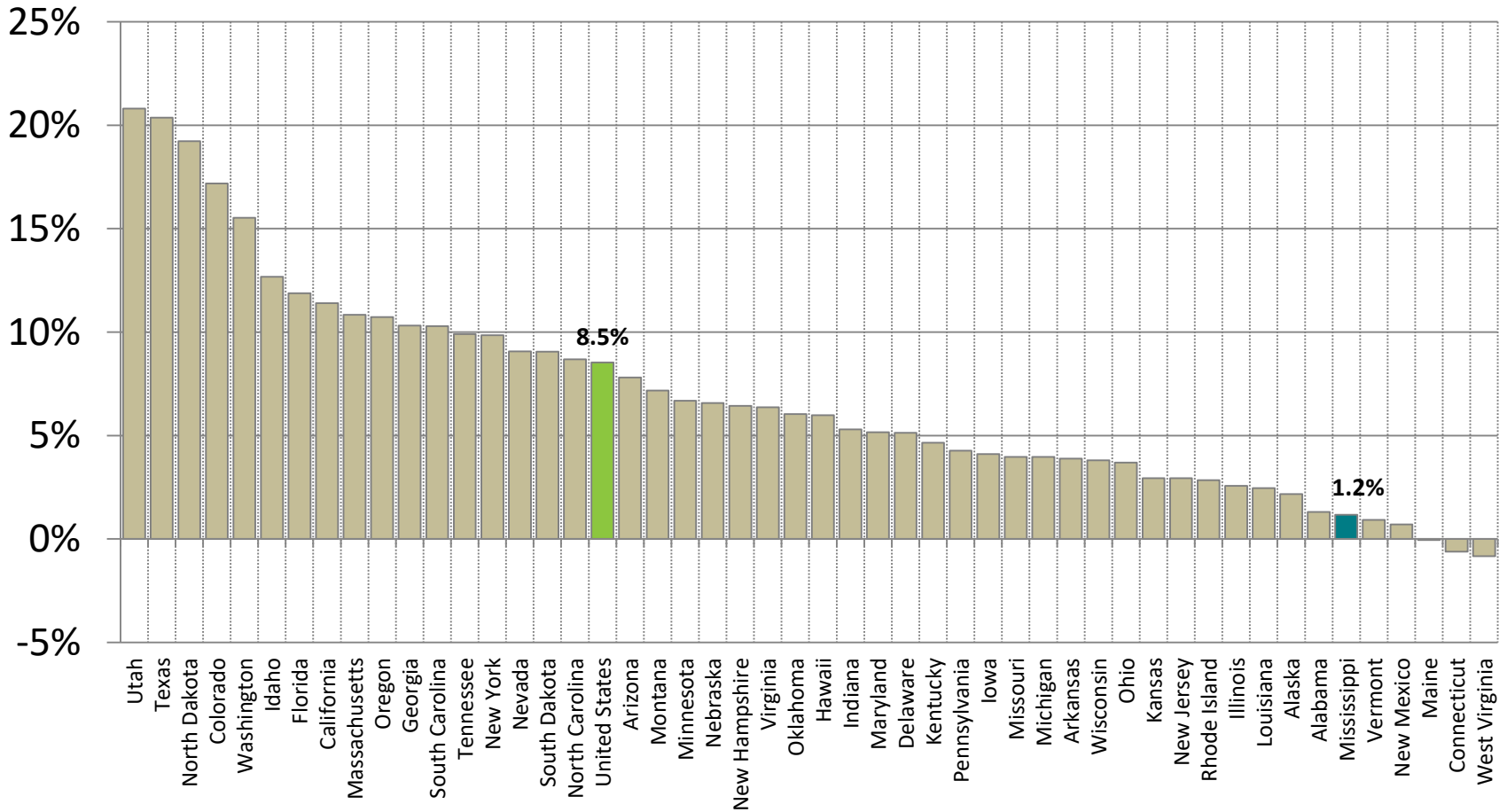
Average Annual Growth in Employment



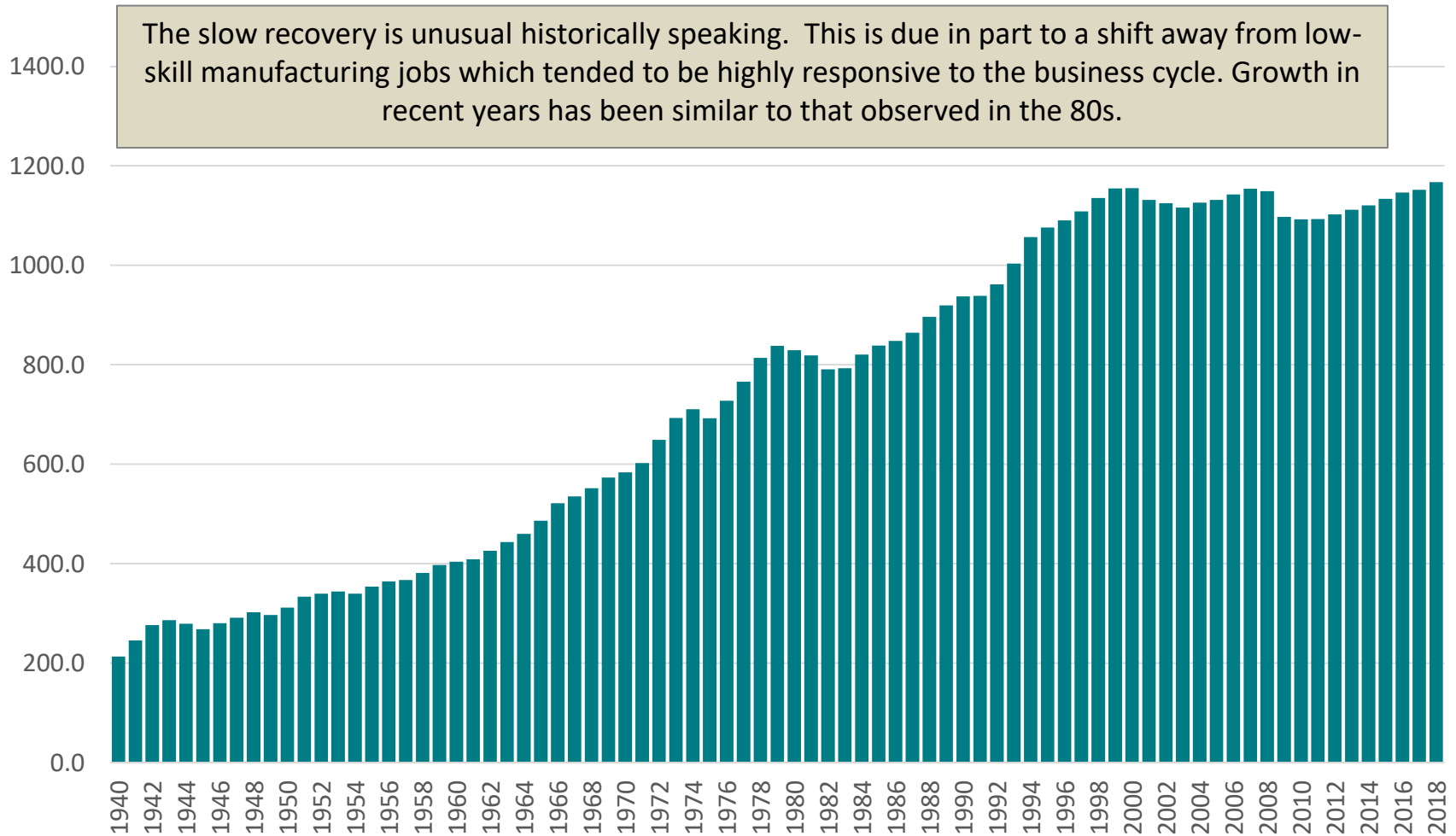
Mississippi was not hit as hard in the recession as other states. However, the state's recovery has generally been slower. MS growth in 2018 exceeded AR, KY and LA and equal to that observed in AL

Employment Relative to Pre-Recession

December 2018 as a Percentage Above (Below) December 2007

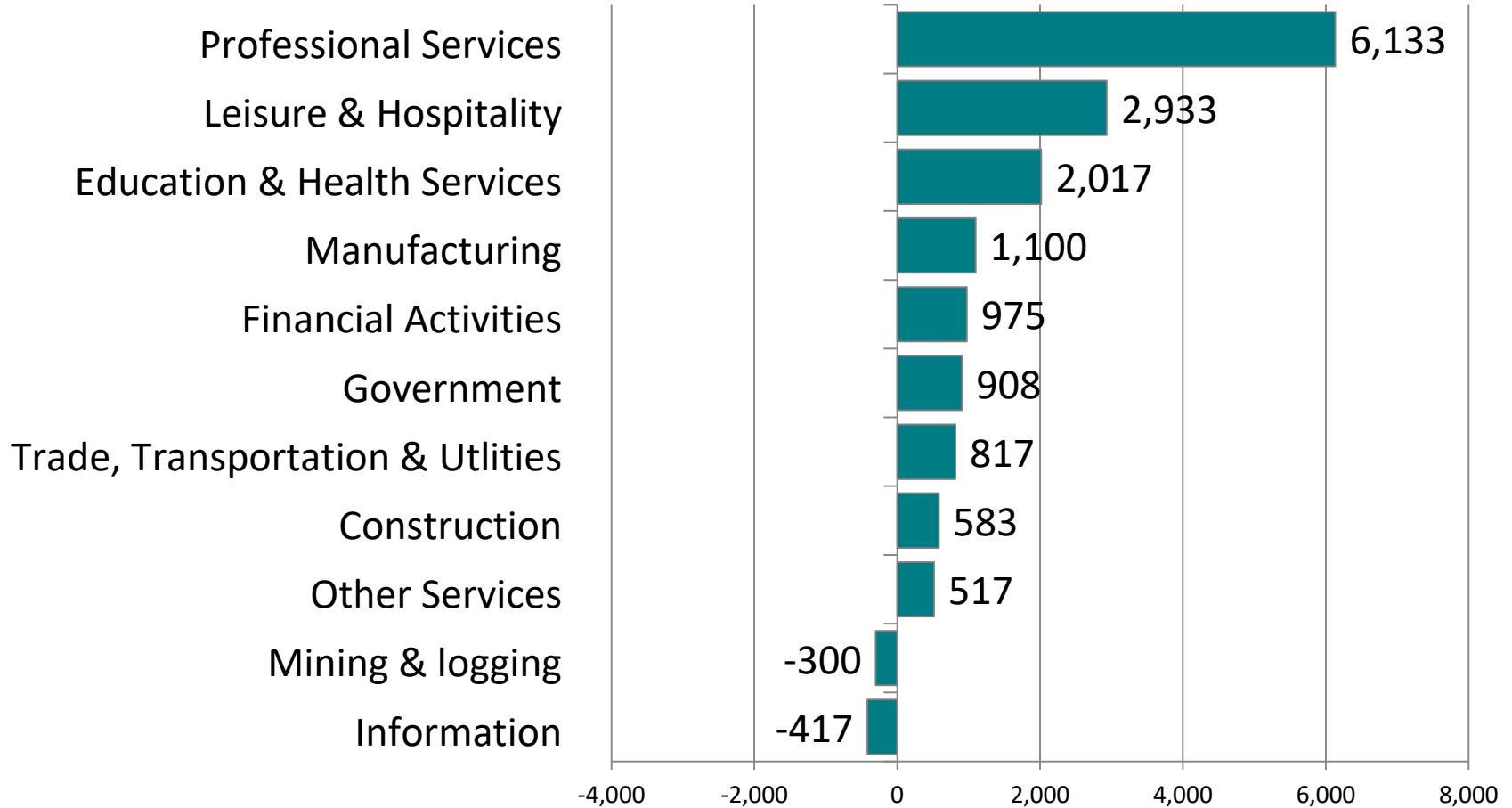


Annual Average Nonfarm Employment



Where are the Jobs by Industry?

Mississippi added an average 15,267 jobs in 2018 over 2017



Where are the Job by County?

Jobs Gained (Lost)

2017-2018

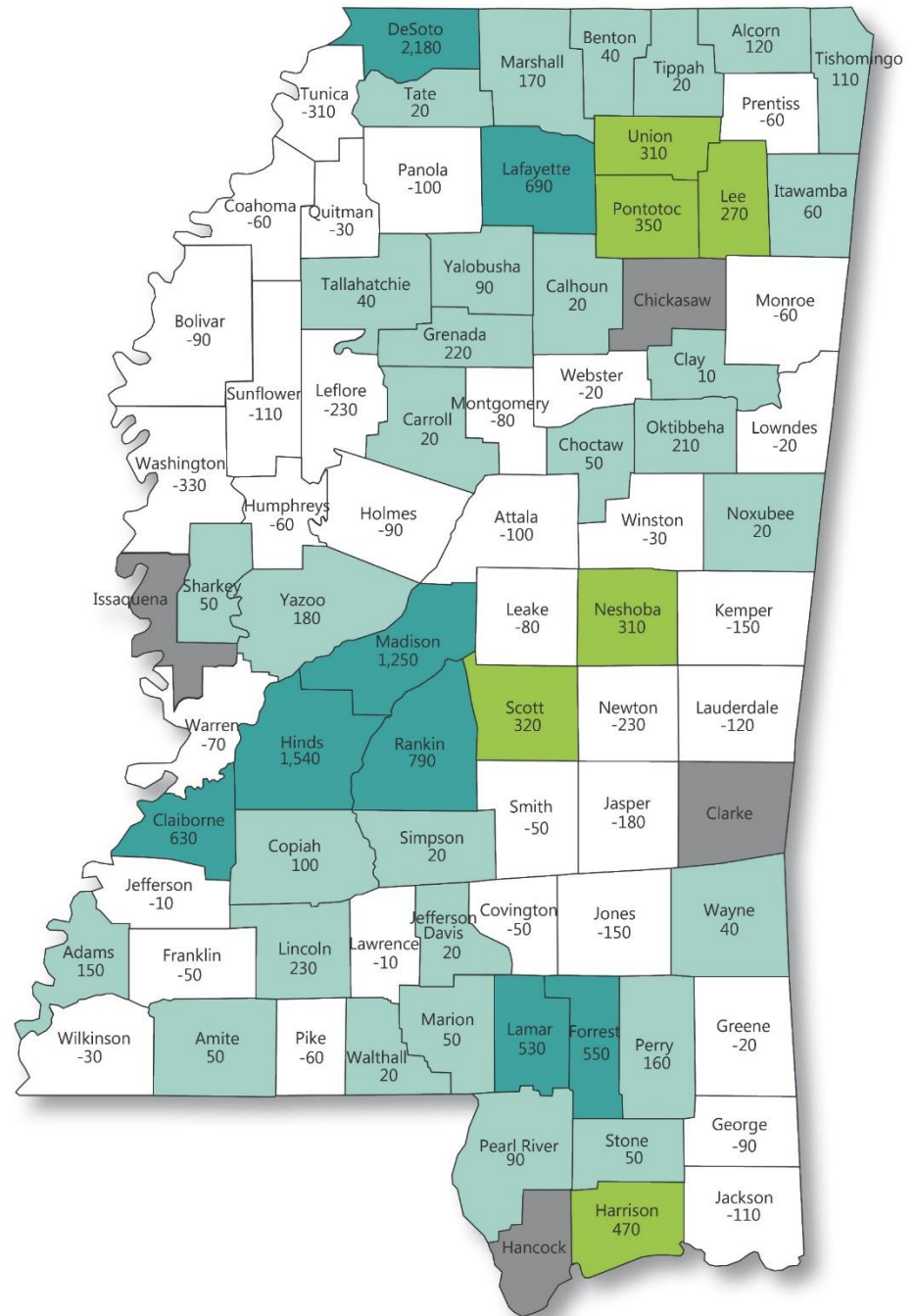
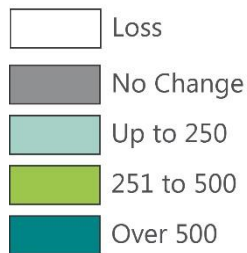
Source: MDES Annual Averages 2/7/19

Mississippi: 15,267

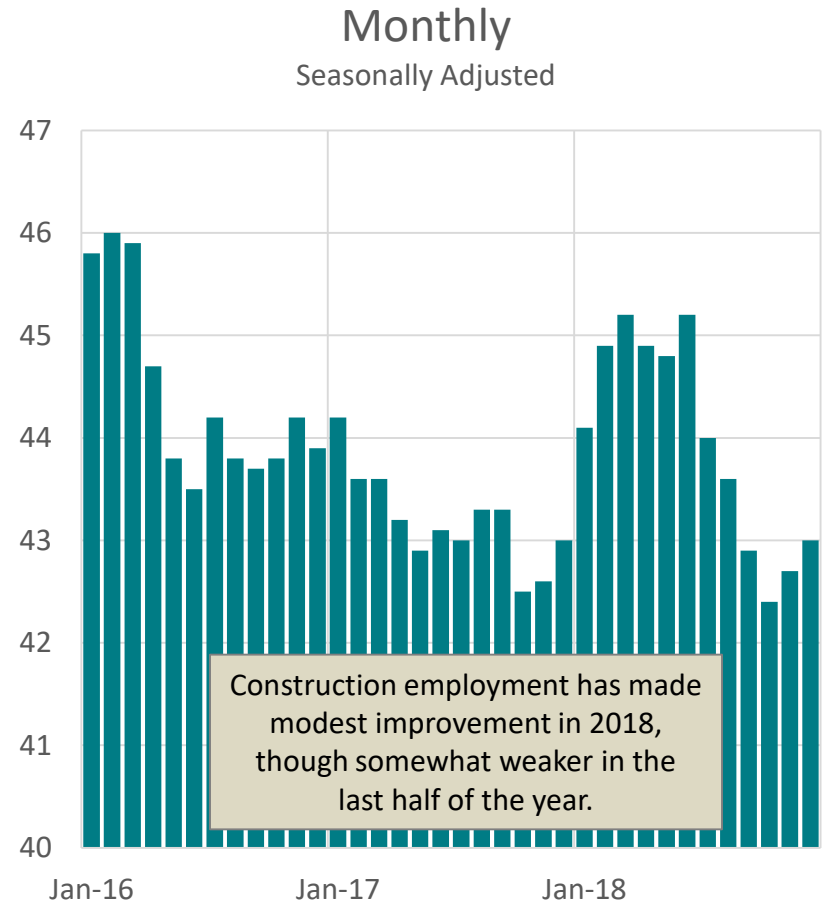
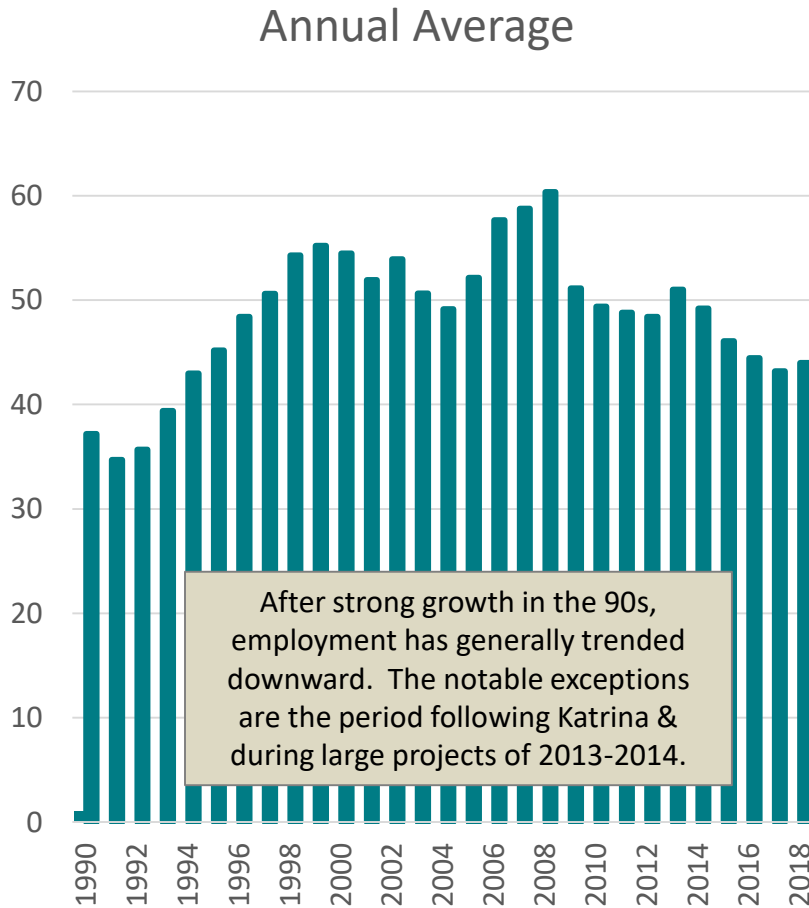
34 counties saw declines

4 counties had no change

44 counties saw gains



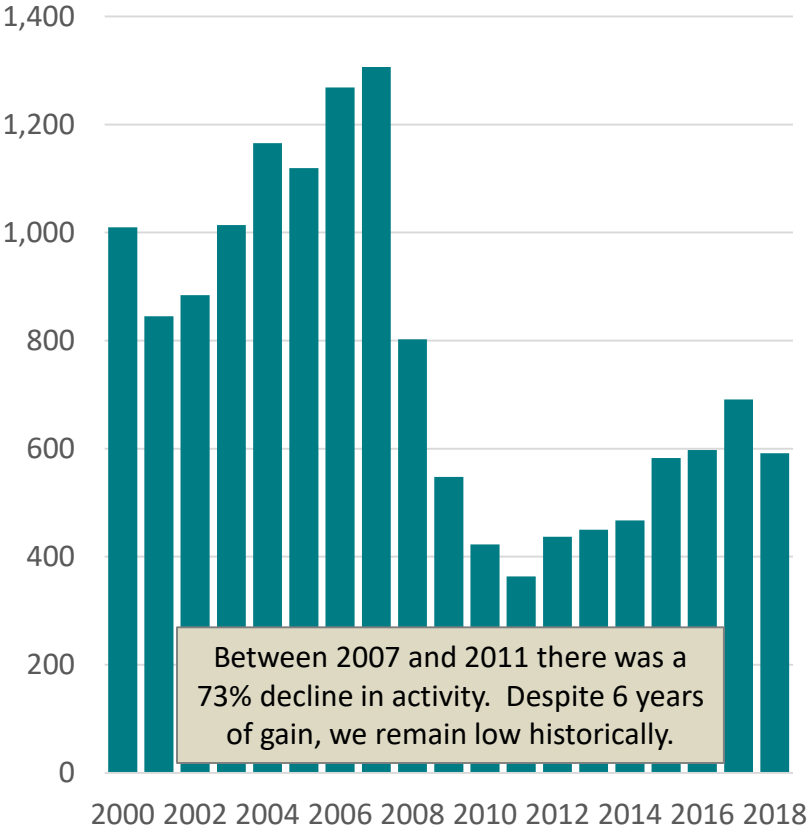
MS Construction Employment



MS Residential Building Permits

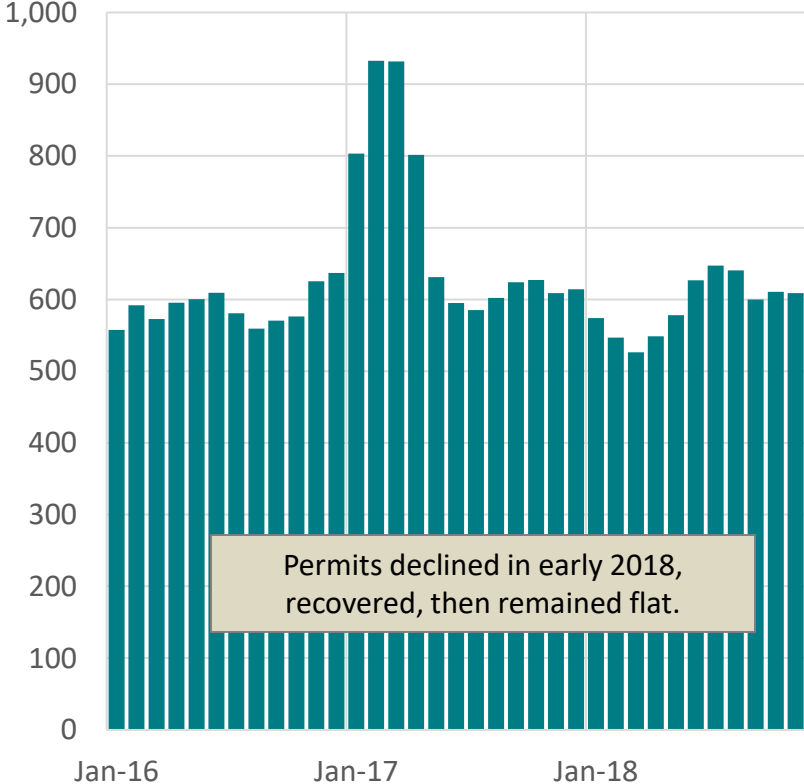
Number of Units

Annual



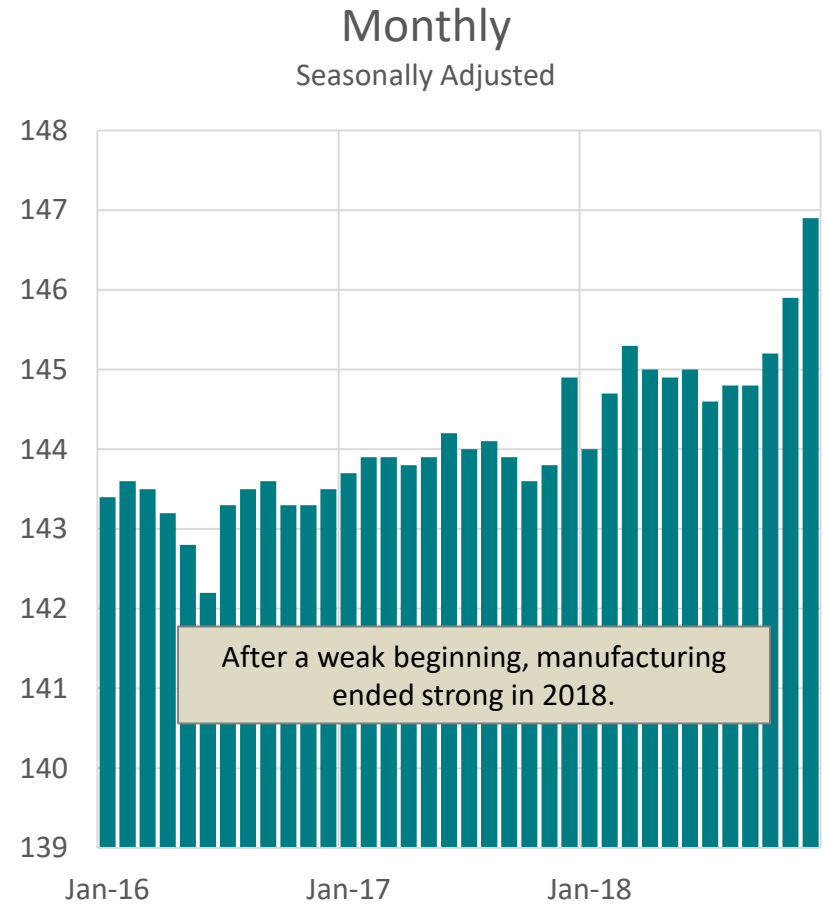
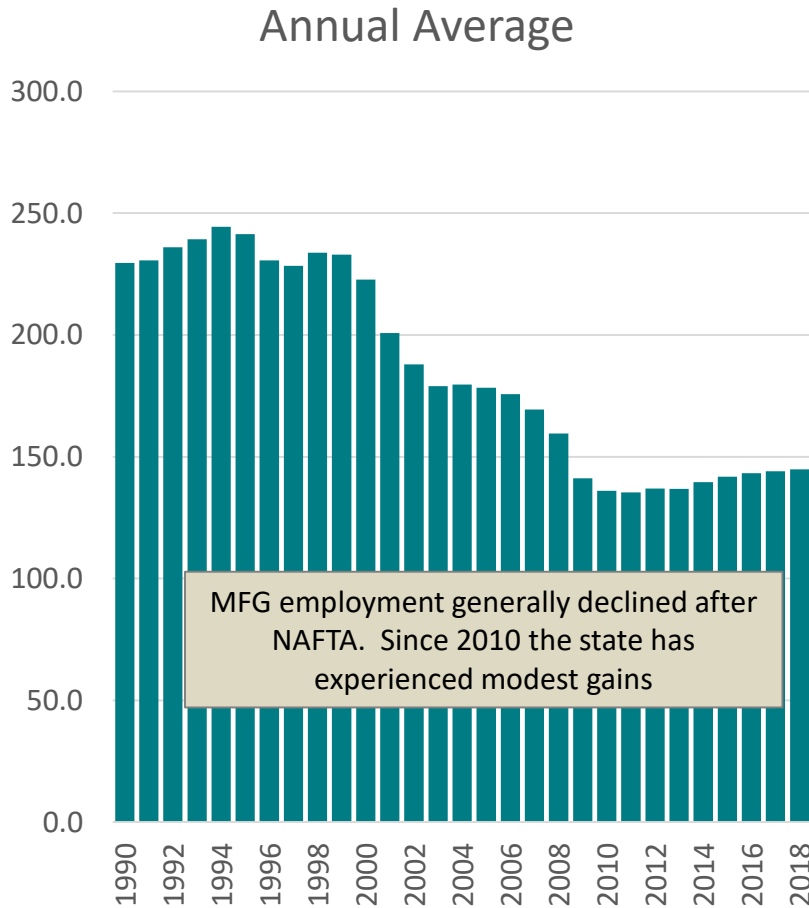
3-Month Moving Average

Seasonally adjusted



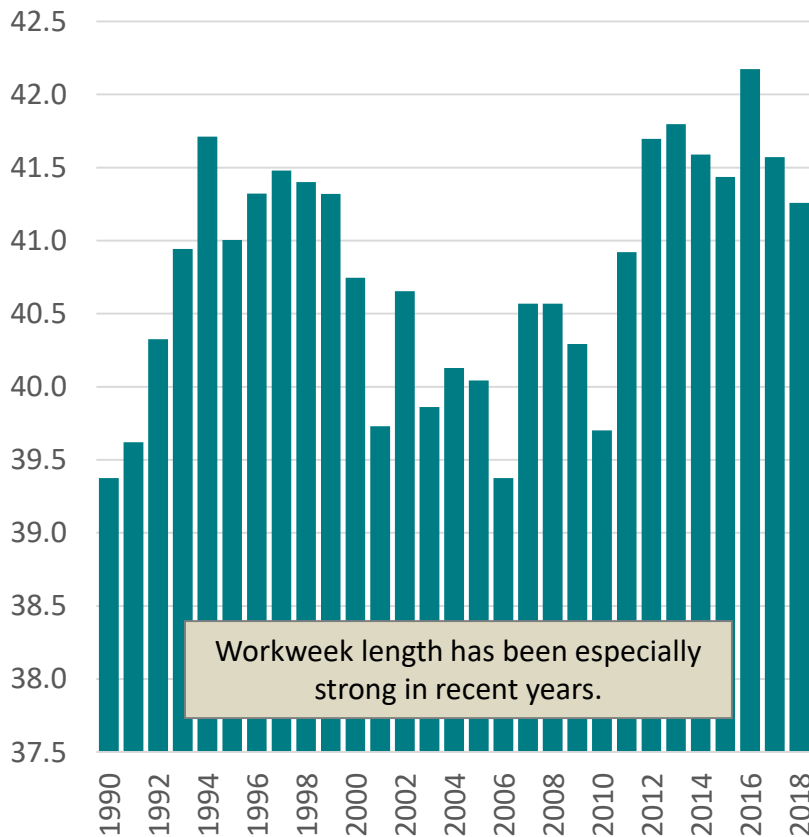
Graphs may understate building activity as permits are not required in the county.

MS Manufacturing Employment



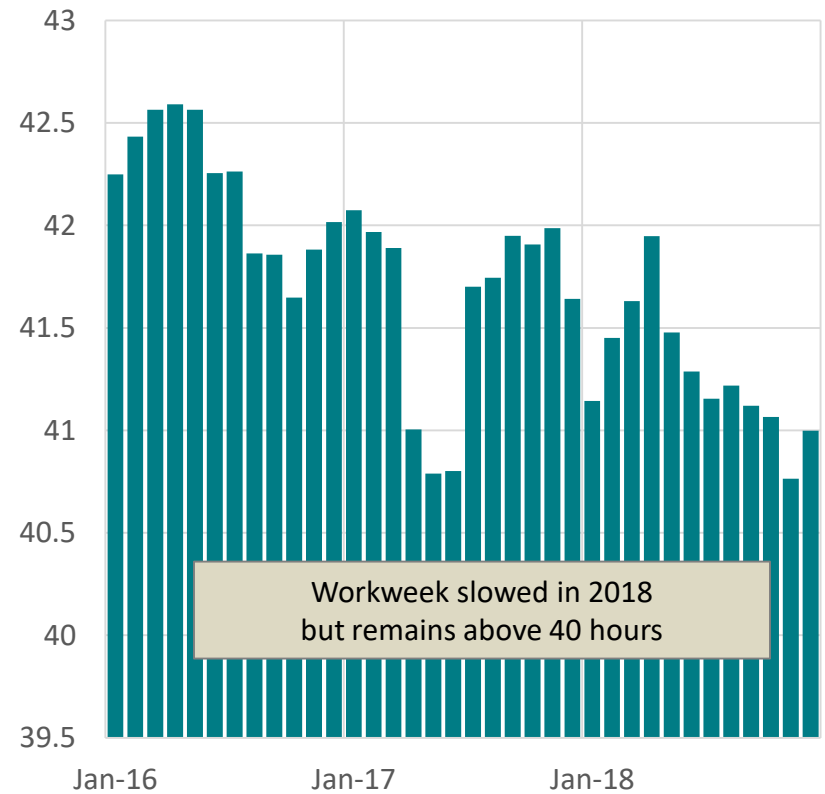
MS MFG Workweek Length

Annual Average



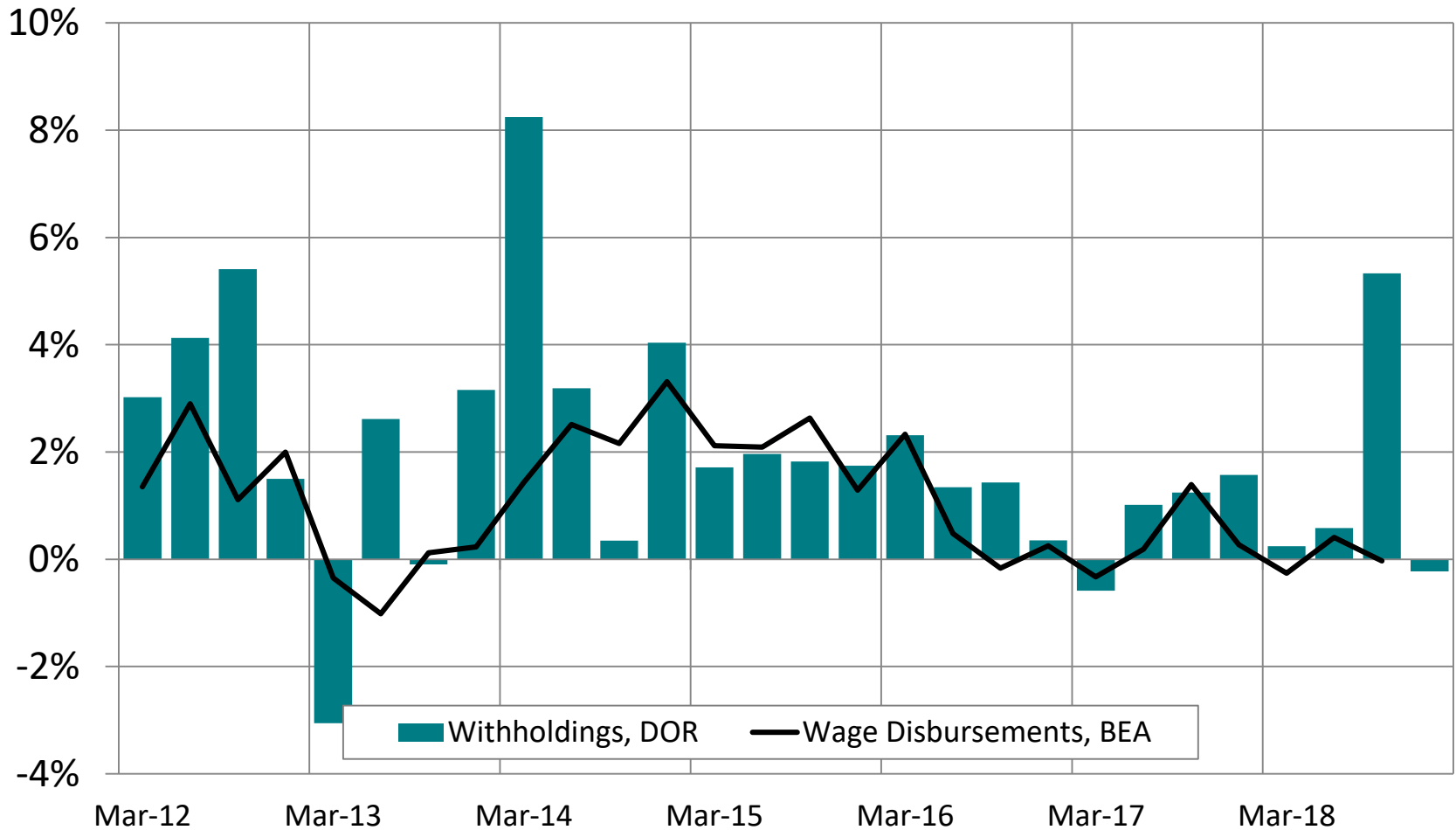
3-Month Moving Average

Seasonally Adjusted



Two Measures of Income Growth by Qtr

Y/Y Growth by Qtr, Adjusted for Inflation

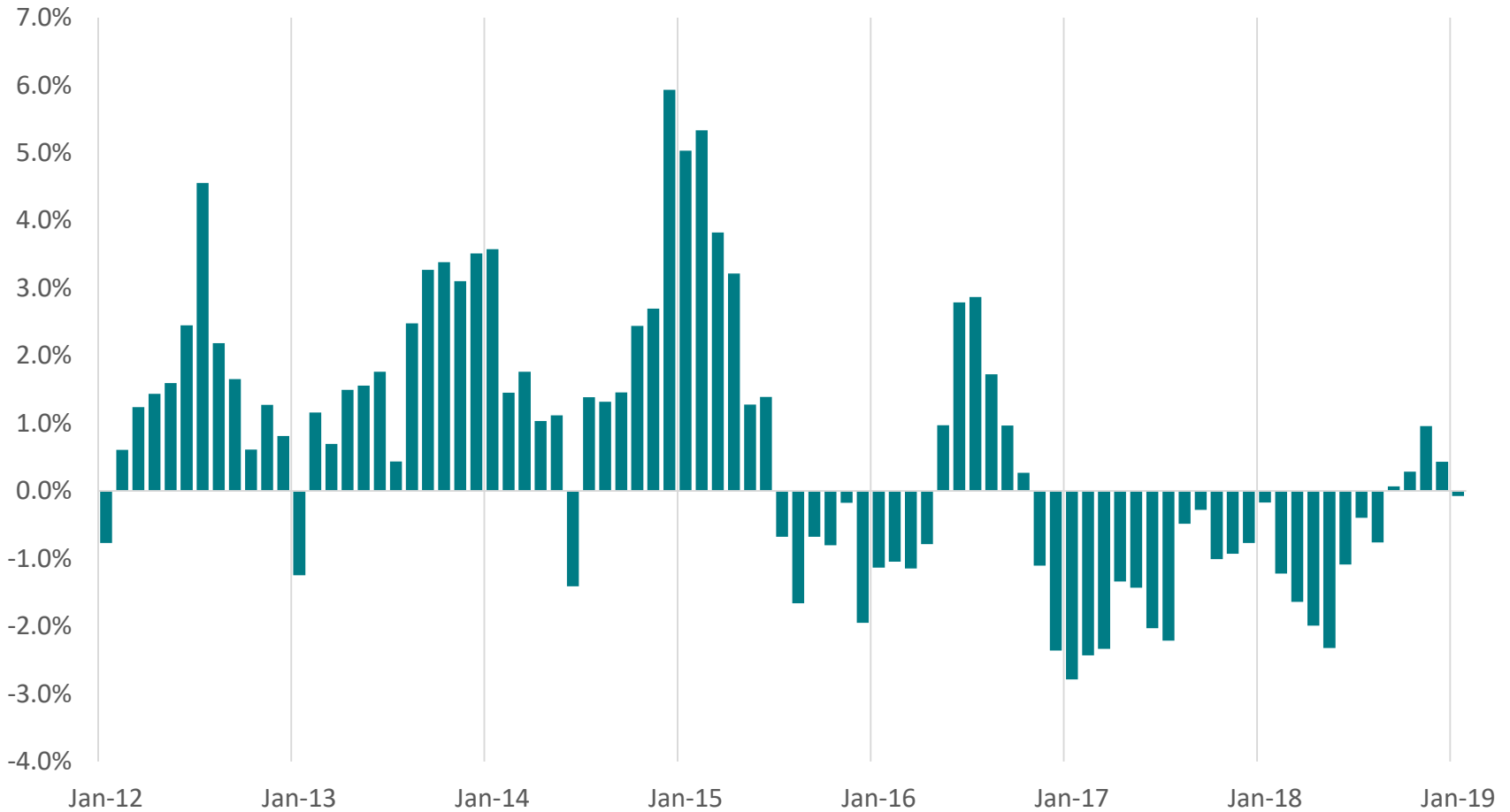


Real Median Household Income

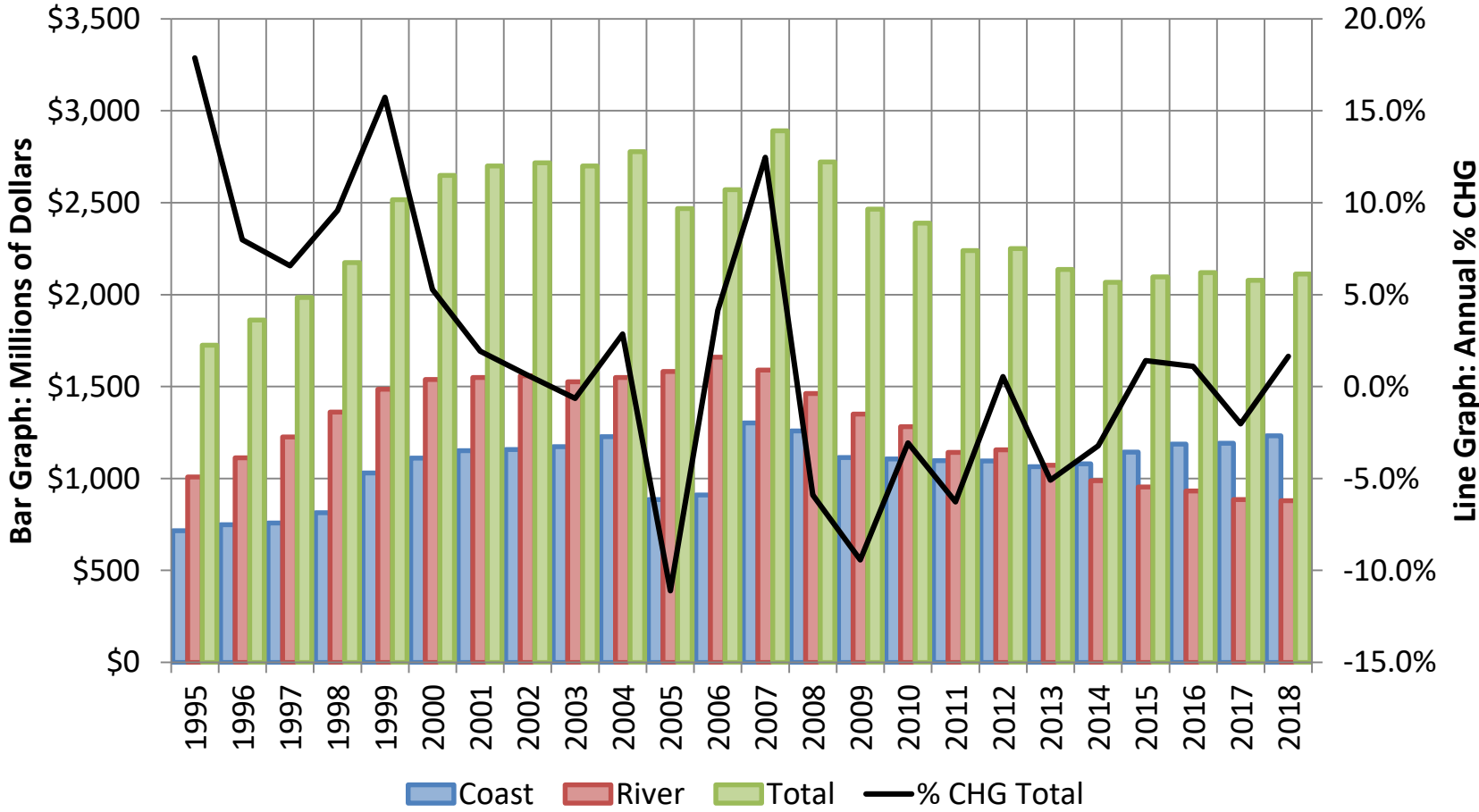


Real Sales Tax Transfers

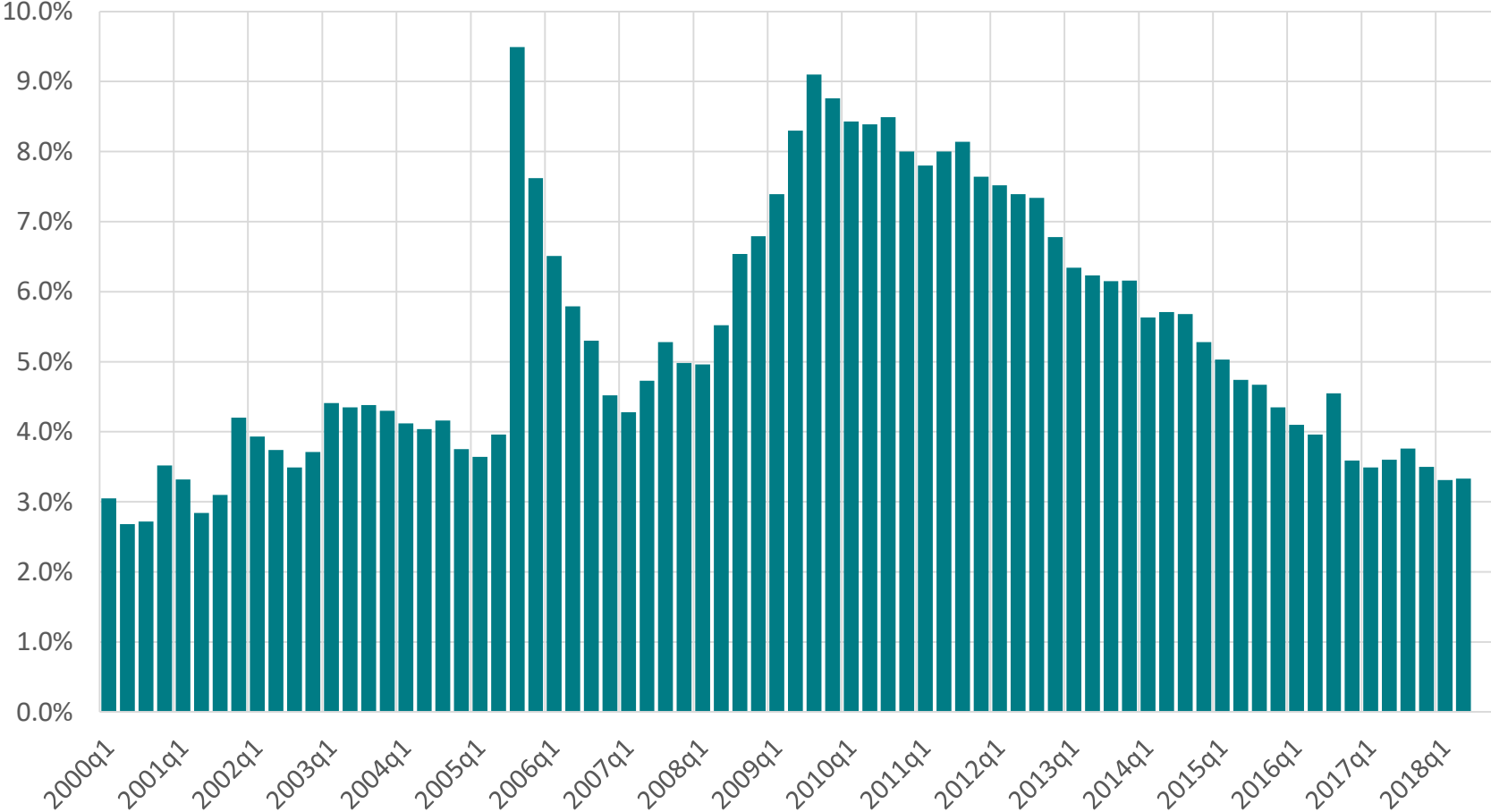
Y/Y Growth in 6 Month Moving Average



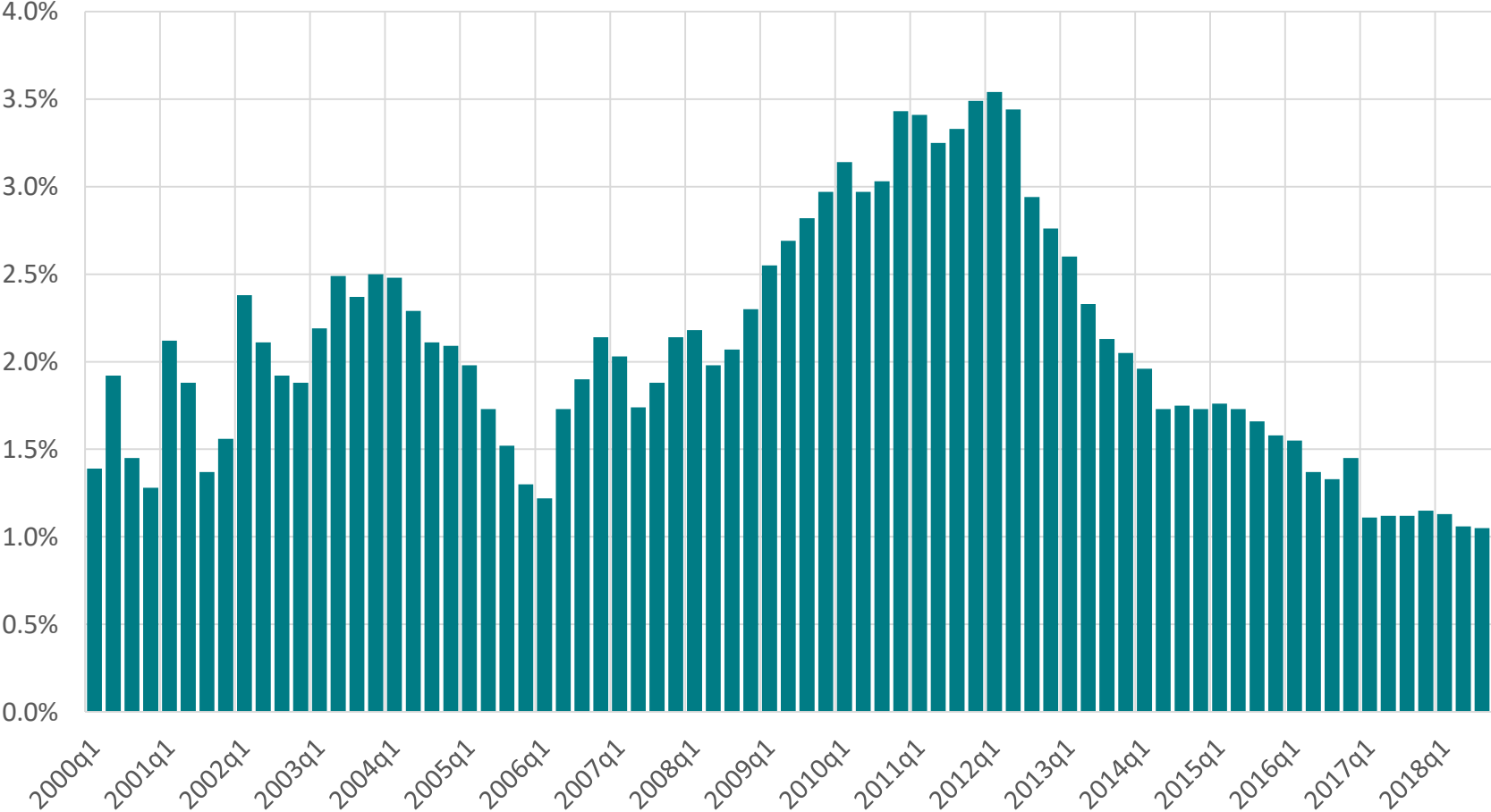
MS Gaming Revenue



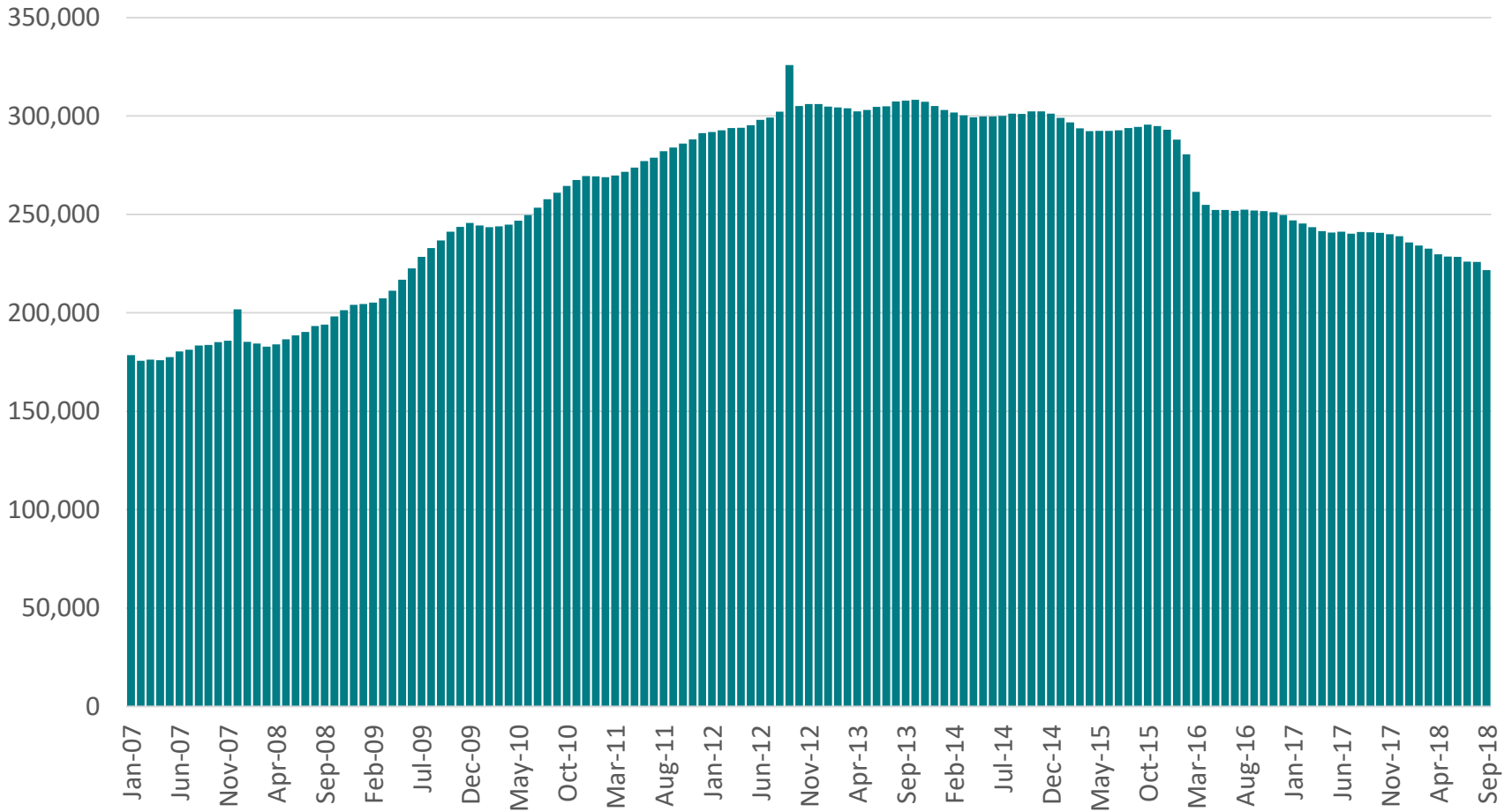
Seriously Delinquent Loans as a Share of All Mortgages in MS



Loans in Foreclosure as a Share of All Mortgages in MS



Number of MS Households Receiving SNAP Benefits

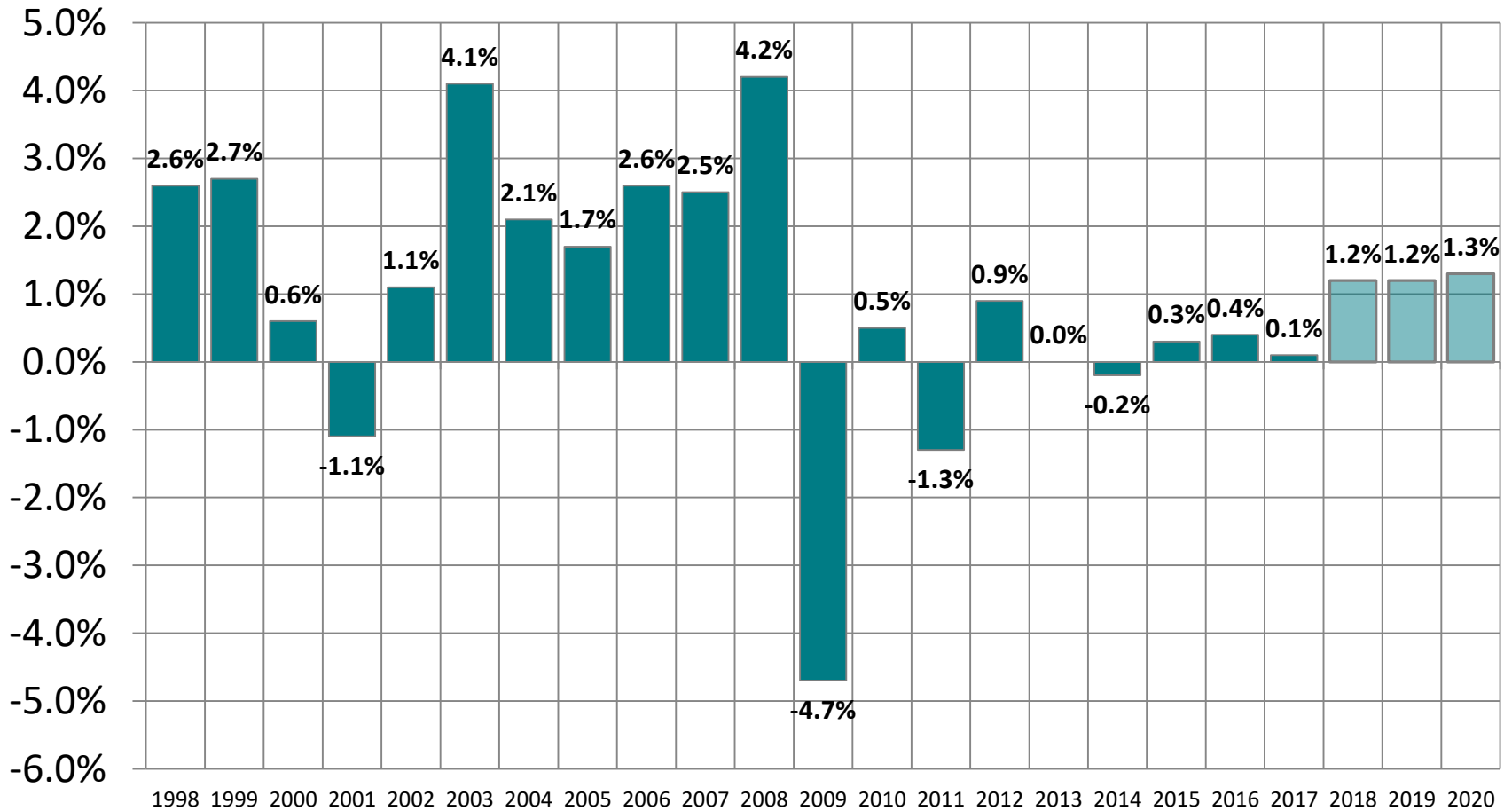


Highlights of MS Economy

- MS has generally underperformed US and SE especially since the recession
- Most data show 2018 improved over 2017
- Income growth remains modest
 - affecting sales and income tax collection
- Job growth in 2018 was relatively strong with most sectors seeing gains
- Unemployment & initial claims are at historical lows
- Measures of distress (late mortgage payments, foreclosures, & SNAP participation) are all improving

Growth In Real MS GDP

Historical and **University Research Center** Projections



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